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MORE SCREENS, PLATFORMS AND CONTENT CHOICE PROGRESSIVELY BROADEN VIEWING PATTERNS: Q4 2017 AUSTRALIAN VIDEO VIEWING REPORT

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The latest **Australian Video Viewing Report** – from **Regional TAM, OzTAM** and **Nielsen**, and spanning the year through Q4 2017 – builds on the continuing story of how Australians are embracing opportunities to watch video on an ever-increasing array of options.

Extensive content choice and more devices in homes encourage the cross-screen 'spreading' this report and its predecessor, the Australian Multi-Screen Report, have documented for some years. The combination of these factors is essential to understanding how viewing patterns are changing.

Across the population and all age groups however, most Australians continue to watch broadcast TV (free-to-air and subscription channels) on in-home TV sets.

BROADCAST TV VIEWING ON TV SETS¹

- 19.64 million Australians (82.6 per cent of the population in people metered markets) watched **broadcast TV** (free-to-air and subscription channels) **on in-home TV sets each week** in Q4 2017.

Australians in all age groups continue to watch TV. For example, across the day 63.1 per cent of 18-24 year-olds – who are relatively light viewers compared to other age groups – watched broadcast TV weekly in the latest quarter.

- Australians watched an average of 74 hours and 58 minutes (74:58) of **broadcast TV on in-home TV sets each month*** in Q4 2017:
 - 89 per cent (66:38) was watched **live-to-air**.
 - 8.8 per cent (6:37) was **played back within seven days**.
 - 2.3 per cent (1:42) was **time-shifted between eight and 28 days** of the original broadcast.

**Note:* Fractional minutes have been rounded, so percentages don't add up perfectly to 100. TV viewing levels have always been seasonal, rising in the cooler months with shorter daylight hours (Qs 2 & 3) and dipping as summer weather and longer daylight hours keep Australians outside (Qs 4 & 1).

- As television sets become increasingly 'smart' and multi-functional, they can be used for many purposes in addition to watching live or playing back broadcast TV ('**other TV screen use**').

In Q4 2017 other TV screen use accounted for 31 per cent of Australians' time with their sets (34:15 per month). In prime time the proportion was 29 per cent (15:28).

BROADCAST TV VIEWING ON CONNECTED DEVICES²

- Australians played, on average, 347 million minutes of **broadcasters' online content on connected devices** weekly in Q4 2017:
 - 258 million minutes, on average, was catch up (or on demand) viewing.
 - 89 million minutes, on average, was live viewing.
- The amount of broadcasters' online TV content viewed continues to grow: overall, between 1 and 2 per cent of all broadcast TV content viewed each week is internet-delivered.

ONLINE VIDEO VIEWING ON COMPUTERS, SMARTPHONES AND TABLETS³

- Australians aged 18+ now spend on average 21:36 per month watching online video on a **desktop, laptop, smartphone or tablet**.

People aged 18-24 watch the most video in aggregate on connected devices (31:05 per month) while people aged 65+ watch the least (6:38).
- 25-34 year-olds are the heaviest viewers on smartphones (12:31 per month), while 18-24s watch the most on desktops/laptops (11:59). Across the adult population, Australians on average spend 6:11 per month watching streamed video on tablets.

SPOTLIGHT

For the past seven years, the Australian Video Viewing Report and its predecessor, the Australian Multi-Screen Report, have documented the collective influence of new technologies, device take-up, and channel and platform choices on audience behaviour.

Viewing patterns are certainly changing as people embrace new content options and ways of watching video; the 'spreading' that arises from cross-platform and multi-screen activity has impacted the amount of time people spend watching 'traditional' TV, and is particularly apparent in the evenings and in live viewing.

Broadcast TV watched on in-home TV sets still accounts for most video viewing, however.

On a daily basis, Australians spend an average 2:27 watching live and playing back recorded TV content through their TV sets within 28 days: that's just 43 fewer minutes per day compared to Q4 2010, even though viewing options have expanded in ways hardly imaginable seven years ago.

Craig Johnson, Regional Managing Director, Media, Nielsen, said: "The past seven years have been quite a journey for audience measurement. The introduction of the iPad in 2010, internet-enabled TVs in 2011 and SVOD services being launched in 2014/2015 were a few milestones influencing viewing behaviour. In addition, there has been a rapid uptake of devices in the home: today the average Australian household has 6.6 devices. Despite all these extra devices and different ways to consume television, Australians still watch on average 2 hours and 27 minutes of broadcast TV per day through their TV sets."

OzTAM CEO Doug Peiffer said: "As we delve into changing viewing behaviour, we're seeing the impact of more screens per person in the average Australian household. Not only

does this increase options to view both inside and outside the home, but for some consumers the ability to watch video 'on the go' actually creates more time to view. A significant proportion of these consumers are young adults, who spend more time out and about and have therefore always been relatively light TV viewers compared to the overall population. As they settle down, start families and are at home more often, their TV viewing levels tend to rise – whether co-viewing with their children, a partner or solo.”

Regional TAM Chairman Dave Walker said: “With the increased viewing options and platforms available to Australians, it's pleasing to see that the in-home television set still accounts for the majority of video viewing. With the growing incidence of smart televisions we have seen an increase in other screen use but it's important to note that 82.6 per cent of Australians continue to tune into TV each week. Regional Australians in particular spent almost 84 hours watching broadcast television on average each month, which is almost 9 hours more than the national average.”

ADDITIONAL FINDINGS: Q4 (OCTOBER-DECEMBER) 2017⁴:

- On average, Australian homes have 6.6 **screens** each (6.4 in Q4 2016).
- 58% of homes have **PVRs**; 17% have two or more (59%; 18% in Q4 2016).
- 43% of homes have **internet-capable TVs**, whether connected or not (Q4 2016: 37%).

Within those homes, 72% of internet-capable TVs are connected, equating to 31% across all TV households.

- 50% of homes have **tablets** (level with Q4 2016).
- 84% of households have one or more **smartphones** (81% in Q4 2016).
- 98% of Australian television homes can access **digital terrestrial television (DTT)** channels on *every* household TV set.

97% can receive **high definition (HD)** DTT broadcasts on *all* TV sets in the home.

- Household **internet penetration** is stable at 80%.

Sources: Regional TAM, OzTAM, Nielsen. **The full report is available upon request.**

About The Australian Video Viewing Report

The Australian Video Viewing Report is the country's only national research into trends in video viewing in Australian homes across television, computers and mobile devices drawing on the best available measurement sources. It combines data from the OzTAM and Regional TAM television ratings panels; Nielsen Digital Content Ratings; and OzTAM's Video Player Measurement (VPM) data.

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 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. OzTAM's Video Player Measurement (VPM) reporting service provides Australia's first official figures for viewing of internet-delivered TV content. 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

¹ Time spent watching broadcast TV in the home is from combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. Average time spent viewing 2am-2am (0200-2600) per person, whether or not they watch TV, within metered markets. Includes free-to-air and subscription television channels. Reach is average 1-minute weekly cumulative. Playback is 'when watched'. Fractional minutes have been rounded.

² OzTAM Video Player Measurement (VPM). Includes all participating broadcasters' online content played to connected devices.

³ Time spent watching any online video on computer, tablet and smartphone is from Nielsen Digital Content Ratings (DCR) for people 18+ among the total Australian population. Online video refers to streaming video and excludes downloaded content as well as adult and advertising content.

⁴ Estimates for internet connection, smartphone in home, tablet household penetration and internet capable TV in home are from OzTAM Metro and Regional TAM quarterly Establishment Surveys (ES). Based on mobile and landline CATI ES. Internet connection and tablet penetration based on rolling four-quarter averages to stabilise month-to-month trends. Estimate for internet-capable TV in home refers to the capability to be internet connected, whether connected or not. Smartphone estimates are percentage of homes with at least one smartphone.