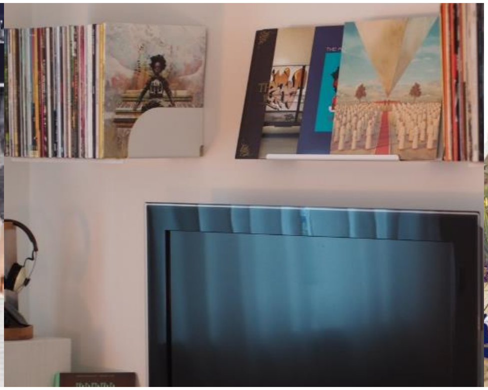
WHERE ARE THE AUDIENCES?

2018



Full Report – Lower Socio-Economic Groups

Glasshouse

NZ On Air
Irirangi Te Motu

Introduction

New Zealand On Air's (NZ On Air) two yearly "Where Are The Audiences?" study is an important input in understanding how to reach New Zealanders overall and harder to reach audiences in particular.

- **This report summarises the results from NZ On Air's 2018 "Where Are The Audiences?" study based on New Zealanders from lower socio-economic groups.**
  - It compares the 2018 results among lower socio-economic groups to the 2018 results among all New Zealanders.
  - No comparison to 2016 lower socio-economic groups is possible as the questions which define this group were not asked in 2016.

Research Approach - Overview

- **The first priority in the design and conduct of the 2018 NZ On Air study was to ensure valid and robust comparisons could be made to previous studies. Therefore the overall approach, timing of the study, sampling and respondent definition, question flow and most wording, and post-weighting factors were kept consistent with the 2014 and 2016 studies.**

- This included asking respondents about their behaviour "yesterday" within specific time periods between 6am and midnight. This technique enables the creation of accurate, survey based measures of actual behaviour by grounding responses in behaviour that is fresh in respondents' minds and within specific parts of an actual day.

- A total sample of n=1,414 was developed among all New Zealanders aged 15 and over, with representative samples created for each day of the week (n=200 per day) so that results can be extrapolated to a "typical" day.

- **This report is based on n=235 New Zealanders from lower socio-economic groups who were included in the 2018 study.**

- The total sample has a maximum margin for error of +/-2.6%, and the sample of lower socio-economic groups has a maximum margin for error of +/-6.4%.

- **Based on the questions asked in the study, the lower socio-economic group has been defined as:**
  - **New Zealanders who earn up to $50,000 per annum in either personal income or combined income if they have a partner. This includes New Zealanders with no income.**
  - **Retirees and students were then excluded from this group to create the lower socio-economic group.**
  - The standard method by which socio-economic level is measured is to classify respondents in to one of six levels based on an open-ended question asking the occupation of the home's main income earner. However this question is not included in the NZ On Air study so a different definition was required.

- No comparison to the 2016 study is possible as the income questions changed in the 2018 study to measure combined income and not simply personal income.

Research Approach – Overall Study

- As in 2014 and 2016, a mixed methodology of telephone and online interviewing was used.
- N=1,002 interviews were completed by telephone using random digit dialling, and n=412 interviews were completed online using Consumer Link's Flybuys research panel.
- The online interviews were conducted among consumers without access to a home landline.
  - The 2013 Census showed that 15% of people live in homes without a landline, however this incidence will have undoubtedly grown since 2013. Nielsen CMI data was used to estimate the 2018 incidence at 35% (it was estimated as 25% in 2016).
    - In 2013 Nielsen CMI estimated non-landline penetration at 25% (compared to 15% in the Census). In 2016 Nielsen estimated this incidence at 45%. Given the previous over-estimate compared to the 2013 Census result, we factored the 2018 estimate down to 35%.
- Interviewing was conducted between April 16 and May 13. Fieldwork was conducted at the same time of year as the 2016 study, and timed for after the Commonwealth Games which could have abnormally influenced audience behaviour during that two week period.
- Respondents were defined as all New Zealanders aged 15 and over.
- Regional sample stratification, and minimum quotas for males, 15-24 year olds and ethnicity were implemented.
- The total sample was post-weighted by the following factors to ensure it was representative of the 15+ NZ population;
  - Access to a landline, gender, age, ethnicity.

Research Scope

- The study investigated the media consumed “yesterday”, for how long, and which channels, stations and sites were used. These questions measured the daily behaviour of the main broadcast, print, online and music media. The bulk of this report examines daily audience behaviour.

- The study also captures the weekly reach of all media, including less frequently used media not covered by the daily measures, so as to provide a single point of comparison of all media included in this study. The first chart in the Summary section examines this overall comparison of all media based on weekly reach.

- Two key aspects were not included in this study or previous studies;
  - Device used to consume media. (Ownership and access to devices was collected.)
  - Simultaneous media consumption.

- Apart from changes to specific channels, sites and stations to ensure accuracy, other changes were made to the survey since 2016 to reflect the changing media landscape. These included;
  - Measuring podcast consumption for the first time.
  - Removal of specific questions relating to webseries as these are now measured as a type of online video (see next point)
  - Measuring types of video watched online on sites such as YouTube and Facebook
  - **Replacing the personal income question with combined income if respondents have a partner.**

- The results in this study will not exactly match data from sources such as TV ratings, radio surveys, or online analytics as the methodologies are different. However this study does provide a unique, single source comparison across all media.

Market Context

- When examining changes since 2016 it is useful to note the main developments that have taken place during the intervening two years, and also the developments that preceded 2016.
- This information gives insight in to the stimulus for changes in audience behaviour and also the rate of change in audience behaviour.

Developments 2014 -2016	Developments 2016-2018
PUTs declines	PUTS declines
NZ launch of Netflix, Lightbox, Neon, NZ On Screen	Closure of FOUR, TVNZ Kidzone, The Zone
Launch of TVNZ Duke, The Zone, Jones!, Discovery Turbo, Garage	Launch of Bravo, HGTV, Viceland, Jones! Too
Restrictions put in place on VPN use after broadcasters challenged "Global Mode" services from ISPs	Closure of Igloo
Launch of Apple Music	
Launch of FreeviewPlus, Chromecast	
Launch of NZME's Watchme	

OVERALL SUMMARY

Weekly Reach

Daily Reach

Most popular channels, sites and stations

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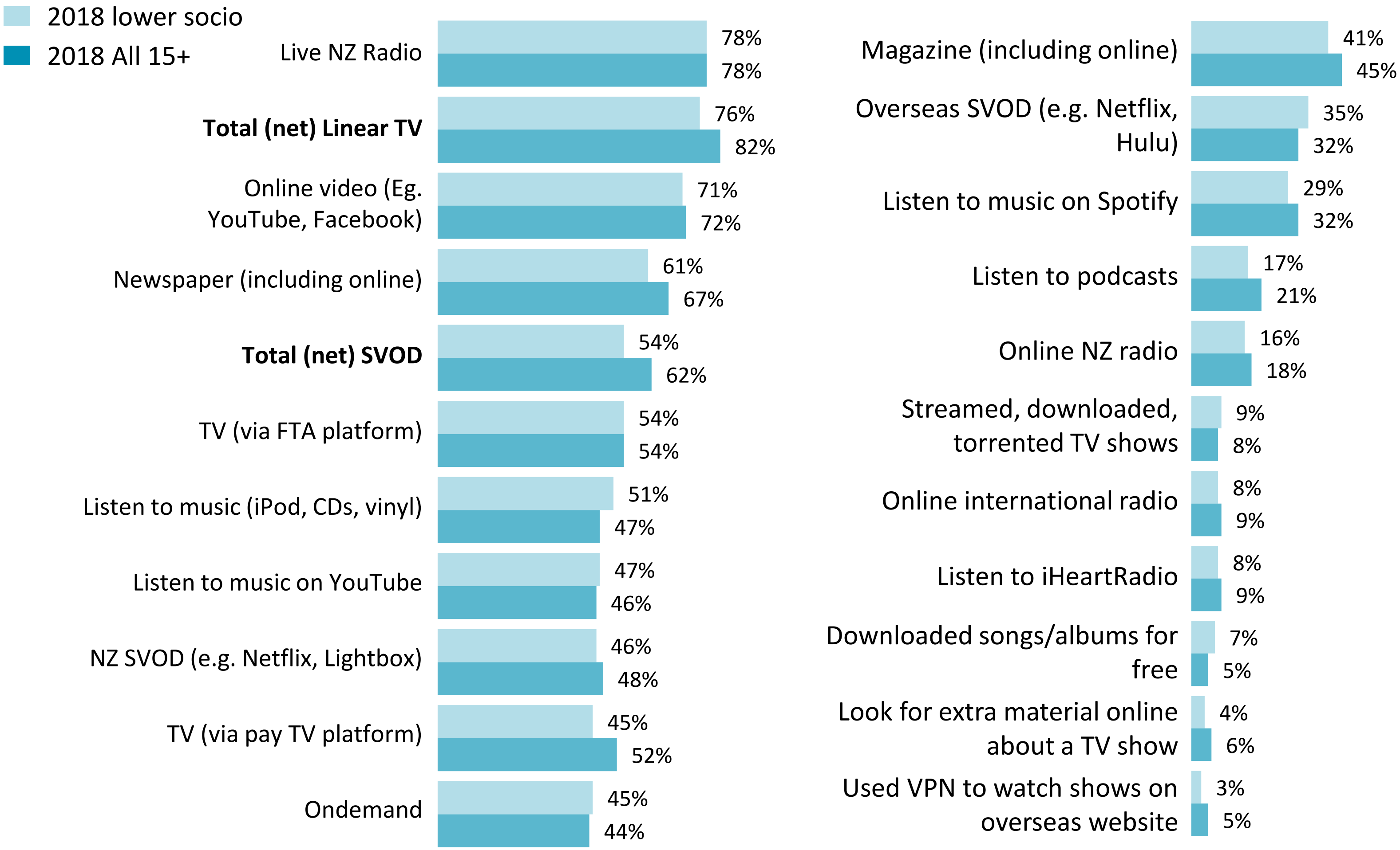
Weekly reach is the benchmark for all media covered in this study. Weekly reach among lower socio-economic New Zealanders closely matches the overall NZ population. Traditional media (radio, TV) attract the biggest audiences followed by online video, and newspapers are more popular than SVOD. There are indications that SVOD and TV viewing via SKY TV are less popular among this subgroup but these are not significant on this sample size.

WEEKLY REACH OF ALL MEDIA | % OF ALL NZERS



Apart from this opening chart and following summary this report mainly examines daily media consumption.

However the consumption of some media must be measured on a weekly basis due to less frequent usage.

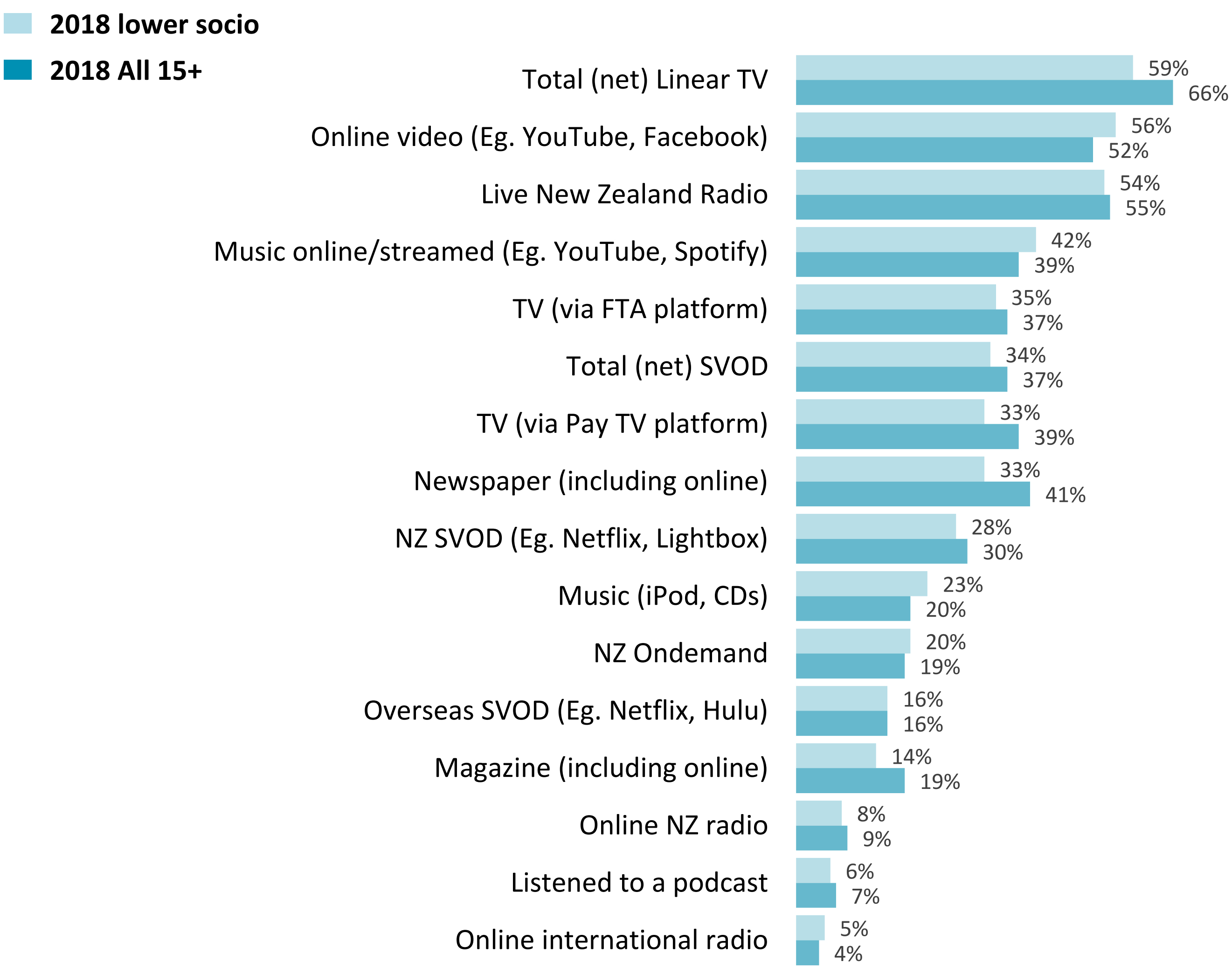
Therefore weekly reach provides the best comparison of all media measured in this study.

Q We'd like you now to think about what you do over a typical week. Please tell me about how many days per week you would usually do each of the following.

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

The majority of this report examines the behaviour of New Zealand audiences on a daily basis and how that is changing over time. The chart below summarises the daily reach of the main media New Zealanders engage with.

DAILY REACH OF ALL MEDIA | % OF ALL NZERS



On a daily basis, linear TV attracts the biggest audience among lower socio-economic New Zealanders, followed by online video and then live NZ radio

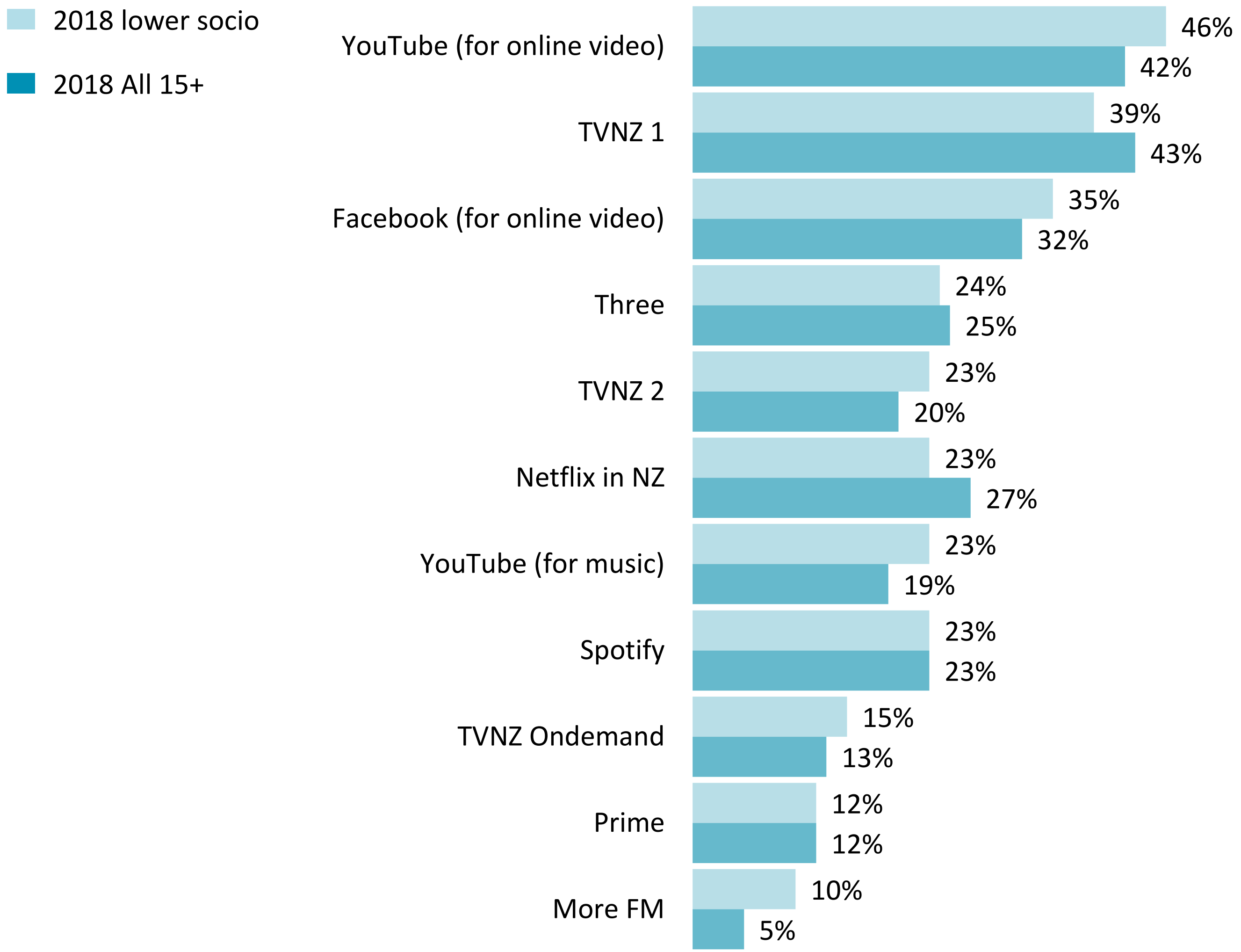
- Streamed music is fourth most popular but significantly below the three most popular media.
- Daily behaviour closely matches that of the overall NZ population, with no differences being statistically significant.

Note: TV viewing includes live & time shifted viewing, in and out of home.

BASE: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

Despite the popularity of linear TV overall, Youtube (for online video) is the most popular single site, channel or station, attracting nearly one in two lower socio-economic New Zealanders each day. TVNZ 1 is second most popular, followed by Facebook (for online video). Three and TVNZ 2 reach significantly fewer than these three.

MOST POPULAR CHANNELS, SITES & STATIONS (ABOVE 10% REACH) | % OF ALL NZERS



Q Which of the following did you use yesterday?

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

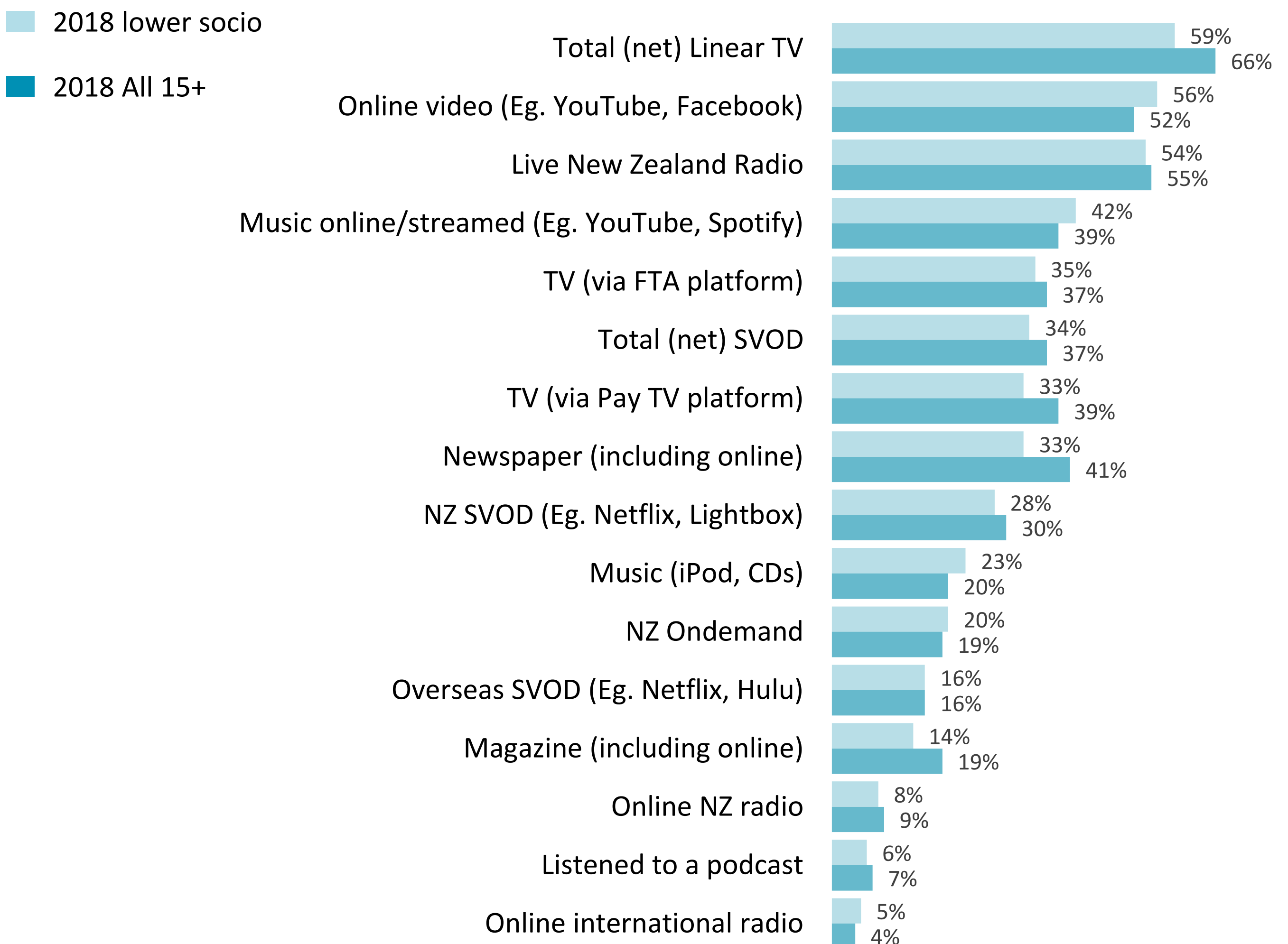
The media behaviour of lower socio-economic New Zealanders closely matches the overall NZ population. However there are indications that lower socio-economic New Zealanders are less likely to watch SVOD, especially NZ based Netflix, or subscribe to SKY TV.

- The main reason the behaviour of lower socio-economic New Zealanders is so similar to the overall NZ population is that age and life stage are the primary differentiators of audience behaviour rather than socio-economic level.
  - The subgroup of lower socio-economic New Zealanders represents a broad profile and a spread of all age groups and life stages, and therefore media behaviour does not skew significantly to one end of the age spectrum or the other.
- However there are indications that lower socio-economic New Zealanders are less likely to watch SVOD, especially NZ based Netflix, and less likely to subscribe to SKY TV.
  - This subgroup's viewing of SKY Sport channels is significantly lower than that of the overall NZ population. This trend matches the trend in the overall population that shows SKY TV subscribers skew more towards higher socio-economic groups since 2016.
- There are also indications that users of each media among this subgroup spend longer engaging with some media than the overall NZ population do.
  - In particular lower socio-economic users of SVOD, Ondemand and podcasts spend longer engaging with these media than users from the overall NZ population.

DAILY MEDIA CONSUMPTION

On a daily basis, linear TV attracts the biggest audience among **lower socio-economic New Zealanders, followed by online video and then live NZ radio.** Streamed music is fourth most popular but significantly below the three most popular media. Daily behaviour closely matches that of the overall NZ population, with no differences being statistically significant.

DAILY REACH OF ALL MEDIA | % OF ALL NZERS



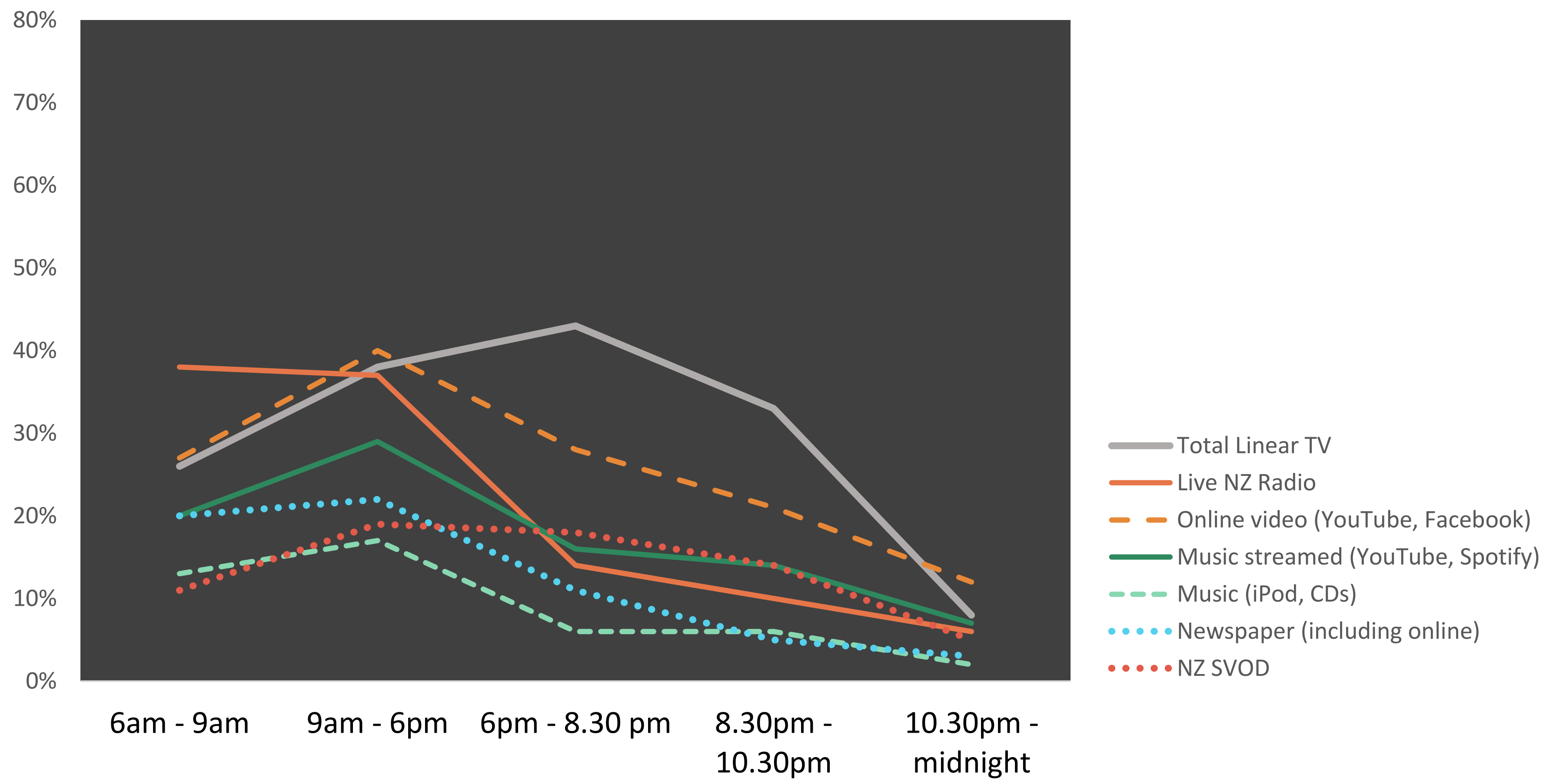
Note: TV viewing includes live & time shifted viewing, in and out of home.

Q We'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 of more during the time period I read out. It doesn't matter if you were also doing something else at the time.

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

Live NZ radio is the most popular way to start the day among lower socio-economic New Zealanders, although linear TV and online video increases in popularity during the day to equal the audience listening to the radio. After 6pm linear TV is easily the most popular, with online video clearly second most popular.

REACH OF MEDIA OVER THE DAY | % OF ALL NZERS



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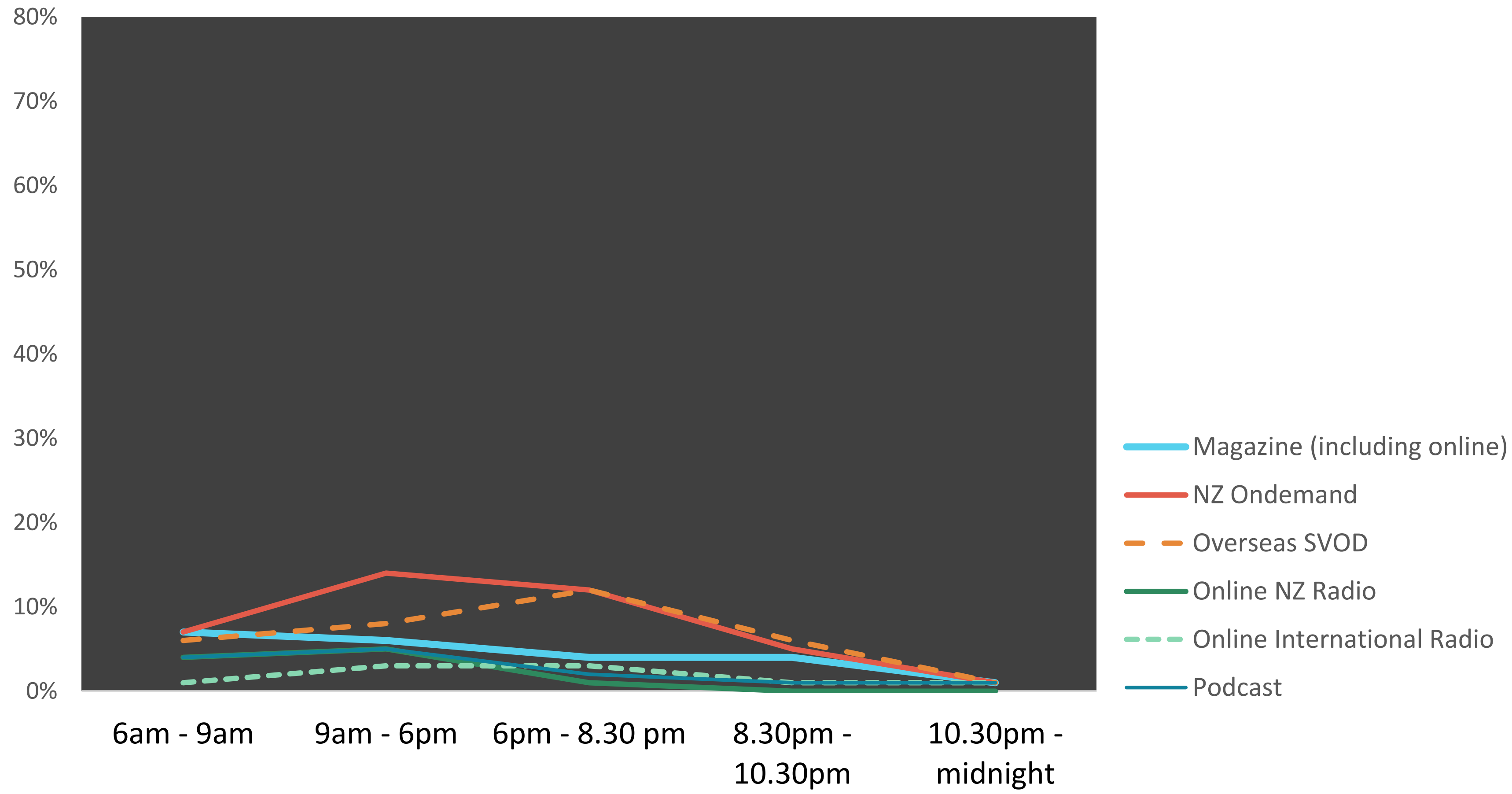
Base: All respondents (2018 lower socio – n=235)

Among other media only Ondemand and overseas SVOD attract more than 10% of lower socio-economic New Zealanders at any point in the day.

REACH OF MEDIA OVER THE DAY | % OF ALL NZERS



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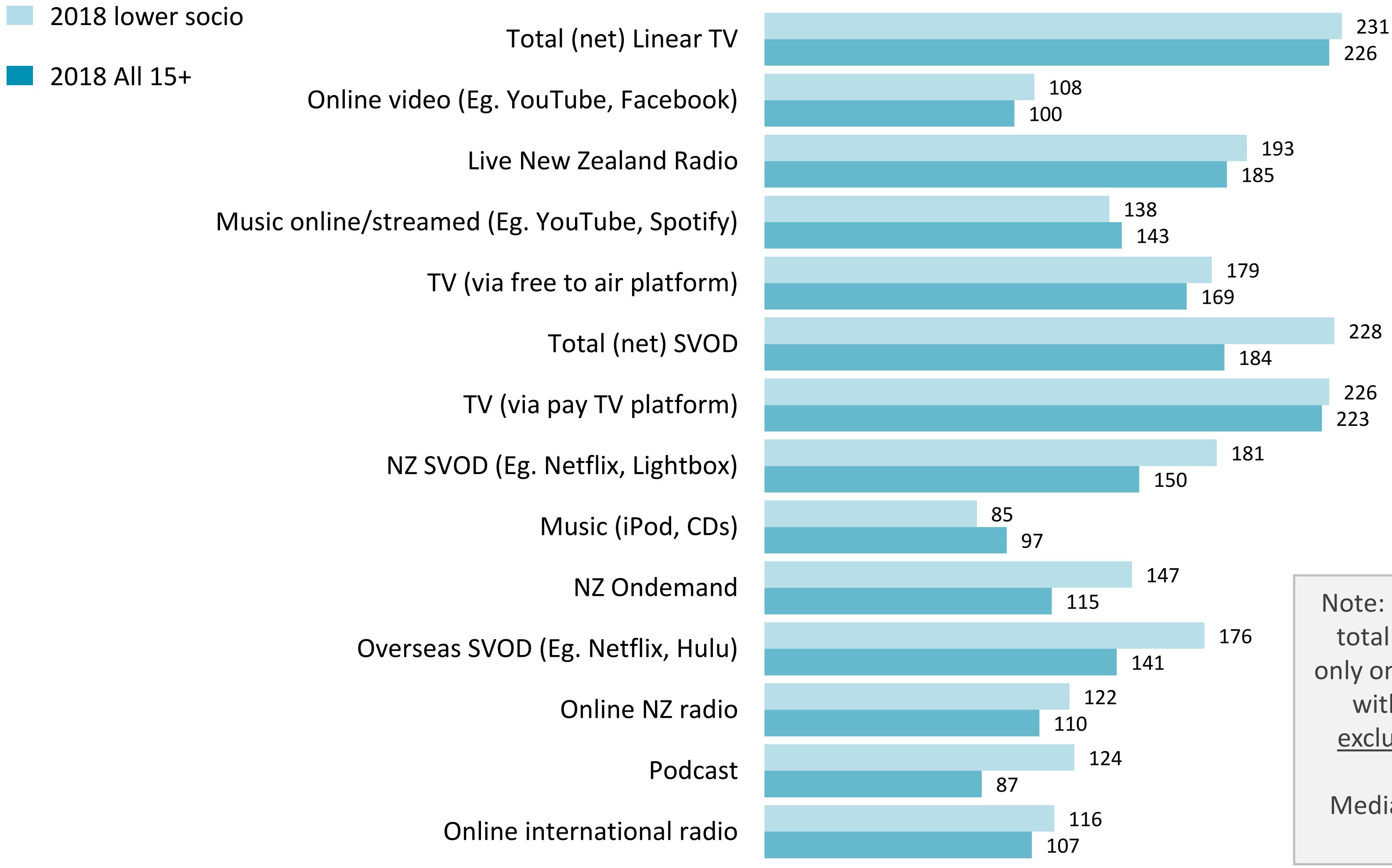
Base: All respondents (2018 lower socio – n=235)

Linear TV attracts the biggest audience among lower socio-economic New Zealanders and also attracts the most time each day (nearly four hours) – especially if users are SKY TV subscribers. While SVOD overall attracts the 6th biggest audience, users of this media dedicate nearly four hours to watching this media each day. Live NZ radio receives the third most time among users.

TIME SPENT CONSUMING MEDIA | AVERAGE MINUTES PER DAY AMONG USERS OF EACH MEDIA

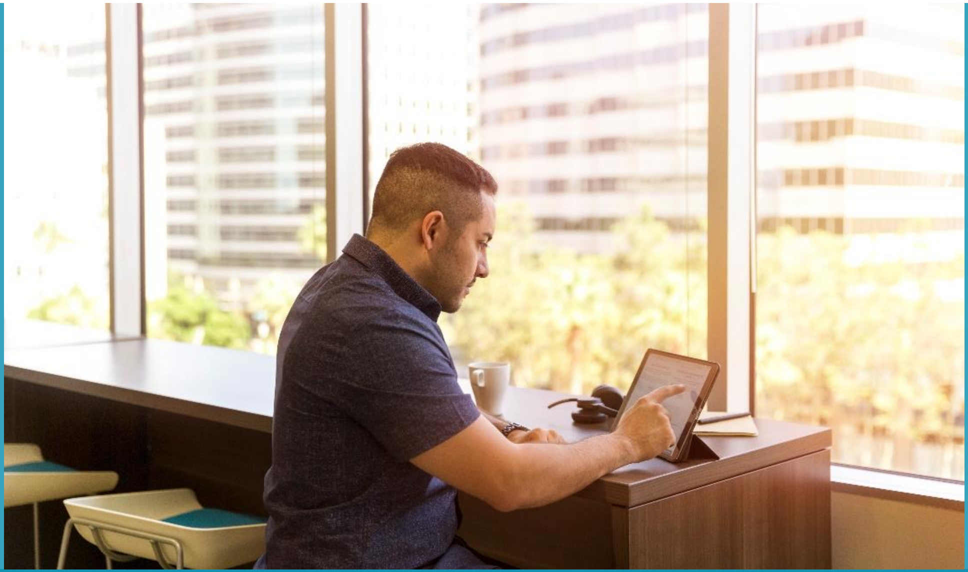


Note: in this chart average total minutes are based only on people who engage with each media (i.e. excludes zero minutes).

Media ranked in order of daily reach.

Q Between (TIME PERIOD) about how long did you (activity) for?

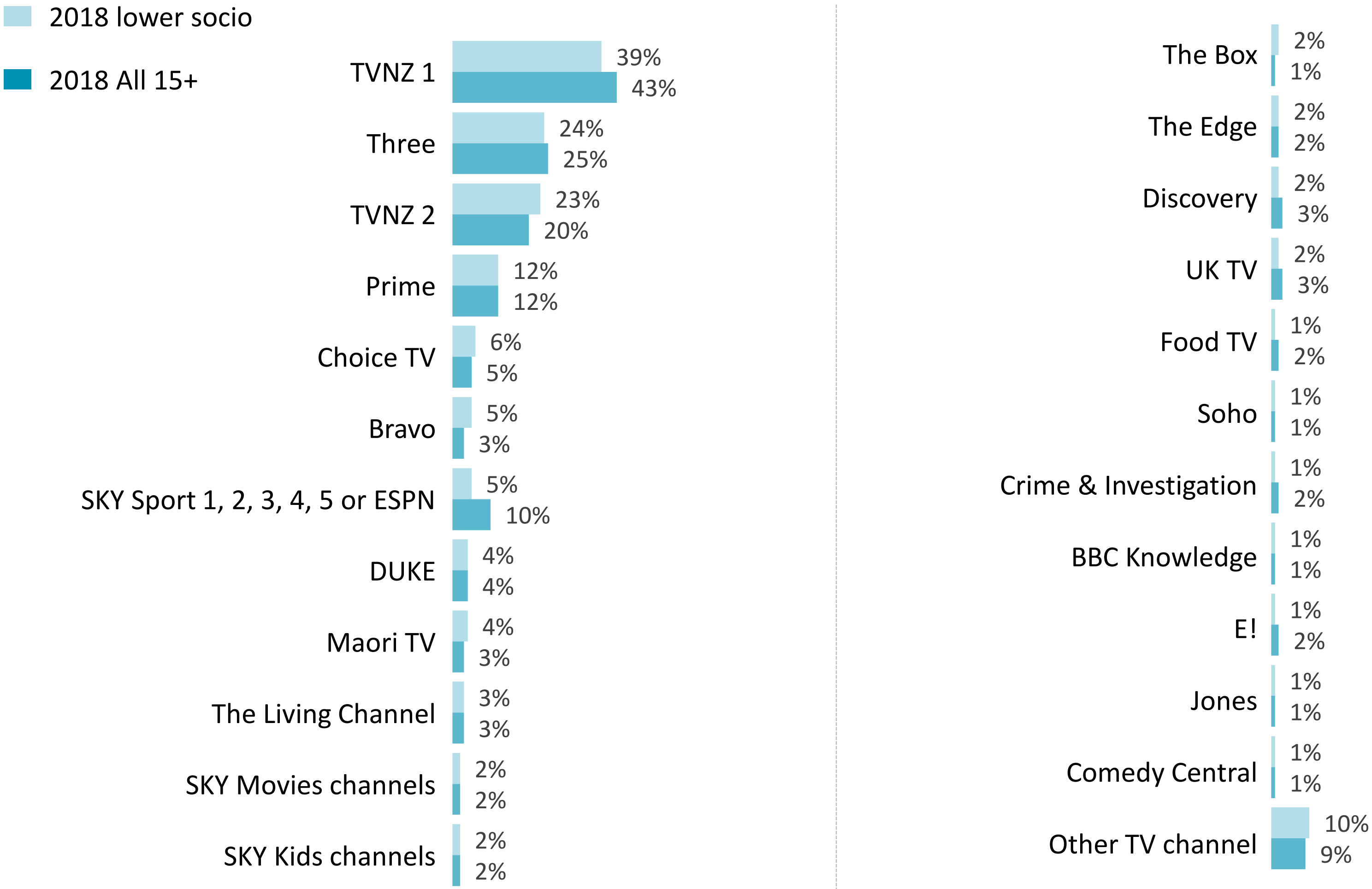
Base: All who used each media yesterday



DAILY MEDIA CONSUMPTION BY CHANNEL, SITE & STATION

TVNZ 1, Three and TVNZ 2 are the most popular TV channels among lower socio-economic New Zealanders followed by Prime, Choice and Bravo. Significantly fewer lower socio-economic New Zealanders watch SKY Sport channels than the overall NZ population.

DAILY REACH OF TV CHANNELS | % OF ALL NZERS

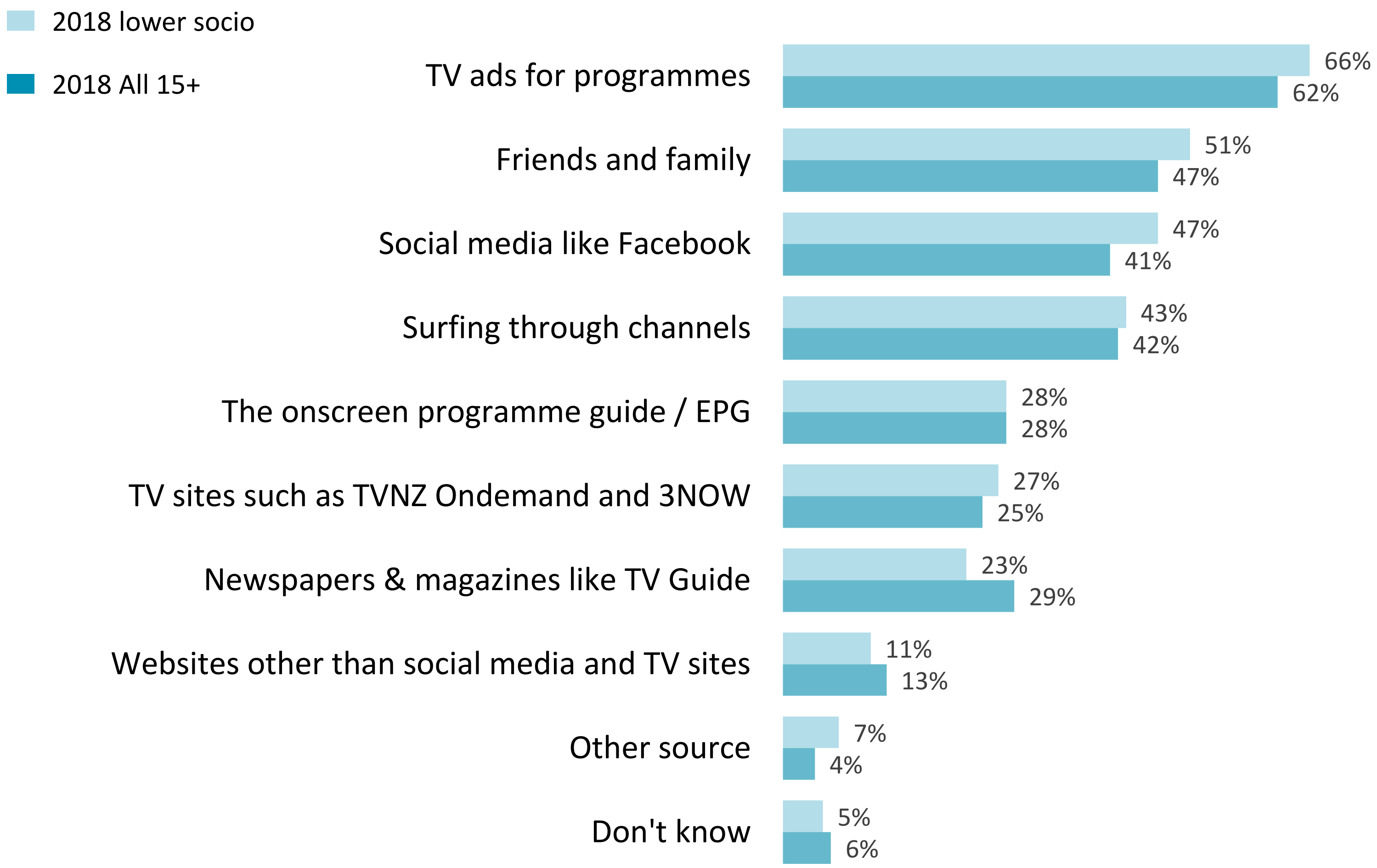


Q Thinking about yesterday overall, which of the following TV channels did you watch?

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

The popularity of linear TV results in TV ads being the most effective means by which to inform lower socio-economic New Zealanders about new TV shows. Word of mouth (friends and family, social media) and surfing through channels are next most effective.

HOW PEOPLE BECOME AWARE OF NZ MADE TV SHOWS | % OF ALL NZERS

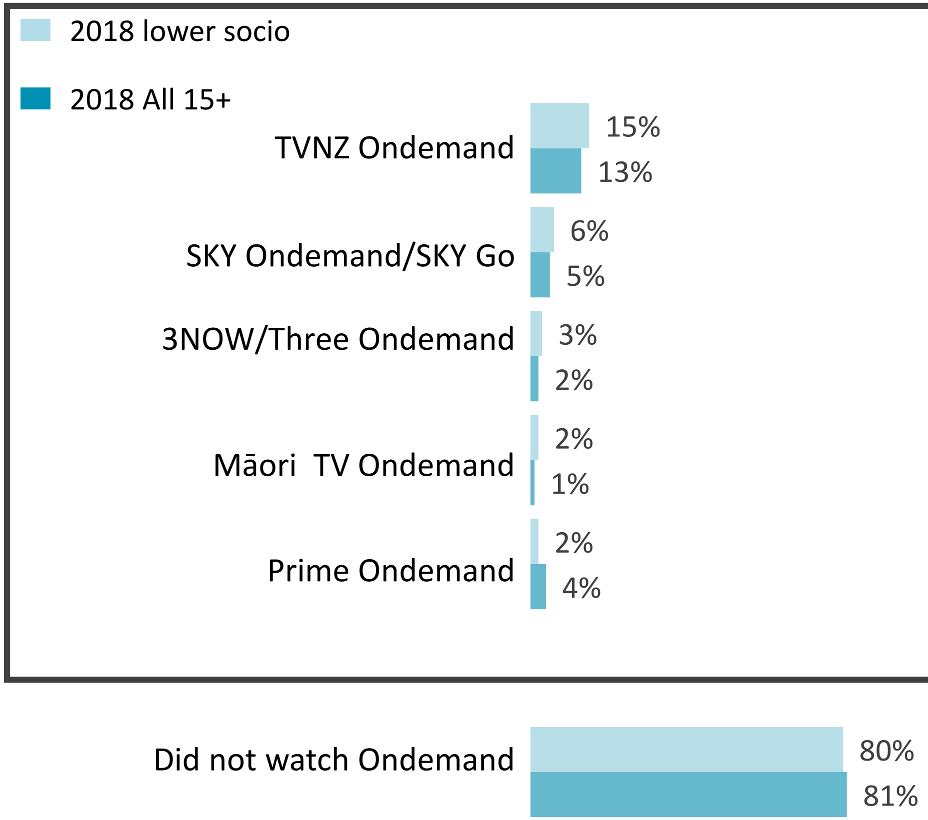


Q In which of the following ways do you usually become aware of New Zealand made TV shows?

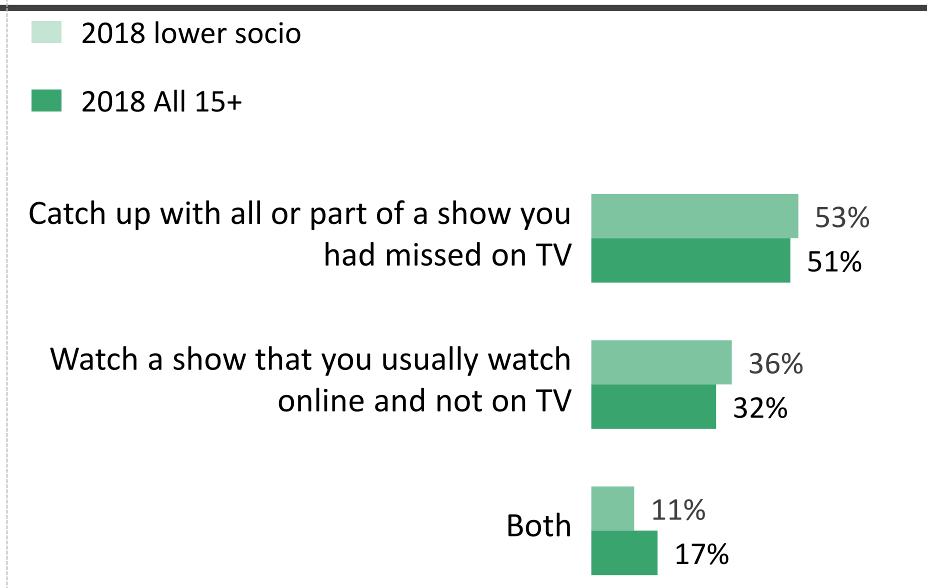
Base: All Respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

TVNZ Ondemand is the most popular Ondemand site among lower socio-economic New Zealanders. Catching up is the main reason for using Ondemand, although nearly one in two use this media as a content source.

DAILY REACH OF NZ ONDEMAND SITES | % OF ALL NZERS



WHY USED ONDEMAND YESTERDAY | % OF ALL ONDEMAND USERS



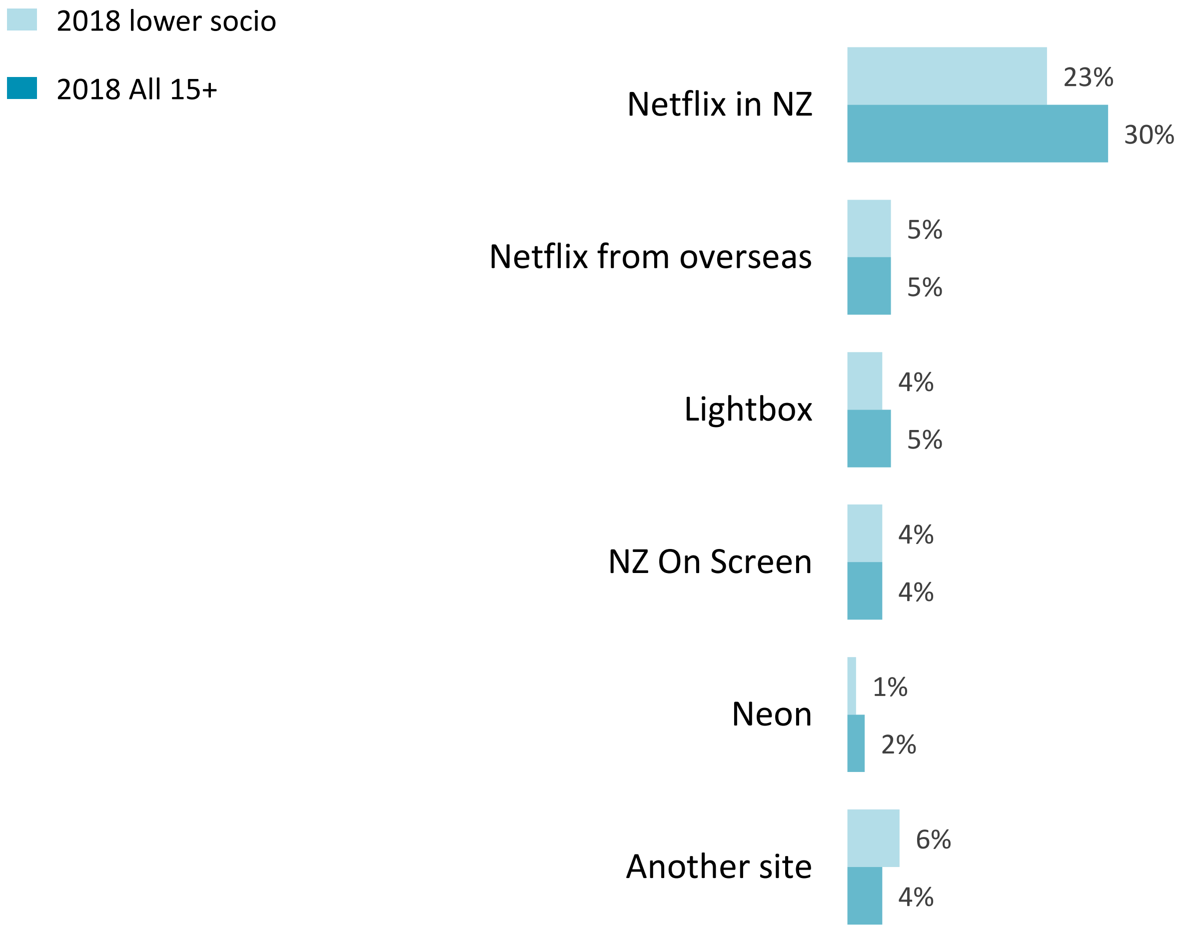
Base: All NZ Ondemand users (2018 lower socio – n=48; 2018 – n=269)

Q Thinking about yesterday overall, which of the following websites did you watch?
Thinking about when you used TVNZ, 3NOW, Prime or SKY Ondemand yesterday, did you use it to…?

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

Netflix in NZ is the most popular SVOD service among lower socio-economic New Zealanders, although there is an indication this reaches a smaller audience than among the overall NZ population.

DAILY REACH OF SVOD SERVICES | % OF ALL NZERS



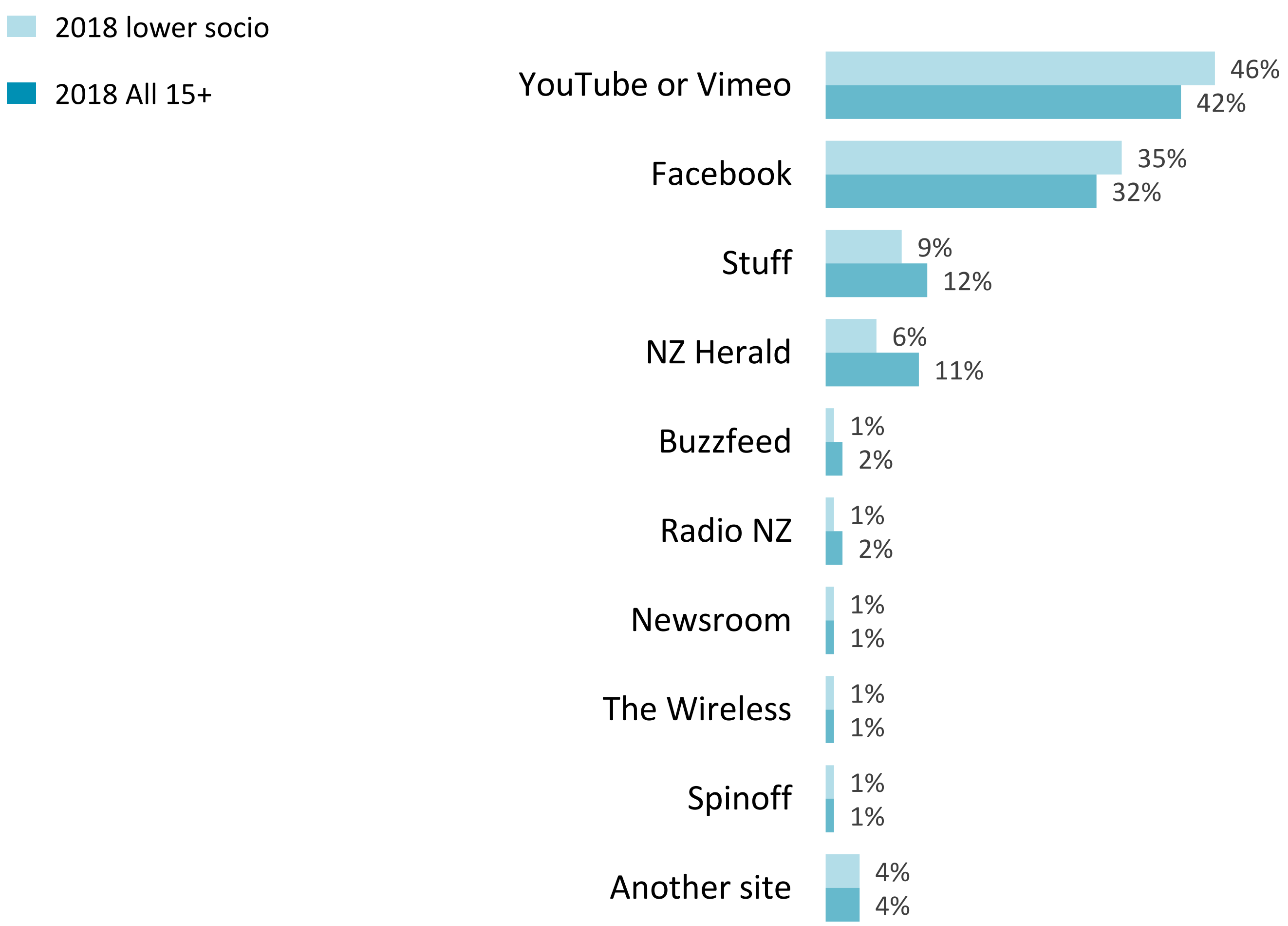
Q Thinking about yesterday overall, which of the following websites/services did you use to watch TV shows?

New question in 2016.

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

Youtube and Facebook easily reach the biggest audiences among lower socio-economic New Zealanders in terms of online video. Stuff and NZ Herald are significantly less popular among this group and significantly fewer lower socio-economic New Zealanders use NZ Herald than the overall NZ population.

DAILY REACH OF ONLINE VIDEO SITES| % OF ALL NZERS

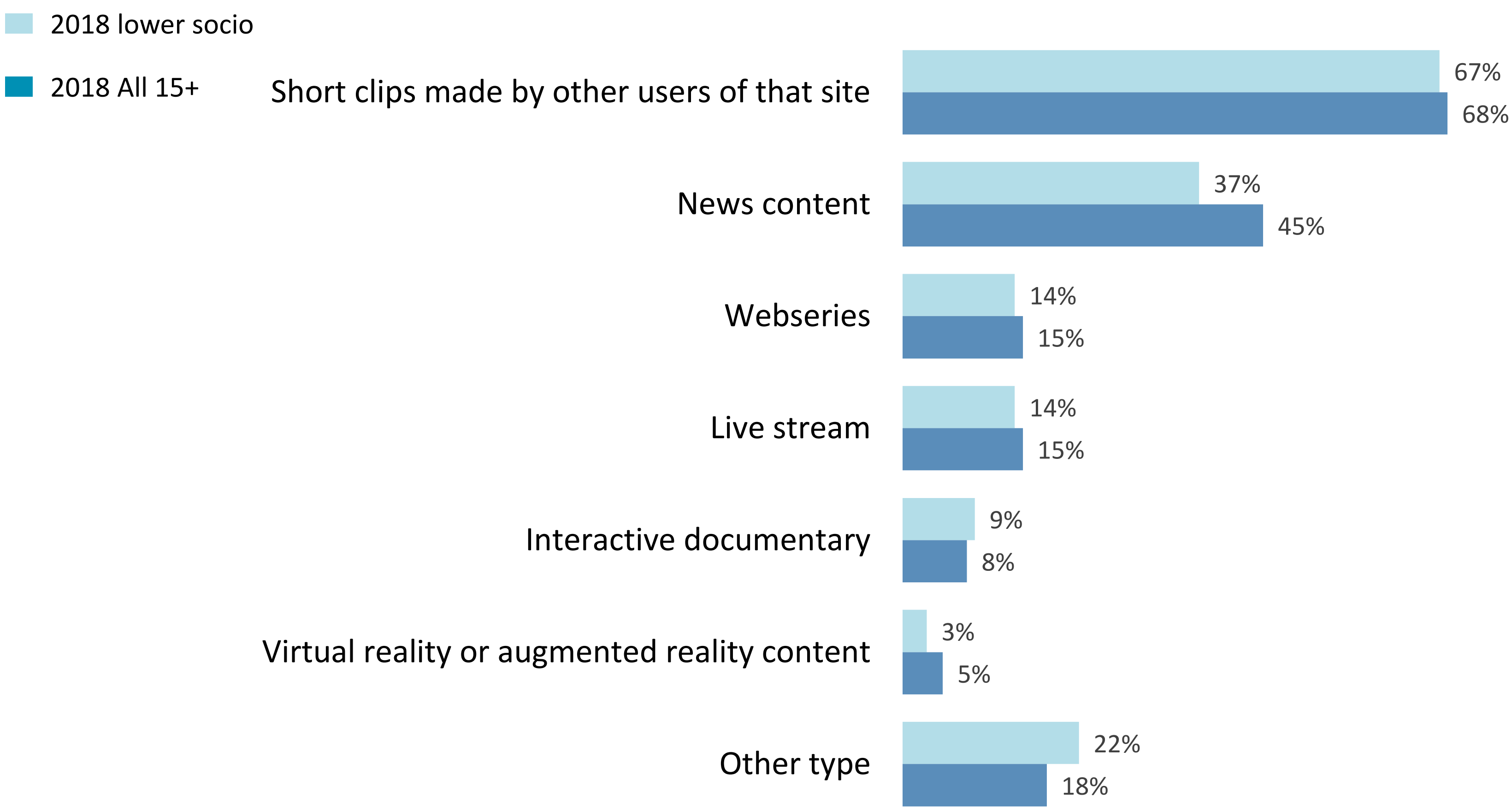


Q Thinking about yesterday overall, which of the following websites did you use to watch video?

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

Given the popularity of Youtube and Facebook among lower socio-economic New Zealanders it is not surprising that user generated clips are the most popular type of video over news content. In fact news content is less popular among this group than among the overall NZ population.

TYPES OF ONLINE VIDEO WATCHED | % OF NZERS WHO WATCH ONLINE VIDEO



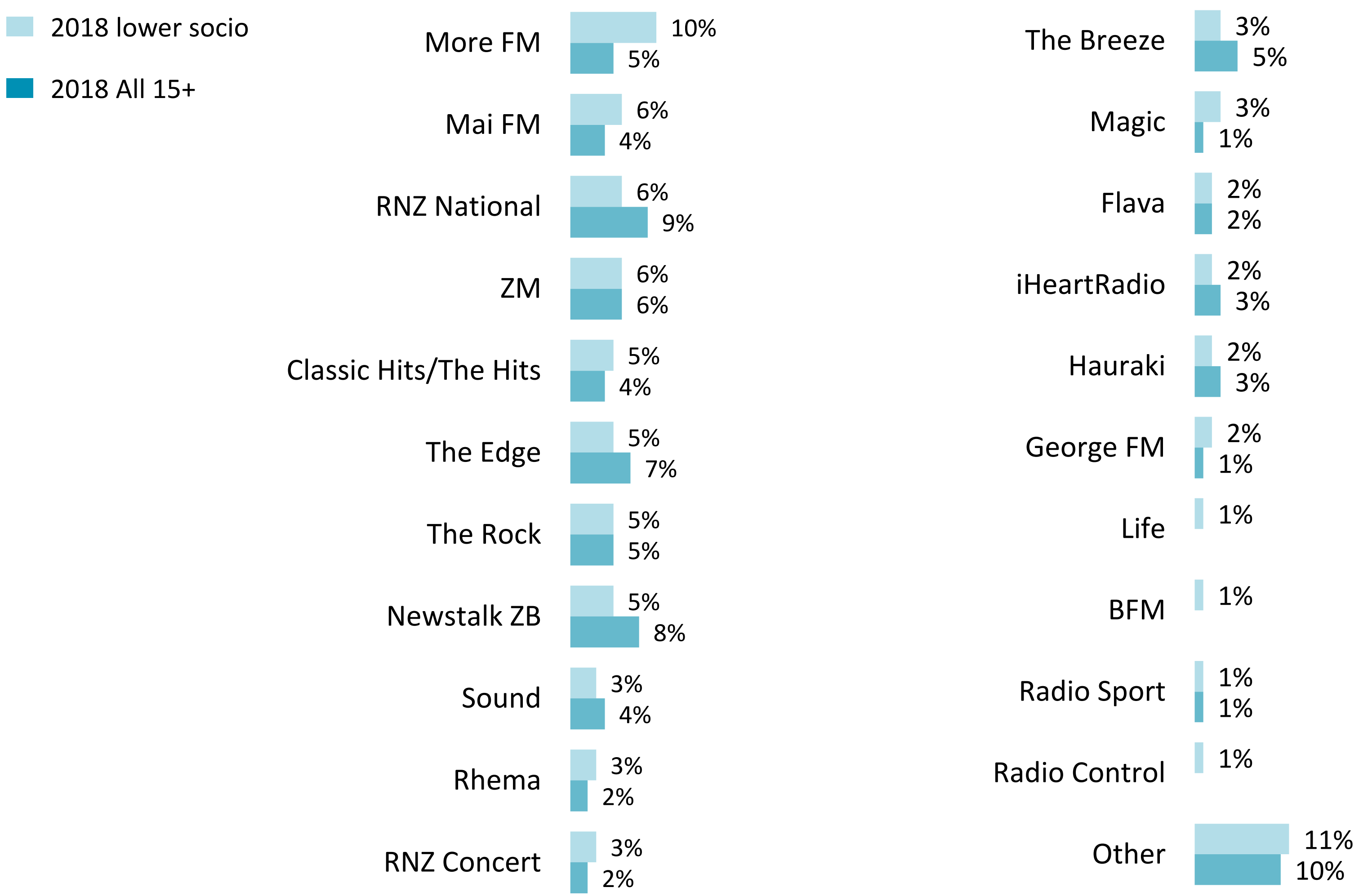
New question in 2018.

Q Which of the following types of video did you watch on these sites?

Base: All Who watch online video (2018 lower socio – n=131; 2018 – n=736)

More FM is the most popular radio station among lower socio-economic New Zealanders and significantly more popular than among the overall NZ population. Mai FM, RNZ National and ZM are next most popular – reflecting the broad profile of this sub-group.

DAILY REACH OF ALL RADIO STATIONS | % OF ALL NZERS

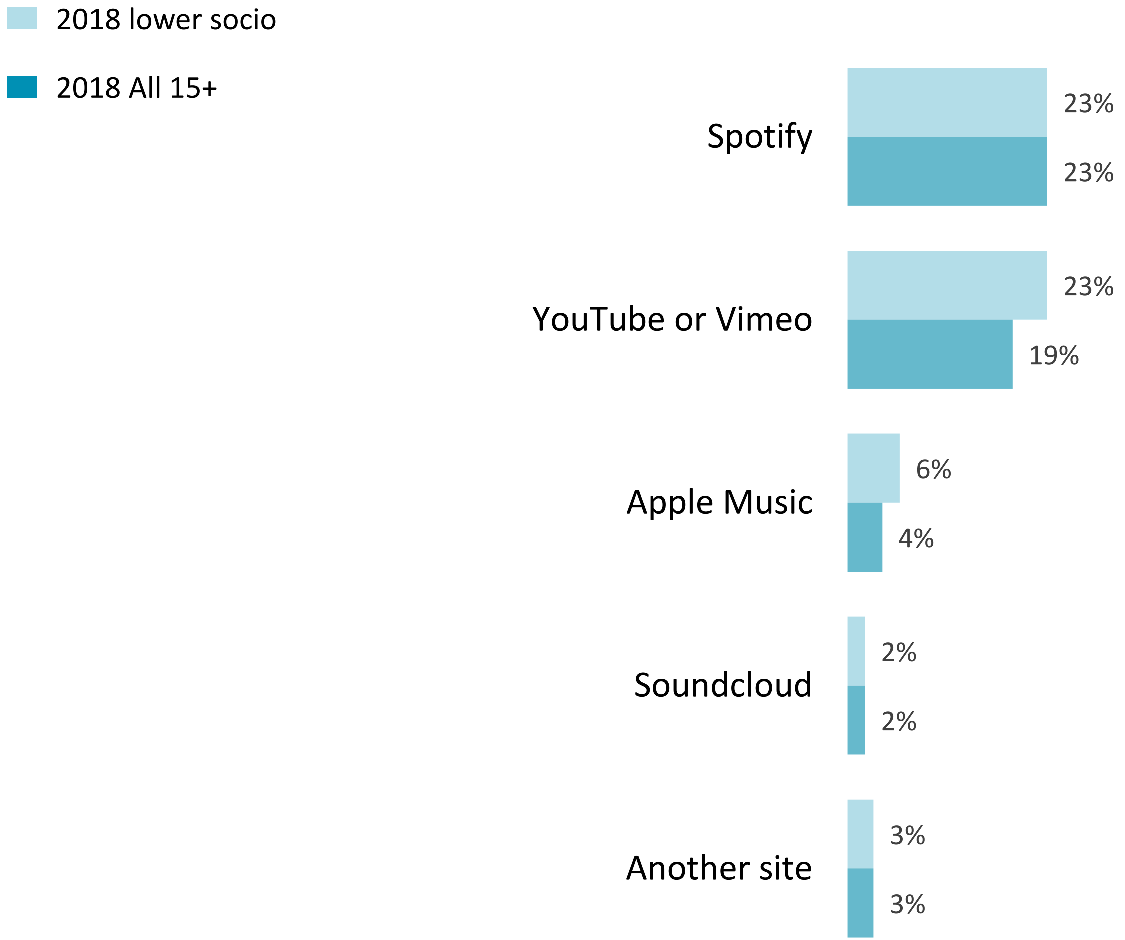


Q Thinking about yesterday overall what New Zealand radio stations did you listen to either on radio or online?

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

Spotify and Youtube (for music) are equally popular among lower socio-economic New Zealanders, each reaching nearly one in four people from this subgroup each day.

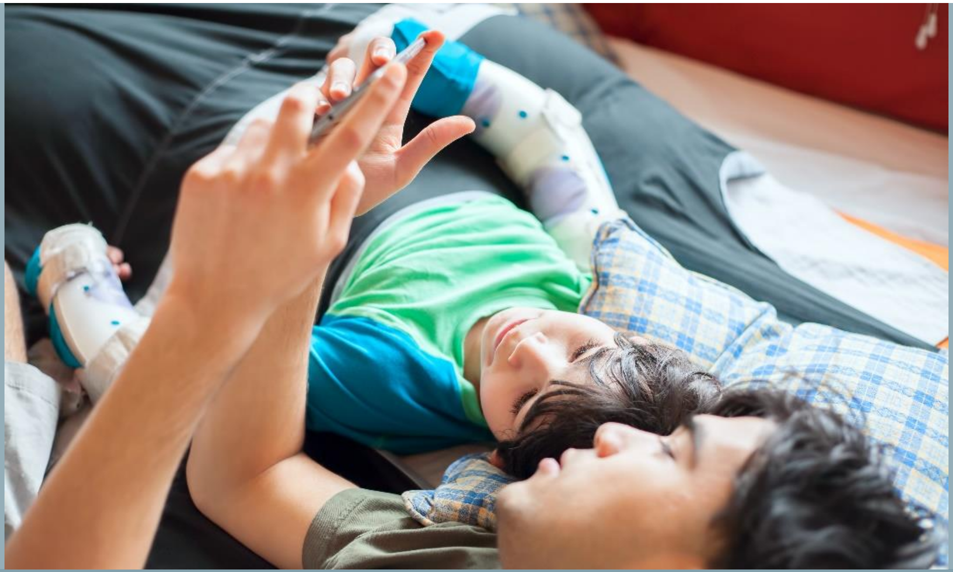
DAILY REACH OF MUSIC SITES| % OF ALL NZERS



Q Thinking about yesterday overall, which of the following websites did you use to watch video?

New question in 2016.

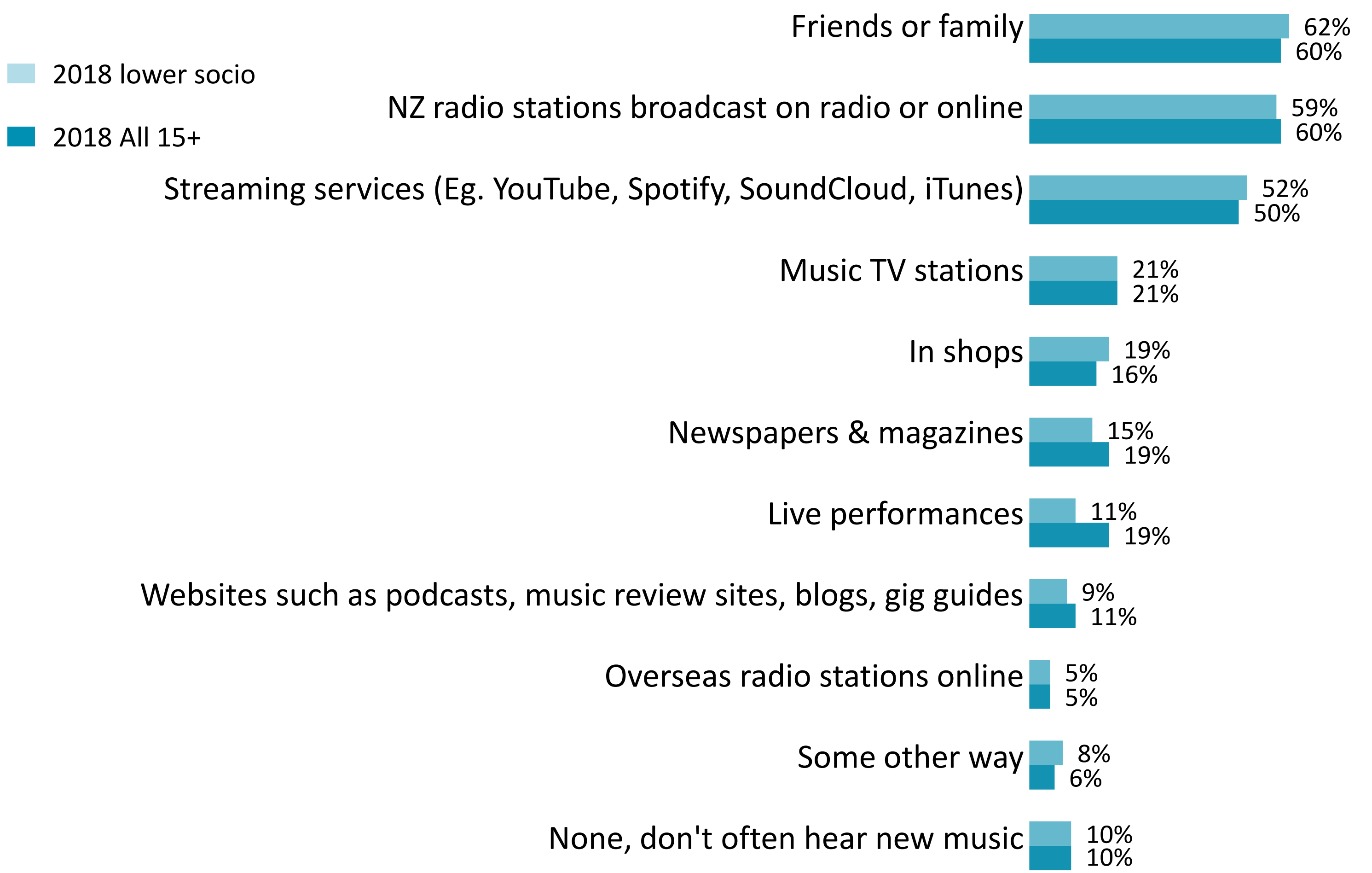
Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)



MUSIC CONSUMPTION AND BEHAVIOUR

Friends and family is the most common means by which lower socio-economic New Zealanders learn of new music, only narrowly ahead of NZ radio stations. Streaming services are next most common and significantly more influential than music TV stations.

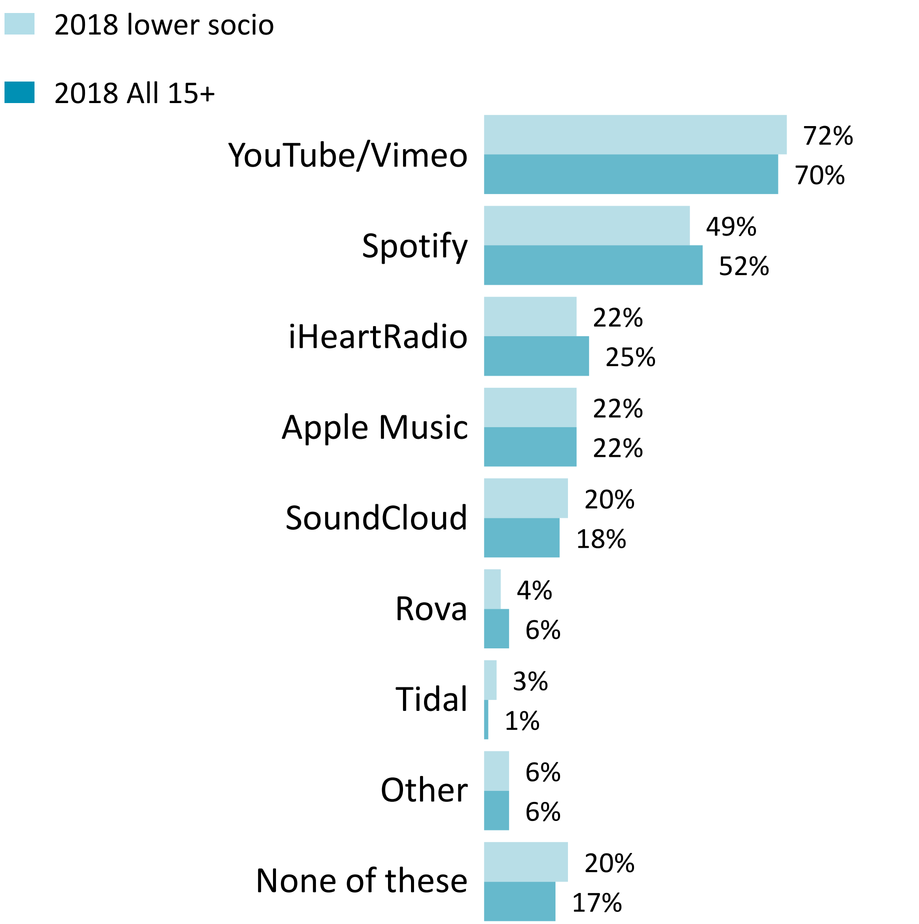
SOURCES OF AWARENESS OF NEW MUSIC | % OF ALL NZERS



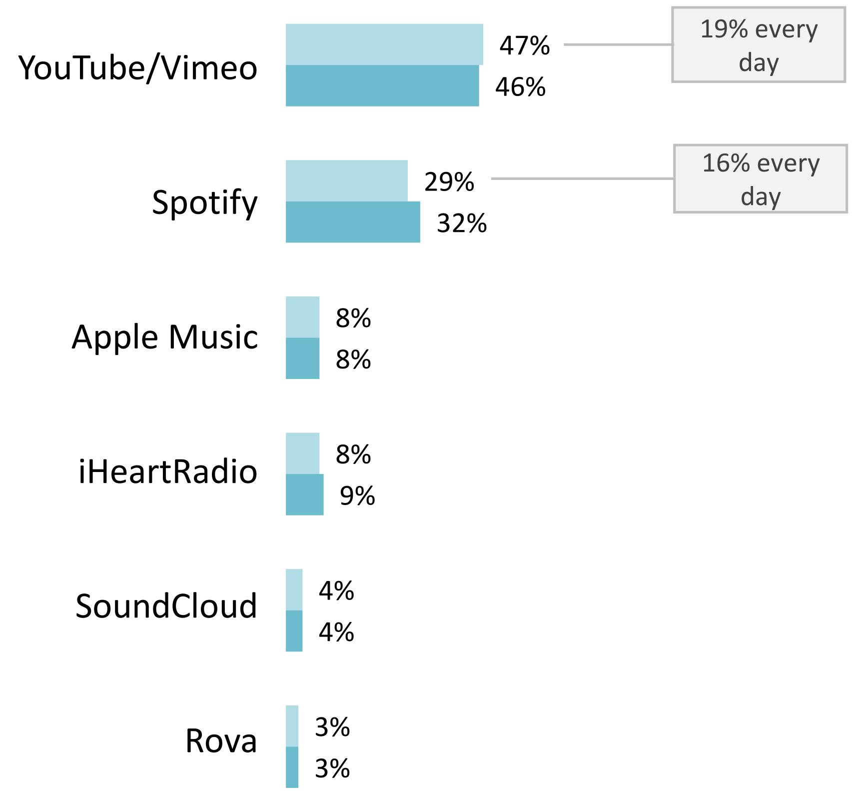
Q In which of the following ways, if any, do you usually find out about new music?

Youtube (for music) reaches the biggest audience among lower socio-economic New Zealanders followed by Spotify. Nearly one in two lower socio-economic New Zealanders listen to music on Youtube each week, and one in five do so every day. This compares to three in ten who tune in to Spotify each week and 16% who do so every day.

EVER USE TO LISTEN TO MUSIC | % OF ALL NZERS



WEEKLY REACH | % OF ALL NZERS



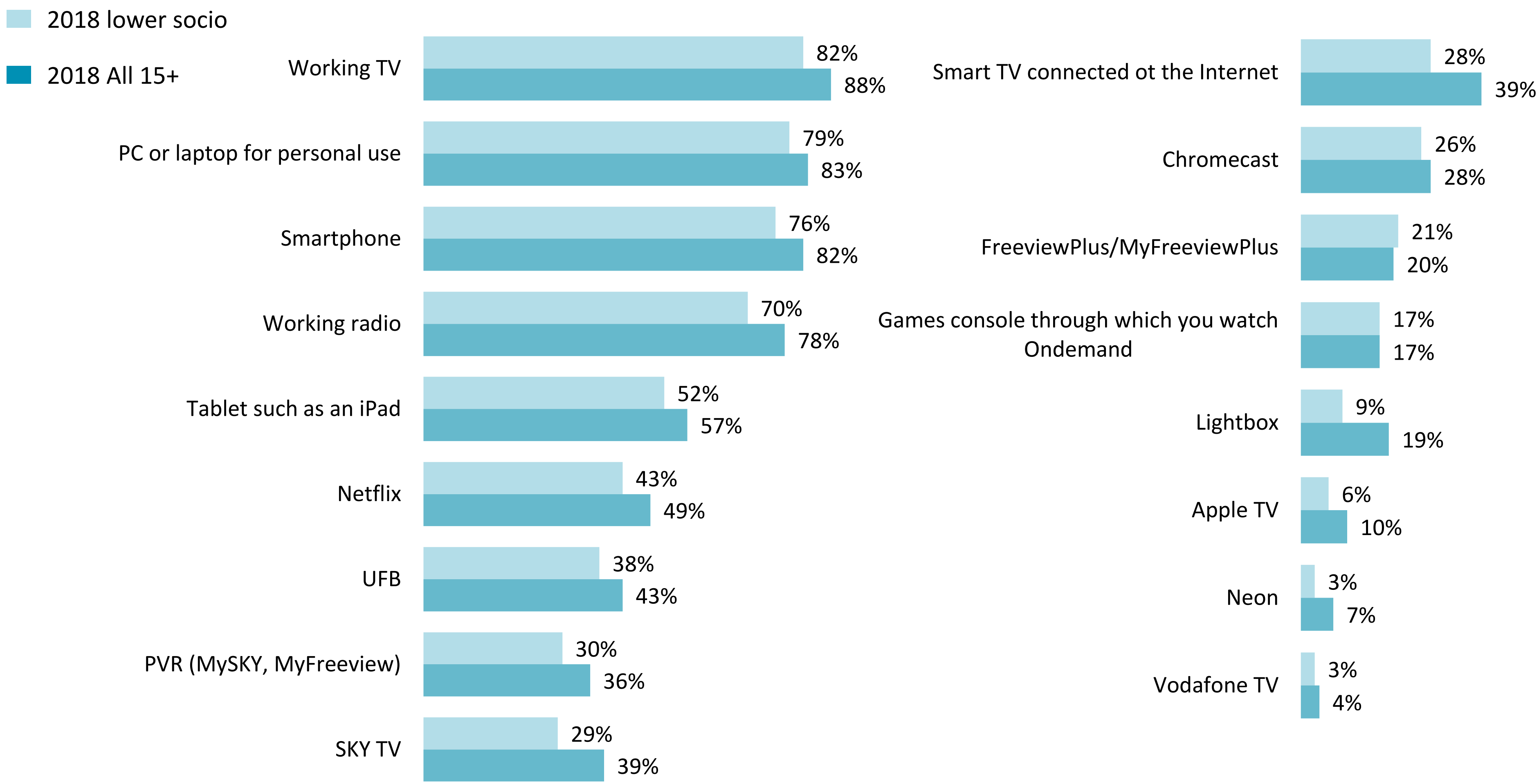
Q Which of the following have you ever listened to music on?; Q13d: About how often do you listen to…?

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)

DEVICES PERSONALLY OWN OR HAVE DAILY ACCESS TO

Working TVs, smartphones, PC/laptops and radios are the most common technologies accessed by lower socio-economic New Zealanders. Compared to the overall NZ population lower socio-economic New Zealanders have significantly less access to SKY TV, smart TVs connected to the Internet, Lightbox and Neon.

DEVICES AND SERVICES PERSONALLY OWN OR HAVE ACCESS TO| % OF ALL NZERS



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

Base: All respondents: (2018 lower socio - n=235; 2018 All 15+ – n=1,414)