

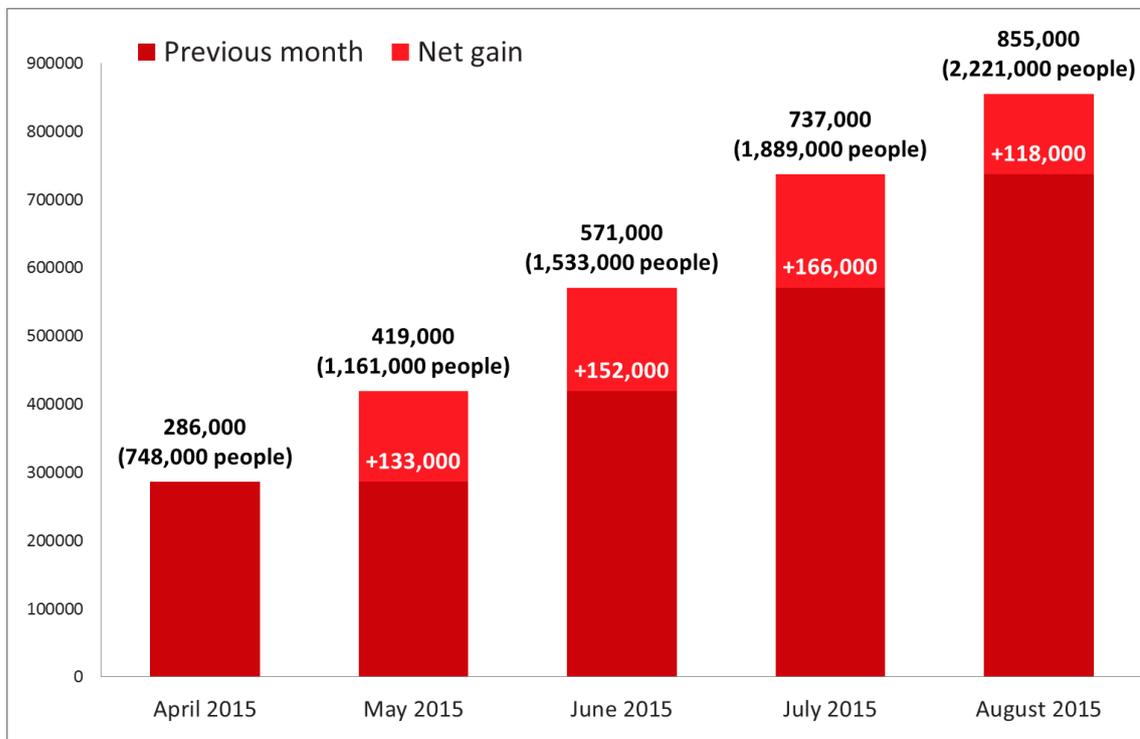
Wednesday, 9 September 2015

## Netflix reaches 2.2 million Australians

855,000 Australian homes (9.3%) now have Netflix—that's over 2.2 million people 14+ with access to the US streaming giant, the August video on-demand household subscription data from Roy Morgan Research shows.

However growth is slowing: Netflix increased by 118,000 subscribing homes in August—the lowest net gain since its first full month of local operations in April. It's the first time Netflix gained less than in the month before: it previously grew by 133,000 homes in May, 152,000 in June and 166,000 in July.

Growth in number of Households with Netflix



Source: Roy Morgan Single Source, April – August 2015, average monthly sample = 4,385 Australians 14+.

The number of Netflix homes doubled in the first two months, growing by 100% from 286,000 in April to 571,000 in June. But rising to 855,000 over the next two months means the growth rate halved to around 50%.

**Tim Martin, General Manager – Media, Roy Morgan Research, says:**

*“These latest incoming subscription numbers, with a simple assessment at the change in growth rates since April, suggests Netflix is on track to reach 1 in 10 Australian homes in September, and to surpass the one-million-mark by October. Stan and Presto, meanwhile, are each in less than 1% of homes.*”

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*“Netflix made such a giant splash in the Australian subscription video on demand market, it was inevitable that the initial flurry of subscriptions among the core market would settle down—if by that we mean gaining ‘only’ 118,000 subscribing homes in a month!*

*“Some of this lower net monthly growth would also be due to homes discontinuing after the trial offers expire, or when they’ve watched about as much of the available content as interests them. The ‘no contract’ model means Netflix and other SVOD players including Stan and Presto need not only to attract but retain subscribers, who can effectively come in and out depending on when new shows or movies are loaded.*

*“The main opportunity for SVOD providers is now to reach beyond the ‘low-hanging fruit’ of early adopting younger households that have driven initial growth. With Telstra TV now scheduled for release in October, this is the ideal time for a canny provider to use our consumer research and content preference data to target these older, established households. This enormous pool of potential customers is uncertain about SVOD now, but they’ll soon see in their own homes how easy it is to access just by plugging in a Roku. Once subscribed, these customers will also be less likely to switch or discontinue whenever a shiny new service comes along. The rewards for staking a claim in this area are clear.”*

**To learn more about Roy Morgan’s incoming research on subscription video on demand and pay television trends, contact:**

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**About Roy Morgan Research**

Roy Morgan Research is the largest independent Australian research company, with offices throughout Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

**Margin of Error**

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5

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10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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