

## Report released: Australian trends in online and on demand viewing

**Tuesday 27 February 2018:** The 2017 Online & On Demand report, based on research conducted by Nielsen on behalf of Screen Australia, has been released today. The report finds streaming services have completely changed how Australians view content, yet broadcast TV remains popular and piracy levels have declined drastically.

“The global screen industry is in a rapid period of change, driven by technology. Consumer hunger for content is immense, and the report makes it plain that if creators allow device-neutral access to their content at a reasonable price, people will get their wallets out,” said **Fiona Cameron**, COO of Screen Australia.

“Free-to-air television remains king, but AVOD services like YouTube are nearly as widely used and SVOD platforms such as Netflix have seen incredible audience growth. The report also confirms that younger Australians are frequent users of new content platforms, including social media outlets like Facebook to access video.”

“The speed of change in our industry is not going to slow down, so undoubtedly there is pressure on producers to stay abreast of where their audience is, and for regulators to form policy that meets the market.”

“For Screen Australia, the findings show that Australian content is still immensely popular, and when you have platforms like broadcaster catch-up services housing a lot of local content, they’re rewarded with viewership.”

### THE REPORT

In the three years since the study was [previously conducted](#) (2014), the video-on-demand (VOD) landscape has changed considerably and has seen the introduction of subscription video-on-demand (SVOD) services such as Amazon Prime, Netflix and Stan into the Australian market.

The report is based on an online survey of 1,683 Australians aged 14+ who watch professionally produced screen content online. User generated content such as self-recorded videos or the classic ‘cat video’ style of online content were not counted.

### SECTOR MIX

The report reveals that the SVOD sector including the likes of Netflix, is a clear growth area with 68% of 2017 respondents using such services, compared to 37% in 2014. Use of broadcaster catch-up services has also increased to 87% (from 74% in 2014).

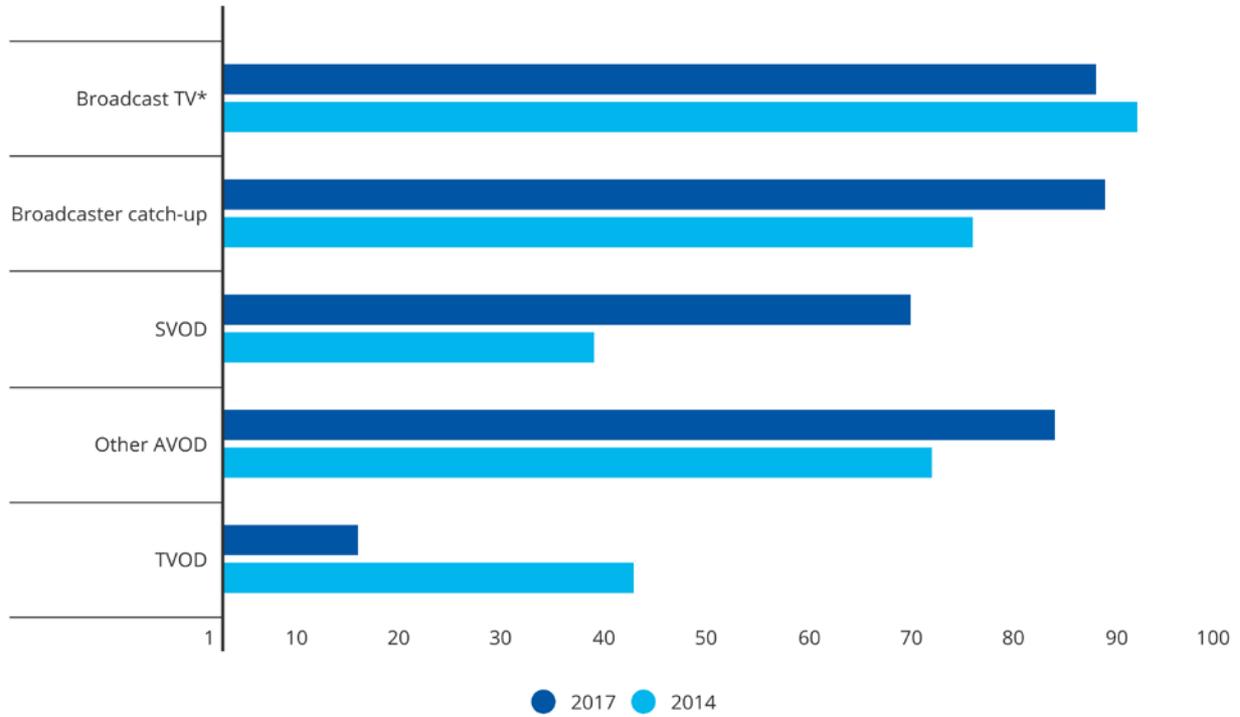
Use of ‘Other AVOD’ services like YouTube and video on Facebook continues to grow, with 82% of respondents accessing professionally produced content via these platforms (up from 70% in 2014).

VOD users are still watching content via traditional platforms, with the percentage of people watching broadcast TV each week remaining fairly stable (86% in 2017 vs 90% in 2014, although the 2017 did include time-shift viewing). However the amount of people accessing content via transactional video-on-demand (TVOD) services like the iTunes store, has decreased considerably (14% in 2017 vs 41% in 2014).



# VOD users: Overall platform use 2017 vs 2014

## Existing platforms remain relatively stable despite disruption from SVOD



Source: research undertaken by Nielsen for *Online & On Demand 2017: Trends in Australian online viewing habits*

Notes:

\*Broadcast TV figure for 2014 excludes time-shift. Base 2014: All respondents (n=1,593); 2017: All respondents: (n=1,683).

Q. Use/awareness of individual VOD services has been cross referenced with the question 'In which of the following ways do you watch TV shows, movies, documentaries and other screen content' and grouped into four topline categories.

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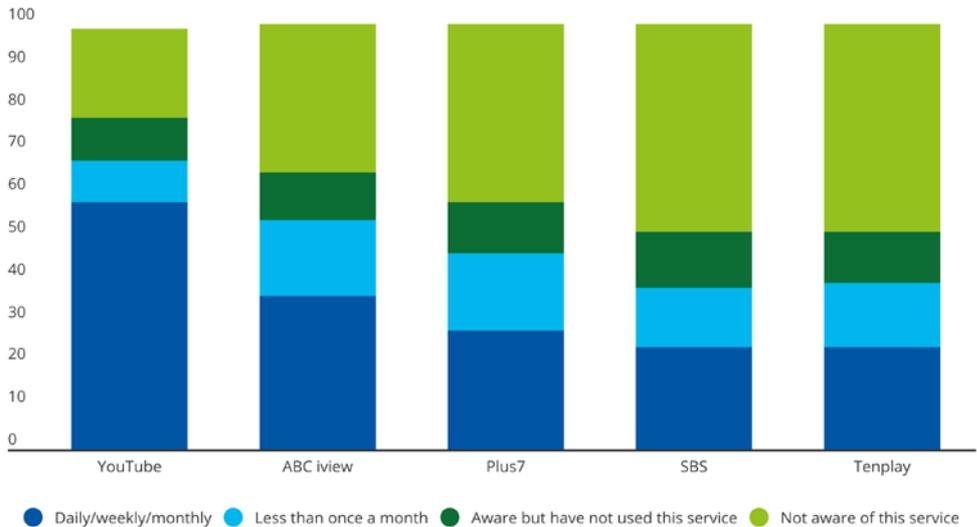


YouTube remains the most used VOD platform, followed by Netflix. ABC iview, Plus7 (now called 7Plus) and Tenplay remain in the top 5 as was the case in 2014.

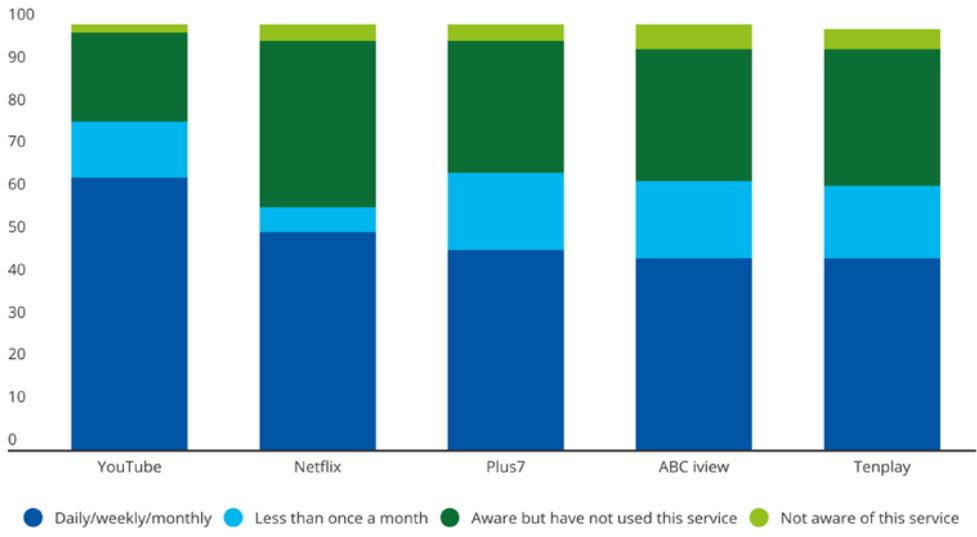
### Top 5 VOD services: 2014 vs 2017

Netflix Australia is now amongst the most used services for VOD each month

#### 2014



#### 2017



Source: research undertaken by Nielsen for *Online & On Demand 2017: Trends in Australian online viewing habits*

Notes:

Figures may not sum to 100% due to rounding.

Q: Which of the following internet TV and movie services, if any, are you using/aware of to view professionally produced content, and how often? Five most used services are based on combined use monthly or more often. Base: 2014: ALL respondents (n=1,593), 2017 ALL respondents (n=1,683).

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## VIEWING BEHAVIOURS

People who watched VOD reported they still spend most of their viewing time (14 hours per week) watching broadcast TV, although the growing popularity of SVOD is evident with 8.75 hours viewed per week.

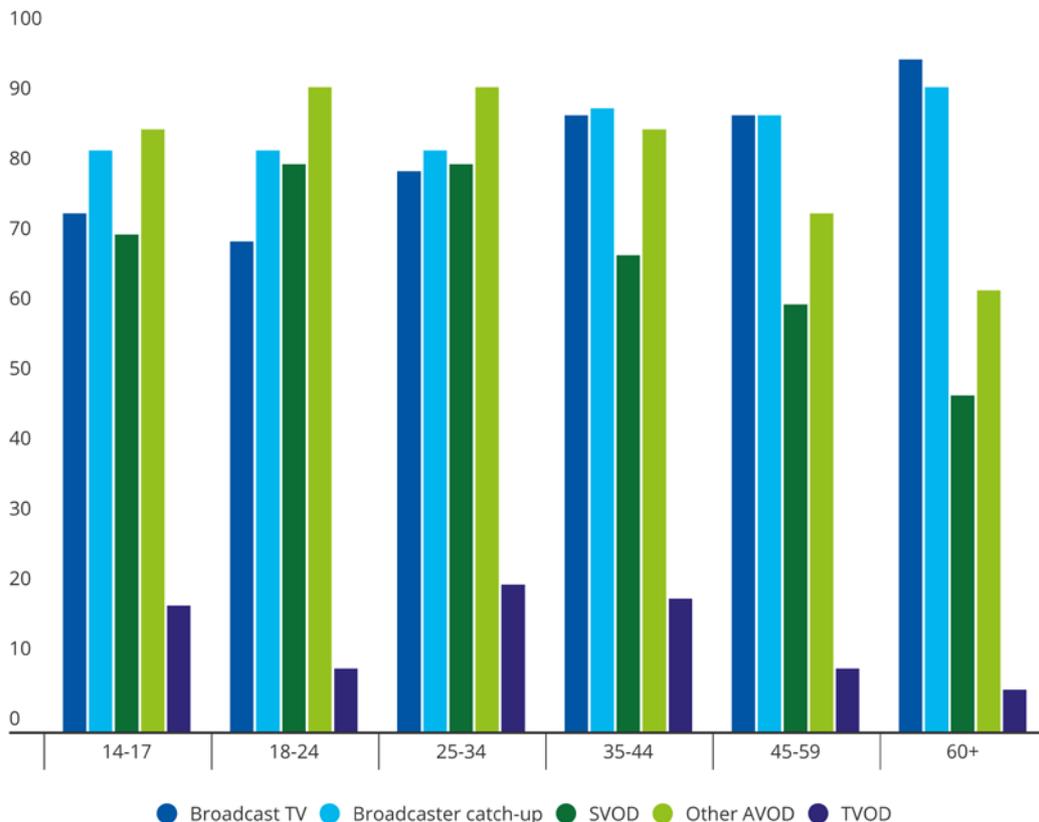
SVOD users reported changing attitudes and viewing behaviours, with 52% saying they watch less free-to-air and 46% saying they are now less likely to download films and TV programs to rent or own through TVOD services like iTunes or Google Play.

Behaviours also change with age, with broadcast television being most popular with those aged 60+ (96%), whereas SVOD is most used with those aged 18-34 (81%). Despite being a new way to access content, broadcaster catch-up services are also popular with 45-59 year olds (88%) and those aged 60+ (92%).

The study shows that 80% of VOD viewers are watching content at home at least weekly, whilst 27% of VOD viewers report watching remotely at least once a month. Smart and connected TVs (e.g. using an Apple TV) have overtaken computers as the most popular device to access VOD content, whilst 25% are now using their smartphones, compared to just 10% in 2014.

Viewing remains a predominantly solitary activity, with 58% of respondents saying they watch “more screen content by myself than I used to.” The 2017 survey revealed that 75% of respondents believed that they watch online screen content “on my own if others in my household are not interested.”

## Who is watching - age profile of viewing platforms



Source: research undertaken by Nielsen for *Online & On Demand 2017: Trends in Australian online viewing habits*

Notes:

Q. Use/awareness of individual VOD services has been cross referenced with the question 'In which of the following ways do you watch TV shows, movies, documentaries and other screen content' and grouped into four topline categories. Base: 14-17 (n=100), 18-24 (n=190), 25-34 (n=260), 35-44 (n=292), 45-59 (n=437), 60+ (n=404).

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## VIEWING SCREEN CONTENT VIA SOCIAL MEDIA

90% of active VOD users are also active on social media, and 74% have viewed screen content via social platforms. YouTube (50%) and Facebook (41%) are currently the most popular social media platforms for accessing screen content. Facebook has recently flagged its intention to [grow this space](#).

YouTube was the most popular social media platform to view content across all demographics, although Facebook came close in the 25 -34 age range (53% YouTube vs 49% Facebook). Using Instagram and Snapchat to view content was far more likely for those aged 34 or less.

## CONTENT DISCOVERY

Recommendations from family and friends have the most influence on viewing choices, with 65% of respondents rating such conversations as one of their top five influencers.

Viewers aged 45+ were the most likely to consult professional news and reviews, whereas younger viewers (18-34s) were most likely to use online recommendations based on past choices (e.g. YouTube's 'recommended' feature or Netflix 'top picks for...') and from social media personalities and bloggers.

## CONTENT CHOICES

The country-of-origin trends in viewing across broadcaster catch-up and SVOD services are generally reflective of the volume of that content on those platforms e.g. Netflix Australia has only recently started local commissions.

For instance, broadcast catch-up viewers were more likely to watch Australian series (drama and comedy) than any other content type. Whereas foreign content is more popular with SVOD users, particularly Hollywood movies with 66% reporting having consumed this content (although 47% also reported watching Australian movies despite the smaller catalogue available).

Although overseas content was the most popular content type to be purchased by TVOD users (34% movies, 31% series), interestingly Australian movies (21%), series (21%), and documentaries (21%) rounded out the top five content types that were consumed.

When asked to nominate their top three favourite Australian works, respondents named over 400 different titles, reflecting high awareness of locally produced screen product. The five most referenced productions were all dramas - *The Castle*, *Mad Max*, *Home and Away*, *Crocodile Dundee* and *Offspring*.

Most (73%) VOD users who watch Australian content believe new/diverse local dramas and documentaries are important. Furthermore, parent respondents who consumed Australian content expressed a strong preference for a range of local content to be available for their children (59% strongly agree / agree). The majority (62%) believe that Australian dramas and documentaries give their children a different view of the world compared to foreign content.

## DRIVERS AND BARRIERS

VOD users cited being able to watch what they want, when they want to, as the main drivers for VOD viewing, although the allure of free content (e.g. broadcaster catch-up and YouTube) and the ability to avoid advertising also registered strongly.

Internet connection speed was the main barrier (39%) to viewing more VOD content. However, 32% of respondents said they would watch more content online if prices were cheaper or if there was more content available (31%).



Australian Government



MEDIA RELEASE

## PIRACY

The 2017 study reveals a significant decline in content piracy amongst VOD viewers, with 17% of respondents suggesting they had used unofficial streams or downloads, compared to 43% in 2014.

Those aged 25-34 were the most likely to watched via pirated, illegal or unofficial services.

The full report is available to [view here](#).

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