BBC | Trust

Service review

bbc.co.uk

May 2008

Contents

Table of figures

May 2008

BBC | Trust

1 Introduction

1.1 The requirement for service reviews

The BBC Trust is required to assess the performance of BBC management in delivering the BBC's services and activities. Service reviews, combined with the Trust's annual cycle of performance reporting, form the core of its oversight of the BBC's public services. These reviews are the main opportunity for the Trust to consider how each service contributes to the BBC's six public purposes.

The Trust is obliged by the Charter and Agreement[1] to undertake a review of every BBC UK public service at least once every five years and whenever the public interest demands it. An Operating Framework sets out guidelines for the conduct of these reviews.[2] This review of bbc.co.uk is the first service review conducted by the BBC Trust.

1.2 Scope of this review

The Trust's decision to review bbc.co.uk honoured a commitment made by the BBC's Board of Governors in response to the Secretary of State's review of the service in 2003. The review's conclusions[3] were published in 2004. When the BBC Trust took over responsibility for service approvals from the Secretary of State on 1 January 2007, the commitments set out in the BBC's response[4] to the review was used as the basis of the current bbc.co.uk Service Licence.

The scope of this review was set out in terms of reference which were published in July 2007. Later in July we launched a public consultation which asked three over-arching questions:

1. How does bbc.co.uk currently perform against the commitments made in its Service Licence? In particular, how does it contribute to the BBC's public purposes?

---

[1] This can be found on the BBC Trust website at:
http://www.bbc.co.uk/bbctrust/framework/charter.html
[2] For more details see the Service Licences Operating Framework at
www.bbc.co.uk/bbctrust/regulatory_framework
[3] This can be found on the DCMS website at: http://www.culture.gov.uk/NR/rdonlyres/45F9953F-CE61-4325-BEA6-400DF9722494/0/BBCOnlinereview.pdf
[4]
http://www.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/service_reviews/governors_response_graf.pdf

BBC | Trust

2. Does the Service Licence provide an effective basis for the Trust to hold bbc.co.uk to account?

3. Should the Service Licence for bbc.co.uk be developed or changed to reflect changes to bbc.co.uk, its users' needs and the online market?

We set the start date for the period under review at January 2005, to account for time needed to start carrying out the commitments made in the BBC's response to the Graf review published in 2004.

A number of areas of the BBC's online activities were not included in this review:

- the BBC's quota for commissioning from independent online producers will be reviewed by the Trust later in 2008

- the Trust approved the BBC's plans for on-demand television and radio in April 2007 and the BBC iPlayer only fully launched in December 2007.[5] We did not review streaming and downloading of television programming on bbc.co.uk

- online activities which BBC management has been operating on a trial basis – such as access to the archive and 3G mobile offerings.

1.3 Scope and development of the BBC's online activities

bbc.co.uk is the UK's biggest content-based website. It contains over two hundred sites, offering news, information and other content on a wide range of subjects - from parenting and religion to business news and sports results.

The BBC's online activities have developed incrementally during the past three years. This is covered in more detail in section 5 of this report, but key points are that:

- bbc.co.uk has grown as an on-demand platform for BBC television and radio content, offering streamed and downloadable audio and video content. The launch of iPlayer and of podcasts in 2007 were notable stages in this development

- bbc.co.uk offers more opportunities for interaction and user- generated content, although usage of it remains more passive than some of the newer 'web 2.0' sites

- BBC online content is becoming available outside the boundaries of the site itself. BBC content is being 'atomised' and marketed across other websites and made available direct to users via newsfeeds and other methods

---

[5] The approval of iPlayer as part of the Trust's On-Demand public value test included a commitment that it would be reviewed two years after launch. The terms of approval can be found on the BBC Trust website at: www.bbc.co.uk/bbctrust/ consult/closed_consultations/ondemand.html

May 2008

BBC | Trust

- Finally, the website is beginning to be accessed by users on mobile devices, as well as fixed connections.

1.4 Our approach to the review[6]

This review was carried out for the BBC Trust by its independent advisers in the Trust Unit. The Trust Unit commissioned two pieces of research from external agencies, as described below.

The full Trust approved the terms of reference for the review and this final report, and the Trust's Audience and Performance Committee had ongoing oversight of the review. Patricia Hodgson acted as lead Trustee on the review, attending meetings with external stakeholders and BBC management.

We used the BBC's standard public value framework as the basis for our data gathering and performance analysis. The framework uses the four 'drivers' of public value – reach, quality, impact and value for money, plus an assessment of the service's contribution to the BBC's six public purposes.

We gathered evidence from a broad range of sources, from existing performance data to bespoke audience and market research, as well as conducting a public consultation. We engaged closely with both BBC management and external stakeholders during the course of the review:

- We asked for a submission from BBC management to give their assessment of performance against the areas under review and their views on the future of the service. Their submission is published alongside this report. The submission was supplemented by many interviews and conversations with individuals responsible for the service throughout the course of the review.

- We engaged with external stakeholders – most importantly licence fee payers via public consultation, audience research and collaboration with the BBC's Audience Councils. We also engaged with other operators in online markets to understand any potential negative market impact which might affect public value in aggregate, and with other organisations with an interest in the BBC's online activities.

We used all of this evidence to assess the performance of bbc.co.uk and as the basis for the conclusions and recommendations set out in this report. We have aimed to make the basis of our assessment transparent by referring directly to the supporting evidence throughout this report.

Each of our key data sources is described below.

---

[6] Guidelines for service reviews are set out in the Service Licence Operating Framework. This can be found at on the BBC Trust website at: www.bbc.co.uk/bbctrust/regulatory_framework

1.4.1 Usage data

BBC management gathers a range of data, measuring the volume of usage of bbc.co.uk on an ongoing basis. Data is gathered from server logs (known as Sage) and from a survey of metered usage (Nielsen).

While the BBC collects data on both UK and international users of bbc.co.uk, we have used measurements of UK users wherever possible as we see bbc.co.uk as a public service for UK licence fee payers. For this reason, figures quoted in our report may differ from those in management's submission.

1.4.2 Data on quality perceptions

We used data on the quality and other user perceptions of bbc.co.uk from the BBC's ongoing tracking surveys.

BBC management has worked hard to improve measurement of perceived quality of bbc.co.uk. There is now a major survey which measures a range of perceptions of bbc.co.uk amongst its users. This provides robust data for the most used parts of bbc.co.uk, although longer-term trend data is not available as survey methodologies have changed over time.

BBC management uses an advocacy measure (called Netpromoter) as its main quality metric. This shows how likely users are to recommend a site to others. These scores are highly sensitive and we believe that caution should be used with individual scores and have averaged scores across the year where possible. We have also been cautious about comparing very different types of sites against each other as, in television and radio, it is more usual to accept that different genres of programming get different levels of appreciation. We have used Netpromoter alongside the other measures of quality in order to give a rounded picture.

The bbc.co.uk Pulse is a 'pop-up' online survey of bbc.co.uk's users which provides rapid data on appreciation, including perceptions of usability, trust, high quality, originality and differentiation. It is based on a self-selecting sample of respondents so its results may not be fully representative of all of the site's users. The survey is also used to derive Netpromoter scores.

1.4.3 Public consultation and bespoke audience research

We engaged directly with licence fee payers by carrying out audience research and an extensive public consultation.

The public consultation ran from 31 July to 14 December 2007. It was conducted via the BBC Trust website and publicised on the bbc.co.uk homepage and in press releases.

The consultation covered the full scope of the review. It generated a good level of response with over 460 submissions: 447 were from individuals; 9 were from

May 2008

organisations and the others were from the BBC's Audience Councils. We also contacted organisational stakeholders directly and met with those who wished to do so.

The responses received proved very helpful to our analysis and are frequently referred to throughout this report. We are grateful to all of those who responded to the questions we asked. A summary of responses and the full text of stakeholder responses, where permission was given, can be found in Annex 1.

We commissioned bespoke audience research to give us insight into a broad cross-section of those who use bbc.co.uk. We commissioned this from Sparkler, an independent consultancy. Sparkler's research looked at bbc.co.uk in detail and within the context of the BBC's overall portfolio. The research sought to investigate audience perceptions of the service, in particular by considering:

- how the service performs in terms of its contribution to the delivery of the BBC's public purposes

- how the service compares with key competitors, and identifying the drivers of quality and distinctiveness

We have referred to the Sparkler research throughout this report and the full version of it, including details of the methodology employed, can be found in Annex 2.

1.4.4 Market research

We commissioned consultants to give an expert view of the online market and how it is changing. Changing Media used a wide range of secondary and primary sources as the basis of their report on recent changes to the UK's online market. We have used their findings to provide context for many of our comments on the performance of bbc.co.uk. The Changing Media report can be found in Annex 2 to this report.

1.5 A note on market impact assessments

The Trust's service reviews do not normally include a market impact assessment. Under the terms of the Charter, the Trust has a duty to have regard to the competitive impact of the BBC's activities on the wider market and has established an approvals system for new services or significant changes to existing services – the public value test (PVT) – of which a market impact assessment (MIA) carried out by Ofcom is an intrinsic part. This approvals process allows the Trust to use a structured framework to weigh up the findings of an MIA against an assessment of a proposal's public value and draw conclusions on that basis.

The Trust's service reviews, on the other hand, are intended to inform its role in performance assessment, rather than assist the Trust's approval of any particular course of action, so do not include MIAs. However, if as a result of the service review

BBC | Trust

significant changes to the service were to be recommended, the Trust would consider whether to conduct a PVT, which would include a MIA.

Given our duty to have regard to the BBC's impact on other operators in its markets, we have been careful to take account of its significance in the UK online market. As the third most popular website in the UK,[7] bbc.co.uk is a competitor to a wide range of other online media organisations. During the course of the review we engaged directly with some of these organisations and have taken account of many of their concerns in forming our conclusions.

1.6 Contents of this report

This report sets out all of our conclusions of this review. It is in four main parts:

- an executive summary of all of our key findings and recommendations

- an overview, in section 3, of past and current performance against the service licence. This looks at the extent to which bbc.co.uk fulfilled its existing commitments between January 2005 and the present day

- in section 4, we examine the effectiveness of the current management controls for bbc.co.uk and set out plans for changes designed to improve the service's accountability

- section 5 considers the planned future development of bbc.co.uk

The recommendations made in this report will be implemented by the Trust through changes to the bbc.co.uk Service Licence, most of which will be made after the publication of this report. There are also some areas where BBC management will need to make changes to the service or to how it is managed. These may lead to changes to the Service Licence at a later date.

1.7 Glossary

While we have aimed to provide this report in plain English as far as possible, it is sometimes necessary to refer to specialist web terms which some readers may be unfamiliar with. This glossary contains a list of these terms with a short explanation for each.

3G third generation of mobile standards and technology

aggregation A process of combining multiple web feeds in a webpage or browser.

---

[7] A list of the top UK websites is shown in Figure 12 in section 5.2 of this report.

BBC | Trust

blog (weblog) A website containing regular entries or posts by an individual or group. Posts may be comments, descriptions of events, diary entries or other content such as links, graphics or video. Many blogs allow readers to respond to posts by rating and commenting on them.

atomised (content) Content that is broken down into smaller units which can then be distributed through links to other sites

click-throughs A measure of how many times a particular link on a webpage has been clicked.

downloading Receiving data, such as audio or video files, from a remote system or computer with an ability to save it to user's computer or mobile device. Automatic copying of a file, such as an audio file or image, to the user's computer or mobile device. Users can then play the file when they wish.

embedded content Content, usually media, from another website or source that is included seamlessly within the body of a website. In many cases users can take embedded content and add it to the body of their pages / social sites instead of linking back to the original source.

feed A mechanism that allows users to receive updated data automatically without having to revisit its source

horizontal navigation Moving through different, but related, parts of a website, following a theme or topic.

IP-enabled (internet-protocol enabled) Term describing a device capable of connecting to the internet, whether through a fixed connection (eg. broadband or cable TV), or wirelessly (eg. over mobile networks or WiFi).

message board (forum) A website or area of a site used for holding discussions and posting user-generated content.

Nielsen A global internet measurement firm which provides data based on metered usage of websites. Its survey covers 45,000 people and provides accurate data on usage by individuals, on a monthlybasis. It also allows for analysis of users by demographic profile and comparisons of usage of bbc.co.uk with other sites in the UK. Nielsen only measures around 35 areas of bbc.co.uk – not every site is measured.

on-demand Usually refers to audiovisual content, available to the user upon request.

personalisation Changing the appearance or content of a webpage based on the interests of the user. 'Personalisation' is generally used when the changes are applied automatically based on users' actions, e.g. based on items purchased or pages viewed. 'Customisation' is generally used when changes are made based on explicit data inputed by users for example ratings or preferences

podcast A subscription service whereby files, usually audio or video, are downloaded automatically for on-demand playback on the user's internet-enabled device. It can also refer to content accessed in this way.

rating Enables users to recommend content or services online by assigning them a score. Taken cumulatively, ratings can act as an effective filter of quality content or services, enabling the most popular or relevant to be found more easily. Rating is usually done on an anonymous basis.

recommendation Automated method of suggesting content likely to be of interest to a user based on their previous activities or expressed preferences. Also, features allowing users to recommend content to others .

RSS (Really Simple Syndication) A method of accessing different web feed formats, publishing frequently updated content such as text, images, audio or video. RSS readers or "newsreaders" can collate a number of RSS feeds into one place allowing the user to keep up with updates in an automated manner.

Sage Data from bbc.co.uk's own server logs, gathered from computers via cookies and is used to monitor usage of individual parts of bbc.co.uk and of the site overall.

social network An online service that enables individuals to link to individuals and groups of people. Social networking sites share many common features such as chat, messaging, email, video, file sharing, blogging and discussion groups.

streaming Audio or video content transferred in real time to the user rather than being downloaded to the users' device.

syndication Making content from one website available through third parties, either by licensing content to others to use, or as automatically updated feeds, such as RSS.

unique users ("UU"s): A measure of usage of a website. The measurement relies on identification of the number of computers/devices accessing a site over a given time period. As several people may use the same computer, or one person may use several computers, it cannot be taken as an exact proxy for the number of people using a site

user-generated content/UGC Various types of media content that is produced by end-suers and publicly available. It may be text, images, audio or video and can be submitted in a wide range of ways, eg. via text message, email, online forms, upload applications, message boards or commenting systems.

web 2.0 Term used as short-hand to describe many recent internet developments. While there is no fixed definition, it is generally used to refer to the proliferation of social media, audiovisual content and increased interactivity on the web, or developments relating to these.

widget A portable tool or piece of content for use on websites or users' computers

WiFi An open standard technology for wireless access to the internet.

May 2008

BBC | Trust

2 Executive summary

This review considered three over-arching questions:

1. How does bbc.co.uk currently perform against the commitments made in its Service Licence?

2. Does the Service Licence provide an effective basis for the Trust to hold bbc.co.uk to account?

3. Should the Service Licence for bbc.co.uk be developed or changed in order to reflect changes to bbc.co.uk, its users' needs and the online market?

Having addressed these questions our headline conclusions are as follows:

bbc.co.uk is an excellent service that is highly valued by users and meets the majority of its Service Licence commitments.

Improvements to management's control of the service are needed and we will restructure the Service Licence to offer better accountability.

We endorse the development of the service but will not approve new investments until we have considered their likely public value and approved proposals for improved management control.

We consider each question in detail in sections 3, 4 and 5 of this report respectively. Our key findings and conclusions are summarised in this section, together with a list of actions arising from the review for the Trust and BBC management.

1. How does bbc.co.uk currently perform against the commitments made in its Service Licence?

bbc.co.uk is an excellent service that is highly valued by users and meets the majority of its Service Licence commitments.

bbc.co.uk performs very well against the four drivers of public value: reach, quality, impact and value for money. In spite of growing competition in the last three years, bbc.co.uk's reach has continued to grow. It is highly valued by a broad range of users and performs very well on quality measures. The impact of the service derives from its contribution to the BBC's public purposes, which is in most cases very strong. As the BBC's third most widely used service, bbc.co.uk appears to provide good value for money.

bbc.co.uk makes a strong contribution to many of the BBC's public purposes through its provision of high quality news and other content.
bbc.co.uk is especially strong in promoting the Citizenship and civil society, Nations and regions, Education and learning, and Global purposes. Despite the growth in competition, bbc.co.uk remains the most visited site amongst UK users for news and sport and amongst the most widely used for children's, formal and informal learning and local information. Online is becoming a very important platform for delivering some central parts of the BBC's remit, such as formal learning. We have been struck by how highly bbc.co.uk is valued by users who rate the quality, range and depth of bbc.co.uk's content in these areas.

We will make its strong contribution to the public purposes clearer when we amend the Service Licence following this review.

While bbc.co.uk meets most of its Service Licence commitments, we have identified four areas where it can be made still more effective.

- **More needs to be done to ensure that all parts of bbc.co.uk are distinctive.** Audiences tell us that they see the service as a whole as distinctive thanks to its range and depth of content, lack of commercial agenda, UK focus and adherence to BBC journalistic values. However, other operators clearly have some concerns about its presence in particular markets. We note that such concerns were highlighted by the Graf review and that they persist. In reviewing the service we found that management had no agreed definition of distinctiveness and therefore no consistent means of addressing these concerns. As distinctiveness is a key requirement for all parts of the service, we are asking BBC management to adopt our proposals for a rigorous and consistent approach to assessing bbc.co.uk's distinctiveness.

- **Improvements are needed in internal search and navigation.** Users of the service have told us clearly that, while they value it highly, there are weaknesses in these areas. We believe that improved horizontal navigation across all areas of bbc.co.uk is important to enhance the reach and impact of the BBC's online presence. We also found that the BBC's internal search engine is not effective and its usage is declining. We welcome the fact that BBC management is currently working on improving its features and effectiveness. We question, however, whether the BBC should have a role in providing mainstream web search and are asking management to take a decision on the future of this function following this review.

- **Linking to external sites needs to be more effective.** We are disappointed to find that bbc.co.uk's provision of links to external sites is not leading to more click-throughs, despite this being identified as a priority in the Graf review. We are asking BBC management to find ways of increasing the effectiveness of its provision of links and ensuring that bbc.co.uk helps its users navigate to external sites from all parts of the site.

May 2008

- **bbc.co.uk has helped make the BBC more accountable, but more can be done to meet the public's growing expectation of open dialogue.** Meeting users' growing expectations of open dialogue presents a challenge to bbc.co.uk. BBC management has plans to invest in audience participation and interactivity which we hope will address this.

2. Does the Service Licence provide an effective basis for the Trust to hold bbc.co.uk to account?

Improvements to management's control of the service are needed and we will restructure the Service Licence to achieve better accountability.

Management control of bbc.co.uk is not sufficiently strong at present. Our review has found that financial oversight has not been sufficiently effective, such that the true level of spending on the service has only become known as a result of this review and, at £110million, is much higher than the upper level of spend permitted in its Service Licence of £81.6million. We believe that this is partly due to the devolved management structure for online activities in the BBC. This lack of financial accountability is not acceptable, although we acknowledge that this is primarily a result of misallocation between cost centres.

We have also identified weaknesses in both the service's strategic and editorial oversight which need to be addressed.

BBC management needs to demonstrate more clearly how bbc.co.uk delivers public value while considering potential negative market impact. Licence fee payers need assurance that the BBC is spending their money effectively on distinctive, high quality content that promotes the public purposes and that it does not have undue negative market impact. We are therefore asking BBC management to develop a system of assessing online output that takes into account:
- public value - contribution to the public purposes, underpinned by reach, quality, impact and value for money
- distinctiveness
- potential market impact.

We believe that more robust management control of bbc.co.uk, combined with effective Trust oversight will offer the appropriate degree of accountability. BBC management acknowledges that there need to be improvements in its control of bbc.co.uk, alongside clear procedures for ensuring oversight by the Trust. We think this is both consistent with the separation of the Trust and Executive Board set out in the Charter and the only practicable way of allowing the service to adapt in a fast-moving market while also taking proper account of competitive impact issues.

May 2008

BBC | Trust

We are asking the Executive to seek Trust approval for a new management system for bbc.co.uk within six months of this review's completion. We will review the effectiveness of the new system one year after it has been put in place.

We will restructure the Service Licence for bbc.co.uk. The review has shown that stakeholders do not believe that the current Service Licence offers adequate accountability for the BBC's online activities. While we were not persuaded that the service should be governed through several separate Service Licences, we do plan to create separate annexes to the bbc.co.uk Service Licence, covering the main editorial areas: news, sport, nations and local, formal learning, audio and music and vision. These will include a budget for each area.

3. Should the Service Licence for bbc.co.uk be developed or changed in order to reflect changes to bbc.co.uk, its users' needs and the online market?

We endorse the development of the service but will not approve new investments until we have considered their likely public value and approved proposals for improved management control.

Internet usage has changed a great deal in the past few years. We have reviewed the development of the internet market since the Graf review and concluded that user behaviour has changed in a number of ways – internet use is now "like breathing" to many and new types of activity, such as social networking, have become very popular. Overall, the internet is becoming more of a mainstream entertainment medium.

We agree with management that bbc.co.uk needs to adapt to reflect these changes. We believe that without investment in content and such areas as improved search and navigation, personalisation and audience participation, the service will lose its appeal and thereby be hampered in its ability to promote the public purposes.

However, we believe a cautious approach to approving new investment plans is in the best interests of licence fee payers. In its high-level, six year plan which the Trust approved last October, BBC management proposed a substantial real terms increase in bbc.co.uk's budget by 2012/13. It has since made clear its intention to front-load this investment with a proposed increase of £39m in 2008/9. This comes on top of what looks to have been a marked increase in spending in recent years, although we note that it is proposed in the context of a very rapid growth in the size of the online market. However, we are also aware that this review has highlighted weaknesses in management's financial, strategic and editorial oversight of the service and believe we therefore need to proceed with caution in approving new investment.

For this reason, we will not approve the proposed new investment in bbc.co.uk until we are satisfied with management's proposals for improved management and control

BBC | Trust

of the service and have subjected them to greater scrutiny, taking into account questions of public value, distinctiveness and competitive impact.

We believe this cautious approach to be in the best interests of licence fee payers, by ensuring that new investment will create public value without having undue negative market impact.

Actions resulting from this review

This review sets out a number of actions for BBC management and for the Trust. These are set out below.

1. Plans for improving linking and other ways of encouraging users navigate to external websites should be developed and brought to the Trust for consideration. Click-throughs should be made part of regular performance reporting to the Trust. *Action: BBC management.*

2. Proposals for BBC role (if any) in providing external web search to be brought to the Trust for consideration. *Action: BBC management.*

3. BBC management should consider the points made in our public consultation by other operators in the BBC's markets and respond to them where necessary. *Action: BBC management.*

4. Guidance and principles for allocating costs between linear and online activities, as well as systems and processes for collecting and reporting this allocation should be developed. These plans will be subject to an independent review by the BBC's auditors and the Trust will publish its decision on this. *Action: BBC management. and BBC Trust*

5. Proposals for a new system of management control of bbc.co.uk should be developed, predicated on more effective financial, strategic and editorial oversight by management; to include proposals for a system for assessing online content and services both prospectively and retrospectively in terms of their contribution to public purposes, distinctiveness, and potential market impact, with a clear structure of responsibility within management and for reporting issues of significance to the Trust. Proposals to be brought to the BBC Trust within six months of the publication of this report. *Action: BBC management.*

6. There should be a review of the effectiveness of the new management structure within one year of its implementation. *Action: BBC Trust.*

7. The baseline budget for bbc.co.uk will be revised to £114.4 million for 2008/09 with immediate effect. *Action: BBC Trust.*

8. The Service Licence for bbc.co.uk to be reissued with the following types of changes: revised commitments, aims and objectives, in line with the findings of this review; revised baseline budget; new annexes setting out the scope of each of six

key editorial areas (news, sport, formal learning, nations and local, audio and music, vision). *Action: BBC Trust.*

9. Detailed plans for new investment in bbc.co.uk to be brought to the Trust for consideration. Plans for local video and formal learning for 6-10 year olds to be subjected to public value tests by the Trust. *Action: BBC management and BBC Trust.*

We have asked BBC management to respond to these actions, setting out how they will be addressed. That response will be published.

May 2008

BBC | Trust

3 Review of performance against Service Licence commitments

3.1 Introduction

This section sets out the Trust's view on bbc.co.uk's performance in fulfilling the commitments set out in its Service Licence and its performance against the BBC's performance measurement framework, as set out in an annex to the Service Licence.

These commitments were the basis for many of the questions asked by the Trust in its public consultation for this review. The commitments were also examined by BBC management in their submission to the review and some aspects were covered in the qualitative audience research which was commissioned.

We have assessed bbc.co.uk's performance against each set of commitments and indicated where changes to the service and/or its Service Licence may be required.

Overall, we conclude that:

bbc.co.uk is an excellent service that is highly valued by users and meets the majority of its Service Licence commitments.

This section – the longest in this report - is structured as follows:

Section 3.2 – performance against the BBC measurement framework
Section 3.3 - contribution to the BBC's public purposes
Section 3.4 - distinctiveness and innovation; fulfilment of the content characteristics
Section 3.5 – reflecting and extending the BBC's broadcast services
Section 3.6 - navigation and search
Section 3.7 - making the BBC more accountable.

3.2 Performance against the BBC measurement framework

bbc.co.uk performs very well against the four drivers of public value. We have considered the performance of bbc.co.uk since early 2005 using the standard BBC performance measurement framework which is based on the four drivers of public value: reach, quality, impact and value.

Overall, we believe that bbc.co.uk performs very well against all of these drivers.

May 2008

- Despite the growth of competition online, its **reach** has continued to grow and its leading propositions – news, sport, nations and regions and learning – are market-leading in many respects.

- **Quality** metrics demonstrate that approval and other perceptions of bbc.co.uk are high.

- In terms of **impact**, the service contributes to all BBC public purposes and it makes a strong contribution to many.

- Finally, bbc.co.uk appears to offer reasonable, and improving, **value for money** for licence fee payers.

Each driver is examined in more detail below.

3.2.1 Reach and usage

bbc.co.uk is one of the UK's leading online media destinations. By late 2007, bbc.co.uk had an average of 16.5 million users a month, out of the total of 33 million internet users in the UK.[8] bbc.co.uk is the only British media site which has been consistently represented amongst the top ten internet destinations of UK users since the beginning of 2005.[9] The only sites with larger numbers of users are search engines and portals, many of which are used for email - Google, Microsoft/ MSN and Yahoo!.[10]

The BBC's news, sport and nations and regions sites have by far the most weekly users. The parts of bbc.co.uk offering topical news and other information are used most often by the largest number of people, while other areas of bbc.co.uk, such as children's and drama and entertainment are used more occasionally or by specific audience groups.
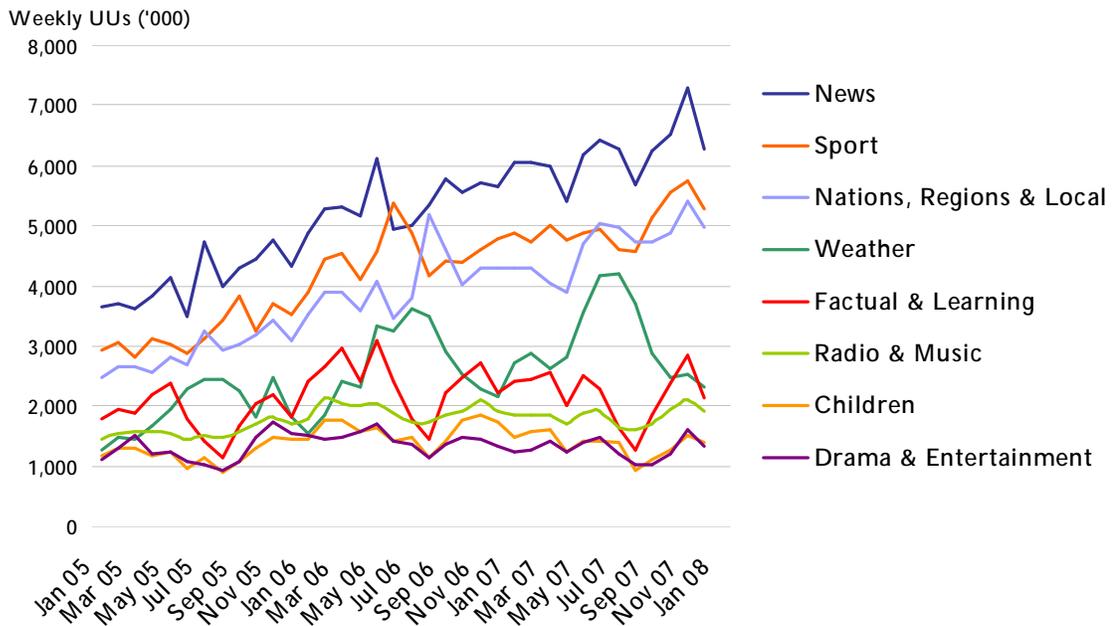
---

[8]Nielsen, October - December 2007, unique users
[9] Nielsen, January 2005 – December 2007, unique users
[10] ibid

BBC | Trust

Figure 1: Level of, and trend in, usage of main parts of bbc.co.uk
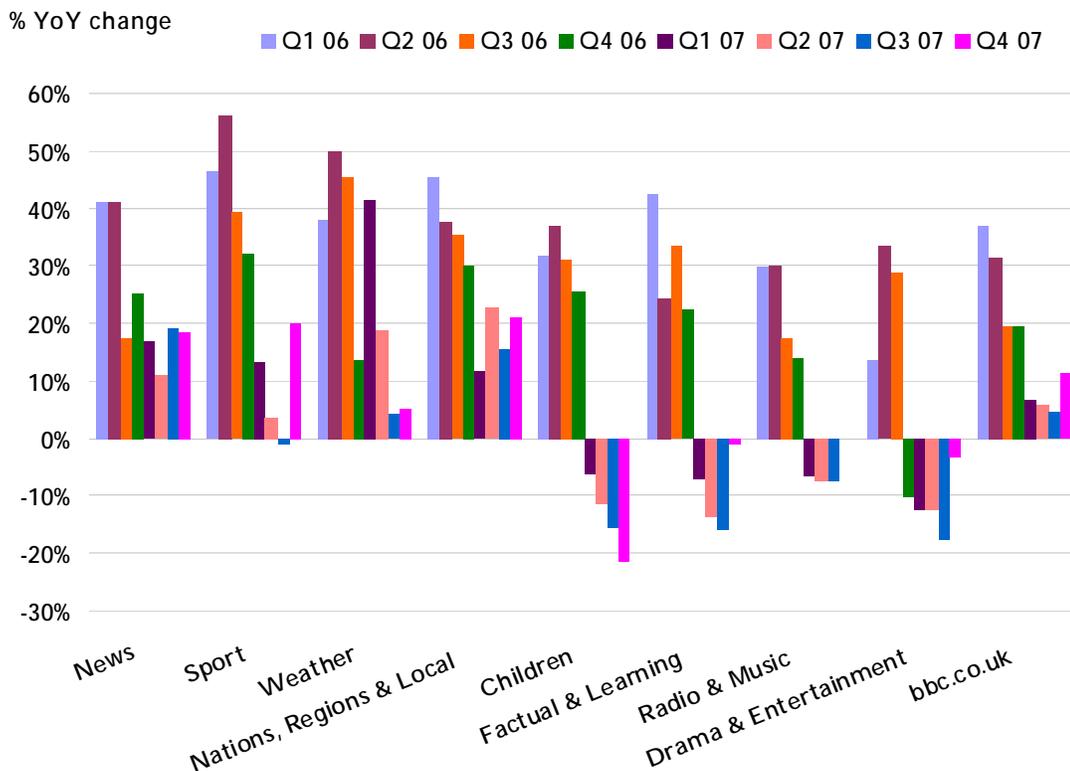
Weekly UUs ('000)

Source: Sage, UK only

These areas have also grown at a faster rate than many other areas of bbc.co.uk. While we cannot measure unduplicated usage of each part of bbc.co.uk, we think it is reasonable to assume that the growth in usage of bbc.co.uk's three largest areas - news, sport, and nations and local sites, all of which have grown faster than the average for bbc.co.uk - has driven much of the overall growth in weekly usage of bbc.co.uk.

bbc.co.uk's rate of growth has slowed down during 2007. The rate of annual increase in the number of users of bbc.co.uk has dropped recently, for example from around 19% in 2006 to 11% in 2007.[11] In some areas, such as children's, factual and learning, and drama and entertainment, the rate of growth has fallen much more dramatically and there has even been some year-on-year decline – as shown on Figure 2 below.

---

[11]Sage, average weekly unique users, October - December each year

May 2008

BBC | Trust

Figure 2: Rate of annual growth of each area of bbc.co.uk

Source: Sage; based on weekly UUs

We believe there may be two factors behind this decreasing growth rate. Firstly, the rate at which new users have come online has itself decreased and, secondly, internet users now have more choice of sites and online services. [12]

bbc.co.uk attracts an older audience than the average for online. The demographic profile of UK internet users is still skewed towards younger and better off individuals.[13] The profile of users of bbc.co.uk is also skewed towards younger audiences when compared with the UK population as a whole, but the proportion of people under 16 and under 35 using the site is slightly lower than their representation in the UK online population.

bbc.co.uk's appeal to older users appears to be growing. bbc.co.uk's reach amongst the over 65s has increased while reach amongst teenagers and young adults has fallen. The drop in reach to teens and young adults may be a result of the

---

[12] Changing Media: *UK Internet Usage,* December 2007. See Annex 2 of this report
[13] ibid

May 2008

BBC | Trust

extremely rapid growth of content sharing websites such as Youtube and social networking sites such as Facebook and Bebo over the last couple of years, as these are most popular amongst younger users.[14]

Our audience research suggested that the core proposition of bbc.co.uk can lack appeal among teenagers:

> *"The main site doesn't really seem that interesting. It's all just news and stuff like that. It would probably be interesting for adults but I don't think it would be that good for kids."* Male, aged 12-15, Edinburgh. Sparkler research

Unsurprisingly, different parts of bbc.co.uk attract different audiences. When comparing users' age and gender, we found that over two-thirds of users of bbc.co.uk/sport are male, while users of the CBeebies, drama, science and nature areas are much more likely to be female. And when comparing users' income and gender, we note that users of news and sport tend to be better off than those of health and CBeebies. Drama has a particularly strong appeal to the less well off. As bbc.co.uk develops, with new investment in areas such as television programme support, we would expect the demographic profile of the site to change.

We do not agree with BBC management that average time spent on bbc.co.uk is a useful performance measure for the service in aggregate. We have considered whether average time spent on the service is a useful metric of usage. BBC management's submission notes that time spent on bbc.co.uk is low relative to some other major sites and suggests that increasing bbc.co.uk's impact, as measured by time spent on the site, alongside its high reach, would be a useful objective.

We have compared the average time spent on bbc.co.uk with other leading sites. At an average of 52 minutes per month, it is comparable to average time spent on Google and Yahoo! but lower than time spent on MSN or the social networking sites, where average monthly usage is as high as three hours.

We have also compared average time spent on particular areas of bbc.co.uk and believe that BBC news has similar or higher usage levels (at around 28 minutes) to UK newspaper websites; CBeebies and CBBC also have similar usage levels to their main competitors Nickelodeon and Disney Online. [15]

We conclude that average time spent on bbc.co.uk overall is not in itself very meaningful – it may be driven disproportionately by children's usage or streamed radio for example. It is also not particularly valid to compare bbc.co.uk with sites which are used primarily for communications (Microsoft MSN for instant messaging and email) or for social networking (Facebook, etc.) as these are quite different activities. In fact, a lower average time per user may be a positive indicator for bbc.co.uk overall and in some individual areas, as indicated by comments made in our audience research:

---

[14] ibid
[15] All figures based on Nielsen data, October - December 2007

BBC | Trust

"I go into it through a narrow channel that I know what I need and I go straight to it." Female, aged 19-30, Glasgow. Sparkler research

"I don't really go for a wander around the site, I just really log on, find the information that I need and get off." Female, aged 19-30, Belfast. Sparkler research

3.2.2 Quality

bbc.co.uk performs well on all of the main quality measures. bbc.co.uk's Netpromoter score is higher than most other UK sites covered on the survey.[16]

Within bbc.co.uk, there is a wide variation of scores: in the final quarter of 2007, they ranged from -26 to +67. The areas which do consistently well are news, sport, the radio sites and CBeebies while many English *Where I Live* and television channel sites have scored much lower than average. However, in comparison to their competitors, they score quite well.[17]

News, sport and CBeebies score highly against the other appreciation and quality metrics such as appearance and ease of use.[18]

Approval of bbc.co.uk is consistently high. Since early 2005, nearly two-thirds (average of 64%) of bbc.co.uk users have been 'high approvers' of the service, scoring it at least eight out of ten. The mean approval score has remained fairly constant during this time at 7.9 out of 10.[19]

The perceived quality of bbc.co.uk amongst its users was clear from our audience research and public consultation. Reasons given by licence fee payers for their high regard for bbc.co.uk include the range and depth of its content, its presentation, technical quality and reliability.

In public consultation, bbc.co.uk was described as one of the best sites in the world and a standard setter for other websites.

"The BBC is educational, informative, enjoyable, totally different." Male, aged 31-50, Bridgend. Sparkler research

"There is no other site which offers such diverse and yet such comprehensive and in depth information. The quality is without doubt standard setting. There is more content than I have time to consume, there are always surprises and treats." Male, aged 31-50, Belfast. Sparkler research

Users praise specific content and features of bbc.co.uk, notably news and sport, educational and local content and the *Listen Again* radio catch-up service.

---

[16] BBC management submission, page 69
[17] Internet Pulse
[18] bbc.co.uk Pulse
[19] Pan BBC Tracking Survey (PBTS)

BBC | Trust

"[bbc.co.uk] is my first point of reference for any news from local to worldwide, I generally feel that I can trust the news on bbc.co.uk whether it be something serious or something like sports news and updates." BBC Trust public consultation

"I have long believed bbc.co.uk to be the most informative, educational, and entertaining website I have ever visited." BBC Trust public consultation

"I think the radio listen again is one of THE best things on the internet." BBC Trust public consultation

"It's really good for local information. It is one of the only sites that give you local information like that, on a regular basis. It is really up-to-date with the stories as well." Female, aged 19-30, Glasgow. Sparkler research

bbc.co.uk's technical quality appears to be excellent. The service's technical resilience over the last three years has been consistent and robust, despite coping with an ongoing increase in volume of users and data related to peaks in demand from major news stories and other events. Figure 3 below, from BBC management, illustrates the growth in traffic to the site.

Figure 3: Growth in levels of internet traffic and data transfer from bbc.co.uk
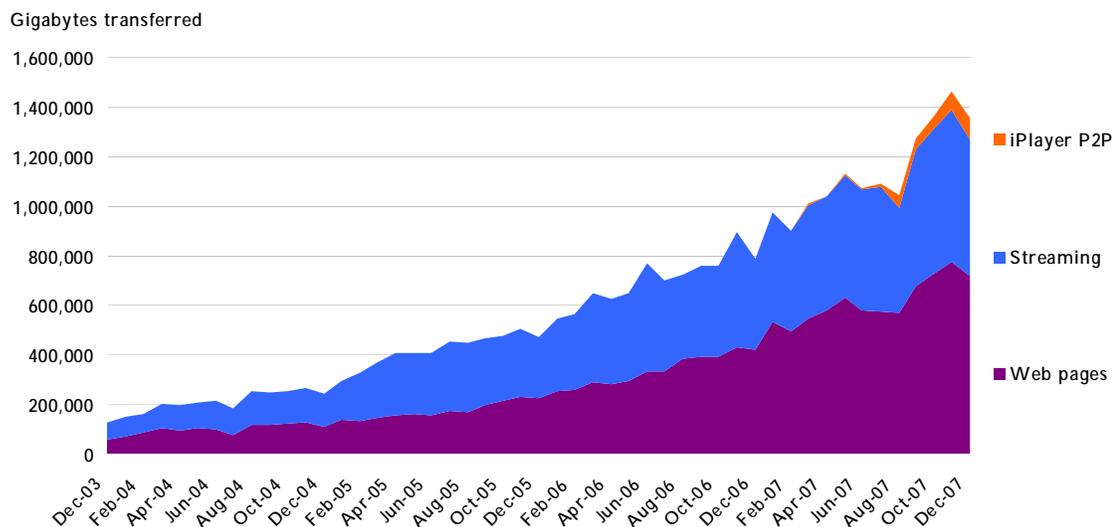
Source: BBC Management

This reliability is appreciated by many users:

"I use it as a test of the quality of my internet connection." BBC Trust public consultation

May 2008

BBC | Trust

3.2.3 Impact

Impact measures aim to track the effect of the service on its users individually and, where possible, on society overall. These effects are known as consumer and citizen value respectively.

A key measure for each BBC service is its level of contribution to the BBC's public purposes. This is examined in detail in section 3.3 of this report. This section covers other drivers of consumer impact – awareness of the service and perceptions of it as challenging and engaging.

Awareness of bbc.co.uk among licence fee payers is high and still increasing. Across 2007, 77% of licence fee payers were aware of bbc.co.uk, up from 72% in 2005.[20]

Licence fee payers see bbc.co.uk as challenging and engaging. When asked if "it has content that makes me think", a question designed to measure how challenging the service was, the mean score was 7.0 out of 10, with 44% of respondents strongly agreeing with the statement.[21]

It scored even higher for being engaging – a mean score of 7.4 out of 10, with 56% of respondents strongly agreeing that it has content "which is engaging"[22]

Our public consultation confirmed that the service is engaging, although some believe that the most engaging content is targeted at younger users.

> *"It probably does but the most innovative pieces and engaging pieces I have seen always seemed aimed at children and teens, not so much at my age group (50)"*
> BBC Trust public consultation

3.2.4 Value for money

The BBC's level of investment in bbc.co.uk is reasonable and the service appears to offer good value for money to licence fee payers.

bbc.co.uk appears to offer good value for money. In 2006/07, the BBC spent around 3% of the licence fee on bbc.co.uk, compared to 70% on television channels and 17% on its network, nations and local radio services,[23] yet it is now the BBC's fourth most widely used service.[24] We believe that this level of spending on online content is low, given the increasing importance of online media to the public.

---

[20] Scores from Pan BBC Tracking Survey
[21] BBC Quality & Impact survey, wave 2, 2007
[22] ibid
[23] Figures calculated from 2006/07 expenditure on services, as published in the BBC Annual Report, page 143, note 28. The proportion of online spend stated above does not include spending on BBC Jam
[24] This is based on weekly reach amongst adults of 12.4 million. BBC One, BBC Two and Radio 2 have higher weekly reach, according to BBC management, using BARB and RAJAR data

The main measure of value for money for a BBC service is the cost per user (e.g. cost per viewer hour or listener hour for television or radio services).[25] In 2007/08, bbc.co.uk's cost per user reached was 13.8p, down from 14.2p the previous year.[26]

---

[25] Cost per viewer or listener hour is derived by dividing the total number of hours viewed or listened to across a given time period by the money invested in the service based on its service licence budget.
[26] These figures do not take into account reallocation of overheads and other costs to bbc.co.uk in 2007/08. The 2007/08 figure is based on an outturn of £89 million which provides a fair comparison to the 2006/07 figure.

BBC | Trust

3.3 To what extent does bbc.co.uk serve the BBC's public purposes and, in particular, the citizenship and educational purposes?

3.3.1 Overview

bbc.co.uk serves several of the BBC's public purposes very well through its provision of valued news and other information. The growth in online access to the BBC's broadcast audio and video online is likely to lead to users beginning to perceive the site as an entertainment destination as well.

bbc.co.uk's fundamental requirement is to contribute to the BBC's public purposes. Under the Charter and Agreement, bbc.co.uk, like all other BBC public services, is required to contribute to the promotion of the BBC's six public purposes.[27] Even prior to this codification in the Charter, the BBC's response to the Graf review set out a remit for BBC Online, in which serving the BBC's public purposes was central.[28] At that point, the BBC stated that serving the citizenship and education purposes would be the priority public purposes for bbc.co.uk.

We provide a qualitative assessment of contributions to the public purposes. As this is the Trust's first service review, this is the first time that we have considered a BBC service's contribution to the public purposes in detail. Our approach has been to use qualitative judgements on performance rather than attempt to quantify the level of contribution.

Where a particular type of content directly contributes to a BBC public purpose – e.g. news and current affairs contribute directly to the Citizenship, Nations and regions, and Global purposes – we have looked at the performance of that type of content as a proxy for the level of contribution to a public purpose. Where a purpose is served by a broader range of activities, we have looked at the contribution in a more granular way by, for example, examining the service's contribution to individual purpose remit priorities.[29]

bbc.co.uk's provision of high quality news and other information means that it contributes strongly to many of the BBC's public purposes. We judge that the service currently makes strong contributions amongst its users to the Citizenship, Education, Nations and regions, and Global purposes, on the basis of its breadth of content and high usage of its news, sport, children's and learning content.

---

[27] A description of each of the BBC's public purposes can be found on the BBC Trust website at bbc.co.uk/bbctrust/framework/purpose_remits

[28] The Response by the BBC Board of Governors to the Secretary of State's Review of BBC Online conducted by Philip Graf, page 5. This can be found on the BBC Trust website at http://www.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/service_reviews/governors_response_graf.pdf

[29] Each purpose remit defines a number of priorities for the BBC to achieve. These can be found on the BBC Trust website at bbc.co.uk/bbctrust/framework/purpose_remits

bbc.co.uk's contribution to the Culture and creativity purpose is less strong at present, with the exception of its sports coverage, although we believe its contribution should grow in the future. bbc.co.uk's contribution to the Emerging communications purpose is also less strong than that of the BBC's digital television and radio services, as this purpose is primarily focussed on the promotion of digital broadcasting platforms.

Following this review, we will amend the bbc.co.uk Service Licence to make clearer the service's relative contribution and key commitments to the BBC's six public purposes.

3.3.2 Citizenship and civil society

bbc.co.uk makes a very strong contribution to this purpose.

BBC news online is the most used area of bbc.co.uk and usage is still growing strongly. In the last three months of 2007, the BBC's online news reached around 6.7 million users in the UK each week, up 18% from the same period in 2006.[30] It has more weekly users than any other content area on bbc.co.uk.

The rate of growth is all the more impressive, because other providers of online news – notably national newspapers, but also organisations which aggregate news like Google – have begun to invest more heavily in their online news operations and their user numbers are growing fast, although they are still at a much lower level than bbc.co.uk.

Spikes in BBC news' user numbers at times of major news stories, such as the Northern Rock crisis or July 2005 London bombings, demonstrate how a larger number of users rely on it for accurate information on an occasional basis – see Figure 4 below.

---

[30] Sage, October - December 2007,

BBC | Trust

Figure 4: Weekly users of BBC online news

Weekly UUs ('000)
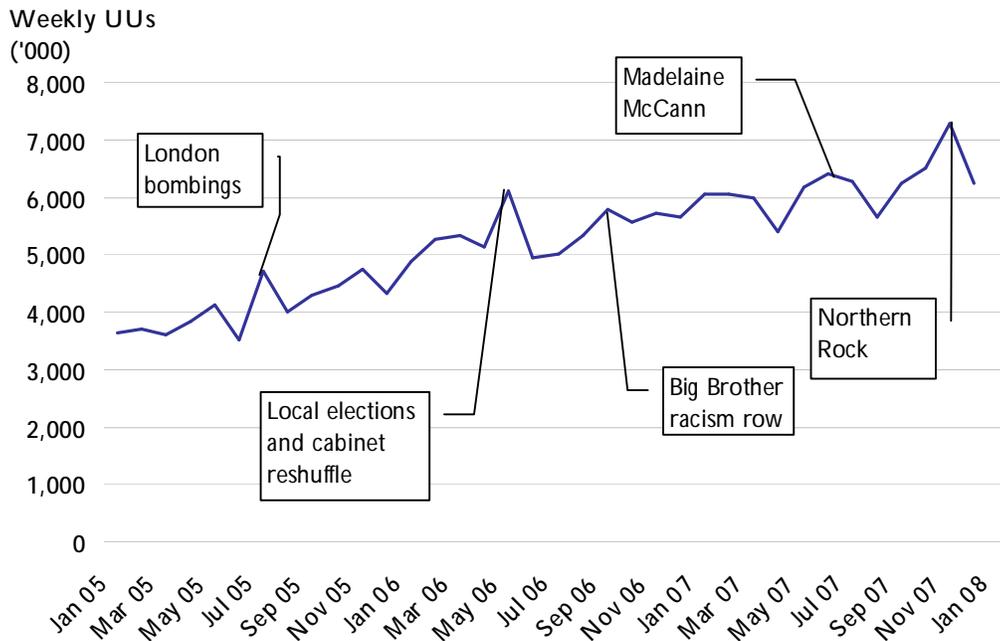
Source: Sage, UK only

The BBC's online news is highly appreciated by its users. BBC online news is consistently ranked well on quality and advocacy measures. [31] Its Netpromoter score is around twice the bbc.co.uk average.

Our audience research and public consultation confirmed that the BBC's online news service is highly appreciated by licence fee payers. In our research, it was praised for its accuracy, impartiality, range and ease of use and its users clearly have a high level of trust in it. Some recognise that this is due to the BBC's position as a public service broadcaster.

> *"It breaks down into the categories of the news itself. Click in there and then go to the story you want, so I just found it really easy to use and get the information I want/ Because it's a public service operator, BBC, you've always got that sort of security at the back of your mind."* Male aged 30-49, Inverness. Sparkler research

> *"Research commissioned by the … Council, demonstrated that online users consider that the BBC news websites at both national, UK-wide and international level 'led most people's ideal of what a great news site should be – immediate, accurate and easy to get around'."* Audience Council Wales response to BBC Trust public consultation

---

[31] Bbc.co.uk Pulse, April - December 2007

May 2008

BBC | Trust

bbc.co.uk may help the BBC reach younger adults with news but the less well off remain better served by television and radio news. The BBC's online and mobile news services have a higher proportion of 16-34 year old users than most of its television or radio news services.[32] However, online news has been less successful in reaching lower income groups who are still largely reliant on television for their news.[33]

On this basis, we do not fully agree with BBC management's submission to the review which states that bbc.co.uk represents an opportunity to extend BBC news' reach among 'underserved' audiences.[34] In fact, we note that reach of BBC news on television has been remarkably robust in recent years and that it has actually risen on radio, due to the growth in reach of the breakfast news bulletins.

While we accept that there may be a decline in consumption of linear news in the future, it is also clear that embedding short news bulletins within linear offerings of other more entertainment-based programming (e.g. the new 8pm bulletin on BBC One) has great potential to reach those who do not actively choose to consume news. Online media is disadvantaged by the fact that users can more easily avoid content they are not particularly interested in.

Development of BBC news online to embrace 'web 2.0' trends challenges its current strengths. The BBC's online news offer has evolved so as to meet its users' changing needs and expectations. Key developments have included the introduction of video news online, RSS feeds and other methods which allow wider syndication of BBC news content, and the automated links service, Newstracker.

BBC news online is now developing to offer greater personalisation, embedded audio and video within stories, aggregated BBC and other content around key events, more opportunities for participation, and improved online presence of the BBC's major news and current affairs programmes.

Two trends in particular challenge BBC news' traditional strengths:

- <u>Personalisation</u> may allow users to opt-out of consuming news on topics which are important but perhaps not very interesting to them, e.g. politics or foreign affairs. One of the benefits of a linear news bulletin is that the agenda can be mixed to ensure that a range of topics is covered. Given the BBC's duty to promote citizenship and civil society amongst all audiences, we do not believe it would be acceptable for the development of optional or personalised news to lead to an unduly narrow range of consumption. As bbc.co.uk's customisation develops, we will monitor the trend in reach of those editorial areas, such as

---

[32]BARB Q3-Q4 2007, RAJAR Q3-Q4 2007, BBC Internet Pulse / GfK November 2007 (online), M:Metrics November 2007 (mobile). TV bulletins' audience profile is based on a weighted average of all bulletins' profiles
[33]ibid
[34] BBC management submission, page 16

news, which are at the core of the BBC's public service remit. If we believe such areas are losing prominence unduly on the site, we may consider content requirements such as those which exist for linear broadcast media.

- The encouragement of user <u>participation</u> by means of user-generated content (UGC) will need to be managed carefully so that BBC news' brand values of impartiality, accuracy and independence (which we have found to be particularly strong online) are not challenged.

Our public consultation demonstrated the challenge already raised by the BBC's facilitation of user participation on the *Have Your Say* forums. On the one hand, users now expect to be able to participate:

> *"Site users should be able to comment on ALL stories, not just those that are selected for commenting."* BBC Trust public consultation

On the other, they do not value *Have Your Say* as highly as other parts of online news:

> *"The BBC is best when it presents informed, knowledgeable and educated background and comment - not when it becomes a forum for whinging and moaning of small minded people."* BBC Trust public consultation

Unlike many other news sites, the BBC pre-moderates comments which appear on its discussion forums, in order to maintain basic editorial standards. Management recognises that moderation currently leads to some frustration on the part of users whose contributions do not get published. We examine this area more closely in section 3.7 on Accountability.

There is encouraging evidence that BBC news is thinking hard about how it manages UGC[35] and other forms of participation and we encourage it in this, given the importance of the BBC's distinctive journalism values.

The promotion of digital media literacy is key to the Citizenship purpose. The BBC provides a number of offerings for basic digital media literacy on the well-established *Webwise* site. *Webwise* still has around 130,000 weekly users.[36] In addition to this core offer, bbc.co.uk has also developed a number of projects targeting particular types of user: the *WW2 People's War* site was aimed at encouraging older adults to participate in an online project and CBBC's *StaySafe* provides advice on safe internet use to children.

BBC management's submission sets out four goals for bbc.co.uk in contributing to digital media literacy:

- to help people through digital media jargon
- to encourage audiences to adopt emerging technologies and services

---

[35] See speech by Peter Horrocks, Head of BBC Newsroom, in January 2008 on the Value of Citizen Journalism: http://www.bbc.co.uk/blogs/theeditors/2008/01/value_of_citizen_journalism.html
[36] BBC management submission, page 20

- to encourage audiences to experiment creatively with digital media tools
- and to provide advice to enable children to explore online content safely.[37]

We will incorporate these into the revised Service Licence for bbc.co.uk, so that they are established as public commitments against which performance can be tracked.

As BBC management acknowledges,[38] ongoing development of bbc.co.uk's media literacy offerings is vital in order to help the BBC contribute more fully to this public purpose. Encouraging more advanced forms of media literacy may be a suitable role for bbc.co.uk to adopt as internet penetration increases. MyCBBC, which aims to give children the skills and confidence they will need to interact online, is a good example of how the BBC's role in this area may evolve. As media literacy is a key priority within the BBC's Citizenship purpose, this should be a priority for bbc.co.uk.

3.3.3 Education and learning

bbc.co.uk plays a vital role in contributing to this public purpose.

bbc.co.uk's Service Licence commits it to offering something of educational value to people of all ages through both formal and informal learning and a comprehensive service for children. Its output includes a broad range of formal and informal educational content for both children and adults.

The BBC has a strong formal learning portfolio online. The on-demand and personalisable characteristics of the internet make it more suited to the delivery of learning media than broadcast media in many ways and the BBC is increasingly focussing its formal learning activities online. For example, the BBC is progressively reducing the amount of schools programming broadcast on television and moving it online. Another example is the BBC's long-running language teaching courses which are now delivered primarily online and are well-regarded by users.

Within the BBC Schools area, the BBC has two main formal education offers for children: *Bitesize*, which is heavily used by GSCE students in particular and *Blast*, which supports creative skills development. BBC Schools also provides teacher and parent support materials and other learning resources for children.

While we give some headline findings here, we will review the effectiveness of the BBC's formal learning offer for children and young people in more detail when we review BBC output for these audiences later this year.[39]

The BBC's online formal learning areas have high volumes of use - BBC Schools is visited by an average of one million users each week,[40] with *GCSE Bitesize* the most

---

[37] BBC management submission, page 20

[38] ibid, page 21

[39] Further details of these reviews can be found on the BBC Trust website at
http://www.bbc.co.uk/bbctrust/framework/bbc_service_licences/2008_reviews.html

[40] Sage, October - December 2007, excluding holiday periods

popular part of the offering. *Bitesize's* weekly usage ranges from around 399,000 in late 2007 to a peak of 650,000 in the GCSE revision period.

Adult learning sites, such as *Skillswise* and *RaW*, have lower overall volumes of usage but are used widely by adult education centres. These offerings are highly rated by their users, generating some very high Netpromoter scores.

Our public consultation demonstrated the value of these offerings to their users:

> *"bbc.co.uk is of great benefit to me personally and to my family. My children both make extensive use of it for research and revision and will increasingly do so as they prepare for GCSEs and beyond. It provides a source of reliable and trustworthy information targeted at the appropriate level for children and adults."* BBC Trust public consultation

The Service Licence for bbc.co.uk needs to set out the BBC's online learning activities more clearly. While bbc.co.uk plays a key role in delivering this purpose, we have concluded that the current Service Licence for bbc.co.uk does not adequately reflect the scope of the BBC's formal and informal learning activities. We intend to amend the bbc.co.uk Service Licence following this review in order to set out more clearly the scope of BBC activities in this area.

The BBC's online content for children – via CBeebies and CBBC – is a clear strength. Both CBeebies and CBBC offer a blend of education and entertainment with content commissioned alongside television programming. CBeebies in particular receives very high quality and advocacy scores. Its average quality rating is above the average for bbc.co.uk and its Netpromoter score is over double the average.[41] CBBC's quality and Netpromoter scores have been lower, particularly following a site relaunch which appears to have been received poorly by users initially.

The BBC children's sites are amongst the most used in the UK – alongside fellow TV brands Nickelodeon and Disney. While the total level of usage has dropped slightly in the past year, our audience research and public consultation demonstrated how valued these offerings are by licence fee payers as sources of high quality, non-commercial, UK-originated content with clear educational goals. The BBC's online content for children will also be considered in more detail as part of our review of content and services for that audience later this year.

bbc.co.uk is highly valued by users as a resource for informal learning. This was one of the clearest findings from our public consultation and audience research.

> *"I looked up rubella on Google recently and it gave me all these links that were really scientific in their information and I just couldn't understand it. So then I went to the BBC website and it was really good, it had just the right amount of information and was easy to understand."* Female aged 19-30, Belfast. Sparkler research

---

[41] bbc.co.uk Pulse, average for April - December 2007

BBC | Trust

However, we believe its value could be increased even further by improved site navigation. Our audience research and public consultation suggest that many users are unaware of the full breadth of bbc.co.uk's offer, or that they have problems finding content they are looking for.

> *"There is loads of information on there that you just wouldn't know about, and you would end up using another site somewhere else to find it when the information is actually on the BBC site. So in that sense they are doing us a disservice by not telling us what is on the site."* Male, aged 31-50, Belfast. Sparkler research

We review bbc.co.uk's performance in search and navigation more fully in section 3.6, below. We believe that the planned improvements to navigation and cross-site linking, as well as to the introduction of functions which allow search within audio and video content may greatly increase bbc.co.uk's contribution to the Education and learning purpose.

3.3.4 Representing the UK's nations, regions and communities

bbc.co.uk makes a strong contribution to this purpose through its network of nations, regional and local sites. Its support for non-geographic communities is less strong.

Where I Live **sites now focus on news, sport, weather and travel.** The BBC's local online strategy has been to create a more distinctive focus for the local websites by focussing on the BBC's core editorial strengths – news, sport and weather in particular. The sites also aim to work more closely with local organisations such as the Highways Agency and the Football Association. We understand that this focus is a positive response to concern from other local media about the impact of the BBC in their markets which led to other types of content, such as lifestyle content and entertainment listings, being cut back or removed completely.

The news sites for each nation are highly appreciated by their users. The news sites for England, Wales, Scotland and Northern Ireland all get positive scores on Netpromoter. Although low usage figures make accurate measurement difficult, there is also some evidence that the indigenous language sites (eg. Scotland/Alba) which BBC management claims are unique, are appreciated too. Our audience research and public consultation confirms audience appreciation of these sites:

> *"The* Where I Live *site. [is good] I'm from North Wales originally and I do go there to see what's happening in my home town."* Female, aged 19-30, Bridgend. Sparkler research

> *"I have set it as my home page - no adverts, objective news, Welsh news, Welsh language content, good on international news."* BBC Trust public consultation

> *"The Audience Council for Wales is strongly of the opinion that bbc.co.uk/cymru and bbc.co.uk/wales fulfil a vital civic role in Wales – and each does so in a distinctive*

May 2008

BBC | Trust

different way." Audience Council Wales response to BBC Trust public consultation

Use of the BBC's local sites is growing but, with the exception of news sites, they are not rated as highly as other parts of bbc.co.uk. The nations, regional and local sites had over 5 million visitors a week by late 2007, an increase of 21% on the same period in 2006. [42] The BBC's local sites appeal much more to younger audiences than BBC local radio – around a third of users are aged under 35, compared with around 14% of BBC local radio listeners.[43]

However, there is some evidence that these sites are not rated as highly as other parts of bbc.co.uk. The English *Where I Live* sites (and the general sites for each nation) have a much lower level of advocacy amongst their users, according to Netpromoter data, and below average scores for other quality metrics on the Pulse survey.

This may be due to the fact that staffing and the overall level of resource of these sites (there are 60 of them in total) are low – management has told us that they each have around two full-time staff, which is low compared with other BBC sites. The lower perceived quality may be a direct result of the lower level of input to them. The Audience Council England, whose members have close links with English local services, commented on this in their public consultation response:

> *"Local material was sometimes felt to be out of date and of poorer quality…It was felt that the* Where I Live *local output needed more investment and development, for example with local sports coverage."*

Most local BBC sites now link to external sites. BBC management have informed us of the recent improvements in links to local newspaper and other commercial media providers. We have noted this change to the local sites during the course of this review. It aims to address a long-standing concern amongst other local media that the BBC may crowd them out of the market. Linking is now fairly consistent across the *Where I Live* sites – and appears to be appreciated by users:

> *"There's a really good section where all Welsh media websites are available through the BBC and all the BBC Wales site is available in Welsh."* Female aged 19-30, Bridgend. Sparkler research

We examine external linking in more detail in section 3.6 below on search.

bbc.co.uk's success in serving non-geographic communities is generally less strong. In the context of an online market where social networking sites are flourishing and becoming home to literally millions of micro-communities, the BBC's offer of non-geographic communities is much more modest and our audience research showed that this fits with audience expectations of the BBC.

---

[42] Sage; average weekly unique users, October – December 2007
[43] Based on 2007 data from BBC management

BBC | Trust

Most BBC online communities are linked to broadcast output (e.g. the *606* football forum or *The Archers*) but it also has a few online-only communities, such as *H2G2* and culture 'magazine' *Collective.* The success of these is variable: usage of *H2G2* has grown but that of *Collective* has nearly halved over the past two years.

The BBC's plans for improved support of BBC programmes and other online offerings will include more opportunities for audiences to form communities around BBC content. We expect that the future development of non-geographic communities should focus on areas where these can do most to contribute in a demonstrable way to the BBC's public purposes.

This view is shared by some public consultation respondents, such as the Voice of the Listener and Viewer:

> *"A wide variety of content on bbc.co.uk has the potential to make a contribution to civil society, for example by encouraging dialogue between different communities through online discussion forums … In this definition, the role of bbc.co.uk would become more facilitative than prescriptive, providing appropriate spaces and background information to enable such dialogue to take place."* BBC Trust public consultation response from Voice of the Listener and Viewer.

3.3.5 <u>Creativity and cultural excellence</u>

bbc.co.uk's contribution to the culture and creativity purpose is weaker than its contribution to the other purposes.

Contributions to this public purpose can include provision of distinctive creative output, coverage of cultural and sporting activities and the encouragement of participation in these, provision of entertaining output and fostering creativity and UK talent. We assess how bbc.co.uk contributes to the various aspects of this public purpose below.

bbc.co.uk supports some niche creative activities but is not perceived as a highly creative destination. The BBC has some offerings for particular types of creative activities, such as the *Writers Room* and *Film Network*, which were praised by users in our public consultation. The main UGC sites such as YouTube and Flickr are more strongly associated in most users' minds with stimulating creativity than bbc.co.uk.

> *"I think probably Flickr and YouTube are good because you can put up your photos and videos. I think the BBC is more for comment. I don't think they have space for anything else."* Female aged 31-50, Northampton. Sparkler research

While bbc.co.uk also has some partnerships with external cultural bodies, including the Arts Council, RIBA and the UK Film Network, BBC management acknowledges that bbc.co.uk's arts and culture offer could be improved. Management's submission to this

review states that arts is under-represented on the site and does not reflect the wealth of creative arts content in other BBC output.[44]

The BBC's online sports output makes a strong contribution to this purpose. bbc.co.uk's sports output is its second most popular area, in terms of numbers of weekly users – it has around 5.5 million each week.[45] It offers a broad range of news, statistics, up to the minute results and scores, streamed live coverage and one of the BBC's most successful online discussion forums – *606*, linked to the Radio Five Live programme. The current bbc.co.uk Service Licence offers very few commitments relating to sport, nor does it set any parameters for its scope. Section 4.3 of this report sets out how we plan to address this.

While bbc.co.uk offers some entertainment, it still functions primarily as an information provider. Our public consultation and audience research both demonstrated that users perceive the primary function of bbc.co.uk as being a trusted source of information, rather than an entertainment destination. This is backed by usage figures, showing that the most used parts of bbc.co.uk are news, sport, nations & local and learning – see usage figures in Figure 1, above.

The main exceptions to this cited in our research were the *Listen Again* function for radio and users' enthusiasm for particular programme sites, such as *Eastenders* and *Doctor Who*.

Widespread use of the web as a source of entertainment is a relatively recent phenomenon in the UK, with the growth in popularity of social networking and entertainment sites such as Facebook and YouTube (both of which are now amongst the top ten most used sites in the UK) alongside longer-established information and functional (e-commerce, etc.) sites.[46]

We expect that bbc.co.uk will develop into more of an entertainment destination which will strengthen its contribution to this purpose. The BBC iPlayer launched fully just after our period of public consultation and research had closed and this review does not review iPlayer in any detail. However, we expect that audiences who access drama, comedy, etc., from iPlayer on bbc.co.uk may begin to consider bbc.co.uk more as an entertainment destination in the broadest sense. Management's plans to enhance programme support for drama, comedy, etc., may also strengthen bbc.co.uk's contribution to this purpose. We will be assessing these plans following this review.

3.3.6 <u>Bringing the UK to the world and the world to the UK</u>

bbc.co.uk's strong provision of international news ensures that the service makes a good contribution to this purpose.

---

[44] BBC management submission, page 31
[45] Sage, average weekly unique users, October - December 2007
[46] Nielsen, top sites in the UK in December 2007 – see Figure 12 for a full list

BBC | Trust

The BBC's international news contributes most strongly to the promotion of this public purpose, although there are also many other areas on bbc.co.uk with international scope.[47]

bbc.co.uk's international news reaches a reasonably broad audience in the UK. Around 2.4 million users access the BBC's international news web pages each week[48] – much lower than the 6.7 million who use all news pages, but significant nonetheless, compared with audiences for internationally-focussed news and current affairs on radio and television. Our audience research and public consultation suggest that they are considered unrivalled in informing the public about world developments from a British perspective.

We have not considered bbc.co.uk's role in "bringing the UK to the world" as part of this review. As a service aimed at licence fee payers, bbc.co.uk does not aim to serve international audiences, although it is used heavily by users outside the UK and offers an international version which gives prominence to world news, sports and weather.

The BBC news site also includes bespoke internationally-facing editions of its front page and business, entertainment and health sections.

3.3.7 Emerging communications

The key contribution of bbc.co.uk to this purpose is in promoting the benefits of new technologies. It is not currently part of the BBC's remit to attempt to drive the take-up of the internet or broadband, as it is with digital TV or DAB. The BBC does have a role in promoting digital media literacy and this is examined in section 3.3.2 above.

bbc.co.uk offers a permanent resource of information on digital TV and DAB and usage of these pages appears to be higher when the BBC runs on-air digital marketing campaigns. It also appears to be a resource that people turn to when digital switchover is of interest, such as when the first UK region switched fully to digital in November 2007. Figure 5 below shows the trend in usage, highlighting when BBC campaigns are running.

---

[47] BBC management's submission to this review gives examples on page 57
[48] Sage average weekly unique users, October – December 2007

BBC | Trust

Figure 5: Trend in unique users of bbc.co.uk/digital (highlighted areas show when BBC digital marketing campaigns are on-air)

Unique users
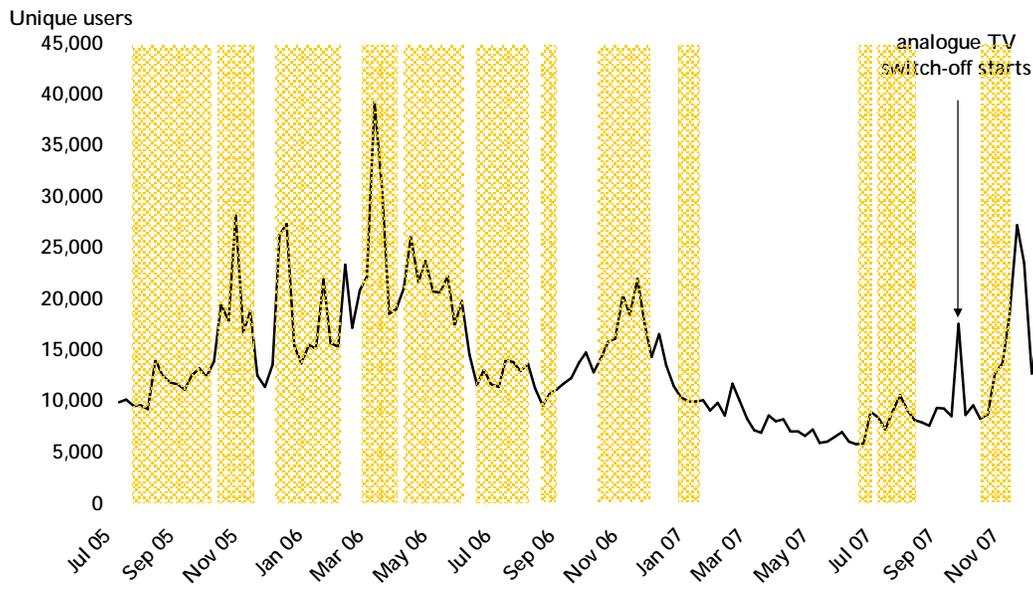
Source: BBC Management

39

3.4 To what extent is bbc.co.uk distinctive and innovative? Does it display the other content characteristics set out for it?

Audiences see the service as distinctive but commercial players have concerns. We believe that more needs to be done to ensure that all parts of bbc.co.uk are distinctive.

Like all BBC services, all content on bbc.co.uk is required to display at least one of the content characteristics set out in the new Charter and Agreement. These are listed as: high quality, engaging, challenging, innovative and original.[49]

In addition to these five characteristics, bbc.co.uk is required to be distinctive. Distinctiveness became part of the remit for bbc.co.uk following the Graf review. The Board of Governors made the commitment that its remit would be to serve "the BBC's five public purposes through the provision of innovative and distinctive online content, available to all." [50] The commitment to be distinctive was broadened in the remit set out in the Service Licence for bbc.co.uk – it committed the service to providing "distinctive propositions that reflect and extend the range of the BBC's broadcast services, available to all".

This section examines evidence on performance against these commitments and sets out a proposed approach for the measurement of distinctiveness.

3.4.1 Distinctiveness

Users see bbc.co.uk as distinctive overall. In our audience research and public consultation, bbc.co.uk was seen as distinctive overall by its users, based on its range, depth and breadth of content, lack of commercial agenda, UK focus and BBC journalistic values.

> *"The bbc.co.uk site is more trustworthy than other sites because it is not trying to advertise something or sell you something."* Female, aged 19-30, Belfast. Sparkler research

> *"There is no other site which offers such diverse and yet such comprehensive and in depth information."* BBC Trust public consultation

---

[49] BBC Agreement, clause 14. This can be found on the BBC Trust website at: http://www.bbc.co.uk/bbctrust/framework/charter.html

[50] The Response by the BBC Board of Governors to the Secretary of State's Review of bbc.co.uk conducted by Philip Graf, page 5. This can be found on the BBC Trust website at http://www.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/service_reviews/governors_response_graf.pdf

BBC | Trust

"When you try and compare it to another website there really is no comparison because there's nothing out there that's really like it." Female, aged 31-50, London. Sparkler research

Many individual areas of bbc.co.uk are recognised as distinctive by its users. Examples cited in our audience research included news, the food site, the children's sites, programme sites like *Doctor Who*, the *Where I Live* sites and the *Listen Again* and podcast functions.

We believe BBC management's Pulse survey, which tracks users' perceptions of how 'original and different' BBC sites are, is a reasonable proxy for distinctiveness. This shows that most areas of the site appear to be reasonably distinctive to users. The sites which score highest on this characteristic are the children's sites, drama sites and the education and learning sites. News and sport get average scores, which we think is positive, given the wide range of alternative choices on the internet. The sites which are not perceived as original or different are the local, entertainment, and television channel and radio station sites.

However, other operators in online markets have concerns about the BBC's distinctiveness. Specific concerns about the lack of distinctiveness of bbc.co.uk raised during this review were that:

- Some individual areas in which the BBC operates are well served by commercial providers – the British Internet Publishers Association cites health, parenting, film, music reviews and *Slink* as examples of these areas; the Newspaper Society cites local media.

- bbc.co.uk's activities are sometimes distinctive only by virtue of an area not (yet) being commercially viable – the Radio Centre cited podcasting and online local content as examples of this.

- the BBC's activities in formal learning – in particular, revision guides – are not distinctive, due to the existence of similar provision by other companies, in the view of SAM Learning.

We have discussed these concerns with many of the organisations and, following this review, we are asking BBC management to respond to them and consider where any action is required.

While it is unsurprising that there are some concerns, given the scale of bbc.co.uk and its success in attracting users, we note that this concern – which was very clear during the Graf review – persists. In section 4 , we propose a range of measures which we believe should lead to a greatly improved level of transparency and accountability for the BBC's online activities. A central requirement of this is a more rigorous and consistent approach to defining BBC distinctiveness. We describe this below.

At the outset of this review, there was no agreed definition of distinctiveness. There is no single definition of distinctiveness as applied to BBC or other media content or services. At its most basic, distinctive means distinct *from* –

that is, different to the alternatives. However, when the term is used as a characteristic of BBC output, it is normally taken to mean something more than this. For example, the same type of content (e.g. a news story) may be offered by other providers, but the BBC's version of that story should be distinctive by virtue of its commitment to impartial journalism, which is not widely found elsewhere on the internet.

BBC management has not regularly assessed the distinctiveness of its online activities. There is some evidence that those who manage individual parts of bbc.co.uk have aimed to focus activities on distinctive areas since the Graf review. The *Lifestyle* site has been refocused, with the closure of Homes & Antiques and Motoring sections and the *Where I Live* sites have removed entertainment listings. However, we did not find evidence of a consistent approach being applied by BBC management to ensure that all areas of bbc.co.uk fulfil the commitment to be distinctive.

As part of their submission to this review, BBC management commissioned an audit of the distinctiveness of bbc.co.uk.[51] This sets out conclusions relating to the service overall – broadly that bbc.co.uk is a distinctive service, and that most individual areas are also distinctive in some way.

We have developed an approach to assessing distinctiveness and expect BBC management to start using this. As we were aware that management was commissioning an analysis of distinctiveness for this review, we did not attempt to duplicate that work. Rather, our focus has been on working towards a clear definition of distinctiveness which can be used to assess both existing and new offerings on the site, alongside consideration of factors such as quality and contribution to the public purposes, as part of the ongoing management of the BBC's online activities.

We have proposed the following criteria, most or all of which would need to be met by all bbc.co.uk content. Some of these are similar to the 'editorial characteristics' and 'consumer proposition' assessment criteria used by Human Capital in its review for BBC management. We believe that the criteria need to be relatively few in number and easy to use by site producers or editors.

---

[51] Human Capital: *A review of bbc.co.uk's distinctiveness,* November 2007

Figure 6 Distinctiveness criteria for assessment of BBC online propositions

1. BBC editorial values (accuracy, independence, impartiality, taste and decency)

2. Non-commercial (in some genres, such as children's or news, there is particular value in there being no advertising, no subscriptions)

3. Made in, and for, the UK

4. Clear link to television or radio programme brands

5. Level of creative and editorial ambition (seriousness of intent, breadth or depth of subject matter)

6. Fresh and original approach

7. Uniqueness (no one else provides this content)

We have already discussed these criteria with BBC management, who have agreed that they are appropriate. We have not had the opportunity to discuss them with the public or with other external stakeholders but welcome comments on them from those with an interest in this area.

As we describe in section 4.2, below, we are asking BBC management to assess the distinctiveness of existing and new components of bbc.co.uk on a regular basis in the future.

3.4.2 Innovation

Compared to other BBC services, bbc.co.uk is regarded as an innovative service. BBC management's tracking study on content characteristics[52] shows that bbc.co.uk is regarded as more innovative than most other BBC services.[53]

We found some evidence of bbc.co.uk being innovative. We agree with the examples cited in management's submission to this review, which include being the first UK broadcaster to embrace podcasting, *Springwatch*'s use of tracking technology to follow migratory patterns, and *Backstage*, an offer for web developers.[54] Our audience research and public consultation confirmed this, with streaming and on-demand audio and video offers also mentioned.

Overall, we found that whether users consider bbc.co.uk to be innovative depends on their level of experience and sophistication in web use. So what is innovative to one user may not appear so to another.

---

[52] These characteristics are listed in the introduction to this section
[53] BBC Quality & Impact tracker, wave 2, 2007. CBeebies and Radio 4 also score very highly
[54] See pages 45 and 67-68 of BBC management's submission for other examples cited

"The BBC has in my mind been a leader in presenting online content for the past five years. The approach has been innovative and quite distinctive and set the benchmark for online delivery." BBC Trust public consultation

"It isn't particularly innovative as a website, in that it doesn't use any technology that other websites don't." BBC Trust public consultation

Licence fee payers do not expect the BBC to drive innovation in this area. Licence fee payers confirmed in this research and consultation a view which has previously been expressed to the Trust[55] – that they expect the BBC to keep up with, but not lead, technological innovation.

"The BBC must keep up with the times so advanced technologies are important for them to keep up… And they are." Male, aged 31-50, Newcastle. Sparkler research

"[bbc.co.uk]… content is original, but none is really innovative in the sense of ground-breaking. But then I don't really see why it should be." BBC Trust public consultation

In terms of web technology, we believe that the BBC should focus on partnerships and collaboration with other players as ways of ensuring that it keeps up, rather than aiming to compete directly with the dynamic web technology industry.

3.4.3 Original

This characteristic is measured by the amount of content which has been originally commissioned for the service, rather than acquired. Virtually all content on bbc.co.uk is originally produced or commissioned by the BBC, so we are confident that it fulfils this characteristic to a high degree.

3.4.4 High quality, engaging and challenging

bbc.co.uk's performance, in terms of quality is covered in section 3.2.2 above and we consider audience participation in bbc.co.uk – one aspect of being engaging – in section 3.7 below.

---

[55] Audience research published by the Trust relating to public purpose remits can be found on the BBC Trust website at http://www.bbc.co.uk/bbctrust/consult/closed_consultations/purpose_remits.html

May 2008

3.5 To what extent does bbc.co.uk reflect and extend the range of the BBC's broadcast services?

bbc.co.uk does well in extending broadcast services, although before the iPlayer launch, television channels were not well represented online.

This part of the remit for bbc.co.uk grew out of commitments made following the Graf review, in which the BBC promised to offer programme support created as a consequence of television or radio production.

The internet is developing particularly rapidly as a delivery platform for audio-visual content, driven by the availability of broadband. For example, the BBC iPlayer launched in December 2007, at the end of our review period. Our audience research and public consultation do not, therefore, reflect the current availability of BBC television content online.

bbc.co.uk clearly extends the BBC's offering in news, sport and learning. In these areas, the BBC's online offer extends broadcast content considerably by offering constantly updated, in-depth and contextual information as text, audio and video, as well as opportunities for users to interact.

In some areas, online is now the second, rather than third, most used platform for the BBC. This is certainly true for sport – see Figure 7 below. Accurate measurement across television, radio and online is difficult, but online may now be the BBC's main platform for formal learning and children's. For BBC news, online is now an important third platform in terms of level of usage – see Figure 7 below.

Figure 7: Reach of BBC news and sports content on TV, radio and online
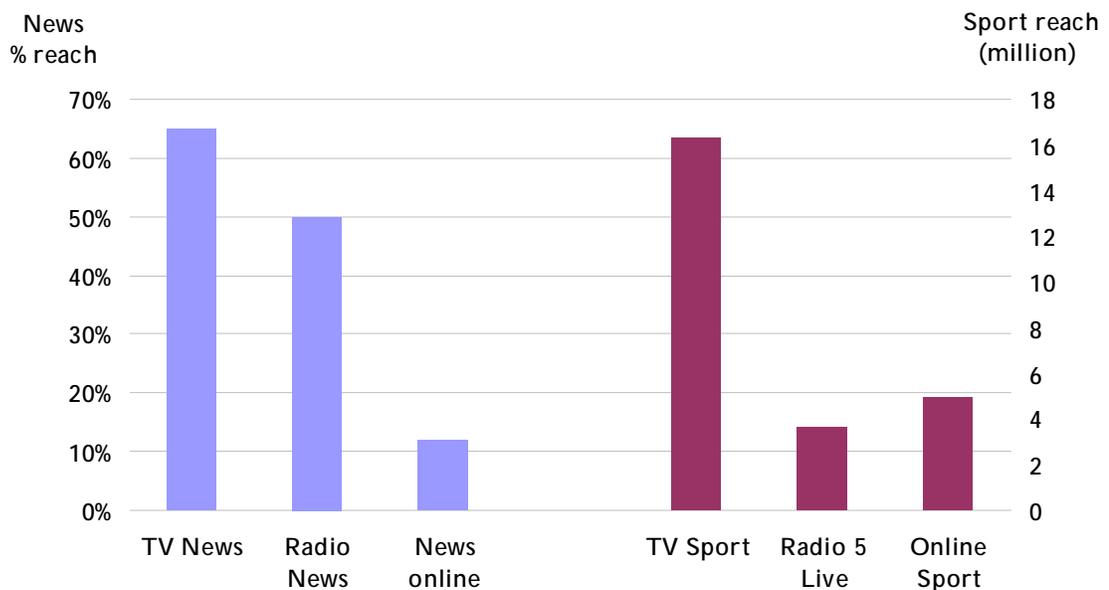
Source: News usage from BBC management presentation; Sport data from management's
Quarterly Performance Report for April-June 2007

BBC radio is reflected comprehensively online. Station sites and the *Listen Again*
function both serve to reflect broadcast output and, in some cases, extend it by
offering more opportunities for audience interaction feeding directly into live and pre-
recorded output. As stated in management's submission to the review, BBC radio
entered the online market comparatively early and has been offering streamed audio
since the late 1990s.[56]

The BBC's Radioplayer (Listen Again) functions were launched in 2002 and the level of
live and on-demand listening has grown steadily. The Radio 1 site is the most popular
BBC radio network online both for streamed live output and on-demand listening.
Programmes from the speech networks Radio 4 and BBC 7 are both very popular as
on-demand offers. The relative use of streaming and on-demand for some of the BBC's
radio networks is shown in Figure 8 below.

---

[56] BBC management submission, pages 44-45

Figure 8: Hours of streaming and on-demand content from BBC network radio stations

	Streamed hours (million hours)		On demand (million hours)	
	Q4 07	YoY growth	Q4 07	YoY growth
Radio 1	4.6	31%	1.6	-3%
Radio 2	3.8	22%	1.1	5%
Radio 4	2.5	45%	1.6	14%
Five Live	1.9	37%	0.1	-9%
Radio 3	0.5	6%	0.4	-5%
BBC 7	0.3	11%	1.3	11%

Source: Sage

Our audience research and public consultation confirmed that audiences appreciate radio offerings on bbc.co.uk:

> *"Take the example of Radio 3, which I listen to a lot. I very much see [the website] as an adjunct to what they broadcast."* Male, aged 51-70, London. Sparkler research

> *"It helps everybody have a laugh [on the Radio 1 website]. You can text in, you can email in, it opens it up for you to get involved."* Male, aged 31-50, Newcastle. Sparkler research

Our audience research and public consultation also demonstrated the appeal of podcasts, which were introduced by the BBC as a permanent part of the service in 2007.

> *"The podcasts, live radio, archived radio are great and I make extensive use of these since I work full time and have a busy life I frequently miss items which I am interested in."* BBC Trust public consultation

Usage of podcasts has grown significantly over the past year, with around 6 million downloads each month by the end of 2007[57].

BBC television has been less well represented online. While all BBC television channels have an online presence, at the time of our review most of these sites do not seem to represent destinations in their own right; rather, they offer some basic schedule information and links to a few programme sites. Some of these are highly appreciated in their own right – *Doctor Who* is the most appreciated by far in terms of Netpromoter scores.

The exceptions to this are the children's sites, CBBC and CBeebies, where the online offer is well-developed. BBC Three also relaunched its site during the course of our review to offer a fuller online proposition.

Programme sites mentioned by respondents in our audience research included *Eastenders*, *Doctor Who*, *Heroes*, *Saturday Kitchen* and *Springwatch*. This demonstrates some appetite for online extensions of television content across a range of genres. Many respondents were keen to have direct online access to television programming – the iPlayer launched after the research had finished but ITV and Channel 4's on-demand video services were already fully launched at this point.

BBC management's submission to this review[58] sets out its plans to invest more in online television programme support – including the creation of automated pages for every episode of every programme, and more investment in ambitious online propositions which are commissioned alongside TV content. We address these proposals in section 5.3 of this report.

---

[57] BBC server logs, December 2007
[58] BBC management submission, pages 80-81 and 50

3.6 Does bbc.co.uk enable users to navigate and search easily and does it lead users effectively beyond BBC content?

The site needs to make major improvements to internal search and navigation and external linking. We question whether the BBC should have a role in providing mainstream web search.

The Service Licence stipulates three main requirements in this area. They are that:

- bbc.co.uk should be easy to use
- BBC online content should be easy to find
- the BBC should act as a 'trusted guide' – a starting point on the internet, guiding users to the wider web and linking to external websites with high public value.

We examine its performance in each of these areas below and set out our conclusions and recommendations for future development.

3.6.1 Ease of use

Users find bbc.co.uk easy to use. BBC management's survey data shows that users rate bbc.co.uk highly for ease of use and appearance.[59] Our audience research and public consultation backed this up.

> *"There are sites that make it really easy for you and I think the BBC would be one of them. It's all very plain and laid out and it's pretty easy to figure out what is going on."* Female, 51-70, Londonderry. Sparkler research

As a service intended for all licence fee payers, it is important that bbc.co.uk is accessible to all including those with disabilities. BBC management's submission points to a range of offerings which aim to serve particular groups, including the Accessibility Help site which it claims is the most comprehensive such offering anywhere on the web.

This was supported by feedback to our public consultation:

> *"Council was delighted to hear from consultees that bbc.co.uk is distinguished as being highly accessible to people with visual impairments. Practically all images have useful textual descriptions (ALT tags). Specific comments were made about bbc.co.uk's support for people with visual impairments which goes beyond simple browser-based increased text size support, with the text only links appearing on the vast majority of webpages. Particular approval was given for the [Bitesize] facility to vary text size*

---

[59] Bbc.co.uk Pulse July - December 2007

BBC | Trust

coupled with a choice of different contrasting foreground/background colours to best suit users' legibility needs." BBC Trust public consultation - Audience Council Northern Ireland

3.6.2 Making BBC content easy to find

Many users appear not to navigate across the site to any great extent. BBC management data shows the number of referrals from each part of bbc.co.uk to other areas of the site. This shows that users of news, the nations' and local sites and sport all navigate frequently across to other areas. However, users of many areas, including weather, radio, learning, children's, and drama and entertainment rarely cross to other areas of bbc.co.uk.

This may be evidence of many users 'dipping in' briefly to bbc.co.uk for a specific piece of information or visiting for a specific purpose – for example, children going online to play games. While this should not be discouraged, there is clearly some value in raising adult users' awareness of the scope of bbc.co.uk so that they can make use of other relevant offerings. Our audience research, in which respondents were led through the site, revealed that many were pleasantly surprised by what they were shown:

> *"I hadn't realised how much was on it. I only really look at my regular bits of the site."* Female, aged 19-30, Belfast. Sparkler research

> *"If I had known there was that much information available I would have used it a long time ago."* Female, aged 31-50, Glasgow. Sparkler research

We believe that bbc.co.uk's value could be increased even further by improved site navigation and support management's plans here. BBC management's submission makes clear that they are aware of the importance of horizontal navigation and frequent and consistent linking across all areas of bbc.co.uk, and more coordination and control are being introduced. Ofcom's report in April 2008 on public service broadcasting also mentions the need for 'discoverability' of public service content, in order to drive reach and impact.[60] We think that this is a real priority for bbc.co.uk, as it will enable users to unlock much more value from the site. We think that improved site navigation would have a particularly positive impact on bbc.co.uk's delivery of informal learning.

The BBC's internal search is not seen as very effective. The BBC's internal search engine does not appear to work effectively for many users. The proportion of visits to bbc.co.uk pages referred from the internal search engine went down from 24% to 19% between October - December 2006 and the same period in 2007, while 70% of search engine referral visits came from Google.[61]

Our audience research suggests some reasons behind this fall in usage:

---

[60] Ofcom, Second PSB Review, phase One: The Digital Opportunity, 10 April 2008, page 51
[61] Sage, October - December 2007 and October - December 2006

> *"The search just throws everything at you, you would have to spend ages just looking through the pages to find what you need."* Male, aged 12-15, Edinburgh. Sparkler research

> *"The search facility is very poor. When I have used it to search for news stories I have never been able to find what I was looking for."* BBC Trust public consultation

Users in our research claim that they often use an external search engine to find BBC content:

> *"I just type* Bitesize *into Google – it's quicker than going through the whole website."* Male, aged 12-15, Edinburgh. Sparkler research

BBC management is working to improve internal search. BBC management's submission describes how the BBC is working to improve the internal search engine and we cover these plans in section 5.3 of this report. We support an improvement to this offering, which does not appear to meet user expectations at present.

3.6.3 Trusted guide – external links

The BBC has been required to act as 'trusted guide' to the internet since the original approval of its online services. As the internet has evolved and usage of it has developed, the meaning of this role has changed. Initially, the provision of web advice and learning tools by the BBC was seen as the central route to this. *Webwise*, the main BBC initiative in this area continues to be highly valued by its users, with above average Netpromoter scores.[62]

The BBC made a commitment to improving its external linking following the Graf review. The BBC's role as trusted guide today is fulfilled more broadly by the presence of active links to external sites. In its response to the Graf review, the BBC committed to *"offering more frequent and consistent linking to content and services provided by others on the internet… and through the provision of links throughout our own service."* [63]

bbc.co.uk aims to lead users beyond the BBC in several ways: via its web search engine ('BBC recommends' search results), via automated links on news and sport sites and via manually created editorial links on those and other sites. During the course of our review, the *Where I Live* local sites introduced a more consistent approach to linking.

We are disappointed to see that bbc.co.uk's linking is not leading to more click-throughs. While BBC management's submission to this review states that there were 6.7 million click-throughs to external sites in July 2007, this is a global figure, with 4.6 million click throughs originated in the UK and their data shows that the overall

---

[62] bbc.co.uk Pulse, April - December 2007
[63] The Response by the BBC Board of Governors to the Secretary of State's Review of bbc.co.uk conducted by Philip Graf, page 10. This can be found on the BBC Trust website at http://www.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/service_reviews/governors_response_graf.pdf

volume of click-throughs has been trending downwards – see Figure 9 below. The volume of click-throughs from both the most visited parts of bbc.co.uk – news and sport – declined in 2007 compared to the previous year. While this data does not measure all types of click-throughs, management admits that the volume of click-throughs appears to be static.

Figure 9: Trend in number of click-throughs by UK users from bbc.co.uk to external sites

Click-throughs
(million)
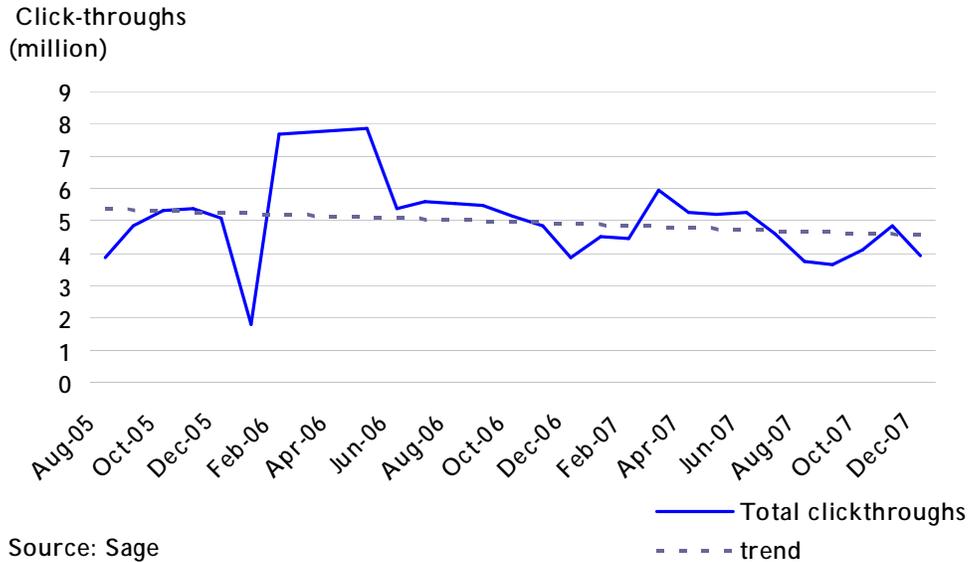
Source: Sage

Management has suggested some reasons why linking is not proving as effective as we would hope, stating that bbc.co.uk is used more as a 'destination' than as a means of navigating the web. However, comments from our public consultation and research suggest that the ineffectiveness and inaccessibility of the links is the main factor preventing greater usage.

> "*The links to external web sites are sometimes lacking, to say the least.*" BBC Trust public consultation

> "*On the Wikipedia site there are links actually in the main bit of text, the BBC put them at the side of the page.*" Female, 31-50, Glasgow. Sparkler research

We are also not convinced that BBC management's ambition to be 'part of' the web rather than 'on it' by embedding BBC content in other sites (such as Youtube) plays any role in acting as a 'trusted guide' to the wider web. Rather, this is mainly a way of marketing BBC content to those who might not otherwise access it.

We are asking BBC management to find ways to increase the effectiveness of its linking to external sites. We believe that effective external linking is a key way in which the BBC can manage the risk of becoming a 'dominant gateway service' identified in the Graf review. We believe this risk is still very much alive, as bbc.co.uk

May 2008

remains the leading online service in many sectors such as news, sport, weather and radio. We also believe that the BBC has a role in linking users of bbc.co.uk to external sites which provide content and services which contribute to the BBC's public purposes. We are therefore asking BBC management to bring to the Trust its plans for improving linking and other functions which help users navigate beyond bbc.co.uk. We will expect click-though measurement to be a part of bbc.co.uk's regular performance reporting to the Trust.

3.6.3 Trusted guide – web search

Web search has become an increasingly important online activity. Web search has become increasingly popular in the last three years: usage of Google in the UK had risen from 13 million in early 2005 to nearly 28 million by the last quarter of 2007.[64] As outlined above, search has become increasingly important as part of people's online activities – it is the most used function online, with nearly 90% of people using search engines.[65]

The BBC's role in providing web search has never been clear. bbc.co.uk has had a search engine for some time, but its role in competing against other web search providers has remained unclear amongst internet users. The Graf review commented on the BBC's search engine:

> *"Respondents in our audience research could not clearly identify the value of the BBC search engine. Many were content with commercial tools such as Google. On balance, however, I feel the BBC should retain its search engine. Given that search is becoming such a fundamental part of how the internet is used, it is worth keeping a publicly funded UK competitor in the market place."[66]*

Our audience research and public consultation demonstrated that internet users still do not understand why the BBC offers web search.

> *"I have used bbc.co.uk as my homepage for some years now, but I always look elsewhere for access to the wider web."* BBC Trust public consultation

We note that the BBC's search engine has a very low level of usage: it has around 3 million monthly users, compared with 28 million for Google and around 6 million each for Yahoo!, MSN Windows and Ask.[67] We note also that it has a much lower average number of pages opened by users, compared to other search engines: an average of 4.7 pages per user, compared with 104 for Google, 32 for Yahoo! and 17 for MSN[68].

We have considered the role of the BBC in the web search market. In the context of a web search market which has become increasingly commercially

---

[64] Nielsen, January - March 2005 and October - December 2007
[65] Nielsen, top activities amongst all users in October 2007
[66] *Report of the Independent Review of BBC Online,* page 10
[67] Nielsen, October – December 2007
[68] ibid

BBC | Trust

attractive, we have considered whether there is a role for a public service search engine. We asked for additional information on the BBC's intended role in web search from BBC management and understand that its future is being debated and that there are currently no plans to develop it.

We will expect BBC management to take a clear decision on the future of the BBC's web search following this review. It is not clear to us how provision of web search falls within the BBC's remit. While Graf concluded that there was a role for a publicly funded UK web search provider, we are not convinced that this is a role the BBC can or should play, except for possibly in limited and well defined areas such as children's. We are asking BBC management to report to us on plans for its web search engine following this review and we will then report publicly on any decisions taken.

May 2008

3.7 Does bbc.co.uk make the BBC more accountable to licence fee payers?

bbc.co.uk has helped make the BBC more accountable but more can be done to meet the public's growing expectation of open dialogue.

The original terms of approval for BBC online included a condition that it should use the internet "to forge a new relationship with licence fee payers and strengthen accountability". This remains an important goal and one that is now a responsibility of both BBC management – which offers accountability at both individual programme and corporate level - and the BBC Trust.

The Graf review's conclusion on BBC performance against this objective was broadly that the BBC had attempted to fulfil the commitment with a number of functions and offerings (message boards, etc.) but that licence fee payers were not confident that the BBC was achieving its objective through these.

Our assessment of bbc.co.uk's success in this area is broadly similar, although recent developments, such as the development of BBC editors and management blogs, mean that the BBC may be able to fulfil this commitment much better in the future.

The BBC Trust has conducted a separate review of how the BBC handles complaints and ran a public consultation recently on proposals to improve the complaints system.[69] We have passed on relevant feedback from this to those preparing final recommendations for the Trust on the complaints system. The Trust expects to publish its final conclusions on complaints very soon after this report is published. We therefore make no specific recommendations regarding them here.

bbc.co.uk allows the BBC to engage easily with licence fee payers. The internet allows for easy distribution of information and, unlike in the case of broadcast media, the flow of information can be two-way. bbc.co.uk gives licence fee payers opportunities to provide feedback in many areas, to make complaints and, in the case of the BBC Trust website, to take part in public consultations.

bbc.co.uk's *About the BBC* and BBC Trust sites offer licence fee payers a range of corporate information such as annual reports, the BBC's editorial guidelines and policies, and details of the work and decisions of the BBC Trust. The Trust is required to demonstrate that it is acting in the public interest and taking the interests of licence fee payers into account when making decisions, and the Trust website represents a key strand of its public engagement.

---

[69] Details of this consultation can be found on the BBC Trust website at
http://www.bbc.co.uk/bbctrust/consult/closed_consultations/complaints.html

There is clearly some appetite amongst licence fee payers for input to the BBC's decision-making at corporate level – the Trust received over 10,000 responses to its public consultation on the BBC's on-demand plans.[70]

> *"The very fact that I am completing this survey right now proves without doubt that the website achieves this goal."* BBC Trust public consultation

We have explored the ways the Trust could use the web for deeper engagement with licence fee payers as part of this review. The Trust Unit organised a discussion for a group of bloggers to explore how the Trust could begin to engage with audiences online. Unsurprisingly, the participants' view was that the Trust should be engaging actively online. The Trust will continue to develop its use of the internet as one way of engaging more actively with the public.

bbc.co.uk is developing opportunities for dialogue between audiences and editorial teams. Audiences are keen to communicate with the BBC at programme level - BBC management's submission states that bbc.co.uk publishes 1.5 million comments and submissions from its users each month.

> *"The complaints service gives viewers a voice to complain to about programmes."* BBC Trust public consultation

BBC management's submission to this review describes how bbc.co.uk uses blogs, message boards and webchats as ways for audiences to interact with journalists and programme makers and for BBC staff and management to explain their decisions and respond to comments. The BBC's use of blogs in particular has grown significantly – see Figure **10** below. Usage of the blogs now outstrips usage of the BBC's corporate site and the *Have Your Say* message boards. In fact, usage of *Have your Say* message boards has been fairly static between 2006 and 2007.

---

[70] Details of the on-demand public consultation can be found on the BBC Trust website at http://www.bbc.co.uk/bbctrust/consult/closed_consultations/ondemand.html

Figure 10: Trend in usage of *Have Your Say*, *About the BBC* and BBC Blogs
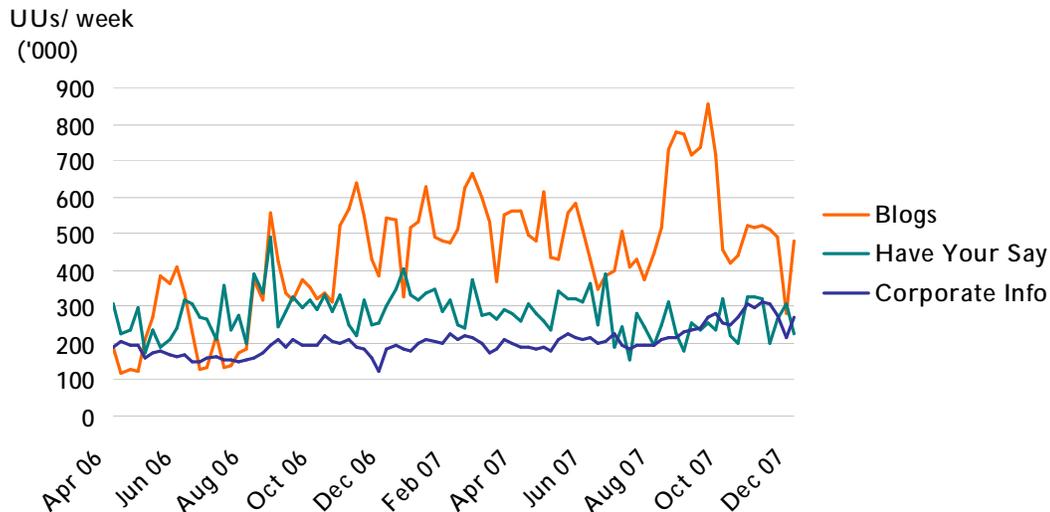
Source: Sage

The BBC's blogs are already highly appreciated by audiences. Our audience research suggests that even those who do not use them recognise their value and those who do use them are enthusiastic.

> *"The Editors' blog is a great way of developing a relationship between the BBC and viewers. It allows the editors to explain their decisions and viewers to give feedback, and thus allows a continuous dialogue between the BBC and its audience."* BBC Trust public consultation

> *"In the case of BBC news, the editors' blogs and feedback boxes do seem to encourage openness and two-way dialogue."* BBC Trust public consultation

However, while licence fee payers agree that bbc.co.uk makes the BBC more accountable, it still does not fully meet their expectations. In our public consultation, users broadly agreed that bbc.co.uk makes the BBC more accountable and acknowledged that it may have deepened their relationship with the BBC. But they questioned whether the BBC was fully committed to genuine dialogue with them.

Respondents raised questions over the usability of the complaints system and showed a low level of awareness of the opportunities that exist for giving feedback.

> *"… audiences often do not know what mechanisms are available for feedback and dialogue, and where they do try to access them can find the processes inconsistent and difficult to navigate. Council would like bbc.co.uk to simplify and clarify its*

May 2008

BBC | Trust

feedback offer to the audience. Such an offer should incorporate the use of blogs, message boards and other ways to facilitate communication on a one to many basis, where this is appropriate. It is vital that dialogue with audiences is meaningful and genuinely feeds back into the development of the service. Council notes the availability of a simple and clear complaints process on the website." BBC Trust consultation - Audience Council Northern Ireland

"There is a feedback mechanism but this generates a standard response - no idea whether the comments have been read by a human!" BBC Trust public consultation

"This is very hit and miss. There are certainly plenty of opportunities to give views about the BBC but how much attention is paid to them?" BBC Trust public consultation

Some users now expect to be able to have more direct input to content, such as being able to rate it. They are unhappy about pre-moderation of their comments.

"Although bbc.co.uk encourages user participation through user comments on news stories and in their message boards, this does not equate with the BBC becoming more accountable to licence fee payers, particularly when comments and message board posts are screened before publication. We are sceptical regarding how exactly licence payers can hold the BBC more accountable, although online consultations provide one excellent example." BBC Trust public consultation – the Voice of the Listener & Viewer

"It helps in some ways in that people can see their comments on-line, tucked away somewhere, but does it really alter anything if some content is felt worth complaining about? Give us some proper power and let us rate the content that would shake things up a bit. If a Today *interview is unbalanced let us give some rating feedback."* BBC Trust public consultation

BBC management has acknowledged that there is a challenge in adequately monitoring and managing the response to the many 'Contact us' links across the site. Audience participation is one of the areas that it intends to invest more in. We believe that this responsibility will grow as users' expectations of interactivity grow and we will monitor BBC management's efforts in this area. We address this proposal in section 5.3 of this report.

4 Governing bbc.co.uk

4.1 Introduction

In our public consultation we asked whether the Service Licence provided an adequate basis for the Trust to hold bbc.co.uk to account. During this review we found evidence to suggest that issues of financial, strategic and editorial oversight needed to be addressed. This section therefore considers these wider issues first before going on to look at the Service Licence.

Overall, we conclude that:

Improvements to management's control of the service are needed and we will restructure the Service Licence to offer better accountability.

4.2 Management controls of the BBC's online activities

External criticisms of how the BBC accounts for its online activities have persisted. Our review has shown that other operators in the BBC's markets are often concerned that the scope of the BBC's activities is unclear. We also note that this is not a new concern – it was raised in the Graf review:

> *"Currently a fundamental lack of trust in the BBC Online regime exists amongst external stakeholders. Various factors have contributed to this situation: the wide interpretation of the remit and the early expansion, followed by changing priorities; poor communication; a links policy which seems unfair and discriminatory; a mobile strategy that has been poorly communicated; and, finally, opaque financial information."* [71]

In this section we present our analysis of the effectiveness of management control of the service and the changes that we will be requiring in the way bbc.co.uk accounts for its activities both to licence fee payers and to other operators.

We do not believe that the financial accountability for this service has been sufficiently effective. Our review has revealed a number of weaknesses. In particular there was no effective centralised financial oversight of the service as a whole. This was evident in inaccurate forecasting and reporting of spend. As a result, a significant breach of the agreed Service Licence budget in 2007/08 was not foreseen by management.

---

[71] Report of the Independent Review of BBC Online, page 9

May 2008

BBC | Trust

The Trust set an initial Service Licence baseline budget for bbc.co.uk in January 2007. A baseline budget of £72million was set in consultation with management by reference to past spend on the service, the budget in 2006/07 and future plans. There was no suggestion at this point that the proposed service budget would need to rise substantially in the coming years.

Actual expenditure against this budget in 2006/07 was £83.2million. As the Service Licence regime only began three months before the end of the financial year, management was not required to report against Service Licence budgets for this period and the overspend did not require the Trust to take any action.

When the Trust approved the pan-BBC budget for 2007/08, it considered the budgets for each service and raised all baseline budgets by 3% to allow for inflationary pressures. This took the bbc.co.uk baseline budget to £74.2million for 2007/08.

The actual budget allocation proposed by management for bbc.co.uk for 2007/08 was £80million. This was 8% over the baseline and within the 10% tolerance permitted by the Service Licence. BBC management was confident that it would keep bbc.co.uk within its Service Licence budget so it did not appear necessary to reset the baseline.

The outturn for 2007/08 shows that spending on the service exceeded the baseline budget by 48%[72]. The regular financial reports received by the Trust during 2007/08 did not forecast this outturn - in fact in January 2008 the service was forecast to end the year within 5% of the Service Licence baseline. It is important to note however, that the outturn for 2007/08 does not reflect an overspend by the BBC as a whole and is mostly attributable to a misallocation between different cost centres, as we explain below.

The true level of expenditure was only revealed as a result of this review. When asked to provide the Trust with financial data for this review BBC management reviewed the cost allocations to online activities in each output division and found that these were not consistent. When they were made consistent, the outturn was expected to be £85.1 million, or 15% over the baseline budget and beyond the upper limit of permitted spend (baseline +10%). This higher level of expenditure arose primarily from the creation of additional content for bbc.co.uk.

BBC management subsequently identified a further £13.8million of costs that should have been allocated against the service. These costs were attributed to the increasingly blurred definitions of spend on publishing online content and site maintenance and that required to develop new technology applications and upgrade the BBC's infrastructure. We acknowledge that, given the fast-changing nature of online activities, some blurring of boundaries is inevitable and that this presents a challenge to financial accountability. However, we believe that this problem should have been identified sooner and appropriate action taken.

---

[72] Budget outturn figures for 2007/8 are subject to final audit clearance

At the same time, BBC central finance found that some overhead costs were not being fully absorbed into the costs of BBC services. This contributed an additional £11.1million to bbc.co.uk's total stated costs in 2007/08. This reallocation of overheads affected the budgets for all BBC services, not just bbc.co.uk, and has been reflected in the new baseline budgets published by the Trust in April 2008.[73]

The cumulative impact of the reallocations and overspending described above is shown in Figure 11 below.

Figure 11: Comparison of bbc.co.uk expenditure against its budget in 2007/08 (Figures exclude spend on iPlayer)

	£millions
Service Licence baseline 2007/08	74.2
Upper limit of permitted spend (+10%)	*81.6*
Forecast outturn for 2007/08, reported in Jan 2008	78.0
Revised forecast outturn for 2007/08, reported in Feb 2008	85.1
Reclassification of costs	13.8
Reclassification of overheads	11.1
Final outturn for 2007/08	110.0
% variation against baseline	48%

The current management structure of bbc.co.uk appears to be the main reason for the service exceeding its budgetary parameters. Before April 2007, spending on bbc.co.uk was directly overseen by the BBC's New Media division. However, from that date a reorganisation[74] within the BBC saw budgets for content spend devolved to budget holders within the three new 'output divisions' - Vision, Journalism and Audio & Music - whilst technology activities and spend were brought into a new Future Media & Technology division. This reorganisation was designed to give the output divisions greater autonomy in commissioning online content alongside linear output and so move to a more integrated model of commissioning and production. However, from a financial perspective it meant that spending on bbc.co.uk could only be tracked if spending across a number of divisions was consolidated effectively at some point.

Leaving aside the reallocation of overheads, we conclude that the devolved management structure of bbc.co.uk, while clearly offering many advantages in terms of integrating online with the BBC's other activities, meant that BBC management no longer had effective control of bbc.co.uk as a single service and was not able to set a

---

[73] Service Licence budgets including this reclassification of costs were all changed and reissued by the Trust in April 2008 – see Trust website for details at:
http://www.bbc.co.uk/bbctrust/framework/bbc_service_licences/index.html

[74] See BBC management submission, page 7 for an outline of the organisation structure

BBC | Trust

realistic budget for the service in the first place or make sure that spending against the agreed budget was controlled.

The lack of financial accountability has led to a serious breach of the Service Licence and remedial action is required. This review has already resulted in greater clarity about the service's financial position and it is essential that management now takes further steps in that direction. These should include developing clear guidance and principles for cost allocation, mindful of the fast-moving nature of the market in which the service operates and the potential blurring of boundaries between different types of spend. Systems and processes will also need to be improved to ensure that reliable data is collected and reported on.

Given the importance we attach to financial accountability and the Trust's need for a high degree of data assurance, we will require management's proposals for improvement to be subject to an independent review by the BBC's auditors. We believe that our plan to break down the Service Licence into more manageable budget elements will also be of assistance in providing improved internal and external accountability (see section 4.3 below).

Throughout this review we have met commercial operators who have told us that improved financial accountability, with full disclosure to the Trust of detailed budgets as appropriate, is the key to building trust in the BBC's fair trading arrangements. Most importantly, we believe that proper financial accountability for the BBC's online activities is in the interests of licence fee payers.

The devolved nature of the BBC's management of online activities has also made it difficult to discern the service's overall strategic direction. In the course of this review we have found it hard to gain a clear understanding of the BBC's planned strategic direction in online activities, such as mobile. This is in large part because investment plans have been presented to us according to output division, rather than from the perspective of the service as a whole. In turn, this has made it difficult to assess the effectiveness of management plans in creating public value.

The relative lack of clarity about the service's strategic direction was raised as an issue during the Graf review. In our discussions with external stakeholders we found that they have difficulty in obtaining information and point to the lack of a clear point of contact who can give an account of the BBC's overall online activities. This has obvious implications for the effectiveness of BBC relationships with the wider industry and may well explain why there remains an element of concern about its plans. In future we will expect greater clarity from BBC management about the service's strategic direction in its dealings with both the Trust and external stakeholders.

We also believe that bbc.co.uk needs stronger central editorial control. In our discussions throughout this review, BBC management has acknowledged that bbc.co.uk can lack consistency in look and feel, does not allow users to navigate easily across different subject areas, and has very different approaches to external linking on different parts of the site. There is also agreement that bbc.co.uk lacks consistent

standards in its interaction with its users by, for example, message boards and other feedback mechanisms (see section 3.7 for more detail on our findings on these questions). We are pleased to note that BBC management has begun to address these issues by establishing a central editorial team and that it is planning investment to support the necessary changes, particularly in relation to participation, interactivity and search and navigation.

Some commercial operators have argued for bbc.co.uk to be broken down into a number of different Service Licences. One of the reasons why we do not agree with such a change is that we believe that the service is more than the sum of its parts and that there is great public value to be unlocked by effective editorial oversight that makes linkages between the service's discreet parts and creates a coherent editorial proposition in the interest of licence fee payers.

More effective editorial control is also necessary to ensure that the service is distinctive. As we report in section 3.4, the management of bbc.co.uk has not so far worked to an agreed definition of distinctiveness and has not had a consistent process for assessing whether or not either the existing content of the site or any new editorial propositions are distinctive. Given that distinctiveness is a key requirement of the service, we believe there needs to be improvement here and have set out clear criteria against which distinctiveness should be assessed.

We are asking BBC management to demonstrate more clearly how the service delivers public value, including taking market impact into account. We believe that the more effective financial, strategic and editorial controls that we have outlined above are key requirements for the service. However, if the Trust is to have the necessary assurance that public value is being maximised without undue negative market impact, we believe that management will need to design a rigorous system of assessment of content and services that takes into account the following factors both prospectively (in the case of new propositions) and retrospectively (in terms of existing offerings):

- Public value - contribution to the public purposes, underpinned by reach, quality, impact and value for money

- Distinctiveness - to be considered both 'top down' (ie. overview) and 'bottom up' (at individual site level) for both new and existing propositions.

- Potential market impact - Due to bbc.co.uk's scale and its position as leader in many segments of the online market (news, sport, etc.), there is clear potential for negative market impact (such as foreclosure of new markets). This needs to be considered with regard both to major developments, which the Trust needs to approve, and to the cumulative impact of smaller-scale changes. In doing so, BBC management must show awareness of the different types of market in which it operates – the local as well as the national or international, the nascent as well as the established, and show willingness to engage with stakeholders in these markets as appropriate.

May 2008

63

We believe that more robust management and control of bbc.co.uk, combined with effective Trust oversight, is the right approach. We note that BBC management acknowledges, in its submission[75] to this review, that there needs to be an improvement in how the BBC's online activities are held to account. Given the respective roles of the Trust and the Executive Board set out in the BBC's Charter, we believe that stronger management control, combined with oversight by the Trust, will be the right approach. We also believe that this is the only practicable approach in a fast-moving market, allowing the BBC the flexibility to change and innovate on the one hand while being properly mindful of competitive impact issues on the other. However, the system will only work if it is rigorous, has a clear structure of responsibility within management, and places an explicit duty on management to refer issues of significance to the Trust.

We are asking the Executive to seek Trust approval for a new management system for bbc.co.uk within six months of this review's publication. The proposals must give the Trust the assurance it needs that there will be effective financial, strategic and editorial control and a rigorous system put in place to assess bbc.co.uk's content and services in terms of the public value they deliver, their distinctiveness and their market impact, as outlined above. We will also expect to approve proposals for appropriate and timely reporting to the Trust. We will publish our decision on management's proposals.

While appreciating the excellence of the service, we ask the management to note our finding that the restructuring that took place in 2007 – whatever its advantages – seems to have had an adverse effect on bbc.co.uk's accountability and that it has resulted in bbc.co.uk being treated more as a platform than as a discreet service. While we accept that the organisational structure of the service is a question for management, we believe it right to highlight this finding given the great importance we attach to the question of accountability.

We will review the effectiveness of the new management system for bbc.co.uk a year after its implementation. We have made it clear that the changes we expect are in the public interest. We therefore think it appropriate to review the effectiveness of the new management system a year after its implementation so that we can be sure that it is addressing the needs we have identified. That review will include some form of consultation with stakeholders.

4.3 Governing bbc.co.uk – the Service Licence

---

[75] BBC management submission, page 128

BBC | **Trust**

We plan to restructure the Service Licence to provide greater external accountability for the BBC's online activities.

The Service Licence is the basis on which the Trust governs bbc.co.uk. Service Licences are required by the BBC's Charter and Agreement for all of the BBC's UK public services. They are required to set out the scope of the service, its aims and objectives and its baseline budget.

In deciding which activities require a service licence, the Trust is required to have regard to three considerations, weighing them up in order to reach its decision. The considerations are:

- a presumption that activities which involve the commissioning of content and its scheduling or distribution may require a Service Licence

- giving the greatest benefit and clarity to licence fee payers and what makes most sense to them

- the potential benefits of such a decision in providing certainty as to the scope of that service and opportunities for consultation with other operators in the market.

In defining the contents of a Service Licence, the Trust should have regard to the needs of licence fee payers and others who may be affected by the service.[76]

The Trust has twice consulted publicly on the Service Licence for bbc.co.uk. We have done so in the interests of meeting fully the requirements set out in the Charter and Agreement. In early 2007, the Trust consulted publicly on the contents of all Service Licences.[77] We aimed to find out whether each was sufficiently accurate and comprehensive, and whether, taken together, they would serve the purposes they were designed for.

Responses to that consultation from other operators in bbc.co.uk's markets made it clear that there were some concerns that, given the broad scope of the BBC's online activities, a single Service Licence did not offer them sufficient certainty as to its parameters. The other major concern which became apparent was the lack of transparency over the development of the BBC's online activities – mobile was a clear example of this.

These comments suggested that an aim set out by the Department of Culture Media and Sport in its Green paper on BBC Charter Review had not been met in full by the first version of the bbc.co.uk Service Licence:

---

[76] BBC Agreement, clauses 16-18. This can be found on the BBC Trust website at: http://www.bbc.co.uk/bbctrust/framework/charter.html

[77] Details of this public consultation and a summary of responses to it can be found on the Trust website at http://www.bbc.co.uk/bbctrust/consult/closed_consultations/service_licences.html

BBC | Trust

"We expect the service licence developed for bbc.co.uk to provide a high level of clarity, for all interested parties, about the boundaries of the site." [78]

On this basis, we included consideration of the effectiveness of bbc.co.uk's Service Licence in the terms of reference for this review. In our public consultation we asked: *does the Service Licence provide an effective basis for the Trust to hold bbc.co.uk to account?*

Public consultation for this review has confirmed that stakeholders do not believe the current Service Licence offers adequate accountability for the BBC's online activities. The bbc.co.uk Service Licence is not seen by other operators in its markets to offer sufficient transparency about the BBC's online activities.

" It is anomalous that BBC TV merits nine separate licences (BBC 1, BBC News 24, CBeebies etc.), BBC radio merits a further sixteen licences (Radio 4, BBC 7 etc), yet bbc.co.uk - the most significant area of major expansion over the last decade, only merits two licences. Given the breadth and reach of bbc.co.uk this is inadequate and fails to provide commercial operators with enough certainty as to the services' parameters." ITN response to BBC Trust public consultation

As well as these organisations, audiences in the nations do not appear to believe that the Licence offers sufficient clarity on the scope of online output for them:

"The licence makes no specific requirements of bbc.co.uk for audiences in the UK nations. ACS recommends detailed licences for the national services to allow for more effective oversight of services in the nations." BBC Trust public consultation - Audience Council Scotland response

"To provide an effective basis for holding the BBC accountable for the Nations' online services the bbc.co.uk Service Licence should have appendices covering the Nations' services, as do the BBC One and BBC Two Service Licences." BBC Trust public consultation - Audience Council Wales response

We plan to restructure the Service Licence for bbc.co.uk. We think that changes to the bbc.co.uk Service Licence are due in order to allow the Trust to use it to govern the BBC's online activities with greater transparency and will be of great assistance in demonstrating the improved financial accountability which we believe is necessary.

We plan that there would still be a single Service Licence for bbc.co.uk, covering its remit, aims and objectives and its contribution to the BBC's public purposes across all of its editorial areas. The evidence we have considered for this review has demonstrated the value of close links between different areas of online activity.

---

[78] Department for Culture, Media & Sport: Review of the BBC's Royal Charter – A strong BBC, independent of government, March 2005. This can be found on the DCMS website at: http://www.culture.gov.uk/Reference_library/Press_notices/archive_2005/dcms033_05.htm

BBC | Trust

However, we intend to create an annex for each of six areas which would go much further in setting out clear parameters for the BBC's activities. Each annex would set out the main activities and parameters for each editorial area, together with a baseline annual budget.

Our selection of the six areas which should have a separate annex is based partly on how these activities are managed within the BBC, in order to offer assurance that there can be accountability for activities, but it also reflects the fact that bbc.co.uk is operating in a range of discreet markets – news, online audio, local content, etc. – where the BBC needs to demonstrate greater transparency about the scope of its activities.

The areas for which we propose a separate Service Licence annex are:

1. News (national & international news, text and embedded audio and video)
2. Sport (text and embedded audio and video)
3. Nations and local (*Where I Live*, nations' sites, etc. To include local video if approved) [79]
4. Formal learning (including BBC Schools, *Bitesize*, *Learning Zone* and *Skillswise*)
5. Audio & music (music content, radio station and programme sites, on-demand and download audio)
6. Vision (television channel and programme-related sites, plus stand-alone web content not covered by categories 1-4 above, such as lifestyle, web dramas/games, embedded video clips and on-demand broadcast video)

We have considered whether the BBC's online offerings for mobile devices should be covered by a separate annex but consider that, as content offered is a reversion of existing online content, rather than bespoke, such an annex is not required at present. However, the Trust will monitor closely how the BBC's offerings for the mobile market develop and may decide that a separate annex is required to cover them in the future.

---

[79] We are currently considering whether local news should sit in nations and local or the main news annex

BBC | Trust

5 Future development of bbc.co.uk

5.1 Introduction

The Trust's programme of service reviews will often be guided by changes in external factors such as technology and audience behaviour. The Trust's decision to review bbc.co.uk was taken partly in recognition of the speed at which the internet market and usage of the internet are changing.

The first part of this section provides an overview of the changes which have occurred in UK users' online behaviour. The second part outlines the changes BBC management is proposing to make to bbc.co.uk and how we intend to approve these proposals.

Overall:

We endorse the development of the service but will not approve new investments until we have considered their likely public value and approved proposals for improved management control.

5.2 Market developments since the Graf review

We commissioned a report from Changing Media on the changes to internet usage in the UK to inform this part of the review.[80] The full report is provided as Annex 2 to this report and this section provides a summary of its key findings, together with other relevant evidence we have gathered. Unless otherwise indicated, findings in this part of the report draw upon Changing Media's work.

The main changes which have taken place in UK internet usage over the past three to four years are as follows:

- The internet has continued to grow in popularity: take-up has grown significantly and mobile access to the internet may be beginning to take off. Internet usage is becoming "like breathing"[81] to many.

- New types of activity and sites have become popular very quickly: social networking and sites encourage users to submit and share their own content (photos, videos, etc.). Broadband has enabled easier up- and downloading of audio and video content. As a result, the internet has become more of an entertainment medium, rather than just a source of information.

---

[80] Changing Media: *UK Internet Usage 2007*, December 2007
[81] Sparkler: *Service Review of bbc.co.uk. Qualitative Research Report*, December 2007

BBC | Trust

- User preference for more established activities has also changed: search engines (Google in particular) are currently "king"[82], while reliance on portals is declining.

The internet has continued to grow in popularity: take-up has grown significantly. From early 2005 to the end of 2007, internet penetration in the UK rose from about half to two-thirds of the population, a compound annual growth rate of 7%. Take up of broadband has grown considerably faster, with a compound annual growth rate of around 45%. Ofcom estimates that, by mid 2007, over half of all UK households had a broadband connection.

While take-up of the internet will continue, we expect the rate of growth to slow down. This would result in a digital divide which could become entrenched. We examine the BBC's role in driving take-up of emerging communications in section 3.3.7 and its role in digital media literacy in section 3.3.2

Mobile access to the internet may be beginning to take off. Many more internet-enabled devices are now available – from mobile phones to handheld games consoles. Mobile access to the internet may also be encouraged by mobile network operators beginning to offer fixed-price web browsing services, as subscribers will be confident they can afford to go online.

Between 2005 and 2007, use of mobile phones to access the internet grew from 10% to 21%. While mobile internet access still remains a minority pursuit, the doubling of usage in the past three years suggests that it may now be beginning to take off.

As a result, internet usage is becoming "like breathing"[83] to many people. The audience research for this review concluded that internet usage for a growing range of purposes has become such an everyday activity for people of all ages that life without it is unimaginable to many. The average amount of time spent online has increased in the past three years as has the proportion of those who use the internet every day. The age groups with the highest average time spent online are 18-24 year olds and the over 65s.

The type of website used is changing, driven by the growth of 'web 2.0' **functionality.** The most frequently used applications are search and portals, while forms of communication (email, instant messaging and social networking) are the most time-consuming online activities).

Figure 12 below shows how the list of top 20 most visited websites in the UK has changed between 2005 and 2007: Google's pre-eminence has grown, social networking and user-generated content sites have appeared as if from nowhere (see those highlighted below), while many of the first wave of internet companies are struggling to compete. We examine these trends below. In addition, the BBC's popularity has grown steadily during this time – we examine this in section 3.2.

---

[82] ibid

[83] ibid

Figure 12: Top 20 websites in the UK in 2005 and 2007

2005		2007	
Site	Unique users(millions)	Site	Unique users(millions)
1. Google	12.9	1. Google	27.7
2. MSN	12.2	2. MSN/Windows Live	18.0
3. Microsoft	11.0	3. BBC	16.6
4. Yahoo!	9.0	4. Yahoo!	16.6
5. BBC	8.2	5. eBay	14.7
6. eBay	8.2	6. Amazon	14.4
7. Amazon	5.5	7. YouTube	10.6
8. Wanadoo	4.9	8. Microsoft	10.0
9. AOL	4.4	9. Facebook	8.9
10. Ask Jeeves	3.8	10. Wikipedia	8.8
11. Kelkoo	3.3	11. Argos	7.8
12. Multimap.com	2.9	12. Ask	7.4
13. Dell	2.9	13. AOL	7.3
14. Tesco	2.7	14. Tesco	6.9
15. Tiscali	2.6	15. Fox Interactive	6.5
16. Lycos Network	2.4	16. Lycos Europe	6.0
17. Paypal	2.4	17. PayPal	6.0
18. BT	2.3	18. Play.com	5.4
19. Lycos Europe	2.3	19. Virgin Media	5.0
20. Argos	2.2	20. Blogger	4.9

Source: Nielsen, January 2005 = home usage only;
2007 = home & work usage, December only; excludes internet applications

Search engines (Google in particular) are currently "king"[84] while reliance on portals has declined. Figure 12 above shows how Google has consolidated its position as the most visited website amongst UK users.

Faced with an ever-increasing volume of content, users are moving away from internet portals to search engines. By 2007 two-thirds of UK internet users made use of search engines to find information compared with just a fifth in 2005.

Broadband availability has enabled easier up- and downloading of audio-visual content. This has resulted in a move by text-based websites (including the

[84] ibid

BBC) to begin offering audio-visual content: many national UK newspapers now offer podcasts and video news as well as online versions of their print editions.

As a result, the internet has become more of an entertainment medium, rather than just a source of information. While newspapers are using audio-visual output to support their text-based news, much of the audio-visual content now available online, such as Youtube, is geared to entertain, rather than inform users. Simulated reality and computer games (*World Warcraft*, *Second Life*, etc.) and gaming (especially poker) sites are highly immersive for some users – average time spent per person can be very high. These trends are establishing the internet as a source of entertainment, rather than just a source of information. This is particularly true amongst male users and young adults. In 2007, 63% of full-time students accessed entertainment sites and 55% visited video sites. [85]

The growth of social networking has been extremely rapid. Social networking sites such as MySpace and Facebook (which is now the ninth most popular website in the UK, despite having only launched in 2004) have grown very rapidly. Worldwide, it is estimated that more than one billion people now belong to a social networking site, with over 100 million people logging in daily. [86]

In the UK, social networking is most popular among young adults: 42% of students are active social networkers, compared with 15% of the overall population. Since social networks offer a means of communication, average time spent on them is considerably higher than on other types of sites. They are also being used increasingly as a marketing medium by, amongst others, media companies including the BBC.

The BBC has no plans to develop its own social networking facilities, although it has launched a site with social media features for children. However it aims to allow some of the characteristics of these sites (such as personalisation and other forms of interactivity) to influence how users behave on bbc.co.uk.

Sites which encourage users to submit and share their own content have also grown rapidly. As shown in Figure 12, above, YouTube is now the seventh most popular website in the UK and Wikipedia the tenth.

Web content creation has grown from an extreme minority pursuit to one where around 10% of internet users participate in some way. New web development techniques have driven 'web 2.0' functionalities such as allowing users to rate, recommend and personalise content, as well as allowing for portable 'widgets' which can be moved across web sites, allowing site owners and consumers to share and aggregate content very easily.

As the volume and variety of user-generated content (UGC) grows, barriers may be falling in some areas between established professional media and amateurs. We discuss

---

[85] Nielsen, 2007
[86] PC Pro, Comscore, Social Networking reaches one billion users , 20 September 2007

BBC | Trust

the implications of UGC for the BBC's journalism in section 3.3.2. We also cover the need for the BBC to promote digital media literacy – which now includes enabling users to create their own content – in section 3.3.2.

5.3 The development of the BBC's online activities

In this section we outline management's plans for development of bbc.co.uk this year and beyond. As we explain more fully in section 5.4, our approval of the new investment required to achieve these developments is pending the agreement of management proposals for a new system of management of the service, as outlined in section 4.2.

At that point, we will consider the proposals in detail and publish details of what we have approved. In some areas, a public value test will be required before the Trust takes a decision.

bbc.co.uk has developed steadily since 2005. As we explained in section 1.3, the main developments have been:

- bbc.co.uk has grown as an on-demand platform for BBC television and radio content, offering streamed and downloadable audio and video content. The launch of podcasts and the launch of iPlayer at the end of 2007 were notable stages in this development.

- bbc.co.uk offers more opportunities for interaction and user-generated content, although usage of it remains more passive than some newer 'web 2.0' sites.

- BBC online content is becoming available outside the boundaries of the site itself. BBC content is being 'atomised' and marketed across other websites and made available direct to users via RSS feeds and other methods.

- Finally, the website is beginning to be accessed by users on mobile devices, as well as fixed connections.

The Trust recognises that online is now a key platform for delivering the BBC's public service remit. When the Trust approved the BBC's high-level six year plan in October 2007, it agreed with BBC management that the radical and accelerating change in technology, markets and audience expectations should lead to a greater emphasis on the BBC's online and on-demand offerings, which would be at the expense of investment in linear broadcast services in some areas.

The six year plan indicated that the budget for bbc.co.uk would need to increase significantly in real terms by 2012/13, while spending on nearly all other BBC services would reduce over this period. BBC management has since made clear its intention to front-load the new investment in bbc.co.uk, with a proposed increase in funding of around £39million in 2008/09.

BBC management set out its strategy for developing online activities in its submission[87] **to this review.** In the interests of transparency, we think it is useful to include here, in high-level terms, the types of new investment BBC management plans to make. We will be reviewing detailed plans for each area later this year and will publish further information when we give our approval.

1. <u>Programme sites and new web-only content</u> would cover investment in programme support (including automated webpages and enhanced web support)[88], stand-alone internet elements, such as the planned "Earth" proposition and some broadband video sports coverage, plus the potential continuation of a limited offer of archive programming.[89]

2. <u>Audience participation and interactivity</u> would aim to improve how the BBC's local and nations' sites handle the large volume of emails, texts and other audience feedback they receive and to encourage audiences to be creative with their content. The Trust supports the aim to handle public feedback better, as this has been shown to be below expectations at present (see section 3.7 of this report).

3. <u>Search and navigation</u>: would aim to improve links, navigation and standardisation of bbc.co.uk's user interface, in order that users could move between areas and find content they want more easily. In principle, the Trust would support this development, as the evidence gathered in this review demonstrated the additional value this might unlock.

4. <u>Personalisation</u>: would allow users to rate, tag, annotate and recommend BBC content.

5. <u>Mobile and IP platforms</u>: would enable access to bbc.co.uk content by non-standard IP platforms such as mobile, TV and WiFi radio. This would not include any significant amount of content made specially for these platforms and BBC management has assured the Trust that it will seek approval for any such developments.

6. <u>Syndication</u>: some further investment would be made in activities which enable syndication of bbc.co.uk content and embedding of it in other sites, subject to rights agreements.

These investments would be across all editorial areas of bbc.co.uk.

---

[87] BBC management submission, page 112

[88] ibid, pages 80-81 and page 50

[89] We have not considered the archive as part of this review, but the Trust is separately reviewing the outcome of BBC management's trial and will be considering management's plans for further development of archive activities.

May 2008

5.4 Conclusions on the future of bbc.co.uk

bbc.co.uk is an excellent service of growing value and importance to licence fee payers. This review has confirmed to us that this service now plays a critical role in the BBC's ability to build public value by delivering its public purposes.

As we have shown, audiences value bbc.co.uk very highly indeed. It is one of the UK's leading online destinations and is particularly valued for its overall range and depth and for its offerings in news, sport and factual/educational content. It is seen as being of very high quality by users and is widely regarded as a standard-setter both editorially and technically. That said, there is still room for improvement, particularly in the areas of internal search and navigation and external linking.

The internet is changing fast and in many ways. It has also become clear from this review that, as a medium, the internet has reached something of an inflexion point. Since the Graf review three years ago internet usage has continued to grow apace and has become "like breathing" to many people. New types of activity have become popular, apparently overnight – in particular the uploading and downloading of audio and video content made possible by broadband, which is fast transforming the internet into an entertainment medium as much as one focused on information; the growing tendency of users to submit and share their own content with others, often on social networking sites; and the emergence of search engines as the key means of users finding content that is of value to them.

We agree with management that bbc.co.uk needs to adapt to reflect these important changes. We believe that without investment in content and such areas as improved search and navigation, personalisation and audience participation, the service will lose appeal for audiences and will thereby be hampered in its ability to promote the public purposes.

However, the BBC must be mindful of its impact on the different markets in which it operates. While the BBC can and should be of benefit to the development of the internet, we are acutely aware that it can be a cause of concern to many commercial operators, some of whom we engaged with extensively during the course of this review. The lack of transparency over the BBC's spending on online activities, uncovered during the course of this review, will no doubt exacerbate this in the short term. However, over the past three years there have been very large increases in online advertising spend and the BBC's spending is therefore, as Ofcom notes in the Phase 1 report of its current public service broadcasting review[90], declining as a share of the total online market. While this may be the case at aggregate level, the BBC nonetheless has the potential to have major impacts in specific markets that might not be in the interests of the wider public.

We believe that a cautious approach is in the interests of both licence fee payers and the commercial sector. Given that this review has highlighted some

---

[90] Ofcom: Second PSB Review, phase One: The Digital Opportunity, April 2008, page 79

BBC | Trust

weaknesses in terms of management's financial, strategic and editorial control of the service, we need to proceed with caution in approving proposals for new investment. It is in the interests of licence fee payers for us to make sure that their money is being spent as effectively as possible on high quality, distinctive content and services that promote the public purposes and that development of these takes account of any potentially negative market impact.

We are withholding approval of new investment plans until we are satisfied with proposals for improved management controls and have considered the investment proposals further. We believe this to be a prudent and fair approach that properly puts the onus on the BBC's management to address key issues highlighted in this report.

The Trust has reset the baseline Service Licence budget for bbc.co.uk. This baseline does not include the new investments which BBC management plans to make in the service in 2008 and 2009. An increase of the budget to incorporate the funding for these plans will only be made when the Trust is satisfied by the new management arrangements of bbc.co.uk and once we have considered the various proposed new investments in more detail, taking into account questions of public value, distinctiveness and competitive impact.

The new baseline budget for bbc.co.uk is set at £114.4million[91]. This incorporates an iPlayer budget of £3.9million and an increase of £0.5million on the outturn for 2007/08 of £110.0million, in order to take general inflation and planned efficiency savings into account.

In two areas, BBC management has proposals that will be considered by the BBC Trust and will be subject to a public value test. BBC management proposes new investment in a skills-based online formal learning offer which the BBC Trust will subject to a public value test later this year. BBC management also proposes to enhance the local and nations' sites in 2009, including the introduction of broadband local video content. The BBC Trust expects to consider this proposal soon and we also expect to apply to apply a public value test.

---

[91] Subject to final audit clearance of the 2007/8 outturn

May 2008

BBC Trust