

Friday, 31 August 2018

## Facebook Watch set to leverage off 17 million user base

Australia's leading Social Network Facebook has this week launched its new video service Facebook Watch into the Australian market. Facebook will be aiming to leverage off its nearly 17 million strong Australian user base as it takes on the existing market leader in online video YouTube which has an estimated 15.2 million visitors in an average four weeks.

Both Facebook and YouTube are clear market leaders in the Social Networks and Online Communities market followed by Facebook subsidiary Instagram with an estimated 7.8 million visitors in an average four weeks, Pinterest with 6.6 million visitors, Twitter with over 5.4 million visitors and LinkedIn with nearly 4.5 million visitors.

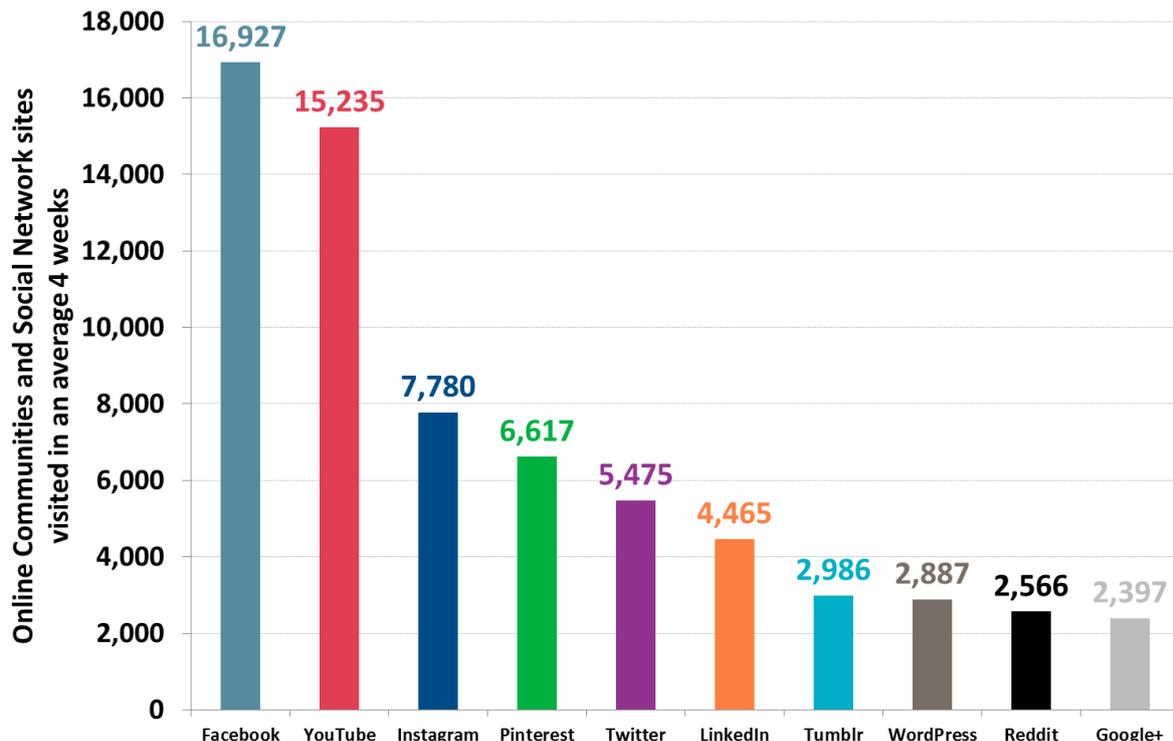
These results are based on in-depth Roy Morgan Single Source interviews with more than 50,000 Australians over the last 12 months.

Facebook Watch was launched in the United States just over a year ago and has now launched worldwide. Facebook Watch is Facebook's video streaming service answer to YouTube, owned by rival technology company Google, as well as popular Subscription Video On Demand (SVOD) services such as Netflix, Stan and Amazon Prime Video.

[Roy Morgan recently analysed the Australian SVOD market](#) which showed almost 10 million Australians now have access to Netflix, up nearly 30% on a year ago, while a further 2 million have access to Stan and just over 1 million have access to YouTube Premium – YouTube's paid service.

The enormous size of Facebook's existing user base provides Facebook with a strong base upon which to challenge YouTube as well as fast-growing competitors in the SVOD market.

### Australians visiting Social Networks & Online Communities – Top 10: 12 months to June 2018



Source: Roy Morgan Single Source, July 2017 – June 2018, n=50,035 Australians aged 14+.

FOR IMMEDIATE RELEASE

**Michele Levine, CEO Roy Morgan, says Facebook's decision to roll out 'Facebook Watch' in Australia and worldwide signals a clear intent by Facebook to broaden its business model:**

*"Facebook is the clear market leader in Australia when it comes to social media with around 17 million Australians visiting its website in an average four weeks and the new Facebook Watch service which has this week made its Australian (and worldwide outside USA) debut is positioned to tackle premier rival YouTube head-on.*

*"YouTube's user-generated video based model is already Facebook's nearest competitor in the social network and online communities market with over 15.2 million visitors to YouTube in an average four weeks behind only Facebook.*

*"Although Facebook Watch and YouTube base their business models primarily on user-generated content to build their audiences and attract advertising revenue, both services do offer a certain amount of studio-produced content to augment their offering.*

*"This diversified business model combining user-generated content along with curated studio-produced content brings Facebook Watch and YouTube into direct competition with fast-growing SVOD services such as Netflix and Stan.*

*"[Roy Morgan's recent analysis of the Australian SVOD market](#) shows almost 10 million Australians now have access to a Netflix subscription in their households while over 2 million now have access to the locally-owned Stan – both of which rely on inexpensive monthly subscriptions to generate revenue rather than advertising.*

*"There is only so much time consumers have to engage in the multitude of media activities that are available in this day and age and as different media converge into an increasingly competitive marketplace, the successful businesses will be those that understand their core consumers in the most granular detail and can set-up the correct pricing models for consumers as well as target relevant advertising that holds the interest of consumers.*

*"The increasing sophistication of technology in the digital age which allows for targeted one-to-one advertising at consumers via new Addressable TV technologies is something Facebook is already a market leader. This is a powerful core competency for the social media giant to lean on when competing with the likes of Netflix and Stan for eyeballs.*

*"Ultimately, it is likely based on studying the qualitative and quantitative data Roy Morgan has on these new media industries, that the successful business model will rely on micropayments between consumers (and advertisers) and media providers that will best harmonise the two competing models of advertising and subscriptions into a coherent whole.*

*"To learn more about the accelerating convergence of Australia's media industries as well as the important role fintech and micropayments have to play in creating new business models, be sure to contact Roy Morgan for our unmatched qualitative and quantitative analysis based on in-depth interviews with over 50,000 Australians across a broad range of industries."*

[Click here](#) to view profiles of users of Social Network and Online Communities including Facebook, YouTube, Instagram, Pinterest, Twitter, LinkedIn, Tumblr, WordPress, Reddit, Google+ and others.

Contact Roy Morgan to learn more about Roy Morgan's Pay TV and Subscription Video On Demand (SVOD) research or [Technology Adoption Segments](#).

[Click here](#) to view profiles of users of Pay TV and SVOD services including Foxtel, Netflix, Stan, YouTube Premium, Fetch, Amazon Prime Video and others.

**Roy Morgan - Enquiries**  
Office: +61 (3) 9224 5309  
[askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com)

FOR IMMEDIATE RELEASE

### **Related research findings**

Browse our Online Store for an extensive range of profiles on Foxtel, Netflix, Stan, YouTube Premium, Fetch, Amazon Prime Video and others.

Compiled with data from Roy Morgan's Single Source survey (the largest of its kind in the world, with 50,000 respondents p.a), these ready-made profiles provide a broad understanding of the target

### **About Roy Morgan**

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 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%
50,000	±0.4	±0.4	±0.3	±0.2