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Q2 2016 AUSTRALIAN MULTI-SCREEN REPORT SHOWS COLLECTIVE INFLUENCE OF NEW OPPORTUNITIES TO VIEW

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The latest **Australian Multi-Screen Report** – from **Regional TAM**, **OzTAM** and **Nielsen**, and covering Q2 (April-June) 2016 – continues to explore the impact of digital technologies, new channel and platform choices, and take-up of connected devices on audience behaviour.

Most households now own numerous screens, the majority internet-capable and many portable, leading people to spread their screen time across multiple options.

With the number of hours in the day fixed however, evolving viewing patterns reflect the collective influence of platform and device choice, rather than one activity replacing another.

This is evident in the times of day at which Australians most often use their TV sets and other connected devices to watch catch up broadcast TV content – notably in the evenings, when people generally have the most time and opportunity to view.

Ongoing trends include:

- **Television remains the most-watched screen.**

  Even with extensive device, channel and platform choices, across the population as a whole the greatest share of viewing happens on TV sets: each week on average 88.1 per cent of Australians (20.67 million people) watch at least some **broadcast TV on in-home sets** (free-to-air and/or subscription channels).

  Reach remains strong among all major age groups: for example, 72.3 per cent of 16-24 year-olds, traditionally among the lightest TV viewers, watch weekly.

- **The way Australians use their TV sets continues to change.**

  People can use their TV sets for many things in addition to watching live broadcast television, thanks to take-up of internet-capable TVs and/or devices attached to the TV. This functionality enables **other TV screen use** (using the TV set for any purpose other than watching live or playing back broadcast TV content within 28 days), and is an example of how screen activity is spreading, thereby affecting the time people spend with different devices and the activities they undertake on them, too.

  Meanwhile 'longer tail' playback viewing continues to grow: 1.8 per cent of all broadcast TV watched on in-home sets in any four-week period is time-shifted between eight and 28 days later. In prime time that proportion is 1.7 per cent.

  The chart below shows that 'other TV screen use' and 8-28 day playback viewing combined now account for 14 hours per month per Australian in prime time. The growth in such activity contributes to the gradual decline seen in live TV viewing and playback within seven days over the past several years.

TOTAL USE OF THE TELEVISION SET

TOTAL PEOPLE	0200-2600		1800-2400	
	Q2 2015	Q2 2016	Q2 2015	Q2 2016
WATCHING TV IN THE HOME	**90:53**	**89:45**	**49:59**	**48:49**
Watching live TV	82:42	80:22	44:41	42:39
Watching playback to 7* TV	8:11	7:54	5:18	5:06
Watching playback 8-28* TV	n.a	1:29	n.a	1:04

	0200-2600		1800-2400	
	Q2 2015	Q2 2016	Q2 2015	Q2 2016
TOTAL TV SCREEN USE	**120:15**	**119:42**	**61:42**	**61:09**
Watching live TV	82:42	80:22	44:41	42:39
Watching playback to 7^ TV	8:51	8:03	4:36	4:30
Watching playback 8-28^ TV	n.a	1:36	n.a	0:48
Other screen use	28:42	29:41	12:25	13:12

* Playback 'what watched' TV || ^ Playback 'when watched' TV

Q2 2016 playback figures are to seven days and 8-28 days || Q2 2015 playback figures are to seven days.
Q2 2016 Other TV screen use excludes 8-28 day playback || Q2 2015 Other TV screen use includes 8-28 day playback.
For an explanation of 'when watched' vs 'what watched', please see 'New in Q2 2016' on page 3.

Note: 'Other TV screen use' in the table above includes gaming; viewing TV network catch up services; watching DVDs; playing back recorded broadcast material beyond 28 days; internet browsing; streaming music; and accessing over-the-top internet-delivered video services.

- **Broadcast TV viewing levels vary by time of day, day of week and device.**

  Using OzTAM Video Player Measurement (VPM) Report data to create 'shape of day' graphs, we can compare the peaks and troughs when people view broadcast TV material on television sets and connected devices. Some patterns are evident:

  - In volume terms, watching live TV remains the dominant viewing activity.
  - Among all devices there is an evening 'peak', reflecting the times of day at which people generally have the greatest ability to view.
  - In the evenings, live viewing on TV sets begins to increase earlier and peaks earlier than playback, other TV screen use, and catch up viewing on other connected devices.
  - There is also a distinctive morning peak for live TV viewing on the TV set and catch up viewing on tablets and phones.
  - Live TV however has a less pronounced morning peak on weekends.
  - In contrast, there is a distinctive evening peak for catch up on desktops/laptops; playback viewing on the TV set; and other TV use, following a gradual, steady build from early morning.

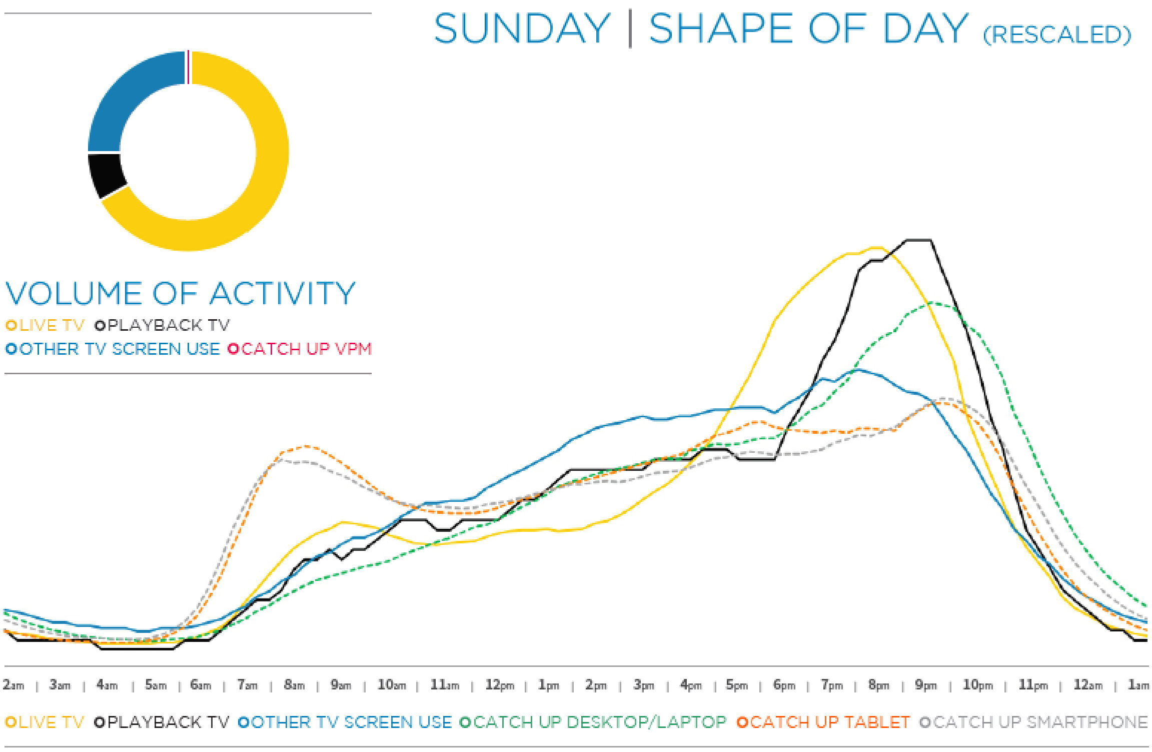
- On weekends this behaviour grows more quickly during the course of the day, which makes sense: on weekends people are more likely to be at home and have time to spend with non-portable screens.

- The late evening peak for viewing on portable devices indicates people may be taking their devices to bed with them before switching off for the night. The morning peak for phones and tablets also suggests these devices are being used in bed.

- On Sundays, other TV screen use is prominent during the day and the evening. It grows quickly across the morning and reaches levels close to its evening peak from about lunchtime.

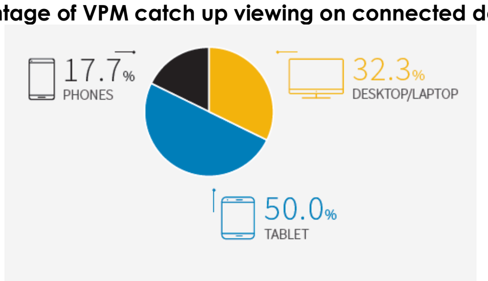
For example, the following graph shows broadcast TV viewing across TVs and connected devices, along with other TV screen use, on Sunday.

Please note the coloured lines in the graph below illustrate activity rather than volume; as the pie chart shows, live viewing accounts for the vast majority of actual time spent viewing. However, viewing on connected devices, along with other TV screen use described above, has impacted the time people spend viewing live and playback TV on TV sets – particularly in the evenings.



Overall, the majority of VPM catch up viewing occurs on tablets, followed by desktop/ laptops and then smartphones:

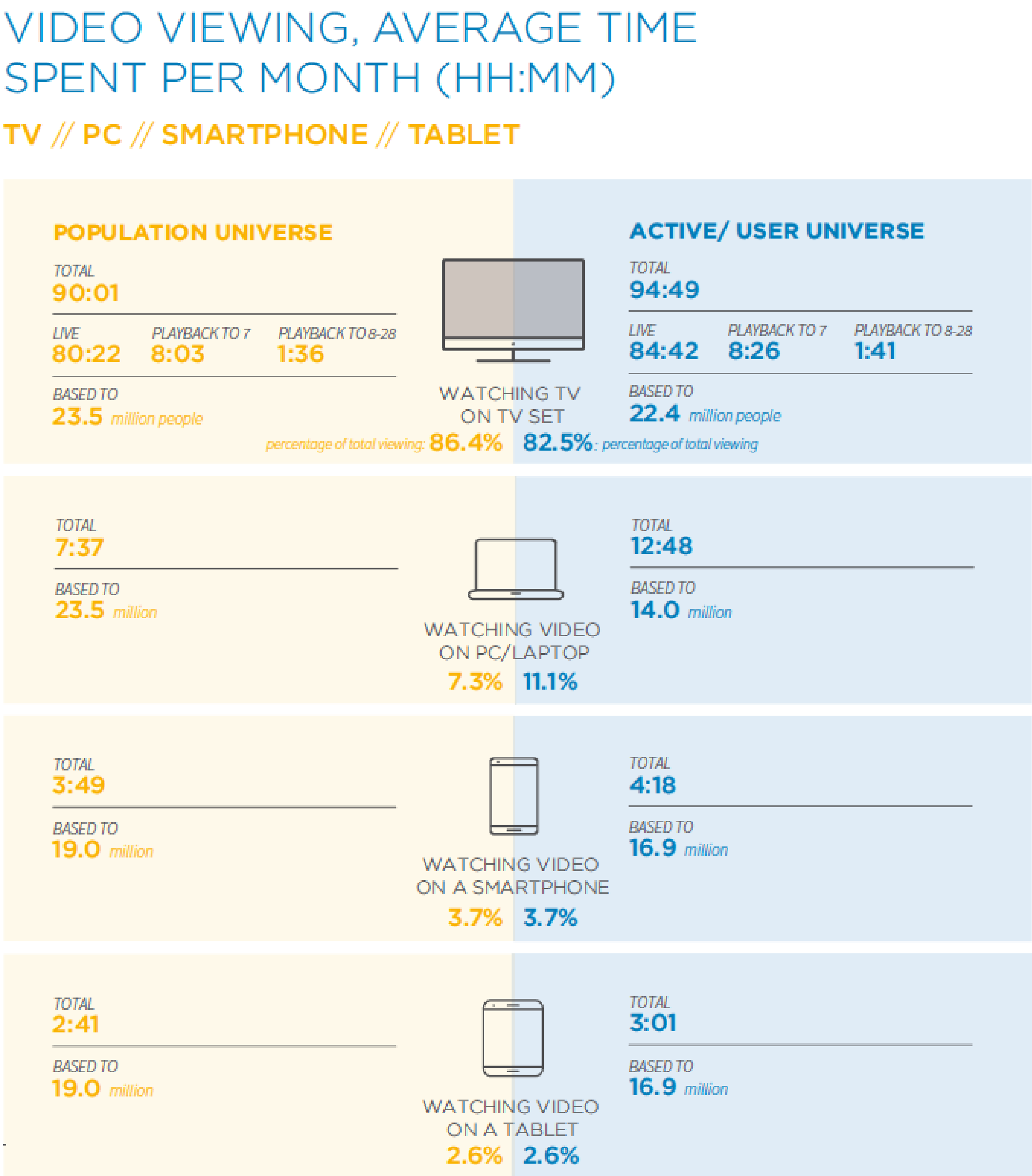
Percentage of VPM catch up viewing on connected devices



- **People increasingly take advantage of connected devices to view any kind of video content.**

  Looking across <u>all</u> screens, devices and any type of video *across the population as a whole*: 86.4 per cent of viewing (90:01)^ is TV content watched on in-home sets within 28 days of original broadcast. Connected devices account for 13.6 per cent.

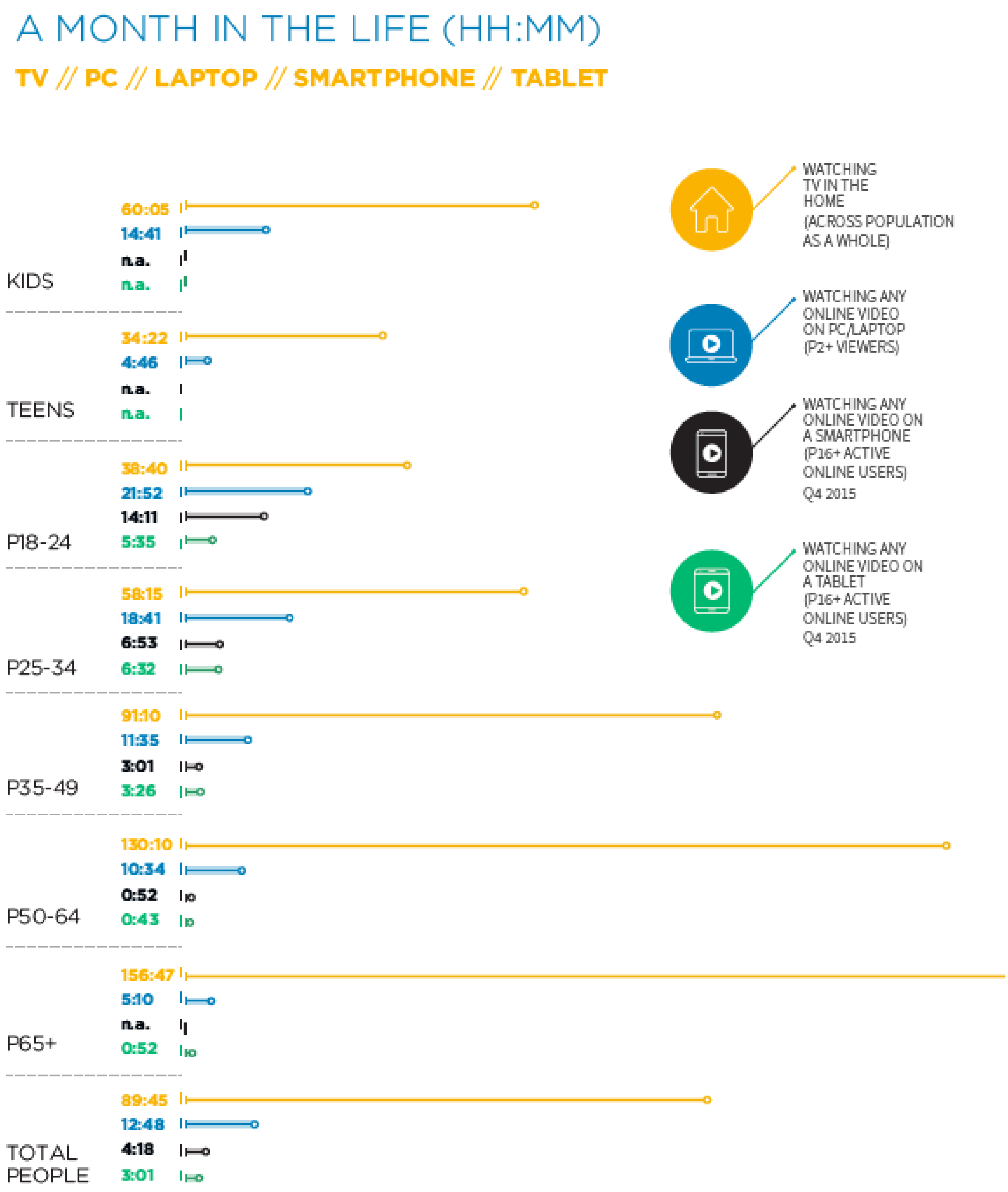
  Looking <u>only</u> at people who view video on PCs and laptops; active online users who claim to watch video on tablets or smartphones; and taking only viewers within OzTAM and Regional TAM markets into account: 82.5 per cent of viewing happens on in-home TV sets, with 17.5 per cent on connected devices.



Note: The figures above use 'when watched'^ TV, where playback viewing within 28 days is attributed to the time it actually takes place. This is why the figures in the graphic above differ slightly from 'A month in the life' (following page) and 'Watching TV in the home' figures in tables 2, 4 and 4a at the end of the Multi-Screen Report, which use 'what watched'* (Consolidated 28) data. For details please see either 'What's new in the Q2 2016 Multi-Screen Report' (page 3), the Appendix (pages 27-29) or Explanatory Notes (page 30).

- **Younger viewers are most likely to spread their viewing across devices**.

  For all major age groups however the largest proportion of viewing time on any single device is to broadcast TV viewed on in-home sets.



Watching TV in the home is Consolidated 28 'what watched'* data across the Australian population, as reported in tables 2, 4 and 4a. (See 'New in the Q2 2016 Report', page 3.) This is why the TV figures in 'Month in the life' differ slightly from the infographic, 'Video viewing, average time spent per month', which uses 'when watched'^ data.

"There's no denying that technology continues to transform the video experience with each passing day. With more and more devices in use within our homes, household viewing habits are evolving and expanding, offering more media touch points than ever before," said **Craig Johnson, Managing Director, Media, Nielsen.**

OzTAM CEO Doug Peiffer said: "The latest Multi-Screen Report shows people using their various screens to catch up with TV content at all times of the day. This ability to move from one screen to the next and back again keeps people close to their favourite TV content. While viewing on connected devices is currently a small proportion of overall viewing, this behaviour is gaining momentum and broadcasters are smart to make their content available across all screens."

Regional TAM Chairman and General Manager, Prime Television, Tony Hogarth said: "Regional Australians continue to watch free-to-air broadcast television on the main screen and predominately consume the content live. Broadcast television continues to deliver strong reach and in Regional TAM markets our viewers spent on average just over 100 hours per month watching television, that is almost six hours more per month compared to the national average."

ADDITIONAL FINDINGS: Q2 (APRIL – JUNE) 2016:

- The number of screens in homes continues to grow even as penetration levels for various device types plateau. This is because people often upgrade a tablet or mobile phone and retain the older one for secondary use.
  - 59% of homes have **PVRs**; 17% have two or more (Q2 2015: 57%; 16%).
  - 36% of homes have **internet-capable TVs**, whether connected or not (Q2 2015: 30%).
  - 49% of homes have **tablets** (47% in Q2 2015).
  - 81% of Australians aged 14+ own a **smartphone** (79% in Q2 2015)[1].
- 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 81%.
- Active online Australians spend on average 54:44 per month **online**[2].
- 14.0 million Australians watch some **video on the internet** each month (incl broadcast TV and non-broadcast content): on average 12:48 per viewer per month. Such viewing is highest among 18-24s (21:52 per month)[3].

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

[1] Nielsen Online Ratings Establishment Survey, national population 14+.
[2] Time spent online is per active user. Please see Multi-Screen Report footnotes for more details about trend break between Nielsen Online Ratings and Nielsen Digital Ratings Monthly.
[3] Nielsen Online Ratings (NOR) - Hybrid Streaming. Figures are national and per viewer, people 2+, and based July 2016 estimate. Please see footnote 6 and Explanatory Notes in the Q2 2016 Multi-Screen Report for details.

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; Nielsen Online Ratings and Nielsen's Australian Connected Consumers report; and OzTAM's Video Player Measurement (VPM) 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 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

