A DEFINING MOMENT
UNDERSTANDING SVOD AND VIDEO-SHARING AUDIENCES

November 2021

Welcome to a white paper that marks the introduction of viewing figures for SVOD and video-sharing platforms into BARB's daily audience reporting.

Read on to learn more about the following:

- What this means for our definitions of total viewing.
- How the TV set remains the go-to screen for long-form, professionally-produced content.
- The extent to which viewers use smartphones for watching video-sharing services.
- When people watch SVOD and video-sharing services.
- How many people watch the big four streaming services on TV sets.

BARB

Understanding people has always been a fundamental part of BARB's remit.

Since 1981, our always-on reporting has provided the television and advertising industry with insight into how increased choice has affected people's viewing behaviour. A constant theme of the last 40 years has been the need to deal with the arrival of new platforms.

The modern iteration of this phenomenon is the rise of streaming services. Offering a range of content from high-quality movies and programmes through to user-generated videos, streaming services have attracted viewers who traditionally relied on linear channels for their viewing entertainment.

BARB's long-standing ambition is to deliver comprehensive insight into what people watch, so it's natural to extend our audience measurement to embrace these services. With the cooperation of the broadcasters, we started reporting audiences to their streaming services in 2015. It's taken longer to fulfil this ambition for SVOD and video-sharing services that haven't yet chosen to participate in our industry-agreed measurement of audiences.

So why is this a defining moment for the industry that relies on BARB's audience measurement?

From November 29th, we will complete a once-in-a-generation upgrade in our audience reporting when we extend our services to cover SVOD and video-sharing platforms. The television and advertising industry will now have access to independent, objective and transparent measurement of audiences to streaming services, even without their active participation in BARB.

It is also a defining moment because our new audience-reporting capabilities have implications for our definitions of total viewing. And definitions isn't a typo — having more than one definition is a by-product of our transparency. BARB always aims for an impartial presentation of the whole picture.

We have a new headline definition — **Total identified viewing** — with three constituent parts:

• **Total broadcaster viewing** represents the time spent watching linear broadcast channels and broadcaster-owned VOD services (BVOD). This includes live viewing, as well as pre- and post-broadcast viewing, and viewing to archive box-sets on a BVOD service. We capture and report online viewing across four screens — TV sets, tablets, PCs and smartphones — by gathering information about what is streamed through the home WiFi network. If services are tagged, we can also include viewing that's streamed through a mobile data network or downloaded and watched offline.

• **Total SVOD/AVOD viewing** is a new definition that reflects our ability to track how people watch VOD services provided by streaming businesses. We collect time spent viewing 16 VOD services — notably Amazon Prime Video, Disney+ and Netflix — most of which rely on subscription income. We will report viewing on all four screens, although this only includes viewing through a home's WiFi network as these services aren't tagged.

• **Total video-sharing viewing** will include — again on all four screens — use of platforms such as TikTok, Twitch and YouTube. As with the SVOD/AVOD category, our audience reporting for video-sharing platforms only includes viewing through a home WiFi network. »

THE TV SET IS THE MOST-USED DEVICE FOR SVOD/AVOD SERVICES AS VIEWERS HEAD FOR BIGGER SCREENS TO WATCH LONG-FORM CONTENT

This white paper brings these definitions to life and sets out how we will report share-of-viewing figures. We finish the paper with a look at uses of the TV set for activities other than watching the linear channels, VOD and video-sharing services that constitute total identified viewing.

Let's start by looking at some numbers, albeit with two caveats.

Analyses in this report cover a period when we were continuing to install new meter technology across our representative panel of UK homes. For this reason, the data for SVOD/AVOD and video-sharing services should be treated as a preliminary preview ahead of our formal launch of daily reporting on November 29th.

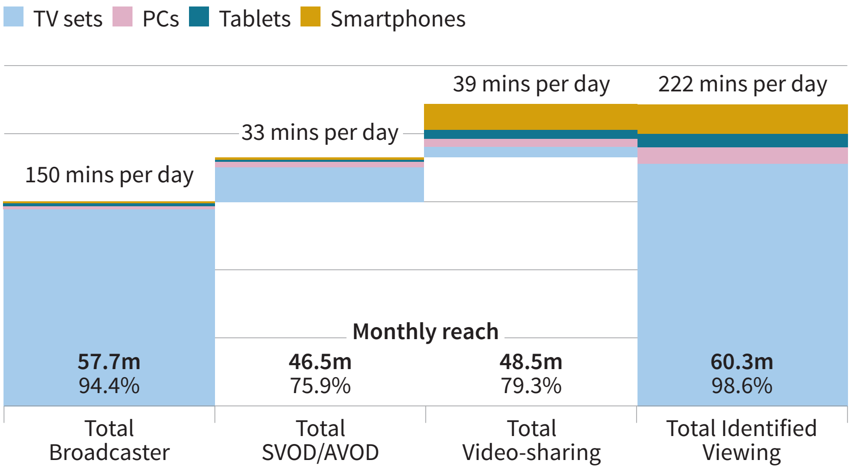
We also need to highlight that data in this report can't be replicated from the published data. This is because we are applying a modified set of reporting rules from November 29th onwards.

More detailed consideration of this and other points of methodology are set out at the end of this paper.

ADDING UP TO TOTAL IDENTIFIED VIEWING

So what did people watch in September? Chart 1 shows how viewing to broadcaster and streaming services adds up across all devices to give a total picture of identified viewing.

1 TOTAL VIEWING IN SEPTEMBER 2021 - ALL AGED 4+



Source: BARB router meter homes, September 2021. Average reporting sample n=9,099
Data for SVOD and video-sharing platforms are preliminary and should be treated with caution. Data based on current parameters and definitions of categories, subject to change

Of the 222 minutes per day spent viewing in September 2021, a majority — 150 minutes — was to broadcast channels and BVOD services. The TV set is the dominant device for broadcaster viewing which is unsurprising given viewing habits formed over many years. It also reflects a desire to use the biggest screen available to watch professionally-produced, long-form content.

The combination of SVOD and AVOD services attracted an average of 33 minutes per day across the whole population. Again, the TV set is the most-used device as viewers head for bigger screens to watch long-form content.

SMARTPHONES ACCOUNT FOR ALMOST HALF OF VIEWING TO VIDEO-SHARING SERVICES

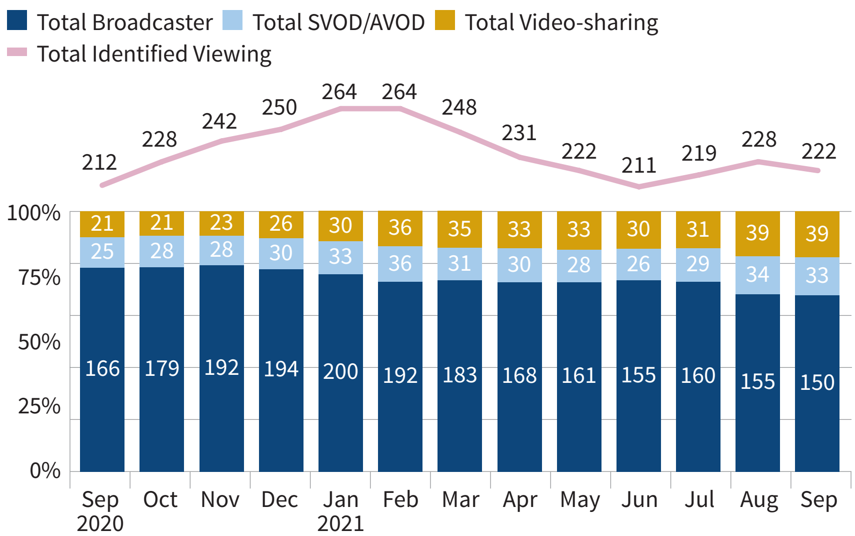
Relative to total broadcaster viewing, a higher proportion of SVOD/AVOD viewing is on PCs, tablets and smartphones. This might reflect how these devices are displacing secondary TV sets in rooms other than the living room, or perhaps the younger age profile of viewers to services such as Disney+ and Netflix.

Devices other than the TV set are much more important for video-sharing services, which averaged — again across the whole population — 39 minutes of viewing per day in September. Less than a fifth of viewing to video-sharing services is on the TV set with smartphones accounting for almost half of viewing time. This isn't surprising given how relatively easy it is to watch short-form content on smaller devices.

Putting this all together, the TV set remains the dominant screen for all identified viewing. Four out of every five viewing minutes — 80% — is spent watching the biggest screen.

Looking back over the last year, the trend in total identified viewing (see chart 2) chimes with our existing understanding about seasonality.

2 AVERAGE VIEWING MINUTES PER DAY



Source: BARB router meter homes, Sept 2020-Sept 2021. Average reporting sample n=6,315
Data for SVOD and video-sharing platforms are preliminary and should be treated with caution. Data based on current parameters and definitions of categories, subject to change

People spend more time watching during the winter months, with lower viewing in the warmer summer months. Given the events of the last year, we naturally need to consider the impact of lockdown, both in November 2020 and the first quarter of this year. Increased time spent at home during these periods might have led to traditional winter peaks in viewing being more pronounced. »

ADDING TIKTOK TO OUR LIST OF MONITORED SERVICES CREATED A STEP CHANGE IN TOTAL VIDEO-SHARING VIEWING

A breakdown of total identified viewing across this period reveals the changing nature of both our measurement and the behaviour we are measuring. Prior to the January 2021 lockdown, broadcasters' linear and on-demand services consistently accounted for over three-quarters of all identified viewing. Subsequently, the streaming businesses have increased their share of identified viewing so that SVOD/AVOD and video-sharing services collectively have been accounting for over one-quarter of identified viewing since February.

A step-change in viewing to video-sharing services in August is because we added TikTok to the list of streaming services that we monitor.

We are still building up our understanding of changes in viewing to streaming services on a month-to-month basis, although it seems they are affected by seasonal changes that are similar to our established understanding of viewing to broadcasters' services. That said, it seems the streaming businesses may have benefitted more during the lockdown that started in January.

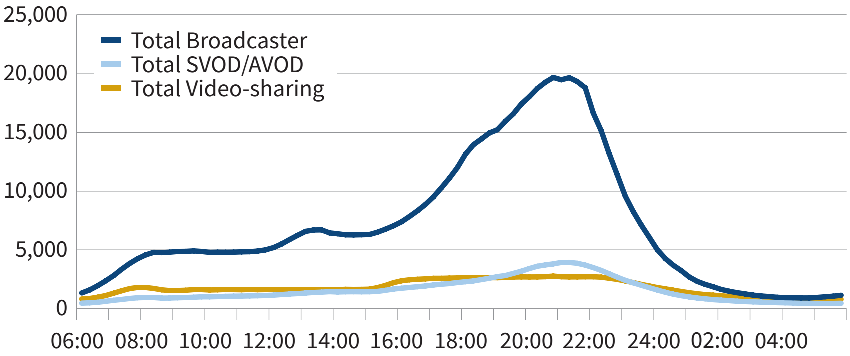
WHEN PEOPLE WATCH

Interesting points of difference emerge when we look at viewing by time of day.

Charts 3 and 4 illustrate these, showing firstly the well-understood importance of the evening to viewing of broadcast channels. Total viewing to broadcast channels and BVOD services starts to take off after 5pm and reaches its peak of around 20m viewers between 9-10pm.

3 WHEN PEOPLE WATCH - SEPTEMBER 2021

Average four-screen audience, all aged 4+ (k)



Source: BARB router meter homes. September 2021. Average reporting sample n=9,099
Data for SVOD and video-sharing platforms are preliminary and should be treated with caution. Data based on current parameters and definitions of categories, subject to change

The viewing pattern for SVOD/AVOD services is similar, although the start of the ascent towards the evening peak is at 7pm rather than 5pm, and the descent from 10pm onwards is more gradual. This can be seen more clearly on chart 4.

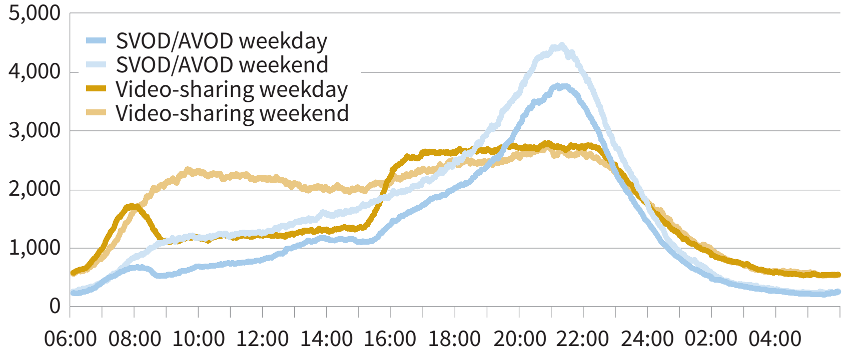
The later ascent is indicative of SVOD/AVOD services being used more for drama, which viewers have traditionally turned to after the early evening news slot. The more gradual post-peak decline reflects the non-linear nature of the SVOD/AVOD proposition — viewers' behaviour isn't influenced by programme junctions, which are typically on the hour.

VIEWING LEVELS FOR VIDEO-SHARING SERVICES DON'T HAVE PEAKS AND DECLINE DURING THE SCHOOL DAY

Turning to video-sharing services, we see a marked difference in viewing patterns across the day.

4 WHEN PEOPLE WATCH – SVOD AND VIDEO-SHARING

Average four-screen audience, all aged 4+ (k), September 2021



Source: BARB router meter homes, September 2021. Average reporting sample n=9,099
Data for SVOD and video-sharing platforms are preliminary and should be treated with caution. Data based on current parameters and definitions of categories, subject to change

A notable decline in viewing on weekdays coincides with the start of the school day, and is followed by an uptick in viewing at the end of the school day. Having reached a peak at 4.30pm, weekday viewing levels are steady until 10pm. This peak-free pattern is also apparent on weekends from 9am until 10pm.

Put alongside the dominance of smartphones, tablets and PCs, this reinforces the thought that consumption of video-sharing services is different to how people engage and interact with broadcast channels and VOD services that focus on long-form, professionally-produced content.

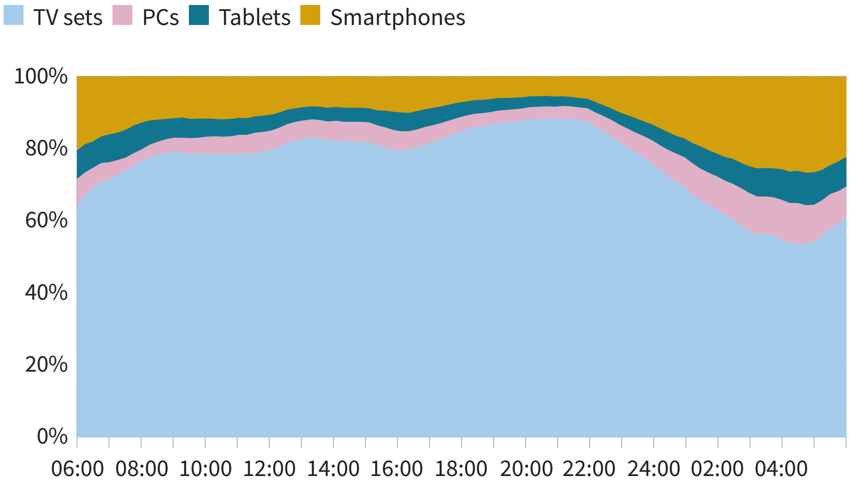
A final point of interest in chart 4 is how the level of viewing to video-sharing services exceeds SVOD/AVOD through the night. Building on this finding, chart 5 shows how smartphones, tablets and PCs become more important after lights out.

THE TV SET IS CLEARLY AT THE HEART OF EVENING ENTERTAINMENT

In keeping with previous findings, the TV set is clearly at the heart of evening entertainment. It's from 10pm that a growing proportion of viewing shifts to devices that can be more readily watched in bed. In the depths of the night, smartphones, tablets and PCs are accounting for almost half of all identified viewing, although that is as a share of a much smaller total volume of viewing.

5 THE DEVICES PEOPLE WATCH ON

% Total Identified Viewing by device, all aged 4+, September 2021



Source: BARB router meter homes, September 2021. Average reporting sample n=9,099
Data for SVOD and video-sharing platforms are preliminary and should be treated with caution. Data based on current parameters and definitions of categories, subject to change

THE BIG FOUR STREAMERS

In a previous white paper — ***Coming Into Focus*** — we highlighted aggregate-level viewing to SVOD and video-sharing platforms. Our latest data continue to show there are four big streaming services; Amazon Prime Video, Disney+, Netflix and YouTube/Google Play[1]. Chart 6 shows TV-set weekly reach for these services across the last 14 months and there are some notable points to highlight after discounting seasonal effects.

Netflix has the highest weekly reach, exceeding 30% for the first time in November 2020. As well as being a lockdown month, this was when season 4 of The Crown launched.

Our April 2021 white paper — ***The 360° Audience View*** — showed 3.7m individuals watching the first episode of the latest season of the royal drama during its first seven days on Netflix, while 1.4m watched the final episode during the same period. This evidence of binge viewing in lockdown supports the idea that Netflix's increased reach in November was influenced by the latest season of The Crown.

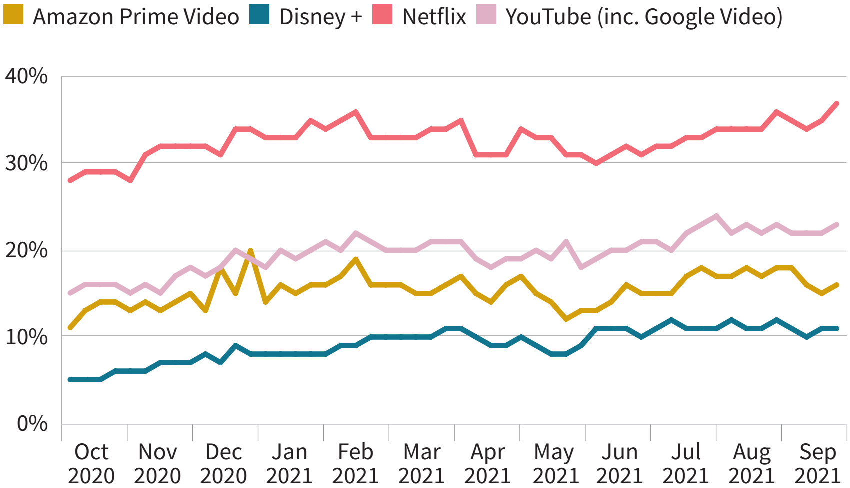
Subsequently, Netflix has continued to achieve a weekly reach of around one-third of everybody aged 4+ and there is evidence of an increase in viewing during the summer of 2021. »

DISNEY+'S AUDIENCE GREW AS CHILDREN'S LINEAR CHANNELS CLOSED AND STAR LAUNCHED ONTO THE PLATFORM

There are two notable — and explicable — peaks in Amazon Prime Video's reach during December 2020. These spikes are in weeks that featured a Premier League match day on which Amazon Prime Video had streaming rights for all ten games. Our programme ratings analysis showed an audience of 1.8m tuning in on December 16th to watch Liverpool host Tottenham Hotspur in what was a top-of-the-table clash.

6 THE BIG FOUR STREAMERS

Weekly reach on a TV set, all aged 4+



Source: BARB router meter homes, Oct 2020-Sep 2021. Average reporting sample n=6,595
Data for SVOD and video-sharing platforms are preliminary and should be treated with caution. Data based on current parameters and definitions of categories, subject to change

There have been two moments when the weekly reach of Disney+ on the TV set has taken a step up. The first, in October 2020, came at a moment when Disney closed its linear channels for children, while the second in late February 2021 coincided with the launch of Star as an additional strand of branded content on the SVOD service. More recently, a new high watermark was achieved in the week of July 12th; this may have something to do with Black Widow and Loki, two high-profile launches from the Marvel cinematic universe. This was matched at the end of August with the debut of Emma Stone as the latest incarnation of Cruella de Vil.

More detailed analysis of audiences — including programme ratings — for Amazon Prime Video, Disney+ and Netflix will be available after our forthcoming data launch. Licensees can also access detailed analysis of who is viewing YouTube/Google Play[1]. This includes when people are viewing and on which device, although no content ratings will be available other than for broadcasters' programming that's distributed on YouTube.

[1] Our audience data are generated by a router meter that monitors activity through URL domains used by the streaming services. YouTube and Google Play use the same URL domain which is why these two services are grouped together. We assume the vast majority of this is YouTube but currently have no hard evidence to quantify this.

IN SEPTEMBER 2021, 16% OF TIME IN FRONT OF THE TV SET WAS FOR SOMETHING OTHER THAN WATCHING BROADCAST CHANNELS, VOD SERVICES AND VIDEO-SHARING PLATFORMS

DEFINING AND REPORTING VIEWING TOTALS AND SHARE OF VIEWING

As we head towards our upgraded reporting of audiences for broadcast channels, VOD services and video-sharing platforms, we are preparing changes to how we report viewing data on our website.

• We plan to publish a monthly breakdown of total identified viewing that is based on chart 1 of this white paper. The latest month will be publicly-available, while an archive of previous months will be accessible — alongside an updated version of chart 2 — through our subscriber portal.

• We will report share of viewing and weekly reach for all individual broadcast and streaming services that subscribe to BARB. This will be available in our subscriber portal and will report share of viewing on two bases; share of category — i.e. broadcaster, SVOD/AVOD or video-sharing — and share of total identified viewing.

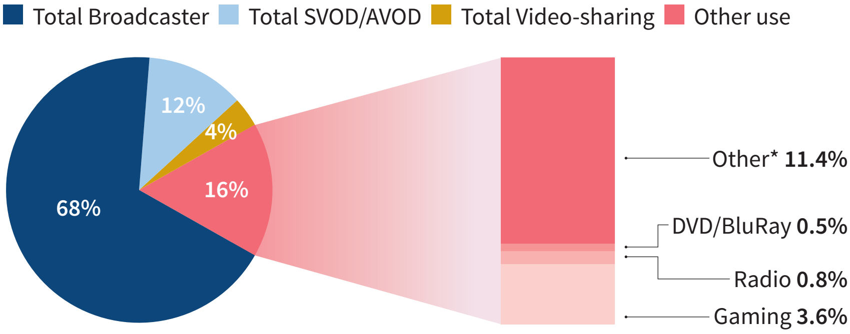
WHAT ABOUT OTHER USES OF THE TV SET?

A question BARB is often asked is what constitutes unidentified viewing. This is a TV-set phenomenon as we have no measure of the total amount of time people spend in front of a tablet, PC or smartphone.

Our reporting of audiences for SVOD and video-streaming services goes a long way to answer this frequently-asked question, and we continue to explore how we can deliver even more insight on other uses of the TV set.

7 TOTAL TV-SET USAGE IN SEPTEMBER 2021 - ALL AGED 4+

Total TV-set usage averages 212.4 minutes per day



* Other includes (but not limited to) browsing for content, 28+ day linear playback, watching unreferenced box-sets, TV on but silent and use of video-call services
Source: BARB router meter homes, September 2021. Average reporting sample n=9,099
Data for SVOD and video-sharing platforms are preliminary and should be treated with caution. Data based on current parameters and definitions of categories, subject to change

Chart 7 shows how — in September — 16% of time in front of the TV set was for something other than watching broadcast channels, VOD services and video-sharing platforms. Just over one-fifth of this is when a games console is being used for something other than watching a broadcast or streaming service: we can say with reasonable certainty this is gaming.

THIS IS A DEFINING MOMENT FOR THE INDUSTRY TO QUANTIFY THE ROLE OF BVOD, SVOD AND VIDEO-SHARING SERVICES IN OUR COLLECTIVE MEDIA DIET

We already know when people are listening to radio stations though their TV set and when a DVD/Blu-ray machine is in use. And we continue to develop techniques with the aim of quantifying other uses of the TV set, such as the following:

- A paradox of choice is that it can take longer to find what we want. Whether on our own or with other household members, we may be spending more time browsing for programmes on our TV set.

- There will be playback of old recordings. We capture 28+ day linear-playback viewing in Sky homes, although not yet in non-Sky homes.

- Some box-set viewing will be included as we don't yet have a comprehensive library of all archive material on all BVOD services.

- The TV can be on but silent or on mute. Viewers may have put the programme/gaming software on pause or may be using a feature offered by TV sets to showcase personal photos or a series of screen-saving images.

We could also mention video-calls with friends and family, watching overseas channels through a satellite dish or viewing online services that aren't on our list of monitored streaming services.

CLOSING THOUGHTS

BARB is serious about maintaining our track record of delivering an always-on understanding of people's viewing. And we do things properly, which takes time. The imminent data launch is a defining moment for the television and advertising industry to quantify the role of BVOD, SVOD and video-sharing services in our collective media diet.

These developments expand the range of services we can include in our new definition of total identified viewing. We will start reporting how broadcasters' linear channels and VOD services fare as part of total broadcaster viewing — what we currently call total four-screen viewing — and also in the context of a broader definition of total identified viewing. And for any streaming businesses that become BARB subscribers, we will report their share of total SVOD/AVOD viewing — or total video-sharing viewing — alongside a share of total identified viewing.

And we continue to monitor other uses of the TV set with the aim of developing solutions that provide more illumination on how people are using the most popular screen in the home. »

DATA IN THIS WHITE PAPER ARE BASED ON A PARTIAL ROLL-OUT OF ROUTER METERS AND SHOULD BE TREATED AS PRELIMINARY FINDINGS

NOTES ON METHODOLOGY

Over the past 18 months, our research contractor Kantar has been installing a meter on WiFi routers in BARB's representative panel of homes.

Data in this white paper are based on a partial roll-out of router meters and should be treated — with caution — as preliminary findings. Trend data should be treated with particular care, as the reporting sample was changing on a weekly basis during the period of analysis. Comparing post-launch data for December 2021, for example, with data in this report from December 2020, will not be a like-for-like comparison.

Data in this report cannot be replicated from the published data, as we are applying a modified set of reporting rules from November 29th onwards.

The aggregate data on viewing to SVOD and video-sharing services are collected by router meters measuring the internet traffic from all devices in broadband homes to a BARB-defined list of sites. YouTube and Google Play use the same URL domain which is why viewing to these two services is grouped together.

The use of router meters in panel homes has other benefits, such as allowing BARB to measure whether viewing on a TV set is via linear playback or via an on-demand service. Router meters also allow the collection of data from a wider range of devices, and for demographic information on smartphone viewing to be measured.

Our reporting of SVOD programme ratings is based on an audio-matching measurement solution. This works by matching audio-signatures taken from TV sets with a reference database, in a similar way to the method already used for TV programmes. We are aiming to have over 30k hours of content available for measurement across Amazon Prime Video, Disney+ and Netflix when data are formally released. This solution measures SVOD programme ratings on TV sets only.