

The Battle for Long-Form VOD Supremacy in the UK Is Heating Up

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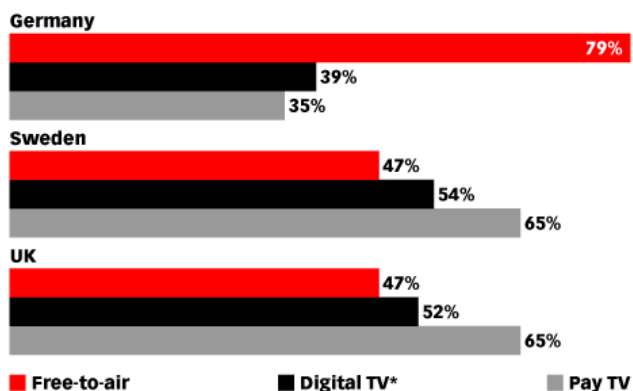
Bill Fisher

For UK video platforms, competition around premium content is intensifying, with digital services increasingly coming to the fore. For our latest report on digital video in the UK, we looked at the products that traditional and digital-first broadcasters offer their audiences.

March 2019 data from over-the-top (OTT) analyst firm [nScreen Media](#) found that UK TV viewers were taking an increasingly balanced approach to video viewing. Pay TV users outnumbered free-to-air (FTA) and digital TV viewers. However, the proportions weren't incredibly disparate. In Germany, for example, FTA users significantly outnumbered pay TV and digital TV users.

Users of Digital TV*, Free-to-Air and Pay TV Among TV Viewers in Germany, Sweden and the UK, March 2019

% of respondents



Note: n=500 in each country; ages 18+; *free and paid digital video services

Source: nScreen Media, "TV Universe—UK, Germany, Sweden: How People Watch Television Today" sponsored by Gracenote, May 15, 2019

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This points toward a well-developed video marketplace in the UK that consumers are taking full advantage of, and one in which broadcasters are scrambling to stay relevant. The Netflix model has led Sky, the dominant pay TV provider in the UK, to rapidly develop its Now TV on-demand offering. Meanwhile, the FTA broadcasters continue to develop and tweak their on-demand offerings, which brings us to BritBox.

BritBox is a joint initiative between UK broadcasters the BBC and ITV. Currently available only in the US and Canada, its value proposition is that it provides a place for viewers in North America to get their fix of exclusive UK content on a single platform. However, the subscription service is set for launch in the UK later this year, which begs the question: Who in the UK would want to pay for the privilege of watching content that is likely already available on the broadcasters' own on-demand platforms (which are "free")?

According to Thomas Bremond, general manager of the international division at Comcast-owned FreeWheel, there are a couple of differentiators. "It has to be bingeable, because Netflix and Amazon have made their entire business proposition on the availability of content right here and now. One episode a week, unless you're 'Game of Thrones,' doesn't work," he said.

There are limits on how much content is stored on broadcasters' on-demand platforms. For the most part, content is retained for only 30 days. BritBox will retain a much longer (time-based) catalog of content.

"The average person will pay for two to three platforms a month," Bremond said. "They'll pay for Netflix, Amazon and maybe BritBox. It's quite clever to say, if you want accessibility of all content in a bingeable way, this is BritBox. If you want to access it on-demand and not pay for it, this is on our platform supported by ads."

The ITV portion of BritBox will benefit from being ad-free, as its free platform in the UK—ITV Hub—carries advertising. However, as a partnership, one must begin to question the BBC's investment in the project in the UK, given the recent application it made to the competition regulator, Ofcom, and the subsequent ruling.

The BBC submitted a proposal to Ofcom that it should be allowed to retain programs on its iPlayer service for up to 12 months. On August 1 of this year, Ofcom ruled that the BBC could proceed with its plans, subject to conditions. The ruling even made reference to the current competitor landscape, stating that "they [the changes] could increase choice and availability of public-service broadcast content, and help ensure the BBC remains relevant in the face of changing viewing habits."

This will help the BBC compete in the UK's increasingly competitive VOD market, but it will lessen BritBox's appeal to UK audiences since iPlayer already doesn't carry advertising in the country. Only time will tell, but while BritBox has every chance of succeeding outside of the UK, its appeal at home remains in question.

One thing remains clear: Quality programming, whether delivered via live TV or on-demand platforms, remains an important part of UK consumers' daily viewing habits.

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Report by Bill Fisher Sep 19, 2019

UK Digital Video 2019



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