Note: These are preliminary top level survey results only. More complete data & analysis will be released later in the year by ACMA

Digital media in Australian homes research

DTTB findings

Conducted for ACMA

by Eureka Strategic Research

August 2005

Australian Communications and Media Authority, Sydney, 17 August 2005

Presentation to the House of Representatives Standing Committee on Communications, Information Technology and the Arts: Inquiry into the uptake of digital television in Australia.

This presentation

- Background and objectives
- Methodology
- Sample characteristics
- DTTB overview
- DTTB households in Australia
- Non-adopter households in detail
- DTTB adoption/intention segmentation
- Summary and conclusions

Background and objectives

- Eureka Strategic Research commissioned by the ABA/ACMA in March 2005 to conduct community research on digital media in Australian households
- The purpose of the research was to understand...
  - how people are moving to digital media platforms (take-up)
  - the drivers and inhibitors to the adoption of digital terrestrial television
  - community perceptions of digital media (awareness and satisfaction)

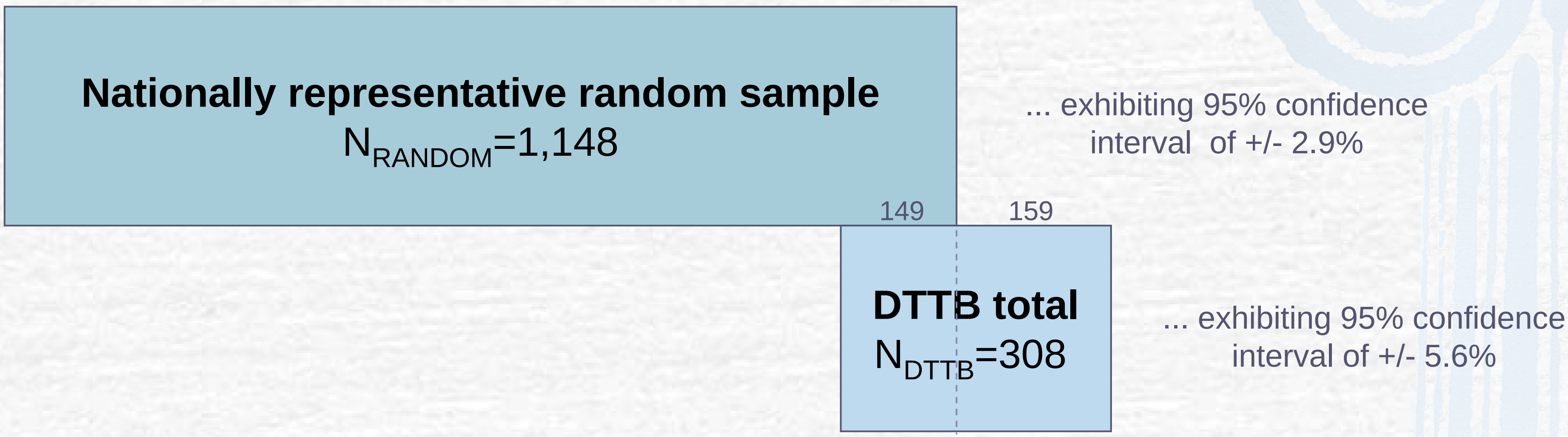
Today… the focus is on findings relating to free-to-air digital terrestrial television (DTTB), contrasting adopter households' motivations and experiences with expectations and intentions of non-adopter households

Methodology

- Robust survey methodology mandatory, but which information collection approach best suited to this research problem's characteristics?
  - 'normal' Australian households... with spotlight on low-incidence segments
- 'Representativeness' the key goal... *where Australia stands and is heading in regard to DTTB*
- White Pages most representative sampling frame for Australian households
  - simple random sampling ensures each listed household has an equal chance of being asked to participate
  - large overall size ensures we can drill-down into lower incidence groups with a high degree of statistical precision
- Specifically, computer assisted telephone interviewing 13 June – 16 July
  - once random sample target was attained, fieldwork continued until targets reached in low-incidence 'booster' groups (DTTB and Digital Pay TV)
  - only change to survey instrument was inclusion of additional screening up-front
  - in all, 10,675 calls were made to households across Australia over this period

Sampling procedure

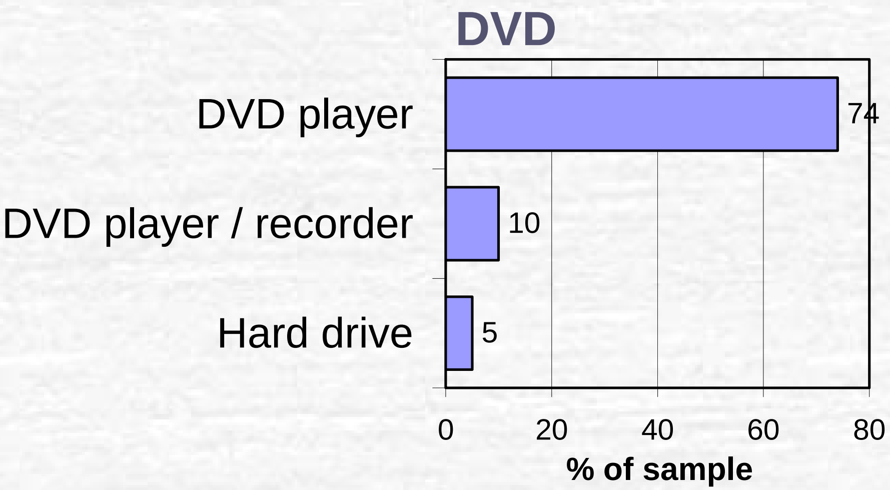
- Primary screening question: *Does your household have a television?*
  - followed by "*I need to speak with someone in your household who makes decisions or contributes to making decisions about the purchase of items such as televisions. Are you 16 years or over and a decision-maker in regard to this type of item?*"

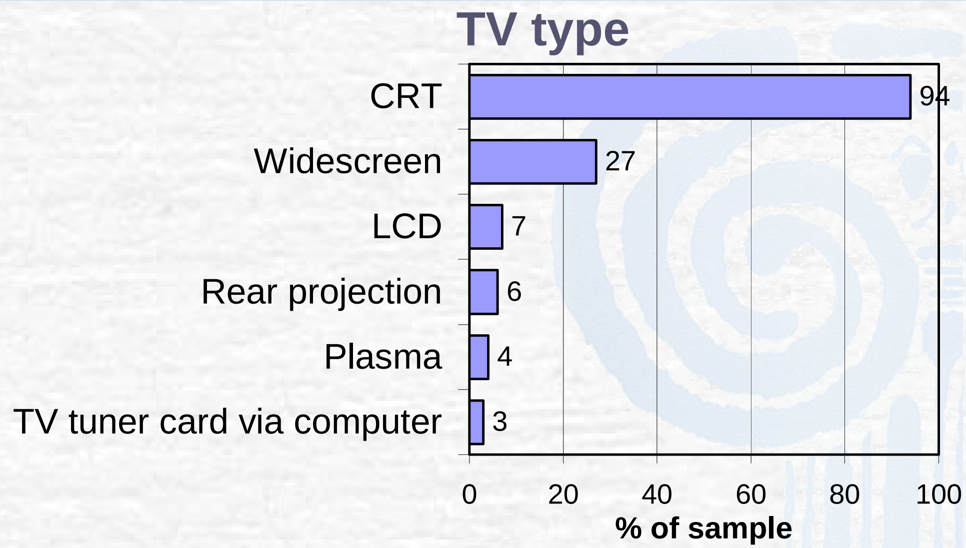


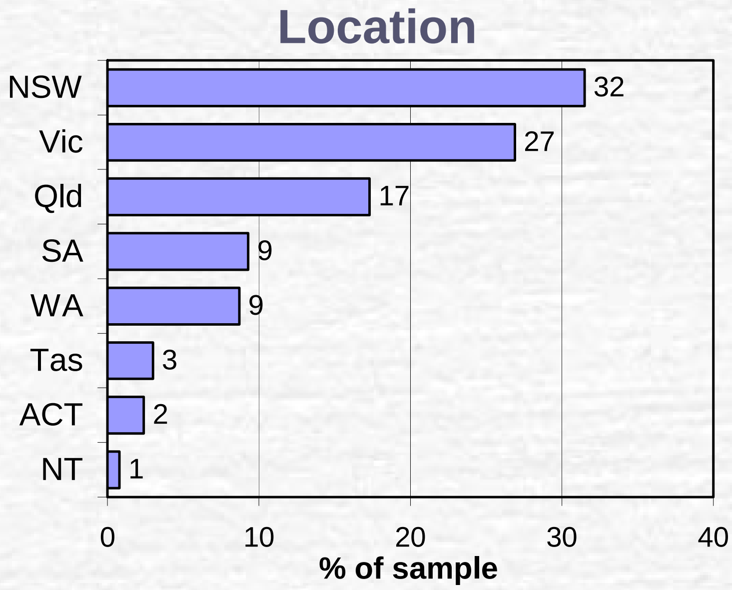
- Two <u>representative</u> samples that can address key insight objectives...
  - overall penetration
  - nature of expectations/knowledge/barriers faced by non-adopter households
  - drivers, satisfaction and behaviours among adopter households

Sample characteristics

Some characteristics of the random sample of households...







Language: 12% with language other than English spoken in household

H'hold set-up: 30% with children (16 and under)

Disability: 13% with household member with disability

Subscription TV: 24% overall, 13% digital

Internet: 67% overall, 26% broadband

- DTTB households differed in a number of respects... (slide 11)

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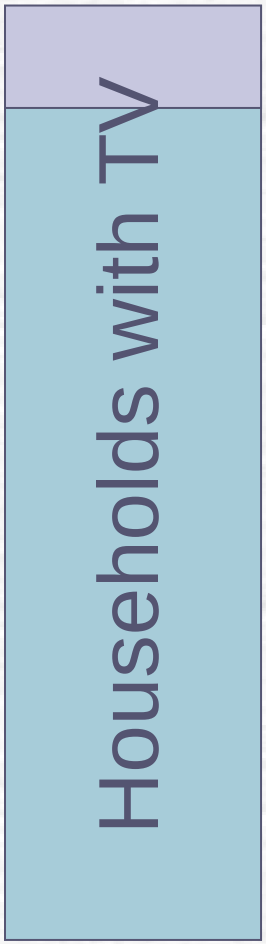
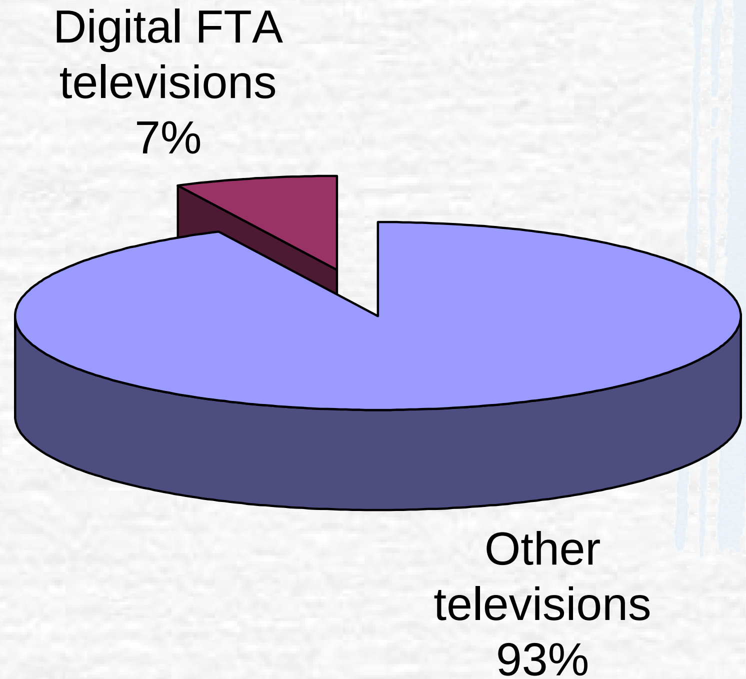
DTTB in Australia snapshot



13% receive DTTB

72% of these households have 1 set/display device that receives DTTB, 28% have 2+...

Stocktaking... of the 2,608 televisions in the random sample, 185 are DTVs

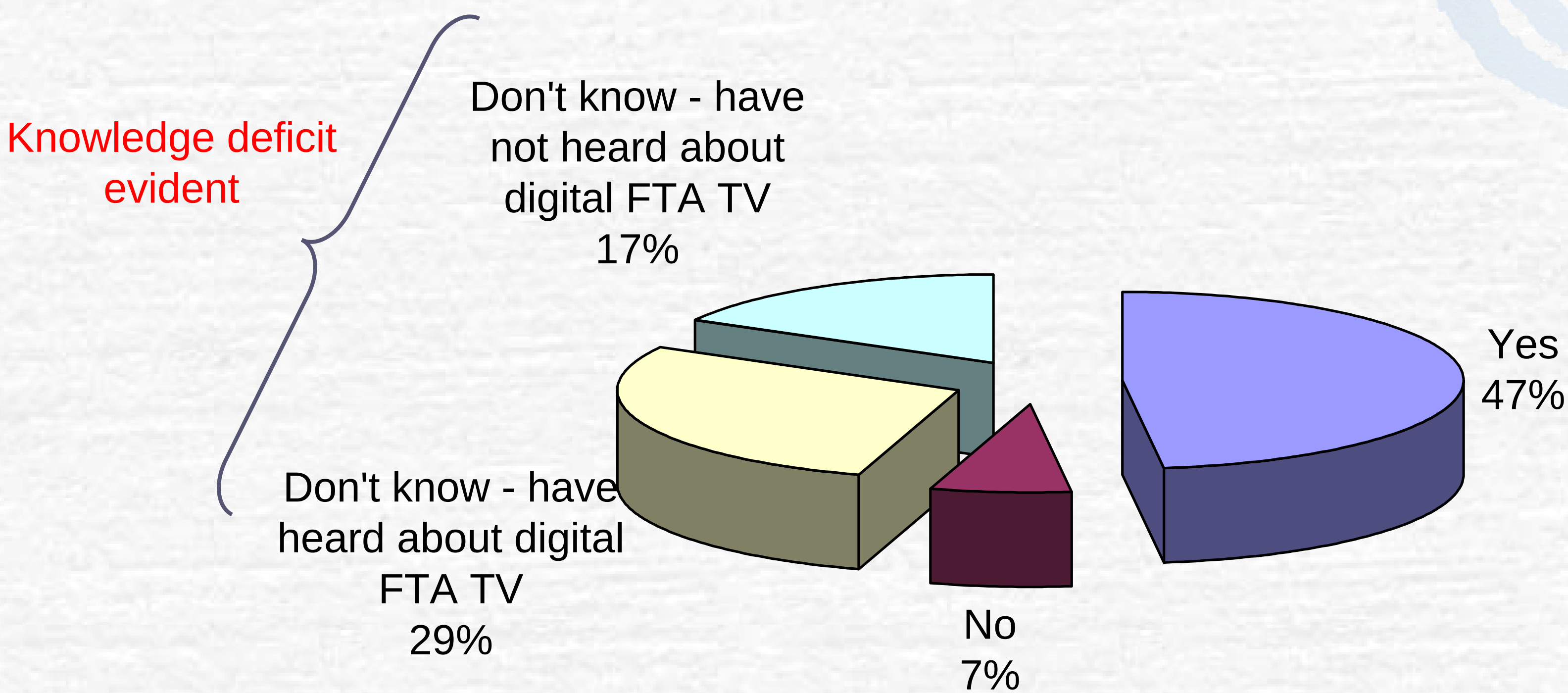


Base: All households in random sample, n=1,148

DTTB availability perceptions

Non-adopters

- *As far as you are aware, is digital free-to-air television available to households in your area?*
  - *(if don’t know) have you heard about digital free-to-air television?*



Base: Households without DTTB, n=999

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DTTB sample

- Comprised of N_{DTTB}=308
- Consistently sampled, no sampling bias
  - scarce people collected prudently within $ resources available... representativeness the overriding concern
  - yields 95% CI of +/- 5.6%... level of statistical precision not possible with non-random sampling
- Characteristics – some statistically significant differences (DTTB households vs non-adopter households)

More likely to have children under 16 in household (39% vs 29%)

More likely to have household gross income >$100,000 pa (21% vs 11%)

[and less likely to have household gross income <$30,000 pa (9% vs 24%)]

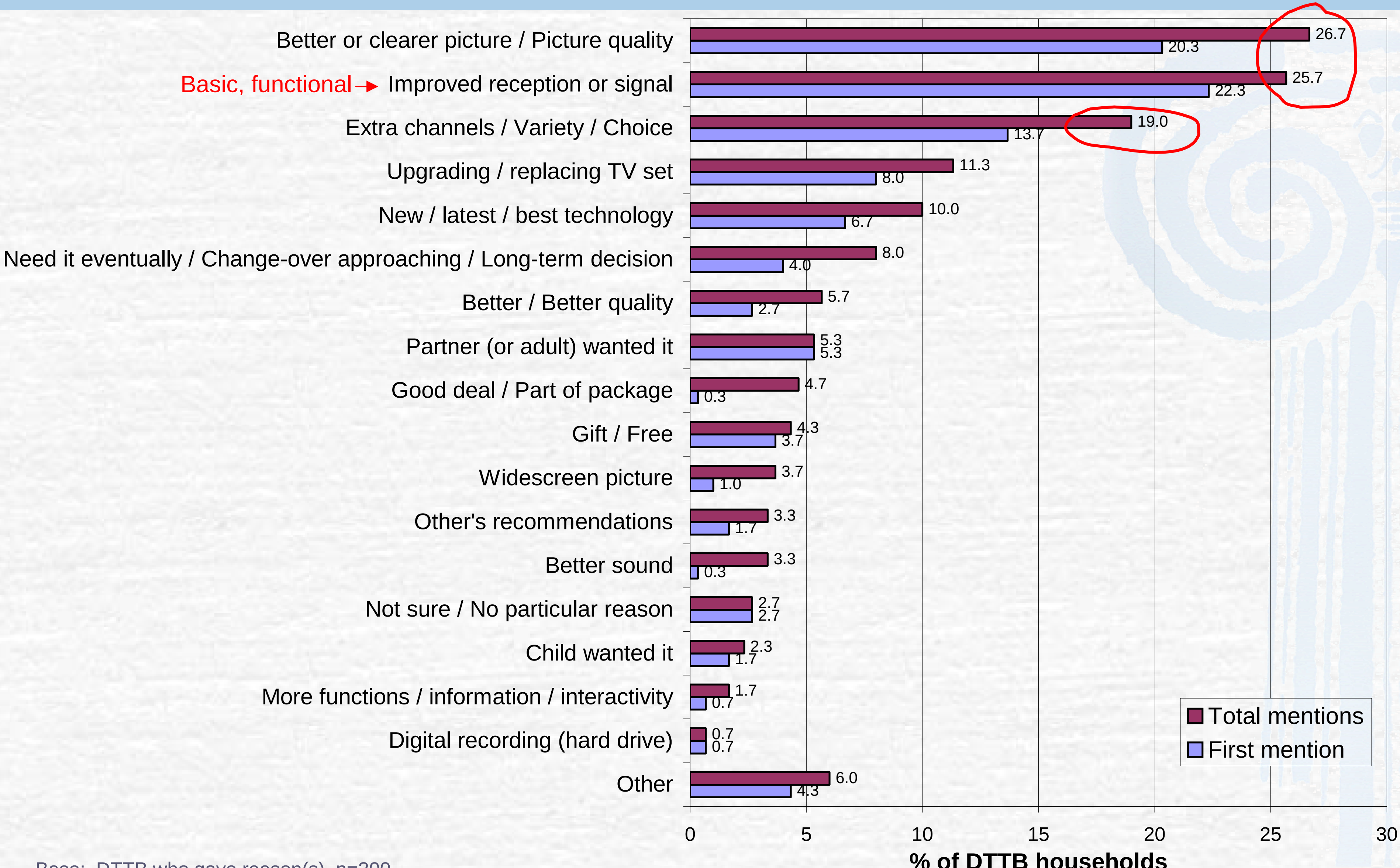
Less likely to use internal antenna (12% vs 17%)

[and slightly more likely to live in house (93% vs 89%)]

Slightly less likely to have person with disability in house (10% vs 13%)

DTTB drivers

Reasons for obtaining DTTB



Base: DTTB who gave reason(s), n=300

DTTB adopters

Some characteristics

Set-top box (STB)

83% of DTTB adopters

Cost...

$150 - $299 the most common price range (27% of this group), with ~ 20% in price range either side

HD...

35% of this group indicated they had an HD capable STB, with 23% confirming that they also had HD-capable screen (26% didn't know their HD status)

Updating plans...

26% of this group expected they would be upgrading their DTTB set-top box in under 5 years (19% expected 5 years +, 46% didn't know, while 9% believed they wouldn't have to upgrade)

Integrated TV set

17% of DTTB adopters

Cost...

$1,999 or less the most common price range (43% of this group)

HD...

53% of this group indicated they had an HD-capable set (21% didn't know)

Updating plans...

Only 19% of this group expected they would be upgrading their DTTB set-top box in under 5 years (42% expected 5 years+, 32% didn't know, while 8% believed they wouldn't have to upgrade)

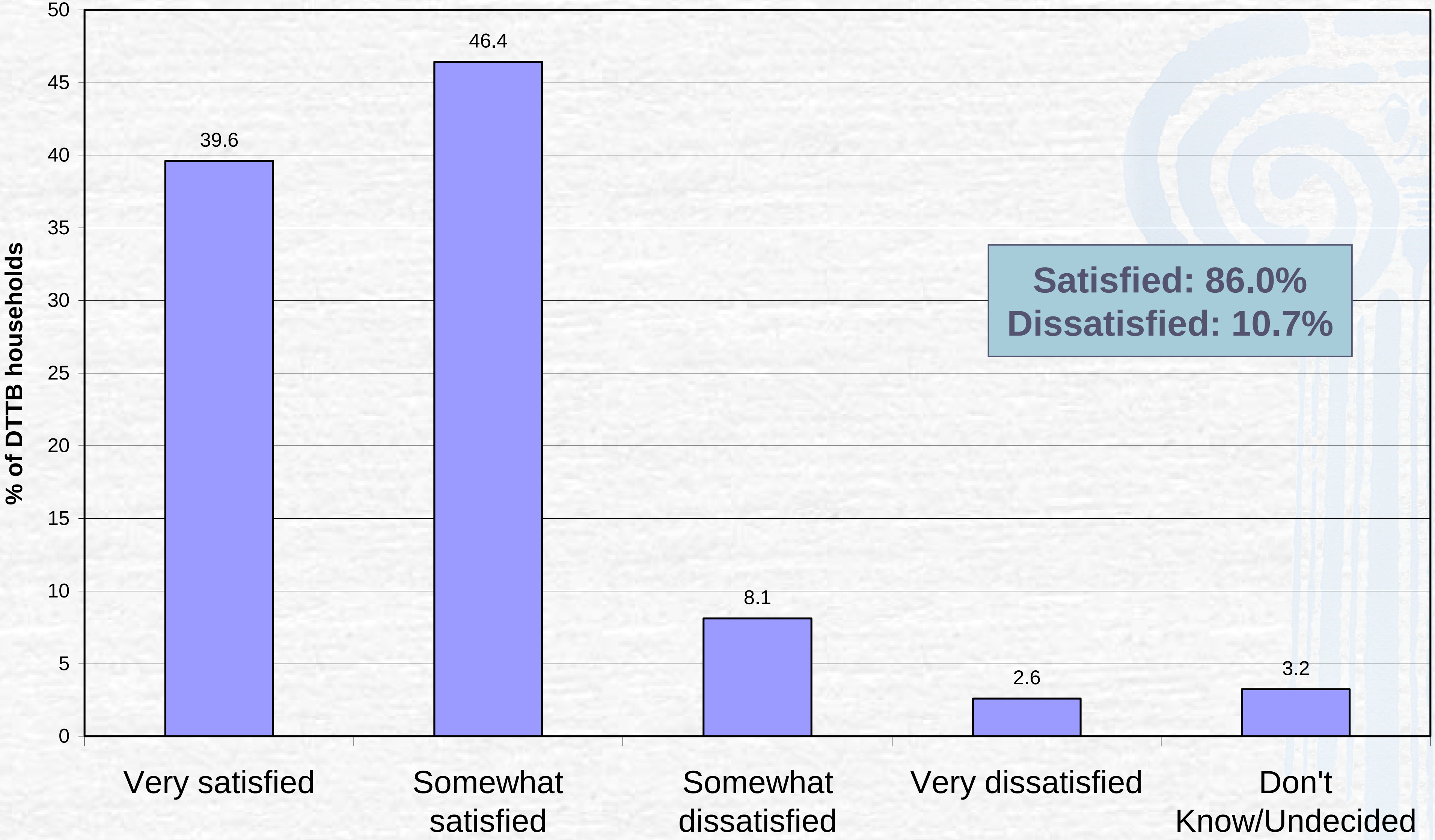
Aerial...

27% indicated their household needed to upgrade or replace their aerial system when upgrading to DTTB

Overall base: DTTB households, n=308

DTTB adopters

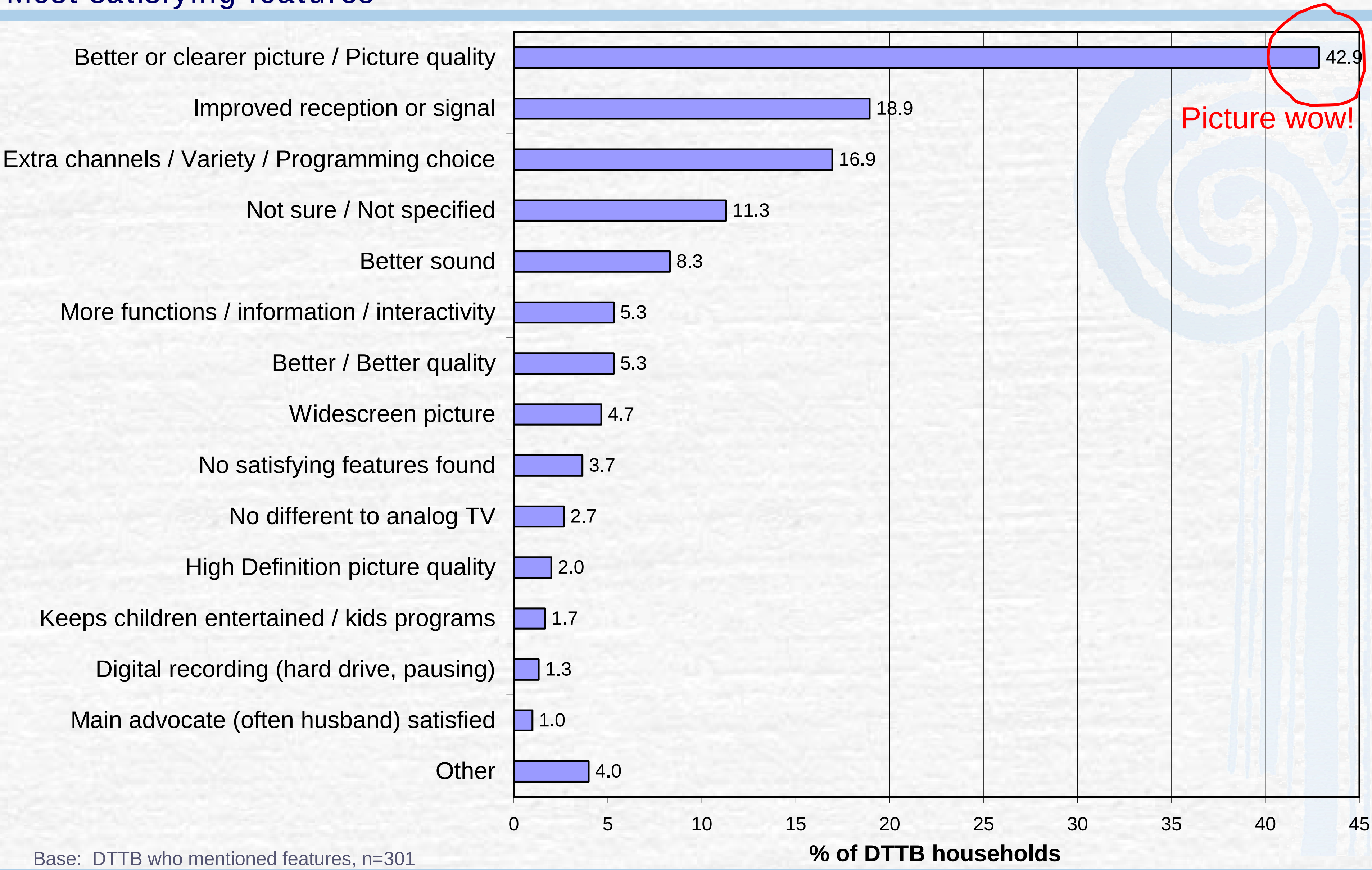
Overall satisfaction with DTTB experience



Base: DTTB households, n=308

DTTB adopters

Most satisfying features



Base: DTTB who mentioned features, n=301

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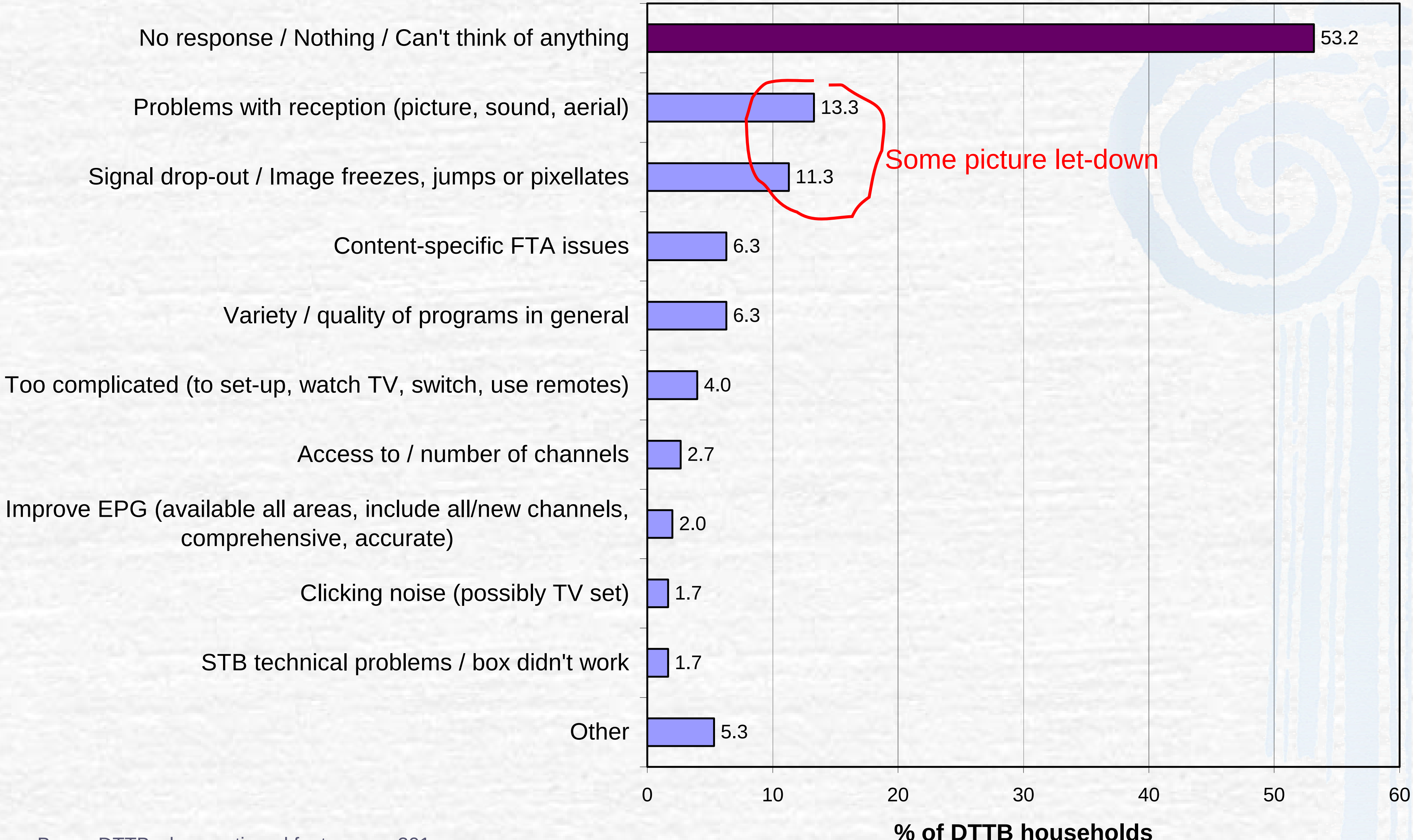
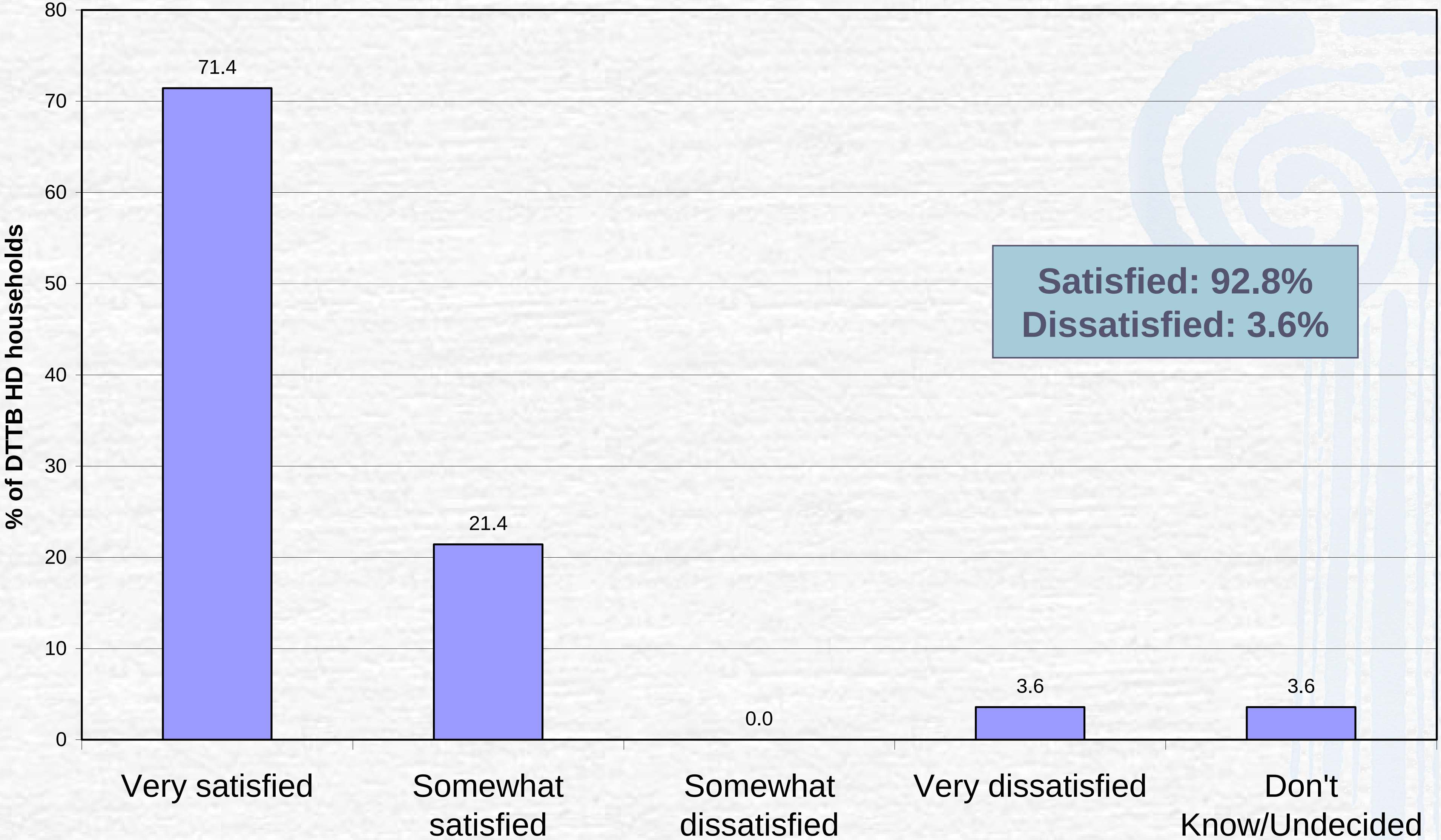
DTTB adopters

Reasons for dissatisfaction



Base: DTTB who mentioned features, n=301

HD satisfaction



Base: True HD households, n=84

DTTB watching

- Viewing of FTA channels over the course of a typical week...
  - Channel 9 (82%)
  - Channel 7 (81%)
  - ABC (79%)
  - Channel 10 (78%)
  - SBS (65%)
  - ABC2 (31%)
  - SBS2 (18%)
  - audio/radio services (14%)
  - datacasting services (4%) – (Sydney only)

Base: DTTB households, n=308

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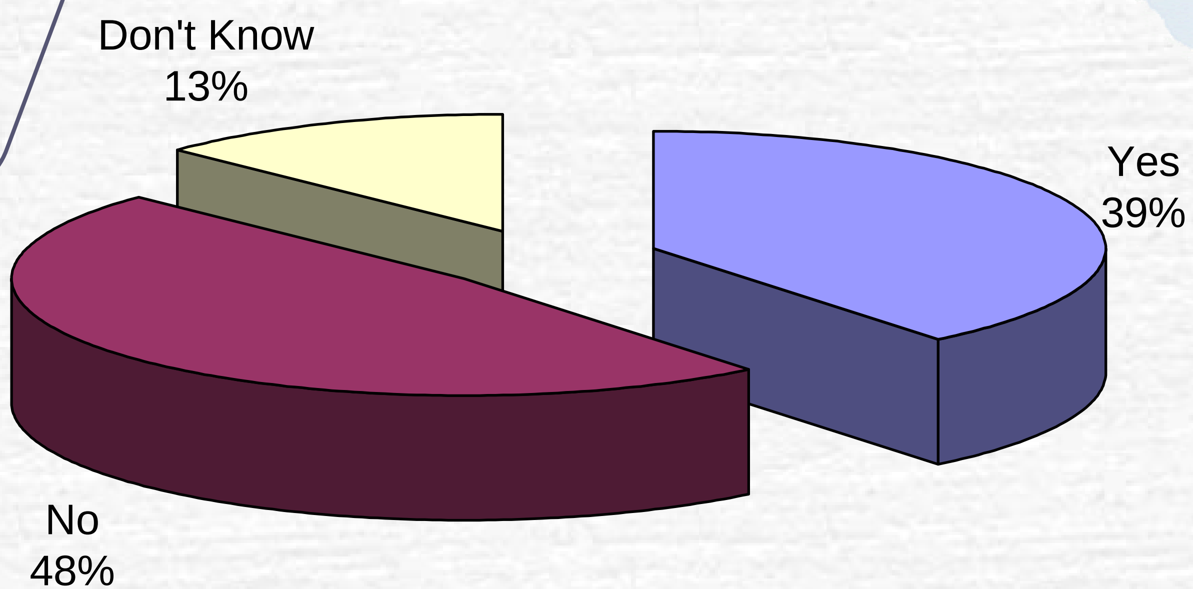
Non-adopter interest

- *You told me that your household has not taken up digital free-to-air television. Are you interested in getting digital free-to-air television some time in the future?*

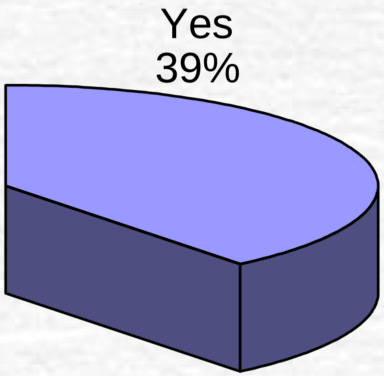
Communications challenge... 'break though' to 61%



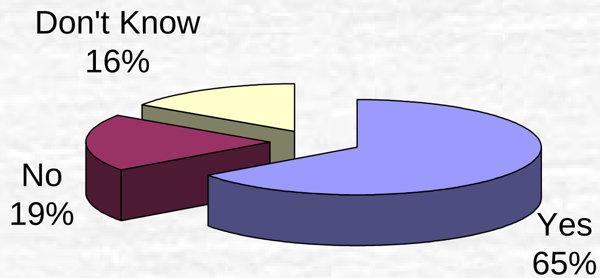
Base: Non DTTB households, n=999

Hardware & timeframe intentions

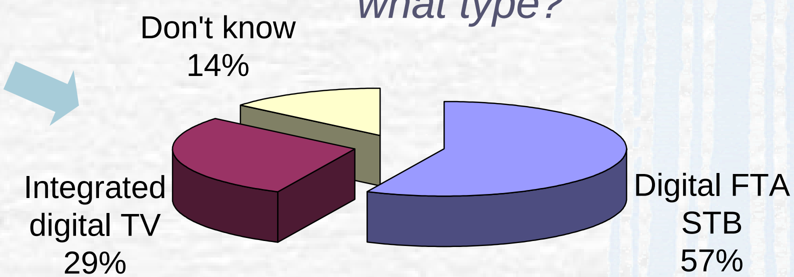
Interested non-adopters



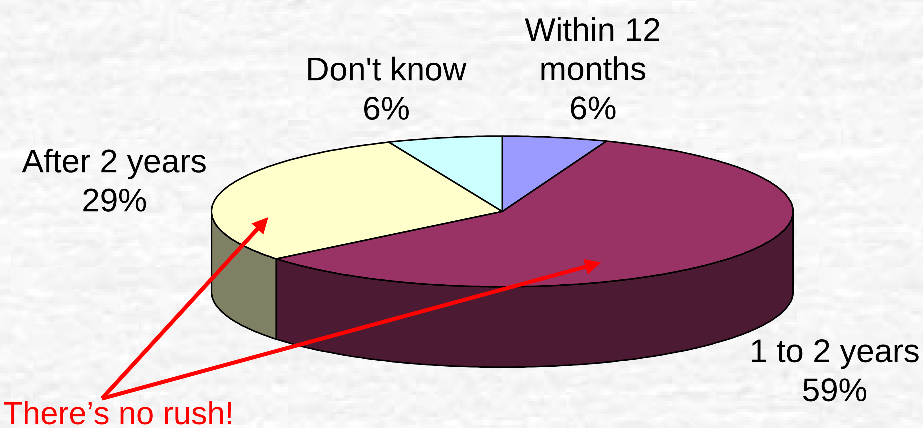
Hardware
planning to purchase DSTB or integrated DTV?



Hardware
what type?

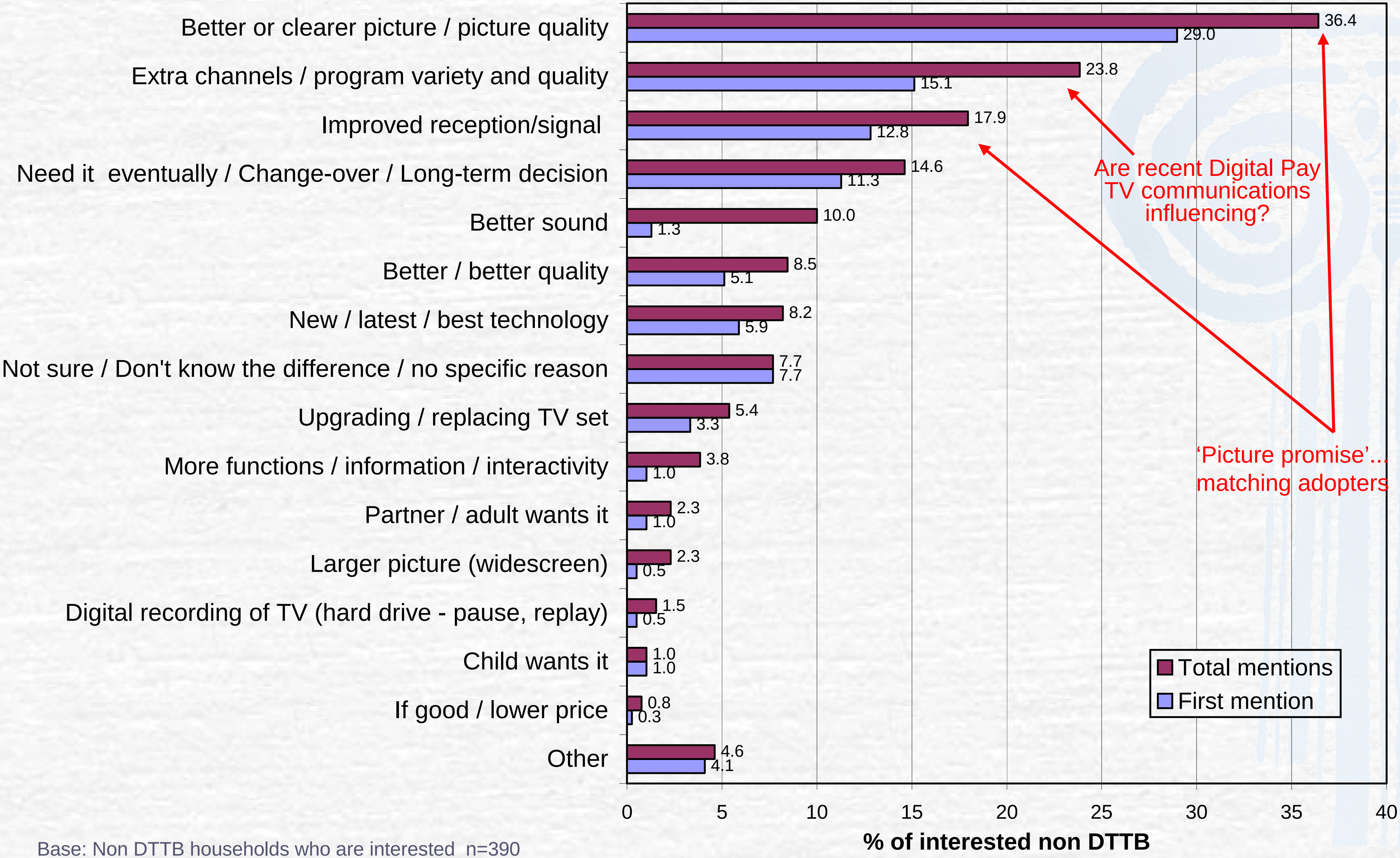


Timeframe



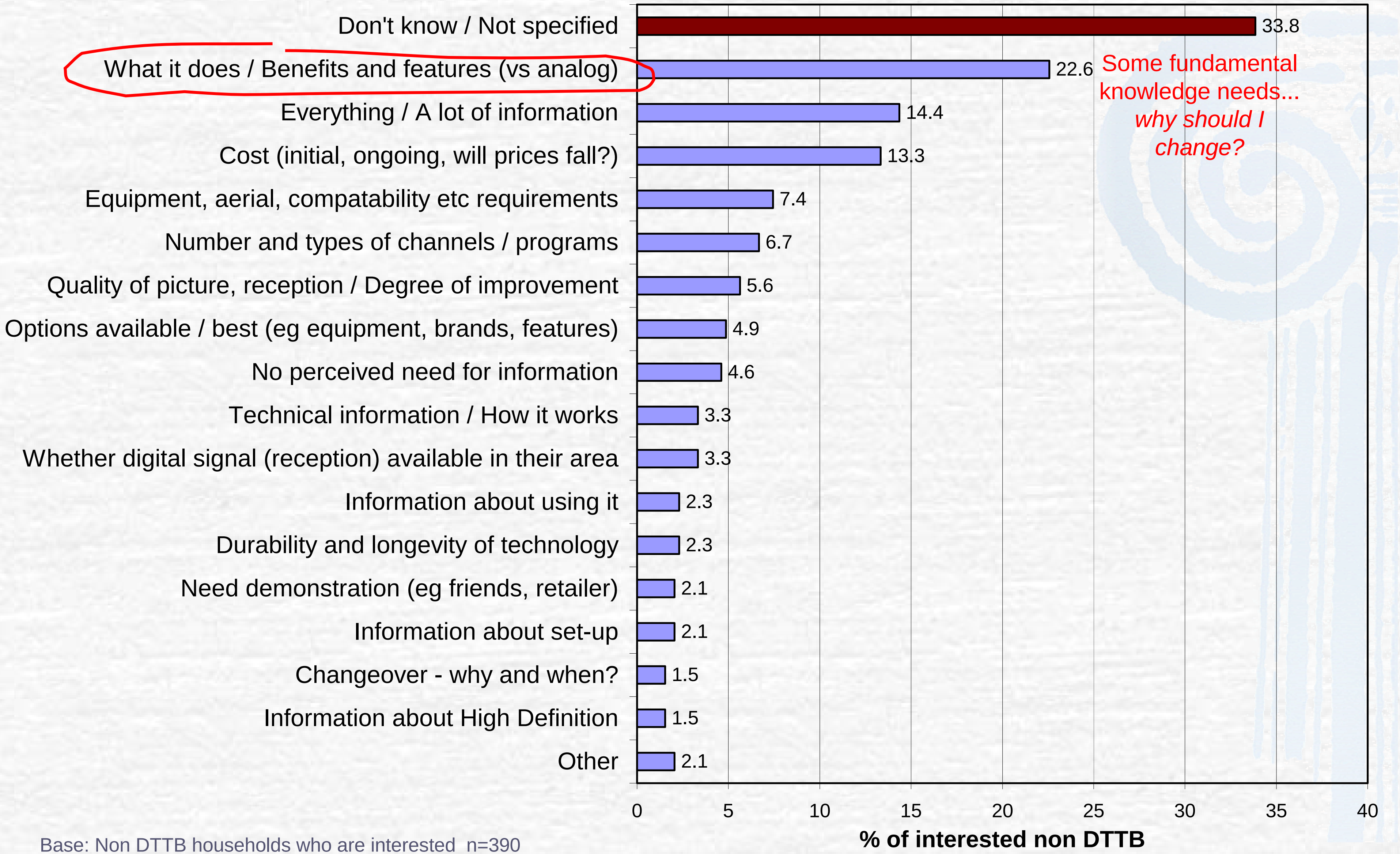
Base: Non DTTB households who are interested n=390, who intend to purchase hardware n=253, who indicate hardware n=218

Reasons to adopt



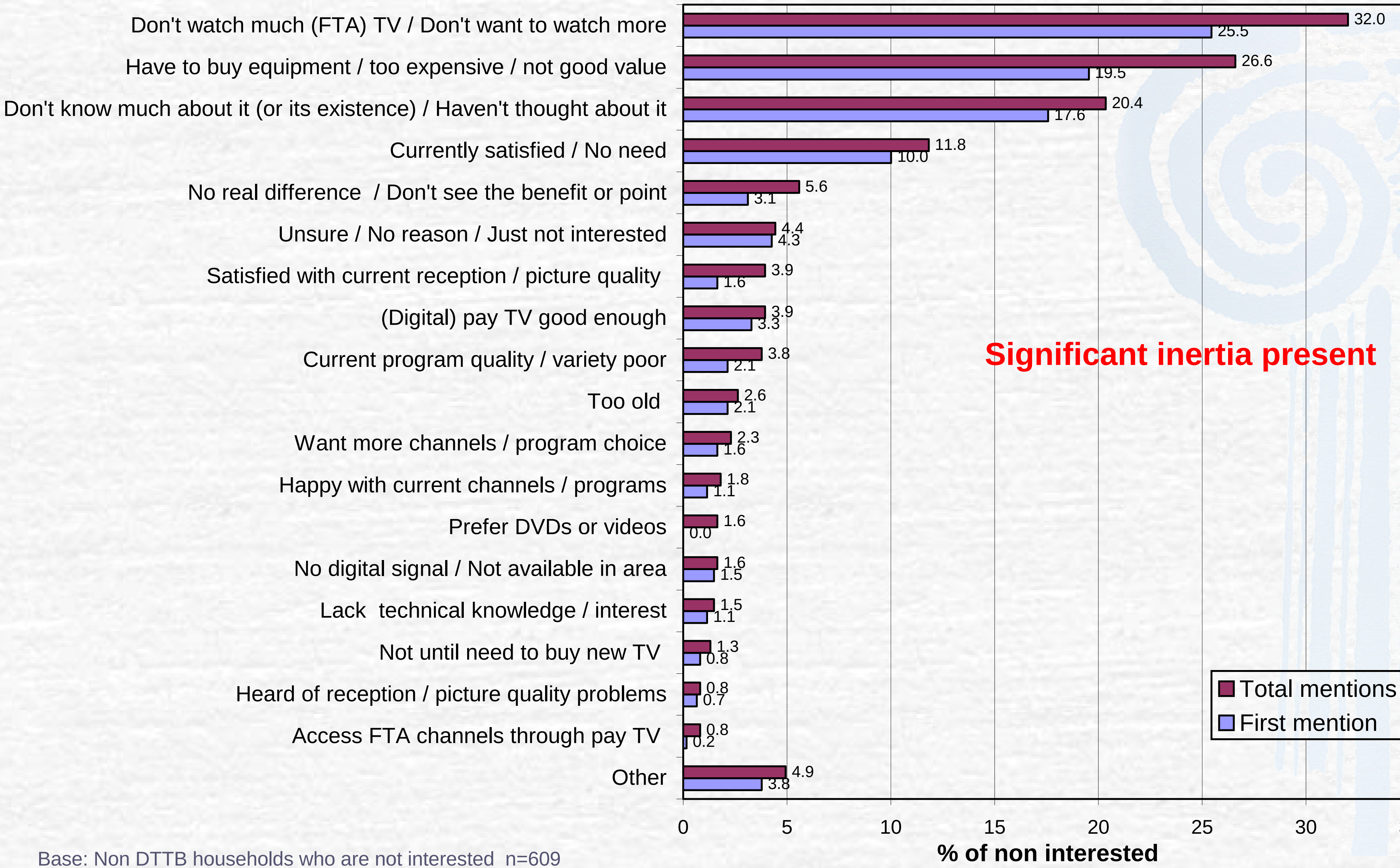
Base: Non DTTB households who are interested n=390

Specific/additional knowledge requirements



Base: Non DTTB households who are interested n=390

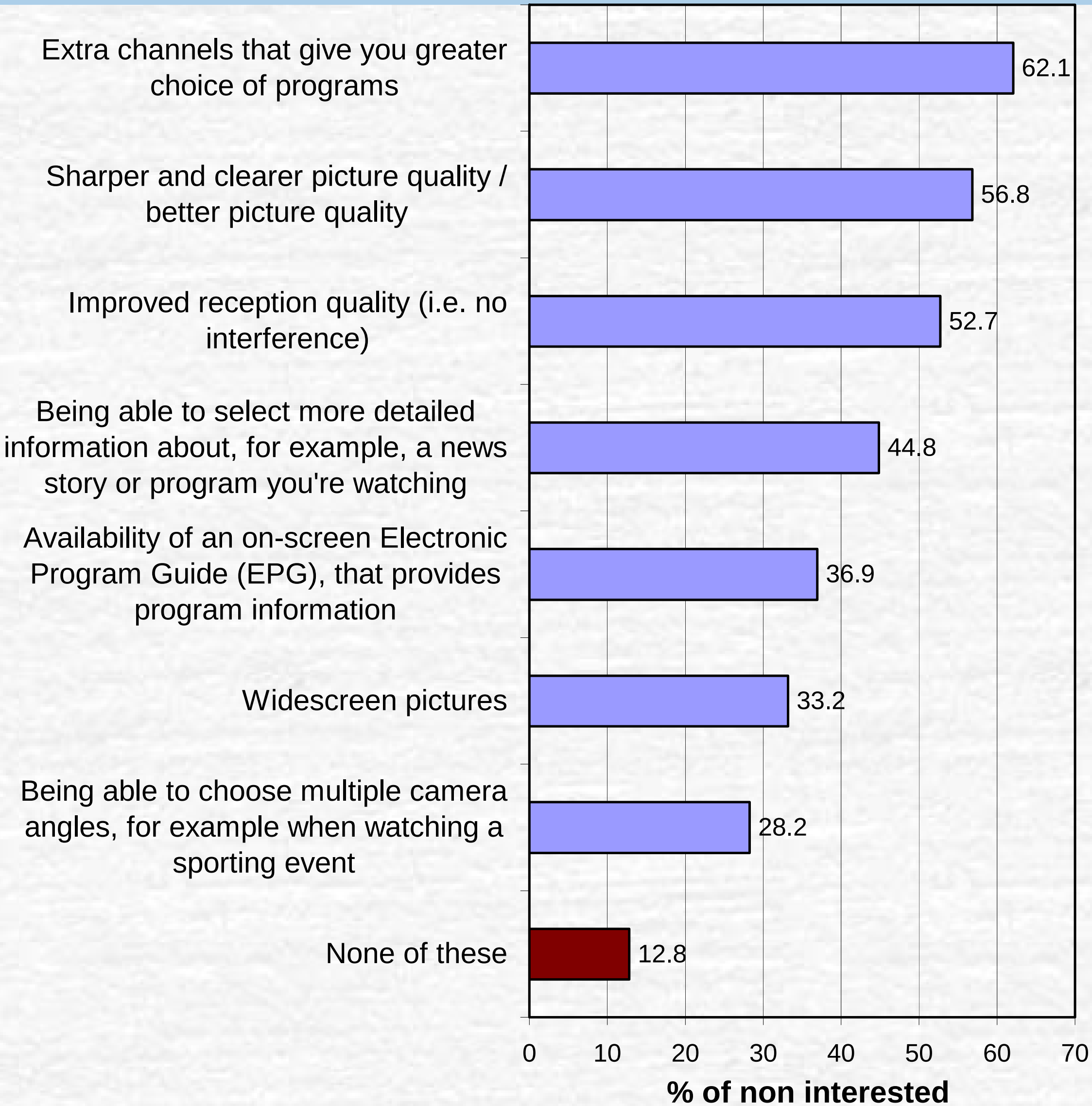
Reasons for non-interest



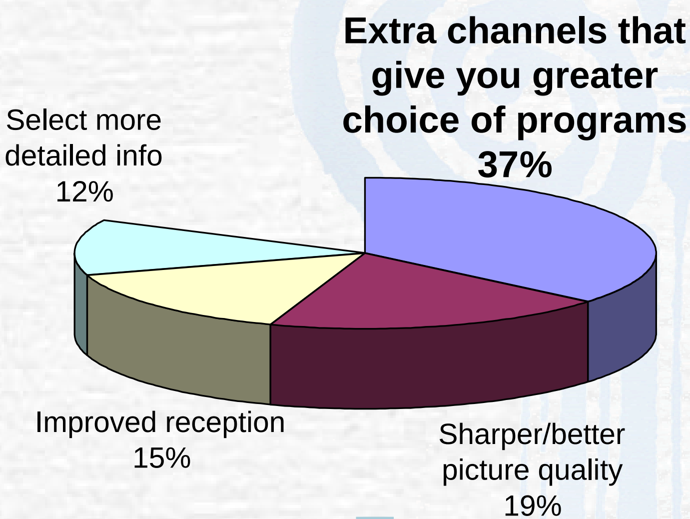
Base: Non DTTB households who are not interested n=609

Possible points of appeal

Prompted code-frame



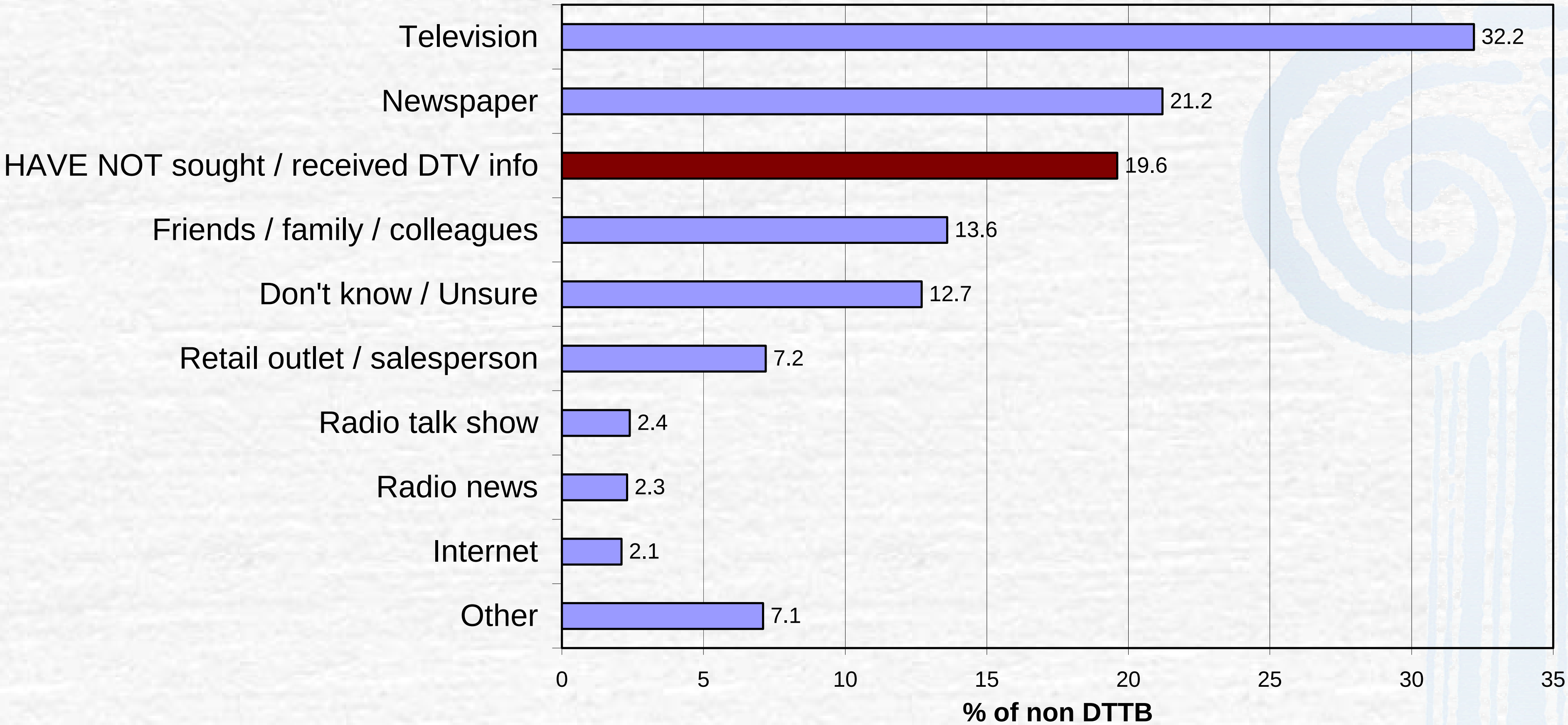
Most appealing?



But, based on this information...
in this group, only 4% indicated they would be very likely (26% somewhat likely) to obtain DTV. 65% remain unlikely.

Base: Non DTTB households who are not interested in DTTB n=609, non DTTB households who indicated attraction to DTTB feature n=531

Awareness and knowledge of DTTB



- ... 40% of non-adopters indicated they **did not know** that "*the current analog free-to-air television services (that is, channel 7, 9 and 10, the ABC and SBS) will be completely replaced by digital free-to-air television in the future.*"

Base: Non DTTB households n=999

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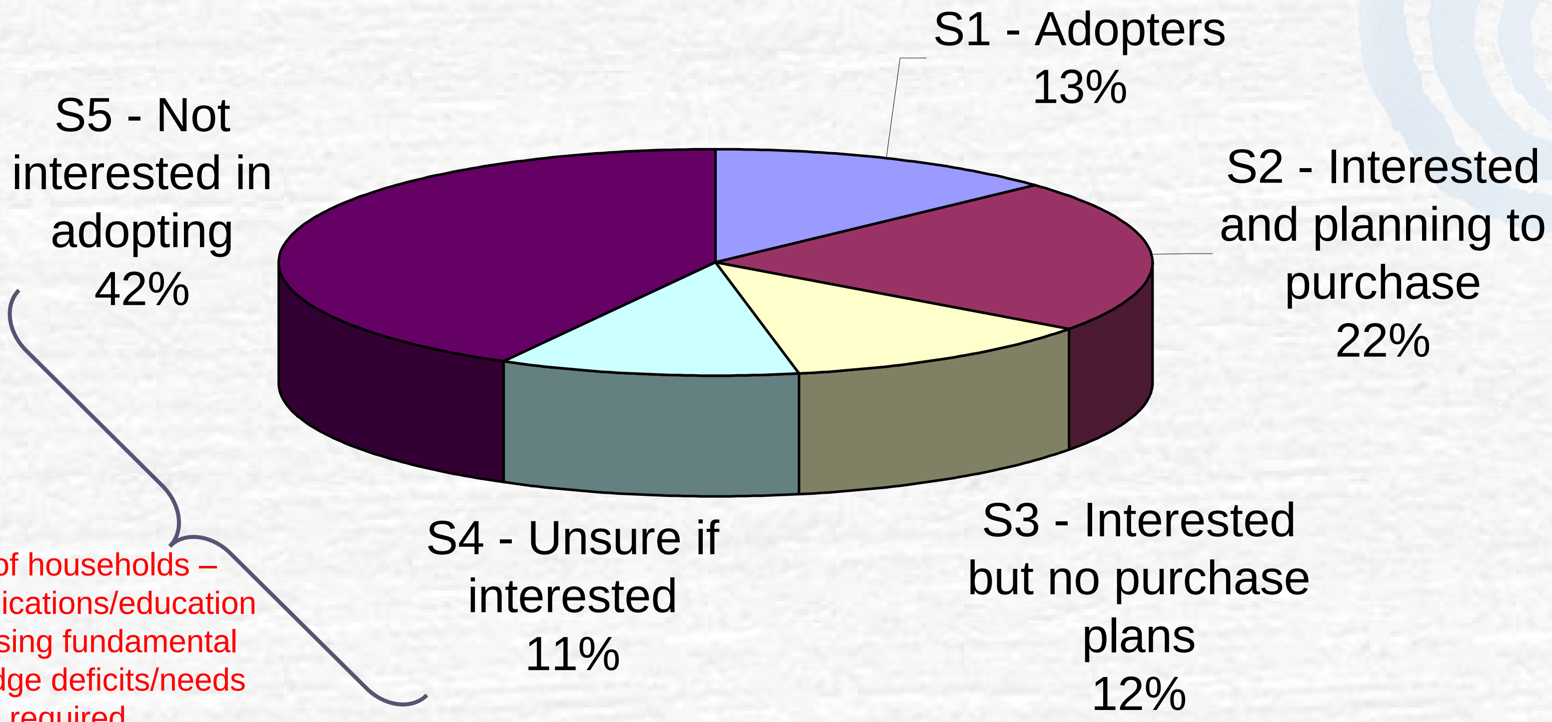
The ‘segments’ faced



53% of households – communications/education addressing fundamental knowledge deficits/needs required

Base: All households in random sample, N=1,148

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Summary and conclusions

Adopters

13% penetration... high satisfaction evident

Picture quality/improvement/reception is driving interest, satisfaction (and pockets of dissatisfaction)

HD poorly understood

Non-adopters

DTTB peripheral/irrelevant issue to most... not compelling attention/action

Some confusion with digital Pay TV

No urgency among 22-34% of households interested... a medium-term intention

Education/communications priorities

(i) address fundamental knowledge deficits
(ii) communicate DTTB's distinct benefits
(iii) address inertia among DTTB positive households

Next steps (1)

- Eureka will prepare report in consultation with ACMA, covering:
  - information presented today, ie. top-line DTTB results
  - other survey results from the survey, including:
    - use of digital media (free-to-air TV, pay TV, DVDs, broadband audio-visual material);
    - satisfaction/dissatisfaction with free-to-air TV;
    - reasons for dissatisfaction;
    - plans to subscribe to subscription TV; and
    - demographics
  - cross-tabulations and data analysis
  - significant findings and conclusions

Next steps (2)

- Timing:
  - full final report from Eureka to ACMA in October 2005
  - presentation to ACMA in October 2005
  - public release of report by ACMA soon afterwards
  - ACMA will consider research implications with DCITA and other interested parties