



Oliver & Ohlbaum

Assessing the impact of potential changes to TV advertising minutage regulation

Consumer Research Extract

September 2022

CONSUMER RESEARCH FINDINGS

Summary of consumer research findings

Our consumer research illustrates that viewers have a preference for watching TV content without advertising, and that any potential increases to the volume or frequency of TV advertising would likely result in a decline in viewing to traditional broadcast TV in favour of ad-free digital streaming services

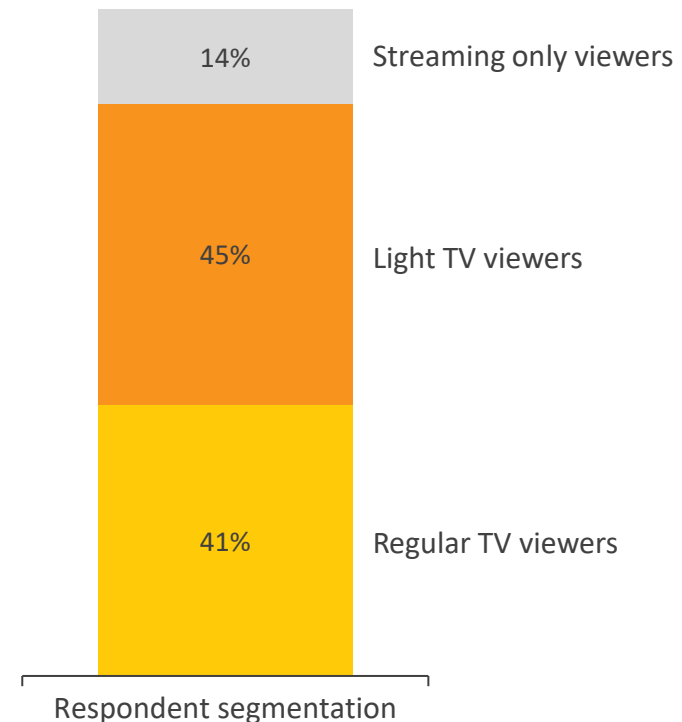
- In order to understand the impact of potential changes to TV advertising minutage restrictions on viewer behaviour we undertook detailed consumer research in September 2022, results of which indicated that:
 - The majority of TV viewers in the UK expressed a negative opinion of TV advertising, with 30% of adults stating they would rather watch TV content without advertisements
 - One-third of UK adults described themselves as having concerns about TV advertising, raising issue with both the current levels of TV advertising and the potentially harmful nature of certain TV adverts
 - Nearly half of respondents are unhappy with the current level of advertising (both in volume and frequency) on traditional broadcast TV and would like this to be reduced
 - More than half of respondents indicated that they have become less tolerant of TV advertising since the emergence of SVODs
 - A potential increase in the volume of TV advertising minutes or frequency of TV advertising breaks would be unpopular among viewers
 - 69% of respondents indicated that an increase on the commercial PSB channels would lead to them watching less of these channels; 44% of these respondents stated they would transition their viewing further to SVODs

Methodology and definitions

- Our consumer research was conducted in September 2022 using a significant nationally representative sample of 1,027 TV viewing adults living in the UK
 - The survey was carried out by our long-term market research partner, Fly Research who have extensive experience in conducting bespoke consumer research programmes
 - This large sample size has allowed us to analyse the dynamic of TV advertising opinions within key subgroups
- We categorised respondents by the amount of traditional broadcast television they consume, placing them into one of three mutually exclusive categories:
 - **Streaming only viewers:** those who only watch via streaming services or watch traditional scheduled broadcast less than once a month
 - **Light TV viewers:** those who consume less than one hour of traditional scheduled broadcast TV per day
 - **Regular TV viewers:** those who consume two or more hours of traditional scheduled broadcast TV per day

Breakdown of respondents by TV viewing habits

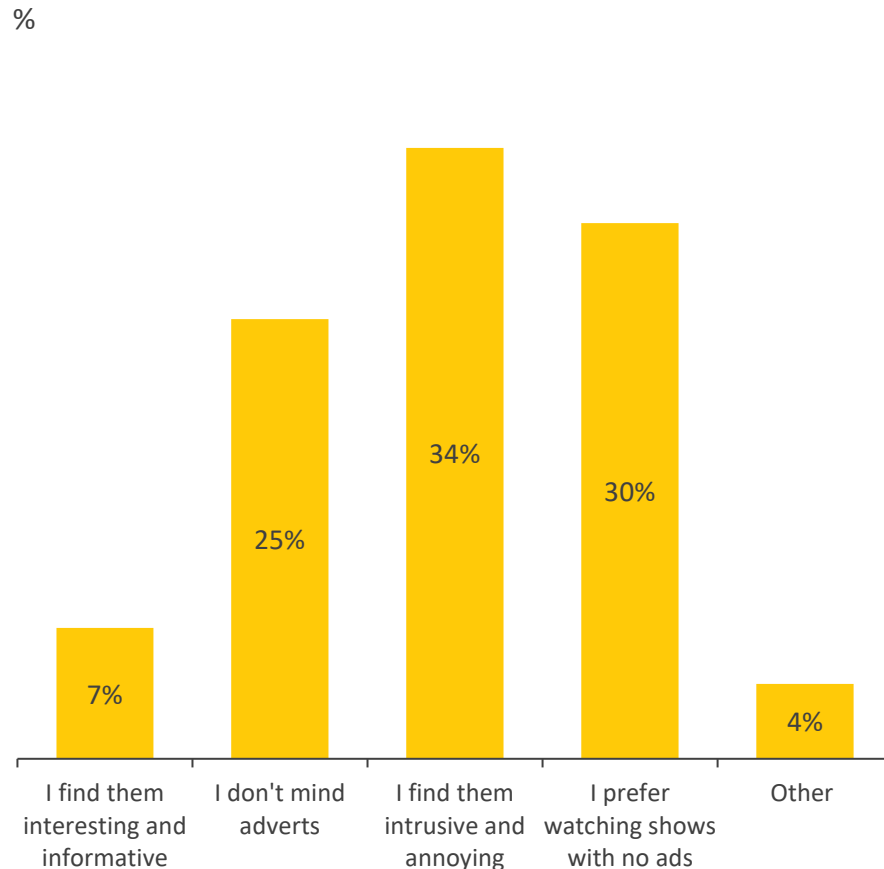
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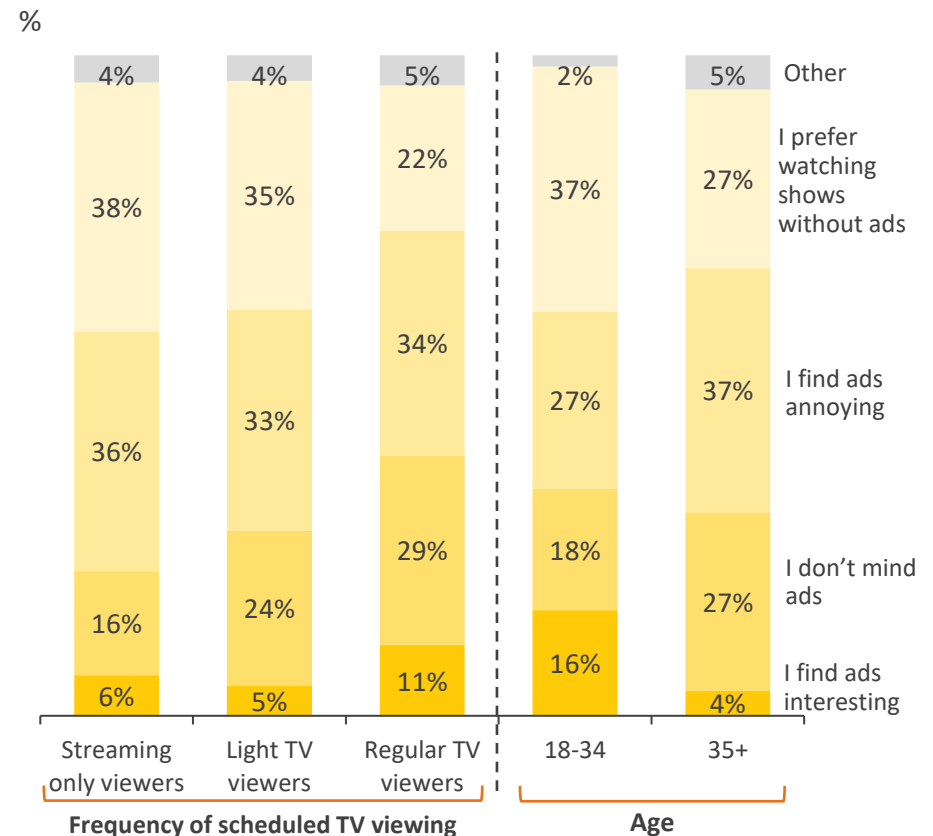
The majority of TV viewers find adverts detrimental to the TV viewing experience

Nearly a third of viewers go out of their way to avoid adverts, while for the most frequent watchers of scheduled TV the plurality of respondents found advertising annoying

UK TV viewers' opinions of TV advertising, 2022



UK TV viewers' opinions of TV advertising split by frequency of scheduled TV viewing and age, 2022



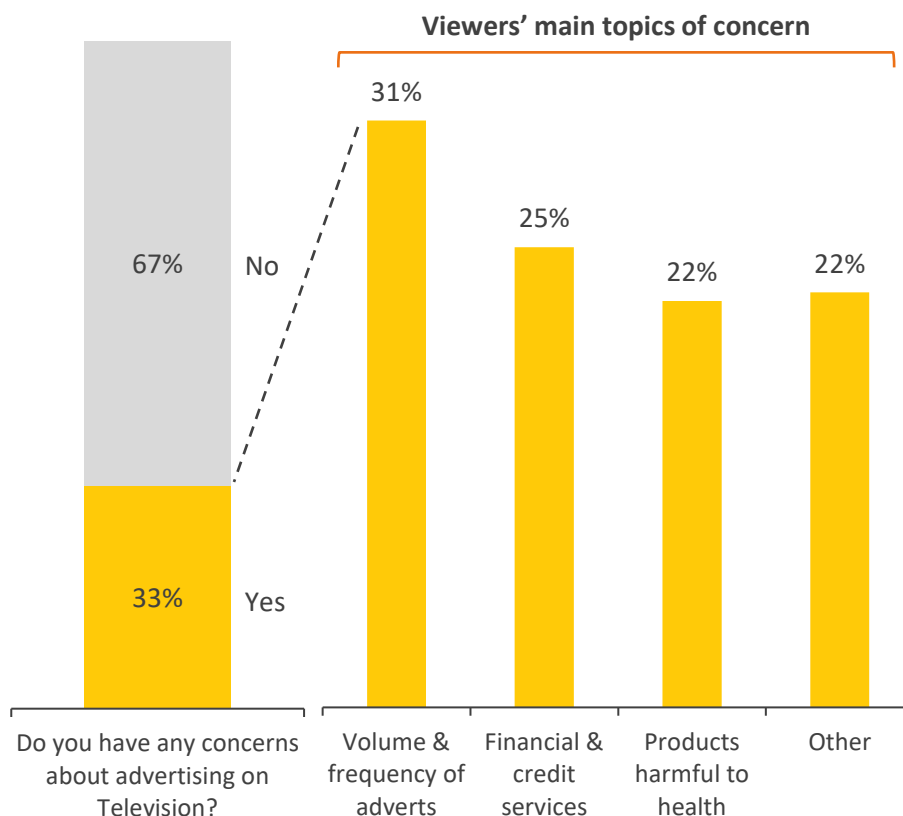
Q: 'In general, what are your opinions on advertising on television services?'
 Source: Fly Research (n = 1,027), Oliver & Ohlbaum analysis

One-third of respondents were concerned about current television advertising

The most common concerns among UK TV viewers were related to the volume and frequency of advertising, however a significant proportion raised concerns over advertising promoting harmful products (alcohol, gambling, etc)

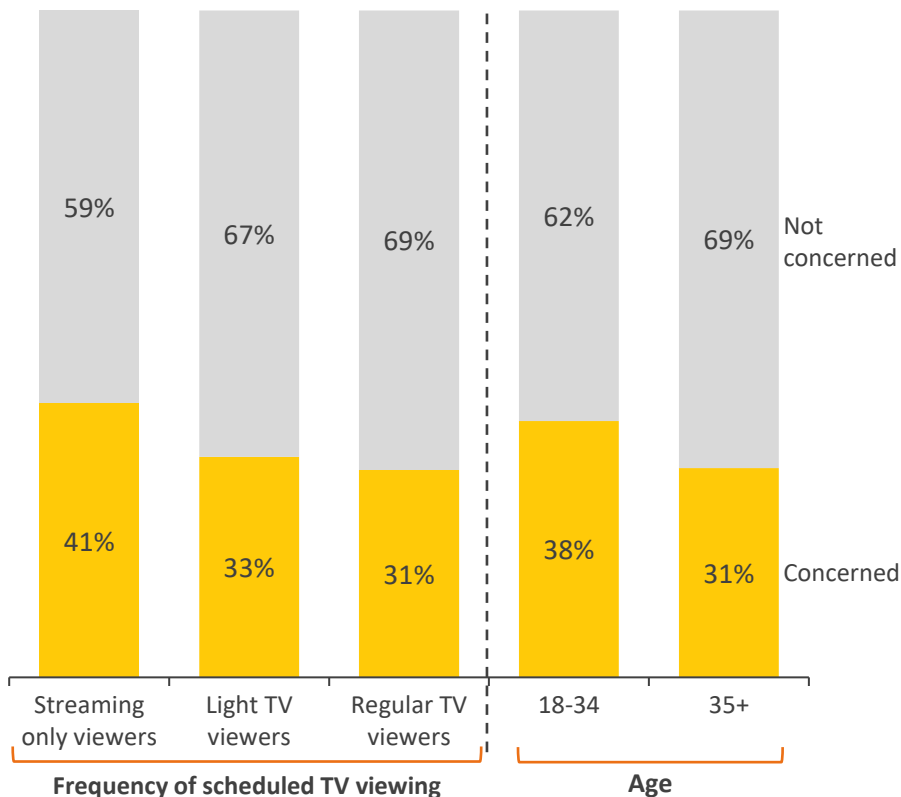
UK TV viewers' concerns around TV advertising, 2022

%



UK TV viewers' concerns around TV advertising split by frequency of scheduled TV viewing and age, 2022

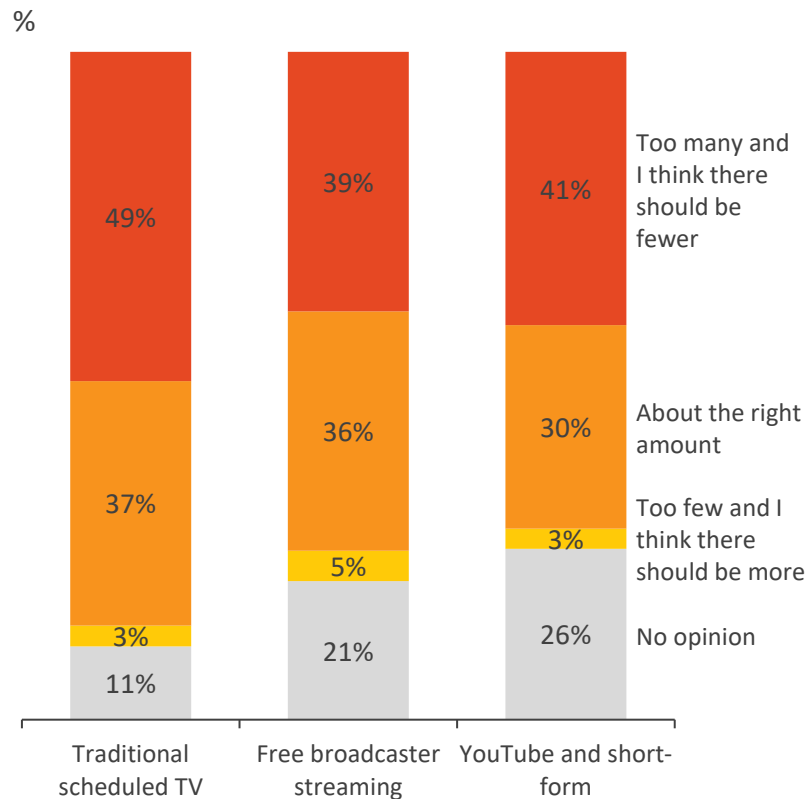
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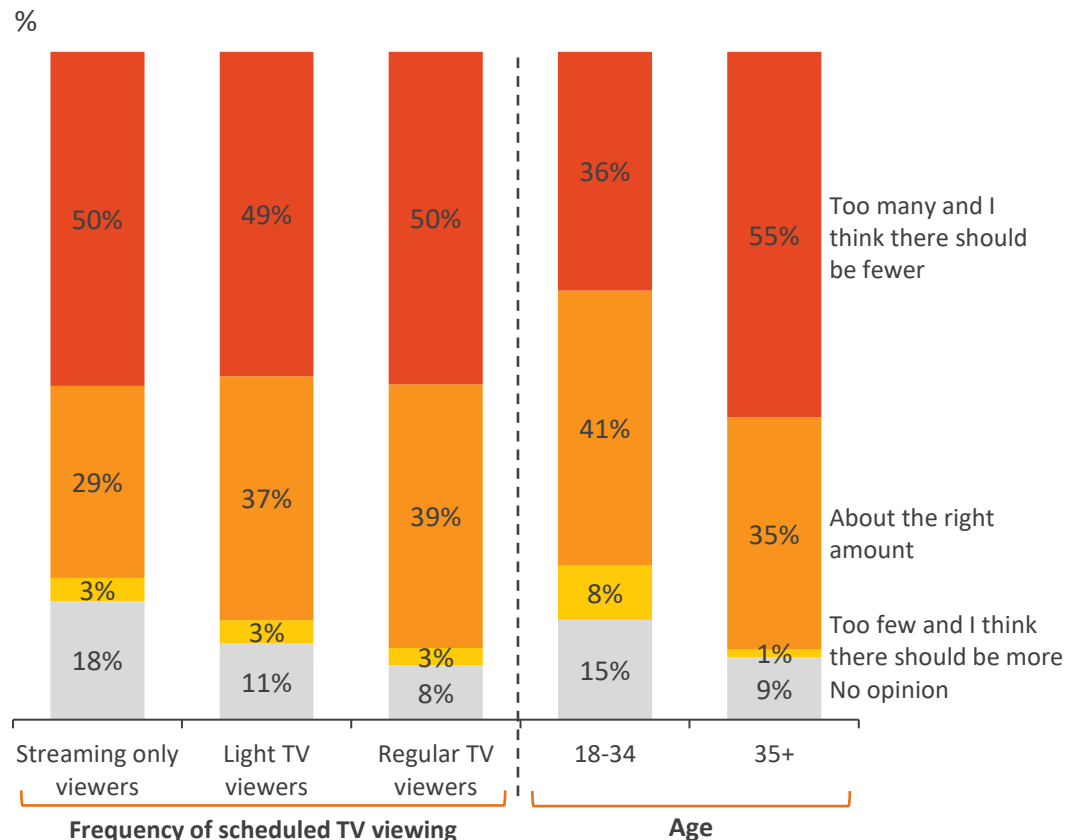
Q: 'Do you have any concerns about advertising on television?' / 'What are the main concerns you have about advertising on television?'
 Source: Fly Research (n = 1,027), Oliver & Ohlbaum analysis

Almost half of UK TV viewers believe there are too many adverts on traditional TV

UK TV viewers' opinion on the number of TV adverts by platform, 2022



UK TV viewers' opinion on the number of TV adverts on traditional scheduled TV by frequency of viewing and age, 2022



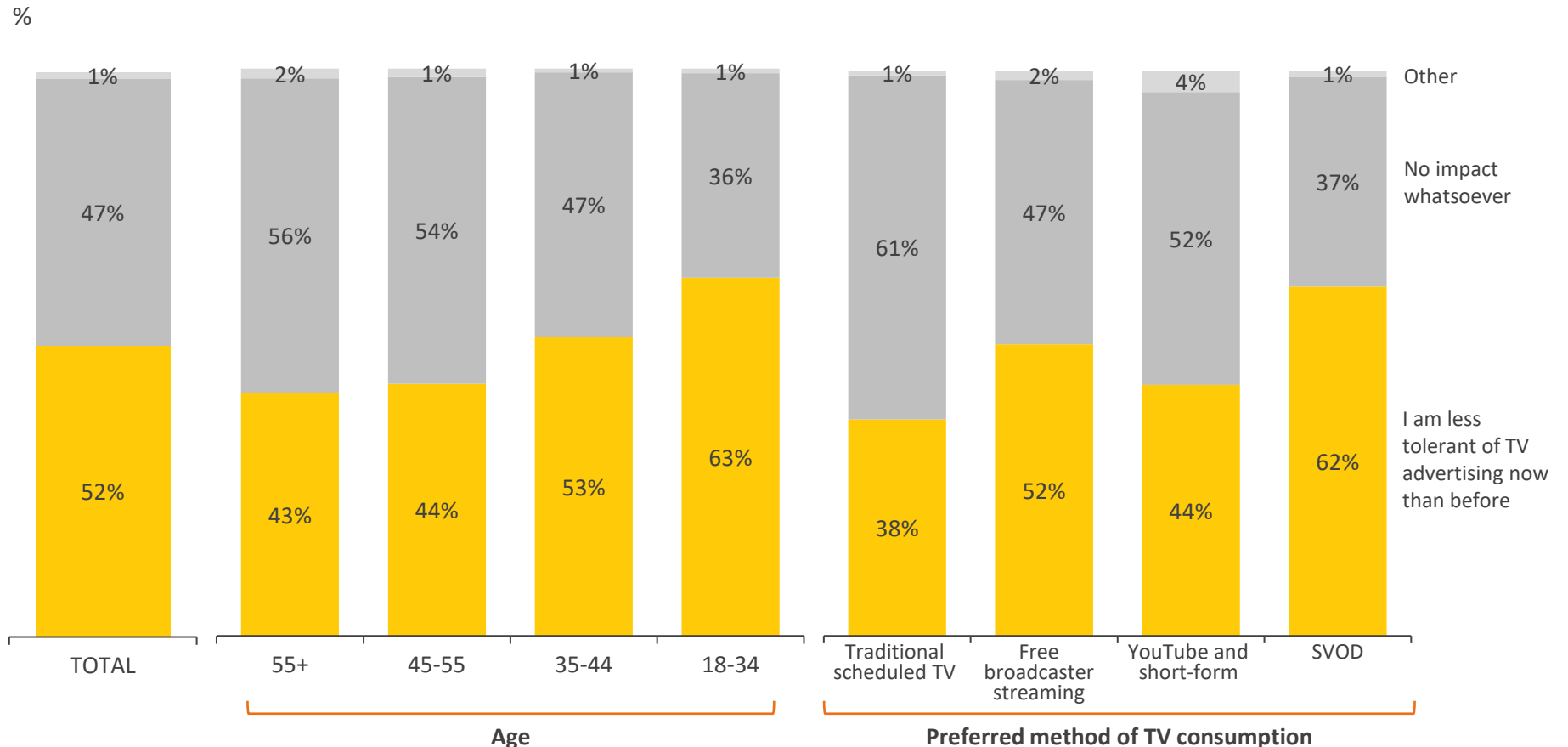
Q: 'Which of these statements best describes how you feel about the number of adverts shown on the following services?'

Source: Fly Research (n = 1,027), Oliver & Ohlbaum analysis

SVOD viewing has lowered viewers' tolerance for advertising

More than half of respondents using SVOD services indicated that they are now less tolerant of advertising due to their change in viewing. This trend is most pronounced among younger viewers and those who prefer to watch content via SVODs

Impact of SVOD viewing on tolerance of TV advertising among UK SVOD users, 2022

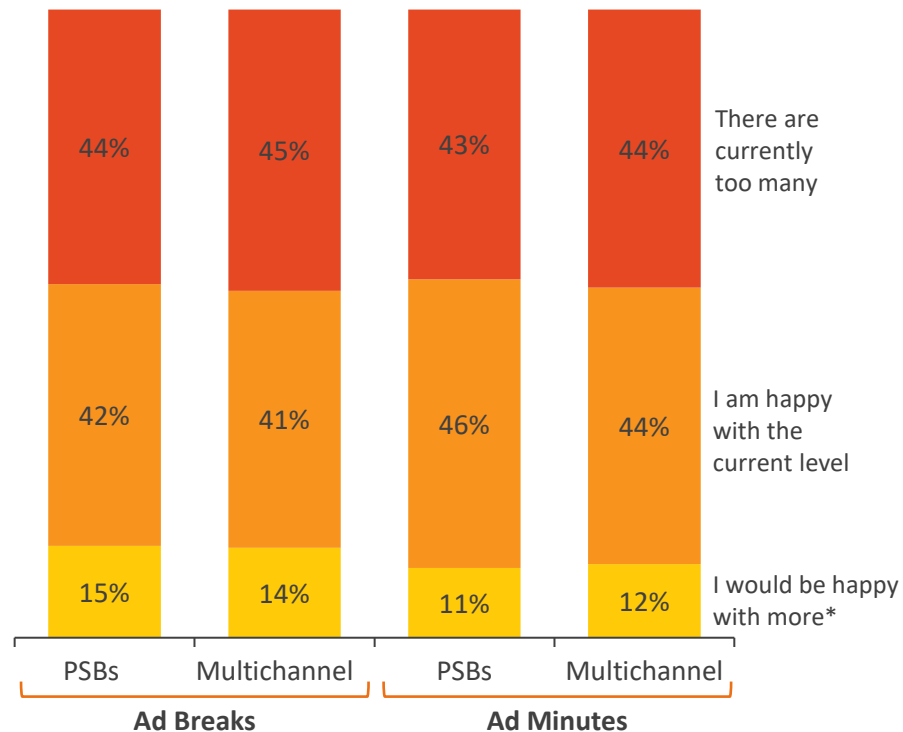


Q: 'How has your viewing of subscription streaming services (e.g. Netflix, Disney+, etc) impacted your opinion of advertising on television?'
 Source: Fly Research (n = 768), Oliver & Ohlbaum analysis

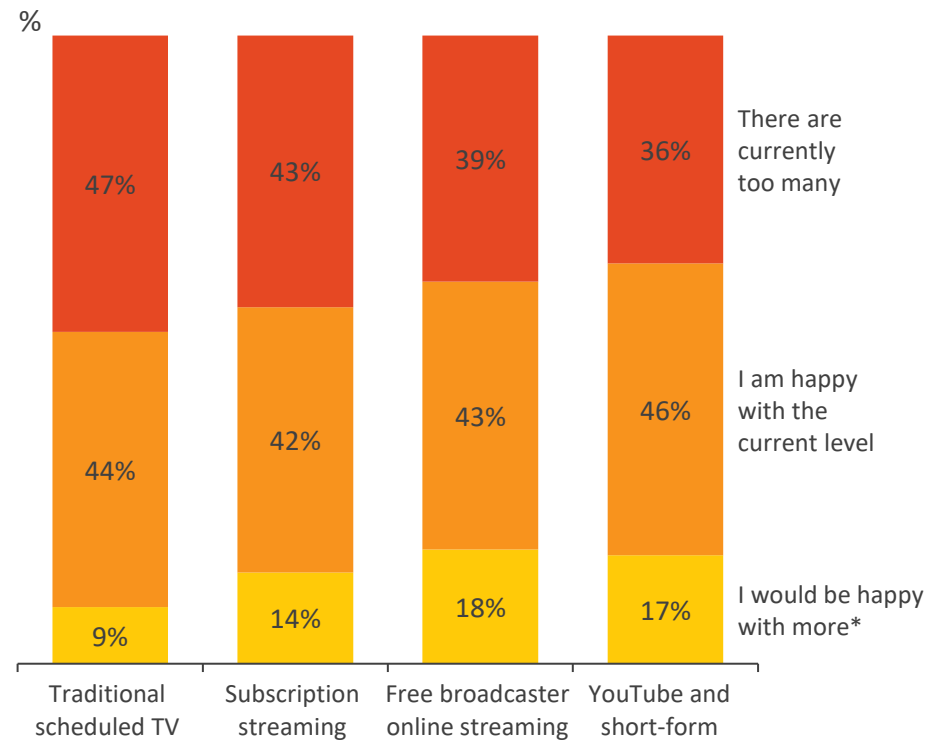
Increases in advertising for multichannel and PSBs are equally unpopular

There is little change in opinion based on whether an increase is achieved through more breaks or more minutes. Opposition to increased advertising is strongest amongst those who state traditional scheduled TV as their favourite method of watching television

UK TV viewers' opinion on the current levels of advertising on PSBs vs multichannels, 2022
%



UK TV viewers' opinion on the current levels of advertising on traditional scheduled TV by preferred method of TV consumption, 2022
%



Q: 'Which of these statements best describes how you feel about the amount of advertising breaks / number of advertising minutes shown on the main commercial free-to-air channels (ITV1, Channel 4, Channel 5) vs the other commercial channels within an hour?'

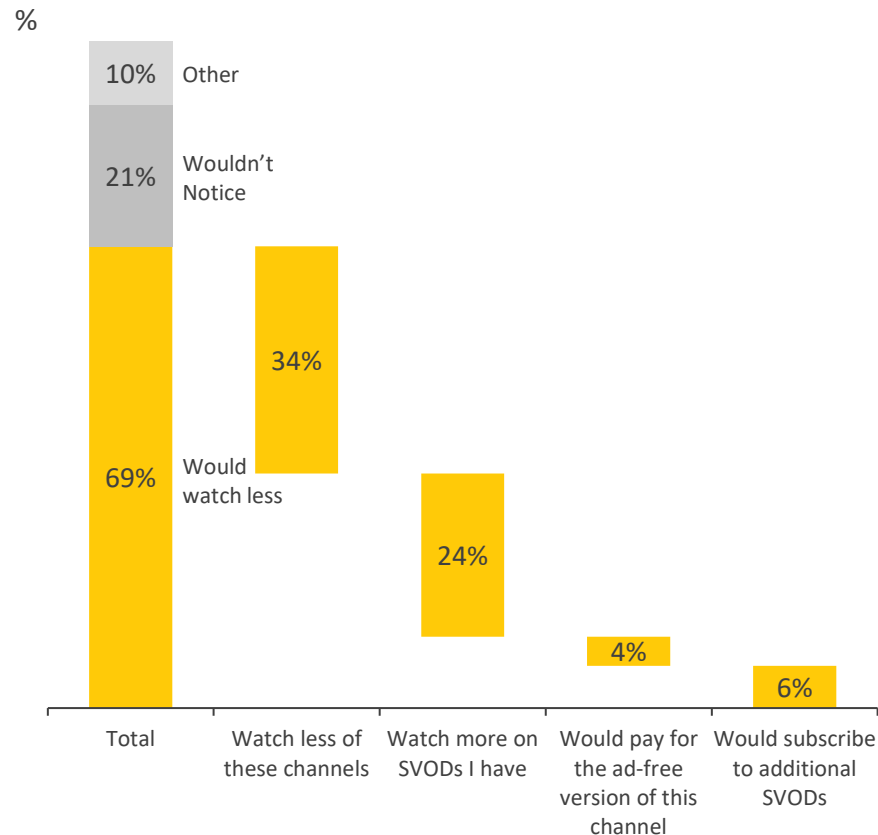
Note: *This segment includes respondents who would be happy with a small increase and those who would be happy with quite a few more minutes/breaks

Source: Fly Research (n = 1,027), Oliver & Ohlbaum analysis

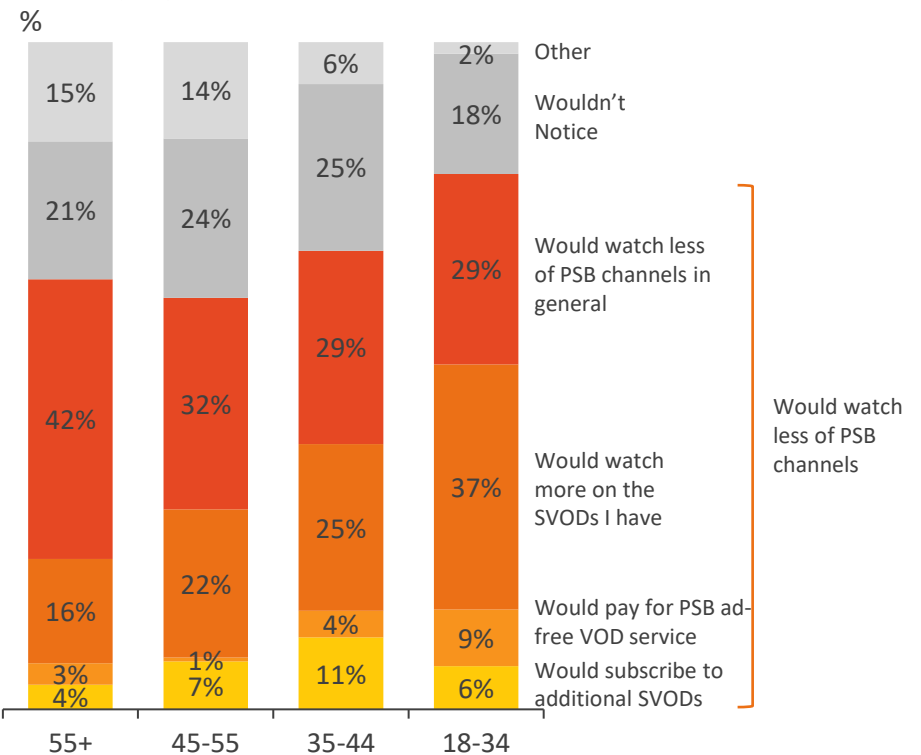
Increased advertising on commercial PSBs is likely to result in less viewership

In total nearly 70% of respondents stated increased advertising would result in them watching less of these channels. For those aged 18-34 this number increases to 80%, with most of this reduction in commercial PSB viewing time being replaced by SVODs

Response to an increase in advertising on the commercial PSBs, 2022



Response to an increase in advertising on the commercial PSBs by age, 2022



Q: 'Currently the amount of advertising shown on ITV1, Channel 4, and Channel 5 is limited, how would you react if the amount of advertising on these channels¹⁰ increased in the future?'
 Source: Fly Research (n = 1,027). Oliver & Ohlbaum analysis

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