Managing Media Economy, Media Content and Technology in the Age of Digital Convergence

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Chapter 4

Implementation of innovation strategy: the case of CCRTV interactive

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Abstract

Along this paper we study how a small and regional public television channel has used public funding to improve its service and to enlarge its scope to new technologies. The case we have selected is CCRTV Interactiva (CCRTV Interactive), a sister company of the Corporació Catalana de Mitjans Audiovisuals (Catalan Audiovisual Media Corporation), a public regional corporation depending on the Catalanian Government. After reviewing the legal and market framework, we analyse the strategy of the corporation, its services and its results. A reasonable funding, a good coordination between old and new media and between creative and technological personnel, an effective leadership and the creation of a separated company seems to be key factors to understand the success of CCRTV Interactiva on new media markets.

Keywords: innovation, implementation of innovation, transformation, online media, online strategy, corporate culture, organization.
Introduction

The report The Future Funding of the BBC already stated in 1999 that the private companies would not be able to properly develop digital services because economy laws indicated that they were not able to produce all the programmes demanded by the public, not to mention quality programmes (Davies 1999: 207). More recently Lowe (2008) and Lowe & Bardoe (2007: 21) have requested public channels to develop strategies in order to fulfill the needs of different segments of their audience, and even individual necessities. Although private broadcasters regularly challenge the right of public broadcasters to develop attractive digital services, national parliaments and the EU Commission have defended until now their right to do so on several occasions (Llorens, 2007). That is why the EU expects public companies to lead the move toward digitalization of the industry (Jakubowicz 2007: 41). Thanks to the digital technology, the growth of television channels has allowed broadcasters to diversify the contents and transform the role of public television in public media (Lowe & Bardoe 2007: 22).

In the process of transforming public television channels in public media, there are many issues involved. Firstly, in some cases, the organization itself has innovation and transformation as one of the main strategic objectives. Secondly, the implementation of innovation within the company involves challenges regarding corporative culture and professional routines among others. Moreover, transformation of media companies requires coordination with traditional media within the company and a new media worker profile able to develop new products and services.

Bearing in mind the difficulties of these processes of implementation and the need of media companies to accomplish them in the digital era, we have established the following research questions:

RQ1: Is it more efficient for a media organization to create a sister company to implement innovation and foster creativity?

RQ2: Which are the strengths for a public broadcasting company to become a multimedia interactive platform in the process of media transformation?

In order to answer to these research questions, we will focus on the case study of the Spanish main regional public broadcaster. We will analyze the
case of the Corporació Catalana de Mitjans Audiovisuals—CCMA (Catalan Audiovisual Media Corporation) and more specifically, CCRTV Interactiva (CRTV Interactive), a sister company that creates its own and distributes content generated by the CCMA public radio and TV channels for interactive media such as the Internet, mobile phones, DTT, etc. We have chosen to study the Catalan public television new media operations, through the sister company CCRTV Interactiva, because it seems to be a model for every media company. Not only because it has developed Internet and multimedia operations for CCMA, which it has been done by any media company in the last decade, but because the whole company mentality has changed thanks to CCRTV Interactiva work and as a result ‘it has played a pioneering role in the new process of convergence’ in Catalonia (Prado & Fernández 2006: 68).

After a literature review focused on implementation of innovation and media transformation, which will provide the theoretical framework, we will proceed to describe the Catalan legal and market framework as it is where CCRTV Interactiva operates. Finally, we will describe the case of CCRTV Interactive, which will allow us to answer the research questions and arise some conclusions.

As far methodology is concerned, we have developed a questionnaire in which we have asked the CCRTV Interactiva managers a set of open questions about workforce, material resources, level of motivation, audience data, technology, organization of production and how CCRTV Interactiva operations have influenced on the rest of the company, i.e. CCMA. Furthermore, we have analyzed the services offered and its results from internal data provided by CCRTV Interactiva itself.

**Theoretical framework**

The current challenge for media companies is to deliver the content through the maximum devices, not only television, but also the web, and mobile devices (Wildman, 2008: 100; Jacobowicz, 2007: 41). With Mintzberg (2003), Küng (2008: 121) recognizes that the incorporation of the Internet is “one of the most challenging strategies for leaders and uncomfortable for those inside organizations, since it involves moving from the known to the unknown, and requires existing success formulas to be abandoned and new
competences and attitudes to be developed”. But innovation always requires a change in the organization and the effort to achieve internal coordination.

The literature review will give as the conceptual reference of this research. So to understand the implementation of innovation we will review concepts on innovation, corporate culture and organization, and then we will review the research on media transformation, focusing on convergence and interactivity.

Implementation of innovation

Innovation, the act or process of creating something new, has attracted considerable attention among students of social organization and business management in recent years. According to Dougherty (1996, p. 424), ‘innovation enables organizations to improve the quality of their outputs, revitalize mature businesses, enter new markets, react to competitive encroachment, try out new technologies, leverage investment in technologies that are so expensive that no single product can recoup them, and develop alternative applications for existing product categories, to name a few outcomes. For organizations which must adapt to changing competition, markets, and technologies, product innovation is not a fad. It is a necessity.’

Lawson-Borders (2003: 94) considers that innovation applied to new technologies is ‘a process in which organizations must manage in order to integrate content across platforms’ and explains that ‘the transformative relationship created by technology allows the individual to be proactive in selection of channels and content, and it forces traditional media gatekeepers to work harder at trying to determine what content or devices will succeed’ (Lawson-Borders 2005: 161). According to Chan-Olmsted (2005: 14), ‘strategy involves a range of a firm’s decisions and activities that are enacted to fulfill the firm’s strategic missions and goals through the effective use of skills and resources, considering the opportunities and threats in its market environment’. In order to obtain that, Kachaner & Deimler (2008) suggest that organizations need to stretch their strategic thinking by questioning and challenging existing assumptions and business models. In short, implementing innovation. A process, which has become one of the most important strategic decisions that media companies must take. In order to implement successfully any innovation, it has to impact the structure of the organiza-
tion, be spread to the rest of the company, be accepted by the audience and become profitable. According to Christensen and Overdorf (2000: 67-76), there are three ways to develop a new business inside a company: a) to spin out an independent company capable of developing the necessary values and process; b) to create a new organisational structure within the corporate boundaries in which new processes can be developed and which is staffed by teams that are physically located together and individually charged with personal responsibility for the success of the project, and c) to acquire an organization whose processes and values closely watch the requirements of the new task. They argue that established firms tend to fail if all innovation is supposed to happen within the existing organization. New structures, new labs, are necessary to facilitate innovation.

O'Hair et al. (1997, p. 9) defined culture as the shared beliefs, values, and practices of a group of people. A group’s culture includes the language or languages used by group members as well as the norms and rules about how behaviour can appropriately be displayed and how it should be understood. Schneider and Barsoux (1997) propose four corporate culture styles: village market culture that has to be with decentralization, output control, delegation; family-tribe that is centralized, and paternalistic; traditional bureaucracy, pyramid of people, centralised decision making, input control; and well-oiled machine, organized by functions, technical competence, efficiency.

Very close to corporate culture is the different professional styles. For example, Uljin (2000, p. 307) outlines the following common features between engineers and marketing people: ‘the latter believe that scientists/engineers have no sense of time, costs, service, or competitive advantage. They hide in the lab and continue developing a product without strategic planning, holding standardization and technology sacrosanct, and expecting the client to adapt. The marketers are, in the eyes of the scientists/engineers, aggressive, demanding, and unrealistic. They want everything NOW, want to deliver a product before it is ready, are always in a hurry and impatient, or cannot decide what they want.’ Martin (1992) proposes different approaches in addressing the disparate functions of engineering, marketing, and production. Before the question of what has more influenced in a company, corporate or professional culture, Uljin (2000, p. 308) suggests ‘that a collective orientation towards corporate goals is difficult to realize because of the knowledge workers’ need for their professional autonomy’ and thinks that this professional autonomy will increase in the new companies.
How decisions such as innovation plans are carried out by those responsible for implementation has been examined from multiple perspectives. According to Ulijn (2000, p. 297-8) two research programs devoted to implementation are worth noting: a strategic or organization-wide level and at the individual or interpersonal level. Bourgeois and Brodwin (1984) identified five strategies that organizations can use when attempting to implement decisions. The commander model is employed when the organization makes a centralized decision, such as adopting a new innovation, and instructs or orders the rank and file to implement it. The change model approaches implementation efforts by using organizational structure and system properties such as incentives and rewards as inducements for acquiescence. When implementation must be negotiated and sold at senior levels, a collaborative model is put into place. The cultural model is employed when the organization attempts to use the corporate or organizational culture as a means of implementation success. Finally, a cresive model attempts to cultivate and nurture implementation among organizational members. Nutt (1987) developed a typology of implementation tactics that managers use with their subordinates. Research suggests that persuasive and participatory strategies have a better success rate in getting decisions implemented at the appropriate levels of the organization.

One of the difficulties of the innovation is to adapt the workers’ routines to the new models of production, commercialization and distribution. As Oliver (2009: 9) points out, ‘a culture of adaptability and change in media organizations is the only basis on which emergent strategies can be effectively implemented’. Most studies conclude that information sharing is a powerful tool for desensitizing employees to change. Lewis and Seibold (1998) conclude that communication is at the heart of change adoption and implementation and organizations would do well to employ communication strategies that emphasize information sharing, feedback, employee participation and influence, and collaboration. However, we agree with Howkins (2001: 213) when says that ‘the raw material is human talent: the talent to have new and original ideas and to turn those ideas into economic capital and saleable products (...) The most valuable currency is not money but ideas and intellectual property, which are intangible and highly mobile’. According to Küng (2008: 149), ‘the successful introduction of new programs, products and services depends on a person or team having a good idea and then being able to develop that idea further’.
Media transformation, convergence, interactivity

Most of literature studies on innovation are related to industrial sectors and geographic location (e.g. Cooke 2002). We want to focus our research most in media management and even in how traditional media companies become a new media firm. There are some studies have analyzed how different media companies manage to implement and adapt to the emerging technologies (Adams 2008; Rogers 1986 and 2003).

With the intention of analyzing the role of the Internet in the transformation of companies, Bechman (2007) studied the transformation of two Danish media corporations and concluded that the Internet had different functions depending on the ownership of the company. In the commercial one, it played only a small part within the overall multimedia platform: no content is specifically produced for the website. In public organizations, the Internet is the central piece of the participatory platform for creating content and the key to navigation in the cross media platform. Hills and Michalis (2000) tried to systematize the strategies that public service broadcasters are utilizing in relation to the Internet.

In the literature review of media management, we find some aspects that serve to explain why the media companies follow online strategies. The reasons for offering online services are numerous: to strengthen their position on the market against the threat of the new media (Medina & Arrese 2002); as a source of revenue; as a consequence of technological developments that suggest a natural extension of the core business; as a way to reach audiences that could not be served cost-effectively before and to distribute content that was not made public before because the costs were too high; as a way to give better services to audience and to know the viewers better; and finally, in the case of public broadcasting services, as a form of maintain its legitimacy in a new competitive environment. Schanke (2007) examined the expansion of four media organizations -public and private- to new areas in Norway, as well as the reasons behind those expansions. One firm wanted to get mobility, in other words, ‘to mobilize most of what they do’. A second firm’s aim was to promote the company within Norway and outside, as did the Norway Public Broadcaster (NRK), which was one of the first broadcasters in Europe to offer television programmes for mobile networks in 2006. A third case showed a fear that the advertising market would decline and cre-
ate the need for new revenue streams; finally advertisers, who asked for new platforms to promote their products, influenced a firm decision to expand to new media.

According to Oliver (2009: 11), ‘ideas about alternative revenue models, piracy, audience fragmentation and industry consolidation in the media are strategic issues that need to be addressed, assumptions challenged and strategic responses to be made’. In most of the cases, revenues coming from Internet services are not high enough, however it is an efficient medium to reduce time and costs of operations, and ‘enabled networks of collaboration between distributors, customers and suppliers’ (Küng, Picard & Towse 2008: 39).

Yet there has been a widespread sense that prior expectations of growth, innovation and job creation in the digital media services sector have not been realized (Preston 2001; Kerr & Preston 2001). Gill (2002) analyses the freelance new media workers and argued that to succeed these workers must combine creative, business, and technical knowledge. Preston et al (2009) collect various study cases of digital media companies analyzed from different perspectives, such as content, services, process, jobs and functions, and knowledge. In the present paper, we would like to show an example of a company stressing the corporative and organizational effort of adapting to the new technologies. According to them, ‘a key challenge for these companies was to obtain the right mix and balance of technical, creative/design and business skills and manage workflow, and communication between the design and programming teams. Indeed, discussions with employers noted that there was a need, particularly in smaller to medium sized companies, for employees to be able to work alongside and negotiate with people from very different disciplinary backgrounds.’ A key finding emerging from Preston et al’s (2009) research is that, despite the widespread popular and academic focus on technology and codified knowledge, a much broader knowledge base underpins successful innovative practices in digital media firms.

More recently Lowe (2008) and Lowe & Bardoel (2007: 21) have requested public channels to develop strategies in order to fulfil the needs of different segments of their audience, and even individual necessities. That is why the EU expects public companies to lead the move toward digitalization of the industry (Jakubowicz 2007: 41). Thanks to the digital technology, the growth of television channels has allowed broadcasters to diversify the
contents and transform the role of public television in public media (Lowe & Bardoel 2007: 22).

According to Chan-Olmsted and Ha (2003: 599), most television firms ‘largely use the Internet to complement their core off-line business rather than delivery new online content or generating e-commerce or online ad revenues’. Hence, we would like to go forward in the literature of the transformation of traditional media companies in online multimedia companies exploring a Spanish case, where Internet is understood as a new medium with its own strategy and business model (Murray 1997; Bolter & Grusin 1999; Manovich 2000).

Küng (2004) outlines three factors as key to any successful online strategy in the media sector: alliances with other companies, internal coordination and technological convergence. Online content is completely different from traditional content and providing it reflects the medium’s ability to distribute richer information, to match buyers and sellers, and to link information gathering directly with purchasing. That is why media firms need to establish alliances with companies in different sectors such as technology, telecommunications, and other content providers. Moreover, alliances are needed to share costs due to profitability is still difficult to achieve.

For the author (Küng 2004: 470), ‘Internet represents the future of the mass media. Traditional media firms must enter the field or risk marginalization’, but, after studying different companies, such as Disney, Bertelsmann, AOL, Time Warner, she asserts that to embrace the Internet, creativity, rather than new or existing technological tools is needed for planning, analysis and implementation (Küng 2004: 476). But this creativity or innovation always requires a change in the organization and if we consider online services, some level of integration is necessary, ‘so that the individual and group learning achieved by the new venture can permeate the rest of the organization’ (Küng 2008: 143).

The literature about convergence is quite broad. However, for the purpose of this study the definition by the EU Green Paper on Convergence is appropriated: ‘the ability of different network platforms to carry out essentially similar services, or the coming together of consumer devices such as telephone, television and personal computer’ (EC, 1997: 9). In Lawson-Borders’ words (2005: 187), ‘the objective [of convergence] is to allow the public access to whatever it might be looking for on whatever platform it can be delivered’.
According to Prado and Fernández (2006: 56-57), there are four factors to analyze the services from the technological convergence view: digitalization; the level of interactivity; the extent of services' coverage to reach a considerable proportion of the population; and the bandwidth, which is essential for using advanced convergent services.

Some scholars studied the development of websites for television companies before 2005. For example, Cardoso and Espanha (2006: 141) concluded that there were five types of websites: Internet news an out as an example BBC's; in-depth news (SIC in Portugal); as a Electronic Programme Guide or EPG (TF1); television content portal (RAI); television institutional portal (TVE in Spain), and networked interactivity (RTP and Television de Catalunya). They outlined that last one 'creates interactivity with their own television shows during regular broadcast; interactivity means news, chats and entertainment, mix of different technologies such as SMS, teletext, chat, banners, and television'. However, a few years later, the development of the online services of the companies bring as a completely different concept, that has to be with multimedia interactive personalized and commercial platforms for every devices to contact with the public.

As well as convergence, the literature about interactivity is abundant. Igarza (2008) and Downes and McMillan (2000) provide an extended review of most of the relevant theories. We agree with Bakker and Sádaba (2008: 87), that 'Internet exceeds the idea of a medium as an information or entertainment container. It is a strong personal communication vehicle and a social platform as well'. It is therefore suggested that the following aspects should be included in the online services: responsiveness to the user, which refers to the possibility of contacting the editor, one-to-many communication, interaction between users (chat rooms or interactive message boards); the customisation of content; user ability to adapt the content to his/her own needs; and immediacy, which refers to the frequency with which the site is updated. After studying the new strategies for multiplatform of some public service television, Debrett (2009: 813) concludes that 'Internet also offers a site for trying out new concepts for relatively low cost' as well as it is 'a means of testing/trialling new content on a platform where ratings are less important and greater risks can be taken.'

The Internet enables the delivery of contents that are additional or complementary to the traditional media. Hence, such content must be multimedia,
to the extent to which text, graphics, sound, voice and (still and moving) images are translated and integrated into one digital form, all of which requires internal coordination. 'The intrinsic functionalities of the Internet – unlimited space and the possibility to combine text, graphics and video – meant stories could be handled in greater depth and richness' (Küng, 2008: 177).

According to Levin (2009), digital revolution transformation has been deeper than the industrial revolution. 'The change is far more significant than the transition from radio to television or movies from larger screens to smaller screens. The latter developments did not alter the fundamental narrative structures, the underlying hierarchy of power, or the core foundations of basic business models'. Media companies have transformed from a top-down business models to a bottom-up business model emerging out of the consumption behaviour of media users.' (Levin, 2009, p. 258).

Legal and market framework

Catalan and Spanish audiovisual legal landscape could be easily understood if it is compared to the more known German media system. The seventeen Spanish autonomías (autonomies), as Catalonia, are somehow like the German 'landers'. Autonomías have competences only on radio and television activities and on those firms operating on their territories. The difference with the German case is that the Spanish state has preserved the control on national broadcasting activities and firms and on spectrum management. As a result of this division of competences, some autonomías are more developed than others on broadcasting legal and market aspects, but these developments are shaping only regional and local media with activities on their territories. Therefore, there is a national Spanish broadcasting sector, regulated by the national government and a local and regional broadcasting sector regulated by each region or autonomía.

Regarding Catalonia, it is not surprising that is one of the Spanish regional leaders in broadcasting legal and market developments, especially vis-à-vis new media activities. It's a huge and wealthy market of 7 millions habitants and it has a long industrial tradition on broadcasting and cinema. The Catalan public broadcasting service was created in 1983 as Corporació Catalana de Ràdio i Televisió —CCRTV (Catalan Radio and Television Corporation),
and followed the Spanish model of public broadcasting with a high level of governmental intervention and a dual funding system based on subsidies and advertising. An important change took place in 2007 with a new and specific law (Llei 11/2007). The CCRTV lost the words of ‘Radio and Television’ of its corporate name and become CCMA, Corporació Catalana de Mitjans Audiovisuals—CCMA (Catalan Audiovisual Media Corporation). Behind this nominal change was the idea to enlarge the scope of its mission to new digital media. The new law was addressed as well to avoid direct intervention from regional government into media management and make CCMA more accountable to regional parliament.

CCMA has a workforce of 2500 and a 442 million income for 2009. Its funding is based on subsidies received from regional government (330 M€ for 2009), advertising (94 M€) and the provision of other services valued at 16 M€ (CCMA, 2010). As a matter of fact, because of its budget and workforce, CCMA could be considered as the biggest Catalan-spoken multimedia group.

As for market issues, the CCMA main TV channel, called TV3, maintained the first position in Catalan audience share until 2004. Television audience share was 14,6% for TV3 in 2008 and it was the third choice after Tele5 and Antena3, the two big Spanish commercial players in Catalonia (Noticias de la Comunicación 2009: 29). Regarding radio operations, its main radio network, Catalunya Ràdio, has been the leader in Catalan market until 2009. PBS Catalan main radio network achieved an accumulated audience of 1,1 million listeners in 2009, a 2,9% of Spanish radio share, the same audience as its main private competitor RAC 1, with 1,1 million listeners (AIMC 2010).

The language used in any CCMA public media is exclusively Catalan, which is spoken by half of the population, and understood by nearly 95% of habitants (IDESCAT 2008: 559-600). That gives an specific and distinctive linguistic profile for this public broadcaster. It’s the Catalan spoken media group in Catalonia. However, as Spanish is spoken and understood by nearly all Catalans, CCMA television operations have to fight against a high level of competition coming from the national Spanish media broadcasters, which enjoy a prominent position in television audience share in Catalonia. On the radio field, Spanish-spoken radio groups have more difficulties to achieve such dominance because of the competition of several Catalan-
spoken private and public radio networks. As a result, Catalan spoken radio is dominant among the Catalan audience.

Lately, the main regional private media group, Grupo Godo, owner of La Vanguardia—the best selling quality newspaper in Catalonia—, has tried to compete with CCMA in a regional scale and using Catalan as a first-choice language for its media. A first step was to expand the already mentioned radio network, RAC1, which is enjoying a huge success and competing face to face with the main public radio network. A second move was to develop a regional broadcasting television in Catalan, called 8TV, which is a part of a regional multiplex Digital Terrestrial Television licence for four TV digital programmes obtained in 2004. However, now it’s still struggling to become a real competitor to CCMA television channels as it attained 3% of Catalonia television share in 2008 when TV3 had 14,6%, according to TNS (Noticias de la Comunicación 2009: 287).

From a legal perspective, the Catalan law (Llei 11/2007), which regulates the CCMA, defines its function as ‘offering to Catalan citizens a set of audiovisual content and other kind of content’ as defined by a programme contract that has to be signed each 3 year between the CCMA and the Catalan Government. The last one was signed in 2006 and extended its scope until 2009. It defined the CCMA functions broadly in its 2nd clause: ‘It’s a function of CCMA to produce, to edit, to transmit and to broadcast a balanced set of audiovisual programming, generalist and thematic, in any support in order to fulfil the democratic, social and cultural needs of citizens’. In the point 3 of this 2nd clause there is a specific point about innovation when it states that CCMA has to be a quality reference in the broadcasting sector through fostering ‘innovation and creative experimentation and offering a good product based in new ideas and new formats’. As for the future, this document defines as key to establish a strategy to achieve a multiplatform distribution in order to be present in new media; therefore its necessary not only to create specific new content but also to adapt the existing one to this new distribution model. Finally, it reminds that its necessary to become pioners developing new channels of distribution and therefore it is necessary to take advantage of the company advanced technological tradition (Contracte programa, 2006).

This advanced technological tradition explains why CCRTV Interactiva was founded as soon as 2000. It was founded as a sister company of CCMA
in order to develop Internet and teletext services to the rest of the group. Now it has become the main player in new media and distribution platforms at the CCMA with 12 million Euros of budget for 2010, which means 2.5% of the CCMA whole general budget (Generalitat de Catalunya, 2010: 268). In brief, CCR TV Interactiva is the main Catalan-spoken Internet and multimedia content company, and not only from the point of view of turnover. According to main Spanish Internet audit firm, CCMA websites, developed by CCR TV Interactiva, had the 7th position in the Spanish market in April 2009 (Table 1).

<table>
<thead>
<tr>
<th></th>
<th>Media company</th>
<th>Unique audience</th>
<th>Average time</th>
<th>Pages viewed</th>
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<tbody>
<tr>
<td>1</td>
<td>Grupo Intercom</td>
<td>50.649.635</td>
<td>03:07</td>
<td>396.810.973</td>
</tr>
<tr>
<td>2</td>
<td>Unidad Editorial</td>
<td>33.395.418</td>
<td>08:51</td>
<td>725.597.416</td>
</tr>
<tr>
<td>3</td>
<td>Anuntis Segunda mano</td>
<td>12.060.547</td>
<td>08:37</td>
<td>632.928.182</td>
</tr>
<tr>
<td>4</td>
<td>Social Media</td>
<td>10.224.452</td>
<td>03:20</td>
<td>44.694.205</td>
</tr>
<tr>
<td>5</td>
<td>Editorial Prensa Iberica</td>
<td>4.908.653</td>
<td>04:25</td>
<td>56.796.633</td>
</tr>
<tr>
<td>6</td>
<td>Antena3</td>
<td>3.048.851</td>
<td>07:48</td>
<td>44.744.629</td>
</tr>
<tr>
<td>7</td>
<td>CCMA</td>
<td>1.268.276</td>
<td>07:28</td>
<td>28.393.117</td>
</tr>
<tr>
<td>8</td>
<td>Grupo Joly</td>
<td>1.175.045</td>
<td>05:31</td>
<td>15.745.179</td>
</tr>
<tr>
<td>9</td>
<td>Cadena Cope</td>
<td>1.091.109</td>
<td>05:07</td>
<td>10.924.447</td>
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As it will be discussed later on, the decision to create an specific firm for online operations has provided a good flexibility, whereas human talent and adequate funding has proved rewarding in a long-term basis. But, at the same time, the separate structure implies a challenge: to develop an effective teamwork climate and dynamics with professionals and teams across the
CCMA Group. According our interviews, it has proven to be not an easy task. But, inevitably, compelling and successful new multiplatform products and services have to be built with the contribution and complicity of all. This leads to an immense organizational challenge, a shift in the corporate culture that has to be dealt with from the top of the executive team.

The case of CCRTV Interactiva

In the analysis of CCRTV Interactiva, we will focus on three different issues, in accordance with what we have established as our framework. Firstly, we will analyse to some extent the organization itself, that is to say, weather CCRTV (later CCMA) was committed to innovation in its strategic objectives; secondly, we will look at the challenges of CCRTV Interactiva in terms of implementing innovation, especially regarding human resources and corporative culture; thirdly, we will value the set of products of services developed by CCRTV Interactiva from the perspective of media transformation in this specific organization; and finally, we will briefly look at the indicators of results.

Organization’s goals

The first Annual Report of CCRTV which includes CCRTV Interactive is the 2001’s one. There, the focus of the company was established as the exploitation and commercialization of interactive services for TVC and Catalunya Radio, making possible a direct and personal relationship with users. The objectives were very much related to improve the management of audiovisual contents fostering the creativity (CCMA Annual Report, 2001: 60)

In fact, in 2005, the Annual Report stated that the initial mission for CCRTV Interactive had been accomplished with the consolidation of internet services and the other interactive platforms such as mobiles, bandwidth, etc. Thus, the strategic objectives for the following years were, among others, to foster the development of Information Society in Catalonia; to create value with the available contents within the Corporation, and develop more on demand contents promoting the participation of the audience, and therefore, loyalty of consumers. (CCMA Annual Report, 2005, 11-112).
In order to achieve the objectives established by CCMA, in 2007 the CCRTV Interactiva management established the following operative objectives (Miralles 2008):

a) Positioning CCMA as one of the leaders of delivering contents and services through Internet and new devices.

b) Making the content, brands and star system already existing in conventional media the most demanded and consumed in Catalan language on these new platforms;

c) Becoming an on demand company, beyond linear and traditional consumption of TV and radio programmes and be able to provide multiple content to any outdoor device;

d) Doing whatever is needed to know the users, to learn about them and their needs and likes, by developing trustful, rich and frequent relationships with them on a one-to-one basis;

e) Creating added value thanks to new business models and new audiences, specially attracting the young people.

Following the same idea, on the CCMA Budget of 2009, the mission of the CCRTV Interactiva was defined as helping CCMA and its content to have a growing presence on the present and future distribution channels, through a major content quality and competiveness. Moreover, this company will have to be innovative in creating interactive content, services, and technology and business models for these new channels (Generalitat de Catalunya 2009).

As a summary, and ten years after the creation of CCRTV Interactiva, it could be said that strategy was to extend the CCMA's mission and role into all platforms: broadband Internet, IPTV, Mobile devices, DVB-H and iDTT. Therefore, become a 360° media company. Therefore, it seems quite clear that the commitment with innovation from the Board of the organisation is very strong in terms of demands and strategic objectives.

Human Resources and Corporative Culture. As far as labour resources are concerned, CCRTV Interactiva started with 34 employees (CCRTV, Annual Report, 2001: 61) and in 2009 had a workforce of around 100, of which around 40 were external employees. In 2001 they were 34 and in 2007, the number grew up 62. According to the projects and the amount of work,
CCRTV Interactiva hired external companies. Since 2007 most of the services, such as technical, editorial and content management, are being subcontracted. Lately, no more workers of any kind can be hired because of a general CCMA strategy to reduce labour costs in order to be better prepared against the recent financial crisis and higher competition.

Regarding work organization, the CCRTV Interactiva daily work structure has been organized around small teams of three people, which are in charge of a product. The company is structured around four divisions: technology, economic control, human resources, content and commercial (Ribó 2007). The content department requires a bigger amount of workers than the rest: 43 employees, more than half of the workforce. This department is the driver of the production, the core of the business, because it contains their know-how. The professional profiles are diverse according to the tasks they have to develop. There are multimedia journalists, creative personnel and designers for the different platforms, computer programmers specialized on web, rich media interfaces, Java and server-side technology (database, servers) and finally on-line advertising salesmen (Fernández 2007).

One of the main challenges for the manager team is to deal with three different working cultures: technological, creative and commercial, but at the same time the key success factor of the company is to achieve a good blend of the three skills (Miralles, 2008). They searched professional profiles that were well coordinated to the others. For example, online journalists who knew or were interested in technology, investigation, which were up to date with new languages and features; young people, anxious, digital native, with hybrid profiles, such as designers interested in the editorial side, and finally, people able to team work. They have adopted a flexible methodology to integrate integrated different work teams.

But even more difficult, according to Miralles (2008) and Clavell (2007), is being to change the corporate culture of the CCMA traditional media companies, radio and television. Managers, content producers and journalists had to produce for the new platforms and not only for the television or radio channel. It was necessary to change from a one-media conception to a multi-media content design. CCRTV Interactiva had to coordinate traditional media with new media. For this purpose, they created a Multichannel Commission, headed by the Director of Strategy and Brand of the CCMA, with 15 persons, where they are representatives of TV, Radio, Interactive
and marketing. This Commission, which is still in place, approves the guidelines of new products and their content and establishes mixed teams of production.

At the beginning, the initiative of new ideas and projects usually came from either content creators or the online salesmen from CCRTV Interactiva that tried to develop commercial agreements with any potential client. After some years, the areas of radio and television started to suggest new contents to be developed on line, and nowadays the three areas, radio, television and CCRTV Interactiva, discuss and create most of the projects. This is a good example of how the search for innovation has been spread from the sister company to the Corporation. The amount of hours expended to develop the whole range of products is about 150,000 hours per year and they develop an average of 3 and 4 new major projects per year.

**Media transformation: set of products and services**

The operative objectives of CCRTV Interactiva, were transformed in a set of services and products along these years, which we will briefly describe (Miralles 2008, 2009). We will classify them according to the following three categories: products or services in which the core of it comes from previous content already produced for radio or television; products or services which especially develops interactivity or/and are created for new devices; and finally the case of transformation of a declining Radio Station into a successful on line Radio Service.

*a) Previous content for Radio and Television*

The Broadband live and video on demand “3 a la carta” service, which can be found at www.3alacarta.cat, was launched in December 2004 and offers the 6 CCMA TV channels live and more than 75,000 videos for on demand service. More than 600 new videos are added every week. An average of 65,000 videos was served each day in December 2007. A year later, 74,000 videos were daily served, a small 12% of increase. However, if the number of consumed hours are counted, the yearly increase arrives until 174%, from 0,8 million hours consumed in 2007 to 2,3 million hours in 2008 and 4 million in 2010 and more than 140,000 videos downloaded everyday. In a sense, this service just provides the content available for on line users.
YouTube is understood as a ‘must-site’ to be present in internet for any media company. For CCMA, YouTube was considered as an entry platform to the own on-demand service, 3 a la carta. As a consequence, a specific CCMA channel was created in YouTube in April 2007. This service offers more than 1,500 videos, and CCRTV Interactiva publishes five or six new videos every day. It had more than 1,500 subscribers in February 2008 and growth until 4,300 in May 2009 and 9,590 in August 2010. In order to provide some context, the Spanish commercial channel Antena 3 has 14,000 subscribers to their YouTube channel. The total amount of TV3 video clips viewed on this specific YouTube channel has attained 2 million per month. As a comparison, Antena 3, the Spanish leader on YouTube, had 3,4 million of clips viewed until the same month, but it has to be considered that it was born nearly a year before the TV3 YouTube channel were created. CCRTV Interactiva has discovered that humour clips, freaky videos and promos work better in YouTube, so it seems that successful programmes on TV are not necessarily successful in YouTube.

In the area of news, the 360° news website service is called 3cat24.com. Apart from being the online news portal of the corporation, it contains an important space for users, who can participate with comments and even as providers of content. The objective is to invite the audience to share news and pictures in this general news portal. The service is at www.3cat24.cat or m3cat24.cat, for mobile access. Audience to this portal is growing as shown by audience data. According the Spanish audit company OJD, ‘3cat24’ website had an average of 247,000 monthly unique visitors during May 2007 and 270,000 during April 2009.

Looking for contents and formats for the new platforms, CCRTV Interactiva developed in 2006 the ‘three minutes video clip’ concept, TV3minuts, which compressed audiovisual CCMA-made material from news to series of three minutes length. It covered user needs as a fast catch-up for fiction and as a summary for news and weather. The service could be found at www.tv3minuts.cat or m.tv3minuts.cat for mobile access, but the production costs and the small amount of audience achieved implied the end of this service since December 2008. It was a good example of creative effort to develop new products from previous material.

b) Products or services developing interactivity and new devices
CCRTV Interactiva has developed 311 blogs related to programmes, characters, series, actors, and journalists and other staff working at the CCMA which allow users to introduce their comments. Moreover, spaces have been opened in the most relevant social networks related to the content produced at the CCMA: programmes, series, characters, and even topics coming from journalistic research. The objective is to create `momentum' around these subjects.

CCRTV Interactiva managers goal was that content could be designed and transmitted to new platforms, including Microsoft's Media Centre and game platform Wii. As a result, they created a special version full of interactivity and additional information for PCs using the Windows Media Center of some special television documentaries. As examples, it could be cited a special documentary about Picasso's Guernica (www.tv3.cat/30minuts/guernica) and a 'docu-fiction' history documentary on Republican years (www.elsdiarisdepascal.cat). IcatFM has as well a special version for the Wii platform. In 2010 they had the system Connected TV to explote 3alacarta, available for Sony Bravia, Philips, Net TV, and Sony PS3.

For Mobile Phones, small fiction pieces with interactive and ad-hoc services were created, called 'Mobisodes'. The first series for mobile was 'A Pera Picada' (2008) and a humour programme called 'PoloGags'. All radio and most television shows with rights cleared for the net are made available through podcasting. This generates a huge download activity from their users. We have only indicative data on their success. The Apple Itunes Music Store has a ranking of Spanish audio podcasts. Catalan-spoken podcasts are number 58th for Minoria Absoluta from RAC1, 71th for Versió Original from RAC1, 94th for Delicatessen from iCatFM and 95th for La transmissió d'en Puyal from Catalunya Ràdio in May 2009. They have on air and on demand services for iPhones and iPad. In December 2009 they launched Netbook of TV3 (http://www.tv3.cat/netbook/), a joint venture with Microsoft and a local manufacturer.

c) From a Radio Station to a Radio Service

CCMA had 4 FM radio networks in the analogical world: Catalunya Ràdio, a talk and generalist radio channel; Catalunya Informació, a 24 hours news radio station; Catalunya Música, a music classic radio network and Catalunya Cultura, a cultural radio station with a small and declining audi-
ence. CCMA managers decided to transform completely Catalunya Cultura in 2006 in order to become a new station able to attract new audiences and develop new radio concepts associated with Internet. As a result, CCRTV Interactiva and Catalunya Ràdio developed a new radio product and a new station was born in 2006 together with an Internet portal: iCatFM. It is based on an urban music format separated by 2 minutes pieces of cultural information and some specific programmes in certain hours. If it is listened by Internet, iCatFM provides huge information of the song, which is on the air: lyrics, CD cover, links, other songs and musicians related, and so on. Moreover, iCatFM is an umbrella for other 5 music radio stations, which are only on Internet: totCat, specialised in Catalan music, iCatjazz in jazz, musiCATles in world and ethnic music, mediterràdio in Mediterranean music and Xahrazad, specialised in music from and addressed to women.

The portal allows presenters to publish content in real time, besides offering participation and community tools. As a result, iCatFM has been a huge success in Internet with more than 202.800 hours served in March 2009, which is nearly 2 minutes of consumption for each one of the 7 million of Catalans.

Just to compare data, CatalunyaRàdio, which is the talk-radio station and leader of the Catalan radio market in 2008, had 255.000 hours served in the same period of March 2009. Moreover, this Internet success has been replicated in the traditional audience with 29.000 daily listeners at the end of 2008, more than those 6.000 daily listeners that Catalunya Cultura had before its transformation into iCatFM (AIMC 2009). A similar transformation has been applied to the FM classic music station Catalunya, which is the radio station leader of classic music in Catalonia. Both services could be found at www.icatfm.cat and www.catmusica.cat. CatalunyaRàdio has grown from 4 FM networks to 10 stations in three years: 4 FM stations and 6 stations on Internet. All of them are available on Iphone. So, this division gives an important growth for the company.

As a whole, the CCMA Internet radio consumption passed from 1,7 million hours consumed in 2005 to 3,5 million in 2007, and to 7,7 million hours in 2008 (1 hour/year by Catalan). As a simultaneous consequence of this development, it has implied a growth of radio production: from 672 hours in 2005 per week to 1176 hours per week to 2007.
Indicators of results

As far economic indicators are concerned, although CCRTV Interactiva is not in the business for getting profits because it belongs to a public corporation, it has increased their revenues from Internet and mobile services, especially since they open the video on-demand service to the public free of charge in 2007 (Table 2).

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<th>Mobile services and Internet Revenue (000 €)</th>
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<td>2003</td>
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<td>Mobile</td>
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Source: Miralles (2009)

As CCRTV Interactiva opened the access to video on-demand services, the older pay-per-view revenue disappeared but a growth in advertising revenues overbalanced the loss of that revenue. The company has been actively marketing its online advertising space and developing new business models in order to minimize the financial burden that means to the consolidated Group, and also to prove that the future of media is through these new platforms, also in terms of revenue streams. In 2009 the revenue come from: teletexto advertising, 215,092 euros; advertising on Internet: 930,820 euros; broadband services: 5,700 euros; Interactive services: 312,440 euros; and web services: 5,934,224 euros (CCRTV Annual Report 2009: 39).

From the costs point of view, CCRTV Interactiva is not a profitable company. Expenses were 10,7 million Euros in 2008 and the difference was covered by a subsidy from Catalan Government, through capital financing from the CCMA. In exchange of this funding, CCRTV Interactiva has to achieve two indicators defined on the 2009 Catalan Budget. The first one was the number of yearly pages viewed on all the CCMA sites. It had to attain 360 million for 2009 (They were 195 million for the second semester of 2008 according OJD Interactive). The second indicator was a number of hours of audiovisual CCMA content downloaded by users. It had been fixed to 13 million hours for 2009; in 2008 they were 7,7 million. From a point of view of results, apart from the audience data, CCRTV Interactiva has been recog-
mixed by national and international organizations. They received more than 40 awards since 2002 (CCMA Annual Report 2007). Only in 2008 they had 7 awards and 6 nominations for international and national contests, including an Eppy Award to “Best local Radio-Affiliated Web Site” by iCatFM and an Honour Mention for iCatFM from the Webby Awards (Miralles, 2009). In 2009, 7 new Awards and Nominations, amongst which: the Eppy Award to the best local TV portal for tv3.cat.

Discussion and conclusions

After studying the case of CCRTV Interactiva will try to answer the research questions, bearing also in mind the theoretical framework developed with the review of the literature.

Regarding the first question, we could conclude that in fact, it is more efficient to create a sister company to implement innovation, when the following conditions do exist:

a) It is necessary that the Board of the organization (in this case the Corporation) is strongly committed with innovation. CCRTV, later CCMA, clearly understood the need of innovation as we have seen. In this case, and following Christensen and Overdoff (2000), we could assert that CCRTV has followed the model of developing a new business inside the company. A new organizational structure (CCRTV Interactiva) had been created combining the team work with other divisions of the corporation. However, CCRTV Interactiva is individually responsible of the success of the division, because it has to fulfill the objectives fixed by the organization in terms of audiences and budget.

b) There is also a need of having a flexible corporative culture which promotes communication and coordination among companies within a corporation. In this sense, and following Schneider and Barsoux (1997), the corporative style of CCRTV Interactiva could be defined as a well-oiled machine, organized by functions and technical competence, in search of efficiency. The creation of a Coordination Committee and the subsequent mixed teams of production is a good example of this. In fact, and according to Lewis and Seibold (1998), communication and collaboration are at
the heart of change adoption, and this culture has made possible that the rest of the Corporation has got involved on the development of new media products. Cooperation is also manifested in the spread of their know-how in conferences for other regional public channels and other international events. Thus, and following Bourgeois and Brodwin (1984), we can talk about the crevise model within the strategies that organizations can use when attempting to implement decisions, since this model emphasizes the attempts to nurture implementation among organizational members.

c) The commercial pressures which may influence professional styles do not exist as in other media, because of the public service condition. Following Ujin (2000), collective orientation toward corporate goals is difficult to achieve because of the differences between the varied professional styles and the autonomy of the creative work. However, in the case of CCRTV Interactiva, professional style coming from marketing people was not as important for the media producers as in other media. However, they have a very clear business orientation compatible with the public service remit. This is shown in the alliances with private companies such as Microsoft.

Regarding the second question, the main strengths of a public broadcaster to become a multimedia interactive platform, would be the following:

a) The archives of the public corporation play a substantial role in the process of media transformation. As we have seen in the case of CCRTV Interactiva, many of the products or services developed count on the previous audiovisual material.

b) The very nature of public service gives, among other benefits, public funding which allows implementation of innovation without commercial pressures.

c) The experience of many years dealing with local audiences gives a deep knowledge of them and allows the creation of products and services focused on very well defined targets as it happens with the transformation of the radio station. Public media are ready to adapt their new media to the new audience’s needs.

d) The limits fixed by the Corporation in terms of hiring people makes CCRTV Interactiva a less bureaucratic organization and gives the sister
company the opportunity to contract external work for specific projects. In this case, forty per cent of the workforce comes from external companies.

As a summary, and looking back to the case of study, we could assert that CCRTV Interactiva is an example of a public company ready to innovate and to change. One of the factors that explain this strategy is the fact that the Group is not exclusively seeking economic profits, but mainly public service. We could also conclude that CCRTV Interactiva can be considered a creative firm and therefore CCMA too, as it has known how to build up quickly an expertise in this area from scratch. In this sense, it would be very interesting for further research to study this case from the perspective of creative firms and creative industries.

It’s obvious that new media is the route to growth in the media industry. In this sense, it is important the growth in all key performance indicators: audience, revenue and knowledge of users. Making television and radio content “active” in new media is only the first step; the real challenge is to turn our organizations into 360°, that is to say, to develop a multiplatform creative factory. The challenge is to move all creative layers into new media. It is not only about technology, but intellectual work coming from writers, producers, directors, designers, cameramen, journalists, entertainers and to transform their work in new formats at all levels. According to the General Manager of CCRTV Interactiva, the new objective is to become powerful nodes in social networks. So, it is a matter to deconstruct traditional media and to use its components to reach users and enable audience and participation momentum around them (Miralles 2008).

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