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Summary

Introduction

The BBC Trust is the governing body of the BBC and it is our responsibility to get the best out of the BBC for licence fee payers. One of the ways we do this is by carrying out an in-depth review of each of the BBC’s services. We have looked at every BBC service over the last five years and are now beginning our second round of reviews. The first of these covers BBC Online and BBC Red Button.

The Trust sets out what it expects of each service in a published service licence. Our review has three broad aims: first, to assess how well these services are performing against commitments set out in these licences; second, to consider the services’ future direction; and third, to determine whether amendments to the licences are required.

The remit of these services is as follows:

The remit of **BBC Online** is to promote the BBC’s public purposes, by providing innovative and distinctive online content and distinctive propositions that reflect and extend the range of the BBC’s broadcast services. BBC Online should offer UK users greater choice and control over how they consume BBC content by providing a range of recent broadcast output on-demand. BBC Online should enable the BBC to develop a deeper relationship with licence fee payers and strengthen the BBC’s public accountability. BBC Online should, at all times, balance the potential for creating public value against the risk of negative market impact.

**BBC Red Button** should offer continuously updated digital content, providing news and other information to digital television audiences. BBC Red Button should also offer content which supports and enhances some linear television programmes, in particular major events. It should also be an access and navigation point for BBC non-linear television and radio content. The service should be delivered to audiences in the form of interactive video, audio, pictures, text and applications.

The Trust first reviewed BBC Online in 2008. We looked at BBC Red Button more recently in 2010. The Trust has decided to review these services together given their increasing closeness and the general move towards the delivery of interactive TV via IP (internet protocol). Given the length of time since our first review of BBC Online, the significant change in audience behaviour and the market environment, and the scale of BBC Online compared with Red Button, our report focuses mostly on the BBC Online service.

We carried out a public consultation at the end of 2012 and received around 1,800 responses from licence fee payers. In addition, we received a number of responses from the industry and other stakeholder organisations. We also commissioned qualitative and quantitative audience research to inform our thinking for the review. This evidence, alongside performance monitoring and financial analysis, has given us a clear picture of these services.
Conclusions – BBC Online

BBC Online is an extremely important part of the BBC’s portfolio and is performing well. It is one of the BBC’s highest reaching services, providing public service content to 22 million people each week. The service is greatly valued and highly rated in terms of quality and distinctiveness. It is a trusted source of news and information and plays a vital role in delivering the BBC’s public purposes.

The service is closely linked with the BBC’s television and radio services. While it spans ten different products, News, Sport and iPlayer are the key drivers of usage and perception, and the most important ways in which the service delivers the BBC’s purposes. The other products have lower levels of use but overall are highly valued by their users. However, we would like BBC management to increase awareness and discoverability of the breadth of BBC Online’s content.

Audience behaviour has changed greatly over recent years, driven by growing ownership and use of smartphones and tablets. BBC Online’s four screen strategy – which aims to ensure that audiences can access BBC content across computers, mobiles, tablets and television – has been highly successful. The BBC’s digital offering around the 2012 Olympics was a stunning example of the potential of this strategy.

BBC Online has undergone substantial change since the Trust first reviewed it in 2008 and has made good progress in rationalising its offer and improving its management and operations. It now uses more standardised technologies across the service, enabling more links and integration between products. This allows users to have greater access to the breadth of content available across the service.

For the immediate future, the strategy is in place to continue to meet audience expectations. In the longer term, there are questions to consider about BBC Online and its increasingly important role in the BBC’s digital future. The Trust and the Executive will need to work closely together to develop a future vision for a truly digital BBC.

To improve BBC Online we have set out a number of actions, including:

- BBC management should consider how to improve navigation across BBC Online
- BBC management should explore opportunities to develop and implement greater personalisation
- The Trust will assess the success of the relaunched Knowledge & Learning product
- BBC management should develop plans for BBC Online to provide a better local offer
- The Trust supports BBC Online becoming a more integrated single service and will monitor progress towards this.
Conclusions – BBC Red Button

The BBC Red Button serves over 17 million people each week. Its users value the day-to-day provision of news and sport headlines, weather and other information. The Red Button can also offer extended coverage of major events such as the Olympics, Wimbledon and Glastonbury, and this feature is highly appreciated.

Due to the reduction in capacity on some digital TV platforms, the Red Button may struggle to meet audience expectations of providing extended events coverage on those platforms. However, we are confident it will remain an important service for licence fee payers and will increasingly be a gateway to access BBC Online content. We support the development of the Connected Red Button, which provides content via the internet – it is already available in some Virgin Media homes.
Key Findings and Actions

The main findings and actions from this review are set out below.

Context

The digital landscape has changed dramatically since the Trust first reviewed BBC Online in 2008

At that time we found that BBC Online provided a valued service that was used by a large number of licence fee payers. Audience behaviour and expectations have changed dramatically since our first review, far more than in relation to television or radio. On the internet, many audiences now expect access to video and audio as well as text and for online services to be available on any web-enabled device. Audiences are very active online and, for some, sharing, commenting on and creating content is an essential part of the internet, as is being able to personalise their experience. Such behaviour and expectations are not exceptional, but rather a common part of the online experience.

A new strategy has been put in place for BBC Online, based on ten products, four screens, one service

Following the first Trust review, BBC management undertook a range of work to improve the service, both internally in terms of management and operations, and externally in terms of the audience offer.

In 2010, the Trust published its Putting Quality First strategy, which set out the basis for a new strategy for BBC Online with a 25% budget reduction. Subsequently, in January 2011, the Trust approved a new strategy for BBC Online, based around ten products, four screens and one service. This strategy involves:

- the number of ‘top level domains’ (i.e. bbc.co.uk/xxx) being reduced from around 400 to around 200, and a rationalisation of the offer around ten ‘products’1 from the previous figure of around 60
- a focus on providing a consistent high-quality experience across four screens – laptop/desktop, mobile, tablet and television
- use of common technologies and joined-up management to create appropriate links and more integration between BBC Online’s products.

1 These products are News, Sport, Weather, Homepage, Search, Knowledge & Learning, TV & iPlayer, Radio & Music, CBeebies, CBBC.
How well do BBC Online and Red Button serve audiences?

In the face of changing technology and audience behaviour, the performance of BBC Online and the Red Button has been strong

Since 2008, BBC Online’s weekly reach has increased from 16.9m to 22.4m people. This makes it the third most widely used BBC service and highlights its importance within the BBC portfolio and the scope it has to deliver public value content to licence fee payers. Red Button also attracts a sizeable audience of over 17 million people each week.

BBC Online’s growth has been in part due to increased access to broadband. As a proportion of those people who have access to the internet, BBC Online reach grew slightly in 2012 to around 60%. This is short of BBC Online’s target of 65% by 2013/14 which was set in 2011. The target has been challenging because of a number of factors, including the very competitive environment within which the service operates. However, browser reach\(^2\) has risen significantly due to the proliferation of smartphones and tablets. In the future, we expect BBC Online reach to continue to grow and the service to play an increasingly important role in fulfilling the BBC’s aim to offer something to everyone. We expect broadband access to become near-universal in the future, and the internet will become an increasingly important means of delivering TV and radio, as well as online-only content.

BBC Online and the Red Button deliver high-quality and distinctive public service content to licence fee payers

These services provide a wide range of content that reflects the BBC’s six public purposes. The content provided varies from news and sport, to entertainment, to informative and educational content. Our evidence suggests that BBC Online and the Red Button are highly valued by their audiences: 89% of the BBC Online audience and 80% of the Red Button audience rated those services highly for their quality of content; 61% of BBC Online users also said that it provided content not available elsewhere. We believe that this is a strong figure given the intense competition in the digital environment, and an important indication of its public service delivery.

Importantly, the audience does not currently see BBC Online or Red Button as standalone services in the same way as BBC Two or Radio 4, for example. Instead, it sees them as inextricably linked to other parts of the BBC. This means that BBC Online reflects the qualities associated with the BBC more broadly – that it is high-quality, trustworthy, reliable, and provides informative content. But these services now play a key role in supporting BBC coverage of big events – their offer for the London Olympics is testament to this.

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\(^2\) Browser reach represents the number of browsers used to access BBC content, measured directly from BBC server logs. This is an accurate way of monitoring usage; however no demographic information is available. 'Browser reach’ is generally higher than ‘people reach’, as people tend to use more than one device to go online.
The strong performance and appreciation of BBC Online is driven by the News, Sport and iPlayer, and these are key to its public service provision

News, Sport and iPlayer are the biggest drivers of reach and, therefore, perceptions of quality of BBC Online. News reaches around 20.3m unique browsers per week, Sport 13.4m and iPlayer 14.7m.

These products are critical to BBC Online’s delivery of the public purposes. Our evidence shows that the content offered by these products contributes to all of the BBC’s purposes in some way, and especially to the BBC’s citizenship purpose through the News product. Audience attitudes towards these products are very positive:

- **News.** This is the most important product in the BBC Online portfolio. Its professionalism and accuracy are widely praised, and it is highly trusted.
- **Sport.** This product stands out for its breadth and has a strong reputation for factual accuracy, as well as a strong audio and video offer.
- **iPlayer.** Widely praised by its users for being best in class. It has also encouraged people to watch content online, and across a range of devices.

Such positive audience views lead to broader positive perceptions of BBC Online. The service is praised for its breadth and depth, its trustworthiness and ease of use, for being up to date and relevant, and for providing high-quality content.

One area for improvement is the provision of local content, particularly local news. The Trust’s Audience Councils, as well as our audience research and public consultation, suggested that BBC Online’s local offer is not as strong as its UK and international news. For instance, local news stories are not updated frequently and news coverage is not particularly comprehensive in most localities. In addition, BBC local sites are organised around regions or counties, which are perceived as being too large to be locally relevant.

We have discussed these challenges and the barriers to improvement with BBC management. It has plans to improve the local online offer both technically and editorially. We support these plans and have asked for them to be developed and implemented speedily, as we believe that they will go some way to addressing this issue without changing the local footprint of the BBC.

We will monitor progress against these plans so that we can assess whether the local offer is being improved, or whether any further action is required.
**Action 1: BBC Online should provide a better local offer for audiences**

We recognise that BBC Online’s local sites, and news coverage in particular, are important to the service’s delivery of the public purposes.

BBC management should develop and implement initiatives to improve the local offer, alongside broader actions to improve navigation and personalisation. We will assess progress and consider whether any further action is required.

*BBC management will report progress to the Trust as part of regular performance reporting.*

**The Knowledge & Learning product is to relaunch in 2013**

The Knowledge & Learning product contains a huge amount of educational content. This includes formal learning, such as the valued Bitesize service that supports school curricula across the UK, and informal learning, such as the heavily used BBC Food and the less well used BBC Arts and BBC Science sites.

Audiences appreciate the breadth of the Knowledge & Learning sites, but are often unaware of, and struggle to find, the available content.

BBC management has plans to relaunch the Knowledge & Learning product in 2013 with reorganised content moved onto the same publishing platform as other parts of BBC Online. This should enable better links between formal and informal learning content and more frequent and better links with other BBC content. The relaunch aims to improve the organisation of existing content and promote it better, but not to create new areas of activity.

We support the aim of increasing usage of the BBC’s Knowledge & Learning content as learning is a core part of the BBC’s mission and we believe that this relaunch is a major opportunity to improve BBC Online’s contribution to this.

**Action 2: The Trust will monitor the success of Knowledge & Learning’s relaunch**

We support the plans for increasing usage of the Knowledge & Learning product and we will assess the success of the relaunch of Knowledge & Learning in terms of impact on reach and appreciation.

*BBC management will update us on progress within a year.*
In a converging digital world, BBC Online’s four screen strategy has been very successful

Historically, internet usage has been focused on desktop or laptop computers. However, the rise of smartphones and tablets has meant that providers of content have had to optimise their sites to work across these different screens and to take account of the different ways in which they are used. BBC management has made significant efforts to ensure that its main products are available across a range of screens and devices, with a consistent user experience.

Our evidence suggests that this strategy has been successful. As a percentage of all usage, mobiles and tablets rose from 27% to 39% last year. In fact, during the London Olympics, mobile use of the BBC actually surpassed desktop/laptop use for the first time, reflecting the appeal of immediacy that such devices offer.

These trends look set to continue. Smartphone and tablet penetration continues to rise and new screens and devices will emerge on which audiences will expect to find BBC content. It will, therefore, be important for BBC Online to adapt to meet such expectations.

The increase in smart TVs and similar devices is bringing online content to television screens. To respond to such trends, BBC management has developed the Connected Red Button as the natural evolution of the traditional Red Button. To date, the Connected Red Button is only available to Virgin TiVo households, but BBC management expects it be more widely available year on year. It will be a long time before it eclipses the current Red Button offer, but we support the BBC’s plans to develop the Connected Red Button and roll this out over time.

Convergence and technological advances have allowed BBC Online to provide a richer offer for audiences

When the Trust first reviewed BBC Online, it was predominately a text and picture based service. These are increasingly complemented by video and audio content, which draws naturally on the broadcasting strengths of the BBC and improves the choice and quality of the online offer for users.

The development of apps has also had a fundamental impact on how smartphone and tablet users access online content. The BBC has provided a small number of apps to date – News, iPlayer, Olympics, Sport and Radio iPlayer, which take online content and make it more convenient to access. These are very heavily used.

Growing use of mobile internet devices has also resulted in the rise of ‘second screen’ behaviour, such as using Twitter on a smartphone while watching a TV programme. In 2012, the BBC began experimenting with how it can provide bespoke second screen experiences, such as play-along games, and BBC management believes that this is an area for further development.

The internet is an increasingly connected and integrated environment, where content from different sites may be embedded in others and links between sites are frequent. In addition, users often collate, share and participate in content from around the web.

Audiences do not see BBC Online as being at the forefront of this trend. Some people believe that the impartiality and trustworthiness of BBC content limits possibilities for
interactivity, but many would like the BBC to provide more participatory features, and we encourage these, as long as they are in line with the BBC's editorial, fair-trading and syndication policies.

Users appreciate that BBC Online makes its content available across different devices and in different ways. Given that the number of methods by which to consume online content is likely to increase, it is right that BBC Online aims to provide a service designed for a multitude of devices and experiences while maintaining value for money.

**Audiences value the breadth of the BBC Online offer, but struggle to navigate across and beyond the site**

Audience use of BBC Online is currently driven mostly by habit, such as checking the news or sports results. While people value the breadth of online content on offer from the BBC when they are shown it, they are often not aware of it and do not think to explore beyond their initial destination.

We believe that BBC Online could signpost the breadth of its content more effectively and enable better navigation between sites. We believe that better navigation will enable users to find more public service content that is relevant to them. The Homepage, internal search engine and other navigation aids should all contribute more to this objective.

The BBC Homepage is an important entry point into BBC Online, with a weekly reach of 8.6m browsers. It aims to showcase the range of BBC Online content and provide effective navigation to different parts of the service. However, many users bypass it, via a search engine for example, and some audiences are unclear as to its purpose. While reach is declining, it remains an important route into BBC Online, so we support efforts to improve it.

The BBC's internal search engine is not considered to be particularly effective by audiences or BBC management. There are various issues underlying its ineffectiveness, such as the quality of metadata on sites. BBC management is working to resolve these issues and it expects users’ search experience to begin to improve soon.

Effective external links allow users to find relevant content beyond BBC Online. They are welcomed by users and can create value for other online providers by increasing their volume of users. Several stakeholder responses to our public consultation queried the approach taken by BBC Online to external links, and we think it would be beneficial for BBC Online to be more open about its approach to providing external links.

BBC Online has a service licence target to provide 22 million monthly external click-throughs by 2013/14, but it was not delivering this consistently at the start of this year. We expect BBC management to continue to increase the number of external click-throughs, and make them more effective and consistent across the products.
Action 3: BBC management should improve the navigation across and beyond BBC Online

Clear signposting and navigation across and beyond BBC Online is extremely important to enable the service to maximise delivery of the public purposes and begin to realise the ambition of becoming a more integrated service.

Improvements should include:

- more effective internal links and consistency of design in terms of navigation
- better navigation and signposting to all products on the Homepage, taking account of the needs of a wide range of different users
- an improved internal search engine
- more consistent and effective external links, in order to increase the number of external click-throughs; greater transparency around the approach taken to providing external links would be helpful.

*Effective use of external links is supported by a revised service licence commitment.*

*BBC management will report to the Trust within six months its plan to improve navigation and external links. Progress against this plan will then become part of the regular performance reporting.*

Personalisation is a key characteristic of internet services and an important dimension for BBC Online to develop

For many people, the ability to personalise their online experience is central to how they use the internet. It provides the BBC with an opportunity to offer more value to licence fee payers by bringing them content that is more relevant to them.

BBC Online currently offers relatively little in terms of personalisation and BBC management believes that personalisation can help users find content of more relevance to them. For example, users can be automatically offered more relevant local news. There is already a BBC sign-in facility, although usage is very low.

We support BBC management’s plans to develop and implement personalisation features for BBC Online. It raises challenges, however, such as security of personal data and the need to balance the BBC’s editorial expertise in curating content with users having free choice to find BBC content. We believe that personalisation will be of value to licence fee payers if it is implemented carefully and with reference to the principles set out below.
**Action 4: BBC management should explore opportunities to offer more personalisation in BBC Online**

Personalisation features can improve the BBC Online offer and will be welcomed by some audiences as long as they are implemented carefully. In exploring this opportunity, BBC management should follow the following principles:

- there should be full transparency to the user of the data the BBC holds on them as an individual, and the benefits this brings them
- users should have control of their personal data
- users should have to sign in only when this is necessary to provide additional benefits to them, and they should be easily able to opt in or out
- the service should always provide an editorial voice when providing or recommending content
- there should be no commercial imperative behind the BBC’s personalisation plans, and any commercial use of data by the BBC should be at the user’s explicit discretion.

*BBC management will update the Trust on its progress in this work regularly and as milestones are reached.*

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**The management of BBC Online and the Red Button**

**BBC Online’s strong performance since our last review is underpinned by significant changes in the way the service is run**

When the Trust first reviewed BBC Online in 2008, we found that the management and governance of the service was not as effective as it should be. This was partly due to the cross-divisional nature of BBC Online, which led to weaknesses in the service's strategic, editorial and financial oversight.

To rectify these problems, BBC management undertook a significant amount of work to reorganise and improve the way the service is managed. BBC Online and Red Button are now managed by the Online Direction Group (ODG) – a cross-divisional body chaired by the Director, Future Media. The ODG is responsible for delivering the strategy, ensuring that both services meet the requirements of their licences and is also accountable for the budget. The evidence we have seen suggests that the ODG is doing this effectively.

While we acknowledge that central management may decrease the flexibility of particular genre areas to invest and innovate, there are clear benefits in having one group responsible for overseeing the products – not least in the ability to deliver strategies such as ‘four screens’ and ‘one service’ which have benefits across all products.
During this review we have found that, while the BBC has sophisticated systems to measure BBC Online usage, there are two important gaps in the measurement of performance that need to be addressed.

First, it is important to understand the amount of time that audiences spend on BBC Online. Second, it is important to measure the number of people, as opposed to browsers, using the individual products.

We have discussed these gaps with BBC management and it has plans in place to address them. We also encourage BBC management to consider how it can make performance data available externally to the benefit of external stakeholders.

**Action 5: BBC management should improve its audience measurement tools and make more audience data publicly available**

Although the BBC has access to a range of tools to measure the use and perception of its online services, we believe there are two important gaps – ‘people reach by product’ and ‘time spent’ – that need to be addressed so that BBC management can make the best informed decisions about BBC Online.

BBC management should aim to share performance data with interested stakeholders.

*We expect BBC management to have addressed these points within six months.*

**BBC Online now has a good level of financial accountability**

Following our first review, BBC management undertook a lot of work to improve the financial oversight of BBC Online. The ODG, being accountable for both service licence budgets, now plays a critical role in overseeing how BBC Online and Red Button spend the licence fee money allocated to them.

In addition, the BBC Online service licence is separated into annexes\(^3\) which are designed to provide more accountability regarding objectives and spend across these areas of the service. The annexes broadly reflect the ten products, but we believe that the News, Sport and Weather annex should be separated further to better reflect how the service is managed.

To further enhance the accountability of BBC Online finances, we believe it is right that the reported service licence cost should reflect, as genuinely as possible, the true costs of delivering the service. Therefore, we have asked BBC management to consider including all development spend within the service licence content budget and to present its

\(^3\) The service licence annexes are News, Sport & Weather / Homepage & Search / Children’s / Audio & Music / Knowledge and Learning / iPlayer & TV
conclusions to the Trust. We have also noted that the ‘cost per user reached’ metric in the Annual Report & Accounts is based on browsers rather than people, which we have asked management to change.

**Action 6: BBC management should further improve financial accountability**

To improve financial accountability we ask BBC management to:

- Consider the arguments for and against including all development spend within the service licence budget. *BBC management will report back to the Trust within six months with a recommendation on this matter.*
- Separate News and Sport service licence annexes to provide better accountability and reflect how the service is managed. *To be implemented immediately.*
- Change the definition of ‘cost per user reached’ in the BBC Annual Report & Accounts from ‘browser reach’ to ‘people reach’. *To be implemented in the 2012/13 Annual Report & Accounts.*

**Reductions in cost combined with steady or improving reach mean that the value for money of these services has improved**

Both BBC Online and Red Button have seen recent reductions in their budgets in accordance with wider BBC strategy. In 2011, it was agreed that BBC Online should reduce spend by 25 per cent by 2013/14. It is on course to meet this without any negative impact on reach.

In 2012, the Trust agreed that BBC management should reduce Red Button distribution costs by reducing the service available on digital satellite and cable, making the offer consistent across different TV platforms. This has now taken place.

This reduction in costs, combined with steady or increasing reach and stable perceptions of quality, indicates that the value for money of these services has improved. Our audience research supports this view, as it suggests audiences believe the services provide good value for money.

**BBC management has made good progress in improving BBC Online's relationships in the wider marketplace. This should be maintained**

Since our first review, BBC management has undertaken a range of activities to improve BBC Online’s relationship with the wider marketplace. These activities include bi-annual industry events setting out BBC Online's plans and activities, and the creation of the Online Advisory Group to represent the views of suppliers and key industry bodies.

The Trust welcomes such initiatives and the progress BBC management has made in improving the relationship between BBC Online and the wider marketplace. We encourage BBC management to continue to look for new ways to engage with the industry, to
identify opportunities for partnership, and to provide a more open, transparent and accountable service.

The service licences remain effective but some changes are needed

Although the BBC Online and Red Button service licences have been effective tools for holding BBC management to account in areas where technological advances and audience expectations are changing rapidly, closer working between the two services now means that we believe it is right to merge them.

Merging the service licences would better reflect the fact that these services provide access to the same content, and that BBC Red Button is managed as part of BBC Online. This would not diminish the accountability of either service, but would provide a more realistic oversight of the BBC’s activities.

**Action 7: We intend to merge the BBC Online and Red Button service licences**

We believe that merging these service licences would provide a clearer view of how the services operate, for both audiences and industry.

We have prepared a draft version of the newly combined service licence, set out in Annex 5.

*We will undertake a public consultation to gather any comments on the proposed merger and will then take a final decision.*

**Future direction of BBC Online**

**BBC management’s ambition is for BBC Online to become ‘one service’**

The strength of BBC Online currently lies in its individual products and their relationship with the broader BBC. However, BBC management has a firm ambition that BBC Online should become a more connected service that draws on the strength of the individual products and creates a gateway to content from the whole BBC. Such an ambition encompasses all aspects of the service and BBC management has already undertaken a great deal of work improving the underlying technologies.

We support the development of BBC Online into ‘one service’ as we believe this will build public value by enhancing users’ breadth of consumption of BBC Online.
**Action 8: We support the ‘one service’ ambition for BBC Online**

We support BBC management’s strategic aim for BBC Online to become a more integrated service, as we believe this will build public value amongst users.

*BBC management will keep the Trust informed of its plans to deliver the 'one service' vision of the BBC Online strategy.*

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**In the long term, BBC Online will become an increasingly central part of the BBC’s future**

We believe that the *ten products, four screens, one service* strategy for BBC Online together with a merged service licence with Red Button and implementation of the findings of this review set a clear strategic direction for these services in the short to medium term.

In the longer term, there are clearly some significant questions around the future role of BBC Online, in particular about:

- content creation – will users expect new forms of online-only content, and, if so, what form should this content take?
- distribution – at what pace might the audience migrate to using BBC Online as a route to BBC TV and radio programmes?

In addition, as the digital marketplace evolves, the BBC may find it increasingly difficult to secure access to new digital platforms in a way that gives its services sufficient prominence on menus or homepages without incurring significant costs or surrendering a degree of editorial control over the way BBC content is presented.

The Trust believes that these risks should be mitigated, potentially via new regulatory measures that would provide some form of additional protection to public service content in emerging media markets.

However, the onus must also fall on the BBC itself to continue to provide content of such high quality that audiences demand and expect to see it on the homepage of any IPTV or TV-like service.

The BBC should also promote the take-up of online services, in particular among licence fee payers who are not currently online. And it should protect a free, open, public space in UK culture that extends beyond the BBC, where possible by creating links and partnerships with other public institutions and free-to-air providers.

In these ways, a strong digital BBC can have a positive impact on the UK’s culture, its economy and its creativity long into the future.

The Trust and BBC management will work together to define in more detail the next stage in the BBC’s digital evolution.
Introduction

1 The BBC Trust is the governing body of the BBC and it is our responsibility to get the best out of the BBC for licence fee payers. One of the ways we do this is by carrying out an in-depth review of each of the BBC’s services. We have looked at every BBC service over the last five years and are now beginning our second round of reviews. The first of these covers BBC Online and BBC Red Button.

2 Our approach to undertaking this review is set out in Annex 1. This covers the scope of our review and the methodology we have used. In addition, we have set out in Annexes 2 and 3 performance assessments of BBC Online and Red Button respectively, using the Quality, Reach, Impact and Value for Money performance framework. In our main report, we have highlighted, where appropriate, evidence from these assessments and from other evidence we have gathered, and this is available on our website.

3 The Trust sets out what it expects of each service in a published service licence. Our review had three broad aims: first, to assess how well these services are performing against commitments set out in these licences; second, to consider the services’ future direction; and third, to determine whether amendments to the service licence are required.

4 We have structured this report around the following areas:
   - context
   - how well do BBC Online and Red Button serve audiences?
   - future direction.
Context

The Trust first reviewed BBC Online in 2008.

At that time we found that BBC Online provided a service that was highly valued by a large audience. The service was performing well against the Trust's framework for measuring reach, quality, impact and value for money, and was making a strong contribution to the BBC's public purposes, particularly through its provision of high-quality news.

Our review did identify some areas for improvements of BBC Online and progress in these areas is tracked and published. Where relevant we will highlight progress within this report.

There have been fundamental changes in the digital landscape since our last review of BBC Online

Since that time there have been some fundamental changes within the digital landscape in which BBC Online operates. The speed of this change – whether around audience behaviours, technological developments or market trends – has been much greater than experienced in television or radio.

These changes in the digital landscape have been driven by advances in technology. Broadband access has increased significantly: 76% of UK households now have broadband access at home, compared with 52% in 2007, and the Government’s objective is for near universal broadband access of over 2mbps by 2015. Though desktops and laptops remain the most popular means of accessing the internet, access via mobile devices such as smartphones and tablets has grown rapidly over recent years.

These advances have resulted in shifts in audience behaviour. The amount of time audiences spend online has increased over recent years and their expectations of what services should be available and what activities they would like to undertake have grown significantly. For most, use of the internet has become a regular part of their media habits, with broadband increasingly being seen as a ‘must have’ utility. While web browsing and email are the most widely undertaken activities, there has been a large increase in other types of behaviour, particularly social networking. Some 59% of online users now have a social networking profile, and Enders Analysis suggests that social networking now spans a wide range of demographics – popular amongst both young and

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4 The full report can be found here: http://www.bbc.co.uk/bbctrust/our_work/services/online/service_reviews/bbc_co_uk.html
5 The latest report (published June 2012) can be found here: http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/our_work/service_reviews/service_reviews_progress.pdf
6 Ofcom Market Communications Report 2012
7 Ofcom’s Market Communications Report 2012 states that smartphone ownership rose from 27% to 39% of UK adults between 2011 and 2012, while tablet ownership increased from 2% to 11%.
8 Ofcom Market Communications Report 2012
9 Ofcom adults media use and attitudes report 2012
old people.¹⁰ The increased speed of access has heightened the appeal and consumption of online video content. It has also raised expectations that websites will work well, load quickly, and enable participation and personalisation. The proliferation of new devices has also influenced behaviour. For instance, audiences tend to use desktop and laptops during the day, particularly at lunchtime when they are at work. In contrast, tablets are often used later in the evening for more entertainment-orientated purposes.

¹⁰ The online market continues to evolve to take account of technological advances and audience trends, and categorisations of websites are far more blurred. Whereas once search engines, portals, email providers, social media and content creators were distinct, nowadays, many of the major online organisations are all of these things. Many of the largest online companies are also now poised to move into media content creation and may seek to act as gatekeepers for content on their platforms.

Our first review of BBC Online prompted a series of internal changes

¹¹ While our first review of BBC Online highlighted many positives, we also found that there was insufficient management control, leading to a lack of editorial, strategic and financial oversight of the service. Subsequently, the BBC undertook work to improve their oversight of the service.

¹² BBC management has changed extensively how it runs BBC Online, moving from a loose federation of editorial and technical activities to a far more co-ordinated and managed operation. In 2011, the Trust commissioned an independent report to assess how effectively BBC management had addressed these issues.¹¹ This report found that the concerns raised in our service review of BBC Online had been addressed by BBC management, while maintaining its provision of high-quality and highly valued public service to the UK audience in a fast-changing market.

The Trust approved a new strategy for BBC Online based on 'ten products, four screens, one service'

¹³ In 2010 the Trust approved a new strategic direction for the BBC overall as part of Putting Quality First (PQF).¹² As part of this, BBC management developed a new strategy for BBC Online which the Trust considered and approved at the beginning of 2011.¹³ The key elements of this strategy were:

- a rationalisation of the offer around ten products – News, Sport, Weather, Homepage, Search, Knowledge & Learning, TV & iPlayer, Audio & Music, CBBC and CBeebies – from the previous figure of around 60; in addition, the number of ‘top level domains’ (i.e. bbc.co.uk/xxx) decreased from around 400 to 200
- a focus on providing a consistent high-quality experience across four screens – laptop/desktop, mobile, tablet and television

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¹⁰ Enders Analysis, PC Mobile and Internet Trends, H2 2011
¹¹ The full report can be found here - http://www.bbc.co.uk/bbctrust/our_work/services/online/other/online_management.html
¹² http://www.bbc.co.uk/bbctrust/our_work/strategy/putting_quality_first.html
• use of common technologies and joined-up management to create appropriate links between BBC Online’s products.

14 In addition to these objectives, this strategy also included a 25% reduction in the BBC Online budget by 2013/14. The Trust also introduced annexes to the BBC Online service licence to provide greater accountability and transparency around the main product areas.

15 As part of this strategy, BBC management set itself a number of performance targets, which we will consider in more detail in our report, including that:

• BBC Online would have an average Appreciation Index (AI) over 80, with all products having an AI of at least 70, and half of them above 80\textsuperscript{14}
• BBC Online should aim to increase reach to 65% of online adults each week
• BBC Online would double the number of click-throughs to external sites to around 22m per month.

**The Trust reviewed the Red Button in 2010 and found it performed well**

16 The Trust’s first review of Red Button found that the service was performing well and was widely used, providing access to interactive television content for a large and diverse group of users. We set out a number of actions to improve the service. In particular, we felt that the Red Button should focus on the things it does well and which its audience use the most: the provision of news and information through digital text, and additional coverage of major live events.

17 In addition, we agreed with BBC management’s plans to reduce the service’s capacity on the digital satellite and cable platforms after the 2012 Olympics to bring it in line with its offer on the digital terrestrial platform and achieve cost reductions.

\textsuperscript{14} The BBC monitors audience appreciation of its content by asking audiences to rate the content they have used out of 10. These scores are then amalgamated to provide an overall appreciation index score (AI) out of 100.
How well do BBC Online and Red Button serve audiences?

Overall provision

**BBC Online and Red Button reach a large number of licence fee payers**

18 BBC Online and Red Button are two of the most widely used BBC services. As shown in Figure 1, BBC Online reaches around 22 million adults each week while the Red Button reaches over 17 million adults each week.\(^\text{15}\)

19 Both services have increased the size of their audiences steadily in recent years, and BBC Online is now the BBC’s third most used service. It is consistently amongst the top five most used websites in the UK and is the only UK organisation in the top five.\(^\text{16}\)

**Figure 1: Weekly reach of UK adults (millions) of BBC services in 2012**

Source: BARB for TV services, RAJAR for Radio services, BBC Cross Media Insight Survey for Online and Red Button. *Note Red Button data is based on the final quarter of 2012 only due to a change in methodology in October 2012.

20 There is a considerable crossover of audiences between BBC Online and the Red Button. Our analysis indicates that around 17 million adults use both services each month. This represents around 60% of the total BBC Online audience and around 66% of the Red Button audience. Cumulatively, these services reach around 38 million adults each

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\(^{15}\) A new survey for measuring reach of Red Button was introduced in October 2012 and figures from this cannot be compared to earlier reach figures (which had suggested reach of around 13.4 million in 2012). We believe that the new survey provides more accurate figures than the previous one.

\(^{16}\) Source: Nielsen Net Ratings
indicating that a significant number of licence fee payers have a desire to access the news, sport and other content that both these services provide. The reach and scale of these services, especially BBC Online, emphasises the important role that they play in delivering the public service aims and objectives of the BBC.

**BBC Online’s reach has increased but has fallen short of its target**

When BBC management set out its new strategy for BBC Online, it set a reach target of 65% of the UK adult online population by 2013/14. Although more people have been using BBC Online, this is mainly a reflection of the rising levels of internet access across the UK. As illustrated in Figure 2, reach, measured as a proportion of adults online, has only grown slightly in 2012 to around 60%, helped by a peak in use last summer during the London Olympics. Though increased reach represents a strong performance in a competitive market, it has not quite met its own target.

**Figure 2: Weekly ‘people reach’ of BBC Online**

![Figure 2: Weekly ‘people reach’ of BBC Online](image)

Source: BBC management / Cross Media Insight Survey.

**BBC Online offers content that is relevant to all audiences**

The size and scale of BBC Online mean that it makes an important contribution to the BBC’s overall responsibility to offer a universal service to licence fee payers. The level of reach outlined above suggests that this contribution to the universality of the BBC will become greater.

While the different BBC Online products appeal to different audiences, the service overall skews slightly towards younger, better-off men, reflecting the significant appeal of the

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17 Source: CMI, Q4 2012. Note these figures are based on monthly, rather than weekly, reach and therefore differ from the reach figures quoted elsewhere in this report.
News and Sport products. Generally though, the scale of BBC Online is such that it reaches substantial numbers of people in all demographic groups and across all parts of the UK.\(^{18}\)

24 The Red Button, in contrast, has a user profile more in line with the UK population. Compared to BBC Online, the user base is a little older and more likely to be from less well-off households.\(^ {19}\)

25 Through our public consultation, we heard concerns from groups representing audiences including children and those with sensory impairments that the services do not cater fully for the audiences they represent. As major, mixed genre BBC services, both BBC Online and Red Button have an on-going responsibility to bear in mind the needs of a range of users as they develop.

**BBC Online and Red Button offer a wide range of high-quality content**

26 These services provide a wide range of content that reflects the broad public service remit of the BBC’s linear services. The content provided varies from news and sport, to entertainment, to informative and educational content, and it makes a strong contribution to the public purposes in line with the service licence requirements. Audiences greatly value the breadth and depth of content.

27 We found that both BBC Online and Red Button are considered to be high-quality and distinctive services. While audiences appreciate many different features, such as appearance or ease of use, it is the quality of content that they rate most highly: 89% of the BBC Online audience and 80% of the Red Button audience rate the services highly for their quality of content.\(^ {20}\) These services are felt to be unique in terms of the quality of their offering, and are consistently described as professional, reliable and informative. These positive perceptions stem from the heritage of the BBC overall and are sustained by high standards of journalism, content, design and use of multimedia across the services.

**Due to major site relaunches, BBC Online is slightly below its target for audience perceptions of quality**

28 When the Trust agreed the new BBC Online strategy, BBC management set a target to achieve an average Appreciation Index (AI) score of over 80, with all products having an AI of at least 70, and half of them being above 80.

29 Despite the positive perceptions of BBC Online we have found in our evidence gathering, BBC Online’s AI has fallen over recent years and currently stands at 78, as shown by Figure 3. This means that BBC Online is unlikely to meet its target by 2013/14.

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\(^{18}\) Source: BBC Cross Media Insight Survey

\(^{19}\) Source: Nunwood Media Tracker / BBC Cross Media Insight Survey

\(^{20}\) Source: BBC Trust Audience Research
From the evidence in our review, we do not believe that such falls represent an inherent drop in the quality of BBC Online or that there is any problem with the quality of content. Rather, these declines have been caused by relaunches of some major products – particularly News, Sport and Homepage – and reflect users’ frustration when changes are made that disrupt their habitual behaviour. As users become accustomed to the new appearance and layout, their appreciation tends to rise again.

As most of the product relaunches and much of the underlying technical work on BBC Online has now been completed, we expect AIs to continue to recover. In the future, where significant relaunches are required, BBC management will implement these more gradually to minimise disruption.

**Perceptions of distinctiveness are strong for BBC Online and Red Button**

Users have a strong belief that BBC Online and the Red Button are distinctive. In our research, 61% of BBC Online users and 70% of Red Button users felt that it provided content not available elsewhere. Although these scores are not as high as those for quality, we nevertheless believe them to be strong figures given the very wide choice available online.

The audience view of what defines distinctiveness is mixed. The Knowledge & Learning Product, iPlayer and Red Button are seen as unique in their fields. In contrast, audiences are aware that the content of the News and Sport products are available elsewhere, but they believe the quality of the BBC offering sets these products apart.

**BBC Online and Red Button are not seen as a standalone services**

Audiences do not currently see either BBC Online or Red Button as standalone services in the same way as BBC Two or Radio 4, for example. Instead, they see them as inextricably linked to other parts of the BBC.
For the most part, this is a positive relationship and is in line with the service licence requirement to reflect and extend the BBC’s linear services. BBC Online epitomises the qualities associated with the BBC more broadly, such as high-quality, trustworthy and informative. For instance, users see the News and Sport products as an integral part of what the BBC offers in these areas.

However, both BBC Online and Red Button have the capacity to stand out in their own right. For instance, iPlayer is seen by audiences as the most standalone of the BBC Online products, and there is a very broad understanding of its purpose. Similarly, audiences value Red Button for its capacity to provide extended coverage of sports and live events, such as the Wimbledon Championships. The services that BBC Online and Red Button offered for the London Olympics is testament to their potential to contribute in their own right to the appreciation of big events and historic moments.

**BBC Online plays an important role in providing public accountability to licence fee payers**

Part of the service licence remit of BBC Online is that it should 'strengthen the BBC’s public accountability.' This is delivered through the 'About the BBC' website which provides a range of information about the organisation and its activities. It also provides information about how licence fee payers and other stakeholders can make comments or complaints about BBC activities.

In the terms of reference for this review, we stated that we would not assess delivery of this commitment as part of this piece of work but that it would be undertaken separately. BBC management is in the process of assessing how well BBC Online provides accountability to licence fee payers and will be reporting the outcome of this to the Trust. The Trust will continue to report publicly on the BBC’s progress against the strategic objectives of setting new standards of openness and transparency.

**News, Sport and iPlayer**

**News, Sport and iPlayer are the most used products**

As shown in Figure 4, the News, Sport and TV & iPlayer products have the highest reach in the BBC Online portfolio. News reaches around 20.3m unique browsers each week, Sport 13.4m and TV & iPlayer 14.7m.

These three products have increased their reach consistently over the last two years, reflecting their strong appeal on mobiles and tablets. Each of these products also has a dedicated BBC app. In contrast, none of the other products reaches more than 10 million unique browsers each week, and their performances in general are stable rather than growing strongly.

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21 Source: BBC iStats, Q4 2012

22 Note: TV & iPlayer mobile browsers were over-counted between February 2011 and December 2012, which has resulted in some over-counting of the total browser figures.
These three products are central to BBC Online’s contribution to the public purposes

41 These products account for a large proportion of BBC Online usage. This means that these products make a very significant contribution to the BBC’s public purposes and its overall mission. The strength of News, Sport and iPlayer, and the comprehensive nature of the content they offer, contributes to all purposes in some way.

42 While the other BBC Online products reach fewer users, they can also make a valuable contribution to public purposes. Our evidence confirms that all products enable BBC Online to meet its service licence requirements.

News is the most important and best known part of BBC Online

43 Audiences are very clear about the importance of the News product in the BBC Online portfolio. For some, the News product is BBC Online and is often a user’s bookmarked homepage. Not only does it have the highest reach, but also it attracts a sizeable ‘unique’ audience – we estimate that around 22% of the News audience does not use any other part of BBC Online. We estimate that this is one of the highest proportion for any product, and helps explain why it drives both perceptions and usage of BBC Online overall.

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23 Source: BBC Cross Media Insight Survey Q4 2012
In 2010 BBC News was relaunched, resulting in a drop in AI from 82 to 74, but this has since recovered to around 78.\(^{24}\) Given its popularity and public service content, it makes a very large contribution to the BBC’s public purposes, particularly those relating to Citizenship, Global and Nations, Regions and Communities purposes.

The News product performs well because it extends the BBC’s strong news heritage, reflecting BBC News editorial values such as trustworthiness, accuracy, independence and professionalism. Many consider BBC News to be best in class and to offer an experience setting it apart from other online news sources. In a digital environment, where there are many news sources, often with very editorialised opinions, the News product’s impartiality means that many people use it to confirm or validate other stories in the public domain.

Some audiences feel that there could be more depth provided by the News product. Conversely, some would like the service to focus more on lighter content, with some younger audiences suggesting that BBC News is too serious. However, these opposing viewpoints do not represent the majority, which is satisfied with the comprehensiveness of BBC News.

**BBC News online has adapted well to changes in technology and audience behaviour**

The strong growth highlighted in Figure 4 reflects how well the News product has adapted to a converging world and the increasing use of mobiles and tablets. Different types of news consumption resonate with different devices. For instance, the immediacy of breaking news and on-the-go mobile access contrasts with the depth and analysis offered by the News product that works well on desktop/laptops. The importance of making the News product available was reflected in BBC management’s decision to make News the BBC’s first app in 2010. It is a very popular app and highly rated by its users.

The nature of the internet allows News to offer a compelling and engaging experience, which can enhance delivery of the public purposes. For instance, comments on news articles encourage debate, while relevant external links to other sources ensure that audiences can experience a broad range of views on a topic. The News product has also evolved to offer its content on sites such as Twitter, where @BBCNews and @BBCBreaking are some of the most popular news feeds.

This rapid pace of change means that the News product must evolve constantly to ensure its content can be conveniently accessed, and that it maximises the potential of the internet. In doing so, it must retain the key values that audiences associate with BBC News, as, fundamentally, this will ensure that it stays relevant and valued.

**Sport has been very effective in mixing the depth and breadth of its content with the immediacy of the internet**

Sport has a substantial weekly reach of around 13.4 million browsers.\(^{25}\) Reach is highest amongst younger men.\(^{26}\)

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\(^{24}\) Source: BBC Online Quality Survey

\(^{25}\) Source: BBC iStats Q4 2012

\(^{26}\) Source: BBC Cross Media Insight Survey
The sport site was relaunched at the start of 2012. This resulted in a significant drop in its AI from 80 to 60, due to initial audience dissatisfaction with the appearance and layout of the new site. However the AI has steadily recovered since then and, while some unhappiness about the relaunch was referenced in our evidence, it was not seen as a major problem in relation to the quality of the site. On the contrary, we heard many positive comments about the quality of the Sport product, trust in the validity of its content and the breadth and depth of its offer.

We have heard strong praise for the way in which the Sport product extends the BBC sport offer and makes the most of the connected nature of the internet and the multitude of devices. Mobile is particularly relevant for Sport, and there are peaks in usage on weekend afternoons when audiences access live football scores. Audiences welcome the range of relevant external links to other internet sites, such as newspaper websites and sporting organisations. It is also praised for enabling participation in social media and is considered to be the most effective product in encouraging audiences to give their opinion and ‘get involved’.

The London Olympics was referenced by many as a fantastic example of how BBC Sport online, along with Red Button, can make the most of technology to extend the public service experience offered on TV and Radio. The Olympics also highlighted the ability of BBC Sport to cover a wider range of sports, both those that are most popular and those with minority interest. Audiences and stakeholders believe that BBC Sport online has an important role in meeting this commitment; some feel that there is too much focus on the most popular sports. We expect BBC management to continue to build on the legacy of the London Olympics by covering a broader range of sports.

**BBC Online should go further to meet the need for locally relevant content, particularly through its news content**

Although our evidence suggests that BBC Online makes a good contribution to the Nations, Regions and Communities purpose, through both its News and Sport products, this is also regarded as an area for improvement.

In their responses to this review, the Trust’s Audience Councils suggested that the BBC’s national, regional and local online offer is not as strong as it should be, and does not provide enough content that is locally relevant. Audience Council England was of the firm view that the local and regional news pages are of a significantly poorer standard compared with the UK and international news. It also pointed to infrequent updates of these pages, resulting in out-of-date coverage, and a lack of in-depth information. These views were supported by evidence from our audience research and consultation. There is also concern that BBC local sites are organised around large regions, which are not seen as genuinely local.

We have discussed these challenges with BBC management, which plans to improve the local offer, both technically and editorially. It has a number of initiatives to address this challenge, including:

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27 Source: BBC Online Quality Survey
• new 'BBC Local Live' modules on the BBC local sites which are designed to provide a more dynamic and updated service, by combining short news updates with links to BBC and external content; these were piloted at the beginning of 2013

• more effective and accurate tagging of news content so that searching and aggregating locally relevant content will be much easier and possible across the existing boundaries of local sites

• examining new ways of making video more appealing and better used across the News and Sport sites.

57 We believe these initiatives – along with broader improvements to BBC Online’s navigation and personalisation, outlined later in this report – will go some way to addressing this issue by enabling users to more easily find locally relevant content wherever they are in the UK, without changing the local footprint of the BBC.

58 While these initiatives will focus mostly on News, we believe that other products, such as Sport, Homepage and Knowledge & Learning, can also contribute. We have asked BBC management to draw these separate initiatives together into a plan to ensure a better local online offer across the UK. We will work closely with BBC management and monitor progress against this plan so that we can assess whether the local offer is improving sufficiently, or whether any further action is required.

**Action 1: BBC Online should provide a better local offer for audiences**

We recognise that BBC Online's local sites, and news coverage in particular, are important to the service’s delivery of the public purposes.

BBC management should develop and implement initiatives to improve the local offer, alongside broader actions to improve navigation and personalisation. We will assess progress and consider whether any further action is required.

*BBC management will report progress to the Trust as part of regular performance reporting.*

**iPlayer is seen as BBC Online’s most distinct product, and audiences rate it as the best in class**

59 In 2007 the Trust approved BBC management’s proposals to launch an on-demand service. Since that time, iPlayer has grown to be a tremendous success, now reaching more than 14 million unique browsers each week.28 It is available on more than 500 devices and is popular on all four screens. It is BBC Online’s most recognisable and

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28 Source: BBC iStats Q4 2012
individual product, with strong branding that attracts a younger audience than most of the other products.  

iPlayer is referred to as best in class. By providing simple and effective access to the BBC’s public service content, it supports all of the public purposes.

As iPlayer usage increases, it provides an increasingly significant method of accessing BBC services. It also explicitly contributes to the BBC’s digital purpose as, particularly through its mobile and tablet apps, it has helped to attract a mainstream audience to on-demand and catch-up TV.

The few negative comments from audiences and stakeholders mostly relate to issues outside the scope of this review, such as the length of time that programmes are available on iPlayer, or why some programmes are unavailable. We recognise this frustration and note that this is due to programme rights availability. We also heard of some technical problems, such as the broadband speed needed to effectively stream programming. We are assured that BBC management is aware of such issues, and that it aims to develop iPlayer in ways that meet the expectations and requirements of a wide range of users.

Knowledge & Learning

Audiences appreciate the depth and breadth of BBC Online, epitomised by Knowledge & Learning content

The Knowledge & Learning product contains a huge amount of content that has a broadly educational remit. This ranges from formal learning support, such as Bitesize which supports school curricula across the UK and sites which meet adult learning needs, to informal learning with sites on food, arts, history and science. Audiences appreciate the breadth of the BBC Knowledge & Learning sites. However, they are often unaware of the content available and struggle to find it on the site.

Knowledge & Learning performance has not kept pace with products like News and Sport

The Knowledge & Learning product reaches around 4 million weekly unique browsers. This is a significantly lower reach than the other BBC Online products such as News and Sport.

Within Knowledge & Learning, performance is mixed, as shown in Figure 5. The formal learning sites peak at around 2 million weekly unique browsers, in line with the academic calendar, due mainly to the popular GCSE Bitesize site. In informal learning, performance is dominated by BBC Food, which reaches around 1.5 million unique browsers each week, reflecting the BBC’s broadcast strength in this genre and the huge library of recipes that is available online. In contrast, the other sites, which reflect areas of BBC output such as nature and science, do not tend to reach more than several hundred thousand unique browsers per week, and several sub-products have extremely low reach indeed.

29 Source: BBC Cross Media Insight Survey  
30 Source: BBC iStats Q4 2012
Figure 5: Average weekly Unique Browsers of Knowledge & Learning sub sites

Food: 1,461,313
Health: 393,181
Nature: 299,488
History: 218,553
Religion & Ethics: 88,523
Gardening: 77,105
Science: 60,487
Arts: 33,461
Lifestyle: 1,331
Learning 5 - 19: 1,391,711
Learning Adult skills: 158,953
Learning Zone: 118,369

Source: BBC iStats, 2012

We heard praise for individual components of Knowledge & Learning, particularly the learning support provided by Bitesize, but Knowledge & Learning’s uneven performance reveals a lack of cohesion, both between Knowledge & Learning sites and with other BBC sites. Some sites are updated regularly, while others are no longer maintained editorially or technically, and the look and feel varies across the sites. It is also behind other parts of BBC Online in its transition to a common publishing platform, and this has hindered attempts to link with content in other editorial areas.

Although audiences appreciate the breadth of content when shown it, they are often unaware that it exists. There are few effective routes by which relevant content within Knowledge & Learning can be highlighted and found. Therefore, while the product supports the BBC's educational purpose, this contribution is limited by the product’s shortcomings. Addressing these should make a positive impact on BBC Online's contribution to the public purposes, and help deliver the BBC's mission to educate, as well as inform and entertain.

We support the plans to revamp Knowledge & Learning

BBC management plans to relaunch the Knowledge and Learning product in 2013 with a new structure based around topic and subject ‘guides’ rather than genre sites. This is intended to increase reach, to draw formal and informal learning content together where appropriate, and enable more frequent and better links with other BBC content. The relaunch will reorganise and promote existing content on the site better, but not create new areas of activity. BBC Online also needs to improve its internal site navigation and search so that more Knowledge & Learning content is easily available to potential users.

The Trust supports the aim of increasing the reach of the BBC’s Knowledge & Learning content. Learning is a core part of the BBC’s mission, and we believe that this relaunch is a major opportunity to contribute to this.
The relaunch should not seek to change the scope of the formal or informal offer. However, we are clear that this must be distinctive from, and not duplicate high-quality learning resources being provided by other organisations, and that it must be strongly informed by the needs and behaviour of the audience.

**Action 2: The Trust will monitor the success of Knowledge & Learning’s relaunch**

We support the plans for increasing usage of the Knowledge & Learning product and we will assess the success of the relaunch of Knowledge & Learning in terms of impact on reach and appreciation.

*BBC management will update us on progress within a year.*

**Performance of other BBC Online products**

**Weather reaches a relatively large audience and is valued**

Around 6.8 million unique browsers access the BBC weather product each week. It has a very specific function and it is considered to be part of the core offer and integral to BBC Online.

**When separated from iPlayer, the TV and Radio & Music pages provide a primarily supporting function to broadcast output**

Excluding iPlayer, which is a key part of both of these products (and considered earlier in this report), the TV and Radio & Music sites play a primarily supporting function for the BBC’s broadcast services.

These sites are expected to support the BBC’s TV and radio services in a number of different ways, principally by providing audiences with relevant information regarding TV and radio programming and services. In order to save money and rationalise the offer, BBC Online has moved from providing many custom-built programme pages to programme support pages that are almost entirely automated. This means that resources can be focused on a small number of high profile programmes, such as *Strictly Come Dancing* or *Doctor Who*.

The Radio & Music sites are more bespoke than the TV channel sites, with a focus on supporting the BBC radio stations’ strong brands and output. BBC Online recently launched the iPlayer Radio, which is intended to provide a better radio version of the general iPlayer.

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31 Source: BBC iStats Q4 2012
Beyond iPlayer, awareness of the TV and Radio sites is relatively low. There seems to be little desire amongst television viewers for much more than an accurate and up-to-date TV guide, and our research suggests it is performing well in this respect. Many users were complimentary of BBC Online’s entertainment offer that complements BBC broadcast programmes, although some did feel that more could be done online to add value to programmes. For Radio & Music, there is audience appetite for bespoke content to support radio, particularly music related content. For instance, the BBC Glastonbury site stood out for those who had used it.

The Children's products are an important part of the BBC Online portfolio

CBBC and CBeebies have a clear purpose to serve their target audience of children. The performance of these products and how well they meet the requirements of the service licence is a matter for the Trust's separate review of services for children, set to conclude later in 2013.

Children can access any of BBC Online's products and use functions such as navigation or sign in. In its response to our consultation, the Children’s Media Foundation raised the issue of how the children's services are signposted and discovered from other parts of BBC Online. The foundation feels it is important that the children’s products are considered as part of the overall mix of BBC Online. For example, it points out that the Homepage makes little reference to children’s content, with links hidden behind the 'More' tab on the Homepage navigation bar. These concerns emphasise the importance for BBC management to consider the needs of a full range of users of BBC Online and Red Button when responding to our actions on navigation, personalisation and the ambition to become 'one service'. It is important that children are not disadvantaged by any developments in these areas.

Red Button

Red Button provides a valuable service to a large audience

The BBC Red Button service reaches a very large audience of over 17 million adults each week. Its audience is measured by a survey which was introduced in October 2012, which uses a different (more accurate) source of population data than the previous one. This has led to Red Button’s audience being measured at a higher level than the previous survey which had recorded an audience of 13.4 million users in the first three quarters of 2012 up from 12 million in 2009-10 when we last reviewed the service. Use of Red Button has been increasing slowly but consistently over recent years, partly due to the take-up of digital TV, but it has also increased as a proportion of all digital TV homes, suggesting it has strong appeal.

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32 Source: BBC Cross Media Insight Survey, Q4 2012
33 Source: Nunwood Media Tracker.
In our last review, we found that appreciation was moderate rather than high. However, the BBC performance data shows that appreciation of the Red Button has increased steadily over the last two years, as set out in Figure 6.

**Figure 6: Red Button AI and General Impression Scores**

![Figure 6: Red Button AI and General Impression Scores](source)

Although the Red Button is seen as a functional rather than advanced technology, audiences value the service as a good option for getting news, sport, weather and other information in a straightforward manner on their TV screens. The convenience of being able to access this information is appreciated, particularly amongst those who have no or limited access to the internet. We note that the Red Button tends to attract an older audience than its online counterpart. There are still a significant number of licence fee payers who use the Red Button but do not use BBC Online.

**Red Button can play an important role in delivering the public purposes**

The day-to-day provision of news, sport, weather and other information is the mainstay of the Red Button and has driven its strong performance. Through this content, the Red Button is making a good contribution to the Citizenship, Global and Nations, Regions and Communities purpose.

Audiences perceive some disconnect between the day-to-day provision of content and Red Button’s capacity to provide extended coverage of events such as Wimbledon, Glastonbury or the Proms. This extended coverage is welcomed by audiences, and the role the Red Button played in providing coverage of the Olympics was the finest example of how this service can deliver the public purposes.

Source: Nunwood Media Tracker / BBC Cross Media Insight Survey for AI, BBC Accountability and Reputation Tracker for General Impression

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34 Source: Nunwood Media Tracker / BBC Cross Media Insight Survey
83 Whether through its day-to-day provision, or through its less frequent extended coverage of events, the content provided by the Red Button – be it text, pictures, audio or video – is a subset of what is also available on BBC Online. While the Red Button makes this content available in a different way to suit the needs of its audience, we feel that this very close relationship provides evidence that the two service licences should be merged. We address this issue later in our report.

**The Red Button faces a challenge in meeting audience expectations given the reduced broadcast service now offered**

84 Our first review of the Red Button highlighted both the high costs of distribution for this service relative to the content costs and the inconsistent offer across different digital TV platforms. We agreed with BBC management's proposals to reduce the service's use of capacity on the digital satellite and cable platforms, which would make the offer more consistent with that available on the digital terrestrial platform and result in cost savings to the BBC.

85 Reduction in capacity on satellite and cable television took place in autumn, 2012. This reduction affects both the day-to-day provision of content as well as the degree to which the Red Button can provide extended coverage of events, and means that the service may struggle to meet audience expectations in the future.

86 Some respondents to our public consultation voiced concerns about the reduction of video streams, and the BBC has had some complaints relating to this issue. We have also noted recent drops in quality metrics as set out in Figure 6, which may be linked to this reduction. As part of our Delivering Quality First (DQF) monitoring, the Trust will assess the impact of cuts across all services.

**We support the BBC’s plans to develop the Connected Red Button as the natural evolution of the traditional Red Button**

87 BBC management plans to use Red Button as a gateway to an Internet Protocol television (IPTV) offer and call this the Connected Red Button. This plans to build on the traditional strengths of the Red Button. Initially, this will offer access to the BBC’s News, Sport and iPlayer apps. Building on the traditional Red Button offer, it will also enable direct links between broadcast programming and online content, which may enable greater engagement in content and more second screen experiences.

88 We see the Connected Red Button as the next step in the evolution of the traditional Red Button service from a broadcast to an enhanced online offer. We believe the Connected Red Button could increase delivery of the public purposes, by making existing online content more convenient to access on TV sets. The development also contributes to the BBC’s digital purpose, by encouraging audiences to make the most of new technologies.

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35 In October 2012 the BBC’s survey for measuring usage and perceptions of the Red Button was changed from the Nunwood Media Tracker to the BBC’s Cross Media Insight survey, and the scores based on the new source are lower than those from the old source. BBC management states this decline may be due to the layout of the old survey emphasising the top end of the 1-10 scale, resulting in slightly inflated scores. It states that this been corrected in the new survey, as it uses a different design.
So far, the Connected Red Button has only been rolled out on a limited basis to certain Virgin Media households. While we believe that it represents the future of Red Button, we expect that it will be a long time before it eclipses the current service delivered by broadcast.

**Convergence**

The BBC's four screen strategy has enabled BBC Online to cope well with convergence

The strategy to deliver BBC Online content across four screens has clearly been successful in enhancing the service and fits the BBC’s Charter and Agreement obligation to provide content in ways that are most convenient to licence fee payers\(^3^6\).

**Desktops and laptops are still the most popular way to access BBC Online, but the landscape is changing rapidly**

The way in which people use the internet has changed a lot in recent years. The proliferation of devices such as smartphones and tablet computers has had a profound effect on both audiences and the market. Desktop and laptop computers still remain the most popular method of accessing BBC Online, but this picture is changing rapidly. Figure 7 shows that the proportion of usage of BBC Online from desktop or laptop has fallen from 72% to 54% in just 12 months.

**Figure 7: Usage of BBC Online by device**

![Diagram showing BBC Online usage by device]

Source: BBC iStats

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\(^{3^6}\) BBC Agreement, paragraph 12 (1)
BBC Online has adapted extremely well to changes in how people use the internet and has managed to meet their changing expectations. In addition to the BBC's commitment to make its services and content available in convenient ways, the service licence states that BBC Online 'should offer UK users greater choice and control over how they consume BBC content.' It has been an integral element of the BBC Online strategy to provide its content across four screens and to ensure a consistent user experience across these different devices. This achievement has required a significant amount of technical work, which BBC management has undertaken effectively.

Our evidence shows that users greatly value being able to access BBC content across a range of devices. They use these for different reasons at different times, and BBC Online plays an effective role in meeting these needs. As Figure 8 shows, both News and Sport are particularly highly used on mobiles. The TV & iPlayer product performs especially well on tablets and TVs.

**Figure 8: Weekly Unique Browsers (millions) of BBC Online products by device**

The BBC should continue to evolve and develop its offer in line with the market

Given the speed of change in how people use the internet, we believe that BBC Online must continue to evolve to meet audience expectations. Given the number of platforms and devices, this is an on-going and substantial challenge. For example, we heard in our public consultation about the frustration of using BBC Online on some Android operated mobiles, and the perception that Android devices are less well supported by the BBC.

It will be important for BBC management to consider, in the context of its four screen strategy, how BBC Online can effectively serve all of its audience. For instance, it must balance the expectations of users who are digitally savvy and want to access BBC content across a variety of devices, with the needs of those who will continue accessing BBC content only on desktop computers.
Smart TVs will present a further challenge and opportunity

96 Internet connected (‘smart’) TVs and other devices with IPTV capability present a new challenge for BBC Online, as they allow web content to be seen on a much larger screen and in a different setting.

97 Access via such devices is likely to increase in coming years. This is particularly relevant for iPlayer, which is arguably better on a bigger screen. As audiences become more used to accessing web content through the TV screen, they will expect to find BBC content prominent and well-presented on TV. The BBC already makes some of its products – News, iPlayer, Sport and iPlayer Radio – available in this way through apps, and the Connected Red Button was developed to enable BBC content to be conveniently available on smart TVs and similar devices in the future.

Apps have become an important part of the BBC Online offer

98 The increase in smartphones and tablets has fuelled a phenomenal rise in the use of ‘apps’ for a wide range of functions such as news, sport, entertainment, games and general information.

99 The BBC has developed a small number of apps to give audiences different ways to access its public service content. To date, BBC Online has launched News, iPlayer, Sport and iPlayer Radio apps for a range of devices. These take online content and make it more convenient to access. These have been well received by audiences and are often amongst the most downloaded and used apps of their type.

100 In our research we found the ability to deliver apps for different platforms and devices is important in maintaining relevance with audiences, as there is a perception that brands which do not have an app are lagging behind. We are clear that it is strategically right for BBC Online to make its content available through apps in order to enable delivery of the public purposes.

Video and audio content are appealing to users and build on the BBC's broadcasting strengths, but accessibility remains very important

101 With the increase in broadband take-up, websites increasingly offer video and audio content, and this resonates strongly with the BBC's broadcasting strengths. While text content remains key, BBC Online provides many complementary video and audio clips which draw naturally on the broadcasting strengths of the BBC and improve the choice and quality of the online offer for users. They are likely to increase in the future.

102 This does, however, raise some issues. We heard comments from users about technical difficulties related to accessing this content and the importance of considering audiences who may not have the necessary technical requirements. Likewise, we heard from organisations that state substituting text with video or audio content will hinder people with hearing loss or dual sensory impairment from being able to consume this content. In response to these points, we believe that it is critical that BBC Online and Red Button do all that they reasonably can to make their content easily accessible. While we are assured that products such as iPlayer set the industry standard for best practice accessibility, changes in technology will mean that this is an ongoing challenge for the BBC to consider when developing its approach across a multitude of screens.
Greater use of mobile devices allows the BBC to offer 'second screen' experiences

103  The emergence of mobile internet devices has also resulted in the rise of 'second screen' experiences, in which the use of different devices is linked in some way. These experiences can be entirely audience generated, encouraged by the content creator – by asking for comment via Twitter, for example – or entirely constructed by the content creator, or a third party.

104  Currently, the majority of BBC-related second screen experiences feed off the BBC's linear content, which naturally generates comment and interest. The BBC has created some bespoke second screen experiences, such as a play along game for the Antiques Roadshow. This was available on the Red Button and as an app. BBC management believes that this is an area for further development. As long as they contribute to the purposes of the BBC, we believe such experiences can be valuable, whether they take place on or off the BBC site.

BBC Online is increasingly integrated with the wider internet and offers a more porous experience for its users

105  The internet is an increasingly connected and integrated environment, where content from different sites may be embedded in others and links between sites are frequent. In addition, users often collate, share and participate in content from around the web. Such features are considered by many users to be a standard part of the internet now.

106  Audiences do not see BBC Online as being at the forefront of this trend, for instance in enabling their participation, commenting or sharing. Some audiences would welcome greater opportunities to connect their BBC Online experience with other parts of their internet usage, such as through social networking sites. Likewise, some feel that BBC Online could feature more external content on its own website, such as Twitter comments or news feeds.

107  These features could improve BBC Online's contribution to the public purposes as long as they do not lead to BBC editorial values such as its accuracy, impartiality or trustworthiness being compromised. This issue is particularly sensitive for News. We are confident that BBC management shares this caution. In addition, the BBC's syndication policy is intended to protect the BBC's reputation and brand, while making its content widely available on a fair and reasonable basis.37

Audience views are mixed about the extent to which BBC Online should provide participatory features

108  Many users are enthusiastic to participate online, rather than just consume content. Analysis by the BBC suggests that 77% of the online population are now participating in some way.38 The types of participation that this encompasses vary significantly, from

http://www.bbc.co.uk/bbctrust/our_work/services/making_content_available/reviews/ondemand_syndication_revised.html
http://www.bbc.co.uk/blogs/bbcinternet/2012/05/bbc_online_briefing_spring_201_1.html
lighter activities such as social networking or photo sharing to more intense activities such as blogging. In this context, the BBC already provides a range of participatory features, including the ability to share some content such as news articles, the ability for audiences to comment on articles and the use of Twitter feeds on the BBC website. These extend the audience of public service content and encourage debate.

109 Both our consultation and audience research revealed mixed views as to the extent to which BBC Online should do this. Overall, this is not seen as an area of relative strength compared with what is available elsewhere on the internet, and BBC Online is not considered to be particularly interactive or discursive. While some felt it was positive and there was an opportunity to grow dialogue and audience participation – particularly around key areas such as news – there was also concern that it could allow misinformed comments and jeopardise BBC values.

110 The capability to comment on BBC content can extend beyond the BBC Online domain. For instance, many TV or radio services and programmes encourage people to comment and debate on Twitter or through Facebook. Regardless of where such interactions happen, we believe that BBC Online should continue to develop such participatory features, which capitalise on the connected and integrated characteristics of the internet, and have the potential to drive debate and contribute to public purposes. At a strategic level, BBC management should examine audience habits and consider how it can use third parties to help facilitate our public service mission within these parameters set by the BBC’s editorial guidelines, fair trading and syndication policies.

**Navigation**

*Use of BBC Online is characterised by habit and the site is not seen as a place for exploration*

111 This was a strong theme from our audience research. Visits to BBC Online tend to be focused on a particular need (such as checking the weather) and limited to one product area. Users are often surprised when they become aware of the full breadth of BBC Online. This is particularly pertinent for Knowledge & Learning, which, as we have already identified, would have much greater potential to deliver public service content if awareness and navigability were improved.

*While the breadth of BBC Online is praised, it can be difficult to find relevant content, and there is little use across products*

112 BBC Online offers ten products, which cover a wide range of subject matter. Our research found that BBC Online performs very well in terms of the breadth of its offer – 87% of audiences rated it favourably on this characteristic. Users believe that BBC Online has unparalleled content and something for everyone, and that this is a key part of its role as a public service provider.

113 Our evidence shows that there are considerable challenges in making audiences aware of the breadth of content, providing easy routes to such content and encouraging audiences to visit different products to explore the breadth of what is available. Such challenges exist across the whole of BBC Online, both within and across all products.
We believe that ensuring effective navigation will enable BBC Online to increase its contribution to the public purposes. For example, Audience Council Northern Ireland advises that the difficulties around navigation mean that audiences can miss public service content that they may have found valuable.

**There is an opportunity to improve navigation so that use increases across the service**

There are already a large number of 'click-throughs' from one BBC webpage to another each week as shown by Figure 9. Unsurprisingly given their function, this shows that the Homepage and Search products account for the largest proportion of click-throughs relative to their size. By volume, however, the biggest driver of internal clicks is News. Even so, only around 10% of News clicks are to another product, and this is mostly to Sport.

**Figure 9: Number of internal 'click-throughs'**

<table>
<thead>
<tr>
<th>Product</th>
<th>Total 'clicks' (millions) within product</th>
<th>Total 'clicks' (millions) to other products</th>
</tr>
</thead>
<tbody>
<tr>
<td>News</td>
<td>979.6</td>
<td>114.8</td>
</tr>
<tr>
<td>Sport</td>
<td>542.3</td>
<td>78.4</td>
</tr>
<tr>
<td>TV &amp; iPlayer</td>
<td>558.0</td>
<td>27.5</td>
</tr>
<tr>
<td>Homepage</td>
<td>123.2</td>
<td></td>
</tr>
<tr>
<td>CBeebies</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>Radio &amp; Music</td>
<td>17.3</td>
<td></td>
</tr>
<tr>
<td>Weather</td>
<td>21.6</td>
<td></td>
</tr>
<tr>
<td>K&amp;L</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>CBBC</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Search</td>
<td>5.2</td>
<td></td>
</tr>
</tbody>
</table>

Source: BBC iStats, December 2012

Improving the navigation and linking in these products to increase the number of internal click-throughs presents a major opportunity for BBC Online to lead users to other content.

**There are a number of ways in which navigation could be better**

Users are positive about some aspects of signposting and navigation, such as the overall consistency in webpage layouts and the use of tabs and sub-sections.

Some products are felt to be easier to navigate than others, with News, Sport, Weather and iPlayer being consistently mentioned due to their prominent positioning on the Homepage.

Our Audience Councils highlighted some inconsistencies across products, such as it not always being clear how your location can be selected in order to find relevant local content or how to switch to Welsh language for those who wish to.
The Homepage is a well-used entry point to BBC Online

120 The Homepage is an important entry point into BBC Online with a weekly reach of 8.6 million unique browsers39. It has no content of its own but aims to aid navigation to different parts of the service and provide a showcase for content from the rest of BBC Online and the BBC more widely. For many, it is the main route to BBC content: it provides over 100 million internal click-throughs each month, most of which are to News and Sport. This is around one third of all internal traffic in BBC Online40.

121 The Homepage is the only major BBC Online product where audience usage is declining. This is in keeping with market trends, where there is some indication that portals and homepages are becoming generally less important due to the different ways in which audiences are able to find and access content across a converging environment. For many users, the Homepage becomes less relevant as audiences use means such as external search engines to find BBC content.

We believe that the Homepage has an important role to aid navigation and showcase BBC Online content and could do better in this regard

122 Our evidence suggests that the Homepage could do better in helping users navigate to other parts of BBC Online and encouraging wider exploration of content. By highlighting content from across BBC Online and offering a slightly different version of BBC news headlines mixed with weather and entertainment, the Homepage suffers from a lack of clarity in purpose: is it primarily a destination in its own right, or a gateway to other BBC products?

123 The Homepage was relaunched at the end of 2011 and this resulted in a significant dip in its AI, though this has since recovered (although not quite to pre-relaunch levels)41. Some users preferred the previous version of the Homepage, as it provided greater scope for personalisation. There is concern amongst some users that some of the navigational features of the new Homepage are neither prominent nor effective. In our qualitative research, it was clear that signposting could be improved. For example, content within the 'More' tab on the Homepage was often overlooked by users and seen as too vague to be useful.

The BBC’s internal search engine does not meet audience expectations

124 Search is one of the least used products in the BBC Online portfolio, attracting around 1 million unique browsers each month42. It does not meet audience expectations at present and users find external search engines a better way to find BBC content.

125 While the use of external search is likely to remain popular, we are clear that the BBC's search engine should be more effective in order to help those audiences who choose to search within the site.

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39 Source: BBC iStats Q4 2012
40 Source: BBC iStats December 2012
41 Source: BBC Online Quality Survey
42 Source: BBC iStats
126 BBC management is aware of these shortcomings and has begun to procure a new search engine. We expect this to be in place by the second half of 2013. However, while this will result in some improvements, such as the introduction of predictive search, we understand that there are other barriers to effective search, such as the absence of consistent metadata across the service.

**Improving navigation is a long-term challenge**

127 Underpinning all of the issues relating to navigation is the importance of having effective and consistent metadata across BBC Online. The historical development of BBC Online across many different content management systems has made it harder to link the products and enable effective navigation. BBC management is working to resolve these issues by, for example, basing BBC Online on a smaller number of content management systems. This is a large scale development and in some areas is still going on. However, it should allow BBC Online to create better navigation across products so that audiences are able to access a greater and more relevant range of BBC content.

128 Our first review of BBC Online found that there needed to be improvements in the internal search and navigation of BBC Online. We stated that improved horizontal navigation across all areas of the website would enhance the reach and impact of BBC Online, and we found that the BBC internal search engine was not effective. Progress against these actions has been slow and it seems clear that neither BBC management nor the Trust appreciated the scale of the technical and editorial challenges in trying to bring together the disparate parts of BBC Online onto a shared publishing platform.

129 However, we are confident that the technical work undertaken over recent years, and the current activity around data linking, means that audiences should be able to better navigate BBC Online in coming years. Progress in this area will be critical for BBC Online to increase its contribution to the public purposes and achieve its ambitions to be a more integrated and connected service. Effective external links allow users to find relevant content beyond BBC Online.

**External links are an important part of BBC Online**

130 Our first service review of BBC Online highlighted the importance of it providing better links to external websites. Audiences appreciate that BBC Online provides effective links that will enhance their online experience. External links can also create value for other online providers by increasing their volume of users.

131 External linking is also an important area for others in the online market. Some stakeholders have told us that there should be more external links and that the BBC’s approach could be more consistent across its products. For instance, the RadioCentre states that BBC Online should be ‘the first stop on a road of wider online discovery’ and that BBC Online should contain links and listings to relevant commercial radio content. UTV considers that the BBC should identify new opportunities to link to external sports websites, whilst also introducing improved consistency and transparency around its linking practices.

132 In 2011, BBC management committed to doubling the number of external click-throughs to 22 million by 2013/14 and this forms part of BBC Online’s service licence. However, while there was a monthly peak above 22 million during the London Olympics, BBC Online has not met this target overall.
Although the number of external click-throughs has increased, the rate of increase has been less than BBC Online's growth in usage. While we welcome the increase in volume, these data suggest that BBC Online could do more in this area.

**Figure 10: Number of unique browsers to BBC Online and number of external click-throughs**

![Graph showing number of unique browsers to BBC Online and number of external click-throughs.](source: BBC iStats (previously BBC SAGE Server logs))

We believe that there could be more consistency in the approach to external linking both across and within the products. While guidelines are publicly available, these do not appear to be well-known and we think BBC Online could be more open about its approach to providing these links⁴³. BBC management has a strategic aim to provide relevant and effective external links, which will lead to an increase in the number of external click-throughs. We will update the service licence to reflect this.

⁴³The current guidelines are available here: [http://www.bbc.co.uk/editorialguidelines/page/guidance-links-feeds-links](http://www.bbc.co.uk/editorialguidelines/page/guidance-links-feeds-links)
Action 3: BBC management should improve the navigation across and beyond BBC Online

Clear signposting and navigation across and beyond BBC Online is extremely important to enable the service to maximise delivery of the public purposes and begin to realise an ambition of becoming a more integrated service.

Improvements should include:

- more effective internal links and consistency of design in terms of navigation
- better navigation and signposting to all products on the Homepage, taking account of the needs of a wide range of different users
- an improved internal search engine
- more consistent and effective external links, in order to increase the number of external click-throughs; greater transparency around the approach taken to providing external links would be helpful.

*Effective use of external links is supported by a revised service licence commitment.*

*BBC management will report to the Trust within six months its plan to improve navigation and external links. Progress against this plan will then become part of the regular performance reporting.*

Personalisation

Personalisation is an increasingly important part of internet services

135 The ability to personalise has become an intrinsic part of how people use the internet and allows websites to provide a range of tailored services. Personalisation provides the BBC with an opportunity to offer more value and benefit to licence fee payers by bringing them content that is more relevant to them and so creating a deeper relationship with them. Personalisation will enable BBC Online to develop individual relationships with licence fee payers.

There is a limited amount of personalisation available on BBC Online

136 Compared with some other services provided on the internet, BBC Online does not offer many options for personalisation. There is some functionality, such as specifying which part of the UK you live in to receive an 'edition' of the Homepage based on this personal information. However, comments from our public consultation and our Audience Councils suggested that some audiences prefer the previous version of the Homepage, which provided more opportunities to personalise.

137 There is also a BBC sign in service, which provides features such as the ability to comment on articles, add favourites, play games, write reviews and save recipes. It also enables information to be shared across different parts of the site and different devices. However, it is not a particularly well used. While there are currently around 10 million
‘BBC iD’ accounts in total⁴⁴, management estimates that only around 1% of BBC users are signed in at any given time.

**We found a mixed response amongst audiences as to what the BBC should offer in this area**

138 Some audiences feel that BBC Online could do more in terms of recommending content related to their interests. They believe that creating a smarter and ‘stickier’ website through the use of cookies and geo-targeting can be helpful in identifying locally relevant content, as well as highlighting content from the rest of the website. In addition, several Audience Council responses suggested that there would be potential benefits if personalisation on BBC Online were enhanced, by helping to surface more relevant content and tailoring the offer around a national, regional or local perspective.

139 However, there are some concerns regarding greater personalisation, particularly that the collection of personal data should not be used for other purposes. In addition, while some are keen to set their own preferences, few currently sign into the BBC and there are concerns that greater personalisation should not come at the cost of ease of use.

**Greater personalisation represents an opportunity for BBC Online to better serve audiences, but should be done carefully**

140 BBC management believes that enhancing personalisation will enable BBC Online to provide a more appealing, engaging and relevant service, for instance by:

- enabling users to discover content with enhanced editorial curation as well as algorithmic and social recommendation
- enabling users to manage their consumption with continuity across four screens, receive reminders, filter material and create collections of bookmarked content
- enabling users to interact socially around BBC content or news stories
- enabling users to track progress through learning experiences, games and other materials
- enabling the BBC to develop ongoing relationships and targeted communication.

141 We support BBC management’s plans to explore this area and believe that there are short term public service benefits that can be realised from enhancing BBC Online’s ability to provide a more personalised offer. In the longer term, if done effectively, we feel that personalisation could become important in serving audiences well.

142 However, there are some challenges in providing a more personalised service. These include security of personal data, and the need to balance the BBC’s editorial expertise in curating content with users having free choice of individual programmes. We believe that it is important that BBC management implements any enhancements carefully and with reference to clear principles which we have set out in our action.

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⁴⁴ BBC management states that this figure has been inflated due to the mass creation of test accounts. It estimates that the true figure is therefore likely to be around 7–8 million.
Action 4: BBC management should explore opportunities to offer more personalisation in BBC Online

Personalisation features can improve the BBC Online offer and will be welcomed by some audiences as long as they are implemented carefully. In exploring this opportunity, BBC management should follow the following principles:

- there should be full transparency to the user of the data the BBC holds on them as an individual, and the benefits this brings them
- users should have control of their personal data
- users should have to sign in only when this is necessary to provide additional benefits to them, and they should be easily able to opt in or out
- the service should always provide an editorial voice when providing or recommending content
- there should be no commercial imperative behind the BBC's personalisation plans, and any commercial use of data by the BBC should be at the user's explicit discretion.

*BBC management will update the Trust on its progress in this work regularly and as milestones are reached.*
The management of BBC Online and the Red Button

Since our first review of BBC Online in 2008, BBC management has made significant strides in its oversight of BBC Online

143 When the Trust first reviewed BBC Online in 2008, we found that the management and governance of the service was not as effective as it should be. This was partly due to the cross-divisional nature of BBC Online, which led to weaknesses in the service's strategic, editorial and financial oversight.

144 To rectify these problems, BBC management undertook a significant amount of work to reorganise and improve the way the service is managed. This work involved BBC Online moving from a loose federation of editorial and technical areas, to a more co-ordinated and managed service. We also introduced annexes to the BBC Online service licence to provide greater accountability and transparency.

145 In 2011, we commissioned an independent report from Scintilla Associates to assess how effectively BBC management had addressed these issues.45 This report found that the concerns raised in our service review of BBC Online had been addressed by BBC management, while maintaining its provision of high-quality and highly valued public service to the UK audience in a fast-changing market. With regard to the key areas of concern, the independent report informed the following conclusions.

- **Financial oversight.** The report concluded that concerns raised in the 2008 Service Licence Review of BBC Online have been addressed and controls are in place to ensure that spending on BBC Online is accounted for robustly and accurately.

- **Editorial and strategic leadership.** The 2008 Trust service review highlighted the need for stronger editorial leadership and identified that the devolved nature of the BBC's management of online activities made it difficult to discern the service's overall strategic direction. The report concluded that these concerns had been effectively addressed.

- **Market impact and distinctiveness.** BBC Online operates in a fast-evolving and complex market, and we are aware that finding the right balance between creating offers that audiences value and avoiding undue negative competitive impact can be challenging. We are encouraged that Scintilla Associates found that clear processes are in place for assessing market impact both retrospectively (for the existing products) and prospectively (for planned new activities). We also welcome the regular industry engagement events now being held, as it is vital that the people working for BBC Online are engaged with the market in which they operate so that they understand any potential sensitivities relating to BBC activity.

45 The full report can be found here: http://www.bbc.co.uk/bbctrust/our_work/services/online/other/online_management.html
The Online Direction Group oversees the management of BBC Online and the Red Button

Both BBC Online and Red Button are run by the Online Direction Group (ODG). This is a cross-divisional body set up to improve management of BBC Online and address issues raised in our first review. It is chaired by the Director, Future Media, and has delegated responsibility from the BBC Executive board for delivering the BBC Online strategy. It ensures that both services meet the requirements of their licences and is accountable for the budget for these services. Although internal management was not a focus for our review, the evidence we have gathered, and the changes that have taken place both internally and externally, suggest that the ODG is effective.

The centralised governance and control of both the BBC Online and Red Button budgets has the potential to decrease the flexibility of particular genres to determine for themselves how to spend money. Different areas may have different priorities and ideas about how to best serve their audience. The ODG needs to strike an effective balance between ensuring consistency where appropriate, so that all products are contributing to the strategy, and allowing these products editorial freedom and the ability to innovate.

Our view is that the ODG is meeting the organisational challenges posed by the converging digital environment and the emergence of multi-platform services. As convergence continues at pace, we encourage BBC management more widely to consider what can be learned from the cross-divisional collaboration of the Online Direction Group.

BBC management should improve its audience measurement tools

To help inform the findings and actions of this review, we have used the BBC’s audience measurement tools to analyse performance. BBC management has a number of sophisticated audience measurement tools which allow them to assess how well the different parts of the service are performing and help them make editorial, strategic and financial decisions. However, there are two gaps which we feel need addressing: ‘people reach by product’ and ‘time spent’. 

- **People reach by product.** BBC management is unable to measure the number of people, as opposed to browsers, who are using the individual products. ‘People reach’ is currently only accurately collected at a service level. Given that the number of devices people use to access BBC Online products is likely to increase, we feel it is vital to have an accurate understanding of the number of people reached to complement this.

- **Time spent.** The BBC does not currently measure the amount of time that users spend consuming BBC Online content. Having this data would enable a better assessment of performance, particularly comparing against the time spent consuming the BBC’s TV and radio linear services. It will also be important in assessing the impact of the plans for a more integrated and connected service.

We have discussed this with BBC management and it accepts that these measures are very important. It has plans in place to address both areas as soon as possible. Once in place, we would expect them to form part of the service’s regular performance reporting. In addition, we would also encourage BBC management to consider how it can make some of this data available to licence fee payers, stakeholders and the industry, as part of the BBC’s strategic aim to set new standards of openness and transparency.
Action 5: BBC management should improve its audience measurement tools and make more audience data publicly available

Although the BBC has access to a range of tools to measure the use and perception of its online services, we believe there are two important gaps – ‘people reach by product’ and ‘time spent’ – that need to be addressed so that BBC management can make the best informed decisions about BBC Online.

BBC management should aim to share performance data with interested stakeholders.

We expect BBC management to have addressed these points within six months.

Value for money

BBC management has addressed the financial management weaknesses outlined in the Trust’s first review

151 Our previous service review identified a number of significant financial control weaknesses. In response, BBC management undertook work to improve the financial oversight of the service. The Trust commissioned an independent review of BBC Online management controls, as outlined in paragraph 145, published in 2011, to provide assurance that management had taken the appropriate actions to address the weaknesses. We concluded that weaknesses had been addressed and that BBC Online spending was accounted for in a robust and accurate way. The review noted that the following key governance arrangements had been put in place:

- the Online service licence sets the overall Online budget, which is then split into the service licence annexes
- spend against service licence annexes is reported to the Trust by BBC management on a quarterly basis
- the Director of Future Media is ultimately responsible for Online and Red Button spend
- service licence spend, split by division and product, is reviewed and scrutinised by the ODG.

152 We believe the ODG now plays a critical role in overseeing BBC Online and Red Button spend, being fully accountable for both service licence budgets.

153 The Online service licence is split into five annexes: News, Sport & Weather; Children's; Audio & Music; Knowledge & Learning; and iPlayer & TV. The annexes are designed to provide greater accountability, in terms of objectives and spend. They broadly reflect the ten products, but we believe that the News, Sport and Weather annex could be broken
down to better reflect how the products are managed by the business and to further improve accountability and transparency for licence fee payers, stakeholders and the industry. We will make these changes and reissue the service licence.

**BBC Online is on track to deliver its commitment to reduce spend by 25 per cent**

154 In 2011, as part of the BBC’s *Putting Quality First* strategy (PQF), BBC management committed to reduce BBC Online spend by 25% by 2013/14, with a reorganised service based around fewer core sections. This represented a £35m saving, with service licence budget reducing from c.£137m in 2010/11 to c.£102m in 2013/14. The service is on track to achieve this reduction.

155 As part of the subsequent *Delivering Quality First* strategy (DQF) in 2012, BBC management earmarked additional investment of around £100m over four years, for the service to fund a range of technical and some editorial developments. We consider BBC Online’s reinvestment fund later in paragraphs 193 to 196.

156 Table 1 shows BBC Online service licence budgets for 2008/09 to 2012/13. The table shows that BBC Online spend has been consistently managed within the regulated service licence budget so far.

### Table 1: BBC Online actual, forecast and budgeted service licence spend

<table>
<thead>
<tr>
<th></th>
<th>08/09</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
<th>12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget (£m)</td>
<td>114.4</td>
<td>133.8</td>
<td>134.3</td>
<td>120.0</td>
<td>109.1</td>
</tr>
<tr>
<td>Spend (£m)</td>
<td>112.2</td>
<td>126.7</td>
<td>125.8</td>
<td>115.3</td>
<td>103.0</td>
</tr>
<tr>
<td>Over/(under)spend (£m)</td>
<td>(2.2)</td>
<td>(7.1)</td>
<td>(8.5)</td>
<td>(4.7)</td>
<td>(6.1)</td>
</tr>
<tr>
<td>Over/(under)spend (%)</td>
<td>(1.9%)</td>
<td>(5.3%)</td>
<td>(6.3%)</td>
<td>(3.9%)</td>
<td>(5.6%)</td>
</tr>
</tbody>
</table>

Source: BBC Annual Report & Accounts and BBC management service performance information

Notes: 1) The 2010/11 baseline budget for PQF was adjusted from £134.3m to c.£137m, mainly because an additional £2.3m funding was allocated for formal learning to Vision, as approved by the Trust.

2) The BBC Online service licence budget was increased in 2009/10 following the previous BBC Online service review.

3) The budget reduces from 2010/11 to reflect the profiled PQF savings.

4) Figures for 2012/13 are unaudited year-end outturns.

157 Table 2 shows BBC Online service licence spend by the five service licence annexes over the 2010/11 to 2012/13 period. The largest proportion of PQF savings made in the period are in Knowledge & Learning and in News, Sport & Weather – £6.2m (27% of total spend saving) and £5.3m (23%) respectively. Over this time period, the largest percentage savings were made in Knowledge & Learning and non-annex spend.

158 The following examples show how BBC management has delivered savings in these areas:

- Knowledge & Learning – reduction in the number of bespoke sites and some areas of activity, such as *Blast!* were cut
- Non-annex spend – savings have been achieved through reduced production related overhead allocations.
Table 2: BBC Online spend by Annex for 2010/11 – 2012/13

<table>
<thead>
<tr>
<th>BBC Online Annex</th>
<th>10/11</th>
<th>11/12</th>
<th>12/13</th>
<th>Diff between 10/11 and 12/13</th>
<th>% of total spend saving</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>%</td>
</tr>
<tr>
<td>News, Sport &amp; Weather</td>
<td>49.2</td>
<td>47.7</td>
<td>43.9</td>
<td>(5.3)</td>
<td>(11%)</td>
</tr>
<tr>
<td>Children’s</td>
<td>10.5</td>
<td>9.5</td>
<td>8.5</td>
<td>(2.0)</td>
<td>(19%)</td>
</tr>
<tr>
<td>Knowledge &amp; Learning</td>
<td>24.9</td>
<td>21.5</td>
<td>18.7</td>
<td>(6.2)</td>
<td>(25%)</td>
</tr>
<tr>
<td>TV &amp; iPlayer</td>
<td>16.1</td>
<td>15.3</td>
<td>12.2</td>
<td>(3.9)</td>
<td>(24%)</td>
</tr>
<tr>
<td>Audio &amp; Music</td>
<td>15.5</td>
<td>15.3</td>
<td>13.3</td>
<td>(2.2)</td>
<td>(14%)</td>
</tr>
<tr>
<td><strong>Total Annex spend</strong></td>
<td>116.2</td>
<td>109.3</td>
<td>96.5</td>
<td>(19.7)</td>
<td>(17%)</td>
</tr>
<tr>
<td>Non-Annex spend</td>
<td>9.6</td>
<td>6.0</td>
<td>6.5</td>
<td>(3.1)</td>
<td>(32%)</td>
</tr>
<tr>
<td><strong>Total spend</strong></td>
<td>125.8</td>
<td>115.3</td>
<td>103.0</td>
<td>(22.8)</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: BBC Annual Report & Accounts and BBC management service performance information

Notes: 1) Figures for 2012/13 are unaudited year-end outturns.

Red Button transmission costs have been reduced

159 Under DQF, BBC management committed to reducing Red Button distribution costs through a phased reduction of broadcast services – reducing the number of interactive streams to one across all platforms (which has now taken place) and exploring the transition to IPTV technologies.

160 Distribution costs sit outside the service licence budget, but account for a large proportion of the total Red Button spend reported in the BBC’s Annual Report & Accounts. In 2011/12, distribution costs were £18.3m. This represented 49% of total Red Button spend and a much higher proportion than any other service. Distribution costs for 2012/13 are forecast to increase to around £19.6m due to additional costs relating to the London 2012 Olympics. The reduction in distribution costs began after this event.

161 As part of our wider responsibility for ensuring the BBC delivers value for money, the Trust has commissioned a review of the BBC’s distribution activities. The review will consider whether the BBC is meeting its obligations for distribution, ensuring every household has convenient access to BBC services across the UK – free at the point of use – and whether it is doing this in a cost-effective way. The review will include BBC Online and Red Button distribution.

162 Table 3 shows Red Button spend for 2008/09 to 2012/13. The increase in the budget in 2010/11 was due to Ceefax digital text costs being transferred to the Red Button. The
subsequent underspends were mainly the result of these Ceefax costs not being charged to the service licence until 2012/13. The 2011/12 underspend, which breached the Trust’s 10% tolerance level\textsuperscript{46}, was further exacerbated by commissioning delays and lower than expected spend levels temporarily arising as a result of the relocation of Future Media teams to Salford. The service licence budget has been reduced from 2013/14 to better reflect the level of Red Button expenditure.

**Table 3: Red Button actual, forecast and budgeted service licence spend**

<table>
<thead>
<tr>
<th>Red Button</th>
<th>08/09</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
<th>12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget (£m)</td>
<td>14.9</td>
<td>14.9</td>
<td>16.1</td>
<td>16.1</td>
<td>17.2</td>
</tr>
<tr>
<td>Spend (£m)</td>
<td>13.5</td>
<td>14.2</td>
<td>14.9</td>
<td>13.5</td>
<td>15.6</td>
</tr>
<tr>
<td>Over/(under)s pend (£m)</td>
<td>(1.4)</td>
<td>(0.7)</td>
<td>(1.2)</td>
<td>(2.6)</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Over/(under)s pend (%)</td>
<td>(9.3%)</td>
<td>(4.7%)</td>
<td>(7.4%)</td>
<td>(16.1%)</td>
<td>(9.3%)</td>
</tr>
</tbody>
</table>

Source: BBC Annual Report & Accounts and Executive service performance information

Notes: 1) Figures for 2012/13 are unaudited year-end outturns.

**The cost per user of BBC Online and Red Button has also reduced**

Table 4 shows cost per user reached (CPUR)\textsuperscript{47} outturns for BBC Online and Red Button.

**Table 4: BBC Online and Red Button CPUR outturn for 2009/10 – 2011/12**

<table>
<thead>
<tr>
<th></th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BBC Online</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPUR (p)</td>
<td>8.9</td>
<td>8.5</td>
<td>6.1</td>
</tr>
<tr>
<td>Weekly reach (%)</td>
<td>37.0</td>
<td>41.6</td>
<td>42.5</td>
</tr>
<tr>
<td>Annual service licence spend (£m)</td>
<td>126.7</td>
<td>125.8</td>
<td>115.3</td>
</tr>
<tr>
<td><strong>Red Button</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPUR (p)</td>
<td>2.2</td>
<td>2.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Weekly reach (%)</td>
<td>29.0</td>
<td>31.0</td>
<td>31.3</td>
</tr>
<tr>
<td>Annual service licence spend (£m)</td>
<td>14.2</td>
<td>14.9</td>
<td>13.5</td>
</tr>
</tbody>
</table>

Source: BBC Annual Report & Accounts and BBC management service performance information

\textsuperscript{46} The Trust’s annual assessment of performance against service licences compares actual costs against the approved service licence budget. Actual costs may vary by up to 10% of the approved budget, which permits management flexibility in its commissioning decisions. When a service licence budget is breached by more than the threshold, the matter is referred to the Trust to consider whether the character of the service has changed significantly.

\textsuperscript{47} Cost per user reached (CPUR) is a measure used by management to help monitor the cost effectiveness of the Online and Red Button services. It is calculated by dividing service licence spend by average weekly reach.
Notes: 1) A change in the basis used to calculate reach in the ‘cost per user reached’ measure for Online between 2010/11 and 2011/12 makes it difficult to compare BBC Online CPUR data for those years.

164 BBC Online CPUR has reduced by 2.8p (or 31%) between 2009/10 and 2011/12. This reduction has largely been driven by an increase in weekly reach combined with a reduction in annual service licence spend.

165 However, between 2010/11 and 2011/12, CPUR reduced by 28% while weekly reach increased and spend reduced by only 2% and 8% respectively. While the reach figures published in the BBC Annual Report & Accounts are the percentage of all UK adults who use the service each week, the CPUR figures are calculated using the average weekly number of unique browsers reached. This does not fit the agreed definition of CPUR as ‘How much it costs to deliver each service to individual users’ so we have asked BBC management to change to the people measure for the 2012/13 Annual Report & Accounts, as set out in Action 6 below.

166 Red Button CPUR has reduced by 9% between 2009/10 and 2011/12. This is the result of a small increase (8%) in weekly reach combined with a small reduction (5%) in annual service licence spend.

**BBC management should consider the arguments for, and against, including all development spend within the service licence budget**

167 Under current arrangements, part of audience-facing BBC Online and Red Button development spend, such as the development of infrastructure technology, is managed and reported separately from service licence spend. For 2012/13, BBC Online and Red Button development spend not included in service licence spend is forecast to be around £36m and £4m respectively.

168 Spend is split between content and development, based on a set of definitions and historical precedents. BBC management notes that it is becoming increasingly difficult to distinguish between the two types of spend. For example, development spend is increasingly becoming incremental in nature, making it more difficult to distinguish between standard upgrades, which have traditionally been categorised as service licence spend.

169 As part of the review of management controls, BBC management asked us to consider the possibility of including all development spend within the service licence. We have identified, at a high level, some possible implications of doing this. We consider that including all development spend within the service licence would:

- reduce the administrative burden (i.e. remove the need to make judgements about how development and service licence spend should be allocated)
- mean service licence spend would better reflect the true cost of the service
- potentially increase the financial governance and control of development spend, as it would form part of the regulated service licence budget.

170 However, there are a number of areas that we feel need further consideration, including the impact on the:

- flexibility and innovation of development activities
• budget setting process – for example, the volatility of development spend may lead to difficulties in setting the annual service licence budget

• statutory year-end financial reporting – development spend which is not included in the service licence is currently disclosed in a separate line in the BBC’s Annual Report & Accounts.

171 We recommend BBC management considers the arguments for and against, including all development spend within the BBC Online and Red Button service licences, and present its conclusion to the Trust for consideration.

**Action 6: BBC management should further improve financial accountability**

To improve financial accountability we ask BBC management to:

- Consider the arguments for and against including all development spend within the service licence budget. *BBC management will report back to the Trust within six months with a recommendation on this matter.*

- Separate News and Sport service licence annexes to provide better accountability and reflect how the service is managed. *To be implemented immediately.*

- Change the definition of ‘cost per user reached’ in the BBC Annual Report & Accounts from ‘browser reach’ to ‘people reach’. *To be implemented in the 2012/13 Annual Report & Accounts.*

**Key performance metrics indicate that, overall, the value for money of the BBC Online and Red Button services has improved**

172 Table 5 shows key BBC Online performance metrics for 2009/10 to 2011/12. These suggest that the value for money of BBC Online has improved. Annual spend has reduced while reach has increased. Though AI reduced in 2011/12, this was principally due to a series of major site refreshes. In addition, there have been significant improvements to the financial governance and controls of the service. In our research, audiences considered that BBC Online was providing good value for money given the proportion of the licence fee it represents – 77% rated it as either very good value or fairly good value.
Table 5: BBC Online performance metrics 2009/10 – 2011/12

<table>
<thead>
<tr>
<th>Metric</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual spend (£m)</td>
<td>126.7</td>
<td>125.8</td>
<td>115.3</td>
</tr>
<tr>
<td>Monthly spend (%) of licence fee</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Weekly reach (%)</td>
<td>37.0</td>
<td>41.6</td>
<td>42.5</td>
</tr>
<tr>
<td>CPUR (p)</td>
<td>8.9</td>
<td>8.5</td>
<td>6.1</td>
</tr>
<tr>
<td>AI</td>
<td>81.0</td>
<td>80.5</td>
<td>77.1</td>
</tr>
</tbody>
</table>

Source: BBC Annual Report & Accounts

Table 6 shows the key Red Button performance metrics for 2009/10 to 2011/12. These suggest that the value for money of the Red Button service has also improved. Annual spend has been largely maintained while quality and reach metrics have improved (which have led to a slight reduction in CPUR). Audiences in our research also felt that Red Button was providing good value for money considering the proportion of the licence fee it costs.

Table 6: Red Button performance metrics 2009/10 – 2011/12

<table>
<thead>
<tr>
<th>Metric</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spend (£m)</td>
<td>14.2</td>
<td>14.9</td>
<td>13.5</td>
</tr>
<tr>
<td>CPUR (p)</td>
<td>2.2</td>
<td>2.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Weekly reach (%)</td>
<td>29.0</td>
<td>31.0</td>
<td>31.3</td>
</tr>
<tr>
<td>AI</td>
<td>75.0</td>
<td>77.0</td>
<td>79.0</td>
</tr>
</tbody>
</table>

Source: BBC Annual Report & Accounts

Online in the market

BBC management has made good progress in improving BBC Online’s relationships in the wider marketplace. This should be maintained

When we first reviewed BBC Online in 2008, we found that the relationship between BBC Online and the wider industry was not good. Due to BBC Online’s scale and its position as leader in many segments of the online market, there was a lack of trust in the BBC’s activity in the market. This was not a new issue, as the Graf report in 2004 had identified similar stakeholder concerns.

Following our first review, BBC management has made significant attempts to improve its relationship with the wider online marketplace, and the review of management controls in 2011 indicated that it had made significant progress in this regard. For instance, it has:

http://news.bbc.co.uk/nol/shared/bsp/hi/pdfs/05_07_04_graf.pdf
• Set up the Online Advisory Group (OAG). The OAG, consisting of 12 to 16 independent members, is intended to represent the views of suppliers and any key industry bodies regarding their shared interests on all matters of how the BBC works and engages with the UK digital industry sector.

• Held bi-annual briefings for the industry. Twice a year, the leadership of the BBC’s digital services brief partners and suppliers on how BBC Online will work with them in coming months.

• Created the ‘Connected Studio’. Backed by a ring-fenced fund, the Connected Studio is intended to offer a new approach to driving innovation in BBC Online and the Red Button by working with digital agencies and technology start-ups, as well as individual designers and developers to submit and develop ideas for innovative features and formats.

• Worked towards a target for increasing external click-throughs.

• Aimed to provide benefit to the industry through sharing data and technology. For instance, BBC Online recently made its ‘TV Application Layer’ coding open source. This coding streamlines the process by which apps can work on many different devices.

While the Trust’s service review process does not include a market impact assessment, we have been careful to take account of its significance in the UK online market. We invited a wide range of organisations to respond to our consultation. Those responses that were concerned with the role of BBC Online in the marketplace were focused mostly on potential future activities. Any proposals for future changes will be subject to appropriate regulatory processes in due course. Where appropriate, we are highlighting relevant comments or concerns to BBC management.

In addition, we organised an event with the OAG to try to understand their views on how well BBC Online was serving the audience and its relationship with the market. While they were clear that there were improvements still to be made, they also recognised that BBC Online had made progress in its relationship with stakeholders since the Trust’s first review.

We welcome the efforts to improve relationships with the industry and we encourage BBC Online to continue to look for ways to be more open, transparent and accountable

Although our evidence-gathering in this review was not designed to assess the relationship between BBC Online and the wider market, we welcome BBC management’s efforts and the progress that has apparently been made. If BBC Online can play a role in helping the market as a whole to prosper, this is ultimately of benefit to licence fee payers.

This effort supports the BBC’s strategic objectives to set new standards of openness and transparency, so that both the public and the market understand how the BBC spends money, how it is performing and what it plans to do next. We encourage BBC management to continue to look for ways to be more open, transparent and accountable, and we have highlighted some specific opportunities, such as the use of performance data, in our report. Such an endeavour is very relevant to the fast changing internet environment, and we believe that BBC Online can be a positive force in this environment.
The service licence

The BBC Online and Red Button service licences have enabled the Trust to govern these services effectively

180 Our review has assessed the performance of BBC Online and Red Button against the terms of their service licences. As part of this process we have been able to consider whether any parts of those service licences require amending. Overall, our view is that both services are meeting the requirements set out in their services licences and that, despite the significant and ongoing changes in the digital environment, both service licences are still effective governance tools, helping to ensure accountability and transparency for licence fee payers, stakeholders and the industry.

181 However, the increasing pace of convergence and technological changes, combined with the audience expectations of the BBC to make content available in convenient ways, means that all service licences, especially BBC Online and Red Button’s, need to evolve. In the course of our review we have heard examples where the parameters set by the service licence are starting to hinder likely areas of the evolution of the service. For instance, BBC management considers that, at some point, it may be appropriate and fit with audience expectations to acquire online-only sports video rights. Such activity would currently be in breach of its service licence.

182 We acknowledge that the direction of travel for both the services and the market is likely to result in further examples of this kind, though we don’t advocate any specific changes at this time. It is entirely appropriate that BBC management thinks about how best to serve licence fee payers. The service licences are designed to be amended in line with any service proposal approved by the Trust.

We believe it is right to merge the Online and Red Button service licences

183 The review of BBC Online management controls in 2011 noted that the separation of BBC Online and Red Button service licences was resulting in complexity. For instance, it noted that iPlayer on Virgin Media falls under the Red Button service licence while iPlayer over the open internet falls under the BBC Online service licence.

184 BBC management believes that there would be a number of benefits from merging these service licences:

- **Strategic clarity.** There will be increased clarity for teams, management and external partners in having a single service licence linked to delivery of the Connected Strategy.

- **Editorial clarity.** Thinking about a single service promotes development of new, converged offers which will work across four screens.

- **External accountability.** This will provide clarity of the scope of the ten products across bbc.co.uk, Broadcast Red Button, Connected Red Button and Mobile/Tablet to the external market.

- **Financial efficiency and clarity.** A single set of financial reporting metrics will deliver significant efficiency.
Financial accountability and value for money: A single service will give management the ability to establish holistic product budgets and, therefore, effectively manage spend across all screens.

185 We believe that merging the service licences is the right thing to do at this time. A combined licence would better reflect the fact that these services provide access to the same content, and that Red Button is managed as part of BBC Online and is overseen by the ODG. As IP delivery of content increases and the BBC develops the Connected Red Button, the relationship between BBC Online and Red Button will become even closer. Importantly though, merging these licences would not diminish the accountability of either services, but would provide closer oversight of the BBC’s activities.

186 We have prepared a draft version of the newly combined BBC Online and Red Button service licence, which is found in Annex 5. Alongside publication of this report, we will launch a short consultation to gather any comments from licence fee payers, stakeholders and industry practitioners on the proposed merger. Following this consultation, we will then take a final decision and issue a new licence, if appropriate.

187 In addition to the proposed merger, we are making a number of smaller changes to specific parts of the BBC Online service licence, including the separation of the News and Sport service licence annexes, noted in Action 6. These changes are intended to clarify the role of the service, particularly in the context of the converging digital environment. These changes are set out in Annex 4. However, as they are merely clarifying the role of BBC Online, rather than changing the nature of the service, they are not subject to consultation. Therefore, if we do not issue a new combined service licence, we will make the necessary amendments to the existing Online licence.

Action 7: We intend to merge the BBC Online and Red Button service licences

We believe that merging these service licences would provide a clearer view of how the services operate, for both audiences and industry.

We have prepared a draft version of the newly combined service licence, set out in Annex 5.

We will undertake a public consultation to gather any comments on the proposed merger and will then take a final decision.
Future direction

The strength of BBC Online currently lies in its individual products

The strength of BBC Online currently lies in its individual products and their relationship with the linear services and genres in the wider BBC. While this serves audiences well, the lack of coherence and relationship between the BBC Online products is an area for improvement. As highlighted in our report, there are currently a number of barriers preventing proper integration between the products and enabling awareness and exploration of the range of content. While audiences value the breadth of the offer, the lack of connections between the different products means that the whole service is effectively seen as less than the sum of its parts.

BBC management’s ambition is for BBC Online to become ‘one service’

Following the realisation of ‘ten products’ and ‘four screens,’ this is the final element of the BBC Online strategy, which the Trust approved at the beginning of 2011. BBC management believes that this strategy will create an integrated and connected service that represents the whole BBC in the UK and globally. BBC management highlights three themes to focus the activities towards ‘one service’, outlined below.

- **Connected.** Building a service based on a suite of products that work as an integrated whole – blending live, catch-up and archive video, audio and text, interactive and participatory experiences. Ten products, offered as one service with common technology and design and presented consistently on four screens.

- **Curated.** Offering BBC content through world class curation in three ways: editorial – content journeys created by the BBC’s own expertise; personal – recommendations based on personal behaviour and preferences; social – using friends and networks to shape our experiences.

- **Open for all.** Ensuring free and open access to the widest possible range of content; a commitment to universal availability and accessibility in digitally connected homes; partnering more creatively and seamlessly with other great public and cultural organisations, establishing public partnerships in the digital space.

BBC management acknowledges that it is only at the beginning of the journey to deliver BBC Online as ‘one service’, and it is undertaking work to define more clearly what this means to audiences. In the long term, the move towards one service should also raise the editorial profile of BBC Online as a service in its own right. This could lead to the development of more online-only content, which complements other BBC output and may be an effective way to serve the audience in a converging world.

Realising such an ambition will require a great deal of work

BBC management has already put in place some of the building blocks that will enable this strategy to be realised. This includes the rationalisation of the service and organisational changes following our first review, the implementation of ‘ten products’ and ‘four screens,’ and the move towards a common publishing platform. Taking advantage of this base and realising the potential of this strategy will require a lot of further work. We have highlighted areas in our report that we feel are important in realising this ambition,
in particular the relaunch of the Knowledge & Learning product, and improvements in navigation and personalisation.

In addition to the ongoing technical, editorial and organisational work required, the move towards one service will also face cultural challenges. Historically, the BBC has operated in strong divisions defined by the distinct platforms of TV and Radio, though the ODG has made progress in creating an effective cross-divisional approach. As BBC Online becomes more integrated and connected, this cross-divisional approach will need to be developed.

**BBC management has a reinvestment fund for initiatives designed to achieve this strategy**

This strategy will require resource to ensure that it is successful and delivers benefits to audiences. As part of BBC-wide savings from the PQF and DQF processes, BBC management has ring-fenced just over £100m over the next four years, known as the Digital Innovation Fund, to develop the service, in recognition of the growing importance of BBC Online for audiences.

The ODG has run a cross-divisional process to identify the priorities for this reinvestment, ensuring they are in line with the strategy and will result in benefits for audiences. It has allocated this reinvestment according to key themes in the BBC Online strategy, as set out in Figure 11.

**Figure 11: Digital Innovation Fund allocated to areas of BBC Online and Red Button spend from 2013/14 to 2016/17 (millions)**

- **£103.5 million**
  - Connected - platform related such as Connected TV and Mobile & Tablet
  - Curated - including online production tools such as tagging and chapterisation, and content discovery tools such as recommendation and personalisation
  - Open for all - including the Connected Studio, Research and Education Space and the Journal of Record
  - Editorial - such as visualisation for Radio & Music, or providing additional streams for coverage of major events
  - Total: £103.5 million

Source: BBC management

The focus of the reinvestment is initially towards technology and platforms, with more editorial investment in the latter half of the four year period. This is appropriate, as it puts in place the platforms and tools to deliver an 'editorial dividend' later in the spending profile. While it is for the ODG to manage this reinvestment effectively, we emphasise that the editorial reinvestment can result in significant public value for audiences, and it is vital that this is realised.
We welcome BBC management’s plans to allocate reinvestment savings to BBC Online. This matches priorities in the BBC’s overall strategy and reflects the increasing importance of BBC Online for licence fee payers. Any individual initiatives or changes will be subject to the relevant regulatory processes if they are not within the scope of the current service licence for either service.

We believe that there is public service value in delivering this strategy

We support BBC management’s strategic aim and ambition to develop BBC Online into ‘one service’, as we believe this will build public value by enhancing users’ breadth of consumption of BBC Online. This aim will not be achieved by any one work stream. Rather, it is the accumulation of many different features, which individually can enhance the service and contribute to the purposes. The audience benefits of this strategy should be felt both in the day-to-day user experience and through more high profile one-off experiences, such as what a more integrated and connected BBC Online service can provide for special events such as the Proms or Glastonbury.

In realising this ambition, BBC Online should build on the strength of the individual products, and their role and value should not be diminished. It is important that the service retains the necessary freedom to tailor the offer to best serve audiences. However, through improvements in navigation, personalisation and other such features, BBC Online should become more joined-up, which will ensure a better service.

It will be important to have a clear understanding of the progress that BBC Online is making in realising this ambition, and we believe that there will be a number of key measures of success and metrics by which to track these. In particular, we feel that the success of one service might be represented by the following:

- more click-throughs to BBC Online products, and increased reach for Knowledge & Learning
- a gradual improvement in AI
- an increase in the amount of time spent on BBC Online, where appropriate to the use
- greater awareness of the breadth and depth of the BBC Online offer
- greater numbers of external click-throughs from all BBC products
- increased usage of the BBC sign-in service.

Making progress against these measures would indicate that BBC Online is making a greater contribution to the BBC’s public service mission. However, we note that the service has only just started this journey, and we therefore expect BBC management to develop a fuller set of criteria for assessing its strategy in due course.
Action 8: We support the ‘one service’ ambition for BBC Online

We support BBC management’s strategic aim for BBC Online to become a more integrated service, as we believe this will build public value amongst users.

*BBC management will keep the Trust informed of its plans to deliver the 'one service' vision of the BBC Online strategy.*

In the long term, BBC Online will become an increasingly central part of the BBC’s future

201 We believe that the *ten products, four screens, one service* strategy for BBC Online, together with the merged service licence and implementation of the findings of this review set a clear strategic direction for these services in the short to medium term.

202 While it is easier to be confident about the direction of BBC Online in the short to medium term, it is more difficult to describe what the service might look like in the longer term. We believe that BBC Online will play an increasingly important role as both a BBC service and as a platform. It is likely that, as convergence continues, distinctions between television, radio and online become more blurred. This raises fundamental challenges about the nature of BBC Online, its relationship with other BBC services and how the BBC is managed to meet this environment.

203 In particular, there are clearly some significant questions around the future role of BBC Online, in particular about:

- content creation – will users expect new forms of online-only digital content, and, if so, what form should this content take?
- distribution – at what pace might the audience migrate to using BBC Online as a route to BBC TV and radio programmes?

204 In addition, as the digital marketplace evolves, the BBC may find it increasingly difficult to secure access to new digital platforms in a way that gives its services sufficient prominence on menus or homepages without incurring significant costs or surrendering a degree of editorial control over the way BBC content is presented.

205 The Trust believes that these risks should be mitigated, potentially via new regulatory measures that would provide some form of additional protection to public service content in emerging online markets. However, the onus must also fall on the BBC itself to continue to provide content of such high quality that audiences demand and expect to see it on the homepage of any IPTV or TV-like service.

206 The BBC should also promote the take-up of online services, in particular among licence fee payers who are not currently online. And it should protect a free, open, public space in UK culture that extends beyond the BBC, where possible by creating links and partnerships with other public institutions and free-to-air providers.

207 In these ways, a strong digital BBC can have a positive impact on the UK’s culture, its economy and its creativity long into the future.
208 The Trust and BBC management will work together to define in more detail the next stage in the BBC's digital evolution.
Annex 1 - Approach and Methodology

Introduction

1. The BBC Trust is the governing body of the BBC and it is our responsibility to get the best out of the BBC for licence fee payers. One of the ways we do this is by carrying out an in-depth review of each of the BBC’s services. We have looked at every BBC service over the last five years and are now beginning our second round of reviews. The first of these covers BBC Online and BBC Red Button.

2. This document sets out our approach to undertaking this review. It covers the scope of our review and the methodology we have used.

3. BBC Online was last reviewed in 2008 and Red Button in 2010. These reviews can be found on the BBC Trust website at bbc.co.uk/bbctrust. This time the process was more focused, looking at how the services are meeting the objectives set for them by the last reviews, how well they are serving their audiences and how they have adapted to changes in technology, media and audience behaviour.

Review Scope

4. We published the terms of reference for this review when it was launched in October 2012. The high level questions we set out to consider were as follows:

   - How well are these services performing against the terms of their service licence?
     a) To what extent are these services providing high-quality and distinctive content?
     b) To what extent are these services being used?
     c) To what extent are these services contributing to the BBC’s public purposes?
     d) Are these services good value for money?
   - What is the future strategic direction for these services?
   - Should the licences for these services be changed?

5. When we published the terms of reference, we listed a number of areas that we identified as being out of scope of this review. This was intended to clarify the areas of focus of our review for anyone who intended to become involved via our public consultation or any other activity. Service reviews are intended to inform the Trust’s duty in performance assessment and do not include market impact assessments.

6. In addition, we treated the following areas as out of scope for this review.

   - CBeebies and CBBC products. The Trust is currently reviewing the BBC’s services for children. The public consultation on this review was launched on 4 March 2013 and will be open until 31 May 2013. We thought it was most effective to consider the CBeebies and CBBC online offerings as part of that wider
review, as they are highly integrated with the broadcast offers and are targeted at an audience of children, rather than adults.

- **BBC Online’s remit to strengthen the BBC’s corporate accountability.** The Trust will assess BBC Online’s role of delivering the BBC’s corporate accountability as part of a separate piece of work.

- **Impartiality and editorial standards.** Although news is a key part of BBC Online, an assessment of the service’s compliance with the BBC’s Editorial Guidelines is covered by other areas of the Trust’s work.

- **Independent supply quota.** This was reviewed by the Trust in 2011 and, therefore, was not an area for the review to consider.

- **Distribution of other BBC services via IP (internet protocol).** This review was focused on the BBC Online and Red Button services. Therefore we have not addressed how IP delivery can be a distribution network for the BBC’s other services.

- **Net neutrality.** This is a policy issue, which is being considered by the BBC separately to this service licence review.

- **Syndication.** A new syndication policy was published by the Trust in 2012, and therefore was out of scope of this review.

- **Digital windowing and rights for TV and radio content.** These topics were out of scope of this review, as they are not part of the service licence and are covered by other pieces of work.

### Methodology

The review was carried out for the Trust by its independent advisers in the Trust Unit, under the direction of the review’s lead Trustee, Suzanna Taverne. We gathered evidence from a wide range of sources that are summarised below.

- **Public consultation.** We used the service licences to develop a set of questions for public consultation. The consultation ran from 24 October 2012 to 23 January 2013 and we received around 1800 responses from licence fee payers, organisations, and the Trust’s Audience Councils in England, Northern Ireland, Scotland and Wales. The role of the Audience Councils is to advise the Trust on how well the BBC is promoting its public purposes, from the perspective of licence fee payers, and how well it is serving licence fee payers in different parts of the UK.

- **Performance data analysis.** We analysed data using the BBC’s QRI V performance framework, which considers four drivers of public value – quality, reach, impact and value for money. This framework is set out in Figure 12.
Figure 12: The BBC’s Quality, Reach, Impact and Value for Money (QRIV) Performance Framework

Quality – Quality is measured in terms of audience perception of various aspects of the quality of content and services.

Reach – The extent to which BBC services are used by the audience.

Impact – The extent to which BBC content delivers the BBC’s public purposes. The purposes are set out in the BBC’s Royal Charter and are as follows:

- Sustaining Citizenship and Civil Society
- Promoting Education and Learning
- Stimulating Creativity and Cultural Excellence
- Reflecting the UK’s Nations, Regions and Communities
- Bringing the UK to the World and the World to the UK
- Emerging Communications

Value for Money – A consideration of performance (quality, reach and impact) alongside cost to provide a perspective on cost-effectiveness.

- We carried out our performance analysis using the following evidence sources:
  - BBC Online usage figures based on the BBC’s server logs
  - online usage figures from the BBC and other providers from Nielsen Net Ratings and M:Metrics surveys
  - regular BBC audience surveys that measure audience perceptions, usage and awareness of content from the BBC and other providers
  - financial data taken from the BBC’s Annual Report and Accounts and management accounting system

- Audience research. The Trust carried out audience research to inform our thinking for this review and supplement the data we had available. We commissioned Sparkler research agency to undertake a piece of qualitative and quantitative research. This helped inform us how well these services were delivering the BBC’s public purposes and helped explore audience perceptions of quality for the services.

- Interviews. We explored the issues raised during our review through interviews with people within the BBC and through meetings with external stakeholders.

We have set out in Annexes 2 and 3 our performance assessment of BBC Online and Red Button respectively, using the QRIV performance framework. Where appropriate, we have highlighted in our main report evidence from these assessments and from other evidence we have gathered, and this is available on our website.
9 Further information about the Trust’s approach to service reviews can be found on the BBC Trust website at bbc.co.uk/bbctrust.
Annex 2 - BBC Online Performance Assessment

Introduction

1. This document sets out the BBC Trust’s performance assessment of BBC Online as part of the service licence review of BBC Online and BBC Red Button.

2. This performance analysis sits alongside a public consultation, bespoke audience research, as well as interviews and meetings with members of BBC staff and external stakeholders to provide evidence for the review.

3. We analysed data using the BBC’s QRIV performance framework, which considers four drivers of public value – quality, reach, impact and value for money.

4. This report focuses on quality and reach. Impact is mainly measured by the delivery of the public purposes, which we have assessed through bespoke research; value for money is assessed in the main report via a financial analysis of the service.

BBC Online’s Remit

5. BBC Online’s service licence sets out its remit as follows.

*The remit of BBC Online is to promote the BBC’s public purposes, by providing innovative and distinctive online content and distinctive propositions that reflect and extend the range of the BBC’s broadcast services.*

*BBC Online should offer UK users greater choice and control over how they consume BBC content by providing a range of recent broadcast output on-demand.*

*BBC Online should enable the BBC to develop a deeper relationship with licence fee payers and strengthen the BBC’s public accountability.*

*BBC Online should, at all times, balance the potential for creating public value against the risk of negative market impact.*
Summary

Perceptions of the quality of BBC Online have increased during the last year, following a significant decline at the start of 2012, largely driven by a number of site relaunches. These tend to have a negative effect on perceptions while users get used to the new appearance and layout. At the start of 2012 the Appreciation Index (AI) fell to its lowest ever level, due to the relaunch of two of the major traffic drivers to the site – Homepage and Sport. Since then, perceptions of quality have recovered and are close to pre-relaunch levels.

Perceptions of quality of BBC Online vary and the children’s products are generally the two highest scoring. The News product is the highest traffic driver to the site, so its AI score has a significant effect on the overall AI to BBC Online. Its score has declined slightly over the last few years, though it has shown some signs of growth in recent quarters.

Despite the fluctuations in AI, the overall impression of BBC Online remains strong. The majority of users are ‘high approvers’ of the service, and its ‘overall impression’ is higher than many other BBC services.

BBC Online is one of the BBC’s highest reaching services. Some 22 million adults used BBC Online each week in 2012, equating to 46% of the UK population, up from 41% in 2011. However, as a proportion of online adults, the number of people using the site has remained relatively stable over the last two years, although there has been some growth in the second half of 2012.

While the number of people using BBC Online has increased a little, the number of ‘unique browsers’ accessing BBC Online has increased significantly. People are accessing BBC Online on more and more devices through both the website and apps, and mobile and tablet usage now accounts for over 40% of all browsers accessing BBC Online.

News, Sport and TV & iPlayer are the highest reaching products of BBC Online by some way, and usage to TV & iPlayer has grown significantly over the last year. Of the ten audience-facing products, only the Homepage reach has declined.

Users of BBC Online are more likely to be younger, male and from ABC1 households. Usage does not skew significantly by nation, although reach is slightly higher in Northern Ireland and Scotland.

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49 ‘The number of ‘unique browsers’ counts the number of different devices accessing BBC Online. This is generally higher than ‘people reach’, as people tend to use more than one device to go online. ‘Browser reach’ is measured through BBC iStats, while ‘people reach’ is measured through the BBC’s Cross Media Insight Survey.
Quality

Audience appreciation scores for BBC Online have fallen, but now show strong signs of recovery

6 The appreciation index (AI)\(^5\) for BBC Online increased to 78.0 in the latest quarter, having previously fallen to 72.1 at the start of 2012 – its lowest level recorded since measurement began in 2007. Prior to the start of 2011 (with the exception of Q3 2010) the AI had been relatively stable, and consistently above 80. See Figure 13.

Figure 13: Trends in AI to BBC Online

![Trends in AI to BBC Online](image)

Source: BBC Online Quality Survey (previously BBC Pulse survey)

This large decline in AI was due to the relaunch of some of the major products

7 At the end of 2011 and start of 2012 the Homepage and Sport sites underwent major site refreshes, both of which led to sharp declines in audience’s perceptions of quality. These products are among the major traffic drivers for BBC Online, so their AI contributes a significant weighting to the overall service AI.

8 Typically, AI scores drop significantly following a site relaunch. Analysis conducted by BBC management on relaunches of BBC Online products between 2007 and 2010 showed that, on average, AI scores fall by around 8 points after a relaunch, though they can drop much more, and typically take around a year to recover. BBC management suggests this is strongly related to the difficulty users face in navigating the new site and loss of familiarity. This analysis also showed that iterative relaunches (i.e. those with slower, more gradual changes) minimise negative reaction among users.

9 The most recent refreshes have, however, seen AI scores decline more significantly (by up to 20 points), and as the products in question are high traffic drivers, the AI drops have had a strong impact on the AI for the service as a whole.

\(^5\) The BBC monitors audience appreciation of its content by asking audiences to rate the content they have used out of 10. These scores are then amalgamated to provide an overall appreciation index score (AI) out of 100.
Perceptions of quality for the site vary significantly by product

10 BBC Online is split into 10 distinct ‘product’ areas. The weighting that each product’s AI provides to the overall score for BBC Online is dependent on the usage\(^{51}\) of each product. Products with higher traffic such as News and Sport contribute the greatest weighting to the overall service AI.

11 In Q4 2012 the product AIs ranged from highs of 85.7 for CBeebies, 84.0 for CBBC and 81.8 for Weather, to lower scores of 75.6 for Sport and 66.3 for Search. We note, however, that while categorised by BBC management as one of the 10 audience-facing products, the search function of BBC Online is a significantly different offering to the other products.

12 The table below illustrates AIs by product. This shows that generally there has been growth in AIs over the last year.

<table>
<thead>
<tr>
<th>Table 7: BBC Online Appreciation Index scores by Product</th>
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<tbody>
<tr>
<td><strong>Product</strong></td>
</tr>
<tr>
<td>All BBC Online</td>
</tr>
<tr>
<td>CBBC</td>
</tr>
<tr>
<td>CBeebies</td>
</tr>
<tr>
<td>Homepage</td>
</tr>
<tr>
<td>Knowledge &amp; Learning</td>
</tr>
<tr>
<td>News</td>
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<tr>
<td>Radio &amp; Music</td>
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<tr>
<td>Sport</td>
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<tr>
<td>TV &amp; iPlayer</td>
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<tr>
<td>Weather</td>
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<tr>
<td>Search</td>
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</tbody>
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Source: BBC Online Quality Survey. *Percentages add up to less than 100 due to rounding.

The News product AI is very important to BBC Online due to its high usage, but perceptions have fallen slightly over the last few years

13 Audience perceptions of the News product have a significant effect on the overall AI of BBC Online due to its high usage. In Q4 2012 the News product AI accounted for 54% of BBC Online’s AI.

\(^{51}\) Note this is based on ‘browser reach’ to desktop devices rather than ‘people reach’
14 There has been some decline in the News product AI over the last few years. Until mid-
2010 the AI was consistently above 80, until a site refresh in Q3 2010 saw a decline of
around six points. While perceptions have since recovered from this dip, they haven’t
returned to the same levels as before the refresh\textsuperscript{52}.

15 However, we note that, as with TV and Radio output, the appreciation index for news
content should be used with caution, as respondents’ perceptions can vary depending on
items featured.

The TV & iPlayer and Radio & Music products are positively received by
their audiences

16 Audience perceptions of the TV & iPlayer product are strong. Its AI remains above its
target of 80, and is generally one of the higher scoring products. The AI is primarily
driven by perceptions of iPlayer, which has most usage. The channel and programme
sites, meanwhile, have less positive perceptions, but, as usage to these is lower, they
contribute less to the product’s AI.

17 The Radio & Music product was relaunched in October 2012. Following this relaunch, the
product’s AI declined by around 2 points. However, this was significantly less than the
average decline in AIs after relaunches. This decline was partly minimised as the popular
Radio 1 site was not included in the relaunch. It is due for development later this year.

Audience perceptions of Knowledge & Learning are generally high

18 BBC Knowledge & Learning consists of a number of top level domains. This includes
bbc.co.uk…… /food, /nature, /religion, /learning, /history, /health, /gardening and
/science. Audience perceptions of the product have been fairly strong over the last few
years, and are generally driven by perceptions of the formal learning and food sites, which
have the highest levels of usage. BBC Food achieves the highest AI of the Knowledge &
Learning sub sites, with users particularly appreciating the range of recipes and the
quality of the search facility.

19 With the exception of the summer period, when usage tends to be lower, the Learning
and Bitesize sites account for a large proportion of the product’s AI, and these sites
generally have positive audience perceptions. Users appreciate the content and resources
provided, and that information is provided in a clear way.

The Children’s products consistently achieve the highest AIs

20 Audience perceptions of the CBBC and CBeebies products have been consistently high
over recent years. Both products’ AIs have been above 80 for the last three years, and
while there can be some fluctuation on a quarterly basis, perceptions on the whole are
very strong. BBC management’s research shows that children come to the website to get
closer to the brands and characters they love, and they love the range of activities on the
site.

21 CBeebies was refreshed in June 2012, so the subsequent quarter’s data saw some decline
in AI. This drop was much smaller than that experienced by other products, however, and

\textsuperscript{52} Note that the weighting of AI scores within the News product has been changed, so has affected this.
it subsequently increased to 85.7 in Q4 2012. The verbatim results of the BBC’s Online Quality Survey show that parents find the site to be a safe, trusted environment in which their children can play and learn.

**Homepage and Sport had significant declines in quality perceptions when they were relaunched, but have since recovered**

22. The Homepage and Sport sites underwent significant refreshes in November 2011 and January 2012 respectively. As outlined in paragraphs 7–9, the AIs declined significantly, by around 20 points, but both have since recovered strongly. While not yet back to pre-launch levels, there are signs of growing appreciation for the sites.

23. Since the relaunch of Sport, there has been strong recovery as users get used to the new layout. Sport had an AI of 75.6 in the latest quarter, less than five points down on its pre-relaunch level. BBC management states that the Olympics coverage boosted the AI further. However, as with news content, we note the AI for sports content can vary significantly, depending on the outcome of the content featured.

24. The AI of the Homepage has also recovered considerably over the last year, with a score of 78.0 in the latest quarter. While verbatim comments indicate that there is still some polarisation of views on the new design, audiences are increasingly favourable to the navigation and functionality.

25. The Weather and Travel product had a strong AI of 81.8 in the latest quarter. This has grown significantly since declines following the site refresh in November 2011 and is actually now higher than prior to this refresh.

**BBC Online’s Search engine is not currently meeting audience expectations**

26. The search function on BBC Online is a significantly different offering to the other audience-facing products. It is consistently one of the lowest rated products in terms of audience perceptions of quality, with an average AI score of 66.3 over the last four quarters. We note that the AI measure for Search differs from the other nine products, as it is measuring perceptions of functionality, rather than content.

**Other audience perceptions of BBC Online vary, but perceptions of trust are consistently highest**

27. Alongside the audience appreciation index, BBC management also tracks a range of other metrics to monitor drivers of perceptions of quality of BBC Online. These include ‘Appearance’, ‘Ease of Use’, ‘Relevance’, ‘Trust’, ‘Up to date’, ‘Uniqueness’ and ‘Fresh & New’. This basket of measures is important in understanding overall audience perceptions of the service, as this allows us to more effectively assess what is driving the overall quality score of each product.

28. ‘Trust’ has consistently been the highest rated measure for BBC Online since measurement began. However, perceptions of trust have declined slightly in the last year (as set out in Figure 14), largely driven by changes around site relaunches. Despite this decline, it has remained above 80, and is consistently higher than the overall rating (AI score) for BBC Online. Indeed trust is consistently among the highest scoring metrics for all ten products.
29 Following the relaunch of Homepage and Sport, the appearance and ease of use metrics for BBC Online declined significantly. Both scores declined more than the AIs, suggesting these functional characteristics are most affected when a product is relaunched.

30 Relative to other metrics, audiences are less likely to think BBC Online is unique. This metric tends to be much lower than the other quality metrics, and also suffered slightly from the relaunch of Sport and Homepage.

31 The chart below illustrates the trends in quality metrics for BBC Online. This shows that, while there are some variations, the metrics tend to follow a similar trend to that of the AI.

**Figure 14: Trends in Quality scores to BBC Online**

Despite some decline in audience appreciation scores, the audiences’ ‘overall impression’ of BBC Online is strong

32 The majority of users (74%) of BBC Online are ‘high approvers’ of the service, and the mean ‘overall impression’ score is 8.2. This is one of the highest approval scores of the BBC’s services. In addition, the majority (65%) of users strongly agree that they would miss BBC Online if it weren’t there, and 75% agree that BBC Online has high-quality content. Further, some 67% strongly agree that they can trust BBC Online, while 72% feel it covers a wide range of subject matter.

**Reach**

33 Usage of BBC Online can be measured in a number of ways. It is possible to analyse usage both in terms of the number of people accessing sites (known as ‘people reach’), as

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53 High approvers are those rating the service as 8 or more out of 10 for overall impression. Source BBC Accountability and Reputation Tracker (ART), 2012

54 Source: BBC Accountability and Reputation Tracker (ART), 2012

55 Source: BBC Accountability and Reputation Tracker (ART), 2012
well as the actual number of browsers (including apps) used to access sites (or 'browser reach').

'People reach'

**BBC Online is one of the BBC’s highest reaching services**

34 Some 22.4 million adults used BBC Online each week in 2012, or 46% of the UK population. This makes it one of the BBC’s highest reaching services, only behind BBC One and Two.56

**Reach has grown considerably in the last five years, mainly due to the growth in internet access**

35 Reach to BBC Online has grown from 36% of UK adults in 2008 to 46% in 2012. However, a large amount of this growth is likely to have been due to an increase in the number of adults with internet access. According to Ofcom’s communications market report for 201257, some 80% of UK households had internet access at the start of 2012, up from 67% at the start of 2008. The growth in usage of BBC Online is shown in Figure 15.

**Figure 15: Weekly Reach (% of all UK adults) of BBC Online**

36 The BBC Online strategy published in 2011 set growth of reach as an important but secondary objective to distinctiveness, and proposed a reach target of 65% of online adults per week.

37 As a proportion of adults with internet access, reach to BBC Online has been relatively stable over the last few years, reaching between around 56% and 58% (with the exception of summer 2012, when usage grew significantly due to the Olympics coverage), although it has seen some growth since October 2012. Figure 16 illustrates BBC Online reach over the last few years, as a proportion of all adults and of adults with internet access (or ‘online adults’).

56 Source: BBC Cross Media Insight Survey, 2012


Figure 16: Reach of BBC Online (Desktop and Mobile devices)

Source: BBC Cross Media Insight Survey

### BBC Online remains one of the UK’s most popular online media destinations

38 BBC Online is the only UK media company to be in the top 10 internet destinations among UK users. *Google* is consistently the highest reaching website in the UK by some way, followed by *Facebook*. BBC Online is then consistently between the third and fifth highest reaching site on desktop devices⁵⁸.

39 Meanwhile, ‘people reach’ to BBC Online via mobile devices has grown significantly. On mobile devices, BBC Online was consistently the third highest reaching site last year, behind *Google* and *Facebook*, all of which saw growth in usage last year⁵⁹.

### ‘Browser reach’

While the number of people using BBC Online has grown a little in the last year, the number of ‘unique browsers’ has increased significantly

40 In Q4 2012 some 47.7 million ‘unique browsers’ accessed BBC Online each week, up significantly from 36.1 million in Q4 2011⁶⁰. This indicates that people are accessing BBC Online on more and more devices. This recent browser growth has been driven primarily by handheld devices (i.e. mobile and tablet devices). Usage via desktop computers has declined a little and now accounts for a much smaller proportion of total usage, down from 71% in December 2011 to 54% in December 2012.

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⁵⁸ Note this data is based Nielsen Net Ratings, which provides online usage figures of the BBC and other providers on desktop devices, and differs from that quoted in paragraph 34

⁵⁹ Source: M:Metrics ‘Mobilens’ survey

⁶⁰ Source: BBC iStats, the BBC’s online measurement system, which measures the number of browsers accessing the site.
The growth in browsers accessing BBC Online is illustrated in Figure 17. Note that comparisons with 'unique browsers' data before and after July 2011 should be made with caution due to the change in measurement methodology.

**Figure 17:** Weekly 'Unique Browsers' and 'People Reach' (millions) of BBC Online

Usage of BBC Online via mobile and tablet devices has increased significantly

In December 2012, non-desktop devices accounted for close to half (46%) of all browsers accessing BBC Online. This consisted of 27% via mobile, 12% via tablet and 7% via TV. Usage across all non-desktop devices was up significantly from December 2011, with growth of 53% via mobile, 211% via tablet and 407% via TV screen. Figure 18 illustrates the proportion of weekly unique browsers of BBC Online by platform for December 2011 compared with December 2012.

**Figure 18:** Weekly Unique Browser reach of BBC Online by platform, December 2011 vs. December 2012
Browser Reach by Product

**News, Sport and TV & iPlayer are the highest reaching products**

43 Some 20.3 million unique browsers accessed the BBC News site each week in Q4 2012. Usage has been growing fairly consistently over the last few years, with reach up by around 23% on the previous year. It is consistently the highest reaching product of BBC Online by some way.

44 BBC Sport was used by some 13.4 million unique browsers in Q4 2012. While this was down from the high of 15.3 million in the previous quarter due to the London Olympics, overall reach has increased by around 16% year on year.

45 Of the widely used products, only the Homepage has seen a decline in usage over the last year, as usage has fallen from 9.3 million weekly unique browsers to 8.6 million, equating to a year on year decline by around 7%. Search has lower usage, reaching around 1 million unique browsers per week.

46 The CBBC and CBeebies sites are lower reaching, used by around 1 million unique browsers per week. This is understandable, due to their smaller target audiences. The trends in ‘browser’ reach by product are illustrated in Figure 19.

**Figure 19: Average weekly unique browsers (millions) by product to BBC Online**

Source: BBC iStats. Note: TV & iPlayer mobile browsers were over-counted between February 2011 and December 2012, which has resulted in some over-counting of the total browser figures.

**Reach by platform can vary depending on the product**

47 The slight decline in usage of BBC Online via desktop (down from 26.3m weekly unique browsers to 24.9m) has been reflected across most products. Only Knowledge & Learning, Weather and CBBC increased usage via desktop, and such increases have been relatively small.
48 Mobile device usage of almost all the products has increased significantly. The News and Sport products both attract a significant proportion of use from mobile devices (around 30% and 33% respectively) compared with 27% for the BBC Online total.

49 Tablet usage of BBC Online, while smaller, has seen significant growth across all products, where it has doubled year on year. Most notably, usage of News has increased (up by 1.5 million unique browsers), along with TV & iPlayer (up by 1.3 million) and Sport (up by 1.0 million).

50 BBC Online usage on TV screen, meanwhile, is largely (unsurprisingly) for TV & iPlayer, with around 2.8 million weekly unique browsers (including usage on Virgin and Sky platforms). The year on year trends in reach by device (December 2011 vs. December 2012) are illustrated in Figure 20.

Figure 20: Change in browser reach by device to selected BBC Online products

Reach by Demographic

Users of BBC Online are likely to be younger, male and from ABC1 households

51 Usage of BBC Online is much higher among 16-34 year olds, as some 59% used the service each week in 2011-12. Generally, use declines with age, as a much lower 17% of over 65s used the service. Some of this trend can be explained by the fact that a lower proportion of older age groups are online. Users are also much more likely to be men (reach of 53% vs. 39% for women) and from ABC1 households. See Figure 21.
Figure 21: Reach (%) by demographic groups to BBC Online

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Reach (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16+</td>
<td>45.6</td>
</tr>
<tr>
<td>16-24</td>
<td>59.3</td>
</tr>
<tr>
<td>25-34</td>
<td>53.6</td>
</tr>
<tr>
<td>35-44</td>
<td>51.6</td>
</tr>
<tr>
<td>45-54</td>
<td>38.8</td>
</tr>
<tr>
<td>55-64</td>
<td>17.0</td>
</tr>
<tr>
<td>65+</td>
<td></td>
</tr>
<tr>
<td>ABC1</td>
<td>54.8</td>
</tr>
<tr>
<td>C2DE</td>
<td>33.3</td>
</tr>
<tr>
<td>Male</td>
<td>52.6</td>
</tr>
<tr>
<td>Female</td>
<td>39.0</td>
</tr>
</tbody>
</table>

Source: BBC Cross Media Insight Survey, 2012

Product Reach by Demographic

Most BBC Online products also skew towards ABC1, male and younger audiences

BBC management does a ‘quilt profiling’ analysis, which illustrates the reach to BBC Online by demographic. This takes age, gender and social grade, and then indexes these audience groups against the average reach for BBC Online. BBC management’s analysis shows that reach is generally above average for ABC1 adults, men and younger audiences.

User profiles can vary on different parts of the site. BBC management states, for example, that news visitors are more likely to be male, while TV programme sites can skew more to a female audience. The ‘quilt profiling’ indicates that the TV & iPlayer product is particularly skewed towards a younger age group, while News skews towards ABC1 (and is very similar to total BBC Online, as the highest traffic driver), while Sport has the strongest male skew. The reach profile to selected products is shown in Figure 22.

Figure 22: Indexed Reach Profile to selected BBC Online products

Source: BBC Cross Media Insight Survey Q4 2012
Reach by Nation

Reach to BBC Online also varies by nation, with reach highest in Northern Ireland

An average 46% of UK adults used BBC Online each week in 2012. Reach is higher in Northern Ireland (with reach of 52%), followed by Scotland (48%), then England (45%) and Wales (43%). While overall reach has grown slightly, it has remained relatively stable in Northern Ireland. Note that sample sizes are relatively low, so results should be treated with caution. See Figure 23.

Figure 23: Reach to BBC Online by Nation

Impact

The Trust primarily measures the impact of services in terms how well they are delivering the BBC’s public purposes. The Trust has assessed this through bespoke audience research; however, there are some secondary measures that we have analysed, including the effectiveness of its external linking provision.

External click-throughs

The number of click-throughs to external websites has increased significantly

The service licence states that BBC Online should encourage users to broaden the range of their media consumption by offering links to external websites and other functions that allow users to navigate beyond BBC Online. In our last service review of BBC Online, published in 2008, we asked BBC management to find ways of increasing the effectiveness of its provision of external links. BBC management’s 2011 strategy set a target of reaching 22 million external click-throughs per month.

The rate of click-throughs has grown in the last two years. On an annual basis, the number of click-throughs has increased from an average of 15.4 million per month in 2011, to 18.1 million in 2012.
This level can, however, fluctuate significantly, as it is also driven by events such as the England riots (Aug 2011), football transfers (Aug 11 and Jan 12), the Hackney Weekend tickets (Mar 12) and the London Olympics (July and August 12). This is shown in Figure 24.

**Figure 24: Number of external click-throughs from BBC Online per month (millions)**

![Graph showing external click-throughs from BBC Online per month](source: BBC iStats)

**Most external click-throughs come from the Sport Product**

In Q4 2012 there were an average 7.2 million click-throughs per month to external websites from the BBC’s sport sites, representing 44% of all click-throughs from BBC Online. Indeed the Sport product consistently delivers the most click-throughs (such as to sports sections of newspaper sites), followed by News, which delivered around 6.7 million per month in the last quarter (representing strong growth from the previous quarter). As a proportion of usage by product, Search actually has the highest proportion of click-throughs, but, as use of Search is much lower, this represents a much lower level of just over 100,000 per month.\(^\text{61}\)

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\(^{61}\) Source: BBC iStats
Annex 3 - BBC Red Button Performance Assessment

Introduction

1 This document sets out the BBC Trust’s performance assessment of BBC Red Button as part of the service licence review of BBC Online and BBC Red Button. This performance analysis sits alongside a public consultation, bespoke audience research, as well as interviews and meetings with members of BBC staff and external stakeholders to provide evidence for the review.

2 We analysed data using the BBC’s QRIV performance framework, which considers four drivers of public value – reach, quality, impact and value for money.

3 This report focuses on quality and reach. Impact is mainly measured by the delivery of the public purposes, which we have assessed through bespoke research; value for money is assessed in the main report via a financial analysis of the service.

Summary

BBC Red Button is a widely used service, and reach has grown steadily over recent years. Usage is highest when it offers extended coverage of events, such as Wimbledon, Glastonbury and the Olympics; however, there is also a large audience for the service’s ‘always available’ text content, such as news, weather and sport. The service is the most used interactive TV service in the UK.

In our last service review (published November 2010), we found that appreciation was moderate rather than high. Since then, audience appreciation of the service has grown steadily.

In October 2012, as part of the BBC’s Delivering Quality First strategy, there was a reduction in the number of live video streams on BBC Red Button on Digital Cable and Satellite platforms from five to one, making them consistent with what is available on Freeview and delivering cost savings for the BBC. However, as this has coincided with a change in measurement of audience perceptions of quality, it is difficult to isolate the impact of this change so far.

BBC Red Button appeals to a wide range of users, and the audience profile is similar to that of the overall TV audience. This makes it quite different to users of BBC Online, who are more likely to be younger and from ABC1 households. BBC Red Button continues to be used by a sizeable audience who do not use BBC Online at all, and this, therefore, is the only way they consume the BBC’s interactive content.
Quality

Audience appreciation of content on the BBC Red Button has grown

In our last service review of BBC Red Button (published November 2010), we found that appreciation of BBC Red Button was moderate rather than high. Since then, the average Appreciation Index (AI)\(^{62}\) for BBC Red Button has grown slowly but steadily. In Q3 2012 the AI was 79.7, up by around one point on the previous year and strongly up from the start of 2008\(^{63}\).

In October 2012 the BBC’s survey for measuring usage and perceptions of the Red Button changed. The AIs based on the new source are lower than those from the old source. BBC management states this decline may be due to the layout of the old survey emphasising the top end of the 1-10 scale, resulting in slightly inflated scores, and that this been corrected in the newly designed version. The trends in AI are illustrated in Figure 25.

**Figure 25: Trends in Audience Appreciation Index to BBC Red Button**

![Graph showing trends in Audience Appreciation Index to BBC Red Button]

Source: Nunwood Media Tracker / BBC Cross Media Insight survey from October 2012 onwards.

The measurement of audience appreciation of Red Button was also changed following the last service review

When we completed the last service review of BBC Red Button, we stated that BBC management should improve the way in which it measures the quality of the service, as the current methodology makes robust assessment difficult.

Since then, BBC management has changed the methodology for calculating the Red Button AI so that all content is given relevant weighting for the overall score. Previously, a single respondent’s score was averaged across all the Red Button content they consumed, and then an average of the respondents’ averages was used to determine the overall AI.

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\(^{62}\) To calculate the AI score, respondents are asked to rate the parts of the service they have used out of 10. The headline AI score for BBC Red Button as a whole is then calculated by aggregating these scores

\(^{63}\) Source: Nunwood / BBC Cross Media Insight survey (CMI) from October 2012 onwards.
The methodology has now been changed to ensure the average of all Red Button content scores is taken equally. While this has had little effect on the overall score, we note that this represents a more accurate way of reflecting audience perceptions.

**AIs vary by genre, but perceptions of quality have improved across all content**

8 There have been increases in AI scores over the last few years across all content areas featured on BBC Red Button. Of the content measured on the BBC Red Button, sport is generally the most highly appreciated. In Q4 2012 sports content had an average AI of 79.9, followed by News and Weather at 77.4\(^{64}\).

9 BBC Red Button is available on digital satellite, digital cable and Freeview. Audience appreciation of the service does not differ significantly by platform. In Q4 2012 AIs were slightly higher on digital satellite (at 77.5) but closely followed by Freeview (76.4) and digital cable (at 75.2).\(^{65}\) See Figure 26.

**Figure 26: Audience Appreciation Index to BBC Red Button**

![Graph](image)

Source: Nunwood Media Tracker / CMI from October 2012

10 In October 2012 the news multiscreen service on the Red Button was closed and the number of video streams available on satellite and cable was reduced from five to one, in line with the BBC’s *Delivering Quality First* strategy. This means that the number of streams is now consistent across all platforms, as there has been only one stream available on Freeview since October 2009.

11 We are yet to see whether these changes will have an effect on audience perceptions of quality and we expect that the effects of this reduction will not be seen until a big event, such as Wimbledon or Glastonbury, is covered. While there has been a step change in AI in the last quarter, there has also been a change in methodology, as outlined in paragraph

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\(^{64}\) Source: CMI Q4 2012. Averages quoted here are taken from averaging monthly scores.

\(^{65}\) Source: CMI Q4 2012. Averages quoted here are taken from averaging monthly scores.
5. We note, however, that when similar changes were made on the Freeview platform, there was no significant impact on AI scores and audience approval.

**The ‘overall impression’ of BBC Red Button has also increased in recent years**

12 In 2012 the mean ‘overall impression’ score of BBC Red Button stood at 7.2 out of 10, while some 22 per cent of adults were ‘high approvers’ of the service.66

13 Since we completed our last service review in 2010, the overall impression of BBC Red Button has grown. In the latest quarter (Q4 2012), the mean impression was 7.2 out of 10, up from 6.7 at the end of 2010. While there can be some fluctuation month by month, the overall trend has been one of growth, with particular highs around the London Olympics, as shown in Figure 27.

**Figure 27: Mean ‘General Impression’ Score for BBC Red Button**

![Graph showing the mean 'General Impression' score for BBC Red Button over time.](image)

Source: BBC Accountability and Reputation Tracker, all adults

14 While comparisons should be made with caution due to the different nature of services, the ‘overall impression’ of BBC Red Button is slightly lower compared with many other BBC services. We note, however, that services with broad appeal, such as Red Button, tend to have lower ‘overall impression’ ratings.

**Reach**

**BBC Red Button attracts a large audience of over 17 million people each week**

15 BBC Red Button was used by over 17 million people each week in Q4 2012.67 This data is based on a new survey, introduced in October 2012, which uses a different (more

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66 The BBC monitors the overall impression of its services by asking audiences to rate the service out of 10. ‘High approvers’ are those rating the service 8 or more out 10. Source: BBC Accountability and Reputation Tracker (ART), all adults 16+ 2012
accurate) source of population data than the previous one. This therefore represents a step change from reach measured in the first three quarters of 2012, at 13.4 million, which had increased from 12 million in 2009-10 when we last reviewed the service.68

Comparisons between the two surveys should be used with caution, but we agree with BBC management that the new survey provides more accurate figures than the previous one.

The proportion of reach across all digital platforms has increased slightly. Around 33% of adults in digital TV households used the service in 2012, up from 31% in 2011.69

Usage of BBC Red Button does not vary significantly by platform. Proportionally, reach is slightly higher in digital satellite homes. See Figure 28.

**Figure 28: Weekly Reach (% of adults in digital TV households) to BBC Red Button by Platform**

Usage of BBC Red Button can fluctuate, depending on the content available. The highest usage tends to be driven by big events covered on the service such as Wimbledon, Glastonbury and the London Olympics.70 The trends in usage are illustrated in Figure 29.

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67 Source: BBC Cross Media Insight Survey
68 Source: Nunwood Media Tracker
69 Source: Nunwood Media Tracker / CMI from October 2012
70 It should be noted, as outlined in paragraph 5, that the data source for measuring usage and perceptions was changed in October 2012. This has resulted in a significant uplift in usage figures. BBC management states that the new data source uses a more robust methodology so should represent a more accurate reflection of usage.
Prior to the survey change in October 2012, claimed reach of BBC Red Button increased to an all-time record in August 2012 of 15.4 million, equivalent to 37% of all UK adults. This figure was boosted by the 24 additional Olympics streams available on the Red Button on digital cable and satellite.  

**News, Weather and Sport generate high levels of weekly reach**

News and weather are consistently among the highest reaching parts of the service, used by around 16% and 15% of UK adults each week respectively. In general, reach to this area is fairly stable throughout the year, although it can peak around big news events and extreme weather.

Sport is an equally popular area, and occasionally the most used part of the service, reaching an average of 18% of adults each week in Q4 2012. Unlike news and weather, however, reach can fluctuate significantly and is more dependent on the events covered, as significant sporting events can achieve very high audiences.

**The ‘always available’ content on Red Button generates the most reach**

The ‘24/7’ (digital text) content on BBC Red Button is generally the largest driver of reach on the service. The video content, providing extended event coverage, is more likely to see fluctuations in usage, which in turn drives the fluctuation in total usage of the Red Button.

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71 However, we note that this reach was lower than the cumulative reach measured by BARB during the Olympics, which recorded almost half of the population using the Olympic streams. This is because the BBC’s methodology for calculating reach of the Red Button (the results of which are shown in Figure 29) is based on claimed usage (and the survey provides a monthly average reach figure, so the later weeks in August where reach was lower would have depressed the overall figure). This differs from BARB methodology, which monitors TV viewing through a panel of around 5,100 households in the UK.

72 Source: CMI, Q4 2012

73 Source: CMI, Q4 2012
However, the ‘unique reach’ that this video content provides is relatively low, as users also tend to access other parts of the service as well. This is illustrated in Figure 30. Note that the methodology change in October 2012 coincided with the reduction in video streams, and reach to video content has declined.

**Figure 30: Reach of BBC Red Button Split by ‘always available’ (24/7) and ‘schedule driven’ (eTV) content (2012)**

![reach chart]

Source: Nunwood Media Tracker / CMI from October 2012

**The reduction in capacity has not had a significant effect on overall reach to Red Button; however BARB data shows that reach of video content has declined**

As noted in paragraph 10, the news multiscreen feature is no longer available on BBC Red Button, and the number of video screens on the cable and satellite platform has been reduced to one. The impact of these changes will not be fully apparent until major events such as Wimbledon or Glastonbury take place, where the additional video screens would have previously been utilised. However, BARB data shows that there has been some decline in reach to video content over the last few months, which we expect has largely been driven by the closure of the news multiscreen. Weekly reach of video content has declined by 1.5 million, having fallen to an average of around 3.2 million in Q4 2012, down from 4.7 million in Q4 2011.²⁴

**BBC Red Button has the highest audience of any interactive TV service**

BBC Red Button consistently reaches more people each week than any other interactive TV service. Its universal distribution means that its cross-platform reach is higher than platform-specific services, such as Sky Active. However, even on specific platforms, Red Button still has the highest reach. Both Ceefax and ITVi have now ceased, following the

²⁴ Source: BARB
completion of digital switchover on TV, while usage of most other interactive TV services has generally fallen or remained stable.\textsuperscript{75}

**BBC Red Button reaches a broad range of users**

BBC Red Button attracts a broad range of users, generally mirroring the profile of TV audiences as a whole, with the exception that Red Button users are more likely to be male, as shown in Figure 31. The audience profile is significantly different to that of BBC Online, where users are much more likely to be younger and from ABC1 households.

**Figure 31: Demographic profile of BBC Red Button and BBC Online Users**

The service also reaches an audience who do not use BBC Online\textsuperscript{76}. See Figure 32. As much of the content on Red Button and BBC Online is the same, this brings significant additional reach to the BBC’s regular News, Sport and Weather coverage. This accounts for around 23\% of users of Red Button and Online, a proportion that has remained relatively stable over the last few years.

\textsuperscript{75} Source: Nunwood Media Tracker / CMI from October 2012

\textsuperscript{76} Note, this is based on monthly, rather than weekly, reach and therefore differs from the reach figures quoted elsewhere in this report.
Figure 32: Users of BBC Online and Red Button

<table>
<thead>
<tr>
<th></th>
<th>Millions - used in last month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4'12</td>
<td></td>
</tr>
<tr>
<td>BBC Red Button only</td>
<td>8.8</td>
</tr>
<tr>
<td>BBC Red Button AND BBC Online</td>
<td>17.3</td>
</tr>
<tr>
<td>BBC Online only</td>
<td>11.5</td>
</tr>
</tbody>
</table>

Source: CMI, Q4 2012
Annex 4 - Summary of Service Licence Amendments

This annex sets out amendments to the BBC Online service licence arising from this review.

These changes, including those to the key characteristics of the service licence, are drafting improvements and do not reflect any changes to the approved scope and activities of BBC Online and Red Button. For this reason, the Trust’s scrutiny of these changes has not been regulatory in nature and it has not involved consideration of their significance, as described in clause 25 of the Agreement.

The review has concluded (action 6) that the service licences for BBC Online and Red Button should be merged and the Trust is consulting publicly on this. Changes related to this merger are not listed below, but are available in an amended licence (annex 5) which we are publishing alongside this report. More information on how to respond to this consultation can be found on the BBC Trust website (www.bbc.co.uk/bbctrust).

<table>
<thead>
<tr>
<th>Current service licence</th>
<th>Amendment</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Remit</strong>*</td>
<td>The remit of BBC Online [and Red Button (‘the Service’)] is to promote the BBC’s public purposes, by providing innovative and distinctive online content and distinctive propositions and by supporting the BBC’s broadcast output.</td>
<td>Drafting amendment to improve description of current offer</td>
</tr>
<tr>
<td><strong>1. Remit</strong>*</td>
<td>[The Service] should offer UK users greater choice and control over how they consume BBC content by providing live and a range of recent broadcast output on-demand.</td>
<td>Amendment captures existing offer of live output</td>
</tr>
<tr>
<td><strong>2. Scope of the Licence</strong>*</td>
<td>BBC Online should be continuously available and free at the point of use. It should aim to be accessible to all internet users.</td>
<td>Clarification</td>
</tr>
<tr>
<td><strong>2. Scope of the Licence</strong>*</td>
<td>BBC Online should be continuously available and free at the point of use. It should aim to be accessible to all users of internet enabled platforms and devices.</td>
<td></td>
</tr>
</tbody>
</table>
It may comprise a wide range of propositions, including the following: text, images, graphics, clips or extracts from programmes, live streamed and on-demand long-form audio and video content broadcast by BBC television and radio services, limited broadcast archive and some non-broadcast audio and video, interactive and downloadable applications and content.

### 3. Service budget*

The budgets stated in the five annexes to this Service Licence...

<table>
<thead>
<tr>
<th>Clarification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sport moved to separate annex (Action 6)</td>
</tr>
</tbody>
</table>

### 4. Overview of aims and objectives*

BBC Online should reflect and extend the BBC’s broadcast output, with content that informs, educates and entertains audiences while contributing to the promotion of the BBC’s public purposes.

<table>
<thead>
<tr>
<th>Clarification</th>
</tr>
</thead>
<tbody>
<tr>
<td>[The Service] should inform, educate and entertain audiences while contributing to the promotion of the BBC’s public purposes.</td>
</tr>
</tbody>
</table>

4. Overview of aims and objectives*

The service should be easy to use and accessible to all. It should ensure that the BBC’s content is easy to search and navigate, enabling users to find quickly what they are looking for and to find other BBC content that is of value to them.

<table>
<thead>
<tr>
<th>Clarification</th>
</tr>
</thead>
<tbody>
<tr>
<td>[The Service] should be easy to use and accessible to all. It should ensure that the BBC’s content is easy to search and navigate and should be personalisable where appropriate, enabling users to find quickly what they are looking for and to discover other BBC content that is of value to them.</td>
</tr>
</tbody>
</table>

4. Overview of aims and objectives*

[added]

<table>
<thead>
<tr>
<th>Moved from News, Travel &amp; Weather annex to reflect its relevance to all Online products</th>
</tr>
</thead>
<tbody>
<tr>
<td>In allowing users to personalise their use of the service, it should aim to ensure that their consumption is not narrowed unnecessarily.</td>
</tr>
</tbody>
</table>

5.2. Promoting education and learning
<table>
<thead>
<tr>
<th>PART III: Scope of activities</th>
<th>PART III: Scope of activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clarification</strong></td>
<td><strong>Clarification</strong></td>
</tr>
<tr>
<td><strong>5.2. Promoting education and learning</strong></td>
<td><strong>Clarification</strong></td>
</tr>
<tr>
<td>It should seek to use the on-demand and personalisable characteristics of the internet to offer learning tailored to users’ needs.</td>
<td>It should seek to use the on-demand and personalisable characteristics of internet-enabled platforms to offer learning tailored to users’ needs.</td>
</tr>
<tr>
<td><strong>5.3 Reflecting the UK’s nations, regions and communities</strong></td>
<td><strong>Clarification</strong></td>
</tr>
<tr>
<td>The core of the offering should be news, sports, weather and travel, alongside content in other areas which reflects the particular characteristics of each nation or locality and supports broader BBC initiatives and editorial offerings.</td>
<td>The core of the offering should be news, sports, weather and travel, alongside content in other areas which reflects the particular characteristics of each nation or locality and supports broader BBC initiatives, programmes and services.</td>
</tr>
<tr>
<td><strong>5.5 Stimulating creativity and cultural excellence</strong></td>
<td><strong>Clarification</strong></td>
</tr>
<tr>
<td>BBC Online should promote new forms of creativity and culture by innovating in the development of propositions specifically for the internet which exploit its unique characteristics.</td>
<td>[The Service] should promote new forms of creativity and culture by innovating in the development of internet enabled and interactive propositions which exploit its unique characteristics.</td>
</tr>
<tr>
<td><strong>Conditions</strong></td>
<td><strong>As stated in Action 3</strong></td>
</tr>
<tr>
<td>BBC Online should:</td>
<td>[The Service] should:</td>
</tr>
<tr>
<td>• Aim to double the volume of click-throughs to external sites from all parts of the service by 2013/14</td>
<td>• Aim to increase the volume of click-throughs to external sites from all parts of BBC Online year-on-year</td>
</tr>
<tr>
<td><strong>7. Operation of this licence by the BBC Trust</strong></td>
<td><strong>Clarification</strong></td>
</tr>
<tr>
<td>For details of how the BBC Trust operates this Service Licence, please see the Service Licence Operating Framework</td>
<td>For details of how the BBC Trust operates this Service Licence, please see the Trust’s protocol C1 on UK public services.</td>
</tr>
<tr>
<td>and budgets for main parts of BBC Online</td>
<td>and budgets for main parts of BBC Online [and Red Button]</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>BBC Online – audio and music</strong></td>
<td><strong>BBC Online [and Red Button] – radio and music</strong></td>
</tr>
<tr>
<td><strong>Scope of activities</strong></td>
<td><strong>[The Service’s] radio and music offer should promote the BBC’s public purposes to a wide range of audiences, through the provision of innovative and distinctive online propositions across genres, and by supporting the BBC’s broadcast radio and music output (across both radio and television).</strong></td>
</tr>
<tr>
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<td><strong>[The Service’s] radio and music offer should promote the BBC’s public purposes to a wide range of audiences, through the provision of innovative and distinctive online propositions across genres, and by supporting the BBC’s broadcast radio and music output (across both radio and television).</strong></td>
</tr>
<tr>
<td><strong>Scope of activities</strong></td>
<td><strong>[The Service] should support each radio station and aggregate and complement content from across different BBC radio services, programmes and other sources, around themes such as musical genres or artists.</strong></td>
</tr>
<tr>
<td><strong>Scope of activities</strong></td>
<td><strong>[The Service] should offer linear and on-demand radio programmes in line with the scope set out in part I of this licence and the Service Licences for each radio station.</strong></td>
</tr>
<tr>
<td><strong>Scope of activities</strong></td>
<td><strong>It may allow users retrospectively or prospectively via pre-booking to download multiple episodes of on-demand audio content (known as ‘series stacking’).</strong></td>
</tr>
<tr>
<td><strong>Scope of activities</strong></td>
<td><strong>It may also offer broadcast radio content for download for an unlimited period of time after broadcast, although this must not</strong></td>
</tr>
</tbody>
</table>
### Footnote

[added]

Download of classical music, in the form of incidental music or signature tunes is permitted.

Wording relevant to radio added from iPlayer annex

### Scope of activities

<table>
<thead>
<tr>
<th>Audio and music online should reflect the principles underlying the BBC’s overall music policy</th>
<th>Radio and music online should reflect the principles underlying the BBC’s overall music policy</th>
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</thead>
</table>

### Budget

<table>
<thead>
<tr>
<th>The budget of BBC Online audio &amp; music is…</th>
<th>The budget of BBC Online [and Red Button] radio &amp; music is…</th>
</tr>
</thead>
</table>

### BBC Online – knowledge and learning

**Scope of activities**

BBC Online should provide innovative and distinctive online content in knowledge-building genres, through distinctive propositions that reflect and extend the range of the BBC’s broadcast services.

[The Service] should provide innovative and distinctive online content in knowledge-building genres, through distinctive propositions by supporting the range of the BBC’s broadcast services.

### Scope of activities

<table>
<thead>
<tr>
<th>It should offer a broad range of knowledge-building content, with a focus on specialist factual areas such as science, natural history and the arts, as well as some leisure interests (which should be strongly linked to broadcast output).</th>
<th>It should offer a broad range of knowledge-building content, with a focus on specialist factual areas such as science, natural history and the arts, as well as some leisure interests (which should be strongly linked to the BBC’s public purposes).</th>
</tr>
</thead>
</table>

### BBC Online – iPlayer & TV

**2. Scope of this Licence**

<table>
<thead>
<tr>
<th>2. Scope of activities*</th>
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</table>

**BBC Online [and Red Button] – iPlayer & TV**

<table>
<thead>
<tr>
<th>2. Scope of activities*</th>
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</thead>
</table>
It is noted that iPlayer & TV may also be used to provide output already provided by BBC Online on 1 January 2007 which was not subject to the approval given by the BBC Trust in April 2007. The provisions of this Annex do not extend to that output.

### 2. Scope of this Licence*

iPlayer & TV should promote the BBC’s public purposes to a wide range of audiences by providing innovative and distinctive online content in entertainment genres, including drama and comedy, and through distinctive propositions that reflect and extend the range of the BBC’s broadcast services.

### 4. Overview of aims and objectives*

BBC Online – News, *Sport*, Travel & Weather

<table>
<thead>
<tr>
<th>Scope of activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BBC Online [and Red Button] – News, Travel &amp; Weather</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clarification</th>
</tr>
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<tbody>
<tr>
<td>BBC Online – News, <em>Sport</em>, Travel &amp; Weather</td>
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</tbody>
</table>

<table>
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<tr>
<th>Clarification</th>
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<tbody>
<tr>
<td><strong>Sport moved to separate annex (Action 6)</strong></td>
</tr>
</tbody>
</table>

*Clarification*
<table>
<thead>
<tr>
<th>Blogs and other approaches should be used to deepen users’ insight into important news topics and show how BBC journalists work to cover these.</th>
<th>Blogs and other approaches should be used to deepen users’ insight into important news topics.</th>
<th>Clarification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of activities</strong>&lt;br&gt;It should complement the BBC’s broadcast news coverage across all subject areas, reflecting and extending the BBC’s main news and current affairs programmes online.</td>
<td>It should complement the BBC’s broadcast news coverage across all subject areas, and reflect and extend the BBC’s main news and current affairs programmes online.</td>
<td>Clarification</td>
</tr>
<tr>
<td><strong>Scope of activities</strong>&lt;br&gt;BBC Online’s news coverage in each of the devolved nations should include coverage of political institutions, reflect the different sports events and interests of each nation.</td>
<td>[The Service’s] news coverage in each of the devolved nations should include coverage of political institutions, and reflect the different cultural events and interests of each nation.</td>
<td>Clarification. Sport moved to separate annex (Action 6)</td>
</tr>
<tr>
<td><strong>Scope of activities</strong>&lt;br&gt;BBC Online may have sites for 53 local areas across the UK which in England are linked to BBC local radio services.</td>
<td>BBC Online may have sites for 53 local areas across the UK which in England are linked to BBC local radio services and may aggregate content from these sites to ensure greater local relevance to users.</td>
<td>Clarification. (Linked to Action 1)</td>
</tr>
<tr>
<td><strong>Scope of activities</strong>&lt;br&gt;BBC Online should provide weather data and forecasts, enabling users to tailor the information by locality across the UK.</td>
<td>[The Service] should provide travel news and weather data and forecasts, enabling users to tailor the information by locality across the UK.</td>
<td>Clarification.</td>
</tr>
<tr>
<td><strong>Scope of activities</strong>&lt;br&gt;In allowing users to personalise their consumption, it should aim to ensure that their agenda is not narrowed unnecessarily.</td>
<td>[deleted]</td>
<td>Moved to part 1, overview of aims and objectives</td>
</tr>
<tr>
<td><strong>Scope of activities</strong>&lt;br&gt;BBC Online’s sports output should reflect and extend the breadth and depth of the BBC’s broadcast sports coverage. It should offer sports journalism, event coverage,</td>
<td>[deleted]</td>
<td>Moved to Sport Annex (Action 6)</td>
</tr>
</tbody>
</table>
fixture results and a range of other information.

**BBC Online should offer dedicated coverage of sport in Scotland, Wales and Northern Ireland and at local level in some areas, reflecting the different sports events and interests across the UK.**

As well as its coverage of major sports and events, the BBC’s online sports output should cover minority interest sports which are less likely to have broadcast coverage or be covered by other providers.

**Budget**

The budget of BBC Online news, sport and weather is…

The budget of BBC Online [and Red Button] news and weather is…

Reflects new Sport annex (Action 6)

**BBC Online and Red Button – Sport**

**Scope of activities**

[added]

[The Service’s] sports output should provide distinctive propositions and reflect and extend the breadth and depth of the BBC’s broadcast sports coverage. It should offer sports journalism, event coverage, fixture results and a range of other information.

[The Service] should offer dedicated coverage of sport in Scotland, Wales and Northern Ireland and at local level in some areas, reflecting the different sports events and interests across the UK.

As well as its coverage of major sports and events, the BBC’s online sports output should cover minority interest sports which are less likely to have broadcast coverage or be covered by other providers.

**Budget**

[added]

The budget of BBC Online [and Red Button] sport is …

(Action 6)

*These are changes to the key characteristics of the service licence.*
Annex 5 – Proposed BBC Online and Red Button Service Licence
This service licence describes the most important characteristics of BBC Online and BBC Red Button, including how it contributes to the BBC’s public purposes. Service Licences are the core of the BBC’s governance system. They aim to provide certainty for audiences and stakeholders about what each BBC service should provide.

The Trust uses service licences as the basis for its performance assessment and as the basis for its consideration of any proposals for change to the UK public services from the BBC Executive. A service may not change in a way that breaches its service licence without Trust approval. The Trust presumes that any proposed change to a stated Key Characteristic of a licence will require it to undertake a Public Value Test. Should it decide not to carry out a Public Value Test before approving any such change, then it must publish its reasons in full.

Part I: Key characteristics of the service

1. Remit

The remit of BBC Online and Red Button (‘the Service’) is to promote the BBC’s public purposes, by providing innovative and distinctive online content and distinctive propositions and by supporting the BBC’s broadcast output.

BBC Online The Service should offer UK users greater choice and control over how they consume BBC content by providing live and a range of recent broadcast output on-demand.

BBC Online The Service should enable the BBC to develop a deeper relationship with licence fee payers and strengthen the BBC’s public accountability.

BBC Online The Service should, at all times, balance the potential for creating public value against the risk of negative market impact.

2. Scope of the Licence

BBC Online should be continuously available and free at the point of use. It should aim to be accessible to all users of internet enabled platforms and devices.

It may comprise a wide range of propositions, including the following: text, images, graphics, clips or extracts from programmes, live and on-demand long-form audio and video content broadcast by BBC television and radio services, limited broadcast archive and some non-broadcast audio and video, interactive and downloadable applications and content.

Approvals covering on-demand audio and video are included in the final conclusions document of the On Demand Public Value Test. This can be found on the BBC Trust website. The Service Licence for each BBC TV and radio service sets out how its broadcast content can be distributed online.
3. Service budget

BBC Online and Red Button has a service budget of £xx million in 2013/14.

Any planned or actual change in annual expenditure on the service of more than 10% in real value requires approval from the BBC Trust and may entail variation of this Service Licence.

The budgets stated in the six annexes to this Service Licence total £xx million for 2013/14. The remaining part of the total Service Licence budget is allocated to central editorial activities (e.g. the Homepage), technologies which operate across the service and overheads.

4. Overview of aims and objectives

BBC Online and Red Button content should exhibit some or all of the following characteristics: high quality, original, challenging, innovative and engaging, and it should nurture UK talent. All parts of BBC Online should be distinctive, by meeting most or all of the values of creative and editorial ambition, high editorial standards, range and depth and being made for UK audiences.

BBC Online should inform, educate and entertain audiences while contributing to the promotion of the BBC’s public purposes.

Comprehensive provision of impartial, accurate and independent news and analysis should be at the heart of BBC Online. It should offer news and other content for the nations and regions of the UK.

BBC Online should be the main platform for the BBC’s formal learning provision for both children and adult learners. It should encourage internet adoption and digital media literacy through a range of offers.

BBC Online should enable on-demand access to some BBC television and radio programming. In addition to clips, it may provide a limited amount of long-form audio and video content from the BBC’s archives for formal and informal educational use, to set journalism and current affairs in context and to give audiences access to a sample of themed highlights from a range of BBC output.²

The Service should be easy to use and accessible to all. It should ensure that the BBC’s content is easy to search and navigate and should be personalisable where appropriate, enabling users to find quickly what they are looking for and to discover

² Any significant expansion of the scope of audio and video archive availability online requires the approval of the BBC Trust. Specific exceptions are permitted for Radio 3, Radio 4 and BBC Four to develop a permanent collection of on demand content.
other BBC content that is of value to them. In allowing users to personalise their use of the service, it should aim to ensure that their consumption is not narrowed unnecessarily. It should also encourage users to broaden the range of their media consumption by offering links to external websites and other functions which allow users to navigate beyond BBC Online.

**BBC Online** The Service may host user-generated content, particularly material which helps contribute to the promotion of the public purposes by encouraging active audience involvement, including participation in online discussion of important issues. It should also allow licence payers to feedback their views to the BBC on programmes, services and strategy and seek to engage in open dialogue with users whenever possible. It should not sell user data, nor pass on user data to a third party without users’ explicit approval, unless obliged to under UK law.

The BBC’s online content may be syndicated to other providers in line with the BBC’s syndication policy. Content on **BBC Online** the Service may be reversioned for specific Internet Protocol platforms and devices, such as mobile.

**BBC Online** The Service should commission a minimum level of content and services from external suppliers. It should actively seek to form partnerships with external organisations, particularly where these can help to promote the BBC’s public purposes more effectively.

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1. BBC Red Button Service Licence covers output on digital television platforms.
Part II: Contribution to public value

5. Contribution to the promotion of the BBC’s public purposes

5.1 Sustaining citizenship and civil society

**BBC Online-The Service** should make a very important contribution to this purpose amongst its users, primarily by providing comprehensive and constantly updated, accurate, impartial and independent news which aims to engage a broad audience in news and current affairs.

It should aim to encourage conversation and debate about news, current affairs and topical issues, both online and more broadly. It should offer specific resources which help to build users’ understanding of the UK’s political institutions and democratic processes.

**BBC Online-The Service** should offer a range of digital media literacy resources and initiatives which aim to enable audiences to access, understand and create different types of media. This may include support for new users and initiatives for specific groups of non-users and new users.

5.2 Promoting education and learning

**BBC Online-The Service** should make a very important contribution to this purpose amongst its users by offering something of educational value to people of all ages.

It should be the main platform for delivery of the BBC’s formal learning output for children and adult learners and for parents and teachers. It should seek to use the on-demand and personalisable characteristics of internet-enabled platforms to offer learning tailored to users’ needs.

It should also aim to stimulate informal learning across a range of subjects through distinctive propositions and by extending the BBC’s broadcast output for adults and children. Clear linking and navigation should encourage users to broaden their range of consumption of knowledge-building output. It should support the BBC’s learning and social action initiatives and campaigns.

5.3 Reflecting the UK’s nations, regions and communities

**BBC Online-The Service** should make a very important contribution to this purpose amongst its users by providing content for licence fee payers in the different nations and local communities across the UK. The core of the offering should be news, sports, weather and travel, alongside content in other areas which reflects the particular characteristics of each nation or locality and supports broader BBC initiatives, programmes and services.

It should offer provision in Welsh, Gaelic, Irish and Ulster Scots and other languages used by licence fee payers where appropriate.
The BBC may build and support non-geographic communities of users where these clearly support the BBC’s contribution to its public purposes.

5.4 Bringing the UK to the world and the world to the UK

**BBC Online** The Service should make a very important contribution to this purpose amongst its users, by bringing the world to the UK via its broad and high quality coverage of international news and through other content which aims to enhance users’ awareness and understanding of international issues, life and culture.

While BBC Online can be accessed outside the UK and so help to bring the UK to the world, it should be aimed at UK licence fee payers.

5.5 Stimulating creativity and cultural excellence

**BBC Online** The Service should make an important contribution to this purpose amongst its users by offering a range of distinctive and innovative content and by supporting the BBC’s broadcast output.

**BBC Online** The Service should feature a range of cultural activities, including the arts and popular culture and sports, including coverage of minority sports. It should encourage participation in sporting and cultural activities, often by working in partnership with external organisations.

**BBC Online** The Service should promote new forms of creativity and culture by innovating in the development of internet enabled and interactive propositions which exploit its unique characteristics. It should foster and nurture creative and technical talent and activity, including supporting innovation in the UK’s new media sector and by commissioning content and services from external suppliers. It should lead collaborative communities of professional innovators and engaged amateurs. It should support creativity amongst its users, by encouraging them to generate and share their own content.

**Conditions**

**BBC Online** The Service should:

- Commission at least 25% (by value) of eligible content and services from external suppliers
- Aim to increase the volume of click-throughs to external sites from all parts of BBC Online year-on-year

5.6 Emerging communications

The BBC’s sixth public purpose is defined in the Charter as "in promoting its other purposes, helping to deliver to the public the benefit of emerging communications technologies and services and, in addition, taking a leading role in the switchover to digital television".
The Service should contribute to the promotion of this purpose in a variety of ways including making its output available across a wide range of IP-enabled platforms and devices.

It should support the growth of digital platforms, including online, digital television and DAB radio, by hosting campaigns and permanent resources which promote their benefits to licence fee payers.

It should work in partnership with external organisations to help to build public understanding and usage of new forms of content and distribution. All elements of the Service should play some part in working to this purpose.
6. Annexes and further parts to this Licence

6.1 Part III - description of main editorial areas of BBC Online and Red Button

The third part of this licence contains a description of the scope of activities of each of the main editorial areas within BBC Online the Service.

Due to linking and convergence between editorial areas, each area of BBC Online the Service, as described in its annex, may draw on output from a number of different production sources. However, for clarity budgets have not been duplicated between annexes.

The description of iPlayer in the annex is designated as part of the key characteristics of BBC Online. Descriptions of other editorial areas are not designated as such and may be amended with the approval of the Trust but without automatic consideration by the Trust of the need for a Public Value Test.

6.2 Annex I – Performance assessment

The performance of BBC Online the Service will be assessed by the Trust using the framework described in Annex I. BBC Online The Service’s compliance with any Conditions, as described in section 5, will also be measured on an annual basis and reported in the Annual Report and Accounts.

The BBC Trust will expect BBC Online and Red Button to comply with the commitments described in this Service Licence. The BBC Trust will monitor compliance with these commitments retrospectively as part of its periodic service reviews and/or on an exceptional basis if there is evidence or allegation of non-compliance.

7. Operation of this licence by the BBC Trust

For details of how the BBC Trust operates this Service Licence, please see the Trust’s protocol C1 on UK public services. This is available from www.bbc.co.uk/bbctrust or upon request from the BBC Trust Unit.
PART III: Scope of activities and budgets for main parts of BBC Online and Red Button

BBC Online and Red Button – radio and music

Scope of activities

BBC Online and Red Button’s radio and music offer should promote the BBC’s public purposes to a wide range of audiences, through the provision of innovative and distinctive online propositions across genres, and by supporting the BBC’s broadcast radio and music output (across both radio and television).

BBC Online and Red Button should support each radio station and aggregate and complement content from across different BBC radio services, programmes and other sources, around themes such as musical genres or artists.

BBC Online and Red Button should offer linear and on-demand radio programmes in line with the scope set out in part I of this licence and the Service Licences for each radio station. It may allow users retrospectively or prospectively via pre-booking to download multiple episodes of on-demand audio content (known as ‘series stacking’).

It may also offer broadcast radio content for download for an unlimited period of time after broadcast, although this must not include unabridged readings of published works nor full track commercial music nor classical music (even if recorded by the BBC).\(^4\)

Radio and music online should reflect the principles underlying the BBC’s overall music policy through propositions which exploit the unique characteristics of the internet and by focussing on new, UK and live music in its offer of news, reviews and other information. It should cover a broad range of musical genres, both mainstream and niche.

Budget

The budget of BBC Online and Red Button radio & music is [£xx] million in 2013/14.

\(^4\) Download of classical music, in the form of incidental music or signature tunes is permitted.
BBC Online and Red Button – knowledge and learning

Scope of activities

** BBC Online The Service should be the BBC’s main platform for formal learning output. It should offer content that creates educational value for children, parents, teachers and adult learners across the UK.

The BBC’s online formal learning resources should be developed in close collaboration with external partners, including curriculum bodies, academics and teachers.

** BBC Online The Service should provide formal learning resources aimed primarily at children. These may cover a broad range of subjects and skills and should include a proposition to support school children with revision and recap. There should also be resources to support parents and teachers, including those which make use of archive broadcast content. It should include formal learning output in support of each of the devolved nations’ own educational curricula.

Formal learning for adults should focus primarily on essential skills, such as literacy and numeracy, languages and the encouragement of digital media and internet literacy.

** BBC Online The Service should provide innovative and distinctive online content in knowledge-building genres, through distinctive propositions by supporting the range of the BBC’s broadcast services. It should sometimes partner with external bodies in these areas.

It should offer a broad range of knowledge-building content, with a focus on specialist factual areas such as science, natural history and the arts, as well as some leisure interests (which should be strongly linked to the BBC’s public purposes). ** BBC Online The Service should reflect contemporary life and the different interests in each of the devolved nations.

Budget

The budget of BBC Online and Red Button knowledge and learning is £xx million in 2013/14.
Key characteristics

1. Remit

iPlayer & TV should aim to maintain the reach, consumption levels and value for money of the BBC’s public service radio and television output, and should also increase the output’s impact. It should do this by offering licence fee payers greater choice and control over how they consume BBC content and through distinctive propositions which reflect and extend the range of the BBC’s broadcast services. It should aim to increase the audience to niche and specialist broadcast content. In so doing, it should help maintain the perceived relevance of the BBC to licence payers as their patterns of media consumption change.

2. Scope of activities

BBC iPlayer may simulcast the BBC’s broadcast television and radio services over fixed and mobile internet protocol networks. It may also offer BBC broadcast television content on the internet for seven days after it has been broadcast (both streamed and for download), and give users 30 days after download during which they may first access the content.

It may allow users retrospectively or prospectively via pre-booking to download multiple episodes of up to 15% of on-demand television content (known as ‘series stacking’)

\(^5\) for first access within 30 days of download. It may allow users to repeatedly consume downloaded content for up to seven days after first access. It may also allow users retrospectively or prospectively via pre-booking to stream multiple episodes of up to 15% of on-demand radio content, until a date no later than seven days after the last episode in the relevant series. This includes series where there is a break in scheduling between sub-sections of the series.

It may also offer broadcast radio content for download for an unlimited period of time after broadcast, although this must not include unabridged readings of published works nor full track commercial music nor classical music (even if recorded by the BBC).

\(^6\)

\(^5\) Details of the type of programmes which may be included in series stacking are given in the Service Licences for each television service.

\(^6\) Download of classical music, in the form of incidental music or signature tunes is permitted.
iPlayer & TV may also be used to provide output already provided by BBC Online on 1 January 2007 which was not subject to the approval given by the BBC Trust in April 2007. The provisions of this Annex do not extend to that output.

iPlayer & TV should promote the BBC’s public purposes to a wide range of audiences by providing innovative and distinctive online content and through distinctive propositions that reflect and extend the range of the BBC’s broadcast services.

iPlayer & TV should aim to nurture creativity and new creative talent in a variety of ways. It may explore ways of exploiting the unique characteristics of the internet to provide entertainment propositions originated specifically for the internet which help the BBC deliver its public purposes.

3. Budget

iPlayer & TV has a budget of [£xx] million in 2013/14.

4. Overview of aims and objectives

iPlayer & TV should enable licence fee payers to access BBC programming quickly, easily and in a high quality format and should support the BBC’s broadcast output while contributing to the promotion of the BBC’s public purposes. In doing so, it should aim to be regarded as a high quality BBC service by its users and so contribute to their approval of the BBC.

BBC iPlayer should aim to maintain the BBC’s overall reach and consumption levels, as the balance between usage of the BBC’s linear and on-demand services evolves over time. In doing so, it should contribute in the long term to the BBC’s ambition to provide services that are of value to all licence fee payers. It should aim at least to maintain consumption of BBC content by younger adults (those aged 16-34).

BBC iPlayer’s user interface and contextual offerings should aim to promote public service content, including that which is of niche interest, and help the BBC increase the reach and consumption of these programmes. It should seek to achieve this in a variety of ways including search, navigation and recommendation functions, the series stacking function and promotional activities.

The series stacking function should be focussed on series which have a distinct run, with a beginning and end and a narrative arc, or those with exceptionally high impact. It should cover a broad range of output.

It should aim to enable the BBC to maintain the value for money of its investment in content at a higher level than if programming was not offered on-demand.

Content should be offered free at the point of use with no advertising. BBC iPlayer should incorporate functions which ensure that children can be protected from unsuitable content. It should also provide adequate access for those with sensory, cognitive or physical impairments within a reasonable timescale.

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7 Any specific on demand permissions beyond these general terms appear in the Service Licences for each television and radio service.
In fulfilling its other aims and objectives, iPlayer & TV should aim to contribute to the growth in the usage of rich media in broadband households. It should aim to make seven-day catch-up available on platforms in a manner consistent with the BBC Trust’s syndication policy and the Executive’s syndication guidelines.
BBC Online and Red Button – Children’s

Scope of activities

BBC Online The Service should reflect and extend the BBC’s broadcast offer for children with an emphasis on high quality, UK-originated content that encourages informal learning, creativity and safer use of the internet. In so doing it should also seek to promote media literacy. It should seek to deliver the BBC’s public purposes to children in a variety of ways including offering some propositions originated specifically for the internet.

Provision for primary school-age children should be stimulating and trusted amongst users, and make a strong contribution to the delivery of the BBC’s public purposes. Where appropriate it should seek to complement and link to formal learning provision for this age group. It should reflect both entertainment and knowledge-building genres, introduce children to news, and encourage them to participate and create.

Content for pre-school children should cover a range of public purposes and genres with a focus on the English early learning goals. Material for parents and carers should enable them to learn more about childcare and early learning.

BBC Online The Service should allow children aged 6 - 12 to access content on-demand in a child-friendly environment and should present on-demand content for children under 6 as a shared experience operated by parents or carers.

BBC Online The Service may also offer propositions aimed specifically at older children and teenagers, including entertainment and provision of advice on topics relevant to teens and young adults.

Budget

Scope of activities

**BBC Online The Service** should provide a comprehensive service of impartial, accurate and independent news and analysis covering UK and international news and news from the UK’s nations and local areas. Key news events should be set in context and it should cover some specialist subject areas and provide guides to key issues of the day. Blogs and other approaches should be used to deepen users’ insight into important news topics.

It should complement the BBC’s broadcast news coverage across all subject areas, and reflect and extend the BBC’s main news and current affairs programmes online. There should be news output aimed specifically at primary school-age children, hosted on the children’s website.

**BBC Online The Service**’s news coverage in each of the devolved nations should include coverage of political institutions, and reflect the different cultural events and interests of each nation.

BBC Online may have sites for 53 local areas across the UK which in England are linked to BBC local radio services and may aggregate content from these sites to ensure greater local relevance to users. These should cover news, weather and travel and may include some local interests, such as sport, heritage and events.

Nations and local sites should aim to work effectively with other providers of local information, sourcing or sharing content and providing clear links from each BBC site to other local media and information providers.

**BBC Online The Service** should provide travel news and weather data and forecasts, enabling users to tailor the information by locality across the UK.

**BBC Online The Service** should encourage active involvement of the audience by encouraging online discussion of important issues and enabling users to submit news-related text and video, while ensuring that this meets the BBC’s high editorial standards.

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8 BBC Online offers local sites for: Beds, Herts & Bucks; Berkshire; Birmingham & Black Country; Bristol; Cambridgeshire; Cornwall; Coventry & Warwickshire; Cumbria; Derby; Devon; Dorset; Edinburgh & East of Scotland; Essex; Glasgow & West of Scotland; Gloucestershire; Guernsey; Hampshire & Isle of Wight; Hereford and Worcester; Highlands & Islands; Humberside; Isle of Man; Jersey; Kent; Lancashire; Leeds & Bradford; Leicester; Lincolnshire; Liverpool; London; Manchester; Mid Wales; Norfolk; North East Scotland; North East Wales; North West Wales; Northampton; Nottingham; Oxford; Sheffield & South Yorkshire; Shropshire; Somerset; South East Wales; South Scotland; South West Wales; Stoke & Staffordshire; Suffolk; Surrey; Sussex; Tayside & Central Scotland; Tees; Tyne & Wear; Wiltshire; York & North Yorkshire.
Budget

The budget of BBC Online and Red Button news and weather is £xx million in 2013/14.
BBC Online and Red Button – Sport

Scope of activities

**BBC Online’s The Service’s** sports output should provide distinctive propositions and reflect and extend the breadth and depth of the BBC’s broadcast sports coverage. It should offer sports journalism, event coverage, fixture results and a range of other information.

**BBC Online The Service** should offer dedicated coverage of sport in Scotland, Wales and Northern Ireland and at local level in some areas, reflecting the different sports events and interests across the UK.

As well as its coverage of major sports and events, the BBC’s online sports output should cover minority interest sports which are less likely to have broadcast coverage or be covered by other providers.

Budget

The budget of BBC Online and Red Button sport is [£xx] million in 2013/14.
Annex I: Performance measurement framework

The BBC Trust has the function of assessing the performance of the Executive Board in delivering the BBC’s services and activities and holding the Executive Board to account for its performance. It uses the framework described below as the basis for its assessment of BBC Online and Red Button.

The framework uses a range of metrics based around the four drivers of public value:

- Quality
- Reach
- Impact
- Value for money.

The Trust can amend this framework without this constituting formal variation to this Service Licence.

* Charter, article 24 (c)