


THE VIEWING REPORT

NOVEMBER 2013

BARB
BROADCASTERS' AUDIENCE RESEARCH BOARD



 ur society has more data than ever before. Broadcasters, marketers and agencies can use and re-use this wealth of information in lots of secondary ways – solving problems, finding correlations and identifying sales potential.

BARB data are often the cornerstone of such analyses. Since 1981 BARB has been the official source of television figures in the UK. It's known as the Gold Standard. This reputation has been won through vigilance on the quality of the data produced. And also because we continually develop new ways of measuring what the UK population is watching.

The Viewing Report is a glimpse under the bonnet of what we do. We hope you enjoy reading it.

- 7 THE ADVERTISER PERSPECTIVE
- 8 TRENDS IN SCREEN SIZES
- 11 TV STILL WAY AHEAD
- 12 INSIGHT INTO TIMESHIFTING
- 14 TWO TELEVISION MYTHS BUSTED
- 16 PVR OWNERSHIP
- 18 SHARE BY CHANNEL
- 20 SHARE BY GENRE
- 22 PLATFORM UPTAKE
- 25 HOW WE ARE DOING
- 26 ACKNOWLEDGEMENTS

HELLO,

It's pure coincidence that I join BARB at the same time as it publishes the first edition of The Viewing Report. But what a perfect opportunity to reinforce the wealth of information that we produce to help the UK broadcast and advertising industry go about its business.

Ofcom recently reported that, excluding pay-TV subscriptions, the television industry took just over £7bn in revenue from delivering programme and commercial content in 2012. BARB plays a pivotal role in this value chain, helping our users account for the vast majority of this annual investment. This is a responsibility that we take seriously.

Equally, we are excited at being part of such a vibrant industry. Television content is now delivered exclusively through digital distribution across the whole UK. This opens up many creative routes for engaging viewers with content, whether it be the programmes or commercial material. It also creates challenges for BARB as it fulfils its mission to deliver a complete and comprehensive measurement of television audiences.

The Viewing Report is designed to be a state of the nation review of the ways in which people can watch television. It also focuses on how they actually watch television, insight we can provide because of the substantial data that is available through BARB's services.

There are many easy headlines to be had in stories of the death of linear schedules due to on demand binge viewing. Remember the death of the TV commercial headlines that greeted the arrival of Sky+ and, in even earlier times, the VCR?

What we are seeing is further evolution of viewing habits. Watching television live remains our core behaviour, with timeshifting coming into its own at those times that viewers can satisfy a more personal need to indulge and escape. There are many gems of insight in this report that support this and other ideas.

WATCHING TV LIVE REMAINS OUR CORE BEHAVIOUR

You'll see how homes across the UK are trending towards bigger screens, smaller screens and no TV screens - all at the same time! You'll find that ownership of PVRs seems to be reaching a plateau at just under 7 in 10 homes. And despite the appetite for greater personalisation, it's sobering to reflect on the fact that there were well over 500 programmes last year that generated a live audience of at least 8 million people.

We also welcome opinion pieces from guest contributors Rob Ellison of Mondelez, Sue Unerman of Mediacom, and Paul Lee of Deloitte.

As BARB's new chairman, my one great hope for this book is that having looked at even part of it, the reader will never again feel inclined to say "linear TV is dead..." In short, television, and in particular live television, remains the most potent catalyst for conversation in the UK.

Nigel Sharrocks
Chairman
BARB



THE ADVERTISER PERSPECTIVE

What BARB stands for and what it represents, has never been so relevant and important to advertisers than it is right now.

During my career, I've seen the impact of BARB data from three different perspectives; auditor, agency and now advertiser. And while slightly different for all three, BARB data have been crucial to key aspects of all those businesses.

BARB's key strength is in being recognised as the unquestionable gold standard for audience measurement across the industry. As an advertiser, that is fundamental to my decision making on where to invest my advertising budget and how to make it work hardest.

Moreover, BARB is desperately needed in this age of rapid change and new media opportunities. We are all seeking a competitive advantage and trying to navigate our own way through a constantly evolving media landscape, but this rapid change has led to ambiguity. In the last year alone, the "factual" quotes I have heard for the percentage proportion of all viewing that is now video on demand ranges from as little as 1%, to as much as 50%. As an advertiser, who am I to believe? We're all drawing our own conclusions and making decisions based on little more than trust and experimentation, which can't be right when you consider the budgets involved.

It is in response to similar ambiguity that BARB was founded in the first instance, to be the indisputable measurement vehicle

for TV audiences. I would argue that BARB is well placed to expand its remit even further, in order to address the current fog. Indeed, it is already looking to do so, but there are challenges.

In this world of big data, there will always be critics of a panel size of 5,100 homes, representing a population of 26 million homes in the UK with a television. This criticism ignores clear evidence of the panel's representation of the audience. There is also an ever-increasing demand to evolve BARB's measurement systems at a pace fast enough to keep up with the speed of the changing landscape. These are matters that I know BARB is well aware of, and it is taking sensible and robust steps to address. But stakeholders like us do not make this easy. The demand from advertisers, and the industry at large, grows every day, and getting hold of any information can sometimes seem more important than ensuring we get the right quality of information.

Ultimately, the advertising industry needs BARB and organisations like it, to underpin and provide trust to a system worth close to £5 billion a year in media expenditure. Advertisers in particular crave it, for the certainty that it provides. And BARB has always delivered. However there is a constant need to respond to change and move quickly, in order to remain relevant. We are very supportive of BARB's plans to evolve the service and look forward to seeing it develop a new gold standard for the new age of television measurement.

BARB IS WELL
PLACED TO
EXPAND ITS
REMIT TO
ADDRESS THE
CURRENT FOG

Rob Ellison
Media Manager
UK & Ireland
Mondelēz Europe



Size, so they say, doesn't really matter: but don't ever try to debate this point with a TV set manufacturer. The wider the screen, the greater the margin. That's always been the case to some extent; but it's more true now, in the LCD era, than it has ever been.

And our figures capture an interesting slice of screen history. In the fourth quarter of 2007 we witnessed a landmark moment, with the sale of LCD flat screens outstripping cathode ray tube (CRT) sales for the first time.

This was heralded by manufacturers as a proverbial game-changer. There's always been a widespread assumption that viewers will choose to watch TV on the biggest set that they can comfortably afford; but CRT technology has always struggled to meet the market's expectations.

But there are those who argue that 110-inch sets are just not the future, at any price. The ideal comfortable viewing distance for a TV is about 2.5 times the standard diagonal measure. 110 inches is just over 9 feet. Few houses have living spaces able to accommodate 23 feet sight-lines.

Furthermore, our taste for open-plan living is in decline; and house-builders are reflecting this. New builds, even those targeting more affluent buyers, tend to contain smaller rooms (though there may be more of them) compared to their equivalents even a decade ago. In 2010, the average UK living room weighed in at 182 square feet, in other words, roughly 13.5 feet by 13.5 feet. (Source: English Housing Survey).

SIZE DOESN'T

In other words, in the pre-LCD era, growth in screen size was surprisingly slow. Most of the people who watched the Coronation on TV in 1953 (an oft-cited earlier milestone moment in British media) did so on 12-inch sets. By the end of the 1970s, the average screen size (and this, surprisingly, was also true of the more extravagant US market) was still less than 24 inches.

Since Christmas 2007, manufacturers have been pointing out that increased production volumes will inevitably bring down the price of all LCD screen sizes; and they have been predicting that the effect will be felt most dramatically at the super-sized end of the market. Back in 2010, analysts even began forecasting that the average TV size might, in a process of leaps and bounds, reach 60 inches by 2015.

That's not going to happen. True, our figures show a steady migration towards screens of 33-inch and bigger. There are also stirrings of activity in super-sizes. But many believe that screen size has a natural limit: and we're fast approaching it.

At the Consumer Electronics Show in Las Vegas in January, Westinghouse unveiled a 110-inch panel, a snip at \$300,000.

And of course the picture is complicated by developments in the market for smaller screens. Smartphone penetration, having crossed the 50 per cent mark in the fourth quarter of 2012, is adding around 3 percentage points per quarter or most quarters, at any rate and will undoubtedly continue to grow. The tablet figures have been harder to read, following an astonishing growth period last Christmas. On the other hand, a 30 per cent penetration figure is an impressive achievement for a market still in its infancy.

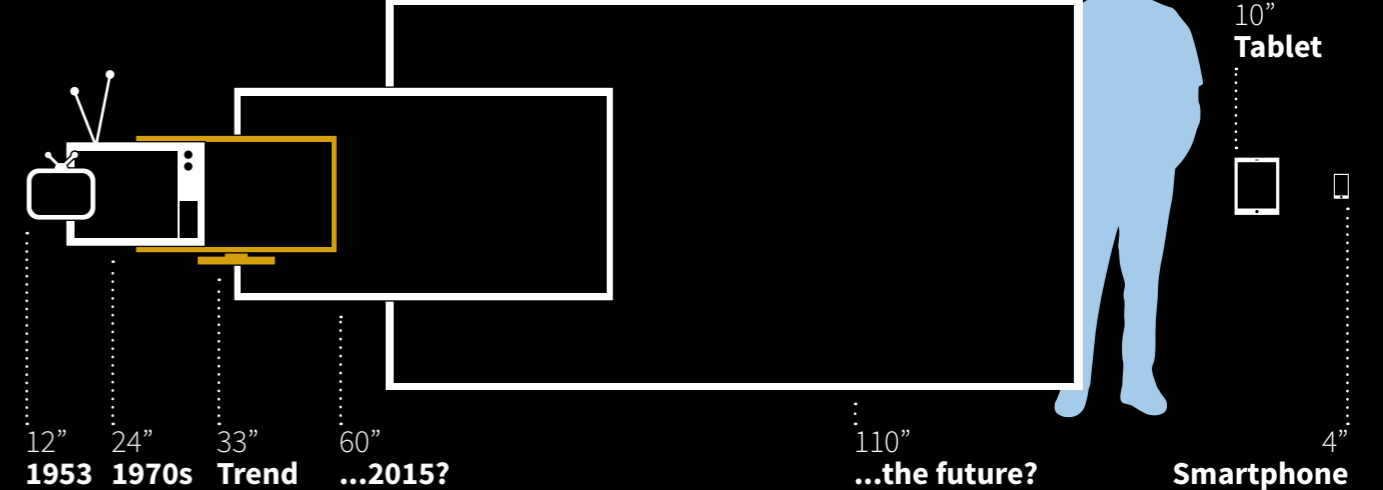
Indeed, with those figures in mind, the most intriguing patterns on show here come, arguably, from homes in the big conurbations. These aren't people itching to buy 110-inch screens; and in fact, a steadily growing chunk of metropolitan TV households (7.7 per cent in our 2013 figures) don't even have a TV set at all. That rises to 11 per cent in metropolitan households where everyone's under the age of 24. A significant number of the people in these households are watching TV on computers and, increasingly, mobile devices.

So, if you're measuring the future in inches, there's a fair chance that it won't be bigger than 60. Actually, it might just be smaller than 10.

SCREEN SIZE HAS A NATURAL LIMIT AND WE'RE FAST APPROACHING IT - FEW HOUSES HAVE LIVING SPACES ABLE TO ACCOMMODATE THE SIGHT LINES NEEDED FOR MEGA SCREENS

SCREEN SIZE HISTORY

To scale



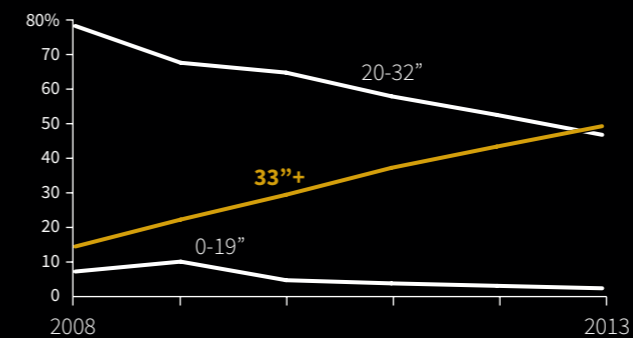
MATTER

96%
of households have at least one TV

2.4%
of households have broadband but no TV

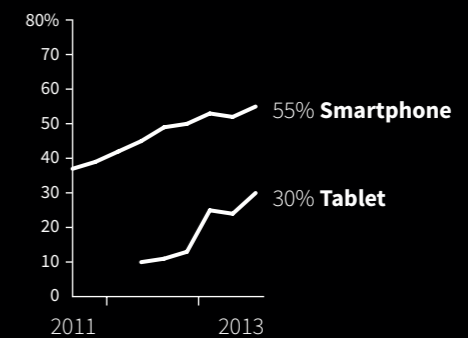
MIGRATION TOWARDS 33+ INCHES

% of TV homes with a maximum screen size in inches of...



GROWING MARKET FOR SMALLER SCREENS

% of adults 15+ who own...



Sources: BARB Establishment Survey, year measured as 12 months to end-June; Ipsos Tech Tracker

TV STILL WAY AHEAD

In the seventies, the act of watching television was simple to describe and straightforward to measure, as the confines in which TV programmes could be watched were restricted. For most, it was the living room TV or nothing. The advent of the home computer in the 1980s reduced viewing hours in a few households, but the TV set remained the only place where programmes could be watched. Few PCs targeted at the domestic market had monitors; those that did typically had monochrome screens and limited graphics support.

Three decades of steady and significant technological advance later, and the screen available on many PCs and tablet computers is now of a higher quality than that found in many new televisions. The tables have now turned and the TV set is playing catch up. Ultra high definition, or 4K, is the television set industry's initiative to match the resolution offered in high-end laptops, tablets and smartphones.

Computers are now in 80 per cent of UK homes; tablets are accessible to about 30 per cent of UK citizens. These prolific connected screens have usurped the secondary television set in many UK households. In the 90s, secondary television sets often had 14 inch 4:3 screens, offering, interestingly, a similar screen area to computers' 15 inch 16:9 screens. Laptops and tablets have become the multi-function screens of choice in millions of bedrooms, kitchens and studies. The growing array of over-the-top television services provided by broadcasters and by aggregators, allied with ever faster broadband speeds, has purportedly made the computer an increasingly potent competitor for accessing and viewing programmes.

But whilst we await the viewing data from the rollout of a web-TV meter in the BARB panel, we can expect with reasonable confidence

that despite fundamental technological advance, the proportion of television programmes viewed via PCs, tablets and smartphones is minimal: in the region of a few percentage points at most. But the user behaviour is that of watching television, and as such, like non-linear viewing, it merits measurement, so as to understand how viewing has changed, particularly among younger viewers, whose consumption of TV is most likely under-reported. BARB is one of the measurement organisations which is updating its approach to capture this behaviour.

Viewer choice and thus measurement challenges are just going to become more complex and yet more important. For example the following scenarios require metering:

- ⌚ A viewer may access a live TV programme via a broadcaster's on demand service on their tablet but watch on a television set using image mirroring. This is already addressed via BARB's existing panel.
- ⌚ A commuter may watch the previous evening's television on a tablet on their way to work via a cached version of a programme that was downloaded using WiFi at home. BARB is planning to capture this in 2014.

The arrival of a growing array of streaming media devices in 2014, adding to existing offerings such as Google's Chromecast and Sky Now's TV box, offer yet more choice to consumers, enabling any television set with an HDMI port to be a connected television, from as little as £10 per household. These advances will make consumption yet more stratified, but viewers will still be unified by the act of watching television. And this is what makes measurement of TV viewing on every device, including computers, so important.

DESPITE
FUNDAMENTAL
TECHNOLOGICAL
ADVANCE, TV
VIEWING VIA
COMPUTERS,
TABLETS AND
SMARTPHONES
IS MINIMAL

Paul Lee
Global Director
of TMT Research
Deloitte



LIVING IN THE

A decade ago, when media's crystal ball gazers began speculating about the likely long term impact of PVRs, they generally assumed that almost all viewing would eventually be timeshifted. Vosdal (Viewing On Same Day As Live), in other words, would be the closest we'd get to live TV in the future. This, in turn, would have fundamental implications for the whole notion of the "TV schedule" as well as catastrophic implications for the television advertising market.

Things, clearly, haven't quite worked out that way: the vast majority of viewing is still live; and there's also lots of evidence that fast-forwarding through ad breaks has remained at relatively low levels.

There's no doubting, though, that timeshifted viewing is an important phenomenon; and in July 2013, BARB began reporting on timeshifted viewing that takes place more than one week after live broadcast. This was an important new departure and a world first.

The BARB Gold Standard figures, showing seven-day consolidated viewing, remain the UK's airtime trading currency; but the additional data, covering 8-28 days, gives media agency planners and TV schedulers additional insights into viewing behaviour.

Initial findings show that 8-28 days timeshifted viewing is most prevalent within ABC1 households and among 25-44 year old adults. But it's important to remember that its contribution to the grand total of viewing is small: the 8-28 day period delivers only 1.5% of viewing on top of the consolidated seven day figures.

Meanwhile, our data on longer-term timeshifting challenges another commonplace assumption. When PVRs first arrived, people began predicting that, as we became ever more comfortable with the whole business of timeshifting, we'd become less anxious about consuming what we'd saved.

We'd keep stuff for days or weeks or even months before watching it. For instance, we

might wait until we'd amassed the equivalent of a PVR box set of a long-running series before starting to watch it; or we'd compile archives of films for rainy days.

The shape of our graph here shows that this, too, hasn't really happened. If it had, our playback curve wouldn't really be a curve at all: it would be a straight line starting low down to the left and climbing slowly through 28 days and beyond.

In other words, when we do record a programme, we watch it as soon as we can. True, comparing 2008 with 2013, it takes seven days longer for 90% of the eventual viewing level to be achieved; but the start point in both instances is pretty much the same; and in both cases, the odds are better than even that a recorded programme will have been viewed within 24 hours of recording.

What's more, if you compare 2010 with 2013, the graphs are all but indistinguishable. Behaviour patterns have stabilised.

WHEN WE DO RECORD A PROGRAMME WE WATCH IT AS SOON AS WE CAN

Clearly, though, some programming genres are more suitable for archiving than others. Children's programming achieves only 76% playback within seven days and only 88% within 28 days; and two adult genres also have genuinely long shelf lives in the PVR: entertainment and films. After all, it can be hard to schedule a three hour film into a family's evening routine. Yet, even so, playback patterns in these genres aren't too far off the average for all time shifted activity.

The conclusion here is a simple one: viewing patterns have been changing in the PVR world – but not by much. And the much-vaunted "long tail" phenomenon, comprised of extreme timeshifted viewing, isn't quite with us yet.

MOMENT

8-28 DAY TIMESHIFT VIEWING

Increase in total audience, July 2013

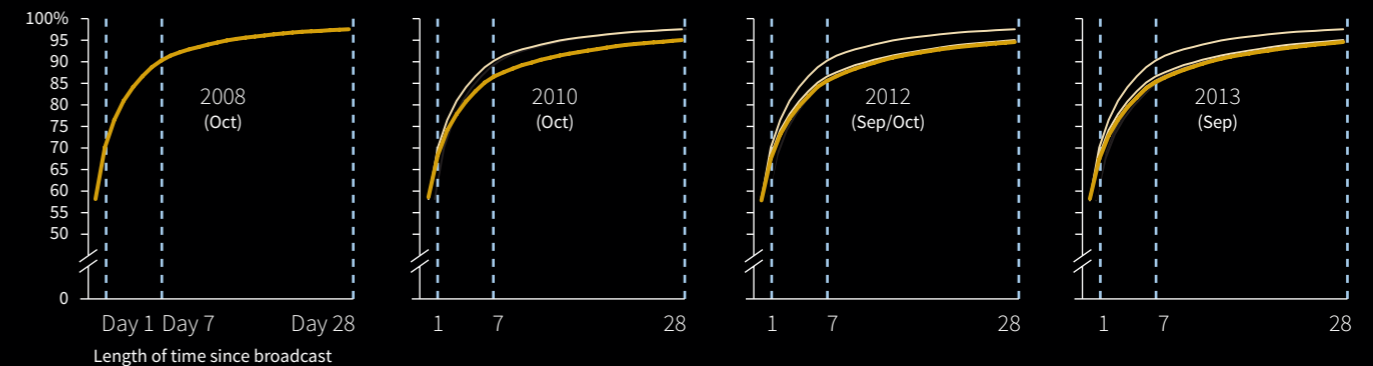
+1.5%

Most prevalent among...

ABC1 HOUSEHOLDS
25-44 YEAR OLDS

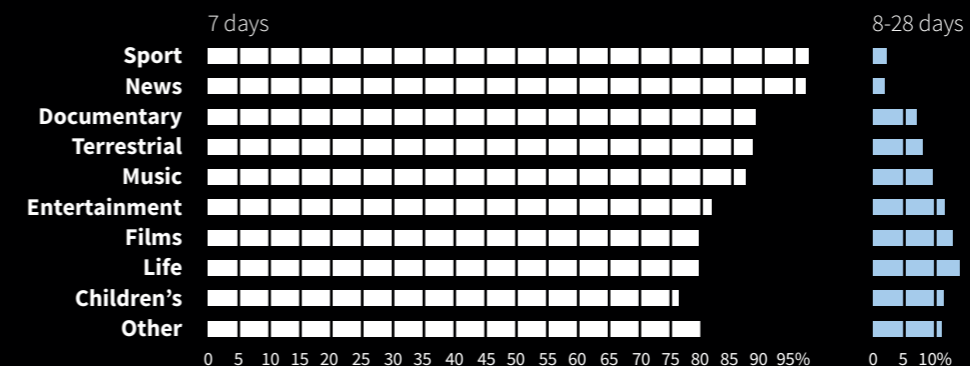
THE AVAILABILITY OF TIMESHIFTING HASN'T SHIFTED OUR VIEWING HABITS MUCH

% of Sky+ playback by length of time since broadcast, 2008-2013



THE DIFFERENT GENRES' SHELF LIVES

% of Sky+ playback by channel genre viewed in each time frame, September 2013



Source: BARB (Timeshift viewing beyond 28 days can be monitored in homes with a Sky+ device)

TWO TELEVISION MYTHS BUSTED

Not everything you've heard about television viewing figures in the UK, good or bad, is right. Sue Unerman of MediaCom presents the facts on some of the biggest myths surrounding live TV and teenagers

There is a Chinese curse that runs: "May you live in interesting times". Well our times are certainly that. There is another phrase that my mum uses quite a lot: "Don't throw the baby out with the bathwater". This is certainly good advice, particularly when you have children.

There's a lot changing all the time, there is a lot of new stuff. There's a lot of noise around from the neophiliacs and there's an equal amount of noise from the traditionalists. As opinion leaders swerve from one to the other with chaotic enthusiasm we must pick our way through, embrace the best of the new but not drop the basics that have stood us in good stead so far. Appreciate the interesting times if you like, while keeping the baby safe.

Let's look at a couple of the favourite headline-grabbing statements some people are making and see whether they are trash or cash.

IN 2002 THE AVERAGE TEENAGER WATCHED 142 MINUTES EVERY DAY – IN 2012 THEY WATCHED 140

DO TEENAGERS WATCH TV ANY MORE ANYWAY? TRASH OR CASH?

Let's look at the numbers first of all. What do you think has happened to the number of minutes that teenagers watch the TV on average over the last 10 years? A decade when Facebook, YouTube and Twitter have burgeoned and flourished. A decade when the number of devices owned by teenagers has multiplied. When any parent with any sense at all has given up trying to control how much and where and when their teenage kids watch stuff.

In 2002 the average teenager aged between 13 and 19 watched 142 minutes every day and in 2012 they watched 140. Holding up remarkably well, you might say. Yet everyone has an anecdote about a teenager of his or her acquaintance who never sits down in front of the TV. Well, the first question to ask is, frankly, were they watching TV with their mum or dad when they were teenagers? Not if they could help it is the probable honest reply. Too busy hanging around street corners and dodgy parks with illicitly obtained alcohol if I know anyone in this business correctly.

In fact teens are consuming pretty much as much TV now as ever. They've got more control over the remote control and there's more programming to share between teens, kids and parents, whether that's the cross-generational appeal of TOWIE, Made in Chelsea, or Saturday night ITV. When there's nothing on linear TV that teens want to watch they've got loads of stuff on Sky+ to watch instead. The idea that there is nothing on that they want to see is incomprehensible to a teenager today. (In fact it is rather a loss to serendipity and cultural richness that the youth of today don't have to stick with programming that isn't instantly accessible, but that's another subject).

So there's still cash in targeting teens on telly.

New technologies abound. The founder of Netflix, Reed Hastings has, unsurprisingly, called out that while people love content they don't love linear TV. Yet MediaCom's Real World Britain report on entertainment in the UK says the reality of content navigation is that new behaviours co-exist alongside old ones. Live TV is not only still popular but has been enhanced by new technologies like Twitter that build on the experience.

When given the choice between having the option to download a new series they liked in one go or waiting to watch it week by week on live TV, 73% of 18-24s in Thinkbox's recent ScreenLife research said they prefer to watch it week by week. This was far more than the older audience of 35-55 (57%). Clearly, live TV adds to the satisfaction immensely.

LIVE AND LINEAR – STILL RELEVANT? TRASH OR CASH ?

Let's start with a quote from Claire Enders. Speaking at the TV Disrupterthon run by the British Screen Advisory Council in February 2013 she said: "The cultural and economic agenda of the UK (outside gaming) is run by women over 40." It is of course this bedrock of influence which drives mass market TV in the UK and often controls what's watched on live TV in the sitting room.

It won't surprise you to learn that TV viewing figures are in fact on the up for this audience (women aged over 35 watched on average over 300 minutes of TV a day in 2012 compared with 260 a decade ago). While this audience has embraced VoD there is nothing to replace watching Strictly Come Dancing with the family on the main TV. Thinkbox's

Screen Life report points out that live TV satisfies some needs better than anything else: the need to unwind (who doesn't sometimes just need to crash on the sofa and put something on?); the need for comfort ("TV is familiar – literally part of the furniture. We gather round it like a campfire."); the need to connect – TV has a human voice and a warm and sympathetic one at that; of course the need for live experience – everyone sometimes wants the live viewing experience, whether it's the Olympics or Britain's Got Talent. The second screen amplifies that viewing experience, so that you can be with friends, loved ones or even a community of people who you don't know but who share a passion for Jamie Oliver, while not actually being in the room with them as you communicate online. The second screen also importantly turns TV into a frontline point of sale channel as digital shopping continues to rise.

Live and linear TV in the sitting room: Cash, and more cash not Trash.

BARB has challenges to face in these interesting times (don't we all?). Yet the professionalism and intention of the experts within BARB continue to ensure that the information it provides is as useful, as interesting and as relevant as ever.

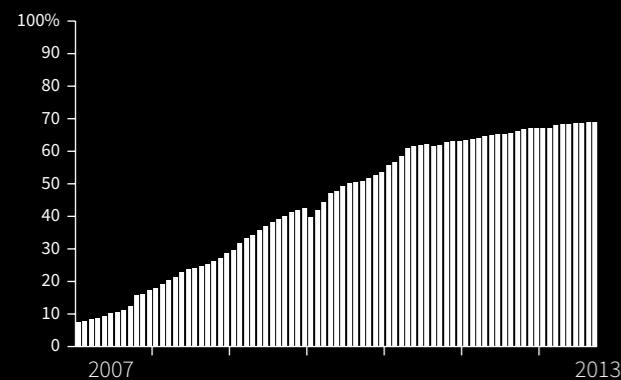
Sue Unerman
Chief Strategy
Officer
MediaCom



TAKING THE LONG VIEW

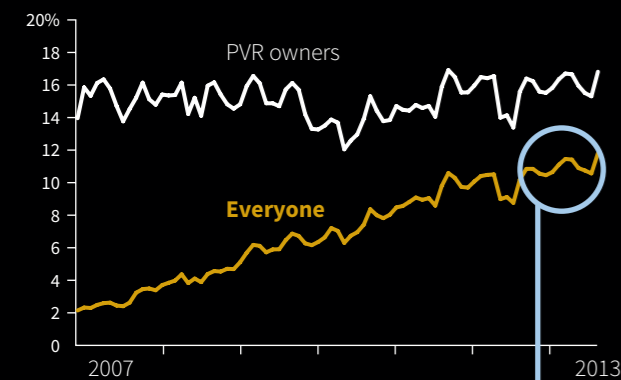
PVR OWNERSHIP LEVELS AT TWO-THIRDS

% of individuals with a PVR



TIMESHIFTING CLIMBS

% timeshift viewing



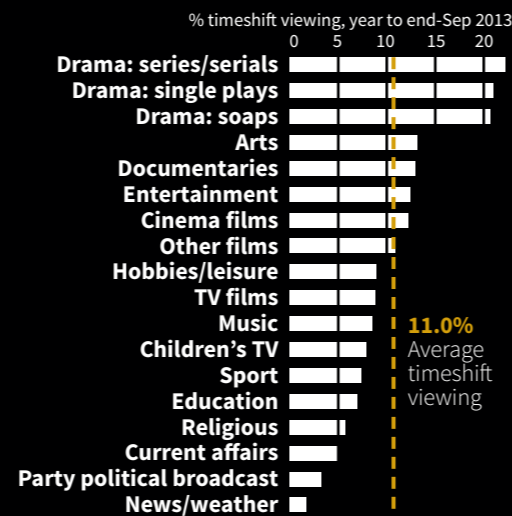
11.0%

Average timeshift viewing
Year to end-Sep 2013

Source: BARB

TIMESHIFTING BROKEN DOWN BY...

...Genre



...Demographics



...ITV region



VIEW

It's probably true to say that households with a personal video recorder can barely imagine life without it. The ability to freeze the action while you put the kettle on or timeshift your favourite programmes is almost regarded as a must-have aspect of modern life, like hot and cold running water or a fridge.

So it can be surprising to discover that almost a third of the UK population is still living in the pre-PVR era. Nor is that situation likely to change drastically in the foreseeable future.

The market really began to take off in a big way in 2007, when penetration shot up from 10 per cent to 40 per cent in just over two years; and leapt from 40 to 60 per cent in the subsequent 19 months.

The conjunction of a number of factors makes the graph hard to read. On the one hand, we had the downturn, which impacted on all aspects of consumer spending; on the other, we had digital switchover, which prompted many households to invest in new equipment for the new era.

Since April 2011, however, the slope has flattened off just south of the 70 per cent mark and this appears to be the market's natural limit in the current phase of its development.

Even the arrival of a new generation of sets with built-in flash memory PVRs will take a while to impact on the slope of the graph; meanwhile, some futurologists continue to argue that, when we all have internet-connected smart TVs, we won't need PVRs in any form.

So, it's a story of change, yes, but gradual change. Cumulatively, timeshifting climbs as more people acquire PVRs; but it isn't really increasing on a pro-rata basis.

Earlier this year, Thinkbox published some fascinating insights as to why this might be so. Its Screen Life: TV in Demand research analysed the sorts of "need states" that TV tends to satisfy. We watch to unwind, to share time together as a family, to feel connected to wider society, to experience fun, to escape and to satisfy guilty pleasures.

Video-on-demand, the study found, can satisfy some of these needs states – but only live TV can satisfy them all. Live TV continues to be the main attraction.

This chimes with the figures here. Simply put, if you had a PVR six years ago, you're probably not using it more this year than you did back then. The average percentage of timeshift viewing for PVR owners in May 2013 was pretty much exactly the same as it was in May 2007.

But there are fascinating variants within this. The genre figures indicate that, as you might expect, there's little point in watching old news; and that sport is best consumed live. Conversely, ownership of a PVR means you'll never have to miss a minute of your favourite soap.

Timeshifting is most commonly done by those with the most demands on their time, whether domestically (housewives with children), socially (adults 25-34) or economically (ABC1 adults). Those over 65 tend to watch more live TV.

Regional variants are telling too. It's worth noting, for instance, that while East Anglia watches the most timeshifted television, Scotland, the North East, the Border region and Ulster watch the least.

A recent study by Thinkbox suggests that such regional variants may reflect working patterns. For instance, in areas where commuting time is minimal, it's more likely that the family will have had its evening meal by 7pm and will then be ready for a solid four or five hours of live TV. The closer you are to London, the more likely it is that you'll have a long commute and, as a consequence, will have time for only a couple of hours of live TV viewing from 8.30 onwards.

IF YOU HAD A PVR SIX YEARS AGO, YOU'RE PROBABLY NOT USING IT MORE NOW THAN YOU DID BACK THEN

BRAND LOYALTY

Branding is as important in television as it is in other consumer markets, with viewers looking to trusted channels much as they look to trusted producers in other sectors. Equally, they will be tempted to test channel variants based on their relationship with a mother brand in much the same way that, say, someone may invest in a particular car marque while recognising that sometimes you need to buy the family estate variant and at other times the hot hatch.

So the story here is very much about families of channels, though there are one or two individual stations whose performance stands out.

Instinctively, you'd perhaps expect a Summer Olympics year to be rather good for the BBC in terms of overall share; and, indeed, there's circumstantial evidence in our figures here to back that up. In 2012, with Britain revelling in the heroic performance of its London Olympians, BBC1 had its best overall share figure since, perhaps coincidentally, the Beijing Olympics year of 2008.

But a good year for BBC1 doesn't necessarily mean a bad year for the flagship channels of the BBC's commercial rivals. And in any case, the overall share figure isn't the be-all and end-all for everyone in the broadcast market: the bigger the channel, the more likely it is that it will have a ratings strategy focusing on peak time (6pm to 10.30 pm).

In short, most broadcasters succeed in taking positives from these share figures and the long term trends they reveal.

One perspective, routinely to be found in press coverage of the ratings game, is the notion that the UK's leading TV brands (in other words, BBC1 and BBC2, ITV, Channel 4 and Channel 5, the competitive set that used to be grouped under the heading

of "terrestrial channels") are all facing inexorable long-term decline.

The major broadcast institutions tend to respond that, if the figures show any evidence of this, then it's evidence based on rather fine margins; and there certainly aren't any irreversible changes of fortune on show.

In fact, when you look at families of channels, there's a good deal of stability in evidence, vindicating a decade of astute brand extension and portfolio management at the established broadcast companies.

Take the Channel 4 family, which as a whole continues to amass a share of around 11 per cent. Meanwhile ITV's second, third and fourth channels have grown consistently across the last few years in much the same way as BBC 3 and 5 USA.

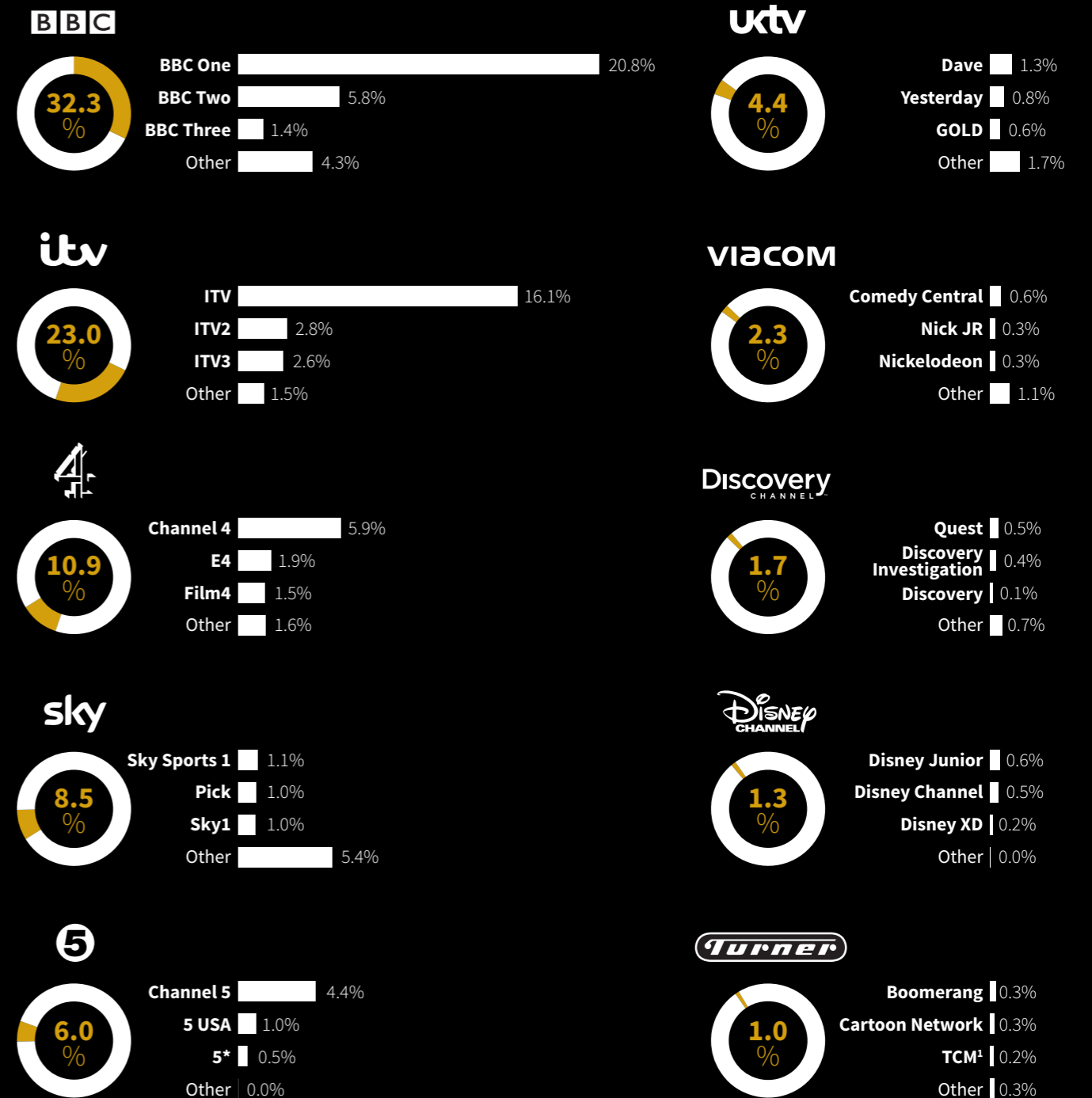
THERE'S A GOOD DEAL OF STABILITY IN EVIDENCE, VINDICATING A DECADE OF ASTUTE CHANNEL BRAND AND PORTFOLIO MANAGEMENT

UKTV's channels collectively pulled in a good audience share, as did the Sky family, with four brands now in the top 25.

So times are clearly changing, although there's continuity in other ways. Now that all viewing is via multichannel platforms, you might have expected an erosion of the gap between the stations formerly known as "terrestrial" and the rest. The gap is still visible.

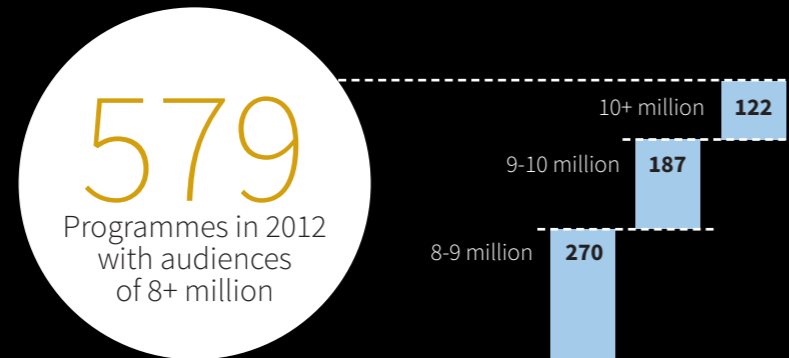
FAMILY FORTUNES

% share of audience, year to end-Sep 2013. For all broadcaster groups with at least 1%



1 Turner Classic Movies. Where applicable, channels include HD and +1 variants. Source: BARB

PEAK TIME IS IN RUDE HEALTH

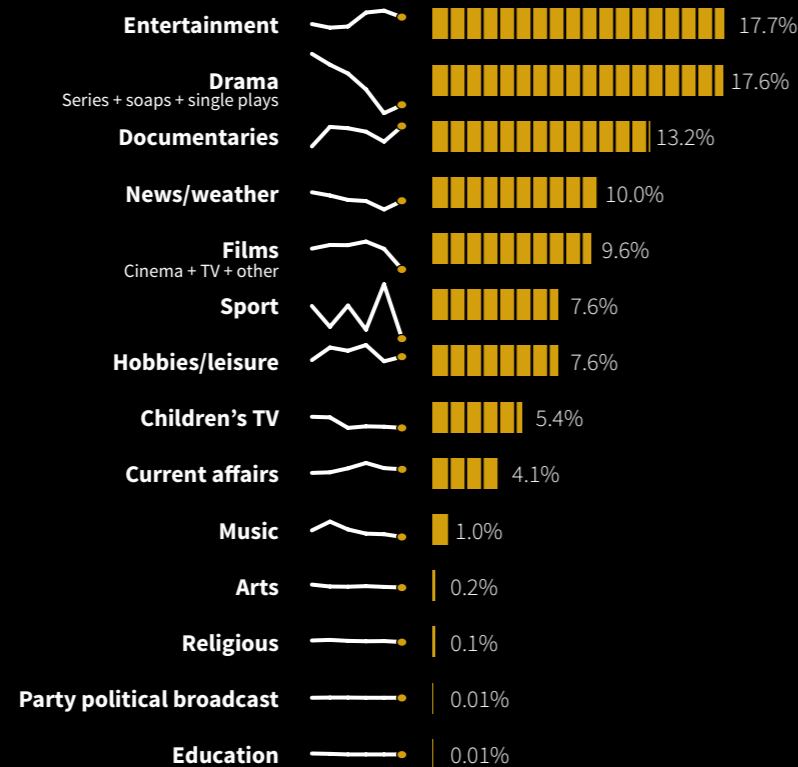


ROOM FOR

FROTH, FACTS AND FILMS

Trend in % share of audience, 2008-2013

% share of audience, Jan-Sep 2013



Source: BARB; 2013 data only first nine months

In some respects, the figures here conform resoundingly to expectations: we watch an awful lot of drama and light entertainment. Soaps, series and single plays add up to 17.6% of viewing, films account for 9.6% and entertainment a further 17.7%. In other words, a cumulative total of over 40%; and that figure will be significantly higher in peak time.

(And, to digress slightly here, it's worth noting that peak time is in rude health. It's often said that there are few big-rating shows any more. Yet, in 2012, there were 579 programmes boasting an audience greater than 8 million, 309 on 9 million plus and 122 that were watched by more than 10 million.)

experience an upswing thanks to the London 2012 Olympics; but actually, the longer term trend is ambiguous or, if anything, down.

Perhaps some social theorists are right: despite, or even because of, the Olympics, our appetite for run-of-the-mill sports, notably football, may be declining. On the other hand, it might merely reflect a growing trend for people to watch sport out-of-home as a social event, viewing which is not captured by BARB.

And there are some other interesting anomalies within the bigger picture. It's often argued these days that television drama is going through a new "Golden

EVERYONE

So there's ammunition in these genre figures, surely, for those who'd argue that we're all complicit in a celebrity-obsessed culture whose greatest contribution to the audio-visual arts is the reinvention of the talent show.

And yet, critics who worry about our growing national appetite for all things frothy and superficial will note with interest that documentaries and current affairs have both captured an increasing slice of the audience in recent years, while news consistently tops the 10% mark.

Granted, there will be some who counter with the view that, these days, the documentary genre is not exclusively a domain of virtuous high-mindedness: they might point out, for instance, that although it embraces the Attenborough oeuvre at one end of its spectrum, it also stretches to embrace aspects of sensationalist reality TV too. But still, 13.2% is a decent enough score.

Similarly, those who fret about a decline in the provision of children's programming in the UK will find some cause for anxiety in our figures here. Some, but, actually, not that much. Children's television continues to account for more than 5% of viewing.

Sport also provides a fascinating case study. Viewing in this category was clearly going to

Age" on both sides of the Atlantic. Home-grown productions like Downton Abbey and Broadchurch don't just draw huge audiences, they're dissected and celebrated in the press and generate prodigious amounts of social media interaction. As a matter of course, the best of US television drama output is showcased on our screens too.

So the actual viewing figures are slightly perplexing. We've already noted that dramas of all sorts add up to 17.6% of all viewing. However, within that, the sub-genre of series and serials (in other words, the Downton category) has been underperforming. It accounted for a 12.9% share in 2008 but only 11.5% in 2012.

However, few observers will be nonplussed at the disappearance (from the ratings if not quite yet from the schedules) of education, religion and party political broadcasts.

We just don't seem to do earnestness any more. Not on TV at any rate.

CRITICS WHO WORRY ABOUT OUR GROWING APPETITE FOR ALL THINGS FROTHY AND SUPERFICIAL WILL NOTE THAT THE AUDIENCES FOR DOCUMENTARIES AND CURRENT AFFAIRS HAVE INCREASED

THE FUTURE'S

Superficially, it looks as though the story here is all about the rise of DTT and the narrowing of cable's horizons. And indeed, cable still has a largely urban infrastructure, so it's no real surprise to find over 50% of Britain's cable households located along the densely populated spine of the country, stretching from London, through the Midlands to Greater Manchester.

Virgin Media will doubtless point out that this 50% figure isn't half bad as stats go; after all, those three regions account for only 44% of the UK's TV homes. But cable really does need to punch above its weight in its heartland. It is, after all, hidebound by geographical factors that are unlikely to change in the foreseeable future.

Cable's relative absence from the fringes (both figuratively and literally) of the UK economy was one of the reasons why it didn't, in comparison with satellite and digital terrestrial platforms, experience much of an upswing during the digital switchover period. Cable's national penetration grew from 13% to only 16% during the period from June 2008 to June 2013.

The most likely winner during digital switchover was always going to be DTT and our figures show that this was indeed the case. The kit is cheap and easy to install; and both these factors were likely to appeal to digital's reluctant, last-minute converts.

But DTT isn't just a distress purchase, clearly; and its popularity across the whole economic spectrum is almost certainly responsible for the duplication and overlap lurking in these figures. Actually, the overlap doesn't just lurk: the penetration figures for the year to June 2013, for instance, add up to 134%.

It's a fair assumption that, in many households where the living room television is plugged into cable or satellite, second and

third sets are wired for basic DTT. Freesat, clearly, is another option at the cost-conscious end of the market.

It's interesting, too, to note how the platform market has generally matured. When multi-channel TV first took off in the 1990s, it was driven first and foremost by households with children.

Now, this early-adopting generation has begun entering the "post family" stage; and digital satellite, now in 43.4% of homes, has continued to grow throughout the market's most volatile and competitive phase.

And in fact it's intriguing to see that pay-TV, which is dominated by cable and satellite, is still a big draw for young family households. Or put it the other way around: young families account for 10% of UK homes but only 8.5% of the DTT universe.

But actually, this picture of maturity may be deceptive. The market could be on the cusp of an interesting new phase. The most dynamic new entrant, YouView, which launched in July 2012, is included in the DTT figures on the premise that, as it receives live TV over the airwaves, via aerials, it's a step up from Freeview.

Yet YouView's VoD services are accessed via internet protocol technologies; and IPTV, you could argue, is a form of cable, because it's delivered down phone lines. Sky also has internet-delivered VoD services.

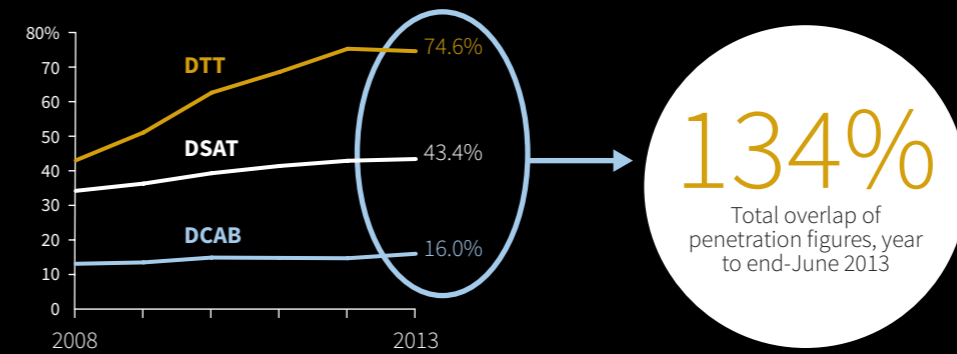
And of course the advent of smart TVs could further complicate the picture. In short, watch this space: it's a fair bet that our categories here will become increasingly blurred in years to come. The future is almost certainly hybrid.

THE MARKET COULD BE ON THE CUSP OF AN INTERESTING NEW PHASE - OUR CATEGORIES COULD BE INCREASINGLY BLURRED

HYBRID

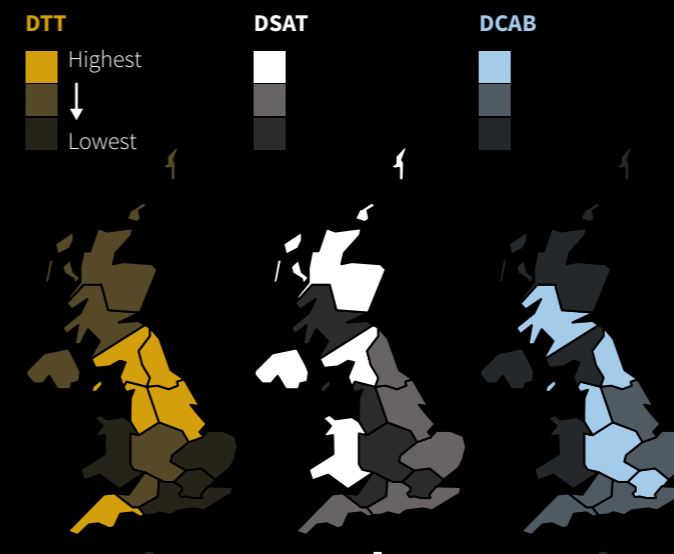
THE GROWTH OF MULTI-PLATFORM HOMES

% platform penetration 2008-2013



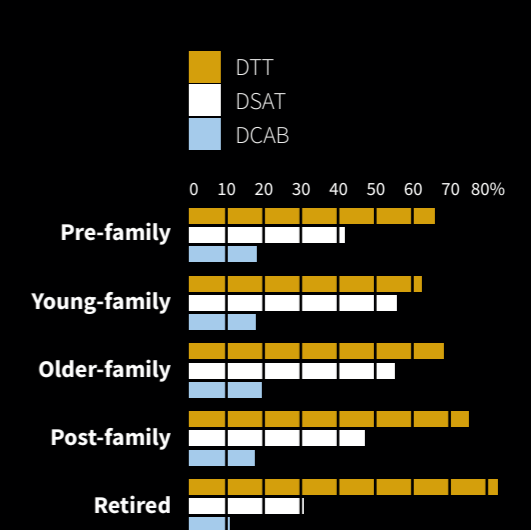
REGIONAL UPTAKE OF EACH PLATFORM

% platform penetration by ITV region, 2013



THE PLATFORM MARKET HAS MATURED

% platform penetration by lifestage demography, 2013



Source: BARB Establishment Survey, year measured as 12 months to end-June

HOW WE ARE DOING

Commentators have summarised the challenge facing BARB in many different ways, some of which can't be broadcast until after the watershed. We ask ourselves two questions: How do we measure analogue beings in a digital world? And how can we design an affordable service that delivers robust numbers regardless of the size of the audience being measured?

As ever, the television industry is embracing the latest technologies to enrich the viewer experience. Current hotspots are the player apps that allow viewers to use screens of all sizes to watch both live and catch-up content. Yet for all the headlines that are grabbed by the latest apps and gadgets, they don't account for the vast majority of television viewing.

Human behaviour changes more slowly than technology, a fact that BARB can't lose sight of as we develop our measurement of viewing habits. Moore's Law doesn't apply to human beings, a thought that encapsulates the paradox that we're dealing with.

In addressing this paradox, we have to continue making the most of our panel. Equally, we must ensure a stability in the gold standard currency that our users have come to know and expect. But stability doesn't mean not changing anything.

In the last year we have started to measure our panellists' viewing on desktop and laptop computers. We now report all timeshift viewing that takes place up to four weeks after the original broadcast. We have also enabled the identification of dynamically inserted advertising. And our subscribers can now analyse viewing through the prism of Mosaic's geodemographic system.

In the coming weeks and months we expect to complete trials for a system of measuring viewing on tablets and smartphones. If

successful, these solutions will be rolled out with the aim of reporting our panellists' viewing on these devices during the first quarter of 2014.

At the same time as making the most of our panel, we have to recognise the value that lies in other data sources. This is where BARB can take advantage of the integration of the internet into broadcasters' distribution chains. It is an increasingly important platform for television, whether the content is ultimately viewed on a computer, a tablet, a television screen or some other digital device.

Earlier this year, the major broadcasters committed to embedding a BARB metadata tags in content that they deliver through the internet. This fundamental step forward will generate census-level data that we will report on a standalone basis. Our strategy is to then fuse this data with the outputs of our panel in the research equivalent of creating a dovetail joint. Hence the name Project Dovetail.

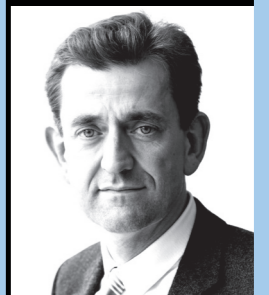
This approach will enable us to create affordable and robust measurement of IPTV audiences, regardless of their size. We are also actively testing how we might work with return path data in a way that can boost the effectiveness of reporting audiences to channels that are broadcast digitally over the air.

The complexities involved mean that we can't rush if we are to maintain the quality levels that are expected of us. We also have to keep a constant eye on what's going on "under the bonnet" to ensure the smooth delivery of fresh data to market, every day of the year.

To keep in touch with the progress of Project Dovetail and other initiatives, please log on to barb.co.uk where you can find a digital copy of this report and post your comments.

WE ARE MAKING
THE MOST OF
OUR PANEL AND
HARNESSING
THE VALUE
THAT EXISTS
IN OTHER DATA
SOURCES

Justin Sampson
Chief Executive
BARB



THANKS TO OUR
EXTERNAL CONTRIBUTORS:
ROB ELLISON, PAUL LEE
AND SUE UNERMAN

THANKS TO
JOE LEWIS, KATE HARKUS,
LULU PINNEY AND
ALASDAIR REID WHO
CATAPULTED THIS PROJECT
FROM CONCEPT TO
EXECUTION BY HELPING
US WITH ANALYSES,
DESIGN, GRAPHICS AND
COPY RESPECTIVELY

THANKS TO
RSMB FOR MUCH OF THE
NUMBER-CRUNCHING
BEHIND THE ANALYSES
IN THIS REPORT

THANKS TO
IPSOS FOR ALLOWING US
TO REPRODUCE FINDINGS
FROM ITS QUARTERLY
TECH TRACKER SURVEY

BARB

WWW.BARB.CO.UK

20 ORANGE STREET
LONDON WC2H 7EF

020 7024 8100

ENQUIRIES@BARB.CO.UK