making communications work for everyone

Consultation response form

BEANO STUDIOS

Your response

Question 1: What characteristics do (i) children and (ii) parents/carers most value about content aimed at children? How does this vary depending on the age of the child?	i) Beano Studios' ongoing qualitative research* has shown that older children (8-12) value relevance, authenticity, with a real world reflection – as well as being aspirational and NOT talking down to them. Older child audiences are independently seeking out content they feel is relevant to their lives on YouTube and streaming platforms – typically, this is either independently produced YouTuber content or traditional TV content aimed at more mature audiences such as 'Riverdale' on Netflix. Often, the older children we speak to say that the digital content they have consumed has helped to increase their global perspective, making them more aware of the world around them. **Beano Trendspotters is a long term research programme which allows Beano Studios to understand the lives of kids today. It is a regularly refreshed panel of children from across the UK who are interviewed weekly on their media habits, their understanding of the world around them and their day to day lives. During 2017, 22 children have been part of the Trendspotters panel and we have carried out in excess of 170 hours of depth interviews.* ii) We know that parents/carers are generally worried about the perceived "safety" of viewing video on the internet, especially in the context of kids exploring content without supervision which is not aimed at them. A recent YouGov survey commissioned by Beano Studios found that mums are typically more worried than dads, with 77% stating they feel the internet is unsafe for unsupervised exploration, versus 69% of dads. As a result, we can infer that parents/carers value content that they deem "appropriate" – content that removes the risk of their child discovering violent or pornographic content, content that does not feature swearing or

	offensive language. YouTubers in particular worry parents with regards to bad language – even seemingly "appropriate" YouTube stars occasionally drop in a swear word unexpectedly. To a certain extent parental controls can pick up porn and violence but random swearing is unpredictable and almost impossible to guard against. We also know that parents – and kids – value video content (and broadcasters/brands) that provides an opportunity to bring the family together. Content that encourages shared family time is hugely important, and is a key moment in which we see TV dominating over devices. It is worth noting that the dominance of online video, online catch-up services, SVOD platforms and PVRs (as well as possibly more liberal parenting) seems to have blurred any practical notion of pre and post watershed content, in terms of its consumption by the children's audience. Large numbers appear to be accessing post watershed/15 Certified material on their own devices where PIN control access is often inadequate. The popularity of ITV2's Love Island with even nine-year-olds (as widely noted by Beano Trendspotters) is a clear example of this, when their parents are fully aware of the nature and rating of the content.
Question 2: Are there certain genres within children's (e.g. live action, animation) that children or parents/carers particularly value and watch, and if so why?	Anecdotally, we have observed that animation tends to appeal to younger audiences, while children aged eight and above tend to gravitate towards live action, comedy and lifestyle genres. This can be seen in the popularity, amongst our Trendspotters, of live-action shows such as CBBC's 'The Next Step', Netflix's 'Riverdale', and YouTube influencers whose content is skewed towards live action and lifestyle. We believe animation viewing is still of interest to this age group but is perhaps not something they would openly acknowledge.
Question 3: Do children or parents/carers have different expectations in terms of quality or other characteristics depending on the format (e.g. long-form vs. short-form/broadcast vs.	Our Beano Trendspotters research indicates that children have different expectations and definitions of quality. Quality to children could be split between word of mouth value i.e.

online), or the provider/brand (e.g. BBC/ITV vs. Netflix vs. YouTube etc). Do they value content in these different formats or from these different providers differently? Do these different formats or providers meet different needs for children?	playground currency where a short form video blog from their favourite YouTuber is deemed as quality. Content genres, formats and even vocabulary is now hugely informed by children's use of YouTube. *"I'm not a huge user of YouTube but I love DIYs and life hacks"* – Lola (age 11) However, children can also recognise YouTube for what it is and have a surprisingly sharp understanding and place value on higher TV level production values, scripting etc. This is something we have seen through qualitative research around Beano.com content, through animation testing and from the Beano Trendspotters. For example children will often reference high production value shows such as 'Blue Planet' and Hollywood movies for how they look and will talk about episodic story lines and hooks around Netflix dramas.
Question 4: When and why do children and parents/carers choose online or streaming services (for instance iPlayer, Netflix, YouTube) instead of watching TV on a TV set? Is this for particular sorts of programmes? Do you have any evidence in support of your view?	Based on our Trendspotters, most, if not all, have access to online and streaming services on a device – implying that initial adoption is much younger. By age seven or eight we are witnessing families splitting out to watch their own video choices on their own devices. By that age we also find fewer references to CBBC, CiTV and BBC iPlayer and many many more to Netflix and YouTube, often driven by peer buzz around programming such as 'Riverdale', '13 Reasons' and' Stranger Things'. More than half of our current Beano Trendspotters panel now have access to (and use) streaming services via their own device. This aligns with recent Ofcom research that confirmed that close to a quarter of 12-15 year olds watch TV content on either a tablet or mobile phone. Last Christmas and since the New Year we have heard a lot about getting "hand me down" smart phones from parents – it is a very prized (and generally expected) re-gifting time, along with July/August, for Year 6s when they get a phone for Secondary School. From our Beano Trendspotters we know that traditional TV is not always the first choice for kids – YouTube, gaming and – later – social media tend to come first. Even for kids who have TVs in their rooms, YouTube and gaming

	are their first priorities. Significantly, Netflix is developing huge brand awareness with kids – who often mention the platform to us when asked about “TV Shows” – they don’t see any distinction with traditional linear TV. The TV set is still hugely important though, especially when it comes to live TV – something we’ve seen regularly with our Trendspotters who regularly talk about the shared family enjoyment of mainstream shows like ‘Strictly Come Dancing’, ‘GBBO’ and ‘I’m a Celebrity Get Me Out of Here!’

Question 5: How do children discover programmes and decide what to watch? What role do broadcasters, platforms, parents, and friends play, and does this change as children get older?	Our research confirms that kids' content discovery is driven by peer recommendations, algorithms and influencer recommendations – YouTubers in particular play a huge role in influencing content decisions. Voice technology and voice search on devices is also building in homes and we anticipate recommendations and links to be able to link to screens in due course. In October 2017 we commissioned a review of kids' digital content consumption from Sparkler Research amongst kids in our key age group of 9-12. All kids demonstrated habitual use of favourite YouTube Channels with new channels regularly discovered via push notifications and word of mouth. BBC News push notifications also came up where phones were handed down from parents and settings not changed.
Question 6: Are there specific genres within children's content (on any platform) where demand or audience need is not currently matched by supply from PSBs, commercial channels, or on-demand and streaming services, or a combination of the former? What supports your view on this?	Our Trendspotter research – along with numerous published reports from Childwise, SuperAwesome and Ofcom – regularly indicate that a significant number of kids are watching YouTube videos related to lifestyle, pranks, video games, and style/beauty. YouTubers such as Zoella, DanTDM, Ali A, Saffron Barker and Miniminter are massively popular. We also know (and mentioned in Ofcom research) that the genres of content YouTubers produce seem to be what kids are actively choosing to watch. Despite this demonstrable audience demand, no UK broadcaster has made a significant commission that addresses these topics. CBBC does have an element of live presentation via its afternoon junctions and recent 'Saturday Mash Up' show. We know from YouTube and social platforms that presenter-led formats which are 'speaking' to you as an individual are popular with kids, and it feels like there is more scope for this kind of programming on kids' TV. Episodic, scripted drama and sit-coms which are 'up aged' for 9-12s feels under-represented on PSB channels. The success of shows like 'Free Rein', 'Stranger Things', '13 Reasons' etc on Netflix gives an indication of changing tastes and perhaps a desire to have more challenging

	story lines, aspirational characters and somewhat different representation of young lives on screen. Interestingly the BBC's 'Call the Midwife' gets mentioned, an adult show which has quite difficult subject matter within it. TV news for kids is solely delivered by CBBC and to some extent Radio 1 Newsbeat. They do it well, and as such it would seem there is no desire for a competing service. In terms of other genres, factual is largely underserved, especially on non PSB services and kids appear to have more interest in accessing mainstream Natural History, for example, as shared family viewing. 'Blue Planet II' was regularly mentioned by Beano Trendspotters.
Question 7: What is the role and importance of first-run UK-originated programming for audiences? For broadcasters? Does this vary by sub-genres or by age group?	For audiences, creating a rich, immersive world whether fictitious or factual, that reflects kids' lives and their world back at them should be of the utmost importance for pre-school but especially school age children. Whilst animation plays an integral part of fuelling imagination and stimulating the brain, premieres of dramatic narrative, entertainment, topical and factual formats are integral genres. In the same way adult audiences consume first run of breakout UK hits such as 'Happy Valley', 'Blue Planet', 'Graham Norton' and 'Last Leg', so all UK child facing platforms should accurately reflect the breadth of UK life and heritage. With the proliferation of international Pay TV channels, non-curated SVOD channels and Social Media platforms, the industry must recognise with urgency that UK stories are not regularly produced or distributed on content platforms that kids 6+ access. Almost centralised scheduling on the Pay TV platforms, global releases (of mainly US, commissioned content) on the major SVOD platforms and throw away content on social media – which kids are watching – have eroded the desire for publication of informed, crafted content. Yet there is clear ratings evidence that demonstrates kids are still interested in and have an appetite for high quality content.

	'The Lodge', 'Dennis & Gnasher Unleashed!', 'Dani's House' are scripted series specifically targeted at a school age audience that have achieved successful ratings for their audience and create a conversation that continues well after the initial broadcast. The Pay TV services have little budget to commission UK content with an over reliance on the BBC to serve UK audiences, UK content. SVOD services have no obligation to create UK content at all. Social media has no obligations, given their self-imposed over-13 only rule. The Childwise report January 2018 confirms that children are increasingly accessing globally commissioned and produced content on personal devices, with less than a third of their content accessed by traditional linear services. With an increase in global brands, initially triggered by the commissioning decisions of the three major kids Pay TV networks, country specific content is being eroded in favour of centralised formats and concepts based on the decisions of a handful of US based commissioners.
Question 8: How are on-demand and streaming services changing the nature of competition in children's content? Is this impacting on the range or quality of content available to UK audiences?	The presence of on-demand and streaming services means there is now more funding available for children's content, and thus more opportunities than there otherwise would have been. Funding is at a high level from global streaming platforms like Amazon and Netflix also allows for higher production value content. Shows can be more ambitious and narratives more complex as a result. However, the nature of streaming services often requires programmes to have a global appeal which favours international casts, settings, themes and references. Typically, elements of British life and culture that do not have international appeal are often overlooked and the domestic audience which relate to those elements are neglected. We are in danger of losing our rich cultural identity because child audiences see a diluted version of UK life. Successful UK originations tend to travel less well (e.g. 'So Awkward', 'Dani's Castle', 'The Raven') in comparison with, for example, 'The

	Next Step' (a broad appeal glossy Canadian series, which is hugely successful in the UK) because UK audiences are more exposed to North American cultural content than vice versa. The downside to this is that fewer producers are able to secure financing to produce distinctive domestic content as it is a prohibitive business model. Recent Netflix commission 'Free Rein' is the exception to this; the series, created and produced in the UK, was fully funded by the corporation and rolled out globally. The series' success can be attributed to high production values and deep interpersonal relationships which resulted in great storytelling, over and above the domestic setting. Whilst the commissioning of this series enabled a global roll out, it is not necessarily indicative of a series that reflects UK culture. Whilst offering a rich and diverse portfolio of genres, formats and international IP, platforms that serve UK audiences must also reflect distinctive UK culture, as this content is hugely important to a domestic UK audience but won't necessarily attract international funding. Therefore the industry needs additional funding above and beyond the BBC's licence fees to be made available for distinctive UK content that may not have international appeal but will serve a domestic audience. At the other end of the spectrum, domestically focused SVOD services are fairly new and have small budgets as they seek to establish themselves. Commissions therefore are few in number and highly targeted/creatively conservative sticking to maximise the potential for success. As such they do not greatly broaden the amount of children's content nor the range of content.
Question 9: How have funding models and investment in children's content changed over the last five to ten years? Do you have evidence you can share with this to support your view?	Following the 2006 removal of an after-school service on main channel ITV, all kids programming is "hidden" on the CiTV channel which has no strong off-air marketing, very little cross promotion within its own suite of channels and a limited funding for new commissions. Whilst not suggesting all children's programmes should be reinstated in

an after school slot on main channel ITV, there is case for stronger, targeted marketing activity to encourage consumption.

Though ITV is a commercial business, it also has public service requirements and should do more to deliver kids' content. One solution to this could be to divert funding from children's programming on the main ITV channel and instead redirect that cash to significantly boost CiTV in terms of its content, platform (make CiTV more readily available across devices), and off-air marketing (to ensure kids know where to find the content made for them). ITV could also leverage the popularity amongst kids of its general entertainment franchises (e.g. 'Britain's Got Talent', 'The X Factor', 'Love Island') by making bespoke spin offs for CiTV and social media.

BBC Children's funding has remained around the £100m over the last decade, covering the BBC's two linear children's services and numerous digital touchpoints for kids. In 2017, the BBC announced an additional investment of £34m into digital services for kids, across three years starting 2018, delivered as a result of savings across the BBC, increasing the Children's budget to £124.4 million by 2019/20, up from £110 million. By 2019/20, a quarter (or £31.4 million) will be spent online. This additional funding will see the launch of CBBC BUZZ – an "entry level social app for 8-10 year olds" – and thus the increased commissioning of digital-first content.

However, with the overall decline of linear channel viewing and the removal of "before and after school" schedules on BBC One and Two, children's content on the BBC has become pigeonholed into specific channels, and to specific channel branded areas within iPlayer. So, while the BBC has succeeded in making children's content accessible via personal devices, it has arguably done so to the detriment of kids' TV viewing as a whole. Additionally, unlike ITV, BBC main channels offer fewer general entertainment programmes that provide opportunities for shared family viewing – something that we know kids and families value, but that Childwise have reported

	is in sharp decline. Globally, SVOD services (primarily Netflix, to a lesser extent Amazon Prime,) and Pay TV channels dominate kids distribution platforms. Under EU law, Pay TV channels are obliged to commit 20% of their revenue into original content. Furthermore they often commission their own studios to produce series for global distribution. Whilst strongly supportive of British pre-school animation, the providers offer few opportunities outside of this genre for UK producers to develop and finance original UK IP.
Question 10: If certain genres within children's content (for instance news, factual, or drama) are becoming increasingly difficult to obtain funding for, what are the reasons for this? Are certain genres more difficult to generate financial returns from, and if so, why?	There is limited financial return across all genres hence why the UK's kids' production industry is shrinking and at risk. Traditionally animation was easier to secure global investment, but even now, animation with limited Consumer Product (CP) appeal does not necessarily guarantee a successful financial return. Likewise, the increasing consolidation of TV animation within the major US studios and the US kids networks currently producing more in-house to manage costs and boost ratings, means that the ability to sell individual British animated shows in the US is extremely hard. Whereas 10 years ago an offer from BBC or CiTV would enable producers to leverage the deal and secure international partners, the requirement on those international partners (such as ABC in Australia and CBC in Canada) to create domestic content reflecting their own cultural values means there is less opportunity to become a major investor in British content. CAN/UK productions were somewhat easier to secure, but the ownership contraction of platforms in Canada means there are fewer opportunities for Canadian producers, let alone UK producers, to secure Canadian financial production investment. Therefore the de facto genre for content creation is that which has universal appeal to mass territories – and that tends to be pre-school animation as it has demonstrably proven to be the most successful British children's

	genre (outside LEGO and Star Wars) at securing a return on investment. However now that we are seeing Toy makers Hasbro and Mattel move into the production and broadcast space, producing content to specifically drive audiences to purchase their own product; the failure of the UK arm of Toys R Us demonstrates a decline in retail which is also detrimental to the funding of children's content. If children's content is to continue to be a mainstay of UK culture it needs a ring fenced pot of money that should be allocated to producers, not the traditional platforms; furthermore, there should be a an urgent rethink on the distribution of this content. A commercial video aggregation service for kids that allows access to the best kids content in a space where kids will access it – not necessarily in the impenetrable ITV Hub or BBC iPlayer.
Question 11: Are there other incentives and disincentives you think we should consider as part of the review?	For Beano Studios, the unbalanced nature of regulation in the kids' market poses a fundamental risk to the future of children's content and as such we would encourage Ofcom and the industry to address this issue from an audience perspective. To children there is no differentiation between a show on TV and a video on YouTube – it is just content and they have to go to a range of different places to find it. So wherever the friction is least, they appear to stay. The blurring of lines between 'TV' and 'online' content for kids has been a reality for the children's audience for some time – a reality that now creates a highly pressing issue, and one that is now of great concern to parents and opinion formers. We attach a copy of a recent YouGov poll around parents' attitudes to childrens' use of content on the internet. There are structural issues in the TV market which make commercial operation hard. UK kids' TV advertising is so heavily regulated that commercial PSBs can fairly argue that 'kids'

is an obligated market failure. Unless this economic reality is addressed, the kids' industry will continue to be reliant on ongoing intervention (e.g. The Contestable Fund) – and commercial PSBs will effectively escape their obligation to create authentic British kids' content in the process.

Conversely, content watched by kids and teenagers online is not effectively regulated and the consequences of this are now all too apparent, with content concerns highlighted regularly in the press, and mental health issues now being raised.

Whilst the rubicon has been crossed by kids themselves, the kids' content industry hasn't moved on and regulators are constrained by remits. Greater regulation of kids' content online is undoubtedly urgently required, whilst a more commercially minded approach to kids content creation and broadcasting obligations is needed to create healthy competitive balance and willingness to participate in this genre.

Some additional areas we think worthy of consideration:

The Public Service Broadcasting Contestable Fund

While it as yet unclear how exactly this fund could work, we believe it could help to address the clear decline in funding for children's content in the UK. However, the fund needs to be in place for a significant time period (more than the proposed three years) in order to make a material difference.

There also needs to be thought about where any additional content created by the Contestable Fund would be published. Is there potential for a shared commercial platform, akin to Britbox or Spotify, for children's content providers – from short form video, to long form programmes, to games, music etc. Such a platform could provide children (and the market) with a true alternative to YouTube – unlike the walled garden and non-commercial iPlayer for kids.

BBC market dominance
Should we consider leveraging the BBC's market dominance and mandate the BBC share their content elsewhere? CBBC and CBeebies are currently responsible for 87% of original children's programming – this results in risk averse commissioning, and less new IP breaking through. Other PSBs are not adequately serving 6-12s.

YouTubers and TV partnerships
YouTubers and social influencers are hugely popular with kid audiences and could arguably provide a huge boost to the creation of innovative and engaging kids' content, were they to engage more with the TV and broadcast sector. However, most YouTubers and social influencers have only ever operated outside of regulated TV industry, and are very often unfamiliar with industry editorial standards or considerations.

As a result, producers and broadcasters take on significant risk in partnering with them. Could we overcome this through the roll out of an industry-sponsored training and certification programme, aimed at internet creators keen to produce kid-friendly content, that helps to facilitate an increased output of content made in partnership with TV producers and broadcasters?