

Tuesday, 31 January 2017

## Netflix subscribers still watch (some) commercial TV

With Netflix series *The Crown* crowned Best Drama at the Golden Globe Awards, Roy Morgan Research reveals how many Australians have a subscription at home, how much commercial television they still watch, and why audience engagement will become the metric that matters for the broadcast networks.

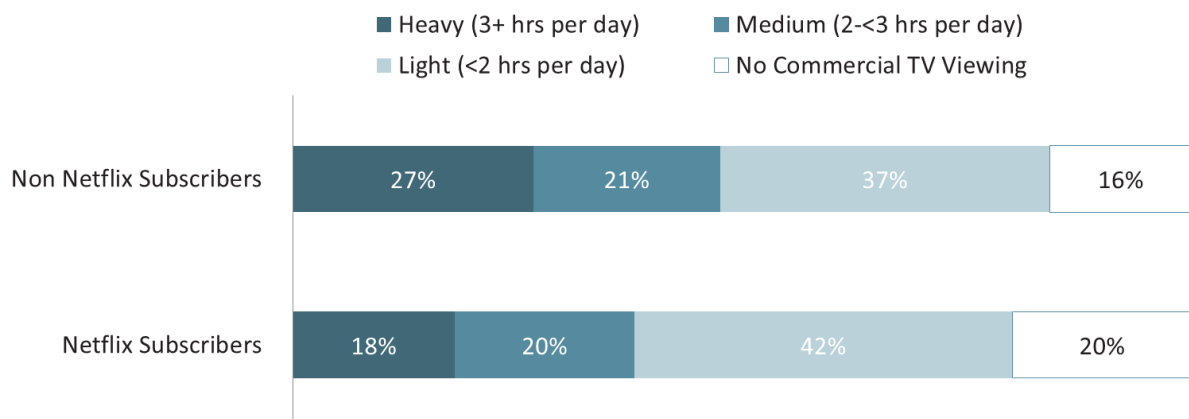
One in four Australian homes now have a Netflix subscription, Roy Morgan's latest data to the end of 2016 shows. An estimated 5,862,000 Australians aged 14+ (29.5%) now have access to the Subscription Video On Demand (SVOD) service (via 2,268,000 household subscriptions).

Netflix subscribers watch less commercial TV than others—but this is not simply *because* they have now have SVOD in the home. Many subscribers were already watching less commercial TV, which was a driving reason to subscribe in the first place.

Among today's Netflix subscribers, 18 percent still watch a Heavy amount of commercial television (classified as more than three hours on a normal weekday), and another 20 percent watch a Medium amount of two to three hours. 42 percent watch less than two hours' worth, and the remaining 20 percent say they don't watch any at all on a regular Monday to Friday.

Of course, the majority of seven in 10 Australians don't have Netflix in the home. Among them, 27 percent are Heavy Commercial TV viewers, 21 percent are Medium, 37 percent are Light and only 16 percent watch none on a typical weekday.

Commercial TV viewing habits of Netflix subscribers and others



Source: Roy Morgan Single Source, January to December 2016, sample = 50,144 Australians aged 14+ including 10,754 Netflix subscribers.

Michele Levine, CEO – Roy Morgan Research, says:

*“Netflix finished 2016 in almost 2.3 million Australian homes. Commercial TV networks (and their advertisers) are right to be concerned about the popularity of SVOD, and how much attention it will ‘steal’ from free-to-air television.*

*Discover your edge*

*“Many Netflix subscribers, especially in the early days, weren’t big viewers of commercial TV—so the industry wasn’t necessarily losing audiences it had to begin with. Heavy commercial TV viewers remain the least likely to have Netflix—however subscriptions among this group have grown over 50 percent in 2016, faster than any other viewing segment.*

*“Free-to-air networks, industry bodies and advertisers must now pay closer attention to SVOD subscription rates and usage habits among their heaviest viewers.*

*“One core issue will be how heavy commercial TV viewers use Netflix, and other SVOD services such as Stan, if and when they do subscribe. Will it be only for a weekly movie, a series binge-viewed over a weekend, or become the first port of call every time the TV is turned on?*

*“In large part, this will all come down to viewers’ engagement with particular TV shows. Roy Morgan measures how much of each show’s audience loves it, especially chooses to watch, has a household member in control of the remote, or is tuned in only because there’s nothing else on. As SVOD grows (and offers award-winning ‘must-see’ new shows such as The Crown), networks and advertisers won’t be able to rely on reaching unengaged viewers.*

*“The time is now to start focusing on audience engagement. Multiple broadcast channels, live streaming and catch-up platforms should give the commercial TV networks the ability to offer highly engaging programming to all different segments, keeping them tuned in and upholding free-to-air as the go-to at-home entertainment option.”*

**To learn more about Roy Morgan’s media research, call (+61) (3) 9224 5309 or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com)**

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**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.

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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