



Journalist Fellowship Paper

Lessons from Finland on the digitization of public broadcasting

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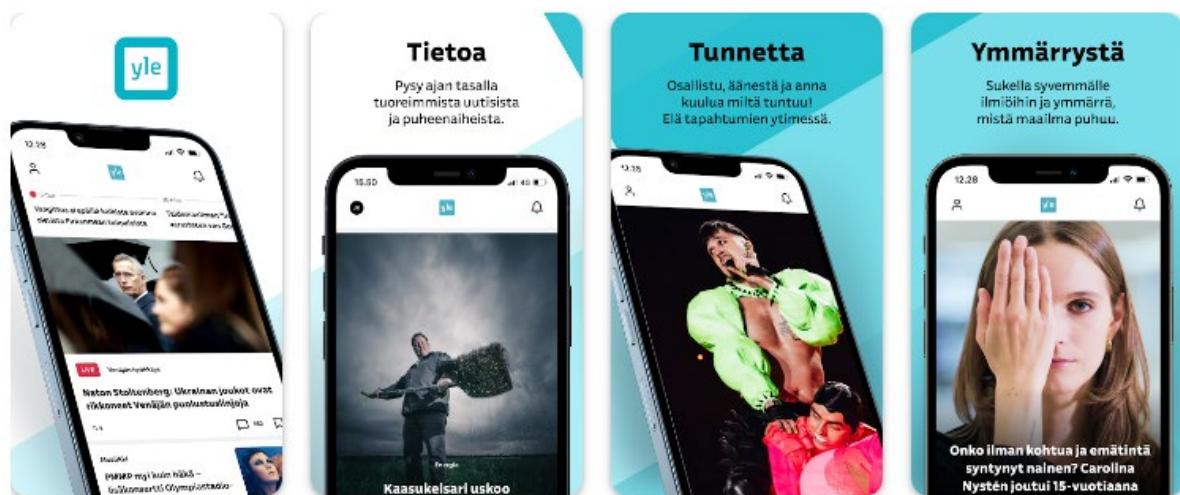
Introduction

The digital revolution has had an enormous impact on the world of journalism, prompting public broadcasters in various countries to search for the role they should play as news organisations in this new era.

All public broadcasters have undergone reform from traditional TV stations to digital public media, but many still grapple with intense online competition, a decline in their dominance as news organisations, and reductions in staff and resources. Despite living in a post-broadcast world, several continue to make the mistake of primarily practising as broadcasters.

As an employee of the Japanese Broadcasting Corporation (NHK), I wanted to undertake a project to find the best lessons from those who are succeeding to navigate the change.

In my time at the Reuters Institute for the Study of Journalism, I found most inspiration from Finnish public broadcaster Yleisradio Oy (Yle), which has taken a progressive approach to digitalization and still enjoys strong public support.



Product shots of the Yle app from the Google Play store

Among its most notable evolutions, Yle has created the streaming platform Areena, developed ahead of other public broadcasters around the world. In tandem with the development of this platform, Yle has also reformed its organizational culture and has evolved as a digital public media outlet.

As a result, it has achieved great success: watched by more viewers in Finland than Netflix and voted the number one brand in Finland eight times, beating out other IT giants such as Google and Amazon.

I interviewed five people who have been most notably responsible for Yle's reforms. I asked what public broadcasting reform is required in terms of organisational culture, technological development, and winning the public's trust.

Digitisation of public broadcasting in Europe

The digitization of public broadcasting in Europe has been underway since the mid-2000s, with the BBC in the UK and Yle in Finland among the most advanced.

According to a [survey of public broadcaster](#)s in six European countries (Finland, France, Germany, Italy, Poland, and the UK) conducted between December 2015 and February 2016 by a research group from the Reuters Institute for the Study of Journalism, reach for news via TV and radio was high in all six public broadcasters, but only in Finland and the UK was it also high online.¹

The study noted that the BBC and Yle were more advanced than the other public broadcasters in three areas: organisational reform, mobile distribution, and use of social media platforms.

It also noted that in both the BBC and Yle, the following four conditions have contributed to their online presence compared to other public broadcasters:

1. Being an integrated and centrally organised public service media that operates on all platforms;
2. A certain degree of isolation from political influence through multi-year contracts for public service operations, funding, etc.;
3. Culture that sees new media as an opportunity, not a threat;
4. Leadership that clearly and publicly emphasizes the need for continuous organisational change to adapt to a changing media environment.

As a result of the continuing reforms described in the four areas above, both the BBC and Yle have had a strong media presence, both offline and online, compared with the other public broadcasters.

For Yle, the heart of digitisation is its streaming platform Areena, which has repeatedly ranked as the top brand in Finland. This integrated platform – available as a mobile app, via web browser and on Smart TVs – offers the public access to a vast and diverse array of content produced by public broadcasters over the years. It brings together TV shows, movies, podcasts, documentaries, news, sports, and live broadcasts, and it is all freely accessible.

¹ <https://reutersinstitute.politics.ox.ac.uk/our-research/public-service-news-and-digital-media>

A search for news topics shows all related stories – even archived content more than five years old. This seamless provision of content is said to have played an important role in making Yle an essential part of Finnish citizens' daily lives.

In Japan, NHK offers NHK Plus, which provides live streaming and catch-up services, Rajiru Rajiru, a radio catch-up service, NHKNewsWEB, which focuses on text news, and NHK On Demand, which allows users to view archived programs from the past. Each of these services exists separately. In addition, NHK On Demand is a paid subscription service, in addition to subscription fees. In a fast-paced world, this separation of formats creates an overly complicated user journey, making it difficult for the public to perceive NHK's usefulness in the digital space.

There is also a big difference in how viewers consume the wealth of content available on European platforms. BBC's iPlayer and Yle's Areena platforms both employ algorithmic personalisation and recommendation functions that allow viewers to quickly see information of interest to them.

By contrast, NHK's websites mainly present information hand-selected by NHK staff, and viewers may get lost when searching for programmes they want to watch.

Other European public broadcasters are also working on this kind of personalisation and recommendation, such as Germany's ZDF, which is starting to use algorithms to tag audio and video material. As we will discuss in detail later, personalisation is an indispensable function for public broadcasting to deliver its rich content to viewers in the midst of the existence of powerful streaming sites such as Netflix and Disney.

All public broadcasters need to learn from and adopt advanced approaches as soon as possible.

Conditions for Areena's success

YLE's transformation from a traditional TV station to a digital powerhouse, while many public media organisations worldwide have lagged, is an intriguing case study. To uncover the reasons behind this success, I interviewed Jari Lahti, who played a central role in developing the Areena digital platform 16 years ago, a cornerstone of Yle's achievements.

In addition to his work on Areena, Lahti has been instrumental in various digital innovations at Yle, including organisational restructuring and talent recruitment.

Early development and leadership foresight

Lahti cites the early start in developing Areena as a critical factor. Yle began working on the platform in 2006, at a time when YouTube had just launched, and broadband was not yet widespread. According to Lahti, this foresight came from the company's top management, particularly Chairman Arne Wessberg, who led Yle until 2005.

Wessberg's role as President of the European Broadcasting Union and a board member of Nokia provided him with insights into the imminent digital wave sweeping through public broadcasting and telecommunications, giving Yle a significant early advantage.

He asked Reijo Perälä, in charge of Yle's radio at the time, to implement a project to make Yle's past programmes available on the internet. This project, "Elävä Arkisto", inspired Jari Lahti to undertake the Yle Areena idea. At the time, the BBC was already developing a video-on-demand platform, and a huge wave of digitization was sweeping across public broadcasting.

Successive leadership and organisational culture

Mikael Jungner, who succeeded Wessberg, brought experience from Microsoft and continued to drive digital transformation at Yle, including Areena. His modern and inspirational leadership style was crucial.

Lahti emphasises the importance of Yle's flat organisational culture, which enabled rapid decision-making and the incorporation of a younger generations' technological interests into the company's digital innovations.

This environment allowed Lahti and his colleagues to operate like a start-up within a bureaucratic organisation, communicating directly with top management to push forward with digital reforms. "We had a very smooth communication environment," said Lahti, "exchanging opinions directly with the chairman, the head of the organisation, via e-mail about decision-making and organisational reforms for the

development of digitisation technologies, and standing around talking when we met in the office.”

Recruitment and talent integration

Since there were many aspects of Yle’s digital reform that could not be executed by traditional TV station staff, it was essential to recruit specialists. Lahti played a significant role in this, proposing organisational reforms to the Board of Directors that transformed Yle into a digitally adept organisation.

“Top management’s foresight was important, but at the same time [so were] all the entrepreneurial and enthusiastic people in [mid-levels]. Between 2006 and 2007 there was strong trust from the top management in the Yle New Services [team], which was crucial. At Yle, the digital journey and transformation has been more bottom-up than top-down.”

One of the most challenging decisions, according to Lahti, was unifying TV video and radio audio on the same platform, a technically demanding task at the time. Despite initial outages post-launch, this decision proved beneficial, ensuring a robust digital presence for Yle.

Stable financial resources

Another key factor in Areena’s success was Finland’s transition from TV reception fees to the Yle tax in 2013.² The abolition of the reception fee was triggered by a flaw in the subtitling system in 2007. While the problem had nothing to do with digitalisation, it caused a significant decrease in the number of subscription payments, forcing Yle to change the fee system itself.

The introduction of the Yle tax turned out to be most fortunately timed: the abolishing the TV receiver-based fee system has created an environment in which Yle does not have to be bound by the framework of TV broadcasting priority.

It means that Yle is no longer constrained to release, for example, 12 dramas from one series at a time to Areena. If TV were still priority, the order of release would tend to be first broadcast on terrestrial TV, and then release on streaming sites. This is no match for streaming sites such as Netflix and Amazon.

At the [2022 EBU annual meeting](#), Yle executive producer Juhana Säilynoja explained: “Catch-up services are below broadcasting in the hierarchy. [...] Streaming services, on the other hand, are in the mindset of people who want to watch something really good right now, so the market is different.”³

² Marina Österlund-Karinkanta Senior Media Analyst, Yle <https://rm.coe.int/0900001680789a98>

³ <https://www.ebu.ch/video-talks/restricted/2022/10/mediadays/connect-boosting-yle-areena>

Content strategy and copyright management

Under the new strategy, Areena streaming service and news sites are positioned at the top of Yle's strategy, with TV and radio broadcasting placed below them. The marketing strategy has therefore also been changed, with content targeted at viewers under 45 years of age being recommended preferentially on Areena.

Early and proactive management of copyright issues has also been a significant advantage, contrasting with the BBC's struggles due to regulatory delays.

While BBC's iPlayer was launched around the same time as Areena and initially had an advantage over Netflix, a December 2022 [report by the National Audit Office](#) noted iPlayer was unable to fully realise its competitive edge because it took more than a year to get sign-off from Ofcom to extend the duration of programming available on its video-on-demand service iPlayer from 30 days to a year.⁴

⁴ A digital BBC p10 <https://www.nao.org.uk/wp-content/uploads/2022/12/A-Digital-BBC.pdf>

Customer experience is the bedrock of a unified platform

Even if copyright issues are resolved and a digital platform capable of handling tens of thousands of programs, podcasts, and news texts is established, another challenge remains.

Unlike the television broadcasting era, where information was delivered to the public through a one-way channel, we now live in a time where individuals voluntarily consume information of their own choice. The question is how public broadcasters can effectively deliver news and programming that aligns with the life stages and preferences of individual viewers.

To address this issue, various departments at Yle are working to analyse the metadata obtained from the platforms to train an algorithm that will ultimately deliver information that is tailored and optimized for each and every Finnish viewer.

In 2016, Yle established a department to oversee customer experience and create a new relationship between viewers and public media. Jakko Lempinen has been the head of this department since 2016, and has also served as head of AI. Both departments fall under the Media Strategy Unit, responsible for customer research and promoting a data-driven culture around product strategy.

Lempinen originally worked in machine learning for the private sector. When he joined in 2016, he was surprised to find that no one had yet used the term “customer experience”. “We needed to rethink the entire organisation of the company from the customer’s point of view,” he told me. “We needed to rethink the organisation of the firm from the perspective of why people need media and what media can offer them in their lives.”

Today, Lempinen and his team have customer experience top of mind when they develop personalisation algorithms for Areena, such as the code that changes a programme’s artwork to make it most appealing based on the viewer’s age and gender.

As of 2020, Yle’s unified site offers customers 100,000 pieces of content at any given time. It is impossible to develop a single navigation structure that satisfies all viewers. Yle needs to know what kind of content each viewer wants, in order to tailor the content to each viewer so that they are engaged from the very first screen of Areena.

To prevent echo chambers forming around fixed personalisation metrics,

Lempinen said, it is important to remain dynamic and understand how people have interacted with the media in the past, so that they can provide new value to different groups in the future.

He thinks about three core groups for this purpose: the first is the younger generation, who are beginning to become autonomous media users. They never used traditional media such as television, so there is no playbook yet on what kind of value creation can be done for them. The second is a group that grew up with traditional media but whose daily lives are now determined by digital services. And the third is a group of loyal customers who consume most of Yle's service offerings in a traditional way and are accustomed to VIP-level service offerings.

Customer expectations for media services change slowly, but when they do change, it happens fast, Lempinen said. "Change is happening all the time, but there are many things that will remain the same. We must not forget that either," he said. To promote the digital shift, he suggests balancing change with producing or purchasing content that appeals to loyal customers and delivering it in their preferred formats. This approach ensures that Yle remains valuable to the public, preventing the loss of loyal customers.

New initiatives in news reporting

Areena offers a wide variety of programming, including news, documentaries, drama, and music. But what about daily news coverage? Alongside Areena, Yle launched Uutiset, a news site dedicated to daily coverage.

Timo Kämäräinen, Yle's executive online producer, is not new to digitalisation: he was involved in online news production within the military in the 1990s. Today, his job at Yle is to develop new digital content in line with the needs Yle's customer team identifies in the data.

Kämäräinen described his job as “developing a workplace culture that seeks to understand how to be a better news organisation for its audience”. He studies online data to shape insights that all reporters, managers, and digital content developers can understand, then shares the vision with everyone so that new capabilities and high-performing digital content can be developed.

For the past seven years, every reporter at Yle has access to check the performance their articles by reach, time spent on the site, gender split, and the age bracket of readers. Making data available to all was a major achievement in the democratising of digital reform, he said. It both promoted understanding of who was being reached and cooperation in new initiatives.

It was the tracking of audience data that led Kämäräinen to roll out new morning and evening briefs last year. Content is delivered via push notification in card format, combining artwork and article summaries for the five major news stories of the day. Since the launch, they have continued to test and adapt the effectiveness of the artwork and notification timing.

“What is important is the ability to pick out important changes and developments from the data analysis and explain them to colleagues and supervisors,” he said, “to look at the numbers in a way that might help them change direction. I also do social media analysis, and I can see which platforms are going up and which are going down. But our main focus is on our own platforms.”

Reaching the younger audience is incredibly important for the public broadcaster. Acknowledging the increased time and attention spent by young people on YouTube and TikTok, Peter Westerholm has been developing an offering dedicated to Generation Z at Yle. At the time of our interview, he was unable to describe the prototype in detail, but it involves video-rich content featuring some collaboration with popular influencers.

This type of production in partnership with outside producers, including YouTubers and TikTokers, has also been used by Germany's ZDF and ARD. In Japan, this may not be a format that is well accepted, but it is a subject that needs to be tested.

Coexisting with commercial media

It's easy to see why Yle has such a dominant market share in the Finnish media space, but its success has led to accusations of monopolisation. In 2017, commercial media lobbyists petitioned the [EU Commission](#) to require that all Yle text content should be tied to either video and audio content.⁵

Four years later, Sanoma, Finland's largest commercial media outlet, complained to EU authorities, advocating for restrictions on Areena's content and educational material. In response, Yle chief executive Merja Ylä-Anttila countered that, "Weakening Areena's online services would have a serious impact not only on Finnish media users but also on cultural content in the country. It will not strengthen media companies active in the domestic market, but it will increase the dominance of large international platforms. Tying AREENA to linear broadcasting will mean the long-term decline of public services as a whole."

Yle's domination is also a concern in the podcasting market, where they increasingly dominate charts. Yle proactively commissioned a research team at University of Jyväskylä to conduct a study into future operations in the podcast market to see if any measures needed to be taken as a public media outlet. [The report](#) concluded that, "While Yle is balanced as a public media outlet at this time, it will need to take action should it come to dominate the podcast market in the future."⁶

Competition between public broadcasters and commercial media is a relevant issue for many countries, and the question of how public broadcasting, which is guaranteed stable financing, can coexist with a prospering commercial media is one that cannot be avoided.

Lahti, who played a central role in the development of Areena, now heads a joint venture with a commercial media partner. He said that Yle, supported by the Yle tax, also plays a role in easing frictions with commercial media by creating a cooperative relationship with them in content and technology development.

The most important thing for public broadcasters is to ensure that their services have solid public support. When commercial media filed complaints against Yle with EU regulators, many people in Finland voiced dissatisfaction via social media, saying, "Don't mess with our Areena". This highlighted that the service how indispensable the service has become in the lives of Finnish citizens.

⁵ <https://yle.fi/a/3-12339558>

⁶ [IYX - Yleisradion audio-on-demand \(AOD\) : tarjonta ja julkinen palvelu \(jyu.fi\)](#)

Stay innovative

Lahti is now the head of the innovation department at Yle. The digitalisation of the Finnish broadcaster is ongoing, and Yle as an organisation needs continuous change. One of the projects Lahti is currently working on, alongside Jouni Frilander and others, is VIIMA, an intranet platform for Yle employees to post their ideas for new digital tools and receive feedback and collaboration requests from colleagues. Projects with potential will receive funding, and prototype development will begin.

According to Lahti, the budget he has at his disposal for projects suggested by the employees is about EUR 1 million. Although Lahti modestly referred to this as a small amount, VIIMA is crucial for allowing staff to gain experience in realising their own ideas. Moreover, Frilander mentioned a pilot project to see if EBU member broadcasters can use VIIMA to exchange ideas and cooperate in developing new technologies for digital reform.

Lahti and Frilander are also active in developing next-generation content, which will be widely used in the near future as Yle enhances logins and tracks what viewing tools each viewer uses.

For example, Apple has announced the sale of Apple Vision, predicting increased demand for immersive content for news programs. According to Frilander, those who have experienced Apple Vision describe it as emotionally charged and realistic. In anticipation of future changes in viewing methods, Lahti and Frilander have been exchanging information with the technology development departments of public broadcasters in different countries.

They are also preparing for changes in news presentation and delivery. They believe AI can automatically shorten a 15-minute newscast to 5 minutes when the audience is busy, based on the viewer's situation. A prototype of such personalisation is being developed at Bayerische Rundfunk (BR), the regional public broadcaster in Germany.

Lahti's video message to the EBU in January 2023 demonstrated Yle's commitment to navigating and pushing forward in digitalisation.

“It is a well-known fact that in the Internet world, the first to launch a service is the winner. But for public broadcasters, being first is even more important. If you are a little late to the game, you will quickly be dragged down by governments and commercial media and forced out of the market. On the other hand, if you are first to provide a service when it is not yet available, the public will thank you. Being an Early Bird is extremely important for public broadcasting.”

YLE plans to gradually mandate logins on mobile and websites in the future. There is a great debate about creating a login barrier for public media, whose mission is to deliver information to everyone. But both the BBC in the UK and ABC in Australia are rolling out similar measures.

YLE also withdrew their podcasts from Spotify, even as many public broadcasters have been offering their content to other platforms like Amazon. This withdrawal is a sign that Areena has grown into a platform with truly competitive brand power. Even after the transition of podcasts exclusively to Areena, the number of listeners has not decreased.

But just as the environment surrounding public broadcasting is constantly changing, staying innovative is the only way to stay in the game.

Conclusion

Public broadcasters around the world share many challenges in the development of new technologies and the organisational reforms required to support them. This challenge will only grow more pressing as commercial entities adopt generative AI and machine learning-led personalisation for more competitive outcomes.

At the same time, the financial foundations of public broadcasting are shaky, and many organisations will have the impossible task of evolving quickly with limited budgets for digitalisation.

Public broadcasters in different countries would benefit greatly from sharing the results and lessons learned in digitalization. Yle provides a wonderful example of how embracing innovation and prioritising the needs of the public can yield remarkable results.

It is imperative that public broadcasters in every country, including NHK, build a system to mutually advance digitalisation and to rebuild public broadcasting as a valuable institution for the good of society.

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Jari Lahti and Jouni Frilander from the Innovation team gave me a lengthy interview about the history of Yle's digitalisation and the challenges it faces today.

Jakko Lempinen, Timo Kämäräinen, and Peter Westerholm also shared with me their essential expertise in exploring the future of public broadcasting.

My three months at the Reuters Institute of Journalism were among the most valuable of my nearly 30 years of experience as a journalist, and I learned many lessons. I am deeply grateful to Caithlin Mercer for creating an environment in which all participants were able to make significant gains during those three months, and to the 12 Fellows with whom I learned.

Finally, I would like to thank my partner Kim Jiesun for supporting me for two decades and my friend Tkach Vlada for their invaluable help in researching for the report. I am deeply grateful for the friendship with Vlada since we began working together 32 years ago in Ukraine covering the Chernobyl nuclear accident.