

Your response

Question	Your response
<p>Question 1: Do you agree with our provisional view that the retention of the stricter rules that apply only to PSB channels is not justified? If not, please explain why.</p>	<p><i>Is this response confidential? – N</i></p> <p>ITV agrees with Ofcom’s provisional view that the retention of the stricter rules that apply only to PSB channels is not justified. The world today is radically different from when the rules were introduced. There is no longer a compelling rationale for intervention targeted at just three linear TV channels when they are now competing with global multichannel and online players unfettered by comparable restrictions.</p> <p>Given these changes, it is clear that viewers are not aware of differences in advertising break frequency or the volume of advertising across different competing services. As Ofcom’s research showed:</p> <p><i>“viewers tended not to differentiate between the type and quality of TV across channels and platforms (PSB vs nonPSB vs subscription) ... very few noticed any differences in the amount or frequency of advertising across different channels (PSB vs nonPSB) ... Viewers were uncertain why PSB and non-PSB channels had different quantity and scheduling rules, and many thought the differences unfair and uncompetitive. From their understanding, they felt it wasn’t right that PSBs with larger and more consistent viewing numbers were subject to greater restrictions. As such viewers initially felt there is currently a lack of fairness in the different rules and that there should be parity between channels.”</i></p> <p>Given there is no justification for discriminatory regulation, the only remaining question is whether there is evidence justifying tougher restrictions across all TV channels or whether, as Ofcom proposes, the PSB-only rules should be removed.</p> <p>ITV believes that media owners such as ITV are best-placed to manage how their advertising offer is regarded. Given commercial PSB TV channels are in fierce competition with commercial multichannel television, global SVODs and internet services more broadly it would not be in our interests to drive viewers away from our services through a poorly-executed advertising strategy nor to weaken our appeal to advertisers by reducing the effectiveness of our product. We are therefore supportive of the removal of the PSB-only rules rather than their extension to commercial multichannel.</p>
<p>Question 2: Do you have a preference between the proposals under Option 1 and Option</p>	<p><i>Is this response confidential? – N</i></p> <p>ITV does not believe that the case has been made for the retention of any discriminatory rules that apply only to commercial PSB channels. ITV</p>

<p>2? If you do not agree with the proposals under either option, please explain why.</p>	<p>therefore suggests option 1 (full harmonisation) is the only one supported by the evidence.</p> <p>If Ofcom’s view is that more frequent advertising breaks are regarded by audiences as detrimental to the quality of the channel, it is unclear why this outcome is tolerated across the hundreds of UK channels not subject to more stringent rules (and which generate as much viewing combined as the commercial PSB channels). As so powerfully articulated in Ofcom’s audience research for this review, why should audiences be “<i>punished for their viewing preferences</i>” via discriminatory rules?</p> <p>However, even in the event the break frequency rules for PSBs were aligned with those of non-PSB channels, ITV has no plans to increase the number of breaks on ITV1. The practical impact of option 2 on ITV would therefore likely be limited (though it would be a strategic constraint applied to commercial PSB that is not applied to non-PSB competitors).</p>
<p>Question 3: In the event that we proceed with Option 1 or 2, we suggest a one-year period before implementation. Do you agree? If not, please explain why.</p>	<p><i>Is this response confidential? – N</i></p> <p>ITV is unclear why such an extended implementation period is necessary, given only the commercial PSB channels will need to make any operational changes, and these are likely to be relatively modest given the limited scale of the changes being proposed. ITV believes the rules should be changed at the conclusion of Ofcom’s review, with the commercial PSBs free to implement the changes as and when they are operationally ready.</p>
<p>Question 4: Is there any further information you wish to provide regarding changing the stricter rules in COSTA?</p>	<p><i>Is this response confidential? – N</i></p> <p>No</p>