

Future Scenarios Update January 2009

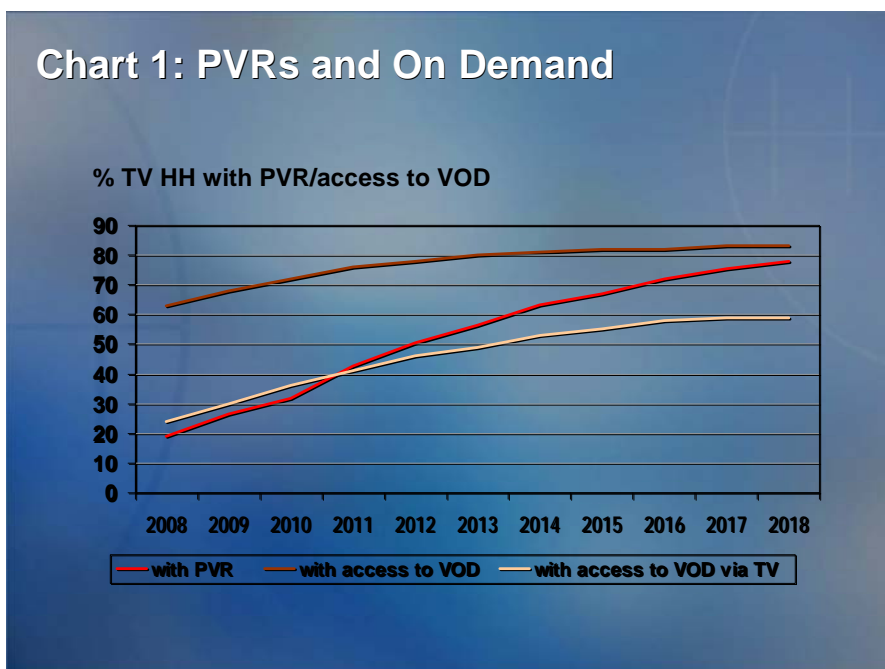
The development of new ways to watch television is a key feature of the industry currently and is likely to be a continuing feature of the next few years. BARB is considering the possible impact of new technologies from the perspective of audience measurement.

The current panel-based measurement system for TV audiences has developed over the years to accommodate changes in the TV landscape. Past developments, up to the introduction of PVRs and HD have tended to focus around the television set. Future innovations based around the TV set should, at least in principle, also be measurable by the current method (with appropriate enhancement).

There are now, however, opportunities for viewers to watch programmes away from a TV set: for example via a PC or laptop; via a handheld device or via a mobile phone. So far these have been taken up to varying degrees but all require the development of new techniques if audiences are to be measured.

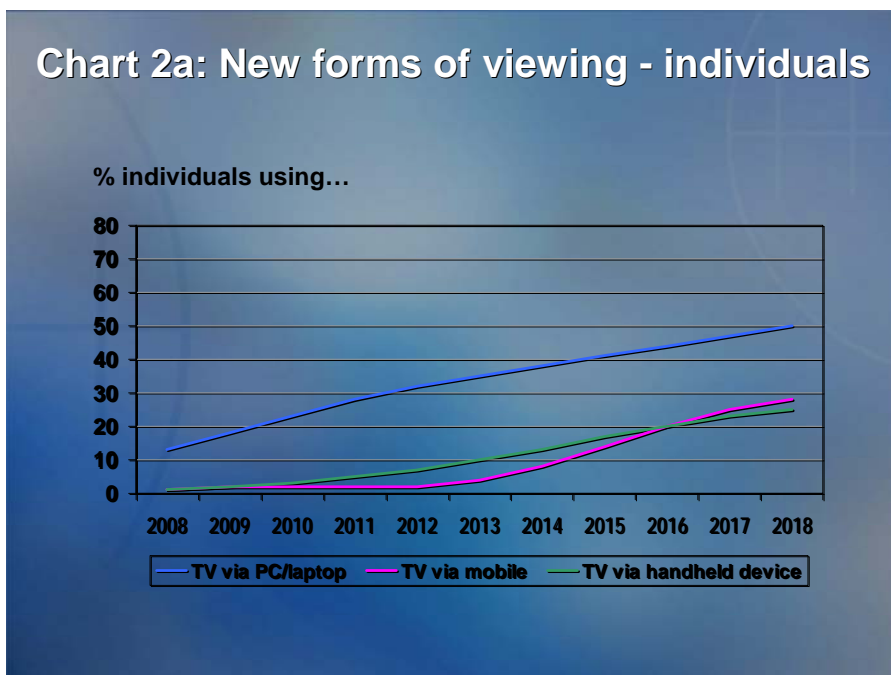
Predicting the speed of adoption of new technology among viewers is not easy; a wide range of different future scenarios is possible. The charts that follow summarise just one of these possible scenarios.

The growth of PVRs has made the time-shifting of viewing much easier and the proportion of viewing that is time-shifted has grown as a result. Currently around 20% of TV households have a PVR, suggesting plenty of potential for future growth. One assumption of this scenario is that the uptake of PVRs with digital terrestrial tuners will increase significantly, stimulated in part by the process of digital switchover.

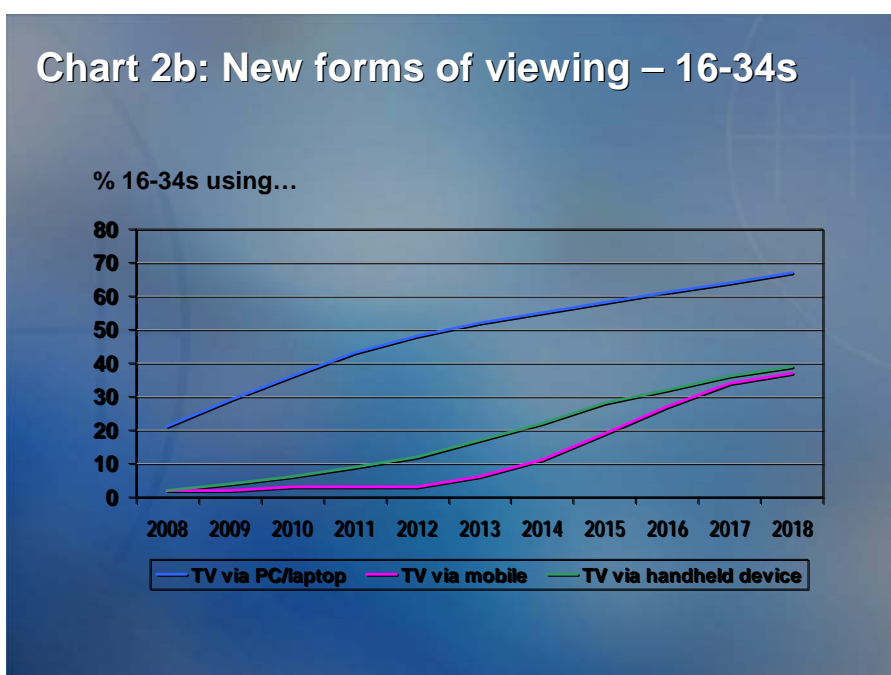


Another option for time-shifting to have emerged more recently is video-on-demand (VOD). A wide selection of recently transmitted programmes is available via PC/laptop on broadcaster websites; thanks to the fast growth of broadband internet these services are already available to a large majority of the population. Availability of VOD via TV is currently more limited but likely to grow substantially over the next ten years.

Of the new forms of viewing available beyond the conventional TV set, it is viewing via PCs/laptops that has been most widely adopted so far. According to an Ipsos Capibus survey in November 2008, take up of mobile TV services has so far been limited and may be partly constrained by the technology available. Post digital switchover, frequencies may become available to allow the launch of true broadcast-to-mobile services; this may stimulate growth in use of mobiles for TV services post 2012. Use of other handheld devices to view TV is hard to predict; as before survey data suggests that presently this is only done by a small proportion of the overall population.

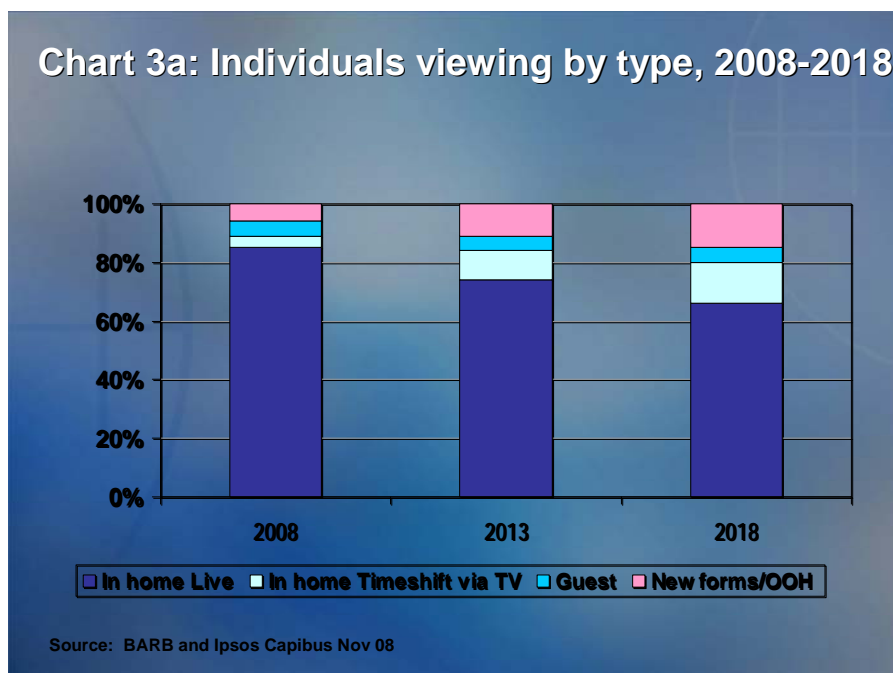


It is important to bear in mind that take up of new technologies is likely to take place at different speeds in different sections of the population. Broadly speaking, younger adults might be expected to adopt new services more quickly than older age groups.



Combining these estimates of possible future take-up with estimates of the amount of usage, allows a view to be taken on the impact of new forms of television on the overall split of viewing between different types. This is summarised in the final two charts, which show how TV viewing time breaks down across four types: live in-home viewing; time-shifted in home viewing; guest viewing and finally other forms of out-of-home viewing, together with new forms of viewing (via PC/laptop, mobile, etc). Within this split the first three types of viewing can in theory be captured via the current fixed meter-based measurement but the final category cannot.

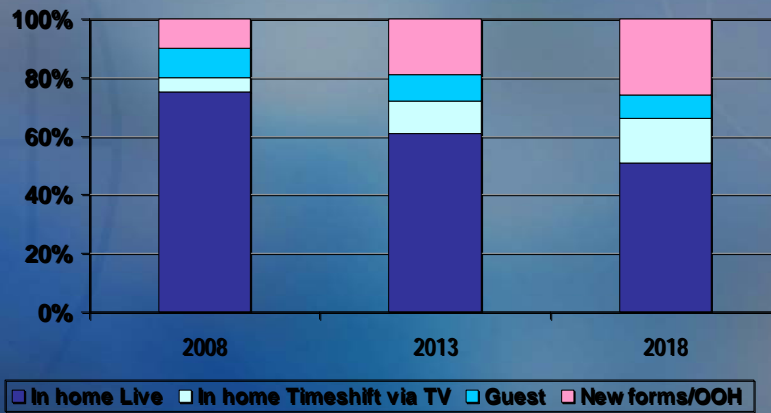
Looking at all individuals in 2008, live in home viewing is estimated to account for 85% of the total, time-shift via TV 4% and guest viewing 5%; the remaining 6% comprises other out-of-home viewing and new forms of viewing. So the estimate is that the current fixed meter method is able to cover 94% of all viewing but 'misses' the remaining 6%.



By 2018 the split is predicted to be changed as follows: live in-home viewing now only accounts for 66% of the total; time-shift has grown to 14%; guest viewing remains at 5%. Under this scenario 85% of all viewing in 2018 would in theory be measurable via fixed meter, while growth in new forms of viewing would mean that the proportion unable to be captured would increase to 15%.

For 16-34 year olds, the growth in new forms of viewing is much more rapid, so that the proportion of viewing measurable via fixed meter might decline to 74% in 2018 (from an estimated 90% in 2008) while that not measurable would rise to 26% in 2018 (from 10% in 2008).

Chart 3b: 16-34s viewing by type, 2008-2018



Source: BARB and Ipsos Capibus Nov 08

BARB has been testing techniques which may open up the measurement of new forms of distribution and is focussed on what such new techniques could deliver and how they may be able to be combined to provide more comprehensive measurement for the future. Consideration is being given to what value there is in BARB adding different options to the service and the development that will be required to pursue some of these routes.