8. Search, Recommendation and Personal Data

Our view:

→ The "tyranny of choice" created by an infinite supply of content requires solutions that enable consumers to find their content of choice. Search is of value only to the extent that the consumer knows what he/she is looking for.

→ Recommendation engines are likely to offer more effective navigation than search. Consumers will look to "trusted guides" to help them find their way, and are generally willing to share personal information to improve the quality of the recommendations they receive.

→ In the absence of meaningful regulatory protection, the content of smaller players risks getting "lost" in a connected world.
8. Search, Recommendation and Personal Data

Search

"The EPGs that we have now are very enclosed and...textual, and this new world is much more graphic and iconic and fluid and potentially, therefore, immensely powerful if it's done right."

*UK broadcaster*

The convergence of different distribution platforms onto multi-functional connected devices, combined with a seamless user interface such as that recently demonstrated in relation to Project Canvas, may increasingly leave the consumer unaware of the method which has been used to deliver content to a particular device:

"Everything is moving into a world where, for the consumer, it is irrelevant whether it's coming via linear feed, push VOD or IPTV and that, I think, is the trick – that it doesn't matter...And these are fundamentally quite different services but it's housing them in a visually delightful way and that's the thing that's been missing".

*UK broadcaster*

However, if, as we have seen in Chapter 6, convergence offers the potential of a limitless supply of "permanently available" content to such a device, how will consumers be empowered to find it?

In our 2008 report we discussed the "tyranny of choice" which a consumer can experience when faced with an abundant range of content from which to make a selection. Our discussions with executives this year reinforced this concern. One UK broadcaster suggested to us that business models based on the "discovery" of content fall apart in an on-demand, connected world – the consumer has no real choice because there is, put simply, too much choice. A UK film executive shared this concern, observing that, whilst today's electronic programme guides might just about enable consumers to navigate between a selection of 500 on-demand films, it is hard to see how consumers could be expected to interact with a "permanently available" library of 50,000 titles in order to find something to watch.

In this environment, "search" functionality can only take the consumer so far. Another executive made the important (if obvious) point that "with search, you have to know what you're looking for", leaving open the question of how best present to the consumer the large library of content available from that content provider's service.

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31 Consider, for example, digital TV set top boxes which combine a "traditional" broadcast distribution platform with a wired or wireless "over the top" internet delivery capability.

32 See [http://www.bbc.co.uk/blogs/bbcinternet/2009/11/erik_huggers_at_c21_this_is_no.html](http://www.bbc.co.uk/blogs/bbcinternet/2009/11/erik_huggers_at_c21_this_is_no.html).

In an "open" environment such as that promised by Project Canvas, the consumer may be presented with a range of search services which might be used to find his or her content of choice. In our consumer survey we therefore described a Canvas-type environment, where all content is available online for viewing on the main TV screen in the home, and asked our respondents to tell us where they would go to find a TV programme that they knew they wanted to watch (see Figure 9(b)).

Figure 9(b) (by tech status)
Imagine that all of your favourite TV programmes and movies are available online, and that you have the technology at home to download or stream them and watch them directly on your main TV set. Imagine that you know which TV programme you want to watch – where would be your preferred place online to find it? [Please tick all that apply]

Base: All respondents – Tech Vanguard (121), 2nd Wave (408), Mainstream (726), Laggard (266)

- A service that is an extension of your normal TV menu screen (e.g. Sky Go)
  - Tech Vanguard: 45%
  - 2nd Wave: 41%
  - Mainstream: 29%
  - Laggard: 26%

- A service that is run by a search engine which you regularly use (e.g. Google, Bing)
  - Tech Vanguard: 28%
  - 2nd Wave: 31%
  - Mainstream: 26%
  - Laggard: 26%

- A service that lets all TV programmes available from all broadcasters (e.g. Radio Times)
  - Tech Vanguard: 36%
  - 2nd Wave: 37%
  - Mainstream: 37%
  - Laggard: 40%

- A separate service that details programmes only of one broadcaster (e.g. BBC, ITV, Channel 4)
  - Tech Vanguard: 28%
  - 2nd Wave: 25%
  - Mainstream: 35%
  - Laggard: 24%

Figure 9(b) cont’d (by tech status)
Imagine that all of your favourite TV programmes and movies are available online, and that you have the technology at home to download or stream them and watch them directly on your main TV set. Imagine that you know which TV programme you want to watch – where would be your preferred place online to find it? [Please tick all that apply]

Base: All respondents – Tech Vanguard (121), 2nd Wave (408), Mainstream (726), Laggard (266)

- A service that might also allow you to buy a DVD or other related items (e.g. Amazon)
  - Tech Vanguard: 17%
  - 2nd Wave: 16%
  - Mainstream: 13%
  - Laggard: 12%

- A service operated by your favourite newspaper
  - Somewhere else: 5%
  - None of these: 5%
  - Don't know: 5%

- Somewhere else: 37%
  - None of these: 11%
  - Don't know: 6%
It is interesting that, whilst search engines such as Google and Bing were identified as possible search providers in a TV environment, the most popular response was a service that was an extension of the normal TV menu screen (i.e. an electronic programme guide (EPG) such as Sky's "Sky Guide").

The regulatory implications of convergence should not be ignored in the context of this response. Although, as we have observed, the delivery mechanism will increasingly become invisible to the viewer, regulatory distinctions are likely to persist depending on the manner in which content has been delivered to a receiving device. Faced with the prospect of "hybrid" platforms combining multiple delivery mechanisms, we will inevitably also witness a proliferation of hybrid programme guides which integrate linear scheduled television listings with listings information for an online VOD archive, in order to create the "fluid" environment described above.

Many in industry, especially smaller players, perceive that an on-demand-to-TV environment will provide the opportunity for a direct audience which, at present, they find hard to reach in the absence of meaningful distribution by an established platform operator. However all of these interest groups, whether they be independent TV producers or financiers of low budget art-house movies, express concerns as to how their content will be presented and made discoverable as part of a broad library on such a service. Ofcom's jurisdiction to regulate the providers of EPG services does not extend to online content services, leaving open the potential for an environment to subsist where smaller players find it difficult to ensure their content can be found, and where search functionality is subsumed into the power of the gatekeeper.34

34 Another important regulatory distinction arises from the "two tier" regulation of linear and on-demand services introduced by the Audio-Visual Media Services Directive (AVMS). Whilst consumers may not be overly concerned by the separate sets of compliance obligations to which their content providers may be subject under AVMS, this new regime will, at the very least, impose an additional administrative burden on online content providers.
Recommendation

"[T]echnology will continue to leapfrog forward...something like Genius on iTunes is a very smart recommendation engine. It doesn't just analyse your own behaviour, it looks at everyone whose music is similar to you and introduces you to new stuff as well as more obvious things and it has got to the ..human tipping point where you think "I believe in that product. It is actually bringing me value, rather than wasting my time". I think there is an element where the technology can fit alongside the brand and they can both give you what you need in different ways."

UK broadcaster

As we have seen, search is of limited utility where an end-user is confronted by the "tyranny of choice" and does not know which content to consume. "Recommendation engines" aim to assist the consumer by suggesting content or products which the consumer might not otherwise encounter through search.

We have had discussions with executives across a range of industry sectors about the significance of recommendation in an on-demand, converged world. Some executives were cynical about the possibility that a recommendation provider would configure its technology to prioritise commercial ends ahead of the consumer's interests (for example by recommending higher margin products and/or services which might not be the most appropriate recommendations). Others questioned the actual benefit of "real world" recommendations from other users to a service:

"If I really, really like something I might recommend it to a friend about twice a year, and my son might do it twice a month, but it is not going to, in any volumetric way, do anything".

Broadcaster

One broadcaster suggested that the best source of recommendation is, in fact, cross-promotion from a linear service:

"In a world of super fragmentation search has absolute limits in its ability to aggregate...our view is that there's an endgame here where it's the cross promotion from the linear experience into the on-demand experience, which is going to matter more than building huge silos full of atomised content that people can only get to through a search function, and we see that when we look at the stats ...pushing from linear channels into VOD services when they are available in a convergent environment will probably drive more traffic than..."direct-to-VOD" viewing".
We had extensive discussions with television executives about the significance of channel brands and programme brands in a world where the consumer is looking for a "trusted guide" to help find suitable content.

For television broadcasters, there was no real consensus as to whether "channel brands", "programme brands" or "broadcaster brands" were more significant from this perspective. One broadcaster suggested that if a content provider did not control any "key" or "hero" programme brands then it would have a real "challenge on its hands" in order to attract consumers in a converged world. This broadcaster explained that it had recognised that its programme brands were stronger than its channel brands and had adjusted its online strategy accordingly. Conversely, another broadcaster told us that we should "never underestimate the power of brands", and went on to suggest that "channel brands that are iconic have a better chance...if... you can't evocatively "own your genre", you are really between a rock and a hard place".

A third broadcaster commented:

"If you manage your brand in the new world well...I think it perpetuates the notion that it is still good to go to a broadcast brand. If you manage it sloppily then I think that it breaks down quite easily.....You have to run very quickly to maintain your credibility in this space. But I think the broadcaster brands, they don't automatically by default get that loyalty, they have to work for it".

The head of an online VOD service suggested to us that brand value went further than this, and had a significant part to play in determining an appropriate VOD exploitation strategy. It was suggested that, whilst the syndication of content to third party services could provide a short-term opportunity for a rightsholder to increase revenues, this strategy could have a negative impact on the value of that rightsholder's "master" brands.

In order to explore consumers' attitudes to these "trusted brands" in a converged environment, we built on the search question described earlier in this Chapter. We told our respondents to imagine that, in the same Canvas-type environment, they did not know what to watch and we asked them to indicate which sources they would trust to provide recommendations.

As Figures 10(a) and 10(b) show, the concept of the "trusted brand" does appear to resonate with a proportion of our survey base, with 26% of Kids and 23% of Adults stating that they would rely on recommendations made by the BBC from the programmes it had available (also notably popular amongst the 2nd Wave (27%) and Mainstream (27%)).

Similar to the search results, a recommendation service delivered via an extension to an existing EPG was again popular amongst respondents (22% of Kids and 21% of Adults). This also resonated with one of the executives we met, who stated:

"So if you had your genius thing inside your Sky box? It would help me watch more VOD because right now what they pump into the partition hard drive is all irrelevant".
A number of respondents also identified a recommendation service as provided by a search engine, although we suspect that we may not have made the distinction between "search" and "recommendation" sufficiently clear in this particular context.

Interestingly, amongst our Tech Vanguard group the most popular response was specialist blogs and forums (selected by 31% of this base), suggesting that this segment of the survey base are learning to trust the views from within the "communities of interest" that develop around these services.

Although only 11% of Kids and 9% of Adults stated that they would rely on the recommendations of a TV star, some of the executives we spoke to saw this as a potentially significant opportunity. One music industry executive suggested that, if the right personality is selected for the right demographic group, it is possible to achieve "cut through" to that demographic group in a way that no comparable service can achieve. In this executive's opinion, this offers the best way of aligning consumers to particular types of content.

However, no clear overall preference arises from the various options provided to our respondents, and this is perhaps partly due to our respondents not yet being familiar with (and therefore not readily associating themselves with) the concept of a TV recommendation service.
We obtained a less TV-centric view on recommendation services by asking our survey base where they would turn to for recommendations when looking to buy a new gadget (Figures 12(a) and 12(b)).

Tellingly, personal recommendation proved overwhelmingly popular in response to this question, with 71% of Kids and 66% of Adults saying that they would rely on recommendations from friends and colleagues,
and with 51% of Kids and 43% of Adults selecting reviews (typically provided by other consumers) on retailer websites such as Amazon.

*Which?* is clearly another very trusted guide amongst a certain demographic, with 43% of Adults, and 40% of Laggards (as opposed to just 19% of Kids) identifying *Which?* as a source of reliable recommendations.

Interestingly for publishers, respondents appeared more likely to rely on reviews on the website of a specialist magazine than on reviews contained in the magazine itself, with 44% of Kids and 48% of Adults citing a magazine website, as compared to 28% and 38% respectively selecting the printed magazine. However, one publishing executive was however sceptical about this result, suggesting that the Tech Vanguard response to specialist magazines (at 32%) was too low. Perhaps one explanation for this result is that our Tech Vanguard segment are all self-selected early adopters who are more likely to provide recommendations than to rely on them.
Figure 12 (b) (by tech status)
Now imagine that you wanted to buy a new gadget, such as a mobile phone, TV set or portable music player. Which information sources would you rely upon and trust to recommend those devices?
[Please tick all that apply]

Base: All those who would rely upon and trust a recommendation service—Tech Vanguard (89), 2nd Wave (314), Mainstream (514), Laggard (153)

- Recommendations from friends/colleagues
- Online reviews on the website of a specialist magazine
- Reviews on a retailer’s website (e.g. Amazon, John Lewis)
- Blogs and forums specialising in that kind of device
- Reviews in Which? magazine

Figure 12 (b) cont’d (by tech status)
Now imagine that you wanted to buy a new gadget, such as a mobile phone, TV set or portable music player. Which information sources would you rely upon and trust to recommend those devices?
[Please tick all that apply]

Base: All those who would rely upon and trust a recommendation service—Tech Vanguard (89), 2nd Wave (314), Mainstream (514), Laggard (153)

- Reviews in specialist magazines (e.g. What HI?)
- Reviews on a TV consumer programme
- Reviews in your daily or Sunday newspaper
Sharing Personal Information

To what extent are consumers prepared to share personal information about themselves and their viewing habits, in order to improve the quality of the recommendations they receive from recommendation services?

The views of a number of the executives to whom we spoke before conducting this year’s consumer research led us to anticipate a negative consumer response. One executive suggested that, even if they would get slightly better recommendations, users simply don’t want service providers to keep data on what they are doing.

We were therefore surprised (and encouraged) by the responses to the question we asked our survey base in this context (Figures 11(a) and 11(b)). Most groups demonstrated a significant willingness to share a range of information, although the Laggards were more wary about sharing information about the specific programmes which are watched by a particular individual in a household (with only 11% of Laggards prepared to share this information, as compared to 32% of the Tech Vanguard at the opposite extreme), and with some 21% of Laggards not willing to share any information with a recommendation service.

Age also appears to be a relevant factor. Some 30% of the 55-65 demographic stated that they would not share any information, as compared with just 9% of our 13-17 year old Kids. One executive suggested that Kids, as heavy users of social networks, have been educated to consider giving away personal information as some kind of “badge of honour”.

![Figure 11(a) (whole base)](chart)

What information, if any, would you be willing to share with these types of recommendation service, if it would mean you’d get better, more tailored recommendations from them?

[Please tick all that apply]

<table>
<thead>
<tr>
<th>Information Type</th>
<th>Adults (876)</th>
<th>Kids (412)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General information about how often different sorts of TV programmes are watched in your home</td>
<td>40%</td>
<td>41%</td>
</tr>
<tr>
<td>Information you have specifically chosen to give to the service about your own interests</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>Information about which specific TV programmes have been viewed in your home in the last three months</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Information about the occupants of your household (number of people, age, gender)</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>Information about which programmes any individual person within the household has watched, because that person has “tagged on” for that programme</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Unwilling to share any information</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Not interested in receiving recommendations</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

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Figure 11 (b) (by tech status)
What information, if any, would you be willing to share with these types of recommendation service, if it would mean you’d get better, more tailored recommendations from them?
[Please tick all that apply]

Base: All those who would rely upon and trust a recommendation service – Tech Vanguard (99), 2nd Wave (314), Mainstream (514), Laggard (153)

General information about how often different sorts of TV programmes are watched in your home

Information you have specifically chosen to give to the service about your own interests

Information about which specific TV programmes have been viewed in your home in the last three months

Information about which programmes any individual person within the home has watched, because that person has “logged on” for that programme

Figure 11 (b) cont’d (by tech status)
What information, if any, would you be willing to share with these types of recommendation service, if it would mean you’d get better, more tailored recommendations from them?
[Please tick all that apply]

Base: All those who would rely upon and trust a recommendation service – Tech Vanguard (99), 2nd Wave (314), Mainstream (514), Laggard (153)

Information about the occupants of your household (number of people, age, gender)

Unwilling to share any information

Not interested in receiving recommendations

Don’t know