

Jimmy Buckland, Director of Strategy, Wireless Group and Managing Director, Wireless Studios—supplementary written evidence (FOJ0092)

Lords Communications and Digital Committee Inquiry - The Future of Journalism

Thank you for providing me with the opportunity to provide further evidence to the committee, following my appearance on 12 May 2020. You requested information on the following questions:

How has the growing popularity of podcasts affected the prospects for commercial radio?

Wireless views the growing popularity of podcasts as complementary to commercial radio. The sector remains nascent in advertising terms, but its continuing growth has encouraged us to invest through our in-house production unit Wireless Studios. Podcasts offer a route to generate incremental advertising and sponsorship income and to attract new, younger audiences to our brands.

For audiences, the expansion in podcasting has opened up an enhanced range of listening choice for listeners, and has brought publishers of the quality and standing of *The Times* and *The Sunday Times* into the audio journalism market. The costs of entry are low, at least in terms of production, although perhaps not as low as might be assumed for publishers who wish to cut through at scale. For Wireless this has provided an opportunity to train journalists from News UK titles in broadcasting, and to test new ideas.

The complementary roles of radio and podcasts have also been evidenced in the launch of Times Radio. Existing Times podcast output has been integrated into the schedules of this newly launched station. In addition, on-air talent and creative ideas originally developed in podcasting have been successfully migrated to the radio medium.

Providing content of sufficient quality that allows it to cut through and become discoverable by listeners are key challenges for publishers in entering the podcast market. News UK has sought to tackle this by pairing the journalistic prowess of its newspaper titles, with the audio expertise of Wireless. Of course, quality journalism costs money and our free-to-air stations and services rely on commercial funding, which is challenged. Advertiser interest in podcasts is growing rapidly, albeit from a low base, which is helping to stimulate further investment by news organisations.

What would you like the result of this inquiry to be? How could the Government, Ofcom and the BBC better support commercial radio?

Firstly, we would welcome a public recognition from this committee about the important role that commercial radio has in informing, as well as entertaining the UK public. Commercial radio can and does bring communities of like minded groups together. Often these engaged communities - as discussed within the session - are made up of harder to reach audiences who may not use other forms of media. News and information which is in the public interest, can therefore reach these audiences. Subsequently a policy environment which supports a vibrant audio ecosystem and which encourages multiple operators in the market is vital.

During the session, I spoke about the particular challenges that speech radio face in making its services commercially viable. We see a clear difference between the viability of provision in the UK versus other territories in Europe. We can attribute this in large

part to the presence of the BBC which has a significant share in the speech radio market - as such speech radio stations such as ours have to work very hard to attract and retain an audience. The BBC has significant scale and reach. It has the pick of the best FM, AM and DAB spectrum, access to one of the world's leading newsrooms, a guaranteed source of funding that is comparatively insulated from wider economic effects, and is unrivalled in its ability to cross-promote its services across its multiple platforms.

We need the BBC to be a better partner to the industry, to develop a mindset where they don't see others in the market as direct competition. Unfortunately this has not always been the case. We have experienced this first hand in the last two years as we have sought to find a commercially sustainable basis to provide additional choice in cricket coverage. The BBC sought to counter this development as a threat to its position by targeting rights previously held by talkSPORT, by excluding the station's access to the Cricket World Cup and by launching a spoiler channel called the Cricket Social.

As I raised in the session, last year there was some discussion with the BBC about them opening up BBC Sounds to the industry. This was something that we confirmed our interest in exploring on behalf of our stations, but the BBC chose not to progress the discussions.

This was a genuine opportunity for the BBC to be more inclusive and to provide audiences with genuine choice on its service, which could have been great for commercial radio stations which offer the public something different. However they chose not to do so. We think this is an example of where the BBC could have built a partnership which helped to support the development of a vibrant, plural media. Therefore the BBC should be actively seeking out such partnerships with the objective of supporting the wider media, in mind.

While the concept of universality is core to the BBC's mission and purposes - which leads it to create services to have broad and wide ranging appeal - so are its obligations to distinctiveness and market impact. Right now, as advertising revenues of commercial operators will undoubtedly be impacted by the pandemic, the BBC should be doubly mindful of its position and focus on providing output which is truly distinctive and properly leverages its unique strengths and public service remit, so as not to impact the market at this time.

Distinctiveness as a concept was a major part of the public debate surrounding the scale and scope of the BBC at the last Charter Renewal, and therefore forms an important part of the Charter and Agreement. And yet, despite having regulated the BBC for three years, Ofcom has yet to effectively put guard rails on the BBC's behaviour in respect of its distinctiveness, leading to market impact which we feel at our stations every day. Under the BBC Trust, each service has a clear Operating Framework, yet under Ofcom, these obligations have been significantly watered down. We believe Ofcom should review how it regulates to the BBC for distinctiveness, and to take from the best from previous regulatory good practice.

June 2020