

Factsheet 7 – Video on Demand:

This factsheet has been compiled by Ofcom and provides some background information to aid discussion at the 2015 Oxford Media Convention. It focuses on Video on Demand (VoD) and provides an overview of use of VoD in the UK; drawing on Ofcom's Digital day 2014 research, published in [Ofcom's CMR 2014 report](#) and research published in [Ofcom's PSB Annual Report 2014](#).

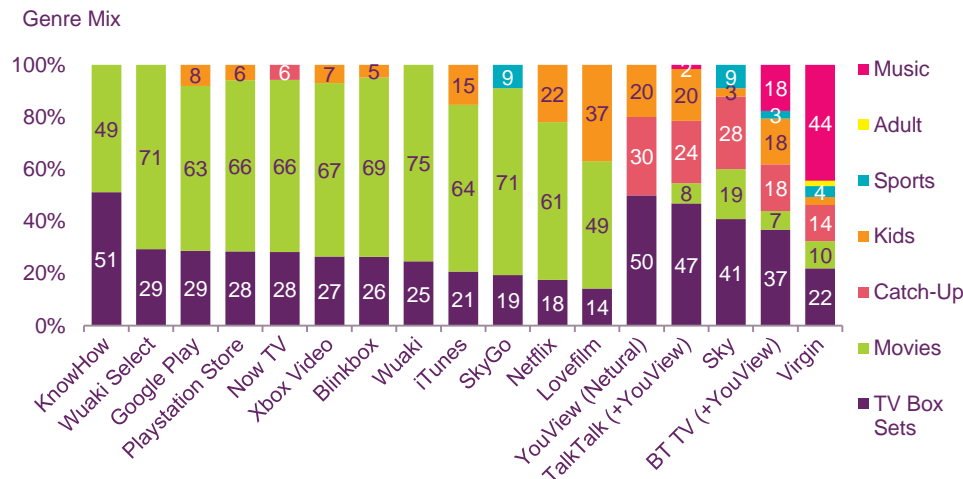
Factsheet 7: Video on Demand

Market context

Key points

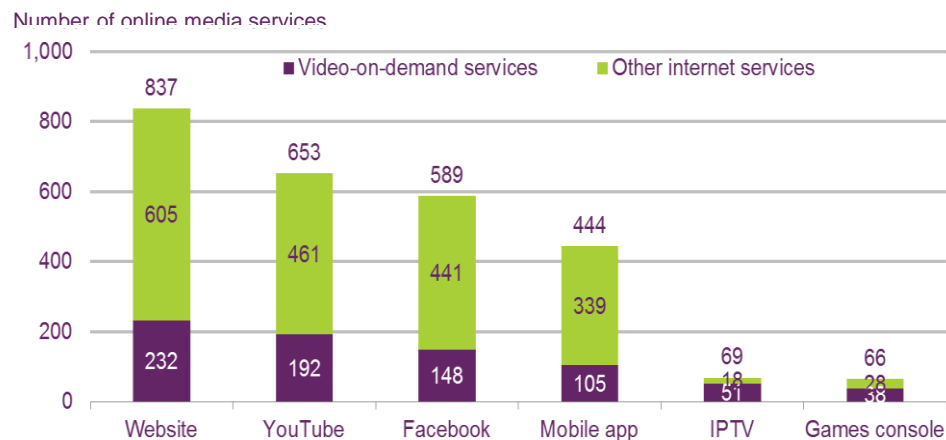
- VoD services enable TV viewers to watch programmes or films whenever they choose to, unrestricted by a linear schedule. Variations include subscription services such as Netflix where viewers pay a subscription fee to gain access to a library of programmes and transactional VoD services such as the iTunes store where people download digital copies of programmes.
- Figure 1 shows the genre mix of content available from various VoD services. Those from TV platform operators provide a wider range of material than subscription VoD or transactional VoD services on the whole, as they are more likely to offer catch-up television, music and sports material.
- This was in contrast to the other VoD services (i.e. transactional and subscription services) which predominantly offer libraries of television shows, children’s content and films according to the Decipher VoD audit from Q4 2013.
- In order to assess the extent to which online media services provide content relevant to the public service objectives, a study by Enders Analysis, published by Ofcom in support of our third *Review of public service broadcasting*, looked at 888 online media services that included the most popular news websites, video on demand (VoD) services and apps available for smartphones and tablets..
- 31% (275) of these services were VoD services. Figure 2 looks at the accessibility of these services and unsurprisingly shows that 232 (84%) of them are accessible through a dedicated website.
- 38% (105) of the VoD services analysed were available through a dedicated app. This reflects the increasing consumption on mobile devices, with apps being able to provide greater usability and functionality than is possible through a mobile browser.

Fig 1: Genre shares, by VoD service: H2 2013



Source: Ofcom's PSB Annual Report 2014

Fig 2: Online media services providing content relevant to the public service objectives; by platform: June 2014



Source: Ofcom's PSB Annual Report 2014

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- As of H2 2013, VoD services were available across a range of consumer devices, including television set-top boxes, smart TVs, Blu-ray players, games consoles, personal computers, tablets and smartphones. However availability differs by service, and by device manufacturer and operating system as the below table shows.

Device		VOD Service																							
		BBC iPlayer	ITV Player	4oD	Demand 5	Film4	Sky On Demand	Sky Go/ Sky Go Extra	Sky Store	NowTV	Virgin TV On Demand	Virgin TV Anywhere	BT Player	TalkTalk Player	iTunes	Google Play	BlackBerry World	Netflix	Love Film	Blink Box	Wuaki.tv	Sainsbury's Entertainment	Xbox Video	Sony Entertainment Network	Video Unlimited
Set top box		✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	✗	✓	✓	✓	✗	✗	✓	✓	✓	✗	✗	✗	✗	✗
Smart TV (apps only)		✓	✓	✓	✓	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓	✗	✗	✗	✓	
Blu-ray player		✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✗	✗	✗	✗	✓	
Game console	Xbox 360	✓	✗	✓	✓	✗	✗	✓	✗	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓	✗	✗	
	PS3	✓	✓	✓	✓	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗	✗	✓	
PC		✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	
Tablet/ smart phone	Android	✓	✓	✓	✓	✗	✗	✓	✗	✓	✗	✓	✗	✗	✗	✓	✗	✓	✓	✓	✓	✗	✗	✗	✓
	iOS	✓	✓	✓	✓	✗	✗	✓	✗	✓	✗	✓	✗	✗	✓	✗	✗	✓	✓	T	✓	✓	✗	✗	✗

Source: Ofcom's PSB Annual Report 2014. Note: Green indicates availability of service on device, red indicates a service is unavailable. T indicates the service is available only on tablets.

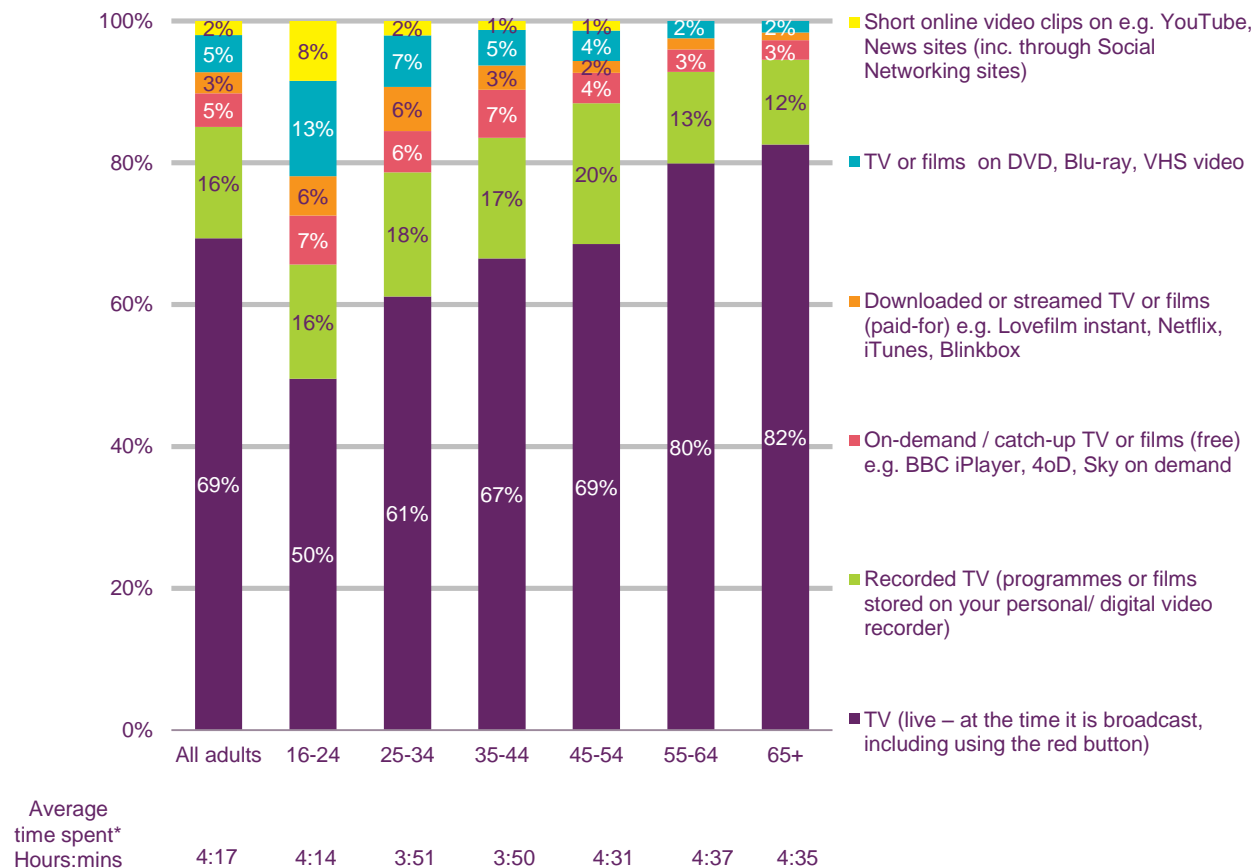
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Consumption

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- In Q1 2014, Ofcom conducted an in-depth study on UK adults' and children's total media and communications activities to provide an overview of the role of media and communications in people's lives. Participants recorded all their media behaviour in a paper diary for seven days, and these data were captured on a daily basis online or by telephone.
- Taking all watching activities asked about, over two-thirds (69%) of the time adults engage in these activities is attributed to live television, followed by just under a fifth (16%) to recorded television.
- Five per cent of the time adults engage in these activities is attributed to on-demand/catch up TV, a similar proportion to that spent watching TV or films on DVD, Blu-ray or VHS video (5%) whilst 3% is attributed to downloaded or streamed TV or films and 2% to short online video clips.
- Among younger people, aged 16-24, half (50%) of their time spent on watching activities is accounted for by live TV. Among this age group, a fifth (21%) of their viewing time is spent consuming online content (short video clips 8%, on-demand content 7%, downloaded/streamed content 6%). A further 13% of their time watching content is via DVDs, Blu-ray or VHS.

Fig 3: Proportion of watching activities, by age group



Source: Ofcom's Digital Day research in the Communications Market Report 2014 Base: All watching activity records for adults 16+ *Average time spent is the total average daily time spent watching media, including simultaneous activity

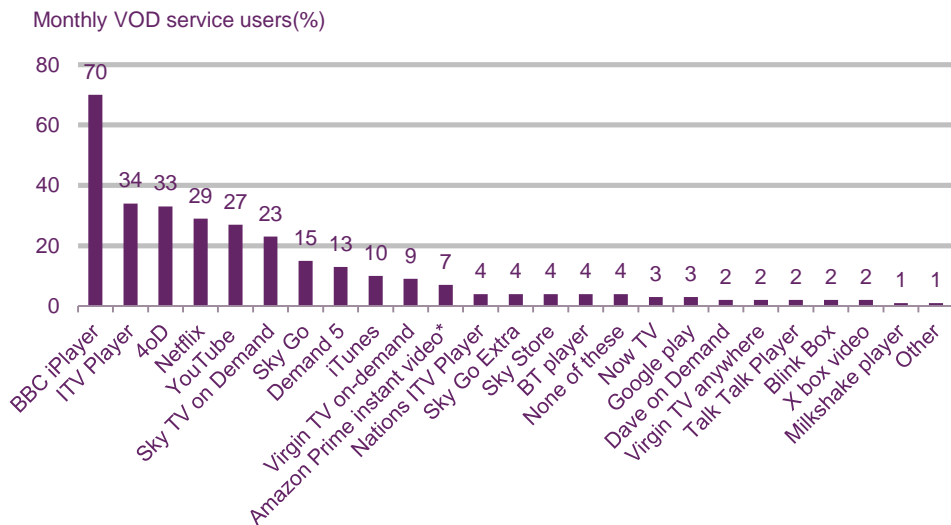
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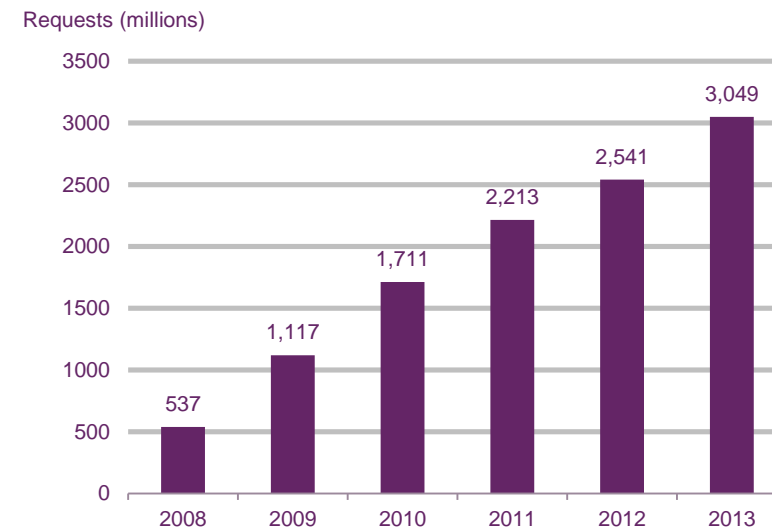
- Ofcom research in 2014, found that PSB VoD services are the most popular services among VoD users. BBC iPlayer was the most popular VoD service among monthly users, with 70% having used the service at least once a month. ITV Player (34%) and 4oD (33%) were the next most popular VoD services, followed by SVoD service Netflix (29%). Sky TV On Demand (23%) was the most popular service in the multichannel sector (Figure 4).
- As shown in Figure 5, programme consumption using the PSB VoD services has grown steadily since 2008, averaging approximately half a billion extra programme requests each year.
- In 2013 there were 3,049 million requests for on-demand programmes across BBC iPlayer, ITV Player, 4oD, Demand 5 and the broadcaster equivalent services on Sky, BT and Virgin set-top boxes (Figure 5).

Fig 4: VOD service used at least monthly



Source: Ofcom's PSB Annual Report 2014 Base: Adults 16+ . Q Which, if any, of the following services do you use to watch television programmes or films online or on demand? Please tell me which services you use at least once a month or more often?

Fig 5: PSB VOD service programme requests



Source: Ofcom's PSB Annual Report 2014

Note: on-demand programmes only, no simulcast data is included. Offline downloads are counted as one request.

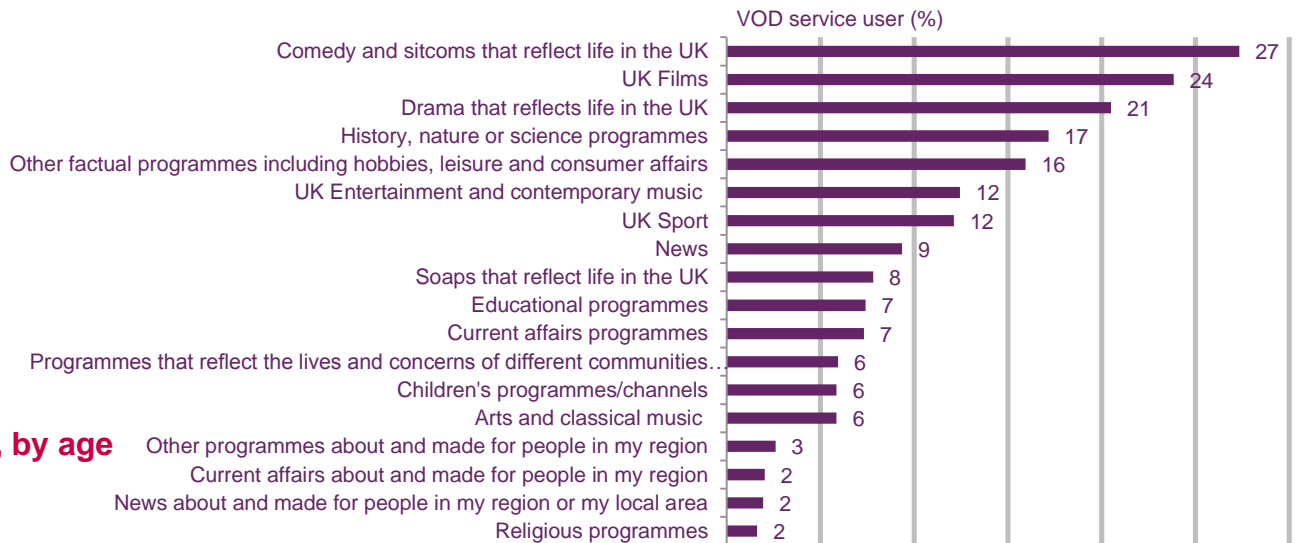
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- As seen in Figure 7, VoD users were most likely to say they used VoD services to watch UK comedy (27%), UK films (24%) and UK drama (21%) at least once a month.
- Figure 7 also shows that the genres least likely to be watched using VoD services were religious programming and local news and current affairs (2%).

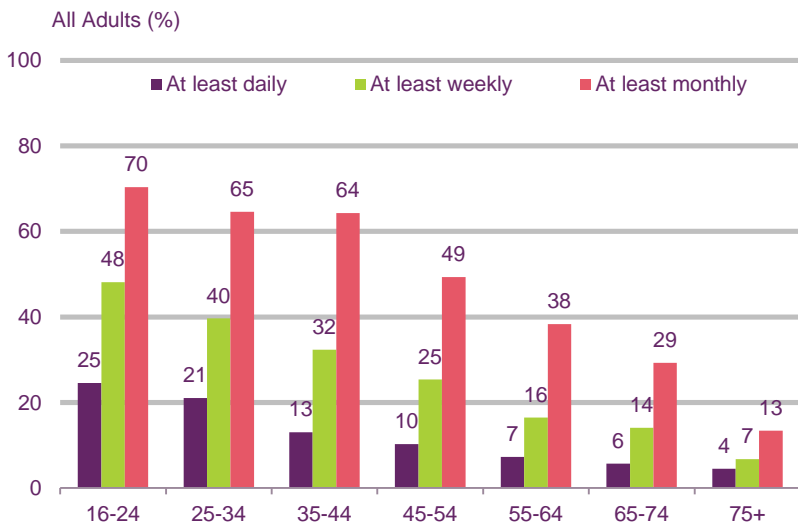
Fig 7: Use of any VoD service at least monthly, by genre



Source: Ofcom 's PSB Annual Report 2014. Base: All VoD users 16+. Q Which channels or media services do you use to watch this type of programme at least once a month or more often?

- Ofcom research found that fourteen per cent of adults claimed to use VoD services at least daily, 29% at least weekly, and 51% at least monthly. Ten per cent of adults used VoD services less frequently than once a month.
- Figure 6 shows frequency of VoD use by age. A quarter of those aged 16-24 used VoD services at least daily, compared to 10% of those aged 45-54 and 4% of those aged 75+.

Fig 6: Frequency of VOD service use, by age



Source: Ofcom's PSB Annual Report 2014. Base: All Adults 16+