

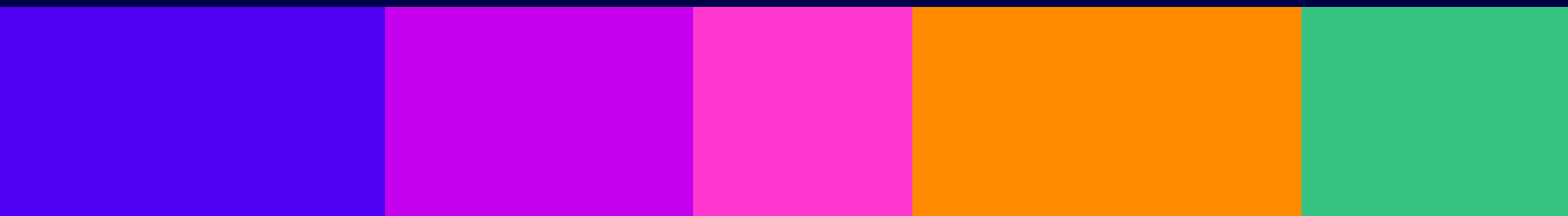


# Media Nations

UK 2023



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# Contents

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## Section

Overview .....	3
TV and video consumption trends .....	6
Introduction: viewing to linear broadcast TV has continued its long-term decline .....	6
Total video viewing .....	6
Broadcast TV viewing .....	8
Most-watched programmes and events .....	12
Subscription video-on-demand .....	15
TV viewer journeys .....	17
Social video .....	21
Audience attitudes and sentiments .....	25
TV and video industry trends .....	30
Introduction: the post-pandemic bounce-back has given way to new challenges across the industry .....	30
Industry revenues .....	30
Advertising market trends .....	32
Broadcasters' output and spend .....	35
Online video market developments .....	40
Radio and audio .....	47
Industry trends: continued growth in local advertising and sponsorships fuels commercial radio .....	47
Revenues and spend .....	47
Availability and distribution of radio services .....	50
Market developments .....	52
Audience trends: overall reach of live radio stays high as listening continues to shift to online .....	55
Audio listening .....	55
Live radio listening .....	58
Music streaming .....	64
Podcasts .....	66
Smart speakers and voice assistants .....	69
In-car listening .....	70

# Overview

This is Ofcom's sixth annual Media Nations report, a research report for industry, policymakers, academics and consumers. The main objectives of the report are to review key trends in the media sector and set out how audiences are served in the UK. We adopt a cross-platform perspective, including broadcast TV and radio, as well as digital delivery including online video and audio streaming.

As with previous editions, this report is accompanied by an [interactive report](#) containing an extensive range of data. We also publish separate reports for [Northern Ireland](#), [Scotland](#) and [Wales](#) covering specific themes and issues relevant to those nations.

Rapid change continues to characterise the TV, online video, radio and audio sectors. We focus on evolving consumer behaviours and the key industry trends and dynamics shaping them, drawing on a range of relevant evidence.

Ofcom's Media Nations report addresses the requirement to undertake and make public our consumer research (as set out in Sections 14 and 15 of the Communications Act 2003). It also meets the requirements on Ofcom under Section 358 of the Communications Act 2003 to publish an annual factual and statistical report on the TV and radio sector.

## What we have found – in brief

### **Overall viewing of TV and video continued to fall in 2022, although broadcasters maintained their share due in part to growth in viewing to their on-demand platforms**

- The average amount of time spent watching TV and video content across all devices in 2022 was 4 hours 28 minutes per person per day. We estimate that this was about 12% lower than in 2021, when time spent was partly boosted by Covid-19 restrictions.
- Broadcasters' platforms – linear TV channels, TV recordings and their on-demand services – maintained their 60% share of total video viewing from 2021 to 2022, while use of broadcaster video-on-demand (BVoD) services continued to grow.
- There was a slowing in the take-up of subscription video-on-demand (SVoD) services such as Netflix and Disney+, and there are indications that SVoD viewing declined in 2022 (along with most other forms of viewing as total viewing fell). Two-thirds (66%) of UK households reported using an SVoD service in Q1 2023, down from a peak of 68% in Q1 2022.
- YouTube and Facebook remain the largest social video platforms in the UK, each reaching 91% of UK internet users aged 15+ in Q1 2023. Use of TikTok remains high among users aged 15-24, at an hour per day, but take-up among children has slowed.

### **Both reach and viewing of broadcast TV fell by significant margins in 2022, and the number of broadcast programmes attracting mass audiences is in steep decline**

- Broadcast TV's weekly reach fell from 83% in 2021 to 79% in 2022, the biggest-ever annual drop. The long-term decline in viewing of broadcast TV also continued – it fell by 12% year on year and was 16% lower than pre-pandemic levels.

- For the first time there is evidence of a significant decline in broadcast TV viewing among older audiences. Over-64s watched 8% less broadcast TV in 2022 than in 2021 and viewing was 6% lower than in 2019 (the last pre-pandemic year). Older viewers are increasingly using streaming services, with take-up of Disney+ among online over-64s rising from 7% in 2022 to 12% in 2023.
- Among younger audiences, broadcast TV viewing continued to decline rapidly, falling by 21% year on year among those aged 4-34.
- Although PSB channels still dominate the list of most-watched programmes, the number of transmissions achieving 'mass audiences' is in steep decline. In 2014, 2,490 transmissions attracted more than four million TV viewers, but in 2022 there were only 1,184 – a 52% drop. Transmissions attracting more than six million TV viewers fell by 82% over the same period, from 1,172 to 213.

**Following a strong 2021 rebound, revenues for commercial broadcasters fell slightly in 2022 in a difficult economic environment**

- Total commercial TV and online video revenue increased by 4.5% in 2022 to £17.3bn, driven by online video services, whose market share rose to 36%, compared to 15% in 2017.
- Combined revenues for the commercial PSBs, digital multichannels and pay-TV platform operators declined by 1.8% to £11.1bn. There was a small decline in the combined revenues of ITV, Channel 4 and Channel 5, but at £2.3bn this was still the second-highest annual total since 2017.
- Mixed performances in different sectors of the advertising market resulted in overall advertising expenditure increasing by 8.8% to £34.8bn. This was primarily driven by online, which rose by £2.6bn (11.1%), accounting for nearly all the total £2.8bn increase.
- The TV advertising market suffered a small decline in 2022, with spend falling by 1.4% to £5.4bn, reflecting the difficult economic environment and post-pandemic recalibration. A 15% increase in BVOD spend was not enough to offset a 4% decrease for linear TV.

**Broadcasters generally returned to full production schedules in 2022, with an increase in first-run PSB originations, although some lasting pandemic impacts remain**

- PSBs' spend on first-run originations totalled £2.9bn in 2022, up 10.3% year on year and 14.2% higher than in 2019. First-run originated hours reached their highest total since 2016, partly because some programming, delayed by Covid-19, aired later than originally planned.
- Although output was up, the increase in spend reflected PSBs' increased costs, including lingering Covid-related production protocol costs and inflationary pressure affecting production-related expenses.
- Overall, audiences continue to be broadly satisfied with public service broadcasting, and in a year of the FIFA World Cup, the Platinum Jubilee and the state funeral of HM Queen Elizabeth II, there was an increase in 2022 in how PSBs were seen to deliver on 'broadcast events that bring the nation together for a shared viewing experience'.

### **The SVoD market is maturing, with household take-up seemingly approaching a plateau and providers seeking to maintain revenue growth by evolving their business models**

- The SVoD sector generated an estimated £3.3bn in 2022, up 21.5% year on year, driven by a combination of price rises and overall growth in subscriptions. But the indications are that overall SVoD household penetration has plateaued.
- In a bid to sustain subscriber growth and boost customer retention, and to create a new source of revenue, some SVoD providers are incorporating advertising into their services. Netflix's new ad-supported tier appears to have reasonably strong early appeal, with 13% of UK online adults and teens surveyed in February 2023 claiming to take it.
- Streaming content investments remain high but are becoming more prudent, as SVoD providers shift their focus to profitability. As part of this, content licensing has re-emerged as a revenue opportunity, while Netflix is leading on password-sharing crackdowns in a bid to maximise the value of its users.

### **Continued growth in local advertising and sponsorships is fuelling commercial radio, with AM switch-offs and a shift to DAB providing additional cost savings and greater access to audiences**

- Radio advertising continues to grow, with commercial radio revenues up 3% in 2022, while digital audio ad spend rose 13% overall, driven by a 41% rise in podcast advertising.
- Despite a 4% decline in expenditure on physical formats, consumer spend on recorded music continues to grow, reaching almost £2bn in 2022, with subscriptions to the likes of Spotify and Apple Music accounting for 83% of the total.
- The availability of AM medium wave (MW) radio is shrinking as broadcasters switch off ageing and power-hungry transmission equipment. But the number of services available on DAB has increased, with 654 services now available on local multiplexes.

### **Overall reach of live radio remains high as listening continues to shift to online, while other forms of audio like music streaming and podcasts are more popular with younger listeners**

- Live radio continues to be the most popular form of audio, with 88% of adults tuning in for an average of 20 hours each week, but under-35s are more likely to stream music than tune in to radio.
- Music streaming accounts for half of young people's total audio listening and a fifth for adults overall, but the reach of these services has plateaued in the last two years at 47%.
- Spotify continues to be the most popular platform for music streaming and podcasts, and it accounted for the majority of time spent music streaming in Q1 2023.
- Commercial radio has consolidated its position as market leader, taking a 51.4% share of listening in Q1 2023, five percentage points clear of the BBC.
- Radio listening continues to shift to online, with smart speakers now accounting for a fifth of in-home radio listening. Four in ten households have at least one smart speaker, although overall take-up appears to be plateauing.
- A third of adults listen to speech radio each week, and a fifth listen to podcasts. While most podcast listeners say that podcasts offer them something they can't get on radio, the key factor is being able to listen whenever it's convenient.

# TV and video consumption trends

## Introduction: viewing to linear broadcast TV has continued its long-term decline

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This section draws on data from research agencies measuring audience viewing, as well as Ofcom's own audience research and other third-party research, to evidence and provide commentary on continuing shifts in audiences' TV and video viewing habits and preferences.

## Total video viewing

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### Where our data comes from

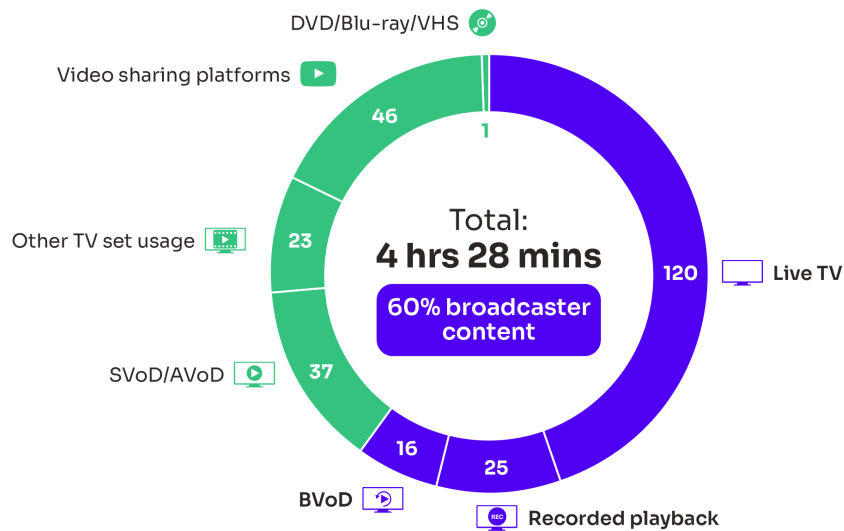
Our total video viewing analysis refers to audio-visual content both inside and outside the home. It uses data from Barb Audiences Ltd (Barb) as much as possible – see the 'Broadcast TV viewing' section on page 8 for more information about Barb's methodology. Since November 2021, Barb's measurement extension has included more detail for some video-on-demand (VoD) platforms and video sharing platforms (VSPs), both across TV sets and other devices connected to a home's WiFi network. Barb does not measure out-of-home viewing, so we estimate this based on IPA TouchPoints data and include it in our total video viewing figures. In some cases, direct year-on-year comparisons are not yet possible, since Barb's measurement enhancement does not cover the whole of 2021. Therefore, we note directional trends where calculations are similar to 2021 or where there are other sources to back this up.

## Viewing broadcasters' content accounts for the largest proportion of all time spent watching TV and video

The average amount of time individuals (aged 4+) spent watching any video content across all devices in 2022 was 4 hours 28 minutes per person per day. The TV set remains the most-used device for watching video content, accounting for 82% of total video viewing, with live broadcast TV making up the largest proportion of this time. Across all devices, live TV accounted for 44% of total video viewing in 2022, and, together with recorded playback and broadcaster video-on-demand (BVoD), all content from broadcasters accounted for 60% of total video viewing.

We are confident that total video viewing decreased from 2021 to 2022. Taking the aforementioned methodology changes into consideration, we estimate that the decrease was about 12% (39 minutes per person per day) across all individuals 4+. We note that some Covid-19 restrictions were still in place for parts of 2021, which may have inflated TV and video consumption that year.

**Figure 1: Average daily minutes of video viewing across all devices, by all individuals: 2022**



Source: Ofcom estimates from Barb, IPA TouchPoints. Broadcaster content includes live TV, recorded playback and BVoD. ‘Other TV set usage’ includes viewing to some SVoD/AVoD/VSP that cannot be definitively measured. This category also includes some unmeasured broadcast channels, non-catch-up DVD/DVR viewing, some EPG/menu browsing, viewing when the audio is muted, piracy, unmeasured box-sets/pay-per-view content, and non-video internet activity through a PC or other device connected to the TV. SVoD excludes viewing of NOW, which is captured within BVoD along with Sky Go/Sky TV On Demand (these two services stream the same content, so measured viewing cannot be separated out).

## Broadcaster VoD and video sharing platforms were the only forms of viewing where time spent increased in 2022

Given the change in measurement methodology outlined above, we are unable to make many direct year-on-year comparisons apart from linear TV viewing. However, the figures we do have indicate that BVoD was one of the few forms of viewing to have increased, and this is corroborated by other sources.<sup>1</sup> While this increase was not enough to compensate for the decrease in live TV and recorded playback viewing in absolute terms, we estimate that overall viewing of broadcaster content (i.e. across the three categories of live, recorded and on demand) – remained stable at about 60% of total video viewing.

While we do not have like-for-like comparisons for previous years, there are indications that SVoD viewing declined in 2022 and that it did not increase its share of total video viewing.<sup>2</sup> This might have been due to increased viewing in 2021 because of the Covid-19-related restrictions that were in place at the beginning of the year, resulting in some people being at home more. Another likely contributor is that overall SVoD penetration is reaching saturation and so increased time spent

<sup>1</sup> IPA TouchPoints diary data shows that, comparing the 2023 SuperHub with the 2022 SuperHub, time spent watching BVoD services increased. Data from Ofcom’s VoD Survey shows that the number of people using BVoD services increased from 2022 to 2023, and the number watching at least once a day also increased. This includes results from the total sample (online and CATI).

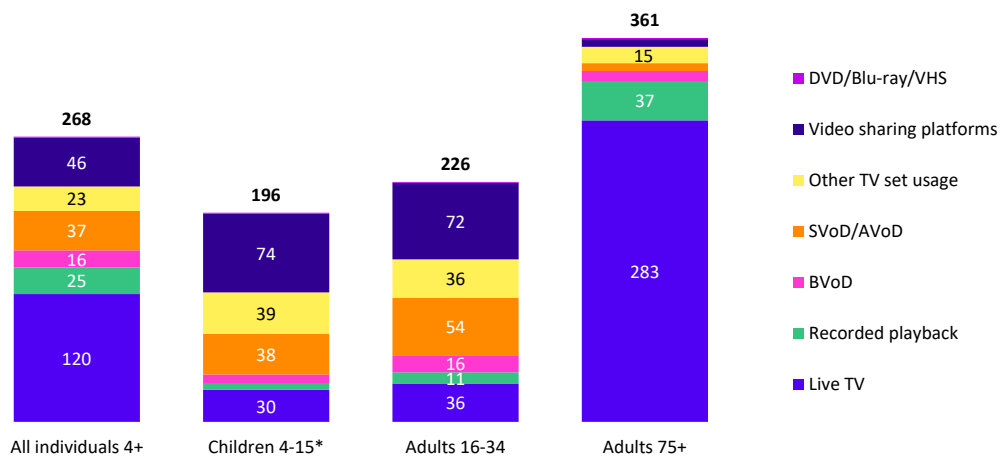
<sup>2</sup> IPA TouchPoints diary data shows that comparing the 2023 SuperHub with the 2022 SuperHub, time spent watching SVoD services decreased. Data from Ofcom’s VoD Survey also shows a decrease in the number of SVoD users from 2022 to 2023, as well a decrease in the numbers claiming to use SVoD at least once a week and in those watching at least once a day. This includes results from the total sample (online and CATI).

watching SVoD content can no longer be driven by increased take-up, as it has been in previous years.

## Video viewing varies greatly by age

Time spent watching video is much lower for younger age groups and this is particularly the case for live TV viewing. Broadcasters accounted for 23% of children’s total video viewing in 2022, while 38% went to VSPs and 19% went to SVoD/AVoD services. By comparison, 16-34-year-olds spent 28% of their video time with broadcasters and, of all the age groups, allocated the highest proportion to SVoD/AVoD (24%). At the other end of the spectrum, among adults aged 75+, live TV alone accounted for 79% of their total video viewing, with all broadcaster content accounting for 91%, showing the enduring importance of linear TV to older audiences.

**Figure 2: Average daily minutes of video viewing, by age: 2022**



Source: Ofcom estimates from Barb, IPA TouchPoints. \*Children figures exclude viewing to BVoD, VSPs and SVoD outside the home, whereas the other age groups include these. For context, among all adults (16+), 1% of total viewing was outside the home. See notes for Figure 1 for more information about the ‘Other TV set usage’ group.

## Broadcast TV viewing

### Where our data comes from

Most of the viewing data comes from Barb Audiences Ltd (Barb), the industry’s standard for understanding what people watch. This includes viewing of broadcast TV through TV sets and via devices attached to TV sets, such as computers, streaming devices and set-top boxes. It also includes some viewing for online streaming services and for devices not connected to the TV being watched at home via WiFi. Barb does not capture out-of-home viewing to SVoD services or video sharing platforms.

Unless otherwise stated, Barb figures quoted for broadcast TV are for 28-day consolidated viewing on a TV set. Consolidated viewing includes viewing of programmes at the time they were broadcast (live viewing) as well as from recordings on digital video recorders (DVRs) and through online BVoD services (e.g. BBC iPlayer, ITVX and Sky Go/Sky TV On Demand) up to 28 days after the first broadcast (time-shifted). It does not include viewing to non-linear programming on BVoD services, including box-sets and archive content.

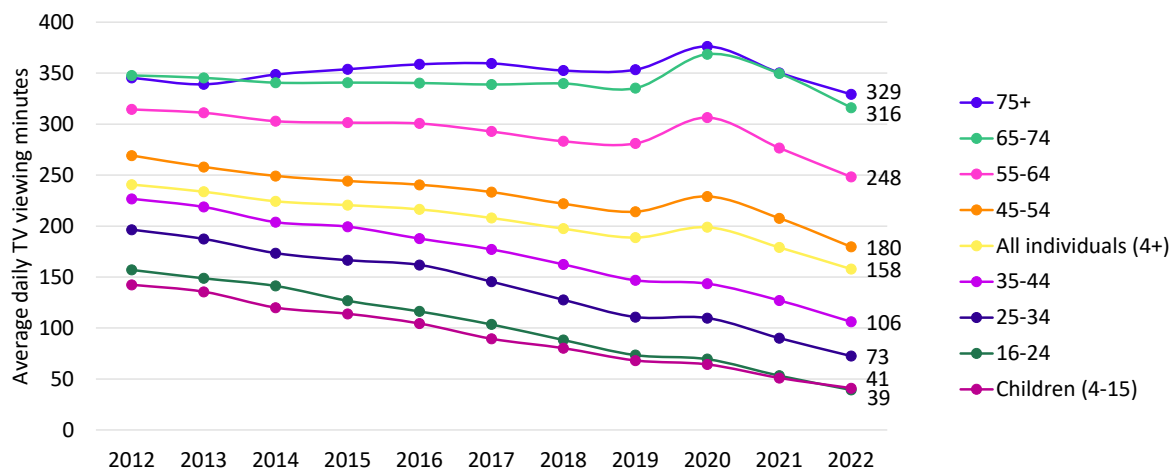


## Broadcast TV viewing continued its long-term decline, with viewing among over-64s now also decreasing steadily

All individuals (4+) watched on average about 16% less broadcast TV between 2019 (the most recent year in which viewing was not affected by the pandemic) and 2022. However, broadcast TV viewing has declined at a much faster rate among younger viewers – for example, decreasing by 47% over the same period for those aged 16-24.

Older viewers, who had maintained relatively consistent average viewing times before the pandemic, have now started to follow these downwards trends. In 2022, viewers aged 65-74 watched about 10% less broadcast TV year on year, and while the effects of the Covid-19 pandemic may have boosted viewing figures in 2021, 2022's figure was 6% lower than 2019's. Likewise, broadcast TV viewing by those aged 75+ was down 6% compared to 2021 and down 7% compared to 2019.<sup>3</sup> Older viewers may be becoming more likely to take up streaming services alongside broadcast TV services. For example, data from Ofcom's VoD Survey indicates that the proportion of online over-64s using Disney+ increased from 7% in early 2022 to 12% in early 2023; 43% said they used Netflix and 37% said they used Amazon Prime Video (both stable compared to 2022).<sup>4</sup>

**Figure 3: Average daily minutes of broadcast TV viewing, by age group: 2012-2022**



Source: Barb 28-day consolidated, TV sets only.

Viewers aged 55-64 also watched 10% less broadcast TV in 2022 than in the previous year. However, 45-54-year-olds showed the biggest year-on-year percentage decrease in broadcast TV viewing, from 3 hours 28 minutes in 2021 down to 3 hours in 2022 (-13%). And, looking at longer-term trends, average viewing by adults aged 25-34 and 35-44 has decreased by just over two hours per day over the past ten years – by approximately 63% and 53% respectively.

For the first time, 16-24-year-olds watched less broadcast TV on average than children aged 4-15, although only by a couple of minutes (39 minutes compared to 41). Children and young adults under 25 have collectively decreased their average daily viewing by 73% since 2012. Evidence suggests that 16-24-year-olds are likely to be tuning in to broadcast TV for only one or two programmes per day; they still have a level of interest in broadcast TV, mainly for genres such as sport and popular

<sup>3</sup> Barb 28-day consolidated.

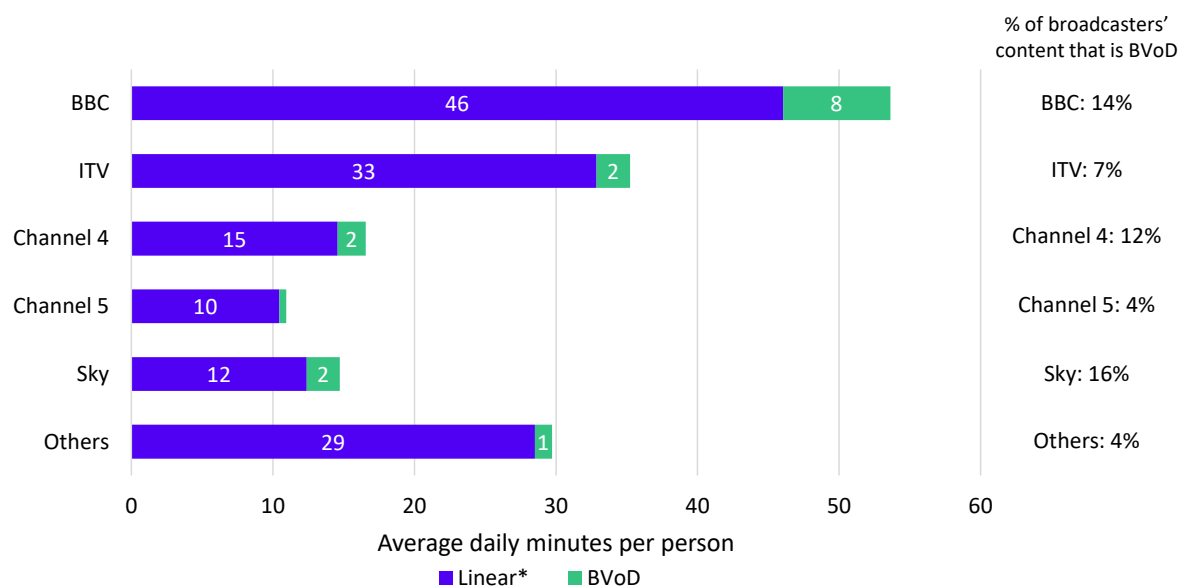
<sup>4</sup> Ofcom VoD Survey: A bespoke survey of online adults and teens which looks at VoD service use and VoD provider perceptions. Fieldwork conducted 22-28 February 2022 for 2022 and 22-27 February 2023 for 2023.

entertainment/reality programming such as *Love Island*. BVoD services account for an ever-greater share of broadcasters' viewing, but the majority is still to linear broadcast channels.

Viewing to BVoD services such as BBC iPlayer has steadily increased over the last few years, growing from 4% of total broadcaster viewing in 2017 to 10% in 2022.<sup>5</sup> As mentioned earlier, this growth has not been enough to compensate for the larger decline in viewing to broadcasters' linear channels, and it is these linear channels which continue to account for the majority (90%) of broadcasters' total viewing.

That said, these proportions vary by broadcaster. Sky<sup>6</sup> and the BBC capture a greater proportion of their audiences on BVoD (16% and 14% respectively), whereas Channel 5 remains predominantly linear-based, with 96% of all its viewing going to its broadcast linear channels and 4% to its BVoD service, My5. ITV relaunched and rebranded its BVoD service from ITV Hub to ITVX in December 2022 to place a greater emphasis on streaming, but since Figure 4 covers 2022 as a whole it predominantly reflects ITV Hub's performance. Barb data for the first half of 2023 shows that BBC and ITV are continuing to adapt to changing viewing habits. ITVX accounted for 10% of ITV's total viewing, up from the 7% figure across 2022. For context, over the same time periods, BBC iPlayer rose from 14% of the BBC's total viewing to 18%. See the [TV and video industry trends](#) section for further detail on BVoD strategies and recent industry developments in this sector.

**Figure 4: Average daily minutes viewed of linear\* and BVoD, by broadcaster: 2022**



Source: Barb as-viewed across TV sets and all devices using the home WiFi, all individuals (4+). \*Linear refers to viewing across all the broadcast channels owned by each broadcaster (watched live and recorded within the year). BVoD includes all content watched via the on-demand services owned by each broadcaster including non-linear programming. Sky's BVoD figure includes viewing to Sky's SVoD service, NOW, because Barb's measurement is unable to separate this from Sky Go/Sky TV On Demand.

<sup>5</sup> Ofcom estimates using Barb and IPA TouchPoints for 2022. The comparison with 2017 was with Ofcom estimates modelled from Barb, Comscore and IPA TouchPoints.

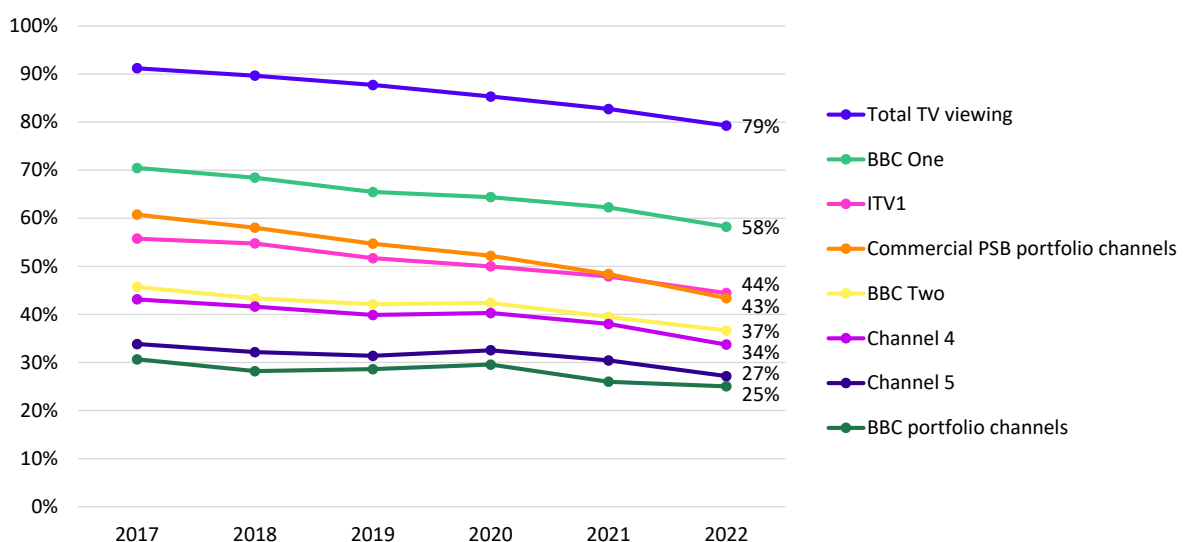
<sup>6</sup> Includes viewing to Sky's SVoD service, NOW, because Barb's measurement is unable to separate this from Sky Go/Sky TV On Demand.

## Broadcast TV’s weekly reach fell steeply in 2022 – BBC One was the only channel to reach more than half of individuals

In addition to the decline in the amount of broadcast TV watched, the weekly reach<sup>7</sup> of broadcast TV among all individuals has steadily declined, from 91% in 2017 to 79% in 2022. The four-percentage-point drop from 2021 to 2022 was the largest-ever annual decrease. The largest declines in weekly reach have been among 16-24-year-olds (from 82% in 2017 to 54% in 2022, with a six-percentage-point decrease last year), and children aged 4-15 (from 87% in 2017 to 60% in 2022, down five percentage points year on year). Conversely, weekly reach among those aged 65+ has remained consistently high; at 96% in 2022, there has been just a one-percentage-point decline over the last five years.

As per the overall decline for broadcast TV, weekly reach of the five main PSB channels also fell in 2022. Although BBC One continues to have the highest weekly reach of all TV channels (58%), this is 12 percentage points lower than in 2017. Additionally, both BBC Two and the combined BBC portfolio channels<sup>8</sup> have experienced a steady decline, reaching less than half of all individuals in 2022 (at 44% and 43% respectively).

**Figure 5: Weekly reach, by TV channel: 2017-2022**



Source: Barb 28-day consolidated, all individuals (4+), TV sets only. Weekly reach is defined as the percentage of all individuals aged 4+ watching 15 consecutive minutes or more in an average week.

## The PSBs have increased their share of broadcast TV viewing over the last few years

In recent years, PSB channels – the five main PSB channels and the BBC portfolio channels – have increased their share of broadcast TV viewing across the UK, from 55% in 2019 to 58% in 2022, while commercial PSB portfolio channels (such as ITV2, E4, or 5Action) have held their share relatively steady over the same timeframe. As a result, multichannels (such as those from Sky, UKTV,

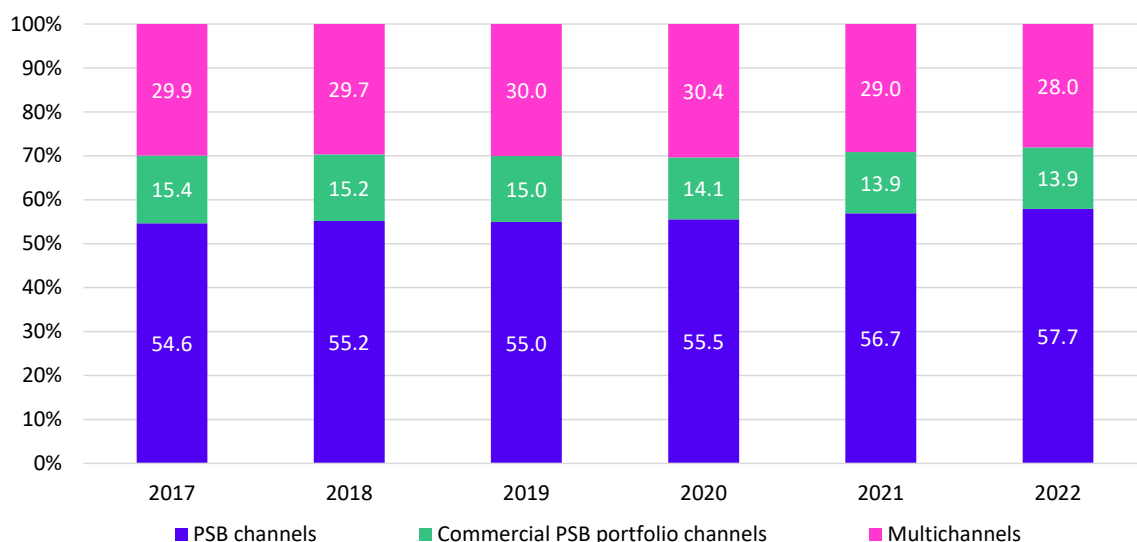
<sup>7</sup> Weekly reach defined as the percentage of all individuals aged 4+ watching 15 consecutive minutes or more in an average week.

<sup>8</sup> BBC portfolio channels include BBC Three, BBC Four, BBC News, CBBC, CBeebies, BBC Parliament and BBC Scotland.

Paramount and Warner Bros. Discovery) have declined in terms of their share of broadcast TV, from 30% in 2019 to 28% in 2022.

However, it should be noted that competition for people’s attention has increasingly arisen *outside broadcast TV* over the last 10 to 15 years, either from online-only streaming services, often with large content budgets (such as Netflix, Amazon Prime, and Disney+), video sharing and social media platforms (such as YouTube, Facebook and TikTok), or even gaming platforms.

**Figure 6: Broadcast viewing share, by channel group, for all individuals (4+): 2017-2022**



Source: Barb 28-day consolidated, all individuals (4+), TV sets only. PSB +1 channels are included in their portfolio groups. ‘PSB channels’ includes the five main PSB channels (excluding +1s) and all BBC channels.

## Most-watched programmes and events

### PSBs still dominate the list of most-watched programmes, but the number with over 4 million viewers has halved since 2014

Despite the continuing decline of linear TV viewing, PSB channels still dominate the list of most-watched programmes, especially when covering events of national significance such as high-profile sport, royal events and entertainment shows. Our research into public service broadcasting<sup>9</sup> highlights that audiences continue to say that PSBs deliver well on broadcast events that bring the nation together, and this is explored later in this section.

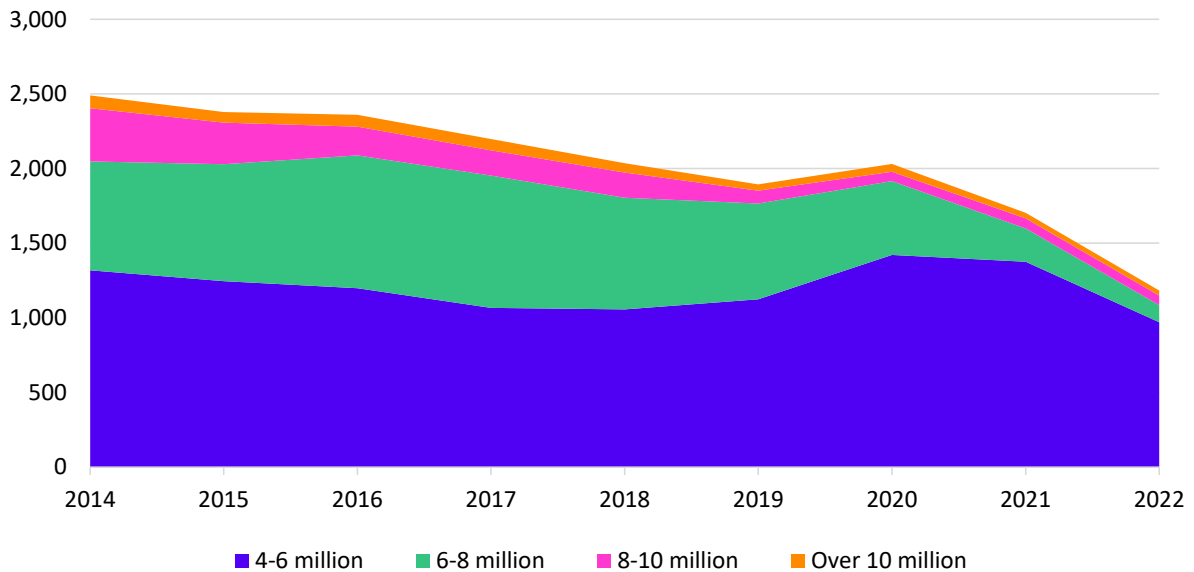
However, the number of transmissions achieving ‘mass audiences’ is in steep decline. In 2014, 2,490 broadcast transmissions attracted more than four million TV viewers, but in 2022 there were only 1,184 – a 52% decline. The decline was across most genres, but news (down 72%, from 537 to 148 programmes) and soaps (down 42%, from 754 to 438 programmes), which are the most prominent genres in terms of large audience titles, contributed the most to this drop, followed by other dramas (non-soaps). These declines reflect changing news consumption habits, with fewer people watching the main early and late evening TV news bulletins, as well as a steady decline in viewing figures for the three most-watched soaps – *Coronation Street*, *EastEnders* and *Emmerdale*. Overall, there was

<sup>9</sup> Ofcom’s Public Service Media Tracker 2022.

an even sharper drop (82%) in the number of broadcast transmissions generating more than six million TV viewers, from 1,172 in 2014 to 213 in 2022.

An additional 48 programmes attracted more than four million TV viewers on SVoD/AVoD platforms in 2022, with Netflix accounting for the vast majority. This relatively small number for SVoD/AVoD – 4% of the broadcast TV figure – illustrates how fragmented the viewing landscape has become, with the considerable levels of SVoD/AVoD viewing spread over the tens of thousands of episodes available across multiple platforms.<sup>10</sup>

**Figure 7: Number of broadcast TV transmissions with average audience above 4 million: 2014-2022**



*Source: Barb 28-day consolidated, all individuals (4+), TV sets only. Transmissions with a six-minute minimum duration averaging at least 4 million viewers on broadcast TV. Includes +1 channels where applicable. No combination of simultaneous broadcasts across channels.*

## The FIFA World Cup, Platinum Jubilee and HM Queen Elizabeth II state funeral were the most-watched TV events of 2022

The list of most-watched programmes in 2022 was topped by coverage of England’s quarter-final against France in the FIFA World Cup in Qatar, with an average of 16.1 million viewers. The second most-watched programme was the coverage of one of England’s earlier World Cup matches, against Senegal, with 14.4 million viewers.<sup>11</sup>

Royal events also appeared among the list of most-watched programmes in 2022. The second part of BBC One’s coverage of the state funeral of HM Queen Elizabeth II was watched by an average of 13.2 million viewers and The Queen’s Platinum Jubilee averaged slightly less. An average of 12 million viewers watched the coronation of King Charles III on BBC One on 6 May 2023.<sup>12</sup>

<sup>10</sup> According to Barb’s programme viewing measurement of SVoD/AVoD services, which includes Netflix, Disney+, Amazon Prime, Paramount+ and Apple TV+.

<sup>11</sup> Barb, 28-day consolidated, including +1 channels where appropriate. Individuals 4+, all devices, in-home only.

<sup>12</sup> The second transmission between 10:18 and 13:03 that day. None of the figures referenced in this paragraph include combined viewing across the various channels which covered the same individual events.

**Figure 8: Top 10 most-watched programmes in the UK, highest performing episode per title: 2022**

Rank	Title	Channel	Date	Share (%)	Average audience (millions)
1	FIFA World Cup: England vs France (QF)	ITV1	10/12/2022	68.4	16.1
2	The State Funeral of HM Queen Elizabeth II (part 2)	BBC One	19/09/2022	61.1	13.2
3	The Queen's Platinum Jubilee	BBC One	04/06/2022	66.2	13.2
4	I'm a Celebrity... Get Me Out of Here!	ITV1	06/11/2022	52.9	12.5
5	The Tourist	BBC One	01/01/2022	42.1	11.4
6	Happy New Year Live!	BBC One	31/12/2022	55.8	11.3
7	Women's Euro 2022: England vs Germany (F)	BBC One	31/07/2022	64.1	11.2
8	Trigger Point	ITV1	23/01/2022	43.8	10.9
9	Strictly Come Dancing	BBC One	17/12/2022	55.0	10.7
10	The Thief, His Wife and The Canoe	ITV1	17/04/2022	41.9	10.1

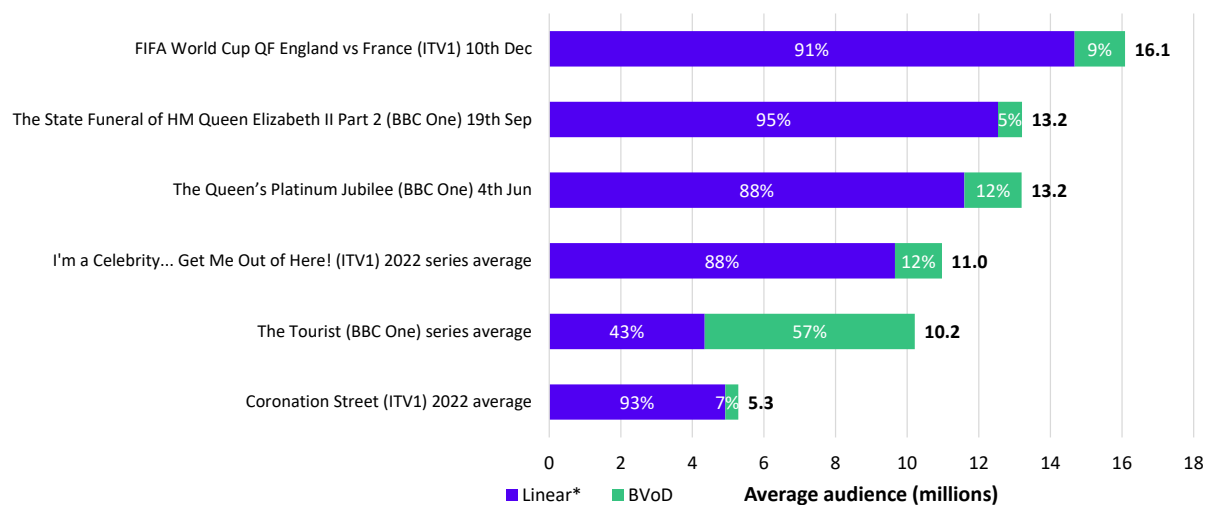
Source: Barb 28-day consolidated including pre-broadcast, individuals (4+), all devices. Highest performing episode of each title only, so does not include the second most-watched FIFA World Cup match (England vs Senegal on BBC One), for example. Includes +1 channels where applicable.

## A few of the most-watched programmes in 2022 attracted proportionally larger audiences through BVoD services

Even though BVoD services accounted for just 10% of viewing to broadcaster content overall, the proportion was higher for a few of the most-watched programmes of 2022 (see Figure 9). For example, 57% of all viewing to 2022's top drama series *The Tourist* came via BBC iPlayer; the series was released in full on iPlayer after the first broadcast on BBC One. Of all the viewing to BBC One's *The Queen's Platinum Jubilee*, 12% was via iPlayer, on par with ITV1's *I'm A Celebrity... Get Me Out of Here!*, which recorded 12% of its viewership via BVoD.<sup>13</sup> By comparison, ITV2's youth-skewing – and therefore relatively highly online-skewing – *Love Island* series 8 registered 39% of its audience via BVoD. Typically, younger audiences help drive BVoD viewing, and for these two ITV shows, BVoD viewing by those aged 16-34 accounted for 24% and 46% of their totals respectively.

<sup>13</sup> ITVX replaced ITV Hub as ITV's BVoD service in December 2022.

**Figure 9: Proportion of viewing to selected programmes, linear and BVoD: 2022**



Source: Barb, 28-day consolidated, all individuals (4+), all devices. \*Linear refers to viewing across all the broadcast channels owned by each broadcaster (watched live and recorded within 28 days). BVoD includes all content watched via the on-demand services owned by each broadcaster include non-linear programming.

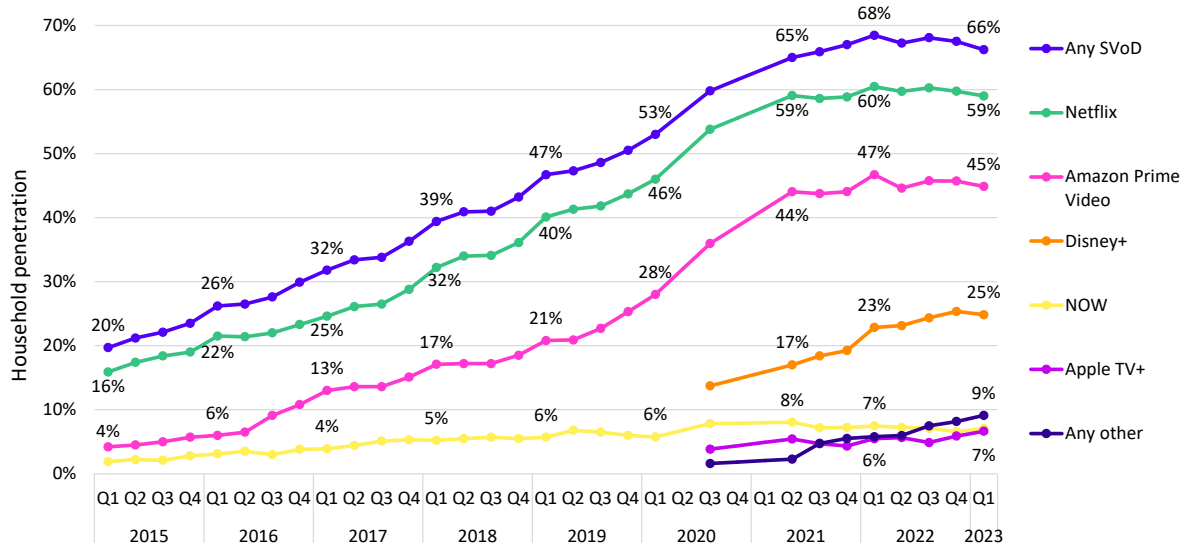
## Subscription video-on-demand

### Take-up of SVoD services stalled in 2022 as economic pressure on households increased and growing competition took effect

This section discusses changes in the take-up and consumption of SVoD services, including Netflix, Amazon Prime and Disney+. Further detail on industry developments within the SVoD sector is provided in the [TV and video industry trends](#) section of this report.

The growth of SVoD household penetration slowed in 2022, and this continued into early 2023 as the rising cost of living, combined with SVoD service price rises, put greater strain on household budgets. As discussed in the [TV and video industry trends](#) section of this report, Netflix began to incorporate ad-supported tiers and the competitive landscape continued to expand. Following the accelerated adoption of SVoD during the pandemic, when the number of UK households subscribing to at least one service reached 68% in Q1 2022, this figure has since come down slightly and plateaued at about two-thirds of households (66%, or 19 million) in Q1 2023.

**Figure 10: SVoD penetration of UK households, by provider: Q1 2015 to Q1 2023**



Source: Barb Establishment Survey. Includes paid-for subscriptions and free trials. No data for Q2 2020, Q4 2020, and Q1 2021 due to the suspension of fieldwork due to the Covid-19 pandemic. ‘Any other’ includes Hayu, Discovery+, Paramount+ and BritBox.

Netflix has maintained its position as the largest SVoD provider in the UK, with 59% of households subscribing. Disney+ (25%) added an additional 746,000 households between the first and fourth quarters of 2022, taking its subscription base up to 7.1 million households, but alongside Netflix and Amazon Prime Video, it fell in Q1 2023. Apple TV+ bucked this trend and increased its volume of subscriber homes by two percentage points compared to the same quarter in 2022. With subscriptions to Apple TV+ provided as a free trial with new Apple device purchases, 18% of total Apple TV+ subscriptions were free in Q1 2023 (Q1 2022: 14%), compared with just 2% of Netflix and 3% of Amazon Prime Video subscriptions. The average number of SVoD subscriptions per UK household taking at least one SVoD service remained stable between Q1 2022 and Q1 2023, at just over two per household.<sup>14</sup>

According to research from The Insights Family, use of the leading SVoD platforms among children aged 3-12 continued to grow in Q1 2023. Netflix remained the most popular service among children, with its quarterly reach increasing by four percentage points year on year to 66%. YouTube (including YouTube Kids) was still the second most popular online video service among this audience, with 45% of 3-12-year-olds stating they used the service. However, the proportion of children saying that they used the service declined by 14 percentage points.<sup>15</sup> That said, in terms of levels of use, over half said they watched more YouTube than other platforms, rising from 47% to 51% year on year.<sup>16</sup>

Amazon Prime Video maintained its reach of 45%, but Amazon Kids+, a standalone service costing £6.99 per month, or £3.99 for existing Prime customers, achieved the biggest increase in reach of any service over the year, up from 0.2% in Q1 2022 to 8.5% in Q1 2023, having rebranded in the UK in April 2021 and rolling out to other platforms since then. Disney+ continued to gain momentum, and its reach increased year on year by three percentage points, from 37% to 40%. BBC iPlayer

<sup>14</sup> Barb Establishment Survey. Includes paid-for subscriptions and free trials.

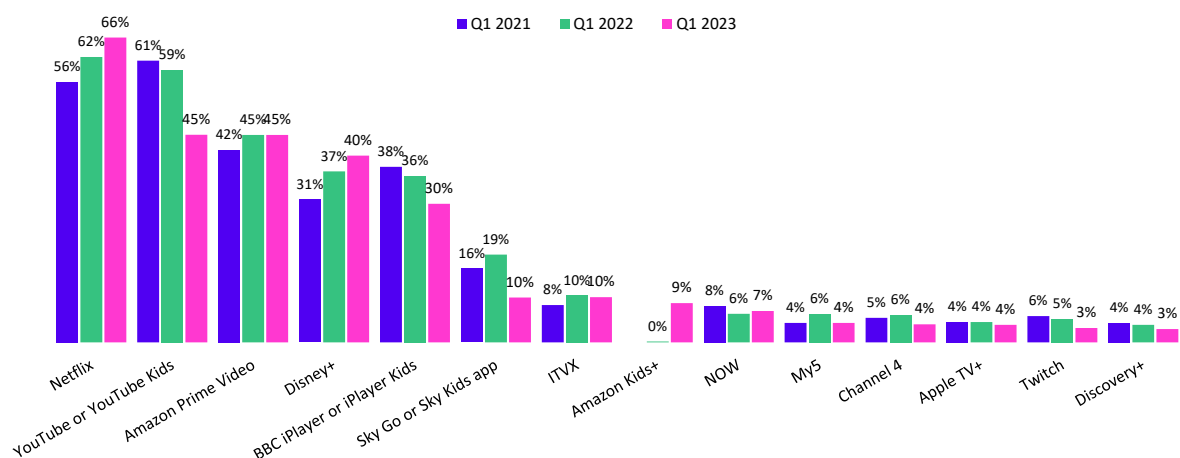
<sup>15</sup> The Insights Family UK. Age 3-12.

<sup>16</sup> The Insights Family UK. Question: What have you watched more of this week? Answers to choose from: Netflix, YouTube, Amazon Prime Video or normal TV. Age 3-12. 1 January – 31 March 2023: 1,696.



(including iPlayer Kids) remained in the top five most-used services but had a year-on-year decline of six percentage points, down to 30%.<sup>17</sup>

**Figure 11: Use of selected online video services, by 3-12-year-olds: Q1 2021 – Q1 2023**



Source: The Insights Family UK. Age 3-12. Multi-choice question: Which of these TV platforms do you use? Q1: 1 January-31 March. Base: 2023: 1696; 2022: 1721; 2021: 1670.

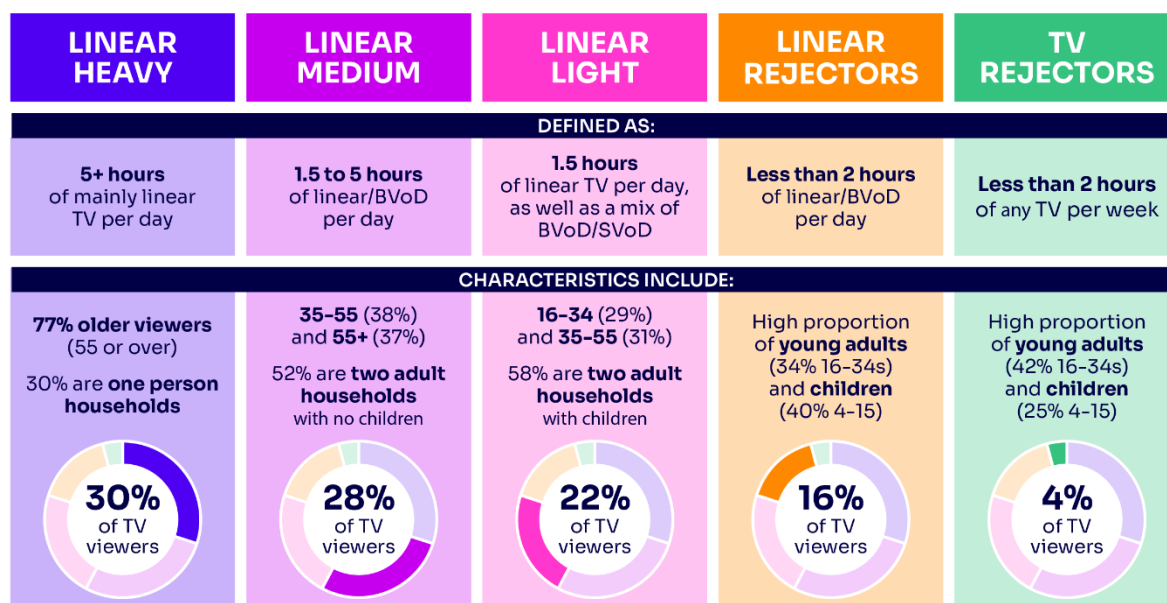
## TV viewer journeys

Audiences have different viewer journeys from when they turn on the TV to when they turn it off, with variations in switching behaviour between different channels and services to find the content they want to watch. Ofcom commissioned TRP Research to carry out bespoke analysis of the Barb database to provide quantitative insight into these different viewer journeys during a portion of 2022. A summary of our analysis is outlined below.

Using Barb’s new measurement extension we segmented 8,560 panellists into five distinct groups, with the main differentiating variable being the amount of linear TV watched, as illustrated in Figure 12 below.

<sup>17</sup> The Insights Family UK, Age 3-12, Q1: 1 January – 31 March 2023.

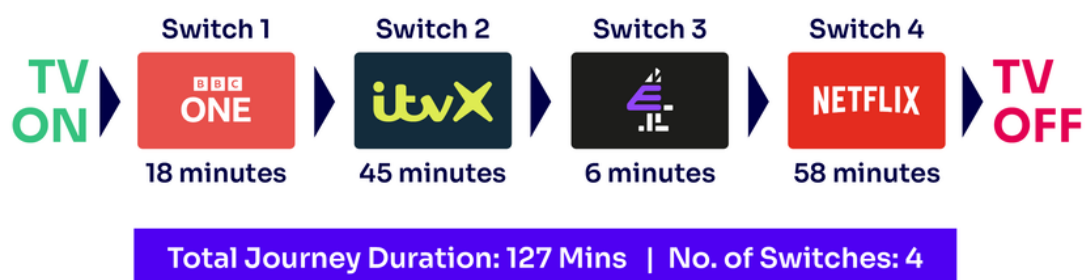
Figure 12: Definitions and characteristics of the five segments



Source: Ofcom/TRP.

We then looked at how viewer journeys (or viewing sessions) varied by each of the segments. A viewing session includes all the activity from when an individual turns on the TV to when they turn it off, and includes all switching between different services, such as linear TV channels, BVoD and SVoD services, and VSPs such as YouTube. An example of a viewer journey is shown below. In total we analysed approximately 500,000 viewing sessions on the TV set, containing a total of 3.7 million 'switch' events.<sup>18</sup>

Figure 13: Example of a viewer journey



Source: Ofcom/TRP.

<sup>18</sup> Each switch (or channel/platform viewed) must last a minute or longer to be counted. The entire journey must exceed at least five minutes to be included in the analysis. If a viewer watches the channel which is automatically on, when they switch on the TV for more than one minute, then this will be counted as their first switch.

## Linear Heavy viewers have longer TV viewing sessions and make more switches per session

**Linear Heavy** viewers watch more than 5 hours of linear TV per day and are the largest segment, representing 30% of the total audience but making up more than half (52%) of all TV and AV viewing in the home via the TV set. This segment has a high proportion of viewers aged 55+ (77%) as well as single-person households (30%). They have on average three viewer journeys (viewing sessions from TV on to TV off) per day, compared to only two for *Linear Light* viewers. In addition, *Linear Heavy* viewers have longer viewer journey lengths (159 minutes per journey, versus 83 minutes for *Linear Light*). *Linear Heavy* viewers also have the highest volume of switches per journey (8) as they navigate between predominately linear channels looking for content that appeals, compared to only six switches per journey for *Linear Light* viewers.

**Linear Medium** viewers are the second largest segment, representing 28% of the TV viewer universe. On average they watch one to two hours of TV per viewing session, three times a day, and make seven switches per session. Most of their viewing (62%) is to linear TV, while SVoD/AVoD services account for 14% of their viewing time.

## Linear Light viewers have the largest proportion of journeys starting with BVoD, but are more likely to select SVoD as a first destination

**Linear Light** viewers watch 34 minutes of linear TV per viewing session. However, they spend the same amount of time on SVoD/AVoD services and ‘unmatched’ viewing combined.<sup>19</sup> They are potentially ‘floating voters’, some of whom may transition to becoming *Linear Rejectors*. However, they also watch the most BVoD (11 minutes per viewing session) of all the segments.






Very few journeys (2% among all individuals) are unique to BVoD – i.e. BVoD is typically watched in conjunction with linear or SVoD/AVoD in the same viewing session (72% of BVoD viewing is in conjunction with linear, while 24% is in conjunction with SVoD/AVoD). BVoD services represent only a small proportion of first destinations (5% among all individuals). Although *Linear Light* viewers are the most likely segment to begin their viewing session with BVoD, they are twice as likely to select SVoD/AVoD over BVoD.

**Linear Rejectors** watch the most SVoD/AVoD in a typical journey and switch the least between channels and services; 42% of all *Linear Rejectors*’ journeys are made up of only one or two switches, suggesting that SVoD/AVoD/VSPs are ‘stickier’ and hold viewers’ attention for longer, perhaps due to features such as ‘play next episode’ and ‘watch entire series’. *Linear Rejectors* not only reject linear TV channels but also BVoD, with only a small amount of BVoD featuring in their viewer journeys (4 minutes, compared to 39 minutes of SVoD/AVoD and 17 minutes of VSPs watched in the home via the TV set).

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<sup>19</sup> ‘Unmatched’ is unidentified viewing. It includes viewing of linear content via DVR 29+ days following recording, watching DVDs, viewing of unreferenced channels, gaming through the TV (e.g. PlayStation/Xbox/Switch), as well as viewing of some SVoD/AVoD services or VSPs that cannot be measured definitively.

Figure 14: Viewing session length and switching behaviour, by segment, 2022

LINEAR HEAVY	LINEAR MEDIUM	LINEAR LIGHT	LINEAR REJECTORS	TV REJECTORS
<b>3 viewing sessions per day</b> - split between morning, afternoon and prime	<b>3 viewing sessions per day</b>	<b>2 viewing sessions per day</b> - mostly during prime	<b>2 viewing sessions per day</b>	<b>1 viewing session per day</b> - but not every day
Average viewing session length <b>159 mins</b>	Average viewing session length <b>110 mins</b>	Average viewing session length <b>83 mins</b>	Average viewing session length <b>113 mins</b>	Average viewing session length <b>60 mins</b>
 <b>7-8 switches per journey</b>	 <b>7 switches per journey</b>	 <b>6 switches per journey</b>	 <b>6 switches per journey</b>	 <b>4 switches per journey</b>
<b>89% linear viewing</b>	<b>62% linear viewing</b> <b>8% BVoD</b> <b>14% SVoD</b>	<b>41% linear viewing</b> <b>12% BVoD</b> <b>24% SVoD</b>	<b>6% linear viewing</b> <b>3% BVoD</b> <b>32% SVoD</b> <small>(plus 42% unmatched viewing)</small>	<b>89% of all viewing is linear</b>

Source: Ofcom/TRP.

## After BBC One and ITV1, Netflix is the next most popular first destination among all individuals

Netflix is the third most popular *first* destination among all individuals aged 4+, behind BBC One and ITV1 but ahead of all other linear channels and BVoD services. BBC One is the first destination<sup>20</sup> for 20% of all individuals, followed by ITV1 (13%) and Netflix (6%). For each of the five segments, the top destination channels are shown in Figure 15 as an index relative to all individuals (see the notes below the chart for more detail). For example, *Linear Heavy* viewers are more likely to select ITV3 as a first destination compared to all individuals.

Netflix is also the third most popular *final* destination among all individuals. Almost a quarter (23%) of all switches among *Linear Rejectors* are between Netflix and another SVoD/AVoD service or a VSP such as YouTube, or vice versa.

Children (aged 4-15) have shorter journeys with fewer switches compared to adults. This is driven by children having a higher proportion of viewer journeys unique to SVoD/AVoD or VSPs. Adults are more likely to select SVoD/AVoD as a first destination if they are viewing with children (18% when viewing with children, 6% without).

<sup>20</sup> If a viewer watches the channel that is 'automatically on' when they switch on the TV for more than a minute, this will be counted as their first destination (or switch).

Figure 15: First destinations indexed versus all individuals, by segment

	All Inds 4+		Linear Heavy		Linear Medium		Linear Light		Linear Rejectors		TV Rejectors	
	Channel	%	Channel	Index	Channel	Index	Channel	Index	Channel	Index	Channel	Index
1		20%		183		151		245		448		350
2		13%		180		146		242		383		298
3		6%		177		133		230		351		261
4		4%		168		133		222		291		214
5		4%		163		130		198		87		184

Source: Ofcom/TRP. Index = % of first destination for each segment versus % of first destination for all individuals aged 4+. A figure of 100 is an exact match compared to all individuals, whereas a figure of 200 means the channel is twice as likely to be a first destination compared to all individuals.

## Social video

### Young adults continue to spend an hour per day on TikTok

Time spent per visitor to social video platforms – covering all activities including viewing video, listening to audio, communicating, and scrolling – was broadly stable across the major platforms year on year. UK visitors aged 15+ to Facebook (including Messenger) spent 37 minutes per day in March 2023 (March 2022: 34 minutes), and those to YouTube spent 23 minutes per day (March 2022: 22 minutes). Facebook and YouTube continue to be the social video platforms with the highest reach, both with 91% (45.6 million) of UK online adults, and they remain the platforms accounting for the most time spent overall.

While average time spent on TikTok was also relatively stable at 28 minutes per visitor per day (March 2022: 29 minutes), the number of visitors grew to 45% (22.3 million) of UK internet users aged 15+, up from 36% (18 million) in March 2022. Most of this growth was driven by visitors aged over 25.<sup>21</sup> Among children, 14% of 3-12-year-olds said they used TikTok in Q1 2023 – a two-percentage-point decrease year on year – while the figure for 13-14-year-olds was 40% (Q1 2022: 39%). This suggests that growth in TikTok reach among young people has slowed.<sup>22</sup>

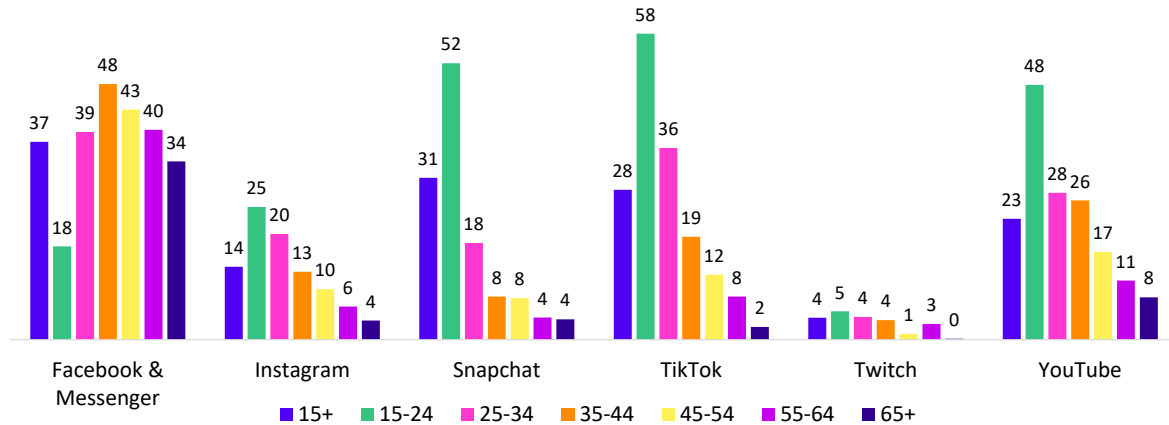
There were clear demographic differences in the time spent on social video platforms. Older adult visitors to Facebook and Messenger spent more time than 15-24-year-olds on those platforms, while 15-24-year-old visitors to YouTube, TikTok, Instagram and Snapchat spent more time than older visitors on these platforms. In March 2023 5.2 million 15-24-year-olds visited TikTok, spending an average of 58 minutes per day; stable since March 2022 (57 minutes). Similarly, 5.4 million 15-24-year-olds visited Snapchat, spending an average of 52 minutes per day. By comparison, 15-24-year-

<sup>21</sup> © Ipsos, Ipsos iris Online Audience Measurement Service, 1-31 March 2022 and 2023, adults aged 15+, UK.

<sup>22</sup> The Insights Family UK, Age 3-12, Q1 2022 and 2023: 1 January – 31 March. Question: Which of these sites and social networks do you use?

olds who visited Facebook and Instagram spent 18 minutes and 25 minutes on those platforms respectively.

**Figure 16: Time spent per day on selected social video platforms, by age: March 2023 (minutes)**



Source: © Ipsos, Ipsos iris Online Audience Measurement Service, 1-31 March 2023, adults aged 15+, UK. TV set and smart display use not included. Custom-defined list by Ofcom. Time spent includes viewing video, communicating, scrolling and any other activity on the platform. Time spent per day represents average minutes per visitor per month divided by total days within month.

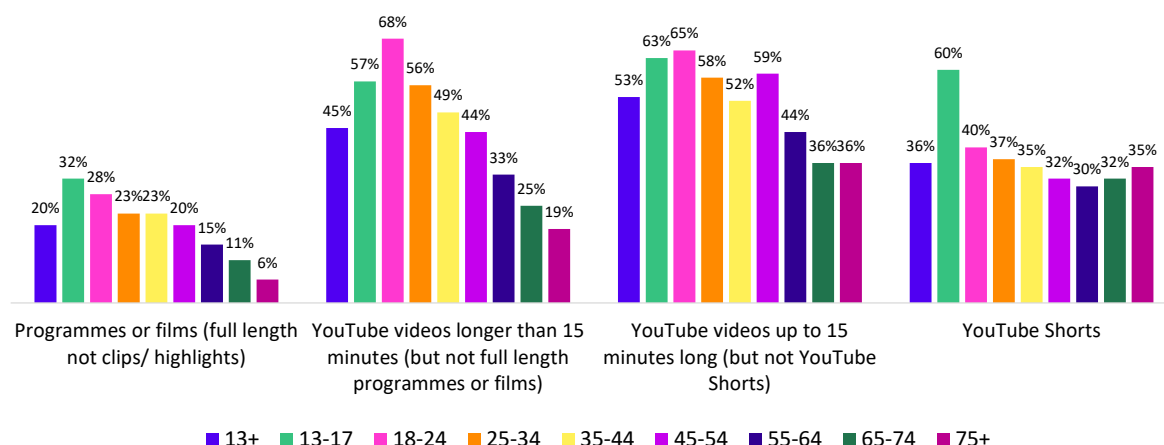
## Four in five UK teens and adults say they watch content on YouTube

Ofcom’s VoD Survey found that 81% of UK teens and adults said that they watched content on YouTube across a three-month period. Videos up to 15 minutes long were the most popular form of content on YouTube (53%), followed by videos longer than 15 minutes (45%).<sup>23</sup>

The survey also found that 7% of teens and adults used Facebook Watch and 1% watched Snapchat Originals. [Snapchat announced](#) the closure of its Snap Originals division in August 2022, and similarly, in May 2023, [Meta announced](#) that it would shut down its Facebook Watch Originals, as both companies sought to cut spend following a reduction in their advertising revenues.

<sup>23</sup> Ofcom VoD Survey 2023: A bespoke survey of 2203 online adults and teens which looks at VoD service use and VoD provider perceptions. Fieldwork conducted 22-27 February 2023. ‘Three-month period’ refers to December 2022 – February 2023.

**Figure 17: Forms of content viewed on YouTube, by UK teens and adults: December 2022 – February 2023**



Source: Ofcom VoD Survey 2023. Question: What form of content have you watched on YouTube in the past 3 months [December 2022 – February 2023] Base: all respondents. Fieldwork conducted 22-27 February 2023. 'I have not used YouTube in the past 3 months' and 'Don't know' not shown. Note: 'Full-length programmes or films' does not include clips; YouTube videos longer than 15 minutes does not include full length programmes or films; and YouTube videos up to 15 minutes long does not include YouTube Shorts.

## A third of online adults in Britain report watching short-form content daily

Short-form video (videos shorter than ten minutes) was watched daily by more than a third (38%) of online adults in Great Britain<sup>24</sup> aged 15+, from late 2022 to early 2023, with viewing skewing more to younger audiences; 68% of 15-24-year-olds claimed to watch short-form videos daily, compared to 14% of those aged 65+.

YouTube remains the most popular short-form social video platform. It was used by 68% of internet users aged 15+ for watching videos lasting less than ten minutes. Facebook (49%) and Instagram (31%) are also used by many for watching short-form video. The popularity of Instagram and TikTok skews heavily towards younger viewers. Instagram (63%) was second in use only to YouTube among 15-17-year-olds, followed by TikTok (50%).<sup>25</sup>

## News and 'how-to' content dominate short-form video viewing

Among adults who watched short-form content at least once a month, the most popular genre was 'how-to' videos (64%), followed by news (63%) and videos uploaded by the general public (59%). Preferences varied by age group. For example, videos uploaded by the general public were most popular among 15-34-year-olds (72%), probably helped by the popularity of TikTok. 'How-to' videos

<sup>24</sup> The use of a mixture of data sources in this section mean that some survey samples are from Great Britain only (England, Scotland and Wales) while other are for the UK as a whole (all four nations, including Northern Ireland).

<sup>25</sup> IPA TouchPoints 2023 SuperHub. Base: all GB adults aged 15+ who have been online in past 12 months.

were most popular with 35-44-year-olds (68%) and women (66%), but news was the most-viewed content among all viewers aged 45+ (65%).<sup>26</sup>

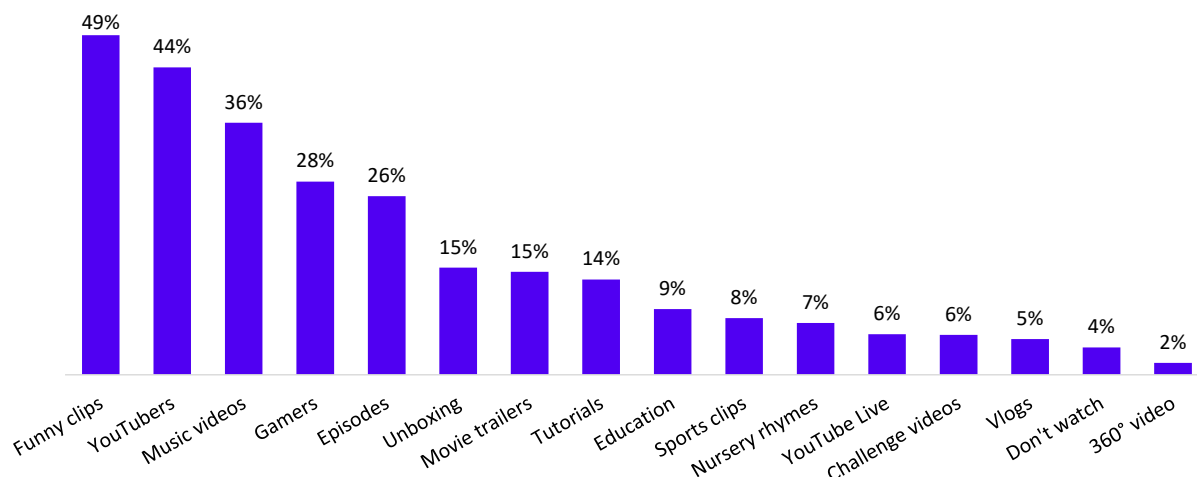
**Figure 18: Genres viewed at least monthly by adults who watch short video content online**



Source: IPA TouchPoints 2023 SuperHub (September – November 2022 and January – March 2023). GB adults 15+. Base: all adults who watch short video or online content of less than ten minutes on any device at least monthly.

Funny clips remain the most popular type of content viewed on YouTube by children aged 3-12, with 49% claiming to view these, a seven-percentage-point increase year on year. YouTubers (such as Mr Beast and PewDiePie) were the second most popular category, at 44%, while music videos came in third at 36%. Unlike among older age groups, 'how-to' or tutorial videos were much less popular among 3-12-year-olds, with only 14% of them choosing to watch this content.<sup>27</sup>

**Figure 19: Types of videos viewed on YouTube by 3-12-year-olds: Q1 2023**



Source: The Insights Family UK. Age 3-12. Multi-choice question: What type of videos do you watch on YouTube? Q1: 1 January – 31 March 2023. Base: 1696.

<sup>26</sup> IPA TouchPoints 2023 SuperHub. Base: all GB adults who watch short-form video or online content of less than ten minutes on any device at least monthly.

<sup>27</sup> The Insights Family UK, Age 3-12, Q1: 1 January – 31 March 2023.



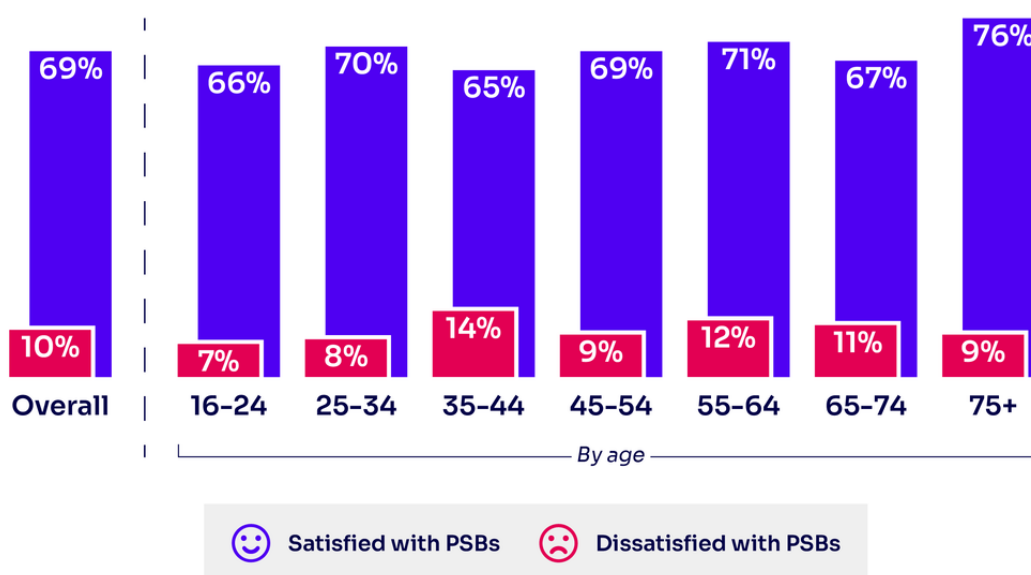
## Audience attitudes and sentiments

### Overall, audiences continue to be broadly satisfied with public service broadcasting

When asked to think about PSB channels overall, about seven in ten (69%)<sup>28</sup> PSB viewers<sup>29</sup> said they were satisfied with them. Since 2021 there has been a slight reduction in those stating they are dissatisfied with PSBs (down from 12% to 10%), driven largely by 16-34-year-olds (11% to 7%).

Looking at demographic differences in 2022, those aged 75+ (76%), in socio-economic group ABC1 (73%), with white ethnic backgrounds (70%) and women (73%) were more likely to be satisfied with PSBs overall, compared to the UK total (69%).

Figure 20: Satisfaction with PSBs overall and by age: 2022



Source: Ofcom's Public Service Media Tracker 2022. Question 28: And now, if you think about ALL the public service broadcaster channels combined, how satisfied are you that combined they provide the different elements asked about in the previous question? Base: All who have watched PSB channel/service in last six months: UK total (2,826), 16-24 (279), 25-34 (420), 35-44 (454), 45-54 (495), 55-64 (506), 65-74 (402), 75+ (270).

Across the individual PSB channels, Channel 4 (79%) continued to have the highest levels of satisfaction among its viewers, followed by ITV<sup>30</sup> (76%), BBC One (75%) and Channel 5 (70%), all largely consistent with 2021 figures.

### In 2022, public service broadcasters were seen to bring the nation together

Overall, PSB viewers continue to say that PSBs deliver well across a range of attributes. Among those who had used a PSB service in the past six months, PSBs were seen to deliver well on 'programmes

<sup>28</sup> Ofcom's Public Service Media Tracker 2022.

<sup>29</sup> PSB viewers are defined as all who have watched a PSB channel/service in the last six months.

<sup>30</sup> At the time of fieldwork for the PSM Tracker, ITV's PSB channel was called ITV. It rebranded in late 2022 to ITV1.

made for UK audiences’ (69%), ‘a wide range of different types of programmes’ (67%) and ‘programmes that help me understand what is going on in the world today’ (65%); findings consistent with 2021. There was also an increase in how PSBs were seen to deliver on ‘broadcast events that bring the nation together for a shared viewing experience’ compared to 2021 (increasing from 61% to 65%). This may be linked to viewing of large-scale national events, such as the FIFA World Cup, the Platinum Jubilee and the state funeral of HM Queen Elizabeth II.<sup>31</sup>

Looking at individual broadcasters, the BBC and ITV TV channels continue to deliver well across PSB attributes, and attitudes are broadly stable year on year. However, viewers’ perceptions of the delivery of PSB attributes by Channel 4 and Channel 5 TV channels improved compared to 2021. For example, viewers of Channel 4 TV channels were more likely to say that these delivered well in providing ‘programmes which feature people from different backgrounds’ (increasing from 57% to 60%), programmes that ‘appeals to a wide range of audiences’ (increasing from 54% to 58%) and ‘programmes that help me understand what is going on in the world’ (increasing from 51% to 56%), among others. Channel 5 TV channels were seen to deliver ‘programmes that are different in their approach to other providers’ (increasing from 41% to 44%) and ‘programmes I can watch and talk about with people I know’ (increasing from 40% to 43%), among others.

**Figure 21: Proportion of PSB viewers who rated the delivery of different attributes of PSBs ‘well’ (NET 7-10): 2022**

	<b>BBC</b>	<b>itv</b>	<b>4</b>	<b>5</b>
Programmes made for UK audiences	67%	66%	60%	53%
A wide range of different types of platforms, such as drama, comedy, sport or entertainment	67%	63%	58%	46%
Programmes which feature people from different backgrounds	61%	57%	60%	50%
Programmes that help me to understand what is going on in the world today	66%	57%	56%	43%
Broadcast events that bring the nation together for a shared viewing experience	67%	58%	45%	37%

Source: Ofcom’s Public Service Media Tracker 2022. Question 24. “Thinking about each broadcaster individually on a scale of 1 to 10, where 1 means extremely badly and 10 means extremely well, how well or badly does it provide...?” Base: All who have watched... in last six months: BBC TV channels (2,666), ITV/STV/UTV and ITV channels (2,611), Channel 4 TV channels (2,599), Channel 5 TV channels (2,313). Please note, this is a selection of attributes, rather than the top-rated attributes for each PSB.

<sup>31</sup> Barb.

## A lack of interest in the available content is the main reason people do not watch PSB channels

Those who said they had not watched any PSB channels in the last six months were asked an open question about why they had not, for individual PSB channels. The top two reasons cited across all channels were the available programmes not being of interest, and not watching live TV and preferring to record/watch online or use other streaming services.

People said:

“I often can't find programmes that I want to watch. It's easier to find the things you want on Netflix or Prime Video”

(Man, 28 years old – ITV)

“I don't watch normal TV and haven't for quite some time. My go-to is Netflix and my daughter goes straight for YouTube”

(Woman, 31 years old – Channel 5)

## BVoD is still most commonly used as a catch-up service

A majority of UK audiences (74%) said it was important that public service broadcasters provide catch up, on-demand or streaming services. Four in five (82%) of those who had viewed the service in the last six months said they were satisfied with BBC iPlayer, followed by 75% for All 4, 73% for ITV Hub<sup>32</sup> and 68% for My5.

The most common reason given by BVoD viewers<sup>33</sup> for using services was to *‘to catch up on programmes I missed on TV’* (66%), followed by being able *‘to watch what I want, when I want’* (51%) and to *‘watch specific programmes or box-sets’* (40%). A third (33%) said they used them because *‘it doesn’t require a subscription’*, a six-percentage-point increase from 2021 to 2022.

Although not a main reason cited for using BVoD services (18%), three-quarters of respondents (75%) said they were aware that they could watch live TV on these services. About half (55%) said they used this function on BBC iPlayer, 41% saying the same for ITV Hub, 33% for All 4 and 30% for My5.





Overall, each of the PSB VoDs were perceived as delivering well across the key attributes. Some of the highest performing statements included *‘a wide range of different types of programmes, such as drama, comedy, entertainment or sport’*, *‘programmes made for UK audiences’*, *‘provides services that are easy to find my way around’* and *‘easy to find something I want to watch’*. However, there were some differences between the services.

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<sup>32</sup> At the time of fieldwork for the Public Service Media Tracker, Channel 4’s BVoD service was called All 4 or All 4+ and ITV’s BVoD was ITV Hub or ITV Hub+.

<sup>33</sup> BVoD viewers are defined as those who have watched at least one BVoD service in the last six months.

**Figure 22: Proportion of BVoD viewers who rated the delivery of different attributes of BVoD services ‘well’ (NET 7-10): 2022**

				
Provides services that are easy to find my way around	74%	66%	65%	58%
Easy to find something I want to watch	73%	63%	64%	58%
A wide range of different types of programmes, such as drama, comedy, sport or entertainment	75%	67%	65%	55%
Programmes made for UK audiences	73%	68%	66%	59%
Programmes which feature people from different backgrounds	66%	61%	65%	55%

Source: Ofcom’s Public Service Media Tracker 2022. Question 35. Thinking about each broadcaster TV catch-up, on-demand or streaming service individually on a scale of 1 to 10, where 1 means extremely badly and 10 means extremely well, how well or badly does it provide...? Base: All who have watched ... in last six months: BBC iPlayer (2,204), ITV Hub or ITV Hub+ (1,738), All 4 or All 4+ (1,475), My5 (1,127). Please note, this is a selection of attributes, rather than the top-rated attributes for each BVoD service.

Year on year, there have been improvements on several statements across the different services. For BBC iPlayer, this was particularly on statements related to diversity, such as ‘programmes that feature people like me’ (increasing from 49% to 56%) and ‘programmes that feature people from different backgrounds’ (increasing from 49% to 66%). ITV Hub also saw improvements on these statements, as well as across statements such as ‘programmes that help me understand what is going on in the world today’ (increasing from 52% to 57%), ‘programmes that are different in their approach to other providers’ (increasing from 45% to 51%) and ‘programmes that are relevant to me’ (increasing from 57% to 62%). All 4 saw improvements on several statements, including ‘programmes that feature people like me’ (increasing from 47% to 53%).

Across all PSB VoD services, among those who had not watched them in the last six months, the main reasons given for not using the services were: not being interested in the content available on them; preferring to watch other services; and not having access to the service. For example, for BBC iPlayer, 27% said they preferred to watch other services, 20% said they were not interested in the programmes available, and 15% said they didn’t have access to the service.

## SVoD services’ main appeal is unique content, and ease of use

More than half of viewers (53%) reported video-on-demand services as being ‘the main way they watch programmes and films’. Ofcom’s VoD Survey found that subscribers to SVoD services such as Netflix did so to watch exclusive content not available elsewhere (35%) and content different to what was broadcast on TV (33%). These reasons were echoed by Amazon Prime subscribers (26% and 25% respectively), who also cited free parcel delivery as a major reason (48%). For Disney+ the reasons included ‘specific programmes only available on the platform’ (34%) and ‘content not available anywhere else’ (30%).

Among its viewers,<sup>34</sup> Netflix was seen to deliver well on *'appeals to a wide range of different audiences'* (82%), *'provides services that are easy to find my way around'* (82%) and *'easy to find something I want to watch'* (81%). For Amazon Prime, the two top-rated statements mirrored those of Netflix: *'appeals to a wide range of different audiences'* (76%), followed by *'provides services that are easy to find my way around'* (74%) and the third being *'a wide range of different types of programmes, such as drama, comedy, entertainment or sport'* (72%). Disney+ and NOW also performed well across these statements.

There are high levels of overall satisfaction for SVoD services; 86% of viewers in the last six months say they are satisfied with Netflix, with a similar proportion saying the same for Disney+ (82%) and Amazon Prime Video (80%).

While audiences overall are satisfied with individual SVoD provisions, some express dissatisfaction with elements of the current VoD landscape. Ofcom's VoD Survey found that about two-fifths agreed with the statements: *'there are too many video-on-demand services'* (44%) and *'I find the amount of content available on video-on-demand services overwhelming'* (40%). A further 22% agreed they *'spent too much money subscribing to video-on-demand services'*. A slightly lower proportion of Netflix subscribers were happy with the cost of the service (54%) compared to Amazon Prime (60%) and Disney+ (59%).

Some viewers reported unsubscribing from SVoD services in the three months before the research took place (Netflix: 5%, Amazon Prime: 5%, Disney+: 5%).<sup>35</sup> The current cost-of-living crisis may be influencing these decisions; audiences who had unsubscribed from a service cited SVoD services increasing their prices (Netflix: 24%), or being too expensive (Netflix: 27%, Amazon Prime: 31%, Disney+: 23%), or not being used enough to warrant the expense any more (Amazon Prime: 29%, Disney+: 30%). While some audiences are unsubscribing, most (67%) said *'they would miss video-on-demand services if they were no longer available'*. Audiences' reluctance to give up these services, despite the cost, may explain the plateauing of subscriptions to SVoD services, reported earlier.

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<sup>34</sup> Defined as those who have watched the service in the last six months.

<sup>35</sup> Ofcom VoD Survey 2023.

# TV and video industry trends

## Introduction: the post-pandemic bounce-back has given way to new challenges across the industry

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Following record revenue growth in 2021, fortunes in 2022 were mixed; the audiovisual industry maintained some momentum in the early part of the year, before macro-economic factors combined to make trading conditions much more challenging. This growth in 2021 enabled broadcasters – which were among the players worst affected by the pandemic in 2020 – to mount a significant recovery, driven by renewed interest in TV advertising, while providers of subscription and ad-supported online TV and video services surged during the extended periods of lockdown. However, the economic downturn that began in 2022 had a negative bearing on performances across the industry, leading to some re-evaluation of the growth ceiling for streaming services and tech companies more broadly.

This section quantifies the revenue generated across different sectors of the TV and online video market, and examines some of the underlying industry trends, across advertising, broadcasting (PSB in particular) and online video.

### How we present financial data

Financial data quoted in this report is primarily presented in nominal terms, meaning that historical data has not been adjusted to account for inflation.

For those who wish to see how inflation has historically affected the value of the industry, our [interactive report](#) enables financial data to be viewed in either nominal or 'real' (CPI-adjusted) terms, with users easily able to switch between the two.

## Industry revenues

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### Commercial broadcasters suffered small revenue declines in a difficult economic environment

Following their strong 2021 rebound from the heavy Covid-19-related disruption of the previous year, the commercial broadcast TV sector was unable to sustain revenue growth in 2022. Combined revenues for commercial PSBs, digital multichannels and pay-TV platform operators declined by 1.8% to £11.1bn. This was 2.6% higher than in 2019, the last pre-pandemic year, although high inflation in 2022 complicates nominal-terms comparisons with previous years.

For the commercial PSB channels and many digital multichannels which rely primarily on income from advertising, the downturn in the UK economy in the second half of 2022 – with a [recession narrowly avoided](#) – was a key factor in their revenue declines, as growth in the first half of the year could not be maintained. ITV, Channel 4 and Channel 5 collectively generated £97m less than in 2021, but the £2.3bn annual total was still the second-highest since 2017.

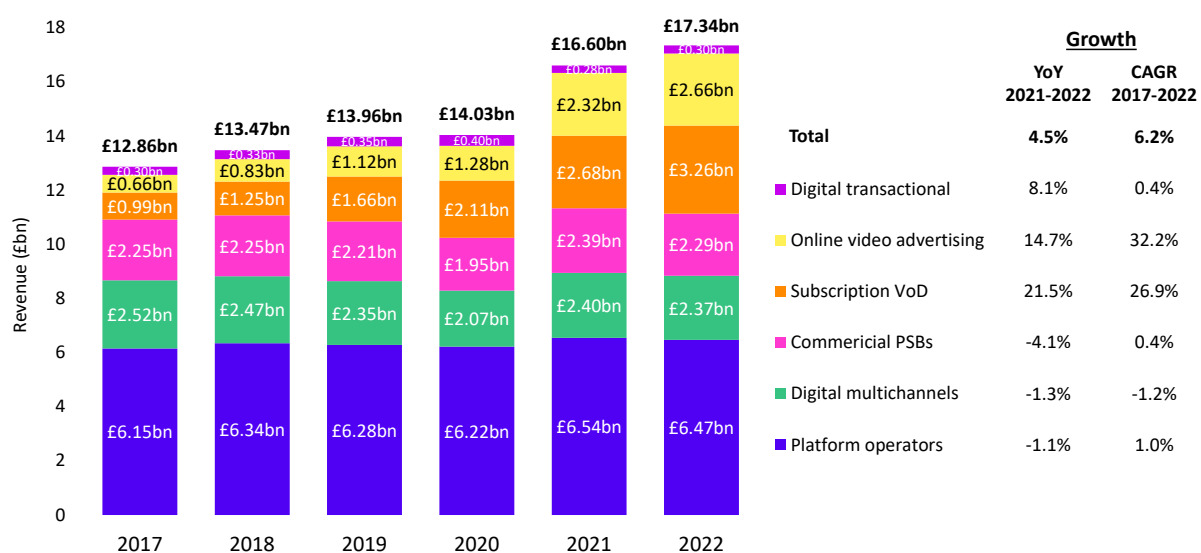
The difficult advertising market also affected the online video sector. Following its 80% surge in 2021, online video advertising achieved more modest, although still double-digit, revenue growth of

14.7% in 2022, increasing to £2.7bn.<sup>36</sup> This exceeded revenue generated by the commercial PSBs and digital multichannel broadcasters, respectively, for the first time. SVoD, meanwhile, was the primary driver of overall audiovisual market growth in 2022, generating £578m more than in 2021, or £3.3bn in total, with this increase driven more by price rises than customer growth, which has significantly slowed.

Pay-TV platform operators, such as Sky, Virgin Media and BT, still make up the largest single sector of the audiovisual market, with their 2022 revenue of £6.5bn down 1.1% year on year but still £186m above 2019 levels.

The net result of these sectors' respective performances was that total commercial TV and online video revenue increased by 4.5% in 2022 to £17.3bn, with online video services, across subscription, ad-supported and transactional, increasing their market share to 36%, compared to 15% in 2017.

**Figure 23: Commercial TV broadcast and online revenue: 2017-2022**



Source: Ofcom/broadcasters (broadcast data), Ampere Analysis and IAB UK PwC Digital Adspend Study (online data). Figures are presented in nominal terms and replace previous Ofcom revenue data for the TV and online video industry, owing to restatements and improvements in methodologies. Values for 'platform operators' include Ofcom's estimates of pay-TV revenues. This does not include NOW, which is within subscription VoD. Platform operators' data prior to 2019 is not comparable to subsequent years, owing to a change in methodology in Sky reporting coinciding with its change in ownership to Comcast. 'Digital multichannels' include non-PSB channels and commercial PSB portfolio channels. 'Commercial PSB channels' comprise the following: ITV, STV, ITV Breakfast, Channel 4, Channel 5 and S4C. Online video advertising does not include 'outstream' video advertising delivered on non-video services; the 2022 figure has been modelled, based on the IAB UK historical data, by Ofcom to be comparable with the definition used in previous years. Totals may not equal the sum of the components due to rounding.

<sup>36</sup> This figure excludes 'outstream' video advertising delivered on non-video services, in line with the definition of online video advertising used in previous years. Analysis of the market using IAB's updated definitions and segmentation can be found in the advertising market trends section of this section.

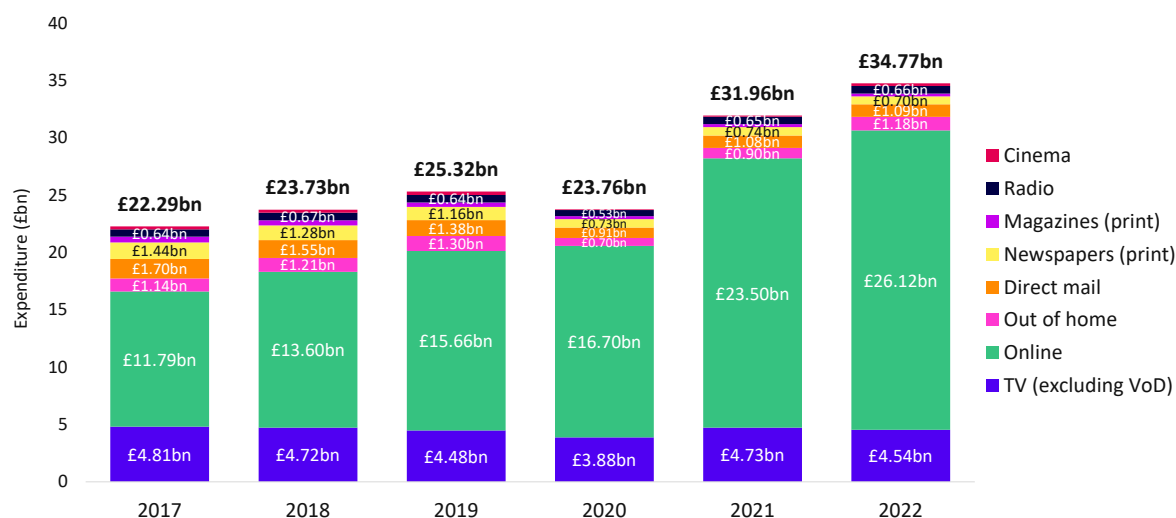
## Advertising market trends

### A tale of two halves in 2022, as early growth turned to contraction

There were mixed performances in the different sectors of the advertising market, and these also varied significantly over the course of the year, ultimately resulting in overall advertising expenditure increasing by 8.8% in 2022, to £34.8bn. This was primarily driven by online, which rose by 11.1% and accounted for the vast majority of the £2.8bn increase. Other contributors to the growth – on a much smaller scale – were out-of-home (+£280m), cinema (+£127m), radio (+£15m), and direct mail (+£13m), while TV (-£189m), newspapers (-£40m) and magazines (-£9m) all declined.

However, the annual figures do not tell the full story. Strong growth (26%) in the first half of the year was followed by a market contraction of 5.7% in the second half, in part reflecting a particularly strong H2 2021, but also the pressures of economic stagnation and high inflation taking their toll on advertising budgets. Online ad spend followed this trend, growing by 30.1% in H1 and declining by 5.4% in H2, with spend on social media falling for the first time. With the macro-economic environment remaining challenging in 2023, the [outlook](#) according to the Advertising Association / WARC is for minimal growth this year, before an expected recovery in 2024.

**Figure 24: UK advertising expenditure: 2017-2022**



Source: AA/WARC Advertising Expenditure report. Figures are presented in nominal terms. Online is total internet as defined by IAB UK. All digital ad expenditure (e.g. broadcaster video advertising, publisher display and classifieds) has been removed from TV, newspapers and magazines to avoid double-counting between these categories and online. TV includes spot advertising, sponsorship and placement.

### TV weathers the storm, as growth for broadcaster VoD continues

Following its resurgence in 2021, the TV advertising market, including broadcaster video-on-demand (BVoD), suffered a small decline in 2022, with expenditure falling by 1.4% to £5.38bn, reflecting the difficult economic environment, as well as a recalibration of the market following the pandemic's skewing of typical trends. Advertising revenue generated by BVoD services increased by 15.4% to



£845m, but this was not enough to compensate for a 4% fall in linear TV ad revenue, resulting in the small overall decline in total TV advertising.

The advertising sectors that recorded the biggest reductions in their TV ad spend were leisure equipment (-£49m), drink (-£45m), business and industrial (-£38m) and motor vehicles (-£36m). Declines for these and other sectors were partially offset by increases in spend for, most notably, travel and transport (+£162m), as well as telecoms (+£42m) and cosmetics and personal care (+£34m), among other sectors.

Although TV ad spend remains higher than its pre-2021 peak, its share of display advertising has fallen to 28%, having been consistently falling since peaking at 45% in 2013. This is primarily a reflection of the continued growth of online advertising – including video and other forms of online display, such as banner advertising – in contrast to TV’s smaller year-to-year fluctuations over the past decade.

## Online video advertising on non-broadcaster services is now on par with total TV ad spend

Total online video advertising expenditure (instream and outstream), excluding that spent on BVoD, increased by 10.8% in 2022 to reach £5.25bn, a figure comparable to the amount spent on TV, as shown in Figure 25 below. Some of this competes with TV budgets, but – for big brands in particular – online is not a substitute for TV’s significant audience reach, its credibility as a trusted medium that infers quality, and its high attention levels and completion rates. A significant proportion of online video advertising revenues comes from smaller advertisers who do not usually buy TV advertising spots; however, new addressable TV ad formats are slowly making TV more accessible to them. In 2022, 959 advertisers used TV for the first time, with 1,268 having done so in 2021.<sup>37</sup>

Growth for BVoD comes as advertisers increasingly include it in their campaigns to extend their reach beyond using linear TV alone, particularly to target younger audiences (16-34-year-olds accounted for 24% of BVoD viewing in 2022 and just 9% of linear TV viewing) and those in higher socio-economic groups (ABC1’s accounted for 62% of BVoD viewing compared to 51% of linear).<sup>38</sup>

However, as highlighted in the previous section, younger audiences spend a greater proportion of their viewing time on social video services, such as YouTube and TikTok, than they do on TV and BVoD, a dynamic that is helping to drive continued growth in non-BVoD online video advertising, albeit at a slower rate than in 2022. This includes both instream and outstream / social in-feed advertising,<sup>39</sup> the latter being less substitutive to TV spend than other online video formats.

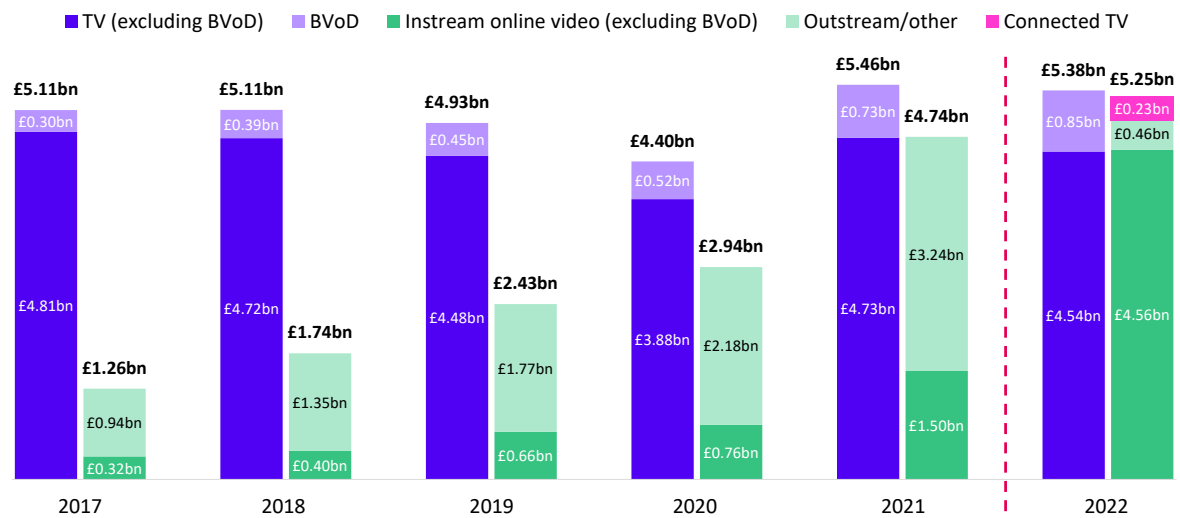
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<sup>37</sup> ThinkBox/PwC: Nielsen Ad Intel / Sky. New-to-TV advertisers are defined as those not advertising on TV in the preceding five years.

<sup>38</sup> Barb, as-viewed.

<sup>39</sup> IAB UK defines instream video advertising as a form of display advertising that is streamed media attached to video content. Online video advertising will only launch when a piece of online video content is viewed. It is specific to the content against which it is attached and not the static web pages that the content may be launched from. ‘Outstream’ refers to standalone video ads that sit outside a stream of video content, including ads that appear on social media feeds, as well as standalone video ads on news websites.

**Figure 25: UK TV and online video advertising expenditure: 2017-2022**



Source: AA/WARC Expenditure Report; IAB UK PwC Digital Adspend Study 2022. Figures are presented in nominal terms. 'Instream' refers to streamed media attached to video content. This can include pre-roll, mid-roll and post-roll formats. Online video advertising will only launch when a piece of online video content is viewed. It is specific to the content against which it is attached and not the static web pages that the content may be launched from. 'Outstream' refers to standalone video ads that sit outside a stream of video content, including ads that appear on social media feeds, as well as standalone video ads on news websites. IAB UK's definition of instream was revised in 2022 due to the evolution of social video advertising formats. Where advertising is inserted between short-form, scrollable content, such as reels, and is dependent on the preceding or following video content, it is included in the 'instream' category.

YouTube is positioning itself to compete more effectively for traditional TV ad spend, building on a [growing presence on TV screens](#). Viewing of the service is set to be [measured](#) alongside broadcasters' programming by UK ratings agency Barb, which is seeking to include 'fit for TV' content on video sharing platforms in its reporting. Separately, YouTube announced a 30-second unskippable ad format for its connected TV offering in May 2023. Increased viewing of YouTube and other non-broadcaster VoD on connected TV, combined with more TV-like advertising opportunities on these services, are likely to make advertisers more comfortable allocating ad spend to them. According to IAB UK, connected TV advertising generated £229m in 2022.

SVoD services are likely to emerge in the coming years as a fledgling contributor to online video advertising. Most of them, as discussed later in this section, have either already introduced ads for some users or are in the process of rolling out ad-supported tiers. Their contribution to spend is likely to be limited, at least in the short term, due to the low reach of SVoD ad tiers – although roll-outs are becoming more aggressive, with [Netflix removing its cheapest ad-free tier](#) in the UK in July 2023 – and due to the low ad loads for customers who are exposed to advertising on the services.

## Broadcasters' output and spend

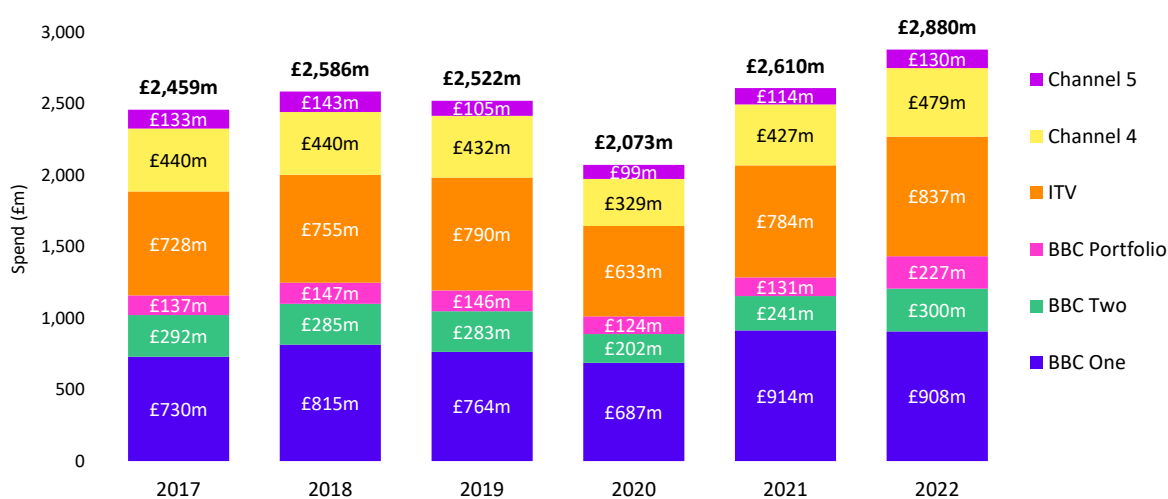
Normal operations largely resumed in 2022 following the extended pandemic disruption, though some lasting impacts remain

With the year largely free of Covid-19-related restrictions and disruption, broadcasters were able to return to full production schedules in 2022. This was reflected in growth, both in spend and the number of hours of first-run PSB originations. Spend totalled £2.9bn, up 10.3% year on year, and 14.2% greater than in 2019. This reflected a high level of output – at 32,712, first-run originated hours were their highest since 2016 – but it also reflected increased costs for some genres due to increased competition for them, lingering Covid-related production protocol costs, and inflationary pressure affecting production-related expenses on staffing and travel.

Growth in spend was driven by an annual increase by each of the five main PSB channels apart from BBC One, which had a marginal decline (-0.7%) following a significant increase in 2021. The BBC portfolio of channels was also a significant contributor to overall growth; the 73% increase in spend on these channels was largely driven by the relaunch of BBC Three as a linear channel in February 2022.

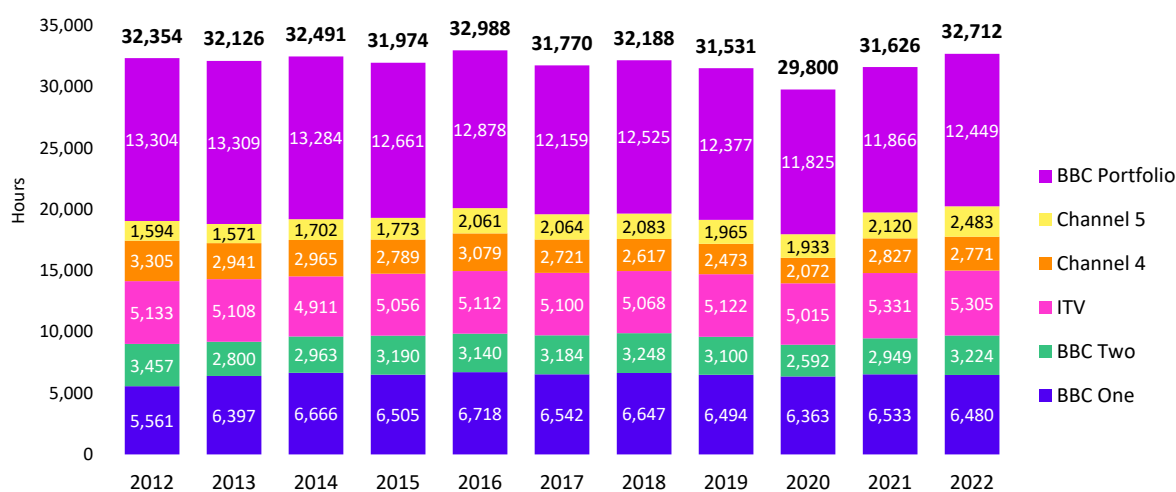
The overall increase in first-run originated hours – which was partly because some programming, delayed by Covid-19, aired later than originally planned – was more concentrated, driven by BBC Two, the BBC portfolio channels and Channel 5. There were small decreases for the other channels, with those for ITV (-0.5%) and Channel 4 (-2%) reflecting the higher cost per hour for certain genres, and therefore the reduced output the broadcasters were able to deliver, despite increasing their levels of investment. The extent to which higher costs will be sustained remains unclear, with concerns in the industry that they are unlikely to fall from their current highs even when inflation stabilises.

**Figure 26: PSB first-run UK-originated spend, by channel: 2017-2022**



Source: Ofcom/broadcasters. Figures are presented in nominal terms.

**Figure 27: PSB first-run UK-originated hours, by channel: 2012-2022**



Source: Ofcom/broadcasters. Figures exclude BBC ALBA and programming for the nations and regions.

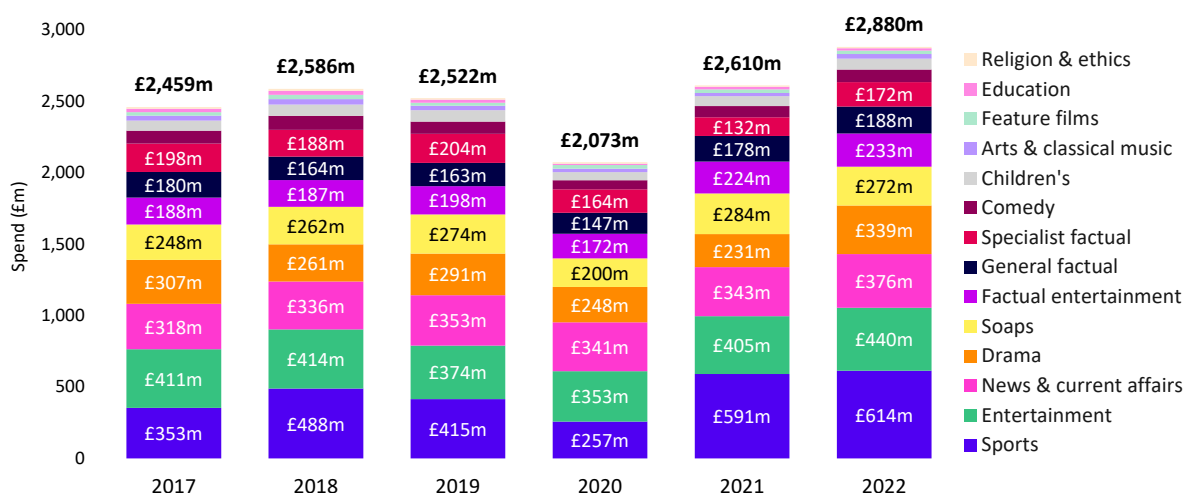
## Sports and drama were among the genres receiving increased investment, boosting volumes of programming for each

There were several major sporting events in 2022, including the FIFA World Cup, the Women’s Euros and the Winter Olympics. These events, together with a high volume of other, more regular sport on TV, resulted in PSBs’ first-run originated hours of sports programming reaching their highest level in the past decade, at 3,367 hours. This represented 10% of all first-run originated hours on PSB channels; 2014 was the last year in which sports reached this proportion. Spend on sports in 2022 totalled £614m, which was up 4% on 2021 and 26% higher than in 2018, the last year to feature both a football World Cup and the Winter Olympics.

The volume of first-run originated drama programming on PSB channels, meanwhile, reached its highest level since 2016, at 407 hours, illustrating the increasing value of this genre to broadcasters. Spend rose to £339m in 2022, a year-on-year increase of 47%, and 16.6% higher than in 2019.

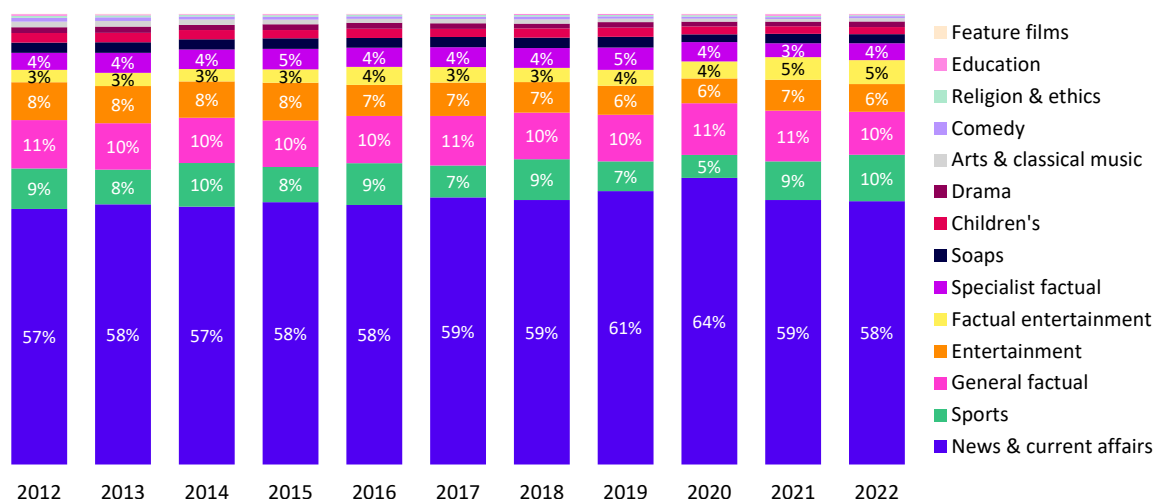
Another genre with a notable increase in first-run originated hours was factual entertainment. Here, output has been consistently rising; the 1,749 hours in 2022 were the highest for a decade, up 10.1% year-on-year and 57% higher than in 2019. The genre’s share of first-run originated PSB hours increased to 5%, compared to an average 3% between 2012 and 2020.

**Figure 28: PSB first-run UK-originated spend, by genre: 2017-2022**



Source: Ofcom/broadcasters. Figures are presented in nominal terms.

**Figure 29: Genre mix of PSB first-run UK-originated hours: 2012-2022**

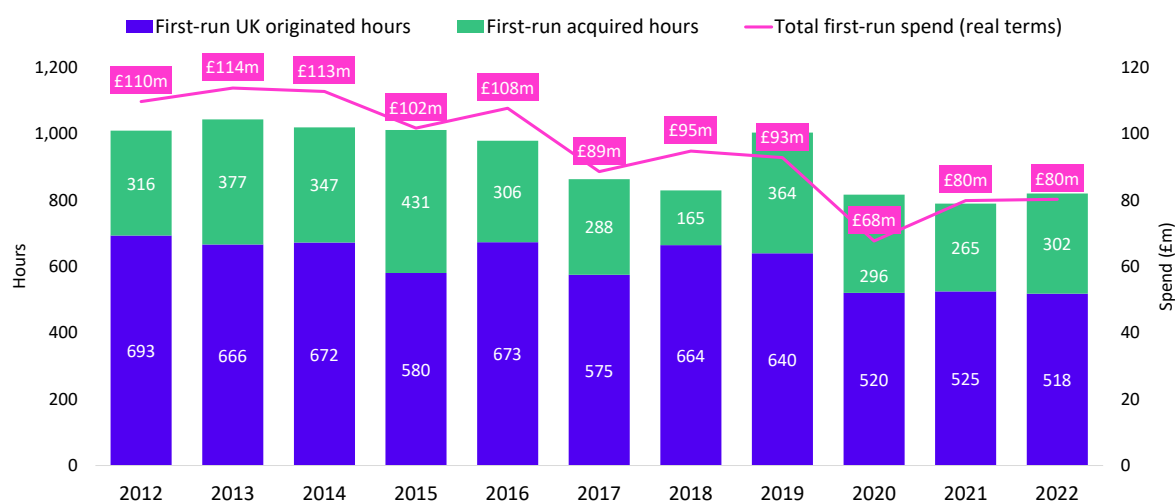


Source: Ofcom/broadcasters. Figures exclude BBC ALBA and programming for the nations and regions.

## Children’s first-run originated hours on PSB channels have fallen to their lowest levels

In contrast to the record highs for some genres, outlined above, the volume of first-run UK originated children’s programming on PSB channels dropped to its lowest level in 2022, down to 518 hours compared to 640 in 2019. First-run acquisitions have not compensated for the general decline, with total first-run children’s hours in 2022, 2021 and 2020 the three lowest figures over the past decade. Levels of investment in the genre have also been falling over the long term. Although 2022 spend (£80m) was up on 2021 (+9.6%), it was lower than in 2019 (-2.4%) and lower than in any of the years between 2012 and 2016. Analysis of spend over this longer period in real terms (i.e. accounting for inflation) illustrates the long-term decline more clearly, as shown in Figure 30 below.

**Figure 30: PSB children’s programming first-run hours and real terms spend: 2012-2022**



Source: Ofcom/broadcasters. Spend figures are presented in real terms (CPI-adjusted to account for inflation).

Funding of UK children’s programming more broadly was affected by the [closure of the BFI Young Audiences Content Fund](#) in January 2022, following the conclusion of the three-year term for this pilot scheme. The fund was worth a total of £44m and was aimed at creating opportunities for production in the UK so that innovative content that otherwise would not be made could be created by new and diverse voices. It supported the creation of quality, distinctive public service content for under-18s and 144 development projects in total between 2019 and 2022, including PSB children’s productions such as *Makeaway Takeaway* and *The Sound Collector* on CITV.

ITV’s children’s channel CITV has historically been an important source of children’s content from the PSBs outside their main channels. However, in March 2023, [ITV announced plans](#) to close CITV and move most of its children’s content online, to a dedicated children’s section of its ITVX streaming service. This strategic decision is in response to declining linear viewing by children, evidenced by Ofcom analysis in the previous section of this report. ITVX Kids was launched in July 2023, with a different user experience to the main streaming service, accessible via profiles specifically designed for child users. ITV has stated that ITVX Kids will offer 1,000 hours of programming, although it is not yet clear how much of this will be new UK-originated content. Following the launch, the closure of CITV is scheduled to take place in autumn 2023. However, some children’s programmes will remain on the linear ITV portfolio, via an existing children’s programming block on ITVBe that will continue, and a new early-morning children’s block on ITV2 that is set to air from September.

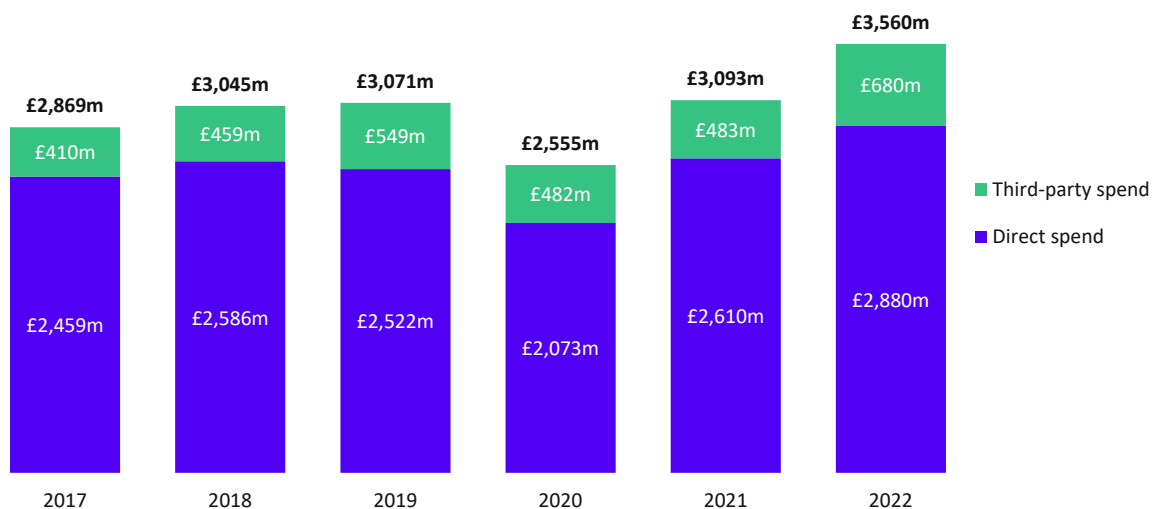
ITV’s move to shift its children’s offering from linear to online follows an announcement by the BBC to execute a similar strategy. In 2022, as part of its broader digital-first strategy, the [BBC signalled its intentions](#) to move its main children’s channel, CBBC, online. No final date for CBBC’s linear switch-off has been announced, but the BBC has indicated that it will not take place before mid-2025 at the earliest. Like ITV, the BBC has plans to maintain some children’s programmes on linear, with the CBeebies channel continuing to air. The BBC has also adapted its approach to the provision of children’s programming: in 2022, it [asked Ofcom](#) for a modest decrease in the originations quota on CBBC, in order to invest in original UK animations while increasing animation acquisitions in the short term, a request that was [approved](#) by Ofcom in May 2022.

## Third-party spend reached its highest levels in 2022, with investment in drama driving growth

While PSBs’ direct spend on first-run UK-originated content increased in 2022, as outlined above, so too did contributions from other sources. Third-party spend – which comes from sources such as co-productions with other commissioners, government high-end TV tax credit, deficit financing and advances from independent producers – reached its highest annual total, at £680m. This was up 41% compared to 2021’s £483m, and represented 19% of total PSB origination spend, up from 9% in 2014.

The increase in third-party spend was driven by drama, which accounted for 69% of total third-party investment, reflecting the continued interest in high-end scripted programming as a focus of co-productions. Meanwhile, an increase in third-party children’s spend represented a more positive development for funding of the genre than some of those outlined in the previous section. This increase made children’s the second-largest contributor to third-party spend, accounting for 10% of it, marginally ahead of factual.

**Figure 31: PSB spend on first-run originations, by direct spend and third-party contributions: 2017-2022**



Source: Ofcom/broadcasters. Third-party spend includes funding from sources such as co-productions, high-end TV tax credit, and distributor advances. Figures are presented in nominal terms. Spend figures exclude BBC ALBA and programming for the nations and regions.

### Production sector trends

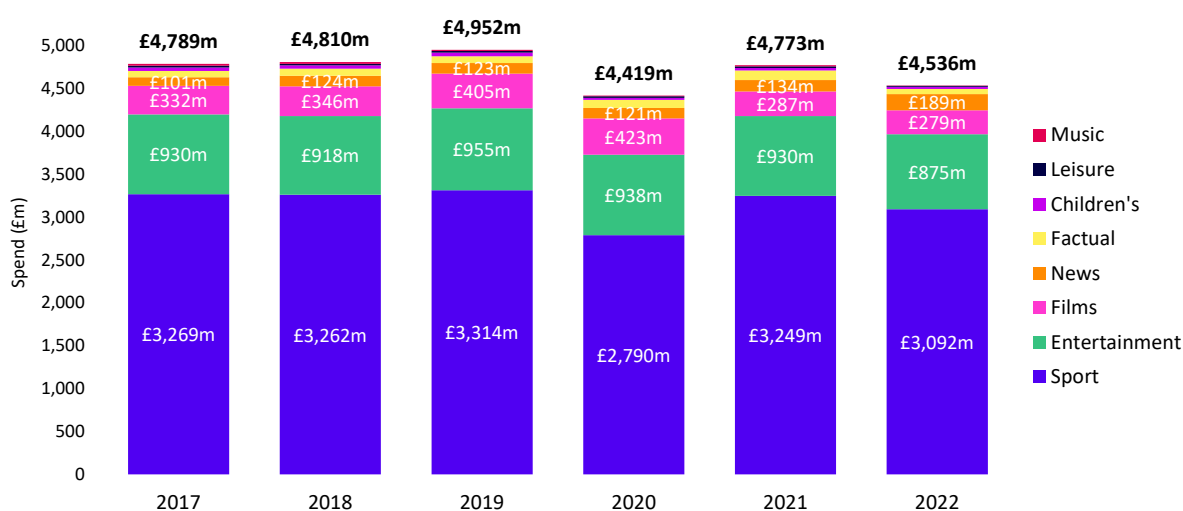
Production sector revenues reached a new high of £3.8bn in 2022, according to the latest figures from Pact and Oliver & Ohlbaum Associates, which are available in our [interactive report](#). We have commissioned an in-depth study to further our understanding of the production sector, which will be published later in 2023.

## Increased competition in news broadcasting saw the genre buck the trend of declines in multichannel programming spend

Content spending trends on multichannel TV did not follow those of PSB in 2022, with collective spend across key genres (see Figure 32 below) declining by 5% year on year to £4.5bn. As a result, spend remains below the 2019 level, when it was close to £5bn.

There were declines for all the key genres except news. Provision of news on multichannel TV has become more competitive in recent years; new market entrants have contributed to multichannel news programming spend reaching its highest levels, at £189m in 2022, up 42% on the previous high of £134m in 2021.

**Figure 32: Multichannel programming spend for selected key genres: 2017-2022**



Source: Ofcom/broadcasters. Figures are presented in nominal terms.

## Online video market developments

### Subscription video-on-demand

Although revenue growth was healthy in 2022, the economics of streaming are under pressure

While SVoD services have collectively achieved significant success, both in the UK and globally, there are increasing signs that the market is entering a phase of maturity that poses challenges for future growth and sustainability.

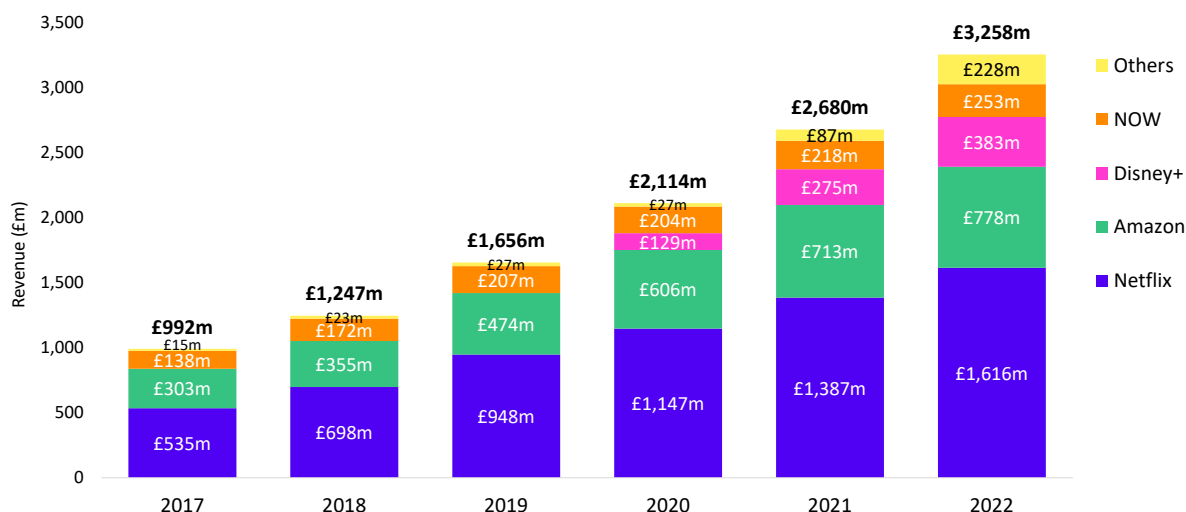
One of these signs is the overall household take-up of SVoD services appearing to approach a plateau (discussed in the previous section). But the slowdown in customer growth has not yet had an adverse impact on revenue growth, which remained strong in 2022. The SVoD sector generated an estimated £3.3bn in the year, up 21.5% year on year.<sup>40</sup> This was driven by a combination of price

<sup>40</sup> Ampere Analysis. These figures exclude any revenue generated by advertising on SVoD services, i.e. they are subscription revenue only. This is received either directly from subscribers, or through agreements with bundling partners, such as pay-TV providers.



risers, notably by Netflix in March 2022 and Amazon in September 2022,<sup>41</sup> and overall growth in subscriptions, which increased from 39.7 million in Q4 2021 to 42.2 million in Q4 2022.<sup>42</sup> Netflix accounted for half of all SVoD revenue in 2022, with the four largest services (Netflix, Amazon Prime Video, Disney+ and NOW) taking a 93% market share.

**Figure 33: UK SVoD revenues, by service: 2017-2022**



Source: Ampere Analysis. Figures are presented in nominal terms. Subscription revenue only. Others include (in years in which the services were available) Apple TV+, Discovery+, BritBox, Crunchyroll, Paramount+ and ITV Hub+/ITVX. Amazon Prime Video revenue is estimated based on users of the service – revenue is not ascribed to Amazon Prime customers who do not claim to use Prime Video (e.g. subscribe only for the unlimited express shipping).

Despite continued revenue growth, SVoD business models are under pressure as attracting and retaining customers becomes more challenging, with providers increasingly looking to identify new revenue-generating opportunities, better manage costs, and focus on profitability.

### Pure subscription models are giving way to hybrid strategies that embrace advertising

In a bid to sustain subscriber growth and boost customer retention, as well as create a new source of revenue, SVoD providers are incorporating advertising into their services. Netflix launched its advertising-supported tier, originally ‘Basic with adverts’ but subsequently enhanced and rebranded as ‘Standard with adverts’, in 12 markets in November 2022, pricing it at £4.99 a month in the UK. Disney+’s ad-supported tier launched in the US in December and is set to roll out internationally in the second half of 2023. According to [reports](#) in June 2023, Amazon is also planning an ad tier. The company already sells ads alongside its live sports content, and operates a free-to-view advertising VoD (AVoD) service, Freevee, launched in September 2021 as IMDb TV. The new ad tier would be for Amazon’s core Prime Video service and would sell advertising against its scripted programming.

Among the smaller services, Discovery+ introduced a lower-priced ‘AdLite’ tier (priced at £3.99 a month) in March 2022, before removing it and including advertising as standard. Sky’s NOW has

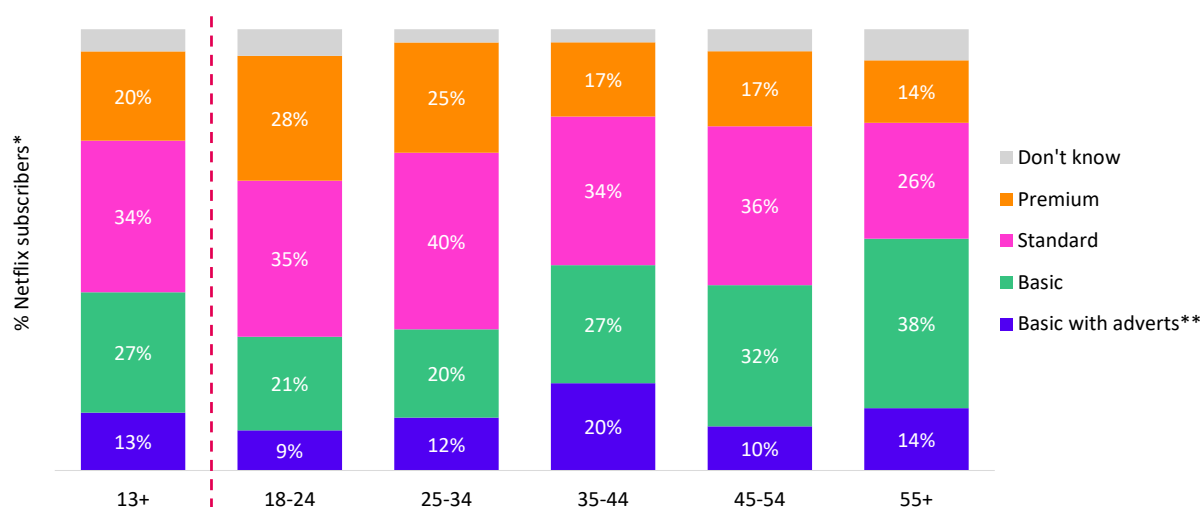
<sup>41</sup> The monthly price of Netflix’s Basic and Standard tiers increased by £1, to £6.99 and £10.99, while its Premium tier increased by £2 to £15.99; the monthly price of Amazon Prime increased by £1 to £8.99.

<sup>42</sup> Barb Establishment Survey. Across Netflix, Amazon Prime Video, Disney+, NOW, Apple TV+, Discovery+, Paramount+, BritBox and HayU.

been ad-supported since March 2021, with customers needing to subscribe to the Boost add-on (£5 a month) to receive the ad-free experience.

Netflix’s new ad-supported tier appears to have reasonably strong early appeal in the UK. According to Ofcom’s VoD Survey of online adults and teens, 13% of subscribers surveyed in February said that they were taking the new ad plan, with the proportion rising to 20% among 35-44-year-olds, higher than for the Premium tier in that age demographic. The £10.99-a-month Standard tier is still the most popular overall, with just over a third taking it, although older subscribers (55+) are more likely to take the Basic tier. By May 2023, [global take-up](#) of Netflix’s ad tier had reportedly reached 5 million monthly active users across the 12 markets in which it is offered.

**Figure 34: UK Netflix subscribers by plan subscribed to, by age: February 2023**



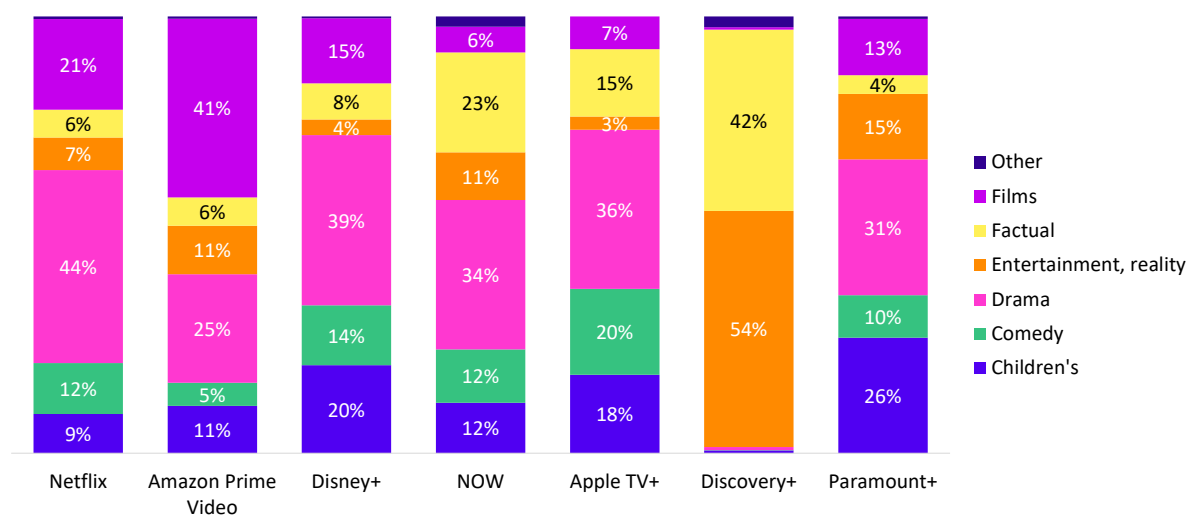
Source: Ofcom VoD Survey 2023. Online adults/teens aged 13+. \*All adult respondents with a Netflix subscription paid directly to Netflix. \*\*Since rebranded to ‘Standard with adverts’. Base: 864. Fieldwork conducted 22-27 February 2023.

### Streaming content investments remain high but are becoming more prudent

Having consistently increased its investment in content, Netflix, the SVoD market’s biggest spender, has said that it is planning to [maintain its level of annual spend](#) on original and licenced programming at about \$17bn (£13.4bn), which is what it spent in 2021 and 2022. Netflix’s annual spend on [UK productions](#) averaged \$1.5bn (£1.2bn) between 2020 and 2023, according to the company, significantly higher than its original target of \$1bn a year for the market.

Difficult market conditions and limited growth prospects have prompted other SVoD providers to re-evaluate the extent to which they are investing in streaming content and trim their offerings accordingly. [Disney removed dozens of titles](#) from its catalogue in May 2023, opting for a \$1.5bn content write-off charge to reduce longer-term costs associated with the assets. Similarly, Warner Bros. Discovery, as part of a significant post-merger restructuring in 2022, [announced content write-offs](#) amounting to between \$2.8bn and \$3.5bn. Amazon, meanwhile, has also [expressed caution on content spending](#) for Prime Video, including the sustainable management of production budgets.

**Figure 35: Selected SVoD services' proportion of content hours, by genre: May 2023**



Source: Ampere Analysis.

### Traditional content licensing has re-emerged as a revenue opportunity

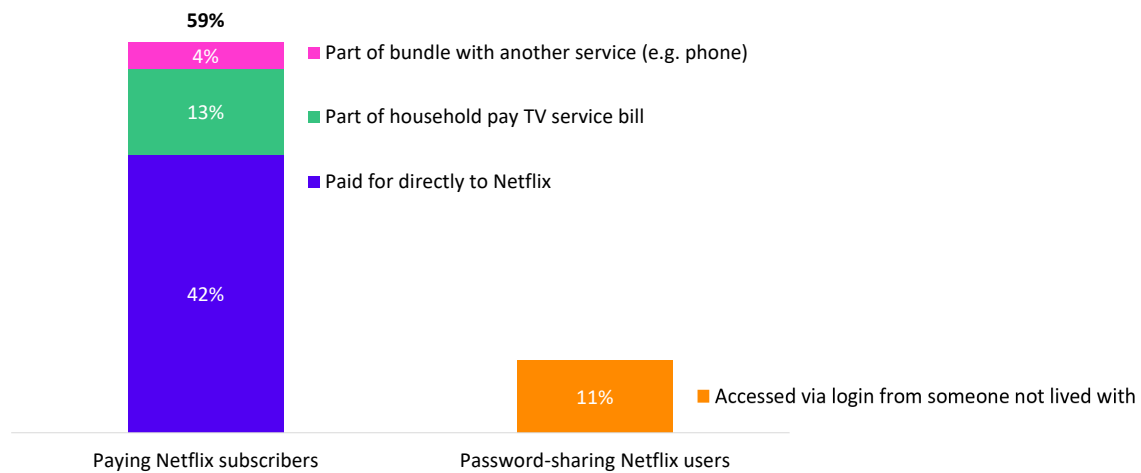
A key selling point of most successful SVoD services that have emerged over the past decade is access to exclusive original programming; traditional media companies which have entered the market have been ending (not renewing) licensing deals with rival streamers in order to launch their own services. However, with the market now maturing, providers are reconsidering the strategy of maintaining exclusivity over all their original titles, with licensing deals re-emerging as a revenue stream.

Disney, for instance, has said that it is now [considering licensing original content](#) – outside its flagship franchises – to third parties, and in July 2023 [sold the streaming rights](#) to ten series, including *Bones*, *Scandal* and *The X-Files*, to Channel 4. Warner Bros. Discovery, which currently licenses HBO programming to Sky in the UK but sells it direct-to-consumer via the Max streaming service in many international markets, [agreed a deal with Netflix](#) in June 2023 for the licensing of HBO Originals including *Insecure*, *Six Feet Under* and *Ballers*. This apparent trend is not limited to traditional media companies which have moved into streaming. In April 2023, [Apple secured a deal](#) with French pay-TV provider Canal+ to make Apple Originals available to Canal+ customers without them having to subscribe to, or use, Apple TV+.

### Netflix leads password-sharing crackdowns in a bid to maximise the value of its users

Following some experimentation with anti-password-sharing measures, Netflix began a wide-scale roll-out of its crackdown in 2023. UK users accessing the service via the login of someone they do not live with began to receive emails from Netflix in May 2023, informing them that a Netflix account is intended for use by one household, and inviting them to either transfer a profile to a new membership or buy an extra member on the account for an additional £4.99 a month. The initiative is designed to generate new revenue from non-paying users, of which there are a significant proportion in the UK: 11% of online adults and teens, according to Ofcom's VoD Survey.

**Figure 36: UK Netflix users, by method of subscription/access: February 2023 (% all respondents)**



Source: Ofcom VoD Survey 2023. Online adults/teens aged 13+. Base: 2,050. Question: Does your household subscribe to Netflix? If yes, how is this service paid for in your household? Fieldwork conducted 22-27 February 2023.

Early indications of the strategy’s success internationally appear to vary by market, with the [crackdown in Spain](#) resulting in a drop in users, while [in the US](#) it apparently boosted daily sign-ups. Evaluating the early stages of the initiative across more than 100 countries, [Netflix stated](#) in July 2023 that cancel reaction was low and that it was seeing healthy conversion of borrower households into full paying Netflix memberships, as well as good take-up of the extra member feature. Other SVoD providers with less mature businesses than Netflix have so far been more hesitant to follow suit on curbing password sharing, as they continue to seek user growth, but they are likely to be watching closely to gauge the viability of the strategy.

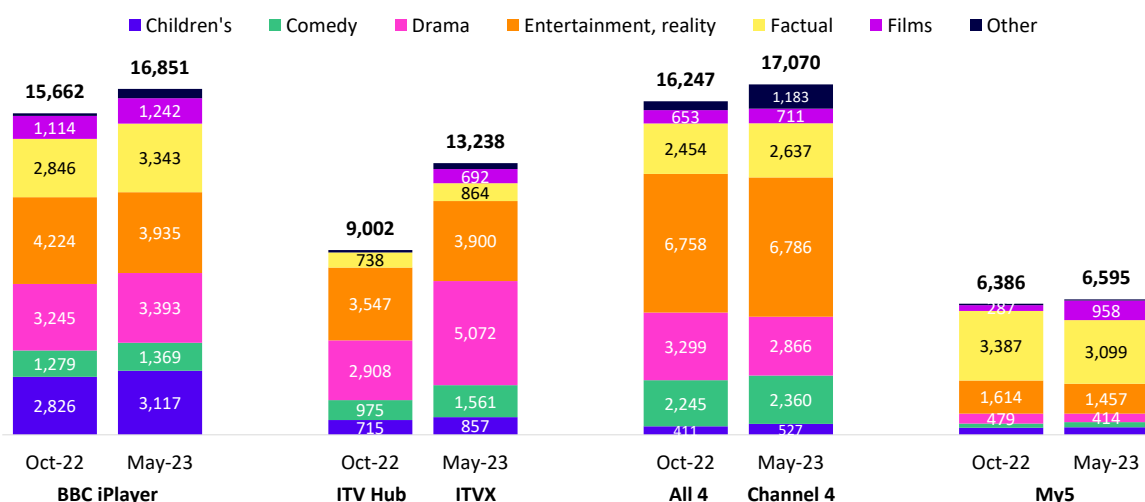
## Broadcaster video-on-demand and free advertising-supported streaming TV

### BVoD service rebrands signal further digital-first shifts among the PSBs

As they steadily build on-demand audiences, broadcasters are seeking to continue to improve their respective streaming services and transition to an online future. One of the most significant recent strategic moves illustrating this was [ITV’s relaunch of its streaming offering](#) in December 2022 (rolling it out from November). This combined ITV Hub, ITV Hub+ and BritBox into a single service, ITViX. Users can access an expanded catalogue, including exclusive originals, on either a free (ad-supported) or subscription basis, via an improved user interface.

The revamp has enabled ITV to significantly expand the volume of content hours in its streaming catalogue, putting it more on a par with the offerings of the BBC and Channel 4. By May 2023, there were 13,238 hours of free-to-view programming on ITViX, compared to 9,002 on ITV Hub in October 2022. More than half of the increase in hours came from drama programmes, while ITV also added 692 hours of films, having not previously offered any on ITV Hub.

**Figure 37: PSB BVoD services' content hours, by genre: October 2022 and May 2023**



Source: Ampere Analysis. ITVX catalogue hours are free-to-view only.

Another BVoD service rebrand came from Channel 4 in May 2023. As part of its [Future4](#) strategy, the broadcaster unified its linear and digital brands, seeking to limit the distinction between them, and [rebranded its BVoD service](#) as Channel 4, dropping the All 4 brand. The key goals of Future4 are to accelerate digital growth, develop new revenue streams and reach younger audiences on the platforms they use. As part of this strategy, Channel 4 is experimenting with online-only original programming, including the current affairs series [Untold](#), which features documentaries reflecting the lives of younger people. While some episodes air on linear TV, most are made available only for streaming.

One of the BBC's current strategic aims for BBC iPlayer is to increase the volume of archive content available on the service. The broadcaster sought approval for this in 2022, with Ofcom allowing the BBC to proceed with its plans, following a [consultation](#) which concluded in November.<sup>43</sup>

Outside their own branded streaming services, broadcasters are using social media platforms, to varying extents, to distribute their programming and increase their reach to younger audiences. Most are being relatively cautious in this, limiting the amount of longer-form entertainment and scripted content they make available on YouTube and other social video services, given its limited monetisation potential, and their concern that viewers will not attribute content they see to the broadcaster it came from or follow it back to BVoD services. Channel 4 has used social platforms in various ways, making 1,000 hours of full-length shows available on YouTube in 2022, and identifying branded (advertiser-funded) content as a key opportunity, delivered via the 4Studio which it established in 2020. In October 2022, Channel 4 launched the digital-first brand [Channel 4.0](#), through which it targets 13-24-year-olds on social platforms with videos from young content creators.

<sup>43</sup> The BBC's proposal to publish – subject to financial and operational constraints – any title on BBC iPlayer in line with its agreements with producers and underlying rightsholders, was first published as part of a public interest test (PIT) in June 2022. In October 2022, the BBC Board decided that the proposals were not material and would, in any event, satisfy the PIT. In November 2022, following consultation, Ofcom concluded the proposal was not a material change, allowing the BBC to proceed with its plans.

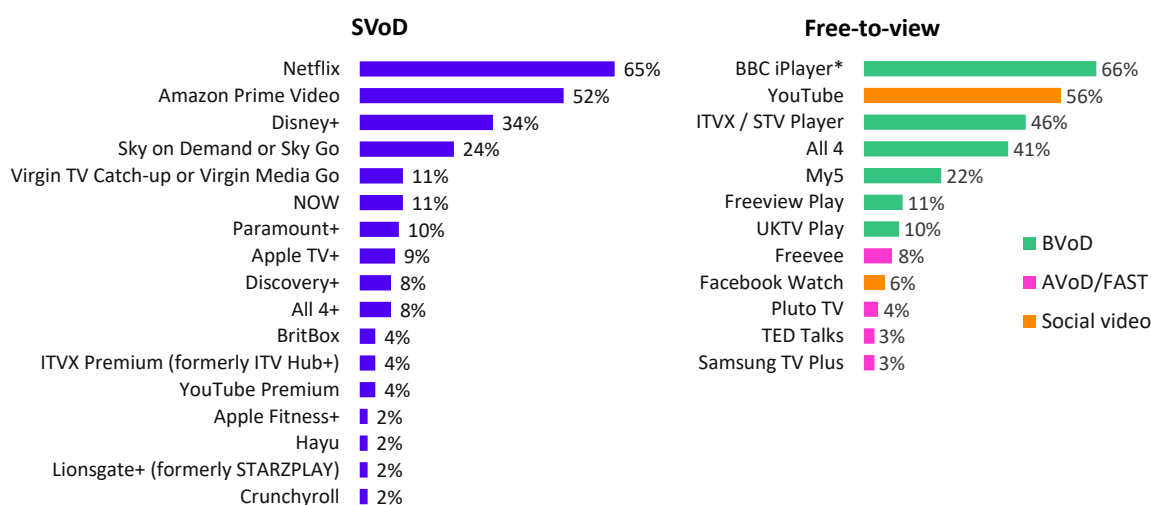
## Free-to-view TV streaming services, beyond those affiliated with the main broadcast channels, are emerging in the UK

New competition in the streaming market is emerging in the form of advertising-supported video-on-demand (AVoD) services/channels, also commonly referred to as FAST, or free advertising-supported streaming TV. These can include on-demand libraries and/or online linear channels. Most of these offerings are distinct from BVoD in that they are not broadcaster branded, with services operating in the UK including Amazon’s Freevee, Paramount’s Pluto TV and Samsung TV Plus.

While these services are achieving some success in the US – a trend that has generated some hype about their potential in other markets – they are yet to achieve significant reach in the UK: just 8% of adults and teens surveyed in February 2023 said they had used Freevee in the past three months, and 4% or less for other AVoD/FAST services, as shown in Figure 38 below. The UK market poses challenges for non-broadcaster AVoD/FAST services, including strong free TV and streaming competition from the PSBs, as well as from subscription TV/streaming services that offer access to big-budget originals and extensive content libraries; AVoD/FAST services, in contrast, typically offer comparably less-desirable, older, non-exclusive programming.

FAST channels (live linear streams) are still very new but are set to become more common as broadcasters begin to embrace them as part of their BVoD propositions. As part of its ITVX launch, ITV introduced 18 streaming-only linear channels, which are either themed (e.g. Classic Comedy) or are dedicated to a single programme (e.g. *The Chase*).

**Figure 38: VoD services used to watch programmes, films or other video content, by reach: 2023**



Source: Ofcom VoD Survey 2023. Adults/teens aged 13+. Online & CATI. Services used in the past three months: fieldwork conducted 22 February – 9 March 2023. Notes: \*Payment of licence fee required to use BBC iPlayer. Free-to-view list excludes some services with hybrid business models (e.g. mixture of ad-supported and transactional content) where free-to-view use cannot be isolated. NOW includes NOW Entertainment, NOW Cinema and NOW Sports.

# Radio and audio

## Industry trends: continued growth in local advertising and sponsorships fuels commercial radio

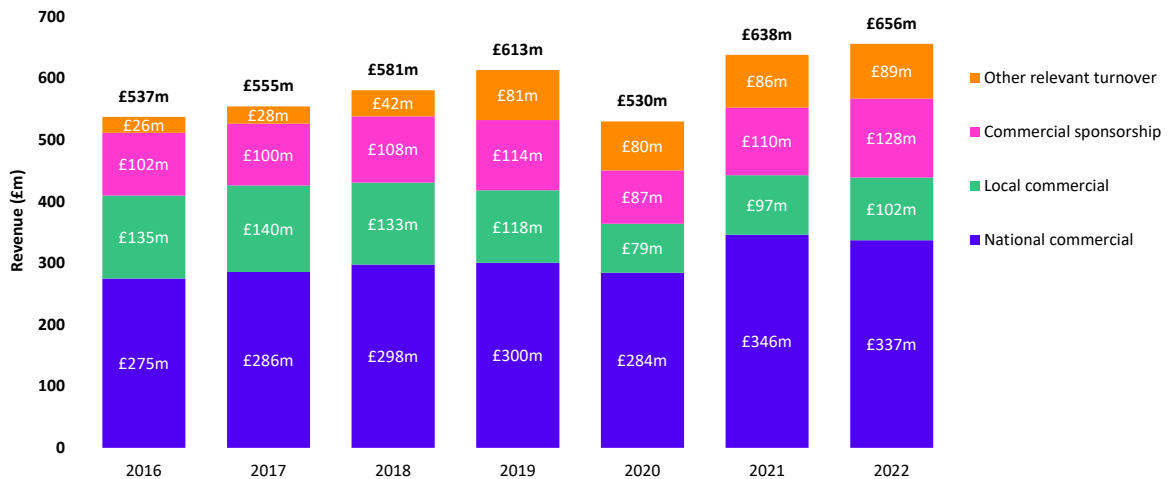
This section provides insight and commentary on key trends across the radio and audio sectors. It contains data on advertising, revenues and spend, and the availability of radio services, as well as notable developments in the radio, music streaming and podcast markets.

### Revenues and spend

#### Radio advertising continued to grow between 2021 and 2022

Commercial radio revenues grew by 3% overall between 2021 and 2022, driven by 5% growth in local advertising and 16% in sponsorship. However, in contrast to previous years, national advertising declined by 3%, reflecting the ending of pandemic-related public sector national advertising campaigns. The decline may also be due to some advertisers reviewing and shifting some expenditure to TV in 2022, having shifted some budget towards radio during the pandemic.<sup>44</sup> Other relevant turnover (such as income from on-air competitions) grew by 3%.

**Figure 39: Commercial radio revenues: 2016-2022**



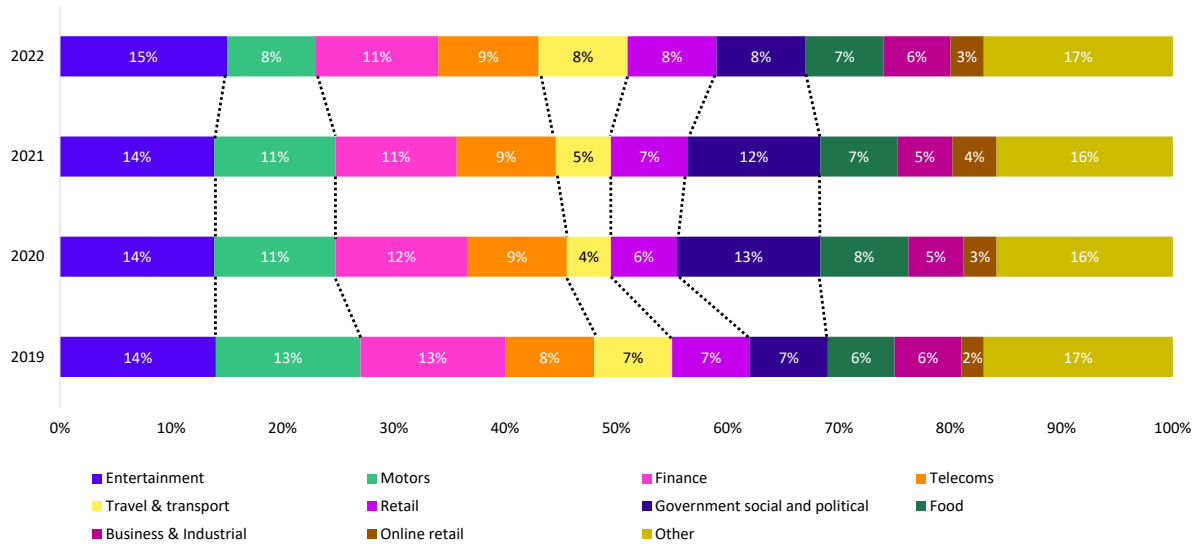
Source: Broadcaster returns.

In 2022 there was a return to a radio advertising mix more like the pre-pandemic situation, with the share of expenditure from government, social and political organisations falling to 8% from 12% in 2021. In contrast, travel and transport’s share of expenditure grew from 5% to 8%, reflecting the reopening of travel following lockdowns and restrictions in 2020 and 2021.

<sup>44</sup> We also understand this may have been affected by relative price changes in TV and radio advertising (including price increases for some radio advertising) resulting in some budgets being reallocated to TV. Data from ECI Media Management indicates a significant decline in TV price inflation between 2021 and 2022, although still ahead of other media. See [ECI Media Management Inflation Report Q1 2023](#).

Historically among radio's key advertisers, the motor industry's share of expenditure fell by three percentage points to 8% in 2022, which may reflect global supply chain issues in the automotive sector and the economic outlook.<sup>45</sup>

**Figure 40: Share of radio advertising expenditure, by category: 2019-2022**

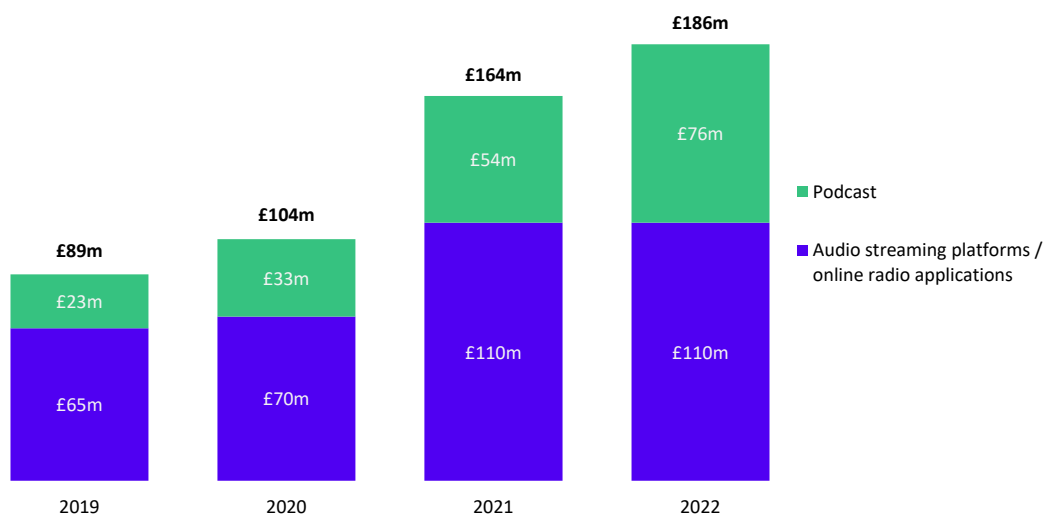


Source: Nielsen, Ofcom analysis.

## Podcast advertising was the engine of growth for digital audio advertising in 2022

Despite online radio and music streaming advertising expenditure remaining flat between 2021 and 2022, total digital audio advertising expenditure grew by 13% over this period due to the 41% year-on-year growth in podcast advertising.

**Figure 41: Digital audio advertising expenditure: 2019-2022**



Source: IAB UK PwC Digital Adspend Study 2021 & IAB UK PwC Digital Adspend Study 2022.

<sup>45</sup> According to [SMMT data](#), the number of new cars sold in the UK in 2022 fell by 2% to 1.61 million, about 700k lower than in 2019.



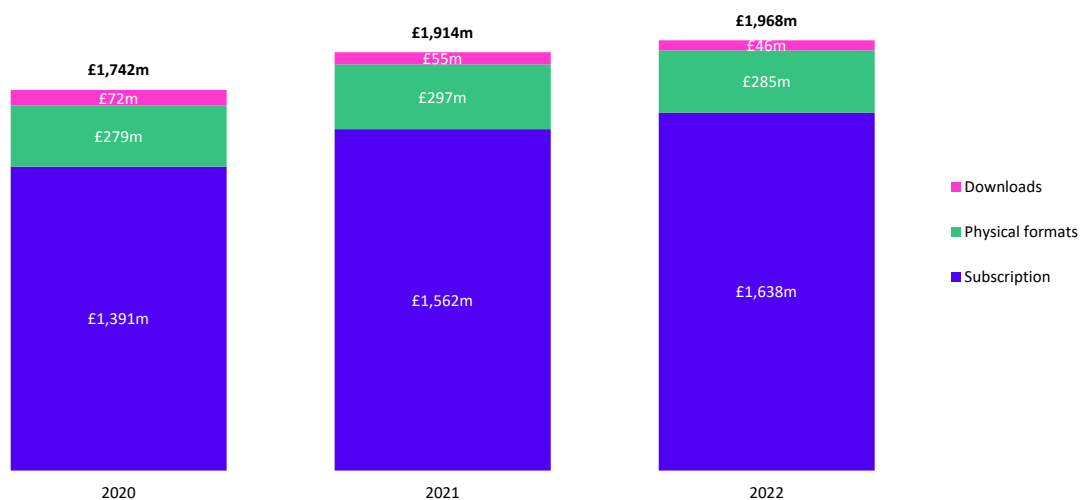
The range of digital audio advertising opportunities has grown over time, although there is not yet a standard industry-wide set of measurement tools. While some advertisers may choose to run the same spot adverts on online audio platforms as they do on broadcast radio, online audio platforms give advertisers the opportunity to target audiences more precisely, in terms of both demographics and geography. Technology allows advertisers to create tailored copy, so people may hear an advert which refers specifically to their area, or even to their local weather conditions. Some advertisers and media owners are starting to develop marketing campaigns involving interactive adverts and interactive sponsored content on smart speakers. Examples include [Tesco's Christmas party advert](#) and [Magic's interactive smart speaker quiz](#), sponsored by holiday firm On the Beach, which ran in February and March 2023.

For podcasts, new forms of advert can include the dynamic insertion of host-read adverts, in addition to pre-, post- and mid-roll adverts. A particular advantage of dynamic insertion of host-read adverts is that it allows adverts to be updated and changed over time, important for podcasts that may be discovered and listened to a significant time after their release. This greater use of dynamic advertising insertion, and the development of automated buying platforms, is helping the sector meet challenges around scale, although concerns about brand safety and measurement remain, relating to specific differences between podcasts, (which are not subject to Ofcom regulation and do not have an industry-wide measurement system), and broadcast radio (which is regulated by Ofcom and measured by RAJAR).

## UK consumers continue to increase their spend on recorded music

UK consumers spent almost £2bn on recorded music in 2022, with subscriptions to online music services such as Spotify and Apple Music accounting for 83% of the total. Expenditure on physical formats fell by 4% year on year as the continued growth in vinyl (11%) was insufficient to offset the 17% decline in the CD market. The volume of cassettes continued to increase and grew by 5% to a total of 195,000 units (accounting for 1.1% of total physical album sales).

**Figure 42: Consumer expenditure on recorded music: 2020-2022**



Source: Official Charts Company and ERA estimates, [BPI 'All About The Music 2023'](#).

## Availability and distribution of radio services

### AM switch-offs continue as more services launch on DAB

The availability of AM medium wave (MW) radio continues to decrease as broadcasters switch off ageing and power-hungry transmission equipment, given declining audiences and the availability of services on other platforms which are more cost and energy-efficient and which offer better sound quality.

Both the UK's commercial national AM services have either reduced or ceased their analogue services. Absolute Radio closed down its UK-wide AM MW service over several days in January 2023 – following the revocation of its national analogue licence, [Bauer was required to pay a financial penalty](#) of £25,000 for ceasing to provide the licensed service. In April 2023 [Ofcom approved a request by talkSPORT Limited](#) to close four of its 22 AM transmitters and hence reduce its AM coverage from 93% to 89.9%. talkSPORT has also indicated that it intends to reduce coverage further in future – it will be required to obtain permission from Ofcom before doing this. Local AM services have also continued to decline in number, with Bauer closing Greatest Hits Radio on AM MW in Staffordshire and Cheshire, Bradford and Huddersfield, and Teesside. Global [reduced its AM Gold broadcasts](#) to London and Manchester only, from the end of June 2023, and is also [ceasing transmission of Smooth on AM MW](#).

AM broadcasting on long wave (LW) frequencies (which can travel many hundreds of miles) is also becoming increasingly uncommon.<sup>46</sup> The BBC plans to stop broadcasting Radio 4 on long wave and started a [campaign](#) in May 2023 to inform listeners of the future closure, and that LW-specific schedules would end. Two services from outside the UK which had been available to UK audiences via LW AM have closed in the past few months: RTL ceased its LW broadcasts<sup>47</sup> from Luxembourg at the start of 2023 and RTÉ ended its RTÉ Radio 1 broadcasts on 252KHz in April.

**Figure 43: Analogue AM MW and FM radio services as of March 2023**

	AM MW	FM	Total
Local commercial	36	236	272
UK-wide commercial	1	1	2
BBC UK-wide networks	4	1	5
BBC nations'/local	9	46	46
Community	24	293	317

Source: BBC, Ofcom.

In contrast, the total number of DAB services across national and local DAB has increased, with the number of national services increasing by four year on year to a total of 57 across the BBC and commercial national multiplexes. The total number of services available on local multiplexes increased by 48 to 654. In some cases, this has been enabled by the adoption of DAB+, allowing a

<sup>46</sup> The LW spectrum bands are only used for broadcasting in ITU Region 1, which includes Europe, Africa, parts of the Middle East, Russia, Central Asia and Mongolia. The ability to receive AM LW broadcasts is uncommon in many modern analogue radios, even if they can receive AM MW broadcasts.

<sup>47</sup> These had been on 234KHz.

greater number of individual services to be carried on a multiplex. In July 2023, Global announced that Classic FM would be broadcast on DAB+ from January 2024.

Some parts of the UK have additional radio services carried on small-scale DAB multiplexes. As at the launch of the Leicester small-scale multiplex on 8 March 2023, there were 276 services licensed on DSP licences and 62 C-DSP<sup>48</sup> services broadcasting on 24 multiplexes. Most services on small-scale DAB multiplexes are broadcast in DAB+. To receive DAB+ services, people need a DAB+ compatible receiver. We commissioned a quantitative survey to assess the penetration and usage of DAB+ in response to a recommendation from the Government as part of its Digital Radio and Audio Review. We plan to publish this in the Autumn.

**Figure 44: Number of DAB services as of March 2023**

	BBC UK-wide	UK Commercial – Digital One	UK Commercial – Sound Digital	Local commercial services
Number of multiplexes	1	1	1	58
Number of services	11	24	22	654

Source: Ofcom, BBC.

## DAB coverage remained steady in 2023

Coverage of national and local DAB multiplexes was unchanged in March 2023 from the previous year. By March 2023, small-scale DAB (SSDAB) multiplexes reached 14% of UK households – a figure which is expected to rise as the licensing and build-out of SSDAB continues.

The fifth round of SSDAB licensing started in March 2023 when we published the latest advertisement of licences for small-scale radio multiplex services, with a deadline of 30 June. This round covers 32 areas within the South-East England ‘macro area’<sup>49</sup> and a further three areas re-advertised from previous rounds. This means that, to date, [a total of 129 locations](#) have been advertised across the five rounds. Ofcom received a total of 34 [applications](#) for Round 5 in addition to three applications for re-advertised areas. Six areas in Round 5 received more than one application.

<sup>48</sup> Community Digital Sound Programme - these services are licenced as community radio broadcasting on DAB, either as simulcasts of analogue community stations or digital-only community radio.

<sup>49</sup> In a macro area, there is insufficient spectrum to licence SSDAB in each of the identified areas. This means that applications across the macro area need to be considered together, so that decisions can be taken on the areas in which to licence SSDAB.

**Figure 45: DAB coverage as of March 2023**

		BBC	Commercial			Small-scale
			Digital One	Sound Digital	Local DAB	
UK	Homes	97.4%	91.7%	82.6%	92.0%	13.8%
	Major roads	87.4%	80.2%	72.6%	76.8%	NM
England	Homes	98.4%	94.8%	86.7%	93.4%	12.8%
	Major roads	94.5%	93.9%	89.8%	87.4%	NM
Scotland	Homes	95.3%	81.7%	69.0%	85.4%	24.9%
	Major roads	69.1%	45.5%	33.6%	45.6%	NM
Wales	Homes	92.2%	67.5%	56.9%	82.6%	15.5%
	Major roads	78.1%	53.3%	37.7%	60.9%	NM
Northern Ireland	Homes	87.3%	85.4%	56.8%	87.5%	5.6%
	Major roads	79.3%	86.9%	55.0%	87.8%	NM

Source: Arqiva, BBC, Ofcom. Note: Coverage of SSDAB is measured on a homes basis only. 'NM' denotes levels are not measured.

## Market developments

### Radio sector

#### Draft Media Bill signals changes in the regulatory landscape

The Government published a draft Media Bill in March 2023 which includes a range of provisions concerning the regulation of radio services in the UK. In particular, the draft legislation indicates that commercial radio will be further deregulated through the removal of formats, although it contains provisions to ensure the availability of local news. The Bill would also increase flexibility around the analogue licensing regime in the light of the increasing focus on digital platforms. Changes to the licensing regime would allow radio licensees based outside the UK to hold licences to broadcast on DAB in the UK, with the expectation that broadcasters based in Ireland would be the first to be able to seek a UK licence.

The draft Bill also makes certain 'radio selection services'<sup>50</sup> subject to regulation for the first time, requiring these services which fall within scope of the regulation to provide access to simulcasts of BBC radio and UK radio stations licensed by Ofcom that are distributed online.<sup>51</sup> Under the draft Bill, regulated radio selection services must make qualifying radio services available in response to

<sup>50</sup> Defined in Section 42 of the draft Bill as "a service provided by means of the internet which enables, or among other things enables, a user of the service to use that service— (a) to make a selection between internet radio services provided by different persons, and (b) to cause a selected internet radio service to play, by giving spoken commands that are recorded by equipment connected to the internet".

<sup>51</sup> i.e. an "internet radio service" [Section 42].

specific requests by consumers, must not overlay advertising, and must not charge the internet radio services for these.

### [Bauer rebrands local stations to Greatest Hits](#)

In April 2023, Bauer rebranded several of its stations as Greatest Hits Radio, in parallel with the launch of Ken Bruce's show on the network. Seven of Bauer's stations in Scotland, including Clyde 2 and Forth 2, were rebranded as Greatest Hits Radio, bringing these stations in line with similar stations in England, including CFM in Cumbria, which was also rebranded at the same time, along with Lincs FM's analogue service. These services will continue to include local content and advertising.

In July 2023, Bauer announced that subject to regulatory approval, it intends to acquire Jack Media Oxfordshire Limited's stations in order to extend FM coverage of its services.

### [Global launches new digital stations](#)

In February 2023 Global launched Radio X Classic Rock and Capital Chill – stations broadcasting on the Sound Digital national multiplex as well as being available online via smart speakers and Global Player. Global has also expanded its operations in Scotland, with Heart Scotland and Capital Scotland<sup>52</sup> introducing new programming from its Glasgow base.

### [Bauer launches new Rayo app, and Nation Broadcasting goes ad-free via TuneIn Premium](#)

By developing Rayo (first announced in [March 2023](#)), Bauer will make its audio content available in a single app and on a website with a consistent digital brand, akin to the approach adopted by BBC Sounds and Global Player. Bauer has also added advertising-free Magic Radio and Greatest Hits Radio stations to its subscription radio service. Nation Broadcasting announced in [June 2023](#) that it would be available via the TuneIn Premium subscription service.

## Music streaming

### [Agreement to improve music metadata](#)

In November 2022 the Competition and Markets Authority [published its music streaming market study](#). It concluded that neither record labels nor streaming services were likely to be making significant excess profits that could be shared with creators, and that interventions outside the scope of competition would be needed to address issues around payments to creators. [The Government initiated a programme of work](#) to examine these issues, and as part of this, in May 2023 key organisations in the UK music industry agreed to improve their metadata. Having better metadata should help to better identify artists and creators due who are due royalty payments. Additional research from the programme is expected to be published later in the summer.

### [Music streaming services continue to adapt their offerings...](#)

In [November 2022](#) Amazon made changes to its Prime Music service, giving Prime subscribers access to its full library of music (rather than a subset, as before) and access to advertising-free versions of certain podcasts, including titles from Wondery and the New York Times. However, the changes also mean that, apart from songs on All Access playlists, Prime subscribers not paying an additional subscription fee can only listen to music via a shuffle mode.

In March 2023 Apple launched [Apple Music Classical](#), a new standalone music streaming app designed for listening to classical music, which offers users information better suited to classical

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<sup>52</sup> Owned by Communicorp UK which licenses the brand from Global.

music pieces,<sup>53</sup> as well as background content. The service is free to Apple Music subscribers but does not support downloading of content for offline plays.

### ... while increasing subscriptions fees

In late July 2023, [Spotify](#) announced it would be increasing the price of its Premium subscription tiers in 53 markets. In the UK the monthly price for each tier will increase by £1, taking the cost of an individual Premium subscription to £10.99 and a Family plan to £17.99 a month. This announcement follows similar price increases made by both [Apple](#) and [Amazon](#) since late 2022.

### AI DJs and synthetic voices increase automation of radio and audio content

Over the past year, several firms have been developing products and services which use artificial intelligence (AI) to augment online audio streaming by providing automated speech content. Examples of this include Spotify DJ ([launched March 2023 in the UK and Ireland](#)), which uses AI to select songs for the listener and provide speech commentary in a similar manner to a DJ, and [Futuri's RadioGPT](#), a system designed to allow radio stations to develop automated services, which can add music playlists and automated speech content related to the music, as well as local content sourced from websites. Oregon station Live 95.5 has used the system to create content for its midday show, using a voice based on that of [DJ Ashely Z](#), and in the UK, [Switch Radio](#) has used Open AI's ChatGPT to create weather bulletins.

## Podcasts

### Some publishers are seeking to reduce costs in their podcast business

Over the past few months, several large podcast producers in the US have rationalised their podcast line-up and made job cuts, amid reports of cuts in production budgets. Despite the resilient audiences, [analysts](#) have pointed to the sector's reliance on advertising as a weakness, given the increasingly challenging economic environment.

[Spotify](#) has made several changes to its business over the past year, following trends which saw costs grow twice as quickly as revenues. It reduced headcount by 6% across the business in January 2023, and in June announced a further round of 200 job cuts in its podcast division as well as the merger of Gimlet and Parcast to create a Spotify Originals studio. [NPR](#) cut its headcount by 10% in March 2023 and cancelled four podcasts, including 8-year-old Invisibilia, to help address a \$30m budget deficit.

### Broadcasters continue to develop their podcast offerings for both listeners and advertisers

In [May 2023](#) the New York Times launched a standalone app, providing access to subscriber-only podcasts in addition to other NYT audio content, such as *The Daily*, and early access to *This American Life*. In the UK, where the podcast advertising market is less developed, broadcasters have continued to develop their offerings involving both first- and third-party podcasts. Following their departure from the BBC, Emily Maitlis, Jon Sopel and Lewis Goodall's *News Agents* news podcast launched as a Global Player original in August 2022. In April 2023, talkSPORT launched a network of third-party football podcasts alongside its existing portfolio of original podcasts, offering advertisers greater scale.

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<sup>53</sup> Track metadata fields for classical music such as title, composer, opus, performer/orchestra, conductor and recording may differ from metadata used for pop music such as song, artist and album.

## Audience trends: overall reach of live radio stays high as listening continues to shift to online

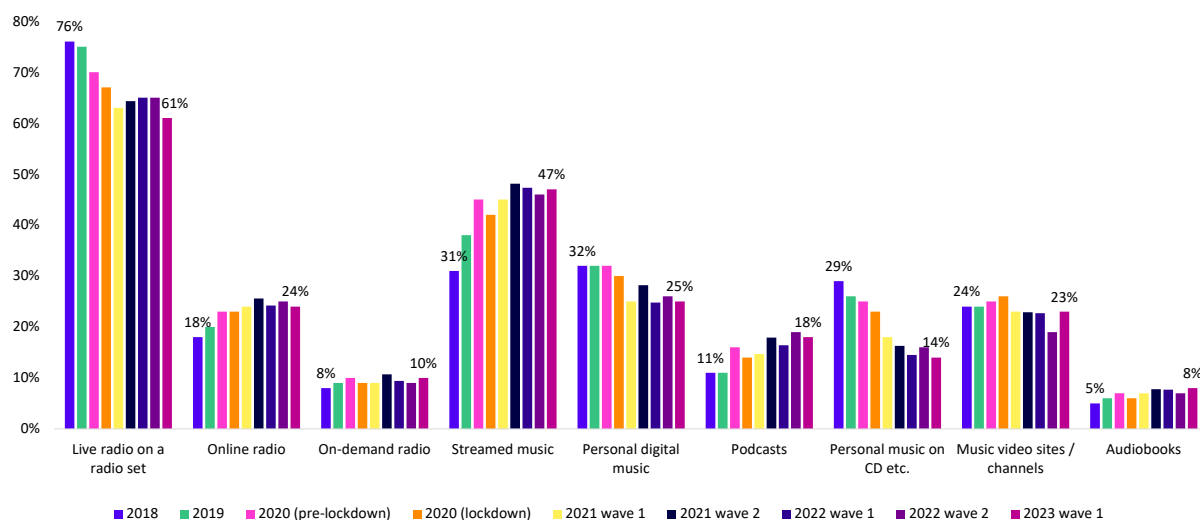
This section provides data and commentary on what people are listening to, and how. It starts by looking at listening across a range of audio types and devices, before focusing on consumer trends relating to radio listening, music streaming, podcasts, voice assistants and in-car listening.

### Audio listening

#### Live radio continues to be the most popular form of audio, but under-35s are more likely to stream music than tune into radio

After listening to the radio on a radio set, the next most popular audio activities are music streaming (47%) – which has grown steadily in reach (16 percentage points) over the past five years but recently levelled off – followed by listening to personal digital music (25%). The proportion of adults listening to podcasts each week has grown by seven percentage points over the past five years, although it remains comparatively low.<sup>54</sup>

**Figure 46: Weekly use of different audio types, GB adults 15+: 2018-2023<sup>55</sup>**



Source: IPA TouchPoints.

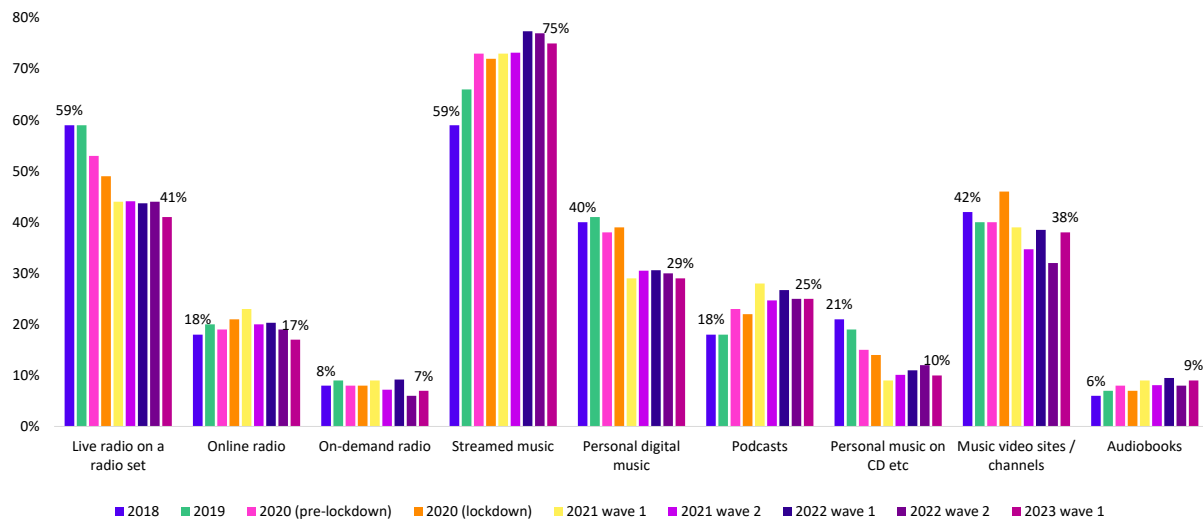
Online audio formats continue to be more popular among younger listeners, with 75% of 15-34-year-olds listening to streamed music each week. Podcasts also had a higher reach among under-35s compared to the overall population (26% vs 18%). Despite growth in vinyl and cassette sales, as

<sup>54</sup> This figure for podcasts weekly reach (18%) is slightly lower than RAJAR's figure (19.6%) which we typically use, however, we include it in this chart as it allows us to compare a range of different audio types and over time.

<sup>55</sup> The deduplicated figure from IPA TouchPoints for weekly reach of all live radio on any device and platform is slightly lower than the RAJAR equivalent. We include the granular splits in this chart (live radio on a radio set, online radio and on-demand radio) to show the changes compared to other audio types over time, but we defer to RAJAR for weekly reach of all live radio (88% of adults aged 15+) as it is the industry standard for measuring radio listening.

outlined above, the reach of music on physical formats has halved for this age group over the past five years (down 11 percentage points); one in ten adults aged 15-34 now listen this way each week.

**Figure 47: Weekly use of different audio types, GB adults 15-34: 2018-2023**



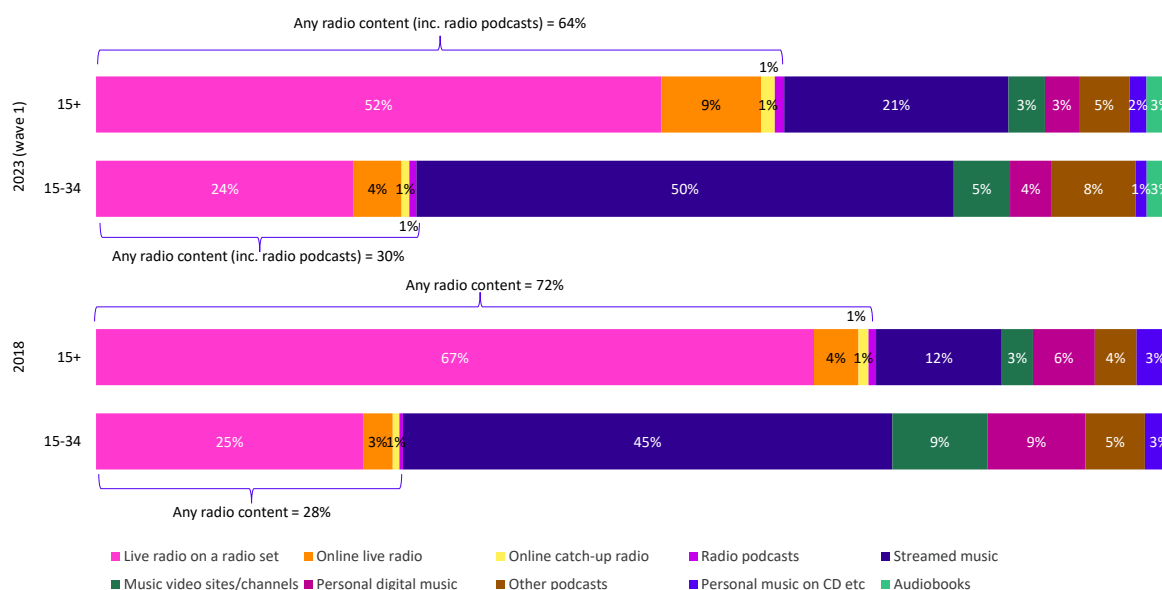
Source: IPA TouchPoints.

## Music streaming accounts for half of young people’s total audio listening, but a fifth for adults overall

Sixty-four per cent of adults’ audio listening is to radio content, either live radio or on-demand, including radio podcasts: triple the proportion of time spent listening to streamed music (21%). For young people aged 15-34, however, the image is practically inverted: half their audio diet is streamed music, while radio content accounts for 30% of total listening. While this pattern has remained consistent over time, Figure 48 shows the gradual shift to online listening for both age groups in the past five years. The share of live online radio and streamed music has increased significantly for all adults (online live radio doubling from 4% to 9% and streamed music from 12% to 21%), while live radio listening on radio sets decreased from just over two-thirds (67%) to just over half (52%) of time spent listening to audio each week.



**Figure 48: Share of time spent each week on any audio: adults 15+ vs 15-34s**



Source: IPA TouchPoints.

## Spotify continues to be the most popular audio streaming service for listening to online music and podcasts

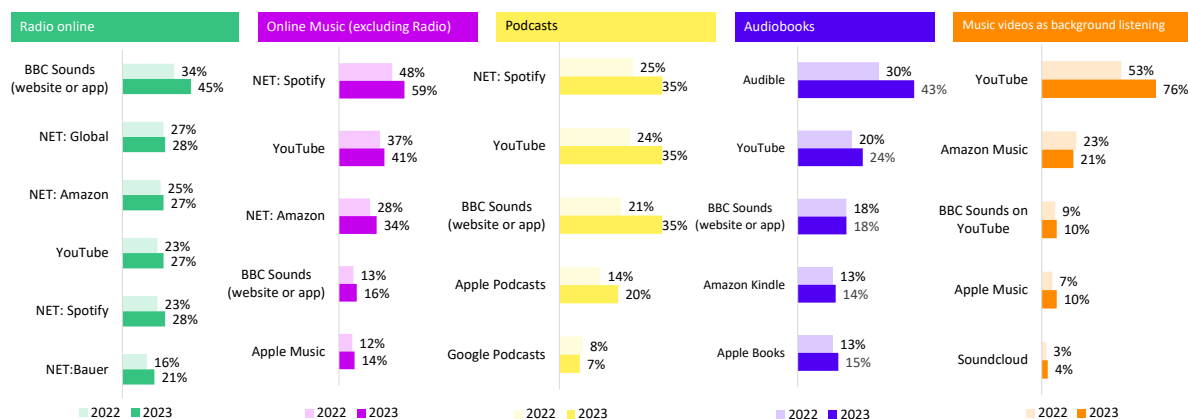
Looking more closely at what platforms people are using, Spotify continues to be the top platform for online music, increasing its weekly reach from 48% to 59% of music streamers in the past year. YouTube and Amazon also increased their reach to four in ten (41%) and a third (34%) of music streamers respectively. Spotify, YouTube and BBC Sounds are the most popular services for podcasts, all reaching just over two-thirds of these listeners each week. The biggest year-on-year growth was for BBC Sounds, which went from reaching just over a fifth of online radio users in 2022 (21%) to more than a third (35%) in 2023.<sup>56</sup>

Interestingly, Spotify also makes an appearance in the list of online radio services, as respondents in our research considered it a provider of radio-like content via its ‘Radio’ function which automatically creates a custom playlist curated around any song, album, playlist or artist the user selects.<sup>57</sup> The term ‘radio’ has always been used to refer to both the device – the radio set – and the medium itself, but this particular use of radio to mean curated playlists hints at a bigger question: what does ‘radio’ mean to audiences today? As noted above, AI-generated content and synthetic voices are becoming increasingly sophisticated and even used to augment what we may think of as traditional broadcast radio. How do the characteristics of this content compare to other audio formats like live radio, streamed music and podcasts? The sections below focus on each of these formats in turn and the changes in audience listening habits over time.

<sup>56</sup> Ofcom Audio Survey.

<sup>57</sup> More information on how this works is available here: Spotify FAQs, [How does Spotify Radio work](#), accessed 12 July 2023.

**Figure 49: Most-used services by weekly users of different online audio: March 2022 and March 2023**



Source: Ofcom Audio Survey 2022 and 2023. ‘NET: Global’ includes Global Player and website or app for Heart, Capital, Classic FM, Smooth, Radio X radio stations. ‘NET: Bauer’ includes Planetradio.co.uk (for radio stations including Magic, Kiss, Greatest Hits, Hits, Absolute, Scala, Planet Rock) and specific apps for Magic, Kiss, Greatest Hits, Hits, Absolute, Scala and Planet Rock.

## Live radio listening

### Commercial radio consolidates its position as market leader

Live radio continues to reach the majority of adults across the UK, with 88% of people tuning in for an average of 20 hours each week across digital, analogue and online platforms. This listening has previously been split more or less equally between BBC and commercial radio stations, but over the past year commercial radio consolidated its position as market leader to take a 51.4% share in Q1 2023 – five percentage points clear of the BBC.<sup>58</sup> Having fared better with younger audiences in the past, this success is due in part to commercial radio successfully attracting older audiences with UK-wide brands, including brand extensions, such as Smooth and Magic. Local commercial radio figures were boosted in early 2023 by Greatest Hits Network, which rebranded seven stations in Scotland and marketed itself as the new ‘Home of Ken Bruce’, in advance of his move to the station away from BBC Radio 2.

The success of Greatest Hits Network’s strategy is evident in its weekly reach, which was up nearly two percentage points during the quarter (7.8% to 9.5%). With more people tuning in, its share of listening also grew, albeit more modestly, from 3.2% to 3.7%.<sup>59</sup> Nevertheless, this increase meant that it overtook Classic FM and Smooth Radio to become the sixth most popular UK-wide station / network<sup>60</sup> in Q1 2023. LBC<sup>61</sup> also appeared in the top ten, with the same market share as Capital, although with less than half the number of listeners. This hints at the different listening habits of audiences to different stations, with fewer people tuning in to LBC’s radio programmes but listening

<sup>58</sup> RAJAR Q1 2023.

<sup>59</sup> RAJAR Q1 2023.

<sup>60</sup> The table shows stations that are available across the UK. These can be stations that either have the same output regardless of where in the UK they are listened to (e.g. BBC Radio 2, or Heart UK on national DAB), or they can be local radio services that have some tailored local content (notably local news) alongside output that is mostly ‘simulcast’ or ‘networked’ across a number of local stations which share the same branding.

<sup>61</sup> LBC, along with Capital, was the first licenced commercial radio stations to broadcast, fifty years ago this October.

for longer each week. The top five UK-wide stations remain unchanged since Q4 2022, with BBC Radio 2 and BBC Radio 4 alone accounting for over a quarter of weekly radio listening.

**Figure 50: Top ten UK-wide stations/networks, ranked by market share: Q1 2023**

Rank	National station/ network	Ranking change from previous quarter	Weekly reach of adults 15+	Market share	Owner
1	BBC Radio 2	-	25.8%	15.2%	BBC
2	BBC Radio 4	-	16.8%	11.2%	BBC
3	Heart Network (UK)	-	15.9%	5.6%	Global
4	Hits Radio Network <sup>62</sup>	-	12.1%	5.0%	Bauer
5	BBC Radio 1	-	13.5%	4.9%	BBC
6	Greatest Hits Network	+3	9.5%	3.7%	Bauer
7	Classic FM	-1	8.1%	3.6%	Global
8	Smooth Radio Network (UK)	-1	9.4%	3.4%	Global
9	BBC Radio 5 live	-1	9.1%	3.0%	BBC
10	LBC (UK)	+1	4.9%	2.9%	Global
=10	Capital Network (UK)	-	11%	2.9%	Global

Source: RAJAR Q1 2023. TSA: All Radio. Weight: Automatic (each station weighted by its own weight).

## BBC Radio 2 remains the most popular station in most places, although there are some notable exceptions at a local level

Drilling down to a local level shows some differences in radio listening across the different parts of the UK. Figure 51 shows the top three stations based on market share in each of the BBC local areas.<sup>63</sup> BBC Radio 2 was the number one station in most markets, and where it wasn't, it was usually number two. However, in Guernsey and Northern Ireland it was fourth, behind independent local, BBC local and Bauer local stations (and in the case of Guernsey, BBC Radio 1).

BBC nations'/local stations (shown in green) featured in the top three positions in 11 of the 42 markets shown, and held the number-one spots in Northern Ireland and Cornwall. Bauer's Hits Radio Network, which mainly comprises local stations which have retained their heritage names, such as Metro Radio in the BBC Radio Newcastle area, featured in the top three in many areas across the north of England, as well as in Scotland and Northern Ireland. Global's Heart Network (shown in pink) appeared in the top three stations for most areas, but particularly in the south of the UK, while the Smooth Radio Network performed better in the north (although this geographical split, to some extent, reflects the FM availability of these brands). Tindle Radio, one of the smaller commercial

<sup>62</sup> Note that nearly all the services comprising Bauer's 'Hits Radio Network' broadcast under local branding (e.g. Hallam FM, Metro Radio, Clyde 1, Radio City), although most of the programming is shared across the network on these services.

<sup>63</sup> We have used BBC nations/local radio total survey areas (TSAs) for this analysis as they are non-overlapping areas. A TSA is the defined area RAJAR uses to measure listening and ensures robust sample sizes in those areas. Market share for a particular station can vary if measured within different TSAs.

groups, continues to dominate listening in the Channel Islands, mainly because those stations were the only commercial stations to broadcast there until the arrival of the DAB+ multiplex in August 2021. Data from RAJAR indicates that although the way in which people in the Channel Islands listen to commercial radio has shifted, with more using DAB instead of analogue, this has had no impact on the numbers of people listening to commercial radio overall or its market share.

**Figure 51: Top three stations based on market share in each BBC nations/local radio area: Q1 2023**

Total survey area (TSA)	Station ranked 1 <sup>st</sup>	Station ranked 2 <sup>nd</sup>	Station ranked 3 <sup>rd</sup>
UK	BBC Radio 2	BBC Radio 4	Heart
BBC Coventry & Warwickshire	BBC Radio 2	BBC Radio 4	BBC Radio 1
BBC Essex	BBC Radio 2	Heart	BBC Radio 4
BBC Hereford & Worcester	BBC Radio 2	BBC Radio 4	BBC Radio 1
BBC Radio Berkshire	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Bristol	BBC Radio 4	BBC Radio 2	Heart
BBC Radio Cambridgeshire	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Cornwall	BBC Radio Cornwall	BBC Radio 2	BBC Radio 4
BBC Radio Cumbria	BBC Radio 2	BBC Radio 4	BBC Radio Cumbria
BBC Radio Derby	BBC Radio 2	BBC Radio Derby	BBC Radio 4
BBC Radio Devon	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Gloucestershire	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Guernsey	Island FM 104.7	BBC Radio 1	BBC Radio Guernsey
BBC Radio Humberside	BBC Radio 2	BBC Radio 4	BBC Radio Humberside
BBC Radio Jersey	Channel 103 FM	BBC Radio 2	BBC Radio 1
BBC Radio Kent	BBC Radio 2	Heart	BBC Radio 4
BBC Radio Lancashire	BBC Radio 2	BBC Radio 4	BBC Radio Lancashire
BBC Radio Leeds	BBC Radio 2	Capital	BBC Radio 4
BBC Radio Leicester	BBC Radio 4	BBC Radio 2	Capital
BBC Radio Lincolnshire	BBC Radio 2	Lincs FM*	BBC Radio 4
BBC Radio London	BBC Radio 4	BBC Radio 2	LBC London
BBC Radio Manchester	BBC Radio 2	Smooth Radio	BBC Radio 4
BBC Radio Merseyside	BBC Radio 2	BBC Radio Merseyside	Smooth Radio
BBC Radio Newcastle	BBC Radio 2	Smooth Radio	Metro Radio
BBC Radio Norfolk	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Northampton	BBC Radio 2	Heart	BBC Radio Northampton
BBC Radio Nottingham	BBC Radio 2	BBC Radio 4	Smooth Radio
BBC Radio Oxford	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Scotland	BBC Radio 2	Clyde 1	BBC Radio 4
BBC Radio Sheffield	BBC Radio 2	Hallam FM	BBC Radio 4
BBC Radio Shropshire	BBC Radio 2	BBC Radio 4	BBC Radio Shropshire
BBC Somerset	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Stoke	BBC Radio 2	Signal One	BBC Radio Stoke
BBC Radio Suffolk	BBC Radio 2	BBC Radio 4	Heart
BBC Sussex & BBC Surrey	BBC Radio 4	BBC Radio 2	Heart
BBC Radio Tees	BBC Radio 2	Smooth Radio	Capital
BBC Three Counties Radio	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Ulster	BBC Radio Ulster	Cool FM	Downtown Radio
BBC Radio Wales	BBC Radio 2	BBC Radio 4	Heart
BBC Radio Wiltshire & Swindon	BBC Radio 2	BBC Radio 4	BBC Radio 1
BBC WM 95.6	BBC Radio 2	BBC Radio 4	Heart
BBC Radio York	BBC Radio 2	BBC Radio 4	BBC Radio 1

Key	BBC Radio 2	BBC Radio 4	BBC Radio 1	BBC Local	Global	Bauer	Tindle
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Source: RAJAR Q1 2023, based on market share in the BBC nations'/local total survey areas; six-month weighting. \*Lincs FM has since rebranded to Greatest Hits Radio on FM, but is still available as Lincs FM on DAB, online and smart speakers.

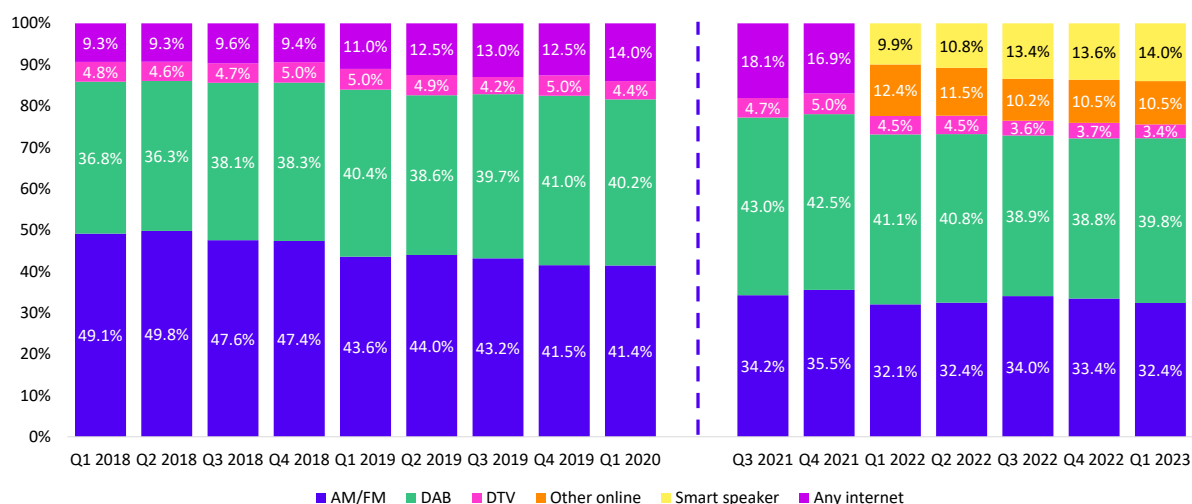
## The shift to online listening continues, particularly for commercial radio stations

The way in which people are listening continues to shift towards online, with smart speakers and internet listening now accounting for a quarter (24.5%) of all time spent listening to live radio.<sup>64</sup> AM/FM's share has decreased from just under half (49.1%) to less than a third (32.4%) in the last five years, while DAB's share has only decreased by three percentage points in the same period.

The relative resilience of DAB may be due to the stability of DAB penetration, both at home and on the road. The proportion of households with DAB access was unchanged in 2023: 30% of households had a DAB set in the home and 45% of households with cars had one in a car, taking total penetration of any DAB to 57% of households.<sup>65</sup>

Ofcom will soon be publishing findings from quantitative research commissioned to assess the penetration and use of DAB+ radio in home and in cars. DAB+ is the latest technology for digital audio broadcasting and is more efficient than standard DAB.

**Figure 52: Share of listening, by platform: 2018-2023**



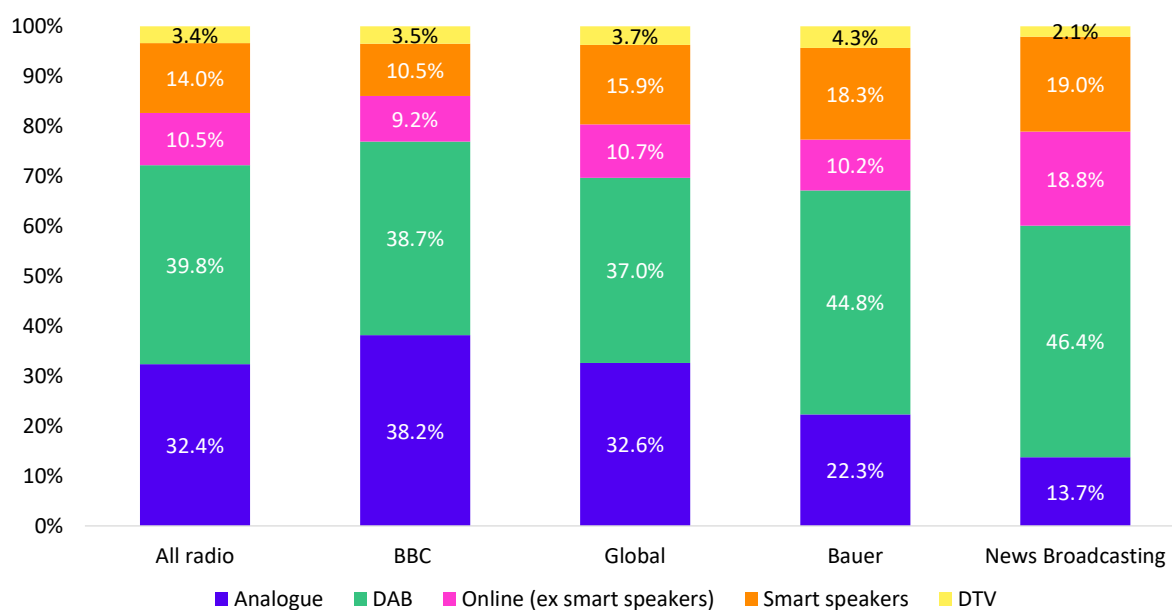
Source: RAJAR. Dotted line indicates suspension of fieldwork from the end of Q1 2020 until Q3 2021 due to the Covid-19 lockdowns. This led to subsequent changes in methodology, so comparison with previous quarters should be made with caution.

Listening via the internet and smart speakers using primarily the BBC's umbrella online platform, BBC Sounds, accounts for just under a fifth (19.7%) of the BBC's total radio listening. In contrast, almost two-fifths (37.8%) of time spent listening to News Broadcasting (formerly Wireless, and including talkSPORT, Times Radio and Virgin Radio) is via online platforms, including station-branded apps.

<sup>64</sup> RAJAR Q1 2023.

<sup>65</sup> [Ofcom Technology Tracker 2023](#).

**Figure 53: Share of listening, by platform of each main broadcaster group: Q1 2023**

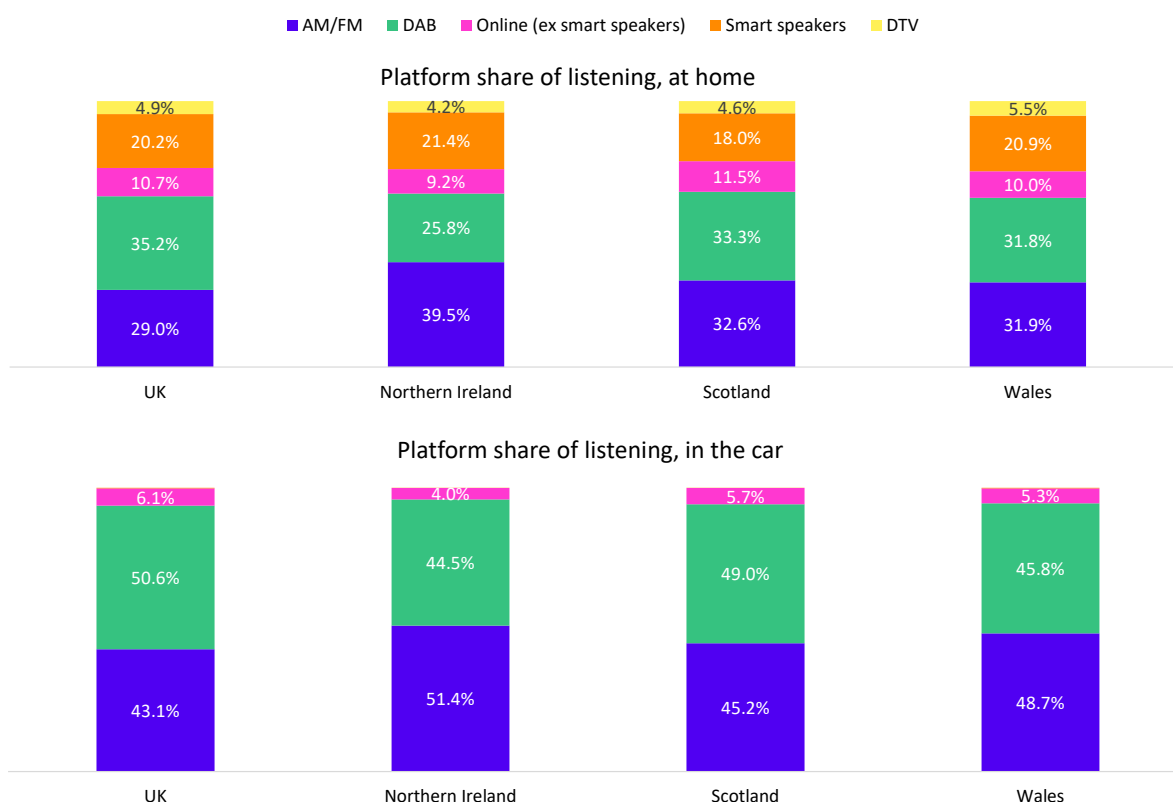


Source: RAJAR Q1 2023. Note: News Broadcasting rebranded from Wireless in 2023.

Of course, listeners’ choice of content and platform is largely dependent on where they are at the time. Listeners have the widest range of options while at home, where 30.9% of listening is online, with around two-thirds of this through a smart speaker. DAB radio continues to account for just over half of in-car listening (50.6%) compared to AM/FM’s 43% and 6% via the internet,<sup>66</sup> although this varies by nation, as illustrated in Figure 54 below. Listeners in Northern Ireland are more likely than the rest of the UK to listen to AM/FM in the car, partly due to lower DAB coverage levels and the popularity of local radio. More information on radio listening in the nations is available in our [Northern Ireland](#), [Scotland](#) and [Wales](#) reports and more data on in-car radio listening, including DAB’s share over time, can be found later in this section.

<sup>66</sup> RAJAR Q1 2023.

**Figure 54: Platform share of listening, at home and in the car, by nation: Q1 2023**



Source: RAJAR Q1 2023. TSA: All radio (UK), BBC Radio Ulster (Northern Ireland), BBC Radio Scotland (Scotland), BBC Radio Wales (Wales).

## People listen to about three radio stations a week, although DAB listeners and 35-44-year-olds tune in to more

The average number of stations listened to each week has remained relatively constant over time, at an average of three; this includes listening in any location and on any platform. Looking at the platforms more closely, people who listen on DAB tune in to more stations than those who listen on other platforms. Those aged 35-44 are the most promiscuous age group, listening to 3.3 stations each week on average, while both 15-24-year-olds and those aged 65+ listen to an average of 2.7, less than all other age groups. There are also differences if we look through the lens of which stations people listen to. For example, BBC Radio 2 listeners tune in to an average of 3.6 stations each week while those who listen to Heart 90s tune in to an average of 6.1 stations.<sup>67</sup>

## Music streaming

### Almost half of all adults use music streaming services each week, although reach has plateaued in the last two years

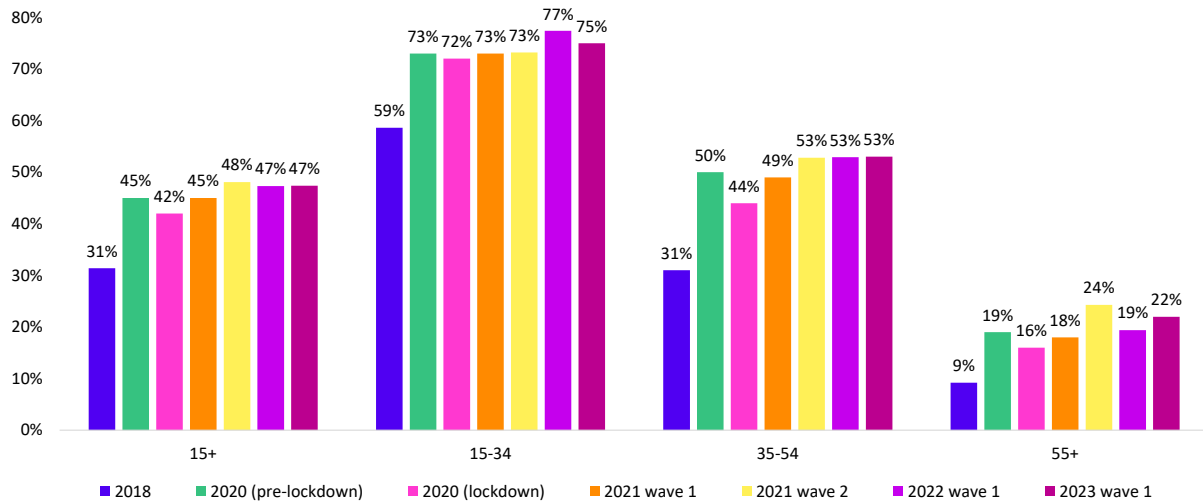
After slow and steady growth over the past five years, the weekly reach of music streaming services appears to have stabilised at 47%. Reach among younger adults was still much higher than the

<sup>67</sup> RAJAR Q1 2023.



average, with three-quarters of 15-34-year-olds using music streaming services at least once a week in the first quarter of 2023, although this was marginally lower than a year ago (by two percentage points). Conversely, reach among over-54s increased slightly to just over a fifth (22%) in 2023, perhaps an indication of the potential for future growth in this age group.

**Figure 55: Weekly reach of streamed music, by age: 2018-2023**

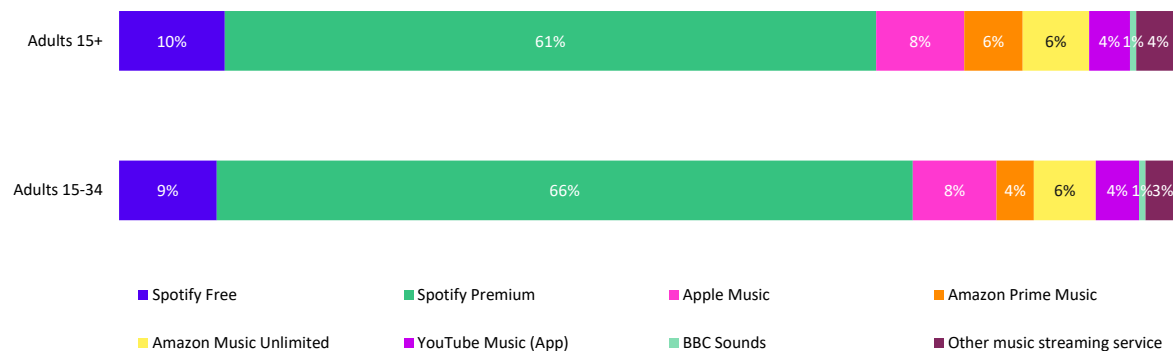


Source: IPA TouchPoints.

## Spotify accounted for the majority of time spent streaming music in Q1 2023, with most of this through its paid-for service

As in 2022, most of the time spent streaming music in the first quarter of 2023 was through Spotify. Together, the free and paid-for (Premium) subscription tiers accounted for more than two-thirds of adults' time spent streaming music (71%). This was higher for those aged 15-34, at 75%, and even higher for 15-24s at 79%. Younger adults aged 15-24 were more likely to use Spotify Premium, but less likely to use other paid-for services, including Apple Music and Amazon Prime Music. This may be connected to the demographics of Amazon Prime's overall subscriber base, and the fact that Prime Music is ancillary to Prime membership, which subscribers may sign up to for reasons besides music (such as free shipping of purchases on Amazon, or Amazon Prime Video).

**Figure 56: Share of time spent music streaming by platform, GB adults 15+ vs 15-34s: 2023**



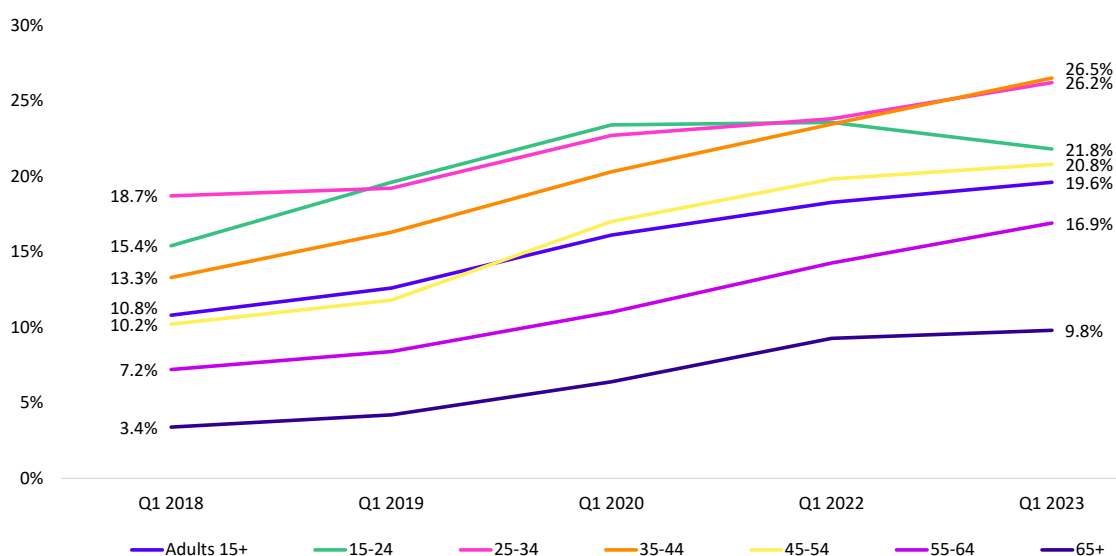
Source: IPA TouchPoints 2023 wave 1.

## Podcasts

### One in five adults listen to podcasts each week

About 11 million adults (19.6%) listen to podcasts each week. This increase has largely been driven by listeners aged 25-44, while younger adults aged 15-24 appear to be turning away from them. The pattern across the UK varies, with listening skewed towards people in the South of England: almost one in four adults in the South and in London listen to podcasts each week, dropping to 16% in the West Midlands.<sup>68</sup>

**Figure 57: Weekly reach of podcasts, by age: 2018-2023**



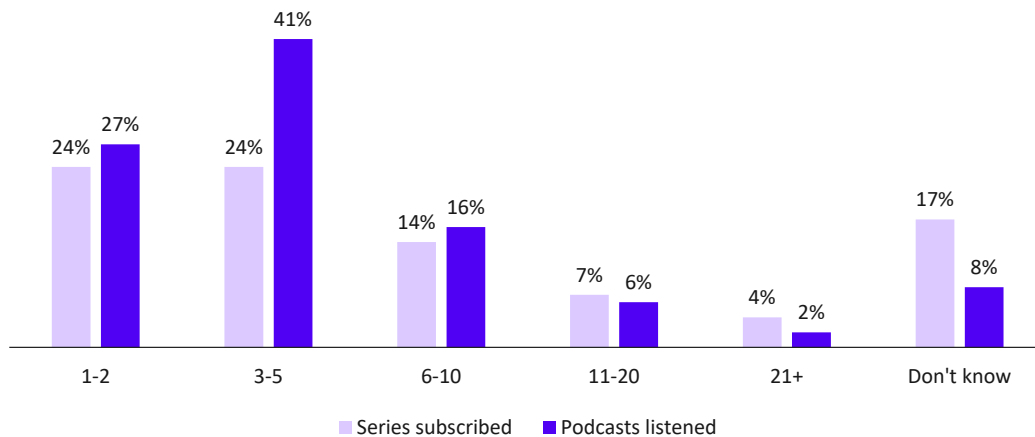
Source: RAJAR. Dotted line indicates suspension of fieldwork from the end of Q1 2020 until Q3 2021 due to the Covid-19 lockdowns. This led to subsequent changes in methodology, so comparison with previous quarters should be made with caution.

### Most podcast listeners listen to five or fewer podcasts per week

Of those who listen to podcasts regularly, just under a quarter (24%) listen to six or more podcasts each week, with the majority (68%) listening to five or less. About half of regular podcast listeners said they subscribed to between one and five podcasts, while one in six regular listeners (17%) weren't sure how many podcasts they subscribed to. Just over one in ten listeners (11%) subscribed to 11 or more, but only 8% listen to this many podcasts every week.

<sup>68</sup> RAJAR Q1 2023.

**Figure 58: Podcast series subscribed to, and individual podcasts listened to weekly: 2023**

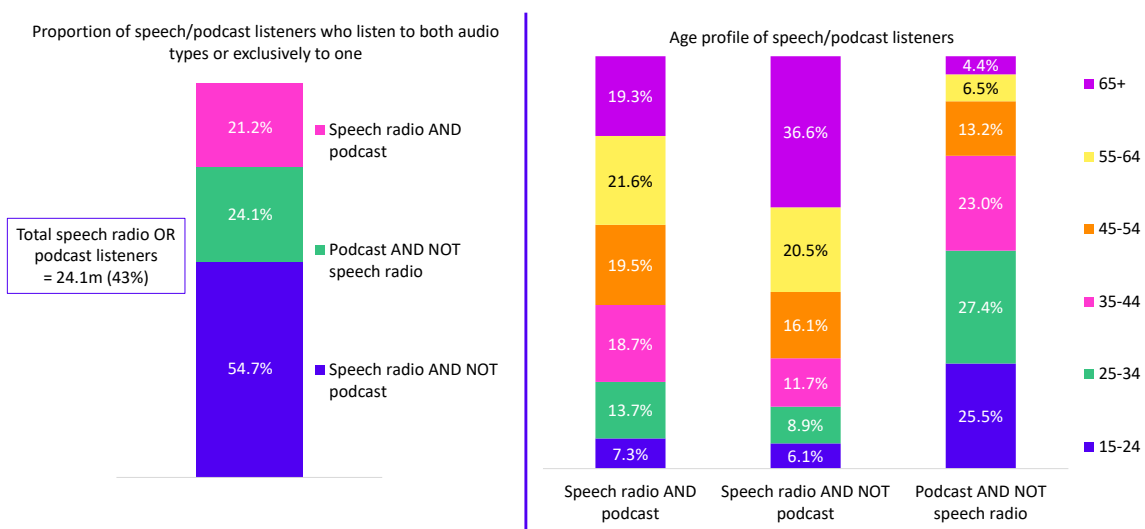


Source: Ofcom Podcast Survey 2023. Base: All regular podcast listeners, 1006 (2023), 1003 (2022). Question 9: On average, how many individual podcasts do you listen to in a week? Question 10: How many podcast series are you subscribed to?

## 24 million people listen to speech audio each week, but only a fifth of them listen to speech radio *and* podcasts

Despite the increase in the number of stations providing exclusively speech content, such as Times Radio and GB News Radio,<sup>69</sup> the audience for speech radio has remained constant, reaching about a third (32.6%) of UK adults each week. Looking at the crossover, 43% of adults (24 million) listen each week to speech radio or podcasts. The age differences of people who listen to these various types of speech-led audio are shown in Figure 59. Those who listen to speech radio and *not* podcasts are more likely to be aged over 54, while about three-quarters of people who listen to podcasts and *not* speech radio are likely to be under 45.

**Figure 59: Audience profiles: speech radio listeners vs podcast listeners: Q1 2023**

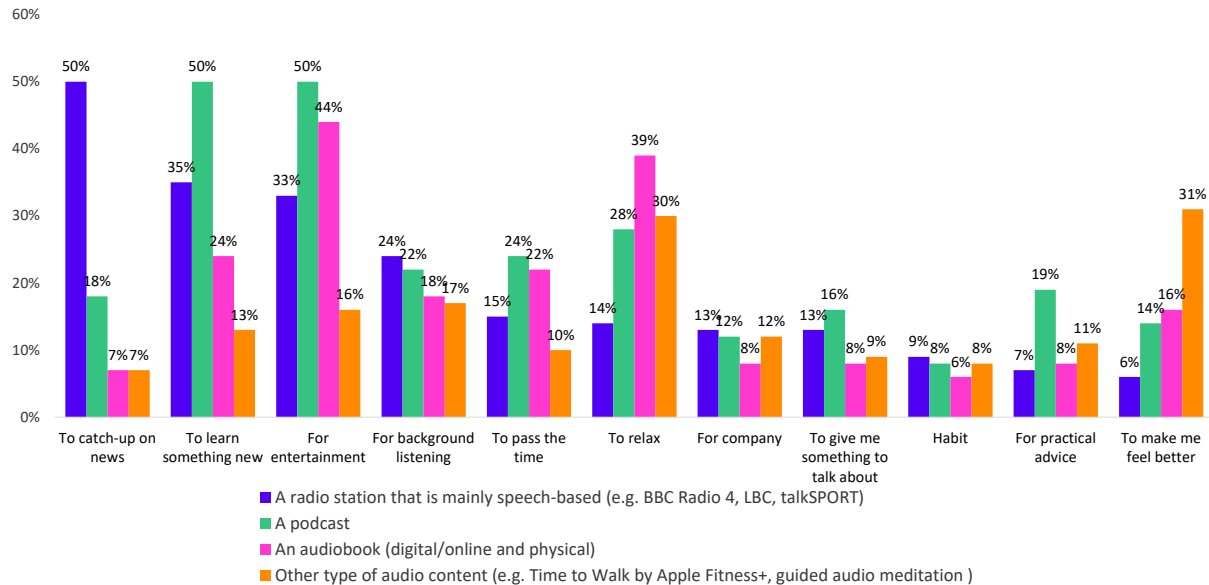


Source: RAJAR Q1 2023. Six-month weight.

<sup>69</sup> This does not include stations which provide some speech-only programmes, such as some BBC nations/local stations.

People consume different types of speech content for different reasons, so there may be limited substitutability between different types of speech-based content. For example, among those who listen to a speech-based radio station at least monthly, 50% cited ‘catching up on news’ as a reason to listen to such a station, versus 18% of monthly podcast listeners who said they listened to podcasts for this reason. In contrast, half of those who listen to a podcast at least monthly said they listened to a podcast ‘to learn something new’ or ‘for entertainment’ (compared to 35% and 33% respectively for listeners to speech-based radio stations). The most-cited reason to listen to an audiobook was for entertainment (44% of audiobook listeners).

**Figure 60: Reasons for listening to different types of speech-based content: 2023**

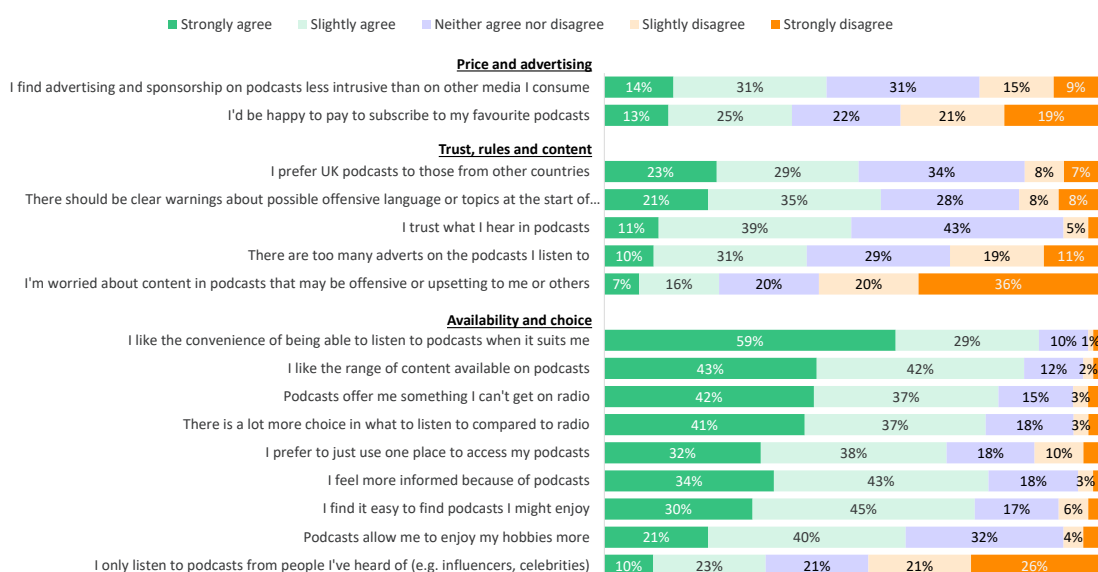


Source: Ofcom Audio Survey 2023.

## Convenience is important, although most listeners also say podcasts offer them something they can’t get on radio

Looking at what people value in podcasts, convenience is key: almost nine in ten regular listeners (89%) said they liked being able to listen when it suited them. Listeners were also likely to agree that podcasts offered a wide range of content (85%), including content not available on radio (79%). Three-quarters of regular podcast listeners (77%) said they felt more informed as a result, although only half said they trusted what they heard in podcasts. Most listeners (56%) agreed that there should be clear warnings about possible offensive language or topics at the start of podcasts, but the same proportion were unconcerned about the content being potentially offensive or upsetting, either to themselves or others.

**Figure 61: Attitudes to podcasts: 2023**



Source: Ofcom Podcast Survey 2023.

## Smart speakers and voice assistants

This section focuses on the take-up of voice assistants and the use of smart speakers, and their importance as a way of accessing radio services. Voice assistants such as Alexa and Google Assistant are voice-controlled audio platforms through which people can access audio content, search for information and control devices such as lights and heating in the home. Voice assistants can be accessed through a range of devices, including smartphones, tablets and smart TVs, as well as smart speakers – dedicated audio hardware (such as the Amazon Echo or Google Nest) which people can interact with by using their voice. Most smart speakers are only compatible with a single voice assistant platform, although some brands (such as SONOS) allow users to choose which voice assistant they would like to use via their smart speaker device.

### Four in ten households have at least one smart speaker, with overall take-up appearing to plateau

Four in ten households (42%) had a smart speaker in Q1 2023, a three-percentage-point increase year on year, with 45% of these having two or more. The Amazon Echo was by far the most popular brand; just under four in five homes (79%) with smart speakers had one of these, followed by the Google Home / Google Nest, at 15%. The most popular place to have a smart speaker is the living room/lounge, with over half of all smart speakers located here (59%), followed by the kitchen (45%) and bedroom (40%).<sup>70</sup>

Most owners reported using their smart speaker for music streaming (60%) and listening to the radio (58%), with the next popular activities being searching for information online or asking general questions (37%), getting weather reports (36%) and as an alarm clock (35%).<sup>71</sup>

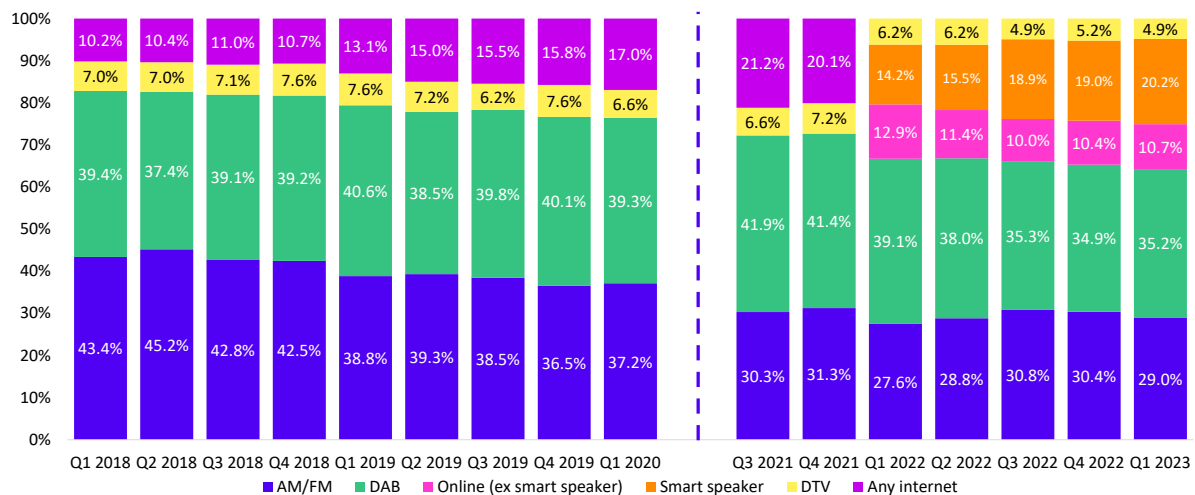
<sup>70</sup> [Ofcom Technology Tracker 2023.](#)

<sup>71</sup> [Ofcom Technology Tracker 2023.](#)

## Smart speakers account for a fifth of in-home radio listening, and their share is growing

In the past year, smart speakers' share of in-home listening has grown from 14% to 20%. This growth has come at the expense of in-home DAB (down by four percentage points) and analogue listening (down by one percentage point).

**Figure 62: Share of radio listening in the home, by platform: 2018-2023**



Source: RAJAR. Dotted line indicates suspension of fieldwork during the Covid-19 lockdowns and change in methodology. Comparison with previous quarters should be made with caution.

## Many radio listeners have stopped using their radio set since getting a smart speaker

Ofcom published the [findings of its qualitative research into smart speakers](#) in December 2022. About half of the respondents who took part reported using their smart speaker(s) as a radio, and had stopped using, or even got rid of, other devices such as physical radio sets since getting the smart speaker. Some bought their smart speaker specifically as a replacement for a radio because of the audio quality.

“We used to have two radios in the bedroom because we love this station, LBC, and it was quite hard to tune in on the old radio, and then the clock radio that we used to have was set to our local station here. So now we don’t have either of those and we just have Alexa.”

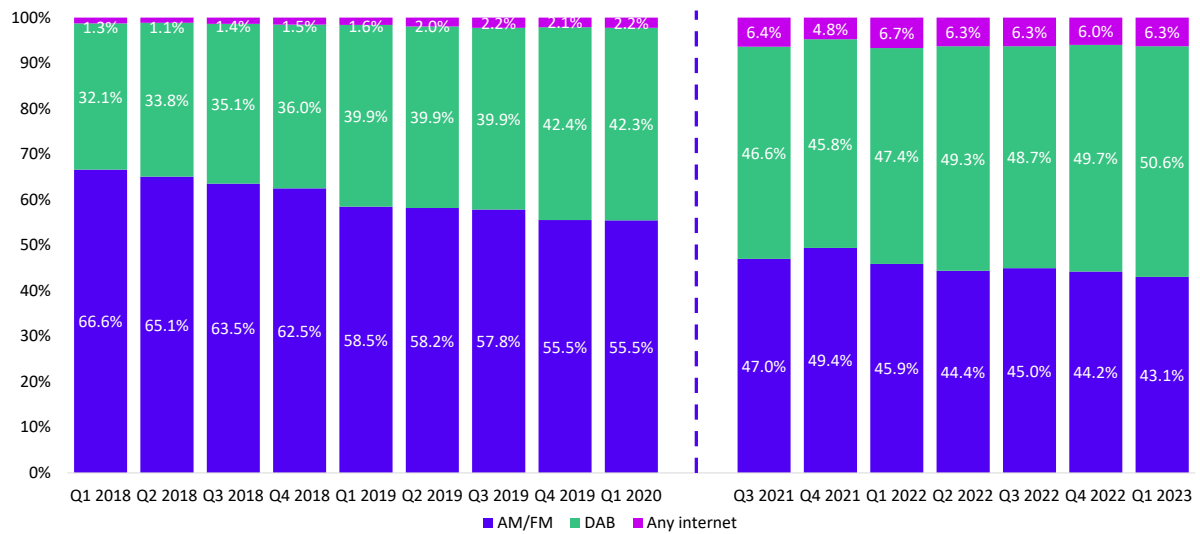
(Radio focus group participant)

## In-car listening

### DAB now accounts for most in-car radio listening

As of Q1 2023, DAB accounted for the majority of in-car radio listening (50.6%), while listening to the radio via the internet in the car has remained unchanged since 2021, at 6.3%. New cars registered in the UK have had DAB fitted as standard for about the past ten years, so this is gradually starting to filter through to mainstream.

**Figure 63: Share of in-car radio listening, by platform: 2018-2023**

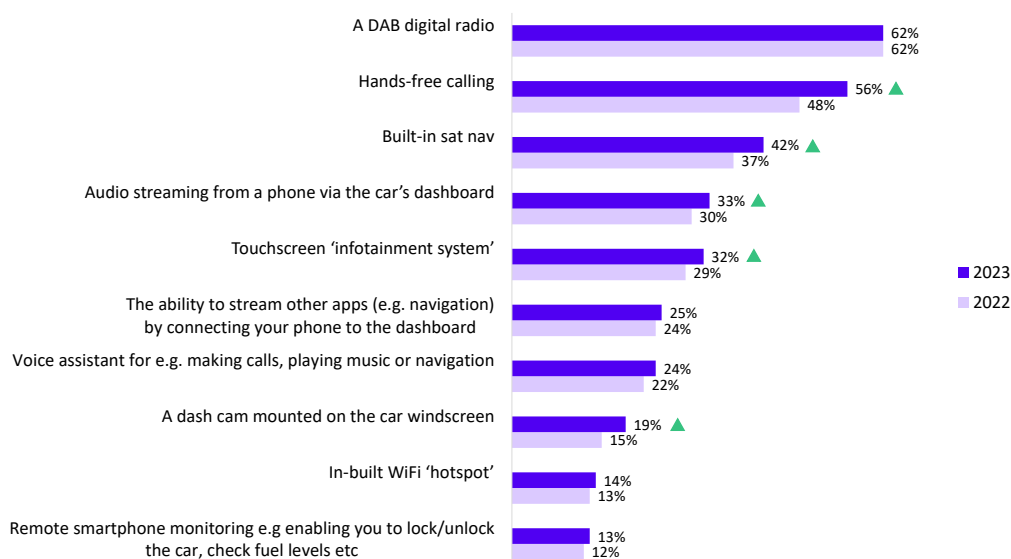


Source: RAJAR. Dotted line indicates suspension of fieldwork and change in methodology. Comparison with previous quarters should be made with caution. Includes vans and lorries.

## Most cars have a DAB radio, and the proportion of cars with smartphone connectivity is increasing

More than six in ten households which use cars have a car with a DAB radio in it (62%), while a third use one which can stream music from the driver’s or a passenger’s phone to the dashboard – a significant year-on-year increase. Thirty-two per cent of households use a car with a built-in infotainment system, also significantly more than last year.

**Figure 64: Features in cars: 2022-2023**

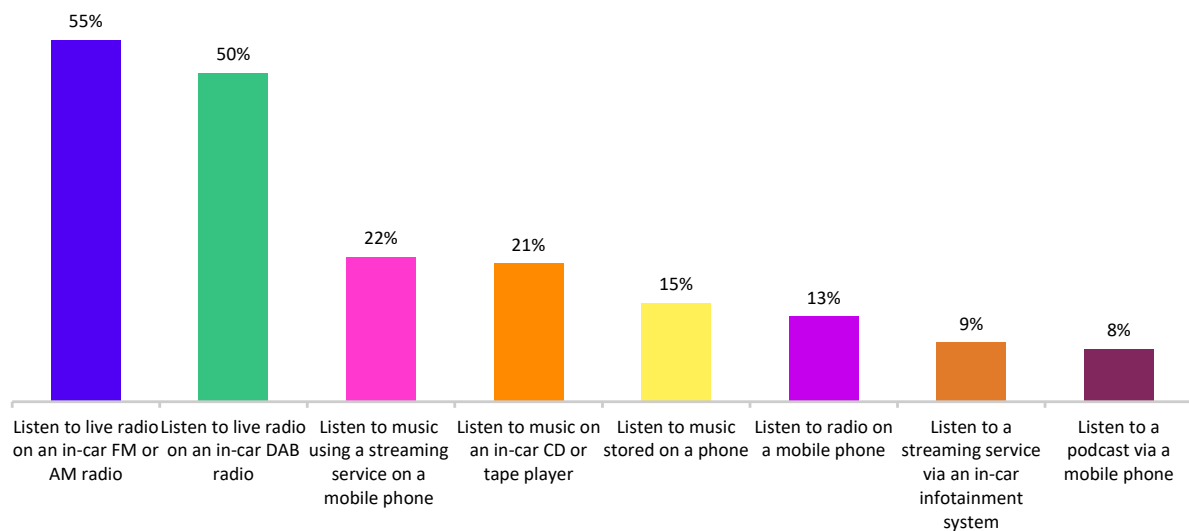


Source: Ofcom Technology Tracker 2022 and 2023. Base: Person has car and uses it as a driver or passenger n=2871 (2022), n=2874 (2023). Arrows indicate statistically significant year-on-year increase at the 95% confidence level.

## Live radio is still the most popular form of audio in cars

Listening to live radio, either on an AM/FM or DAB radio, was the most common in-car audio listening activity in 2023, with at least half of car users doing at least one of these activities. Over a fifth (22%) of drivers and passengers used a streaming service on a mobile phone to listen to music in the car (up from 17% in 2022), while 9% listened to music via an infotainment system built into the car. Those aged under 35 were more likely than average to listen to music using a streaming service via a mobile phone in the car, with 36% of 16-24-year-olds and 39% of 25-34-year-olds saying they did this either as a driver or a passenger.

**Figure 65: In-car audio activities: 2023**



Source: Ofcom Technology Tracker 2023. QR4. Which, if any of these ways do you listen to audio content in a car? Base: All respondents who drive/are a passenger in a car n=2874.