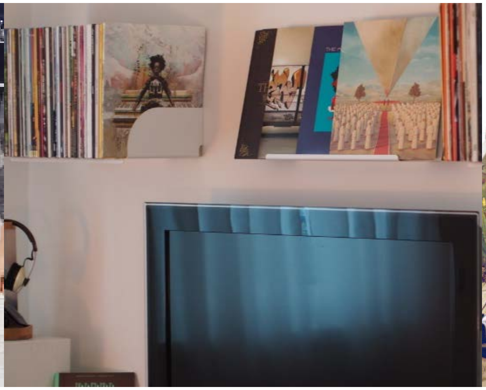
WHERE ARE THE AUDIENCES?

2018



Full Report

Glasshouse

NZ On Air
Irirangi Te Motu

Introduction

- New Zealand On Air (NZ On Air) supports and funds audio and visual public media content for New Zealand audiences. It does so through the platform neutral NZ Media Fund which has four streams; scripted, factual, music, and platforms.
- Given the platform neutrality of this fund and the need to efficiently and effectively reach both mass and targeted audiences, it is essential NZ On Air have an accurate understanding of the current and evolving behaviour of NZ audiences.
- To this end NZ On Air conduct the research study *Where Are The Audiences?* every two years. The 2014 benchmark study established a point in time view of audience behaviour. The 2016 study identified how audience behaviour had shifted over time.
- This document presents the findings of the 2018 study and documents how far the trends revealed in 2016 have moved and identify any new trends evident in NZ audience behaviour.
- Since the 2016 study the media environment has continued to evolve. Key changes include:
  - Ongoing PUTs declines
  - Anecdotally at least, falling SKY TV subscription and growth of NZ based SVOD services
  - New TV channels (eg. Bravo, HGTV, Viceland, Jones! Too) and the closure of others (eg. FOUR, TVNZ Kidzone, The Zone)
- The 2018 *Where Are The Audiences?* study aims to hold a mirror up to New Zealand and its people and:
  - Inform NZ On Air's content and platform strategy as well as specific content proposals
  - Continue to position NZ On Air as a thought and knowledge leader with stakeholders including Government, broadcasters and platform owners, content producers, and journalists.
  - Maintain NZ On Air's platform neutral approach to funding and support, and base decisions on objective, single source, multi-media audience information.

Research Approach

- **The first priority in the design and conduct of the 2018 study was to ensure valid and robust comparisons could be made to the previous two 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, with representative samples created for each day of the week (n=200 per day) so that results can be extrapolated to a "typical" day.

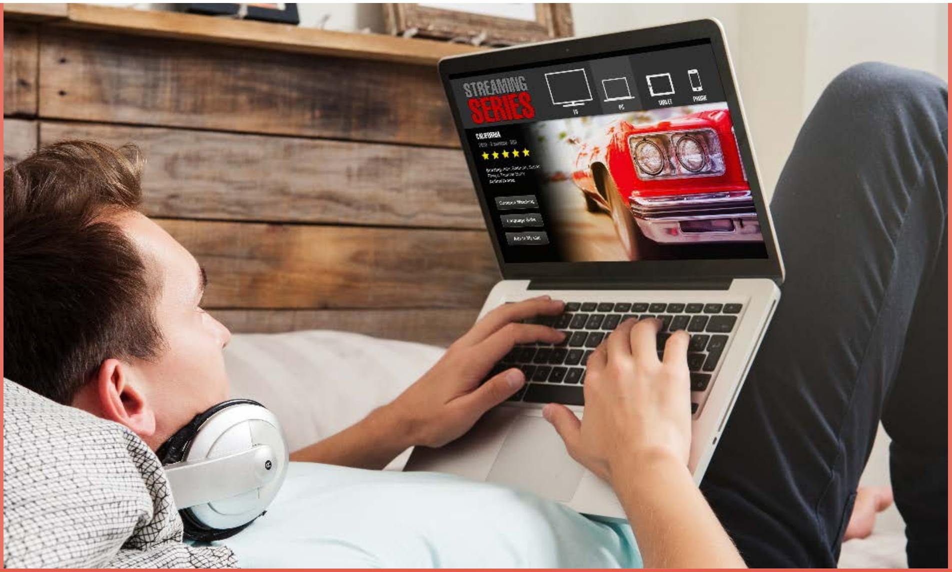
- The total sample has a maximum margin for error of +/-2.6%.

Research Approach

- 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

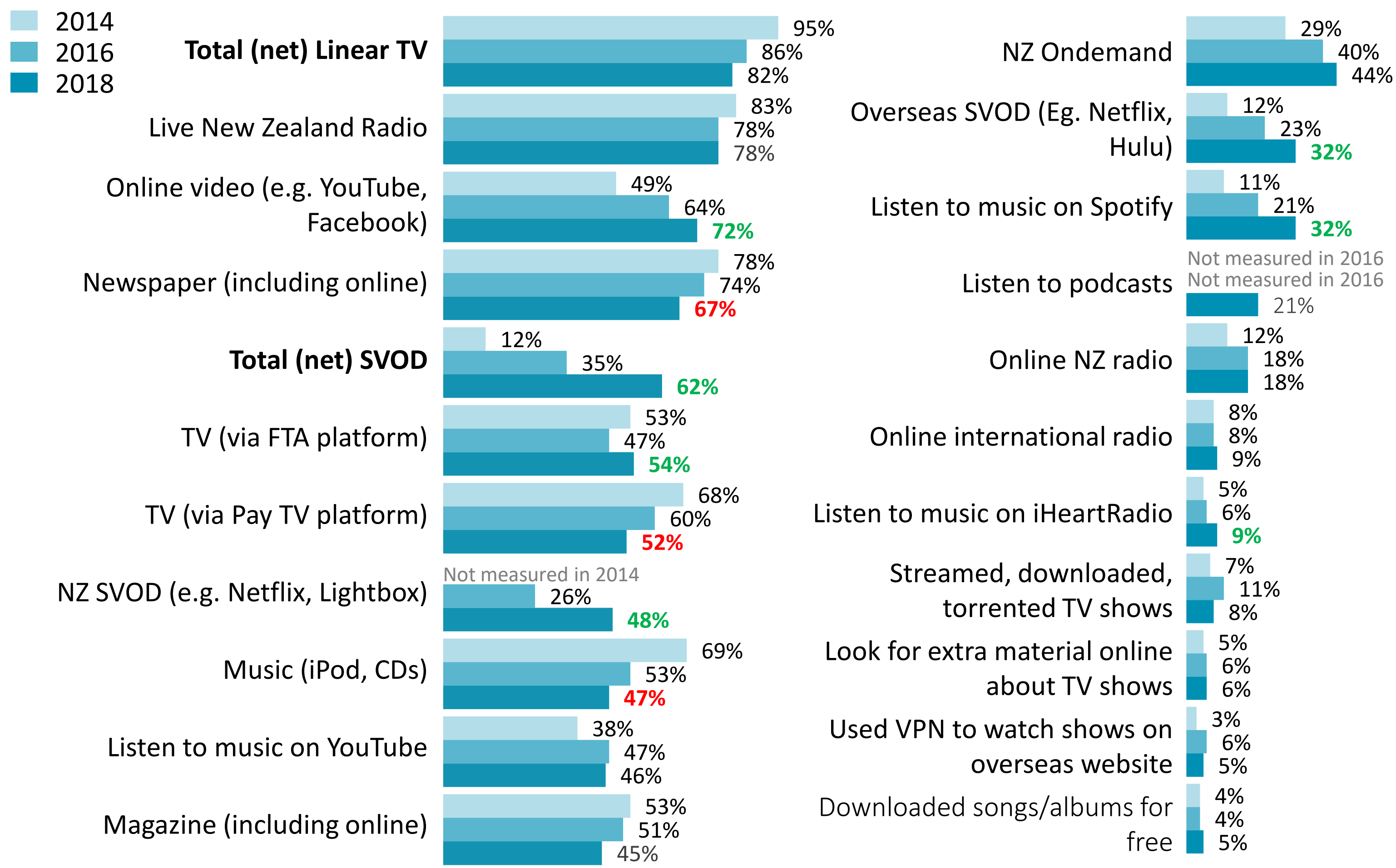
- The study investigated the media consumed "yesterday", for how long, and which channels, stations and sites were used. These questions measured the daily behaviour of the main broadcast, print, online and music media. The bulk of this report examines daily audience behaviour.
- Respondents were also asked about their involvement with looking for extra online material relating to a TV show, using captioning and audio description, and music sources and discovery.
- 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
- 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.



SUMMARY AND CONCLUSIONS

<u>Weekly reach</u> is the benchmark for <u>all</u> media covered in this study. On a weekly basis, traditional media continue to deliver the biggest audiences and these are stable since 2016 as audiences on a FTA platform increase and pay TV platform audiences decline. SVOD again shows the biggest growth, particularly NZ SVOD. Spotify and online video show the next biggest growth since 2016.

WEEKLY REACH OF ALL MEDIA | % OF ALL NZERS



Apart from this opening chart and following summary this report mainly examines <u>daily</u> 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 <u>all</u> media measured in this study.

txt/txt Indicates significant change at 95% c.i.

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: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

Summary of weekly reach. The weekly audiences of traditional broadcast media are stable and continue to deliver the biggest audiences. However the gap to online media continues to close as online video and SVOD (especially NZ SVOD) grow significantly.

- These trends show a continuation of the trends identified in the 2016 *Where Are The Audiences?* study.
  - Linear TV (82%) and broadcast radio (78%) continue to deliver the biggest New Zealand audiences each week, and these audiences are stable since 2016.
  - However within linear TV a significant trend is apparent of declining audiences on a pay TV platform while audiences on a FTA platform have grown significantly since 2016.

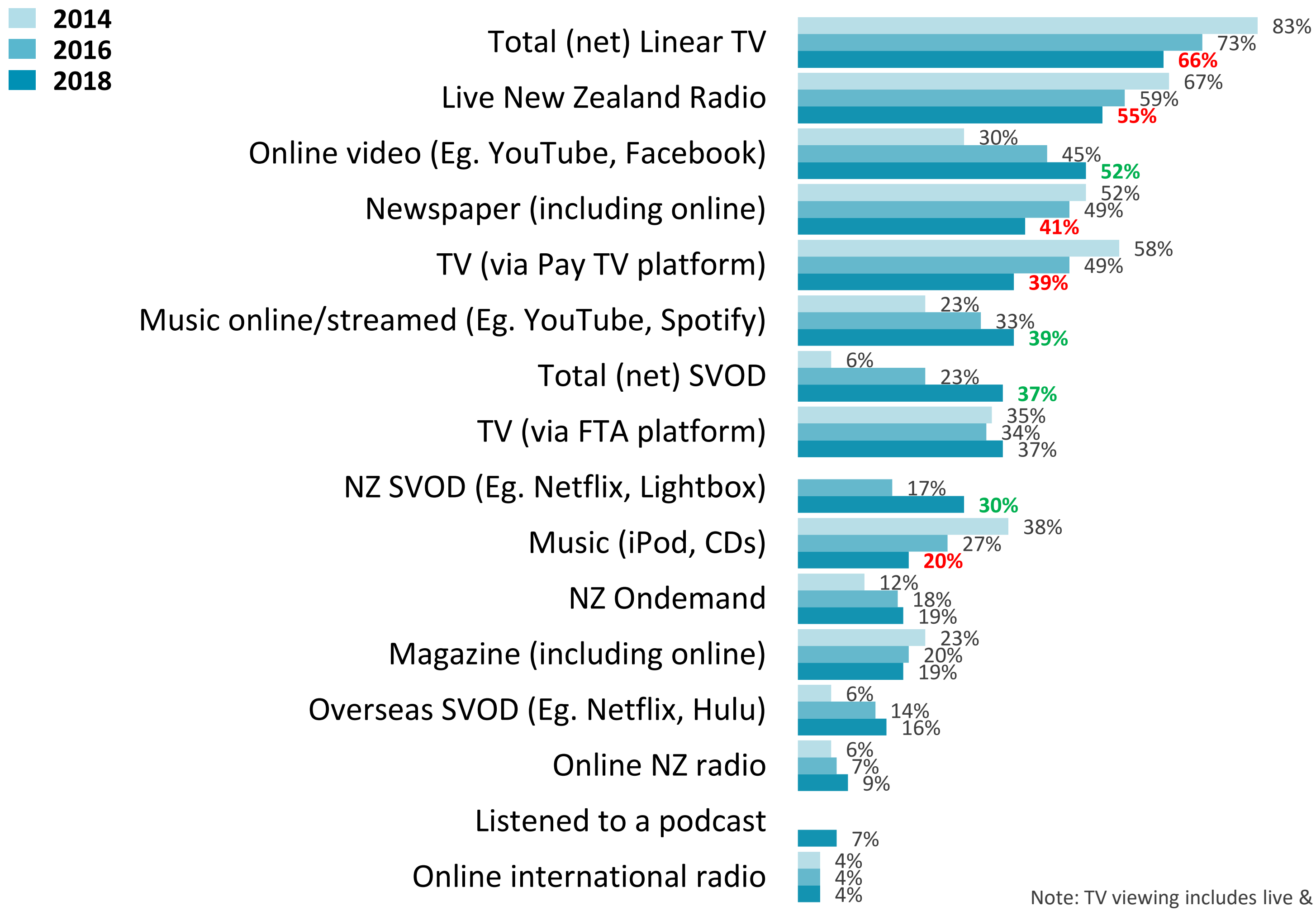
- The main change in audience behaviour is the continued rapid growth of SVOD and online video on sites like YouTube and Facebook.
  - The weekly reach of SVOD has nearly doubled since 2016 to reaching more than six in ten New Zealanders each week (62%). This has been mainly driven by the rapid expansion of audiences using NZ SVOD services with weekly reach of this media also doubling to nearly one in two New Zealanders (48%).
  - Online video has grown to overtake the weekly audience of newspapers.

- The way New Zealanders listen to music also continues to change rapidly as the weekly reach of physical formats falls significantly (47%), and music streaming continues to grow.
  - Listening to music on YouTube remains the most popular online source (46%), but this has not increased since 2016.
  - Growth in music streaming has been driven mainly by growth in Spotify which now reaches one in three New Zealanders (32%) each week, and to a lesser extent iHeartRadio which now reaches one in ten New Zealanders each week (9%).

- Not all online media continues to grow however. Weekly audiences are more stable for:
  - Listening to music on YouTube
  - Ondemand viewing
  - Online NZ radio and online international radio
  - Use of unauthorised platforms (Eg. streaming, downloading, torrenting TV shows, or downloading songs/albums for free)
  - Looking for extra online material about a TV show

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



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

txt/txt Indicates significant change at 95% c.i.

BASE: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

Summary of daily reach. The daily behaviour of New Zealand audiences is broadly similar to weekly reach, with some important differences.

- Linear TV and broadcast radio continue to attract the biggest audiences each day but, unlike on a weekly basis, these continue to decline in size over time. This dynamic suggests a declining frequency of tune in for both media.
  - Linear TV's decline is driven by fewer viewers watching on a pay TV platform while viewing on a FTA platform is stable if not growing. This study shows SKY TV penetration at 39% of all NZ homes.
- The daily online video audience on sites like YouTube and Facebook continues to grow and has overtaken newspapers to reach the third biggest audience each day.
- Overall music streaming has continued to grow and now reaches four in ten New Zealanders each day, the fifth highest daily audience, while physical formats continue to shrink, reaching two in ten New Zealanders each day.
- However the strongest growth in audience size continues to be SVOD which now reaches more than a third of New Zealanders each day. This study shows total SVOD penetration at 54% of all NZ homes.
  - The growth of daily SVOD audiences has been driven by the continued growth of NZ SVOD services which now reach one in three New Zealanders each day compared to about one in six watching overseas SVOD services. Daily reach of NZ SVOD is now dominated by NZ Netflix (27%).
- Music streaming also continues to grow rapidly and now reaches the fifth biggest daily audience of New Zealanders (39%).
  - This growth has come at the expense of music on physical formats which has decreased further to one in five New Zealanders (20%).
- As with weekly reach, the daily audiences of Ondemand and online radio are stable since 2016.

While trends identified in 2016 continue and there have been significant changes in audience behaviour, the rate of change has slowed since 2016.

- In particular the growth rate in audience size of many online media has been significantly lower since 2016 compared to between 2014 and 2016. This is summarised below:
  - **Online video:** 50% growth (2014-2016) to 16% growth since 2016
  - **Music streaming:** 43% growth (2014-2016) to 18% growth since 2016
  - **Total SVOD:** 283% growth (2014-2016) to 61% growth since 2016 (Overseas SVOD: 133% growth (2014-2016) to 14%)
  - **Ondemand:** 50% growth (2014-2016) to 6% growth since 2016

  Note: NZ SVOD not available in 2014 so no growth rate comparisons are possible. NZ SVOD growth was 76% 2016 to 2018

- The decline of traditional broadcast media however has continued at the same rate:
  - **Linear TV:** 12% decline (2014-2016) to 10% decline since 2016
  - **Broadcast radio:** 12% decline (2014-2016) to 7% decline since 2016
  - The exception is linear TV on a FTA platform which shows a 9% increase since 2016.

- To understand the slowing of growth of online media it is important to note there been fewer new developments in the last two years that would help maintain the previous rate of change.

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	

Summary of time spent. New Zealanders continue to dedicate the most time each day to traditional broadcast media by a considerable margin and this has declined very little over time. While time spent using online media continues to grow rapidly, it continues to be significantly lower than linear TV and radio.

- New Zealanders continue to spend over two and a half hours watching linear TV each day, and over an hour and a half listening to radio each day.
  - This has not changed significantly overall since 2014.
  - Viewers of linear TV via a pay TV platform are spending slightly less time watching since 2016, but still dedicate 92 minutes to this activity.
  - Viewers of linear TV via FTA platform have shown a slight increase in time spent viewing since 2016 to 64 minutes per day.
- The ongoing pattern of declining reach and stable time spent viewing suggests it is lighter viewers and listeners who continue to drop out of daily audiences of traditional media.
- SVOD is the online media to which New Zealanders dedicate the most time – up to 62 minutes per day.
- Time spent viewing online video has increased to 49 minutes since 2016, as has listening to streamed music.
- The lengths of time quoted above are based on all New Zealanders, including those who do not engage in each media.
- Looking at only those who engage with each media does not change the above conclusions as linear TV still attracts the most time (nearly four hours among users), and SVOD shows its ability to deliver a highly engaged audience with users of this media spending 3 hours each day watching this content.

Despite declining rates of change, there are two main dynamics evident in audience behaviour trends.

CHANGES IN VIDEO MEDIA AUDIENCES

- There is an ongoing decline in the daily reach of linear TV, driven by a decline in penetration of SKY TV and declining daily reach of viewing linear TV on a pay TV platform.
- This is countered by an ongoing increase in the daily reach of SVOD (driven by NZ SVOD services and, as will be shown, particularly NZ Netflix) and online video (driven mainly by YouTube but also Facebook).
- However it would not be accurate to suggest a direct substitution is occurring as it is typically lighter viewers who are dropping out of linear TV.
- Therefore online video and SVOD reach may be increasing rapidly but time spent viewing is not increasing at a similar rate as the viewers these media are attracting remain lighter viewers. Analysis also shows this group are typically younger viewers (Ie. under 40).
- Therefore engagement with linear TV remains strong albeit on a reducing base.
- Note also that the growth rates in daily reach of online video and SVOD have slowed since 2016.
- However the growth of NZ SVOD services and the adoption of NZ Netflix in particular is one of the biggest changes in behaviour since 2016.
  - 54% of homes now have access to SVOD of some kind
  - 49% of homes have access to Netflix (NZ or overseas)
  - 30% of homes have access to an NZ SVOD service
  - 27% of New Zealanders watch NZ Netflix during a typical day
  - 19% of homes have access to Lightbox, but daily reach of Lightbox is 5%.

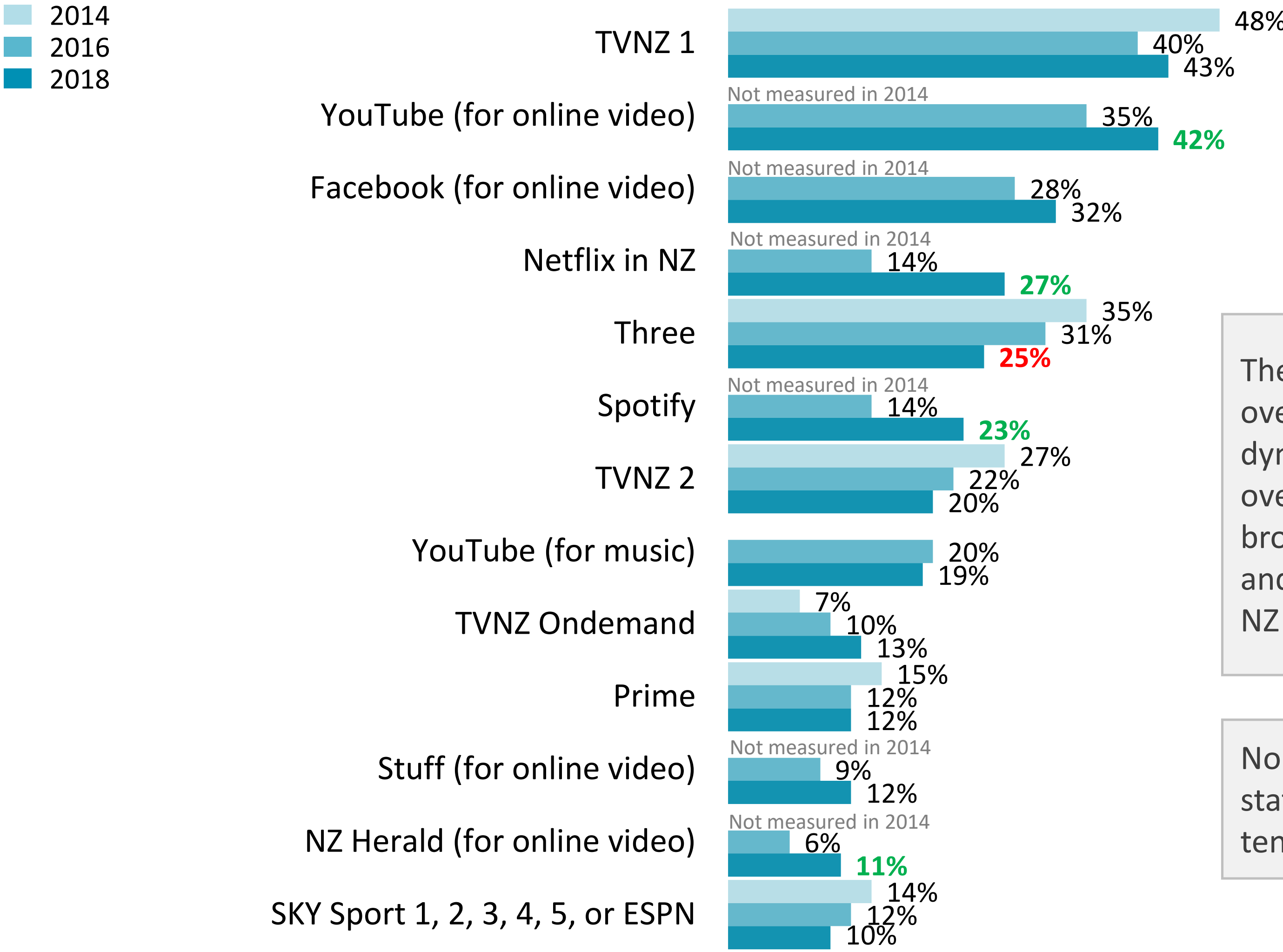
Despite declining rates of change, there are two main dynamics evident in audience behaviour trends.

CHANGES IN MUSIC AUDIENCES

- New Zealanders are rapidly changing the way they listen to music with the daily reach of physical formats halving since 2014 and music streaming nearly doubling.
- This change in behaviour is more representative of a direct substitution of one media for another as time spent listening to physical formats is also falling while time spent listening to streamed music continues to grow.
- Analysis also shows that it is younger New Zealanders (Ie. under 40) who are dropping out most rapidly from the physical formats of music with older New Zealanders more stable. This therefore represents a sea change in music consumption in the present day as well as into the future.
- Note however that radio audiences are more stable in terms of reach and time spent viewing, including among younger audiences.

The biggest daily audience concentrations on single channels, stations or sites are on TVNZ 1, YouTube, Facebook, NZ Netflix, Three, Spotify and TVNZ 2. Since 2016 RNZ National has dipped below 10% daily reach, and Stuff and NZ Herald have increased.

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



These rankings and the trends over time reinforce the two dynamics evident in behaviour overall; a decline in traditional broadcast channels and stations, and a rise in YouTube, Facebook, NZ Netflix and Spotify.

No other single channels, sites or stations reach more than one in ten New Zealanders each day.

txt/txt Indicates significant change at 95% c.i.

Q Which of the following did you use yesterday?

Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

The ongoing trends impacting media consumption overall result in significant impacts on the use of specific channels, sites and stations.

TV Channels

- There have been slight but consistent declines in the daily reach of most TV channels, and no SKY TV channel shows increased reach since 2016.
- SKY Movies channels show the biggest decline since 2016, whereas SKY Sport channels are more stable.
- TV ads continue to be the most effective means of informing New Zealanders about new TV shows. However word of mouth (friends and family, social media) again increases in influence at the expense of newspapers and magazines.

Ondemand sites

- While the overall reach of Ondemand has remained stable since 2016, the daily reach of TVNZ Ondemand has increased.
- This coincides with the first significant change in the way New Zealanders use Ondemand with a significant increase in the proportion who use Ondemand as a content source (up to 32%) as opposed to catching up (51%).
  - This trend is being led by younger New Zealanders and particularly 15-24 year olds.

SVOD services

- NZ Netflix now reaches 27% of New Zealanders each day, up from 14% in 2016.
- Lightbox (5%) and NZ On Screen (5%) also show significant increases in daily reach and are now equally as popular as Netflix from overseas.

The ongoing trends impacting media consumption overall result in significant impacts on the use of specific channels, sites and stations.

Online video sites

- YouTube or Vimeo has increased its daily reach significantly again since 2016 (47%), ahead of Facebook (32%).
- NZ Herald and Stuff are next most popular (11%), with NZ Herald showing a significant increase since 2016.
- User generated clips (68%) are the most popular type of video to watch, followed by news content (45%).

Radio stations

- Broadcast radio listening is more stable overall and at a specific station level.
- RNZ National continues to be the most popular single station (9%), but the daily reach of this station has fallen significantly since 2016 (13%).
- Despite the growth of music streaming, the stability of radio audiences means this, and word of mouth from friends and family, remain the main ways in which New Zealanders find new music.

Music Streaming services

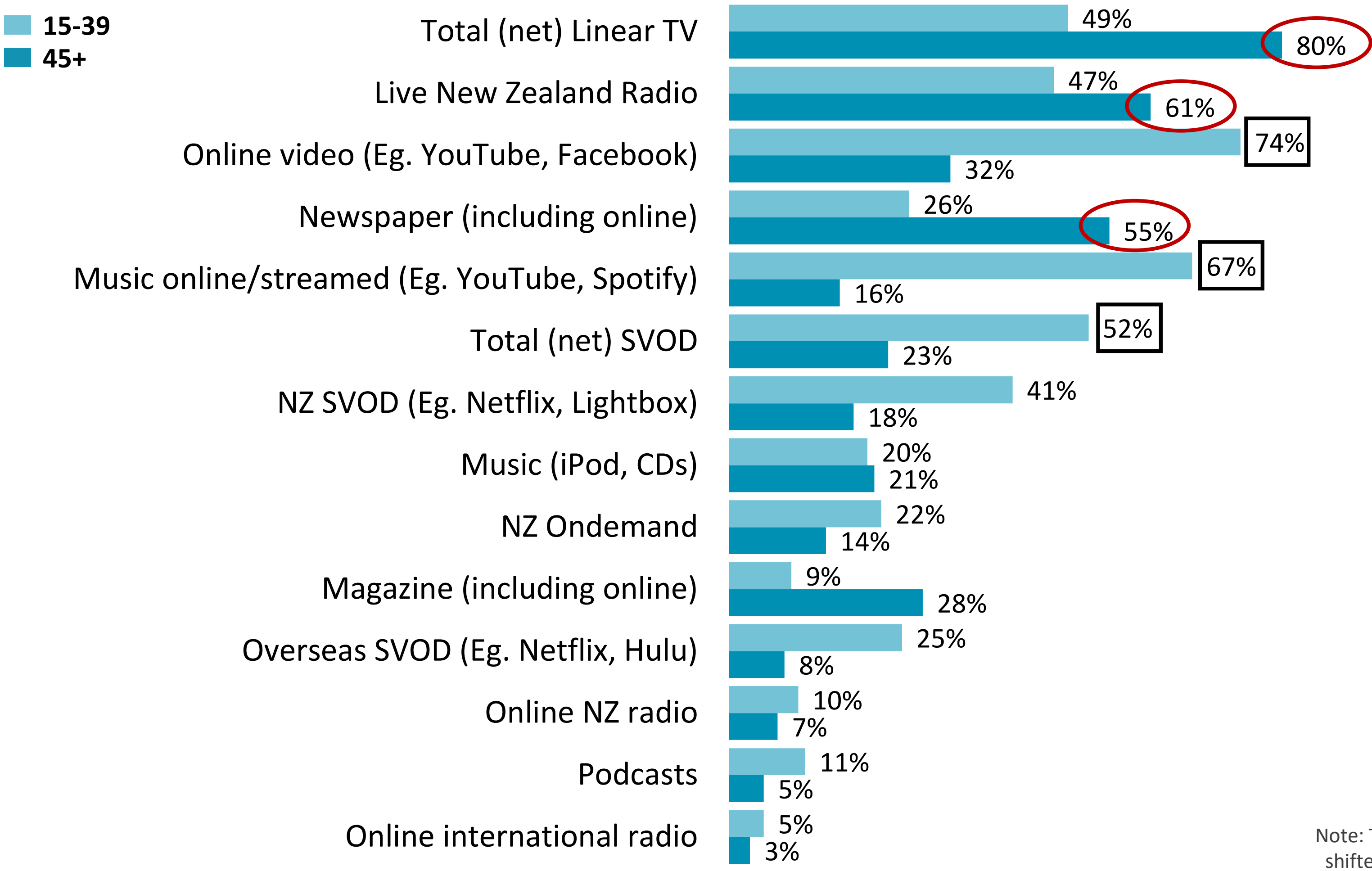
- Spotify (23% daily reach) has grown significantly since 2016 and overtaken YouTube (19%) as the most popular site for listening to music on a daily basis.

The generation gap between New Zealanders aged under 40 and those over 45 is the dominant influence on audience behaviour. Other differentiating factors have become less influential and less consistent across all media. However the generation gap has also closed slightly since 2016.

- The 2014 study identified the variables that differentiated daily media consumption:
  - Primary; Age/life stage
  - Secondary; Ethnicity and Technology
  - Other; Gender, Region, and Socio-economic level
- In 2016 the variables that differentiated daily media consumption consolidated into:
  - Primary; Age/life stage
  - Other; Technology and Region
- In 2018 age/life stage is the dominant differentiator of media consumption.
- While for some media ethnicity and socio-economic factors also play a role, these are a lesser influence than age/life stage and are not a consistent influence for all media.
- The regional differences evident in 2016 between Auckland and the South Island in particular have significantly reduced and are not a key differentiator in 2018.
- Access to technology continues to play a role in media consumption but as the penetration of this technology expands it plays a lesser role in differentiating behaviour. It is also linked closely to age/life stage.

The generation gap remains strong and behaviour differs significantly between those above and below 40-45 years of age. Above this age traditional media dominates and below this age online media is typically more popular. However as the next chart summarises, the generation gap in online media has closed since 2016.

DAILY REACH OF ALL THE MEDIA | % OF OLDER AND YOUNGER 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: (15-39 n=577; 45+ n=690)

While the generation gap for some traditional media has widened since 2016 as more younger New Zealanders drop out, for many online media the generation gap has closed as more older New Zealanders adopt these media.

- There is now a bigger generation gap in consumption of linear TV, newspapers and magazines as more younger New Zealanders stop using these media each day and older New Zealand audiences remain stable.

- However there is a lesser generation gap than was evident in 2016 in terms of the daily audiences of online video, music streaming, SVOD, Ondemand and online radio as more older New Zealanders engage with these media each day.
  - In fact the growth in audience size of these online media has been driven more by New Zealanders aged 45 or more since 2016 than by younger New Zealanders.

- In other words the profile of online media audiences has broadened since 2016 while traditional media audiences continue to get older.

- The generation gap in the way New Zealanders listen to music has also closed, however this is a result of younger New Zealanders dropping rapidly out of physical formats since 2016 while older New Zealanders continue to listen to these in similar proportions.

Access to technology is an intrinsic driver of the generation gap in audience behaviour, but again this gap has closed a little since 2016.

- TVs and PCs/laptops continue to be the most common devices but smartphones have now overtaken radios.
- The biggest growth in technology access since 2016 have been:
  - Smartphones
  - Netflix
  - UFB
  - Smart TVs connected to the Internet
  - Chromecast
  - Lightbox
- Younger New Zealanders continue to have greater access to technology that enables consumption of online media than older New Zealanders – particularly smartphones, Netflix, UFB, smart TVs connected to the Internet, Chromecast and Lightbox.
- However older New Zealanders have adopted Netflix, UFB, Chromecast and tablets faster than younger New Zealanders in the last two years, enabling over 45 year olds to close the generation gap in terms of media consumption.
  - Note that not all older New Zealanders are adopting new technology; those aged 60-65 and over remain significantly less likely to be changing their behaviour or access to technology.
- There has been a significant fall in the penetration of SKY TV since 2016. There is now a significant trend in the data showing that higher socio-economic homes are more likely to have access to SKY TV. This is a new trend since 2016.
  - Given the decline in reach of SKY Movies channels since 2016, this trend suggests lower socio-economic New Zealanders are making the decision to drop SKY TV or at least SKY Movies for financial reasons.

Other differentiating factors on audience behaviour.

SOCIO-ECONOMIC LEVEL

- There is a socio-economic influence on some media consumption and on access to some types of technology.
  - The unemployed are more likely to use free media choices such as linear TV, Ondemand and streamed music.
  - High income earners are more likely to have access to key technology such as: SKY TV, a PVR, a tablet, a smart TV connected to the Internet, UFB, Netflix, and Chromecast.

ETHNICITY

- Ethnicity also influences some media consumption – particularly among Asian New Zealanders;
  - New Zealanders of Asian descent are more likely to watch online video and listen to streamed music
  - This group are less likely to watch linear TV, watch Ondemand, watch NZ SVOD, listen to the radio, or listen to podcasts.

Overall use of unauthorised platforms continues to grow only slowly, and frequency of engaging remains stable and infrequent.

- Slightly more than one in two New Zealanders (54%) have never engaged in any activity involving unauthorised platforms, and this is only slightly lower than it was in 2014.
- Downloading songs or albums for free is the activity with which the most New Zealanders have ever engaged (34% ever done).
- This is followed by streaming, downloading or torrenting TV shows (29% ever done).
- The frequency of engaging with these activities is unchanged and low. The weekly reach of these activities ranges between just 5% and 8% of all New Zealanders.
- The weekly reach of these activities among younger New Zealanders also remains low with between 7% and 14% of 15-34 year olds engaging each week.

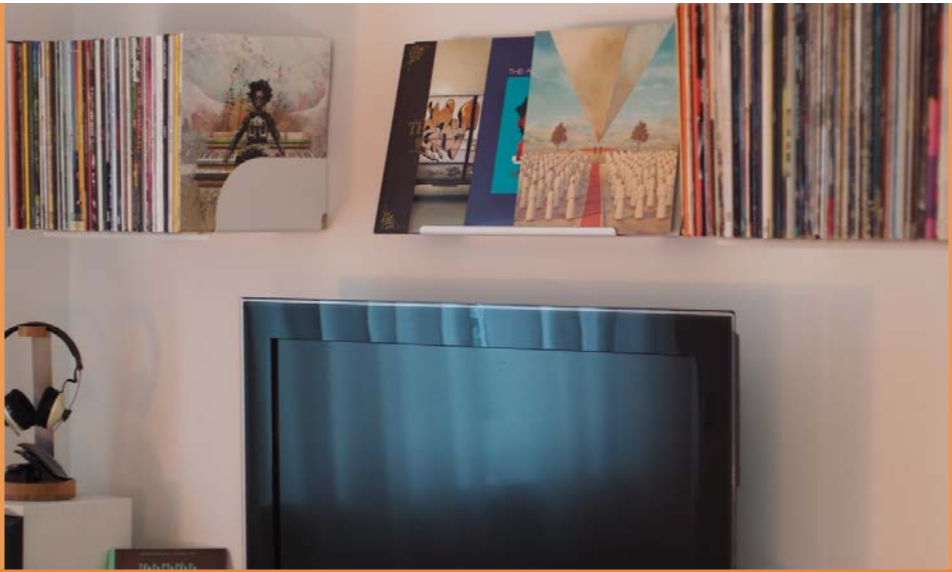
Combining extra content online with linear TV extends engagement with TV shows for slightly more than one in four consumers.

- There continues to be slow growth in the size of the audience engaging with extra content online.
  - Since 2014 there has been a small but significant increase in the number of New Zealanders who have ever engaged in this activity from 22% to 27%.
  - This behaviour is most common among 15-29 year olds.

- However there has been no significant increase in frequency of engaging with extra content over time – with 6% of all New Zealanders doing so at least once per week.

Use of captioning has grown significantly since 2014, while audio description remains stable. There are a wide variety of reasons for using captioning beyond being deaf or hard of hearing.

- One in five New Zealanders (21%) ever use captioning while watching TV in 2018, compared to one in ten in 2014.
  - The group who are most likely to do so are Asian New Zealanders (47%).
- New Zealanders use captioning for many different reasons, of which being hard of hearing or deaf is just one. Difficult accents, language difficulties and not disturbing others in the room drive significantly more New Zealanders to use captioning than hearing difficulties do.
- 3% of New Zealanders ever use audio description while watching TV and this has not changed since 2014.



DAILY MEDIA CONSUMPTION

Linear TV (66%) and radio (55%) continue to attract the biggest daily audiences. However the audience sizes of nearly all traditional media continue to decline while audiences of nearly all online media increase. However there is also some stability with TV via a FTA platform, Ondemand, magazines, overseas SVOD services and online radio unchanged since 2016.

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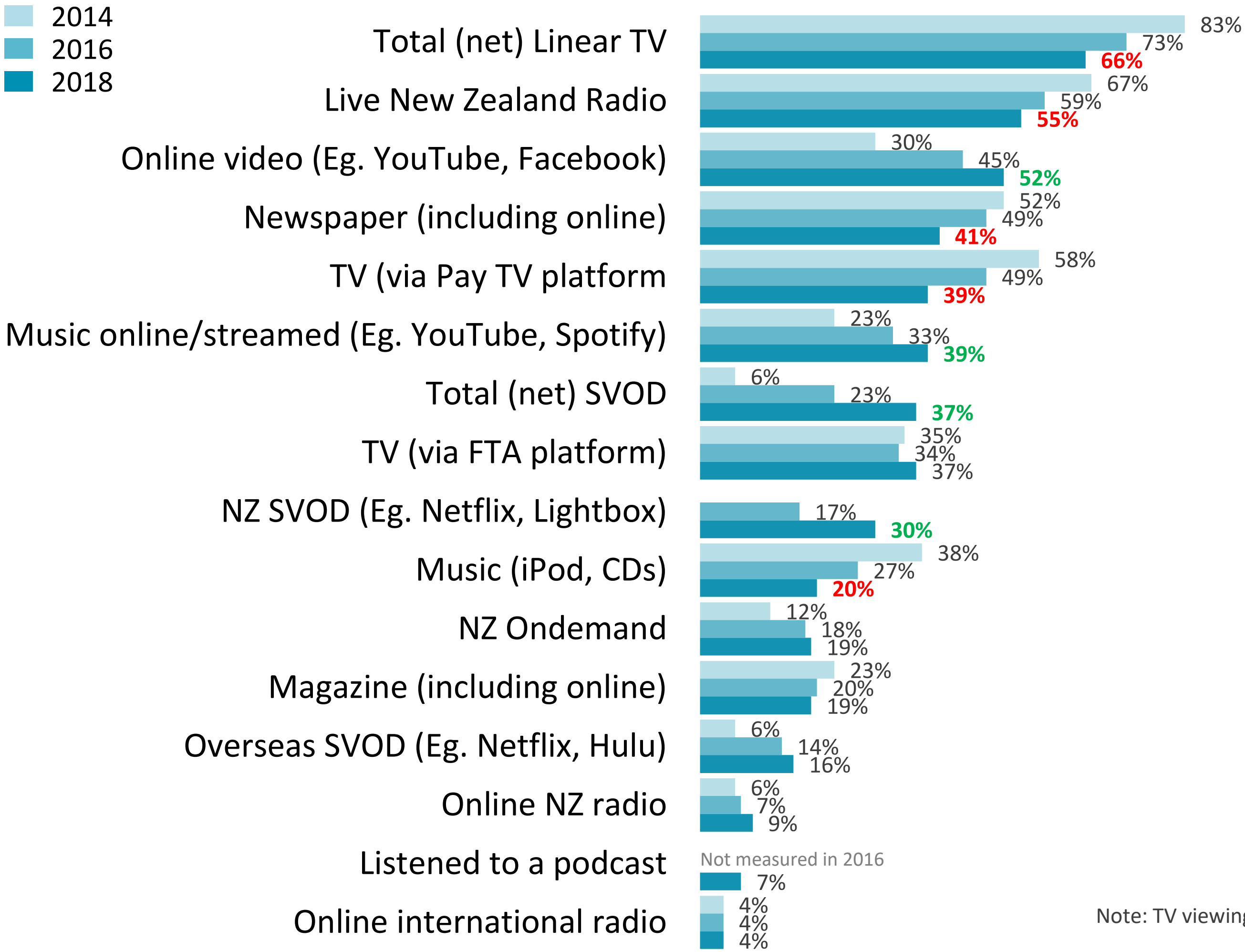
DAILY REACH OF ALL MEDIA | % OF ALL NZERS



The 2018 trends show a continuation of the trends identified in 2016.

The biggest **declines** are:

- Linear TV – down 10%
  - Due to an ongoing decline in pay TV platform viewing (down 20%)
  - This is off-set by a slight increase in viewing on a FTA platform (up 9%)
- Music on CD, iPod, vinyl – down 26%

The biggest **increases** are:

- Total SVOD – up 61%
  - Due to a 76% increase in NZ SVOD services
- Online video – up 16%
- Music streaming – up 18%

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

txt/txt Indicates significant change at 95% c.i.

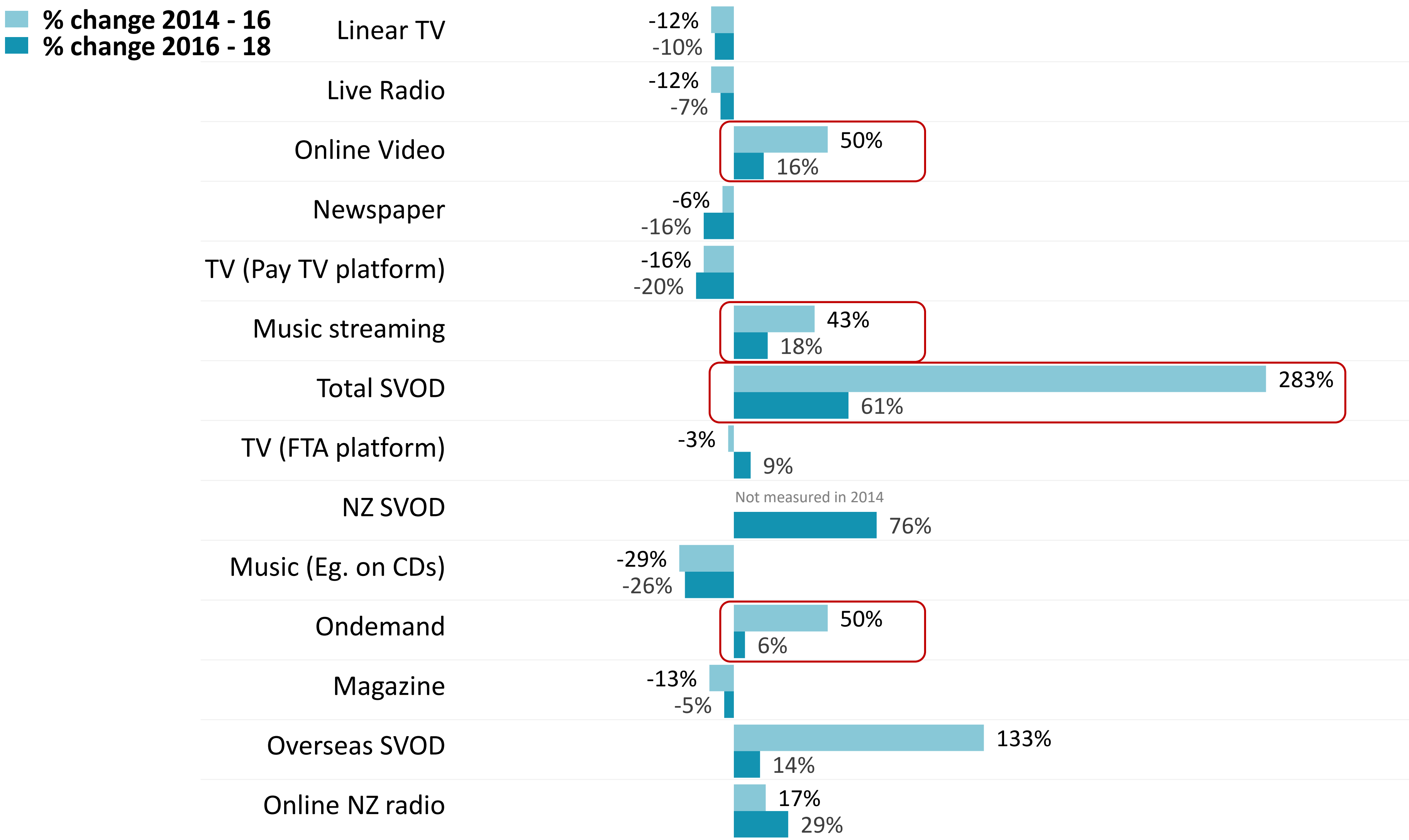
Q We'd like to ask you about the different types of entertainment you used yesterday. For each of the following types of entertainment, I'd like you to tell me if you did that activity for 5 minutes of more during the time period I read out. It doesn't matter if you were also doing something else at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

Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

While the trends identified in 2016 continue, rates of change of many media have slowed since 2016. In particular the growth of many digital media - online video, music streaming, total SVOD and Ondemand - have slowed significantly.

NZ On Air

RATES OF CHANGE IN DAILY REACH | % OF ALL NZERS

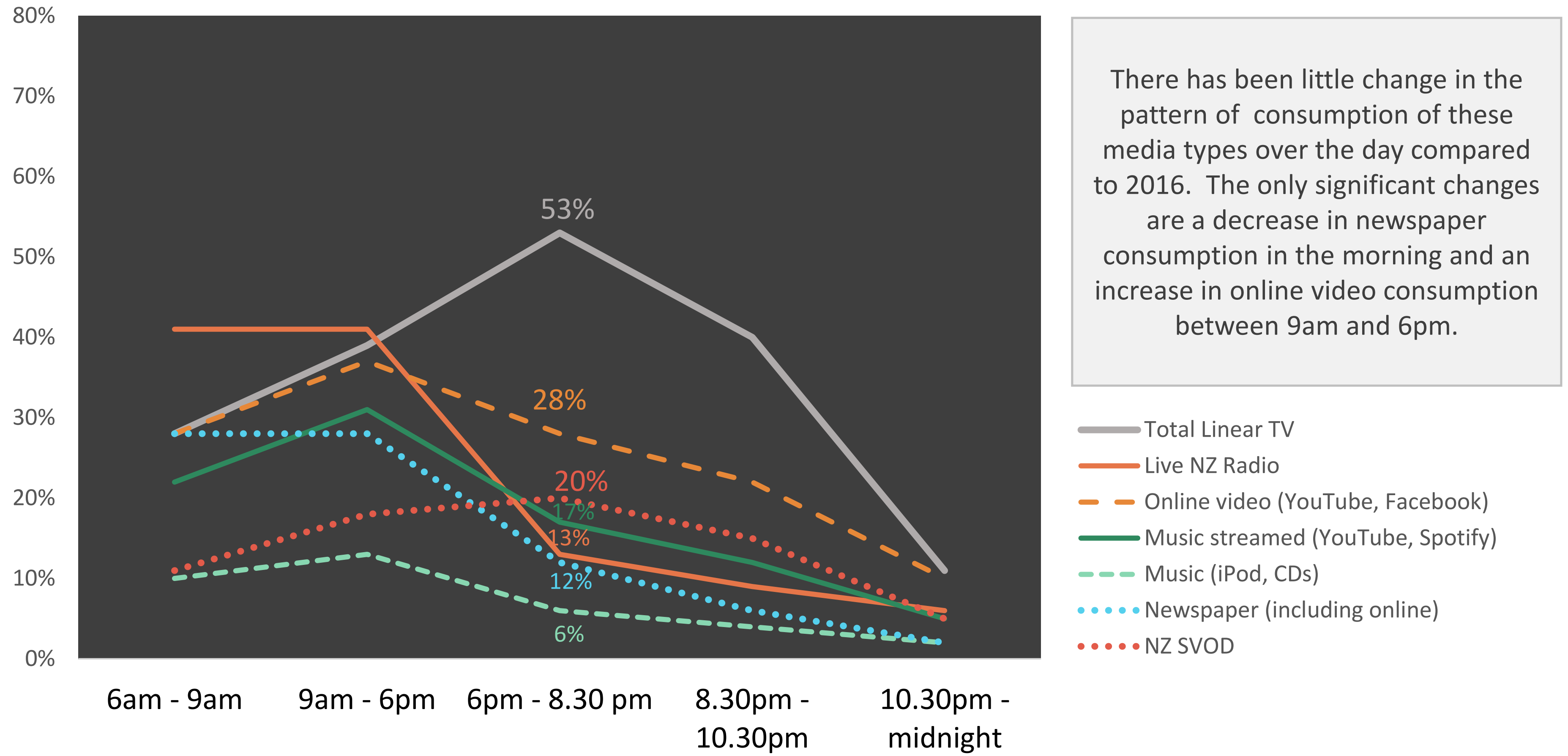


Base: All respondents (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

Radio continues to start many New Zealanders' days, and linear TV still takes over after 6pm. Online video now matches the reach of TV until 6pm. NZ SVOD peaks between 6pm and 8.30pm but has a more consistent reach through the day than most media and is one of the few media other than TV to increase its reach after 6pm.

NZ On Air

REACH OF MEDIA OVER THE DAY | % OF ALL NZERS



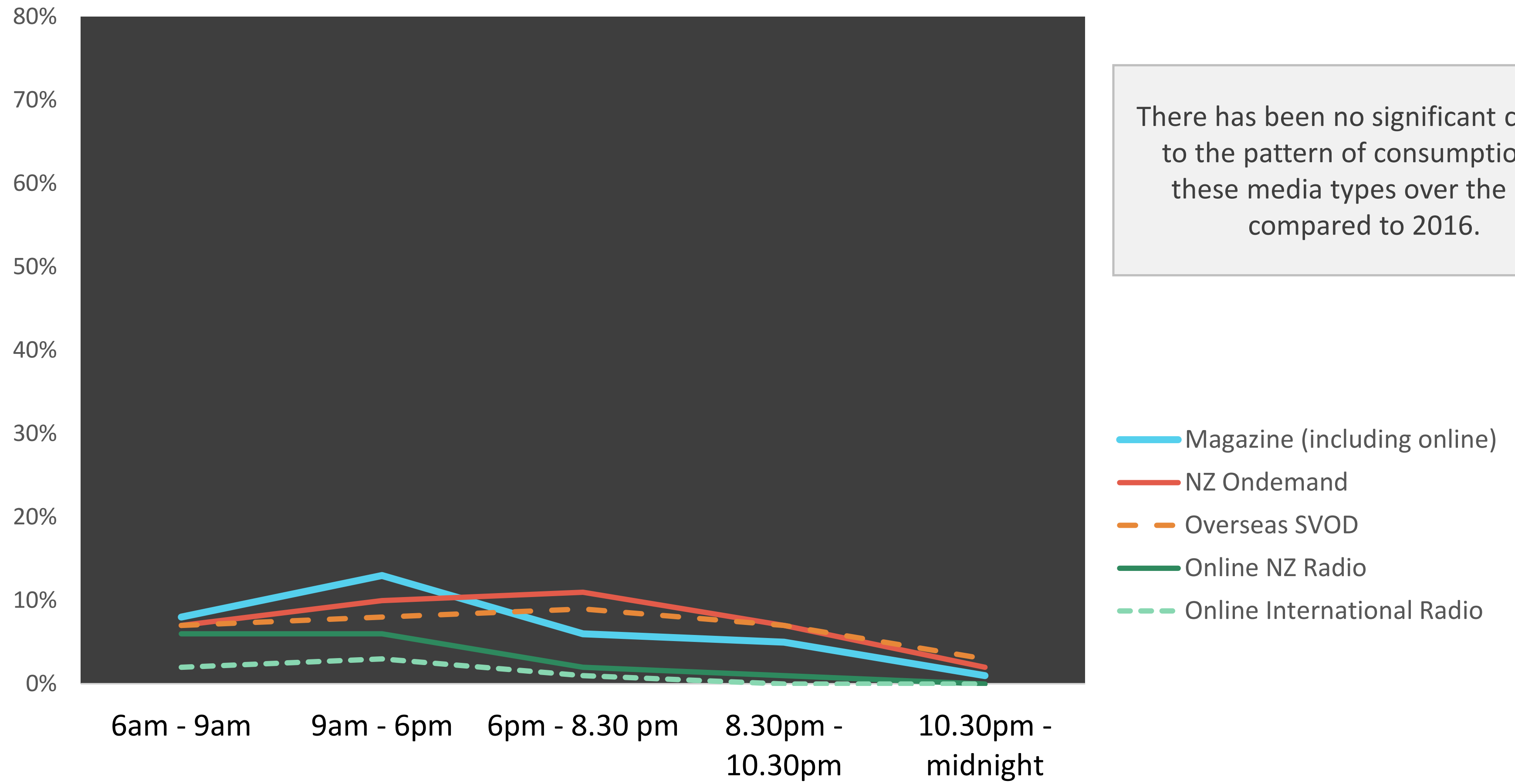
There has been little change in the pattern of consumption of these media types over the day compared to 2016. The only significant changes are a decrease in newspaper consumption in the morning and an increase in online video consumption between 9am and 6pm.

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 (2016; n=1,404; 2018 – n=1,414)

Other media rarely reach more than 10% of New Zealanders at any point in the day. Ondemand is one of the few media to increase its reach after 6pm.

REACH OF MEDIA OVER THE DAY | % OF ALL NZERS



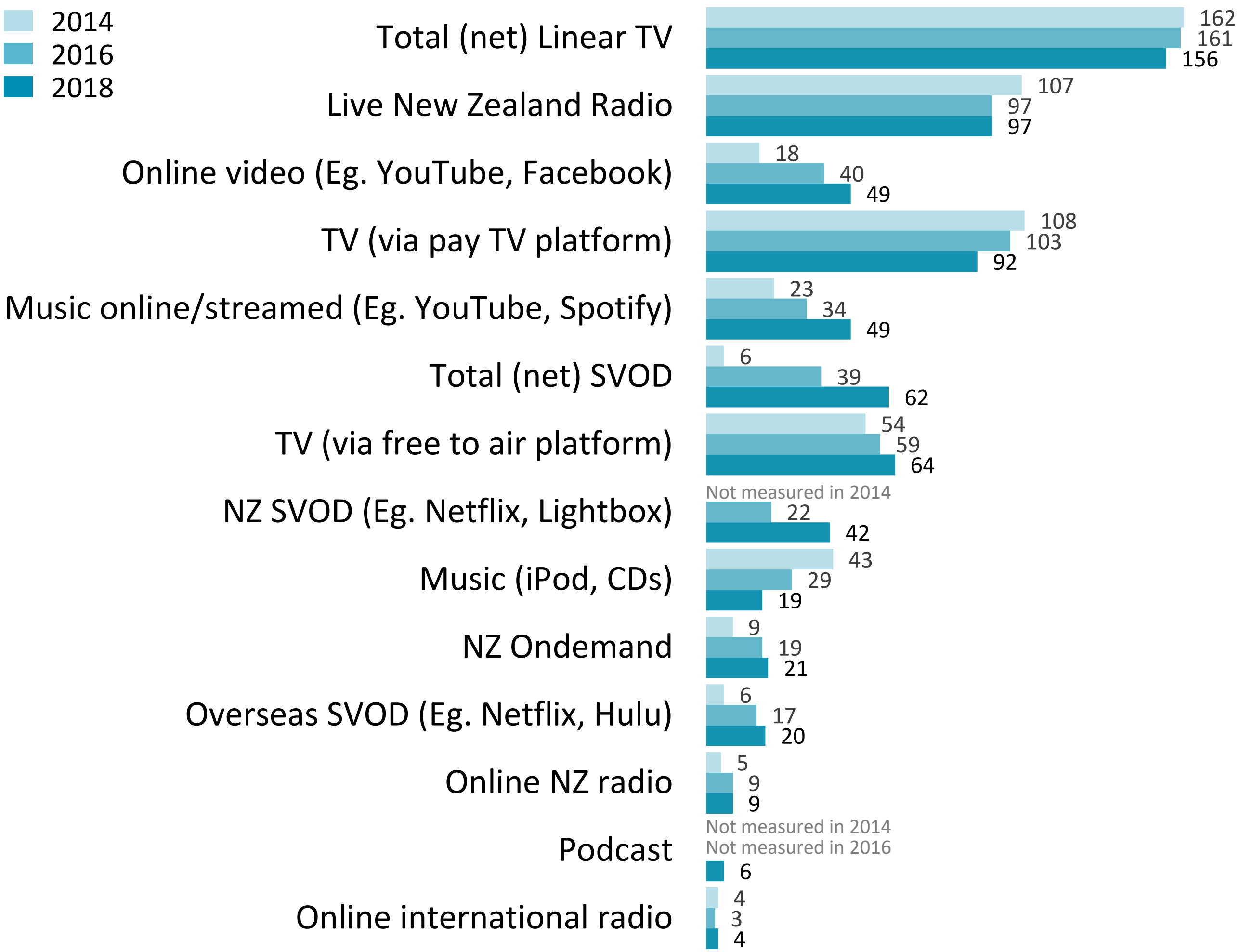
There has been no significant change to the pattern of consumption of these media types over the day compared to 2016.

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 (2016; n=1,404; 2018 – n=1,414)

New Zealanders continue to spend the most time with traditional broadcast media by a considerable margin, and this has declined only a little since 2014. In fact time spent viewing FTA TV has increased over time. However there have been large increases in time spent listening to streamed music, online video and SVOD content.

TIME SPENT CONSUMING MEDIA | AVERAGE MINUTES PER DAY AMONG ALL NEW ZEALANDERS



Given that daily reach of TV and radio has declined significantly, these results showing only slight declines in time spent each day suggests the audiences these media have lost tend to be lighter viewers and listeners.

Note: in this chart average total minutes are based on all New Zealanders and includes those who did not do each activity (i.e. zero minutes).

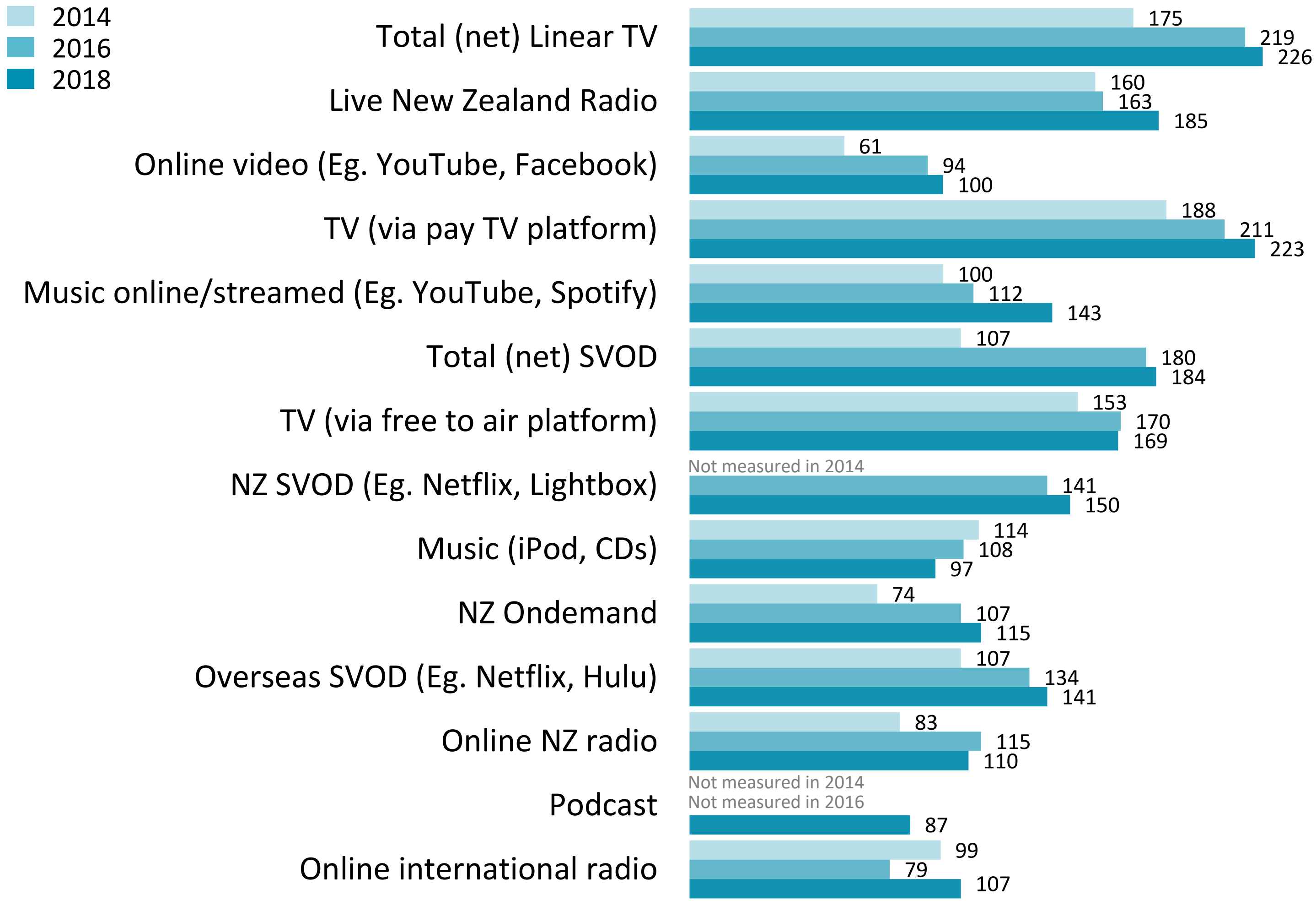
Media ranked in order of daily reach.

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

Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

Among users of each media, linear TV attracts the most time per day and this has increased since 2016 as has live NZ radio. There have been slight increases in time spent watching online video and SVOD among users, and a larger increase in time spent listening to streamed music.

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



The increase in time spent consuming mainstream broadcast media among users confirms the theory that lighter viewers and listeners are dropping out of these media.

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

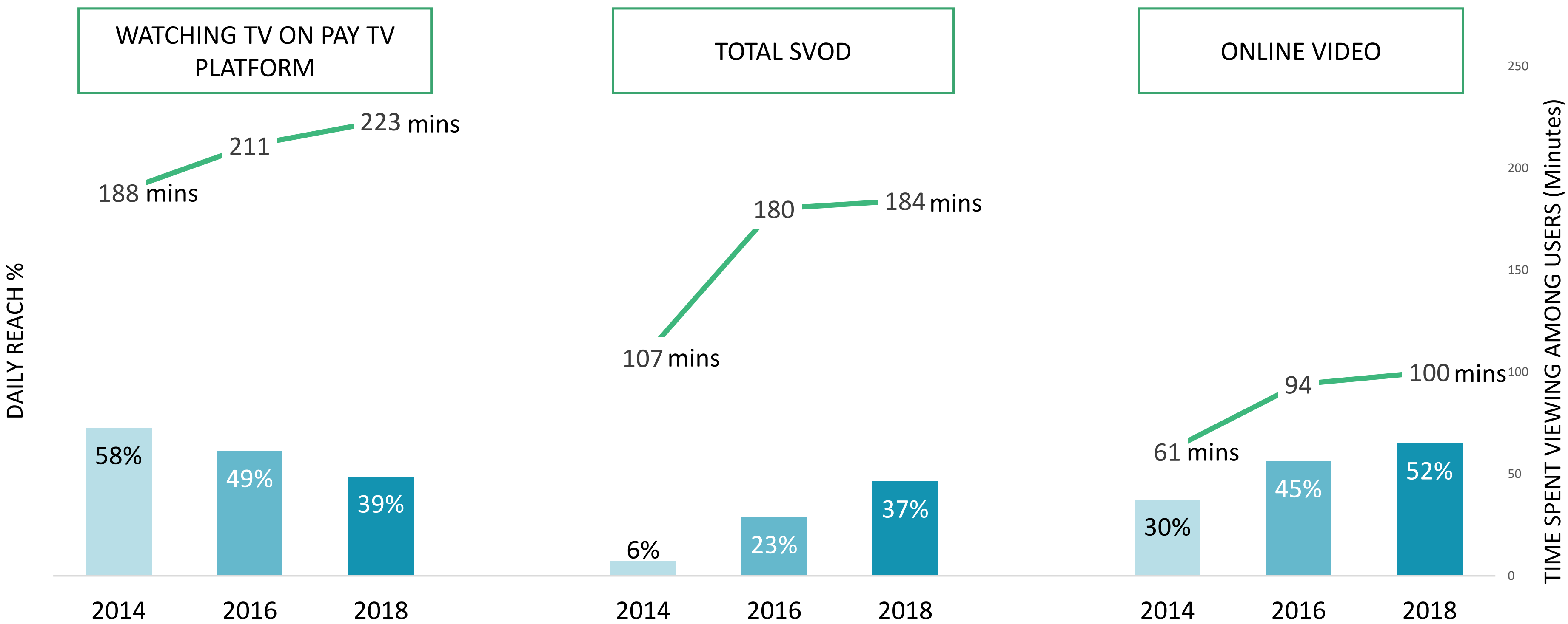
Media ranked in order of daily reach.

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

Base: All who used each media yesterday

Changing video media behaviour: The daily reach of linear TV is falling due to declining viewers watching via a pay TV platform, and the size of the audiences watching SVOD and online video continues to grow

DAILY REACH AND TIME SPENT CHANGES IN VIDEO MEDIA BEHAVIOUR



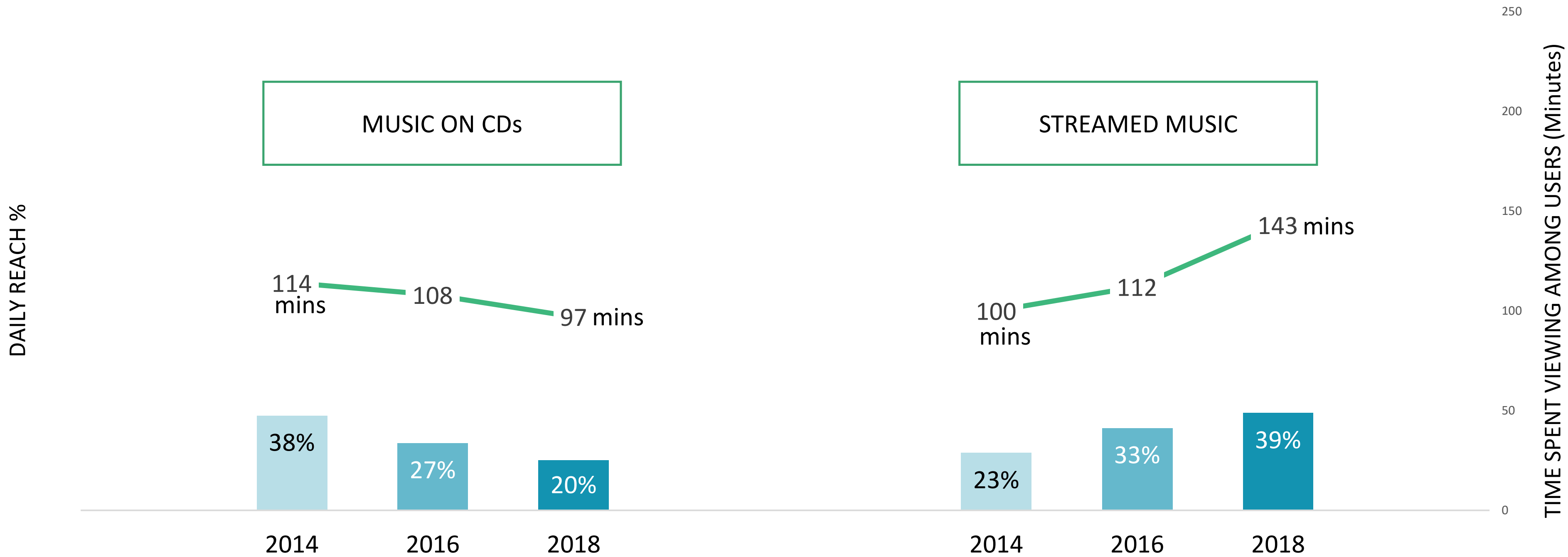
The daily reach of linear TV via a pay TV platform has fallen significantly as SVOD and online video has increased. However time spent viewing among viewers on a pay TV platform continues to increase as lighter viewers drop out. Therefore while the reach of SVOD and online video increases this is not translating into a proportionate increase in time spent viewing of these media as the viewers these media are attracting remain lighter viewers. Subsequent charts show it is younger New Zealanders who are dropping out of linear TV.

Q

Base: (Reach) All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)
(Time Spent Viewing): All users of each media

Changing music listening behaviour: The rapid change in the way New Zealanders listen to music continues.

DAILY REACH AND TIME SPENT CHANGES IN MUSIC LISTENING BEHAVIOUR



The way New Zealanders listen to music has switched since 2014 with twice as many now listening to streamed music each day as physical formats and spending more time doing so. Subsequent charts show this is due to more older New Zealanders adopting streaming while younger New Zealanders drop rapidly out of physical formats.

Base: (Reach) All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)
(Time Spent Viewing): All users of each media

Media synergies: there are several media which are often used by the same people on the same day: Ondemand and TV, music streaming and online video, music on CD/iPod and radio, newspaper and radio.

NZ On Air

REPERTOIRE OF DAILY MEDIA | % OF ALL NZERS

Media watched yesterday (row %'s)	LINEAR TV	ONDEMAND	NZ SVOD	ONLINE VIDEO	RADIO	MUSIC STREAMING
Linear TV	-	12%	15%	29%	27%	16%
NZ SVOD	37%	18%	-	45%	21%	34%
Ondemand	56%	-	34%	49%	25%	33%
Music Streaming	32%	14%	27%	63%	27%	-
Music CD/iPod	47%	13%	20%	46%	42%	33%
Newspaper	46%	11%	14%	33%	48%	22%

Example of how to read table: Of those who watched Ondemand yesterday, 56% also watched linear TV that day.

Base: All respondents (2018: n=1,414)

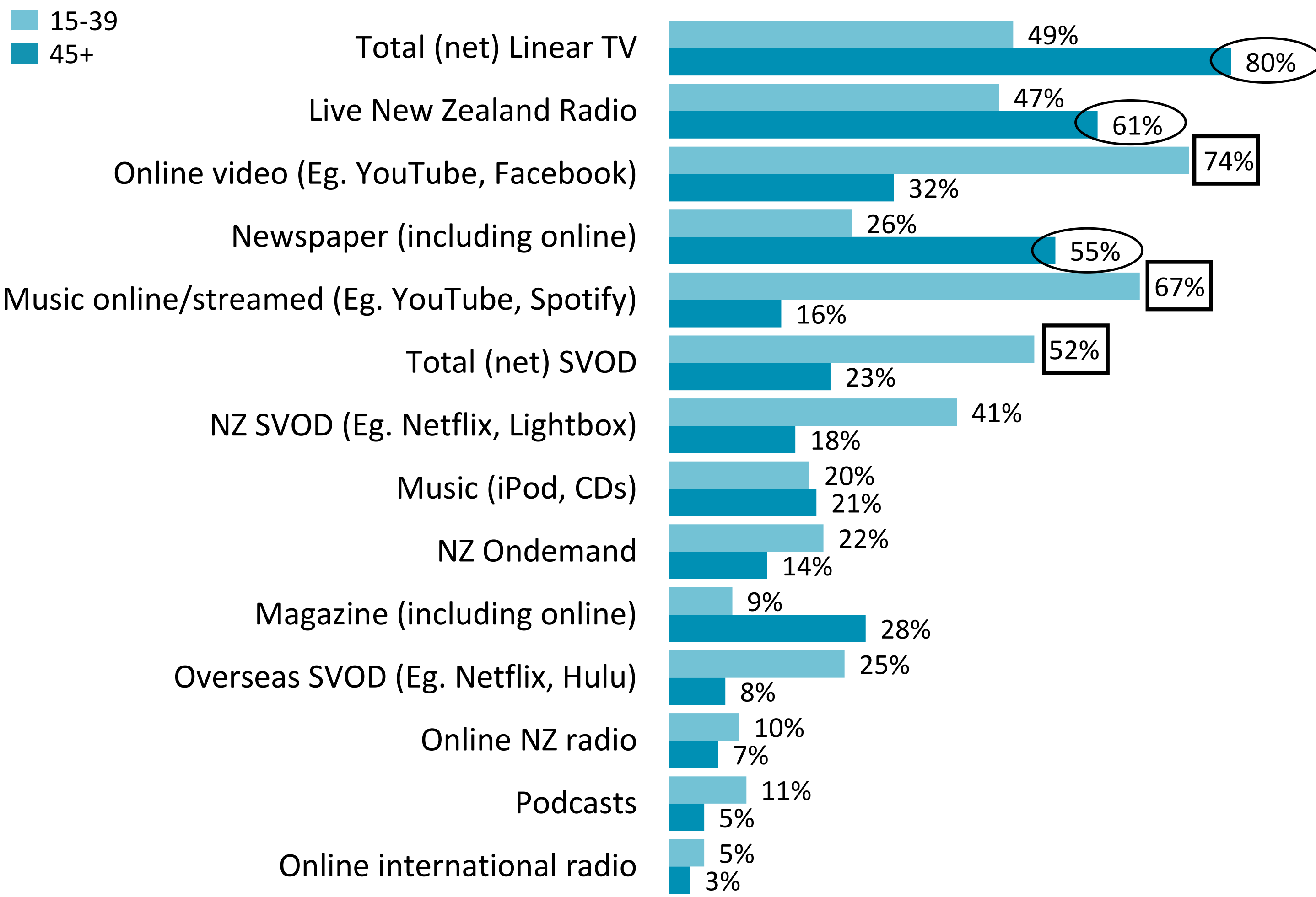
WHICH NEW ZEALANDERS ARE DRIVING CHANGE?

The main differentiating factor influencing media consumption continues to be age/life stage (Ie. the generation gap), and other factors are now less strong and not consistently influential across all media.

- In 2014 there were several differentiators of media consumption:
  - Primary differentiator; age/life stage
  - Secondary differentiators; ethnicity and technology
  - Other differentiators; gender, region, and socio-economic level
- In 2016 these consolidated to:
  - Primary differentiator; age/life stage
  - Secondary differentiator; technology
  - Other differentiator; region
- In 2018 age/life stage is the dominant differentiator of media consumption.
- While for some media ethnicity and socio-economic factors also play a role, these are a lesser influence than age/life stage and are not a consistent influence for all media.
- The regional differences evident in 2016 between Auckland and the South Island in particular have significantly reduced and are not a key differentiator in 2018.
- Access to technology continues to play a role in media consumption but as the penetration of this technology expands it plays a lesser role in driving behaviour. It is also linked closely to age/life stage.
- A full breakdown of daily media consumption and access to devices and technology by different demographic groups is contained in the Appendix.

The generation gap remains strong and behaviour differs significantly between those above and below 40-45 years of age. Above 45 traditional media (TV, radio, newspapers) dominates and below 40 online media (online video, streamed music, SVOD) is typically more popular. However as the next chart shows, the generation gap in online media has closed since 2016.

DAILY REACH OF ALL THE MEDIA | % OF OLDER AND YOUNGER NZERS



- **Among 15-39s,** one in two still watch TV or listen to the radio each day, but online video, music streaming and SVOD have overtaken or are equally popular as both these traditional media.
- **15-39s** consume all online media significantly more than 45+ year olds.
- **Among 45+ year olds** traditional media is still dominant, but the gap in reach to online media has closed as more older New Zealanders adopt these media.

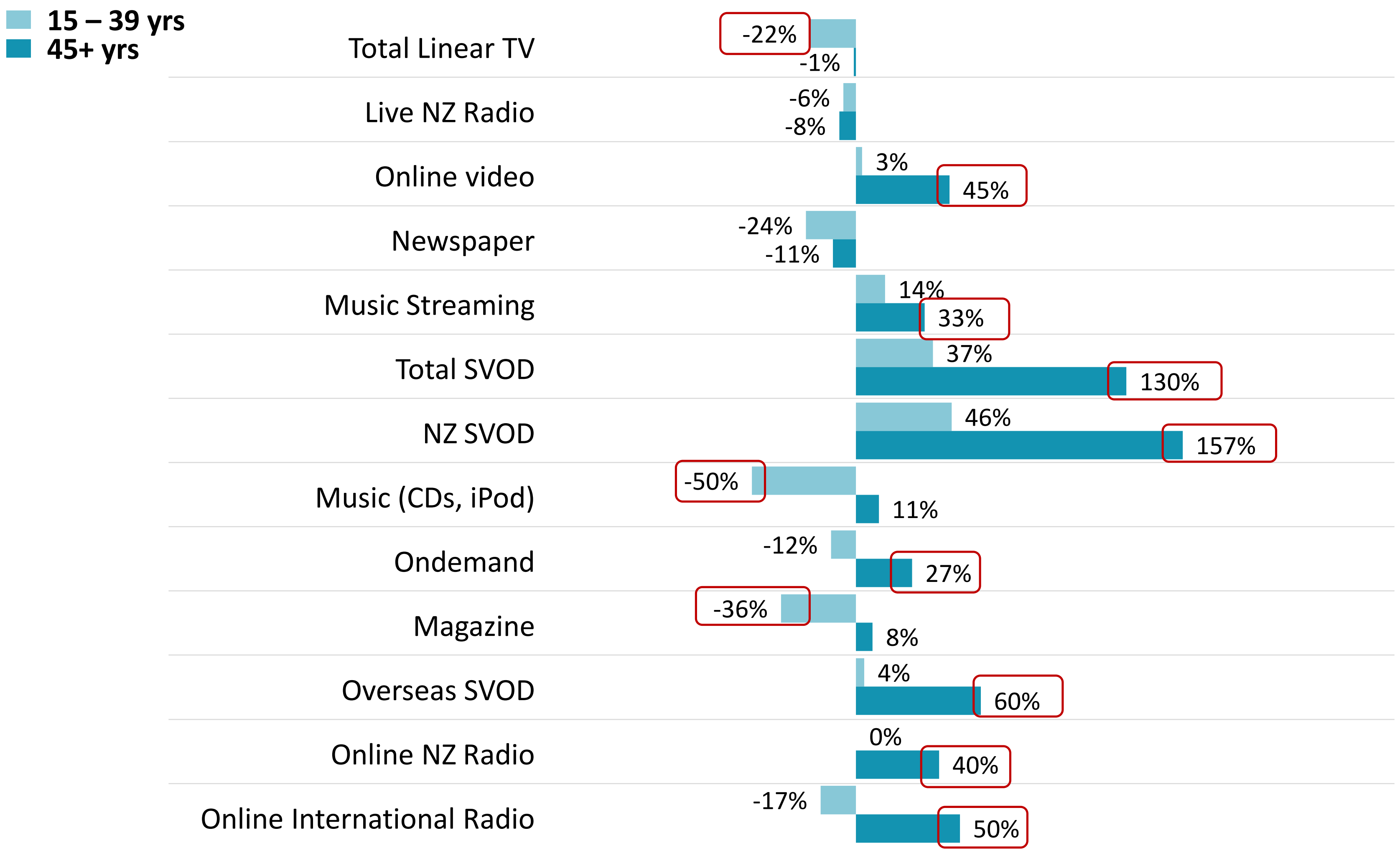
Note: TV viewing includes live & time shifted viewing, in and out of home.

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: (15-39 n=577; 45+ n=690)

The generation gap has increased for linear TV, newspapers and magazine as younger audiences continue to drop out of these media. But the generation gap has closed for online video, music streaming, SVOD, Ondemand and online radio as more older New Zealanders adopt these. The generation gap for music on physical formats has also closed as younger New Zealanders stop listening to this format.

CHANGES IN DAILY REACH BETWEEN YOUNGER AND OLDER NZERS – 2016 TO 2018



Base: All respondents (2016 - n=1,404; 2018 – n=1,414)

Other differentiators of media consumption

SOCIO-ECONOMIC LEVEL:

- There is a socio-economic influence on some media consumption and on access to some types of technology.
  - The unemployed are more likely to enjoy free media choices such as linear TV, Ondemand and streamed music.
  - High income earners are more likely to have access to key technology such as: SKY TV, a PVR, a tablet, a smart TV connected to the Internet, UFB, Netflix, or Chromecast.

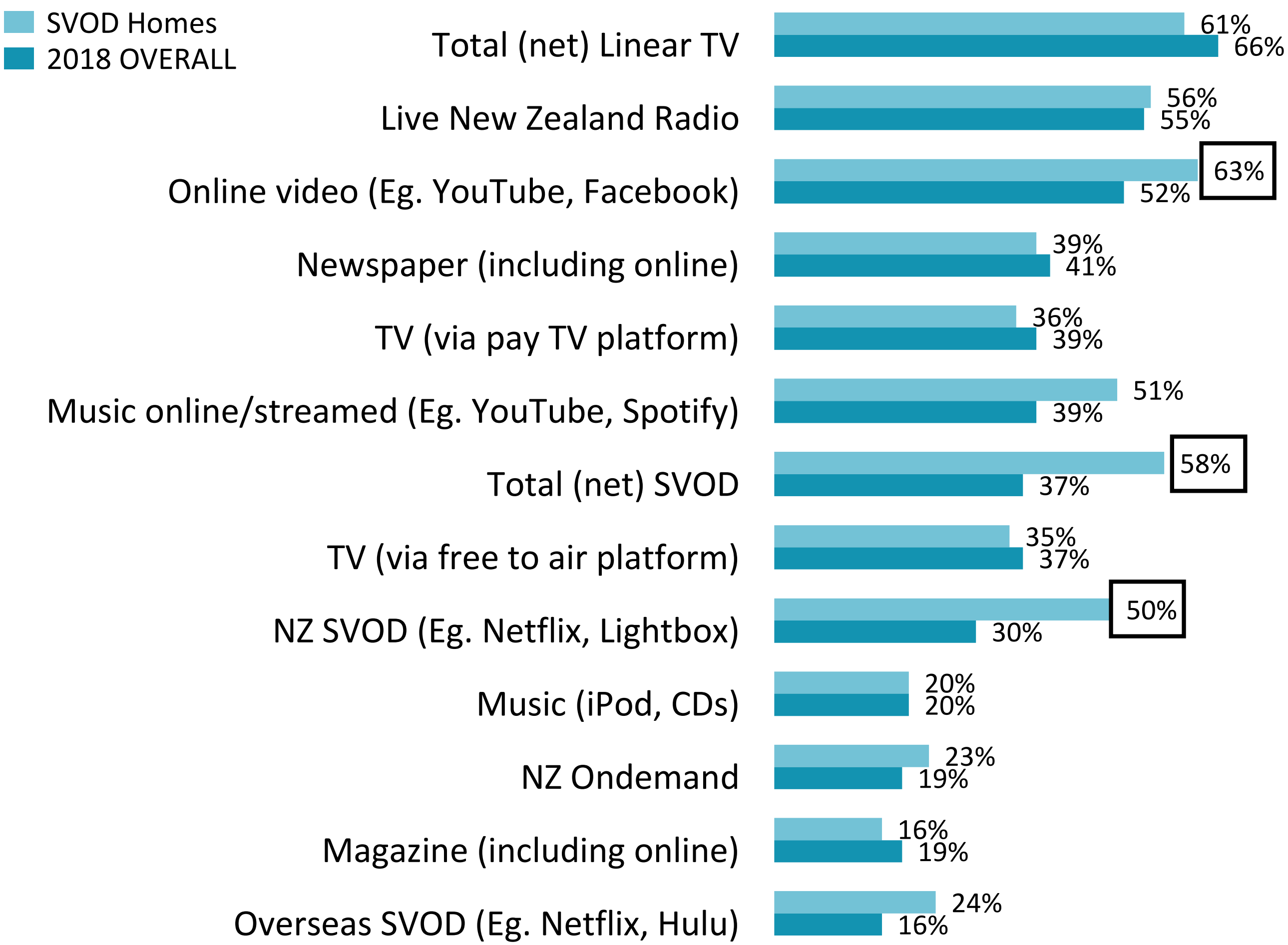
ETHNICITY

- Ethnicity also plays a role in influencing some media consumption – particularly among Asian New Zealanders;
  - New Zealanders of Asian descent are more likely to watch online video and listen to streamed music.
  - They are less likely to watch linear TV, watch Ondemand, watch NZ SVOD, listen to the radio, or listen to podcasts.

- A full breakdown of daily media consumption and access to devices and technology by different demographic groups is contained in the Appendix.

More than one in two New Zealanders have access to SVOD at home (54%) and this changes their media behaviour. In an SVOD home, online video (63%) is the most popular media, narrowly, over linear TV (61%) and Total SVOD (58%). This pattern is very similar to 2016, except the growth of NZ SVOD which now achieves 50% daily reach in these homes.

DAILY REACH OF ALL MEDIA IN SVOD AND NON-SVOD HOMES | % OF ALL NZERS

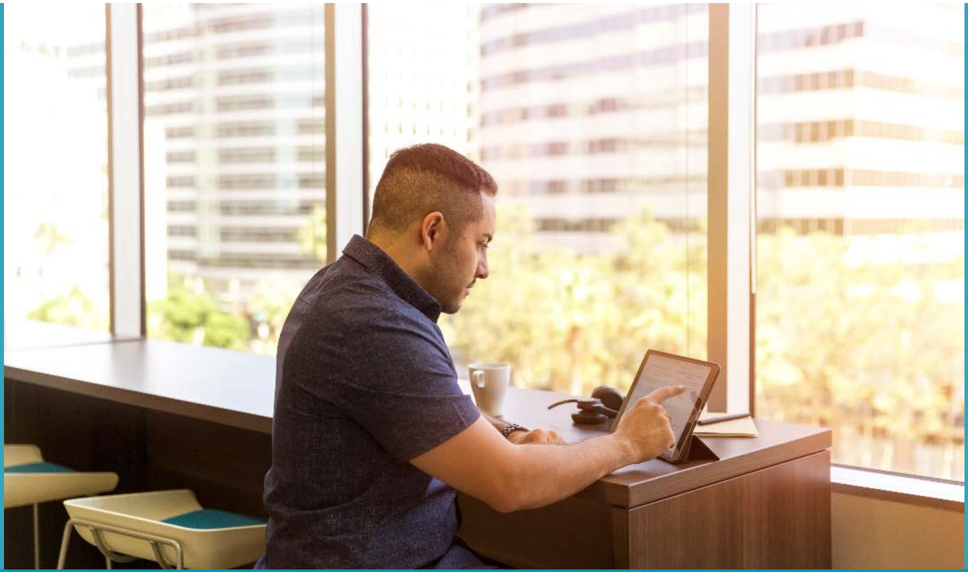


- In 2016 SVOD users consumed nearly all media more than average New Zealanders. However this trend has changed in 2018 reinforcing the hypothesis that more lighter media consumers have taken up SVOD in the last two years.
- SVOD consumption is now heavily weighted to NZ SVOD services whereas in 2016 it was more evenly split between NZ and overseas services.

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.

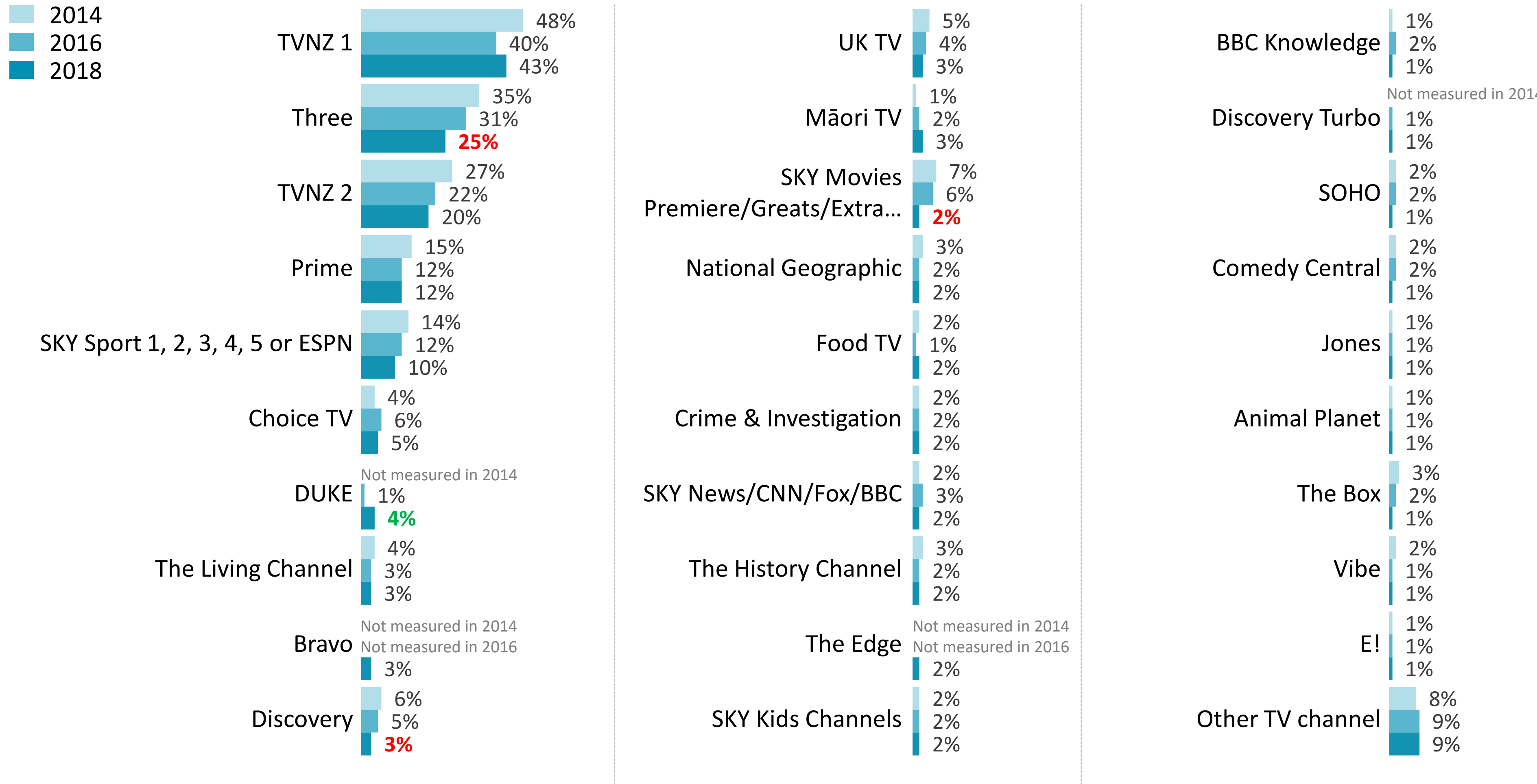
Base: All respondents: (2018 n=1,414; SVOD home n=790)



DAILY MEDIA CONSUMPTION BY CHANNEL, SITE & STATION

As a result of the decline in reach of linear TV overall, there have been slight but consistent declines in the daily reach of many TV channels, and no SKY TV channel shows increased reach since 2016. SKY Movies channels show the biggest decline, while Duke shows an increase. TVNZ 1, Three, and TVNZ 2 continue to be in the top 10 most popular channels, sites or

DAILY REACH OF TV CHANNELS | % OF ALL NZERS



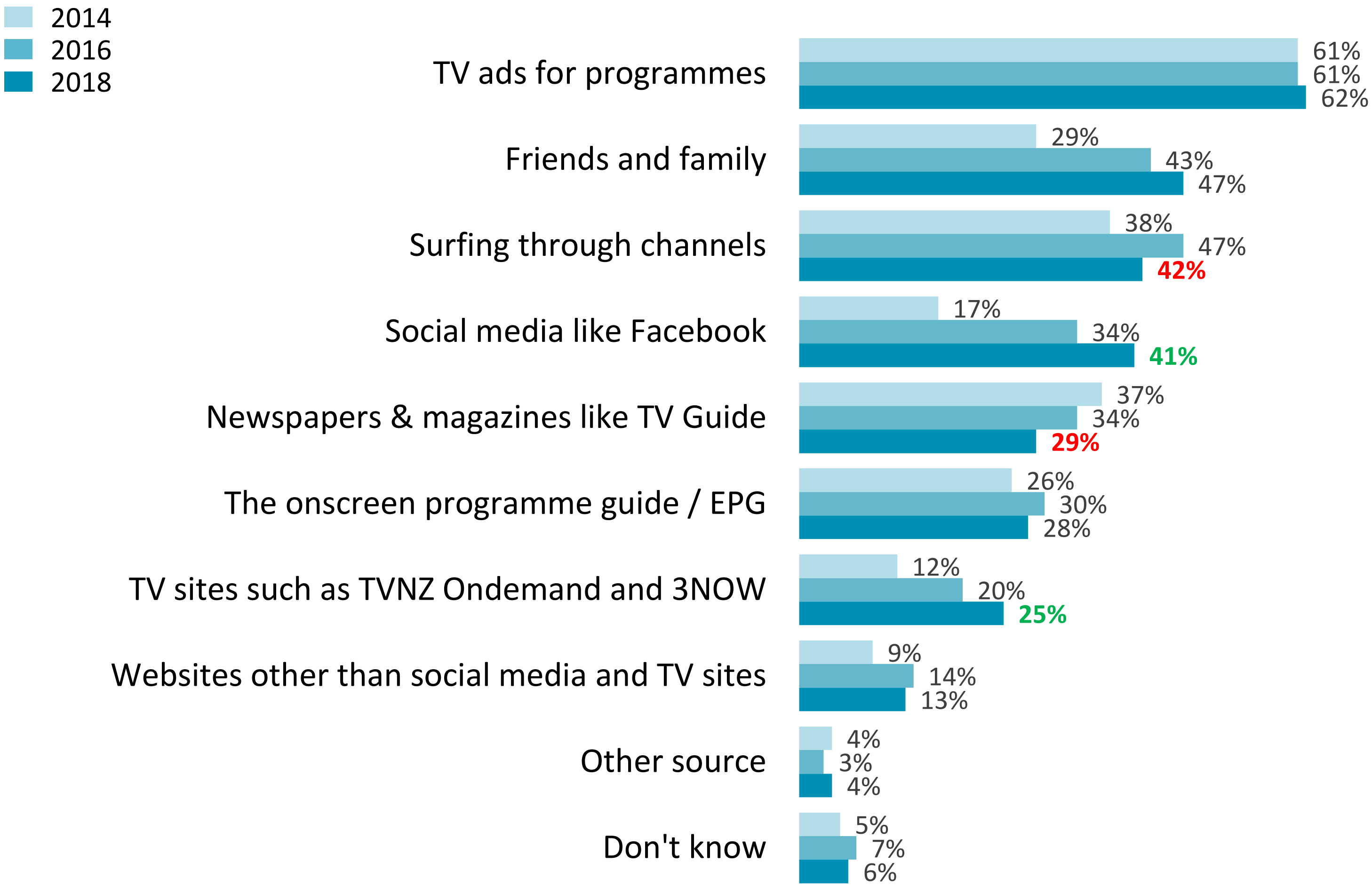
txt/txt Indicates significant change at 95% c.i.

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

Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

TV ads are stable as the most common source of information about NZ made TV shows, although there has again been significant growth in word of mouth (friends & family, and especially social media) and Ondemand sites. The influence of newspapers and magazines continues to fall, with the EPG steady.

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



txt/txt Indicates significant change at 95% c.i.

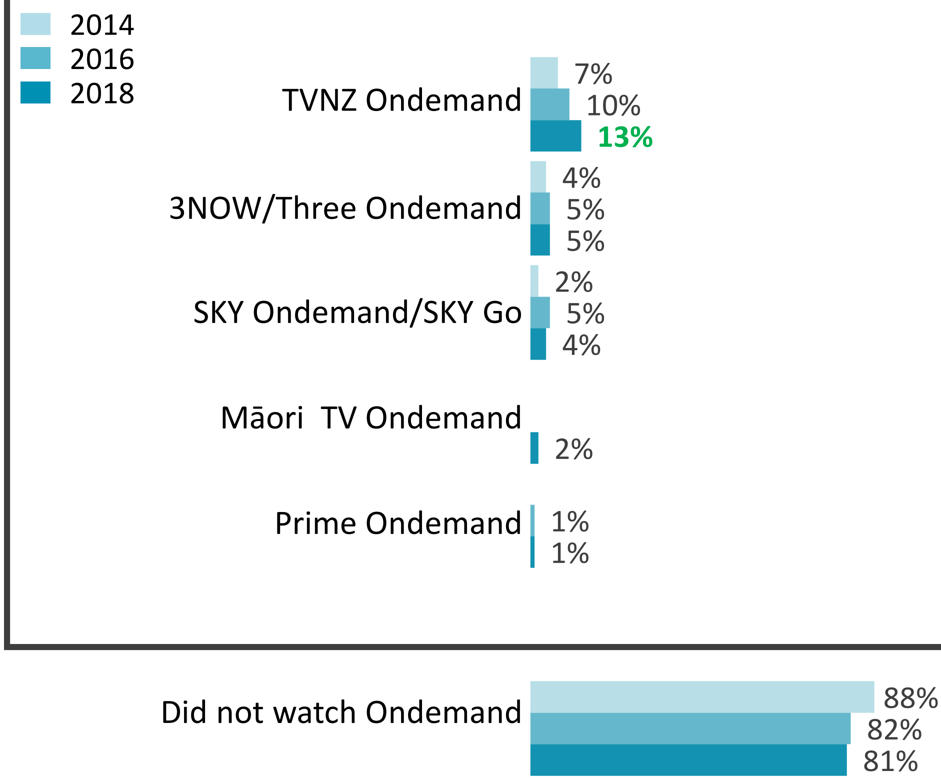
Q In which of the following ways do you usually become aware of New Zealand made TV shows?

Base: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

The daily reach of Ondemand overall (19%) has not increased significantly since 2016, however TVNZ Ondemand daily reach has increased suggesting that current users have increased their use. This is reinforced by the significant change in the way Ondemand is used, with a significant increase in the audience using it as a content source rather than for catch up.

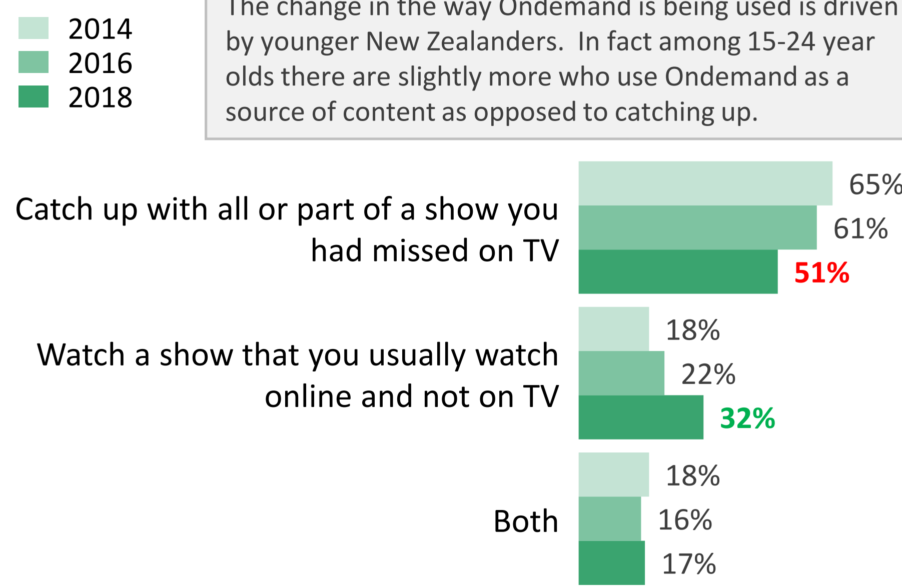
NZ On Air

DAILY REACH OF NZ ONDEMAND SITES | % OF ALL NZERS



WHY USED ONDEMAND YESTERDAY | % OF ALL ONDEMAND USERS

The change in the way Ondemand is being used is driven by younger New Zealanders. In fact among 15-24 year olds there are slightly more who use Ondemand as a source of content as opposed to catching up.



Base: All NZ Ondemand users (2014 – n=166; 2016 n-248; 2018 – n=269)

Ondemand reach (19% overall) is highest among:

- Females (22%)
- 15-49s (23%)
- Young without kids (25%)
- Māori (30%), Pacific Island (24%)

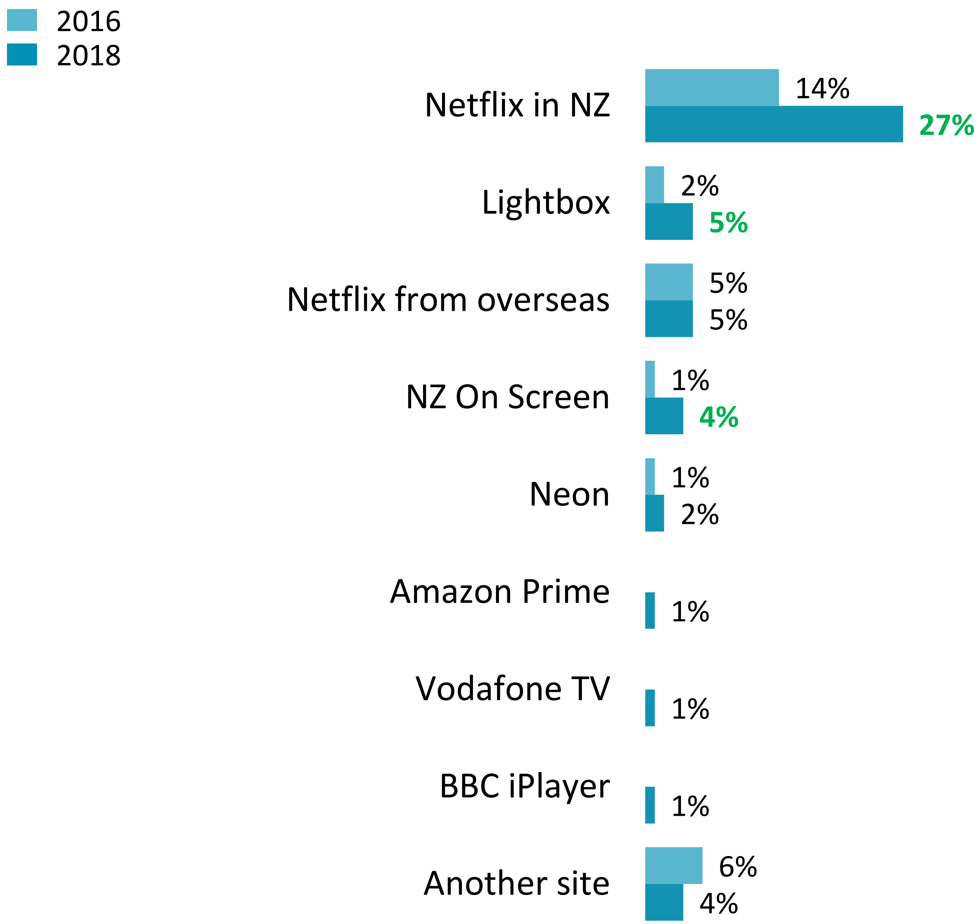
txt/txt Indicates significant change at 95% c.i.

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: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

The daily reach of SVOD has grown significantly again since 2016 – more than a third of New Zealanders (37%) watch each day. Growth in the last two years has been driven by the growth of NZ Netflix and to a lesser extent Lightbox and NZ On Screen. Netflix NZ is now the 4th most popular single channel, site or station each day.

DAILY REACH OF SVOD SERVICES | % OF ALL NZERS



- 54% of NZers have access to SVOD overall.
- 30% of NZers now watch a NZ SVOD service each day, compared to 17% in 2016.
- 16% of NZers watch an overseas SVOD service each day, compared to 14% in 2016.
- Most likely to use Netflix NZ:
  - 15-34s (44%)
    - Students (46%)
    - Flatting (40%)
  - Double income couples, no kids (41%)
  - Families (33%)
  - 4+ people homes (36%)

txt/txt Indicates significant change at 95% c.i.

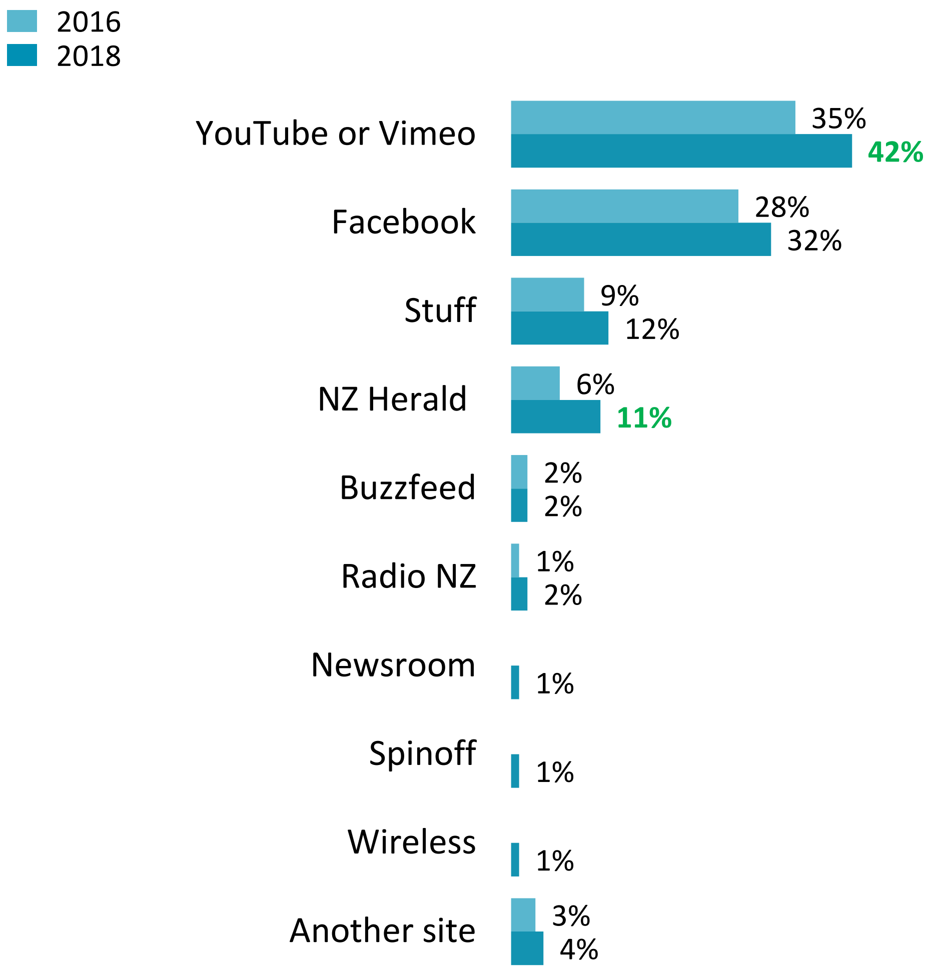
Q Thinking about yesterday overall, which of the following websites/services did you use to watch TV shows?

New question in 2016.

Base: All respondents: (2016 - n=1,404; 2018 – n=1,414)

YouTube and Facebook continue to dominate New Zealanders' choice of online video sites, with YouTube and NZ Herald showing significant growth in daily reach since 2016.

DAILY REACH OF ONLINE VIDEO SITES| % OF ALL NZERS



The profiles of the two most popular sites are very similar except the difference in males and females, and also ethnicity.

Most likely to view YouTube/Vimeo:

- **Males (49%)**
- 15-39s (66%)
  - Students (74%); Flatting (53%)
- Families (55%)
- Auckland (49%)
- 3+ people homes (55%)
- Blue collar workers (49%)
- Asian (63%)
- Pacific Island (50%)

Most likely to view Facebook:

- **Females (35%)**
  - Home-maker (49%)
- 15-39s (50%)
  - Students (48%); Flatting (53%)
- Families (40%)
- 3+ people homes (43%)
- Māori (43%)
- Pacific Island (42%)

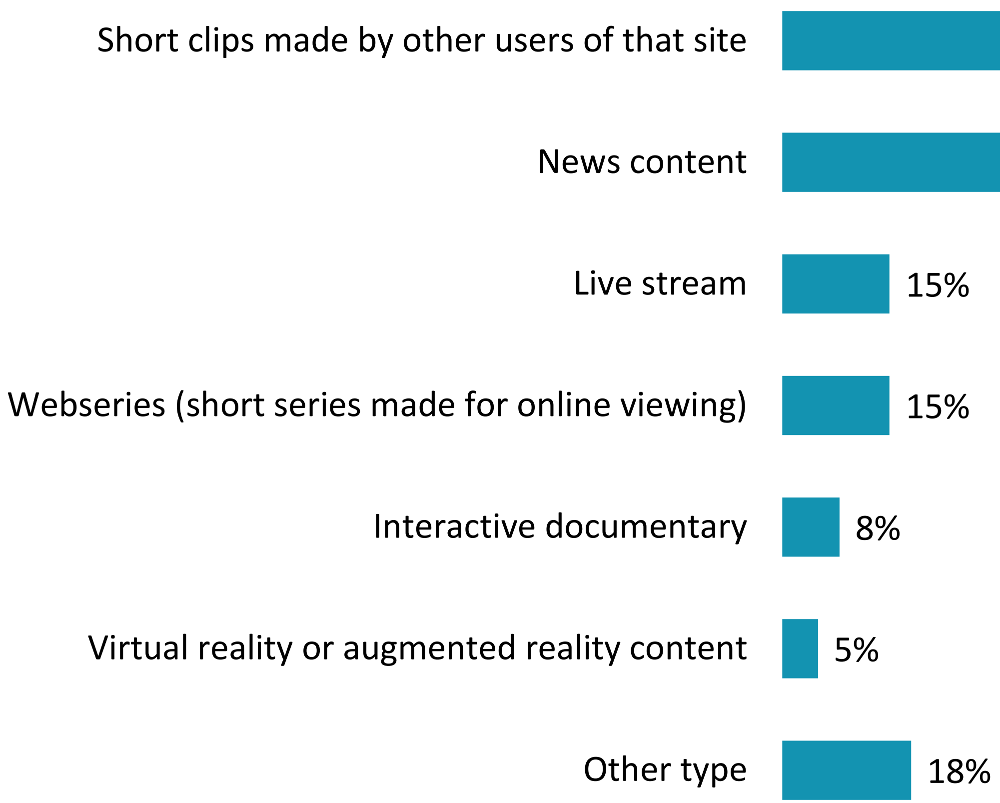
New question in 2016.
txt/txt Indicates significant change at 95% c.i.

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

Base: All respondents: (2016 - n=1,404; 2018 – n=1,414)

User generated clips are by far the most popular type of video to watch online, followed by news content. This varies a little by which site is being viewed. On YouTube (71% of viewers) and Facebook (76%) user generated content is most popular, while on Stuff (82%) and NZ Herald (90%) more viewers are watching news content.

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



Video Type	% of users of each site			
	YouTube/ Vimeo	Facebook	Stuff	NZ Herald
User generated	71%	76%	69%	61%
News content	42%	53%	82%	90%

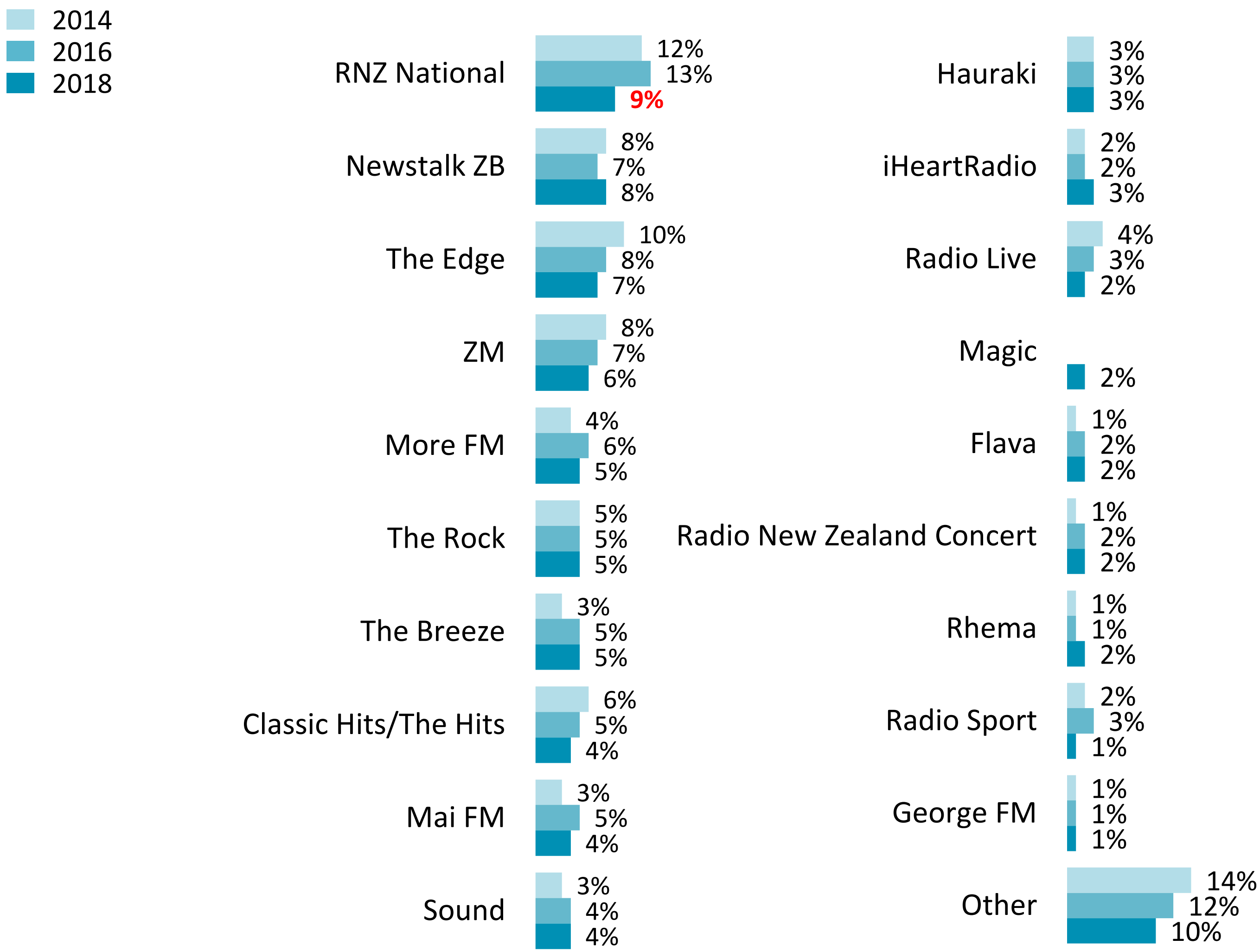
New question in 2018.

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

Base: All Who watch online video (2018 – n=736)

As in 2016, there has been little significant change in the daily reach of radio stations. The exception is the decline in daily reach of RNZ National. Since 2014 there has also been a decline in audience fragmentation on radio with "other station" declining significantly.

DAILY REACH OF ALL RADIO STATIONS | % OF ALL NZERS



- Age is, not surprisingly, the biggest differentiator of station choice.
- There are also some differences by gender:
  - Males are more likely to listen to RNZ National (11%).
  - Females are more likely to tune into The Edge (8%) and ZM (8%).

"Other" station shows a significant decline since 2014.

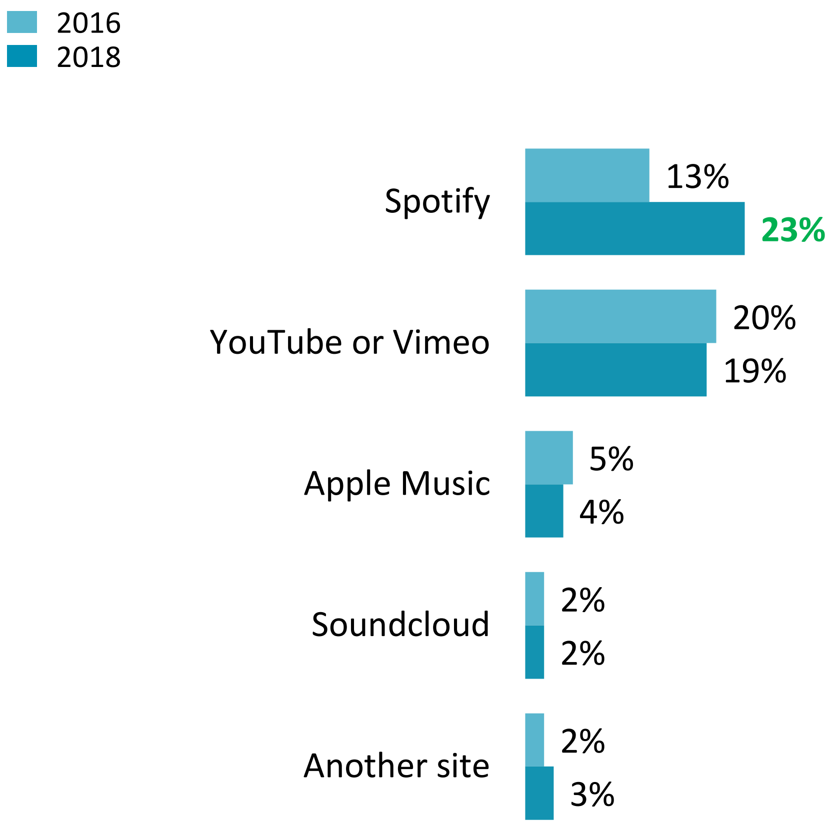
txt/txt Indicates significant change at 95% c.i.

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

Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

The use of Spotify has increased significantly since 2016 and it is now more popular than YouTube for listening to music. Other sites have not increased significantly since 2016.

DAILY REACH OF MUSIC SITES| % OF ALL NZERS



The profiles of Spotify and YouTube users are slightly different with Spotify users being younger and more affluent.

Most likely to use **Spotify**:
- 15-34s (45%) and especially 15-24s (54%)
  - students (58%); flatting (38%)
- Higher income earners ($80k+ 26%)
- 4+ people homes (36%)
- Māori (28%)
- Asian (29%)

Most likely to use **YouTube**:
- 15-39s (33%)
  - students (37%)
- Families (26%)
- Unemployed (41%)
- 3+ person homes (27%)
- Māori (26%)
- Pacific (40%)
- Asian (30%)

txt/txt Indicates significant change at 95% c.i.

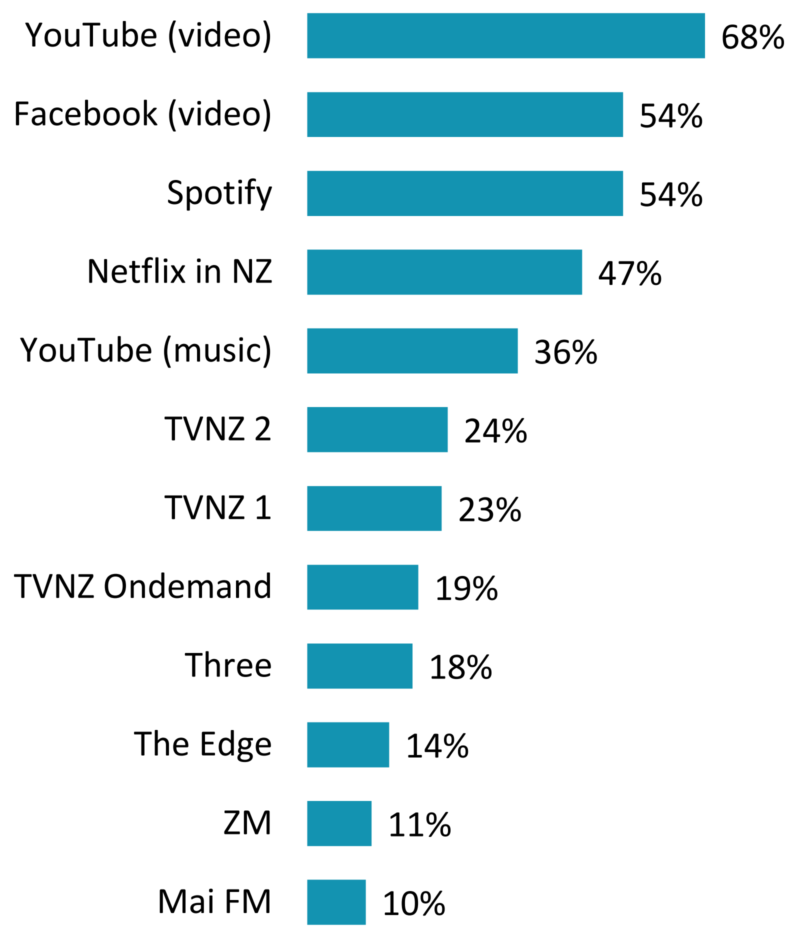
Q Thinking about yesterday overall, which of the following websites did you use to watch video?

New question in 2016.

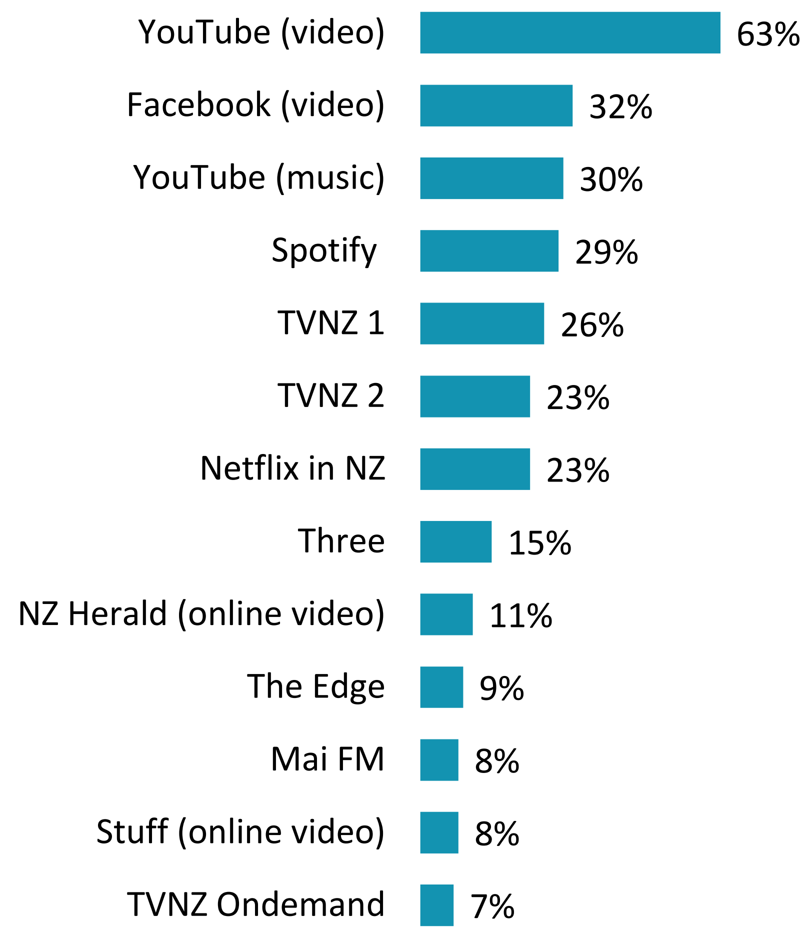
Base: All respondents: (2016 - n=1,404; 2018 – n=1,414)

Where are the hard to find audiences?

DAILY REACH | ALL 15-24s



DAILY REACH | ALL ASIAN NEW ZEALANDERS

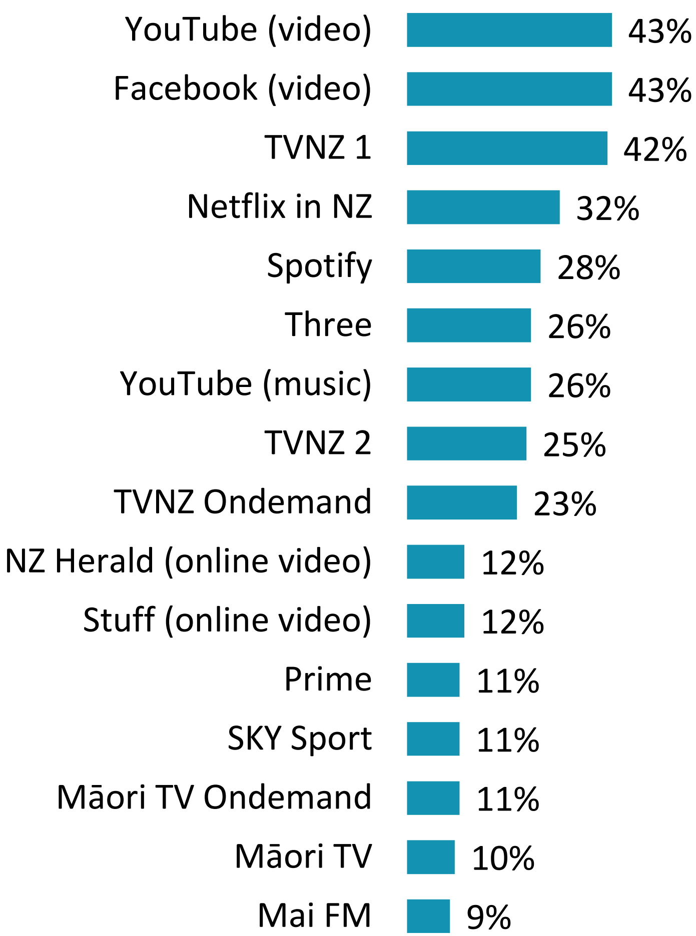


Q

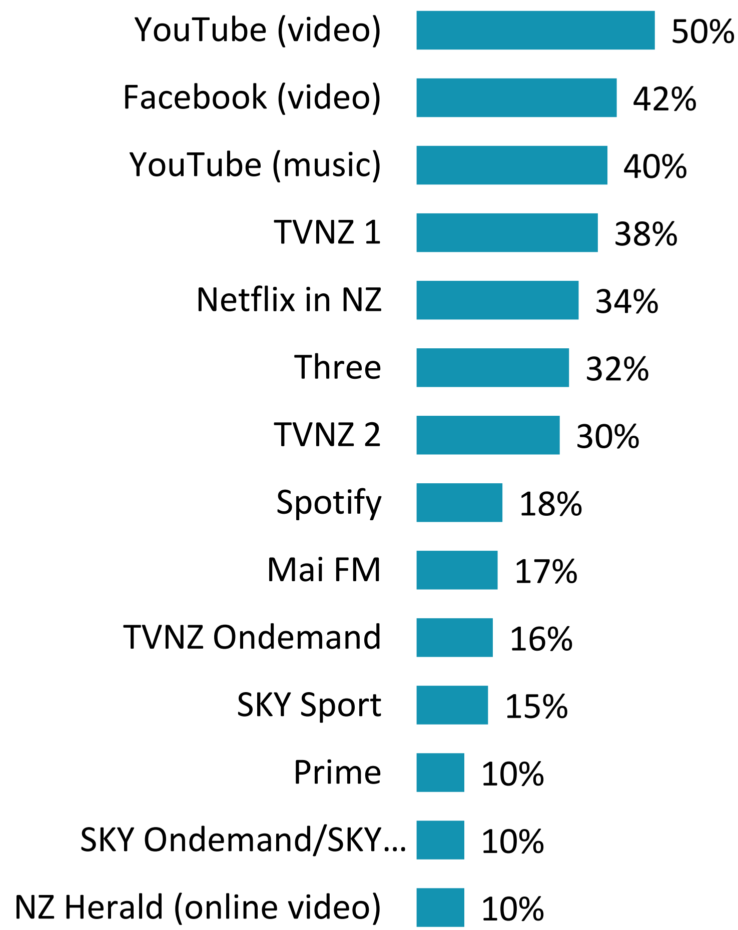
Base: 15-24s (n=264); Asian (n=170)

Where are the hard to find audiences?

DAILY REACH | ALL MĀORI NEW ZEALANDERS

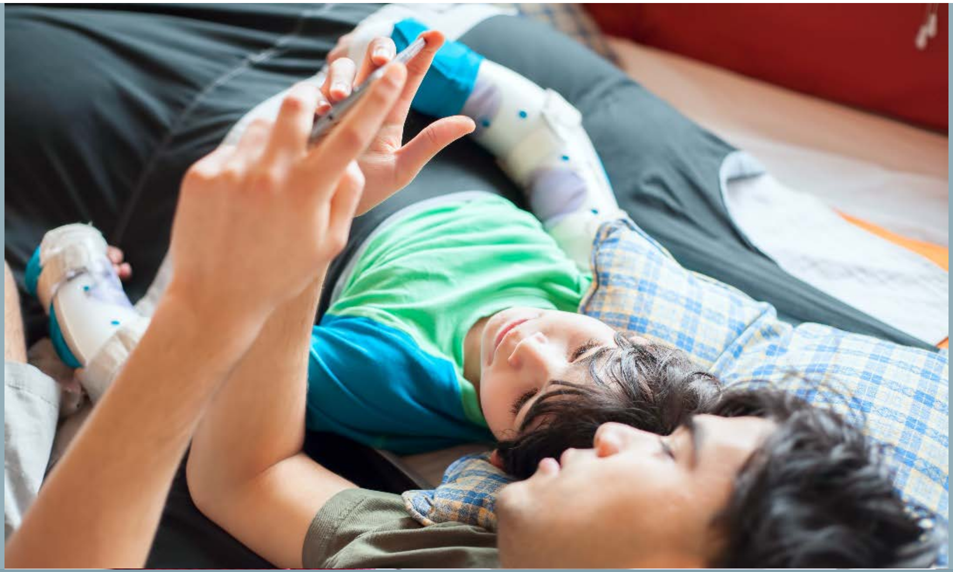


DAILY REACH | ALL PACIFIC ISLAND NEW ZEALANDERS



Q

Base: Māori (n=202); Pacific (n=68)

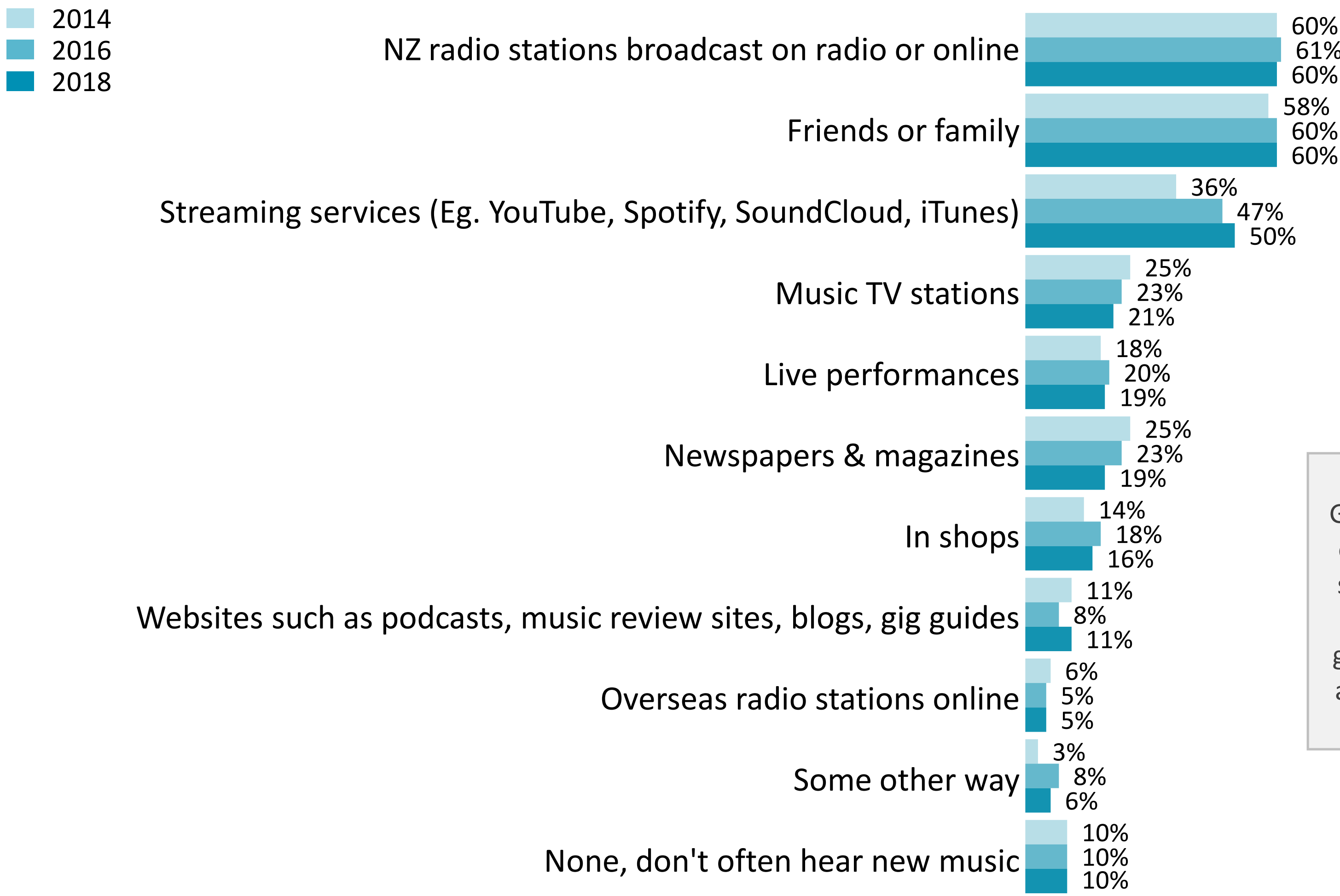


MUSIC CONSUMPTION AND BEHAVIOUR

While there has been a rapid shift to listening to streamed music from physical formats, there has been no significant change in how New Zealanders find new music. Radio and word of mouth remain the most common sources. However the influence of streamed music has increased gradually since 2014, while newspapers and magazines have declined.

NZ On Air
Irirangi Te Motu

SOURCES OF AWARENESS OF NEW MUSIC | % OF ALL NZERS



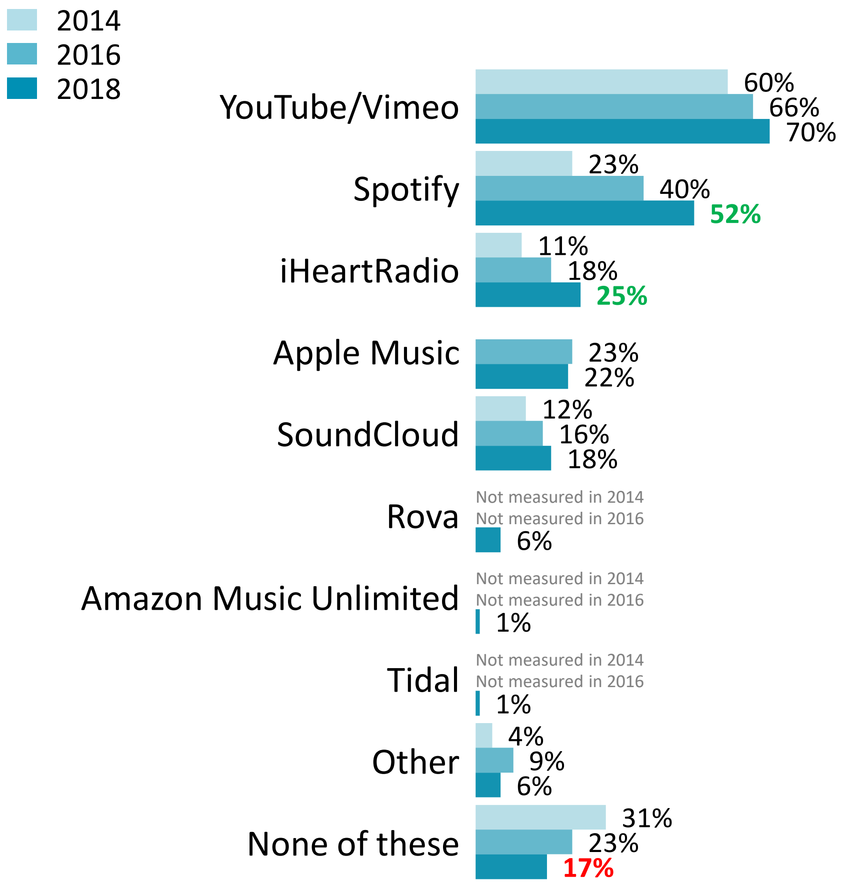
Given the growth in use of Spotify it is perhaps surprising there hasn't been corresponding growth in this media as a source of new music.

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

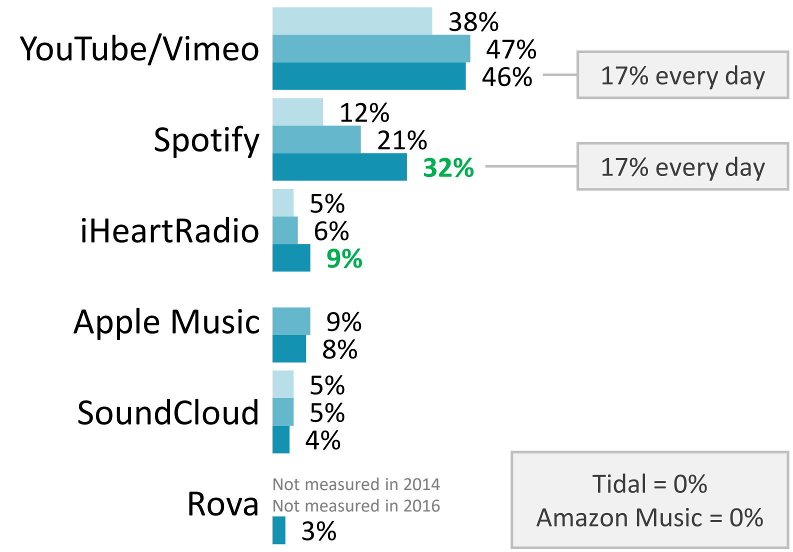
Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

More than 80% of New Zealanders have now listened to music online. Growth since 2016 has been driven mainly by Spotify and to a lesser extent iHeartRadio, though YouTube remains the most popular site. About one in six New Zealanders (17%) listen to music on Spotify or YouTube <u>every day</u>.

EVER USE TO LISTEN TO MUSIC | % OF ALL NZERS



WEEKLY REACH | % OF ALL NZERS



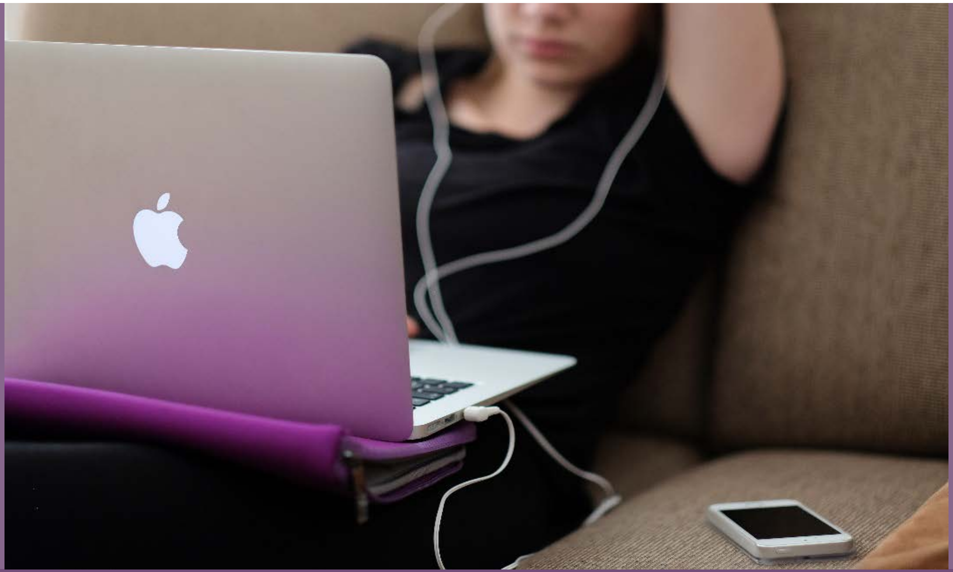
While nearly all New Zealanders have now listened to music online, not surprisingly the heaviest users are the younger generation.

- Just 2% of 15-39s have <u>never</u> listened to music online.
- 46% of 15-24 year olds listen to Spotify every day
- 34% of 15-24 year olds listen to music on YouTube every day.
- 49% of 65+ year olds have never listened to music online

txt/txt Indicates significant change at 95% c.i.

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

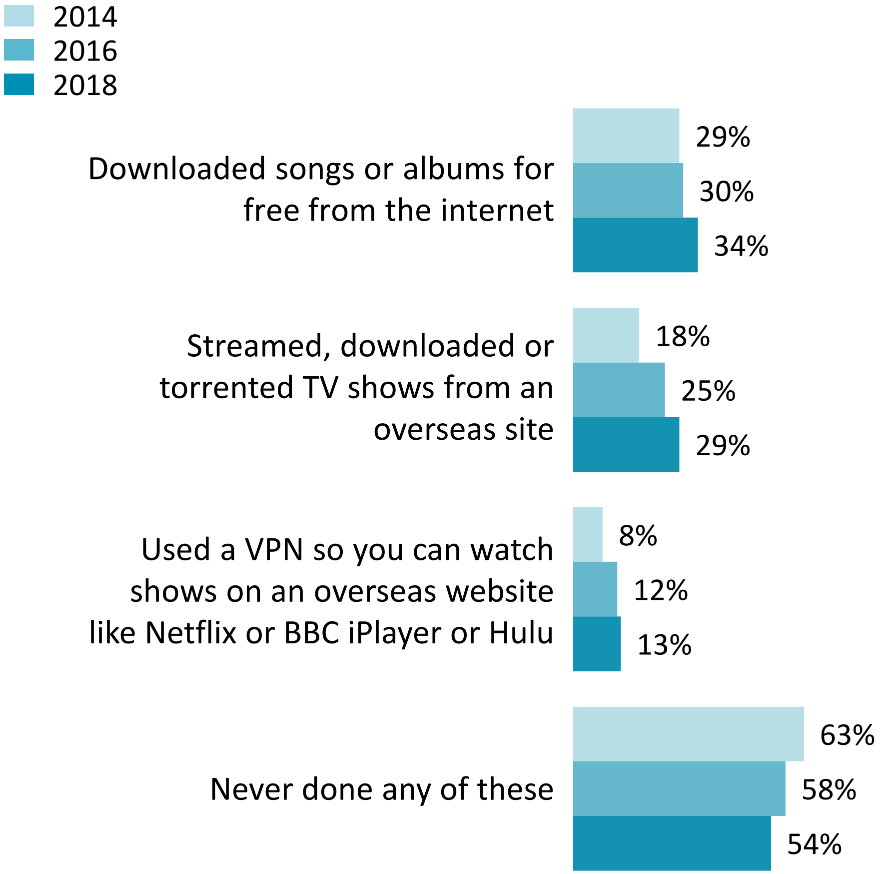
Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)



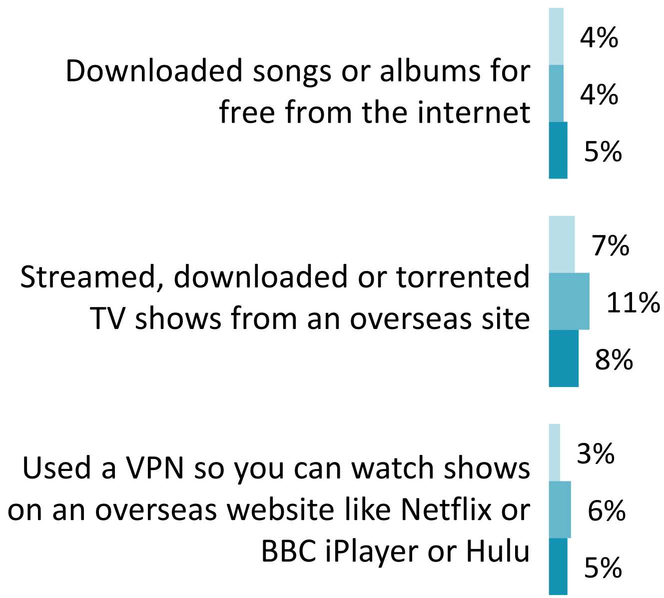
STREAMING, DOWNLOADING AND TORRENTING

There have again been slight increases in the number of people who have ever used unauthorised platforms, and compared to 2014 there has now been a small but significant increase in the proportion who have ever engaged in these activities. However there has been no increase in the frequency of these activities.

EVER USED UNAUTHORISED PLATFORMS | % OF ALL NZERS



WEEKLY REACH OF UNAUTHORISED PLATFORMS | % OF ALL NZERS



Incidence of ever engaging in these activities is highest among:

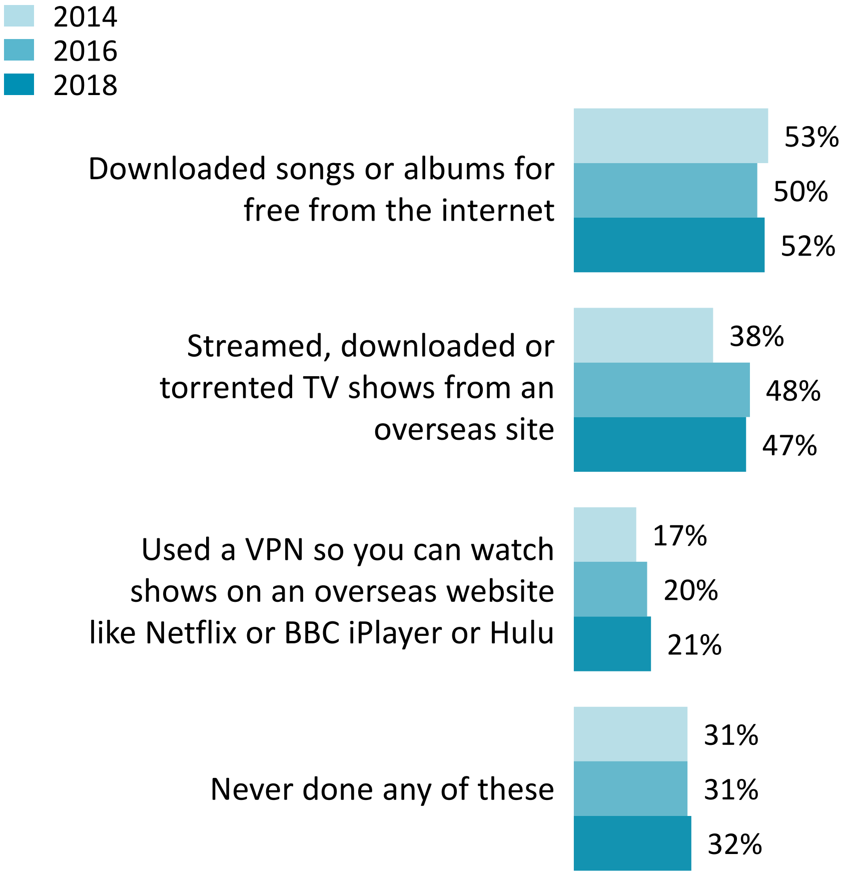
- 15-34 year olds
- males

Q Which of the following have you ever done?
About how often would you…?

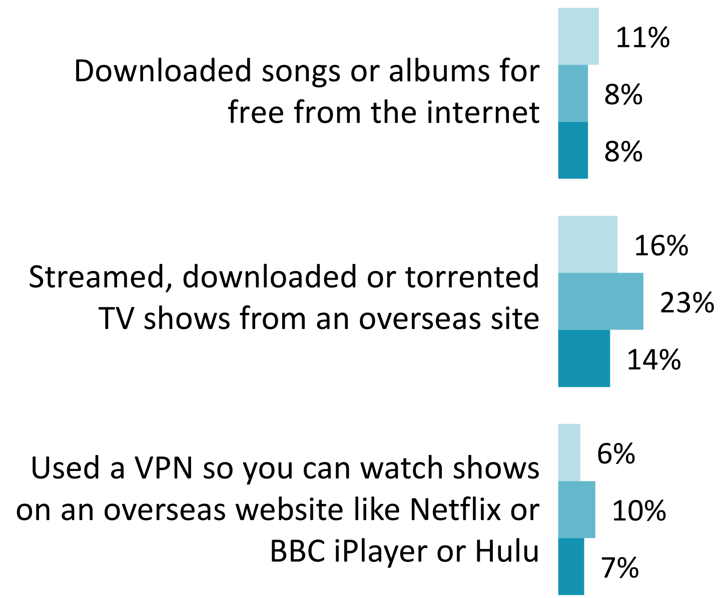
Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

There has been no significant change over time in the incidence or frequency of using unauthorised platforms among 15-34 year olds.

EVER USED UNAUTHORISED PLATFORMS | % OF ALL 15-34s



WEEKLY REACH OF UNAUTHORISED PLATFORMS | % OF ALL 15-34s



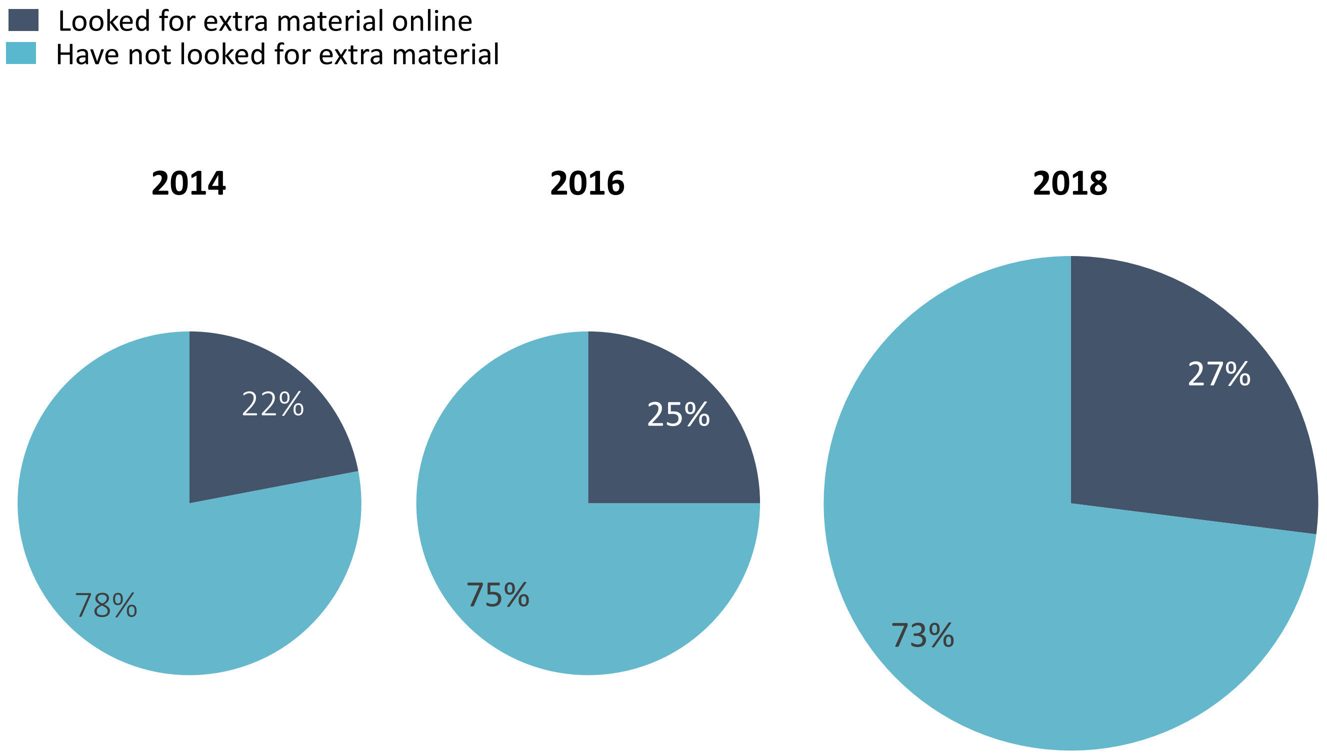
Q Which of the following have you ever done?
About how often would you…?

Base: All 15-34s: (2014 - n=425; 2016 - n=460; 2018 – n=458)

EXTRA ONLINE MATERIAL FOR A TV SHOW

There has been a gradual increase in the incidence of New Zealanders ever looking for extra online material for a TV show – with a significant increase between 2014 and 2018. This behaviour continues to be driven by younger New Zealanders.

EVER LOOKED FOR EXTRA MATERIAL ONLINE | % OF ALL NZERS



Age is the main differentiator of involvement with this activity:

- 15-29s (35%) are more likely to have ever looked for extra material, including;
  - Students (37%)
  - Flatting (40%)

This profile has not changed since 2016.

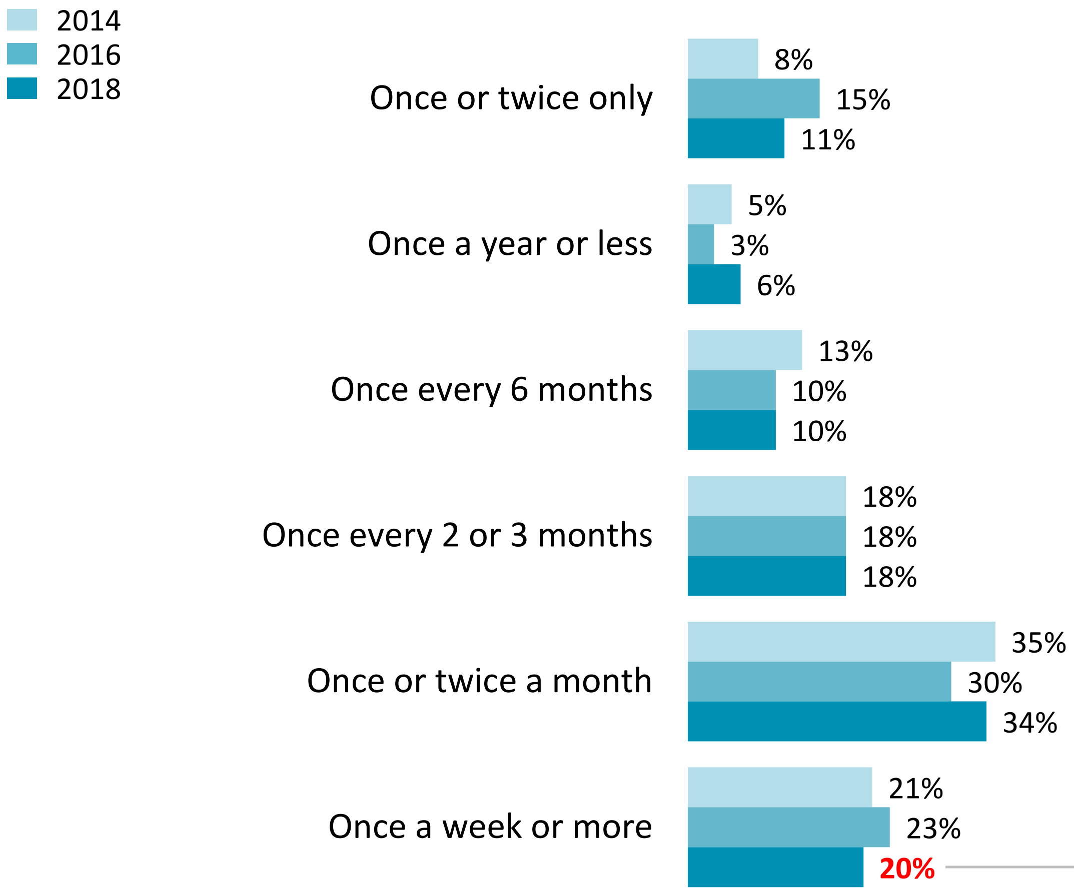
Q Some TV shows have extra material available to watch or read online. This material might include short videos not shown on TV, background to characters in the show, or actors' biographies. Have you ever looked for extra material about a TV show online?

Base: All respondents: (2014 - n=1,400; 2016 - n=1,404)

There has been no significant change in the frequency or weekly reach of looking for extra online material for TV shows. Approximately one in two engage with this content once a month or more.

NZ On Air

FREQUENCY OF LOOKING FOR EXTRA MATERIAL ONLINE | % OF PEOPLE WHO HAVE EVER LOOKED FOR EXTRA MATERIAL



There are no significant trends identifying New Zealanders who are more or less likely to engage more frequently with extra online material – and this includes among younger New Zealanders.

Equates to 6% weekly reach overall. Compared to 6% in 2016.

txt/txt Indicates significant change at 95% c.i.

Q About how often would you search for extra material about a TV show?

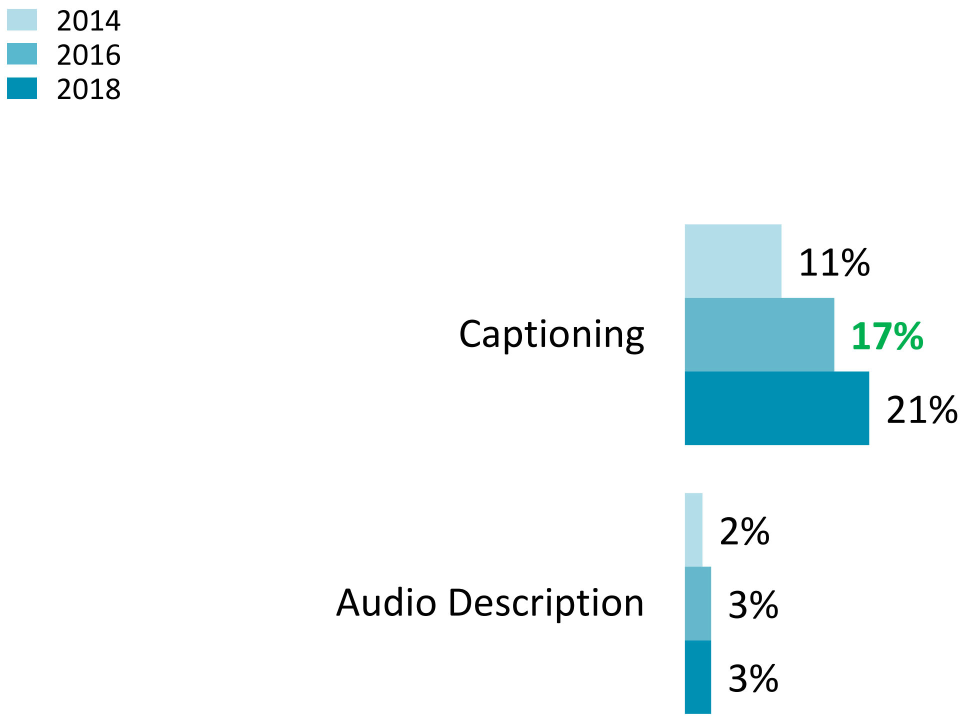
Base: All who have ever looked for extra material (2014 - n=309; 2016 - n=356; 2018 – n=383)

CAPTIONING AND AUDIO DESCRIPTION

About one in five New Zealanders ever use captioning and 3% ever use audio description when watching TV. Use of captioning has increased again since 2016, though the increase this time is not quite statistically significant.

NZ On Air

EVER USE CAPTIONING OR AUDIO DESCRIPTION WHILE WATCHING TV | % OF ALL NZERS



The group most likely to use captioning are people of Asian ethnicity (47%).

However other groups who show a higher incidence of use are:

- 15-24s (33%) and students (32%)
- Families (28%) and 3+ person homes (26%)
- Aucklanders (27%)

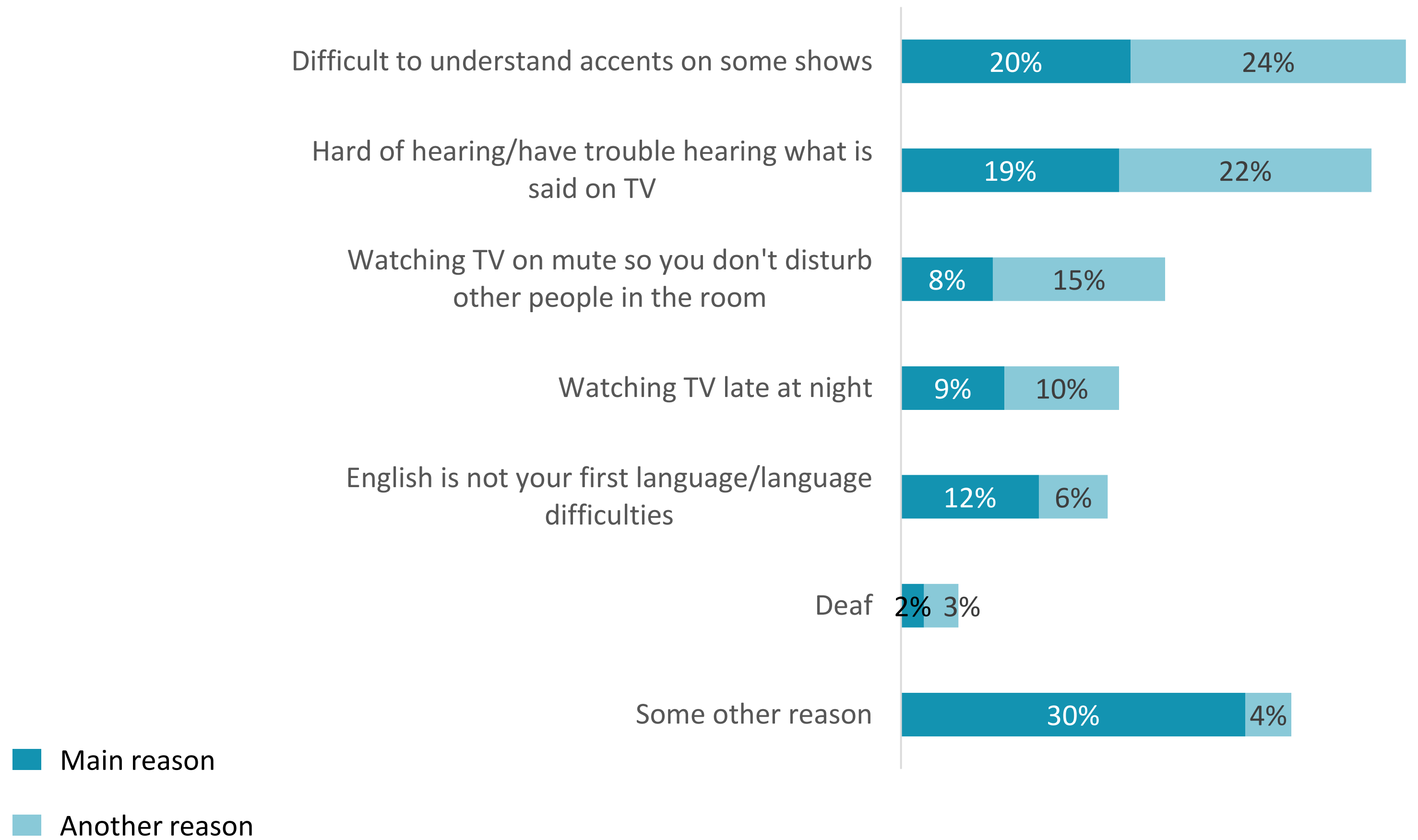
txt/txt Indicates significant change at 95% c.i.

Q Do you ever use audio description while you are watching TV? By audio description we 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 we mean English subtitles so you can read what people are saying if you are having trouble hearing them.

Base: All respondents: (2014 – n=1,400; 2016 - n=1,404; 2018 – n=1,414)

New Zealanders use captioning for many different reasons, of which being hard of hearing or deaf is just one. Accents, language difficulties or not disturbing others in the room also drive significant amounts of usage of captioning.

REASONS FOR USING CAPTIONING | % OF ALL USERS



New question in 2018

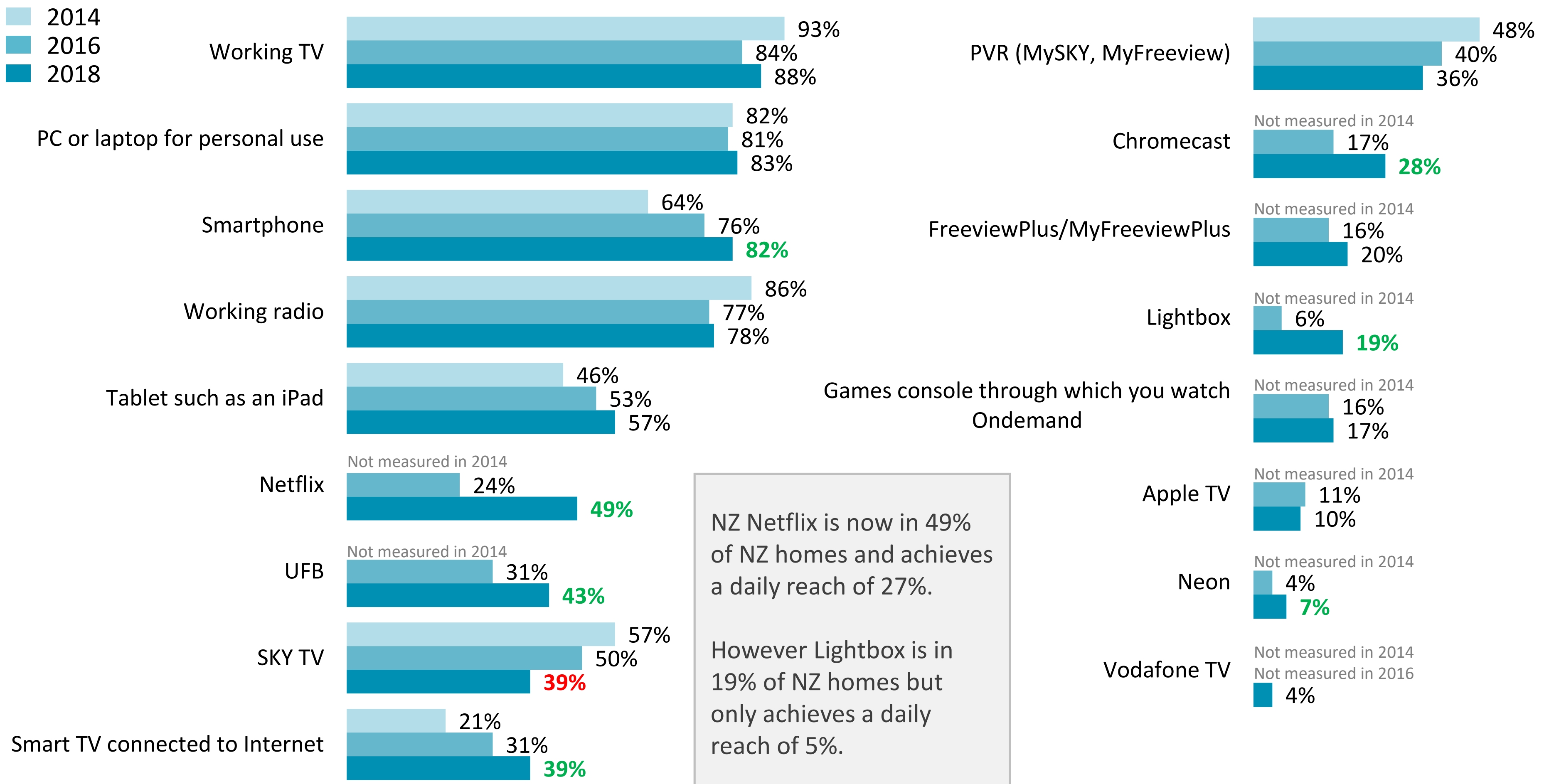
Q Which of the following best describes the reasons why you use the captioning service when watching TV?
And which one of these is your main reason for using the captioning service when watching TV?

Base: All users of captioning (n=304)

DEVICES PERSONALLY OWN OR HAVE DAILY ACCESS TO

TVs and PCs/laptops are unchanged as the most common devices, but smartphones have overtaken radios. All SVOD services have increased significantly as have smart TVs and devices like Chromecast, giving more people access to online media on their TV screen.

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



NZ Netflix is now in 49% of NZ homes and achieves a daily reach of 27%.

However Lightbox is in 19% of NZ homes but only achieves a daily reach of 5%.

txt/txt Indicates significant change at 95% c.i.

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

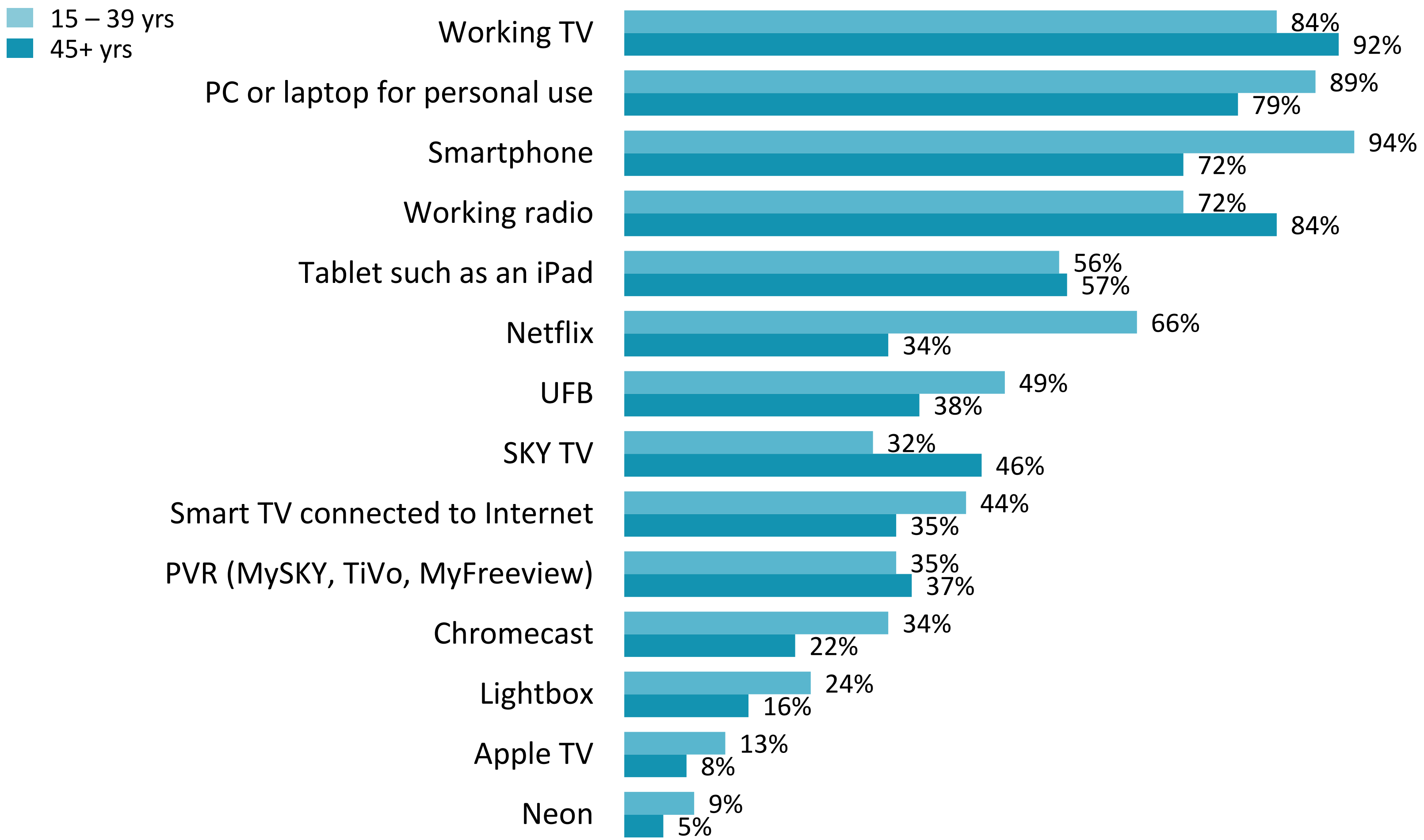
Base: All respondents: (2014 - n=1,400; 2016 - n=1,404; 2018 – n=1,414)

There are some large technological divides between different parts of the NZ population and this influences media consumption.

- The primary differentiator of who is more or less likely to own or have access to different technologies is again age and life stage.
- However the divide between generations in terms of access to technology is not as clear cut as in media consumption because factors such as socio-economic level impact on access.
    - › The chart on the next page summarises the differences between under 40 and over 45 year olds.
  - Younger New Zealanders are more likely to own or have daily access to smartphones, tablets, smart TVs connected to the internet, UFB, Netflix, and Chromecast.
  - Older New Zealanders are more likely to own or have daily access to a working TV, radio, SKY TV, and PVR.
  - Overall the gap between older and younger New Zealanders in terms of access to technology has closed slightly since 2016 as more older New Zealanders adopt digital technology.
- There are also some secondary differentiators:
  - Socio-economic level
    - › New Zealanders from higher socio-economic levels are more likely to own or have daily access to; SKY TV, smartphones, tablets, PVR, smart TV connected to the internet, UFB, and Chromecast. The skew towards higher socio-economic homes having greater access to SKY TV is a new trend since 2016 and reflects lower socio-economic groups being more likely to stop subscribing to SKY TV.
  - Ethnicity
    - › This reflects the difference in Asian New Zealanders' access to technology. This group are more likely to own or have access to smartphones, tablets, smart TV connected to the internet, UFB, Netflix, and Chromecast.
- Note there are few significant differences between males and females in terms of access to technology.

The differences in access to technology between younger and older New Zealanders enables greater consumption of digital media among younger age groups. However older New Zealanders have adopted some technology faster than younger groups in the last two years – particularly smartphones, tablets, UFB, Netflix and Chromecast - enabling them to close the generation gap in terms of online media consumption.

DEVICES AND SERVICES PERSONALLY OWN OR HAVE ACCESS TO 15-39s VS. 45+ YEAR OLDS | % OF ALL NZERS

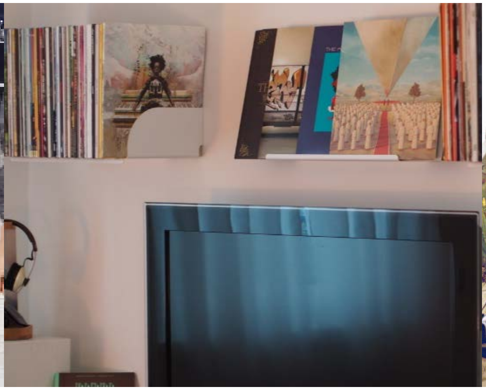


Q Which of the following, if any, do you personally own or have daily access to?

Base: All respondents: (15-39s n=577; 45+ year olds n=690)

APPENDIX

2018

Glasshouse

NZ On Air
Irirangi Te Motu

What is the daily profile of consumers of different media?

MEDIA	LESS LIKELY TO ENGAGE	MORE LIKELY TO ENGAGE
Linear TV 66% daily reach overall	• 15-39 year olds (45%) – students (50%) – flatting (40%) • Double income couples, no kids (48%) • Pre-school families (44%) • 4+ person homes (57%) • Asian (49%) • SVOD homes (61%) • Netflix homes (60%)	• 45+ year olds (81%) – retirees (87%) – empty nesters (80%) • 1-2 person homes (74%) • Unemployed (74%) • Sky TV homes (85%) • PVR homes (84%)
Ondemand 19% daily reach overall	• 55+ year olds (12%) – retirees (11%) – Older, no kids at home (13%) • Asian (9%)	• Female (22%) • Double income, no kids couples (29%) • Unemployed (33%) • Māori (30%) • UFB (23%) • Smart TV connected to internet (23%) • Games console - can view Ondemand (30%)
NZ SVOD 30% daily reach overall	• 45+ year olds (18%) – 60+ year olds (12%) – empty nesters (21%) – older, living alone (15%) – Retiree (13%) – Single person homes (20%) • Lower income earners (under $50k = 23%) • Asian (24%)	• 15-44 year olds (41%) – 15-29s (45%) – students (47%) – flatting (41%) • Double income couples, no kids (49%) • Chromecast (40%) • Smart TV connected to internet (41%)

Base:

What is the daily profile of consumers of different media?

MEDIA	LESS LIKELY TO ENGAGE	MORE LIKELY TO ENGAGE
Online Video 52% daily reach overall	• Females (49%) • 45+ year olds (32%) – 60+ year olds (22%) – retirees (19%) – empty nesters (29%) – older, living alone (25%) – 1-2 person homes (35%)	• Males (56%) • 15-44 year olds (72%) – 15-24s (78%) – students (81%) – flatting (74%) • Young singles or couples, no kids (67%) • Families (64%) – 4+ people homes (69%) • Home-makers (60%) • Blue collar workers (61%) • Asian (68%) • Pacific Island (61%) • Aucklanders (59%) • Smartphone (58%) • UFB (59%) • Smart TV connected to internet (60%) • Chromecast (65%) • SVOD homes (63%)
Radio 55% daily reach overall	• 15-29 year olds (44%) – students (41%) • Home-makers (46%) • Unemployed (40%) • Young singles or couples, no kids (45%) • Asian (46%)	• 65+ year olds (66%) – empty nesters and older singles (61%) – retirees (62%) • Upper white collar workers (61%) • SKY TV homes (61%)
Online NZ Radio 9% daily reach overall	• 60+ year olds (6%) – retirees (6%)	• 30-44 year olds (13%) • High income earners ($80k+ = 11%) • Young singles or couples, no kids (16%)

Base:

What is the daily profile of consumers of different media?

MEDIA	LESS LIKELY TO ENGAGE	MORE LIKELY TO ENGAGE
Music Streaming 39% daily reach overall	• 50+ year olds (12%) – 65+ year olds (9%) – retirees (7%) – empty nesters and older singles (12%) • 1-2 person homes (21%)	• 15-39 year olds (67%) – 15-24s (76%) – students (83%) – flatting (63%) • 4+ people homes (57%) • Young singles and couples, no kids (58%) • Families with kids aged 6 or more (57%) • Unemployed (51%) • Asian (56%) • Pacific Islanders (49%) • Māori (47%) • Smartphone (44%) • UFB (47%) • Chromecast (52%) • Smart TV connected to internet (45%) • SVOD homes (51%) • Games console – can view Ondemand (63%)
Music on CDs/iPod 20% daily reach overall	• No consistent significant trends. Equal appeal across all groups.	• No consistent significant trends. Equal appeal across all groups.
Podcasts 7% daily reach overall	• 35+ year olds (5%) • Pacific Island (3%) • Māori (5%) • Asian (5%)	• 15-34s (13%) – students (12%) – Young singles or couples, no kids (12%)

Base:

As with media consumption overall, the 2016 audience profiles of the main FTA channels are most strongly differentiated by age/life stage. There are also consistent but non-significant skew towards more females watching TVNZ 1, Three and TVNZ 2.

TVNZ 1 (43% overall)

LESS LIKELY TO WATCH	MORE LIKELY TO WATCH
• 15-39s (25%) – students (24%) – flatting (20%) • Double income couples, no kids (29%) • Families with school-aged kids (22%) • Aucklanders (39%) • Asian (26%)	• 50+ (63%) – retirees (73%) – empty nesters and older singles (62%) – 1-2 person homes (53%) • Mid-income earners ($20-$50k = 55%) • South Islanders (48%) • SKY TV homes (54%)

Three (25% overall)

LESS LIKELY TO WATCH	MORE LIKELY TO WATCH
• 15-24s (18%) – students (18%) – flatting (17%)	• 45-59s (36%) • PVR homes (37%) **Three continues to have the broadest appeal of the main FTA channels.**

TVNZ 2 (20% overall)

LESS LIKELY TO WATCH	MORE LIKELY TO WATCH
• 60+ year olds (12%) – retirees (12%) – empty nesters and older couples (14%) • Higher income earners ($120k+ = 17%)	• 3+ person homes (23%) • Home-makers (35%) • Young singles, no kids (33%) • Solo parents (36%) • Unemployed (38%)

PRIME (12% overall)

LESS LIKELY TO WATCH	MORE LIKELY TO WATCH
• 15-39s (6%) • Students (4%) • 4+ people homes (5%) • Families with pre-school kids (3%) • Asian (5%)	• 45+ (18%) – retirees (22%) – Empty nesters and older singles (20%) – 1 person homes (19%)

Base:

Consumption of unauthorised media continues to be driven by younger New Zealanders, especially 15-29s. There has been little significant change in these trends since 2016.

MEDIA	LESS LIKELY TO ENGAGE	MORE LIKELY TO ENGAGE
Download songs or albums for free 34% ever done overall	• 50+ year olds (12%) – retirees (13%) – empty nesters & older singles (20%) – 1 person homes (19%)	• 15-29 year olds (54%) – students (53%) – flatters (51%) • 4+ people homes (44%) • Chromecast (49%)
Stream, torrent, or download TV shows 29% ever done overall	• Females (25%) • 50+ year olds (11%) – retirees (6%) – empty nesters & older singles (11%) • Pacific Island (21%)	• Males (32%) • 15-39 year olds (45%) – students (38%) – flatting (54%) • Double income couples, no kids (61%) • High income earners ($120k+ = 37%) • 3+ people homes (36%) • Asian (34%) • UFB (36%) • Chromecast (38%) • SVOD home (36%)
Use VPN to watch shows on an overseas website 13% ever done overall	• 60+ year olds (4%) – retirees (3%) – empty nesters & older singles (5%) – 1 person homes (5%)	• 15-29 year olds (22%) – students (24%) – flatters (22%) • Double income couples, no kids (28%) • 4+ person homes (19%) • Chromecast (24%)

Base:

What is the profile of users of key technology?

MEDIA	LESS LIKELY TO OWN/ACCESS	MORE LIKELY TO OWN/ACCESS
Working TV 88% overall	• Flatting (70%) • Young single, no kids (81%) • Lowest income earners (up to $20k = 80%) • Asian (71%)	• Retirees (92%) • Empty nesters & older singles (92%) • Unemployed (92%) • Māori (92%) • Pacific Island (92%)
Radio 78% overall	• 30-44s (69%) – flatting (64%) • Single & double income couples, no kids (66%) • Home-makers (67%) • Families with pre-school kids (69%) • Asian (64%) • Pacific Island (72%)	• 65+ year olds (89%) – retirees (87%) – empty nesters & older singles (85%) • South Islanders (82%) • SKY TV homes (85%)
SKY TV 39% overall	• 25-39 year olds (29%) – flatting (18%) • Single & double income young couples, no kids (17%) • Home-makers (30%) • Asian (19%)	• 55+ year olds (50%) – empty nesters (51%) – retirees (49%) • Families with kids 15+ (48%) • Higher income earners ($80k+ = 47%) • Māori (50%) • Pacific Island (53%) • PVR homes (70%)
PVR 36%	• 30-39s (31%) – flatting (22%) • Young singles & couples, no kids (22%) • Low income earners (up to $20k = 25%) • 1 person homes (24%) • Asian (21%)	• 55-64 year olds (45%) • High income earners ($80k+ = 46%) • Upper white collar workers (43%) • Families with kids 15+ (49%) • 3+ person homes (41%) • Pacific Island (45%)

Base:

What is the profile of users of key technology?

MEDIA	LESS LIKELY TO OWN/ACCESS	MORE LIKELY TO OWN/ACCESS
Smartphone 82% overall	• 65+ year olds (57%) – retirees (55%) – empty nesters & older singles (71%) – single person homes (68%)	• 15-39 year olds (94%) – students (96%) • Double income young couples, no kids (93%) • Mid-high income earners ($50k+ = 91%) • Upper white collar workers (89%) • 3+ person homes (89%) • Asian (90%)
Tablet 57% overall	• 15-24s (48%) – flatting (48%) – students (49%) • Young singles and couples, no kids (47%) • Retirees (50%) • Older singles (47%) • Unemployed (42%) • Low income earners (up to $30k = 40%)	• 35-49 year olds (65%) • Upper white collar workers (71%) • High income earners ($80k+ = 66%) • Pre-school families (70%) • Asian (63%)
Smart TV connected to internet 39% overall	• 65+ year olds (27%) – retirees (26%) – older singles (24%) – single person homes (26%) • Low income earners (up to $30k = 25%) • Flatting (16%) • Solo parents (31%)	• Males (42%) • 25-39 year olds (46%) • Upper white collar employees (48%) • High income earners ($80k+ = 50%) • Families of all types (46%) – 3+ person homes (45%) • Asian (48%) • Aucklanders (45%) • Own tablet (48%) • PVR homes (50%) • UFB (54%) • Chromecast (52%) • SVOD homes (52%)

Base:

What is the profile of users of key technology?

MEDIA	LESS LIKELY TO OWN/ACCESS	MORE LIKELY TO OWN/ACCESS
UFB 43% overall	• 65+ year olds (29%) – retirees (28%) – empty nesters & older singles (34%) – Single person homes (28%) • Home-makers (27%) • Low income earners (up to $30k = 29%) • Solo parents (30%)	• 15-24 year olds (52%) – students (53%) – flatting (52%) • High income earners ($120k+ = 55%) • Families with kids 15+ (57%) – 3+ person homes (49%) • PVR homes (54%) • Smart TV connected to internet (60%) • Chromecast (57%) • SVOD homes (525)
Netflix 49% overall	• 60+ (23%) – retirees (21%) – empty nesters & older singles (29%) – single person homes (26%) • Low income earners (up to $50k = 35%)	• 15-34s (69%) – students (63%) – flatting (65%) – 3+ person homes (59%) • Double income young couples, no kids (68%) • Families with kids 15+ (63%) • Mid-high income earners ($50k+ = 59%) • Employed (54%) • Māori (55%) • Pacific Island (56%) • PVR homes (58%) • UFB (62%) • Smart TV connected to internet (68%) • Chromecast (71%)
Chromecast 28% overall	• Females (25%) • 65+ year olds (17%) – retirees (16%) – older singles (14%) – single person homes (16%)	• Males (31%) • 15-29s (36%) – students (36%) – flatting (39%) • Upper white collar employees (33%) • High income earners ($80k+ = 34%) • Young singles & couples, no kids (36%) • PVR homes (35%) • UFB (37%) • SVOD homes (40%)

Base: