

Understanding the **HD** Viewership Landscape







INTRODUCTION

With the advent of digitization, the HD (High Definition) wave hit the Indian TV industry, and several broadcasters launched new HD channels/ HD versions of their existing SD channels. HD is known to offer a better viewing technology, which enhances the TV viewing experience. The growth of HD channels over the last 2 years has positively impacted the industry in terms of subscription & advertising revenue, and is becoming a game changer in the quality of television content that is being consumed.

In this edition of THINK, we will take a closer look at this HD phenomena by attempting to answer the following questions:

- 1) How has the growth of HD channels impacted HD viewership?
Has it increased, decreased, or remained static over time?

- 2) Who is the audience for HD channels?

- 3) To what extent do the viewership trends for HD vary by Social Class (NCCS) and Town Class?

- 4) Which are the top performing ad sectors on HD channels in terms of share of voice & viewership?

- 5) Which genres are being consumed by audiences on HD channels? Are some genres performing better on HD feed as opposed to SD?

- 6) How exclusive is the HD viewer?



THE HD LANDSCAPE

The HD Landscape

No. of channels

	Oct'15 - Sep'16	Oct'16 - Sep'17	Growth %
HD	59	83	41%
SD	445	517	16%

Viewership (Avg. Imp '000)

	Oct'15 - Sep'16	Oct'16 - Sep'17	Growth %
HD	186	500	169%
SD	64477	80341	25%

(Note: (na) (nw) and (tbr) channels without any data during the respective periods have not been included)

Over the 2-year period from October 2015 to September 2017, the number of active HD channels in India have witnessed a growth. With the launch of many new HD channels, the number has risen from 59 HD Channels in 2015 to 83 HD channels in 2017.

Of the available 83 HD channels, 50 channels have both SD and HD feed.

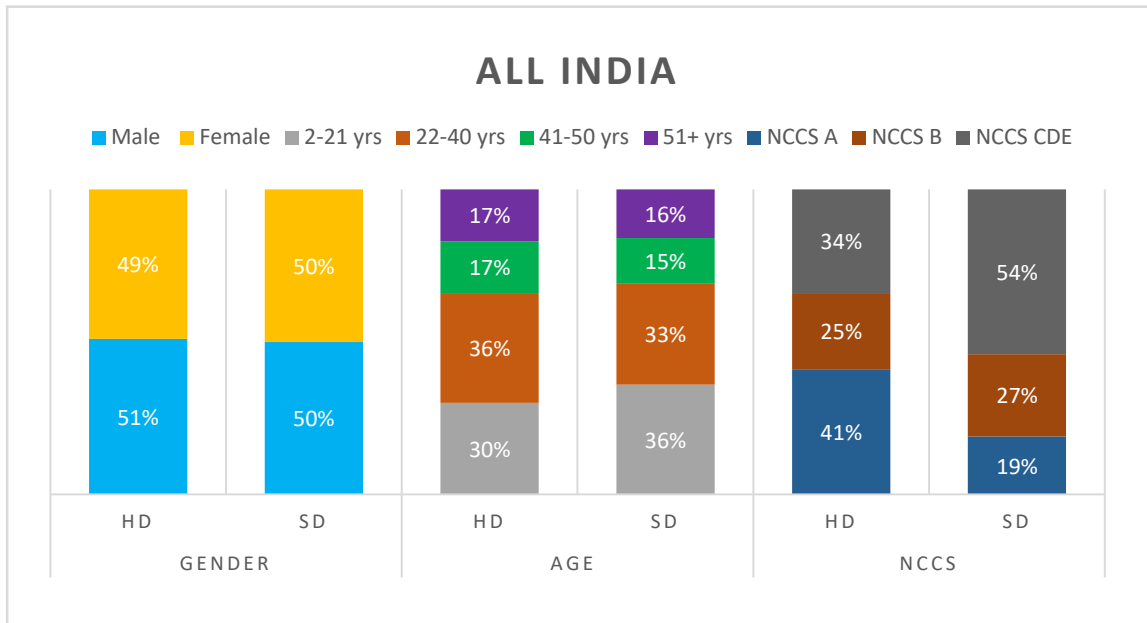
Along with the number of channels, the viewership share of HD channels has also witnessed an increase.

The growing popularity of HD channels is more apparent when we look at this in terms of % growth. While the number of channels has gone up by only 41%, the viewership share has grown by more than 160%



WHO WATCHES HD CHANNELS?

Who Watches HD Channels?



% share of Impressions

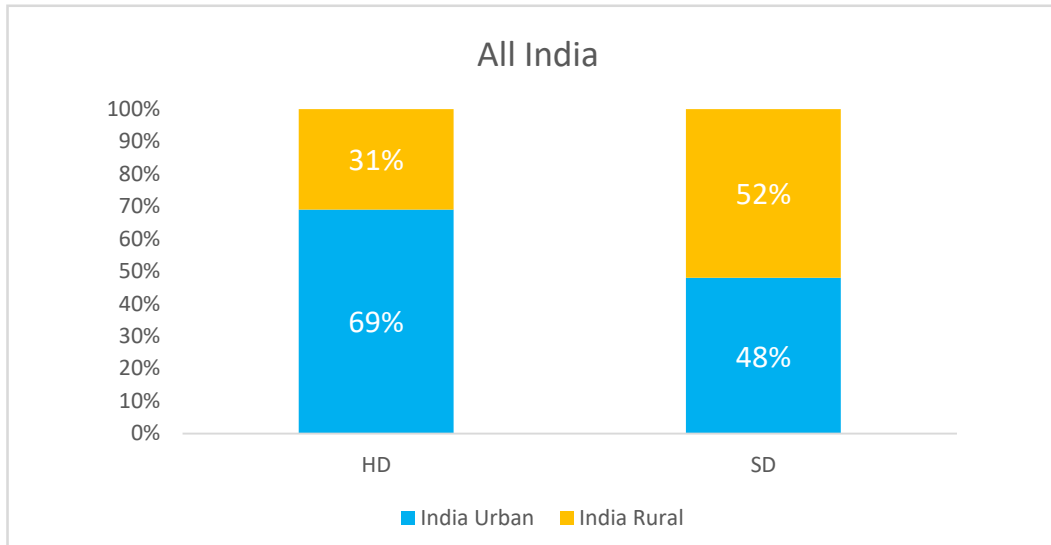
Gender: HD Channel viewership in India is slightly skewed towards Male audiences, who contribute a 51% eyeball share to the overall HD channel viewership, as opposed to SD channels where no gender skew is observed.

Age: TV viewership appears to be quite fragmented across all age groups for both HD and SD channels. While the Kids and Youth (2-21 yrs) form the larger share of the SD viewership, the Young Adults and Adults (22-40 yrs) together comprise a majority share of HD viewership in India (35%). This audience may comprise of the new- age millennials who want to have seamless experiences and are early adopters of new technologies and innovations.

NCCS: As expected, NCCS A is the largest contributor to HD Channel viewership in India, as it is a premium offering. The second highest share of eyeballs comes from NCCS CDE.

Let us also look at the viewership share by Town class to better understand HD viewership in India.

Town Class



% share of Impressions

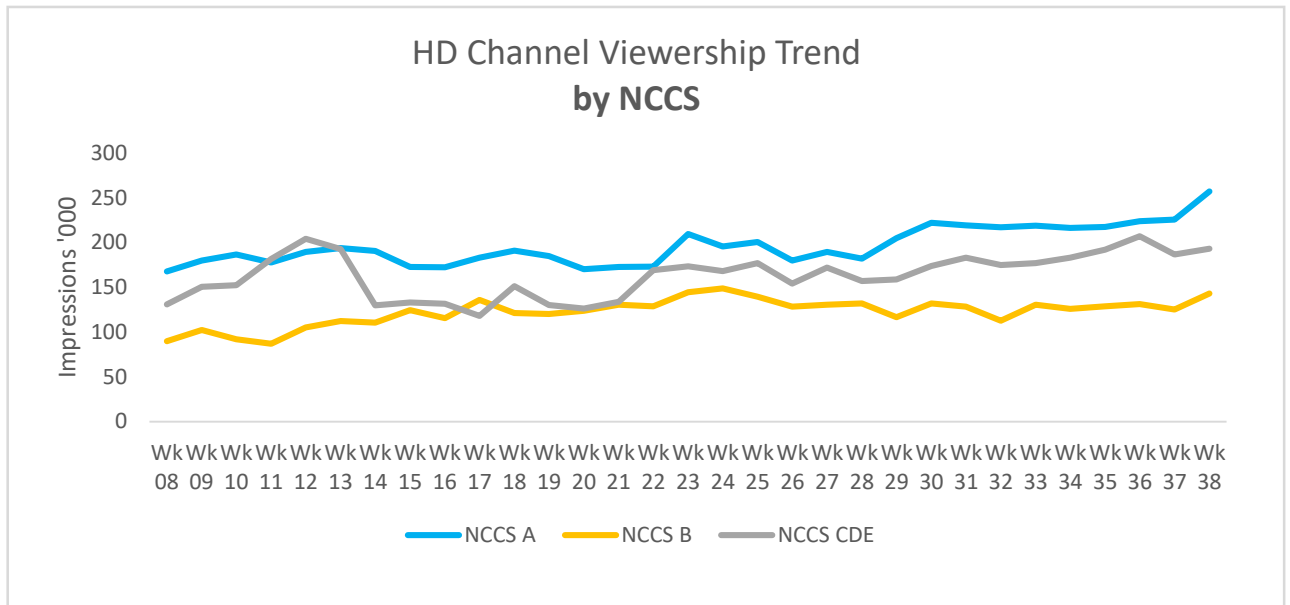
A large majority of HD eyeballs are coming from Urban India, as opposed to SD viewership where Rural India contributes the larger share of eyeballs





VIEWERSHIP TRENDS

Viewership Trends



The viewership of NCCS A & NCCS B are relatively stable, with minor spikes during key events.

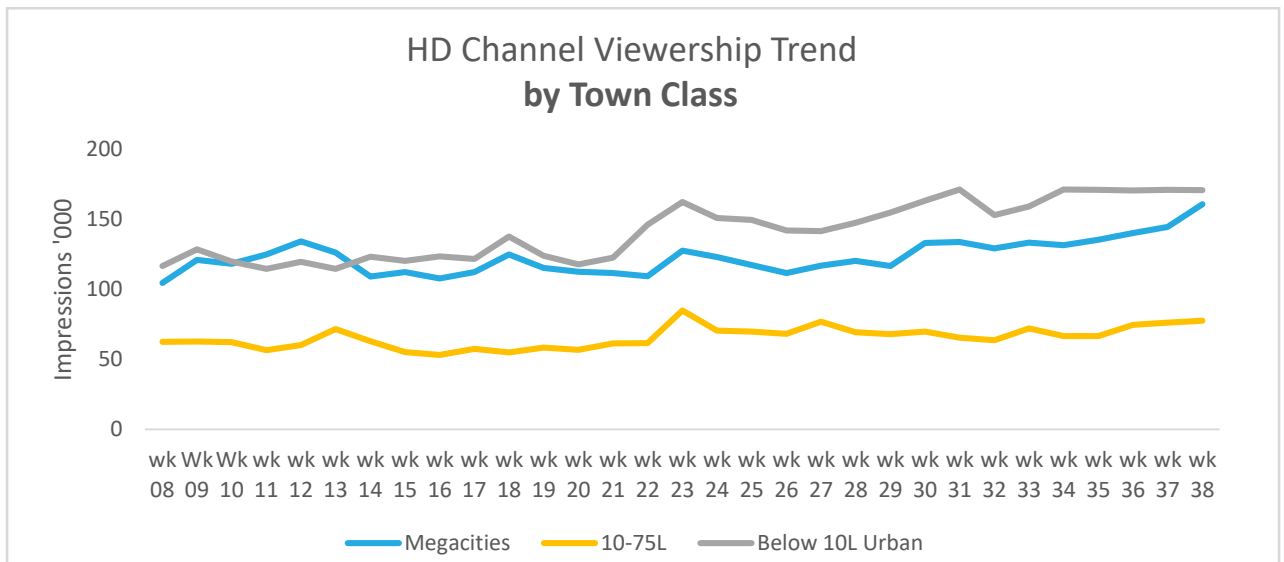
For NCCS A, the rise in HD viewership post Wk 16 can be attributed to the growth in viewership of Sports genre HD channels due to IPL 10 (Wk16) and ICC Champions Trophy (Wk 22).

The increasing trend line Wk 28 onwards is a result of massive growth of GEC Genre viewing on HD channels.

In contrast to NCCS A & NCCS B, the HD viewership for NCCS CDE seems to be highly fluctuating over time.

The HD channel viewership for NCCS CDE, has peaked in Wk12, which is majorly due to growth in viewing of the GEC and Movie genres. The upward rise between Wk 21 – Wk 26 can be attributed to ICC Champions Trophy, as Sports genre on HD channels has grown during this period.

This may be an indication of the fact that NCCS A & NCCS B are loyal / habitual viewers of HD & hence less susceptible to fluctuations. NCCS CDE, on the other hand, are driven to HD by key events.



Analysing the viewership trends by Town Class, it is interesting to note that Below 10L Urban towns contribute greater Impressions in absolute numbers (post Wk14).

The HD channel viewership is mainly driven by the GEC genre in the Below 10L urban market. A drop in the HD GEC viewership in the initial weeks led the viewership to drop, while the HD GEC viewership grew in Megacities during the same period. (Wk 10 – Wk 14)

Viewership spikes observed post Wk 21 can be attributed to the increase in HD Sports genre viewership, owing to the ICC Champions Trophy play.





AD SECTOR PERFORMANCE

Ad Sector Performance

Let us look at an overview of the performance of the top 10 ad sectors on HD channels and how they fare, vis a vis FCT and share of Impressions.

Sector	FCT (Mn Sec)
Services	10
Food & Beverages	6
Personal Care/Personal Hygiene	6
Miscellaneous	5
Auto	4
Telecom Products	2
Durables	2
Personal Accessories	2
Hair Care	2
Retail	2

Sector	% share of Impressions
Services	22%
Food & Beverages	17%
Personal Care/Personal Hygiene	14%
Telecom Products	9%
Auto	8%
Durables	7%
Miscellaneous	6%
Retail	5%
Telecom / Internet Service Providers	5%
Hair Care	5%

% share of Normalized Impressions

The Services sector is the leading ad sector on HD channels, with the highest FCT and the largest share of views. It is primarily **driven by Internet Services & Online Shopping / E-commerce categories.**

F&B and Personal Care/ Personal Hygiene are among the top 3 performing sectors in terms of FCT as well as Impressions, not only on HD but on SD channels as well. **These sectors seem to have competitive mass advertisers, as they are being driven by the same categories on both channels.**

The presence of **Auto & Durables categories in the top 10 on HD is also not surprising, as the audience is presumably more affluent, and thus has spending power.**

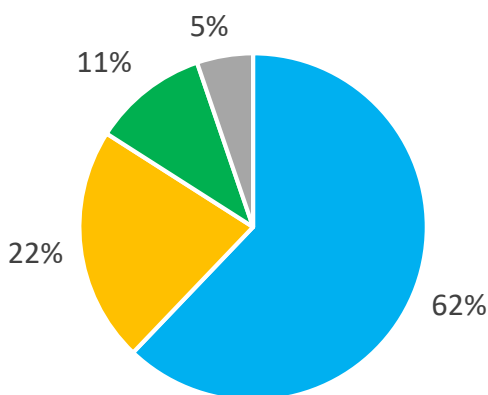
With respect to air-time and Impressions, the top 10 Ad sectors with highest FCT, are also the most viewed in terms of share of eyeballs. The only exception is the Personal Accessories Sector.





GENRE TRENDS

HD Channels - Genre wise Share
All India



■ GEC ■ MOVIES ■ SPORTS ■ OTHERS

% share of Impressions

We see here that GEC, Movies and Sports genres together comprise 95% of the HD channel viewership pie, of which GECs dominate a majority share.

This can likely be attributed to the supply of HD channels, which is also concentrated within these 3 genres.

The GEC genre appears to be quite popular on HD channels, as 31 out of 83 (37%) HD GEC channels contribute 62% to the viewership pie.

The channel share for Movies is 24% and for Sports is 14%

Let us explore this thought further, and look at the genre performance of HD channels vis a vis SD channels.

HD Channels

Genre	Average Reach ('000)	ATS (Min)
Movies	487	14
GEC	472	25
Lifestyle	404	7
Kids	377	19
Sports	276	17
Music	171	7
Infotainment	141	6
Business news	49	3
News	19	6

SD Channels

Genre	Average Reach ('000)	ATS (Min)
Movies	20122	17
Youth	16706	10
Kids	13153	24
GEC	13023	22
Music	10653	12
Sports	7542	15
Teleshopping	7290	4
Infotainment	5698	10
News	4371	9
Others	1862	10

Note: Reach ('000) here is for any channel in the genre on an average
 'Others' Genre in SD Channels includes: Lifestyle, Devotional and Business News

In most cases, SD channels deliver a higher reach & ATS as compared to HD channels. It is interesting to note that **GEC and Sports are the only genres to deliver better ATS as compared to their SD counterparts**, indicating better engagement.

Further, if we look at Reach and ATS of genres within HD, it is interesting to note that while HD GEC channels have lower Reach than HD Movie channels, GECs not only dominate the HD viewership pie, but also deliver better ATS when compared to SD GEC channels.

Share of Impressions

Genres	HD Channels	SD Channels	Difference
GEC	62%	51%	11%
Movies	22%	24%	-2%
Sports	11%	2%	8%
Lifestyle	2%	0%	2%
Music	1%	6%	-4%
Kids	1%	6%	-5%
Infotainment	1%	1%	0%
News	0%	8%	-8%
Business news	0%	0%	0%
Youth	0%	1%	-1%
Devotional	N/A	0%	N/A
Teleshopping	N/A	0%	N/A
Others	N/A	0%	N/A

% share of Impressions

Looking at the share of Impressions by Genre on SD and HD channels, **GEC, Sports & Lifestyle genres show a relatively higher propensity for viewing on HD channel as opposed to SD.**

While GEC genre enjoys the largest share of impressions within both HD & SD channels, it has a substantially higher share in HD viewership.

We can also see **the sports genre & lifestyle genre performing substantially better on HD in terms of relative ranking.**

Conversely, News, Kids & Music genres seem to be performing much better on SD feed.

Devotional, Teleshopping & Other genres only have SD feeds at present.

As we have observed that GEC and Sport genres perform better on HD in terms of share of Impressions as well as engagement, let us also look at what type of content is fueling this growth, and how does this differ for SD channels.

GECs:

GEC Programme Theme	HD	SD
Serials	77%	66%
Film based	8%	16%
Miscellaneous	12%	12%
Others	4%	5%

% share of Impressions

Sports:

Sports Programme Genre	HD	SD
Cricket	76%	66%
Wrestling	11%	14%
Kabaddi	5%	13%
Soccer	4%	3%
Others	4%	4%

% share of Impressions

The HD viewership of GECs is fueled entirely by their core content viz. Serials.

Among Sports channels, HD emerges as the preferred mode of viewing for Cricket and marginally higher for Soccer. These are high involvement sports where the viewers may be seeking a quality viewing experience.

This further supports the earlier observation, in the Viewership Trends by NCCS, where we observed an increase in HD viewership during weeks in which IPL and ICC Champions Trophy were aired.

The launch of a few sports HD channels earlier this year, may also have contributed to this growth.

Let us also take a closer look at the Movies genre, the genre with the highest average reach across both HD & SD channels.

Movies Genre	HD	SD	Difference
English Movies	11%	2%	10%
Hindi Movies	78%	68%	10%
Regional Movies	10%	30%	-20%

% share of Impressions

While it appears that the Movie genre performs better on SD, looking further within the genre it could be said that this is likely due to Regional movie viewership.

The table above clearly shows us that both English movies and Hindi movies perform relatively much better on HD channels.





EXCLUSIVITY OF THE HD VIEWER

Exclusivity of the HD Viewer

As we know that HD channels are quite distinct from SD w.r.t. viewership quality, we will look at HD viewership in further depth through a unique analysis of individuals in Households with continuous availability to an HD channel (HDCA) during the analysis period. This will help us narrow down a broad TG to a more concentrated viewer who has access to HD and SD channels on a daily basis.

Before we dive into the analysis, here are a few important things to keep in mind:

1. HDCA– refers to all Individuals of HHs which have continuous availability to an HD channel

2. Channel X- refers to any channel with both HD and SD feed

3. % Incidence of HDCA for Channel X- refers to the number of HDCA individuals who sampled a particular HD channel as a % of all individuals considered in the analysis.

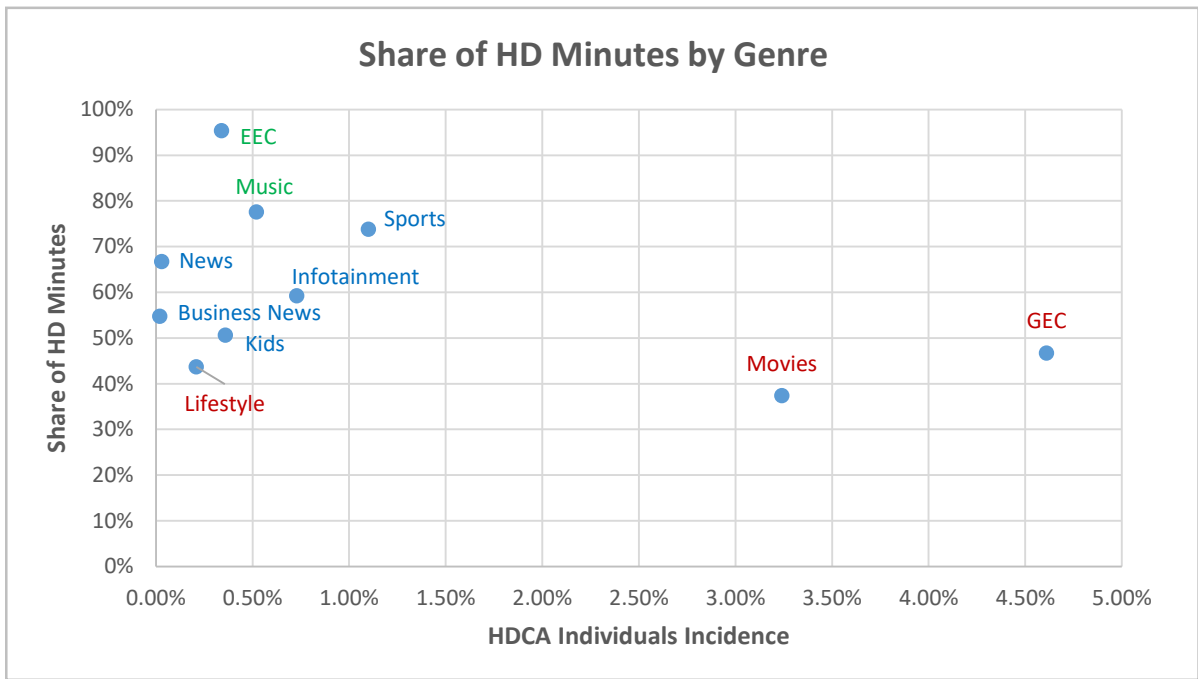
=
$$\frac{\text{No. of HDCA individuals belonging to HD HH for Channel X}}{\text{All Individuals of analysis period}}$$

4. % Share of HD minutes for Channel X- refers to the share of minutes of an HD channel viewed by all HDCA individuals as a % of the total minutes viewed of the HD + SD feed of the same channel.

=
$$\frac{\text{HD minutes of all individuals of HD HH for Channel X}}{\text{HD+SD minutes of all individuals of HD HH for Channel X}}$$

These metrics will help us understand that of all individuals having access to HD channels, how many had continuous availability to a particular channel/ genre, and how many minutes did these individuals spend watching the HD feed of a channel as a % of the total HD + SD minutes for the same channel, thereby enabling a much deeper understanding of the HD viewer.





Data Period: Wk 14 – Wk 38 '17

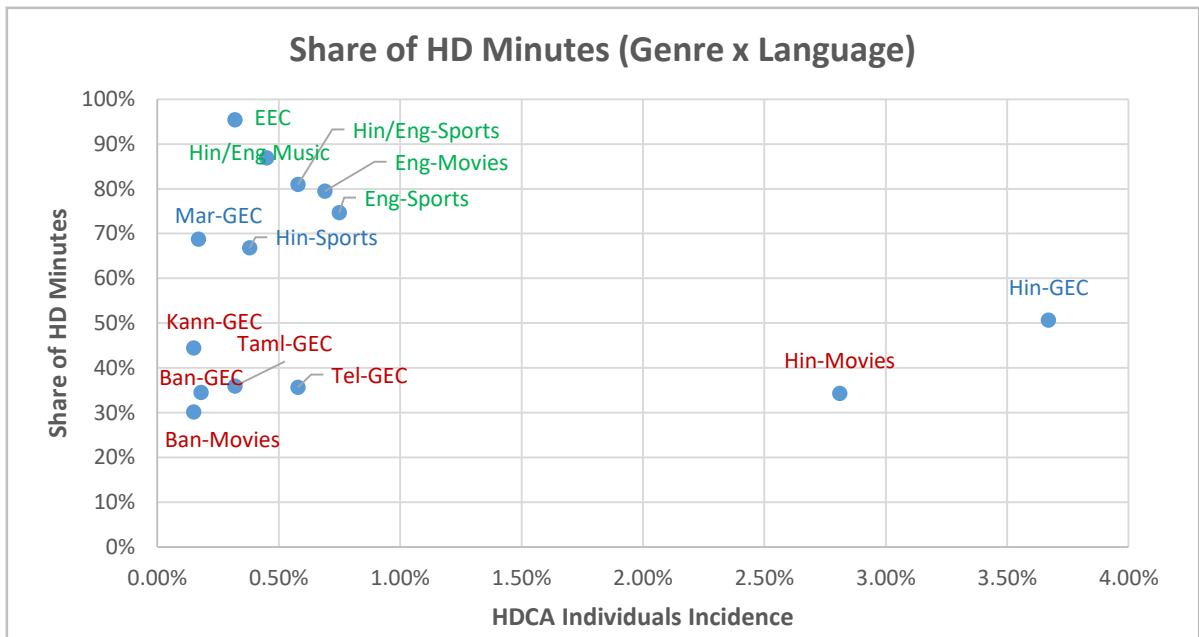
(Identification Period I: Wk 14 – Wk 19 ; Analysis Period: Wk 20 – Wk 32 ; Identification Period II: Wk 33 – Wk 38)

Among individuals in HH with continuous availability to an HD channel, the incidence of GEC channels is the highest, followed by Movies & Sports. These are also the top 3 HD genres vis a vis HD Impressions.

The genres with the highest share of minutes viewed on the HD feed are English Entertainment Channels (EEC), followed by Music. It is interesting to note that these genres do not rank highly in incidence of HDCA individuals. Both genres being interest-based and niche genres, the high share of minutes is indicative of their stickiness for these viewers.

The only genre which has both a relatively high share of HDCA individuals incidence as well as a high share of HD minutes is Sports.

Let us take this further and see if the trends vary by language for the genres. We will look at only those genres which have wither a high incidence or a high share of HD minutes i.e. GEC, Movies, Sports & Music.



Data Period: Wk 14 – Wk 38 '17

(Identification Period I: Wk 14 – Wk 19 ; Analysis Period: Wk 20 – Wk 32 ; Identification

Dissecting the genres by language, we find that the incidence of Hindi GEC and Hindi Movies is extremely high, which may also be driving the high incidence for the overall genre.

Within the Sports genre, all languages have a high share of HD minutes. This could be indicative that there is high sports consumption on HD channels, and it is language agnostic.

If we look at the genres & languages that have a high share of HD minutes, several trends can be observed.

Firstly, looking at the share of HD minutes, we find that EEC and English Movies deliver a substantially high share of HD minutes vis a vis lower incidence, which is completely opposite to Hindi GEC and Hindi Movies.

Further, all English language viewership, across GEC, Movies & Sports genres, is concentrated towards a high % share of HD minutes (i.e more than 75%). This could be indicative that the typical HD viewer is likely to spend more time in consuming niche English content (primarily GEC & Movies) on HD channels

This goes with the conventional wisdom that there is greater affinity towards HD viewing for niche & exclusive genres.

Summary:



1. HD channels have witnessed a **massive growth** over the last two years. While the number of channels have gone up by only 41%, the **viewership share has grown by 169%**
2. The Young Adults and Adults (22-40 yrs) comprise a large share of HD viewership in India (35%). These may be the new-age millennials **who seek a good TV viewing experience**.
3. The largest contributor to HD Channel viewership in India is **NCCS A**. This is not surprising, given that HD is **a premium offering**.
4. While NCCS CDE viewers are driven to HD by key events, **NCCS A & NCCS B** seem to be **more habitual viewers of HD**
5. The **Internet Services & Online Shopping categories** are **leading advertisers** on HD channels. This seems plausible, given that a lot of Young adults and millennials are watching HD channels.
6. The presence of **Auto & Durables categories** in the top 10 on HD is also not surprising, as the **audience is presumably more affluent, and thus has spending power**.
7. GEC and Sports genres deliver **better engagement (ATS) on HD channels** as compared to their SD counterparts. Their viewership is mainly driven by their core content i.e. Serials for GEC channels and Cricket & Soccer for Sports channels.
8. Among TV viewers in households with continuous availability to HD and SD channels, the sampling of **GEC channels is the highest, followed by Movies & Sports**. These are also the top 3 HD genres vis a vis Impressions.
9. There seems to be **high, language agnostic consumption of sports on HD feed**.
10. There **is greater affinity towards HD viewing for niche & exclusive genres**, primarily in English language.



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