

Ofcom Advisory Committee for Wales
Market Position of BBC Sounds: Response to Ofcom Call for Evidence

Central to assessing BBC Sounds (and iPlayer, for that matter) is whether you believe that BBC content should be consumed far and wide, by as many people as possible via as many surfaces as possible, or only by the BBC's current audiences via the BBC's own platforms.

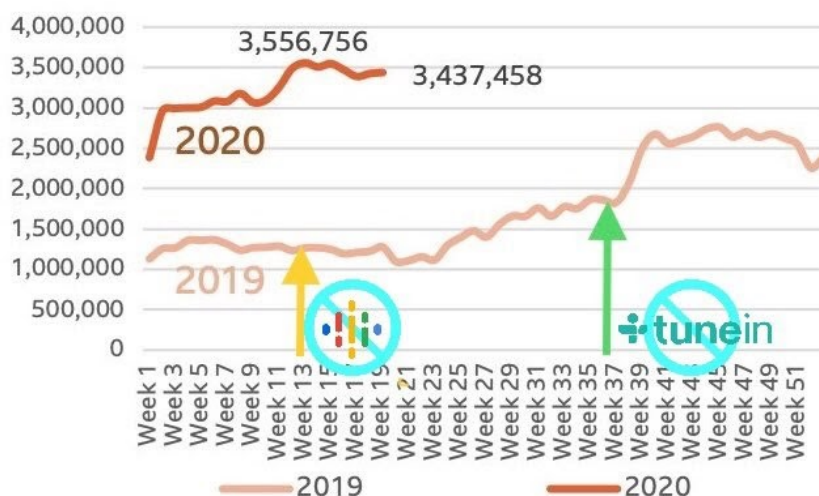
Following the launch of BBC Sounds, the BBC has taken steps to deny license-payers access to BBC content through third-party audio services:

- In March 2019, the BBC began [blocking playback of its podcasts](#) through Google services.
- In August 2019, the BBC [withdrew live radio streams](#) from TuneIn, a popular radio streaming application, resulting in the loss of BBC Radio channels from 102 devices and services.

In each case, the BBC justified the measures by stating that it now required further data from distribution partners on the consumption of its content through their platforms, so as to better commission future content. This stance may be contrary to the accepted technical capabilities of some of these channels. For instance, podcasts are an open standard for audio distribution that leverage RSS files – commonly accepted to provide little to no good analytics capability.

We believe the BBC is keen to acquire audience data which shows growing digital consumption in order to demonstrate its success at retaining and growing key audience groups, thereby justifying its existence. This could be seen in the BBC Annual Plan 2020-21, which stated: "BBC Sounds ... recently reached peaks of 3.6 million users and 11 million hours listening." However, it is important to note that the moment of BBC Sounds' largest consumption growth during this period, in fact, coincided with it having withdrawn live radio streams from TuneIn. That is, BBC Sounds traffic soared when access was withdrawn from TuneIn.

BBC Sounds average weekly signed in accounts



The BBC should be congratulated when it grows its digital audience. What is not clear, however, is the number of listeners it *lost* by denying access through these third-party platforms. Answering such a question would help analysts understand whether the increase in BBC Sounds consumption actually resulted in a true net increase in consumption.

The ideal scenario in those circumstances would have been to see a 100% migration of TuneIn listeners to BBC Sounds. However, no known data is available which illustrates this.

BBC Sounds and BBC iPlayer

The BBC's digital strategy is predicated on making it the sole destination for public access to BBC content. This is the case for TV content, where in extended 12-month carriage of BBC shows via iPlayer makes iPlayer the de facto viewing destination for BBC TV programmes, despite the historic situation in which BBC shows, after their initial public service window, were secondarily licensed to many commercial channels.

And it is also the case for audio, as evidenced by the above matters regarding Sounds. When the BBC takes digital developmental steps, it is congratulated for doing so. However, we believe it is also important to critically reflect on what these strategies mean for availability of BBC content. Recognition of these strategies is important because it should be a clear goal to drive up access to PSB content as far as possible. Recent data suggests young people are more familiar with alternative destinations like Netflix and YouTube than they are of iPlayer. Concentrating access within iPlayer by withdrawing access from existing, often better-used platforms may be a recipe for limiting future consumption of public service content.

BBC Sounds' operating behaviour bears striking similarities to some leading music and podcast distributors which could more recognisably have been described as audio "platforms".

- BBC Sounds playlists such as "Focus Beats" are highly similar to the curated music playlists introduced several years ago by Spotify.
- The market has become concerned that Spotify will harm the open podcast ecosystem by exclusively hosting certain shows and rewarding publishers in advertising partnerships. The growing concern is that open podcasting will soon be a thing of the past, dominated by a small number of powerful distributors. Particularly because of the planned introduction of third-party, non-BBC content, it must be said that BBC Sounds is one of those platforms which falls into this basket of concern.

That BBC Sounds is referred to at all as a "platform" and that its popularity is talked about in the same context as YouTube or Spotify is itself remarkable. Unlike those platforms, whose core business model is as technology aggregators, the BBC is a content creator. The key consideration is around the extent to which it should also be a distributor.

The BBC's decision to withdraw from TuneIn only its UK national radio stations led to the perverse outcome of BBC World Service and English regional stations' continuing availability, whilst leading national stations, whose RAJAR ratings are declining, are no longer available.

The BBC has explained that several workaround methods are in existence to ensure audiences can continue to access BBC Radio streams. The primary workaround advocated is to download BBC Sounds. Ofcom's policy on distribution of BBC public services states: "Ofcom requires that the BBC must offer the public services to third parties in response to reasonable requests for supply, except where the BBC has an objective justification for not doing so. In offering the public services for supply, and in supplying those services, the BBC must act on a fair, reasonable and non-discriminatory basis."

Tuneln's service has been comprehensively neutered for UK users thanks to a combination of the BBC's Sounds strategy and a court copyright case which led it to withdraw UK access to overseas streams, lest it - rather than their broadcasters themselves - be responsible for music copyright fees. It is not possible to say that the BBC's strategy has reduced the attractiveness of Tuneln to UK users in isolation. However, had it faced either one of these problems, rather than both, Tuneln's service may yet have been able to retain some user attraction.

We understand the rationale for the BBC wishing to take its technology and distribution future into its own hands. Being at the mercy of distribution decisions made by other, often distant companies may pose a risk to the BBC's distribution. We do not necessarily take a view that either of the possible approaches - either widespread distribution or central, integrated control - is the *right* one. Indeed, we can sympathise with the logic that, by creating a broad-based audio service with a diverse range of third-party content with which to pull in listeners, the BBC also has an opportunity to direct them to its own public service content. But we do call on Ofcom to understand the dynamics and impacts at play in their fullness.

Many of the effects of BBC Sound - good and bad - are clear to see or to imagine. It offers the potential to re-house BBC audio material in a single platform. It also has the capacity to distort the marketplace. The value judgements that must be made are - is the vision of public service content that this leads us toward an attractive one and, therefore, are the impacts worth the price?

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