Online TV The BBC

iPlayer came, we watched, it conquered

What can the phenomenal success of the BBC's iPlayer tell us about online TV audiences? And can other providers follow the leader?

Kate Bulkley

Not many TV operations that have been running for barely six months can shock hardened media onlookers with their early viewing figures, but BBC iPlayer has become the exception to that rule.

When the online, seven-day TV catch-up service began, no one really knew what to expect. Even the BBC had set a modest early target of attracting 500,000 users to the free-to-view service in the first six months. In fact, more than a million people visited bbc.co.uk/iplayer over the Christmas period alone (it launched on Christmas Day) and, in the months following, the numbers have done nothing but continue to go up.

Average weekly users of BBC iPlayer reached 1.5 million in May, double the average weekly numbers in January and, this month, the BBC expects the number of programmes viewed using iPlayer each day to hit a million.

The requests to download or stream programmes on computers using the iPlayer have grown 20% month on month since launch; during April some 21m programmes were viewed with average daily users that month topping 700,000, up from 550,000 average daily users in March.

Runaway train

"The growth looks pretty linear and it's [speeding ahead] like a train," says Ashley Highfield, outgoing BBC director of future media and technology, at an event last month.

Watching EastEnders online? Who was going to do it and, if they did watch on computer screens in any significant numbers, then traditional TV viewing figures would drop off, surely? Actually, according to the BBC, the usage of iPlayer has not affected TV viewing at all.
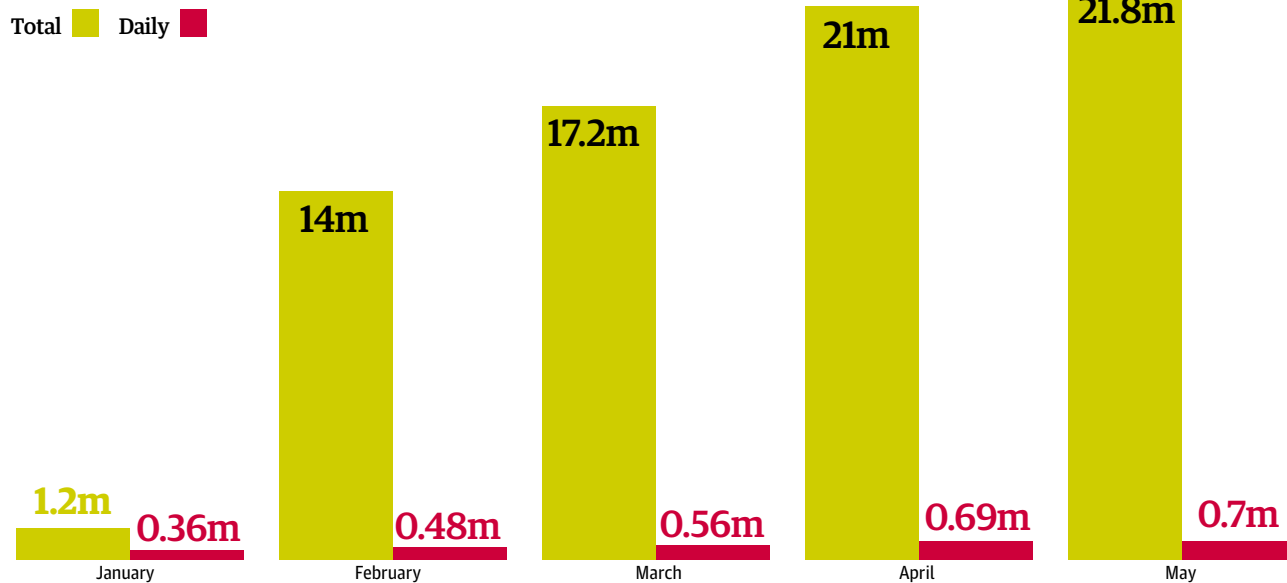
Highfield cites figures that show year-on-year BBC TV viewing has increased. The iPlayer, he argues, is reaching a younger audience than the typical average BBC TV audience but, interestingly, iPlayer is being used by an older audience than is typical on the internet. The two programmes that dominated the top 10 most viewed in April were then, not sur-

prisingly, Dr Who and The Apprentice.

Highfield is keen to make the point that the iPlayer seems to be adding to total audiences for BBC programmes, which is music to the corporation's ears given its public-service remit. He gave the example of EastEnders which typically has a weekly total audience reach of 18.9 million on TV. In April EastEnders had 460,000 "plays" on iPlayer, which accounts for an incremental audience of 2.4% more in total audience.

The figures are more significant for programmes aired on smaller BBC channels. For instance, comedy Gavin and Stacey, which airs on BBC3, added 7% to its total audience through people watching the programme on iPlayer.

The audience "lift" is even more stunning for the programme MI High, a live action children's programme on CBBC. According to the BBC, iPlayer viewing adds 20% to the total viewing audience for MI High.

The other interesting fact about iPlayer is the time of day that people are using it. According to the BBC, iPlayer usage increases after 10 pm — in other words after traditional TV prime-time programming finishes — and iPlayer usage is also quite significant during the day, which is not a traditionally strong time for television. "We are seeing new audiences during the day and extended peak-time audiences at night," says Highfield.

What people are watching

There is roughly 400 hours of TV available on iPlayer weekly and, because it is only a seven-day catch-up service, the lineup of programmes changes every week. This gives the BBC an interesting view into the popularity of all its programming across one week. While it is true that some programmes are disproportionately popular on iPlayer, some 50% of all iPlayer viewing is for programmes outside the week's top 10 viewed shows on TV. And, according to the BBC, some 20% of total iPlayer viewing across a week is for programmes outside the top 50 most viewed shows on television.

The fact that iPlayer is free (and like BBC TV does not carry ads), does not ask for viewers to register and is easy to use has contributed to its appeal. But the big distinction that iPlayer has over most video available on the web is that it is BBC quality. Online video viewing has shot sites such as YouTube to prominence but the video available there is typically lower-quality in terms of both delivery (it is usually highly compressed) and content — YouTube clips are largely home-made video or webcam footage, such as video diaries.

Outgoing BBC director of future media and technology, Ashley Highfield, says iPlayer will soon hit the one-million-views-a-day mark

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BBC iPlayer

Growth in stream/download requests

Total ■ Daily ■

January 2008	February	March	April	May
1.2m / 0.36m	14m / 0.48m	17.2m / 0.56m	21m / 0.69m	21.8m / 0.7m

SOURCE: BBC

BBC looks for the money with commercial service

The BBC hopes to capitalise on the success of the iPlayer with the launch of a commercial, ad-supported version, called Kangaroo

Kate Bulkley

The launch date may have slipped a bit — and the Office of Fair Trading has flagged up potential competition concerns — but Project Kangaroo, the commercial version of the BBC iPlayer, is still expected to launch before the end of this year.

Backed by BBC Worldwide (the BBC's commercial arm), ITV and Channel 4, the online video service has named the BBC's outgoing director of future media and technology Ashley Highfield as its chief executive, who is credited with launching the BBC iPlayer and revamping bbc. co.uk. Highfield does not officially take up his new job until July 1, but work on the service that hopes to emulate the success of the BBC iPlayer has begun, including a much-rumoured new name to replace Kangaroo.

One suggested name is SeeSaw but, whatever the new service is called, it will be a one-stop, online shop for UK TV programming. Kangaroo will be supported by advertising, with the possibility of some paid-for content as well. It will include programmes that have already been made available by broadcasters on their own online catch-up TV services.

Once a BBC programme has been on

BBC iPlayer for seven days for free, it will move to the ad-supported Kangaroo. The same will be true for ITV and Channel 4 programmes. Although Five is not a partner, Kangaroo's partners say they would welcome Five's programming on the new online service.

The OFT is responding to concerns from producers, including Endemol and Talkback Thames, about the potential market power of Kangaroo. "We would like to see other platforms develop as well [as Kangaroo] to create a properly competitive market," says Rupert Brankin-Frisby Talkback Thames commercial director. "The video-to-own and download-to-own markets have not really emerged yet but if all UK content is aggregated in one place then I think that gives rise to some concerns."

Rod Henwood, former new business development director at C4, says that the point of Kangaroo is to gather the best of UK TV content on one site, making it easier for users to find and also thereby creating a big enough audience to sell to advertisers. "We need an effective UK-generated service because if we don't, it means that Google and Apple will clean up — they are the only other players who will be able to address the UK market with any effect."

Although there have been some early teething pains among the partners about how Kangaroo will fit in with their traditional TV and existing online businesses, they see the potential for the planned service, particularly as more advertising moves online and online video consumption grows. "The BBC's iPlayer shows without question that when you get it right you can deliver to large audiences," says Jeff Henry, managing director of ITV Consumer.

It's got legs iPlayer goes mobile and beyond

The BBC has big ambitions for its online catch-up TV service, iPlayer, and they go far beyond the computer screen and the internet. In fact, iPlayer is already available on Apple's iPhone and iTouch and on the Nintendo Wii, a games console that plugs into the TV set. UK cable operator Virgin Media also launched the iPlayer as part of its video-on-demand (VOD) service to its 3.4 million subscribers, at the end of April.

And more is to come. Anthony Rose, BBC head of digital media technology, says he plans to make the iPlayer as "ubiquitous" as it can be and as fast as possible. Not only will Mac computer users be able to download programmes, as well as continue to stream them, on their computers by the end of the year (PC users can do both already) but other devices are also in Rose's sight, including Nokia N95 series mobile phones, the Sony PS3 games console and home media streaming devices such as those from Netgear and Linksys.

"There is a change in the direction of set-top boxes, so in the future, it may be games consoles and general media devices that power

your video-on-demand viewing, rather than having it come through set-top boxes from the telecommunications and cable companies," says Rose.

On Virgin Media, pressing the "red button" while watching a BBC channel on TV will bring up the iPlayer service without the user having to access the web. Later this summer, Virgin Media plans to integrate the more than 400 hours available per week on iPlayer into its electronic programme guide (EPG), making it easier for users to find what they want to watch. And, although Virgin is a pay-TV service, there is no additional charge to Virgin subscribers to watch programmes on iPlayer. So far, Virgin says the iPlayer has contributed to a 10% uplift in VOD usage by its subscribers.

Virgin Media is the first TV platform to add iPlayer, but the BBC's future media and technology group controller, Erik Huggers, says the BBC is talking to Sky TV, the UK's biggest

pay-TV platform. "We'd like to have the iPlayer on Sky Player," says Huggers, referring to Sky's PC service, formerly known as Sky Anytime. Sky says it is in discussions with the BBC about iPlayer but privately Sky says there are differences of opinion about how the iPlayer is presented to its 8.8 million subscribers.

One big stumbling block to being able to use iPlayer to download programmes for later viewing is how to cope with copyright protection software or DRM (digital rights management). DRM protects programmes from being copied unlawfully. "The holy grail for me is to see people on the tube with their devices watching BBC iPlayer but, because there is no Wi-Fi or internet connection on the tube we have to be able to download the programmes to devices and that means DRM," says Rose.

"At the moment the only open DRM is from Microsoft but this is changing and I hope by the end of the year to have iPlayer play-back on mobile devices."

Rose says that iPlayer is also starting to influence how device manufacturers are designing and promoting their products. "Now that there is free BBC content available, I think we are going to see an explosion of devices by Christmas that will be iPlayer-enabled," says Rose.

The BBC is also looking beyond just putting iPlayer on a wide variety of devices. Last week the BBC's Director General Mark Thompson said that the BBC is looking to collaborate with other broadcasters, ISPs and set-top box manufacturers to develop an open standard for internet TV. This could create cheap set top boxes that allow viewers to watch both Freeview channels and on-demand services such as the iPlayer. **KB**

The BBC has launched an iPlayer viewer for the Apple iPhone and iPod Touch Alamy

Online TV Navigation

Confounded by choice

A plethora of content makes online TV unnecessarily complicated to navigate — what's the best way to make sense of this jumble?

Sean Hargrave

Even for a generation brought up on multi-channel TV such as that offered by Sky TV or Freeview, internet television can seem daunting. It is perhaps little wonder, then, that helping viewers navigate their way around this maze of new content is a priority for broadcasters and internet video services seeking to build a brand in the internet television market.

Web video search engine Blinkx decided it would branch out from its beginnings as an online video search tool (sort of a Google for video) to offer a line-up of themed channels, including education and entertainment, in its new video service, BBTV, launched in May.

"The problem is there's just so much stuff out there and we're only human beings, there's only so much we can take in," says Blinkx chief executive, Suranga Chandratillake. "The brands that are going to succeed will be those that act as a filter for all this new information, as well as allow people to search for content themselves."

"People watch TV in two ways. There are times when you want to watch something in particular, but most of the time people will come in from work and channel surf for five minutes. That's why it's going to be so important to be the brand that allows people to discover great content they weren't necessarily aware of through our own channel line-up — but always with the power of search behind it when people are looking for something in particular," says Chandratillake.

IPTV services such as BT Vision and Tiscali TV believe their "closed wall" systems give them an advantage over video on the open internet because they have more control over the viewer experience. For example, Orange plans to begin offering a set-top-delivered IPTV service to its broadband customers later this year and believes that the user interface and branding design will be a crucial differentiator.

"Orange is giving each part of its service unique animated characters that are designed to sum up what content is available on that part of the service," says Lucy Amortegui, head of digital media for Red Bee Media, which designed the onscreen look for Orange. "The idea is to give each section a personality."

Plain sailing
Jonathan Sykes, managing director of content strategy at Tiscali TV, says that good navigation is very important when there is such a wealth of content available. "We know that to succeed we have to make our managed service easy to use and fun."

"The beauty of an IPTV service is that we can segment content not just as you would normally expect like sports, movies, drama and so on," says Sykes. "We can also take the feedback from what people are watching and have charts of top 'feel-good movies' for example. It makes navigating the service so much simpler and it's a lot more fun than a conventional programme guide."

Online video aggregation services, such as Bablegum, are adding Facebook-like personalisation tools to attract users. Personalisation is also key at Zattoo, a web service which offers live streams from the UK's five terrestrial channels. Zattoo's latest version allows users to create a personal electronic programme guide (EPG), giving them a tool to drag and drop channels so they are in the order they prefer — channels they are not interested in can be deleted. The company believes users
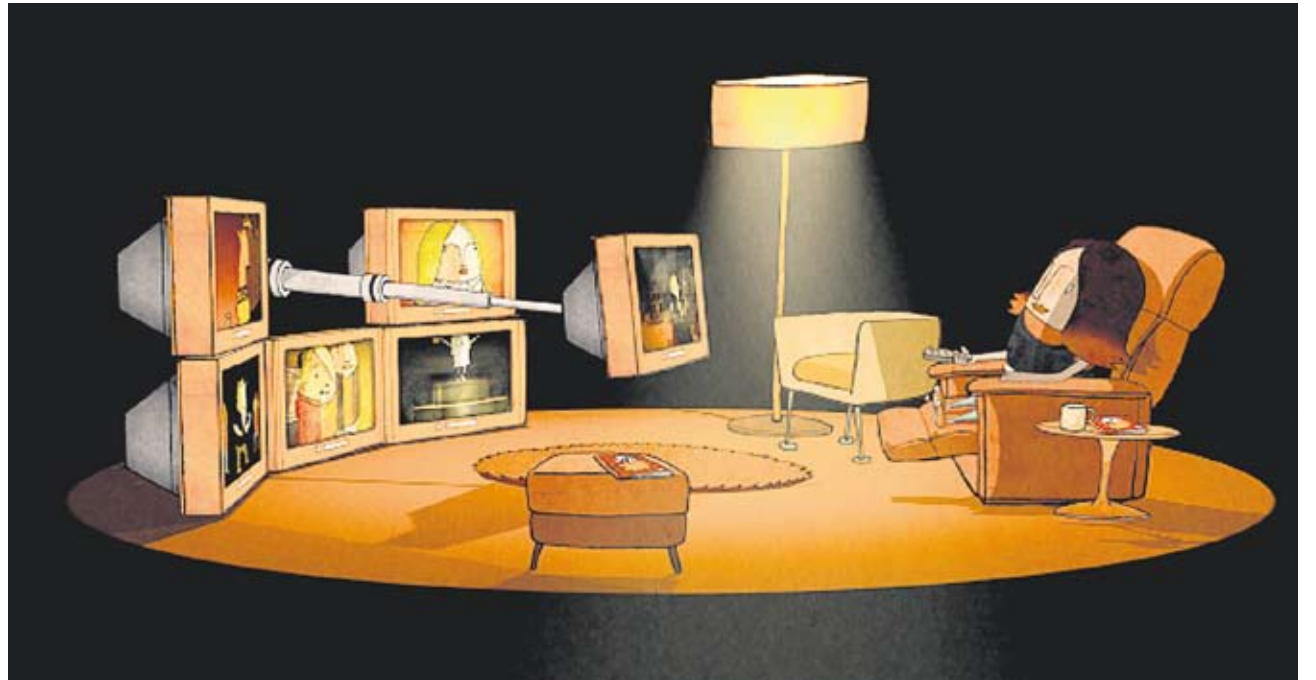
Orange's IPTV service, due to be launched later this year, will use animated characters for its viewer interface

will respond well to a level of control conventional television does not offer.

John Gilles, vice-president of media and entertainment at digital agency Method, believes that people will soon realise the power of online television and how it should operate. "I think search is over-estimated, particularly in television," he says. "In real life people find out

'The brands that are going to succeed will be those that act as a filter for all this new information'

about shows from one another. We've helped Comcast produce its Fancast site where people can talk about shows to one another. It's going to be so important in the future of television. When there is so much content out there, people are going to be turned off by search, because they don't necessarily know what they're looking for, so they'll increasingly rely on recommendation."

This idea of a programme guide supplemented by communal recommendations is also at the heart of Sky's future plans, says Brian Lenz, Sky's head of product design. "The real question in finding your way around IPTV is: how do you make an informed choice? And we believe the brand that allows people to do this easily and has the best content will be the winner."

Sky already offers a recommendation service on its recently rebranded web television service, Sky Player. The technology works a lot like the Amazon recommendation engine, basing the new titles it recommends on a user's past viewing.

"We plan to link our set-top boxes to broadband, which will mean there will be scope for more community around programme watching," explains Lenz. "People can find out about great content from one another and select these shows directly, rather than going through a conventional EPG."

Sky is also developing "widgets" which users will be able to place on social networks, such as Bebo and Facebook, to say what they have been watching and what they plan to watch.

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