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IWA Cardiff Media Summit 2017

The Future of Media in Wales



#IWAMedia



Wales – Media

- Availability of communications better, but range of content much narrower
- BBC & ITV output & spend on English language TV down, programme range narrower
- S4C - first ever funding cut
- Ownership of commercial radio consolidating - severe drop in locally originated output
- Print circulations of Welsh newspapers falling; monetising online usage a challenge
- Digital platforms increased access to news, but forensic capacity of journalism down



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Wales – Media Challenges

- Delivering portrayal
- Extending presence of Welsh issues in radio
- Implications if indie production moves to 2 main owners– a broadcaster & private capital
- Consultation process on Ofcom’s proposal for BBC Operating Licence
- Effective NEDs for BBC Wales
- Sustaining plurality of professional journalism at local & Wales level
- Wales in network news
- Coherent, holistic Welsh-language service

www.doo.vote/iwamedia

The Future of Media in Wales

IWA Media Summit 2017

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Film/Television

21st Century Fox, Arqiva, BBC, BBC Trust, BBC Worldwide, Bein Sports, Bertelsmann, Box Plus, Channel 4, Digital UK, Discovery Communications, Endemol Shine, Fox Networks, Foxtel, Freeview, IMG Media, ITV, Ludorum, Miramax, NBCUniversal, ProSiebenSat.1, Scripps, SevenOne Media, Sky, Sony Pictures, STV, Turner Broadcasting, UKTV, Viacom, Virgin Media, Vivendi, Walt Disney, Warner Bros, YouView

Agencies

Dentsu Aegis, Engine, Grey, GroupM, GTB, Hogarth & Ogilvy & Mather, J. Walter Thompson, Kantar, Karmarama, Kinetic, MEC, M/ Six, Maxus, Mediacom, Mindshare, Publicis, WPP, Wunderman, Xaxis, Young & Rubicam

Publishing

Archant, Cedar, Centaur, DC Thomson, DMGT, Dorling Kindersley, Dow Jones, ESI Media, Financial Times, Future, Guardian Media Group, Haymarket, Hearst Magazines, Magnetic Media, Holtzbrinck, Immediate Media, Johnston Press, News UK, Newsworks, NLA Media Access, Penguin Random House, Telegraph Media Group, Time Inc, Trinity Mirror, Which?

Telecoms

BT, EE, H3G, Liberty Global, Openreach, Post Office, Samsung, TalkTalk Group, Telefónica, Tesco Telecoms, Utility Warehouse, Vodafone, Vonage UK

Public Sector

DCMS, EBU, European Commission, Ofcom, National Audit Office

Music/Radio

Bauer Radio, BMG Rights Management, Communicorp, EMI Music Publishing, Pandora, PRS for Music, Sony Music Entertainment, Spotify, Universal Music, Wireless Group

Professional Services

Accenture, Afiniti, Allen & Overy, Atos, Baringa Partners, Bain & Co, Deloitte Consulting, Edelman, Ernst & Young, KPMG, Linklaters, McKinsey, Miles 33, OC&C Strategy, Oliver & Ohlbaum, PwC, Russell Reynolds, Tata Consultancy Services, Venture Consulting, XIX Entertainment

Tech

AutoTrader, DAZN, Facebook, Google, Jobsite, Microsoft, NTT Data, RadiumOne, Yahoo!

Funds

Aberdeen Asset Management, Baillie Gifford, Cedar Rock Capital, Cenkos Securities, Highfields Capital Management, LionTree, Morgan Stanley Investment Management, Veritas Investment Management, CapeView Capital LLP

Investment Banks

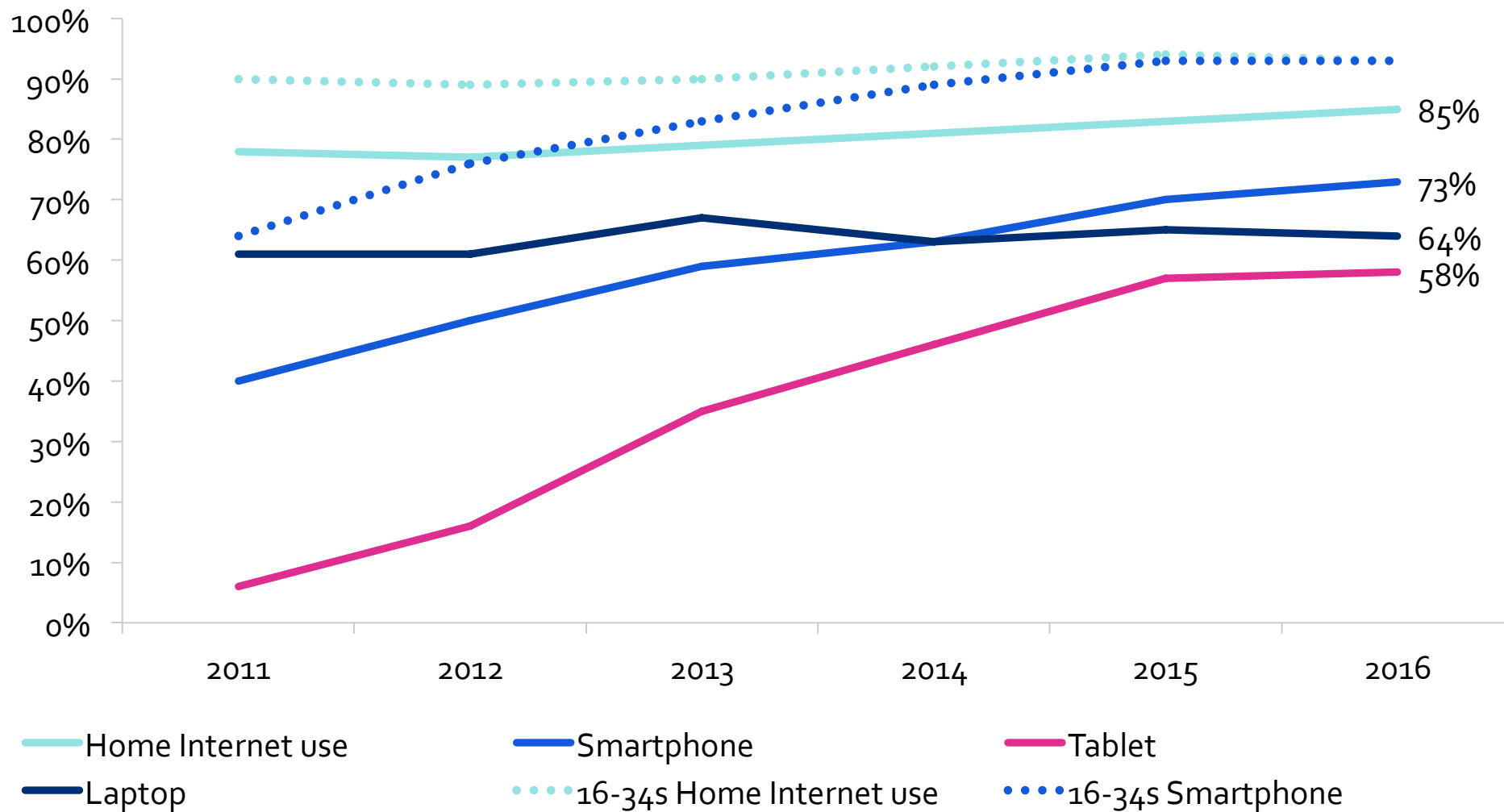
Allen & Co, Barclays Capital, BNP Paribas, Citigroup, Lepe Partners, Moelis & Co, NM Rothschild, The Raine Group

Private Equity/VC

Apax, Cinven, Gloo Networks, Permira Advisors, Providence Equity, Usaha Tegas

The UK is connecting across multiple devices

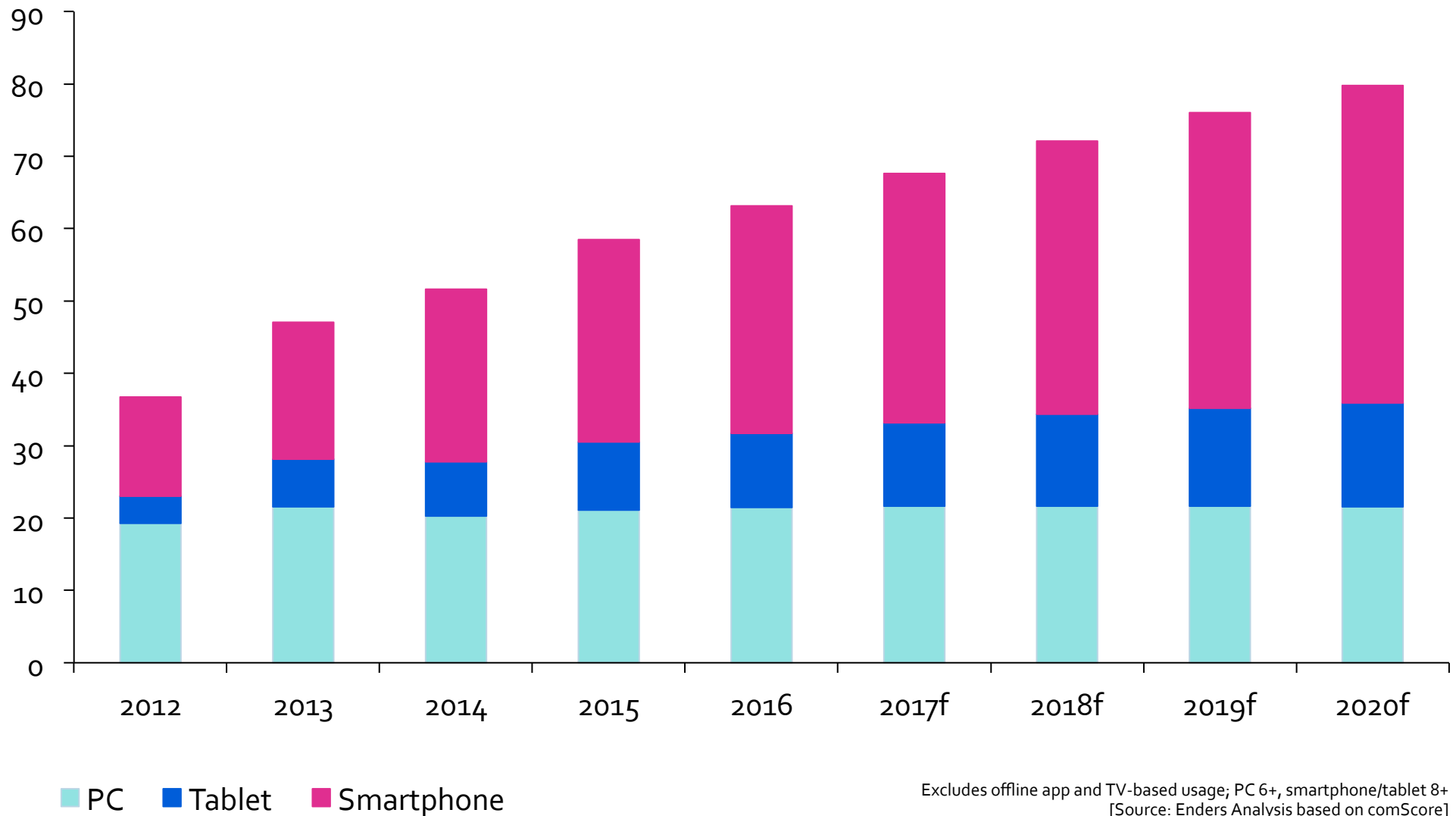
UK connectivity: take up



[Source: Ofcom Tech Trackers H2 or Wave 3]

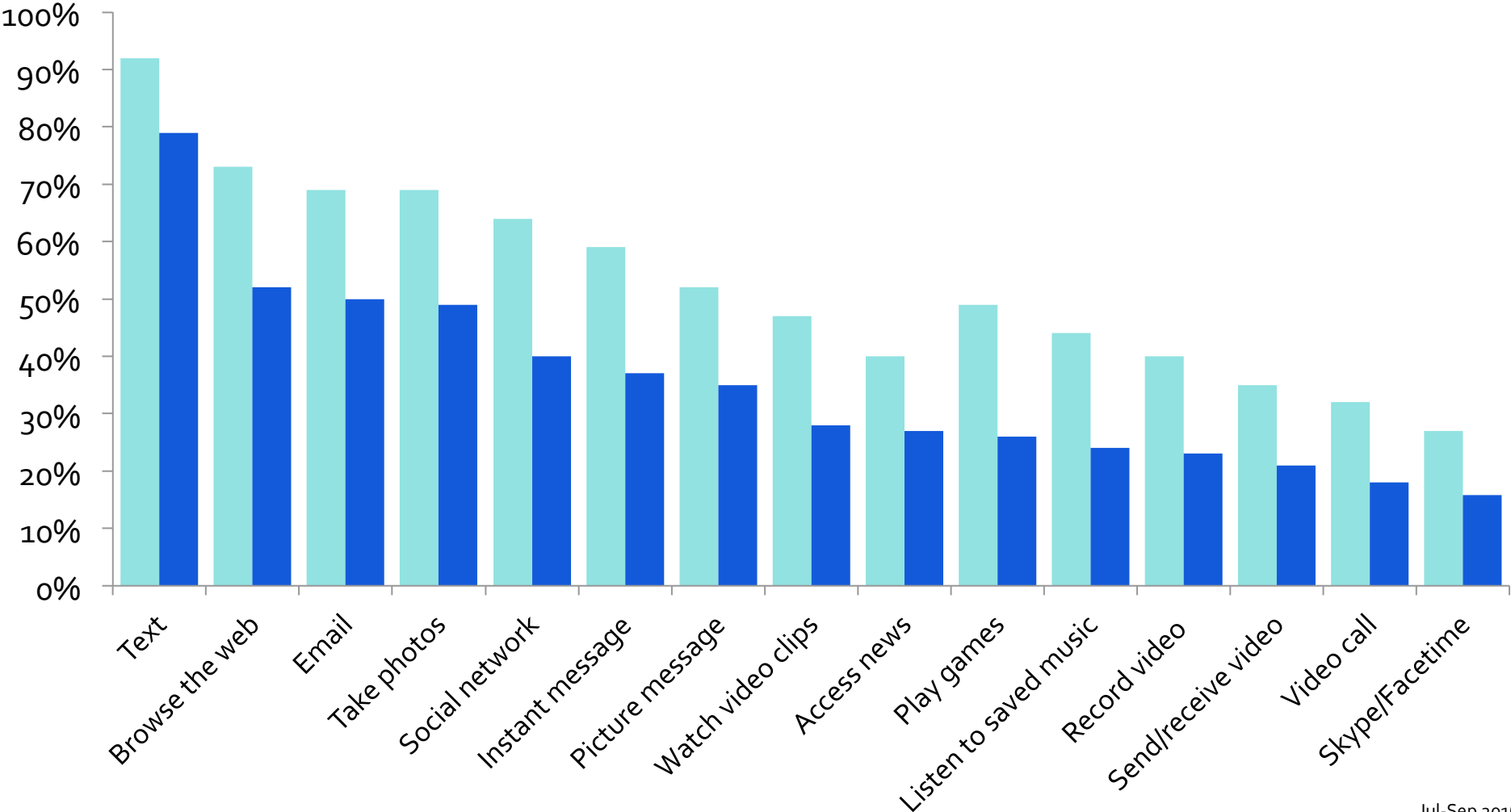
17 billion extra hours online by 2020, 75% on mobile

Total internet consumption (hours, bn)



Smartphones have created new consumption habits

In the last week used a mobile phone to...

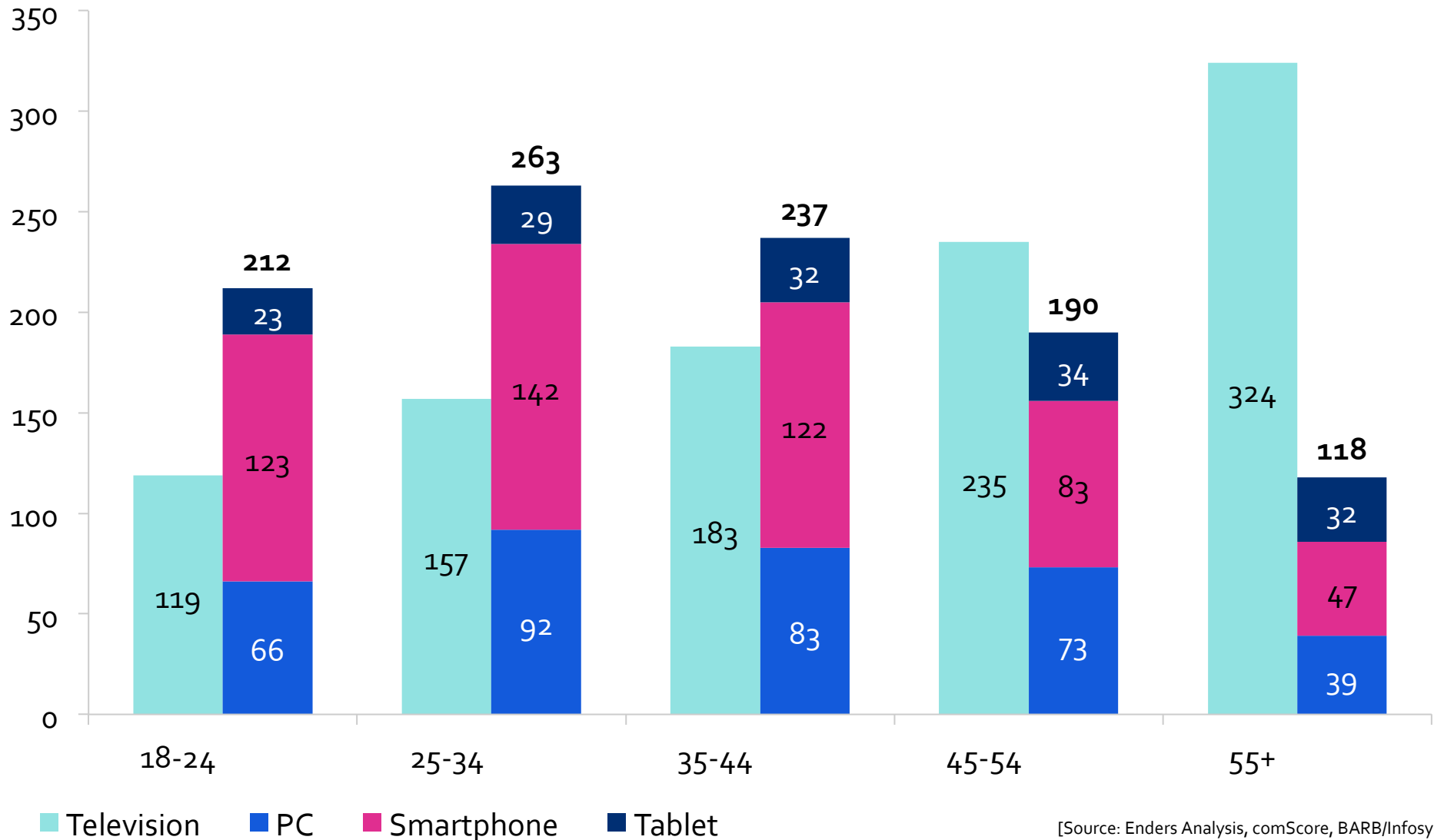


16-34 Adults

Jul-Sep 2016
 Base: 2,893 adults 16+
 [Source: Ofcom 'Tech Tracker H2 2016']

Under 45s spend more time online than watching TV

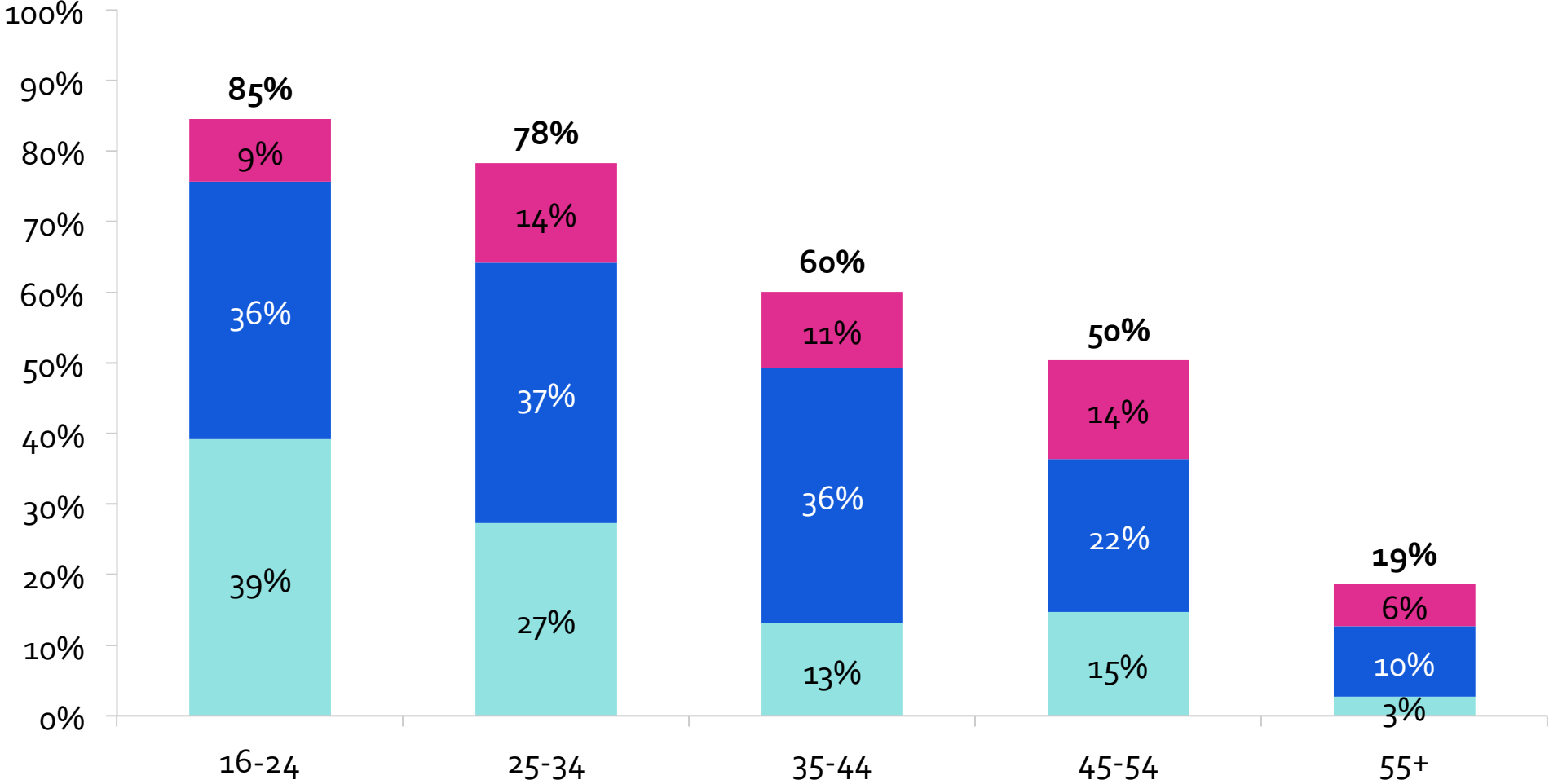
Average time online by device and age, per capita, 2016 (mins/day)



[Source: Enders Analysis, comScore, BARB/Infosys+]

Social media usage is becoming the norm

Frequency of visiting social media sites (% , 2015)



■ More than 10 times a day ■ 2-10 times a day ■ Once a day

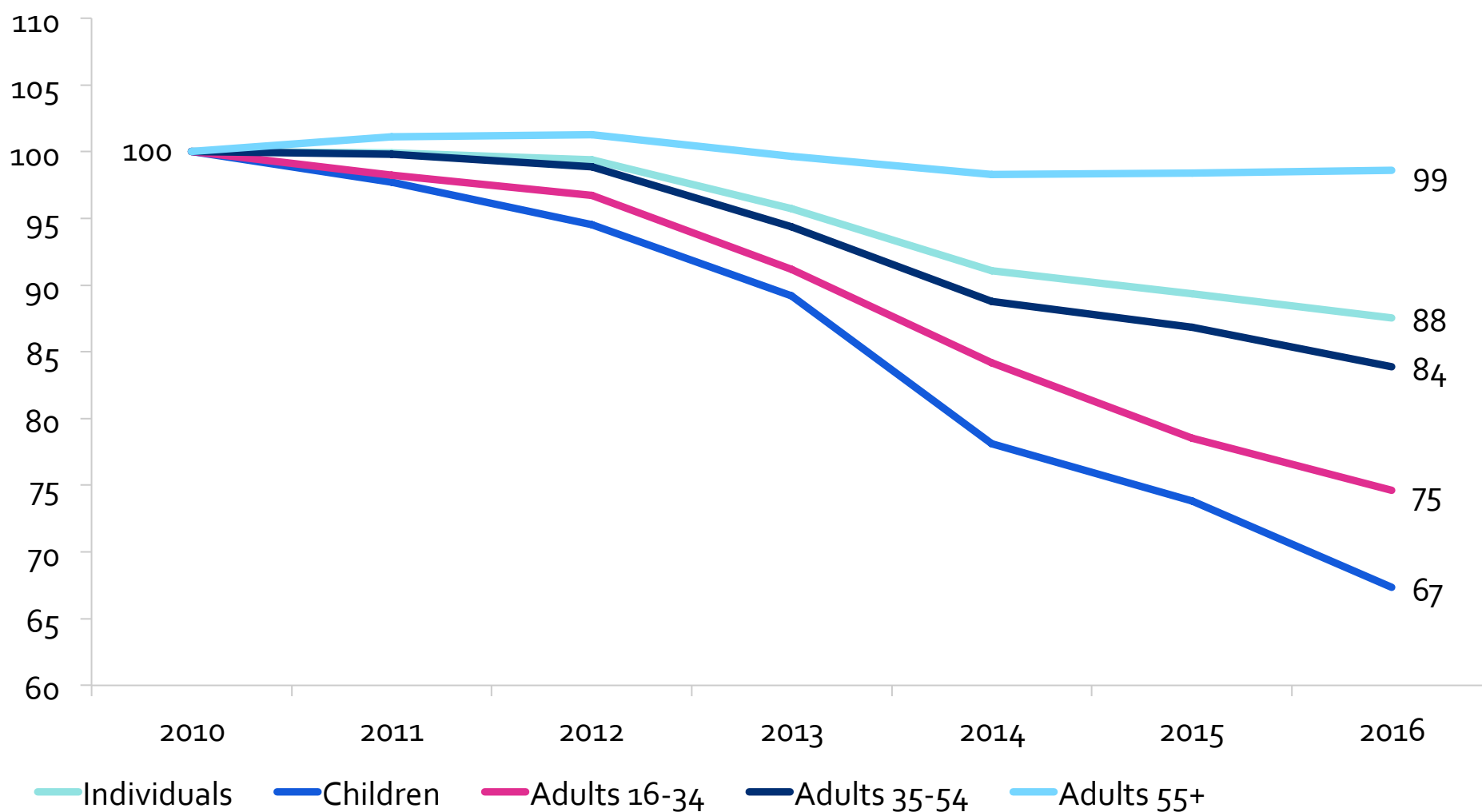
Base: All adults
[Source: Ofcom Adults media use and attitudes 2016]

Rise of global media players



Video viewing is moving slowly away from the TV set

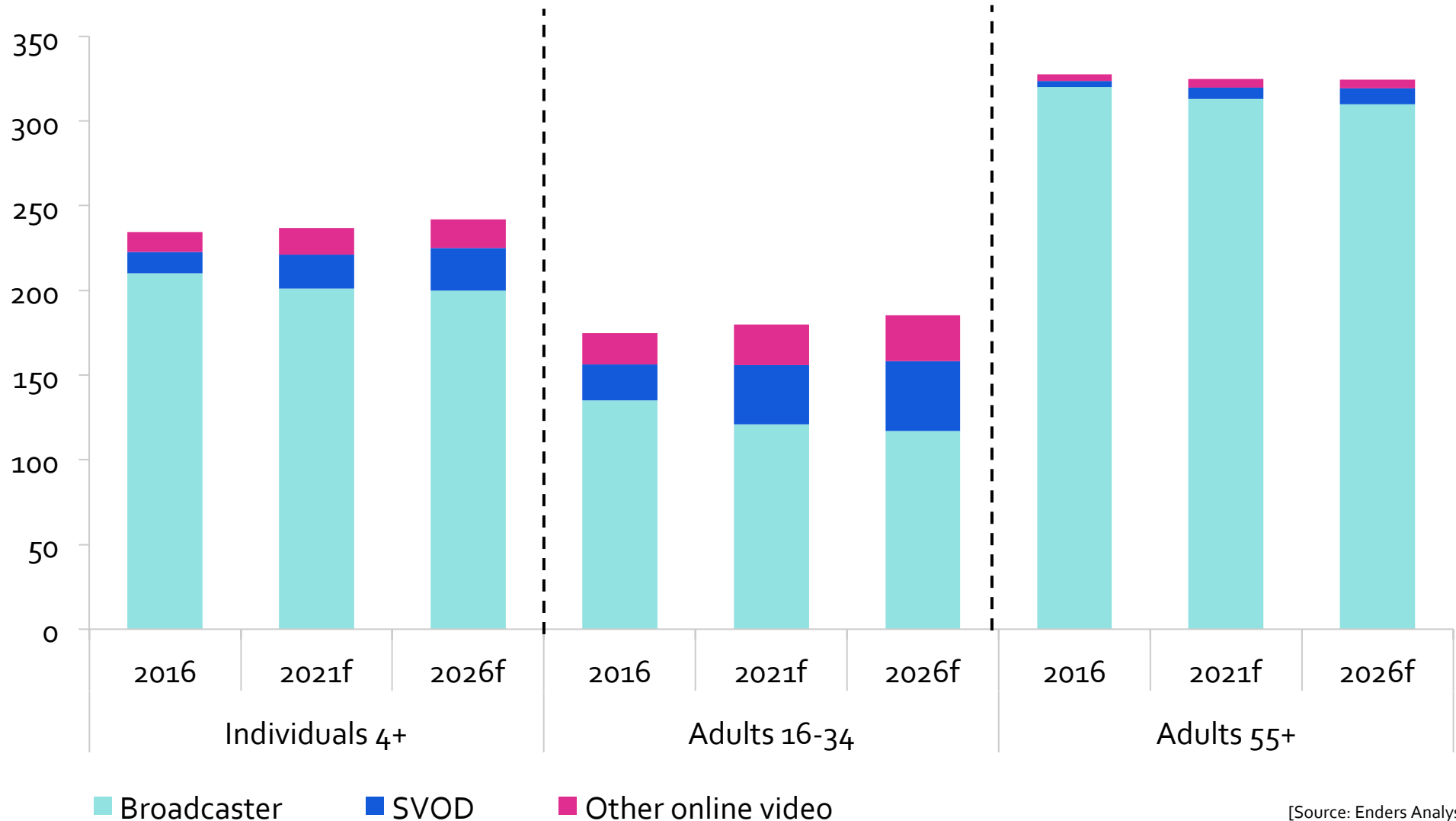
Reported daily average viewing time to the TV set (2010=100)



[Source: Enders Analysis, BARB/InfoSys+]

Broadcasters will still have over 80% viewing share in 2026

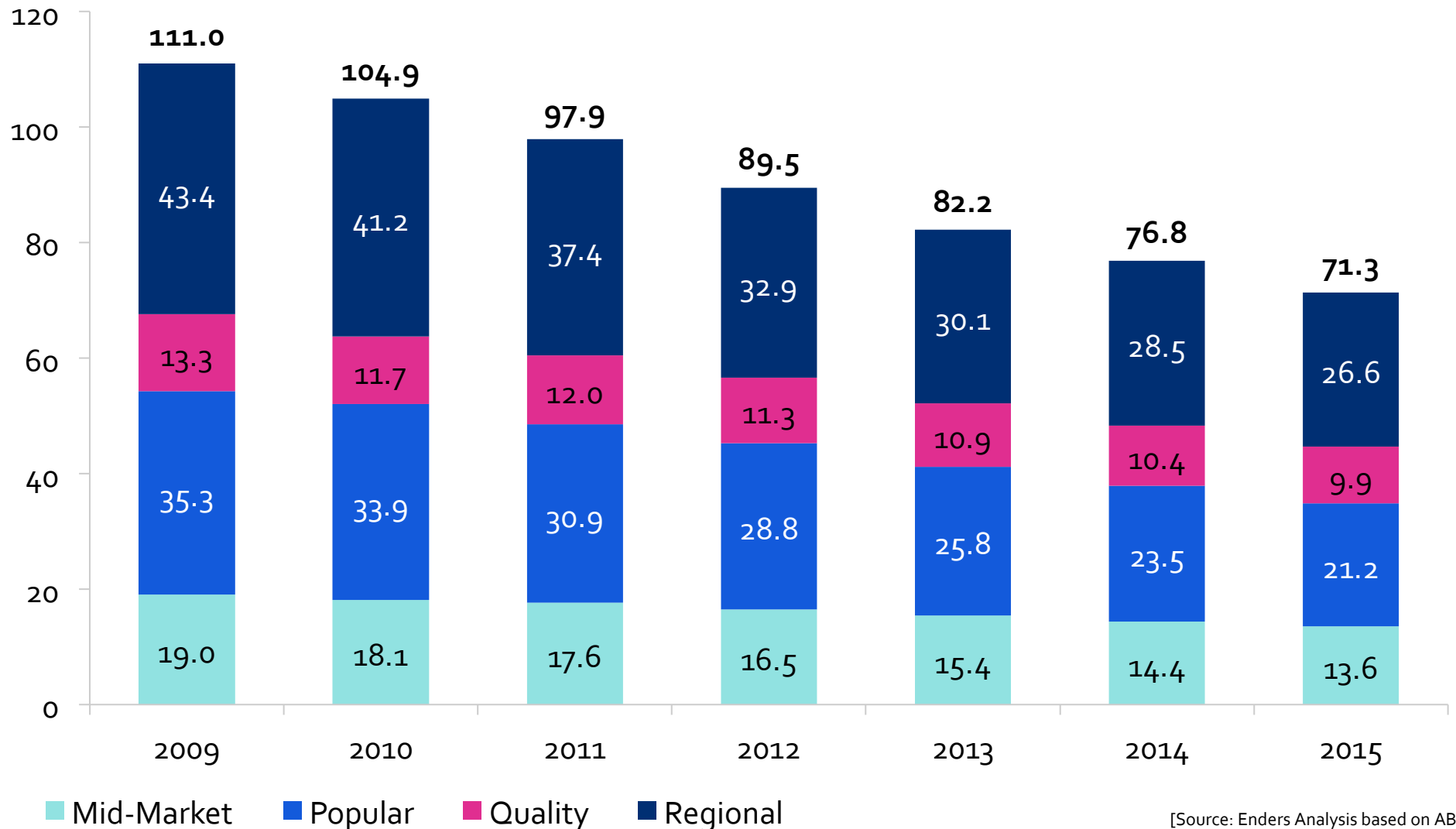
Average video viewing across UK population, 2011-2026f (mins/day)



[Source: Enders Analysis]

Newspaper's circulation continues to decline

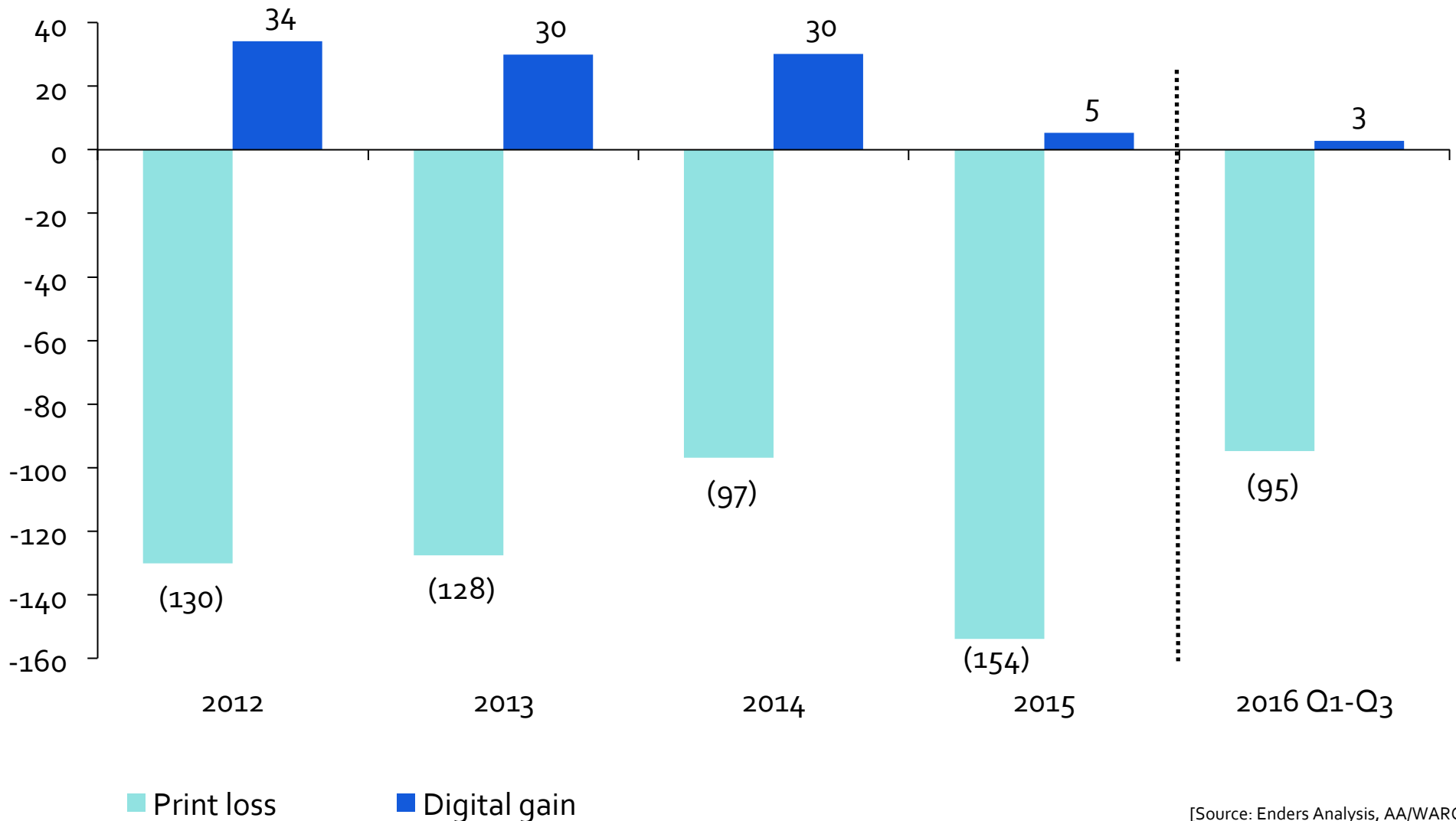
Newspaper circulation volumes per week (m)



[Source: Enders Analysis based on ABC]

£31 in print revenue lost for every £1 gained in digital

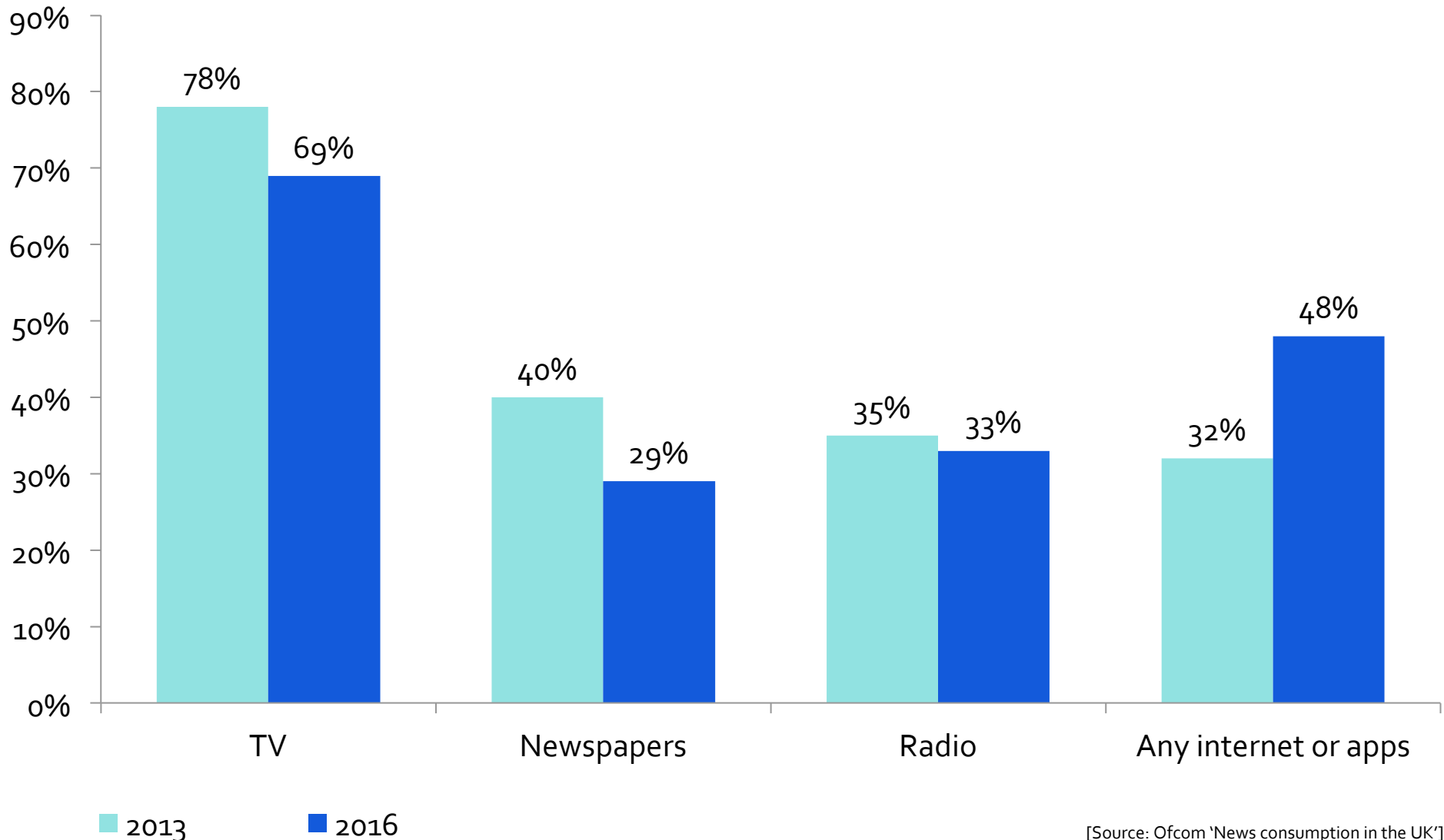
Digital gain versus print loss in national newspapers (£m)



[Source: Enders Analysis, AA/WARC]

Access to News is changing fast

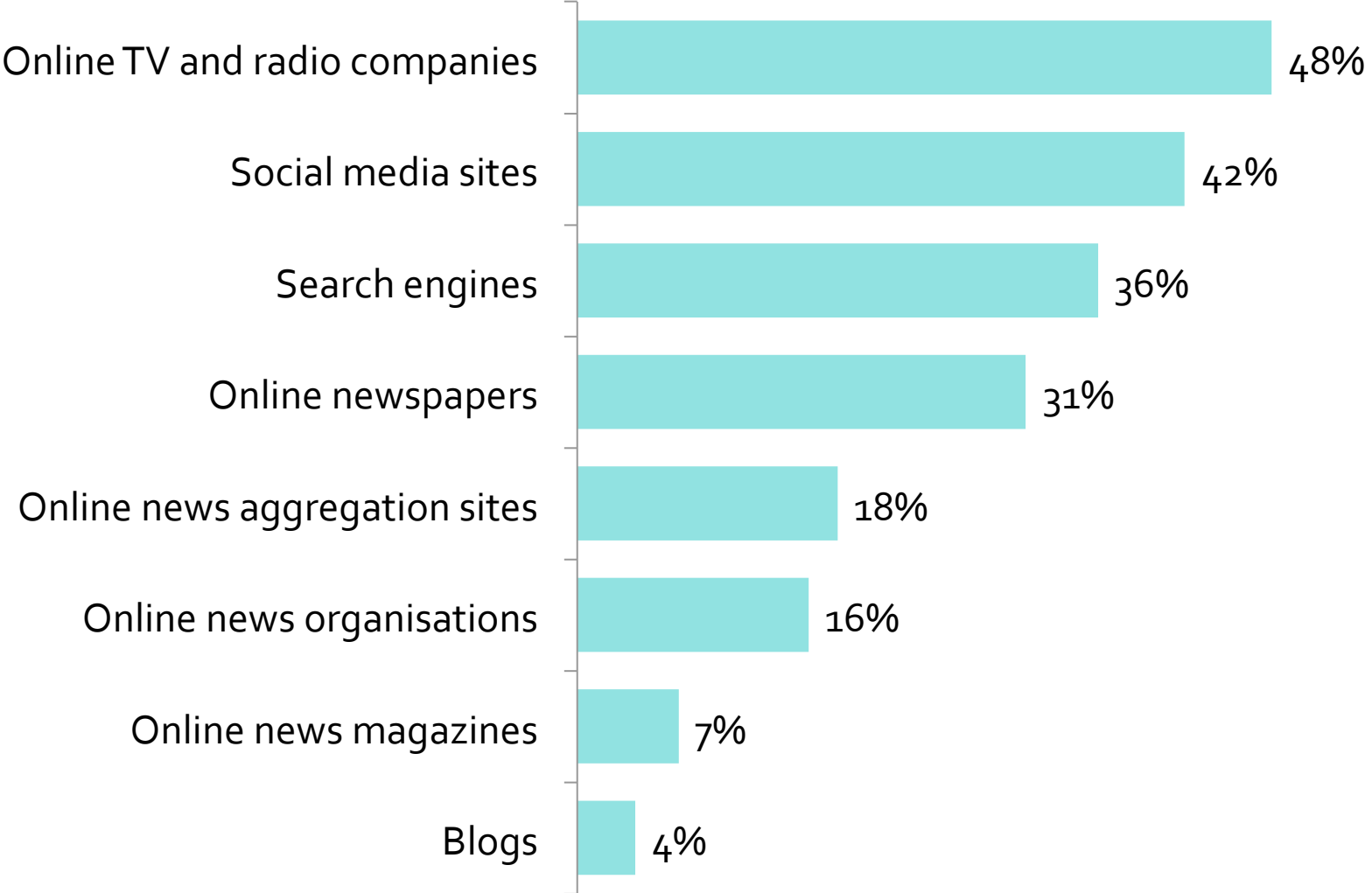
Platforms used for news 'nowadays', 2013-2016



[Source: Ofcom 'News consumption in the UK']

Social media has increasingly important role in online news

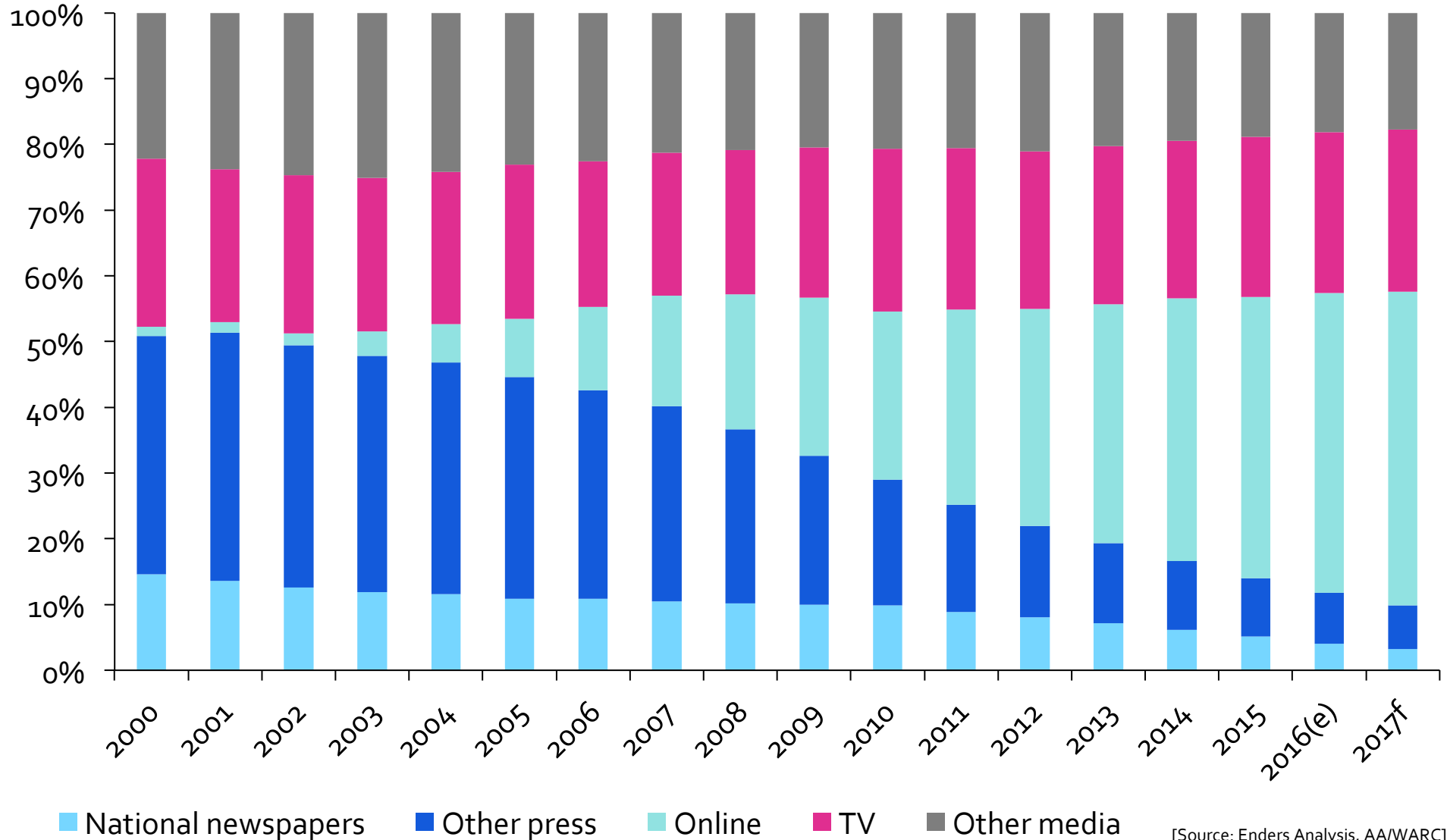
Online sources used for news, 2016



Base: 1,393 adults who use the internet for news nowadays, Nov 2016
[Source: Ofcom 'News Research 2016']

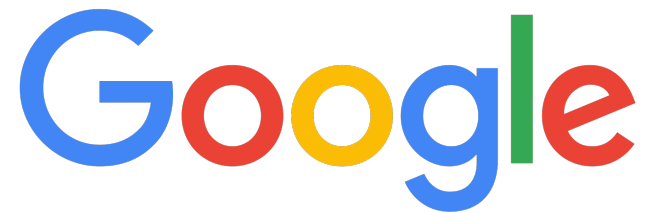
Press to online advertising substitution is clear

Share of advertising by medium (%)



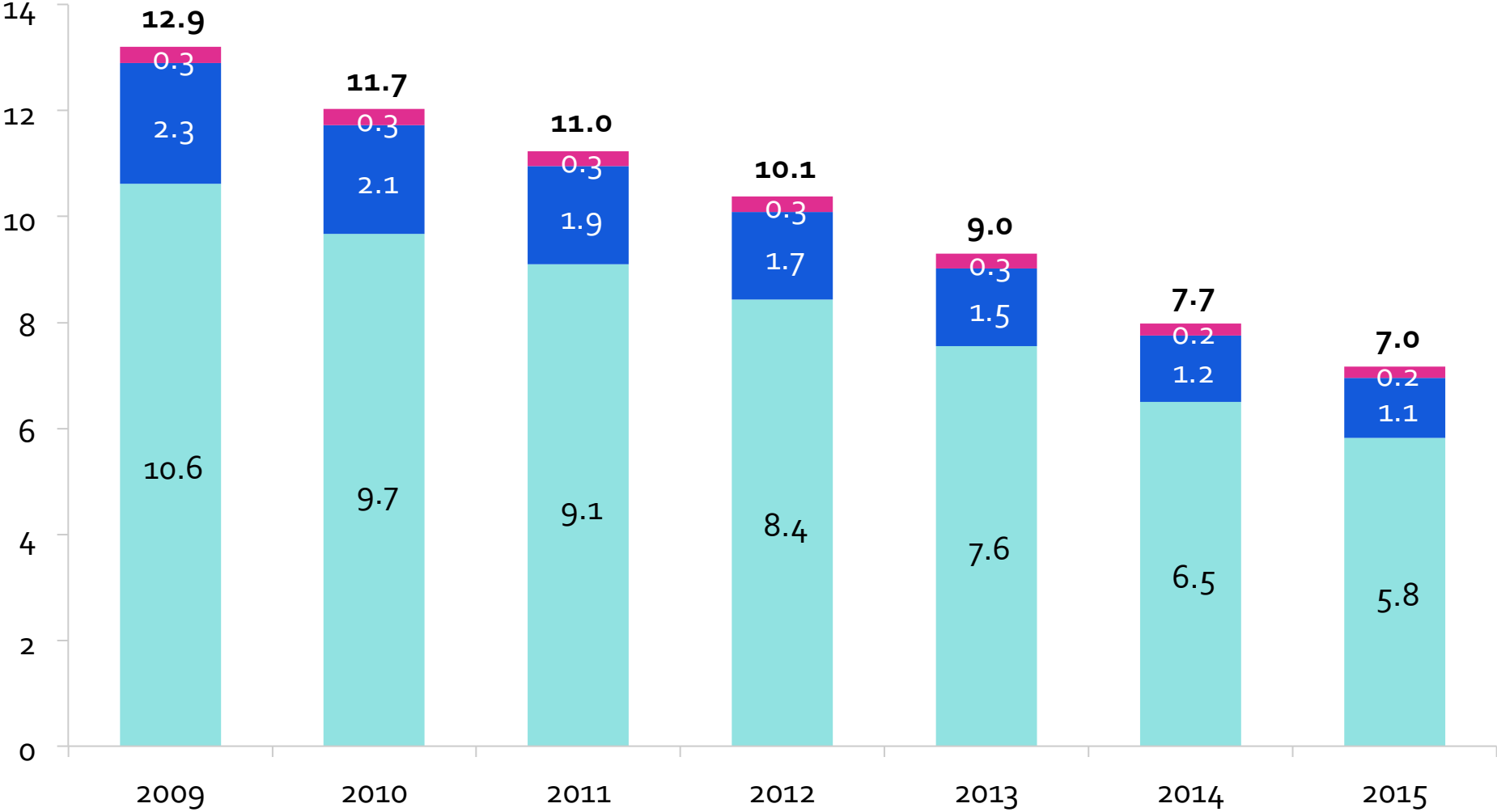
[Source: Enders Analysis, AA/WARC]

The Future of Media in Wales??



Press in Wales is becoming less reliant on print

Wales' newspapers circulation per week (m)

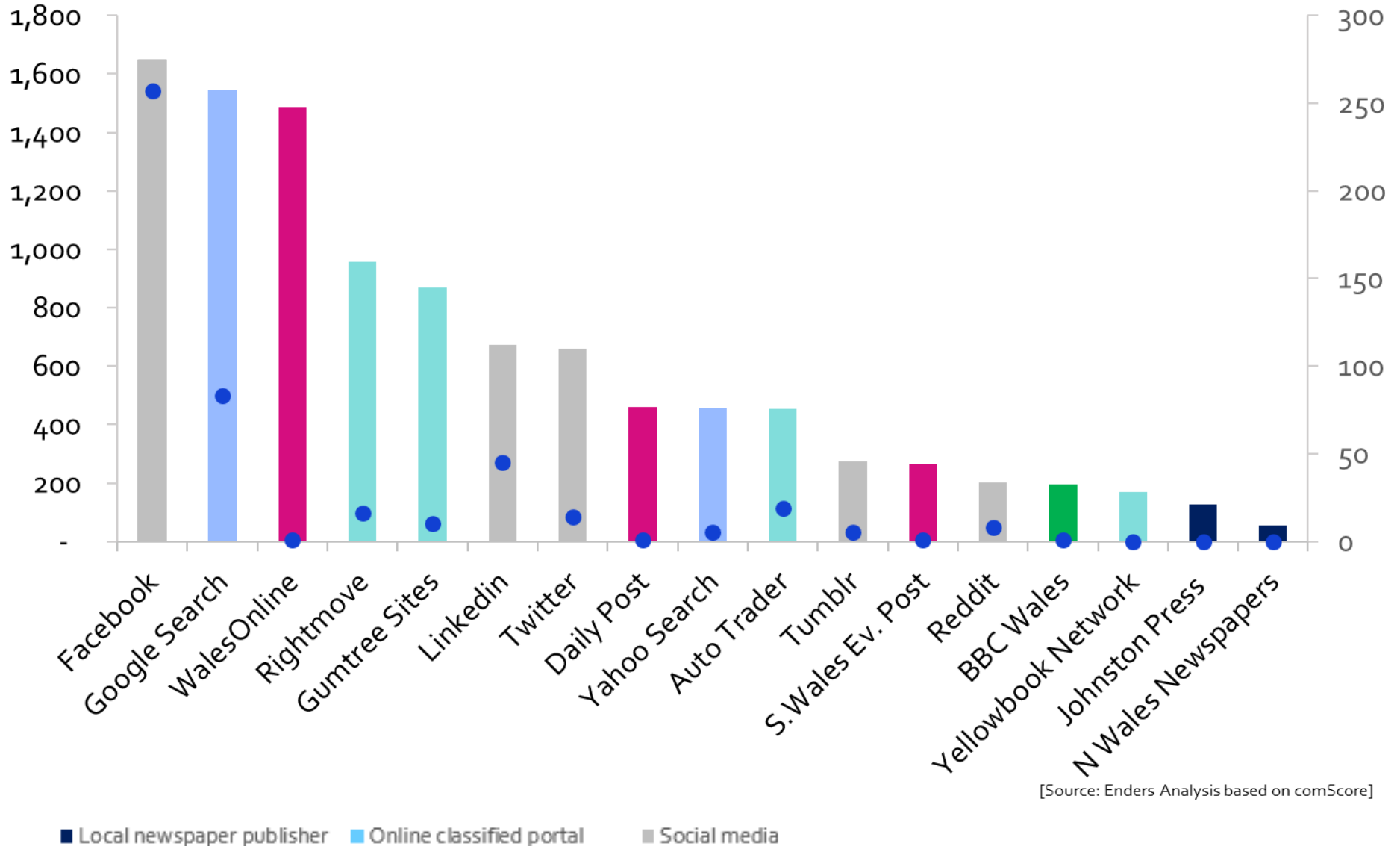


■ Paid daily titles ■ Paid Sunday ■ Free

[Source: Enders Analysis]

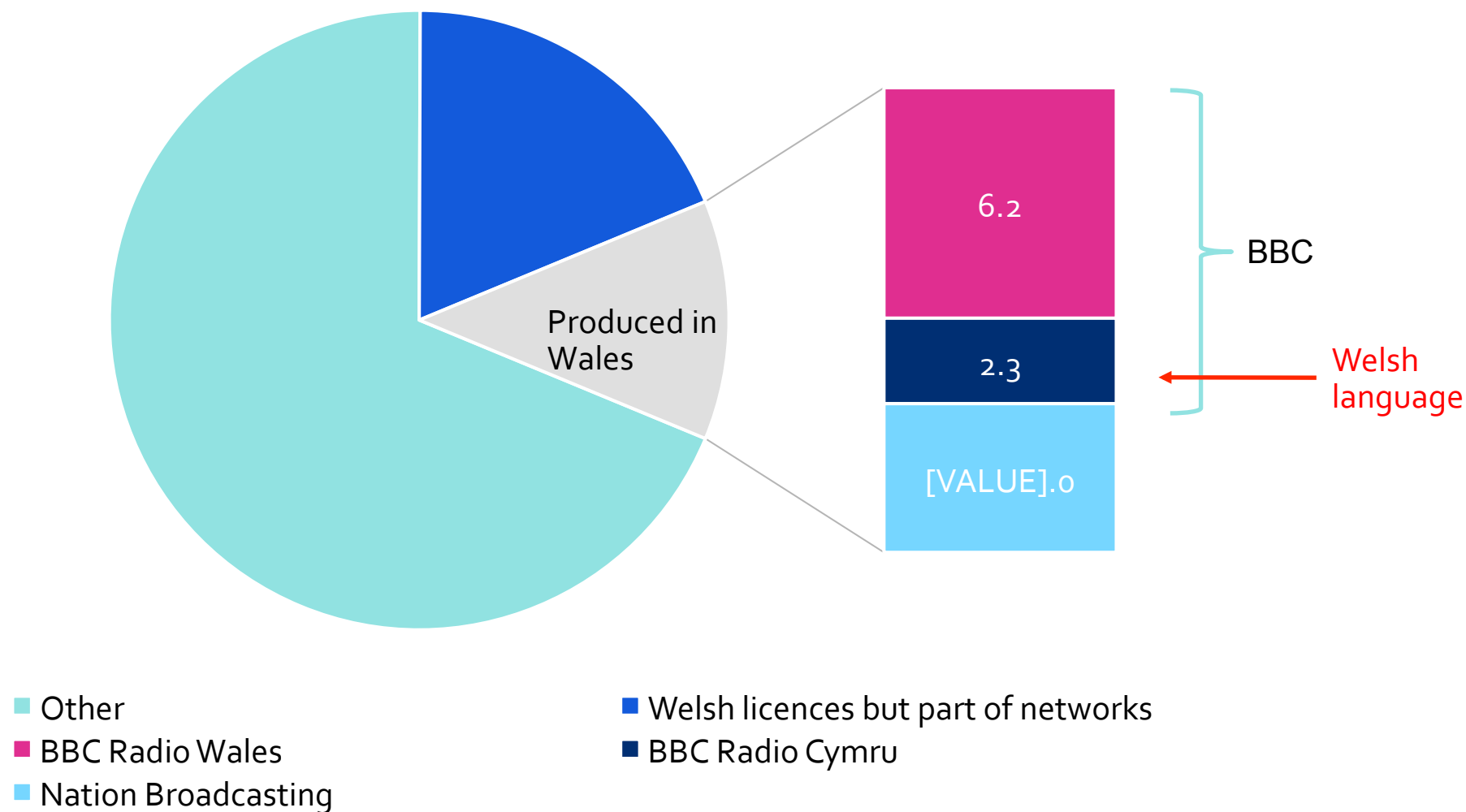
Impressive digital audiences, but less engagement

Monthly audience of online sites, 000s (LHA) & time spent per user, mins (RHA), Feb 2017



Welsh voices are few and far between in radio

Share of radio listening in Wales, Q4 2016, %

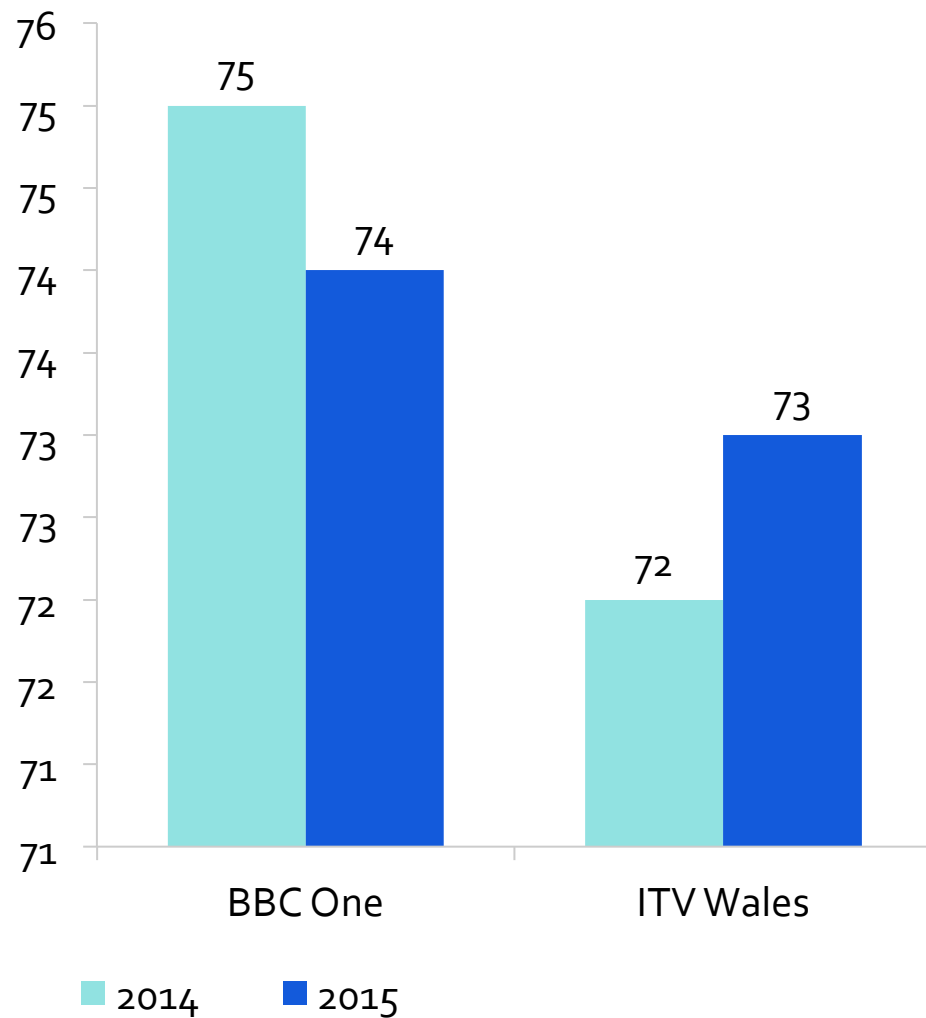


N.B. Swansea Sound on AM has 12 hours of Welsh language programming a week

[Source: RAJAR]

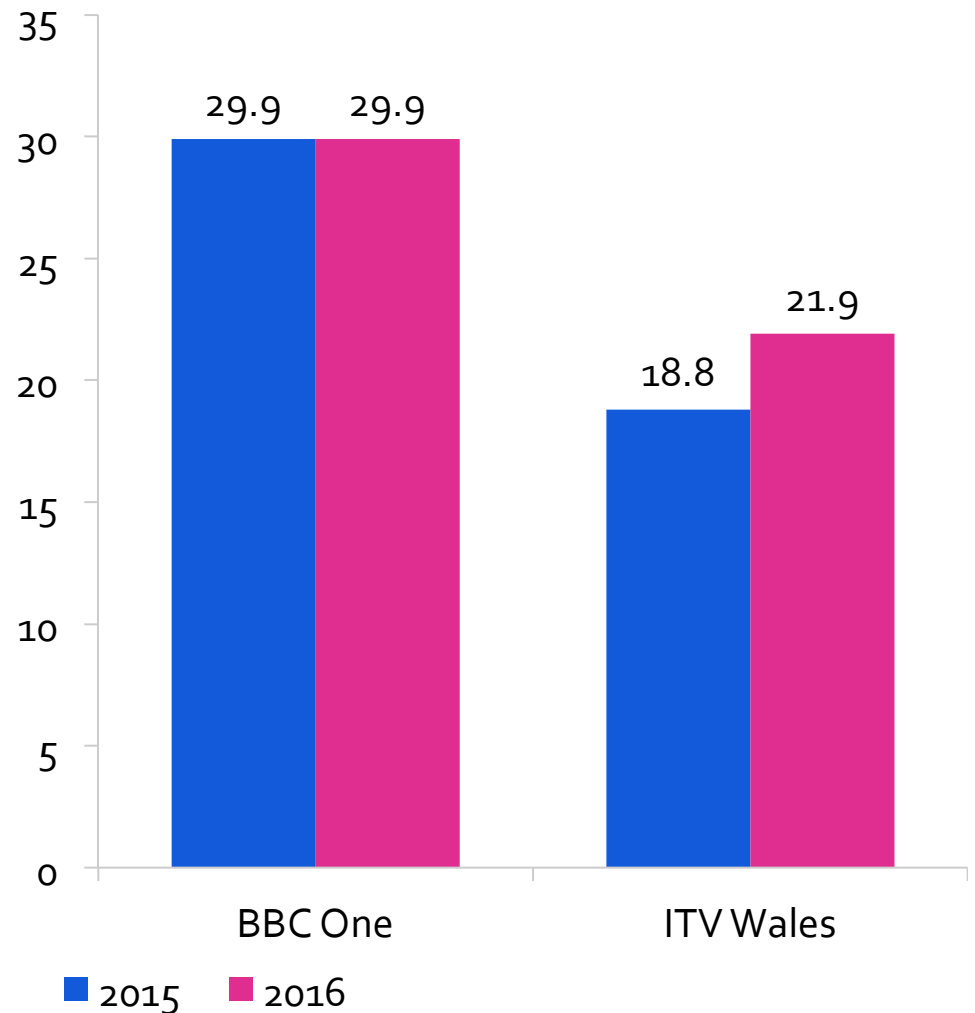
The PSBs are highly viewed...

“Regional news progs provide a wide range of good quality news about my area” (% rating for delivery)



[Source: Ofcom PSB Annual Report 2016]

Early Evening News programme audience share (%)



Note: Individuals 4+, Includes HD variants, excludes +1 variants
[Source: Ofcom]

Contributing to plurality of voice and the creative sector

External Commissions

- Welsh indies T/O ~ £37m
- 18 indies produced network programming for PSBs in 2015
 - C4 investment £8m on 65 hours
- Plus, content for Wales

Internal Commissions

- BBC Studios
- ITV Cymru
 - Both also supply S4C
- ITV Studios acquisition of TwoFour & Boom

Plurality of voice

- ITV Cymru nearly 300 hours
- BBC TV nearly 500 hours
- S4C programming from:
 - Indies
 - BBC Studios
 - ITV Cymru

In 2015 the BBC Spent **£178m** on network and local content from Wales

Summary

- Traditional media faces ongoing disruption from digital
- Globalisation brings new players with much deeper pockets
- Decline of Welsh newspapers not offset by online
- National issues face being sidelined by global agendas
- Public service broadcasting remains key to future of Welsh media and creative industries



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A sustainable media workforce



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An interview with Charlotte Moore



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What's the story: Will professional journalism survive in Wales?

Sustaining Welsh Language Media

TV - Changing audience behaviour:

- decline in TV viewing, growth of social media
- but TV viewing still relevant for at least next decade
- EPG prominence less important than presence on Apps
- S4C: DCMS Review – scope to widen remit?

Welsh Language Radio:

- BBC Radio Cymru
- Radio Cymru Mwy – experiment on DAB/on-line
- Commercial Radio – 5 stations have some Welsh language content
- Community Radio (10 stations in Wales)



Sustaining Welsh Language Media

Connectivity and on-line

- Papurau Bro on-line & Hyper-local Media
- Golwg 360
- Yr Awr Gymraeg
- BBC Cymru Fyw



Impact of Global Media

threat or opportunity?

- Facebook & Google 80% share of digital ad revenues



Welsh Government:

- **£4.2 million** support for Welsh Language includes funding for Papurau Bro



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Please remember to share your thoughts on www.doo.vote/iwamedia

Thank you for coming



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