

Pay TV finally gets a rating

Official viewing figures for subscription television in Australia may lead to a boost in advertising spend on the medium

Some two years after the pay TV industry began accepting advertising, the first official ratings figures for pay television viewing in Australia show that the medium has captured about 7.3% of Australia's total television viewing. The figure, while encouraging, is less than the 10% number being spoken of by Austar's John Porter prior to the release of the actual numbers on August 2.

The data, released by AC Nielsen as a document titled the *Audience Measurement Report*, showed that roughly 46.3% of total television viewing time in pay TV households was spent watching one of the 60 subscription channels available. This figure rose to 59.8% for viewing specifically between 6am-6pm.

AC Nielsen carried out the fieldwork during the week of July 11-17, 1999. The data was collected from one panel of more than 4,000 peplemeters, a combination of the free-to-air and pay TV measurement panels. It concentrated on ratings comparisons between pay TV and free-to-air television plus comparative audience viewing behaviour for the purposes of demonstrating the medium's reach to potential advertisers.

After a week's delay due to problems integrating the panels, the data, in two streams, was released on August 2, 1999: the first stream compares pay TV's performance against free-to-air; and the second shows viewing within pay TV homes.

Despite the fact that the free-to-air networks still command 92.7% of total television viewing in Australia, the pay TV operators say that AC Nielsen's report confirms the medium's market penetration and its impact on free-to-air advertising revenues.

The Market Impact of New Media

A report by Roy Morgan Research has found that new media such as pay television and the Internet will not act as a catalyst toward the demise of the traditional media. According to the report, the number of people reading, listening or watching the main media each week had not changed but that the amount of each medium people were consuming had fallen.

"Australians are becoming more selective with their media consumption, allocating less time to some mainstream media in order to make time for the new media," the report said.

The *Market Impact of New Media* used data from Roy Morgan's Single Source research. This database of 60,000 people answers questions defining their consumption and shopping habits, activities, attitudes and demographics.

The report found that heavy users of the Internet are defined as more likely to: be heavy newspaper and magazine readers; have watched pay TV in the past seven days; and be light viewers of commercial television.

The numbers show that together, the pay TV operators Foxtel, Optus and Austar have a combined viewing figure of 7.3% (SBS has 2.8%, the ABC 14.3%, Network Ten 19.5%, Channel Seven 26.2% and Channel 9 29.9%). In the 1.05 million Australian homes connected to pay TV, daytime viewing is particularly strong. In these households, children aged five to 12 years spend 79.1% of viewing time between 6am and 6pm watching pay TV. Among teenagers the figure is 70% and while men generally watch more than women - the six sports channels are a big draw - older audiences are more likely to watch free-to-air television.

Comparing pay TV to free-to-air television revealed that almost half (46.3%) of people in pay TV households watched pay TV compared with the 17.3% watching Channel 9, 15.2% watching Channel Seven, 11.3% watching Network Ten, 8.3% watching the ABC and 1.6% watching SBS. In other words people hooked up to pay TV spend half their television watching time viewing a channel for which they have paid.

Since pay TV launched in Australia five years ago, roughly 1.05 million households have connected to it and 3.57 million people - or 16% of the total TV audience in Australia have access to it.

These figures have not been lost on advertisers. In the past 12 months, pay TV has managed to glean \$30 million-worth of advertising. The release of the ratings figures is expected to see that figure double over the next 12 months and revenues of \$40 million are being forecast for the 1999 calendar year. Between them, the three pay operators have signed up 300 advertisers including Toyota, Harvey Norman and Pepsi-Cola.

In addition, large multinational fast-moving-consumer-goods companies such as Procter & Gamble, which has not used pay TV in Australia but has tested it in New Zealand where ratings were available, may begin putting money into advertising on pay television in Australia.

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