

<b>Institution:</b> University of Huddersfield		
<b>Unit of Assessment:</b> 34 Communication, Cultural and Media Studies, Library and Information Management		
<b>Title of case study:</b> Changing Industry, Regulatory and Policy Responses to the Impact of Video Streaming Platforms on Television and Public Service Broadcasting		
<b>Period when the underpinning research was undertaken:</b> April 2017 – October 2020		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Names:</b> 1. Catherine Johnson 2. Matt Hills 3. Lauren Dempsey	<b>Roles:</b> 1. Professor of Media and Communications 2. Professor of Journalism and Media 3. Research Assistant	<b>Periods employed by submitting HEI:</b> 1. January 2019 - present 2. July 2016 - present 3. August - December 2019; May, August - December 2020
<b>Period when the claimed impact occurred:</b> April 2019 – December 2020		
<b>Is this case study continued from a case study submitted in 2014?</b> No		
<b>1. Summary of the impact</b> <p>The mainstream adoption of video streaming, with Netflix reaching 200m global subscribers and YouTube being used by 2bn people worldwide, is transforming the TV industry. Broadcasters are losing audiences to streaming services and operating in an online market dominated by global platforms that set the rules of engagement. This threatens the revenues of commercial TV providers and the viability of public service broadcasting (PSB). Research by Johnson, Hills and Dempsey generated novel insights about the ways in which video streaming platforms are transforming TV that has had the following impacts of reach and significance on national and international beneficiaries:</p> <ul style="list-style-type: none"> <li>changed the strategy and policy response of the primary public service broadcasters (PSBs) in the UK (BBC, Channel 4)</li> <li>increased business opportunities for the UK's leading broadcast creative agency (Red Bee Creative), including generating new international clients (NBC Sports)</li> <li>generated new ways of thinking about the changing nature of content experiences for the world's biggest video streaming platform (YouTube)</li> <li>shaped policy-making processes and increased understanding of the contemporary TV ecology for UK and international policy-makers and regulators (Department for Digital, Culture, Media &amp; Sport (DCMS), Ofcom, Australian Government)</li> <li>helped industry, advocates and publics to understand the impact of streaming platforms on TV and PSB (VLV).</li> </ul>		
<b>2. Underpinning research</b> <p>The past decade has seen the widespread uptake of video streaming services and internet-connected television. In the UK, audiences of all demographics are shifting from live broadcast TV viewing to on-demand and online streaming services: in 2020 more than 60% of households subscribed to at least one subscription video-on-demand (SVOD) service. The shift of the TV industry from a broadcast to an internet model disrupts the operations of the TV market and challenges the viability of PSB: declining audiences threaten the rationale for publicly-funded TV, while the rise of personalisation undermines the provision of communal, universal and trusted media sources made pressing with increased dis/misinformation and socio-political division. Research undertaken by Hills, Johnson and Dempsey at the University of Huddersfield collectively offered new theoretical, industrial and audience perspectives on the impact of the rise of streaming platforms on television and PSB. This included two reception studies (Hills, since April 2017) [3.1, 3.2] and one industry study (Johnson, since January 2019) [3.3] that separately examined the impact of streaming and the internet on the relationship between the TV industry and its audiences. These articles formed the conceptual and theoretical basis of two qualitative audience studies, conducted by Hills, Johnson and Dempsey in consultation with Ofcom (the UK media regulator) and Red Bee Creative. Through in-depth interviews with a demographically representative sample of 30 participants, the first study (summer 2019) revealed the social, cultural, (para)textual, industrial, economic and technological factors that shape how people find and decide what to watch [3.4]. The second study returned to the same participants in May 2020, to examine how</p>		

COVID-19 altered their TV viewing habits [3.5]. The impacts generated from this research have been non-linear, emerging alongside (and feeding into) the research.

Key findings and insights from across this body of research can be summarised as:

- Content and software providers, device manufacturers and infrastructural platforms vie to control people's access to and experience of television through paid prominence deals, interface design and algorithmic recommendations. In these negotiations, global platforms (e.g. YouTube and Netflix) have the upper hand and PSBs struggle to compete [3.3].
- Audience behaviour is shaped by and circumvents these industry strategies in multiple ways: (i) Audiences widely value algorithms as a route to content, but also experience the use of algorithms to construct taste communities as uncanny or worrying [3.2, 3.4]. (ii) The ways people find and decide what to watch is highly habitual, meaning that some audiences can miss prominent features in user interfaces [3.4].
- Habitual behaviours differ between linear and on-demand environments. Half of the participants in the first audience study in 2019 defaulted to linear TV: either straight to a specific linear channel, to the electronic programme guide (EPG), or to the 'my recordings' section of their set-top box. The other half (including all of the participants aged 35 and under) adopted what we termed a '1-world default', where they went straight into the world of their smart TV, pay-TV or streaming service. In the linear defaults, channel prominence played an important role in what people chose to watch. In the 1-world default, interface design and recommendation algorithms shaped content selection decisions [3.4].
- COVID-19 accelerated the shift to 1-world default behaviour across all demographics, as people turned to on-demand streaming devices/services, from Netflix to YouTube, to regulate their TV viewing and avoid anxiety-inducing content [3.5].

The rise of 1-world default behaviour threatens the future of PSBs. Within linear defaults PSB content was highly valued and easy to find, because prominence regulation gives PSB channels the highest spots on the EPG [3.3, 3.4]. In the 1-world default, people's ties to PSBs were loosened. Without regulation to ensure prominence in user interfaces and inclusion in recommendations and search results, PSB content/services were harder to find [3.3, 3.5]. While this speaks to current policy debates about the need for prominence regulation to be extended to internet-connected devices, the research also demonstrated the role of paratexts (the promotional and user-generated content that circulates around texts, e.g. trailers, websites, interfaces) as sites of struggle between industry and audiences [3.1]. In the 1-world default, people encountered fewer PSB trailers, reducing their engagement with PSB, and struggled to identify PSB programmes within streaming interfaces of such as YouTube and Netflix [3.5]. Further, the research revealed the inequalities of the TV market, where global streaming platforms have access to data and control over online infrastructures in ways that undermine the ability of PSBs to reach audiences and fulfil their remits [3.3, 3.5]. For example, PSBs are having to adopt practices of datafication (where the generation of large datasets on audience behaviour drives strategy) in a context where major platforms like Amazon and Google control data flows and audiences expect greater personalisation, which could undermine PSB values of national and cultural unity [3.2, 3.3, 3.4, 3.5]. The research formed the basis of recommendations for changes to policy (e.g. the need for fair-trading principles for online platforms and data transparency) and industry strategy (e.g. changes to PSBs' marketing strategies, interface design and online news provision) [3.4, 3.5].

### **3. References to the research**

Evidence of the quality of the research: Outputs 3.1, 3.2 and 3.3 have been subject to rigorous international peer review prior to publication. Outputs 3.4 and 3.5 are industry-facing reports that apply the findings and concepts developed in 3.1, 3.2 and 3.3 to the design and analysis of two empirical audience studies conducted using rigorous academic qualitative research methods.

[3.1] Hills, Matt (2018) 'Transmedia Paratexts: Informational, Commercial, Diegetic, and Auratic Circulation' in Freeman, M and Rampazzo Gambarato, R (eds) *The Routledge Companion to Transmedia Studies*, New York: Routledge, pp.289-296. <https://doi.org/10.4324/9781351054904>

[3.2] Hills, Matt (2019) 'Black Mirror as a Netflix Original: Program Brand "Overflow" and the Multidiscursive Forms of Transatlantic Fandom' in Hills, M, Hilmes, M and Pearson, R (eds) *Transatlantic Television Drama: Industries, Programs, and Fans*, Oxford: Oxford University Press,

pp.213-238. <https://global.oup.com/academic/product/transatlantic-television-drama-9780190663131?q=9780190663131&lang=en&cc=gb> [can be supplied on request]

[3.3] Johnson, Catherine (2020) 'The Appisation of Television: TV Apps, Discoverability and the Software, Device and Platform Ecologies of the Internet Era', *Critical Studies in Television*, 15(2), pp. 165-182. <https://doi.org/10.1177/1749602020911823>

[3.4] Johnson, Catherine, Hills, Matt and Dempsey, Lauren (2020), *Routes to Content: How People Decide What TV to Watch*, available at <https://research.hud.ac.uk/institutes-centres/cpc/ourprojects/routes/> 8,000 word report, plus 1,000 word policy brief, based on original qualitative research and published on Centre for Participatory Culture website.

[3.5] Johnson, Catherine and Dempsey, Lauren (2020), *Covid-TV: Routes to Content During Covid-19*, available at <https://research.hud.ac.uk/institutes-centres/cpc/ourprojects/routes/> 15,500 word report, plus 1,000 word policy brief, based on original qualitative research and published on Centre for Participatory Culture website.

#### 4. Details of the impact

The research generated novel insights that **changed the strategy direction and policy response of the UK's primary PSBs**. Between November 2019 and September 2020, the underpinning research was shared in six meetings with senior staff at the BBC (Director General, Director of Policy, Head of Corporate Affairs, Controller of Policy, iPlayer and Programming Controller, Corporate Affairs Manager) and Channel 4 (Head of Policy and Corporate Affairs, Senior Public Affairs Manager, Public Affairs Manager). The research **facilitated re-appraisal of the role and value of PSB at the BBC and Channel 4** in the wake of a DCMS Select Committee Inquiry into the Future of PSB and the launch of a PSB Advisory Panel by a UK Government hostile to both organisations. The BBC's Head of Public Affairs stated that '*The meetings [with Johnson] and reports [3.4, 3.5] helped to inform our thinking around the relevance and importance of public service broadcasting, particularly in light of the current broader debate surrounding the BBC and the next licence fee settlement*' [5.1]. [Text removed for publication]. The significance of these impacts is evidenced by an increased understanding of the impact of streaming on audience behaviour leading **to changes in strategic direction and policy response** at both organisations. For the BBC '*the insights into the behaviour change of audiences and their use of SVOD, especially among younger consumers, have provided valuable perspective*' with the Covid-TV report [3.5] offering '*a very useful and timely look at how audiences have been finding and choosing content during the pandemic*' [5.1]. This has contributed evidence that '*has led to change in strategic direction with regard to various age cohorts and their consumption of on-demand content*' [5.1]. [Text removed for publication].

The research has **increased new business opportunities for media companies**. The significance of this impact is evidence by the sustained collaborative relationship (April 2019 – December 2020) with Red Bee Creative (the UK's largest broadcast creative agency owned by Ericsson, with a global client base including UNICEF, Netflix, Discovery and Fox), which **led to the acquisition of new major international clients and enhanced the competitiveness and commercial viability of the company**. For example, the underpinning research formed a '*vital component*' [5.3] of a pitch by Red Bee Creative for a major project for US network NBC Sports in 2020. The Managing Director of Red Bee Creative explained that the research insights into '*the likely mood and behaviour of TV audiences [...] had a significant influence on our proposed creative strategy and we drew directly on the original research [...] as part of our presentation. [...] It would be no exaggeration to say that without the University of Huddersfield research our presentation to NBC Sports would have been weaker and we may not have won this important piece of business*' [5.3]. Findings from the underpinning research also formed the basis of a series of blogs produced by Red Bee Creative in 2020, setting out unique insights and recommendations for industry. The blogs were distributed by Red Bee to over 2,200 people working in influential positions in the TV, media and entertainment industries globally and represented **a strategic opportunity for Red Bee Creative to demonstrate global 'thought leadership'**, which is crucial to gaining and retaining clients. This led to an invitation for Red Bee Creative's Managing Director to address the European Broadcasting Union's (EBU) 'Voices of PSM' conference, '*a prestigious event [...] and] a valuable networking event to reinforce the reputation of Red Bee Creative as leaders in our field. We know from past experience that this reputation as being a strategically-grounded, research-led company helps us to win new business and retain valuable client relationships*' [5.3]. The collaboration with Red Bee Creative **further extended the international**

**reach of the impact**, with senior media industry figures in Australia, New Zealand, the USA, Norway and Turkey commenting that the research '*revealed insights about audience behaviour during the pandemic that were relevant to a lot of other countries around the world*' [5.3].

The **international significance and reach** of the impact are further evidenced through the research **generating new ways of thinking about the changing nature of content experiences for the leading global platform, YouTube**. [Text removed for publication]. The industry reports [3.4, 3.5] have been accessed by 154 people from 20 countries, including 4 of the top 10 global media companies as listed by Investopedia in 2020 (Disney, Sony, Comcast, DISH Network Corporation), leading entertainment companies from Africa (Multichoice), China (Star Times) and the USA (Discovery), the American Association of Advertising Agencies and the second largest media agency in the world (Omincom Group), and PSBs from across Europe (RAI in Italy, YLE in Finland, Czech TV in the Czech Republic, TVN in Chile, S4C in the UK).

The research has **helped the industry articulate the impact of streaming on television**. For the Director of research agency, BLINC Partnership, the research was '*probably the most useful of all the reports we have access to*' and '*proved to be invaluable in showing us what was and was not known about this territory*' when producing a study of internet-based television for a major PSB [5.4]. Industry articles based on the research have further extended the reach of this impact: the research formed the basis of articles in the UK's leading TV trade magazine (*Broadcast*), the UK's fastest growing consumer comparison site (*Finder*), and the largest global association for public media organisations, with 1000 members including the CEOs and management teams of PSBs from 54 countries (Public Service Media (PSM) Alliance) [5.11].

Johnson's appointment as special advisor to the DCMS Select Committee Inquiry into the Future of Public Service Broadcasting (from April 2020), has enabled the research to have significant impact in **shaping policy-making processes**. In this role Johnson has drawn on the underpinning research to **increase the Committee's understanding of the impact of streaming platforms on the TV industry and audience behaviour**, which has emerged as a central concern of the inquiry. The significance of this impact is evidenced by the Second Clerk to the Committee [Text removed for publication].

Policy impact is also evidenced through **enhancing Ofcom's understanding of changing audience behaviour**, which forms the bedrock of their work as an evidence-based regulator and underpins their current consultation on the future of PSB. Ofcom collaborated on the design of the qualitative audience research and shared the research [3.4, 3.5] widely across the organisation, including to the market research, market intelligence, broadcast policy and economist teams. The significance of this impact is evidenced by the Head of Audiences at Ofcom, who stated that the research enabled Ofcom '*to generate new perspectives on why audiences do what they do*' that went '*beyond what we get from quantitative research or using industry data*' [5.6]. The research **changed Ofcom's understanding of audiences** as it '*encouraged us to view UK viewers in the round*' and has long-term value for Ofcom: '*The reports are something we can keep on going back to – despite that industry developments continue to change at pace*' [5.6].

Beyond these specific examples, the reach of these policy impacts is further evidenced through the ways that the research has **informed wider national and international policy development** in relation to the impact of streaming on TV. The research [3.3] informed the BBC's response to the public interest test following its request to extend the amount of time that programmes spend on iPlayer (April 2019), specifically the argument that extended rights could be used to deliver the BBC's public purposes [5.7]. This led to the BBC being allowed to retain content in iPlayer for up to 12 months or more. The research findings [3.3] were also cited in the House of Lords Select Committee on Communications and Digital report on PSB (November 2019), in relation to the impact of SVOD on the universal availability of PSB [5.8]. The reports [3.4, 3.5] have also been accessed by regulators and policy-makers in Ireland (Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media), South Africa (Department of Telecommunications and Postal Services) and France (Conseil Supérieur de L'Audiovisuel) and shared in meetings with the EBU, the world's leading alliance of PSB organisations with 115 members in 56 countries. The underpinning research informed Johnson's contribution to a report commissioned by the Australian Government's Department of Infrastructure, Transport, Regional Development and Communications in the summer of 2020, '*to assist in policy making*' designed to modernise the support for Australian drama production in film and TV, offering insights on UK policies '*that might be suitable to the challenges facing Australia*' [5.9].

The impact reaches beyond industry, policy and regulators to **helping advocates and the general public to understand the challenge that streaming platforms present to PSB and the need for new policy interventions**. A presentation of the research findings [3.4] to the annual conference of the Voice of the Listener and Viewer's (VLV, an advocacy group concerned with safe-guarding the future of PSB in the UK) in November 2019 **altered people's understanding of the impact of streaming on audience behaviours**. 84% of attendees claimed that they learnt something new about the challenges facing PSBs in relation to discoverability and prominence and 93% claimed that after the presentation they had a greater awareness of how contemporary audiences find content [5.10]. The VLV cited this research in their submission to the DCMS Select Committee Inquiry into the Future of PSB [5.10].

At a significant historical moment in the development and evolution of television and PSB, the research has provided vital insights into the impact of video streaming that has shaped strategy and policy for national and international beneficiaries, generating significant impacts with reach that extends across global media conglomerates and media agencies, regulators/government departments in the UK, Europe and Africa, and PSBs/media companies in Africa, China, the USA, Europe and Latin America.

#### **5. Sources to corroborate the impact**

[5.1] Testimonial from BBC Head of Corporate Affairs.

[5.2] [Text removed for publication].

[5.3] Testimonial from Managing Director, Red Bee Creative.

[5.4] Testimonials from [Text removed for publication] and Director, BLINC Partnership.

[5.5] [Text removed for publication].

[5.6] Testimonial from Head of Audiences, Ofcom.

[5.7] BBC iPlayer Public Interest Test (April 2019), citing Johnson's research p. 44, 87.

[5.8] House of Lords Select Committee on Communications and Digital, *Public Service Broadcasting: As Vital as Ever* (5 November 2019), citing Johnson's research, p.57.

[5.9] Testimonial from the lead researcher (QUT) for the Australian Government's Department of Infrastructure, Transport, Regional Development and Communications report on business models and government supports for drama in Australia and 12 comparable jurisdictions.

[5.10] University of Huddersfield Survey of 43 participants, VLV conference (November 2019), and VLV evidence to the DCMS Select Committee Inquiry into the Future of PSB (June, 2020).

[5.11] Portfolio of industry publications based on the research: *Broadcast Magazine* (2020), *Finder* (2020) and *PSM Alliance* (2020).