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Editorial

The TV format trade and the world media system: Change and continuity

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Television, as anybody with a remote control or a mouse has noticed, is undergoing a full-scale revolution driven by the twin engine of digitization and globalization. Digital technologies and the Internet are transforming the way TV programmes are financed, produced, distributed, promoted, paid for and consumed. From non-linear editing systems to drones and fixed rigs, new technologies are also being used to create new stories and TV genres. The impact of globalization might be more diffuse but as profound as it too is reshaping the fabric of the TV industry. It may be called global because of the vast reach and geographical footprint of some media firms, but above all because of its underlying structure. Today's TV industry is underpinned by value chains that have changed its dynamic: the emergence of distinct value-adding segments have changed the way businesses gain a competitive edge, leading them to internationalize within their segment of choice. In turn, a large number of multinational firms of all sizes are forming with a degree of transnational interdependence among buyers and suppliers, on an unprecedented scale. It is increasingly challenging to demarcate the boundaries of national markets, which today are best described as transnational, as Paul Torre notes in his article. But globalization does not just transform the TV industry, it is also driven by TV programmes, a trend that is manifest with formats.

This edited collection is born out of a desire to explore further the complex

relationship between TV formats and globalization. Do TV formats change or strengthen existing features of the world media system? Namely, do they make it more inclusive or reinforce western domination? Do they shift the power relationship between the local and the global? Which challenges and opportunities do they bring to the creative economy in emerging markets? We selected those contributors most likely to provide some insight to these questions. Together, they cover all six key world regions of the global media system, including Africa, the Middle East, Asia, Latin America, North America and Europe. What conclusions can be drawn from their observations and analysis?

The answer is complex because the format business brings both change and continuity to the trade in creative products. Cross-border media flows have continuously expanded over recent decades. Looking at entertainment only, feature films, which have always travelled, were joined by TV series in the 1970s, followed by TV formats add, which add volume to this trade by including unscripted TV genres. Most of these programmes were purely domestic productions. Such was the case with the old variety genre, and even a good proportion of game shows were local creations (as opposed to licensed adaptations) (Cooper-Chen 1994: 270–89). Today, factual entertainment or talent competition formats, among others, are the storytelling tool kits which have become de rigueur for broadcasters around the world.

TV formats add volume to cross-border media flows but travel in a fundamentally different fashion from finished tapes, in particular because they articulate both local and global dimensions. A format (or part of it) can be called global, not because it travels to every single country, but because its IP definers – structure and brand attributes – will be replicated everywhere it goes. For instance, *The Great Bake Off* (2010) has only travelled

to two dozen territories so far but, wherever it goes, the future local versions will all include a tent, judges with baking credentials, at least three challenges (the Signature Bake, Technical Bake, and Showstopper Bake), a star baker, and a story driven by the elimination process.

In today's complex market, some shows travel as finished programmes long before being adapted (as was the case for example with *Top Gear* or *Desperate Housewives*) and some formats travel around the world simultaneously as finished tapes and local adaptations (e.g. *American Idol* or *Homeland*). At times, this happens in one and the same market. In Italy, for instance, various reality formats (e.g. *Don't Tell the Bride*) are shown on different channels in their Italian version, the original British show, and the US adaptation. Once TV channels have established a brand, they are not shy of scheduling it in multiple versions (e.g. *Location, Location, Location Australia* on UK's Channel 4).

Beyond these vagaries, a format must, fundamentally, morph into a local show:

MasterChef India or *America's Got Talent* would not generate the ratings they do if a cultural barrier of any sort existed between them and their viewers. There is no rationale for a broadcaster or TV production company to invest in production and pay a licence fee if it is not to seamlessly integrate a format into the local culture. A format is transnational in character because it uses global rules to engineer a local drama. It is like a football team: global rules but local supporters (unless it is Real Madrid or Manchester United). As Zeng and Sparks argue so convincingly, translation does not suffice: the adaptation often involves a process of ongoing negotiation between rights holders and the local team. And herein lies the novelty of TV formats: they may add to the volume of cross-border media flows, but they do so in a unique manner, forming a nexus between the local and the global. By forming these connections, the format trade is making a strong contribution to

the transnational remodelling of the current world media system.

Does the format trade represent an opportunity for the creative economy in emerging markets? The nascent format business is already dominated by the United Kingdom and the United States. As Andrea Esser reveals, most of the world's TV format production majors originated and are based in the United Kingdom. But the large transnational production groups built by British firms over the past ten–fifteen years are now American-owned. What are the implications of the transatlantic shift in ownership for British format producers? And what does the transnational approach to production mean for the long-term sustainability of leading production clusters, and for emerging territories? Our collection of articles shows that the format trade represents a great opportunity for emerging nations, but it also argues that they need to be proactive in order to seize it. They need to establish the right conditions for hub-and-spoke TV clusters to develop and persist.

The proportion of formats coming from emerging territories is clearly expanding: the 'rest of the world' formats (not from either the United Kingdom, United States or Holland) represented 26 per cent of the world market in 2004 and 48 per cent a decade later (Wallace 2015: 3). Local producers are emerging in the Middle East, Africa and Latin America (see the articles by Joe Khalil, Martin Ndlela, and Uribe-Jongbloed and Pis Diez respectively), and both Keane and Zhang, and Zeng and Sparks focus on up and coming South Korea and China.

Formats also represent an opportunity as they entail a knowledge transfer. The process of adaptation represents a chance for local producers to step in, and to learn. The trade has already had a beneficial impact on local production standards, skills and business practices in several regions. Keane and Zhang argue that the 'know-how of formatting has

transformed the landscape of Chinese television’, and Chalaby documents how the format trade has upskilled production staff in various emerging markets. But it is also apparent that some countries are doing much better than others. A key discovery from Uribe-Jongbloed and Pis Diez is that the best performers in Latin America are not those with the largest production capacity. The leading regional format traders are Argentina and Colombia, whilst the largest TV producers are Brazil and Mexico. Although further research is needed to determine the factors that influence performance in the TV format trade, it is clear that countries cannot rely on the size of their market alone. Openness to trade, flows of direct foreign investment, transparent governance and competitive markets almost certainly play a role, but above all they must support their creative sector. The United Kingdom has done so, with brilliant results. As Chalaby discusses, emerging nations need an upgrading strategy that enables them to perform in the TV format global value chain. In particular, they must use IP laws to incentivize creativity, must not restrict international trade, and need to take into account the global nature of the TV content value chain to help local firms position themselves accordingly.

The third important aspect to emerge from our edited collection is the issue of regionalization. World regions play an important role in the processes of globalization because the overwhelming majority of free trade agreements are regional in scope. There are currently 285 Regional Trade Agreements (RTAs) in force and while many are bilateral, they also include the Asia Pacific Trade Agreement (APTA – goods only), the Economic Community of West African States (ECOWAS – goods only), the European Community Treaty (known as the Treaty of Rome), and the North American Free Trade Agreement (NAFTA) (WTO 2016). There are advantages in trading with neighbours, including common language or culture that break down barriers (apart from Europe of

course). These linguistic or cultural commonalities form geo-linguistic regions that also facilitate the exchange of cultural products (Sinclair et al. 1996), and they have come to play an important role in the format trade. All our contributors demonstrate that a format from an emerging nation is far more likely to travel to another market in the same region than anywhere else in the world. Interestingly, both Keane and Zhang, and Zeng and Sparks, make the same observation: Korean family oriented formats are doing well in China because of the Confucian sensibility the country shares with its East Asian neighbour. For Joe Khalil, it is the beauty of a shared language that attracts viewers from all over the Middle East to shows such as *Million's Poet*. It is common knowledge that telenovelas crossed borders in Latin America, and now do so as formats (Uribe-Jongbloed and Pis Diez).

But there are also stark differences among regions: their media industry is at different stages of integration, whether in terms of industry (extent of regional cooperation between local firms, number and size of pan-regional players, etc.) or content (e.g. volume of cross-border media flows). Further research is necessary to measure these indicators with precision, but it seems that Europe is ahead of other regions in terms of business integration and cooperation: it hosts the largest number of multinational format producers, and locally based firms collaborate with each other as a matter of routine. Elsewhere, sub-regional markets are showing signs of integration, such as anglophone Africa and the Arab Gulf region, as Martin Ndela and Joe Khalil explain. In terms of content, native formats travel well within Europe, Latin America, and are beginning to do so in Asia. In the Middle East, the first few are crossing borders.

Doing business is more difficult in some regions than in others. In Africa and the Middle East (or at least part of it), local TV producers face seemingly insurmountable

challenges, from large scale piracy to armed conflicts (see Martin Ndlela's and Joe Khalil's articles). By way of contrast, the northern American market is striking by its size, openness and competitiveness. The only thing US firms need to worry about, it emerges from Paul Torre's piece, is the soundness of their business model.

The transnational nature of the format trade presents emerging markets with a great opportunity. Western TV production majors cannot simply dump products and move on to next year's slate. They need to develop an understanding of each market and, more importantly, collaborate with local businesses to develop and produce their formats. This generates knowledge transfer, cultural exchange and intensifies the relationship between north and south. Since formats travel more easily within their native and adjoining regions, the format business also has the potential to contribute to South-South trade. TV formats have proven less a Trojan horse for western domination but are not quite the magic wand that will transform peripheral countries into world-leading creative hubs. For territories that support their creative economy, and take steps to integrate their creative sector into the world media system, what they represent is an opportunity to be *seized*.

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