



PEST-ANALYSIS OF SVT

A macro-methods approach to Swedish television

Assignment 2

Understanding the Creative Industries 2018
Malmö University

Gustaf Rossi
gustaf@rossi.se

Contents

1.Introduction	3
2.PEST Analysis	3
2.1 Political	3
2.2 Economic	4
2.3 Socio-cultural	5
2.4 Technology	6
3.Predictions	7
References	9

1. Introduction

The national Swedish television station, SVT (Swedish, Sveriges television) is one of the public service companies of Sweden, alongside Utbildningsradion UR and Sveriges Radio SR. SVT is the public service company focused on producing and broadcasting television, news and entertainment shows across Sweden. As a public service company SVT is required to produce contents suitable for every citizen and all forms of minorities (The Government of Sweden, 2018).

The creative industries are defined as an organization that requires human creativity, they are vehicles for symbolic messages and they produce some form of contents or service that are classified as intellectual property (Davies & Sigthorsson, 2013). When these three criteria are met the organization can be placed within the creative industries. Davies and Sigthorsson (2013) also explain that there are many categories within the creative industries such as festivals, design, music and video games and that the term of Creative industries could be used as an “umbrella” for all these forms that match the three previously mentioned criteria.

I therefore place SVT in this context of Creative Industries due to its use of creativity in television production and journalism. The content is produced by journalists who represent the human input, the results form journalistic content, news and entertainment and these productions are an intellectual property to the corporation. SVT as a television corporation is placed in creative industries of the film and tv production industry.

2. PEST Analysis

In this report I’m going to perform an analysis of SVT from the four perspectives of a PEST analysis. With the PEST analysis I aim to analyze SVT from the perspectives of the political, economic, socio-cultural and technology perspectives. Like other companies these are important factors to understand and to analyze the position of SVT and the predict future developments for the company.

2.1 Political

Sweden is a democracy and are having general elections every fourth year to the parliament, regional municipalities and the local municipalities as stated in The Instrument of the Government (SFS 1975:152). There are some laws regulating SVT and other corporations working with journalism. Since one of the primary laws of regulation of SVT is written in the constitution (1975:152), the government and many members of the parliaments may see SVT and the public service as an important cornerstone of the democracy of Sweden.

One of these the major laws in support of SVT is as mentioned in the constitution, The Fundamental Law on Freedom of Expression (1 chapter 3§ SFS 1991:1469) which gives television and other broadcasted media, fundamental rights to produce whatever content they want without being censored or influenced by government agencies beforehand. Since this law is one of Sweden's four constitutional laws it makes it difficult for politicians to change it quickly (The Instrument of the Government, (1 chapter 3§; 8 chapter, 14§ SFS 1974:152). Another law is the Radio and Television act (SFS 2010:696) which presents regulations for television broadcast. This is a regular law and controls for example, advertising in in the broadcasted television and radio.

The three biggest political parties in parliament seem to support the idea of having some form of public service and as well other forms of media in society (Moderate Party, 2018; Sweden Democrats, 2018; Swedish Social Democratic Party, 2018). The support from the parliament makes SVT secure from a political perspective.

2.2 Economic

The economy in Sweden is in general good. Statistics show that the economy has done well the previous years and it does not show a sign of decline. The Swedish gross domestic product (GDP) during 2017 was 4 578 833 Swedish kronor (Statistics Sweden, 2018a). The general economy could thus be a good standard.

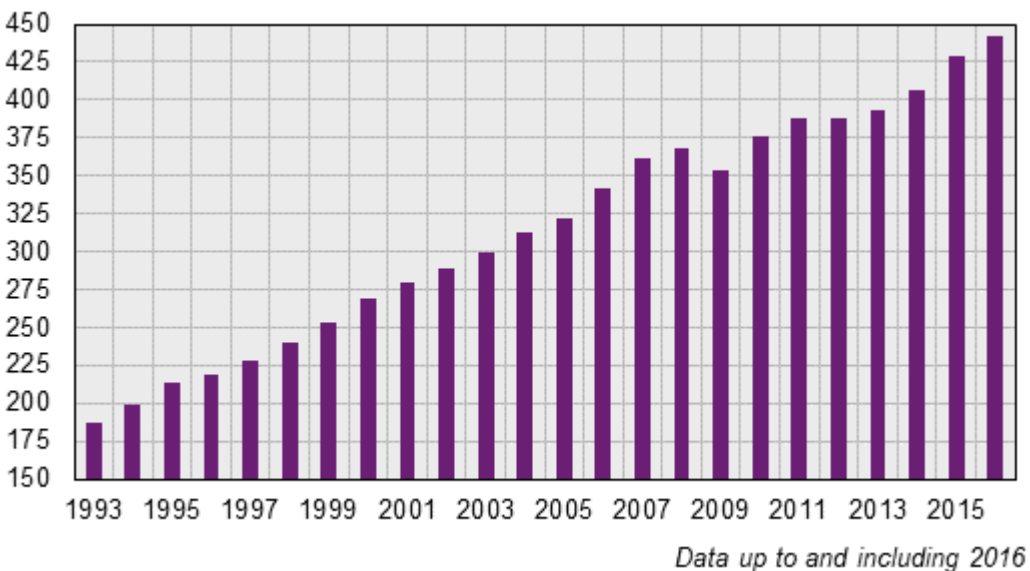


Figure 1: The GDP per capita of Sweden from 1993 to 2016 show an increase of the GDP for each year. Source: Statistics Sweden (2018c).

The diagram above shows how the GDP of Sweden has continuously increased since 1993 except for small drop at 2009. This suggests Sweden is doing good with the general economy of

the country. It could thus form a good basis for both government agencies and the privately-owned corporations.

SVT and public service in Sweden were up until 31st of December 2018 financed by the radio and tv-fee paid by every household which had a television according to the Law on the financings of radio and television as a public service (SFS 1989:41). From the first of January 2019 SVT is instead financed by a special public service tax administered by the Tax Agency and is paid by every citizen of age with a taxable income (SFS 2018:1839).

Since the economy of SVT is financed by a tax, every citizen is participating in the financing of the company and thus not competing with other commercial interests.

2.3 Socio-cultural

As the role of SVT is to produce news for all of Sweden, they are also supposed to provide news in the minority languages and for all people in all ages. Sweden had as of September 2018 a population of 10 207 086 people (Statistics Sweden, 2018b).

SVT assignment is to produce contents for the entire population and as such their broadcasting covers almost the entire of Sweden. As of December 2018, the television channels from SVT covers around 99% of the Swedish households.

The ages of the Swedish citizens are evenly distributed from the younger infant years to the ages of 70-74 where the amount of people being older are declining.

Folkmängd efter ålder och kön 2017

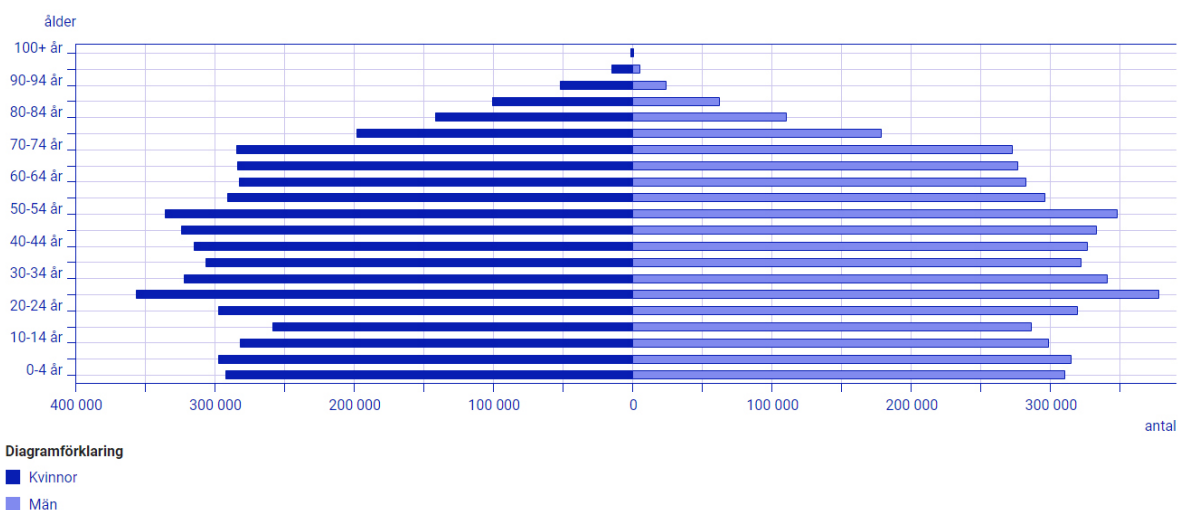


Figure 2: Age distribution in Sweden in 2017. Left part show women, right part show men. Y-axis measure the ages. Source: Statistics Sweden (2018)

The official language is Swedish, along with five minority languages Finnish, Sami, Romani, Yiddish, and Meänkieli (Language act, SFS 2009:600).

The population of Sweden has a good understanding of English and was in 2018 ranked number one in EF Education First (2018) report. Since SVT produce news in all six official languages, they produce contents for all citizens.

2.4 Technology

SVT being a television station, are working with different technologies and as well being affected by different technological advancements. Sweden being a front country on using IT services and expanding the technological sector. In Sweden the amount of mobile data used and use of internet used increasing steadily (Swedish Post and Telecom Authority, 2018).

Nine out of ten Swedes have access to a mobile smartphone and 98% of the households have access to the internet in their home (see figure 3). This makes every Swedish citizen able to receive SVT content through the internet but also other similar play-services.

In younger ages it's very common to watch television such as YouTube or Netflix (The Internet Foundation in Sweden, 2018). The statistics from The Internet Foundation in Sweden show as well that younger people prefer online play services from the channels.

The younger audiences of SVT are therefore using mobile devices to access television. The easy access to technology in Sweden could possibly make it easy for SVT to deliver their broadcasts to every citizen through their Play service SVT-play.

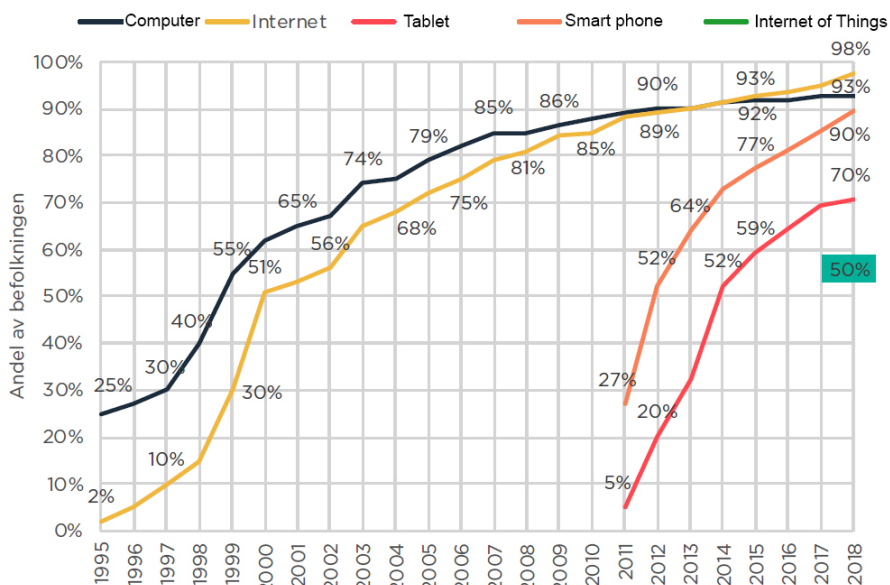


Figure 3: The amount of people having access to various internet-connected gadgets. Source: (The Internet-foundation in Sweden IIS, 2018 p. 9)

In 2007 SVT started publishing their shows on the internet. In 2013 the live broadcasted channels were also made available on the web. SVT follow the technological advancements in a way that makes their content available for all audiences.

3. Predictions

I will now try to make predictions from the four perspectives from the analysis and therefore give suggestions for SVT's future.

The future of SVT looks from some perspectives in this analysis very bright. The political environment in Sweden seems to be nothing that will affect the company soon. As shown by the parties in the parliament most of the members support the public service and it doesn't seem to be going down. Since SVT's journalistic work is as well supported by the constitution it becomes difficult for politicians to change the possibilities of SVT over a night and gives the company a strong political support.

The financing and economical perspective looks bright as well. With SVT being financed by a tax from 2019, it will make everyone with a salary being part of the financing the service which may secure the production possibilities and remove the competition from the economical perspectives while keeping the independence of public service. Since the tax are separate from the rest of the state budget and supposed to be only for public service, there are no risk at SVT losing their part of the money in favor of other government budgets.

It may be a risk however that SVT's financings may be controlled by the parliament and politicians since they make the laws and in turn the funding and thus may reduce the amount of economical support for SVT.

However, from the two final perspectives, SVT could see a more competition from other television and content producers in the future. The ages of the Swedish citizens are evenly distributed from 0 to around 74 years old. This makes the audience very varied in ages. SVT biggest challenge may be to attract the younger audiences which makes up a large amount of the citizens. There are many other services that could attract the younger audiences. A competitor to SVT is for instance the commercially owned TV4 which is also broadcasted free in the terrestrial television network and produce similar content in form news and entertainment.

The technological advancements may as well prove to give more challenges for SVT. The internet and global society make it easier for the younger people, who consume television through phones or computers, to focus their attention on other sources and streaming services such as YouTube or Netflix. SVT may have a bigger task to appeal the younger audiences and to keep their audience engaged with the content. As the statistics show, around 98% of each household have access to the internet and as such, the offers of the internet.

The conclusion of this prediction shows that SVT has some obstacles to get by, while the economic and political support remains strong and supportive. Prediction could as well suggest that the new tax will give more money than needed to public service (Medierna, 2018). SVT will possibly remain economically stable due to the taxes but may need to face challenges that come with the internet advancements and the attention of younger audiences.

References

Davies, Rosamund & Sigthorsson, Gauti (2013). *Introducing the creative industries: from theory to practice*. London: SAGE.

EF Education First (2018). *The world's largest ranking of countries and regions by English skills*. Retrieved 20-12-2018 from <https://www.ef.se/epi/>

Fundamental law of Freedom of Expression (SFS 1991:1469). Ministry of Justice.

Language act (SFS 2009:600). Ministry of Culture.

Larsson, Thomas, Boati, David, Magnusson, Örjan (2013.01.22) Alla SVT-kanaler ska sändas på nätet [Every SVT channel will be broadcasted on the internet]. *Sveriges television* [SVT]. Retrieved from <https://www.svt.se/nyheter/inrikes/alla-svt-kanaler-ska-sandas-pa-natet>

Law on the financings of radio and television as a public service (SFS 1989:41). Ministry of Culture.

Law on the financings of radio and television as a public service (SFS 2018:1893). Ministry of Culture.

Medierna (2018, 14 December). En halv miljard för mycket i public service-avgift [A half billion to much in public service tax]. *Sveriges Radio SR*. Retrieved 2018-12-21 from <https://sverigesradio.se/sida/artikel.aspx?programid=2795&artikel=7114633>

Moderate Party (2018). *Skola, bildning och kultur* [The School, learning and Culture. Retrieved 2018-12-21 from <https://moderaterna.se/skola-bildning-och-kultur>

Radio and Television act (SFS 2010:696). Ministry of Culture.

Statistics Sweden (2018a). *National Accounts, quarterly and annual estimates*. Retrieved 2018-12-19 from <https://www.scb.se/en/finding-statistics/statistics-by-subject-area/national-accounts/national-accounts/national-accounts-quarterly-and-annual-estimates/>

Statistics Sweden (2018b). *Population in the country, counties and municipalities on September 30, 2018 and population change in July-September 2018*. Retrieved 2018-12-18 from <https://www.scb.se/en/finding-statistics/statistics-by-subject-area/population/population-composition/population-statistics/pong/tables-and-graphs/quarterly-population-statistics--municipalities-counties-and-the-whole-country/quarter-3-2018/>

Sweden Democrats (2018). *Public Service*. Retrieved 2018-12-21 from <https://sd.se/our-politics/public-service/>

Swedish Post and Telecom Authority (2018). *Swedes are using more and more mobile data*. Retrieved 2018-12-18 from <https://pts.se/en/news/press-releases/2018/swedes-are-using-more-and-more-mobile-data/>

Swedish Social Democratic Party (2018). Public service och kommersiell media [Public Service and the Commercial Media]. Retrieved 2018-12-21 from <https://www.socialdemokraterna.se/var-politik/a-till-o/public-service-och-kommersiell-media/>

The Instrument of the Government (SFS 1974:152). Ministry of Justice.

The Internet Foundation in Sweden, IIS (2018). *Svenskarna och internet 2018* [The Swedes and the Internet]. Retrieved from https://www.iis.se/docs/Svenskarna_och_internet_2018.pdf

The Government of Sweden (2018). *Ett oberoende public service för alla – nya möjligheter och ökat ansvar* [An independent public service for everyone – new possibilities and increased responsibility]. SOU 2018:50. Stockholm: Retrieved from URL <https://www.regeringen.se/49dde7/contentassets/faf1e6260e554e3fa84d300462759c31/ett-oberoende-public-service-for-alla--nya-mojligheter-och-okat-ansvar-sou-201850.pdf>

Figures/diagrams

Figure 1: Statistics Sweden (2018c). *GDP per capita (1993–)*. Retrieved from <https://www.scb.se/en/finding-statistics/statistics-by-subject-area/national-accounts/national-accounts/national-accounts-quarterly-and-annual-estimates/pong/tables-and-graphs/graphs/gdp-per-capita-1993/>

Figure 2: Statistics Sweden (2018d). Sveriges befolkningspyramid. [Sweden's population pyramid]. Retrieved 2018-12-20 from <https://www.scb.se/hitta-statistik/sverige-i-siffror/manniskorna-i-sverige/sveriges-befolkningspyramid/>

Figure 3: The Internet Foundation in Sweden, IIS (2018). *Svenskarna och internet 2018* [The Swedes and the Internet]. Retrieved from https://www.iis.se/docs/Svenskarna_och_internet_2018.pdf, page 9.