

## Call for Evidence response form

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<b>Title</b>	Call for evidence: Future of TV Distribution
<b>Full name</b>	✂
<b>Contact phone number</b>	07803 970145
<b>Representing (delete as appropriate)</b>	
<b>Organisation name</b>	Ofcom Advisory Committee for Scotland
<b>Email address</b>	✂

## Confidentiality

We ask for your contact details along with your response so that we can engage with you on this consultation. For further information about how Ofcom handles your personal information and your corresponding rights, see [Ofcom's General Privacy Statement](#).

<b>Your details: We will keep your contact number and email address confidential. Is there anything else you want to keep confidential? Delete as appropriate.</b>	Nothing
<b>Your response: Please indicate how much of your response you want to keep confidential. Delete as appropriate.</b>	None
<b>For confidential responses, can Ofcom publish a reference to the contents of your response?</b>	Yes

## Your response

<b>Question</b>	<b>Your response</b>
<b>Q1. How are audience demands and expectations evolving, and how does that vary for users of different TV platforms and different demographics?</b>	Confidential? – N  The Advisory Committee for Scotland (ACS) is one of a number of committees and advisory bodies, established under the Communications Act (2003) to inform the work of the Ofcom Board and Executive. The ACS is one of four committees representing each of the UK's nations, specifically to 'advise Ofcom about the interests and

*opinions, in relation to communications matters, of persons living in Scotland.'* Therefore, in the responses below, comments highlight specific considerations particular to Scotland wherever possible. This submission draws on the knowledge and expertise of ACS members and is informed by our individual experience and through discussion at our meetings. It does not represent the views of Ofcom or its staff.

As a committee, we are keen to register our interest in the discussion around the future of tv distribution, with specific reference as to how it might affect consumers in Scotland. Where appropriate we shall therefore endeavour to answer each of the questions in this Call for Evidence. However, as an overview we would like to reiterate that we feel that the most important part of this conversation must be that the **consumer** remains at the heart of the discussion. There are many interested industry players involved, some who want to keep the status quo, some who want to push through technological change. Many of these views are inevitably tied into their own future business plans. What is best for financial bottom lines might not be the best for the consumer.

We would suggest therefore that the key question is and must always be: ***What is best for the consumer?***

Much of the literature around this topic reinforces the belief that change has to come as a result of audience movement online. It is important to remember however that there is a large number of consumers who have not made that transition.

Older audiences have remained loyal to DTT. It is easy to navigate and there is an amount of curation that delivers the content that they want.

DTT is also free if you pay your TV licence, which is considerably cheaper than a monthly broadband package. This is a growing consideration for many families suffering in the current cost of living crisis.

Many rural consumers don't have the option of moving 100% online due to the lack of appropriate infrastructure.

These three challenges are very relevant to Scotland and would need to be overcome before moving away from DTT to internet delivery.

The universality belief that lies behind public service broadcasting in the UK should hold true in any future model as no one must be left behind.

However, there is no doubt that audience viewing is changing and the time is right for discussion about the future. Viewers, particularly, younger demographics, have developed different ways of consuming content, which has influenced how it is released and marketed, with many watching on mobiles as opposed to larger TV screen sets. They are also more inclined towards streaming platforms and often early adopters of new technologies whilst older demographics still prefer traditional TV broadcasting. The threat here is the opening up of a divide between old and young. The future discussion must reflect those on both sides of this technological divide.

The proliferation of streamlining platforms has seen a shift towards digital streaming and big increases in subscription numbers. However, this has not always worked in favour of the consumer. For example in recent years rights to major sports events can switch from one streamer to another, impacting accessibility for consumers and therefore their ability to afford subscriptions, especially during a time of cost-of-living crisis. It has also left some consumers unable to watch some key events if they are not available on PSBs.

Consumers' choice online can also be limited due to the personalised recommendations based on their viewing habits and platforms using algorithms to suggest content tailored to the individual. The ease of the current DTT offering is not currently matched within the online world. As public service broadcasters (PSB) move more of their content online, prominence will be key, in order to ensure content is easily found. Any new transmission model would need to ensure prominence for the PSB content that consumers want, including local programming and news. There is a danger that this would be lost in the plethora of content available online and once it drops in views, the impetus for making it will also disappear.

**Q2. What do audience trends mean for the financial prospects and sustainability of TV distribution platforms, and what are the key decision points over the next ten years?**

The traditional distribution model is under threat whilst a new model is not yet in place. A difficult transition position for the PSBs. Meanwhile the streamers will have to determine which model of financial sustainable is more suitable to their target audience. Current models are subscription-based or ad-supported. To retain and attract subscribers, platforms are needing to heavily invest in original content and reach wider, global audiences. This could mean that storytelling of local and national narratives and culture will not form a large part of their content strategy and therefore leave regional

	<p>consumers little or no access to stories reflecting their lives?</p>
<p><b>Q3. How do broadband networks and supporting infrastructure need to evolve to support resilient delivery of TV over the internet in the future?</b></p>	<p>Consumers will require access to higher bandwidths to accommodate the increasing demand for high-definition (HD) and ultra-high definition (UHD) streaming as well as emerging technologies such as virtual reality (VR) and augmented reality (AR). A rollout of and optimisation of 5G network and expanding fibre optic networks will be required for faster and reliable streaming. This could be a real issue for consumers in Scotland and a real challenge for network providers.</p> <p>Some interventions may be required from government and regulatory bodies to provide support for Scotland’s remote and underserved areas as well as for low-income households.</p> <p>The resilience of the current model is well known and is what will be expected by consumers in the future.</p> <p>There also would need to be consideration of a rationalisation of gatekeepers within the home. DTT is built on the principle of one to many. TV over the internet already has a large number of players and suppliers. There would therefore have to be general minimum guarantees to ensure the universality required within an internet based model.</p>
<p><b>Q4. In what ways might different types of ‘hybrid’ terrestrial and internet services deliver benefits for audiences and what risks may arise?</b></p>	<p>Whilst a hybrid model might help in a transition period, it is likely to be an expensive option for the PSBs.</p> <p>Running DTT and increasing their online presence is not one that would make financial sense for them.</p> <p>It also requires the expense of updating the DTT infrastructure at the same time as delivering 100% internet coverage.</p> <p>It could also involve the consumer in additional expense.</p> <p>The rapid technological advancements could lead to older devices or infrastructure becoming obsolete and therefore requiring costly upgrades or replacements which will be particularly challenging to older and low income households.</p>
<p><b>Q5. Given the sharing of infrastructure, what would the implications for other sectors be if there was a change to the use of digital terrestrial television (DTT)?</b></p>	<p>If DTT spectrum is reallocated, it could be repurposed for mobile broadband services (e.g. 5G). This could lead to improved speeds and capacity benefitting both consumers and businesses especially in remote areas. At the same time, they would need to ensure that this does not impact negatively on access to television services in rural or underserved areas.</p> <p>Manufactures of television sets, set-top boxes, and other receiving equipment would have to adapt to new</p>

	<p>standards and technologies- this could lead to increased demand for next-generation devices however, it will be a barrier to consumers on low-income and those struggling with the cost-of-living crisis.</p>
<p><b>Q6. What coordination and planning across the value chain might be necessary to secure good outcomes for audiences and key providers over the long term?</b></p>	<p>There is an end of life question regarding the current infrastructure for DTT and satellite broadcasting. If there is a desire to continue but upgrade the current system, this will have a cost as equipment is replaced and updated. Who would pay and when does that need to start?</p> <p>If DTT is to be phased out, the process will require an established series of clear policies, standards and guidelines for the transition and for stakeholder engagement it will be important to include consumer advocacy groups.</p> <p>Broadcasters, telecom operators and equipment manufacturers will need to invest in the necessary infrastructure upgrades which includes transmitters, base stations and receiving equipment. This may require additional funding and support costs especially in remote areas of Scotland.</p> <p>It will be crucial for the government and industry stakeholders to work together and inform the public about the changes as early as possible, including what they should expect, how to adapt and where to seek support if required. Special efforts must be made to ensure that information reaches all demographics, including those with disabilities or limited access to information and all rural and underserved communities and should be conveyed across a range of information formats suitable to the particular communities.</p> <p>The quality of service and user experience must be monitored with regular and easy-to-report feedback etc for consumers to help providers identify and address issues promptly and cost effectively.</p>

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