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listening in on future media

Wave 9 Summary
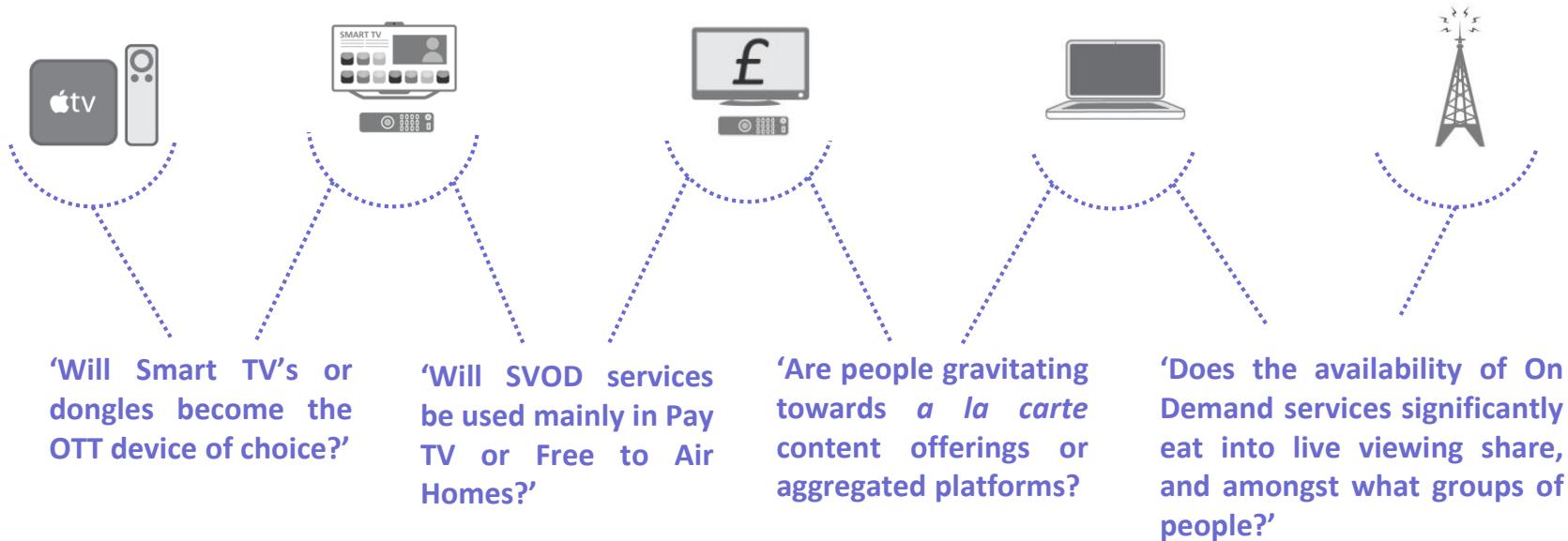
Sept 2016

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Tracking how emerging media technology impacts behaviour & consumption

'Will Smart TV's or dongles become the OTT device of choice?'

'Will SVOD services be used mainly in Pay TV or Free to Air Homes?'

'Are people gravitating towards *a la carte* content offerings or aggregated platforms?

'Does the availability of On Demand services significantly eat into live viewing share, and amongst what groups of people?'

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What does mediabug track?

mediabug *is a special type of research tracker produced by Decipher that explores how UK media consumption is changing. It investigates the rapidly evolving digital media landscape and tracks its take-up and usage in the UK*

demographics

- *Gender*
- *Age Range*
- *Social Grade*
- *Combined Annual Income*
- *Domestic Status*
- *Age of Dependants*
- *Position in Household*

devices

- *TV set-top boxes from Sky, Virgin, TalkTalk BT, YouView, Freesat, EE TV, and YouView TV from Plusnet*
- *NEW: Sky Q*
- *NEW: NOW Smart TV box*
- *PCs & Laptops*
- *Smartphones*
- *Tablets*
- *Games consoles*
- *Smart TVs & BD Players*
- *NEW: 4K Smart TV*
- *Apple TV*
- *NOW TV & Roku box*
- *Google Chromecast*
- *Amazon Fire TV box*

content & subscriptions

- *Free online VOD services:*
  - *BBC iPlayer*
  - *ITV Hub*
  - *All 4*
  - *My 5*
  - *UKTV Play*
- *Online VOD subscription services:*
  - *Netflix*
  - *Amazon Prime*
  - *NOW TV & Sky Go*
  - *DisneyLife*
  - *NEW: BT Sport*
- *TVOD & EST services from:*
  - *iTunes*
  - *Google Play*
  - *Amazon Instant Video*
  - *Sky Store*
  - *Wuaki .TV*
  - *XBOX Video*
  - *PlayStation Store*
  - *Curzon On Demand*
  - *[TV EST] Sky & BT*
  - *TalkTalk TV Store*
  - *BBC Store*

usage

- *Awareness of new and existing services*
- *How often are they used?*
- *Where are they used?*
- *How is content discovered?*
- *What content is watched?*
- *Which device is content watched on?*
- *How is content paid for (subscription vs. PPV)?*
- *How does usage differ in pay/free households?*
- *Share of usage by device*
- *Usage of simulcast*

services

- *Internet Speed*
- *Mobile Phone Network*
- *Mobile Phone Operating System*
- *TV package*
- *Broadband Provider*

Methodology

NEW REPORT

| Wave 1 | Wave 2 | Wave 3 | Wave 4 | Wave 5 | Wave 6 | Wave 7 | Wave 8 | Wave 9 |

| 2012 | 2013 | 2014 | 2015 | 2016 |

INTERVIEW STYLE: Online Survey
AVG DURATION: 13 minutes
FIELDWORK DATES: 14 SEP – 20 SEP 2016

SAMPLE SIZE **3018**

Data weighted to national proportions (gender, age and region) using National Census Data from the Office of National Statistics

SAMPLE ATTRIBUTES

- Resident in UK
- Ages 16+
- Have broadband internet at home
- Nationally proportionate

SAMPLE SOURCING

- Recognised and accredited panel recruitment sources.
- All respondents are incentivised.

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Pricing

ONE WAVE: **£3,500**+VAT
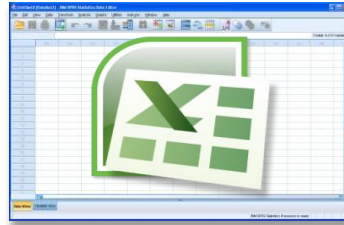
TWO WAVES: **£6,000**+VAT

£1,000 discount ←

CUSTOM QUESTIONS*: **£500**+VAT *each*

WHAT YOU GET...

WRITTEN REPORT [PPTX & PDF]

CUSTOM ANALYSIS REQUESTS ON MEDIABUG DATASET FOR 6 MONTHS**

FACE TO FACE DEBRIEF WITH DECIPHER ANALYSTS

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*Your custom questions are included in the Mediabug fieldwork, but the results are only seen by you.
**12 hours of analysis included. Further analysis requests can be costed. Service is available to anyone in your company, but buying team gets priority.

What's NEW in Wave 9?

**SKY Q
New SET TOP
BOX from
Sky**

BT Sport

**NOW TV SMART BOX
New OTT device from
NOW TV**

**New Device
4K SMART TV**

EXAMPLE EXTRACTS
FROM WAVE 9

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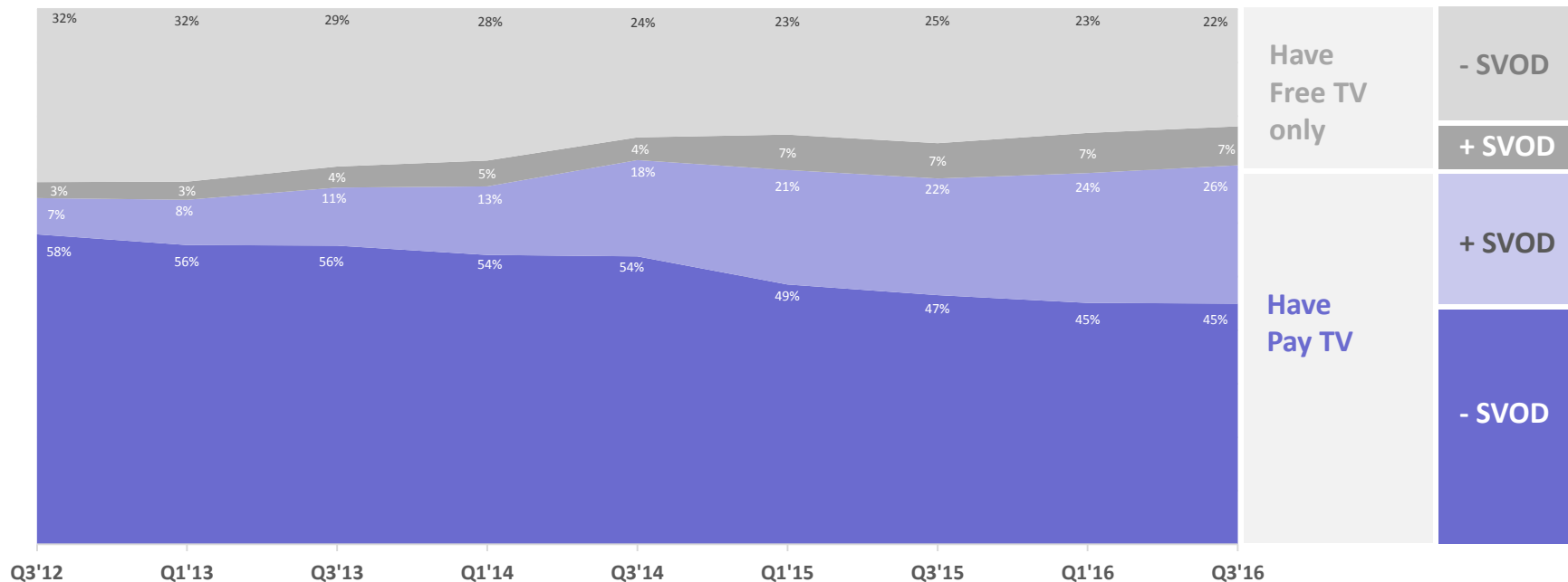
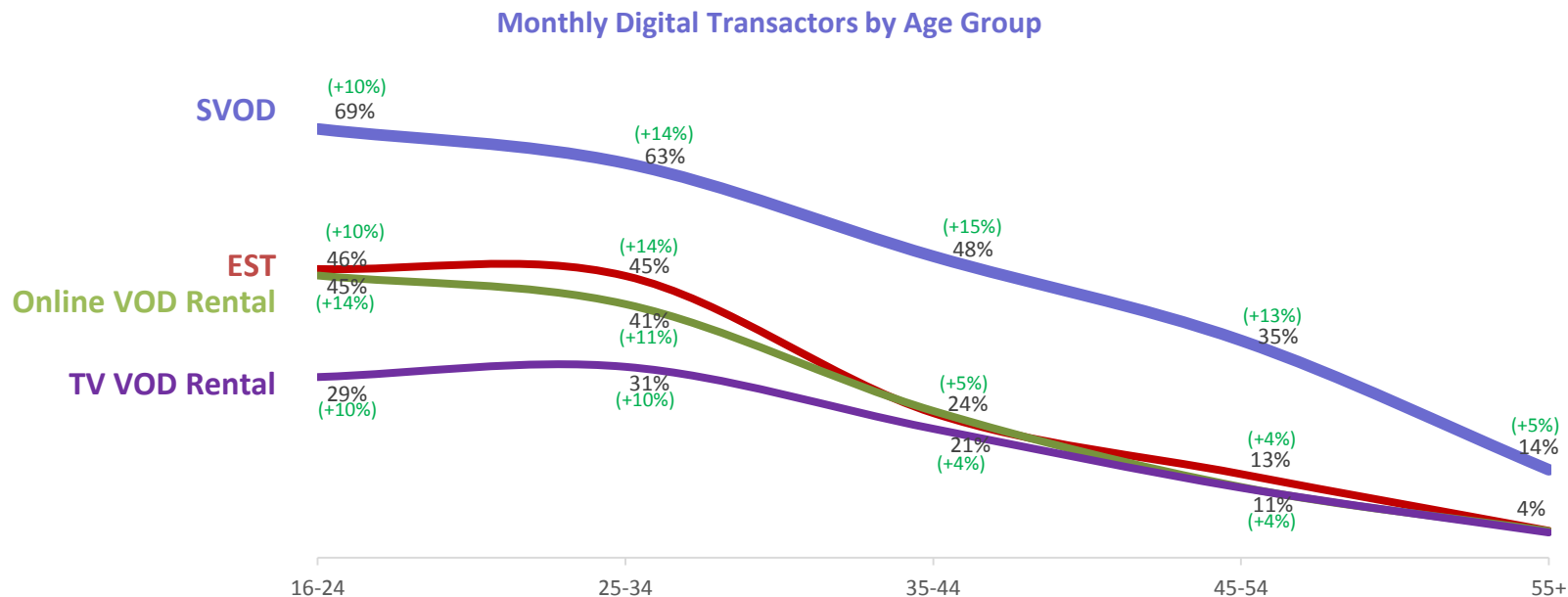# Cross-Platform Trends » Take up of TV and SVOD

Whilst the Pay TV total base has grown against the non-Pay base over the last 4 years, SVOD has achieved more significant take up in Pay homes. Many non-Pay homes have taken up Pay TV, but only a small percentage have stayed 'Free' but taken up SVOD.

UK Population with Pay TV, SVOD, both, or neither, since 2012

Q3'12	Q1'13	Q3'13	Q1'14	Q3'14	Q1'15	Q3'15	Q1'16	Q3'16
32%	32%	29%	28%	24%	23%	25%	23%	22%
3%	3%	4%	5%	4%	7%	7%	7%	7%
7%	8%	11%	13%	18%	21%	22%	24%	26%
58%	56%	56%	54%	54%	49%	47%	45%	45%

Have Free TV only — - SVOD / + SVOD

Have Pay TV — + SVOD / - SVOD

PAY TV = Sky, Virgin Media, BT TV, Talk Talk TV
SVOD = Netflix, Amazon Prime, NOW TV, DisneyLife
+/- SVOD = Do /Do not Also have SVOD subscription

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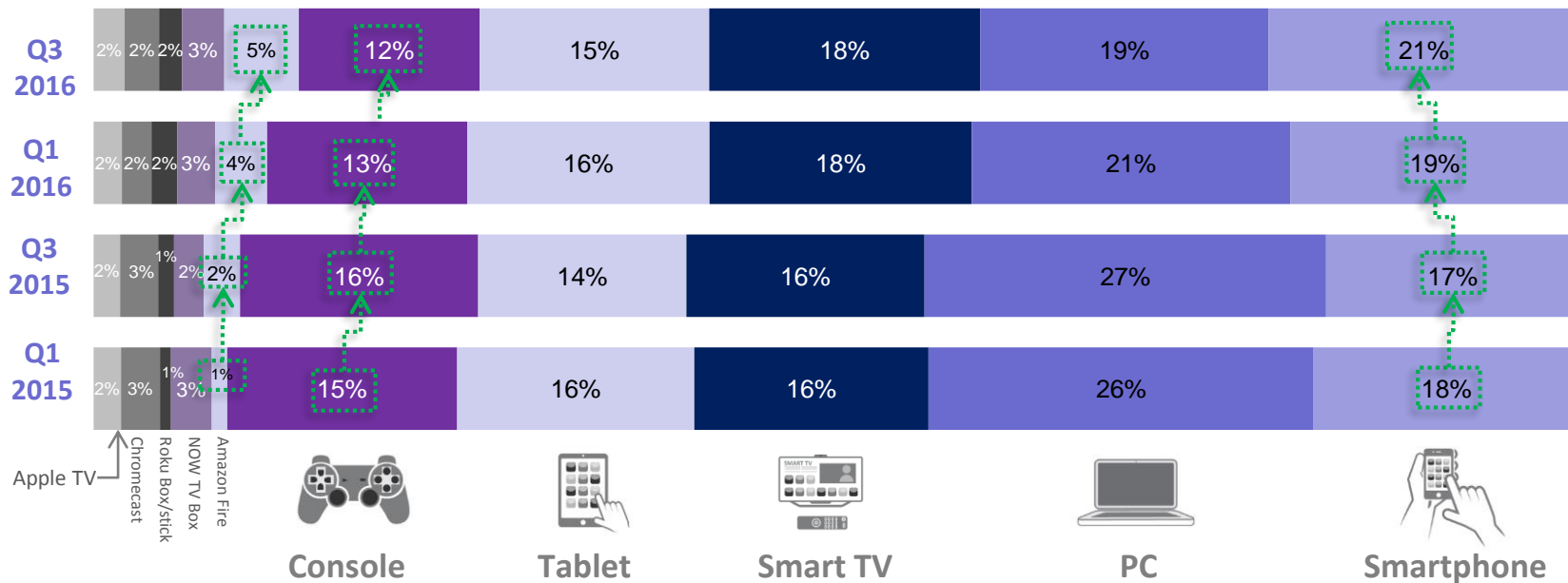# Trends by Demographic » Monthly digital usage by age group

There is growth across all ages ranges. Increases in young users of SVOD continues, although older age ranges are now also growing. Regular users of EST have increased amongst 16-34's, but growth is less pronounced amongst older age ranges.

Monthly Digital Transactors by Age Group

SVOD
(+10%) 69%
(+14%) 63%
(+15%) 48%
(+13%) 35%
(+5%) 14%

EST
(+10%) 46%
(+14%) 45%

Online VOD Rental
45% (+14%)
41% (+11%)
24% (+5%)
13% (+4%)
4%

TV VOD Rental
29% (+10%)
31% (+10%)
21% (+4%)
11% (+4%)

| 16-24 | 25-34 | 35-44 | 45-54 | 55+ |

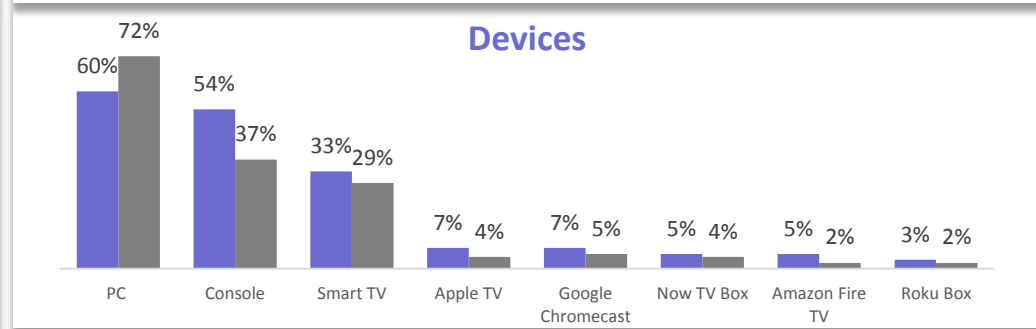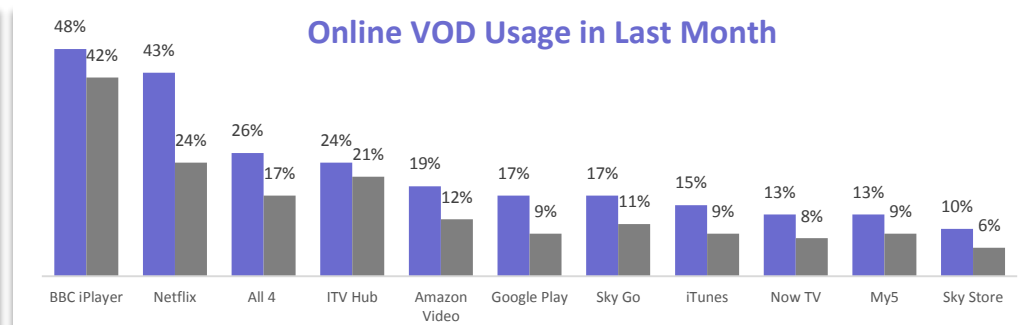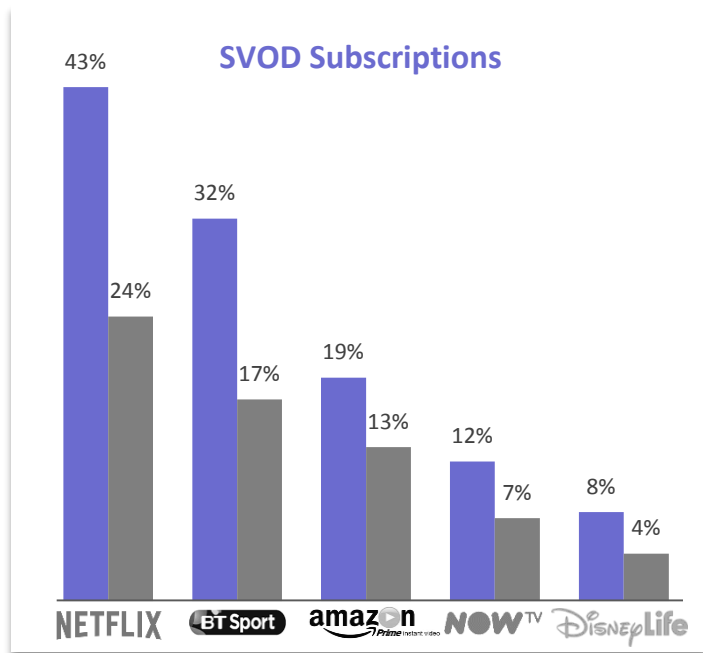# Trends in Share of Usage » Share of Usage by Device

Amazon Fire Stick continues its sharp growth in share of VOD viewing, rising another +1% since March. Smart TV's held their 18% share from March; a +2% rise YOY. Consoles and PC's continues to lose share of VOD usage, however Smartphones appear to have recovered from a 2015 dip; and have now achieved a higher share of usage than both. Perhaps large smartphones are the cause.

Share of online VOD usage by device vs. penetration:

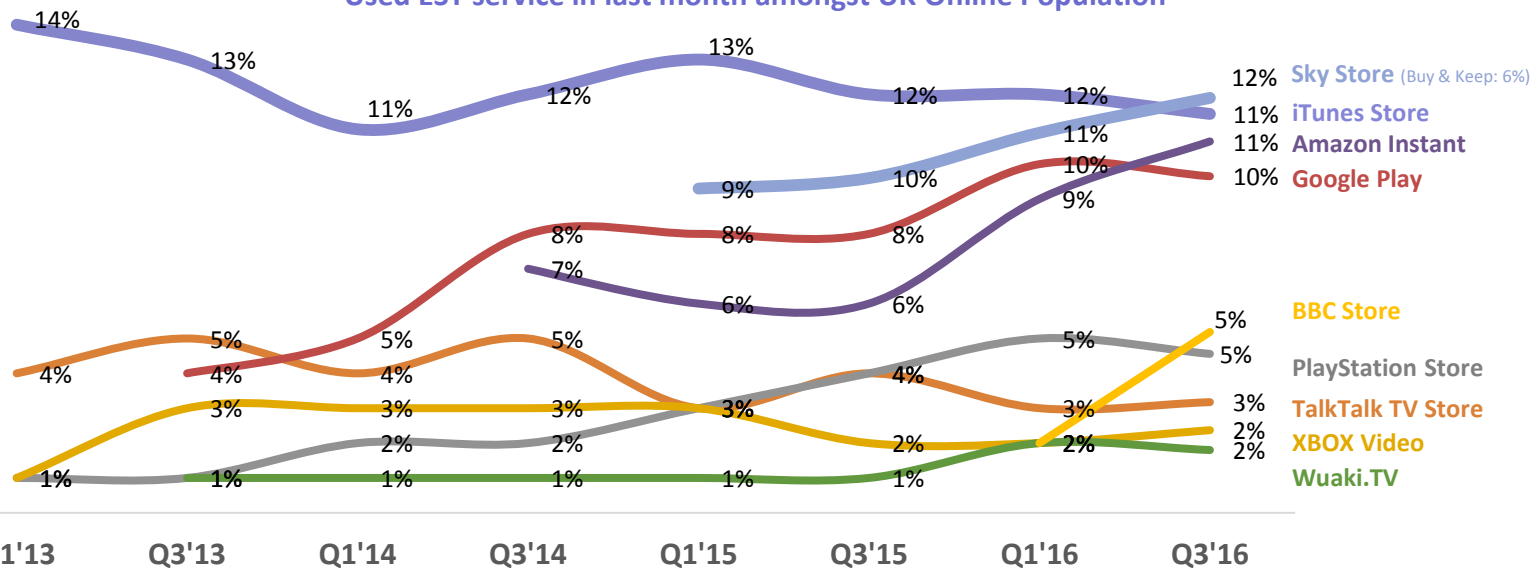|	Apple TV / Chromecast / Roku Box/stick / NOW TV Box / Amazon Fire	Console	Tablet	Smart TV	PC	Smartphone
Q3 2016	2% 2% 2% 3% 5%	12%	15%	18%	19%	21%
Q1 2016	2% 2% 2% 3% 4%	13%	16%	18%	21%	19%
Q3 2015	2% 3% 1% 2% 2%	16%	14%	16%	27%	17%
Q1 2015	2% 3% 1% 3% 1%	15%	16%	16%	26%	18%

Consumer Profiles » Millennials

Millennials are more likely to have SVOD subscriptions than the general population. 43% have Netflix in the home, followed by BT Sport with 32%. They are more likely than the average to consume any type of Online VOD. They index lower on PC's and Laptops, but higher on OTT devices and Smart TV's.

SVOD Subscriptions

Service	16-34	Gen Pop
NETFLIX	43%	24%
BT Sport	32%	17%
amazon Prime instant video	19%	13%
NOW TV	12%	7%
DisneyLife	8%	4%

Online VOD Usage in Last Month

Service	16-34	Gen Pop
BBC iPlayer	48%	42%
Netflix	43%	24%
All 4	26%	17%
ITV Hub	24%	21%
Amazon Video	19%	12%
Google Play	17%	9%
Sky Go	17%	11%
iTunes	15%	9%
Now TV	13%	8%
My5	13%	9%
Sky Store	10%	6%

Devices

Device	16-34	Gen Pop
PC	60%	72%
Console	54%	37%
Smart TV	33%	29%
Apple TV	7%	4%
Google Chromecast	7%	5%
Now TV Box	5%	4%
Amazon Fire TV	5%	2%
Roku Box	3%	2%

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■ 16-34   ■ Gen Pop

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Usage Trends » Regular EST usage by digital platform

iTunes' position as the service attracting the most regular purchasers has now been taken by Sky Store. 12% of the population claim to have purchased from Sky Store in the last month. Interestingly, 6% of these purchased from Buy & Keep; the version of Sky Store that exists on Sky set top boxes. Without the B&K figures Sky Store would be at 8%, so evidence is mounting that the ability to purchase digital content directly on a set top box has traction, and is converting new digital transactors.

Used EST service in last month amongst UK Online Population

Line chart data:

Sky Store (Buy & Keep: 6%) — 12%
14%, 13%, 11%, 12%, 12%, 13%, 12%, 12%

iTunes Store — 11%
9%, 10%, 11%

Amazon Instant — 11%
7%, 6%, 6%, 9%, 10%

Google Play — 10%
4%, 4%, 5%, 8%, 8%, 8%, 9%, 10%

BBC Store — 5%
2%, 5%

PlayStation Store — 5%
1%, 2%, 2%, 4%, 5%, 5%

TalkTalk TV Store — 3%
4%, 5%, 5%, 5%, 4%, 3%

XBOX Video — 2%
3%, 3%, 3%, 3%, 2%, 2%

Wuaki.TV — 2%
1%, 1%, 1%, 1%, 1%, 1%

X-axis: Q1'13 Q3'13 Q1'14 Q3'14 Q1'15 Q3'15 Q1'16 Q3'16

The Decipher Media Research Team

Dr Hamish McPharlin

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Hamish is Director of Decipher Media Research. He has conducted market & consumer research since 2003, and joined Decipher in 2007; working with a large number of broadcasters, platforms, trade bodies and agencies. Has extensive qualifications in both qualitative and quantitative disciplines from experience and training. He has a Bachelor of Marketing and the Media with First Class Honours, and a PhD in Communications. He has won several research awards for excellence, including Mediaweek 2008 & 2012, and IAB Europe 2011.

Silvia Santos

Head of Research

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Silvia has over 15 years of research experience. Before Decipher she worked at leading global media owners Time Inc., Disney and JCDecaux. Her relentless curiosity has provided her with extensive experience in both qualitative and quantitative methodologies. As Head of Research at Decipher, Silvia oversees all quantitative fieldwork and insight, and she is also responsible for producing Decipher's bi-annual **mediabug** report, which looks at trends of TV viewing habits as well as the consumer adoption of new technologies in the APAC. She has a BA honours degree from the University of Creative Arts in Media & Cultural studies.

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Sammie has a Bachelor of Science degree in Geography from University of Exeter, specialising in Excel modelling. She has worked across various media companies and brings substantial experience of statistical analysis. Her degree has given her a strong foundation in data collection, analysis and producing high-quality quantitative reports with considerable attention to detail.