

TV REMAINS MAIN SCREEN AS VIEWING HABITS EVOLVE: Q1 2015 AUSTRALIAN MULTI-SCREEN REPORT

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The latest **Australian Multi-Screen Report** – from **Regional TAM**, **OzTAM** and **Nielsen**, and covering the first quarter of calendar 2015 – explores household take-up of new screen technologies and trends in how major age groups view broadcast television and other video across multiple screens.

It also presents new findings about Australians' claimed use of and attitudes towards various screen types: the devices they prefer to use for different activities, and the extent to which they use more than one screen simultaneously ('multi-screening').

Among the key trends:

- **Television is still dominant.**

All age groups spend the majority of their viewing time watching broadcast television on in-home TV sets: across the population and screen types 88.4 per cent of all viewing takes place on the TV set.

In Q1 2015 Australians watched an average 89 hours and 28 minutes (89:28) of **broadcast television** – free-to-air and subscription channels – on in-home television sets *each month* (down from 93:16 in Q1 2014).

The average weekly reach however for Australian broadcast television was little changed on the same quarter of 2014 and 2013, at 88–89 per cent of the population.

22.158 million Australians watched broadcast television each month during Q1 2015.

- **The way people use their television sets is changing.**

The proportion of time spent viewing **live** television has dropped gradually in each of the past five years, while **playback** viewing through the TV set within seven days of original broadcast continues to rise.

Even so, 91.6 per cent of all broadcast TV viewed on television sets is still watched at the time of original broadcast (live-to-air).

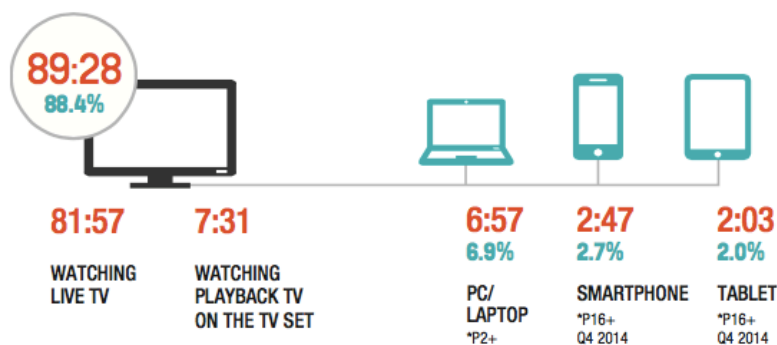
Meanwhile an increasing proportion of the time people spend with the TV now goes to activities other than watching broadcast television. This **other TV screen use** follows the take-up of internet-capable or 'smart' TVs – now in nearly one third of homes – along with growth in viewing of TV content between 8 and 28 days from original (live) broadcast.

For example, in the four-week period 22 February – 21 March 2015 this **8-28 day playback viewing** (which does not appear in the playback figures within OzTAM and Regional TAM Consolidated data) accounted for 1.66 per cent of all TV viewing time across the day (up from 1.06 per cent in the same four-week period a year ago).

- **Australians' use of connected mobile devices to watch video is growing but remains relatively small.**

Across the population as a whole watching video is not the primary activity Australians undertake on their mobile screens. 11.6 per cent of all video viewing – both broadcast and non-broadcast content – happens on screens other than the TV:

VIDEO VIEWING, AVERAGE TIME SPENT PER MONTH, TV / PC / SMARTPHONE / TABLET



Viewing habits are evolving though, with people under age 35 in particular increasingly using internet-connected devices to watch video. [Please see 'Evolving Viewing Patterns by Age Group' below for details].

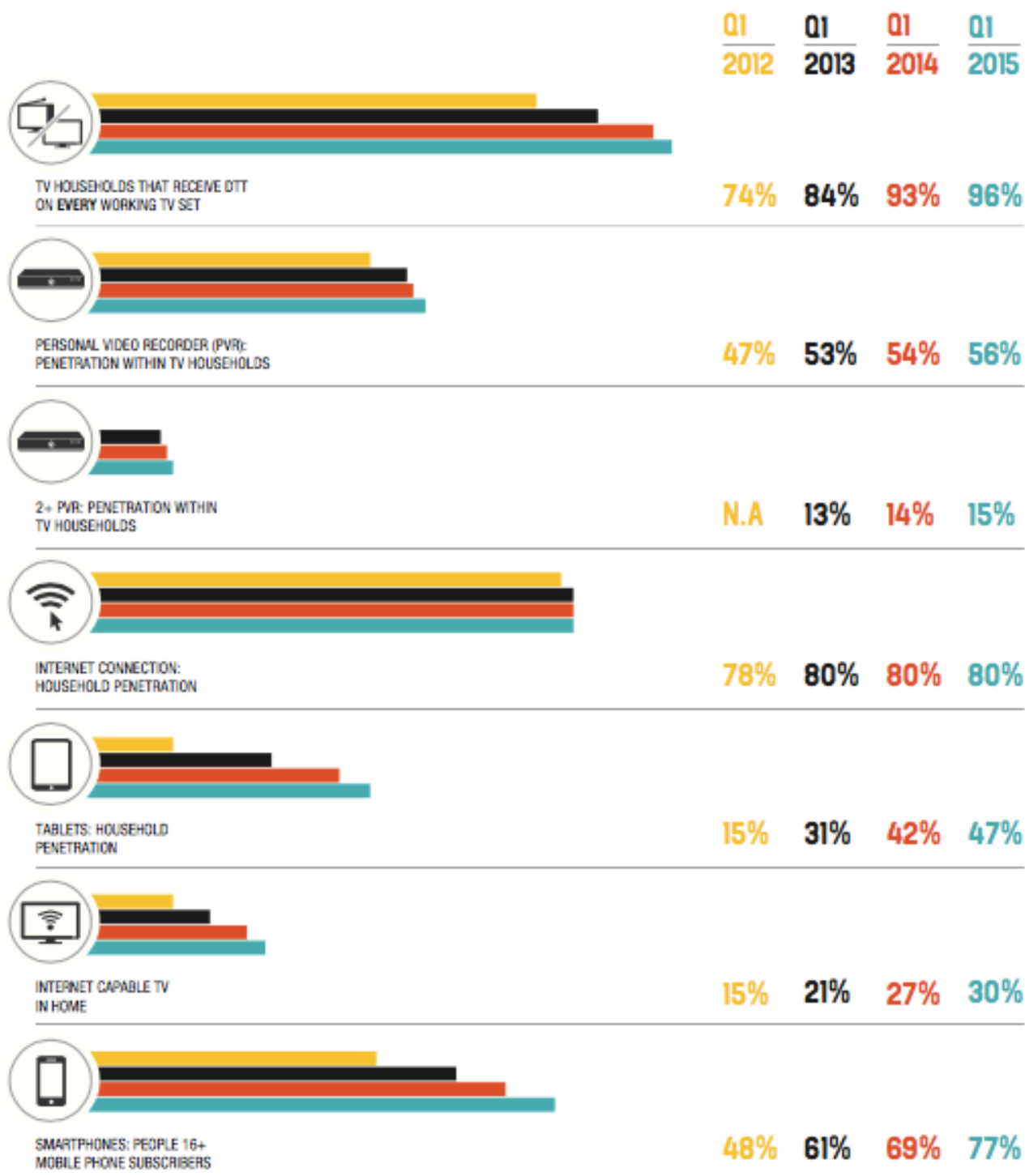
TECHNOLOGY IN AUSTRALIAN HOMES

Smartphones have the fastest adoption rate: 77 per cent of Australians aged 16+ now own one, up from 69 per cent a year ago.

The rate at which households are introducing **internet-capable TVs** and **tablets** is slowing, now in 30 per cent and 47 per cent of homes, respectively.

Household personal video recorder (**PVR**) penetration has levelled off at 56 per cent.

TECHNOLOGY PENETRATION



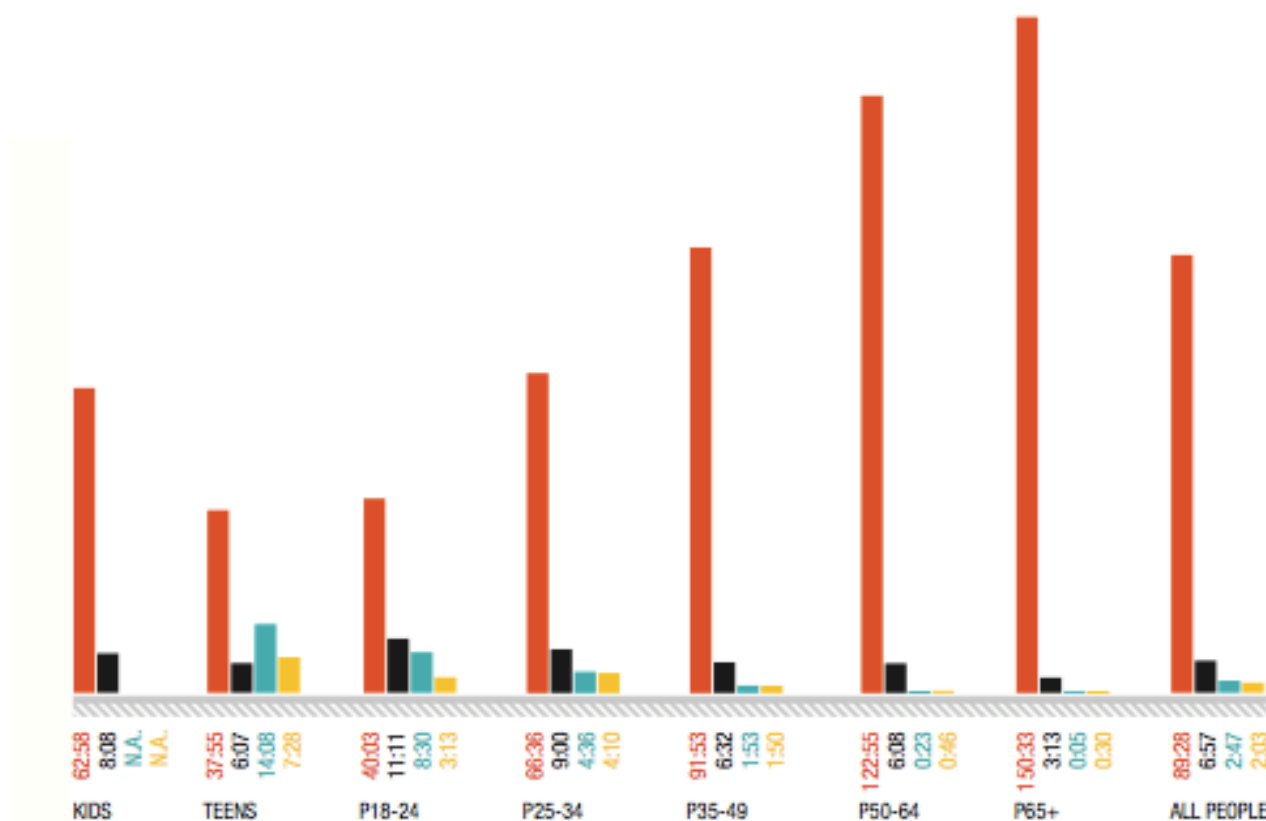
TIME SPENT VIEWING ON TELEVISIONS AND OTHER DEVICES

As Australians adopt new screens and technologies they have more choice as to what, when, where and how they watch TV and other video.

This in turn affects the time people spend with these devices.

Viewing habits are changing – notably with younger audiences who increasingly use internet-connected devices to watch TV and other video. People of all ages however still spend the majority of their viewing time watching broadcast television on in-home TV sets.

MONTH IN A LIFE TV / PC / LAPTOP / SMARTPHONE / TABLET



WATCHING TV
IN THE HOME



WATCHING ANY
ONLINE VIDEO ON
PC/LAPTOP (P2+)



WATCHING ANY
ONLINE VIDEO ON A
SMARTPHONE (P16+)
Q4 2014



WATCHING ANY
ONLINE VIDEO
ON A TABLET (P16+)
Q4 2014

SIMULTANEOUS SCREEN USE

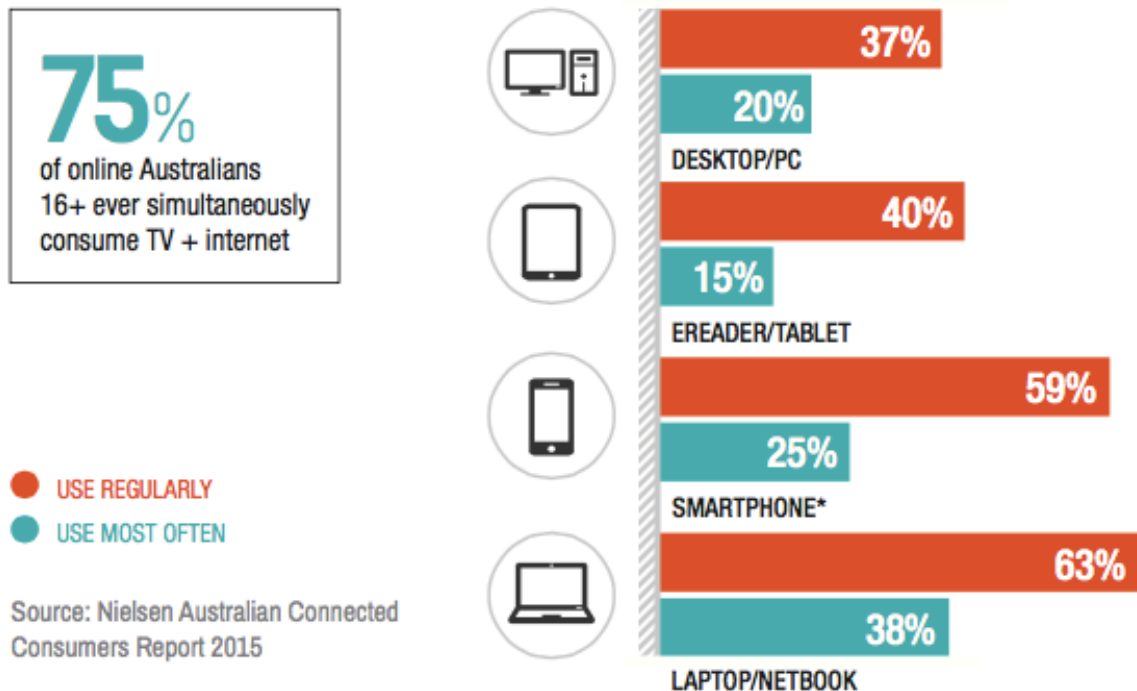
Nielsen's annual Australian Connected Consumers report shows 75 per cent of online Australians aged 16 and over say they ever '**multi-screen**', that is, use an internet-connected device while watching television (74 per cent a year ago.)

Slightly more women say they have multi-screened than men (76 per cent compared to 73 per cent).

More than one third of multi-screenerers say they do so daily and 85 per cent report doing so at least once a week.

31 per cent of online Australians aged 16+ say they '**triple-screen**' – up from 26 per cent the previous year.

Across the population people who multi-screen say they most often use their laptop/notebook computers for this activity, followed by smartphones, desktop computers and then tablets. Laptops are still dominant but mobile devices are now the second most used, in the past year overtaking the desktop PC.



*Please note the survey question specified 'mobile' phone and therefore the results discussed in this section of the report could include some people using an internet-capable non-smartphone.

The activities people most often undertake on various devices differ and reflect both screen size and where the devices are used.

For example the desktop or laptop computer are used at home and are still where much online access takes place. Smartphone use however reflects the fact they are most often used outside the home. People also use their smartphones to check social media more often than on other devices.

Tablet activities are closer to those on desktop/laptops, as they too are widely used in the home. However search plays a more important role on tablets, along with updating or browsing social media and watching online video.

TOP ACTIVITY BY DEVICE

TOTAL PEOPLE

DESKTOP/LAPTOP	SMARTPHONE	TABLET
1 Email	1 Maps/directions	1 Search
2 Search	2 Weather	2 Email
3 Banking/bill payment	3 Email	3 News
4 News	4 Search	= 4 Weather
5 Researching or comparing products/services/businesses	5 Updating your social media profile or browsing others'	= 4 Maps/directions
= 6 Weather	6 News	= 6 Updating your social media profile or browsing others'
= 6 Maps/directions	7 Travel/transport information	= 6 Researching or comparing products/services/businesses
8 Updating your social media profile or browsing others'	8 Banking/bill payment	= 6 Watching online video
9 Travel/transport information	9 Sporting news/information/results	9 Travel/transport information
10 Watching online video	10 Listening to streamed/downloaded music or radio	10 Sporting news/information/results
	= 11 Researching or comparing products/services/businesses	
	= 11 Watching online video	

Source: Nielsen Australian Connected Consumers Report 2015

EVOLVING VIEWING PATTERNS BY AGE GROUP

The trends evident in recent years persist.

For example while people aged 50+ watch the most TV on TV sets the time they spend watching any video on connected devices is increasing. And Australians under age 24 spend more than 50 per cent of their total viewing time watching broadcast television on TV sets even though they are the heaviest viewers of video on connected devices.

Some of the more interesting trends include:

Kids

- Kids watch more broadcast television than teens and 18-24s, and watch more video on the internet than their 16-17 year-old counterparts, adding an additional 1:03 per month doing so year-on-year.
(Note: multi-screening habits and top activities by connected device are available for audiences aged 16 and above).

16-17 year-olds

- 92 per cent of online 16-17 year-olds say they ever multi-screen: the highest of any age group.
- They most often use their smartphones when multi-screening, followed by laptops and desktops. Conducting a search and accessing social media are the top activities they use their smartphones for, then getting directions and emailing.
- Watching online video is the number one activity they use tablets for, third most common on computers and seventh on smartphones.

18-24 year-olds

- 89 per cent of online 18-24s say they ever multi-screen, with smartphones their preferred multi-screening device.
- Email and getting directions/maps are the most common online activities they claim to use their smartphones for; search on tablets and computers.
- Watching online video is now 18-24s' third most common activity on computers, second on tablets and eighth on smartphones.

25-34 year-olds

- 90 per cent of online 25-34s report ever multi-screening, with 84 per cent saying they do so at least monthly.
- 25-34s say they use smartphones most often to multi-screen, with laptops close behind. Desktops follow with tablets becoming increasingly popular.
- Watching online video is their second most common activity on tablets, seventh on desktops/laptops and tenth on smartphones.

35-49 year-olds

- 82 per cent of online 35-49s say they ever multi-screen and 74 per cent say they do so at least monthly, which is stable year-on-year.
- 35-49s use their laptops most often to multi-screen, followed by smartphones; desktops and tablets are almost on par as the third most-used.
- Watching online video is 35-49s' seventh most common self-reported activity on tablets, tenth on desktops/laptops and eleventh on smartphones.

50-64 year-olds

- 65 per cent of online Australians aged 50-64 report ever multi-screening – down slightly from 68 per cent a year ago.

- Laptops are 50-64s' key multi-screening device, followed by desktops, tablets and then the smartphone.
- Watching online video is 50-64s' ninth most common self-reported activity on tablets, eleventh on computers, and twelfth on smartphones.

People 65+

- 49 per cent of online Australians aged 65 and over say they have ever multi-screened – the lowest percentage of any major age group.
- When they do multi-screen people 65+ use traditional computers most often, followed by tablets then smartphones.
- Viewing online video is their twelfth most common activity on smartphones, and eleventh on computers and tablets.

Regional TAM Chair and NBN Television CEO Deborah Wright commented: "The review of playback viewing beyond seven days that is featured within this latest Multi-Screen Report shows us that more Australians are viewing broadcast television content outside the seven day window compared to previous years. Regional Australian households continue to consume more 'live' television than the national average but they have also shown growth year on year in the 8-28 day playback segment."

OzTAM CEO Doug Peiffer said: "Australians now have a remarkable range of options for watching their favourite television programs. Overall, nine in ten people watch broadcast TV each week, averaging nearly three hours of 'traditional' TV viewing per day across the population. We continue to see Australians spend a little less time at the 'full buffet' of live linear television and a little more time viewing 'a la carte', watching their favourite TV shows when they want. Also, there is an increase in time shift viewing beyond seven days, as reported in this quarter. We'll continue to keep an eye on this evolving behaviour."

Craig Johnson, Head of Nielsen's Reach Solutions, Southeast Asia, North Asia and Pacific said: "People are continuing to evolve the way they consume media and are leveraging technology more, and, in increasingly varied ways. The TV screen remains the core of this consumption and a key vehicle for advertisers to reach consumers. Playback continues to grow as does delayed viewing with an increase in 8-28 days, showing that people are more prepared than ever to watch content at their own convenience."

SUMMARY OF KEY FINDINGS: Q1 (JANUARY – MARCH) 2015:

- Australians watch on average 89 hours and 28 minutes (89:28) of broadcast TV on traditional television sets per month¹ (year-on-year down 3:48 per month).
- 91.6% of all broadcast TV viewing is live (81:57) with playback of broadcast content *through the TV set* within seven days of original broadcast comprising 8.4% (7:31 per month, up 16 minutes/month YOY).
- 22.158 million Australians watch broadcast television each month, with average weekly reach at 88-89% of the population.
- 100% of Australian television homes can access digital terrestrial television (DTT) channels. 96% can do so on every working household TV set.
- 56% of homes have PVRs; 15% have two or more (Q1 2014: 54%; 14%).
- 30% of homes have internet-capable TVs, whether connected or not (Q1 2014: 27%).
- 47% of homes have tablets (level with Q4 2014, and up from 42% in Q1 2014).
- 77% of Australians aged 16+ own a smartphone (69% in Q1 2014).
- Household internet penetration is stable at 80%.
- Australians spend on average 35:51 per month online² (38:41 in Q1 2014).
- 13.343 million Australians watch some video on the internet each month (including broadcast TV and non-broadcast content): an average of 6:57 per month (down 51 minutes from 7:48 a year ago).

Such viewing is highest among people aged 18-24 (11:11 per month)³.

- 88.4% of *all* video viewing⁴ – across all screens, and including broadcast and non-broadcast content – is on the traditional TV set⁵:
 - 89:28 per month on the TV set (88.4%)
 - 6:57 per month online via PCs/laptops (6.9%)
 - 2:47 per month on smartphones (2.7%)⁶
 - 2:03 per month on tablets (2%)⁷

¹ OzTAM and Regional TAM. All people figures. 2am-2am. **Please note TV viewing is seasonal**, rising in winter and with the end of daylight saving time, and dipping in summer months.

² Nielsen Online Ratings. Ppl 2+.

³ Nielsen Online Ratings – Hybrid Streaming (formerly VideoCensus) ppl 2+. Please note March 2014 constituted a trend break for all key audience metrics from Nielsen Online Ratings – Hybrid, with the removal of 'inactive' panellists.

⁴ Time spent viewing via the conventional TV includes **broadcast content only**; video viewing on PC, tablets and smartphones ('other devices') can include both broadcast and non-broadcast content.

⁵ TV viewing: OzTAM/Regional TAM, all people, Q1 2015, 2am-2am. Smartphones/tablets: ppl 16+, self-reported, Q4 2014. Internet: ppl 2+, Q1 2015, Nielsen Online Ratings.

⁶ Nielsen Australian Connected Consumers report 2015.

⁷ Nielsen Australian Connected Consumers report 2015.

Sources: Regional TAM, OzTAM, Nielsen. **Further detail is provided in the report, available upon request.**

About The Australian Multi-Screen Report

The Australian Multi-Screen Report, released quarterly, is the first and only national research into trends in video viewing in Australian homes across television, computers and mobile devices. It combines data from the three best available research sources: the OzTAM and Regional TAM television ratings panels and Nielsen's national NetView panel, Consumer & Media View database and Australian Connected Consumers report.

About Regional TAM

Regional TAM Pty Limited is a joint venture comprising the five free-to-air (FTA) regional commercial networks – NBN Limited, Prime Television Pty Ltd, Seven Queensland, Southern Cross Austereo, and WIN Corporation Pty Ltd. Collected and marketed by Nielsen Television Audience Measurement, Regional TAM data is the official television audience measurement (TAM) of FTA and Subscription Television viewing in the five east coast aggregated regional markets, including its 19 component sub-markets, and the Regional Western Australian market. Regional TAM television ratings information is designed to be an independent, reliable and transparent audience measurement system that provides the currency by which television is bought, sold and evaluated. The audience data is used by a range of parties such as television networks, advertisers, media buyers and program suppliers to aid them to understand viewer behaviour, and in assessing program or network performance. More at <http://www.regionaltam.com.au>

About OzTAM

OzTAM is Australia's official source of television audience measurement (TAM) covering the five metropolitan markets (Sydney, Melbourne, Brisbane, Adelaide and Perth) and nationally for subscription television. OzTAM ratings are the accepted metric by which Australian television is evaluated. The media industry uses OzTAM data to assist in program development, advertising planning and to gauge the performance of television programs, networks and advertising campaigns. More at: www.oztam.com.au

About Nielsen

Nielsen N.V. (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services across all devices where content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90 per cent of the world's population. For more information, visit www.nielsen.com