



The economic return to the UK of the BBC's global footprint

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1. Executive summary

The creative sector is one in which the UK has a comparative advantage internationally, and for which there are huge prospects for growth. The UK is one of only three countries that are net exporters of music. In TV, the UK is the largest net exporter of formats. *Dancing with the Stars* (the international version of *Strictly Come Dancing*) is licensed to 48 countries worldwide and boasts a global audience of more than a quarter of a billion people. The UK is home to many of the world's most respected news brands, with the BBC, Mail Online and Guardian amongst the most widely used digital news providers in the world.

We know that cultural perceptions also play a key role in economic decisions. This is particularly true for the UK which has a number of strong intangible assets, including language, culture and overseas-facing institutions.

The BBC is one of the UK's leading global media brands. It achieves a significant global footprint through its news and other services that inform, educate and entertain audiences around the world. BBC Worldwide, the BBC's commercial arm, is in the vanguard of British TV's international growth. Drama exports such as *Parade's End* and *Sherlock* have bolstered Britain's reputation and attracted international investment¹. They also help deepen knowledge and understanding of the UK, champion British creativity and build the reach and reputation of the BBC overseas. As the Secretary of State for Culture, Media and Sport said at the 2013 Royal Television Society Convention, "TV reaches the parts that our ambassadors don't".

Equally, the BBC's global news services are the most trusted news sources in the world, reaching a quarter of a billion people every week, more than any other international broadcaster. BBC news is re-tweeted more than any other news source. The BBC is associated around the world with distinctive British values of fairness, integrity and independence.

The BBC's global activities bring an economic return to the UK in two key ways. First, they *directly* support creative sector growth through exports and inward investment. Second, the BBC plays an important role in enhancing the UK's reputation overseas. The global presence of the BBC, along with other UK cultural institutions, drives positive perceptions of the UK which, in turn, increase the likelihood of trade and inward investment. These *indirect* benefits to the UK economy are significant.

This report explores the economic return to the UK from the BBC's global activities. It includes new research among business leaders in key trading countries to assess the effect of culture on commerce². The research shows that the UK is regarded as one of the most attractive places to do business and that business leaders' perceptions of UK culture, and of the BBC in particular, shape these attitudes and behaviours.

The key findings of the research include:

- Cultural factors such as language, creativity and values contribute to the UK's attractiveness as a source of overseas trade and investment.

¹ PACT, *UK Television Exports Survey*, 2011

² The BBC commissioned Terrington and Company to explore the economic impact of the BBC's overseas activities

- Almost two-thirds of the sample said the BBC was the main way they found out about the UK.
- People who consume BBC services more frequently have more favourable perceptions of the UK. People who consume BBC services less frequently have less favourable perceptions of the UK. For example, around half of business leaders who consume the BBC on a monthly basis or less scored the UK 8-10 out of 10 as a good place to do business, but this figure rises to three quarters amongst daily BBC consumers.
- A similar pattern is seen with the propensity to do business with the UK. The more business leaders know and consume the BBC, the more likely they are to trade with the UK. 66% of people who consume the BBC on a monthly basis or less say that they are currently or very likely to do business with the UK over the next 12 months. Amongst those who consume the BBC on a daily basis this figure is 84%.

The study goes on to indicate causality. Over half (56%) of respondents agree that the BBC plays a direct role in influencing their business decisions in favour of the UK (compared to only 12% who disagree). The BBC is also perceived to be the most important factor driving positive opinions of the UK in comparison to other British cultural institutions, including the Premier League, the Royal Family and the 2012 London Olympics.

We are seeing strong global demand for British content with the fastest growth in Asian markets. The BBC's ambition is to double its global audience by 2022 to half a billion. The BBC will do this by improving the quality of World News and bbc.com and by continually evolving BBC World Service content and delivery in English and a broad sweep of other languages. BBC Worldwide has announced a strategy to increase investment in premium content, establish new global BBC consumer brands, and pursue digital innovation to reach new consumers.

As global power shifts east and south, BBC World Service has a strong position amongst audiences in some of the developing economies in these regions. Many of them have seen relatively strong economic growth over the last twenty years and are expected to continue as engines of global economic growth. As this happens, and the GDP of these economies rises, their trade with the rest of the world is also expected to grow. The UK is well placed to benefit from this trend, in part due to the role of institutions such as the BBC in shaping perceptions of the UK and enhancing its international reputation.

2. Introduction

The BBC's purpose is to provide high quality programmes and services that inform, educate and entertain audiences both in the UK and abroad. Whilst fulfilling this mission, the BBC generates a significant positive impact on the UK creative economy. Previous studies have explored the economic impact of the BBC's UK operations³. This report looks specifically at the economic return to the UK from the BBC's international operations.

There are two main ways this economic impact occurs. First, there is a direct impact that can be quantified in cash terms. For example, the BBC's commercial arm generates revenues from the export of TV programmes which flow back to the BBC and to the creative industries. Second, there is an indirect impact, less immediately tangible and harder to quantify, though powerful nonetheless. This is the impact that results from the BBC nurturing the UK's international reputation as a place to invest and do business.

The BBC has commissioned Terrington and Company and Research Now to assess this indirect effect by surveying international business leaders in three key territories. This report includes findings from that survey.

The report is structured in the following way:

- Section 3 sets out a brief description of the BBC's global activities;
- Section 4 discusses the direct economic benefits that flow back to the UK; and
- Section 5 discusses the indirect economic benefits flowing to the UK based on new empirical research.

The Technical Annex sets out detail on the drivers of the analysis.

³ See the *Economic Impact of the BBC 2011/12: A report by the BBC*, 2013

3. The BBC's global footprint

3.1 Overview

Global audiences come into contact with the BBC via a myriad of ways, including through TV, radio and online. Many of these interactions are with BBC-owned and branded services, but others are with services run by other providers. People come to the BBC for a variety of reasons: for news and information, to be entertained, to learn about the world around them, or for a cultural fix. The BBC provides trusted news in English and foreign languages, offering a distinctive global perspective on news around the world, characterised by the BBC's impartiality, independence and accuracy. In addition to TV, radio and online, the BBC also offers other digital services, as well as various consumer products like music, books and games.

The BBC organises all these global activities within three main entities:

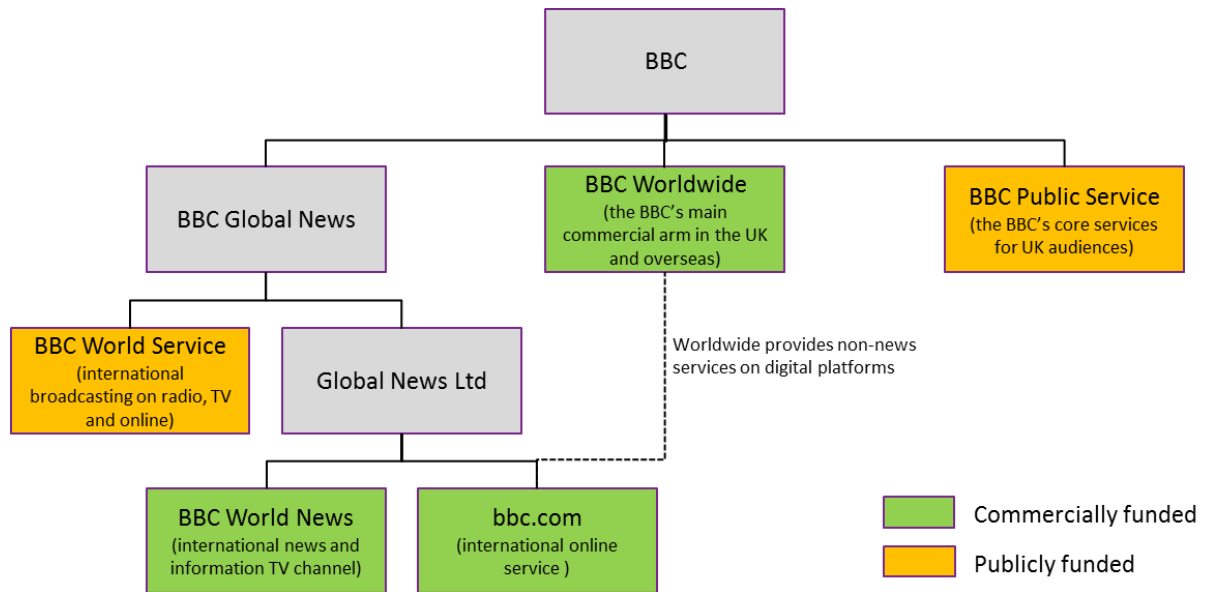
- BBC Worldwide;
- BBC World Service; and
- Global News Ltd.

BBC Worldwide is the BBC's main commercial arm in the UK and overseas. It exists to support the BBC's public service mission and to maximise profits on its behalf. It does this through investing in, commercialising and showcasing content from the BBC around the world, in a way that is consistent with BBC standards and values. The business also builds the reach and reputation of the BBC brand overseas and champions British creativity.

BBC World Service is the world's leading international broadcaster, providing services in English and 27 other language services. The World Service addresses the global gap in provision of trusted international news, by providing accurate, impartial and independent news and analysis of the highest quality. Today it reaches audiences on radio, but also on TV and a variety of digital platforms. Historically funded by Government, from 2014 the World Service will be funded by licence fee payers.

Global News Ltd is the BBC's commercial news subsidiary. It provides BBC World News – the BBC's international news and information TV channel, broadcasting 24 hours a day, offering current affairs, documentaries and other content alongside core news – and bbc.com/news, the BBC's international online service complementing BBC World News online. Global News Limited and the BBC World Service come together in a body called BBC Global News. Figure 1 below shows how the BBC's international operations are organised.

Figure 1. The structure of the BBC's international operations



3.2 Global scale and reach

The BBC is one of the largest media organisations in the UK by revenue, but its overall revenue is small compared to global competitors, such as Comcast-NBCU, Disney and News Corp.

The BBC outperforms relative to its size in some segments. BBC Worldwide is the largest TV distributor of TV programmes outside the US studios, with a catalogue of 50,000 hours. It also has high reach, high awareness and a strong global brand.

The BBC World Service has the largest audience of international broadcasters in the world, with a weekly reach of 192 million in 2012/13. When Global News Ltd audiences are added in, BBC Global News reaches over a quarter of a billion people around the world on a weekly basis (256 million). The next largest international broadcaster, BBG (which houses US international media, including Voice of America), achieves a comparable weekly audience of 175 million⁴.

The BBC has set an ambitious target to double its global audience by 2022 to half a billion.

The BBC is a well-known and highly respected global brand. The BBC is consistently rated the most trusted and best-known international news provider. BBC World News is also perceived to be more unbiased, objective and higher quality than other news channels⁵.

The BBC consistently performs well in quality metrics. For example, BBC America is the most critically acclaimed cable network on ad-supported cable. It has won a host of US top TV awards, including three Emmys, five Golden Globes and 11 Peabody Awards.

In addition:

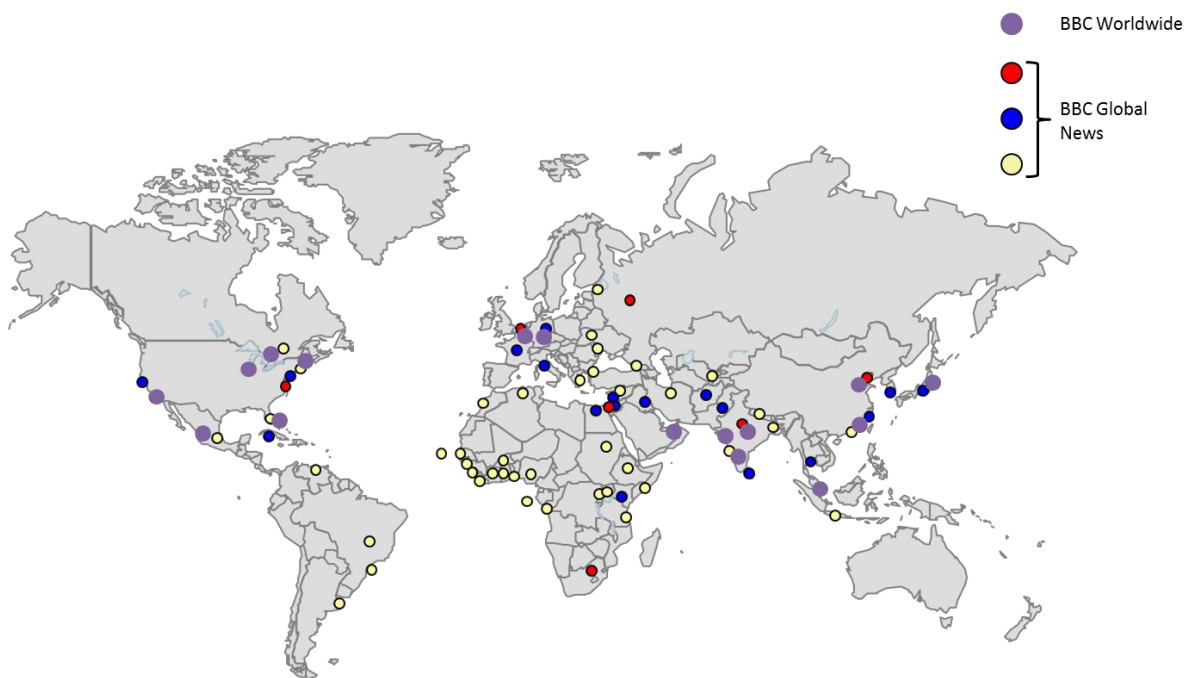
⁴ BBG Audience Overview Factsheet available at <http://www.bbc.gov/wp-content/media/2012/11/BBG-2-12-Audience-Overview-Factsheet.pdf>

⁵ *Media Brand Values*, 2011

- Countries touched: BBC Worldwide trades in over 200 countries around the world, whilst BBC Global News operates services in over 170 countries.
- Distribution: BBC Worldwide operates 44 channels which are distributed to 406 million households internationally.
- People: BBC Worldwide employs 2,300 people in 22 global offices. BBC World Service and Global News Ltd employ over 1,600 people in over 90 countries around the world.
- Overseas offices: the BBC runs over 100 offices in over 70 countries.

Figure 2 shows a map of the BBC's global offices and bureaux.

Figure 2. The BBC's global offices and news bureaux



4. Direct economic benefits to the UK

4.1 Introduction

The BBC's global activities bring direct economic benefits to the UK: by exporting programmes and formats, through secondary exploitation (DVDs, and merchandise and partnerships with overseas companies), by establishing production bases overseas and by attracting inward investment. The BBC's activities also provide an international platform for UK talent and creativity which in turn creates further benefits for the wider creative industries.

4.2 The contribution of the BBC's global activities to the UK economy

According to industry figures, the creative industries account for £1 in every £10 of the UK's exports⁶ and the UK is a world leader at producing high quality television programmes. The UK is the second largest exporter of TV programmes and the largest net exporter of TV formats⁷. PACT's latest annual TV Exports Survey shows that in 2012 international sales of UK TV programmes and associated activities were £1,224 million, a 4% increase on £1,178 million in 2011. This year's survey saw drama established alongside factual entertainment as a key driver of UK television exports. The overseas success of BBC scripted drama such as *Parade's End* and *Sherlock* helped to promote British culture, further bolstered Britain's reputation for creativity and attracted international investment.

The BBC's operations around the world are a major contributor to the UK's success overseas through a variety of mechanisms including:

- TV channels: the BBC (via BBC Worldwide and BBC World News) operates international TV channels. These channels generate revenue from subscriptions and advertising;
- Websites: the BBC generates advertising revenue through *bbc.com* and a range of other international websites, including *bbcgoodfood.com* and *topgear.com*, as well as hosting a limited amount of advertising on some BBC World Service services;
- Sales and distribution of TV programmes: BBC Worldwide sells content made by the BBC in-house and by independent production companies;
- Original overseas production: BBC Worldwide has production bases in the USA, France and India where it makes original programmes for broadcasters overseas and develops new formats; and
- Secondary exploitation: BBC Worldwide develops a range of products related to key content assets, for example live events, games, magazines, DVDs, "download to own" digital products, music, books, toys and other merchandise.

In 2012/13, BBC Worldwide generated revenues of £1.1 billion across all of its operations. Nearly two thirds of revenues were generated from outside of the UK. Key drivers of growth for BBC Worldwide included its channels business which grew to £369 million by the end of 2012/13 and programme sales which grew to £312 million. Demand was particularly high for programme sales in Europe, Australia and Asia and there was also strong revenue growth for BBC America.

⁶ DCMS, 2013

⁷ Communications Chambers, *Creative UK The Audiovisual Sector and Economic Success*, 2011

BBC Worldwide plays an integral role in fulfilling the BBC's public purpose of "Bringing the UK to the world and the world to the UK."

BBC Worldwide's TV channels showcase the best of British television from the BBC and the UK independent sector. In 2012/13 BBC Worldwide continued to build its international channel network, increasing distribution of its channel network from 356 million homes to 406 million homes.

In addition to selling programmes and exports, BBC Worldwide sells programme formats, introducing popular British formats to new audiences. *Dancing with the Stars*, the international version of *Strictly Come Dancing*, has sold 48 local versions and has a global audience of more than 250m viewers. The international version of *The Great British Bake Off*, a BBC Two commission from Love Productions, has become BBC Worldwide's second most successful format and has been commissioned in 13 territories including France, Italy and the Ukraine.

4.3 The contribution of the BBC's global activities to of the UK's creative industries

The BBC plays a unique and pivotal role in supporting British creativity through its commissioning of programmes made by independent production companies and by providing a shop window for high quality, original and innovative UK content which has significant global appeal. This investment has enabled UK companies to break into international markets and the influence of the BBC in providing a 'creative benchmark' has been widely recognised by the independent production sector.⁸

The BBC's investment in programming also brings wider benefits to the UK's creative industries beyond television production, providing the risk capital that gets creative projects off the ground. The BBC's public services act as a testing ground and launch pad for British talent (on and off screen) who may go on to launch international careers. Russell T Davies's success with *Doctor Who* helped to build his reputation as an innovative British writer and was one of the factors in his successful transition to the US. Furthermore, the success of British talent overseas creates fresh interest in Britain and increases demand for British output.

Similarly BBC Worldwide acts as a catalyst for British creativity, supporting the sector through investment in and the distribution of British programmes overseas⁹, bringing UK talent and creativity to the rest of the world.

At the heart of this role is content investment and international exploitation. BBC Worldwide provides risk investment to independent producers making programmes both for the BBC and for other broadcasters, including ITV, Channel 4 and Sky. BBC Worldwide invested a total of £176 million in content in 2012/13. Investment in distribution rights was £104 million. In 2012/13 BBC Worldwide global commissions included *Million Dollar Intern* (Outline Productions) and bespoke versions of *Food and Drink* and *Dara O' Briain's Science Club*. BBC America launched its own originations for US audiences and talent-led unscripted titles featuring Richard Hammond and Dominic Monaghan among others.

⁸ See PACT, *UK Television Exports Survey*, 2011

⁹ The BBC's role in supporting growth in the creative sector is discussed in detail in the previous publication, *The Economic Value of the BBC: 2011/12*. This report estimates that BBC Worldwide's gross value added (GVA) was £947million in 2011/12 – driven by activities overseas and in the UK

BBC Worldwide also attracts inward co-production investment from overseas broadcasters. For example, BBC Worldwide and Lookout Point brought together the BBC, Mammoth Screen, HBO Miniseries, ARTE France, Trademark Films, BNP Paribas Fortis Film Fund and Anchorage Entertainment to make BBC Two's acclaimed drama by Sir Tom Stoppard, *Parade's End*.

Independent producers benefit from the power of BBC Worldwide as a distributor and from the halo effect associated with the BBC brand. BBC Worldwide is the largest distributor of finished TV programmes outside the major US studios and its *Showcase* event is the biggest TV export fair staged by a single distributor, attracting more than 700 international buyers in 2013.

Through its overseas production bases, its portfolio of TV channels and Video On Demand partnerships, BBC Worldwide provides new routes to market for UK talent and increases the value of programmes for independent producers, as well as for other UK broadcasters.

In addition, BBC Worldwide exploits brands across a range of secondary channels, including live events, DVDs, games and books. These activities provide benefits across a range of sectors within the creative industries.

Finally, BBC Worldwide holds minority stakes in several independent production companies. These investments benefit independent production companies by providing access to capital and to BBC expertise, and enable BBC Worldwide to access the best content for BBC and international audiences.

Overall, BBC Worldwide partners with over 200 independent producers in the UK. In 2012/13 it returned £91 million to independent rights holders, comprising upfront rights investment, profit share and royalties. In doing so, BBC Worldwide helps to support employment for a range of creative and technical workers across the creative sectors.

5. Indirect economic benefits to the UK

5.1 Introduction

One of the BBC's public purposes is to 'bring the UK to the world and the world to the UK'.

The BBC's global approach raises the profile and reputation of the UK as one of the world's leading centres for media and the arts. This enhances the UK's national competitive advantage and leads indirectly to economic benefits for the UK creative sector and for the wider UK economy.

The UK has long had a successful record in exporting culture, creativity and ideas around the world. These exports enhance the UK's reputation and, in turn, result in a variety of benefits felt in the UK. These include increased UK trade, investment, tourism and increased political influence on the global stage. Over recent years a number of institutions have published studies exploring manifestations of this phenomenon¹⁰.

This report suggests that the BBC plays a significant role in supporting the perception that the UK is an attractive place to do business. And that this perception feeds through to real business decisions and economic benefits realised across a range of sectors including tourism and education and indeed the UK economy as a whole.

In addition, the report shows that the BBC plays an important role in driving perceptions of the UK as a creative powerhouse and providing a platform for UK talent, thereby supporting the creative sector.

5.2 A new survey of international business leaders

To explore indirect economic benefits, an online survey was carried out with business leaders in the USA, India and Australia. These locations were chosen because they are amongst the UK's most important trading partners; they speak English; and the BBC has a significant presence there.

The central purpose of the survey was to understand perceptions of the UK and the propensity to do business with the UK, and to explore the extent to which the BBC's presence has an impact on their attitudes and behaviour regarding business with the UK. Accordingly, the survey examined four key indicators and the relationships between them:

- General impression of the UK;
- Propensity to do business with the UK;
- General impression of the BBC; and
- Consumption of BBC services.

The study also looked at the role played by the BBC supporting the UK's creative industries.

¹⁰ For example, see *Influence and Attraction* by the British Council and Demos, 2013, exploring the relationships between culture, soft power and politics; *Culture Means Business* by the British Council, 2013, looking at the relationship between participation in cultural activities and the propensity to do business with the UK; *Econometric analysis of four waves of international procurement and investment decisions* by The Work Foundation for UKTI, 2013, analysing the relationship between trade and investment decisions and reputation; *Stately Attraction* by the UK Film Council, 2007, exploring the impact of films and TV on tourism.

The fieldwork was carried out in August-September 2013 across 875 business leaders who met the following criteria:

- Work for companies that do business overseas – including with the UK, or potentially with the UK in the future;
- Have sole responsibility for or direct participation in (with CEO / MD) decisions regarding overseas business; and
- Are aware of the BBC¹¹.

The BBC's three English language global services (BBC World Service radio, BBC World News TV and bbc.com) are each available in the USA, Australia and India. In addition, the BBC offers the following services:

- In the USA, the BBC operates BBC America (a best of British TV channel, showing BBC and non-BBC programming) and syndicates a radio news show called The World;
- In Australia, the BBC operates three further TV channels: BBC Knowledge (factual and non-fiction from the BBC and UK independent production companies), BBC UKTV (best of British entertainment and drama programming) and CBeebies (for children up to six years old). It also currently offers the Global iPlayer trial, a subscription service offering a selection on British content;
- In India, the BBC World Service runs radio and online services in Hindi, Bangla and Urdu languages.

An attempt was made to recruit a counterfactual sample of respondents unaware of the BBC to act as a "control" group and shed further light on business decisions not touched by any potential BBC influence. However, a large majority of respondents who were not aware of the BBC tended to work for companies that do not do business overseas (or for companies that would not potentially trade with the UK in the future), or they were not in positions of responsibility for business decisions. As a result, it was not possible to carry out the counterfactual fieldwork.

5.3 Driving trade with the UK

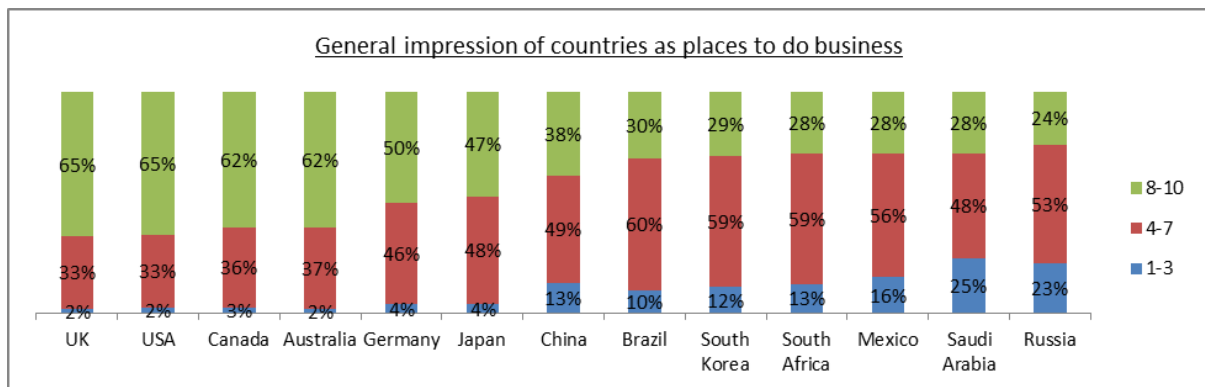
The UK as a place to do business

First, the survey sought to establish how the UK is perceived as a place to do business and the propensity of respondents to do business with the UK.

The survey shows that, alongside the USA, the UK is perceived to be the best country to do business with, in terms of general impression, with 65% giving scores of 8-10 and 2% scoring 1-3 out of 10.

¹¹ Approximately 86% of potential respondents were aware of the BBC in the USA, 95% in Australia and 92% in India

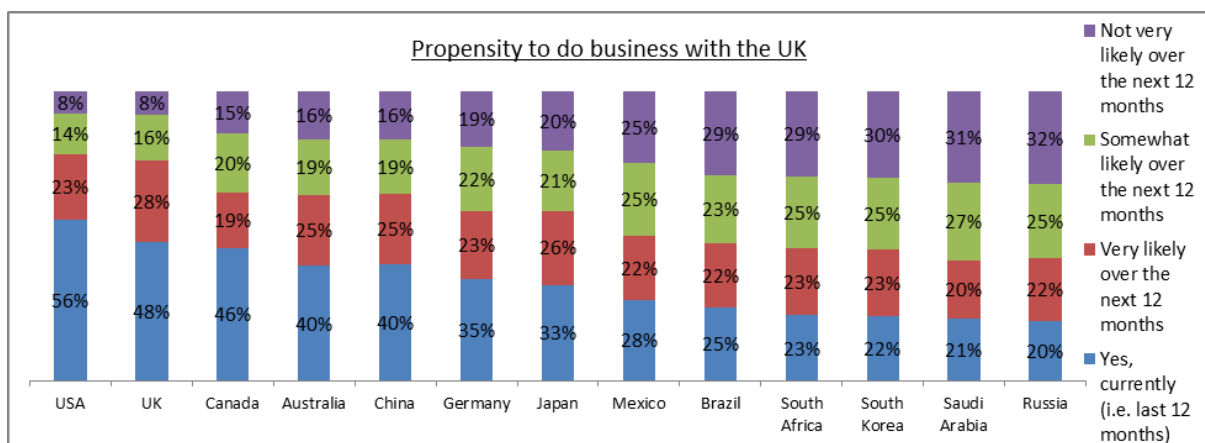
Figure 3. General impression of the UK



Q: What is your general impression of the following countries as a place to do business? Scale 1-10, where 1 = very unfavourable, 10 = very favourable. n = 875, except for USA (576) and Australia (592)

Similarly, the survey shows that the UK and the US are also the most likely destinations for overseas business. Over three quarters of respondents are either currently doing business with the UK or believe it is very likely they will over the next twelve months.

Figure 4. Propensity to trade with the UK¹²

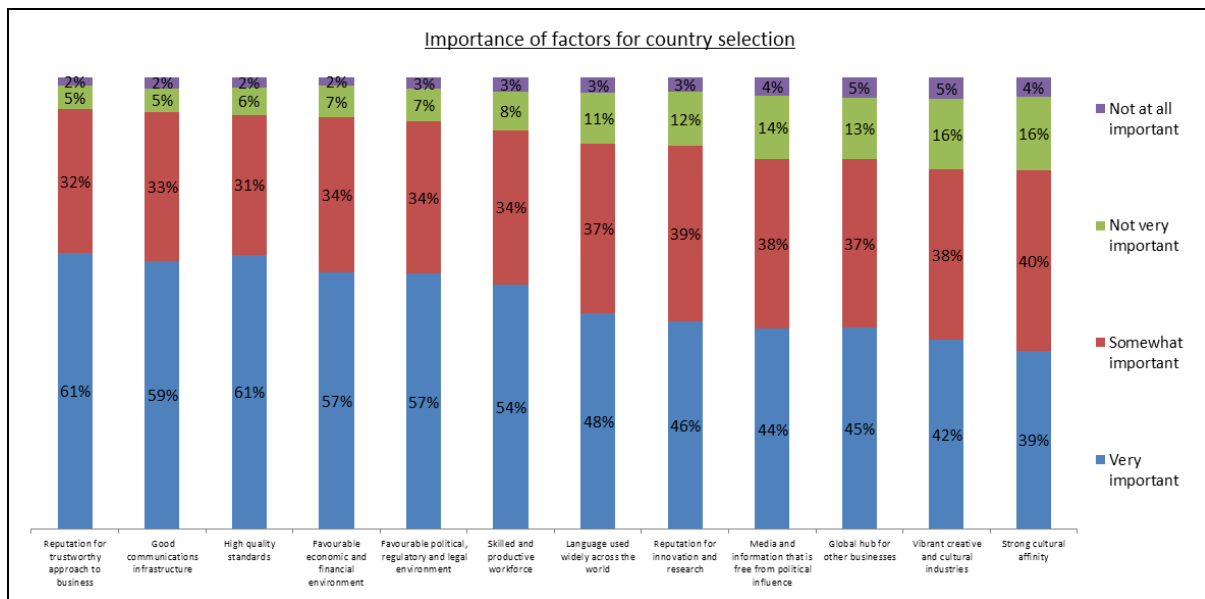


Q: With which of the following countries has your company done business over the last 12 months, or is your company planning to do business over the next 12 months? n = 875, except for USA (576) and Australia (592)

To understand why the UK scores well, we can look at how respondents rank a range of factors when considering where to do business. The survey reveals that trustworthiness, good communications infrastructure and high quality standards are seen as the most important factors in selecting a country.

¹² Trade data show that the UK is an important, but not the most important, trading partner for India, the USA and Australia. This is consistent with the data shown in Figure 4 which is based on a sample comprising respondents who work for companies that do business with the UK currently, or potentially could do in the future

Figure 5. Importance of factors in selecting a country for trade

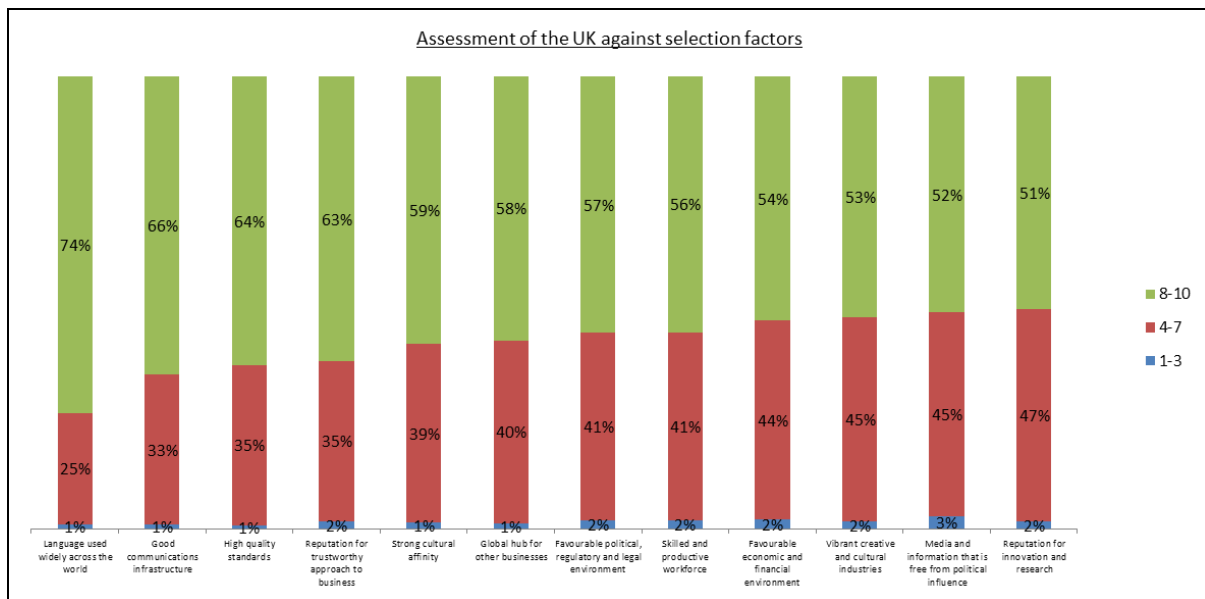


Q: How important are the following factors when selecting a country to do business with? n = 875

Respondents were then asked about the UK’s performance against these factors. Not surprisingly, the UK is perceived to do extremely well in terms of offering business transactions in a global language. Nearly three quarters of respondents (74%) score the UK’s performance against this factor 8-10.

After this, the next three highest-performing factors are those previously identified as the most important, namely trustworthiness, good communications infrastructure and high quality standards. Each of these factors scores above 60% 8-10 out of 10. Of these factors, the BBC could reasonably aspire to influence the UK’s reputation for trustworthiness. In fact, the survey shows that respondents who have the closest relationship with the BBC are the most likely to score the UK highly on trustworthiness. 52% of monthly BBC consumers score the UK 8-10 out of 10 on trustworthiness, compared to 72% of daily BBC consumers.

Figure 6. Assessment of the UK against selection factors



Q: Please give your assessment of the UK on the following factors. Scale 1 - 10, where 1 = very poor, 10 = very good. n = 875

To a lesser extent, the presence of vibrant creative and cultural industries, access to media and information that is free from political influence and strong cultural affinity also influence the choice of the UK as a place to do business. In section 5.4 we explore the extent to which the BBC has an influence on these factors.

Attitudes to and appetite for the BBC

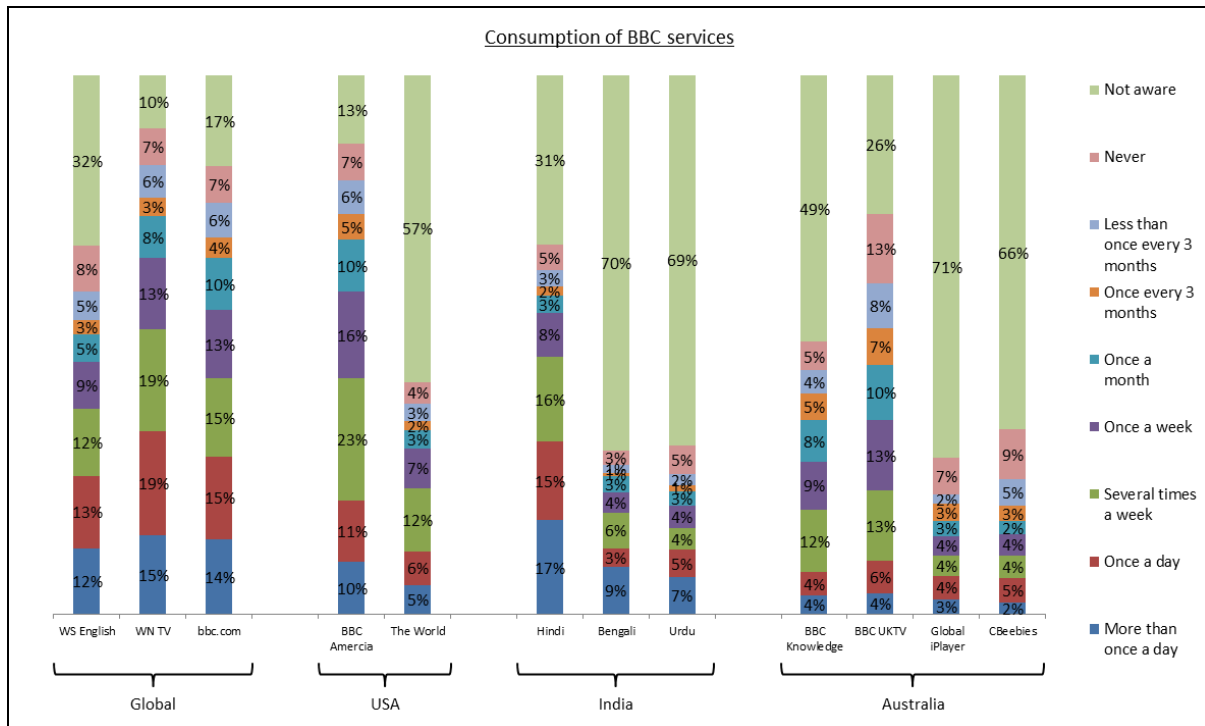
The second strand of the study examined consumption of BBC services and attitudes towards the BBC.

The survey showed that the BBC’s three global services are each achieving weekly contact with approximately half or more of all respondents¹³ (47% for World Service in English, 66% for World News and 56% for bbc.com), which translates to around two thirds of those who are aware of each service.

60% of respondents use BBC America on a weekly basis and 36% use BBC UKTV weekly – 69% and 49% of those aware.

¹³ As indicated previously, the survey excluded people who were not aware of the BBC – found to be 14% in the USA, 8% in India and 5% in Australia. Hence the levels of awareness cited here are not the same as those we would expect to see if we had a sample which was representative of the relevant country populations

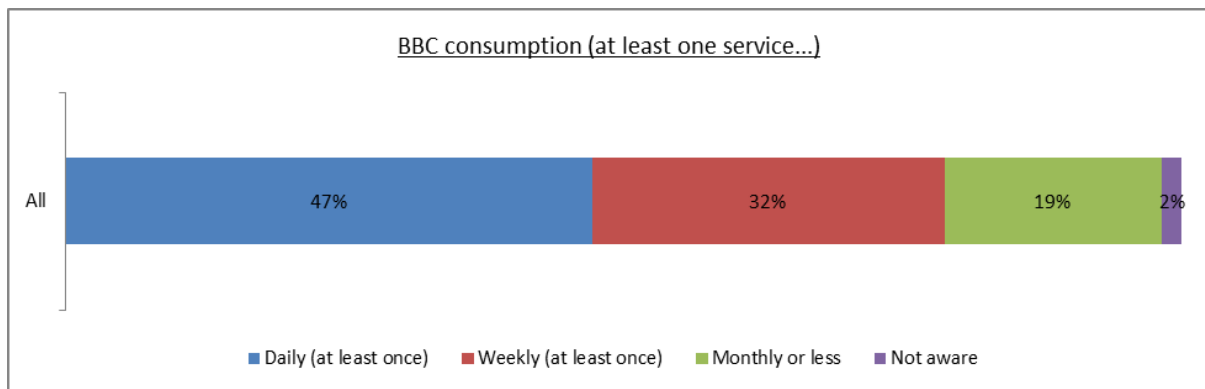
Figure 7. Consumption of BBC services



Q: Nowadays, how often do you use the following BBC services? n = 875 for global services, 299 for USA services, 293 for Australia services, 283 for India services

In aggregate, the survey shows out of the sample of respondents who were aware of the BBC almost half (47%) are in daily contact with at least one BBC service, with almost another third in weekly contact.

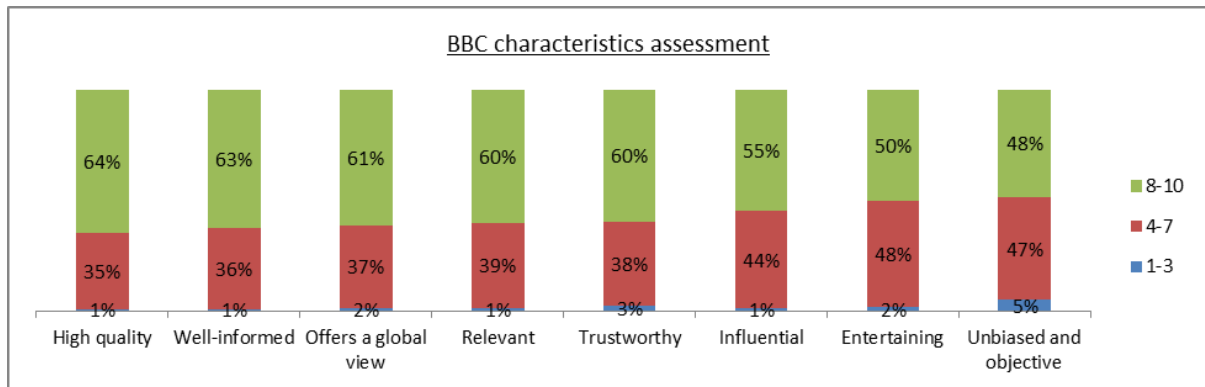
Figure 8. Consumption of at least one BBC service



n = 875

When asked to assess the BBC against a number of characteristics, the BBC is seen to perform best in terms of quality, being well-formed and offering a global view. The BBC scores relatively less well in terms of being unbiased and objective, although nearly half (48%) of respondents score the BBC highly (i.e. 8-10) on this measure.

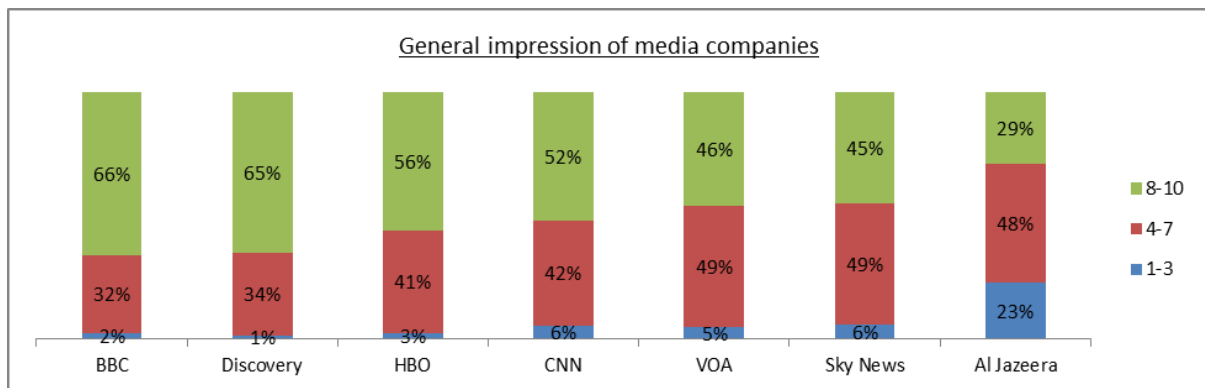
Figure 9. Assessment of the BBC against characteristics



Q: Please give your assessment of the BBC on the following characteristics. n = 875

All of this results in wide approval of the BBC, with two thirds of respondents (66%) assessing the BBC 8-10 out of 10 in terms of general impression.

Figure 10. General impression of media companies



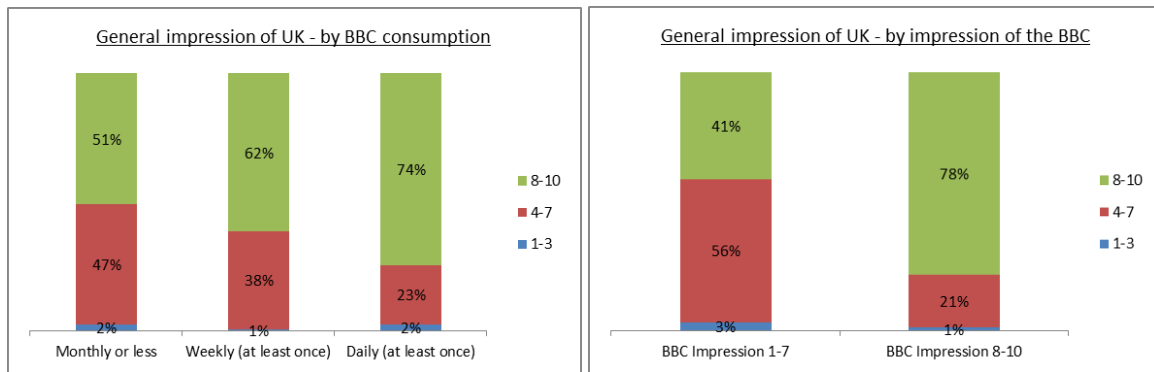
Q: What is your general impression of these companies? Scale 1 - 10, where 1 is very unfavourable and 10 is very favourable. n = 875

Relationship between the UK and the BBC indicators

Having explored (i) impressions of the UK as a place to do business and propensity to do business with the UK and (ii) attitudes and behaviour regarding the BBC, we now investigate the relationship between these UK and BBC indicators.

Here we see that perceptions of the UK increase with frequency of consumption of the BBC and with general impression of the BBC. As consumption moves from monthly to daily, general impression scores move from 51% 8-10 to 74% 8-10. Similarly as BBC impression moves from less favourable (1-7) to more favourable (8-10), general impression of the UK moves from 41% 8-10 to 78% 8-10.

Figure 11. Relationship between UK impression and the BBC indicators

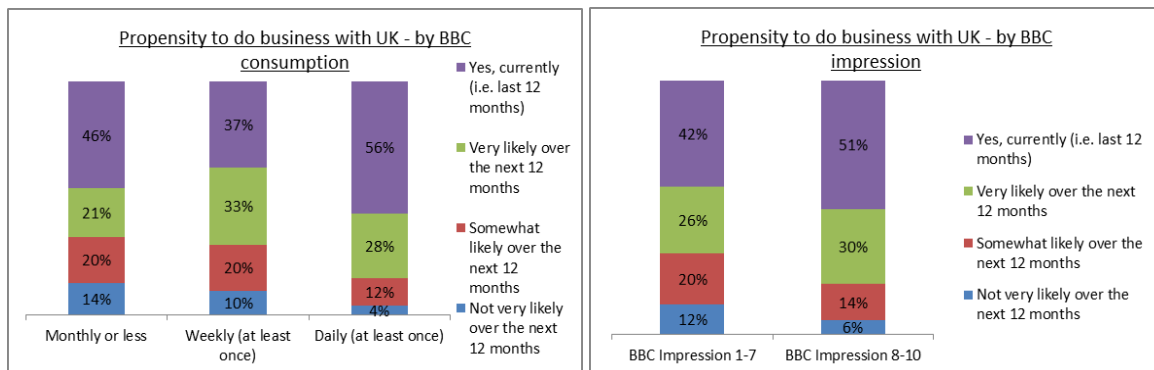


LH chart: n = 170 monthly, 276 weekly, 413 daily; RH chart: n = 293 1-7, 567 8-10

The survey also shows that the likelihood of doing business with the UK increases with frequency of contact with the BBC and with general impression of the BBC.

Or put the other way round, the likelihood of *not* doing business with the UK decreases with the increasing frequency of BBC consumption. In particular, we see that amongst those who have monthly or less contact with the BBC, 14% say they are not very likely to do business with the UK. Amongst those who have weekly contact with the BBC, 10% say they are not very likely to do business with the UK. Finally, amongst those who have daily contact with the BBC, 4% say they are not very likely to do business with the UK over the next year.

Figure 12. Relationship between propensity to trade and the BBC indicators



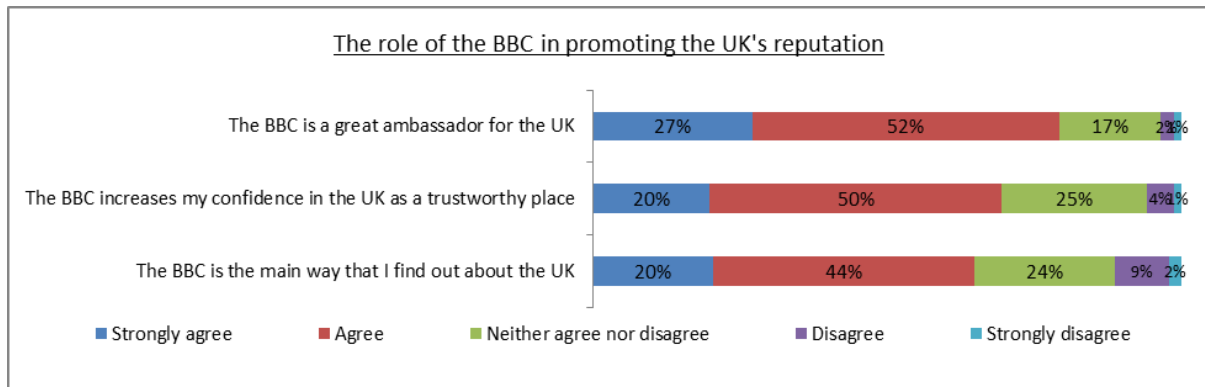
LH chart: n = 170 monthly, 276 weekly, 413 daily; RH chart: n = 293 1-7, 567 8-10

In summary, the survey shows that the perceptions of the UK and propensity to do business with the UK move positively with perceptions of the BBC and consumption of BBC services. In other words, the data suggests that the BBC may help to drive up impressions of the UK and help to flip decision makers from being not very likely to at least somewhat likely to do business with the UK.

Proving causality

Of course, proving causality is notoriously difficult. Here we make two further observations. First, high proportions of respondents said that the BBC is a positive force in promoting the UK's interests and reputation. 79% believe that the BBC is "a great ambassador" for the UK, 69% that the BBC "increases my confidence in the UK as a trustworthy place" and 65% that the BBC is "the main way that I find out about the UK".

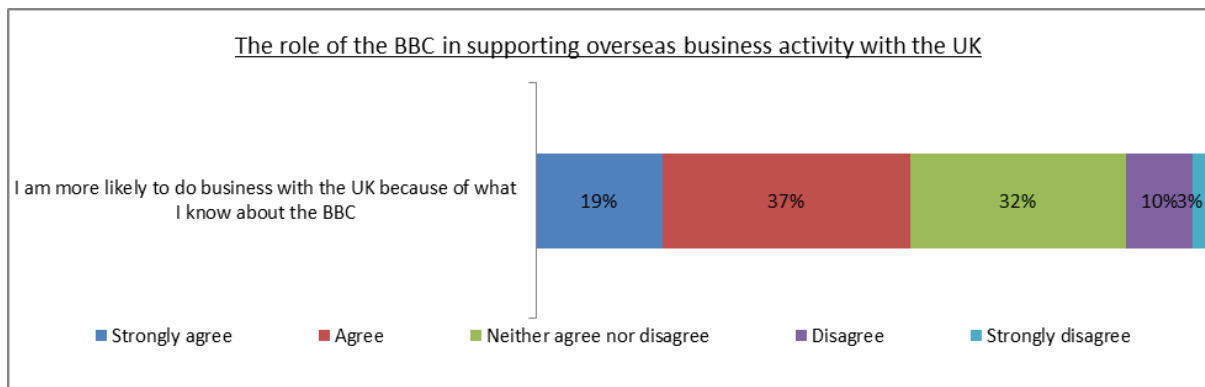
Figure 13. The role of the BBC promoting the UK's reputation



Q: Thinking about any influence the BBC may or may not have on the way you develop your business, please consider these statements and indicate how far you agree or disagree with them. Scale 1 = Strongly agree, 2 = Agree, 3 = Neither agree nor disagree, 4 = Disagree, 5 = Strongly disagree. n = 875

Moreover, over half (56%) of respondents agreed that they are more likely to do business with the UK because of what they know about the BBC.

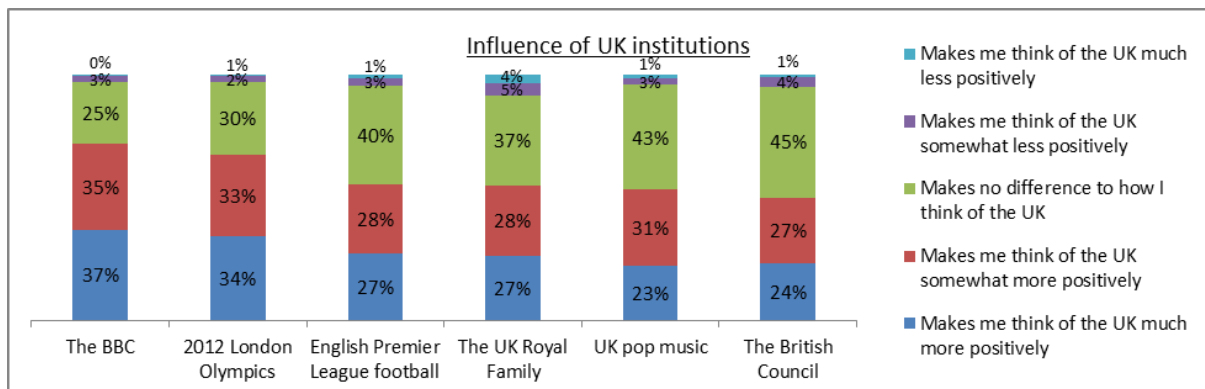
Figure 14. The role of the BBC supporting trade with the UK



Q: Thinking about any influence the BBC may or may not have on the way you develop your business, please consider these statements and indicate how far you agree or disagree with them. Scale 1 = Strongly agree, 2 = Agree, 3 = Neither agree nor disagree, 4 = Disagree, 5 = Strongly disagree. n = 875

Second, the survey compared the role of the BBC to other UK institutions including the 2012 London Olympics, the Royal family, Premier League football, UK pop music and the British Council. Here we see that the BBC appears to be particularly influential in the way that people think and feel about the UK. The BBC scored highest, with nearly three quarters (72%) of respondents saying that the BBC makes them think more or much more positively about the UK, and 3% saying the opposite.

Figure 15. The influence of UK institutions on UK perceptions

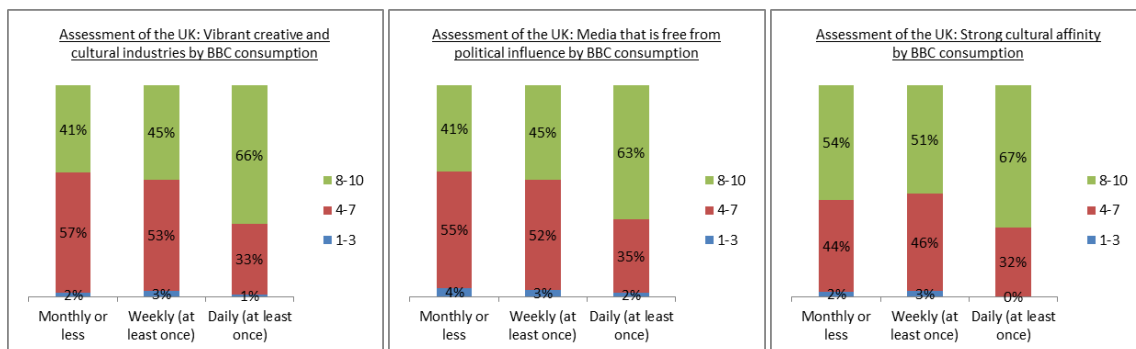


Q: To what extent do these items influence the way you think and feel about the UK? n = 875

5.4 Supporting the UK’s creative industries

The BBC plays an important role in promoting the UK’s creative industries, in particular. This can be seen by looking at the relationship between perceived UK performance in relation to culture and media and BBC consumption. Respondents who have the most contact with the BBC score the UK highest on culture and media indicators. This is set out in Figure 16 below.

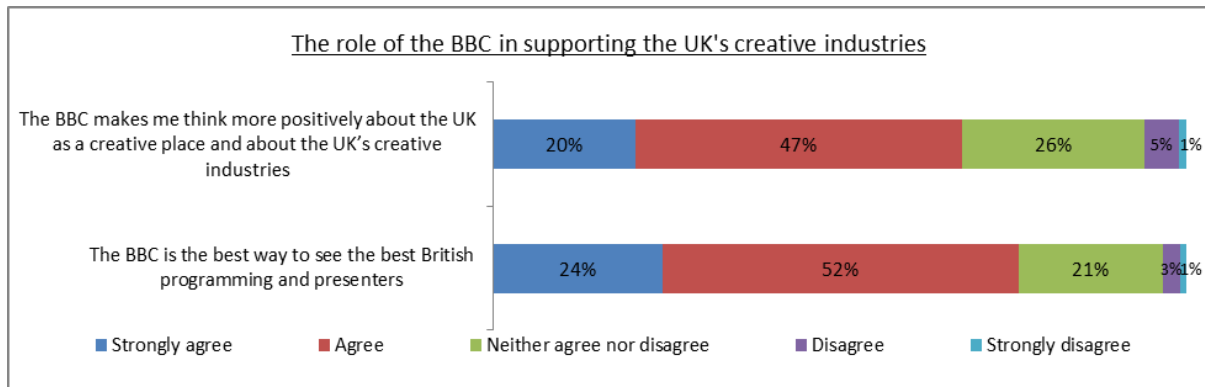
Figure 16. The relationship between UK performance in relation to culture and media and BBC consumption



n = 170 monthly, 276 weekly, 413 daily

Moreover the survey also revealed wide agreement on two fronts indicating a causal relationship – that the BBC offers a platform showcasing the UK’s best on-screen and creative talent (76% agreeing), and that the BBC enhances perceptions of the UK as a creative place (68% agreeing). This is illustrated in Figure 17.

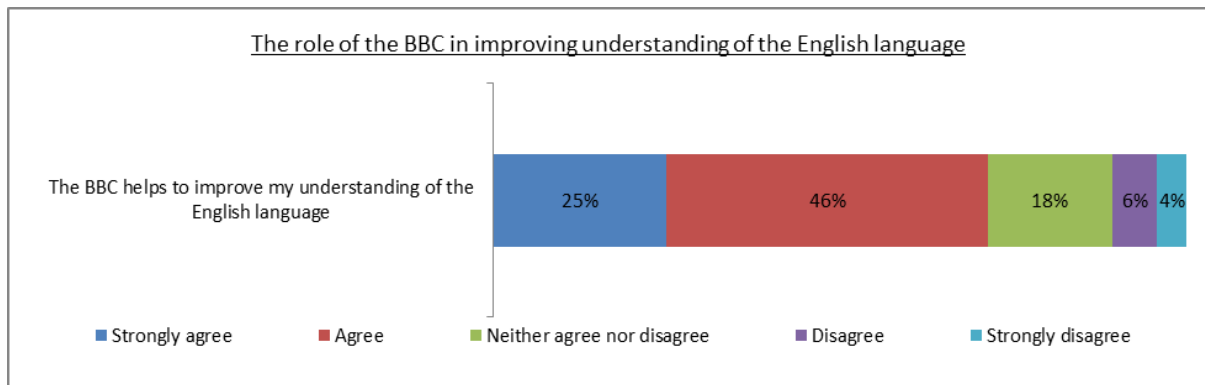
Figure 17. The role of the BBC supporting the UK's creative industries



Q: Thinking about any influence the BBC may or may not have on the way you develop your business, please consider these statements and indicate how far you agree or disagree with them. Scale 1 = Strongly agree, 2 = Agree, 3 = Neither agree nor disagree, 4 = Disagree, 5 = Strongly disagree. n = 875

Finally the BBC contributes to promoting the English language, through its English language services available across the globe. Across the sample in this study, 7 out of 10 non-native-English speakers¹⁴ reported that that the BBC helps them to improve their understanding of the English language.

Figure 18. The role of the BBC promoting the English language



Q: Thinking about any influence the BBC may or may not have on the way you develop your business, please consider these statements and indicate how far you agree or disagree with them. Scale 1 = Strongly agree, 2 = Agree, 3 = Neither agree nor disagree, 4 = Disagree, 5 = Strongly disagree. n = 140

¹⁴ 16% of all respondents said that English was not their native language

Technical Annex: Exploring drivers of the analysis

This section sheds light on the relationships observed in Section 5, in particular exploring the key factors driving propensity to trade with the UK and impressions of the UK.

The UK indicators

Figure 19 below shows average scores for the two main UK indicators cut by country. Respondents in India tend to be the most likely to trade with the UK.

Figure 19. Average scores for the UK indicators by country

		Propensity to trade		UK impression	
	All	3.18	0.06	8.00	0.11
Country	USA	3.23	0.11	8.11	0.18
	Australia	3.02	0.12	7.54	0.20
	India	3.27	0.10	8.31	0.18

Propensity to trade: Scale 1-4, where 1 = not very likely over the next 12 months, 2 = somewhat likely over the next 12 months, 3 = very likely over the next 12 months, 4 = yes, currently (i.e. over the last 12 months)

UK impression: Scale 1-10, where 1 = very unfavourable, 10 = very favourable

Numbers in smaller font represent the margin of error at 95% confidence. The lower the number, the smaller the range within which we are 95% confident that the "true" answer (in larger font) lies

Figure 20 shows the UK indicators cut by BBC impression and consumption. It shows that respondents who have the highest impression of the BBC and those who consume the BBC most frequently have the highest propensity to trade with the UK (and the best impression of the UK.)

Figure 20. Average scores for the UK indicators by BBC impression and consumption of BBC services

		Propensity to trade		UK impression	
BBC impression	1-7	3.00	0.12	7.15	0.19
	8-10	3.27	0.07	8.42	0.12
BBC consumption	Daily	3.38	0.08	8.31	0.16
	Weekly	2.99	0.12	7.76	0.18
	Monthly or less	2.98	0.17	7.60	0.26

Propensity to trade: Scale 1-4, where 1 = not very likely over the next 12 months, 2 = somewhat likely over the next 12 months, 3 = very likely over the next 12 months, 4 = yes, currently (i.e. over the last 12 months)

UK impression: Scale 1-10, where 1 = very unfavourable, 10 = very favourable

Numbers in smaller font represent the margin of error at 95% confidence. The lower the number, the smaller the range within which we are 95% confident that the "true" answer (in larger font) lies

Strength of relationship between the UK and BBC indicators

Figure 21 and Figure 22 below look at the strength of the relationship between the UK and BBC indicators. For this we use a standard statistical tool known as the Spearman’s rank correlation coefficient¹⁵.

Figure 21 sets out the correlation coefficients by country.

The two left-hand columns look at the relationship between UK impression and (i) BBC impression and (ii) BBC consumption; the two right-hand columns look at the relationship between propensity to trade with the UK and (i) BBC impression and (ii) BBC consumption.

All correlations are statistically significant at 95% confidence. This means that we can be 95% confident that the observed relationships are not random.

Looking at the key relationship between propensity to trade and BBC consumption, we see that the strongest correlation is for respondents in India.

Figure 21. Strength of relationship between the UK and BBC indicators by country

	Propensity to trade		UK impression	
	BBC consumption	BBC impression	BBC consumption	BBC impression
All	0.26	0.24	0.26	0.52
USA	0.20	0.17	0.16	0.37
Australia	0.20	0.29	0.17	0.54
India	0.38	0.25	0.34	0.61

Coefficient of -1 = perfect negative correlation, 0 = no correlation, 1 = perfect positive correlation

All correlations are statistically significant at 95% confidence, except for the one faded to white

Figure 22 sets out at the correlation coefficients for different services. Again looking at the relationship between propensity to trade and BBC consumption, we see broadly similar relationships for all services, with the exception of BBC America where the relationship is a little weaker.

¹⁵ The sign of the Spearman coefficient indicates the direction of association between the two variables. If one tends to increase as the other increases, the Spearman coefficient is positive; if one tends to decrease as the other increases, the coefficient is negative. A coefficient of +/-1 indicates a perfect association, a coefficient of zero indicates there is no association.

Figure 22. Strength of relationship between the UK and BBC indicators by service

	Propensity to trade		UK impression	
	BBC consumption	BBC impression	BBC consumption	BBC impression
World Service	0.26	0.24	0.18	0.56
World News	0.28	0.25	0.27	0.52
bbc.com	0.26	0.23	0.25	0.52
Any news	0.28	0.25	0.27	0.52
BBC America	0.21	0.17	0.21	0.37

Coefficient of -1 = perfect negative correlation, 0 = no correlation, 1 = perfect positive correlation

All correlations statistically significant at 95% confidence

Attitudinal statements on the role of the BBC

Finally we look at the key attitudinal statements regarding the role of the BBC in supporting the UK’s creative industries (Figure 23) and driving the UK’s reputation and the likelihood of doing business with the UK (Figure 24).

For each indicator, the strongest agreement (the lowest score) is amongst respondents in India.

Figure 23. Average scores for attitudinal statements on the role of the BBC in supporting the UKs creative industries

	UK creative industries			
	The BBC is the best way to see the best British programming and presenters		The BBC makes me think more positively about the UK as a creative place...	
All	2.04	0.05	2.19	0.06
USA	2.03	0.09	2.27	0.10
Australia	2.28	0.09	2.47	0.10
India	1.83	0.09	1.85	0.09

Scale: 1 = Strongly agree, 2 = Agree, 3 = Neither agree nor disagree, 4 = Disagree, 5 = Strongly disagree

Numbers in smaller font represent the margin of error at 95% confidence. The lower the number, the smaller the range within which we are 95% confident that the "true" answer (in larger font) lies

Figure 24. Average scores for attitudinal statements on the role of the BBC in driving business with the UK

	Beyond the creative industries							
	The BBC is a great ambassador for the UK		The BBC is the main way that I find out about the UK		The BBC increases my confidence in the UK as a trustworthy place		The BBC makes me more likely to do business with the UK	
All	1.99	0.05	2.28	0.06	2.18	0.06	2.41	0.07
USA	2.04	0.09	2.36	0.11	2.24	0.09	2.51	0.10
Australia	2.17	0.10	2.56	0.11	2.43	0.10	2.76	0.11
India	1.75	0.08	1.94	0.10	1.88	0.09	1.96	0.10

Scale: 1 = Strongly agree, 2 = Agree, 3 = Neither agree nor disagree, 4 = Disagree, 5 = Strongly disagree

Numbers in smaller font represent the margin of error at 95% confidence. The lower the number, the smaller the range within which we are 95% confident that the "true" answer (in larger font) lies

In summary, the analysis shows that respondents in India have the highest impressions of the UK and are most likely to trade with the UK. They show the strongest relationship between propensity to trade and BBC consumption. They also show the highest levels of agreement with the attitudinal statements about the role of the BBC.