

# Bskyb vs. the uk television industry

[Business](#), [Industries](#)



In this report we have analysed the TV industry and how BskyB has had a strong impact in a competitive media sector. We have established that although BskyB has undertaken criticism of losing certain 'edge' to some of its channels (supposedly sky one). The BskyB Company as a whole is one, which is most favoured by public and always looked upon as a big competitor against terrestrial channels and other pay per view suppliers such as NTL and Telewest. Introduction In this report our aim is to identify BskyB's position within the television industry platform.

The report will navigate through a series of facts and figures and we will be applying strategic tools such as PEST and Porter's 5 forces to establish key issues about the industry. This report will develop by initially looking at the television industry as a whole by looking at audience levels and trends and establishing BskyB's competitors using concise and relevant sources. We will be using both primary and secondary material to assist in our research, which will include books, Internet sites, newspaper articles and sufficient handouts from Richard West.

We intend to clarify that although critics say; that channels such as Sky 1 is losing its 'edge and innovative abilities', in the recent months. BskyB still maintains a firm hold on the British Television Industry, which will also be reflected on in the future. This October digital television will be six years old following the UK market dominated by the satellite platform and one key player, BskyB established in 1998. Producing entertainment, news and sports programming to 12. 2 million subscribers, BskyB also offers interactive TV services.

Despite the consolidation of the industry, competition remains intense with its nearest rivals such as Telewest like BskyB, also acts as both a platform provider and content provider. The other significant player is NTL. However we will specifically look at key channels, which have always been competitors with BskyB from the start, these being the terrestrial channels; BBC One and Two, ITV, Channel Four and Channel Five, the audience viewing figures we have used is supplied by; [www. barb. co. uk](http://www.barb.co.uk). BBC Terrestrial channels (One and Two):

There is a strong sense that the BBC maintains a personal hold with viewers and therefore it has special responsibilities to uphold. In terms of Public Service Broadcasting the channel is obliged by law than any other terrestrial channels to show a number of genres and live event coverage's. In terms of BBC Two it concentrates on educative programmes providing serious factual, Arts and Classical musical areas.

The BBC is a key competitor for BskyB holding the highest annual viewing share of for three consecutive years from 2001 from all the terrestrial channels with the latest figure of 25. 6%<sup>1</sup>(see appendices figure 1 for annual % shares of viewing - individuals- 2001-2003)ITV: ITV is the second competitor to BskyB closely behind the BBC with 23. 7% shares of viewing for 2003 (see appendices).

ITV commands a strong position in the U. K television market. It is backed by one of the largest programme budgets in Europe and expected to an investment of approximately 850 million in the 12months to 30th September 2004. ITV's average audience is peak-time between 7. 00pm and

10. 30pm pulling in 7 million viewers compared to an average of 2 million viewers for channel four.

Channel Four: In terms of competition with BSkyB, channel four is the second least threat compared to the other terrestrial channels. With a 9.6% audience viewing share in 2003, the channel does cater for different audiences, its risk taking and its different approach to subjects such as documentaries on religious groups seems to be perceived as providing well for particular groups rather than for the population as a whole.

Channel Five: Channel Five has obligations to provide arts and classical music by the same number of people as ITV. However in terms of audience viewing percentage it is by far the lowest of all terrestrial channels with 6.5% in 2003. With such a poor audience level it is not a major competitor to BSkyB, which has almost had thrice the better audience level than channel five in three years (see appendices) as BSkyB had a prestigious reputation channel five is one which is often labelled as 'tacky'.