Llywodraeth Cymru
Welsh Government

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Broadcasting trends: analysis for the Shadow Broadcasting Expert Panel

How future technology developments will impact audiences' viewing and audio consumption.

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The Co-operation Agreement between the Welsh Government and Plaid Cymru sets out a series of policy commitments to be delivered within the current Senedd term. This includes a commitment to ‘explore the creation of a shadow Broadcasting and Communications Authority for Wales, to address our concerns about the current fragility in the media and the attacks on its independence. This body would support the use of the Welsh language, particularly in digital and encourage media plurality’.

This report has been produced for the panel and reviews: the changing broadcast landscape; the challenges and implications from future tech developments and how these will impact audiences’ viewing and audio consumption. Finally, we will focus on the implications in Wales.

Linear TV viewing has been in decline, with viewing falling by 37% since 2010 and accelerating over the past two years. This decline has been driven by younger age groups, who watch c. 75 to 80% less TV than they did a decade ago.

At the root of these changing viewing habits is the rollout of superfast broadband across the UK since 2008 and the 20x growth of UK broadband speeds that have occurred as a result, which enabled video content to be distributed over the internet.

Broadcasters have adapted to these technological changes by launching video on-demand platforms of their own, but their resources are dwarfed by global Subscription Video on-Demand (SVOD) services such as Netflix, which have spent billions of dollars commissioning original content and enjoyed rapid growth. Over two-thirds of UK households now have a subscription to a streaming service.

The rapid rise of SVOD platforms has been complemented by the growth of online video platforms and social media sites. Although TikTok has enjoyed spectacular growth in recent years, YouTube remains the undeniable leader in this category, seeing more video viewing that TikTok, Facebook, Instagram and Snapchat put together.

With these trends set to continue over the next five years, we forecast that broadcaster TV will make up half of all video viewing in 2027, down from 64% today. However, these top-line statistics obscure a huge variation by age group. We predict that 15 to 24s will spend just 12% of their video time with broadcasters' traditional programming in 2027, while it will make up half of 45 to 54s, two-thirds of 55-64s, and 85% of over-65s viewing.

Radio listening has remained very resilient over the past decade, but over the past few years listening among under-24s has started to decline significantly. The advent of online audio such as podcasts and streaming services raises challenges and opportunities.

Video and audio consumption in Wales

TV viewing in Wales is typical of all other regions, save that the average person watches slightly more than the UK average (2 hours 39 minutes vs 2 hours 32 minutes). However, more homes have satellite TV, and SVOD viewing is also slightly higher than the UK average, despite the population skewing older.

The BBC and ITV invested £27.5 million in content specifically for Wales in 2021 (excluding the BBC's contribution to S4C), of which the majority is for news and current affairs programming. While this figure has declined, all content budgets have been squeezed. Satisfaction with public service broadcasting (PSB) is higher in Wales than any other nation, but ITV in Wales significantly underperforms STV in Scotland in perceptions of delivering programming about their respective nations.

Viewing of BBC and ITV’s Welsh programmes accounts for just 4% of total TV viewing time, with viewing heavily skewed towards the over-65s. In line with all TV viewing this is declining over time, but at a slightly slower pace.

S4C accounts for just 1% of TV viewing and 3% among Welsh speakers, but viewing has held up well over the last five years. Sports is the most watched genre. Its on-demand service, Clic, partly through its partnership with the BBC and being on the iPlayer has proved successful. Clic also has a presence on online platforms such as YouTube and TikTok.

Over a quarter of adults access Welsh news through social media platforms, especially Facebook, while TikTok is highly popular among young adults in Wales.

We forecast that broadcasters share of viewing in 2027 will be slightly higher in Wales than across the UK (52% v 51%), in part due to the older population profile. Broadcasters’ traditional programming will be just 14% of under-24s viewing in 2027 (half an hour each day) and less than 30% of 25-44s. In contrast, it will be 86% of viewing for those over the age of 65, which is just over five hours per day.

Radio listening across Wales is similar to the UK, except that the BBC is much more popular. BBC Radio Wales and Cymru command just 8% of radio listening, with three quarters of BBC Radio Wales’ listening hours to the over-65s. They both provide a good service, but they do not satisfy the needs of younger non-Welsh speakers and BBC Sounds is unlikely to be the answer as it is today.

Local commercial radio has just over 20% of radio listening, but very few obligations to produce programming in Wales, let alone in Welsh. Given the commercial model of small stations, we believe it would be very difficult to change licence obligations to increase the level of Welsh, unless it is financially worthwhile. The radio company may choose to simply hand back the licence.

Implications for strengthening media in Wales

As television viewing, and to a lesser extent radio listening, continues its transition from broadcast to online, this places great challenges on the entire broadcasting model. While older people will continue to watch and listen to as much broadcast media as ever, younger people are increasingly moving to other platforms, whether SVOD, YouTube, social media, online music services and podcasts, most of which are outside the UK regulatory system.

The BBC and ITV are clearly delivering a valuable service to older people in Wales through their Welsh TV programming and they will continue to do so over the next few years. However, the issue is how to achieve the same outcome for younger audiences who will watch less and less TV. The BBC and ITV have invested heavily in the iPlayer and ITVX and the programming for Wales will be available on these platforms. However, just distributing content between their own broadcast assets is not enough.

ITV, the BBC and S4C need to ensure that this content is available on TikTok, YouTube, Facebook and wherever else the audience is available. This is all achieved through negotiation as the UK government cannot compel the platforms to carry any particular content, nor sit round the negotiating table. However, companies like YouTube want premium, brand-safe and reputable content on their platforms and can incentivise PSBs with sweetened revenue-share deals and ad-sale agreements that allow sales houses to sell advertising around their content on the platforms, or through heightened visibility on the platform's algorithms. The BBC and ITV are likely to strike deals across all their content, and therefore it is important that content made specifically for Wales is included within this. S4C does not have the scale and would benefit from distributing their content to these platforms via the BBC, ITV and even C4.

Audio partnerships with the BBC and commercial radio are required in light of disruption of audio distribution. Older people will continue to listen to radio and will be well served by the BBC. Younger people are moving towards podcasts and there is a clear public service argument for BBC Sounds to carry a significant number of Welsh language podcasts. However, currently the BBC carries very few podcasts from independent suppliers. This should change and the BBC (and commercial sector) should be encouraged to form partnerships with audio production companies or local organisations across Wales to develop podcasts that can be accessed via BBC Sounds as well as their radio stations apps and websites. With the rise of smart speakers and Google/apple in cars the US tech companies are starting to become the de-facto gatekeepers of UK radio listening. Broadcasters must reach arrangements with these intermediary platforms to enable their content to be discovered by consumers. While larger players such as the BBC, Global and Bauer may be able to reach some form of agreement it is harder for smaller operators and podcast creators, further strengthening the case for encouraging such partnerships.