

Ofcom's Listed Events consultation ITV PLC response

Summary

On 11 July 2018, an average of 24m people watched ITV's live coverage of England's World Cup semi-final against Croatia, an 81% audience share and around 40% of the entire UK population. The same tournament also delivered average audiences of nearly 20m for ITV's coverage of England's game against Colombia, and just under 17m for the BBC's coverage of England's Quarter Final against Sweden. The appeal of listed events on free-to-air channels is in stark contrast to the reach achieved on other services for major sporting events. England's rematch with Croatia just two months later, for a place in the Nations League final, delivered an audience of just 1.6m on Sky Sports.

These extraordinary audiences demonstrate the enduring popularity of the listed events, and were only possible because the matches were available on free-to-air channels made available to almost everyone in the UK, regardless of their ability to pay. ITV therefore strongly endorses the aim of Ofcom's review to ensure that, as required by Parliament, only the most widely available channels should be eligible to carry listed events.

Linear TV from established TV platforms like Freeview (DTT) and Sky (satellite) remains incredibly popular, and the main route to all content for most people most of the time. For live content this is even more the case – people's chosen means of receiving live TV is still mainly via linear TV delivered via established platforms. It is therefore right that carriage on these services remains a core requirement of the regime.

As Ofcom observes, DTT coverage of the PSB multiplexes significantly exceeds those of the commercial multiplexes, particularly in the nations and rural areas of the UK. Ofcom is correct to factor this difference in coverage into its assessment. Ofcom's approach, and stress-test, are a sensible approach given the lack of more precise data about geographic coverage platform by platform. The importance of carriage on a PSB multiplex is heightened in Wales and Northern Ireland, where coverage of the commercial multiplexes falls well below the average of 90% that Ofcom points to. Challenging terrain could also mean that in those same areas households lack access to cable and broadband services. Such households are therefore unlikely to have alternatives or, at best, may be forced to install a satellite dish to continue to receive listed events.

Of course, in recent years there have been significant changes to the way in which people watch content, notably the growth in online viewing, the use of connected devices, and the increasing number of homes with access to multiple routes to the same channels. Ofcom is therefore right to update the regime to ensure it remains fit for purpose in the connected era. The inclusion of IPTV-delivered services is necessary in order to ensure that channels are able to be assessed as being received by over 95% of the population, given the increasing (though still relatively modest) number of people who use only IPTV to watch live television services.

Response to consultation questions

Question 1: Do you agree that our proposed methodology is appropriate?

a) Do you agree that it is appropriate for us to consider the reception of TV programme services through all four main TV platforms, including IPTV?

The inclusion of IPTV-delivered services is a sensible step, and indeed a necessary one in order to ensure that channels are able to be assessed as being received by over 95% of the population, given the increasing number of people who rely solely on IPTV to receive television services (including live TV) (as per Ofcom's rationale in paragraph 3.14(a)) or for whom an IPTV platform is their primary means of viewing on their main set, even when they might have access to other platforms on other devices.

b) Do you agree that it is appropriate for us to consider the reception of TV programme services on the main device in the house, being the largest screen - a TV set if that is available, or a computer or tablet if not?

We agree with Ofcom's approach and stated rationale in paragraph 3.14(b)

c) Do you agree that it is appropriate for us to use data collected through the BARB ES survey in order to calculate the proportion of the population that can receive services?

We agree with the use of the BARB Establishment Survey for the reasons set out in Ofcom's consultation. BARB is an established, trusted and independent source of such data, which is widely available to industry.

d) Do you agree that our proposed adjustment for individuals able to receive services on the commercial DTT multiplexes compared with the PSB DTT multiplexes is appropriate?

As Ofcom observes, DTT coverage of the PSB multiplexes significantly exceeds those of the commercial multiplexes. Ofcom is correct to factor this difference in coverage into its assessment. Ofcom's approach, and decision to apply a stress-test, are sensible.

The importance of carriage on a PSB multiplex is heightened in Wales and Northern Ireland particularly, where coverage of the commercial multiplexes falls well below the UK-wide average of c90%:

- In Wales, the commercial multiplexes have a reach of only around 74%, much lower than that of the PSB multiplexes at around 98%
- In Northern Ireland, reach is only around 75%, compared to over 98% for the PSBs

While the coverage of commercial multiplexes in Scotland is better at around 90%, this is still well below PSB mux coverage in Scotland of over 98%.

[<] Challenging terrain could also mean that in those same areas households are also likely to lack access to sufficiently high speed, reliable, cable and broadband services. Absent

carriage on a PSB mux, such households are unlikely to have alternatives or, at best, may be forced to install a satellite dish to continue to receive listed events.

e) Do you agree that our proposed approach in relation to IP multi-stream capability is appropriate?

Ofcom is right to require reliable IPTV delivery in order for a channel to qualify. Currently IPTV appears able to reliably deliver live channels to the relatively small number of consumers who choose this as their primary means of watching television channels.

f) Do you agree that our proposed approach in relation to assessing the 'free-to-view' condition is appropriate?

ITV agrees with Ofcom's approach to assessing 'free-to-view'.

Question 2: Do you agree that our proposed approach for keeping the list of qualifying services up to date is appropriate?

ITV agrees with Ofcom's proposal for periodic reviews to keep the list of qualifying services up-to-date. Such an approach allows for the list to be updated regularly to take account of industry development. However, ITV believes that between these reviews the list of qualifying services should remain fixed to ensure sufficient certainty for channels and rights holders.