

The Changing TV Experience: Attitudes and Usage across Multiple Screens

The impact of multiscreen usage on the TV viewing experience

August 2015

Objectives

A recent study conducted by the Interactive Advertising Bureau (IAB) in North America entitled *'The Changing TV Experience: Attitudes and Usage Across Multiple Screens'* has piqued the interest of IAB Australia's Video Advertising Council who wished to carry out a similar study in the Australian market.

Targeting a representative sample of Australian adult (aged 18+) consumers, the key research objectives are as follows...

- Gauge the level of digital/ connected device ownership and usage
- Identify how this behaviour has changed over time
- Understand how this behaviour is affecting or altering the TV viewing experience with a specific focus on the role of multiscreen usage
- Measure the extent of video streaming – what, where, when, how and why
- Explore the differences between connected TV and regular TV in terms of behaviour, attitudes and perceptions



Methodology

Completed interviews

N=1008 online interviews amongst a nationally representative sample of Australian adults aged 18+

Fieldwork

Wednesday 22nd – Wednesday 29th July, 2015

Average questionnaire length

10 ½ minutes

NB. Data was post-weighted by age and location based on ABS Census data



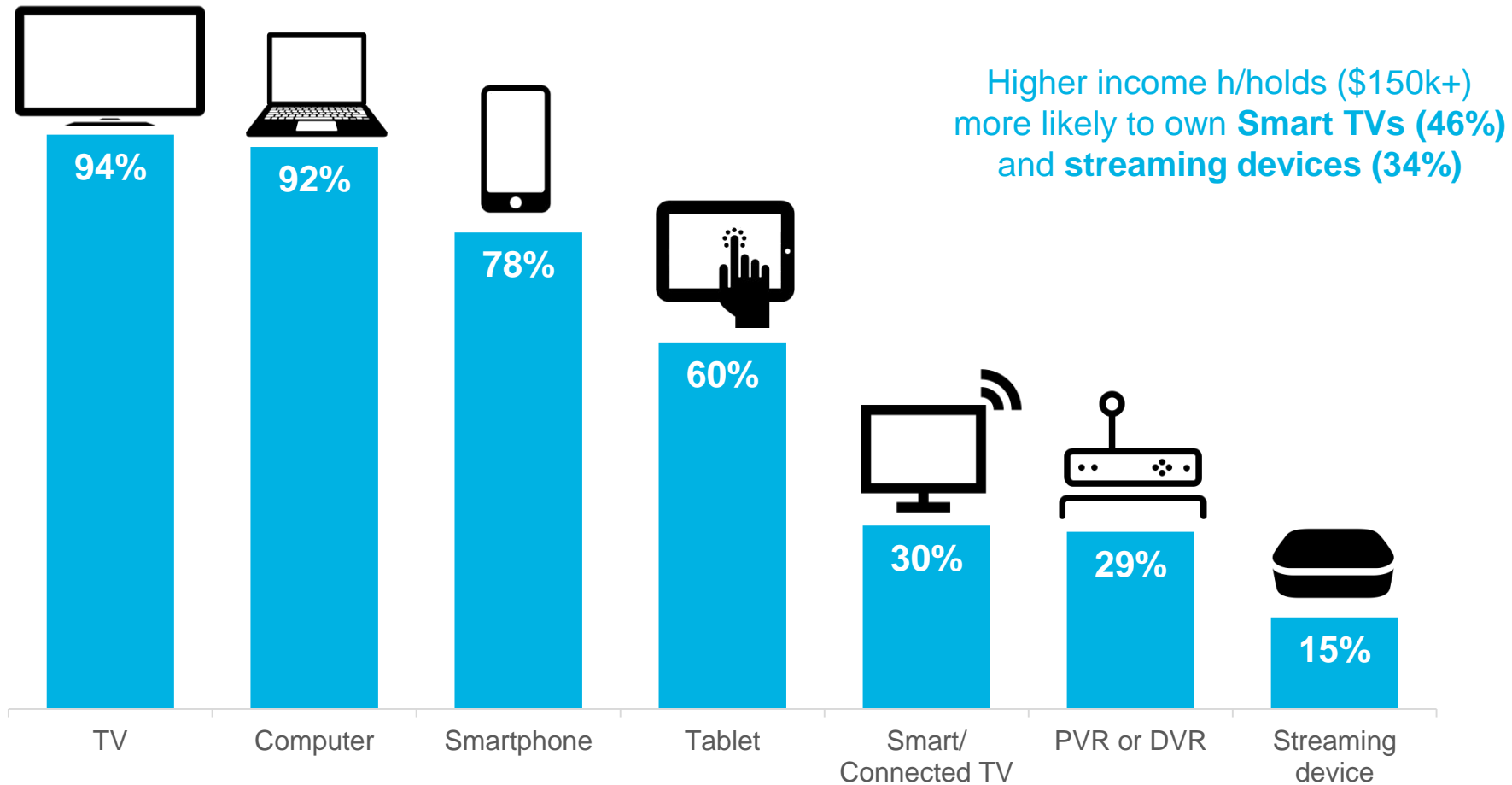
Device Ownership & Usage



VISIONCRITICAL®

Almost 1 in 3 Australians own a Smart/ Connected TV

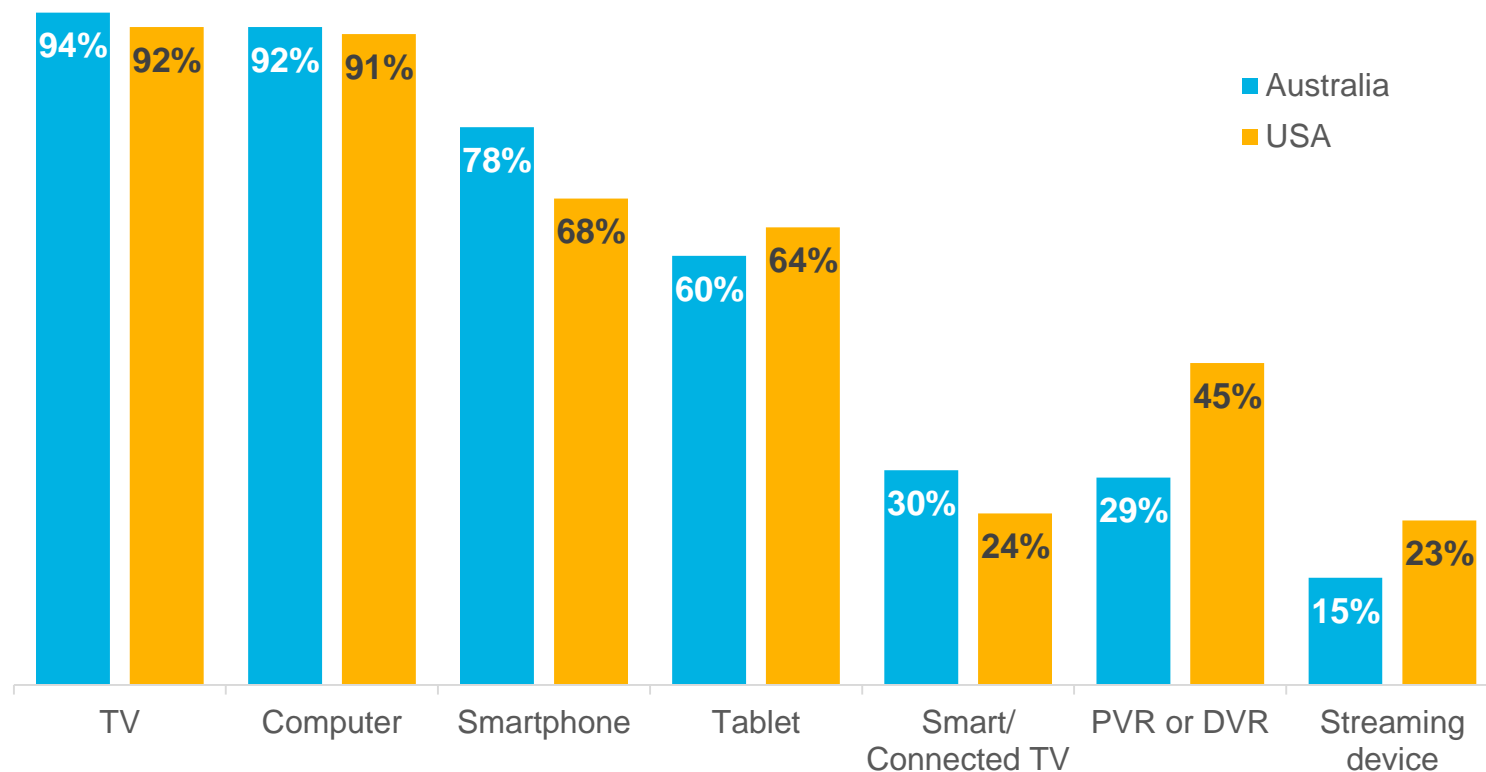
Device Ownership



Base: Total sample (n=1008)
Q2_Device_Usage. Which of the following devices do you personally own?

Tablets & DVRs/ PVRs more prevalent in the USA whilst smartphones and Smart TVs more pervasive in Australia

Device Ownership

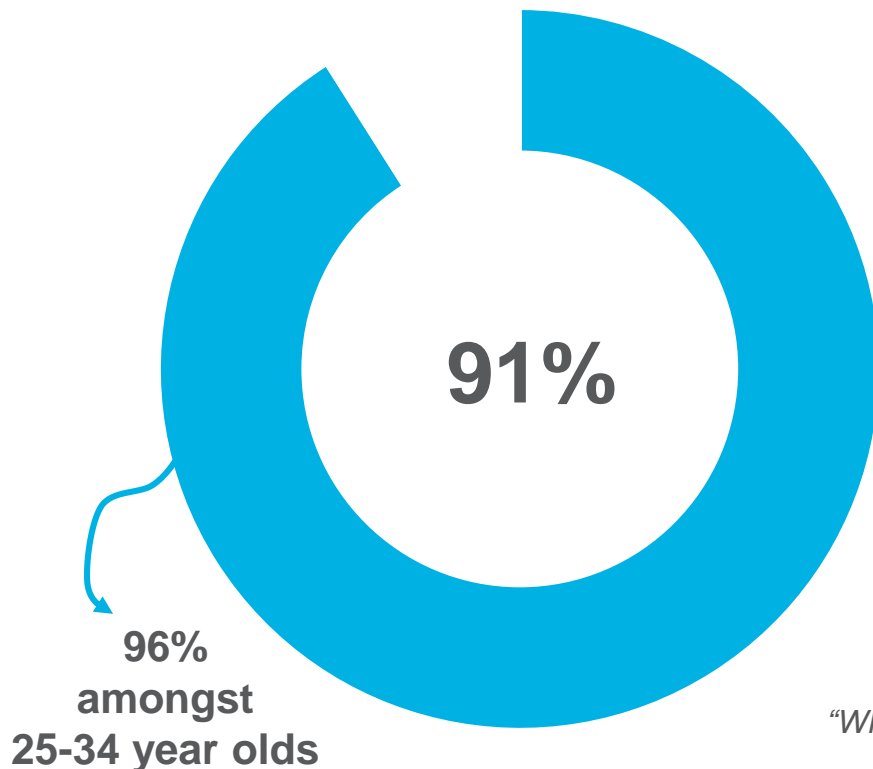


Base: Total sample - Australia (n=1008); North America (n=651)
Q2_Device_Usage. Which of the following devices do you personally own?

Almost universal claimed awareness of the term 'Smart/ Connected' TV in Australia

Of those aware 71% correctly defined a Smart TV as a TV that connects directly to the Internet

Aware of the term 'Smart or Connected TV'



"TV that is connected to the internet and has applications for watching and accessing different content."

"A TV which connects to the internet and has applications as well as usual TV operations"

"Smart TV has an internet connection, you can choose what programme you want"

"A TV that connects to the internet"

"Where the TV is connected to the internet, enabling you to live stream programmes"

Base: Total sample (n=1008)

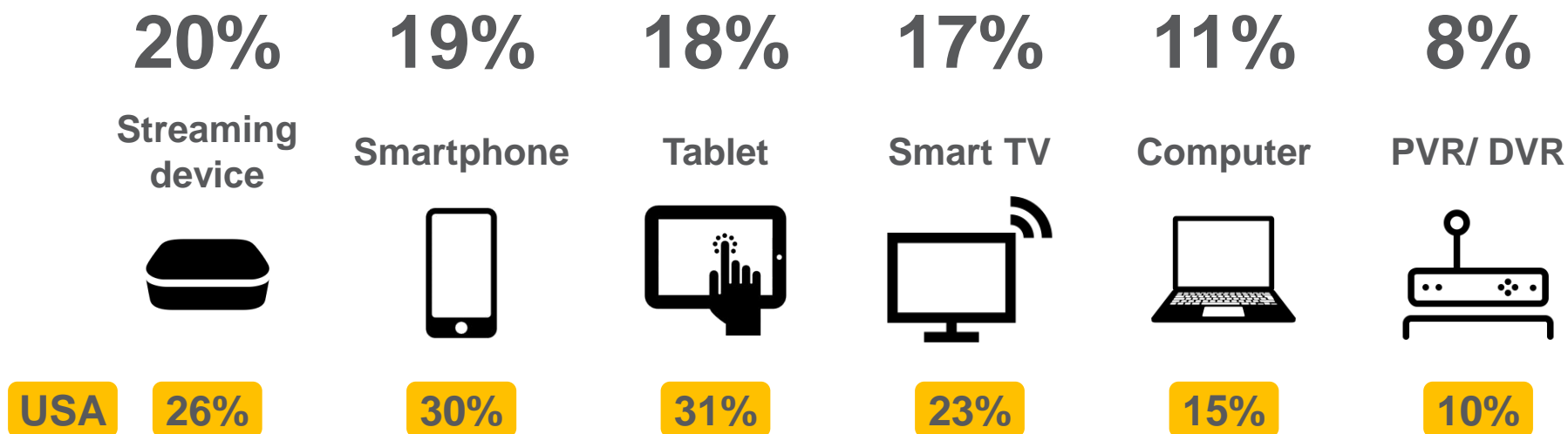
Q1_Smart_Aware. Have you heard of the term 'Smart TV' or 'Connected TV' before today?

iab.
australia

VISIONCRITICAL®

1 in 5 Australian adults (vs. 1 in 4 Americans) that own a streaming device have acquired it in the past 3 months

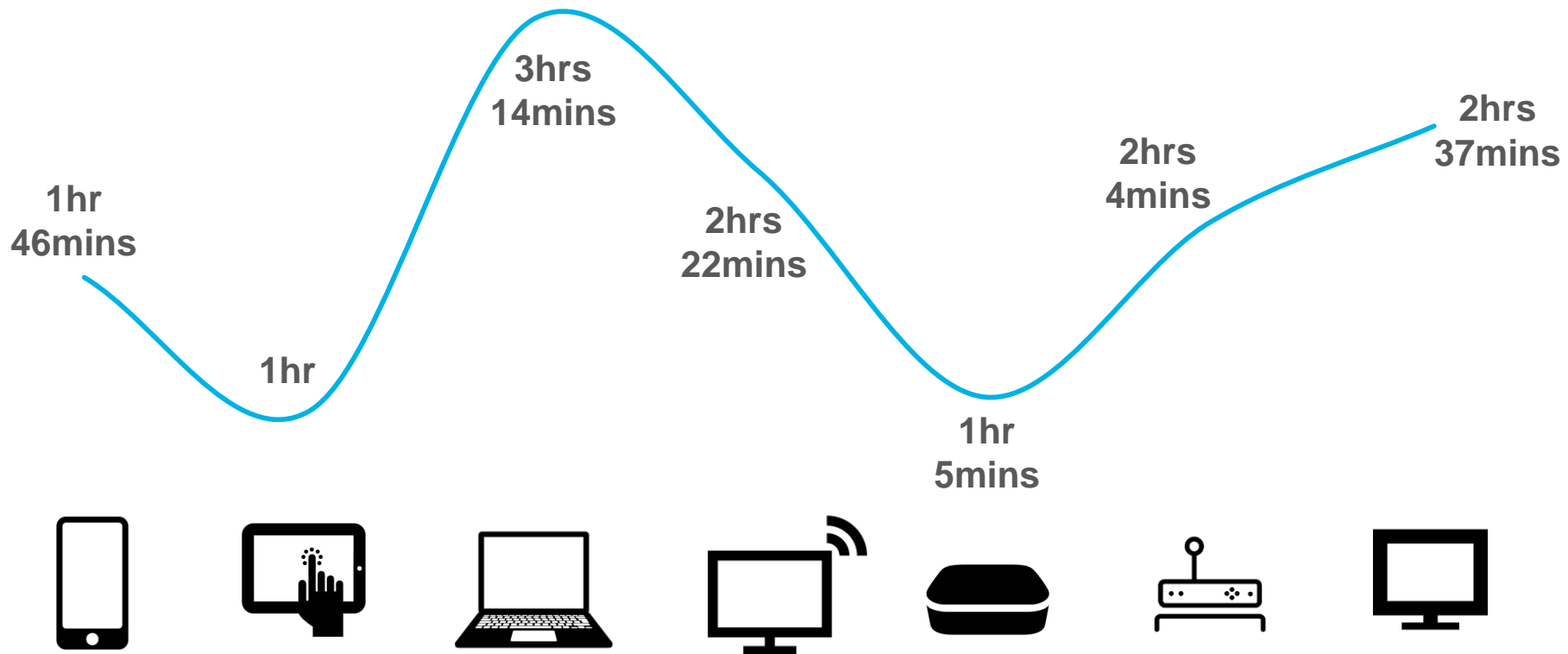
Devices acquired in the past 3 months



70% of Australians who acquired a Smart TV in the P3M are using it at least weekly to stream videos, shows or movies from the Internet

Although computers are the dominant single device, Smart TVs and streaming devices collectively account for almost 3 ½ hours of their users' average day

Average number of hours per day on each device



Americans use their Smart TV or streaming device for 2hrs 22 mins on average per day

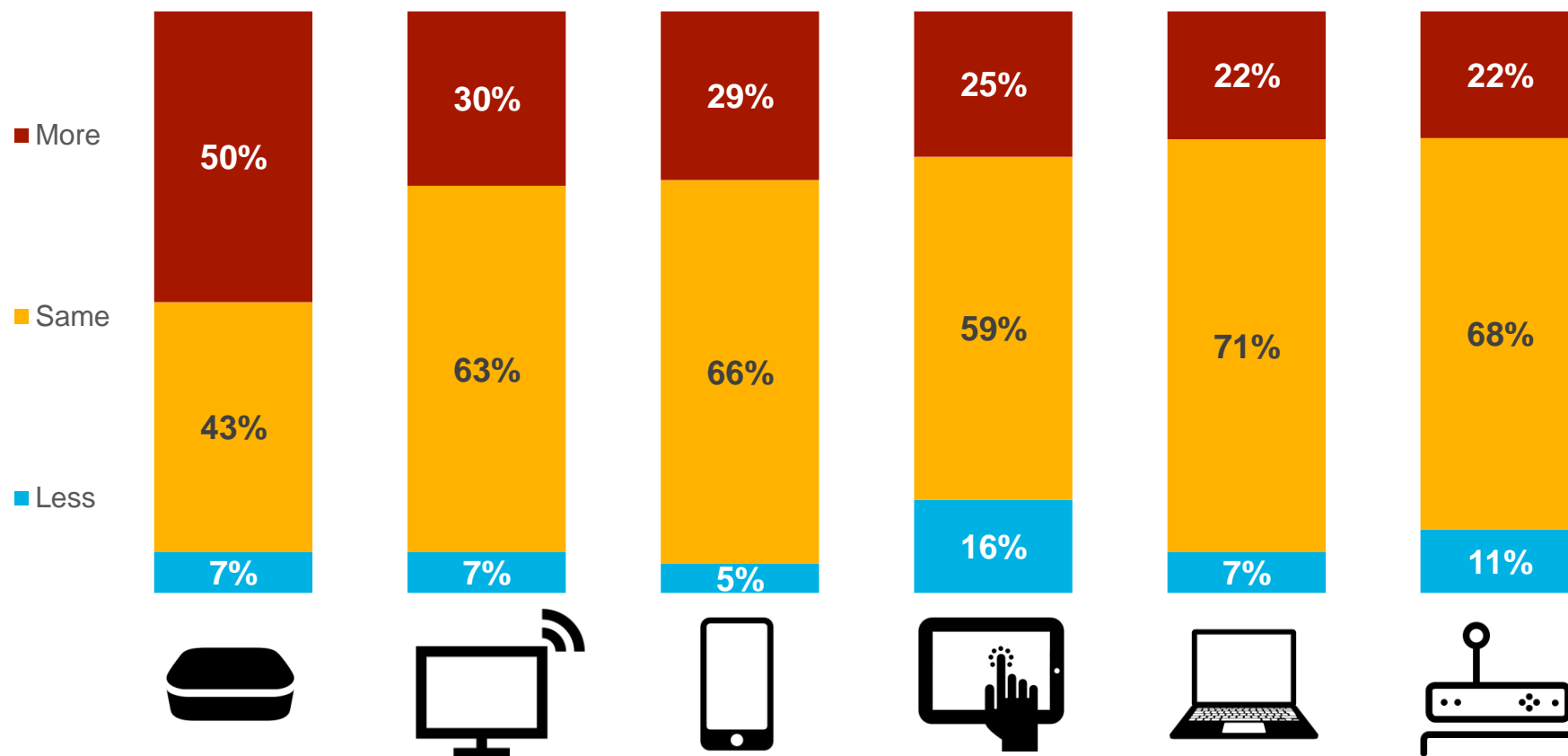
Base: Device owners; TV (n=794), Smart TV (n=303), Streaming device (n=164), PVR (n=310), Computer (n=858), Tablet (n=606); Smartphone (n=743)
Q4_Device_Time_Use. Please indicate how many hours you spend using the following devices on

iab.
australia

VISIONCRITICAL®

The momentum is with streaming devices. Increase in Smart TV usage aligned to that of smartphones

35% of Americans claim to be using their Smart TV or streaming device more vs. a year ago

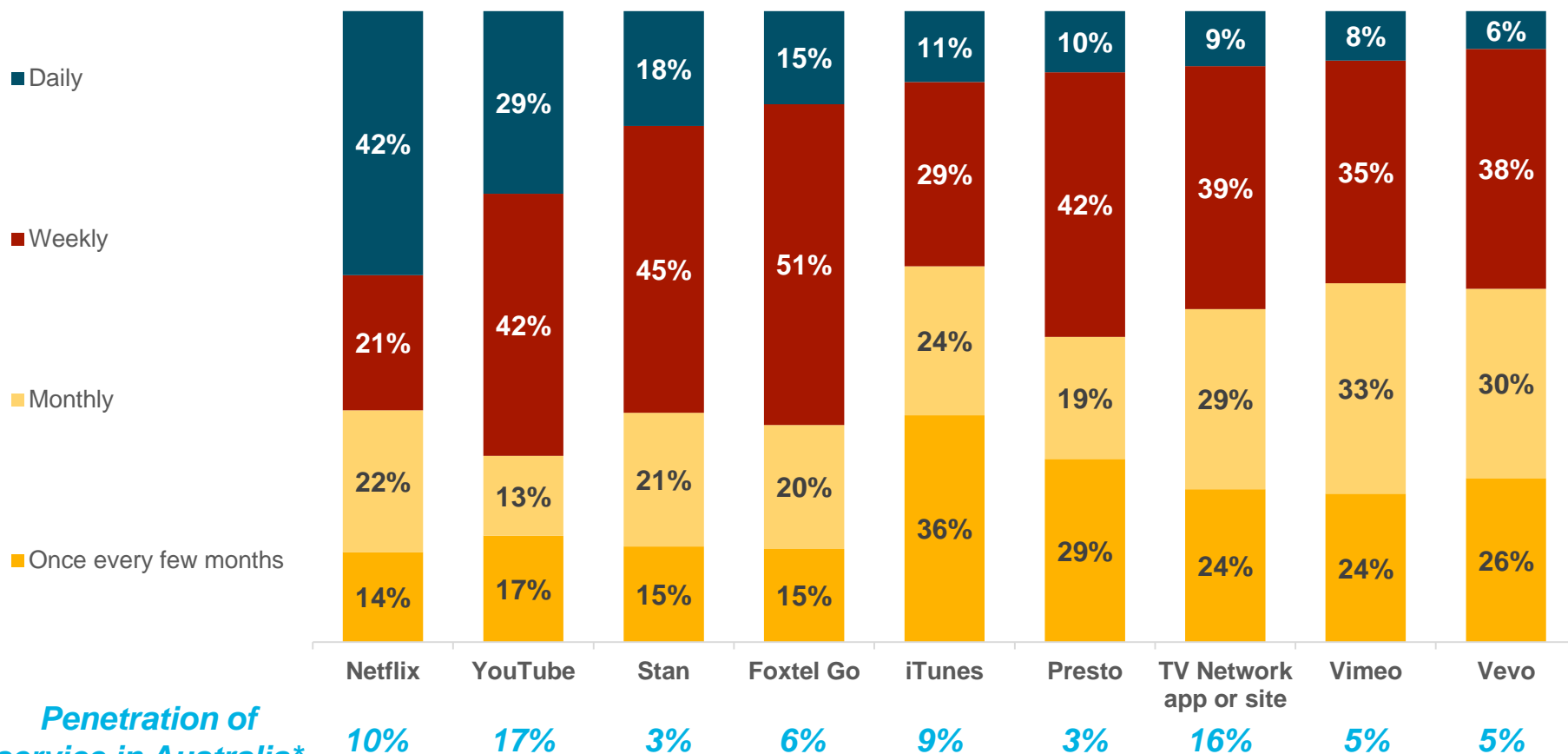


Base: Use device; Computer (n=853); Smartphone (n=708); Tablet (n=555); Smart TV (n=274); PVR/ DVR (n=263); Streaming device (n=137)
Q5_Device_Past_Year. Compared with last year, overall would you say you are using each of these devices less, the same amount or more?

Netflix is the dominant subscription service with almost half of its users claiming to use it daily. Still early days for Stan and Presto

Frequency of Using Streaming Services to stream content to TV (amongst users)

Average time spent watching streamed videos, TV shows or movies on Smart TV
1 ½ hours a day



Penetration of service in Australia*

Base: Stream videos to TV and use streaming service

Q16_Stream_TV_Services. How frequently do you use the following services to stream video from the Internet to your TV?

*Proportion of those with a connected device using service to stream content to TV

What is 'content' in the opinion of claimed users?

"We stream movies and TV shows"

"Watch ABC iView, SBS internet equivalent, Channel 7 equivalent"

"Mostly movies and documentaries plus TV series"

"I play songs, watch TV series and movies"

"News and television programs, sporting events"

"YouTube, movies, news, trailers"

"Comedies, documentaries"

"Content streamed through Fetch and Netflix"

"YouTube videos"

"Netflix possibly or YouTube videos"

Base: Those who stream content to their TV for at least an hour a day (n=893)
Q4a_Content_Describe. You said that you use a device to stream content to your TV, please describe below in your own words what 'content' means to you in this context – i.e. what sorts of things you are watching.

Streaming Habits

What, how and where do Australians consume online video content?

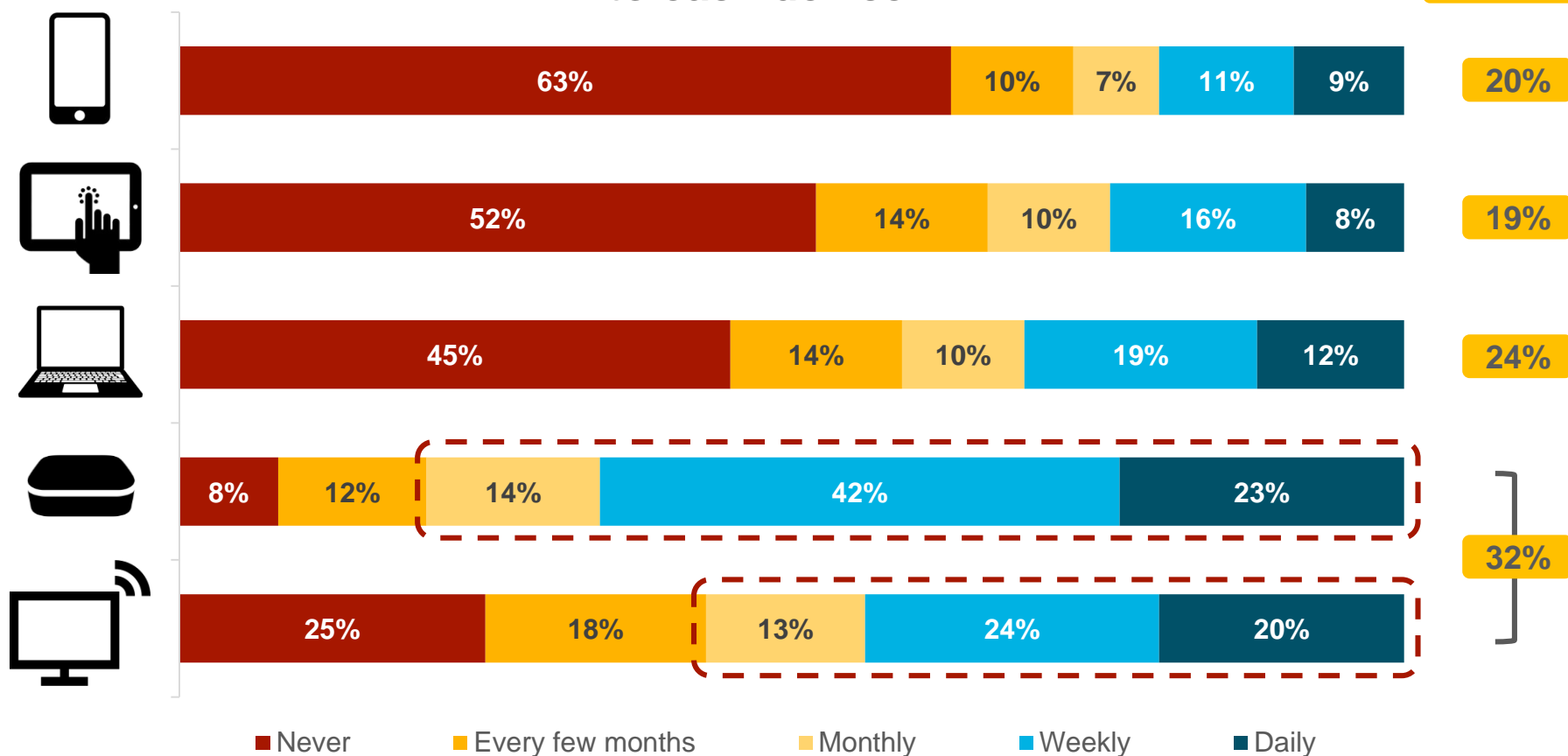


VISIONCRITICAL®

Over half of Smart TV owners stream online video at least monthly, rising to 8 out of 10 streaming device owners. Streaming is more frequent in the US

Frequency of streaming videos, shows or movies to each device

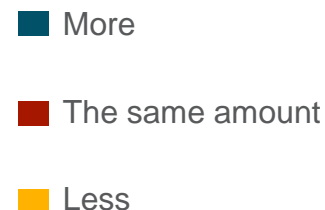
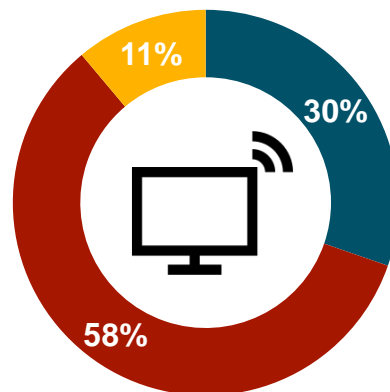
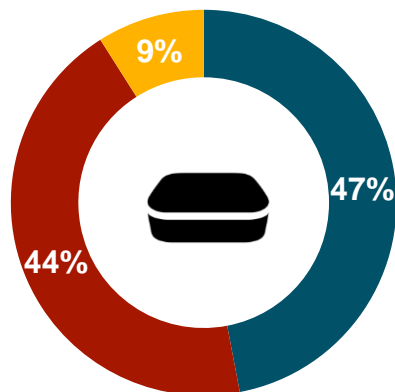
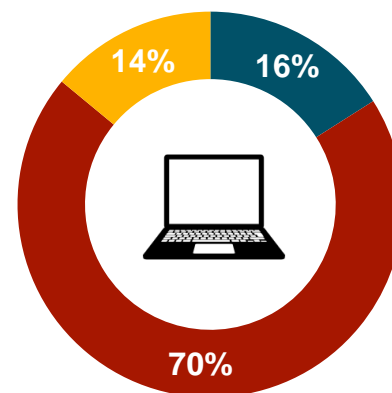
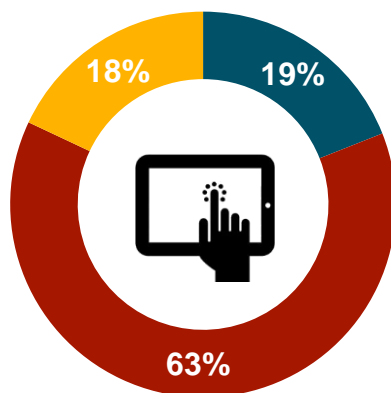
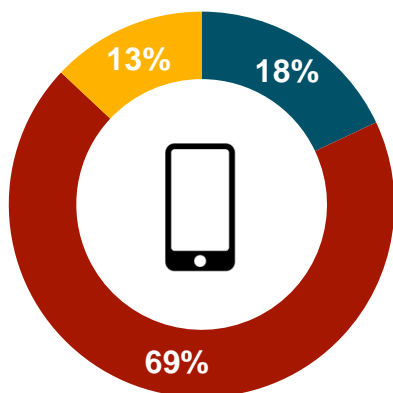
USA - daily



Base: Have a Smart TV, streaming device, smartphone, tablet or computer Q12_Stream_Freq_Device. How often, if ever, do you stream videos, shows or movies from the Internet to the following devices?

In both markets smart TVs and streaming devices have seen a significant increase in usage vs. a year ago

Usage of Devices to Stream Content vs. A Year Ago



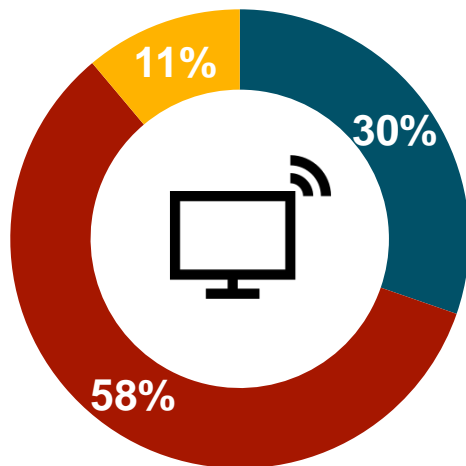
Streaming more vs. a year ago

	Aus	USA
Smartphone	18	26
Tablet	19	23
Computer	16	20
Streaming device	47	} 35
Smart TV	30	

Base: Have a Smart TV, streaming device, smartphone, tablet or computer
Q13_Stream_Freq_P12M. Thinking back to this time last year, would you say you are now using each of these devices less, the same amount or more to stream videos, shows or movies from the Internet?

Greater choice, better content, flexibility and personal set-up are the key drivers of increased streaming vs. a year ago in Australia

Reasons Why Streaming More vs. A Year Ago



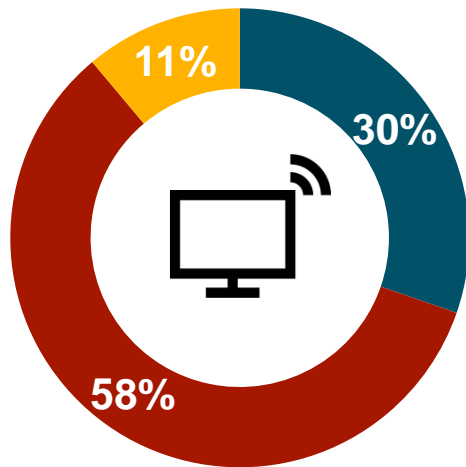
- More
- The same amount
- Less

	Aus	USA
More online video content available to stream now	41%	33%
Better online video content available to stream now	38%	32%
Prefer to stream TV shows on my time rather than plan to watch the next episode on TV	38%	38%
My setup is now easier to use, making it more convenient to stream online video to TV	37%	33%
Now have a subscription or am trialing a streaming service (such as NetFlix, Stan, Presto)	33%	n/a
Like being able to pause or replay what I'm watching	27%	40%
Bought/ received a new device since last year that enables me to stream online video to TV	25%	50%
Now subscribe to more sources for online video content	17%	31%
Prefer to look for something to watch online rather than surf channels on TV	15%	21%

Base: Streaming more vs. a year ago
Q14_Stream_More_TV. You said that you are now streaming online video to your TV more than you did last year. Why is that? Please select all that apply

A lack of time is the main factor contributing to Australians and Americans streaming less over the last 12 months

Reasons Why Streaming Less vs. A Year Ago



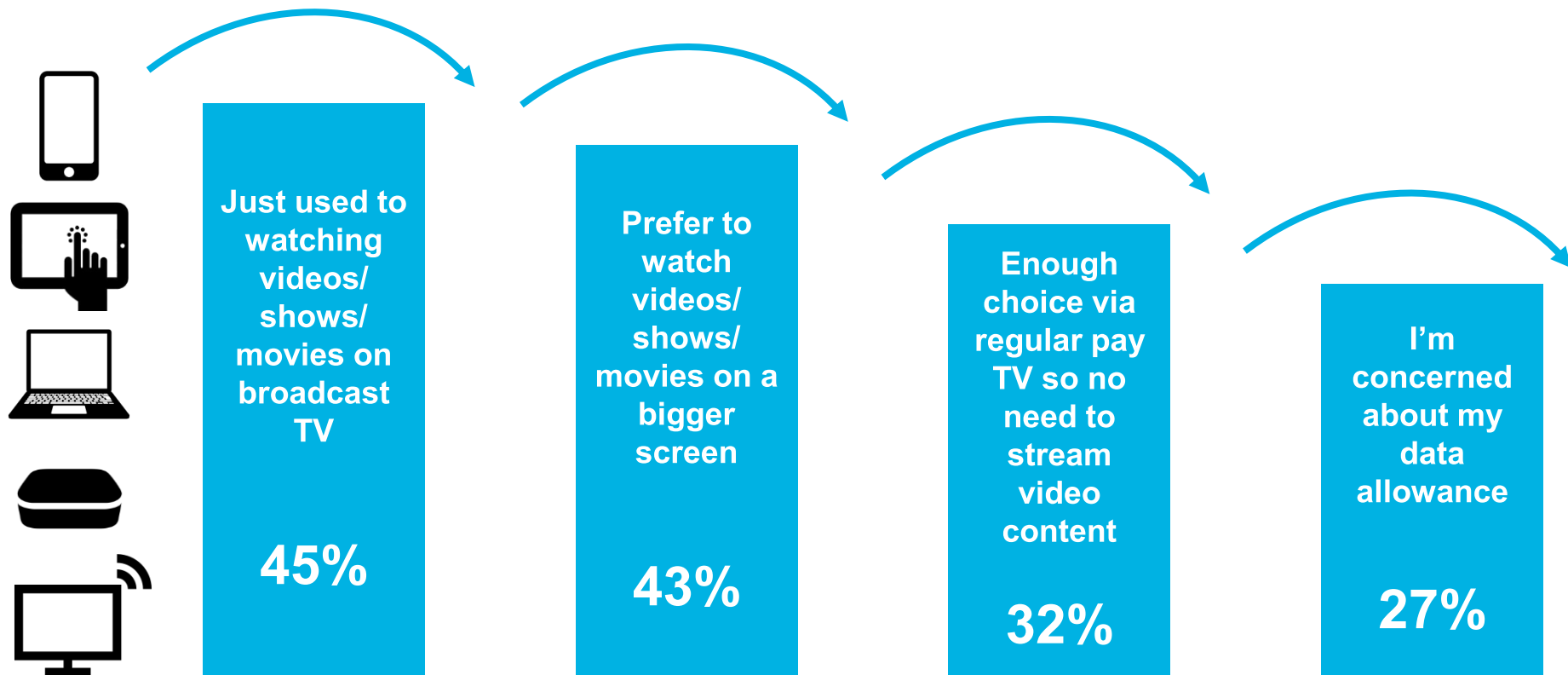
- More
- The same amount
- Less

	Aus	USA
Have less free time	48%	38%
I like watching a new episode of a TV show when it airs on TV	26%	33%
Better content is now available on TV through broadcast channels/ my pay TV provider	21%	10%
It takes too long to find something to watch online	21%	19%
I prefer to surf channels on TV rather than look for something to watch online	20%	29%
The novelty wore off	17%	29%
I cancelled my online video subscription	17%	5%
I now subscribe to fewer sources for online video content	12%	14%

Base: Streaming less vs. a year ago
Q15_Stream_Less_TV. You said that you are now streaming online video to your TV less than you did last year. Why is that? Please select all that apply

Force of habit and screen size are the two standout barriers inhibiting Australians from streaming online content

Main Barriers to Streaming Videos, Shows or Movies to Connected Devices (% Agree)



Base: Have a Smart TV, streaming device, smartphone, tablet or computer Q12a_Online_Video_Barriers. You said that you never stream videos, shows or movies to any of your connected devices and below are some reasons that people have stated why they don't stream this content. Which, if any, do you agree with?

Screen size and data allowance are the biggest concerns for millennials whilst older viewers are happy with broadcast/ pay TV options

Main Barriers to Streaming Videos, Shows or Movies to Connected Devices (% Agree)

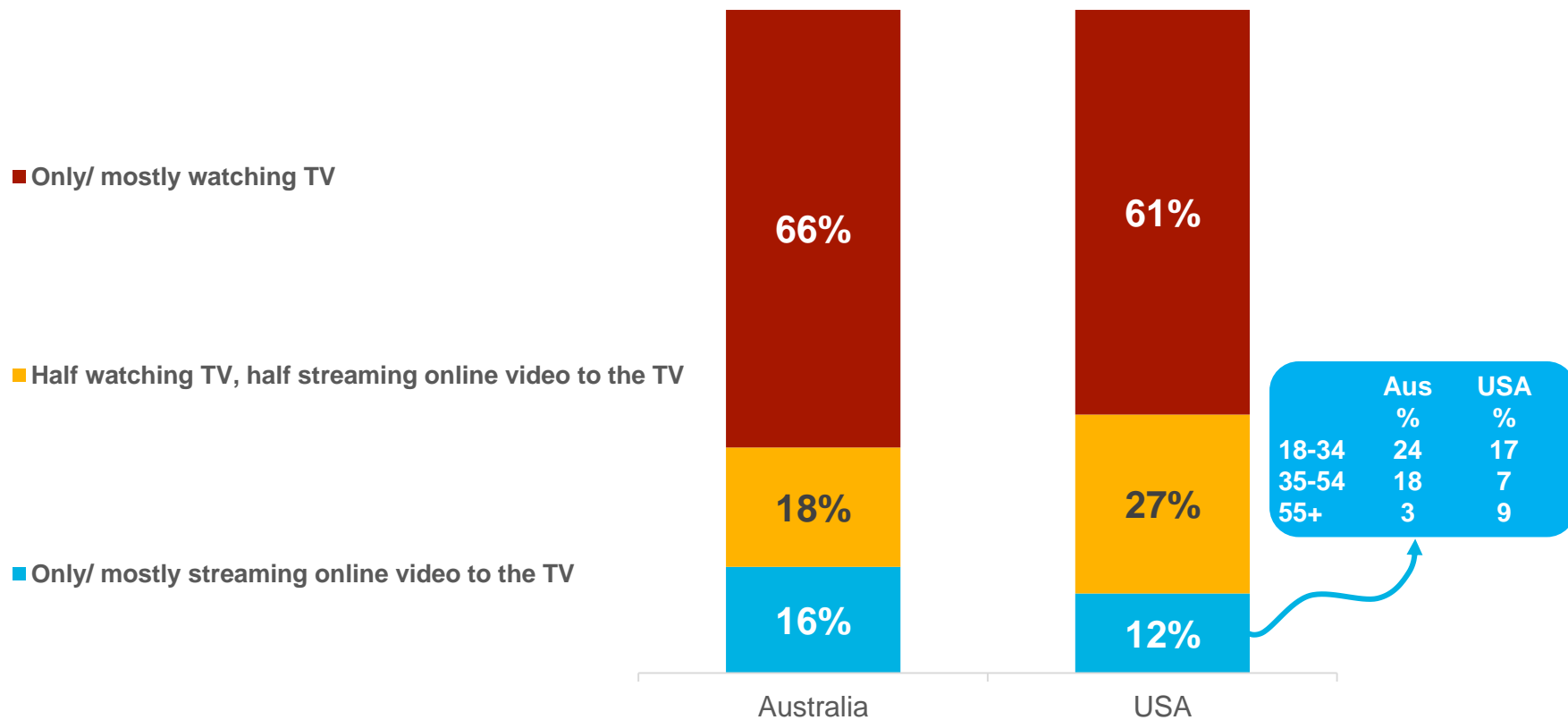


	Just used to watching videos/ shows/ movies on broadcast TV	Prefer to watch videos/ shows/ movies on a bigger screen	Enough choice via regular pay TV so no need to stream video content	I'm concerned about my data allowance
	%	%	%	%
Total	45	43	32	27
18-34	30	43	18	36
35-44	32	28	22	24
45-54	44	48	33	29
55-64	47	44	41	22
65+	55	44	33	27

Base: Have a Smart TV, streaming device, smartphone, tablet or computer Q12a_Online_Video_Barriers. You said that you never stream videos, shows or movies to any of your connected devices and below are some reasons that people have stated why they don't stream this content. Which, if any, do you agree with?

Broadcast/ Pay TV still accounts for two-thirds of viewing amongst Smart TV owners (similar to the US). Millennials more likely to be streaming in both markets

Split of Time between Streaming and Watching TV

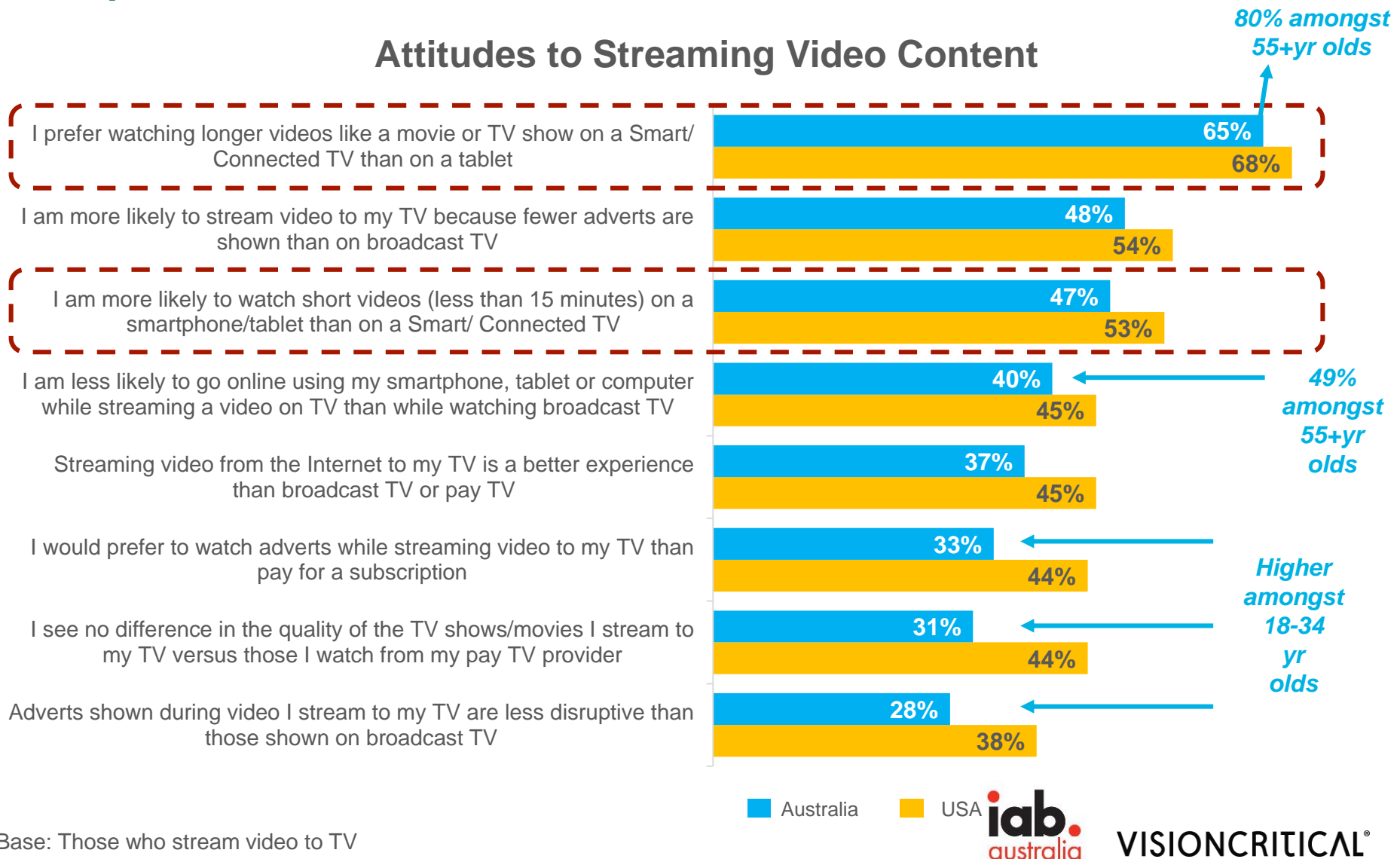


Base: Own a Smart TV and stream videos (n=274)

Q18_Connected_Reg_TV_Comp. Overall, about how much of your viewing time would you say is spent watching TV (broadcast, pay) vs. streaming online video to your TV?

The length of streamed videos has a clear bearing on Australians' preferred device, 1 in 2 prefer mobile devices for content under 15 mins whilst Smart TVs are preferred for movies/ TV shows – consistent with the US market

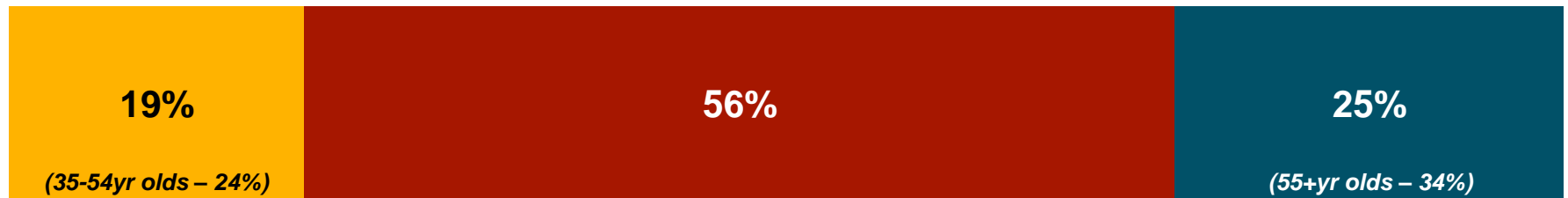
Attitudes to Streaming Video Content



Streaming offers less ads and a greater sense of control whilst TV delivers consistently better quality (esp. for older viewers)

Broadcast TV vs. Streaming

■ Streaming is a better experience than broadcast/ pay TV ■ Both viewing experiences are the same ■ TV service provider is better than streaming



USA

25%

51%

24%

"You can choose exactly what you want and when, less adverts, more choice"

"Lots of choice – I choose what I want to watch and when so both experiences are the same"

"The quality on streaming is not great compared to TV service provider. Constant buffering, screen freezing happens in streaming video"

"Less adverts and more control"

"In both cases I am watching TV shows and also watching what I choose to watch. They are in the same format on the same device so there is no difference"

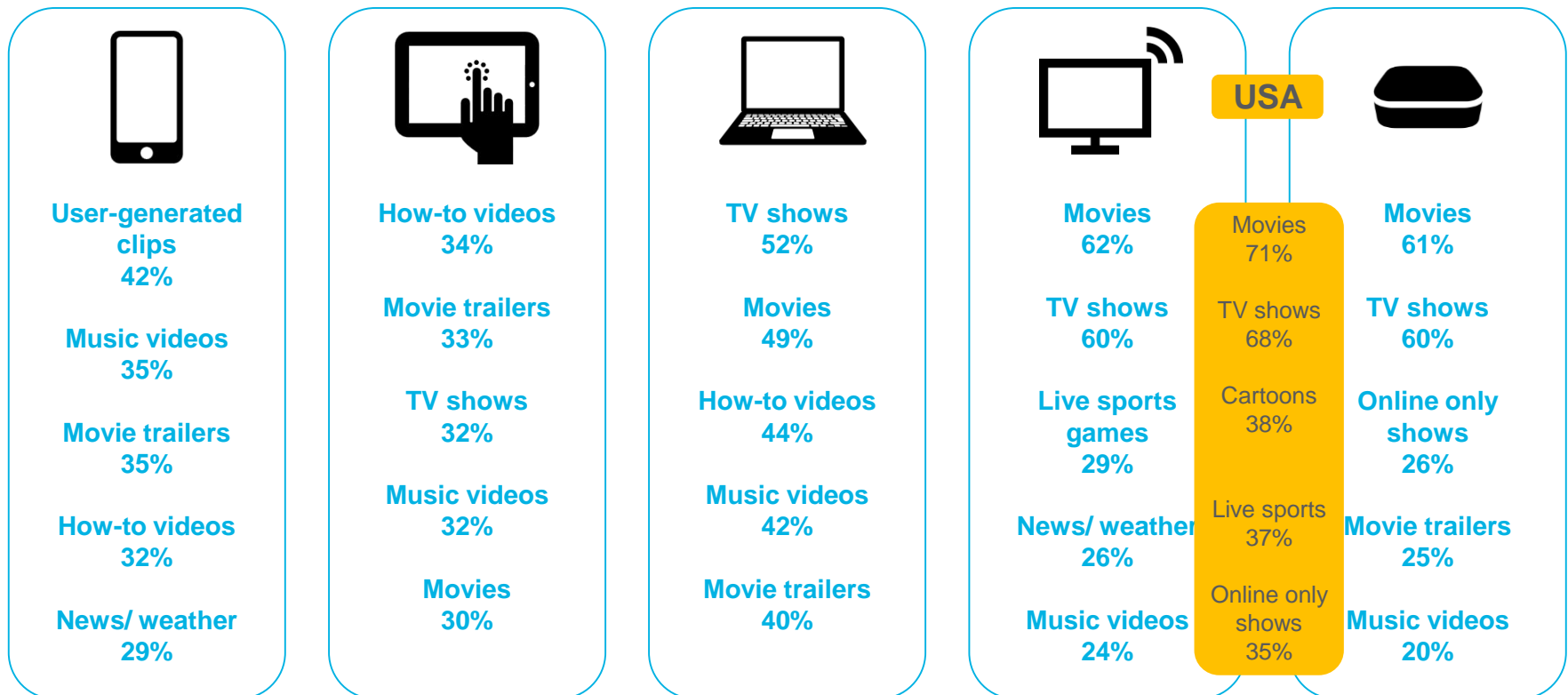
"The quality of the picture is better when not streaming"

Base: Those who stream video to TV (n=205)

Q20_Stream_TV_vs_Broadcast_TV. Thinking about the TV shows/ movies that you watch on broadcast TV or from your pay TV provider and those that you stream from the Internet to your TV, how would you compare the two?

Longer form video (TV shows/ movies) are streamed to computers/ Smart TVs or via streaming devices whilst mobile devices are used for shorter form content

Types of Videos Streamed by Device

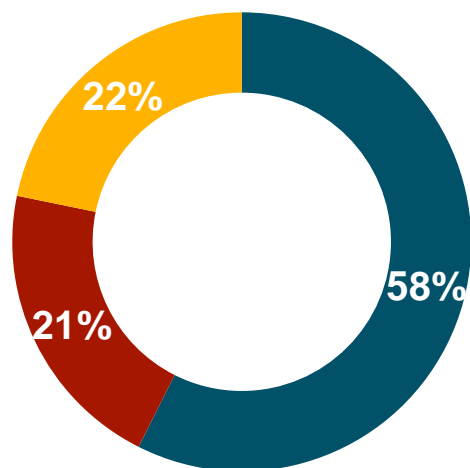


Base: Those who stream videos, shows or movies at least every few months with each device
Q22_Stream_Content_by_Device. What kinds of videos do you stream to each of your devices?

Over half of Australian adults claim to notice online video ads. Preference for original ads when online

Online Video Adverts

Awareness



■ Yes

■ No

■ Don't know/ not sure

Attitudes

I don't like seeing adverts that I've already seen on TV	60%
I prefer adverts that I think are original	47%
I prefer adverts that are relevant to me personally	36%
I don't mind online video ads, as long as there aren't too many on the short clip/ TV program I'm watching	26%
I prefer adverts that have a similar theme to the short clip/ TV programme that I'm watching	26%
Sometimes I enjoy online video adverts because they're funny	26%

69% of 18-34yr olds claim to be aware of online video ads and they're more likely to state they prefer ads related to the clip/ programme they're watching

Base: Those who stream at least 1 type of video on 2 or more devices

Q24_Notice_Online_Ads. Have you ever noticed online video adverts that play before, during or after the content starts? Q25_Ad_Attitudes. Thinking about when you watch streaming video, how much do you agree/ disagree with the following statements?

Multiscreen Behaviour

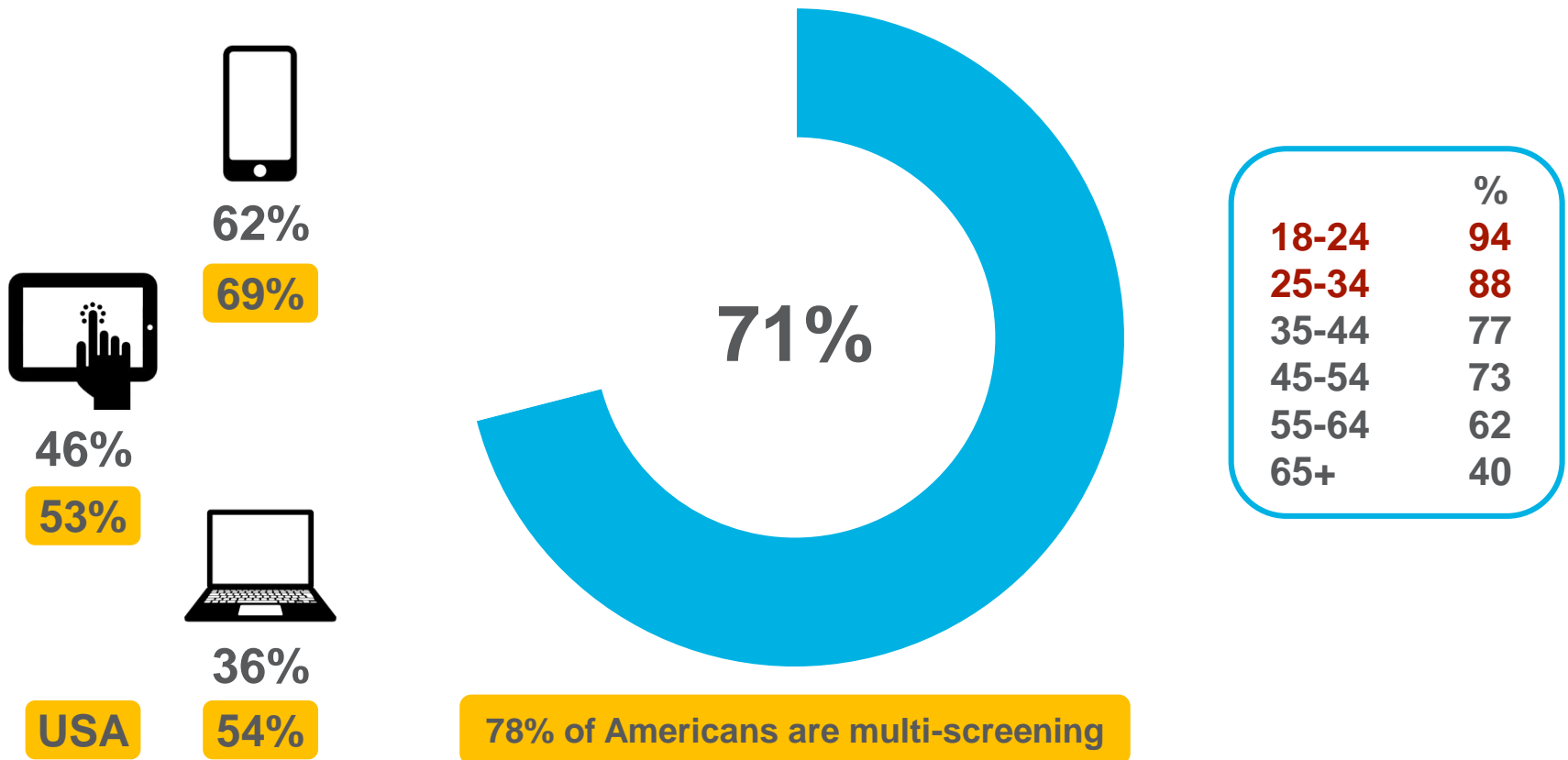
How does it affect the TV viewing experience?



VISIONCRITICAL®

Almost 3 in 4 Australians use another device while watching TV, most prominent amongst 18-34s. Smartphones are the dominant second screen in both markets

Use a device simultaneously while watching TV



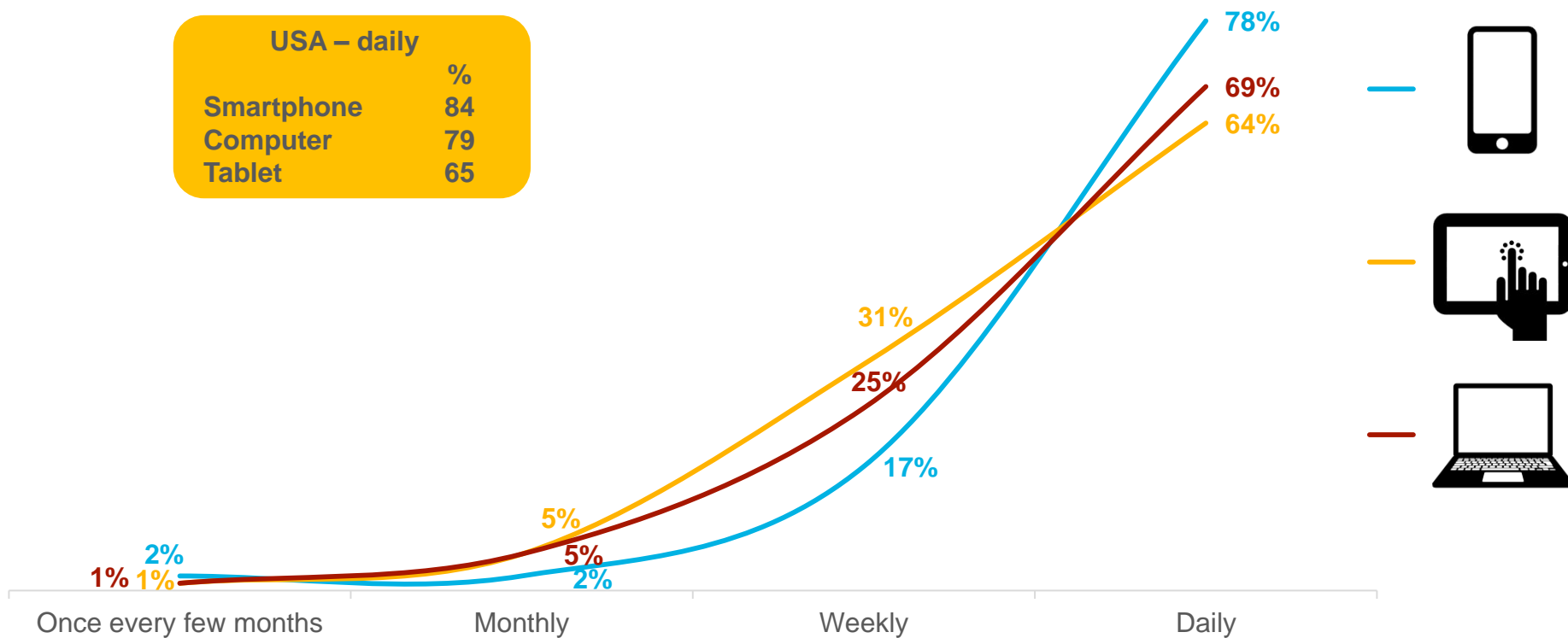
Base: Own a TV (n=870); Smartphone (n=708); Tablet (n=555); Computer (n=853)
Q6_Device_Multitask. Which of the following devices, if any, do you use simultaneously while watching TV?

Australians are multi-screening regularly...

Frequency of using device while watching TV

USA – daily

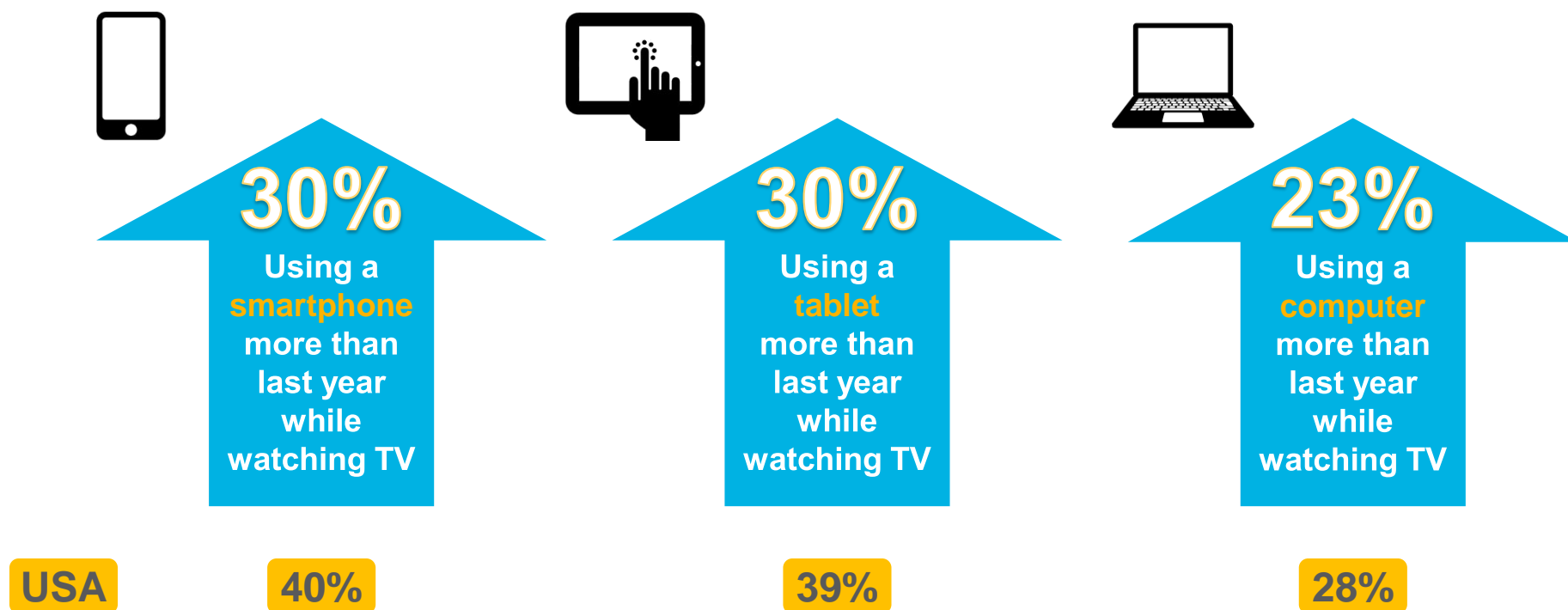
	%
Smartphone	84
Computer	79
Tablet	65



Base: Use device while watching TV; Smartphone (n=443); Tablet (n=254); Computer (n=305)
Q7_Device_Multitask_Frequency. How frequently do you use the following devices while you are watching TV?

...tablets and smartphones are the devices with the multi-screen momentum vs. last year, consistent with the US trend

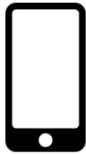
Extent of Multi-screening While Watching TV vs. Last Year



Base: Use device while watching TV; Smartphone (n=443); Tablet (n=254); Computer (n=305)
Q8_Television_Last_Year. Thinking back to this time last year, would you say you are using each of these devices less, the same amount or more when you are watching TV?

Internet browsing is the main activity while multi-screening, irrespective of device. Smartphones and tablets far more social devices vs. computers

Top 5 Activities on Device While Multi-Screening



1. Browsing the internet
2. Reading/ posting on social networks, unrelated to show
3. Reading/ writing emails unrelated to show
4. Playing casual games
5. Searching for information about show/ movie/ actor



1. Browsing the internet
2. Playing casual games
3. Shopping/ browsing online stores
4. Searching for information about show/ movie/ actor
5. Reading/ writing emails unrelated to show



1. Browsing the internet
2. Shopping/ browsing online stores
3. Reading/ writing emails unrelated to show
4. Organising/ planning/ paying bills
5. Catching up on news

Top 5 activities by device are largely consistent with the US market

Base: Use device while watching TV; Smartphone (n=443); Tablet (n=254); Computer (n=305)
Q8_Television_Last_Year. Thinking back to this time last year, would you say you are using each of these devices less, the same amount or more when you are watching TV?

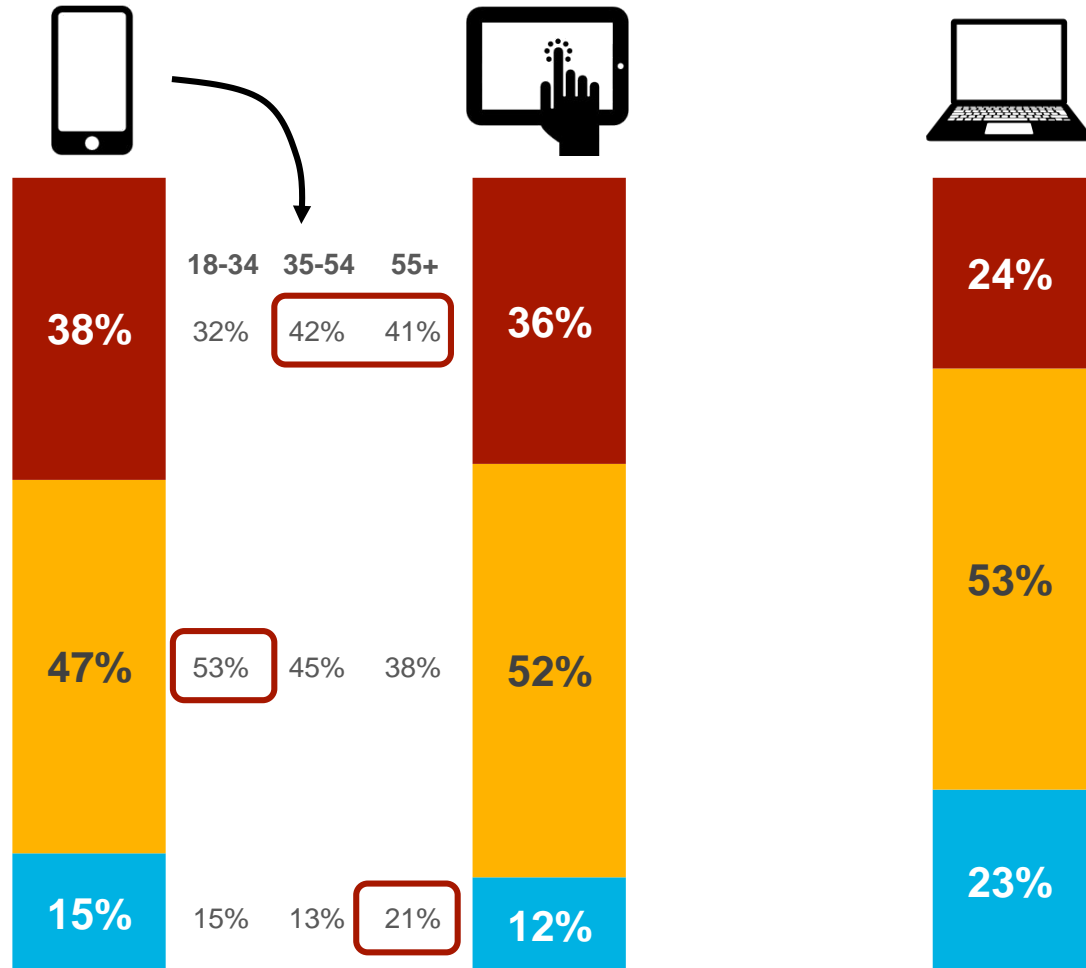
Smartphone and tablet users are more likely to focus on the TV (especially 35+) while computers command more attention when multi-screening

Very similar results to the US market with greater focus on the TV for smartphones/ tablets compared to computers

■ Only/ mostly on the TV

■ Half on device, half on TV

■ Only/ mostly on the device

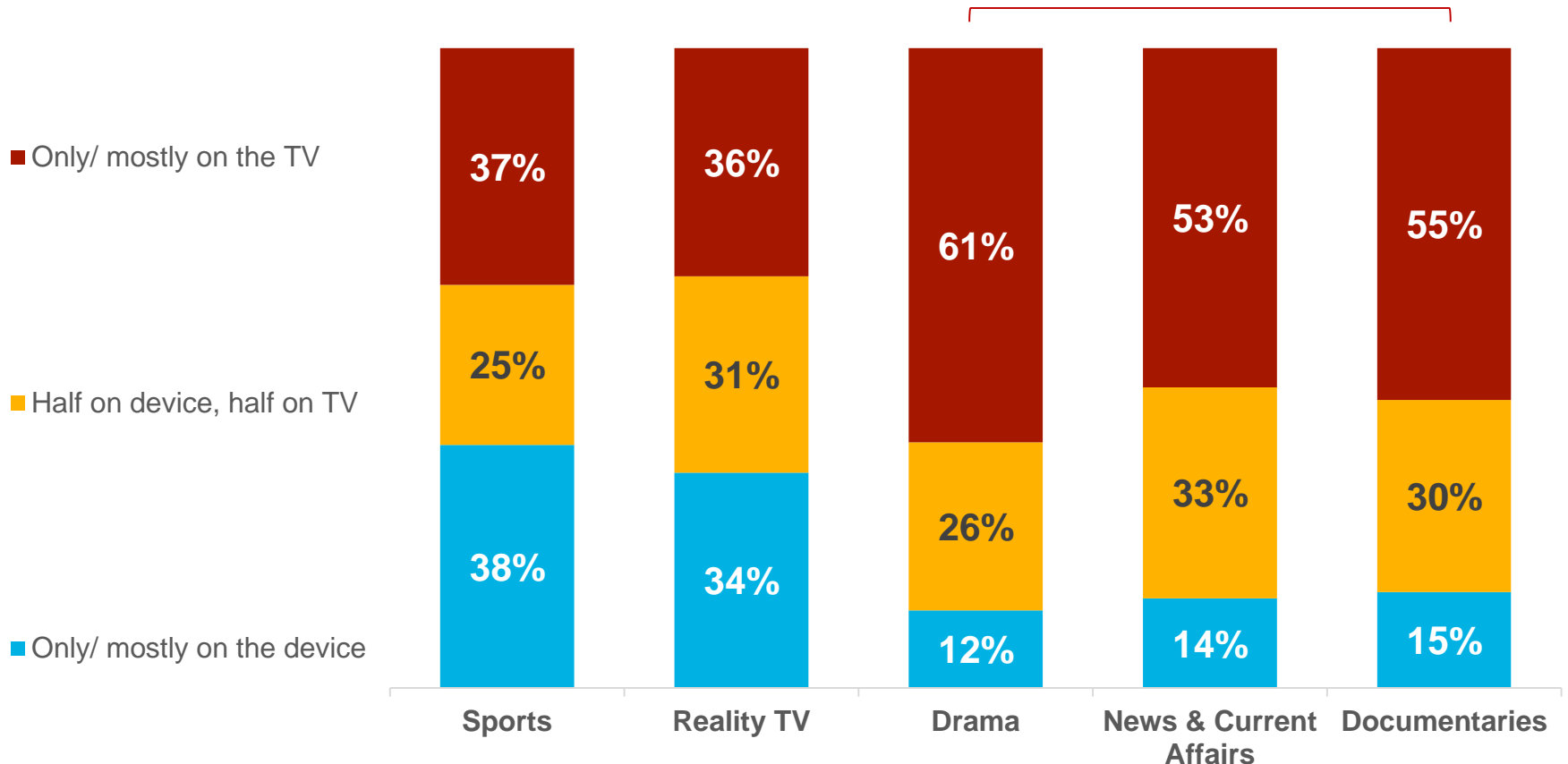


Base: Use device while watching TV; Smartphone (n=443); Tablet (n=254); Computer (n=305) Q10_Multiscreen_Focus. When you are watching TV and using the device(s) listed below, how would you describe your level of attention to the TV and/or the device?

The more serious the content, the greater the focus on the TV. Viewer attention is divided for sports & reality TV shows

Focus of Attention While Multi-Screening by Genre

55+ year olds much more likely to be
focused on the TV for these three genres



Base: Use device while watching TV (n=652)

Q10_Multiscreen_Focus. When you are watching TV and using the device(s) listed below, how would you describe your level of attention to the TV and/or the device?

Three-quarters of activities on the second screen are unrelated to what is being watched on TV

Relation of Activities on Second Screen to TV Content

Activities on other devices are...

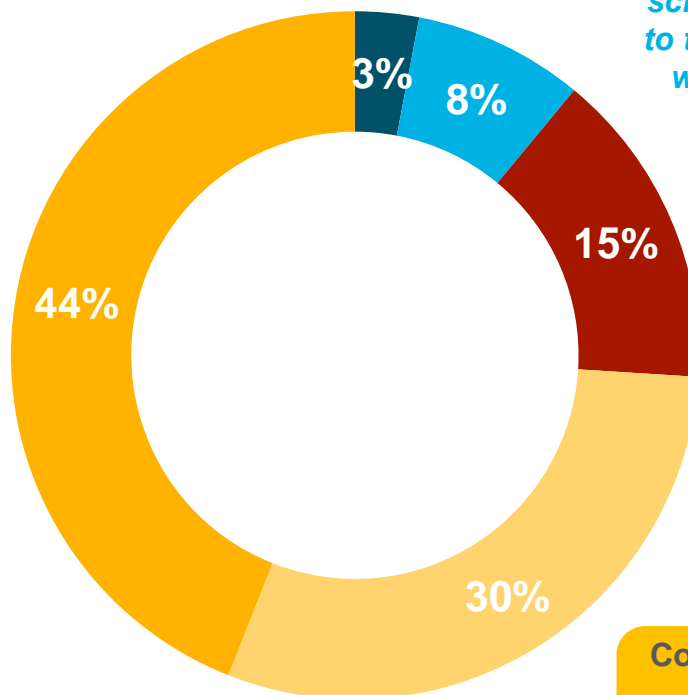
■ Completely related to TV or adverts

■ Mostly related

■ Half related

■ Mostly unrelated

■ Completely unrelated to TV or adverts



34% of 18-34yr olds' second screen activities are related to the show/ adverts they're watching (vs. 26% of the population)

52% of 55+yr olds' second screen activities are completely unrelated to the shows/ adverts they're watching

Completely/ mostly unrelated

%

Australia

74

USA

67

Base: Multi-screen users (n=652)

Q11_Focus_Adverts. Overall, how would you describe your typical activities on the other device(s) you are using while watching TV?

Key points to take away

- Almost 1 in 3 Australians own a Smart/ Connected TV and many of them (70%) are using them at least weekly to stream content
- However the real momentum is with streaming devices (e.g. Chromecast, Apple TV) where 1 in 5 owners have acquired the device in the past 3 months and half of owners claim to be using them more than they were a year ago
- Netflix is the dominant SVOD with over 40% of users claiming to stream content daily via the service
- Multi-screening is a regular activity for many Australians and smartphones are the dominant second screen although tablets also seeing increased usage over the last year – both devices used for more social activities (vs. computers) but users' focus is still skewed towards the TV when multi-screening
- Mobile devices are generally preferred for short form video content while Smart TVs/ streaming devices are the devices of choice for movies/ TV shows
- The increased volume and quality of content available nowadays is driving an uplift in streaming usage, especially via streaming devices and Smart TVs



VISIONCRITICAL®