BBC iPlayer Market Impact Assessment: Consumer Survey

Evaluating the Impact of BBC iPlayer

Research Study Conducted for Ofcom

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Introduction

Background to the MIA

The BBC is proposing to expand into the on-demand media space with the launch of four on-demand services, three of which would be provided over the internet and accessed using the proposed new BBC iPlayer software. As a convenient shorthand, we use the term 'iPlayer' to refer to all four of the proposed on-demand services throughout this report. The proposed services include seven day TV catch-up services over cable and the internet, live simulcast streaming of BBC TV content over the internet, and a non-DRM audio download service, limited to speech radio (although music may be offered where it does not infringe copyright). The internet services will be direct-to-consumer services – on demand, giving the consumer more freedom and control than that currently offered by linear TV and radio.

The Government's White Paper on the BBC Charter Review determines that any new or considerably altered BBC service must be subject to a Public Value Test (PVT). The PVT is designed to determine whether the introduction of a new service is in the public interest by weighing-up the "public value" of the proposed changes against their likely impact on the market. The iPlayer is the first service to undergo this process.

An important component of the PVT is a Market Impact Assessment (MIA) and as part of this, Ofcom has commissioned Ipsos MORI to carry out an independent research programme to understand market implications of launching the iPlayer.

The overall objective of the research was to:

> *"provide evidence to support the economic analysis to be conducted as part of the MIA"*

More specifically, the research findings aimed to:

- Assist with Ofcom's identification of affected services – by establishing the range of services that could be positively or negatively affected by the launch of the BBC iPlayer

- Explore the potential impact of iPlayer on current or future usage, in particular, whether consumers would reduce their usage or switch away from existing services (among existing users of these services)

- Explore whether the launch of iPlayer would affect take-up and usage of existing services (among future potential users of these services)

Assess consumer reactions to a change in the price of existing services (among existing users of these services)

The above market complexities and the rapid pace of technological change in this market limit the value a consumer survey can add towards assisting with assessing the market impact of iPlayer. The vast majority of the general public struggle with the technology and terminology involved, with some of the iPlayer components being well outside their current range of experiences – and even imagination.

This makes it very difficult for them to respond meaningfully to hypothetical questions – such as the effect using the imagined service might have on their consumption patterns.

However, the results of this survey provide a framework and 'consumer context', while the indicative findings provide evidence on any conclusions drawn by Ofcom in their assessment of the market impact of the BBC iPlayer.

Methodology

Ipsos MORI carried out a three-stage research programme comprising quantitative and qualitative research. Each stage was designed to meet specific objectives designed to deliver accurate (within the limitations highlighted earlier) and useful outputs for the MIA.

Stage 1: Qualitative Research

The aim of this initial stage of qualitative research was to develop a broad understanding of issues for the wider research programme, and to feed into the subsequent quantitative stage. In particular it looked at: the language users employ to describe the services and their content; the extent of users' understanding of the services and their content; and initial reactions to the iPlayer concept. Importantly the first qualitative phase also focused on areas where comprehension of services may be low, especially among non-users, in order to inform the design of the questionnaire for stage 2.

This stage was undertaken in two parts:

Ten in-home face-to-face depth interviews were conducted between 12th and 19th September 2006: eight with current users of cable or internet VOD and/or audio download services and two with non-users,

Two mini discussion groups (six respondents in the first group and five respondents in the second) with a range of "new media consumer" types. Participants were recruited by telephone using a screener questionnaire agreed with Ofcom.

Stage 2: Quantitative Research

The quantitative research was designed to provide data on the media consumption behaviours of users of each of the services (listed below), assess likely uptake of the services offered by the component parts of the iPlayer service and to measure any possible impact that using these services may have on usage of other services.

The quantitative stage of the research comprised two parts:

Main Survey of existing users of potential substitute services of iPlayer

Questions on Ipsos MORI's Omnibus.

Main Survey – existing users of potential substitute services

Ofcom identified nine markets upon which the introduction of the iPlayer may have an effect, each of which would be targeted in the consumer research, either via face to face or on-line methodologies. Respondents were asked which media services they used regularly and were assigned to one of the sample groups (with the breakdown of the distribution in the table below). Of the nine sample groups, seven were surveyed in-home face-to-face using Computer Aided Personal Interviewing (CAPI) and Ipsos MORI interviewed a total of 804 users in Great Britain. A note on the on-line sample will follow.

The composition of the sample was as follows:

Sample of Respondents (User-groups)	*Number*	*% of sample*
Linear analogue TV, Freeview, Freesat	127	16
Linear cable, satellite services	161	20
Digital time-shift devices – PVR, DVD-R, using computer with TV card as PVR	110	14
Services from NTL/ Telewest and Homechoice which allow catch-up for the BBC	92	11
Video on demand over the internet	104	13
Radio listeners who are existing or potential users of internet radio services	109	14
Audio downloads (Podcasts users)	101	13
Total	**804**	**100%**

The face-to-face interviews took place between 26th September and 22nd October 2006. 100 sample points were used in total, comprising cable regions across Great Britain, with quotas set on usage of services. This face-to-face survey is referred to as the 'Main Survey' throughout this report.

On-line survey

Given the nascent situation and very low penetration amongst the general population, it was agreed that users of internet TV simulcast and mobile TV would be researched through an on-line survey.

These two groups were surveyed by Research Now on behalf of Ipsos MORI between 11th and 16th October. Respondents were recruited via a consumer panel and a quota was set on existing service use of either internet simulcast or mobile TV.

Some counter-intuitive patterns were identified in the data from the on-line survey. In particular there were surprising levels of complementarity between new and existing services that are challenged by common sense analysis and the lessons from the qualitative research. A combination of sampling and questionnaire design issues could explain the apparent discrepancies in the on-line survey element of the research programme.

As a result, it was agreed that the data for the two on-line sample groups would be treated separately and would not be combined with the seven face-to-face samples.

Questionnaire structure

Section 1: Initial scoping questions to measure use of all services and either screen out respondents or assign respondents to a sample.

Section 2: Each sample of users was asked a series of questions regarding use of the service in the sample to which they were allocated. These question areas covered: types of programmes watched / listened to and choice of channel /station; most and least valued features of the service; the impact the uptake of this service had on other services; possible substitution services if their current service no longer existed and other specific questions dependent on sample.

Section 3: All respondents were shown a list of the component parts of the iPlayer service and asked to choose which two they were most likely to use. Once it was established that they were likely to use each selected service a series of questions was asked regarding how they would envisage usage of the service impacting on other existing, related services, and to what extent, and what price, they would be willing to pay for the service on a monthly or per download basis.

Variations of this structure were asked for each of the sample groups.

Consumption penetration across the population – Ipsos MORI Capibus

To complement penetration data from the main survey and to understand how this differs from the national average of usage of each of the services, a nationally representative omnibus survey of 4,013 face-to-face interviews was undertaken, over two consecutive waves between 6th and 19th of October, across Great Britain.

The Ipsos MORI Capibus conducted interviews in home using a random location sample design of between 160 and 180 sample points per wave.

Weighting of the main survey data

The main survey utilised a quota method of sampling, with the sample groups defined based on usage of the different services. This method of sampling was necessary to gain sufficient numbers of respondents within each service group to enable the user groups to be analysed separately within the current behaviour element of the study. However, using quota samples means that the data is not nationally representative as it under- or over-represents the usage of services compared to the UK population.

As data relating to take-up and usage of iPlayer components (relating to section 3 of the questionnaire) is analysed at an aggregated level, there is the opportunity to weight this data to ensure it equates to the profile of the Great Britain (GB) population. Data for the current behaviour of separate groups of users (related to section 2 of the questionnaire) does not need to be weighted as each sample is analysed separately.

Ipsos MORI applied a propensity score weighting to adjust for the differences in the probability of service usage in the main survey compared with the nationally representative Capibus survey.

	Service usage % by sample type		
Sample of Respondents (User-groups)	*Capibus (Nationally representative)*	*Main survey (Weighted)*	*Main survey (Unweighted)*
Linear analogue TV, Freeview, Freesat	53%	57%	61%
Linear cable, satellite services	38%	41%	63%
Digital time-shift devices – PVR, DVD-R, using computer with TV card as PVR	9%	11%	40%
Services from NTL/ Telewest and Homechoice - catch-up for the BBC	4%	6%	21%
Video on demand over the internet	5%	7%	38%
Radio listeners who are existing or potential users of internet radio services	56%	64%	68%
Audio downloads (Podcasts users)	6%	9%	30%

The 'main survey weighted' column in the chart above refers to the main survey data after applying the propensity weights. Comparing this to the unweighted data, the propensity weighting has clearly brought the service usage percentages more into line with those from the Capibus survey.

A demographic weighting based on age, gender, working status and social grade was also used as post-stratification weighting where necessary, to make the sample more nationally representative. As with any weighting, this will incur design effects and has the effect of bringing down the effective sample size for the study.

Stage 3: Qualitative Research

This stage of qualitative research aimed to gain a deeper understanding of the findings from the quantitative survey both in terms of use of existing services and research into iPlayer components. In particular it focused on; current consumption habits, how they affect use of other services, building a picture of media consumption; exploring in detail reactions to the iPlayer proposition, focusing on likes and dislikes of each component; understanding consumer behaviours, attitudes and preferences in relation to the different components of iPlayer, and how these are nested or otherwise integrated; and understanding the substitution impact of iPlayer on media consumption, both in terms of platforms and content providers.

Two workshops (eight participants in each) were conducted in a London viewing facility on the 19th October and 23rd October 2006 with representatives of Ofcom present. Participants were recruited by telephone using an agreed screener questionnaire ensuring that none of the participants in this phase rejected the BBC or BBC content out-of-hand. Participants for both workshops were defined as "users of new media" as follows:

> Workshop 1: New media users with a stated personal interest in technology that use the internet more than the television
>
> Workshop 2: New media users who did not declare a particular personal interest in technology and do not use the internet more than television

Publication of the data

Where research findings are published, Ofcom has a responsibility to ensure that these are not misleading. In accordance with the Market Research Society's code of conduct and Ipsos MORI's standard terms and conditions of contract, the publication of the findings of this research is therefore subject to the advance approval of Ipsos MORI and Ofcom. Such approval is only refused on the grounds of inaccuracy or misrepresentation.

Research considerations

While Ofcom and Ipsos MORI have undertaken a comprehensive research programme combining both quantitative and qualitative research, it is necessary to highlight a series of interrelated research considerations which must be discussed before presenting the findings of this study. These issues are important and have implications for the interpretation of data.

As discussed in the research objectives, a core part of the research programme is to understand how usage of existing media services would change if new services were introduced into the market. Part of this process involves asking respondents how they believe their usage of different media would change if iPlayer was launched thus giving an indication of the likely take-up of the new service and the corresponding effect on existing competing or complementary services.

Our experience shows that respondents find it very difficult to predict future behaviour based on a series of hypothetical scenarios, something which would normally be beyond the scope of a simple question and answer research project. Measuring the impact of a stimulus would normally involve a benchmark: either having a control sample or a 'before and after' approach; neither of which were possible in this case. For example, in order to gauge the 'effect' of a variable, two matched samples need to be set up, one asked to use iPlayer, the other not (the control group). Then any difference that emerge in the subsequent behaviour of the two groups can be inferred as having been the effect of the stimulus – assuming other variables have not been changed during this time.

The dynamic environment which consumers are operating within also influences decisions. The speed in which technology platforms and preferences change - illustrated by the rapid growth of YouTube - means the environment and media landscape may be very different when iPlayer is actually launched. Indeed, the final characteristics of the iPlayer could be different from the service tested within the research.

The study sought to allay these concerns by understanding potential substitutes and making comparisons in how usage changed when similar services were launched such as catch-up through cable TV. However, it is impossible to capture the true dynamic context, thus the stated 'impact' in the survey is based on a snapshot in time.

More importantly, the difficulty in making trade off decisions on future usage of services is compounded by the complexity of the services themselves. The features and benefits of different media services (on which trade off decisions are based) are complex and may be unclear to those who have less experience of them. This means that some will not be adequately informed as to the 'true' utility which needs to be attached to the different services. As a result, there is a risk that people will answer questions in what seems to be an illogical way compared with those more well informed on the features of the services.

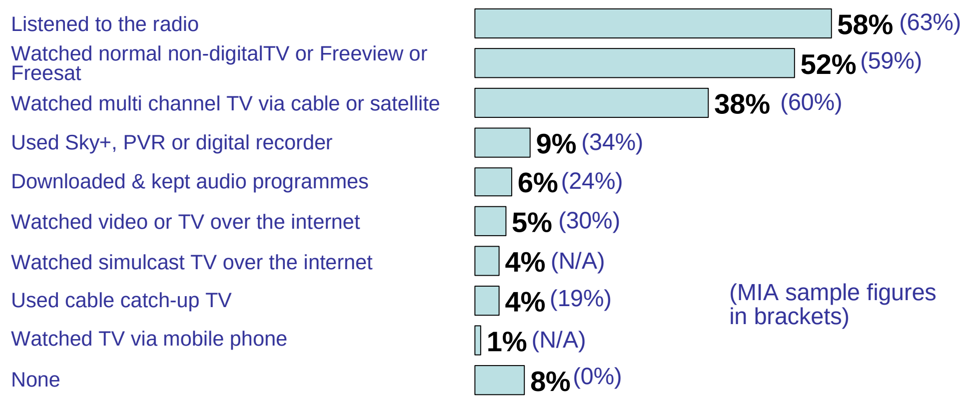
While the approach sought to provide consumers with as much information as possible on the different services, any market where the hypothetical services are complex means it is difficult for people to rationally estimate their usage of services and behaviour within a research environment. This goes some way to explain the diverse and sometimes contradictory patterns in the data.

Current penetration of services

An important starting point for the MIA, to provide background to the market analysis exercise, is to assess current usage and penetration of existing related services which will represent both complements and substitutes for the BBC iPlayer. The nationally representative Omnibus survey helps further understand this.

Respondents were shown a list of activities and asked which they had personally done recently. The graphic below summarises the overall penetration levels in the general adult population. The percentages in brackets relate to the incidence found among the total sample in the ad-hoc MIA survey. For the latter, users were specifically targeted, so there will be a considerable exaggeration of the penetration levels. However, the figures[1] are presented as a matter of interest and to illustrate the likely overlap in use.

Q Looking at this list, which of the following have you personally done at least once in the past month or so (at least twice in the past 6 months for Simulcast, at least twice in the past couple of months for Mobile TV).



Base: All users, Capibus (4,013); Main survey (804)

Source: Capibus and Main Survey

As would be expected, radio listening and television viewing are the most common activities

Those who say they have listened to the radio in the past month make up 58% of the adult population[2]; among the over 45s this increases to 63% and to 69% among ABs. Radio listeners are also relatively more likely to have used catch-up TV, recorded TV programmes and watched TV programmes via the internet (as well as downloaded audio content).

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[1] The Main Survey sample were not asked if they had used either the internet simulcast TV or mobile TV, hence the 'not applicable' in brackets against these two services

[2] Although this is lower than reported in RAJAR data, consistency between Omnibus waves indicates this is likely to be a result of the question design and a truer indicator of regular behaviour. RAJAR reports 'radio listening' as at least five minutes a week.

Around two in five people say they have watched multi-channel cable or satellite TV at least once in the past month or so (38%); which is lower than other data sources[3] lead us to expect[4]. This proportion increases to 45% of those aged 25 to 45 and to 51% of those with more than one child in the household. Multi-channel viewers are also more likely to be catch-up TV users, PVR users and to use the internet for TV, video or audio downloads.

Just over half (52%), say they have watched TV via Freesat, Freeview or analogue signals at least once in the past month or so. Among those aged 65 plus, this proportion increases to 60%.

Just 1% of adults aged 15 plus in Great Britain say they have watched TV on a mobile phone, at the same time it was being broadcast, at least twice in the past couple of months. Among the under 45s this proportion increases to 3%. Mobile TV users are relatively more likely to also watch cable catch-up TV, and to have accessed audio downloads or Internet simulcast.

Rather more have accessed simulcast TV via their computer and the internet at least twice in the past six months (4%). This figure increases to 7% among those aged under 25 and drops to 1% among those aged 65 plus. Internet simulcast users are also likely to watch TV on their mobile, download audio programmes, and watch TV programmes or content via the internet.

Cable catch-up TV users were found in the same proportion as Internet simulcast users (4%) in the past month or so. These users are more likely to be found in the younger age groups (under 45), and again are more likely to use other services listed, such as TV on the mobile phone, audio downloads and watch TV programmes or content via the internet.

One in twenty (5%) have watched video content or TV programmes via the internet at least once in the past month or so. Among the under 25s this figure increases to 8%. These users are also particularly likely to have been Internet simulcast users and audio downloaders.

Slightly more have downloaded and kept audio programmes at least once in the past month or so (6%), rising to 15% among the under 25s. These users are also highly likely to have watched TV or video content via the internet.

One in eleven have used PVRs such as Sky+, or TiVo or digital recorders at least once in the past month or so (9%). Use of this device spans a wide range of age-groups, but is more prevalent among the AB social grade or those aged 35 to 55, than among those aged 65 plus. PVR users are also more likely to simulcast or watch TV programmes via the internet.

[3] Ofcom Residential Communications Tracking Study, 2006

[4] The findings are consistent between waves of the Omnibus which indicates that this finding is reliable and reflects differences in questionnaire design

Differences between sub-groups

The main differences are related to age and associated life stage characteristics, such as the presence of children in the home. Social class and income can also be differentiating factors, such as for radio listening, simulcast, PVR recording and downloading video or TV content via the internet.

There are relatively few national or regional differences but one that is worth noting is that penetration of cable and satellite TV is higher in Scotland – where receiving analogue TV signals may be a problem in some areas.

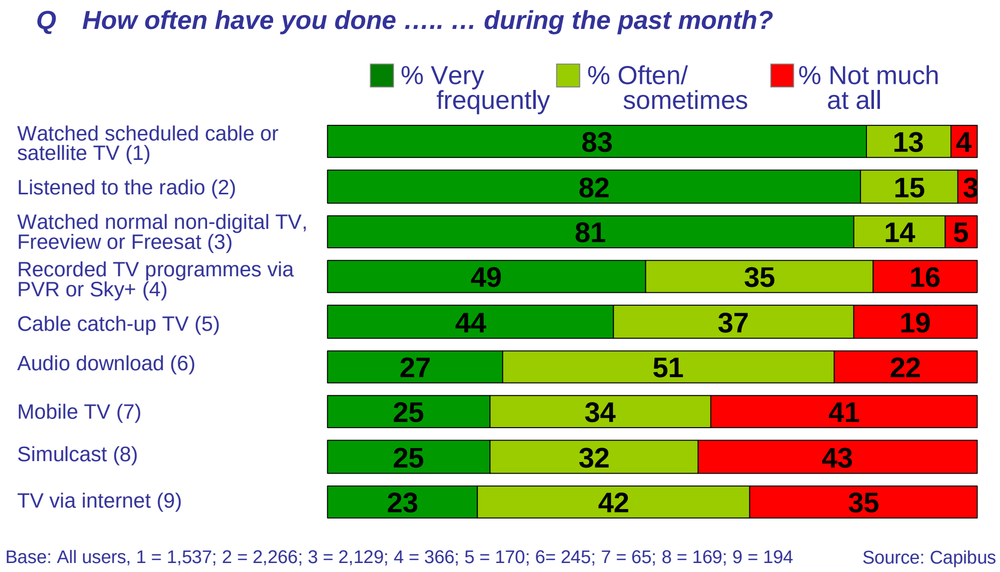
Existing users of iPlayer-type services are more likely to say they would use one or more iPlayer components when launched.

The qualitative research reinforced this assertion. Many users of newer technologies said they weren't keen to try new gadgets and services, but their behaviour suggested otherwise – perhaps as a result of exposure to, and familiarity with, new technology.

> *"I'm gadget mad, really. My favourite thing is my MP3 as it holds 3,000 tunes – I can go bike riding all the way to Brighton. It's not my newest or funkiest, that would be my PSP, but it's my most loved one. I love mobiles, all the things you can do on them. Laptop as well. internet, I like the computer side of it but I get twisted about it – it's annoying at the same time"*
>
> Female, 37, C1, not declared a personal interest in new technology

Frequency of usage

Omnibus respondents were asked how often they had done each of the activities over the past month.



The frequency of use reported by this nationally representative sample is almost as high as that reported by the main survey's targeted sample, reinforcing the reliability of the latter's findings. Two-thirds of users report using catch-up TV and/or PVR devices 'very frequently' or 'often'. Over half do so for downloading audio programmes and four in ten do for internet simulcast, mobile TV and video or TV via the internet. Only for mobile TV, internet simulcast and TV via the internet does the proportion saying 'not much at all' exceed more than a third of the user sample.

The next table illustrates the results from the same frequency question asked of those users targeted for the main survey. Comparing the proportions who use the service very frequently, the similarities between the results from the nationally representative omnibus sample and the targeted main survey sample can be seen.

Q	*How often have you done ....during the past month? [Analogue, Freeview, Freesat or cable or satellite TV not asked in main survey]*	
(% very frequently)	**Omnibus Sample**	**Main Sample**
	%	%
Watched scheduled cable or satellite TV (1)	83	N/A
Listened to the radio (2)	82	72
Watched normal non-digital TV, Freeview or Freesat (3)	81	N/A
Recorded TV programmes via PVR or Sky+ (4)	49	52
Cable catch-up TV (5)	44	38
Audio download (6)	27	29
Mobile TV (7)	25	N/A
Simulcast (8)	25	N/A
TV via internet (9)	23	23

Base:
All users from Omnibus, 1 = 1,537; 2 = 2,266; 3 = 2,129; 4 = 366; 5 = 170; 6= 245; 7 = 65; 8 = 169; 9 = 194
All users from Main survey, 2 = 505; 4 = 274; 5 = 154; 6= 196; 9 = 243

Source: Omnibus and Main Survey

The main difference is in radio listening, where reported frequency of use is higher in the nationally representative survey. For audio, TV over the internet and PVR use, there is relatively little difference.

The results of the Omnibus survey illustrate one of the difficulties faced with this type of research – that of asking questions about devices and services which are beyond some people's comprehension and imagination. To minimise the effect of this, descriptions of the services were tested and refined during the first stage of qualitative research. However there may be some people who do not understand the true nature of the service they are being asked about so this should be considered when interpreting these research findings.

For findings based on a 4,013 sample the statistical reliability comes within 1% to 1.5 % points (depending on the % result) at the 95% confidence level. What this means is that if the research were repeated 100 times the results would fall within this range in 95 of the 100 cases. For the Main Survey, given that the sample sizes are smaller, more variance is expected (this is detailed in the Appendices).

In this instance, while there appear to be some illogical contradictions and under-reporting in the responses (such as the 20 or so people who say they have used VOD over the internet or podcasts when they also say they do not have internet access, or the 16 who say they have used catch-up when they are not cable customers) the findings across the two waves of omnibus research are reasonably consistent and therefore we are confident that this way of administering this question is appropriate.

Reported internet, dial-up and broadband penetration levels in the Omnibus sample are in line with what we know from other sources. Ipsos MORI's Technology Tracker shows that an increasing number of the public (47%) have broadband access at home, a decreasing number (9%) dial-up.[5]

The 804 respondents in the main survey were specifically targeted to have a broadband internet connection, or intend getting such a connection in the next 12 months, and/or have cable TV at home. Thus this sample has a higher internet penetration than amongst the population as a whole.

For instance around 60% of the general population have an internet connection at home, while nearly nine in ten of the main survey did (85%); of these, 93% had broadband. The majority of those in the main survey without an internet connection at home (117 people) said they intended to get connected (60%), and 71% of these intended to choose broadband.

[5] Data are taken from Ipsos MORI's September 2006 Technology Tracker. 4,035 interviews conducted face-to-face, in home, using CAPI, throughout Great Britain.

Usage of current services

Background

Following on from establishing the current levels of penetration of services, it is now important to understand how consumers actually use them. This will establish a basis for understanding the services which will be potentially impacted by the iPlayer products. For the purposes of the MIA research programme, this involved taking a sample of users of each of the seven services (known as user groups) within the ad-hoc main survey and asking them questions on their past, current and likely future usage patterns.

To establish the seven service samples, respondents were presented with a list of services and were asked which they had personally used in the last month and how frequently they had used them.

Sample	***Service***
A	Normal, Analogue (non digital TV), Freeview or Freesat
B	Multi channel Cable or Satellite TV
C	PVRs / digital recorders
D	Catch-up over cable TV
E	VOD over internet
F	Radio
G	Audio downloads (podcasting)

As noted previously in the report, many had used more than one of the services but were allocated into a unique sample group for one of the services that they had used. Each sample was then asked a series of questions on their usage of that service, which included:

The types of content which is accessed such as BBC vs. non BBC and the different genres of programmes

The important characteristics of the service which consumers value

How their usage of *other* services changed when they started using the service under discussion

How their usage of other services would change if the service was no longer available.

To ensure the interview was not too long and to prevent respondent fatigue, respondents were only asked about their usage of the service for the sample they had been allocated into.

Summary of services

For the purposes of the MIA, the importance of understanding the usage of existing services in detail is that it provides a valuable benchmark against which to assess the potential impact of the iPlayer services. It also provides some insight into the extent to which usage of existing services changed when new services were launched in the past. This could help in evaluating the possible effects of the iPlayer's introduction.

Based on the results of the quantitative and qualitative research, we have summarised the key findings on the usage of existing services in the table below:

	Sample	Content accessed	Most valued attributes	Potential complements	Potential substitutes
A	Normal analogue TV/Freeview, Freesat	Mainly BBC and ITV for news and current affairs, or soaps, series and reality TV	Access to a wide choice of channels from BBC and ITV; watching TV on a normal TV screen	-	Other TV platforms, especially analogue TV for DTT viewers
B	Multi-channel cable or satellite TV	BBC/ITV/Channel 4/Sky for soaps, series and reality TV, news and current affairs, and documentaries	Extended range of channels; electronic programme guide	PVRs (for satellite subscribers); watching Sky channels (for cable subscribers)	Watching DVDs and video tapes; other TV platforms, especially analogue and DTT services
C	PVR/digital recorders	Films, soaps, series and reality TV and documentaries on Sky and BBC	Ability to watch recorded programmes anytime after they have been broadcast ; ability to control playback of the programmes	Linear TV (especially Sky, reflecting dominance of Sky+ in samples); watching DVDs and video tapes	Linear TV; watching DVDs and video tapes
D	Catch-up over cable TV	Mainly BBC or ITV though could be constricted by scope of service. Soaps, series and reality TV were the most popular types of show on cable catch-up TV	Opportunity to view programmes after they have already been shown; ability to pause, rewind and skip through programmes.	Programmes recorded earlier; linear cable TV;	Watching DVDs and video tapes
E	VOD over internet	News and current affairs, music and sport	Ability to watch programmes anytime after they have been broadcast; the quality and speed of the downloading/streaming of video; ability to control the playback of content	-	Linear TV
F	Radio	News and current affairs, and pop/rock music	Listen to audio content on the move; wide choice of stations	-	-
G	Audio downloads (Podcasting)	Wide range of genres and providers	Transferring downloads onto portable MP3 player	Listening to content on mobile devices; listening to radio on the internet	Listening to CDs, listening to analogue radio

Sample A – Analogue TV, Freeview, Freesat

Definition of sample:

Watched TV via a normal, non-digital, signal or Freeview or Freesat

Qualitative context

Those who use analogue or Freeview or Freesat are particularly traditional in their use of technology in what, for them, is a settled market. They are not generally 'early adopters' or 'experimenters' but continue to use familiar services they have used for some time and are not necessarily prepared to pay for extra services.

Content and value

Reflecting the maturity of the market, when using Analogue TV, Freeview or Freesat, the most common channels watched are ITV, BBC and Channel 4 (87%, 87% and 70% respectively) with half using Five and a quarter using Sky channels. By far the two that are most popular are BBC and ITV.

Q ***Thinking of the types of programmes you tend to watch, from the list please choose three types you watch most often.***

And which, if any, of these would you rarely or never watch?

Types of Programmes	Top 3	Rarely watched
Base: Sample A – Analogue TV, Freeview, Freesat (127)	%	%
News and current affairs	57	5
Soaps, series, reality TV	54	23
Documentaries	43	7
Films	39	4
Sport	29	35
Dramas	28	11
Comedy	24	8
Children's programmes	12	51
Music	9	23
None of these	0	0

Source: Main Survey

The types of programmes watched most often are news and current affairs (57%) and soaps, series and reality TV (54%) with children's programmes and sport the least watched. On the whole analogue TV, Freeview or Freesat users tend to watch BBC, or BBC and other broadcasters' content, for most of their viewing.

The most valued aspects of the service are the ability to access a wide choice of channels, which was chosen by 60% of the sample. Reflecting the large amount of BBC content which is accessed through analogue TV and Freeview, the ability to access BBC content was valued by slightly more than content from other providers.

Q ***Which of these features of your TV service do you value most? Please choose your top three features.***

And which, if any, of these features are of little or no importance to you?

Features	Most valued	Of little or no importance
Base: Sample A – Analogue TV, Freeview, Freesat (127)	%	%
Access to a wide choice of channels	60	9
Ability to access BBC content	44	5
Ability to watch TV content on a normal TV screen	39	1%
Ability to access content from other broadcasters	39	9
Ability to watch TV using my television set without any additional equipment	29	16
Ability to access TV via electronic programme guides	17	44

Source: Main Survey

The profile of the sample suggests that new technology is less important than content to analogue TV, Freeview and Freesat users. Only 17% state that electronic programme guides are one of their top three features, compared with almost half who say this is of little or no importance.

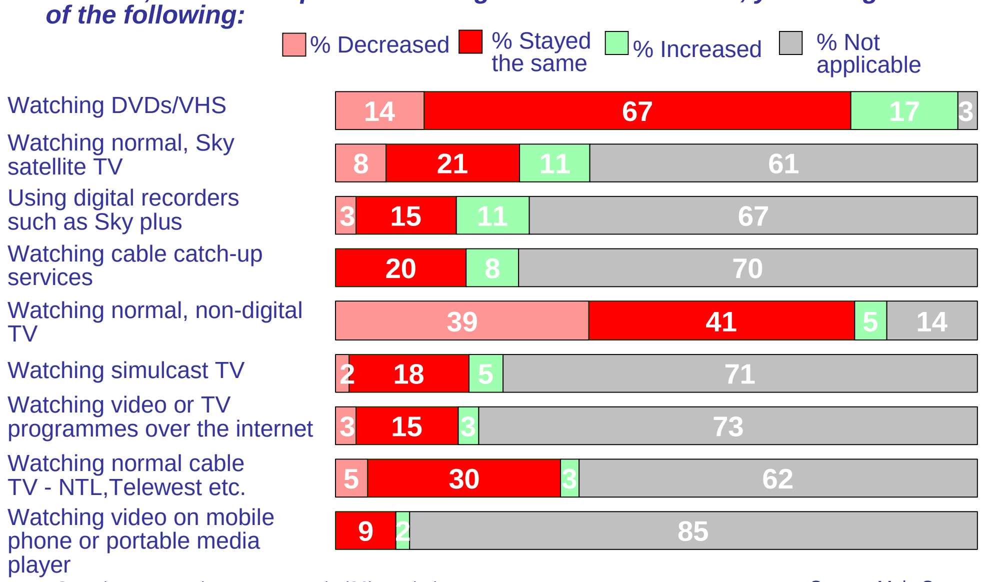
Complementary and substitutable services

Those who watch Freeview or Freesat were asked how their use of other services was affected when they started to use these digital TV services.

Most did not use other services before they started viewing digital terrestrial TV and therefore change in use of these other services was limited.

Most commonly used were DVDs and videotapes for whom more than two thirds report no change in their consumption. Four in ten say that normal non-digital TV use decreased, but a similar proportion claim it remained the same – perhaps thinking this referred to their viewing of traditional terrestrial channels rather than the platform itself.

Q We would like to know more about how your use of other services has been affected by your use of Freeview or Freesat. Please state whether, as a consequence of using Freeview or Freesat, your usage of the following:

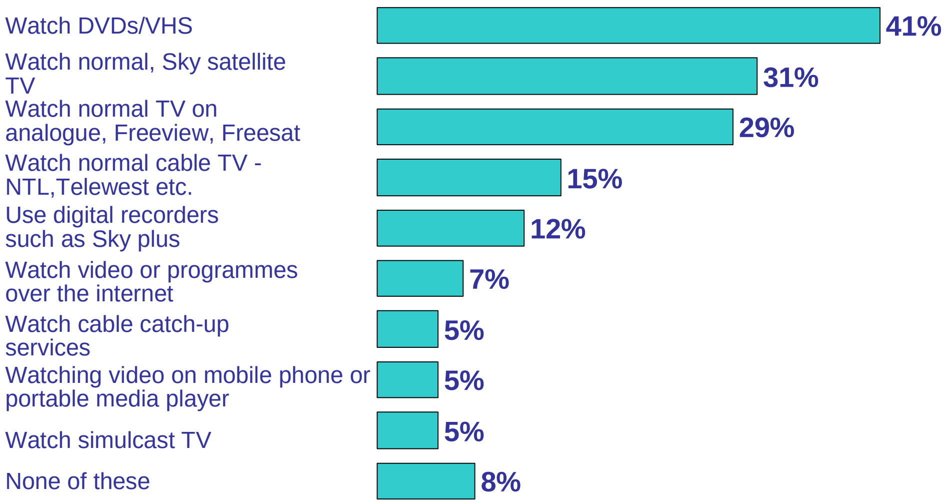


Base: Sample A – Freeview, Freesat only (66), excludes DK

Source: Main Survey

Those who still watch analogue, non digital TV (as opposed to Freeview or Freesat) were asked what they would do if the analogue service were no longer available. The most common response was to watch more DVDs or videos (41%), or switch to a different platform, be it Sky (31%), Freeview / Freesat (29%) or cable TV (15%).

Q If normal, non digital TV services were no longer available, which of the following, if any, would you be most likely to use or watch more of as a result?



Base: Sample A – Analogue TV only, (59), excludes DK

Source: Main Survey

This sample were asked if they would watch some of their favourite channels over the Internet if they were no longer available on their current services. There are fairly mixed feelings on this with just over half (53%) stating they would be likely to watch the channels over the internet and 45% stating that they would not be likely. They were also asked, if this were to happen, which feature they would value the most and the preferred feature was that the service would be provided free of charge.

Sample B – Multi-channel cable or satellite

Definition of sample:

Watched TV on normal scheduled cable or satellite services such as NTL, Telewest, Sky or Homechoice

Qualitative context

As the qualitative research suggested multi-channel TV is resulting in a wider variety of channels being watched than on other platforms, consumption of (and the influence of) the BBC is diluted, especially among those who are more technologically advanced.

Service usage

In addition to being cable or satellite users (where there is roughly a 40:60 split), around a quarter of this sample are using digital video recorders. Only one in ten are using newer technologies such as VOD over the internet or cable and downloading podcasts[6].

Content and value

Among this group BBC, ITV, Sky and Channel 4 are the most frequently watched TV channels (78%, 73%, 69% and 65% respectively). However, when asked to choose which was the one they watched most frequently, the majority state Sky or BBC.

The table below shows that the most frequently watched types of programmes are soaps, series and reality TV, news and current affairs, and documentaries and the spread across each genre is fairly even.

[6] Respondents in this sample were only asked about multi-channel TV, for reasons of time and consistency

Q	***Thinking of the types of programmes you tend to watch, from this list please choose three types you watch most often.*** ***And which, if any, of these would you rarely watch?***	
Types of Programmes	**Top 3**	**Rarely watched**
Base: Sample B – Multi-channel Cable or Satellite (161)	%	%
Soaps, series, reality TV	47	21
News and current affairs	43	8
Documentaries	41	7
Films	37	5
Dramas	31	11
Comedy	30	9
Sport	30	35
Music	14	20
Children's programmes	14	39
None of these	0	9

Source: Main Survey

The choice of watching BBC or non-BBC content is more or less consistent with those that watch analogue or Freeview or Freesat, except for a few genres such as documentaries and sport where a greater proportion of cable or satellite users choose to watch non-BBC content. This is to be expected given the greater range of channels showing these genres that are available on cable and satellite.

The most valued aspect of cable or satellite TV is the extended range of content and programmes with 62% of users stating this as one of their top three features. The electronic programme guide is also important, rated top three by 53%. This general range of content is more important than who provides it, whether the BBC (45%) or other broadcasters (45%).

Buying video on demand is not important to most cable and satellite users, 63% saying this is of little or not importance compared with 9% who value it highly.

Q	***Which of these features of your TV service do you value most? Please choose your top three features.*** ***And which, if any, of these features are of little or no importance to you?***	

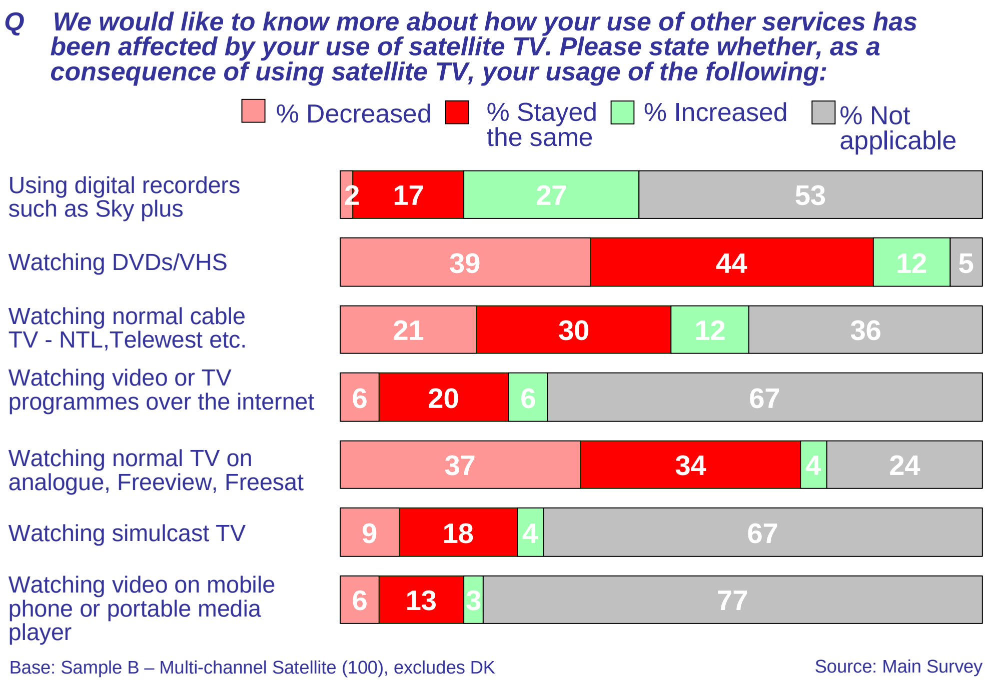
Features	**Most valued**	**Of little or no importance**
Base: Sample B – Multi-channel, Cable or Satellite (161)	%	%
The extended range of TV content and programmes	62	3
Ability to find scheduled TV programmes via the electronic programme guide	53	9
Ability to access other broadcasters' content	45	10
Ability to access BBC content	45	9
Ability to buy video on demand	9	63
None of these	1	12

Source: Main Survey

Complementary and substitutable services

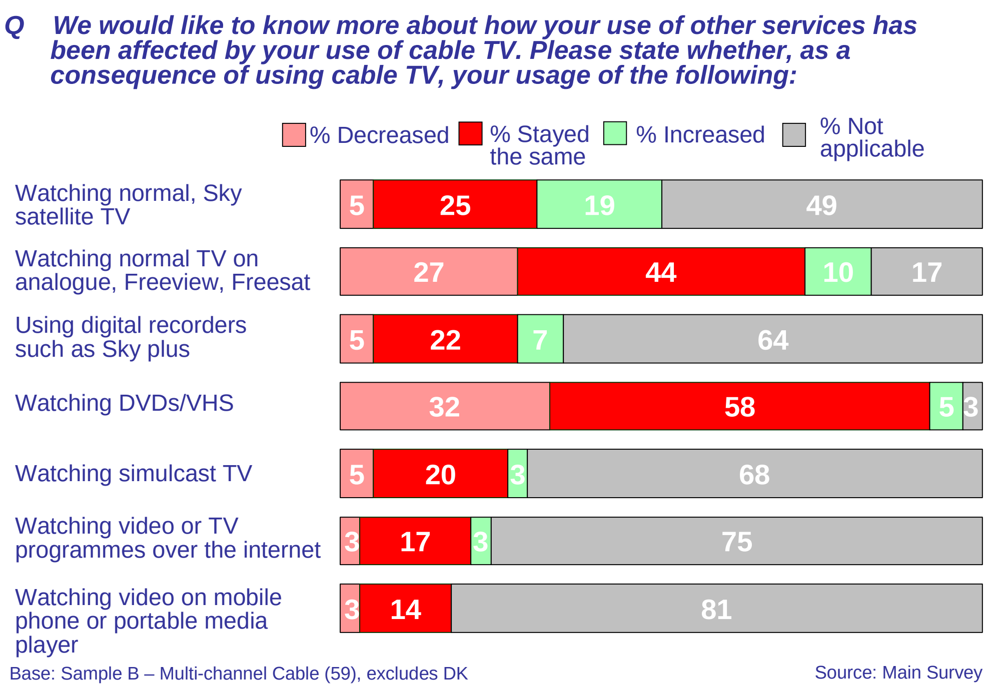
The relationship between **satellite TV** and other services appears to vary depending upon the individual. For example, four in ten satellite users say their viewing of DVDs and video tapes decreased since using Sky, but slightly more report this remained the same. Similarly, there is a split between those who say their use of other TV platforms decreased or remained the same. This may be partly explained by respondent confusion over platforms compared with channels.

A quarter report their use of PVRs increased, possibly explained by the installation of Sky+ alongside their new satellite service.



Low base sizes limit the analysis of **cable** users but a similar pattern to satellite users can be seen. Viewing of Sky satellite TV increased for one in five, perhaps referring to the Sky channels rather than the platform itself.

The only other widely used service is watching DVDs and video tapes, where the twice as many say their viewing remained the same, as decreased, as a consequence of using cable TV. .



The sample were also asked to think what they would do if their favourite channels were no longer available as TV channels on cable or Sky, but were instead broadcast on the internet for free. Looking at the results in the table below, six in ten said they would not be likely to watch these channels over the internet. The remainder said they would be likely to do so.

Q ***If some of your favourite channels that you watch on cable or satellite TV were no longer available as TV channels but were instead broadcast on the internet for free, how likely would you be to watch these channels over the internet?***

Base: Sample B – Multi-channel Cable or Satellite (161)	%
Very likely	17
Fairly likely	21
Not very likely	29
Not at all likely	31
Don't know	1

Source: Main Survey

This does not necessarily imply that they simply would not watch any content at all, but could well be that the respondents would instead choose to watch the programmes through another TV service such as analogue or Freeview.

Satellite and cable users were also asked to rate the features they would value if the BBC were to make its channels free for viewing over the internet at the same time as they are broadcast on TV. As is shown in the chart below the features which were valued the most are that the service is free of charge (46%) and that it gives you the ability to watch BBC TV on your computer (28%).

Q	***If the BBC made available a new free service that enabled you to watch BBC channels on your computer at the same time as they are broadcast on TV, which of the following features of the new service would you value most?*** ***Please choose your top two features.***

Features	**Most valued**
Base: Sample B – Multi-channel Cable or Satellite TV (161)	%
That the service is free of charge	46
The ability to watch a wide range of BBC content on my computer through my internet connection	28
Ability to watch BBC channels on the internet at the same time as they are broadcast on TV	18
Providing extra, related information on the BBC website whilst you watch BBC channels on your computer	15
None of these	31

Source: Main Survey

The market for multi-channel subscribers is a relatively mature one which offers users what they seem to want – an extensive range of channels and content as well as technological add-ons such as electronic programmes guides and, in the case of Sky users, digital recorders which allow them to tailor their viewing with time-shifting technology.

Sample C – PVRs and digital recorders

Definition of sample:

Recorded TV programmes to watch later using any of the following:

- TiVo / PVR / DVR/ hard disk recorder

- DVD-R RECORDER / hard disk recorder with DVD burner

- Sky Plus/Sky+

- Telewest's TVDrive

- Computer with TV card

Qualitative context

The term PVR is not well understood beyond the most technically advanced. In fact, there are even technically advanced Sky+ users who do not refer to the platform as a PVR.

"PVR – I was thinking of a personal video camera"
Female, 27, B, VOD user

"I've never heard it described as that before"
Male, 23, C2, Sky+ user

The qualitative research indicates that Sky+ liberates users from the linear television schedule. As a result consumers are able to keep up with series without needing to be present at the time of broadcast, a key benefit.

Some of those who have a PVR profess to 'not being able to go back' to linear television, a concept that seems outmoded because of the desire to choose what they watch, when they want to watch it. TV viewing does seem to increase with the purchase of a PVR and this could be because consumers then have access to all the content they wish to watch but may have missed previously. However, there is no evidence that PVR usage leads to one provider's content being favoured over another's. Instead it seems that the content watched is driven by people's existing tastes and PVRs make accessing it easier.

One of the main benefits of PVRs to consumers is that the technology can be used universally across channels, leaving the decision on the content to individual taste. PVR users are therefore under-whelmed with iPlayer's catch-up services being limited only to BBC content (and not all BBC content at that). In the age of consumer control the narrow range of content available via the catch-up services of the iPlayer do not give the PVR user the freedom and control they have become accustomed to.

Service usage

Users of Sky+ or DVD-R recorders account for eight in ten of the sample (51% and 28% respectively) with others using devices such as TiVo/PVR or DVR (9%), Telewest TVDrive (5%) or a computer with TV card (4%).

Content and values

The broadcasters' channels that are viewed most frequently using digital recorders are Sky (62%), BBC (61%), ITV (55%) and Channel 4 (48%), with Sky content being watched most often.

Q Thinking of the types of programmes you tend to watch using your digital recording device, from this list please choose three types you watch most often.

And which, if any, of these would you rarely watch?

Types of Programmes	Top 3	Rarely watched
Base: Sample C – PVRs/Digital Recorders (110)	%	%
Films	55	3
Soaps, series, reality TV	46	22
Documentaries	40	9
Dramas	30	5
News and current affairs	29	16
Sport	26	35
Comedy	22	7
Music	15	21
Children's programmes	13	49
None of these	0	5

Source: Main Survey

The types of programmes that tend to be recorded and viewed most often using digital recorders are films, soaps, series and reality TV, and documentaries.

For digital recorder users the most valuable features chosen were the ability to watch recorded programmes after they have been broadcast (74%) and the ability to control playback of the programmes (72%). These findings suggest consumers appreciate the freedom these services offer.

Q	***Which of these features of your digital recording device do you value most? Please choose your top three features.*** ***And which, if any, of these features are of little or no importance to you?***	

Features	**Most valued**	**Of little or no importance**
Base: Sample C – PVRs/Digital Recorders (110)	%	%
Ability to watch programmes anytime after they have been broadcast	74	2
Ability to pause, rewind, skip through programmes	72	10
Ability to programme the recorder once for the complete series	45	23
Ability to watch other broadcasters' content after it has been broadcast	24	9
Ability to watch previously broadcast programmes on a TV screen	18	24
Ability to watch other BBC content after it has been broadcast	17	10
None of these	1	25

Source: Main Survey

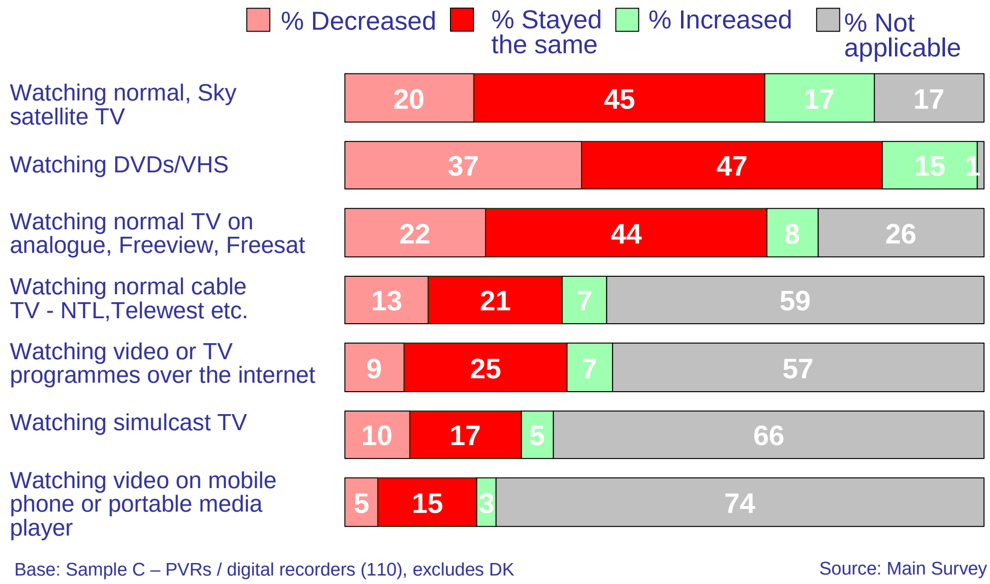
Complementary and substitutable services

Changes in the use of existing services were mixed following the introduction of a PVR. For example, whilst two in ten say their consumption of linear Sky TV decreased, almost as many report an increase; almost half, however, say it made no difference.

Similarly, although watching DVDs and video tapes appear to have experienced the biggest decrease, one in eight say their use of these media increased.

On balance, more report that their use of linear TV decreased than increased as a consequence of digital recording.

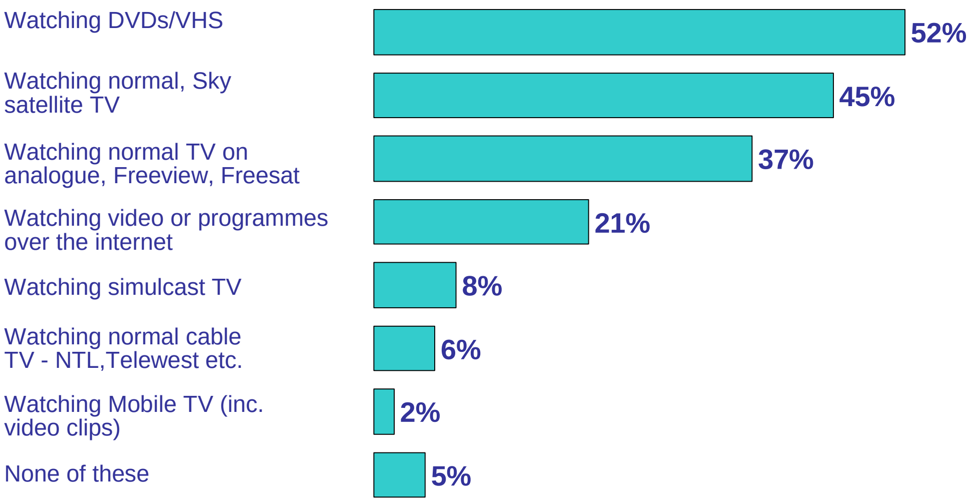
Q We would like to know more about how your use of other services has been affected by your use of digital recording. Please state whether, as a consequence of using digital recording, your usage of the following:



When asked which other platforms consumers would use if current digital recording facilities were no longer available, the majority say they would revert to linear services such as Sky satellite TV (45%) or analogue or Freeview or Freesat (37%), or other 'on-demand' media such as watching DVDs and video tapes (52%).

Some, but to a lesser degree, would opt for the more technologically advanced on-demand platform of downloading programmes over the internet. This would suggest that the digital recorder market straddles the divide between the on-demand early adopters and the more traditional time-shift users.

Q If current digital recording facilities were no longer available, which of the following, if any, would you be most likely to use or watch more of as a result?



Base: Sample C – PVRs / digital recorders (110), excludes DK

Source: Main Survey

When asked what features would be most valued if the BBC were to launch a seven day catch-up service over the internet, no one feature stood out. A free service is most regularly rated as a top three feature, closely followed by the ability to control playback and a chance to watch programmes after they have been broadcast. These responses suggest the iPlayer internet catch-up service could offer similar benefits to a PVR for many respondents.

The least important features are providing extra, related information on the BBC website while watching the content and being able to watch the programme on a computer, rather than on a TV screen.

Q	***If the BBC made available a new service that enabled you to download and watch BBC programmes on your computer, for free, up to seven days after they were broadcast on TV, which of the following features of the new service would you value most? Please choose your top three features.*** ***And which, if any, of these features are of little or no importance to you?***

Features	**Most valued**	**Of little or no importance**
Base: Sample C – PVRs/Digital Recorders (110)	%	%
That the service is free of charge	38	4
Ability to pause, rewind, fast-forward and skip through the TV programme	36	11
Ability to watch programmes up to seven days after they have been broadcast	33	8
Not having to worry about having to plan to record TV programmes in advance	30	9
Ability to access BBC content or programmes up to seven days after they has been broadcast	30	7
Ability to download an entire series of programmes and watch at the same time	25	16
Ability to download and watch previously broadcast TV programmes on a computer screen	18	26
Ability to find BBC programmes on the internet via an electronic programme guide	17	23
Providing extra, related information on the BBC website whilst you watch downloaded BBC content and programmes on your computer	9	30
None of these	11	20

Source: Main Survey

Sample D – Cable catch-up

Definition of sample:

Used any services available with NTL, Telewest or Homechoice which allow you to 'catch-up' with TV programmes that you may have missed when they were first scheduled. These services are called "NTL Pick of the Week", "Telewest Teleport Replay" and "Homechoice's Replay".

Qualitative context

The qualitative research indicated that knowledge amongst current cable catch-up users of the channels and genres which can be accessed is low. Indeed many feel there is a limited amount of content currently offered on the service.

> *"The programmes I want are never on there, for example*
> *Top Gear*
> *If it's only limited to BBC, it ain't that great"*
>
> Telewest viewer, male, 36, C1

For cable catch-up to be truly valued, non-users expect a full range of channels, BBC or non-BBC, and content to be available 'on demand'. Those interested in cable catch-up can get frustrated at their desired content not being available; leaving them feeling that the choice of content is somehow dictated for them.

Content and value

The main survey found that usage of cable catch-up TV is dominated by BBC programmes - over eight in ten use cable catch-up to access BBC content, while a third access ITV content. This in part may reflect content and the greater number of BBC programmes available on cable catch-up compared to other content providers; however, it still illustrates the value attached to BBC content among users of cable catch-up services.

The table below shows that the most popular types of programmes watched using the cable catch-up facility are 'soaps, series and reality TV' with 54% stating that this was one of the types of programmes they watched most often. Comedy, documentaries and drama programmes at 38%, 38% and 37% respectively were the second tier favourites. All the popular genres have a bias towards BBC content with very few watching only non-BBC content through cable catch-up. In general the genres most likely to be rarely or never watched were children's programmes (55%) and sport (33%) – although this is likely to be influenced by household composition.

Q	***Thinking of the types of programmes you tend to watch using catch-up facility, from this list please choose the three types you watch most often… And which, if any, of these would you rarely or never watch using the catch up facility?***	
Types of Programmes	**Top 3**	**Rarely watched**
Base: Sample D – cable catch-up services (92)	%	%
Soaps, series, reality TV	54	23
Comedy	38	11
Documentaries	38	9
Dramas	37	5
Films	32	7
Sport	24	33
News and current affairs	21	25
Children's programmes	11	55
Music	8	24
None of these	1	3

Source: Main Survey

The most valued features of cable catch-up centre on the time-shifting and functionality elements of the service. The ability to watch programmes after they have been broadcast was chosen as one of the most valued features by more than half. The ability to control how programmes are watched, and not having to worry about having to plan to record TV programmes in advance were also popular, chosen by 45% and 39% respectively. The qualitative research demonstrates that this element of control is highly sought after, and that the need is not being fully satisfied by the cable catch-up services currently on the market.

Enabling access to BBC content was also very important, with 41% choosing this as one of their favourite features of the service. While a much lower proportion (12%) chose enabling access to other broadcasters content as an important feature.

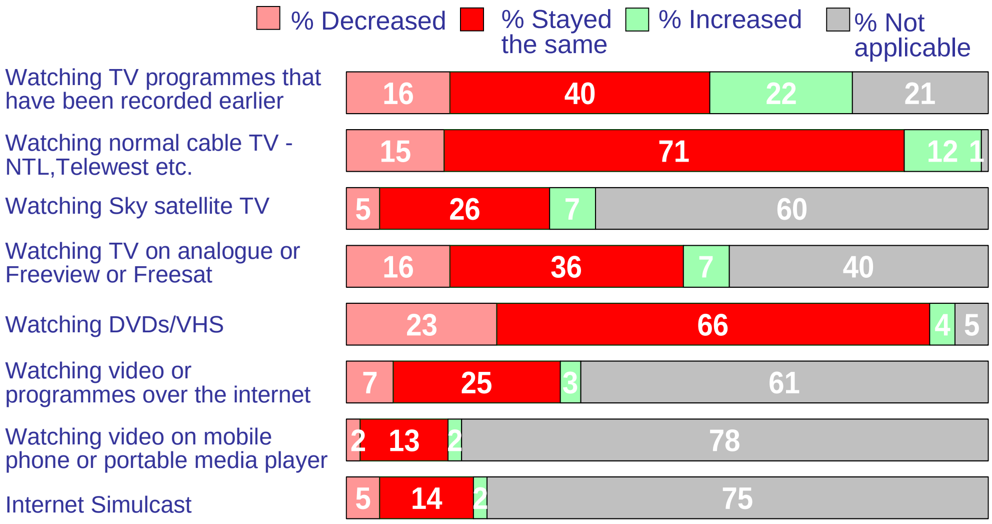
Q	***Which of these features of the catch-up services do you value most? Please choose your favourite three features.*** ***And which, if any, of these features are of little or no importance to you?***	
Features	**Most Valued**	**Of little or no importance**
Base: Sample D – cable catch-up services (92)	%	%
Ability to watch programmes 7 days after they are broadcast	53	3
Ability to pause, rewind and skip through the programmes	45	16
Enables access to BBC content after broadcast	41	3
Not having to worry about recording TV programmes in advance	39	22
Access programmes through programme menu	24	12
Ability to watch previously broadcast TV on a TV screen	24	17
Having all TV Services provided by a single supplier	15	25
Enables access to other broadcasters' content after broadcast	12	8
None of these	3	20

Source: Main Survey

Complementary and substitutable services

Users were asked how their use of other services was affected by watching BBC programmes on cable catch-up. Overall there are few reported effects, with 37% reporting no change in the use of any other service. The greatest changes were for 'watching TV programmes that had been recorded earlier'; however, more reported an increase than a decrease here, perhaps since they interpreted this as a reference to using cable catch-up.

Q We would like to know more about how your use of other services was affected by your use of the catch up services to watch BBC programmes. Please state whether, as a consequence of using the catch up service, your use of each of the following:



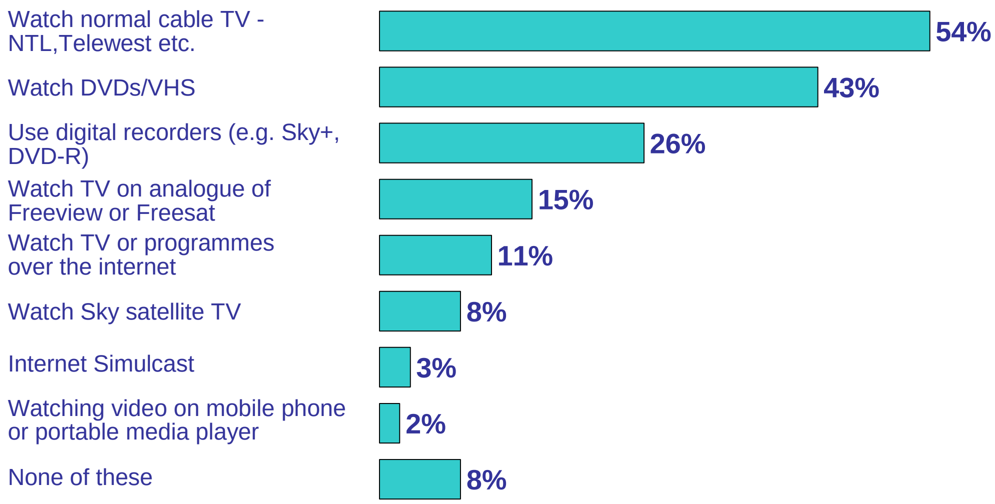
Base: Sample D – Catch-up over cable TV (92) excludes DK

Source: Main Survey

While the large majority (71%) stated that their usage of scheduled TV stayed the same, more than one in seven (15%) stated that their usage decreased, implying a move from linear TV viewing to more hand-picked “personal schedules”.

The overall responses suggest that cable catch-up could be complementary to some other services, a finding reinforced when users were asked what they would do *more* of if cable catch-up were withdrawn. Use of normal linear TV, DVDs and videos, and to a lesser extent PVRs would be most likely to increase:

Q If the current TV catch-up services were no longer available, which of the following, if any, would you be most likely to do more of as a result?



Base: Sample D – Catch-up over cable TV (92) excludes DK

Source: Main Survey

Sample E – Video on demand over the internet

Definition of sample:

Watched video content or TV programmes via the internet either for free or paid-for. This includes those from TV channels' websites, such as BBC, ITV and Channel 4 as well as websites such as Google Video, YouTube, Bitorrent, or by using a Realplayer pass

Qualitative context

The qualitative research indicates that those accessing video content over the internet are reasonably advanced in their use of entertainment media and do not need content to be delivered to them; instead, they can find what they want, through legal means or otherwise. That said, while sites offering user-generated content are popular for entertainment, those using them still do not see them as a reliable provider of mainstream media.

> *"I wouldn't rely on it {YouTube} to watch a sporting event – but if you could rely on it, I would"*
>
> Male, 21, C1, VOD internet user

> *"{On YouTube} the sound was really bad – it was out of sync with the picture and generally the quality was not very good"*
>
> Male, 21, C1, VOD internet user

With the amount of content that is available from websites and file sharing P2P software, savvy users are able to download and access any content that they want, for free, and are comfortable watching content on the computer screen.

> *"I can get anything I want, for free on the internet"*
>
> Male, 21, C1, VOD internet user

However, the qualitative research indicates that, while consumers may be happy to watch user-generated content with less than perfect picture quality, the same would not be tolerated of a mainstream media provider such as the BBC.

Content and value

The types of programmes that are watched most often on-demand over the internet are news and current affairs, music, sport, comedy and film.

Q ***Thinking of the types of TV programmes you tend to download or watch on the internet, from this list please choose the three types you watch most often***

Types of Programmes	Top 3	Rarely Watched
Base: Sample E – VOD over the internet (104)	%	%
News and current affairs	47	8
Music	42	7
Sport	41	29
Comedy	36	9
Films	33	13
Documentaries	23	11
Dramas	16	19
Soaps, series, reality TV	14	39
Children's programmes	4	60
None of these	1	7

Source: Main Survey

This sample tends to choose 'BBC content only' much less than users in each of the other sample groups, apart from for news and current affairs. This could be indicative of the relatively sparse offering that is currently available on the BBC website for on demand services but more likely reflects the extensive range of video content available legally and illegally on the Internet.

The most valued aspects of the platform are being able to watch programmes anytime after they have been broadcast (63%), the quality and speed of the downloading/streaming of video (44%) and the ability to control the playback of content (43%). These valued features are similar to those valued by other on-demand or time-shifting sample groups, emphasising the appetite for consumer-controlled viewing schedules amongst these early adopters.

The least valued features are the ability to transfer downloads onto a portable media player and the access to extra information on the websites while watching a programme.

Q ***Thinking about downloading or watching TV programmes over the internet, which of these features do you value most? Please choose your top three features.***

And which, if any, of these features are of little or no importance to you?

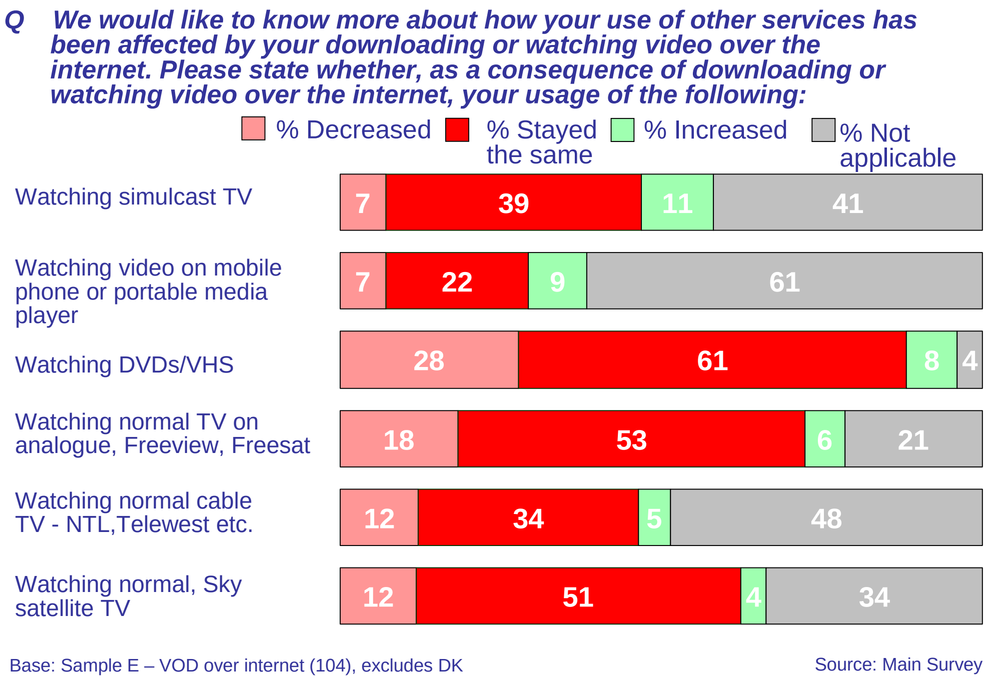
Features	**Most Valued**	**Of little or no importance**
Base: Sample E – VOD over the internet (104)	%	%
Ability to watch programmes anytime after they are broadcast	63	1
Quality and speed of the downloading / streaming	44	9
Ability to pause, rewind and skip through programmes	43	14
Ability to watch video content other than TV programmes	31	11
Ability to access BBC content after they have been broadcast	25	11
Ability to view on a computer screen	25	11
Access to extra related information	18	28
Ability to access other broadcasters' content after they have been broadcast	16	6
Ability to transfer video content to portable MP3 player	11	37
None of these	2	17

Source: Main Survey

Complementary and substitutable services

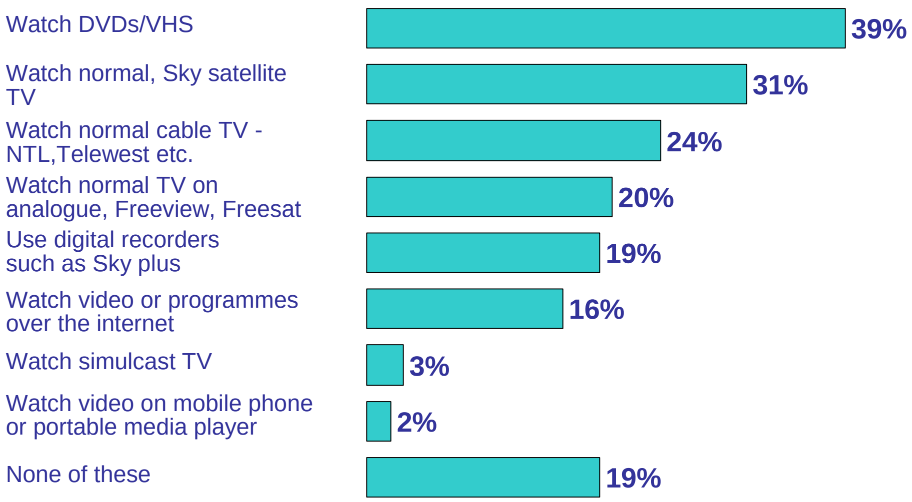
For the most part usage of other services did not change substantially when consumers started to use VOD over the internet: 42% say it had no effect on other activities.

However, the use of DVDs and video tapes decreased for almost three in ten, two in ten decreased their analogue or DTT viewing, and one in ten reduced their cable and satellite TV viewing. This, again, may be indicative of the move away from standard linear viewing in general.



VOD users were asked which other services they would use if the content that they currently download from the internet were no longer available. The results show that users would be most likely to watch more DVDs or video tapes, or revert back to standard TV services – whether digital or analogue or video tapes.

Q If the TV and video content you currently download and watch was no longer available on the internet, which of the following, if any, would you be most likely to use or watch more of as a result?



Base: Sample E – VOD over internet (104), excludes DK

Source: Main Survey

If the BBC were to introduce an internet catch-up service, the features this sample would value most are it being free of charge and being able to access and watch programmes up to seven days after they have been broadcast. Another feature that would be valued is not having to worry about having to plan to record programmes in advance. That these features were chosen is not necessarily surprising, given the nature of VOD over the Internet.

Sample F – Radio

Definition of sample:

Listened to the radio via:

- Standard, non-digital radio

- DAB digital radio

- Radio over the internet

- Radio on my TV through satellite, cable or Freeview

- Radio on my mobile phone or portable media player

Qualitative context

Findings from the qualitative research indicate that, for those who have internet connections, listening to the radio over the internet is intuitive.

> *"I always have the radio on the computer in the morning"*
>
> Female, 32, C2, Freeview viewer

Listening to radio through the television, however, is not.

> *"I've got a DAB next to the telly – though I can get radio through the telly, I rarely do it"*
>
> Male, 45, B, Cable viewer

Streaming radio over the internet is popular among internet users due to the low technical barriers to entry and the opportunity to listen in situations where a radio may not be present, at work for example. In these situations radio is filling a media vacuum rather than being used in place of a different media. Radio stations and the BBC in particular, are seen to encourage listeners to access streamed audio content online.

There is no appreciable difference in quality of sound reported, although some complained of the quality being too good over the internet and lacking the 'authentic' crackles of analogue radio. It is unlikely that less-than-clear sound will be missed by many.

Service usage

The majority of this sample listens to analogue radio most often, with about a quarter listening to DAB and others over the internet, through digital TV or via mobile phone. They are more likely to watch analogue TV or Freeview or Freesat than they are cable or satellite TV (56% verses 36%), broadly reflecting the population as a whole.

Content and values

Three quarters (77%) of the radio users listen to BBC radio and slightly fewer (69%) listen to commercial radio. The most frequent genres listened to are news and current affairs programmes and pop/rock music. Those least used are children's programming and soaps/series. For virtually all types of programme a mix of BBC and non-BBC content is listened to.

Q Thinking of the types of programmes you tend to listen to, from this list please choose the three types you listen to most often... And which, if any, of these do you rarely or never listen to?

Types of Programmes	Top 3	Rarely listen
Base: Sample F – Radio (109)	%	%
News and current affairs	71	4
Pop/Rock Music	55	19
Sport	37	35
Classical music	28	31
Arts & Drama, Comedy & Light Entertainment	26	32
Jazz/Blues/Folk & Country music	20	34
Soaps/Series	9	50
Children's	1	59
Other	12	1

Source: Main Survey

The features of radio valued most are the ability to listen to the radio on the move and the wide choice of stations that are available. Also valued (to a lesser extent) are access to BBC content and the ability to listen to the radio without upgrading or buying new equipment.

Although a quarter value the ability to listen to radio on a computer, a third of respondents stated that this feature was of little or no importance to them. A similar proportion felt that the ability to access radio programmes through an electronic guide on DAB digital radio or digital TV was of little or no importance. This could be representative of the make-up of the sample, but could also suggest that, while this market is diversifying away from analogue listening and into a more digital age, there are those who are simply not interested in new radio platforms and associated services.

Q	*Which of these features of your radio services do you value most? Please choose your top three features.* *And which, if any, of these features are of little or no importance tc you?*		

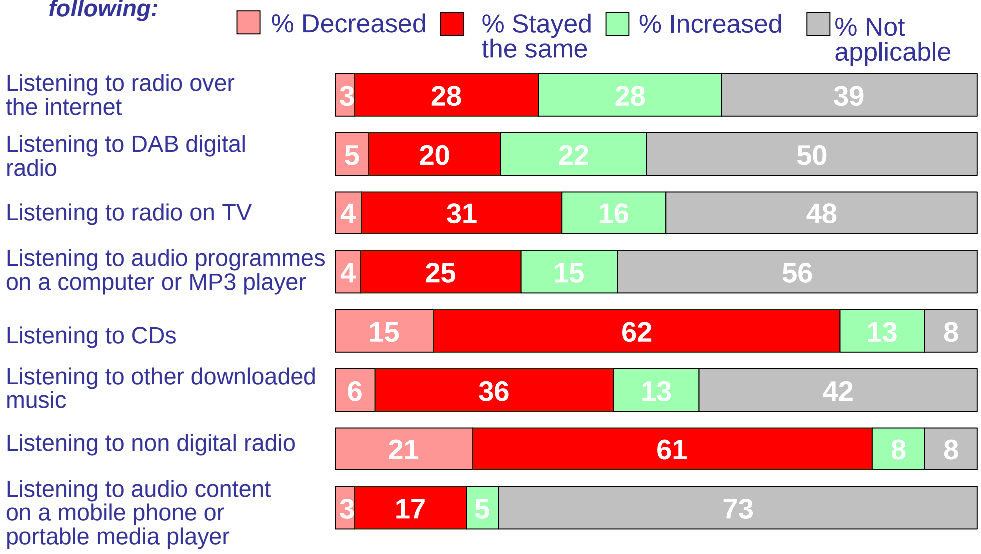
Features	Most valued	Of little or no importance
Base: Sample F – Radio (109)	%	%
The ability to listen to radio on the move	53	22
The wide choice of stations	46	10
The ability to access BBC content on radio	38	11
The ability to listen to the radio without buying new equipment	37	14
The ability to access other broadcasters' content	28	13
The ability to listen to the radio on a computer	24	34
Ability to access programmes through an electronic guide	17	30
None of these	1	10

Source: Main Survey

Complementary and substitutable services

The radio sample was asked how their use of other services was affected when new radio channels were added or when they started listening to digital radio. The findings are a little difficult to interpret given the variety of ways in which radio content is accessed amongst this sample, but overall it seems that changes in radio listening are not linked with changes in other audio services.

Q We would like to know more about how your use of other services was affected when new radio channels were added to the normal radio offering or when you started to use radio on the internet or DAB digital radio. Please state whether, as a consequence of using additional radio services, your usage of the following:

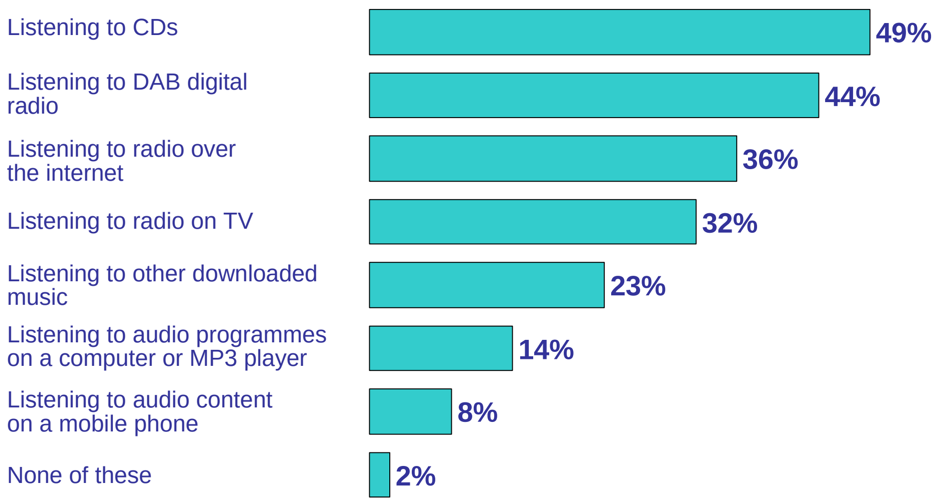


Base: Sample F – Radio (109), excludes DK

Source: Main Survey

If standard analogue radio were no longer available, listeners would be most likely to listen to CDs or shift their radio listening to other platforms such as DAB or the internet.

Q If the standard, traditional non-digital radio services were no longer available, which of the following, if any, would you be most likely to do more of as a result?



Base: Sample F – Radio (109), excludes DK

Source: Main Survey

When asked what they would value in the non-DRM radio download service, most important is that the service is free of charge and that BBC programmes can be accessed after they have been broadcast. Listening on a mobile phone and contextual information on the BBC website are the least valued attributes.

Q	***If the BBC made available a new service that enabled you to download and keep audio programmes (mainly speech programmes), including podcasts, to listen to on your computer or portable MP3 player, for free, which of the following features of the new service would you value most? Please choose your top three features.*** ***And which, if any, of these features are of little or no importance to you?***

Features	**Most valued**	**Of little or no importance**
Base: Sample F – Radio (109)	%	%
That the service is free of charge	53	5
Ability to access BBC content or programmes after they have been broadcast	37	8
The ability to pause, rewind, fast-forward and skip through the audio programme	31	12
The ability to listen to a range of content on my computer	30	17
The quality of BBC audio programmes and content available	25	6
Fast download time	16	17
The ability to subscribe once and download an entire series of audio programmes or podcasts	13	28
The ability to listen to a range of content on my mobile phone, downloaded through an internet connection	10	53
Providing extra, related information on the BBC website whilst you listen to downloaded BBC audio programmes and podcasts on your computer	6	34
None of these	12	7

Source: Main Survey

Sample G – Audio downloads and podcasts

Definition of sample

Download and keep audio programmes (such as podcasts) to listen to on a computer, portable MP3 player or mobile phone

Qualitative context

The qualitative research shows that listening to audio downloads / podcasts is not limited to the technologically advanced. It is still the case, though, that some level of confidence in using the internet is needed to grasp the concept of podcasts and be willing to use them. Popular content such as the Ricky Gervais series of comedy podcasts has raised awareness and was mentioned with some frequency during the qualitative research. BBC Radio 4 content was also mentioned and seemed popular amongst podcast listeners.

Portability is important to consumers, suggesting that this platform is used for listening on the move – away from the fixed computer. Audio downloaders place a lot of value in the choice of content that they have at their disposal but relatively less in the means by which they access the content for download.

Content and values

Two thirds of the group have listened to podcasts involving BBC audio programmes and four in ten have listened to audio podcasts from other providers. The majority download files directly from suppliers' websites or from iTunes. The audio download most frequently listened to is music – and 19% of the group say that they listen to spoken word audio broadcasts more than half the time.

Q	***Thinking of the types of download audio programmes and podcasts you tend to listen to, from this list please choose the three types you listen to most often.***
	And which, if any, of these would you rarely or never listen to?

Types of Programmes	**Top 3**	**Rarely listen**
Base: Sample G – Audio Downloads/Podcasting (101)	%	%
Music	82	2
Comedy	42	13
News and current affairs	32	17
Sport	26	38
Films	24	20
Documentaries	21	23
Soaps, series, reality TV	16	39
Dramas	7	23
Children's programmes	6	68
None of these	0	3

Source: Main Survey

For those who listen to news and current affairs or dramas the large majority choose BBC content. For most of the other genres there is a split between BBC and non-BBC.

The ability to transfer audio from a computer and to access a wide range of audio content on the user's mobile phone or portable MP3 player are the most valued aspects of their digital recording device.

This group downloads audio from a range of providers and clearly values access to a diverse range of content.

Q	***Which of these features of your digital recording device do you value most? Please choose your top three features.*** ***And which, if any, of these features are of little or no importance to you?***	

Features	**Most valued**	**Of little or no importance**
Base: Sample G – Audio Downloads/Podcasting (101)	%	%
Ability to transfer audio from a computer	58	12
Ability to access a wide range audio content on mobile or MP3	56	12
Ability to listen to programmes after they are broadcast	49	15
Ability to listen to audio unrelated to radio programming	40	11
Ability to access BBC content anywhere	30	18
Ability to access other radio broadcasters' content anywhere	23	18
None of these	0	24

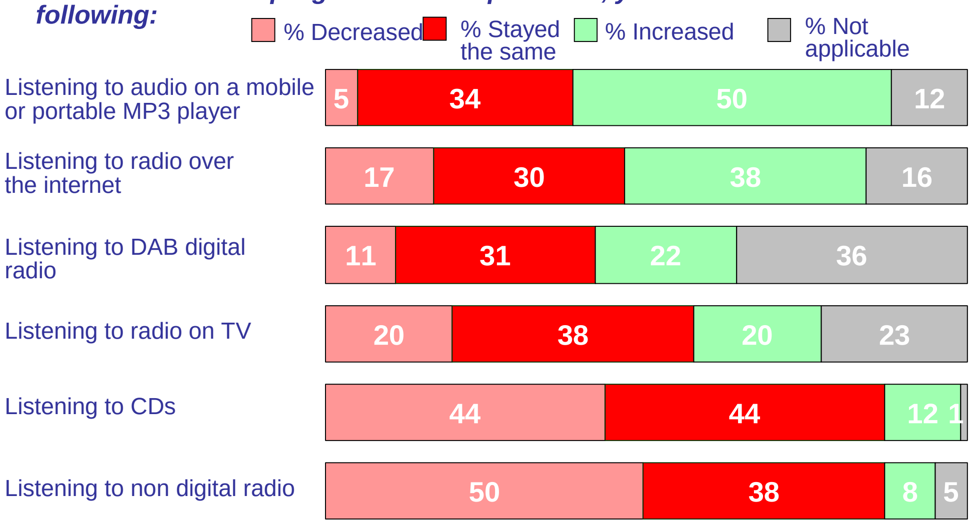
Source: Main Survey

Complementary and substitutable services

It appears that the use of audio downloads parallels change in the use of some other audio services.

Since using audio downloads and podcasts, five in ten have increased how much they listen to audio content on the mobile phone or portable MP3 player and four in ten have listened to more radio over the internet (the latter perhaps reflecting the overlap between downloading and streaming audio in users' minds). Meanwhile half report listening to less analogue radio, and almost as many listen to fewer CDs. More than four in ten, however, say that using audio downloads affected no more than one other service (43%).

Q We would like to know more about how your use of other services has been affected by your use of downloaded audio programmes and podcasts. Please state whether, as a consequence of listening to downloaded audio programmes and podcasts, your use of each of the following:



Base: Sample G – Audio downloads (podcasting) (101), excludes DK

Source: Main Survey

The most valued aspects of the BBC's proposed non-DRM audio download service are that it is provided free of charge, provides access to a wide range of content and that users can control their listening to the content. Series stacking and contextual information on the BBC website were the least valued features.

If the BBC made available a new service that enabled you to download and keep audio programmes (mainly speech programmes), including podcasts, to listen to on your computer or portable MP3 player, for free, which of the following features of the new service would you value most? Please choose your top three features.

And which, if any, of these features are of little or no importance to you?

Features	**Most valued**	**Of little or no importance**
Base: Sample G – Audio downloads (podcasting) (101)	%	%
That the service is free of charge	59	3
The ability to listen to a range of content on my portable MP3 player	42	10
Ability to pause, rewind, fast-forward and skip through the audio programme	39	12
Fast download times	36	6
The ability to listen to a range on content on my computer	26	7
The quality of BBC audio programmes and content available	21	10
Ability to transfer audio from a computer	20	4
The ability to listen to a range of content on my mobile phone, downloaded through an internet connection	15	37
The ability to subscribe once and download an entire series of audio programmes or podcasts	14	19
Providing extra, related information on the BBC website whilst you listen to downloaded BBC audio programmes and podcasts on your computer	5	29
None of these	0	16

Source: Main Survey

Introducing iPlayer

The market analysis exercise established current usage patterns in terms of the content and valued features of the seven relevant services. It also sought to understand how consumers would change their usage of media channels following the introduction of these new delivery platforms and the potential impact if these delivery platforms were no longer available, thus establishing the range of services which act as complements and substitutes for each other.

This section aims to understand initial reactions and likely usage levels of the four iPlayer services, defined in the research as:

> A new free service that enabled you to download from the internet and watch BBC programmes on your computer up to 7 days after they were first broadcast on TV, and also download and watch any previously shown episodes in a series
>
> A new free service that enabled you to watch BBC TV channels on your computer at the same time as they are broadcast on TV
>
> A new free service that enabled you to download and keep BBC audio programmes (mainly speech programmes), including podcasts, to listen to on your computer or portable MP3 player
>
> A new free service on Homechoice and cable TV such as NTL/Telewest which allowed you to 'catch-up' on demand with BBC TV programmes and content in the 7 days after they were broadcast, and also watch any previously shown episodes in a series, (you would need to be a cable subscriber to use this service)

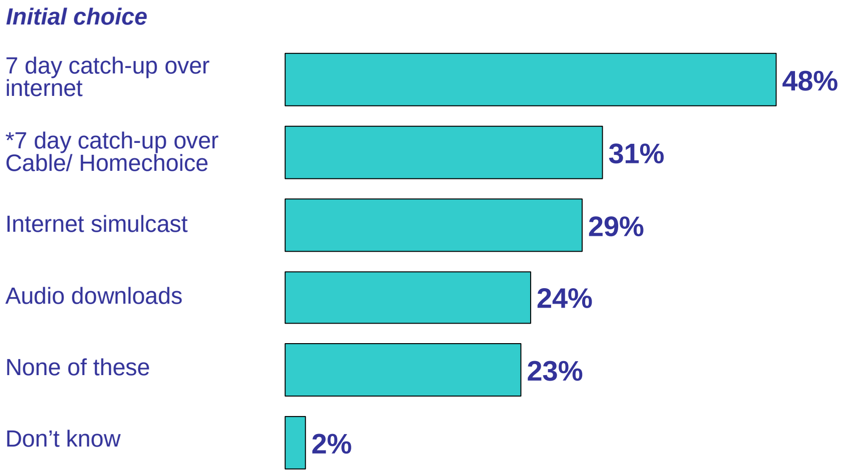
Importantly, while the iPlayer services will potentially be launched as a package, for the purposes of the research they were treated as discrete, separate services thus enabling each service to be tested in isolation. In practice, usage of one of the internet components of iPlayer may well draw users in to other elements.

It is important to note that this section of the report utilises aggregated data of the seven samples. For the purposes of the questionnaire this means that respondents are no longer answering questions based on the sample group to which they were recruited, as in the previous section. Therefore data for this section of the report are weighted to the usage patterns of services of the general population to minimise any effect that the targeted recruitment of this sample may have had. An explanation of the weighting method can be found in the methodology section.

Initial reactions to iPlayer

In the main survey respondents were initially presented with descriptions of the four iPlayer services and then asked which two they would be most likely to use, if they were available. The chart below shows the 'first round' choices made by respondents of the services they would most likely use. The seven day internet catch-up is most popular, with little difference in interest in the other three services.

Q Please choose the two that you would be most likely to use if they were available.



Base: All respondents (804), *Base: 769 – Propensity Weighting

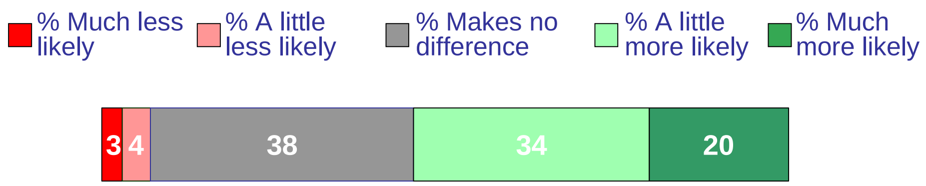
Source: Main Survey

'Series stacking' and the 13 week window

After making their initial choice of two preferred iPlayer services, respondents were informed that the internet catch-up TV service would also allow them to download all the previously broadcast episodes in a series that was still running, and allow them to store unwatched programmes for up to 13 weeks; and then watch them for up to seven days after the file is first opened. This aspect of the service allows a form of 'series stacking' meaning consumers can download an entire series (or the programmes within a series broadcast up until the date of download). The impact of this was tested on respondents who were asked to assess if this made a difference to how likely they would be to use the service.

Q Additional information on 7 day catch-up over internet: In fact, the new internet TV download service would allow you to download BBC programmes, including any previously broadcast episodes in a series, onto your computer, up to seven days after they were first broadcast on TV. You could then store them unwatched for up to 13 weeks; and then watch them for up to seven days after the file is first opened. Therefore, you could download an entire series and watch all the programmes at the same time.

Does this make you more or less likely to use this new service, or does it make no difference?



Base: All respondents (804) – Propensity Weighting

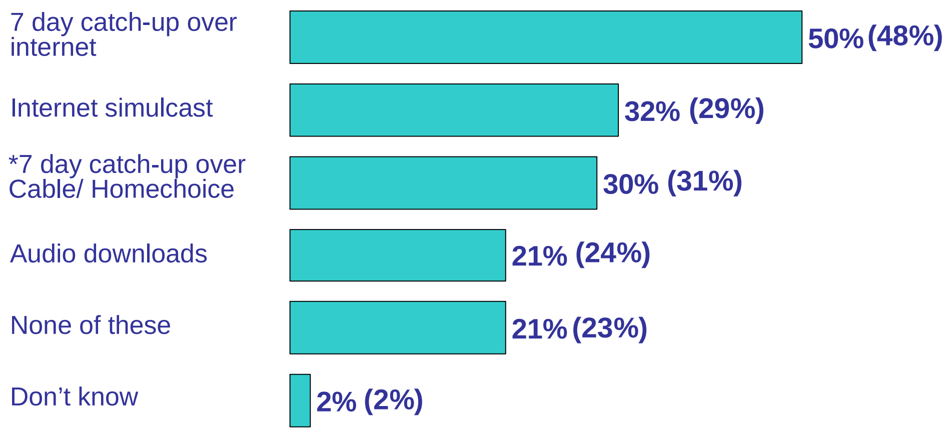
Source: Main Survey

Most believed this is a real added value aspect with over half stating that this additional feature would make them more likely to use the service. The second qualitative phase reinforces the finding that retrospective series stacking is seen as an important advantage by consumers, especially in instances where viewers become aware of a series only after a few programmes have already been broadcast.

In light of this information, some respondents were then asked to give their choices again for the two iPlayer services they would be most likely to use if they were to be made available. Although it is likely to increase individual usage, the data suggests that series stacking would not significantly increase the proportion of viewers accessing the service.

Q Please choose the two that you would be most likely to use if they were available.

Final choice



Base: All respondents (804), *Base: 769 – Propensity Weighting. Figures in brackets refer to initial choice.

Source: Main Survey

Q	***Please choose the two that you would be most likely to use if they were available.*** ***Final Choice***

Usage of services:	7 day catch-up over Internet	7 day catch-up over Cable/ Homechoice*	Internet simulcast	Audio downloads	None of these	Don't know
Base: 804	%	%	%	%	%	%
Analogue TV, Freeview, Freesat	48	29	30	21	25	1
Multi-channel cable or satellite	47	33	25	18	27	3
PVRs/digital recorders	61	31	27	32	13	2
Cable catch-up	51	62	41	17	20	-
VOD over the Internet	84	32	38	29	2	1
Radio	53	29	33	24	19	2
Audio downloads	65	31	32	37	8	1

* Base for catch up over cable = all respondents excluding those in sample 1 (712)

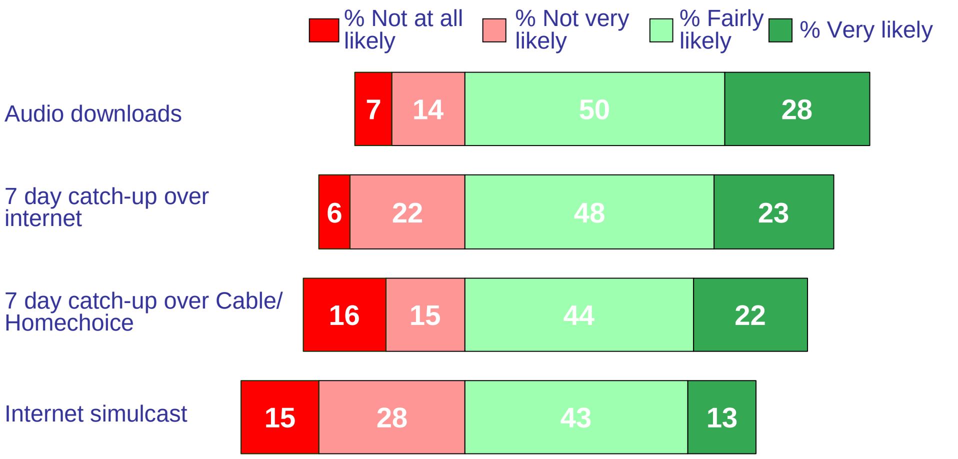
Source: Main Survey

Likely usage of iPlayer

For each iPlayer service chosen, respondents were asked to rate how likely they would be to use them if they were made available.

The graphic below illustrates the strong level of interest across all four services with the majority stating that they would be fairly / very likely to use their services chosen and smaller proportions stating they were not very / not at all likely to use the services. Indeed, around a third stated that they would be *very likely* to use iPlayer catch-up over internet and audio downloads.

Q How likely, if at all, would you be to use…?



Base: All respondents who selected iPlayer service in their "top 2": catch-up over internet (501), internet simulcast (265), catch-up over cable (237), audio downloads (205) – Propensity Weighting.

Source: Main Survey

Final choice and likely uptake

The table below shows final choices based on stated likelihood to use services, as opposed to expressions of interest that the earlier figures represent[7].

Q	***Please choose the TWO that you would be most likely to use if they were available.***		
Base = 804	Initial choice of service preference	Final Choice of service preference (after series stacking introduced)**	Proportion of total sample likely to use the service
7 day catch-up over Internet	48%	50%	44%
7 day catch up over Cable/ Homechoice*	31%	30%	14%
Internet simulcast	29%	32%	18%
Audio downloads	24%	21%	20%
None of these	23%	21%	n/a
Don't know	2%	2%	n/a

* Base for catch up over cable = all respondents excluding those in sample D (712)

** Base for Final choice = 488

Source: Main Survey

The qualitative phases of the research programme supports the above findings that the 7 day catch-up services would be the most attractive to the public at large, although there is some debate over whether cable TV or the internet is the preferred method of delivery for the catch-up services, much of it focussing on download times for what promise to be large video files, picture quality and the size of the window in which the video would be played.

> *"Not an hour to download it, I want to instantly click on it and it's there! In an ideal world"*
>
> Male, 45, B, Freeview user

Reactions to internet simulcast video, on the other hand, are not as positive. The qualitative research indicates that the public would struggle to find a niche for its use. If at home, consumers seem to prefer watching on a TV screen as it offers a better picture compared to most computer screens. Furthermore it appears the layout of the modern home mitigates against watching TV on a computer screen, especially in the company of others.

[7] It should be noted that these figures do not necessarily show what may happen upon launch of the iPlayer because they do not account for users who might be likely to use three or even all four services, as the respondents were limited to two choices when presented with the list of services.

"My PC is on my desk at home and the TV in the lounge and kitchen are easier"

Female, 42, C1, Cable user

While for catch-up services a computer screen may be tolerable, the option of having a TV with a better picture in a convenient location within the home will always be preferable. If at work consumers would be overly distracted by Internet simulcast video to use it (though not simulcast radio, use of which already seems to permeate the workplace in particular).

"You'd get no work done! You'd be watching the programme and not working"

Female, 42, C1, Cable user

"I wouldn't use this at all. If I'm on the computer, I'm doing something – the radio is background, this is too much"

Male, 45, B, Freeview user

One area where simulcast may come into its own is on the move. With wireless networks being rolled out across entire city centres (witness Norwich city centre, or The Cloud's plans for the City of London to become a hot spot) and on public transport (especially trains) there is indicative evidence from the qualitative research to suggest that simulcast may play a role here.

"I wouldn't use [simulcast] side-by-side, not if I had option of watching on TV, only in Starbucks, anywhere with wi-fi"

Male, 25, C1, Sky+ user

Understanding the impact of iPlayer

iPlayer has the potential to provide content and features valued within existing delivery channels; it therefore has the potential to both complement and substitute, thus altering consumers' usage of existing media.

In this context, the launch and subsequent usage of the iPlayer could theoretically have several dynamic effects on the overall market:

It could stimulate the overall market, encouraging consumers to spend more time overall accessing audio and visual content

Consumers may increase their usage of other services as the introduction of iPlayer makes them more aware and increases their interest in accessing content through different services

For example, iPlayer 7 day catch-up may also lead consumers to access more on demand content through VOD over internet

Equally it could have little stimulating effect with virtually no impact on the total amount of time consumers spend accessing content

If consumers start to use iPlayer, they may reduce their usage of other services, as iPlayer could be seen as a more convenient platform to use

For example, the on demand features of 7 day catch-up may encourage consumers to reduce the usage of linear TV

While these effects were measured through primary research, the qualitative phases of this study demonstrated the difficulty for consumers to rationally and reasonably assess the effect of a hypothetical service on their usage of other existing services. This was due to the complexity of the factors required in the decision and the fact that they have not experienced the new services first hand.

The quantitative research was structured to gradually introduce respondents to iPlayer to help them make the assessment on how they might change their usage and consumption of existing content and delivery channels as simple as possible. Nevertheless, it is not unreasonable to suggest that respondents struggled to make this assessment in a survey environment, which may explain some of the seemingly confusing patterns in the data.

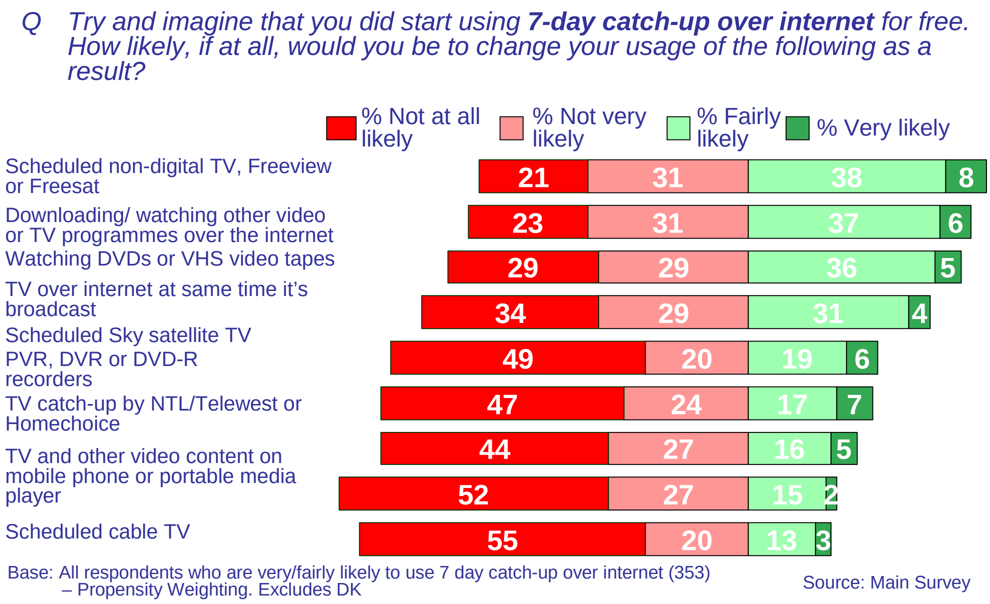
The qualitative research indicates the difficulty of asking consumers to respond to hypothetical situations for which they do not have a highly developed frame of reference. Those participants who were technically-minded enough to grasp concepts and their implications were by their nature not overly enthused by the iPlayer propositions because they did not see them as offering anything revolutionary. Those who were not technically advanced struggled with conceptual differences such as downloading vs. streaming and so were hard pressed to give a full appraisal of likely impact upon their future behaviour. That said, some participants were savvy enough to illustrate the journey from being unaware of a technology to fully embracing it.

> *"If you had asked me five years ago about an MP3 player I probably would have said 'No, I'm happy with my Discman.' Now I don't leave home without it.*
>
> *Moderator: So how did you get into that then, what was the journey?*
>
> *I do lots of bike riding. Seeing the buzz my sister got from the music as she had one, she found it easier going up the hill. Then I put music on my phone, but it only holds a certain amount, not much. So then I moved to the iPod stage"*
>
> Female, 37, C1, iPod user

In light of this, we strongly recommend that the quantitative data relating to the impact of iPlayer on existing services is treated with caution and should only be used for indicative purposes. We recommend placing a focus on the substitutes and complements established through the market identification exercise discussed above to infer the potential impact of the iPlayer on competing delivery channels.

7 day catch-up over internet

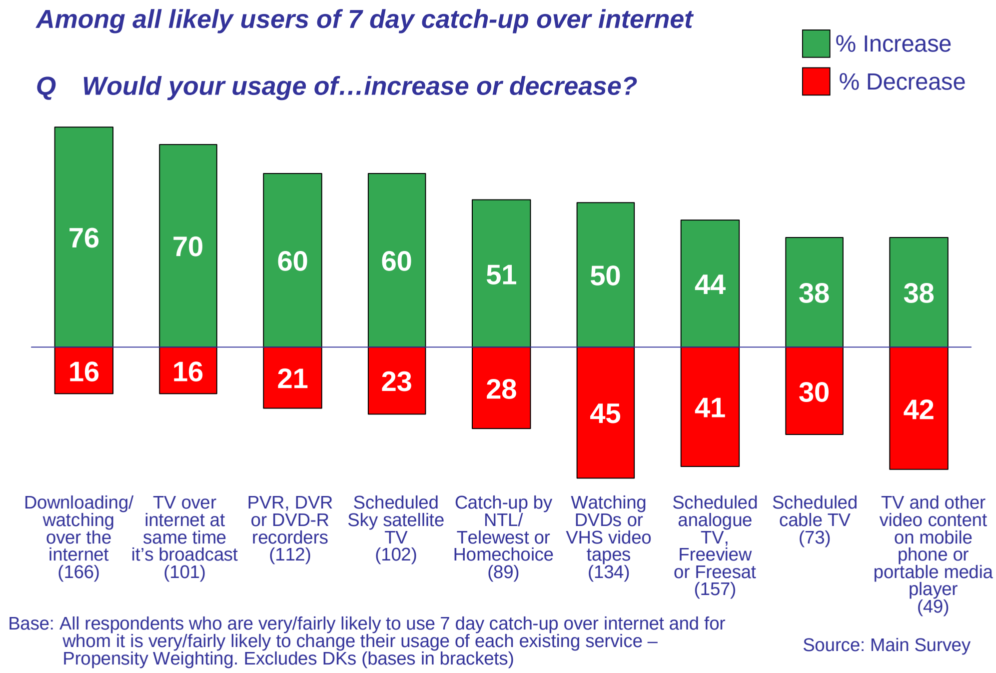
Those who stated that they were likely to use internet seven day catch-up were then asked how likely they would be to change their usage of other services.



The services affected most are scheduled analogue TV, Freeview or Freesat, VOD over internet and watching DVDs / VHS, with over four in ten stating that they would be likely to change their usage patterns of these services upon introduction of iPlayer internet seven day catch-up. As this service is a time-shifting service which can act as both a complement and substitute for VOD and DVDs / VHS, it is unsurprising that these services have some of the highest proportions stating that they would be likely to change their usage.

Equally, the introduction of the service may have an impact on those who do not currently have experience in time-shifting devices, perhaps explaining the relatively high proportion of those stating that it would change their usage of regular analogue TV, Freeview or Freesat.

Following observations on the potential for change in service usage, respondents who were likely to change their usage were then asked to state the form that change would take.



The graphic above shows the relative diversity of responses, with some stating their usage of each service would increase and others stating it would decrease. The high proportions of those stating that usage of the service would increase demonstrate the positive potential impact of internet seven day catch-up to enlarge the overall market for the services. However, the data showing decreasing usage also suggests that iPlayer has the potential to reduce usage of some existing services among some consumers.

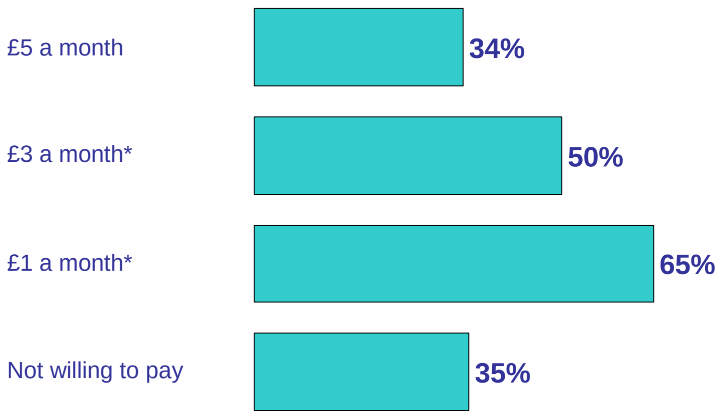
When the overall effect of the seven day internet catch-up launch is considered (those stating their usage of the services would decrease against those that would increase), the data shows that for the majority of services, the net effect of iPlayer is that it would increase use of these other services. The only service where more stated that they would decrease, rather than increase, their usage is for Mobile TV.

Ipsos MORI strongly recommends that these data are treated with caution for several reasons, the first being that sample sizes on which some of these increase and decrease statements are based are relatively small. Additionally the problems which consumers had in understanding the substitution effect (as observed through the qualitative research) means it is difficult to understand the extent to which the changing usage patterns observed in these data are a genuine effect or are skewed by a lack of understanding due to the complexity of the subject matter. An additional layer of complexity is added when consumers need to consider that the new service is only for BBC content, meaning they have to trade off content and convenience when making a decision on how they would change usage of other services as a result of iPlayer.

Furthermore, the qualitative research indicates that there are concerns over quality of picture, screen size and download times associated with accessing video content on PCs. While the idea of catch-up over internet does appeal, these concerns, if not assuaged, could limit usage once consumers begin to try to access content in this way.

The graphic below shows the willingness to pay for unlimited monthly usage of the iPlayer seven day internet catch-up service.

Q *If this **7 day catch-up over internet** service was not offered for free, how much per month, if anything, would you be prepared to pay for it?*

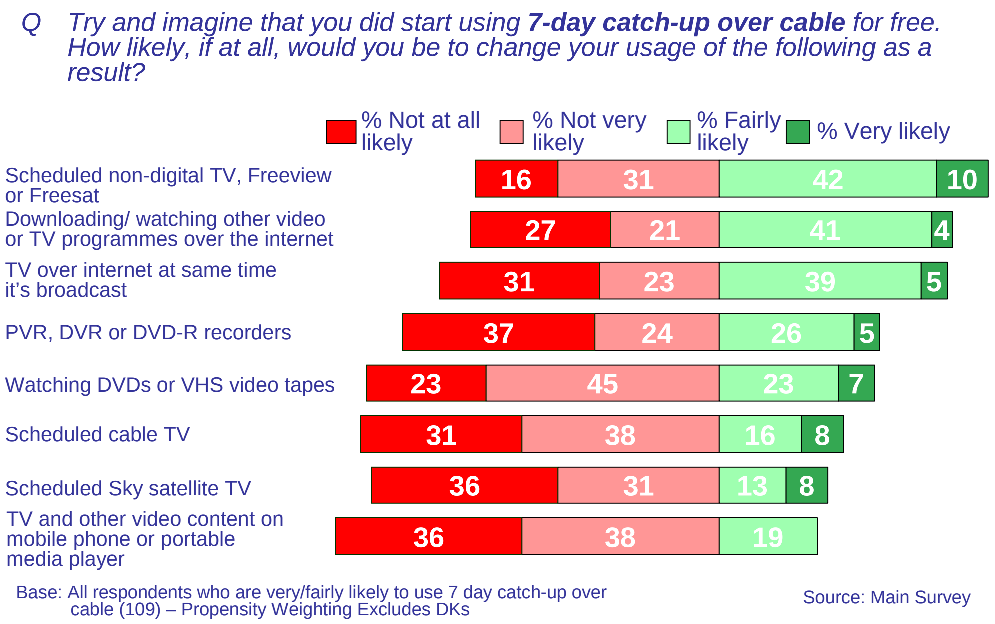


Base: All respondents who are very/fairly likely to use 7 day catch-up over internet (353) – Propensity Weighting. Excludes DK. * Amount willing to pay is cumulative on the assumption that if respondent is willing to pay £5 they would also be willing to pay £3 or £1 etc.

Source: Main Survey

7 day catch-up over cable

Another of the services under the iPlayer umbrella is catch-up over cable. The graphic below illustrates the likelihood that consumers would change their usage of other services if they were to start using this cable-catch-up service.

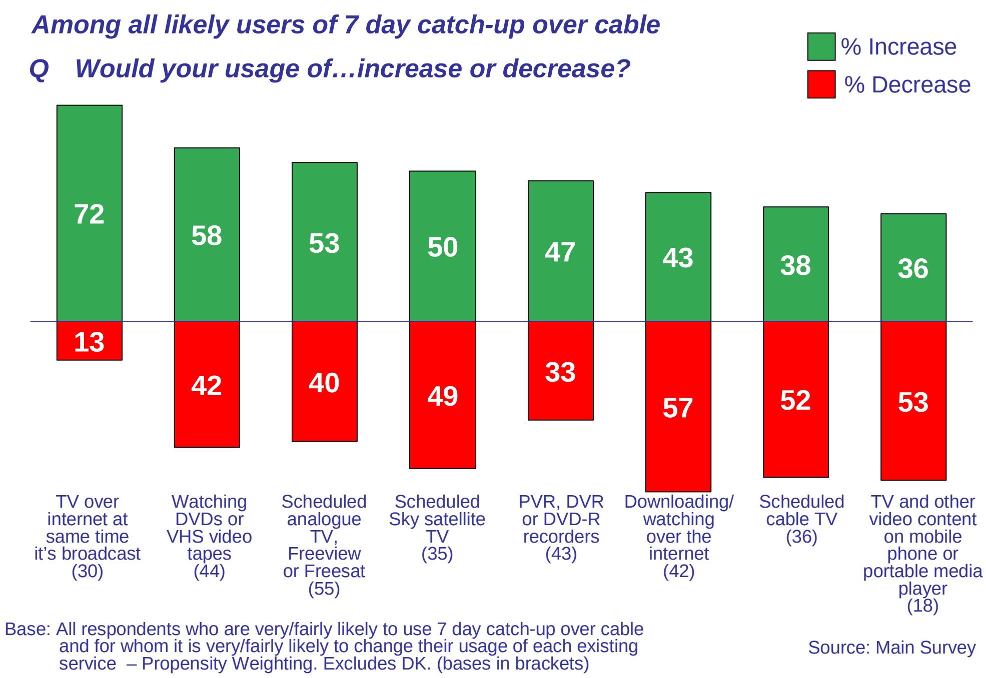


Scheduled analogue TV, Freeview or Freesat is the service most affected, with 52% of those who are likely to use seven day cable catch-up stating that their usage of this service would change.

High proportions stated that their usage of watching DVDs / VHS and PVR / DVR recorders would change as a result of the introduction of this service, illustrating the potential of iPlayer to both compete and complement time-shifting devices and on demand services such as these.

The services least affected by the launch of cable catch-up are those involved in accessing content on mobile devices such as phones and media players, with high proportions stating that they are 'not at all likely' to change their usage of this service. This could be explained by the low penetration of this service in the general population.

The impact of iPlayer cable catch-up among those who stated that their usage of existing services were likely to change is illustrated in the chart below:



Similar to the iPlayer internet catch-up service, there was a strong diversity in the range of usage change. However among most services, a higher proportion stated that their usage would increase compared to those which stated it would decrease, although caution should be taken when analysing these results as the base sample sizes are low.

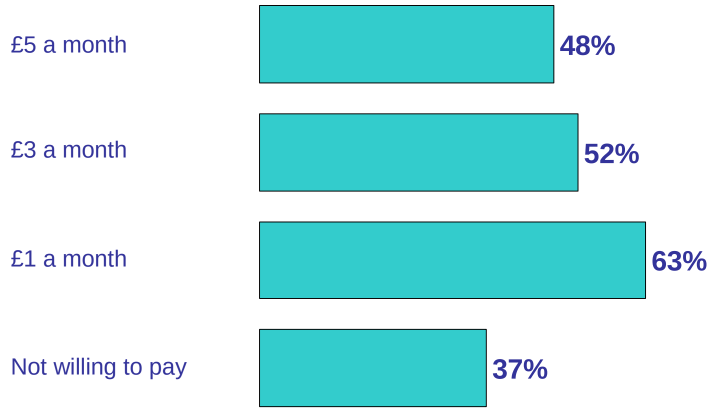
The qualitative research indicates that, among cable users (but not PVR users for whom neither catch- up product is seen to match up to PVR functionality), this service could potentially be more popular than catch-up over internet as technical concerns over the speed of broadband connection needed do not apply. Also, the fact that content will be viewed on a television rather than a computer screen is seen to confer an advantage to this service over internet catch-up. Finally, homes are currently laid out for TV viewing to take place as a social activity. The same cannot be said for PCs which are positioned in less leisurely surroundings and are usually accessed individually.

The strongest increases in use of services as a result of cable catch-up was in internet simulcast, with 72% stating that they would increase their usage of these services. There were also some notable changes across usage of other services although the base sizes involved are relatively small and so meaningful comparisons are difficult to make.

During the qualitative phases of the research, recognition of catch-up services was relatively low among cable viewers. NTL / Telewest subscribers were not always familiar with the service screen grabs shown. Homechoice users were more aware of the Replay service but did not use it intensively. This would imply that awareness of catch-up over cable is not broad enough for it to be the main reason for choosing a TV package. Furthermore, the prominence of Sky+ dominates public perceptions of time-shifting TV.

When testing the pricing of cable catch-up, the graphic below shows that the proportions of those willing to pay at certain price points follows a similar pattern as internet catch-up.

*Q If this **7 day catch-up over cable** service was not offered for free, how much per month, if anything, would you be prepared to pay for it?*



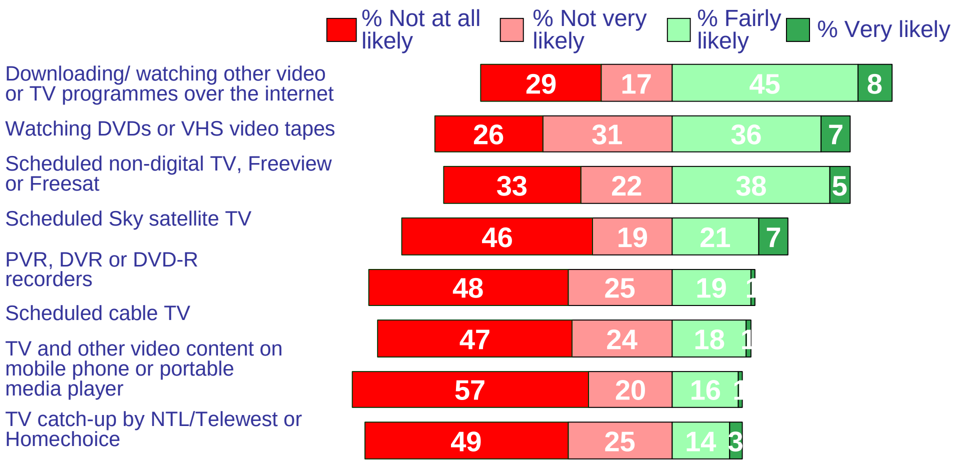
Base: All respondents who are very/fairly likely to use 7 day catch-up over Cable (109) – Propensity Weighting. Excludes DK. * Amount willing to pay is cumulative on the assumption that if respondent is willing to pay £5 they would also be willing to pay £3 or £1 etc.

Source: Main Survey

Internet simulcast

There are mixed views as to whether using the iPlayer internet simulcast service will provoke a change in usage of existing services. It is clear that while the service may encourage some change, the majority feel that it is unlikely to do so, for all existing services. This is backed-up by findings from the qualitative phases of the research which show that consumers imagine using Internet simulcast video only in a narrow range of circumstances, mostly where content via a TV screen would not be available. As for simulcast audio, this is seen to exist already and is sometimes used instead of listening to the same radio content via other methods or in locations where radio sets are not available, for example at work.

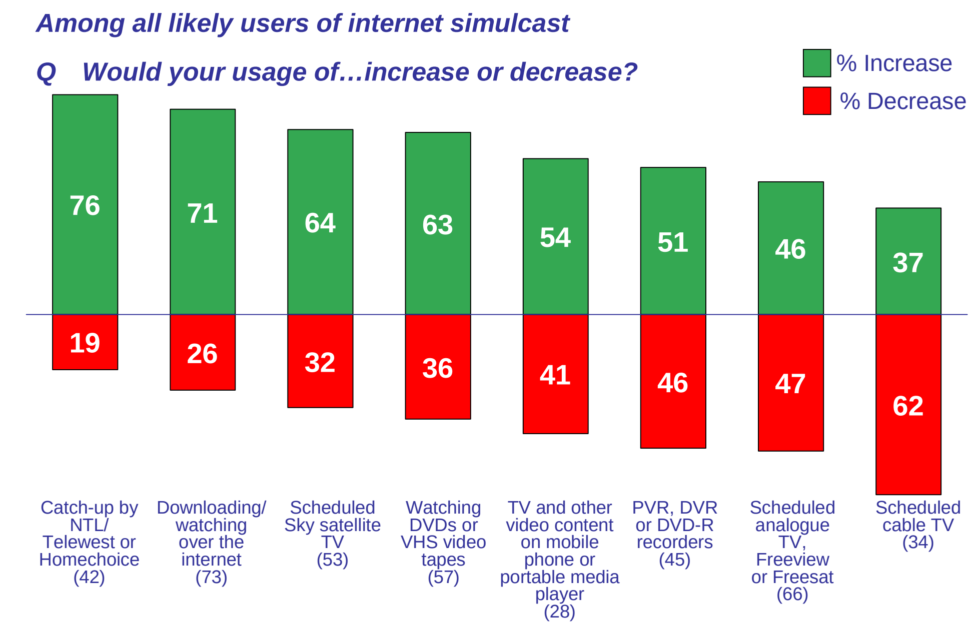
Q *Try and imagine that you did start using **simulcast** for free. How likely, if at all, would you be to change your usage of the following as a result?*



Base: All respondents who are very/fairly likely to use internet simulcast (148) – Propensity Weighting. Excludes DKs

Source: Main Survey

Perhaps unsurprisingly, downloading/ watching other video or TV programmes over the internet are the existing services most likely to be affected by uptake of the iPlayer internet simulcast service.

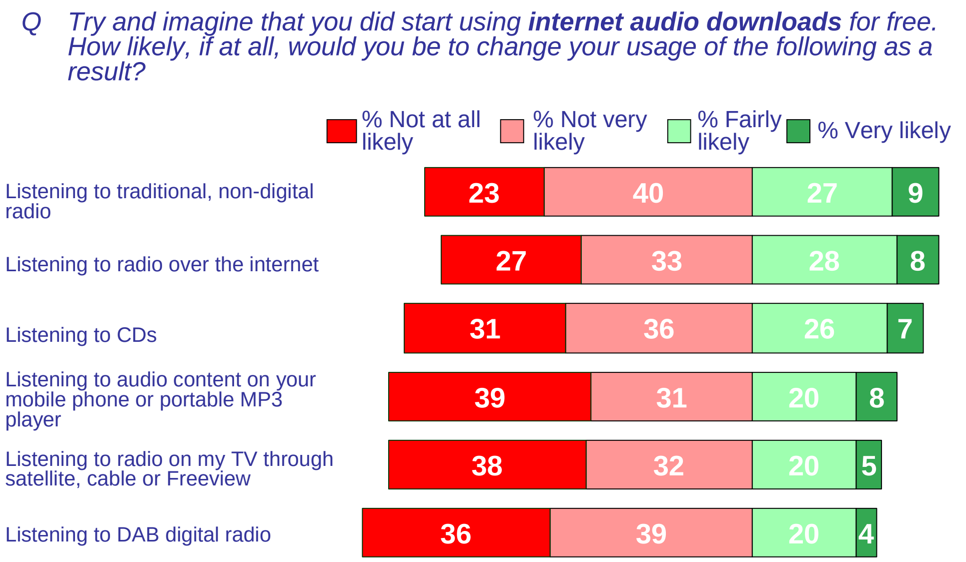


Base: All respondents who are very/fairly likely to use internet simulcast and for whom it is very/fairly likely to change their usage of each existing service – Propensity Weighting. Excludes DK. (bases in brackets)

Source: Main Survey

Audio downloads

As this concerns audio rather than visual content, the key competing services are different from those of the other services on offer under iPlayer. Again, the likely change in usage was measured among those stating that they would use this service.

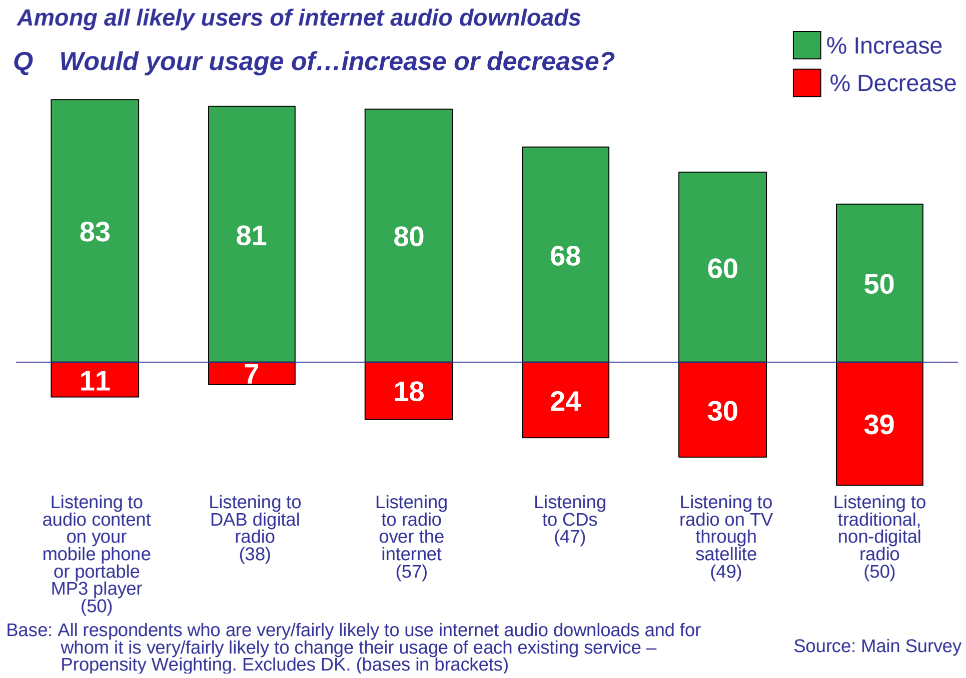


Base: All respondents who are very/fairly likely to use internet audio downloads (161) – Propensity Weighting Excludes DKs

Source: Main Survey

In the qualitative research, when asked about substitutions, participants claimed that if they downloaded audio programmes they would listen to these instead of content which was already on their portable player. This suggests it would not inhibit them from listening to other types of audio via other services, but would allow them more options to choose from on their MP3 player.

The graphic below shows the impact of audio downloads among those stating that their usage of services were likely to change.

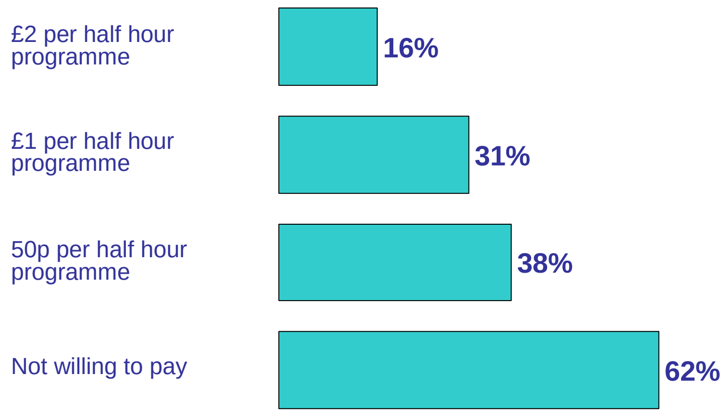


The data shows the strong potential of iPlayer audio downloads to drive increased usage of similar services, therefore implying that iPlayer is considered more of a complement than a competing service in this market. The only service with similar proportions stating that usage would increase and decrease is listening to traditional non-digital radio.

The high proportions that would increase their usage of services implies that audio downloads have the ability to introduce consumers to other new services and content. With iPlayer audio downloads playable on mobile phones and MP3 players it is perhaps unsurprising that 83% stated that usage of this service would increase.

In terms of costing the service, unlike the catch-up services which was tested on a monthly fee basis, audio downloads were tested on a per download basis.

*Q If this **internet audio download** service was not offered for free, how much per half hour programme, if anything, would you be prepared to pay for it?*



Base: All respondents who are very/fairly likely to use internet audio downloads (161) – Propensity Weighting. Excludes DK * Amount willing to pay is cumulative on the assumption that if respondent is willing to pay £2 they would also be willing to pay £1 or 50p etc

Source: Main Survey

Appendices

Appendix 1 – Statistical reliability

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Statistical Reliability

The respondents interviewed are a sample of the total population in Great Britain and Northern Ireland, so we cannot be absolutely certain that the figures obtained are exactly those we would have if everybody had been interviewed (the "true" values).

We can, however, predict the variation between the sample results and the "true" values from a knowledge of the size of the samples on which the results are based and the number of times that a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95% - that is, the chances are 95 in 100 that the "true" value will fall within a specified range.

The table below illustrates the predicted ranges for different sample sizes and percentage results at the "95% confidence interval":

Approximate sampling tolerances applicable to percentages at or near these levels

	10% or 90%	30% or 70%	50%
Size of sample on which survey result is based			
Sample A (127)	5.2	8.0	8.7
Sample B (161)	4.6	7.1	7.7
Sample C (110)	5.6	8.6	9.4
Sample D (104)	5.8	8.9	9.7
Sample E (92)	6.2	9.4	10.3
Sample F (109)	5.7	8.6	9.4
Sample G (101)	5.9	9.0	9.8

Source: Ipsos MORI

For example, with a sample size of 161 where 10% give a particular answer, the chances are 95 in 100 that the "true" value (which would have been obtained if the whole population had been interviewed) will fall within the range of plus or minus 4.6 percentage points from the sample result. Or, say in a sample of 101, 70% give a certain response, the chances are (95 in a 100) that the true value would fall between 61% and 79%.