

IAB Ireland Video On Demand | 2017



October 2017



In association with:



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)



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?



'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

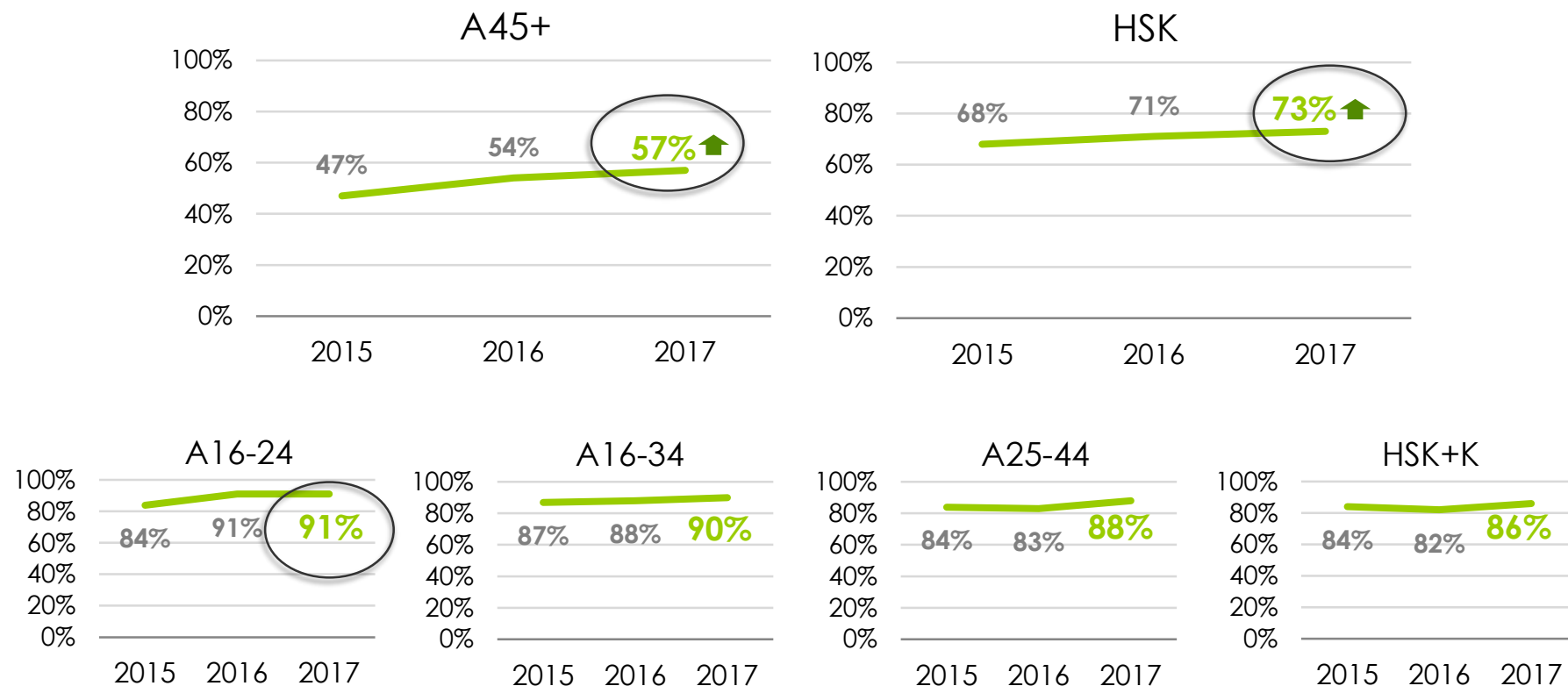
(67% in 2015, 71% in 2016)



More A45+ & housekeepers viewing VOD than in past years

VOD | Reach in Last 6 Months

Adults 16+ IRE Population

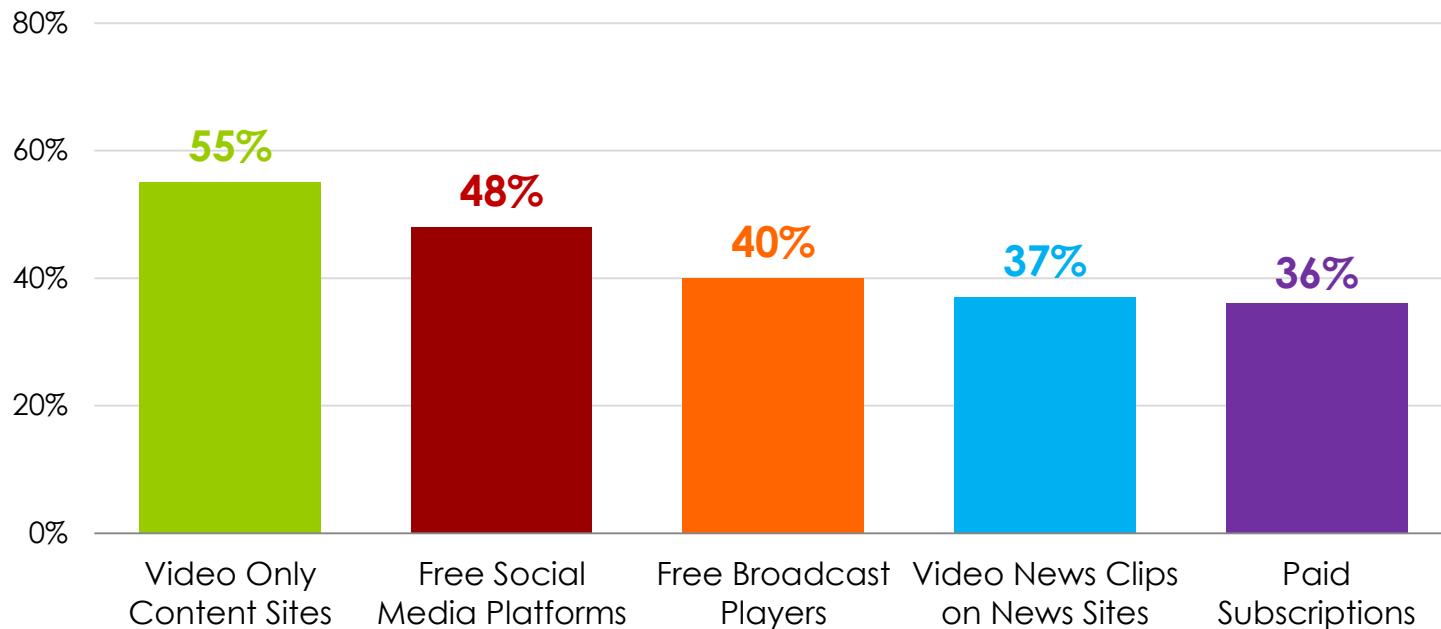


Free services namely video only content sites and social media are the most popular platforms



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

Adults 16+ IRE Population



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)

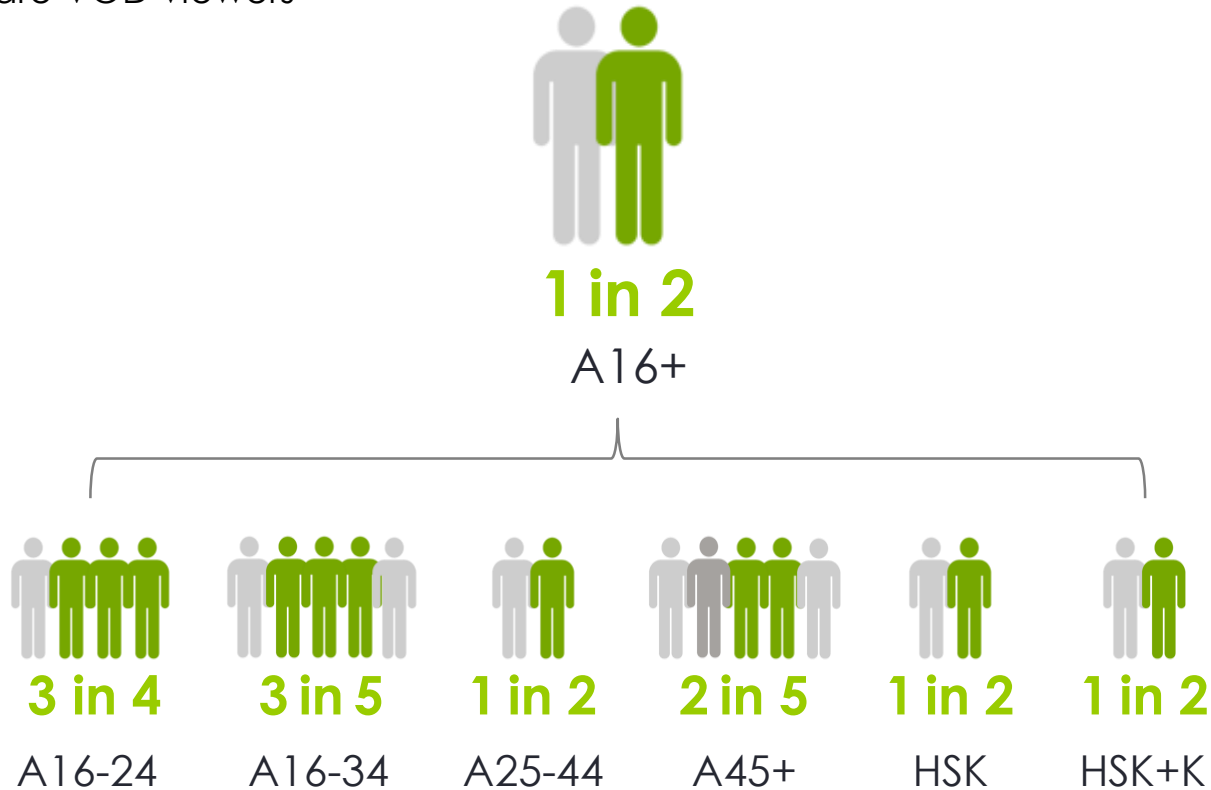
How did VOD resonate with viewers in the last 6 months?

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

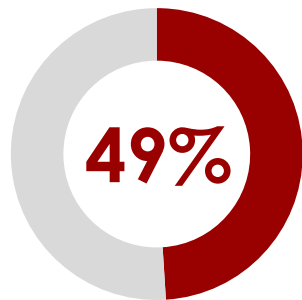
Free services namely video only content sites and social media are most likely to be viewed daily



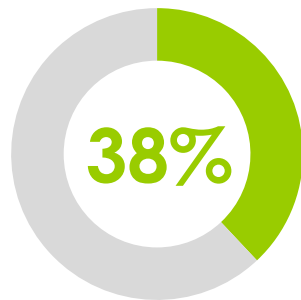
Daily usage of VOD content by site/platform – Last 6 Months*

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

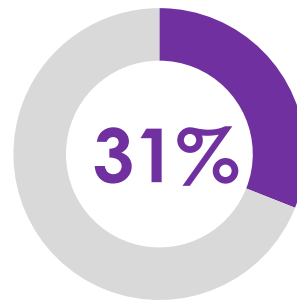
**Free Social
Media Platforms**



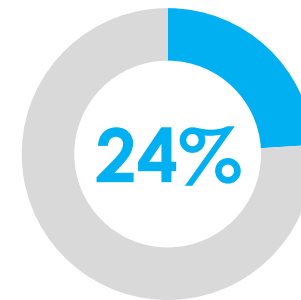
**Video Only
Content Sites**



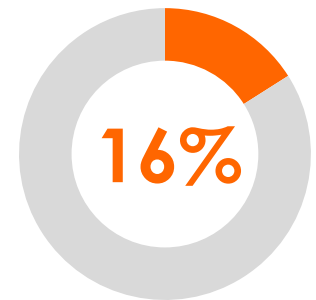
**Paid
Subscriptions**



**Video News Clips
on News Sites**



**Free Broadcast
Players**

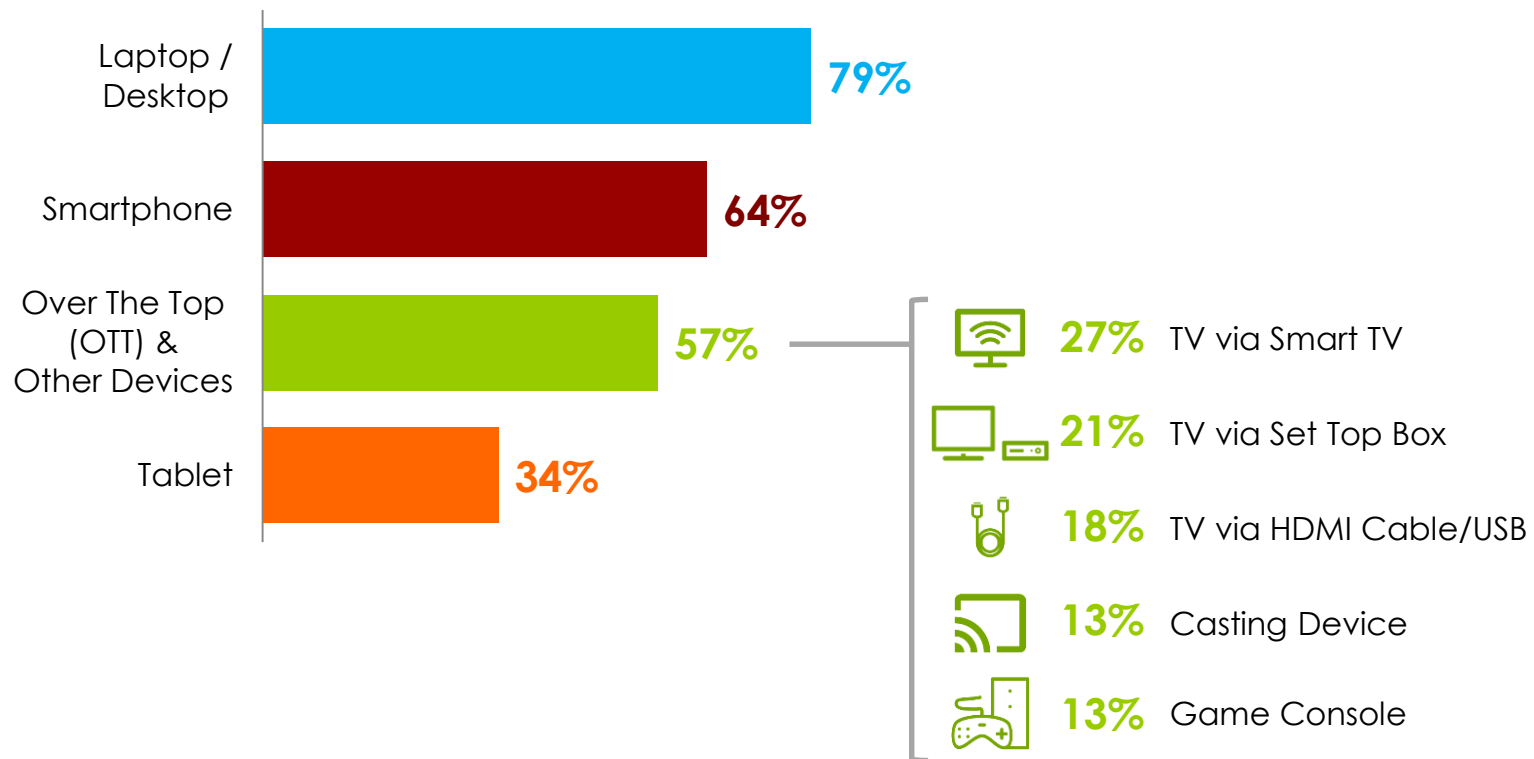


Around 3 in 5 A16+ use Over The Top (OTT) & Other devices to view VOD, however laptop/desktop is still the most popular



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?

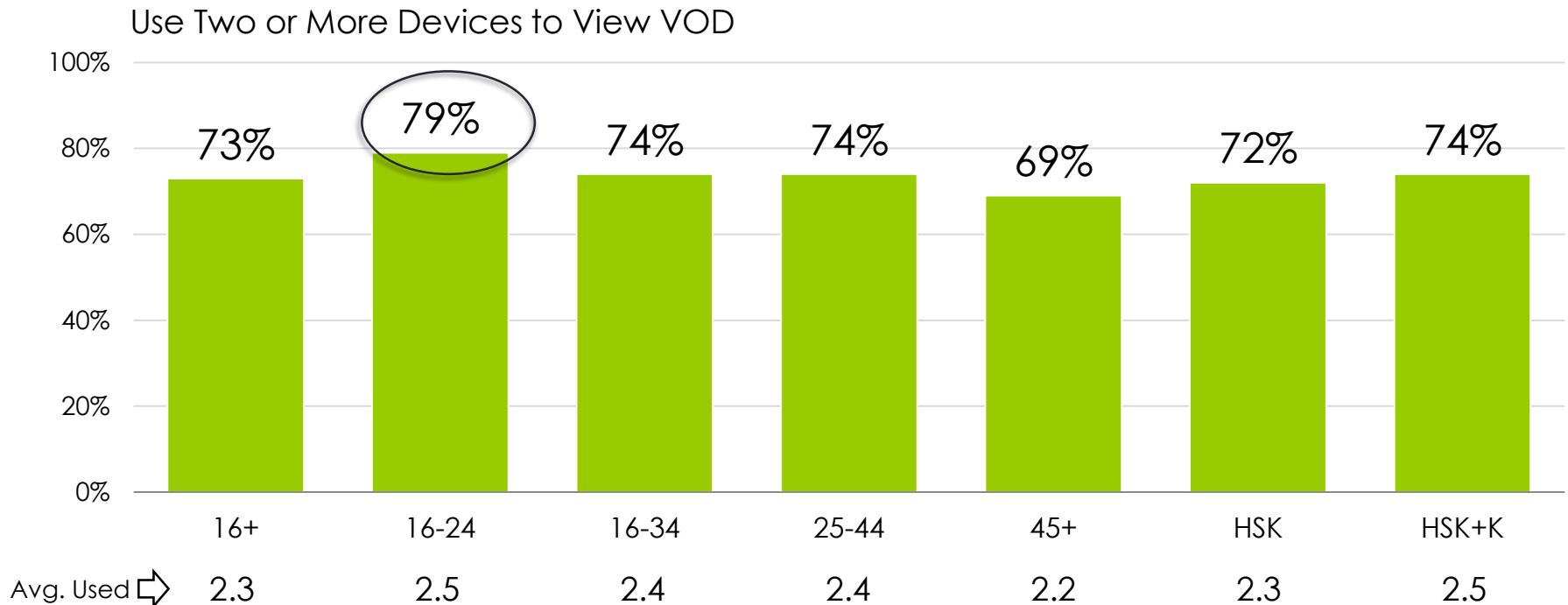
Base: Viewed VOD content in last 6 months | All= 1000

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



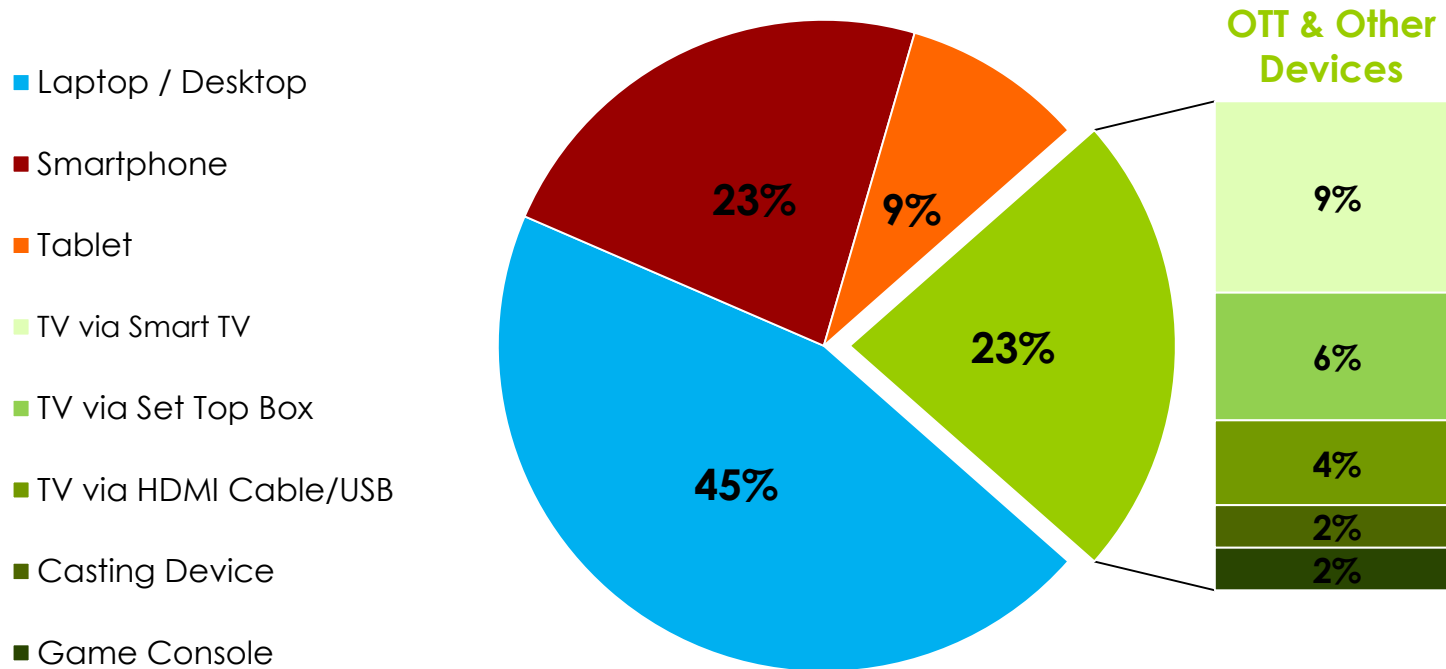
Majority (73%) use more than one device to watch VOD

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



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

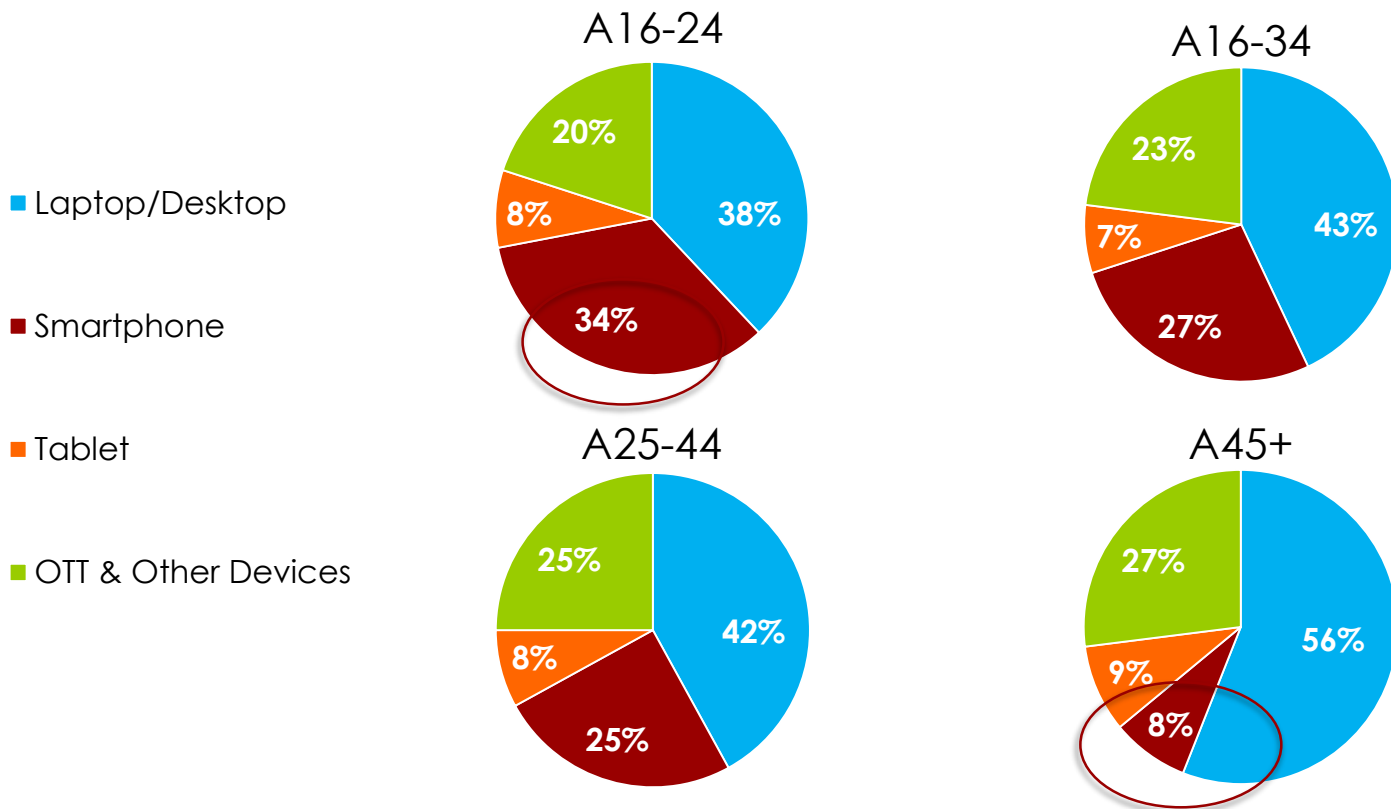
Q5. On which device/s do you prefer MOST to watch Video on Demand (VOD) content?

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?

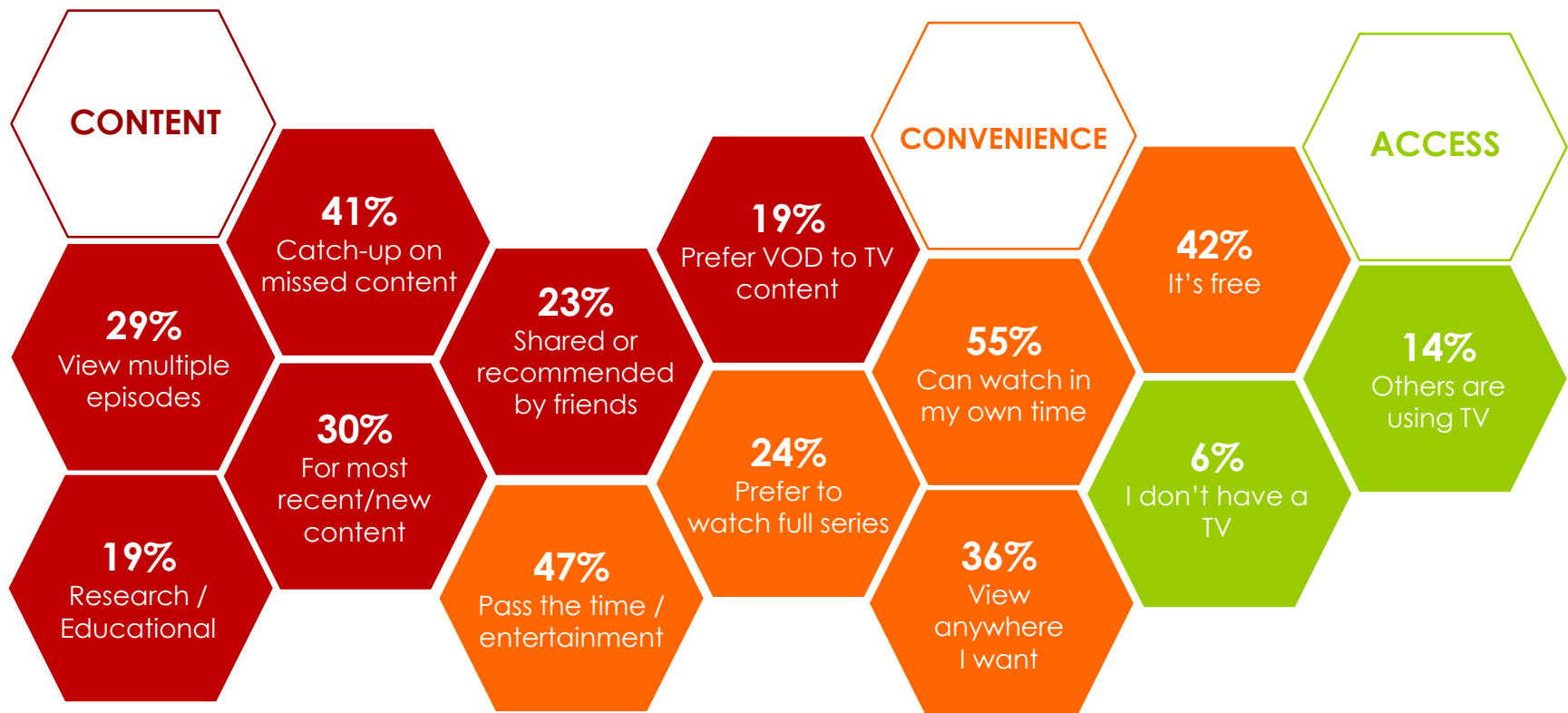
Base: Viewed VOD content in last 6 months | 16-24=175; 16-34=426; 25-44=534; 45+= 291; HSK= 912; HSK+K= 435

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

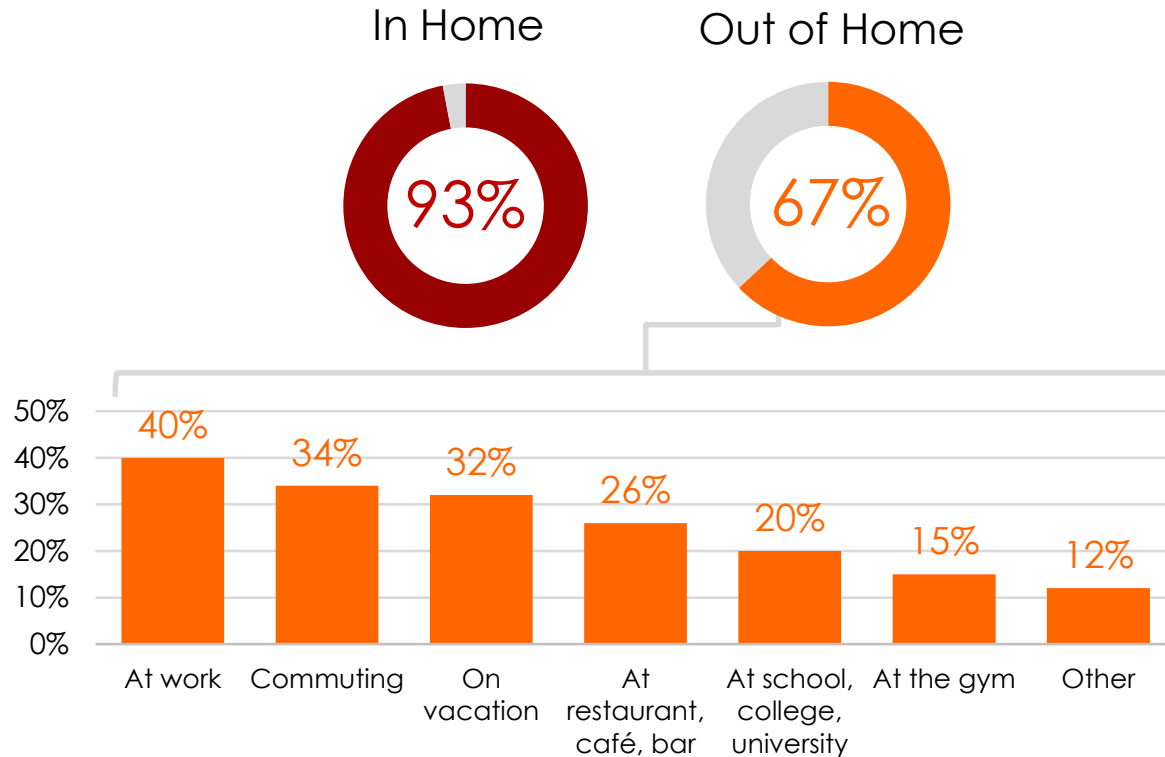


Drivers of watching VOD content*
Adults 16+ who are VOD viewers



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

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



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



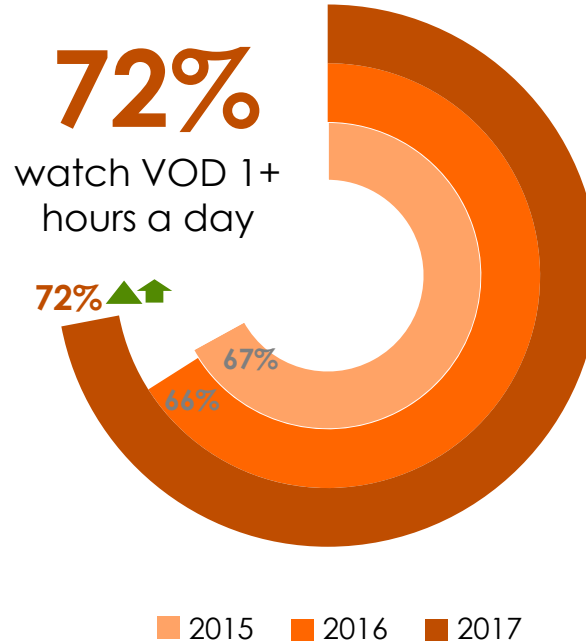
TIME (VOD viewers)

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



16-24's - 82%

Significant increase
for 25-44's to 76%
(+10% on 2016)

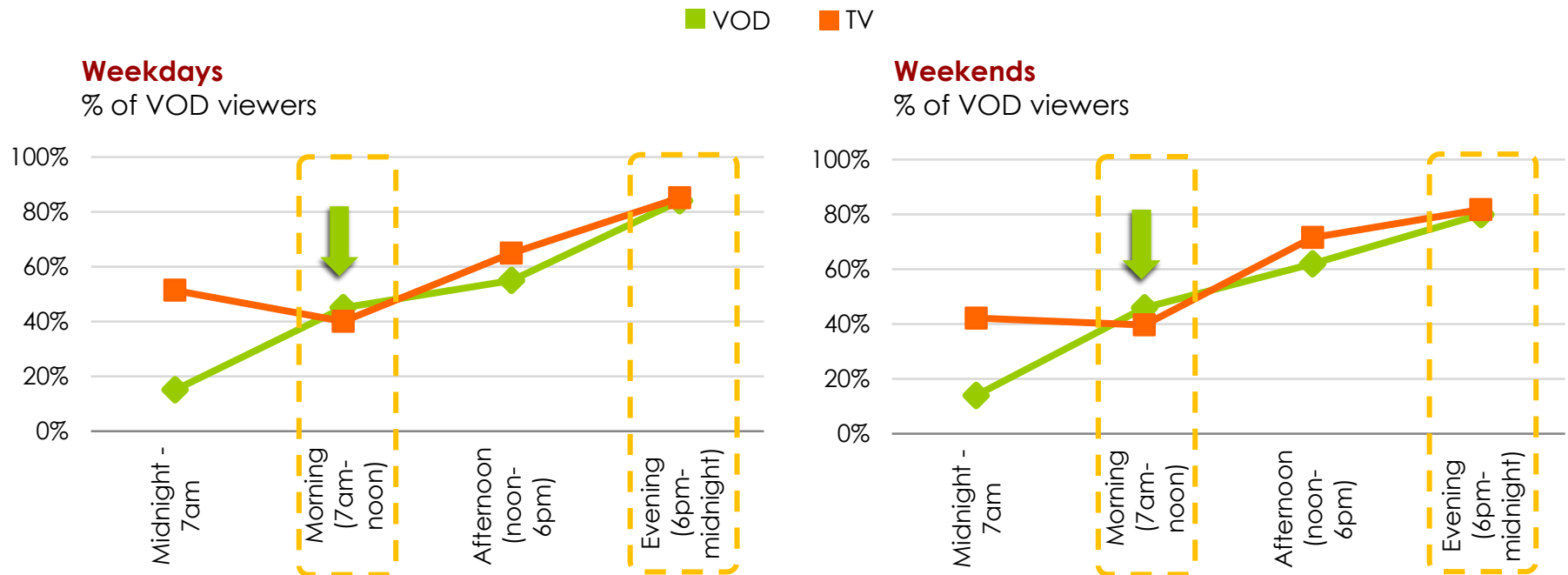
Significant increase
for HSK Kids to 73%
(+9% on 2016)

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?

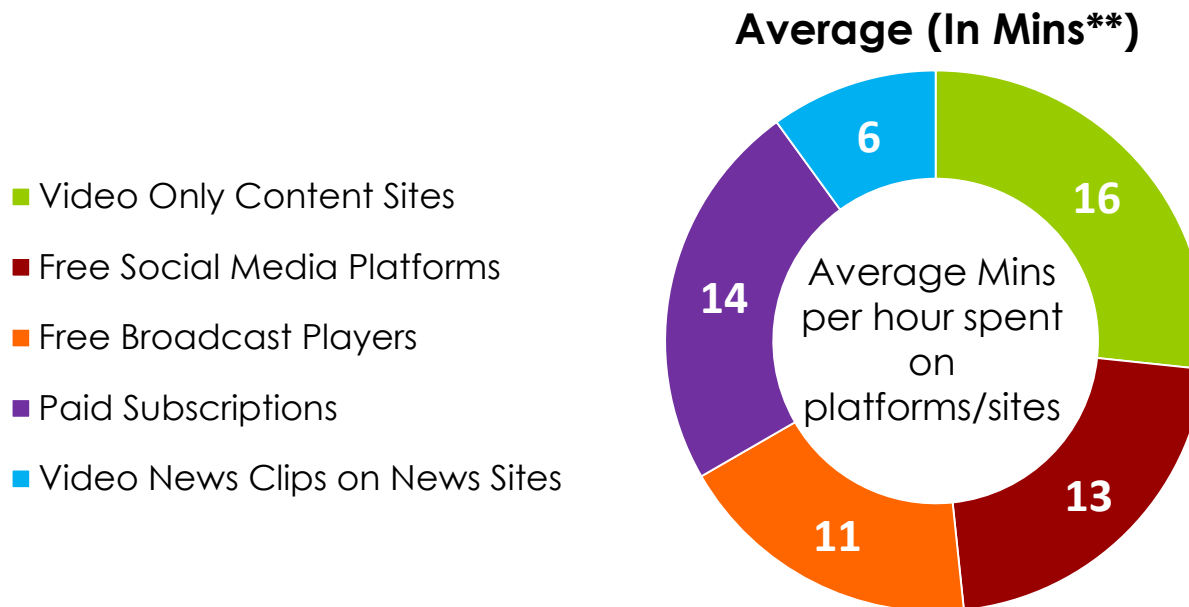
Q12. When during the weekend (Saturday-Sunday) do you watch the following types of Video on Demand (VOD) content?

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;

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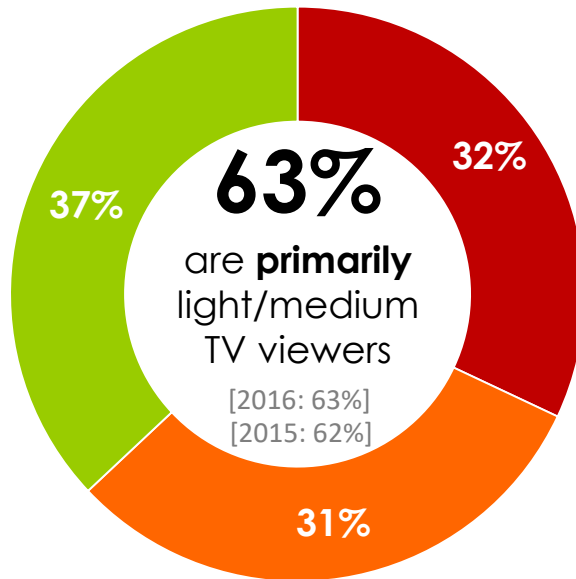
2 in 3 VOD viewers are light/medium TV viewers, with A16-34 increasingly becoming light TV viewers



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)

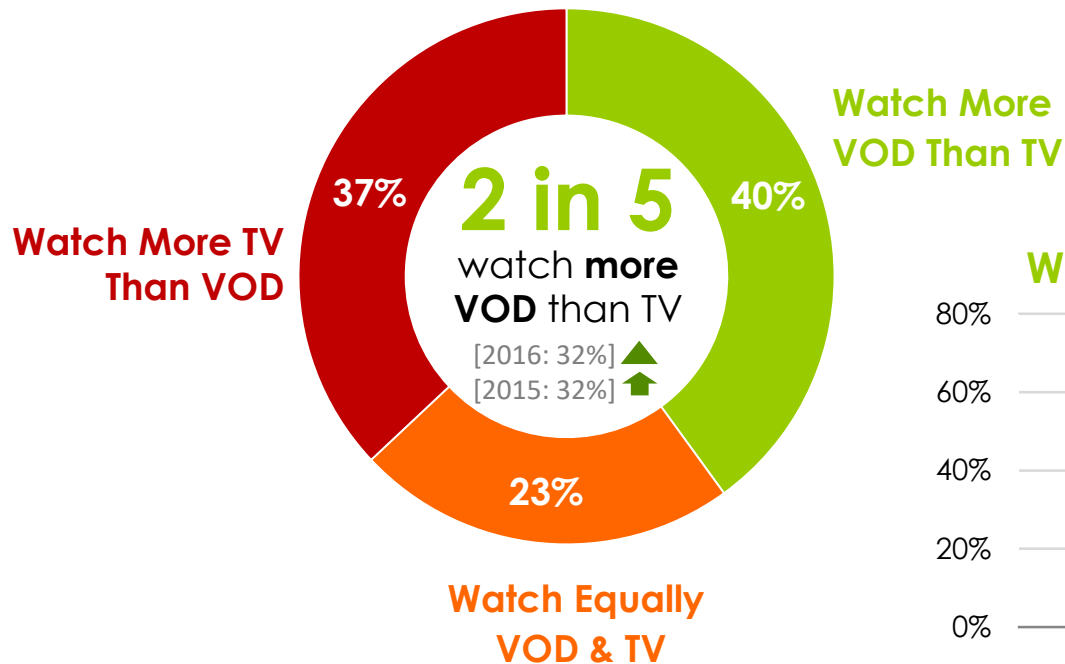
40% of VOD viewers claim to watch more VOD than TV, higher than in previous years and driven by A25+



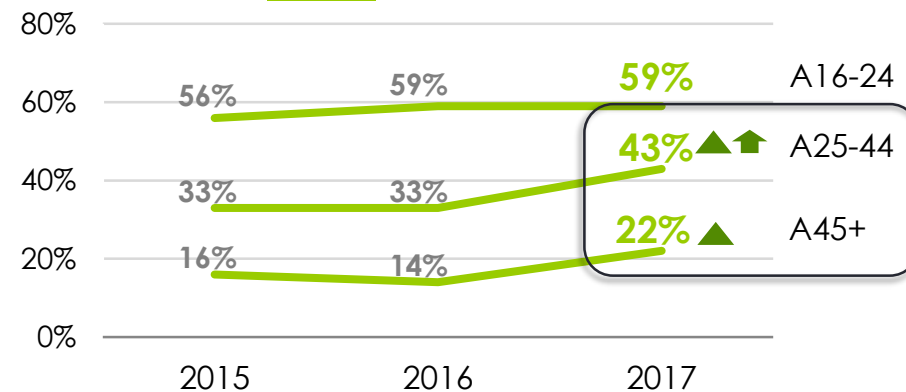
Share of Daily Viewing (VOD vs. TV)

Adults 16+ who are VOD viewers

Share of Average
Daily TV vs. Daily VOD Viewing %



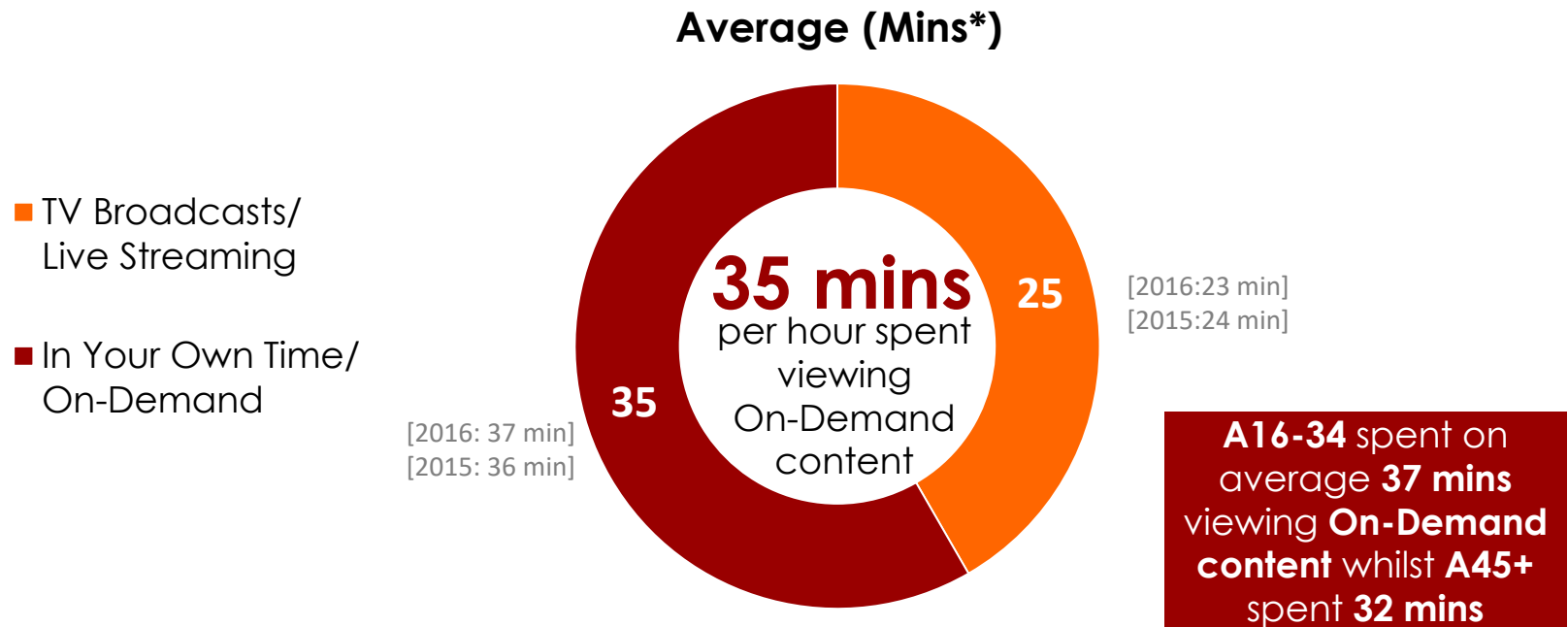
Watch more VOD than TV



Adults 16+ spend slightly 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

Time – Key Insights

- 72% claim to view VOD content for over an hour a day, higher than in previous years
- 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
- VOD can help reach light/medium TV viewers



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

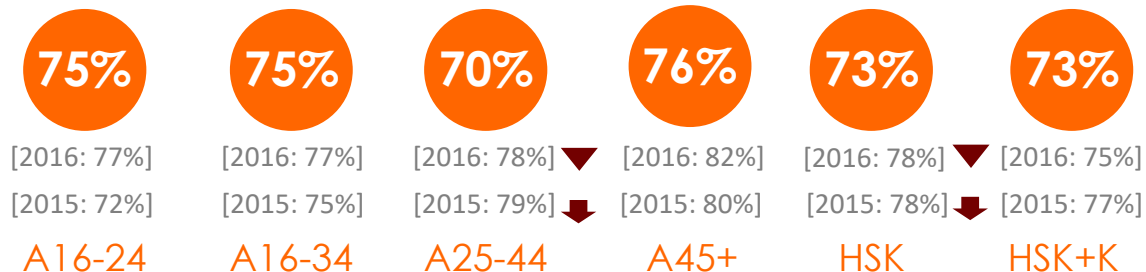


3 in 4

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%] ↓



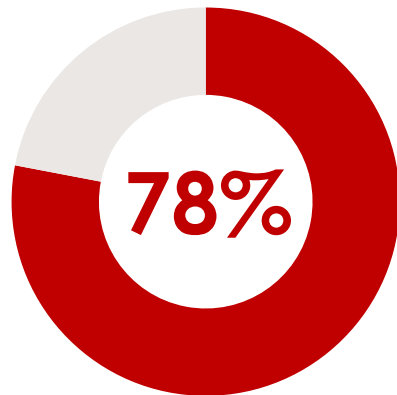
Q15: Now we would like you to think about the full length TV programmes/series that you watch when viewing Video on Demand (VOD) content. If on occasion you do not watch the full VOD content in one viewing, which of the following reasons explains why you only watch part of the content? A: I am interrupted 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

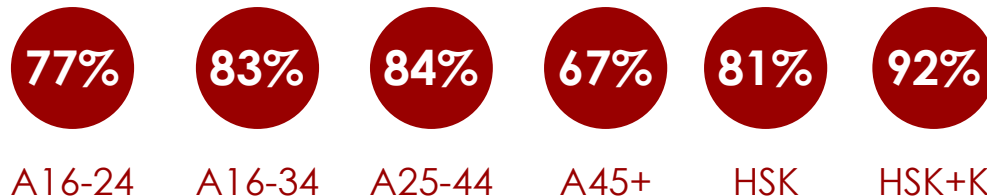
Advertising Acceptance within any type of VOD content*

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 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

5 Key Take-Aways

- 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 4



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