

TV: Connected or Disconnected

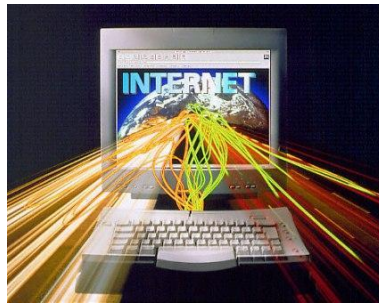
Challenges and opportunities



What do we want to know....



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The polarised TV audience in 2012

The broadcast TV schedule is still a large part of many people's lives.....



I would like my TV to suggest things I might like to watch



I tend to watch TV whilst doing something else, e.g. cleaning, using the internet



Challenge :

A lot of people plan their life around free to air linear broadcast TV

I am interested in the latest technology



TV is a big part of my life



I enjoy reading printed TV guides to plan my television viewing



Opportunity:
A strong section of people moving towards OD

I consider watching TV to be a social experience



I often use the red button to access additional content on my TV



The majority of TV I watch is 'On-Demand' or via catch-up services, rather than live broadcast



■ Q3 ■ Q2 ■ Q1

Q27. To what extent do you agree or disagree with the following statements about TV?
Base (all): 2,062

Look to the next generation for On demand growth & monetisation opportunities

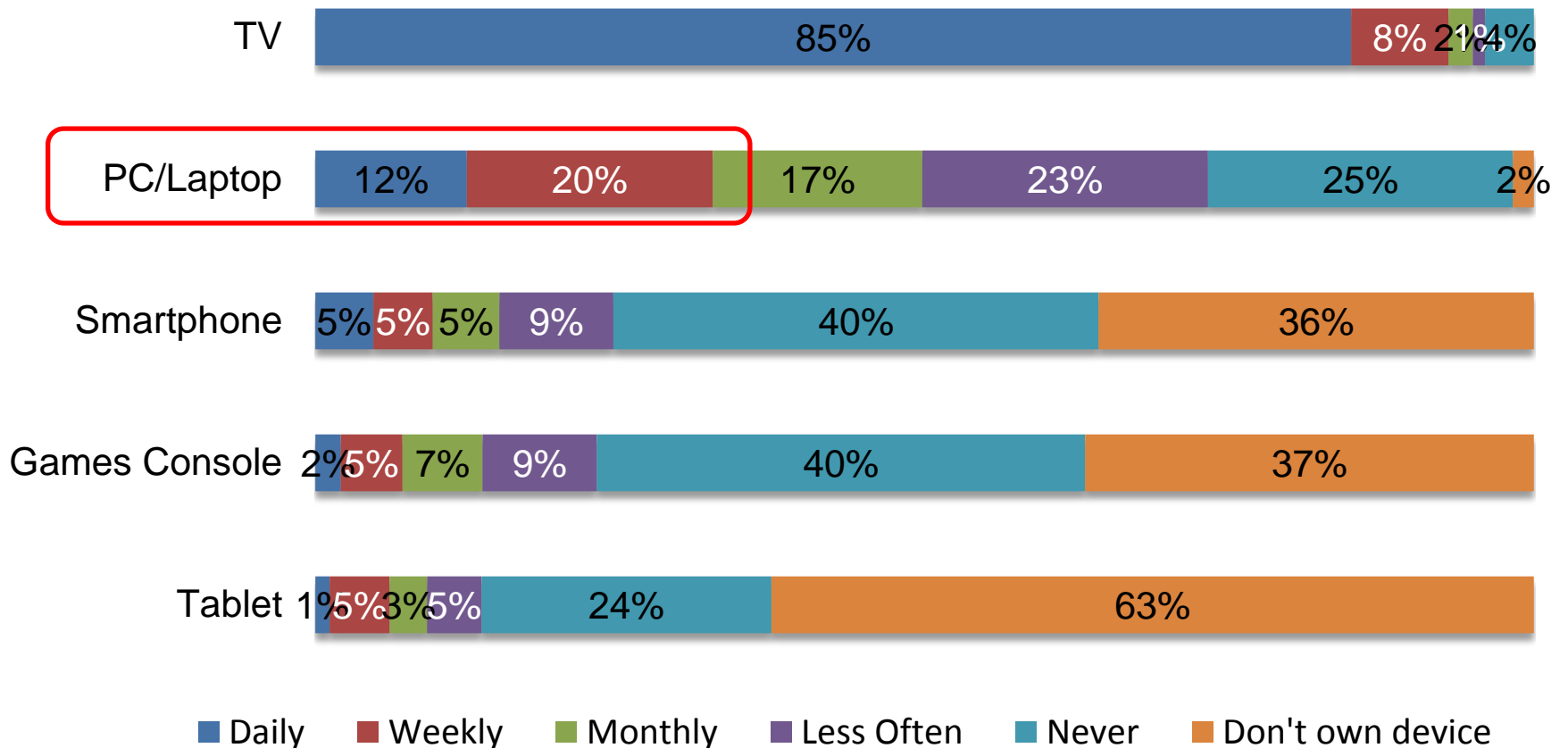
Opportunity: More of those 18-34 are more likely to watch more on-demand than Live TV

Challenge : an ageing European population with declining disposable income, rising unemployment and well established free to air broadcasters

	Watch more on-demand than Live TV (% agree)
Total	26%
Male	26%
Female	26%
18-24	36%
25-34	40%
35-44	26%
45-54	25%
55+	9%
A	30%
B	23%
C1	28%
C2	21%
D	31%
E	17%

	Watch more on-demand than Live TV (% agree)
Total	26%
TV ownership:	
Smart TV owner	26%
Intending to purchase a Smart TV	40%
Internet connected TV	29%
DMR owner	35%
PVR owner	24%
TV platform:	
Sky	24%
Virgin Media	27%
Freeview	23%
Tech adoption:	
Early adopter	33%
2 nd wave	30%
Mainstream	25%
Laggard	23%

TV content is still mostly watched on a TV set



Source: BARB data 2012 (UK) hours per week

Opportunity: Consumers spend a **huge** amount of time in front of their TV screens

	Oct 12	Nov 12	Dec 12
ALL/ANY TV	27:27	28:52	30:19

Never forget TV is still the only ubiquitous device

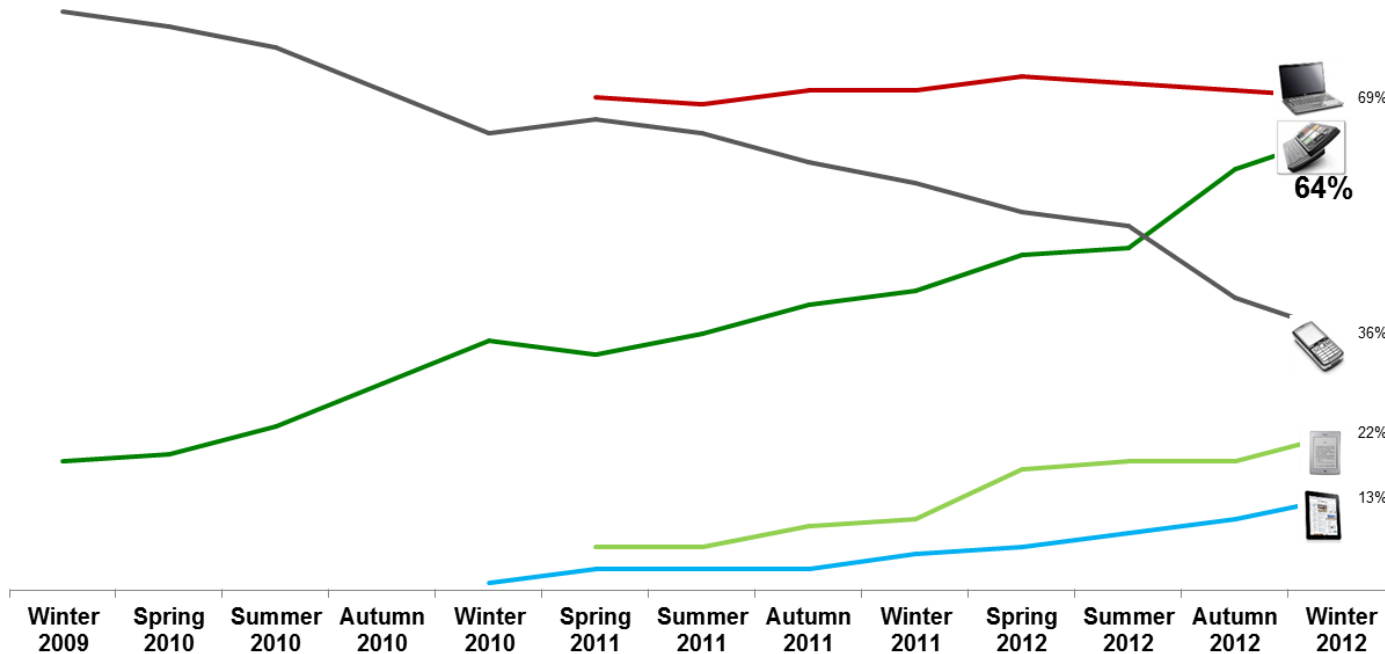
Penetration of devices over time (Individual ownership)

YouGov®

98%



— Smartphone — Feature phone — Tablet — eReader — Laptop



69%



64%



36%



22%



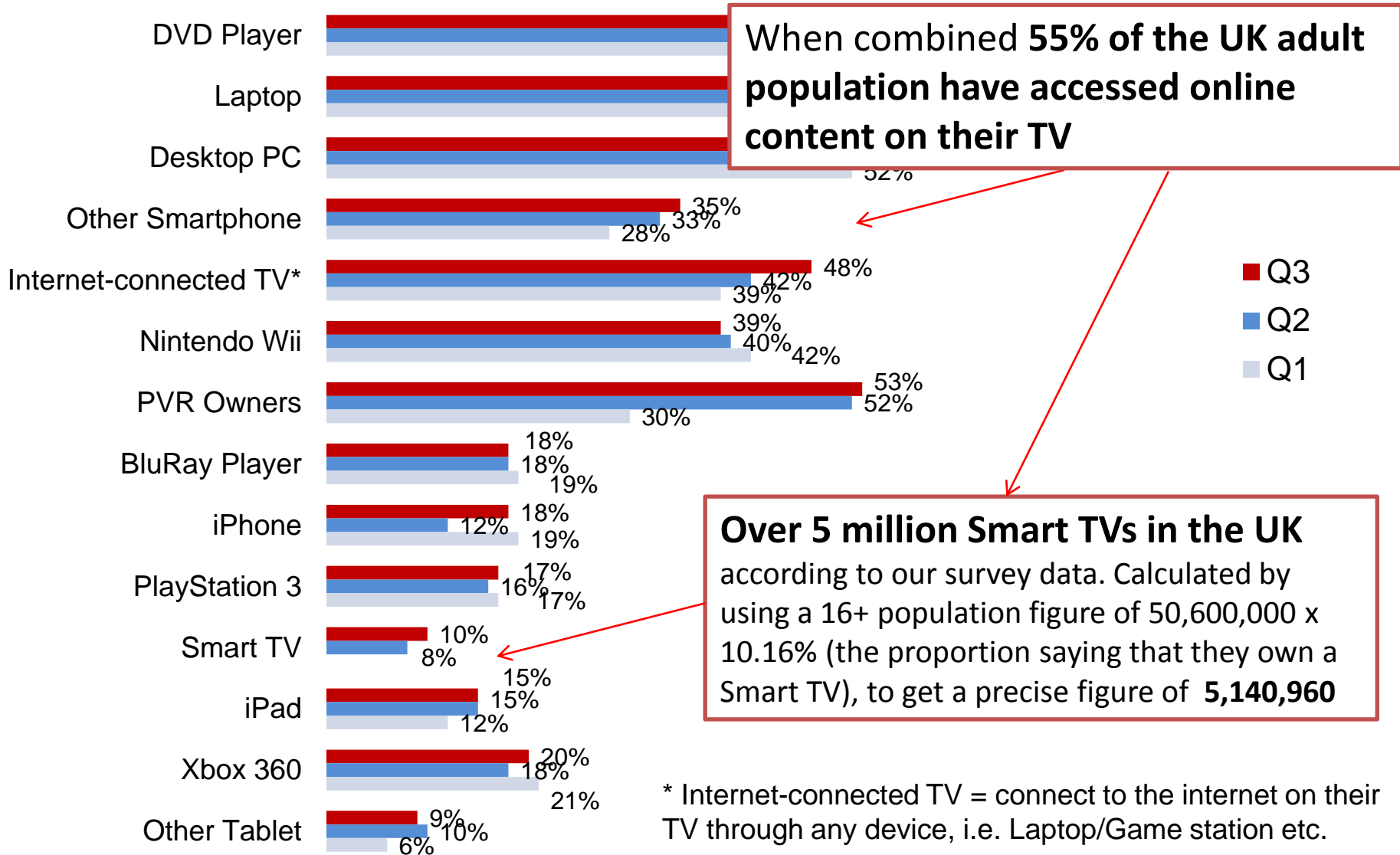
13%



10%

Smart & Connected TV is growing FAST!

TV and Device Ownership (% own)



Q Which, if any of the following, do you already own or intend to purchase in the next 12 months?
Base (all): 2,074

Why connected TV is appealing

Appealing

You can access internet content immediately rather than switch on a PC/Laptop to access the net

I use the internet frequently. I also use the TV regularly so combining the two makes sense

It would mean I could use services such as BBC iPlayer or 4OD on my TV rather than having to use my laptop

Unappealing

My TV is for watching TV - my PC is for accessing the internet. These are two separate pastimes

I prefer to be closer to the screen to read things but further away to watch things

TV is used by other family members and I would find conflict if I was using the internet when they want to watch TV

23% of Smart TV owners access online content on a **daily** basis

Q. You said that you found the idea of being able to access the internet through your TV appealing. Why is this?

Base (all who find the idea of accessing the internet through their TV appealing): 900

Q. You said that you found the idea of being able to access the internet through your TV unappealing. Why is this?

Base (all who find the idea of accessing the internet through their TV unappealing): 375

Enhanced advertising?

Appealing

Would be good to be able to access website immediately rather than writing down name of goods/website and then having to switch on pc to research

Because you can get more information straight away. Sometimes you mean to look into things that you see advertised, but then you forget

Can give direct feedback easily

Unappealing

I very rarely watch adverts now, especially as we tape most programmes and fast forward through the adverts. I am very unlikely to interact with them

Fed up with being bombarded with noisy intrusive adverts that interrupt the programme that I am watching

If I go to my TV it's to watch a specific programme, I don't want to be distracted by other services

Q. You said that you find the idea of interactive advertising on your TV appealing. Why is this? Base (all who find interactive advertising appealing): 316

Q. You said that you find the idea of interactive advertising on your TV unappealing. Why is this? Base (all who find interactive advertising unappealing): 1,209

Opportunity for interactive advertising across all sectors?

45% of UK consumers agree with the statement “I like the idea of being able to connect my TV to other devices I own”

20% of the UK population agree with the statement



“I would like to be able to click on adverts I see on TV so that I could find out more about the products I like”

The figures rise for 29% for 16-24 year olds and 36% of people who mostly watch catch-up TV

[Source Connected TV YouGov/Mediatel 2012]

People's habits are changing and paying for OD TV content

% paid to access in last three months



Service	TV Screen	Person at Laptop	Mobile/PC
Virgin Media	13%	9%	49%
Sky Movies	11%	13%	57%
LOVEFiLM	9%	13%	24%
iTunes	6%	1%	8%
Sky On Demand	5%	28%	58%
Virgin Media TiVo	4%	21%	60%
Sky Go	4%	12%	28%
Netflix	3%	14%	47%
BT Vision	3%	19%	63%

Which if any of the following services do you have a paid subscription to or have paid to access in the LAST 3 MONTHS? Please tick all that apply. Base (all): 2,009

What makes consumers want to pay and how much...?

'Most streaming is priced about the same, range is what would get me to move'

'It's really annoying because films you could buy physical copies of for from Amazon for about £3 still cost £7 on iTunes'

'For pay as you go I'd be willing to pay maybe £2 to rent a movie, £5 to buy digital, £10 to buy physical'

Wouldn't rent on iTunes as it's expensive anyway but would want something to keep! Happy to rent on a subscription basis though'

'£3 rent (digital) £4 (physical). To buy about £6/7 (digital) around £10-12 (physical)'

'Before I took the plunge and paid, I'd exhaust free providers...which made me want a paid subscription!'

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Despite the growth of on-demand, consumers still prefer to watch TV content on a TV set

I always prefer to watch films on my television set (rather than on my laptop, smartphone or tablet)



The majority of TV I watch is 'On-Demand' or via catch-up services, rather than live broadcast



I would be willing to pay extra to watch on-demand films on my main television (rather than on my laptop, smartphone or tablet)

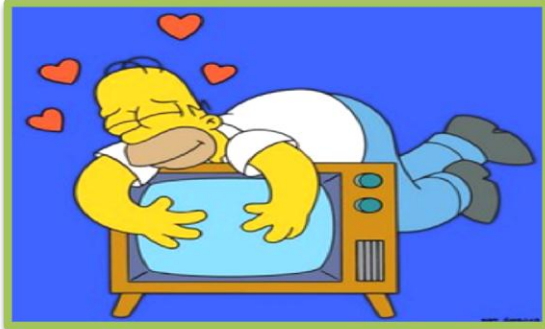


I pay more attention to adverts when I'm watching catch-up/on-demand television (e.g. YouTube, ITV player, 4OD, Now TV) than on normal television



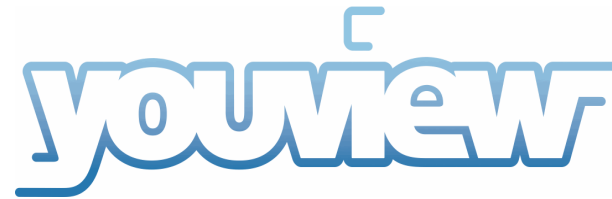
■ Disagree ■ Agree

Why the future of TV is 'connected'



theguardian
media network

Why the future of TV is 'connected'



A hand is visible in the foreground, pointing towards the text. The background is a blurred, colorful bokeh.

Questions or comments?

Dan Brilot

Media Consulting Director

dan.brilot@yougov.com

0207 012 6000

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