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**ABSTRACT**

This article unpacks two infographic analyses to highlight two important themes regarding changes to the distribution systems and business models for the converging broadcast and telecommunications industry. First is that the recent revolution in production practices is now reverberating through the distribution system, as illustrated by a provisional mapping of a complex stakeholder ecosystem. Second is the clarity and consistency of the messages received from Canadians during CRTC consultations. In the Let's Talk TV consultations, consumer-citizen messages centered on the desirability of readily available online and on-demand content, particularly Canadian and local content. By showing various stakeholders and their points of intersection throughout the process, this article aims to make a complex business more comprehensible, or at least more accessible, to a broad audience.

**Keywords** Broadcasting policy; Telecommunications policy; Television/cable television; Broadband networks; Research methods

**RÉSUMÉ**

Cet article explore deux analyses infographiques afin de souligner deux thèmes importants relatifs à des changements aux réseaux de distribution et aux modèles d’entreprise pour les industries convergentes de la radiodiffusion et de la télécommunication. Le premier thème est que la révolution récente dans les pratiques de production est en train de se manifester dans le réseau de distribution, tel qu’illustré dans cet article par l’inventaire provisoire d’un écosystème complexe de parties prenantes. Le second thème est la clarté et la constance des messages reçus du public canadien lors des consultations du CRTC. Les messages de consommateur-citoyen se sont centrés sur la désirabilité de contenu accessible en ligne et sur demande, notamment du contenu canadien et local. En montrant divers intervenants et leurs points d’intersection tout au long du processus, cet article vise à rendre un complexe affaire plus compréhensible, ou au moins plus accessible, à une audience large.

**Keywords** Politique des communications de masse; Politique des télécommunications; Télévision/câblodistribution; Réseaux de bande large; Méthodes de recherche

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messages reçus de la part de Canadiens au cours des consultations du CRTC. En effet, pendant les consultations Parlons télé, les consommateurs/citoyens ont exprimé leur désir d'accéder facilement à du contenu en ligne et sur demande, particulièrement du contenu canadien et local. En présentant diverses parties prenantes et leurs points d'intersection tout au long du processus, cet article tient à rendre une situation complexe plus compréhensible, ou du moins plus accessible, pour le grand public.

Mots clés: Politique de radiodiffusion; Politique de télécommunications; Télévision/Télévision par câble; Réseaux à large bande; Méthodes de recherche

Introduction

Jean-Pierre Blais, former Canadian Radio-television Telecommunications Commission (CRTC) chair, posed an important question at the very beginning of the commission’s 2014 Let’s Talk TV (LTTV) hearing. In response to testimony that “technology has created a discontinuity in the business of television worldwide,” he asked: “why is this generation of advancement not similar to past turning points?” (CRTC 2014, line 139, emphasis added).1 Echoing previous national consultations that drew on feedback from industry and public-interest organizations (e.g., CRTC, 1995), the CRTC used social media, emails, and other communications technologies to ask the general public about its expectations concerning how television was delivered, before consulting with the usual industry players and third-party experts through traditional hearings in 2014. In this short article, two infographics are used to illustrate the complexity of the contemporary processes used by the CRTC. The first details six broad groups of stakeholders, and the second delineates more than 50 activities undertaken during the LTTV consultation. This provisional mapping of the then-current state of what has always been a fluid, complex, and interlocked set of stakeholder relations in broadcasting and telecommunications is, of course, open to interpretation, and others have organized the constituent parts differently in the past (e.g., see visualization tools for Canadian organizations and industry leaders listed in the Global Media Policy database developed by Raboy & Bonin, n.d.; see also Raboy & Padovani, 2010). The mapping and timeline are offered as a useful frame of reference to guide the assessments of the essential, multifaceted processes captured under the LTTV umbrella of activities between 2013 and 2015.

As Blais’ remarks made clear during the LTTV consultation, he wanted to understand how the move to internet-enabled delivery differed from fairly recent transitions to home video, direct-to-home satellite, time shifting, and digital upgrades to the cable system. He seemed to suggest that these earlier shifts added new modes of receiving content but did not change the system as a whole. A subsequent CRTC call for input on what comprises basic telecommunications service in Canada, #TalkBroadband (CRTC 2015a), suggests that Blais’ direct question to the consumer-citizen, industry, and interested third parties continues to be important in considering whether and how the evolution of the television industry might also require the evolution of telecommunications services to facilitate internet-enabled delivery. To advance the commission’s mission of ensuring that Canadians “as citizens, creators and consumers—have access to a world-class communication system that promotes innovation and enriches their lives” (CRTC, 2016a, para. 2), Blais challenged all those involved
in media production and consumption (not just the usual professional groups) to help rethink the entire framework of delivery, programming, and business models through the LTTV consultation.

The processes initiated with the LTTV are of crucial importance to the industry and citizen-consumers alike. This article cannot analyze all of the details of the LTTV consultations (another work by Mary Elizabeth Luka and Catherine Middleton, 2017, unpacks the input provided by Canadians during those consultations). But the infographic analyses presented here highlight two important themes regarding changes to the industry and to the ways that Canadians want to access its products. First is that the recent revolution in production practices is now reverberating through the distribution system, as is evident in the mapping of the stakeholder ecosystem (see Figure 1, see also online version for mapping). The increasing separation of content and carriage is a major factor in the ongoing mapping of this ecosystem. Second is the clarity and consistency of the messages received from Canadians during CRTC consultations. In the LTTV consultation, consumer-citizen messages centred on the desirability of readily available online on-demand content. There was a deep interest in Canadian and local content and in sustaining a healthy public broadcasting and local programming system. And there was interest in accessing quality content for reasonable costs via multiple delivery systems (Luka & Middleton, 2017). Various stakeholders made this clear during the many opportunities they had to offer input to the CRTC during LTTV, as illustrated in the infographic timeline (see Figure 2, see also online version for colour key). The timeline indicates not only how many groups of stakeholders engaged with each other and the CRTC during the LTTV consultation but also the interesting intersections and tensions that developed among various stakeholder groups during the consultation.

Figure 1: Stakeholder mapping for the CRTC’s LTTV: A conversation with Canadians
The impact of online television-watching trends

To analyze the impact of ongoing technological and business-model changes in the television distribution system, it was pragmatic to separate stakeholder groups by function. Figure 1 identifies six core groups of individuals and organizations operating in the broadcasting and telecommunications ecosystem.

First are the overall federal legislative and oversight bodies, including the Department of Canadian Heritage. Several pieces of federal legislation, including the Broadcasting Act (1991), Telecommunications Act (1993), Canada Council for the Arts Act (1985), and others, guide their work. As a federal regulatory body, the CRTC belongs to Group One. Group Two is an ever-changing set of provincial, territorial, and federal funding bodies, tools, and agencies. Group Three comprises the organizations that make production possible, including more than 500 production companies, national umbrella associations of producers and related organizations, provincial voluntary umbrella associations, and unions, as well as other professional associations (music, directors, cinematographers, etc.) Recent co-creation and “narrowcasting” strategies (e.g., Strange, 2011) have increasingly taken hold in the television market, blurring the boundaries between the organizations in this group, and also in Group Six. Group Four includes distributors, such as broadcasters, over-the-top service providers, such as Netflix, and internet service providers that enable access to distributors’ services. Group Five comprises interested third parties, such as academic experts and researchers, business analysts, and public interest groups. Group Six comprises audiences, which are marketplace consumers as well as citizens, and more recently, sometimes co-creators and distributors of media (e.g., through Facebook, YouTube, etc.).

During the LTTV, the CRTC focused on distribution practices (usually enabled by Group Four), explicitly seeking input from audiences (Group Six) about how content is “carried.” The transition from over-the-air distribution to multi-platform access includes a critical development in the distribution ecosystem: the accelerating separation of content and carriage. In this context, the market-oriented regulatory perspective established at the CRTC by legislative mandate (Government of Canada, 1985) and ex-
plicit ministerial direction (Winseck, 2014) suggests that it is useful to assess the impact of such a separation.

When the primary delivery system was over-the-air television, people bought television sets, plugged them into the electricity utility, turned them on, pointed the antenna, and watched programming. In Canada, as elsewhere, program content was produced by national broadcasters, such as the Canadian Broadcasting Corporation (the public broadcaster), or was commissioned by private broadcasters, such as CTV, Global, Shaw, or others in Groups Three or Four (see Figure 1), all with the financial help of various funding mechanisms enumerated in Group Two. But unlike today, programming was only available from broadcasters. Media content was pushed out to viewers according to the broadcasters’ schedules, and only on television sets installed in viewers’ homes. Even when over-the-air television gave way to subscription-based services, media content and delivery (or carriage) stayed tightly integrated. People subscribed to cable or satellite networks to access TV programming, not for anything else.

In contrast, viewing television online today requires, at a minimum, an internet connection and some sort of receiving device (e.g., a computer, tablet). For those who wish to record programs or watch them on-demand, make programming available to multiple devices, or take advantage of functionality only available through online services (e.g., access new programming sources such as Netflix), additional technology and know-how are needed. Viewers have to proactively “pull” programming to their devices, rather than passively receive whatever broadcasters offer. Today, a basic setup for online viewing might include a “smart” TV (with built-in internet connectivity), a set-top box (something along the lines of an Apple TV, a Roku, or a game console), or another device such as a Chromecast to get online content onto a television set. It could also include an in-home Wi-Fi network to make the content accessible to multiple users on multiple devices (mobile phones, tablets, laptops, televisions) and some sort of storage device (e.g., a hard drive) to keep downloaded and recorded programs.

Many Canadians are embracing online television distribution. For example, “Netflix subscription rates among the 18–34 years old age group rose from 29 percent in 2013 to 58 percent in 2014 among Anglophones, and from 7 percent to 24 percent during the same period for Francophones” (CRTC, 2015b, para. 4). Furthermore, “Internet TV viewing continued to increase in 2015. Weekly users of 18 years of age and older watched 5.8 hours of Internet TV on a weekly basis, compared to 1.5 hours in 2008” (CRTC, 2016b, Section iii). While growing in popularity, online television comes with added expenses for setup and internet access, and it requires much more technical literacy than watching “cable” or over-the-air television or using a VCR.

An important result of these developments is that the task of distributing television is shifting from the control of broadcasters (Group Four), to a model in which the audience (Group Six) has increased agency over how it chooses to receive television programming. Additionally, within Group Four, although over-the-air distribution still serves a small group of television viewers, the primary physical business of television distribution is moving away from the cable and satellite distribution networks of the broadcast distribution undertakings (BDUs) and onto internet networks. Interestingly, given the vertical integration of Canadian broadcasters and internet service providers,
in many instances this means that the consumer is still dealing with the same provider but with additional complexity. It is not just that a specific wireless or wired provider has to be chosen (in Canada—Bell, Vidéotron, Telus, or Rogers, for example). There is also a decision as to whether viewers opt primarily for Android or Apple systems and accounts (which are needed to activate smartphones, tablets, and viewing devices such as a Chromecast or Apple TV). On top of this, a choice of specific content-delivery options must be negotiated, such as television packages (similar to cable “bundles”) and add-ons, including some of the over-the-top services mentioned above. In addition to purchasing a device and plugging it in, multiple additional layers of cost and service comparisons, negotiations, technology connections, and content-management decisions have been added.

Despite the emerging popularity of online television, over the past decade traditional broadcasting audience numbers and advertising revenue in North America have held steady or declined only slightly (CRTC, 2015b). Online television both operates outside the traditional broadcasting production and distribution environment and draws down on its legacy of tens of thousands of hours of licensable television content. In other words, the online environment still relies on the success of traditional production-funding models to be financially viable, especially in terms of the distribution of significant amounts of content. With cable or satellite television in the home, the market segmentation approach has shifted to both a greater emphasis on appointment viewing, particularly for sports (Kissell, 2016), and competition-based reality programs such as The Amazing Race Canada or MasterChef (Media in Canada, 2015), but also to the availability of substantial amounts of content on-demand from the same providers as viewers’ existing cable or satellite services (CRTC, 2015b), including more drama series on offer than ever before (Van der Werff, 2015). This is reflected in the growth of companies and organizations included in Group Three and Group Four in Figure 1.

As the appetite for on-demand video and audio consumption increases and options about how to consume it continue to grow (see stakeholder Group Four in Figure 1), so do audiences’ (Group Six) expectations to have more control over when they watch or listen to programming. Today, if people are not choosing to access broadcasting online, they are increasingly using the set-top box from their cable provider for on-demand or instant replay (CRTC, 2015b). Between binge-watching multiple episodes from content providers that allow viewers to “cut the cable TV cord,” such as Netflix, Hulu, Amazon Prime, and Apple’s iTunes (Group Four), through to endless viewing spirals encouraged by the proliferation of YouTube channels, Flickr, and Vimeo curations and aggregations, today’s consumers have the opportunity to source more content than they can ever watch in their lifetimes (Satell, 2015; The Verge, 2015). A vast majority of the content consumed in this way is repeat content (with a few original productions thrown in to attract viewers), and therefore costs relatively little for the narrowcasters to deliver.

It is evident, however, from industry feedback provided to the CRTC during the LTTV and from the industry data published in the annual “Communications Monitoring Reports” (CRTC, 2015b) that it is becoming increasingly difficult to pay for either the existing or anticipated production or distribution infrastructure via the
legacy system of consumer subscription and government subsidies to public production funds and broadcasters. This was brought into stark relief in Nova Scotia in the spring of 2015. Protests followed cuts to the Nova Scotia production tax credit in the spring of 2015, primarily by some members of Group Three (producers and creative workers), and who requested some members of Group Two (government funders) renegotiate the unilaterally changed production model (Canadian Press, 2015). The Nova Scotia government’s decision followed that of other provincial governments in Group Two to turn away from the transnational model of production, confident that members of the voting citizen-consumers represented by Group Six (audiences) would not object. In turn, this trend makes it challenging to secure enough funding to produce original programming to meet growing demand: a pressure on both Group Three (producers) and Group Four (distributors, including broadcasters), in their relationships with Group Two (funders) and Group Six (audiences).

A collision of interests
At the same time, as it becomes more difficult to fund original programming, research into the LTTV consultations shows that people now expect a great deal of Canadian and local content to be available on the internet for free, or, at least, to be less expensive than via satellite or cable packages, or even over-the-air television. Figure 2 illustrates the CRTC’s first sets of decisions (e.g., CRTC, 2015c).

The convergence of service-provision business systems with changing distribution channels and content-generation strategies outlined above becomes highly visible in the overlapping feedback activity tracked as part of the LTTV consultation illustrated in Figure 2. During the LTTV consultations, contradictory interests and tensions can be seen at three significant points of synchronous feedback from industry representatives (Groups Two, Three, and Four), interested third parties (Group Five), and citizen-consumers (Group Six). The most active periods (see Figure 2) include the flash conferences from October 2013–January 2014 (39 documents were submitted after 28 sessions); the submission of 2,550 interventions in the form of emails, position papers, and industry information from June to September 2014; and the September 2014 hearings.

The LTTV decisions address the interest expressed by Canadians for less expensive television and Canadians’ frustrations with the current packaging of channels available under the legacy BDUs system (e.g., CRTC, 2015c). This analysis indicates that LTTV participants were also clear that their explicit desire for Canadian content includes concerns about the financial health of the public broadcaster as well as the decreasing representation of Canadian culture and identity on television (including online), particularly from a local perspective (Luka & Middleton, 2017). At the same time, as more global content becomes available online and on mobile devices, the funding of relatively “evergreen” (or non-time-specific) documentary and arts programming by legacy broadcasters has been jettisoned in favour of a seemingly endless slate of format-based reality programming, with each franchise being “reskinned” to suit the cultural nuances of the target audience (e.g. The Amazing Race Canada). Initially, some evergreen content moved online. In fact, in Canada (as elsewhere) there was about a decade of funding available to production companies and cultural institutions to generate born-digital content for just this purpose (see, for example, Culture.ca, 2003–2008).
Moreover, the excitement about co-creation aspirations through “produsage” (a contraction of “producer” and “user,” [Bruns, 2008]), and sharing content across production and distribution systems and platforms of all kinds (Jenkins, Ford, & Green, 2013), from the first fifteen years of video distribution online, has fizzled out in the face of the accelerating fragmentation of audiences through time-shifting and recording technologies. The ability to stream or download video clips from the World Wide Web, dating from about the mid-1990s, mirrored or complemented the existing television programming structure (Luka, 2014), but has not contributed to significant growth in Canadian content (CRTC, 2015b).

The CRTC’s (2015b, 2016b) Communications Monitoring Reports track three different, and often overlapping, ways of delivering content, each of which includes some proportion of Canadian content. The first includes “traditional” formats, such as cinema attendance, DVD (and formerly VHS and Beta) rentals, and over-the-air television. Of these, the CRTC only regulates television. The second is comprised of paid services that originally came through subscriptions into the home, including BDUs (cable and satellite television), and, more recently, the internet, with some BDUs offering their services using internet protocol television. The CRTC regulates most (but not all) aspects of these different forms of distribution delivery. The third set of services is the newer ground of the last decade. It includes many different types of mechanisms for accessing content, almost all of which are available in digital form rather than through physical copies. Content distributors include Netflix, iTunes, Amazon Prime, YouTube, Vimeo, and dozens of others (see Group Four in Figure 1). It also includes legacy producer/distributors, such as the National Film Board and several Canadian broadcasters. There are still DVD-like program sales, but not in the formats of the past; today, the choice is to license or stream something on demand, online. The combination of content and distribution shifts elucidated during the LTTV raises several questions about the viability of an integrated global, local, and national broadcast business model, including who pays for content development and production and how national broadcasting is supported. As explicated above, in the lengthy transition from analogue to digital, viewers find themselves operating within an ecosystem that they must manage themselves as well as having to learn new skills. It bears repeating here that there are so many possible configurations that making choices about which technology to acquire, and selecting what kinds of content will come through that technology, is far from easy.

The ongoing challenge

Almost 18 months after the hearings, decisions were still being rendered, indicating the complexity of these intersecting interests. All six stakeholder groups work in parallel (though not necessarily together) within an increasingly complex system to generate solutions that can work for all of the groups, articulated by tradition, lucrative legacy, emerging business models, and the public good. The ability of the CRTC to unpack the requirements that each group insists upon, or does not understand or desire, will be severely tested not only in the rollout of the final decisions related to LTTV but also in forthcoming decisions about community television, basic telecommunications and broadband services, and other concerns for which it holds responsibility. Much rests on the CRTC’s ability to navigate all of the interests at play.
This article argues for the value in trying to understand viewpoints at an aggregate rather than individual level. Mapping out the stakeholder groups by function and parsing the iterative consultative process used by the CRTC, provides a helpful guide to understand the flow of the consultation itself, as well as the complexity of today's broadcasting and telecommunications business models and services. By showing various stakeholders and their points of intersection throughout the process, the aim is to make a complex business comprehensible, or at least more accessible, to a broad audience. Granted, other people might choose to group the stakeholders differently and much more interpretation is required. Only a few examples are used here to illustrate the value in combining analyses offered by a multi-level stakeholder map and timeline. This approach shows a shift in agency to Group Six, and the change in physical distribution methods in Group Four (but not a change in corporate ownership, given vertical integration). It also highlights the isolation of production organizations (Group Three), and the funding models they have historically depended upon, as these groups are not understood to be part of either Group Four or Six. Finally, the mapping illustrates the challenge in front of the CRTC to “herd all the cats,” i.e., to attempt to understand multiple views and respond in ways that respect various stakeholder contributions and expectations, all while attempting to deliver on its mission of ensuring a world-class communications system.

Notes
1. Oddly, there seems to have been an error in the transcription, as it was originally transcribed as “training points” rather than “turning points,” although the context clearly establishes the latter meaning.
2. Future analyses of the broadcasting ecosystem will require breaking down Groups Three and Four still further, as these groups include stakeholders whose goals are not always perfectly aligned.

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