AUSTRALIAN MULTI-SCREEN REPORT

QUARTER 3 2012




TRENDS IN VIDEO VIEWERSHIP BEYOND CONVENTIONAL TELEVISION SETS

oztam measuring audiences

REGIONAL TAM TELEVISION AUDIENCE MEASUREMENT

nielsen

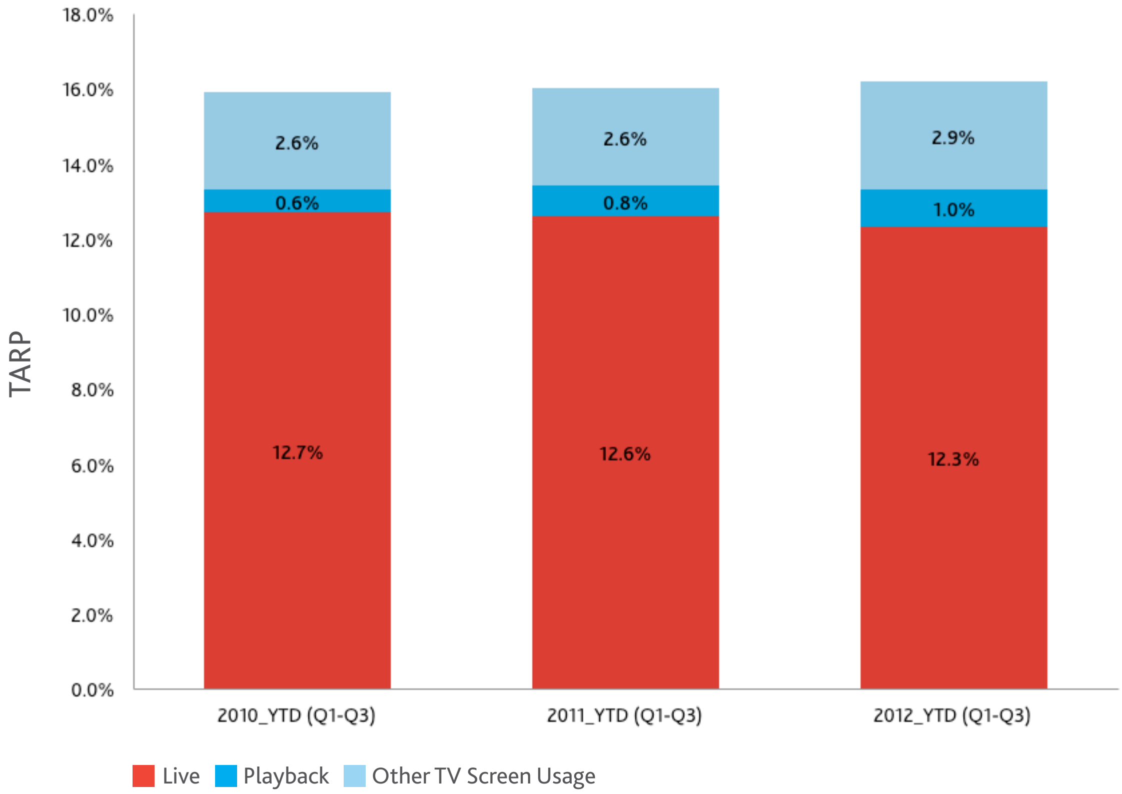
VIDEO CONTENT ACROSS MULTIPLE SCREENS

In this latest quarter, the Australian Multi-Screen Report puts a spotlight on total and online use of the traditional television screen, as well as a deeper look at the household structure and technological characteristics of homes with smartphones and tablets.

TOTAL TV SCREEN USAGE

Total TV screen usage falls into three primary components: live viewing of broadcast television; viewing of broadcast TV in playback mode (within the last 7 days); and other TV screen usage, for example, non-broadcast activities (gaming), online activity on the TV screen or playback beyond the 7-day Consolidated viewing window.

TARP - TOTAL INDIVIDUALS



Source: OzTAM and Regional TAM databases with overlap homes de-duplicated, All Day

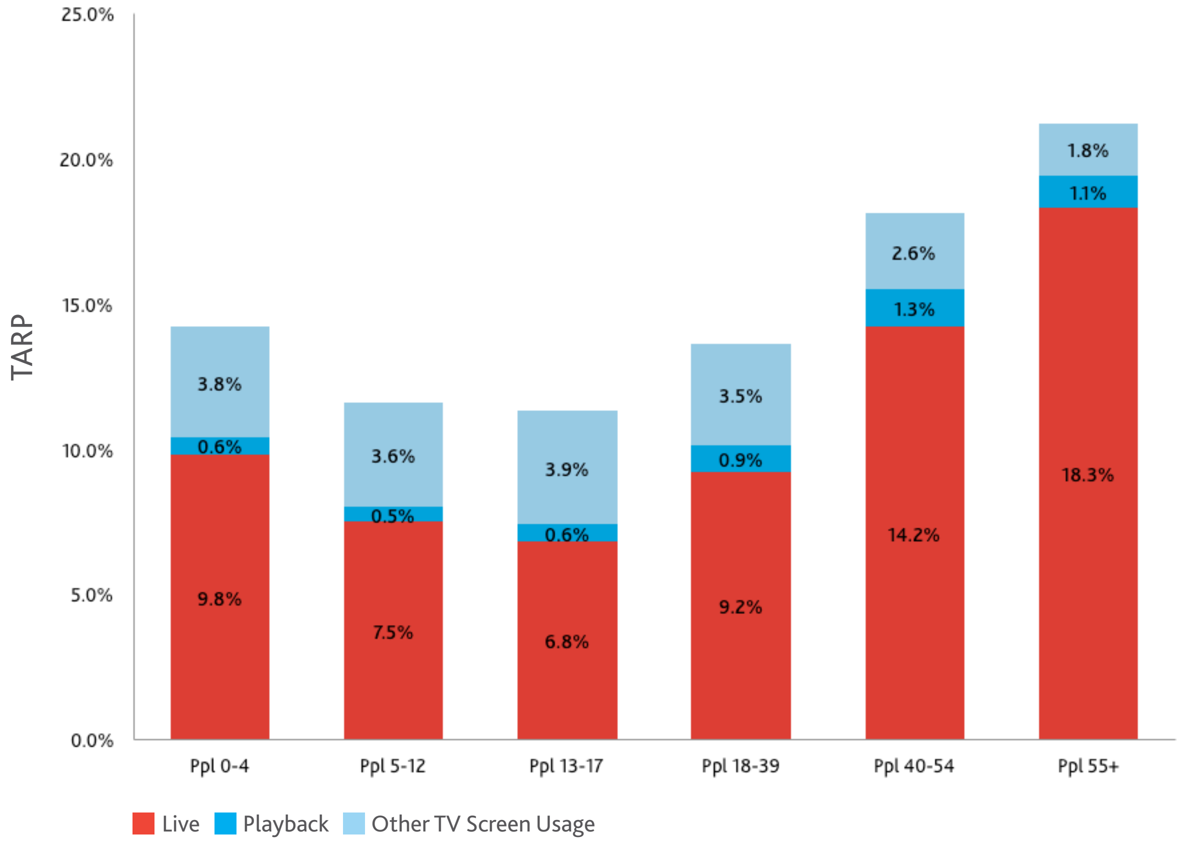
Overall use of the traditional television screen is growing, with viewing of playback TV broadcasts and other screen usage continuing to rise, as measured by Target Audience Ratings Point ('TARP', which is the average viewing audience for a particular demographic expressed as a percentage of the estimated potential audience in that demographic) – as seen in the chart above.

The growth in overall screen use has occurred across every age group other than a slight decline among people 5-12 [-0.2 ratings point year-on-year (YOY)].

While playback viewing has increased this year for all age groups, and especially for those 40 and above, other screen use has also picked up across the board and indeed has been the main driver of the under 40s' increase in overall TV screen usage.

These 'other screen usage' activities have gained 0.3 TARPs YOY among Total Individuals and now account for an 18.1% share of their total TV screen use (+1.5 share points YOY). This share growth has taken place across all age breakdowns, most notably among people 18-39 (+2.6 share points YOY).

TARP BY DEMOGRAPHIC - 2012 YTD (Q1-Q3)



Source: OzTAM and Regional TAM databases with overlap homes de-duplicated, All Day

Looking at other screen usage's share of all TV screen activities across the various age demographics shows successively increasing skews from a very early age up until mid-teens, before then declining with each subsequent older age group.

Over a third (34.8%) of people 13-17's total TV screen time in 2012 year-to-date has been dedicated to other screen usage, more than double that of people 40-54 (14.2%) and four times more than people 55+ (8.3%).

Allowing for the above, while younger demographics do devote a higher proportion of their overall screen time to other usage, they still spend the majority of their time watching traditional live television. Even people 13-17, the heaviest 'other usage' group, devote 60% of their screen time to conventional live TV.

ONLINE ACTIVITIES ON INTERNET CONNECTED TVS

The latest estimate for internet-enabled TVs is 18% of homes (Table 1). While internet connectivity via TV sets is still in its infancy, the Nielsen Australian Online Consumer Report reported that the top online activities conducted via connected TVs in 2011 were watching online videos and accessing news (scoring equal popularity). Other top online activities include accessing weather information and sport news, information and results.

MULTI-SCREENING

Australians have been multi-screening – using more than one screen-based device at the same time - for some years now. The percentage of online Australians participating in Internet and TV multi-screening at least occasionally has hovered around the 60% mark for the past five years (Nielsen Australian Online Consumer Report). Now however the frequency with which and the time spent participating in related multi-screening is increasing. Networks and content providers have recognised this changing audience behaviour and created 'social TV' applications which facilitate related multi-screening behaviour.

PROFILING TABLET AND SMARTPHONE HOUSEHOLDS

The increasing popularity of internet and video capable smartphone and tablet devices is well established. While both technologies are increasingly prominent, the following chart also demonstrates that the presence of smartphones or tablets is also related to other media technology ownership in the home.

The profiles from the latest round (Q3 2012) of the combined Metro and Regional Establishment Surveys indicate that ownership of other media devices is higher within smartphone or tablet households than the general household population (indicated as a zero base). For example, STV subscription in a tablet household is almost 40% higher than the general population.

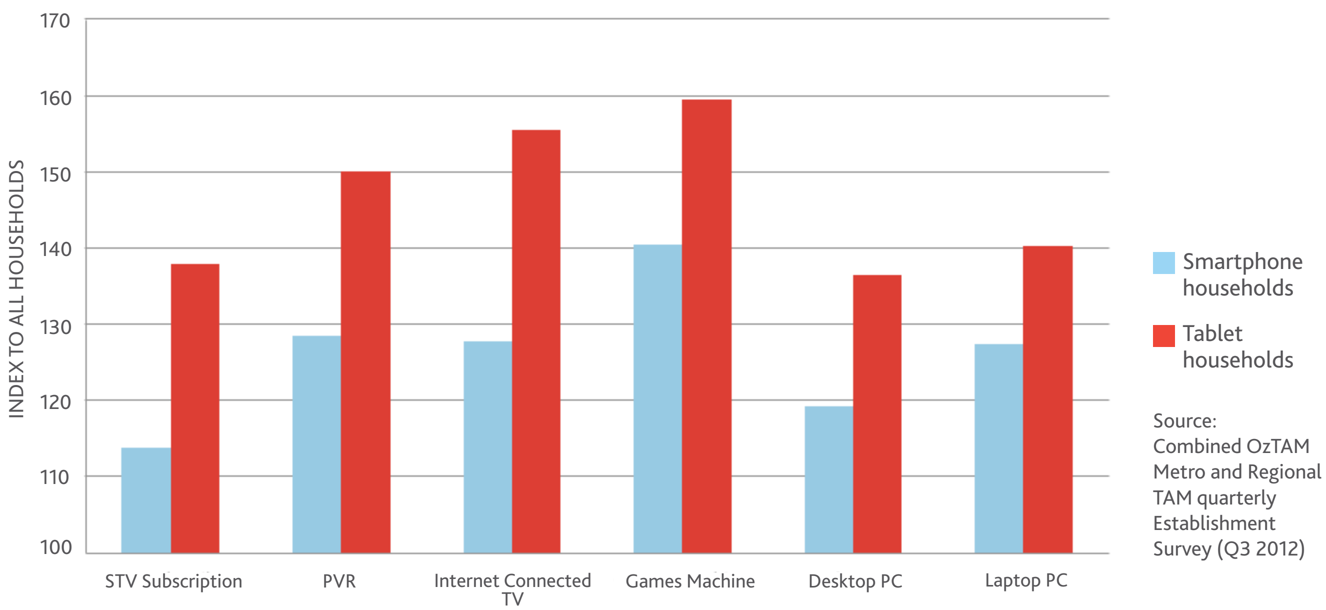
Whilst tablet ownership is still growing, estimated at 22% of all homes, it is clearly a complementary asset to existing household technology.

Tablets and smartphones are far more prevalent where children (0-17) are living in the home: 48% of homes with tablet devices have kids in the household, compared to 26% of non-tablet homes. This skew becomes even more apparent with smartphones: only 9% of non-smartphone households have children in the home, whereas 44% of homes with these devices do.

In homes where there are no children present, age differences become apparent with regards to household technology penetration. Older 1-2 person homes comprise 27% of all households yet they make up only 9% of smartphone and 8% of tablet owners. In contrast, 35% and 30% respectively of all homes with smartphones and tablets are younger/middle-aged 1-2 person households (this group makes up 32% of all households).

A greater inclination toward having other related technological devices in the household clearly exists within these homes:

PROFILE OF TECHNOLOGY OWNERSHIP (BASED TO ALL HOUSEHOLDS)



Source: Combined OzTAM Metro and Regional TAM quarterly Establishment Survey (Q3 2012)

SCREEN USE BY AGE AND GENDER - UPDATE

Table 4 shows Australians 50+ are continuing to embrace playback television viewing with people 50-64 and 65+ both notably increasing their time spent viewing non-live TV when compared to Q3 2011 (+ 20.0% and +15.1% respectively, YOY, to 8:44 and 7:51). Those aged over 65 now watch more playback per month than people 25-34 (7:51 vs. 6:41).

However, 25-34 year-olds remain the age group that spends the greatest amount of time using the internet via PC (61 hrs per month), albeit by a smaller margin than in 2011, as people 35-49 (+8% to 56 hours) and especially those 50-64 (+13% to 55 hours) close the gap.

People 50-64 spend 187 hours in total (+3.9% YOY) either watching television or on the internet each month, surpassing people 65+ (186 hours, +2%) to now be the biggest consumers of these two mediums combined.

The biggest year-on-year percentage increase in overall time spent using both mediums has come from 18-24 year-olds (88 hours, +8%) driven by a 26% leap in PC internet use from Q3 last year. In addition, this age group have increased their time viewing video on a PC by nearly 40%, up to just over 6 hours per month, 55 minutes per month more than the nearest other age group, people 25-34. 18-24 year-olds made up only 13% of the internet video viewing audience this time last year but now comprise 23% of this small but growing pie.

It is also becoming clear that the ‘gender gap’ on watching video online is narrowing with women now making up 40% of this audience, up from 37% from Q3 2011.

“18-24’s experienced the biggest increase in time spent watching TV and using the internet”

KEY OBSERVATIONS

TABLE 1: TECHNOLOGY PENETRATION

	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Digital terrestrial television (DTT): Penetration within TV households[1]	94%	95%	96%	97%	97%
Completely DTT: Penetration within TV households (Homes capable of receiving DTT on each working TV within the home)	65%	70%	74%	77%	79%
Personal video recorder (PVR): Penetration within TV households	42%	44%	47%	49%	50%
Internet Connection: Household penetration[2]	76%	77%	78%	78%	78%
Tablets: Household penetration	N.A.	N.A.	15%	19%	22%
Internet Connected TV in Home	N.A.	N.A.	15%	16%	18%
Smartphones: People 16+[3]	46%	45%	48%	52%	56%

TABLE 2: MONTHLY TIME SPENT (HH:MM)

	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[4]	101:01	94:24	97:15	99:09	99:54
Watching Playback TV	6:09	5:58	6:33	7:13	6:46
Using Internet on a PC[5]	42:27	43:54	44:06	47:24	48:00
Watch video on PC/Laptop	3:03	3:27	3:15	3:58	3:54
Watching video on a mobile phone[6]	N.A.	1:20	N.A.	N.A.	N.A.

TABLE 3: OVERALL USAGE (000S), MONTHLY REACH

	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[7]	21,408	21,433	21,682	21,683	21,682
Watching Playback TV	8,714	9,021	9,357	9,631	9,706
Using Internet on a PC[8]	14,263	13,692	13,480	13,116	12,874
Watch video on PC/Laptop	10,508	9,892	10,015	9,897	9,947
Owning/using a mobile phone[9]	17,375	17,431	17,351	17,442	17,445
Streaming video on mobile phone[10]	N.A.	1,991	N.A.	N.A.	N.A.

[1] Source: DTT, PVR estimates are based on install levels from the Combined OzTAM Metro and Regional TAM panels as at last date of each period.

[2] Source: Estimates for Internet connection and Tablet household penetration from combined OzTAM Metro and Regional TAM quarterly Establishment Surveys (ES).

[3] Sources: Nielsen Australian Online Consumer (AOC) Report of online consumers aged 16+ (Q1 2011) , The Nielsen Telstra Smartphone Index Report of mobile users aged 16+ Q2 2011 & Q3 2011 and Nielsen Consumer & Media View national population aged 16+ (Q4 2011 onwards)

[4] Source: Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. Average time spent viewing (ATV 0200-2600). 'Watching TV' and 'Watching Playback TV' are both based on Consolidated data. Please note television viewing is seasonal, with people watching more television in the winter months and with the end of daylight saving time

[5] Source: Nielsen NetView (Q1-Q3 2011) and Nielsen Online Ratings (Q4 2011 onwards). Using Internet on PC excludes adult content and applications. Estimate is the average of the 3 months within the calendar quarter. Figures are National and for people 2+. Home and Work panel only. Due to a change in methodology comparisons prior to Q4 2011 cannot be made.

[6] Smartphone usage source: Nielsen Australian Online Consumer (AOC) Report for respondents aged 16 years and over. Estimate based on reported weekly time spent by average number of weeks in a month (4.3). National figure only produced annually. Q1 figure from 2010-2011 AOC Report (February 2011 edition). Q4 figure from 2011-2012 AOC Report (February 2012 edition).

[7] Source: Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. 'Watching TV' and 'Watching Playback TV' are both based on consolidated data (0200-2600).

[8] Source: Nielsen NetView (Q1-Q3 2011) and Nielsen Online Ratings (Q4 2011 onwards) – Internet activity (using and watching) excludes adult content and application. National figures for people 2+.

[9] Mobile phone ownership and usage sourced from Nielsen Consumer & Media View (people aged 14+).

[10] Nielsen Australian Online Consumer (AOC) Report – audience profile is based users aged 16+ in Australia. National figures only produced annually. Figure from 2010-11 AOC Report (February 2012 edition). National population estimate for people aged 16+ is 18,336,000. National estimate of the online active audience aged 16+ from Nielsen Online Ratings (December 2011) is 14,223,000.

TABLE 4: A MONTH IN THE LIFE – Q3 2012

	KIDS[11]	TEENS[12]	P18-24	P25-34	P35-49	P50-64	P65+	ALL PEOPLE[13]
Watching TV in the home[14]	70:10	58:21	49:55	84:25	107:23	132:37	152:47	99:54
Q3 2011	*71:35*	*58:38*	*51:06*	*88:30*	*108:04*	*132:08*	*154:10*	*101:01*
Watching Playback TV	4:06	4:15	4:22	6:41	8:25	8:44	7:51	6:46
Q3 2011	*3:28*	*3:58*	*3:53*	*7:14*	*7:44*	*7:35*	*6:33*	*6:09*
Using the Internet on a PC[15]	8:12	16:42	38:34	61:18	56:22	54:43	33:42	48:00
Q3 2011	*7:12*	*14:31*	*30:42*	*60:06*	*52:17*	*48:14*	*28:41*	*42:30*
Watch video on PC/Laptop	2:19	3:12	6:05	5:10	3:50	3:06	1:44	3:55
Q3 2011	*1:32*	*2:41*	*4:22*	*3:58*	*3:22*	*2:33*	*1:48*	*3:04*
Watching video on a mobile phone[16] (Q4 2011)	N.A.	1:29	2:54	2:55	0:57	0:18	0:00	1:20

TABLE 4A: A MONTH IN THE LIFE – BY QUARTER

KIDS	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[14]	71:35	65:58	64:54	68:30	70:10
Watching Playback TV	3:28	3:20	3:29	3:55	4:06
Using the Internet on a PC[15]	7:12	7:47	7:30	7:34	8:12
Watch video on internet	1:32	1:39	1:53	2:10	2:19
Watching video on a mobile phone[16] (Q4 2011)	N.A.	N.A.	N.A.	N.A.	N.A.

TEENS	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[14]	58:38	53:02	51:59	55:53	58:21
Watching Playback TV	3:58	3:59	3:56	4:25	4:15
Using the Internet on a PC[15]	14:31	14:31	13:39	13:57	16:42
Watch video on internet	2:41	2:53	2:29	3:19	3:12
Watching video on a mobile phone[16] (Q4 2011)	0:13	1:29	1:29	1:29	1:29

P18-24	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[14]	51:06	49:05	51:54	50:53	49:55
Watching Playback TV[1]	3:53	4:34	5:04	4:53	4:22
Using the Internet on a PC[15]	30:42	28:54	29:02	35:45	38:34
Watch video on internet	4:22	5:00	3:57	6:25	6:05
Watching video on a mobile phone[16] (Q4 2011)	0:58	2:54	2:54	2:54	2:54

[11] Combined Metro OzTAM and Regional TAM data defines 'Kids' aged 0-12 and Nielsen Netview aged 2-11.

[12] Combined Metro OzTAM and Regional TAM data defines 'Teens' aged 13-17, Nielsen Netview aged 12-17 and Nielsen AOC aged 16-17.

[13] Mobile phone population based on people aged 16+.

[14] Source: Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. 'Watching TV' and 'Watching Playback TV' are both based on consolidated data (0200-2600).

[15] Source: Nielsen NetView (Q1-Q3 2011) and Nielsen Online Ratings (Q4 2011 onwards). Using Internet on PC excludes adult content and applications. Estimate is the average of the 3 months within the calendar quarter. Figures are National and for people 2+. Home and Work panel only. Due to a change in methodology comparisons prior to Q4 2011 cannot be made.

[16] Nielsen Australian Online Consumer (AOC) Report – audience profile is based on all mobile phone users aged 16+ in Australia. National figures only produced annually. Q1-Q3 2011 figures from 2010-2011 AOC Report (February 2011 edition). Q4 2011 figures onwards from 2011-2012 AOC Report (February 2012 edition).

P25-34	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[14]	88:30	79:28	81:49	84:34	84:25
Watching Playback TV	7:14	5:53	6:28	7:29	6:41
Using the Internet on a PC[15]	60:06	62:39	61:00	60:47	61:18
Watch video on internet	3:58	5:12	4:48	5:08	5:10
Watching video on a mobile phone[16] (Q4 2011)	1:12	2:55	2:55	2:55	2:55

P35-49	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[14]	108:04	99:23	102:28	106:00	107:23
Watching Playback TV	7:44	7:28	8:21	9:15	8:25
Using the Internet on a PC[15]	52:17	54:25	55:00	57:34	56:22
Watch video on internet	3:22	3:23	3:31	3:59	3:50
Watching video on a mobile phone[16] (Q4 2011)	0:46	0:57	0:57	0:57	0:57

P50-64	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[14]	132:08	124:54	129:32	131:36	132:37
Watching Playback TV	7:35	7:46	8:37	9:24	8:44
Using the Internet on a PC[15]	48:14	50:53	53:22	54:34	54:43
Watch video on internet	2:33	3:07	3:00	3:19	3:06
Watching video on a mobile phone[16] (Q4 2011)	0:07	0:18	0:18	0:18	0:18

P65+	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[14]	154:10	149:23	155:41	153:05	152:47
Watching Playback TV	6:33	6:29	7:11	7:51	7:51
Using the Internet on a PC[15]	28:41	31:36	32:04	32:40	33:42
Watch video on internet	1:48	1:51	1:25	1:33	1:44
Watching video on a mobile phone[16] (Q4 2011)	0:01	0:00	0:00	0:00	0:00

ALL PEOPLE	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Watching TV in the home[14]	101:01	94:24	97:15	99:09	99:54
Watching Playback TV	6:09	5:58	6:33	7:13	6:46
Using the Internet on a PC[15]	42:30	43:54	44:06	47:24	48:00
Watch video on internet	3:04	3:27	3:15	3:58	3:55
Watching video on a mobile phone[16] (Q4 2011)	0:35	1:20	1:20	1:20	1:20

TABLE 5: VIDEO AUDIENCE COMPOSITION (BY AGE AND GENDER) – Q3 2012

	KIDS	TEENS	P18-24	P25-34	P35-49	P50-64	P65+	Fe-males	Males
On Traditional TV[17]	11%	4%	5%	12%	22%	24%	21%	53%	47%
Q3 2011	*12%*	*4%*	*5%*	*13%*	*23%*	*24%*	*21%*	*53%*	*47%*
On Internet[18]	2%	8%	23%	23%	23%	14%	7%	40%	60%
Q3 2011	*4%*	*10%*	*13%*	*24%*	*29%*	*15%*	*6%*	*37%*	*63%*
On Mobile Phones[19] (Q4 2011)	N.A.	2%	33%	37%	23%	5%	0%	38%	62%

TABLE 5A: VIDEO AUDIENCE COMPOSITION (BY AGE AND GENDER) – BY QUARTER

KIDS	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	11%	12%	11%	11%	11%	11%
On Internet	4%	4%	4%	5%	2%	2%
On Mobile Phones (Q4 2011)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

TEENS	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	4%	4%	4%	3%	4%	4%
On Internet	13%	10%	10%	11%	8%	8%
On Mobile Phones (Q4 2011)	5%	5%	2%	2%	2%	2%

P18-24	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	5%	5%	5%	5%	5%	5%
On Internet	14%	13%	12%	13%	23%	23%
On Mobile Phones (Q4 2011)	28%	28%	33%	33%	33%	33%

P25-34	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	13%	13%	12%	12%	13%	12%
On Internet	18%	24%	24%	24%	22%	23%
On Mobile Phones (Q4 2011)	35%	35%	37%	37%	37%	37%

[17] Source: Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. 'Watching TV' and 'Watching Playback TV' are both based on consolidated data (0200-2600).

[18] Source: Nielsen NetView (Q1-Q3 2011) and Nielsen Online Ratings (Q4 2011 onwards). Figures are National and for people 2+. Home and Work panel only. Video defined as a video stream with audio and excludes adult content, advertising and downloaded content.

[19] Nielsen Australian Online Consumer (AOC) Report – audience profile is based on all mobile phone users aged 16+ in Australia. National figures only produced annually. Q1-Q3 2011 figures from 2010-2011 AOC Report (February 2011 edition). Q4 2011 figures onwards from 2011-2012 AOC Report (February 2012 edition).

P35-49	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	23%	23%	22%	22%	22%	22%
On Internet	30%	29%	27%	27%	25%	23%
On Mobile Phones (Q4 2011)	24%	24%	23%	23%	23%	23%

P50-64	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	24%	24%	24%	24%	24%	24%
On Internet	16%	15%	16%	14%	14%	14%
On Mobile Phones (Q4 2011)	8%	8%	5%	5%	5%	5%

P65+	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	21%	21%	21%	22%	21%	21%
On Internet	6%	6%	6%	6%	5%	7%
On Mobile Phones (Q4 2011)	1%	1%	0%	0%	0%	0%

FEMALES	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	53%	53%	53%	53%	53%	53%
On Internet	39%	37%	38%	38%	39%	40%
On Mobile Phones (Q4 2011)	34%	34%	38%	38%	38%	38%

MALES	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
On Traditional TV	47%	47%	47%	47%	47%	47%
On Internet	61%	63%	62%	62%	61%	60%
On Mobile Phones (Q4 2011)	66%	66%	62%	62%	62%	62%

EXPLANATORY NOTES

- Panel install incidence rates for DTT and PVR are based on combined OzTAM Metro and Regional TAM panels as at last date of each period (Q1=end of P4, Q2=end of P7, Q3=end of P10, Q4=end of P13).
- Quarterly Establishment Survey waves are conducted within standard calendar quarters.
- National Establishment Survey (ES) estimates are based on combined OzTAM Metro and Regional TAM quarterly waves. Quarterly ES waves are conducted within standard calendar quarters.
- Playback mode is defined as television broadcast content recorded and viewed (played back) within seven days of the original broadcast time.
- Other screen usage is TV screen usage that excludes live and playback viewing of broadcast television within seven days of the original broadcast time. It can include non-broadcast activities such as gaming, online activity on the TV screen and playback viewing outside of the 7 day consolidation window.
- Average time spent viewing (ATV) is calculated as the daily average time (0200-2600) within the universe across all days in the calendar quarter multiplied by the factor of numbers of days in the quarter divided by three (3).
- Monthly reach for TV is based on the average of the calendar month cumulative reach audience (0200-2600) within the quarter.
- Video content is defined as a stream where both audio and video are detected. Video viewership excludes adult and advertising content, as well as downloaded content.
- Wherever possible, geographic and demographic data have been matched for like comparisons.
- Nielsen Australian Online Consumer (AOC) report based on online national population aged 16+ and Nielsen Telstra Smartphone Index report based on mobile national population aged 16+.
- Mobile phone ownership and usage sourced from Nielsen Consumer & Media View (people 14+)
- PVR penetration within 'Profile of Technology Ownership;' chart is based on Combined OzTAM Metro and Regional TAM quarterly Establishment Survey (Q3, 2012). PVR Penetration within TV households in Table 1 is based on install levels from the Combined OzTAM Metro and Regional TAM panels as at the last date of each period.
- TAM data defines 'Kids' as panel members aged 0-12, 'Teens' aged 13-17 and 'Male' / 'Female' as total individuals aged 0+
- Nielsen Netview defines 'Kids' as panel members aged 2-11, 'Teens' aged 12-17 and 'Male' / 'Female' as individuals aged 2+
- Nielsen Australian Online Consumer report defines 'Teens' as respondents aged 16-17 and 'Male' / 'Female' respondents aged 16+

FOR MORE INFORMATION

Should you require more information about any content in this report, please refer to the list below.

oztam measuring audiences	**Doug Peiffer** *Chief Executive Officer, OzTAM* or **Margaret Fearn** *Principal, Fearnace Media*	**doug.peiffer@oztam.com.au** **margaret@fearnacemedia.com**
REGIONAL TAM TELEVISION AUDIENCE MEASUREMENT	**Deborah Wright** *Chairperson, Regional TAM*	**dwright@nbntv.com.au**
nielsen	**Matt Bruce** *Head of Media Practice Group, Nielsen*	**matt.bruce@nielsen.com**