

Public service broadcaster prominence on electronic programme guides

Electronic program guides (EPGs) are menu-based systems that provide users of television with menus displaying broadcast programming or scheduling information for current and upcoming programming. A regulatory regime exists to give public service broadcasters (PSBs) prominence on EPGs. During the passage of the Digital Economy Bill there has been significant debate over whether with technological developments the regulatory regime needs amendment. The government recently consulted on this and concluded that no changes were required.

This document, prepared by the Department for Culture, Media and Sport, provides some answers to commonly asked questions on this matter.

Q. How will PSB content continue to thrive/be able to survive without this change?

The BBC iplayer is a success and continues to grow in popularity. In June 2016, there were 290 million requests for radio and television programmes to be downloaded - a 9% increase from the previous year. The start of 2017 saw continued growth, with a new record of 304.2 million requests for TV programmes. This is despite the fact that the BBC iplayer is not covered by the existing PSB prominence regime and despite the fact that many other new competitors having entered the market over this period. Most recent figures are that after iPlayer, the most used on-demand services in the UK are ITV Hub and All4.

Q. Why is Sky Q making PSB content increasingly harder to find?

PSB on demand players already occupy the most prominent positions in the Sky on demand section. PSB on demand players occupy the most prominent positions in the on demand section of the other TV platforms such as Virgin. This is achieved despite the absence of regulation through mutually aligned incentives and deals. You can get from the Sky Q landing page to the BBC iplayer in 4 clicks.

Q. Why isn't the linear TV guide more prominent than platform operators' recommendations which is what viewers say they want?

Platform operators will respond to consumer feedback and consumer needs which is what drives product development. Platform providers will want to ensure high levels of customer satisfaction to retain existing customers and attract new business.

Ultimately developments in the EPG will be customer driven.

Increasingly, users can personalise their own homepage for on-demand services.

The EPG regime should not be modernised to override consumer favourites/customer personalisation and it would not be in the interests of consumers to legislate to prevent this progress.

Q. Why are children's PSB channels difficult to find and so far down the EPG behind many US Children's TV channels?

Children's PSB channels do not need additional prominence. CBeebies and CBBC are already the most watched children's channels by some distance (CBeebies has a weekly reach of 48% of 0-6 year-olds, while CBBC has a reach of 36% for 6-12 year olds). There is no problem in terms of audiences being able to find these channels. Many children and parents simply know the number of the channel and bypass the EPG altogether.

Q. Won't prominence for Children's PSB channels promote investment in UK children's content?

Prominence for Children's PSB content will harm investment by non-PSBs. The BBC's ability to invest in content is, uniquely, not dependent on its EPG position, due to the licence fee. For every other broadcaster, EPG position is a key factor in generating revenues and, by extension, investment in content. This applies to both advertising revenues, which are directly related to audiences, and to subscription revenues, which are in part based on audience share.

Commercial channels do invest in UK children's content. Recent examples include Disney's live-action children's dramas *The Lodge* and *Evermoor*, Sky's first children's commission, *Morph*, and Turner's BAFTA-winning *The Amazing World of Gumball*. For commercial broadcasters to continue commissioning and investing in UK productions, they will need to be able to generate a return, which will be dependent on reaching audiences. It would be a shame if non-PSBs abandoned children's programming altogether, which could be an unintended consequence of such action.

The UK broadcasting sector is performing well, with audiences enjoying high levels of choice from many different channels, and investment coming from a range of different players. EPG position is an important part of broadcasters' businesses, helping determine revenues. Guaranteeing absolute EPG prominence would unduly transfer value away from commercial providers and damage investment in content. EPG position does not affect the BBC's income and therefore has no direct relationship to investment in content.

Q. Why ignore these changes which Ofcom have recommended?

Ofcom considered both sides of the argument in their 2015 PSB review, noting that "a new concept of universality may not necessarily require regulatory intervention". They considered that the resilience of live TV channels could mean that there is no need to change PSB distribution policy, and that on current trends, the proportion of PSB programmes consumed on-demand and in other non-linear formats may remain limited. In considering the continual developments in this market, we committed in

our Balance of Payments consultation to continue to monitor this area closely, particularly as new ways to discover content develop. All of the current indications are that PSB content, both on linear broadcasts and on-demand, remain extremely popular and accessible.

Q. Isn't extending EPG prominence to on-demand services simply updating broadcasting legislation to bring on-demand into line with linear broadcasting?

This is not true. There is a great deal of content on PSBs' on demand services that was never broadcast on a PSB channel - for example the Real Housewives of Cheshire which is broadcast on ITV's non-PSB portfolio channel ITVBe. Affording prominence to PSBs' on-demand services in fact goes far beyond the prominence which Parliament has afforded only to linear PSB channels.

Department for Culture, Media and Sport
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