youview®

OFCOM CALL FOR EVIDENCE – FUTURE OF TV DISTRIBUTION

12th January 2024

Executive Summary

YouView welcomes the opportunity to respond to Ofcom's consultation call for evidence on the future of TV distribution (**"Consultation"**).

YouView was created to enable the evolution of free to air television in the UK. It is an open platform for content providers, and consumers can connect a YouView device via a UK internet service provider. Devices are offered by BT/EE and TalkTalk as part of a phone, broadband and TV package or the platform can be accessed via a one-off cost when purchasing a particular model of a Sony TV.

YouView TV Limited does not own or retail content, produce devices or enter into contracts with the end consumer. Instead, it enables these relationships on behalf of its partners, which include content owners, ISPs and device manufacturers/retailers.

YouView continues to be driven by the investment made in subsidised equipment by BT and TalkTalk, underpinned by the range of content it enables, the fact that it is free at the point of use (unless a consumer decides to pay for additional services) and its ease of use and set up.

Whilst we are not able to provide data/evidence in response to the individual questions posed in the Consultation, we have taken this opportunity to set out our high level views on the issue at hand and we hope that this is helpful to Ofcom.

As always, we are happy to elaborate on any points contained within this response.

YouView Response

1. As a hybrid platform we have succeeded in bringing together the technologies of DTT and IP, to create a single, seamless user experience. Since YouView's inception, the demands for the ease and convenience of IP has expanded considerably. Most notably in the context of the ease of use in the home of a device that does not require an aerial connection. In response, we have developed devices that are able to operate in an "IP-only mode" and which can deliver a very similar experience to a DTT/IP hybrid device. We believe this trend will continue.

2. We also recognise that DTT spectrum has limited bandwidth (as evidenced by a set number of DTT LCNs in SD and HD). In contrast, IP technology has the capability to deliver more capacity, via multiple channel streams, multicast/unicast/hybrid possibilities etc. So, it is reasonable to posit that "DTT cannot serve a future world of more content demands".

3. We also see IP-only devices as a consumer growth area and we anticipate a gradual balancing and crossfade from DTT/IP hybrid to IP-only, until we reach a point where the existing DTT infrastructure is serving a smaller and smaller percentage of the UK's 28m homes. At which point, the running costs for DTT would no longer be economically viable or efficient.

4. We do see the industry moving towards a migration from DTT to IP and we would be supportive of this – subject of course to a planned, co-ordinated effort involving all stakeholders. There

would need to be an appropriate level of consultation to ensure the outcome was genuinely "industry-co-ordinated".

5.   Ideally, at the heart of any such consultation, should be a collaboration between the ISPs and broadcasters. Given our relatively unique position as an "ambassador" for these interests, we believe that we could offer valuable insights as to how to balance the interests of these parties. We see collaboration now around our Board table, so taking this model forwards to a collaboration to manage a migration is what is needed.

6.   We know from our own data that DTT reception is impacted by weather/atmospheric pressure, lack of a line of sight to the transmitter in built-up urban areas. However, the technology is very well established after 20-25 year of DTT. This approach has reached a maturity that provides availability figures and reach that is not matched by the current OTT IP delivery approach. Significant improvements in network reliability, bandwidth, distribution mechanisms and capacity to handle peak linear consumption events will be needed from all parties to enable a comparable service.