



# THE UK TELEVISION LANDSCAPE REPORT

A quarterly review of population  
trends and changes in how people  
can watch television

Q3 2016



Insight and analysis by





## THE UK TELEVISION LANDSCAPE REPORT

### HELLO,

Welcome to the latest edition of The UK Television Landscape Report, a quarterly report that reviews population trends and changes in how people can watch television.

Advances in technology have brought new ways for viewers to watch their favourite programming. News coverage of these developments is extensive, not least because of the dominant place that television still occupies in our collective consciousness. Yet frequently, this coverage can overstate the impact of the new and overlook enduring strengths of the television industry.

Each year, BARB interviews over 53,000 people for our Establishment Survey. It is a vital part of the services that we commission to deliver daily viewing data from a representative panel of over 5,100 homes. The Establishment Survey identifies shifts in the landscape that we have to monitor, while also providing new panel homes and details for our weighting scheme. Household demographics are naturally an important part of what we ask about in the Establishment Survey, although we also focus on the ways in which people can watch television.

We ask about ownership of TV screens and a range of other devices that can be used to watch television programmes. We explore which distribution platforms are available in homes across the country. We also investigate the take-up of subscription VOD services that are delivered by new entrants in the television ecosystem.

The UK Television Landscape Report features articles that delve into certain parts of the data. For this report we look at two questions.

- How are UK households embracing bigger and better TV sets? What can the Establishment Survey tell us about a home, based on the size of their TV screen?
- Which households pay extra for premium services? The Establishment Survey helps us understand the households subscribing to premium sports and film services from Sky.

The report also includes updates to our regular trackers, including take up of SVOD services and device access in the UK. For BARB customers, there are additional interactive features to this report; you'll find these after logging on to our website.

What this report doesn't do is explore changes in viewing behaviour. That remains the principal focus for our annual publication, The Viewing Report. Side by side, these two complementary reports provide insight on the changing ways in which people can watch television and the ways in which they do.

I hope that you enjoy this edition and welcome your feedback.

**Justin Sampson**  
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**PAYING A  
PREMIUM**



## PAYING A PREMIUM

It was another eventful summer of sport last year. Wales set the pace with a fruitful Euro 2016 campaign in France, which was watched by over 50m of us across BBC, ITV and S4C coverage. However the Welsh Dragons eventually succumbed to triumphant Portugal in the semi-final. England were there too.

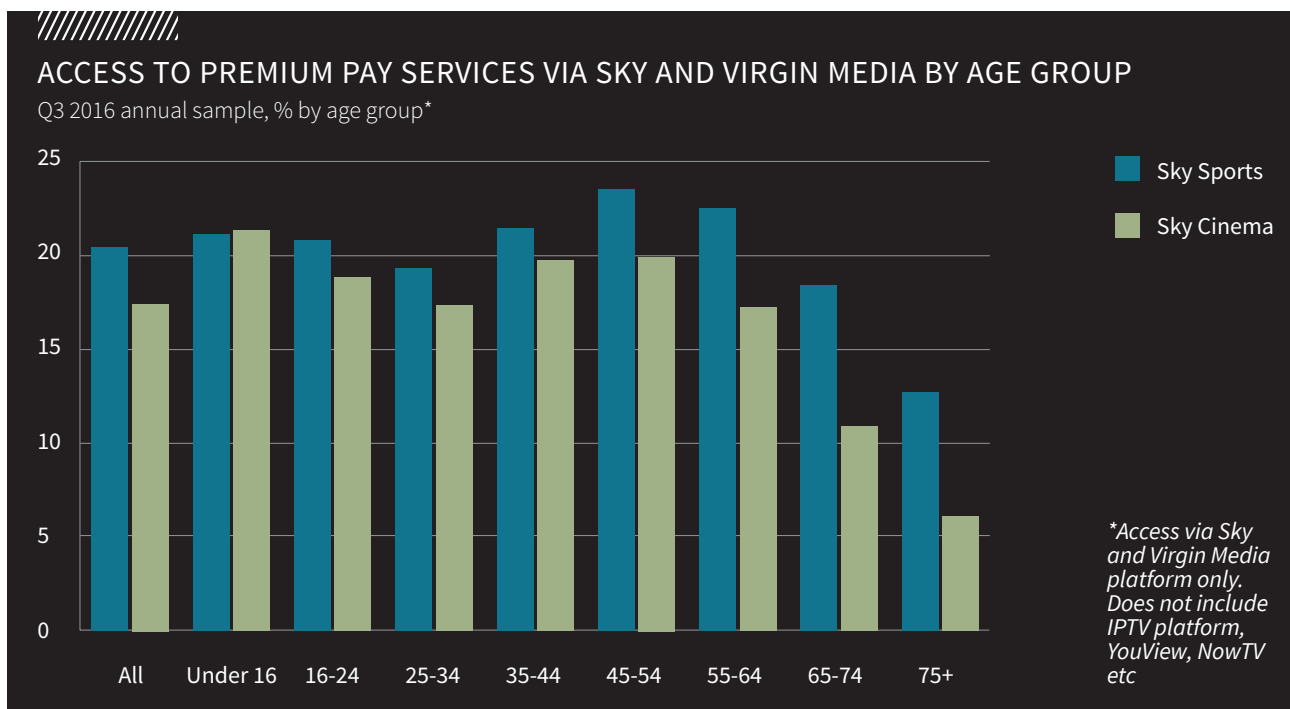
Of course, that was just the start. In August, it was the turn of the British Olympians to set the standard down in Rio. Following on from the success of London 2012, Team GB brought back 27 Golds to finish second in the medal table. Even with the time difference, 50m of us also tuned into coverage via the BBC during the two-week period.

What is clear is that sporting events show no sign of losing their appeal to mass audiences on television and it is sporting rights that often dominate the most competitive of content rights deals. No less so than in Premiership football.

This summer saw the start of the latest bout of Premiership football deals. So important are football rights to platform operators that over £5bn has been paid out by both Sky and BT for a three year deal.

Of course, it is not only sports rights that are highly prized by platform operators and broadcasters. For some time, movies have played a central role in the appeal of a broadcaster’s repertoire. As with sports, Sky dominates the movies landscape with first broadcast window rights across the majority of the major US film houses. It is little wonder then that both their sports and movies subscription packages are an essential part of the Sky platform offer.

Since Q1 2014, BARB has tracked the subscribers to both the Sky Sports and Sky Cinema packages from both the Sky and Virgin platforms as well as the number of subscribers to the Sky IPTV platform Now TV. In 2017, BARB will also begin publishing data for Sky Sports and Cinema subscribers to YouView.

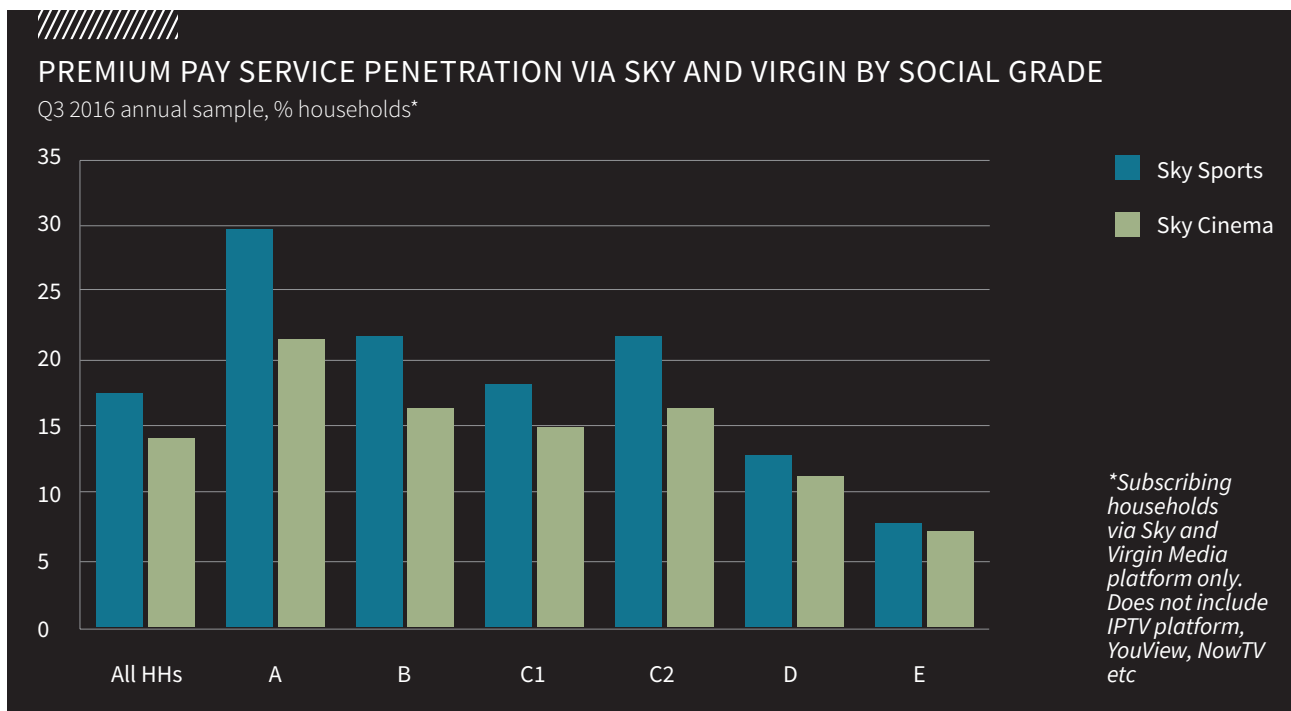


Access to premium pay channels follows a defined lifestage pattern. While over 21% of children in the UK have access to Sky Sports and Sky Cinema, this falls as individuals leave the parental home before rising as incomes increase and habitual transiency reduces.

Sports are most popular amongst the 45-54 category, with nearly 24% of all adults in this age group subscribing to Sky Sports. For Sky Cinema, the most popular age group is that of children. While access will be via parental subscription, this does highlight the attraction and importance of movie content for the younger generation.



# SPORTING SUCCESS



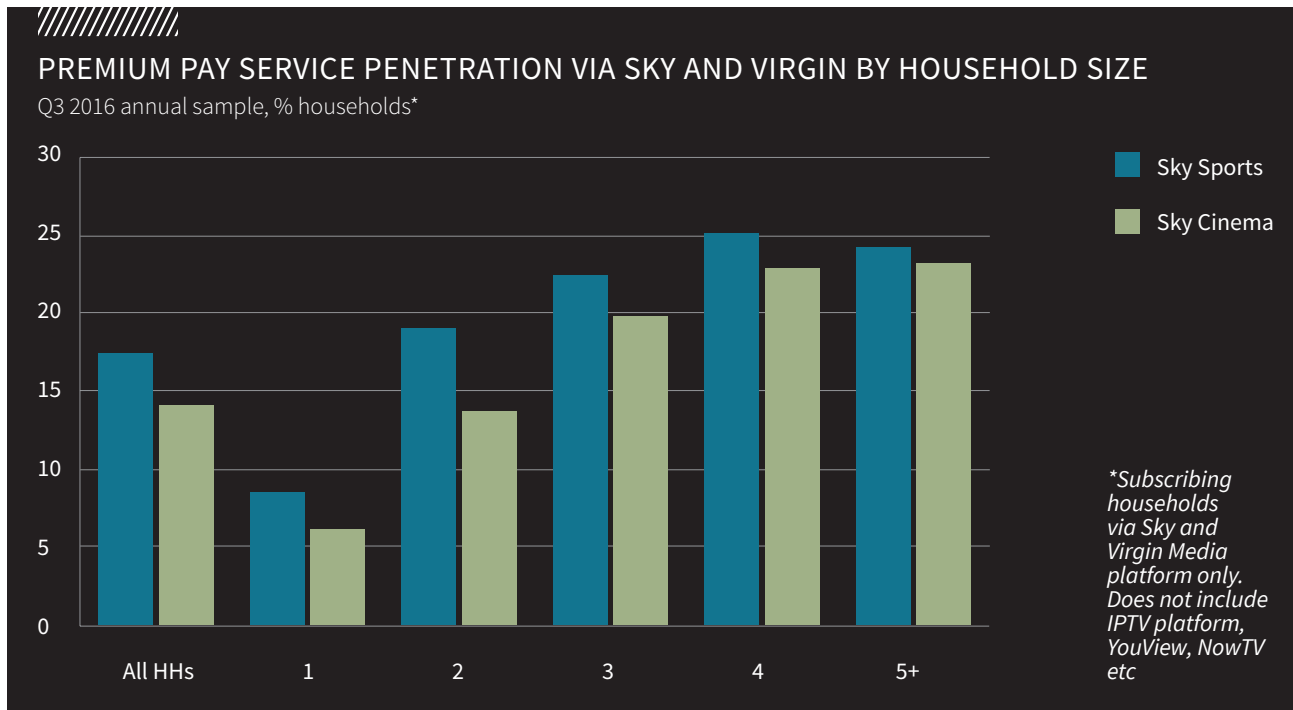
As mentioned, Premiership football rights are one of the main attractions for sports subscribers. However, it is when we profile subscribers by social grade that we can start to understand how other sports are also a key determinant. The above chart identifies that sports subscribers are more likely to be in higher social economic grades than lower, particularly towards A and B.

This can partly be explained as a price point effect but it also should be noted that Sky has a wide portfolio of sport genres catering across the audience spectrum.

BARB viewing data identifies that, although smaller in overall audiences, both cricket and Formula 1 in particular drive much higher social grade viewing profiles than domestic football audiences. So, perhaps without the suite of sports it invests in, the impact on overall subscriptions may be different.

In a market of increasing competition, not only from traditional platform providers but also new players, understanding the importance of different sports to subscribers from viewing data will become even more important in making procurement decisions.

# THREE'S NOT A CROWD



UK cinema has been undergoing a renaissance of late. With record box office sales and new production frontiers being crossed, we are falling in love with the big-screen, and the overall cinema experience, once more. Our living rooms continue to adopt bigger screens (see the report on screen sizes [here](#)) and more immersive surround sound technologies offer UK households a cinema-like feel in the comfort of their own home.

The above chart identifies that for Sky Cinema and Sky Sports, as household sizes increase, so does the likelihood of households to subscribe to these services. Compared to all households in the UK where around 14% subscribe to Sky Cinema (via Sky or Virgin), in households containing at least four people, this rises to 23%.



## AVERAGE NUMBER OF VIEWERS PER VIEWING SESSION BY TELEVISION GENRE

January to June 2016

Music	1.20
Other films	1.22
Films made for TV	1.23
Current affairs	1.26
Religious	1.29
News: generic	1.30
Hobbies/leisure	1.32
Arts	1.34
Documentaries	1.36
Entertainment	1.37
Other	1.38
Sport	1.38
Drama	1.39
Party political broadcast	1.41
Education	1.41
Films/cinema	1.41
Children's	1.50

Source: BARB Panel Jan-June 2016

This isn't surprising. No one likes going to the cinema on their own; it's a group experience, to share with your friends or loved ones, and this, it seems, is reflected at home. Across the first six months of 2016, together with Children's programming, Cinema Films had the highest

shared viewing levels of all programming on TV.

So, whether you're watching the latest instalment of Star Wars, or hiding behind the sofa during the new Blair Witch, chances are, you're not alone.





**THE BIGGER  
PICTURE**

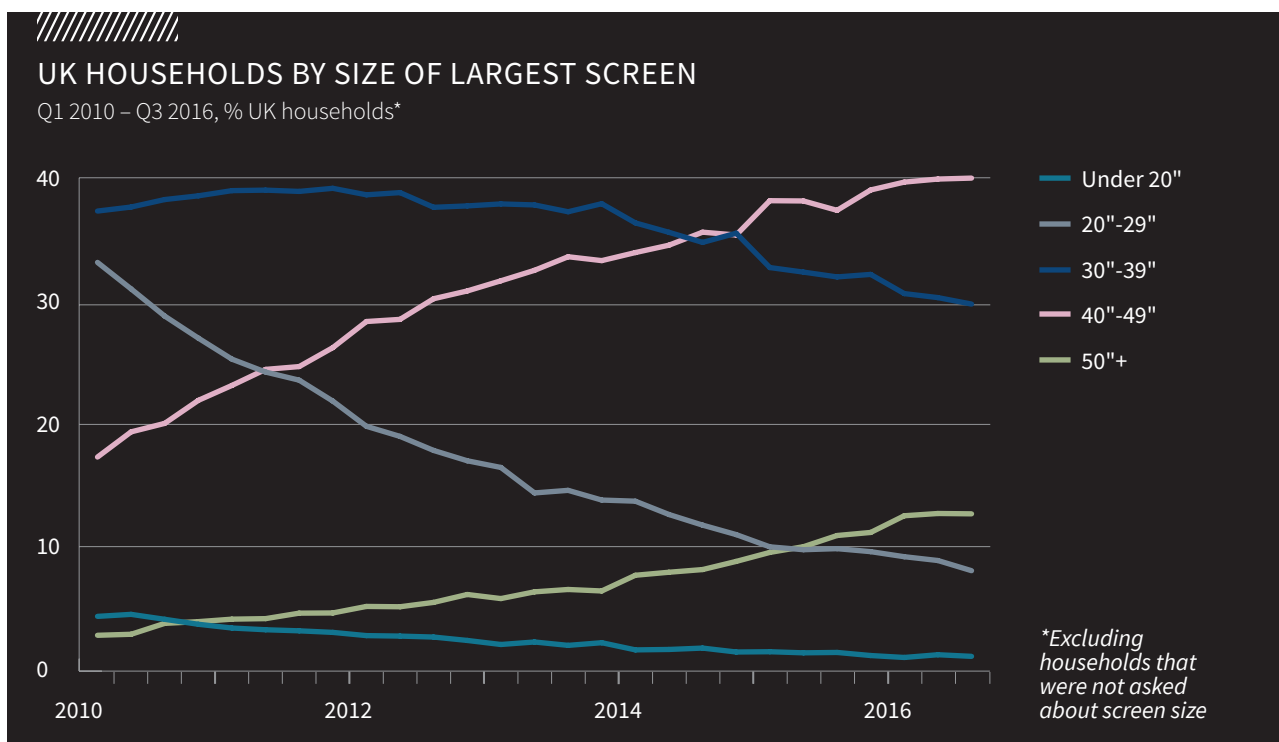


# THE BIGGER PICTURE

We are definitely in an age where good things come in small packages. In the world of consumer electronics, Moore's Law has seen computer components continue to halve in size while their processing power doubles. But as much as consumers have continued to revel in household appliances decreasing in size, there is one area where they buck this trend: the world of television.

Some 90 years have passed since John Logie Baird demonstrated his new invention to transmit moving images. Since then there has been an evolution verging on revolution in how the TV set is positioned within the

home. From self-contained units, hidden away from prying eyes within their own cabinets, to today, where the TV set takes pride of place in the sitting room. Is it any wonder then that the TV set itself has continued to grow in size and stature?



The above chart illustrates that there is no denying the desire in UK households for ever bigger screens and ever more immersive television experiences. More than half of all households have a TV set that is 40 inches or bigger, in fact, nearly 13% of households now have a screen at least 50 inches. This might beg the question, is there a limit to how big screens may become?

This in part has been driven by developments in definition and pixel rates in screens, first with the move to 1080 and then Ultra HD. The recent CES 2017 previewed the latest

range of Ultra HD sets from the major manufacturers, boasting proprietary technologies like 'Nano Cell' and 'Quantum Dot'. These claim to offer new levels of clarity, colour and brightness.

It is already clear to see from the Establishment Survey how much Ultra HD TV sets are accepted, with 2.1m households now claiming to have an Ultra HD TV set. And with around 10m new TV sets sold nationally each year - many of which will be Ultra HD ready - we can expect this figure to grow even further.

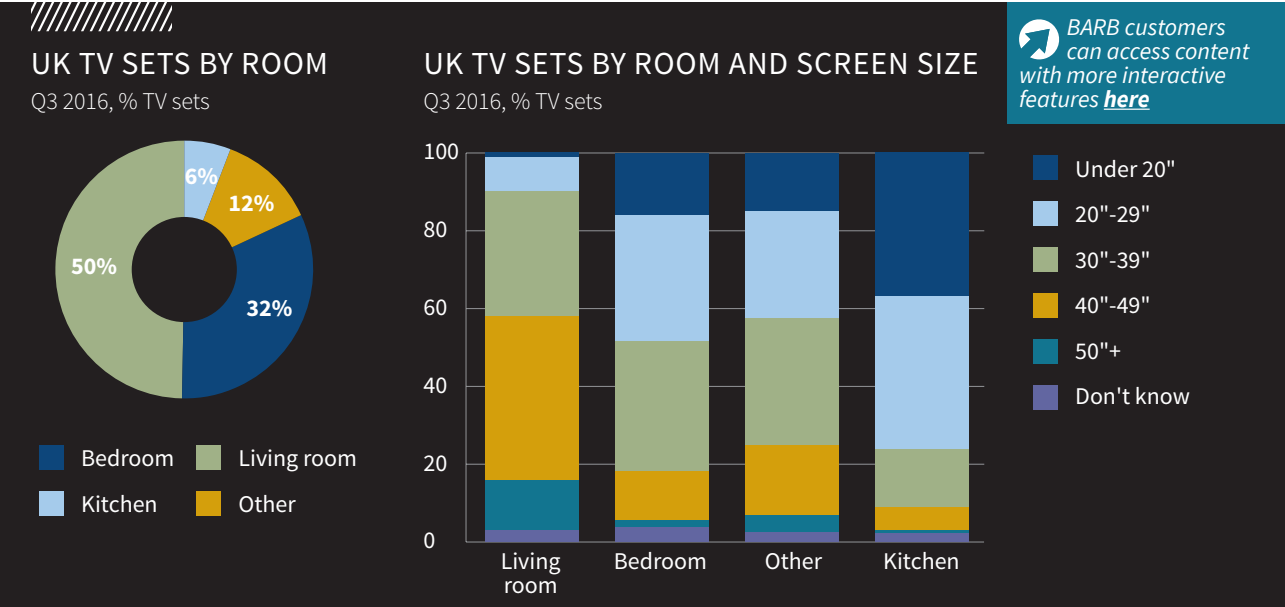


# ROOM FOR IMPROVEMENT?

We know screen sizes are increasing and it is perhaps not surprising that it is in the main living room where screens are the largest. After all, 85% of all TV viewing occurs in the main living room.

But it is not just the main living room where we see sizes increase. Across the board, as main sets are swapped out

for new (larger) ones, a ripple effect moves through the home, with secondary sets being replaced with the now legacy main set. In the first quarter of 2012, around 26% of all adult bedroom sets were larger than 30 inches, now in quarter 3 of 2016, that has risen to 49%.

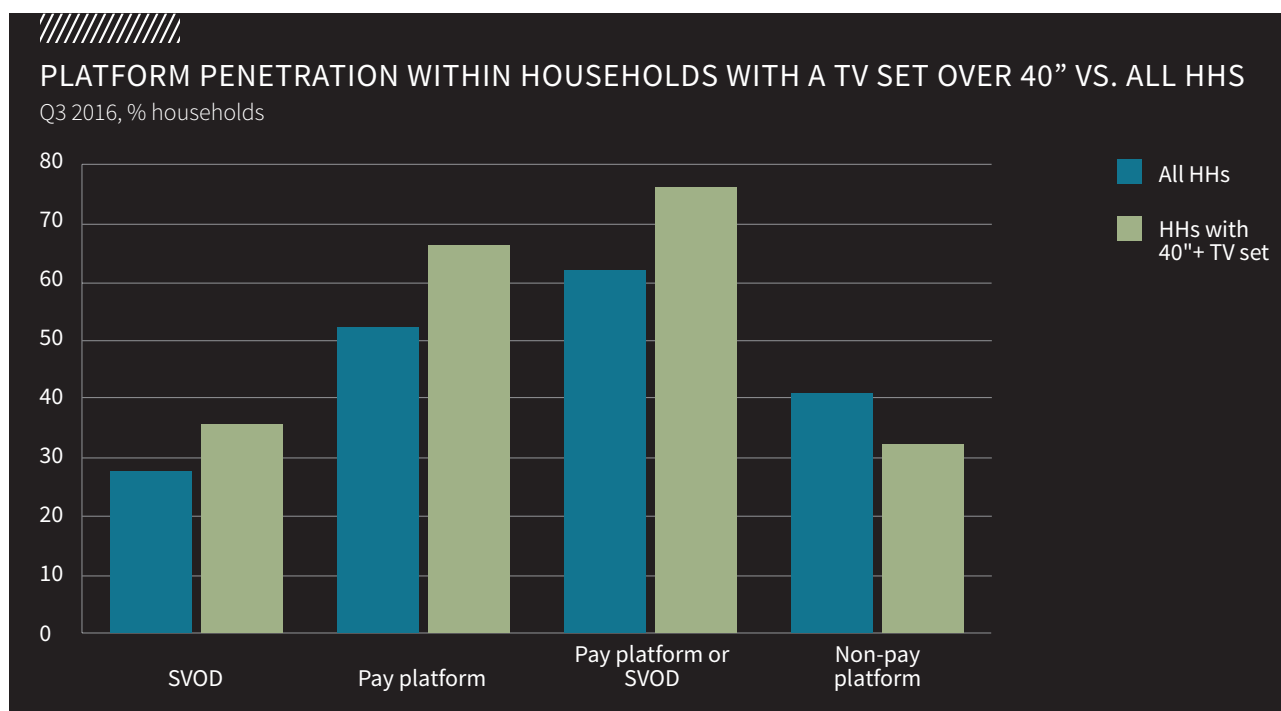


## PAYING ATTENTION

As individuals, the UK want bigger and better TV sets, the Establishment Survey identifies this. Big is best. But what is the drive for these ever-larger screens? When George Mallory was asked his reason for what would be his ill-fated attempt to climb Everest he responded, “Because it’s there”.

Are UK consumers buying the bigger and better screen simply because they’re available and they can? Or are there other reasons, qualitative, that are pushing households to upgrade their televisions for more immersive experiences?

New distribution techniques and advancements in platform technology mean that UK households can, and are now able to, watch their favourite programmes and channels in even greater detail and quality. As platforms, both BT and Sky now have special Ultra HD services for their subscribers. In addition, SVOD services also offer Ultra HD quality streaming for those willing to pay for it. This is in addition to their comprehensive HD quality streaming and channel line ups.



The chart above identifies how those who pay for their TV services are far more likely to have a larger screen on which to watch the channels and programmes they subscribe to. Although around 27% of all UK households subscribe to SVOD services, for those household with a screen size

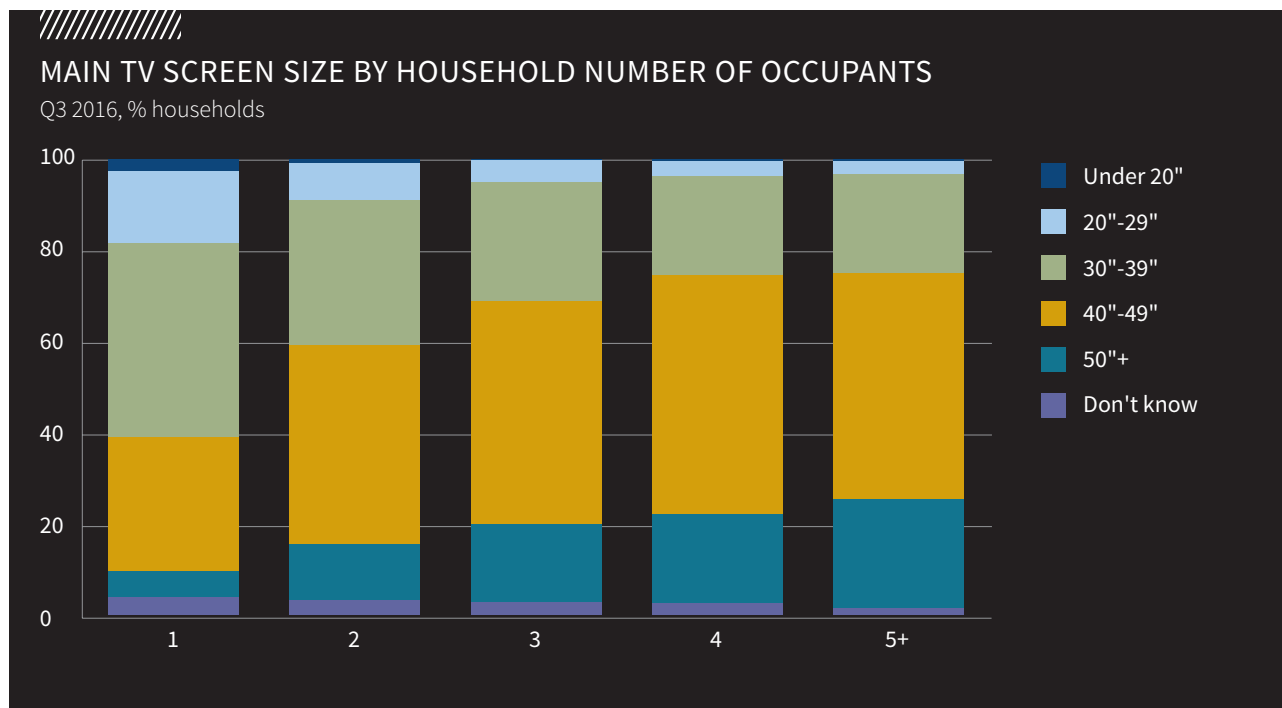
of at least 40 inches this rises to 36%. Furthermore, of all households with a 4K TV set, 72% are pay-TV subscribers, suggesting the platform provider has a strong influence in helping to drive the move to higher definition screens.



## IT'S GOOD TO SHARE

Alongside radio, the television set offers an opportunity to share the media experience like few others. In the UK, nearly 50% of all television viewing is shared with more than one person viewing. It is little wonder then that

screen size increases with the number of people living in the household, augmenting the sharing experience of watching your favourite programme together with your family or friends.

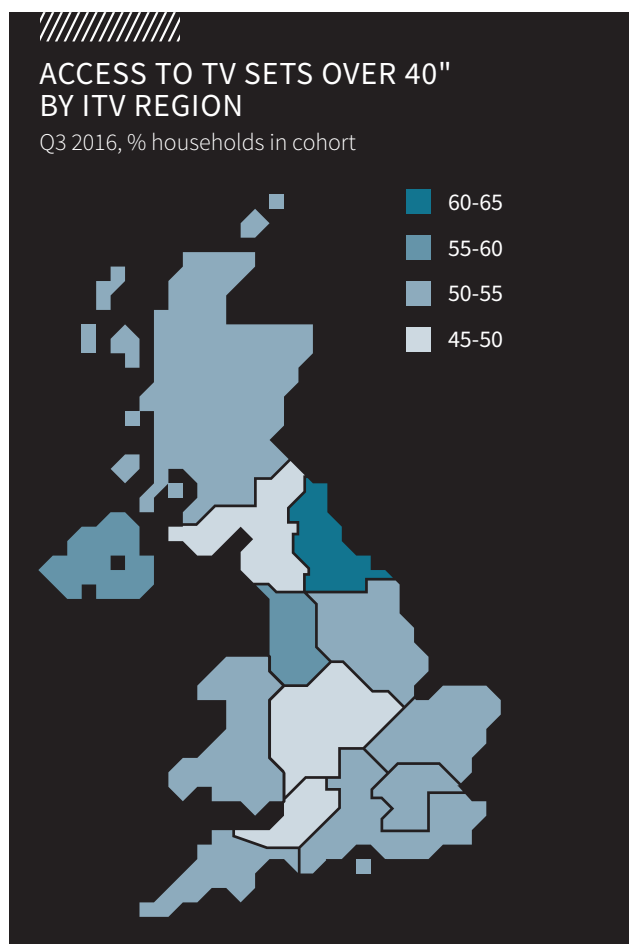


Compared to all households, where 53% have a TV set with a screen size of at least 40 inches, for households with

children this rises to 70%. There is only one way to watch Peppa Pig it seems, and that's on a large screen.



# THE NORTH-SOUTH DIVIDE



The UK is a culmination of different regions and nations and much like with TV viewing itself, there appears to be a divide across the UK in terms of screen size.

By and large, as you move up through northern England and into Scotland and Northern Ireland, screen sizes tend to increase. The North East has the largest penetration of large screens, followed by Northern Ireland, with 63% and 57% of households respectively having a screen at least 40 inches big.

London and the South East of England lag far behind, with only 52% and 51% respectively having larger screen sizes.

Overall, the Establishment Survey has identified a continued trend towards households acquiring new, larger TV sets. The Survey is also starting to tell us more about who live in these households and how it is affecting their home.

As these sizes continue to increase, it is clear the TV set will dominate and develop our living room experience for years to come. As Joey from Friends would say, without a TV “what’s all your furniture pointed at?”

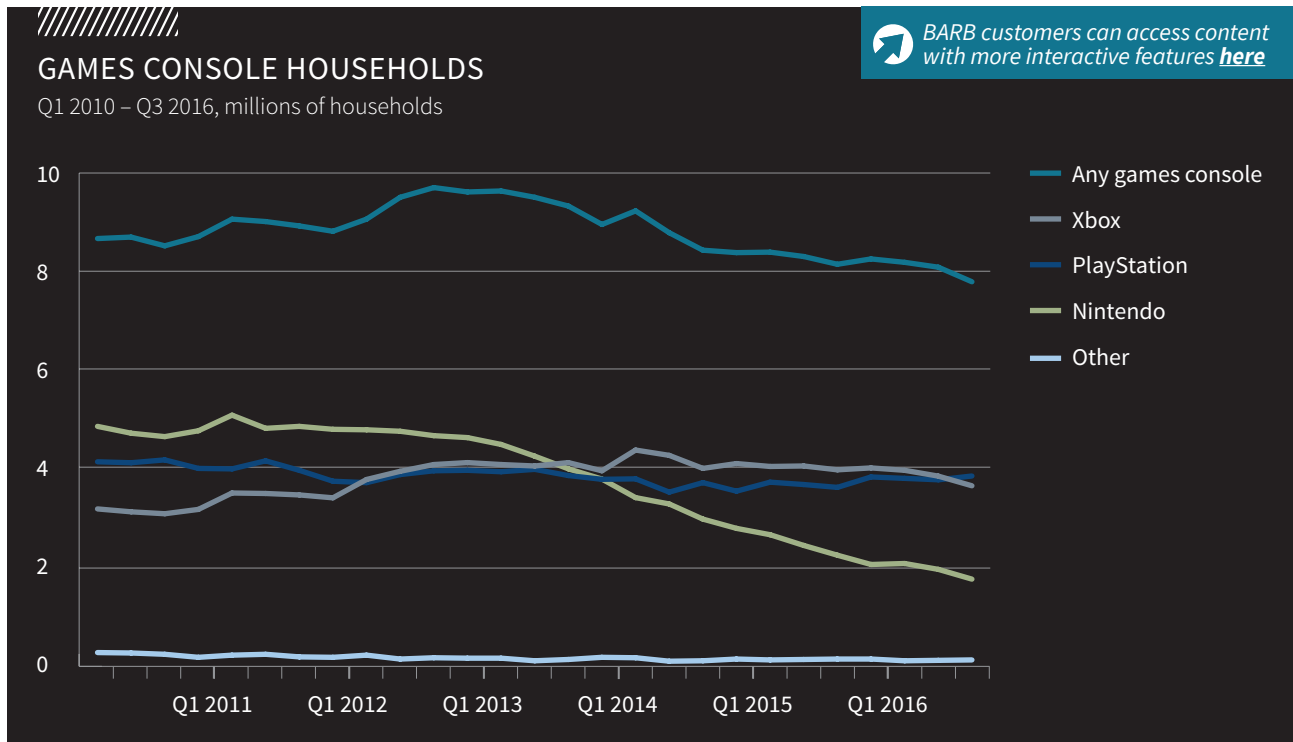
# TV LANDSCAPE TRACKERS

The UK Television Landscape Report tracks key metrics which define the television landscape over time. The trackers feature in each edition of the report, and we will add to the number of trackers as we go.

Tracking key metrics offers insights into the changing nature of the UK TV landscape. In many cases, the pace is slow; the question is, how steady?



# GAMES CONSOLE HOUSEHOLDS



The games console tracker follows the number of homes with a games console connected to a TV set. The Establishment Survey tracks each generation of the three main console brands: Sony PlayStation, Microsoft Xbox and Nintendo.

In the last quarter, the overall rate of decline in console ownership accelerated, driven by sharper declines in

ownership of earlier generations of Xbox, particularly Xbox 360. PlayStation has now overtaken Xbox as the most popular console platform: in the latest generation of consoles, PS4 continues to grow faster than Xbox One, while ownership of earlier generations of PlayStation console is holding up better than for Xbox. Nintendo continues its steady decline as a console platform.



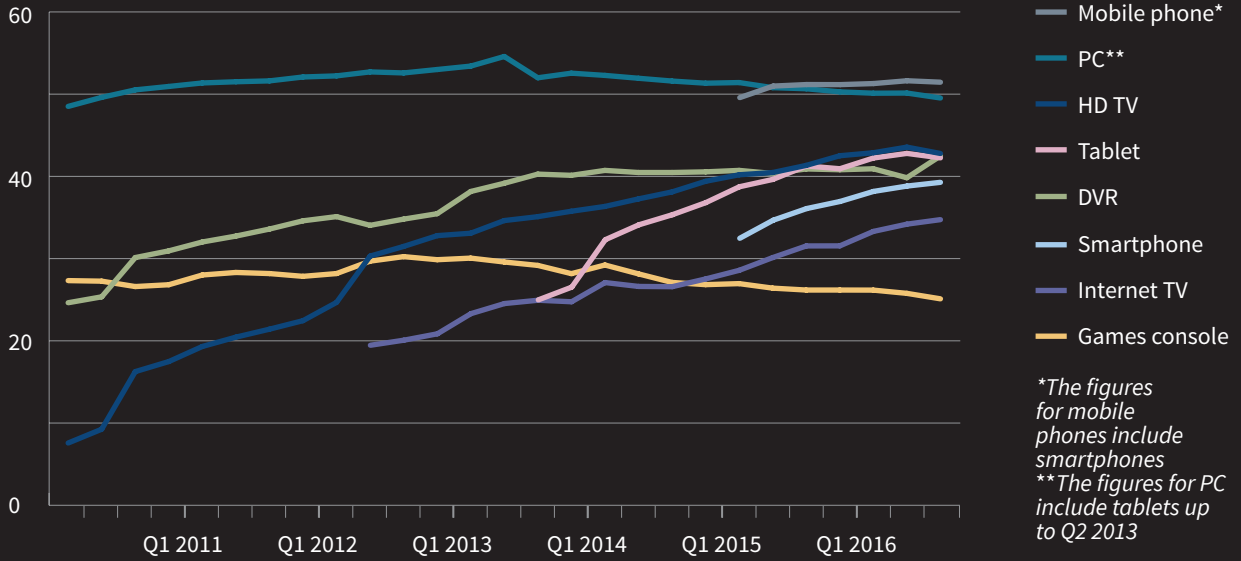


# DEVICE ACCESS

BARB customers can access content with more interactive features [here](#)

## DEVICE ACCESS

Q1 2010 – Q3 2016, millions of individuals



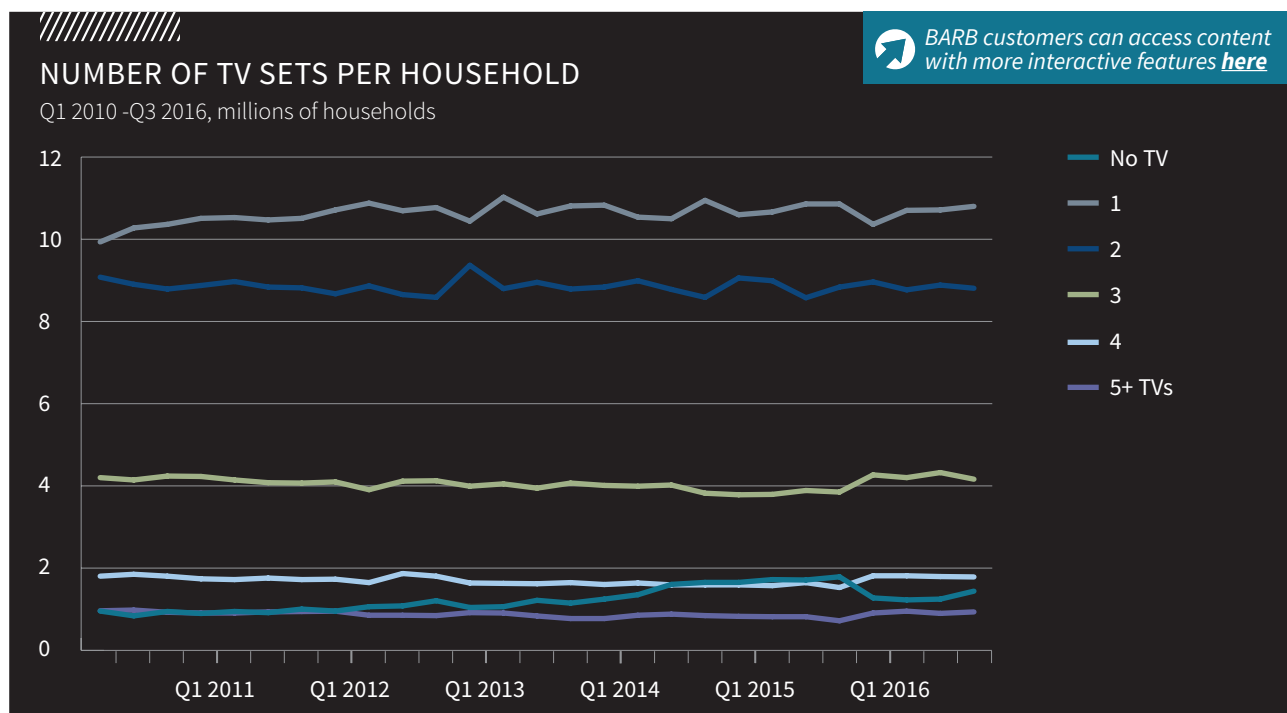
The Establishment Survey considers devices on a household level, so if any member of a household owns a device, then every member of that household is considered to have access. The one exception to this is mobile phones (including smartphones), which are considered to be individual devices, so if a household member owns a mobile phone, other members of the household are not considered to have access.

The device tracker follows the number of devices people have available to watch TV. The figures for Q3 2016 show continuing steady increases in smartphone and smart TV access, and a sharp rise in DVR ownership. Tablet and HD

TV ownership appear to have plateaued, while PCs and games consoles continue their long term slow downward trend.



# NUMBER OF TV SETS PER HOUSEHOLD

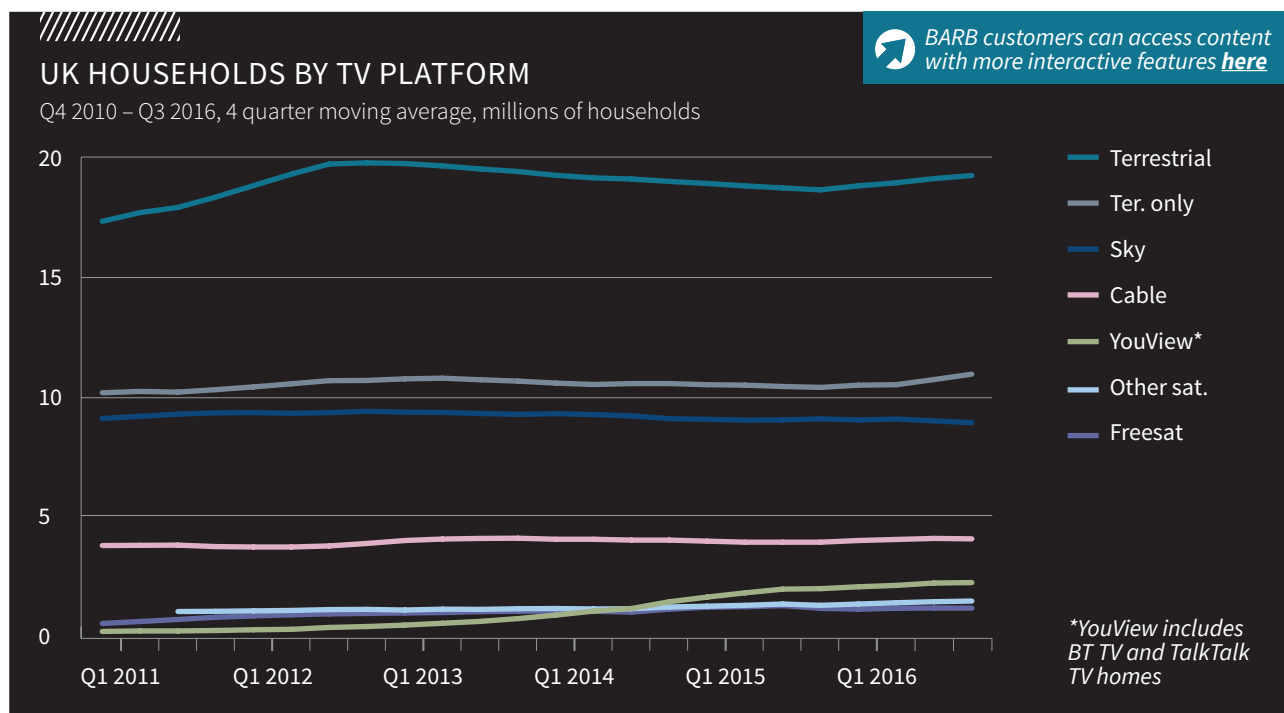


The definition of a working TV set changed at the end of 2015. Sets which respondents claimed had not been used to watch TV over the past six months and sets for which respondents could not specify the means of reception (cable, satellite, terrestrial, etc.) are now included in the definition. A detailed description of the change in

definition can be found [here](#). The impact of this change appears to have worked through, and the figures are now broadly stable at the new base level, although there has been a noticeable increase in the number of households with no TV. There now appear to be over 1.4 million homes which feel they do not need a TV set.



# UK HOUSEHOLDS BY TV PLATFORM



This tracker focuses on the platforms viewers use to watch linear TV. Q3 2016 has seen a continuing increase in the number of homes with terrestrial-only access, and a continuing slow decrease in the number of Sky TV households. Access to cable, YouView and Freesat remains broadly stable.

The platform categories used are as follows.

**Cable:** homes that claim to receive cable. These households are almost entirely Virgin Media customers.

**Freesat:** homes which have access to Freesat, either through a set-top box or integrated into the TV set. This does not include former Sky homes which do not have a live subscription but continue to use their Sky set-top box to watch free satellite channels.

**Other satellite:** this category includes former Sky subscribers as well as viewers watching smaller, typically

international, satellite service providers like Polsat.

**Sky subscription:** homes that pay for a Sky subscription package (not including Now TV customers who don't pay for a Sky subscription package).

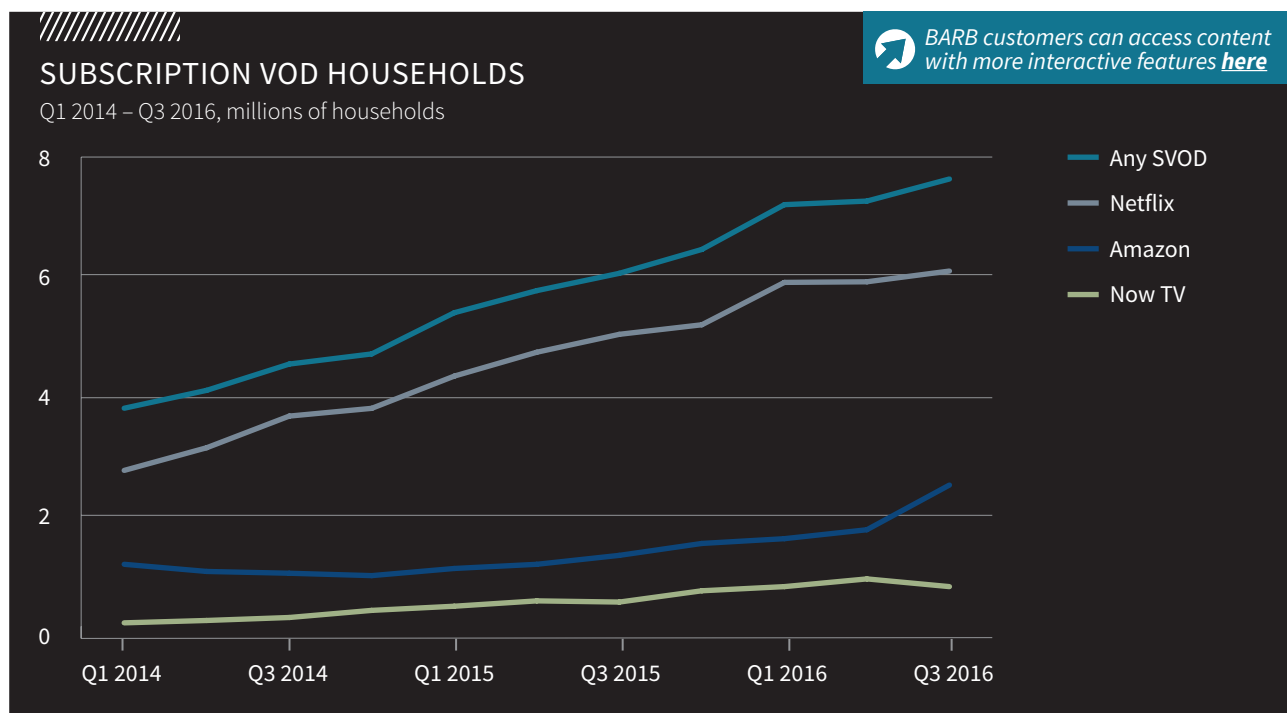
**Terrestrial:** all homes which have access to digital terrestrial TV via their aerials. This includes any homes across all categories which also have access to terrestrial.

**Terrestrial only:** the subset of terrestrial households that do not have access to either cable or satellite reception. This includes most BT TV, TalkTalk TV and YouView homes.

**YouView:** all households that have the BT, TalkTalk or YouView platforms. The great majority of these homes will be using the YouView interface, but the figure will include a small number of homes using older versions of BT TV and TalkTalk TV.



# SUBSCRIPTION VOD HOUSEHOLDS



In Q3 2016 the number of households claiming access to subscription VOD services has resumed its upward trend after a pause in the previous quarter. The biggest gains have been posted by the Amazon service, possibly driven by the marketing campaign Amazon put in place for the launch of their latest high-profile TV series, *The Grand Tour*.

Amazon’s promotional effort may have affected Sky’s Now TV service which has declined slightly. Netflix, however, has resumed its upward progress, adding a further 180k households in the last quarter. Overall SVOD penetration has now reached 27% of UK households.





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