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OVERVIEW
INTRODUCTION & STUDY OBJECTIVES

This first edition of **SVOD Australia** study provides the most up-to-date information on the penetration, paid accounts, and use profiles of the major players in Australia’s vibrant and dynamic SVOD ecosystem.

The study investigates consumer adoption of entertainment and sports services, with a focus on the supply and demand of content across all major streaming platforms, uncovering the importance of access to specific types of programming. Using primary research with robust samples, supplemented by exhaustive desk research, the findings include an executive summary and comprehensive report with analysis and charts.

AMPD Research is the consumer insights division of Media Partners Asia. AMPD Research offers clients the latest innovation in consumer insights. We specialize in media measurement, audience growth, content development, and revenue optimization. Our platforms and services offer unparalleled insights into the supply and demand for video and entertainment content globally.
Australia SVOD OVERVIEW

Viewers and Paid Subscriptions

- With 10.7 Mn. viewers & 5.3 Million paying subscribers, Netflix leads 2nd place local service, Stan with its 3.4 Million Users & 1.4 Million. paying subscribers.
- Foxtel Now’s year-old D2C service, has attracted 1.7 Million viewers and half a million paying subs, with Sport-specific SVOD services heavily fragmented.

Source: AMPD Research, April 2019
Base: All Respondents 15+ (N=2,089)
Source: AMPD Research Australia VOD Study, April 2019
The average monthly spend on SVOD services per household is A$35.30. Of this 14% is spent on sports SVODs (A$11.94).

Netflix commands the largest share of SVOD household spending with 42% share of wallet followed by Stan and Foxtel Now in 2nd and 3rd respectively.

NRL Live Pass occupies over half the sports SVOD share of household spend (54%) followed by Kayo (21%) and AFL Live Pass (14%) respectively.
METHODOLOGY
Data Collection
- The Australia SVOD Study was conducted as an interactive online survey. The target population are internet users aged 15 years of age and above.
- Respondents were sampled according to representative quotas for age, gender and state or territory, correspond preliminary estimated resident population (ERP) of Australia at 31 December 2018 provided by the Australian Bureau of Statistics.
- The sample sourced was a consumer panel powered by Dynata.

Fieldwork Period & Sample Size
- A total sample size of 2089 respondents completed a structured survey composed of primarily closed-end questions with four open-ended questions related to unmet needs.
- On average, respondents spent 18 minutes to complete the survey which was fielded between April 6-16, 2019.

Confidence Level & Margin of Error
- Online access panels are by definition non-probability based samples. However, at 95% confidence level the predicted margin of error is 2.14%. This means, there is a 95% chance that the real value is within ±2.14% of the surveyed value.
Representative Measurement
- The survey is designed to be representative of the Australian population aged 15 and over and projectable at a National level only, i.e. samples are not designed to support regional comparisons.

Projecting to a National Universe
- The nature of online surveys and adherence to The Australian Market & Social Research Society (AMSRS) Code of Professional Behaviour, limits the practicable ability to interview those under the age of 15 years.
- To yield projections for total market, i.e. including users aged 0-15, AMPD Research used data collected by respondents on household composition & the presence of children in order to estimate the total user-base (viewers) of individual video-on-demand (VOD) services.
- For the purpose of determining household penetration estimates, where the respondent is also the VOD service account holder, the projection assumes the panellist represents the characteristic of the household in which they reside.
METHODOLOGY - III
Household Income Profile, Data Quality and Calibration

### Sample Distribution – Monthly Household Income (A$ %)

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percentage</th>
<th>N</th>
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</thead>
<tbody>
<tr>
<td>Less than A$ 2,000</td>
<td>16%</td>
<td>143</td>
</tr>
<tr>
<td>A$ 2,000 – 4,999</td>
<td>35%</td>
<td>724</td>
</tr>
<tr>
<td>A$ 5,000 – 9,999</td>
<td>24%</td>
<td>504</td>
</tr>
<tr>
<td>A$ 10,000 – 14,999</td>
<td>8%</td>
<td>173</td>
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<tr>
<td>A$ 15,000 &amp; above</td>
<td>4%</td>
<td>87</td>
</tr>
<tr>
<td>Refused/Don’t know</td>
<td>12%</td>
<td>257</td>
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</tbody>
</table>

#### Data Quality
- AMPD Research uses stringent measures to ensure data integrity and quality respondents, including logic & repetition tests and open-ended questions for screening-out bots. Additional measures include checks for speeders, straight-liners and non-response.

#### Calibration & Adjustments
- Online surveys can generate inflated results for certain question types & topic areas. AMPD Research has developed a set of validated proprietary formulae to adjust for respondent over-claim to ensure accuracy that includes the following areas:
  - **Claimed usage & subscription**: We adjust for over-claim by weighting responses based on recency of exposure, where more recent engagements are given a greater significance.
  - **Claimed viewing duration**: Respondents typically have difficulty in recalling time spent viewing, so we employ a method that asks the number of movies, TV shows and sports events watched in past 7 days and apply a standard minutage to each type of event.
  - **Cancel/Upgrade Intent**: We apply weights to responses as follows:
    1. Definitely will happen - 80%;
    2. Probably will happen - 50%;
    3. Probably won’t happen - 20%;
    4. Definitely won’t happen – 0%;

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1 The AMPD Research proprietary formulae for adjusting over-claim in online community panels has been validated by comparing observed and recalled behaviour with passive media data and survey data.
Net Promoter Score® (NPS) Calculation and Interpretation

Q. How likely is it that you would recommend BRAND to a friend or colleague?

<table>
<thead>
<tr>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
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<tbody>
<tr>
<td><strong>DETRACTORS</strong></td>
<td><strong>PASIVES</strong></td>
<td><strong>PROMOTERS</strong></td>
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<td></td>
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<tr>
<td>Rated 0 – 6</td>
<td>Rated 7 – 8</td>
<td>Rated 9 – 10</td>
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<tr>
<td>- Unhappy customers who require urgent engagement &amp; improvements to product or pricing to mitigate churn</td>
<td>- Ambivalent - Satisfied for Now</td>
<td>- Most Loyal Customers - Satisfied</td>
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<tr>
<td>- Generally dissatisfied with current product offering</td>
<td>- At Risk of Switching to Competition</td>
<td>- Generate Positive Word-of-Mouth</td>
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<tr>
<td>- High potential risk of spreading negative sentiment about product impacting brand perception &amp; valuation</td>
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<td>- Imminent risk of churn unless active re-engaged</td>
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**Net Promoter Score**
- Net Promoter Score (NPS) is a widely used tool to gauge customer loyalty and as a proxy for customer satisfaction.
- The NPS is calculated on a scale of 0 - 10 in response to the question: “How likely is it that you would recommend to a friend or colleague?”
- Scores of 0 - 6 are considered “detractors”, 7 - 8 are “passives” and 9 - 10 are classified as “promoters.”
- The final Net Promoter Score is calculated by subtracting the percentage of customers who are “Detractors” from the percentage of customers who are “Promoters.”

**NPS® Interpretation**
- NPS scores vary by sector, but a positive score is generally regarded as “good”, a score of +50 is considered “excellent” and scores over +70 are extremely rare.
  - **Detractors (0 - 6):** Are unsatisfied by current product offering and at very high risk of churning.
  - **Passives (7 - 8):** While not included in the NPS calculation, they represent customers who may currently be satisfied with the current product, but are not loyal & susceptible to competitive offerings.
  - **Promoters (9 - 10):** Loyal & most satisfied customers.
REPORT ToC
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- Pay TV and SVOD Service Cross-Consumption
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**beIN SPORTS CONNECT**
- Age and Gender Profile
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ABOUT US

Insights that Power Media Growth Strategies

AMPD Research offers clients the latest innovation in consumer insights. We specialize in media measurement, audience growth, content development, and revenue optimization. Our platforms and services offer unparalleled insights into the supply and demand for video and entertainment content globally.

We offer end-to-end evidence-based solutions that deliver actionable and timely answers to key industry stakeholders, including content creators, strategists, distributors, and investors.

AMPD Research is the consumer insights division of MPA Media Partners Asia.

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