making communications work
for everyone

Call for Evidence response form

Please complete this form in full and return to
FutureofTVDistributionCallforEvidence@ofcom.org.uk

Title	Call for evidence: Future of TV Distribution
Full name	✂
Contact phone number	✂
Representing (delete as appropriate)	Organisation
Organisation name	Manhattan TV
Email address	✂

Confidentiality

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

Your details: We will keep your contact number and email address confidential. Is there anything else you want to keep confidential? Delete as appropriate.	No
Your response: Please indicate how much of your response you want to keep confidential. Delete as appropriate.	None
For confidential responses, can Ofcom publish a reference to the contents of your response?	Yes

Your response

Question	Your response – Confidential? - N
Q1. How are audience demands and expectations evolving, and how does that vary for users of different TV platforms and different demographics?	We commissioned an accredited polling company, Find Out Now, to undertake a nationally representative survey of 1,206 individuals in Britain on 29th November 2023. The 7 Questions are listed in the Appendix 1 and the detail can be seen in the 7 attachments supporting this document.

	We complemented this with a survey of over 1400 of our existing customers**.** Both studies reveal critical insights into TV viewing habits that you should consider when deciding on the future of telly. Interestingly, (Ref: Survey Results Q7) 30.8% watch television via Satellite, 27.6% of people watch Terrestrial TV, 13.8% use both, and 12.5%. First and foremost, there is a digital divide that cannot be overlooked. capabilities (Ref: Survey Results Q1). Our independent research uncovered that 34.6% of those aged 65+ predominantly watch through a traditional telly, with an additional 13.9% relying on set-top boxes with recording. When 49.4% of 65+ watch 3-4 hours of telly per day and 25.9% watch between 5-6 hours of telly, it's clear through our research that the demographic consuming the most telly each day is doing so through traditional methods. (Ref: Survey Results Q2.)
Q2. What do audience trends mean for the financial prospects and sustainability of TV distribution platforms, and what are the key decision points over the next ten years?	Our survey also indicates a stark disparity in service access among different socioeconomic groups. (Ref: Survey Results Q1.) Those in the C2 and DE categories are less inclined to subscribe to services like Sky or Virgin (just 22.7% of C2 and 23.8% of DE compared to 29% of AB and 30% of C1), requiring an internet connection, instead opting for traditional methods such as a traditional television set (27.0% of C2 respondents and 24.1% of DE respondents). This would indicate that there is a need for traditional TV delivery methods to be preserved or any future methods to be financially accessible.
Q3. How do broadband networks and supporting infrastructure need to evolve to support resilient delivery of TV over the internet in the future?	A significant finding from our research is that 41% of Brits (Ref: Survey Results Q4) and 32% of our own customers use TV passively, often as background noise or perhaps even company. A switch to a purely IP-focused delivery system could hinder this passive consumption, as anyone with bandwidth restrictions or download limitations will be faced with a

	reduction in this important way of consuming telly. On top of this, they also need a paid internet connection. The average UK household's monthly data usage is now running at over 500GB per month, with this ever-rising number being almost entirely driven by the consumption of IP-based video, whether that be on-demand streaming or catch-up. Ofcom itself states that there are currently 420,000+ UK homes and businesses that cannot even get what it calls a 'decent' broadband service of > 10Mbps down a landline. (10Mbps is not going to allow the seamless usage of IPTV (Internet Protocol Television). For every single one of those 420k premises to be provisioned with equipment allowing a much enhanced broadband connection (c. 25-30Mbps) delivered over 4G would be achievable within a short time frame, This would be addressing the digital deprivation of those in the greatest need.
Q4. In what ways might different types of 'hybrid' terrestrial and internet services deliver benefits for audiences and what risks may arise?	Crucially, the preference for live broadcasts differs markedly across age groups. Our data (Ref: Survey Results - Q6) shows that individuals over 55 are five times more likely (35.4%) to watch live broadcasts than 18-24-year-olds (7.4%). The disparity is even more pronounced among those over 65, with nearly 49% preferring live broadcasts. When watching recorded shows vs. streaming, we see a clear split between demographics. (Ref: Survey Results – Q5) If you're over 55, you are three times more likely (32.6%) to watch recorded shows multiple times a week than between 18-24 (10.5%). This shows a clear preference for a chunk of the population to curate their own telly experience through recording shows that they love rather than being served shows that providers want to stream.
Q5. Given the sharing of infrastructure, what would the implications for other sectors be if	One of the strongest arguments for keeping DTT available as a broadcast medium for as long as possible is to delay the inevitable rise in

there was a change to the use of digital terrestrial television (DTT)?	internet traffic ever-increasingly caused by IP-based TV. It is a given that the majority of the volume of internet traffic nowadays is directly related to on-demand video streaming services – and yet, because the principles of net neutrality still remain, none of the content owners (Netflix, Amazon Prime, Apple TV and Sky to a growing extent) which benefit from an effectively cost-free internet-based distribution system are required to pay anything towards the maintenance and development of said distribution network. To use a compelling analogy, content owners can be compared to vendors of physical goods, such as supermarkets. Both types of organisation have to pay creation or manufacturing costs for the products they sell, both have to fund large warehouses to store said products (server banks in the case of content creators, physical storage capacity in the case of physical goods vendors) – and both have to have connections from their storage sites to the distribution network. However, at that point the similarities end. The Netflixes of this world pay nothing for the use of the distribution network to deliver product to the end consumer, nor for its upkeep or any required increase in its capacity, despite being among the heaviest utilisers of said network (the internet). Supermarkets on the other hand have to pay for physical delivery of the goods they ship in terms of employees, fuel and road tax, which helps keep the country's road network maintained and its capacity expanded to meet needs. As far as communications infrastructure is concerned, this is quite possibly not sustainable - and especially given that video is increasingly available in ever-higher definition from content creators, the volume of internet traffic grows even heavier. Plus after all, no other industry has the luxury of not having to pay delivery charges to get its product to the end-user. Ending DTT would bring this point of unsustainability closer due to ever-rising

	internet traffic volumes directly caused by IP-based TV.
Q6. What coordination and planning across the value chain might be necessary to secure good outcomes for audiences and key providers over the long term?	We are supporting the Confederation of Aerial Industry (CAI) to seek assistance from the Government and Ofcom to try to stop building developers from de-specifying TV Systems from new developments. There is the risk of the eventual cessation of access to traditionally broadcast television and radio services through an antenna and this will directly affect all those people who still rely on terrestrial television. Although this is someway off in many minds, it has become apparent that to improve their profit margins, some building contractors are no longer specifying TV distribution systems for new developments that until now have enabled easy access to the Public Service Broadcasters (PSB's). This is happening in residential apartment blocks (new build in particular) and some new housing developments, and it clearly disadvantages some of the elderly, the disabled, those struggling with the cost of leaving crisis and others. Although IPTV, or streaming, is undoubtedly a modern and convenient way to access television content for some viewers, it is essential to recognise its inherent limitations. IPTV's dependence on a stable and high-capacity (fibre) internet connection can lead to frustrating disruptions in viewing experience, especially during peak internet usage hours or in areas with unreliable internet infrastructure. Conventional TV distribution systems, where the signal is received through an antenna, or via an Integrated Reception System (IRS) that's typically installed in apartment blocks, negates this problem completely. Most concerningly, restricting residents to IPTV only systems mean the developer is effectively putting the PSB's behind a broadband paywall, merely to improve their profit margins, something that should be resisted until there is a solution for all sections of society. Considering this, there is need to advocate consistent and reliable television access, through the antenna. This also minimises

	maintenance costs and protects the long-term value of new build property developments by discouraging the situation whereby residents take matters into their own hands and erect their own dishes and aerials rather than pay for broadband. It's important that local planning authorities, Central Government and Ofcom encourage them to make provisions for TV and radio services via the antenna or IRS in new build projects, alongside IPTV connectivity, compulsory until such a time that there is universal provision of a cost-effective solution whereby everyone can receive the PSB's.

Please complete this form in full and return to
FutureofTVDistributionCallforEvidence@ofcom.org.uk

Appendix Attachments results from Find Out Now Survey

- Survey Results Q1 -Which device do you primarily use to watch TV.docx
- Survey Results Q2 -How many hours of TV do you watch per day.docx
- Survey Results Q3 -What time of day do you watch TV.docx
- Survey Results Q4 -Do you typically have the TV on in the background.docx
- Survey Results Q5 -How often do you watch recorded TV shows or movies.docx
- Survey Results Q6 -What type of TV content do you watch the most.docx
- Survey Results Q7 -What kind of broadcast TV reception do you have.docx