



## **CMA calls on the BBC to consider opening BBC Sounds to community radio and independent producers**

### **Response to Ofcom consultation - market position of BBC Sounds**

Radio and audio listening worldwide is in the process of rapid and accelerating change. What and when it's listened to - and the platforms and devices being used.

Unsurprisingly younger listeners are increasingly listening online - on phones, tablets and laptops with an effectively limitless choice of services, in contrast with broadcast radio. As devices including smart speakers and connected cars continue to grow in popularity, this listening behaviour will be rapidly adopted by all age groups.

However, live linear broadcast radio - around 600 stations broadcasting on FM, DAB and medium wave - continue to reach almost nine out of ten UK adults - offering familiarity, companionship and easy discoverability in contrast with the blizzard of online choice. Community radio in particular has a renewed relevance in 2020, offering a genuine local connection through the pandemic crisis - but also as a direct consequence of commercial radio's retreat from local identity and the move to generic national radio brands. All sectors of the radio industry have seen audiences increase by an average of about 40% throughout 2020 and such changes in radio listening habits are likely to leave a lasting legacy.

The pace and terms of online audio continue to be dictated by US tech giants, Alphabet (Google, YouTube), Amazon, Apple as well as multinational pure play streaming companies, notably Spotify, which in less than two years has become the UK's leading podcast platform as well as music streaming service. For the time being, 'steam' (FM / DAB) radio remains a big part of how people are entertained and informed at home, at work or on the move - public service or commercial broadcasters still have a window of opportunity to double down on their own distinctive purpose, service and / or 'brand' and carve out a 21st century digital presence.

In Ofcom's briefing for this consultation, it was notable that BBC Sounds is the only significant UK originated presence in the TRP Covid-19 Media Behaviour chart, but even then with only a modest 7% of UK online audio listening. The BBC's [annual plan 2020/21](#) makes clear how the Corporation intends to prioritise 'Sounds' on extending that reach.

***"To compete in a global tech-dominated marketplace, BBC Sounds must find a distinct space in the lives of our listeners. We believe it can do that by combining the best on-demand audio content with world class live listening...."***

***First, through a feast of on-demand speech attractive to both regular podcast listeners and also the majority of UK listeners who have never listened or do not regularly listen to podcasts. There is a huge opportunity here...***

***Second, we will make BBC Sounds a place that loves music and helps listeners love music.... This content will include themed compilations... audiences are discovering the quality and breadth of music the BBC can offer through an on demand platform, and building on this is essential to delivering our role in audio for the future..***

***Third, we want Sounds to have the best radio listening experience online... Over a longer time-frame we intend to innovate around online listening, giving audiences more control... we will explore the opportunity to bring together existing content on Sounds in scheduled online streams."***

As a statement of intent, the BBC's ambition for Sounds is impressive in its breath and scope. The language used is unapologetically corporate as the BBC eyes "**huge opportunities**" with "**the best radio listening experience**". However it glosses over competition issues, terms of trade and transparency - at a time when the licence fee is widely called into question and consequently the run at a 2027 charter renewal is likely to be the most challenging to date.

This week's (10th November 2020) Government [announcement](#) reviewing the cost of the TV licence fee from 2022, sets the stage with former BBC Chairman Michael Grade saying:

***"Our public service broadcasting remit has served the nation well for over 80 years but the time has come to review its relevance for the digital age and maybe redefine it."***

With an annual radio / online production budget that exceeds the combined turnover of commercial and community radio, It is not surprising that the UK's publicly funded public service broadcaster has the scale and resources to experiment and innovate in ways beyond the reach of its competitors.

The BBC's mission is to "*inform, educate and entertain all audiences*". The Community Media Association (CMA) naturally recognises the value of public service broadcasting (PSB) of every scale - and also agrees with the Corporation's assertion that the pandemic "*crisis has proved that this mission is timeless*". However, while the BBC needs to ensure that its audio and radio services continue to be available wherever people listen, it does not entitle the Corporation to stifle innovation or competition through its unique funding settlement and dominant market position.

The BBC has long been [criticised](#) for aggressively pursuing established talent and pushing for commercial rights to the detriment of suppliers and competitors alike and terms of engagement can be opaque. The direction of travel for BBC Sounds as envisioned in the Annual Plan 2020/21 suggests a walled garden approach that is more closed off to competitors than the tech giant platforms it seeks to emulate. In fact, BBC radio and podcasts are widely available as official channels on platforms that are notional rivals to BBC Sounds including YouTube, Spotify etc. This aligns with a strategy that the BBC needs to make itself heard wherever people listen - which makes sense. But then what might distinguish a BBC platform like Sounds from more widely used, and possibly better-executed applications and global platforms available commercially?

An obvious answer is for 'Sounds' to become a home for more than just BBC commissioned programmes and services. To be fair, the Annual Plan does contain a vague promise to explore showcasing third-party production in BBC Sounds:

***"Over the next two years... we will open up Sounds to be a home for non-BBC podcasts, helping audiences familiar with podcasting and those new to it to discover the best and most relevant content available, and providing a strong UK route to market that can***

*showcase British talent”.*

These are encouraging words but lack detail or firm commitment. In simple terms, the CMA’s position is to recast “*showcase British talent*” to include the long tail of exceptional PSB made by community and commercial radio and the burgeoning independent production / podcast sector. To fulfill its Mission and Public Purpose, BBC Sounds must be open to more than blockbuster podcasts from the biggest sports personalities, crime writers and playlists from world-beating recording artists.

The CMA proposes that the BBC considers entering into a dialogue with the community media and independent production sectors to discuss the means by which high-quality screened audio content can be surfaced on BBC Sounds. Commissions pre-cleared for first broadcast on community and commercial radio through the Audio Content Fund would be a natural place to start the dialogue.

The CMA is a founding stakeholder in the RadioExchange, a browser-based Content Management System seed funded by Ofcom’s Community Radio Fund and developed in Brighton by platformb.org.uk. Currently in private beta, the CMS enables community radio stations and independent producers to publish pre-produced ‘on-demand’ radio as well as a ‘capture’ live output to distribute as podcasts or, subject to licensing, onto platforms which currently include YouTube and Mixcloud with further integrations to follow. RadioExchange will be a showcase and shop front for community radio, indie producers and podcasters generating incremental revenue. It could also function as a matchmaking commissioning front end for broadcasters including the BBC.

An integration with BBC Sounds would join the dots for public service radio and audio in the widest sense - and clearly differentiate the platform from commercial players without compromising the core BBC offer. It is understood that such a partnership would be a complex process to implement - from editorial standards and technology compliance through to audience metrics, rights management and the metadata standards that facilitate product personalisation. They all require the type of detailed work streams that the BBC is uniquely resourced to lead and develop on behalf of the UK’s radio and audio sector.

Some significant changes in culture may be required if the BBC is to commit to the transparency and sharing best practice called for. Helping ‘all PSB ships rise’ through our proposed integration we suggest would be viewed as a more appropriate course for BBC Sounds and counter the perception that it is attempting to catch up with or replicate market leading podcast and music streaming platforms. The temptation to roll out digital brand extensions, on occasion pre-empting mainstream commercial radio services, can end up offering ammunition to those who question the distinctiveness of services like BBC Sounds - and can fuel demand for a full BBC Competition Review (BCR). Opening up ‘Sounds’ would help the BBC’s supporters make the case for charter renewal and might even win over new and lasting allies.

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