

Thursday, 2 March 2017

## Nearly 2 in 5 Kiwis now have Subscription Video on Demand in the home – and 1 in 10 already have at least TWO services

Over a million New Zealanders now have Netflix—but Lightbox is the faster growing Subscription Video On Demand (SVOD) provider, Roy Morgan Research shows.

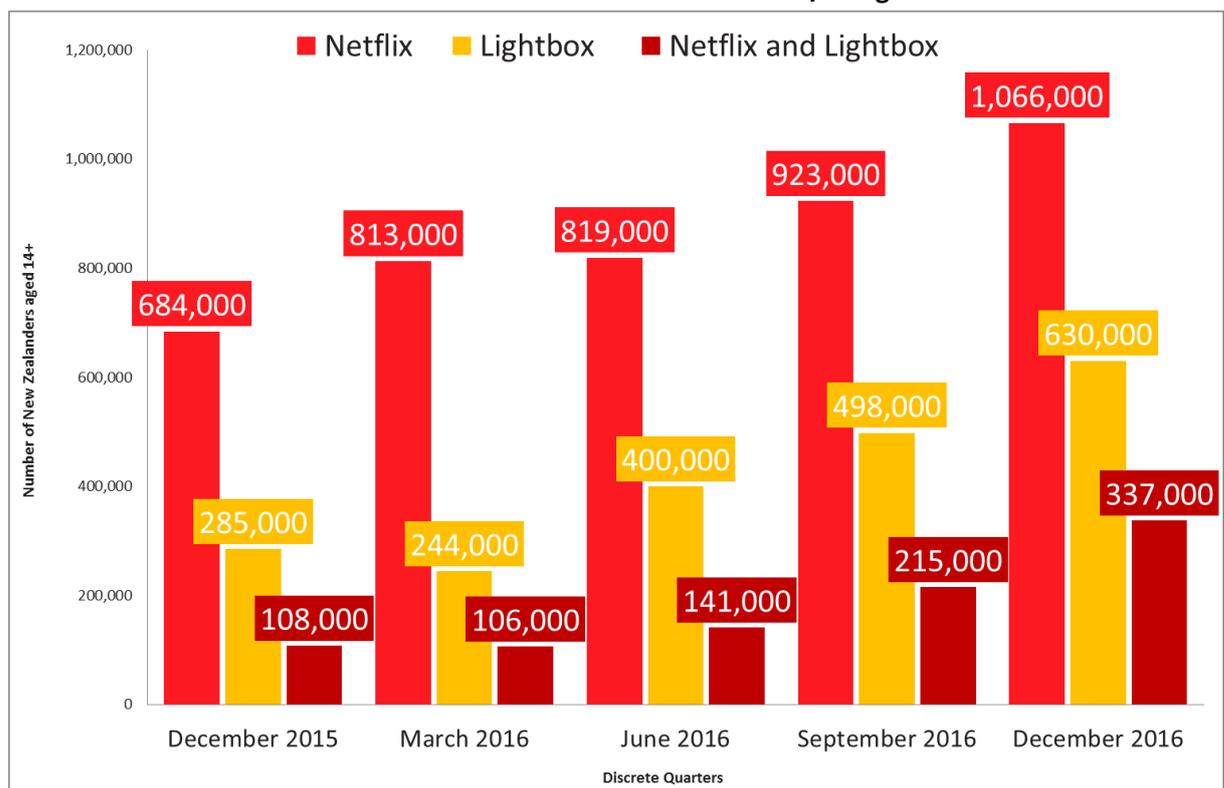
By the end of 2016, an estimated 1,066,000 New Zealanders aged 14+ subscribed to Netflix—up 56 percent compared with 684,000 in December 2015.

However the number of Kiwis with Lightbox more than *doubled* over the period, from 285,000 to 630,000.

Of course, the SVOD market isn't a zero-sum game. What at first seems like a never-ending catalogue might seem a tad incomplete after a few months of binge-watching. At the end of 2015, only 108,000 Kiwis had both Netflix and Lightbox; a year later this had more than *tripled* to 337,000.

Between them, Neon and Quickflix only reached around 127,000 Kiwis in the December 2016 quarter. Altogether 1.4 million Kiwis aged 14+ (37 percent) have one or more of these four SVOD services in the home, up from 900,000 at the close of 2015. Over one in four subscribers now have two or more of these SVOD services in the home, up from one in six a year earlier.

Number of New Zealanders with Netflix and/or Lightbox



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*Source: Roy Morgan Single Source New Zealand, October 2015 to December 2016, average quarterly sample = 1,587 New Zealanders aged 14+.*

**Norman Morris, Industry Communications Director – Roy Morgan Research, says:**

*“Half a million more Kiwis added a SVOD service to their home entertainment mix in 2016. The market still has plenty of room to grow by reaching totally new SVOD users, however much of each provider’s own gains are actually their competitors’ customers adding on second and subsequent services.*

*“When Roy Morgan last publicly reported its [New Zealand SVOD research](#) for the period to June 2015, just over one in 10 Kiwis had SVOD; now one in 10 have two or more SVODs in the home.*

*“Spark’s Lightbox more than doubled its reach in 2016, and the rate of cross-over with Netflix indicates that most of its growth came as Netflix subscribers decided it was time for another SVOD service during the year.*

*“Despite making some competitive changes to their plans, prices, content catalogues and compatible devices, Neon and Quickflix remain well behind Netflix and Lightbox. Currently fewer than 150,000 Kiwis have a home subscription to either of the two smaller providers, and the lion’s share also have Netflix or Lightbox.*

*“To build subscription numbers, Lightbox should focus on targeting the 700,000 Netflix subscribers who could be on the lookout for their second SVOD service in 2017. Neon and Quickflix should go further still, and hone their core target market this year down to the 337,000 Kiwis who have already demonstrated their love of SVOD by subscribing to both Netflix and Lightbox.*

*“The subscription revenue is the same, regardless. Roy Morgan’s in-depth consumer profiling can pinpoint the demographics, geography, attitudes, lifestyle, and media habits of New Zealanders with individual or multiple SVOD services.”*

**To learn more about Roy Morgan’s New Zealand media research, call (+61) (3) 9224 5309 or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com)**

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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.

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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
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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