PSB Annual Report 2014

Research Report

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About this document

Structure of the report

This report summarises the evidence base for assessing delivery of the purposes of public service television broadcasting by the public service broadcasters[1] on the PSB channels, i.e. the five main PSB channels (BBC One, BBC Two, the Channel 3 services, Channel 4 and Channel 5), the BBC portfolio channels and S4C.

It also summarises evidence of the contribution of other television services, radio services, on-demand programme services and other internet services towards the fulfillment of the public service objectives.

More detail is also available in chart packs, published separately. Ofcom is publishing this PSB Annual Report in support of our PSB Review which refers to the Annual Report as setting out in detail the data assessed for the purposes of the Review.

This summary report is arranged into the following sections:

1. Key points and executive summary
2. Introduction
3. Television
4. Online media services
5. Radio
6. Key genres analysis
7. Table of Figures

[1] The public service broadcasters are the BBC, the providers of the Channel 3 services (ITV, STV and UTV), the providers of Channel 4 and Channel 5, and S4C. A glossary containing this and other definitions can be found after Section 6 on page 123.

Contents

Section 1

Key points and executive summary

- **Hours and spend by the PSB channels[2] have declined.** Spend on first-run, UK-originated PSB programming has declined by 17%[3] in real terms over the PSB Review period of 2008 to 2013. Over the same period, the total number of first-run hours decreased by 5% among the PSB channels.

- **Spend on first-run UK programming by the PSB channels in peak time went down to a lesser extent.** During peak hours (6pm – 10.30pm) they spent £1.58bn in 2013, a 10% (£0.19bn) decrease on the 2008 peak spend of £1.77bn. Daytime first-run spend decreased by 28% (£0.23bn) to £0.58bn over the same period.

- **Viewing to the main five PSB channels[4] as a whole declined between 2008 and 2013.** The average hours of viewing to the main five PSB channels among all individuals fell from 2 hours 18 minutes per day in 2008 to 2 hours per day in 2013. However viewing to the public service broadcasters' portfolio channels[5] increased. This resulted in a net effect of the of PSBs' overall share remaining relatively stable.

- **Viewing to first-run programmes made in the UK as a proportion of all programmes was higher in 2013 than in 2008.** It accounted for 75% of all viewing in 2013 compared to 72% in 2008. Taken together, UK first-run and repeated content accounted for most of the output from the main five PSB channels. In 2013, 80% of total UK content generated 91% of all viewing. In 2008 the combined programme hours of all UK content was 79%, yielding 86% of viewing.

- **Most viewers of PSB channels are satisfied, according to our opinion research.** Overall, just under four in five (77%) of those who ever watch any of the main PSB channels [6] claim to be quite, or very, satisfied with PSB channels combined. This is in line with results seen in 2012, when it was 76%, and higher than the 69% who were satisfied in 2008.

- **Our commissioned research suggests that on-demand programme services and other internet services[7] provided by the public service broadcasters and other**

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[2] All BBC channels (BBC One, BBC Two, BBC Three, BBC Four, BBC News , BBC Parliament ,CBeebies, CBBC, BBC Alba, all BBC HD channels); the Channel 3 services of ITV/ITV Breakfast, STV and UTV; Channel 4; Channel 5 and S4C. In the Annual Report, network spend and output data for "all PSB channels" does not include data for BBC HD channels, while BBC Alba, S4C, UTV and STV are shown separately, as well as spend and output on nations and regions programming by the BBC and Channel 3 services

[3] The more precise figure is 17.3%. We round to the nearest whole number in our spend and output analysis.

[4] BBC One, BBC Two, the Channel 3 services (ITV/STV/UTV), Channel 4, Channel 5. In the spend and output section here and in the full report, network spend by the main five PSB channels does not include data for S4C, BBC Alba or BBC HD services.

[5] All channels provided by public service broadcasters other than the main five PSB channels, the Channel 3 regional services and S4C

[6] Respondents were asked this question about the main PSB channels they regularly view and about the main PSB channels (BBC One, BBC Two, BBC Three, BBC Four, BBC News, ITV/ UTV/STV, S4C, Channel 4 and Channel 5) combined.

[7] As defined in Section 4, a service is video on demand if its principal purpose is the provision of video content; access to it is on-demand; there is a person who has editorial responsibility for it; and it is

providers are valued. Six in ten adults (61%) had ever used a VoD[8] service in August 2014. VoD services were most popular among 16-24s, with eight in ten having ever used such a service (80%).

- **Research shows most online media services fulfil more than one public service objective.[9]** Six in ten online media services (61%) fulfilled two or more objectives, while only three services covered all eight of the public service objectives considered.

- **Adults are increasingly viewing the internet as an important source of news.** The proportion of the adult population who claim to use the internet for news about "what's happening in your region, or locally, and news about the world" was up 28 percentage points between 2007 and 2014, while "news about the UK" was up 27 percentage points.

- **The internet is increasingly viewed as very influential in shaping public opinion about political and other important issues.** In 2014, three-quarters (75%) of internet users agreed with that statement, up from just over half (52%) of internet users in 2007.

- **BBC, commercial and community radio make a considerable contribution to the delivery of the public service objectives.** This is achieved through a wide range of programming content including news and local information. The number of analogue radio stations in the UK has increased since 2008, although the quantity of local programming has significantly declined. The availability of spectrum for digital radio (DAB) has improved choice for listeners across the BBC and commercial radio sectors.

made available by that person for use by members of the public. Other internet services are where there is a person who exercises editorial control over the material included in the service, and which are not television or radio services or video-on-demand services.

[8] Video-on-demand (VoD) services: a service is a VoD service if its principal purpose is the provision of video content; access to it is on-demand; there is a person who has editorial responsibility for it; and it is made available by that person for use by members of the public. See Section 4.

[9] Details of the public service objectives can be found at the beginning of Section 4.

Executive summary of the Public Service Broadcasting Annual Report

Television

Spend and output

PSB channels

From 2008 to 2013 first-run UK-originated network spend across all the PSB channels decreased by 17% in real terms, from £2.92bn to £2.41bn. While the level of decrease varied by channel, each one saw a drop in spend over the period.

Total spend on first-run nations' and regions' originations by the BBC and the regional Channel 3 services was down 26%. The BBC reduced its spend from £213m to £189m while the regional Channel 3 services'[10] declined from £140m to £74m in real terms.

In the context of the decline in PSB channel spend, third parties such as independent producers and co-production partners contributed £238m to first-run UK-originated programming from the PSB channels in 2013 - an 11% increase in real terms from the 2011 figure of £215m. This £23m increase was 14% of the corresponding £170m decrease in spend on first-run UK programming by the PSB channels themselves over the same period.

Ofcom estimates also show that spend on first-run originations as a proportion of overall revenue remained broadly consistent between 2008 and 2013 for the commercial PSB channels combined[11] (57% in 2008 vs. 56% in 2013) and the BBC (58% in 2008 vs. 57% in 2013)[12].

From 2008 to 2013 there was a reduction of 1,812 hours[13] (5%) in first-run UK-originated network programming shown by all PSB channels, driven by a 21% decrease among the commercial public service broadcasters. The BBC channels increased their first-run hours output during this period by 4%.

Between 2012 and 2013, since Ofcom's last PSB Annual Report, hours of first-run UK-originated network programming shown by the PSB channels declined by 185 hours to 32,169 hours, a decrease of 1%.

Total hours of nations' and regions' programming on the BBC and the regional Channel 3 services declined from 12,721 hrs in 2008 to 11,642 hrs in 2013, a decrease of 8%.

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[10] The figure includes spend by ITV, STV and UTV.
[11] Channel 3 services, Channel 4 and Channel 5.
[12] As explained in Section 3, these estimates include all spending on networked programming by the BBC, ITV, Channel 4 and Channel 5. It also includes BBC, STV, ITV and UTV spending on programmes for viewers in the nations and regions and the BBC's spend on programmes for S4C and BBC Alba. BBC TV income is based on Ofcom estimates of total licence fee revenue that is spent on TV-related services which includes content, distribution, and infrastructure spending, and pro-rata, a share of remaining overheads.
[13] PSB hours of output are based on slot times which include advertising, sponsorship breaks and promos.

Commercial PSB portfolio channels[14] and the multichannel sector[15]

The commercial PSB portfolio channels and the multichannel sector combined spent £1.93bn[16] on first-run UK originated content in 2013. This was a 42% increase in real terms from the 2008 spend of £1.36bn.

The commercial PSB portfolio channels broadcast 1,556 hours[17] of first-run UK originated content in 2013; a 1,128 hour decrease (42%) from the 2008 figure of 2,684 hours. This reduction can be explained in part by the loss of *Big Brother* live streaming from E4 over this period. The multichannel sector provided 26,365 hours of first-run UK originated content in 2013. This is a 15% increase on the 2008 figure of 22,888 hours of first-run UK originations. This sector makes a contribution, mainly on pay TV, to PSB-like programming in a number of genres including music, entertainment and the arts.

Programme genres

From 2008 to 2013 each PSB programme genre[18] saw a real-terms decrease in first-run spend, with the exception of feature films, which increased. Formal education, arts and classical music and drama and soaps experienced percentage drops of 65%, 29% and 24% respectively[19]. We provide data in this report's accompanying slide packs at sub-genre level.

With the exception of feature films, news and current affairs, all genres on the PSB channels experienced a decline in first-run UK-originated hours over the period. The programme genres that experienced the largest proportional decreases in terms of first-run UK-originated hours between 2008 and 2013 were formal educational programming (-78%) and children's programming (-28%)[20].

The PSB channels' spend on first-run children's programming[21] dropped by 15% in real terms between 2008 and 2013 - from £102m to £87m, of which £84m was spent by the BBC. The hours of first-run UK-originated children's programming have decreased since 2008; from 919 hours to 666 hours in 2013, with the BBC providing 585 hours. BBC One and BBC Two saw the biggest decreases in children's output among PSB channels; from 2008 to 2013. CBeebies and CBBC increased their hours of output and, combined, provided 88% of all first-run UK-originated children's programming in 2013 among PSB channels. Of the 666 hours of first-run children's programming on PSB channels, these two BBC channels provided 583 hours.

The commercial PSB portfolio channels made a particular contribution to entertainment and contemporary music output in 2013, by producing 260 hours of first-run UK-originated content in this area.

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[14] In our analysis of spend and output the commercial PSB portfolio channels are the following: CITV, ITV2, ITV3, ITV4, 4Seven, E4, Film4, More4, 5* and 5USA.
[15] In our analysis of spend and output multichannel providers are the following broadcasters: Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC and the Baby Network.
[16] This figure includes spend on sport programming, both on production and rights acquisition.
[17] Commercial PSB portfolio hours of output are based on running times which do not include advertisements, sponsorship breaks and promos.
[18] See Section 6 and Annex 7 for further information on these genres. They are drawn from the public service objectives set out in section 264(6)(b)-(j) of the Act and listed at the end of this section.
[19] There was a drop of 28% in first-run spend in sports over the same period. We don't refer to this here as there were major sporting events in 2008 making comparison with 2013 unfair.
[20] Excluding sports (30% decrease) for the same reason as above.
[21] For this analysis of children's programming, the data covers CBeebies, CBBC, Channel 4, Channel 5, ITV/ITV Breakfast Service, BBC One and BBC Two.

Ninety-three per cent of the multichannel providers' first-run UK-originated output (see above) was made up of news and sports in 2013. After news and sports, entertainment and contemporary music made up the third largest proportion of first-run UK-originated hours among the multichannel providers in 2013, with 1,244 hours of output. This was a 643-hour increase on the 2008 number of 601 hours of first-run UK entertainment and contemporary music originations.

Viewing

PSB channels

The average daily viewing of the PSB channels[22] among all individuals fell from 2 hours 24 minutes in 2008 to 2 hours 12 minutes in 2013. Viewing hours fell in each year from 2010; from 2 hours 30 minutes per day to 2 hours 12 minutes in 2013. Viewing to ITV, Channel 4, and BBC Two declined the most, while BBC One and Channel 5 have experienced lesser declines. The main five PSB channels are more popular among those aged 45 and over.

The proportion of the TV population[23] who watch the main five PSB channels in an average week remained high in 2013 (86.7%). But individually, each saw decreases in the review period and most notably since 2011. In terms of share, the main five PSB channels accounted for just over half of all television viewing (51.1%) in 2013, down from 60.5% in 2008.

The PSB portfolio channels collectively bolster viewing to the public service broadcasters. In total, viewing to public service broadcasters accounted for just under three-quarters (72.4%) of all viewing in 2013, compared to 74.7% in 2008[24].

According to Attentional analysis of BARB data[25], from 2008 to 2013 the total hours spent watching first-run UK programming on the main five PSB channels declined by 8.7%. Despite the decrease in viewing hours, viewing to UK-made first-run programmes as a proportion of all programmes was higher in 2013 than in 2008 and accounted for 75% of all viewing in 2013, compared to 72% in 2008.

Taken together, UK first-run and repeated programmes accounted for the majority of all programme output from the main five PSB channels, at around 80% of programming. In 2013 they generated 91% of all viewing.

In peak time (6pm to 10.30pm) the provision of first-run UK programming by the main five PSBs increases substantially. It made up around three quarters of all output, and generated an average of 83% of total viewing across the 2008-2013 analysis period. It increased from 81% of total viewing hours in 2008 to 86% in 2013.

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[22] For the definition of PSB channels used in this section on consumption these are BBC One, BBC Two, ITV (including ITV Breakfast), Channel 4, Channel 5, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC and CBeebies. For the full definition of this channel group please see the definitions slides following Section 6 on page 123.

[23] Based on BARB data: those who own a TV set.

[24] The BSkyB family of channels held 8.3% share in 2013 and UKTV accounted for 4.3% of viewing. These have been broadly consistent since 2010.

[25] Attentional are a TV research agency commissioned by Ofcom to analyse UK and non-UK programming as well as first-run and repeats in terms of programming hours and consumption across the main five PSB channels using BARB data. The definitions of UK and first-run programming in the Attentional analysis do not exactly match those used from the broadcaster returns. More details are available in Section 3 and Annex 2.i.

Total UK programming (first-run and repeats) accounted for 93% of viewing to the main five PSB channels in peak time, an increase from 90% in 2008. By channel, total UK programming accounted for 98% of viewing in peak time on BBC One in 2013. On ITV it accounted for 99% of viewing.

Programme genres

BARB analysis shows that since 2008 both BBC One and ITV[26] saw an increase in the proportion of time spent watching entertainment programmes, and a decrease in the proportion spent watching UK drama[27].

When considering all viewing to all channels[28] in 2013, the main five PSB channels are the primary contributors of viewing to current affairs: political/economic/social (80.1% share of viewing), UK drama (60.4%) and national/international news (80.0%).

The main multichannel[29] providers that contribute to these genres are: Sky News (4.3%) for current affairs: political/economic/social; ITV3 (24.3%) and the UKTV-owned Drama channel[30] (2.5%) to the UK drama genre, and Sky News (6.4%) to the national/international news genre.

While the main five PSB channels contributed just under half of total viewing hours to the visual and performing arts genre (46.9%), BBC Four contributed a further 30.8% and Sky Arts accounted for 12.6%.

Nations and regions

Viewing to nations' and regions' news on BBC and the regional Channel 3 services combined fell by three hours, from 28.3 hours in 2008 to 25.3 hours per individual in 2013. The majority of this viewing took place on BBC One. While viewing to nations' and regions' news on BBC One rose to 18.3 hours in 2010, the time spent watching the genre in 2013 fell back to 2008 levels (17.0 hours). Viewing to this genre on the Channel 3 services stood at 8.3 hours in 2013 – having fallen steadily year on year from 11.3 hours in 2008. The respective levels of viewing of news differ from nation to nation.

There was a 19.8% decrease in viewing hours to S4C Welsh-language programming in Wales (19.2 hours in 2008 compared to 15.4 hours in 2013). The weekly reach of Welsh-language programming on S4C has been in steady decline since 2008 (19.5% in 2008 and 14.1% in 2013). S4C's share of all viewing in Wales has dipped only marginally since 2010.

As a proportion of all viewing hours to all genres, sports (19.7%), UK soaps (15.0%), and children's (11.4%) were the three most-watched genres of programming on S4C in 2013. Audience preference for these genres in 2008 ranked as firstly sports, secondly entertainment and thirdly, documentaries: other.

[26] In the programme viewing analysis, ITV is ITV network programme viewing in all Channel 3 regions.
[27] Genre definitions are based on BARB programme coding.
[28] In the interest of space, we have focused here on a subset of PSB genres.
[29] When assessing TV consumption these comprise all channels except the main five PSB channels (and Channel 3 regional services) and their portfolio of channels.
[30] Drama launched 8 July 2013.

Audience opinions

PSB purposes and characteristics

Overall, just under four in five (77%) of people who ever watch any PSB channel claim to be quite, or very, satisfied with the PSB channels combined. There were no significant differences in overall satisfaction between 2008 and 2013. Most ratings for the importance for all four PSB purposes (set out in Section 2) increased from 2008 to 2013.

In terms of delivery, most of the ratings, both for PSB purposes and characteristics, increased between 2008 and 2013, with some exceptions. This suggests that audience opinion about the performance of the PSB broadcasters has remained relatively stable.

Figure 1.1: Summary of the importance and delivery of PSB purposes and characteristics: 2013

Purposes	Importance	Delivery
Its news programmes are trustworthy	87%	65%
Its programmes help me understand what's going on in the world today	79%	63%
Its regional news programmes provide a wide range of good quality news about my area	81%	64%
It shows interesting programmes about history, sciences or the arts	69%	52%
It portrays my region/Scotland/Northern Ireland/Wales fairly to the rest of the UK	68%	44%
Its programmes show different kinds of cultures within the UK	65%	46%
It shows high quality soaps or dramas made in the UK	58%	51%
Characteristics	**Importance**	**Delivery**
It shows well-made, high quality programmes	83%	65%
It shows programmes I want to watch	78%	56%
it shows programmes that make me stop and think	73%	49%
It shows new programmes, made in the UK	73%	53%
It shows programmes with new ideas and different approaches	72%	47%

Summary % of respondents rating Importance/Delivery 10/9/8/7
Base for Importance: All (3028); Base for Delivery: All respondents who watch any PSB channels regularly or occasionally (2926)
Slightly amended wording of some statements since 2011: previous wording: 'Its (regional)/ news programmes for people in Scotland/Wales/NI provide a wide range of good quality news about my area/ Scotland/Wales/NI"; 'It portrays my region/Scotland/Northern Ireland/Wales well to the rest of the UK'; 'It shows enough new programmes, made in the UK'

However, ratings for delivery of the individual PSB purposes and characteristics vary considerably. The highest rating for delivery of purposes in 2013 for the main five PSB channels combined was *"its news programmes are trustworthy"* (65% of respondents scored this statement 7/8/9/10 out of 10) and the lowest was *"it portrays my region/nation fairly to the rest of the UK"* (44%). The highest rating for delivery of PSB characteristics was *"it shows well made, high quality programmes"* (65%) and the lowest was *"it shows programmes with new ideas and different approaches"* (47%).

The largest gaps between the scores for importance and delivery of purposes and characteristics relate to the most 'challenging'[31] and 'engaging'[32] elements: "*it shows programmes I want to watch"* (78% importance vs. 51% delivery), *"it shows programmes that*

[31] The PSB Tracker was designed to test the statement: "It shows programmes that make me stop and think".
[32] The PSB Tracker was designed to test the statement: "It shows programmes I want to watch".

make me stop and think" and *"it shows programmes with new ideas and different approaches"* (both 70% vs. 44%). The purpose relating to nations and regions: *"it portrays my region fairly to the rest of the UK"* (66% importance vs. 40% delivery) also had a notable difference between perceived importance and delivery.

The top-rated purposes in 2013 for delivery by each of the main five PSB channels are as follows:

- BBC One – "Its news programmes are trustworthy" (77%)[33]
- BBC Two – "It shows interesting programmes about history, sciences or the arts" (77%)
- ITV - "Its news programmes are trustworthy" (71%)
- Channel 4 - "Its news programmes are trustworthy" (62%)
- Channel 5 - "Its news programmes are trustworthy" (55%)

In terms of the BBC portfolio channels' delivery of PSB purposes, there were some differences in the delivery scores for BBC Three and BBC Four between 2008 and 2013. BBC Four scored higher on its delivery of the statements "*helps me understand what's going on in the world*" (60% in 2013 vs. 47% in 2008), "*interesting programmes about history/science/arts*" (71% in 2013% vs. 62% in 2008), while BBC Three scored higher for "*it portrays my region/Scotland/Northern Ireland/Wales fairly to the rest of the UK*" (46% in 2013 vs. 21% in 2008).

In 2013 the highest individual rating for a BBC portfolio channel in terms of delivery was for BBC News, for the statement "*helps me understand what's going on in the world*" (87%). Our PSB online research shows that commercial PSB portfolio channels can rate almost as highly as the broadcasters' respective PSB channels on some PSB purposes and characteristics. For example, 67% of viewers gave E4 a high rating for showing 'well-made, high quality programmes' compared to 73% for Channel 4 in the same research. However, across the commercial PSB portfolio channels delivery of most of the PSB purposes and characteristics is markedly lower than on the respective PSB channels.

Children's

Despite the decrease in UK first-run originated children's programming, parents' opinions of the importance of UK children's content, and delivery by CBBC and CBeebies, remain high.

Online media services

The data available for analysis of online media services is limited. For this reason Ofcom commissioned a study of online media services by research and advisory firm Enders Analysis[34] ('the Enders study') and requested data from the BBC, ITV, C4C and Channel 5 about consumption of their on-demand programme services. More details are in Section 4. Ofcom does not have data showing spend in this area.

[33] The % satisfied figure is based on those who rated each element as 7/8/9/10 out of 10.
[34] See Annex 4 for data based on the Enders study.

Output and availability

Analysis in Section 4 shows that video on demand and other internet services provide content relevant to the public service objectives.

Enders Analysis created a database of online media services from existing databases of VoD services, the most popular websites captured by web metrics firms comScore and Nielsen, popular apps available for smartphones and tablets, and desk research[35]. This approach has not captured all the online media services available, but it does provide a reasonable indication of the range and number of online media services available in the UK today.

The Enders database captured 888 online media services as of June 2014. According to the study, most online media services fulfil more than one public service objective with sports and leisure interests and factual programming featuring the most strongly.

The study also includes case studies of 12 of the online media services in the database to understand the manner in which online media services have fulfilled the public service objectives. We consider these case studies in Section 6.

We consider the size and range of material offered by the VoD services assessed by Decipher's VoD audit. This report examines the material available to UK consumers from the VoD services offered by television platforms, including subscription VoD (SVoD) services[36], and transactional VoD (TVoD) services[37].

The range of material offered by TV platform operator for VoD services varied more than that provided by TVoD and SVoD services. The range of content among TVoD and SVoD services was predominantly limited to libraries of television shows, children's content and films. However, VoD services from TV platform operators were more likely to offer catch-up television, music, and sports material.

Consumption

Ofcom's *Digital Day* research[38] reveals the popularity of the BBC iPlayer overall, and of 4oD with younger viewers. Forty per cent of those in the 16-34 age group used 4oD to watch films or TV programmes over the period of a week.

Research commissioned by Ofcom from Ipsos MORI, referred to in Section 4 of this report, shows that six in ten adults (61%) had ever used a VoD service in August 2014, with 51% of adults using such a service at least once a month, 29% at least once a week, and 14% at least once a day.

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[35] Enders Analysis explain their methodology in their report published alongside the third PSB Review page on the Ofcom website.

[36] Subscription VoD (SVoD) services provide access to a library of on-demand content for a fixed, often monthly, fee. The user does not own the content in the library and access to content is limited to the period of subscription. Popular SVoD services include Netflix and Amazon Prime Instant Video.

[37] Transactional VoD (TVoD) services provide on-demand content from on an a la carte basis. Content can be bought and downloaded to a consumer's device; this type of TVoD can be known as download-to-own (DTO) or electronic sell through (EST). Alternatively a piece of content can be rented for a one-off fee, after which the consumer has a limited time (often 48 hours) to watch the content after first initiating playback on their device. This type of TVoD can be known as download-to-rent (DTR).

[38] http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr14/2014_UK_CMR.pdf

VoD services were most popular among 16-24s, with eight in ten having ever used such a service (80%), and least popular among those aged 75+, with one in five (19%) having used such a service. Broadly speaking, take-up of VoD services declines with age.

BBC iPlayer is the most popular VoD service, used by seven in ten (70%) VoD users at least once a month, equivalent to a third (35%) of all UK adults. ITV Player and 4oD were the next most popular, used by a third of VoD viewers (16% and 17% of UK adults).

According to broadcaster data, programme viewing using the PSB VoD services has grown steadily since 2008, averaging approximately half a billion extra programme requests each year.

The Enders study shows that in 2013 the public service objective with the largest unique audiences from both PC and smartphone internet users was sports and leisure interests, and the one with the smallest unique audiences was PSO6 (religion and beliefs).

The unique audience visiting online media services fell for those using a personal computer between 2009 and 2013. The largest decline (5 million) was in the unique audience of websites fulfilling the public service objective of religion and beliefs while the smallest decline was in the unique audience of websites fulfilling the objective of children and young people (0.8 million).

Consumer research, covered in Section 4,[39] shows that in 2014 the internet was a more popular source than in 2007 for all the types of content we asked about. In 2014, content about "your personal interests and pastimes" was the most popular content sourced from the internet (61%).

Comparing types of content, the popularity of the internet as a source for all types of news increased the most between 2007 and 2014. The proportion of the adult population who claim to use the internet for news about "what's happening in your region, or locally, and news about the world" was up 28 percentage points, while "*news about the UK*" was up 27 percentage points.

Audience opinion

In 2014 the internet was the most important source, for more than a fifth of adults, for a range of content types. In particular, for half of all adults it was their most important source for discovering new things (51%) and for finding out about "*your personal interests and pastimes*" (49%).

From the research referred to in Section 4, the biggest change in attitudes between 2007 and 2014 has been in the proportion of people agreeing with the statement: "the internet is very influential in shaping public opinion about political and other important issues". In 2014, three-quarters (75%) of internet users agreed with that statement, up from just over half (52%) of internet users in 2007. Furthermore, those agreeing strongly increased from one in ten (10%) internet users to more than one in five (23%).

Since Ofcom's last PSB Review some other attitudes about the internet have changed:

- In 2014, four in five (80%) internet users agreed that as well as entertaining and informing people, the internet has an important social role to play. This was a significant

[39] From the Ipsos MORI research referred to above compared with research carried out for Ofcom's Second PSB Review.

increase on 2007 (75%) driven entirely by an increase in those who agreed strongly (17% to 22%).

- In 2014, three-quarters (77%) of internet users agreed that the internet should help promote understanding and tolerance of different religions, cultures and lifestyles. This was a significant increase in agreement since 2007 (62%), and also a significant increase in those who agreed strongly (14% to 26%).

- In 2014, 85% of internet users agreed that the internet has an important social role to play in making people interested in different subjects like the arts, nature, science and history. This was a 13 percentage point significant increase since 2007 (72%).

Our research also shows that online media services can fulfil the public service objectives in ways that traditional broadcast media cannot. Instant feedback, interactivity, on-demand content and a personalised experience are features of online media services that are not easily replicable in one-to-many broadcast media like television and radio. This is particularly prevalent in the provision of educational material, and content for teenage children.

Radio

Spend and output

Since 2008 BBC radio expenditure has increased by 10.7% (£69m) compared to a decrease of 5.0% (£24m) in commercial radio revenue.

In 2013 there were approximately 560 analogue radio stations available in the UK:

- 294 commercial;

- 215 community; and

- 51 BBC.

This is an overall increase of 41% in the number of UK analogue stations since 2008 (397 vs. 560), driven primarily by the launch of community radio stations. However, since 2008 there has been considerable consolidation in the commercial radio sector and a reduction in the volume of local programming and local news in many areas, following Ofcom's relaxation of the regulation of 'localness' hours.

On the other hand, the growth of digital radio means that many listeners now have access to a broader range of services from both the BBC and commercial radio, with digital listening now accounting for 38% of all listening.

Comparing 2008 and 2013 in terms of broadcast hours, BBC network radio saw a decrease in current affairs broadcast hours, and decreases in schools/educational output, religion, and news and weather. There were increases in broadcast hours of sport, entertainment and factual, and drama output.

Consumption

The weekly reach of any radio has remained stable over the period, with 89% of adults aged 15+ listening each week in 2008 and 90% in 2013.

Sixty-seven per cent of adults listened to any BBC radio for an average of 22 hours each week in 2013 (66% in 2008). BBC radio accounts for 54.6% of the radio market (55.7% in 2008).

Sixty-five per cent of adults listened to commercial radio for an average of 13 hours each week in 2013 (62% in 2008). Listening to non-commercial radio accounted for 45.4% of the radio market (44.3% in 2008).

While radio reaches the same percentage of adults in the UK, the amount of time spent listening to radio is shrinking. The fall in average weekly listening among all adult listeners between 2008 and 2013 is 54 minutes: from 22.4 hours to 21.5 hours per week. Listeners aged 15-24 listen for 2 hours 18 minutes per week less in 2013 than they did in 2008, a fall of 12.9%[40].

Fifty per cent of BBC local/nations' listeners agree that BBC local/nations' radio is important to them. The type of output valued the most on BBC local/nations radio is local news.

Fifty-four per cent of local commercial listeners (54%) agree that local commercial radio is important to them. The type of output valued the most on local commercial radio is music, followed by local news.

Radio is a key platform for music, allowing listeners to discover new music and enjoy a variety of genres. However Ofcom's Digital Day 2014 research[41] showed that for 16-24 year olds, listening to live radio comprises less than a quarter of their time spent on listening activities, with personal digital music and streamed music accounting for 60% of listening time.

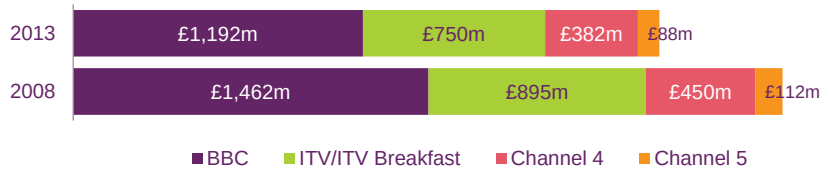
Fast facts

The following charts depict some of the key data on TV output and viewing referred to above.

[40] See figure 3.36 in Ofcom's *Communication Market Report 2014* at http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr14/2014_UK_CMR.pdf
[41] Reported in Ofcom's *Communication Market Report 2014* on page 66.

Figure 1.2a: Fast facts - first-run network spend and hours

First run UK originated spend (£m)

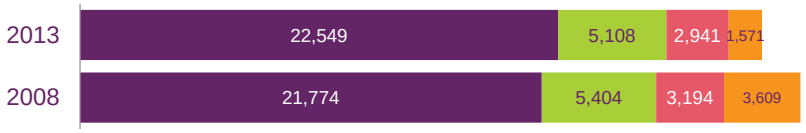


Total spend

£2,413m

£2,919m

First run UK originated network hours



Total hours

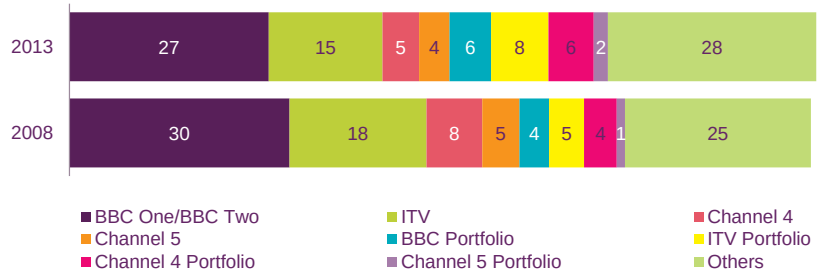
32,169

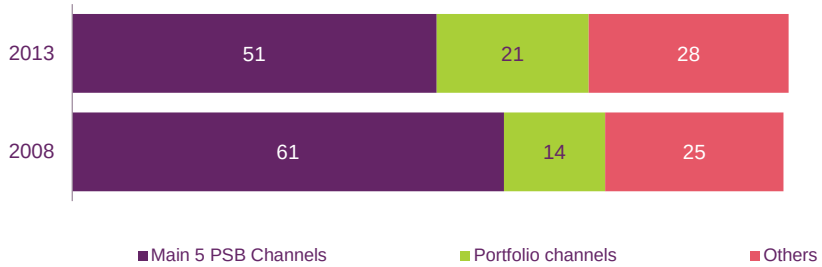
33,981

- BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News and BBC Parliament.
- Spend figures are expressed in 2013 prices
- Hours and spend data provided by Ofcom/broadcasters.
- Figures exclude nations/regions programming
- Output hours are based on slot times

Figure 1.2b: Fast facts – share of viewing

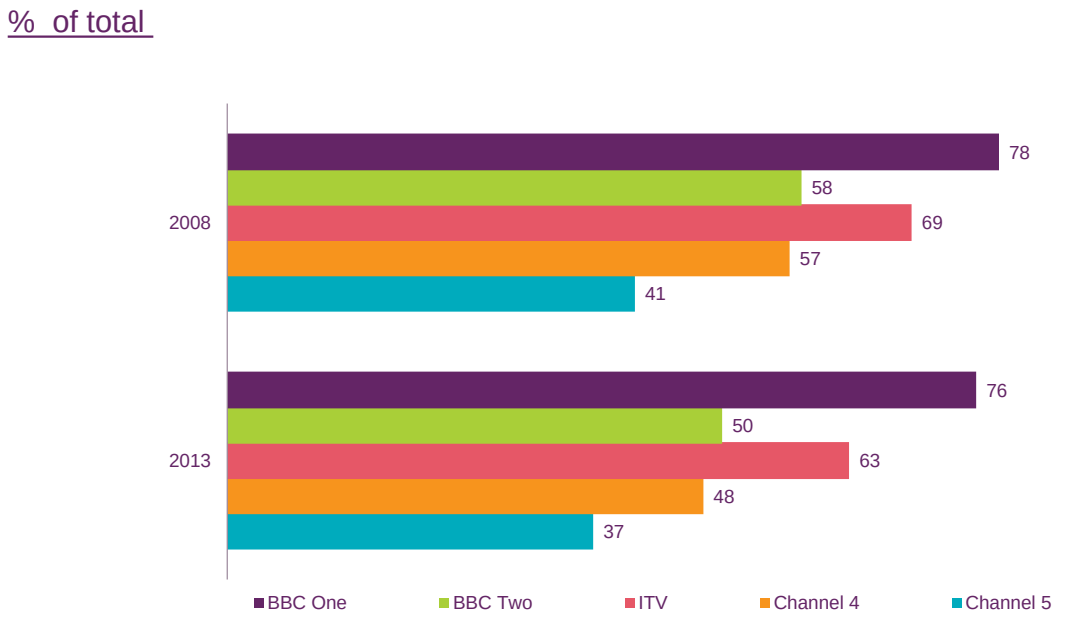
% of total





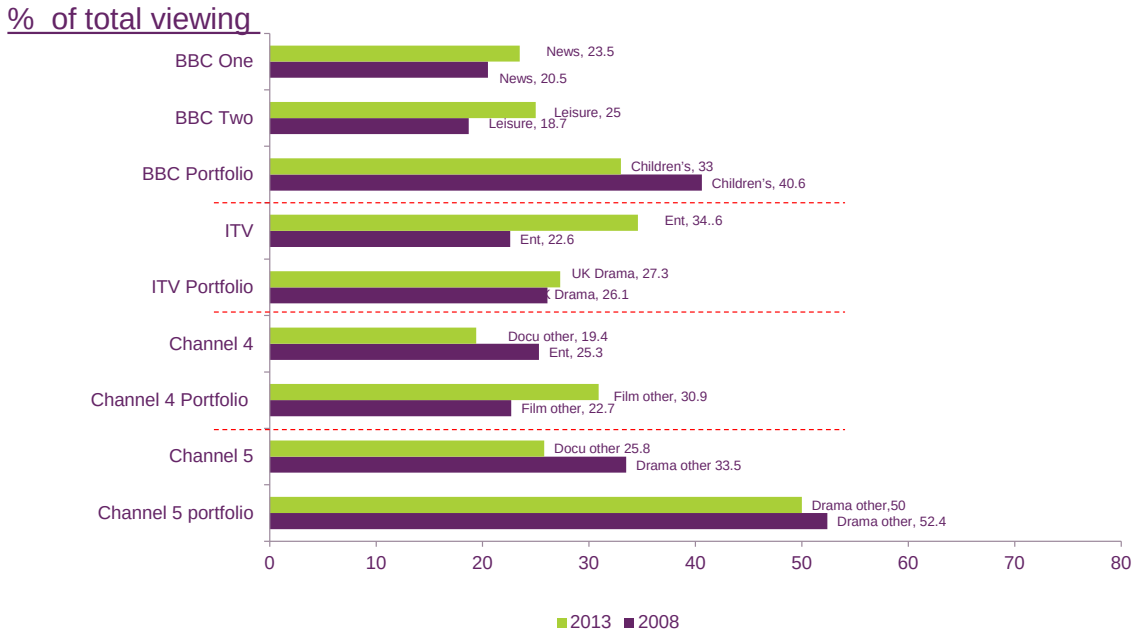
- Figures refer to **all** portfolio channels in the relevant broadcaster family .
- Viewing data based on BARB, Individuals 4+, Network.

Figure 1.2c: Fast facts – weekly reach (based on 15 consecutive minutes)



Viewing data based on BARB, Individuals 4+, Network.

Figure 1.2d: Fast facts – most-viewed genres



- Figures refer to **all** portfolio channels in the relevant broadcaster family .
- Viewing data based on BARB, Individuals 4+, Network.

Delivery of public service genres[42]

In Section 6 we highlight the key trends in delivery by television, online media services and radio services. We concentrate on eight public service genres.

UK news

- Over the period from 2008 to 2013, total spend on news among PSB channels fell by 11% to £224m, a £28m decrease in real terms from the 2008 spend of £253m[43].
- Total news output by the PSB channels rose slightly during this period to 22,067 hours in 2013 - a less than 1% increase since 2008.
- Satisfaction with the PSBs' delivery of trustworthy news was 64% in 2008 and has remained stable through the review period[44].
- Between 2007 and 2014 the proportion of adults claiming to use the internet for news was up 28 percentage points.
- In 2013 the share of PSB video-on-demand (VoD) service programme requests for news was 0.5%[45].
- The appeal to listeners of radio for local news provision is also relevant to this genre.

Current affairs

- Total current affairs spend by the PSB channels dropped by 17% in real terms (£16m) from 2008 to 2013, to £79m.
- Total hours of output among PSB channels increased by 8% over this period to 2,773 hours – an increase of 203 hours on the 2008 figure.
- Hours of viewing to current affairs across all channels fluctuated across the PSB Review period but there was an overall fall of 4.6 hours from a peak of 21.3 hours in 2008 to 16.7 hours in 2013.
- In 2013, 63% were satisfied with the PSBs' delivery of the purpose of informing our understanding of the world[46].
- Only 7% of those people who said they used an 'online or on-demand service' at least monthly claimed to watch current affairs on demand.
- In 2013 the share of PSB VoD service programme requests for current affairs was 1.6%.

Nations and regions

- From 2008 to 2013, spend on all nations' and regions' output by the BBC and Channel 3 combined decreased by £90m in real terms, or 25%, from £354m in 2008 to £264m in 2013.
- Between 2008 and 2013, the total hours of nations' and regions' content from the BBC and the Channel 3 services[47] dropped to 11,642 hours, a decrease of 8% from the 2008 number of output hours.

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[42] In this part of the executive summary we refer to the key points under each genre. The full supporting data can be found in Section 6.
[43] There are some instances where figures have been rounded up or down.
[44] Based on respondents who watch any PSB channels regularly or occasionally.
[45] This and the other findings for VoD genres referred to in in the executive summary are based on broadcaster data reported in Section 4. The PSB VoD services are BBC iPlayer, ITV Player, 4oD, and Demand 5
[46] As Figure 1.1.
[47] It should be noted as context that as a result of Ofcom's second *Public Service Broadcasting Review*, Ofcom reduced the licence obligations on the Channel 3 licensees for showing regional programming. These changes were made in light of the declining value of public service status for commercial broadcasters, and the opportunity cost of their regulatory obligations.

- Spend on first-run UK originated nation's and regions' news by the BBC and the Channel 3 services decreased by 22%, or £51m, between 2008 and 2013.
- Nations' and regions' news output (first-run UK originated) by the BBC and the Channel 3 services combined went down by 7% over the same period, decreasing by 630 hours to 8,470 hours of news output in 2013.
- Between 2008 and 2013, viewing to nations' and regions' news fell from 28.3 hours to 25.3 hours per individual.
- Time spent viewing nations' and regions' news was highest in Northern Ireland compared with the other devolved nations, with individuals watching 36.7 hours in 2013.
- Spend on first-run UK originations by S4C dropped by 27% in real terms from 2008 to £62m in 2013, although its hours of first-run UK originations increased by 43% from 2008 to total 1,978 hours in 2013.
- Spend on first-run programming on BBC Alba was £12m in 2008 and £13m in 2013.
- Satisfaction with the PSBs' delivery of the statement 'its regional news programmes provide a wide range of good quality news about my area' was stable through 2008-2013, ranging between 52% in 2013 to 48% in 2008[48].
- The proportion of UK adults using the internet as a source for news about what's happening in their region, and news about their local area, rose from 7% and 6% respectively in 2007 to 35% in 2014[49].

<u>UK drama</u>

- From 2008 to 2013 there was a 34% decrease in spend on first-run UK originated drama, a £164m decrease in real terms from £487m to total £323m in 2013.
- Over the same period, total hours of drama (excluding soaps) on the PSB channels dropped by 1,458 hours (31%) to 3,238 hours.
- Drama was the most popular genre of content watched on PSB VoD services, with a 29.4% share of programme requests in 2013.
- From 2008/09 to 2013/14 drama broadcast on BBC network radio increased by 10% (461 hrs) from 4,471 hrs to 4,932 hrs.

<u>Arts and music</u>

- There was a 29% drop in spend by the PSB channels on first-run UK originated arts and classical music programming between 2008 and 2013 – a decrease of £16m in real terms to total £38m in 2013.
- Contemporary music spend dropped by 38% (£7m) over the review period, decreasing to £12m.
- First-run UK originated arts and classical music programming decreased by 9% over the same period to total 391 hours of output in 2013.
- Viewing to visual and performing arts programming overall decreased from 4.1 hours in 2008 to 2.4 hours in 2013.
- Of those people who said they used an 'online or on-demand service' at least monthly, 6% claimed they used VoD services to watch arts and classical music programming.
- In 2013 the share of PSB VoD service programme requests for arts and classical music was 1.1%.

[48] Based on all respondents who watch any PSB channels regularly or occasionally.
[49] In 2014, two questions were merged.

- As noted in Section 5 on radio, listeners to commercial radio place considerable value on the provision of music, while BBC Radio provides a wide range of music, from classical to contemporary.

Religious content

- There was a 16% reduction in spend on first-run UK religion/ethics programming[50] between 2008 and 2013, a decrease of £3m in real terms.
- Total output of religious/ethics programming by the PSB channels decreased by 11% from 2008 to 2013. This equated to a drop of 31 hours, to total 254 hours of output in 2013.
- Viewing to religious programming fell steadily from 3.1 hours in 2009 to 2.1 hours in 2013.
- Religious material was the least popular content claimed among those people who said they used an 'online or on-demand service' at least monthly, with 2% claiming to watch religious programmes. However, in 2014, more than three-quarters (77%) of people agreed that "the internet should help promote understanding and tolerance of different religions, cultures and lifestyles".
- In 2013 the share of PSB VoD service programme requests for religion was 0.3%.
- There was a drop in religious output on BBC network radio from 1,118 hrs in 2008/09 to 611 hrs in 2013/14, a 45% decline.

Formal education content

- First-run UK-originated formal education hours decreased by 78% (248 hours) from 2008 to 2013.
- Viewing to educational programming fell from 0.8 hours per individual in 2008 to 0.1 hours in 2013.
- The Enders study commissioned by Ofcom identified 180 online media services providing educational material[51].
- In 2013 the share of PSB VoD service programme requests for education was 0.8%.

Children's content

- In the period between 2008 and 2013, spend on first-run UK-originated children's content decreased by 15% and £15m in real terms to £87m in 2013.
- First-run UK-originated children's output saw a gradual decline over the five-year period between 2008 and 2013, ultimately decreasing by 28%, or 253 hours, to the 2013 total of 666 hours.
- The average time spent per child watching children's programming over the last five years has remained broadly stable. Viewing hours per child in 2008 (224.9) and 2013 (224.8) were almost identical.
- Parents' ratings of the importance of PSBs providing "a wide range of high quality and UK made programmes for children" increased from 67% in 2008 to 85% in 2013.
- Despite a low reach of children's content among those aged 16+, children's programming is one of the most popular genres of programming for PSB VoD services, with a 17.5% programme request share.

[50] We provide a breakdown of what makes up the religious and ethical programming genre in Annex 7.

[51] The Enders report can be found alongside the third PSB Review page on the Ofcom website. The definitions of education used can vary according to the types of data sourced.

Section 2

2 Introduction

Ofcom's duties

Under the Communications Act 2003 (the 'Act'), Ofcom has a duty to review the extent to which the public service broadcasters have provided relevant television services ('PSB channels') which, taken together, fulfil the purposes of public service broadcasting. The public service broadcasters are the BBC[52], the providers of the Channel 3 services (ITV, STV and UTV) [53], the providers of Channel 4 and Channel 5, and S4C[54].

The purposes of public service broadcasting ('PSB') can be summarised as:

- to deal with a wide range of subjects;
- to cater for the widest possible range of audiences – across different times of day and through different types of programme; and
- to maintain high standards of programme-making.

Furthermore, it is desirable that they are fulfilled in a manner which is compatible with certain public service objectives.[55] In its first PSB Review[56] Ofcom developed a range of PSB purposes and characteristics, based on the statutory purposes and objectives, to provide a detailed description of the aims and nature of public service broadcasting (see Figure 2.1 below).

Figure 2.1: PSB purposes and characteristics

PSB purposes

Purpose 1: Informing our understanding of the world - To inform ourselves and others and to increase our understanding of the world through news, information and analysis of current events and ideas

Purpose 2: Stimulating knowledge and learning -To stimulate our interest in and knowledge of arts, science, history and other topics, through content that is accessible and can encourage informal learning

[52] The BBC channels are referred to in the executive summary. Note: the focus in this annual report is upon the generalist channels BBC One and BBC Two, and we refer to the other BBC channels as 'BBC portfolio channels'. BBC HD and BBC One HD have been excluded from much of the analysis in the report as much of their output is simulcast from the core BBC channels.
[53] ITV provides the Channel 3 services in England, Wales, the Border region, the Channel Islands and the national breakfast service; STV covers northern and central Scotland; and UTV serves viewers in Northern Ireland.
[54] The Welsh Authority (known as S4C) has the statutory responsibility to provide the S4C Digidol (digital) service for viewers in Wales. During the review period it also had to provide an analogue service up to 2010.
[55] The purposes of PSB are set out in section 264(4) of the Act and the objectives in section 264(6). See also Section 4 for the list of objectives.
[56] http://stakeholders.ofcom.org.uk/broadcasting/reviews-investigations/public-service-broadcasting

Purpose 3: Reflecting UK cultural identity - To reflect and strengthen our cultural identity through original programming at UK, national and regional level; on occasion, bringing audiences together for shared experiences

Purpose 4: Representing diversity and alternative viewpoints - To make us aware of different cultures and alternative viewpoints, through programmes that reflect the lives of other people and other communities, both within the UK and elsewhere

PSB characteristics

High quality - well-funded and well-produced

Original – new UK content rather than repeats or acquisitions

Innovative – breaking new ideas or re-inventing exciting approaches, rather than copying old ones

Challenging – making viewers think

Engaging – remaining accessible and attractive to viewers

Widely available – if content is publicly funded, a large majority of citizens need to be given the chance to watch it

Trust[57]

In the first PSB Review Ofcom also stated that it would develop a new approach to assessing the effectiveness of the public service broadcasters, taken together, in delivering PSB. This would include an audience tracking survey to evaluate audience opinions, as well as broadcaster spend, output and viewing data. The aim was to provide a common basis for understanding the delivery of PSB, and resulted in the publication of the PSB Annual Reports.

This PSB Annual Report sets out to provide an evidence base for assessing the delivery of public service broadcasting in support of the 2014 PSB Review. While the key purpose is to show how PSB is being delivered in the UK as a whole, it also looks at the contributions of the individual PSB channels.

The Digital Economy Act 2010 extended Ofcom's PSB Review duties to include a review of the extent to which material included in other television services and radio services, on-demand programme services and other internet services has contributed to the fulfilment of the public service objectives.[58] The PSB Annual Report therefore also considers the contribution made by these media services.

For the purpose of this report, delivery of PSB has been considered by assessing three areas: PSB broadcasters' spend and output; viewing; and audience opinion of PSB delivery. Our analysis also considers the extent to which material included in online media services has contributed towards the fulfilment of the public service objectives.

[57] Although trust was not outlined as a PSB characteristic in Ofcom's PSB Review 2004, it is considered alongside the PSB characteristics throughout the report. It was added to the PSB tracker in 2007 to monitor the extent to which people trust the main PSB channels as the digital TV environment expands.

[58] Section 264A of the Act. For the purposes of this 'wider media services' review, the public service objectives are those set out in section 264(6)(b)-(j) of the Act. See also Section 4.

Section 3

3 Television

This section provides an analysis of programme viewing, spend and volume of content broadcast. It also reports on attitudes and opinions of audiences to the PSB purposes and characteristics by television services over the period of the review. The section looks across television broadcasting to include provision by the public service broadcasters (their main and portfolio channels[59]) as well as by multichannel providers.

Spend and output

When considering findings in relation to programme spend it is important to note the following points as well as the programme definitions provided in the box below:

3.1 Spend on first-run UK-originated content is influenced by cyclical events such as general elections and major sporting events. Looking at the period since 2008, 2013 had fewer major events that affected spend and viewing patterns than 2008, which featured the Beijing Olympics and the Euro 2008 football tournament.

3.2 Content spend figures are adjusted for inflation, which is variable.

3.3 Furthermore, the spend figures included in this report do not represent the total cost of programme making, as additional third-party sources (such as spend from independent producers and co-production partners) may have contributed to the overall cost of making programmes. When looking at total spend, we are looking at all broadcaster spend on originated or acquired, first-run or repeated television content.

Figure 3.1: Spend and output descriptions

- First-run originations - Programmes commissioned by or for a public service channel with a view to their first showing on television in the United Kingdom in the reference year.
- First-run acquisitions - A ready-made programme bought by a broadcaster from another rights holder and broadcast for the first time in the UK during the reference year.
- Repeats - All programmes not meeting one of the two definitions above.

PSB channels

Overview of PSB programme spend

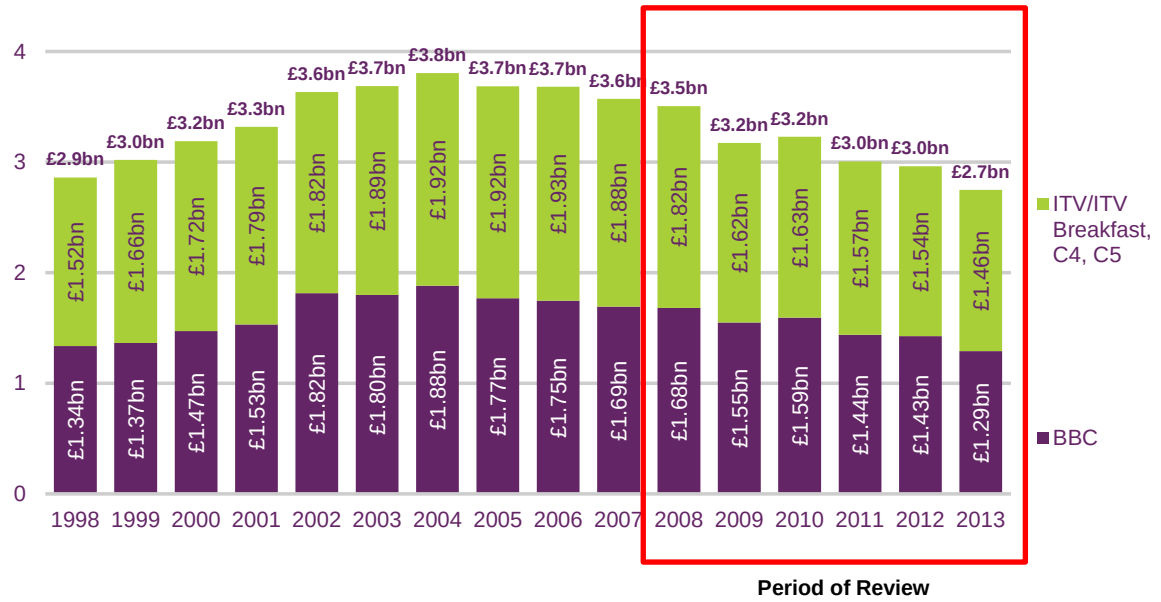
3.4 A total of £2.75bn was spent by the public service broadcasting channels, including the BBC portfolio channels, in 2013 on all network television content. The BBC contributed £1.29bn of this and the commercial PSB channels (ITV/ITV Breakfast, Channel 4 and Channel 5) contributed £1.46bn.

[59] We also look at C3 more generally including STV in Scotland and UTV in Northern Ireland.

3.5 Over the review period, overall spending fell by 22% in real terms, or £0.76bn, from £3.51bn in 2008.

3.6 Year on year, overall spend fell by 7% in real terms, which continued the historic trend between 2005 and 2009 of year-on-year annual reductions in expenditure on content. BBC spending fell by £136m (10%) while the commercial PSB channels' fell by £78m, or 5%.

Figure 3.2: PSB overall network programme spend (£bn, 2013 prices)



Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

3.7 Between 2008 and 2013, spending on first-run UK originations fell by 17% in real terms. Spending by the BBC fell by 18% in real terms, compared to a decrease of 16% for the commercial PSB channels. The BBC spent £1.19bn on first-run UK originations during 2013, down by 10% year on year. This compares to £1.22bn spent by the commercial PSB channels, down 4% from 2012.

3.8 Spend on first-run UK originations by the PSB channels during peak hours (6pm – 10.30pm) was £1.58bn in 2013; a 10% (£0.19bn) decrease on the 2008 peak spend of £1.77bn. Daytime first-run spend decreased by 28% (£0.23bn) to £0.58bn over the same period.

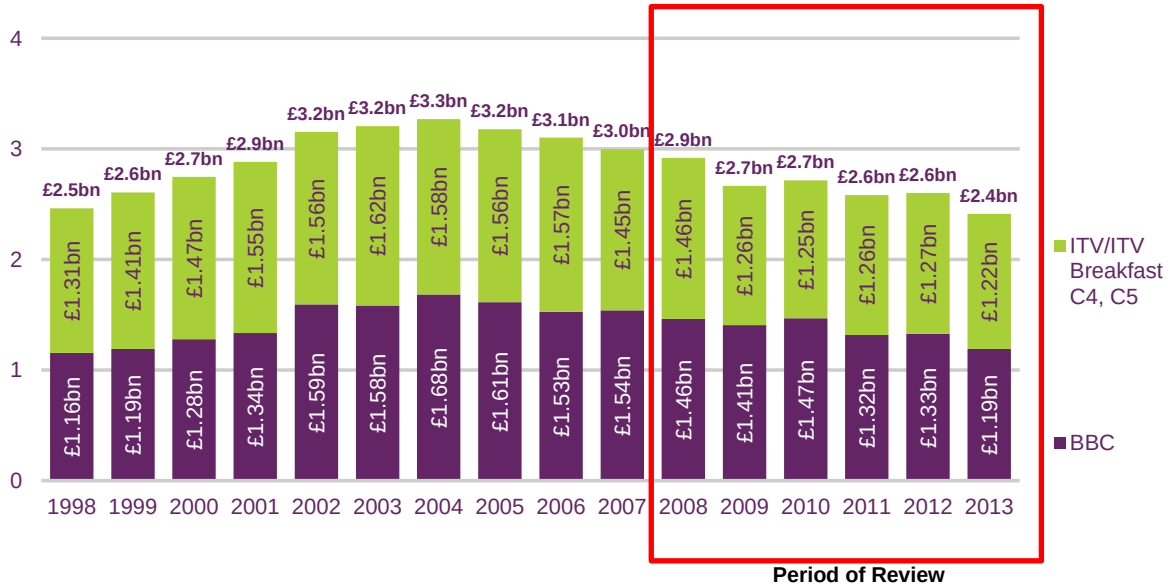
3.9 These trends partly reflect the fact that the BBC licence fee rose in real terms during the early part of 2000 to 2013, and levelled off in later years. For the commercial PSB channels, television advertising revenue underwent a decline early in the period, recovering somewhat in 2010.

3.10 Year-on-year spend on first-run UK originated programmes also decreased in 2013; by 7% in real terms. 2012 was a big year for sport, with the London Olympic and Paralympic Games, and first-run spend on sports was subsequently down by 32%; to £393m.

3.11 In 2013, spend on first-run UK originations still commanded a large proportion of all content spending among the commercial PSB channels and the BBC combined,

accounting for 88% (or £2.41bn) of all spending (compared to 83% or £2.92bn in 2008).

Figure 3.3: PSB network spend on first-run UK originations (£bn, 2013 prices)



Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News and BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Programme spend by PSB channel

3.12 Over the review period, all of the main five PSB channels saw a decline in total spend in real terms, with BBC Two (29%) falling proportionally the furthest and Channel 4 (18%) falling the least amount among the main five PSB channels.

3.13 Between 2008 and 2013, spend on first-run UK originations was down 17% across all of the PSB channels in real terms. ITV/ITV Breakfast (down 16% to £750m) and Channel 4 (down 15% to £382m) were the only two of the main five PSB channels to have a below-average decrease in first-run spend during this period.

3.14 BBC Two had the biggest percentage drop in spend on first-run UK-originated output during this period, decreasing by 24% in real terms to £272m, and BBC One saw the largest outright drop in real-terms spend on this output, decreasing by £179m to £696m since 2008. This contrasts with the BBC portfolio channels over this period, which only saw a 2%, or £4m, drop in real-terms spend on first-run UK originations since 2008.

3.15 Spend on first-run UK originations as a percentage of total network spend has increased since 2008, up to 92% from 87% for the BBC and up to 84% from 80% for the commercial PSB channels.

3.16 Total spend decreased in real terms for each of the main five PSB channels year on year in 2013, as shown in Figure 3.4. The decrease was largest for BBC One, which saw a 14%, or £123m, decrease in spend to £747m from 2012. However, there was a 3%, or £7m, increase in spend on the BBC portfolio channels; to £246m. Among first-run originations, BBC One again saw the largest reduction in spend in 2013,

down by 15% to £696m. Channel 5 was the only other channel to see a double-digit percentage decrease in first-run spend in 2013, down 13%, or £14m, to £88m.

Figure 3.4: Programme spend, overall and on first-run originations (2013 prices)

	Spend on all hours of output							Spend on first-run originated output							First run spend as a % of all spend		
	2008	2012	2013	Change (£) 5 yr	Change (£) 1 yr	Change (%) 5 yr	Change (%) 1 yr	2008	2012	2013	Change (£) 5 yr	Change (£) 1 yr	Change (%) 5 yr	Change (%) 1 yr	2008	2012	2013
BBC One	£1010m	£870m	£747m	-£263m	-£123m	-26%	-14%	£876m	£817m	£696m	-£179m	-£121m	-20%	-15%	87%	94%	93%
BBC Two	£421m	£318m	£298m	-£123m	-£20m	-29%	-6%	£358m	£293m	£272m	-£87m	-£22m	-24%	-7%	85%	92%	91%
BBC Portfolio	£251m	£238m	£246m	-£5m	£7m	-2%	3%	£228m	£219m	£224m	-£4m	£5m	-2%	2%	91%	92%	91%
BBC Total	**£1682m**	**£1426m**	**£1291m**	**-£391m**	**-£136m**	**-23%**	**-10%**	**£1462m**	**£1330m**	**£1192m**	**-£270m**	**-£138m**	**-18%**	**-10%**	**87%**	**93%**	**92%**
ITV/ITV Breakfast	£996m	£836m	£794m	-£202m	-£41m	-20%	-5%	£895m	£775m	£750m	-£144m	-£25m	-16%	-3%	90%	93%	94%
Channel 4	£590m	£504m	£486m	-£105m	-£19m	-18%	-4%	£450m	£395m	£382m	-£68m	-£13m	-15%	-3%	76%	78%	79%
Channel 5	£238m	£197m	£179m	-£60m	-£18m	-25%	-9%	£112m	£102m	£88m	-£24m	-£14m	-21%	-13%	47%	52%	49%
Commercial Total	**£1824m**	**£1536m**	**£1459m**	**-£366m**	**-£78m**	**-20%**	**-5%**	**£1457m**	**£1272m**	**£1221m**	**-£236m**	**-£51m**	**-16%**	**-4%**	**80%**	**83%**	**84%**
Grand Total	**£3506m**	**£2963m**	**£2749m**	**-£757m**	**-£214m**	**-22%**	**-7%**	**£2919m**	**£2602m**	**£2413m**	**-£506m**	**-£189m**	**-17%**	**-7%**	83%	88%	88%

Source: Ofcom/broadcasters. Note: figures are expressed in 2013 prices. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News and BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Third-party contribution to programming on PSB channels

As highlighted in the introduction to Section 3, the broadcaster spend figures included in this report do not represent the total cost of programme making, as additional third-party sources (such as spend from independent producers and co-production partners) may have contributed to the overall cost of making programmes.

3.17 Third parties contributed £238m to first-run UK originated programming from the PSB channels in 2013, an 11% increase in real terms from the 2011 figure of £215m (the earliest year for which we have comparable data). This £23m increase was 14% of the corresponding £170m decrease in spend on first-run UK originations by the PSB channels themselves over the same period.

Ratio of first-run originated spend to revenue

Figure 3.5[60] provides an estimate of the ratio between spend on broadcast first-run UK-originated television programming[61] and revenue (for commercial PSB channels), and Ofcom's estimate of the licence fee allocated to television services (in the case of the BBC). The analysis indicates that the commercial PSB channels increased spend on first-run

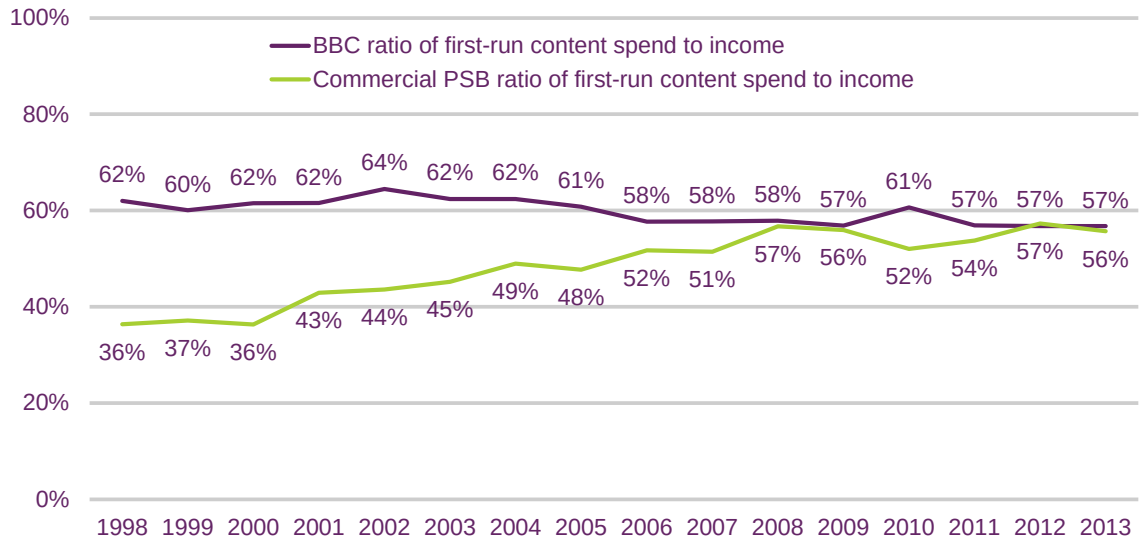
[60] This analysis provides an indication of the ratio between first-run originations spend and revenue, drawing on broadcaster data, public domain data, and Ofcom estimates.

[61] Spend is all day, all genres. It includes all spending on *first-run originated* networked output by the BBC, ITV, Channel 4 and Channel 5. It also includes BBC, STV, ITV and UTV spending on programmes for viewers in the nations and regions and the BBC's spend on programmes for S4C and BBC ALBA. *It excludes spend on acquisitions and repeats*.

originations as a proportion of revenue, from 36% in 1998 to 56% in 2013. The BBC's ratio fell from 62% in 1998 to 57% in 2013. As stated in previous PSB Annual Reports, a variety of factors may have influenced the above figures, including:

- rising expenditure on non-content costs (such as those connected with infrastructure spend and distribution over new digital platforms);
- spend on first-run originated content being influenced by cyclical events such as general elections and major sporting events;
- cyclical influences over commercial PSB revenue, which tend to drive down the ratio during periods of economic growth and push it up during recession (all other things being equal);
- production efficiencies that have the potential to deliver programmes of comparable quality, genre or length at a reduced cost. A range of new production techniques have been adopted to reduce the cost of programme production (e.g. using the same set for the production of a programme format for several different countries);
- additional funding for new programmes from producers (not commissioners) to ensure that commissioned output is fully funded; this can include up-front loans secured against 'back-end' revenue streams such as DVD sales and programme exports;
- changes to programme mix, scheduling and commissioning strategies; and
- one-off costs such as business restructuring.

Figure 3.5: PSB first-run UK originated television programming: ratio of spend to revenue



Source: Broadcasters and Ofcom estimates drawing on data from the BBC's Annual Reports and Accounts. Spend is all day, all genres. It includes all spending on networked output by the BBC, ITV, Channel 4 and Channel 5. It also includes BBC, STV, ITV and UTV spending on programmes for viewers in the nations and regions and the BBC's spend on programmes for S4C and BBC Alba. Spend data are expressed in nominal terms. BBC TV income is based on Ofcom estimates of total

licence fee revenue that is spent on TV-related services which includes content, distribution, and infrastructure spending, and pro-rata, a share of remaining overheads.

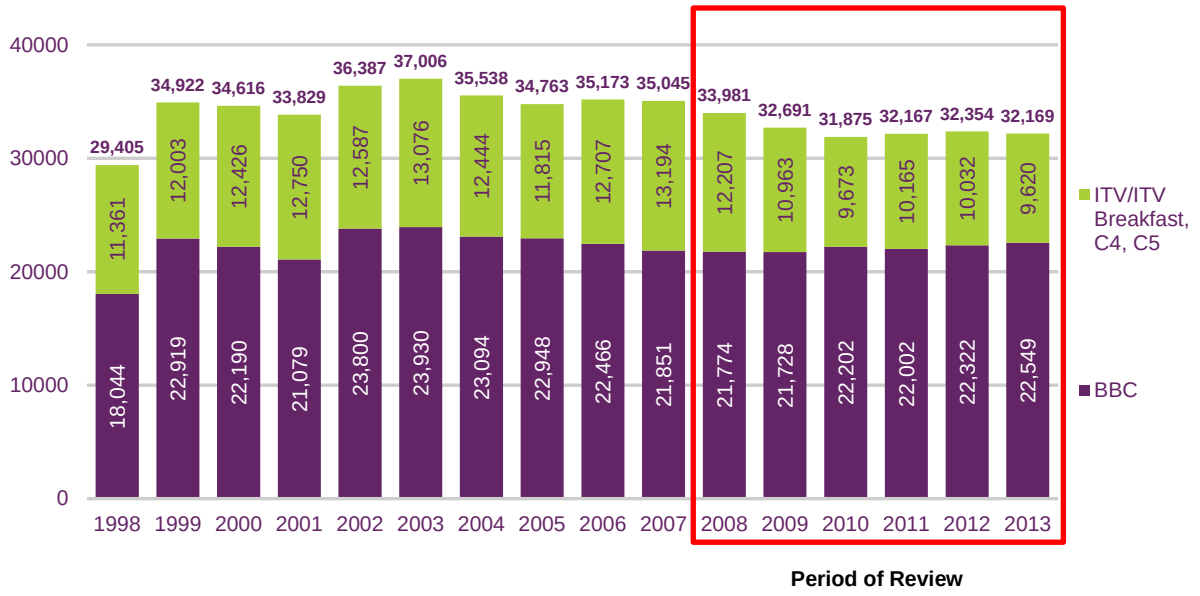
Overview of PSB hours of output

3.18 Over the period from 2008 to 2013, the total number of first-run hours decreased by 5% among the PSB channels. The commercial PSB channels saw a decrease of 21%, or 2,587 hours, during this time period, whereas the BBC channels increased their first-run hours of output during this period by 4%, or 775 hours.

3.19 In 2013, a total of 32,169 first-run hours were broadcast on the PSB channels, a decrease of 1%, or 185 hours, since 2012. The BBC contributed 22,549 first-run hours and the commercial PSB channels contributed 9,620 to this total.

3.20 Year on year, BBC first-run hours increased by 1%, or 227 hours in 2013, whereas those of the commercial PSB channels decreased by 4%, or 412 hours.

Figure 3.6: PSB hours of first-run network originations



Source: Ofcom/broadcasters. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News and BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Hours of output, by PSB channel

3.21 From 2008 to 2013, BBC One was the only one of the main five PSB channels to increase its first-run UK- originated hours. with an increase of 22%, or 1,179 hours. Channel 5 saw the biggest drop in first-run hours between 2008 and 2013, with a decrease of 56%, or 2,038 hours. Contributory factors were a reduction in formal education and sports hours.

3.22 There was also an increase of first-run hours of UK originations among the BBC portfolio channels over this period, increasing by 4% (461 hours) from 2008 to 2013.

3.23 BBC One was also the only channel of the five main PSB channels to increase its first-run hours in 2013, by 16% or 879 hours, since 2012. In line with the BBC's

proposals under the 'Delivering Quality First' initiative, BBC Two had the largest decrease in first-run hours year on year, with a reduction of 19%, or 657 hours.

3.24 Forty-three per cent of all hours of output among the PSB channels were first-run UK-originated content in 2013, down from 45% in 2008. BBC One (75%) and ITV/ITV Breakfast (60%) were the only two of the main PSB channels to have more than half of their output as first-run originated content in 2013.

Figure 3.7: Content hours, overall and on first-run originations

	All hours of output							Hours of first-run originated output							First run hours as a % of all output		
	2008	2012	2013	Change (hours) 5 yr	Change (hours) 1 yr	Change (%) 5 yr	Change (%) 1 yr	2008	2012	2013	Change (hours) 5 yr	Change (hours) 1 yr	Change (%) 5 yr	Change (%) 1 yr	2008	2012	2013
BBC One	8483	8459	8537	54	78	1%	1%	5261	5561	6440	1179	879	22%	16%	62%	66%	75%
BBC Two	8417	8280	7722	-695	-558	-8%	-7%	3665	3457	2800	-865	-657	-24%	-19%	44%	42%	36%
BBC Portfolio	33069	33362	32705	-364	-657	-1%	-2%	12848	13304	13309	461	5	4%	0%	39%	40%	41%
BBC Total	**49969**	**50101**	**48964**	**-1005**	**-1137**	**-2%**	**-2%**	**21774**	**22322**	**22549**	**775**	**227**	**4%**	**1%**	**44%**	**45%**	**46%**
ITV/ITV Breakfast	8324	8479	8500	176	21	2%	0%	5404	5133	5108	-296	-25	-5%	0%	65%	61%	60%
Channel 4	8783	8784	8760	-23	-24	0%	0%	3194	3305	2941	-253	-364	-8%	-11%	36%	38%	34%
Channel 5	8785	8783	8764	-21	-19	0%	0%	3609	1594	1571	-2038	-23	-56%	-1%	41%	18%	18%
Commercial Total	**25892**	**26046**	**26024**	**132**	**-22**	**1%**	**0%**	**12207**	**10032**	**9620**	**-2587**	**-412**	**-21%**	**-4%**	**47%**	**39%**	**37%**
Grand Total	**75861**	**76147**	**74988**	**-873**	**-1159**	**-1%**	**-2%**	**33981**	**32354**	**32169**	**-1812**	**-185**	**-5%**	**-1%**	45%	42%	43%

Source: Ofcom/broadcasters. BBC figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News and BBC Parliament. The analysis does not include S4C, BBC Alba or BBC HD. Figures exclude nations/regions programming.

Commercial PSB portfolio channels[62] and the multichannel sector[63]

Programme spend by the commercial PSB portfolio channels and the multichannel sector

3.25 The commercial PSB portfolio channels and the multichannel sector combined spent £1.93bn on first-run UK originated content in 2013. This was a 42% increase in real terms from the 2008 spend of £1.36bn.

3.26 Broadcaster spend on sports programming, including production costs and rights acquisition, was £1.59bn in 2013 – 82% of the total spend on first-run UK originations.

3.27 Spend on all other genres of first-run UK originations from these channels was £345m in 2013, a 43% increase in real terms from the equivalent 2008 spend of £242m.

[62] As referred to in the executive summary, the commercial PSB portfolio channels are the following: CITV, ITV2, ITV3, ITV4, 4Seven, E4, Film4, More4, 5* and 5USA.

[63] As referred to in the executive summary, in the spend and output analysis, multichannels are the following broadcasters: Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC and the Baby Network.

Hours of output on the commercial PSB portfolio channels

3.28 The commercial PSB portfolio channels broadcast 1,556 hours of first-run UK-originated content in 2013; a 1,128 hour decrease from the 2008 figure of 2,684 hours. This reduction can be explained in part by the loss of *Big Brother* live streaming from E4 over this period.

3.29 Sports output made up 67% of all first-run UK origination hours of output by the PSB portfolio channels in 2013 – a total of 1,047 hours of output.

Hours of output by the multichannel sector

3.30 The multichannel sector provided 26,365 hours of first-run UK originated content in 2013, 93% of which was news and current affairs and sports output. This is a 15% increase on the 2008 figure of 22,888 hours of first-run UK originations, 95% of which were news and current affairs and sports output.

3.31 Excluding news and sports, the multichannel sector provided 1,857 hours of first-run UK-originated content in 2013 – a 49% increase on the 2008 figure of 1,248 hours.

3.32 After news and current affairs and sports, entertainment and contemporary music made up the third largest proportion of first-run UK originated hours among the multichannel sector in 2013, with 1,244 hours of output. This was a 643-hour increase on the 2008 number of 601 hours of first-run UK entertainment and contemporary music originations.

Third party contribution to programming on the commercial PSB portfolio channels and the multichannel sector

3.33 There was a third-party contribution of £87m to first-run UK- originated programming on the commercial PSB portfolio channels and the multichannel sector combined. This was an 85% increase on the 2011 figure of £47m.

TV viewing

This section sets out the findings of analysis examining trends in audience viewing across the following metrics: hours of viewing, average weekly reach, channel share and channel profile, and it then explores the change in the range of programming viewed across the different channels. This section focuses on these changes from a channel perspective, separating out the main five PSB channels, PSB portfolio channels and channels with no statutory PSB obligations. The changes in viewing to particular genres are examined in Section 6.

This section provides a summary of the analysis. The complete analysis, together with definitions and an accompanying chart pack can be found in Annex 2. More detail on all of the following sections can be found in the aforementioned annex.

Main five PSB channels

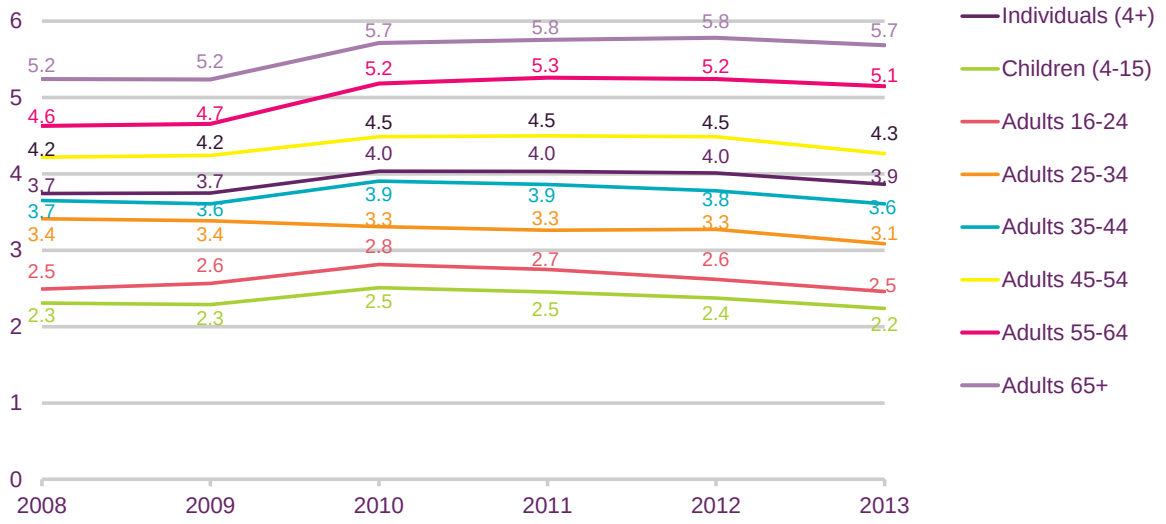
Hours of viewing

3.34 Before focusing on the performance of the main five PSB channels, it is necessary to examine the trends to total television viewing in order to contextualise the performance of these five channels. In 2013, total television viewing (total TV) ranged from an average of 2.2 hours/day among children to 5.7 hours/day among

viewers aged 65 or over (Figure 3.8). Comparison of the breakdown of total television viewing by channel group, in 2008 and 2013, shows that there has been a decline in viewing to the main five PSB channels. The decline was experienced across all age groups, with the greatest proportional drop among the younger ages.

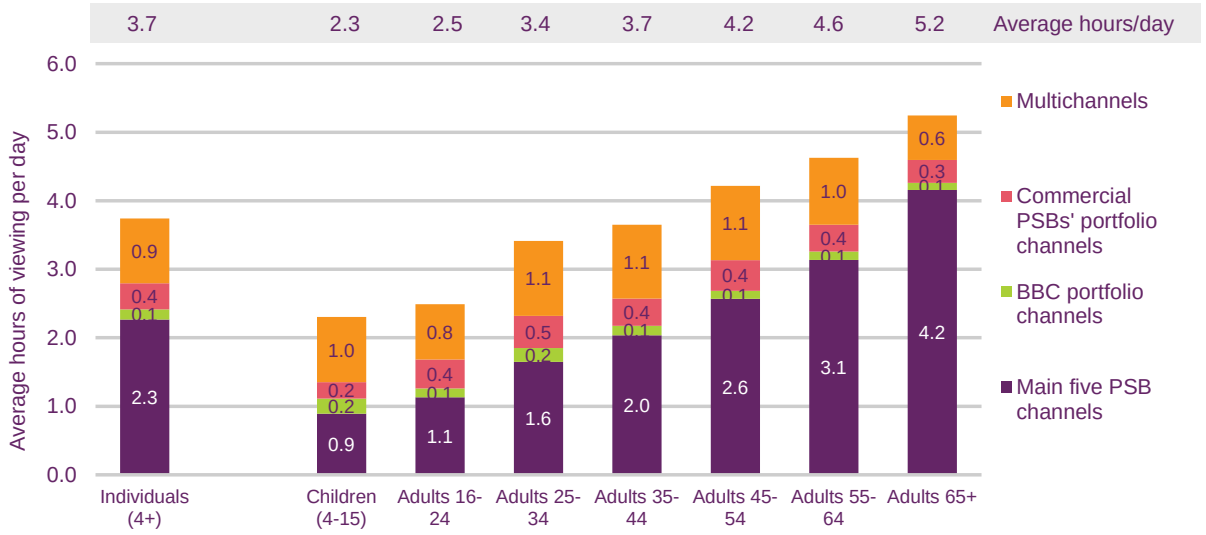
3.35 In 2013, viewing to the main five PSB channels ranged from an average of 0.7 hours/day among children to 3.7 hours/day among viewers aged 65 or over. The average hours of viewing to the main five PSB channels among all individuals fell from 2.3 hours/day in 2008 to 2.0 hours/day in 2013 (Figure 3.9 and 3.10).

Figure 3.8 Average hours of daily viewing, total TV: 2008-2013



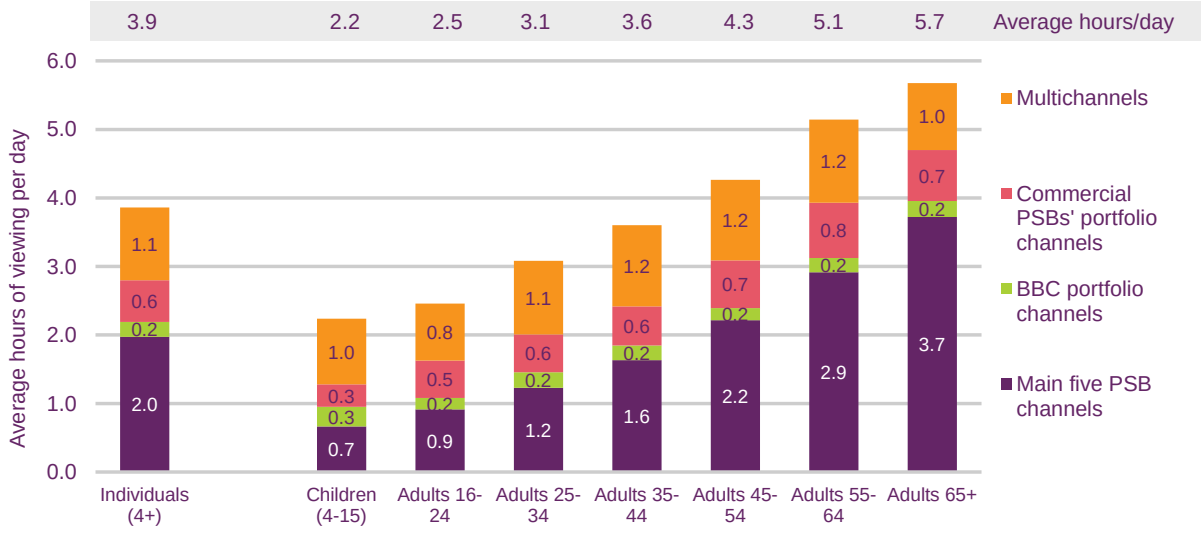
Source: BARB. All individuals (4+), Network.

Figure 3.9 Average hours of daily viewing by channel group, total TV: 2008



Source: BARB. All individuals (4+), Network.

Figure 3.10 Average hours of daily viewing by channel group, total TV: 2013

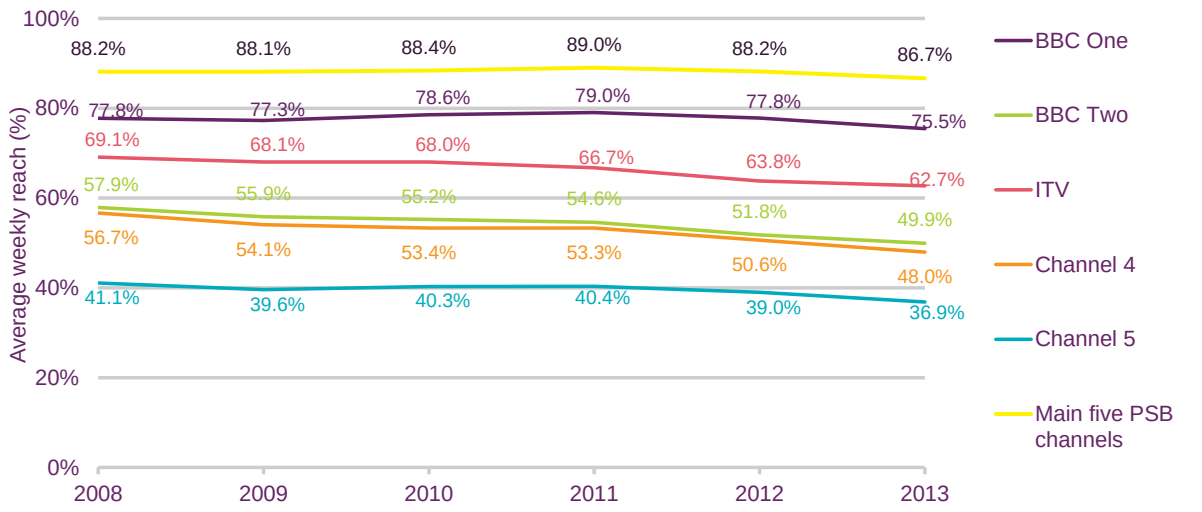


Source: BARB. All individuals (4+), Network.

Average weekly reach, by channel

3.36 The average weekly reach of the main five PSB channels combined fell from 88.2% in 2008 to 86.7% in 2013, although looking at the channels separately, the amount of people who watch each of the main five PSB channels in an average week remains over 85% of the total TV population. Nevertheless, each has seen decreases since 2008 and most notably since 2011 (Figure 3.11).

Figure 3.11 Average weekly reach of the main PSB channels, all individuals: 2008-2013



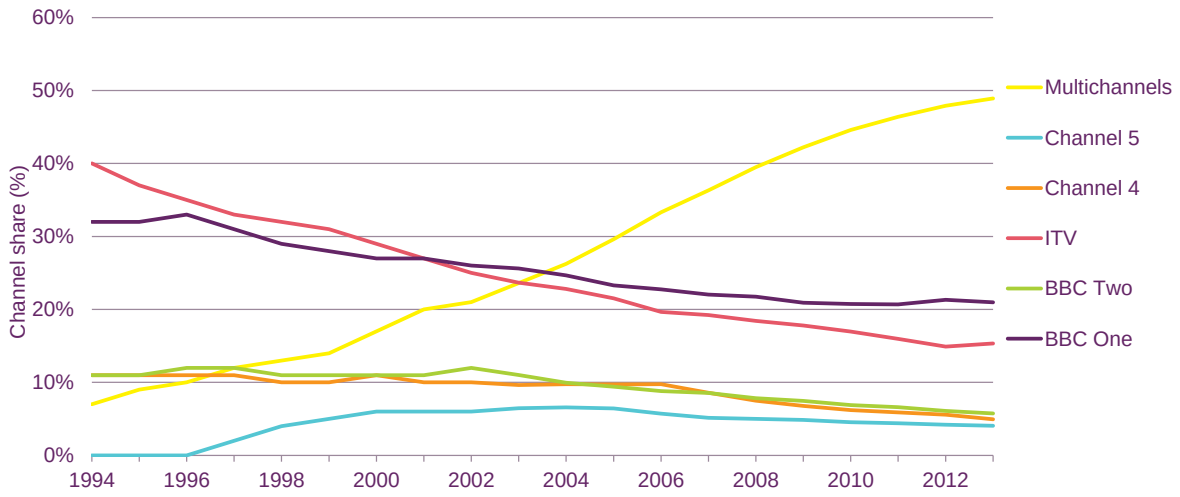
Source: BARB. All individuals (4+), Network. Reach criteria: 15 consecutive minutes, full weeks used. S4C average weekly reach 2013 = 0.5%.

3.37 BBC One's average weekly reach among all individuals remained fairly stable between 2008 and 2011, although reach fell from 79.0% in 2011 to 75.5% in 2013. Channel 5's average weekly reach also remained steady between 2008 and 2011, then fell from 40.4% in 2011 to 36.9% in 2013. ITV's average weekly reach fell steadily over the analysis period from 69.1% in 2008 to 62.7% in 2013. BBC Two and Channel 4 also saw steady declines in their average weekly reach figures over the same period, to 49.9% and 48.0% in 2013 from 57.9% and 56.7% respectively.

Channel shares

3.38 Analysis of the long-term trends in channel shares since 1994 shows the continuing growth of 'all other channels' (including PSB portfolio channels) and a decline in viewing to the main five PSB channels (Figure 3.12).

Figure 3.12 All day channel shares, all individuals: 1994-2013

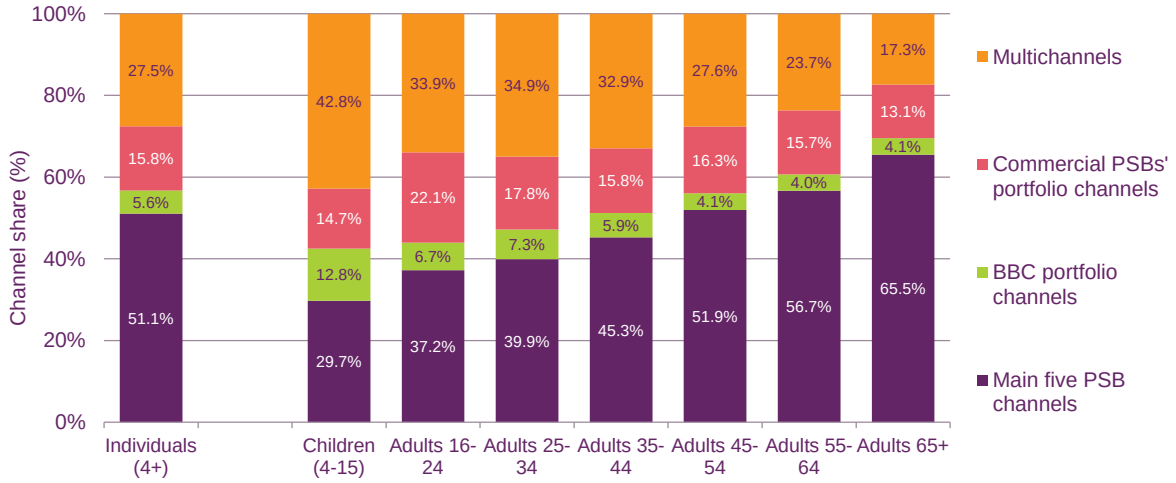


Source: BARB, All individuals (4+), Network. S4C 2013 share = 0.1%.
In the above chart multichannels includes PSB portfolio channels

3.39 The main five PSB channels attract higher channel shares during the peak-time viewing hours of 6pm - 10.30pm.

3.40 Analysis of channel shares by channel group shows that in 2013 the main five PSB channels accounted for just over half of all television viewing among all individuals (51.1%) compared to 60.5% in 2008. Viewing to the different channel groups varies across age group, with the main five PSB channels more popular among those aged 45 and over.

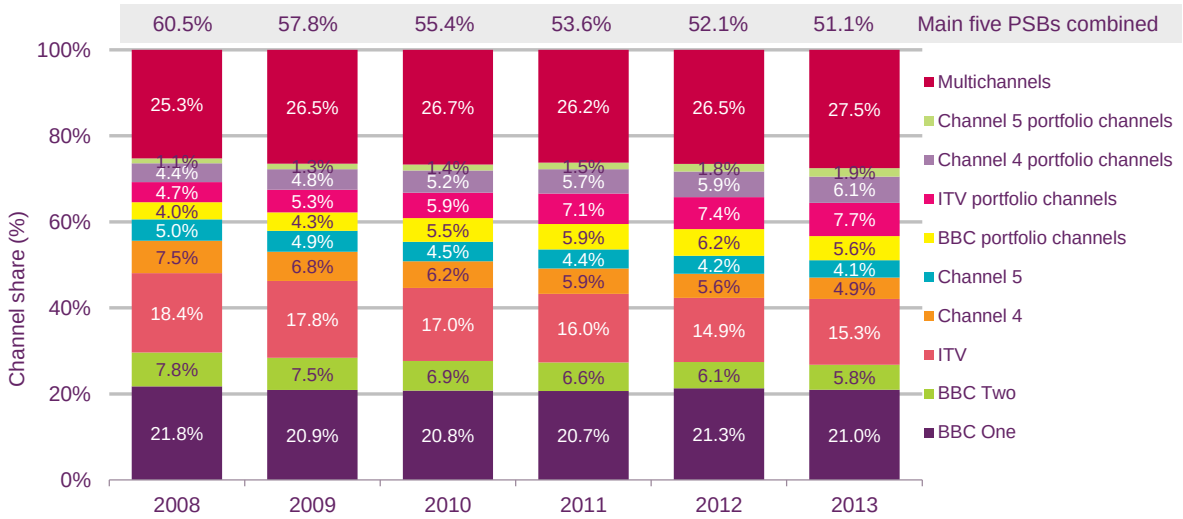
Figure 3.13 All-day channel share, by channel group: 2013



Source: BARB. All individuals (4+), Network.

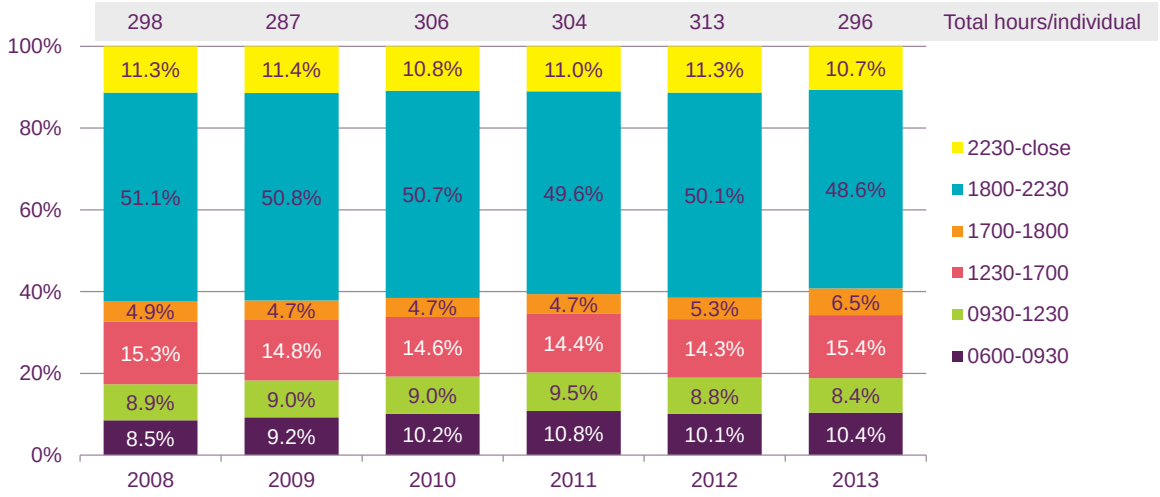
3.41 BBC One's channel share among all individuals remained fairly stable between 2008 and 2013. Its channel share increased marginally from 20.7% in 2011 to 21.3% in 2012 – this fell marginally to 21.0% in 2013 (Figure 3.14). Analysis of viewing across the day on BBC One shows that the majority of viewing to the channel takes place during the peak hours of 6pm-10.30pm (48.6% in 2013). The breakdown in viewing over the course of the day, across the analysis period, remained stable (Figure 3.15). Compared with its share across the whole day (21.0% in 2013), BBC One achieved a notably higher share during breakfast time (32.7% in 2013). BBC One's share during the 6am - 9.30am slot increased from 30.3% in 2008 to 32.7% in 2013; the channel also saw an increase in share during the 5pm - 6pm slot, 16.2% to 20.7%, (Figure 3.16).

Figure 3.14 Channel shares for the main PSB channels and their portfolio channels, all individuals: 2008-2013



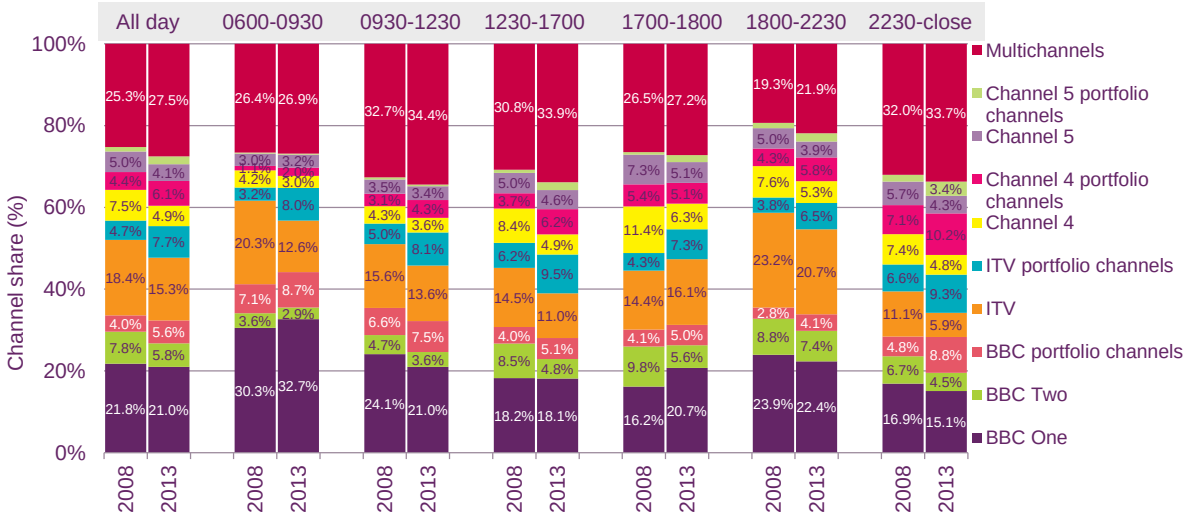
Source: BARB, All individuals (4+), Network.

Figure 3.15 Viewing to BBC One by day part, all individuals: 2008-2013



Source: BARB. All individuals (4+), Network.
Share calculated using total minutes of viewing to the channel by day part

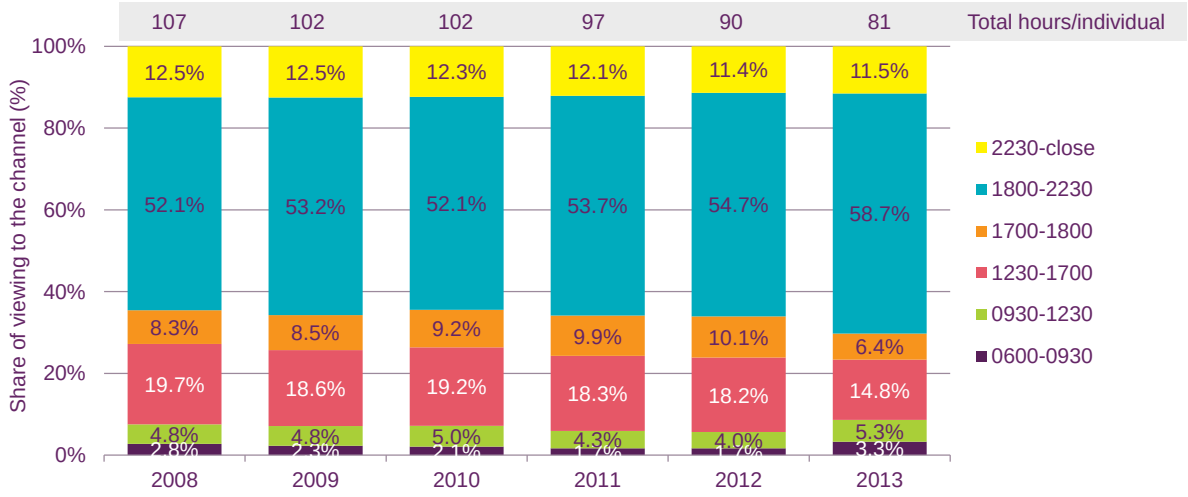
Figure 3.16 Channel shares for the main PSB channels and their portfolio channels, by day part, all individuals: 2008 and 2013



Source: BARB, All individuals (4+), Network.

3.42 Over the same period BBC Two saw its share fall from 7.8% to 5.8% (Figure 3.14). A higher proportion of BBC Two's viewing takes place between 6pm - 10.30pm (58.7% in 2013) compared with BBC One. This proportion of viewing in peak time increased as a share of total BBC Two viewing; from 52.1% in 2008, while viewing between 12.30pm and 5pm fell from 19.7% in 2008 to 14.8% in 2013 (Figure 3.17).

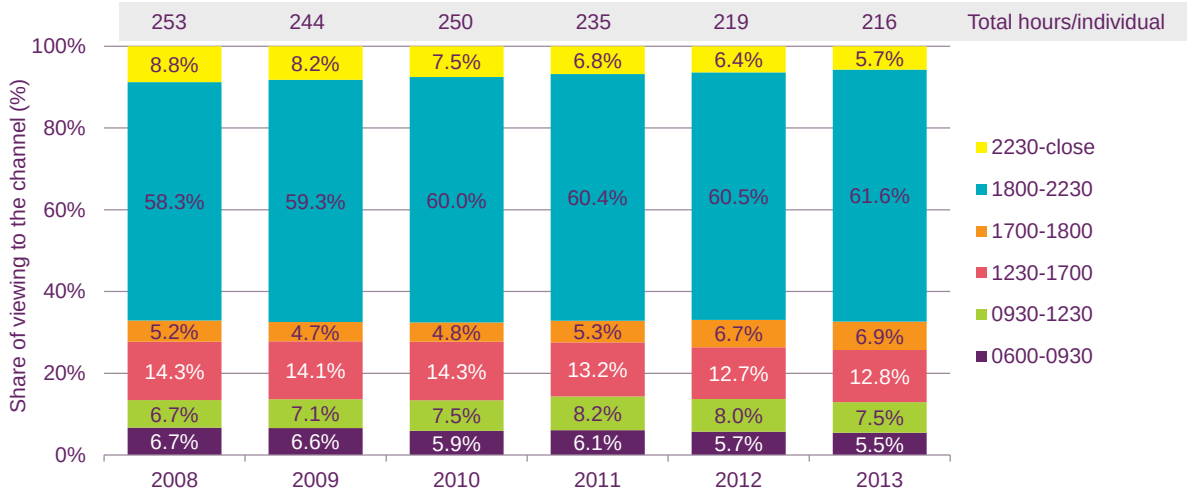
Figure 3.17 Viewing to BBC Two, by day part, all individuals: 2008-2013



Source: BARB. All individuals (4+), Network.
Share calculated using total minutes of viewing to the channel by day part

3.43 Following year-on-year decline in channel share between 2008-2012, ITV's share increased marginally from 14.9% in 2012 to 15.3% in 2013 (Figure 3.14). In 2013, 61.6% of viewing to ITV took place during the peak time hours of 6pm to 10.30pm – the highest proportion of all the main five PSB channels. The split in viewing across the day remained stable over the analysis period (Figure 3.18). While ITV's share fell across the whole day, from 18.4% in 2008 to 15.3% in 2013, its share during the 5pm – 6pm slot increased (14.4% to 16.1%). Although its share during the 6pm–10.30pm slot fell from 23.2% in 2008 to 20.7% in 2013, the channel maintained an above-average share during this slot, compared with the all-day share of 15.3% (Figure 3.16).

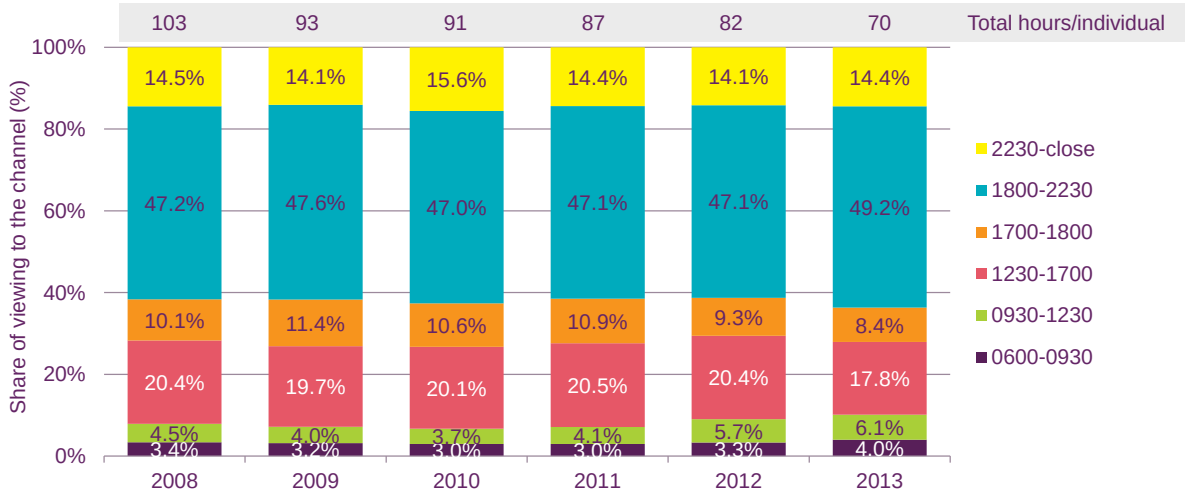
Figure 3.18 Viewing to ITV, by day part, all individuals: 2008-2013



Source: BARB. All individuals (4+), Network.
Share calculated using total minutes of viewing to the channel by day part

3.44 With its channel share falling gradually year on year, Channel 4's share of 4.9% in 2013 was lower than the combined share of its portfolio channels; 6.1% in 2013 (Figure 3.14). On Channel 4, the highest proportion of viewing took place between 6pm and 10.30pm (49.2% in 2013), and a further 17.8% of viewing to the channel in 2013 took place between 12.30pm and 5pm, while 14.4% took place after 10.30pm (Figure 3.19). Channel 4's share during the 5pm–6pm slot stood at 6.3% in 2013 – higher than the channel's all-day share of 4.9%, although this figure is down from 11.4% in 2008 (Figure 3.16).

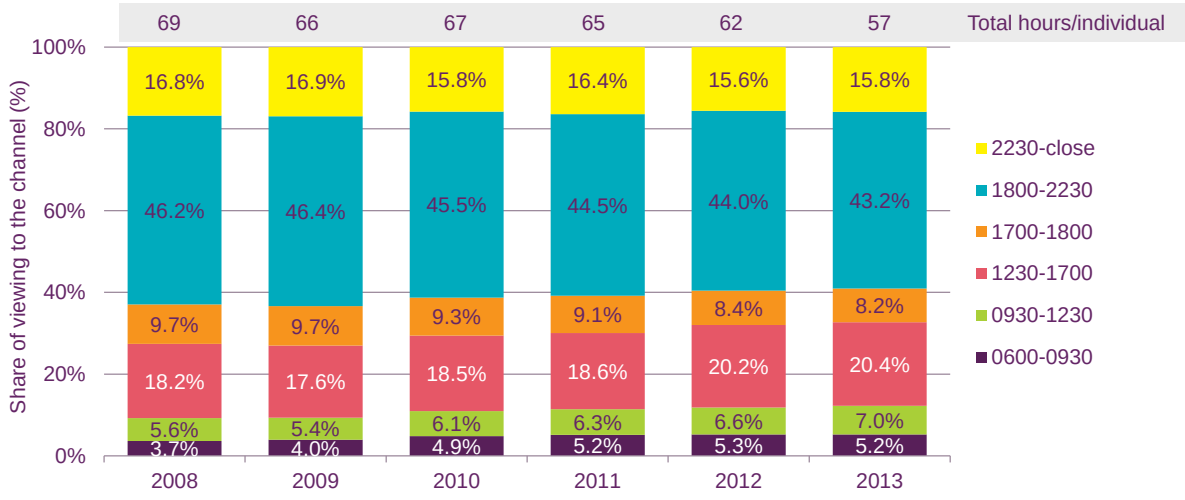
Figure 3.19 Viewing to Channel 4, by day part, all individuals: 2008-2013



Source: BARB. All individuals (4+), Network.
Share calculated using total minutes of viewing to the channel by day part

3.45 Channel 5's share fell by 0.9 percentage points between 2008 and 2013 (see Figure 3.14). On Channel 5, around a fifth (20.4%) of viewing in 2013 took place between 12.30pm and 5pm and 15.8% took place after 10.30pm; the highest proportions during these day parts compared against the other main PSB channels (Figure 3.20).

Figure 3.20 Viewing to Channel 5, by day part, all individuals: 2008-2013



Source: BARB. All individuals (4+), Network.
Share calculated using total minutes of viewing to the channel by day part

Channel profiles

3.46 Analysis of channel groups shows that most of the main five PSB channels, with the exception of Channel 4, attracted relatively older audiences than the total TV average in 2013 (Figure 3.21).

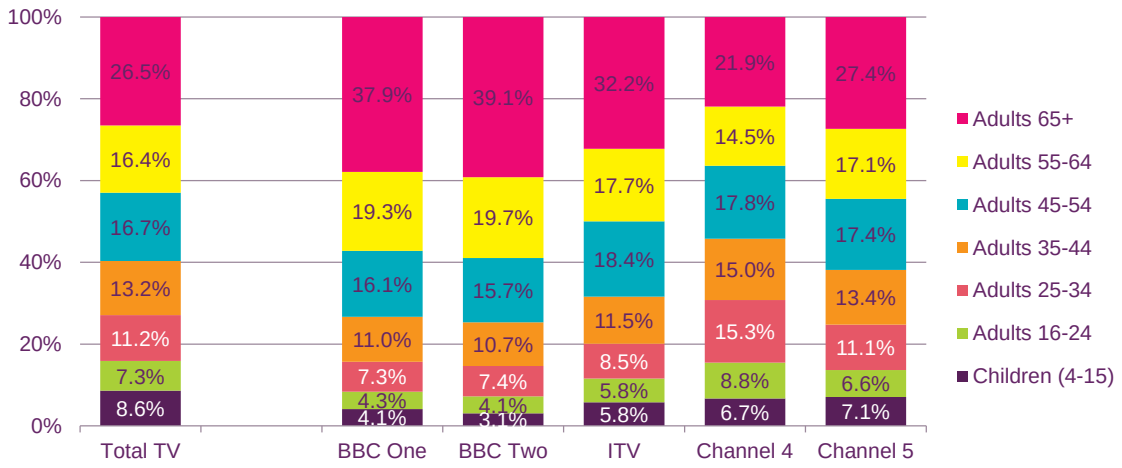
3.47 BBC One and BBC Two attracted older audiences compared to the age profile of all television viewers in 2013. They also attracted a higher proportion of ABC1 viewers compared to the average of all television audiences and to the other main PSB channels in 2013 (Figure 3.22)

3.48 ITV attracted older audiences compared with the age profile of all television viewers in 2013, as was the case for BBC One and BBC Two, and ITV attracted a higher proportion of C2DE viewers.

3.49 Channel 4 attracted younger audiences, and their socio-economic profile was similar to that of total TV audiences.

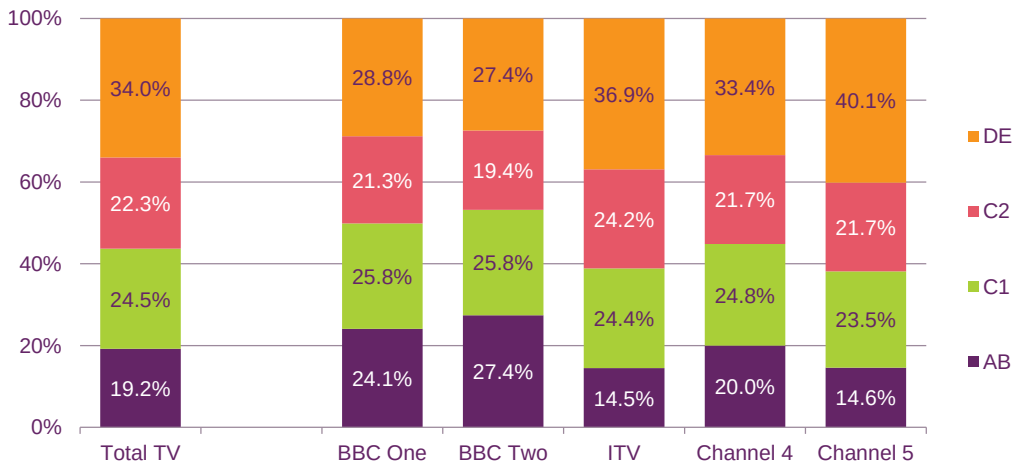
3.50 Channel 5's age profile was similar to that of total TV, and it attracted a higher proportion of C2DE viewers.

Figure 3.21 Age profile of viewers, total TV and main five PSB channels: 2013



Source: BARB. All individuals (4+), Network

Figure 3.22 Socio-economic profile of viewers, total TV and main five PSB channels: 2013



Source: BARB. All individuals (4+), Network.

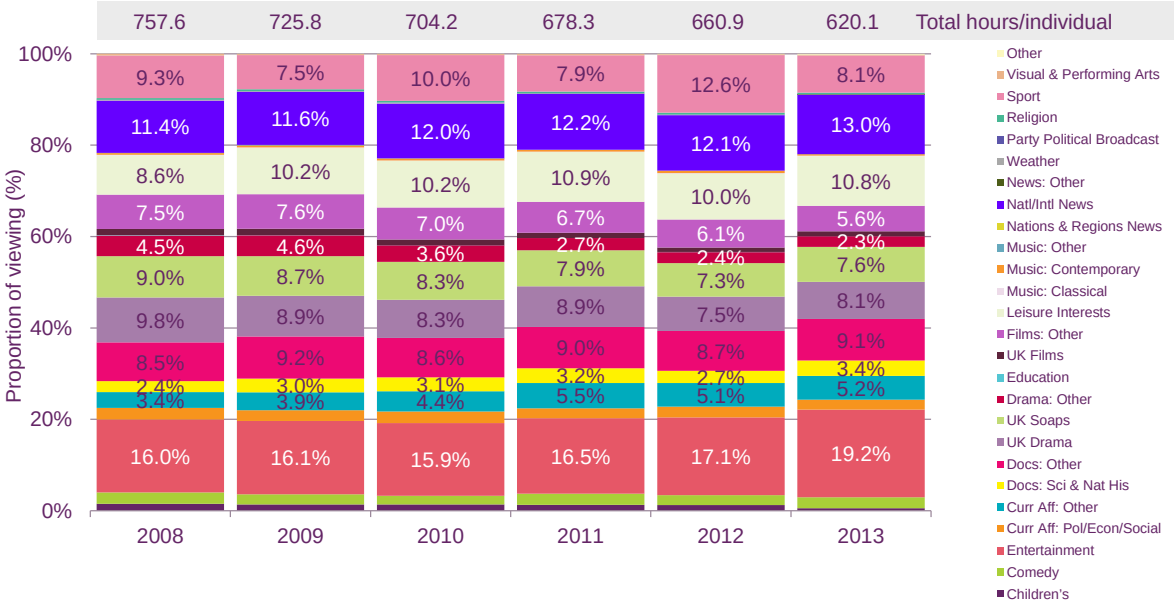
Range of viewing

3.51 For definitions of each of the following genres, see Annex 2.

3.52 While the breakdown in viewing of programming on the main five PSB channels by genre shows relatively stable trends over the past six years, there have been some minor changes. Following increased viewing to sports programming in 2012 (12.6% of viewing), driven by coverage of the London Olympic and Paralympic Games as well as the UEFA Euro 2012, there was a fall in viewing to this genre in 2013 (8.1% compared to 9.3% in 2008, although it's important to note that 2008 was the year of the Beijing Olympics).

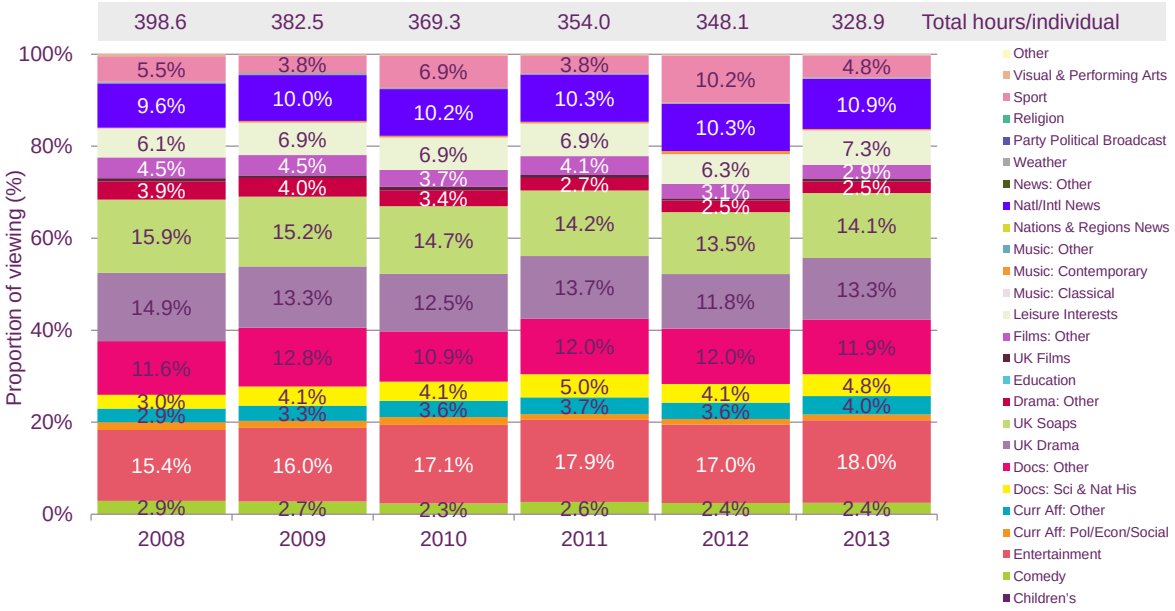
3.53 Entertainment, the most-viewed genre across the main five PSB channels, represented 19.2% of viewing in 2013, compared with 16.0% in 2008 (Figure 3.23 – see Annex 2 for detailed version of this chart). This was also the case during peak time, when entertainment programming was the most-viewed genre, accounting for 18.0% of viewing in 2013, up from 15.4% in 2008 (Figure 3.24 - see Annex 2 for detailed version of this chart).

Figure 3.23 Range of viewing, by genre, on the main five PSB channels, all individuals, all day: 2008-2013



Source: BARB. All individuals (4+), 2008-2009: Network Plus/2010+: Network. Network programming based on 4+ area filter.

Figure 3.24 Range of viewing by genre on the main five PSB channels, all individuals, peak time: 2008-2013



Source: BARB. All individuals (4+), 2008-2009: Network Plus/2010+: Network. Network programming based on 4+ area filter.
Peak time = 18:00-22:30.

3.54 BBC One - Across the whole day, national/international news represented 23.5% of viewing, the most-watched genre across the channel, up from 20.5% of viewing in 2008. While national/international news was the most-watched genre across the whole day on BBC One, UK drama was the most-watched during peak hours (21.6%).

3.55 Programmes classified as leisure interests remain the most-watched on BBC Two, accounting for a quarter of all viewing to the channel across the whole day in 2013. Leisure interest programming represented 28.6% of peak-time viewing to BBC Two in 2013, up from 19.9% in 2008, making it the most-watched genre on the channel during peak time as well.

3.56 Viewing of entertainment programming accounted for 34.6% of viewing to ITV in 2013, up from 22.6% in 2008. The share of viewing accounted for by UK drama, UK soaps and national/international news, among other genres, fell over the analysis period. UK soaps (29.6% in 2013) and entertainment programming (28.0%) combined accounted for over half of all peak-time viewing to ITV; these two genres made up the vast majority of peak-time viewing to ITV over the entire analysis period.

3.57 Entertainment programming, the most-watched genre on the channel, represented a quarter of viewing to Channel 4 in 2008 – this fell to 18.9% in 2013. Over the same period, share of viewing to leisure interests rose from 11.6% in 2008 to 18.6% in 2013.

3.58 The majority of viewing to Channel 5 in 2013 remained split between three key genres: documentaries: other (25.8%), drama: other (24.9%) and films: other (25.4%). The share of viewing represented by children's programming increased from 2.5% in 2008 to 5.5% in 2013. As with trends across the whole day, entertainment (43.0% in 2013), drama: other (28.6%) and films: other (13.6%) represented the majority of peak-time viewing to Channel 5 in 2013.

PSB portfolio channels

Hours of viewing

3.59 Overall viewing has increased to the BBC portfolio and commercial PSB portfolio channels. There has been a notable increase in viewing to the commercial PSB portfolio channels among viewers aged 45 and over (see Figures 3.9 and 3.10).

Average weekly reach, by channel

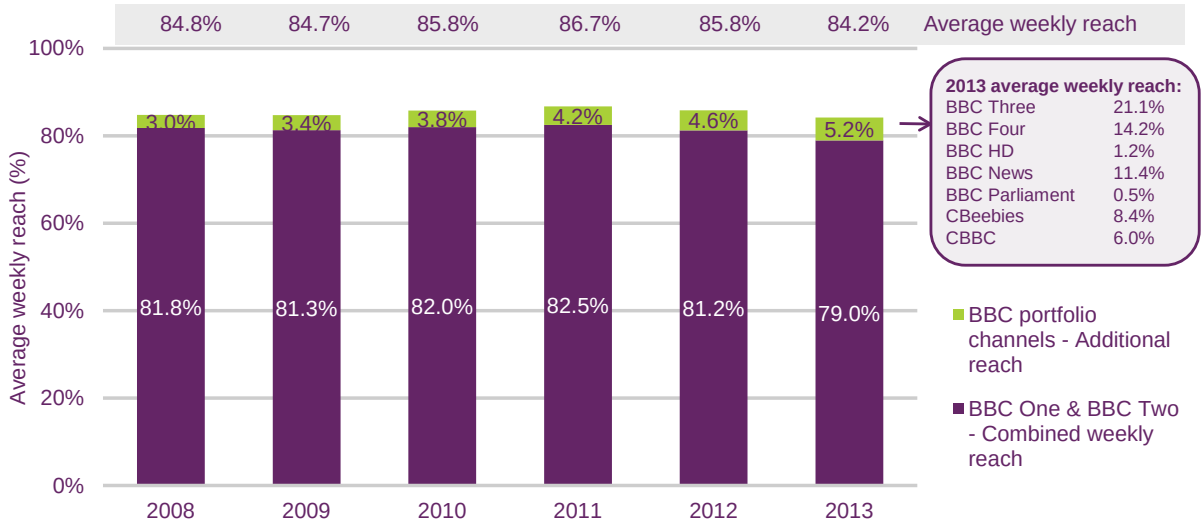
3.60 While the main five PSB channels all experienced a fall in average weekly reach over the analysis period, the average weekly reach of the total portfolio of channels (including the main five PSB channels) remained relatively steady. In terms of reach, the addition of the PSB portfolio channels to their respective PSB channel (or, in the case of the BBC, to BBC One and Two) shows two main effects:

- They offset the declining reach of their main PSB "parent/s", and therefore stabilise the performance of each PSB family/each of the main five PSB channels' entire portfolio of channels, over time.
- They extend the reach of each PSB family.

3.61 The average weekly reach of the total BBC portfolio was 84.2%. Analysis of the proportion of the total BBC portfolio reach figures attributable to BBC One and BBC Two, and the proportion attributable to the BBC portfolio channels, shows the increasing reach of the latter group. Among all individuals, the additional reach from the BBC portfolio channels increased from 3.0% in 2008 to 5.2% in 2013 (see Figure 3.25). The role of the BBC portfolio channels varies by age group, accounting for 6.7% of additive reach among 16-34 year olds and 2.1% among those aged 35+ in 2013.

3.62 The average weekly reach of the individual BBC portfolio channels shows that BBC Three saw a 2.7 percentage point increase between 2008 and 2013. BBC News, CBeebies and CBBC also experienced an increase in their respective reach figures compared with 2008. BBC Four's average weekly reach increased from 7.8% in 2008 to 14.2% in 2013.

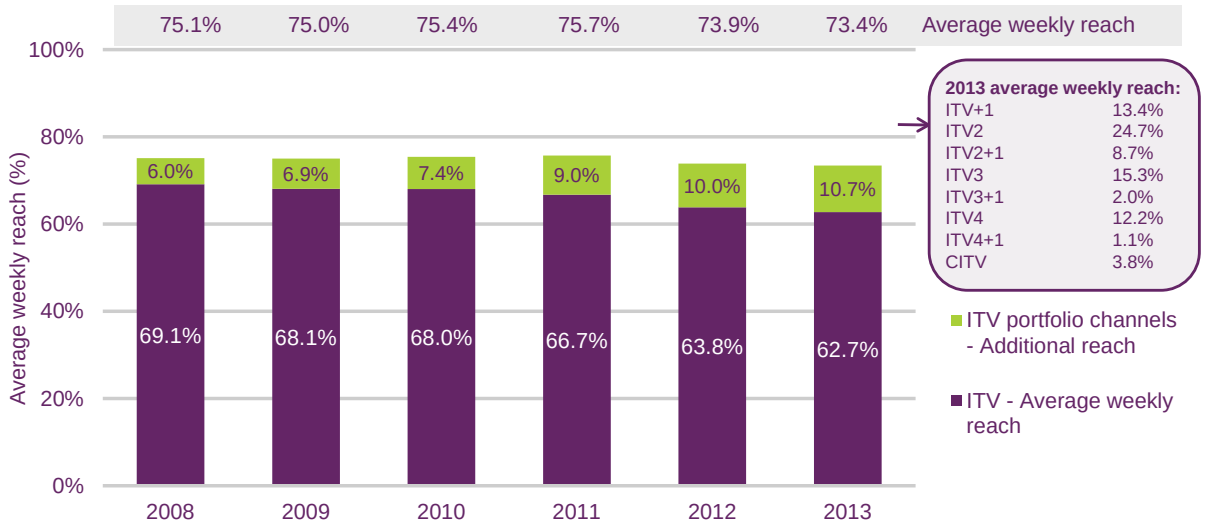
Figure 3.25 Average weekly reach of total BBC family, split by main PSB channels and portfolio channels, all individuals: 2008-2013



Source: BARB. All individuals (4+), Network.
Reach criteria: 15 consecutive minutes, full weeks used.
Analysis looks at reach of all BBC channels combined, BBC One + BBC Two and the additive reach from the portfolio channels.

3.63 In 2013, the average weekly reach of the total ITV portfolio stood at 73.4%. The ITV portfolio channels contributed a higher level of additional reach than did the BBC portfolio channels. With ITV's average weekly reach declining by over six percentage points, from 69.1% in 2008 to 62.7% in 2013, the increase in the additional reach from channels such as ITV2 and ITV3, from 6.0% in 2008 to 10.7% in 2013, resulted in the total ITV portfolio reach remaining relatively stable.

Figure 3.26 Average weekly reach of total ITV family, split by main PSB channel and portfolio channels, all individuals: 2008-2013

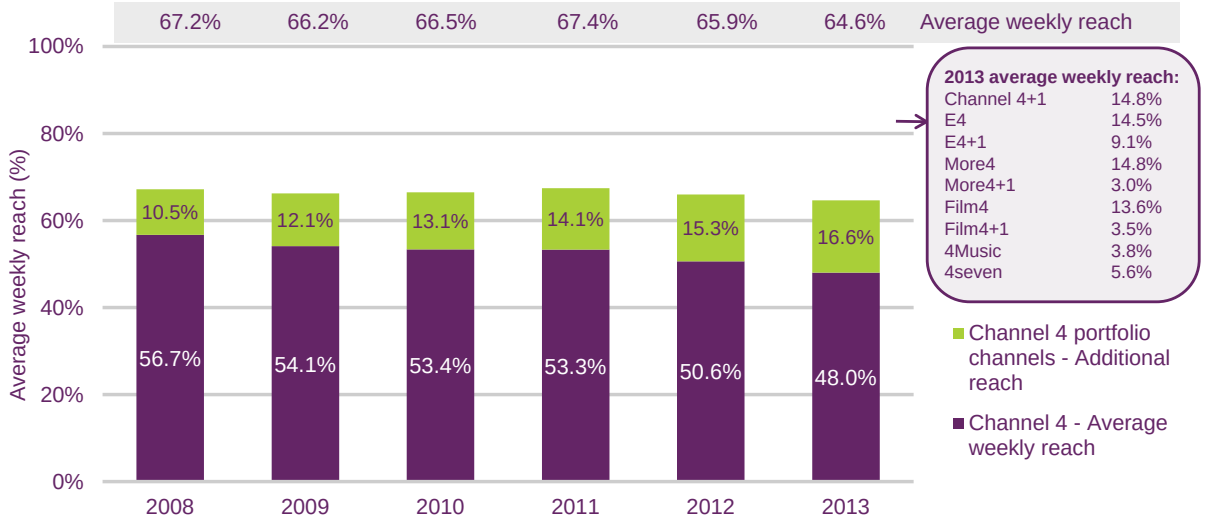


Source: BARB. All individuals (4+), Network.
Reach criteria: 15 consecutive minutes, full weeks used.
Analysis looks at reach of all ITV channels combined, ITV and the additive reach from the portfolio channels

3.64 ITV+1 saw its average weekly reach increase from 10.6% in 2008 to 13.4% in 2013. Based on average weekly reach, ITV2 is the most popular of the ITV portfolio channels among all individuals age 4+ (24.7% in 2013 from 19.9% in 2008). ITV2+1, ITV3, ITV3+1, ITV4 and ITV4+1 all saw increases in their average weekly reach figures in 2013 compared with 2008.

3.65 The 2013 average weekly reach figures for the total Channel 4 portfolio was 64.6%. Channel 4's portfolio channels added 16.6% to the portfolio's average weekly reach in 2013, up from 10.5% in 2008. Over the same period Channel 4's average weekly reach fell from 56.7% to 48.0%.

Figure 3.27 Average weekly reach of total Channel 4 family, split by main PSB channel and portfolio channels, all individuals: 2008-2013



Source: BARB. All individuals (4+), Network.
Reach criteria: 15 consecutive minutes, full weeks used.
Analysis looks at reach of all Channel 4 channels combined, Channel 4 and the additive reach from the portfolio channels.

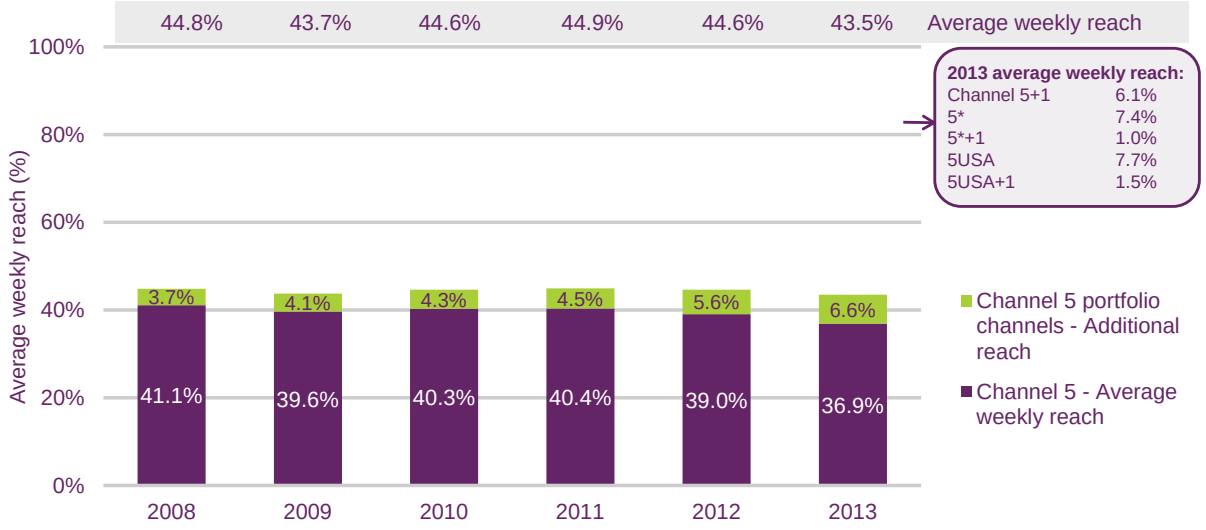
3.66 Channel 4's portfolio channels account for the highest level of additional reach of all the PSB portfolio channels.

3.67 Channel 4+1, E4, More4 and Film4 attracted similar audiences in terms of reach among all individuals, with average weekly reach figures of between 14-15% in 2013; all channels saw an increase in reach between 2008 and 2013.

3.68 Of the Channel 4 portfolio channels, E4 achieved the highest levels of average weekly reach among 16-34 year olds (24.2% in 2013) while More4 achieved the highest levels of reach among viewers aged 35 or over (18.8% in 2013).

3.69 Compared with the other public service broadcasters, Channel 5 has the fewest portfolio channels. The additional reach from these portfolio channels increased from 3.7% in 2008 to 6.6% in 2013, helping maintain the total portfolio reach figures.

Figure 3.28 Average weekly reach of total Channel 5 family, split by main PSB channel and portfolio channels, all individuals: 2008-2013



Source: BARB. All individuals (4+), Network.
Reach criteria: 15 consecutive minutes, full weeks used.
Analysis looks at reach of all Channel 5 channels combined, Channel 5 and the additive reach from the portfolio channels.

3.70 Among all individuals, 5* and 5USA achieved similar levels of average weekly reach figures in 2013, at 7.4% and 7.7% respectively; the reach of 5* and its +1 channel together with 5USA+1 has remained steady over the years. The channel 5USA has seen an increase in reach from 6.8% in 2008 to 7.7% in 2013. The average weekly reach of Channel 5+1 stood at 6.1% among all individuals in 2013.

Channel shares

3.71 The channels provided by the public service broadcasters accounted for 72.4% of total viewing in 2013, with their portfolio channels combined contributing 21.4% to this total. The BBC portfolio channels accounted for 5.6% of viewing and the commercial PSB portfolio channels represented a further 15.8% of viewing (see Figure 3.14).

3.72 While viewing to the different channel groups varies by age group, generally the PSB portfolio channels are more popular among younger viewers. Among 16-34s, E4 total (including E4 and E4+1) was the most-watched PSB portfolio channel (5.1% in 2013), followed by ITV2 total (including ITV2 and ITV2+1) (4.3%) and BBC Three (3.3%).

3.73 The BBC portfolio channels increased their share from 4.0% in 2008 to 5.6% in 2013. Across the 6am – 9.30am day part these channels accounted for 8.7% of viewing, driven by their news and children's channels, up from 7.1% in 2008. Across peak time (1800-2230) the BBC portfolio channels increased their share from 2.8% in 2008 to 4.1% in 2013 (see Figure 3.16).

3.74 ITV portfolio channels saw an increase in their combined share from 4.7% in 2008 to 7.7% in 2013. During the 6am – 9.30am slot the share of viewing attributed to these channels increased from 3.2% in 2008 to 8% in 2013; their combined share also increased across peak time from 3.8% to 6.5% in 2013 (see Figure 3.16).

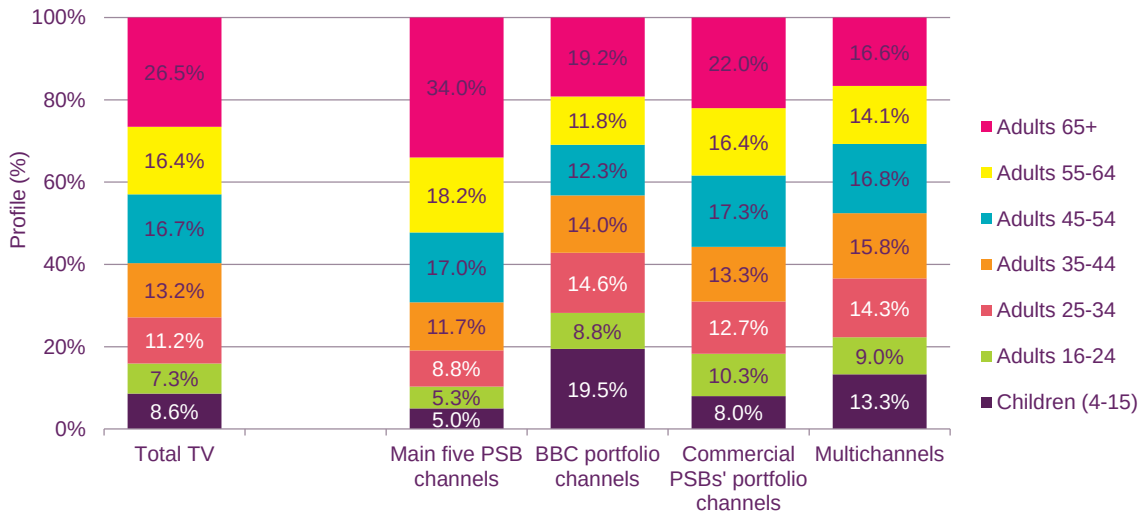
3.75 Channel 4's portfolio channels increased their share from 4.4% in 2008 to 6.1% in 2013, and this combined share is now higher than the share of the Channel 4 main channel in 2013. Across the 12.30pm -5pm day part, the combined viewing share of these channels increased from 3.7% in 2008 to 6.2% in 2013. They also increased in share across peak-time viewing; from 4.3% to 5.8%. After 10.30pm, share of viewing of these channels combined made up 10% of all viewing, up from 7% in 2008 (see Figure 3.16)

3.76 Channel 5's portfolio channels increased their share by 0.8 percentage points in 2013 compared to 2008 (see Figure 3.14).

Channel profiles

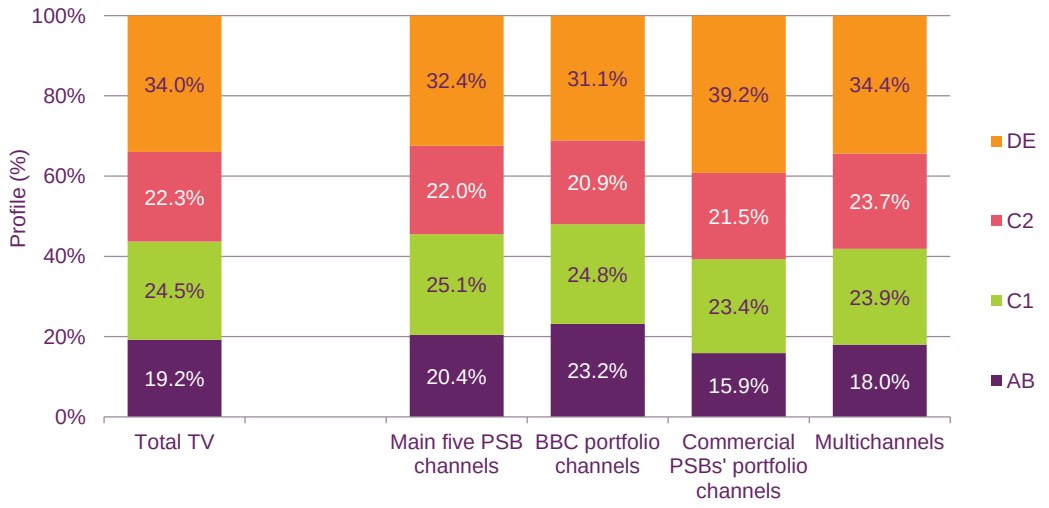
3.77 Driven by viewing to its children's channels and to BBC Three, the BBC portfolio channels attracted younger viewers (see Figure 3.29). Given the nature of the programming shown on CBeebies, CBBC and CITV, these channels attracted high levels of viewers aged 4-15. With CBeebies targeted at younger children, young adults represented a large proportion of its viewers, demonstrating children viewing with parents. BBC Three attracted a younger profile of viewers than BBC Four, BBC News and BBC Parliament, with around two-fifths of viewers to these channels in 2013 aged 65 or over. The BBC portfolio channels attracted a marginally higher proportion of ABC1 viewers (see Figure 3.30). BBC Four, BBC News and BBC Parliament attracted a higher proportion of ABC1 viewers than the other BBC portfolio channels in 2013.

Figure 3.29 Age profile of viewers, by channel group: 2013



Source: BARB. All individuals (4+), Network

Figure 3.30 Socio-economic profile of viewers, by channel group: 2013



Source: BARB. All individuals (4+), Network

3.78 The age profile of the commercial PSB portfolio channels was similar to that of total TV viewers, although they attracted a higher proportion of DE viewers (see Figures 3.29 and 3.30).

3.79 The proportion of viewers to ITV+1 aged 65+ stood at 19.2% in 2013, compared with 32.2% on the main ITV channel, while half of all viewers to ITV3 in 2013 were aged 65 or over. With the exception of ITV3+1, the socio-economic profile of ITV's portfolio channels was fairly similar, with an almost 40/60% split between ABC1 and C2DE viewers.

3.80 Of the Channel 4 portfolio channels, E4, E4 +1 and 4Music attracted a higher proportion of younger viewers. Film4 (40.6%) and 4Music (41.1%) attracted a higher proportion of DE viewers in 2013 compared to the other Channel 4 portfolio channels.

3.81 Over a third of viewers to 5USA (34.8%) were aged 65 or over in 2013; the age profiles of viewers to the other Channel 5 portfolio channels were relatively similar. With the exception of 5USA, the socio-economic profile of the Channel 5 portfolio channels was fairly similar; DE viewers represented almost half (49.7%) of all viewers to 5USA.

Range of viewing

3.82 Analysis of viewing to all PSB portfolio channels combined (excluding the main five PSBs) shows that audiences are watching a range of programmes. With three channels catering specifically for children (CBeebies, CBBC and CITV), Children's programming represented 11.2% of total viewing to this group of channels in 2013. Films: other represented the greatest share of viewing in 2013 (17.6%). Many of the PSB portfolio channels are genre based, so the genres viewed on such channels are in many ways influenced by the output available, such as news and children's channels (see Figure 3.31 below). A full analysis of viewing by channel is available in Annex 2.

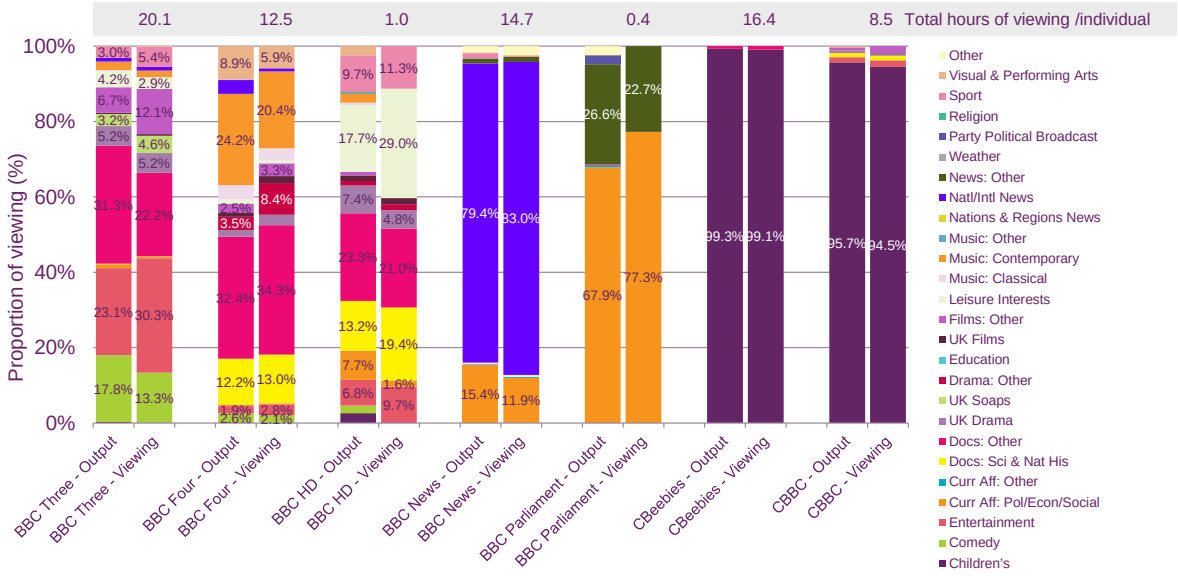
3.83 The share of viewing to BBC Three represented by entertainment programming rose from 12.7% in 2008 to 30.3% in 2013, making it the most-watched genre on the

channel. The shares of viewing represented by UK drama, UK soaps and leisure interests fell over the same period.

3.84 Documentaries: other continued to represent the largest share of viewing to BBC Four in 2013 (34.3%). With documentaries: science and natural history accounting for 13.0% of viewing to BBC Four in 2013, the entire documentaries genre accounted for almost half of all viewing to the channel. The proportion of viewing accounted for by music: contemporary increased from 12.8% in 2008 to 20.4% in 2013.

3.85 Given the specific nature of the channel, viewing to BBC News is split between national/international news (83.0% in 2013) and current affairs: political/economic/social programming (11.9% in 2013). Likewise, the majority of viewing to BBC Parliament is made up of current affairs: political/economic/social programming (77.3% in 2013).

Figure 3.31 Range of viewing, by genre versus output range, on the BBC portfolio channels, all individuals, all day: 2013



Source: BARB. All individuals (4+), Network. Network programming based on 4+ area filter.

3.86 The split in viewing by genre across the commercial PSB portfolio channels, as a whole, remained fairly consistent between 2008 and 2013. The proportion of viewing represented by films: other, the most-viewed genre across this group of channels, stood at 23.0% in 2013. Between 2008-2013 there was a decline in the proportion of viewing accounted for by drama: other (13.2% in 2008 to 9.6% in 2013) and documentaries: other (11.7% in 2008 to 7.6% in 2013).

3.87 Programming classified within the films: other genre represented the greatest share of peak-time viewing to the commercial portfolio channels – 26.9% in 2013, up from 21.2% in 2008. The share of viewing to entertainment programmes increased from 9.9% in 2008 to 12.9% in 2013. The share of viewing accounted for by documentaries: other fell from 14.5% in 2008 to 8.7% in 2013.

3.88 Figure 3.32 below illustrates viewing vs. output split across the various ITV portfolio channels for 2013.

3.89 As with the main PSB channel (ITV), entertainment programming represented the largest proportion of viewing to ITV+1 in 2013 (38.8%). While UK soaps were the second most-viewed genre on ITV, UK drama held this position on ITV+1 in 2013 (11.8%), followed by UK soaps (10.0%).

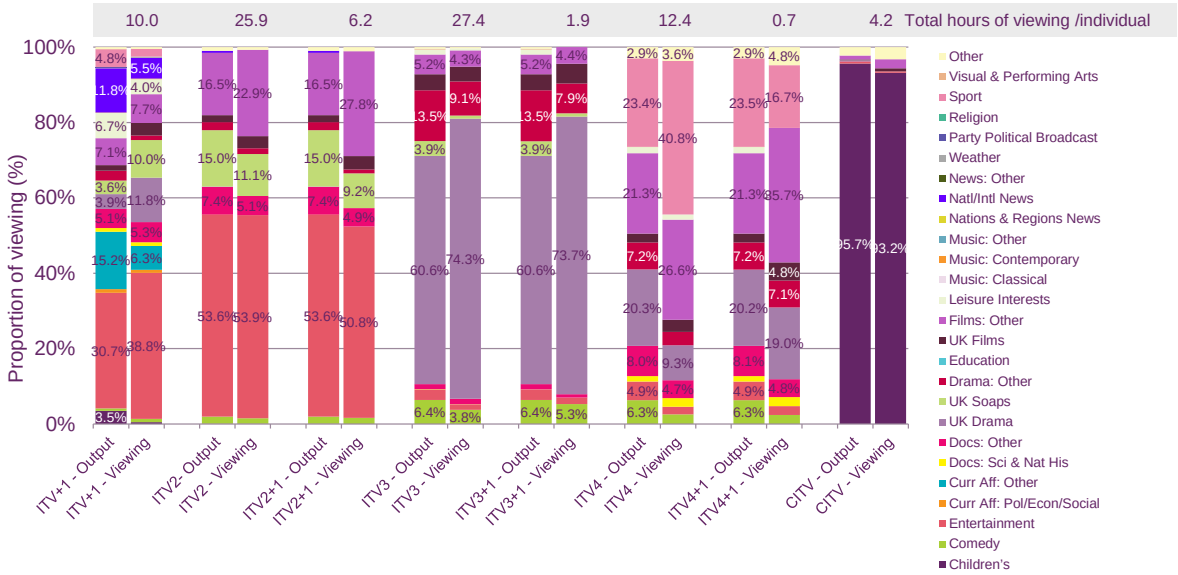
3.90 Entertainment programming accounted for the majority of viewing to ITV2 (53.9% in 2013, up from 45.9% in 2008). Films: other represented a further 22.9% of viewing to the channel in 2013. The share represented by documentaries: other fell from 10.7% in 2008 to 5.1% in 2013. Similar trends were noted across viewing to ITV2+1, with entertainment and films: other accounting for over three-quarters of viewing in 2013.

3.91 Across the analysis period, UK drama represented the majority of viewing on both ITV3 (74.3% in 2013) and ITV3+1 (73.7% in 2013).

3.92 Sports programming accounted for 40.8% of viewing to ITV4 in 2013, up from 23.7% in 2013. The share represented by films: other also increased from 19.4% in 2008 to 26.6% in 2013. Over the analysis period, the share of viewing accounted for by documentaries: other and UK drama fell to 4.7% and 9.3% in 2013 respectively. Sports programming accounted for a smaller share of viewing to ITV4+1 (16.7% in 2013) – this may be related to the greater likelihood of watching this type of programming live.

3.93 Children's programming accounts for almost all viewing to CITV

Figure 3.32 Range of viewing, by genre versus output range, on the ITV portfolio channels, all individuals, all day: 2013



Source: BARB. All individuals (4+), Network. Network programming based on 4+ area filter.

3.94 Figure 3.33 below illustrates the viewing vs. output split across the various Channel 4 portfolio channels for 2013.

3.95 As with Channel 4, viewing to Channel 4+1 in 2013 was dominated by four key genres: documentaries: other (19.6%), leisure interests (19.1%), entertainment (17.9%) and films: other (16.0%).

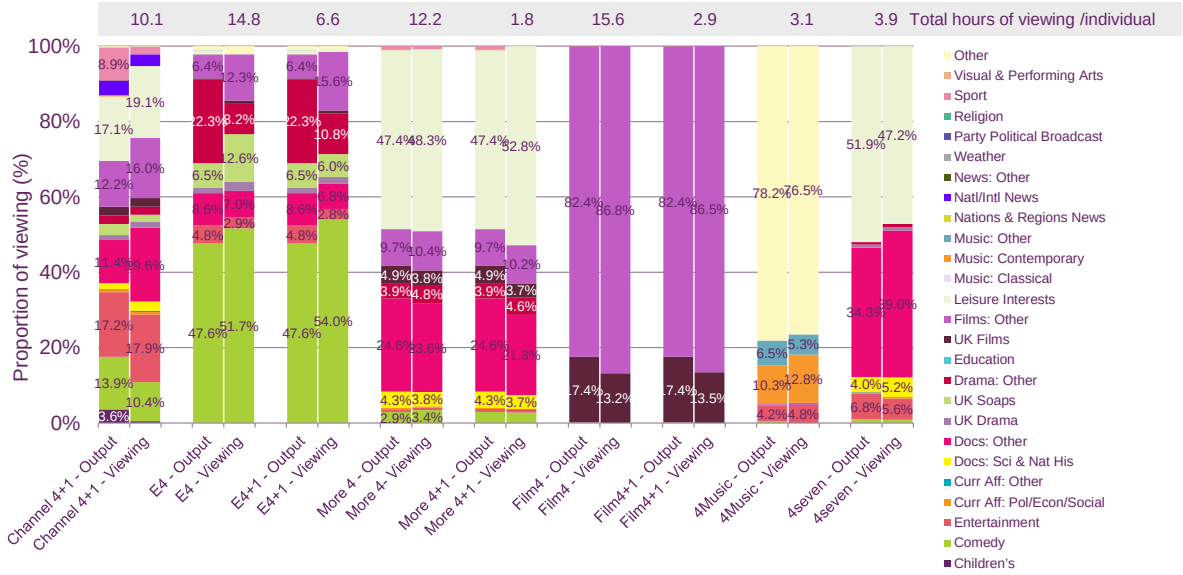
3.96 Comedy programming represented the majority of viewing to E4 in 2013 (51.7%, up from 35.7% in 2008). The proportion of viewing represented by films: other increased from 5.5% in 2008 to 12.3% in 2013 – over the same period, the share represented by documentaries: other fell from 20.0% in 2008 to 7.0% in 2013. Similar trends are noted on E4+1, with comedy (54.0% in 2013) and films: other (15.6% in 2013) accounting for almost 70% of viewing to the channel in 2013.

3.97 Leisure interests programming represented 48.3% of viewing on More4 in 2013; this share has fluctuated between 47-53% over the past six years. The proportion of viewing represented by films: other increased over the analysis period (6.0% in 2008 to 10.4% in 2013), while there was a fall in viewing to entertainment and drama: other. Similar trends were noted across More4+1.

3.98 Viewing to Film4 was split between UK films and films: other. The proportion of viewing represented by UK films fell from 17.8% in 2008 to 13.2% in 2013. Similar figures were seen across Film4+1.

3.99 In 2013, leisure interests programming (47.2%) and documentaries: other (39.0%) represented over 85% of viewing to 4seven.

Figure 3.33 Range of viewing, by genre versus output range, on the Channel 4 portfolio channels, all individuals, all day: 2013



Source: BARB. All individuals (4+), Network. Network programming based on 4+ area filter.

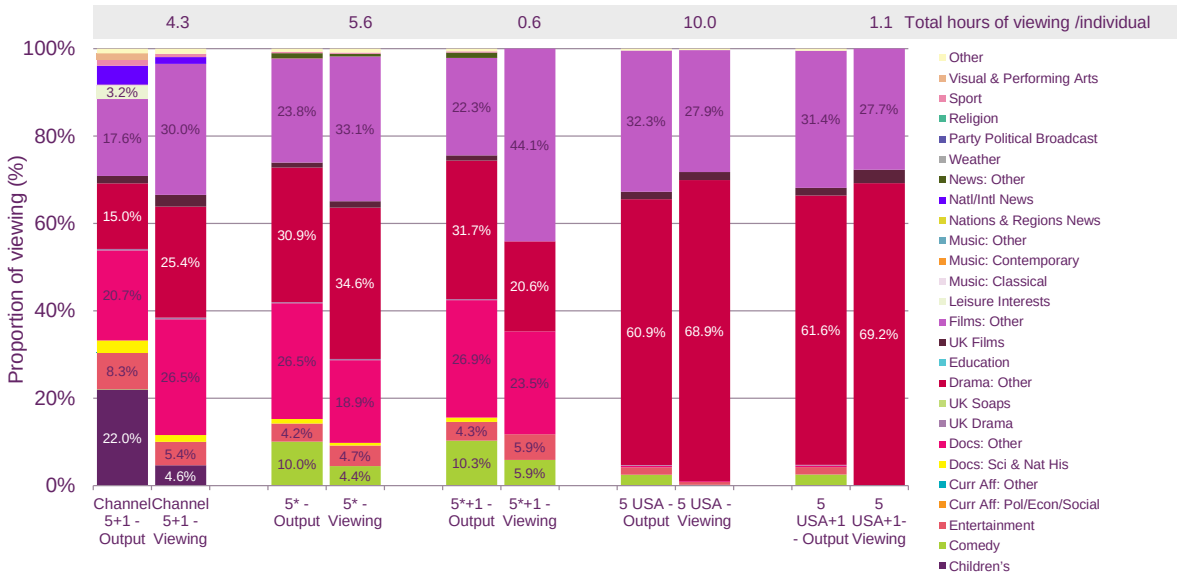
3.100 Figure 3.34 below illustrates viewing vs. output split across the various Channel 5 portfolio channels for 2013.

3.101 As with Channel 5, the majority of viewing to Channel 5+1 in 2013 was represented by documentaries: other (26.5%), drama: other (25.4%) and Films: other (30.0%).

3.102 In 2013, drama: other accounted for 34.6% of viewing to 5* - down from 41.4% in 2008. Over the same period, the share of viewing represented by documentaries: other also fell, from 25.4% to 18.9% while viewing to films: other increased from 12.9% in 2008 to 33.1% in 2013. Following a peak in 2011 (13.1%), the proportion of viewing represented by comedy programmes fell to 4.4% in 2013, similar to the figure in 2008 (4.0%).

3.103 At around two-thirds of viewing, d*rama: other* represented the majority of viewing on both 5USA and 5USA+1 in 2013 - most of the remaining viewing was to f*ilms: other*.

Figure 3.34 Range of viewing, by genre versus output range, on the Channel 5 portfolio channels, all individuals, all day: 2013



Source: BARB. All individuals (4+), Network. Network programming based on 4+ area filter.

Multichannel sector

This section provides a brief overview of all the other multichannel channels as a whole (excluding the PSB channels and PSB portfolio channels).

Hours of viewing

3.104 Total viewing to the multichannels as a group has increased slightly from 0.9 hours/day in 2008 to 1.1 hours/day in 2013 across all individuals, driven by a slight increase among audiences aged 35+ (see Figures 3.9 and 3.10)

Channel shares

3.105 Share of viewing across all multichannels combined as a group increased, by varying degrees, across all day parts. The proportion of viewing to these channels was lowest during the peak-time hours (see Figures 3.15 & 3.16).

Range of viewing

3.106 This group of channels spans a vast array of genre-based channels, so attempting to explore each one in detail has not been feasible as part of this analysis. However taking all these channels together as a group shows that the proportion of viewing accounted for by films: other fell from 12.0% in 2008 to 7.8% in 2013 and the proportion represented by sports programming fell from 14.7% to 10.6% over the same period. The shares of viewing represented by genres such as children's, comedy, entertainment, documentaries: other and leisure interests also fell over the analysis period.

UK and non-UK, new and repeat programming

3.107 In order to build a picture of the viewing levels for first-run, UK-made programming across the main five PSB channels, Ofcom commissioned a TV research agency, Attentional, to provide this analysis[64] using BARB data.

3.108 The information fields used in the Attentional analysis of programme data include repeat markings and country of origin. BARB viewing data of programmes is combined with these custom fields to provide in-depth analysis of UK broadcast output. Our analysis looks at the date range 2008-2013.

Note: The definitions of UK programmes do not exactly match those used earlier in this report, as they come from two different data sources; BARB/Attentional and broadcaster returns to Ofcom. In this section UK programmes include both new and repeated UK programming, whereas the analysis in the Spend and Output section above focuses on new UK programming only, described as 'first-run originated content'.

3.109 A summary of the data across the main five PSB channels combined is presented below, with individual channel analysis included in Annex 2.i.

3.110 Additionally, we have attempted to gauge the programme output and viewing impact of UK-made first-run programming across the PSB portfolio channels and most of the multichannel sector in 2013. Data and analysis is based on the top 100 most popular programmes across the channel groups as a whole, and analysed by channel (see Annex 2.ii)

3.111 The volume of first-run programming made in the UK and provided by the main five PSB channels across 2008-2013 declined by 9.2%, from a total of 20,592 hours of output in 2008 to 18,699 hours in 2013.

3.112 However, as a proportion of all programming shown by the main five PSB channels, first-run UK programming was broadly stable, and on average across all years constituted about half of all programming. There was a 3 percentage point (pp) reduction in output when comparing 2008 and 2013, declining from 52% of all programming in 2008 to 49% in 2013 (Figure 3.35).

3.113 Across the analysis period, total hours spent watching first-run UK programming declined by 8.7%. Yet despite the decrease in both output and viewing hours, viewing to UK-made first-run programmes as a proportion of all programmes was higher in 2013 than in 2008, and accounted for 75% of all viewing in 2013 compared to 72% in 2008 (Figure 3.35).

3.114 Total hours of repeated UK programmes from the main five PSB channels increased by 10.7% when comparing 2008 to 2013 (from 10,735 hours of output in 2008 to 11,889 hours in 2013). Over the same period, total viewing hours declined by 3.6%.

3.115 As a proportion of all hours of programming output, UK repeats ranged between 27-31% of all programming over the analysis period, with the proportions showing an increase: 27% in 2008 and 31% in 2013 (Figure 3.35).

[64] See Annex 2.i *UK and non-UK, new and repeat programming – main five PSB channels*

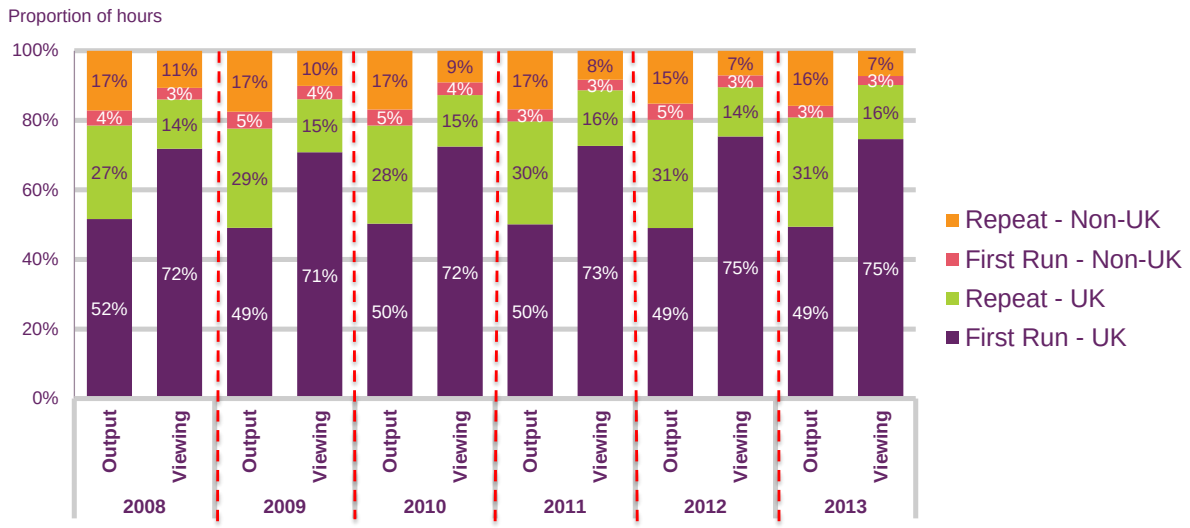
3.116 In general the viewing hours to UK repeats between 2008-2013 yielded around 14-16% of all TV consumption; less efficient than UK first-run programming. The 4pp increase in output in 2013 (31%) compared to 2008 (27%) yielded just 2pp of additional viewing; 14% of total viewing hours in 2008 and 16% in 2013 (Figure 3.35).

3.117 Taken together, UK first-run and repeated content accounted for the vast majority of all output from the main five PSB channels, at around 80% of programming on average across all years. In 2013, 80% of total UK content generated 91% of all viewing. In 2008 the combined programme hours of all UK content was 79%, yielding 86% of viewing (Figure 3.35).

3.118 In peak time (6pm – 10.30pm), the provision of first-run UK programming by the main five PSBs increases substantially. It made up around three quarters (70% on average) of all output and generated an average of 83.5% of total viewing across the analysis period (Figure 3.36).

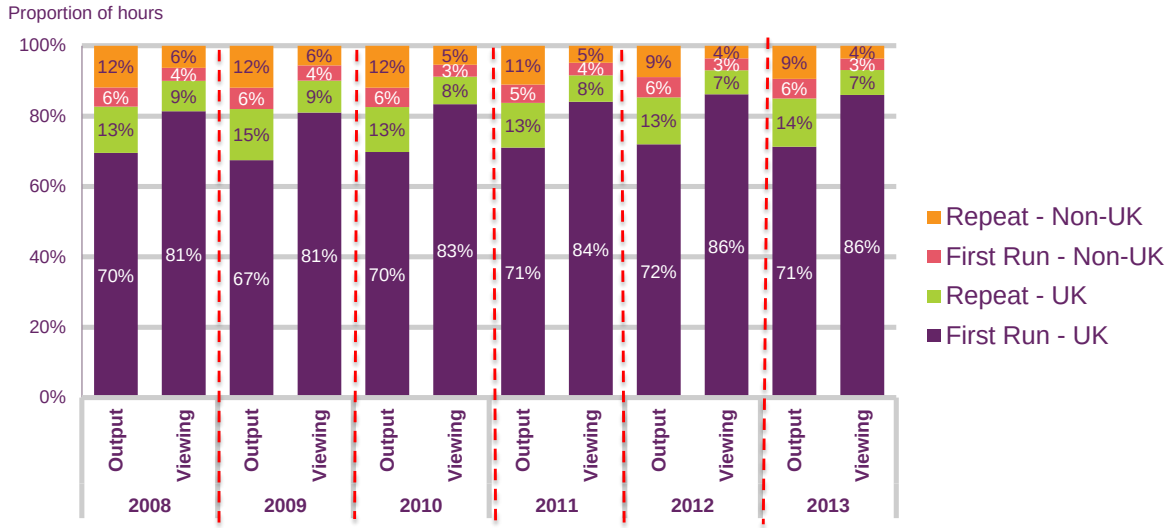
3.119 Since 2008 the popularity of first-run UK programmes among audiences in peak hours has increased; from 81% of total viewing hours in 2008 to 86% in 2013. Total UK content (first-run and repeats) accounted for 93% of viewing in peak time, an increase from 90% in 2013.

Figure 3.35 Proportion of output and viewer hours, by first-run and repeats, UK and non-UK, five main PSB channels, all day



Source: BARB/Attentional repeat and country of origin metadata. individuals 4+, Network, all day. BBC One, BBC Two, ITV, Channel 4 and Channel 5 including HD channel variants but excluding +1s.

Figure 3.36 Proportion of output and viewer hours, by first-run and repeats, UK and non-UK, main five PSBs, peak time



Source: BARB/Attentional repeat and country of origin metadata. individuals 4+, Network, all day. BBC One, BBC Two, ITV, Channel 4 and Channel 5 including HD channel variants but excluding +1s.

S4C[65]

Hours of viewing

3.120 In 2013, S4C Welsh language programming was watched for an average of 15.4 hours per individual in the S4C region. This compared to 16.8 hours per individual the previous year, and was a 19.8% decrease from the peak of 19.2 hours in 2008 (Annex 2, Figure 106).

Average weekly reach

3.121 The weekly reach of Welsh-language programming on S4C was 14.1% in 2013. Apart from a small uplift in 2011, it has been in steady decline since 2008 when it reached 19.5% of all individuals in the S4C region.

3.122 In volume terms, the number of people who watch Welsh-language programming in a typical week in each year showed a more varied trend. After falling from a high of 504,000 viewers in an average week in 2008, audience levels increased in each year; from 449,000 in 2009 to 474,000 in 2011. The size of the Welsh-language audience has fallen since, with an average weekly reach of 397,000 viewers in 2013 (Annex 2, Figure 106).

Channel share

3.123 S4C's share of all viewing in Wales was 1.1% in 2013, a marginal dip on 2012 (1.2%) and 2010 (1.3%). In peak time, the channel represented 1.6% of viewing, a 0.1pp decline on 2012 and a 0.3pp decline on the 1.9% share it held in 2010. (Annex 2, Figure 107).

[65] We also include data on the viewing of BBC Alba in Annex 3.iii.

Range of viewing by genre

3.124 Analysis of the proportion of viewing hours by genre on S4C shows that sports (19.7%), UK soaps (15.0%) and children's programming (11.4%) were the most-watched content in 2013. Audience preference for these genres was the same as in 2012, but while sport continued to generate the highest share of consumption hours across all years, in 2008 entertainment and documentaries: other were the second and third most-viewed genres and accounted for 13.8% and 10.2% respectively. (Annex 2, Figure 108).

3.125 Looking at the genres that have seen the biggest changes as a proportion of all viewing, compared to 2008, entertainment, films: other and leisure interests have seen the biggest falls in viewing, ranging between a 4.2pp and a 6.2pp decrease.

3.126 The genres that have seen uplift in viewing are children's, UK soaps and sports; each increased by around 5pp on 2008.

3.127 Following an increase in share of all programming between 2008-2010, the total viewing hours per individual represented by current affairs: pol/econ/soc fell between 2010-2013. In 2013 it accounted for around the same proportion of viewing as in 2008 (1.7% in 2008 and 1.6% in 2013).

3.128 The proportion accounted for by national/international news fluctuated across the analysis period where it declined following a peak of 6.7% share in 2009 until 2012 (to 5.1%). It increased year on year to 5.9% in 2013, similar to the 2008 level of 5.8% of total viewing.

3.129 Increases in the share accounted for by visual and performing arts between 2008 and 2011 tailed off in the last two years. However, the 7.1% share it represented in 2013 was higher than that held in 2008 (4.9%) and in 2009 (6.6%) and 2010 (6.7%).

TV audience opinions

In this section, findings from a series of Ofcom-commissioned research reports collectively provide overall audience opinions of the main public service broadcasters' channels and PSB portfolio channels.

The survey reports the opinions of (self-defined) regular viewers of each PSB channel, on the delivery of PSB purposes and characteristics. Self-definition as a regular viewer (rather than a definition using the number of hours viewed on a particular channel) is used because viewers' opinions on the channel can be driven by regular viewing of programmes, regardless of how many or few hours this involves. Viewers of each channel were also asked to rate the delivery of the purposes and characteristics when thinking about the PSB channels as a whole. All respondents were also asked to rate how important it is that the PSB channels together fulfil the PSB purposes and characteristics, again using a ten-point scale.

We provide a detailed analysis of PSB provision by genre and draw out differences between the channels, where appropriate, in a separate chapter later in this report. This can be found in **Section 6** of the report.

A variety of factors can contribute to audiences' overall perceptions of the main PSB channels (BBC One, BBC Two, BBC Three, BBC Four, ITV/STV/UTV, Channel 4, S4C and Channel 5) and PSB portfolio channels. There have been a number of changes which have affected television viewing over recent years, particularly in terms of media technology and the way in which people consume content.

Many people now have access to new television channels and interactive technologies, via their television set and online, that provide more choice and control. There are also increasingly diverse ways of accessing content. Data from Ofcom's *Technology Tracker* [66]indicate that:

- 96% of households have digital television.
- Half (51%) of households claim to have a high-definition TV service.[67]
- A third of adults (32%) use the internet to watch catch-up TV (such as BBC iPlayer, Sky Player, ITV Player).
- Almost two-thirds (60%) of all households claim to own a digital video recorder[68].
- 22% of homes have a smart TV (with integrated internet connection).
- 14% of adults use their mobile phone for watching TV programmes/catch-up services using services such as BBC iPlayer.
- 6% of adults use their mobile phone to watch purchased TV programmes/films online, or downloads via services such as iTunes, Google Play, Blinkbox, and Netflix.

[66] Unless otherwise specified, data are from Wave 2 2014 (May-July) of the Ofcom Technology Tracker
[67] Ofcom Technology Tracker Wave 1(Jan- Feb 2014)
[68] Ofcom Technology Tracker Wave 1 (Jan-Feb 2014)

The following section analyses audience perceptions of the importance of the PSB purposes and characteristics (as defined by Ofcom), and how well the public service broadcasters have met these purposes and characteristics in the services they have provided on their channels during the review period (2008-2013). Figure 2.1 describes the purposes and characteristics measured in Ofcom's annual PSB tracking survey. The purposes and characteristics are translated into statements that can be easily understood by TV viewers and measured in the PSB tracking survey.

Main PSB channels

Ofcom's annual PSB tracking survey asked respondents on a scale of 1-10 the *importance* of the individual PSB purposes and characteristics. They were then asked how well they feel the PSBs *deliver* these purposes and characteristics. Respondents were asked this question about the main PSB channels they regularly view and about the main PSB channels (BBC One, BBC Two, BBC Three, BBC Four, BBC News, ITV/ UTV/STV, S4C, Channel 4 and Channel 5) combined.

Overall satisfaction with PSB channels

3.130 Overall, just under four in five (77%) of those who ever watch any of the main PSB channels claim to be quite, or very, satisfied with PSB channels combined. This is in line with results seen in 2012, when it was 76%, but higher than the 69% who were satisfied in 2008 (Fig 3.37). There were no significant differences in overall satisfaction year on year or between 2008 and 2013.

Figure 3.37: Overall satisfaction with the main PSB channels: 2008–2013

No significant differences from 2011/2012 to 2013 at 99% level

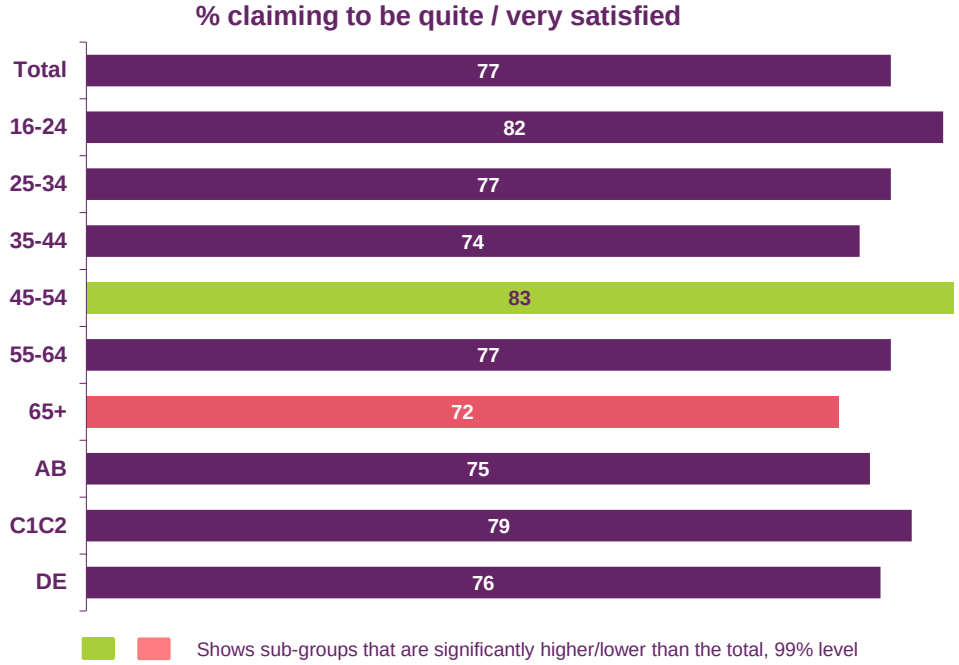
Source: Ofcom PSB tracker
Q. And now, if you think about all the channels combined - in other words the BBC channels BBC One, BBC Two, BBC Three, BBC Four, BBC News) , ITV[69], S4C (Wales only) and Channels 4 and Five - how satisfied are you that combined they provide these elements that we have talked about? (net satisfied shown here)
Base: All respondents who ever watch any of the main PSB channels (2008 = 6798, 2009 = 6947, 2010 = 6909, 2011 = 3079, 2012 = 2983, 2013 = 2926)

[69] Including STV/UTV

3.131 As shown in Figure 3.38 below, satisfaction with PSB broadcasting in 2013 was highest among 45-54 year olds (83%), and significantly lower among those aged 65+ (72%)

Respondents in the C1/C2 group were more likely to claim to be satisfied (79%) than those in the AB (75%) and DE (76%) groups. However, these differences are not statistically significant.

Figure 3.38: Overall satisfaction with PSB, by age and socio-economic group: 2013



Source: PSB Tracker 2013
Q. And now, if you think about ALLTHE channels combined - in other words the BBC channels, ITV[70], S4C (Wales only) and Channels 4 and Five - how satisfied are you that combined they provide these elements that we have talked about? (net satisfied shown here)
Base: All who ever watch any PSB channels (2926) 16-24 (439); 25-34 (471); 35-44 (553); 45-54 (475); 55-64 (401); 65+ (587); AB (702); C1C2 (1402); DE (822)

Overall satisfaction with the main PSB channels among minority groups

3.132 Among all ethnic groups analysed, at least seven in ten stated that they were satisfied that the PSB channels combined provided the elements of the PSB purposes and characteristics. Satisfaction with the main PSB channels combined, between 2010 and 2013, was highest among the Asian group[71] in our sample (78%), with the lowest level of satisfaction among the [72]Black group (70%), although these differences were not statistically significant. The results are broadly in line with the claimed levels of satisfaction among UK adults as a whole (76%).

[70] Including STV/UTV
[71] Asian group includes: Indian, Pakistani, Bangladeshi, other Asian background (613).
[72] Black group includes: Black African, Black Caribbean, other black (400).

Figure 3.39: Overall satisfaction with PSB delivery, by ethnicity sub-group

		Ethnicity sub-group		
	Total	Asian	Black	White
Net: Satisfied	76	78	70	76

Source: PSB Tracker, 2010-2013, UK adults aged 16+,
Q. And now, if you think about all the channels combined - in other words the BBC channels, ITV[73], S4C (Wales only) and Channels 4 and Five - how satisfied are you that combined they provide these elements that we have talked about? (net satisfied shown here)
Base: All watching at least one channel asked about, regularly or occasionally (unweighted) = 15669.

3.133 Overall satisfaction with the PSB channels combined (excluding children's channels CBBC and CBeebies) among those with a disability stood at three-quarters (74%), in line with satisfaction levels among all UK adults (76%).

3.134 As shown in Fig 3.40 below, satisfaction with PSB broadcasting among those with a disability did not vary by type of disability (mobility disability 74%, sight disability 71% and hearing disability 73 %).

Figure 3.40: Overall satisfaction with PSB delivery, by disability sub-group

		Disability		Disability sub-group		
	Total	Yes	No	Mobility	Sight	Hearing
Net: Satisfied	76	74	76	74	71	73

Source: PSB Tracker, 2010-2013, UK adults aged 16+,
Q. And now, if you think about all the channels combined - in other words the BBC channels, ITV[74], S4C (Wales only) and Channels 4 and Five - how satisfied are you that combined they provide these elements that we have talked about? (net satisfied shown here)
Base: All watching at least one channel asked about, regularly or occasionally (unweighted) = 15897

3.135 When asked how satisfied they were with the main PSB channels as a whole compared to a year ago, 11% of respondents claimed to be more satisfied (minus two percentage points on 2012) while 16% said they were less satisfied (no change from 2012).

3.136 The most frequently mentioned reasons for satisfaction include '*better choices/variety of programmes'* (39%), '*more interesting programmes'* (17%) and '*better quality of programmes'* (15%) while dissatisfaction was mainly driven by factors including '*too many repeats'* (40%), '*boring/ not interesting'* (27%) and '*too many reality shows'* (12%). *Poor quality* is significantly down on 2012 at 10% (10 percentage points down on 2012).

[73] Including STV/UTV
[74] Including STV/UTV

Importance and delivery of PSB characteristics and purposes by the main PSB channels

PSB purposes

Figure 3.41 below shows the proportion of UK adults who score each statement 7/8/9/10 out of 10 (described below as 'high') on importance and on delivery, for the main PSB channels combined.

Figure 3.41: Main PSB channels combined, PSB purposes, importance vs. satisfaction: 2008-2013

Purposes		2008	2009	2010	2011	2012	2013
Its news programmes are trustworthy	Importance	82	82	84	81	85	87
	Satisfaction	64	62	65	62	64	65
Its programmes help me understand what's going on in the world today	Importance	81	78	81	78	80	79
	Satisfaction	67	66	67	61	58	63
Its regional news programmes provide a wide range of good quality news about my area	Importance	75	74	76	76	78	81
	Satisfaction	53	51	50	58	60	64
It shows interesting programmes about history, sciences or the arts	Importance	68	66	70	65	68	69
	Satisfaction	48	49	52	46	47	52
It portrays my region/Scotland/Northern Ireland/Wales fairly to the rest of the UK	Importance	58	61	62	63	66	68
	Satisfaction	34	34	33	43	40	44
Its programmes show different kinds of cultures within the UK	Importance	64	63	66	58	65	65
	Satisfaction	47	46	48	43	43	46
It shows high quality soaps or dramas made in the UK	importance	50	52	54	53	57	58
	Satisfaction	49	50	52	47	47	51

Summary % of respondents rating Importance 2008-2013
Base: All respondents who watch any main PSB channel regularly or occasionally
Slightly amended wording of some statements since 2011: previous wording: 'It portrays my region/Scotland/Northern Ireland/Wales well to the rest of the UK"

3.137 Ratings for satisfaction with/ delivery of the purposes and characteristics are much lower than rating for importance. This is because respondents are more likely to be able to express an opinion on the importance of a characteristic than they are to be able to assess how well channels deliver on it. It is therefore unsurprising that importance ratings will be higher than delivery ratings.[75]

3.138 Over the period between 2008 and 2013, the level of importance placed on Purpose 1: *"its news programmes are trustworthy"* remained stable, although it was significantly higher in 2013 (87%) than in 2008, when 82% rated it as important.

3.139 About eight in ten (79%) rated as important the statement "*its programmes help me understand what's going on in the world today*" in 2013 compared to 81% in 2008. "*Its regional news programmes provide a wide range of good quality news about my area*" was rated as important by 81% in 2013 compared to 75% in 2008.

[75] This is partially explained by the % of 'don't knows'. When importance and satisfaction scores are compared, more respondents answer 'don't know' for satisfaction than for importance questions.

3.140 About two-thirds of UK adults (65%) rated highly the delivery of *"its news programmes are trustworthy".* A similar proportion (64%) also did so for *"its regional news programmes provide a wide range of good quality news about my area"*. This is significantly up on 2012, when it was 60%, and 2008, when it was 53%. *"Its programmes help me understand what's going on in the world"* also scored well on delivery, with 63% stating that the main PSB channels delivered highly against this measure, significantly up on the 58% who stated this in 2012, but lower than the 67% who rated the channels highly for this purpose in 2008.

3.141 Ratings of measures such as *"its regional news programmes provide a wide range of good quality news in my area"* and "*it shows interesting programmes about history, science or the arts*" have gone up significantly between 2008 and 2013.

3.142 The lowest level of delivery among the PSB purposes has consistently been related to *"portraying my region fairly to the rest of the UK"* and "*its programmes show different kinds of cultures within the UK",* where just over two in five thought the main PSB channels combined delivered on these purposes (44% and 46% respectively in 2013).

3.143 Looking at the specific channels, delivery of purpose 1: "*its news programmes are trustworthy',* remained consistently high for BBC One between 2008 (80%) and 2013 (77%), as for BBC Two's delivery of "its *programmes help me to understand what's going on in the world today"* (69% in 2008 and 68% in 2013).

3.144 Channel 4 and Channel 5 had the lowest delivery scores for most PSB purposes, particularly on *"it portrays my region fairly to the rest of the UK"*. The rating score for Channel 4 was 22% in 2008 vs. 38% in 2013, and for Channel 5, 22% in 2008 and 33% in 2013. This compares with 41% of respondents rating BBC One as delivering on this statement in 2008 and 58% in 2013.

PSB characteristics

Figure 3.42 shows the proportion of UK adults who score PSB characteristics 7/8/9/10 out of 10 on importance and on delivery, for the main PSB channels combined.

Figure 3.42: PSB characteristics: importance vs. satisfaction: 2008-2013

Characteristics		2008	2009	2010	2011	2012	2013
It shows well-made, high quality programmes	Importance	81	82	84	79	82	84
	Satisfaction	58	57	62	59	59	65
It shows programmes I want to watch	Importance	78	78	79	77	78	79
	Satisfaction	50	49	52	52	51	56
it shows programmes that make me stop and think	Importance	74	71	76	67	71	74
	Satisfaction	49	48	50	43	44	49
It shows new programmes, made in the UK	Importance	68	74	76	68	68	73
	Satisfaction	41	45	45	47	46	53
It shows programmes with new ideas and different approaches	Importance	71	69	73	66	71	73
	Satisfaction	45	44	48	44	44	47

Summary % of respondents rating Importance 2008-2013[76]
Base for importance: All respondents who watch any main PSB channels regularly or occasionally
*Slightly amended wording of some statements since 2011: previous wording; *"It shows enough new programmes, made in the UK"*

3.145 The level of importance placed on *"it shows high quality programmes"* rose between 2008 and 2013, with 84% of respondents rating this measure highly in 2013 compared to 81% in 2008. Importance placed on other characteristics remained stable over the period.

3.146 *"High quality- it shows high quality programmes"* (rated highly by 65%, up on 58% in 2008) was seen as the top characteristic delivered well by the main PSBs. This was followed by 56% stating that PSBs delivered well on the statement "*it shows programmes I want to watch",* again up on 50% in 2008. The characteristics with the lowest delivery scores were *"it shows programmes with new ideas and different approaches"* (47% in 2013 vs. 45% in 2008) and "*it shows programmes that make me stop and think"* which remained stable between 2008 and 2013 at 49%. The measure "*it shows new programmes, made in the UK*" showed a significant improvement; from 41% in 2008 to just over half (53%) in 2013.

3.147 The largest gaps between the scores for importance and delivery of purposes and characteristics relate to the most 'challenging' and 'engaging' elements: "*it shows programmes I want to watch"* (78% importance vs. 51% delivery), *"it shows programmes that make me stop and think"* and *"it shows programmes with new ideas and different approaches"* (both 70% vs. 44%). The purpose relating to nations and regions: *"it portrays my region fairly to the rest of the UK"* (66% importance vs. 40% delivery) also had a notable difference between perceived importance and delivery.

[76] When importance and satisfaction scores are compared, more respondents are answering 'don't know' for satisfaction than for importance questions.

BBC portfolio channels[77]

Purposes

The research asks respondents their opinion of the delivery of each of the purposes and characteristics of BBC Three, BBC Four and BBC News, among regular viewers of each channel. There were no significant differences year on year between 2012 and 2013 for any of the BBC portfolio channels' delivery of PSB purposes or characteristics.

3.148 However, there were some differences in the delivery scores for BBC Three and BBC Four between 2008 and 2013. Specifically, BBC Four scored higher on its delivery of the statements: *"helps me understand what's going on in the world"* (60% in 2013 vs. 47% in 2008) and *"interesting programmes about history/science/arts"* (71 in 2013% vs. 62% in 2008), while BBC Three scored higher for *"it portrays my region/Scotland/Northern Ireland/Wales fairly to the rest of the UK"* (46% in 2013 vs. 21% in 2008).

3.149 The BBC News channel's rating for the statement *"helps me understand what's going on in the world"* remained stable during the period: 81% in 2013 vs. 83% in 2008.

Figure 3.43: Delivery of PSB purposes by BBC portfolio channels: 2008 vs. 2013

Purposes		BBC Three	BBC Four	BBC News
Its news programmes are trustworthy	2008	51	50	83
	2013	54	60	81
Its programmes help me understand what's going on in the world today	2008	37	47	89
	2013	44	60	87
*Its regional news programmes provide a wide range of good quality news about my area	2008	NA	NA	NA
	2013	NA	NA	NA
It shows interesting programmes about history, sciences or the arts	2008	31	62	NA
	2013	41	71	NA
**It portrays my region/Scotland/Northern Ireland/Wales *fairly* to the rest of the UK	2008	21	20	39
	2013	46	37	NA
Its programmes show different kinds of cultures within the UK	2008	45	47	53
	2013	50	46	NA
It shows high quality soaps or dramas made in the UK	2008	49	37	NA
	2013	45	32	NA

NA: were not asked for the channels

Summary % of respondents rating delivery 2008 vs. 2013
Base for delivery: All respondents who watch these channels regularly or occasionally
Slightly amended wording of some statements since 2011: previous wording: "Its (regional)/ news programmes for people in Scotland/Wales/NI provide a wide range of good quality news about my area/ Scotland/Wales/NI"; "It portraits my region/Scotland/Northern Ireland/Wales well to the rest of the UK"; "It shows enough new programmes, made in the UK"

[77] All channels in the BBC portfolio are classified as PSB channels. For this analysis BBC Three, BBC Four and BBC News are also analysed separately as portfolio channels.

Characteristics

3.150 BBC Four scored higher in 2013 than it did in 2008 on its delivery of all of the PSB characteristics, specifically on the statements: *"it shows new programmes made in the UK"* (62% in 2013 vs. 46% in 2008) and *"it shows programmes that make me stop and think"* (70% in 2013 vs. 55% in 2008), while BBC Three scored higher for *"it shows programmes with new ideas and different approaches"* (59% in 2013 vs. 52% in 2008).

3.151 No comparison can be made for the BBC News channel, as it was not scored for delivery of PSB characteristics in 2013.

Figure 3.44: Delivery of PSB characteristics by BBC portfolio channels: 2008 vs. 2013

Characteristics		BBC Three	BBC Four	BBC News
It shows well-made, high quality programmes	2008	64	60	72
	2013	67	75	NA
It shows programmes I want to watch	2008	62	53	58
	2013	66	66	NA
it shows programmes that make me stop and think	2008	45	55	61
	2013	50	70	NA
*It shows new programmes, made in the UK	2008	54	46	NA
	2013	55	62	NA
It shows programmes with new ideas and different approaches	2008	52	49	47
	2013	59	59	NA

NA: were not asked at all for the channels

Summary % of respondents rating delivery 2008 vs. 2013
Base for delivery: All respondents who watch these channels regularly or occasionally
Slightly amended wording of some statements since 2011: previous wording "It shows enough new programmes, made in the UK"

Opinions on importance and delivery of PSB purposes and characteristics among specific groups

In order to be able to assess opinions on delivery and importance among different ethnic and disability groups, Ofcom rolled up four years (2010-2013) of the PSB tracker data in order to achieve sufficient sample sizes to analyse by sub-group[78]. Although we recognise the limitations of this analysis, we report on all sub-groups where sample sizes in the rolled 2010-2013 data are large enough to enable robust reporting. Through this approach it is possible to analyse how Asian, Black and White respondents, and those respondents with

[78] As the results among the UK sample as a whole tend not to vary greatly year on year, the survey lends itself to this approach with little methodological risk.

disabilities (specifically with a mobility, sight or hearing disability), rated the importance and delivery of each of the PSB purposes and characteristics over the period 2010-2013.[79]

The results show the proportion of each group of people who score each statement 7/8/9/10 out of 10 (described as high) on importance and delivery, for the main PSB channels combined.[80]

Opinions on importance and delivery, by ethnicity

PSB purposes

3.152 Among all adults purpose 1: *"its news programmes are trustworthy*", was the purpose rated with the highest level of importance. Likewise, among Asian and White respondents, purpose 1 was rated with the highest level of importance, while among Black respondents the highest level of importance related to Purpose 2: "its programmes help me understand the world today" (79%). Eighty-four per cent of UK adults placed a high importance on "*its news programmes are trustworthy*". Asian and Black individuals were significantly less likely than respondents at a total UK level to place high importance on this purpose (78% and 77% respectively).

3.153 Sixty-five per cent of all UK adults rated the main PSB channels combined as high for delivery of Purpose 1: *"its news programmes are trustworthy*". Sixty per cent of Asian respondents rated the PSBs highly for delivery of this purpose. Black respondents rated delivery of Purpose 1 significantly lower that the UK as a whole (55% vs. 65%), while 66% of White respondents rated PSB delivery of *"its news programmes are trustworthy*" as high.

3.154 Sixty-seven per cent of all adults placed a high level of importance on Purpose 4: *"it shows interesting programmes about history, science or the arts".* This compares to 63% of Asian respondents, 57% of Black respondents and 68% of White respondents who rated this purpose highly. Fifty per cent of all adults rated a high level of delivery of this purpose. There were no significant differences in delivery scores for this purpose by ethnic sub-group.

3.155 Sixty-three per cent of all respondents rated a high level of importance to the purpose "*Its programmes show different kinds of cultures within the UK"*. Asian respondents rated the importance of this purpose significantly higher, with 72% of respondents rating a high level of importance to the purpose. Seventy per cent of Black respondents and 63% of White respondents rated this purpose highly for importance. "*Its programmes show different kinds of cultures within the UK"* scored similar levels on delivery among all ethnic groups measured (Asian 49%, Black 48%, White 46%). There were no significant differences in delivery scores for this purpose by ethnic sub-group.

3.156 In terms of delivery of PSB purposes, as with importance, the highest level of perceived delivery related to Purpose 1: *"its news programmes are trustworthy*' (65%), while the lowest level of perceived delivery of the purposes, among all adults, related to "*portraying my region fairly to the rest of the UK"* (41%). Among all the

[79] We report on all categories where sample sizes in the rolled 2010-2013 data are large enough to enable robust reporting.
[80] All the PSB channels combined here include BBC One, BBC Two, BBC Three , BBC Four, BBC News, ITV/ STV/UTV, S4C (Wales only), Channel 4, and Channel 5. They exclude the children's channels CBBC and CBeebies, and BBC Alba).

ethnic sub-groups measured, Asian (47%), Black (42%) and White (41%) "*portraying my region fairly to the rest of the UK"* was also the purpose that scored lowest on perceived delivery.

Figure 3.45: Purposes: importance vs. satisfaction, by ethnicity

		Ethnicity sub group			
Statement		Total	Asian	Black	White
It's news programmes are trustworthy	Importance	84	78	77	85
	Satisfaction	65	60	55	66
Its programmes help me understand what's going on in the world today	Importance	79	77	79	79
	Satisfaction	63	68	64	63
Its regional news programmes provide a wide range of good quality news about my area	Importance	78	70	73	79
	Satisfaction	62	62	52	63
It shows interesting programmes about history, science or the arts	Importance	67	63	57	68
	Satisfaction	50	52	47	50
It portrays my region/Scotland/Wales/Northern* Ireland fairly to the rest of the UK	Importance	64	57	60	65
	Satisfaction	41	47	42	41
Its programmes show different kinds of cultures within the UK	Importance	63	72	70	63
	Satisfaction	46	49	48	46
It shows high quality soaps or dramas made in the UK	Importance	56	55	55	56
	Satisfaction	51	52	53	60

Source: Ofcom PSB Tracker, 2010-2013, UK adults aged 16+, Base: All respondents (unweighted) = 16126.

PSB characteristics

3.157 There were few significant differences between the levels of importance assigned to the characteristics by Asian, Black and White respondents compared to all UK adults as a whole.

3.158 Asian (73%) respondents were less likely than the UK as a whole (82%) to rate highly the importance of the characteristic *"it shows well-made, high quality programmes"*. Among Black respondents 75% rated this characteristic highly for importance and among White respondents 82% rated it high for importance.

3.159 Asian (63%) and Black (61%) respondents were also less likely than the UK as a whole (70%) to rate highly the importance of the characteristic *"it shows new programmes made in the UK"*. This compares to 71% of White respondents who rated this characteristic highly for importance.

3.160 Among all respondents, the characteristic rated with the highest level of importance was *"it shows well-made, high quality programmes"* (82%). Similarly, Black and White respondents rated *"well-made, high quality programmes"* with the highest level of importance of all of the characteristics (75% and 82% respectively).

3.161 The characteristic rated with the highest level of importance among Asian respondents was: *"it shows programmes with new ideas and different approaches"*, with almost three-quarters (74%) of Asian respondents rating this characteristic as highly important. This compares to 70% of all respondents, 72% of Black respondents and 70% of White respondents who rated "*new ideas and different approaches"* as important.

3.162 There were no significant differences in perceived level of delivery of PSB characteristics among all UK adults compared to the results found among Asian, Black and White individuals.

Figure 3.46: Characteristics: importance vs. satisfaction, by ethnicity

			Ethnicity sub group		
Statement		Total	Asian	Black	White
It shows well-made, high quality programmes	Importance	82	73	75	82
	Satisfaction	62	65	61	62
It shows programmes I want to watch	Importance	78	72	72	78
	Satisfaction	53	56	48	53
It shows programmes that make me stop and think	Importance	71	69	65	72
	Satisfaction	48	54	49	47
It shows new programmes, made in the UK	Importance	70	63	61	71
	Satisfaction	49	53	57	48
It shows programmes with new ideas and different approaches	Importance	70	74	72	70
	Satisfaction	47	58	51	46

Source: PSB Tracker, 2010-2013, UK adults aged 16+, Base: All respondents (unweighted) = 16126.

Opinions on importance and delivery among those with a disability

PSB purposes

3.163 Individuals with a disability were significantly less likely than respondents at a total UK level to place high importance on purpose 1: *"its news programmes are trustworthy"* (79% vs. 63%). There were no significant differences between delivery ratings for this purpose by those with a disability and the UK as a whole.

3.164 Adults with a disability were also significantly less likely to score highly the importance of purpose 2: *"its programmes help me understand what's going on in the world today"*, with 75% of those with a disability rating this purpose as highly important, compared to 79% of the population as a whole. There were no significant differences between delivery ratings for this purpose by those with a disability and the UK as a whole.

3.165 Fifty-nine percent of adults with a disability scored purpose 6, *"its programmes show different kinds of cultures within the UK"*, as of high importance, significantly less than the UK as a whole (63%). There were no significant differences between delivery ratings for this purpose by those with a disability and the UK as a whole.

3.166 There were few differences between the answers given by respondents with a sight or hearing disability compared to those without a disability, and compared to all UK adults. Among those with a mobility disability, however, there were several differences.

3.167 Among those with a mobility disability, 77% rated purpose 1 as highly important: *"its news programmes are trustworthy"*; lower than the importance rating among all UK adults (84%). For delivery of this purpose, fewer of those with a mobility disability (58%) rated the main PSB channels combined highly, in comparison to the 65% of all UK adults who scored the PSBs combined as high.

3.168 Seventy-three per cent of those with a mobility disability rated purpose 2: *"its programmes help me understand what's going on in the world today"*, highly in terms of importance, compared to 79% of all UK adults. Delivery of this purpose was also ranked lower among those with a mobility disability (56% vs. 63% of all UK adults).

Figure 3.47: Purposes: importance vs. satisfaction, by disability sub-group

			Disability		Disability sub group		
Statement		Total	Yes	No	Mobility	Sight	Hearing
It's news programmes are trustworthy	Importance	84	79	85	77	81	80
	Satisfaction	65	63	66	58	65	60
Its programmes help me understand what's going on in the world today	Importance	79	75	80	73	75	76
	Satisfaction	63	60	64	56	60	65
Its regional news programmes provide a wide range of good quality news about my area	Importance	78	77	78	77	77	78
	Satisfaction	62	61	62	58	54	61
It shows interesting programmes about history, science or the arts	Importance	67	64	68	65	64	69
	Satisfaction	50	51	50	50	51	53
It portrays my region/Scotland/Wales/Northern* Ireland fairly to the rest of the UK	Importance	64	64	64	65	62	62
	Satisfaction	41	42	41	46	38	41
Its programmes show different kinds of cultures within the UK	Importance	63	59	64	58	60	58
	Satisfaction	46	46	46	43	46	44
It shows high quality soaps or dramas made in the UK	Importance	56	59	55	62	54	59
	Satisfaction	51	50	46	50	56	51

Source: PSB Tracker, 2010-2013, UK adults aged 16+, Base: All respondents (unweighted) = 16126.

PSB characteristics

3.169 Seventy-eight per cent of adults with a disability rated the characteristic *"it shows well-made high quality programmes"* highly for importance, significantly less than all respondents as a whole (82%).

3.170 Sixty-four per cent of adults with a disability rated the characteristic *"it shows well-made programmes with new ideas and different approaches"* highly for importance, significantly less than all respondents as a whole who rated the importance of this characteristic as high (70%).

3.171 For the delivery of the characteristics by all of the main PSB channels combined there were no significant differences between responses among adults with a disability and all adults.

3.172 For the importance and delivery of the characteristics by PSB there were no significant differences between responses among those with mobility, sight or hearing disabilities and the UK total, except for the characteristic: *"it shows programmes with new ideas and different approaches"*. Individuals with a mobility disability rated the importance of this characteristic lower (63%) than the UK total (70%).

Figure 3.48: Characteristics: importance vs. satisfaction, by disability sub-group

			Disability		Disability sub group		
Statement		Total	Yes	No	Mobility	Sight	Hearing
It shows well-made, high quality programmes	Importance	82	78	82	77	80	77
	Satisfaction	62	62	62	59	64	60
It shows programmes I want to watch	Importance	78	75	78	76	75	73
	Satisfaction	53	55	53	56	53	51
It shows programmes that make me stop and think	Importance	71	70	71	67	68	71
	Satisfaction	48	50	47	47	51	52
It shows new programmes, made in the UK	Importance	70	70	70	72	72	69
	Satisfaction	49	48	49	45	48	47
It shows programmes with new ideas and different approaches Importance	Importance	70	64	71	63	68	62
	Satisfaction	47	46	47	42	48	44

Source: PSB Tracker, 2010-2013, UK adults aged 16+, Base: All respondents (unweighted) = 16126.

ITV and Channel 4 portfolio channels[81]

3.173 Ofcom conducted online research among viewers of the ITV and Channel 4 portfolio channels. Eight hundred interviews were conducted among regular viewers of at least one portfolio channel (ITV2, ITV3, ITV4, E4, More4 and Film4).

3.174 Viewers to the Channel 4 portfolio channels[82]were asked on a scale of 1-10 to rate how important it was for programmes offered by the channels to fulfil the individual PSB purposes and characteristics. They were then asked how they felt the channels *delivered* these elements. This question was asked for the channels they regularly viewed.[83]

3.175 Viewers to the ITV portfolio channels were not asked to rate the channels for *importance,* although they were asked to rate the ITV portfolio channels' *delivery* of the same elements.[84]

3.176 The ratings for the Channel 4 and ITV portfolio channels are also compared to those of the PSB channel relating to the family i.e. ITV and Channel 4. The delivery ratings given to the portfolio channels are lower than to the respective PSB channel for most PSB purposes. However, their delivery ratings for some characteristics, such as *"it shows well-made high quality programmes"* and "*the style of programmes is different to what I'd expect to see on other channels"*, are comparable to those of the respective PSB channels.

PSB purposes

3.177 All respondents who claim to view channels in the Channel 4 family[85] were asked to rate the channels for delivery of the purposes. Viewers of Channel 4 rated the channel far higher than other channels in the Channel 4 family for delivery of most PSB purposes.

[81] The research was not carried out among Channel 5 viewers.
[82] E4, More4, Film4
[83] Channel 4 Corporation (C4C) has media content duties which are to be delivered across a range of media services. We therefore considered it relevant to look at the Channel 4 portfolio channels in terms of importance and delivery of PSB purposes and characteristics. See Annex 3.ii for further details.
[84] Unlike C4C, ITV does not have media content duties extending beyond its PSB channels.
[85] In the audience opinions analysis the Channel 4 family consists: Channel 4, E4, More4 and Film4.

3.178 Four in ten viewers (39%) rate More4 as highly important for purpose 1: "*its programmes help me to understand what's going on round the world today"*, while just over three in ten Film4 and E4 viewers say the same (31% and 33% respectively).

3.179 A slightly higher proportion (44%) of More4 viewers say the channel is delivering on purpose 1. Forty-one per cent of ITV4 viewers, and 40% of ITV2 viewers say that the channels deliver on this purpose. Although not significant, this is an indication that the delivery by the portfolio channels of the PSB purposes can sometimes be higher than the importance placed on the purpose. This is a trend not seen with the PSB channels.

3.180 For purpose 2: *"it shows interesting programmes about history, sciences or the arts"*, 44% of More4 viewers say it's important that the channel's programmes fulfil this purpose, compared to 30% of Film4 viewers and 27% of E4 viewers who say the same. In terms of delivery, 38% of More4 viewers, 25% of E4 viewers and 24% of Film4 viewers say the channels' programmes fulfil this purpose. A third (34%) of ITV4 viewers say that the channel is delivering on this purpose; this was lower for ITV3 and ITV2 (28% and 30% respectively).

3.181 Thirty-nine per cent of E4 viewers, 43% of More4 and 35% of Film4 viewers say it is important that the channels "*portray my region/Scotland/Wales/Northern Ireland fairly to the rest of the UK"*. In terms of delivery, a third of E4 viewers (33%) say the channel is delivering on this purpose. Delivery ratings are similar for ITV portfolio channels: ITV2 (32%), ITV3 (30%) and ITV4 (33%).

PSB characteristics

3.182 Channel 4 portfolio channels were rated at similar levels as the main Channel 4 for delivery of some PSB characteristics. Three-quarters (73%) rated Film4 as delivering high quality, saying *"It shows well-made, high quality programmes*". Seven in ten (69%) of More4 and 70% of E4 viewers rated the channels highly for this characteristic. This compares favourably with 73% for the Channel 4 PSB channel.

3.183 Among ITV portfolio viewers, 66% of ITV2, 69% of ITV3 and 58% of ITV4 viewers rate the channels highly for delivering on this characteristic. Eight in ten respondents who claim to watch any of the channels in the ITV family[86] rated the ITV[87] PSB channel as delivering on this characteristic.

3.184 Similarly, for 'distinctiveness', 61% of E4, 59% of More4 and just over half of Film4 viewers (53%) rate the channels highly for delivering on the statement: *"the style of programmes is different to what I'd expect to see on other channels*". At least four in ten viewers of the ITV portfolio channels[88] rated them highly in delivering on this characteristic: 50% for ITV2, 49% for ITV4 and 47% for ITV3. This compares with 65% of Channel 4 and 57% of ITV viewers who say the same.

[86] ITV Family consists: ITV/STV/UTV, ITV2, ITV3, ITV4
[87] Refers here to the Channel 3 licence services.
[88] ITV portfolio channels: ITV2, ITV3, ITV4

Figure 3.49a: Importance and delivery of PSB purposes and characteristics: Channel 4 portfolio

Purposes		C4	E4	More 4	Film 4
Its programmes help me understand what's going on in the world today	Importance	**Na**	33	39	31
	Delivery	67	34	42	35
It shows interesting programmes about history, sciences or the arts	Importance	**Na**	27	44	30
	Delivery	62	25	38	24
It shows high quality soaps or dramas made in the UK	Importance	Na	39	38	na
	Delivery	50	42	36	Na
It shows high quality comedy made in the UK	Importance	Na	55	42	35
	Delivery	60	53	38	33
It portrays my region/ Scotland/Wales/Northern Ireland fairly to the rest of the UK	Importance	Na	39	43	35
	Delivery	37	33	33	27
It shows different parts of the UK including England, Northern Ireland, Scotland and Wales	Importance	Na	38	45	34
	Delivery	54	32	40	30
Its programmes show different kinds of culture within the UK	Importance	Na	43	51	37
	Delivery	67	40	49	34
Characteristics		C4	E4	More 4	Film 4
It shows well-made, high quality programmes	Importance	Na	71	73	76
	Delivery	75	70	69	73
It shows new programmes, made in the UK	Importance	Na	52	53	45
	Delivery	67	45	54	35
It shows programmes with new ideas and different approaches	Importance	Na	62	64	49
	Delivery	71	58	60	48
The style of programmes is different to what you expect to see on other channels	Importance	Na	59	59	55
	Delivery	65	61	60	53

Source: Ofcom online PSB portfolio channels research 2014
Summary % of respondents rating delivery 10/9/8/7
Q15: Rating on statement….
Base for Delivery: All respondents who watch this portfolio channel regularly

Figure 3.49b: Delivery of PSB purposes and characteristics: ITV portfolio

Purposes	ITV	ITV2	ITV3	ITV4
Its programmes help me understand what's going on in the world today	75	40	31	41
It shows interesting programmes about history, sciences or the arts	45	30	28	34
It shows high quality soaps or dramas made in the UK	78	41	47	37
It shows high quality comedy made in the UK	60	45	38	37
It portrays my region/ Scotland/Wales/Northern Ireland fairly to the rest of the UK	58	32	30	33
It shows different parts of the UK including England, Northern Ireland, Scotland and Wales	67	38	35	40
Its programmes show different kinds of culture within the UK	62	45	38	41
Characteristics	ITV	ITV2	ITV3	ITV4
It shows well-made, high quality programmes	81	66	69	58
It shows new programmes, made in the UK	72	50	39	44
It shows programmes with new ideas and different approaches	67	53	43	50
The style of programmes is different to what you expect to see on other channels	57	50	47	49

Source: Ofcom online PSB portfolio channels research 2014
Summary % of respondents rating delivery 10/9/8/7
Q15: Rating on statement….
Base for Delivery: All respondents who watch this channel regularly

Reasons for watching Channel 4 and ITV portfolio channels

When respondents were asked why they watched the Channel 4[89] and ITV[90] portfolio channels the reasons differed both by broadcaster and by channel within the portfolio.

3.185 Six in ten (62%) Film4 viewers say they watch the channel because "*it shows UK films I can watch without paying extra"*. Three in ten also watch Film4 because *"it shows types of programmes I can't see on other channels".*

3.186 Among E4 viewers the main reasons given for watching the channel are *"it shows the best American series"* (36%)*, "it shows repeats of classic American programmes"* (26%) and *"it shows more of the programmes I like"* (29%)*.* Conversely, 11% of ITV2 and ITV4, and 5% of ITV3 viewers watch the channels because "*it shows the latest American series".*

3.187 Twenty-seven per cent of More4 viewers watch the channel for "*catching up on programmes they have missed"*. One in three (31%) watch the channel for *"lifestyle programmes I want to see*" and about a quarter watch the channel for "*UK documentaries I want to see".*

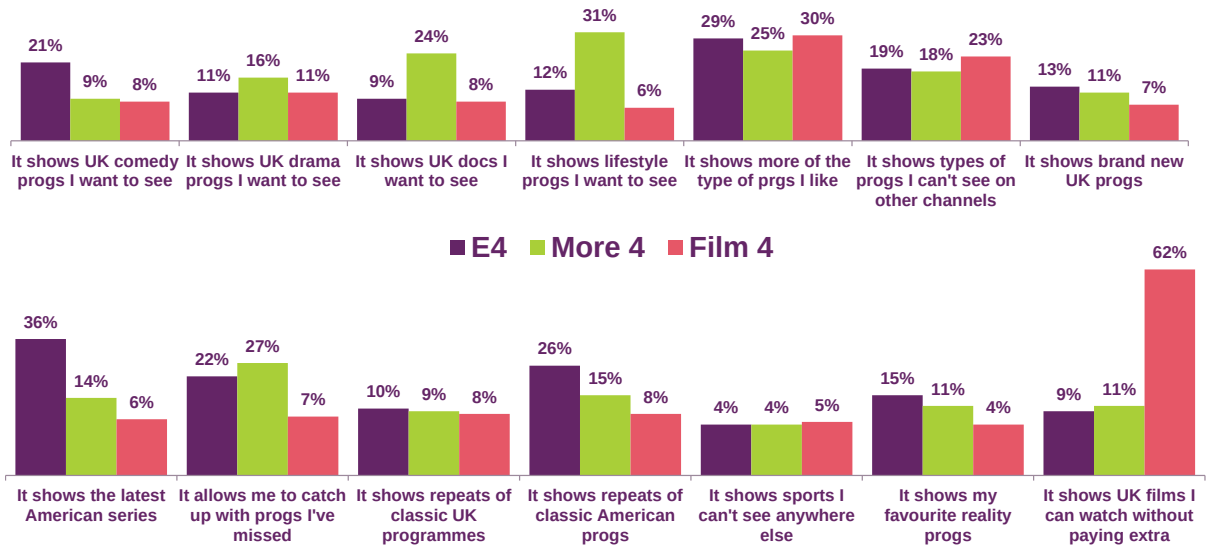
3.188 One in three ITV2 viewers watch the channel because *"it allows me to catch up on programmes I have missed".* This is the biggest reason given for watching ITV2.

3.189 About two in ten (18%) of ITV4 viewers watch the channel for the reason that it *"shows sports I can't see anywhere else"* compared to 7% of ITV2 viewers and 4% of viewers of the Channel 4 portfolio channels[91] who watch the channel for the same reason.

3.190 Almost one in four (37%) of those who watch ITV3 do so to catch up with *"repeats of classic UK programmes".* Other reasons for watching ITV3 are that *"it shows UK programmes I want to see"*, given by 33%, and "*it shows more of the same type of programmes I like"*, given by 31%.

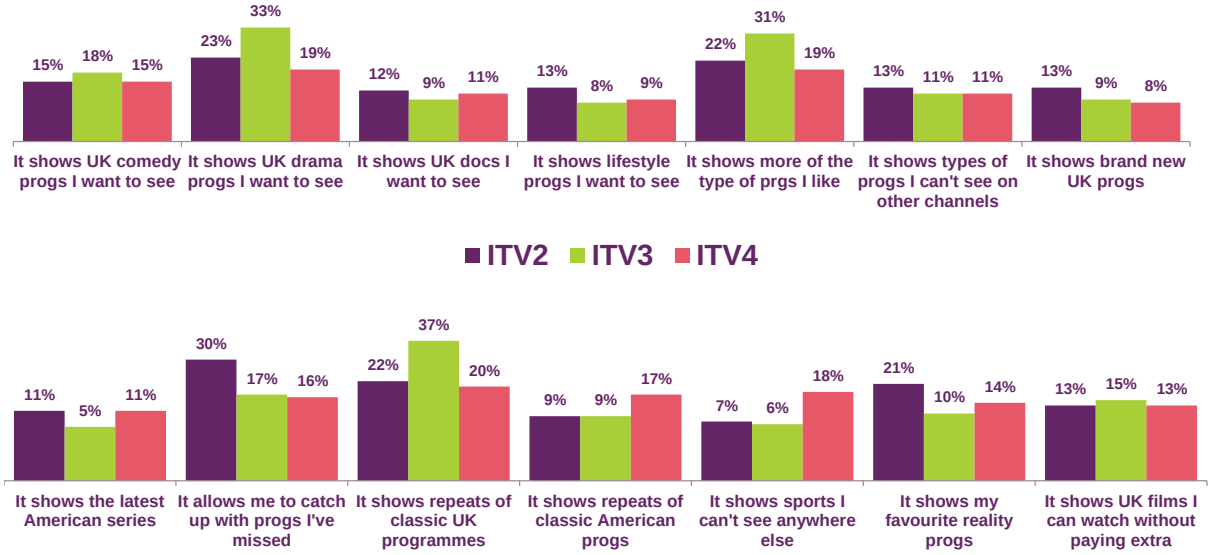
[89] Channel 4 portfolio channels: E4, More4, Film4
[90] ITV portfolio channels: ITV2, ITV3, ITV4
[91] Channel 4 portfolio channels: E4, More4, Film4

Figure 3.50a: Reasons for watching: Channel 4 portfolio channels



Source: Ofcom online PSB portfolio channels research 2014
Q22b: Which of the following are reasons you watch these channels (Choose max 3).
Base: All regular viewers (E4 391; More 4 230; Film 4 330)

Figure 3.50b: Reasons for watching: ITV portfolio channels



Source: Ofcom online PSB portfolio channels research 2014
Q22b: Which of the following are reasons you watch these channels (Choose max 3).
Base: All regular viewers (ITV2 367; ITV3 250; ITV4 160)

Section 4

4 Online media services

In this section we provide a summary of the analysis that considers the extent to which material included in online media services has contributed towards the fulfilment of the public service objectives.

The public service objectives

a) that the relevant television services (taken together) comprise a public service for the dissemination of information and for the provision of education and entertainment;

b) that cultural activity in the United Kingdom, and its diversity, are reflected, supported and stimulated by the representation in those services (taken together) of drama, comedy and music, by the inclusion of feature films in those services and by the treatment of other visual and performing arts;

c) that those services (taken together) provide, to the extent that is appropriate for facilitating civic understanding and fair and well-informed debate on news and current affairs, a comprehensive and authoritative coverage of news and current affairs in, and in the different parts of, the United Kingdom and from around the world;

d) that those services (taken together) satisfy a wide range of different sporting and other leisure interests;

e) that those services (taken together) include what appears to Ofcom to be a suitable quantity and range of programmes on educational matters, of programmes of an educational nature and of other programmes of educative value;

f) that those services (taken together) include what appears to Ofcom to be a suitable quantity and range of programmes dealing with each of the following, science, religion and other beliefs, social issues, matters of international significance or interest and matters of specialist interest;

g) that the programmes included in those services that deal with religion and other beliefs include —

(i) programmes providing news and other information about different religions and other beliefs;

(ii) programmes about the history of different religions and other beliefs; and

(iii) programmes showing acts of worship and other ceremonies and practices (including some showing acts of worship and other ceremonies in their entirety);

h) that those services (taken together) include what appears to Ofcom to be a suitable quantity and range of high quality and original programmes for children and young people;

i) that those services (taken together) include what appears to Ofcom to be a sufficient quantity of programmes that reflect the lives and concerns of different communities and cultural interests and traditions within the United Kingdom, and locally in different parts of the United Kingdom;

j) that those services (taken together), so far as they include programmes made in the United Kingdom, include what appears to Ofcom to be an appropriate range and proportion of programmes made outside the M25 area.

Source: S264(6), Communications Act 2003

The Digital Economy Act 2010 extended Ofcom's remit to "carry out a review of the extent to which material included in media services during that period (taken together over the period as a whole) contributed towards the fulfilment of the public service objectives."[92] This extension applies only to objectives b) to j) as outlined above but where references to the relevant television services are to media services, and references to programmes are to material included in such services.[93]

We define online media services as the sum of:

- **Video-on-demand (VoD) services:** a service is a VoD service if its principal purpose is the provision of video content; access to it is on-demand; there is a person who has editorial responsibility for it; and it is made available by that person for use by members of the public.

- **Other internet services:** services provided by means of the internet where there is a person who exercises editorial control over the material included in the service, and which are not television or radio services or video-on-demand services.

The Act asks Ofcom to consider 'on-demand programme services' and 'other services provided by means of the internet where there is a person who exercises editorial control over the material included in the service'. On-demand programme services are a subset of VoD services as defined above, where the principal purpose is the provision of programmes the form and content of which are comparable to the form and content of programmes normally included in television programme services ('television-like programmes'); the person with editorial responsibility for the service under the jurisdiction of the United Kingdom for the purposes of the Audio-visual Media Services Directive ('the AVMS Directive').[94] Other VoD services would, for the purposes of the Act, be 'other services provided by means of the internet'.

However, for the purposes of analysis, the distinction between on-demand programme services and other VoD services is not intuitive[95], or would exclude new forms of video content which do not strictly adhere to the definition of 'television-like programmes'. We consider it is more appropriate to analyse together services which provide similar content, or are viewed as substitutes within the consumer market. Therefore, for the purposes of analysis below, we make the distinction between VoD services and other internet services as the component parts of online media services.

[92] Section 264A(1) of the Act
[93] Section 264A(3) and 264A(4) of the Act.
[94] On-demand programme service is defined in section 368A of the Act.
[95] For example, subscription video-on-demand (SVoD) service LoveFilm Instant (now Amazon Prime Instant Video) is an ATVOD-notified service falling under the jurisdiction of the UK for the purposes of the AVMS Directive and therefore an 'on-demand programme service'. However, rival SVoD service Netflix is not under UK jurisdiction for the purposes of the AVMS Directive and is therefore not an on-demand programme service.

The data available for analysis of online media services is limited. Furthermore, there is no industry metric by which to measure consumption through VoD services[96].

To mitigate the lack of data for analysis, Ofcom commissioned a study of online media services by research and advisory firm Enders Analysis[97] ('the Enders study') and requested data from the BBC, ITV, C4C and Channel 5 about consumption of their on-demand programme services. The Enders study and on-demand programme service data from the aforementioned broadcasters are summarised in this section alongside data from the Ipsos MORI study for the PSB review[98] and data from other third party research[99]. The complete analysis can be found in Annex 4 of this report.

Availability and output

Overview

Elsewhere in this report we consider output in terms of hours of material broadcast by channels within a finite linear schedule. However, online media services are not broadcast media; instead, material is available to the consumer on demand and is not restricted in volume by a linear schedule. Therefore, in this section of the report we consider the range and volume of material available from online media services, and the availability of online media services as a whole.

However, assessing the material available from all online media services is impractical. Google holds 30 trillion pages of material in its search index[100], while web metrics firm comScore has captured consumption across more than 13,000 internet properties[101]. It is likely that only a small proportion of websites fall within the scope of online media services; nevertheless, an assessment to determine this would still be an unfeasible task, given the volume of material.

In the Enders study an alternative approach was adopted. Enders Analysis created a database of online media services from existing databases of VoD services, the most popular websites captured by web metrics firms comScore and Nielsen, popular apps available for smartphones and tablets, and desk research. This approach has not captured all the online media services available, but it does provide a reasonable indication of the range and number of online media services available in the UK today.

The Enders study also includes case studies on 12 of the online media services in the database. We commissioned these case studies to understand the manner in which online media services have fulfilled the public service objectives, with a focus on understanding

[96] However, attempts by industry to develop a metric are in progress: BARB are progressing with Project Dovetail, while industry online body UKOM and data supplier comScore are progressing a multi-platform Video Metrix product. One of the inputs to the Enders study was comScore Video Metrix.
[97] Published alongside the third PSB Review page on the Ofcom website.
[98] *An investigation into changing audience needs in a connected world.* Published on the Ofcom website alongside the PSB Review consultation documents.
[99] VOD Audit Q4 2013 from Decipher
[100] Google's search index held 30 trillion pages in March 2013 http://venturebeat.com/2013/03/01/how-google-searches-30-trillion-web-pages-100-billion-times-a-month/
[101] ComScore's MMX panel could report on 13,361 internet properties in August 2014. An internet property is the legal entity which owns a website. One legal entity may account for more than one website e.g. the property 'Amazon Sites' is the parent entity of websites imdb.com and amazon.com.

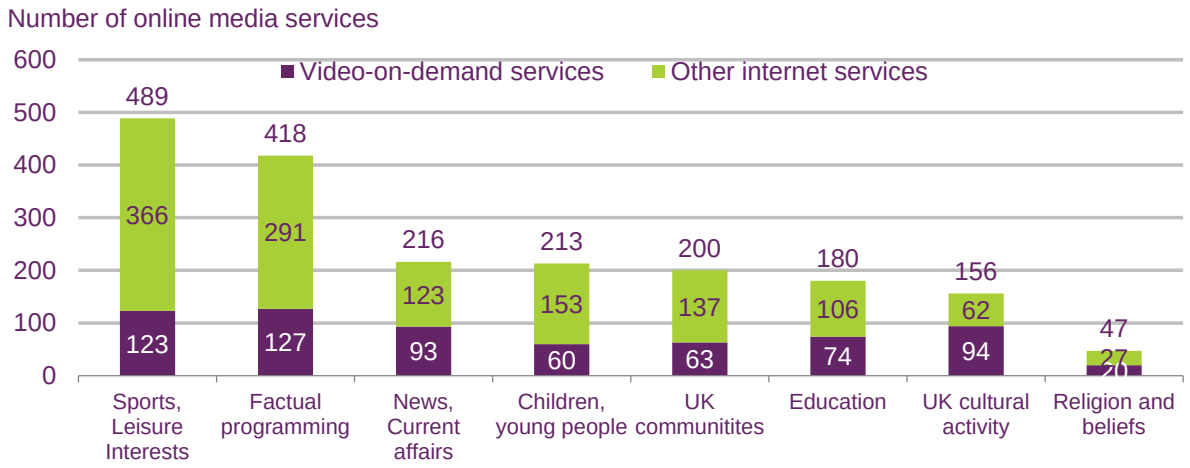
how online media services do this differently to broadcast mediums. We consider these case studies in Section 6 of this report.

Finally, we consider the size and range of material offered by the VoD services assessed by Decipher's VoD audit. This report examines the material available to UK consumers from the VoD services offered by television platforms, including subscription VoD (SVoD) services[102], and transactional VoD (TVoD) services[103].

Online media services

4.1 The Enders study's database captured 888 online media services as of June 2014. The majority of services were 'other internet services' (69%), with the remainder being VoD services (31%). This balance between other internet services and VoD services was the case for all but one of the public service objectives: UK cultural activity[104].

Fig 4.1: Online media services, by public service objective: June 2014



Source: Enders Analysis, September 2014

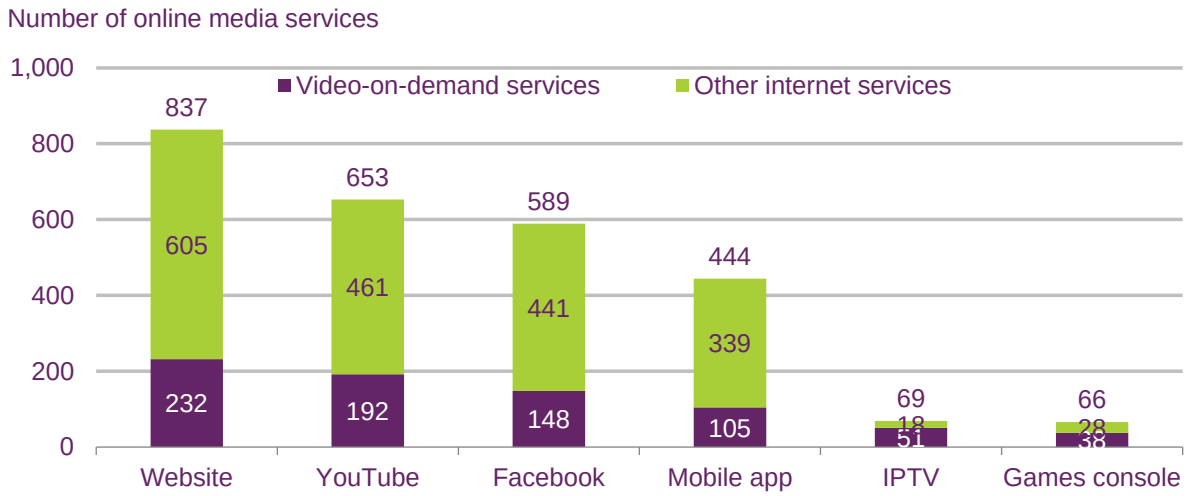
4.2 Most online media services appeared to fulfil more than one public service objective. Six in ten online media services (61%) fulfilled two or more objectives, while only three services covered all eight of the public service objectives considered. These

[102] Subscription VoD (SVoD) services provide access to a library of on-demand content for a fixed, often monthly, fee. The user does not own the content in the library and access to content is limited to the period of subscription. Popular SVoD services include Netflix and Amazon Prime Instant Video.
[103] Transactional VoD (TVoD) services provide on-demand content from on an a la carte basis. Content can be bought and downloaded to a consumer's device; this type of TVoD can be known as download-to-own (DTO) or electronic sell through (EST). Alternatively a piece of content can be rented for a one-off fee, after which the consumer has a limited time (often 48 hours) to watch the content after first initiating playback on their device. This type of TVoD can be known as download-to-rent (DTR).
[104] "that cultural activity in the United Kingdom, and its diversity, are reflected, supported and stimulated by the representation in those services (taken together) of drama, comedy and music, by the inclusion of feature films in those services and by the treatment of other visual and performing arts" (section 264(6)(b) of the Act)

three services were the BBC website (www.bbc.co.uk), the Sky Go VoD service, and the video-sharing platform YouTube[105].

4.3 Online media services are accessible predominantly from websites (94%), although half of online media services (50%) were also accessible from a dedicated mobile app. This is likely to be a reflection of the increasing internet consumption on mobile devices, where an app developed specifically for a mobile operating system can deliver greater usability and functionality than is possible through a mobile browser. In particular, VoD services which use only plugins and software available to PC browsers (e.g. Adobe Flash) will have limited functionality when viewed through a mobile browser.

Fig 4.2: Number of online media services, by platform: June 2014



Source: Enders Analysis, September 2014

4.4 For around half of online media services their principal focus was the delivery of material online. Just over half of online media services (52%) were delivered by internet media companies, with the remainder from more traditional organisations such as off-line media, broadcasters, academia, Government and public institutions. The Enders study defines internet media as "media companies whose main focus is online, although they could have traditional assets as well".

VoD services[106]

4.5 In H2 2013 VoD services were available across a range of consumer devices, including television set-top-boxes, smart TVs, Blu-ray players, games consoles, personal computers, tablets and smartphones. However, availability differs by service, and by device manufacturer and operating system.

4.6 VoD services from the public service broadcasters and over-the-top (OTT) players[107] were the most widely available. VoD services from television platform players were

[105] This platform has been considered in the provision of online media service content. However, YouTube channels which use the use the YouTube platform were also assessed independently of YouTube itself.
[106] This section is based on various pieces of consumer research. Further detail is to be found in Annex 4.
[107] Over-the-top (OTT) services are those provided using the internet separately from services provided by a consumer's internet service provider (ISP). VoD services which are not over-the-top

less widely available and tended not to be available on television connected devices other than a proprietary set-top-box e.g. games console, smart TV or Blu-ray player.

Fig 4.3: Availability of VoD services by device: H2 2013

Device		VOD Service																							
		BBC iPlayer	ITV Player	4oD	Demand 5	Film4	Sky On Demand	Sky Go/ Sky Go Extra	Sky Store	NowTV	Virgin TV On Demand	Virgin TV Anywhere	BT Playwer	TalkTalk Player	iTunes	Google Play	BlackBerry World	Netflix	LoveFilm	Blink Box	Wuaki.tv	Sainsbury's Entertainment	Xbox Video	Sony Entertainment Network	Video Unlimited
Set top box		✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	✗	✓	✓	✓	✗	✗	✓	✓	✓	✗	✗	✗	✗	✗
Smart TV (apps only)		✓	✓	✓	✓	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓	✗	✗	✗	✓
Blu ray player		✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✗	✗	✗	✗	✓
Game console	Xbox 360	✓	✗	✓	✓	✗	✗	✓	✗	✓	✗	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓	✗	✗
	PS3	✓	✓	✓	✓	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗	✗	✓
PC		✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Tablet /smart phone	Android	✓	✓	✓	✓	✗	✗	✓	✗	✓	✗	✓	✗	✗	✗	✓	✗	✓	✓	✓	✓	✗	✗	✗	✓
	iOS	✓	✓	✓	✓	✗	✗	✓	✗	✓	✗	✓	✗	✗	✓	✗	✗	✓	✓	T	✓	✓	✗	✗	✗

Source: Ofcom
Note: Green indicates availability of service on device, red indicates a service is unavailable. T indicates the service is available only on tablets.

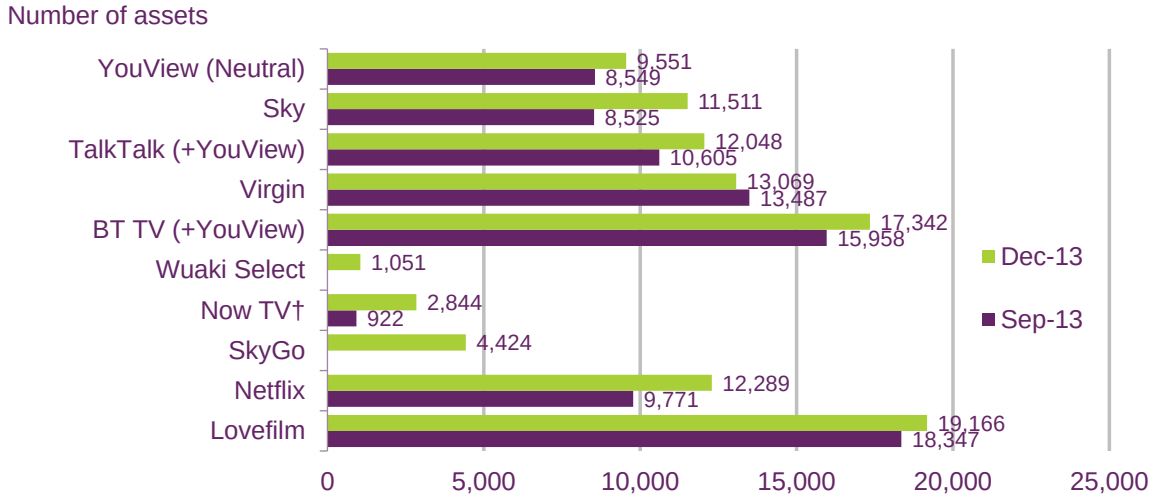
4.7 The volume of material available on VoD services is inconsistent across the different types of VoD service. On average, TVoD services had the greatest range of content with 20,741 assets[108] in December 2013, followed by television platform operators (12,704) and then SVoD services (7,955)[109].

4.8 However, even within a particular type of VoD service the volume of content available can vary considerably. The volume of assets varied greatly among SVoD services: the service with the smallest collection of material was Wuaki Select (1,051 assets) while the service with the largest collection was LoveFilm (19,166 assets). The variance among TV platform operators was smaller but still significant, with

services are often managed services provided by the ISP and may benefit from a protected bandwidth allocation to prevent buffering or similar sub-optimal viewing experiences.
[108] A VoD asset is defined by Decipher as "all content appearing in the on-demand areas of the covered platforms – this includes catch-up content, box sets (entertainment shows, news and documentaries), movies, sports shows, kids shows, and music". Different episodes of the same series of programming count as distinct assets.
[109] Decipher VoD audit, Q4 2013

collections varying between 9,551 assets (neutral YouView[110]) and 17,342 (BT TV with YouView)[111].

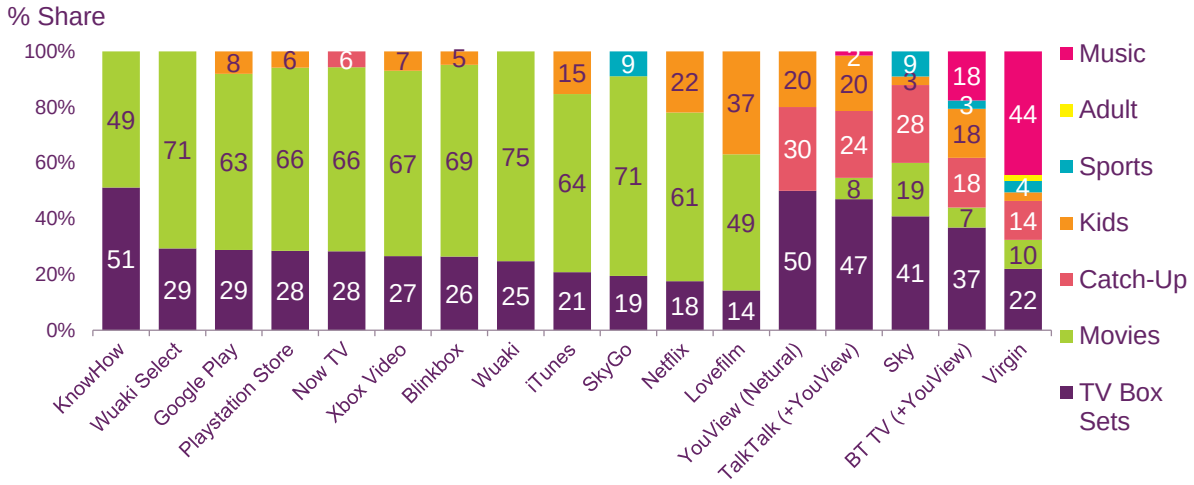
Fig 4.4: SVoD and television platform VoD services: total asset comparison



Source: Decipher VoD audit, Q4 2013

4.9 The range of material offered by TV platform operator for VoD services varied more than that provided by TVoD and SVoD services. The range of content among TVoD and SVoD services was predominantly limited to libraries of television shows[112], children's content and films. However, VoD services from TV platform operators were more likely to offer catch-up television, music, and sports material.[113]

Fig 4.5: Genre shares, by VoD service



Source: Decipher VoD audit, Q4 2013

[110]The YouView set-top boxes (STBs) can be bought as part of a BT TV or TalkTalk TV subscription. These STBs have access to additional content not provided on 'neutral YouView boxes' purchased from an electronics retailer outside of a service subscription.
[111] Decipher VoD audit, Q4 2013
[112] Described by Decipher as TV box sets.
[113] Decipher VoD audit, Q4 2013

4.10 Of the broad genres used by Decipher's VoD audit[114], we consider the provision of children's content by VoD service in Section 6 of this report.

Take-up and consumption

Introduction/overview

4.11 In this section of the chapter we consider the take-up and reach of online media services, and the quantity of material consumed through them.

4.12 Broadcast media metrics are either unsuitable or unavailable for measuring the consumption of online media services. Broadcast media measures consumption in terms of time spent listening to or watching a programme or service. However, in the absence of an industry measure these duration-based metrics are not available for VoD services. In the case of other internet services, the media consumed are commonly not audio or video, so a duration-based metric needs to consider the length of time using a service rather than the duration of the content consumed.

4.13 Instead, we consider the consumption of VoD services in terms of programme requests. A VoD programme request is counted each time a user initiates a stream or download of a programme through a VoD service. If the user stops the stream or download and starts again this is counted as another request. Programme request data are at an aggregate level and provide an indication of how consumption is growing over time, and how it varies between different genres.

4.14 We consider the consumption of other internet services in terms of time spent using a service. The Enders study used the 'time spent' measure calculated by comScore. This measure calculates time spent by measuring the time between web page requests, subject to certain time limits (which vary by content type), while a comScore panel member accesses the internet. 'Time spent' therefore excludes certain internet activities that do not involve web page browsing; these include time spent watching online video and listening to streamed music, and, for mobile audiences, any traffic over a home or public WiFi connection.

4.15 In this section we draw upon consumer research[115], the Enders study and data provided by public service broadcasters. Consumer research provides us with take-up of online media services, as well as frequency of use. Public service broadcasters have provided the total number of programme requests for their on-demand programme services, and where available, requests by genre.

The internet

4.16 The way consumers access and consume material on the internet has expanded and diversified since the last PSB Review.

- More people than ever can access the internet. More than eight in ten adults (82%) have access to the internet, up from 64% in 2007.

[114] Decipher's VoD audit uses genres as they appear to the consumer when navigating content on the service.
[115] We draw across an array of consumer research, all of which are referenced in the charts in Annex 4.

- Internet access is mobile. Almost six in ten (57%) adults access the internet from their mobile handset, up from one in five (20%) in 2009.

- The number of devices from which consumers can access the internet has proliferated. In 2014 the average UK household had three different types of internet-enabled device.

- Internet users are accessing the internet more frequently than ever before. Nine in ten internet users (89%) access the internet daily/almost daily, up from seven in ten (69%) in 2007.

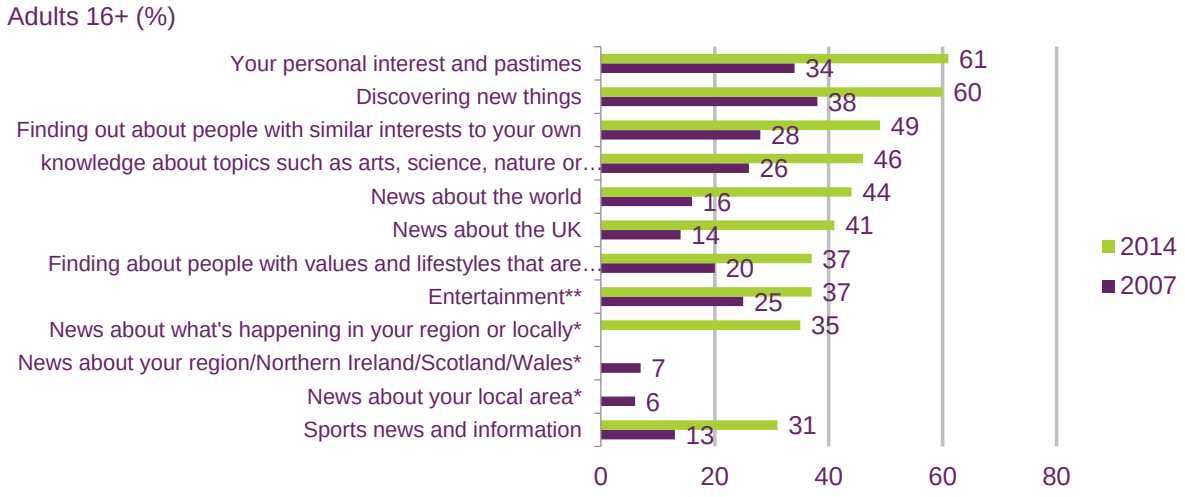
4.17 The proliferation of internet-enabled devices since the last PSB Review is reflected in the research in the Enders study. This states that there are now more internet users on smartphones than on personal computers. The number of smartphone internet users grew from 8.4 million in 2008 to 40.7 million in 2013, while PC internet users peaked in 2012 at 40.7 million before declining to 37.9 million in 2013. Furthermore, there were 18.9 million tablet internet users in 2013, up from 2 million in 2010.

4.18 The shift between devices is likely to be less a *substitution* of consumption; more likely *adding to* consumption. The time spent by all UK internet users on personal computers has grown slowly since 2010; from 10.8 billion hours to 11.9 billion in 2013. In the same period, the time spent on smartphone and tablet devices has grown from 2.1 billion to 10.7 billion hours. It is likely that the convenience of having portable, handheld, and always-on internet devices has led smartphone and tablet owners to access the internet at times and places they would have never done before.

4.19 Increased internet take-up and consumption has been mirrored in the popularity of the internet as a source for different types of content. In 2014, the internet was a more popular source than in 2007 for all the types of content asked about in our consumer research. In 2014, content about 'your personal interests and pastimes' was the most popular content sourced from the internet (61%).

4.20 Of the types of content in Figure 4.6, the popularity of the internet as a source for all types of news increased the most between 2007 and 2014.The proportion of the adult population who claim to use the internet for "*news about what's happening in your region or locally"* and "*news about the world"* was up 28 percentage points, while "*news about the UK"* was up 27 percentage points. The smallest increase over the period was in claiming the internet as a source of entertainment, up 12 percentage points to 37%.

Fig 4.6: Types of content for which the internet is a source: 2007 and 2014



Source: Ofcom consumer research
PSB review 2007 Q12 And which of these different media would you say is a source for… ; PSB Review 2014 CPP1a . Which of these different types of media available to you would you say you ever use as a source for...
**Questions merged from 2007 in 2014. **In 2014 asked as "relaxing and entertainment".*

Online media services

4.21 The Enders study has analysed data provided by comScore that examines the audience size of a particular service and set of services, as well as the time spent using that service. Services are grouped by public service objective, as defined in the database constructed for the market mapping exercise described above. Enders' summary of the public service objectives appears below. The Enders study examined online media services fulfilling each of the public service objectives and found the un-duplicated unique audience across these services as a whole

Enders Analysis' summary of the public service objectives

PSO1 - Cultural activity: includes UK originated or financed drama or comedy content, or in the case of music or visual or performing arts content, UK artists or events.

PSO2 – News and current affairs: includes news and/or current affairs content

PSO3 – Sports and leisure: provides sports and/or leisure interests content.

PSO4 – Education: features educational or teaching material

PSO5 – Factual programming: offers factual content, e.g. documentaries

PSO6 – Religion: offers religious content or content related to beliefs

PSO7 – Children's and young people's programming: provides original content for children or young people

PSO8 – Community and regional: provides content for specific communities (UK or non-UK) or regions (UK only)

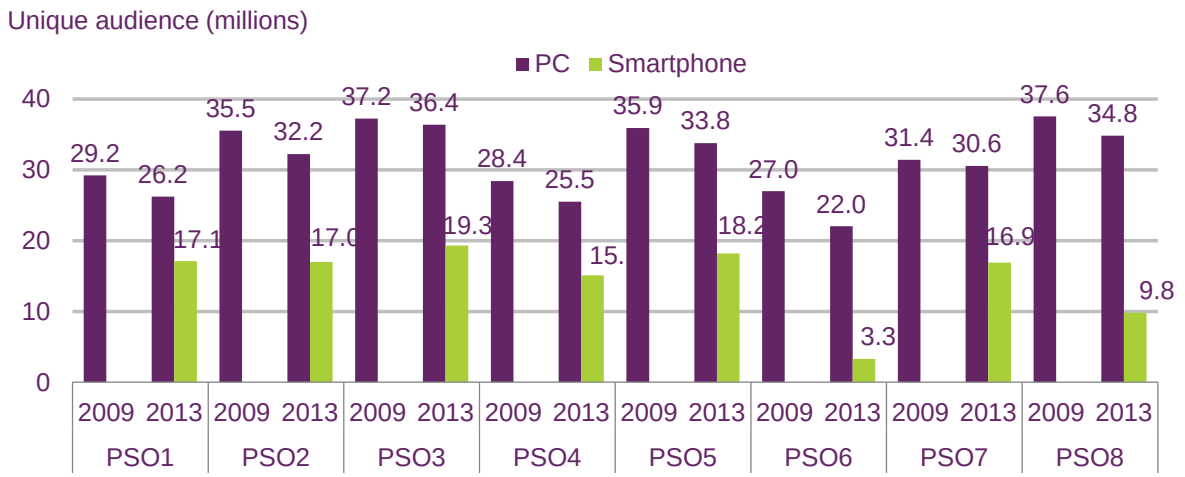
Source*: How online media services have fulfilled the Public Service Objectives*, Enders Analysis, September 2014

4.22 In 2013 the public service objective (PSO) with the largest unique audiences from both PC and smartphone internet users was PSO3 (sports and leisure interests), and the one with the smallest unique audiences was PSO6 (religion and beliefs).

4.23 The unique audience visiting online media services fell for those using a personal computer between 2009 and 2013. The largest decline (5 million) was in the unique audience of websites fulfilling PSO6 (religion and beliefs) while the smallest decline was in the unique audience of websites fulfilling PSO7 (children and young people) (0.8 million).

4.24 Considering the information on internet consumption highlighted above, it is likely that some consumption on a PC has been substituted by mobile internet use via a smartphone. Across the PSOs smartphone audiences were between 50% and 55% of the size of PC audiences in 2013. However, for PSO1 (UK cultural activity) and PSO4 (education), smartphone audiences were proportionally higher (65% and 59% respectively). For PSO6 (religion and beliefs) and PSO8 (UK communities) smartphone audiences were proportionally smaller (15% and 28% respectively).

Fig 4.7: Internet audience accessing online media fulfilling each PSO, by device



Source: Enders Analysis, comScore

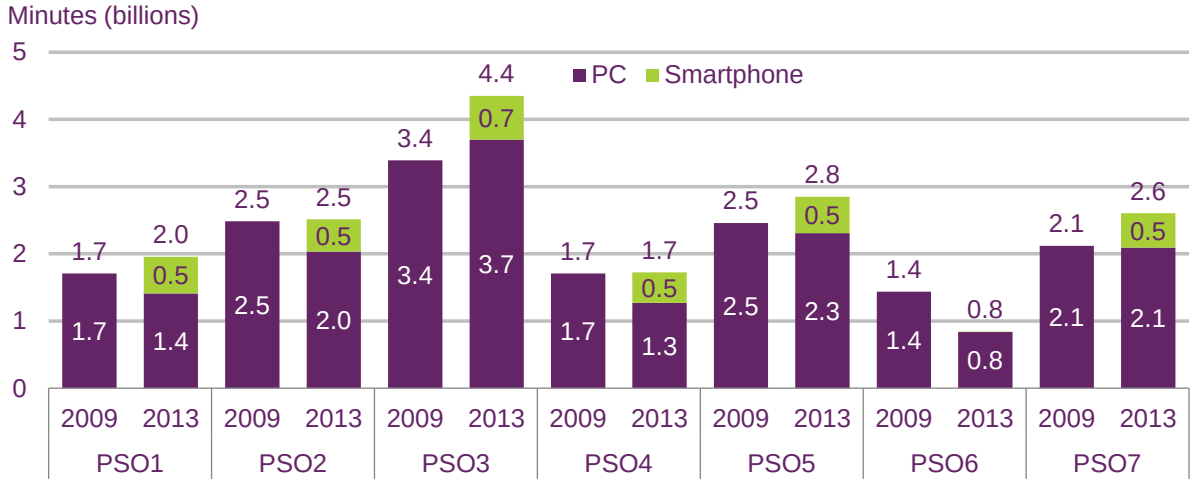
4.25 The Enders study also examined the time spent by PC and smartphone internet users visiting online media services fulfilling each of the PSOs. In 2013, aggregate use of online media services fulfilling sports and leisure interests (PSO3) was the greatest, at 4.4 billion minutes, while use of online media services for religion and beliefs (PSO6) was the smallest (0.8 billion minutes).

4.26 Between 2009 and 2013, the trend in aggregate time spent by internet users on online media services was mixed across the PSOs. The cumulative minutes spent by PC and smartphone visitors increased across four of the PSOs: those fulfilling UK cultural activities (PSO1), sports and leisure interests (PSO3), children and young people (PSO7), and UK communities (PSO8). Time spent on online media services fulfilling PSOs on news and current affairs (PSO2), and education (PSO4) remained broadly level, with smartphone consumption making up for a decline in PC time. However, time spent on online media services fulfilling PSO6, religion and beliefs, declined by almost half during the period.

4.27 It should be noted that in considering the analysis of audiences and consumption over time in the Enders study, due to practical difficulties this analysis does not take into account online media services that may have existed in 2009 but which did not

exist in 2013, neither did it adjust for the fact that some online media services that existed in 2013 may not have existed in 2009. Furthermore, data on smartphone audiences and time spent was unavailable for 2009.

Fig 4.8: Aggregate use of online media services on PC and smartphone, by PSO



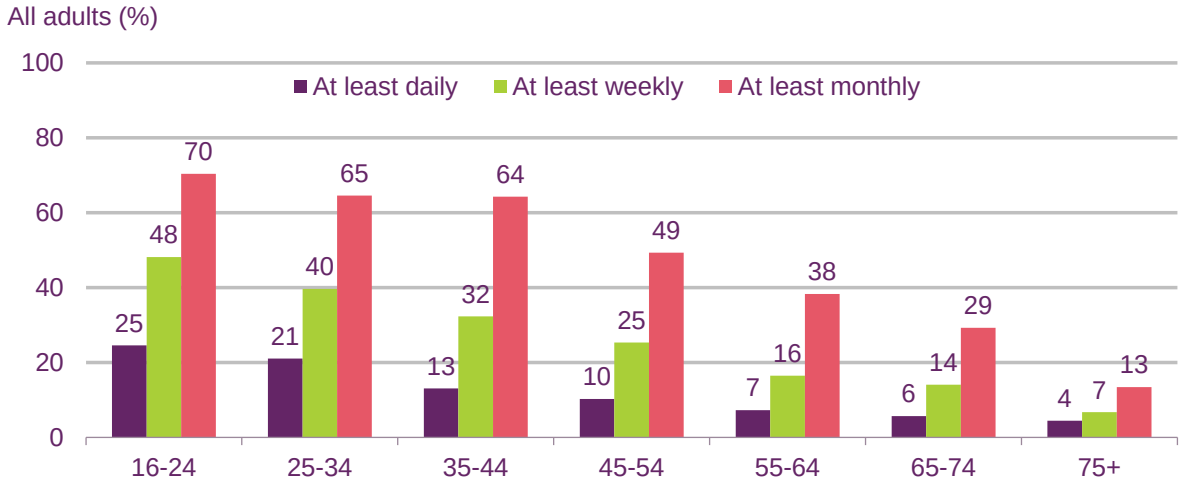
Source: Enders Analysis, comScore
Note: Smartphone data unavailable for 2009. PSO8 increased substantially but excluded from this chart due to its scale.

VoD services

4.28 The majority of UK adults have used a VoD service to watch TV or film content, with six in ten adults (61%) claiming to have used such a service in 2014. Take-up of VoD services was highest among the youngest age group studied; 16-24 year olds (80%), and declined with age, with take-up lowest among those aged 75 and over (19%).

4.29 Fourteen per cent of adults claimed to use VoD services at least daily, 29% at least weekly, and 51% at least monthly. Ten per cent of adults used VoD services less frequently than once a month. A majority of those aged 16-44 used VoD services at least monthly, while younger age groups were more likely to use VoD services frequently. A quarter of those aged 16-24 used VoD services at least daily, compared to 10% of those aged 45-54 and 4% of those aged 75+.

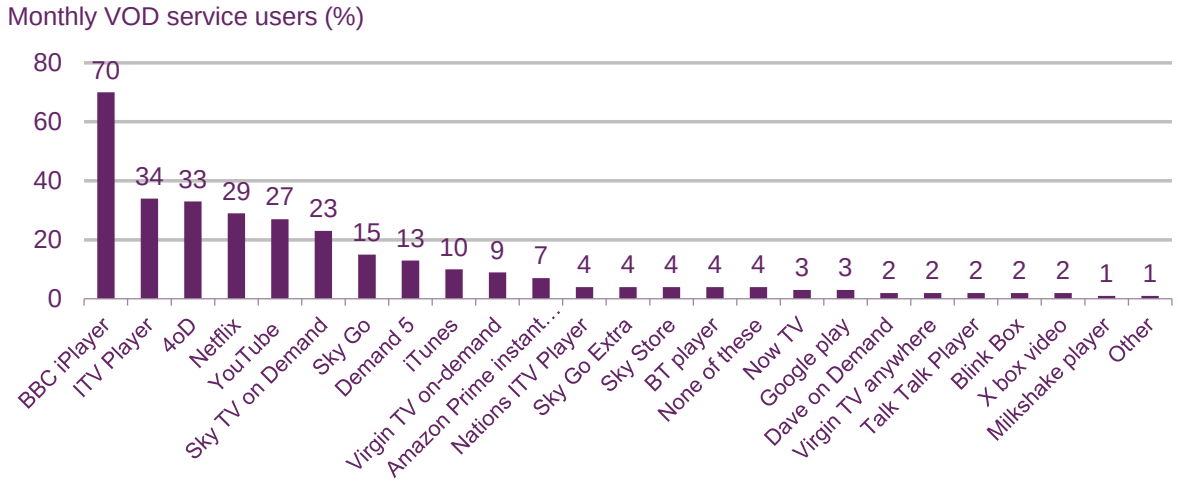
Fig 4.9: Frequency of VoD service use, by age



Source: The Ipsos MORI study, August 2014
Base: All adults 16+ n=2026. 16-24 n=267; 25-34 n=309; 35-44 n=310; 45-54 n=373; 55-64 n=286; 65-74 n=278; 75+ n=202.
TO12 How often, if at all, do you watch television programmes or films online or through an 'on demand service'?

4.30 The public service broadcasters' VoD services ('PSB VoD services') are BBC iPlayer, ITV Player, 4oD, and Demand 5. They are the most popular services among VoD users. BBC iPlayer was the most popular VoD service among monthly users, with 70% having used the service at least once a month. ITV Player (34%) and 4oD (33%) were the next most popular VoD services, followed by SVoD service Netflix (29%). Sky TV on Demand (23%) was the most popular service in the multichannel sector.

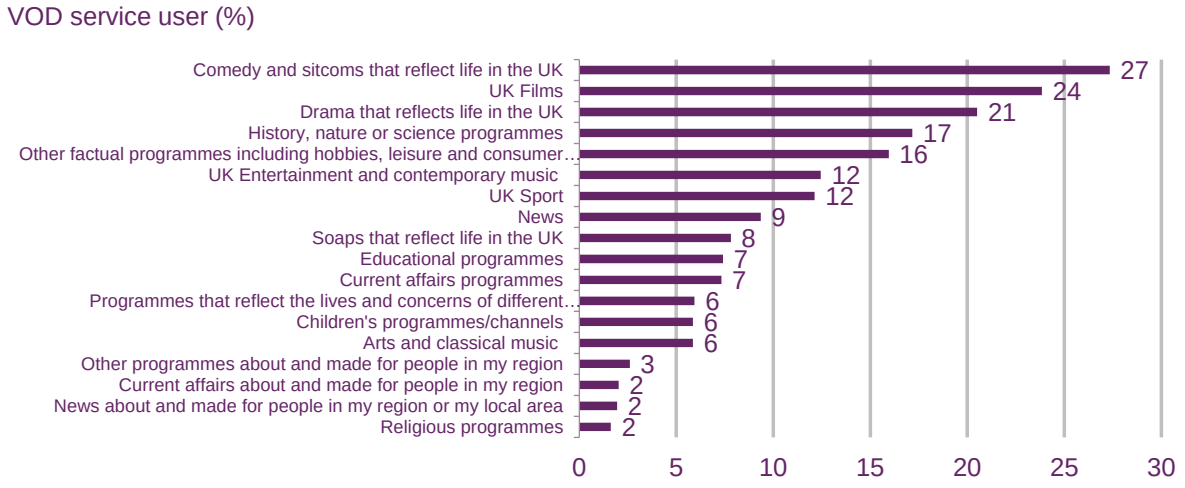
Fig 4.10: VoD service used at least monthly



Source: Ofcom quantitative research 2014
Base: Adults 16+ who use online/on-demand TV and film services at least once a month n = 1017
TO14 Which, if any, of the following services do you use to watch television programmes or films online or on demand? Please tell me which services you use at least once a month or more often?

4.31 VoD users were most likely to say they used VoD services to watch UK comedy (27%), UK films (24%) and UK drama (21%) at least once a month. The genres least likely to be watched using VoD services were religious programming and local news and current affairs (2%).

Fig 4.11: Use of any VoD service at least monthly, by genre



Source: PSB 2014 quantitative research
Base: All VoD users 16+ as per Q. TO12 n=1229
CCP2b Which channels or media services do you use to watch this type of programme at least once a month or more often?

4.32 Programme consumption using the PSB VoD services has grown steadily since 2008, averaging approximately half a billion extra programme requests each year. In 2013 there were 3,049 million requests for on-demand programmes across BBC iPlayer, ITV Player, 4oD, Demand 5 and the broadcaster equivalent services[116] on Sky, BT and Virgin set-top boxes.

Fig 4.12: BBC iPlayer, ITV Player, 4oD and Demand 5 programme requests: 2008-2013

Source: Broadcaster data
Note: on-demand programmes only, no simulcast data are included. Offline downloads are counted as one request. (These services are only available to UK consumers; users from non-UK IPs are unable to access the content. However it is possible non-UK users are accessing these services through other means).

4.33 Drama, entertainment and comedy, factual and children's programming were the most popular genres of content watched on PSB VoD services. These four genres of

[116] Catch-up services on set-top boxes which show BBC, ITV, C4 and C5 content however they are not branded BBC iPlayer or ITV Player etc.

programming made up nine in ten programme requests (91.5%) in 2013, and have made up a similar proportion of requests over the years for which data are available.

Fig 4.13: PSB VoD service programme requests, by genre: 2011-2013

Genre	2011		2012				2013			
	Requests	Genre share	Requests	YoY Growth	Genre share	Change in share	Requests	YoY Growth	Genre share	Change in share
Drama	685,503,179	31.0%	739,236,549	7.8%	29.1%	-1.9%	896,636,569	21.3%	29.4%	+0.3%
Entertainment and comedy	593,773,413	26.8%	715,160,109	20.4%	28.1%	+1.3%	773,402,942	8.1%	25.4%	-2.8%
Factual	456,621,913	20.6%	476,667,273	4.4%	18.8%	-1.9%	584,354,879	22.6%	19.2%	+0.4%
Children's	280,289,260	12.7%	381,912,331	36.3%	15.0%	+2.4%	534,951,291	40.1%	17.5%	+2.5%
Films	46,889,221	2.1%	59,637,454	27.2%	2.3%	+0.2%	66,563,210	11.6%	2.2%	-0.2%
Sport	40,016,083	1.8%	58,698,044	46.7%	2.3%	+0.5%	56,204,332	-4.2%	1.8%	-0.5%
Current affairs	46,343,238	2.1%	51,661,339	11.5%	2.0%	-0.1%	50,140,603	-2.9%	1.6%	-0.4%
Arts and classical music	21,922,094	1.0%	24,519,270	11.8%	1.0%	-	33,308,885	35.8%	1.1%	+0.1%
Education	12,121,425	0.5%	13,577,514	12.0%	0.5%	-	25,285,581	86.2%	0.8%	+0.3%
News	10,022,536	0.5%	12,509,886	24.8%	0.5%	-	15,180,808	21.4%	0.5%	-
Religious	6,097,652	0.3%	5,250,956	-13.9%	0.2%	-0.1%	8,460,834	61.1%	0.3%	+0.1%
Other	13,361,841	0.6%	2,046,576	-84.7%	0.1%	-0.5%	4,976,063	143.1%	0.2%	+0.1%
Total	2,212,961,855		2,540,877,301	14.8%			3,049,465,997	20.0%		

Source: Broadcaster data
Note: on-demand programmes only, no simulcast data are included. Each offline download is counted as one request.

4.34 Drama programmes were the most-consumed genre of programming, making up 29.4% of requests in 2013, and growing 21.3% year on year, faster than programme requests as a whole (20%). Religious programming was the least-consumed genre of programming, making up just 0.3% of requests but growing three times as fast (61.1%) year on year than requests as a whole.

4.35 We consider programme requests by genre more closely in Section 6 of this report.

Consumer attitudes and opinions

Attitudes towards the internet

4.36 In the Ipsos MORI study questions were repeated from consumer research used for the 2008 PSB Review. Some of these were a series of attitudinal questions about the internet, to examine how attitudes had changed over this time.

4.37 In 2014 more consumers than in 2007 believed that the internet is very influential.

- The biggest change in attitudes between 2007 and 2014 is in the proportion of people agreeing with the statement: *the internet is very influential in shaping public opinion about political and other important issues.* In 2014, three-quarters (75%) of internet users agreed with that statement, up from just over half (52%) of internet users in 2007. Furthermore, those agreeing strongly increased from one in ten (10%) internet users to more than one in five (23%).

- In 2014, 63% of internet users agreed that "*websites sometimes change the way I think about things*", a significant increase since 2007 (52%).

4.38 At the same time, more people thought the internet should be put to work on important issues.

- In 2014, four in five (80%) internet users agreed that *as well as entertaining and informing people, the internet has an important social role to play.* This was a significant increase since 2007 (75%) driven entirely by an increase in those who agreed strongly (17% to 22%).

- In 2014, three-quarters (77%) of internet users agreed that "*the internet should help promote understanding and tolerance of different religions, cultures and lifestyles"*. This was a significant increase in agreement since 2007 (62%), and also a significant increase in those who agreed strongly (14% to 26%).

- In 2014, 85% of internet users agreed that "*the internet has an important social role to play in making people interested in different subjects like the arts, nature, science and history"*. This was a 13 percentage point significant increase since 2007 (72%).

4.39 Between 2007 and 2014 there were also small increases in the already high attitudes to the utility of the internet:

- Marginally more people agreed that they had "*personally learned useful things from the internet"* in 2014 than 2007, up from 90% to 94%.

- In 2014, almost all internet users (97%) agreed that the internet is a valuable source of information and learning, up from 92% in 2007. However, the proportion of those agreeing, and agreeing strongly, remained broadly similar.

4.40 Other shifts in attitudes included:

- In 2014, 86% of internet users agreed that "*it is important that the internet is available to everyone"*. This is a significant increase from 72% in 2007.

- In 2014, 86% of internet users agreed that "*the internet is a valuable source of information and entertainment for children and teenagers"*. This is a significant increase from 81% in 2007. This was significantly greater than the (76%) of internet users in 2014 who agreed that "*the internet has an important role to play in helping children and teenagers understand life in the UK"* (up from 66% in 2007). Furthermore, internet users in 2014 were significantly more likely to agree strongly with the former than with the latter statement.

4.41 Attitudes that had changed less since 2007 included:

- In 2014, two-thirds (67%) of internet users disagreed that "*the internet's main role should be to provide entertainment rather than information or education"*. This was not significantly changed since 2007 (65%), but the decline in those agreeing with the statement (from 15% to 11%) was significant.

- In 2014, a quarter of internet users (25%) agreed that "*with so many websites on the internet, it's hard to find what I want"*, slightly fewer than in 2007 (29%), although the proportion of internet users disagreeing remaining broadly the same.

The importance of the internet

4.42 Given a choice of media, around half of adults claimed that the internet was their most important source for "*discovering new things"* (51%) and their "*personal interest and pastimes"* (49%).

a) A fifth of respondents (21%) claimed it was very important that VoD services were provided; another third (35%) claimed it was quite important. A similar proportion of consumers felt it was very important (19%) and quite important (35%) that these services were widely available on devices other than the TV.

b) Other internet services were also deemed to be important: websites from broadcasters were felt to be important by a majority of UK adults (55%) in contrast to a minority (23%) who felt it was unimportant.

Attitudes towards platforms

4.43 A significant minority of consumers prefer VoD services to broadcast audio-visual content. Respondents to our consumer research were asked to choose between two scenarios:

- "Only on-demand services[117] where you choose from a library of programmes that can be watched when you want".
- "Only scheduled television, where you choose between programmes shown at any one time across a range of TV channels".

4.44 Around half of respondents (49%) chose the linear world, while 38% of respondents chose to have only VoD services.

4.45 However, this attitude was not consistent across genres of content. A much smaller minority of respondents (26%) would prefer to see news content available only online on websites and apps, while the majority of adults (56%) would prefer to see news content available only on scheduled television.

[117] The term 'on demand' rather than VoD was used in the consumer research.

Section 5

5 Radio

Although radio stations in the UK generally do not have specific obligations in relation to the provision of public service content in the same way as PSB television channels, the UK radio sector as a whole makes an important and distinctive contribution to the delivery of the public service objectives, with BBC services at the centre of provision.[118] In particular, radio makes a significant contribution in the areas of music provision and news and information, both local and national, as well as providing some targeted provision for minority and niche audiences.

Figure 5.1 provides a snapshot of the contribution towards the fulfilment of the public service objectives typically made by each radio sector. It shows that all sectors contribute towards the majority of objectives, with the exception of comedy, drama, and education, which are provided only by the BBC and one other sector, and science, which is offered only by the BBC.

Figure 5.1: Overview of contribution to the public service objectives by UK radio, by sector

	BBC Radio	Commercial Radio	Community Radio
UK news	✓	✓	✓
UK current affairs	✓	✓	✓
UK music	✓	✓	✓
UK nations and regions news	✓	✓	✓
Sports	✓	✓	✓
Matters of specialist interest	✓	✓	✓
Programmes of educative value	✓	✓	✓
Programmes that reflect the lives and concerns of different communities and cultural interests and traditions	✓	✓	✓
Programmes made outside M25	✓	✓	✓
Programmes for young people	✓	✓	✓
Programmes for children	✓	✓	✓
UK visual and performing arts	✓	✓	✓
Social issues	✓	✓	✓
Matters of international significance	✓	✓	✓
Religion and other beliefs	✓	✓	✓
Religious and other beliefs – news, history, acts of worship	✓	✓	✓
UK comedy	✓	✓	×
UK drama	✓	×	✓
Programmes of educational nature	✓	×	✓
Leisure activities	✓	×	×
Science	✓	×	×
UK feature films	n/a	n/a	n/a

Source: Ofcom analysis

In terms of the range of genres covered, the BBC is at the heart of provision, as can be seen in Figure 6.1, and accounts for the majority of hours of listening to radio, both overall and nationally (54.6% and 42.8% respectively in 2013).

[118] Ofcom is considering this contribution as part of its review of 'wider media services' as introduced by the Digital Economy Act 2010.

However, commercial services make an important and often complementary contribution, particularly at a local level; in 2013 local commercial services accounted for over three-quarters (77.9%) of listening, as opposed to 22.1% for BBC local/regional services.

The commercial sector also attracts a different audience mix. One-fifth of commercial radio listeners are aged 15-24, compared to 14% of listeners to BBC network stations and 7% of BBC local and nations' services.

The 200+ community radio stations make a varied contribution, covering a wide range of the public service objectives, frequently allowing communities to participate in the creation of such content, although necessarily at a smaller scale than the BBC or the commercial sector.

This section provides a more detailed summary of this analysis and considers UK licensed radio stations only. The complete analysis can be found in Annex 5.

Radio spend and output

The UK radio sector has seen a significant increase of radio stations on both digital and analogue platforms since 2008, most notably a 41% increase in the number of analogue stations (397 to 560). This has largely been driven by the launch of community radio stations.

The proliferation of digital radio services has also provided more choice for listeners, particularly at a local level, with the continuing launch of local DAB multiplexes since 2008. There are now 184 licensed local commercial DAB radio services broadcasting in the UK, 50 are DAB-only services; there are a further 14 UK-wide commercial DAB services (three being simulcasts of the three UK-wide commercial radio analogue services). The BBC also broadcasts a range of local and national services on DAB, combining simulcasts of its national analogue services (such as Radio 4) and DAB-only services (such as BBC 6 Music).[119]

Output and range of content

5.1 The most significant contribution the UK radio sector as a whole makes is towards music provision, with the majority of services comprising some form of music output, alongside elements of speech. Particularly at a local level, the sector also contributes to local news and information provision, with most local analogue services and their digital simulcasts providing some form of local news provision. The proliferation of analogue and digital services has also allowed the development of niche services for specific communities, such as religious communities, although due to the targeted nature of these services this is less consistently delivered across the sector.

5.2 In terms of the range and amount of content provided by UK radio services, the BBC is at the heart of provision, broadcasting programming that contributes to the widest range of public service objectives, as well as accounting for the bulk of listening hours (54.6%).

5.3 Across the BBC's radio services, programming contributes towards all of the public service objectives, apart from UK feature films; no other radio broadcaster does so

[119] For a more detailed breakdown of UK radio provision, please see Ofcom's Communications Market Report 2014 and Annex 5 of this report.

(see Figure 6.1 above). In large part, this is because BBC services have obligations to deliver against the public purposes of the BBC Charter.[120]

5.4 Figure 5.2 shows how the broadcast hours for these services vary by genre and how they have changed since 2008. There have been notable increases in the hours of sports, drama and factual content broadcast (+ 26%, +18% and +10% respectively between 2008/09 and 2013/14). Across the same period, there has been a decrease of 45% in the hours of religious output across these services, as well as decreases in current affairs (-16%) and schools/education content (-13%).

Figure 5.2: BBC UK-wide radio broadcast hours, by genre

	2008/09	2013/14	Hrs change 08/09 v 13/14	% Hrs change
Music & Arts	41,431	41,866	435	1%
News and weather	12,304	11,617	-687	-6%
Entertainment	7,597	7,654	57	1%
Sport	4,095	5,144	1,049	26%
Drama	4,471	4,932	461	10%
Factual	2,107	2,481	374	18%
Current affairs	2,093	1,759	-334	-16%
Religion	1,118	611	-507	-45%
School/Education	128	112	-16	-13%

Source: BBC Annual Report & Accounts 2009/10 (updated figures for 2008/09); 2013/14

5.5 Each BBC radio station has specific obligations relating to the type and amount of content to be broadcast; these are imposed by the BBC Trust through a service licence. A sample of the types of obligations that stations are required to meet gives an indication of how these services contribute to delivery of the public service objectives, for example:

- BBC Radio 1 must broadcast a minimum of 40 documentaries each year. In 2008/09 and in 2013/14 it broadcast 43.
- BBC Radio 2 must broadcast 170 hours of religious output; in 2013/14 it broadcast 209, up from 188 in 2008/09.
- BBC Radio 3 must have a minimum 40% of relevant spend incurred outside the M25; in 2013/14 this was 43%.
- BBC Radio 4 must broadcast a minimum of 600 hours of original drama and readings; in 2013/14 this was 602, down from 661 in 2008/09.
- BBC Radio 5 live's output must be c.75% news; in 2013/14 this was 77%, up from 73% in 2008/09.

[120] The Royal Charter defines the main object of the BBC as the promotion of six public purposes which are outlined here:
http://www.bbc.co.uk/bbctrust/governance/tools_we_use/public_purposes.html

5.6 A full summary of each service's compliance with its obligations, including those of BBC local radio in England and the radio services for the devolved nations, can be found in Annex 5. This indicates that in 2013/14 the BBC services successfully delivered against each commitment, and in many cases over-delivered on their commitments.

5.7 Commercial radio stations do not have any specific broadcast requirements such as those outlined above for the BBC, nor are they required to provide detailed information on hours of different genres broadcast, so it is more difficult to quantify their contribution to delivery of the public service objectives.

5.8 However, each licensed station must adhere to a particular character of service in order to fulfil its licence obligations, which helps to give an overview of the range of content provided by commercial services.

5.9 The 14 UK-wide commercial stations (national analogue and those available on the national digital radio multiplex) together provide a broad range of content, alongside regular news updates:

- Sports-related speech programming
- News-based speech programming
- Classical/light classical music
- Rock music
- Specialist rock music
- Contemporary dance music
- Speech and music station for the Christian faith
- Music from the 80s
- Music from the 90s
- Melodic music from the past five decades
- Contemporary Christian music and interviews
- A station for the British Forces, with music, personal messages, hourly news updates and Forces features.

5.10 Local analogue commercial stations also have particular licence obligations, including the provision of local news and information, and a certain amount of output that is local to the area being served. These programming obligations mean that the many local commercial stations contribute to the provision of local news, as well as ensuring that a range of content is made around the UK.

5.11 There are many different types of local commercial station, ranging from specialist dance music, to Asian music, to adult contemporary music and other specialist programming. In particular, the local commercial radio sector has an important role in providing programming aimed at minority groups; for example, programming provided by stations such as Asian Star 101.6fm in Slough, and London Greek Radio

in London, although due to the local nature of these services this is obviously not provided consistently across the sector and the UK.

5.12 There is also a range of specialist digital stations available across regional multiplexes which serve particular communities and specific interests.

5.13 Community radio stations, which are not-for-profit radio services designed to operate on a small scale and to deliver community benefits, provide an even greater range of locally-targeted and niche services. The legislation governing community radio sets out the characteristics of community radio services and defines social gain. Each station has a set of 'key commitments', which forms part of its licence and set out how it will meet these characteristics and deliver social gain. The key commitments includes how a station will make itself accountable to its target community and ensure access, its programming aims, and its commitments with regard to training and other social objectives.

5.14 Many different types of communities are served by community radio offering unique content. For example, there are[121]:

- 82 aimed at rural communities
- 29 aimed at urban communities
- 29 aimed at ethnic minority communities
- ten aimed at military communities
- 13 aimed at religious communities
- 21 aimed at youth communities

5.15 Community radio has an important role in offering more local and targeted provision than most commercial stations can do, as well as providing an immediate and interactive community forum. The benefits delivered by community radio stations stretch wider than simply programming; for example, by encouraging a broad range of participants in programme-making and training.

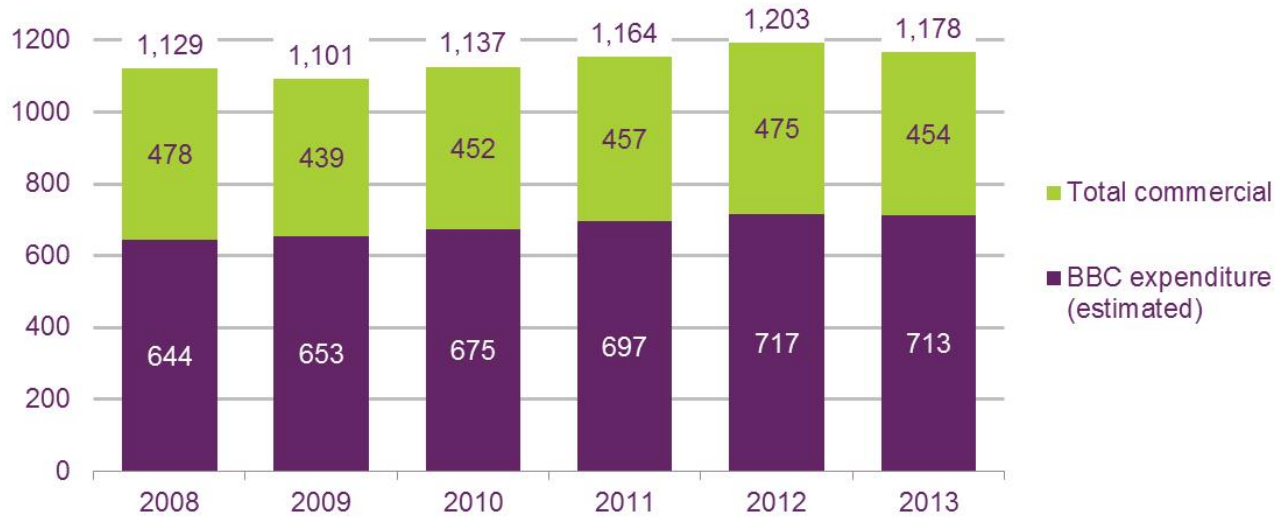
UK radio: spend

5.16 Total UK radio industry revenue has held broadly steady despite fluctuations since 2008, largely because of consistent (and growing) BBC expenditure. In 2013 total revenue was £1.17bn, down by 2.1% (£25m) on 2012 following a four-year period of growth, but up by 4.3% (£49m) on 2008. This growth since 2008 is primarily driven by increased BBC expenditure which has increased by 10.7% (£69m) in this period compared to a decrease of 5.0% (£24m) in total commercial radio revenue.

5.17 Figure 5.3 below shows total UK commercial radio revenues, and estimated BBC expenditure across its portfolio of stations. The BBC's expenditure makes up around 60% of total industry revenues.

[121] Taken from Ofcom analysis of broadcaster returns, so is not an exhaustive list; the top 'categories' aggregating a number of 'types'.

Figure 5.3: Radio industry revenue and spending: 2008-2013



Source: Broadcasters
Note: BBC expenditure figures are estimated by Ofcom based on figures in Note 2c of the BBC Annual Report (www.bbc.co.uk/annualreport); figures in the chart are rounded and are nominal.
Community radio revenue is included in the total, but not shown on the chart.

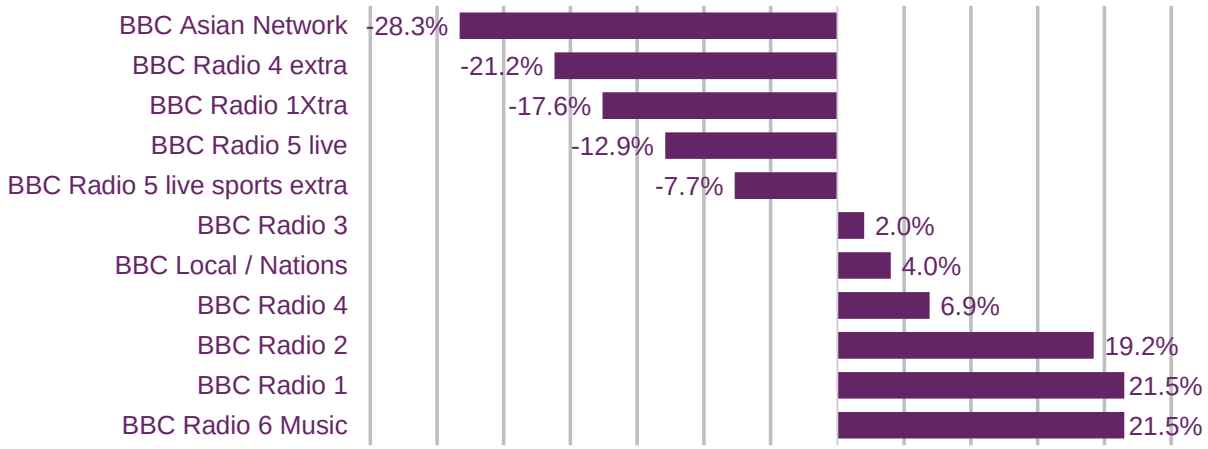
BBC radio: expenditure

5.18 Almost three-quarters of expenditure (72%) on BBC radio in 2013 was on content; in 2008 this figure was 77%.

5.19 Since 2008, some BBC services have seen significant reductions or increases in content expenditure, with the largest increases seen at BBC 6 Music and Radio 1, and the main decreases at Asian Network and Radio 4 extra[122]:

[122] Radio 4 extra was launched in April 2011. Prior to that BBC 7 occupied this slot on the BBC's national DAB multiplex.

Figure 5.4: BBC station expenditure on content, percentage change: 2008/09 to 2013/14



Source: BBC Annual Report 2013-14.
Note that these are financial year figures, excluding BBC-wide overheads, distribution costs and infrastructure costs

Commercial radio: spend

5.20 By contrast, just under a quarter (23%) of commercial radio spend in 2013 was on content, compared to 26% in 2009. In 2013, estimated spend on content outside the M25, for commercial radio, was 75%[123].

5.21 Although UK radio advertising spend in 2013 (£536.8m) was lower than in 2008 (£560.3m), 2009-2012 saw a period of steady growth, before a decrease the following year. Commercial radio revenue per listener has reduced from £15.31 in 2008 to £13.16 in 2013, a decrease of 11%.

Community radio: spend

5.22 Community radio stations generally operate on a substantially smaller scale than the commercial sector. The mean expenditure for community radio was £55,000 in 2013, down by 36% (£31.5k) since 2008. This increases to £77,750 for urban stations and drops to £36,000 for rural services.

The mean income for community radio was £55,500 in 2013, down by 34% (£28.5k) since 2008. This increases to £77,250 for religious community stations and drops to £37,000 for rural services.

Radio consumption

This section provides an overview of the consumption of radio in the UK. The primary source used is industry standard figures from RAJAR, as well as Ofcom research looking at the overall consumption of radio, and sources used for news. There are no specific radio listening figures available for community radio or for consumption of individual genres across radio.

[123] Calculated from broadcaster returns

The BBC performs particularly strongly in terms of consumption of its national services, but commercial radio is generally stronger at a local level, although this is not consistent across all age groups, or across the UK.

UK radio: consumption

5.23 Although commercial radio spend and revenues have declined since 2008, the weekly reach of all radio has remained stable over the period, with 89% of adults (aged 15+) listening in an average week in 2008, and 90% in 2013. The BBC accounts for over half of all listening hours (54.6%), although it has seen a slight reduction over the period from 55.7% in 2008. However, within this picture of broad stability, there have been some important changes, particularly among younger age groups and the commercial radio sector.

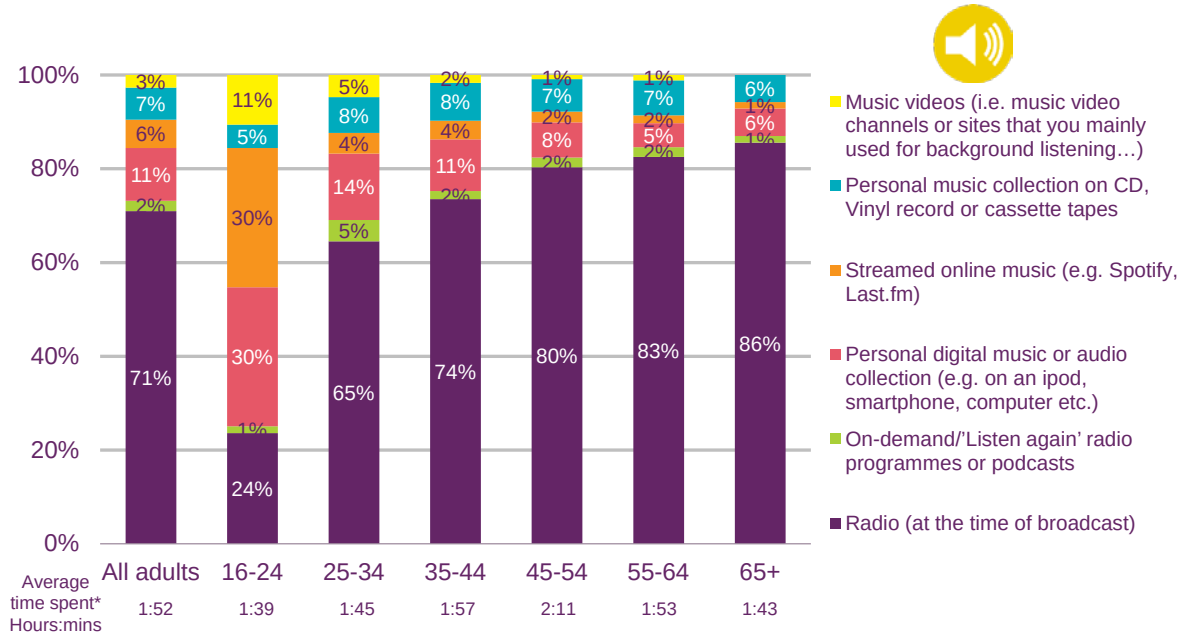
5.24 Since 2008, the number of those aged 35 and over listening each week has grown. Between 2010 and 2012 there was a decrease in the numbers of 15-34 year olds tuning in to radio, though there has been some recovery in reach among these groups in 2013. The weekly reach for radio has remained highest among 45-54 year olds.

5.25 While reach to radio has remained high, the time spent listening to radio has fallen. Between 2008 and 2013, the average time spent listening to radio by all adults has fallen by 4.0%. The decline in the time spent listening is even more pronounced among the younger demographics, with those aged 15-24 spending 12.9% less time listening to radio in 2013 when compared to 2008 and those aged 25-34 spending 9.5% less time listening over the same period.

5.26 Competition from other media is likely to have contributed to the fall in average listening hours. Ofcom's research[124] shows that radio listening accounts for 71% of weekly audio activities among all adults. However, among those aged 15-24 this drops to 24%, with listening to personal/streamed digital music accounting for 60% (Figure 5.5)

[124] Ofcom, *Digital Day 2014*, *The Communications Market Report 2014*, August 2014

Figure 5.5 Proportion of listening activities, by age group



Source: Digital Day 7-day diary
Base: All listening activity records for adults 16+ (17290), 16-24 (999), 25-34 (2342), 35-44 (4113), 45-54 (4334), 55-64 (3284), 65+ (2218)
**Average time spent is the total average daily time spent listening to media, including simultaneous activity*

5.27 Sixty-seven per cent of adults listened to BBC radio for an average of 22 hours each week in 2013 (66% in 2008); BBC radio accounts for a 54.6% share of radio listening (55.7% in 2008).

5.28 Although listening to the BBC has held broadly steady, listening to commercial radio has risen slightly, now accounting for 45.4% of total listening hours (44.3% in 2008). Sixty-five per cent of adults listened to commercial radio for an average of 13 hours each week in 2013 (62% in 2008).

5.29 Commercial radio has made particular gains among audiences aged 15-24: 38% of their national listening is to commercial radio, up from 30% in 2008, and their listening to national BBC services has fallen by 8% (from 70% in 2008 to 62% in 2013). This is coupled with a more general increase for commercial radio in its proportion of the national listening market, due primarily to the emergence of UK-wide DAB services.

5.30 Comparing listening to UK-wide stations and local stations (BBC and commercial), share to any UK-wide station has seen a slight increase from 57% in 2008 to 59% in 2013.

5.31 When considering listening to UK-wide analogue radio stations, due to the greater number of national stations available to listeners, 78% of listening is to a BBC service. This differs by age and is highest among those aged 65+ (84%).

5.32 The balance of listening also differs by nation; for example, BBC national stations are more popular (51% of all radio listening) in Wales than in any other devolved nation, where local commercial radio listening is lower than any other nation at 23.2% of all listening. All UK radio also has the highest reach in Wales of any nation, at 94.5%.

5.33 By contrast, in Northern Ireland local services, both BBC and commercial, are the most popular, and account for 52.5% of all listening, with BBC local services making up a higher proportion of listening (19.9%) than in any other nation.

5.34 Considering the reach profiles of the stations available in the UK, local commercial radio stations largely attract a greater proportion of audiences who are over 35 and of social grade C2DE, particularly compared to the BBC services and the nationally-available commercial services.

Consumer attitudes to radio

This section provides an overview of evidence of listener attitudes to radio today. The sources used for this include Ofcom research and wider industry sources. This research indicates that radio is still a highly valued medium, but that listeners to local radio place particular value on two key areas: local news and music. It also seems that listeners have different expectations of the BBC and the commercial services in relation to the types of content they provide.

5.35 According to RAJAR, nine in ten of the population listen to the radio each week. Ofcom's *Digital Day 2014* found that this is largely a solitary activity, with 61% of adults saying they listen to the radio when they are on their own.

5.36 This Ofcom research also found that over half (53%) of the time spent listening to the radio is done in the home and almost a quarter (24%) while travelling.

5.37 Audience research conducted by Ipsos MORI in 2013 found that the value listeners place on types of content differs between local commercial radio and BBC local services: listeners to BBC local services value local news most (61%) out of all content types, while placing almost double the value on music (83%) on local commercial services than local news, the next most valued type of content at 45%.

5.38 This varies by age, particularly for the younger age groups, who consistently place more importance on music, even for BBC local services. The value placed on local news rises consistently with age.

5.39 Research conducted by YouGov in 2013 found that listeners describe radio as being informative (45%), offering something for everyone (43%), convenient (34%) and relaxing (32%).

5.40 The YouGov research also found that among those who say they listen to <u>less</u> radio than they did five years ago (26%), the main reasons cited for this are spending more time on the internet (34%), lack of choice (24%) and less available time (23%).

5.41 Among those who say they listen to <u>more</u> radio than they did five years ago (24%), the main reasons cited for this are it fits better with their routine (61%), new ways of listening (27%) and discovering a new station or programme (26%).

5.42 Deliberative research commissioned by Ofcom in 2013 confirms many of the attributes cited by respondents to the YouGov research. Ofcom's research concluded that:

- Radio's core qualities can be summarised as: an accessible, ubiquitous platform; a dependable companion; a deliverer of timely national and local information; and a source of a variety of entertaining and stimulating music and speech.

- For many listeners, the advent of digital platforms, web-enabled mobile devices, and new audio services has had a positive impact on their radio consumption, as it has extended access and increased station and genre choice.

- In addition to convenience, the unique characteristics of radio compared to other media are: music variety and specialism; listener interaction; immediacy; and local content.

Section 6

6 Delivery of public service genres on TV, online media services and radio

In this section we highlight the key trends in delivery, by television and online media services, of eight public service genres:[125] news (UK, national and regional), current affairs, factual, drama, arts and music, religion, education and children's content. For information on all the genres covered by the Annual Report, please see Annex 7.

Please note the limitations in the genre analysis chapter; definitions and groupings of the genres discussed sometimes differ[126].

UK news

TV spend and output, viewing and audience opinion

TV spend and output

6.1 Between 2008 and 2013 total spend on news by PSB channels fell by 11% in real terms to £224m, a £28m decrease since 2008 (£253m). As in 2008, all of the spend on news output in 2013 was on first-run UK originations.

6.2 PSB channel spend on news output at peak time dropped by a slightly higher percentage over the five years, decreasing by £13m (13%) in real terms to £90m in 2013.

6.3 Total news output among the PSB channels rose slightly during this period to 22,067 hours of output in 2013 - a less than 1% increase over five years.

6.4 Hours of first-run UK originated news output made up 77% of all news output in 2013, with first-run UK-originated news alone increasing by 2% since 2008 to 17,086 hours in 2013.

6.5 Seventy-five per cent of all PSB channel news output in 2013 came from BBC News and BBC Parliament, the same proportion as in 2008, with both channels also providing 68% of all first-run UK originations in both 2008 and 2013.

6.6 Looking at the main five PSB channels, BBC One saw the largest increase in hours between 2008 and 2013, increasing by 1,008 hours (42%) to total 3,397 hours of news in 2013. This contrasts with BBC Two, which saw a 323-hour (39%) decrease in news output over the period.

6.7 There was a 400-hour (28%) drop in news output on ITV/ITV Breakfast from 2008 to 2013, resulting in 1,042 hours of news output in 2013. There has also been a steady decline in news output on Channel 4 (down 23% to 240 hours) and on Channel 5 (down 25% to 308 hours) across the five-year period. No hours of first-run UK originated news output were broadcast by the commercial PSB portfolio channels in

[125] The public service genres are drawn from the public service objectives set out in section 264(6)(b)-(j) of the Act.
[126] See Annex 7: Genre analysis annex for groupings.

2013, down from the 100 hours broadcast in 2008.The multichannel sector broadcast 7,134 hours of first-run UK originated news in 2013, an increase of 125 hours since 2008.

TV viewing

6.8 Total viewing to national/international news remained fairly stable over the past five years, with all individuals aged 4+ watching, on average, 101.3 hours in 2008 and 100.7 hours in 2013.

6.9 The main five PSB channels continued to represent the majority of viewing to this genre, accounting for 80.0% (80.5 hours) in 2013, although consumption levels have fallen from 85.4% (86.5 hours) in 2008.

6.10 Over the analysis period, the biggest contributor to news viewing, BBC One, increased its share in each year, from 55.4% in 2008 to 62.7% in 2013. Share of consumption hours for news declined by over half on ITV (from 22.1% in 2008 to 12.5% in 2013) and although viewing levels have stabilised in the last three years (since 2011), its share has continued to fall. This step-change in the proportion of news viewing attributed to ITV between 2010 and 2011 may be partly explained by the ITV Breakfast re-brand from GMTV to Daybreak, in terms of the coding of programming[127]. Channel 4's share of news fell from 4.1% in 2008 to 2.6% in 2013.

6.11 Growth in share between 2008 and 2011, when it peaked at 13.9%, made BBC News the second most-watched channel for news for the first time. However, viewing levels on the dedicated news channel dipped between 2012 and 2013 to a 12.2% share of all news, marginally lower than ITV's 12.5% share.

6.12 As the main multichannel broadcaster for national/international news viewing in 2013, viewing hours to Sky News have remained broadly consistent across the analysis period, but its share of viewing has grown from 5.2% in 2008 to 6.4% in 2013. The channel is the fourth most-watched channel for news programming in the UK.

6.13 There is a stark difference in national/international news consumption between younger and older adult audiences. In 2013, 16-34s spent 36.6 hours watching the genre, down from 47.6 hours in 2008 – and while trends by channel are similar, ITV and Channel 4 accounted for a higher share of viewing for 16-34s than for all adults. Adults aged 35 or over spent 148.2 hours watching the genre in 2013; this is fairly similar to the 144.4 hours watched in 2008 but lower than the peak of 154.0 hours in 2011.

[127] From 6 September 2010, following the re-brand of GMTV to Daybreak (0600-0900) and Lorraine (0900-0925) there was a change to the genre coding of these the two distinct programme segments in BARB. From the re-brand, Daybreak was coded as *current affairs: magazine* (which is included within the *current affairs: other* category in Ofcom's analysis) while Lorraine was coded as *entertainment*. Prior to 6th September 2010, distinct programming elements within GMTV as a whole were coded up separately. The effect of this is that news and other programming strands which were previously reported separately under GMTV became captured under a single BARB genre category of *current affairs: magazine (*which forms part of *current affairs: other* in Ofcom's analysis*)* from the third quarter of 2010 and across 2011-2013.

TV audience opinions

6.14 Over the analysis period from 2008 to 2013, at least eight in ten respondents rated the main PSB channels[128] highly for the importance of purpose 1: "informing our understanding of the world". Importance of the statement "its news programmes are trust worthy" was rated high by 87% in 2013 compared to 81% in 2008.

6.15 In 2013, 65% were satisfied with the main PSB channels' delivery of this purpose. This is the highest rating given to the PSBs for any of the purposes. Satisfaction with 'trustworthiness' was 64% in 2008 and has remained stable through the review period.

Online media services output, consumption and audience attitudes

Online output

6.16 The Enders study recorded 213 online media services offering news and current affairs coverage in the UK. The most populous organisation type was internet media (73 services) followed by traditional media (62 services). However, the balance between these two types of VoD services, and other internet services, was very different: a small proportion (3%) of traditional media organisations were VoD services, compared to 41% of internet media organisations. Nevertheless, Enders observes that an increasing number of services feature short videos from news agencies and other sources, as well as user-generated clips from YouTube.

6.17 The Enders study notes that online-only services such as Buzzfeed and Vice span a range of news content from 'entertainment-oriented snippets' to 'detailed journalism covering serious issues in depth'. Enders argues that the alternative tone of these internet-only media (in particular Vice; see case study) is encouraging a younger demographic to engage with news and current affairs. Furthermore, these services (in particular Buzzfeed; see case study) are maximising reach by optimising their content for sharing on social media and consuming on mobile phones.

Case study summary: Buzzfeed

"BuzzFeed is emblematic of new media: responding quickly to trends, concerned more with what people want to read than with exclusives or breaking stories, and impossible to pin down into a certain genre of content (celebrity, entertainment, news, special interest). It is primarily aimed at a young, mobile-using audience, with an app and a heavily mobile-optimised website delivering largely text-light content. Content is designed to be highly shareable, again aimed at young people whose discovery channel begins with social media. It suggests a different way of satisfying the requirement to facilitate debate on news and current affairs and to cover news in the UK and around the world: reporting in a digestible, entertaining form, not formally different from the entertainment also offered."

Source: Enders Analysis, *How online media services have fulfilled the public service objectives*, September 2014

[128] The main PSB channels include BBC One, BBC Two, BBC Three, BBC Four, BBC News, ITV/UTV/STV, Channel 4, Channel 5, S4C

Online consumption

6.18 The proportion of adults who use the internet as a source of news rose between 2007 and 2014. In 2014, 44% of adults used the internet as a source of news about the world, up from 16% in 2007, two in five adults (41%) used the internet as a source of news about the UK, up from 14%, and 35% of adults used the internet as a source of news about what is happening in their region and locally, up from 6% for news about their local area and from 7% for news about their region.

6.19 Research by Ofcom[129] on news consumption found that people aged 16-24 were more likely than those aged 55+ to use the internet or apps to access news (60% v 21%) and were less likely to use the television (56% vs. 90%). The biggest difference between these age groups was the use of a mobile for news.

6.20 Use of news content online is higher on other internet services than on video-on-demand services. The majority of people who used the internet for news read news stories online (60%) while only a minority watched TV news online (20%)[130]. In the Ipsos MORI study 9% of monthly VoD service users claimed to watch news content through a VoD service at least once a month.

6.21 News was one of the least popular genres of programming on VoD services from the BBC, ITV, C4C and Channel 5. News programmes made up 0.5% of VoD service programme requests in 2013, marginally more than religious programming (0.3%), which had the smallest share of requests. However, requests for news programming have grown (up 21.4% year on year) at the same rate as requests overall, maintaining the same share of requests since 2011.

Online audience opinions

6.22 The internet is the most important source of news for a large minority of people in the UK. In 2014, the internet was the most important source of world news for 30% of adults, of UK news for 28% of adults, and of local and regional news for 27% of adults. In the case of UK news, the internet was a significantly more important source among those aged 16-45, from an ABC1 household, who were light TV viewers, and heavy internet users.

6.23 In 2014, three-quarters of internet users (75%) agreed that “the internet is very influential in shaping public opinion about political and other important issues”; this was 23 percentage points more than those who agreed with the statement in 2007. And the proportion of people who strongly agree with the statement has more than doubled; from 10% to 23%.

6.24 Despite the increase in popularity of the internet, and of online services for the provision and consumption of news, the Ipsos MORI study found that only a minority of adults would choose to consume news content only in this way. Given the choice between a world in which news content was only available online on websites and apps with video clips photos and text, and one where news content was only available on scheduled television, 26% of UK adults expressed a preference for the

[129] Source: *News consumption in the UK:* research report, Ofcom; Q3a) Which of the following do you use for news nowadays? Base: All adults 16+ (2731).
[130] Source: *News consumption in the UK*: research report, Ofcom; Q6a) In which types of ways do you access and use news through the internet or apps nowadays? Base: All who use any internet for news nowadays (1029)

online world, while the majority of adults (56%) expressed a preference for the scheduled world.

Current affairs

TV spend and output, viewing and audience opinion

Spend and output

6.25 Total PSB channel spend on current affairs dropped by 17% (£16m) in real terms from 2008 to 2013, to £79m. As in 2008, first-run UK current affairs originations spend made up 100% of all PSB current affairs spend.

6.26 Spend during peak hours dropped by £10m in real terms over the five-year period, a decrease of 17% to the 2013 figure of £49m.

6.27 Despite a drop in spend on current affairs between 2008 and 2013, total hours of output among PSB channels increased by 8% over this period, to 2,773 hours – an increase of 203 hours on the 2008 figure.

6.28 Although there have been fluctuations between individual channels, total BBC current affairs output has remained almost identical over the five years, totalling 1,842 hours in 2008 compared to 1,844 hours in 2013.

6.29 Hours of first-run UK current affairs originations rose by 5% from 2008, an increase of 67 hours to 1,505 hours of output in 2013. Channel 5 saw the largest increase in first-run UK originated output over this period, increasing its hours by 28% since 2008 to 497 hours of output in 2013. Channel 4 also had a 14% increase of first-run UK originations over this period; a total increase of 30 hours overall, 25 of which were during peak hours.

6.30 Current affairs in peak hours increased to 647 hours in 2013 – the highest figure over the five-year period and an 88-hour increase (16%) on the 2008 total. The only channels to reduce their peak current affairs output over this period were ITV (down 27%), BBC Four (down 13%) and BBC Two (down 3%).

6.31 The commercial PSB portfolio channels contributed very little to first-run UK current affairs originations between 2008 and 2013; only one hour was broadcast in 2013 and nothing in 2008.

TV viewing

6.32 Hours of viewing to current affairs: political/economic/social programming, across all channels, fluctuated across the analysis period, but fell overall, by 4.6 hours from a peak of 21.3 hours in 2008 to 16.7 hours in 2013.

6.33 As viewing increased across the BBC portfolio channels (from 1.5 hours per individual in 2008 to 2.2 hours in 2013) and multichannels as a group (from 0.2 hours in 2008 to 1.0 hour in 2013), falls in consumption across the main five PSB channels (from 19.3 hours in 2008 to 13.4 hours in 2013) resulted in an overall decline.

6.34 The greatest decline was on BBC One, falling from 10.0 hours in 2008 to 7.3 hours in 2013. There was a 1.1 hour reduction in viewing to BBC Two, to 4.2 hours in 2013, while ITV showed a similar level of decline, with viewing falling by 1.2 hours to 1.4 hours per individual in 2013. From 1.4 hours per individual in 2008, viewing to

Channel 4 declined to 0.5 hours in 2013, below the 0.7 hours of viewing to Sky News.

6.35 In terms of the viewing proportions of current affairs: political/economic/social programming attributed to each channel, BBC One's share fluctuated across the analysis period but remained the most heavily-watched channel for this genre (43.7% in 2013). It remained stable on BBC Two at around 25% and decreased on ITV and Channel 4. ITV decreased the most, proportionally, from 12.2% in 2008 to 8.3% in 2013 while Channel 4's share fell from 6.4% to 3.0%. Although viewing hours fell across the main five PSB channels as whole, the group continued to account for the majority of viewing to this genre, with a combined share of 80.1% in 2013.The majority of viewing to current affairs: political/economic/social programming on the BBC portfolio channels took place on BBC News, whose share grew from 5.2% in 2008 to 10.5% in 2013.

6.36 The share of viewing to Sky News (4.3% in 2013) has increased strongly since 2010 when it took 1.3% share; it has been higher than Channel 4 since 2011, although its viewing hours were static between 2012 and 2013.

6.37 Time spent watching current affairs: other programming (which includes consumer affairs and magazine-style formats) rose from 27.0 hours per individual in 2008 to 33.0 hours in 2013, peaking at 38.3 hours in 2011. Almost all of the viewing hours in all years have come from the main five PSB channels.

6.38 The majority of viewing hours to current affairs: other across the analysis period took place on BBC One (18.3 hours in 2013). And while viewing to BBC One remained broadly steady over the analysis period, viewing on ITV has been the driver of the overall growth in consumption of this genre. BBC One's share fell from 66.2% in 2008 to 55.5% in 2013. Over the same period ITV's share of viewing to the genre increased from 26.0% to 38.9%, with a peak of 40.1% in 2012. This growth may be attributed to a change in BARB genre coding by the broadcaster following a re-brand from GMTV to Daybreak.[131] Channel 4 registered a modest increase in share between 2008 (0.1%) and 2013 (0.4%) although this represents a loss when compared to the peak years of 2010 and 2011, when it accounted for 1.0% of viewing to the genre.

TV audience opinions

6.39 As with news, over the period from 2008 to 2013, around eight in ten respondents rated [132]the main PSB channels high for the importance *of "its programmes help me to understand what is going on in the world today"* which sits within PSB purpose 1: informing our understanding of the world. This purpose was rated as important by 79% in 2013 and by 81% in 2008.

[131] From 6th September 2010 following the re-brand of GMTV to Daybreak (0600-0900) and Lorraine (0900-0925) there was a change to the genre coding of these two distinct programme segments in BARB. From the re-brand, Daybreak was coded as *current affairs: magazine* (which is included within the *current affairs: other* category in Ofcom's analysis) while Lorraine was coded as *entertainment*. Prior to 6th September 2010, distinct programming elements within GMTV as a whole were coded up separately. The effect of this is that news and other programming strands which were previously reported separately under GMTV became captured under a single BARB genre category of *current affairs: magazine (*which forms part of *current affairs: other* in Ofcom's analysis*)* from the third quarter of 2010 and across 2011-2013.

[132] The main PSB channels include, BBC One, BBC Two, BBC Three, BBC Four, BBC News, ITV/UTV/STV, Channel 4, S4C, Channel 5

6.40 Similarly, in 2013, 63% were satisfied with the PSBs' delivery of this purpose. Satisfaction with this purpose was slightly higher, at 67%, in 2008, although this difference is not statistically significant.

Online media services output, consumption and audience attitudes

Online output

6.41 The Enders study largely covers the genres of news and current affairs together, and this is considered above under UK news. However, further analysis of the database from the Enders study reveals that the majority (76%) of the current affairs and news online media services analysed fulfilled both the genres. Eight per cent provided only news content, while 15% provided only current affairs content.

6.42 As noted above, a large number of traditional media organisations also distribute their content online, and internet media organisations are adopting alternative content strategies to traditional media companies. In particular VICE media examines current affairs from alternative viewpoints in its news and current affairs content.

Case study summary: Vice

"Vice produces 'alternative' content at mainstream scale, with enviable financial success. The topics it addresses are neglected in traditional media, and it has one of the youngest audience profiles of any news-producing online organisation. As with some other internet properties, especially BuzzFeed, Vice combines humorous pieces on topics of little significance with in-depth pieces on matters of global significance, in a way that is particular to online media companies. Its business model is also representative of a particular way digital media sites make money: content is a sponsorship vehicle, as well as being a proof of concept for the sort of things Vice's creative agency could create. This has raised concerns over the impartiality of some of Vice's output, although we note that traditional media regularly navigates similar hazards."

Source: Enders Analysis, *How online media services have fulfilled the public service objectives*, September 2014

Online consumption

6.43 Only 7% of monthly VoD users claimed to watch current affairs on demand on at least a monthly basis. While not significant, the data indicate that PSB VoD services were more likely to be used for this than non-PSB services.

6.44 Despite similar proportions of consumers in the Ipsos MORI study claiming to watch current affairs as news on VoD services, VoD service programme requests from the BBC, ITV, C4C and Channel 5 were much greater for current affairs programmes than for news programmes. Current affairs made up 1.6% of requests in 2013, although this was down by 0.4 percentage points on 2012, and 0.5 percentage points on 2011. Current affairs programme requests also declined in absolute terms, down 2.9 % year on year, one of only two genres to do so.

Nations and regions

TV spend and output, viewing and audience opinion

Spend and output[133]

6.45 Over the five-year period between 2008 and 2013, spend on all nations' and regions' output by the BBC[134] and the Channel 3 services combined decreased by £90m in real terms, or 25%; from £354m in 2008 to £264m in 2013.

6.46 Spend on first-run UK-originated nations'/regions' news decreased by 22%, or £51m in real terms, between 2008 and 2013. The majority of this decrease can be attributed to the Channel 3 broadcasters, whose spend decreased by 38%, or £43m in real terms, over the five years. This is compared to a 7% (£8m) decrease in BBC real-terms spend on news over the period.

6.47 Nations'/regions' first-run UK-originated current affairs also saw a drop in spend over this period, decreasing by £8m (25%) in real terms to £24m in 2013. BBC spend dropped by 14% (£4m) in real terms over the five years, while the Channel 3 broadcasters' spend was reduced by 72% (£4m) in real terms over the period.

6.48 Spend on first-run UK-originated non-news/non-current affairs programming for the nations and regions decreased by 33% in real terms from 2008 to 2013, resulting in a £62m total spend in 2013. BBC spend decreased by 17% (£13m) in real terms over the five years while Channel 3 services' spend decreased by 86% (£19m) in real terms on the same output.

6.49 Between 2008 and 2013, the total hours of nations' and regions' content dropped to 11,642 hours, a decrease of 8% from the 2008 number of output hours.

6.50 Nations' and regions' news (first-run UK originated) output decreased by 7% over the same five-year period, decreasing by 630 hours to 8,470 hours of news output in 2013. Both the BBC (63 hours, a decrease of 1%) and the Channel 3 broadcasters (567 hours, a decrease of 14%) reduced their output over this period.

6.51 First-run UK-originated current affairs nations'/regions' output also decreased over this five-year period; down 15% (128 hours) to 705 hours in 2013. The decrease came from the Channel 3 broadcasters, which reduced their output by 41% (134 hours) from 2008 to 2013 while the BBC slightly increased its output; by 1% (6 hours).

6.52 All other first-run UK originated nations' and regions' output[135] increased by less than 1% over the five years; a 13-hour increase to total 2,057 hours of output in 2013. The Channel 3 broadcasters increased their output over this period by 6% (73 hours) while the BBC decreased its output by 7% (60 hours) in the five years to 2013.

[133] Nations' and regions' output hours are based on running times which exclude advertisements, sponsorship breaks and promos.
[134] Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. This does not account for total spend on BBC Alba or BBC spend on S4C output.
[135] i.e. all non-news and non-current affairs output.

6.53 BBC Alba had a 3% increase in real-terms spend on first-run UK originations from 2008 to 2013 and an even larger increase in hours of first-run UK originations over the same period; a 292-hour increase to total 643 hours in 2013.

6.54 Spend on first-run UK originations by S4C has dropped by 27% in real terms over the same five years to total £62m in 2013, although hours of first-run UK originations have increased by 43% since 2008 to total 1,978 hours in 2013.

TV viewing

6.55 Between 2008 and 2013, viewing to nations' and regions' news fell from 28.3 hours to 25.3 hours per individual.

6.56 The majority of this viewing took place on BBC One, and while viewing to the channel rose to 18.3 hours in 2010, the time spent watching the genre in 2013 fell back to the same levels as in 2008 (17.0 hours). Viewing to this genre on ITV was 8.3 hours in 2013, having fallen steadily year on year from 11.3 hours in 2008.

6.57 Time spent viewing nations' and regions' news was highest in Northern Ireland, compared with the other devolved nations and the UK average, with individuals watching 36.7 hours in 2013. It was lowest in Wales, with consumption at 29.7 hours in 2013. Compared to 2008, consumption hours per individual increased most in Wales (up by 3 hours from 26.7 hours in 2008 to 29.7 hours in 2013) while viewing levels fell equally (down 2.3 hours) in Scotland and Northern Ireland.

6.58 The share of the early evening weekday bulletin on the Channel 3 services[136] across the UK declined steadily between 2008 and 2010, plateaued in 2011 and rose again to achieve 18.2% share in 2013 (19.4% in 2008). It held broadly steady in Northern Ireland across the analysis period and fluctuated in Scotland. Share increased steadily in Wales from 2010. The share of viewing of these programmes across each of the nations was higher than the 18.2% UK average share. It was highest in Northern Ireland (35.0%), followed by Scotland (25.2%) and Wales (19.2%).

6.59 A comparison with 2008 shows a 1.2 percentage point (pp) decrease across the UK, a 0.8pp decrease in Northern Ireland, a 0.3pp decrease in Scotland and an increase by 2.2pp in Wales. Across the English regions, the share of viewing achieved by the Channel 3 services' early evening news bulletin was highest in Border (37.7% in 2013, up 13.6pp from 24.1% in 2008). The share of viewing in Meridian fell from 23.3% in 2008 to 18.4%; a fall of 4.9 percentage points.

6.60 BBC One's early evening nations and regions' bulletin[137] held a 28.5% share across the UK in 2013, up from its 27.9% share in 2008. Shares in Scotland (31.8%) and Wales (30.7%) were higher than in Northern Ireland (26.7%) and the UK average. Compared to 2008, Scotland was the only devolved nation where the BBC One bulletin increased its viewing share (by 5.0pp). Share in Wales fell by 4.9pp, and in Northern Ireland by 1.7pp. Across the English regions, BBC One's share for the early evening news programme in 2013 was highest in South West (44.3% in 2013), up from 30.8% in 2008.

[136] Broadcast at 6pm weekdays
[137] Broadcast at 6:30pm weekdays

TV audience opinions[138]

6.61 Respondents rated the importance of regional news slightly lower than UK news. Eight in ten (81%) in 2013, compared to 65% in 2008, say it's important that PSBs' "regional news programmes provide a wide range of good quality news about my area".

6.62 Almost nine in ten (87%) respondents in Northern Ireland rated this purpose as important, compared to 82% of those in Wales and 84% in Scotland in 2013.

6.63 Satisfaction with PSBs' delivery of the statement: "its regional news programmes provide a wide range of good quality news about my area" was stable through 2008-2013, ranging from 64% in 2013 to 53% in 2008.

6.64 Satisfaction with the delivery of this purpose was also highest in Northern Ireland in 2013, where 74% of respondents said that they were satisfied with the main PSB channels' delivery on this purpose, compared to 66% of those in Scotland and 69% of those in Wales.

Online media services output, consumption and audience attitudes

Online output

6.65 The Enders study recorded 200 online media services providing content relevant to the concerns of different communities, 120 of which contained material dealing with the concerns or interests of UK nations or regions. A large proportion of these were provided by traditional media companies and broadcasters, largely from local news organisations.

6.66 The Enders study highlighted the contribution of hyper-local websites in the provision of material for the UK nations and regions, but acknowledged that their study was likely to have underestimated the total number. Data from Openly Local suggest that there were up to 695 local and hyper-local websites as of September 2014. The case study on The Edinburgh Reporter in the Enders study highlights the manner in which online media services can cater for local interests.

Case study summary: The Edinburgh Reporter

"The Edinburgh Reporter is a website dedicated to breaking and discussing news from and concerning Edinburgh, as well as providing resources and information for residents and visitors. It is cross-platform, multimedia, and many of its posts are contributed by readers; however, the majority of the content is similar to the sort you would find in a local newspaper. It is explicitly aimed at people who live or work in the city, but within that does not target any particular demographic. It also does not appear particularly responsive to commercial pressures. As local newsrooms are pared down, online services such as this may serve an increasingly important function in the provision of local news and the representation of local interests, however it is likely not a model that could be applied to much smaller communities."

Source: Enders Analysis, *How online media services have fulfilled the public service objectives*, September 2014

[138] The data below is broken down by nation in Annex 3.i.

Online consumption

6.67 The proportion of UK adults using the internet as a source for news about "what's happening in your region" and "news about your local area" rose from 7% and 6% respectively in 2007 to 35% in 2014[139].

6.68 Two per cent of monthly VoD users claimed to use VoD services to watch news and current affairs programmes that addressed regional and local interests and concerns on least a monthly basis. Three per cent claimed to watch "other programmes about and made for people in my region" on the same basis.

Online audience opinions

6.69 The internet was the most important source of "news about what's happening in your region or locally" for 27% of UK adults, while it was one of the sources used by 35% of adults. Those who found it the most important were significantly more likely to be aged 16 to 44, living in an urban area, from Scotland, light to medium TV watchers or heavy internet users.

UK drama

TV spend and output, viewing and audience opinion

TV spend and output

6.70 Total spend on drama among the PSB channels decreased by £258m (40%) in real terms from 2008 to 2013, to total £393m.

6.71 Over the same five-year period, there was a 34% decrease in spend on first-run UK-originated drama, a £164m decrease in real terms from £487m to £323m in 2013. This led to spend on first-run UK drama originations as a percentage of all drama spend among the PSB channels increasing to 82% in 2013, up from 75% in 2008.

6.72 During peak hours (18:00 to 22:30), spend on first-run UK originated drama decreased by 35% from 2008 to 2013, a decrease of £160m in real terms to £300m.

6.73 Total hours of drama on the PSB channels dropped by 1,458 hours (31%) between 2008 and 2013 to total 3,238 hours of output.

6.74 PSB channel hours of first-run UK originated drama dropped by 27% from 2008 to 2013; a decrease of 172 hours to 455 hours in 2013. Most of this decrease can be attributed to ITV/ITV Breakfast, which saw a decrease of 176 hours (55%) of first-run UK-originated drama between 2008 and 2013.

6.75 First-run UK-originated drama made up 14% of all PSB channel drama output in 2013, slightly up from 13% of all hours in 2008.

6.76 Peak time first-run UK-originated drama hours reduced by 29% over the five-year period, from 559 hours in 2008 to 396 hours in 2013. Only BBC Two (+11 hours/46%) and Channel 4 (+19 hours/95%) increased their peak hours of first-run UK-originated drama over this period.

[139] The question was amalgamated to address both "what's happening in your region" and locally, in 2014.

6.77 There were 15 hours of first-run UK originated drama broadcast on the commercial PSB portfolio channels in 2013, representing a 4-hour decrease from the 2008 figure. The multichannel sector provided 34 hours of first-run UK-originated drama in 2013, a 27-hour increase on the number of hours broadcast in 2008.

TV viewing

6.78 UK drama represented 83.6 hours of viewing per individual in 2013, down from 99.9 hours in 2008. The majority of this viewing (50.5 hours) took place across the main five PSB channels, although this level of viewing was down from 74.4 hours in 2008.

6.79 The decline in viewing to UK drama across the main five PSB channels was largely due to the decline in viewing on ITV; from 33.2 hours in 2008 to 15.4 hours in 2013. Viewing on BBC One fell by 5.5 hours to 31.7 hours in 2013. Consumption hours to Channel 4 (1.2 hours per individual in 2013) decreased compared to 2008 (1.6 hours per individual), but represented an increase on 2012 (0.8 hours). Channel 5's contribution to viewing of UK drama remained small throughout the analysis period and accounted for 0.2 hours in 2013.

6.80 ITV's share of viewing to UK drama fell by 14.8pp; from 33.2% in 2008 to 18.4% in 2013. BBC One's share of viewing remained stable, representing 37.9% of viewing in 2013. It fluctuated on BBC Two, whose share of viewing stood at 2.4%, the same as 2008 and an increase on 2009 (1.9%). UK drama's share also fluctuated on Channel 4, where it held 1.4% of viewing to the genre in 2013. This represents a decline on 2008, when share was 1.6%, but an increase on the 1.0% share in 2012. On Channel 5, the proportion of viewing hours attributed to UK drama was 0.3%, equivalent to the peak share achieved by the channel in 2009.

6.81 Between 2008 and 2013, there has been increased growth in viewing hours to UK drama on ITV3; 12.8 hours in 2008 to 20.4 hours in 2013. Over the same period, ITV3's share of viewing to the genre rose from 12.9% to 24.3%. In 2012 and 2013 the share attributed to ITV3 was higher than that of the main ITV channel.

6.82 The most-viewed multichannel channel, with regard to UK drama in 2013, was Drama, accounting for 2.5% of viewing. The UKTV-owned channel launched on 8 July 2013.

6.83 Of all genres, viewing to drama programming is the most likely to be time-shifted, according to BARB[140]. In 2008, 27.7% of viewing to UK drama programmes across the main five PSB channels was time-shifted (26.3% across all channels). This increased to 34.8% in 2013 (31.1% across all channels).

[140] All viewing (via a TV set) of scheduled broadcast programming watched within seven days after broadcast is reported by BARB. This includes viewing to programmes stored on recording devices such as a DVR; through devices attached to the TV set such as laptops and game consoles and through player services such as BBC iPlayer, ITV Player, 4OD etc. Viewing to programmes on standalone devices not attached to the TV set such as tablets, pcs, laptops and smartphones and viewing to programmes and films not scheduled on broadcast TV are not currently captured by BARB.

TV audience opinions

6.84 In 2013 58% of respondents say it is important that PSBs "show high quality soaps or dramas made in the UK" - significantly up on the 50% who rated this purpose important in 2008.

6.85 Satisfaction has remained stable over the same period: 51% said that they were satisfied with PSBs' delivery of this purpose in 2013, compared to the 49% who were satisfied in 2008.

Online media services output, consumption and audience attitudes

Online output

6.86 The Enders study identified 60 online media services providing drama content, three-quarters (73%) of which were VoD services. Enders notes that many of the services delivering drama content and other UK cultural content were alternative distribution mechanisms for existing content. Enders comments that a small amount of original programming is now being funded by online media services, although we note that none of that being produced in the UK was available during the review period or at the time of writing.

Online consumption

6.87 A fifth (21%) of monthly VoD users claimed to watch drama that reflects life in the UK on at least a monthly basis. While not a statistically significant difference[141], it is indicative that claims were higher for PSB VoD services than for other VoD services.

6.88 Drama was the most popular type of content consumed on PSB VoD services, with a 29.4% share of programme requests in 2013. Share of requests was up marginally (0.3 percentage points) on 2012, but not as high as 2011, when drama programmes made up 31.0% of requests.

Arts and music

TV spend and output, viewing and audience opinion

TV spend and output

6.89 Total PSB spend on arts and classical music programming dropped by 27% between 2008 and 2013. In real terms, this was a £15m drop from the 2008 level (£56m) to £41m in 2013.

6.90 There was a 29% drop in PSB spend on first-run UK originated arts and classical music programming over the same period; a decrease of £16m in real terms to total £38m in 2008. Ninety-four per cent of all PSB spend on arts and classical music programming in 2013 was on first-run UK-originated content; down from the 97% of all spend in 2008.

6.91 Contemporary music spend decreased by 38% (£7m) in real terms over the period, decreasing to £12m, although spend during peak hours remained constant at £7m.

[141] Comparing the use of PSB VoD services versus use of non-PSB services for watching drama.

6.92 Total hours of arts and classical music programming among the PSBs increased by 7% between 2008 and 2013, to total 1,733 hours of output in 2013.

6.93 First-run UK-originated arts and classical music programming decreased by 9% over the period to total 391 hours of output in 2013. First-run UK arts and classical music originations made up 23% of all arts and classical music output in 2013 – down from 26% in 2008.

6.94 BBC Four contributed most of the arts and classical music output over this period, providing 73% of all PSB hours in 2013, with a total output of 1,265 hours. BBC Four also saw an increase in peak output over the five years, increasing by 12% to 440 hours of output in 2013.

6.95 First-run UK- originated contemporary music programming hours decreased by 45% (119 hours) over the five-year period to 2013, although first-run peak output increased by 12% (7 hours) over the period. Channel 4 saw the biggest decrease in first-run contemporary music hours (61 hours; - 76%) between 2008 and 2013.

6.96 The commercial PSB portfolio channels produced 260 hours of first-run UK-originated entertainment and contemporary music programming in 2008, down from the 316 hours broadcast in 2008.

6.97 The multichannel sector broadcast 128 hours of first-run UK originated arts and classical music programming in 2013; a 15% (23-hour) decrease on the 2008 figure.

6.98 There were 1,244 hours of first-run UK-originated entertainment and contemporary music content from the multichannel sector in 2013; an increase of 107% (643 hours) on the output in 2008.

TV viewing

6.99 Viewing to visual and performing arts programming overall decreased from 4.1 hours in 2008 to 2.4 hours in 2013.

6.100 Viewing hours to the main five PSB channels accounted for 3.0 hours, or around three-quarters (73.0%) of viewing in 2008, which had fallen to 1.1 hours, or less than half (46.9%) the viewing in 2013.

6.101 Over the same period, viewing hours to the BBC portfolio channels increased from 0.4 hours (10.2% share) to 0.8 hours (32.2% share) while the combined hours for all multichannels increased from 0.3 hours (7.0% share) to 0.5 hours (21.0% share).

6.102 In terms of overall share to the genre in 2013 by channel, BBC Four represented the largest proportion of viewing hours (30.8%) followed by BBC Two (26.6%) and BBC One (17.5%). Sky Arts 1 represented 12.6% of viewing in 2013, and the remaining multichannel channels accounted for a further 8.4% of viewing.

6.103 Turning to the music: classical genre, in 2013 individuals spent, on average, 1.4 hours watching programmes in this genre. The majority (0.8 hours, 57.8% share) of this viewing took place on the main five PSB channels. Viewing share across the BBC portfolio channels increased from 19.2% in 2008 to 31.3% in 2013, while the multichannel group of channels began to make an impact after 2010. Their combined share was 1.4% in 2010, growing to 10.8% share in 2013 and peaking at 11.7% in 2012.

6.104 Analysis by channel shows that most of this viewing took place on BBC Two (47.0%) and BBC Four (28.9%) in 2013. BBC One represented 10.8% of viewing and Sky Arts 2, the most-viewed of the multichannel channels across this genre, accounted for 8.4% share, making it the fourth most-watched channel for the music: classical genre.

6.105 Following a steady increase in viewing since 2008, viewing to programmes across the music: contemporary genre fell from 8.9 hours in 2012 to 8.5 hours in 2013. This fall was driven by a decline across the main five PSB channels, as viewing to the BBC portfolio channels and multichannels rose.

6.106 The share of viewing to music: contemporary programmes by channel changed over the analysis period; the proportion accounted for by BBC Two and Channel 4, in particular, fell considerably between 2008 and 2013. BBC Four's share of viewing increased from 14.4% in 2008 to 30.1% in 2013. With the wide range of dedicated music channels available often catering for specific genres of music, the combined share of the multichannels increased from 10.1% in 2008 to 36.7% in 2013. The channel Viva is the main multichannel channel in this group, accounting for 4.1% in 2013.

TV audience opinions

6.107 Audience ratings of the importance of PSB purpose 2: stimulating knowledge and learning, remained stable between 2008 and 2013.

6.108 In 2013 almost seven in ten (69%) said that it was important that PSBs "show interesting programmes about history, science or the arts". This is a similar proportion to the 68% who rated this as important in 2008.

6.109 There was a slight increase in audience satisfaction with PSBs' delivery of the purpose between 2008, when 48% were satisfied, and 2013, when 52% claimed to be satisfied.

Online media services output, consumption and audience attitudes

Online output

6.110 The Enders study found 47 online media services providing content on the visual and performing arts. Enders noted that "theatres, concert halls and galleries are using the internet to make shows available both live and on demand, reach wider audiences and provide deeper context". The case study on Digital Theatre gives more detail on the manner in which online media services provide this genre of content.

Case study overview: Digital theatre

"Digital Theatre (DT) films live theatrical productions, including opera, ballet, musicals and drama, in theatres across the UK and makes them available for purchase to a global online audience. Founded in 2008 by Robert Delamere and Tom Shaw – a theatre director and producer respectively – the service aims to create an appetite for live performance, particularly among younger audiences and those unable to get to a theatre. Using the latest technology they produce films that come as close as possible to capturing the experience of live theatre. Alongside its consumer product, Digital Theatre also operates an educational service – Digital Theatre Plus (DTP). As well as access to a video of the play, DTP offers a host of educational extras, from interviews with key personnel involved in the performance through to study guides, plot summaries, deep character analyses and context for the original source material."

Source: Enders Analysis, *How online media services have fulfilled the public service objectives*, September 2014

Online consumption

6.111 Of monthly VoD users, 6% claimed they used VoD services to watch arts and classical music programming on at least a monthly basis. Between PSB VoD services (4%) and non-PSB VoD services (2%) there was a small difference in claimed use, but not a statistically significant one.

6.112 There were around 33.3 million programme requests for arts and classical music programming across the PSB VoD services in 2013. This was a 1.1% share of all programme requests from PSB VoD services. Arts and classical music programming genre share has held steady since 2011 (1.0%), growing at a similar pace as requests for all programmes.

Religious content

TV spend and output, viewing and audience opinion

Spend and output

6.113 Over the five years between 2008 and 2013, spend on religious/ethics programming among the PSBs dropped by 18%, or £3m in real terms, down to £14m.

6.114 There was a 16% reduction in spend on first-run UK originations in 2013 since 2008, a decrease of £3m in real terms.

6.115 Total output of religious/ethics programming by the PSB channels decreased by 11% from 2008-2013. This equated to a drop of 31 hours, to total 254 hours of output in 2013. There was a 26% drop in religious output during peak hours (18:00 to 22:30) over the same period, dropping to 51 hours in 2013.

6.116 Hours of first-run UK-originated religious content decreased by 9%, or 15 hours, over the five years, to 144 hours of output in 2013. However, the hours of first-run UK-originated religious content shown at peak times was unchanged throughout this period, totalling 47 hours in both 2008 and 2013.

6.117 BBC One saw a reduction in religious output over this period, from 109 hours in 2008 to 88 hours in 2013, but there was an increase in religious output on BBC Two over the same period, increasing from 33 hours in 2008 to 64 hours in 2013.

6.118 Channel 4's output has more than halved over the five years, from 49 hours in 2008 to 22 hours in 2013, but its peak-time output remains at the same level as in 2008 (18 hours). In contrast, Channel 5 increased its output over the same period by 79%, to 52 hours in 2013, although none of its output was first-run UK originated content in 2013.

6.119 The commercial PSB portfolio channels provided two hours of first-run UK-originated religious programming in the five years between 2008 and 2013, none of which was in 2013.

TV viewing

6.120 Following an increase in viewing hours to religious programming between 2008 and 2009, consumption has fallen steadily; from 3.1 hours in 2009 to 2.1 hours in 2013. In recent years, all viewing to this genre has taken place across the main five PSB channels, and on the BBC channels in particular.

6.121 In 2013, BBC One's share of viewing to all religious programming stood at 87.4% while BBC Two accounted for 11.8%. These represented increases on 2008, when BBC One held 78.0% share of all viewing to religion, while BBC Two accounted for an 8.5% share. The remaining 0.8% of viewing in 2013 was attributed to Channel 4, down from a peak of 8.5% share in 2008..

Online media services output, consumption and audience attitudes

Online output

6.122 The Enders study identified 47 online media services offering religious material, the least number of services available of all the public service objectives. Of these, a quarter were focused entirely on religious beliefs, while the remainder also covered other public service content types.

6.123 The Enders study observed that much of the religious material provided by online media services was not original, but was repackaged from other media such as print or television. Material addressing religious news and information was the best addressed (39 services), while coverage of ceremonies was least well-catered for (15 services). The case study on the Faithology service demonstrates how a not-for-profit organisation has tried to provide an informative and educational resource across a range of religions rather than for, or about, one religion.

Case study summary: Faithology

"Faithology combines a traditional encyclopaedia-like experience dedicated to world religions and additional services only possible online, such as community forums and direct links to curated content elsewhere on the web. It does not represent an evolution from traditional media offerings – it is explicitly trying to sit in the same tradition as trusted offline resources, although it does take advantage of the ability to update content online, a process which is much more difficult and expensive for offline informational resources. The major phenomenon it highlights is a lack of high-quality religious material that is original to online services, especially dealing with multiple faiths and when compared to television and radio content."

Source: Enders Analysis, *How online media services have fulfilled the public service objectives*, September 2014

Online consumption

6.124 Religious material was the least popular content claimed among monthly VoD service users, with 2% claiming to watch religious programmes. The Enders study indicates that the audience for religious material provided by online media services has declined from 27 million laptop and desktop internet users in December 2009 to 22 million in December 2013.

6.125 Religious programmes were the least popular of the programming genres available on PSB VoD services. There were approximately 8.5 million requests for religious programmes, representing 0.3% of all programme requests in 2013. Share was up marginally on 2012 (0.2%) and consistent with requests in 2011 (0.3%).

Online audience opinions

6.126 In 2014, more than three-quarters (77%) of people agreed that "the internet should help promote understanding and tolerance of different religions, cultures and lifestyles". This was a 15 percentage point increase on internet users who agreed in 2007, with a12 percentage point increase in the proportion of internet users who strongly agreed with that statement.

Formal education content

TV spend and output, viewing and audience opinion

Spend and output

6.127 Formal education output, i.e. programmes with a clear educational content,[142] saw the largest proportional drop in PSB spend of any genre of programming between 2008 and 2013, dropping by 65% and £19m in real terms to total £10m in 2013.

6.128 Ninety-seven per cent of all spend on educational content in 2013 was on first-run UK-originated content, slightly down from 100% in 2008, so the decrease in spend on first-run originations was also 65% since 2008.

6.129 Between 2008 and 2013, the number of hours of formal education output from the PSBs dropped by 61%, or 974 hours, to 628 hours of output. This is chiefly a result of the disappearance of formal education output from Channel 5, a 391 hour decrease in Channel 4's output and a 224 hour decrease in formal education content from BBC Two. It should be noted that as a result of Ofcom's 2009 Public Service Broadcasting Review it was decided to set Channel 4's schools programming quota at a minimum level (30 minutes per year).

6.130 The decrease in formal education hours over the five-year period is even sharper for first-run UK originated content, which decreased by 78% (248 hours) to 71 hours in 2013. Again, this is chiefly driven by a reduction in first-run UK originated hours by

[142] This is a narrow definition of formal education for output and spend purposes and does not include other programming which could have educational value. It include programmes with a clear educational purpose (usually backed by specially prepared literature publicised on screen and in other appropriate ways), programmes for schools, BBC Learning Zone and the Open University and programmes reflecting social needs and promoting individual or community action, including campaign weeks on particular subjects.

Channel 4 (down 46 hours) and Channel 5 (down 195 hours) since 2008, as well as a 50 hour decrease in first-run hours from BBC Three.

6.131 Eleven per cent of all hours of formal education programming were first-run UK originations in 2013, down from 20% in 2008.

6.132 CBeebies was the only PSB channel to increase its hours of educational programming over the five years, up by 29 hours to total 240 hours of output in 2013. Despite both channels decreasing their overall hours of educational output, BBC One increased its hours of first-run UK-originated educational programming by 9 hours (75%) between 2008 and 2013, while BBC Two broadcast 39 hours of first-run UK originated content in 2013, achieving a greater than five-fold increase over the same period.

6.133 The commercial PSB portfolio channels broadcast 13 hours of educational content in the five years between 2008 and 2013, all of which were in 2013.

TV viewing

6.134 The BARB education category covers formal education programming. The categories included are schools, tertiary education, adult and further education and other education programming.

6.135 Viewing to education programming fell from 0.8 hours per individual in 2008 to 0.1 hours in 2013. Since 2011 all viewing (100%) to this genre has taken place on BBC Two.

6.136 The proportion of viewing based on the BARB category above represented by Channel 4 fell away over the analysis period. In 2008 the channel contributed 31.1% of education programming, which peaked at almost half (48.4%) of all viewing to the genre in 2009. It then declined to 8.3% in 2010.

Online media services output, consumption and audience attitudes

Online output

6.137 The Enders study identified 180 online media services providing educational material. These services were largely provided by internet media organisations[143] (57 services) and academic, archive and library organisations (53 services). Of particular note is the higher proportion (63%) of internet media organisations than other organisation types providing VoD services. This is indicative of educational services such as TED-Ed and Khan Academy, which provide original video content on a range of subjects. Enders looks at educational services provided by online media services in its case study on online academies.

[143] Enders defines these organisations as “Media businesses whose main focus is online, though they could have ‘traditional’ assets”.

Case study summary: Online academies

"Taken as a whole, open online educational services offer resources to teach users knowledge and skills from more or less any discipline, with certain well-established services concentrating on computer programming, STEM subjects, and foreign languages. The target audience depends on the course, but ranges from primary-school level mathematics to university computer science courses, with many services simply aimed at anyone who wants to pick up a particular skill. The real innovation such services offer compared with traditional educational media is interactivity: rather than passively absorbing a broadcast lesson, users can be tested in real time, submit work, create programs or translate documents and receive feedback. These features make online services, when executed well, closer to guided classroom learning than self-teaching. The internet offers a clear advance of the possibilities of educational media."

Source: Enders Analysis, *How online media services have fulfilled the public service objectives*, September 2014

Online consumption

6.138 "Discovering new things" has remained one of the most popular types of content[144] that people use the internet for, with 60% of adults using the internet as a source in 2014, up from 38% in 2007.

6.139 Educational programmes on VoD services appeared less popular, with 7% of monthly VoD users claiming to watch this type of programme at least monthly. This is supported by the programme request share of educational programming, which was 0.8% in 2013. Nevertheless, requests were up 86.2% on 2012, increasing programme request share from 0.5% in 2012.

Online audience opinions

6.140 In 2014, the internet was the most important source for "discovering new things" for half of all adults (51%). Almost all internet users (94%) claimed to have learned something useful from the internet in 2014, up from 90% in 2007. In 2014, the majority of internet users (71%) disagreed that the internet's main role should be to provide entertainment rather than information and education, a similar proportion as in 2007 (68%).

Children's content[145]

TV spend and output, viewing and audience opinion

TV spend and output

6.141 In the period between 2008 and 2013, PSB spend on children's output decreased by £23m in real terms to £98m in 2013, a decrease of 19%. Spend on first-run UK-originated children's content decreased by a lesser degree, down by 15% and £15m in real terms to £87m in 2013.

[144] Based on a question in our consumer research asking respondents which media they use as a source.
[145] See Annex 6. PSB children's summary for more detail on children's content.

6.142 PSB spend on first-run UK-originated children's programming made up 89% of spend on all children's content in 2013, an increase from the 2008 percentage of 84%.

6.143 The total PSB output of children's programming in 2013 was 10,532 hours. This was a 16% (1,939 hours) decrease from the 2008 figure of 12,471 hours.

6.144 First-run UK-originated children's output witnessed a more gradual decline between 2008 and 2013, ultimately decreasing by 28%, or 253 hours, to the 2013 total of 666 hours.

6.145 Channel 5 saw the largest percentage increase of children's programming of any PSB channel over the five years, increasing by 37% from 2008 to 1,560 hours of children's programming in 2013. CBeebies was the only other PSB channel to increase its children's output over the five years, up by 3% from the total number of output hours in 2008.

6.146 BBC One (drop of 486 hours or 99%) and BBC Two (drop of 1684 hours or 99%) had the biggest decreases in children's output among PSB channels between 2008 and 2013.

6.147 CBeebies and CBBC were the only channels to increase their hours of first-run UK children's originations over the five-year period. CBeebies increased its number of hours of first-run output by 11%, to total 113 hours in 2013, and CBBC increased its hours of output by 111%, to total 470 first-run UK originated hours in 2013. Indeed, CBeebies and CBBC combined provided 88% of all first-run UK-originated children's programming in 2013, among the PSB channels.

6.148 Twelve per cent of all children's output in 2013 was children's drama.

6.149 There were 41 hours of first-run UK originated children's programming from the commercial PSB portfolio channels in 2013, a 28-hour increase from the 2008 figure of 13 hours. The multichannel sector provided 70 hours of first-run UK-originated children's content in 2013, a 48% (64-hour) decrease on the 134 hours that were broadcast by the multichannel sector in 2008.

TV viewing

6.150 The average time spent per child watching children's programming over the last five years has remained broadly stable. Consumption hours per child in 2008 (224.9) and 2013 (224.8) were almost identical.

6.151 Although viewing levels across the main five PSB channels have fallen from 27.5 hours per child in 2008 to 7.9 hours per child in 2013, the growth in popularity of the dedicated BBC children's channels CBeebies and CBBC over the same period has offset these losses. The result is that viewing hours across the PSB channels[146] have remained fairly stable; the combined PSB hours in 2008 were 88.2 hours and in 2013 82.6 hours.

6.152 With the addition of the commercial PSB portfolio channels, the combined viewing hours to the PSB channel families was 100.9 hours per child in 2008 and 99.9 hours

[146] The main five PSB channels and BBC portfolio channels. *Note*: Channel 4 data for 2008-2009 includes S4C viewing as S4C carried Channel 4 programming. Following DSO in Wales in 2010, S4C ceased to carry Channel 4 programming and so Channel 4 data relates to viewing to Channel 4 only from this date.

in 2013. Translated into share of all children's programming, the PSB families accounted for 44.5% of total consumption in 2013.

6.153 The highest level of viewing to the genre overall took place across the multichannels, a channel group including a wide range of dedicated commercial children's channels. Of the total viewing hours among all children to all children's programming in 2013, 124.9 hours (55.5%) of viewing was attributed to this group.

6.154 With viewing share falling on BBC One and BBC Two, the majority of viewing to children's programming among the main five PSB channels in 2013 was on Channel 5 (6.6 hours, 3.0% share). This represented an increase on 2008, when consumption was 4.0 hours per child per year, equating to a 1.8% share.

6.155 The dedicated children's channels on the BBC and ITV are increasingly popular among all child viewers to the children's genre. The proportion of viewing attributed to the BBC's CBeebies channel increased by 3pp, from 14.0% in 2008 to peak at 17.0% in 2013. A similar pattern can be seen with the CBBC channel, which grew by 3.3pp; from a 13.0% share in 2008 to 16.3%. Combined, CBeebies and CBBC represented 33.2% of viewing to this genre, up from 27.0% in 2008. ITV's CITV channel increased its share of viewing hours to the children's genre from 5.5% in 2008 to a peak of 7.3% in 2013 (up 1.8pp).

6.156 Looking more closely at viewing to the multichannels by broadcaster groups shows that over the analysis period, viewing moved away from Viacom's dedicated children's channels (24.7% share in 2008; 14.7% in 2013) to Disney channels, which accounted for 19.6% of viewing hours in 2013, compared with 14.3% in 2008. As the most-viewed of the multichannel channels in 2013, the Disney Channel represented 6.7% of all viewing to the children's genre in 2013.

TV audience opinions

6.157 Parents' ratings of the importance of PSBs providing "a wide range of high quality and UK made programmes for children" increased from 67% in 2008 to 85%.

6.158 CBeebies is the channel rated highly by most parents as "providing a wide range of high quality UK-made programmes for children". The rating remained stable at around eight in ten between 2008 and 2013.

6.159 Almost seven in ten parents (68%) also rated CBBC highly for delivering on this purpose in 2008, increasing to almost eight in ten (76%) in 2013.

Online media services output, consumption and audience attitudes

Online output

6.160 The Enders study identified 216 online media services providing material for children and young people. Older children were better provided for, with 178 services available for children of secondary school age, 123 for children of primary school age, and 60 available for children of pre-school age. The majority of online media services (125) were provided by internet media organisations, and 43% of services primarily offered a VoD service – greater than the average proportion of all online media services assessed.

6.161 Enders noted that beyond services provided by the BBC there was little original programming available through VoD services, and what was available was mainly

from television broadcasters. However, Enders noted that the internet was well suited to delivering interactive and gaming content for children, which is highlighted in the case study on Bin Weevils. For older children and young adults, an entirely distinct phenomenon of video logging emerged during the review period, providing large quantities of semi-professional content by young people for young people. This is examined in the case study on YouTube Start Vloggers.

Case study summary: Bin Weevils

Bin Weevils is a virtual world aimed at children, offering original games and media, and the opportunity to interact with other players. It therefore fulfils the public service requirement to include "high quality and original material for children and young people". Some of the experience it offers, particularly the immersive and interactive elements, are not, and could not be, found on television or other traditional media. It is representative of a wider realisation of the interactive possibilities of the internet for young people (e.g. Neopets, Kim Kardashian: Hollywood, Runescape etc.), which offer new forms of entertainment, as well as new risks, for young people.

Source: Enders Analysis, *How online media services have fulfilled the public service objectives*, September 2014

Case study overview: YouTube star vloggers

"A small group of individual online video creators, or vloggers who upload video blogs ('vlogs') to YouTube, have risen to fame over the last few years by amassing up to several millions of subscribers and views to their videos on YouTube, generating significant revenues for the platform and themselves. These star vloggers have created a new form of very popular online content by speaking directly to their teenage audience with regard to tone, feel and issues covered, which primarily address favourite teenage topics such as beauty and fashion or simply doing funny things like challenges or playing pranks.

In line with their rising popularity, the level of professionalism has increased over the last two years, which ranges from improved video production quality to the ability to more efficient monetisation and brand positioning. This has had the effect that all of the star vloggers addressed now make a living out of their hobby. With the help of management from multi-channel networks (MCNs) and talent agencies, they have been able to build different revenues streams, ranging from advertising to brand sponsorships to merchandising."

Source: Enders Analysis, *How online media services have fulfilled the public service objectives*, September 2014

6.162 Despite a lack of original programming from online media services, there is an increasing amount of children's material provided on demand by VoD services. Analysis from Decipher's VoD audit shows that SVoD provider LoveFilm increased the number of programmes and films available on its service from 5913 to 7075 assets in the last quarter of 2013, while iTunes offered almost 10,000 programmes and films on a download to rent, or download to own, basis.

Online consumption

6.163 For VoD users aged 16+, children's programming was one of the less popular genres of programming, with 6% of monthly VoD users claiming to view this content on demand at least monthly in 2014. However, this is understandable given the age of respondents.

6.164 Despite the low reach of children's content among those aged 16+, children's programming is one of the most popular genres of programming for PSB VoD services, with a 17.5% programme request share. Children's programming had the greatest gains in share across the 2011 to 2013 period, increasing its share from 12.7% in 2011 to 15.0% in 2012.

Online audience opinions

6.165 In 2014, 86% of adults with access to the internet agreed that the internet was a valuable source of information and entertainment for children and teenagers, up from 81% in 2007. Furthermore, 76% of adults with internet access in 2014 agreed that the internet has an important role to play in helping children and teenagers understand life in the UK, up from 66% in 2007.

Definitions

The following slides detail definitions of various terms and groupings referred to in the report

Definitions: Channel groups (1)

Channel group	Output & Spend definition	TV Viewing	Audience Opinion	Legal Definition
PSB Channels	BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, ITV/ITV Breakfast, Channel 4, Channel 5,, BBC CBBC, CBeebies	BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, BBC HD (to March 2013) and BBC Olympics channels (2012 only). ITV Network* (inc ITV Breakfast), Channel 4, Channel 5 and S4C (S4C is added to C4 2008-2009 and excluded from 2010 onwards post-DSO in Wales). HD variants are included where applicable (but not +1s).		All BBC channels (BBC One, BBC Two, BBC Three, BBC Four, BBC News , BBC Parliament ,CBeebies, CBBC, BBC Alba, all BBC HD channels), the Channel 3 services (provided by ITV, STV and UTV), Channel 4, Channel 5, and S4C.
Main five PSB channels	BBC One, BBC Two, ITV/ITV Breakfast, Channel 4, Channel 5	BBC One, BBC Two, ITV Network (inc ITV Breakfast), Channel 4, Channel 5. HD variants are included where applicable (but not +1s).	BBC One, BBC Two, ITV/STV/UTV, Channel 4, Channel 5	
Main PSB channels combined			BBC One, BBC Two, BBC Three, BBC Four , BBC News, ITV/STV/UTV, Channel 4, Channel 5, S4C	
Commercial PSB Channels	ITV/ITV Breakfast, Channel 4, Channel 5			
Commercial PSB Portfolio Channels	CITV, ITV2, ITV3, ITV4, 4Seven, E4, Film4, More4, 5*, 5USA	ITV+1 Network (inc ITV Breakfast) , ITV2, ITV2+1, ITV3, ITV3+1, ITV4, ITV4+1, CITV, Channel 4+1, E4, E4 +1, More4, More4 +1, Film4, Film4+1, 4Music, 4seven, Channel 4 Paralympics channels (2012 only), Channel 5+1, 5*, 5*+1, 5USA, 5USA+1. HD variants are included where applicable.		

Definitions: Channel groups (2)

Channel group	Output & Spend definition	TV Viewing	Audience Opinion	Legal Definition
BBC/BBC Channels	BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies			
BBC Portfolio Channels	BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies	BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, BBC HD (to March 2013) and BBC Olympics channels (2012 only). HD variants are included where applicable.	BBC Three, BBC Four, BBC News	
BBC family		BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels. BBC HD (to March 2013) and BBC Olympics channels (2012 only). HD variants are included where applicable.		
Multichannel sector	Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC, Baby Network	All other remaining channels except the main five PSB channels, their portfolio of channels and the regional Channel 3 services.		

Definitions: Channel groups (3)

Channel group	Output & Spend definition	TV Viewing	Audience Opinion	Legal Definition
BBC/BBC Channels	BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies			
BBC Portfolio Channels	BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies	BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, BBC HD (to March 2013) and BBC Olympics channels (2012 only). HD variants are included where applicable.	BBC Three, BBC Four, BBC News	
BBC family		BBC One, BBC Two, BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels. BBC HD (to March 2013) and BBC Olympics channels (2012 only). HD variants are included where applicable.		
Multichannel sector	Sky, Viacom, UKTV, BT, Discovery, AETN, Turner, Disney, CSC, Baby Network	All other remaining channels except the main five PSB channels, their portfolio of channels and the regional Channel 3 services.		

Definitions: Online (1)

Term	Definition
On-demand programme service (ODPS)	A service where its principal purpose is the provision of programmes the form and content of which are comparable to the form and content of programmes normally included in television programme services; access to it is on-demand; there is a person who has editorial responsibility for it; it is made available by that person for use by members of the public; and that person is under the jurisdiction of the United Kingdom for the purposes of the Audiovisual Media Services Directive ('the AVMS Directive').
Video on Demand (VOD) service	A service is a VOD service if its principal purpose is the provision of video content; access to it is on-demand; there is a person who has editorial responsibility for it; and it is made available by that person for use by members of the public. This is as per the definition of on-demand programme service above, but the person with editorial responsibility need not be under the jurisdiction of the UK for the purposes of the AVMS Directive.
Online media services	The collective term used to cover on-demand programme services, video-on-demand services, and other internet services. These are services provided by means of the internet where there is a person who exercises editorial control over the material included in the service, and which are not television or radio services. For the purposes of Ofcom's analysis, the distinction between on-demand programme services and other VOD services is not intuitive, or would exclude new forms of video content which do not strictly adhere to the definition of 'television-like programmes'. We consider it is more appropriate to analyse together services which provide similar content or are viewed as substitutes within the consumer market. Therefore, for the purposes of analysis, we make the distinction between VOD services and other internet services as the component parts of online media services.

Definitions: Online (2)

Term	Definition
Other internet service (OIS)	Services provided by means of the internet where there is a person who exercises editorial control over the material included in the service, and which are not television or radio services or video-on-demand services.
Subscription VOD (SVOD)	Subscription VOD (SVOD) services provide access to a library of on-demand content for a fixed, often monthly, fee. The user does not own the content in the library and access to content is limited to the period of subscription. Popular SVOD services include Netflix and Amazon Prime Instant Video.
Transactional VOD (TVOD)	Transactional VOD (TVOD) services provide on-demand content from on an à la carte basis. Content can be bought and downloaded to a consumer's device. This type of TVOD can be known as download-to-own (DTO) or electronic sell through (EST). Alternatively a piece of content can be rented for a one-off fee, after which the consumer has a limited time (often 48 hours) to watch the content after first initiating playback on their device. This type of TVOD can be known as download-to-rent (DTR).
PSB VOD services	These are the BBC iPlayer, ITV Player, 4oD and Demand 5.
Non-PSB VOD services	VOD services not provided by the public service broadcasters.

Further information

Further information is provided in the following annexes:

Annex	
1	TV spend and output
2	TV viewing
3	TV audience opinions
4	Online media services
5	Radio
6	Children
7	Key genres analysis
8	Background and methodologies

Section 7

7 Table of Figures