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MORE SCREENS, MORE OPTIONS TO VIEW: Q3 2016 AUSTRALIAN MULTI-SCREEN REPORT

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The Q3 (July-September) 2016 **Australian Multi-Screen Report** – from **Regional TAM, OzTAM** and **Nielsen** – shows Australian homes have more screens, channel and platform choices than ever before.

These choices deliver greater opportunities to watch television and other video, and together affect the time consumers spend with various devices: people continue to spread their viewing across seemingly infinite options within a finite number of available hours each day.

Ongoing trends include:

- **'Traditional' television viewing remains dominant.**
 - 20.19 million Australians, or 86 per cent of the population in people metered markets, watch at least some broadcast TV (free-to-air and subscription channels) on in-home sets weekly.
 - Reach remains strong among all age groups.

BROADCAST TV VIEWING ON IN-HOME TV SETS EACH WEEK

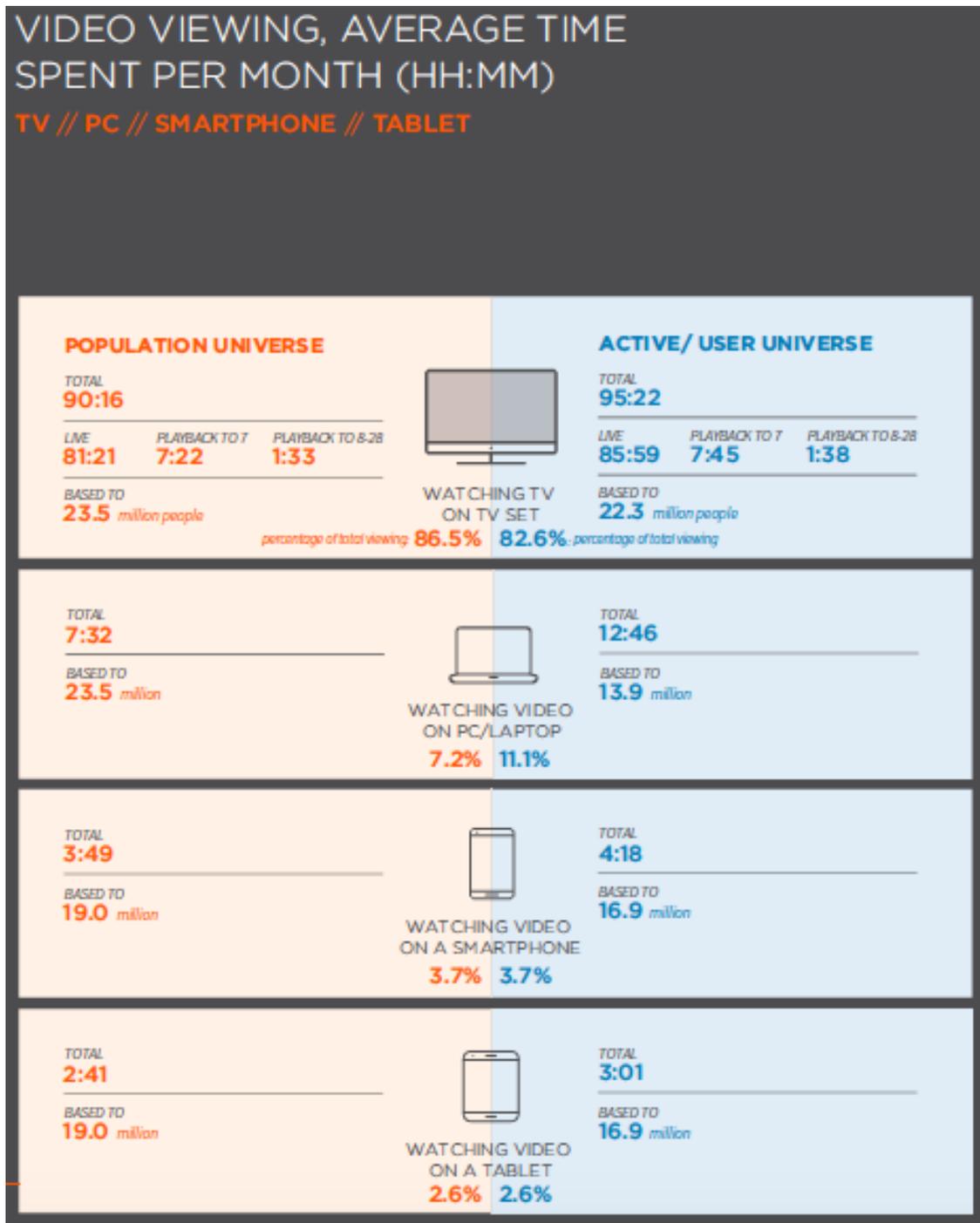
	Q3 2015 CONSOLIDATED TO 7 DAYS	Q3 2016 CONSOLIDATED TO 28 DAYS	Q3 2016 CONSOLIDATED TO 28 DAYS
	% REACH	% REACH	WEEKLY AVERAGE CUMULATIVE REACH
TOTAL PEOPLE	87.6	86.0	20.19m
KIDS	88.8	87.5	3.35m
TEENS	78.4	77.1	1.1m
P16-24	72.5	69.1	1.53m
P25-39	85.0	82.0	4.13m
P40-54	92.4	91.8	4.33m
P55-64	93.6	92.8	2.48m
P65+	92.9	92.0	3.27m

Average 1-minute weekly cumulative reach across the population in OzTAM and Regional TAM coverage areas. Includes live viewing and and playback through the TV set at the time it is watched ('when watched') within 28 days (Q3 2016) and playback through the TV set with in seven days (Q3 2015).

Please note differing playback bases in the graphic above if comparing Q3 2016 with earlier years.

- **Across the population** – taking into account **all screens, all devices and all types of video**, broadcast TV content watched on in-home TV sets comprises 86.5 per cent of viewing (*left-hand side of graphic below*).

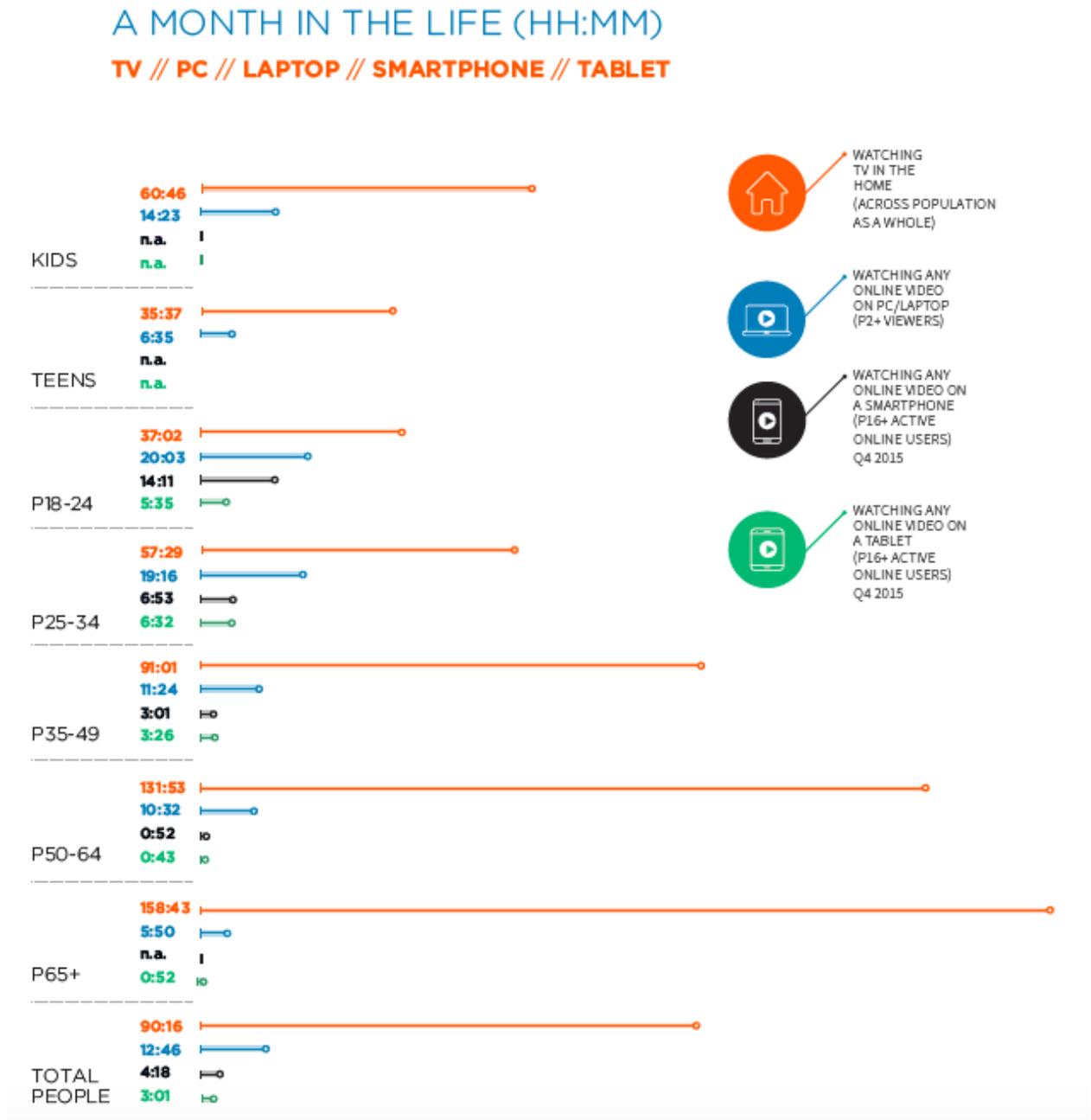
Looking only at **actual viewers or users in the respective TV and online universes**, TV accounts for 82.6 per cent of viewing (*right-hand side of graphic below*).



Note: Time spent watching TV figures above are 'when watched' – that is, broadcast TV content watched live or played back through TV sets at normal speed within seven or 28 days *at the time viewing actually took place*.

- o The gradual decline in time spent viewing live and playback TV over the past five years follows the spreading behaviour that screen, content and platform choice enable.

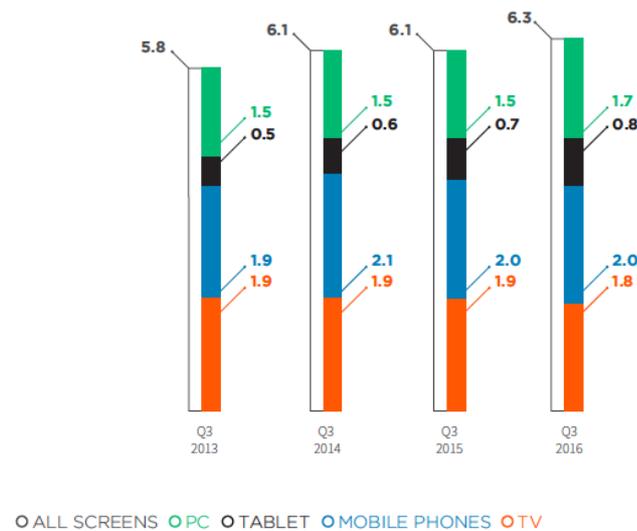
Even so, all age groups spend more of their video viewing time watching broadcast TV on in-home TV sets than they do on any other single device.



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/smartphone/tablet is per active viewer or user.

- **The number of connected screens in households continues to rise while the number of TV sets has fallen slightly.**
 - The average Australian home now has 4.5 connected screens in addition to their TV sets, up from 3.9 four years ago. The number of TV sets per home is fractionally lower today however, at 1.8.

AVERAGE NUMBER OF DEVICES PER HOME



- **The way Australians use their TV sets is changing, most noticeably in prime time.**
 - More screens create different options to view, meaning people spend a little less time with their TV sets.
 - The TV screen can also be used for many activities in addition to watching TV, therefore the proportion of time people spend using their TV sets for other purposes is growing.
 - The rise in other TV screen use is particularly evident in peak viewing hours, and it is impacting time spent viewing live and playback TV.

TOTAL PEOPLE				
	0200-2600		1800-2400	
	Q3 2015	Q3 2016	Q3 2015	Q3 2016
TOTAL TV SCREEN USE	120:19	119:55	63:00	61:02
TOTAL BROADCAST TV:	91:29	90:16	50:01	47:35
Watching live TV	82:57	81:21	45:19	42:39
Watching playback to 7 TV	8:31	7:22	4:41	4:08
Watching playback 8-28 TV	n.a	1:33	n.a	0:47
OTHER TV SCREEN USE	28:50	29:38	12:59	13:26

Playback 'when watched' TV

Q3 2016 playback figures are to seven days and 8-28 days || Q3 2015 playback figures are to seven days.
 Q3 2016 Other TV screen use **excludes** 8-28 day playback || Q3 2015 Other TV screen use **includes** 8-28 day playback.

- **'Longer tail' viewing is growing.**

- While the majority of TV material played back through the TV set happens within the first seven days, 1.7 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 the proportion of 8-28 day playback is 1.6 per cent.
- OzTAM's Video Player Measurement (VPM) service shows approximately 1 per cent of all broadcast TV viewing takes place on connected devices.
- Together, 8-28 day playback on TV sets and VPM content played on connected devices account for approximately 2.5 to 3 per cent of all broadcast TV content watched. This viewing is on top of OzTAM and Regional TAM Consolidated 7 viewing data.

Regional TAM Chairman and General Manager, Prime Television, Tony Hogarth said: "The Australian Multi-Screen Report once again provides a comprehensive national overview of Australians' viewing habits. Analysing television viewing based on 'when watched' data has allowed for this viewing to be accounted for at the time of day the TV content is being consumed as opposed to the time of broadcast. In regional Australia, looking at when watched viewing, audiences consumed an average of 103 hours and 45 minutes of broadcast television each month, which is just over 8 hours more than the national average."

"Today consumers have more control than ever before and are without a doubt leveraging that autonomy. The growing penetration of connected devices and increasing popularity of subscription-based streaming services, time-shifted and over-the-top viewing is fundamentally changing the TV industry. The ability to measure and report on all content across all devices – such as expanding the 'long tail' out to 28 days – provides the industry with further, critical insights on how viewers are using technology to control their own viewing experiences," said **Craig Johnson, Managing Director, Media, Asia Pacific, Nielsen**.

OzTAM CEO Doug Peiffer said: "The number of connected screens in Australian homes is at an all-time high, and Australians are taking advantage of the opportunities this creates to watch broadcast content and other video. While this choice contributes to the viewing 'spread' we've observed for some time, all age groups still spend more of their viewing time on any single device watching broadcast TV on in-home TV sets. Across the population that equates to more than 86 per cent of total viewing - including all devices, platforms and video content."

ADDITIONAL FINDINGS: Q3 (JULY – SEPTEMBER) 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.
 - 60% of homes have **PVRs**; 17% have two or more (Q3 2015: 57%; 16%).
 - 37% of homes have **internet-capable TVs**, whether connected or not (Q3 2015: 31%)¹.
 - 49% of homes have **tablets** (49% in Q3 2015).

¹Estimates 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.

- 84% of Australians aged 14+ own a **smartphone** (80% in Q3 2015)².
- 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%.
- Australians spend 90 hours and 16 minutes (90:16) *per month* watching **broadcast TV on in-home TV sets**³:
 - 90.1 per cent (81:21) is watched live-to-air *each month*.
 - 8.2 per cent (7:22) is played back through the TV set within seven days.
 - 1.7 per cent (1:33) is played back through the TV set between eight and 28 days of the original broadcast.
- Active online Australians spend on average 62:28 per month **online**⁴.
- 13.9 million Australians watch some **video on the internet** each month (incl broadcast TV and non-broadcast content): on average 12:46 per viewer per month. Such viewing is highest among 18-24s (20:03 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.

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

² Nielsen Online Ratings Establishment Survey, national population 14+.

³ 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 viewing. Playback is 'when watched'.

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.

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