

# IAB Ireland Video On Demand | 2016



June 2016



In association with: **nielsen**

# Agenda



## REACH

What is the reach of VOD & who is a VOD user & how has this changed in the past year?  
(Market Reach & Profile)



## TRENDS

What are the key market trends for VOD usage in the past year?



## TIME

How do VOD viewers spend their time viewing VOD across various platforms and vs. TV?



## REACTION

How do VOD viewers react to advertising?

# Key Insights

- Just under **3 in 4** Irish Adults (16+) viewed VOD in the last 6 months, slightly higher than this time last year
- **1 in 3** are viewing VOD content on a **daily** basis, with this figure increasing to **1 in 2** for 16-24 year olds.
- Use of **portable devices**, smartphones and tablets, to view VOD has risen over the past year across all demographics and all content types
  - **63%** of VOD viewers watched when “out & about” compared to just **47%** last year
- **Long form** (over 10 mins) **professional** content continues to have the greatest reach, but all demographics are watching a wide variety of content across short vs long form and professional vs user generated.
- **Advertising acceptance** in & around VOD content is rising amongst medium/heavy users – up from **48%** to **54%**



## 'REACH'

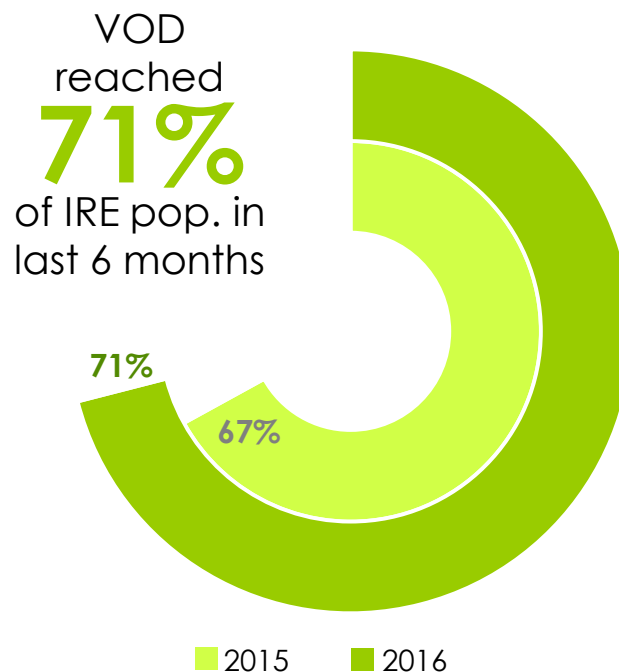
What is the reach of VOD & who is a VOD user & how has this changed in the past year?  
(Market Reach & Profile)



# Just under 3 in 4 Irish Adults viewed VOD in the last 6 months

## VOD | Reach in Last 6 Months

Adults 16+ IRE Population



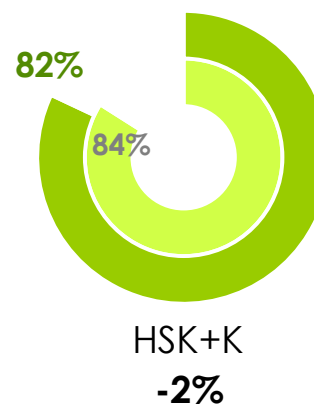
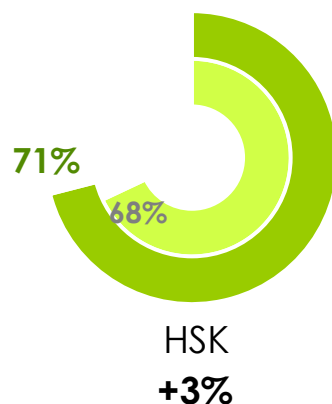
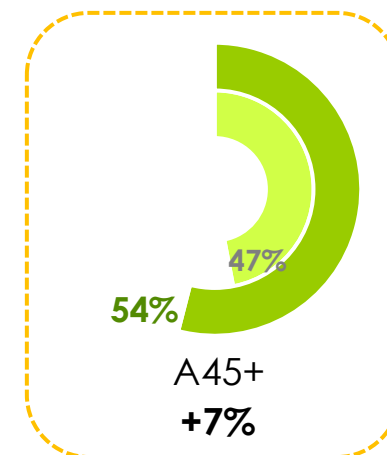
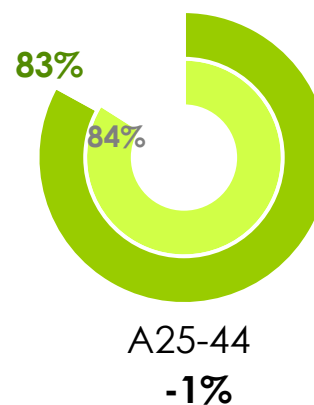
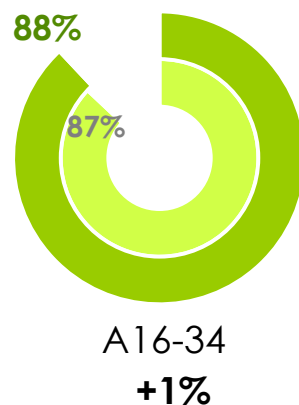
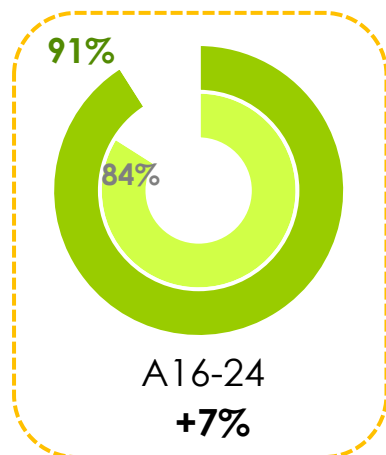


# VOD viewing is increasing amongst 16-24s and 45+

## VOD | Reach in Last 6 Months

Adults 16+ IRE Population

■ 2015 ■ 2016

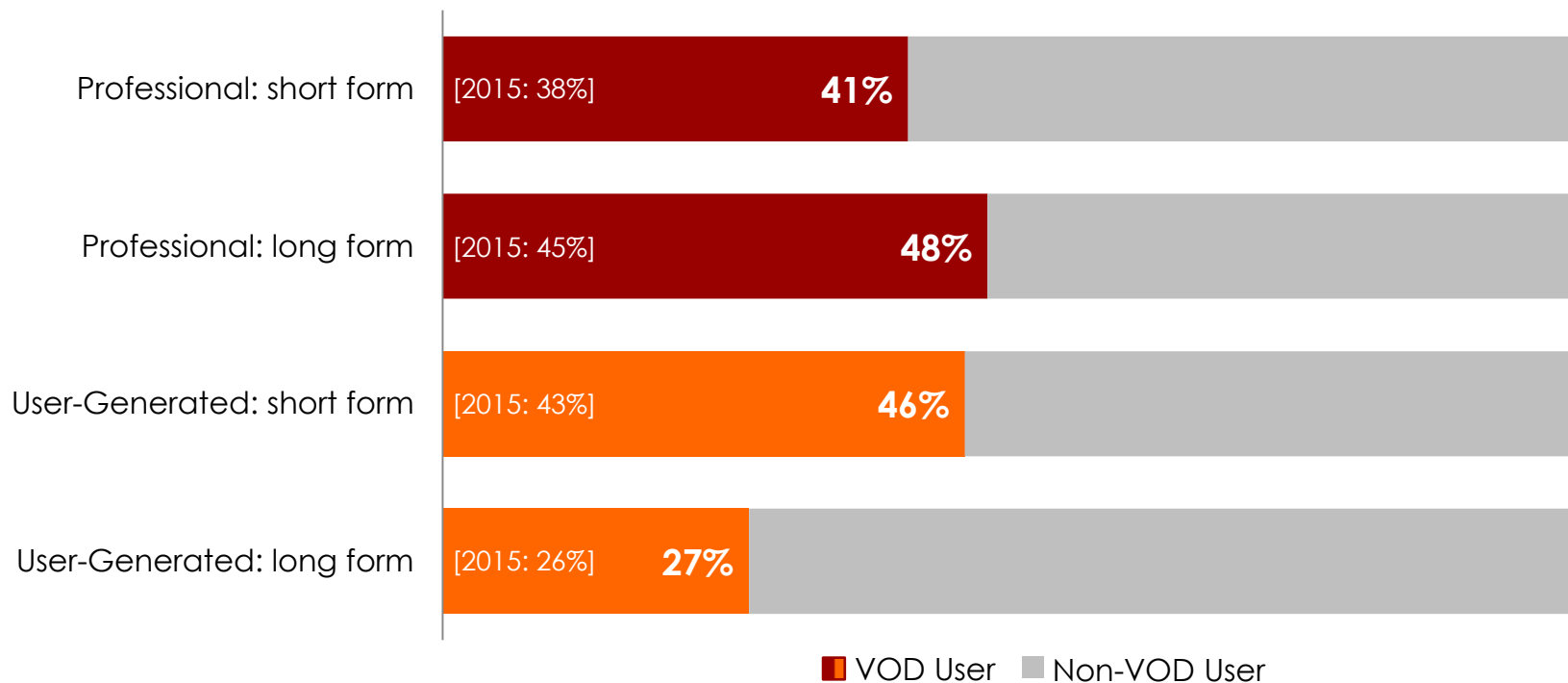


# Long-form professional continues to be the content with the greatest reach



## Type of VOD Content | Reach in Last 6 Months

Adults 16+ IRE Population

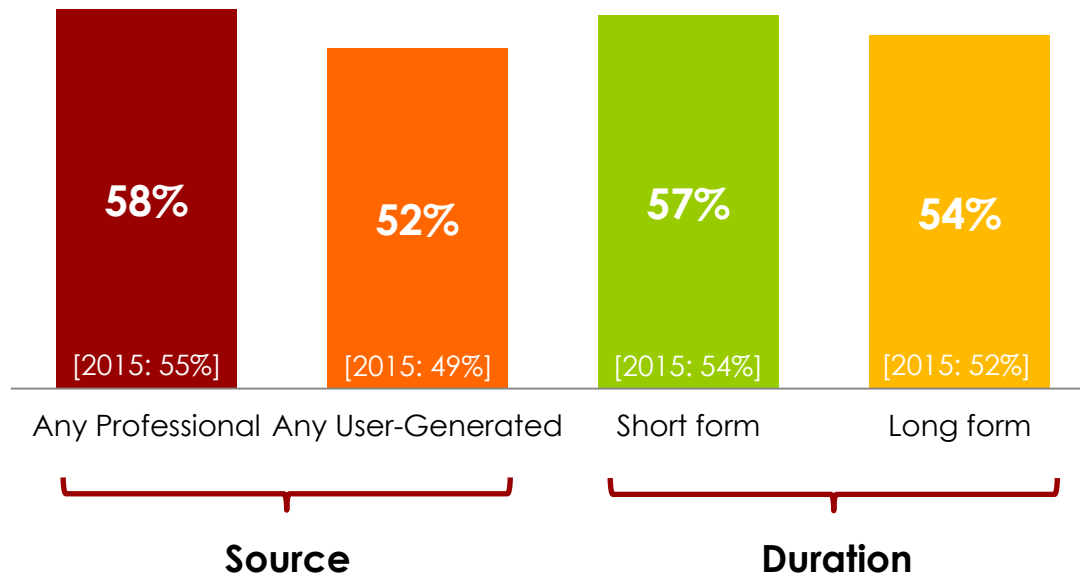


# Professionally produced content continues to have higher reach



## Type of VOD Content | Reach in Last 6 Months

Adults 16+ IRE Population



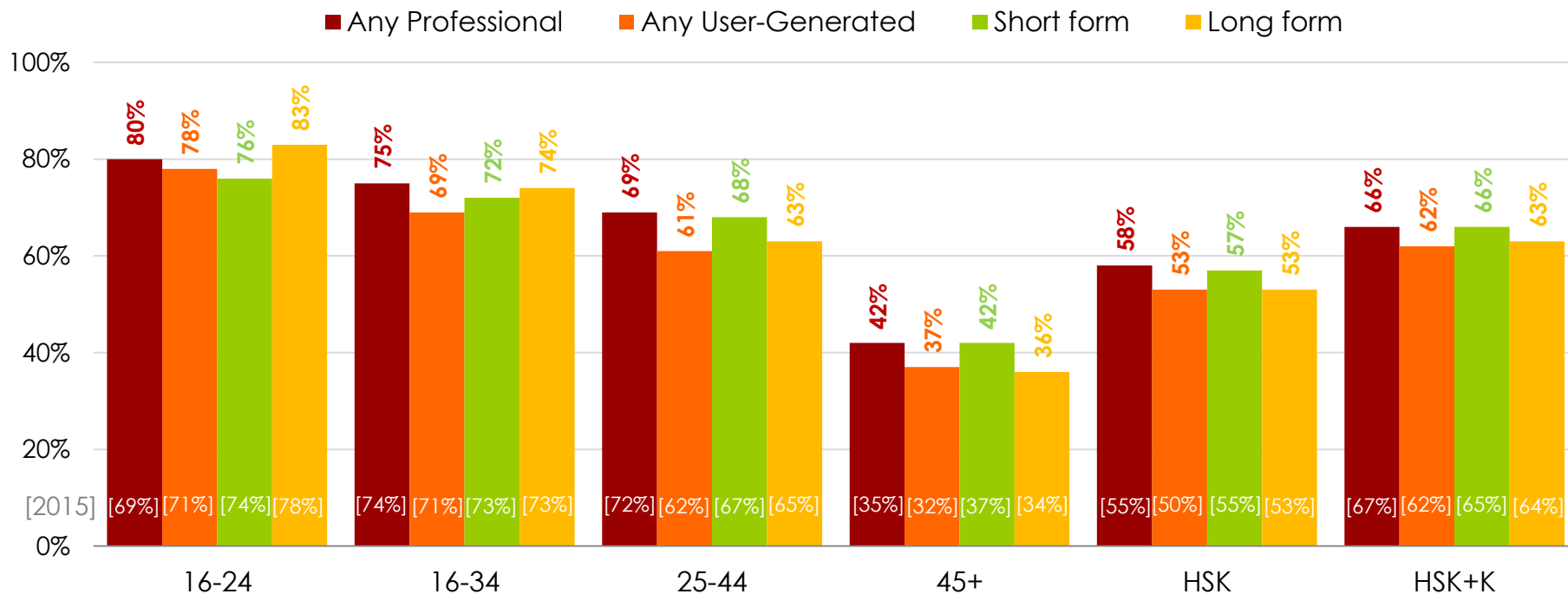


All demographics are viewing a variety of content.  
16-24s appear to be viewing more professionally produced content than a year ago.



## Type of VOD Content | Reach in Last 6 Months

Adults 16+ IRE Population



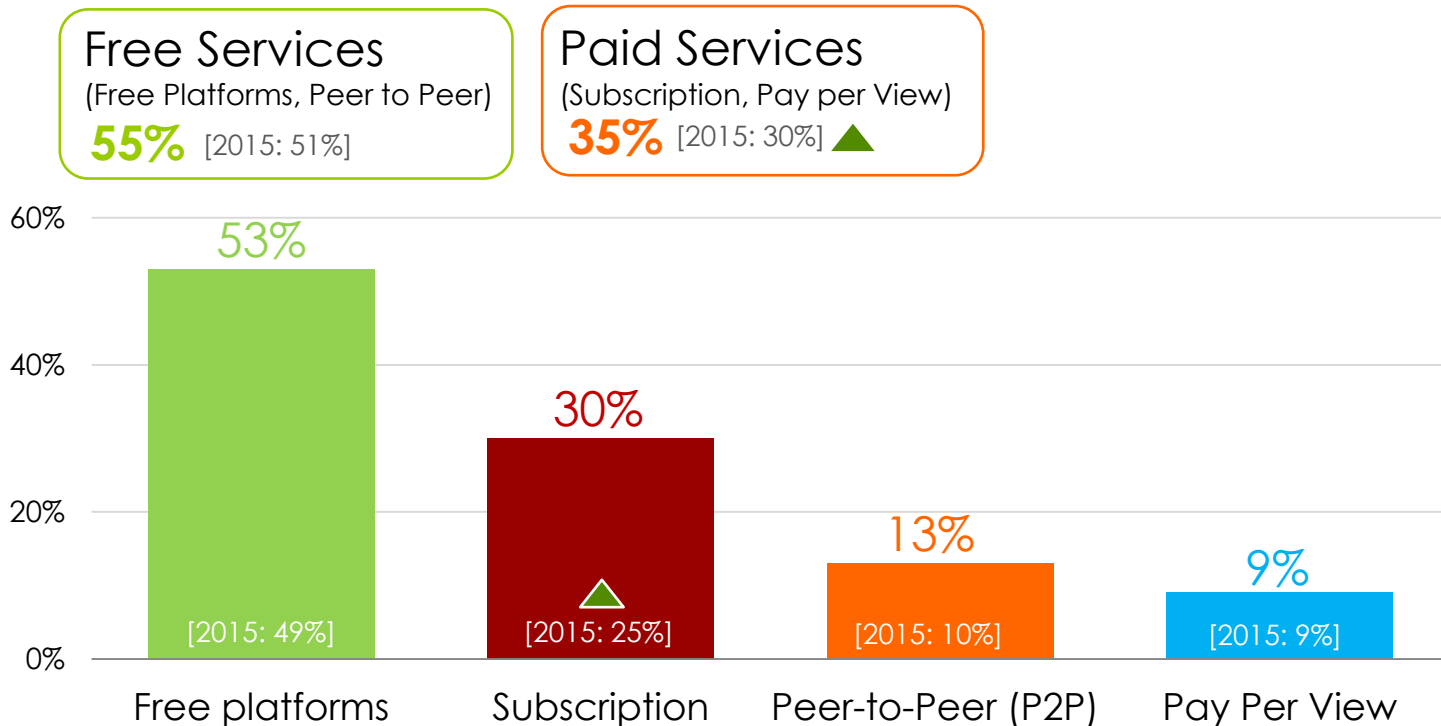
# Free services continue to have the greatest reach

## Growth in subscription platforms year on year



### Service Platforms used to access VOD | Reach in Last 6 Months

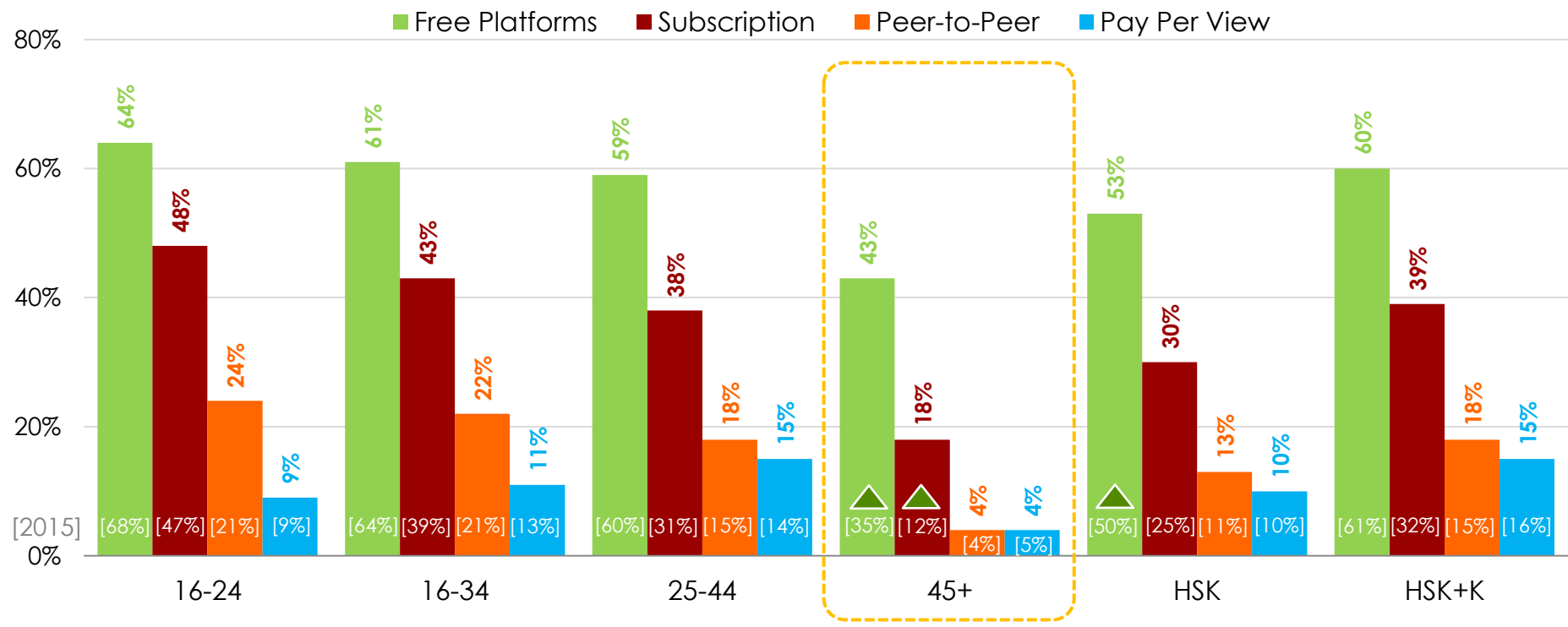
Adults 16+ IRE Population





# 45+ are watching more via both Free and Subscription

## Service Platforms used to access VOD | Reach in Last 6 Months Adults 16+ IRE Population



# Market Reach - Summary

- Just under 3 in 4 Irish Adults (16+) viewed VOD in the last 6 months, slightly higher than this time last year
- There are indications that more Adults over 45 have viewed VOD content versus 2015
- Rise in usage of both free and subscription platforms in the past 6 months amongst A45+



## TRENDS (Amongst VOD viewers)

What are the key market trends for VOD usage in the past year?

# A change of focus

Results in the first section were based on the **national adult population**

In this section, the focus moves to **VOD viewers**, and comparing responses to the previous survey wave.

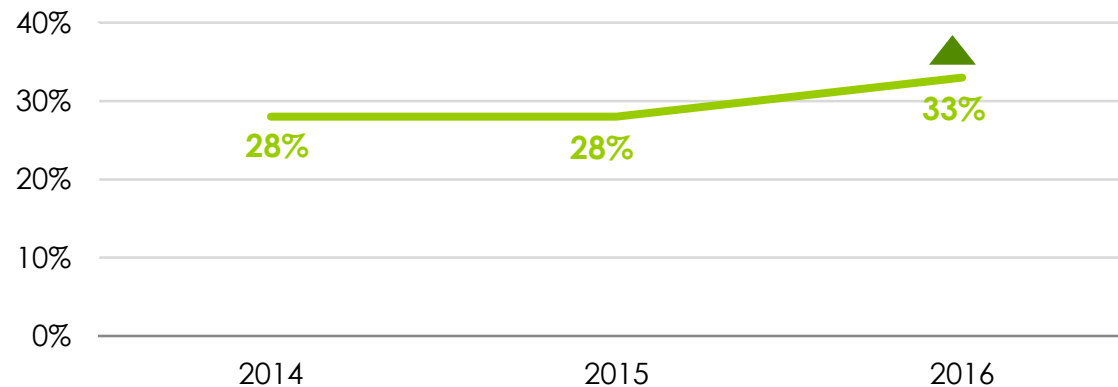


# Significant growth in VOD viewers who view on a daily basis

## Daily Usage of VOD content

Adults 16+ who are VOD viewers

**1 in 3**  
(33%) VOD viewers  
watch content daily in 2016

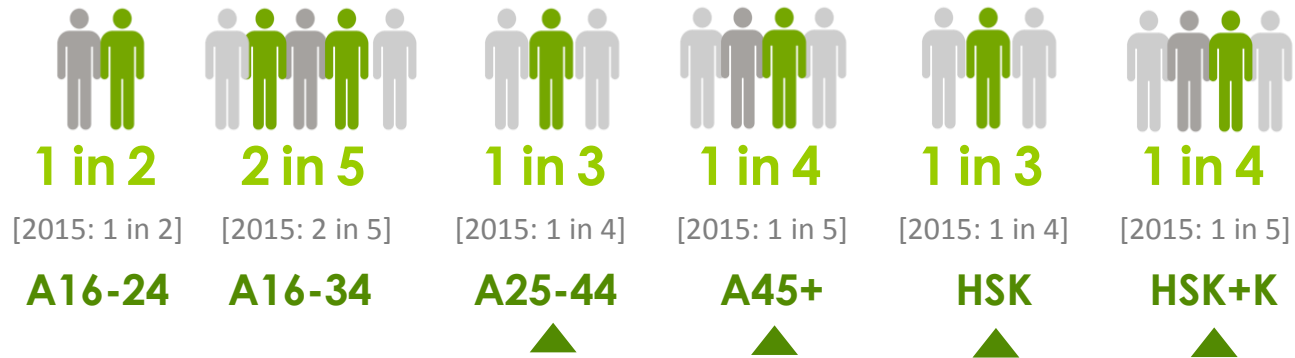


# Significant growth of daily viewing for four of the key demographics



## Daily Usage of VOD content

Adults 16+ who are VOD viewers



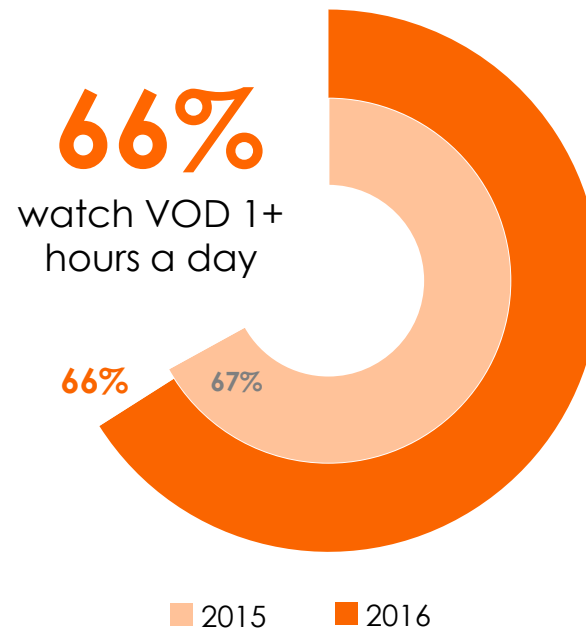


2 in 3 Adults 16+ viewed VOD for 1+ hours/day in the last 6 months – a similar proportion to that seen in 2015



### Daily Viewing of VOD content on a Typical Day

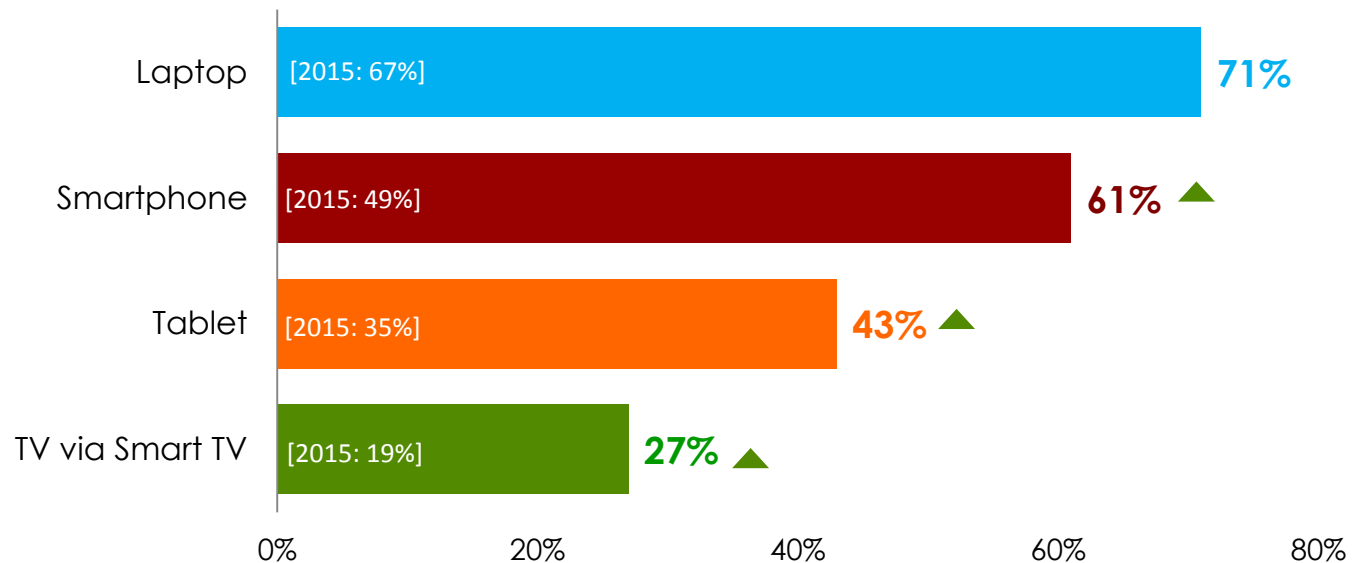
Adults 16+ who are VOD viewers



# Usage of portable devices (smartphones/tablets) for viewing VOD content has risen over the past year



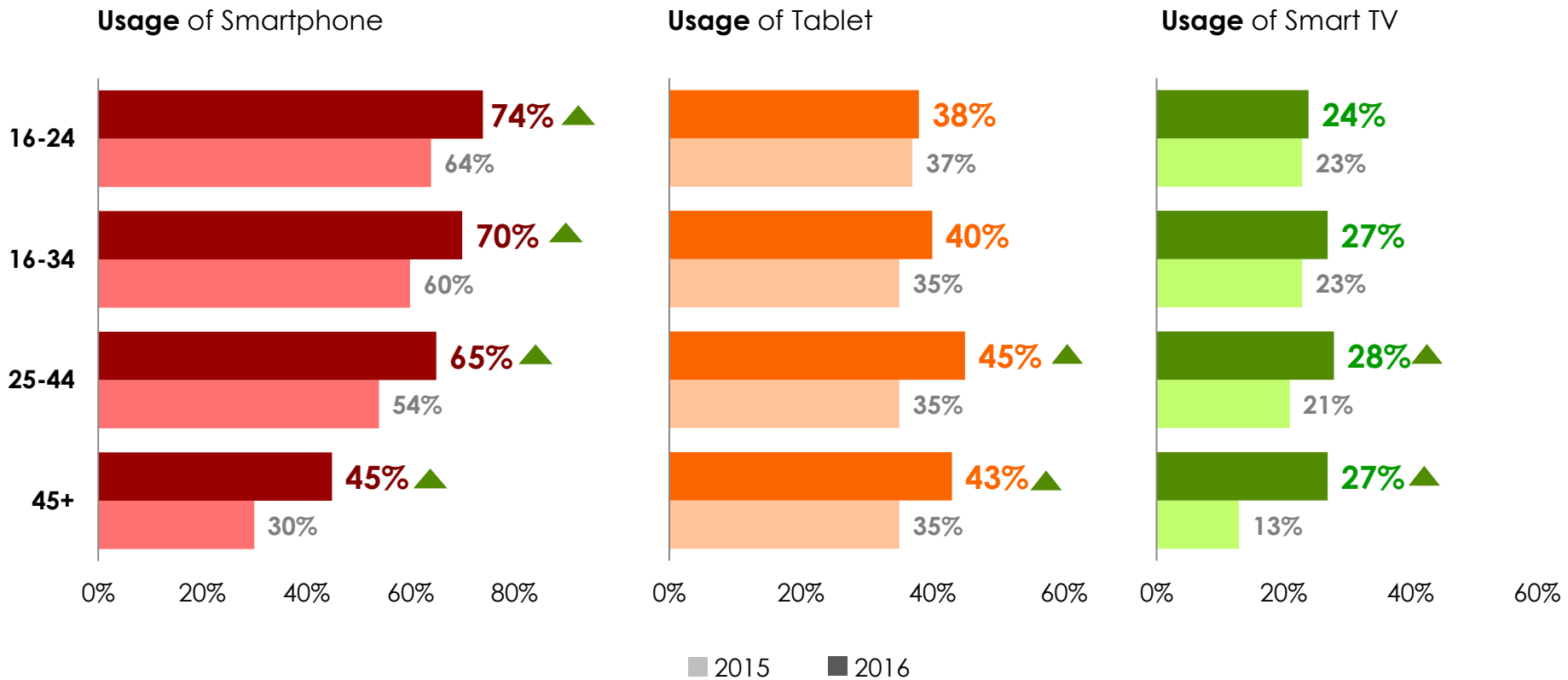
**Device usage** for viewing VOD content  
Adults 16+ who are VOD viewers



# The increase in usage of smartphones is universal Significant increases in use of tablets and Smart TVs amongst A25+



**Device usage** for viewing VOD content  
Adults 16+ who are VOD viewers

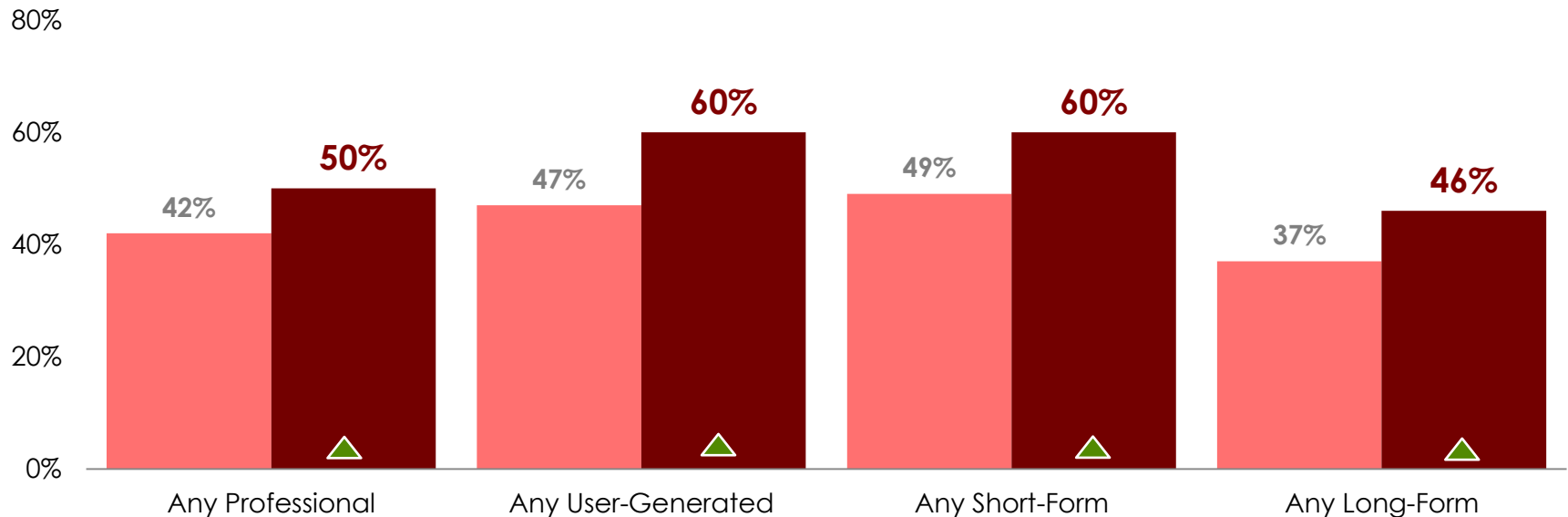


# Using smartphones to view VOD content has increased significantly across *all* content formats for Adults 25+



**Usage of smartphones** for watching any content format  
**Adults 25+** who are VOD viewers

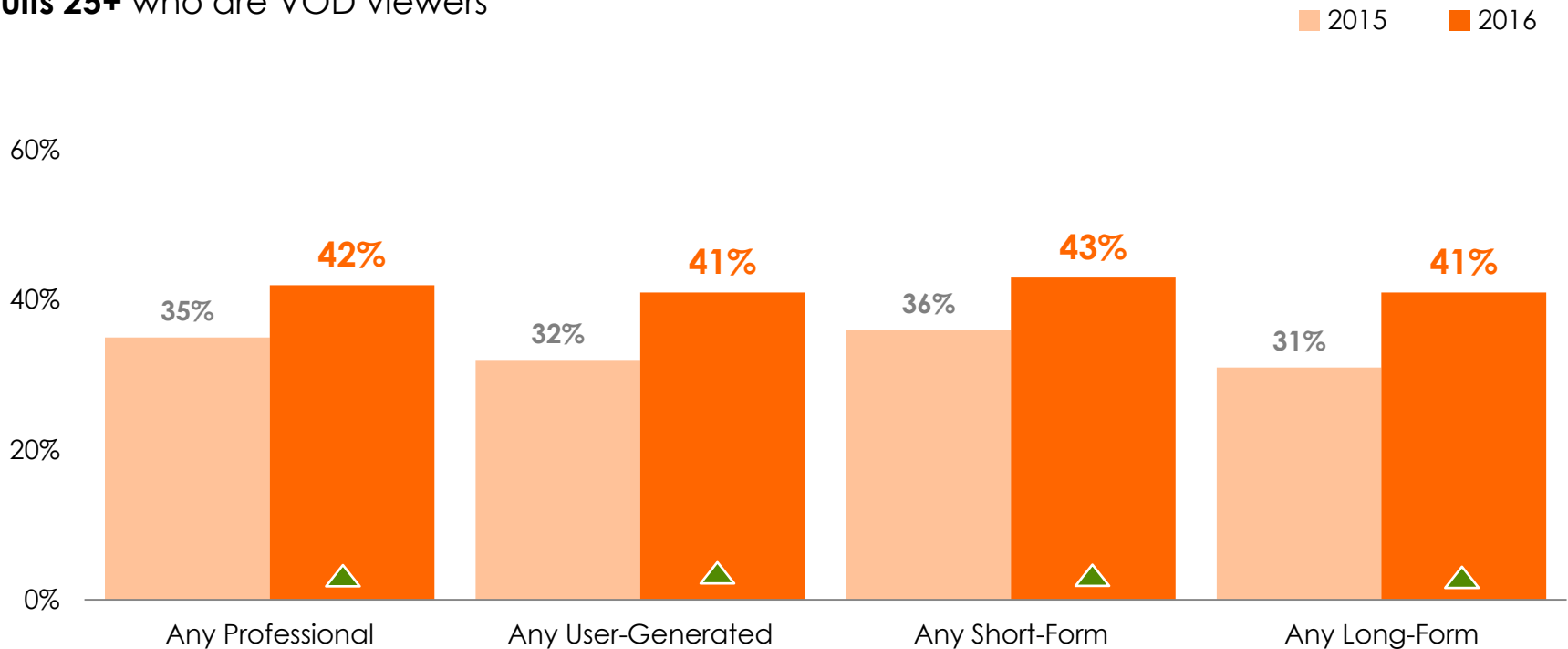
■ 2015 ■ 2016



# Usage of tablets to view VOD content has also increased significantly across *all* content formats amongst Adults 25+

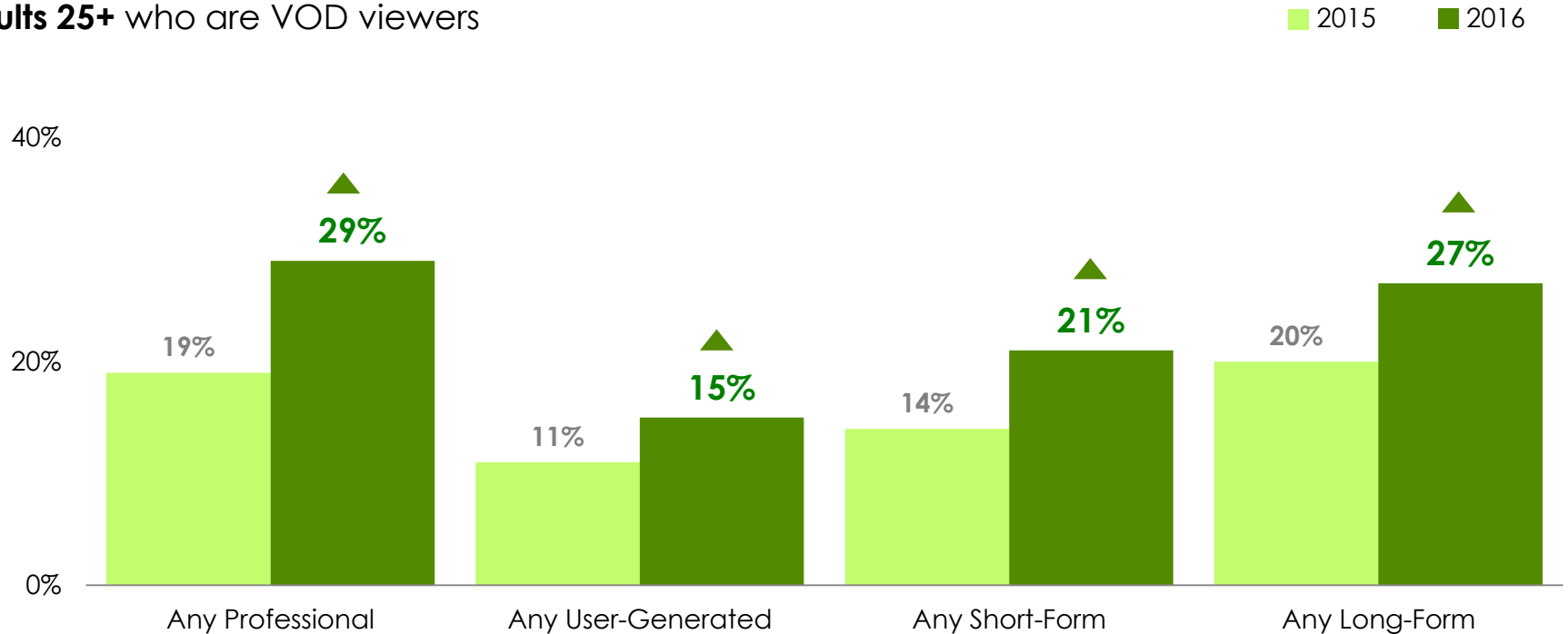


**Usage of tablets** for watching any content format  
**Adults 25+** who are VOD viewers



# Usage of Smart TV for viewing VOD content also on the rise across **all** content formats amongst Adults 25+

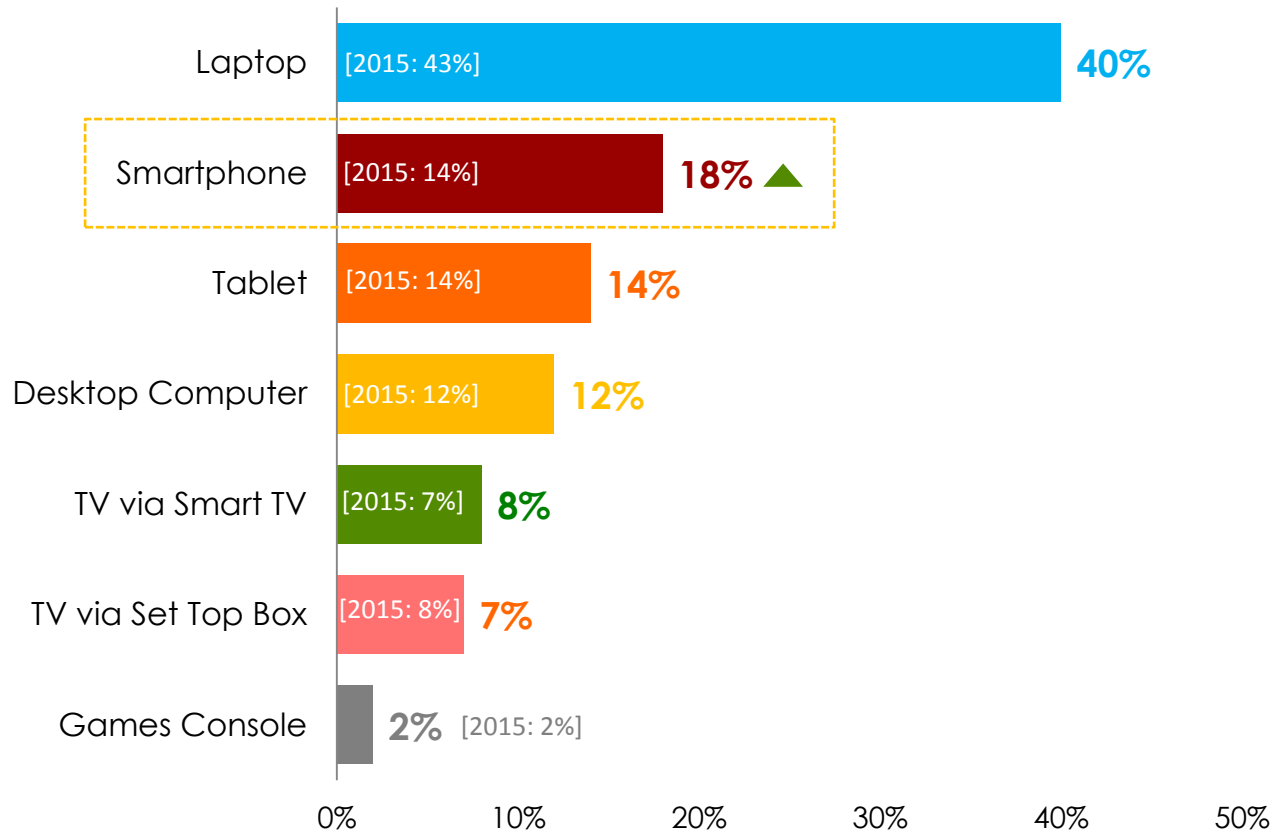
**Usage of Smart TV** for watching any content format  
**Adults 25+** who are VOD viewers



Rise in viewing any professional content via **Smart TV** amongst **A45+ (30%)** & **HSK (28%)** A45+: [2015: 14%], HSK: [2015: 20%]

# Preference for smartphones is also on the rise; it's now the 2<sup>nd</sup> most preferred device for viewing VOD content

**Preference** for viewing VOD content  
Adults 16+ who are VOD viewers



Q5. On which device/s do you prefer MOST to watch Video on Demand (VOD) content?

Base: Viewed VOD content in last 6 months | All= 993

Note: Any differences of +/-1% are due to the round-up of decimals

Nielsen | Prepared For: IAB Ireland - Video On Demand 2016

▲ Significant difference at 95% C.L. (2016 vs. 2015)

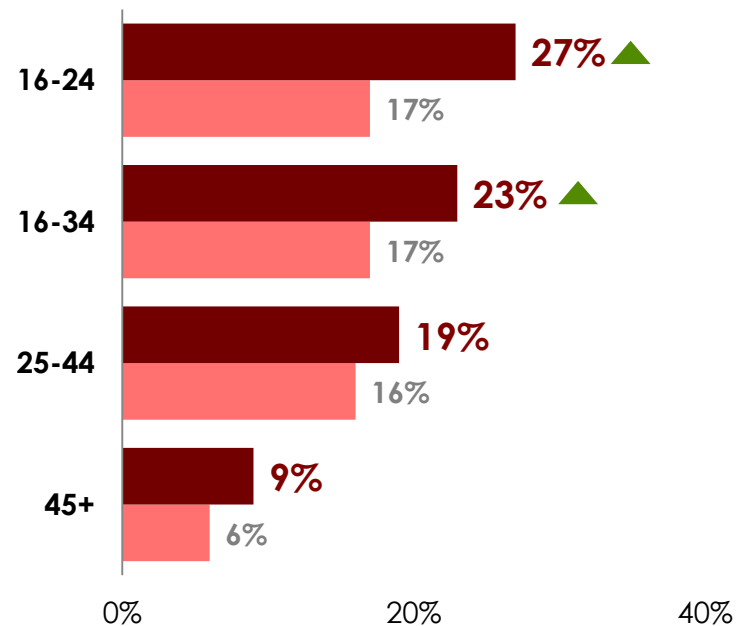
# The growth in preference for smartphones amongst Adults under 35 is particularly evident



**Preference** for viewing VOD content  
Adults 16+ who are VOD viewers

2015 2016

## Preference for Smartphone







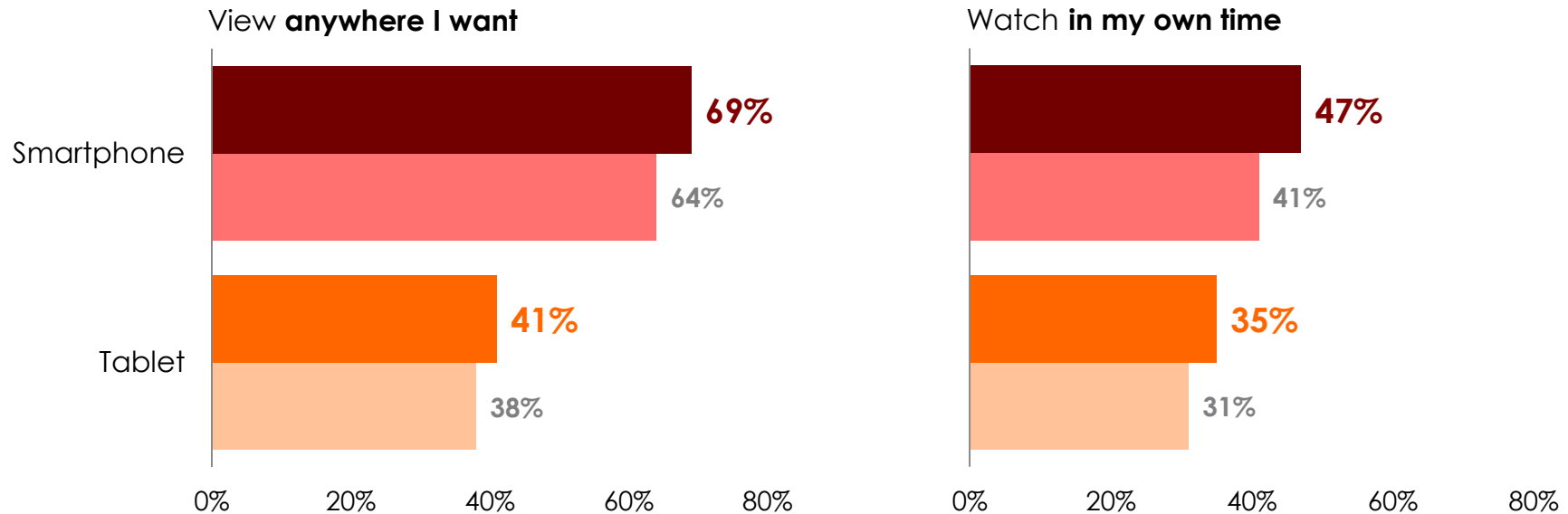
# The need for viewing VOD content when & where people want is helping to drive increased use of portable devices

## Drivers of watching VOD content on **smartphone/tablet**

Adults 16+ who are VOD viewers

■ 2015

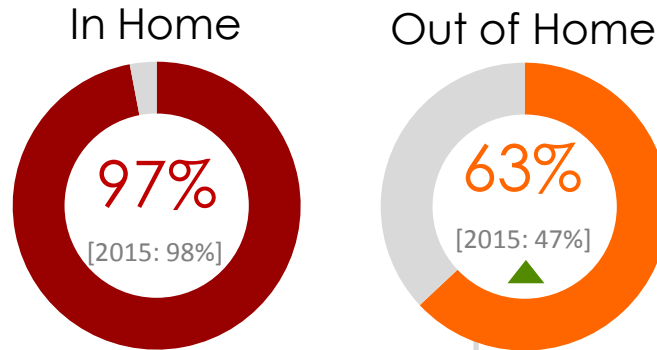
■ 2016



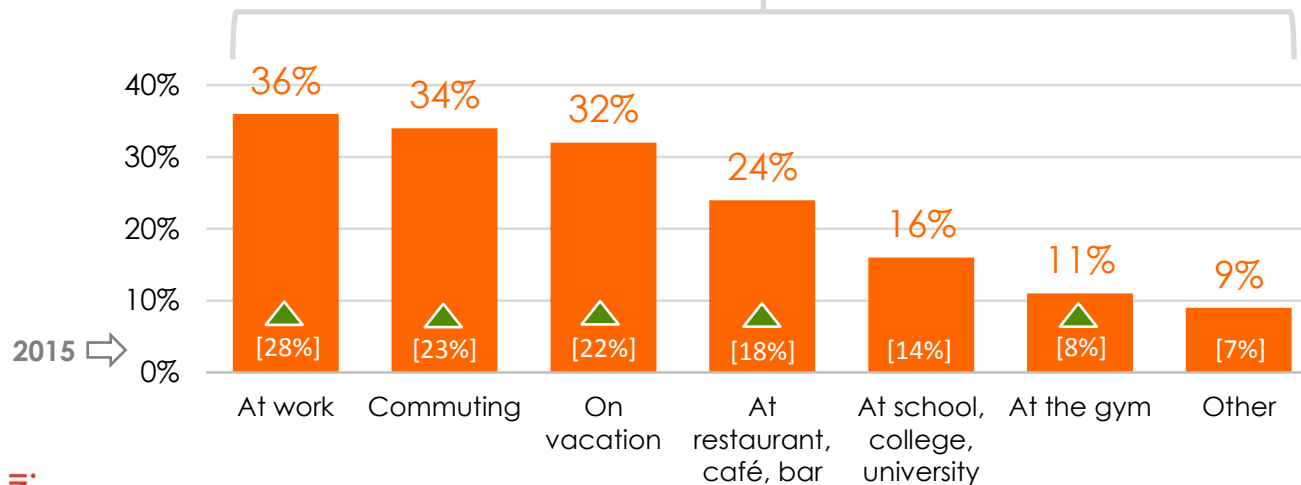


# Viewing of VOD content is becoming more entrenched in various out-of-home locations

**Location** of watching VOD  
Adults 16+ who are VOD viewers

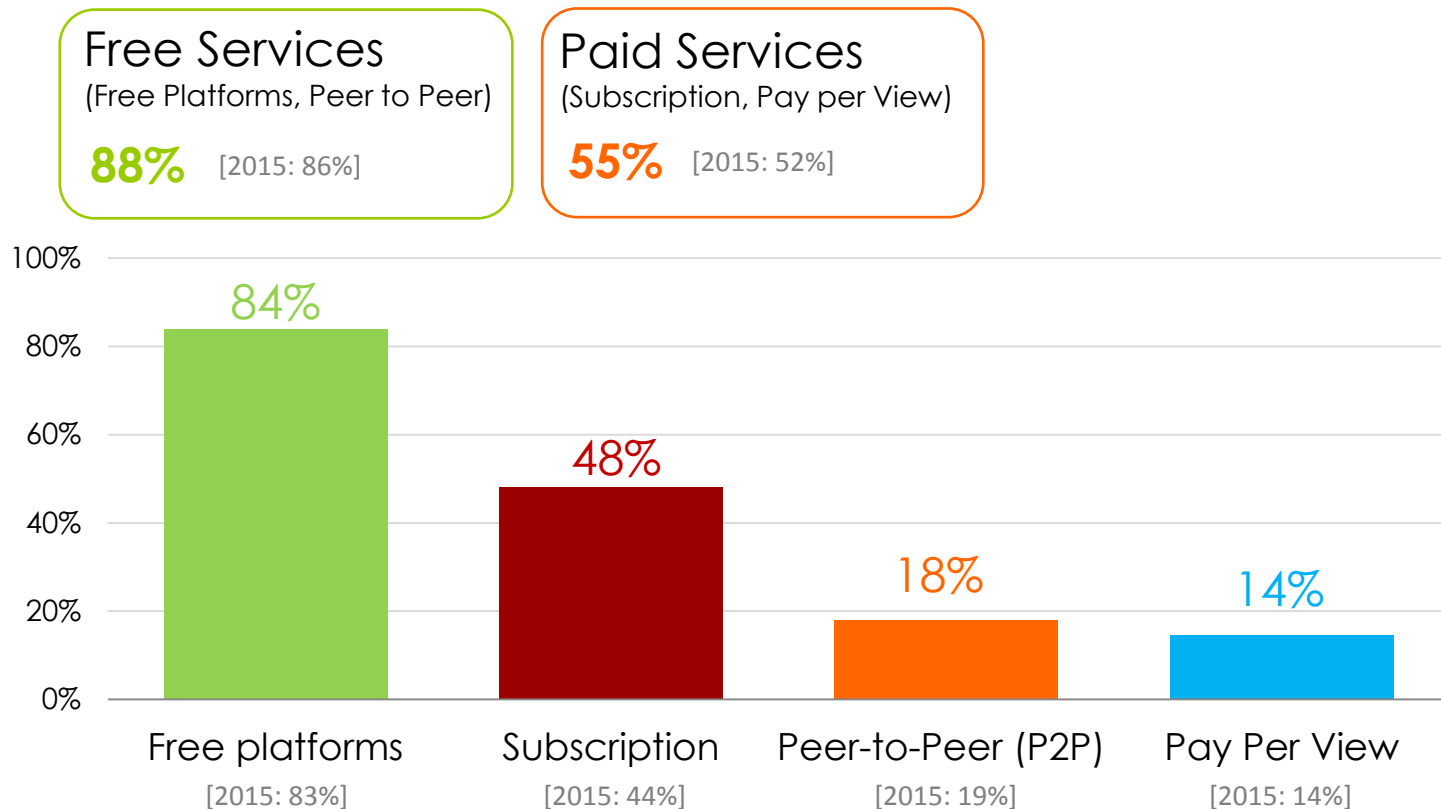


Rise in **out-of-home** usage of **Tablets (49%▲)** and **Smartphones (78%▲)** in the past year  
[Tablet 2015: 36%]  
[Smartphone 2015: 67%]



# Amongst VOD viewers Free services remain the most common platform to access video content

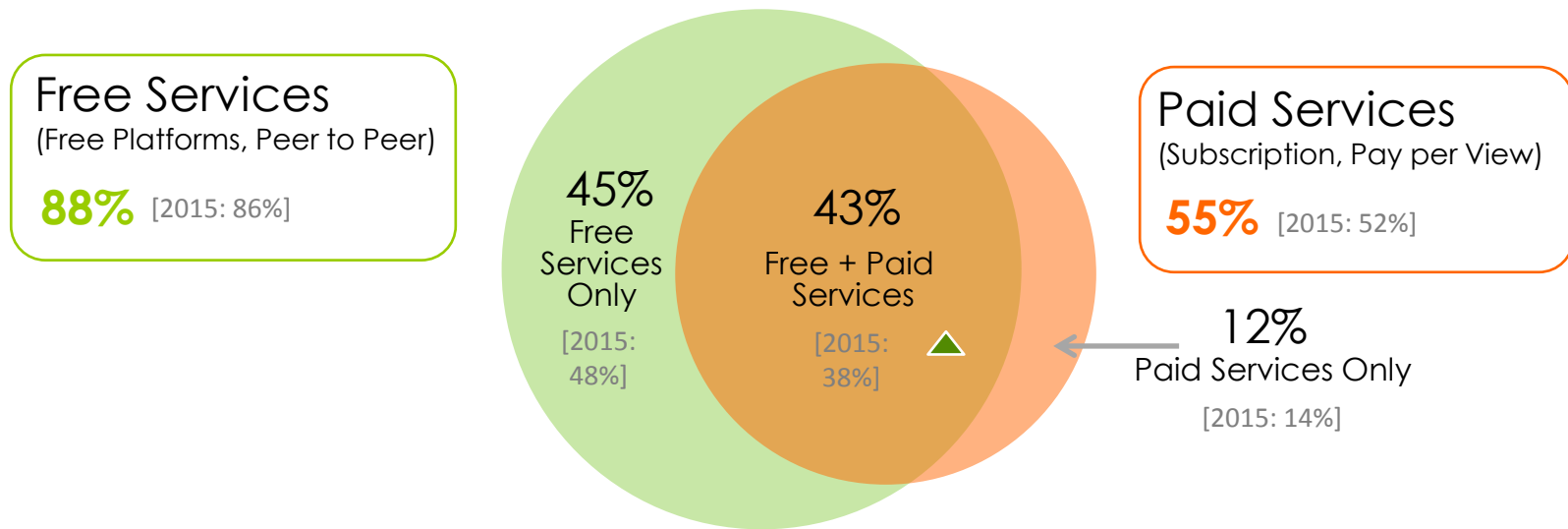
**Service Platforms** used to access VOD  
Adults 16+ who are VOD viewers



# The proportion accessing content using both free and paid services has increased in the past year



**Service Platforms** used to access VOD  
Adults 16+ who are VOD viewers



Movies, drama & box sets are most popular via on-demand, whilst sports & news are engaged the most in the moment. On-demand viewing of children's programmes is on the rise. 

**Top 5 Genre** viewed via On-Demand vs. Live Streaming  
Adults 16+ who are VOD viewers

**Live Streaming | Top 5**



Sport  
**45%**

[2015: 40%]



News & Current Affairs  
**43%**

[2015: 40%]



Movies  
**36%**

[2015: 34%]



Comedy  
**32%**

[2015: 34%]



Music  
**32%**

[2015: 34%]

**On Demand | Top 5**



Movies  
**65%**

[2015: 64%]



Drama  
**54%**

[2015: 57%]



Box Sets  
**52%**

[2015: 52%]



Comedy  
**49%**

[2015: 48%]



Factual/Documentaries  
**42%**

[2015: 44%]

Viewing of **Children's Programmes (22%▲)** via **On-Demand** is on the rise  
[2015: 17%]



# Housekeepers with kids are becoming more active viewers of VOD content

More **HSK+K (30%▲)** engaged in daily viewing of VOD content in the past year.  
[2015: 22%]

Daily viewing of **long form (21%▲)** and **short form (20%▲)** content has increased as has **user-generated (20%▲)** content  
[Long Form 2015: 15%] [Short Form 2015: 13%] [User-Generated 2015: 11%]

Use of **Laptops (69%▲)**, **Smartphones (67%▲)**, **Tablets (52%▲)**, and **Smart TV (31%▲)** on the rise for **HSK+K**

[Laptops 2015: 59%] [Smartphones 2015: 51%]  
[Tablets 2015: 42%] [Smart TV 2015: 22%]

Rise in viewing of **children's programmes (36%▲)** amongst **HSK+K** in the past year  
[2015: 27%]

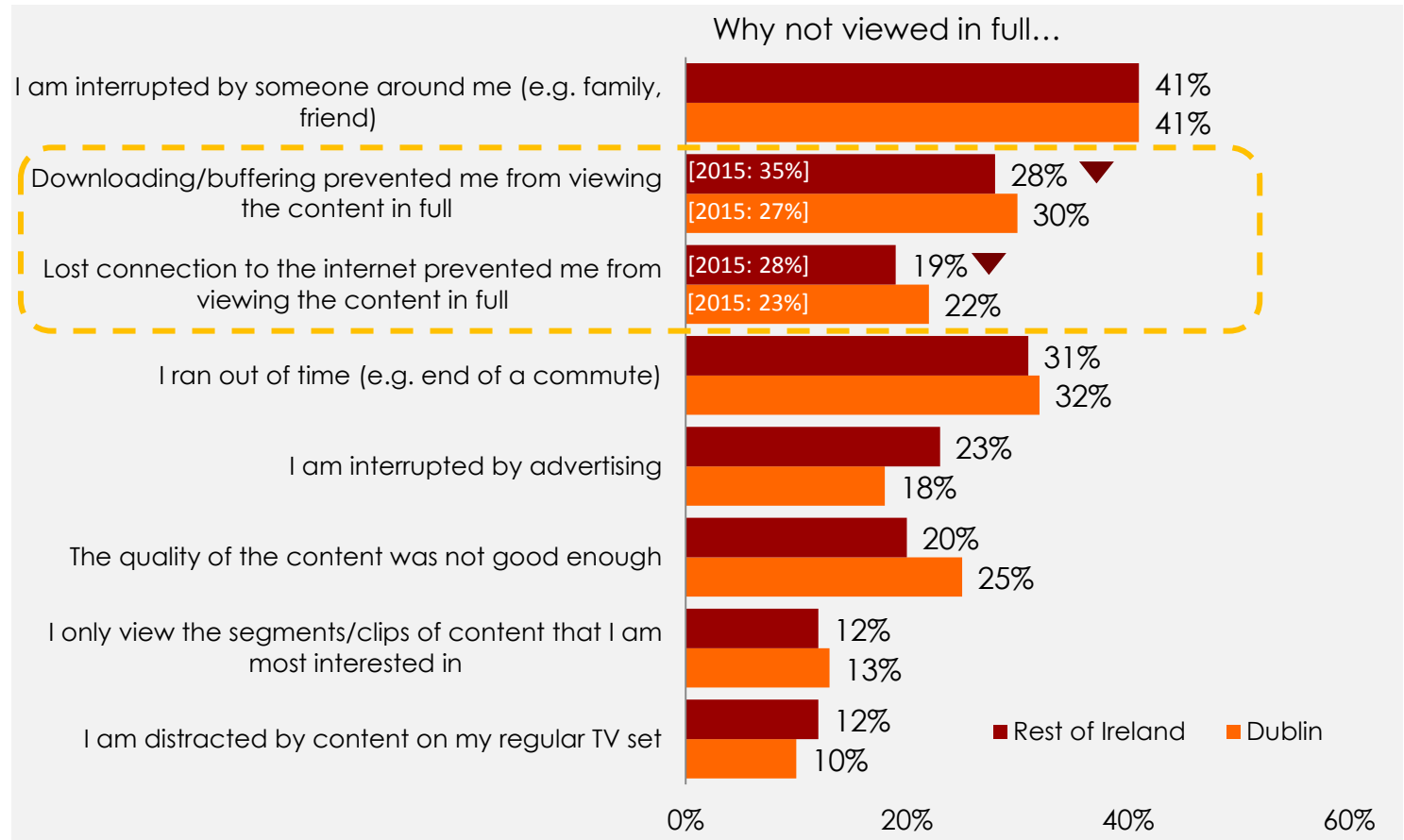


Q1: Have you watched any of the following types of Video on Demand (VOD) content online in the last 6 months?  
Q4. On which device/s have you watched each of the following types of Video on Demand (VOD) content?  
Q14 You mentioned that you watch full length TV programmes/series when viewing Video on Demand (VOD). Which of the following types of programmes do you watch via 'live streaming' and which do you watch via 'On-Demand'?  
Base (Q14): Viewed VOD content in last 6 months & watch professional videos over 10 minutes n=286  
Base (Q1/Q4): Viewed VOD content in last 6 months | HSK+K (n= 427)  
Nielsen | Prepared For: IAB Ireland - Video On Demand 2016

# Internet connectivity has become less of a barrier for viewing VOD content outside of Dublin in the past year



**Barriers** to watching content in full (By Residence Area)  
Adults 16+ who are VOD viewers



Q15 Now we would like you to think about the full length TV programmes/series that you watch when viewing Video on Demand (VOD) content. If on occasion you do not watch the full VOD content in one viewing, which of the following reasons explains why you only watch part of the content? Base: Viewed VOD content in last 6 months & watch professional video content > 10 minutes long (n= 233-444)  
Nielsen | Prepared For: IAB Ireland - Video On Demand 2016

▲ Significant difference at 95% C.L. (2016 vs. 2015)

# Trends In The Past Year - Summary

In the past year...

- There has been significant growth in viewing VOD content on a daily basis across a range of demographics: 25-44, 45+, HSK and HSK+k
- Use of portable devices, smartphones and tablets, to view VOD has risen significantly
  - The increase in usage of smartphones is universal, with the increase in use of tablets and SmartTVs being more apparent amongst 25+
- Significant increase in viewing of VOD content while out and about is evident for all demographics – it's becoming more entrenched
- Free platforms remain the most common platforms to view VOD content – the proportion watching both free and subscription has increased
- Internet connectivity is becoming less of a barrier for viewing VOD content outside of Dublin





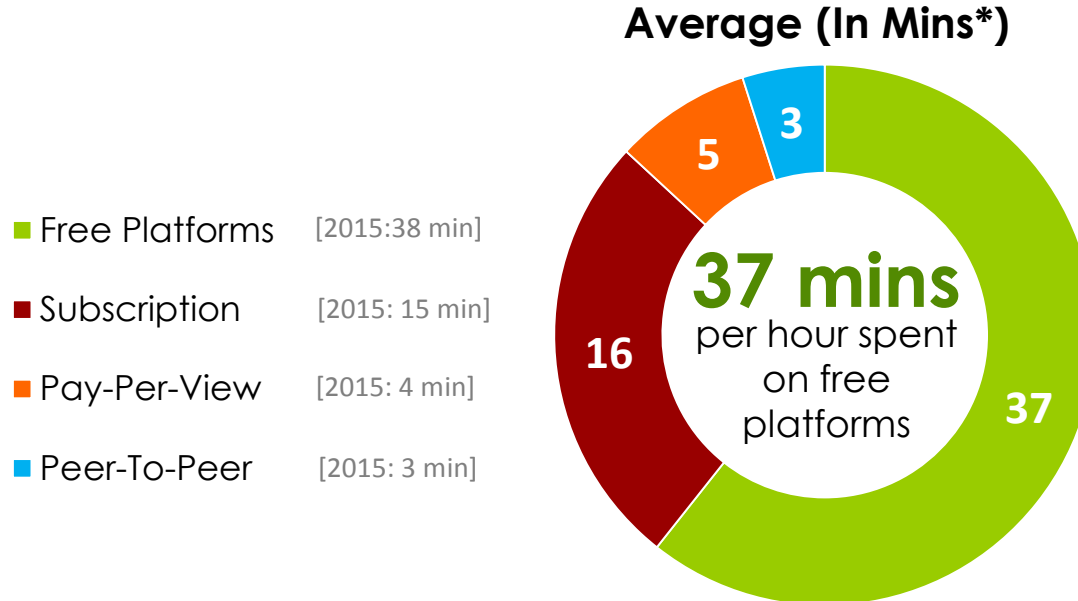
## TIME (Amongst VOD viewers)

How do VOD viewers spend their time viewing VOD across various platforms?

# Two-thirds of a typical VOD hour is spent watching free content



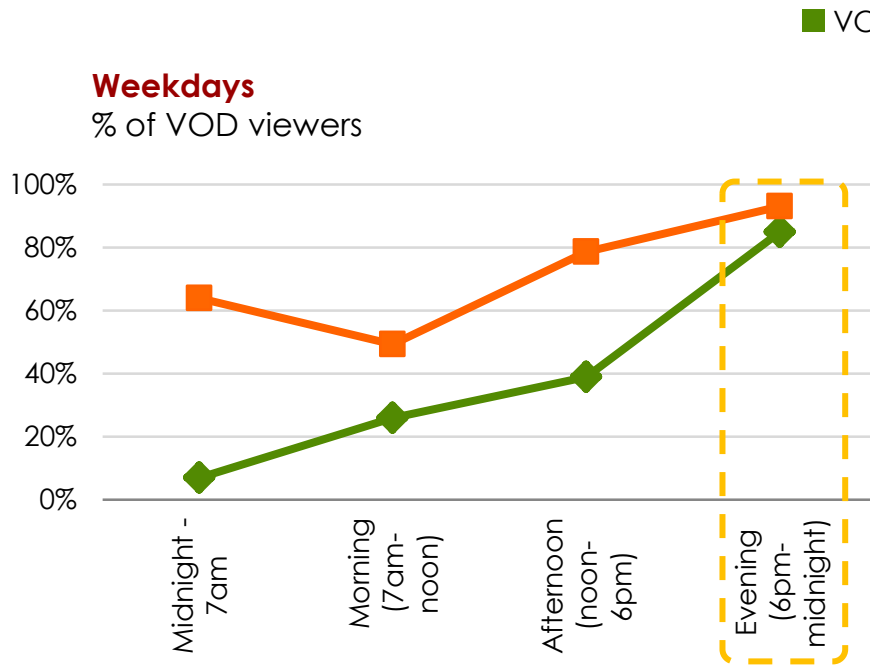
**Average Time** spent viewing VOD content  
Adults 16+ who are VOD viewers



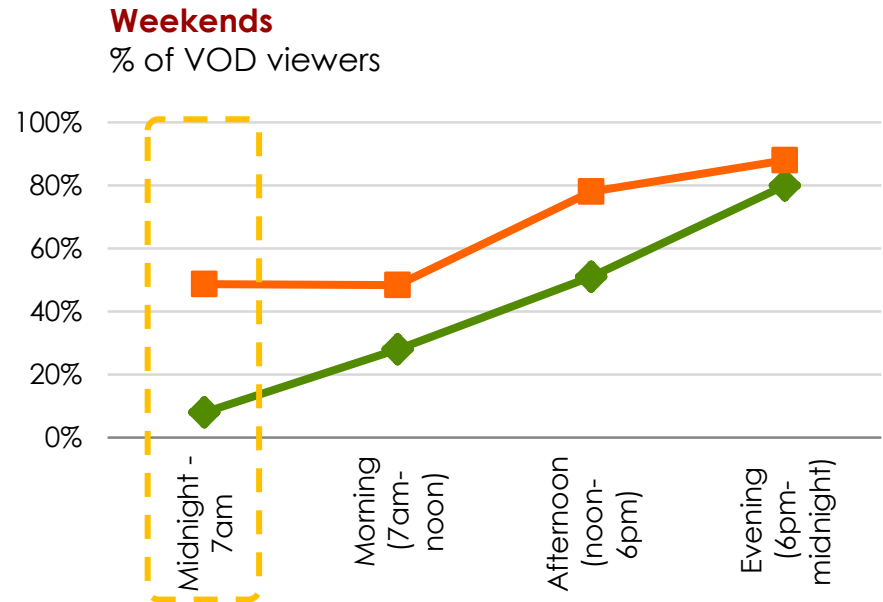


# VOD viewing remains prominent during traditional prime-time TV hours (6pm-midnight)

**Time of Day (Alternative Time Slots View): VOD Viewing**  
 Adults 16+ who are VOD viewers



[VOD 2015: Follows similar pattern]



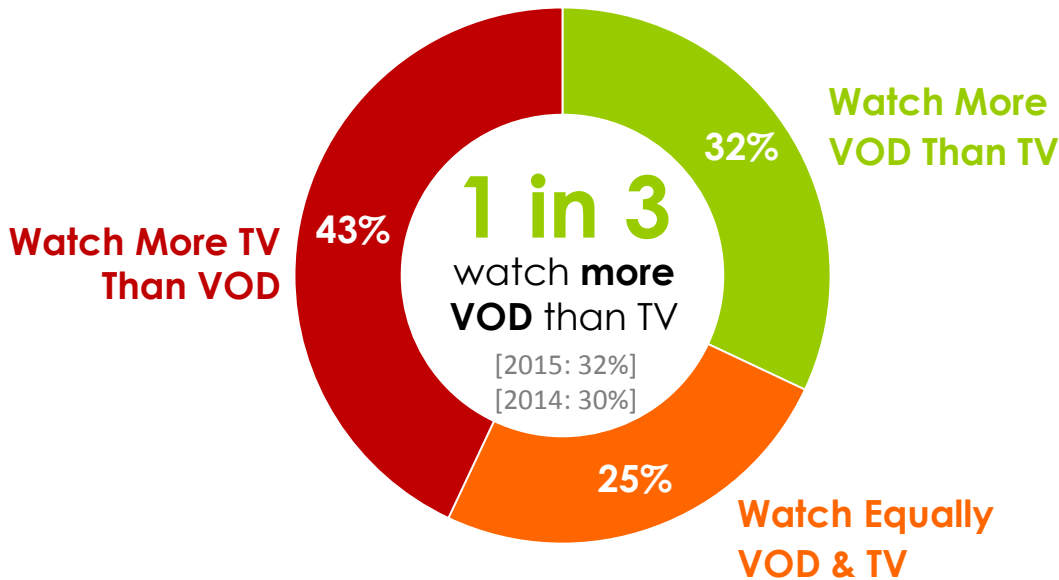
VOD 2016 vs. 2015: **-3%** ▼

# A third of VOD viewers claim to watch more VOD than TV, increasing to more than half amongst Adults 16-24

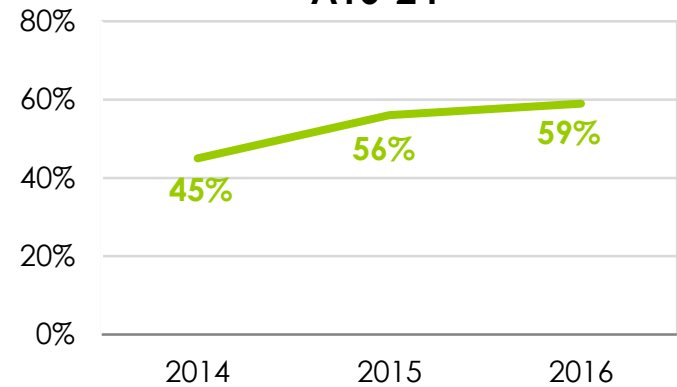


## Share of Daily Viewing (VOD vs. TV) Adults 16+ who are VOD viewers

Share of Average  
Daily TV vs. Daily VOD Viewing %



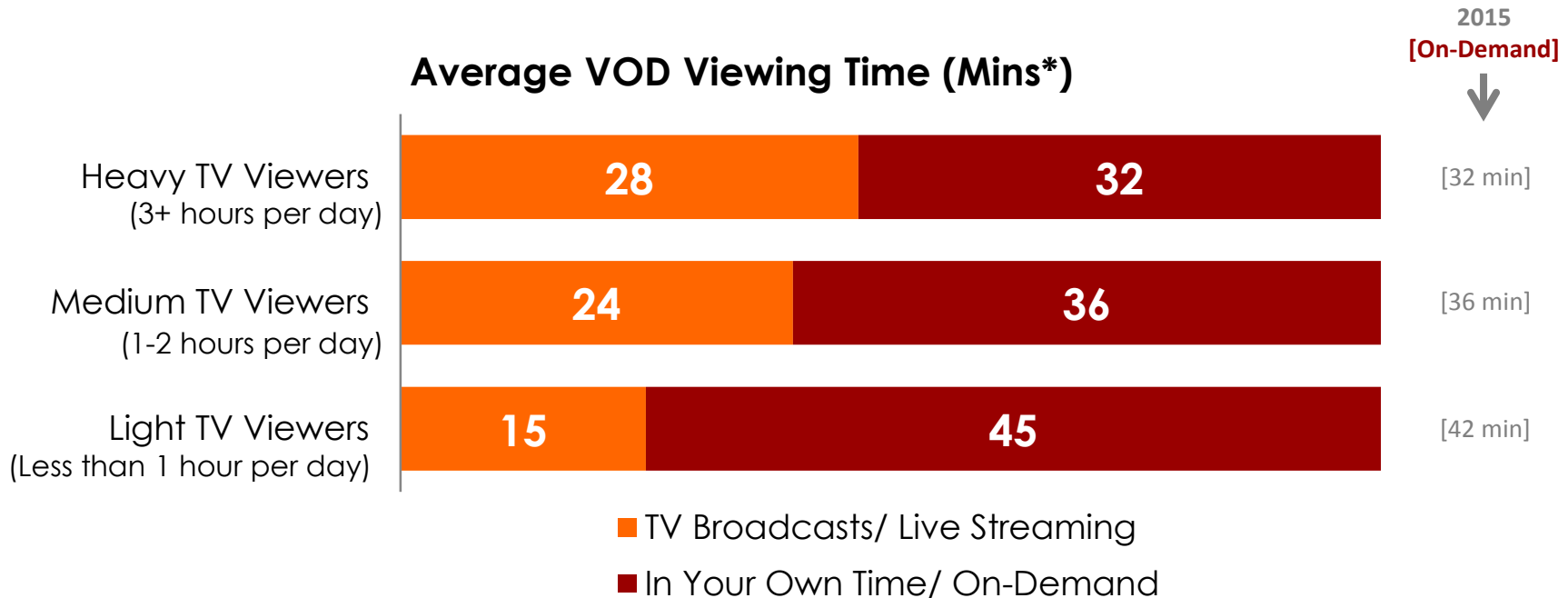
Watch more VOD than TV  
A16-24



# Use of on-demand viewing per typical hour amongst hard to reach light TV viewers increased in the past year



**Average Time** spent viewing TV Broadcasts/Live Streaming vs. In Your Own Time/On-Demand (By level of TV viewing)  
Adults 16+ who are VOD viewers



\*Re-percentage from 100 mins to 60 mins

Q28: Assuming you had 100 mins to watch full length TV programmes/series, any normal day, how many of these 100 mins would you typically spend watching via TV broadcast/live streaming & how many minutes watching in your own time/on-demand.

Base: Viewed VOD content in last 6 months: Light=276; Medium=351; Heavy=366

Nielsen | Prepared For: IAB Ireland - Video On Demand 2016

# Time - Summary

- Two thirds of time spent viewing VOD is via free services
- VOD viewing remains prominent during traditional prime-time TV hours (6pm – Midnight)
- VOD continues to reach light/medium TV viewers
- A third of VOD viewers claim to watch more VOD than TV, with 59% of A16-24 making that claim
- Use of on-demand viewing per typical hour amongst hard to reach light TV viewers increased in the past year



# REACTION

How do VOD viewers react to advertising?



# Continued perception that advertising is not a barrier to viewing VOD content

## Advertising Interruption

Adults 16+ who are VOD viewers & recall advertising in & around VOD content



# 4 in 5

VOD viewers who watch long form programming (79%) **did not** feel that **interruption by advertising**

**was a barrier** to watching content in full

[2015: 78%]



[21: 72%]

**A16-24**



[2015: 75%]

**A16-34**



[2015: 79%]

**A25-44**



[2015: 80%]

**A45+**



[2015: 78%]

**HSK**



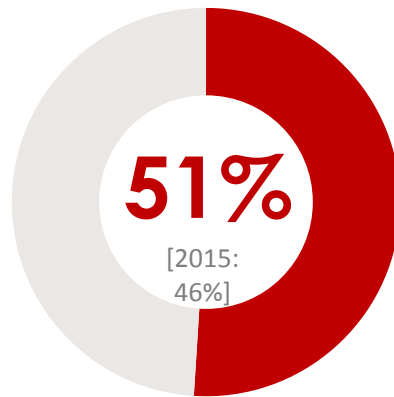
[2015: 77%]

**HSK+K**



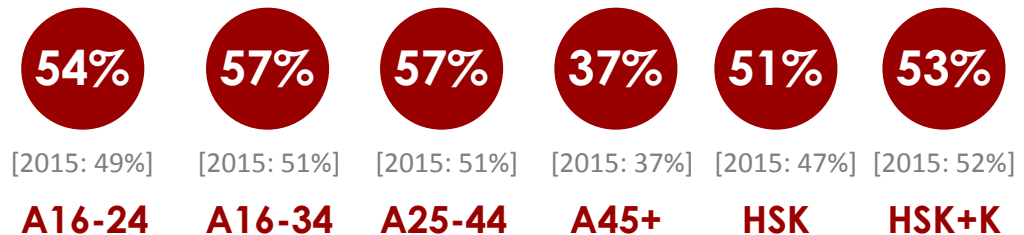
# 1 in 2 continue to be happy to watch advertising in return for free content, with acceptance rising amongst medium/ heavy users

**Advertising Acceptance** within any type of VOD content  
Adults 16+ who are VOD viewers & recall advertising in & around VOD content



Rise in **advertising acceptance** amongst **medium/heavy VOD users (54% ▲)** in the past year.  
[Medium/Heavy Users 2015: 48%]

**1 in 2**  
VOD viewers are **very/somewhat happy** to watch advertising in order to consume content for free (Any VOD content)



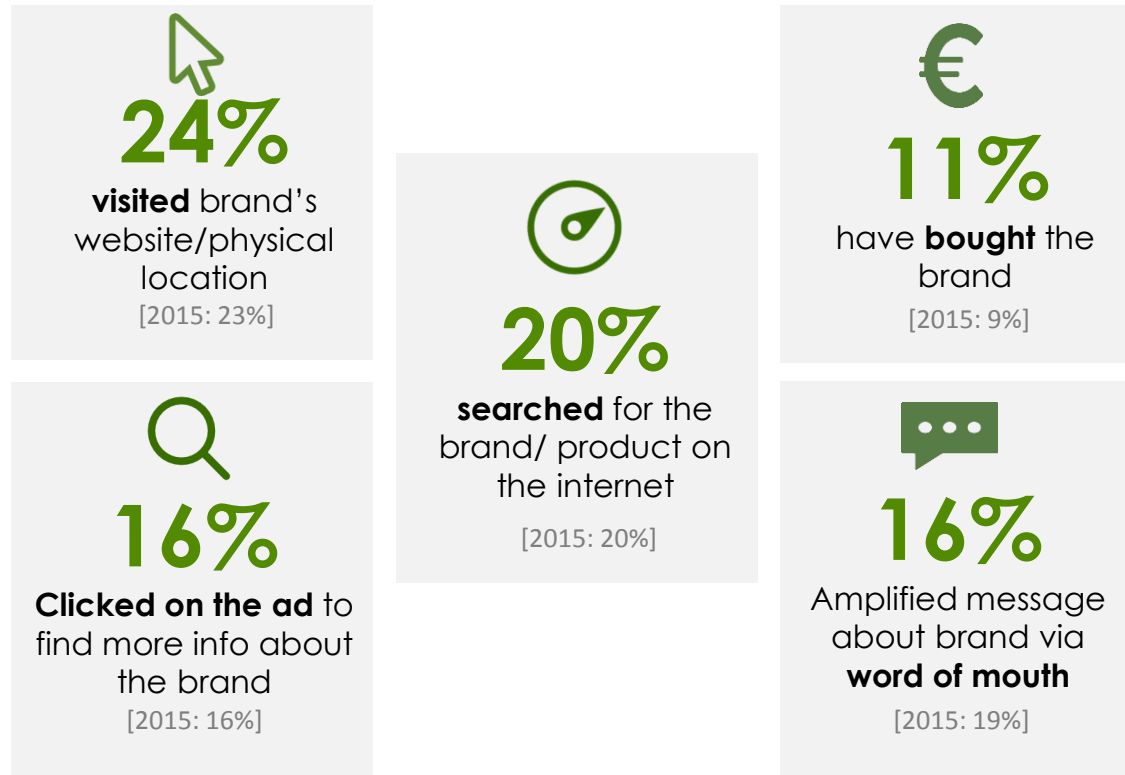
# Advertising in & around Video On Demand content has led to similar levels of brand engagement



## Advertising Reaction

Adults 16+ who are VOD viewers & recall advertising in & around VOD content

### Actions ever done following exposure to advertising...





## Video On Demand: Key Insights

# Key Insights

- Just under **3 in 4** Irish Adults (16+) viewed VOD in the last 6 months, slightly higher than this time last year
- **1 in 3** are viewing VOD content on a **daily** basis, with this figure increasing to **1 in 2** for 16-24 year olds.
- Use of **portable devices**, smartphones and tablets, to view VOD has risen over the past year across all demographics and all content types
  - **63%** of VOD viewers watched when “out & about” compared to just **47%** last year
- **Long form** (over 10 mins) **professional** content continues to have the greatest reach, but all demographics are watching a wide variety of content across short vs long form and professional vs user generated.
- **Advertising acceptance** in & around VOD content is rising amongst medium/heavy users – up from **48%** to **54%**

# IAB Ireland Video On Demand – Wave 3



June 2016



In association with:

