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AUSTRALIANS EMBRACE NEW CONTENT AND PLATFORM OPTIONS, BROADCAST TV VIEWING REMAINS STRONG: Q1 2017 AUSTRALIAN VIDEO VIEWING REPORT

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The Q1 (January-March) 2017 **Australian Video Viewing Report** – from **Regional TAM**, **OzTAM** and **Nielsen** – shows video viewing behaviour continues to shift with growing content, device and platform choices.

The report examines the times of day when Australians watch video as well as the amount of time they devote to doing so for a more complete perspective on changing viewing patterns.

For instance, at home – where most video viewing takes place – Australians have numerous options, and this encourages the cross-screen ‘spreading’ behaviour observed for several years.

That in turn contributes to the steady and gradual decline in the amount of time Australians spend watching live and time-shifted TV – particularly in the evenings, when people generally have the most available time.

Meanwhile, now-ubiquitous connected mobile devices allow people to consume video at different times of day, including when they are outside the home. For some people this creates more time and opportunity to watch.

Despite unprecedented choice, on average across the total population TV remains the most-watched screen, and most Australians watch some broadcast TV (free-to-air and subscription channels) each week.

This edition of the Australian Video Viewing Report includes a spotlight on the new Total Grocery Shoppers demographic introduced at the start of the 2017 ratings year to reflect changing Australian household characteristics and better capture all grocery buyers in a home. Among other patterns, the data shows younger men make a significant contribution to household shopping.

BROADCAST TV VIEWING ON TV SETS¹

- 19.9 million Australians (83.7 per cent of the population in people metered markets) watch some **broadcast TV** (free-to-air and subscription channels) **on in-home TV sets each week**.

Reach is strong among all age groups. For example, across the day two thirds (65.6 per cent) of 18-24 year-olds – who are relatively light viewers compared to other age groups – watched broadcast TV weekly in Q1 2017.

- In Q1 2017, Australians watched an average of 79 hours and 30 minutes (79:30) of **broadcast TV on in-home TV sets** per person each month:
 - 89.1 per cent (70:52) was watched **live-to-air**.
 - 8.9 per cent (7:04) was **played back within seven days**.
 - 1.9 per cent (1:33) was **time-shifted between eight and 28 days** of the original broadcast.
- As television sets become increasingly 'smart' and multi-functional, Australians are devoting a greater percentage of the time they use them for purposes other than watching live or playing back broadcast TV:
 - In Q1 2017, Australians spent 28 per cent of their time with their TV sets across the day doing something other than watching live or playing back broadcast TV within 28 days. In prime time the proportion of this **other TV screen use** was 25 per cent.
- Even with extensive platform, content and device choice, Australians watch 2:39 of live and playback TV on in-home TV sets each day – 33 fewer minutes per day than they did six years ago (Q1 2011).

BROADCAST TV VIEWING ON CONNECTED DEVICES²

- Between 1 and 2 per cent of all broadcast TV content viewed each week takes place on connected devices.
- Device portability and the times at which people are available to watch influence viewing patterns:
 - All connected devices have an evening viewing peak.
 - There is more online viewing during the daytime at weekends compared to weekdays.
 - On weekdays catch up (video on demand) viewing on tablets picks up in the afternoon, coinciding with the end of the school day.
 - There is also a slight bump for catch up viewing on weekdays around lunchtime.
 - Catch up activity peaks later in the evenings than live streaming.
 - While live viewing on desktops and laptops builds through the day (as it does for other connected devices), live streaming on tablets and smartphones progressively builds to a peak later in the evening.
 - There is a clear weekday morning peak on smartphones and tablets for both live and catch up viewing.
 - On weekend mornings catch up on smartphones and tablets is more pronounced from early until mid-morning.

VIDEO VIEWING ON DESKTOPS AND LAPTOPS³

- Active online Australians aged 2+ who watch any video on a **desktop or laptop** spend on average 13:04 per month per viewer doing so.

Such viewing is highest among 18-24s (22:04) and lowest among people 65+ (6 hours).

VIDEO VIEWING ON SMARTPHONES AND TABLETS⁴

- Online Australians aged 18+ who watch any video on a **smartphone or tablet** claim to spend 2:46 and 2:34, respectively, per person doing so each month.

18-24s say they watch the most video on smartphones (9:01 per month). 25-34s claim to watch the most on tablets (4:23).

TOTAL SHOPPERS⁵

The traditional weekly shop by a main grocery buyer is increasingly less typical. People now shop multiple times during the week, with those duties often shared between parents and other family members.

To reflect these changing behaviours and Australian household characteristics, OzTAM and Regional TAM introduced a new 'Total Grocery Shoppers' demographic at the start of the 2017 ratings year.

It joins the longstanding 'Main Grocery Buyer' demographic, and together these variables provide a more comprehensive picture of who shops and influences grocery purchasing decisions in Australian homes.

By broadening the definition of household shoppers, some patterns emerge:

- Compared to Main Grocery Buyers, Alternate Shoppers skew young (40.7 per cent of them are aged 18-39) and male (70 per cent are men).
- Compared to Main Grocery Buyers, Alternate Shoppers are more likely to be employed (67 per cent of them are) and live in dual income households (62 per cent do).
- Alternate Shoppers are relatively light TV viewers compared to Main Grocery Buyers, reflecting the demographic's young male skew.
- As is the case among the general population, older Main Grocery Buyers and Alternate Shoppers watch more TV than their younger counterparts do.

Regional TAM Chairman and General Manager, Prime Television, Tony Hogarth said:

"This Q1 2017 Australian Video Viewing Report is the natural evolution of the Australian Multi Screen Report, providing a simplified framework whilst maintaining the core measurement metrics of past reports. With the increased viewing options and platforms available the in-home television set is still the most popular choice, with broadcast television reaching 83.7 per cent of Australians weekly. Regional Australians in particular spend just over 87 hours watching broadcast television on average each month, which is almost eight hours more than the national average."

Craig Johnson, Regional Managing Director, Media, Nielsen, said: “As we move through 2017 we’ve continued to see growth of Australians aged 18-24 engaging with video content online. This is certainly reflected in video viewing on mobile devices with this group now spending more than nine hours a month watching video via a smartphone – making them the biggest consumers of mobile video content. Content providers and advertisers need to be flexible with their approaches in order to reach consumers where they are, and on any screen size they choose for that moment.”

OzTAM CEO Doug Peiffer said: “The Q1 2017 Australian Video Viewing Report confirms Australians' huge appetite for video. As people embrace device and platform choice, for some these new options actually create more time to stay up to date with their favourite TV programs or watch other video – for example, while commuting or taking a few minutes out during their lunch break. Although connected screens and endless content options contribute to the gradual decline in the time people spend watching live and time-shifted TV, particularly for younger viewers, nearly all Australians watch broadcast TV each week. On average across the total population TV remains the most-watched screen.”

ADDITIONAL FINDINGS: Q1 (JANUARY-MARCH) 2017:

- On average, Australian homes have 6.2 **screens** each (6.4 in Q1 2016).⁶
- 59% of homes have **PVRs**; 17% have two or more (Q1 2016: 58%; 17%).
- 38% of homes have **internet-capable TVs**, whether connected or not (Q1 2016: 35%).

Within those homes, 69% of internet-capable TVs are connected, equating to 26% across all TV households.

- 49% of homes have **tablets** (49% in Q1 2016).
- 81% of households have one or more **smartphones** (81% in Q1 2016).
- 100% of Australian television homes can access **digital terrestrial television (DTT)** channels.
 - 97% can do so on *every* household TV set.
 - 96% can receive **high definition (HD)** DTT broadcasts on *all* TV sets in the home.
- Household **internet penetration** is stable at 79%.

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

About The Australian Video Viewing Report

The Australian Video Viewing Report, released quarterly, 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 Online Ratings; Nielsen’s Australian Connected Consumers report; 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. Playback is 'when watched'. Fractional minutes have been rounded.

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

³ Time spent watching any video on desktop/laptop is from Nielsen Online Ratings (NOR) - Hybrid Streaming. Per viewer (active users only) aged 2+.

⁴ Time spent watching any video on a smartphone or tablet is from Nielsen Australian Connected Consumers Report 2017. Online Australians aged 18+ per person, regardless of video consumption.

⁵ Combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. Universe estimates: Total TV Q1 2017. Alternate Shopper defined as Main Grocery Buyer 'no' and Shopper 'yes'.

⁶ Estimates for internet connection, smartphone in home, tablet household penetration and internet capable TV in home are from combined 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.