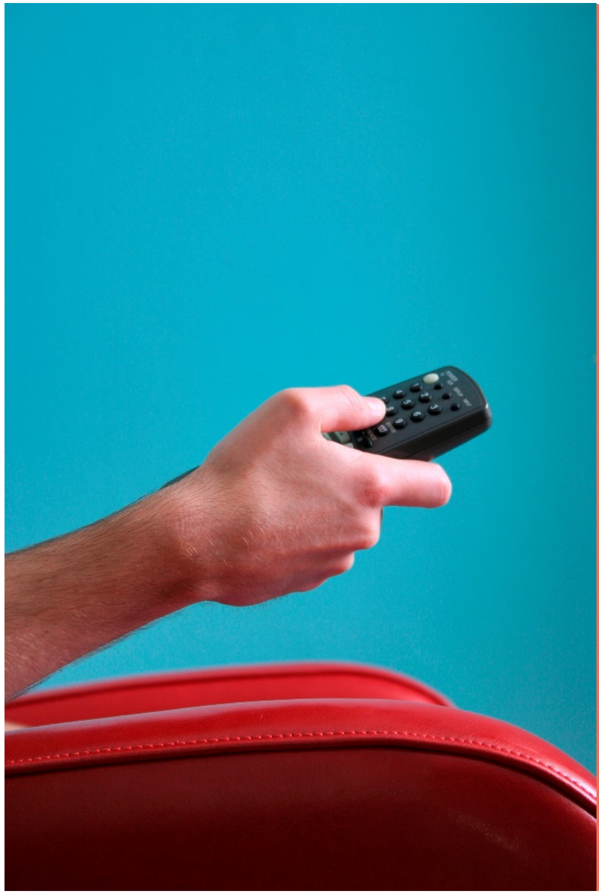
Where are the audiences?

Benchmark survey of New Zealanders' media consumption



Prepared by Colmar Brunton

For | NZ ON AIR

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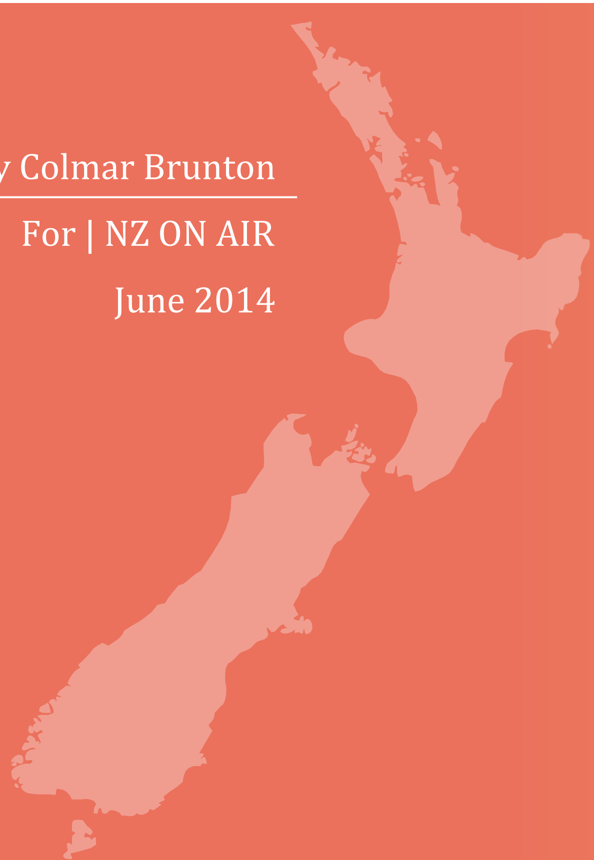

Colmar Brunton
A Millward Brown Company

Final Report

NZ On Air
Irirangi Te Motu

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The Highlights

- Traditional broadcast platforms (TV & radio) still deliver the biggest audiences in New Zealand, including hard to find and targeted audiences.
- More New Zealanders tune in to these media, more often, and for longer than any alternatives.
- Radio and newspapers (including online) typically start New Zealanders' day, and TV takes over at 6pm
- All media exhibits audience fragmentation and it is extreme in some online media, but significant audience concentrations still exist on linear TV channels, and to a lesser extent broadcast radio stations and New Zealand Ondemand sites.
- Digital media is taking small bites of the pie.
- Overall media consumption patterns hold true across <u>all</u> sub-groups in the population, but there are some significant generational, technological, and ethnic differences in behaviour.
- While radio is still most popular, music is moving online faster than other media.
- Use of unauthorised distribution platforms (including illegal) is undoubtedly growing but currently very few participate frequently.
- Combining extra content online with linear TV extends engagement with TV shows for some consumers
- Using social media to talk about TV shows is as common as looking for extra content online.
- Webseries benefit from being on a strong online platform to generate awareness and reach their audience.
- One in nine (11%) use captioning while watching TV, and 2% use audio description.

*Source: Thinkbox UK Screenlife II study 2013

Background and objectives

NZ On Air funds local video content and music for New Zealand audiences across all appropriate platforms including television, radio, and digital media. Its remit is to **support local content and provide audiences with diversity and choice to ensure New Zealand media reflects a wide range of different perspectives.**

As technology expands and evolves, and audiences fragment in the face of ever-widening choice, it becomes more difficult to measure consumer behaviour across all sources. For instance there is no single source measurement of on air and online behaviour, and such a development looks to be at least several years away in New Zealand. There is therefore no way to measure duplicated or exclusive reach across different platforms. There is also no accurate “people based” measure (ie. number of users) of online video viewing in New Zealand.

NZ On Air therefore needed to **establish its own measure of how New Zealand audiences are accessing video content and music, and a means for tracking changes in behaviour over time.** This information will inform NZ On Air strategy and provide a public source of information on media consumption.

Research approach

Two difficulties face survey based measurement of media consumption:

- Consumers' memories of actual behaviour can be vague or misleading if they are asked to state their behaviour over an extended period of time (eg. the last week)
- Consumers are poor witnesses to their own behaviour when asked about what they "typically" do.

To overcome these difficulties and provide a more accurate, survey based measure of actual behaviour, respondents were asked about their behaviour yesterday within specific time periods from 6am to midnight. In this way respondent reporting of media consumption is both fresh in their minds and within specific parts of the day.

A total sample of N=1,400 was developed, with representative samples created for each day of the week (N=200) so that results can be extrapolated to a "typical" day.

The total sample has a maximum margin for error of +/-2.6%.

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Research approach

A mixed methodology of telephone and online interviewing was used.

- N= 1,000 interviews were completed by telephone and N=400 completed online using Colmar Brunton's Flybuys panel.
- The 2013 Census showed that 15% of people live in homes without a landline, so the online interviews were completed by consumers without access to a home landline.

Interviewing was conducted 4 April to 4 May 2014, with a 10 day suspension in interviewing during the Easter/ ANZAC Day period when media consumption would have been anomalous.

- Daylight saving ended on 6 April 2014 so the vast majority of interviews were conducted after this period.

Respondents were defined as all New Zealanders aged 15 or over.

Regional quotas were put in place, as were minimum quotas for males, 15-24 year olds, and key ethnic groups.

The sample was post-weighted to ensure it was representative of the 15+ New Zealand population, by:

- Access to a landline
- Gender
- Age
- Ethnicity

Research approach

The survey investigated in detail which media respondents consumed yesterday, for how long, and which channels, stations and sites they used. Frequency of use was also asked. These questions measured the daily behaviour of the main broadcast, print, online and music media options.

Respondents were also asked about their involvement with webseries, extra online material relating to a TV show, social media use in relation to a TV show, using captioning and audio description, and music sources and discovery.

Questions were asked about the weekly reach of nearly all media covered in the survey which provides a single source comparison of all current media consumption in New Zealand.

Three key aspects are not included in this benchmark study:

- Device used to consume media. Only ownership and access to devices was collected
- Simultaneous media consumption.
- Estimates of growth or decline. These will follow in subsequent studies.

The results of this study will not exactly match audience data from market currencies such as TV ratings or radio surveys because the methodologies are different (for instance this study includes all out of home TV viewing which TV ratings do not). However the overall trends should be similar, and this study provides a single source comparison of audiences across nearly all media options.

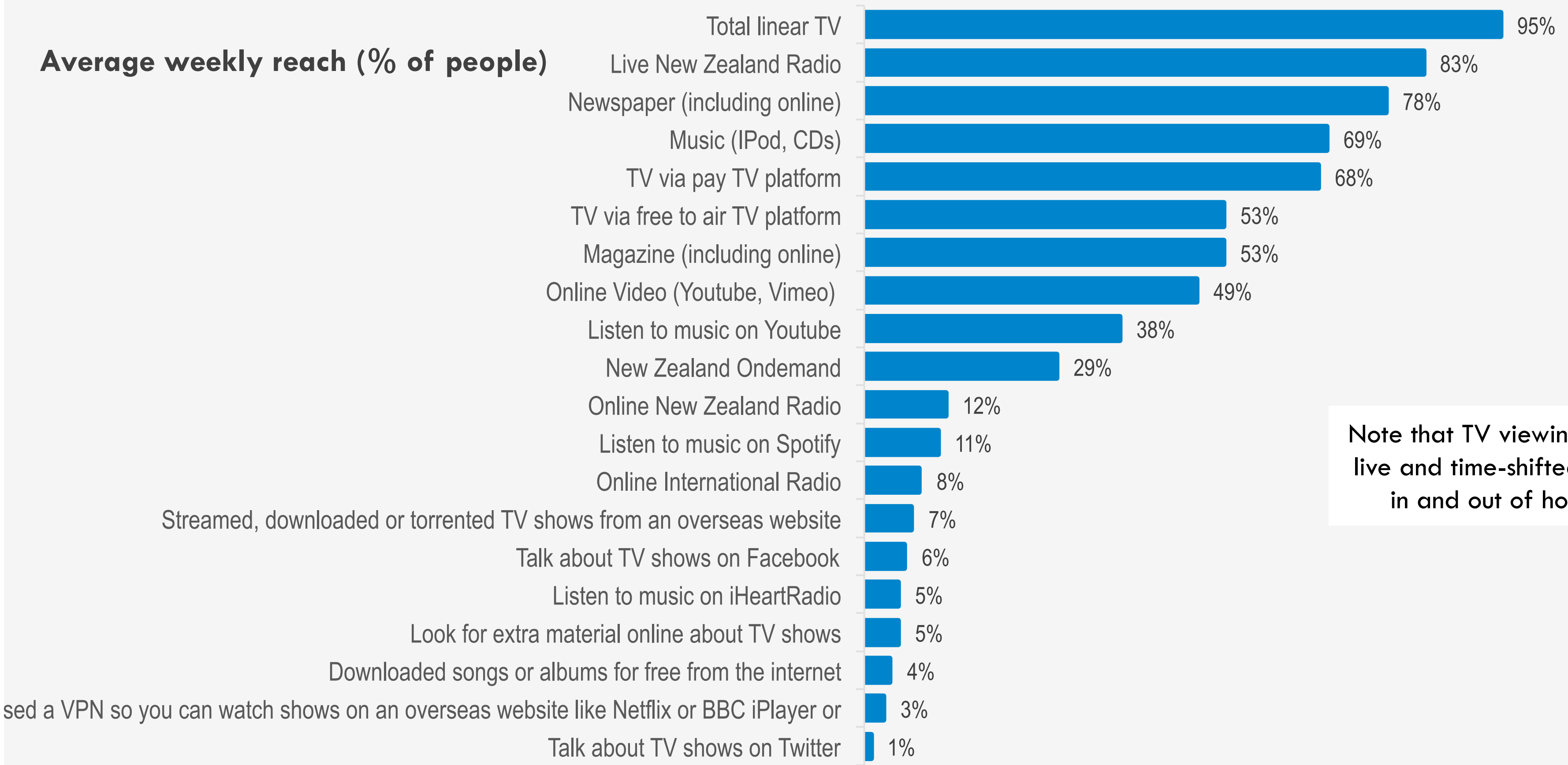
SUMMARY AND CONCLUSIONS

Traditional broadcast platforms (TV, radio) still deliver the biggest audiences in New Zealand, including hard to find audiences (eg. youth) and targeted audiences (eg. Asian people).

Online video (eg. Youtube) is the most popular digital media reaching one in two each week, and music via Youtube, and New Zealand Ondemand sites reach more than a third each week.

Much of this report examines the daily media consumption of New Zealanders. However the weekly reach measure below provides the best single point of comparison of nearly all the media included in this study.

Average weekly reach (% of people)



Note that TV viewing includes both live and time-shifted viewing, and in and out of home viewing

Overall trends in media consumption

Despite the ever expanding range of media choices and the opportunity for New Zealanders to consume what they want when they want it, broadcast media continues to dominate our media landscape. Linear TV reaches nearly all New Zealanders over the course of a week, and broadcast radio reaches more than eight in 10.

Youtube is now engrained in New Zealanders' lives with one in two using it to watch online video, and four in 10 using it to listen to music at least once a week.

Ondemand sites have also established a strong presence in the lives of New Zealanders with three in 10 using at least one site over the course of a week.

- The results show that New Zealanders mainly use these sites to catch up with content they have missed on TV.

Apart from print, audiences sizes of the remaining media options are significantly lower with very few reaching more than one in 10 over the course of a week. This includes:

- Using a VPN to access overseas TV sites such as Netflix (3%)
- Talking about TV shows on Facebook (7%)
- Streaming or downloading TV shows illegally (7%)
- Downloading songs or albums for free (4%)
- Looking for extra material about a TV show online (5%)

In 2014 these activities remain relatively uncommon, including among younger New Zealanders.

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Not only do traditional broadcast media continue to reach the biggest audiences, New Zealanders also engage more frequently with these media options

When we examine the average daily media consumption of New Zealanders, the gap between the most popular media and other options is even greater. This is because New Zealanders engage with traditional broadcast media more frequently than the alternatives.

On a daily basis, linear TV reaches 83% of New Zealanders and broadcast radio reaches 67% - in other words these media hit 87% and 81% respectively of their total weekly reach each day.

Comparatively, online video such as Youtube reaches three in 10 New Zealanders (30%) each day which equates to 61% of its total weekly reach. New Zealand Ondemand sites reach 12% of New Zealanders each day which equates to 41% of its total weekly reach.

Clearly an average daily reach of 30% and 12% represent relatively substantial audiences, particularly for newer media. This benchmark study cannot measure rates of growth or decline, however in 2014 traditional broadcast media are still the most popular because more New Zealanders tune in to these options, and they do so more often.

New Zealanders also spend more time each day with traditional broadcast media than alternatives

According to this study, New Zealanders watch more than two and a half hours of linear TV each day (162 minutes), and they listen to an hour and three quarters of broadcast radio (107 minutes).

The next highest time spent on any one media is listening to music via CDs or iPods (43 minutes per day), online streaming of music (23 minutes), and online video such as Youtube (18 minutes).

These times are based on all New Zealanders, including those who do not participate in each media (ie includes people who recorded zero minutes). However re-calculating the average time spent based on participants alone does not change the relative rankings significantly.

All media exhibits audience fragmentation and it is extreme in some online media, but significant audience concentrations still exist on linear TV channels, and to a lesser extent broadcast radio stations and New Zealand Ondemand sites.

Concentration of audiences continue on the main free to air TV channels, and to a lesser extent Prime and SKY Sport.

- Daily reach of TV ONE (48%), TV3 (35%), TV2 (27%), Prime (15%), SKY Sport channels (combined 14%)

Despite the ever expanding long tail of SKY entertainment channels, regional and special interest channels, this group of channels deliver the lion's share of TV audiences.

This means they are also the best place to find niche and highly targeted audiences.

- For instance, while 50% of Māori TV's audience are Māori viewers, just 9% of Māori tune in each day. The best place to find Māori viewers is via TV ONE (53% daily reach among Māori), TV3 (41%), and TV2 (39%).

The most effective single means of informing audiences of new New Zealand TV shows is via an on-air TV promo, rather than targeting key audiences via other media.

Broadcast radio is more fragmented, but four stations (RNZ National, The Edge, ZM, Newstalk ZB) reach approximately one in 10 New Zealanders each day.

Similarly the most popular Ondemand site (TVNZ) reaches 7% of New Zealanders each day.

Digital media is taking small bites of the pie

This initial benchmark study cannot measure rates of growth or decline, and nor can it measure how much consumers are substituting one media for another or incrementally adding to their total media consumption.

However there are indications that New Zealanders' use of the increasing range of media options may be slowly eating in to the share of traditional broadcast media. This is evident in the following ways:

- The small audiences that tune in to each of the channels in the increasingly long tail of TV channels is, cumulatively, a sizeable audience
- The 12% who use an New Zealand Ondemand site each day
- The 6% who use a VPN to watch TV on an overseas site such as Netflix or Hulu each day
- The 7% who stream or download TV shows from unauthorised sites each week
- The 4% who download songs or albums from the Internet for free each week

Future studies will track changes over time to see the impact of these media on overall behaviour.

These overall media consumption patterns hold true across all sub-groups in the population, but there are also some significant generational, technological and ethnic differences in behaviour.

The primary differentiator of media consumption is age. This is intrinsically and inseparably linked to lifestage (ie. kids vs no kids, studying vs working, single vs married, renting vs mortgage etc.) which also has a strong influence on consumption patterns.

The secondary differentiators are ethnicity, and access to enabling technology such as smartphones, tablets and smart TVs connected to the Internet.

And thirdly for some media, gender, socio-economic level, and region play a role in influencing behaviour.

The effect of these differentiators is strong, but there is only one sub-group in the population (Asian people) among whom linear TV does not enjoy a lead over all other media.

The role of age and lifestage

The main divide in media behaviour is between 15-34 year olds and those aged 45 and over, with differences exaggerated at either end of the age range (ie. 15-24s vs 55+ year olds).

Not surprisingly the behaviour of younger New Zealanders is significantly different, but they are not so different as to represent a revolution in media consumption - eg. linear TV is still easily the most popular media among 15-24 year olds (76% daily reach).

Where younger New Zealanders differ most strongly is their greater involvement with music (CDs/iPods, Spotify and Youtube), and also their consumption of online video via Youtube. Consumption of these options relegates broadcast radio to 5th most popular among 15-24s.

The question this benchmark study cannot answer is the extent to which younger New Zealanders will continue their current behaviour as they age, as opposed to their behaviour changing as they move in to older lifestages.

The role of ethnicity

Asian consumers demonstrate significantly different behaviour, and online video is equally as popular as linear TV.

Online video such as Youtube reaches the same number of Asian people each day as linear TV (62%). This is the only sub-group in the population among whom linear TV is not clearly most popular. Asian New Zealanders are also more likely than average to consume online TV such as Netflix and Hulu, online New Zealand radio, and music streaming.

These trends will be driven by cultural, language, and also technology factors. For instance Asian New Zealanders have greater access to enabling technologies such as smartphones, tablets, and smart TVs connected to the Internet.

Māori consumers also exhibit different media consumption patterns. This group are less likely to listen to New Zealand broadcast radio, and more likely to watch linear TV, use New Zealand Ondemand sites, watch online video, and stream music.

These differences will be driven by a range of factors including the age profile of this group. Māori are a very young cohort in the population – 44% are aged under 20 according to the 2013 Census. Given that age is the primary differentiator of behaviour, this age profile will be strongly influencing the media consumption of Māori.

The role of technology

The key technologies that differentiate media consumption are smartphones, tablets, and smart TVs connected to the Internet. These devices enable consumers to diversify and increase their overall media consumption.

There is no media that technology enabled consumers are less likely to use, but this group are more likely than average to engage with New Zealand Ondemand, online TV, online video, online New Zealand radio, and music streaming. Their increased involvement in these media is therefore in addition to, not instead of, broadcast media.

PVR ownership also differentiates behaviour, but only to increase the consumption of linear TV.

While radio is still most popular, music is moving online faster than other media

Broadcast radio remains the most common source of New Zealanders' daily music fix (70%), however nearly one in 10 (8%) use an online source such as streaming sites like Spotify.*

Also while live New Zealand radio and word of mouth remain the biggest sources of new music discovery by a considerable margin, Youtube and streaming services such as Spotify have quickly established themselves as the third most popular source of new music.

Websites (such as podcasts, blogs, review sites) are now used by more than one in 10 (12%), but these sites are extremely fragmented resulting in very small audiences on each site.

While this benchmark cannot measure growth rates, the simple fact that many of these music media options are relatively new arrivals but have already been adopted by large audiences, strongly suggests that music consumption is moving online faster than other media.

Future studies will be able to track this growth rate and the usage of key sites such as Spotify and iHeartRadio (currently at 2% daily reach).

*SOURCE: Colmar Brunton online omnibus survey, June 2014. BASE: All New Zealanders 18 and over (N=1,031)

Use of unauthorised distribution platforms (including illegal) is undoubtedly growing but currently very few participate frequently

While there is a reasonable level of trialling each activity (ie. done it at least once), there are currently few New Zealanders who participate on a weekly basis:

- 7% stream, download or torrent TV shows from an overseas website each week
- 3% use a VPN (Virtual Private Network) to watch shows on an overseas website like Netflix, BBC iPlayer or Hulu each week
- 4% download songs or albums for free from the internet each week

Incidence increases among younger New Zealanders (15-34s), but only a minority of this group regularly engage with these activities.

Combining extra content online with linear TV extends engagement with TV shows for some consumers

One in five New Zealanders (22%) have ever engaged in this activity, and one in five of these (21%) continue to do so at least once a week.

This equates to 5% weekly reach.

Young New Zealanders (15-34s), Aucklanders and Asian people are more involved than average in this behaviour.

Using social media to talk about TV shows is as common as looking for extra content online.

One in five New Zealanders (20%) have ever talked about a TV show on Facebook

- this is higher among 15-24s (43%) and 25-34s (33%).

Just 3% of New Zealanders and 6% of 15-34s have ever used Twitter to talk to about a TV show.

Among those who have ever used Facebook to talk about a TV show, three in 10 do it once a week or more, which equates to 6% weekly reach.

This behaviour tends to be done after the TV show has finished, rather than at the time of viewing.

Webseries benefit from being on a strong online platform to generate awareness and reach their audience.

One in four New Zealanders (26%) have heard of Auckland Daze and 5% watched at least some of it online, and 15% of New Zealanders remember Reservoir Hill and 2% watched at least some of it online.

However the remaining webseries tested achieved negligible profile and viewership.

The profile and reach of both Auckland Daze and Reservoir Hill likely benefitted from being available on TVNZ Ondemand, a site that reaches 7% of New Zealanders every day.

There is no evidence to suggest these series gained greater profile and reach among younger viewers. In fact those most likely to have viewed Auckland Daze online were 35-44s and technology enabled consumers.

One in nine New Zealanders (11%) use captioning while watching TV, and 2% use audio description while watching TV

Usage of captioning is not driven by age as much as other media.

Gender and ethnicity are more important influences

- 14% of males use captioning (cf. females 9%)
- 25% of Pacific Island people use captioning
- 27% of Asian people use captioning

Note: The survey did not ask respondents for their reasons for using captioning.

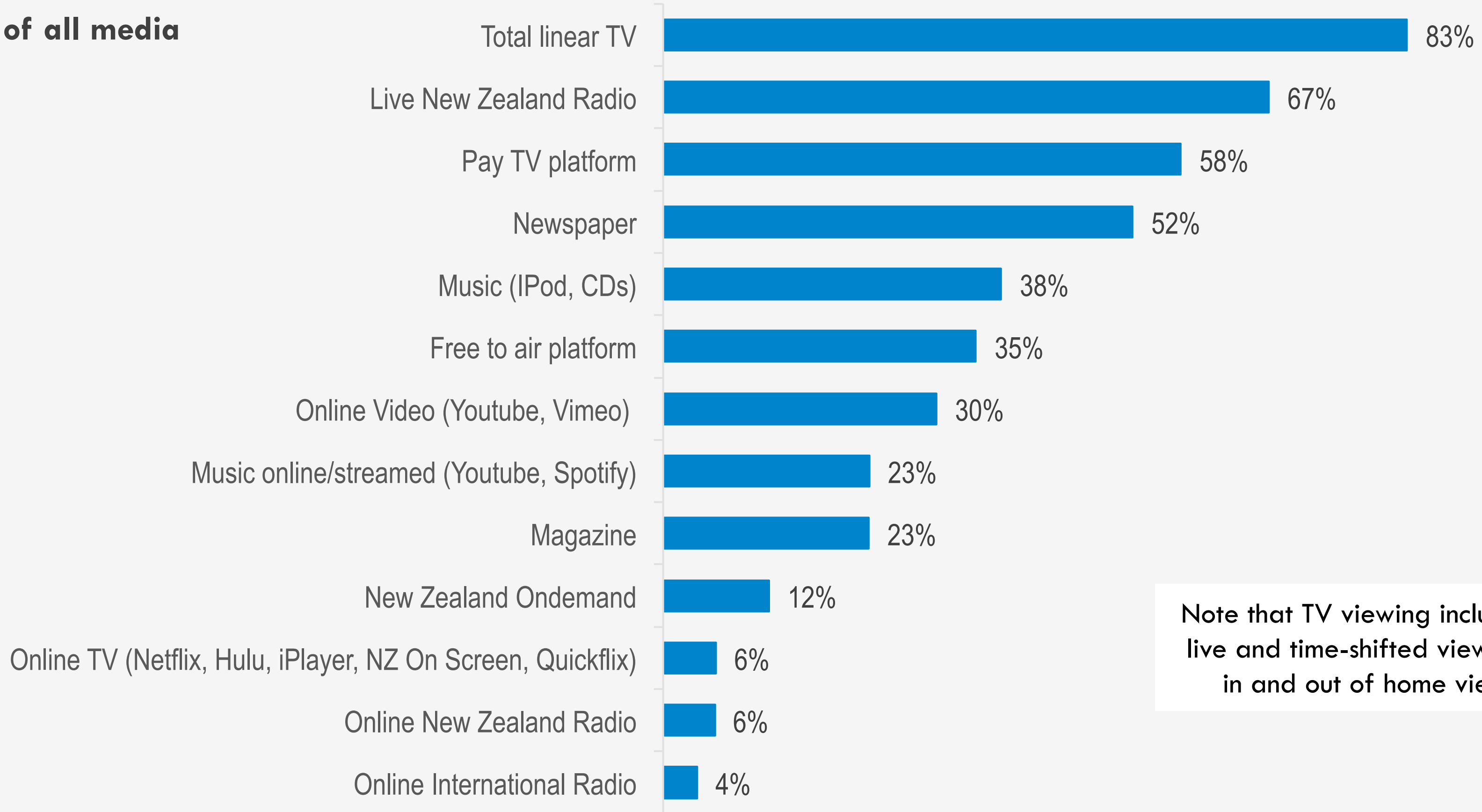
DAILY MEDIA CONSUMPTION

Traditional media still dominates New Zealanders' days.

More than eight in 10 New Zealanders watch linear TV each day, with radio and newspapers (including online) next most common. Online video such as Youtube and music streaming are the most common digital media. More than one in 10 use a New Zealand Ondemand site each day.

Daily reach of all media

% of people



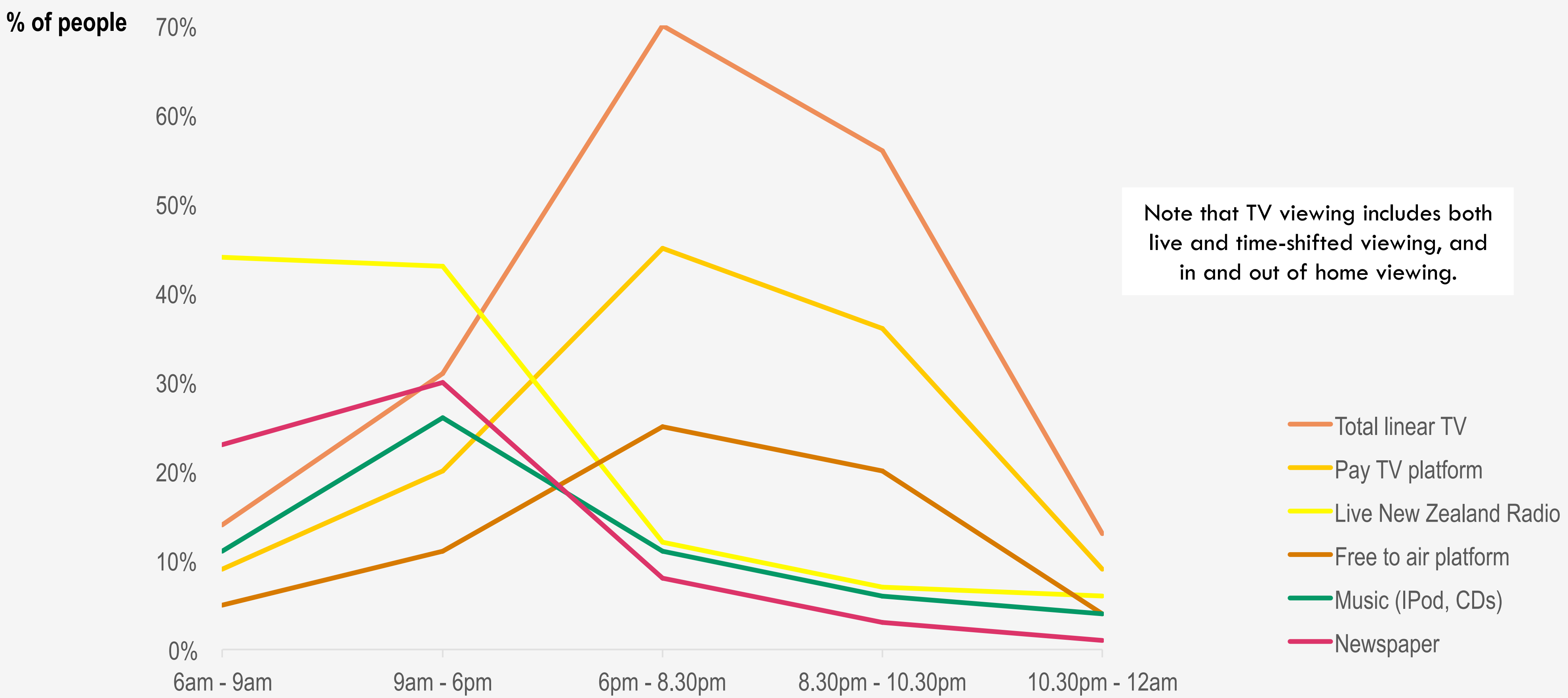
Note that TV viewing includes both live and time-shifted viewing, and in and out of home viewing.

I'd like to ask you about the different types of entertainment you used yesterday. For each of the following types of entertainment, I'd like you to tell me if you did that activity for 5 minutes or more during the time period I read out. It doesn't matter if you were also doing something else at the time.

BASE: All New Zealanders 15 and over (N=1,400)

Radio and newspapers (including online) typically start our day until TV takes over at 6pm.

Media reach across different timezones

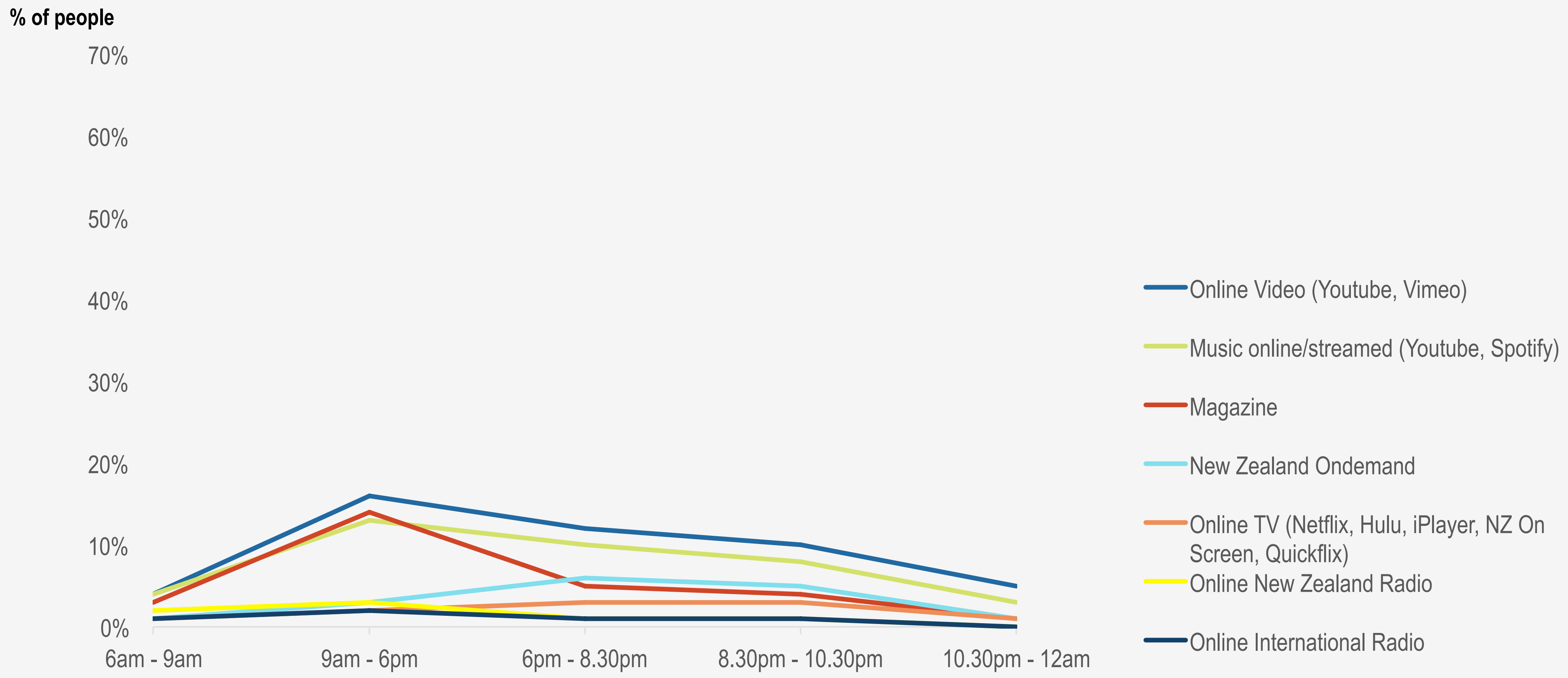


Note that TV viewing includes both live and time-shifted viewing, and in and out of home viewing.

I'd like to ask you about the different types of entertainment you used yesterday. For each of the following types of entertainment, I'd like you to tell me if you did that activity for 5 minutes or more during the time period I read out.

Other media rarely reaches more than 1 in 10 New Zealanders at any point during the day

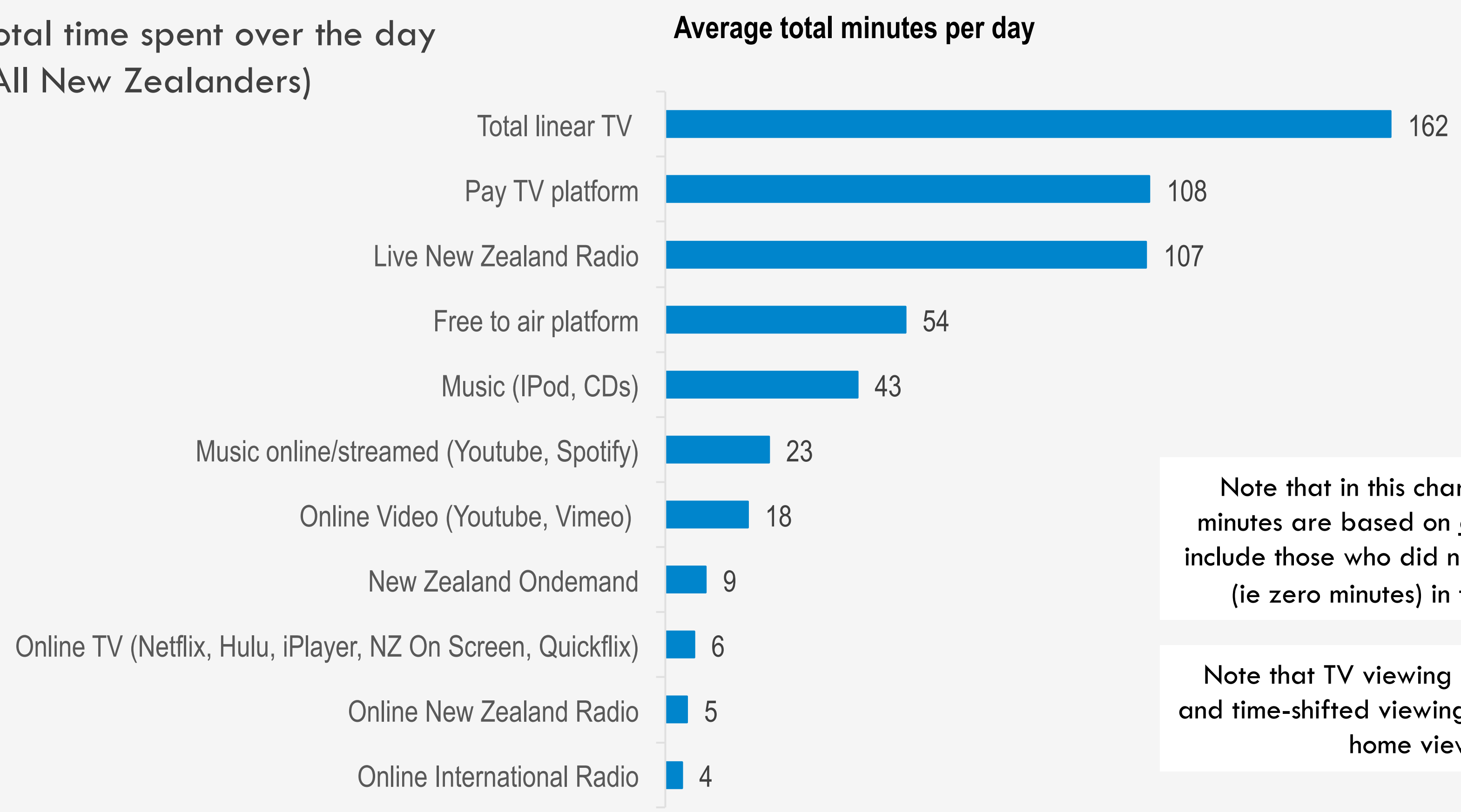
Media reach across different timezones



I'd like to ask you about the different types of entertainment you used yesterday. For each of the following types of entertainment, I'd like you to tell me if you did that activity for 5 minutes or more during the time period I read out.

Not only do TV and radio reach the most people, New Zealanders also spend the most time with those media.

Total time spent over the day
(All New Zealanders)



Note that in this chart average total minutes are based on all people and so include those who did not do each activity (ie zero minutes) in the calculation.

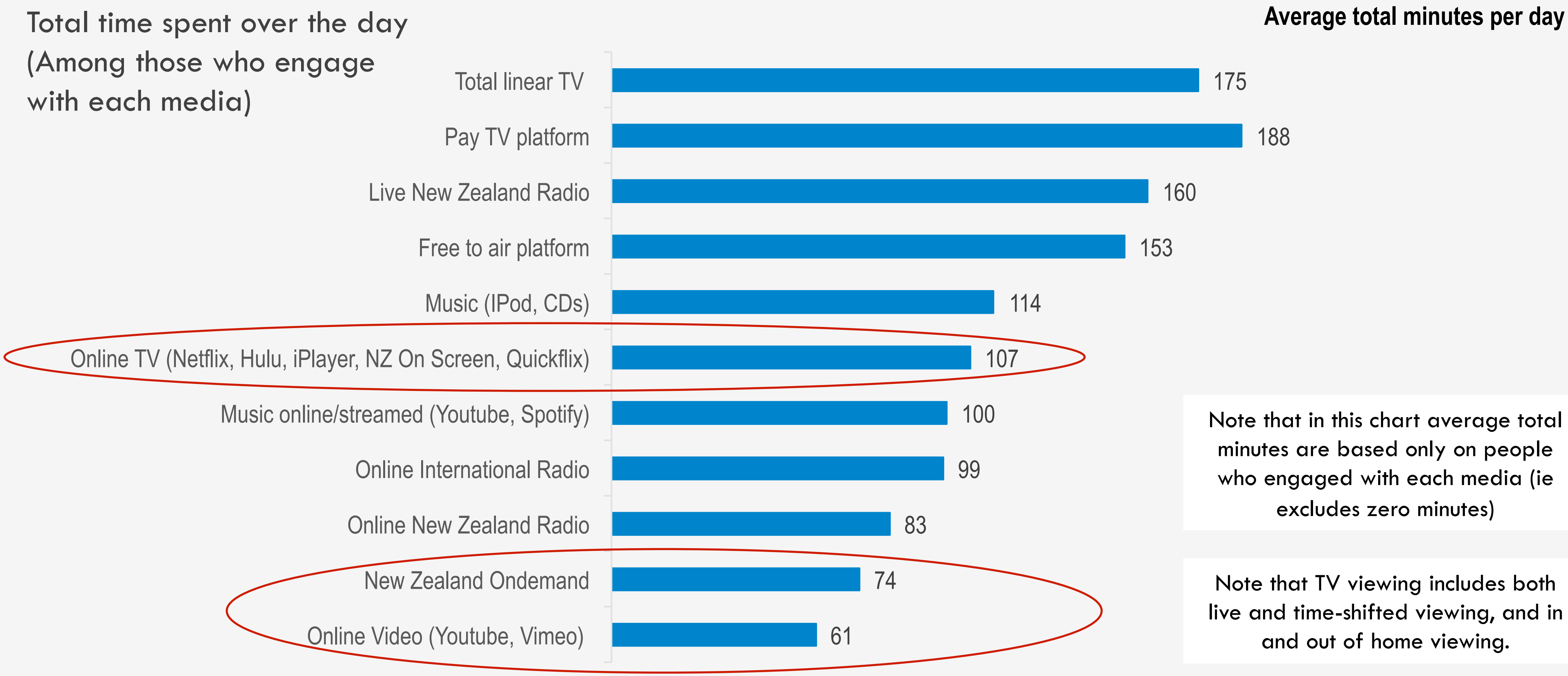
Note that TV viewing includes both live and time-shifted viewing, and in and out of home viewing.

Between **(time period)**, about how long did you (activity) for?

BASE: All New Zealanders 15 and over (N=1,400)

Obviously among just those who actually use each media the length of time spent increases, but there are few changes in the relative ranking of each media – except engagement with online TV lifts, and New Zealand Ondemand and online video falls.

Total time spent over the day (Among those who engage with each media)



Note that in this chart average total minutes are based only on people who engaged with each media (ie excludes zero minutes)

Note that TV viewing includes both live and time-shifted viewing, and in and out of home viewing.

Between **(time period)**, about how long did you (activity) for?

BASE: All New Zealanders who engaged with each media "yesterday"

HOW DOES MEDIA CONSUMPTION VARY ACROSS THE POPULATION?

There is a high level of consistency in behaviour across all subgroups in the population

While some parts of the population do show greater or lesser propensity to consume different types of media, overall behaviour is remarkably consistent across the population.

In other words the basic patterns of behaviour described in the preceding section are largely replicated by all demographic, socio-economic and regional subgroups.

- For instance linear TV is the number one media consumed each day by all parts of the population, including the sub-groups who show lower levels of engagement with this media (eg. 15-24 year olds and Asian people).

However there is some variation driven by different factors, and this section highlights those differences in order to understand where the audiences are within key subgroups.

The differentiators of media consumption are…

Primary differentiator:
- Age/Lifestage

Secondary differentiators:
- Ethnicity
- Technology

Other differentiators:
- Gender
- Region
- Socio-economic level

The following charts summarise how these factors drive different media behaviour.

Primary differentiator - Age/Lifestage

Not surprisingly there is a generational difference in media consumption. The main divide is typically between 15-34 year olds and those aged 45 or over, although some media (eg lower music streaming starts at 35+) show a slightly different divide between age groups.

Differences are exaggerated at either end of the spectrum (ie 15-24s compared to 55+ year olds).

The influences of age and lifestage are intertwined and inseparable, with similar differences seen between;

- Students vs. retirees
- Flatting, Double Income No Kids couples, and families with older children vs. Empty Nesters
- 4+ people living in home vs. 1-2 person homes

The key question is whether age or lifestage is the bigger driver of behaviour. If it is age then we could expect the current behaviour of young New Zealanders to continue as they get older, thereby changing the face of overall media consumption over time. However if it is driven more by lifestage (ie younger age groups being less time poor, not having children, earning lower incomes) then we could expect younger people's current behaviour to change over time to more closely reflect the current behaviour of older New Zealanders.

- An example of the latter scenario is music. Younger consumers are more likely to stream music online and listen to CDs/iPods. However it is likely that younger consumers have always exhibited higher involvement with music than older lifestages, and this may result in music streaming always being more common among younger consumers than older.

In reality the future shape of media consumption is likely to be a combination of both factors, but only as this data is tracked over time will we be able to measure the role of each.

Primary differentiator - Age/Lifestage

The following tables summarise how media consumption varies between younger and older New Zealanders each day.

Younger New Zealanders

Lower daily reach than average			Higher daily reach than average		
Media	**Key sub-group**	**All NZers**	**Media**	**Key sub-group**	**All NZers**
Linear TV	15-24s = 76% (also students, flatting, no kids, low income earners, 5+ people in home)	83%	**Ondemand**	15-34s = 17%	12%
New Zealand Radio	15-24s = 52% (also students, low income earners)	67%	**Online TV**	15-34s = 13% (also students)	6%
			Online video	15-24s = 66%; 25-34s = 54% (also students, no kids, low income earners, 4+ people in home)	30%
			Online New Zealand Radio	25-44s = (10%)	6%
			Music streaming	15-24s = 58%; 25-34s = 37% (also students, flatting, no kids, low income earners, 4+ people in home) Also family homes with kids15+ (43%)	23%
			CDs/iPod	15-24s = 66% (Also students, low income earners, 3+ people in home) Also family homes with kids 15+ (51%)	38%

Primary differentiator - Age/Lifestage

Older New Zealanders

Lower daily reach than average			Higher daily reach than average		
Media	**Key sub-group**	**All NZers**	**Media**	**Key sub-group**	**All NZers**
Ondemand	55+ year olds (4%) (Also retirees, no kids at home, 1-2 person homes)	12%	**Linear TV**	65+ year olds (89%) (Also empty nesters, retirees, 2 person homes)	83%
Online TV	55+ year olds (1%) (Also retirees, no kids at home, 1-2 person homes)	6%	**New Zealand Radio**	55+ year olds (72%) (Also retirees, no kids at home, 1 person homes)	67%
Online video	45+ year olds (13%) (Also retirees, no kids at home, 1-2 person homes)	30%			
Online New Zealand radio	55+ year olds (3%) (Also retirees, no kids at home)	6%			
Music streaming	35+ year olds (12%) (Also retirees, no kids at home,	23%			
CDs/iPod	55+ year olds (23%) (Also retirees, no kids at home,	38%			

Secondary differentiator – Ethnicity

Māori, Pacific Island, Asian, and Pakeha all exhibit different media behaviour. These trends will be driven by ethnicity itself but also other factors including socio-economic level, language, and age. For instance:

- The Māori and Pacific Island populations are very young cohorts. For instance the 2013 Census showed 44% of Māori are under 20 with a median age of 23.9, while the median age of Pacific peoples is 22.1. This compares to a median age of 41 among Pakeha/European. This younger profile influences their behaviour to correlate more closely with younger age groups overall.

- According to this study Asian ethnic groups are more likely to have access to technology such as smartphones, tablets, and smart TVs connected to the Internet, but they are less likely to have a TV, SKY, PVR or radio.

Summarised on the next charts is how media consumption varies among these ethnic groups compared to the average in terms of daily reach.

Secondary differentiator - Ethnicity

Lower daily reach than average			Higher daily reach than average		
Media	**Asian**	**All NZers**	**Media**	**Asian**	**All NZers**
Linear TV	62%	83%	**Online TV**	28%	6%
New Zealand Radio	50%	67%	**Online video**	62%	30%
			Online New Zealand radio	11%	6%
			Music streaming	40%	23%
			CDs/iPod	47%	38%

Asian ethnic groups (along with 15-24s) exhibit some of the strongest skews in behaviour compared to average. They are the least likely to listen to broadcast radio or watch linear TV, and are among the most likely to watch online TV sites (eg. Netflix and Hulu). TV is the most popular media among Asian people, but it is significantly lower and online video reach matches linear TV within this group.

Secondary differentiator - Ethnicity

Lower daily reach than average			Higher daily reach than average		
Media	**Māori**	**All NZers**	**Media**	**Māori**	**All NZers**
New Zealand Radio	50%	67%	**Linear TV**	90%	83%
			Ondemand	19%	12%
			Online video	39%	30%
			Music streaming	34%	23%
			CDs/iPod	49%	38%

Lower daily reach than average			Higher daily reach than average		
Media	**Pacific Island**	**All NZers**	**Media**	**Pacific Island**	**All NZers**
			Ondemand	21%	12%
			Online video	44%	30%
			Music streaming	47%	23%
			CDs/iPod	49%	38%

Secondary differentiator – Technology

Different technologies influence consumers in different ways:

- Consumers who own a smartphone, tablet, or a Smart TV that is connected to the Internet are more enabled by technology, and therefore engage more with digital media.

Lower daily reach than average			Higher daily reach than average		
Media	**Technology enabled consumers**	**All NZers**	**Media**	**Technology enabled consumers**	**All NZers**
			Ondemand	Own tablet (15%) Own smartphone (14%) Smart TV connected to Internet (17%)	12%
			Online TV	Own smartphone (8%) Smart TV connected to Internet (9%)	6%
			Online video	Own tablet (38%) Own smartphone (39%) Smart TV connected to Internet (50%)	30%
			Online New Zealand Radio	Smart TV connected to Internet (9%)	6%
			Music streaming	Own tablet (27%) Own smartphone (28%) Smart TV connected to Internet (32%)	23%
			CDs/iPod	Own tablet (43%) Own smartphone (43%)	38%

There is no media that technology enabled consumers are less likely to use, so the digital media they are more likely to use is in addition to, not instead of, traditional media. It is therefore a sub-group that is highly involved with media in general.

Secondary differentiator – Technology

Different technologies influence consumers in different ways:

- Consumers who have SKY or a PVR watch more linear TV.

Lower daily reach than average			Higher daily reach than average		
Media	**SKY TV in home**	**All NZers**	**Media**	**SKY TV in home**	**All NZers**
Online TV	4%	6%	**Linear TV**	91% (Also PVR owners 89%)	83%

Other differentiators

Gender

Perhaps surprisingly there are few differences between males and females in terms of the main forms of media they use. The one exception is online video such as Youtube which has a significant male skew.

However there are gender differences in terms of TV channels watched, radio stations listened to, and use of unauthorised sources of content. These differences are highlighted in later sections relating to these media.

Region

The main regional differentiator is Auckland compared to the rest of New Zealand. Due to a range of factors such as a bigger Asian population and being more technology enabled, Aucklanders are more likely to use all forms of digital media than the rest of the country, including New Zealand Ondemand, online TV such as Hulu and Netflix, online video such as Youtube, and music streaming.

Socio-economic level

Income and occupation also influence media consumption. Higher socio-economic consumers are more likely to have access to media enabling technology such as smartphones, tablets and Smart TVs, but these consumers also tend to be older. Of these two factors, the more powerful is age, so high income earners are less likely than average to watch online TV ($50k+ earners = 2%), and more likely to listen to broadcast New Zealand radio (77%)

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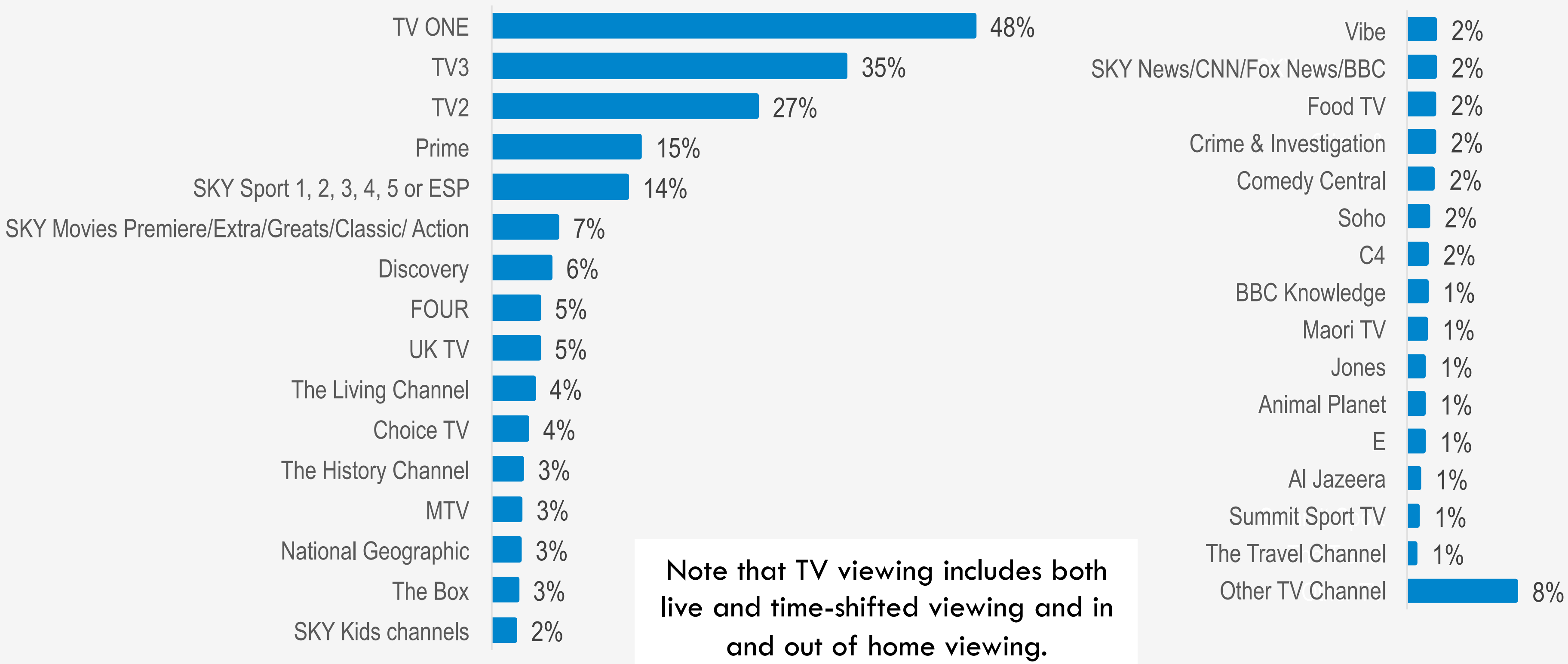
Irirangi Te Motu

DAILY MEDIA CONSUMPTION BY CHANNEL, STATION AND SITE

The main free to air channels still dominate TV consumption, but the choice provided by the long tail of smaller channels cumulatively represents a significant audience.

Daily reach of TV channels



Note that TV viewing includes both live and time-shifted viewing and in and out of home viewing.

Thinking about yesterday overall which of the following TV channels did you watch?

BASE: All New Zealanders 15 and over (N=1,400)

Age/lifestage is the main differentiator of a TV channels' audience profile, but gender is also important.

Age/Lifestage

TV channels' audience profiles below:

Channel	Lower Average Daily Reach	Higher Average Daily Reach	Average Daily Reach
TV ONE	15-34s = 35%	55+ = 63%	48%
TV3		25-64s = 39%	35%
TV2	45+ = 15%	15-44s = 38%	27%
Prime	15-34s = 11%	65+ = 21%	15%
FOUR	45+ = 2%	15-44s = 7%	5%

Gender

While this survey shows few differences in the overall media consumption of males and females, there are significant differences in terms of the TV channels watched.

Males are more likely than females to view TV channels outside of the three main free to air channels. In particular:

- SKY Sport (19% daily reach among males cf 8% among females)
- Prime (17% cf 12%)
- Comedy Central (3% cf 1%)
- Discovery (8% cf 4%)
- National Geographic (5% cf 1%)

While the audience of some smaller TV channels do skew towards specific sub-groups, the best place to find these more targeted audiences is on the biggest TV channels.

The audience profile of some smaller channels do skew towards more narrowly defined audiences. For instance:

- 48% of FOUR's daily audience is 15-34 year olds
- 50% of Māori TV's daily audience is Māori viewers.

However the channels that deliver the largest audiences from these sub-groups are the biggest TV channels. For instance:

- While 9% of Māori tune in to Māori TV each day, 53% tune in to TV ONE, 41% tune in to TV3, and 39% tune in to TV2.

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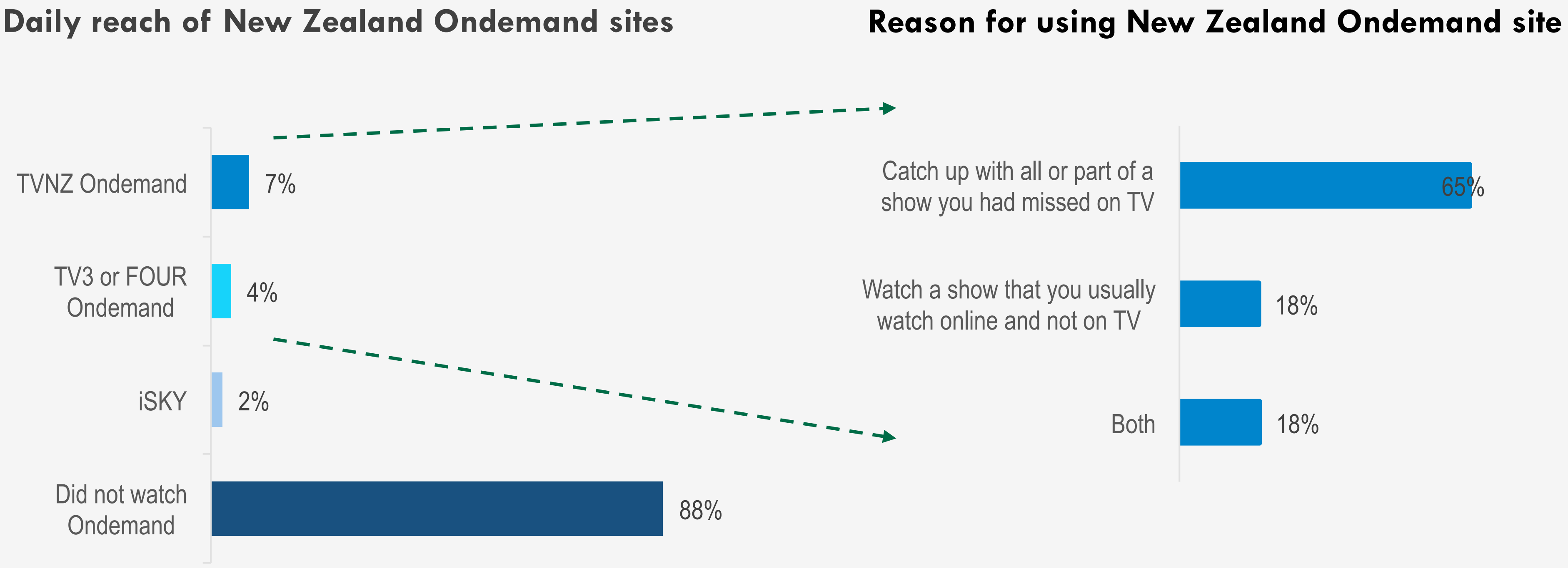
More than one in 10 people (12%) use at least one New Zealand Ondemand site each day. Nearly all users (98%) use just one site per day.
Ondemand sites are primarily a means to catch up on episodes viewers missed on TV.



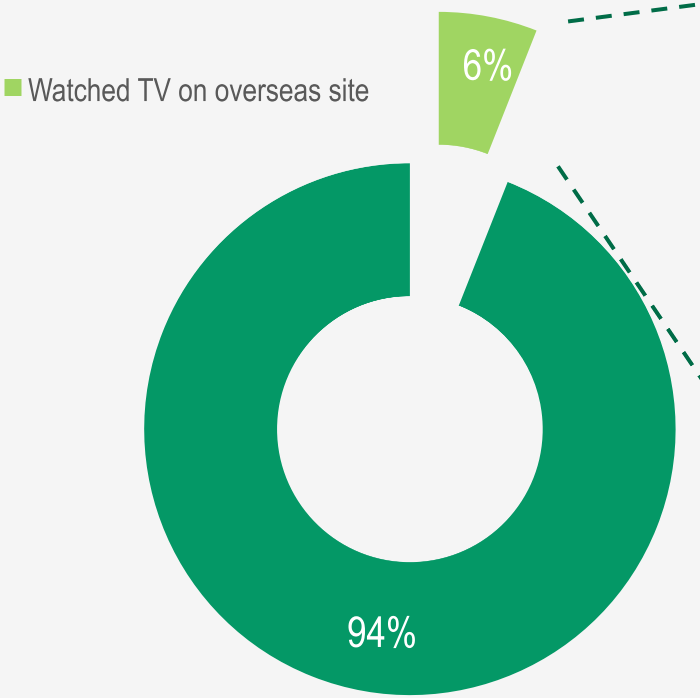
BASE: All New Zealanders 15 and over (N=1,400)

BASE: Used New Zealand Ondemand site yesterday (N=166)

Thinking about yesterday overall which of the following websites did you watch?
Thinking about when you used TVNZ or TV3 or FOUR Ondemand yesterday did you use it to…

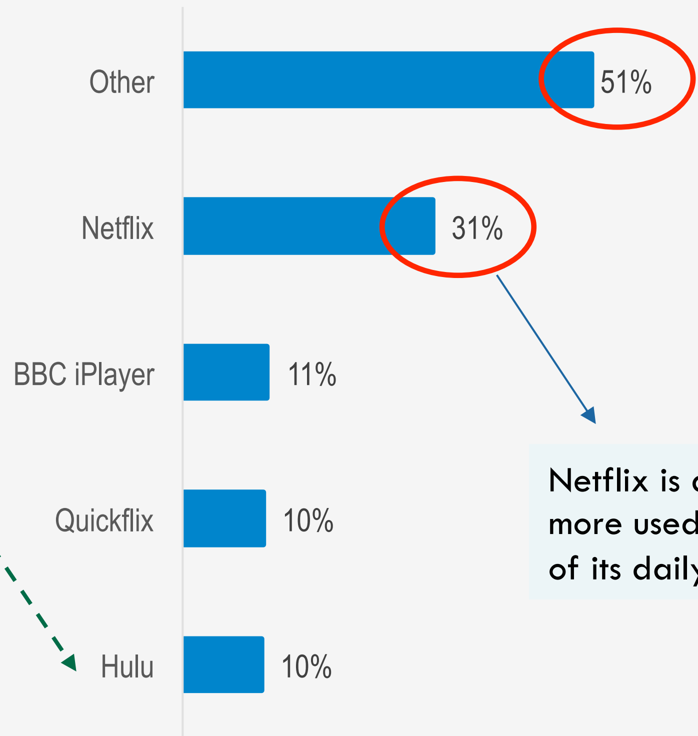
Viewing TV on overseas sites via a VPN is not common and highly fragmented – the most widely used site (Netflix) achieves less than 2% daily reach.

Daily reach of online TV sites



BASE: All New Zealanders 15 and over (N=1,400)

Online TV sites used



Wide range of "other" sites with Youtube and Project Free TV most commonly mentioned.

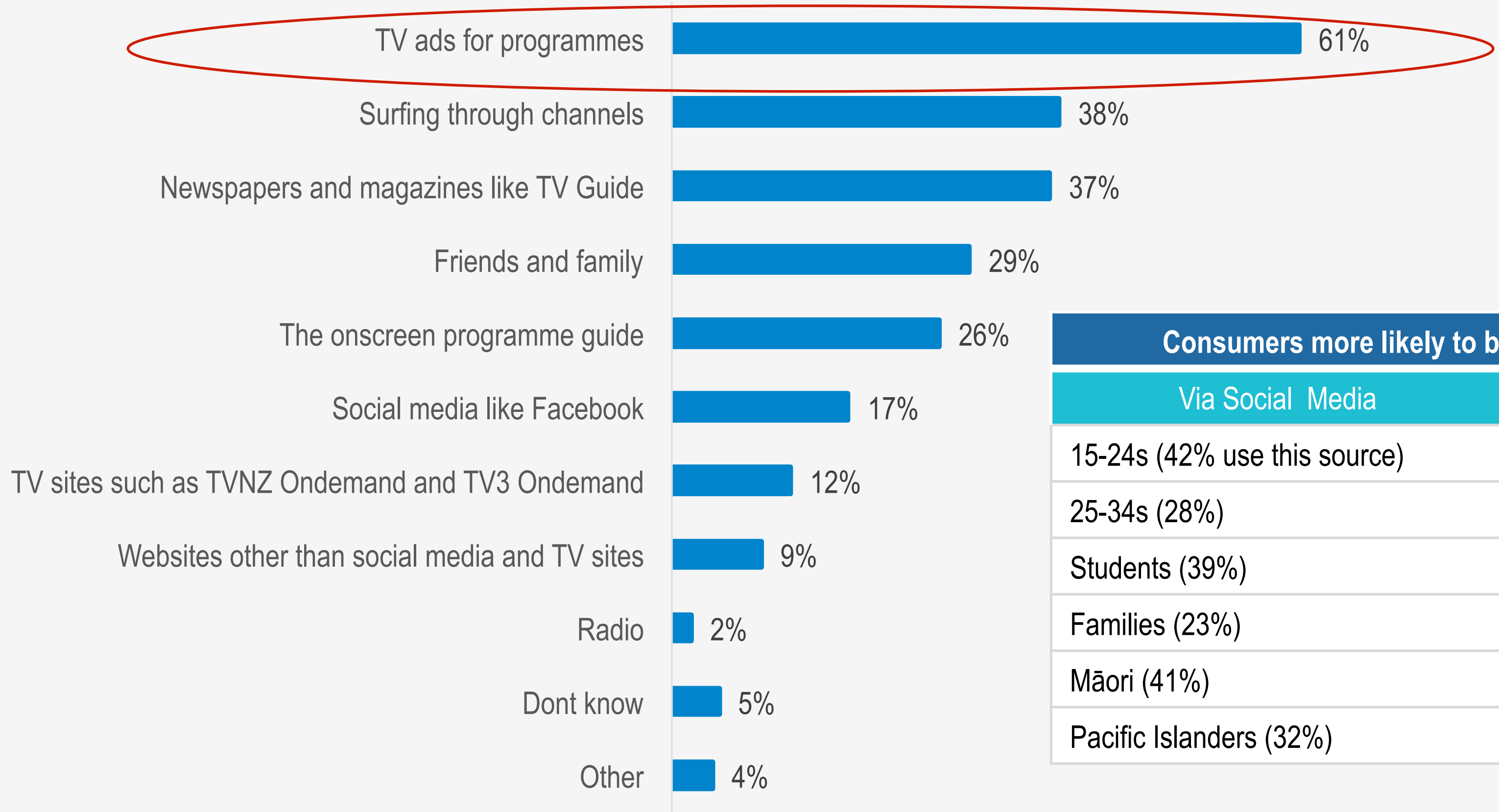
Netflix is another media destination more used by males - three quarters of its daily reach is male.

BASE: Watched Online TV yesterday (N=83)

Thinking about yesterday overall which of the following websites did you use to watch TV shows?

The best way to make New Zealanders aware of new New Zealand TV shows is via on-air promos. This is the most effective means of communication to reach all sub-groups in the population.

How people become aware of new New Zealand TV shows



Consumers more likely to be reached by online sources	
Via Social Media	Via Ondemand sites
15-24s (42% use this source)	25-34s (18%)
25-34s (28%)	Students (17%)
Students (39%)	Asian (19%)
Families (23%)	
Māori (41%)	
Pacific Islanders (32%)	

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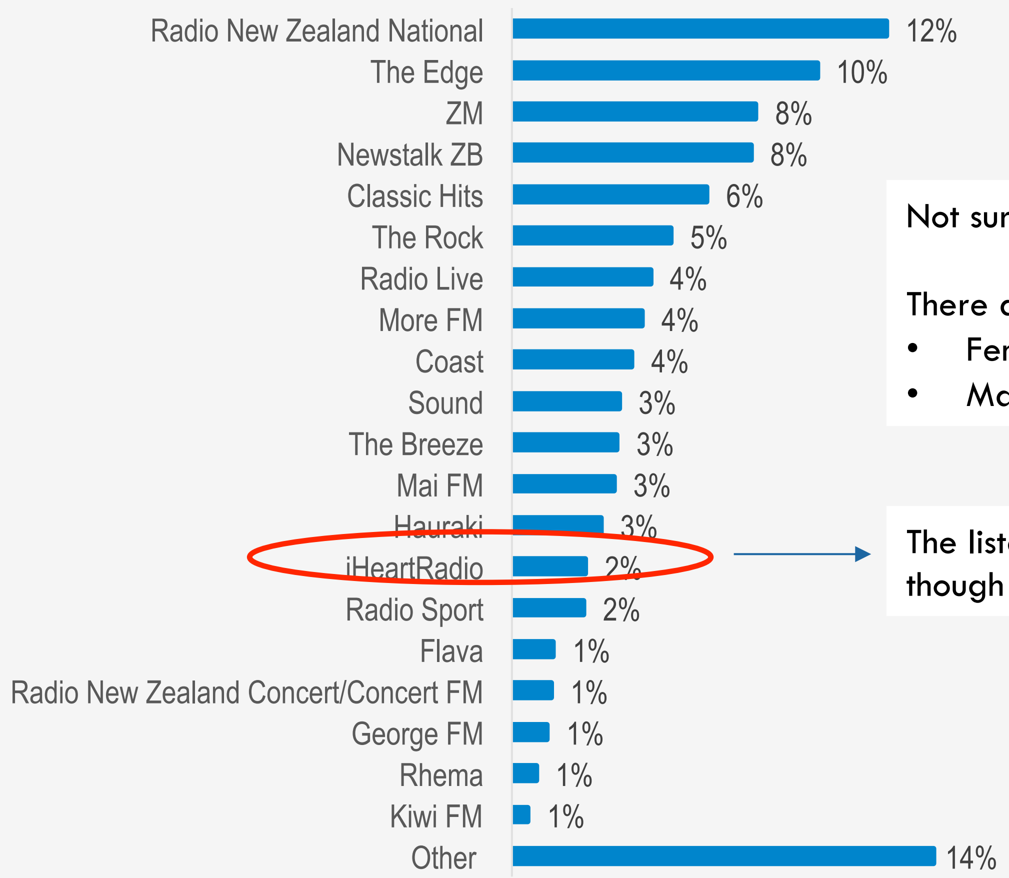
In which of the following ways do you usually become aware of New Zealand made TV shows?

NZ On Air Irirangi Te Motu

BASE: All New Zealanders 15 and over (N=1,400)

As is widely known, New Zealand has a very fragmented radio market, however four stations reach approximately one in 10 New Zealanders each day.

Daily reach of radio stations



Not surprisingly, age is the main differentiator of station choice.

There are also some significant gender splits:

- Females are more likely to tune in to The Edge, ZM, and Mai
- Males are more likely to tune in to Hauraki, and Radio Sport

The listener base of the recently launched iHeartRadio is broad, though it is most popular among 15 to 44s.

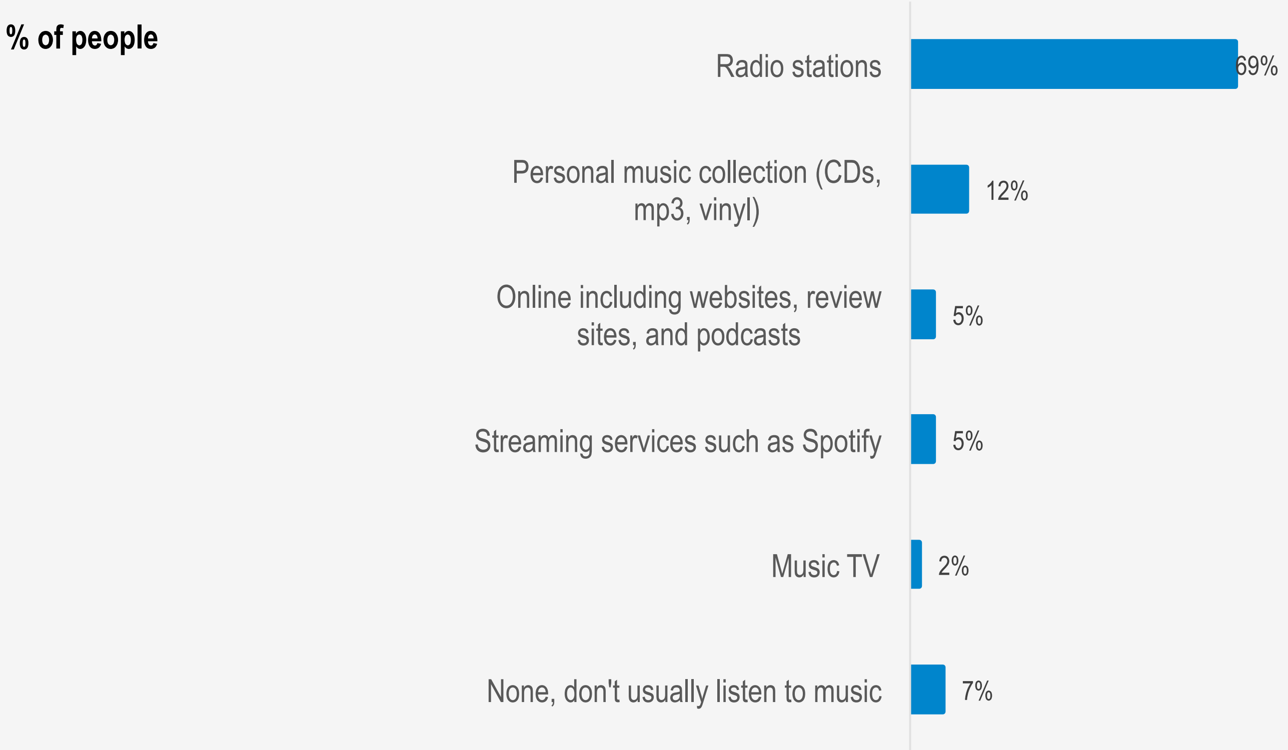
Thinking about yesterday overall what New Zealand radio stations did you listen to either on radio or online?

BASE: All New Zealanders 15 and over (N=1,400)

MUSIC CONSUMPTION AND BEHAVIOUR

Broadcast radio continues to dominate New Zealanders' daily music fix

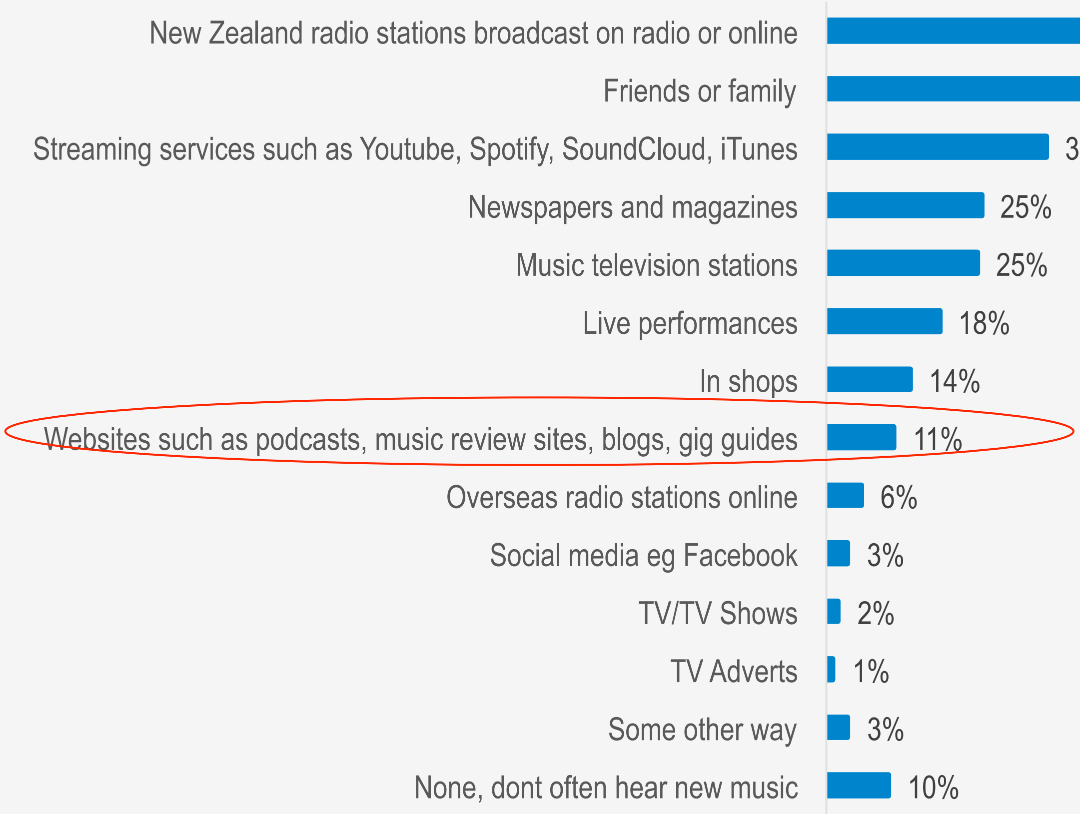
Average daily reach



During a typical day, in which of the following ways, if any, do you listen to music?

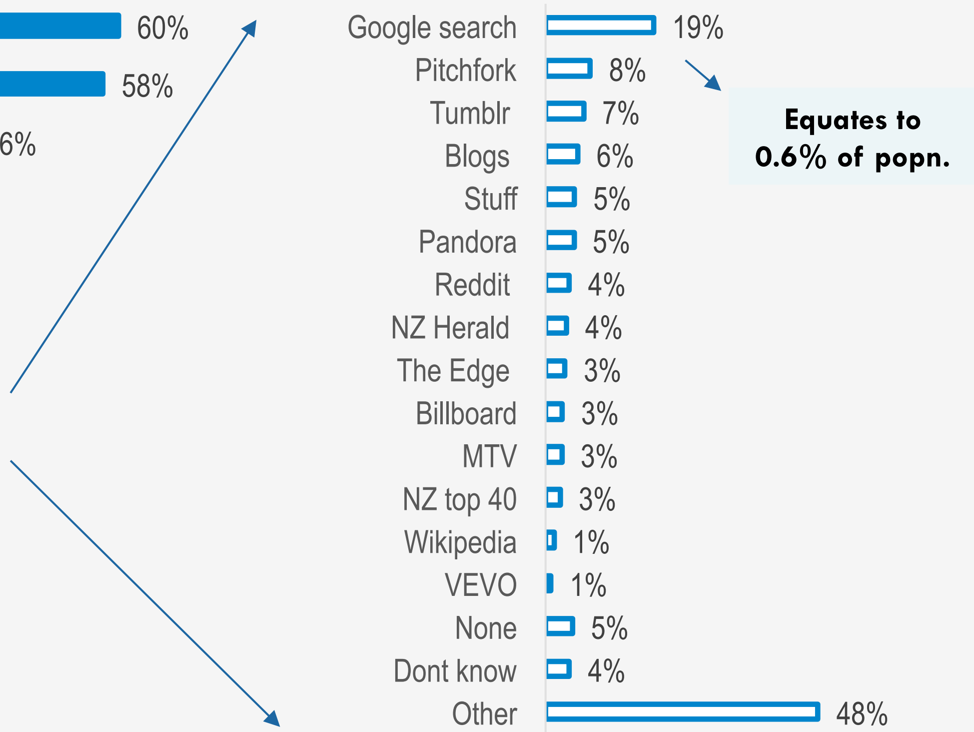
Radio and word of mouth remain the most common ways to find new music, although streaming services are now third most common. Website sources are extremely fragmented.

Sources of awareness of new music



BASE: All New Zealanders 15 and over (N=1,400)

Websites used



BASE: People who use websites to find out about new music (N=151)

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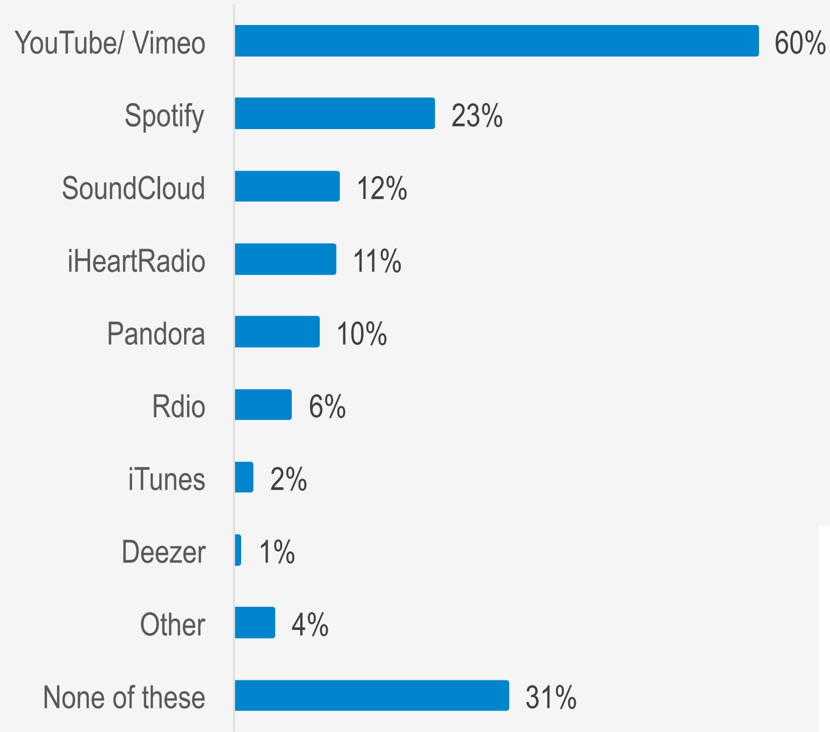
In which of the following ways, if any, do you usually find out about new music? By new music I mean both music that has just been released, and also music that has been released in the past but you have not heard before.

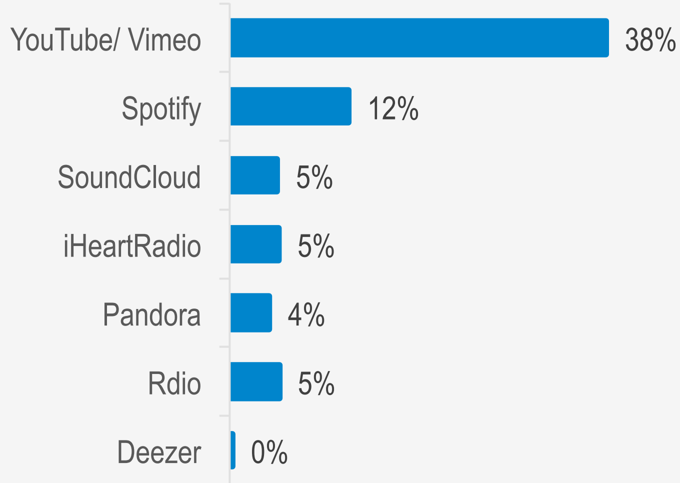
NZ On Air Irirangi Te Motu

Seven in 10 New Zealanders have listened to music online. Youtube dominates online sources of music with Spotify second most popular.

Ever used to listen to music



Weekly reach



Age is the primary driver of this behaviour:

- Nearly all 15-24s (97%) have listened to music online, compared to 28% of 65+ year olds

Ethnicity also plays a role:

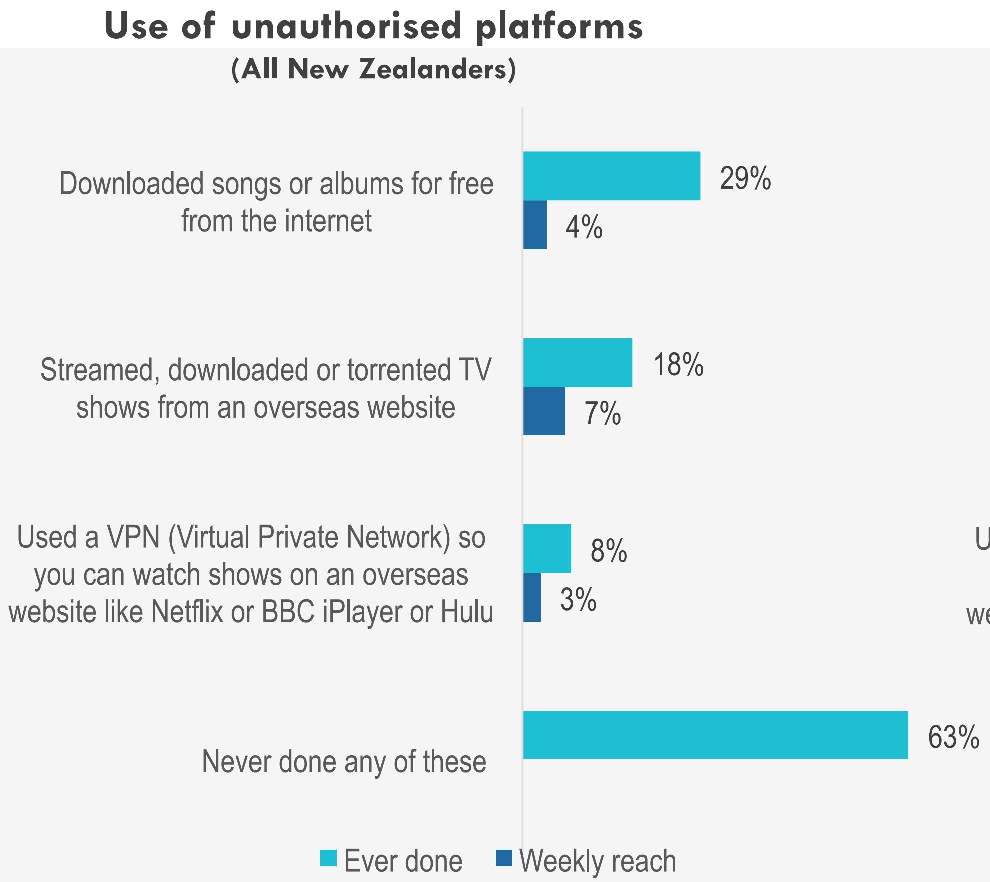
- Māori (78%), Pacific Island (84%) and Asian (85%) are more likely to listen to music online compared to average (69%)

Which of the following have you ever listened to music on?
About how often do you listen to…

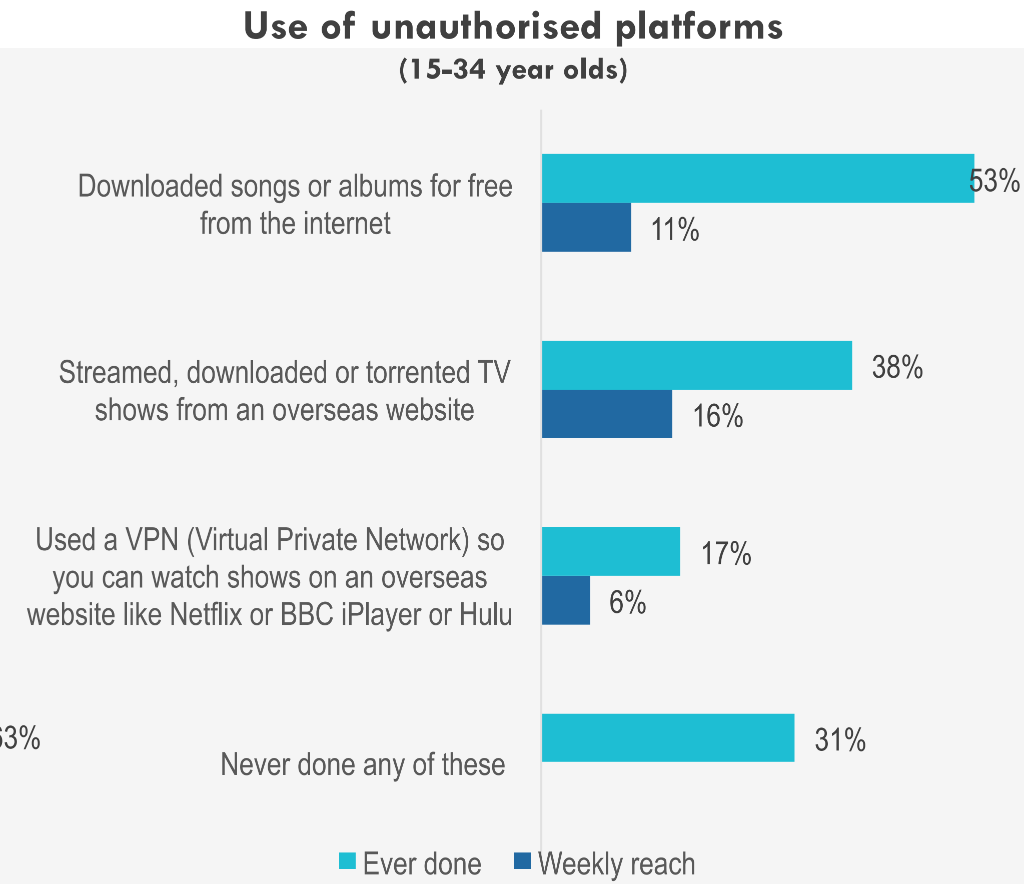
BASE: All New Zealanders aged 15 and over (N=1400)

STREAMING, DOWNLOADING AND TORRENTING

Use of unauthorised platforms is undoubtedly growing but currently few participate regularly. Downloading music is the most common, with VPN use still minor in New Zealand.



BASE: All New Zealanders 15 and over (N=1,400)



BASE: All 15-34s (N=425)

Which of the following have you ever done?
Please be assured that your answers are completely confidential and will not be passed on to any third party.
About how often would you…

Use of unauthorised platforms is heavily skewed to certain groups in the population, differentiated by age/lifestage, ethnicity and gender.

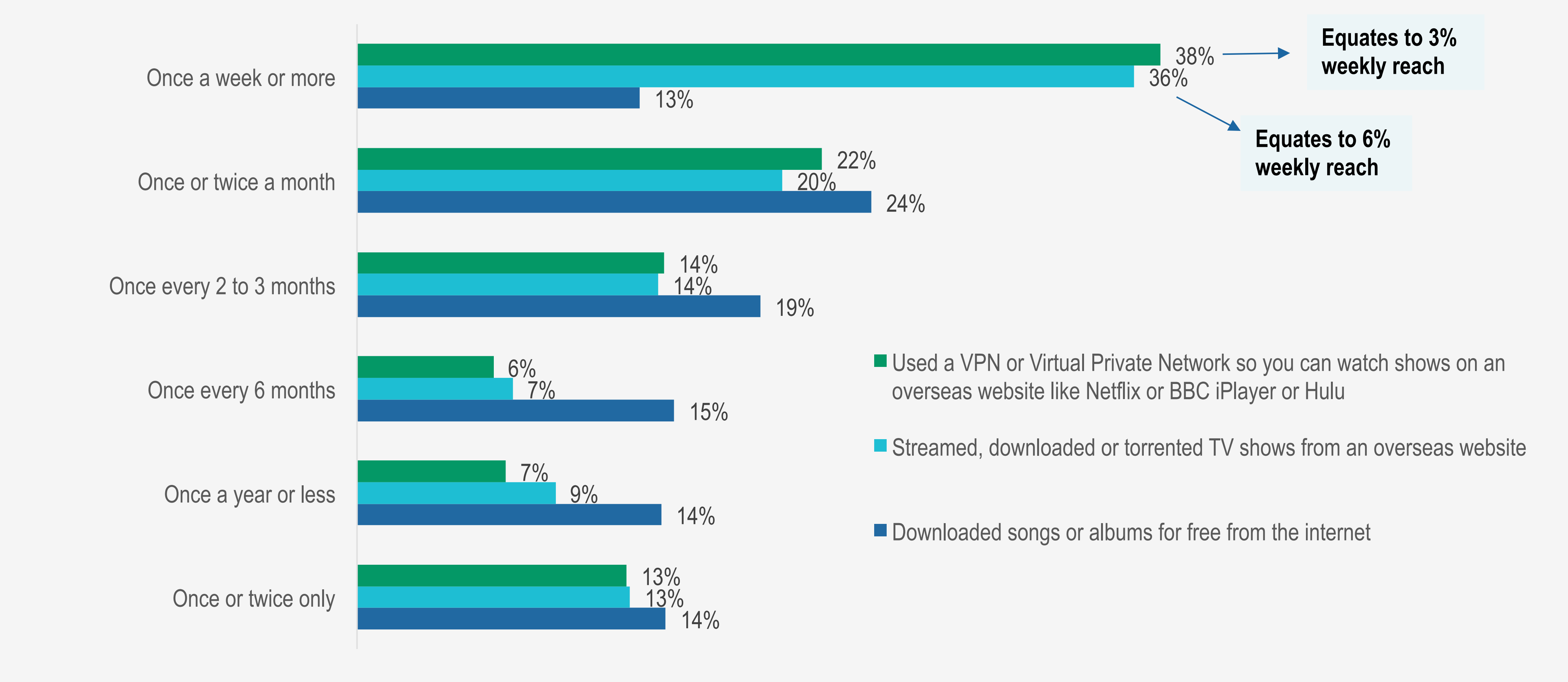
The age group most likely to participate overall is not the youngest but a broader profile of 15-34s.

Lifestage also influences this behaviour. For instance Double Income No Kids couples are more likely to stream TV shows from overseas sites.

Activity – Ever done %	More likely to have ever done	Less likely to have ever done
Stream, download, torrent TV shows from overseas site (18% overall)	Males - 21%	Females - 15%
	15-34s – 38% (Also students, 5+ people in home)	45+ year olds - 6% (Also retirees)
	DINKs – 30%	
	Māori – 29%	
Used VPN to watch shows on an overseas site (8% overall)	Males – 10%	Females – 5%
	15-34s – 17% (Also students)	45+ year olds – 2% (Also retirees)
	Asian – 17%	
Downloaded songs or albums for free from the Internet (29% overall)	Males – 33%	Females – 24%
	15-34s – 53% (Also students, 4+ people in home)	45+ year olds – 15% (Also retirees)
	Family homes – 35%	
	Māori – 42%	
	Asian – 43%	

There is a small but dedicated group who use a VPN or stream TV from overseas once a week or more.

Frequency of streaming, downloading and torrenting



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About how often would you…

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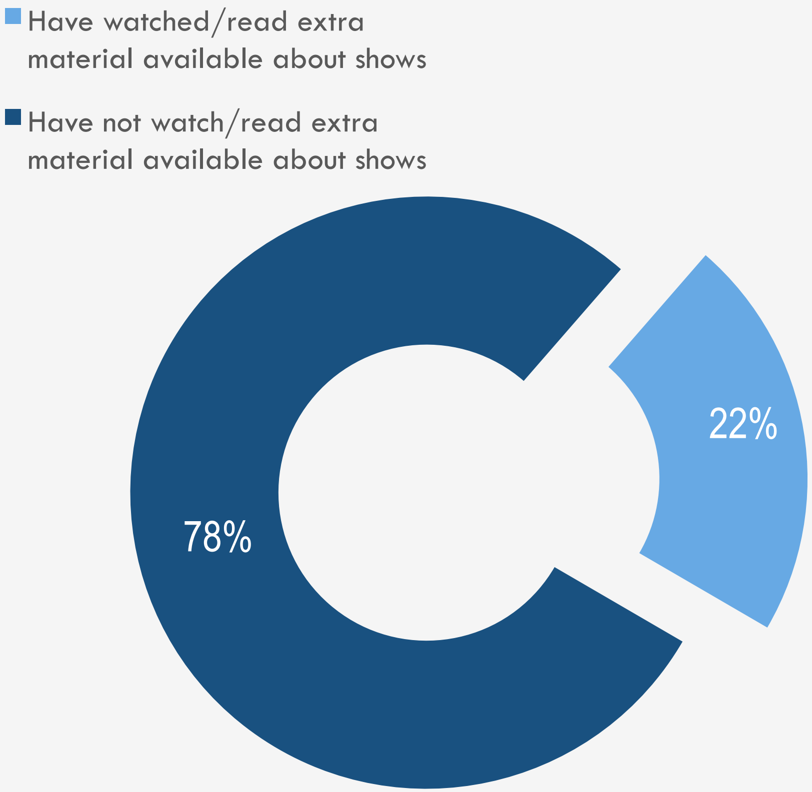
BASE: All who have ever done each activity (VPN N=106; downloaded TV N=252; downloaded music N=404)

EXTRA ONLINE MATERIAL FOR A TV SHOW

One in five have ever read or watched extra online material related to a TV show – driven mainly by younger New Zealanders.

Ever looked for extra material online



Driven by the same differentiators, but especially age	
More likely to have looked for extra material	Less likely to have looked for extra material
15-24s (39% have ever looked) (Also students, 3+ people in home)	55+ year olds (11%) (Also retirees, 1-2 person homes)
25-34s (28%)	
Families with kids aged 15+ (38%)	
Auckland (27%)	
Asian (46%)	

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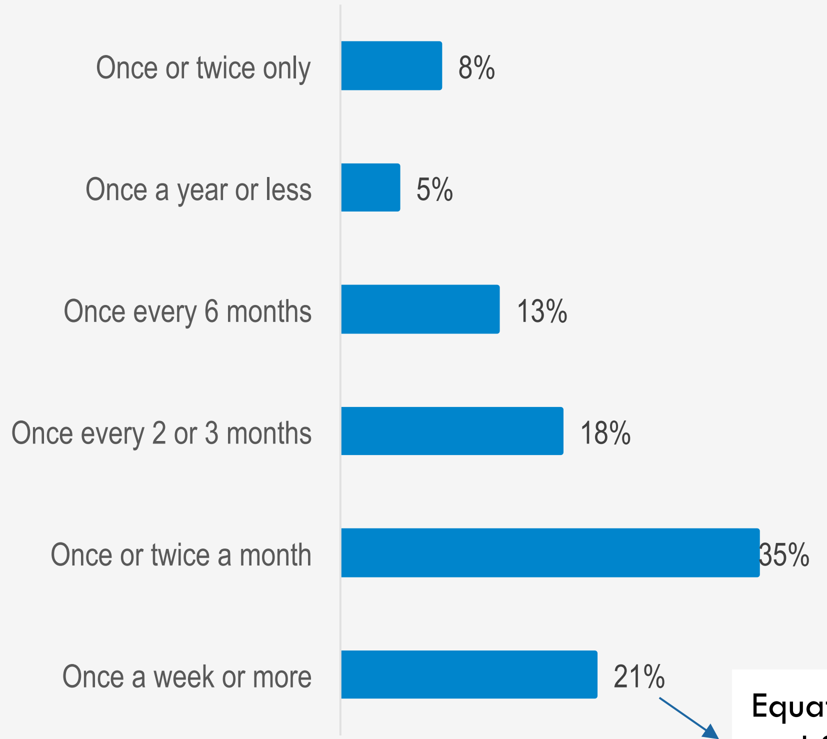
Some TV shows have extra material available to watch or read online. This material might include short videos not shown on TV, background to characters in the show, or actors' biographies. Have you ever looked for extra material about a TV show online?

NZ On Air Irirangi Te Motu

BASE: All New Zealanders 15 and over (N=1,400)

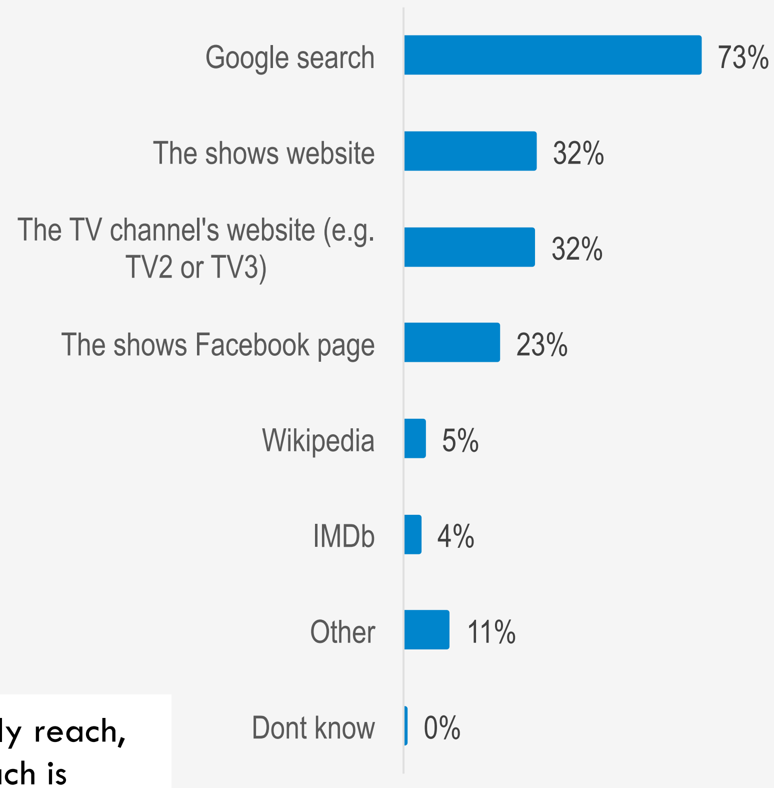
Most of those who have ever looked for extra content online do so at least once a month, and they tend to Google it.

Frequency of looking for extra material online



Equates to 5% weekly reach, and 38% of that reach is driven by 15-24 year olds

Sources of extra material online



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Which of the following would you use to find extra material about a TV show?
About how often would you search for extra material about a TV show?

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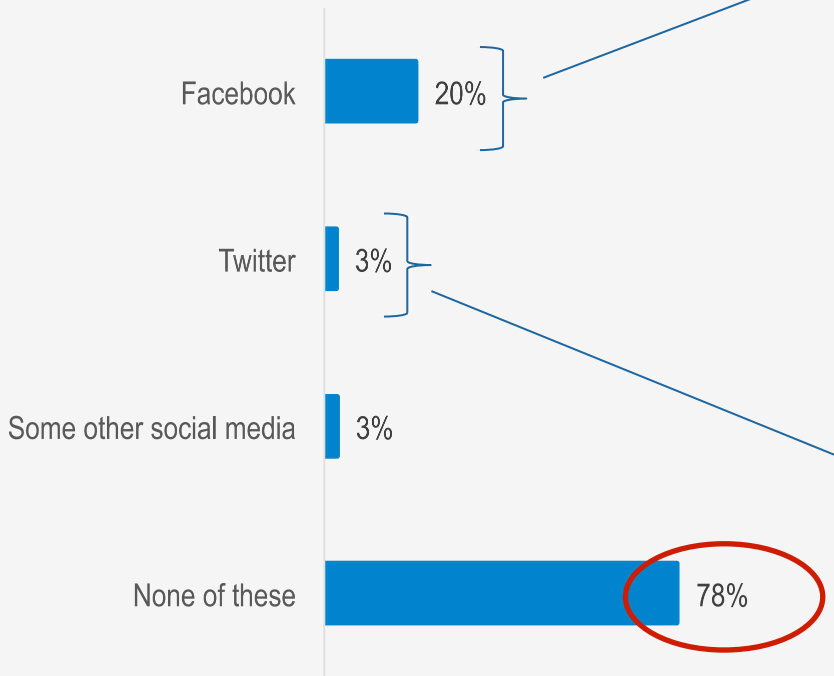
Irirangi Te Motu

BASE: Those who have ever looked for extra TV material (N=309)

SOCIAL MEDIA AND TV

One in five have ever talked about a TV show on Facebook, while Twitter is rarely used for this. There is a big divide in behaviour based on age/lifestage, gender, socio-economic level, ethnicity, and technology factors.

Ever use to talk about TV shows



More likely to talk about TV on Facebook	Less likely to talk about TV on Facebook
15-24s (43% have ever done so)	55+ year olds (5%)
25-34s (33%)	Males (17%)
Families with kids aged 15+ (29%)	Upper white collar workers (14%)
Females (23%)	Earn $120k+ (3%)
Blue collar workers (27%)	
Māori (36%)	
Pacific Island (44%)	
Smartphone (26%)	

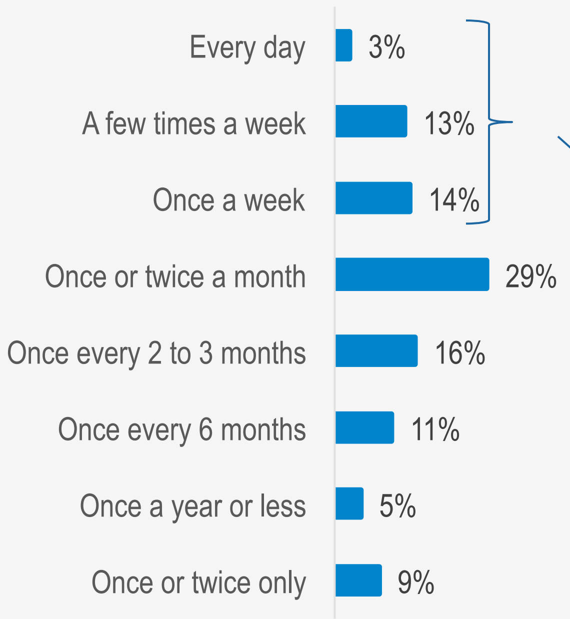
More likely to talk about TV on Twitter	Less likely to talk about TV on Twitter
15-34s (6% have ever done so)	55+ year olds (0%)
Asian (7%)	
Own tablet (4%)	
Own smartphone (4%)	

Which of the following, if any, do you ever use to talk about TV shows?

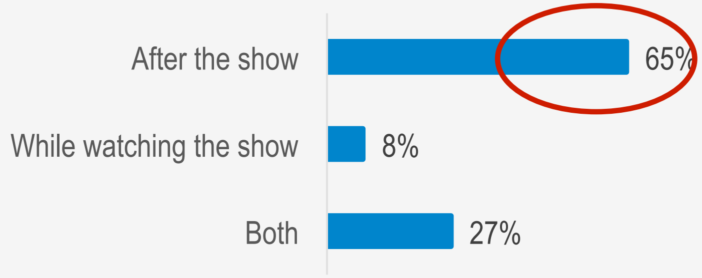
BASE: All New Zealanders 15 and over (N=1,400)

Three in 10 New Zealanders who have ever talked about TV shows on Facebook do so at least once a week, and they tend to do it after watching the show.

Frequency of using Facebook to talk about TV
(among those who have ever done it)



Occasion they use Facebook to talk about TV
(among those who have ever done it)



Equates to 6% weekly reach overall – nearly half of which (44%) is made up of 15-24 year olds

- Among 15-24s, weekly reach is 16%

About how often would you talk about TV shows on (SOCIAL MEDIA)?
Do you typically talk about TV shows on (SOCIAL MEDIA) while you are watching that TV show, afterwards or both?

BASE: Those who have ever talked about TV shows on Facebook (N=282)

NZ On Air
Irirangi Te Motu

WEBSERIES

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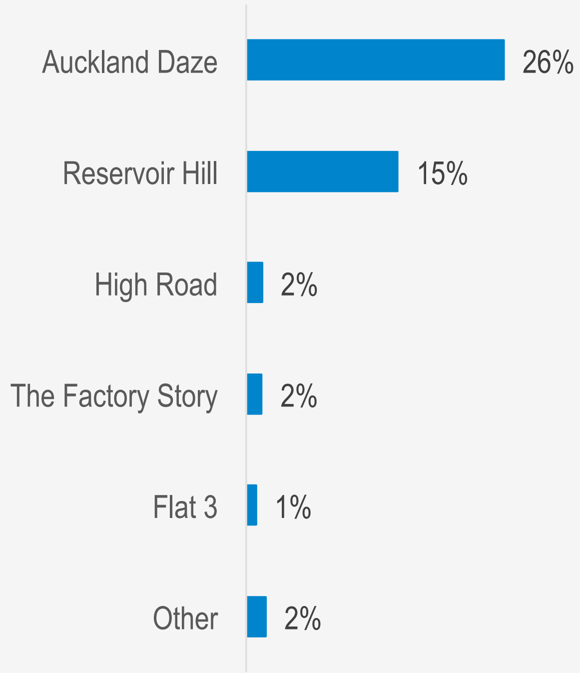
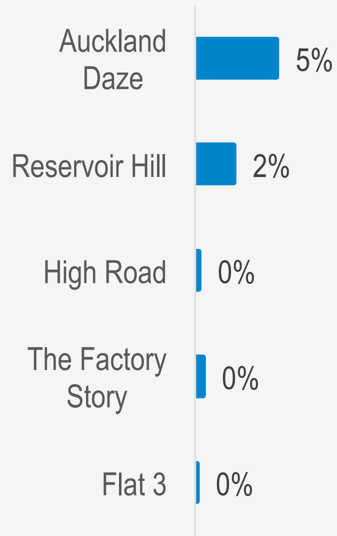
Webseries benefit from being on a strong online platform, such as a broadcaster's Ondemand site, to generate awareness and reach their online audience.

Awareness of online TV series



Total reach online



There are some differences in those more/less aware and likely to have viewed online, but these trends aren't as strong as other online media.

Higher awareness of Auckland Daze	Lower awareness of Auckland Daze
25-44s (40% aware)	55+ year olds (13%)
Families with young kids (42%) or kids at school (38%); 4+ person homes (34%)	Retirees (9%)
Technology enabled – tablet (31%), smartphone (31%), PVR (31%), Smart TV (33%)	(Trends for Reservoir Hill similar but less strong)

Higher viewing of Auckland Daze
35-44s (11% viewed online)
Technology enabled - Smart TV (33%)

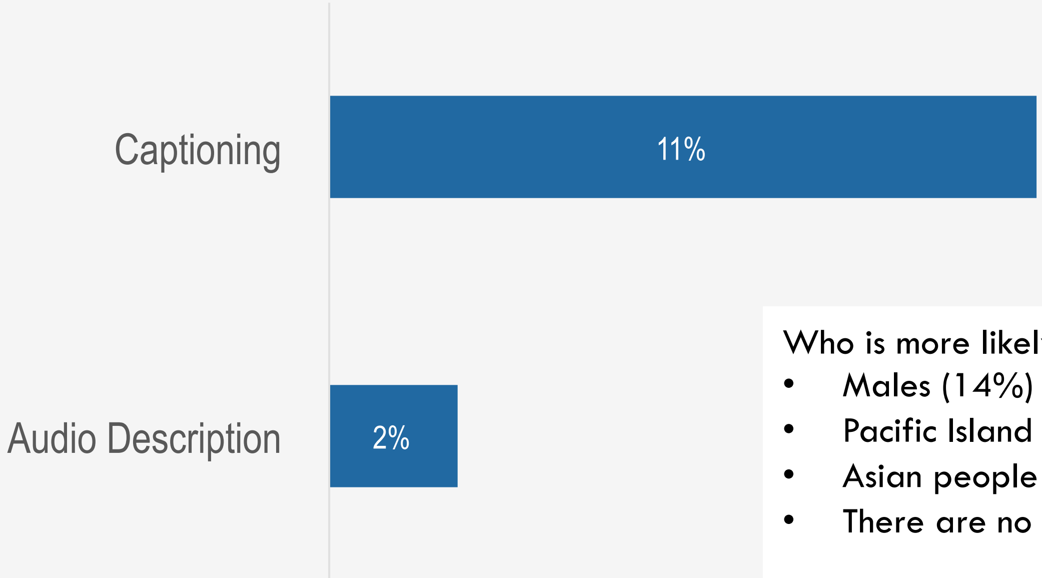
In recent years there have been some New Zealand made series released online only and not shown on TV, or shown online first and shown on TV at a later date. Which of the following have you heard of?
And which of the following, if any, did you watch for at least 5 minutes when it screened online?

BASE: All New Zealanders 15 and over (N=1,400)

AUDIO DESCRIPTION AND CAPTIONING

Captioning is used by one in nine, and audio description by 2%. Usage of these services is not as influenced by age as other media with gender and ethnicity playing a role.

Incidence of ever using audio description or captioning while watching TV



Who is more likely to use captioning?

- Males (14%) – compared to females 9%
- Pacific Island people (25%)
- Asian people (27%)
- There are no strong age trends among the users of captioning

There are no significant trends among users of the audio description service

Note: The survey did not ask respondents for their reasons for using captioning.

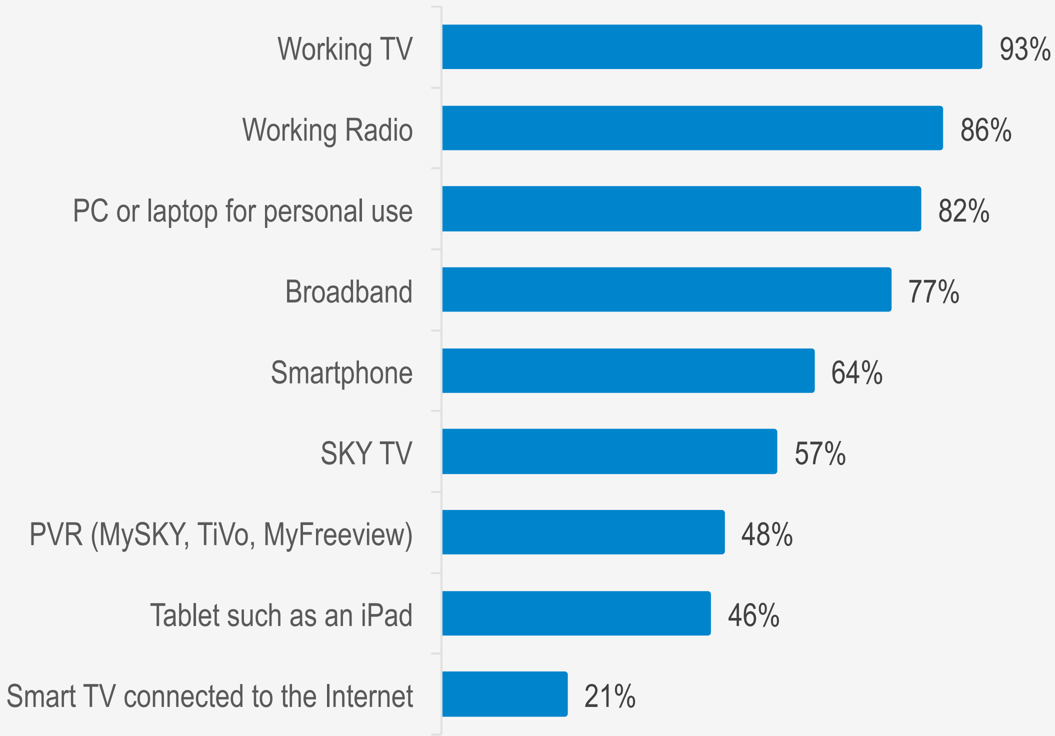
Do you ever use audio description while you are watching TV? By audio description I mean the voice-over service that describes what is happening visually on the tv.
Do you ever use captioning while you are watching TV? By captioning I mean English subtitles so you can read what people are saying if you are having trouble hearing them.

BASE: All New Zealanders 15 and over (N=1,400)

DEVICES PERSONALLY OWNED OR HAVE DAILY ACCESS TO

Ownership or daily access to smartphones, tablets, smart TVs and PVRs impacts on media behaviour. These devices are currently concentrated in a middle aged, higher socio-economic segment.

Incidence in New Zealand



- There is currently significant overlap in device ownership (particularly smartphones, tablets, smart TVs and PVRs), so these devices are concentrated in part of the population.
- This creates a technology enabled segment centred on 35-44 year olds, higher socio-economic levels and families (especially those with school aged kids).
- Conversely there is a segment that has less access to these media devices. This is mainly an age trend (particularly 65+ year olds), but also socio-economic for tablet and especially smart TV ownership.

Which of the following, if any, do you personally own or have daily access to?

BASE: All New Zealanders aged 15 and over (N=1400)

Profile of device ownership and/or access

Smartphone owners/users (average: 64%)	
Males (68%)	Asian (78%)
Auckland (71%)	3+ person homes (78%)
15-44s (83%)	Families with kids (78%)
Employed (76%)	Tablet owners (78%)
Earn $50k+ (79%)	Smart TV owners (87%)
Students (77%)	PVR owners (76%)

Tablet owners/users (average: 46%)	
Auckland (51%)	4+ person homes (61%)
35-54 (61%)	Families with kids (56%); especially school age kids (74%)
Upper white collar (57%)	Smartphone owners (59%)
Earn $80k+ (71%)	Smart TV owners (70%)
Asian (59%)	PVR owners (76%)

PVR owners/users (average: 48%)	
35-44s (57%)	Smartphone owners (58%)
Upper white collar (55%)	Tablet owners (59%)
Earn $50k+(60%)	Smart tv owners (64%)
3+ homes (60%)	SKY (61%)
Families with kids (59%)	

Smart TV connected to Internet owners/users (average: 21%)	
35-44s (28%)	Asian (34%)
Earn $80k+ (35%)	Smartphone owners (29%)
5+ person homes (34%)	Tablet owners (32%)
Families with kids (26%); especially school age kids (39%)	PVR owners (28%)

SKY TV homes (average: 57%)	
35-44s (64%)	Māori (71%)
Earn $80k+ (74%)	
Families with kids (63%)	(No technology skew in SKY TV homes)

Which of the following, if any, do you personally own or have daily access to?

BASE: All New Zealanders aged 15 and over (N=1400)

The Highlights

- Traditional broadcast platforms (TV & radio) still deliver the biggest audiences in New Zealand, including hard to find and targeted audiences.
- More New Zealanders tune in to these media, more often, and for longer than any alternatives.
- Radio and newspapers (including online) typically start New Zealanders' day, and TV takes over at 6pm
- All media exhibits audience fragmentation and it is extreme in some online media, but significant audience concentrations still exist on linear TV channels, and to a lesser extent broadcast radio stations and New Zealand Ondemand sites.
- Digital media is taking small bites of the pie.
- Overall media consumption patterns hold true across <u>all</u> sub-groups in the population, but there are some significant generational, technological, and ethnic differences in behaviour.
- While is still most popular, music is moving online faster than other media.
- Use of unauthorised distribution platforms (including illegal) is undoubtedly growing but currently very few participate frequently.
- Combining extra content online with linear TV extends engagement with TV shows for some consumers
- Using social media to talk about TV shows is as common as looking for extra content online.
- Webseries benefit from being on a strong online platform to generate awareness and reach their audience.
- One in nine (11%) use captioning while watching TV, and 2% use audio description.

*Source: Thinkbox UK Screenlife II study 2013