The DR Audience Research Department’s annual report on the use of electronic media in Denmark
Preface · page 4

Media are developing at varied rates

Chapter 1 · page 6

Turbulence in the TV market

Chapter 2 · page 12

Mergers and advances in the Danish commercial radio market

Chapter 3 · page 18

New services and platforms expanding internet usage

Chapter 4 · page 24

Danes are surfing on smartphones like never before

Chapter 5 · page 30

Five years that changed the TV market

Chapter 6 · page 36

When news breaks! Media and users in connection with breaking news

Chapter 7 · page 44

WHAT SHOULD WE WATCH TONIGHT, HONEY?

Chapter 8 · page 48

The future of future TV

Chapter 9 · page 54

Music streaming services have broken the sound barrier

Chapter 10 · page 60

Streaming did not kill the radio star

Chapter 11 · page 64

Media devices in 2012: Internet access and hybrids
Media are developing at varied rates

SBS played a starring role in the TV and radio markets in 2012. First, SBS bought New Radio and is now the sole player in the market for nationwide commercial radio. Thereafter, SBS was acquired by Discovery Networks, which thus gained muscle in the Danish TV and radio market. More Danes surfed the net in 2012 and it has become a viable option to watch films and TV series online, provided by players including Netflix, YouSee and HBO. 2013 is shaping up to be a truly exciting year for the Danish media market.

By Lars Thunø
Audience Research Manager, DR Audience Research
It has nearly become a tradition at this time of year to confirm that the traditional linear media are alive and well. And we are doing so once again. Shifts are occurring, but they are typically minor — at least in relation to TV viewing and radio listening among the Danes.

It was an eventful year in the TV market in 2012. TV 2 became a pay channel, which narrowed its former distribution. TV 2 had a tough year, while DR TV began in earnest to reverse a long downward trend, in particular through the relaunch of DR1 and a new airtime slot for TV Avisen. Discovery Networks bought SBS’s radio and TV channels in late 2012 and have become a very strong foreign player in the Danish media market. There were major shake-ups in the radio market as well, once again with SBS in the starring role when they acquired New Radio’s stations and is the sole player in the market for nationwide commercial radio.

One topical subject since the dawn of the 2000s has been TV on demand. TV content — shows, films and series — that we can choose to watch whenever and wherever we want. This has been possible for several years, but primarily on the computer. There has been a lot of talk about the use of on-demand content, but its distribution and use by the population has not been extensive.

The option is now becoming more accessible on the screen for which the content was created — the TV at home. American broadcasters Netflix and HBO arrived in Denmark in late 2012, bringing with them a vast library of on-demand content and a subscription-based business model. In that sense, the new services resemble the music service Spotify, which gives paying subscribers access to a huge number of songs across the spectrum of media devices. The Americans are not alone in their invasion of the on-demand content market; Danish YouSee has also launched YouBio, an on-demand service that offers films and TV series.

The questions are whether Danes are prepared to pay for access to films and TV series, rather than ownership, and whether technical function is good enough to make the content easy to find and start up — every time — with no glitches. All of this is prerequisite for TV usage patterns to change to an appreciable extent.

On-demand has already entailed major changes in our music listening habits. CD sales have dropped while Danes’ music collections have become digitised. With the advent of on-demand services like Spotify, TDC Play and WiMP, music listening is pulling away strongly from personal collections to the new services.
How Long Do Danes Watch TV Every Day on Average?

Target group: age 3+

Source: TNS Gallup TV-Meter

2012
3h 15 min

2011
3h 18 min
Turbulence on the TV market

Changes in channel distribution in 2012 affected the balance of power among the Big Four: TV 2, DR, TV3 and SBS. DR and SBS gained ground, while TV3 and especially TV 2 lost audience shares.

By Signe Villumsen and Henrik Gregor Knudsen
DR Audience Research
DANES ARE WATCHING A LITTLE LESS TV

For the second year in a row, there was a slight decline in Danish TV consumption. Danes spent 3 hours and 15 minutes every day in front of the screen. Although that is three minutes less than the year before, 2012 still came in third on the list of years with the highest TV viewing. The decline was greatest among the younger population and steepest in the second half of 2012. Among 15-24 year-olds, time spent fell in 2012 by 10% overall. But this age group also racked up the greatest increase in time spent in recent years. Over the period of 2007-2010, time spent by Danes age 15-24 rose on average by 16% a year, compared to a general increase among the total population of 11%, so the figures represent more of a minor dip than a dramatic decline in their TV consumption. There is no thorough explanation for this dip. The development should rather be seen in light of overall market development and distribution changes for many channels and losses in viewer hours for TV 2.

Danes spent 82% of their time in front of the screen in the company of the Big Four. After two years of growth, the Big Four lost 2.2 percentage points overall. Several smaller channels outside the Big Four increased their distribution in 2012, resulting in greater fragmentation of Danish TV consumption. The main winners outside the Big Four were TLC and Disney Junior. Shifts also occurred within the Big Four. While DR and SBS left 2012 in a stronger position, TV 2 and TV3 experienced a setback.

TV 2: OH, WHAT A YEAR

The year 2012 could very nearly be called an ‘annus horribilis’ for TV 2. In conjunction with the MPEG2 signal being shut off in early 2012, the main TV 2 channel became a pay channel. Before the transition, TV 2’s own programming director Palle Strøm forecast a 2% loss in penetration for the main channel, but the status in December 2012 was that the channel was available in about 5% fewer homes than at the same time in 2011. The loss in penetration had severe impact on TV 2 throughout 2012. Stronger competition, distribution gains for other channels and the channel’s own decline in distribution are three of the main reasons TV 2 ended 2012 with a total audience share of 25% – 3.4 percentage points lower than at the end of 2011. It is difficult to say whether a less than stellar programming line-up might also have had something to do with it. But there are indications that TV 2 itself might feel that programming strength left something to be desired, since the channel has launched Project 100 – a shot of 100 million units of Vitamin D(KK), dedicated primarily to the main channel’s programme portfolio for 2013.

TV 2 has experienced a historic setback. The channel has never before lost viewership of this magnitude in a single year. Most seriously, TV 2 lost audience share in prime time (20:00-22:30). Early evening also took a hit, while morning and daytime fared a little better. In the evening flow, the decline in viewership was seen in otherwise usually strong programmes like Hvem vil være millionær? (the Danish version of Who Wants to be a Millionaire?) the entertainment show Vild med dans (the Danish version of Strictly Come Dancing), which had its weakest season ever, and the seven o’clock news, TV 2 Nyhederne, which found itself overtaken by the late news on DR1 as the highest-rated weekday news broadcast in the country.

HOW LONG DO DANES WATCH TV ON AVERAGE EVERY DAY?

Target group: age 3+
Source: TNS Gallup TV-Meter

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2H 28 MIN</td>
</tr>
<tr>
<td>2008</td>
<td>2H 47 MIN</td>
</tr>
<tr>
<td>2009</td>
<td>3H 09 MIN</td>
</tr>
<tr>
<td>2010</td>
<td>3H 21 MIN</td>
</tr>
<tr>
<td>2011</td>
<td>3H 18 MIN</td>
</tr>
<tr>
<td>2012</td>
<td>3H 15 MIN</td>
</tr>
</tbody>
</table>

Target group: age 3+
Source: TNS Gallup TV-Meter

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2H 28 MIN</td>
</tr>
<tr>
<td>2008</td>
<td>2H 47 MIN</td>
</tr>
<tr>
<td>2009</td>
<td>3H 09 MIN</td>
</tr>
<tr>
<td>2010</td>
<td>3H 21 MIN</td>
</tr>
<tr>
<td>2011</td>
<td>3H 18 MIN</td>
</tr>
<tr>
<td>2012</td>
<td>3H 15 MIN</td>
</tr>
</tbody>
</table>
AUDIENCE SHARES BY CHANNEL IN 2011 AND 2012

24 hours
Target group: age 3+
Source: TNS Gallup TV-Meter

2012

<table>
<thead>
<tr>
<th>Channel</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV 2</td>
<td>39.8%</td>
<td>36.6%</td>
</tr>
<tr>
<td>DR</td>
<td>28.3%</td>
<td>29.3%</td>
</tr>
<tr>
<td>TV3</td>
<td>9.5%</td>
<td>8.8%</td>
</tr>
<tr>
<td>SBS</td>
<td>7.0%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Others</td>
<td>15.4%</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

2011

<table>
<thead>
<tr>
<th>Channel</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV 2</td>
<td>39.8%</td>
<td>36.6%</td>
</tr>
<tr>
<td>DR</td>
<td>28.3%</td>
<td>29.3%</td>
</tr>
<tr>
<td>TV3</td>
<td>9.5%</td>
<td>8.8%</td>
</tr>
<tr>
<td>SBS</td>
<td>7.0%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Others</td>
<td>15.4%</td>
<td>17.6%</td>
</tr>
</tbody>
</table>
However, there were also some bright spots for the TV 2 Group in 2012. TV 2 Charlie achieved growth for the fourth consecutive year and was the third-largest TV channel in Denmark in 2012. TV 2 Charlie has experienced growth especially outside prime time. TV 2 Sport managed to increase audience share by 0.1 percentage point, but the year ended at status quo for TV 2 News. In return, TV 2 Film racked up an 0.2 percentage point-loss due to penetration loss because the channel is no longer distributed by YouSee. TV 2 Zulu also experienced a loss in audience share of 0.2 percentage points below 2011. Overall, the TV 2 Group ended 2012 with a drop of 3.2 percentage points in audience share, a historic low.

DR: THE FIRST YEAR OF SUCCESS FOR DR1 SINCE 2003

For the first time since 2003, DR1 went from negative to positive numbers in 2012. In a time when fragmentation has become a buzzword in relation to TV viewing, DR’s main channel managed against all odds to increase audience share, ending up at 19.4% of total viewing time among Danes. The growth of 0.6 percentage points compared to 2011 is remarkable for a main channel that has been losing viewership for many years. The main explanation is found in a strong autumn season when the rescheduling of TV Avisen from 21:00 to 21:30 on weekdays provided new opportunities for DR1. The channel has not changed the TV Avisen slot since 1994, so there was some suspense about whether it would be possible to change the Danes’ habits. Thus far, the message is mission accomplished. TV Avisen has gained audience share. Between September and December, TV Avisen increased its viewership on Monday through Thursday compared to the first half of 2012 and had an average of 679,000 viewers. The rescheduling of TV Avisen also gave DR1 a longer prime time, allowing space for more new programme formats of varying length. This has turned out to be a clear advantage for DR1. After rescheduling the news, prime time Monday through Thursday from 20:00 to 22:30 rose by 4 percentage points compared to the first half of 2012. For autumn 2012, the channel had put together a flow with some of the older strong performers like Hammerslag (a Danish TV-show about real estate), Bonderøven (a farmer who lives the old fashioned way), Kender du typen (guessing a celebrity based on their lifestyle), and Sporløs (a Danish version of the Dutch format Spoorloos), spiced up with new formats like Den store bagedyst (the Danish version of The Great British Bake Off), Hængt ud på

### THE TOP TEN TV PROGRAMMES OF THE YEAR

The list is an average for first-run series with a minimum of three episodes of at least 15 minutes each, including any simultaneous broadcasts on DR HD. Sports programming is not included.

**Target group:** age 3+

**Source:** TNS Gallup TV-Meter

<table>
<thead>
<tr>
<th>Programme</th>
<th>Channel</th>
<th>Viewership</th>
</tr>
</thead>
<tbody>
<tr>
<td>X Factor, DR1</td>
<td></td>
<td>1,807,000</td>
</tr>
<tr>
<td>Forbrydelsen III, DR1</td>
<td></td>
<td>1,692,000</td>
</tr>
<tr>
<td>Lykke, DR1</td>
<td></td>
<td>1,435,000</td>
</tr>
<tr>
<td>Wild med dans, TV 2</td>
<td></td>
<td>1,099,000</td>
</tr>
<tr>
<td>Julesjerner, DR1</td>
<td></td>
<td>1,085,000</td>
</tr>
<tr>
<td>De bortførte børn, TV 2</td>
<td></td>
<td>1,013,000</td>
</tr>
<tr>
<td>Årgang 0 – år 12, TV 2</td>
<td></td>
<td>924,000</td>
</tr>
<tr>
<td>Sporløs, DR1</td>
<td></td>
<td>900,000</td>
</tr>
<tr>
<td>Den store bagedyst, DR1</td>
<td></td>
<td>900,000</td>
</tr>
<tr>
<td>Hammerslag, DR1</td>
<td></td>
<td>870,000</td>
</tr>
</tbody>
</table>
the Olympic Games was a massive hit among DR HD viewers and one of the reasons behind the channel’s advance from 1.4% in 2011 to 1.6% in 2012. Overall, DR’s channels left 2012 stronger than they were at the beginning of the year. All told, Danes spent 29.3% of their TV time watching DR’s channels – an increase of 1.0 percentage points compared to 2011.

TV3: PUSHED HARDER BY SBS

TV3 took 8.8% of Danish TV consumption in 2012, a loss of 0.7 percentage points compared to 2011. The channel’s lead over SBS has thus narrowed to 1.1 percentage points, the lowest ever. TV3 lost viewers among young Danes in particular, but in the competition with SBS, TV3 remains the strongest among all age groups. The setback was blamed primarily on TV3+, which ended 2012 with an audience share of 3.1%, which is 0.5 percentage points lower than in 2011. The decline is spread across every day of the week, but was attributed to factors including ratings slips for series like The Simpsons, Two and a Half Men and How I Met Your Mother, which are aired daily in the early evening.

TV3 Puls ended 2012 unchanged compared to 2011. However, TV3 lost 0.2 percentage points for a final score of 4.3%. Although losses were spread across the days of the week, the channel was under pressure on Saturday evenings from Voice on TV 2 and Matador on DR1.

SBS: A GOOD YEAR FOR ALL CHANNELS

Increased distribution brought the SBS channels an advance of 0.7 percentage points to 7.7% of the Danish public’s total viewing time. Compared to 2011, Kanal 5 achieved a gain of 0.4 percentage points to 3.7%. The gains were obtained across programming schedule, but greatest in the daytime flow, when CSI and its various spin-offs are aired, which combined account for 16% of Danish time spent on Kanal 5. With an average of 131,000 viewers, the relaunch of Big Brother, touted by SBS as the biggest media event of the spring, was only a modest success compared to the channel’s normal level in the slot as well as to its main competitor, Paradise Hotel on TV3.

The SBS women’s channel, Kanal 4, moved up by 0.1 percentage points to 1.9%, attributed primarily to Tuesday evening, when De unge mødre [a Danish documentary series about young mothers] is still doing very well. The reality series, which will reach its 400th episode in 2013, has an average viewership of 146,000 and set a new record for the football matches that are the backbone of the channel. Last but not least, Voice TV recorded a small jump in the ratings before the channel closed down and became the youth channel 7’eren as of 1 January 2013.

NEW CHANNELS COMING IN 2013

Danish TV viewers will be making a lot of new acquaintances in 2013. DR is shutting down DR HD and DR Update to make room for DR3, a channel for young adults, and DR Ultra, a channel for older children, while DR2 is beefing up news and current events programming. TV 2 will be giving birth to TV 2 FRI, and SBS has just been delivered of the bouncing baby 7’eren. Once again, channel distribution proved to be one of the most important parameters in the fight for viewers in 2012. That fight will be heating up in 2013 when TV3 and TV3 Puls will be distributed via Boxer and several channels will be experimenting with short periods of free distribution to attract new viewers.

It was also a good year for 6’eren (the SBS channel for men), thanks to higher ratings for the football matches that are the backbone of the channel. Last but not least, Voice TV recorded a small jump in the ratings before the channel closed down and became the youth channel 7’eren as of 1 January 2013.
HOW LONG DO DANES LISTEN TO THE RADIO EVERY DAY, ON AVERAGE?

Target group: age 12+

Source: TNS Gallup Radio Meter
Mergers and advances in the Danish commercial radio market

It was a tumultuous year in the radio market in 2012. SBS Radio centralised the commercial radio market with the acquisition of New Radio and is now the sole player in the market for nationwide commercial radio. Radio24syv celebrated its first birthday and gave DR some competition in nationwide talk radio. Meanwhile, the politicians have for the first time drafted a plan for closing down the FM broadcast network.

By Dennis Christensen and Peter Niigel
DR Audience Research
Measured by nearly all parameters, 2012 was an eventful year for Danish radio.

First, the commercial side of national radio was consolidated in a single company when SBS Radio acquired New Radio stations Radio 100, Radio Soft and Radio Klassisk. Jim Receveur from the acquired New Radio took the CEO chair, succeeding SBS’s former CEO, Frederik Meyer.

Second, the two new niche channels, Radio Klassisk and Radio24syv, failed to attract the number of listeners they expected.

Third, 2012 was the year when Danish politicians announced a digital vision for Danish radio. However, the vision did not garner immediate support in Danish homes and the digital listening revolution did not occur in 2012. Although novelties were abundant in 2012, there was also much that remained the same. P2 and P4 are still have by far the highest ratings in the country. The radio medium was used weekly by 93.2% of the Danish population, only slightly below the figure for 2011. Still, average radio listening time among Danes fell by two minutes a day, which is precisely the same trend we have seen for many years now.

**NEW CHANNELS, NEW LISTENING LEVELS**

Forced by circumstances related to the surrender of the fourth FM frequency (which DR PD had formerly broadcast on) to Radio24syv, DR’s new radio plan was fully implemented as of 1 November 2011. P1 and P2 are now sharing a single FM frequency. Thus, 2012 is the first full year for which we can report the status of DR’s new channels, new direction and new reality with only three FM channels instead of four. The last has proven to have major impact on DR. Listening to P1 and P2 declined markedly and since the two channels have more shared listeners than before, they are in touch with considerably fewer Danes overall. DR was expected to lose listeners once P1 and P2 began sharing the same FM frequency. P1 and P2 are both still independent 24-hour channels on digital radio. During the course of 2011, all of DR’s digital radio channels were changed to become hosted, unlike before when some channels played non-stop music almost exclusively. A survey of the distribution of digital radio in Danish homes conducted by DR Audience Research in partnership with Megafon in June 2012 showed that 44% of Danish households have at least one digital radio in the home. In addition, we ought not forget that people can also listen to digital radio via computers, mobile phones, iPads, etc. Despite all the technology options, it must be acknowledged that the digital revolution failed to occur among listeners in 2012. Although the percentage

---

### TOP 10: AUDIENCE SHARES DISTRIBUTED ACROSS CHANNELS IN 2011 AND 2012

**24 hours**

Target group: age 12+

Source: TNS Gallup Radio Meter

<table>
<thead>
<tr>
<th>Channel</th>
<th>2012 Shares</th>
<th>2011 Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR P1</td>
<td>42.5%</td>
<td>42.6%</td>
</tr>
<tr>
<td>Pop FM</td>
<td>6.8%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Nova fm</td>
<td>3.6%</td>
<td>3.2%</td>
</tr>
<tr>
<td>P3</td>
<td>20.8%</td>
<td>19.5%</td>
</tr>
<tr>
<td>P1</td>
<td>6.1%</td>
<td>5.4%</td>
</tr>
<tr>
<td>P2 Klassisk</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Radio 100</td>
<td>2.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>The Voice Total</td>
<td>1.8%</td>
<td>1.9%</td>
</tr>
<tr>
<td>DR P7 Mix</td>
<td>1.4%</td>
<td>1.6%</td>
</tr>
<tr>
<td>DR P5</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

---
of DR radio listening on digital platforms rose from 10% in 2011 to 14% in 2012, this advance was due mainly to the decline in FM radio listening. Total digital listening to DR rose slightly, from 10.5 minutes per Dane and per day to 12.8 minutes. The decline in FM listening was due mainly to the merger of P1 and P2. Radio24syv has not been able to compensate for the setback. It must also be acknowledged that none of DR’s digital channels has been highly successful among listeners. The best performer was P7 Mix, which with a weekly listenership of 420,000 has achieved a certain measure of success. Generally speaking, however, the six purely digital channels have been unable to attract an equally large share of Danish listening time as the old portfolio of digital jukebox channels. Listening time per channel has gone up, but not enough to compensate for the reduction from 29 digital radio channels at its peak to the current seven.

This development combined with the decline for P4 means that DR’s weekly reach has now fallen from 86% to 83.1%. In parallel, DR’s total audience share slipped from 78.4% in 2011 to 75.9% in 2012.

A lot was said and written in 2012 about the new kid on the block, Radio24syv. At the end of 2012, the channel had 297,000 weekly listeners and a 1.4% share of total radio listening.
and thus clearly failed to reach its own goal of a half million weekly listeners. Meanwhile, Radio24syv and P1 combined failed to appreciably increase the number of Danes who listen to talk radio, despite the considerably expanded offering. From January to October 2011, before Radio24syv started, P1 alone had 719,000 weekly listeners and a share of 6.9% of radio listening. After Radio24syv arrived, total weekly talk radio listenership was 748,000 and the two channels had a combined audience share of 7.5%. Clearly, what has happened is that roughly the same number of listeners are now split between two options.

Radio24syv has managed to put focus on time-shifted listening, streamed or podcasted programming, for which the channel has high hopes. Unfortunately, there are no common measurement standards and controls for measuring time-shifted listening. For this reason, we cannot yet say anything about the consumption of time-shifted radio. DR and Radio23syv are working on common standards, so next year’s issue of Media Development will be able to report the status of this component of radio listening.

COMMERCIAL CENTRALISATION

It was announced just prior the summer industrial holiday period that SBS had acquired the New Radio channels Radio 100, Radio Soft and Radio Klassisk. The managing director of these stations took over the position of CEO of the now one-and-only nationwide commercial radio operator. This development meant that ddr, the sales partnership between the New Radio stations and several local radio operators, expired at the end of 2012.

The new SBS company reached 14.4% of radio listening in Denmark in 2012 – the same stations were at 13% in 2011. SBS now controls six more or less nationwide radio brands, including the two nationwide commercial broadcast frequencies, Nova fm and Pop FM. With all six brands gathered in a single player on the net, the company has built up a radio portfolio which it hopes will be in a position to take on the DR channels. Over the span of one week, SBS had an average of 2,524,000 listeners in 2012, compared to DR’s 3,939,000. Looking at the ‘commercial target audience’ (people aged 12-50), the ratio was somewhat more equal at 1,775,000 for SBS and 2,227,000 for DR.

SBS’s channels cross the spectrum from the two primary channels, Nova fm and Radio 100, to the more age-formatted stations of Pop FM and Voice. And from Radio Soft, which plays only soft pop music, all the way to the classical alternative, Radio Klassisk, which does not have many listeners in purely
numerical terms (89,000), but many of them are unique for commercial radio (48% of Radio Klassisk’s listeners do not listen to any other commercial radio over the course of an average week – by comparison, the figure is 11% for Nova fm). However, this has proved not good enough for SBS Radio, which has put Radio Klassisk up for sale. Naturally, because the sale of commercial airtime on a classical music station is a completely different challenge to selling spots on ‘general’ commercial radio.

The challenge for SBS is equally clear as it has been for all commercial players in the national radio market: To become a lucrative business. Whether SBS believes the best way to achieve this is through taking listeners from DR, improving efficiency or a combination of the two may become apparent in 2013.

THE FUTURE, NEW MEDIA AGREEMENTS AND DIGITISATION

A new media agreement came together in October 2012 between all parliamentary parties except the Liberal Alliance. With this agreement, Danish media policymakers indicated that the future of Danish radio is digital. A government inquiry was launched in order to clarify the technical feasibility of DR and the commercial stations switching places in the digital broadcast network while simultaneously upgrading to the DAB+ standard.

The potential advantage would be that DR will be able to move P4 to DAB, and since P4 alone accounted for 42.5% of radio listening in 2012, this will have major impact on what percentage of radio listening among Danes can be digitised. This is crucial, since the agreement established that the FM band can be shut down in 2019 only if 50% of Danish radio listening is digital by mid-year 2018.

In 2009, 9% of DR radio listening was digital, rising to 10% in 2010 and 11% in 2011. By 2012, that figure was 14%, but the somewhat larger gain between 2011 and 2012 cannot be ascribed to higher digital growth, but rather to a downturn in FM listening – primarily due to the aforementioned development of Radio24syv, P1 and P2. Even though the number of listening minutes rose slightly for digital radio in 2012, the percentage of Danes who listen weekly to DR digital fell from 31.2% in 2011 to 30.9% in 2012.

There is thus some way to go to reach the 50% threshold required for FM to be shut down. Regardless of whether or not 50% of listening becomes digital by 2018, this has signalled that if listeners accept the digital vision and increase their digital radio listening, major changes are in the offing in the radio market.
TOP 5: THE MOST POPULAR WEB SITES IN DENMARK
Based on January-September 2012 and calculated according to time spent on the individual site in relation to total time spent.
Target group: age 15+
Source: Gemius/FDIM
New services and platforms expanding internet usage

Cross-platform use, new services and new payment forms are key headlines for developments on the internet front in 2012. When Danes surf the net, they still spend the most time on Google, YouTube and Facebook.
Three out of four Danes report that they use the internet almost daily. Thus, we are talking about an increase of four percentage points since 2011. The growth, however, is not in traditional usage on ordinary desktop and laptop computers, but rather use via smartphones and tablets. The mobile tendency gained strength in 2012 and for the first time there seems to be a clear reduction in traditional use of the net from ordinary computers. Among Danes under 50, net usage via traditional computers has declined slightly, while use of the net over mobile phones increased strongly. More than half of Danes aged 25-39 now use the net almost daily from their mobile phones, while 84% of the same age group access the net from a computer. For the latter category, this entails a decline of three percentage points since 2011.

There is a parallel tendency in which more web sites are switching to scalable design in an attempt to give users the same screen experience across platforms (PC, mobile phones, etc.). Apps are set to remain an important product with vast supply and demand. For example, usage of DR’s news app is far greater than usage of DR’s mobile web site.

FACEBOOK AND GOOGLE RULE

There is at present no coordinated market research in Denmark across the variety of publishing platforms such as PCs and mobile phones. Certainly, most market players still have the bulk of their traffic on their traditional web sites but are experiencing higher usage of mobile web sites and apps and some publish only apps, such as Instagram.

If we look only at traditional web sites, Gemius and Danske Medier measure around 300 of the biggest sites among Danish net users on a monthly basis. The measurements show that Facebook, Google and YouTube (also owned by Google) are the biggest sites in terms of numbers of Danish users and time spent. Combined, these providers account for 37% of Danes’ time spent on the net, a small increase compared to the same period in 2011. Beyond these three, ekstrabladet.dk is by far the largest site in terms of time share, followed by tv2.dk. Danes are also happy to make a good deal on the net: two sites for buying and selling second-hand, Den Blå Avis (dba.dk) and guloggratis.dk, are on the list of the twenty websites Danes spend the most time on.

The two most-talked about social media are Facebook and Twitter. With about 2.8 million Danish users on facebook.com, Facebook has about eleven times as many users

USE THE INTERNET DAILY OR ALMOST DAILY

Target group: age 25-39
Source: TNS Gallup Index Denmark (Q2 and Q3 2011/2012)

- Use the internet in general
  - 2012: 92%
  - 2011: 88%

- Use the internet from a PC
  - 2012: 84%
  - 2011: 87%

- Use the internet from a mobile phone
  - 2012: 36%
  - 2011: 60%
as Twitter.com. However, it is difficult to calculate the true size of the two social networks, since Facebook is increasingly being accessed from mobile phones and is not included in the mobile measurement. In addition, Twitter has been used for a long time on mobile phones and via other web sites and apps, such as Twitterific. Nonetheless, Denmark is still clearly Facebook country. Danes spend more than 200 times more time on facebook.com than on twitter.com. There are no clear figures for the distribution of new services like Instagram and Pinterest, but thus far they seem to be getting more publicity than actual use outside the narrow circle of first-movers.

**JP/Politikens Hus the Big Winner Among Media Sites**

If we look at media sites, those that belong to JP/Politikens Hus spring immediately to mind. These sites have experienced growth in the number of weekly users in recent years. Both ekstrabladet.dk and politiken.dk increased the number of weekly users by 2% during the period of January to September 2012, which is far from average, as most Danish media sites are losing ground. That is especially the case for berlingske.dk, which has lost 11% and tv2.dk, which has lost 12% in weekly users. Other major media sites like dr.dk, bt.dk and jp.dk have also suffered reverses, but to a lesser extent. In parallel, there has been growth in mobile websites by many Danish internet players, so a portion of traffic has moved from the traditional websites to mobile-adapted sites. In light of overall development, wherein younger Danes report that they are using the net less often via traditional web sites, it is likely that the use of smartphones in particular is linked with the setbacks that have occurred for certain sites. There are no total user figures for individual sites on all platforms as there is no existing integrated measurement that can measure across platforms, so the actual context cannot be calculated.

**Robust Increases in Streaming Content**

In 2012, Danes gained access to new streaming content that provides the opportunity to watch films and TV series and listen to music. The music service Spotify was introduced in Denmark in late 2011 and there was widespread media coverage when the American services Netflix and HBO launched their offerings to Scandinavian users. These services were launched simultaneously in the Scandinavian countries, which was not the case for Spotify, in part due to legal conditions that had been in place for several years in Norway and Sweden before Spotify came to Denmark. Danish players*

### Top 15 Percentage of Time Spent on the Net in 2012

Based on January-September 2011 and 2012 and calculated on the basis of time spent on the individual site in relation to total time spent.

The numbers in brackets refer to the percentage-point change compared to 2011.

**Source: Gemius/FDIM**

<table>
<thead>
<tr>
<th>URL</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>facebook.com*</td>
<td>18.3% (0)</td>
</tr>
<tr>
<td>google.dk*</td>
<td>11.5% (0.3)</td>
</tr>
<tr>
<td>youtube.com*</td>
<td>3.8% (0.3)</td>
</tr>
<tr>
<td>google.com*</td>
<td>3.7% (-0.1)</td>
</tr>
<tr>
<td>ekstrabladet.dk</td>
<td>2.4% (0.1)</td>
</tr>
<tr>
<td>tv2.dk</td>
<td>1.3% (-0.3)</td>
</tr>
<tr>
<td>dba.dk</td>
<td>1.2% (0)</td>
</tr>
<tr>
<td>msn.dk</td>
<td>1.2% (-0.2)</td>
</tr>
<tr>
<td>windowslive.dk</td>
<td>1.2% (-0.6)</td>
</tr>
<tr>
<td>krak.dk</td>
<td>1.0% (0)</td>
</tr>
<tr>
<td>dr.dk</td>
<td>1.0% (0)</td>
</tr>
<tr>
<td>bt.dk</td>
<td>0.9% (-0.1)</td>
</tr>
<tr>
<td>tdc.dk</td>
<td>0.8% (-0.1)</td>
</tr>
<tr>
<td>gulloggratis.dk</td>
<td>0.6% (0)</td>
</tr>
<tr>
<td>komogvind.dk*</td>
<td>0.6% (-0.1)</td>
</tr>
</tbody>
</table>

The list is based on two separate surveys, both performed by Gemius/FDIM. Validity is higher for the figures of FDIM members than of providers that are not members of FDIM.

*Non-FDIM member
have also implemented new streaming services. For example, YouSee launched their streaming service, YouBio, in 2012, and other players including Stofa, TV 2 and MTG also have their own streaming services.

THE NEXT YEAR

The Danish internet market is both stable and changing at an incredible rate. While Danish consumption of traditional web pages is not changing much, mobile use of both mobile sites and apps is growing at an explosive rate. Growth in mobile internet use is expected to be very high again in 2013, driven by new capabilities, more devices and the spread of even higher speeds with 4G/LTE. At the same time, services like Netflix, YouBio and HBO are marching into the market. They may want to induce their customers to use the net on even more devices, especially Smart TVs and game consoles, while increasing numbers of Danes will be acquiring tablets. It will be exciting to see how high the distribution and use of the new services will become among Danes and whether the growth will find a more natural level by next year. Regardless of what happens, 2013 is sure to be a year when even more bits and bytes will be speeding through the air and through wires.

WEEKLY USER FIGURES FOR THE BIGGEST DANISH MEDIA SITES

Based on weeks 1-39 in 2011 and 2012 and the number of weekly users. The figure in brackets refers to the change expressed as a percentage compared to 2011.

Target group: age 7+
Source: Gemius/FDIM

<table>
<thead>
<tr>
<th>Website</th>
<th>Weekly Users</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ekstrabladet.dk</td>
<td>968,000</td>
<td>2%</td>
</tr>
<tr>
<td>dr.dk</td>
<td>913,000</td>
<td>-4%</td>
</tr>
<tr>
<td>tv2.dk</td>
<td>851,000</td>
<td>-12%</td>
</tr>
<tr>
<td>bt.dk</td>
<td>642,000</td>
<td>-7%</td>
</tr>
<tr>
<td>politiken.dk</td>
<td>445,000</td>
<td>2%</td>
</tr>
<tr>
<td>jpi.dk</td>
<td>370,000</td>
<td>-7%</td>
</tr>
<tr>
<td>epen.dk</td>
<td>271,000</td>
<td>3%</td>
</tr>
<tr>
<td>sporten.dk</td>
<td>249,000</td>
<td>-7%</td>
</tr>
<tr>
<td>berlingske.dk</td>
<td>237,000</td>
<td>-11%</td>
</tr>
<tr>
<td>borsen.dk</td>
<td>160,000</td>
<td>-7%</td>
</tr>
</tbody>
</table>
Uses the Internet on a Mobile Phone at Least Once a Week

Target group: age 15+
Source: Megafon for DR Audience Research

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>19%</td>
</tr>
<tr>
<td>2011</td>
<td>34%</td>
</tr>
<tr>
<td>2012</td>
<td>48%</td>
</tr>
</tbody>
</table>
Danes are surfing on smartphones like never before

Half of all Danes own a smartphone. Our internet usage on smartphones is rising markedly and we can confirm beyond all doubt that the modern telephone has become consolidated as an independent media device. Tablets have also taken Danish homes by storm: 30% of the population either own or have access to a tablet.
Smartphones are smart. They can be expanded with apps and with internet access, they have become an inevitable part of our lives and our media consumption. But when the smartphone has run out of juice or the mobile network is down, we cannot buy bus tickets, use the travel planner to find directions, show our boarding cards at the airport, or post pictures and comments on Facebook.

More than half of all Danes aged 15 to 70 now own a smartphone, according to the TNS Gallup Mobile Devices Survey performed in the spring of 2012. That is about the same level as the ‘EU5’ countries (United Kingdom, Italy, France, Germany and Spain) according to a survey by ComScore in October 2012.

Data charges have dropped dramatically, the devices are considerably more user-friendly and Danes are now extensively using their smartphones for much more than just voice calls and text messages. The Gallup survey shows that all age groups are on board, but relatively speaking, the 15-29 age group bought the most smartphones in 2012. This is connected to more inexpensive smartphones having come out on the market, along with cheaper subscriptions.

A survey performed by Megafon for DR Audience Research in October 2012 also shows that 60% of Danes report that they own a mobile phone with internet access. The level has thus not changed since 2011, but more Danes are beginning to use mobile internet capabilities more often, as the survey also shows that 48% of Danes aged 15 and above access the net via their mobile phones at least once a week.

In 2010, only 19% used the internet from their mobile phones at least once a week. In other words, using the little pocket computers has become an integrated part of everyday life for many Danes.

**SMARTPHONES ARE SMOKING HOT AMONG THE YOUNG**

When Danes use our smartphones, we talk for one fourth of total time spent. Smartphones can do a lot more than transmit a phone call wirelessly through the air, so there is plenty else to spend the rest of our time doing. Apps tremendously expand potential uses. A smartphone can be used as a spirit level, a GPS in the car, a piano ... and the list goes on. A survey by TNS Gallup Mobile Devices show that smartphone owners in all age groups talk on their phones for about the same number of minutes every day.

When we look at activities other than voice calls, however, there are distinct differences. The younger cohort of smartphone owners, those aged 15-29, spend a full 75 minutes a day using their phones for things other than voice calls, compared to 49 minutes for people aged 30-49 and 21 minutes for
people aged 50+. Thus, it is primarily the younger stratum of the population who use their smartphones for purposes other than voice calls.

Danes are using apps and web sites more often than they did just a year ago. In 2012, smartphone owners used apps about four times a day and accessed web sites about three times a day from their mobile devices. In 2011, they used apps three times a day and web sites twice a day. Again, the younger stratum of the population are the most active users of apps and web sites via smartphones.

**DANES ARE USING FEWER APPS AND SPENDING LESS MONEY ON THEM**

Although smartphone owners use apps several times a day, that does not mean they use many different apps. We were able to confirm in Media Development 2011 that it is hard for apps to gain preferred status among Danish users, since the number of different apps we actually use frequently is limited. The 2012 TNS Gallup survey shows that smartphone users are in fact using fewer apps than they were just about a year ago. In 2012, Danes used about seven apps on a weekly basis, a decline from eight apps in 2011. On the other hand, we are installing a few more apps than before. On average, users have installed 19 different apps, an increase from 16 one year ago. This indicates that we do not often use some of the apps we install. But they may still be very useful. A torch app is a lifesaver on occasion when you cannot see the keyhole and need to unlock your door. And if you are travelling abroad and decide to buy a pair of shoes, a shoe-size converter can be a handy invention when measurements are not given according to a familiar scale. Smartphone owners also report that they are spending less money on apps than they did a year ago, when they spent DKK 14 per month, compared to DKK 9 in 2012.

More than half of all smartphone users are guided by friends and family when they find new apps. App stores, where the little programs can be downloaded, are not considered as important.

As far as content goes, the games category is particularly popular. TNS Gallup’s estimates show that more than 60% of smartphone owners have downloaded one or more games in the past six months. Games are followed in the rankings by weather services and social networking apps. The list of the most popular apps and app categories give the clear impression that apps are used mainly for entertainment and small services oriented toward the local community: Local weather and keeping up with friends and acquaintances.

**Among social media, Facebook**

<table>
<thead>
<tr>
<th>Most frequently used apps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Facebook</td>
</tr>
<tr>
<td>2. Wordfeud</td>
</tr>
<tr>
<td>3. Gmail</td>
</tr>
<tr>
<td>4. YouTube</td>
</tr>
<tr>
<td>5. DMI local weather</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Most popular app categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Games</td>
</tr>
<tr>
<td>2. Weather</td>
</tr>
<tr>
<td>3. Social networking</td>
</tr>
<tr>
<td>4. Music and radio</td>
</tr>
<tr>
<td>5. Banking</td>
</tr>
</tbody>
</table>

Source: TNS Gallup Mobile Devices
tops the list of apps smartphone owners use most often. The Wordfeud game comes in second and Gmail is in third place. One common denominator is that they are all free.

TEXT MESSAGES SLIPPING

Until recently, there was virtually constant growth in the number of text messages, a situation that lasted for many years. But growth stopped in the first half of 2011 and the number of sent text messages has since declined. The Danish Business Authority’s IT and Telecom Statistics for the first half of 2012 reveal that the number of sent text messages was 5.7 billion compared to 6.2 billion during the first half of 2011. It seems reasonable to assume that the need for brief messages has not declined and that the decline instead indicates that we are using communication options other than text messages to deliver them. A great many people use Facebook to communicate brief messages, which is also possible via social networks like Twitter. New services and features in smartphones can be used and social games like Wordfeud may also play a part in the decline of text messaging, since these games have a built-in chat feature.

APPLE AND GOOGLE STILL DOMINATE

App developers must take into account the dominating operating systems, since they must develop separate apps for each of them. Two players in particular are the heavyweights in smartphone operating systems, Google and Apple. The Google Android system is found on smartphones from Samsung, HTC and LT, while the Apple iOS is only found on their own iPhones. There is no doubt that the Apple iPhone is the first love of many Danes. More than one third of all Danes who own a smartphone have an iPhone. HTC is the second most popular brand, but Samsung has also made significant strides in the Danish market. At present, the main battle seems to be between the Apple iOS and Google Android operating systems. Nokia has chosen to partner with Microsoft and have based their new smartphone on Windows Phone, which has yet to achieve widespread distribution.

A LOT MORE DANES HAVE ACCESS TO TABLETS

The smartphone’s overgrown cousin – the tablet – is similar to the smartphone to a certain extent. Users can download apps for them and they typically run on the same operating systems. The similarities end there for the obvious reason that a tablet is not a telephone you can carry around in your pocket. As a result, the tablet is not a personal device in the same way, but rather a device that can be shared among the family.
The Megafon survey shows that 30% of all Danes either own or have access to a tablet in the household. Although 24% report that they own their own tablets, it is reasonable to assume that many of them lend them to partners and children in the household. Tablets are especially popular among thirty-something Danes: 40% in this age group have access to a tablet. Ranging in price from about DKK 2,500 to DKK 6,000, tablets are relatively expensive. This may explain why employed Danes aged 30-39 are the group that has most widely adopted the tablet, rather than the very young.

The Apple iPad is the preferred choice among Danes who buy a tablet. The TNS Gallup Mobile Devices survey shows that the Apple iPad enjoys a market share of a full 8 out of 10 tablets, while market share for the runner-up, the Samsung Galaxy, is less than 1 out of 10 tablets.

There is a budding market for small computers. ‘Netbooks’ can be likened to tablets in many respects, but while tablets usually lack keyboards and are primarily only a screen, a netbook is a very small portable computer that can in some cases also be used only as a screen. About 1% of all Danes currently own a netbook.

Microsoft’s latest ‘Surface’ tablet is further blurring the lines between laptop, netbook and tablet, as it is a tablet with a built-in keyboard and a Windows operating system familiar to users of laptop computers.

As of now, tablets are still a supplement to other internet devices in the home, especially conventional PCs. According to Gallup, only 8% of tablet owners report that they have replaced their computers with a tablet. The rest indicate that their tablets are a supplemental device. Tablet owners report that they use their tablets especially for reading and sending email, using various kinds of apps and to gain easier access to Facebook. A tablet can also be used as an e-reader and about one fourth of tablet owners use their devices for reading books. About the same percentage use their tablets to watch films and TV. The conclusion is that although media content is part of tablet use for many Danes, communication and social media are still the fulcrum of tablet usage.

**Apps and smartphones**

An app is a program that can be installed on a mobile phone. The mobile phones upon which apps can be installed are typically called smartphones because they are a hybrid of a small computer and a mobile phone. An app may be anything from special offer services from grocery store chains to a sophisticated GPS system that can guide you all over the world.

**About the surveys**


Five years that changed the TV market

Recent years have brought major changes to the Danish TV market. New channels, increased TV viewing, changes in distribution forms and new levels of distribution for Danish channels are among the key factors that have changed the Danish TV landscape.

By Kurt Holm Jensen
DR Audience Research
The Danish TV market looked very different in 2007 to how it looks today. Back then, Danes watched TV for 2 hours and 28 minutes a day - a level that had been relatively stable for 15 years with minor swings of typically 2-3 percent from one year to the next. Audience share for the two main channels, TV 2 and DR1, had remained stable around 64% for a number of years. The much-discussed fragmentation had not happened to any serious extent, which some had otherwise predicted. There were only three significant TV networks, TV 2, TV3 and SBS, and the balance of power between them had been relatively stable for several years. The Danish economy and Danish consumption were going full bore and TV advertising revenues just kept on rising and showed no signs of slowing down. Five years later, the TV market is very different.

LESS MONEY, MORE TV VIEWING

The most striking change in comparison to 2007 is the dramatic increase in total TV viewing, which seems to have stabilised at a higher level. Viewing increased by 36% between 2007 and 2010, when daily TV viewing reached 3 hours and 21 minutes, a record that still stands. Viewing time dropped slightly in 2011 and 2012, but remains at a historically high level. Two of the most significant reasons for the strong increase in TV viewing between 2007 and 2010 were probably that Danes had gained access to more channels and invested in fancy new flat-screen TVs. Like the rest of the world, the Danes were affected by the financial crisis, which suddenly made cheap entertainment at home more appealing.

The global financial crisis has resulted in generally lower consumption and thus lower incentives for advertisers to buy airtime. After a period of high growth rates from 2003 to 2006, the crisis hit worldwide in 2007. Over the first couple of years, the Danish advertising market reacted only with stagnation, but the full effect of the financial crisis hit in 2009. At a single blow, advertising revenues were set back to levels unseen for many years. Some of the holes have been patched since then, but 2012 was another difficult year. In November 2012, the Institute for Advertising & Media Development forecast a result in the neighbourhood of minus 9% compared to 2011. The logical conclusion is that the seemingly expected and inviolable growth rates from the beginning of the millennium are a thing of the past. In return, subscription TV as a business model has proved resilient under the conditions of the financial crisis, and with a suddenly less certain advertising market, the TV stations’ financial performance has depended to a greater extent on subscription revenues.

DELAYED DIGITAL SPLASH

The distribution of Danish TV channels has undergone major changes in recent years. The analogue TV signal was shut off in November 2009. The transition to digital TV was considered by many to be a milestone in Danish TV history. Even the antenna households, which had despite other alternatives maintained only this form of reception, could now gain access to many different TV channels with their ordinary TV antennas. Public service TV and commercial TV both benefited from the better location in the frequency spectrum provided by digital TV. DR gained space for three new channels, DR HD, DR K and DR Ramasjang. The Swedish company Boxer won the right to distribute the commercial segment of Danish digital terrestrial TV and there were widespread expectations that more of the smaller commercial channels included in Boxer’s channel packages would increase their reach. But the final roll-out in 2009 did not initially create the expected big splash in the TV market, mainly because Boxer’s customer base ended up smaller than many had predicted. As of 1 January 2010, two months after the analogue TV signal was shut off, Boxer had 45,000 households in the fold. While some had expected a dramatic fragmentation of TV viewing after digitisation, these expectations did not come to pass in the first round.

Two new milestones in Danish TV history were set in January 2012. First, the old MPEG 2 coding standard was replaced entirely by the newer MPEG 4, which provides bandwidth for more channels at higher quality. Second, TV 2’s main channel became a pay channel. TV 2 had been aiming for this for a long time, with reference to the fact that secure subscription revenues could supplement earnings from a more fluctuating advertising market. Overall, these changes meant that many households were forced to invest in new flat-screens or TV boxes and change TV providers or subscribe to new channel packages. This has entailed significant changes in channel distribution.

The most dramatic distribution consequence after the switch to MPEG 4 was a massive inflow of subscribers to Boxer. The households that had been content with a few channels were now forced to find a commercial TV provider if they wanted to continue receiving TV 2. By early February 2012, Boxer had accumulated 300,000 households as customers, which was the company’s stated objective for its first ten years on the Danish market.

The winners in connection with the distribution changes included SBS, DR’s small channels and TLC, which the
switch to MPEG 4 made available in far more Danish homes. TV 2’s main channel suffered the greatest loss in distribution and at the end of 2012, the channel could be seen in about 5% fewer households than in 2011. TV 2’s distribution loss combined with higher distribution of the small commercial competitors had a pronounced negative impact on TV 2’s total viewership.

In many ways, it seems that the expected consequences of the digitisation in 2009 were delayed by a good two years and did not have any serious effect until the MPEG 2 signal was shut off and TV 2 simultaneously became a pay channel. This indicates that a significant portion of Danes are reluctant to change how they receive TV channels until absolutely necessary.

THE STORMS ARE STILL RAGING

Although recent years and especially 2012 have been stormy ones in the TV market, there is nothing to indicate the winds are going to die down any time soon. The channels have plans up their sleeves for fending off some of the upheavals and things are not going to go quietly.

The first and most significant change in the lead-up to 2013 was that Discovery Communications acquired SBS’s Nordic TV and radio channels in late 2012 for a reported sum of about DKK 10 billion. The buyout of SBS seems to be part of an expansive international strategy, as Discovery also finalised acquisitions and partnerships in 2012 elsewhere in the world. The result for the Danish TV market was that in one blow Discovery has become a major media house integrated across all media and throughout Scandinavia, with all the synergy effects that this entails. The combination of audience shares from SBS and Discovery’s current channels is approaching one fourth of commercial viewing on commercial channels among 21-50 year-olds, and we are going to experience an advertising market in which the balance of power among the three main players is more equal than ever before.

Fortune smiled on DR with the relaunch of DR1 and the main channel enjoyed great success in autumn 2012. But the rest of the channel portfolio must also be adjusted and the continued reshuffle has been announced. DR2 will be relaunched as a public service news and information channel, DR Update will be shut down, DR HD will become DR3 for viewers in the 15-39 age group and the new DR Ultra, a channel for children of school age, will be added.

TV 2 has announced that it will be giving higher priority to the main channel with a budget of DKK 100 million. In addition, the new TV 2 FRI channel, focused on recreation and nature, will be launched in May. TV 2’s half interest in TV 2 Sport has been sold to the co-owner MTG/TV3 and in return TV 2 will have to do without the associated audience shares and subscription revenues in 2013.

Beyond the acquisition of TV 2 Sport, TV3 has reacted to SBS’s increased distribution through Boxer by negotiating an agreement for space with Boxer so the main channels TV3 and TV3 Puls will make up for part of the loss. TV3+ will not, however, be added to Boxer’s packages. It has been announced that TV3 and Boxer have not been able to agree prices. Viasat is still selling satellite TV subscriptions and is thus a direct competitor to Boxer for TV distribution, but the bottom line for Viasat must show a profit – that wider distribution can pay off despite the risk that subscription customers will be lost. One final change for TV3’s status in the TV market is that TV3’s sales department will be managing the sale of advertising airtime on MTV and VH1 as of 13 January. This will give TV3’s sales department greater opportunities to sell airtime to advertisers whose target groups are younger.

The fight to reach most Danish homes does not end with TV3’s agreement with Boxer. The commercial channels are nearly falling all over each other in the scramble to give viewers free access for the first two months of 2013. TV3 and Kanal 5
were the first to be introduced as free channels in January and February and TV 2’s main channel has since followed suit.

SBS has made a second strategic adjustment in 2013, albeit on a smaller scale than the sale to Discovery. Following the launch of the 7’er en humour and comedy window on Voice TV in 2012, SBS is now going all the way with their fourth channel, shutting down Voice, and broadcasting 7’er en all day. Targeted at 15-25 year-olds, 7’er en will present a scheduled humour slot with content from Casper Christensen’s production company Douglas Entertainment.

There is no doubt that more Danes will be using streaming services in the next few years. These new distribution forms will also be something that TV stations and TV content providers will have to address, as the battle for viewers’ time and money will also have to be fought on this battleground.

<table>
<thead>
<tr>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first signs of the international financial crisis appear.</td>
<td>Distribution of flat-screen TVs in Danish households around 40% according to TNS Gallup Annual Survey.</td>
<td>TV3 Puls starts.</td>
</tr>
<tr>
<td>Distribution of flat-screen TVs in Danish households around 40% according to TNS Gallup Annual Survey.</td>
<td>Boxer wins the competition to run the digital, terrestrial broadcast network in Denmark.</td>
<td>Boxer begins broadcasting in Jutland and on Funen in February, followed in May by Copenhagen.</td>
</tr>
<tr>
<td>TV viewing hits a record-high at year-end with 2 hours and 47 minutes daily. Growth continues at the same rate through 2010.</td>
<td>On 1 November, the analogue signal is shut off, Boxer is officially launched and DR starts DR HD, DR K and DR Ramasjang.</td>
<td>The TV advertising market experiences a devastating decline as a result of the financial crisis.</td>
</tr>
<tr>
<td>2010</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td>TV viewing rises again and 2010 becomes the year that</td>
<td>The explosive growth in TV viewing stops and seems to have</td>
<td>TV broadcasting via the MPEG 2 compression standard ends, MPEG 4</td>
</tr>
<tr>
<td>still holds the record for the most TV viewing: 3 hours and 21</td>
<td>have stabilised at a high level of more than 3 hours daily.</td>
<td>continues as the prevailing standard.</td>
</tr>
<tr>
<td>minutes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>TV 2 becomes a pay channel and loses about 5 percentage points in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>distribution, from 99.2% to 94.5% of TV households at the end of 2012.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Several streaming services are launched: Netflix, YouBio, HBO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nordic and Viaplay.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TV 2 sells its half interest in TV 2 Sport to TV3/MTG.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discovery Communications buys SBS’s Nordic TV and radio stations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>for about DKK 10 billion.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV 2 FRI premieres.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV3/MTG relaunch TV 2 Sport as TV3 Sport 1 and adds a new channel,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV3 Sport 2.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
When news breaks! Media and users in connection with breaking news

The headlines are huge. Something has happened. There is breaking news. Danish media have adopted the term and use it liberally. DR Audience Research has studied how media users orientate themselves when news breaks. Danes keep up with events through a wide variety of media and much has happened since the 1980s when radio ruled. Most people heard about breaking news on TV in 2012, but the internet is often used to find out more about the story.

By Niels Marslev
DR Audience Research
The news mill grinds constantly and, especially since the launch of TV 2 News in 2006, Danes are fed a steady stream of breaking news on their TV screens. When the internet media want to shout a little louder than normal, they often use large headlines on a yellow background to make people aware that something has happened that deserves their attention. Whether there has been some journalistic inflation of the concept of ‘breaking news’ is an interesting industry discussion best held elsewhere. Guided by the user angle, DR Audience Research has instead studied where and how Danes learn about major news. The study was based on four important events in the autumn of 2012: Pia Kjærsgaard’s resignation as the chair of the Danish People’s Party, Villy Søvndal’s exit from the same position for the Socialist People’s Party, Felix Baumgartner’s parachute jump from an altitude of 39 km, and – not least importantly – Barack Obama’s re-election as the president of the United States.

**Danes Keep up with Events**

First and foremost, we can confirm that Danes are well-informed about breaking news. The four news stories were discovered by an average of 99% of Danes. And breaking news spreads fast. Although the story of Pia Kjærsgaard’s resignation, which broke late on a weekday evening, pulls the average down, the stories were discovered by an average of 87% over the course of the first day – and by 80% within an interval that can be described as ‘at once’ or ‘shortly after’ first appearing in the media flow.

**Wide Media Palette, But TV is Preferred**

When, in a roughly similar way, DR Audience Research studied Danes’ media behaviour in 1986 in relation to the assassination of Swedish prime minister Olof Palme, 86% had learned about the late-night tragedy within 12 hours. Although the selection of events in autumn 2012 is not by any means of the same sensational nature as the Palme assassination, awareness levels are thus comparable. The most noticeable difference between 1986 and 2012 is the significance of TV in relation to breaking news. TV was the leading medium for all four events in 2012. While only 5% discovered the news of the assassination of Palme on TV in 1986, TV as a ‘newsbreaker’ had jumped to 37% by 2012. However, part of the story of media users’ infatuation with TV is that the TV medium acts fundamentally differently in relation to breaking news than it did during the era of the state television monopoly. When Palme was shot late on a Friday night, TV viewers were first able to receive the news at 09:45 on Text TV, which could not be received by especially many at the time, and it was not until 12:30 in the afternoon that an actual special report could be cobbled together. TV viewers today, especially since the advent of TV 2 News, have become accustomed to much faster updates. In fact, exactly half of those who first caught wind of the stories on TV report that they got the news from one of the two Danish news channels – the overwhelming majority on TV 2 News – a very high percentage considering the channels’ relatively modest share of Danes’ daily TV viewing and media time in general.

As opposed to TV, the study indicates that the role of radio in breaking news has declined, although the medium is still a significant source when news breaks. Where 62% discovered the news of the assassination of Palme via radio, an average of 24% learned of the four news stories in 2012 on the radio. The time of day at which a story breaks is highly significant to which medium becomes the first source of the news. None of the 2012 stories broke in a manner that gave a definitive advantage to radio, which otherwise played a dominant role in 1986. The Søvndal story, which 30% caught wind of on the radio, broke around 9:00 in the morning at the end of radio’s morning prime time. The early-morning Obama victory was a perfect fit for prime time radio and out of the
How did you first find out that...?

Target group: age 15+
Source: DR Panel/Analyse Danmark

TV
Text TV
Internet via mobile phone or tablet
Internet via computer
Radio
Newspaper or daily paper
Word of mouth
Other

Kjærsgaard resigned, Tuesday at 22:00
- 37% TV
- 6% Text TV
- 21% Internet via mobile phone or tablet
- 16% Internet via computer
- 8% Radio
- 4% Newspaper or daily paper
- 4% Word of mouth
- 4% Other

Søvndal resigned, Friday at 09:00
- 30% TV
- 3% Text TV
- 28% Internet via mobile phone or tablet
- 19% Internet via computer
- 7% Radio
- 10% Newspaper or daily paper
- 7% Word of mouth
- 3% Other

Baumgartner jumped, Sunday at 20:00
- 47% TV
- 4% Text TV
- 9% Internet via mobile phone or tablet
- 21% Internet via computer
- 9% Radio
- 6% Newspaper or daily paper
- 6% Word of mouth
- 2% Other

Obama was re-elected, Wednesday at 05:00
- 43% TV
- 3% Text TV
- 30% Internet via mobile phone or tablet
- 7% Internet via computer
- 7% Radio
- 10% Newspaper or daily paper
- 5% Word of mouth
- 2% Other

Palme 1986, Friday night
- 62% TV
- 5% Text TV
- 19% Internet via mobile phone or tablet
- 14% Internet via computer
- 7% Radio
- 10% Newspaper or daily paper
- 5% Word of mouth
- 2% Other
four stories, it is the one that the most people heard about on the radio. But since many people were, of course, expecting exciting news that morning, more people than usual switched on the TV news, even though the radio medium certainly offered satisfactory coverage.

Across all stories, the internet was a strong contributor to the news landscape. The net was the least important source for the Obama story, since the TV medium had the opportunity to concentrate their energies in advance on what was expected to be a top story. It is widely accepted that online news has put pressure on print media and in relation to 1986, the newspapers have essentially vanished as a source of breaking news. However, it seems clear that ‘the pocket internet’ via the mobile phone has made the word-of-mouth method less important to spreading news.

Just as the time of day news breaks is highly significant, the place where Danes first encounter the news also plays an important role. More than two thirds of the time, the news was received for the first time in the home. Other studies have shown that although Danes claim to work a great deal and are very active in general, we spend the majority of our time, by far, within the four walls of the home. This has a tendency to favour TV. The Søvndal story came in on a Friday morning at 9 o’clock, when most of us would be expected to be at work or school, and yet 57% first heard about it at home. Young people are at home less than older people, but even among 15-29 year-olds, two thirds first heard the four news stories at home. The study shows that TV is the leading news source for all age groups, although the lead is considerably narrower among the young and is completely eliminated if all internet platforms are counted together.

THE NET IS ESSENTIAL TO FOLLOWING THE NEWS

In contrast to the linear media – radio and TV in particular – which are scheduled in a flow to a great degree, the net medium is perfect for information searching at any time of the day. The numbers thus reveal that among those who searched for more information about the four stories immediately after the news broke, half of those who had heard the news on TV chose to go online to find out more. However, more information can be gleaned from multiple sources, and among the ‘TV breakers’ an even higher percentage (68%) used the original media, TV, to follow the story. Among those who caught wind of the news via radio, 40% followed the news online, which actually exceeds radio’s own follow-up share of 36%, but again this was outstripped by TV’s 50% share. If people start with the net, it seems to be routine to follow the news in the same place, as did a full 87% of those who first received the news via the net. An interesting perspective begins to emerge: If the net gets even better at capturing users in the first phase when the news is breaking, there is potential for an even bigger bite of the news pie via adherence as users follow the story.

THE NEED TO KNOW IS DRIVEN BY IMPORTANCE

Far from everyone looks for more information about breaking news. Overall, 38% reported that they searched for more information after hearing the news for the first time, a few considered doing so and 55% reported that they had enough information and did not look for more. The desire for more information is closely connected to whether people consider the news important. More than half (58%) found the stories important or very important to society and 36% of those ascribed them personal importance. Among those who perceived the four stories as important to Danish society, the share of information-seekers rises to 49% from the aforementioned 38% of all respondents. A full 58% of the group who felt the news was important to them personally sought more information about the stories. Most people considered Obama’s re-election important on both
HOW DID YOU FIRST FIND OUT THAT...?

Average for the four stories from 2012
Target group: age 15+
Source: DR Panel/Analyse Denmark

TV
Text TV
Radio
Internet via computer
Internet via mobile phone or tablet
Newspaper or daily paper
Word of mouth
Other

Age 15-29
- TV: 29%
- Radio: 2%
- Internet via computer: 11%
- Internet via mobile phone or tablet: 23%
- Newspaper or daily paper: 16%
- Word of mouth: 13%
- Other: 5%

Age 30-44
- TV: 32%
- Radio: 4%
- Internet via computer: 17%
- Internet via mobile phone or tablet: 21%
- Newspaper or daily paper: 13%
- Word of mouth: 8%
- Other: 3%

Age 45-59
- TV: 37%
- Radio: 4%
- Internet via computer: 26%
- Internet via mobile phone or tablet: 15%
- Newspaper or daily paper: 6%
- Word of mouth: 6%
- Other: 3%

Age 60+
- TV: 44%
- Radio: 4%
- Internet via computer: 32%
- Internet via mobile phone or tablet: 10%
- Newspaper or daily paper: 2%
- Word of mouth: 4%
- Other: 3%
the societal and personal levels. This is followed by the two stories about Danish politicians, but very few (16%) found Baumgartner’s spectacular jump decidedly important.

**TOP QUALITY**

There is good news for the Danish media. News users are very satisfied with the media’s work when it comes to following up on breaking news: 27% say they are ‘very satisfied’ with the quality of news coverage by the media when they looked for follow-ups on the four stories, and an additional 55% are ‘satisfied’. Only 2% were definitely ‘dissatisfied’.

With more than 8 out of 10 satisfied users, the news media’s greatest challenge is hardly to increase satisfaction, but rather to induce more people to take advantage of the follow-up opportunities after the news has broken. With focus on this ambition, the autumn surveys indicate that user appeal may benefit if the importance of the news – to society and the individual – is stressed even more clearly. The perceived relevance to the individual is always important when the media are trying to catch the attention of Danes.

**USE FOR ALL**

TV is the most frequently used medium among Danes. Compared to other media, we spend by far the most hours per day in front of the big screen. In connection with breaking news, TV has also taken over the leading role that was clearly held by radio when the Swedish prime minister was assassinated. However, surveys performed by DR Audience Research clearly show that in the everyday media lives of Danes, there is room and use for all the news media that are able, based on their positions of strength, to deliver on demands for time, place and quality so that important news can reach Danes swiftly and widely. Compared to 1986, there is no doubt that Danes have long since become accustomed to the fact that news is something that happens here and now and is not something for which they must wait.
Sometimes, breaking news also flies under the importance radar. As an example of a minor event, DR Audience Research and Analyse Denmark studied Danes’ media-related doings when the story broke that Prince Henrik’s runaway dachshund Evita had been hit by a car and killed. Only 58% had heard the sad news – far fewer than the 99% on average who had learned about the four serious stories. The lower level is logically connected to the fact that the story was given relatively short shrift by the primary news media. The net was the dominant newsbreaker for about 50%, especially on eb.dk and bt.dk, followed by text TV and newspapers. The news spread fast, but almost no one (2%) sought further information, which is no surprise since even fewer (1%) considered the story of the royal family’s loss important.

WHERE DID YOU GET MORE INFORMATION?
The media from which people get more information about the four stories after having discovered the news on TV, radio, or the internet.

Since people may follow news stories via several media, the figures total more than 100%.

A last flick of the tail...

Method

Between August and November, a total of 4,471 respondents (aged 15+) participated in the four surveys on breaking news conducted by DR Audience Research. Three surveys were carried out only among members of the DR Panel, while the Søvndal story was also run in Analyse Denmark’s representative internet panel, which meant the total data set could be checked for possible skew. Each survey began after the main media had each had their prime time. Thus, a morning or afternoon (radio), a midday period (internet) and a TV evening prime time had to pass before the survey was begun. Thereafter, responses were collected over a three-day period.
THE BATTLE FOR THE REMOTE CONTROL
Nine times out of ten, women decide when men watch Kanal 4.

1 Men
9 Women
Danes watch a lot of TV, but how do they decide what to watch? To find out a bit more about this, DR Audience Research asked 100 Danes to keep a TV log for one week. The study results include that age affects zapping patterns and that Dad no longer has sole control of the remote control. Here are four situations that provide insight into how Danes chose TV programming in 2012.

By Henrik Gregor Knudsen and Signe Villumsen, DR Audience Research
The study was carried out among DR’s own internet panel, the DR Panel, the week of 22 October 2012. Based on a list of programmes broadcast between 18:00-24:00 on the highest-rated TV channels from DR, TV 2, TV3 and SBS, 100 Danes were asked to state each morning which programmes they had watched the previous evening and how and by whom the programme selection had been made. All panelists were aged 18+. Due to the limited size of the random sample, the results should be considered indications of how Danish TV viewers behave rather than a representative picture. The drawing showing where Danes find TV listings is based on a survey carried out in partnership with Megafon in September 2012 as a representative random survey among Danes aged 15 and over.

Younger Danes are spontaneous TV viewers, older Danes are not. Viewers are more likely to compromise on the weekend.

Weekdays, viewers young and old decide for themselves which programmes they want to watch, four times out of five, but otherwise they leave the decision partially or entirely up to others. On weekends, they are more likely to compromise in their programme selections, when one third of decisions are made by others or jointly with others. According to TNS Gallup TV-meter, this greater willingness to compromise reflects the fact that a higher percentage of weekend TV viewing occurs in the company of others.

Will you be watching a specific programme this evening? If you are 40 or older, the chances you will say yes are twice as high than if you are under 40. In fact, almost half the programmes watched by Danes over 40 are programmes they follow regularly. By their own report, Danes over 40 virtually never zap randomly to a programme and stay there. On the other hand, this is a relatively frequent occurrence among younger viewers. Of the programmes watched by younger viewers, 20% are programmes they happened upon, found interesting and continued watching.
Men report that half of the reality shows they watch are due to a choice made by their partners, but nine times out of ten, women themselves have made the decision to watch shows like Sommer i Sunny Beach (a Danish reality show about life in Sunny Beach, Bulgaria), De unge mødre (a Danish documentary series about young mothers), or For lekker til love (picky singles searching for a partner). While women guard the remote control when reality and lifestyle programming are on offer, men have more of a say when it comes to TV sports programming. The differences between the sexes are particularly apparent when it comes to Kanal 4: in nine out of ten cases, men report that their partners made the decision when they watch a programme on the channel.

In 2012, more than two thirds of Danes over the age of 15 primarily used electronic media to find out what is coming up on TV. Text TV is the favoured medium among most, since it is always handy when the TV is on. Another convenient medium is apps, reported by 10% as their most important source for figuring out what they will watch on TV...

... In 1989, 62% of Danes reported that newspaper TV listings were their most important source. In 2000, that figure was 43% and by 2012 it had dropped to 16% - and the vast majority of these people are aged 50+.
Of the Danish population, 21% have used one or more on-demand services in the last six months.
The future of future TV

2012 brought new on-demand alternatives, TV screens gained internet access and many Danes have the right equipment. But on-demand viewing is still limited and there are no signs that on-demand is a death sentence for flow TV. On the contrary, the reality seems to be that flow TV and on-demand will peacefully co-exist and support each other.
The doomsday prophets have been heard for a long time now: TV is a dying medium! Flow TV is doomed! Young people watch everything on the net! The times they are a-changin’: We want to mix and match content. We make our choices across what is on offer from the internet and TV stations are reduced to production houses that merely make content available.

But many of those who love the new opportunities belong to population groups who already watch less flow TV than the rest of the population. At present, flow TV and on-demand TV work well side-by-side.

We can confirm that the internet finally hit the TV screen in 2012. But there is nothing to indicate that this will be a stumbling block for flow TV within the next few years – at any case not with existing technologies. This could change if there is a technological and user-related conquest from the outside that radically changes the TV market in the same way the so-called ‘iPhone moment’ changed the market for mobile phones.

On-demand content can be divided into three types: The first is aligned with flow TV content, such as DR NU, TV2 Play and TV3 Play. The second type is older content, preferably collected in series and genres, such as Netflix and DR’s Bonanza. The third type is the new broadcasters who produce or forward short forms of content, such as YouTube, Jyskebank TV and EkstraBladet TV.

**TV ON NEW DEVICES**

TV is the medium Danes spend the most time on and perceive as the most important medium. VCRs and DVRs have come and gone over the years, new channels and more channels have arrived and yet consumption has remained the same. But the internet/TV combination is creating potential for changing how we can watch TV.

First and foremost, TV is no longer confined to the living room altar – we can now watch on three additional screens, the PC, tablet and mobile phone. Next, opportunities to watch TV at the time of our choosing have evolved from having to remember (and learn how!) to record programmes on our VCRs to the present era when TV is available whenever and wherever we want it, on the net and via on-demand TV. Last but not least, the quantity of content has reached such a volume that users simply expect to be able to retrieve content that they have missed.

New mobile screens have arrived in Danish homes, giving rise to new users behaviours. Different members of the family are watching their preferred content on different screens, even when they are in the same room. Dad may be watching sports on his tablet while Mum and the kids are watching other programming on the big screen. This is not yet a widespread practice, but in a survey performed by Epinion for DR Audience Research, 13% of Danes with internet access report that they do so. Among Danes under 30, the figure is 19%.

**ON-DEMAND TV IS TYPICALLY VIEWED ON A COMPUTER**

When Danes watch on-demand TV today, they primarily do so on a computer, but many express that they would like to view on-demand content on the TV screen. The computer is by far the most common device for viewing TV on demand and it is here that most people have become familiar with the option, but the PC is not the optimal device for TV viewing. Sitting in front of a computer is usually not ideal; battery life is limited, the screen is small and it is not always easy for more than one person to gather around a computer.

Danes prefer to view on-demand TV on the living room set. In fact, a full 84% say the TV screen is the one they would most prefer in an ideal world. But only about 10% of those who have the capability take advantage of it over the course of a week. Technically speaking, many Danes can connect the internet to the TV set but the technology is still too complicated. A survey of the DR Panel shows that among those who have the opportunity to connect the
internet to the TV screen only about half have actually taken advantage of the option. When internet-based content comes to the TV screen, expectations are high not only for the quality of the content, but also for stability and sound and picture quality. It may be that we have quietly accepted poorer sound and picture quality on computer screens, but as soon as on-demand TV is viewed on the living room TV set, we have higher expectations for quality. We are used to good quality on the TV screen. And we find it hard to compromise on that.

**TV VIEWING ON THE NET IS STILL A NICHE PHENOMENON**

Only 3% of the time Danes spend viewing DR programming is spent on the net. Thus, on-demand TV is still a niche phenomenon even for DR, which holds the leading position in the TV market. Time spent viewing DR programmes on-demand rose by about 19% between 2011 and 2012. Viewing is equally distributed between live viewing on the internet and on demand. As things stand, it does not look like Danes’ consumption of TV on the net has had any significant impact on overall TV viewing. One of the explanations may be that internet TV viewing has been adopted mainly by groups with generally low levels of TV consumption, such as young people and academics.

There were new occurrences in 2012 that may increase Danish consumption of on-demand TV. Several new services were introduced to the market, of which the most high-profile are Netflix, HBO Nordic, YouBio and Viaplay. According to a survey carried on by Epinion for DR Audience Research in December 2012, a full 21% of Danes have tried one or more of these services in the last six months and 17% have subscribed. This should however be considered in light of the fact that many of these services have offered free trial subscriptions. The services are interesting novelties on both the pay TV and purchase/rental DVD markets in that they provide easy access to large amount of content.

**ON-DEMAND TV IS USEFUL TO USERS**

Although the consumption of on-demand TV in Denmark is still a niche phenomenon, many Danes believe that simply having access to on-demand TV is very useful to them in their everyday lives, even if they do not use it themselves. This is evident in several user interviews conducted by DR Audience Research. Many users of on-demand services simply talk about catching up. Who has not been disappointed by missing a programme that everyone is talking about or the feeling that you can’t join the conversation around the water cooler Monday.
morning because you did not see *Borgen* (Danish TV series) at 20:00 on Sunday evening:

'I use it when I can catch up. I do it all the time, especially on the weekends.'

*Woman, age 25*

**ON-DEMAND TV IS QUALITY TV**

Users who view on-demand TV on the internet often say that they see more high-quality TV. When users make their own choices, the content may be perceived as useful and close at hand and thus of higher quality.

'We use *Bonanza* because we feel we are choosing quality content.'

*Woman, age 29*

'It is all about prioritising quality content for myself and the kids.'

*Man, age 36*

Users expect abundant content and the quantity is becoming satisfactory:

'There is enough material, so there is always something to spark your interest.'

*Man, age 31*

In fact, they have rather high expectations that everything should be available on demand. If that is not the case:

'...I get annoyed when something I had counted on has not been put online!'

*Woman, age 25*

Other users who participated in the DR Media Research interviews noted that the content in various on-demand services is too old. Content may be perceived as old or feel like reruns because it has already been broadcast on TV or premiered in the cinema.

'I have access to Netflix’s trial subscription right now but I am not going to continue it – the content is too old.'

*Woman, age 25*

**FLOW TV IS DRIVING ON-DEMAND TV**

Flow TV and on-demand TV work in tandem. This is clearly evident in relation to the Danish series *Matador*. All Danes have been able to view *Matador* on *dr.dk/bonanza* since March 2008 and more than 3.6 million *Matador* DVDs have been sold. Nevertheless, on a single Saturday in the autumn of 2012, more than 1.2 million viewers tuned in to follow life in the little fictional town of *Korsbæk* on DR1 for the seventh time. When over a million Danes are watching, things also get moving in catch-up viewing on *dr.dk*, because who wants to be the only one who cannot join in the conversation around the water cooler? In general, we see that the programmes that bring together many TV viewers on Flow TV are also the programmes that Danes are eager to catch up on via on-demand TV. This is especially true for the major drama series and entertainment programmes, *Forbrydelsen* (Danish TV series, in English *The Killing*). In this sense, Flow TV drives on-demand TV.

**THE FUTURE OF FUTURE TV**

There is not much doubt that TV via the internet is going to rise in the next few years. According to DR Audience Research studies, there are five essential things that must be taken into account in order to strengthen the breakthrough. In order of priority, they are:

1. **It has to work**

Many users are putting off using on-demand TV because they experience too many problems. The most frequent user complaint by far is that there are too many interruptions. When users feel that the video is choppy, comes to a standstill and freezes, they quickly lose interest, no matter how easy it is, how much there is to choose among or how good it looks. It has to work every time.
2. It has to be easy

It must be easily accessible. We should not have to call in the family IT guru in order to view a programme. No additional purchases of special plugs or boxes, no cable spaghetti all over the living room floor, no meaningless menus and no incomprehensible categorisations of the content. It has to be easy – for everyone!

3. Everything has to be there

A wide selection of content is important. It can be expected that the fewest users will choose to subscribe to more than one service. Users gradually come to expect everything in one place, all the time. Everything has to be there – all the time!

4. It has to be economical

There has to be a reasonable connection between price and content. Especially when Danes already spend quite a lot of money on viewing TV.

5. It has to look good

We are used to seeing good quality on our TV screens. It might very well be that we have quietly accepted poor sound and picture quality on computer screens, but as soon as we begin watching on-demand TV on the living room set, we raise our quality standards. We are simply very accustomed to good sound and picture quality!
WHICH MUSIC SERVICES DO YOU USE?
Target group: Users of online music services, age 15-60
Source: Epinion for DR Audience Research

58% Spotify
37% TDC Play
25% Grooveshark
3% WIMP
Music streaming services have broken the sound barrier

The new streaming services have made a real breakthrough when Danes listen to music. Development has been robust and among younger users, one out of two now use these services. Among younger music listeners, music streaming services are a growing alternative to traditional sources of music.
Streaming of music has gained a strong foothold, which is evident in surveys of how many Danes use this platform for access to music. A full half of all Danes aged 15-60 use the American video streaming service YouTube to listen to music, and nearly one third of Danes use online music services like Spotify and TDC Play. Online music services in particular have had growing pains in the last two years and there has been a significant increase in distribution, especially among younger Danes. But when the ear canals are to be pampered, most Danes still use traditional music providers like good old radio and their music collection at home.

HALF OF YOUNG DANES USE ONLINE MUSIC SERVICES

Although many Danes still use traditional music providers, we are no longer living in a world where the music collection at home and the songs on the radio and TV are the absolute rulers. This is very apparent when we focus on the listening habits of young Danes. Young people want vast quantities of digital products. The streaming hybrid is the winner even though it is neither a music product that people own nor a linear medium like radio and TV. Among 15-29 year-old Danes, YouTube is used more often than both traditional radio listening and the home music collection. If we look at the latest addition, online music services, half of all young Danes use this option. It is gradually approaching the distribution of traditional listening forms.

The broad distribution among young people shows that they have, unsurprisingly, adopted the new opportunities faster than their parents and grandparents. What is surprising is just how fast young Danes have adopted the new listening avenue and how marked the differences are across generations. While about half of Danes in the 15-29 age group use online music services, the level is only 14% among Danes aged 50-60.

STREAMING AND MOBILE LISTENING ARE GAINING GROUND

If we look at the development of individual music sources since 2010, when DR Media Research performed a corresponding survey, we can trace two main tendencies: Music listening has become more mobile and streaming is still growing in distribution. In parallel, traditional music sources such as music listening via conventional radio, music on TV and home music collections are declining in distribution.

The greatest advances among all listening sources are seen among the online music services, which had a distribution of 19% in 2010, which has now grown to 31% among Danes in the 15-60 age group. Online music services cannot yet measure up to radio,

WHEN AND WHERE DO YOU LISTEN TO MUSIC?

Target group: age 15-60
Source: Epinion for DR Audience Research

- Radio listening on public radio: 77%
- Own music at home: 73%
- Music on YouTube: 51%
- Own music on MP3 player or mobile phone: 48%
- Online music services: 31%
- Radio listening via a computer or tablet: 31%
- Music programmes on TV: 24%
- Radio listening on a mobile phone: 23%
- Web sites that offer listening of single songs: 11%
- None of the above: 1%
music collections and YouTube, each of which are used by far more people, but distribution is now high enough that one can begin talking about a general phenomenon.

We are also seeing interesting movements in the use of online music services. In both 2010 and 2012, essentially all users of these services used them via their computers, but during the same period there has also been a noticeable increase in mobile usage. In 2010, 27% used the services from their mobile phones. By 2012, that level had risen to 40%. The use of online music services has become considerably more mobile than was the case six months ago, with no decline in use via computers.

**SPOTIFY WIPES THE FLOOR WITH THE REST**

The marked rise in the use of online music services is due to a single player in the streamed music market, Spotify. The Swedish service became available in Denmark in autumn 2011 and has been going strong ever since. Spotify now dominates the market. Of the 31% who use online music services, a full 58% use Spotify. TDC Play was used by 37% and Grooveshark by 25%, but only 3% use the Telenor service WiMP. Compared to the distribution in 2010, the last three services had neither gained nor lost users in 2012, in absolute numbers. It is remarkable that a single player in the field has managed to drive development of this phenomenon.

Spotify has engaged in a very effective marketing campaign in Denmark. First by means of a launch connected to Facebook and massive media coverage, and later via a partnership with Telia. The service is available in two versions: A free version, in which users are exposed to commercials, and a subscriber version with a monthly fee of either DKK 49 or DKK 99. According to users, a full 81% prefer the free version to the pay version. This indicates that although Spotify has brought attention to and increased the potential of subscription services, the overwhelming majority of users prefer not to pay for the content. The first fix was free and the question now is whether the music services’ offerings are strong enough to convert users into addicts willing to pay. If they succeed, this could be a genuine replacement for traditional music sales.
Chapters 9 and 10 about music listening are based primarily on a representative web survey with 2,405 responses collected among users aged 15-60 during the period of 4-12 June 2012 by the market research firm Epinion in partnership with DR Audience Research. The results of the survey are compared, where relevant, to a corresponding survey performed in autumn 2010, also by Epinion and DR Audience Research.
Streaming of Music

Target group: age 15-60
Source: Epinion for DR Audience Research

- **84%** Traditional
- **16%** Streaming
Streaming did not kill the radio star

Growth in the consumption of streamed music is affecting consumption of other music media. As things stand, the local music shop and iTunes should be more worried about the new competitor than the DJ on local radio.
When Danes estimate their own music habits, music streaming is taking a larger portion of the time they spend listening to music than before. Music streaming (YouTube and online music services combined) accounts for 16% of music listening among Danes – nearly double what it was only six months ago. People typically listen to music on their own media or via linear media. Owned media, such as vinyl records, cassette tapes, CDs and MP3 files, have the same characteristics as on-demand media, since people decide for themselves what they want to listen to, when and where. These are now falling behind, while the linear media are coming through nearly unscathed.

The music that Danes have lying around in physical or digital copies at home is being used less all the time. In 2010, use of the home music collection accounted for 26% of total music listening – a level that had dropped to 20% by 2012. The consumption of own music on mobile media is unchanged at 12%.

ON-DEMAND’S MAIN COMPETITOR IS ON-DEMAND

Radio listening is another area that could be affected by the increased use of streaming. But the effect of this medium is not especially serious. In 2012, 47% of music listening is via radio, which is very nearly the same level as in 2010, when the share was 49%. If we focus specifically on users of online music services and their estimations of the significance of the new options, the picture is similar. Among users of online music services, 23% estimate that the new services primarily compete with radio listening, while 42% indicate own/borrowed music. It thus seems that music streaming is replacing the use of owned media more than the linear media.

Thus, it makes sense to regard radio and streaming as competing media only to a certain extent. The radio medium works on determined premises; it is tied to situations in which the pleasure of having the music selected by others is central. When we sit down with our significant other on a Friday evening, light the candles, open a bottle of red and put Barry White on the CD player, the radio medium is an alternative only for the few who want to have a chatty radio voice along for the ride. There are fundamental differences in the nature of the media and in this situation, streaming services are more similar to the home music collection.

THE CONFLUENCE OF ON-DEMAND AND STREAMING

The competitive advantage of traditional radio listening is clearly the fact that it does not require a computer start-up, working network connection or any of the other challenges of modern life. One push of the on-button and you are listening to P4. But when radio moves onto the digital away field as net radio and apps on mobile devices, for example, the medium is challenged by streaming services. The usage situation surrounding net radio and radio listening via apps is bringing radio into closer competition with the new services.

When the radio in the kitchen comes onto the internet and Spotify is also available at the touch of a button, linear radio will also lose one of its competitive advantages. Only time will tell how much value users attach to linear radio where others have chosen the music for them.
**DIVIDE 100 MINUTES, BASED ON HOW MUCH TIME YOU SPEND ON THE SELECTED MUSIC SOURCES**

Target group: age 15-60  
Source: Epinion for DR Audience Research

<table>
<thead>
<tr>
<th>Music Source</th>
<th>2012</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radio listening on public radio</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own music at home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own music on an MP3 player or mobile phone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Music via YouTube</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online music services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Radio listening via a computer or tablet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Music programmes on TV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Radio listening on a mobile phone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Web sites that offer listening of single songs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign net radio</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
HAVE AT LEAST ONE GAME CONSOLE IN THE HOUSEHOLD
Source: TNS Gallup Index Denmark

46% 2012
35% 2008
Media devices in 2012: Internet access and hybrids

Our media devices are changing and we are changing with them. More features are moving from dedicated devices to new devices that can do several things and are not confined to a single functionality. Content is divided between what we own and what we only rent on a subscription basis. Internet and device convergence is giving media users entirely new opportunities.

By Jacob Lyng Wieland and Uffe Høy Svenningsen
DR Audience Research
Media devices come and media devices go. For most media devices, because new and smarter devices have arrived. We listened to music on the train in 1985 on a Walkman, in 1995 on a Discman, in 2005 on an MP3 player – and now we listen on a smartphone. We still listen to music, but now on a different device. But a smartphone is not only a music player. It can do a lot of other things and that is precisely the point of the device convergence in progress now. Devices with limited functionality are giving way to devices with multiple functions. They are typically connected to the internet and we are thus also going to see a change in relation to how Danes access media content.

Let us take a peek into Danish homes. The digital infrastructure in Denmark needed to take advantage of the new opportunities is largely in place. A full 94% of Danes have access to the net at home and most also have connections that are fast enough to download media content of reasonable quality. According to the Danish Business Authority’s Telecom statistics, 66% of broadband subscribers in Denmark had download speed of more than 10 Mbit/s in 2011 compared to only 15% two years before. At the same time, 76% of all Danes have wireless internet so that mobile media devices can access the net at home.

PHYSICAL MEDIA ARE LOSING THEIR FOOTHOLD

While the digital set-up is in place in many Danish homes, we are seeing reversals in the distribution of traditional media devices. More Danes are dropping their CD players into the recycling bin for electronic waste and CD sales are in steep decline. According to Gallup, almost half of the Danish population bought at least one CD every six months in 2006, while only 28% acquired one in 2012. The downturn is beginning to hit the traditional film media. Despite the latest addition of Bluray, the number of Danes who watch rented film on a VCR, DVD or Bluray player has fallen by four percentage points every six months for the last two years, down to 27% in 2012. Moreover, a survey performed by Statistics Denmark shows that the number of Danish families who own DVD players declined by a full 10 percentage points between 2011 and 2012. At present, 68% of all Danish families have a DVD player in the home. The number of families with Bluray players rose during the same period by 7 percentage points to 23% of all Danish families. The upshot is that there has been a small net decline in the percentage of families who own either a dedicated DVD or Bluray player.

The MP3 player is another example of how media devices succeed one another. The MP3 player revolutionised the music industry around the turn of the millennium and distribution peaked in 2010 when, according to Gallup, half of all Danes had a player in the household. The last couple of years show that there has been a stagnation and even a tendency towards a small decline in the number of Danes who have an MP3 player in the household. In 2012, 48% had a separate MP3 player in the household. The huge growth in smartphones in recent years has presumably been the primary reason for the downturn and 52% of Danes now have a smartphone compared to 38% in 2011. The most interesting difference is that the smartphone – a hybrid device – can both play files and net-based streams, while the MP3 player is in many cases file-based only and thus similar in many respects to the good old Walkman.

NEW DEVICES IN DANISH HOUSES

The digitisation of devices in recent years has been in full swing in Danish households and when Danes upgrade their media equipment these days, they often choose devices with internet capability. A quick run through a home electronics store like Fona or Elgiganten shows that in addition to the cheapest flat-screens most of the living room altars now offered in the stores are so-called smart TVs that provide internet access.
Another type of device bringing hybrid forms into our homes are game consoles. According to Gallup, entertainment boxes have been on a stable growth trajectory since 2000 and game consoles are now found in 46% of Danish households compared to 35% in 2008. The new models seldom come without net access, in part because the producers are trying to develop game consoles like PlayStation and Xbox into media centres that provide access to a variety of media content.

As a consequence of device development by hardware producers, Danes thus automatically gain access to the net through multiple devices when they replace their digital equipment.

**HYBRID DEVICES MIX LINEAR AND ON-DEMAND**

In the evolution from devices with a single dedicated function to hybrid devices, we are seeing an underlying move away from use of stored media content to consumption of media content that we do not physically own. The difference is that the storage media are used piecemeal via physical copies in our homes or as files on the computer. Hybrid devices, on the other hand, also have access to media content, which is not limited to being found on individual CDs, DVDs etc. For this reason there is a move from ownership to access. Access as a phenomenon has existed for a long time via the broadcast media, where media users have access to the broadcasters’ flow. The same now applies in earnest to on-demand content.

We still own the newest types of playback devices, which we use, but they do not require storage media such as VHS tapes, DVDs, CDs, vinyl records, Betamax, cassette tapes or hard disks. In actuality, the hybrid devices like game consoles, smartphones and smart TVs cannot do half as much as the PC, the king of hybrids, which can do everything. However, the PC has never really broken through as an out-and-out media device. In addition, the PC is probably too multifunctional and thus lacks the attributes that hybrid devices, which were made for more specific purposes, may contain. It is easier to read an e-book on a tablet or an e-reader than on a computer, and it is easier to carry your music around on a smartphone than on a computer. With internet access and the option to get rid of external content, the hybrid devices can combine two distribution forms (playing of stored content and access) and they can also mix linear media and on-demand content, which have traditionally been separated. The new media devices with internet-based content provide greater flexibility. We can independently select, reject, find and be offered massive quantities of media content. The question remains to what extent we will actually use the new possibilities. This will certainly depend upon the media device, expectations for the media device, the selection of content on offer, accessibility of content and – of course – the price. The future looks bright for the hybrid media that bring more media together and can provide access to content from the net.
Legally responsible editor
Audience Research Manager
Lars Thunø – lath@dr.dk

Editors
Jacob Lyng Wieland – jacw@dr.dk
Signe Villumsen – sivi@dr.dk
Uffe Høy Svenningsen – uhsv@dr.dk

Contributors
Bo Kjeldgaard – bkje@dr.dk
Carsten Andreasen – cand@dr.dk
Dennis Christensen – dech@dr.dk
Henrik Gregor Knudsen – hekn@dr.dk
Jacob Lyng Wieland – jacw@dr.dk
Kurt Holm Jensen – khu@dr.dk
Lars Thunø – lath@dr.dk
Michael Oxfeldt – miow@dr.dk
Nanna Birk – birk@dr.dk
Niels Marslev – nimao@dr.dk
Peter Niegel – petn@dr.dk
Signe Villumsen – sivi@dr.dk
Sofia Scheutz – sof@dr.dk
Uffe Høy Svenningsen – uhsv@dr.dk

Data sources
Statistics Denmark
Danish Audit Bureau of Circulation
(Advertising Expenditure Survey)
DRRB (Media Index)
Epinion
Danish Business Authority (Telecom Statistics)
FDIM
Genius Denmark
IRM: Institute for Advertising & Media Statistics
(Advertising Expenditure Forecast 2012/2013)
Danish Competition and Consumer Authority
(Distribution of TV Channels, 2011)
Megafon
TNS Gallup Annual Survey
TNS Gallup Index Denmark
TNS Gallup Radio Meter
TNS Gallup TV-Meter
TNS Gallup Mobile Devices 2012

Other sources
media watch.dk
Berlingske
Boxer [press releases]
comScore

Design and photography
DR design

Drawings
Simon Bukhave

Printing
Hertz Bogtrykkeri & Forlag

The data in this publication is also derived from surveys performed in DR’s own internet panel, the DR Panel. The DR Panel is used for regular surveys of Danish media consumption habits and opinions about media content. Anyone resident of Denmark aged 15 or older may become a member of the DR Panel. You can join the panel and read more about it online at www.dr.dk/drpanel

About DR Audience Research
DR Audience Research is DR’s own research department. It is an independent department tasked with providing the perspectives of listeners, viewers and users on DR’s wide range of products and with tracking media development.

Contact details
DRMedieforskning@dr.dk
DR Audience Research
DR Byen
0999 Copenhagen C.

More info online
Medieudviklingen 2012 in Danish may be downloaded from www.dr.dk/publikationer
The English version may be downloaded from www.dr.dk/aboutdr
The material may be freely quoted if the source is clearly stated.