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Friday, 29 January 2016

1 in 7 Australians now watch no Commercial TV, nearly half of all broadcasting reaches people 50+, and those with SVOD watch 30 minutes less a day

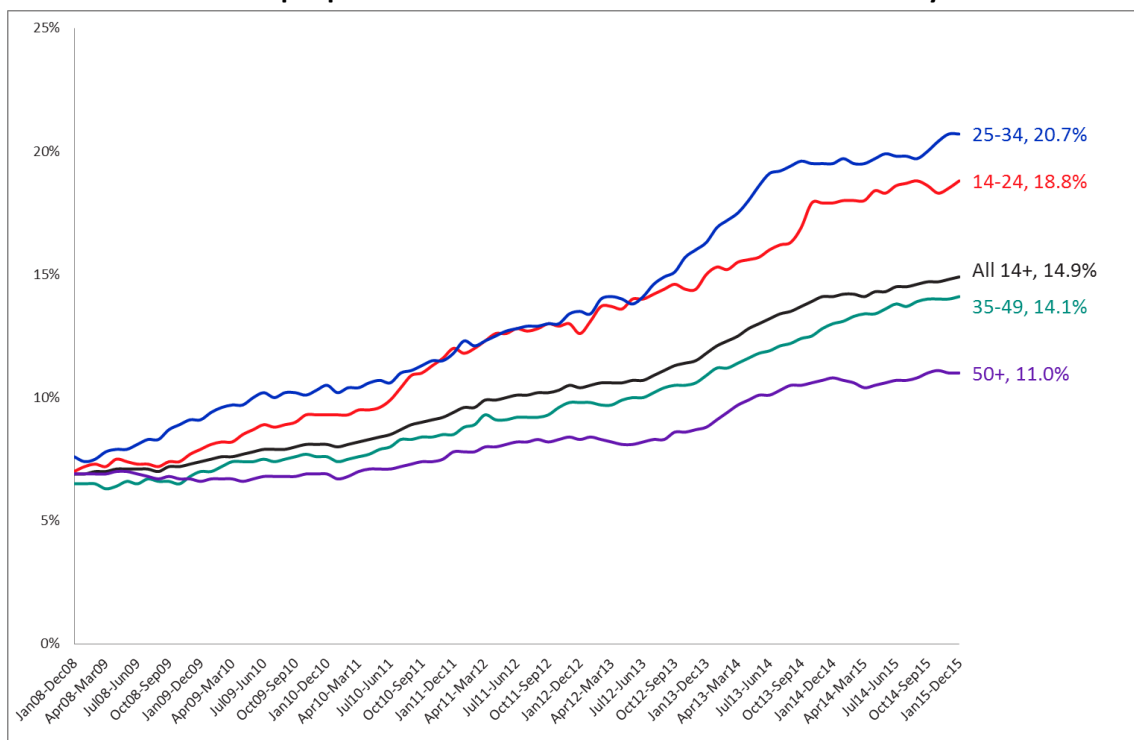
Over one in seven Australians now watch no commercial television on a normal weekday—over twice as many as in 2008. The audience is fast getting older and SVOD looks set to make a bigger dent in the medium’s reach in 2016, the latest media data from Roy Morgan Research shows.

Seven years ago, only 6.9% of Australians (14+) wouldn’t watch any Commercial TV on a normal weekday, and there was little difference between age groups. Nearly everyone, regardless of age, would watch at least some show (and advertising) during the day. It was simply a matter of which show reached which people.

Since then, the proportion of Australians who don’t watch any Commercial TV has more than doubled to 14.9%—and the gap is widening between age groups, with 14-34 year-olds making the fastest exodus from the medium. In 2015, over one in five 25-34 year-olds (20.7%) watched no Commercial TV, up nearly threefold from the 7.6% who couldn’t be reached by the channel in 2008. 18.8% of 14-24 year-olds now don’t watch any Commercial TV, up from 7.0% in 2008. 18.8% of 14-24 year-olds now don’t watch any Commercial TV, up from 7.0% in 2008.

Commercial TV also has less reach among older people, but their abandonment has been slower: 14.1% of 35-49 year-olds and 11.0% of Australians 50+ reported watching no Commercial TV on a normal weekday in 2015 (up from 6.5% and 6.9% respectively).

More people watch no commercial TV on a normal weekday



Source: Roy Morgan Single Source, January 2008 to December 2015, average annual sample n = 51,442 Australians 14+.

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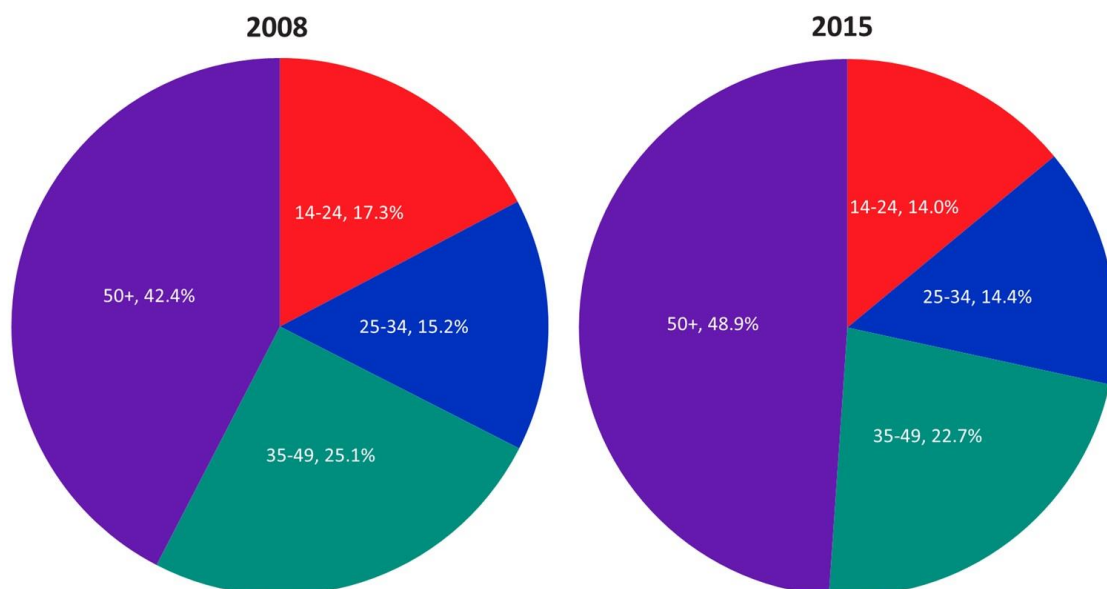
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Of course, this still means that Commercial TV reaches 85.1% of us—more than any other medium. On an average weekday we watch a combined 39 million hours of Commercial TV.

What's changed though, as certain audiences turn it off faster than others, is just who sees all that broadcasting. In 2008, not only were rates of non-viewing much lower, and more uniform across age groups, but the heaviest viewers (50+) watched only around 26 minutes more on average per day than the lightest (25-34)—and so the reach of Commercial TV, by share of total viewing minutes, quite fairly reflected the population as a whole.

In 2015, nearly half the total time spent watching is by viewers aged 50+ (48.9%, up 6.5% points from 42.4% in 2008). However as a share of the total 14+ population, this group grew just 1.8% points over the period. Less of the total daily time reaches all other age groups: 22.7% goes to 35-49 year-olds (down from 25.1%); 14.4% to 25-34 year-olds (down from 15.2%); and 14.0% to 14-24 year-olds—the sharpest proportional decline.

Proportion of Commercial TV Total Viewing Minutes seen by age group



Source: Roy Morgan Single Source, January 2008 to December 2008 n = 52,506 and January 2015 to December 2015 n = 50,276 Australians 14+

This shift away from Commercial TV viewing since 2008 coincides with the rise of internet-based entertainment: 7.7 million Australians 14+ (40%) now stream or download video, TV or movies in an average four weeks; among those who don't watch any Commercial TV, 54% stream or download televisual content—a majority for the first time in 2015.

But aside from being simply a new competitive channel, internet streaming and downloading provided a whole new outlook on media consumption: content on-demand. Now, Commercial TV faces an even more direct competitor, in the form of Subscription Video On Demand (SVOD) including Netflix, Stan, Presto, Quickflix and Foxtel Play.

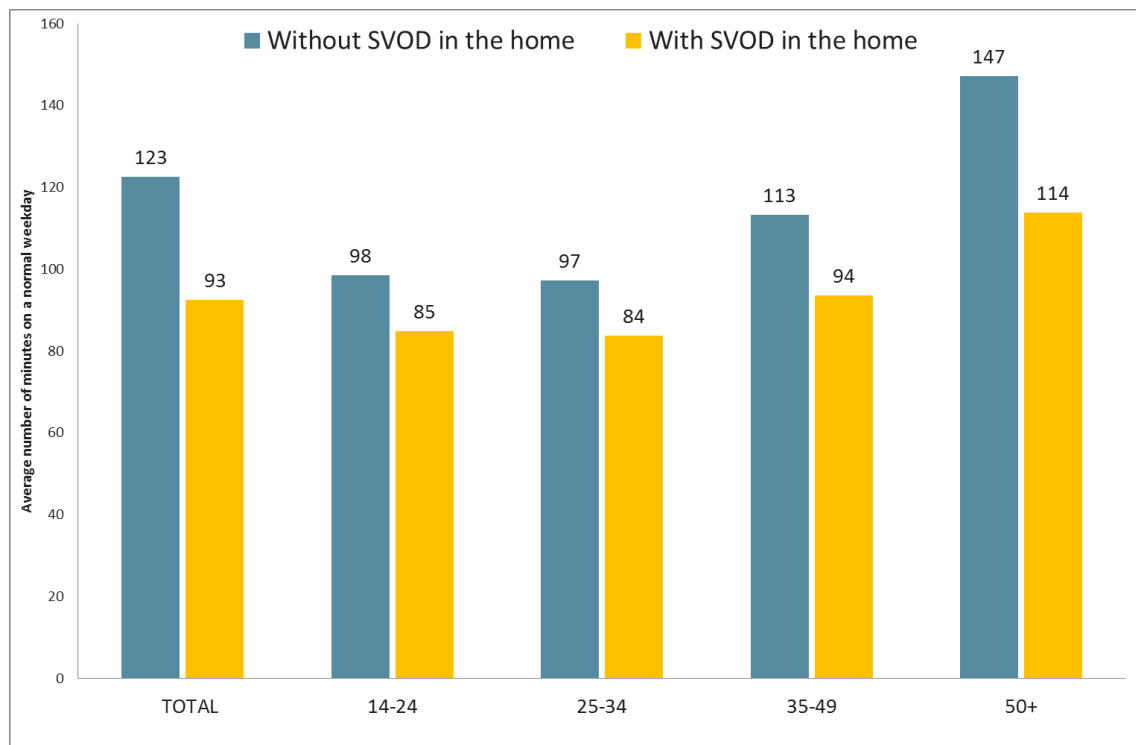
By the end of last year, almost three million Australians 14+ had access to at least one of these SVOD services. As we reported throughout the year, the spread of SVOD has so far been dominated by Netflix, which alone now reaches over 2.7 million people in over a million homes.

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Those in SVOD homes watch, on average, half an hour less Commercial TV on a normal weekday than those without any SVOD. It may still be too early though to conclude that people watch 30 minutes less commercial TV as a *result* of subscribing to SVOD—perhaps these earliest subscribers were more likely to already be lighter or non-viewers of Commercial TV.

Australians aged 14-24 or 25-34 with SVOD in the home watch 13 minutes less TV on average per day than their counterparts without it, and the difference is even starker among older groups: 35-49 year-old subscribers watch 19 minutes less, and those 50+ watch 33 minutes less Commercial TV—in part because these older SVOD subscribers are, by definition, already atypical of their age group.

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Source: Roy Morgan Single Source, January 2015 to December 2015 n = 50,276 Australians 14+

These differences in the average time spent watching Commercial TV are, in part, because SVOD subscribers are more likely to watch zero minutes of Commercial TV on a normal weekday, reducing the average: 18.6% watch no commercial TV, compared with the norm (as discussed above) of 14.9%. However, it's the fewer minutes, not zero minutes, which has the greater impact. On top of the non-viewers, another 43.1% of SVOD subscribers watch up to only two hours of Commercial TV a day (compared with the norm of 34.9%), while only 18.4% watch three or more hours (compared with 28.3% of all Australians).

Tim Martin, General Manager – Media, Roy Morgan Research, says:

“Commercial television has the biggest reach of any medium. An in-depth knowledge of each show’s audience and their levels of engagement can give advertisers huge reach and impact in their target markets.

“Roy Morgan is the only source of consumer media consumption data across all media, which is more important than ever in a fragmenting, competitive landscape. Our television attention level

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and involvement research in particular goes beyond ratings to show networks and advertisers which shows engage audiences. We also ask consumers about their awareness of SVOD services and intentions to subscribe or switch in the coming year.

“Commercial TV is now unable to reach around a fifth of all 14-34 year-olds, and the trend looks set to continue. In another seven years, it might well be a third. Already the very idea of ‘seeing what’s on TV’ at a particular time is beginning to seem a little archaic next to the massive libraries of niche, personally appealing content ready—by definition—on demand.

“Commercial TV networks will need to become more innovative with content and scheduling, rights deals and partnerships, how advertising is incorporated into programming. Foxtel has yet to suffer any significant drop-off in lapsed customers, with SVOD so far broadening the paid television market rather than competing with Foxtel.

“Most viewers aren’t desperately to avoid any advertising whatsoever—it’s just that there are more easy ways to circumvent it, so why not record a show and skip through ads, download it, legally or illegally, subscribe to SVOD, or simply switch attention to the tablet or phone the second an ad break arrives.

“Nine’s Stan and Seven’s Presto lag well behind Netflix in the SVOD market. After another rocky year on the ASX, 2016 may be do-or-die time for the networks to get a better, long-term understanding of how to attract and engage viewers and put the right ads in front of them. Without some self-reflection and innovation, Commercial TV could perhaps find itself as a medium only for people taking a quick channel-surfing break from the burden of choosing between all the range and quality available elsewhere.

“Roy Morgan Audiences is a next-generation tool that can measure and profile unique viewers of digital content across devices, including streaming TV. With this new capability, the shift of audiences to digital platforms becomes a great opportunity for the commercial networks to count their audiences more accurately and understand them in more depth than ever before.”

To learn more about Roy Morgan’s media data or the new Roy Morgan Audiences contact:

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Please click on this link to the [Roy Morgan Online Store](#)

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices throughout Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

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Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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