

IAB Ireland Video On Demand | 2017



October 2017



In association with:



Agenda



REACH

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



RESONANCE

How did VOD resonate with viewers in the last 6 months?



TIME

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



REACTION

How do VOD viewers react to advertising?

Study Methodology

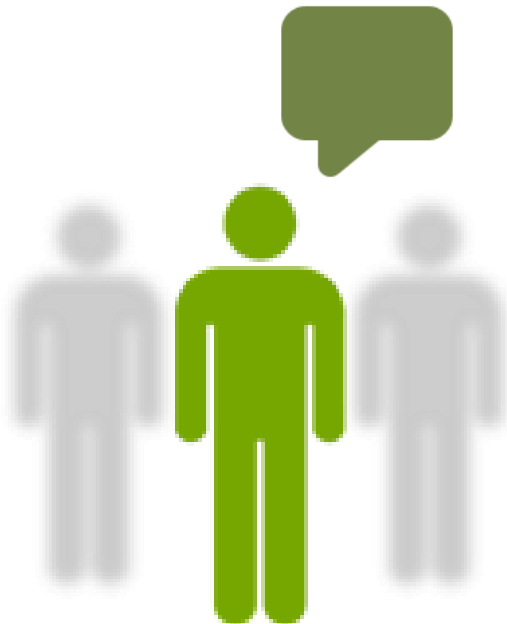
iab Ireland wants to understand and provide marketers with a wide range of insights into the consumption and attitudes towards **Video On Demand (VOD)**

About the study

The fourth wave took place in September 2017, and comprised of two phases:

1. Population representative sample of 800 Adults 16+ to measure the reach & profile of VOD viewers in the country
2. A sample* of 1,000 Adults 16+ who are VOD viewers to understand their VOD behaviour in the last 6 months

Comparison is made to previous waves which were conducted February 2016 (n= 800/993) and in March 2015 (n=796/1,021)



Definitions

By **VOD** we mean streamed and downloaded content from the internet via:

- **Video only content sites** (e.g. YouTube)
- **Video news clips on news sites** (e.g. Independent.ie, Irishtimes.com)
- **Free social media platforms** (e.g. Facebook, Twitter, Instagram, Snapchat)
- **Free broadcast players** for live TV, streaming and programme catch up (e.g. 3player, All4, RTE)
- **Paid subscriptions** (e.g. Netflix, Amazon)

VOD includes both professionally produced and user-generated content, whatever the length of the video.

For ease of understanding

There is a collective group of devices that is referred to within the presentation. For ease of understanding, it will be referred to as follows:

- **OTT & Other Devices** = Over the top & other devices:
 - TV via Smart TV
 - TV via Set Top Box
 - TV via HDMI Cable/USB
 - Game Console
 - Casting Device

Reference will also be made to housekeepers & housekeepers with kids. They'll be referred to as follows:

- **HSK** = Housekeepers
- **HSK+K** = Housekeepers with kids

Identifying what's significant

Where possible, the report looks at changes versus previous waves, and potential trends that are emerging.

Statistically significant changes (at the 95% confidence level) are highlighted with the following symbols in this report:



Indicates a significant increase 2017 vs. 2016



Indicates a significant decrease 2017 vs. 2016



Indicates a significant increase 2017 vs. 2015



Indicates a significant decrease 2017 vs. 2015

Key Insights

- 74% of Irish adults have viewed VOD in the last six months, up from 67% in 2015
- Free services namely video only content sites and social media are the most popular platforms and deliver the highest reach
- Half of VOD viewers watch daily, rising to 3 in 4 amongst Adults under 25
- 72% are claiming to view VOD content for over an hour a day, higher than in previous years
- VOD delivers hard to reach audiences



'REACH'

What is the reach of VOD & who is a VOD user & how has this changed in the past year?

- Market Reach & Profile -



Majority of Adults 16+ in Ireland are viewing VOD content

VOD | Reach in Last 6 Months

Adults 16+ IRE Population

3 in 4

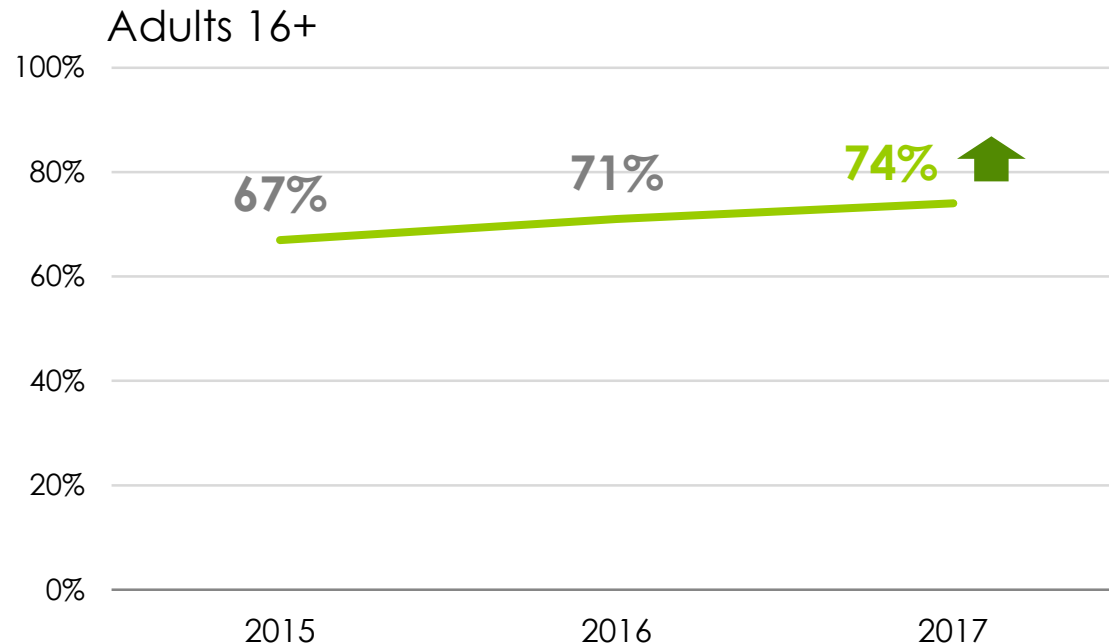
(74%) of Adults 16+
have watched VOD content
in the last 6 months



VOD viewing has increased significantly since 2015

VOD | Reach in Last 6 Months

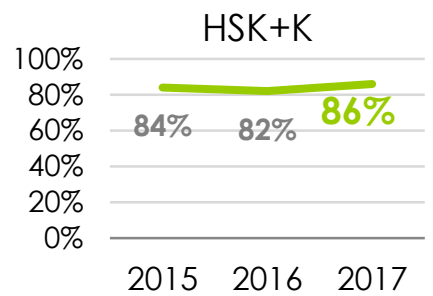
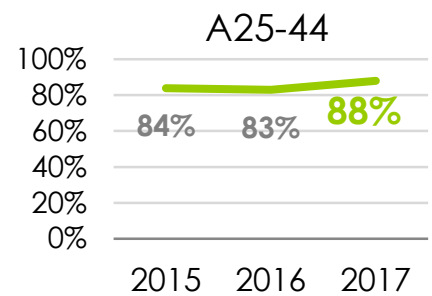
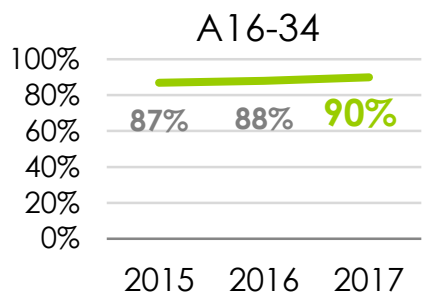
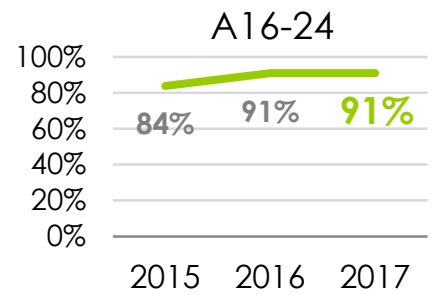
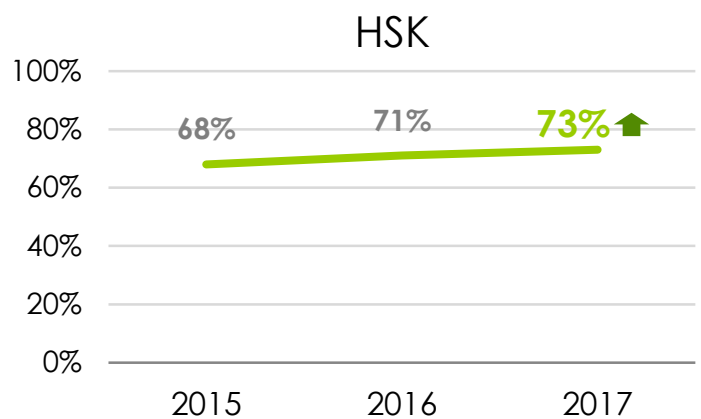
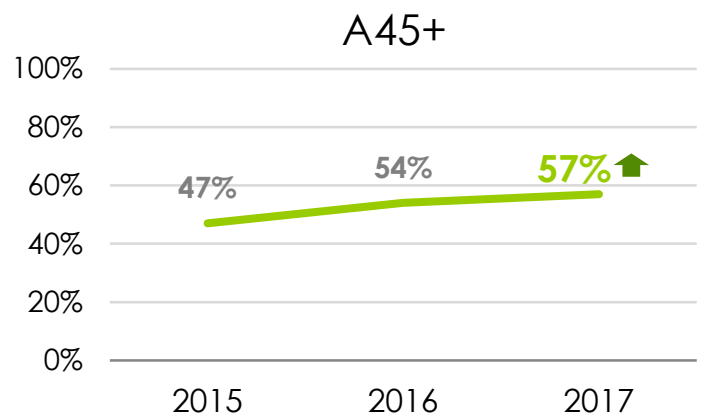
Adults 16+ IRE Population





More A45+ & housekeepers viewing VOD than in past years

VOD | Reach in Last 6 Months Adults 16+ IRE Population

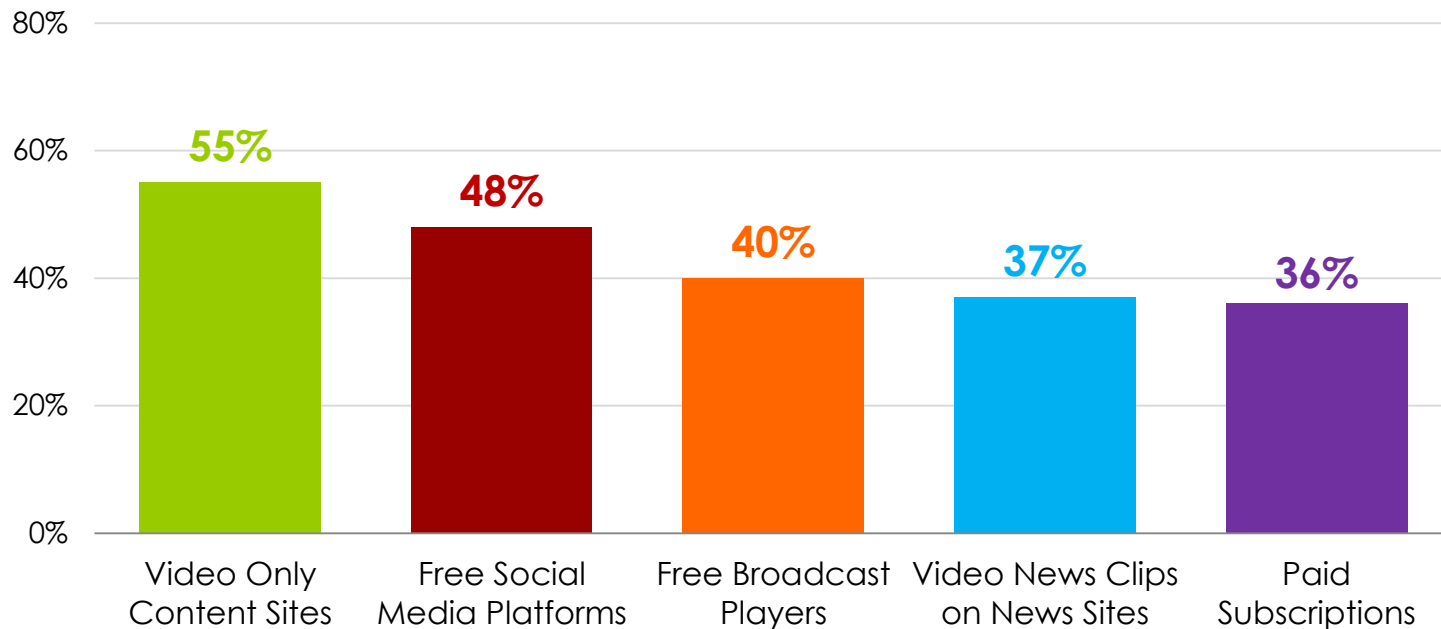


Free services namely video only content sites and social media are the most popular platforms



Types of VOD sites/platforms viewed | Reach in Last 6 Months*

Adults 16+ IRE Population



*New question asked for first time in 2017 – trend comparison to previous waves not possible

Q1C. Which of the following types of Video on Demand online content have you watched in the last 6 months?

Base: Population Representative Sample | All=800

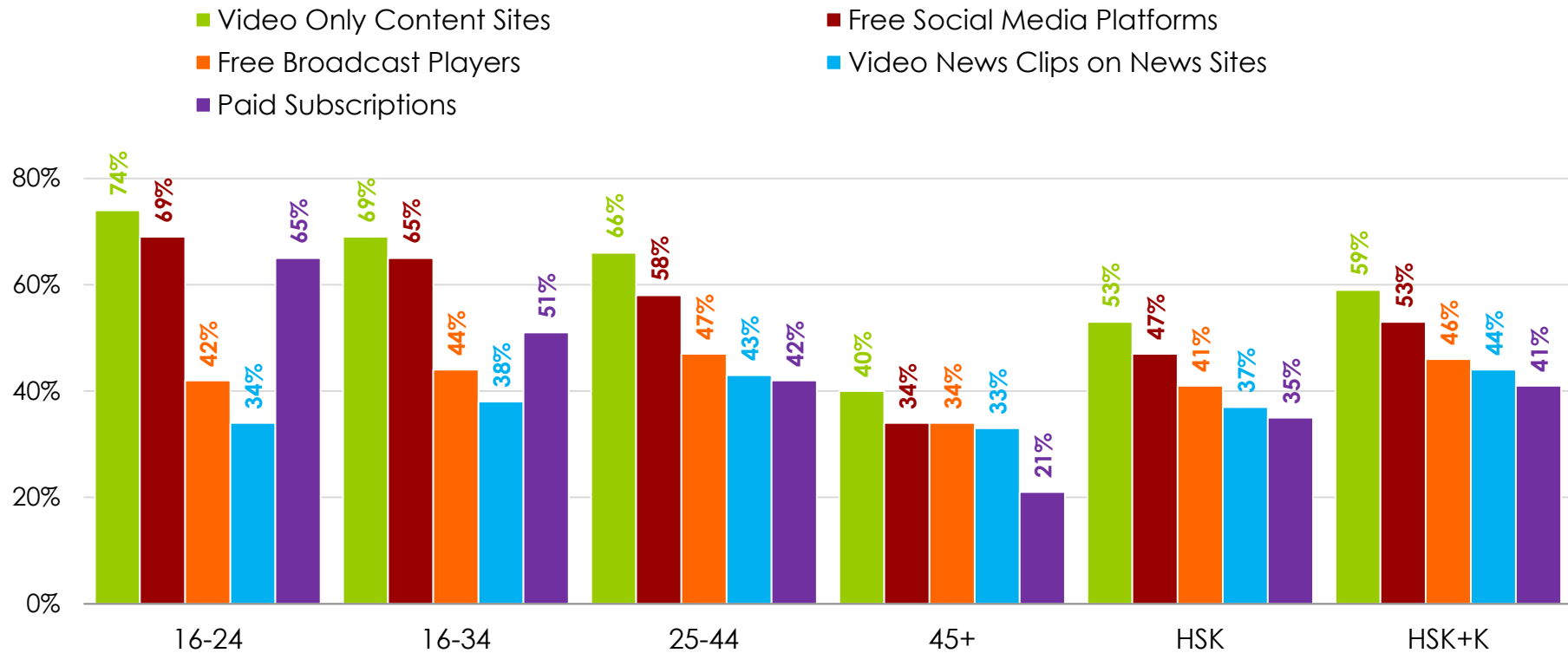
Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Paid subscriptions are more popular than video news clips or free broadcast players amongst younger audiences



Types of VOD sites/platforms viewed | Reach in Last 6 Months*

Adults 16+ IRE Population



*New question asked for first time in 2017 – trend comparison to previous waves not possible

Q1C. Which of the following types of Video on Demand online content have you watched in the last 6 months?

Base: Population Representative Sample | 16-24=121; 16-34=273; 25-44=313; 45+=366; HSK=728; HSK+K=275

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Market Reach – Key Insights

- 74% of Irish adults have viewed VOD in the last six months, up from 67% in 2015
 - Reach amongst A45+ and HSK is growing
 - Reach exceeded 80% for younger audiences and HSK+K
- Free services namely video only content sites and social media are the most popular platforms and deliver the highest reach
- Paid subscription content is more popular amongst adults under 35



RESONANCE (VOD viewers)

How did VOD resonate with viewers in the last 6 months?

A change of focus

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

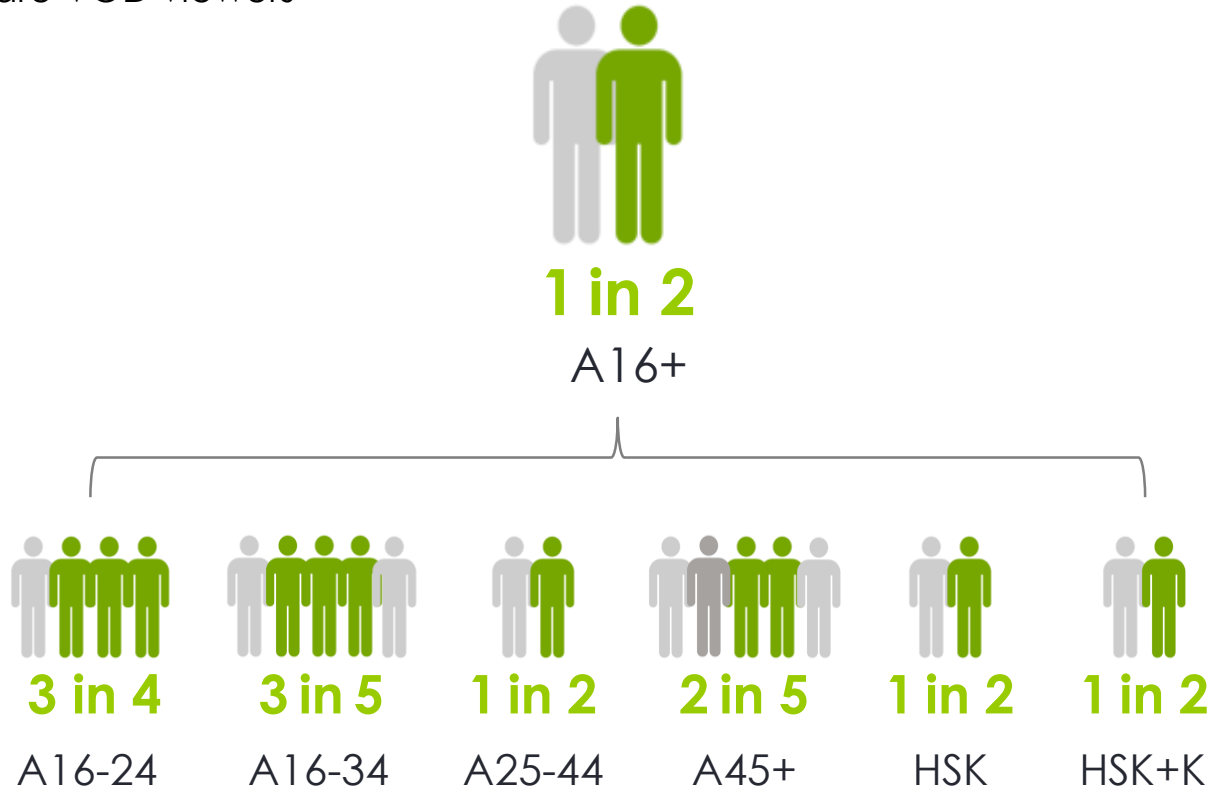
In this section, the focus moves to looking specifically at **VOD viewers**

Half of VOD viewers watch daily, rising to 3 in 4 amongst Adults under 25



Daily Usage of VOD content*

Adults 16+ who are VOD viewers



*Question asked differently prior to 2017 – trend comparison not possible

Q2. How often do you watch each of the following type of Video on Demand (VOD) content?

Base: Viewed VOD content in last 6 months | All=1000; 16-24=175; 16-34=426; 25-44=534; 45+= 291; HSK= 912; HSK+K= 435

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

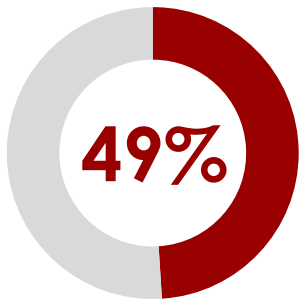
Free services namely video only content sites and social media are most likely to be viewed daily



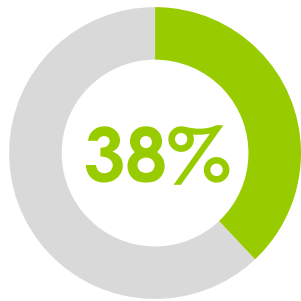
Daily usage of VOD content by site/platform – Last 6 Months*

Adults 16+ who are VOD viewers and use the site/platform

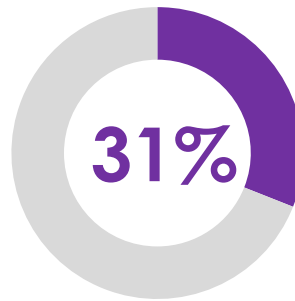
**Free Social
Media Platforms**



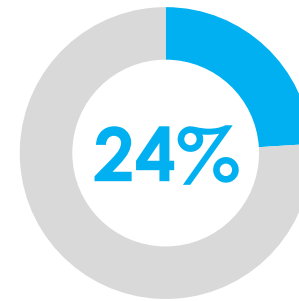
**Video Only
Content Sites**



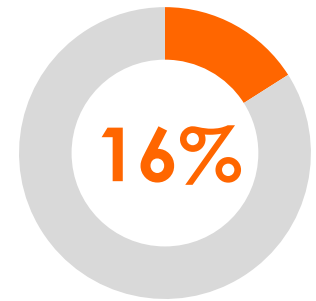
**Paid
Subscriptions**



**Video News Clips
on News Sites**



**Free Broadcast
Players**



*Question asked differently prior to 2017 – trend comparison not possible

Q2. How often do you watch each of the following type of Video on Demand (VOD) content? A: Once a day or more

Base: Those who used the site/platform (n=480-745)

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

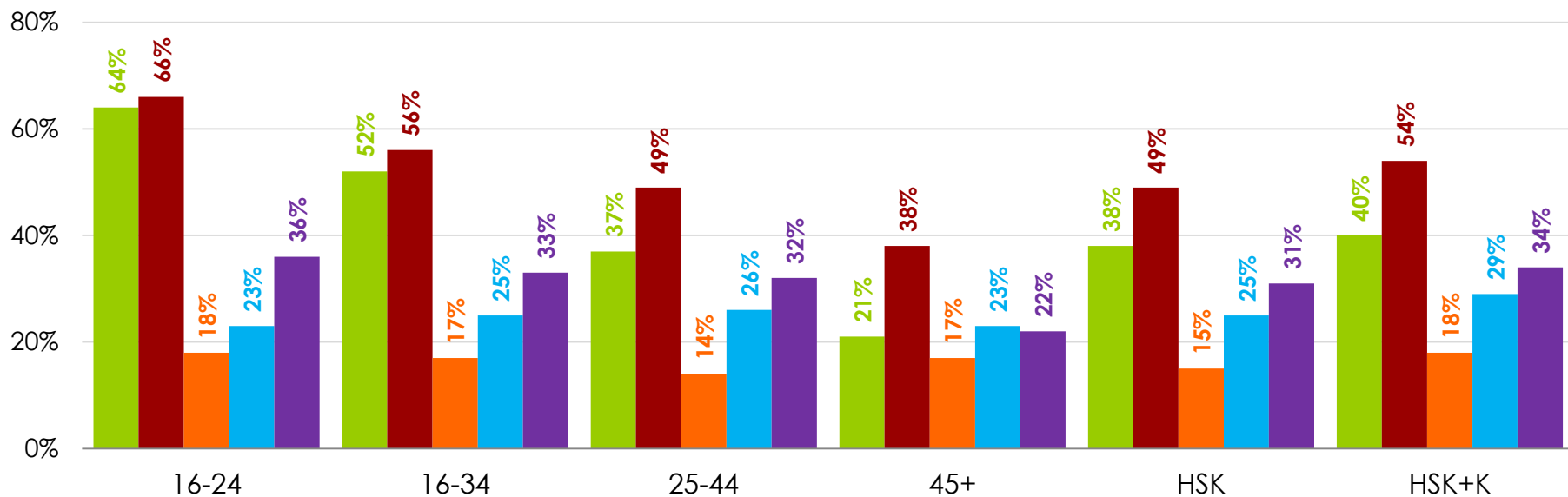
Video only content sites and social media are viewed daily most notably by those aged under 45



Daily Usage of VOD content by site/platform – Last 6 Months*

Adults 16+ who are VOD viewers and use the site/platform

- Video Only Content Sites
- Free Broadcast Players
- Paid Subscriptions
- Free Social Media Platforms
- Video News Clips on News Sites



* Question asked differently prior to 2017 – trend comparison not possible

Q2. How often do you watch each of the following type of Video on Demand (VOD) content?

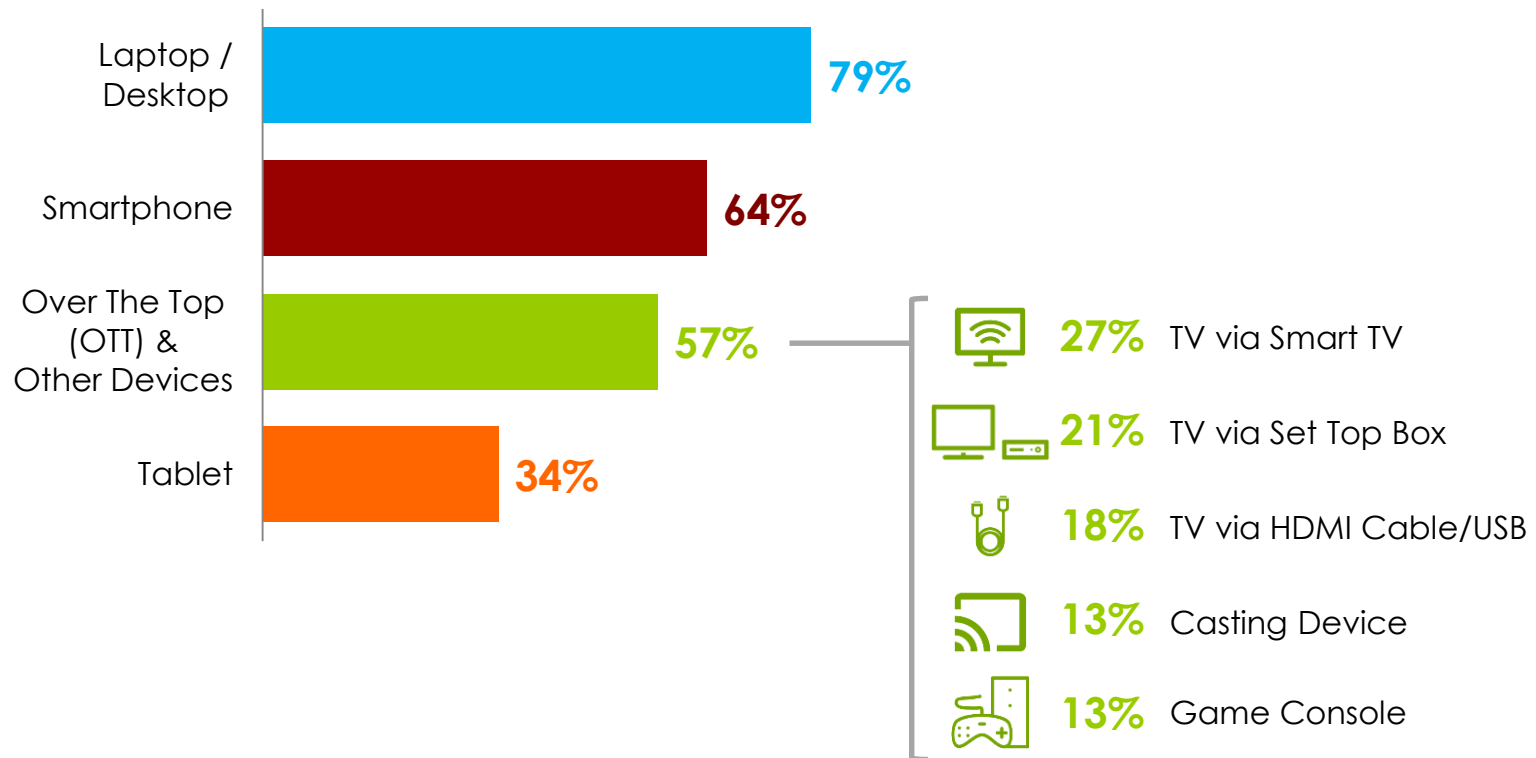
Base: Those who used the site/platform | 16-24=60-137; 16-34=167-313; 25-44=250-399; 45+= 116-209; HSK= 446-673; HSK+K= 213-311

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Around 3 in 5 A16+ use Over The Top (OTT) & Other devices to view VOD, however laptop/desktop is still the most popular



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



*Question asked differently prior to 2017 – trend comparison not possible

Q4. On which device/s have you watched each of the following types of Video on Demand (VOD) content?

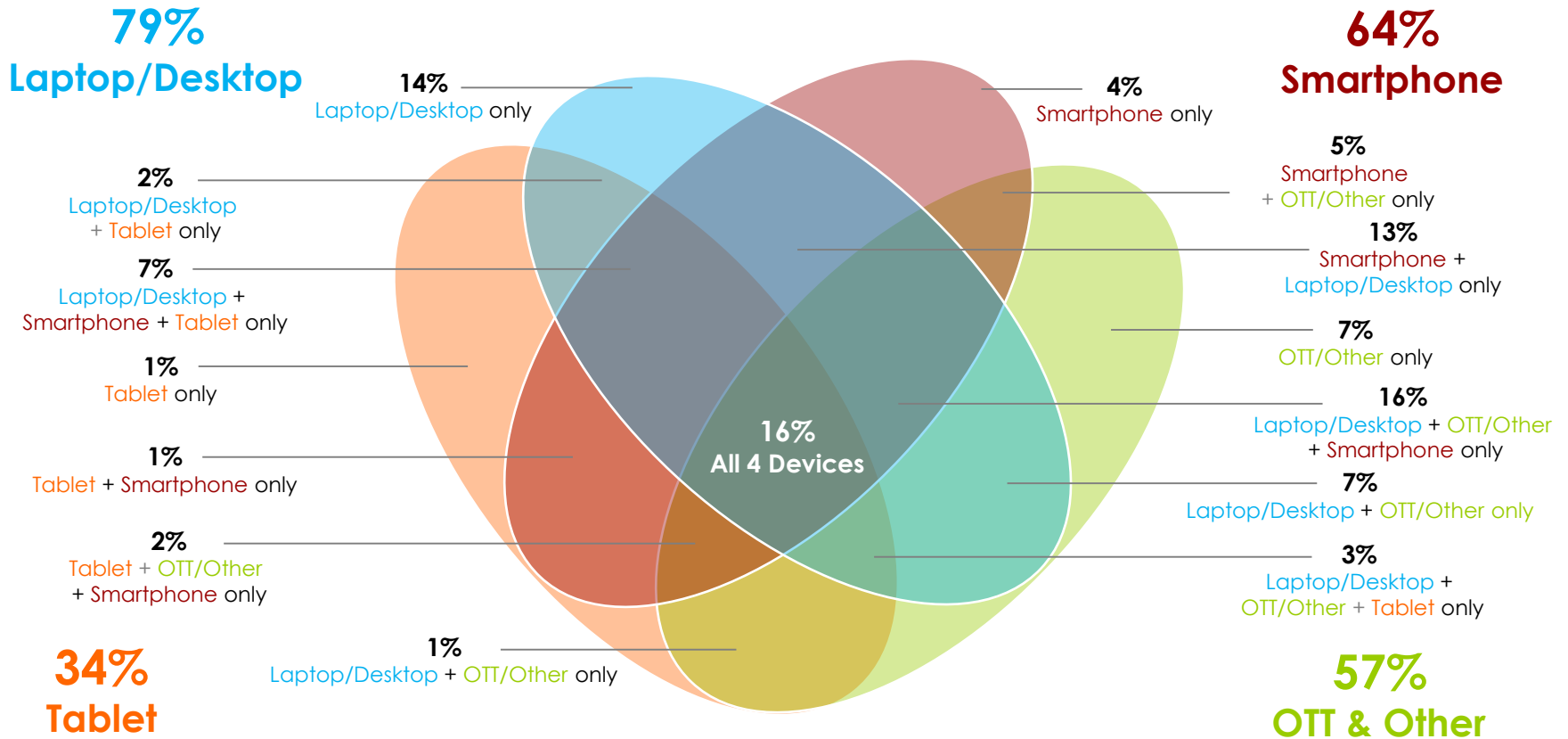
Base: Viewed VOD content in last 6 months | All= 1000

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017



16% of VOD viewers use all 4 devices for watching content

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



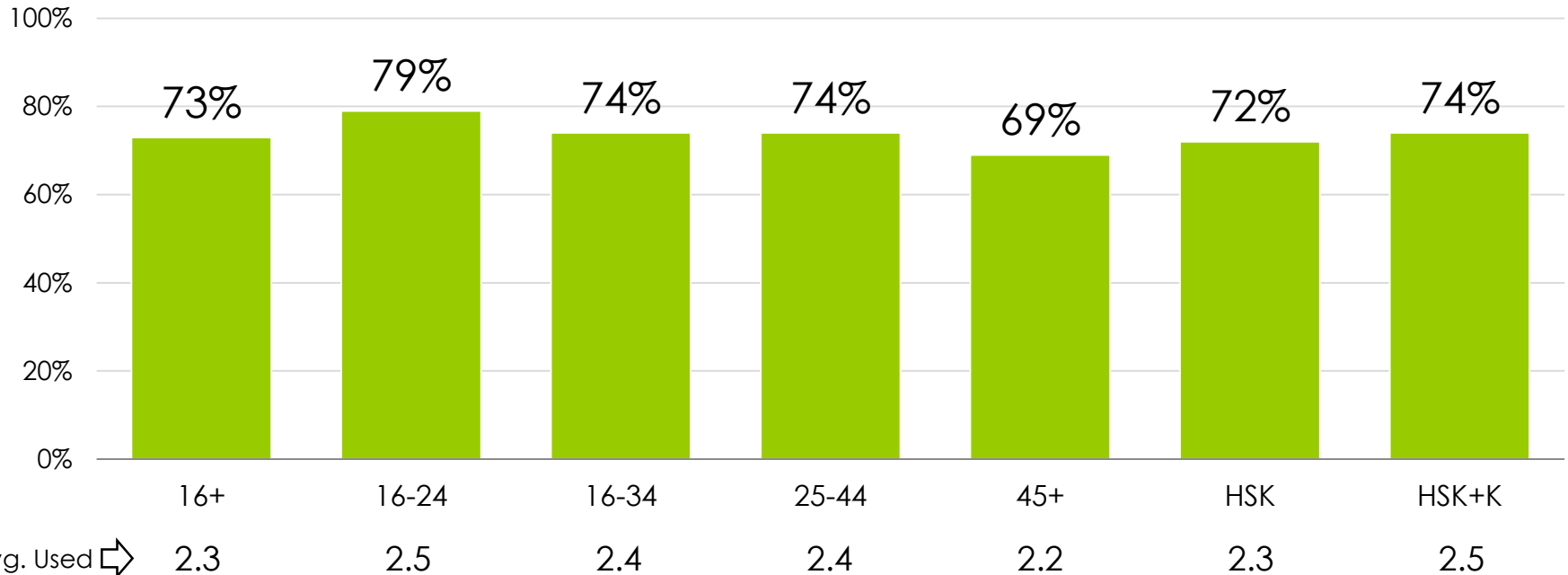
*Question asked differently prior to 2017 – trend comparison not possible
 Q4. On which device/s have you watched each of the following types of Video on Demand (VOD) content?
 Base: Viewed VOD content in last 6 months | All= 1000
 Note: Any differences of +/-1% are due to the round-up of decimals
 Nielsen | Prepared For: IAB Ireland - Video On Demand 2017



Majority (73%) use more than one device to watch VOD

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

Use Two or More Devices to View VOD



*Question asked differently prior to 2017 – trend comparison not possible
Q4. On which device/s have you watched each of the following types of Video on Demand (VOD) content?
Base: Viewed VOD content in last 6 months | All= 1000; 16-24=175; 16-34=426; 25-44=534; 45+= 291; HSK= 912; HSK+K= 435
Note: Any differences of +/-1% are due to the round-up of decimals
Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

OTT devices such as Games Consoles and Casting Devices are more likely to be used by Adults under 35



Device usage for viewing VOD content by age*
Index v Adults 16+ who are VOD viewers

	A16+	16-24	16-34	25-44	45+	HSK	HSK+K
Laptop	67%	109	101	93	106	97	93
Smartphone	64%	119	108	106	78	98	105
Tablet	34%	103	94	100	94	100	115
Desktop Computer	31%	87	94	100	103	100	110
TV via Smart TV	27%	122	107	100	81	96	111
TV via Set Top Box	21%	86	95	105	105	105	129
TV via HDMI cable/USB	18%	117	122	106	83	106	111
Games Console	13%	154	131	108	46	100	115
Casting Device	13%	123	131	123	46	100	123

*Question asked differently prior to 2017 – trend comparison not possible

Q4. On which device/s have you watched each of the following types of Video on Demand (VOD) content?

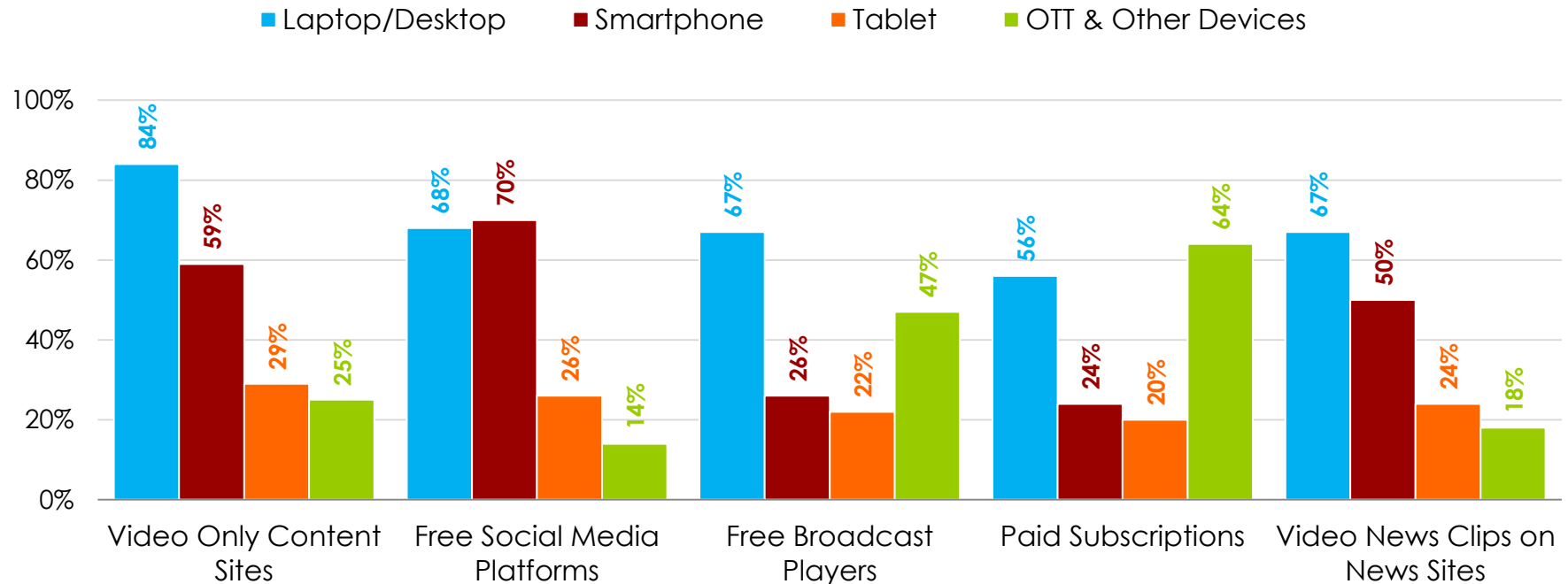
Base: Viewed VOD content in last 6 months | 16-24=175; 16-34=426; 25-44=534; 45+= 291; HSK= 912; HSK+K= 435

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Smartphones more commonly used to view VOD on video only content sites & social media whilst OTT/Other devices are used to view subscription/broadcast players



Device Used by type of VOD sites/platforms viewed*
Adults 16+ IRE Population



* Question asked differently prior to 2017 – trend comparison not possible

Q4. On which device/s have you watched each of the following types of Video on Demand (VOD) content?

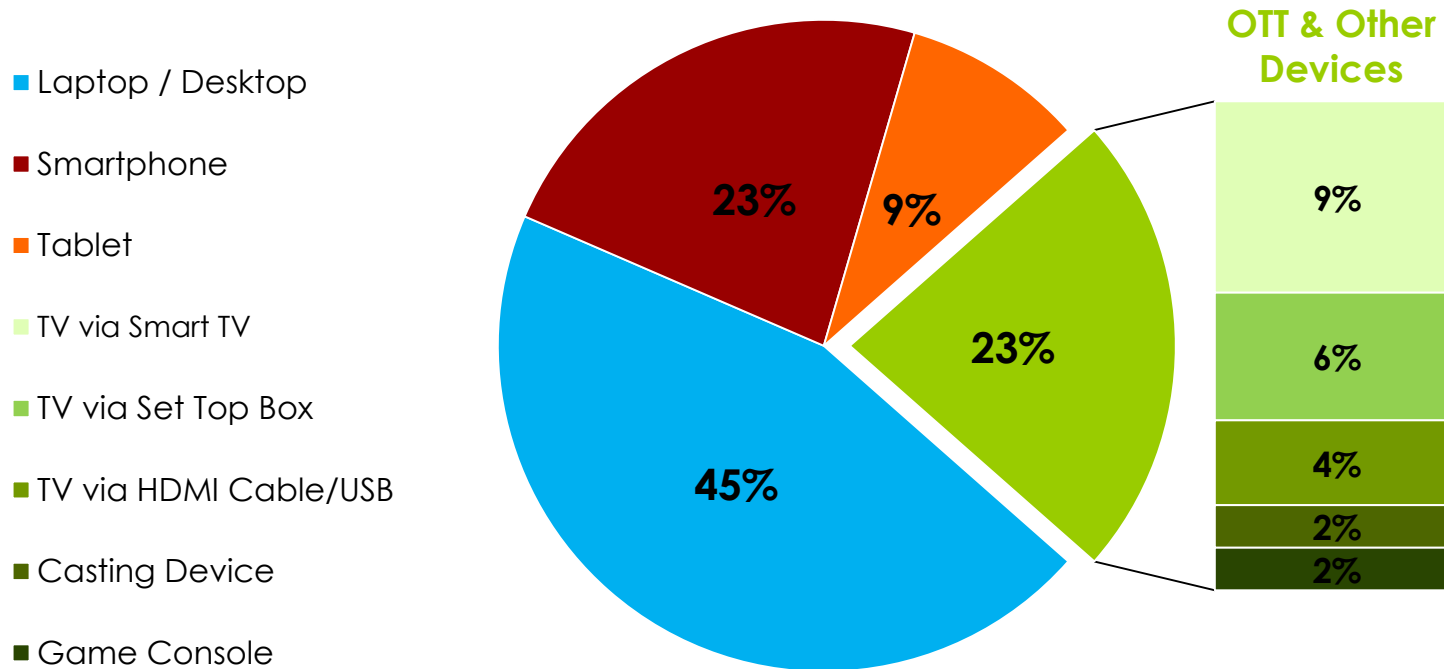
Base: Those who viewed VOD content in last 6 months via site/platform (n=543-843)

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

1 in 4 prefer OTT & Other devices for viewing VOD content with Laptop/Desktop the most favoured choice



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



*Question asked differently prior to 2017 – trend comparison not possible

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

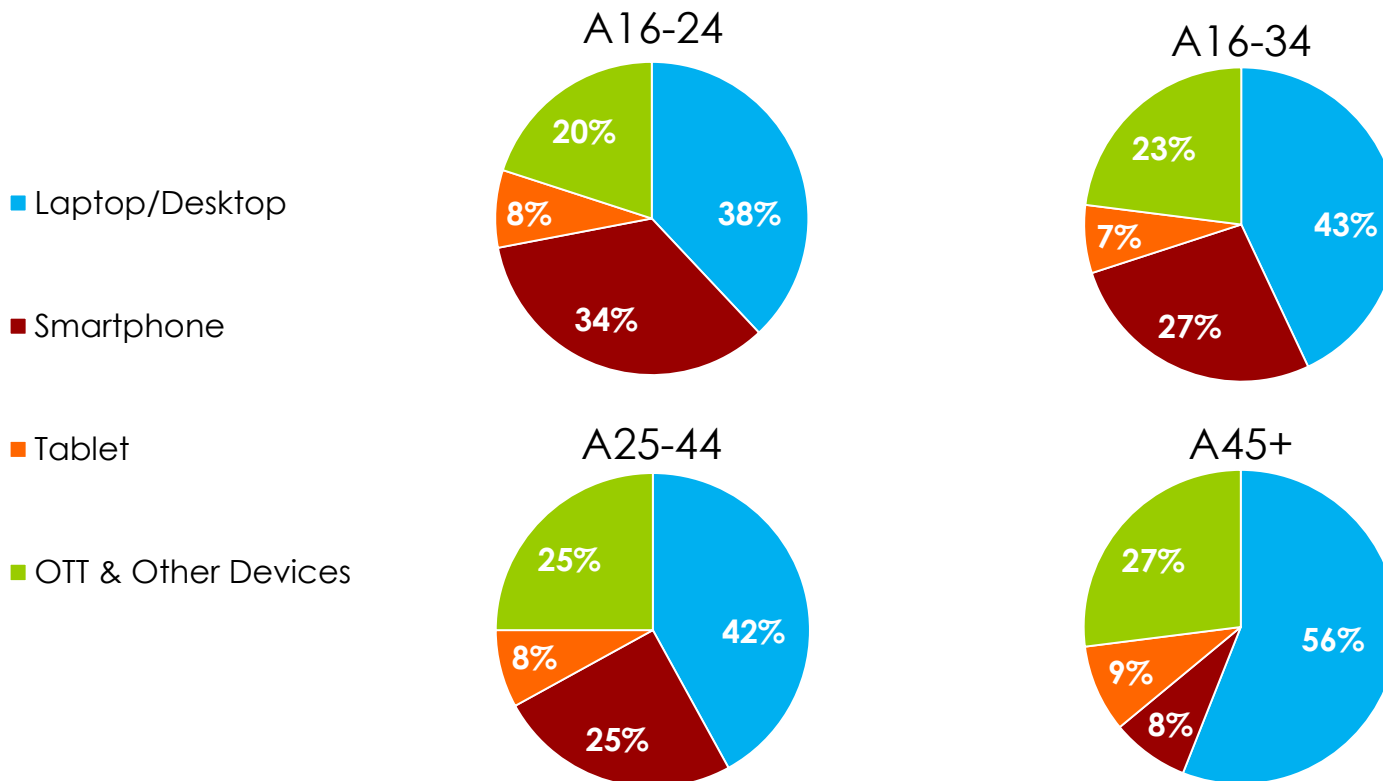
Base: Viewed VOD content in last 6 months | All=1000

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017



Adults 45+ prefer laptop/desktop & Adults under 45 prefer smartphones

Device preference for viewing VOD content by age*
Adults 16+ who are VOD viewers



* Question asked differently prior to 2017 – trend comparison not possible

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

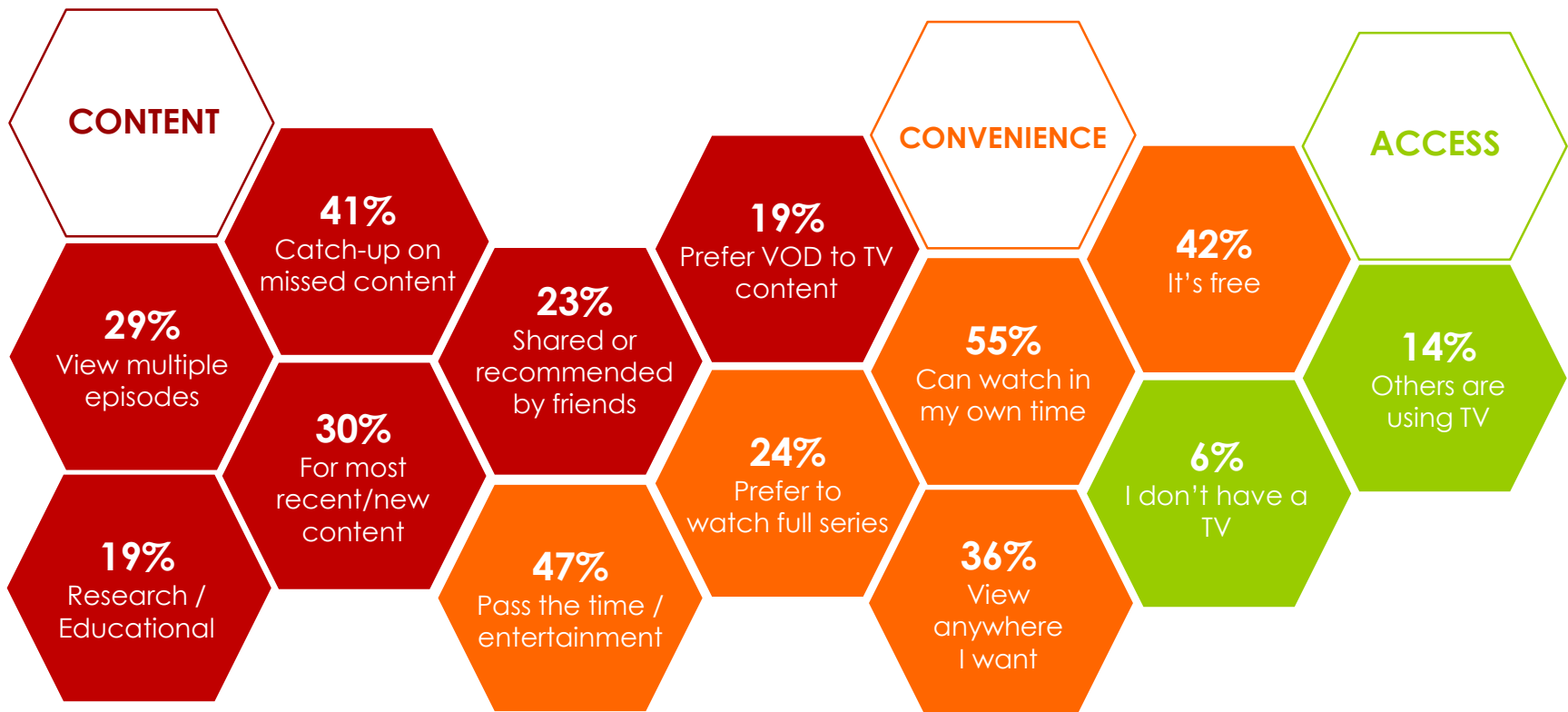
Base: Viewed VOD content in last 6 months | 16-24=175; 16-34=426; 25-44=534; 45+= 291; HSK= 912; HSK+K= 435

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Content, convenience and access are key drivers to consuming VOD content



Drivers of watching VOD content*
Adults 16+ who are VOD viewers



*Question asked differently prior to 2017 – trend comparison not possible

Q8. Why do you watch Video on Demand (VOD) content?

Base: Viewed VOD content in last 6 months All (n= 1000)

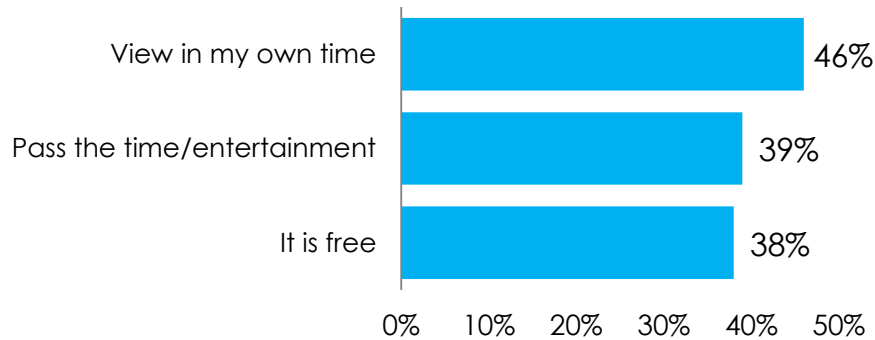
Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Smartphones likely to be chosen to view content anywhere whilst OTT/Other preferred by some for content catch up

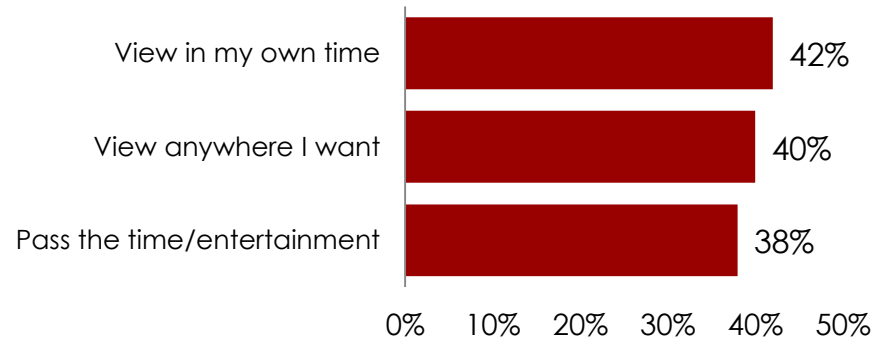


Top drivers for watching VOD content by device*
 Adults 16+ who use the device for viewing VOD content

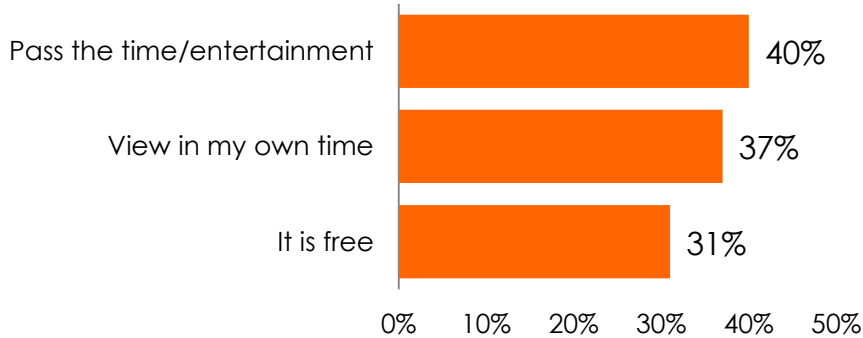
Top 3 Drivers – **Laptop/Desktop**



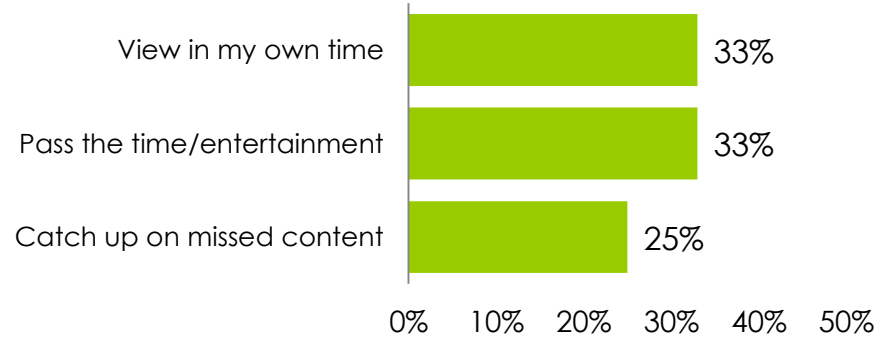
Top 3 Drivers - **Smartphone**



Top 3 Drivers – **Tablet**



Top 3 Drivers – **OTT & Other**



*Question asked differently prior to 2017 – trend comparison not possible

Q9. Why do you watch Video on Demand (VOD) content on each of the following devices?

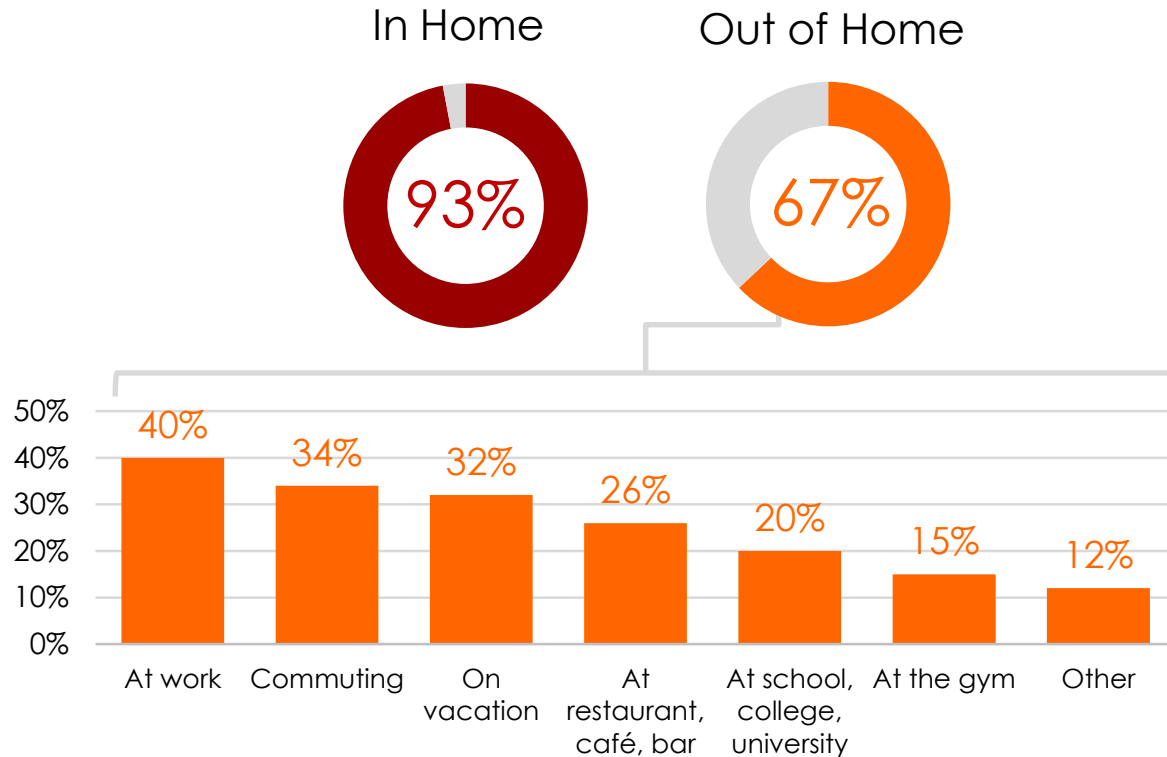
Base: Adults 16+ who use the device for viewing VOD content | Laptop/Desktop=791, Smartphone=640, Tablet=337, OTT/Other=572

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

2 in 3 watch VOD out of home, mainly at work & whilst commuting



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



All viewers are likely to watch any site/platform content at home though **Video only content** sites are less likely to be watched out of home



Adults 16-24 are watching more factual/documentaries on-demand than in previous years

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

Live Streaming | Top 5



News & Current Affairs
47%

[2016: 43%] [2015: 40%] ▲



Sports
44%

[2016: 45%] [2015: 40%]



Movies
37%

[2016: 36%] [2015: 34%]



Factual/Documentaries
32%

[2016: 30%] [2015: 29%]



Comedy
32%

[2016: 32%] [2015: 34%]

On Demand | Top 5



Movies
65%

[2016: 65%] [2015: 64%]



Drama
55%

[2016: 54%] [2015: 57%]



Box Sets
52%

[2016: 52%] [2015: 52%]



Factual/Documentaries
50%

[2016: 42%] ▲ [2015: 44%] ▲



Comedy
48%

[2016: 49%] [2015: 48%]

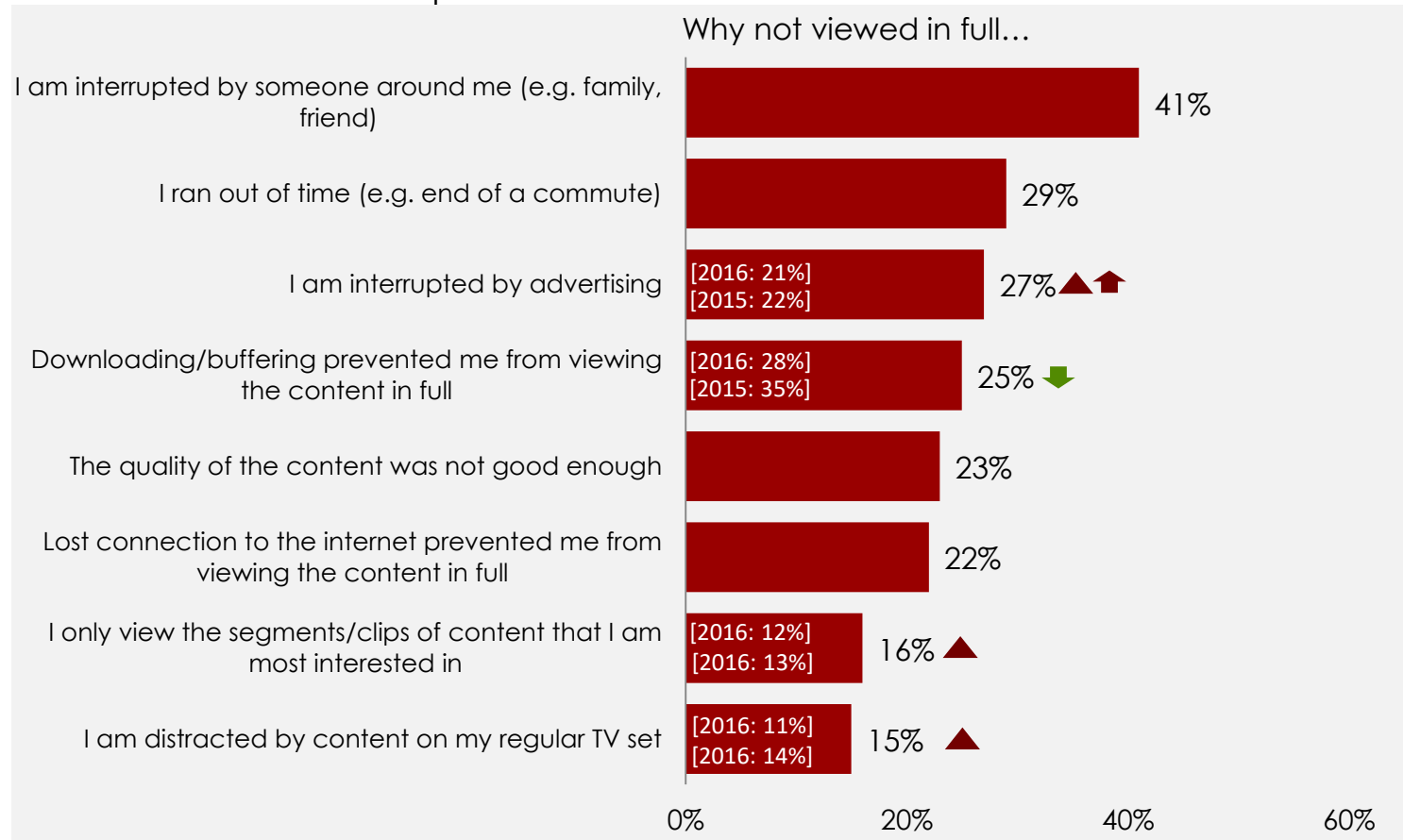
Rise in viewing of **Factual/Documentaries (55%)** on demand driven by **16-24**
[2016: 38%] ▲ [2015: 38%] ▲



Interruption from ads, TV distractions & select viewing have grown as barriers to watching content with buffering less of an obstacle

Barriers to watching content in full

Adults 16+ who are VOD viewers & watch professional video content



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= 618)
Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Resonance – Key Insights

- Half of VOD viewers watch daily, rising to 3 in 4 amongst Adults under 25
- Free services namely video only content sites and social media are most likely to be viewed daily
- Majority of viewers (73%) use more than 1 device for watching content, this is more noticeable amongst A16-24 (79%)
- Smartphones are more commonly used to view VOD on video only content sites & social media whilst OTT/Other devices are used to view subscription/broadcast players



TIME (VOD viewers)

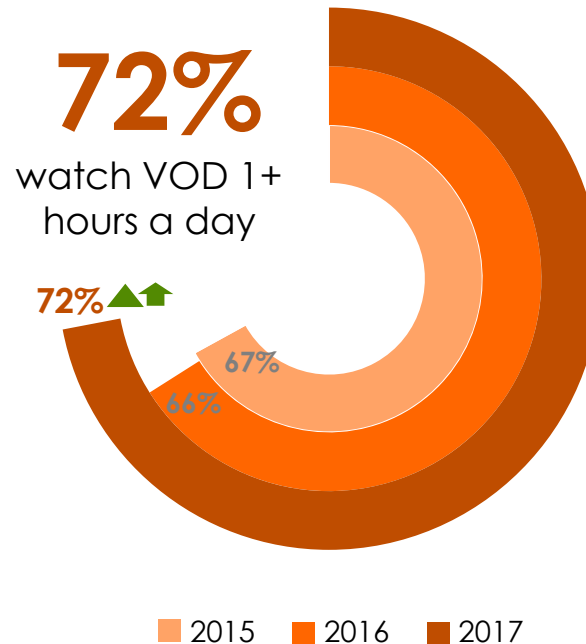
How do VOD viewers spend their time viewing VOD across various platforms?

72% are claiming to view VOD content for over an hour a day, higher than in previous years



Watch 1+ Hours Per Day of VOD content

Adults 16+ who are VOD viewers



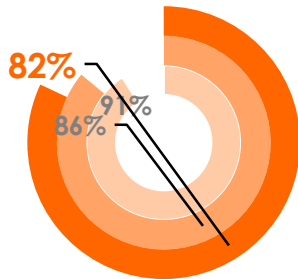
Claimed viewing of VOD for more than an hour a day has risen amongst A25-44 and HSK/HSK+K



Watch 1+ Hours Per Day of VOD content

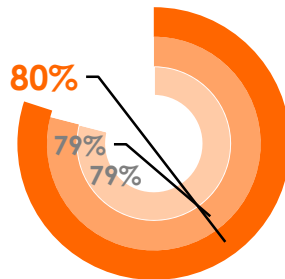
Adults 16+ who are VOD viewers

2015 2016 2017



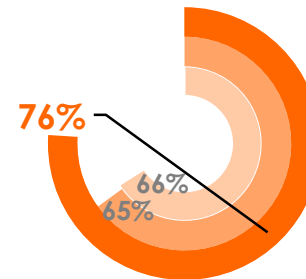
A16-24

2017 vs. 2016 → -4%
2017 vs. 2015 → -9% ↓



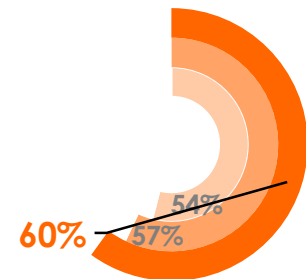
A16-34

+1%
+1%



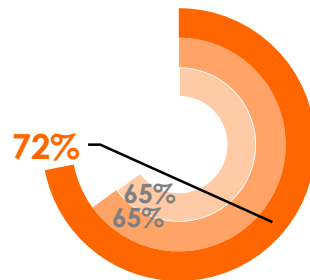
A25-44

+9% ▲
+10% ▲



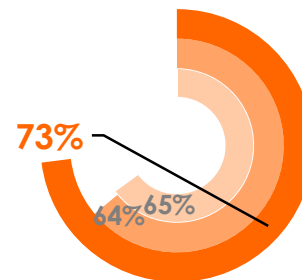
A45+

+3%
+6%



HSK

+7% ▲
+7% ▲



HSK+K

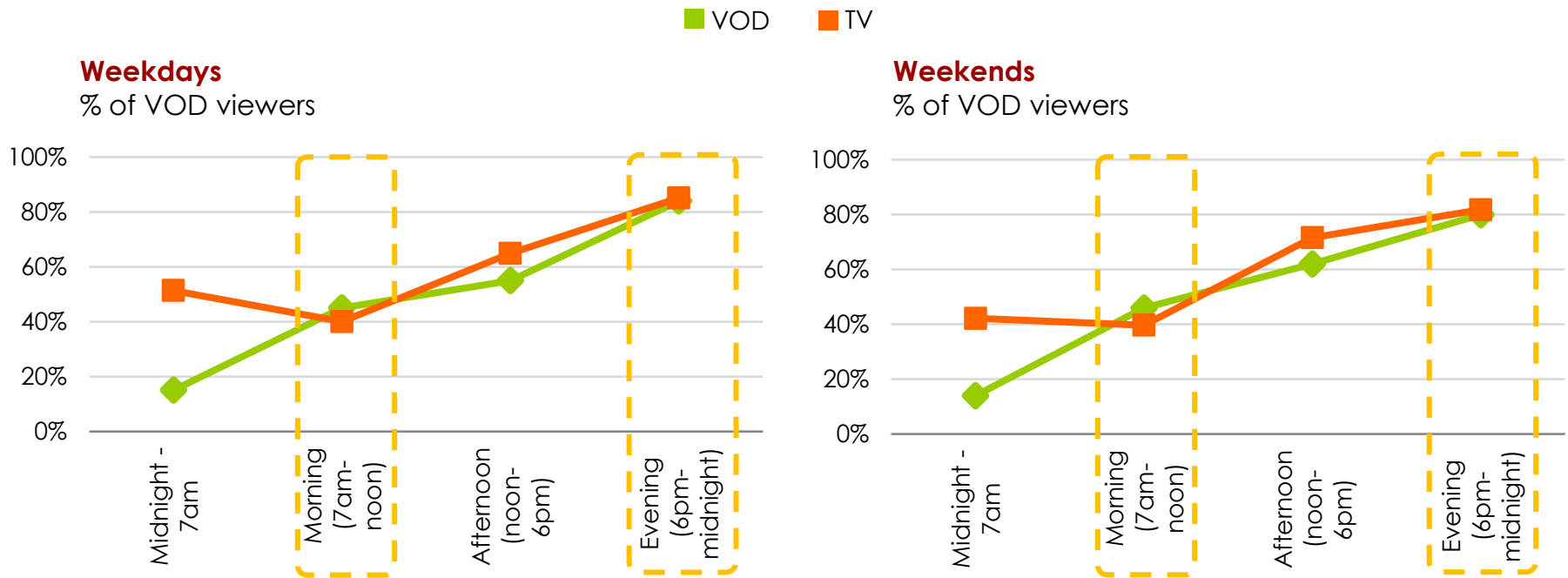
+9% ▲
+8% ▲

VOD viewing prominent during traditional prime-time TV hours (6pm-midnight) & slightly exceeds TV viewing in mornings



Time of Day (Time Slots View): VOD Viewing*

Adults 16+ who are VOD viewers



*Question asked differently prior to 2017 – trend comparison not possible

Q10. When during the week (Monday-Friday) do you watch the following types of Video on Demand (VOD) content?

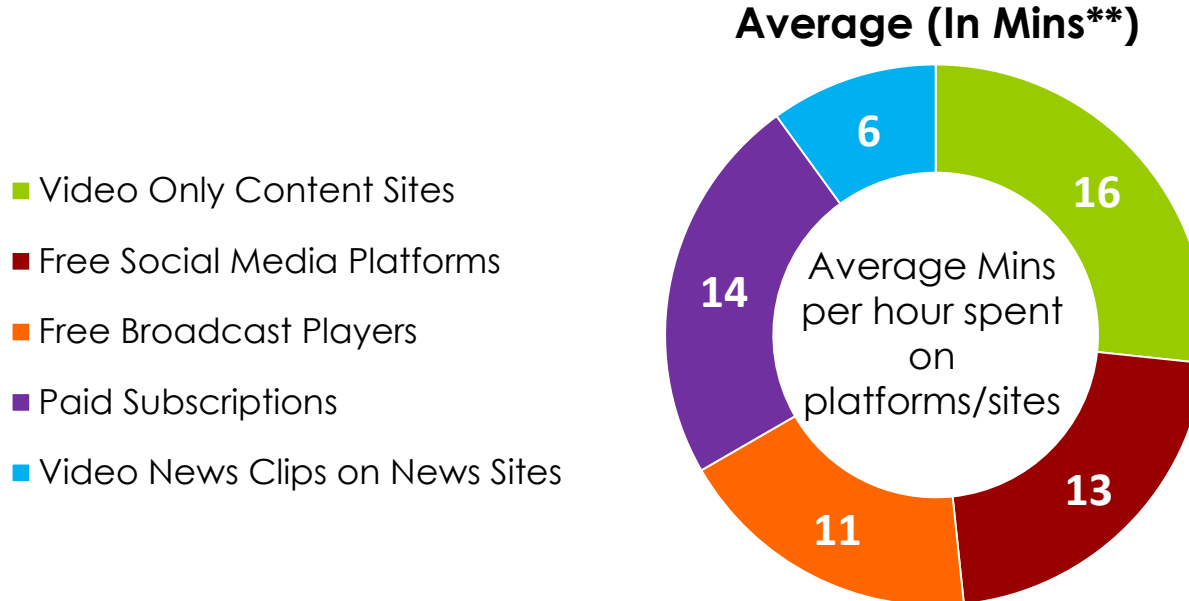
Q12. When during the weekend (Saturday-Sunday) do you watch the following types of Video on Demand (VOD) content?

Base: VOD - All= 1000 / TAM Data: Nielsen TV Audience Measurement Data

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Average time spent viewing VOD in a typical hour is evenly spread across the various types of sites/platforms

Average Time spent viewing VOD by VOD site/platform*
Adults 16+ who are VOD viewers



*Question asked differently prior to 2017 – trend comparison not possible

**Re-percentage from 100 mins to 60 mins

Q27B: Assuming you had 100 minutes to watch VOD content, on any normal day, how many of these 100 minutes would you typically spend on watching VOD content with each of the following platforms.

Base: Viewed VOD content in last 6 months: All=1000;

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Older adults are more likely to watch Video News Clips than younger audiences during traditional TV prime-time

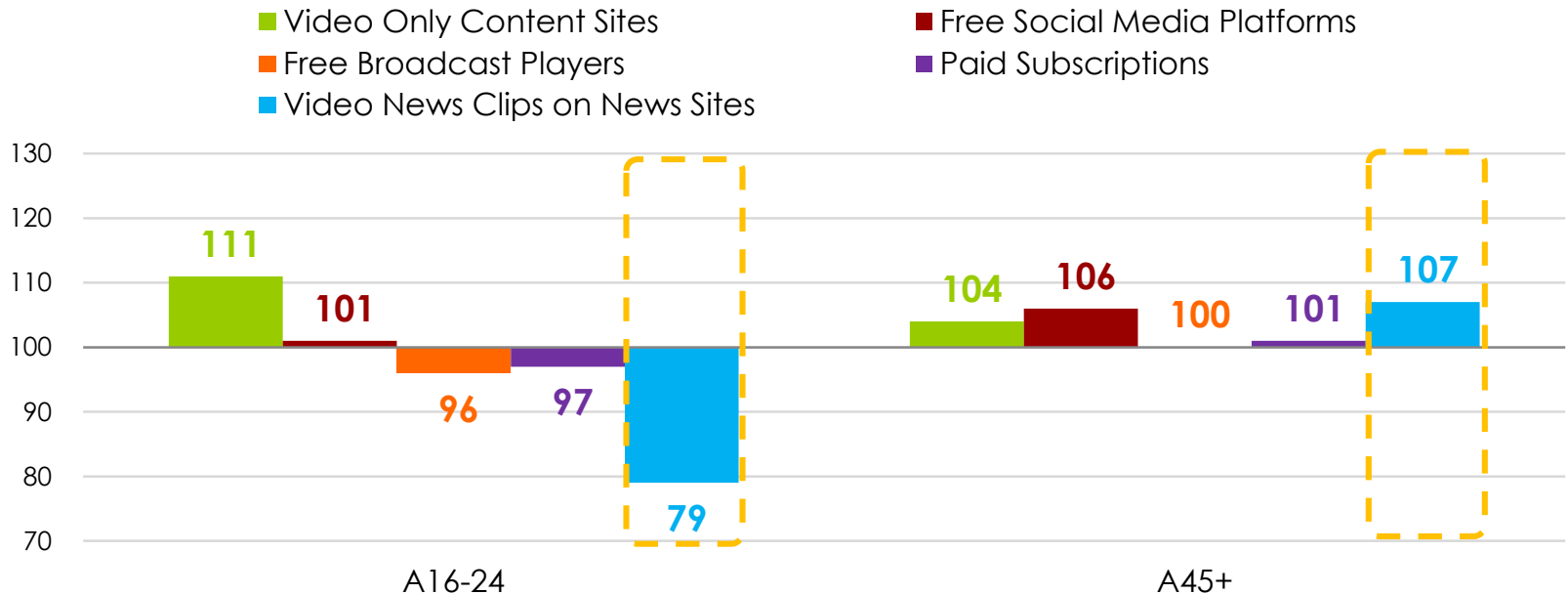


Index of VOD Viewing vs Adults 16+*

Adults 16-24 & 45+ who are VOD viewers

Peak Viewing: Mon-Fri 6pm-midnight

Index v Adults 16+ VOD Viewing



*Question asked differently prior to 2017 – trend comparison not possible

Q10. When during the week (Monday-Friday) do you watch the following types of Video on Demand (VOD) content?

Base: 16-24=175; 45+= 291

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

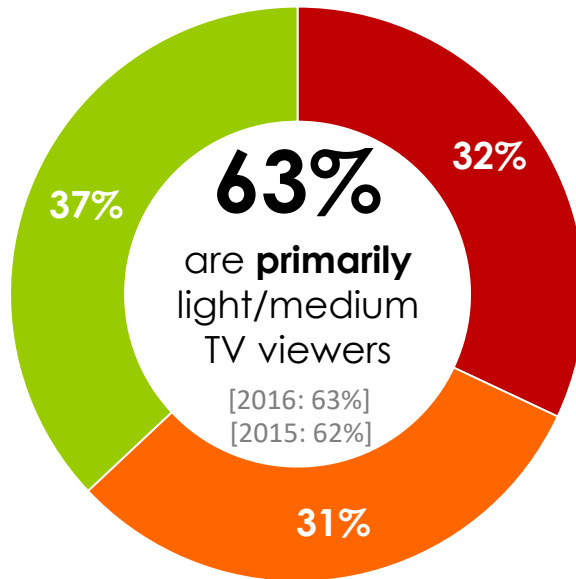
2 in 3 VOD viewers are light/medium TV viewers, with A16-34 increasingly becoming light TV viewers



Daily TV Viewing

Adults 16+ who are VOD viewers

Average **Daily TV Viewing %**



More 16-34 VOD viewers are becoming **light TV viewers** (43%) ▲▲

[2016: 36%]

[2015: 37%]

Heavy TV Viewers (3+ hours per day)

Medium TV Viewers (1-2 hours per day)

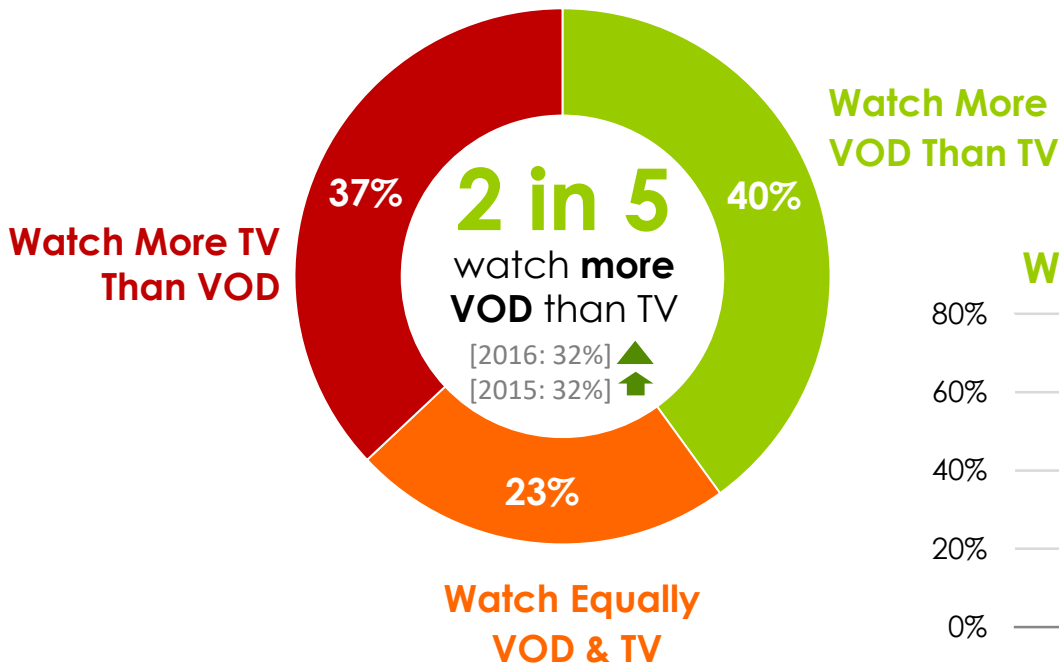
Light TV Viewers (Less than 1 hour per day)



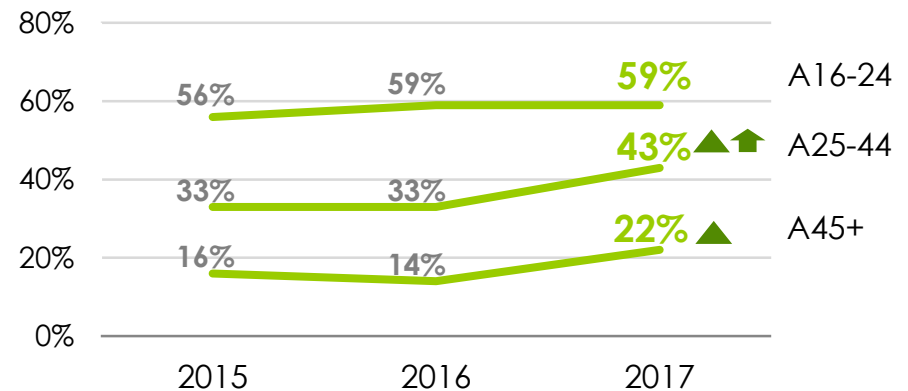
40% of VOD viewers claim to watch more VOD than TV, higher than in previous years and driven by A25+

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

Share of Average Daily TV vs. Daily VOD Viewing %



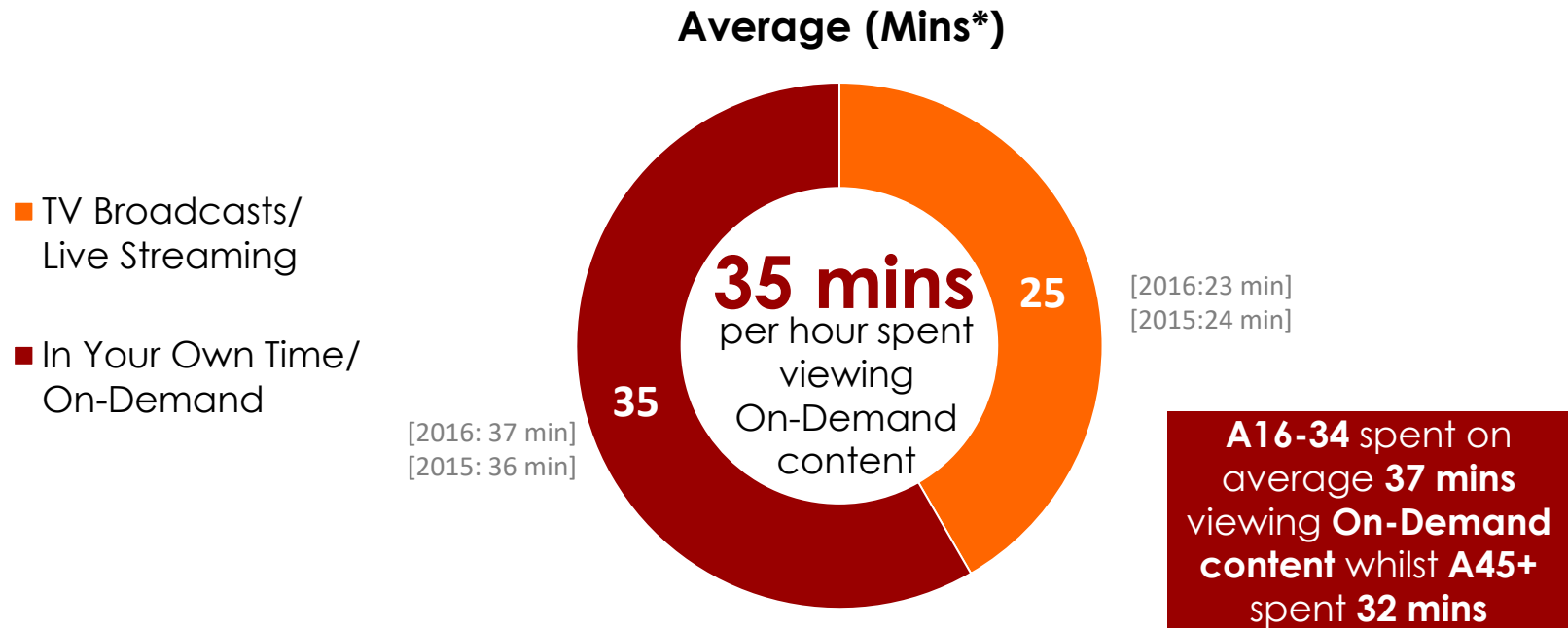
Watch more VOD than TV



Adults 16+ continue to spend more time viewing on-demand/ time-shifted content in a typical hour than live broadcasts/streaming



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



*Re-percentage from 100 mins to 60 mins

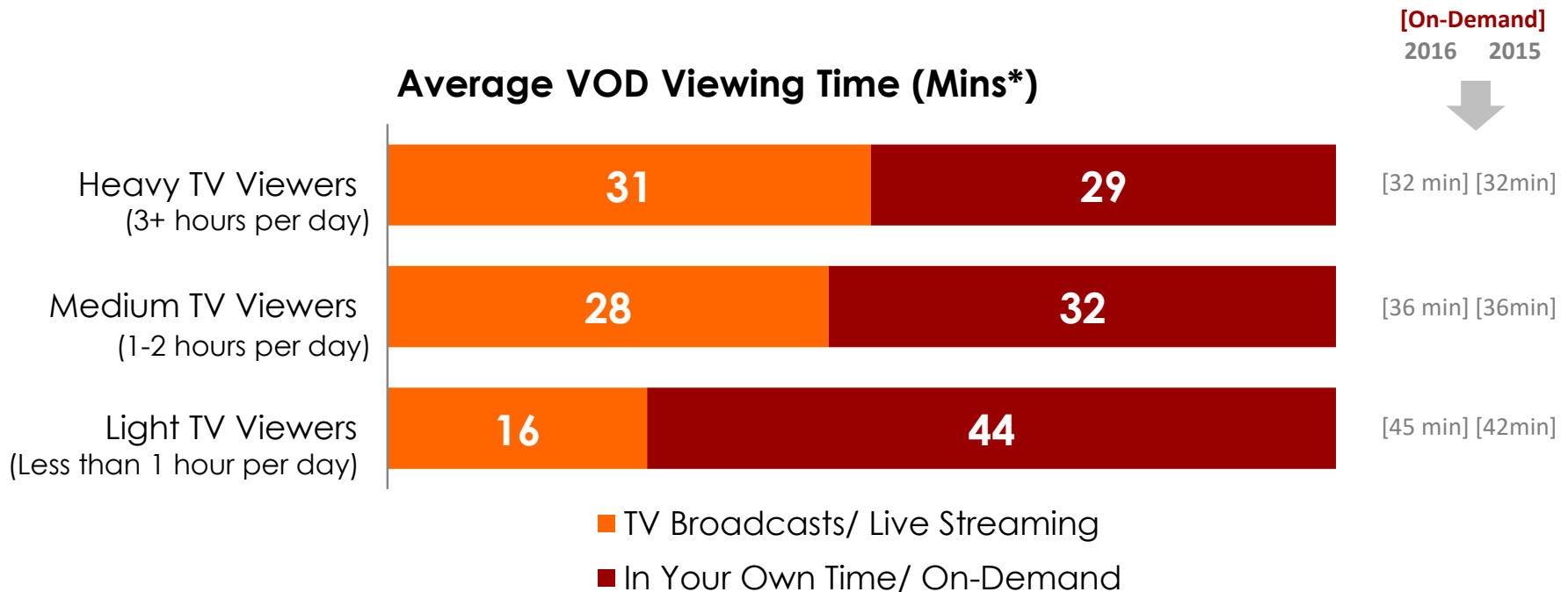
Q28: Assuming you had 100 mins to watch full length TV programmes/series, any normal day, how many of these 100 mins would you typically spend watching via TV broadcast/live streaming & how many minutes watching in your own time/on-demand.

Base: Viewed VOD content in last 6 months: All=1000;

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

On-demand viewing per typical hour amongst hard to reach light TV viewers remained at similar levels in the last 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=317; Medium=309; Heavy=374

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Time – Key Insights

- 72% are claiming to view VOD content for over an hour a day, higher than in previous years
- VOD can help reach light/medium TV viewers
 - 2 in 3 VOD viewers are light/medium TV viewers, with A16-34 increasingly becoming light TV viewers
- 40% of VOD viewers claim to watch more VOD than TV, higher than in previous years



REACTION

How do VOD viewers react to advertising?



For most advertising is not a barrier to watching VOD content in full, however, this is decreasing over time

Advertising Interruption

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

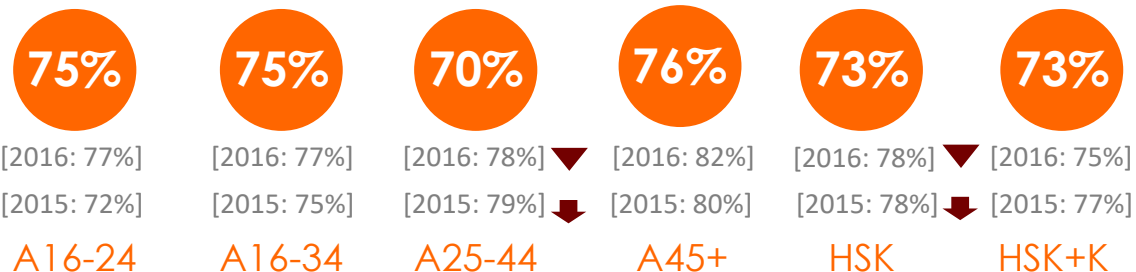


3 in 4

VOD viewers who watch long form programming (73%) **did not** feel that **interruption by advertising**

was a barrier to watching content in full

[2016: 79%] ▼ [2015: 78%] ↓



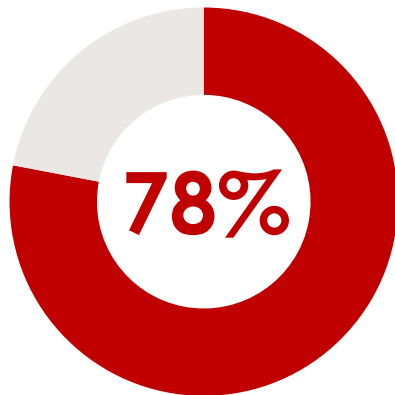
Q15: Now we would like you to think about the full length TV programmes/series that you watch when viewing Video on Demand (VOD) content. If on occasion you do not watch the full VOD content in one viewing, which of the following reasons explains why you only watch part of the content? A: I am interrupted by advertising | Base: Watch full length TV programmes/series on VOD (All n= 618; 16-24 n= 121; 16-34 n= 279; 25-44 n= 346; 45+ n= 151; HSK n= 552; HSK+K n= 258)
Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

▲▼ Significant difference at 95% C.L. (2017 vs. 2016)
 ▲▼ Significant difference at 95% C.L. (2017 vs. 2015)

The younger generation are more accepting of advertising to receive free VOD content than the older generation

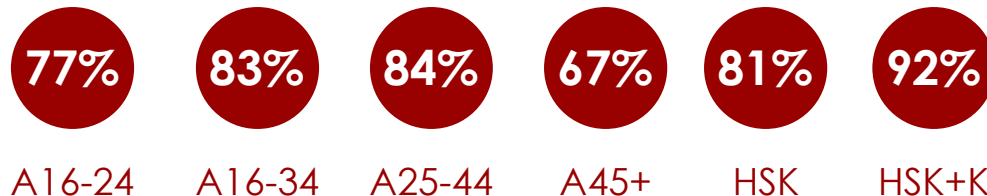
Advertising Acceptance within any type of VOD content*

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



8 in 10

VOD viewers who recalled advertising in & around VOD content are **very/somewhat happy** to watch advertising in order to consume content for free (Any VOD content)



*Question asked differently prior to 2017 – trend comparison not possible

Q21: How happy are you to watch adverts in and around the following types of Video on Demand (VOD) content in order to be able to watch content for free? A: Very/Somewhat/Happy

Base: Those who recall seeing advertising in & around VOD content (All n= 733; 16-24 n= 145;

16-34 n=331 ; 25-44 n= 387; 45+ n= 201; HSK n= 621; HSK+K n= 286)

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

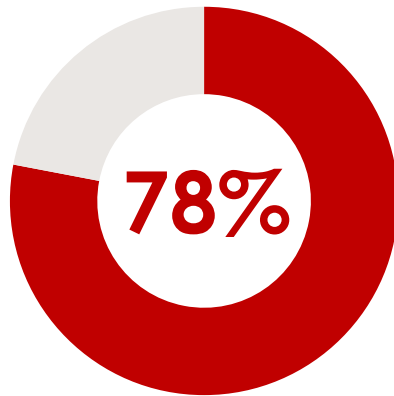
Advertising acceptance similar across key types of VOD sites/platforms used for viewing content



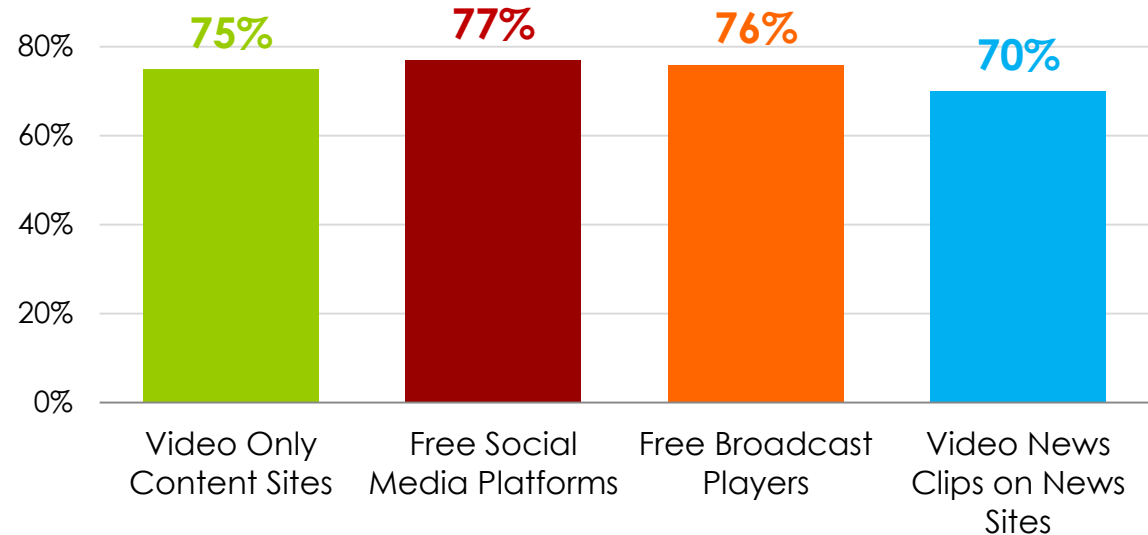
Advertising Acceptance by type of VOD site/platform*

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

Any VOD Content



Type of VOD Content Site/Platform



*Question asked differently prior to 2017 – trend comparison not possible

Q21: How happy are you to watch adverts in and around the following types of Video on Demand (VOD) content in order to be able to watch content for free? A; Very/Somewhat/Happy

Base: Those who recall seeing advertising in & around VOD content - All n= 733; Video Only Content n=546; Free Social Media Platforms n=505; Free Broadcast Players n=405; Video News Clips on News Sites n=386;

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Advertising in & around Video On Demand content leads to further brand engagement



Advertising Reaction

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

Actions ever done following exposure to advertising...



*Question asked differently prior to 2017 – trend comparison not possible

Q25: As a result of seeing advertising whilst watching each of the following VOD content, have you done any of the following?

Base: Those who recall seeing advertising in & around VOD content (n= 733)

Nielsen | Prepared For: IAB Ireland - Video On Demand 2017

Reaction – Key Insights

- For most advertising is not a barrier to watching VOD content in full, however, this is decreasing over time
- The younger generation (A16-34: 83%) are more accepting of advertising to receive free VOD content than the older generation (A45+: 67%)
- Advertising in & around Video On Demand content leads to further brand engagement



Video On Demand: Key Insights

Key Insights

- 74% of Irish adults have viewed VOD in the last six months, up from 67% in 2015
- Free services namely video only content sites and social media are the most popular platforms and deliver the highest reach
- Half of VOD viewers watch daily, rising to 3 in 4 amongst Adults under 25
- 72% are claiming to view VOD content for over an hour a day, higher than in previous years
- VOD delivers hard to reach audiences

IAB Ireland Video On Demand – Wave 3



October 2017



In association with:

