Annex 8

PSB Review Phase 2 – Audience research slidepack

(Including research on the licence fee, BBC and plurality)

Contents

Licence Fee research

Background

Objectives

This research was carried out in order to supplement data regarding audience views on the licence fee collected in the *PSB phase 2 Assessing the value of public service programming on ITV1, Channel 4 and Five*[1] and *PSB phase 2 deliberative research*[2] (please see the overall consultation document[3] and the individual research annexes for the detailed findings related to these pieces of research).

In particular the research reported here sought to find additional information about audience understanding of the licence fee, audience understanding of how the licence fee is currently spent and opinions on how the money currently allocated to switchover should be spent in the future: if retained in the next licence fee settlement or whether the level of the licence fee changes.

Methodologies

There were two elements to the research. Both were conducted as part of GfK NOP omnibuses by fully trained and supervised market research interviewers.

The first contained the majority of the questions reported here and was conducted between 3rd and 8th July 2008. 949 interviews were achieved. The second focused on audiences' unprompted understanding of what the licence fee pays for and was conducted between 14th and 19th August 2008. 1055 interviews were completed.

Both omnibuses were conducted in 175 sampling points and quotas were set for age and sex within working status. No quotas were set for social class, as the selection of output areas ensures that the sample is balanced in this respect. The samples were weighted to ensure that they were representative in terms of known population data on age, sex, social class, number of adults in household, working status and region.

[1] See PSB review phase 2 annex 6: *Assessing the value of public service programming on ITV1, Channel 4 and Five*, 2008

[2] See PSB review phase 2 annex 7: *The future of public service broadcasting – a deliberative research report*, 2008

[3] See *Ofcom's Second Public Service Broadcasting Review Phase 2: Preparing for the digital future*, 2008

Overview of findings (1)

Amount of licence fee

When asked how much they thought the licence fee for a colour TV was (£139.50 a year currently), 43% of people thought that it was between £126 and £150. 10% believed it was less that £100 and 10% believed it was over £175.

What licence fee pays for

When asked what the licence fee pays for ***without being prompted*** with a list of possible services, 17% of the people in the research said they didn't know. Less than half (44%) mentioned the BBC in relation to any service, activity or aspect. Answers relating to specific elements of the BBC were as follows:

19 % specifically mentioned BBC TV/programmes
14% mentioned the BBC, but gave no further details
12% mentioned a BBC service other than TV or another facet of the BBC
2% said that the licence fee pays for all of the BBC services

In addition, some commented that the licence fee paid for TV, content, services and related activities but *did not* mention that these were provided by the BBC: 24% mentioned TV channels/programmes/TV technology generally or switchover, 8% gave a response relating to 'general waste', e.g. repeats/overpaid celebrities, and 6% mentioned staff costs/running costs, but did not mention this in relation to the BBC.

When ***prompted with a list of services*** that the money raised by the licence fee could pay for and asked which they thought the licence fee currently paid for, the majority of people recognised that the BBC received money from the licence fee as 87% mentioned at least one BBC service. The highest mentioned BBC services were 'BBC One and BBC Two' at 83%.

Fewer people (37%) indicated that they knew *all* of the BBC services were paid for by the licence fee. Some confusion existed over whether services other than the main BBC TV services were paid for by the licence fee revenue; 60% mentioned that BBC's digital channels were funded by the licence fee, 53% said that BBC radio was funded in this way and 43% mentioned that BBC Online is paid for by the licence fee.

Overview of findings (2)

Digital switchover surplus within the licence fee

Research respondents were told that within the current licence fee £6 is allocated to spend on costs associated with switchover and that after digital switchover this £6 could be dealt with in a number of ways. They were then asked to rate their support for different proposed options.

NB In this research there was no discussion of the current pressures on PSB broadcasting and potential changes in future delivery, therefore these opinions are effectively 'uninitiated' responses.

Respondents tended to favour reducing the current cost of the licence fee by £6 (63% gave support by rating this 7/8/9/10 out of 10) and supporting broadband access across the UK (41% gave support).

The results showed no clear preference for spending the digital switchover surplus on the BBC:

Increasing the number of people able to receive DAB (33%), funding new BBC services (31%), funding public service programming on Channel 4 (31%), funding public service programming from a range of organisations (31%) and increasing funding for existing BBC services (28%) were supported by similar proportions of people. Public service programming on ITV/Five was supported by 23% of respondents.

Licence fee –awareness of cost

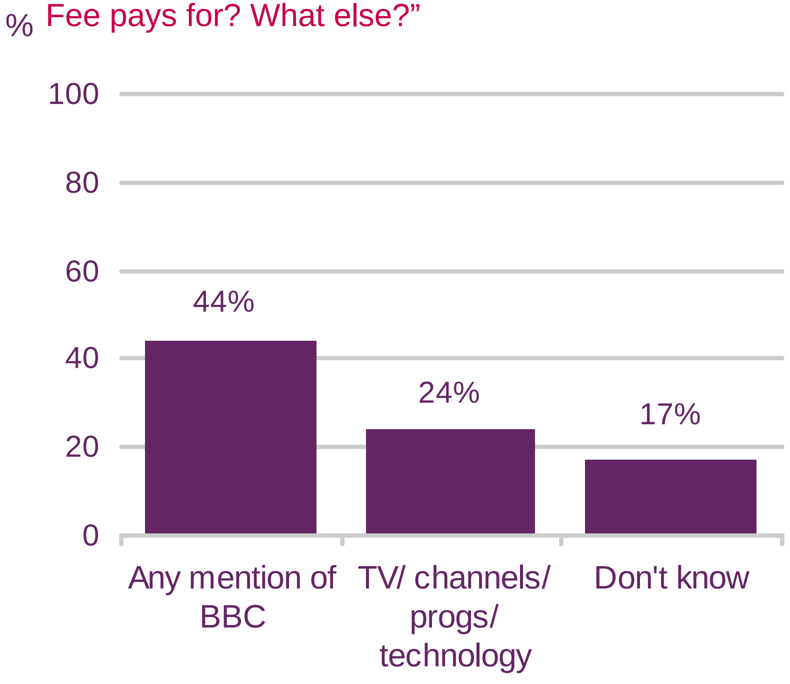
Estimated Annual Cost of TV Licence

Q3/4/5: Data combined from unprompted and prompted questions. Initial unprompted question asked on yearly or monthly basis depending on how the respondent paid their licence. When asked how much the licence fee cost without prompting with price ranges 36% said ‘don’t know’.
Base: Gfk NOP. July 08. All adults aged 16+ (949)

What the licence fee pays for; summary of audience responses

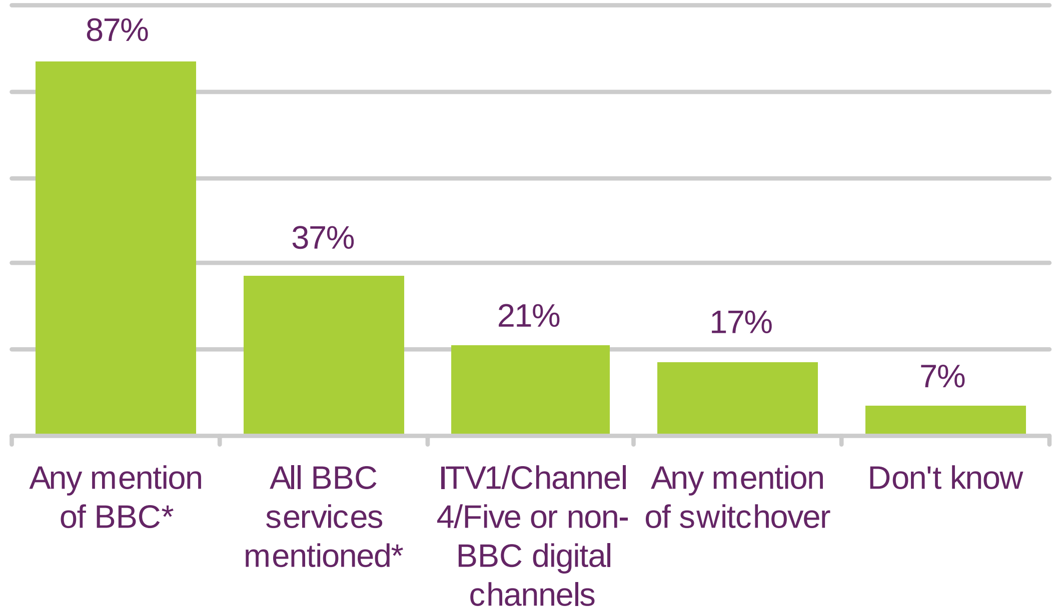
Unprompted

"What do you think the money from the Licence Fee pays for? What else?"



Prompted

"From this list, which services do you think the money from the licence fee pays for?"

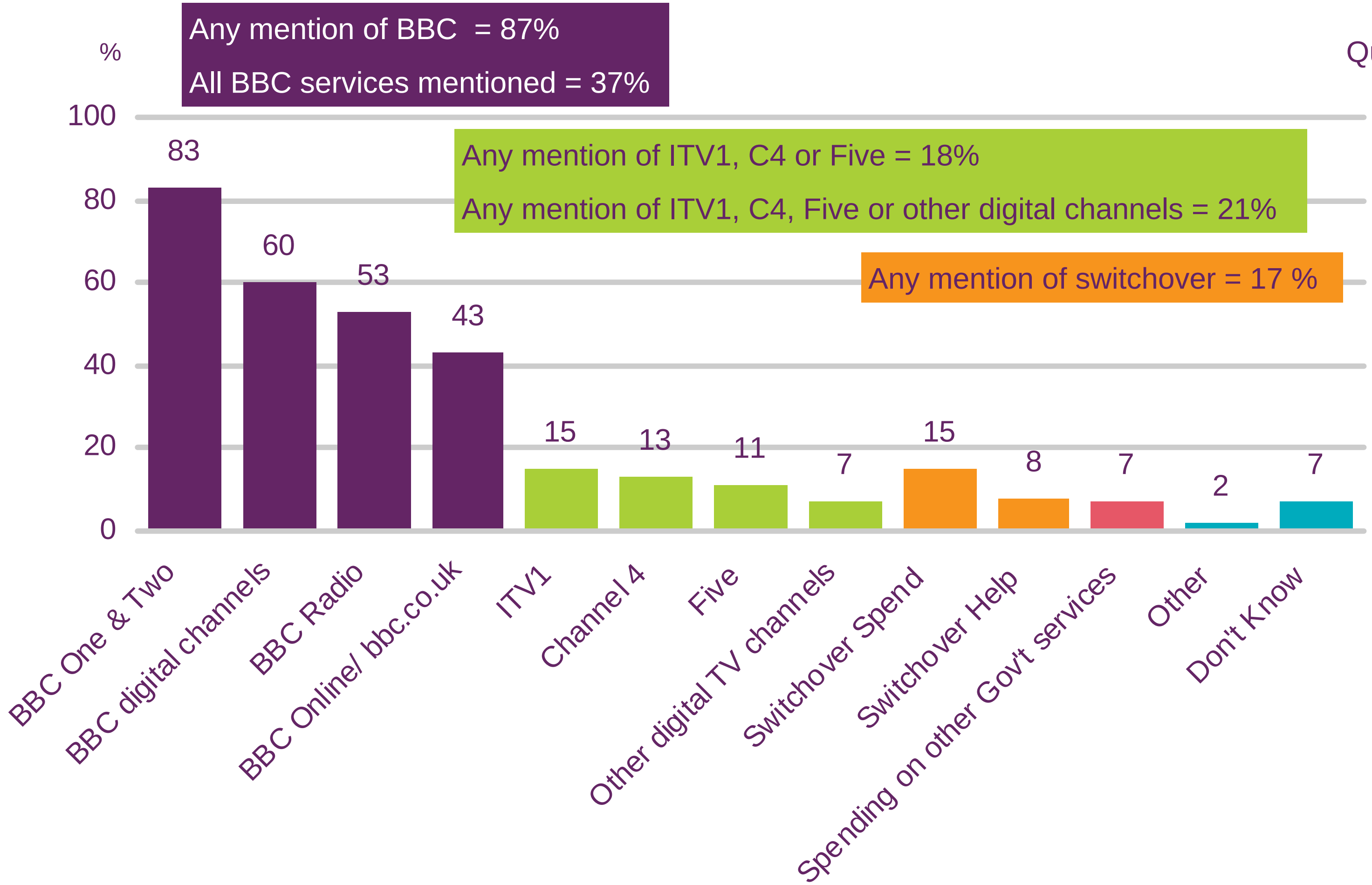


*Mentions by 10% or more and 'don't knows' shown. *Individual BBC services were asked about - summary responses shown here.*
Unprompted Q: Gfk NOP. August 2008, all adults, 16+ (1055).
Prompted Q: Gfk NOP. July 2008, all adults 16+ (949).

NB Amongst people *personally responsible* for paying the licence fee:
- 47% gave any mention of the BBC *without* prompting (base: 755)
- 90% gave any mention of the BBC *when prompted* (base: 633)

What services are paid for by the licence fee; detailed audience response

- prompted with list of options



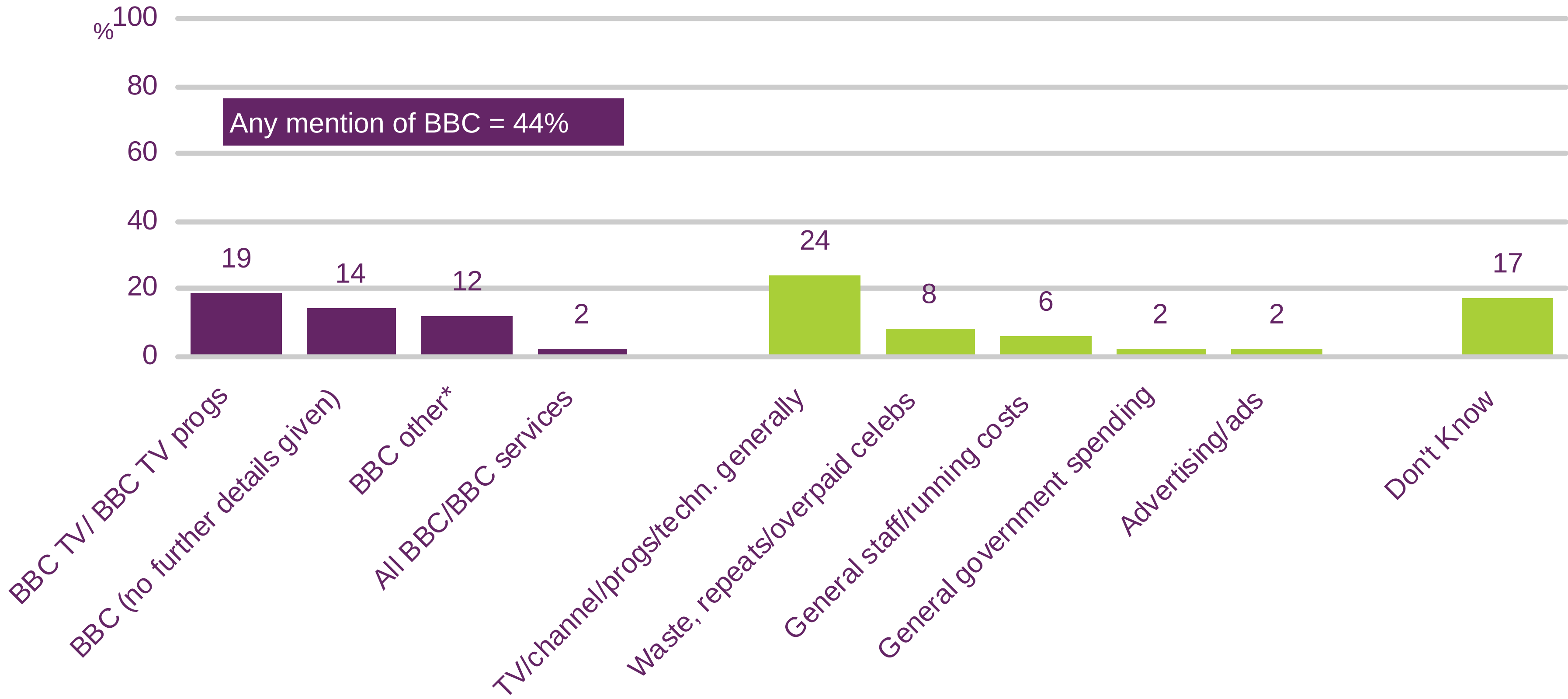
Question Codes in Full

- BBC One & Two
- BBC Digital Channels (i.e., BBC3, BBC4, CBeebies, CBBC, BBC News, BBC Parliament)
- BBC Radio
- BBC Online / bbc.co.uk
- ITV1 Programmes
- Channel 4 Programmes
- Five Programmes
- Other digital TV Channels
- General government spending (e.g. on health or education)
- Spend on digital switchover
- Help for older and less well off people to meet the costs of digital switchover
- Other
- Don't know

Q6: "From this list, which services do you think the money from the licence fee pays for?"
Base: Gfk NOP. July 08. All adults 16+ (949). NB Of all adults, 67% claimed they were solely or partly responsible for paying the licence fee.

What services are paid for by the licence fee; detailed audience response

- open question, without prompting



NB Mentions by 2% or more shown on chart. All BBC mentions are shown on the chart. Other non-BBC answers were given, but by less than 2% of respondents and are therefore not shown on the chart.

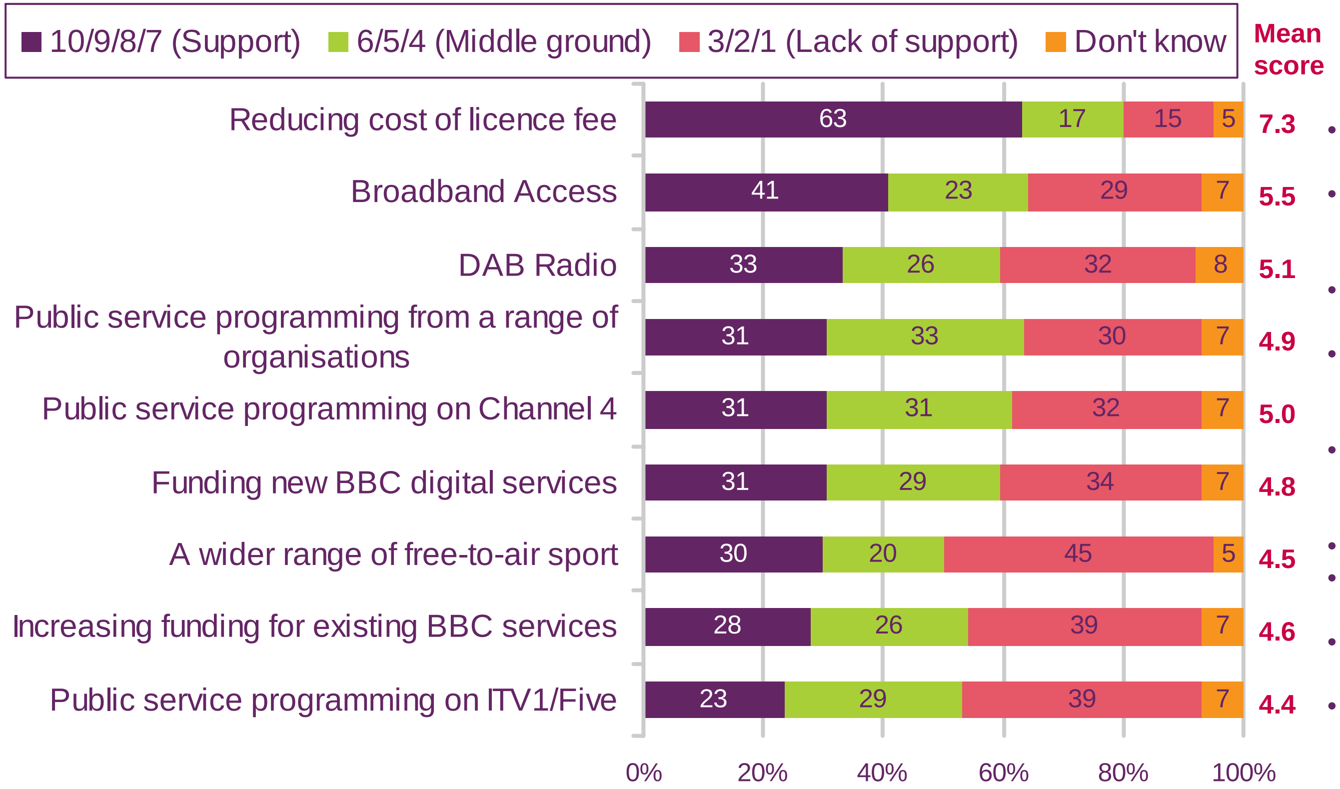
* BBC other includes BBC non-TV services (e.g. online and radio), staff/running costs and any other mentions of BBC

Q: "What do you think the money from the Licence Fee pays for? What else?"

Base: Gfk NOP. August 08. All adults 16+ (1055).

Views on future licence fee spending

Views on options for future spend of licence fee's digital switchover component of £6



Statements in full:

- Reducing the level of the existing licence fee by £6
- Increasing the number of people who are able to receive broadband internet services across the UK
- Increasing the number of people who can receive DAB digital radio across the UK
- Funding public service content from a range of organisations other than the BBC or Channel 4.
- Funding public service programming on Channel 4 that it might not produce without extra funding
- Funding new BBC digital services
- Funding a wider range of free-to-air sport on TV
- Increasing funding for services already provided by the BBC
- Funding public service programming on ITV1 and/or Five that they might not produce without extra funding

Q7: "…when digital switchover is complete, this £6 could be dealt with in a number of ways. Please tell me your support for the different options, on a scale of 1-10 where 1 is no support and 10 is complete support."
Base: Gfk NOP. July 08. All adults 16+ (949)

Views on future licence fee spending: by subgroup

Views on options for future spend of licence fee's digital switchover component of £6

% giving 7-10 out of 10	**All**	Male	Female	16-24	25-34	35-44	45-54	55-64	65+	ABC1	C2DE	Terr. TV only	Free view	Cab/ Sat
Reducing cost of the licence fee	**63**	58	67	67	70	65	56	60	61	57	68	61	56	69
Broadband access	**41**	41	41	64	47	44	38	27	29	44	39	35	39	44
DAB Radio	**33**	35	34	38	35	31	34	30	35	36	32	29	33	37
PSB programming from a range of organisations	**31**	31	27	39	27	27	24	19	37	28	30	24	32	29
PSB programming on Channel 4	**31**	30	23	40	37	33	24	23	26	32	29	28	29	32
Funding new BBC digital services	**31**	33	28	40	32	31	30	26	27	33	28	29	27	34
A wider range of free-to-air sport	**30**	39	21	32	36	31	33	22	25	30	30	21	27	34
Increasing funding for existing BBC services	**28**	31	25	32	29	30	28	26	26	31	25	24	28	30
PSB programming on ITV1/Five	**23**	24	23	36	27	24	22	26	21	21	26	21	23	25
Base:	**949**	**419**	**530**	**95**	**164**	**178**	**160**	**144**	**208**	**408**	**551**	**130**	**309**	**481**

Q7: "…when digital switchover is complete, this £6 could be dealt with in a number of ways. Please tell me your support for the different options, on a scale of 1-10 where 1 is no support and 10 is complete support." See previous chart for full statement wording.
Base: Gfk NOP. July 08. All adults 16+ (949)

BBC & Plurality

Background

*NB This research only focused on views of plurality **within** the BBC. Research in PSB Phase 1[4] and the deliberative research in phase 2[5] focused on opinions on plurality across the BBC and other PSB providers. Audiences within these pieces of research indicated they value plural provision of public service content across organisations and did not want the BBC to be the only provider. Please see the overall consultation document [6] and the individual research annexes for the detailed findings related to these pieces of research, as these provide valuable context for the data reported here.*

Objectives

The research aimed to provide information on how the BBC was rated by audiences on different aspects of plurality *across its own content and services*.

Methodology

The research was conducted as part of the GfK NOP omnibus and fieldwork was conducted between 3rd and 8th July 2008 (alongside the research on BBC and the licence fee). 949 interviews were conducted by fully trained and supervised market research interviewers.

The face to face omnibus was conducted in 175 sampling points and quotas were set for age and sex within working status. No quota was set for social class, as the selection of output areas ensures that the sample is balanced in this respect.

The sample has been weighted to ensure that it is representative in terms of known population data on age, sex, social class, number of adults in household, working status and region.

[4] See PSB review phase 1 annex 5: *The audience's view on the future of public service broadcasting*, 2007

[5] See PSB review phase 2 annex 7: *The future of public service broadcasting – a deliberative research report*, 2008

[6] See *Ofcom's Second Public Service Broadcasting Review Phase 2: Preparing for the digital future*, 2008

Overview of findings

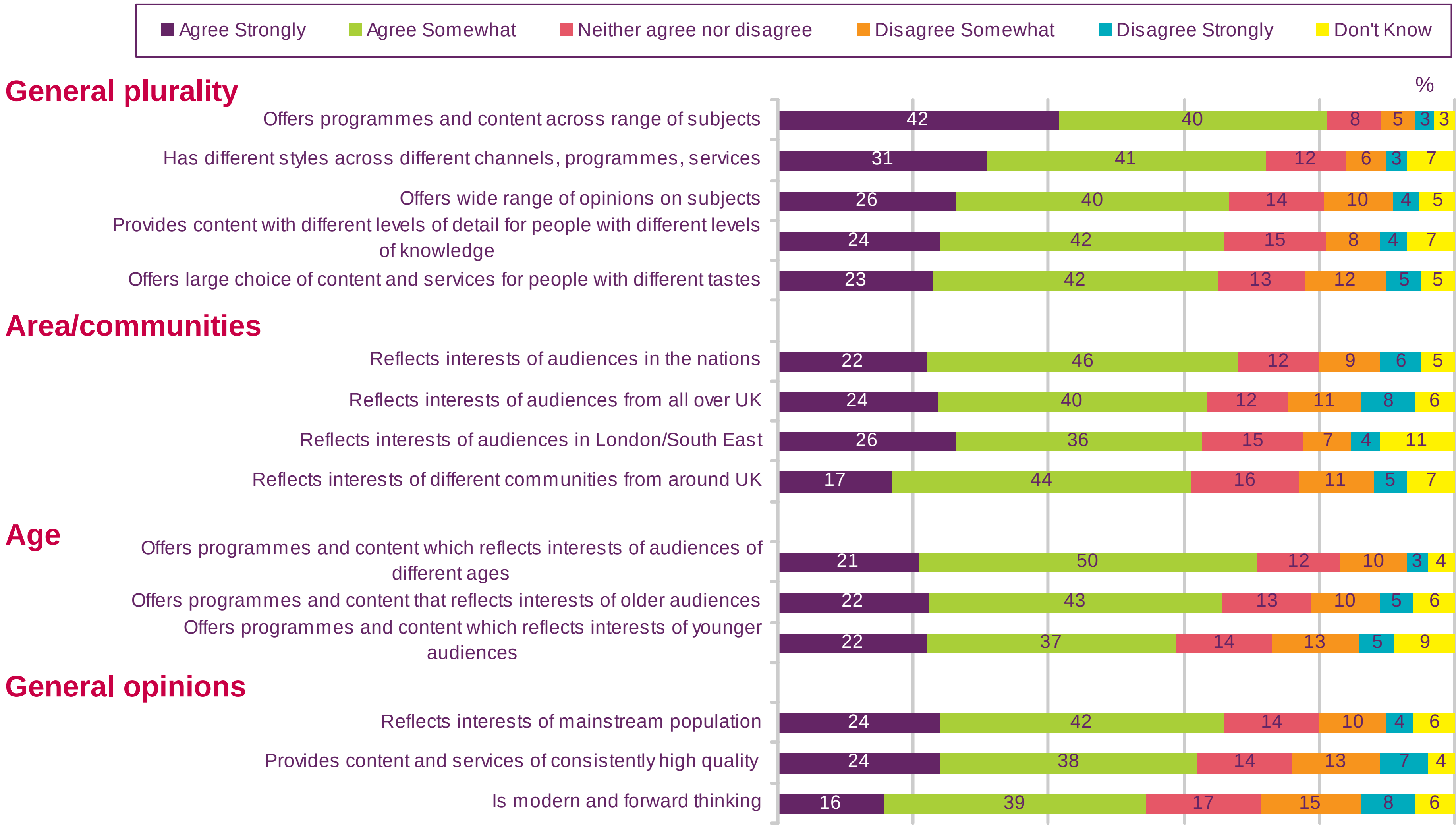
When audiences focused only on the services and content provided by the BBC, this research found that people were generally positive towards the BBC and its delivery of plurality ***across its own services and content***.

For example two-thirds or more of people ‘strongly agreed’ or ‘somewhat agreed’ that the BBC:

- offers programmes and content across a range of subjects (82%)
- has different styles across the different channels, programmes and services (72%)
- offers programmes and content that reflects the interests of audiences of different ages (71%)
- reflects the interests of audiences in Wales/Scotland/Northern Ireland/England (68%)
- offers a wide range of opinions on subjects (66%)
- provides content with different levels of detail for people with different levels of knowledge (66%)

Audiences were least positive about the BBC catering for younger audiences (59%) and being modern and forward thinking (55%).

Attitudes towards BBC and plurality



Q8: "Can you tell me how much you agree or disagree with the following statements about the BBC?"
Base: Gfk NOP. July 08. All adults 16+ (949)

PSB plurality of viewing

Overview of findings

Background

Analysis of BARB data was carried out in order to provide data to contribute to Ofcom's understanding of plurality in relation to key PSB genres i.e. to help to understand what each channel adds to the reach and impact of different genres. *It should be noted that the volume of each genre available to watch on each channel also varies.*

Unique Reach

BARB data showed that viewers tended to watch National News, Current Affairs and Specialist Factual through multiple channel families; 80%, 69% and 68% of viewers did this for these genres respectively. At the other end of the spectrum, viewers of Arts programming tended to watch through only one channel family; 32% watched though BBC channels only, 35% watched through ITV channels only, 6% watched through Channel 4 only whilst 20% watched through multiple channel families (April 2008 data).

Share of viewing

In 2007 over half of all viewing of National News was attributed to BBC One. In total BBC (including the spin off channels) accounted for 63% of all News viewing. For Current Affairs, 57% of all viewing to this was attributed to BBC One and 71% attributed to the BBC in total.

In terms of share of viewing of Serious Factual, BBC Two gained the highest proportion with 35% of total viewing, followed by non-BBC digital channels combined (31%). All the BBC channels together account for 52% of all viewing of Serious Factual. BBC Two also gained the highest share of viewing to Arts, with over a third of all viewing to this genre being attributed to BBC Two. In total all BBC channels combined accounted for 64% of all viewing to the Arts genre.

Almost half of all viewing to UK Comedy was attributed to non-BBC digital channels, followed by BBC One (31%). All BBC channels together accounted for 46% of all viewing to UK Comedy. Similarly, almost half of all viewing to Children's genre was attributed to non-BBC digital channels followed by 20% attributed to CBeebies. In total, 45% of all viewing to Children's genre was attributed to BBC channels.

Proportion of viewers who do not watch the BBC

Analysis shows that half of viewers of Arts programming did not watch any of this programming through the BBC and a significant minority of viewers of other genres also did not watch through the BBC, including Children's, Documentaries and UK sitcoms (based on April 2008 data)

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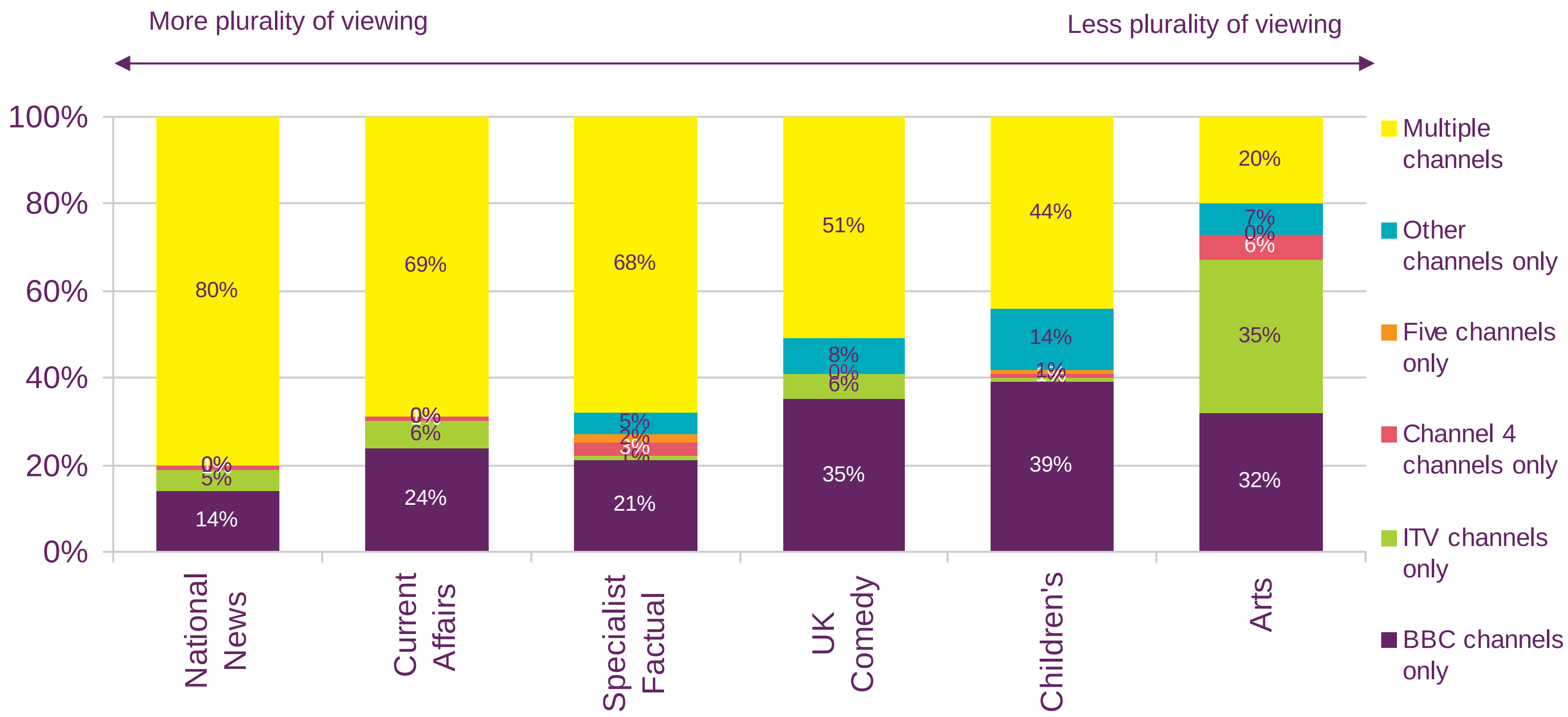
Unique reach by channel families, April 2008

% of viewers of each genre that watch only through one family of channels, or more than one family of channels

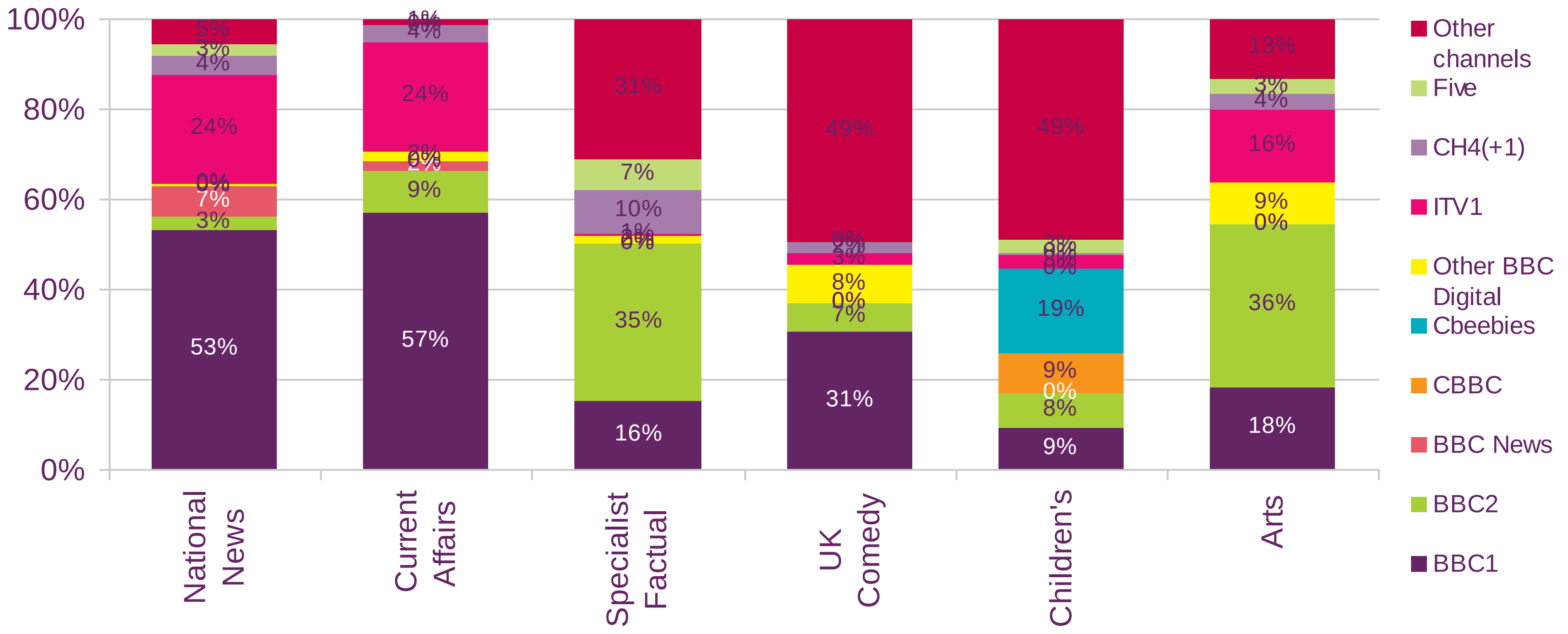


Overall reach	89%	86%	84%	80%	64%	27%

NB those watching “BBC channels only” could be watching on more than one BBC channel including the digital portfolio channels, e.g. BBC One, BBC Three and BBC News. The same applies to all of the broadcasters featured on this chart.

Source: BARB April 2008, analysis based on reach, 5 mins cons, all individuals

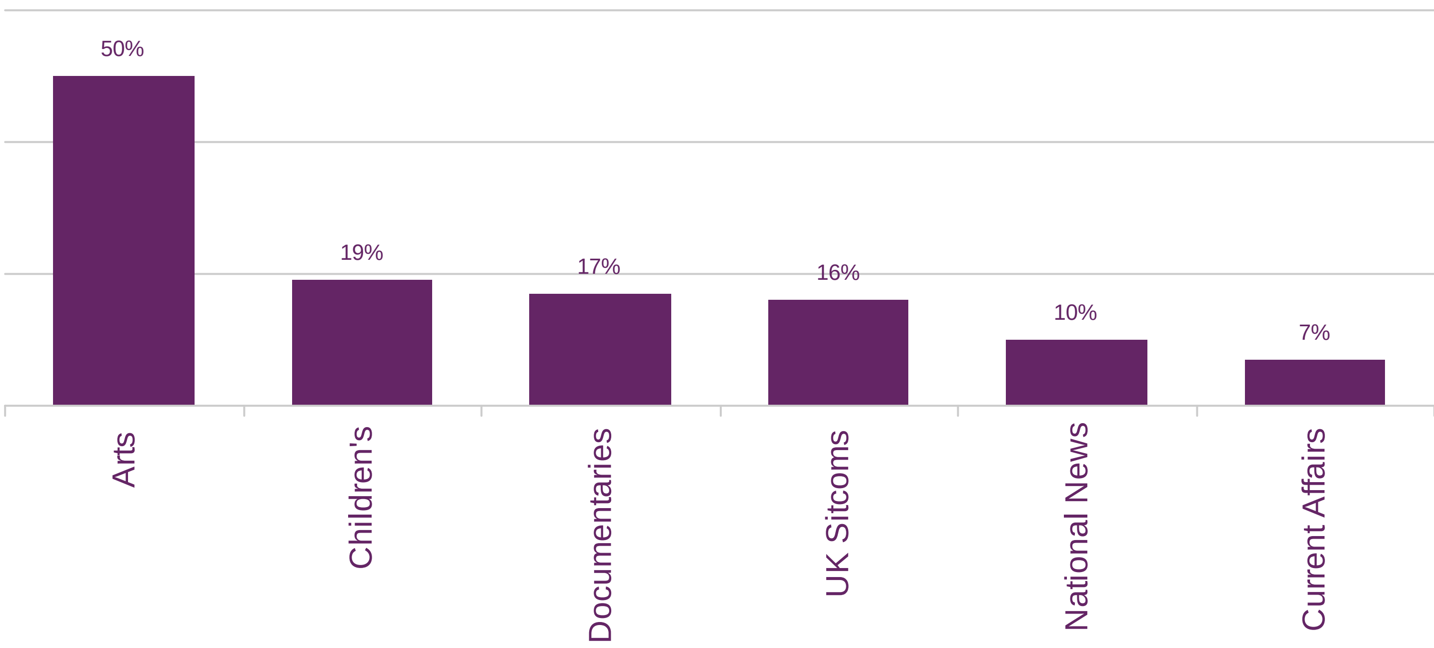
Share of viewing by genre, all individuals, all day 2007



Source: BARB 2007, analysis based on Total mins of viewing by genre, all individuals

Proportion of viewers who do not watch BBC: by genre

% of viewers of each genre that do not watch BBC programmes in that genre



Source: BARB April 2008
Children's includes non-UK children's programming

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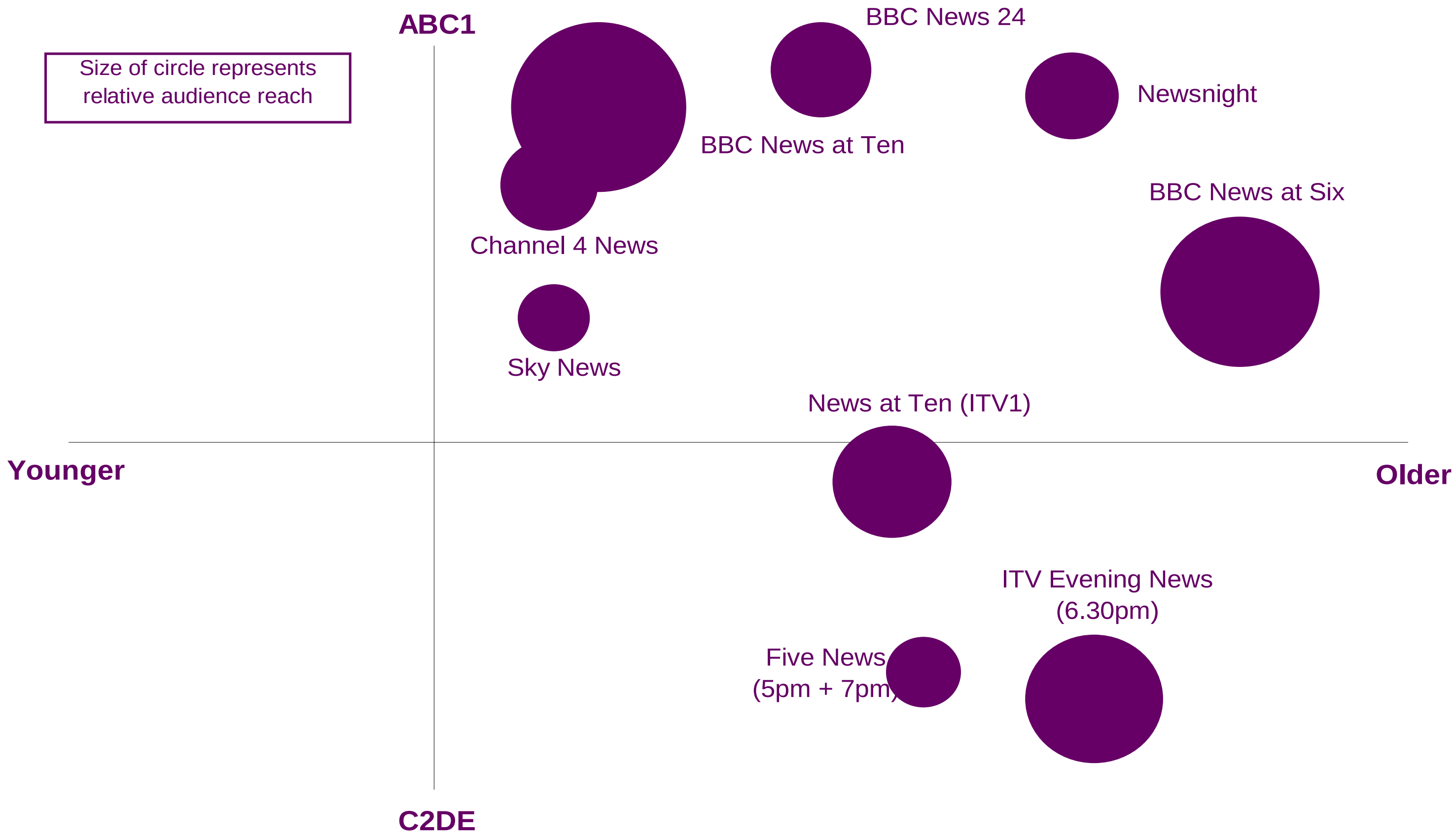
Demographic profile and reach of TV news services



Source: BARB Jan-June 2008, average weekly reach, 15 consecutive minutes, all people 4+