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Television Production in Transition

Independence, Scale, Sustainability and the Digital Challenge

Gillian Doyle · Richard Paterson
Kenny Barr

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Preface

This book is based on findings from a research project entitled Television Production in *Transition: Independence Scale and Sustainability* which was led by Professor Gillian Doyle (Principal Investigator) and conducted by her and a team comprising Co-Investigator Richard Paterson, former Head of Research and Scholarship at the British Film Institute, and Research Associates Dr. Kenny Barr and Dr. Michael O'Neill, all based at the Centre for Cultural Policy Research at the University of Glasgow. We gratefully acknowledge the support of the Economic & Social Research Council (Reference ES/N015258/1). The broad objectives of our study, which ran from April 2017 until October 2020, were to investigate the implications of recent restructurings in ownership that have swept across the UK and international television production industry.

Recent transformations in ownership of television production, characterised by increasing consolidation, have raised concerns about the ability of 'independent' production to survive and flourish in an increasingly globalised and competitive environment for television. Our project investigated the relationship between independence, scale and economic sustainability in the UK television production sector. In addition, we conducted extensive empirical research into the effects of recent changes in ownership on creative decision-making and content. We also analysed the implications of our findings for public policy.

Our study centred on the experience of a carefully selected sample of UK-based television production companies as case studies. While our focus was mainly on ownership and on understanding how the economic performance and content of production companies is affected by differing sorts of corporate ownership configuration, it should be acknowledged that factors other than ownership can and do shape how production companies fare and what content they make. The scope of our research, while confined in terms of focus, geography and time, has enabled us to create a unique and ground-breaking analysis of transformations that are widely affecting the television production industry worldwide. Even so, as the television landscape evolves and as globalised platforms continue to gain economic power, there is no shortage of opportunities for further research on questions around how content is affected by the industrial change, how television production companies can adjust successfully to advancing technology and how public policy can help ensure that independent production continues to thrive.

In our analysis we drew on two original quantitative databases created for the project. One of these examines the business performance of our sample group over an eleven year period from 2007–2017 and is based on data drawn from analysis of company report and accounts and other secondary sources of financial data, including the indispensable survey of the production sector commissioned by PACT annually and produced by leading media consultancy Oliver & Ohlbaum Associates (Oliver & Ohlbaum, 2019). The second database analyses the sort of content produced by the sample group and is based on categorising, coding and rating their content outputs (according to such measures as distribution reach, ratings and awards received) over the same 2007–2017 study period.

Our investigation also involved extensive fieldwork including some 50 interviews with corporate financiers specialising in takeovers in the television industry, key policy-makers and with senior executives at production companies and at their parent companies. Interviewees at selected production companies included Chief Executive Officers and heads of legal and business affairs with responsibility for business strategy, senior distribution executives and Chief Creative Officers with responsibility for overseeing content production. Our interviews (with only a couple of exceptions, which were conducted by telephone) were generally all audio-recorded face-to-face. All were professionally transcribed with full confidentiality observed where requested. We have given the dates and the locations on which these interviews took place. We have in all cases respected the wishes of contributors and, in instances where we have been unable to

directly cite our sources, they have nonetheless very valuably informed our study.

We thank Research Associate Dr. Michael O' Neill who participated throughout the research project. In particular, we are grateful for Michael's work in coding, categorisation and measurement of programming outputs for our sample group of companies—his care and efficiency was invaluable in completion of the content database.

We are very grateful to interviewees, including the following, who kindly consented to participate in our research: Sir Peter Bazalgette at ITV, Zai Bennett at Sky Television, Ross Biggam at Discovery, Roberto Suarez Candel of the European Broadcasting Union, Nick Catliff at Lion Television, Susan Cooke at Media Wizards, Ed Coulthard at Blast! Films, Simon Cox at Endemol Shine International, Andrew Critchley at Red Productions, Tim Davie at BBC Studios, Thomas Dey at About Corporate Finance, Bruce Dixon at Pulse Films, Sachin Dosani at Wonderhood Studios, Matt Elek at Vice, David Frank at Dial Square, Jane Featherstone at Sister Pictures, Wayne Garvie at Sony Pictures Television International, Charlie Goldberg at Left Bank Pictures, Anna Herold at GD CNECT of the European Commission, Tim Hincks at Expectation Entertainment; Jacquie Hughes at Ofcom, Alastair Jones at DCMS, Elena Lai of CEPI, Rose Lubega at DCMS, Kevin Lygo at ITV Studios, Debbie Manners at The Ingenious Group, Richard McKerrow at Love Productions, Stewart McKinnon at Headline Pictures, John McVay of PACT, Jane Millichip at Sky Vision, Jimmy Mulville at Hat Trick Productions, Mark Oliver at Oliver & Ohlbaum Associates, James Penny at Mammoth Screen, Jon Thoday at Avalon, Jane Turton at All3Media, Siobhan Walsh at Ofcom, Jes Wilkins at Firecracker, Beth Willis at The Forge; John Willis at Tinopolis, Doug Wood at Endemol Shine, Sue Vertue at Hartswood Films and Andrew Zein at Warner Brothers International Television.

We thank Andrea Esser, Professor of Media & Globalisationat Roehampton University, John McVay at PACT (the trade association for UK independent producers), Philip Schlesinger, Professor in Cultural Policy at the University of Glasgow, Dr. Simon Harden at University College London, Raymond Boyle, Professor of Communications at Glasgow and David Booth at media consultancy DBB12, who, over the course of the project, provided invaluable guidance and advice. Thanks also to commissioning editors Lucy Batrouney (Palgrave Global Media

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Glasgow, UK

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Richard Paterson
Dr. Kenny Barr

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CHAPTER 1

Introduction

> While creativity is thriving in the UK, many businesses struggle to make the step from executing successful projects to becoming fully-fledged, sustainable creative businesses… Despite its reputation for world-class content, the UK has very few creative businesses of an international scale (and not enough work has been done to understand why).
> Often, companies that achieve early success are acquired by a large international player, rather than building sustainable businesses in the UK. While we want the UK to continue to be an attractive country for inward investment, it is vital that those companies that want to grow organically have the means to do so.
>
> (Create UK, *Creative Industries Strategy* 2014: 6)

In the UK and beyond, television production is seen as a vital component of the creative industries and a sector whose performance has important cultural and economic ramifications. Of the £112bn that creative industries contributed to the UK economy in 2018, in excess of £20bn was accounted for by 'film, TV, video, radio and photography' (DCMS 2020). Sales of finished television programme and formats are a major and growing contributor to UK creative industries exports (DCMS 2015: 26). According to data commissioned regularly by the trade association for producers PACT, the value of UK television exports had reached £1.4bn in 2018/2019 (Pact/3Vision 2019). In addition to the sector's

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financial significance, the ways in which television is 'tied to local and national cultures' (Waisbord 2004) and the contributions to culture that a healthy indigenous television production sector can make are also widely recognised (Barker 1999; Hall 1992). However a recent restructuring in ownership of the television industry has raised concern about the ability of independent production companies to survive in an increasingly globalised and competitive environment for television. Many leading independent television production companies across the globe have become prime targets for corporate activity in recent years and many have been subject to takeover, often by large broadcasters and by US media groups. Does this matter?

This book, drawing on a major research project funded by the UK Economic and Social Research Council (ESRC),[1] investigates the relationship between independence, scale and economic sustainability in the television production sector and related implications for public policy. Focusing on the growing power of transnational media corporations in an increasingly globalised environment for distribution of television content, and on the effects of mergers and acquisitions involving local and independent television production companies, it examines how current and recent restructurings in ownership across the television industry reflect changing business models, how they affect creativity and diversity of television output, and to what extent they call for new approaches to regulation and policy. Based on a major study of the UK production sector as a case study, it offers a unique analysis of wider transformations in ownership affecting the television production industry worldwide and of their economic, socio-cultural and policy implications.

What Is Television Production?

The process of supplying television or video content to viewers can be broken down into a number of stages in what Michael Porter has referred to as the vertical value chain (Porter 1985). One of the key stages in the chain is production or making content. Television production companies develop ideas for programmes and make content which they then sell to service providers who, in turn, convey it to audiences. Service providers such as broadcasters and subscription video on demand (SVoD) services

[1] We gratefully acknowledge the support of the Economic & Social Research Council (Reference ES/N015258/1).

such as Netflix, as the gateway to viewers, occupy a very powerful position in the supply chain. But all stages in the vertical supply chain are interdependent (Doyle 2013)—content service providers cannot survive without programmes and content producers need outlets to sell their wares to. The interdependent nature of the relationship between different phases in the supply chain has important implications for the sorts of corporate ownership strategies that are pursued by television companies.

The history and characteristics of television production vary somewhat from one country to another and in many instances public policy has played a key role in shaping the development of the industry. In the UK for example, the impetus to establish and sustain a television sector that is independent (i.e. not cross-owned by broadcasters) can be traced back to the Annan Report of 1977 and it has been acted on through a series of policy interventions such as the setting up of Channel 4 as a 'publisher-broadcaster' in 1982 and, later, the imposition of compulsory access quotas for 'indies' on other public service broadcasters (Doyle and Paterson 2008). A particularly influential intervention came via the 2003 Communications Act which required UK regulator Ofcom to oversee new terms of trade in commissioning negotiations between public service broadcasters and independent producers which, in turn, enabled UK indies to retain a greater share of ownership in the intellectual property rights (IPRs) to their productions and greatly improved their business performance (ibid.). Other initiatives to encourage the development of independent production across the UK have included, for example, support for regional and minority programming and provision of tax incentives for high-end television productions and children's programmes.

Adjustments in UK public policy that enhanced the performance of production companies and boosted their sales revenues have also, in turn, marked out the UK's leading independent producers as attractive vehicles for takeover. A notable corollary to greater commercial success over recent years has been increased investment interest in the sector, often from international media and television groups (Chalaby 2010; Campelli 2015; Lee 2018). The trend towards consolidation and takeovers of television production companies has not been confined to the UK (Agnew 2017). But UK production companies have become especially attractive targets for US and other international media groups such as NBC Universal, Warner Brothers and Banijay Group who, since 2008, have bought up a significant number of programme-making companies (Barker 2020; Ofcom 2015: 13; Paterson 2017b).

It is not only international groups but also domestic UK broadcasters who have been acquiring programme-making companies. For example, advertising-supported network broadcaster ITV plc has bought up a number of large and small UK and US independent television producers since 2010. Likewise, subscriber-based broadcaster Sky Television has acquired or made equity investments in several television production businesses over recent years. A central concern in this book is to build an understanding of what has been driving major restructurings in ownership in the television industry in recent years. What are the implications of takeovers and consolidation of ownership in the production sector? What difference do takeovers make to the economics of production companies and to the nature of the content that they make?

The core activity that production companies perform is making programmes or other forms of television content. But, related to this, producers often engage in two other activities: pitching ideas for new programmes to 'commissioners' or buyers; and selling or exploiting secondary rights in the programmes that they have already made.

The marketplace for new or original television content in which production companies pitch their ideas to commissioners is generally competitive amongst producers and is ever-changing (Lourenço and Turner 2019). From its inception in the 1920s to the present day, the conduits and platforms through which audiences are able to enjoy television content have evolved continuously. Whereas in the past broadcasters supplying content to audiences via schedule-based television channels were very dominant, nowadays SVoD services such as Netflix and Amazon Prime offering on-demand content have become an increasingly important touchpoint for audiences. But commissions for original television content still take place in markets that are oligopsony in the sense that they are dominated by a relatively small number of buyers. Growth in digital delivery platforms and online services which, in turn, has facilitated transformation in consumption behaviours has radically reshaped the landscape of provision over recent years (Ofcom 2019). As one television production executive who is a former chair of the UK trade association Pact puts it:

> …we all thought twenty years ago that television would be dead by now and of course it's not. Because television as we know it still exists. It's still alive and well but it's sitting on different platforms.
>
> (Manners, Interview, London, November 2018)

Far from being in decline, overall consumption of television content is increasing (Lee 2018: 3; Ofcom 2019: 16). And, notwithstanding the need to adapt to a changing television landscape, television production companies still make their living from pitching, making and then licensing rights to television content. Consequently, having the talent and relationships needed to win commissions and, also, the skills and other resources needed to cost-effectively produce content that audiences find appealing are key to economic success in the production sector (Doyle 2018; North and Oliver 2010). Effective exploitation of intellectual property rights (IPRs) also plays a vital role in the business performance of television production companies (Doyle 2016; Doyle and Paterson 2008; Mediatique 2015; Oliver and Ohlbaum 2015). A key issue that this book sets out to examine is the extent to which, in the era of globalised television distribution, added to the above attributes and capabilities which determine the viability of production companies as enterprises, economic success also now hinges on having the right sort of corporate ownership arrangements.

Typology of Production Companies

One very notable feature of the television production sector is its heterogeneity. The origins and aspirations of production firms vary (Paterson 2017a) but by their nature all are creative and highly individual. Although often defined by the genre of content they make, such as drama producers or comedy producers or factual entertainment producers, companies that are medium or large often have mixed portfolios of output. Production companies vary enormously in scale with some employing hundreds of individuals (often including freelancers) and others just a handful or even one or two people. In the UK, for example, despite the presence of many large entities or so-called 'super-indies', the production sector is also heavily populated by an abundance of very small companies (Mediatique 2015; Oliver and Ohlbaum 2018). Production firms also vary widely in terms of their ownership.

Our research sets out to examine how the business operations and the sort of content that television production companies make are affected by their corporate ownership configuration. Configuration in this context refers to whether a company is an independent producer or whether it is a subsidiary of another company and, if the latter, what sort of organisation the parent company is. Table 1.1 below details the main 'types' of television production companies that we focus on in this book.

Table 1.1 Production company ownership configurations

Company Size	*Small* *Turnover < £1 m*	*Medium* *Turnover* *£1 m–£10 m*	*Large* *Turnover > £10 m*
Ownership Configuration	**Stand-alone Indie** No cross ownership from broadcasters **Part-Vertically Integrated** Up to 25% broadcaster owned **Vertically Integrated UK** +25% UK broadcaster owned **Vertically Integrated Non-UK** +25% non-UK broadcaster owned **Conglomerate UK** Horizontally integrated UK cluster/'Super-Indie' **Conglomerate Non-UK** Horizontally integrated non-UK cluster/'Super-Indie'		

Independent Producers or Indies

A central focus in our study is independent television producers or 'indies'. Although the term 'indies' as it applies to cultural sectors is sometimes tinged with political and ideological resonance, suggestive of entities that stand in opposition to prevailing mores, many independents are straightforwardly mainstream and commercial in their profiles and instincts (Hesmondhalgh 1997). The term 'independent' takes on different interpretations in differing circumstances. When it comes to media, it is often strongly associated with the idea of independence or freedom from state interference (Bennett and Strange 2014). In the television production industry, 'independent' generally distinguishes companies that are autonomous from production operations that are integrated within or cross-owned by broadcast organisations.

In the UK, the definition of an independent producer has been imbued with legal significance since the publication of the Broadcasting Act 1990 which imposed minimum compulsory access quotas on PSB channels for transmission of programmes made by independent producers. Similarly, 'independent' producers are defined under EU legislation so as to facilitate compliance with a 10% compulsory access quota, contained in the European Audiovisual Media Services Directive, for independently-made programmes (CEC 2018). In the context of this study, the concept of an 'independent' television producer means not owned by a television broadcaster or by a major non-UK parent television company.

Vertically Integrated

By contrast, vertically integrated production companies are those that are cross-owned by broadcasters or vice versa. Supplying television content is in some ways an uncertain business and the desire for more control over the market environment acts as a powerful incentive to become vertically integrated by diversifying into additional upstream or downstream phases in the value chain or vertical supply chain. Involvement in both production of content, which brings ownership of valuable IPRs, plus broadcasting, which allows exploitation of content rights, yields obvious advantages in terms of strategic complementarity. So in many countries such as the UK the television production industry is composed of both the in-house production divisions of vertically integrated broadcasters (such as the BBC and ITV plc) and an 'independent' production sector which is populated by stand-alone programme-makers that are not cross-owned by domestic broadcasters, or vice versa.

Conglomerates and Super-Indies

Another prominent corporate ownership configuration in the television production sector is the consolidated conglomerate or the so-called 'super-indie' (Chalaby 2010; Esser 2016). Many of these started life as small independent production companies who achieved success and over time have grown organically to become very sizeable companies. But super-indies are also often the result of a series of mergers with or acquisitions of other independent production companies. Many super-indies are effectively clusters of independent production businesses or 'labels' operating, with levels of autonomy that vary from one group to another, under the collective ownership of a consolidated parent companies. The scale of revenues earned by some super-indies now exceeds that of major broadcast organisations and many have well-developed in-house international distribution businesses, making these very powerful players in the television ecosystem (Lee 2018).

Why Does Television Production Matter?

Ownership structures in the television industry have undergone 'seismic' changes in recent years (Parker 2015). The UK has been particularly affected by waves of takeovers of production companies, resulting in the growing controlling presence of consolidated entities, many of whom are owned by non-domestic parent groups. Levels of consolidation within the UK sector are demonstrated by the fact that, for example, the proportion of expenditure by UK PSBs on external programme commissions that is accounted for by the ten largest television production companies increased from 19% in 1993 to 45% in 2003 and to 66% in 2014 (Mediatique estimates, Broadcast, Televisual, Pact cited in Ofcom 2015: 18).

Transformations in ownership have been an area of concern, triggering critical questions from policy-makers, industry commentators, academics and the press as to why it seems so difficult for cultural production businesses to grow and flourish while remaining independent and indigenous. Why is it that, in the digital era, some forms of corporate ownership configuration appear to be more conducive to economic success than others? Why is it that local programme-makers struggle to achieve scale and sustained economic success while at the same time retaining 'independent' status? A prevailing assumption underlying such concerns, prevalent among academics, policy-makers and practitioners alike, is that ownership of television production companies matters (Doyle and Paterson 2008; Abraham 2014; Chalaby and Esser 2017; Lee 2018). But why is it that custodianship of the television production sector matters so much?

One reason is economics. Producing television content is a major international business that employs tens of thousands of individuals across the globe and generates billions of pounds in commercial revenue every year for producers. It is well recognised that, in the words of the European Commission, '[t]he audiovisual sector has the potential to create hundreds of thousands of high-skill jobs' (COM 1999). Historically, the audiovisual (i.e. film and television) production sector in the US has been exceptionally successful in making and selling content and it remains by far the largest and most economically successful exporter of television, with the UK now in second place albeit some distance behind (Doyle 2014; Steemers 2014).

In most countries, public and political interest in the state of health of indigenous television production businesses is at least partly a reflection of economic issues. The general idea, first popularised by Richard Florida (2002), that creative sectors of the economy—which include television production—are especially important as drivers of wider economic growth, has been widely embraced by policy-makers across Europe and around the globe in recent years (Cunningham 2002; Schlesinger 2007).

So it is no surprise that, in the UK for example, television production has been celebrated as part of a creative sector that, as noted by the then Chancellor of the Exchequer George Osborne (cited in Olsberg and Nordicity 2015: v) 'adds billions to UK GDP each year and supports jobs across the country' as well as strengthening the UK's 'infrastructure of innovation'.

Ownership of television production companies also matters for socio-cultural reasons. One such is the importance of culture in conveying what Joseph Nye has referred to as 'soft power' (Nye 2004) or the ability to persuade others without such traditional means as military might. Nowadays film and television, through conveying a sense of the attractiveness of a country's culture, political ideals, and policies, represent important instruments of soft power and therefore any country's stake in globalised cultural production industries is a matter of strategic socio-political and cultural concern (ibid.).

In addition, it is widely assumed that, despite globalisation, identity remains anchored within national space and that culture—of which television is a part—plays a vital in reproducing identity (Schlesinger 1997). Consequently, the organisation and ownership of industries involved in cultural production, such as television, matters greatly. As pointed out by the European Commission:

> [w]hilst the economic aspects and the job creating potential of the sector as outlined above are clearly major elements to be taken into account … it is the *social and cultural* role of the audiovisual media that forms the point of departure for policy making… [AV media] 'play a central role in the functioning of modern democratic societies' … [and]… in the development and transmission of social values' …[and]… 'help to determine not only what we see of the world but also how we see it.' (COM 1999)

Television, as a key aspect of culture, forms part of 'an active shaping repertoire of meanings and images, embodied in values, myths and symbols that serve to unite' (Smith 1998: 187). Production of television is seen as having far-reaching potential to shape and inform the views and values of individuals and society at large. Even what might be considered inoffensive or banal 'lifestyle' content often reflects and propagates what might be seen as weighted agendas. For example, the BBC's hit daytime property auction programme *Homes Under the Hammer* produced by Lion Television is imbued with the unquestioning assumption that ownership of private property is a positive aspiration for citizens. An understated endorsement of aspiration and self-improvement within this highly localised programming demonstrates that even the most apparently neutral material may serve to shape values and underscore notions of identity, citizenship and nationhood (McElroy 2008: 50). Therefore, as Sylvia Harvey argues, custodianship of businesses that involve creation of cultural outputs and exploitation of rights to television content:

> raises questions that go beyond that of markets and of economic value. The generation of IP, how and by whom, is also of great importance to … culture, society and politics.
>
> (Harvey 2015)

Television Production in Transition—Aims and Methods

The aim of this book is to build an understanding of the implications of recent 'seismic' shifts in ownership in a sector where custodianship is recognised to be of importance both for economic and cultural reasons. Findings are based on research carried out as part of a major project entitled *Television in Transition: Independence, Scale and Sustainability conducted* by a team based at the Centre for Cultural Policy Research (CCPR) at the University of Glasgow over a three and a half year period from 2017 until 2020. Funded by the UK Economic & Social Research Council (ESRC), the project set out to examine how and why the structure of ownership of the UK television production sector has shifted over recent years and what this means for the economic sustainability of the sector, for audiences and for content.

Using key case studies, the scope of our investigation covered the role of changing digital distribution technologies in encouraging consolidation and strategies of horizontal, vertical and transnational expansion in the television production industry; the relationship between, on one hand, size and corporate configuration and, on the other, the ability of production companies to maximise the value of their IPRs and to achieve sustained economic success; the conditions that govern creative decision-making and content in the production industry and how these are affected by differing corporate configurations; and implications for public policy and regulation. Our research questions covered three themes: How do expansion, scale and differing corporate ownership arrangements affect business performance and sustainability? How do changes in corporate configuration affect creative decision-making and content? What are the implications for policy?

As is evident from the findings presented in later chapters, a key focus throughout our research has been the growing importance of ownership as a powerful determinant of financial and economic success in the television production sector. Recent waves of takeovers, mergers and acquisitions involving UK and European programme-makers suggest that, in an increasingly globalised television environment, certain forms of configuration are more conducive to economic success than others and thus ownership has now become a decisive success factor for firms operating in the television production sector. One of the main aims of the project is to better understand the nature of the interplay between ownership configuration and performance. To what extent are changing digital distribution technologies encouraging consolidation and strategies of horizontal, vertical and transnational expansion in the television production industry? Earlier studies have suggested that the ability of producers to operate profitably is linked to scale (Doyle 2018; North and Oliver 2010). What exactly is the relationship between, on one hand, size and corporate configuration and, on the other, the ability of production companies to achieve sustained economic success? Is the sustainability of a domestically based independent production sector threatened?

A further concern is to investigate empirically how a restructuring of ownership may affect content. What difference do changes in ownership make to the nature of television content and to creative decision-making within production companies? It is widely assumed that consolidation and takeovers of indigenous and independent television production companies by US or other foreign multinationals are detrimental to content—for example, by stifling creativity (Abraham 2014)—but little earlier research has been conducted which tests this out empirically.

How should media policy-making respond to major changes in ownership of television production companies? At a time of concern about how incumbent television production companies can adjust successfully to advancing technology and how public policies ought to change to ensure that independent and indigenous production continues to flourish in the global arena, the project findings reported in this book are intended to deepen and enhance public understanding of creative and business strategies in the context of a rapidly evolving media ecology. By offering an extensive empirically-based analysis of the connections between transnational corporate power, ownership configuration, business performance and content in the television production industry, our aim is to advance understanding not only of the economic and socio-cultural significance of restructurings of ownership in the television industry but also of the wider interplay between cultural production, indigeneity and globalisation.

Our project involved a multiple case study based research design focusing on the experience a number leading UK-based television production companies of differing configurations. Methods, which are described in further detail in Chapters 4 and 6 below, involved both quantitative and qualitative dimensions. We draw on a range of methodologies including expert interviews and analysis of financial data, policy texts and content output. The approach was multidisciplinary, drawing on theoretical perspectives from management, economics, media and cultural sociology and policy studies while using some techniques (e.g. correlation analysis) common in economics and others (e.g. content analysis) that are more typical of socio-cultural studies.

One of the key aims was to examine the relationship between, on the one hand, expansion, scale and different sorts of corporate configurations (whether owned by a multinational parent company; vertically integrated or not) and, on the other, economic performance and capacity to engage in business strategies that sustain growth. What are the key factors that conduce to economic success and sustainability in the TV production sector? What is the nature of the association between corporate configuration and performance? Findings were derived through systematic investigation, based primarily on analysis of company accounts and statements and other secondary sources of financial data for a sample of leading UK-based television production companies and on interview findings, based around the question of what is the relationship between the ownership 'configuration' (i.e. size and whether owned by a multinational parent company or whether vertically integrated or not) of a company and its performance.

The difficulties of defining success and sustainability and of identifying suitable measures of performance in the context of media industries are numerous and well recognised (Wirth and Bloch 1995). Although standard financial accounting measures such as changes in turnover and operating profit margins, which offer useful benchmarks, were a central focus in our analysis of the business performance of our case study companies, the overall design of our framework also reflected an awareness of the fact that evaluating performance in the context of media and cultural sectors requires attention to be paid to *non*-economic indicators too such as audiences, awards and critical reception for outputs.

Another key aspect of the project was to examine how changes in ownership affect content. In order to investigate the relationship between corporate ownership and content, we conducted an analysis of programming outputs for several different types of television production companies based on their organisational configurations (i.e. whether a true independent, owned by a conglomerate—UK-based or non-domestic, or partially or fully vertically integrated) and based on genre (i.e. whether drama or factual entertainment producers), in each case studying the sort of content produced over an eleven year period from 2007–2017. This involved detailed tracking and analysis of all programmes made at each case study company over the study period in order to gauge continuity or change in the volume and nature of its outputs and in how it's content fared for example on terms of distribution reach, ratings, awards and critical acclaim.

Findings from the analysis of content were combined with evidence from interviews carried out with senior executives at production companies and with their parent companies and with corporate financiers specialising in takeovers in the television industry. Interviewees at selected production companies included Chief Executive Officers (CEOs) with responsibility for the overall strategy, Chief Creative Officers (CCOs) with frontline responsibility for developing and producing content, and also directors of legal and business affairs.

Case study companies were selected based on the need to investigate our research questions across a range of differing types of production companies in terms of scale, output and ownership configurations—see Table 1.2. All were founded in the UK as independent production companies and the sample group includes producers of different genres of output. Although mainly London-based, many have activities that extend across a range of international territories. Many of the production companies within the sample were taken over during the study period. Thus, this particular selection of companies and the spread of individuals that we conducted interviews with enabled us to carry out extensive evidence-gathering on our core questions about how changes in ownership have affected business performance and content in the production sector.