Mobile platforms and monetising the second screen:

**Key points from the Ofcom CMR 2015:**

* Smart phone users now spend nearly 2 hours each day using the internet on their phone. For the first time the phone has overtaken the laptop as the most important device for connecting to the internet.
* 83% UK properties are able to receive super fast broadband service
* 21% stream TV programmes or films on their smart phone.
* 54% UK households have a tablet in Q1 2015 up from 44% in 2014
* The decline in live TV viewing is most pronounced in the under 45 age group. Adults aged 16 - 24 spend 50% of their viewing time watching traditional TV. For over 65s it is 82%

Traditional ‘live’ TV is still strong - but we have now had two consecutive years of decline. BARB data suggests that half of this decline can be explained by a viewer shit to (8 - 28 day) catchup services and other digital TV content.

OTT services are growing fast in popularity. 4.4 million UK households now subscribe to Netflix. 1.2 have a subscription to Amazon Prime.

UK Digital advertising rose by 15% and accounts for 39% of UK advertising expenditure. This is driven in part by mobile advertising and broadcaster VoD adverts.

**MONETISING THE iPLAYER:**

Recent research suggests that 60 million people worldwide are evading web controls to watch BBC iPlayer content outside the UK. 38.5 million of these are in China where users can use VPNs to mask their location. On a positive note this suggests that there is a large global demand for programmes that the BBC is failing to tap into.

**Global iPlayer:**

Operated by BBC Worldwide, this subscription service was launched in 2011 and was available to viewers in Canada, Australia and 11 Western European countries. Viewers could pay about £6 a month or £44 a year and access content online or via the Global iPlayer iPad app. However, Global iPlayer shut down in June 2015.

* It faced opposition from US pay-TV operators who threatened to drop the BBC America channel.
* App was never extended beyond Apple platform
* BBC now says it is developing plans to launch new digital services across multiple platforms
* EU politicians want EU “digital single market”. iPlayer has been cited in this debate.

**BBC Store:**

The BBC online store is due to launch in the autumn 2015 with between 6,000 - 10,000 hours of programming and archive available to purchase, download and keep. The service is expected to be web-based, geo-locked and (initially) only available to viewers in the UK.

**Govt Green Paper concerns:**

However, the government’s Green Paper expresses concern over BBC development in this area: “The BBC’s role in the development and deployment of new technologies - particularly online distribution - has the potential to impact negatively on the ability of commercial competitors to monetise emerging technologies, and could crowd out new start-ups”

**Comments:**

* BBC Worldwide has relied too heavily on DVD sales which have been in sharp decline recently. The BBC Store seems to follow this pattern - in fact BBC Worldwide even talks about the store enabling a “digital DVD”. This feels like old technology and viewers have moved beyond this.
* At a time when viewers are embracing mobile platforms in large numbers, the BBC appears to be moving in the other direction. BBC Worldwide never opened up the Android market. Now they have closed the global iPlayer app itself and are resorting to web based activities. Many hoped BBC Global iPlayer might have been a precursor to a global content subscription service. It could have contained both OTT streaming content as well as on-demand and paid-for downloads. In this way it might have become a global competitor to *Netflix* and *Amazon Prime* **outside Britain**.
* In terms of responding to the concerns in the Green paper we should also think about how a Global BBC iPlayer might ‘impact positively’ on other UK-based partners and producers by providing a strong new international platform for content and enabling others to utilise emerging technologies… (see Second Screen)

**SECOND SCREEN OPPORTUNITIES:**

Companion apps and Second Screen sync’ed experiences are increasingly being used by broadcasters and production companies as alternative avenues of revenue. They provide opportunities for advertiser tie-ins, click to buy ads and new sponsorship partnerships. Advertisers are keen to unlock new digital platforms for their products and reach the elusive ‘younger audience. Companion apps include:

X Factor app - Sponsorship deal with Dominoes pizza

Britain’s Got Talent play-along app - developed by Fremantle media.

Million Pound Drop - (C4) developed by Monterosa. This includes in-app purchases.

**BBC ENGAGEMENT:**

**The Voice play-along app -** popular. But users are not required to register beyond email address so this limits useable data.

**BBC America Doctor Who app/game** - Linked with sponsor AT & T. But commercial application is limited compared with other Second Screen applications.

**Antiques Roadshow app** - popular but cancelled.

**Red Button play-along games** - are being phased out in 2015.

BBC R&D has experimented in this area - but it has been cautious. Again the BBC seems to be backing away from engaging with mobile platforms in this way.

**Developing audience data:**

Aside from new revenue opportunities - second screen and VOD apps also provide opportunities to harvest new forms of audience data. This can inform not only advertising campaigns but also commissioning strategies and technology development.

**All 4:** Channel 4 converged VOD and social TV app. Channel 4 describes this as a “programmatic trading platform”.

* More than half of 16 - 34 year olds are registered to *All 4*.
* Enables targeted VOD advertising based on 1st party viewer data
* “internet-based audience segmentation” (in the first instance Home, Beauty & Fashion) which enables a direct sales function
* Links to social media engagement and opens up potential of social media analytics.

**Guardian membership:**

This is a three tiered membership scheme to avoid online paywalls, keep the website free and fund the Guardian’s independent journalism. Membership includes access to local events, masterclasses, guest speakers and visits. The Guardian is also opening a new civic space near Kings Cross in 2016. It shares many of the same strategics in terms of building an online community of fans and followers as *All 4*. Could this be a model for future BBC funding / activity beyond the core PSB services?