

Media Development 2014

The DR Media Research Department's annual report
on the use of electronic media in Denmark



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The new media reality is now commonplace

In 2013, streaming went mainstream in Denmark.
In 2014, Danes became more inclined to take control
over what they see on screen, so streaming now
accounts for 17% of our TV viewing time.

Last year, DR Media Research estimated that streaming accounted for 12% of all TV consumption in Denmark. This estimate emerged through a variety of sources as the Danish market does not have a measurement that covers all of the TV and TV-like content available to Danes. We revisited these sources this year and reckon that streaming now accounts for 17% of total viewing in Denmark. The amount of time Danes spend on these new kinds of viewing has increased by 38%, while traditional TV consumption is down by 4%. All in all, this means that Danes spent about the same amount of time watching TV and TV-like content in 2014 that they did in 2013, but some of their viewing has 'shifted'.

Status articles on TV, radio and the Internet reveal that the new media reality is affecting all of the traditional media types. In particular, people who stream content are spending less time viewing traditional TV, people are listening more to digital radio and the Internet is becoming more and more mobile. Social media have also gradually begun to affect our media consumption. That said, not only our use of media is changing.

Media users are also becoming more and more digital. And this is true of all age groups; from the very youngest children, who are swiping away at their parents' tablets, to

the very elderly, who stay in touch with family and friends on Facebook. More or less everyone in Denmark encounters the new media reality every day – a reality which is precisely that: Reality. No longer some futuristic vision, but part of our everyday lives. We hope Media Development 2014 will help readers to understand the development trends currently characterising the media market.

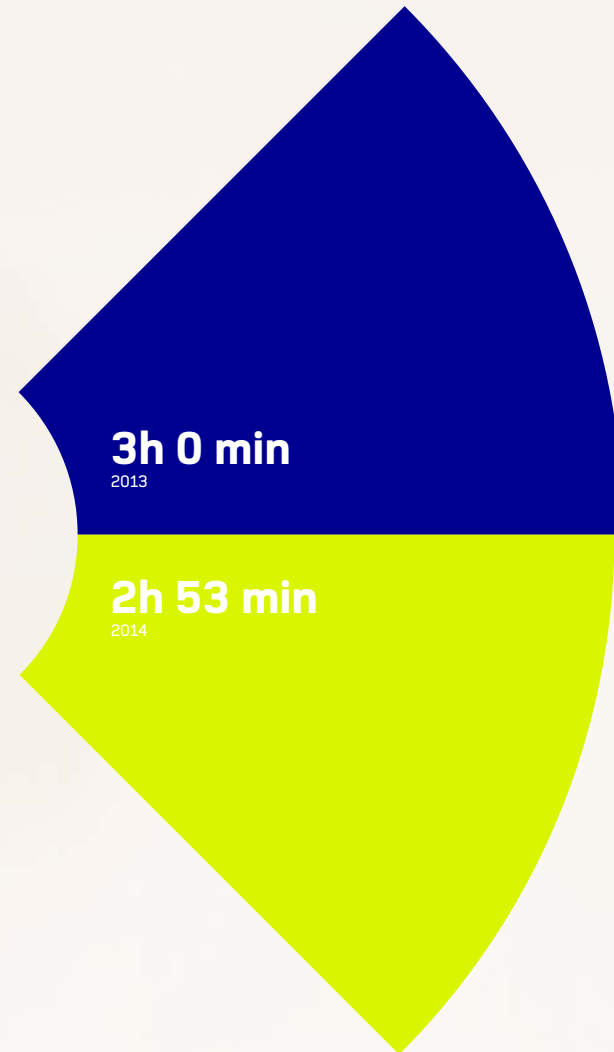
I hope you enjoy Media Development 2014.

Dennis Christensen
DR Media Research

**HOW MUCH TIME DO DANES SPEND
WATCHING TV EVERY DAY ON AVERAGE?**

Target group: 3+

Source: TNS Gallup TV Meter





Big names become bigger

Danes still watch a lot of TV. 2 hours and 53 minutes was the amount of time they spent in front of the TV every day in 2014, which is on a par with 2008. The four major groups of channels overall grew in 2014 in terms of both audience shares and number of channels. At the same time, the battle for attractive sports broadcast rights intensified and new stakeholders are waiting in the wings.

SMALLER DROP IN TV VIEWING

In 2014, Danes spent 2 hours and 53 minutes a day viewing traditional broadcast TV. This is a decline of 4% compared with 2013, although this is less of a drop than the 8% we saw between 2012 and 2013. With this, the sharp increase in TV consumption between 2007 and 2010 is more or less over, and in 2014 we watched about the same amount of TV as in 2008.

Streaming made a popular breakthrough in 2013 and is continuing to nibble at traditional TV viewing in 2014. It is still not possible to gauge directly how much of the decline in TV viewing is due to streaming services. Of those who say that they stream at least once a week, the amount of time spent has dropped by approximately 10% in 2014 compared with 2013.

The decline in TV viewing is greatest among younger people. Among the 3-12 age group, TV consumption has declined by 11% between 2013 and 2014, for example. Tablets have become more common among families with children, presenting a challenge to traditional broadcast TV because services such as YouTube have suddenly become a more direct competitor to traditional children's channels. Children's tablet use will be addressed on page 24.

TV 2: THE MAIN CHANNEL BUCKS THE TREND

After having lost audience

shares since 2006, the main TV 2 channel managed to buck the trend in 2014. With an audience share of 23.5%, TV 2 improved its annual result by 0.2 audience share points. This was partly due to the European Handball Championships, where Denmark played in the final. At the same time, the channel managed to launch stronger prime-time programmes, including Badehotellet, Kurs mod fjerne kyster and Størst.

So although the trend was reversed in 2014, TV 2 continues to face challenges. Programmes such as Hvem vil være millionær? and Vild med dans, reliable viewer magnets to date, both experienced one of their weakest ever seasons, and new programmes such as Flimmerland, Pengeråd-giverne and Skål Danmark have not exactly emptied the streets.

TV 2 Zulu is also experiencing growth. After more than 20 years on the main channel, Beverly Hills 90210 moved to TV 2 Zulu in 2014. This has given the channel a boost in the daytime flow and on Sundays, where the episodes have been shown back-to-back – to the delight of viewers who enjoy binge-watching. TV 2 Zulu now has an audience share of 2.5%.

The other TV 2 channels are all experiencing a decline. TV 2 Charlie is losing viewers in the daytime flow, while TV 2 News – after a record 2013 – saw a small decline in 2014. TV 2 Fri seems to be making progress, consider-

ing the figures for all of 2013 compared with 2014, but loses 0.2 audience share points if we compare the period after the launch in May 2013 with the same period in 2014. TV 2 Fri has also announced that its programming will be altered, so in future the channel will offer fewer programmes about the great outdoors, fishing and Arctic foxes.

DR: BEST YEAR SINCE 2004

With an audience share of 33.7%, 2014 was the strongest year for DR since 2004. At the same time, DR is continuing to catch up to the TV 2 family, so the two groups of channels are now separated by just 1.2 audience share points. DR1 is the main reason for this strong result, but most of the other DR channels are also making a contribution.

DR has grown for the third year in succession and has increased its results for 2013 by 2.1 audience share points to 22.4%. Audience share is increasing in the daytime flow in particular, thanks to crime series such as Midsomer Murders and Agatha Christie's Poirot. In addition, the channel is enjoying continued success in prime-time and a string of major events: The Winter Olympics in Sochi, The World Cup in Brazil and the Eurovision Song Contest in Denmark, with 2.4 million viewers.

DR K has made a tiny bit of progress, while DR2 has experienced a decline of 0.3 audience

share points. This is due to weakening in the afternoon flow and a weaker prime-time. However, 3 June was a very special day for DR2 as that was when the channel experienced its best day ever with an audience share of 12% due to the marathon coverage of that fateful day for Lars Løkke Rasmussen.

DR3 is experiencing growth of 0.3 audience share points in 2014 on account of extension of its transmission hours and lots of sport in the form of the Winter Olympics, athletics and the X Games, among other things. DR3 audience share points have increased by twice that amount among the channel's 15-39 target group.

DR Ramasjang and DR Ultra are experiencing growth among both children and adults. Although TV viewing among children is declining, both channels actually managed to increase viewing time among children.

MTG TV: MAIN CHANNEL UNDER PRESSURE

With an unchanged audience share of 10.9%, MTG TV is still the third biggest player on the Danish TV market – with even an enhanced competitive edge of 1.3 audience share points over SBS Discovery compared with the previous year.

The main TV3 channel has seen a decline of 0.3 audience share points reflecting a weakened prime-time. Paradise Hotel, for example, experienced its weakest

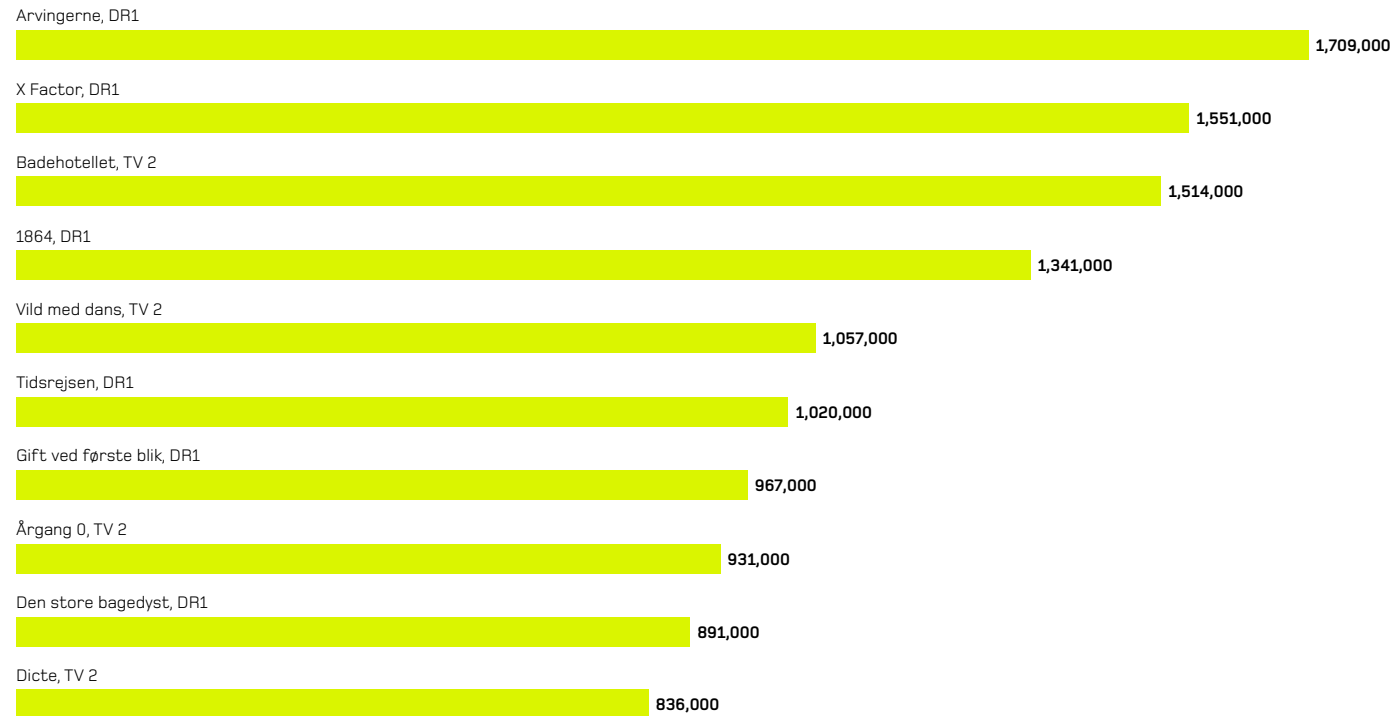
THE TOP TEN TV PROGRAMMES OF THE YEAR

This list shows average figures for series broadcast for the first time, with a minimum of three episodes of 15 minutes duration. Sports programming is not included.

Period: 2014

Target group: 3+

Source: TNS Gallup TV Meter



season to date, and the Master-Chef cooking competition is also taking its toll on viewing figures.

Sister channels TV3+ and TV3 Puls are both experiencing minor growth. On TV3+, sport in the form of Champions League, Superligaen and Formula 1 in particular is keeping viewing figures up, while TV3 Puls programmes such as NCIS and Depotjægerne are reinforcing the flow and helping the channel to scrape by in 2014.

Sports channels TV3 Sport 1 and TV3 Sport 2 are generally maintaining the status quo. The top attractions can be found on TV3 Sport 1 in particular, where the European Men's Handball Championships and Superliga matches attract lots of viewers to the channel.

SBS DISCOVERY: FOOTBALL ALONE IS NOT ENOUGH

More or less all the SBS Discovery channels are experiencing a decline or remaining steady when it comes to audience shares. Kanal 4 has lost 0.2 audience share points, and Kanal 5 has suffered the same fate. The newly acquired rights to national team matches have guaranteed rating records for Kanal 5, but it is not enough to compensate for declining viewer interest in foreign fiction, a lukewarm response to the return of Popstars and a halving of the viewing figures for Big Brother compared with its 2011 relaunch.

6'eren is also losing audience

share points, while 7'eren was shut down after barely two years on the market. Investigation Discovery has taken over the free slot and appears to be a stronger contender in the battle for viewers' attention, with an audience share of 1.3% compared with 7'eren's 0.2%. TLC, Discovery Channel and Animal Planet are experiencing only minor fluctuations.

SBS Discovery has increased its stake in the Eurosport channels to 51% in 2014, and on 1 January 2015 Canal 8 Sport and Canal 9 also became part of this group of channels. The Eurosport channels have an audience share of 0.8%, while Canal 8 Sport and Canal 9 are creeping up to 1.0%, the vast majority of which is accounted for by Canal 9. With the increase in ownership of Eurosport, purchased by the C More Entertainment channels and the rights to national team matches, SBS Discovery is now sitting on a considerable number of sports rights.

TOUGH BATTLE FOR SPORTS RIGHTS

The World Cup in Brazil had the highest viewing figures ever seen for a football final on Danish TV. The European Men's Handball Championships are one of the main reasons why TV 2 managed to buck the viewer trend in 2014. And the national football team guaranteed Kanal 5 record viewing figures time and time again. Sport has always been an

attractive TV product, and the battle for the best rights keeps on growing. This is because sport is mainly viewed live, which is a strong suit as regards on-demand services.

DR and TV 2 have traditionally dominated major sporting events. As demand grows, however, other commercial stakeholders have arrived on the scene. The commercial channels reach fewer households than the main channels DR1 and TV 2, which is why fewer people have the opportunity to follow the national team's road to the European Championships and World Cup, for example. In Norway and Sweden, public service providers NRK and SVT have lost the rights to the Olympics for the first time to TV 2 Norge and MTG TV respectively. This also has political ramifications here in Denmark, where the sports list giving DR and TV 2 right of first refusal on selected sporting events has been reintroduced.

There is nothing to indicate that the battle for sports rights is heading for a temporary ceasefire. TV 2 Sport went on air on 9 January, MTG TV broadcasts sport on 3 out of 5 channels, and SBS Discovery has – as mentioned previously – made major investments in both rights and channels. DR is also investing in sport – including Champions League handball on DR1 and the X Games on DR3. At the same time, sports rights are at the very heart of the choices made

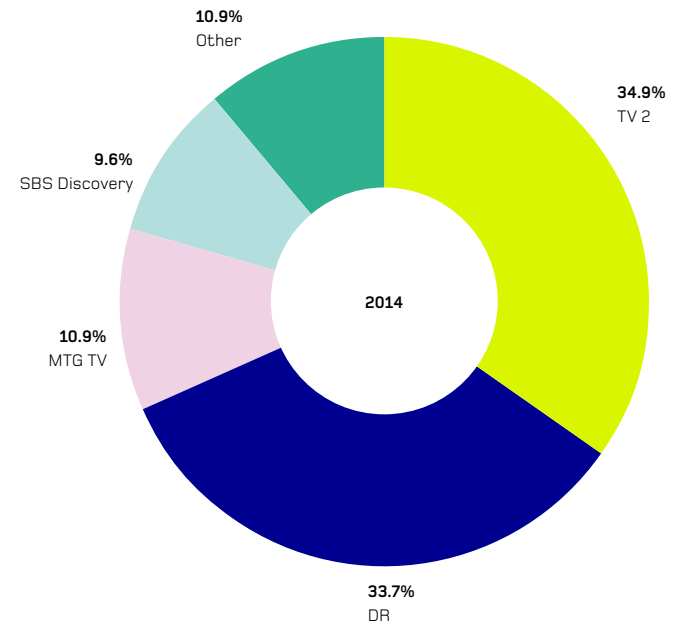
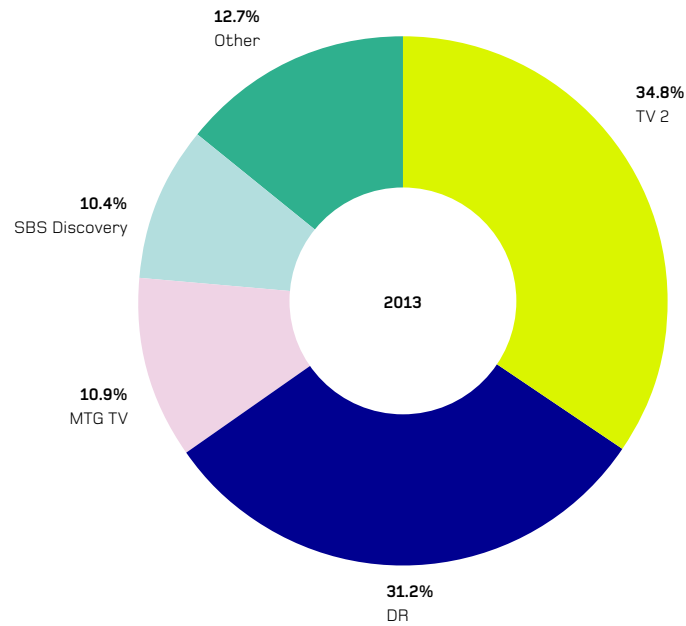
by many Danes when they select channel packages. But what would happen if, for example, Netflix controlled Champions League rights or if an Xbox were needed to view Formula 1? We will be looking at this future perspective in greater detail in the article on page 50.

AUDIENCE SHARES BY CHANNEL GROUP

SBS Discovery is defined here as including Kanal 4, Kanal 5, 6'eren, TLC, Animal Planet and all Discovery and Eurosport channels. A number of these channels were not part of SBS Discovery in 2013, but they are specified here as part of this.

Target group: 3+

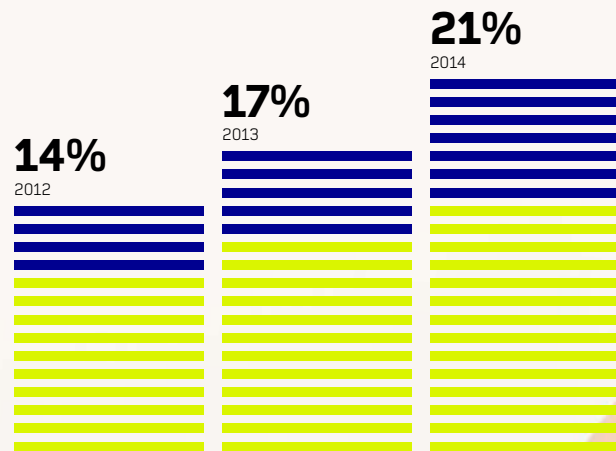
Source: TNS Gallup TV Meter



DEVELOPMENT IN DIGITAL DR RADIO LISTENING

Only listening to DR channels is measured, according to platform.
Target group: 12+
Source: TNS Gallup Radio-Meter

- DAB
- Internet





Do Danes want digital radio?

Danish digital radio listening has been under the microscope in 2014.
If half of the radio listened to in Denmark is digital by 2018, a decision
has been made to close down the FM band. In 2014, Danes are listening to
more and more digital radio, but the year-on-year growth is moderate.

DANES SLOWLY ACCEPTING DIGITAL RADIO OPTIONS

Following the successful digitisation of TV media in 2009, radio media have long been next in line to ride the digital wave. Although the DAB standard has been available for many years and the options for listening to online radio are not all that new either, Danes have only slowly accepted digital radio options. Policymakers have decided that the willingness of Danes to embrace digital radio will be the crucial factor in deciding whether to close down the FM band. So the requirement is as follows: "If it can be established by mid-2018 that at least 50% of radio listening, including in cars, is taking place on a digital platform", the FM band will be closed down at the end of 2019, as stated by the Danish Agency for Culture's schedule for digital radio.

Although the spread of digital radio among listeners is taking place slowly, radio listening via digital platforms in Denmark is on the increase. Although almost all Danish households now have access to digital radio via the Internet, the spread of smartphones has skyrocketed in record time and the spread of DAB radio has stagnated over the last few years, DAB radio still represents the most significant proportion of Danish digital radio listening. DAB listening accounts for 65% of all digital listening, while online digital radio ac-

counts for the remaining 35%. Of course, this is because DAB radios work like normal radios and so are often "just left on in the background", while online listening is characterised by shorter listening sessions.

MORE THAN ONE-FIFTH OF LISTENING IS NOW DIGITAL

So the situation in 2014 is that 21% of Danish DR radio listening is digital. Only listening to DR channels is measured according to platform, so when we say that 21% of listening is digital, it must be assumed that commercial listening is allocated as DR listening. It is difficult to say whether this is a reasonable assumption. As all DR channels but only a few commercial channels are available on DAB, there is a clear chance of commercial listening being "less digital" than DR listening. This is particularly true in the light of the significance of DAB to digital listening. Listeners to commercial radio, on the other hand, are younger, which may drag things in the opposite direction.

Digital listening has grown by a factor of approximately 3 percentage points per year, and a figure of 33% will be reached by 2018 if growth continues at this pace. It goes without saying that there are a number of unknown factors in this regard, such as the request for tender set to take place in 2015. A number of channels may be granted broadcasting licenses to trans-

mit on DAB+ at some point in 2015, especially P4, which is also about to be introduced on DAB+ in 2015. As P4 is undisputedly the biggest channel in Denmark, with 37% of total listening share, this is fairly essential to the chances of achieving 50% digital listening share. Average digital listening share for the other major DR channels, which also transmit on the FM band, stand at 32%, while this share for P4 stands at just 5%. If we were to project developments from 2014 and assume that P4 would be listened to digitally to the same extent as the other FM channels broadcast by DR, digital listening share in 2015 would amount to 35%, as long as P4 maintained its size. If we were to use the current growth rate for our projection, a digital listening level of 44% would be reached by 2018. However, when P4 starts to broadcast on DAB, digital growth will probably increase to more than 3 percentage points annually, but whether this would bring digital listening up to 50% in 2018 is unclear.

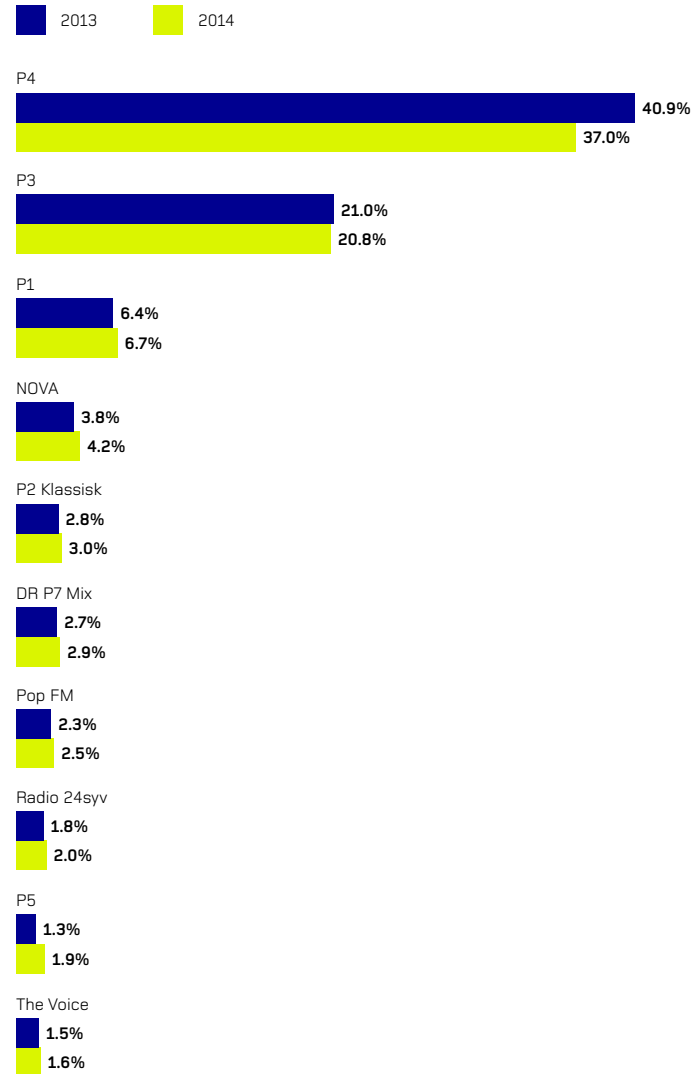
DANES LISTENING TO LESS RADIO

If we disregard digital development, radio is continuing to exhibit the same tendencies that we have been seeing for many years: the medium is used by dwindling numbers of Danes every week, and their listening time is declining. 93% of Danes used the radio medium weekly in 2013, but this figure fell to 92% in 2014.

THE TOP 10 RADIO CHANNELS

Target group: 12+

Source: TNS Gallup Radio-Meter



The average Dane listened to radio for 117 minutes a day in 2013, and 116 minutes in 2014. In other words, slightly fewer Danes are using the medium, and daily listening is declining. This is precisely the trend exhibited up to now.

However, this decline reflects individual age-related differences. Teenagers have actually increased their listening time from 55 minutes to 59 minutes, while all age groups from 20 upwards have reduced the amount of time they spend listening to the radio. So what are teenagers actually listening to? Commercial radio, first and foremost. Teenagers listened to 22 minutes of commercial radio per day in 2013, and this figure has increased to 28 minutes in 2014; representing a growth of 26%. The MyRock channel in particular, which has grown from almost nothing in 2013 to 1 minute per teenager per day in 2014, but Pop FM and Nova have also enjoyed success among teenagers. However, most growth can be seen in local listening. While teenagers spent 12 minutes a day listening to local commercial channels in 2013, the equivalent figure for 2014 was 16 minutes. So the notion that our youngest people are turning their backs on the medium is in any case a tad inaccurate.

STABILITY IN THE MARKET

Finally, if we look at 2014 for the channels, the radio market is still demonstrating relatively

high stability. There have been practically no changes in the top 10 places.

However, it is clear that the decline in audience shares experienced by P4 from mid-2013 has continued throughout 2014. At the same time, it is also clear that no one channel has directly taken over P4's audience shares, and this is due to the fact that P4's loss of listeners is attributable primarily to a reduction in listening to the channel. If we look at the people who listened to P4 in 2013, we can see that only the one-quarter of those who listened most to P4 reduced their listening in 2014, while the remaining 75% increased their listening. But because P4's core listeners listen to the channel for a very long time and their listening has been reduced, this has resulted in an overall loss for the channel.

2014 has also been a good year for P1 and Nova FM and these channels have increased their figures slightly throughout the year, while the old Talpa Radio, Radio Soft and Radio 100 have lost between one-quarter and one-third of their market size and are now out of the top 10. SBS Discovery, owner of Nova, does of course also have reason to be pleased with the past year, as this was when the channel regained the right to broadcast on the FM5 channel and thereby ensured peace on the distribution side of things for many years to come.

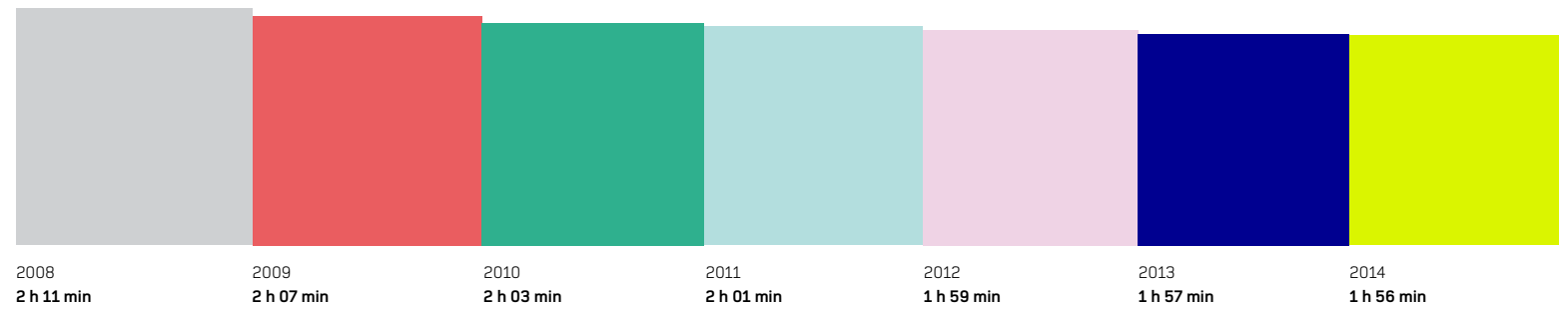
All in all, these changes in the market are as follows: DR lost three audience share points and fell from 76% to 73%, which means that public service overall (DR and Radio24syv) accounts for 75% of listening in Denmark compared with 78% in 2013. Commercial radio's listening share rose from 22% to 25%.

There were some interesting announcements and developments throughout the year as regards the digital development of the medium, but not much has changed in terms of the inter-relationships between the channels and the general development of the medium.

HOW MUCH TIME DO DANES SPEND LISTENING TO THE RADIO EVERY DAY, ON AVERAGE?

Target group: 12+

Source: TNS Gallup Radio-Meter

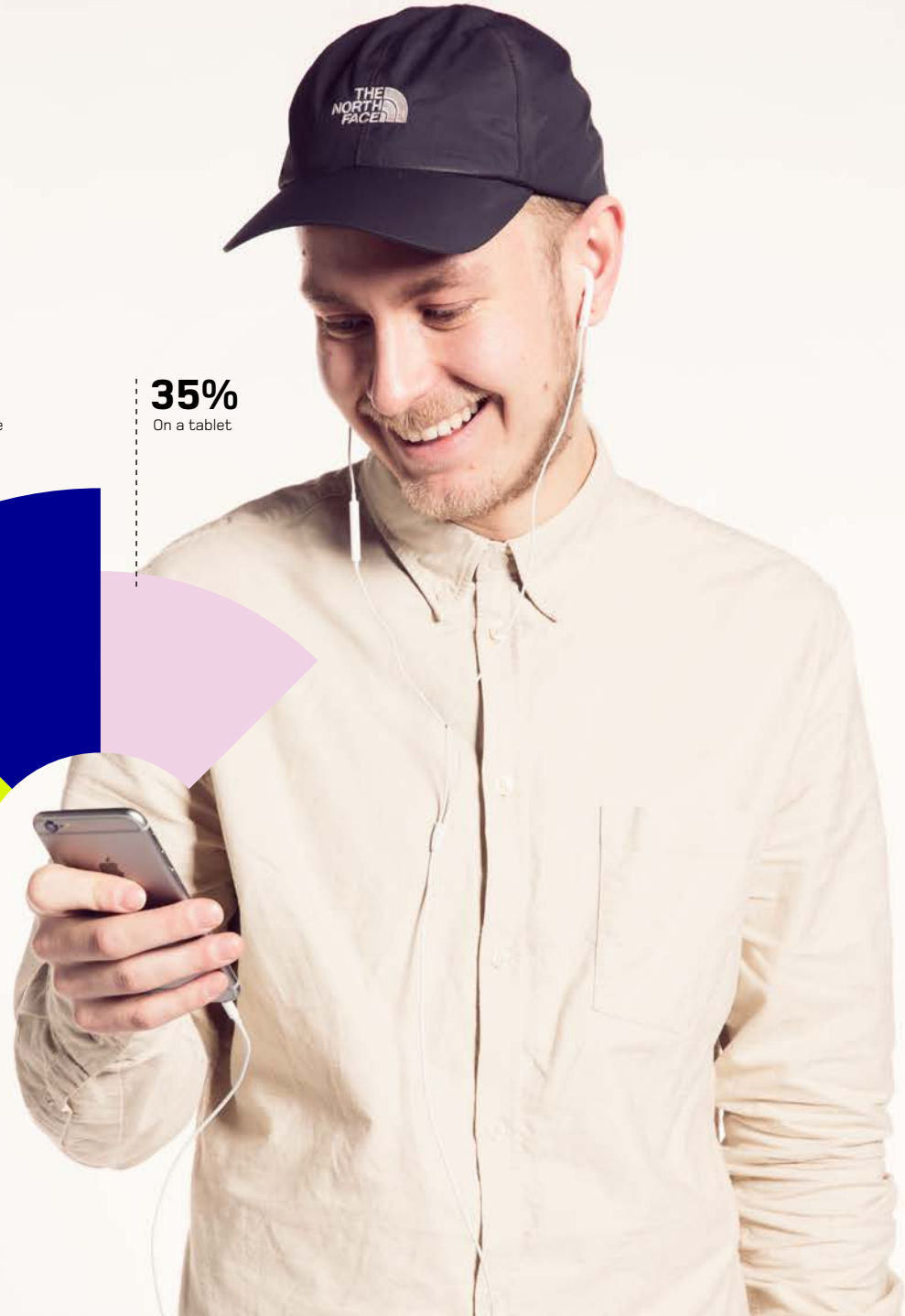
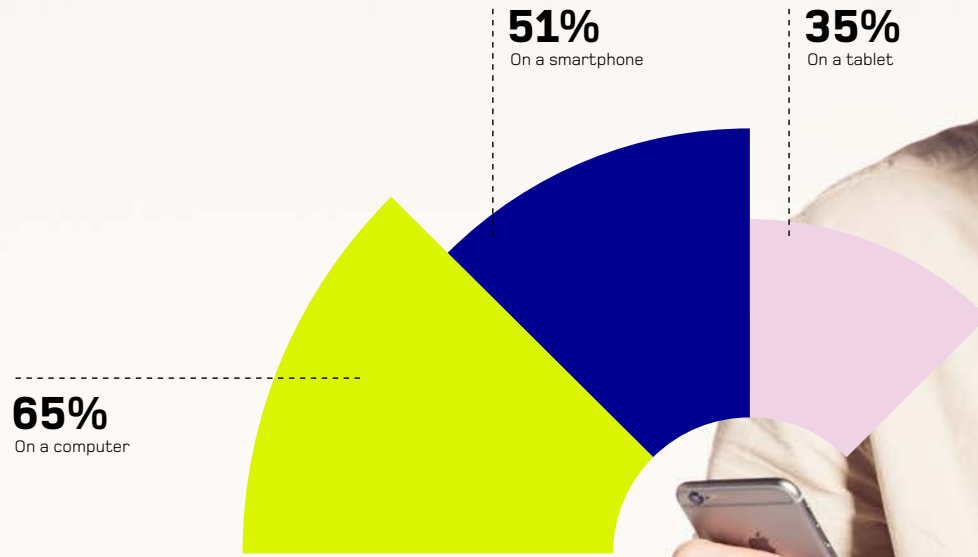


HOW MANY DANES USE THE INTERNET AT LEAST DAILY OR ALMOST DAILY?

Period: 2014

Target group: 12+

Source: TNS Gallup Index Denmark





Internet continuing to gain ground

The Internet is continuing to steal time from the traditional media, and one in every two Danes now accesses the Internet from their mobile every single day. Streaming is gaining ground because of Netflix, and Danes are now signing up to Snapchat and Instagram in earnest.

DANES SPENDING MORE TIME ON THE INTERNET

It is difficult to work out the amount of time spent on the Internet because there is no electronic market survey of total Internet use. If you ask the Danes themselves, they spent about 2 hours a day on the Internet in 2014. This is a minor increase of 4 minutes over 2013. The Internet fills up a lot of time among young people aged between 15 and 29 in particular, more than 3½ hours a day. In terms of time spent, this means the Internet is bigger than both radio and TV among this age group.

Tablets and smartphones have become more widespread, as in so many other years, which means that tablets are now found in more than half of all households in Denmark, while three out of four Danes own a smartphone. Smartphones mean you always have the Internet at your fingertips, and no fewer than one in two Danes uses the Internet from their phone every day. By way of comparison, this figure stood at 18% just three years ago.

Now that our old landline telephones and printed media have turned into online media in the guise of smartphones, tablets and computers, all we are missing is the TV set. And in this regard we are waiting for smart TVs to take hold in earnest. At present, about one in three Danes has access to a smart TV in their household. However, the

technical development of smart TVs is so powerful that many of these "smart" TVs are probably already out of date in comparison with later models. Moreover, Danes still have to "learn" how to use the options offered by these TVs, and so the potential has yet to be realised. Therefore, Danes use the Internet on their TVs for less than 5 minutes a day. If this figure increases appreciably in the future as Danes replace their TVs, this will without doubt provide greater opportunities for streaming services to steal time consumption from traditional TV channels.

MAJOR SURVEY CHALLENGES

It is difficult to say anything specific about development on the Danish Internet market as significant changes have taken place in the Danish Internet market survey, making it very difficult to compare the spread of ISPs in 2014 with previous years. However, it is clear that mobile traffic has really taken off as regards Danish publications. Ekstrabladet.dk, for example, has approximately the same amount of traffic from smartphones as from ordinary computers.

Over the last few years, it has also become more common for articles shared on Facebook to significantly affect traffic on individual websites, and mobile traffic in particular is very important in this regard. Although social media have become important traffic drivers, the media's

own websites are still important portals providing access to content and news. However, the media can reach target groups on social media which would otherwise not have come into contact with the content.

DANISH KRONER AND AMERICAN DOLLARS

The Internet set new records in terms of advertising sales in 2013, with total sales amounting to almost DKK 5 billion and a total share of the Danish advertising market amounting to 39%. This makes the Internet the biggest media group in Denmark and the group which clearly experienced the greatest growth at the same time, while advertising sales on TV – for example – fell throughout the same period. All in all, the advertising market has remained relatively stable over the past 4–5 years, which means that the Internet has taken a lot of advertising funding from other media platforms throughout the period. Advertising market figures for the first six months of 2014 indicate that the Internet is continuing to advance in terms of advertising sales.

The American services Facebook and Google are firmly entrenched in Danish Internet use, and there is no doubt that a large proportion of advertising funding is paid to these companies. Among other things, the Association of Danish Media estimated that Google's adver-

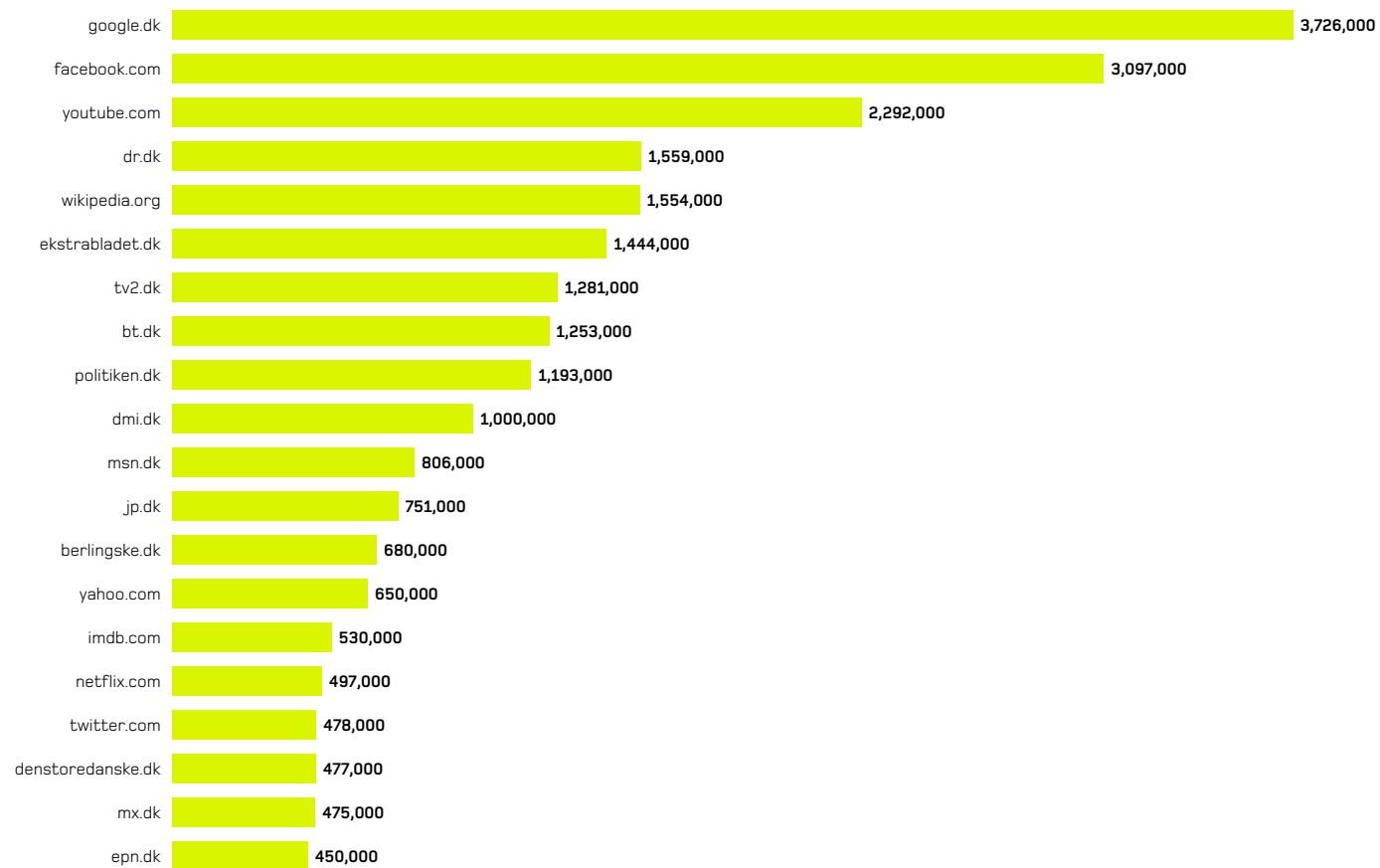
MONTHLY USERS ON SELECTED WEBSITES

These figures are based on two different surveys carried out by Gemius and the Association of Danish Media Research as part of their Danish Internet market survey. Members' figures have greater validity than the figures of providers which are not members of the Association of Danish Media Research. These figures relate to the use of websites on ordinary computers.

Period: January-September 2014

Target group: 15+

Source: Gemius and the Association of Danish Media Research



tising sales in Denmark amounted to more than DKK 2 billion in 2013, while Facebook's sales were estimated to amount to almost DKK 400 million. The Internet makes it possible to get close to users by means of cross-platform login, and this is something which characterises major global internet brands such as Facebook, Google, Netflix and Spotify. This gives providers more opportunities to capitalise on users, particularly when it comes to being able to reach users with targeted content and advertising across platforms.

NETFLIX AND YOUTUBE FIRMLY BASED ON STREAMING

Netflix has gained a solid foothold among the Danes, and approximately one in every four Danes has access to the service. This is an impressive figure, given the brief history of the service in Denmark. In 2014, Danes spent 15 minutes a day on Netflix, which is a major increase over 2013 (9 minutes). By way of comparison, Danes spend around 2 minutes a day on Viaplay and DR's streaming service, which are otherwise two of the most widely used streaming services in Denmark. The latter has roughly about the same number of users as Netflix, which indicates differences in user behaviour among the various services. One of the strengths of Netflix is the fact that users sit and watch many episodes of series back-to-back – known as binge-watching – while DR's TV

service involves a lot of catch-up use. This means that Netflix is way out in front when it comes to streaming service use among Danes. Besides Netflix, YouTube is the other major player when it comes to streaming live images in Denmark, and Danes spend about 6 minutes a day on this site. Unlike Netflix, however, YouTube has seen no growth in the overall time spent by Danes on the site since 2013. HBO Nordic, another service originating in America, is used by Danes to a small extent.

Young people spend more than twice as much time on streaming as the population as a whole. Among the 15-29 age group, Netflix takes up 37 minutes a day; representing a massive increase of 23 minutes over 2013. Young people spend a lot more time on the Viaplay, YouTube and DR streaming services than the older target groups. All in all, young people spend an hour a day on the most popular streaming services in Denmark. By way of comparison, the population as a whole aged between 15 and 75 spends about half an hour a day on streaming services.

FACEBOOK STILL NUMBER 1

Facebook remains the preferred social media among Danes, with 3.5 million monthly users. Moreover, the network is continuing to grow in Denmark. 59% of Danes use Facebook every day, compared with 55% in 2013. This success is mainly due to the fact that the over 30s

adult population is using Facebook to an increasing extent. However, this success is not unambiguous, and we are seeing a slight decrease in the daily use of Facebook among Danes under the age of 30. However, it is worth remembering that the people in the 12-29 age group are not about to leave Facebook, but are simply accessing Facebook less frequently than they used to.

While the Danes have taken Facebook to their hearts in earnest, Twitter has never achieved broad popular appeal. 4% of Danes use Twitter every day, which is the same as the 2013 level. The slight decrease in Facebook use among the younger population is due in part to the fact that they are now spending their time on other competing social media such as Snapchat and Instagram; two social networking services with a more precise purpose, i.e. to share images and videos. Snapchat and Instagram have grown enormously over the past year and now have 890,000 and 770,000 monthly users respectively, representing an increase of 77% and 55% respectively. These two social networks are thus significantly larger than Twitter, which can only muster 570,000 monthly users. Snapchat more or less only exists among Danes under 30 years of age, but it is a big name in these circles. Half of all people aged 12-19 and more than a quarter of all people

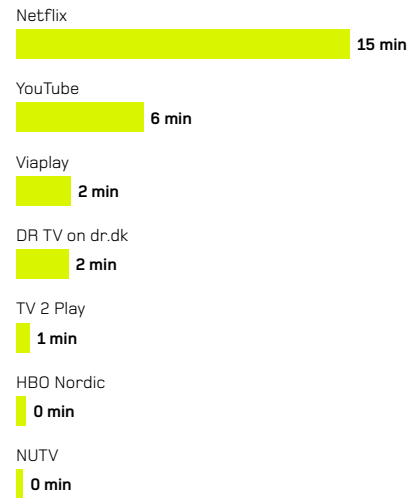
aged 20-29 use Snapchat every day. Like Snapchat, Instagram is mainly used by people aged 12-29, but it has a significantly larger number of users aged over 30 than Snapchat.

NUMBER OF MINUTES SPENT PER DAY ON SELECTED STREAMING SERVICES

Period: 2014

Target group: 15-75

Source: TNS Gallup Digital Life

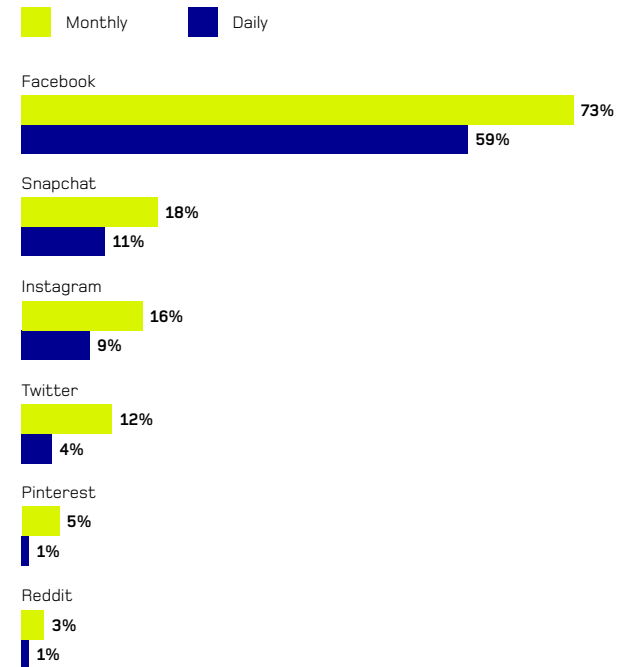


HOW MANY DANES USE SOCIAL MEDIA?

Period: 2014

Target group: 12+

Source: TNS Gallup Social Media Life

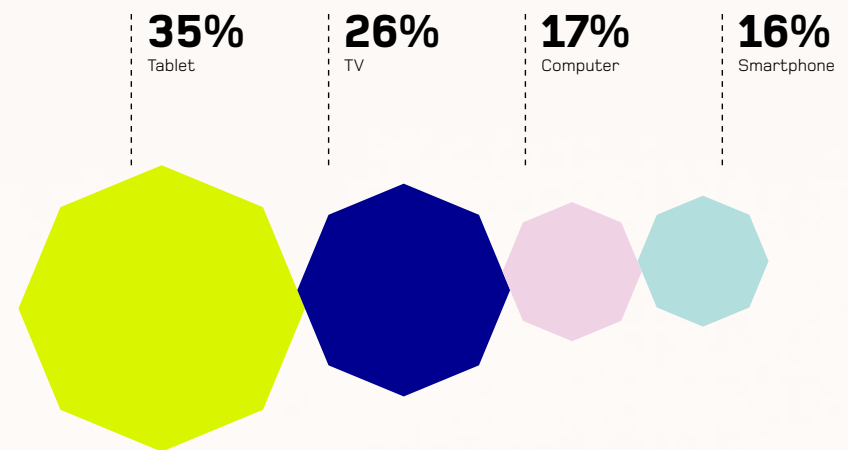


WHAT WOULD YOU MISS MOST?

Period: 2014

Target group: 7-12

Source: Norstat for DR Media Research



Tweens prefer tablets to TV

TV has traditionally been the most influential medium among children. But children do not organise their lives around programming schedules, and they are used to being able to access content wherever they like and whenever they like. The new media reality is commonplace among families with children.

THE NEW MEDIA REALITY AMONG FAMILIES WITH CHILDREN

The amount of time spent every day by the 3-12 age group on watching traditional broadcast TV has fallen by 11% between 2013 and 2014. This is greater than the 4% drop among the population as a whole. The oldest children in particular are watching less TV than before. This severe decline is due largely to the options offered by tablets and smartphones. Up to 90% of children in Denmark have access to a tablet at home, and more than 90% have access to a smartphone. Many of these children also have their own devices. 30% of preschoolers aged 3-6 have their own tablets, which makes tablets the most commonly owned device among children aged 3-6. However, things are slightly different among the tweens, the 7 to 12 age group. They have a major desire to own devices themselves, and this is why 56% of children aged 7-12 have their own smartphones, 53% have their own tablets, and 50% have their own TVs. It is typical for children aged 8-10 to be given smartphones of their own. Girls generally receive smartphones before boys. By the time they reach the age of 10-12, 77% of children have their own smartphones.

TABLETS HAVE WON THE HEARTS OF CHILDREN AND PARENTS

Preschoolers spend the most time watching TV, but tablets

have become popular. There are a number of reasons as to why tablets in particular have won the hearts of young children and their parents. For children, tablets are easy and intuitive to use, and children as young as 1 year old can use a tablet. Parents prefer to sit their children down with a tablet rather than in front of a TV, because they feel that tablets help with learning to a greater extent than TV. A number of parents say that their children have learned to write letters and numbers by playing with the family tablet, as well as acquiring general IT skills.

Our children's activities and interests changed when we got an iPad. The iPad is really good for my daughter, she's so good at it. She's taught herself the alphabet, for example.

Father of a 3-year-old girl

Moreover, parents are less worried about giving their children a tablet than giving them their own laptop, for example, because children can have fewer accidents with a tablet than with their parents' computer, where important documents are stored which must not be destroyed. Parents do not have many set rules on the extent to which children are allowed to use their tablets, but equally parents feel that children must also incorporate physical activity into their daily lives.

We're aware that there has to be a balance between physical play and real relationships, and digital play.

Mother of a 6-year-old boy

When children become tweens, even more devices come into play. Smartphones and laptops in particular are gaining ground among the oldest tweens. Girls prefer smartphones, while boys incline towards laptops.

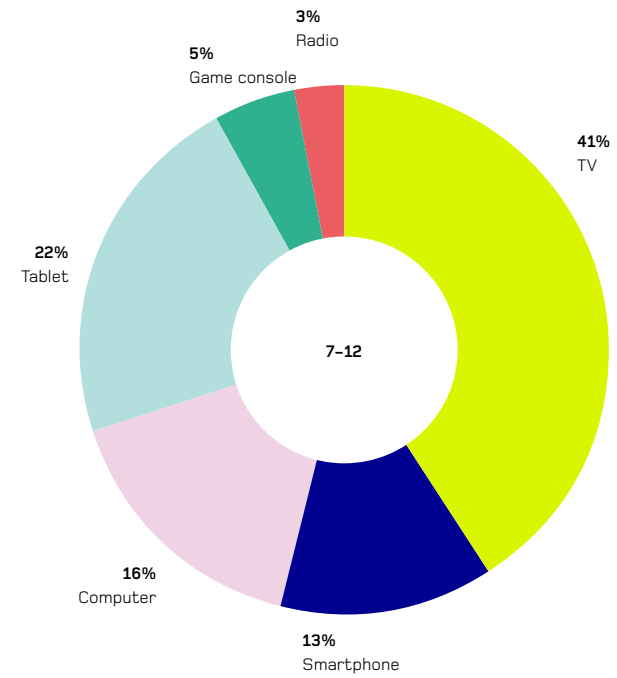
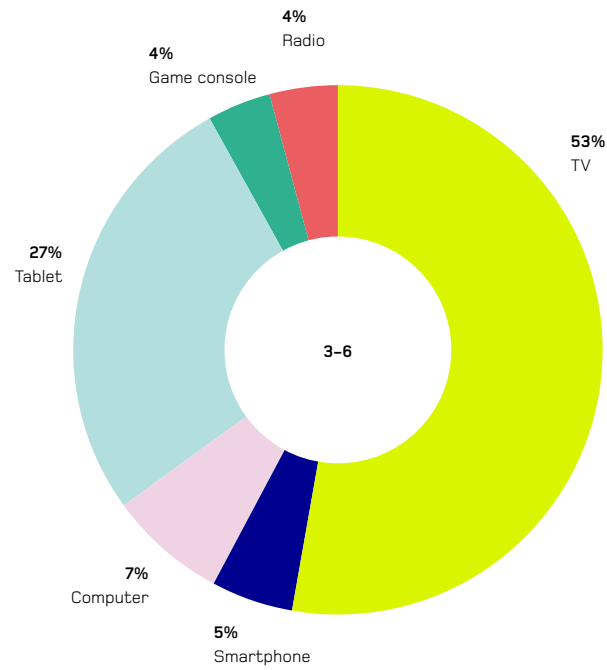
TV LOSING INFLUENCE

Screen time is the time which 3 to 12-year-olds spend on various devices in total. In other words, screen time does not refer merely to entertainment, but also to time spent on homework, for example, on digital devices. Children aged 3-6 have 1 hour and 45 minutes of screen time every day. They spend most of this time on TV, which represents 53% of total screen time, followed by tablets, representing 27%. Children aged 7-12 have more than 3 hours of screen time every day, and the older they get, the more screen time they tend to have. Children aged 10-12 have more than 3½ hours of screen time every day. In all, tweens spend more time on smartphones, tablets and computers than they spend on TV.

Although tablets are highly valued among the youngest children and their parents, TV is still the device which takes up most of their screen time. This is in terms of both daily coverage

DISTRIBUTION OF CHILDREN'S SCREEN TIME

Children aged 3-6 have 1 hour and 45 minutes of screen time every day, while children aged 7-12 have 3 hours and 5 minutes of screen time every day.
Period: 2014
Source: Norstat for DR Media Research



and daily time consumption. TV loses influence as children become older. This is largely apparent when children are asked which device they would miss most if it were taken away from them. Only 26% of tweens say they would miss their TVs most, while 35% say they would miss their tablets most. Girls aged 10-12 would miss their smartphones most, while boys aged 10-12 would miss their computers most.

YOUTUBE RULES

There are a couple of brands which have an enormous amount of influence when preschoolers become tweens. Of children aged 3-6, 17% visit YouTube every day or almost every day, regardless of device. For tweens, on the other hand, YouTube has a completely different role to play. For them, YouTube is more of a digital Swiss Army knife, offering anything, any time, anywhere. This is why 38% of children aged 7-12 use YouTube every day or almost every day, and no fewer than 73% use YouTube every week. Boys in particular love YouTube, but girls are also frequent users.

Preschoolers look on YouTube for content that they are familiar with from TV. This includes content broadcast on DR Ramasjang, the Disney channels, Nickelodeon and Cartoon Network, for example. They also search for viral hits such as What Does the Fox Say, Gangnam Style and The Gummy Bear Song. Tweens search firstly for music, such as Miley Cyrus

and Katy Perry. YouTube stars such as PewDePie and Cute Girls Hairstyles are also a very popular category among children searching for content. Skills, sports and interests also take up a lot of time when you ask children aged 7-12 about their favourite things on YouTube. Parkour, football and Funloom videos are good examples. The fourth and final category is funny videos, e.g. Chili Claus, funny animals and antics along the lines of Mr. Bean.

Tweens are fully in agreement on what their favourite apps are: YouTube and Minecraft. However, it is important to point out that the app market is very fragmented. YouTube is mentioned by 14% of children and Minecraft by 14%. The third biggest is Instagram, with 8%. Then we have a range of different apps such as Netflix, Hayday, Snapchat, Momio, Facebook and Subway Surfers. Things are simpler among the youngest children as DR Ramasjang and Lego apps are the big players on the market.

Social media are not particularly widespread among children; however, the oldest girls aged 10-12 have jumped on the bandwagon as the only exception. They use Instagram and Snapchat in particular on their smartphones.

FAMILIES WITH CHILDREN HERALDING SIGNIFICANT CHANGES

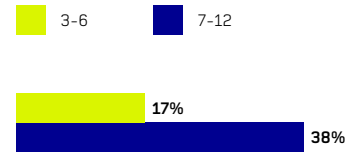
We are seeing major changes in children's use of media, and

it is clearly apparent that new devices are being used by both the youngest and the oldest. It is difficult to predict the future, but we would dare to predict that the major changes in media usage among Danish families with children will herald significant changes in the media usage of everyone else in Denmark. The vast majority of children have access to digital and mobile devices, and compared with the other Nordic countries, Danish families with children are at the forefront in terms of access to digital devices. So any concerns about large numbers of Danish children falling by the wayside instead of joining in with the digital wave due to the fact that they do not have access to expensive digital devices can hereby be eliminated.

HOW OFTEN DO YOU USE YOUTUBE? EVERY DAY OR ALMOST EVERY DAY?

Period: 2014

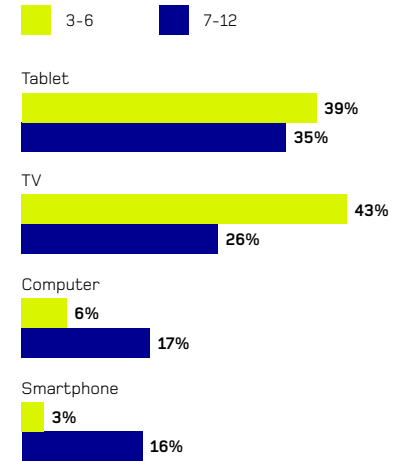
Source: Norstat for DR Media Research



WHAT WOULD YOU MISS THE MOST?

Period: 2014

Source: Norstat for DR Media Research



THEM



Changes to Danish TV viewing habits

Traditional TV viewing is declining – particularly among younger Danes. Viewer patterns are changing, and although traditional TV is in a very strong position, the decline in viewing is challenging broadcast TV's almost monopoly-like status when it comes to live images.

New media services have become part of the everyday lives of the people of Denmark. Streaming services are the most obvious competitor to traditional broadcast TV, but all in all Danes have been given lots of new opportunities for recreation with the spread of the Internet, smartphones, tablets and social media. At present, Danes spend approximately 17% of their overall TV consumption on streaming. TV consumption is now a composite term, but in this context we are referring to the viewing of traditional TV channels, delayed TV viewing and viewing of streaming services, be they provided by traditional broadcasters or other providers. Pirate viewing and DVD and Blu-ray viewing are also included in the total figures. Compared with 2013, streaming has seen an increase of 5 percentage points. Generally, overall TV consumption remains relatively stable.

Although the decline in viewing time for traditional TV channels was not as sizable as last year, the continuing decline of the traditional channels, combined with the ongoing success of the streaming services, has meant a major change for a number of Danes. They have dealt with the consequences of their changes in behaviour and either done away with traditional TV altogether or swapped to a smaller TV package. Traditionally, our relationships with TV providers have been along the same lines

as our relationships with utility companies, banks, etc.; something we very rarely think about and even more rarely change.

There are major age differences when it comes to TV consumption, and the habits of young people are significantly different to the habits of the rest of the population. Young people spend approximately 33% of their total TV consumption on streaming. This heralds new viewing patterns, although as yet it is impossible to predict the habits of young people when they get older, have families, etc. It is important to deal with this topic. Not just because this information is interesting here and now, but because it will probably help to shape the media landscape and media users in the future. What the rest of us are gradually starting to take on board is commonplace and self-evident to young people, who are growing up with this media reality and know nothing else. Although this can hardly be said to herald the final days of television or broadcasters, it does indicate that we are standing on the threshold of a new media paradigm. The old media logic and the new media paradigm will coexist over the coming years, they will challenge and enrich one another, and it is highly likely that within a number of years we will be left with a hybrid form which is reminiscent of neither the old media logic nor what we now call the new media paradigm.

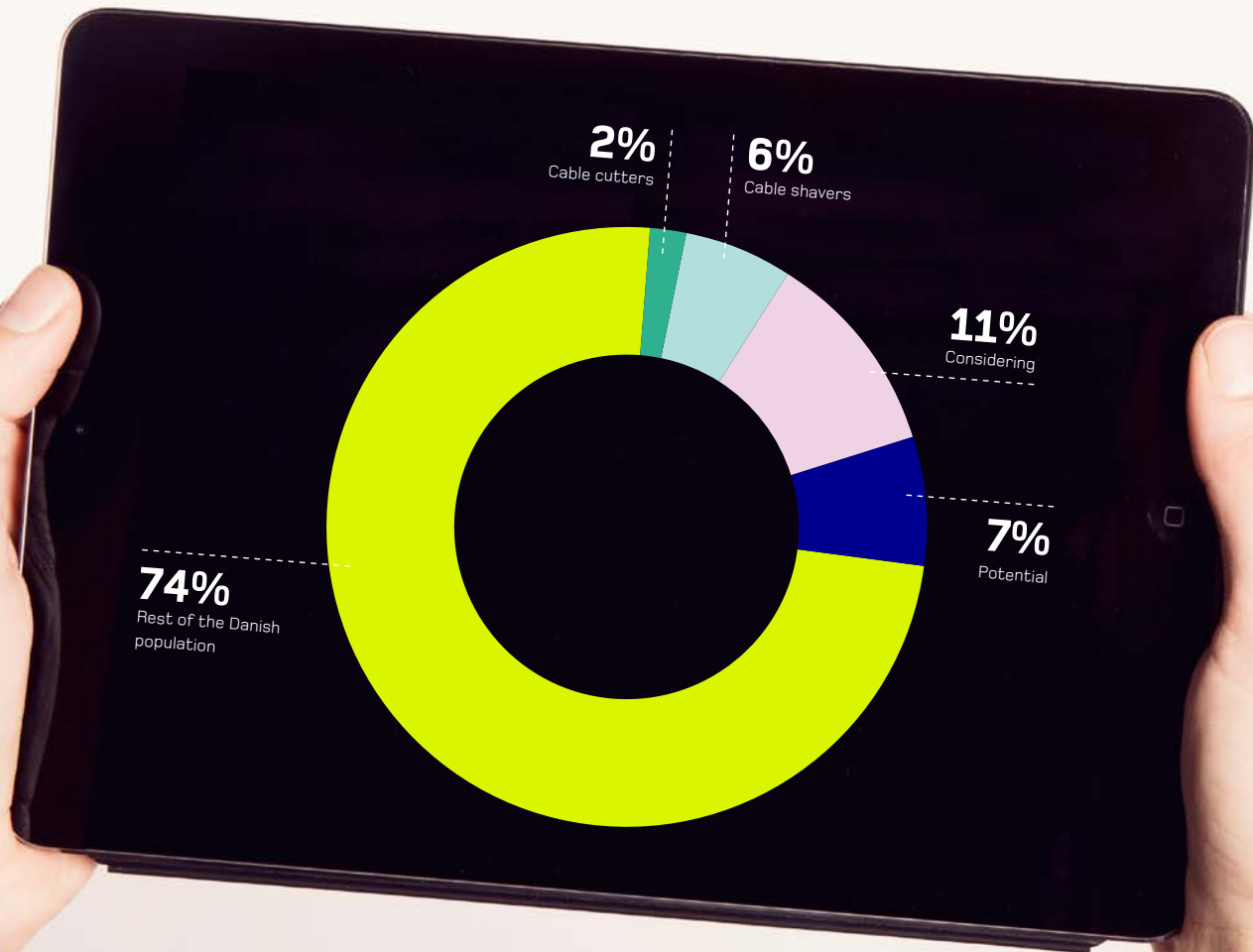
In the following articles, we will provide various angles on Danish TV viewing habits in 2014 from a development perspective. The first article provides an overview of how many people have changed their TV subscriptions, are considering changing their TV subscriptions or are not considering changing anything at all. There then follows an article on how on-demand viewing differs from traditional flow TV viewing, and finally we will take a brief look at the future and consider the factors which influence the media market.

HOW MANY ARE CABLE-CUTTING AND CABLE-SHAVING?

Period: 2014

Target group: 15-70

Source: Analyse Danmark for DR Media Research





How many are cable-cutting and cable-shaving?

Since Netflix and similar services were successfully introduced on the Danish market, there has been a lively debate: Who does it affect? As these are distribution services, people's gaze has been focused on the traditional distributors on the TV market, and the public have been introduced to terms such as cable shavers and cable cutters. We will attempt here to create a summary of the phenomena and their scope.

MANY DANES HAVE TRIMMED DOWN THEIR CHANNEL PACKAGES

Some Danes like sport, others like American TV series, and others like German talk shows. Cable TV made it possible for us all to join forces, subscribe to various TV channels and pay for them collectively in various packages. This meant it was possible to make niche channels profitable as everyone, more or less voluntarily, was helping to ensure minimum distribution and hence to divide the subscription fees across multiple stakeholders. Thus cable packages have a collective element – besides guaranteeing the bottom lines of both distributors and channel owners, of course. However, not everyone agreed – and agrees – with the principle of co-financing their neighbours' special channels. There is nothing new in Danes paying for TV channels they do not watch, nor is there anything new in considering whether they have the right package, given the number of channels and the amount of TV they generally watch. That said, it seems as if the winds of change are blowing through the TV channel market, and Danes are looking increasingly critically at the number of TV channels they are paying for.

Many Danes have cut back on their TV packages over the last 18 months. They have done this in order to save money or get rid of channels they do not use. This group is largely dominated by

Danes who watch TV on dedicated streaming services such as Netflix, HBO Nordic and Viaplay. Overall, 8% of Danes aged between 15 and 70 have dropped their channel packages or cut back on them over the last 18 months. Traditionally, not many Danes have completely opted out of having a TV or subscribing to TV channels at home, and this has not changed over the last couple of years. These people make up only a very small group – and these are the people that we refer to as cable cutters – and who get rid of cable TV completely. Significantly more people choose to reduce the size of their TV packages. These people are referred to as cable shavers as they "shave back" their TV packages. Moreover, there is also a significant group of Danes who are considering doing something about their TV packages.

VAST MAJORITY HAVE A TV PACKAGE

When considering Danes overall, not having access to regular TV channels at home is still the exception. According to a survey carried out by Analyse Danmark for DR Media Research, 85% of Danes pay for a traditional TV subscription and a further 10% have no subscription but receive free TV channels at home. This means that only about 5% of Danes have opted out of TV channels altogether. Hence 2014 is not some exotic future situation, as some people might

imagine, but nor do these levels indicate that Danes are in the process of changing their habits. The fact that cable shaving and not cable cutting is the dominant trend is reflected by the fact that 4% of people have cancelled their TV subscriptions over the past 18 months, while about the same number have taken out new TV subscriptions. On the other hand, 7% of Danes claim to have changed their channel packages to smaller ones, while only 2% expanded their TV packages. DR Media Research has divided Danes into the following four groups on the basis of these questions and a number of others.

VERY FEW PULL THE PLUG ENTIRELY

Only 2% of Danes have become cable cutters over the last 18 months by terminating their TV subscriptions without setting up new ones. The average age of this group is around 30, and this is by far the lowest average age of all the groups. This behaviour is almost as widespread among Danes in their 30s as it is among those in their 20s. In both age groups, around 5% of people have terminated their TV subscriptions, while more or less no Danes over the age of 40 are cable cutters. The 30-39 age group also has a different approach to the younger ones, as most of them have channel packages, while many young people probably switched from the TV packages they had when

they moved away from home, and so they have not had the opportunity to become cable cutters because they obviously did not have their own cable to cut. Among people aged 15-29, only 65% paid for TV packages in their households.

The level for people aged 30-39 may indicate that cable cutting is not just an age-related effect which "disappears" over time. We know from previous surveys that many Danes have opted to get rid of their TVs at some time but have then gone back to watching TV again later in life because they have had a family, for example. We may be seeing signs here of families with children turning their backs on traditional TV to a greater extent in 2014. More information on the changes in media habits among families with children can be found elsewhere in Media Development 2014. Where this often used to involve getting rid of the TV, cable cutting in this respect relates to access to TV channels. TVs in 2014 often have lots of options for viewing live images via apps or connected devices such as Apple TV, Chromecast or computer. Thus doing away with TV channels is no longer the same thing as doing away with TV content.

DANES IN THEIR 30S HAVE CUT BACK ON THEIR TV PACKAGES

While opting to do away with TV channels altogether is rare nowadays, cutting back on TV

packages is more widespread. Cable shavers are Danes who have cut back on the number of channels in their households. This group is made up of 6% of Danes, and the phenomenon is most widespread among people aged 30-49. The average age of shavers is thus higher than the average age of cutters. This group is particularly made up of Danes who have completed higher education and a majority are white-collar workers, but essentially this group is fairly diverse with no strong characteristics. This emphasises the fact that age is the primary factor which defines cable shaving.

All in all, this means that 8% of Danes have cancelled or cut back on their TV packages over the last 18 months. And if we look at the group of people aged 30-39, which includes many families with children, the number of people who have actually reduced the selection of channels available in their own homes in 18 months amounts to 14%.

STREAMING SERVICES VERY IMPORTANT FOR CUTTERS AND SHAVERS

Cable cutters are heavy users of streaming services, with approximately 84% of cable cutters using them. Netflix in particular plays a major part. 27% of the population claim to use Netflix personally, but among cable cutters this figure stands at no less than 61%. At the same time, this is a group

of people who – not surprisingly – choose not to watch classic TV. Almost 70% of people in this group state that they now watch less traditional TV than they used to. Cable shavers also use streaming to a greater extent than the rest of the population, with almost 7 out of 10 actively using streaming services, while the level for the population as a whole stands at almost 60%. This also includes the use of YouTube. In this group, no fewer than 36% also use Netflix, and DR's range of TV programmes online and Viaplay are more widespread in this group than in the rest of the population. At the same time, 55% of people in this group, by their own admission, watch less TV than they used to.

The primary reason as to why Danes have cut back on their TV packages or stopped receiving TV signals altogether is money. 62% of Danes who have made a switch therefore indicate money as the main reason for this switch, while 49% say that they did not watch all of the channels. In third place come streaming services with 37%, which has probably increased people's focus on the overall cost of watching TV. Saving money and overcoming the mismatch between the number of channels people are paying for and the number of channels they actually watch are the most significant reasons as to why people cut or shave, but these phenomena are not new. Therefore, they

cannot be the sole reason for the changes we can observe in TV distribution among the people of Denmark. Number three on our list, streaming services, must play a significant role in this regard. We will come back to this role.

MANY DANES CONSIDERING THEIR TV PACKAGES

However, there is also a large group of Danes who are considering either cutting back or completely doing away with their TV packages, but they have not done this as yet. This group is made up of another 11% of Danes, and there is a predominance of Danes aged between 30 and 49 in this group. In many ways, this group is reminiscent of the previous group, the cable shavers, but the average age is higher. And while the shavers watch many of their TV channels, the "considerers" watch significantly fewer. This is linked with the fact that they have not yet done anything about their considerations, unlike the shavers. Several people in this group are considering cutting back on their subscriptions because they want to get rid of channels which they do not watch, while saving money is a consideration for more than half of respondents in this group. One in four respondents also states that they are considering cutting back because they have started to watch more streaming services. In other words, the motives are the same as the

motives of the Danes who have already cut back, but the proportions are different.

All in all, one in five Danes belongs to one of the three previous groups which have either changed or are considering cutting back on their TV subscriptions. All in all, one in every three people in this group cites streaming services as a direct reason for downgrading their channel packages. Moreover, it must also be assumed that streaming services are one of the underlying factors for others in the group, where two out of three people use streaming. At a guess, these services have persuaded up to 10% of Danes over the past 18 months to cut back or consider cutting back on their traditional TV subscriptions.

WILL MORE PEOPLE BE CONSIDERING THEIR TV PACKAGES?

Besides these three segments, we can also look at how many Danes could benefit from considering their TV subscriptions once more, because they watch a fairly small number of their channels. We define this group of people as Danes who have neither changed nor are considering changing their TV packages and whose total use of the channels in their TV packages belongs in the lowest quartile, leaving us with a group of 7%. These are the Danes who watch the smallest percentage of the TV channels they have available. They watch

less than one-fifth of the channels they have available, and even so they are still not considering changing their TV packages. This group is made up of older Danes than the three previous segments, i.e. people who have taken to the new technology to a much lesser extent. Therefore, this is also a group of people who stream to a significantly lesser extent than the rest of the Danes, and this also indicates that the use of streaming – or lack thereof – has a relatively great effect on whether people are considering their TV packages. This leaves a large group of approximately 74% of Danes who have no intention of changing anything and who watch a relatively large number of their channels. This group is characterised by the fact that they use streaming less than others, and that, by their own admission they have not reduced their TV consumption much. However, they have cut back on their TV consumption to an extent, and this could indicate that while the decline we are seeing in TV viewing can be explained by streaming services to a great extent, this is not the only explanation. We must also remember that we are emerging from a period of "abnormally" high levels of TV viewing following the digitisation of TV between 2007 and 2010.

STREAMING AS A CATALYST

When we compare the group of Danes who have done some-

thing with their TV signal reception with the people who are still considering doing something, it is possible to see a number of interesting differences in their motives. Both people considering taking action and people who have acted specify that they are motivated by the fact that they do not watch all their TV channels and they think they are paying too much to watch TV. The new streaming services are the point at which the groups differ. There is more widespread motivation for people who have acted in that they have started streaming more (37%), while the people considering taking action also cite this motive, but to a slightly smaller extent (26%). To put it bluntly, it can be stated that the mismatch between the number of channels available and the number of channels people watch, and also the fact that TV is an expensive pastime, is as old a consideration as cable TV itself. There is essentially nothing new here, and it also appears to be the introduction of streaming services which persuades Danes to make the transition from considering doing something to actually acting on that thought. Thus, streaming services are perhaps not so much a direct competitor to cable TV, but a form of catalyst which brings the other motives actively into play. In other words, people begin reacting to the fact that they are not watching enough channels in their packages and

paying too much for them only when streaming services give them reason to reflect on their TV costs. So streaming in itself is not what triggers this, but streaming in combination with the other motives.

Another factor to consider is that when people start spending money on streaming services, some people will try to keep the total amount spent on media low by cutting back on charges elsewhere, such as the charges for traditional TV distribution. There is also the fact that for many Danes, the choice of TV reception form and operator is a choice which they very rarely reflect on, exactly as with banks, utility companies and suppliers of hot water. We take it for granted, perhaps make a choice at a very early stage, and then stick with that choice without giving it any additional thought. Only if the bank does something rather outrageous or no water comes out of our taps, can we be enticed to reconsider our choices. To an extent, streaming has proven to be the media industry's response to these events, which are affecting balance on the TV market.

About the survey

This survey was undertaken by Analyse Danmark for DR Media Research in September 2014. 1500 Danes aged between 15 and 70 took part in the survey.



Pictures posed by
models



Meet four types of TV viewer

In a previous article, we introduced you to cable cutters, cable shavers, "considerers" and "potentials". Together, these four groups make up approximately one-quarter of the Danish population. DR Media Research went out to meet them, and this article draws a picture of a representative of each of the four groups.

POTENTIAL

Marius is in his early 50s and lives with his wife in a flat in Høje Taastrup. They also have a summerhouse which they use in the warmer months of the year. Marius' job involves office work for a major Danish pharmaceutical company.

Marius has the big cable TV package from YouSee. He has a YouSee set-top box, which he mainly uses for archiving and recording TV broadcasts. He does not actually watch many channels, but neither he nor his wife is considering changing their package because there would be a risk of them missing something if they did. Moreover, they do not think that they are paying a lot of money for the full package.

The family like buying DVDs online, both series and films which they can watch when there is nothing on TV. The advantage of the DVDs is that they can take them to their summerhouse, where the family have a small satellite dish and a subscription to satellite TV.

The future holds no immediate considerations of streaming services or scaling down on their cable TV package. However, Marius does point out that it would be nice if they could have a kind of TV subscription that they could use in both their summerhouse and their flat.

We've bought loads of films and series, and owning these things yourself gives you a degree of freedom. I've also bought a small DVD player for our summerhouse. So we can always watch something we like, even if we're in our summerhouse.

Marius





CONSIDERING

Lasse is in his late 40s and lives in Tølløse. He works in IT at a bank. He lives with his wife in a detached house. Their older son has just moved away from home, their younger son is at boarding school, and so they are alone at home at the moment.

Lasse has the big TV package. The Homeowners' Association requires people to have the small package as a minimum. Lasse has considered cutting back on the channels and subscribing to streaming services. He does actually already have a subscription to Viaplay, which he got when LoveFilm closed down. The boys are pleased with Viaplay and use it on their tablets, and Lasse has also used it occasionally, either by attaching a computer to their flatscreen TV or streaming via the household's Apple TV.

Lasse is still wondering whether they should cut back on the number of TV channels they have and pay more for streaming services at home. He thinks having the big package is expensive, but he feels that working out how to adapt to technical devices and streaming services would be a minefield. He also has to find out what the family needs, and these needs are constantly changing. The boys do not live at home at the moment, but their needs have to be met when they return. However, Lasse reckons that something will happen when he

has worked out the right solution for the family.

We use Viaplay, and DKK 79 for watching a couple of films a month is okay. But basically, I don't really know whether Viaplay is the right choice for us.

Lasse

CABLE SHAVER

Malene is 37 years old and lives with her husband and two children in Frederiksberg. Malene works in the communications field.

Malene has opted to cut back on her cable TV package and go for the basic package instead. Malene decided to cut back because she was constantly aware of all the channels she was paying for but never used. The final straw came when streaming services started to be introduced to the Danish market. Malene now has a subscription to HBO Nordic, which they watch on the household's smart TV. Game of Thrones in particular was one of the reasons why they chose streaming services.

Malene also has a subscription to the NFL matches, which she streams. However, she does miss a few more sports options, and Danish league matches in particular are hard to do without. AGF in particular is Malene's big interest, and if it were possible to buy the AGF matches and stream them, Malene would be the first in the queue. This is why she is also keeping an eye on the market in order to buy TV channels individually, but she feels this is both awkward and far too expensive at the present time. Nor will this persuade her to return to the big TV package, because she feels that the family's needs are well met with the small TV package and subscription to streaming services.

I've just cut back on our TV subscription because we eventually came to the conclusion that there were too many programmes we weren't watching to make it worth keeping the big package. So we subscribed to Viaplay for a time, because that gave us access to both sports and films. And now we've swapped to HBO Nordic.

Malene





CABLE CUTTER

Natascha is 23 years old. She lives in a flat in Vesterbro, Copenhagen, which she shares with her cousin. Natascha is a student at Roskilde University and is very focused on her studies.

She has chosen not to have a TV because she feels it is a time consumer and because she thinks she can manage her viewing more effectively if she chooses her own programmes, films or series. This is why she watches some DR TV at dr.dk and has a subscription to TV 2 Play, and her partner has a subscription to Netflix. Her need for media content is covered by DR TV, TV 2 Play and Netflix. She watches everything on a laptop, there is no flatscreen TV in the flat and she has no immediate plans to buy one. Natascha watches TV at her combined desk and dining table, or in bed.

However, Natascha reckons that she will get a flatscreen TV eventually, and perhaps TV channels as well, since her partner is pushing for it. That said, she finds it difficult to imagine wanting to switch from the very selective media viewing she does at present, where more or less everything she wants to watch is available on demand.

I have a subscription to TV 2 Play, so I can't watch programmes live, I have to watch them later on. So I just watch the programmes I'm interested in.

Natascha





What can standard TV and on-demand services offer?

The debate on the new streaming services over the last few years has referred to these services as a replacement for traditional TV to an extent and predicted the end of traditional TV. As the situation stands at present, however, there is nothing to indicate that the consequences will be quite that severe. Although TV content is available on the streaming services, we often forget that there are some fairly fundamental differences in the ways in which we watch TV.

DIFFERENCES BETWEEN STANDARD TV AND ON-DEMAND SERVICES

We often refer to streaming services as a direct replacement for traditional TV. Flow TV is built up around TV channels with different brands, identities, moods and personalities. Streaming services primarily involve individual programmes (e.g. TV series) or individual events (e.g. football matches), and in this article this is what we will refer to as on-demand.

It goes without saying that these are two very different groups in terms of both size and characteristics. Although the percentage of Danes – mostly young people – who watch on-demand services every day stands at just 10%, more than 70% of Danes watch TV every day. Nevertheless, this approach indicates what makes the two forms of TV viewing unique for viewers, what traditional TV and on-demand services have in common, and what needs the two forms of distribution meet.

This survey was carried out among two groups of Danes: those who watch "general" TV and those who watch on-demand services. The two groups of people were asked to consider their experiences of the two types of viewing and put these experiences into words. The two groups agreed on their descriptions of the two media forms to a large extent, but there are also a number of major differences.

TV IS SOCIAL AND RELAXING

The greatest strength of traditional TV involves three factors: it happens here and now, it is relaxing, and there is a major social dimension. There was equal focus on these three qualities among almost all the TV viewers taking part in the survey. It is difficult to put into words what many people refer to as "a TV experience", but these qualities indicate the unique strength of TV. Besides viewers having the sense that TV is something which is happening here and now, this also meets a number of fundamental social needs, e.g. having company or belonging. Terms such as "cosy" and "being together" were rated highly, with a clear preference for the former. This indicates that even though TV is often viewed in the company of others (this accounts for approximately 40% of TV viewing), the medium in itself has a perceived social value where the 'cosiness' of watching TV doesn't necessarily occur only when we have someone sitting beside us on the sofa. It has a value solely because it is something we are experiencing at the same time as other people.

Terms such as "lean back", "couch potato" or "relaxation" are often used to refer to TV, and there is no doubt that precisely this relaxing aspect of TV, where people do not really need to take a position, is one of its biggest strengths. This is a

fact which is also underlined time and time again by the regular programme tests carried out by DR Media Research. Many TV viewers also associate the term "on in the background" with traditional TV, which reinforces this assumption as it points to the great noncommittal dimension of TV viewing. We do not need to concentrate the whole time, but we can have the TV on in the background while we do something else. This confirms that TV does sometimes act as a secondary medium in the same way as radio, for example, but this is also another of the biggest strengths of the TV medium. It does not constantly demand something of us, but it still manages to meet some of our most basic needs. However, TV is more than just comfort and relaxation, and many viewers also point out terms such as "informative" and "significant" as some of the core values of the TV medium.

If we look at the various age groups, there are far more similarities than differences when it comes to how TV is assessed, and the above points are also applicable to young people aged between 15 and 29, whom we could otherwise assume to have significantly different attitudes towards traditional TV. For young people, however, the social dimension immediately plays an even bigger part than for older people, and at the same time a number of young people refer to the term "on in the background".

TRADITIONAL TV

What do TV viewers particularly associate with traditional TV?

- 1 Topical
- 2 Relaxing
- 3 Cosy
- 4 Informative
- 5 Being together

ON DEMAND

What do people who view on-demand services particularly associate with on-demand services?

- 1 Informative
- 2 Me time
- 3 Relaxing
- 4 Significant
- 5 Topical

ON-DEMAND ALL ABOUT IMMERSION

The greatest strength of on-demand viewing is the sense of immersion. This is often something which people do alone, with a sense of great significance and information. It sounds demanding, but even so it is perceived to be as relaxing as traditional TV for the Danes who watch a lot of on-demand content. On-demand services are often perceived to be topical for more than half of viewers, and it is not just in this respect that it seems fundamentally different to traditional TV, although the term "topical" is not as widespread in respect of on-demand services as it is for traditional TV. Here, of course, it is necessary to point out that the concept of topicality which we traditionally use and associate with traditional TV is obviously not the same concept of topicality involved with on-demand services. Here, topicality is considered more from a "me" perspective, i.e. what I need and what I want to watch right now.

This indicates that there are a few fundamental differences between on-demand services and traditional TV. Where the strengths of on-demand services revolve around immersion, the social dimension is far less apparent. Almost half of respondents use the term "cosy" to refer to on-demand services, but conversely "being together" is referred to by very few people.

Generally, traditional TV per-

forms well among on-demand viewers, and it is clear here that the social dimension is one of the biggest unique strengths of traditional TV – even among Danes who use on-demand content extensively. Conversely, we also see a viewer group where traditional TV viewing is of a slightly different nature, as no fewer than 39% refer to "waste of time" in connection with TV (this figure is down to 20% for traditional TV viewers), and 59% of respondents also refer to traditional TV as "on in the background". And at the same time, on-demand services beat traditional TV when it comes to terms such as "relaxing", "noncommittal", "informative", "significant" and "present". So in spite of everything, for this group on-demand services have a few fairly clear core values compared with traditional TV, which is why on-demand services are in a fairly strong position in many respects within this small group of people.

CAN ON-DEMAND SERVICES BECOME MORE SOCIAL?

It is still too early to say whether the social factor has any chance of becoming more widespread in respect of on-demand services. This will require a number of changes to our habits, and in particular to the way in which we receive TV, for the two experiences to blend still further together. But conversely, we are also seeing a generation which

is growing up with on-demand services as a natural part of the ways in which they use media, and they will undeniably have a different relationship with both flow TV and on-demand TV. Another article in Media Development 2014, on the media habits of children, contains information on the first movement against this.

It is of course important to bear in mind that this is a snapshot of how Danes today perceive the various forms of viewing. As mentioned in the introduction to this topic, it is entirely conceivable that the various types of viewing, as well as the general media paradigms to which they are linked, can be merged, developed and changed to form a new hybrid: A new form of viewing which may include some of these motives in different ways, or entirely new motives for viewing may arise. The young people growing up now and who will never know a world offering broadcast TV alone, could possibly find completely new ways of viewing TV and motives for doing so.

About the survey

This survey was carried out by the DR Panel in spring 2014 and involved approximately 1000 Danes aged 15-50. There was deliberate focus on this age group as it is mainly this group which is using the new options for viewing TV content.





How much change can we expect?

The future is just around the corner, or perhaps the future is already here.

We do not really know whether the changes we have seen over the last few years in the Danes' overall TV consumption will continue, and how streaming services will affect traditional TV viewing in future.

DR Media Research leaves behind the major surveys in this article and speculates on the current trends in media technology, business models and viewer behaviour.

FRAGMENTATION OF SUPPLY, SERVICES AND HABITS

The first development perspective involves continuation of the increase in fragmentation. We are already seeing fragmentation at present, with the viewing of live images being spread out across more devices than previously, and more services with different business models. For instance, there are major differences between the business models of TV3, Netflix and YouTube, but all of these are brands which have a part to play in the lives of many Danes nowadays.

Rights are one of the cornerstones of this development perspective. Rights to various types of content are being spread out across many different types of service and provider, and this makes things difficult for viewers, particularly if there ends up being only a small amount of common content across the services. In this respect, the major stakeholders in the market will focus on their own services with their own business models, and so they will keep their content away from the services of others. There will be a close, intense battle for the promised "unique content" – the unique element that can attract consumers to a specific product. For instance, we have already seen major studios such as Warner Bros., MGM, Starz and Universal withdrawing their content from Netflix.

Fragmentation will also continue as far as devices are

concerned. There are countless ways of accessing content, and devices also dictate to a great extent which services people can access. Service A may perhaps only be available on Apple TV, while Service B will only be available on other devices. This may also mean that devices will have to produce their own content, e.g. Xbox will have to start developing its own series. If this happens, unique content will not just be linked with specific services or TV channels, but with specific devices as well.

For end-users, this may turn out to be expensive, at least if they want to ensure they have access to a broad range of content. It may also be a bit difficult to see streaming overtaking traditional TV viewing in earnest if this fragmentation continues and Danes are constantly forced to deal with a myriad of changing services, devices and suchlike in order to ensure they have access to attractive content. As mentioned in a previous article, most Danes do not often think about their TV services, and most people tend to prefer a "set it and forget it" approach. But if people are often disappointed by the fact that content has suddenly disappeared or moved to a different device or service, it will be interesting to monitor whether viewers will follow the content or become tired of these continuous changes to the content on offer.

CHANGES TO THE VALUE CHAIN

This development can be referred to as the deconstructed value chain. In the old media world order, the classic value chain, a number of content producers came up with a number of products which a number of distributors broadcast via their networks to a number of devices, whereupon viewers navigated on the basis of the products. Thus the TV stations created a number of channels which companies such as YouSee broadcast via cable TV to the TVs of the Danish people, whereupon the Danes used their remotes to navigate through the various channels on offer. The TV stations competed with one another, the distributors competed with one another and so did the device manufacturers, but they all remained within their own parts of the chain, so to speak. In the new value chain, everyone is battling against everyone else, and everyone is attempting to expand into and gain control over other parts of the value chain. Netflix, which is a content provider and essentially also a distributor, is now also producing its own content. The manufacturers of TVs have also begun, via smart hubs and similar user interfaces, to have an opinion on how Danish TV content should be displayed on screen and how this content should be viewed. Of course, DR's content can be viewed as broadcast TV, but there is also an app; albeit not via TVs' own

smart TV user interfaces, but via HBB. HBB is a technology which makes DR's online content available as an extra layer in the broadcast signal. It is also possible to access this content via YouSee Play, which is a distributor app/service, and some DR content can be viewed on Netflix, but not on Viaplay. The TV market and associated value chain have become incredibly complex. And even though competition is essentially good for consumers in a market and the development can be said, one way or another, to "democratise" TV and TV distribution, it also means that consumers are facing an extremely complex market reality in which they will be able to navigate among the various elements of the value chain. This is not possible at present. It is hardly likely that this chaotic situation can be sustained over time, and the market will probably calm down as a result of a number of accepted standards, consolidation of stakeholders, partnerships and suchlike, but of course the big question is how long the present system can endure.

MERGING OF FLOW TV AND ON-DEMAND

The other development perspective is a perspective in which both services and devices will merge in earnest, and the various services will become even more extensively integrated into one another and be presented in a collective universe. This will

involve, in particular, changes to TVs themselves or the set-top boxes via which we receive our TV content. Hence there will also be changes to devices and users' interaction which will play a crucial part. Major producers of consumer electronics – in particular TVs such as Samsung, LG, Sony, Philips, Apple, etc. – are all interested in retaining users for their own specific TVs, and although TV screens used to be "dumb" devices which were able to display a signal, they have now turned into independent content providers. In this way, TV is also becoming just part of the content universe that the device manufacturers want to show us. Here, there will be an enormous battle to control what viewers can receive on their TVs.

When people switch on their TVs in the future, it is conceivable that they will launch an interface or a series of "channels", for example, completely mixing up on-demand services, devices (Apple TV, Xbox, PlayStation), services and broadcast channels, and requiring no switching from menu to menu as is often the case at present. In this regard, merging these services will mean that users will not have to navigate through extra menus or other devices in order to locate streaming services just a button press away on their remote controls. Netflix content will sit side-by-side with traditional TV channels. TV 2 Zulu might find itself on the fourth channel, while

Friends will have the fifth channel all to itself and always start off at the point where the viewer last left off when surfing past.

From this development perspective, everything will merge for users, and flow and on-demand will not be two fundamentally separate categories. In this way, on-demand content could also achieve the "live" feeling which classic TV could provide to TV viewers for many years, and it will be so straightforward that even the least tech-savvy Danes will be able to enjoy the services. This also means that on-demand services will achieve a degree of simplicity and accessibility which could extensively drive a merger of the user experiences for on-demand services and traditional TV. This also means that streaming could take on a far more prominent role from such a perspective, with concepts such as personalisation and social TV also potentially taking on much greater significance than is currently the case.

Experiments are also being carried out on these business models at present. One example is YouSee's abandoned attempt at a streaming service in the form of YouBio, which has now resurfaced as YouSee Play. This involves a merger of some of the TV content from YouBio and the music content from the previous version of the Play product. We also saw the first early examples in which Telia offered Spotify Premium subscrip-

tions as part of their telephone subscriptions; and TDC had their Play product, which also linked music and talk time in one and the same product. Nowadays, we have arrived at – for example – a Telmore subscription which offers access to a number of TV streaming services, newspapers and online magazines in addition to 5 GB of data, talk time and text messaging – all wrapped up in a single monthly subscription. And the future for TV may potentially involve services being put together into packages which include a range of other content. This also means that a future is conceivable in which unique, attractive content is only available via such fixed content packages. However, it also has to be said that this is very reminiscent of the present situation with cable TV, where the content/channels are collected in a series of packages whereby viewers run the risk of getting more channels than they need or want to pay for. Perhaps in future there will be no more complaints about people being "forced" to pay for more channels than they actually watch, but instead we will hear complaints about why people are "forced" to pay for magazines they do not read when they just want to watch TV or listen to music.

RIGHTS ARE THE KEY

We have compiled two development perspectives as two dif-

ferent situations, but in reality it is entirely possible that these will be able to exist side by side. The question is which development perspective will dominate. We are already well on the way to the first development perspective, and the contours of the second are becoming apparent, particularly with the latest smart TV models. Where the first option will certainly result in increased complexity for users and make content purchasing more expensive, the second option will certainly give hardware and software producers more "power" in the market, just as the classic TV broadcasters will face further challenges as the alternatives to the device for which they have held the patent up to now will be challenged on all sides.

No matter what weighting is applied to the development perspectives, rights are central. Can dedicated streaming services, for example, acquire the rights that they need from content producers for a price which can be linked financially with the business model? At present, Netflix sells a subscription for less than DKK 100 a month in Denmark. What will the price for a corresponding product be in five years' time? Moreover, broadcasters already have a large number of rights and options for extending these, particularly as regards content produced by the broadcasters themselves. This is why broadcasters as a

whole also have the opportunity to dominate development. It is conceivable that if the sale of rights to dedicated streaming services stops, these services will find it more difficult to survive as anything other than archive services reminiscent of the bargain bin in the now defunct Blockbuster. Conversely, these services may also break into other parts of the market and exert pressure on broadcasters. Could Netflix, for example, conceivably be able to bid on the rights to Champions League football in future? And what would this mean for broadcasters, and for users' perceptions of what a streaming service is and can offer?

Rights also involves another perspective: Piracy. Because even if having a large number of streaming distributors scrapping amongst themselves for the attractive rights sounds, on the face of it, like a dream scenario for licensees, there is actually another side to the coin. The music industry found out the hard way that if it is difficult for consumers to find legal content in the format in which they want to use it, some of them will resort to pirated content. This brought the music industry to its knees at the start of the millennium. A future in which consumers have to deal with rights windows across services, devices, operators, etc. will of course provide fuel for an ongoing problem with pirated content. When

approximately 400,000 households are now paying to see a series such as House of Cards on Netflix, this is because it is easy, straightforward and manageable. In a future in which rights may be linked to special services on special devices, and where people will have to own a special smart TV and a special set-top box and subscribe to seven services just to be able to use the "TV", it is entirely conceivable that a number of people will actually find it easier to head for the dark side of the Internet and download content without paying for it. This presents a potential challenge to licensees in the TV industry, and conversely there is also a mechanism here that will work against a consolidated media market with more clarity for consumers.

A classic cliché refers to difficulty in predicting the future. And this is precisely why people should take care with what they say when guessing what the future will hold, as they are often blinded by the trends and effects of the present. Bill Gates has been quoted as saying that the future often arrives more slowly than expected, but when it arrives it is often completely different to what we expected. And when we look to a future media market today, we are basing our views on the perspective and the trends currently in force. If we project the growth of digital streaming services, we can of course predict the year

in which traditional TV will be completely extinct, provided that nothing else happens to significantly change the market. And if we have learnt anything from history, it is that this "something else" does have a tendency to occur and that projections over a period of many years are a discipline mastered by few.

HOW DO DANES USE A SECONDARY DEVICE WHEN WATCHING TV?

Period: 2014

Target group: 12+

Source: TNS Gallup Social Media Life



61%

Use a second device every day while watching TV

2%

Produce content on social media every day relating to things seen on TV

5%

Use social media every day relating to things seen on TV



Social TV still for the minority

In 2014, we saw a number of examples of how social media and TV can interact. These examples show that digital technologies can support the traditional media and pave the way for new dimensions in TV viewing. However, there are still few people supplementing their TV viewing with social media.

SOCIAL TV IS A MINOR PHENOMENON

The use of social media in connection with TV viewing is a phenomenon that has attracted increasing attention over the past few years. This phenomenon goes by the name of social TV and covers – for example – TV viewers who write status updates or comments on social media about specific TV programmes while they are being broadcast. Although Danes in general are spending more time on social media, the use of social media in connection with TV viewing is still a minor phenomenon, and comparing 2013 and 2014 we see that the use of social TV remains unchanged. Every day 5% of people use social media relating to things they have seen on TV, while every day 2% produce content on social media relating to things they have seen on TV. By way of comparison, every day 61% of Danes focus their attention and concentration on a secondary device while watching TV, with mobile phones being the preferred secondary device. At the same time, it is worth noting that the TV is not always the primary device.

Facebook is the preferred social medium in terms of social TV. 75% of people who use social media in connection with TV prefer Facebook, while 2% prefer Twitter. Thus Twitter comprises a very small proportion of social TV in Denmark, compared with

Facebook. This must be viewed in light of the fact that 59% of Danes go on Facebook every day, while just 4% use Twitter every day. Conversely, Danish use of Twitter increases during major TV events. Here, TV-related Facebook content accounts for just two to six times as much as Twitter content. Moreover, Twitter users typically produce several tweets throughout the course of a TV programme, while Facebook users write status updates.

FEW CONTRIBUTE, BUT MORE FOLLOW

Men and women use social TV to an equal extent. At the same time, usage is less common among older people. Most users are typically under 50, and social TV is slightly more of an urban phenomenon. The majority of social TV users are lurkers, i.e. people who prefer to read other people's content and who comment on social media rather than producing their own. Depending on the TV programme, lurkers typically account for 4-5% of viewers, while content producers typically account for 1-2% of viewers. For example, during the final of the Eurovision Song Contest, 5% of the 2.4 million Danish viewers watching used social media relating to the show, while 1% produced content on social media relating to the show. The use of social TV is often spontaneous, and users do not necessarily make a decision to use social media

before settling down in front of the TV. This was apparent during the Eurovision Song Contest, for example, where half of the viewers using social media made the decision to do so while watching the programme.

Social TV takes up most time during major events, particularly music shows, sports, drama and debate programmes. TV programmes take on an extra dimension when viewers know that lots of other people are watching at the same time; and if you ask them why they use social media as part of their TV viewing experience, three answers are particularly common: They want to find out what other people – friends and strangers alike – think about the programme, they want to share the TV viewing experience with family and friends, and they expect to see exclusive information and entertainment on social media which is not shown on TV. At the same time, social TV users state that social media make the TV viewing experience more fun and more interesting and persuade them to remain sitting in front of the TV for longer.

SOCIAL MEDIA PROVIDE NEW TV OPPORTUNITIES

Social TV is not a new phenomenon. TV viewers always been sociable when it comes to their TV viewing experiences. Telephones and text messages were (and still are) used for discussing TV viewing experiences with

Major Danish TV moments on social media

Occasionally, something fascinating, entertaining or unexpected will happen on your TV. TV moments which are discussed during lunch breaks or beside the coffee machine the next day – known as "water cooler moments" – cause social media to go into overdrive within minutes. We have collected here a number of Danish TV moments that were particularly big on social media in 2014, in terms of activity per minute*.

- *February*: Man Band appear live for the first time in this year's X Factor
- *April*: Sporty Spice presents this year's P3 Guld award to MØ
- *May*: Austria's bearded lady Conchita Wurst and Poland's busty milkmaids appear in this year's Eurovision Song Contest
- *May*: Morten Messerschmidt announces, on the eve of the European Parliamentary elections, that he and his partner Dot will be issuing a new album soon
- *June*: Uruguay's Luis Suárez bites Italian opponent Giorgio Chiellini on the shoulder during a World Cup group match
- *July*: Brazil loses badly to Germany in the World Cup semi-final and concedes five goals within a short time in the first half
- *July*: Chris Froome and Alberto Contador drop out of this year's Tour de France
- *August*: Rasmus Bjerg opens the Zulu Comedy Gala
- *October*: Didrik and his gang of friends have sex with a cow during the harvest festival in the second episode of the drama series 1864

* This list is based on data from Twitter between January and October 2014. This is partly because Twitter is the only social medium offering full access to public data, and partly because Twitter is the only social medium in which data can be broken down minute by minute and so measure actual TV moments. Although Twitter is less commonly used by Danes than Facebook, for example, it is reasonable to assume that the same TV moments were big on other social media. To be designated a big TV moment on social media in this respect, the TV programme has to have generated at least 1000 tweets. At the same time, the TV moment itself must represent at least 5% of the total number of tweets for the entire TV programme. Our measurements are based on official hashtags and the biggest unofficial hashtags. We used the following hashtags for our measurements: #xfactordk, #p3guld, #drgrandprix, #escdk, #jinos, #ep14dk, #drvalg, #tv2valg, #vmdk, #vmdr, #sambabold, #tourtv2, #zulucomedygalla, #1864dr, #mallebrok.

family and friends with whom the viewing was not physically shared. But social media and associated technologies also provide new opportunities and TV viewing experiences which we have never had before.

Firstly, social media provide TV viewers with new opportunities for communication. Social media magnify the scope of discussions, which can reach out to a wider public than traditional communication channels. Social media give viewers a voice which can shout louder than was previously the case and which can be used actively for user-generated content in TV programmes.

Secondly, social media can create new TV communities. Thus social media reinforce new, larger groups of viewers in an ever more fragmented media reality and facilitate discussions on TV programmes between – potentially – everyone watching a programme. This provides viewers with new TV viewing experiences created together with other viewers and new opportunities for interaction while a programme is being broadcast.

Thirdly, social media act as an indirect marketing channel which can attract more viewers via social feeds. In Denmark, we are not yet seeing examples of tweets and status updates causing viewing figures to increase; we are only seeing examples of how the number of tweets and TV viewers go

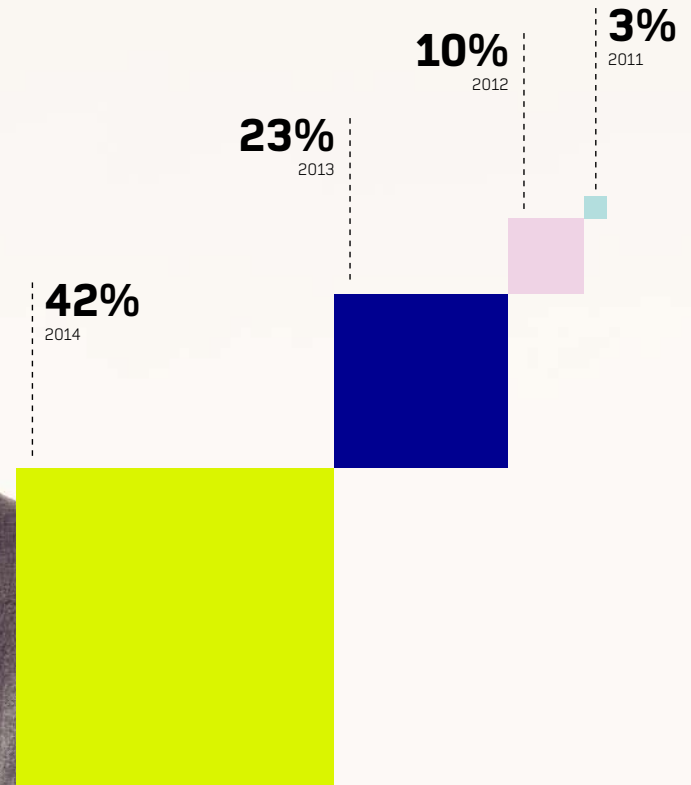
hand-in-hand. In other countries in which social TV takes up more time, social media can be a contributory reason for minor increases in viewing figures. For example, in an analysis of British TV programmes in 2013 and 2014, Kantar Media concluded that tweets by TV viewers caused TV viewing to increase by 0.2% for all British TV programmes. Given these results, the overall effect must therefore be said to be relatively limited.

The use of social media in connection with TV viewing experiences is still yet to make a breakthrough in earnest with the Danish population as a whole. If this phenomenon is to grow further, this will of course require TV viewers to use social media more and in new ways when watching TV, and probably also require TV stakeholders to provide viewers with greater incentives to do so. The potential is there, however, and the big question is the extent to which the phenomenon may grow. The link between tweets and viewing figures indicates that live TV and social media can reinforce one another. Therefore, social TV is an example of how digital technologies can support live TV and the established TV world, rather than undermining it.

HOW MANY OLDER PEOPLE HAVE TABLETS AT HOME?

Target group: 60-74 years

Source: TNS Gallup Index Denmark



Older people have time, money and inclination

There has been a significant development among the 60-74 age group
between 2011 and 2014 as regards new digital devices.
Besides smartphones, tablets in particular have gained popularity
in the homes of older people.

TABLETS BECOMING INCREASINGLY WIDESPREAD

Danish media habits have undergone massive change in recent years. There are a number of reasons for this, but the new opportunities offered by tablets and smartphones is one of them.

We often hear about the new habits and changes in media habits of young people, but when talking about older people and digital development, we often hear about the difficulties and the risk of them being left behind. Luckily, organisations such as Ældre Sagen are dealing with this challenge, providing both courses on everyday IT and PC support for their target group.

Among another group of the older members of the population, we have seen habits change in recent years as more than 40% of people aged 60-74 now have a tablet at home. Among Danes in general, more than half have access to a tablet, but the increase in the older age group over the last few years is striking. Older people have taken up the new devices in a big way and can barely live without them:

If you didn't have one of these, you'd be completely lost – what did we do 50 years ago?

Man, 63, retired

Thus the number of people aged between 60 and 74 with access to a tablet at home has almost doubled within the last year alone. Some people find that one is not enough:

I got a tablet because my husband had one. I wanted one too. That way he doesn't just sit playing on his tablet, I do too.

Woman, 68, former laboratory technician

This enormous growth relates not only to tablets, as 44% of people aged 60-74 now have their own smartphones as well. As with tablets, this is a smaller percentage than in the Danish population in general, but in the target group the percentage has more than doubled in just 18 months.

DIGITAL CITIZENS

We are all digital citizens, and we all have to operate and use various services online. From November 2014, people have been required by law to receive Digital Post from the public sector. Simply registering for Digital Post will not suffice: users will also have to be able to check Digital Post at regular intervals as important information from public authorities will be sent to them via this route in future.

Fortunately, many of our older people are already online. No fewer than 91% of the 60-74 age group use the Internet occasionally, while people aged 60-64 use the Internet more often than the oldest members of the target group. Men use computers more frequently to go online, while there is not much difference between men and women as regards daily Internet usage on tablets and smartphones. Older

men and women have different reasons for using the Internet.

Men particularly enjoy the apps which meet functional needs, such as Gmail, Google Maps or DMI's weather app. Men are also frequent users of various news apps, while Wordfeud is a hit among women aged 60-74:

According to my husband, my worst habit is playing games while we watch television. So now I've started knitting instead of playing games while I'm watching Deadline. I can follow what's going on better, too.

Woman, 68, former laboratory technician

Men use the Internet for more different things than women in this age group, such as entertainment, online banking and watching TV.

Information searching is fantastic. I know how much is available to find, but it requires practice. The downside is that there's so much rubbish on there. You don't automatically find the truth.

Man, 70, former librarian

Older people are also aware of social networks, primarily Facebook, and in this respect they are reminiscent of the rest of the Danish population. Women in particular enjoy Facebook and use the app frequently. Overall, Facebook is the most commonly used app among the target group.

I look at my friends' pictures on Facebook. I usually enjoy writing comments, and I generally get messages back saying that so-and-so liked my comment. It's great, this!

Man, 63, retired

User-friendliness has improved markedly with the latest generations of smartphones and tablets, and these are becoming more widespread because they provide easy access to app downloading, among other things. As stated, we often hear about older people who find new technology difficult, but there are definitely older people who are quite the opposite:

Technology doesn't worry me. I tackle it head-on. If I press something wrong, I just delete it and then everything's okay again.

Woman, 68,

former laboratory technician

TIME AND INCLINATION FOR IMMERSION

There are good reasons for focusing on the older target group. Although their personal and household incomes are lower than for the Danish population in general, their disposable income is higher than that of the average Dane. This means – among other things – that they have more money for digital products and new technology. Not only do they have good finances, but members of this target group also have

the time to immerse themselves in the technology.

When you're young you have the time and the inclination but not the money, as the old saying goes. Later on in life, people have the inclination and the money but no time. Older people have the time and the money but no inclination. This is not true of many of the older generation nowadays. Older people have the time, the money and the inclination.

About the survey

Older people were recruited for the following interviews on the basis of numerical data from TNS Gallup Index Denmark. DR Media Research carried out qualitative, in-depth interviews in the homes of all the users of tablets and smartphones in the 60-74 target group. All interviews were carried out in October 2014.

WHICH CHANNELS ARE WHERE ON YOUR REMOTE CONTROL?

Period: 2014

Target group: 15+ years

Source: Megafon for DR Media Research



90%
have DR1
set for the 1 button

33%
have TV 2
set for the 2 button

How Danes channel surf

Danes have lots of different options for choosing content
when watching TV. DR Media Research has examined how Danes
organise their TV viewing.

TWO OUT OF FIVE DO NOT CHOOSE CHANNEL ORDERS THEMSELVES

In the good old days, we just had one type of TV, not many channels and a limited number of buttons to press when we wanted to watch TV. Nowadays, TVs have increasingly become screens offering lots of channels and a wide range of connection options, traditional TV being just one of many.

The increase in the number of channels has resulted in three typical ways in which TV viewers organise their TV channels. 31% of households set their own channel orders on all channels. A further 20% are content to just set the most commonly used channels. However, 38% of all homes live with the channel order supplied by their TV providers. The households which sort their own channels often sort them so that the ones they use most have the lowest channel numbers, or else they sort their channels by subject area: children's channels, sport, music, etc.

But the single biggest group of TV viewers is characterised by the fact that they live with the order supplied by their TV providers. In these households, there is a risk that the position of a channel in the sequence will affect the frequency with which the channel is selected. Channels located far down on the list risk being erased from the memory of the viewer and

being forgotten, unless these are channels which viewers often watch or particularly enjoy. And the further down in the channel order a channel appears, the less likely people are to surf past it and familiarise themselves with the programme content.

INTERNET MOST IMPORTANT IN TERMS OF PROGRAMME SELECTION

The influence of channel positions on the chances of being selected is, however, reduced by the fact that nearly all TV viewers seek information on – and, to differing extents, select – the programmes they want to watch in advance. Viewers' most important source of information on the evening's TV programmes is dominated by the Internet and apps, which provide more than 45% of Danes with their most important point of entry to their TV programmes. The use of apps on smartphones and tablets alone has doubled since 2012, and one in every five Danes states that apps are now their most important source of programme information. The second most important point of entry to the TV evenings of the Danish people is provided by the programme listings of newspapers behind paywalls.

Just under one in every four Danes specifies the TV itself as their most important source for information on TV programmes, and here the use of Teletext and the electronic programme guide

(EPG) are placed on an equal footing.

The developments in viewers' most important information sources indicates that the use of Teletext as the most important source for finding programmes has fallen by almost half since 2012, while use of apps – conversely – has increased by a similar level, which indicates that people are making the switch from Teletext to apps.

90% HAVE DR1 AS THEIR FIRST CHANNEL

DR1 is the oldest Danish TV channel, and this is perhaps why the vast majority of TV viewers also perceive this channel as the first channel. In any case, no fewer than 90% of TV viewers have DR1 set for button 1 on their main TVs. The second big TV channel, TV 2, is more diverse. 33% have it set for the 2 button. DR2 is actually set more frequently for the 2 button. 56% of respondents have DR2 set for this button.

Being among the first channels in the channel order is an advantage, simply because it is easier for viewers to navigate to the channel that way. This is applicable to people who input the channel number directly, because only one button press on the remote control is required for the first nine channels, and because many people find the first few channels easier to remember. That said, people who surf their way through the

channels on offer often end up on the first few channels because that is typically where they start off.

Navigation options such as EPG and the navigation screens on newer smart TVs do of course provide an opportunity to avoid the tyranny of the channel order, but the vast majority of people – more than 90% – still use either the number buttons or the up/down buttons on their remote controls to change channels. If you ask viewers about their preferred channel changing method, only 11% have the EPG as one of their top two priorities, and 4% prefer the navigation function on their smart TVs. By way of comparison, 42% of respondents prefer changing channels using the up/down buttons, and 52% use the number buttons. Although nowadays there are new navigation options such as EPGs and navigation screens, TV viewers still largely prefer their arrow and number buttons. One reason for this may be TV providers' tendency to favour the most widely viewed Danish channels, giving them the first channel spaces in their channel packages, so numbers and channel buttons are still a clear way of navigating through these channels.

NUMBER SURFERS AND UP/DOWN SURFERS

Danish TV viewers can therefore be divided into: people who

typically change channel using the number buttons; people who typically change channel using the up/down buttons; viewers who use both; and finally, people who use other buttons (this includes EPG users). The number surfers cannot be separated from the up/down surfers in terms of the number of channels, the way in which their channels are set on the television, or how well people remember channel positions. The only really significant difference between the groups is in the age of viewers: Number surfers are typically over 50, while up/down surfers are typically under 50.

72% of number surfers are over 50, and the majority is particularly great in the group of people aged 70 and above. The age difference also means that number surfers more rarely have access to streaming services, and that they do not use the Internet as often as the up/down surfers.

There may be several reasons as to why older viewers use the number buttons more frequently to change channel. They are major consumers of traditional TV, and perhaps this means they can remember the channel positions more easily. If, at the same time, they are more loyal to channels and use only a few of the channels available, it will also be easier for them to remember and navigate using the number buttons. Other possible explanations are provided by the design

and complexity of their remote controls, which may mean that it is not always as easy to navigate using anything other than the number or up/down buttons.

INCREASED BATTLE FOR TV VIEWERS' ATTENTION

With the new options offered by TV, so the battle for TV viewers' attention is extended on two fronts; between TV channels in the first instance, because around half of all Danish households have more than 25 TV channels, equivalent to most TV providers' medium package or big TV package. As just under two out of five households live with the sequence offered by channel providers, and they typically change channel using the channel buttons or up/down buttons on their remote controls, competition for viewers' attention among TV stations is increased by – for example – positions in the channel order, the EPG or the navigation screen displayed on some TVs when they start up, in order to achieve as many views as possible of programmes or advertising.

Secondly, the competition between traditional TV and streaming services, game consoles and other connected devices is increasing, particularly if the TV starts with a navigation screen. Here, apps and connected devices no longer have to be actively selected, but are displayed alongside TV channels.

Hence TV viewers are clearly reminded of the many alternative options, thereby increasing competition between providers. TVs which start with a navigation screen are still a little way off, however. Only 2% of TV viewers currently see a navigation screen when switching on their TVs.

Although the vast majority – 86% – of all TV sessions nowadays start off with traditional TV viewing, and two-thirds of these continue solely as traditional TV viewing, the final one-third of sessions involve at least one of the other options also offered by the TV before it is switched off. Here, streaming and DVD and Blu-ray viewing are the most widespread options, with 3% each of all sessions. Finally, in the case of 14% of all sessions at present, TVs are not just used for traditional TV viewing, but solely for streaming services, game consoles, DVD playback, etc. Of these, streaming services take up the most time in that one in every two TV sessions without traditional TV starts off with a streaming service, and even more involve a streaming service before the TV is switched off. Even today, the level of streaming is far above the level of other activities, such as TV games and DVD and Blu-ray viewing, and there is much to indicate that this use of TVs will continue to increase with the proliferation of options provided to the people of Denmark by new

TVs and connection boxes. You can find out more about this in this report; take a look at the topic on changes to Danish TV viewing habits.

About the survey

MegaFon carried out a representative survey among Danes over the age of 15 on behalf of DR Media Research. This survey is divided into two halves, based on Internet and telephone interviews. A total of 1013 respondents took part.



When young people love media brands

Young people spend lots of time on media. But what is the bond in their relationships with the individual brands in a never-ending forest of media content? DR Media Research asked young people what media brands they like best, and what is particularly important to them when they use their favourite brands.

YOUNG PEOPLE'S PREFERRED BRANDS

When young people are asked to choose the media brands they like best, streaming services come at the top of their list. Spotify, Netflix and YouTube stand out prominently from all other brands, as revealed in a survey by DR Media Research. This survey analysed the use of media brands among people aged 15-25. The term "brand" is used in this article as a generic term for products, platforms and services across the media industry.

A world with an almost unlimited amount of media content lies at the feet of young people, and when media content is no longer limited in terms of quantity, it is important to understand exactly what drives young people in their use of media. Here, we have mapped the five most important reasons for media use in young people's relationships with brands.

RELAXING

Relaxing is crucial as regards use of media, and young people are not the only ones who feel this way. This is also the most important reason for media use among a slightly older control group of people aged 35-45, who also took part in the survey. When young people feel it is important to relax, they choose entertainment such as Danish Dynamite and channel brands such as TV 2 Zulu or Kanal 4. For the control group, TV3 and

Bonderøven are ranked highly among their favourites to help them relax.

Streaming services are also important to young people to help them relax. Unlike the slightly older people, who often associate streaming services with difficult choices, unlike flow TV, where choices are made for them to a greater extent, streaming services for young people are a relaxing haven where they can find exactly the things they want to veg out with.

Netflix means I can sit down and watch an episode of my favourite series whenever I need to relax.

Man, 24, Netflix

LAUGHING

The need to laugh is apparent across both age groups, and this is the second most important reason for media use with both groups. Young people in particular say that they laugh when they watch the TV 2 Zulu sitcom Sjit Happens and the American animated sitcom Family Guy. But a good laugh is particularly important when young people watch TV3's reality show, Familien fra Bryggen, too.

Laughing and relaxing are two reasons for media use which are often used in context. The need to laugh may also work as a way of avoiding boredom.

It really makes me laugh, I love love love that programme. The

people on it are so much fun, and honestly I think it's so lovely and you never get bored when you're watching it.

Woman, 16, Sjit Happens

BECAUSE IT IS EASY

The third most important reason for media brand use among young people is the fact that it is easy to use. This means that the brand should be easy to access, but also easy to decode. Unlike the first two reasons for media use, this is not as important with the slightly older control group, who find it more important to be able to stay up-to-date and learn something.

This streaming services Netflix and Spotify in particular score highly with young people for this reason for media use. That said, the MetroXpress free newspaper is also a brand associated with easy access. When it comes to young media users, the old proverb is absolutely true: Convenience is king.

Music means everything to me, and I can find music to suit my mood quickly and easily!

Woman, 16, Spotify

HAVING SOMETHING TO CHAT TO OTHERS ABOUT

This is a reason for media use which also separates the young people from the slightly older media users. Having something to chat to others about actually emphasises something entirely characteristic of young people:

The feeling of belonging. And media brands are a very important tool in this regard when nurturing social foundations. First and foremost, what was on TV yesterday is a good topic for discussion, in much the same way as the weather or the food in the canteen. Then media brands can bind social groups together in a common affiliation with the brand. Major drama series such as Game of Thrones and Forbrydelsen (The Killing) in particular meet the need to have a common recurring topic of conversation.

Moreover, media brands can create a kind of common language for young people. And expressions such as 'giant wings behind' from Monte Carlo on P3 require a certain amount of awareness of the reference. But once this reference is in place, it can create a feeling of an internal social add-on.

We had a set ritual at my student workplace where we would turn the radio on at 14:00. We all listened together and laughed and chatted about what they were saying. Wings behind. Over the hedge. We spoke Monte Carloish.

Woman, 23, Monte Carlo on P3

BEING ABLE TO IDENTIFY WITH THE MEDIA BRAND

This reason for media use is not one of the most frequent, but it is the reason which particularly sets the young people apart from the older media

users. Young people are busy finding themselves and reflecting themselves in others.

Programmes such as Sjit Happens on TV 2 Zulu and Mads og Monopolet on P3 are good examples of programmes which delve into a need to be able to identify with the product. When young people use DR3, it is also important for them to be able to identify with the channel.

I know them so well. It's as if they're my own best friends.

Woman, 18, Sjit Happens

THE EMOTIONAL YOUTH

The survey shows that relaxation and a good laugh are essential needs for almost everyone who uses media. However, when we focus on young people in particular, it is apparent that identity, social support and having easy access to their favourite products are also particular considerations. In other words, it is not always just a matter of passing the time and enjoying a good laugh. For young people, relationships with media brands also largely involve being able to head off to a haven where real life is not constantly banging on the door; a pleasant, recognisable environment which is also an essential part of conversations with friends. In general, their use of media is characterised more by "soft" and emotional reasons for media use than is the case with the slightly older media users.

There is nothing new about young people being more driven by emotions in their use of media than the more rationally motivated 35-45 age group. People demand different things as they pass through the various stages of life, and there is no reason to believe that the emotional relationship which young people have with media brands will not also change and become more rational.

There was also the hardhitting fact that the big, inexpensive online services which work well, such as YouTube, Netflix and Spotify now stand out in earnest among the preferred media brands. This is a technological reality which generally appears to relegate other media brands to secondary levels of priority. And this prioritisation will not necessarily alter with age.

REASONS FOR MEDIA USE AND ASSOCIATED FAVOURITE BRANDS AMONG THE 15-25 AGE GROUP

BEST FOR RELAXING:
TV 2 Zulu
Danish Dynamite
Kanal 4

BEST FOR PROVIDING SOMETHING TO TALK ABOUT:
Forbrydelsen (The Killing)
Dybvaadaad!
Game of Thrones

BEST FOR A LAUGH:
Family Guy
Sjit Happens
Familien fra Bryggen

BEST FOR IDENTIFYING WITH:
Sjit Happens
Mads og Monopolet
DR3

BEST FOR EASY ACCESS:
Spotify
MetroXpress
Netflix

About the survey

DR Media Research undertook 16 in-depth interviews and carried out a subsequent quantitative questionnaire-based survey of the relationships of 564 young people with 42 selected media brands. These young people are aged between 15 and 25 and were recruited equally from the DR Panel and Analyse Danmark. The survey was carried out on selected brands with unique content at programme level and channel level as well as on the most important online services. A group of 261 people aged 35-45 was used as a control group for the quantitative survey.

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Data sources

Analyse Danmark

FDIM

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Norstat

TNS Gallup Mobile Devices

TNS Gallup Index Denmark

TNS Gallup Digital Life

TNS Gallup Social Media Life

TNS Gallup Radio-Meter

TNS Gallup TV Meter

YouGov

Other sources

Association of Danish Media

Danish Audit Bureau of Circulation

DCT Youth Insight Programme

Kantar Media

Danish Agency for Culture

Mediawatch

Twitter

The DR Panel

The data in this publication is also derived from surveys performed in DR's own internet panel, the DR Panel. DR uses the DR Panel to regularly survey the media habits of Danes and their perception of media content. Anyone aged over 15 and residing in Denmark may become a member of the DR Panel. You can join the DR Panel and find out more about it at dr.dk/drpanelet.

About DR Media Research

DR Media Research is DR's own research department. It is an independent department tasked with providing the perspectives of listeners, viewers and users on DR's wide range of products and with tracking media development.

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