

# A media market update – an in-depth look at what's been happening in: VOD shows further growth in latest

## Ofcom report

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DIGITAL FUTURE OF TV

Ofcom, the regulatory authority for the broadcasting industry in the UK, has released its annual Communications Market Report which reveals that 57% of the UK's adult population have used at least one video on-demand service in the past year. This represents a huge increase from 27% in the first half of 2010.

This noticeable increase has been driven by BBC iPlayer, which remains the most popular on-demand service with 31% of respondents claiming to have used it within the last 12 months. It is followed by ITV Player, All 4 and Sky (16%), Demand 5 (10%) and Virgin (7%). BT Vision and TalkTalk TV both have the lowest take-up, capturing 3% and 2% respectively. This significantly lower share is due to their service only being available to each provider's customers.

Subscription services have also increased, with Netflix now being used in 4.4 million homes

and Amazon Prime Instant Video in 1.2 million.

Revenues from subscription video on-demand services grew by 53% in 2014 to reach £317 million, driven predominately by the increased popularity of Netflix and Amazon Prime Instant Video. According to Ofcom, “the subscription model now represents the principal contributor to overall online TV revenues, accounting for 40% of the total”.

Surprisingly the most common reason for signing up to these services is to gain access to a back-catalogue of programming, as opposed to being able to ‘binge-watch’ or access original content created by the provider.

This increase comes off the back of a second annual decline in average daily viewing times for broadcast TV watched on a TV, which fell by 11 minutes to 220 minutes per pay. Both of these factors serve to further illustrate the increasing change in the way TV content is consumed. In order to reach our intended target audience we need to react accordingly, whether that’s through a connected TV, computer, tablet, smartphone, internet-connected television or games console.

You can download the full report [here](#).

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