Consumer Survey on Online Copyright Infringement 2017

Summary of Research Findings

June 2017

Prepared for:
Department of Communications and the Arts

Purpose and design of the research

To understand the impact of changes to the way content is delivered and how this correlates with infringement levels and consumption

To determine the role pricing plays in lawful and unlawful access of online content

To understand what attitudes drive online copyright infringement behaviours

The level of consumer awareness in terms of what content is lawful and unlawful

The impact of website blocking measures on reducing and deterring access to infringing material

- Mixed methodology of online and telephone interviewing with a minimum of 2,400 people aged 12+ in Australia
- Respondents asked to think about activities they had undertaken in the past three months, which broadly corresponds to the first quarter of 2017
- First conducted in March/April 2015, with a second wave conducted in March 2016
- Repeated for the third wave in March 2017 using the same methodology to measure how consumption and attitudes had changed

Key Insight 1

Consumption of digital content has significantly increased in 2017, driven by the rising popularity of streaming content

Consumption of digital content is increasing

66%

of internet users claimed to have consumed at least one of the four core content types in 2017 increasing since 2015

ANY CONSUMED
(STREAM, DOWNLOAD OR SHARE)

	2015	2016	2017
TV PROGRAMMES	38%	42%	45%
MUSIC	42%	39%	44%
MOVIES	29%	33%	39%
VIDEO GAMES	16%	16%	18%

The increase in consumption of digital content in 2017 is driven by a significant increase in streaming of digital content

Downloading remains steady at **40%** in 2017

Streaming continues to significantly increase to **62%** in 2017

	DOWNLOAD 2015	DOWNLOAD 2016	DOWNLOAD 2017	STREAMING 2015	STREAMING 2016	STREAMING 2017
	43%	39%	40%	54%	57%	62%
	18%	16%	16%	34%	38%	43%
	29%	26%	26%	34%	33%	38%
	19%	17%	17%	25%	29%	36%
	11%	10%	11%	13%	12%	15%

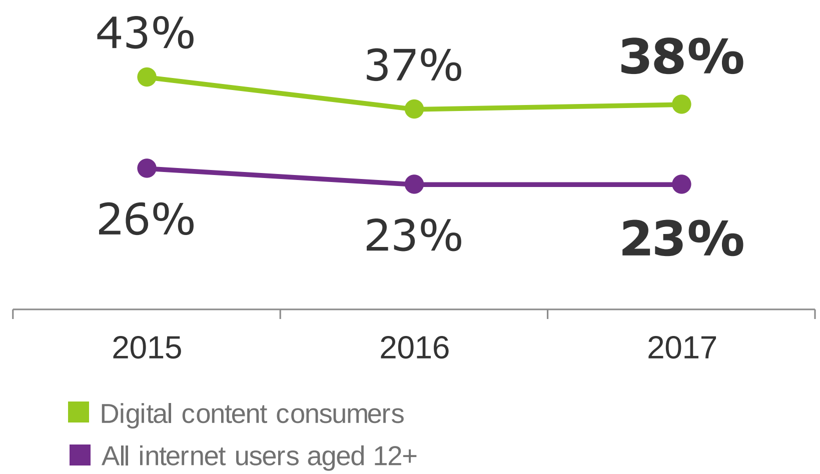
Key Insight 2

Levels of infringement have remained consistent in 2017

Although consumption of digital content is increasing, levels of infringement remain steady in 2017

The proportion consuming unlawful content among internet users and digital content consumers has remained consistent over the past 12 months

Levels of infringement (%)



ANY UNLAWFUL
(DIGITAL CONTENT CONSUMERS)

	2015	2016	2017
ANY ACROSS 4 CATEGORIES	43%	37%	38%
MOVIES	48%	39%	38%
MUSIC	37%	32%	32%
TV PROGRAMMES	33%	26%	25%
VIDEO GAMES	22%	22%	24%

Key Insight 3

Payment for digital content continued the positive movement away from the consumption of free content, to paid content

There is a shift in consumption towards paid lawful digital content

$

Amongst those consuming digital content, the proportion paying for at least some of it continued to **increase** from…

53% in 2015

to

59% in 2016

to

62% in 2017

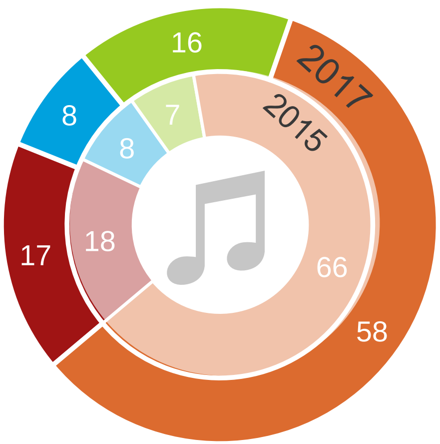
ANY PAID (AMONGST CONSUMERS)	2015	2016	2017
ACROSS ANY 4 CATEGORIES	53%	59%	62%
VIDEO GAMES	62%	62%	69%
MOVIES	42%	61%	65%
MUSIC	52%	54%	56%
TV PROGRAMMES	24%	39%	47%

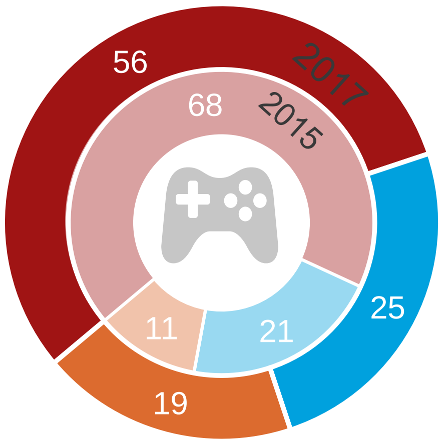
There have been significant increases in the use of streaming sites such as Netflix, Stan, and Spotify for digital consumption and sharing of content.

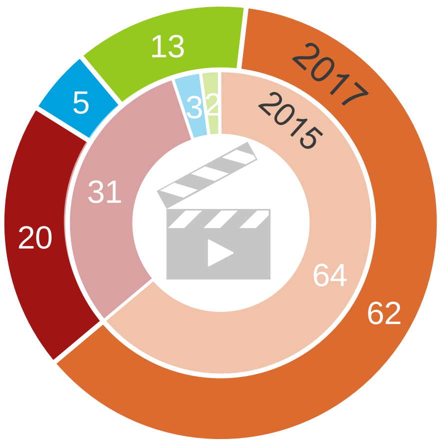
TOP 4 USED	ANY ACROSS 4 CATEGORIES	MUSIC	VIDEO GAMES	MOVIES	TV PROGRAMMES
1	↑ YouTube	YouTube	Steam	↑ Netflix	↑ Netflix
2	↑ Netflix	↑ Spotify	EB Games	YouTube	YouTube
3	↓ iTunes/ Apple	↓ iTunes/ Apple	Xbox Live	↑ Foxtel	↓ ABC iview
4	↑ Spotify	Facebook	Sony/ PlayStation	↑ Stan	↑ Foxtel

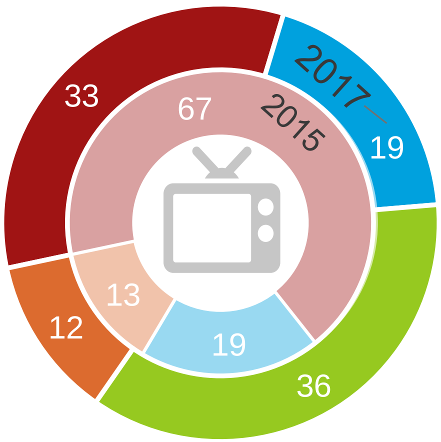
The proportion of spend on online subscriptions has significantly increased since 2015 for all relevant content types.

Spend on physical purchases has declined since 2015 for most content types, excluding music.









- Physical purchases/ rentals (% of spend)
- Individual digital purchases (% of spend)
- Online subscriptions (% of spend)
- Other e.g. merchandise, concerts, cinema (% of spend)

$ Music spend increased from $76.60 in 2015 to $96.80 in 2017

$ Video game spend increased from $25.20 in 2015 to $35.40 in 2017

$ Movie spend increased from $49.80 in 2015 to $65.60 in 2017

$ TV programme spend increased from $12.00 in 2015 to $24.00 in 2017

Key Insight 4

Motivations driving lawful and unlawful consumption of content can be summarised by quality versus price

Convenience and speed were common motivators for using paid services and consuming unlawful content, however price and quality were key differentiating factors

TOP 3 MOTIVATIONS

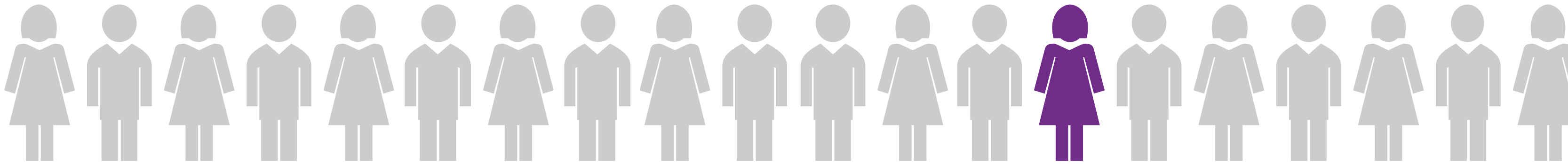
Paid services

		2015	2016	2017
1	Ease/ convenience	50%	50%	52%
2	Speed	41%	39%	45%
3	**Quality**	28%	31%	38%

Unlawful content

		2015	2016	2017
1	**Price (it's free)**	55%	52%	54%
2	Ease/ convenience	51%	44%	44%
3	Speed	45%	41%	42%

What would make infringers stop…



Only 1 in 20 infringers (6%) continue to say that nothing would make them stop.

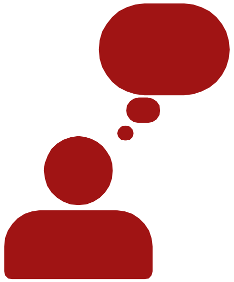
The factors that would most encourage people to stop were:

	Lawful services being cheaper	Lawful content being more available	Lawful services being more convenient / flexible	Lawful services being better quality	Lawful content being available as soon as it is released elsewhere
2017	39%	30%	30%	28%	26% ↓
2016	43	31	30	27	35
2015	39	38	26	22	36

Key Insight 5

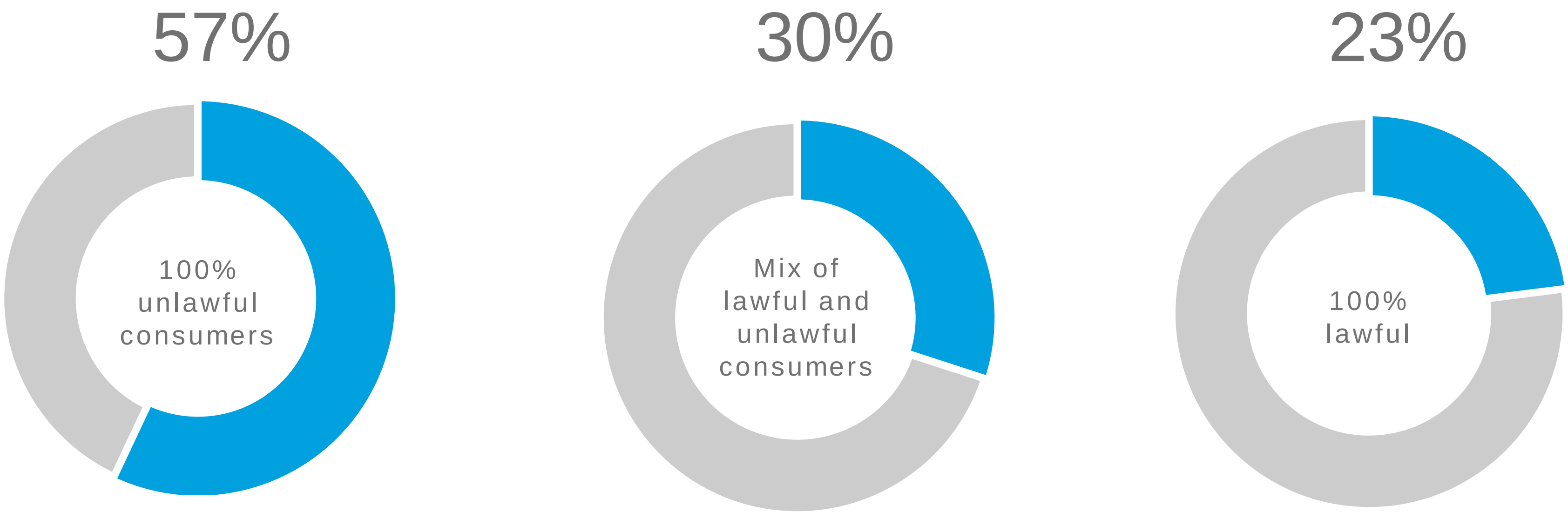
There is evidence of an issue with awareness of what is and is not lawful, suggesting a possible need for education

There is low confidence in knowing what is and isn't lawful online



37% of internet users indicated they were not confident in identifying lawful/unlawful content online

Those who consumed unlawful content were even less confident



…identified they were not confident in identifying lawful/unlawful content online

There is a need for increased education on what is and is not lawful

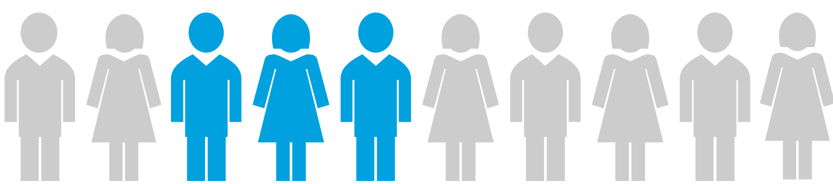
‘100% unlawful’ infringers…

REASONS FOR CONSUMING UNLAWFUL CONTENT

22%

Did not realise what they were consuming was unlawful

WHAT WOULD ENCOURAGE THEM TO STOP



27%

If it was clearer what is and what is not lawful online

15%

If I knew where to go to see if something was unlawful or not

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YouTube remained the best known provider of *perceived* lawful content.

TOP 3
BEST KNOWN
SERVICES

1	YouTube
2	Netflix
3	Foxtel

The most common indicators of a lawful online service remain a trusted/reputable/well known brand, terms of conditions/legal disclaimers, and having to pay for the service.

TOP 3
MOST COMMON
INDICATORS

Key Insight 6

There has been a positive impact on behaviour as a result of the site blockages

Encountering a site that has been blocked discourages consumption of unlawful content

IMPACT ON BEHAVIOUR WHEN ENCOUTERING AN UNLAWFUL BLOCKED SITE

Six in ten consumers

STOP

Simply gave up

One in ten consumers

NEW!

Sought alternative lawful access

One in ten consumers

Sought alternative free but unlawful access

Thank you

For further information please contact:

Australian Government
Department of Communications and the Arts

copyright@communications.gov.au
+61 2 6271 1000

KANTAR PUBLIC

tns.perth@tnsglobal.com
+61 8 9489 4200