

Consumer Research Highlights

Australian free-to-air television is an entertainment and information product that satisfies nearly three-quarters of the population.

In fact, the population is so satisfied that about 85 per cent think the quality of the product should be maintained and protected.

That is hardly surprising, given that the majority of people also believe that Free TV's entertainment and information offering is the best in its class.

At a glance

- 70 per cent of Australians are satisfied with their Free TV
- The majority of Australians expect to see the best news and current affairs, quality drama and first-run programs on Free TV
- One in five Australians is likely to buy either a digital free-to-view set-top box, or an integrated digital TV, within the next 6 – 12 months
- 85 per cent of Australians believe the quality of Free TV programming should be maintained and protected

About the research

In April 2004, Free TV Australia (formerly CTVA) commissioned research to explore Australian consumers' perceptions and attitudes towards free-to-air television. The study focused on consumers' beliefs about the value and quality of Free TV, their levels of satisfaction and their views on the future of Free TV in Australia.

More than 400 Australians aged 18 and over were interviewed for the study, their region, gender and age set by quota to ensure a nationally representative sample. For the purpose of the research, free-to-air television was defined as commercial broadcasters only.

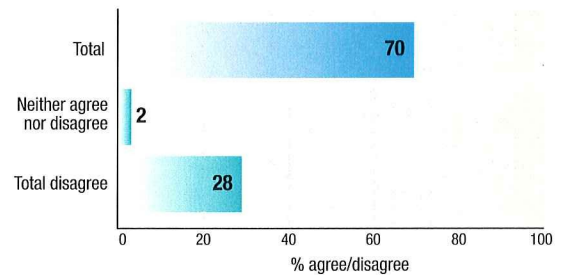
This information sheet contains the study's key findings.

Consumer attitudes to Free TV

Australia is predominantly a nation of Free TV viewers.

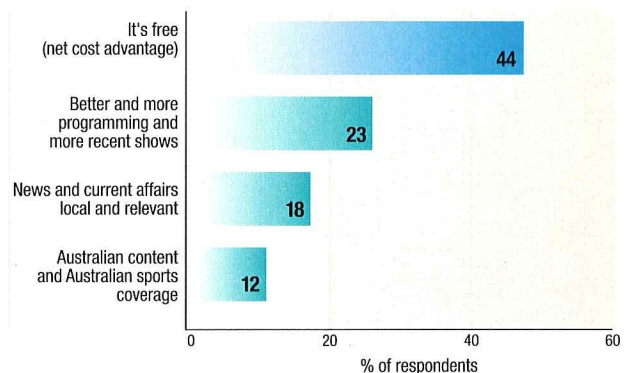
70 per cent of those surveyed agreed that Free TV satisfies their viewing needs.

Customer Satisfaction with Free TV in Australia



When asked about the advantages of commercial television, 44 per cent of respondents gave an unprompted answer linked to cost, with the majority of them simply saying 'it's free'. Most other unprompted answers were directly linked to the quality of Free TV programming.

Advantages of commercial TV (unprompted)



Clearly, 'free' television is a compelling and appealing proposition for Australian viewers, which is why Commercial Television Australia (CTVA) has become Free TV Australia, effective from 10 June 2004.

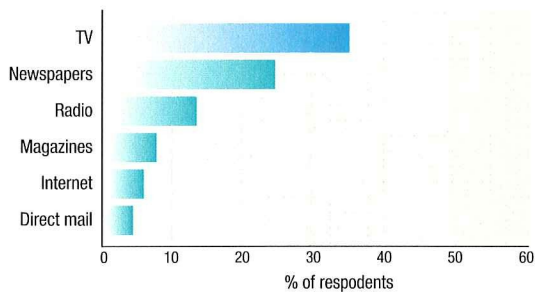


Our new name describes who we are and most importantly reflects what Australian viewers value most about us – the best quality TV that’s free to view.

We provide pre-eminent entertainment and information services – for free – to every Australian. Our research proves that Australians value this quality, and have come to expect it. They back their judgement by continuing to favour Free TV over other media.

As a result we are able to maintain our leadership when it comes to influencing consumer decision-making – 38 per cent of respondents confirmed that television still has the greatest influence over their purchasing decisions.

Influence of different types of media

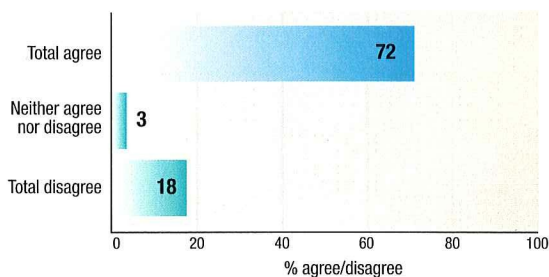


Consumer attitudes towards Pay TV

Our research also sought respondents’ opinions on other television services. The majority of Australians believe Pay TV is too expensive, with 72 per cent of those surveyed supporting this statement.

More interestingly, price isn’t the only obstacle for the Pay TV providers. 63 per cent of respondents said they wouldn’t watch enough television to justify getting Pay TV. Given that most respondents regard Free TV’s news, current affairs and drama as superior, this suggests that Pay TV is viewed as ‘quantity’, rather than quality worth paying for.

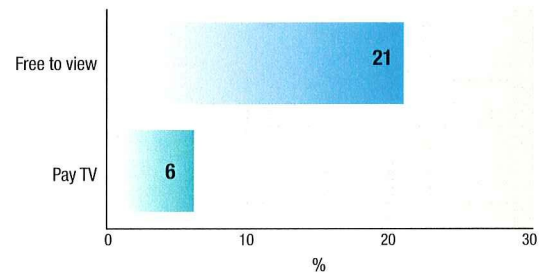
Pay TV too expensive



Digital television

Another driver in the decision to change our name to Free TV Australia is the equity we have built in the Free to View digital service. The research indicates that one in five Australians is likely to buy either a digital free to view set-top box or an integrated digital TV within the next 6 – 12 months, compared with only 6 per cent of respondents considering digital Pay TV.

Intention to adopt digital television

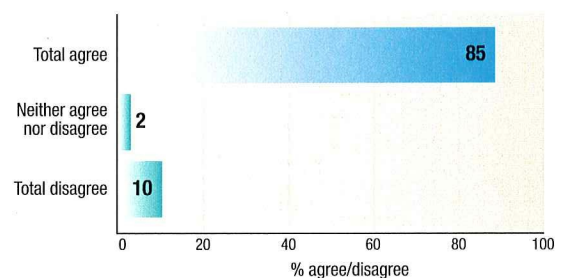


Protecting quality viewing

Not only do Australian television viewers associate quality programming with free-to-air TV, they expect it.

Our survey shows Free TV consistently ahead of Pay TV in terms of programming quality. 70 per cent of Australians prefer Free TV for news and current affairs, 54 per cent say the best quality dramas are only seen on Free TV and 50 per cent expect to see first-run sitcoms on Free TV.

Consumer attitudes about the future of free TV



An overwhelming 85 per cent of the people we surveyed want the quality of Australian Free TV to be maintained and protected. The implication is clear: the current quality and diversity of the Free TV offering is what Australian’s want.