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FIFTH ANNIVERSARY AUSTRALIAN MULTI-SCREEN REPORT:

- **Record number of devices in homes**
- **Consumers spread viewing, boosting online video consumption**
- **TV remains first choice for most, takes 86.6 per cent of viewing**

Wednesday, 29 March 2017

The Q4 (October-December) 2016 **Australian Multi-Screen Report** – from **Regional TAM, OzTAM** and **Nielsen** – continues to document how growing content, platform and screen choices have caused a gradual shift in the way consumers apportion their viewing across devices.

Australians are voracious consumers of broadcast TV and other video, and as of Q4 2016 had a dizzying array of options by which to do so. It was early days for many of these alternatives when the report was first published five years ago.

While there is much discussion about television's place in today's screen mix, several trends are clear:

- **More screens.** Australian homes now have an average of 6.4 screens each, the majority of which are internet capable.
- **People spread their viewing.** More devices create more opportunities to view – not least because any connected device can also be used like a PVR to watch catch up TV or live-stream video.
- **A little less TV.** Even though people are spreading their viewing across multiple devices, TV remains by far the most-watched screen.

Across the population, viewing of broadcast TV (free-to-air and subscription channels) watched live or played back within 28 days on in-home TV sets accounts for 86.6 per cent of video viewing across all devices. On average Australians watch 2 hours and 39 minutes (2:39) of broadcast TV each day, or 81:18 per month.

- **The TV set is not just for TV any more.** Because television sets can now be used for many purposes in addition to watching TV, 'other TV screen use' is rising, particularly in the evenings: in Q4 2016 other TV screen use was just under 31 hours per Australian per month across the day, with almost half of that in prime time.

This means 28 per cent of the time people now spend with their TV sets goes to something other than watching live TV or playing back broadcast TV channel content within 28 days – and partially explains why Australians on average now watch 31 fewer minutes of live and playback TV per day than they did in Q4 2010.

Non-broadcast activities comprising 'other TV screen use' include gaming; viewing TV network catch up services; watching DVDs; playing back recorded broadcast material beyond 28 days; internet browsing; streaming music; watching video on platforms such as YouTube, Facebook or Vimeo; and watching over-the-top internet-delivered video services.

- **'Longer tail' viewing is rising.** Approximately 2.5 to 3 per cent of all broadcast TV viewing is either time-shifted between 8 and 28 days of original broadcast, or takes place on connected devices (OzTAM VPM data). This viewing is on top of OzTAM and Regional TAM Consolidated 7 viewing data.

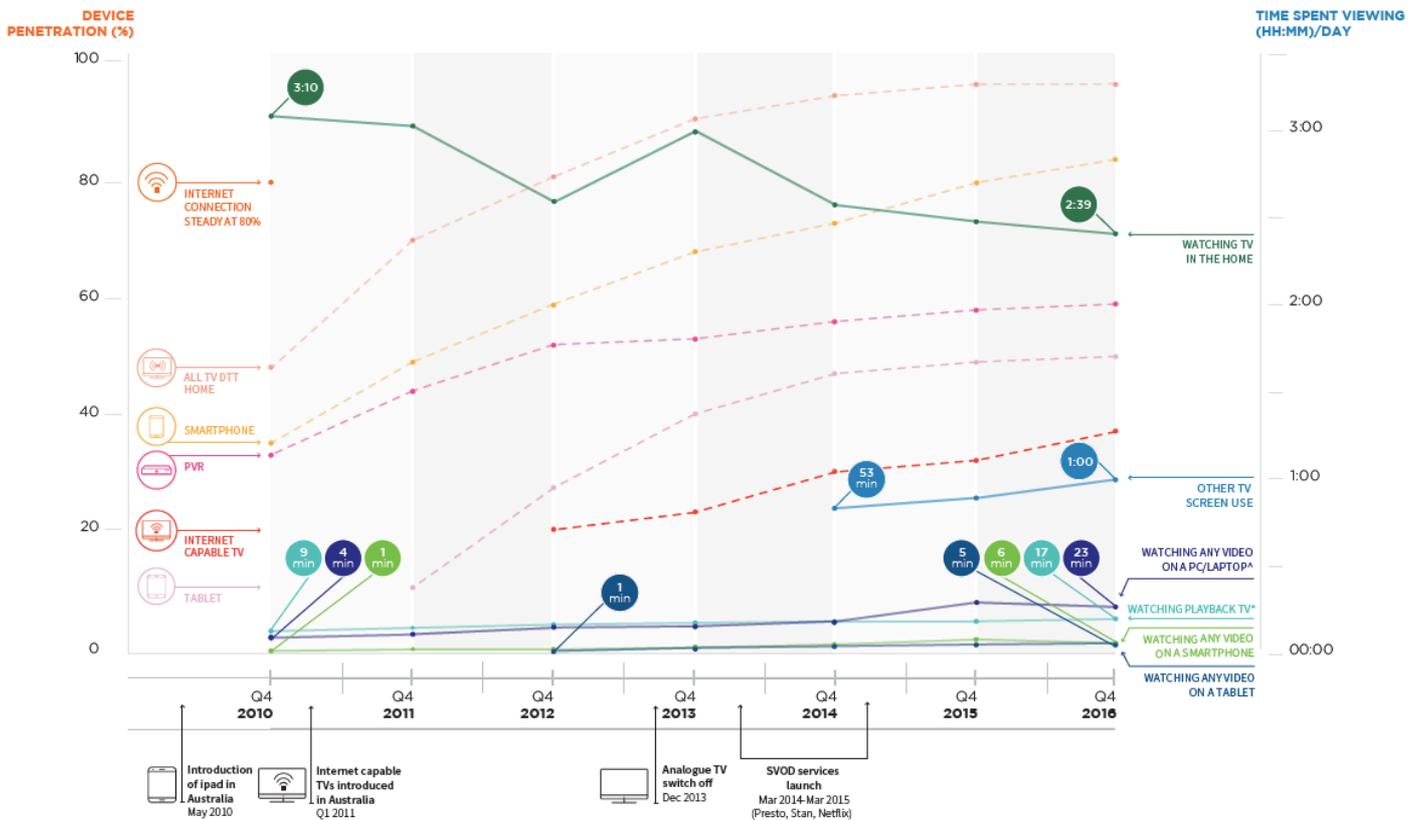
Australians spend on average 1 hour and 35 minutes (1:35) *per month* watching time-shifted TV between 8 and 28 days after broadcast; 48 minutes of that is in prime time.

Australians played, on average, 223 million minutes of broadcasters' online video content each week in the quarter. This comprised:

- o 176 million minutes of catch up (or on demand) viewing, which peaked during October with a weekly average total of 205 million minutes.
- o 47 million minutes of live-streamed material, which peaked during November with a weekly average total of 58 million minutes.

The graphic below illustrates the collective influence of new digital technologies, channel and platform choices on audience behaviour over the past six years. It shows that while viewing patterns are changing – as Australians embrace connected devices and the whenever-wherever options they create – most viewing still goes to broadcast TV channel content viewed on in-home TV sets.

DEVICE PENETRATION AND TIME SPENT WATCHING VIDEO: 2010-2016



Notes: Time spent viewing TV and viewing video on smartphones and tablets are per person, and per viewer for PC/ laptops. Restating TV, smartphone and tablet figures to be per viewer would give a higher figure for daily time spent watching TV in the home and video on tablets and smartphones. Similarly, restating PC/laptop viewing to be per person would see average daily time spent viewing online video fall. The per person/viewer differences for Q4 2016 are illustrated in the graphic 'Video viewing: average time spent per month' (page 4). ^July 2016; see Report notes for details. *Watching Playback TV in the home: Q4 2010-15 is within 7 days; Q4 2016 is within 28 days. Watching TV in Q4 2010-2015 is Consolidated 7 'what watched'; Q4 2016 is Consolidated 28 'when watched.'

Taking an in-depth look at how Australians view on various screens¹:

- **Time spent viewing broadcast TV on in-home sets only:**
 - Across the population 89.6 per cent [72 hours and 51 minutes (72:51)] of broadcast TV (free-to-air and subscription channels) is watched **live-to-air** each month.
 - 8.4 per cent (6:51) is **played back through the TV set within seven days**.
 - 1.9 per cent (1:35) is **time-shifted between eight and 28 days** of the original broadcast.
- **Across all screens, devices and types of video among the population as a whole:**
 - 86.6 per cent of viewing (81:18) is **broadcast TV** content watched on in-home sets within 28 days of original transmission.
 - 7.8 per cent of viewing is on **PC/laptops**.
 - 2.9 per cent is on **smartphones**.
 - 2.7 per cent is on **tablets**.

Those figures are an average across the entire population in TV metered markets, and the online universe, and include everyone: heavy, light and non-viewers/users alike.

Please see the left-hand side of the graphic on the following page, 'Video viewing, average time spent per month' in Q4 2016.

- **Narrowing the focus to only those people who view TV or any kind of video on an in-home television set, PC/ laptop, smartphone or tablet:**

The right-hand side of the graphic on the next page looks at the average time spent viewing each month in Q4 2016 by Australians who watch TV or any kind of video, and excludes non-viewers.

While the number of people who watch any video on a tablet or smartphone is relatively small, among those who do, many are heavy viewers.

As the universes (population bases) are dramatically different it is not possible to apportion share of time spent viewing across devices using the viewer metric.

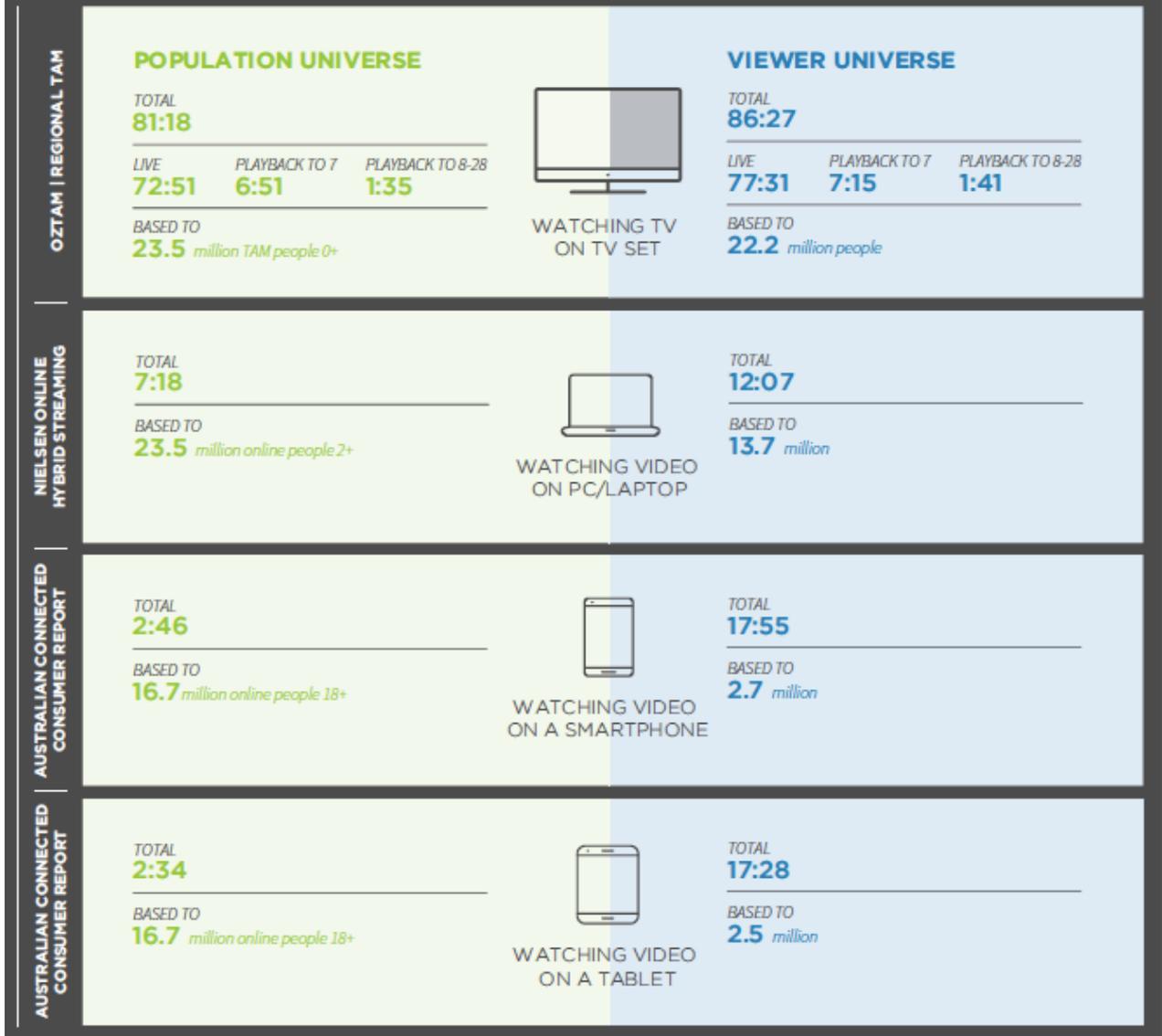
¹ Time spent watching broadcast TV in the home is from combined OzTAM Metro and Regional TAM databases with overlap homes de-duplicated. Average time spent viewing 2am-2am (0200-2600) within metered markets. Includes free-to-air and subscription television channels. Playback is 'when watched'.

Time spent watching any video on PC/laptop is from Nielsen Online Ratings (NOR) - Hybrid Streaming. People aged 2+.

Time spent watching any video on a smartphone or tablet is from Nielsen Australian Connected Consumers Report 2017. People aged 18+.

VIDEO VIEWING, AVERAGE TIME SPENT PER MONTH (HH:MM)

TV // PC // SMARTPHONE // TABLET

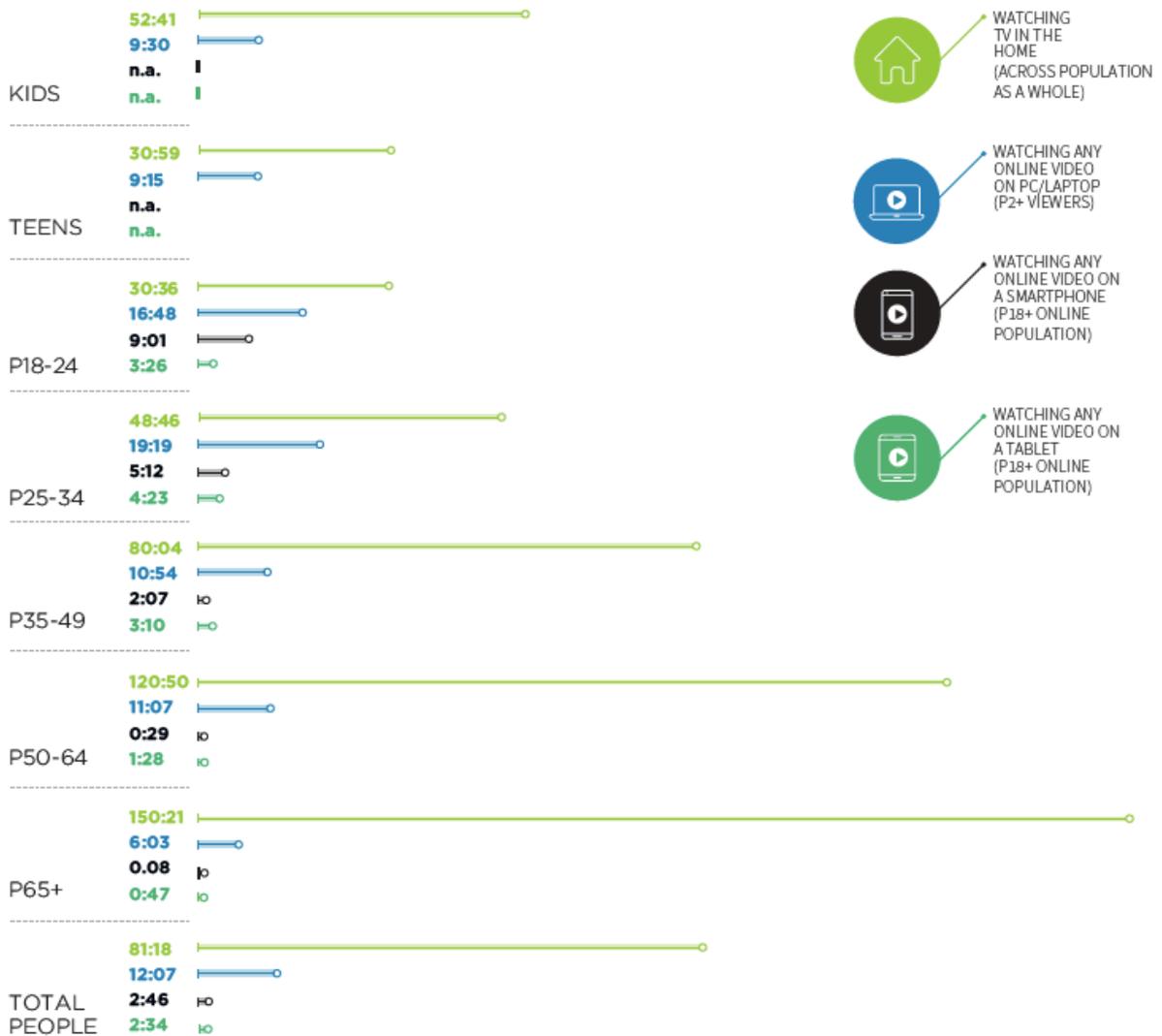


As has been apparent for the past few years, the combined impact of more choice and a finite number of available viewing hours in the day is Australians are spending a little less time on a typical day watching broadcast TV on in-home TV sets than they did a year earlier.

The cross-screen 'spreading' is most pronounced among younger audiences, as the graphic on the next page illustrates.

A MONTH IN THE LIFE (HH:MM)

TV // PC // LAPTOP // SMARTPHONE // TABLET



Note: 'Watching TV in the home' in the graphic above is Consolidated 28 'when watched' (watching live or playing back TV content through the TV set within 28 days *at the time viewing actually took place*) across the population. Time spent watching any online video on PC/ laptop is per active viewer; watching online video on a smartphone or tablet is per person in the online population aged 18 and older.

OzTAM CEO Doug Peiffer said: "This fifth anniversary Multi-Screen Report shows the viewing landscape continues to evolve. Many of the content, device and platform options that today allow viewers to access video anytime, anywhere were in their infancy when the report was first published. Amid unprecedented choice, the TV set remains the primary screen for most: Australians still spend a remarkable 2 hours and 39 minutes each on average per day watching live or playing back broadcast TV channel content on in-home sets – just half an hour less than they did six years ago."

Regional TAM Chairman and General Manager, Prime Television, Tony Hogarth said: "The Multi-Screen Report once again highlights the strength of broadcast television. Regional television continues to consistently deliver time spent viewing results that are higher than the

national average. Our regional audiences are spending just over 95 hours on average during a month watching broadcast television."

Craig Johnson, Managing Director, Media, Nielsen, said: Since the report's inception five years ago, many things have changed, but overall Australians are consuming more media content than ever. However, digging beneath the bonnet reveals that fragmentation of channels and devices is growing the 'long tail', meaning Australian audiences are increasingly taking control of their TV viewing, watching video content wherever and whenever they want, and on the device or screen of their choice."

ADDITIONAL FINDINGS: Q4 (OCTOBER-DECEMBER) 2016:

- Penetration levels for various device types are levelling off even as the number of screens in homes continues to grow. This is because people often upgrade a tablet or mobile phone and retain the older one for secondary use.
 - 59% of homes have **PVRs**; 18% have two or more (Q4 2015: 58%; 17%).
 - 37% of homes have **internet-capable TVs**, whether connected or not (Q4 2015: 32%)².
 - 50% of homes have **tablets** (49% in Q4 2015).
 - 84% of Australians aged 14+ own a **smartphone** (80% in Q4 2015)³.
- 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 80%.
- Active online Australians spend on average 69:15 per month **online**⁴.
- 13.742 million Australians watch some **video on the internet** each month (incl broadcast TV and non-broadcast content): on average 12:07 per viewer per month. Such viewing is highest among 25-34s (19:19 per month)⁵.

Sources: Regional TAM, OzTAM, Nielsen. **The full report is 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; Nielsen Online Ratings and Nielsen's Australian Connected Consumers report; and OzTAM's Video Player Measurement (VPM) Report.

²Estimates for internet connection, tablet household penetration and internet capable TV in home 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.

³ Nielsen Online Ratings Establishment Survey, national population 14+.

⁴ Time spent online is per active user. Please see Multi-Screen Report footnotes for more details about trend breaks in Nielsen Digital Ratings (Monthly).

⁵ Nielsen Online Ratings (NOR) - Hybrid Streaming.

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