



Summary of UK Digital TV State of the Nation – DTG

2022

Key Takeaways

- *UK remains a hotbed and innovation hub for high- end television production.*
- *Consumers have a wide range of high-quality free and paid-for platforms and services across both broadcast and IP delivery.*
- *The shift towards IP delivery is driving this innovation and content investment.*
- *This year's DTG's State of the Nation survey (Feb 2022), highlights that close to half of UK consumers say IP- delivered sources are their 'go-to' way to watch TV programmes. Indeed, 94% watch streamed video at least monthly.*

Full Report - <https://dtg.org.uk/resource/state-of-the-nation-2022/>

Executive Summary - 1 of 5

- Strong broadcaster VoD (BVoD) and subscription VoD (SVoD) uptake is driving viewing of IP-delivered TV programming; both have close to 80% monthly adoption.
- However, Free-to-Air (FTA) broadcast remains robust. Watching free live TV channels is still the leading way to watch television programmes in the UK, with 30% of UK consumers saying this is their primary way to watch, ahead of SVoD at 28%.
- The TV set has established itself as the dominant way to watch on-demand TV; almost 4 in 5 consumers state it is their preferred device.

Executive Summary - 2 of 5

- Two-thirds of UK households pay television subscription (either Pay-TV or SVoD). Free TV is expanding through IP delivery. 1 in 4 consumers watch free 'new wave AVoD' services such as Rakuten TV or Samsung TV Plus at least once a month.
- Significantly more UK consumers prefer British TV shows over US/ international TV shows, partly justifying the 29% increase in investment in UK high-end TV shows and movies in 2021 compared with 2019.
- 71% of UK consumers agree that it is important everyone in the UK has access to free, national television in the future, although only 54% of 16-24's agree with this.

Executive Summary - 3 of 5

- Respondents say the importance of a TV being pre-installed with SVoD apps has overtaken the importance of BVoD apps being pre-installed.
- The audio experience continues to be important to TV viewers; inconsistent audio levels are a key and growing source of annoyance. 39% are interested in technology that would enable clearer audio when watching TV. The use of subtitles has also increased over the past year, from 40% to 44%, driven by SVoD users.
- There is growing consensus that 4K HDR is the new baseline for the foreseeable future, augmented with spatial audio formats such as Dolby Atmos and DTS:X.

Executive Summary - 4 of 5

- Production in UHD and HDR is rapidly becoming the “gold standard” for the television and film industry for content creation. The move towards entirely IP-based production workflows is facilitating this transition.
- The video industry is at an inflection point, with the newer coding standards being positioned as credible alternatives to AVC, HEVC and even AV1. Streaming video providers will likely position AV1 (and its successor AV2) for VoD, given the efficiencies gained. Broadcasters favour VVC because of the more lightweight live encoding requirements.

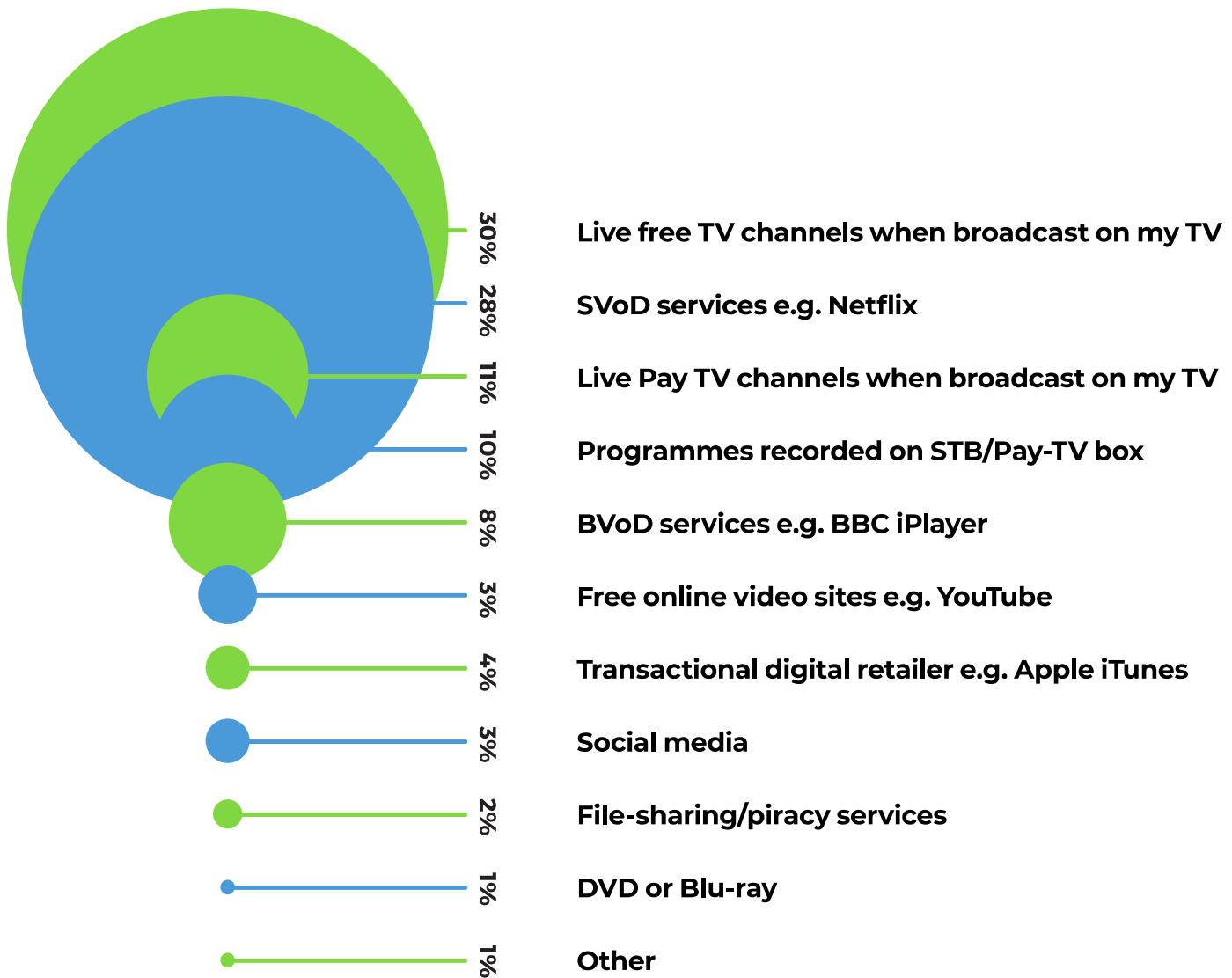
Executive Summary - 5 of 5

- Broadcast capability has become an integral part of the 5G standards by enabling high power high tower (HPHT) 5G network installations to distribute television and radio services.
- The introduction of Bluetooth LE Audio into televisions alongside other consumer audio products, including headphones and, notably, hearing aids, promises to improve accessibility to television services by enabling wearers to have their own audio profile. Bluetooth LE Audio offers new codecs that elevate audio quality and allow concurrent endpoints, increasing the market opportunity for soundbars with wireless speaker components.

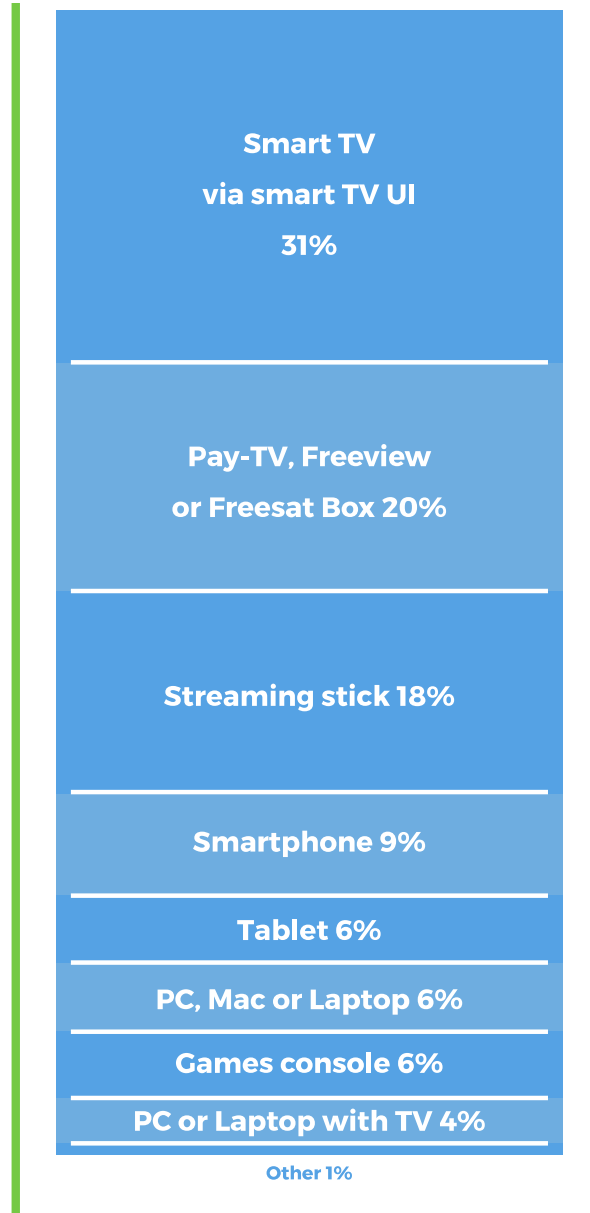
'GO-TO' WAY TO WATCH TV PROGRAMMES IN THE UK

Q: What is the main way you watch TV programmes?

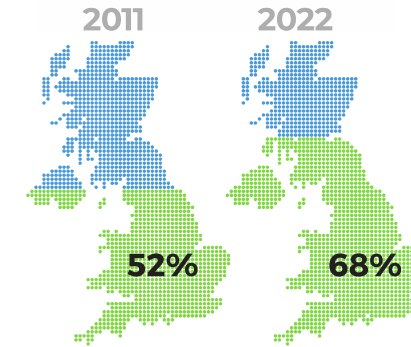
Base: All those who watch TV programmes



When watching on-demand streamed TV shows and movies on services such as Netflix or BBC iPlayer, in which way do you watch these the most?



HOUSEHOLD PENETRATION OF PAID TV HOUSEHOLDS IN THE UK (TAKE PAY-TV AND/OR AT LEAST ONE SVOD SERVICE)



LEADING REASONS TO WATCH FREE TV CHANNELS

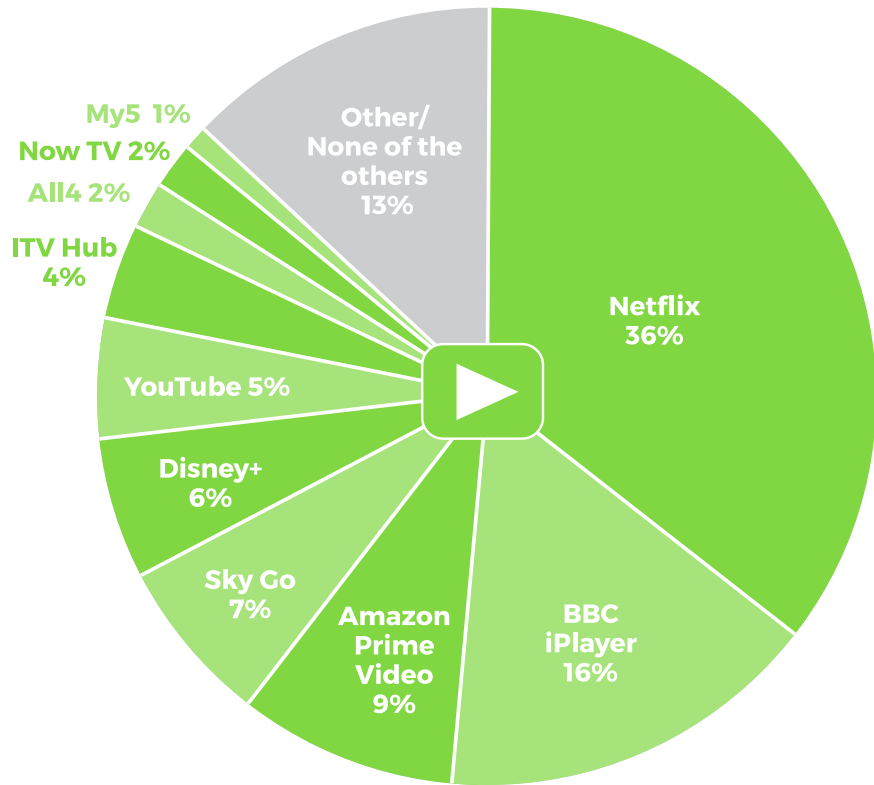
Q: You mentioned that you watch Free TV. Why do you watch this?

Base: All who watch free TV channels

- 1 The TV shows interest me
- 2 Don't want to pay to watch
- 3 Favour British TV (e.g. news & drama)
- 4 A specific TV show that I like
- 5 Easy to find TV shows/movies
- 6 Can switch on & watch straight away
- 7 Familiar TV shows/movies
- 8 Don't mind watching ads

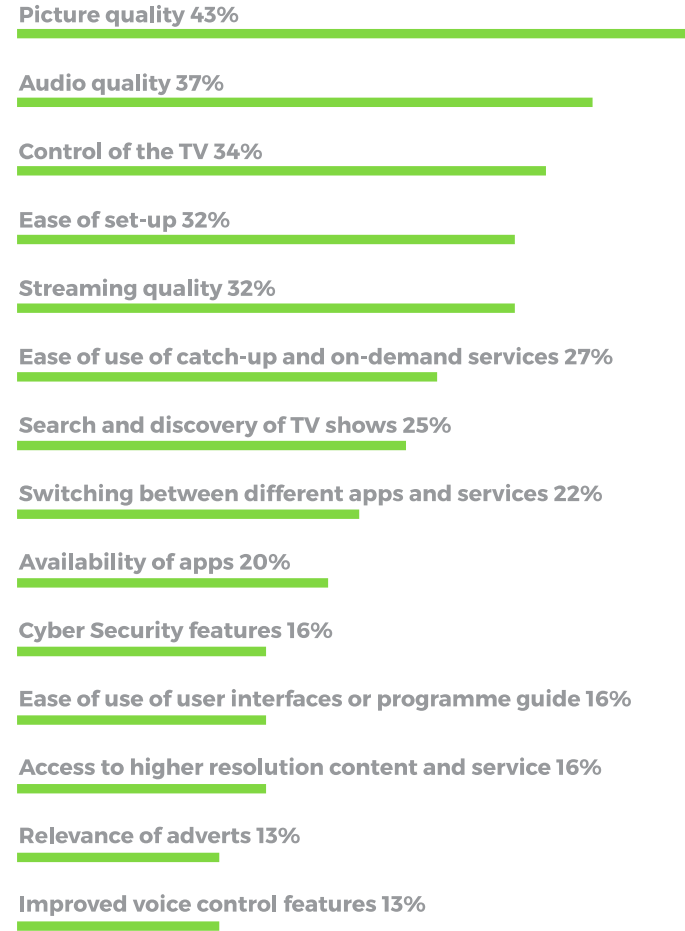
WHICH ONLINE SERVICE DO YOU ASSOCIATE WITH HAVING THE HIGHEST QUALITY TELEVISION CONTENT?

Base: All respondents



IN WHICH OF THE FOLLOWING WAYS WOULD YOU LIKE TO SEE YOUR TV VIEWING EXPERIENCE IMPROVED:

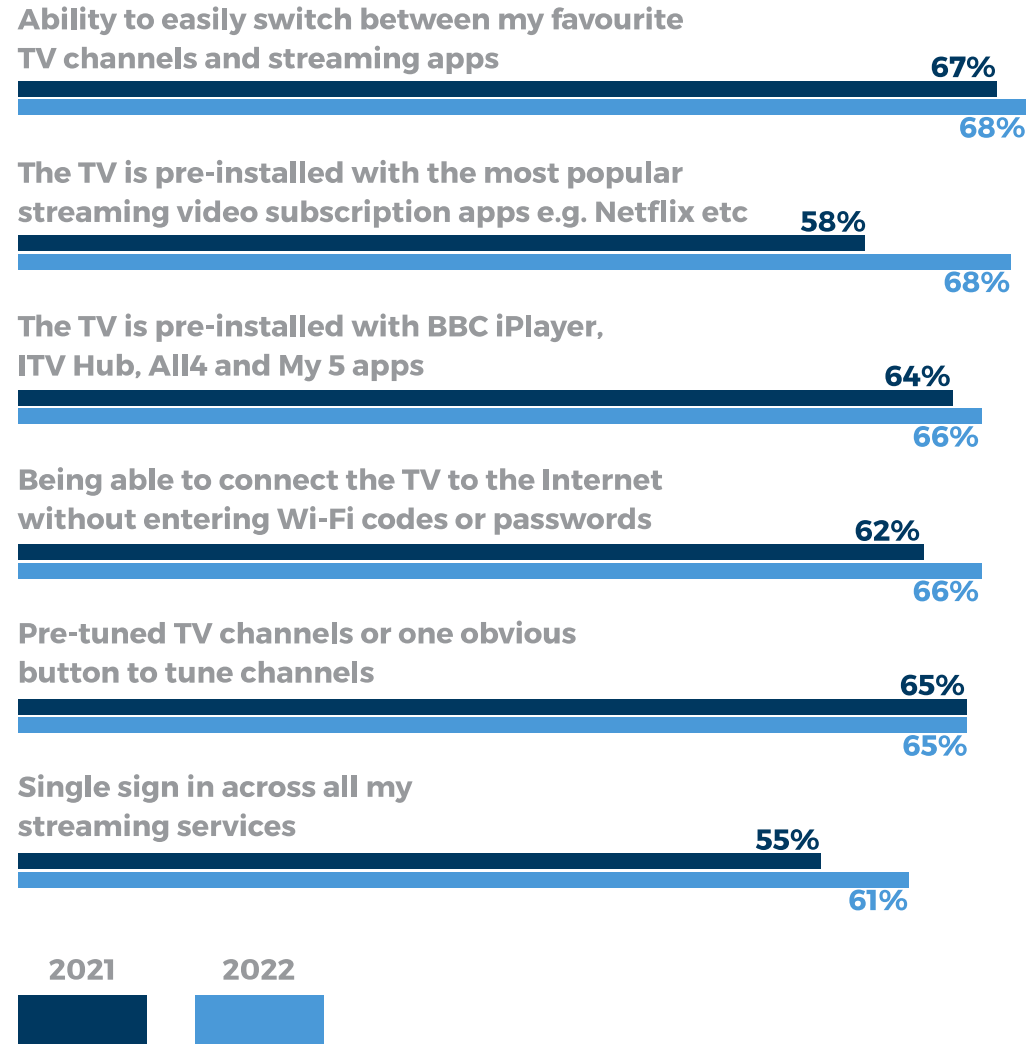
Base: All respondents



**IMPORTANT CONSIDERATIONS
WHEN BUYING NEXT TV: % OF
RESPONDENTS WHO SAY THEY
ARE IMPORTANT**

Q: Which of the following would be important to you when buying your next TV? Please rate on a scale of 1 to 5, where 1 is not important, 3 is neither important or not important and 5 is very important

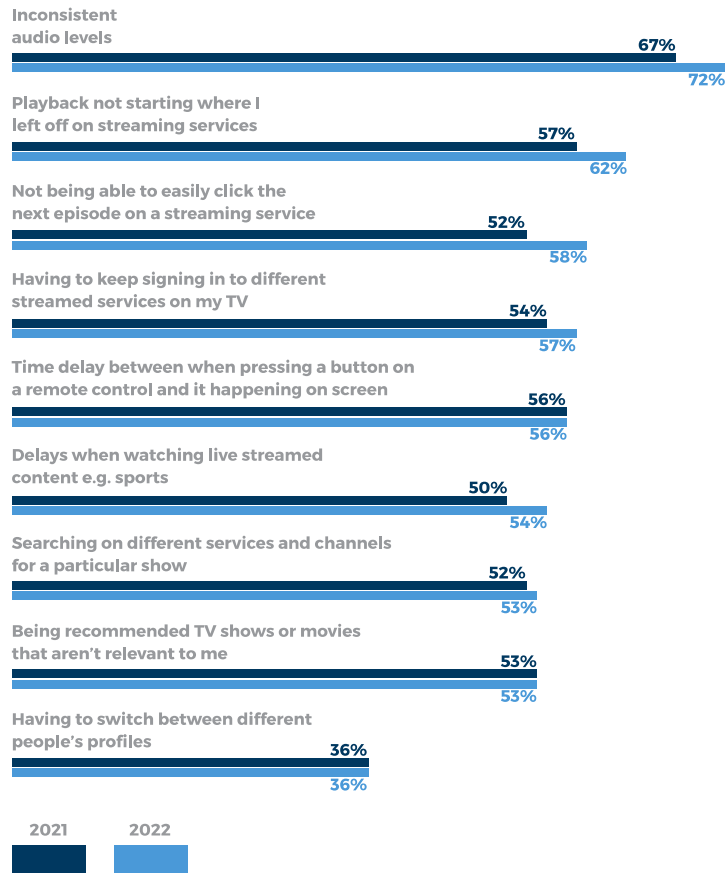
Base: All respondents



KEY TV VIEWING ANNOYANCES: % OF ALL RESPONDENTS WHO CLAIM TO BE ANNOYED WHEN THE FOLLOWING SITUATIONS OCCUR

Q: When you are watching television, please describe how you feel when the following situations occur

Base: All respondents



FEATURES DESIRED IN NEXT TV

Q: Which of the following features would you consider when buying your next TV?

Base: TV Owners

