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Media Consumer 2015 The signal and the noise

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Foreword

Our lives are full of choices. Choices between hundreds of thousands of titles, millions of tracks, hundreds of millions of tweeters, billions of hours of trending video. So much content, so little time to enjoy it all.

We are surrounded by content in our professional lives too. Media Consumer itself is just one of many business-to-business media publications, joining annual reports and traditional news in becoming multimedia digital offerings. And of course as professionals we are also beset by rawer forms of content, data that describes what is being consumed worldwide in real time and what they think about it, every bit as tantalising as an indie smash hit, yet to go viral.

It is increasingly hard to make sense of the statistical storm and write insightfully about our industry. By way of example, as audiophiles we were thrilled to read that sales of vinyl were up 52 per cent in 2014,¹ the same level of growth experienced by music streaming services. This news led us to wonder how many people in the UK still owned a record player.

It turns out that the answer is rather more than you might expect for a format launched in 1948.² 35 per cent of respondents to our 2015 Media Consumer Survey told us that they owned a record player, a number so high that we're not sure it's actually correct.

Why do we say this and hence bring into question the validity of our own carefully constructed research? Well, unfortunately there are no other sources to cross-reference with: record players are such a small product category that there are no publicly available statistics on their sales in the UK. In addition to the headline-grabbing 35 per cent ownership, our research also tells us that despite the huge growth in vinyl sales, a statistically insignificant number of people said that they were intending to buy a record player this year.

This is borne out in the 43 per cent of over-55s who told us that they owned a turntable, compared with 27 per cent of 24 to 43 year olds. It is logical that older people would own an older format. What is less logical is that ownership is so high in the young and that sales of a trending product are being driven by older consumers. Remember, younger consumers told us that they have no intention to purchase a record player in future, suggesting that technology adoption could suddenly plateau within their demographic. This also seems surprising.

So is the turntable a breakthrough product: a retro phenomenon? Or are people misunderstanding the question and reporting ownership of radios, hi-fi systems or some other device? Sadly our data stops short of revealing the answer.

This sort of conundrum often occurs in research that relies on self-reported data, particularly in a media landscape as diverse and fast moving as that in the UK. As a result, having relied exclusively on survey-led research in the previous eight years of this report, we have extended our method to include: focus groups with teenagers in inner city and suburban schools; diary exercises for 20, 30- and 60-somethings; research into the habits of our own 14,000 UK employees; and interviews with executives across the media industry.

In doing so we have sought to attack some of the industry's key issues from a number of different perspectives. This year we discuss the differences in day-to-day media consumption of people in four different generations and consider what those differences mean for media businesses. We have looked in detail at how social media consumption is changing, extended last year's analysis of box set bingeing to take in short form video, and got under the skin of the seemingly perennially-changing news market. Finally, in a crowded year at the box office we examine attitudes to the silver screen and whether it is under renewed attack from TV.

2015 may lack the soaring, multi-dimensional moments of 2014 such as the FIFA World Cup; but with a busy box office,³ Apple's first new category launch since the iPad,⁴ mergers in mobile telephony,^{5,6} discussions about BBC Charter renewal⁷ and a record Premier League rights deal⁸ it is likely to be a defining year for the media business in the UK.

Our research suggests that it would be wise for our industry to keep a keen eye on the needs of consumers during this year of commercial manoeuvring. Or at least that's what they tell us!

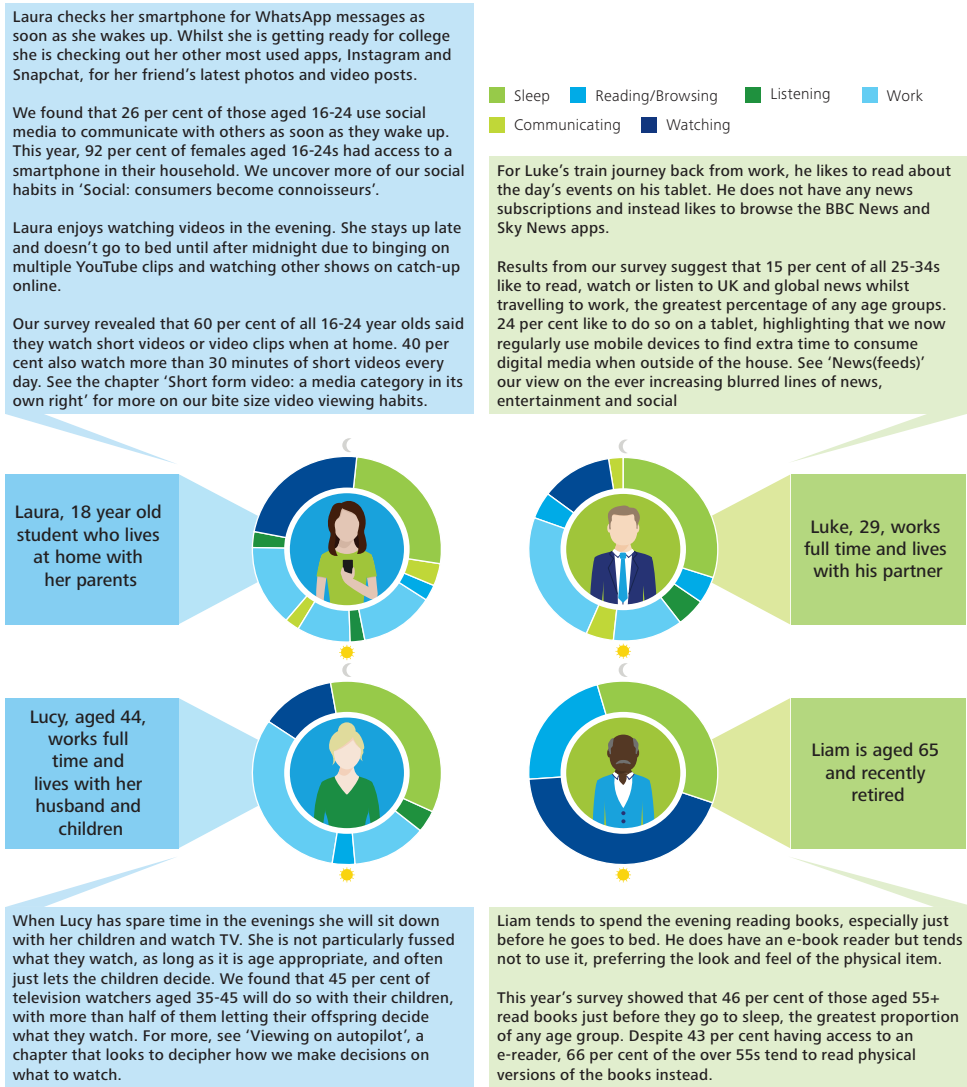
A handwritten signature in black ink, appearing to read 'M Guest', with a stylized, cursive script.

Matthew Guest

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The changing face of the UK media consumer

Figure 1. Diaries of typical media usage



The changing face of the UK media consumer

The landscape for the UK media consumer is substantially different to what it was just 5 years ago. Smartphones, 4G coverage and social media, to name but a few examples, have all proliferated and changed the way we consume media.

The UK TV industry, traditionally resilient to change, now faces the same radical digital disruption as other parts of the media industry. The average amount of linear TV minutes watched in the UK fell from 225 minutes per person per day in 2010 to 193 minutes in 2014.⁹ And the rate of decline is accelerating: it fell 1.5 per cent between 2011 and 2012, five per cent from 2012 to 2013 and six per cent from 2013 to 2014. At the same time, overall media consumption grew from 528 to 667 minutes per day; this means that linear TV's share of consumption fell from 42 per cent to 29 per cent between 2010 and 2014.¹⁰

Why has this happened? The easiest answer for the industry is that personal video recorders (PVR) have given viewers an alternative option if they do not want to watch programmes at the time of broadcast. However, this isn't the main driver for the reduction in linear TV watched. Time shifting is the next most common consumption mode for video content after watching linear TV, but our survey shows that PVR penetration appears to be levelling out at 69 per cent and households only use it for 16 per cent of their TV viewing activity.¹¹ PVR usage has changed little over the last six years, suggesting there is a ceiling of engagement with recorded viewing.¹²

Perhaps a more significant answer to the question is the fact that audiences are shifting from the linear TV product to on-demand content, in both long and short form, that is distributed over the internet. Younger people, aged 11 to 24 currently consume only half their video content live on TV and as much as a fifth of their viewing is short form on the likes of YouTube, Snapchat and Facebook video.¹³ Even though these younger audiences may still be consuming content from traditional broadcasters, they have never got into the TV habit as much as the prior generations have.

And our analysis suggests that those aged 25 to 44 are following suit and actively changing their habits to watch less linear TV and more online video on demand. 25 to 34 year olds watched ten per cent less linear TV in 2014 than in 2013; 35 to 44 year olds watched nine per cent less.¹⁴ The idea that watching short form is a life stage habit and that today's kids will revert to the consumption patterns of their parents and migrate to the living room TV set as they get older seems to require further testing.

Looking in more detail at the typical daily consumption patterns of consumers representing four different generations shows how marked the impact of ubiquitous broadband internet and cheap, desirable smartphones have been. As Figure 1 shows, the majority of daily media consumption for those under the age of 30 now involves the handset.

83 per cent of the consumers we surveyed own a smartphone, up from 76 per cent in 2014. For consumers under 44, this is pervasive technology: 92 per cent of people in this age range own a smartphone. 40 per cent of 16 to 24 year olds told us that they couldn't live without the device. 26 per cent of people under 35 pick it up within five minutes of waking up, compared with 8 per cent of over 55s.¹⁵

What they then do with their device depends on their age. As we have seen in previous Media Consumer Surveys, there is a distinct split in the way that people navigate the internet, which is visible from the mid-twenties. Those aged 24 and under start their journey on the social network du jour (currently Snapchat), whereas those aged 25 and over are more likely to default to their preferred news website or application. The blurring of the boundaries of communications and entertainment on social media is explored in greater detail in a later chapter, 'Social: consumers become connoisseurs'.

Age, rather than income or education, appears to be the principal driver of uptake of digital media devices, demonstrating the impact of more affordable smart devices and their appearance in a broad range of entertainment media. Computers were the obsession of geeks and hackers. Smartphones are the tools of James Bond and Kim Kardashian.

Where we live is another important indicator of the level of digitisation in the media consumption experience. Our survey data showed that people in London spend more time browsing the internet and playing games on mobile devices than people in the rest of the UK. We have even observed a tendency for young people in inner-city London to be more hooked on social media and YouTube than their suburban equivalents.

It would be sensible for London-based media executives to remember this when designing mass-market services, particularly for older audiences. This is important also because of the misleading nature of smart device penetration amongst older people. Although Baby Boomers are increasingly likely to own smartphones and tablets and to belong to social networks, their usage of these services is comparatively limited. Only seven and 12 per cent of those aged 55+ feel that smartphones and tablets are their most important device, despite them having 71 and 66 per cent penetration respectively. Facebook is the most popular social platform for this age group, yet only 39 per cent of those with accounts use it regularly and post content.

Furthermore, looking at typical daily media consumption patterns of the over 55s shows that smart devices are principally used for communication and that linear TV is the backbone of daily consumption. Conversely, smartphone-based, socially curated short form video and music are the basis of entertainment for younger audiences.

The latter trend can be seen in the fact that 80 per cent of viewing on the top 100 YouTube channels is in music, children's or gaming genres. The same analysis on UK linear TV shows none of those genres represented, instead replaced by 'family' entertainment and soap operas that are most popular with older generations.¹⁷

Linear TV is certainly not going to go away. For major events, be they sporting or the latest instalment of a trending 'must see' series, the TV is likely to remain a social rallying point. For older audiences it will remain the central pillar of an entertainment experience that will be extended and augmented by smart devices and more traditional media, such as radio and newspapers.

For the young, however, the smartphone is at the centre of their media experience and the TV is the extension. A large, fixed anchor in a world that is increasingly distracted and mobile. Persuading them of the value of linear, professionally curated TV may be a hard struggle.

It would therefore seem that the immediate battleground for the broadcast TV industry is the 35 to 55 year old audience. This group could remain stalwart customers for many decades; alternatively they might follow their children into a consumption pattern that is more equally balanced between long and short form, big and small screen, and professional and social curation. Given our ageing population, this will be an important demographic for broadcasters and online distributors to monitor.

Winning this battle will buy crucial time as the traditional industry reshapes its offering to tempt paying customers and advertisers to invest in their proposition long term. The next few years will be fascinating for the TV industry, and is something that we look to explore further in years to come.

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Viewing on autopilot



As the smartphone becomes the central device in our media lives, we are forced to make more complex choices between traditional and new media formats, all of which are available through the handset. Those choices are generally unconscious decisions based on habits that are formed slowly and are hard to break.

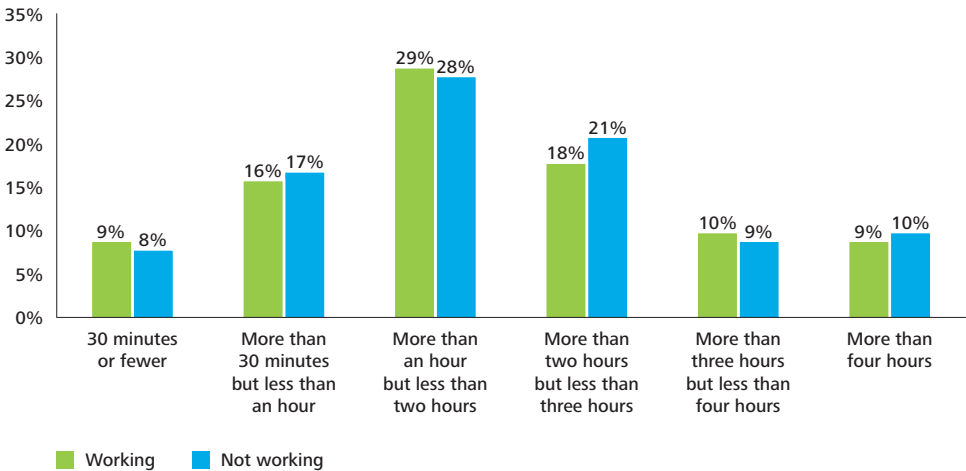
As an example, a third of respondents to our survey told us that they watch the same TV shows every day. 48 per cent of parents let their children choose what to watch to save the argument. For older audiences much of their consumption still happens on autopilot.

These decisions take place in a world that is increasingly saturated by content. The total amount of time we spend consuming media and communicating via media devices has increased by 26 per cent since 2010.¹⁸ Most of this growth has come from internet-based media, which, as stated in the previous chapter is actively cannibalising traditional formats.

Our survey shows that the amount of spare time that a person has is not the main influence on how much media they consume. Consumption in any given day is similar whether or not a person is working full time. As many working people (50 per cent) watch two hours of TV episodes a day as those who do not work. Nine per cent of those who work watch over four hours of TV a day: the same proportion as those who are not in employment. When it comes to our favourite media we appear to make time for what excites us.

Internet media has blurred the boundaries between information provision and entertainment. 64 per cent of our survey panel turn to it for information, 48 per cent for entertainment and 40 per cent just to pass the time.

Figure 2. Hours of TV episodes watched each day



Source: Deloitte Media Consumer, UK, March 2015. Base: All respondents who said that they watch TV episodes (1,825)

The way in which they discover this content is neither as serendipitous nor as social as is sometimes believed. Although casually browsing the web is twice as likely to lead to discovering content as friends’ recommendations (19 per cent versus 10 per cent), half of people discover web content by searching for what they’re interested in and 45 per cent go straight to their favourite sites.

It seems that even when they are saturated with engaging entertainment, people gravitate to the familiar, in exactly the same way as a large section of the TV audience watch the same shows every night.

As in other walks of life, the younger age groups are more likely to discover new media content through friends and other influencers. 40 per cent of 16-24 year olds and 35 per cent of 25-34 year olds discover content through Facebook compared to 22 per cent of 35-54 year olds.

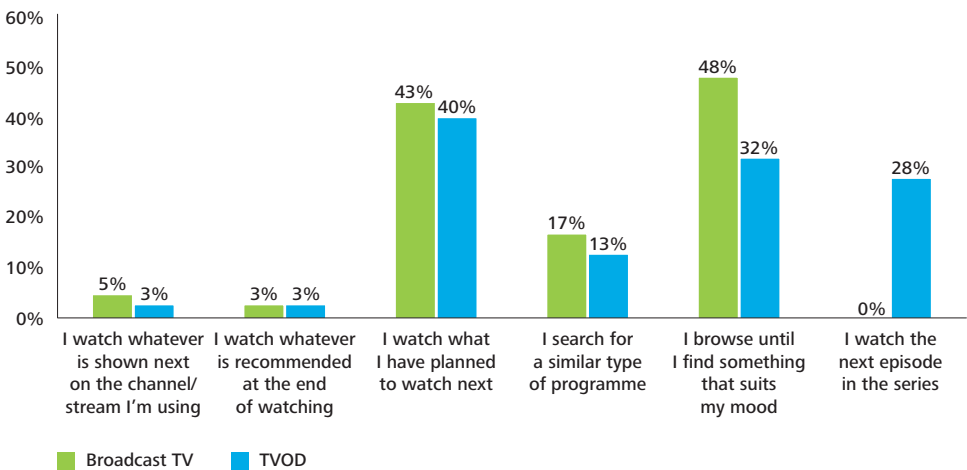
Traditional media is the least used method of discovery across age brackets with 21 per cent discovering content via radio adverts and 20 per cent from newspaper or magazine ads.

Under-24s are particularly disengaged by news and magazine adverts, with only 13 per cent discovering other entertainment experiences in this manner. This is heavily influenced by the fact that 46 per cent of this age bracket don't tend to read newspapers or magazines at all.

Younger people also enjoy recommending entertainment to others. 25-34 year olds are most likely to make recommendations (68 per cent) and over 55s are the least likely (42 per cent). People are most likely to recommend content by word of mouth (51 per cent) followed by liking or sharing a link on Facebook (26 per cent). Among the under-44s, a third of respondents recommend content by sharing Facebook links.

When their current programme has finished, most people claim to actively choose their next show. 48 per cent browse to find one and 43 per cent watch what they have planned to watch from looking at the TV schedule. Between partners, women have a slight upper hand in choosing what to watch with 25 per cent of females deciding what to watch compared to 22 per cent of men. When watching on demand video content, 28 per cent of people will watch the next episode in the series, 40 per cent will watch just what they planned in advance and 32 per cent will browse based on their mood.

Figure 3. How viewers select what to watch after their current programme finishes



Source: Deloitte Media Consumer, UK, March 2015. Base: 2,000 respondents

This is similar in some ways to short form video viewing where 35 per cent browse based on their mood and just 26 per cent will watch just what they planned to.

Seven per cent simply watch what short video loads next, compared to five per cent of those watching broadcast TV and three per cent of those watching on-demand services. This could be due to the relatively low risk of trying something new on short form (it's over in minutes) compared with investing in a longer-form show.

All this might suggest that VOD services need to invest more in their recommendation engines or find a way of reducing the time that needs to be invested in the first episode of a new show. Why, for example, do most programmes have all episodes of a series the same length, even if they're designed for online consumption?

Our aim with this line of research was to understand how people make decisions in an environment of bewildering choice. The answer in large part is that they do not. The biggest change in people's habits is the move to smartphone-centric consumption. What they read, watch and play on those devices is often an automatic response based on habits.

A small fraction of consumption is reserved for social response to their peers' preferences. A new social network, game or YouTube channel can be seen in the same way as a major sporting event – it is an obsession for a short period because it is a talking point that enables social inclusion. It is unlikely that the new entertainment experience will easily become habitual because it would have to replace the individual's personal obsessions.

Habits are deep-seated and changing them is tough. It may be therefore advisable for the traditional media industry to focus on creating lasting experiences that are attractive at specific important life moments, when people shift their consumption: for example when moving away from home, moving in with a partner or starting a family, rather than trying to define new creative paradigms in digital media. As we'll see later, others are already doing that on their behalf.

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Social: consumers become connoisseurs

Social platforms exemplify the faddish, fast-changing media landscape of 2015. Use of social networks is as ubiquitous as that of smartphones. The average UK adult has signed up to 1.9 social media profiles, up from 1.7 in 2014.

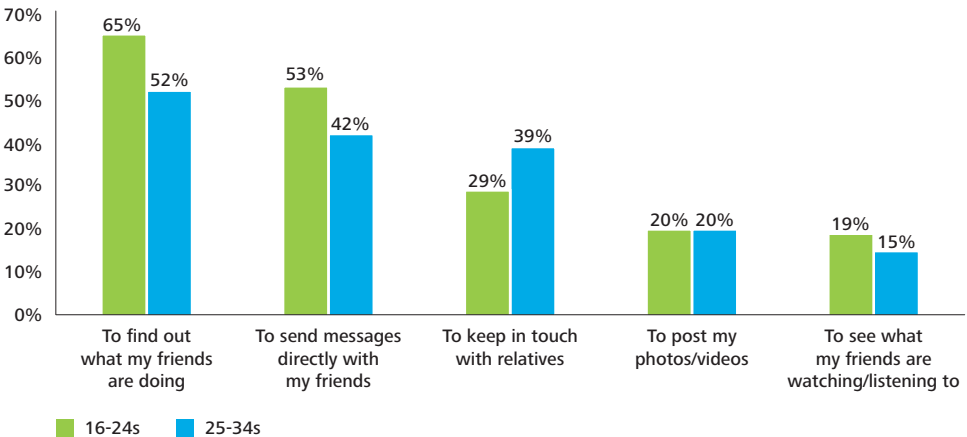
However it would be naïve to assume that even the most pervasive of social media platforms will remain a constant fixture in people's lives. Their requirements of a social platform change with their interests, their current occupation, and particularly their age. While people appear willing to have multiple social media accounts across different websites or applications, the focus of their time and where they engage or post their own content, is constantly shifting.

The escalation of multiple social networks per person have resulted in users being faced with a range of specialised websites that offer a 'best in class' proposition for each activity. Want to post a favourite photo of a special event? Select a filter on Instagram. Looking for your next career move? Play jargon bingo on LinkedIn. Or if you're looking for that special someone, swipe right on Tinder.

Despite fragmentation of function between networks, the most popular reason for using social media remains finding out what friends are doing. This was selected by 65 per cent of 16-24 year olds and 52 per cent of those aged 25-34. Users are increasingly aware of interacting with their close friends on social media, particularly for organising social occasions or sending messages. 53 per cent of 16-24 year olds use social media to send and receive messages directly with their friends.

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Figure 4. Motivations for using social media



Source: Deloitte Media Consumer, UK, March 2015. Base: 1,517 respondents

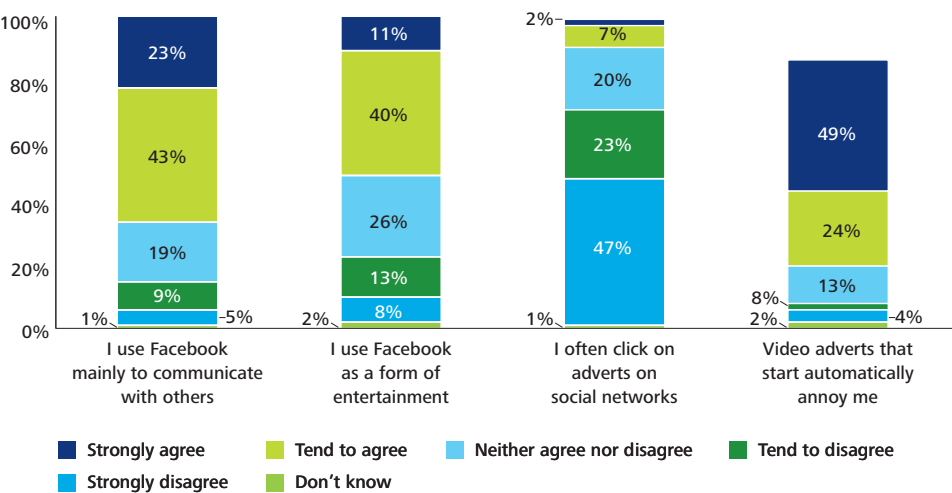
This is illustrative of a trend we observed in focus groups: the propensity of younger age groups to use a social network is affected significantly by the intrusion of strangers or commercial organisations on to that website, as well as the audience that their post can be received by.

The increasing popularity of Snapchat, which was highlighted by our focus groups, is further evidence of the desire to post content on social media platforms where the audience is restricted to close friends. Participants in our focus groups commented that they are far more likely to share content on Snapchat than on Facebook, largely because they have stronger relationships with their followers who tend to be close friends rather than sharing photos with a large number of ‘Facebook friends’.

Perhaps this is the reason for the apparent failure of major brands’ to develop a social media presence and have meaningful interaction with their target consumers. Our survey indicates that just five per cent of 16-24 year olds use social media in order to keep up-to-date with their favourite brands. In many cases this commercial presence on social media is actually annoying for young people.

The creep of advertising into a number of social media platforms is therefore a difficult process to manage. Younger users adopted websites such as Facebook as a means to keep in touch with others (66 per cent of our survey respondents aged 16-24 strongly agree or tend to agree) or as a means of entertainment (51 per cent strongly agree or tend to agree). The growing commercialisation of these sites needs to be managed carefully to avoid creating negative associations either with a specific brand or the entire network, or indeed losing sight of the reason why people are on social media in the first place: to connect with each other and thus enrich their lives.

Figure 5. Social media sentiments of 16-24 year olds



Source: Deloitte Media Consumer, UK, March 2015. Base: 274 respondents

One of the radically disruptive features of the digital economy is its transparency. Falseness is easily identified and readily ignored or worse still, pilloried. It may therefore be the case that major brands should focus on making a genuinely great product that people want to talk about, than trying too hard to listen to their private needs and create an artificial buzz.

Short form video: a media category in its own right



Our research has found that short form video has evolved to the point where in aggregate it is a distinct and sizeable category of media content in its own right. 61 per cent of all survey respondents said they might watch a short form video on an average day, 90 per cent of male 16-24s and 78 per cent of females stated that they watched at least one short form video a day.

The volume of short form consumption appears directly correlated to age. 40 per cent of 16-24s state they watch 30+ minutes of short form video each day, compared to nine per cent of those aged 55+.

In fact, 19 per cent of all survey respondents said they watch over 30 minutes of short form on an average day, making watching short form video more popular than playing games on a smartphone or tablet.¹⁹ We have also seen the emergence of short form video addicts, who consume more than one hour a day: 17 per cent of 16-24s and 14 per cent of 25 to 34 year olds watch this amount.

Bingeing on short form content is also prevalent. A third of those who watch short form video will indulge in at least one bingeing session – watching at least five videos, or fifteen minutes of short form content back-to-back – in a week. Half of all males aged 16 to 24 binge at least once a week.

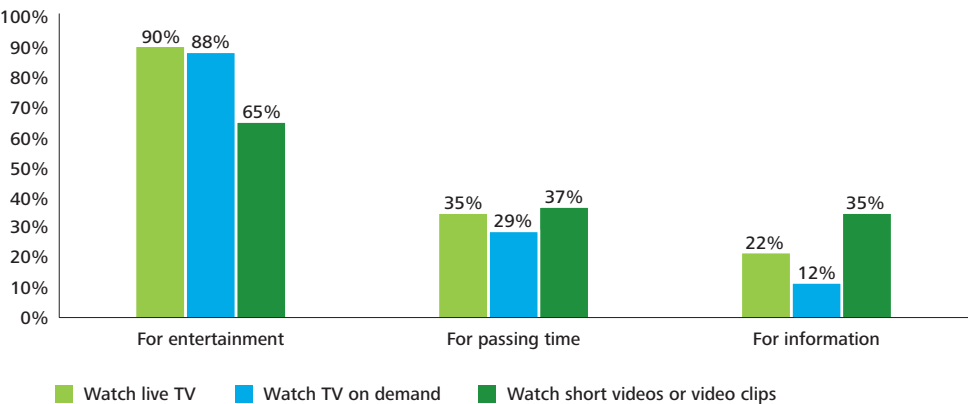
Short form appears to substitute for traditional forms of entertainment in the home, rather than being an in-fill when out and about. 76 per cent of those who watch short form video do so during their free time at home. For 15 per cent of people it is enjoyed most just before going to sleep, with consequent effects on the quantity and quality of sleep they get.²⁰

Respondents also seem to watch short form for broadly similar reasons to more established media habits. 65 per cent told us that they watched short form videos for entertainment, followed by passing the time (37 per cent), for information, tips and advice (35 per cent), and relaxing (32 per cent). These results had the same order of importance for why respondents said that they watch linear TV – for entertainment (90 per cent), for passing the time (35 per cent) and for information (22 per cent), see Figure 6.

Despite these similarities, the growth in short form is arguably due to the nature of the short form platforms such as YouTube, Facebook, Vine, Snapchat and Instagram. All leverage a network effect where very little, if any content, is owned by the platform, and users instead have the ability to be creators. It is a classic two-sided market. The more users these platforms have, the greater the attraction to content providers and the more content providers these platforms have, the greater the attraction to users. Such a viral network effect is also evident in rapidly growing platforms outside of media, such as Uber, Alibaba and Airbnb.

With this in mind it is misleading to talk about short form video in one homogeneous block. Although the total monthly hours of UK YouTube viewing dropped between August 2013 and December 2014 by 13 per cent according to comScore,²¹ this does not foreshadow the decline of short form video. Instead, our focus groups suggest that the position YouTube holds in short form video in the UK is under challenge.

Figure 6. Similarities between short form video and more established video content



Source: Deloitte Media Consumer, UK, March 2015. Base: respondents who said that they watch live TV (1,796), TV on demand (1,451) and browse the internet (1,884)



We believe that the short-form video market is experiencing fragmentation, and platform shifting (i.e. away from YouTube's website to social media newsfeeds, and dedicated sites such as Twitch) rather than decline, and that, crucially, old recording metrics have not kept pace. Facebook reported in January 2015 that they are now achieving 3bn video views a day,²² and comScore said earlier this year they would like to update their tracking mechanisms to factor in change in device and platform habits.²³

Our survey shows that YouTube's own content recommendations are the top place to find new short form content: three quarters of respondents discover new content this way. A fifth of people we surveyed watched short form because it was recommended to them on social media.

Of these short form viewers, it is the dedicated YouTubers, content creators solely on YouTube, who were most popular with younger audiences in our focus groups. Perhaps reflecting its advanced internet and media economies, the UK is now home to a new generation of YouTube stars such as Zoella and Alfie.²⁴ But it is not fashion tips or slapstick entertainment that really draws the audiences on YouTube.

Felix Kjellberg is the unlikely figure currently at the top of the YouTubers pile. The 25 year old Swede, who lives in Brighton, is better known by his YouTube channel name PewDiePie and has 35 million subscribers (likely to be more than 36 million by the time this is published), who watch his gaming videos approximately 350 million times a month. In total this has amounted to him gaining 8.4 billion (!) lifetime views.²⁵ To put this in perspective, the 2014 World Cup Final attracted around one billion global viewers,²⁶ whilst the NFL Super Bowl's global viewership is still in the low hundreds of millions.²⁷ Not bad for someone who only joined YouTube in 2010! However, in comparison of viewing minutes, the disparity between popular short form videos and traditional TV viewing is less significant (see Figure 7 opposite).

Figure 7. A comparison of two popular forms of video – the short form gaming video and the daily soap opera

	 PewDiePie	 Coronation Street
What is it?	YouTube channel that publishes around 10 short videos each week of playing video games	The world’s longest running soap opera, ²⁹ with 30 minute episodes broadcast 5 times a week
Reach	Global	UK
Viewership	35m subscribers ³⁰	Typically just under 7m for each episode ³¹
Single most views	64m for ‘A funny montage’. ³²	27m for ‘Hilda Ogden leaves’, Christmas Day 1987. ³³
Total monthly hours viewed ³⁴	58m	67m

However, PewDiePie’s popularity is partly due to the current YouTube ranking and recommendation algorithm. From 2005-2012 their algorithm was based primarily around views: this drove rankings, recommendations, and attempts to generate views based on thumbnails. In 2012 YouTube updated its algorithm to focus on retention and viewing time.³⁵

Gaming channels do disproportionately well under this current mechanism as their videos are relatively quick and easy to make (e.g. voicing over a video capture of you playing a game). This allows them to upload new content regularly (in one month PewDiePie uploaded 50+ new videos), which is relatively long (10, 15 and 20 minutes) compared to other short form genres.

That is not to say that PewDiePie and similar channels are successful purely because of these algorithms. The content is clearly entertaining to a large number of people and has also helped to define what they find entertaining. Similarly to music channels of the most popular artists, the success of gaming as a genre demonstrates certain dynamics of the form.

Gamers often create videos in a series: for example there might be eight videos following them play the same game, but broken into 10 minute segments. The average gaming subscriber also tends to watch the whole series in one go. Both of these characteristics feed positively into the YouTube algorithm.

Until and unless the algorithm is changed again, these appear to be the ingredients for success for traditional players participating in YouTube. As yet, however, their formula appears to be mainly either clips of existing content or short, standalone vignettes. Now that short form is an established media form in its own right and a generation of YouTubers have shown the way forward, perhaps it is time for a change in approach.

Blockbuster overload



Blockbuster overload

Cinema is facing a squeeze. Cinema admissions in the UK have been in gradual decline, whilst average annual spending per person on cinema tickets has increased by £3.69 over the same period, from £13.91 in 2008 to £17.60 in 2014.³⁶ Our survey reflects these trends, with 61 per cent of adults citing price as a reason they would not go to the cinema. This figure rises to 72 per cent among 16-24 year olds. Higher prices have bolstered annual UK Box Office revenues for the time being, but revenues seem to have plateaued in the last six years at just over £1 billion per year.³⁷ Looking at the more recent picture, the last three years have seen a decline in UK Box Office revenues by an average of two per cent per year.³⁸

It is not just the higher ticket prices that are driving down admissions. Cinemas are also seeing increasing competition from smaller screens. The combination of on demand streaming services and increasingly affordable screens of all sizes are enabling audiences to view more content, more often and from almost any location. 36 per cent of adults in our survey felt they didn't need to go and see big releases in the cinema as often, as they are available on demand so quickly.

So do we have the time, money or inclination to go to the cinema anymore?

It appears that most of the big film studios have arrived at the same answer to these challenges: make big budget spectacular branded movies that have an established audience base, and which are genuinely worth seeing on a cinema screen.

This year we will see an unprecedented release schedule of multiple big budget brand movies, such as: *Cinderella*; *Fast and Furious 7*; *The Avengers: Age of Ultron*; *Mad Max: Fury Road*; *Jurassic World*; *Minions*, *Terminator Genisys*; *Pan*; *Mission Impossible 5*; *James Bond*; *Spectre*; *Paranormal Activity: Ghost Dimension 5*; *The Hunger Games*; *Mockingjay Part 2*; and *Star Wars: The Force Awakens*.³⁹

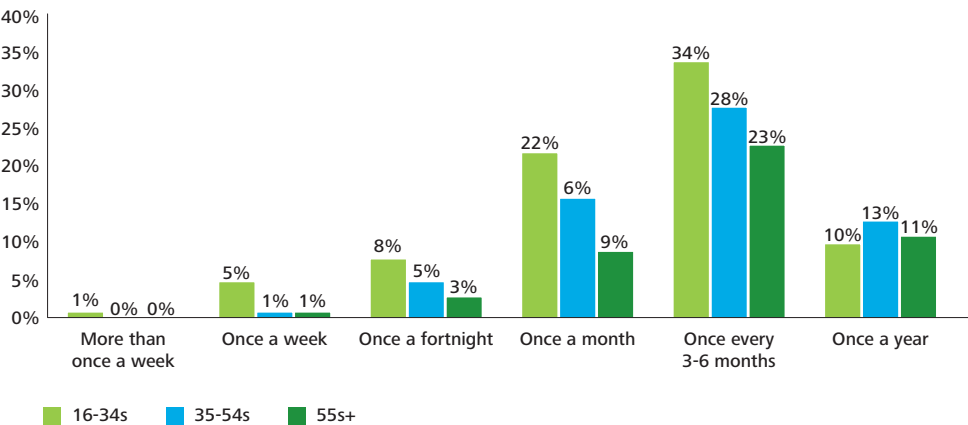
Film releases over the last three years suggest that this is a consistent trend. Studios recognise that making films based on established ideas, characters or stories is more likely to guarantee audiences and so reduces their investment risk. In 2014, 100 per cent of the Top 10 UK Box Office films were based on an already well-known story, franchise or character, up from 70 per cent in 2012.⁴⁰ Casting the net wider to the 2014 Box Office Top 50,⁴¹ 74 per cent of these films were based on ideas already established with audiences in some way, compared to 50 per cent in 2013 and 64 per cent in 2012.

Films from an original idea with no established fan base achieve lower revenues. The two genres that seem able to break this rule are ambitious sci-fi films, which aim for experience-enhancing visuals to attract audiences, and original family-oriented animations which garner higher spends per household than adult only genres.

Franchises, sequels and remakes (either from original ideas or based on established ones) are another way for studios to harness existing audiences. These types of films accounted for seven of the Top 10 UK films in 2012, 2013 and 2014;⁴² and they accounted for 40 per cent of the Top 50 films in 2014,⁴³ compared to 34 per cent in 2012.

So who is going to the cinema? Overall, our results remain near identical to last year, with 51 per cent of people attending the cinema at least once every six months (52 per cent in the 2014 survey) and 23 per cent visiting the cinema once a month or more (22 per cent in the 2014 survey). Attendance varies significantly by age however.

Figure 8. Frequency of cinema visits by age group

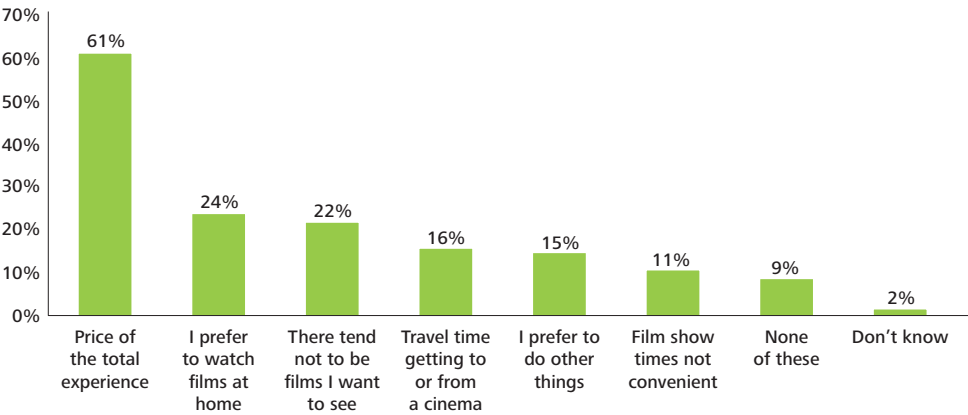


Source: Deloitte Media Consumer, UK, March 2015. Base: 2,000 respondents

Nearly 70 per cent of 16-34s visit the cinema at least twice a year, compared to 49 per cent of 35-54s, and only 35 per cent of the 55+ age group. The popularity of visiting the cinema among younger demographics is encouraging for studios, particularly when video consumption trends point towards younger demographics being more content with viewing films on smaller screens at home. At the opposite end of the age spectrum, the ageing population will be an important consideration for cinemas and studios, who may need to work harder at attracting the 55+ bracket to retain Box Office revenues at their current levels.

According to the survey, the main reason that 55+ year olds do not visit the cinema is the price of the total experience, although this was to a lesser extent than for younger age groups. However, 55+ year olds are more likely than younger age groups to prefer watching films at home and to cite travel time as a main hindrance. This suggests that ease and comfort play an important role in their viewing experience as well.

Figure 9. Reasons for not going to the cinema more often



Source: Deloitte Media Consumer, UK, March 2015. Base: 2,000 respondents

On the whole, our survey results suggest the appetite for watching films continues, and for some audiences has even grown, with 33 per cent of adults claiming they are watching more films now than in 2010. However price remains a major hurdle to visiting the cinema for all age groups, particularly the younger demographics. This is not just the price of the ticket itself. The near obligatory visit to the pick and mix, popcorn and soft drinks bar can easily double the overall cost, particularly for a family.

In addition, contrary to the high proportion of franchise films in the Box Office Top 10, 40 per cent of survey respondents said they would prefer not to watch franchise films. In fact, 38 per cent of adults said they preferred watching one-off films that were not part of a series and 29 per cent felt there were too many blockbuster movies nowadays.

So is the popularity of franchise films waning? This may be the case, but it will take time to impact on cinema release schedules. Studios are putting out films that were developed and filmed around two years ahead of hitting the cinemas. It is also more likely that audiences are bored with the current range of franchises, rather than franchises per-se. As we have discussed previously, habit is a vital part of our media life. Watching a film franchise may be a habit that we don't want to kick just yet.

On the whole, our survey results suggest the appetite for watching films continues, and for some audiences has even grown.

News(feeds)

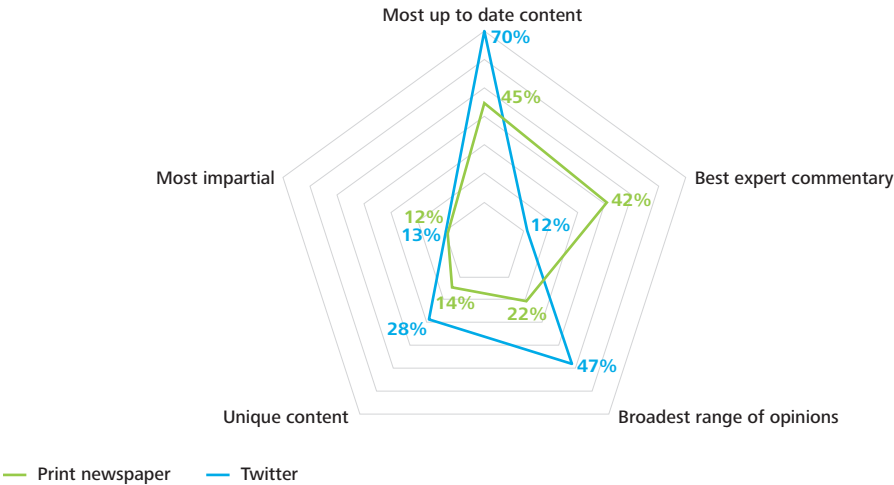


Given the proximity of the launch of this report to the General Election, we couldn't miss returning to one of our perennial topics: News.

One of the differentiating features of the UK news market, compared to our neighbours over the pond in the US, is that the strength of traditional news broadcasters continues online. Despite falling print circulation, the online versions of newspapers are one of the most commonly-used platforms for people looking for the latest headlines, with 76 per cent of respondents that read digital editions of newspapers stating they do so because of the up-to-date content. This is a significant statistic in a market increasingly concerned with digital natives and 'infotainment' providers. In comparison, the number of respondents indicating they use Twitter because of its up-to-date content was six percentage points lower (70 per cent).

Our survey respondents still pick up newspapers, either print or digital copies, in order to get expert commentary on a particular topic, with 42 per cent of readers of print newspapers doing so to get the best expert commentary or reviews of political issues. This compares to just 12 per cent of Twitter 'newsreaders'. However, online versions of print newspapers are not without their faults. Only 14 per cent of online newspaper readers believed that they offer content you can't find anywhere else, compared to 28 per cent of those who turn to Twitter, and 42 per cent of those who use other social networks.

Figure 10. Reasons for using different news sources



Source: Media Consumer, UK, March 2015. Base: 619 respondents print newspaper, 155 respondents Twitter

Younger demographics believe they spend more time consuming content about the General Election and UK politics than they did in 2010. 39 per cent of those currently aged between 25 and 34 say that they spend more time on this topic now than they did five years ago, when the last General Election happened and they were five years younger. This increase in news consumption with age also seems evident across all age groups. For example, 43 per cent of 16-24 year olds say they don't consume content on UK politics or news at all, compared to only 20 per cent of the over-55s. However, the responses from our focus groups suggest that younger demographics perceive news consumption as what they absorb on their social media newsfeeds throughout the day (73 per cent of our respondents aged 16-24 spend up to two hours using social media) and from visiting more entertainment news-focused sites such as BuzzFeed, rather than through traditional outlets such as the BBC.

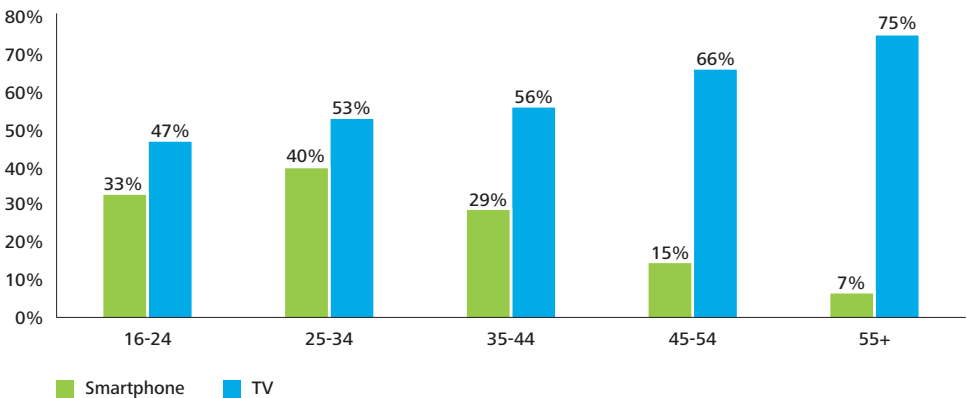
Our survey suggests that in the run up to the General Election, people's engagement with politicians and political parties on social media remains limited. Among 'politically active' respondents indicating that they use social media to share news content, only 21 per cent follow one or more politicians on social media.

Despite the low engagement with politics on social media, our survey does indicate that there is hope for political parties. Among the people who use social media (Twitter, Facebook or other social networks) to discover news about the election, 66 per cent are willing to spend some time each day using social media to share local, national, or international news content. Indeed 12 per cent of them are willing to spend more than an hour a day doing this, and so arguably become mini-mouthpieces online for their chosen party's messaging. This engagement may only be temporary. We have seen before how interest in local news spikes around major events – for example the crisis in Egypt in 2011 caused a major increase in local news consumption. In the case of the election, politicians may be happy if a short spike in activity from their supporters in the coming weeks sees them over the line.

Patterns of daily news consumption remain relatively steady. Our respondents make use of their spare time during the day to read, watch, and listen to news. For a fifth of all of our respondents, news consumption, whether UK or global, is the first thing they look for as soon as they wake up. This habit predictably varies with age – the sleepy, young university or college students are half as likely to want to consume news about world affairs when they first wake up: only 15 per cent of 16-24 year olds spend some time during the day reading global news compared to 31 per cent of respondents aged 55+. Our respondents also make the most of their breaks during the day, in particular young employees in full or part-time employment. Our survey shows that 39 per cent of 16-24 year old employees and 33 per cent of 25-34 year olds use their breaks to consume global news content, compared to 13 per cent of all respondents.

While mobile technologies have increased our access to news content and breaking stories wherever we are, news lags behind other forms of media in its adoption of the smartphone, even among young people. 33 per cent of 16-24 year olds indicate that they use their smartphones to access news about global issues, compared to 47 per cent who get their news from the TV. TV's dominance of news consumption only strengthens with age: 75 per cent of the over 55s use TV to follow news from around the world.

Figure 11. Device preference for consuming global news



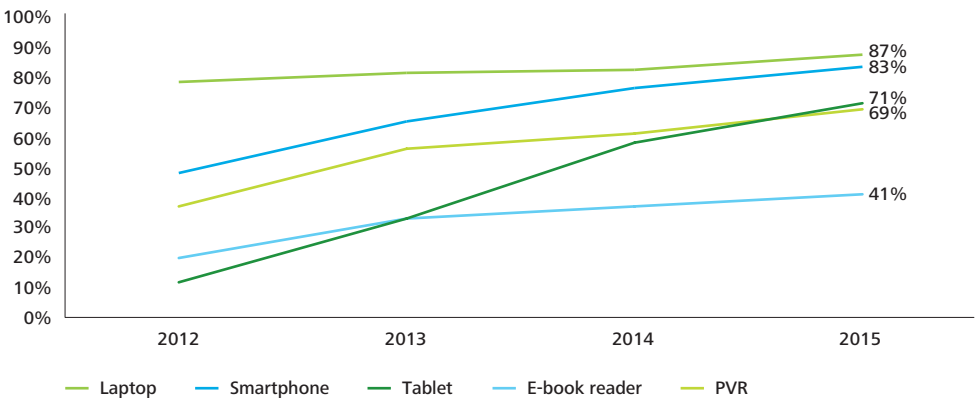
Source: Deloitte Media Consumer, UK, March 2015. Base: 173 respondents aged 16-24, 236 respondents aged 25-34

Overall, news consumption remains a core part of our daily lives: 70 per cent of our survey respondents spend up to an hour each day consuming content about global issues. The challenge laid down for news organisations is to deliver a best-in-class offering which meets the demands of the target market, from content personalisation to rich multimedia online articles and rapid updates of breaking stories. 2015 arguably represents the year that the increasingly blurred distinction between news, newsfeeds and entertainment is truly reflected by our consumer data.

News consumption remains a core part of our daily lives: 70 per cent of our survey respondents spend up to an hour each day consuming content about global issues.

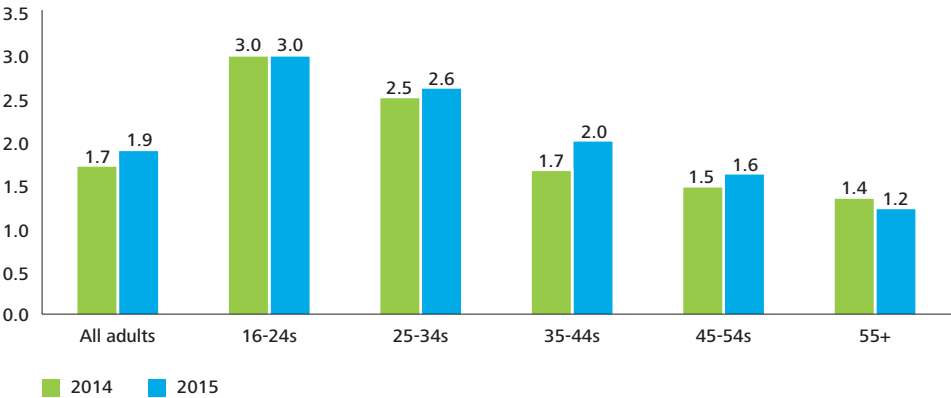
Appendix: Changes to UK media consumption over time

Figure 12. Household ownership of devices 2012-15



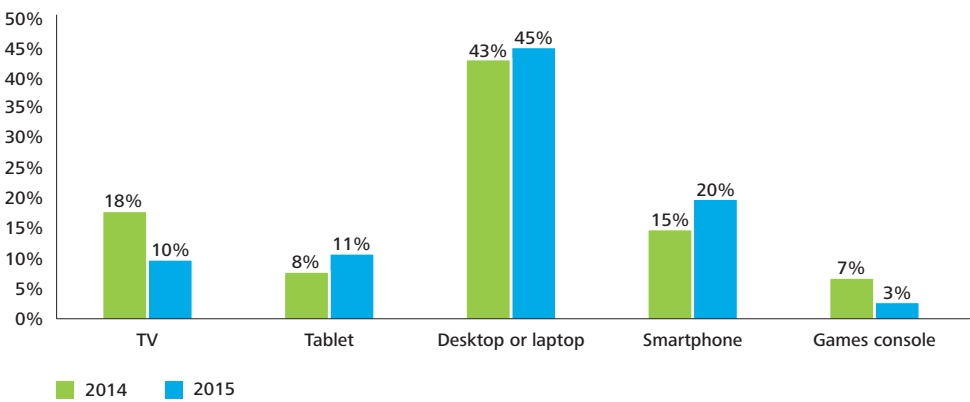
Source: Media Consumer Surveys 2012-15. Surveys undertaken between January and March of each year.
Base: 2,000 respondents

Figure 13. Average number of social media profiles that UK consumers have created



Source: Media Consumer Surveys 2014-15. Surveys were undertaken in January 2014 and March 2015.
Base: 2,000 respondents

Figure 14. Most important device to UK consumers



Source: Media Consumer Surveys 2014-15. Surveys were undertaken in January 2014 and March 2015.
Base: 2,000 respondents

About the research

This is the ninth annual edition of research commissioned by Deloitte's Media & Entertainment practice.

Focusing on four generations of respondents, the survey provides a 'reality check' on how consumers between the ages of 16 and 75 are interacting with media, entertainment, and information, and what their preferences might be in the future.

The survey was carried out by an independent research firm (IPSOS Mori) during March 2015, using an online methodology with 2,000 consumers in the UK.

We regard changes of five per cent or more as statistically relevant and where possible have referred to time series data from previous surveys.

Several companies have helped us design the survey and discussed the initial results with us. We also referred to the results of other Deloitte research programmes in the media, telecoms, technology and retail markets.

This year we also extended our approach to interview 16-18 year old students in focus groups at St. Mary Magdalene Academy in Islington, London and City of London Freeman's School, Surrey.

For further information about this research please contact:

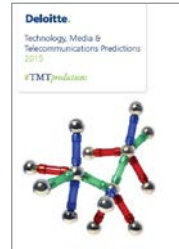
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Endnotes

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17. BARB. <http://www.barb.co.uk/resources/tv-facts/tv-since-1981/2014/top10> Besides sporting or one-off events, the top 10 programmes of the year have consistently featured final episodes of entertainment shows such as The X Factor and Britain's Got Talent.
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19. 16 per cent of survey respondents said that on a typical day, they spend more than 30 minutes playing video games on a smartphone or tablet via an app. Those that said that they don't know were excluded.
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34. We have calculated this by assuming the average PewDiePie video lasts 10 minutes and that all viewers watch the entire video. We also assume that there are 20 episodes of Coronation Street broadcast each month that last 30 minutes and currently have an average viewership of 6.7 million
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