THE UK TELEVISION LANDSCAPE REPORT

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

Q1 2016

BARB

Insight and analysis by

REDSHIFT

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 three questions.

- Games consoles: what are the ownership trends and to what extent are they used for television viewing?

- Being connected: what does this really mean and are we really more connected than ever?

- State of the nation: what can we learn about the underlying demographics of the UK population?

The report also includes trackers that provide regular updates on issues such as take-up of SVOD services, device ownership and platform take-up. 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
Chief Executive
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GAMES CONSOLES: RETREAT TO THE CORE

GAMES CONSOLES: RETREAT TO THE CORE

The games console market appears to have peaked: the growing popularity of mobile devices as games platforms has dramatically undermined the popularity of the Nintendo platform, which was once the most popular in the UK. Ownership of Xbox and PlayStation, which appeal to the core gaming audience, is broadly stable. Xbox has a slight overall lead, although in the battle between the latest generations of device, PS4 has a lead over Xbox One. Console households skew younger and are much more likely to have broadband. Nearly half the owners of the latest generation of consoles claim to use them for television viewing, but overall PCs are still much more significant as a platform for television viewing.

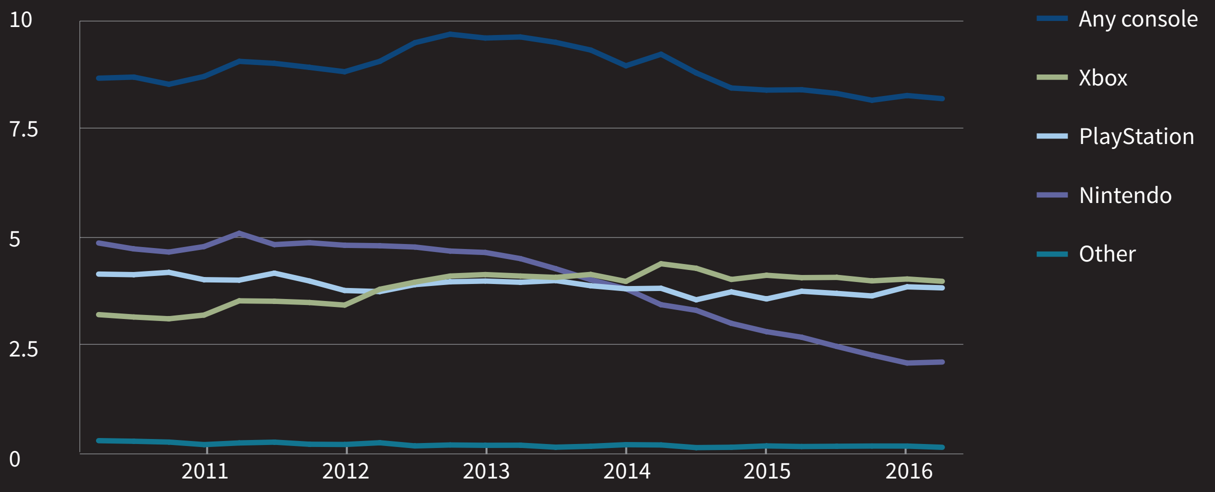
The growth era for games consoles appears to be over. It seems as though we will look back on 2012-13 as the high point of games console ownership; since then console ownership has been gently declining to its current level of approximately 8.2 million households. The Establishment Survey defines games consoles as dedicated gaming devices, which do not include handheld devices such as tablets and smartphones.

The chart below shows the main cause of the downturn: the decline in the Nintendo platform, which has more than halved in ownership since its high point at around 5m households in Q1 2011. The launch of Nintendo's Wii platform at the end of 2006 heralded a growth in the popularity of consoles beyond the original core constituency of gamers, providing a less expensive platform aimed at casual rather than hard core players. However, the introduction of the iPad in 2010 created a powerful competitor for the casual gaming audience, providing a huge range of choice in games in a portable package no longer tethered to a TV set.

Ownership of the two major higher performance console platforms, Sony's PlayStation and Microsoft's Xbox, is relatively stable, as rapid growth for the latest device generation is offset by steady declines in older generations. The two platforms have been neck and neck for years; Xbox overtook PlayStation in 2012 and has maintained a small lead ever since, although on current trends PlayStation is on course to take over the lead again soon.

GAMES CONSOLE BRAND OWNERSHIP

Q1 2010-Q1 2016, millions of households



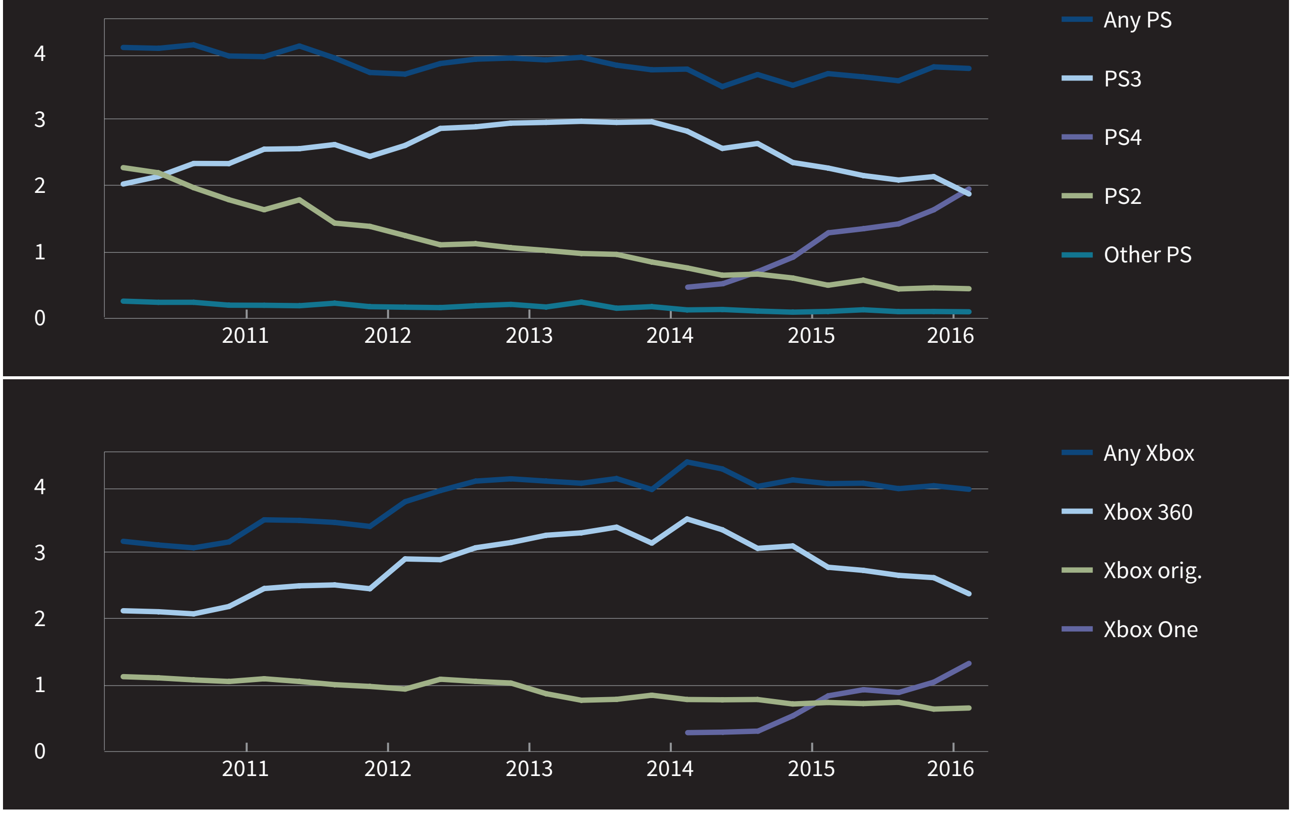
If we break down the main platforms by device generation (see the charts below), we see that Sony's latest generation device, PS4, has established a significant lead over Xbox One, the latest generation for Microsoft: PS4 is in around 2m homes at the beginning of 2016, while Xbox One is in slightly less than 1.4m. The problem for Sony has been the rapid decline in older generations of their console: PS2 and PS3 are declining more rapidly than previous generations of the Xbox platform. In particular, PS2 is declining much more rapidly than the original Xbox.

Xbox will be concerned about the recent decline in their lead over Sony. Despite a substantial increase in Xbox One ownership in the most recent quarter, Sony's PS4 did even better and Sony looks set to overtake Xbox during 2016.

*BARB customers can access content with more interactive features **here***

GAMES CONSOLE OWNERSHIP BY DEVICE GENERATION

Q1 2010-Q1 2016, millions of households

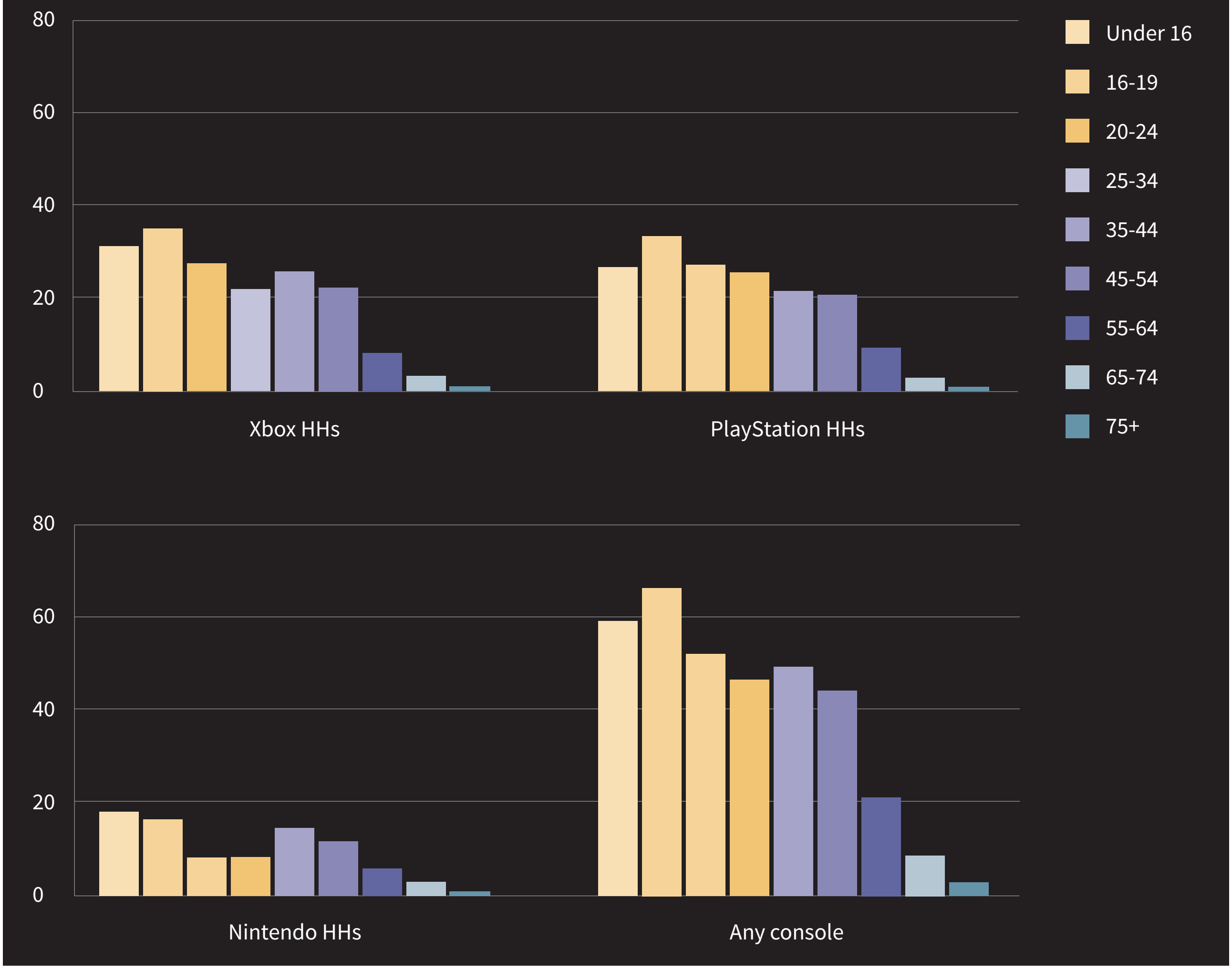


CHARACTERISTICS OF CONSOLE HOMES

Unsurprisingly, access to games consoles is higher among the younger age groups: over half of people under 25 have access to a games console. The chart below shows the penetration by age group for all those who have access to each type of device (i.e. it counts every member of each household which owns an active device). PlayStation has a slight edge over Xbox in the 20-34 age group, where Nintendo lags far behind: this confirms the image of the grown-up gamer often associated with the two console heavyweights. The similarity in age distribution for Xbox and PlayStation emphasises the extent to which the two platforms are competing for the same market, going some way to explain the prominent marketing campaigns that we are accustomed to seeing gracing screens and billboards across the UK. Nintendo, by contrast, has a much higher proportion of its potential audience among the over 35s.

PENETRATION OF GAMES CONSOLES BY AGE AND TYPE OF CONSOLE

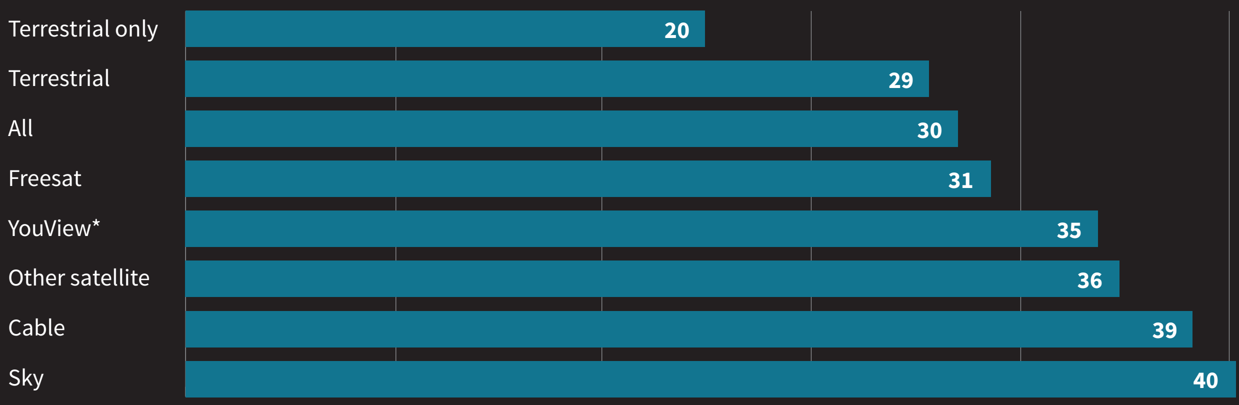
Q1 2016, % individuals in age group



When we look at console ownership by TV platform, since pay TV households tend be younger, more affluent and are more likely to include children, it is no great surprise that Sky and cable households are about twice as likely as terrestrial-only households to own a games console.

GAMES CONSOLE PENETRATION BY TV PLATFORM TYPE

Q1 2016, % households



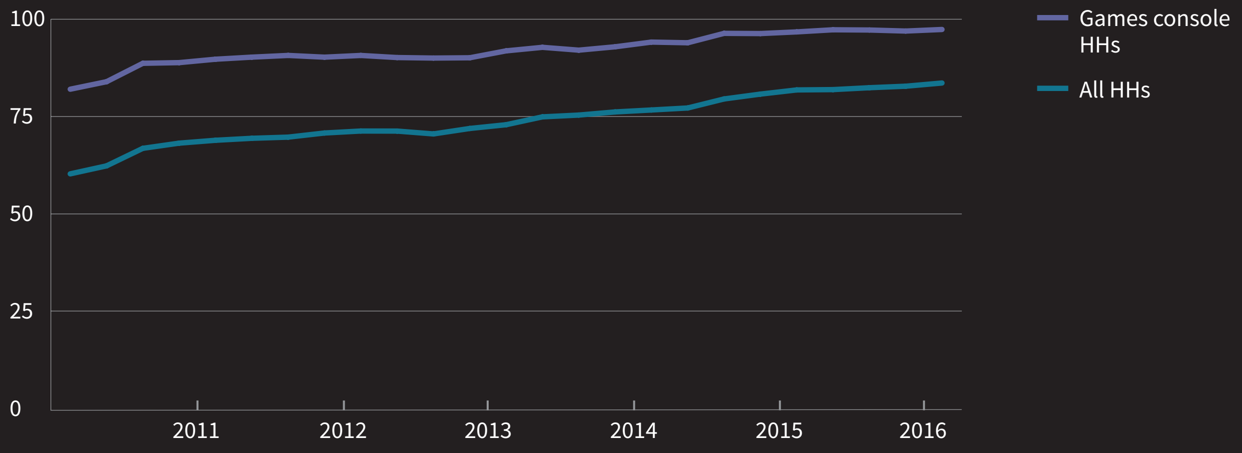
** YouView includes BT TV and TalkTalk TV homes*

Almost all households with consoles have access to a broadband connection - a significantly higher proportion than for households overall. The rationale for an internet connection in console households is a compelling one: many gaming experiences are enhanced by online functionality, either through the ability to download additional content (maps, vehicles or other accessories for in-play avatars) or through allowing gamers to play remotely in a multi-player environment.

An internet connection can also contribute to the console experience beyond gaming. Users are presented with a means to stream or download other types of media, including video and music.

BROADBAND PENETRATION BY GAMES CONSOLE OWNERSHIP

Q1 2010 – Q1 2016, % households

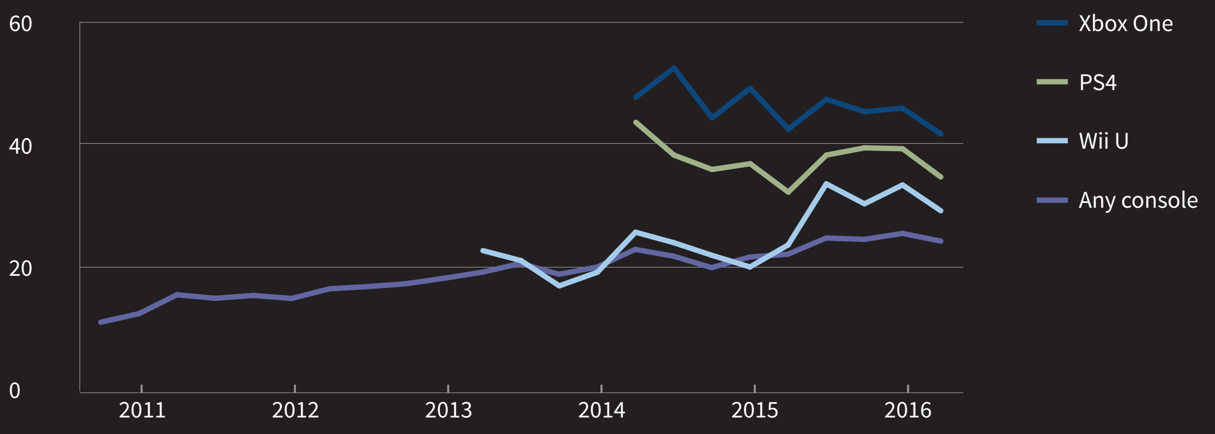


CONSOLES AND TELEVISION VIEWING

When Microsoft launched Xbox One in 2013, it was explicitly designed to evolve from being a platform for gamers to becoming a hub for all the household's entertainment activity: hence the name. Microsoft has subsequently retreated from this strategy, but Xbox One has remained the most successful console in terms of usage for television viewing, as the chart below shows: around 42% of Xbox One homes claim to use their console to watch television. In general, the most recent generation of consoles have significantly higher claimed usage for television viewing than their predecessors: in Q1 2016 the overall average for households claiming to watch television with any console is 25% within console households, while in PS4 households and Wii U households it is 35% and 30% respectively.

PROPORTION OF HOUSEHOLDS USING A CONSOLE TO WATCH TELEVISION

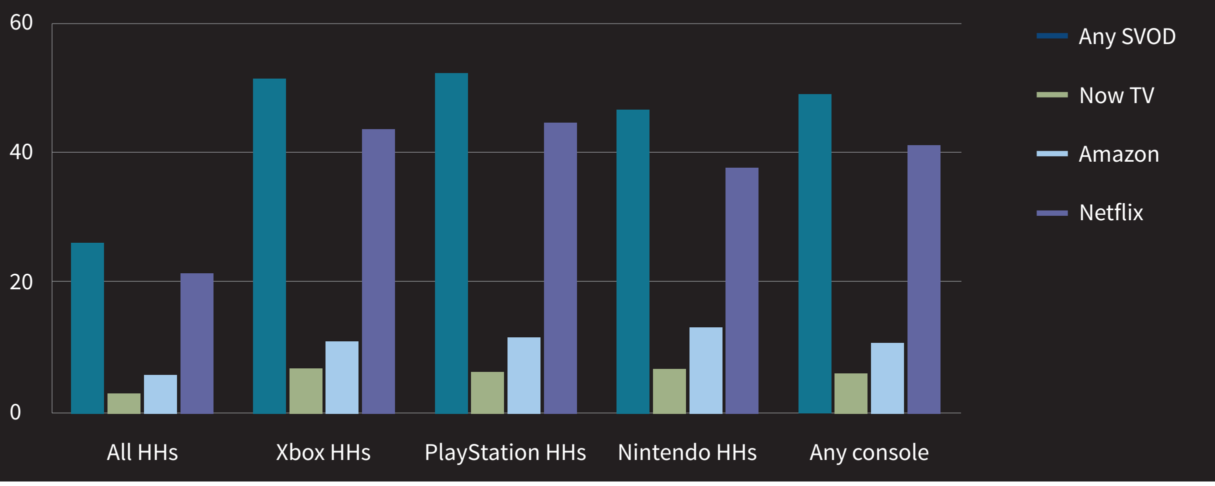
Q3 2010-Q1 2016, % households with console



Netflix and Amazon are available through all the console platforms, while Now TV can be watched through Xbox and PlayStation. It is not surprising to see that console owners are more likely to subscribe to one of these SVOD services. In particular, Xbox and PlayStation households are twice as likely to have an SVOD subscription.

SVOD PENETRATION WITHIN GAMES CONSOLE HOUSEHOLDS

Q1 2016, % games console households

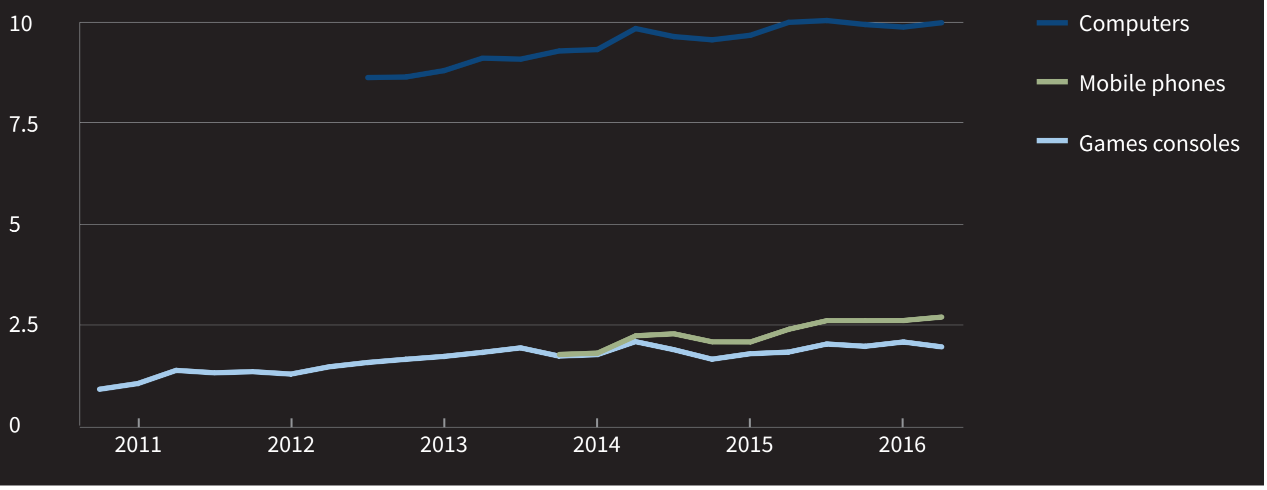


However, the influence of the console manufacturers over television viewing is likely to be lower than we might once have thought. There was a time when we wondered if console designers might use the unique capabilities of their devices (facial recognition, voice and gesture control, high resolution graphics) to develop user interfaces which would compete head on with the traditional TV platforms; now it seems more likely that consoles will remain devices limited to their generously-proportioned, but nonetheless finite, gaming niche. The fact that the proportion of the latest generation of consoles being used to watch television is slowly declining suggests that the console manufacturers face an uphill battle if they want to challenge linear TV platforms to become the primary viewing interface.

While the total number of households claiming to use a console to watch television has doubled between 2010 and 2016 from 1m to 2m, this is still only a fifth of the number of households that claim to use PCs to watch television.

HOUSEHOLDS USING DIFFERENT DEVICES TO WATCH TELEVISION, BY DEVICE TYPE

Q3 2010-Q1 2016, millions of households



SO YOU
THINK YOU’RE
CONNECTED?

SO YOU THINK YOU'RE CONNECTED?

The idea that we are ever more connected is one few would contest; we are increasingly reliant on services provided over the internet. The concept of connectedness is clearly useful, and describes a phenomenon we all recognise. But can we be more precise about what it means? The Establishment Survey allows us to explore the different ways we are connected, and to work out how connected the UK has become. We look at three increasingly focused definitions of what it means to be connected: having a broadband connection, having a connected device and having a connected TV.

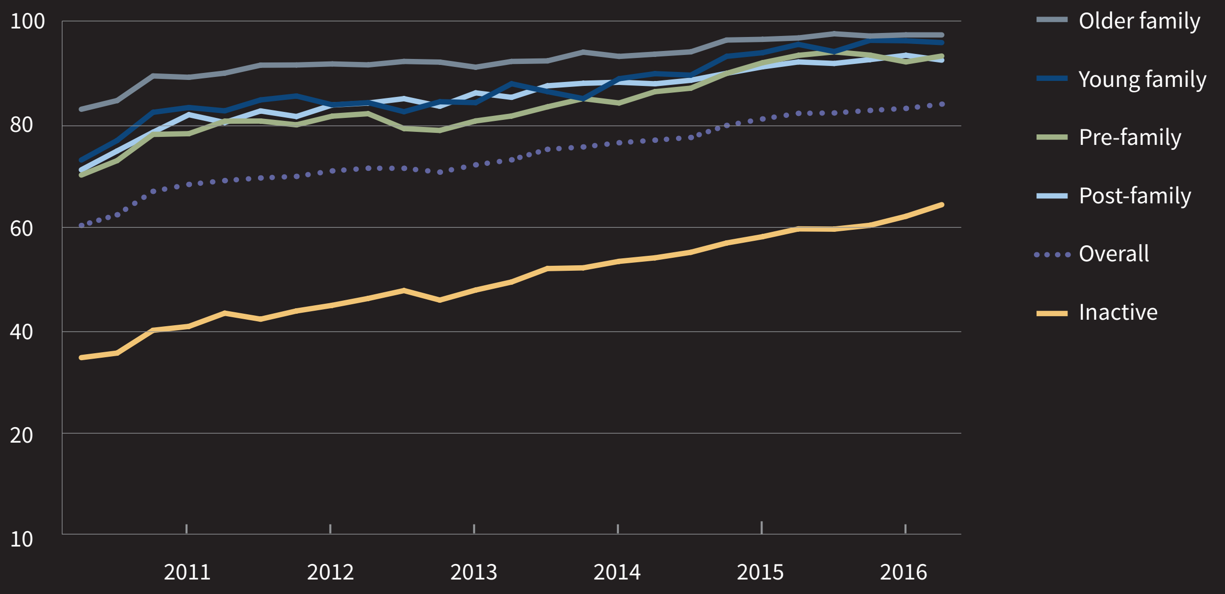
CONNECTED = HAVE A BROADBAND CONNECTION

The widest definition of a connected home is that it has a broadband connection. The Establishment Survey defines a broadband connection as including both fixed and mobile internet access (i.e. access via 3G, 4G or Wi-Fi as well as a fixed line). On this measure, 84% of homes claim to be connected in Q1 2016, up 24% over the six years since Q1 2010.

If we break this overall broadband figure down by lifestage, we can see the huge gap between households in which at least one of the adults is in employment and inactive households where the adults are not in work (i.e. they are either retired or unemployed). Broadband access for this second category remains below 65%, while over 92% of active households have access. Unsurprisingly it is households with older families (i.e. with a child or children aged 4 to 16, and no child under 3) which have the highest rate of access: teenage children need to be able to get online.

UK BROADBAND PENETRATION BY LIFESTAGE GROUP

Q1 2010 - Q1 2016, % households



Lifestage definitions:
***Pre-family:** a household without a child under 16 and where the head of the household is aged between 16 and 44*
***Young family:** a household with a child or children under 3; the household may have other children*
***Older family:** a household with a child or children aged 4 to 16, and no child under 3*
***Post family:** a household with the head of household aged over 45 and working at least 8 hours/week*
***Inactive:** a household with the head of household aged over 45 and working less than 8 hours/week*

CONNECTED = HAVE A CONNECTED DEVICE

It is one thing to have a broadband connection; how many of these households have a device able to use the connection? We are focusing here on devices other than a TV set. The answer is almost 100%, as the chart below demonstrates. In Q1 2016, 99% of households with broadband access also had at least one non-TV device which could be used to connect to the internet, and therefore potentially to watch television.

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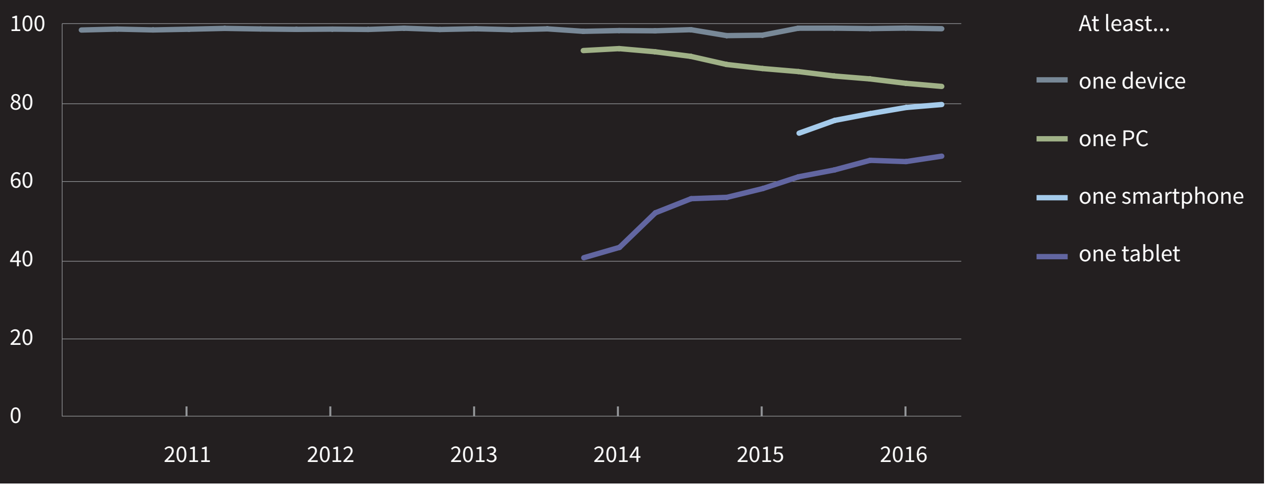
PENETRATION OF NON-TV DEVICES

Q1 2010 - Q1 2016, % broadband households

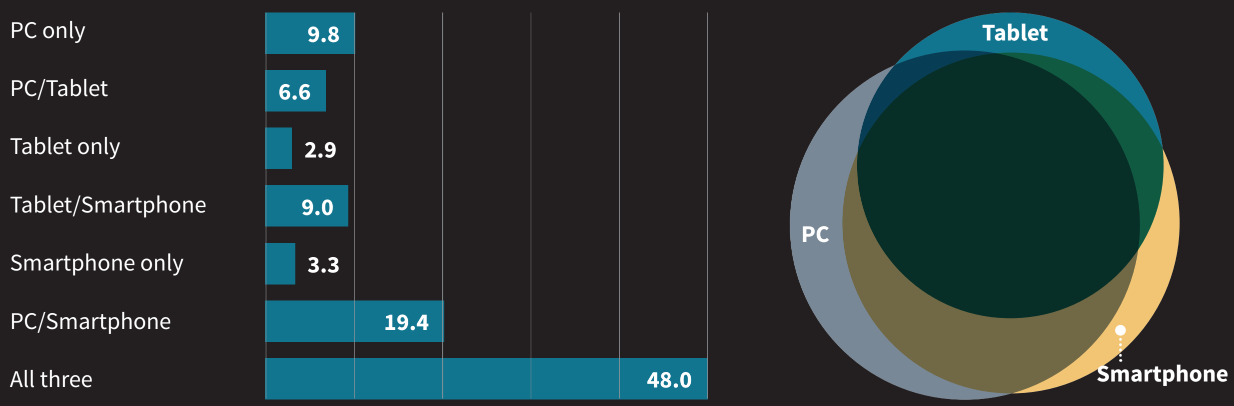


The most common connectable device is a PC; 84% of broadband households had a PC in Q1 2016, 80% had a smartphone, and 67% had a tablet.

We can see how mobile devices (i.e. smartphones and tablets) are gaining at the expense of PCs, which have been in steady decline for two years. However, when we look at how the ownership of different devices overlaps within the household, we can also see that for many people, these devices are complementary: 65% of households with a PC also have a tablet. Even more have both a PC and a smartphone.

OVERLAPPING OWNERSHIP OF NON-TV DEVICES

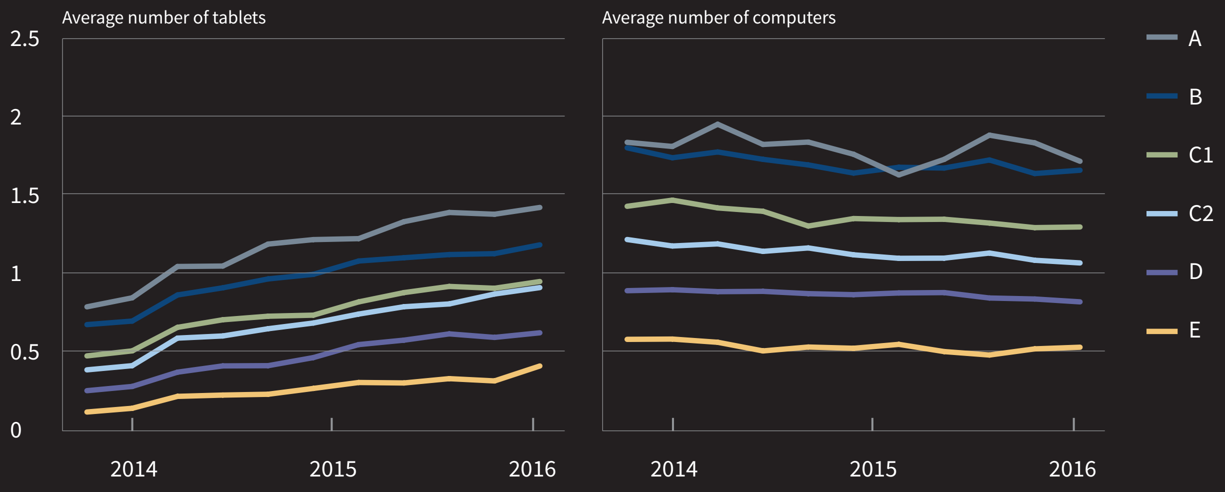
Q1 2016, % broadband households



Non-TV device ownership is closely correlated with both social grade and size of household. The higher the social grade or the larger the household, the more likely it is to have more devices.

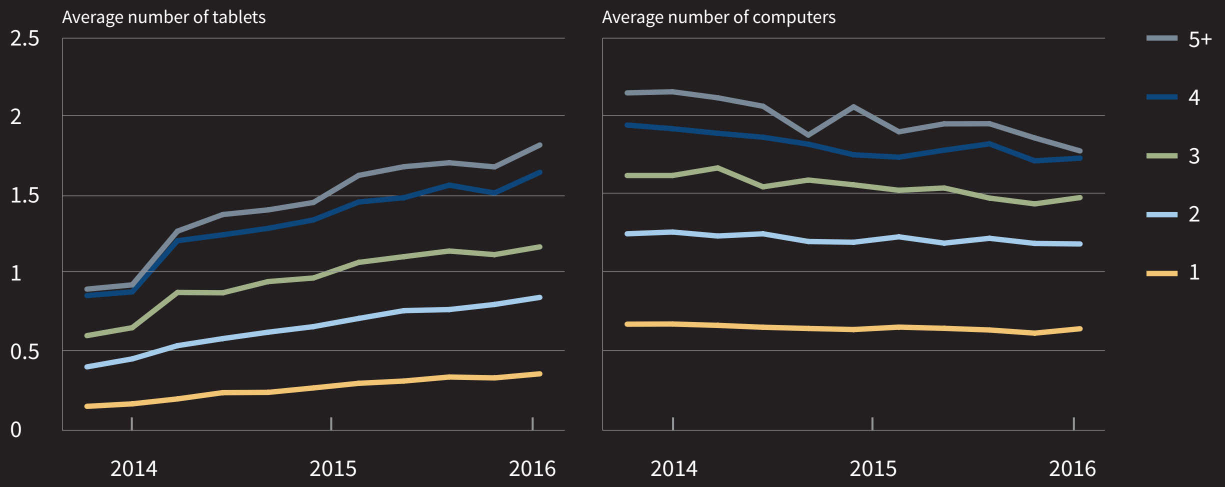
DEVICES PER HOUSEHOLD BY SOCIAL GRADE

Q3 2013 - Q1 2016



DEVICES PER HOUSEHOLD BY HOUSEHOLD SIZE

Q3 2013 - Q1 2016



CONNECTED = HAVE A CONNECTED TV

Our final and most focused definition of connectedness is having a TV which is connected, i.e. it has access to the range of VOD services available from the major UK broadcasters or from other new entrants to the market. Quantifying this is challenging, because there are so many ways in which a TV can be connected to the internet.

Direct connection to the internet: For the past 5-6 years, all the major TV set manufacturers have built their own interactive platforms into their new TVs: Samsung's Smart Hub, LG's Smart TV, Sony's Entertainment Network, and so on. These allow viewers to access VOD services by connecting the TV directly to broadband, either via Wi-Fi or direct connection. These manufacturer platforms are also available on their DVD and Blu-ray players.

Connection to a dedicated internet TV device: There is a wide range of dedicated devices whose purpose is to deliver VOD services to the TV, such as Amazon Fire Stick, Apple TV, Chromecast, Now TV, Roku and many more.

Connection to a computer or tablet: TVs can access VOD services by being connected directly to a PC or tablet device.

Connection to a games console: The major games console brands all have apps which give access to many of the leading VOD services.

Collectively these different types of access are typically referred to as forms of OTT (over the top) delivery. The Establishment Survey asks explicitly about each of these different ways a TV can be connected to the internet.

There is, however, a very important fifth way in which a TV can be connected.

Access via linear TV platforms: All the linear TV platforms provide access to VOD services, with varying levels of penetration. All Virgin Media's TV customers have access to VOD services, as do nearly all YouView customers. All Sky customers with Sky+HD boxes (81% of Sky households) have access to VOD services, assuming they also have broadband access. Among the free platforms, Freeview and Freesat, penetration of the connected version of the platform is much lower: Freeview Play, the connected version of Freeview, only launched in October 2015, so numbers are still very small.

The last means of being connected is more challenging, because viewers tend not to think about the VOD services they access on their main linear platforms as being available because they are connected to the internet. This is despite the fact that the catch-up, short form and subscription services they receive on these platforms are in many cases exactly the same as can be accessed on dedicated devices like Roku and Chromecast.

We can see from the responses to the survey that many viewers do not see their linear platforms as internet-connected: when asked "Can any of your TV sets be connected to the internet?", only 54% of cable households and 57% of YouView households say yes. However, we know that all cable households have access to VOD services, as potentially do the 98% of YouView households which have access to a broadband connection.

This means that to estimate a figure for the number of connected TVs which potentially have access to VOD services, we need to take account of the fact that many viewers do not think of their linear platforms as providing connected access, even though they do. This is testimony to the success of platform operators in designing platforms that make the delivery technology immaterial to the viewer.

For the three platforms which are most connected, we can estimate the maximum number of households which could have access, i.e. they have both the device and broadband capability to do so.

Cable: 100% of cable households have access to VOD services as part of their TV service, even if they do not have access to broadband as well.

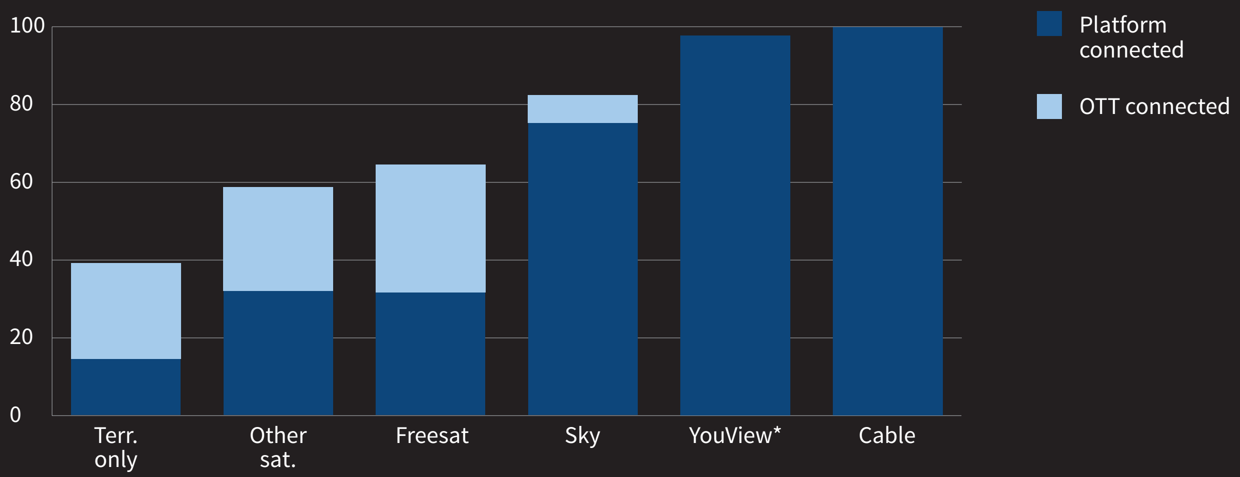
YouView: All YouView households with a broadband connection (98% of the total) potentially have access to VOD, both via YouView's backwards EPG and via dedicated VOD apps on the platform.

Sky: All households with a Sky+HD box and a broadband connection (77% of the total) potentially have access to VOD. In addition, some of the households which do not have a Sky+HD box will have access via one of the four other routes.

To estimate a figure for the total number of TVs which can be connected, we look at each platform separately. The percentages used for each platform to calculate the number of internet-connectable TVs are set out in the chart below. We use the figures above for households with cable, YouView and Sky. Freeview Play, the connected version of Freeview, only launched in October 2015, so numbers are still relatively small.

ESTIMATED CONNECTED TV PENETRATION BY LINEAR PLATFORM

Q1 2016, % households with platform type

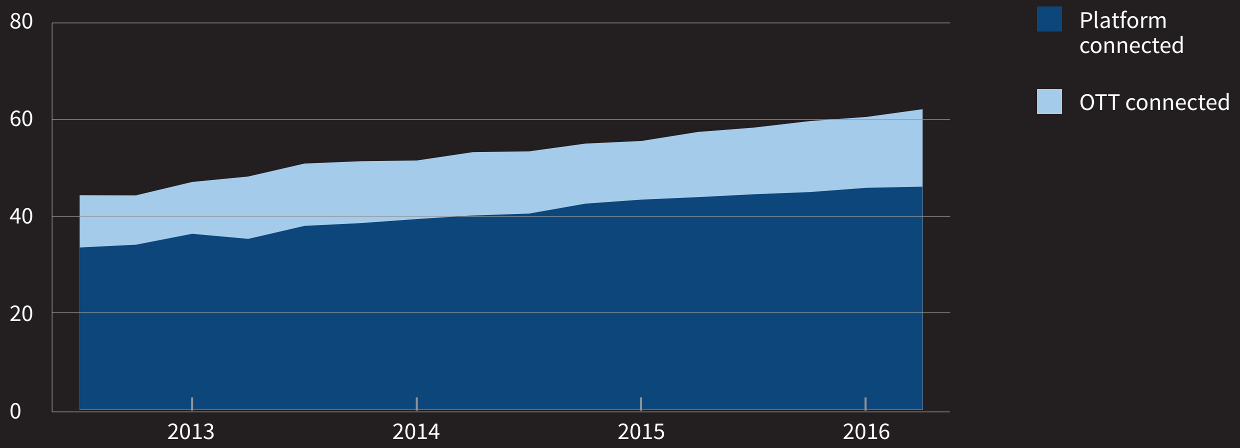


Terrestrial only, other satellite and Freesat: OTT connected includes households claiming an internet connection for their TV via a direct connection to the internet, a dedicated set-top-box, a games console or a PC/tablet. Platform connected includes overlap households that have a connection to the internet via a Sky+HD, YouView or cable TV platform. Sky: Platform connected includes homes with an active Sky subscription, broadband access and a Sky+HD set-top-box. OTT connected includes homes with a Sky subscription and broadband access that also claim an internet connection for their TV. OTT connected excludes Sky households with a Sky+HD set-top-box YouView: Platform connected includes all YouView, BT TV and TalkTalk homes with a broadband subscription.
Cable: Platform connected includes all cable households.
** YouView includes BT TV and TalkTalk TV homes*

Using this approach, the chart below shows the total estimated penetration of households with connected TVs over the past four years. The analysis suggests 63% of UK households currently have a TV set which can potentially be connected to broadband-delivered VOD services.

ESTIMATED CONNECTED TV PENETRATION

Q2 2012 - Q1 2016, % households



The chart demonstrates the imbalance in connectivity between the free and pay sides of the market: the platform connected households in the chart above are all on pay platforms, while the OTT connected households are using free-to-air platforms or a complementary device. Over the next few years, the growth in connected TVs is likely to come predominantly from households using free-to-air linear platforms.

From a content owner's point of view, it also shows what they stand to lose in terms of audience reach on TV sets by adopting an OTT-only distribution strategy which does not take advantage of platform-based connected access. In Q1 2016, 46% of UK households had connected access on their TVs via their pay platforms; only around 60% of these households, or 27% of total households, claimed to have access via OTT delivery methods.

DEMOGRAPHICS: THE STATE OF THE NATION

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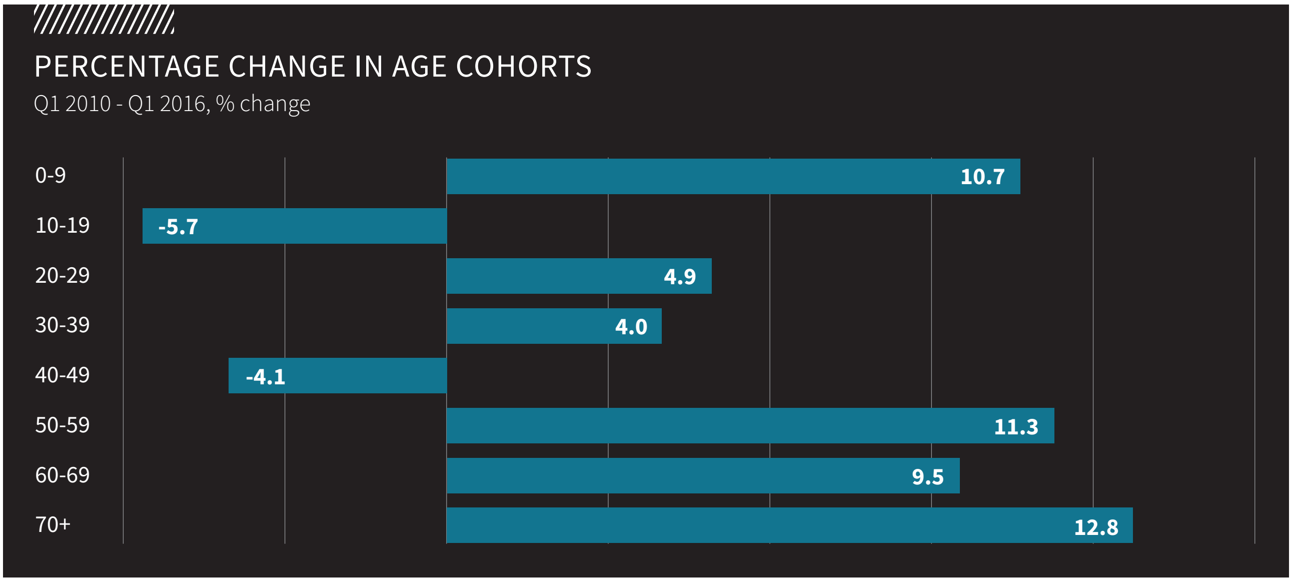
The Establishment Survey provides a rich source of information about the UK's demographic makeup and household composition. The data indicates how the proportion of the population that is over 60 has grown, and is likely to continue to grow. It also shows that households are slowly becoming more complex and more likely to be multi-generational. Falling unemployment may have played a part in the reduction in viewing we have seen in recent years.

AGE AND GENDER

We read a lot about our ageing population. The Establishment Survey shows us how the UK is growing older: the fastest growing age groups are those over 50. The 70+ cohort has grown 13% since 2010, more than any other age band. People over 60 now comprise 23.1% of the total population, compared with 22% in Q1 2010.



Increasing life expectancy is a significant factor in the ageing of the population profile. Another major contributory factor is the ripple effect of the post-war baby boom. The UK birth rate spiked dramatically straight after the war. Birth rates dropped back briefly in the late 1940s, but then started to climb again in the late 1950s to peak once more in the mid-1960s. Rates only began to drop again in the early 1970s. The increase in the 50-59 and 60-69 year-old cohorts shown above is the impact of the 1960s demographic wave passing through. If we focus on the age group over 60, the wave will not abate until the early 2030s. The grey audience is likely to continue to grow for the next 15 years at least.

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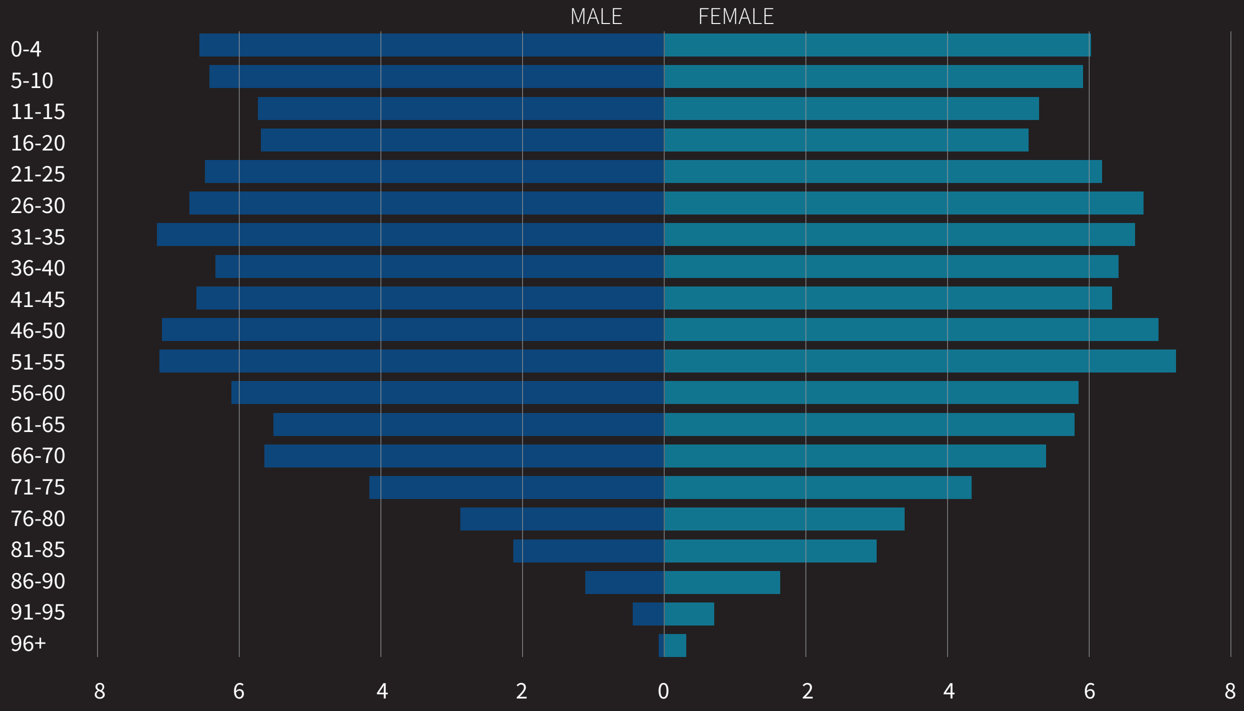
POPULATION BY AGE COHORT

Q1 2016, % total population

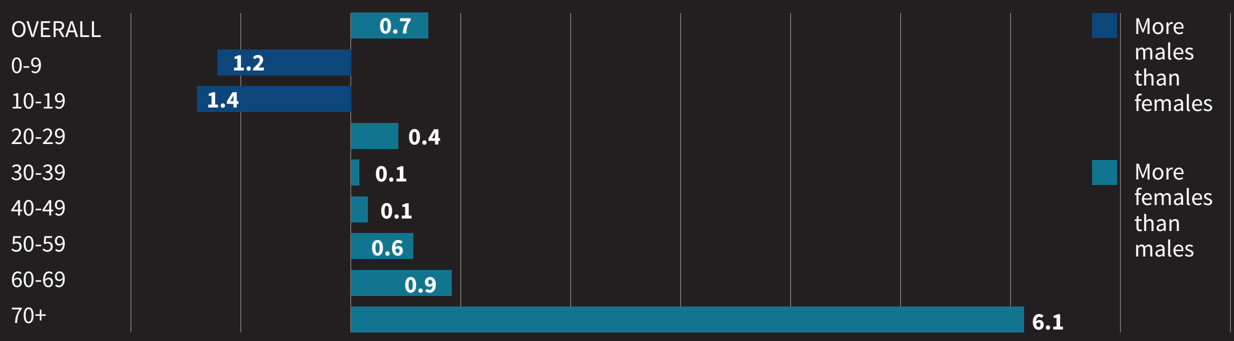


Older viewers have more time to watch television and are less readily beguiled by the charms of social media, so in terms of television viewing habits, this is likely to mean more hours spent watching television, and a continuing search for programming which will appeal to the tastes of an older audience.

Female life expectancy is significantly longer than male (according to ONS, female life expectancy is currently 83.2 years, while male expectancy is 79.5 years). This means that older population cohorts contain a significantly higher percentage of women than men. Birth rates for men are slightly higher than for women (1.05:1), so for the 0-9 and 10-19 groups there are more males than females.

GENDER SPLIT BY AGE GROUP

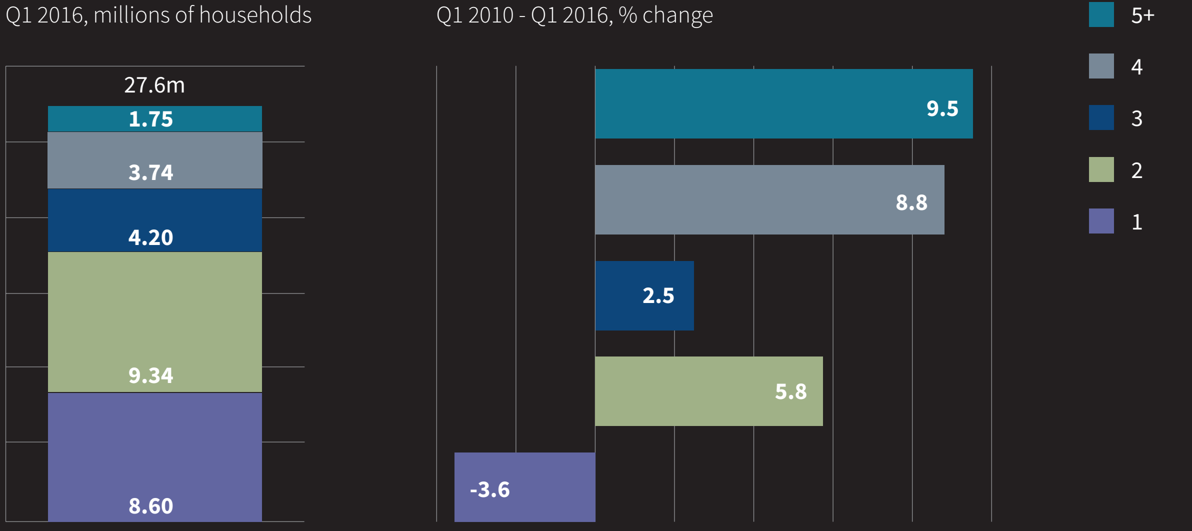
Q1 2016, percentage points difference from 50:50



HOUSEHOLD COMPOSITION

The Establishment Survey is particularly helpful in offering insight into changing demographics at a household level. The number of households is growing slowly but steadily, in line with growth in the overall population. Growth in the number of households has come from larger households in particular. This means the average number of people per household has increased from 2.28 to 2.33 since 2010; however, households with either one or two members (i.e. below the average) comprise nearly two thirds (65%) of the total.

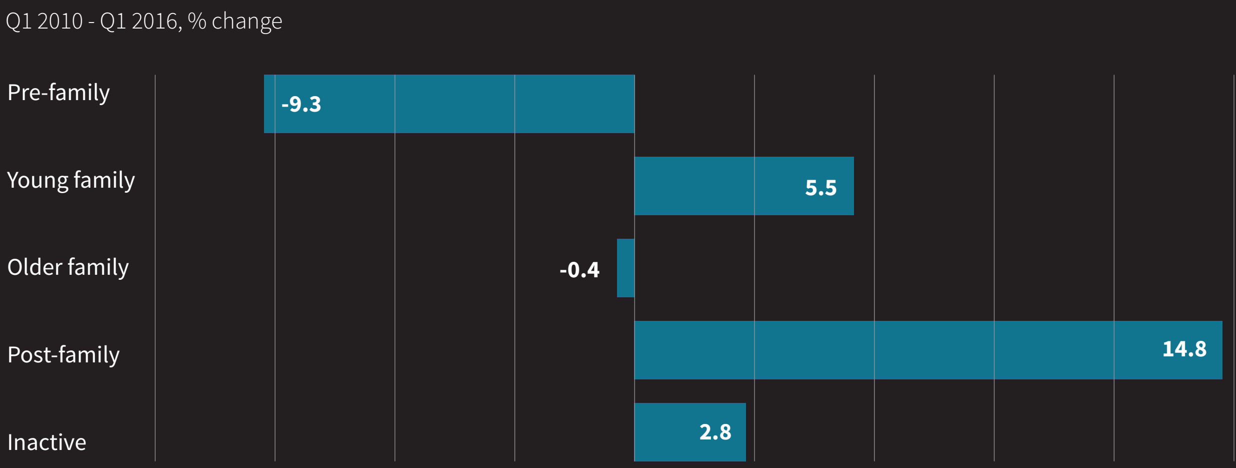
UK HOUSEHOLDS BY NUMBER OF OCCUPANTS



**Figures for the change in the number of 1 and 2 person households are affected by revisions to the ONS estimates which are used as weights to calculate national totals on the basis of the Establishment Survey results*

One of the factors driving the growth in larger households is children staying longer at home. We can see this in the Establishment Survey results when we look at how the universe of households is changing according to lifestage: the greatest increase is in post-family households, i.e. households where the head of household is over 45 and in employment, and there are no children under 16.

CHANGE IN NUMBER OF HOUSEHOLDS BY LIFESTAGE



According to the Office for National Statistics (ONS), the proportion of 15-34 year olds living with their parents increased from 36% to 40% between 1996 and 2015. The same trend can be seen in the growth in multi-family households: for example, a home in which the daughter has stayed with her parents and her partner has moved in with her. This is the fastest growing type of household in the ONS classification, growing by 50% between 2005 and 2015. They are still, however, a small proportion of total households, accounting for just one in a hundred.

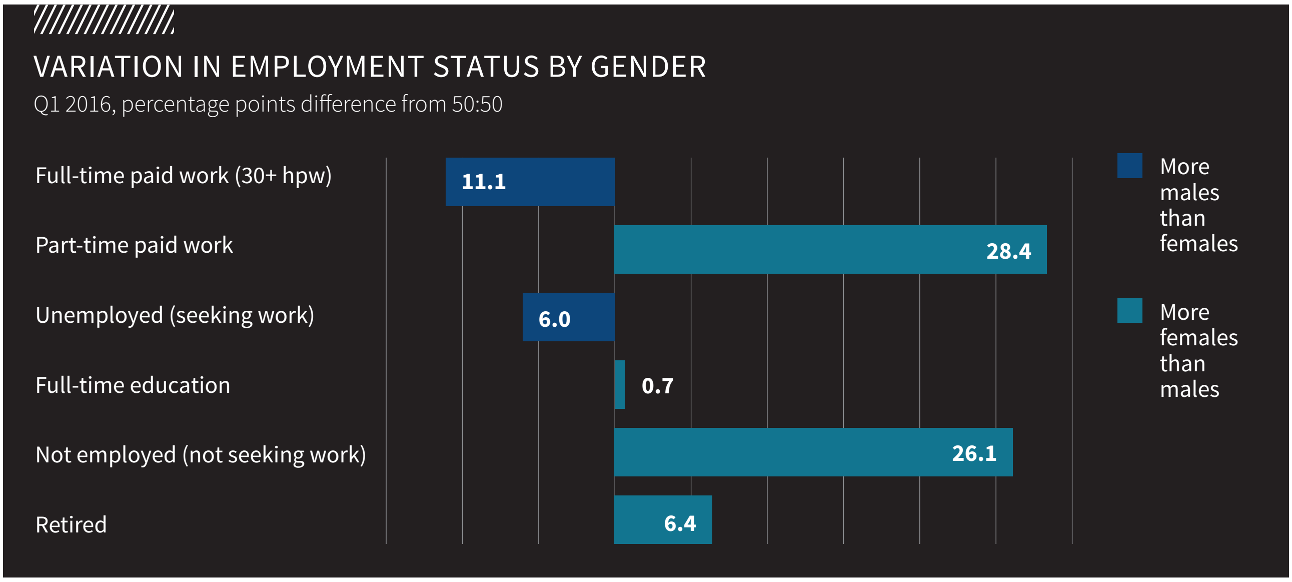
The growth in multi-generation households is likely to be caused in part by the increasing challenges young people face getting on the property ladder, particularly in regions like London and the south where property prices have significantly outstripped income growth.

More independent teenagers/young adults in the home may mean there are more pointed debates about who controls the remote. Alternatively, this could be the catalyst for households to watch different programmes simultaneously on a variety of screens. It is one more reason for platforms and channel providers to make programming seamlessly available across multiple devices.

EMPLOYMENT STATUS

The Establishment Survey can also tell us about patterns of employment. One striking feature of the employment landscape is the variation by gender.

The majority of those in full-time work or actively seeking work are male; the majority in part-time work, not seeking work or retired are female. The only category where the sexes are nearly equally balanced is people in full-time education. The chart below shows the variation from a 50:50 gender distribution (the actual gender split in Q1 2016 is 50.7 female: 49.3 male).



If we break down the employment figures by age, the source of the variation becomes clearer. The proportion of women in full-time paid work actually decreases between the ages of 35 and 44, when it is at its highest for men. For this age group, women are just over half (59%) as likely to be in full-time employment. By contrast, between the ages of 35 and 44, women are 8 times more likely to have a part-time job than men of the same age.

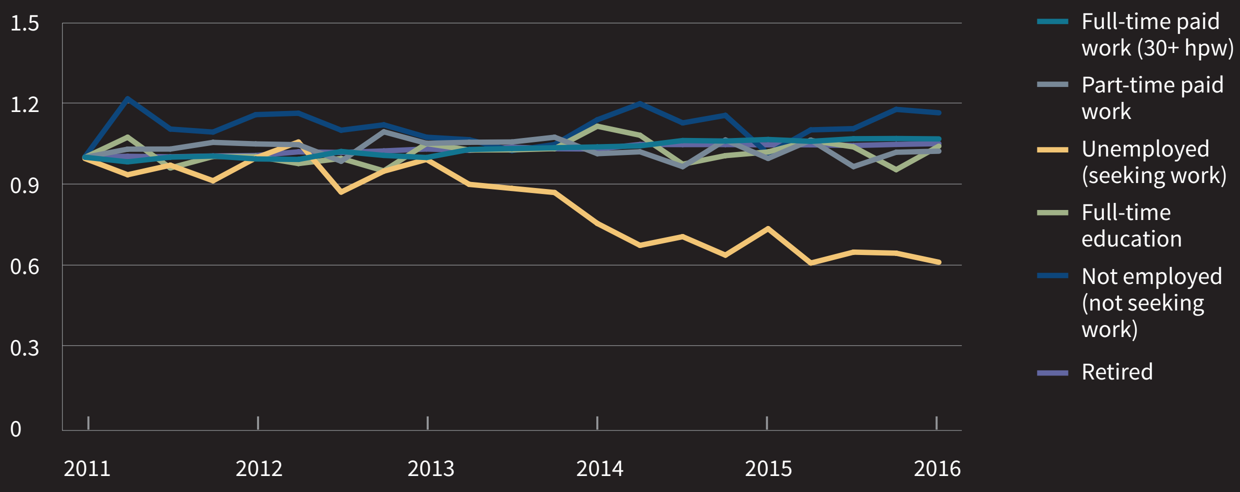
Women tend to retire earlier: 30% of women categorise themselves as retired age 55 to 64, compared to 20% of men. However, ONS figures tell us that the number of people (both men and women) aged under 65 who are retired is falling steadily. It has declined by 27% since 2011, as people prepare for a future in which their working lifespan stretches out longer.

The pattern of employment has changed significantly over time. If we index employment status since Q1 2011 (a change in the questionnaire at the end of 2010 means we cannot compare results looking further back), the past four years have seen a steady upward trend in full-time paid employment for both men and women. According to the ONS, the rate of employment is now at its highest since the early 1970s, when figures began to be collected on their current basis. This has been matched by a parallel reduction in the numbers unemployed.

For men, there was a one-off increase in the number of unemployed not seeking work during early 2011. This finding may be influenced by changes that were made to the Jobseeker's Allowance by the coalition government in 2011; these placed greater emphasis on people's ability to demonstrate that they were actively seeking work.

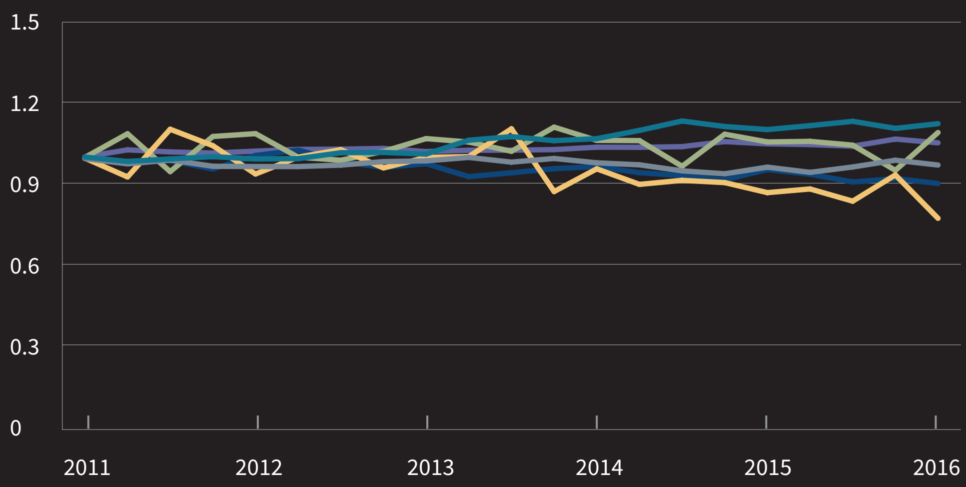
MALE POPULATION BY WORKING STATUS, INDEXED

Q1 2011 = 1.0



FEMALE POPULATION BY WORKING STATUS, INDEXED

Q1 2011 = 1.0



People in work have less time to watch television, so the increase in employment is likely to have contributed to the reduction in total television viewing we have seen in the recent years.

MARITAL STATUS

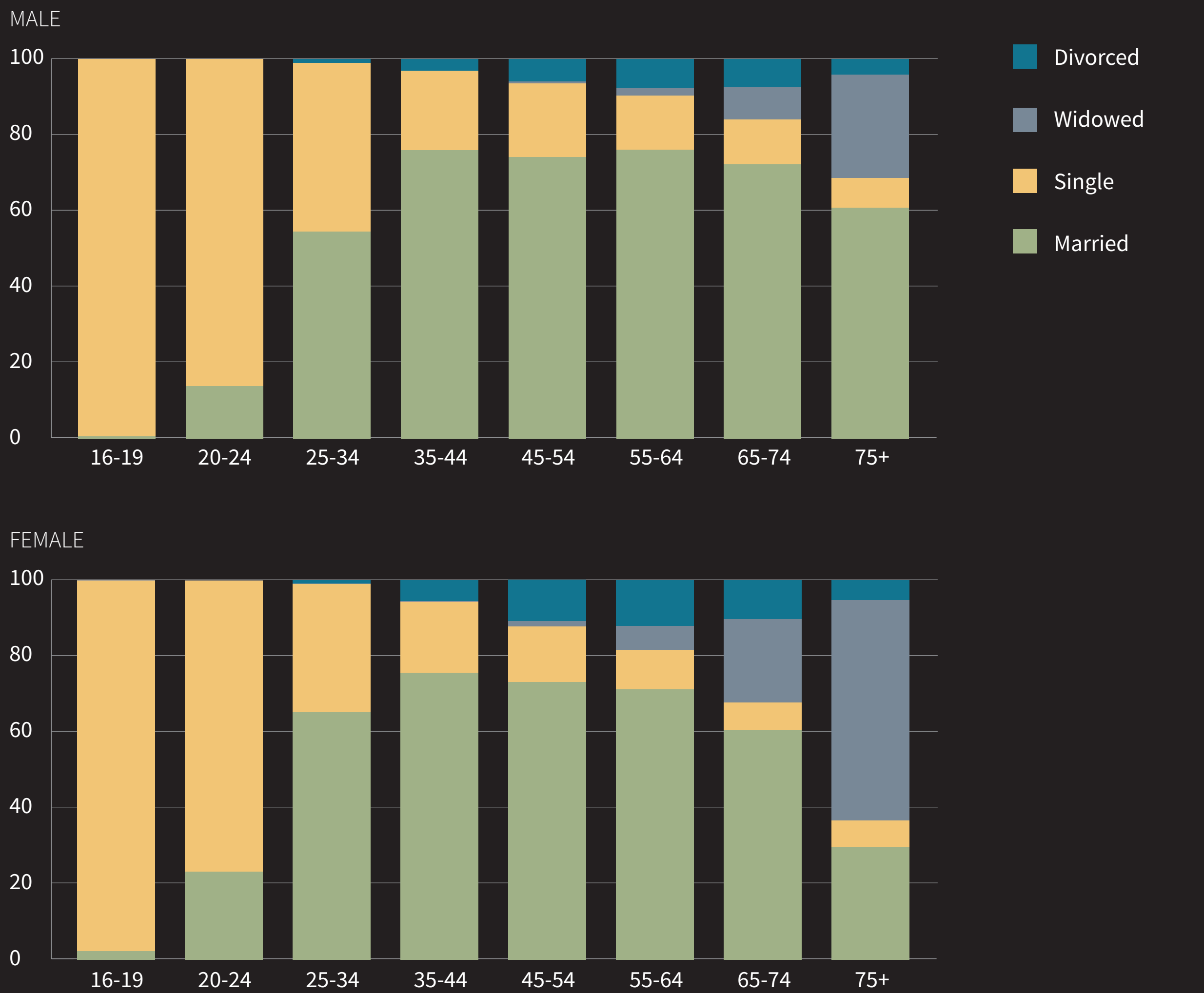
If we look at the age profile of the male and female population by marital status, we can see there are significant differences between men and women at either end of the age spectrum.

For the age groups below 35, a higher proportion of women are married. Women tend to get married younger than men: according to the ONS, the mean age at marriage is about 2.5 years younger for women than for men (34.3 years for women vs. 36.7 years for men in 2013, the most recent year available). This is because men tend to marry younger women; this is a consistent pattern which the ONS can trace back to the 1970s.

For older, 65+ age groups, a higher proportion of men are married. Men tend to die earlier, leaving a significantly higher proportion of women widowed.

UK POPULATION (16+) BY GENDER, AGE AND MARITAL STATUS

Q1 2016, % by age group



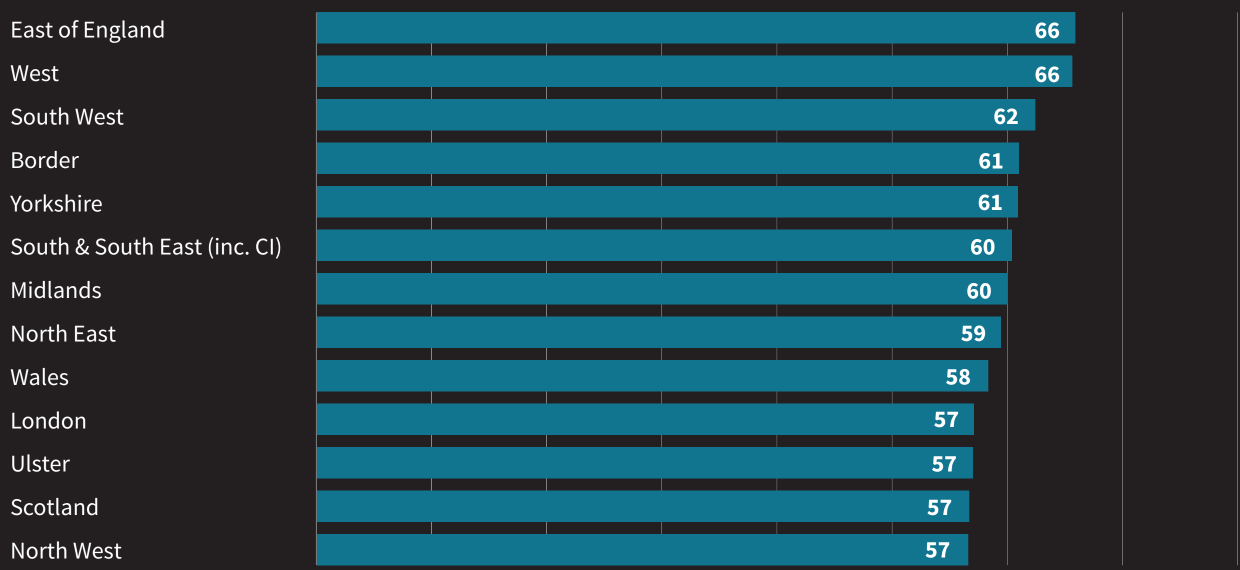
**Notes: Married includes living as married; widowed covers both men and women; divorced includes separated*

The overall proportion of the adult population over 16 which is married or living as married has remained broadly unchanged over the past five years, at just below 60%. We know from the ONS that the rate of formal marriage has been relatively stable over this period, although in the longer term, rates of marriage have been declining steadily: the rate of marriage per thousand unmarried people has declined from its post-war peak around 70 in 1970 to just over 20 today, a drop of nearly 70%. However, rates of cohabitation (i.e. living as married) have increased, so the impact on household formation has not been as marked as the formal marriage statistics might suggest.

There are significant regional variations in the number married or living as married: in Q1 2016, adults were nine percentage points more likely to be married/cohabit in the West and East of England than they were in London, which has the lowest rate of marriage/cohabitation in the country along with Ulster, Scotland and the North West.

MARRIED* PEOPLE AS A PROPORTION OF 16+ ADULT POPULATION, BY REGION

Q1 2016, %



**Married includes living as married*

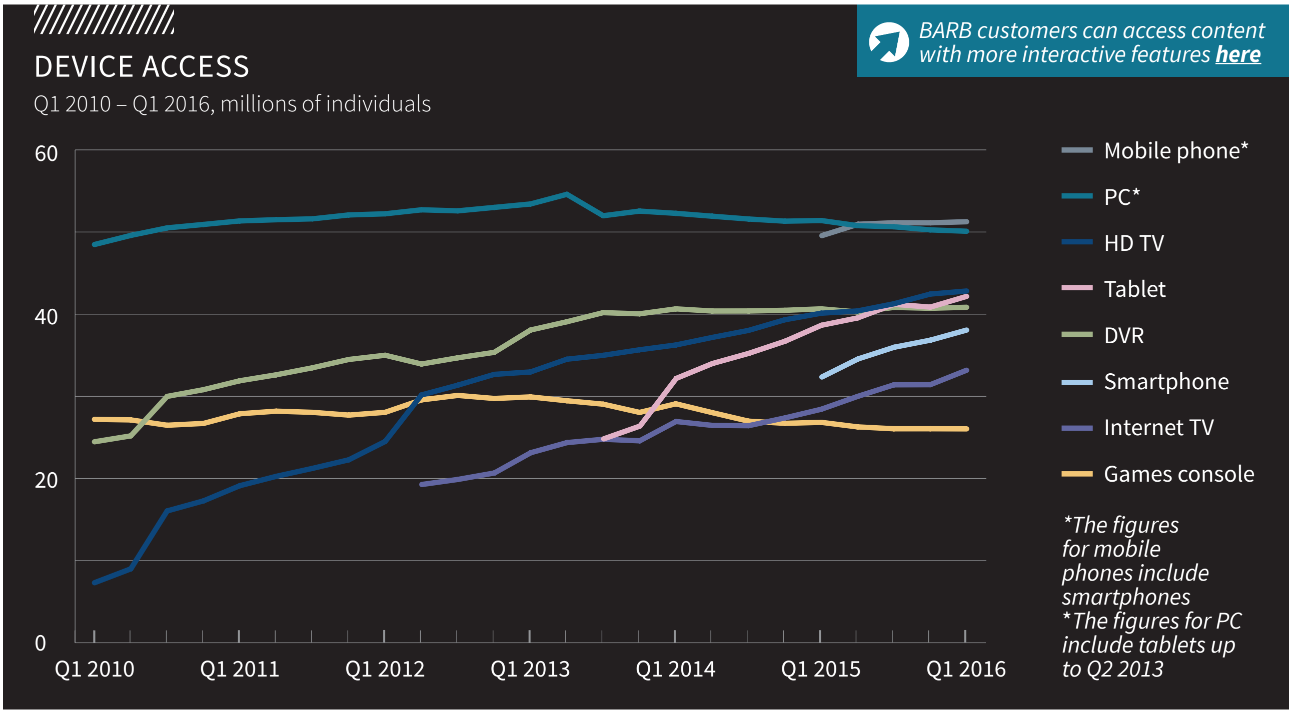
TV LANDSCAPE TRACKERS

The UK Television Landscape Report will track key metrics which define the TV landscape over time. The trackers will 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?

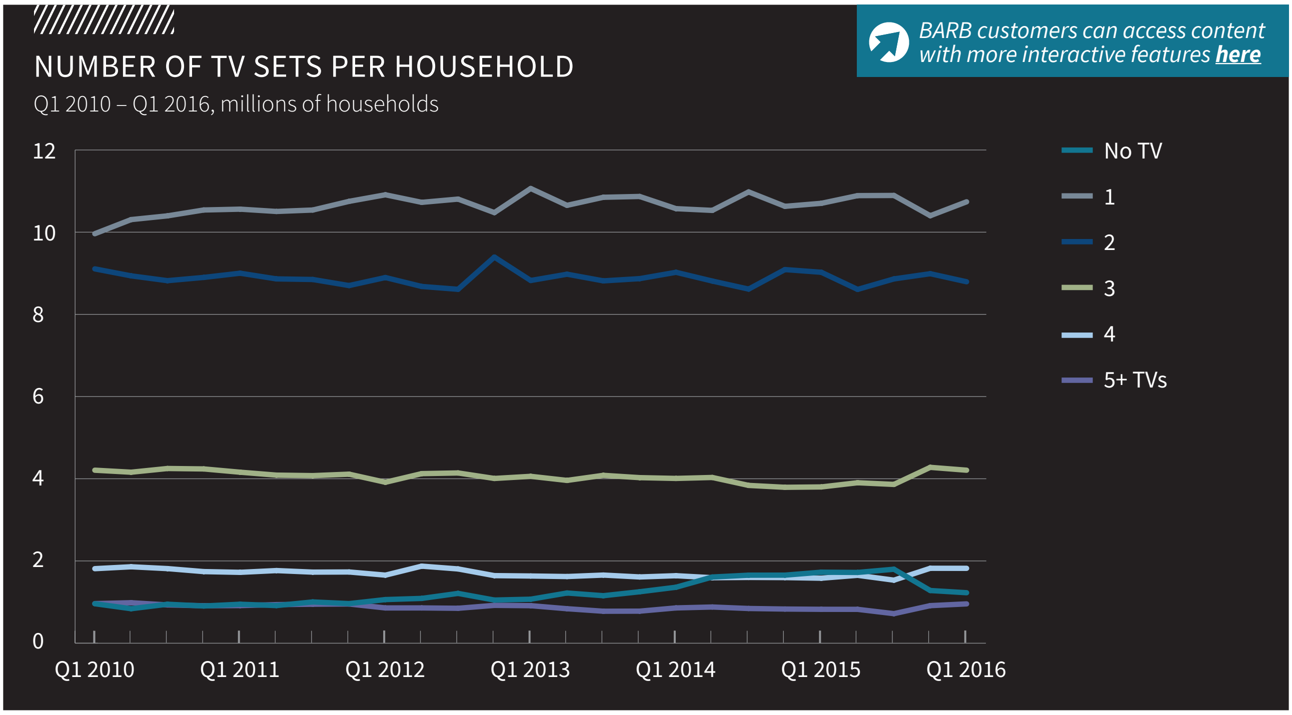
DEVICE ACCESS

BARB customers can access content with more interactive features **here**



The figures for Q1 2016 show a continuing rise in access to smartphones, alongside renewed growth for tablets and TVs, after both faltered at the end of 2015. Games consoles continue at a stable level after a period of longer-term decline. DVRs are stable too; neither consoles nor DVRs appear to have received a Christmas boost.

NUMBER OF TV SETS PER HOUSEHOLDS



The number of TV sets per household is a measure of the British public's continuing fascination with the television experience. The figures have been very stable, albeit with a slight long term decline in the number of households with three or more TV sets.

The definition of a working TV set changed at the end of 2015; sets which respondents claimed had not been used to watch television over the past six months and sets for which respondents could not specify the means of reception (cable, satellite, terrestrial, etc.) are now included. 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 one TV and a small decrease in the number with two.

SUBSCRIPTION VOD

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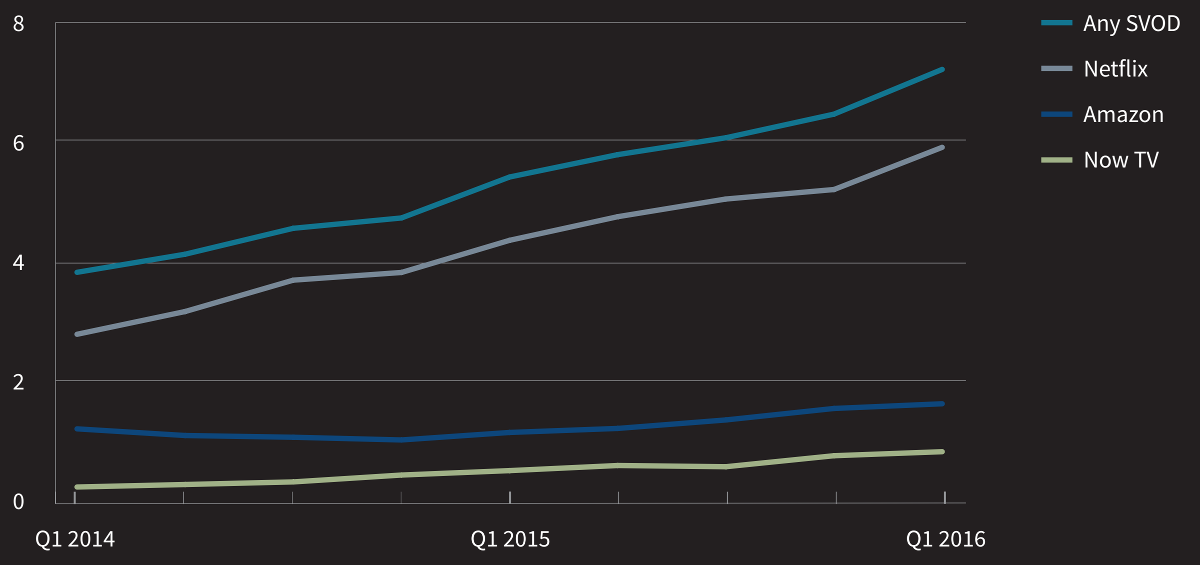
SUBSCRIPTION VOD HOUSEHOLDS

Q1 2014 – Q1 2016, millions of households



The number of households claiming access to subscription VOD continues to grow strongly, perhaps driven by Christmas sales. Approximately 750,000 more households claimed to gain access to an SVOD service in the last quarter, the highest absolute growth since BARB's measurement began.

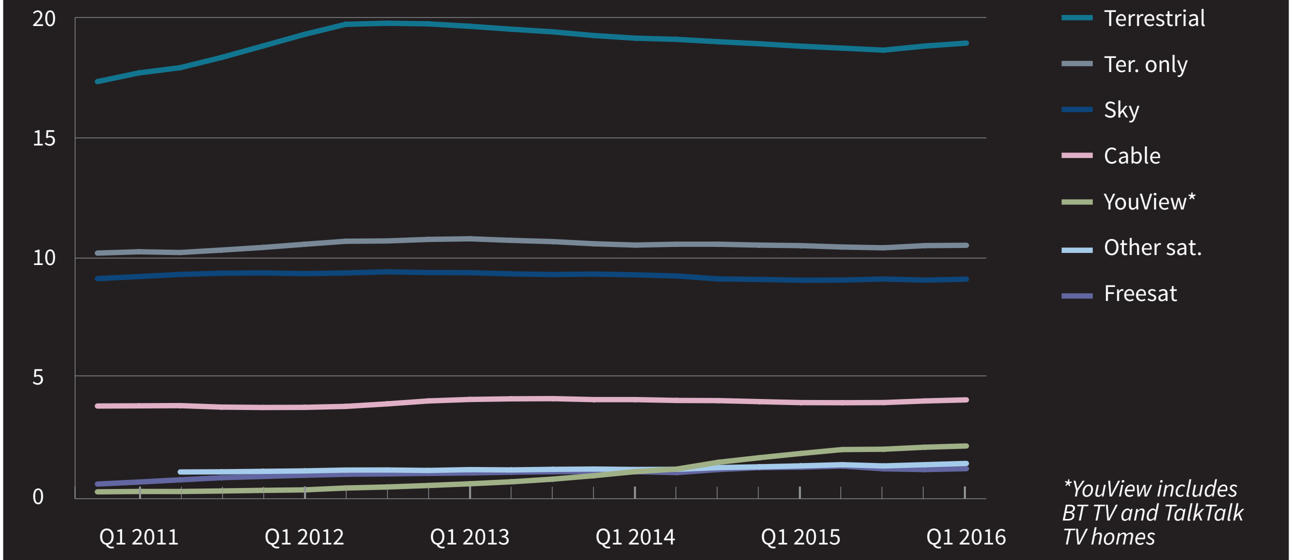
Netflix is the driving force behind SVOD growth: 82% of SVOD homes have Netflix and it accounted for 94% of the growth in Q1 2016. We discussed the growth in Netflix and other SVOD providers in the Q4 2015 issue of the TV Landscape Report. The full article is **here** .

RECEPTION TYPE

BARB customers can access content with more interactive features **here**

UK TV HOUSEHOLDS BY RECEPTION TYPE

Q4 2010 – Q1 2016, 4 quarter moving average, millions of households



*YouView includes BT TV and TalkTalk TV homes

This tracker focuses on the platforms viewers use to watch linear TV. The platform categories used are as follows.

Cable: households 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 who 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. This does not include Now TV households who do not 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 who 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.

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