ECONOMIC CONSIDERATIONS OF CONTENT AND NEWS CONSUMPTION AT THE HOUSEHOLD LEVEL

Quantitative population research

Data collection : 17-30, September 2022.

Nemzeti Média- és Hírközlési Hatóság

AGENDA

EXECUTIVE SUMMARY

The most important brief findings and conclusions of the research

EXECUTIVE SUMMARY - TV AND PROGRAM VIEWING CLUSTERS - 3 CLUSTERS

Ad hater, (who believes in ad-free solutions)

- It is characterized by ad hater behaviour, i.e. rewinding, disconnecting, but still does not think about a paid ad-free solution
- Considers advertising a dangerous and manipulative phenomenon, tries to avoid it and choose a channel accordingly
- Protects minors from advertising, is afraid that it is harmful to children if advertising is shown on TV
- These families are more likely to have minors, and somewhat more often under 6 years of age
- Typically, a "feminine" cluster

Ad acceptor, (who doesn't expect ad-free solutions)

- 35% of Hungarian households can belong to this cluster
- Does not question the authenticity of the advertisements broadcast on TV
- Considers advertisements to be useful, there have been cases when TV advertisements helped to choose a product or service
- Doesn't really want a paid and ad-free solution, since one hand being an ad acceptor, and on the other hand his/her financial background is also more modest
- This cluster is a blind spot for paid media services
- The cluster is home to a higher-than-average proportion of people with lower educational qualifications, in more modest financial circumstances, and their telecommunications device fleet is also more modest

Ad avoider, (who expects ad-free entertainment and understands the paid business model)

- This cluster can account for approximately 30% of domestic households
- Basically, a central Hungarian profile, it is no coincidence that we see the largest purchasing power in this cluster
- We are mostly talking about 40-49 year olds, the members of the cluster are generally educated and highly educated, their financial background is stable, their households typically operate in a two-earner model
- Feels that TV commercials take time away from entertainment, and although does not see TV commercials harmful, or "dangerous" but considers his/her time expensive to spend watching ads. This cluster is more receptive to ad-free paid services

TV viewing behavioral factors

- We believe we can discover 5 defining behavioral elements in watching programs and consuming media content:
  - Ad acceptor, ad-appreciative attitude, emphasizing their usefulness
  - The expectation of ad-free entertainment: this is the main driver for subscription media services
  - Trade-off attitude: the monthly fee for ad-free service is acceptable, namely considering that it is legitimate to provide ad-free service for a certain subscription fee
  - Scepticism towards solutions that promise to be free of advertising, in their content and technical implementation

EXECUTIVE SUMMARY– CURRENT INFRASTRUCTURE AND HABITS

Current infrastructure

- Practically every household has at least one "screen" (smartphone, TV, tablet, laptop, etc.)
- IPTV technology, which can be called the most modern, is mostly present in the more affluent, living in better living conditions and more educated cluster, in the cluster who expects ad-free entertainment and is most willing to pay for it, so for them the conditions for paid content consumption are already given on the (smart) television itself.
- Two-thirds of households watched any content on a paid or free streaming service provider in the past 1 month, mainly on Netflix, HBO Max and RTL Most

Linear TV viewing

- More than half of people watch TV every day
- Linear TV as a leisure habit is stronger in the ad acceptor cluster and among those who do not have internet access at home
- The main device and platform of linear TV is the TV itself, i.e. it is less common to watch the live broadcast from a tablet, laptop or smartphone

Current spending habits

- TV subscribers in the non-bundled package claim to pay HUF 5,600 per month for the TV subscription, while subscribers in the 2P or 3P bundled packages calculate that HUF 6,600 of their subscription fee can be used for TV services
- Four-fifths of the respondents do not spend at all on VOD from TV providers that can be rented via a TV set, overall, we can see the rental fee of barely one movie per month
- About 50-55% of households spend on streaming services. Ad avoiders who expect an ad-free service and most accept the paid business model spend the most on streaming services, the average monthly spend is HUF 2,400
- They spend an average of HUF 2,100 per month on Cinema, which is approx. equivalent to one visit by a couple

Paid content

- 6% of those with paid content services do not use this option, meaning that although they have paid streaming access, they do not watch it by their own admission.
- The TV set is also the main platform for content consumption on pay television
- Paid content consumption has very much caught up with linear TV viewing, their ratio has almost equalized. The income situation of the families can influence this ratio: an improvement in the income situation prioritizes paid, i.e. non-linear, content consumption.
- Of course, ad acceptors can live better with „normal" TV viewing

EXECUTIVE SUMMARY– THE EVOLUTION OF LINEAR VS PAY TV

Expected development of linear vs pay-TV

- In the recent period, the average duration of pay-TV viewing has closely approached the duration of linear TV viewing, especially among wealthier, better-equipped households
- However, regarding the near future, the situation regarding pay TV is not very bright. A clear majority will prefer plain, linear TV, which is probably also due to the general deterioration of the macroeconomic situation
- Even in households living in the best conditions and best equipped with IT devices, the relative majority predicts the dominance of linear TV or at most approximately the same proportion, only every eighth household believes that they will shift in the direction of linear TV in the future

Drivers of pay-TV viewing

- For non-subscribers, the benefits are almost the same as for existing subscribers, but the demanding and customizable selection is more prominent than potential subscribers
- Other important advantages: ad-free, viewing that can be adjusted to the viewer's schedule, availability from several devices simultaneously
- Series, action and adventure films, science fiction and fantasy are ranked relatively higher among streaming subscribers. The series can be an important flagship for the majority of content providers, the so-called binge-watching has also started to spread spectacularly in the recent period, with the popularity of streaming services

What are the factors that most shape the weight of linear vs pay-TV?

- The weight of paid streaming TV is greater among ad avoiders
- The technological background: pay TV is stronger in households with both WIFI and mobile data
- Size of households: in larger households, especially if they also raise small children, there is a greater affinity for pay TV, as well as in households with at least two earners, as well as households with higher education and higher income

Subscription potential

- One fifth of households plan to subscribe in the next year, mainly thinking about Netflix, regardless of the recent announcements about the service provider
- 80% of households would be willing to pay for streaming content in addition to the TV service, and they would be willing to pay an average of HUF 4,300 per month (this is about the price of 3 cinema tickets)
- We see the psychological limit at HUF 5,000 per month
- At the same time, next year may be more about cuts than expansion of service packages. Only 8% plan to spend more on media services in the next year, while twice as many want to save on these types of services next year

EXECUTIVE SUMMARY– NEWS CONSUMPTION CLUSTERS - 3 CLUSTERS

Quality-oriented elitists, (who believe in exclusivity)

- They believe that news and information are not everyone's right, indeed it is expected that those who pay for it will receive it in greater depth, detail, scope and better quality
- According to them, one has to pay for quality, market logic is that there is an exclusive circle of subscribers who, in exchange for a subscription fee, receive news and information of better quality
- In their profession, subscription sites may be necessary
- Compared to the average, the members of this cluster are mostly male and more educated, also there is a high proportion of households consisting only of parents with a degree

Frustrated acceptors, (who believe in access to free information)

- One third of Hungarian households may belong to this cluster
- In contrast to the previous cluster, they feel that access to information is a basic right, it should not be tied to income status or subscription fee, they find this is discrimination
- They feel it is unfair that digital media authorities make an exception with a part of society
- They are bothered by the subscriber distinction, but they are sceptical that, that version is better
- Ads, banners and pop-ups placed on free portals do not bother them, they can live with them
- The oldest cluster, a significant number of its members struggle with financial problems, have a lower education level, and are single

Empathetic rationalists, (who see the quality benefits of a subscription and are bothered by ads)

- This cluster can make up about 30% of domestic households
- Clearly believes in the serious professional work behind the subscription versions, in the authenticity and professionalism of their description
- Knows that access to quality, informative articles requires a subscription, and perceives the difference in quality between free and paid services
- The articles and content of free news portals are perceived as superficial, short and sometimes unprofessional
- On the other hand, feels that this distinction is discriminatory and unfair, that is, it "takes over" some element from the thinking of both previous clusters

News consumption factors

- We found 3 defining behavioral elements in news consumption:
  - The subscription provides authentic, thorough, high-quality information
  - The information belongs to everyone, it is not fair to link it to a subscription, if it appears on a free news portal that a subscription is required to continue reading the article, it makes them very angry. In their opinion the news service should not be linked to a subscription and should be free for everyone
  - Advertisements are annoying and disturbing

EXECUTIVE SUMMARY– WHAT TOPICS DO THEY READ ABOUT AND WHERE?

Public news plays a greater role on radio and TV, sports news on TV is more enjoyable and spectacular, while the printed press is specifically "multifunctional”

NEWSLETTER

Car-engine
Health
Public life news
Science and technology
Lifestyle and interior design
Sports news
Foreign news
Opinion forums
Tabloid
Domestic news
Culture, program-, theater-, movie review
Economic news (money, real estate market, banking news)
Green news, environmental protection

Culture, program-, theater-, movie review
Opinion forums
Science and technology
Economic news (money, real estate market, banking news)
Public life news
Foreign news
Tabloid
Domestic news
Sports news
Lifestyle and design
Car-engine
Green news, environmental protection

Green news, environmental protection
Car-engine
Health
Tabloid
Opinion forums
Foreign news
Science and technology
Sports news
Culture, program-, theater-, movie review
Lifestyle and design
NEWSPAPER
Economic news (money, real estate market, banking news)
Domestic news
Public life news

Science and technology
Sports news
Culture, program-, theater-, movie review
Car-engine
Lifestyle and design
Foreign news
Opinion forums
Domestic news
Health
Tabloid
Public life news
Economic news (money, real estate market, banking news)
Green news, environmental protection

EXECUTIVE SUMMARY – PRINT VS DIGITAL MEDIA

Current spending on print media

- About one-third of the population subscribes to printed media products, and one-third occasionally buys some form of print media - there is an overlap between the two
- They spend an average of HUF 2,500 per month on subscriptions and on occasional purchase of printed press products

Those who spend more on digital than on print

- Currently, very few people, 6% of households, subscribe to some digital content
- Subscription penetration is higher in the capital, in more populous households, in more educated families with a degree, and in the cluster supporting subscriber exclusivity
- Currently, an average of HUF 3,600 is paid for digital products, which means that this already significantly exceeds the volume of spending allocated to print media
- However, this average spend comes together on a narrow base, as half of households do not spend on digital media and do not plan to in the future

Past and future of printed media products

- The majority of households believe that their spending on print media has already declined in the recent period
- In other words, based on the answers, the decline of the printed press has already begun...
- ... and based on the answers, this trend will continue in the next year
- Over the past year, spending has already visibly declined in the majority of households, only one in twenty households spent more on it than before
- The expected downward trend can also be seen from the fact that, while they currently spend an average of HUF 2,500 per month on printed media, they would reduce this cost to HUF 1,500 next year

Digital press: significant decline and cancellations

- In the future, they would spend less on digital media than they do now
- More than 60% of the respondents would not even spend on digital media in the first place, and the rest would spend a maximum of HUF 900 per month - there are differences in frequency according to cluster
- More than a third of the current subscribers plan to cancel their subscription in the next year, primarily due to rising subscription fees and the weakening financial background of households. But dissatisfaction with the content also appears
- At the same time, only one-tenth of households plan to subscribe to any online media in the next year, which means that the overall balance is strongly negative.

METHOD OF RESEARCH

Main objectives, research questions and methodology of population quantitative research

METHOD OF RESEARCH

Research background, objectives and sampling

Background of the research: The media aimed at satisfying news and content consumption have developed various business models in recent years. Among them, we can find solutions financed entirely from advertising revenue and solutions financed entirely by the consumer, as well as hybrid forms between the two extremes.

Although the examination of news consumption forms a separate unit, it is definitely an integral part of content consumption, i.e. the same respondents give an account of their news and content consumption, especially its personal/household economics.

Objectives and topics of the research:

- Individual and family (household) news and media consumption patterns, their connection and divergence
- How do all these relate to the income intended for the consumption of news and content by the consumer (individual or household)? Are they willing to spend a fixed, planned budget for all these services or are they flexible about it?
- What is this limit, what does it depend on?
- „Can a "free" service be replaced by only free? Would they change the current free but ads viewing for a paid ad-free using/reading/consuming services?
- Would they use the current "paid" services instead of paying a fee for viewing ads?
- What is the paid/free ratio in each target demographic? What changes the willingness to pay, where is the limit of the willingness to pay?
- What is the role of the free introductory period, the "premium" solutions behind the free content + paywall, how can this migration work?

METHOD OF RESEARCH

Data collection

AIM GROUP

REPRESENTATIVE NATIONAL SAMPLE OF DOMESTIC HOUSEHOLDS - RESPONDENT: THE MEMBER OF THE HOUSEHOLD WHO IS COMPETENT IN RECEIVING THE HOUSEHOLD'S VARIOUS MEDIA EXPENSES AND SUBSCRIPTIONS.

REPRESENTATIVE ASPECTS:
AGE, GENDER, CITY TYPE, REGION, HOUSEHOLD SIZE

DATA COLLECTION TYPE

HYBRID DATA COLLECTION:
CAPI, PERSONAL DATA COLLECTION, BY INTERVIEWERS - ON LAPTOP OR TABLET– AMONG THOSE WHO USE THE INTERNET LESS OFTEN - 1000 PEOPLE
CAWI, ONLINE SELF-COMPLETE DATA ENTRY - 2,000 PEOPLE

- PROGRAMMED QUESTIONNAIRE
- TRAINED INTERVIEWERS
- PROVISION OF CONTINUOUS FIELD INSPECTION, INSPECTION REPORT
- INTERNAL CONTROL STAFF (INSPIRA)

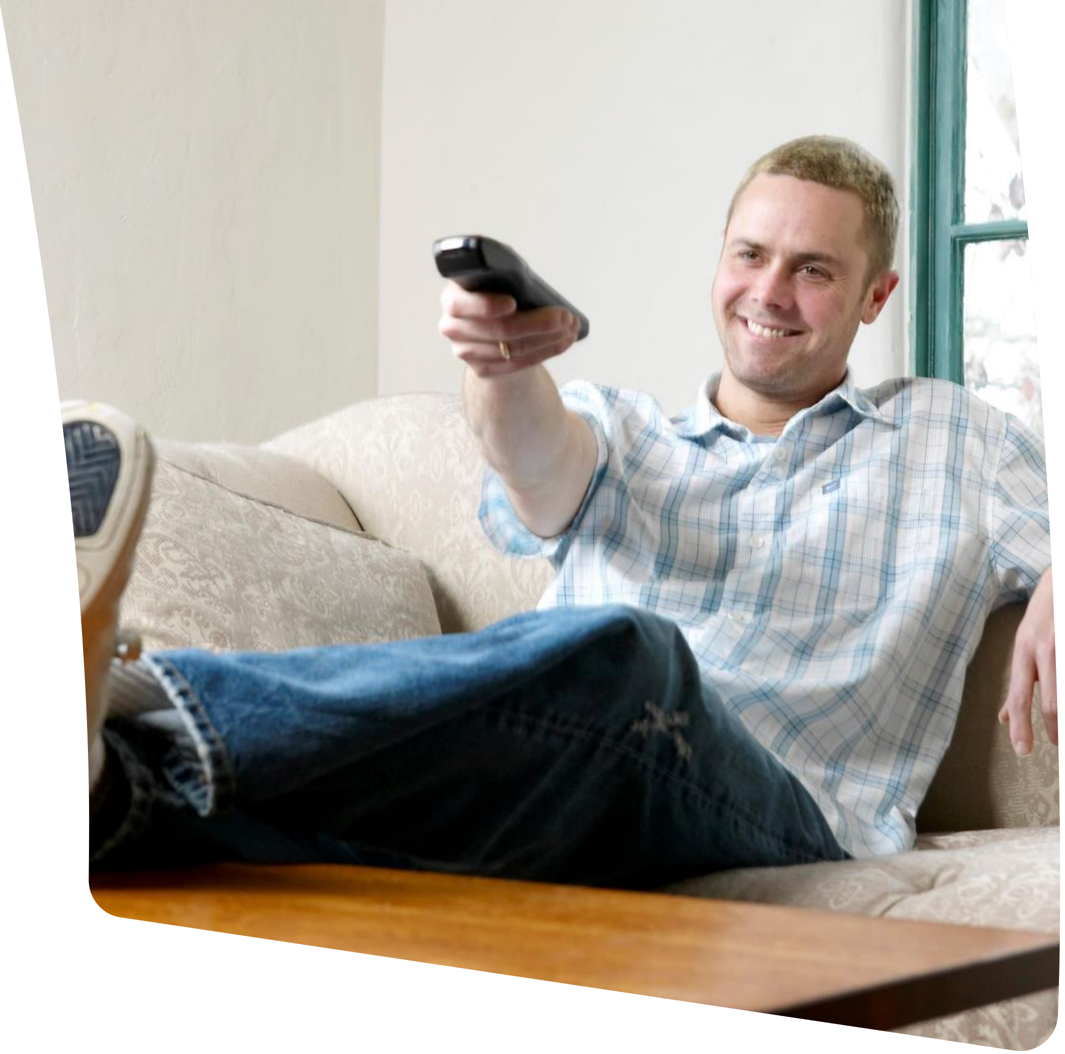
ITEM NUMBER, LENGTH OF QUESTIONNAIRE

RESEARCH SAMPLE SIZE: 3,000 PEOPLE

STRATIFIEDSAMPLING

CONTINUOUS QUOTA MONITORING

QUESTIONNAIRE LENGTH: approx. 30 MINUTES

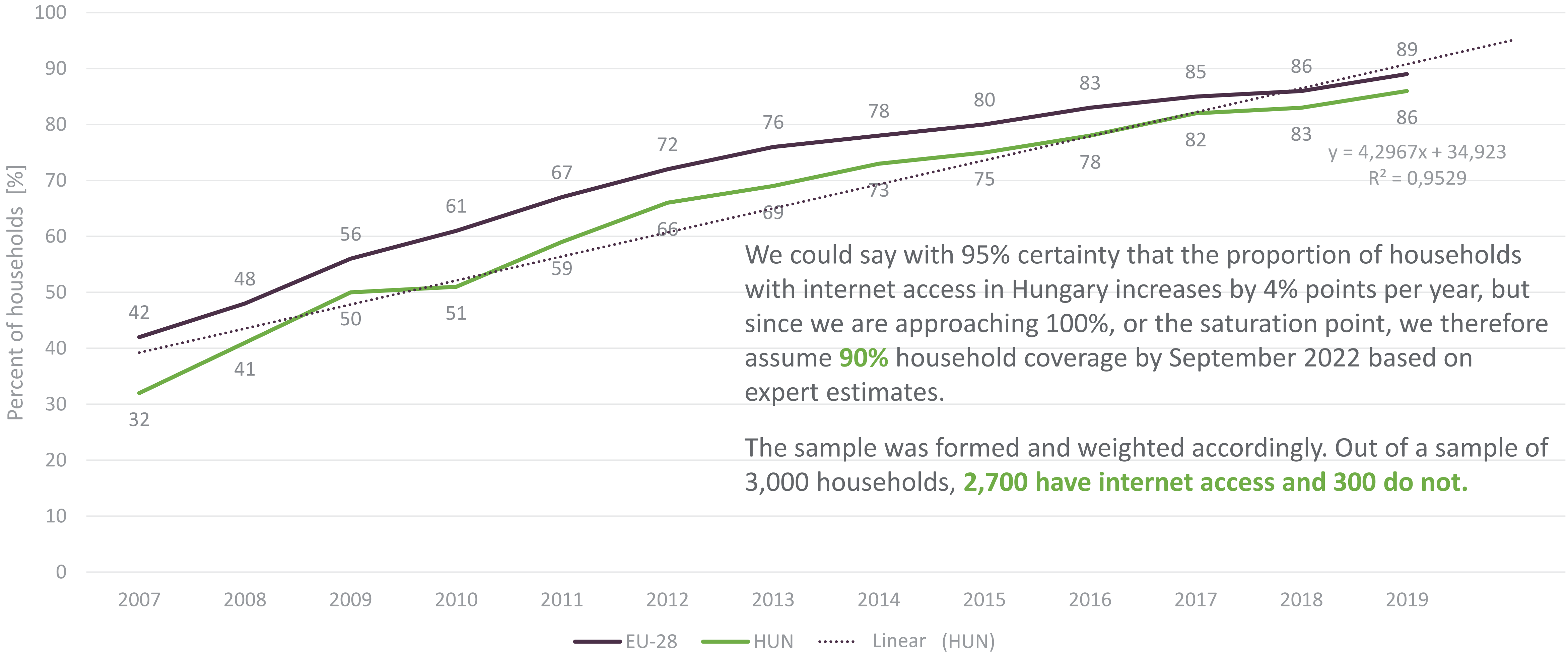


SAMPLE DESCRIPTION

Presentation of the sample according to the demographic questions, namely according to the respondent's gender, place of residence, age, education, economic activity, family background and subjective financial well-being

PERCENTAGE OF HOUSEHOLDS WITH INTERNET ACCESS IN HUNGARY

Source: Central Statistical Office and Eurostat's 2019 survey on ICT use, URL: https://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/DDN-20200414-2



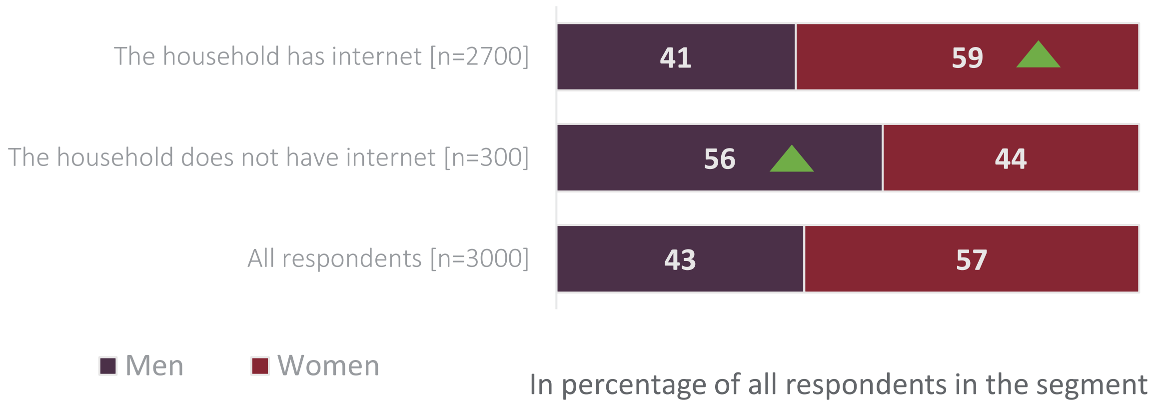
We could say with 95% certainty that the proportion of households with internet access in Hungary increases by 4% points per year, but since we are approaching 100%, or the saturation point, we therefore assume **90%** household coverage by September 2022 based on expert estimates.

The sample was formed and weighted accordingly. Out of a sample of 3,000 households, **2,700 have internet access and 300 do not.**

THE RESEARCH SAMPLE

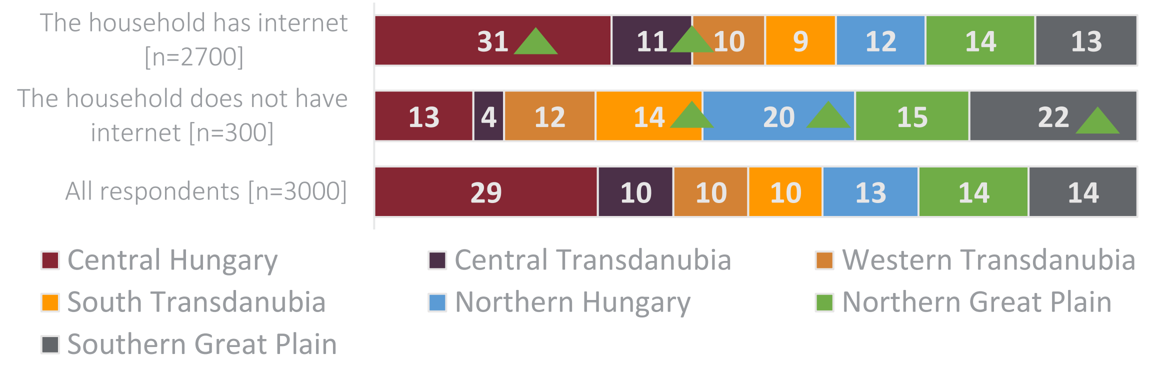
Internet-using households are overrepresented in the central region, in larger cities

Gender of respondent



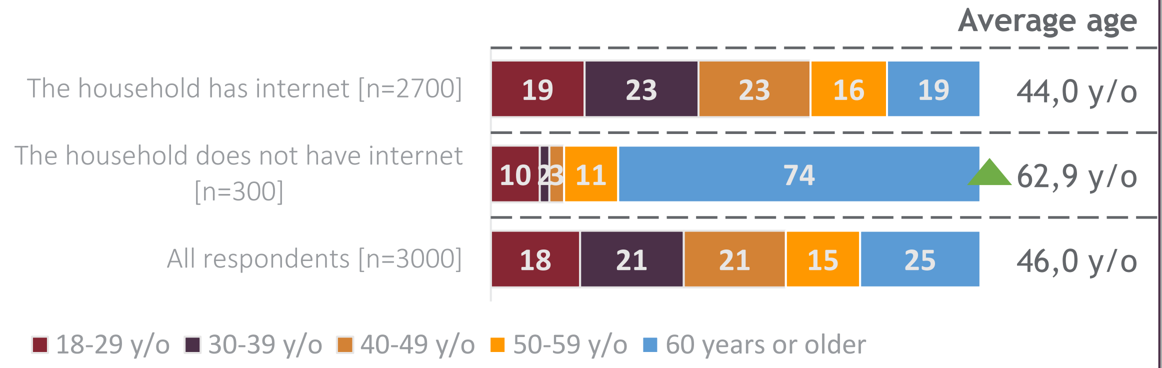
In percentage of all respondents in the segment

Respondent's region of residence



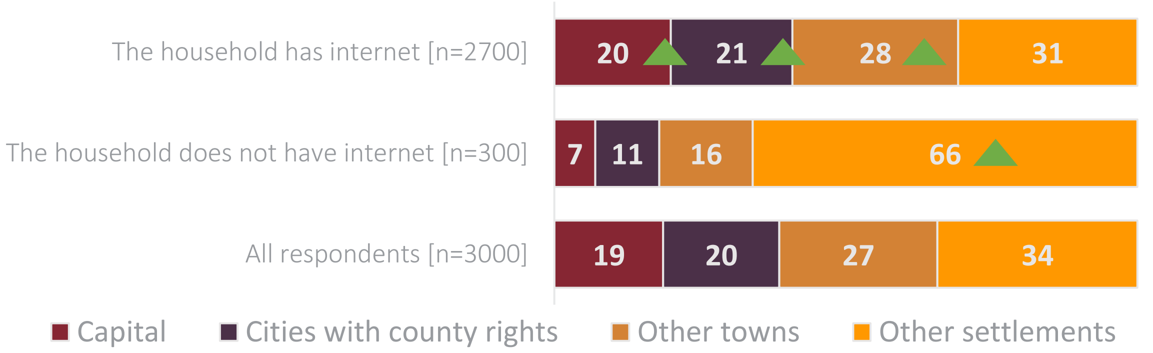
In percentage of all respondents in the segment

Age of respondent



In percentage of all respondents in the segment

Type of settlement of respondent's residence

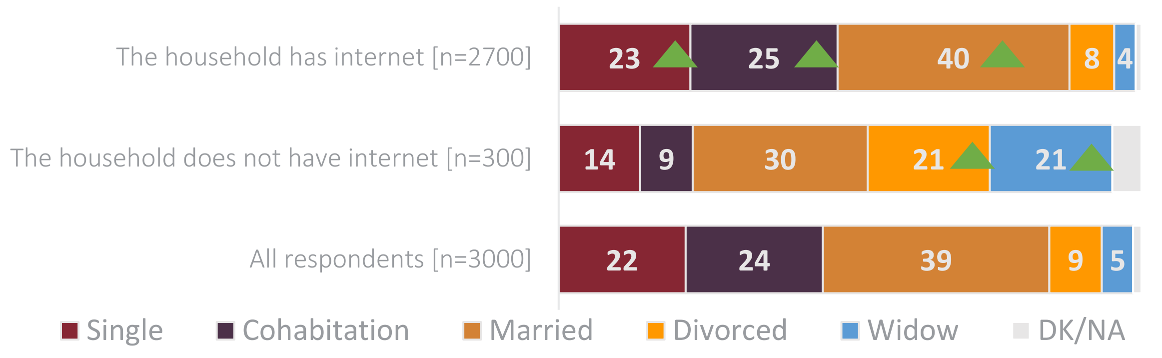


In percentage of all respondents in the segment

THE RESEARCH SAMPLE

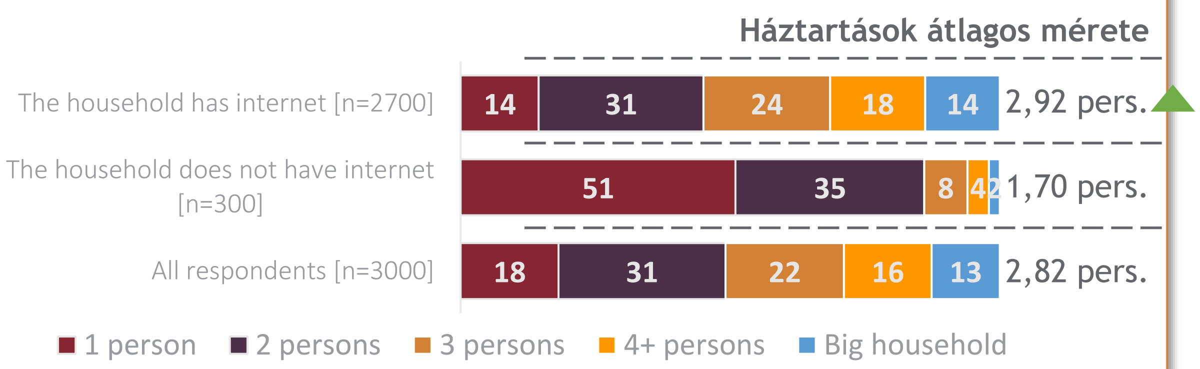
Internet-using households are typically larger, more populated households and families with children

Marital status of respondent



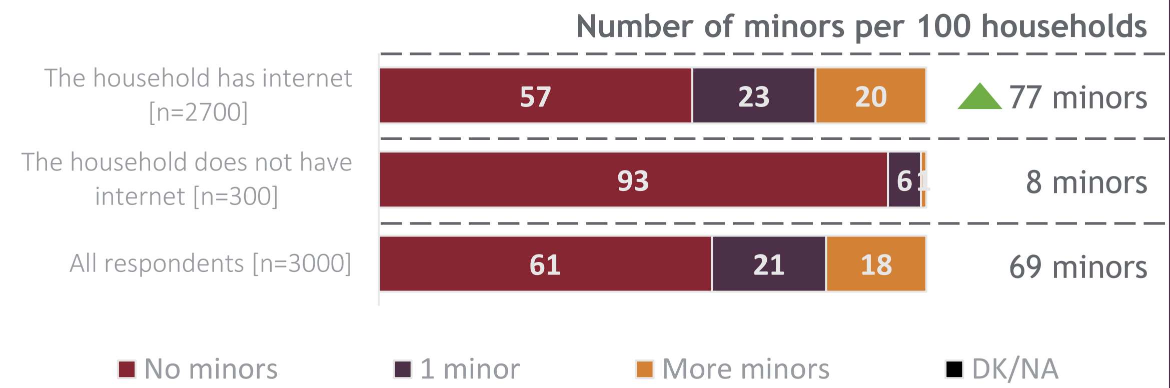
In percentage of all respondents in the segment

Size of respondent's household



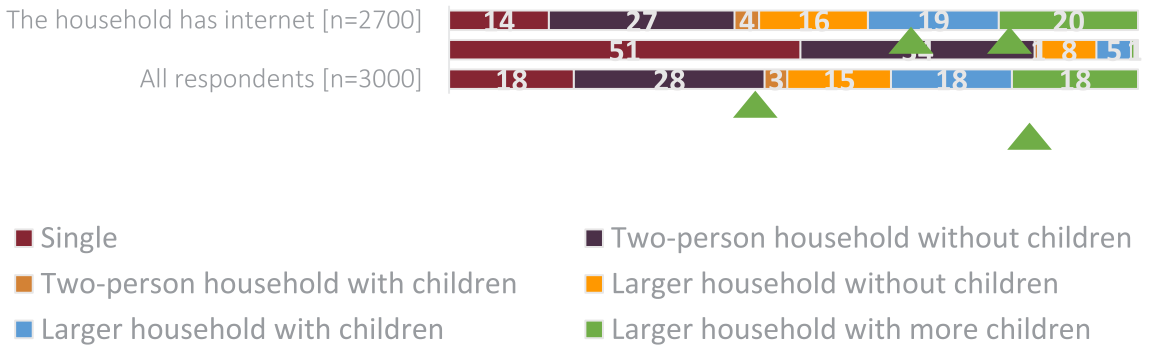
In percentage of all respondents in the segment

Minors in the household



In percentage of all respondents in the segment

Structure of respondent's household

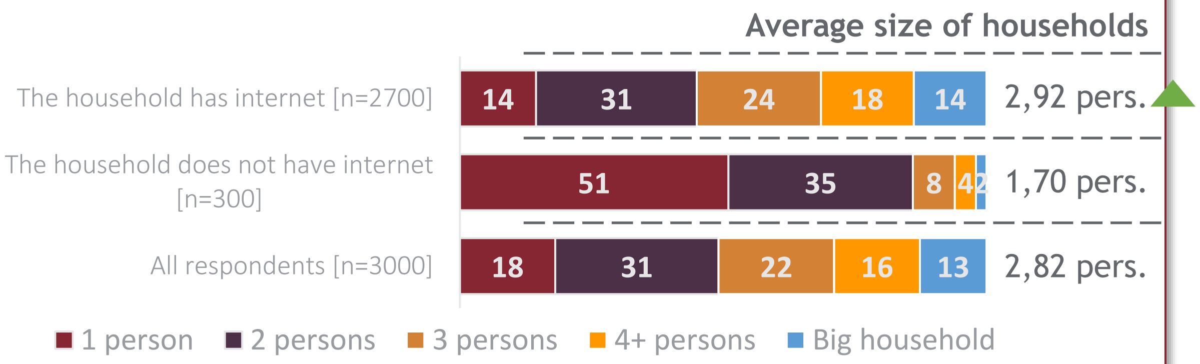


In percentage of all respondents in the segment

THE RESEARCH SAMPLE

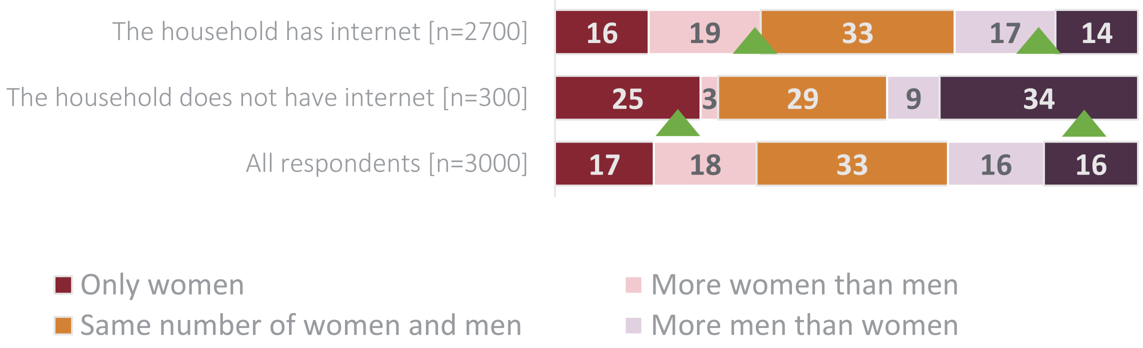
Significantly more minors live in internet-using households

Size of respondent's household



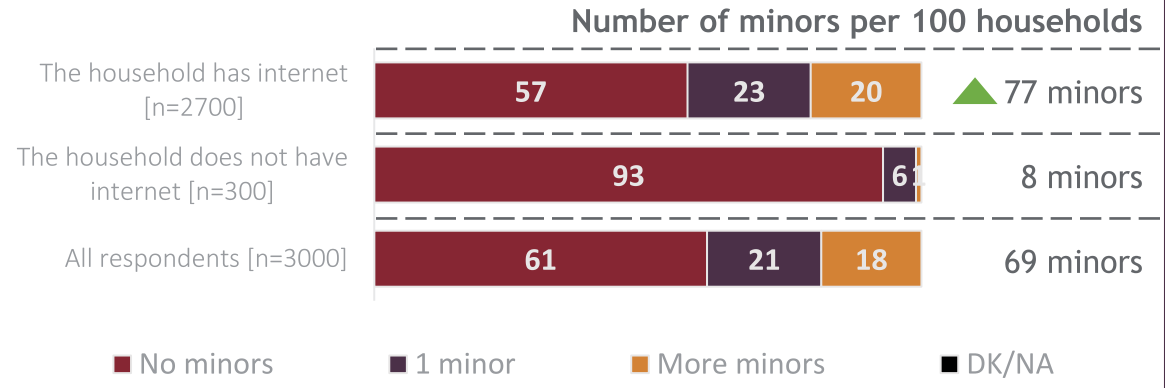
In percentage of all respondents in the segment

Gender composition of households



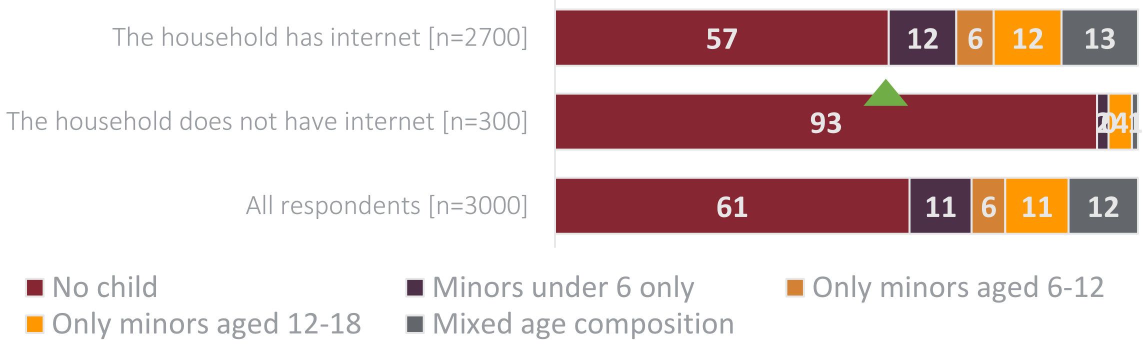
In percentage of all respondents in the segment

Minors in the household



In percentage of all respondents in the segment

Composition by age of children

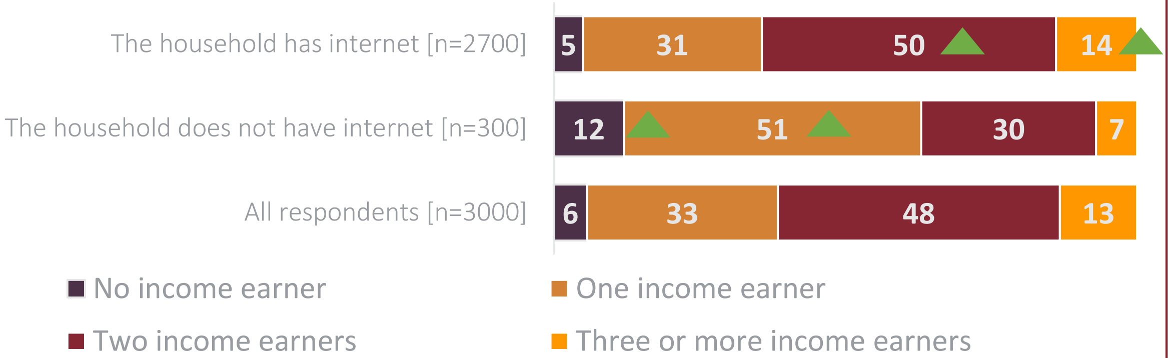


In percentage of all respondents in the segment

THE RESEARCH SAMPLE

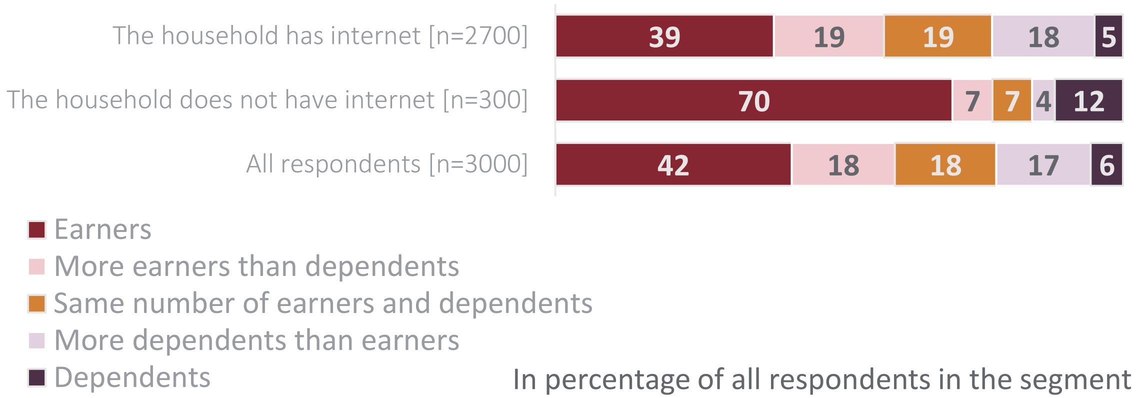
Households using the Internet are in a more favorable income situation and have a higher level of education

Do you continue regular income-generating activities?



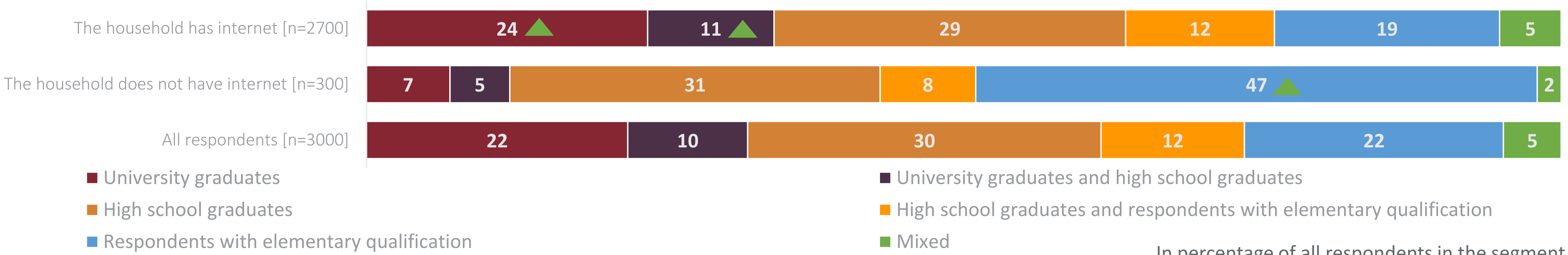
In percentage of all respondents in the segment

Ratio of employees and dependents



In percentage of all respondents in the segment

Respondent's education

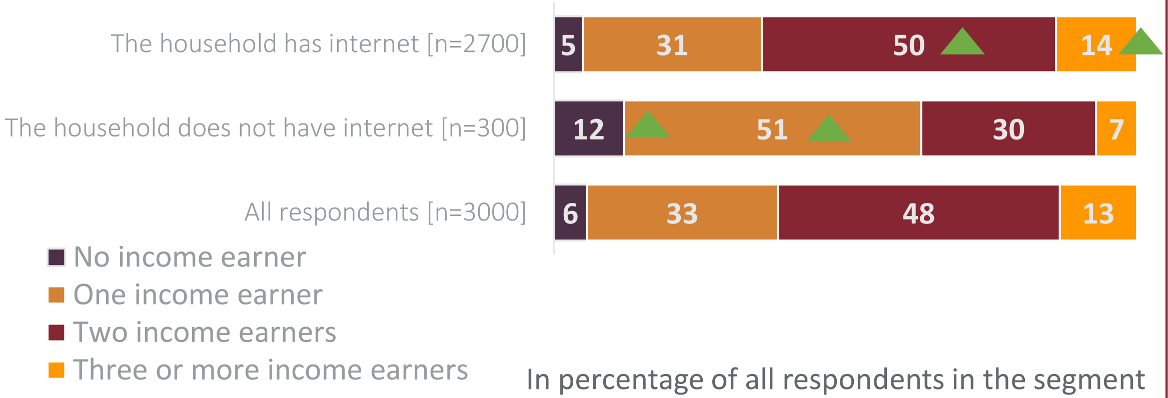


In percentage of all respondents in the segment

THE RESEARCH SAMPLE

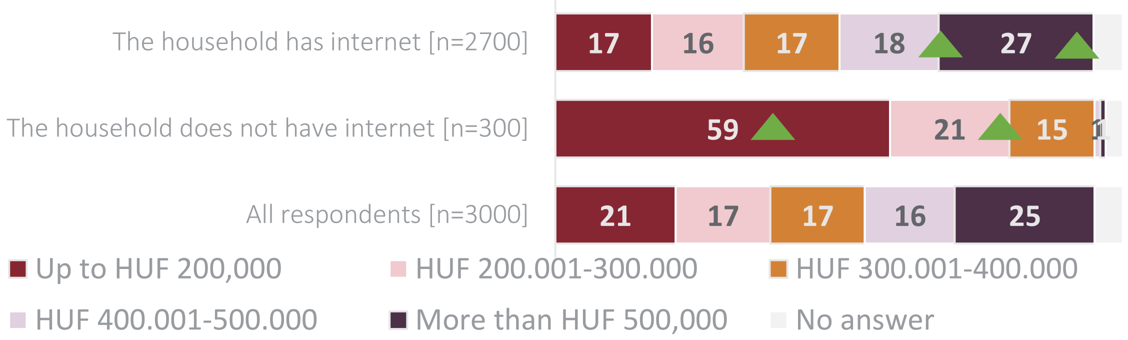
Living conditions and economic background of the household: those who do not have internet live in more modest conditions

Do you continue regular income-generating activities?



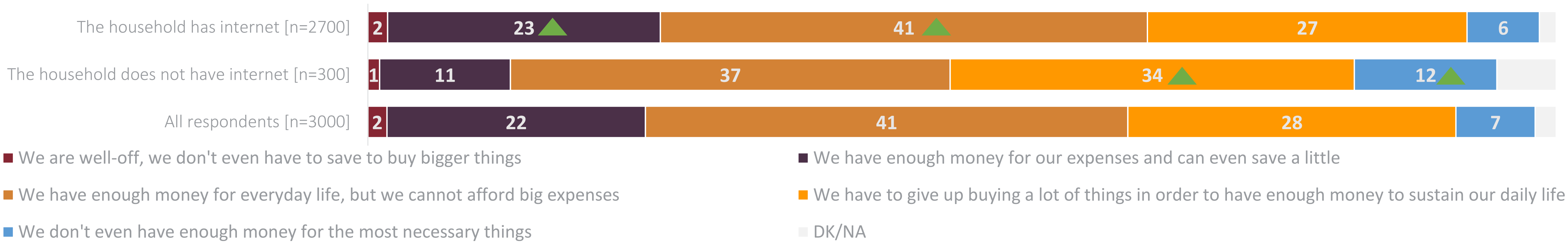
In percentage of all respondents in the segment

The financial situation of the respondent's household



In percentage of all respondents in the segment

Subjective household well-being



In percentage of all respondents in the segment

VIEWER CLUSTERS

Factor and cluster analysis based on attitude statements. The persona of each cluster

A FEW WORDS ABOUT FACTOR ANALYSIS

What is factor analysis good for?

- Factor analysis is a so-called data reduction statistical procedure, the essence of which is that e.g. in our case, it arranges the 22 attitude statements into groups. Each of the 22 attitude statements can be said to be strongly correlated with one or more other statements, namely if the respondent answered one statement in a certain way, his answer to the other attitude question that is strongly correlated with it can also be predicted.

87%

KMO coefficient

- A factor analysis can only be successful and thorough if the so-called Kaiser-Meyer-Olkin coefficient (KMO) exceeds 70%
- In the case of our research, this coefficient is 87%, so factor analysis is very suitable for **creating clusters and segments in this research**
- This also means that the respondents answered very consistently and consciously

5

Number of factors

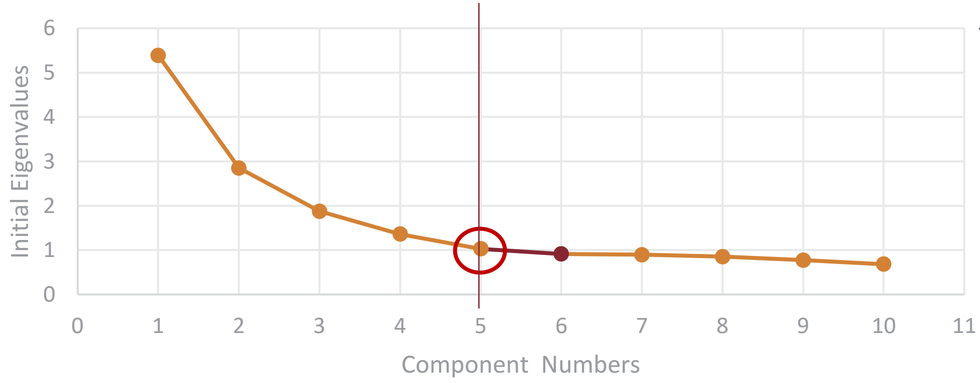
- There is no clear rule for determining the number of factors, it is a matter of analytical judgment
- In general, it is necessary to examine after how many factors the so-called explanatory power, or that the factors explain at least 50% of the total variance
- In our case, based on these two professional principles, **we decided on 5 factors**

55%

Explained variance

- Then a factor analysis is good, and the selection of the number of factors was professionally appropriate if the explained variance reaches 50%.
- In our case - if not very confidently - we **managed to reach 50%, our 5 factors have a total explanatory power of 55%**
- If we only worked with 4 factors, we could explain 50% of the total variance, which is not enough

Scree Plot diagram



In summary: several principles and theories support the fact that we will **have 5 usable factors** in this research.

- The eigenvalue of factor 6 no longer exceeds the value of 1
- However, the combined explanatory power of the first 4 factors is only 50%, which we would not be satisfied with
- 4 factors would be too rough because it would only explain 50% of the total variance
- With the five-factor solution we chose, we can explain 55% of the total variance, which is professionally appropriate

>1

Eigenvalue (own value) principle

- Factors may be included in the factor analysis, and later in the cluster creation, as long as the so-called eigenvalue of a factor is above 1
- **The Scree Plot on the left also shows that the eigenvalue of the 6th factor no longer exceeds 1, so this also supports the fact that 5 factors are the best choice**

ATTITUDINAL FACTORS

Based on the above reasoning, we will continue with 5 attitude factors. With a so-called VARIMAX rotation, we classified all 22 original attitude statements behind one of the factors

Rotated Component Matrix

	Component					MAX	Which statement is assigned to which factor?				
	1	2	3	4	5		1	2	3	4	5
There are a lot of advertisements on TV channels.	-0.26	0.31	0.54	0.00	-0.14	0.54					
Among the advertisements shown on TV channels. there are some that are interesting to me.	0.73	-0.15	-0.13	0.01	0.02	0.73					
It has happened that an advertisement for a product or service on television caught my attention	0.72	-0.15	-0.06	0.05	-0.07	0.72					
Whenever there is a commercial on television. I always turn off or pause the live broadcast and then rewind.	-0.36	0.34	0.31	0.22	0.16	0.34					
I think the ratio of commercials and TV shows on TV is right.	0.54	-0.13	-0.47	0.18	0.34	0.54					
These commercials on TV are misleading.	-0.28	0.57	0.19	0.03	0.20	0.57					
Advertisements broadcast on TV are the most authentic. because their content has probably been checked.	0.57	-0.16	-0.26	0.21	0.20	0.57					
Advertisements on TV are harmful. especially to minors.	-0.09	0.80	0.07	0.06	0.09	0.80					
I try (or would try) to keep my child away from commercials.	-0.12	0.76	0.12	0.12	0.04	0.76					
We choose a channel. a TV station. so that we know that there are no commercials broadcast there.	-0.26	0.47	0.06	0.50	0.20	0.50					
Advertisements seen on TV influence people very easily. they are probably the most effective tool.	0.28	0.59	0.28	0.03	-0.18	0.59					
For a certain monthly fee. I would be willing to subscribe to an ad-free version of a TV channel.	0.06	0.21	0.11	0.71	-0.26	0.71					
I like commercials so much that I can take care of my other things and household chores at that time.	0.55	0.08	0.03	0.02	0.07	0.55					
I don't understand people who are bothered by commercials. because they can still watch the program they want anyway.	0.58	-0.12	-0.39	0.12	0.32	0.58					
If I want to watch these shows. movies. and entertainment programs for free. I accept that they also broadcast advertisements.	0.69	-0.04	0.02	-0.08	0.02	0.69					
It has happened that I stopped following a channel I used to like because they broadcast too many commercials.	-0.29	0.32	0.21	0.49	0.25	0.49					
There is no such low subscription fee that would encourage me to subscribe to an ad-free channel or platform.	0.19	0.01	0.08	-0.39	0.64	0.64					
The subscription solutions and channels that promise to be free of advertising are worth the monthly fee you have to pay for them.	0.14	0.07	0.10	0.74	-0.24	0.74					
I / we pay for subscription channels and solutions not because of the promise of advertising freedom. but for other reasons and other benefits.	0.29	-0.12	0.10	0.46	0.12	0.46					
Subscription solutions and channels that promise to be free of advertising contain other pitfalls and negative surprises.	0.13	0.18	0.05	-0.03	0.66	0.66					
The essence of the subscription media service (streaming) is that you can view content without advertisements.	0.14	-0.01	0.69	0.24	0.01	0.69					
It is very annoying when an advertisement appears in a subscription media service.	-0.15	0.22	0.76	0.11	0.11	0.76					
If advertising content or advertisements appeared in a subscription media service (e.g. streaming). I would definitely cancel / not subscribe to it.	-0.19	0.22	0.60	0.13	0.34	0.60					

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 9 iterations.

ATTITUDINAL FACTORS

Let's see the 5 factors and interpret their content! Which factor refers to which behavioral element?

Ad acceptor, advertising-appreciative attitude, emphasis on their usefulness	Emphasizing the harmfulness and lack of credibility of advertising	Expect ad-free entertainment	Trade-off attitude: the monthly fee is acceptable for no advertising	Skepticism towards solutions that promise to be free of advertising
▪ Among the advertisements shown on TV channels, there are some that are interesting to me. ▪ It has already happened that a TV ad drew my attention to a certain product or service. ▪ I think the ratio of commercials and TV shows on TV is right. ▪ Advertisements broadcast on TV are the most authentic because their content has been checked. ▪ I like commercials so much that I can take care of my other tasks and household chores at that time. ▪ I don't understand people who are bothered by commercials, which still allows them to watch the show they want. ▪ If I want to watch these shows, movies, and entertainment programs for free, I accept that they also broadcast advertisements.	▪ These commercials on TV are misleading. ▪ Advertisements on TV are harmful, especially to minors. ▪ I try (or would try) to keep my child away from advertising. ▪ We choose a channel or TV station that we know it does not broadcast commercials ▪ Advertisements seen on TV influence people very easily, it is probably the most effective tool.	▪ There are a lot of advertisements on TV channels. ▪ Whenever there is a commercial on television, I always turn off or pause the live broadcast and then rewind. ▪ The essence of the subscription media service (streaming) is that you can view content without advertisements. ▪ It is very annoying when an advertisement appears in a subscription media service. ▪ If advertising content or advertisements appeared in a subscription media service (e.g. streaming), I would definitely cancel / not subscribe to it.	▪ For a certain monthly fee, I would be willing to subscribe to an ad-free version of a TV channel. ▪ It has happened that I stopped following a channel I used to like because they broadcast too many commercials. ▪ The subscription solutions and channels that promise to be free of advertising are worth the monthly fee you have to pay for them.	▪ There is no such low subscription fee that would encourage me to subscribe to an ad-free channel or platform. ▪ Subscription solutions and channels that promise to be free of advertising contain other pitfalls and negative surprises.
Explanatory power within total variance: 15%	Explanatory power within total variance: 12%	Explanatory power within total variance: 11%	Explanatory power within total variance: 10%	Explanatory power within total variance: 7%
Average correlation is the factor and between its elements: 0.63	Average correlation is the factor and between its elements: 0.64	Average correlation is the factor and between its elements: 0.59	Average correlation is the factor and between its elements: 0.65	Average correlation is the factor and between its elements: 0.65

BUSINESS PURPOSE AND METHODOLOGY OF CLUSTER ANALYSIS AND FACTOR ANALYSIS

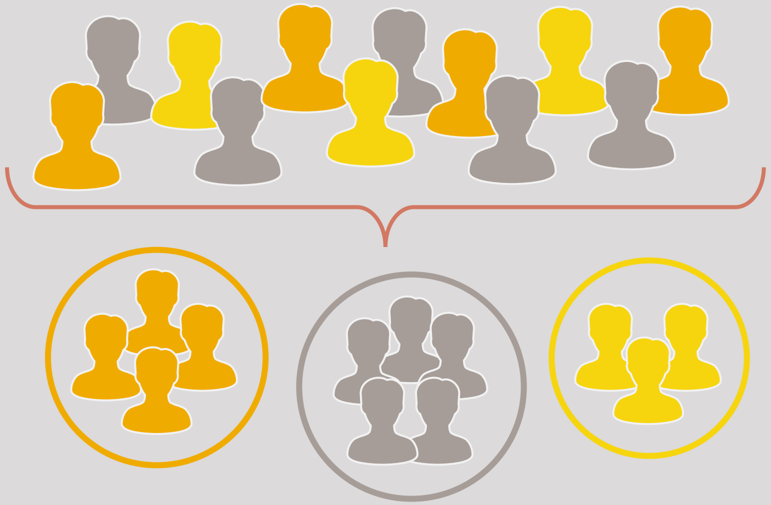
Briefly about cluster analysis

- Segmentation was performed using multivariate data analysis and cluster analysis. The method can be used to define several segments whose members show similar behavior within the cluster, but at the same time, the cluster differs significantly from the other clusters in terms of the respondent's thinking and habits.

- In this cluster analysis, we used **22 predefined attitude statements**

- Since we used the same 1...5 Likert scale for all attitude statements, factor and then **cluster analysis is an obvious solution**

- As a result of the cluster analysis, **3 distinct clusters** emerged with significant demographic and attitudinal differences



3 DISTINCT CLUSTERS OF 5 FACTORS, 3 DIFFERENT PERSONAS

	Ad hater	Ad acceptor	Ad avoider
FACTOR 1 – Ad acceptor, advertising-appreciating attitude	-0,1	0,5	-0,4
Among the advertisements shown on TV channels, there are some that are interesting to me.	-0,3	0,6	-0,3
It has already happened that a product or service was noticed by an advertisement seen on television.	-0,3	0,5	-0,3
I think the ratio of commercials and TV shows on TV is right.	-0,5	1,0	-0,5
Advertisements broadcast on TV are the most authentic, because their content has probably been checked.	-0,5	0,8	-0,3
I like commercials so much that I can manage other things and household chores at that time.	-0,1	0,3	-0,3
I don't understand those people who are bothered by commercials, which still allows them to watch the program they want.	-0,6	1,0	-0,5
If I want to watch these shows and movies for free, I accept that they also broadcast advertisements.	-0,1	0,4	-0,3
FACTOR 2 - Emphasizing the harmfulness and lack of credibility of advertising	0,8	-0,3	-0,7
These commercials on TV are misleading.	0,5	-0,4	-0,1
Advertisements on TV are harmful, especially to minors.	0,7	-0,3	-0,6
I try (or would try) to keep my child away from advertising.	0,8	-0,4	-0,5
We choose a channel, a TV station, so that we know that there are no commercials broadcast there.	0,2	-0,2	-0,1
Advertisements seen on TV influence people very easily, it is probably the most effective tool.	0,6	-0,3	-0,4

3 DISTINCT CLUSTERS OF 5 FACTORS, 3 DIFFERENT PERSONAS

	Ad hater	Ad acceptor	Ad avoider
FACTOR 3 - Advertising is useless, irritating and interferes with entertainment	0,1	-0,9	0,7
There are a lot of advertisements on TV channels.	0,5	-0,8	0,4
Whenever there is a commercial on television, I always turn off or pause the live broadcast and then rewind.	0,3	-0,6	0,3
The essence of the subscription media service (streaming) is that you can view content without advertisements..	0,0	-0,4	0,5
It is very annoying when an advertisement appears in a subscription media service.	0,3	-0,8	0,6
If advertising content or ads appeared in a subscription media service (e.g. streaming), I would definitely cancel / not subscribe to it.	0,1	-0,6	0,5
FACTOR 4 - Trade-off attitude: a monthly fee is acceptable for advertising exemption	-0,4	0,2	0,1
For a certain monthly fee, I would be willing to subscribe to an ad-free version of a TV channel.	0,1	-0,1	0,1
It has happened that I stopped following a previously liked channel over time because they broadcast too many commercials.	0,1	-0,3	0,2
The subscription solutions and channels that promise to be free of advertising are worth the monthly fee you have to pay for them.	0,0	0,0	0,0
FACTOR 5 - Skepticism towards solutions that promise to be free of advertising	-0,5	0,4	0,1
There is no such low subscription fee that would encourage me to subscribe to an ad-free channel or platform.	-0,2	0,3	-0,1
Subscription-based solutions and channels that promise to be free of advertising contain other pitfalls and negative surprises.	-0,1	0,2	-0,1

AD HATER, WHO BELIEVES IN AD-FREE SOLUTIONS

The persona: A woman between the ages of 35 and 45 from Szeged, whose family has a minor who was afraid of advertisements

About the respondent

47
average age

30-39 years old
25%

Female dominance
An attitude typical of women, more than 60% of the cluster are women

Relatively many are from the Southern Great Plains
Although - as in all clusters - most of them live in Central Hungary, there are relatively many respondents from the Southern Great Plains

There is no typical pattern regarding her family status

About her household

- The size of the household corresponds to the Hungarian average, 275 people live in 100 such households
- We did not find any characteristics regarding the number of people in the household, two-person households are the most common

- The number of children can also be called average, 66 children live in 100 such households
- However, households with only children **under the age of 6**, in kindergarten, nursery school or even younger are more common

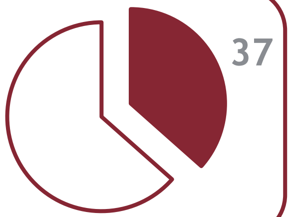
- We find a higher proportion of households in which only women live, and it is also common for a single mother to raise her minor (e.g. under 6) children

- Compared to the average, the penetration of TV subscriptions is lower, which is 86%

Her way of thinking

- According to her, the advertisements are manipulative, deliberately misleading and harmful
- Advertisements should not be believed, they are not reliable
- It protects minors from advertising, fearing that it is harmful to children
- According to her, advertising is a bad thing, she tries to avoid it and choose a channel accordingly
- People are very easily manipulated by advertisements seen on TV
- She considers the ratio of TV commercials to be excessive
- She is characterized by ad avoider behavior, i.e. rewinding, disconnecting, but still does not think about a paid advertising-free solution

Estimated size of cluster



Nóra from Szeged is 37 years old, mother of one child, she and her husband live in a family, household. Both have high school diplomas, their living conditions and financial situation can be said to be stable, but they do not live in luxurious conditions. Since her child is still small, a preschooler, she is afraid to keep him/her away from TV, especially commercial channels. In any case, they are not addicted to TV, they watch TV purposefully, background or aimless TV viewing is less common. They have a paid media service, but they also watch it with subdued intensity. If an advertisement is broadcast on TV, she tries to rewind it or turn it off, because she feels that the advertisements are manipulative and harmful

AD ACCEPTOR, WHO DOESN'T EXPECT AD-FREE SOLUTIONS

The persona: 29-year-old classified manual worker with basic education from Debrecen

About the respondent

45
average age

18-29 years old
23%

Mostly male segment
Almost half of the segment is men, which is higher than the Hungarian average

The proportion of young people is the highest
A quarter of the segment is made up of 18-29-year-olds, which is a high proportion compared to several clusters

Compared to the average, slightly more people are from the Northern Great Plains

Cohabitation is somewhat more common due to their age

About his household

- There are relatively many 18-29-year-olds in the cluster, so it is not surprising that relatively many live alone in one-person households, although two-person households are the most common.
- Regardless, the households are average

- The proportion of households in which only men "live" is high
- This presumably means that single male households are relatively common

PRIMARY EDUCATION

- This cluster lives in relatively modest financial conditions
- The school background of the segment is also more modest, we are talking about a less educated cluster
- They are relatively often physical subordinates

- Internet penetration is the lowest in this cluster, because the national average is still 90%, while in this cluster it is 84%

His way of thinking

- He does not object to the ratio of commercials and TV shows
- He does not question the reliability of the advertisements broadcast on TV
- He considers advertisements to be useful, there have been cases where TV advertisements helped him choose a product or service
- He will usually finds an advertisement that interests him
- He doesn't really want a paid and ad-free solution, since on the one hand he accepts advertising, and on the other hand, his financial background is more modest
- He doesn't even understand why ads bother other people
- He does not avoid TV commercials

Estimated size of cluster

József from Debrecen is 29 years old. He has a partner, but they haven't moved in yet, that will happen soon. In fact, they are almost already cohabiting. József works as a skilled worker, his future partner has graduated. His financial background is more modest, although he gets along well, he can also pay the rental, and he has no money set aside for savings or major investments. He works in a factory near Debrecen, does not have his own car, and uses public transport. In his life, linear TV is not a central issue, so commercials don't really bother him either, and sometimes he even finds a relevant ad among them. Since he has a traditional set with digital cable TV, with relatively "outdated" technology, he can't really avoid commercial breaks.

AD AVOIDER, WHO EEXPECTS AD-FREE ENTERTAINMENT AND UNDERSTANDS THE PAID BUSINESS MODEL

The persona: X-generation, educated, agglomeration married couple, with good financial conditions

About the respondents

47
average age

40-49 years old
25%

Predominantly in Central Hungary

It is not by chance that we experience a predominance in Central Hungary, where the purchasing power is the highest, which is why this cluster is more acceptable with paid media services

Almost half of the cluster is married, as indicated by their age

Highly educated cluster, almost a quarter of the respondents have a degree, and more than a third of the households have a higher education

About their household

- The size of the households is average, namely 280 people live in every 100 such households, which is completely in line with the average
- The ratio of two-person households and married people is very high

- Almost two-thirds of households do not have minors, and childless two-person households are common
- If a minor lives with them, he is already approaching 18

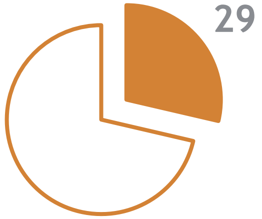
- It is most common that the same number of women and men live in households, so mainly one woman, one man, husband and wife without (yet) children

- They live in stable financial conditions; the total net income of the household is most often over HUF 500,000 or even HUF 750,000

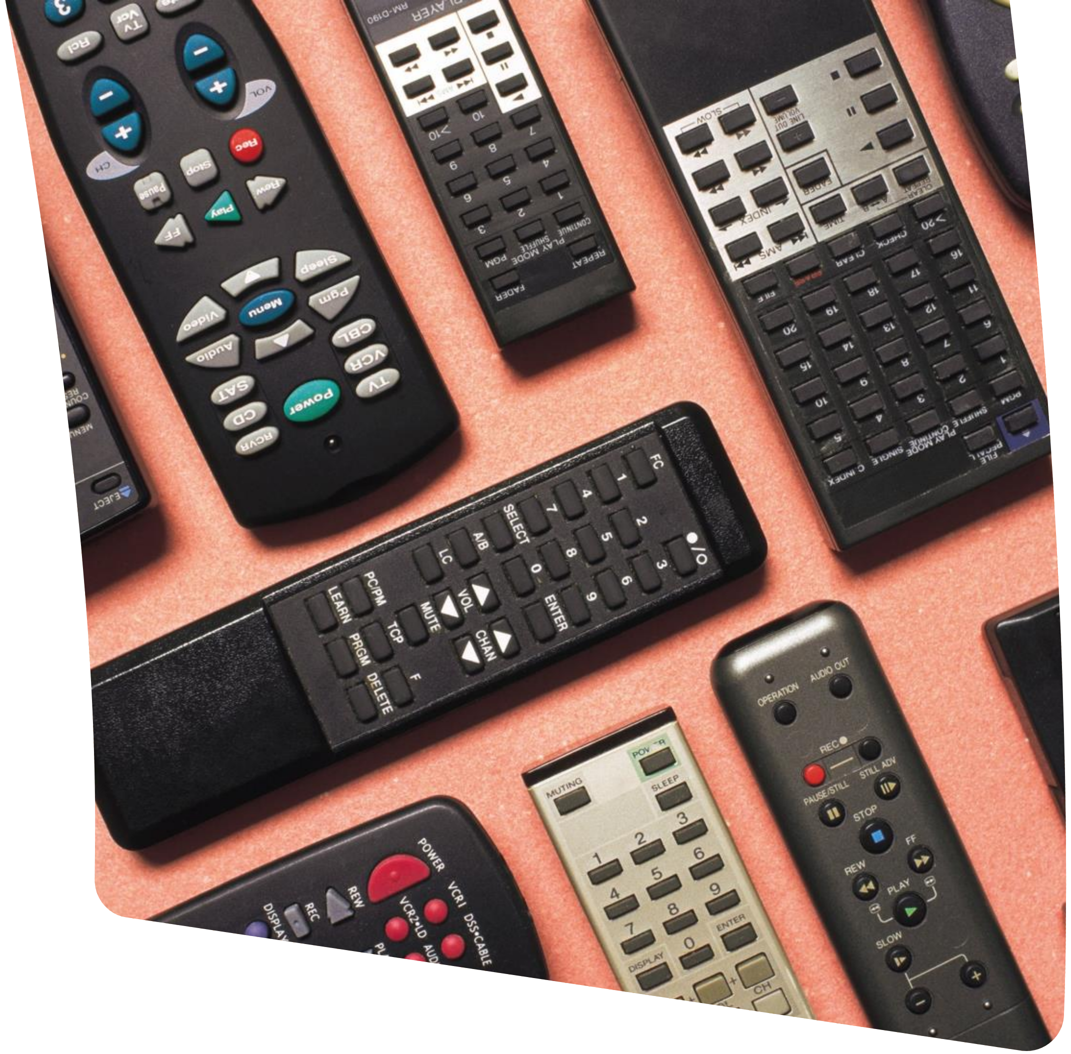
Their way of thinking

- Although they do not criticize the content of the advertisements, nor question their authenticity, they are still annoyed by the advertisements
- They feel that TV commercials take away from their entertainment, and while they see no harm in TV commercials, they do not feel they are "dangerous" or manipulative, their time is too expensive to spend watching commercials
- They understand and accept the business model of paid and ad-free content
- Mostly this cluster accepts the "trade-off" principle of paid models, namely "something for something", advertising-free comes only for a monthly fee

Estimated size of cluster



Anna and Csaba, both are 45-50 years old, live in an affluent small town in the agglomeration of Budapest. Both graduated from university. Csaba has a thriving small business, Anna is employed as a middle manager. They live in good financial conditions in their own property, they can afford larger investments and some savings. They have two children who are slowly growing up, one of them has already moved away, the younger one still lives with them, but he will also be 18 soon. Their household is well equipped, there is a tablet, a smart TV and both of them have a laptop, all of which are used to view borrowed content. They like to watch movies, but not on TV, not linearly, but according to their own needs. This does not mean that the advertisements are condemned.



TV VIEWING HABITS IN GENERAL

Screens in the household. What types of screens do they have in the household? Subscription TV technologies. Spending on different forms of program viewing (subscription TV, streaming, VOD, going to the cinema)

EVERY HOUSEHOLD HAS AT LEAST ONE SCREEN

88% of all households have a TV subscription (there is almost no difference between the clusters in this regard). The best equipped with devices are the members of the cluster who expect advertising-free entertainment and live in better living conditions, in which the proportion of IPTV subscriptions is also high.

▲ Significantly higher mentioning

%	All households (n=3000)	Ad hater (n=1096)	Ad acceptor (n=1004)	Ad avoider (n=900)
Smart phone	78	79	71	83 ▲
Laptop	62	66	52	68 ▲
SMART TV	55	54	51	61 ▲
Conventional TV	50	50	52	48
Desktop PC	42	40	40	45
Tablet / iPad	32	31	27	38 ▲
Game console (X-Box, Playstation, etc.)	18	15	19	21
Apple TV	2	2	3	2

At least one of the listed screens can be found in 99.5% of households.

In the sample of 3,000 households, there were only 15 households in which neither device was available.

%	All households (n=3000)	Ad hater (n=1096)	Ad acceptor (n=1004)	Ad avoider (n=900)
Subscription based DVB/T (Mindig TV Extra)	11	8	14	11
DVB/S, digital satellite	14	14	15	12
Analog cable TV	7	6	10	6
DVB/C, digital cable TV	35	35	35	34
IPTV	23	24	18	27 ▲
Have TV subscription	88	86	89	89

IPTV technology, which can be called the most modern, is mostly present in the more affluent, better living and more educated cluster, in the ad avoider cluster that expects ad-free entertainment and is less willing to pay for it

B1. Do you have the following information communication and telecommunication devices in your household?
B2. What type of TV subscription does your household have? If you have several subscriptions and they are implemented on different technologies, you can select several technologies.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

THE PENETRATION OF DIGITAL CABLE TV IS THE HIGHEST

In those households that have WIFI and mobile internet, the penetration of TV subscriptions and IPTV technology is also higher

▲ Significantly higher mentioning

There are any screens in the household (%)

	All households n=3000	Has WIFI only, no mobile internet n=855	Has mobile internet only, no WIFI n=224	Has both n=1821	Has no internet access n=100
Smart phone	78	74	77	89 ▲	25
Laptop	62	59	52	74 ▲	4
SMART TV	55	55	42	65 ▲	7
Conventional TV	50	48	42	45	94 ▲
Desktop PC	42	44	23	49 ▲	4
Tablet / iPad	32	25	28	41 ▲	0
Game console (X-Box, Playstation, etc.)	18	14	13	24 ▲	0
Apple TV	2	2	2	3	1

Have TV subscription (%)

	All households n=3000	Has WIFI only, no mobile internet n=855	Has mobile internet only, no WIFI n=224	Has both n=1821	Has no internet access n=100
Have TV subscription	88	88	70	92 ▲	84
Subscription based DVB/T (Mindig TV Extra)	11	11	8	11	15
DVB/S, digital satellite	14	11	26 ▲	13	17
Analog cable TV	7	9	7	6	14
DVB/C, digital cable TV	35	37	19	36	34 ▲
IPTV	23	21	5	29 ▲	6

B1. Do you have the following information communication and telecommunication devices in your household?
B2. What type of TV subscription does your household have? If you have several subscriptions and they are implemented on different technologies, you can select several technologies.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

VIEWING CONTENT FROM DIFFERENT MEDIA PROVIDERS

Netflix leads the way, followed by HBO Max and RTL Most. The two most popular paid streaming providers are more popular among the affluent cluster that accepts the paid model and expects ad-free. In general, this cluster watches paid streaming more often

▲ Significantly higher mentioning

Rate of content viewers

	All households n=3000 %	Ad hater n=1096 %	Ad acceptor n=1004 %	Ad avoider n=900 %
Netflix	36	35	32	44 ▲
HBO Max	23	22	21	27 ▲
RTL Most	19	17	22 ▲	19
Disney+	14	12	15	16
YouTube Premium	12	11	10	14
RTL Most+	11	8	13 ▲	11
TV2 Play	9	8	11	8
Telekom TV GO	6	5	7	7
Digi Online	5	4	7	5
Médiaklikk	5	5	4	6
Amazon Prime Video	4	4	4	4
Horizon Go / Vodafone TV	3	2	4	3
Apple TV+	3	1	4	3
Google TV	3	1	5	2
TV2 Play Prémiumot	1	1	2	1
Other	1	2	1	2
Rate of content viewers	67	64	65	72 ▲

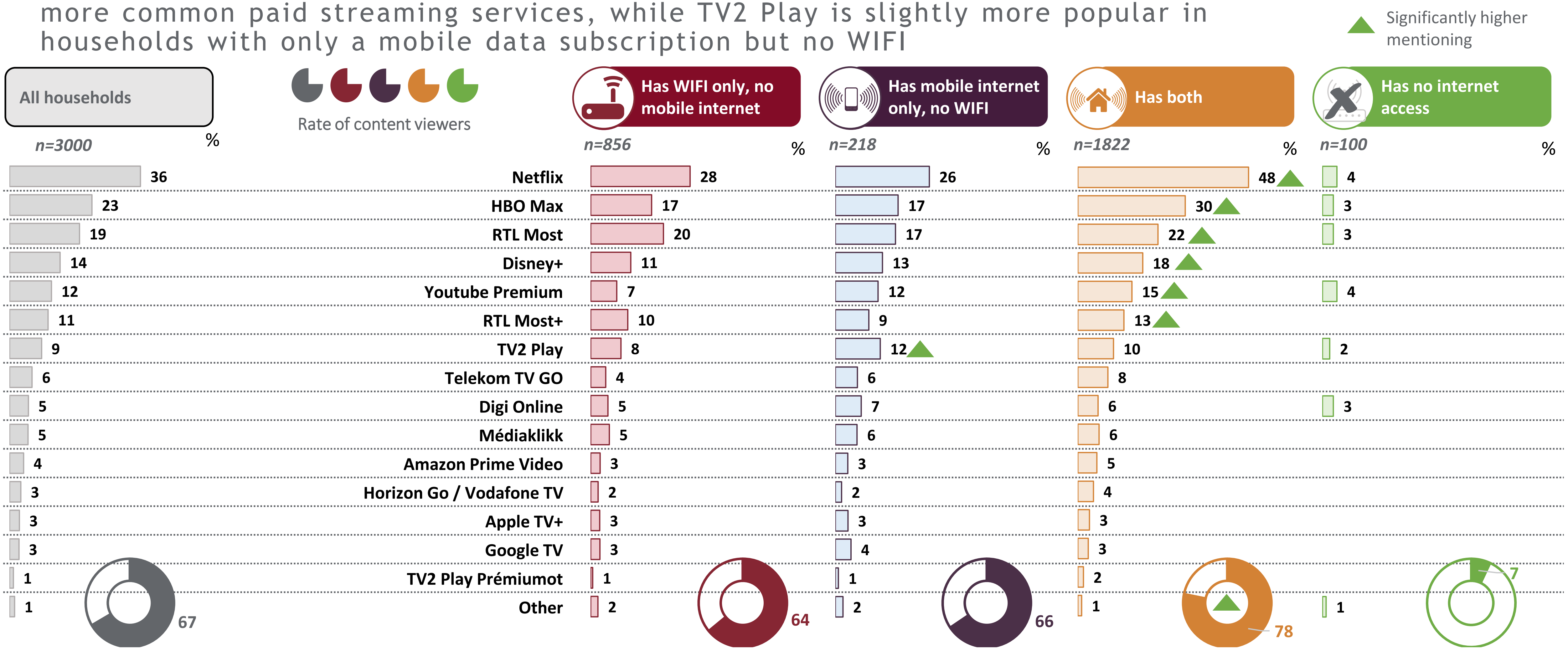
Other answers:

- Comedy Central
- Film+
- Filmklub
- Flip
- Jobbmintatv
- One Direct
- Videa
- Indavideo
- Spotify
- YouTube
- YouTube podcasts
- YouTube Kids
- Yettel TV
- TV5 Monde Plus
- N-Core
- Nat Geo TV
- Eurosport TV

B3. In the past month, have you watched any content on any of the following media services? You can mark more than one answer.
Multiple answers are possible.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

VIEWING CONTENT FROM DIFFERENT MEDIA PROVIDERS

Households with the best Internet access have a higher proportion of all the major, more common paid streaming services, while TV2 Play is slightly more popular in households with only a mobile data subscription but no WIFI



B3. In the past month, have you watched any content on any of the following media services? You can mark more than one answer. Multiple answers are possible.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

USING MEDIA SERVICES

The more affluent third cluster, namely those whose basic expectation for ad-free and their willingness to pay is the highest, use streaming services more often. The two most popular streaming services are Netflix and HBO Max, with a significant "gap" behind them.

▲ Significantly higher mentioning

	All households n=3000 %	Ad hater n=1096 %	Ad acceptor n=1004 %	Ad avoider n=900 %
Netflix	35	34	31	41 ▲
HBO Max	20	20	17	25 ▲
Disney+	12	10	13	15 ▲
Youtube Premium	11	11	10	13
Telekom TV GO	10	9	10	11
Digi Online	6	5	8	6
Amazon Prime Video	3	4	3	3
Horizon Go / Vodafone TV	3	3	4	4
Google TV	3	2	5	2
Apple TV+	2	1	3	2
Other	1	2	1	1
Proportion of media service subscribers	62	57	62	66 ▲

Other answers:

- Direct One
- Filmbox+
- Hírsat
- Invitel TV
- RTL Most+
- Telekom Filmklub
- Vodafone Médiabox

B3A. What media services do you use? You can mark more than one answer.
Multiple answers are possible.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

USING MEDIA SERVICES

Households in which internet connection is available via both WIFI and mobile data have a much higher rate of use of streaming services. This is obviously due to the available technology and infrastructure, but also to the fact that these households are more affluent

%	All households n=3000	Has WIFI only, no mobile internet n=856	Has mobile internet only, no WIFI n=218	Has both n=1822	Has no internet access n=100
Netflix	35	27	24	46 ▲	4
HBO Max	20	15	15	27 ▲	3
Disney+	12	9	14	16 ▲	
Youtube Premium	11	7	14	14 ▲	3
Telekom TV GO	10	8	6	13 ▲	3
Digi Online	6	7	9	6	3
Amazon Prime Video	3	2	2	5	
Horizon Go / Vodafone TV	3	3	1	4	
Google TV	3	3	6	3	
Apple TV+	2	1	3	3	
Other	1	2	4	1	
Proportion of media service subscribers	62	55	57	73 ▲	15

▲ Significantly higher mentioning

B3A. What media services do you use? You can mark more than one answer.
Multiple answers are possible.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

USING MEDIA SERVICES

Many demographic factors influence the consumption of streaming content. Perhaps the most important of these is whether there are minors living in the household, but the educational level and activity level of the adults living in the family can also be highlighted (how many are engaged in income-generating activities)

Significance analysis

Content viewers ratio 67%

In a larger proportion ▲

- Ad avoider, expects ad-free entertainment, understands the paid model [72%]
- They have both technologies (WIFI + mobile data) [78%]
- Central Hungary [74%], Central Transdanubia [74%]
- In the capital [77%]76% of cohabitants and 70% of married people78% of households with three people or more
- Households raising minors are approx. 80% of it
- If there is a child living in a household, it doesn't matter how old they are, content viewing penetration is always around 80%73% of two-earner households and 83% of three-earner households
  If there is a graduate in the household, then 75%

▼ In a smaller proportion

- Ad hater, therefore believes in ad-free solutions [64%]
- No Internet [7%]
- Southern Transdanubia and Northern Great Plain [59-59%]
- In other settlements, villages [58%]
- 46% are divorced and 36% are widows
- 47 and 61% of one-person and two-person households
- 58% of households not raising minors
- 44% of households without earners and 55% of single earners
- If there is no graduate living in the household, only a high school graduate and/or a bachelor's degree holder

Subscribers for media service 62%

In a larger proportion ▲

- Ad avoider, expects ad-free entertainment, understands the paid model [66%]
- They have both technologies (WIFI + mobile data) [73%]
- Central Hungary [69%], Central Transdanubia [69%]
- In the capital [71%]72% of cohabitants and 64% of married people76% of households with four people or more
- Households raising minors are approx. 73% of it
- If there is a child living in a household, it doesn't matter how old they are, the content viewing penetration is always around 70-78%68% of two-earner households and 78% of three-earner households
- If there is a graduate in the household, then 70%

▼ In a smaller proportion

- Ad hater, therefore believes in ad-free solutions [57%]
- No Internet [15%]
- Southern Transdanubia and Northern Great Plain [54-56%]
- In other settlements, villages [53%]
- 44% are divorced and 37% are widows
- 44 and 56% of one-person and two-person households
- 53% of households not raising minors
- 44% of households without earners and 49% of single earners
- If there is no graduate living in the household, only a high school graduate and/or a bachelor's degree holder

B3. In the past month, have you watched any content on any of the following media services? You can mark more than one answer.
B3A. What media services do you use? You can mark more than one answer.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

SUMMARY – AVERAGE MONTHLY EXPENDITURE ON VIDEO CONTENTS

TV SUBSCRIPTION (NOT-BUNDLED)

Average monthly expenditure: 5.566 HUF
Ad avoiders and those whose households have access to both internet technologies pay a higher than average sum (6.048 HUF and 6.232 HUF).

TV SUBSCRIPTION (BUNDLED)

Average monthly expenditure: 6.568 HUF
Meaning that they pay more for the TV than those with standalone TV subscription.
No notable difference emerged among the attitude clusters.

RENTED CONTENT FROM A SERVICE PROVIDER

Average monthly expenditure: 765 HUF
Four fifths of the respondents do not spend at all on VOD from TV providers that can be rented via a TV set.
Ad acceptors and households with only mobile data spend notably more on VOD (1.297 HUF and 1.861 HUF).

PAID STREAMING SERVICE

Average monthly expenditure: 2.357 HUF
About half of the households spend for streaming service.
Ad avoiders and households with mobile data only, or both internet technologies pay a higher than average sum (2.857 HUF, 3.007 HUF, and 2.868 HUF).

CINEMA TICKETS

Average monthly expenditure: 2.072 HUF
40% of the households pay for cinema tickets.
This case household income, settlement type and the presence of children in the family play a higher role on the height of expenditure.

PAID APPLICATION DOWNLOADED TO A MOBILE DEVICE

Average monthly expenditure: 2.535 HUF
Those whith only mobile-internet access pay the more for paid apps (2.949 HUF).

MONTHLY EXPENDITURE ON TV SUBSCRIPTION (IF NOT BUNDLED PACKAGE)

Non-bundled TV subscribers claim that they pay an average of HUF 5,600 per month for a TV subscription, most of which are members of the better-off cluster who expect no advertising and who can afford larger packages. Those whose households have access to both internet technologies also pay a much higher subscription fee than the average

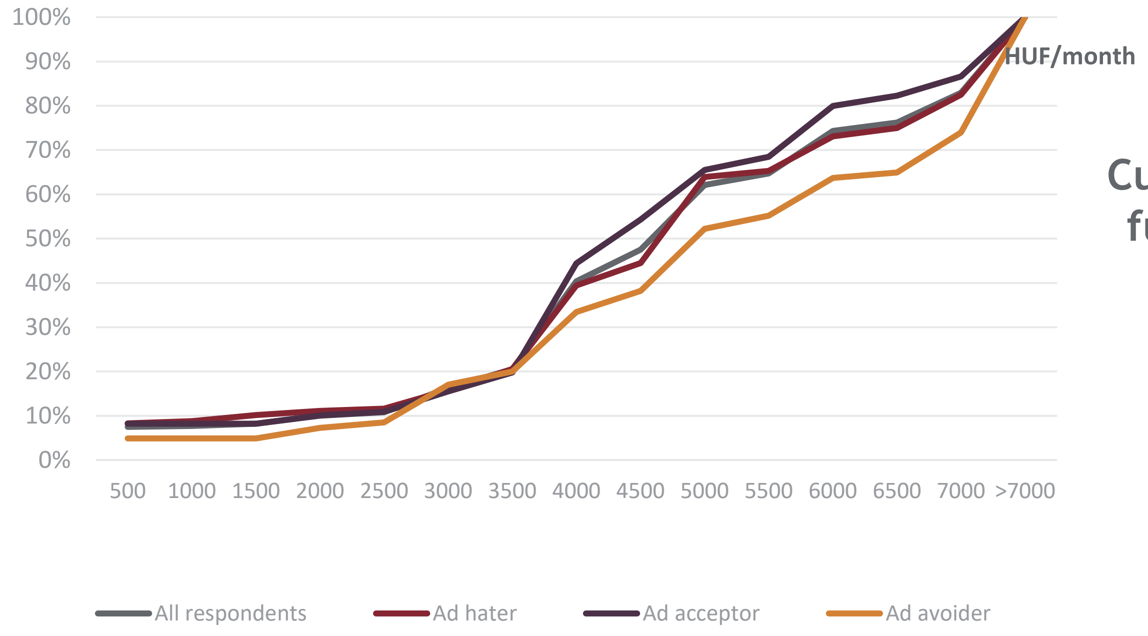
Frequency by clusters

All respondents: 5.566 HUF

Ad hater: 5.661 HUF

Ad avoider: 6.048 HUF

Ad acceptor: 5.185 HUF



Cumulative functions

Frequency by Internet technologies

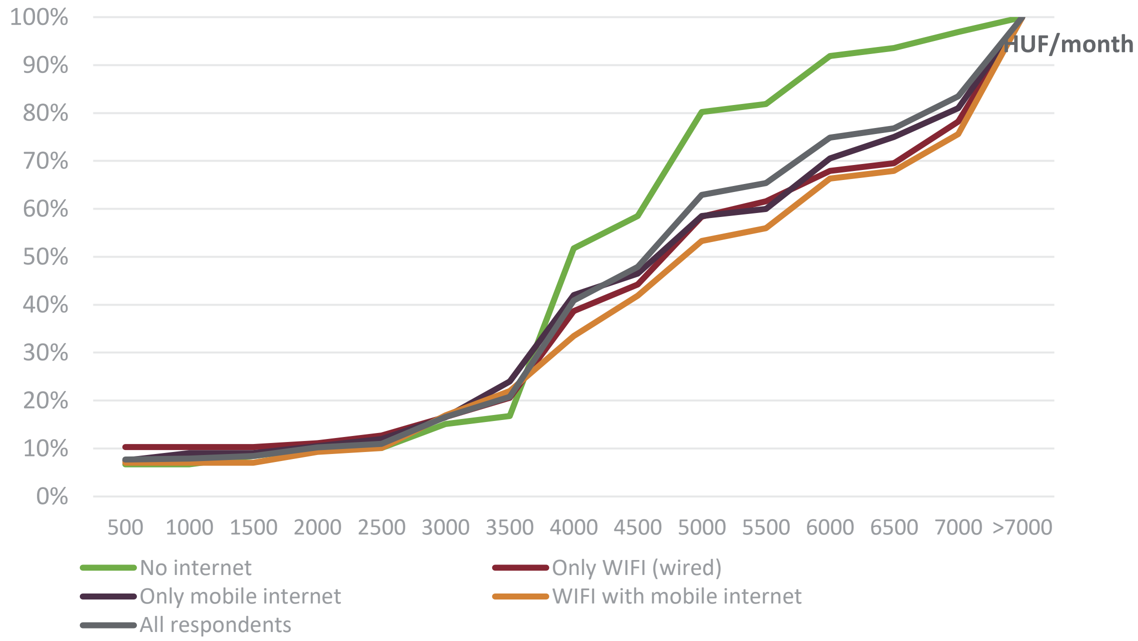
All respondents: 5.566 HUF

Only WIFI (wired) internet: 5.760 HUF

Both wired and mobile internet: 6.232 HUF

Mobile internet only: 6.000 HUF

No internet in the household: HUF 4.307 HUF



B4. How much do you spend on a TV subscription in an average month?
Please always enter the values in HUF and refer to one month. If this varies from month to month, please estimate an average monthly amount.
Base: households that do not subscribe to TV in the framework of a bundled package, but in single play [n=639]

MONTHLY EXPENDITURE ON TV SUBSCRIPTION (IF BUNDLED SUBSCRIPTION)

Those who also subscribe to TV in the bundled package guess that the monthly fee for the TV subscription on their bills can be around HUF 6,600 per month. According to attitude clusters, there is no big difference

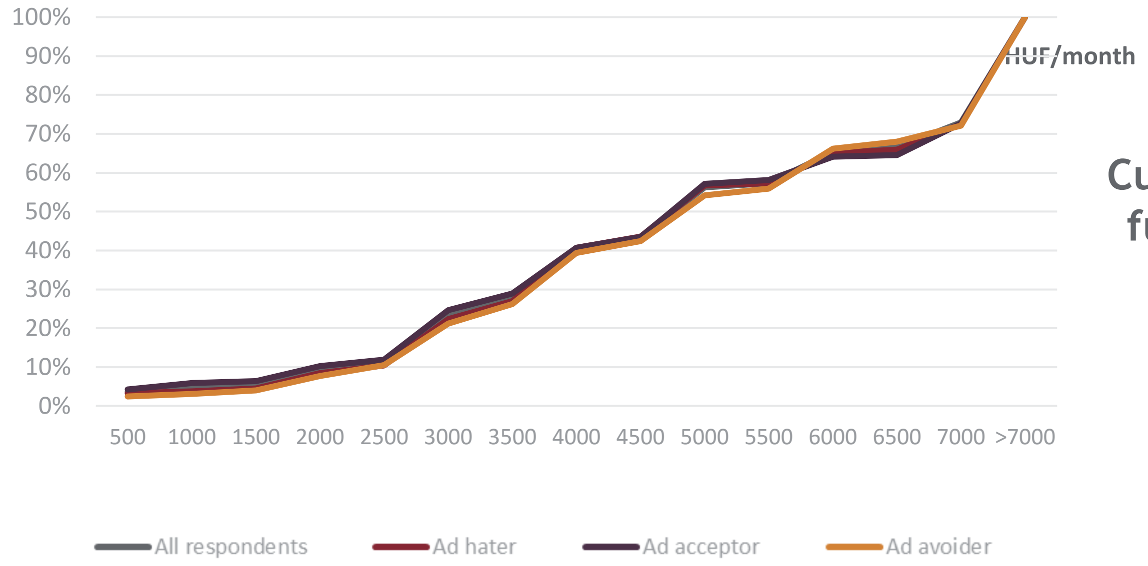
Frequency by clusters

All respondents: 6.568 HUF

Ad hater: 6.620 HUF

Ad avoider: 6.530 HUF

Ad acceptor: 6.545 HUF



Cumulative functions

Frequency by Internet technologies

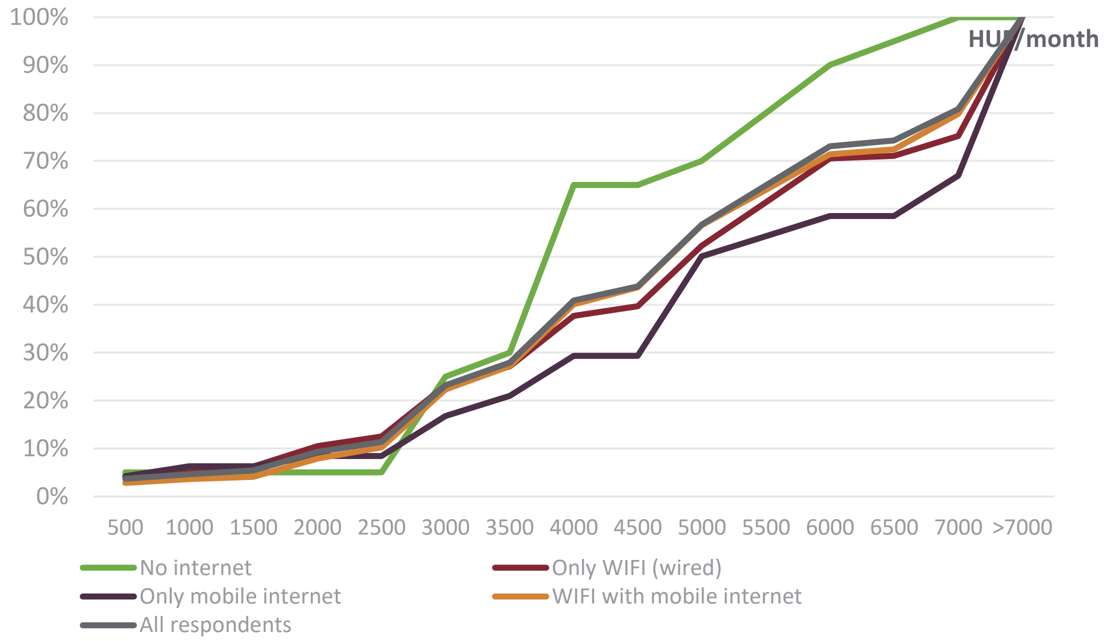
All respondents: 6.568 HUF

Only WIFI (wired) internet: 6.584 HUF

Both wired and mobile internet: 6.644 HUF

Mobile internet only: 7.242 HUF

No internet in the household: 4.407 HUF



B4. How much do you spend on a TV subscription in an average month?
Please always enter the values in HUF and refer to one month. If this varies from month to month, please estimate an average monthly amount.
Base: households that subscribe to TV as part of a bundled package, and they guessed how much the monthly fee for the TV subscription could be [n=1751]

SPENDING ON RENTED CONTENT FROM A SERVICE PROVIDER ON A TV SET

Four fifths of the respondents do not spend at all on VOD from TV providers that can be rented via a TV set. Overall, we can see the rental fee of barely one movie per month, which means that on average, they do not even spend on VOD every month. Most of all, the ad acceptor cluster and households with only mobile data and not WIFI spend on VOD.

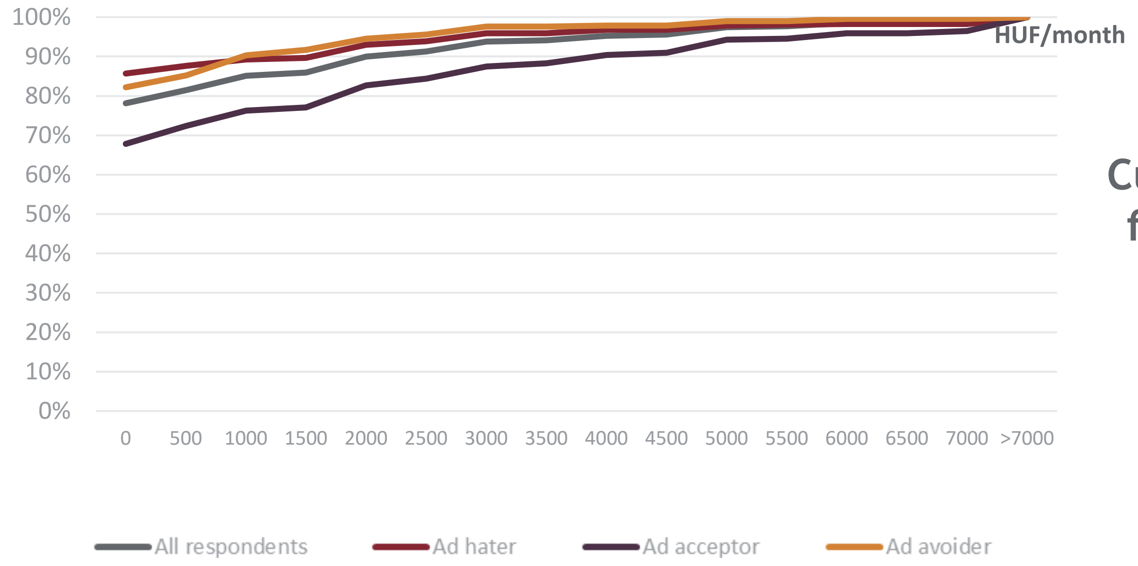
Frequency by clusters

All respondents: 765 HUF

Ad hater: 430 HUF

Ad avoider: 473 HUF

Ad acceptor: 1.297 HUF



Cumulative functions

Frequency by Internet technologies

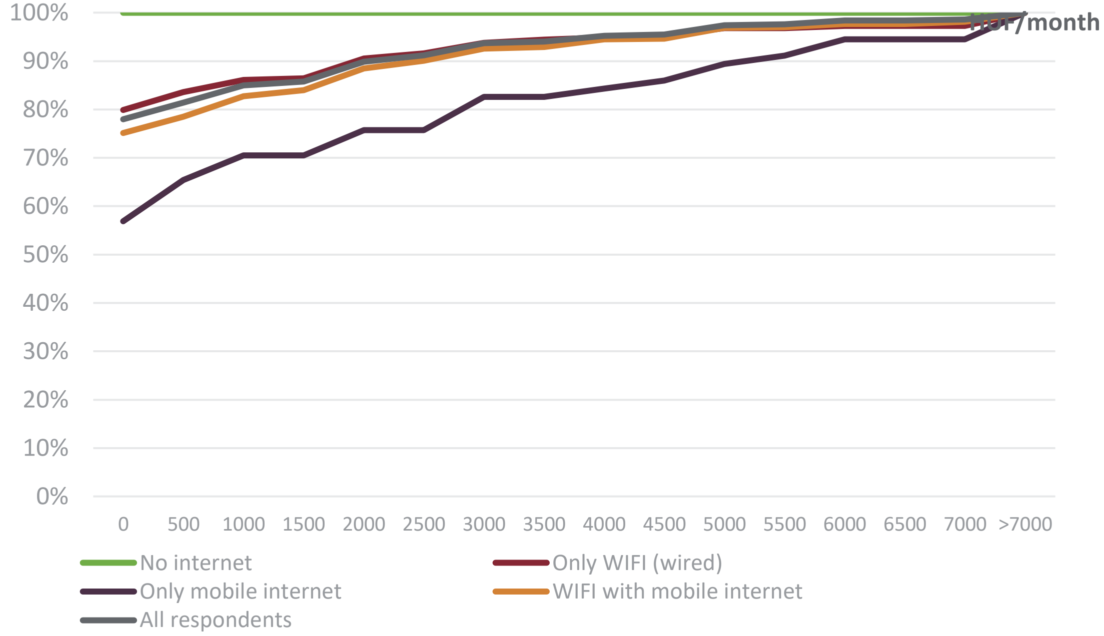
All respondents: 765 HUF

Only WIFI (wired) internet: 881 HUF

Both wired and mobile internet: 752 HUF

Mobile internet only: 1.861 HUF

No internet in the household: 0 HUF



B4. How much do you spend in an average month on content (VOD, video-on-demand) rented from a service provider via a TV set?
Please always enter the values in HUF and refer to one month. If this varies from month to month, please estimate an average monthly amount.
Base: those who have a TV subscription that would allow this [n=1290]

MONTHLY SPEND ON A PAID STREAMING SERVICE

About 50-55% of households spend on streaming services. Ad avoiders, and households with both technologies or at least mobile data spend the most on streaming services. In addition to them, the more affluent and larger families of at least 4 people with minor children spend relatively more.

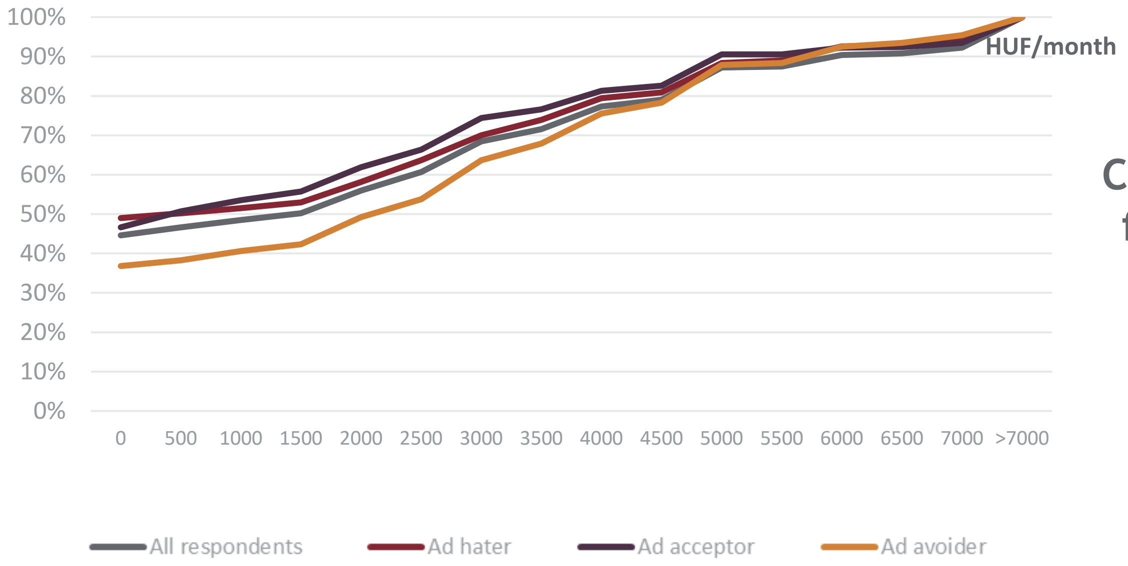
Frequency by clusters

All respondents: 2.357 HUF

Ad hater: 2.190 HUF

Ad avoider: 2.857 HUF

Ad acceptor: 2.105 HUF



Cumulative functions

Frequency by Internet technologies

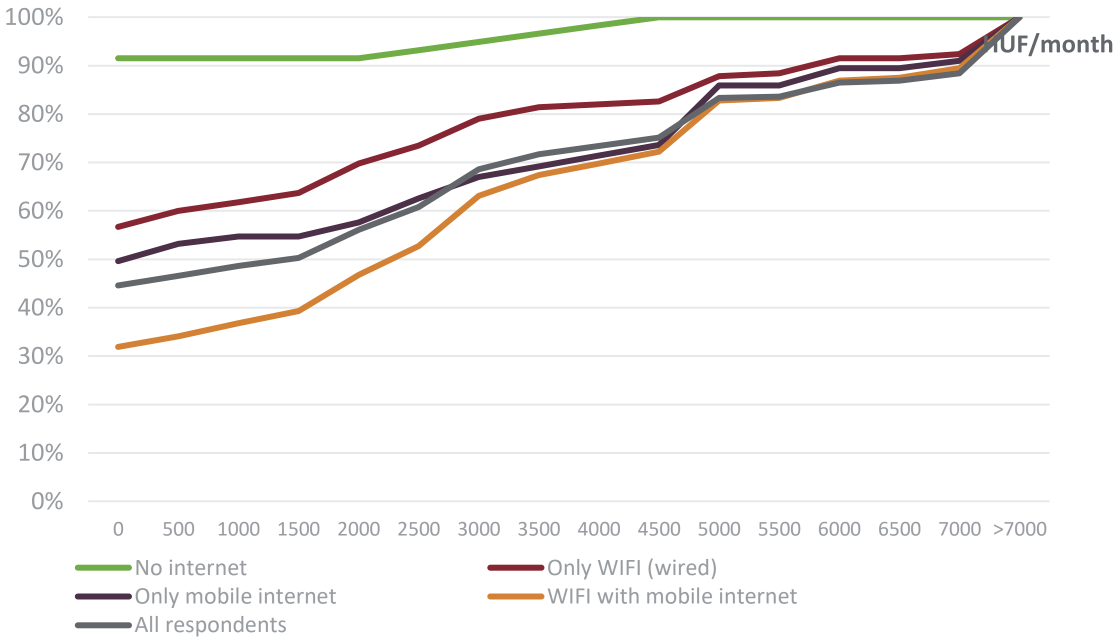
All respondents: 2.357 HUF

Only WIFI (wired) internet: 1.696 HUF

Both wired and mobile internet: 2.868 HUF

Mobile internet only: 3.007 HUF

No internet in the household: 380 HUF



B4. In an average month, how much do you spend watching film content via a paid streaming service provider (such as Netflix, HBO Max, Amazon Prime Video)?Please always enter the values in HUF and refer to one month.
If this varies from month to month, please estimate an average monthly amount.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

MONTHLY SPENDING ON CINEMA TICKETS

40% of households spend anything at all on going to the cinema. Of course, household income is the most influencing factor, but the type of settlement (larger in the capital) and the presence of children in the family also have a strong influence on cinema spending.

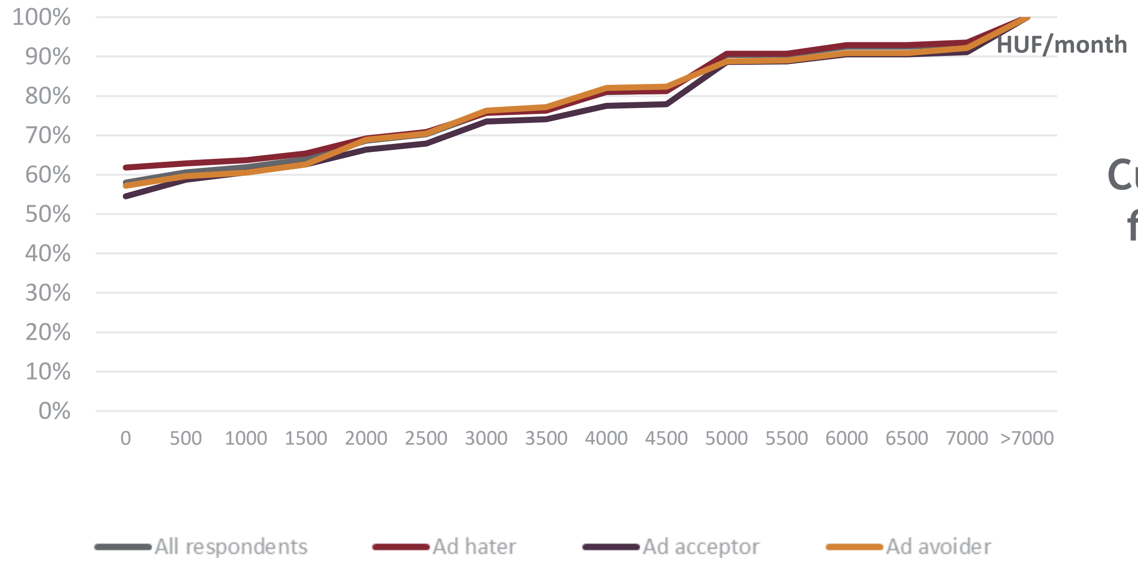
Frequency by clusters

All respondents: 2.072 HUF

Ad hater: 1.751 HUF

Ad avoider: 2.101 HUF

Ad acceptor: 2.391 HUF



Cumulative functions

According to the total income of the household

All respondents: 2.072 HUF

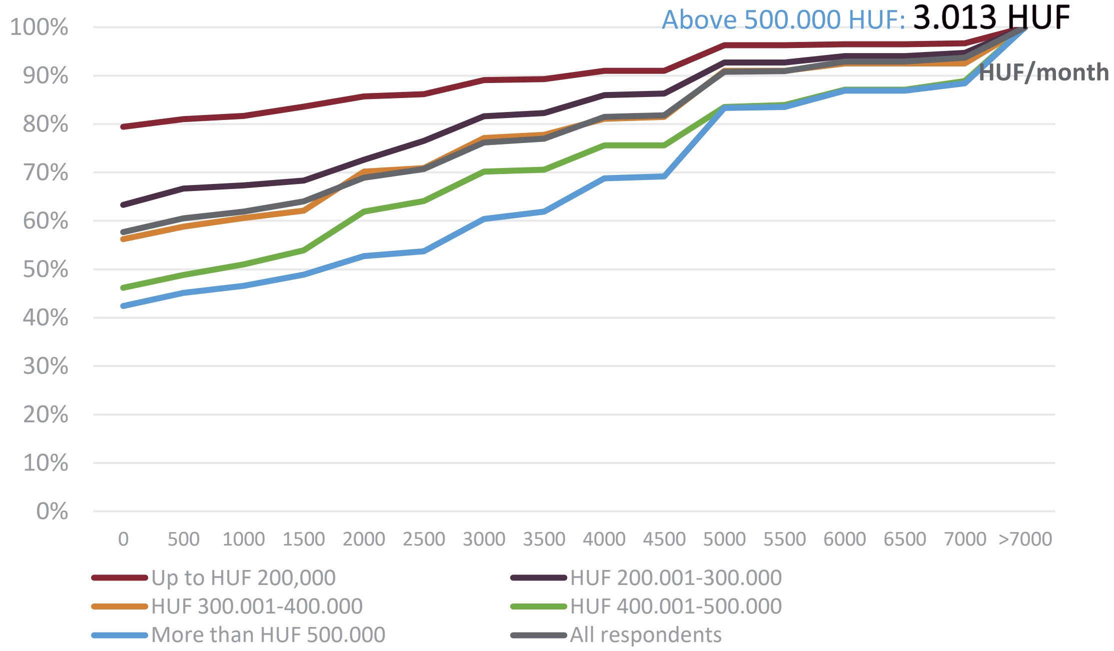
Household income <200.000 HUF: 880 HUF

300.001-400.000 HUF: 1.915 HUF

200.001-300.000 HUF: 1.747 HUF

400.001-500.000 HUF: 2.717 HUF

Above 500.000 HUF: 3.013 HUF



B4. How much do you spend on going to the cinema in an average month (only the price of the cinema tickets without the cost of food and drinks bought at the local buffet)?
Please always enter the values in HUF and refer to one month. If this varies from month to month, please estimate an average monthly amount.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

MONTHLY SPENDING ON A PAID APPLICATION DOWNLOADED TO A MOBILE DEVICE

The population spends an average of HUF 2,500 per month on downloading and using paid applications for mobile devices. Those who only have mobile internet access spend the most, nearly HUF 3,000. Less than 40% of the population spends to watch a paid streaming app on their mobile device

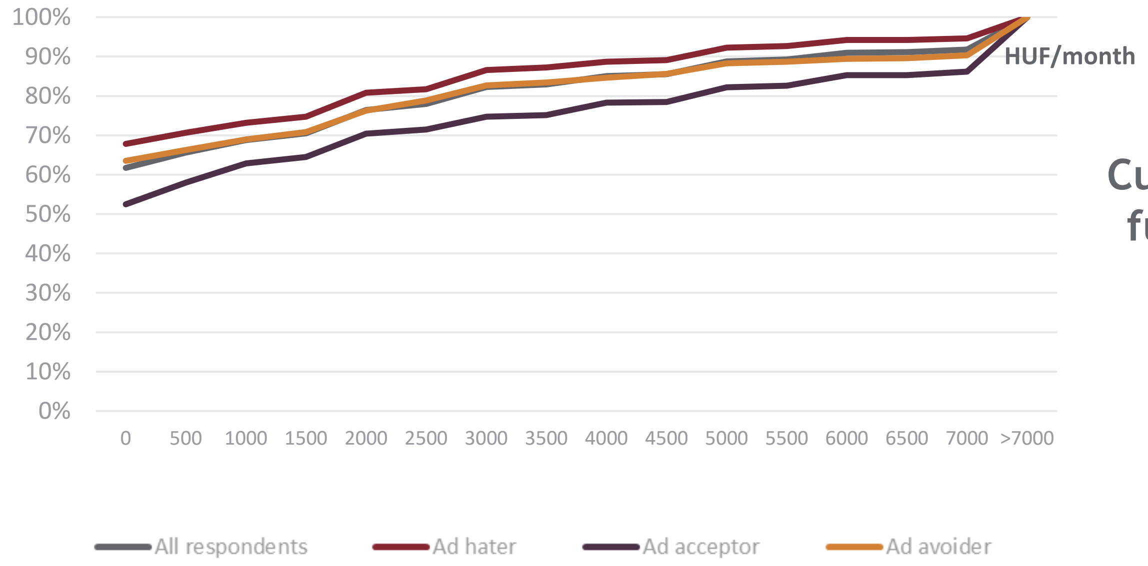
Frequency by clusters

All respondents: 2.535 HUF

Ad hater: 2.292 HUF

Ad avoider: 2.342 HUF

Ad acceptor: 3.020 HUF



Cumulative functions

Frequency by Internet technologies

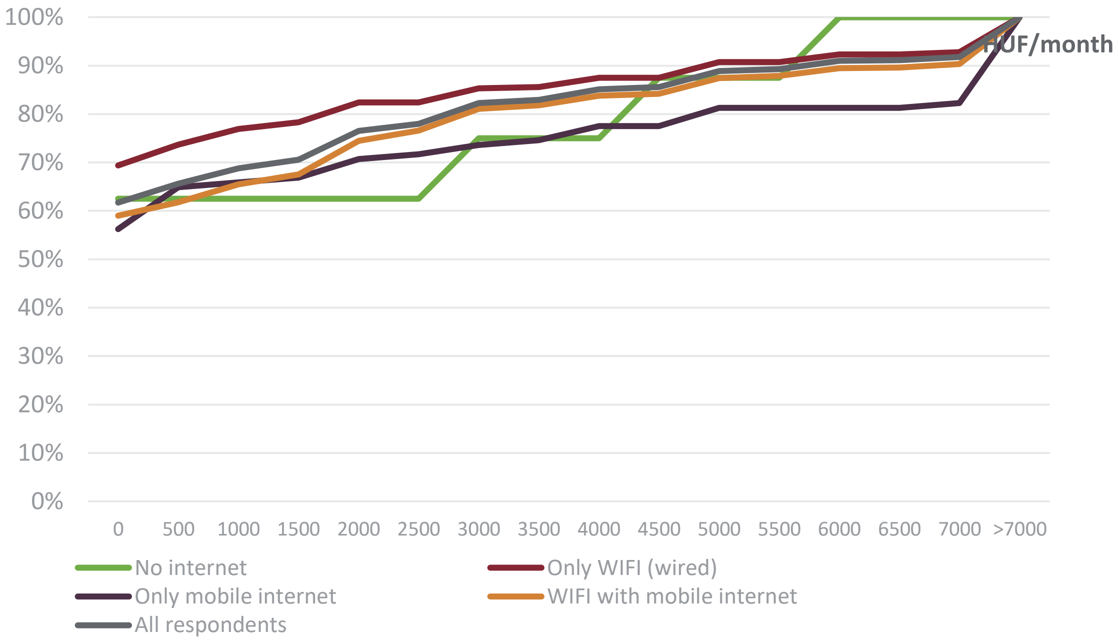
All respondents: 2.535 HUF

Only WIFI (wired) internet: 1.765 HUF

Both wired and mobile internet: 2.841 HUF

Mobile internet only: 2.949 HUF

No internet in the household: 1.687 HUF



B4. How much do you spend in an average month on all paid media service applications downloaded to your mobile phone or tablet (not only streaming applications)? Please always enter the values in HUF and refer to one month. If this varies from month to month, please estimate an average monthly amount.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

LINEAR AND STREAMING CONTENT CONSUMPTION

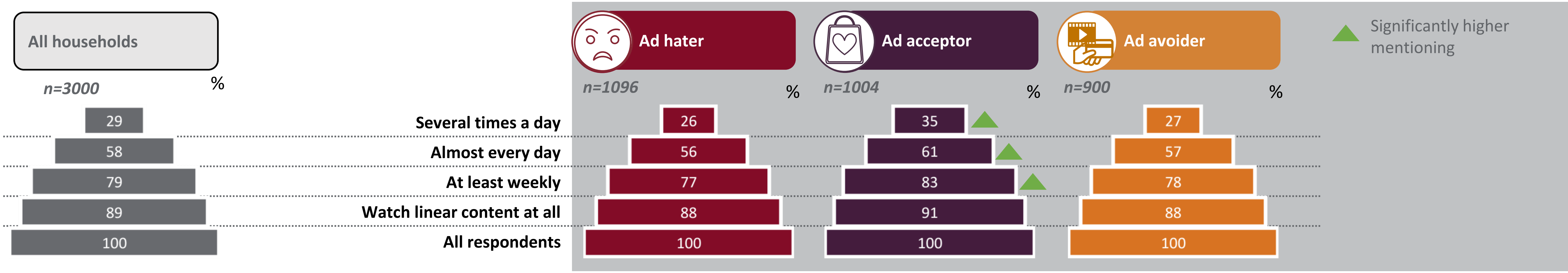
The frequency of viewing linear content and the tools and platforms used for this

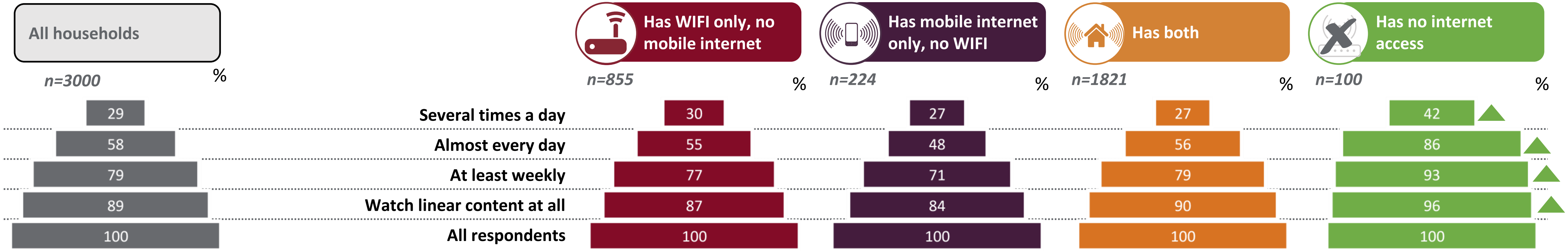
The frequency of viewing streaming content and the tools and platforms used for this

The ratio of linear and streaming program viewing and the expected change in the ratio in the next year

LINEAR TV VIEWING

60% of the population watches linear broadcasts on TV every day. The intensity of linear TV viewing is strongest in the cluster that accepts advertisements and sometimes even considers them useful.

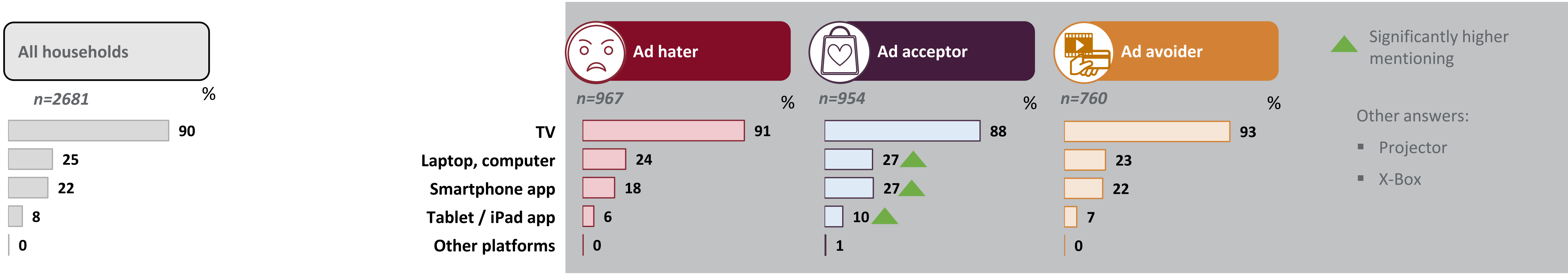


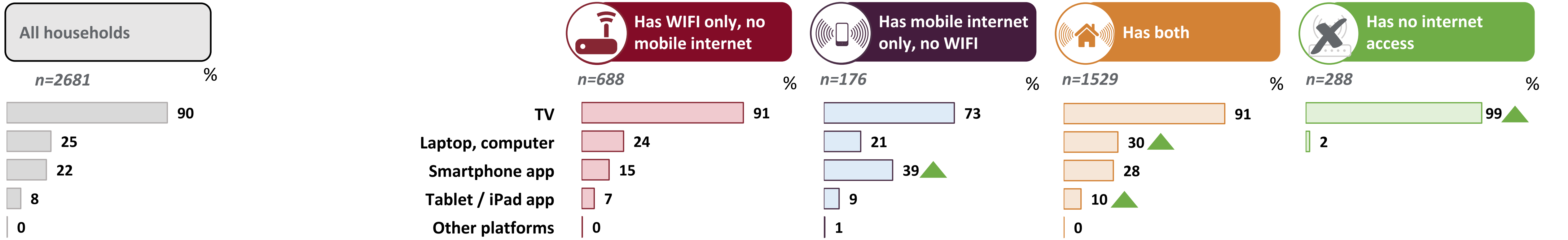


B6. Currently, how often do you watch the TV program that is being broadcast at that time, whether on TV, smartphone, tablet, laptop, or even through an application? Here, we are referring to a program that is currently being broadcast on the given channel at that time, and it can be e.g. a repeat of a previous broadcast, show, studio conversation, movie, sports broadcast, so it cannot be just a live broadcast.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

DEVICES OF LINEAR TV VIEWING: TELEVISION IS THE MAIN PLATFORM

The main platform for linear TV viewing is, of course, the TV set. The use of all other devices for viewing linear content is significantly lower compared to the TV set





B7. What kind of devices do you use to watch programs like this, i.e. programs that are currently being broadcast on the given channel? You can choose more than one.
Multiple answers are possible
Base: those who watch linear content with any frequency [n=2681]

LINEAR TV VIEWING PLATFORMS | SIGNIFICANCE ANALYSIS

The choice of platform is significantly influenced by the composition of the household, i.e. the factor of how many and how old minors live in the household. For example, children under the age of 6 are less often placed in front of the TV

90% TELEVISION

More often than average:

- No internet in the household
- Men
- Married people
- Families of 3-4 people
- Only minors between the ages of 6 and 18 live in the family, but no younger than 6
- The total income of the household reaches HUF 750,000 per month

8% TABLET/IPAD

More often than average:

- Members of the ad acceptor cluster
- Their household has wired (WIFI) and mobile internet
- They live in Central Hungary
- Especially in the capital
- Several minors live in the household
- Large households of 4+ people with at least 2 minors
- The age composition of children is mixed, but the most common are 6-12 years old

22% SMAR PHONE

More often than average:

- Members of the ad acceptor cluster
- Those with only mobile internet, where there is no WIFI
- It is more typical for men
- It is more typical of Budapest
- More often, they live in a cohabitation relationship
- Families of 3+ people with at least one minor
- There are at least 2 earners in the household
- They live in favorable financial conditions and are well off

25% LAPTOP/PC

More often than average:

- Members of the ad acceptor cluster
- Families are well equipped with internet, there is also fixed and mobile internet
- It is much more typical for men
- Mainly in Budapest and the central region
- They are mostly single
- They are more typically single in a two-person household with a minor
- A minor is typically 12-18 years old
- A higher proportion of highly educated (graduate) and higher income
- Very good financial conditions

OTHER PLATFORM

- Projector
- X-Box

B7. What kind of devices do you use to watch programs like this, i.e. programs that are currently being broadcast on the given channel?
Multiple answers are possible
Base: those who watch linear content with any frequency [n=2681]

FREQUENCY OF CONSUMPTION OF PAID CONTENT

6% of those with paid content services do not use this option, meaning that although they have paid streaming access, they do not watch it by their own admission. The "neglect" of the live streaming subscription is most typical for households with only mobile data and no WIFI

▲ Significantly higher mentioning

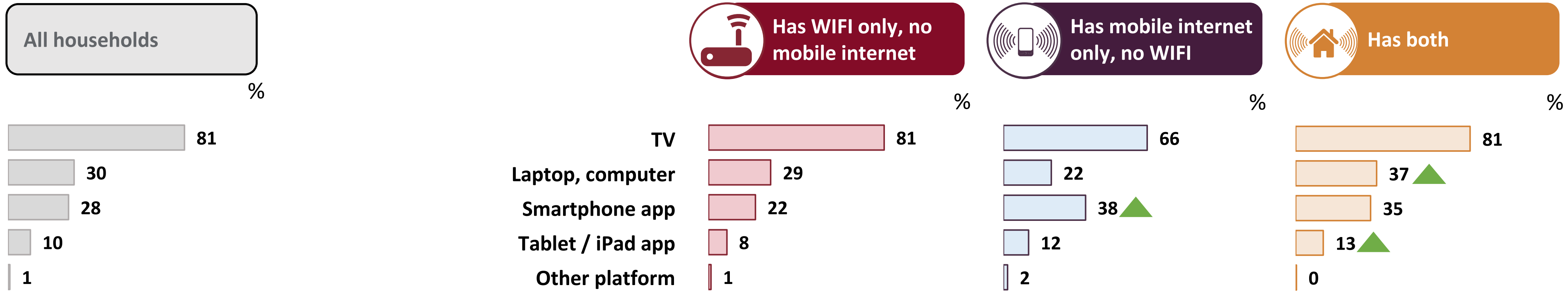
%	All households (n=1704)	Ad hater (n=588)	Ad acceptor (n=580)	Ad avoider (n=536)
Several times a day	18	15	22 ▲	17
Almost every day	42	42	43	42
At least weekly	80	80	78	84
Watch linear content at all	94	93	93	95
All respondents	100	100	100	100

%	All households (n=1704)	Has WIFI only, no mobile internet (n=392)	Has mobile internet only, no WIFI (n=106)	Has both (n=1185)
Several times a day	18	18	19	18
Almost every day	42	41	34	44
At least weekly	80	76	75	82
Watch linear content at all	94	93	89	94
All respondents	100	100	100	100

B8. You mentioned earlier that you have a subscription to a content service (media content), such as e.g. paid content services of HBO Max, Netflix, Amazon Prime Video or commercial channels. How often do they specifically use these paid content services, that is, how often do they watch content?
Base: those who have a subscription to a paid content service [n=1704]

PAID CONTENT CONSUMPTION PLATFORMS

Paid content is also mostly watched on television, but here, in addition to TV, computers and smartphones play a somewhat larger role.



B9. What devices do they use to watch this content?
Multiple answers are possible
Base: those who have a subscription to a paid content service and watch and use it

PAID CONTENT PLATFORMS | SIGNIFICANCE ANALYSIS

In this case too, the composition of the household plays a significant role

81% TELEVISION

More often than average:

- Ad avoiders
- Married
- Two earners live in the household
- They live in favorable financial conditions, their total monthly income reaches HUF 500,000
- According to their own admission, they can cover their expenses and even save

10% TABLET/IPAD

More often than average:

- Ad avoiders
- Their household has wired (WIFI) and mobile internet
- Especially in the capital
- Several minors live in the household
- Large households of at least 4 people with at least 1 minor
- The age composition of children is mixed, but the most common are 6-12 years old
- Highly educated households, often with only graduates
- Very good financial conditions, often a total income of over HUF 750,000

28% SMART PHONE

More often than average:

- Those with only mobile internet, where there is no WIFI
- It is more common in Central Hungary and Central Transdanubia
- It is more typical in the capital
- More often, they live in a cohabitation relationship
- Families of 3+ people with at least one minor
- The age composition of children is mixed, but mostly under 12 years old
- There are at least 2 earners in the household
- It is more typical to have a low level of education, a high school diploma at the most

30% LAPTOP/PC

More often than average:

- Members of the ed acceptor cluster
- Families are well equipped with internet, there is also fixed and mobile internet
- It is much more typical for men
- Mainly in Budapest and the central region
- They are mostly single
- It is typical that he is single in a two-person household with a minor
- A minor is typically 12-18 years old
- A higher proportion of highly educated (graduate) and higher income
- Very good financial conditions

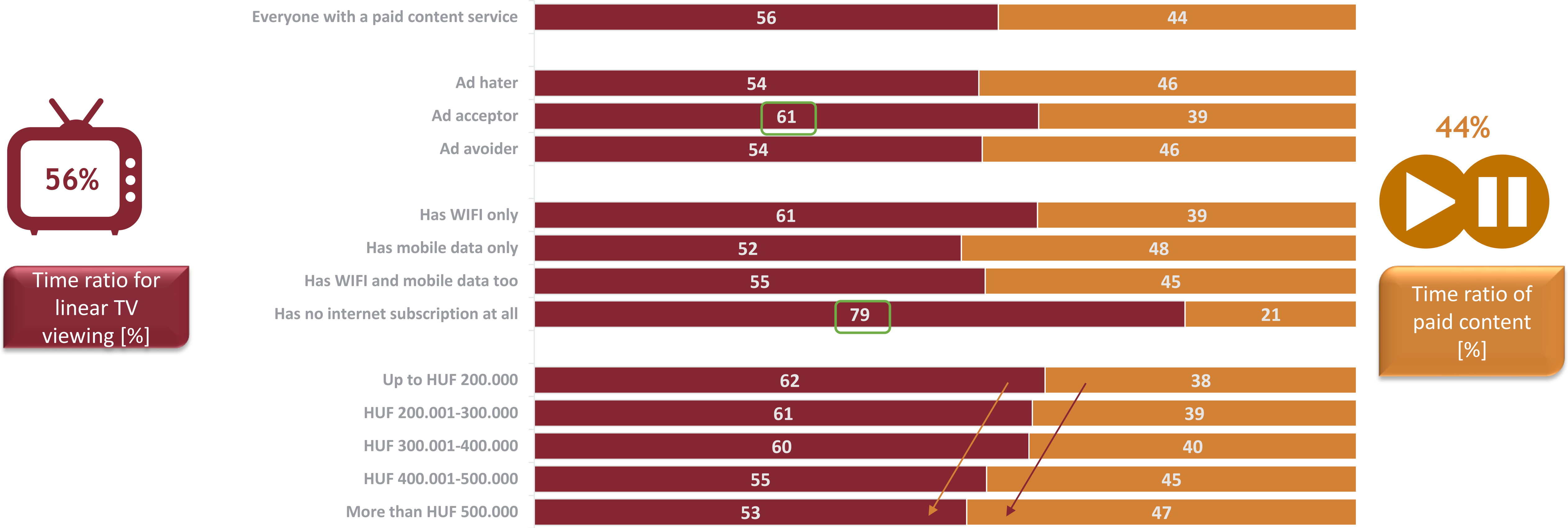
OTHER PLATFORM

- PS4
- SmartBox
- X-box

B9. What devices do you use to watch these contents?
Multiple answers are possible
Base: those who have a subscription to a paid content service and watch and use it

THE RATIO OF LINEAR VS PAID CONTENT IS INFLUENCED BY THE FINANCIAL SITUATION OF THE HOUSEHOLD

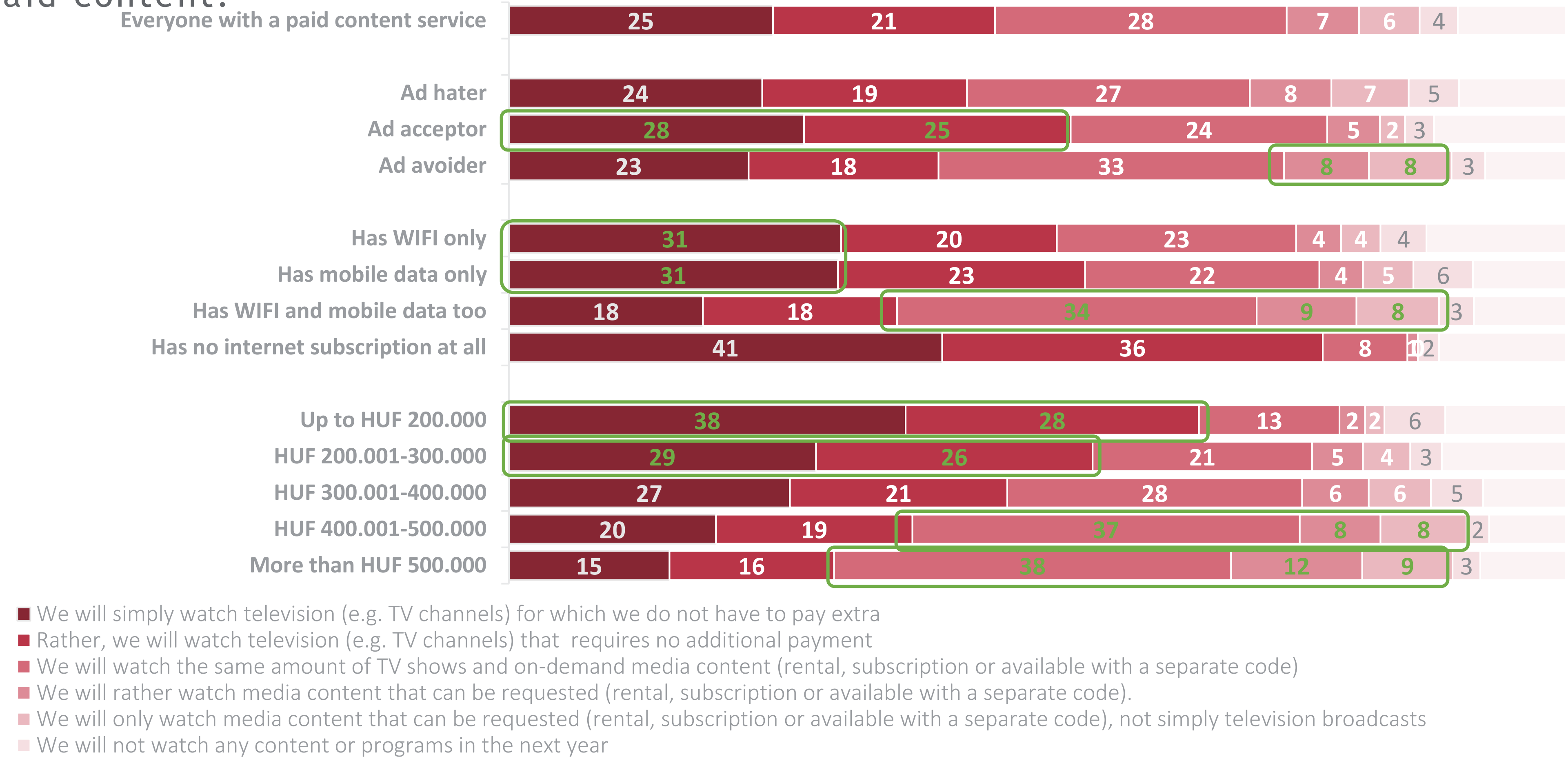
The time ratio of linear and paid content is almost completely equalized in households that have some kind of streaming subscription. Of course, ad acceptors can live better with "plain" TV.



B10. You mentioned earlier that you have a subscription to a content service (media content) and/or a media content service that is (also) available with a code through a service provider, such as e.g. content services of HBO Max, Netflix, Amazon Prime Video or commercial channels available by subscription or with a separate code. If we take all of their viewing time as 100%, how do you think this proportion is divided between "plain" television viewing (i.e. when they watch the program that is currently being broadcast on any device or even through an application) and on-demand (rental, subscription or available with a separate code) between media contents? Let's take all their viewing time as 100%!
Base: those who have a subscription to a paid content service [n=1704]

EXPECTED EVOLUTION OF THE PROPORTION OF LINEAR VS. PAID CONTENT

The clusters of viewers, the income situation of the household and the Internet technology in the household strongly influence the content viewing habits of the family in the next year. The more educated, wealthier households and those who most expect advertising-free programming are moving towards paid content.



B11. How do you feel, in what direction will their program viewing and content viewing habits change in the next 1 year? Please choose the one from the following statements that you feel is most likely to apply to you. One answer is possible.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

NARROWING, REDUCTION OF SERVICES, "RESTRICTIONS"

Three-quarters of the households did not apply any restrictions or reduction of services in the last 1 year. It did not happen that they reduced a TV subscription package, namely they narrowed their subscription packages to fewer channels. The cuts meant canceling some kind of subscription.

▲ Significantly higher mentioning

Base variable	All households %	Ad hater %	Ad acceptor %	Ad avoider %
They reduced their subscription package, fewer channels				
Their TV subscription was completely canceled and not renewed	6	5	8	3
One or more paid media services have been cancelled	9	7	10	10
They reduced the content of one of their paid media services	8	7	10	6
There were no cancellations or service reductions	75	79 ▲	67	79 ▲

Base variable	All households %	Has WIFI only, no mobile internet %	Has mobile internet only, no WIFI %	Has both %	Has no internet access %
They reduced their subscription package, fewer channels					0
Their TV subscription was completely canceled and not renewed	6	7	8	5	5
One or more paid media services have been cancelled	9	7	9	11 ▲	2
They reduced the content of one of their paid media services	8	7	9	9	2
There were no cancellations or service reductions	75	77	69	73	88 ▲

B12. In the past 1 year, it happened that [...]
Multiple answers are possible
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

PAID MEDIA SERVICES AND THEIR BENEFITS

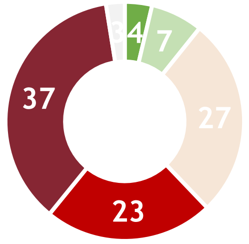
Benefits of paid media services among subscribers VS presumed benefits of paid media services among (yet) non-subscribers. Genre preferences. Willingness to subscribe

THE EFFECT OF ADVERTISING ON VIEWERS

Nine tenths of respondents are bothered by advertisements. The differences between the clusters are not surprising. In general, households living in better conditions and with higher education are more irritated by advertisements, not by chance, since they are the ones who can afford to subscribe to ad-free services, after which a program supplemented with advertisements can be a setback and annoying.

All households

n=3000 %

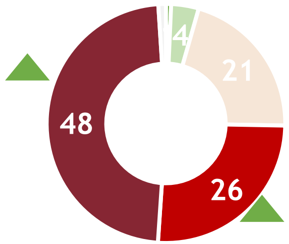


Significantly higher mentioning

- Does not bother me at all
- Does bother me a little
- Sometimes bothers me
- Bothers me
- Bothers me a lot

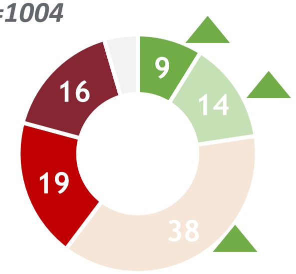
Ad hater

n=1096 %



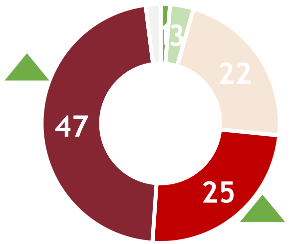
Ad acceptor

n=1004 %



Ad avoider

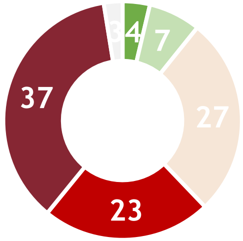
n=900 %



Find it less bothering

- They don't have internet or only mobile internet
- West and South Transdanubia (Vas, Zala, Somogy, Tolna, Baranya)
- People living in small settlements and villages
- Divorced and widowed
- Single person households
- Only men, mainly a single man, live in the household
- There are no graduates living in the family, only high school graduates and/or elementary school graduates

Bothering effect of advertising



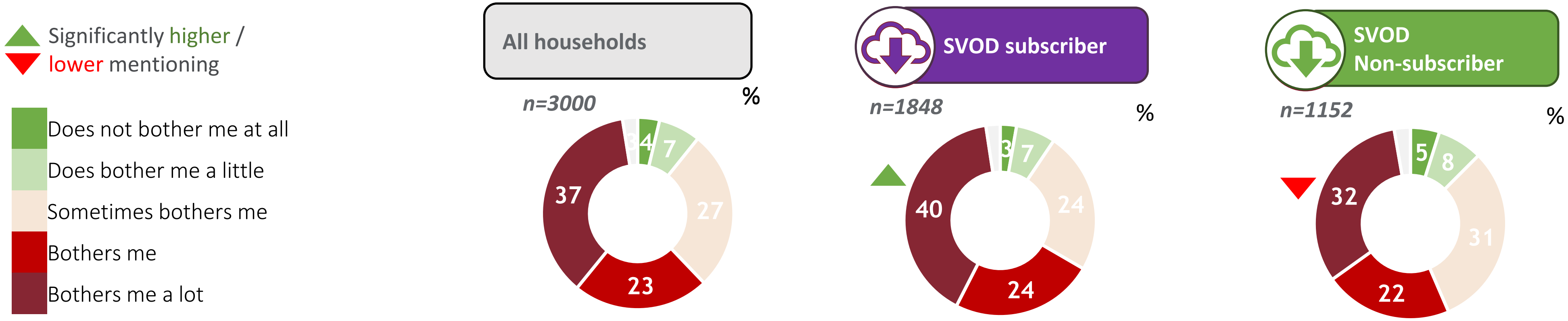
Find it very bothering

- Households with the best Internet access (WIFI + mobile internet)Central Hungarians and Southern Great Plains
- People living in the capital
- They are cohabiting but not married
- People living in two-person households, two-person households without children
- The same number or more women live in the household
- They are more highly educated, only graduates live in the household
- People living in the best conditions, with a total household income of more than HUF 500,000 per month

B14. How bothered are you by commercials broadcasted on live television and commercial breaks? One answer is possible.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

THE EFFECT OF ADVERTISING ON VIEWERS

Participants, who subscribe to any kind of media services (usually to Netflix and HBO Max) are bothered by the presence of ads in a slightly higher ratio. This is understandable, since facing a longer ad block after the undisturbed, ad-free content consumption could be more ‚shocking' for them. Although this effect is surely present, but not in a high degree; those subscribing to any media services found ads disturbing or very disturbing in 5% higher extent.



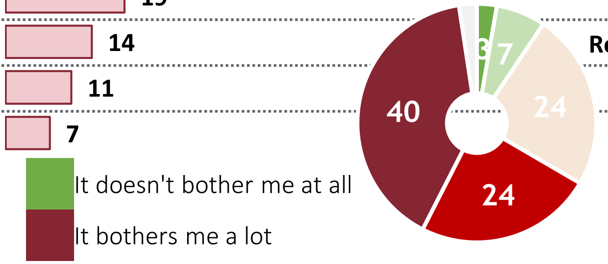
B14. How bothered are you by commercials broadcasted on live television and commercial breaks?
One answer is possible.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

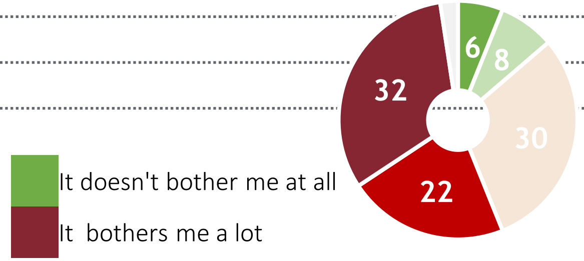
BENEFITS OF PAID MEDIA SERVICES

For non-current subscribers, the benefits are almost the same as for existing subscribers, but the demanding and customizable selection is more prominent than potential subscribers.

Benefits for those who have a subscription to a paid media or streaming service (n=1704) %	Benefits / Drivers	Incentive elements for those who do not have a subscription to a paid media or streaming service (n=1296) %
56	Ad-free	29
51	It can be stopped and resumed at any time	17
42	They can be viewed at any time (even on the go), so I don't have to adjust my schedule accordingly	7
40	A much larger selection	13
38	They can usually be played from several devices (tablet, smartphone, TV).	10
30	Demanding selection	18
29	Customizable selection	12
28	Up-to-date (new releases, new movies, new series, new episodes are available earlier)	11
27	Searchability in their program database (by title, actor, genre, rating)	9
24	They can be used and viewed in any life situation	8
23	Several types of filtering are possible (e.g. program genre, names of actors, characters, keyword search)	7
22	Significantly better technical design, resolution, sound quality	6
19	Configurable viewer profiles	4
14	Recommendations (recommend shows that are interesting to me based on my usual searches)	3
11	Provides interesting additional information (e.g. making-of, background discussions)	4
7	Viewer ratings are available (e.g. IMDb scores, reviews)	2

How bothered are you by commercials broadcasted on live television and commercial breaks?





B15. You subscribe to a monthly paid content service or media service (e.g. streaming) or you have a media service that is accessed with a code through the service provider. In your opinion, **what are the most important advantages of content services (TV shows, etc.) available via subscription or with a code through the service provider**? Base: Subscribe to a paid media or streaming service [n=1704]

B16. You do not currently subscribe to a monthly content service or media service (e.g. streaming), nor do you have a media content service available with a code through the service provider. **Which of the following benefits would possibly encourage you to subscribe to such a content service**? Base: not subscribed to paid media or streaming service [n=1296]

FAVORITE GENRES - TOP 16

Among the subscribers, we find the series in the first place. We know that subscribers to paid streaming are characterized by the so-called binge-watching, which started to spread spectacularly with the popularity of streaming services.

What programs do subscribers specifically watch as part of the subscription or media content service (also) available through the service provider? n=1704 — **Already subscribed**

All respondents — n=3000 What types of programs do you want to see in the framework of such a subscription, monthly fee or media content service available through the service provider?

Already subscribed (%)	Genre	All respondents (%)
55	Comedy	51
59	Series	46
49	Action, adventure	44
42	Family movies	41
39	Crime	35
29	Information programs, documentaries	33
35	Premier films, new releases	33
37	Thriller	33
33	Romantic comedy	33
36	Sci-fi	31
30	Romance	29
32	Fantasy	27
20	Retro films	25
26	Animation and cartoons, children's programs	23
23	Children's and youth films	22
26	Horror	21

Series, action and adventure films, science fiction and fantasy are ranked relatively higher than those already streaming subscribers

In the general population, infotainment, information dissemination and evergreen or retro films are more popular than those already subscribing to streaming

B17. **What programs do they specifically watch** as part of the subscription or media content service that is (also) available with a code through the service provider? You can mark several program types.
Base: Subscribe to a paid media or streaming service [n=1704]
B18. **What types of programs would you like to see** in the context of such a subscription, monthly fee, or media content service that is (also) available through the service provider with a code, regardless of whether you subscribe to it in the future or not? You can mark several program types. Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

FAVORITE GENRES - LESS POPULAR

Some popular genres of linear television, such as talent shows or reality shows do not perform well in streaming.

What programs do subscribers specifically watch as part of the subscription or media content service (also) available through the service provider? n=1704 — Already subscribed (%)		All respondents — What types of programs do you want to see in the framework of such a subscription, monthly fee or media content service available through the service provider? n=3000 (%)
23	Disaster films, apocalypse films	21
23	Drama	21
16	Sports broadcasts	18
11	Stand-up shows, cabaret shows	15
11	Contests	15
12	Art films	14
10	News programs	12
9	Talent shows, entertainment programs	10
6	Studio discussions, reports, discussion shows	9
7	Reality shows, sports realities	7
5	Morning shows	6
1	Other	1

Other answers:
- Studio conversations
- Especially nature films, natural beauties

Other answers:
- Far Eastern films (Korean, Japanese)
- Adult Movies
- Do-it-yourself and hobby films, "how-to" films
- Concert films
- Interior design, garden construction, real estate presentation
- Western

B17. **What programs do they specifically watch** as part of the subscription or media content service that is (also) available with a code through the service provider? You can mark several program types.
Base: Subscribe to a paid media or streaming service [n=1704]
B18. **What types of programs would you like to see** in the context of such a subscription, monthly fee, or media content service that is (also) available through the service provider with a code, regardless of whether you subscribe to it in the future or not? You can mark several program types. Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

FAVORITE GENRES - TOP 8 | SIGNIFICANCE ANALYSIS

Comedy – 51%

- Ad avoider
- Has WIFI and mobile internet
- Women
- Live in a cohabitation relationship
- Households of at least 4 people with a child or children
- There are more women than men in the household

Series – 46%

- Women
- Central Hungary
- Single
- Higher proportion of people living with minors, more often with children under 6 years of age
- Their income is high, over HUF 500,000 per month
- A solid financial background, they can even put it aside for savings

Action movie – 44%

- 49% of men
- 49% in the Southern Great Plains
- 48% of cohabiting or married people50% of households with three and four people
- 52% of households with a minor
- Larger households with only one child, who tend to be 6-18 years old
- They have enough money for their expenses, but they can no longer save

Family film – 41%

- 48% of women
- 47% in the Northern Great Plain
- 45% of people living in rural towns, but not in the county seat
- 47% are married
- 48-49% of households with 3+ people, with one or more minors
- Households with more women/girls than men/boys
- People with lower education: high school diploma and/or basic degree

Crime – 35%

- 39% of Central Hungarians and 39% of the capital city
- The family mainly has minors aged 12-18, older child(ren)The household income is over HUF 500,000 net per month
- They have enough money for their everyday expenses, but they can no longer put aside for bigger expenses and savings

Educational film – 33%

- 36% of Central Hungarians, 38% of Southern Great Plains
- 37% of two-person households37% of two-person, childless households
- There are only earning adults in the household
- Only graduates live in households - 37%The household income is over HUF 500,000 net per month
- They live in favorable, stable financial conditions

Premier movies – 33%

- 37% in Central Hungary38% in cities with county status
- 36% are married
- 37% of households with 3+ people
- Larger households without minors
- There are two earners in the household
- The household income is over HUF 500,000 net per month
- They have enough money for their everyday expenses, but they can no longer put aside for bigger expenses and savings

Thriller – 33%

- 36% in Central Hungary
- 36% of metropolitans
- 37% of people living in a cohabiting relationship
- 37% of three-person households
- 37% of households raising a minor
- Minors are typically 12-18 years old
- Typical family model: two earners, one minor, cohabitation

B18. **What types of programs would you like to see** in the context of such a subscription, monthly fee, or media content service that is (also) available through the service provider with a code, regardless of whether you subscribe to it in the future or not? You can mark several program types.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

SUBSCRIPTION POTENTIAL

A fifth of households plan to subscribe in the next year, primarily thinking about Netflix, regardless of the recent announcements from the streaming service provider.

▲ Significantly higher mentioning

%	All households (n=566)	Ad hater (n=173)	Ad acceptor (n=227)	Ad avoider (n=166)
Netflix	49	43	51	51
HBO Max	34	31	33	39
Disney+	30	33	26	31
Youtube Premium	16	18	15	15
Amazon Prime Video	12	13	12	12
Google TV	10	4	17 ▲	8
Telekom TV GO	10	8	13 ▲	6
Plan to subscribe:	20%	16%	23%	20%

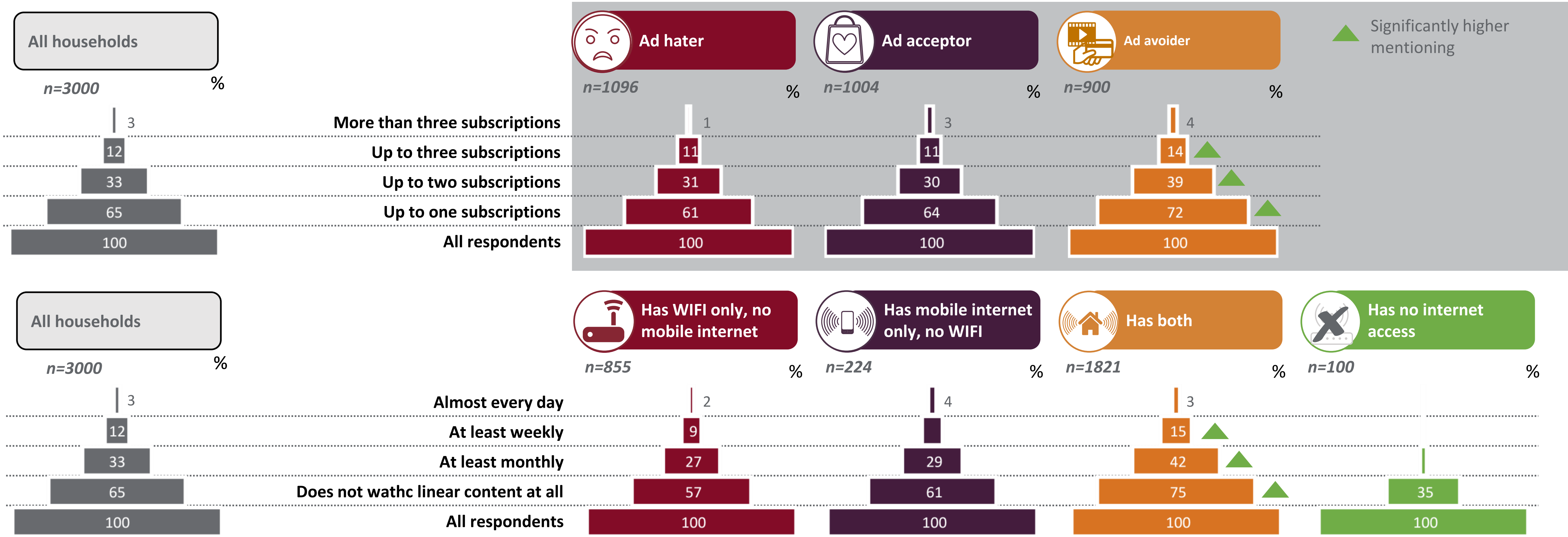
▲ Significantly higher mentioning

%	All households (n=566)	Has WIFI only, no mobile internet (n=106)	Has mobile internet only, no WIFI (n=38)	Has both (n=390)	Has no internet access (n=33)
Netflix	49	44	44	50	55
HBO Max	34	38	39	35	9
Disney+	30	35	24	31	
Youtube Premium	16	14	20 ▲	15	18
Amazon Prime Video	12	11	7	14	
Google TV	10	12	24 ▲	9	
Telekom TV GO	10	11	9	9	9
Plan to subscribe:	20%	14%	19%	24%	12%

B19. Do you plan to subscribe to an additional paid content service for a monthly fee, such as a streaming service, in the next 1 year (more if you are already a subscriber)?
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]
B20. And which of the following? Base: those who plan to subscribe in the next 1 year [n=566]

NUMBER OF SUBSCRIPTIONS

One-third of households consider even two subscriptions conceivable, but two-thirds of families are open to at least one streaming subscription, and do not feel it is unnecessary. Unsurprisingly, the ad hater cluster and households equipped with both Internet technologies are the most open



B21. How many of these paid content service subscriptions (not including television subscriptions) do you consider acceptable? Do not include the television subscription, the question specifically applies to paid media and content services.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

THEY WOULD PAY HUF 4,300 ON AVERAGE FOR A SUBSCRIPTION MEDIA SERVICE

Four out of five households would be willing to spend some money on subscription media services, this rate is by far the lowest among households without internet, of which only 45% would pay any amount. On average, they think in terms of a HUF 4,300 limit, however, the biggest breaking point, i.e. the largest limit amount loss (negative derivative) can be detected between HUF 5,000 and 5,500

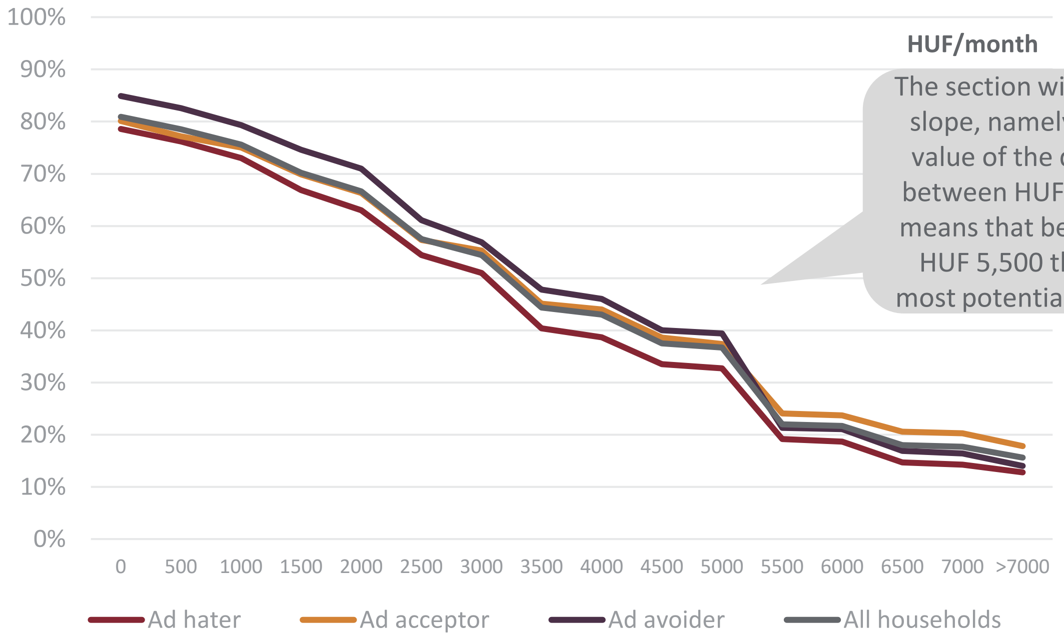
Frequency by clusters

All respondents: 4.317 HUF

Ad hater: 3.657 HUF

Ad avoider: 4.182 HUF

Ad acceptor: 5.119 HUF



Frequency by Internet technologies

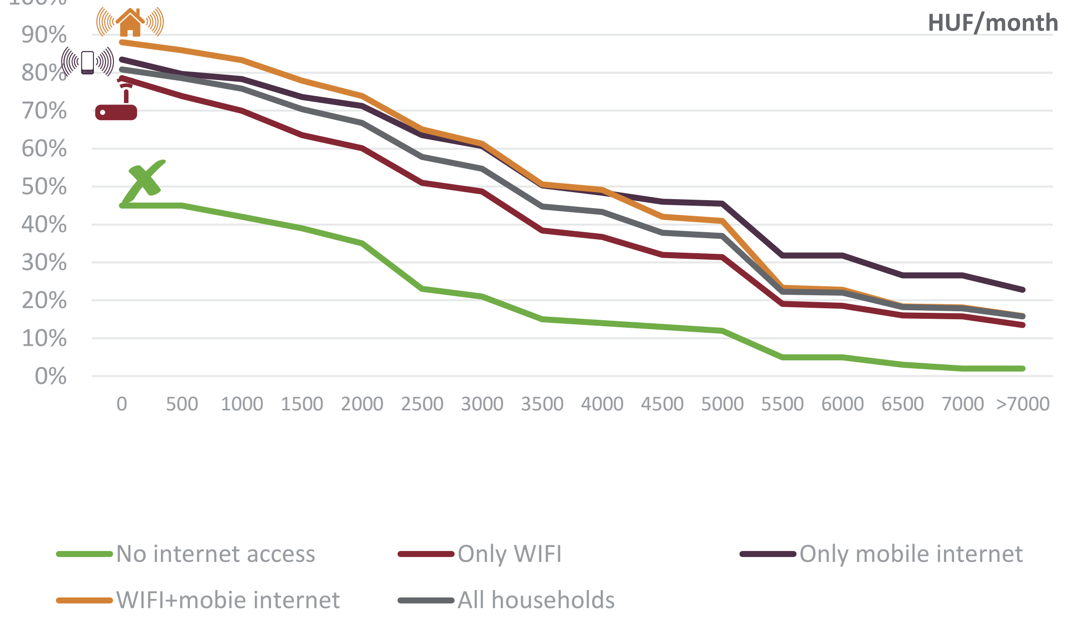
All respondents: 4.317 HUF

Only WIFI (wired) internet: 3.795 HUF

Both wired and mobile internet: 4.740 HUF

Mobile internet only: 7.011 HUF

No internet in the household: 1.430 HUF



B22. What is the maximum monthly amount you are willing to pay for subscription media services in a month? It is important that this does not include the TV subscription, which is paid to the TV provider or the telecommunications provider for the TV subscription, but only specifically paid content services (so-called streaming) that have to be paid for independently of the TV provider (e.g. HBO Max, Netflix, Amazon Prime Video, etc.). Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

FOUR FIFTHS OF HOUSEHOLDS WOULD SACRIFICE, THE PSYCHOLOGICAL LIMIT AT HUF 5,000

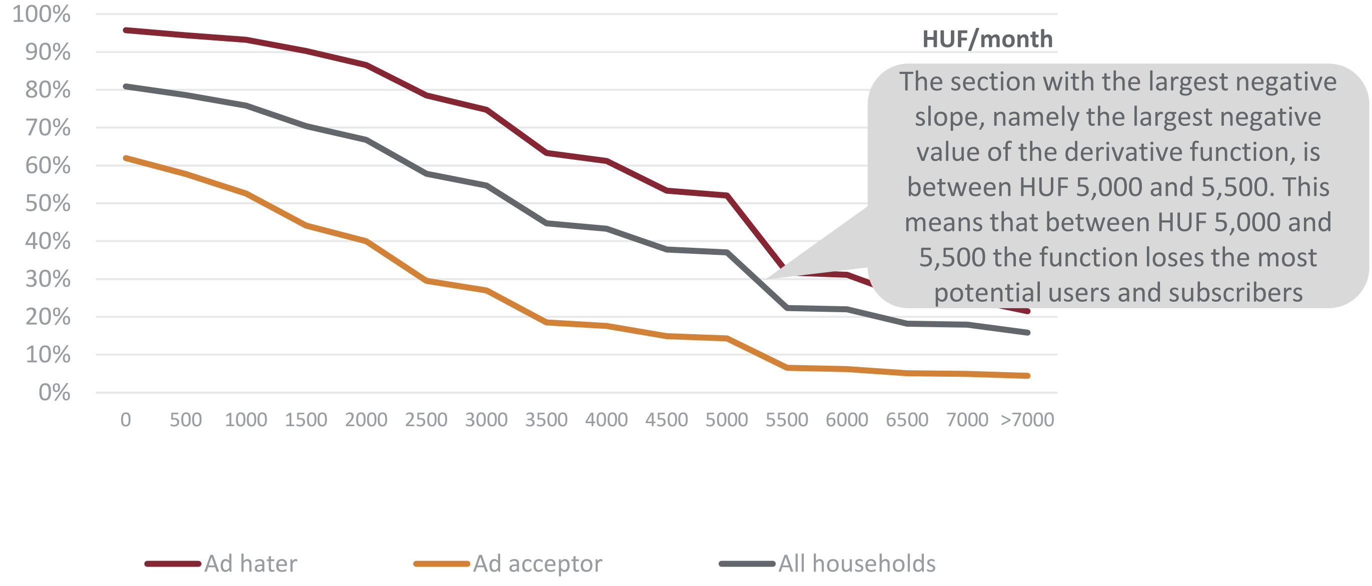
The income situation and the fact whether the household already has a subscription streaming service significantly affects the maximum monthly budget for this type of service. Those who already have a subscription would spend an of HUF 6,000 per month on this service, while 40% of those who do not currently have a subscription would not even pay for such a subscription service

Have/do not have a subscription to a media service

All respondents: 4.317 HUF

Already subscribed to a media service: 5.962 HUF

Not yet subscribed to a media service : 2.237 HUF



According to the total income of the household

All respondents: 4.317 HUF

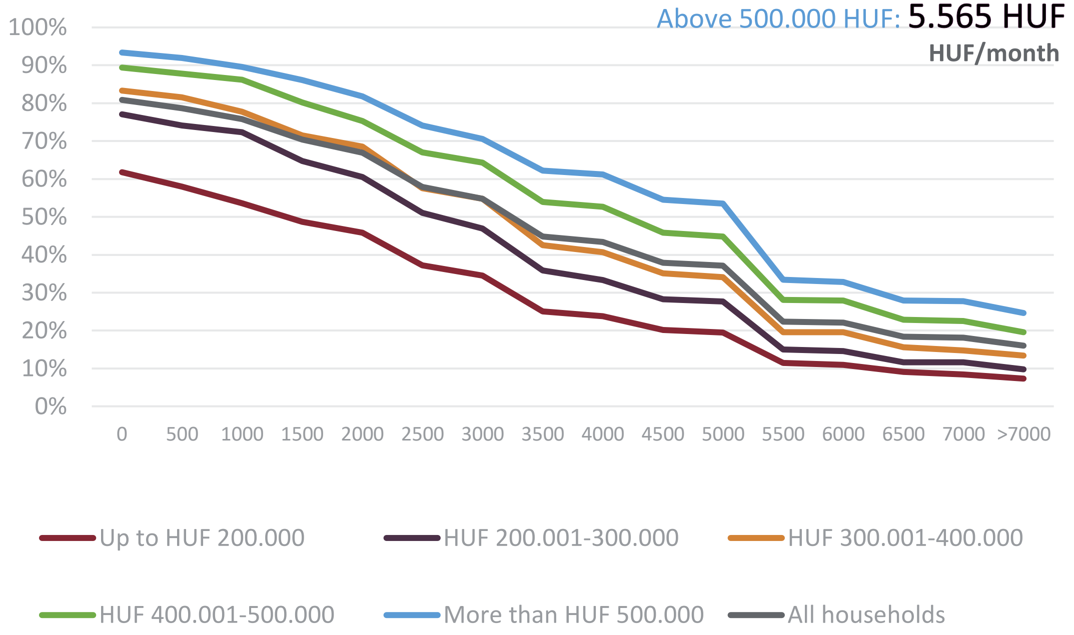
Household income <200.000 HUF: 3.292 HUF

200.001-300.000 HUF: 3.461 HUF

300.001-400.000 HUF: 4.674 HUF

400.001-500.000 HUF: 4.683 HUF

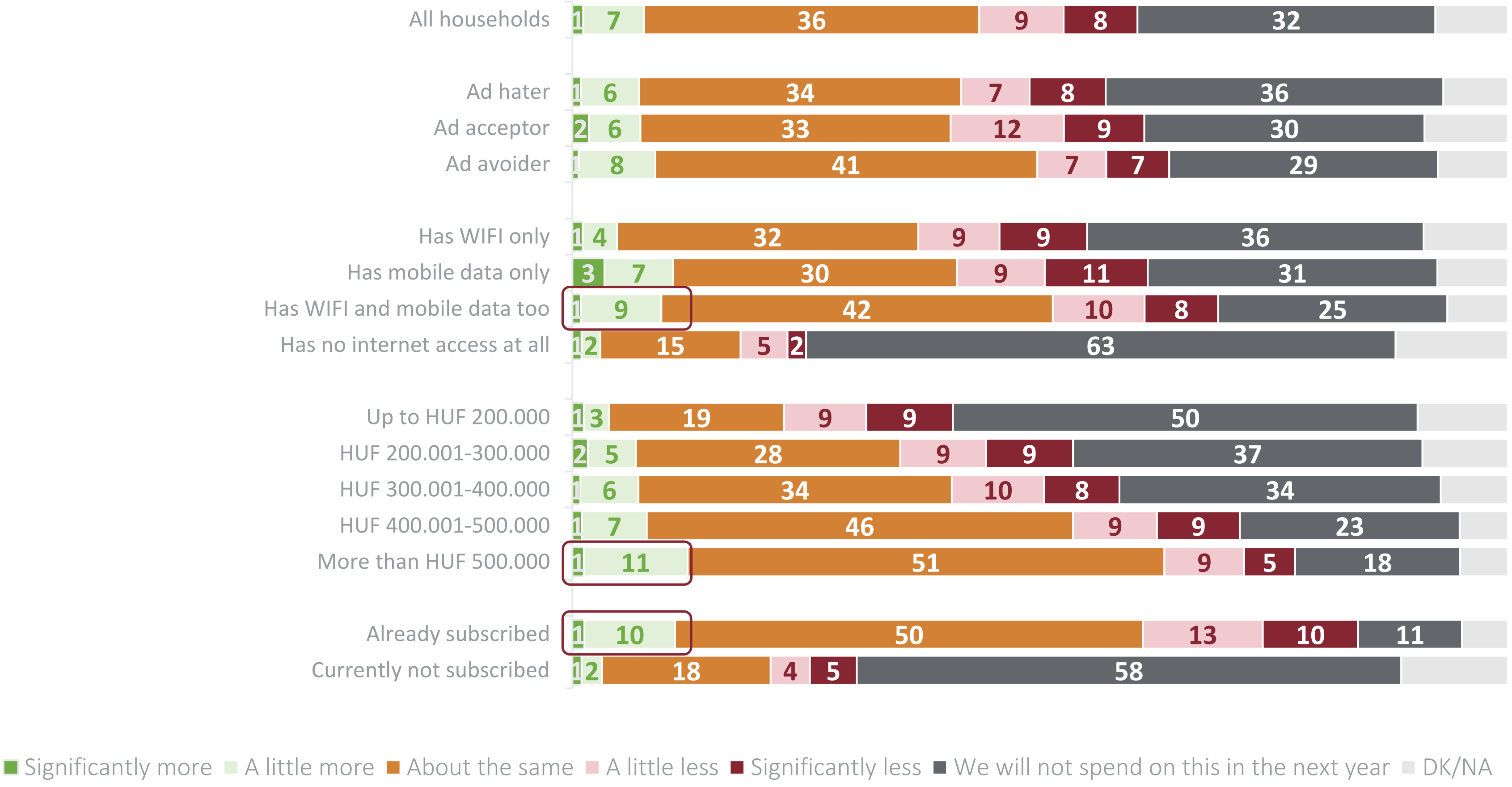
Above 500.000 HUF: 5.565 HUF



B22. What is the maximum monthly amount they are willing to pay for subscription media services in a month? It is important that this does not include the TV subscription, which is paid to the TV provider or the telecommunications provider for the TV subscription, but only specifically paid content services (so-called streaming) that have to be paid for independently of the TV provider (e.g. HBO Max, Netflix, Amazon Prime Video, etc.). Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

EXPECTED REDUCTION IN MEDIA CONSUMPTION SPENDING IN THE COMING YEAR

The next year may be more about cuts than expansion of service packages. Only 8% plan to spend more on media services in the next year, while twice as many want to save on these types of services



Who can we expect to see an increase in the use of subscription media content?

- Households with only mobile internet
- People living in the central Hungarian region
- Households living in Budapest
- Large households with at least 5 people
- A minor (usually several) lives in the household or family
- The age composition of the children is mixed
- There are more dependents than earners in the family, presumably due to the larger number of children
- A graduate with a higher education lives in the household
- The total net income of the family is over HUF 500,000Already a subscriber

B23. How do you feel, in the next one year, will you spend more or less to watch subscription media content and programs that can be viewed for a subscription fee at some content provider?
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

EVERY SIXTH SUBSCRIBER PLANS TO CANCEL NEXT YEAR

One in six households that currently have a paid media service plans to cancel the subscription service next year, with the largest proportion being the ad acceptor cluster living in more modest financial circumstances. This may affect Netflix the most

▲ Significantly higher mentioning

Planning to cancel

16

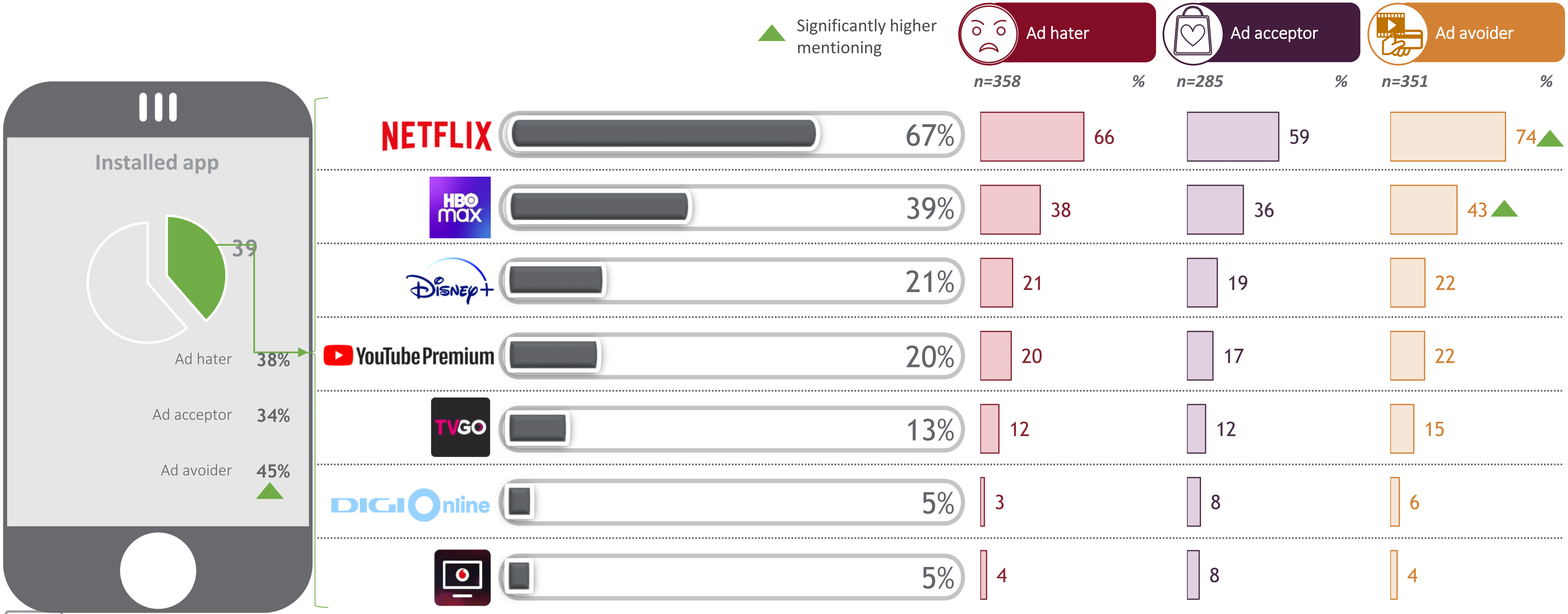
Ad hater	13%
Ad acceptor	25% ▲
Ad avoider	9%

	Total	Ad hater n=64 %	Ad acceptor n=134 %	Ad avoider n=43 %
Netflix	40%	35	39	50 ▲
HBO max	25%	30 ▲	25	15
Disney+	24%	9	30 ▲	26
YouTube Premium	15%	22 ▲	15	6
TV GO	13%	16	12	10
DIGI Online	12%	4	16	10
Google TV	12%	4	17	6

B24. Are you planning to cancel your subscription or subscriptions for a monthly paid content service in the next 1 year? Base: those who currently subscribe to a paid media content service [n=1704]
B25. And which of the following? Base: those who currently subscribe to a paid media content service [n=1704] and plan to cancel at least one of their media content services in the next year [n=241]

LESS THAN HALF OF SMARTPHONE USERS HAVE DOWNLOADED AN APP

Only 40% of smart device users have downloaded a streaming app to their smart device.

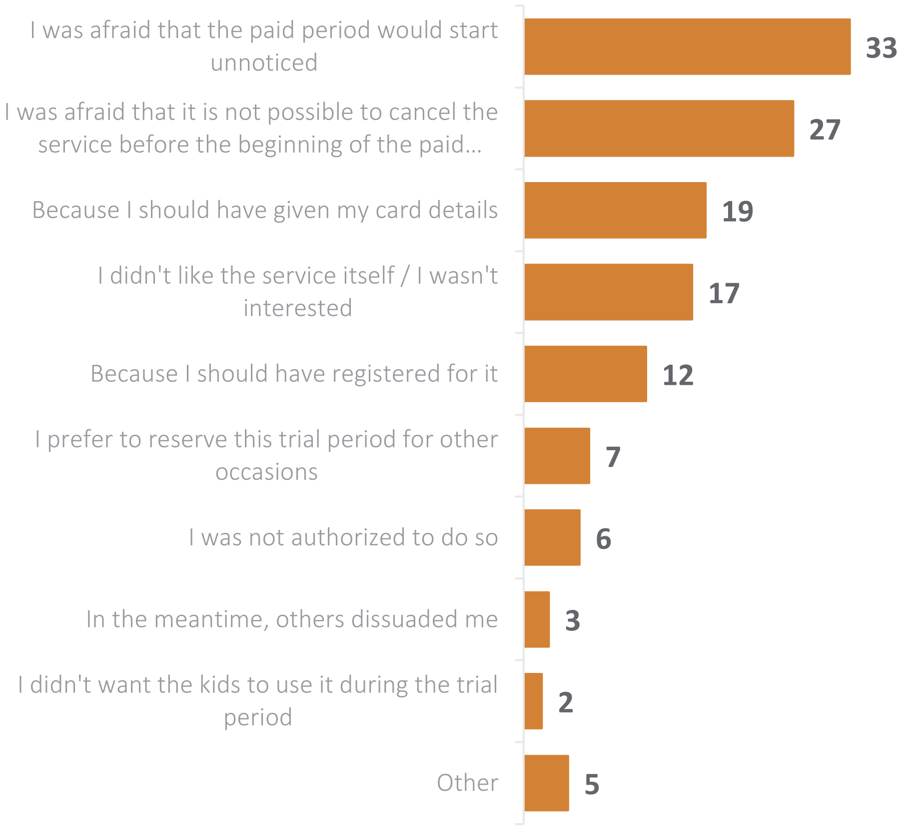


B27. Have you ever installed an application of a paid content service on any portable smart device? Base: those who own at least one smart device, e.g. smartphone, tablet [n=2637]
B28. And which of the following? Base: those who own at least one smart device, e.g. smartphone, tablet [n=2637] and downloaded at least one paid content service application [n=994]

TRIAL PERIODS AND MIGRATION FROM TRIAL TO SUBSCRIPTION

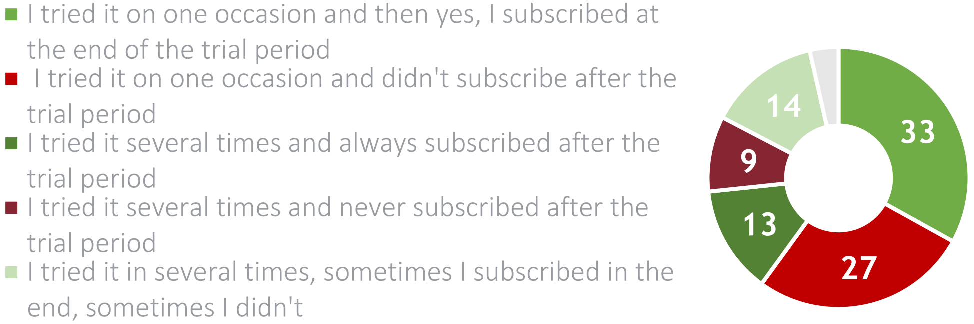
40% of households take advantage of the free trial period, and the "invitation" to the trial period was successful for more than half of those who tried it. Many of them are afraid of when the trial period will switch to a paid plan

B32. Why didn't you try the service, i.e. why didn't you take advantage of the trial period?

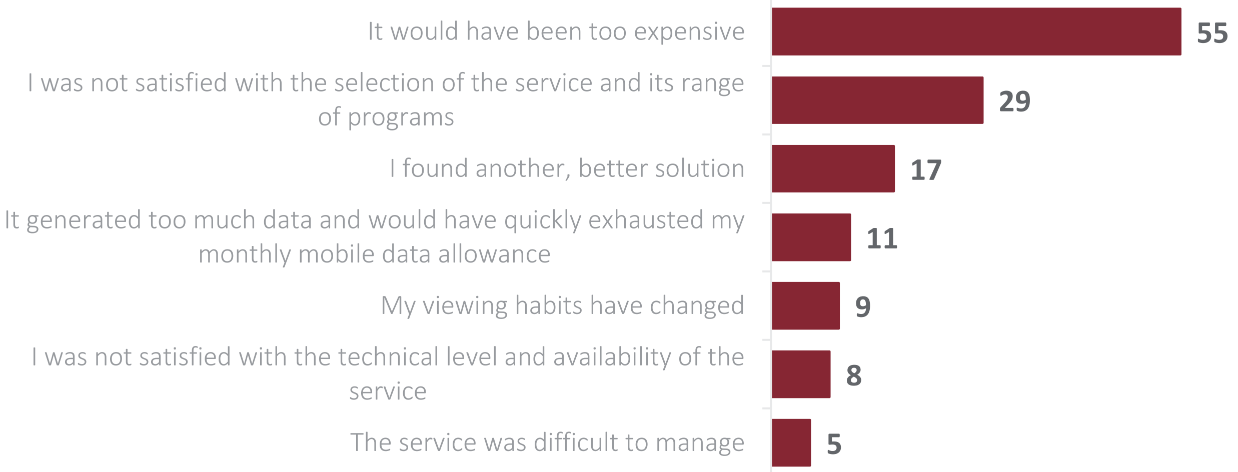


B29. Have you ever taken advantage of a free trial of a service like this?

B30. And after that, did you subscribe to the paid media service?



B31. When you didn't subscribe after the trial period, what was the reason?



B29. Have you ever taken advantage of the free trial period of such a service, that is, tried such a service for free? Base: all respondents [n=3000]
B30. And did you subscribe to the service after that (i.e. after the free trial)? Base: those who took advantage of the trial period [n=1202]. B31. When you didn't subscribe after the trial period, what was the reason?
B32. Why didn't you try the service, i.e. why didn't you take advantage of the trial period? Base: those who did not use the trial period / periods [n=1648]

TRIAL PERIODS AND MIGRATION FROM TRIAL TO SUBSCRIPTION

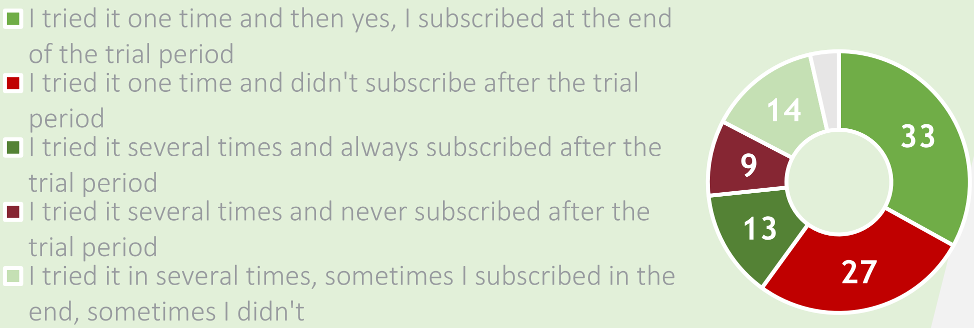
Those who expect an ad-free service, those who live in better financial conditions and who are more educated, relatively populous, with at least 3-4 people in the household and have at least one minor

B29. Have you ever taken advantage of a free trial of a service like this?

They use the trial period to a greater extent:

- Ad avoiders [46%]
- 49% of households with both Internet technologies (wired and mobile data).
- 45% of households in Central Hungary46% of households living in the capital
- 47% of those living in a cohabiting relationship
- Half of households with at least three people
- 52% of families with children
- 50% of households with at least two earners

B30. And after that, did you subscribe to the paid media service?



They continued in a larger proportion after the trial period in the subscription system:

- Ad avoiders
- Households with both internet technologies (wired and mobile data).
- Households in central Hungary and especially households living in the capital
- People living in cohabitation and marriage
- Half of the households with at least three people and especially those in which at least one minor lives
- Households with at least two earners
- The total net income of their household reaches HUF 500,000 per month
- A graduate with higher education lives in the family

B29. Have you ever taken advantage of the free trial period of such a service, that is, tried such a service for free? Base: all respondents [n=3000]
B30. And did you subscribe to the service after that (i.e. after the free trial)?
Base: those who took advantage of the trial period [n=1202]

AD-FREE TRADE-OFF

Willingness to pay for ad-free content.

Acceptance of non-ad-free versions of media services, willingness to subscribe

THREE QUARTERS OF HOUSEHOLDS WOULD PAY FOR AD-FREE CONTENT

Households would pay an average of HUF 2,600 per month in order to enjoy a currently non-ad-free content platform or commercial channel without commercial breaks or embedded advertisements. It is precisely the ad acceptor cluster that would sacrifice the most for this, which is a bit of a contradiction, although this does not rule out the fact that they will otherwise accept the business model of commercial channels

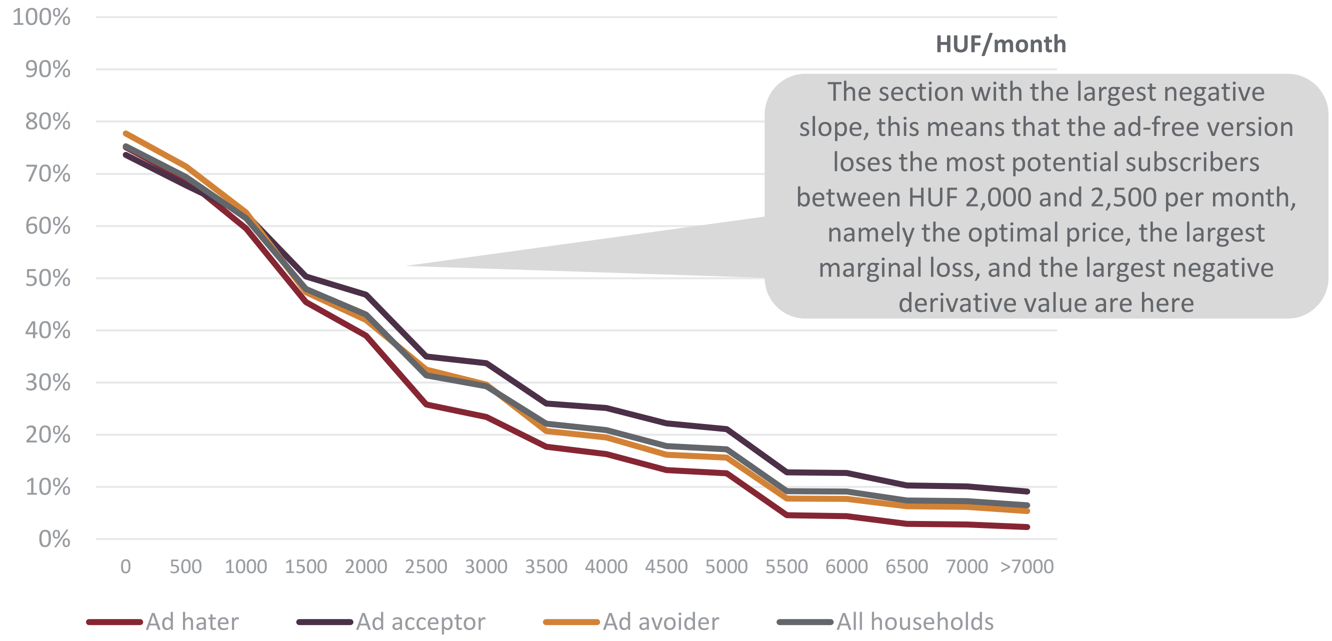
Frequency by clusters

All respondents: 2.593 HUF

Ad hater: 1.862 HUF

Ad avoider: 2.139 HUF

Ad acceptor: 3.733 HUF



Frequency by Internet technologies

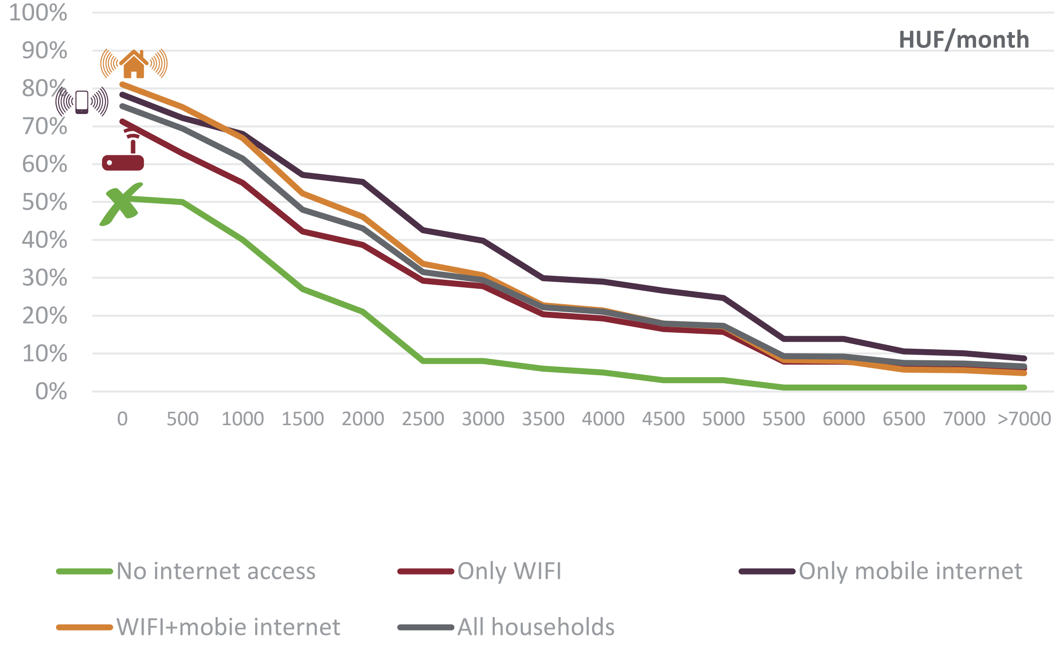
All respondents: 2.593 HUF

Only WIFI (wired) internet: 3.115 HUF

Both wired and mobile internet: 2.587 HUF

Mobile internet only: 3.083 HUF

No internet in the household: 906 HUF



B33. Now imagine a traditional commercial channel or any other free but not ad-free content platform (even YouTube, Video, etc.), on which programs and films are occasionally interrupted by commercials, advertisements, and commercial breaks. What is the maximum amount you would be willing to pay per month in order to be able to watch this channel without commercials or commercial breaks? Please enter the maximum amount per month and in HUF. Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

ON AVERAGE, THEY WOULD PAY HUF 2,600 PER MONTH FOR THE AD-FREE VERSION

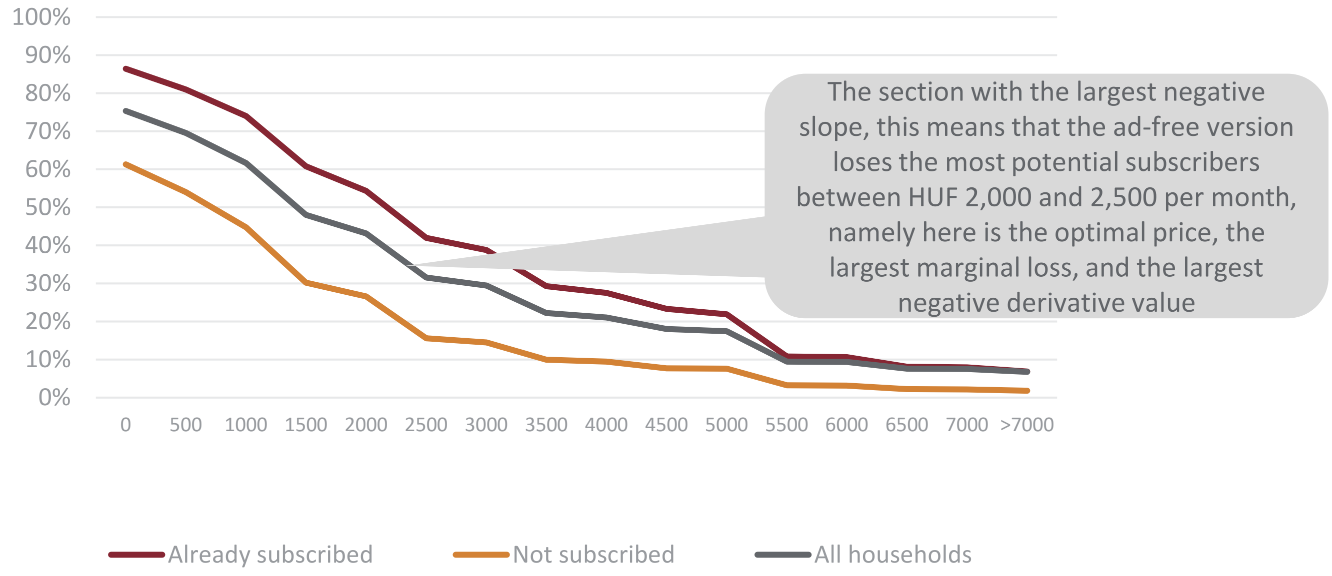
On the demand function, the largest slope, namely the largest marginal loss (negative derivative) can be observed between HUF 2,000 and HUF 2,500, so HUF 2,500 would be significantly less than HUF 2,000, but due to the wide range of values, the average HUF 2,600 it comes out. Overall, the realistic additional expenditure that is allocated to ad-free broadcast should be somewhere around HUF 2,400

Have/do not have a subscription to a media service

All respondents: 2.593 HUF

Already subscribed to a media service: 3.588 HUF

Not yet subscribed to a media service: 1.335 HUF



According to the total income of the household

All respondents: 2.593 HUF

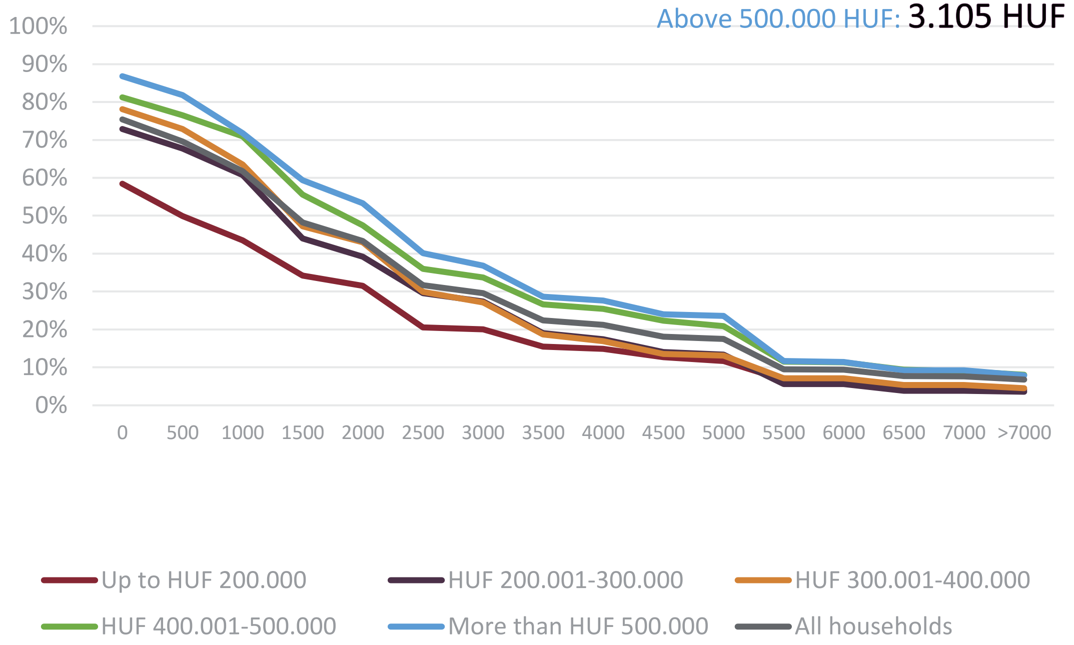
Household income <200.000 HUF: 2.737 HUF

200.001-300.000 HUF: 1.996 HUF

300.001-400.000 HUF: 2.216 HUF

400.001-500.000 HUF: 2.632 HUF

Above 500.000 HUF: 3.105 HUF

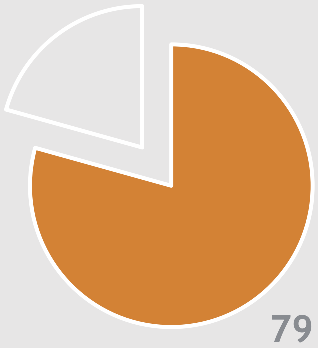


B33. Now imagine a traditional commercial channel or any other free but not ad-free content platform (even YouTube, Video, etc.), on which programs and films are occasionally interrupted by commercials, advertisements, and commercial breaks. What is the maximum amount you would be willing to pay per month in order to be able to watch this channel without commercials or commercial breaks? Please enter the maximum amount per month and in HUF. Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

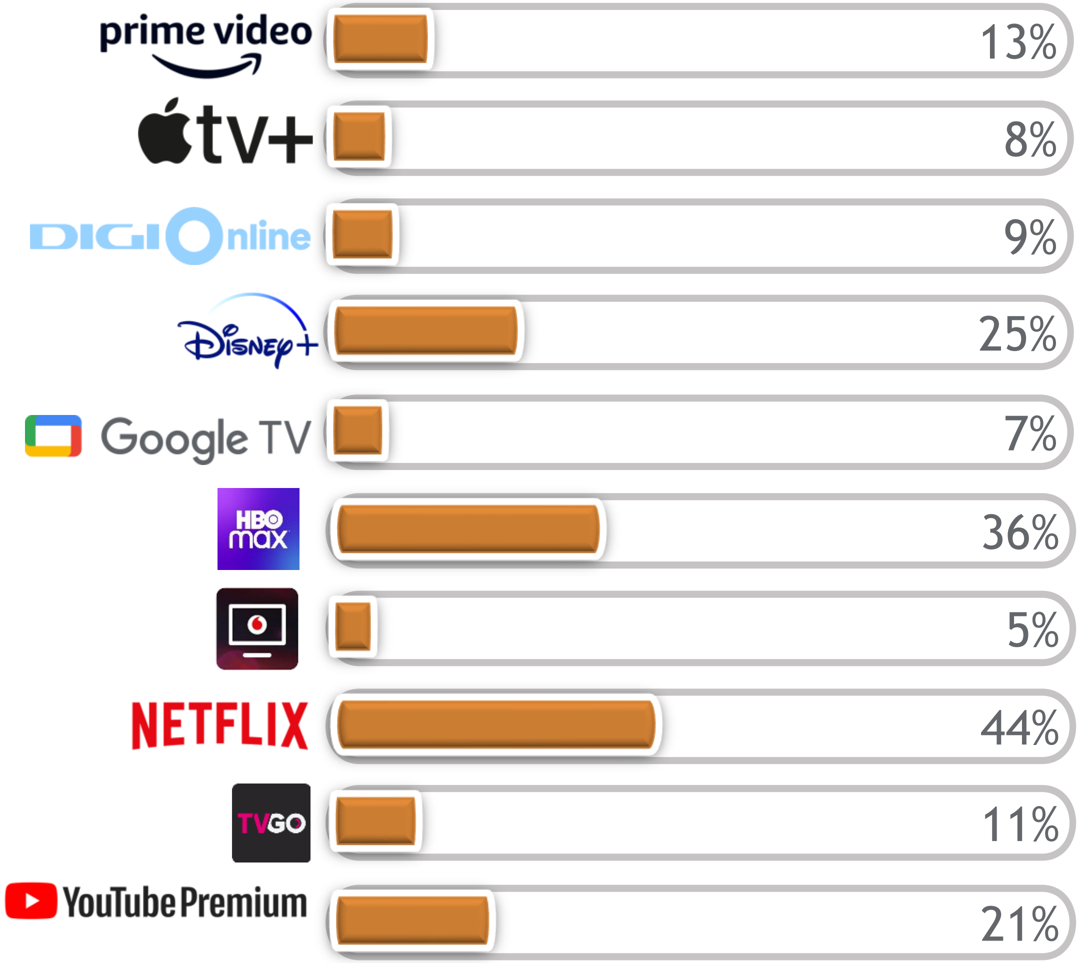
ACCEPTANCE OF ADVERTISEMENTS IN EXCHANGE FOR EXEMPTION FROM FEES (TRADE-OFF DECISION)

Four out of five households would not mind the elimination of ad-free broadcast, if the service provider offers the ad-free service with all parameters free of charge. The largest proportion of ad acceptors would accept the abolition of the advertising exemption - understandably, since this is the essence of the cluster

Use of free but not ad-free content



Ad hater	74%
Ad acceptor	93%
Ad avoider	70%



One fifth of those who currently subscribe to a media/streaming service **would reject the service provider's offer** that they "must" watch commercials in exchange for a free service, meaning that the content would be interrupted by commercial breaks.

80% of them could live with this if they received a fee exemption in exchange. The success of this offer would be – **by definition, logically – in the ad acceptor cluster**

B34. Would you use the following media content service, which is available via subscription or via the service provider with a code (also) if it became free, but in return would the program be interrupted by commercials? If so, which ones would you use for free, but NOT ad-free? Choose the subscription services you would use if you could view media content for free, but NOT without advertising! You can mark multiple services.
Base: those who currently subscribe to a paid media content service [n=1704]

PERCEIVED ADVERTISING TIME: 14 MINUTES PER HOUR MORE THAN ACCEPTABLE

According to the respondents, on average, they have to "watch" 14 minutes more commercials per hour and longer commercial breaks than they would accept. According to them, 6-7 minutes of commercial time per hour would be acceptable, and instead they feel that they are „dumped" with an average of 21 minutes of advertising per hour

Averages per minute, Within 60 minutes of program time

	All households *n=3000*	Ad hater *n=1096*	Ad acceptor *n=1004*	Ad avoider *n=900*
Maximum acceptable advertising time [in minutes]	7	6	9	6
Estimated advertising time of 60 minutes of program time [in minutes]	21	22	19	21
Deviation [perceived advertising time - acceptable advertising time]	14	16	10	15

Averages per minute, Within 60 minutes of program time

	All households *n=3000*	Has WIFI only, no mobile internet *n=855*	Has mobile internet only, no WIFI *n=224*	Has both *n=1821*	Has no internet access *n=100*
Maximum acceptable advertising time [in minutes]	7	7	7	6	10
Estimated advertising time of 60 minutes of program time [in minutes]	21	20	20	21	20
Deviation [perceived advertising time - acceptable advertising time]	14	14	13	15	10

Averages per minute, Within 60 minutes of program time

	All households *n=3000*	Already subscribed to a media service *n=1704*	Currently not a subscriber *n=1296*
Maximum acceptable advertising time [in minutes]	7	7	7
Estimated advertising time of 60 minutes of program time [in minutes]	21	21	20
Deviation [perceived advertising time - acceptable advertising time]	14	14	13

B26. Out of one hour, so 60 minutes of program time, what do you think is the maximum advertising time (how many minutes) that is still acceptable to you? Please give your answer in minutes, you can enter a maximum of 60 minutes. We are also curious to know how much of the 60 minutes of program time you think is nowadays made up of advertising. In this case too, please enter your answer in minutes, the maximum value is 60 minutes. Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

NEWS CONSUMPTION CLUSTERS

Factor and cluster analysis based on attitude statements. The persona of each cluster

A FEW WORDS ABOUT FACTOR ANALYSIS

What is factor analysis good for?

- Factor analysis is a so-called data reduction statistical procedure, the essence of which is that, in our case, arranges the 11 attitude statements into groups. Each of the 11 attitude statements can be said to be strongly correlated with one or more other statements, namely if the respondent answered one statement in a certain way, then his/her answer to the other attitude question that is strongly correlated with it can also be predicted.

78%

KMO coefficient

- A factor analysis can only be successful and thorough if the so-called Kaiser-Meyer-Olkin coefficient (KMO) exceeds 70%
- In the case of news reading attitude, this coefficient is 78%, so factor analysis is still suitable for the formation of clusters and segments in this research
- This also means that the respondents answered our 11 questions relatively consistently and consciously

3

Number of factors

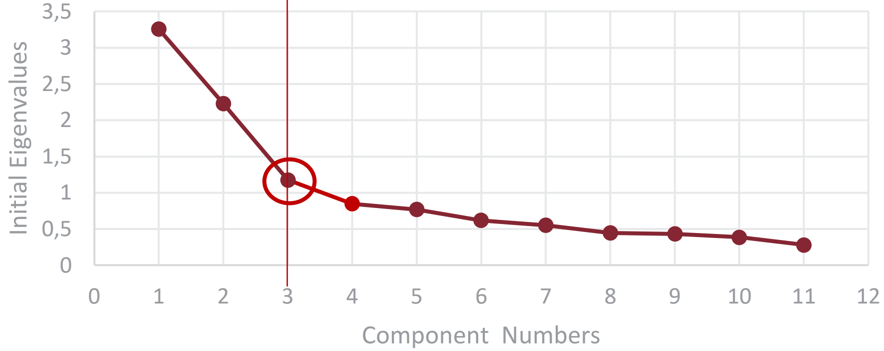
- There is no clear rule for determining the number of factors, it is a matter of analytical judgment
- In general, we must examine how many factors the so-called explanatory power, or that the factors explain at least 50% of the total variance
- In our case, based on these two professional principles, we decided on 3 factors

61%

Explained variance

- Then a factor analysis is good, and the selection of the number of factors was professionally appropriate if the explained variance reaches 50%.
- In our case, we managed to confidently reach 50%, our 3 factors have a total explanatory power of 61%, which is considered very reliable

Scree Plot diagram



In summary: several principles and theories support the fact that we will have 3 usable factors in this research.

- The eigenvalue of factor 4 no longer exceeds the value of 1
- The combined explanatory power of the first 3 factors is 61%
- Between the 3rd and 4th factors, the explanatory power decreases significantly, so the 4th factor no longer makes any sense

>1

Eigenvalue principle

- Factors may be included in the factor analysis, and later in the cluster creation, as long as the so-called eigenvalue of a factor is above 1
- As can be seen in the Scree Plot on the left, the eigenvalue of the 4th factor no longer exceeds 1, so this also supports the fact that we will have 3 well-separated factors with definitely different meanings, that's all we can work with

ATTITUDE FACTORS

Interpretation of the 3 factors: which factor refers to which behavioral element?

Az The subscription provides authentic, thorough, high-quality information

- If you want to get **quality, reliable news** on the Internet, you definitely have to subscribe to one of the online news portals.
- Subscription versions of online news portals offer **higher quality news, more comprehensive analyses, and a wider range of content**.
- Articles on **free** online news portals are **superficial, too short and unreliable.**
- Anyone who **wants to be well informed** today must read at least one subscription-based online news portal.
- Subscription news portals and the content of portals are **indispensable in my profession and work**, so I am forced to subscribe.
- If a site offers me the option to subscribe after part of the article**, I will consider** it, depending on the content of the article.

Explanatory power within total variance **27%**

Average correlation between the factor and its elements **0,68**

The information belongs to everyone, it is not fair to be tied to a subscription

- When a free news site says that you need a subscription to continue reading the article, **it really upsets me**.
- I think that the **news service should not be tied to a subscription, it is the same for everyone**.
- **It is not fair** that certain news and analyzes can only be accessed through a subscription.

Explanatory power within total variance **22%**

Average correlation between the factor and its elements **0,81**

Advertisements on news portals are annoying and disturbing

- **Advertisements** appearing on online news portals are **extremely disturbing**.
- They do not agree with the statement that the advertisements placed on free online news portals are **not disturbing**, so they would not subscribe.

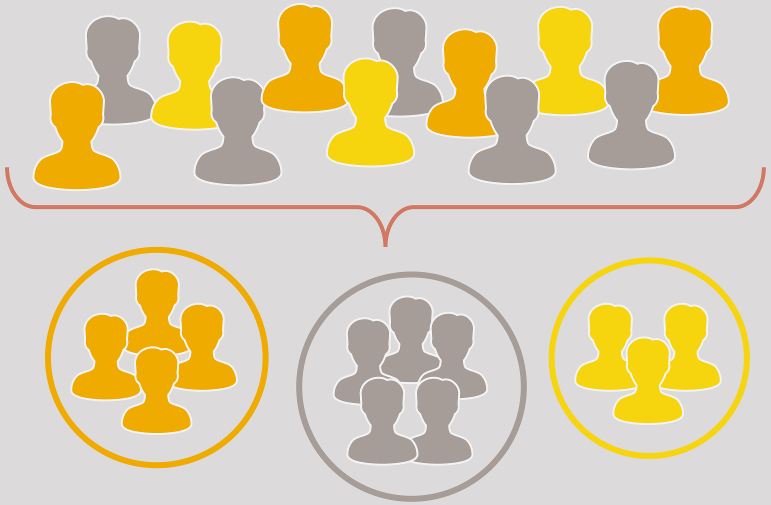
Explanatory power within total variance **12%**

Average correlation between the factor and its elements **0,68**

BUSINESS PURPOSE AND METHODOLOGY OF CLUSTER ANALYSIS AND FACTOR ANALYSIS

Briefly about cluster analysis

- Segmentation was performed using multivariate data analysis and cluster analysis. The method can be used to define several segments whose members show similar behavior within the cluster, but at the same time, the cluster differs significantly from the other clusters in terms of the respondent's thinking and habits.
- In this cluster analysis, we used **11 predefined attitude statements**
- Since we used the same 1...5 Likert scale for all attitude statements, factor and then **cluster analysis is an obvious solution**
- As a result of the cluster analysis, **3 distinct clusters** emerged with significant demographic and attitudinal differences



3 DISTINCT CLUSTERS OF 3 FACTORS, 3 DIFFERENT PERSONAS

	Quality-oriented elitists	Frustrated acceptors	Empathetic rationalists
FACTOR 1 – The subscription provides authentic, thorough, quality information	0,2	-0,8	0,5
If I want to get quality, reliable news on the Internet, I definitely have to subscribe to one of the online news portals.	0,2	-0,8	0,6
Subscription versions of online news portals offer higher quality news, more comprehensive analyses, and a wider range of content.	0,2	-0,6	0,5
Articles on free online news portals are superficial, too short and unreliable.	-0,2	-0,4	0,7
Anyone who wants to be well informed today must read at least one subscription-based online news portal.	0,3	-0,8	0,6
Az In my profession and work, the contents of subscription news portals are essential, so I am forced to subscribe.	0,4	-0,5	0,2
If a site offers me the option to subscribe after reading one part of the article, I will consider it.	0,4	-0,6	0,1
FACTOR 2 – The information belongs to everyone; it is not fair to tie it to a subscription		0,5	0,6
When a free news site says that you need a subscription to continue reading the article, it really upsets me.	-0,9	0,5	0,5
I think that the news service should not be tied to a subscription, it should be available for everyone for free.	-1,0	0,6	0,4
It is not fair that certain news and analyzes can only be accessed through a subscription.		0,6	0,5
FACTOR 3 – Advertisements are annoying and disturbing	-0,1	-0,5	0,7
Advertisements appearing on online news portals are extremely disturbing.	-0,6	-0,1	0,7
Advertisements placed on free online news portals are not disturbing, so I would not subscribe for an ad-free version.	0,0	0,4	-0,4

QUALITY-ORIENTED ELITISTS WHO BELIEVE IN SUBSCRIBER EXCLUSIVITY

The persona: 40-year-old married man from Budapest with a graduate wife and several children

About the respondent

43
average age

18-29 years old
24%

A relative male majority
Compared to the other clusters, there is a much higher proportion of men

It's a bit capital-oriented cluster

Compared to the other clusters, a higher proportion of residents live in the capital

Marital status does not show any major differences or special features

About his household

- Compared to the other clusters, the proportion of four-person and even larger households is higher
- The average number of households is 3 people (this is the highest)

- On average, 80 minors live in 100 such households, making this cluster the "most child focused„
- Minors live in 43% of households, which is also above the national average
- In this cluster, the most common is a larger family with at least two minors

UNIVERSITY

- The proportion of earners within the household is high, more than half of the households are two-earner models
- The proportion of households consisting only of parents with a degree is very high, a highly educated cluster

His way of thinking

- They do not think that information and news are available to everyone in the same scope and quality
- They accept that one must pay for quality, yes, there should be an exclusive layer that requires a higher level of processing, a more thorough analysis, for a subscription fee
- Their work usually requires them to read subscription pages
- They are not annoyed by the paywalls that come up, if they see one, they consider the subscription

NEWSLETTER

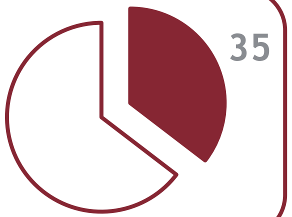
The largest proportion (almost one in ten) subscribes to a digital news site

NEWSPAPER

The largest proportion (one in three) also subscribes to print media

The smallest proportion (a quarter) use adblocker

Estimated size of cluster



Gábor is 40 years old, from Budapest. He has a university degree and lives with his wife, also a graduate, and their two children in a more elegant, but not exceptionally rich, area of Budapest. Their standard of living and living conditions are slightly better than average, they have enough money to finance their expenses, and they can even save. Both of them do intellectual, office work. They have subscriptions for both digital and print media products. He feels that it is a completely understandable position that one must pay for high-quality, more comprehensive analyzes and news. His work makes this necessary anyway.

FRUSTRATED ACCEPTORS WHO BELIEVE IN ACCESS TO FREE INFORMATION

The persona: 65-year-old woman with a low level of education and poor financial conditions

About the respondent

50
average age

Above 60 y/o
30%

A strongly female segment
The proportion of women in this cluster is well above the national average, approx. 60%

Highest proportion of elderly
Almost every third member of the cluster is over 60, well above the national average

The largest proportion of them live in small towns and villages in this cluster

R.I.P.

Relatively many people have already lost their spouses, many widows in this cluster

About her household

- Almost 60% of the cluster has one or two people, and almost a quarter has one person
- The average number of minors per household is low, almost 70% of households do not have minors - because they are elderly households

- A quarter of households are single
- Another third of them are two-person households without minors
- Almost 70% of households have no minors

PRIMARY EDUCATION SECONDARY EDUCATION

- It is typical that they only have a high school diploma or a high school diploma and a bachelor's degree together
- A quarter of households have a total monthly income of less than HUF 200,000
- Many people live on a tight budget

Her way of thinking

- They feel it is unfair that digital media authorities make an exception with a part of society
- According to them, access to information is a basic right, the quantity and quality of information should not be tied to a subscription, economic or financial situation
- Otherwise, advertisements, banners and pop-ups placed on free portals do not bother them, they can live with them
- They are bothered by the subscriber differentiation, but they are skeptical that that version is better

NEWSLETTER

Only 2-3% subscribe to digital media

NEWSPAPER

The smallest proportion (one in four) also subscribes to print media

Relatively low internet penetration, 87%

Estimated size of cluster

Erzsébet is also a 65-year-old pensioner from a village in Jász-Nagykun-Szolnok county. Her husband has already passed away, her children have grown up and moved away. She lives in a small village near Szolnok, in an old-style house. She barely lives on her pension and she has to give up several important things. Regardless, her children try to take care of her, for example, she has Internet access at home. Erzsébet completed eight primary schools back then, in the late 1960s. Due to her limited financial circumstances, she does not feel that the "discrimination" applied against non-subscribers is fair, and this operating model is also unusual for her.

EMPATHETIC RATIONALISTS WHO SEE THE QUALITY BENEFITS OF A SUBSCRIPTION AND ARE BOTHERED BY ADS

The persona: x generation woman from a small settlement near Szeged

About the respondent

46
average age

There is no significant difference compared to the national average

It is also a strongly female segment
The proportion of women in this cluster is also well above the national average, approx. 60%

A strong presence in the Southern Great Plains
Compared to the national average, there is a significantly higher proportion of households from the Southern Great Plains, nearly one fifth of all families

Several are in a cohabiting relationship
A partner relationship is more typical than usual, or in other clusters

About her household

- The size of the household has no typical characteristics, it corresponds to the Hungarian average
- Average size: 2.9 people

- Minors live in 42% of households, the number of minors per 100 households is 75
- Both values correspond to the national average, so there is no noticeable difference in this regard either
- The most typical is a large family with children

- Internet penetration is the highest in this cluster, at 93%

Her way of thinking

- She really believes in the serious professional work behind the subscription versions, in the authenticity and thoroughness of these articles
- She knows that access to quality, informative articles requires a subscription
- Feels the difference in quality between free and paid service
- She finds ads really annoying
- At the same time, she also thinks that getting news should be a social minimum, a basic right, not for a subscription
- Outraged by the paywall

NEWSLETTER 7%

NEWSPAPER 31%

Adblocker is used most intensively, 34%

Estimated size of cluster

Eszter is 45 years old, from a small town in Csongrád-Csanád county. She lives in a cohabitation relationship with her partner, they raise one child. Eszter graduated college, her partner is a high-school graduate, both are active earners. Their combined monthly net income is 450-500 thousand HUF per month, which they manage with control and schedule, and they even have the opportunity to save some money. They have internet access at home. They reject advertisements very strongly, and they have a particularly hostile attitude towards commercials. So much that they use an adblocker on their home computer. They regularly subscribe to one printed daily newspaper.

TOPICS

Topics of interest and channels for following them

Topics that are paid to follow

WHAT TOPICS DO THEY READ ABOUT AND WHERE?

On the radio, public affairs news plays a greater role, sports news on TV, while the printed press is especially "multifunctional"

C2. Now topics follow. Please answer, which topics do you use to get information on which channels and from which sources? In the case of a topic, you can mark several channels, or you can also choose that you are not that interested in the given topic. You can mark several such topics and in any case several channels.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

PRINTED MEDIA

Subscription, occasional or regular (street) shopping

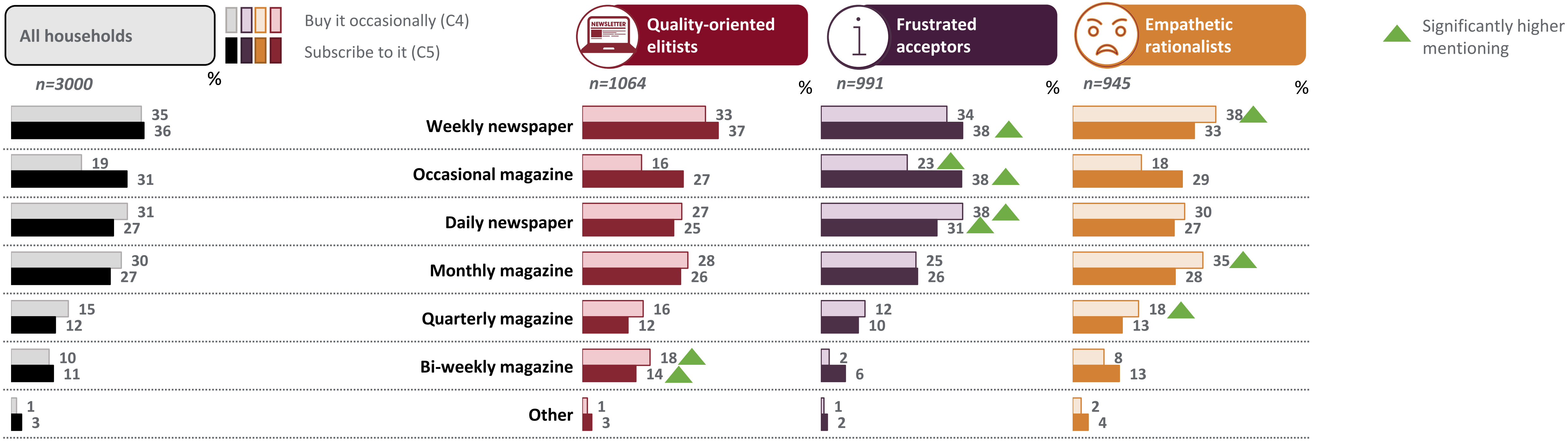
Average monthly spending on print media

Trends and expectations of the recent past and the near future

Price acceptance, price flexibility, maximum monthly budget to be spent on print media

SUBSCRIPTION / PURCHASE AND MONTHLY SPENDING ON PRINTED MEDIA

Members of the more affluent segment prefer to buy or pay for the less common printed media as fortnightly papers, presumably because these are exquisitely executed exclusive, professional papers. In contrast, people living in the most modest financial circumstances prefer to buy or subscribe to daily and weekly newspapers

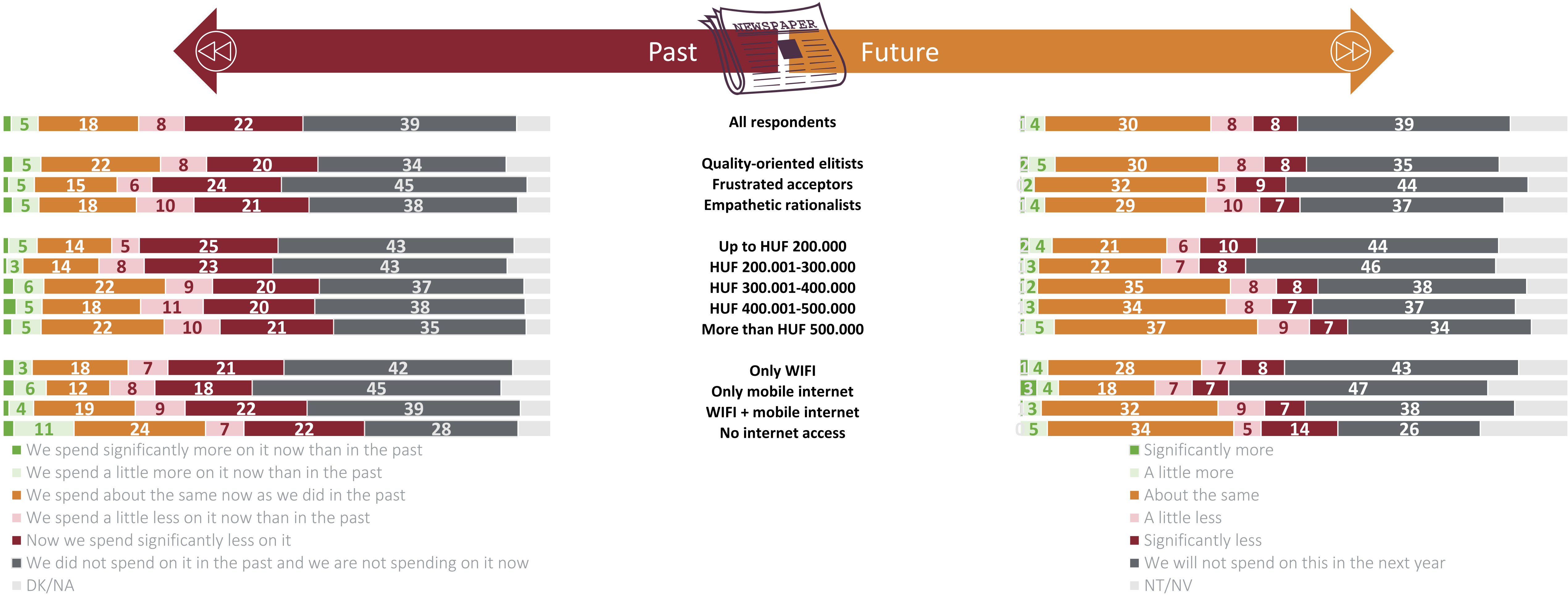


2.483 HUF	Average current monthly spending on print media products at the household level	2.431 HUF	2.494 HUF	2.534 HUF

C4. Do you subscribe to any of the following print media products? Please consider the entire household. You can mark more than one answer.
C5. Do you buy any of the following printed press products? Our question here is about the occasional purchase. Please consider the entire household. You can mark more than one answer.
C6. In an average month, how much do they spend either on (printed) newspaper subscriptions or on the occasional purchase of newspapers, magazines, and printed press products? Base: all respondents [n=3000]

PRINT MEDIA: PAST AND FUTURE

The role of the printed press is already shrinking, and based on the answers, this trend will continue in the near future - especially among those with lower incomes.



C7A. How do you feel they will spend more or less on subscriptions or occasional purchases of print media products in the coming year?
C7B. And if you think back to the past, how does your current spending on print media compare to your past spending?
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

AVERAGE AND ACCEPTABLE MAXIMUM MONTHLY SPEND ON PRINT MEDIA

The balance point is around HUF 1,500: this is the price level, the monthly budget, as much as they spent in the past, spending in the present and will or would spend in the future on printed media products

Present

Price acceptance in the future

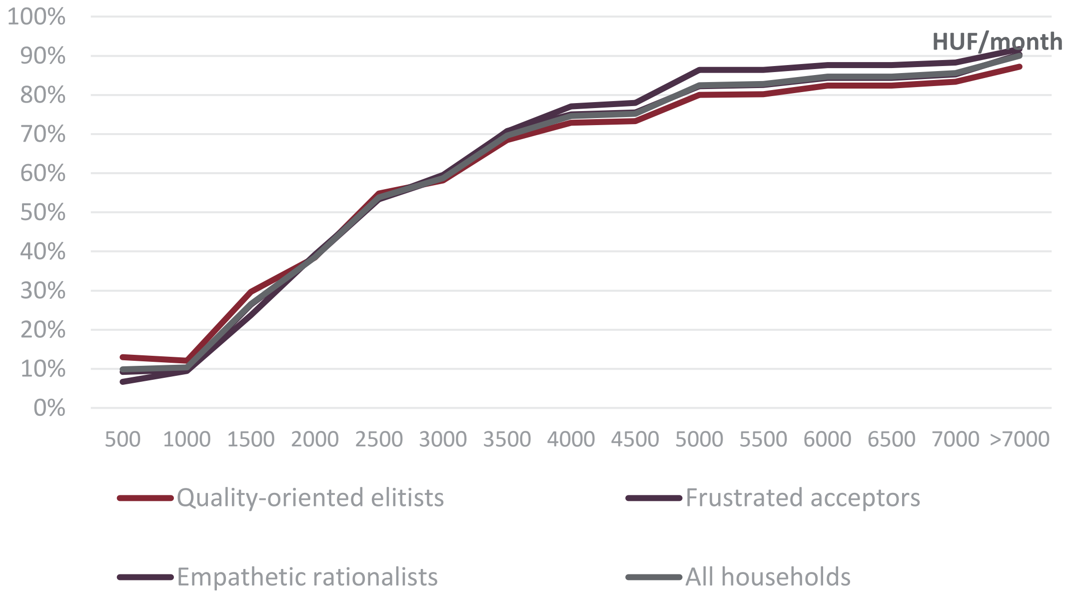
Current average monthly spending on print media

All respondents: 2.483 HUF

Quality-oriented elitists: 2.431 HUF

Frustrated acceptors: 2.494 HUF

Empathetic rationalists: 2.534 HUF



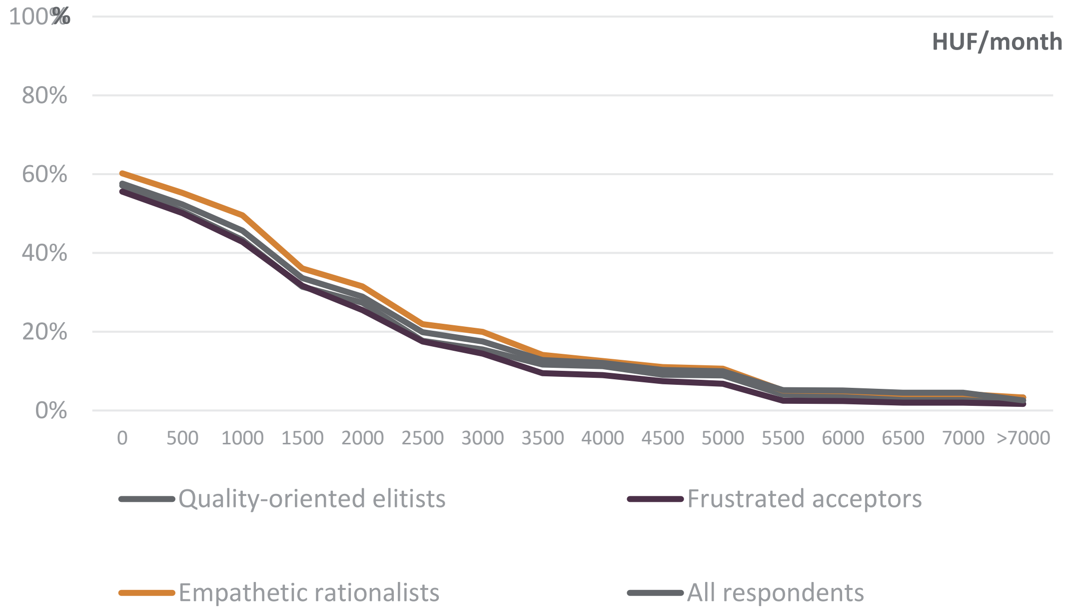
Acceptable maximum spend on print media

All respondents: 1.544 HUF

Quality-oriented elitists: 1.868 HUF

Frustrated acceptors: 1.200 HUF

Empathetic rationalists: 1.540 HUF



C6. In an average month, how much do they spend either on (printed) newspaper subscriptions or on the occasional purchase of newspapers, magazines, and printed press products? Please think specifically about printed press products here, do not include digital subscriptions, and enter the average spending of the entire household in HUF. Base: those who subscribe or occasionally / regularly buy printed press products [n=000]
C8. In your opinion, what is the maximum amount that your household would spend on the purchase and/or subscription of specially printed press products (newspaper, magazine) on a monthly basis? Base: all respondents [n=3000]

DIGITAL PRESS

Penetration of online subscriptions

Average monthly spend on online press

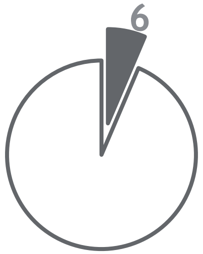
Trends and expectations of the recent past and the near future

Price acceptance, price flexibility, maximum monthly budget to be spent on digital news sites

SUBSCRIPTION AND MONTHLY SPENDING ON DIGITAL (ONLINE) PRESS

All households

n=3000 %



Significantly higher mentioning

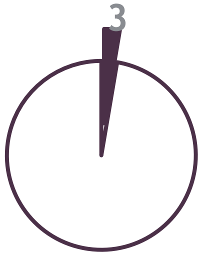
Subscription penetration of digital / online press products

Quality-oriented elitists

n=1064 %

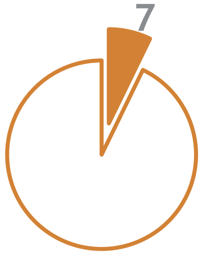
Frustrated acceptors

n=991 %



Empathetic rationalists

n=945 %



Significantly higher mentioning

Significantly higher penetration of subscriptions to online press products in these groups

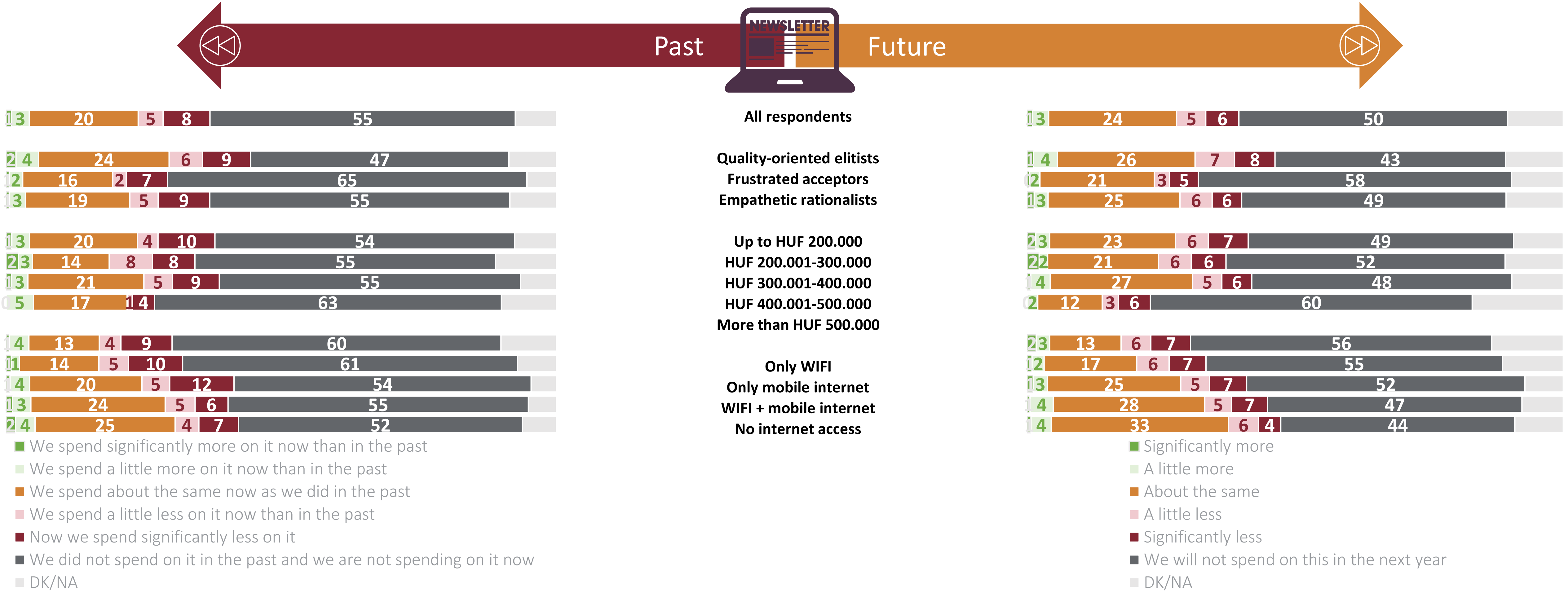
- Members of the first cluster, namely those who believe in subscriber exclusivity
- Has mobile internet or both technologies (wired + mobile).
- Metropolitans
- People living in larger households and families with several minors
- At least 3 active earners live in the household
- Only graduates live in the household
- They live in good financial conditions, their monthly net income reaches HUF 500,000

All households		Quality-oriented elitists	Frustrated acceptors	Empathetic rationalists
3.615 HUF	**Average current monthly spending on digital media and online press products**	**3.844 HUF**	**2.559 HUF**	**3.707 HUF**

C9. Do you subscribe to any of the digital / online press products? Please consider the entire household. Base: all respondents [n=3000]
C10. How much do you spend on subscriptions to digital press products in an average month? Please think specifically about digital / online press products here and enter the average spending of the entire household in HUF. Base: those who subscribe to any online site [n=192]

DIGITAL PRESS: PAST AND FUTURE - LOW WILLINGNESS TO PAY

Very little willingness to pay on digital platforms, especially for those with lower incomes, those living in more modest circumstances, and those who believe that information should be accessible to everyone for free, namely who believe that it is not fair to link online press content to a subscription



C11A. How do you feel, will you spend more or less on subscriptions to digital / online press products in the next year?C11B. And if you think back to the past, how does your current spending on digital / online media products compare to your past spending?
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

COST SAVINGS ARE EXPECTED IN THE FUTURE ON DIGITAL MEDIA

In the future, they would spend significantly less on digital media than they do now. More than 60% of the respondents would not even spend on digital media in the first place, and the rest would spend a maximum of HUF 900 per month - there are differences in this when we look at the frequency by cluster

Present

Price acceptance in the future

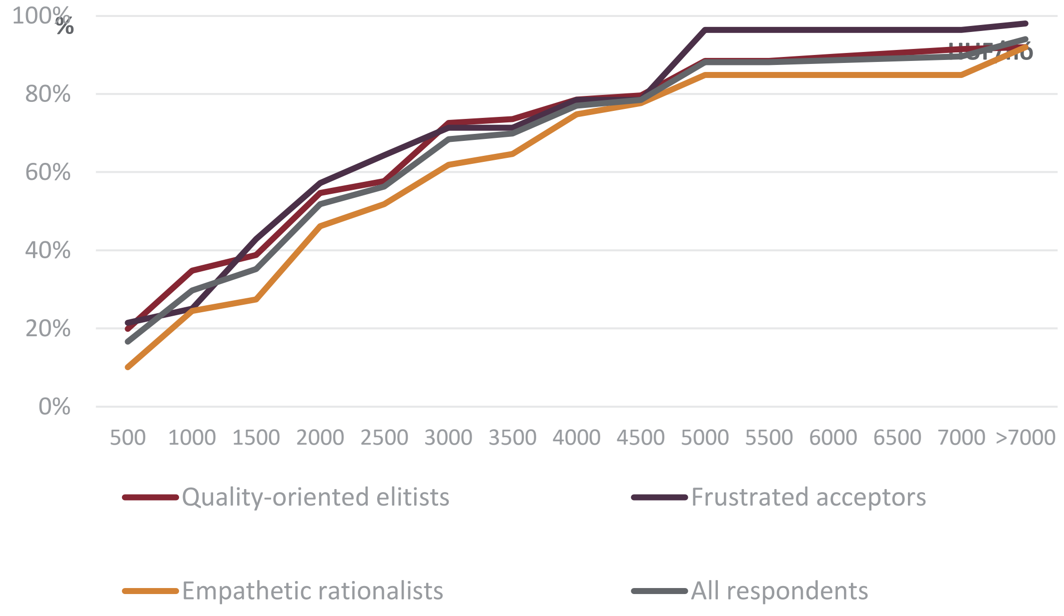
Current average monthly spending on digital media

All respondents: 3.615 HUF

Quality-oriented elitists: 3.844 HUF

Frustrated acceptors: 2.559 HUF

Empathetic rationalists: 3.707 HUF



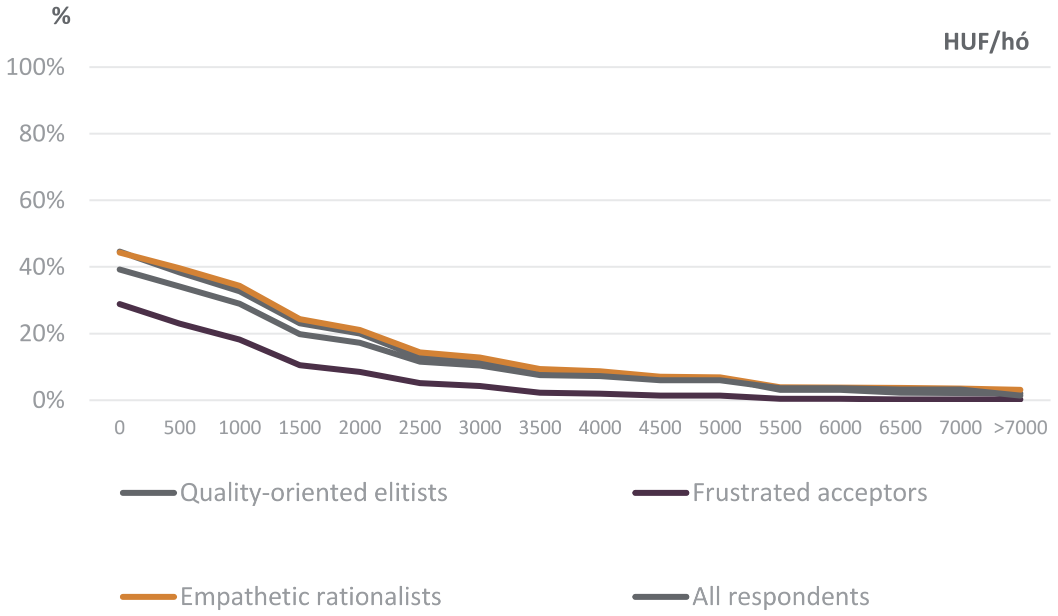
Maximum acceptable spending on digital media

All respondents: 897 HUF

Quality-oriented elitists: 1.123 HUF

Frustrated acceptors: 445 HUF

Empathetic rationalists: 1.130 HUF



C10. How much do you spend on subscriptions to digital press products in an average month? Please think specifically about digital / online press products here, and enter the average spending of the entire household in HUF. Base: those who subscribe to any online site [n=169]
C12. What is the maximum monthly amount you would spend to access paid (exclusive) content on online news portals, portals, online publications, magazines? Base: all respondents [n=3000]

DRIVERS FOR SUBSCRIPTION TO ONLINE PRESS PRODUCTS

They primarily see professional benefits in subscribing to digital media: they can read higher quality articles and more comprehensive analyses. Since many people in the more subscribing cluster are highly educated and graduated, it is understandable that they mainly expect a professional advantage from the subscription

Percentage of subscribers to online press products

▲ Significantly higher mentioning

	All households n=169 %	Quality-oriented elitists n=91 %	Frustrated acceptors n=20 %	Empathetic rationalists n=58 %
More comprehensive analyses	44	47 ▲	43	38
More authentic and reliable writings	36	28	38	48 ▲
More thorough, high-quality articles	36	35	33	38
Ad-free	28	21	38	34
Articles that can be downloaded and saved	27	19	42	33
An interest profile can be set	26	19	20	39 ▲
Longer articles	24	21	33	24
Articles by well-known publicists are also available	22	24 ▲	10	23
Mobile application access option	22	20	31	22
It contains information necessary for my work	17	14	23	18
Free sharing of articles	17	13	14	23
A more pleasant, more attractive appearance	17	14	10	22
To support the portal	17	21	9	13

Subscription Penetration for digital/online press products

All households	Quality-oriented elitists	Frustrated acceptors	Empathetic rationalists
6	9	3	7

C9. Do you subscribe to any of the following digital / online press products? Please consider the entire household. Base: all respondents [n=3000]C13. Why did you subscribe to the subscription versions of online news portal(s), magazines? What do you think is the benefit of such a subscription? You can mark more than one answer.
Base: those who subscribe to any online site [n=169]

COUNTER-ARGUMENTS: WHY THEY DID NOT SUBSCRIBE

Digital media and news portals satisfy the current needs of readers and do not encourage them to subscribe. Readers and subscribers stay away not because of advertisements, but because they see that what they need, they get it in the free version

Percentage of non-subscribers to online press products

▲ Significantly higher mentioning

Percentage of non-subscribers to online press products	All households n=2308 %	Quality-oriented elitists n=758 %	Frustrated acceptors n=851 %	Empathetic rationalists n=699 %
Sufficient scope and elaboration that on free portals	53	44	63 ▲	49
Sufficient available information for my work and life on free portals	28	25	29	28
I haven't really liked any of them so far	27	30	25	28
I am not so interested in the writings of more famous publicists,to subscribe	22	18	27 ▲	22
I don't have that much time to read news and articles	17	14	16	20
For me, they are still authentic, reliable, these writings seem to be of high quality	13	12	18	9
I don't like bulky,long writings, opinion articles	10	7	11	11
Because advertisements bother me	6	7	9	3
Subscription Penetration for digital/online press products	6	9	3	7

C9. Do you subscribe to any of the following digital / online press products? Please consider the entire household. Base: all respondents [n=3000]C16. Why haven't you subscribed to the subscription version of any online news portal? You can mark more than one answer. You can mark more than one answer.
Base: those who do not subscribe to online sites, portals, magazines [n=2308]

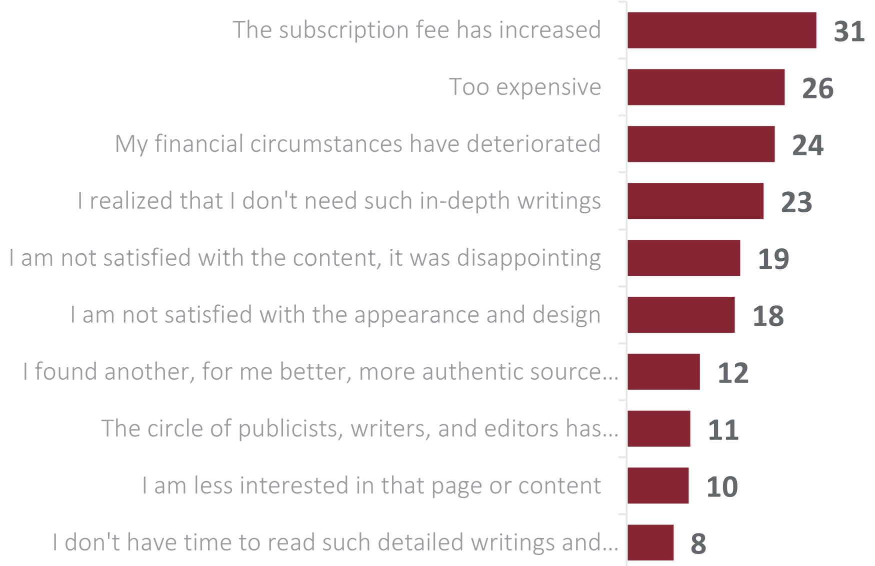
FUTURE PLANS: CANCELLATION AND NEW SUBSCRIPTIONS

A negative balance is expected in the coming years: many more current subscribers plan to cancel their subscriptions than new subscriptions are expected, meaning that overall, this market looks set to shrink somewhat

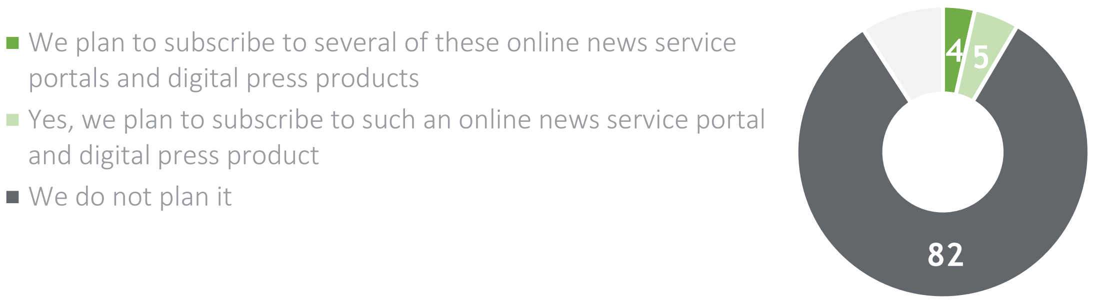
Cancellation plans

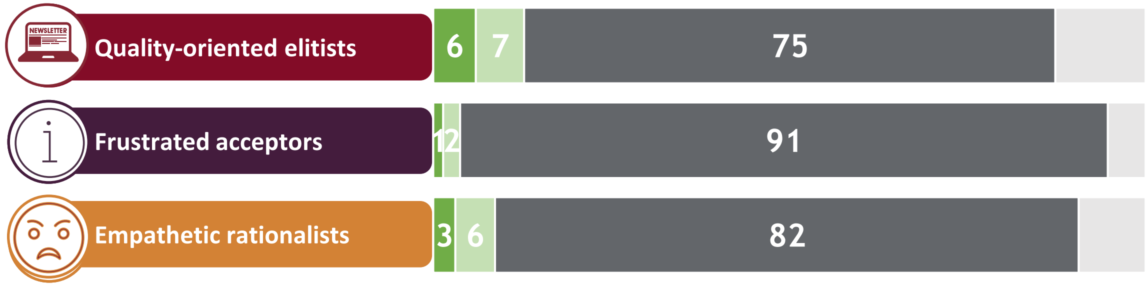
Subscription plans

C14. Are you planning to cancel (any) of your online subscriptions?



C17. Do you plan to subscribe in the next 1 year?

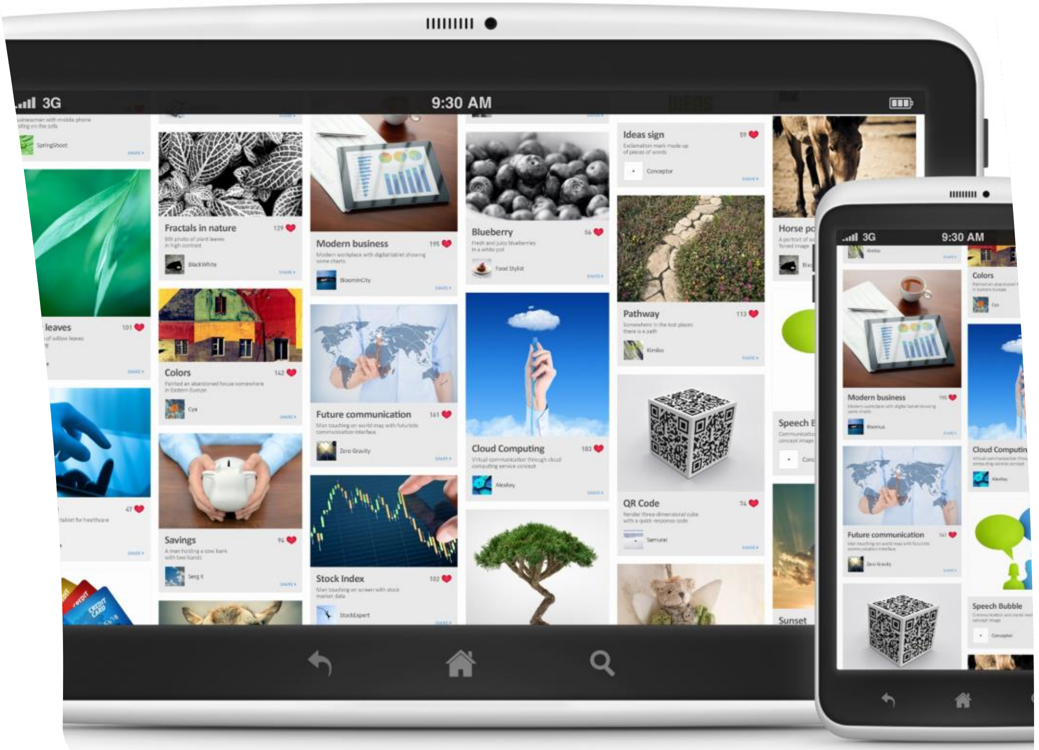




Who is more likely to plan to subscribe in the next year?

- They have mobile internet access
- Men
- Metropolitans
- People living in larger households and families with several minors
- The age composition of the children is mixed
- There are more men than women in the household
- There are also 3 earners living in the household
- Only graduates live in the family

C14. Are you planning to cancel (any) of your online subscriptions? Base: those who subscribe to any online site [n=169]
C15. And why are you thinking about cancelling? Base: people who subscribe to any online site, but now plan to cancel at least one (or even more) of their subscriptions
C17. Do you plan to subscribe to a monthly paid subscription news service in the next 1 year (more, if it's already at the moment), e.g. to the subscription version of a news portal, to a digital press product?



DISTURBING EFFECT OF EMBEDDED ADVERTISEMENTS

Disturbing effect of embedded advertisements. What content are they mainly disturbing? The effectiveness, opening and landing rate of these advertisements on these pages

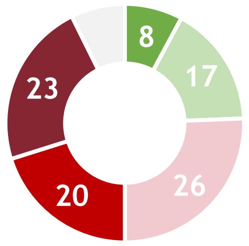
Use of adblockers

THE EFFECT OF ADVERTISING ON VIEWERS

Half of the respondents are more bothered by advertisements. This proportion is of course highest in the third cluster that rejects advertisements the most

All respondents

n=3000 %

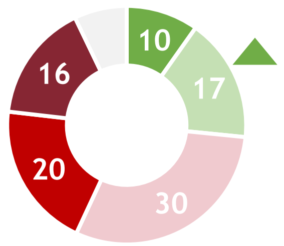


Significantly higher mentioning

- Does not bother me at all
- Does bother me a little
- Sometimes bothers me
- Bothers me
- Bothers me a lot

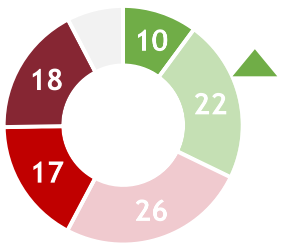
Quality-oriented elitists

n=1064 %



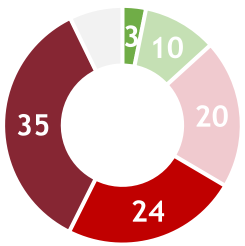
Frustrated acceptors

n=991 %



Empathetic rationalists

n=945 %

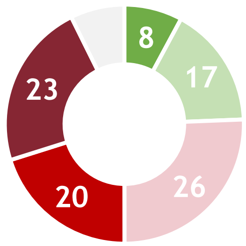


Significantly higher mentioning

Finds it less bothering

- There is only WIFI at home
- People living in Western Transdanubia
- Divorced or widowed
- They live in a single-person household
- The total monthly income of the household is no more than HUF 200,000

The bothering effect of advertisements



Finds it very bothering

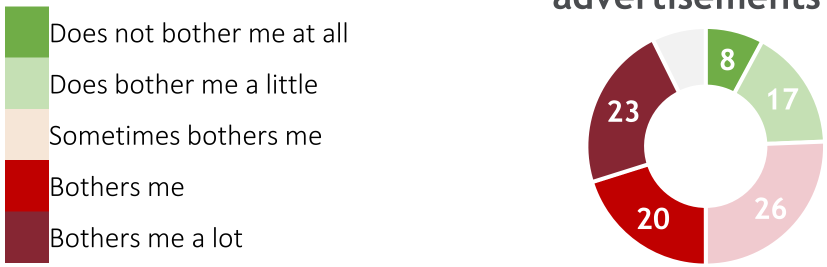
- Those who have both internet technologies
- They live in two-person households with no minors

C18. How much do advertisements embedded in online news portals bother you?
One answer is possible.
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

THE EFFECT OF ADVERTISING ON VIEWERS

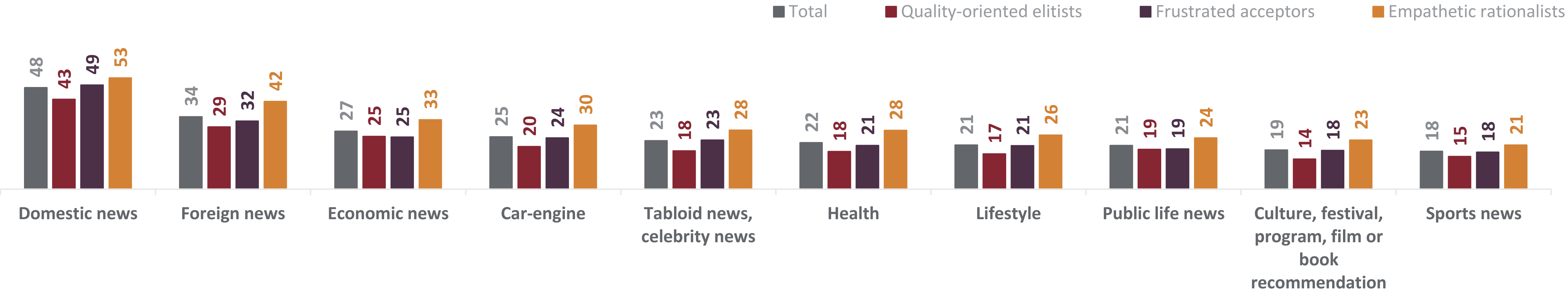
Advertisements embedded in the content are particularly disturbing to more than half of the respondents, and this is especially true for domestic news and news from the wider world.

The bothering effect of advertisements



Finds it very bothering

- Those who have both internet technologies
- They live in two-person households with no minors



C18. How much do advertisements embedded in online news portals bother you? One answer is possible.
C19. In the first place, which news content are these embedded ads and commercials disturbing? Multiple answers are possible.
Base: all respondents [n=3000], those with internet access [n=2700], those without [n=300], and for C19 those respondents who are at least slightly disturbed by embedded advertisements

ATTENTION-GRABBING EFFECT OF ADVERTISEMENTS

According to their own admission, only one-sixth of the respondents look at advertisements more or less regularly.

All households

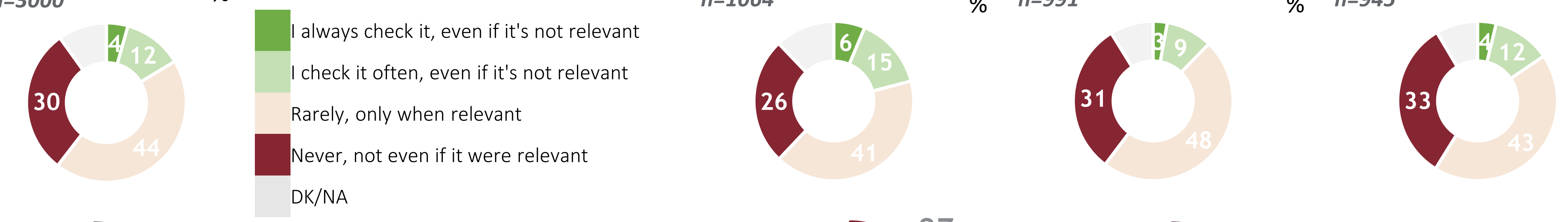
Significantly higher mentioning

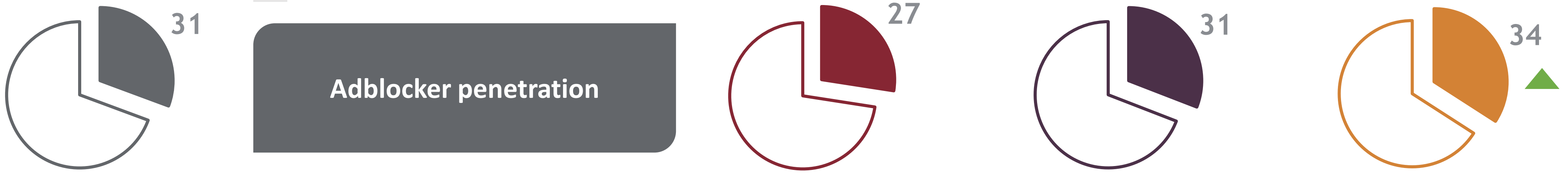
Quality-oriented elitists

Frustrated acceptors

Empathetic rationalists

Significantly higher mentioning





Use adblocker in a significantly higher proportion

- They also have wired (WIFI) and mobile internet
- Men
- They live in the central Hungarian region
- In addition to the capital, penetration is also high in cities with county status
- Two or more earners in the household
- He lives with a higher education, that is, a graduate in the family
- The household's monthly net income reaches HUF 400,000

C20. If you see an advertisement in an online news portal, embedded in content or when loading the news portal, how often do you usually view the ad? Please mark only one answer.
C25. Do you use adblocker?
Base: all respondents [n=3000], those with Internet access [n=2700], those without [n=300]

BUSINESS IMPACT OF PAYWALLS

FREQUENCY AND EFFECTIVENESS OF PAYWALLS

More than half of the respondents have already encountered a paywall, and a similar proportion would accept it if their current paid service became free in exchange for the advertisements placed there

All households

n=3000 %

Significantly higher mentioning

Quality-oriented elitists

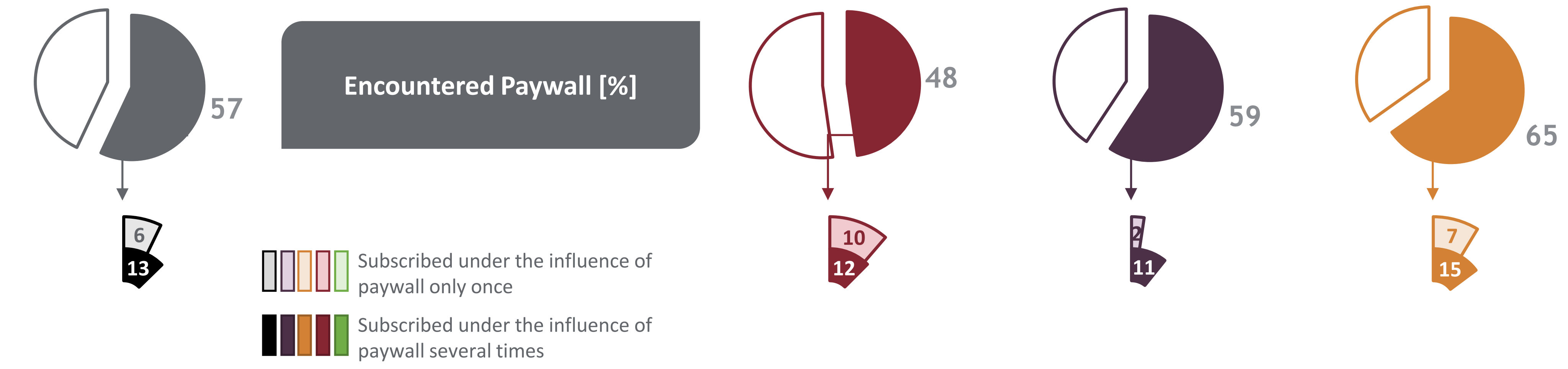
n=1064 %

Frustrated acceptors

n=991 %

Empathetic rationalists

n=945 %



58%	Would they use their current paid service or subscription if it became free, but in exchange would there be advertisements embedded in the article?	59%	48%	61%

C21. Have you ever read an article on a news portal, online publication or magazine, but couldn't read the entire article because a message appeared that only subscribers with a subscription can view or read the entire article? C22. Has there ever been an example where you subscribed to the paid (subscription) version of an online news portal, publication, or magazine as a result of such a message encouraging you to subscribe - which prevented you from continuing to read the article? Base: all respondents [n=3,000], and for C22 those who have already encountered a paywall [n=1,710]C24. Would they use their current paid service or subscription if it became free, but in exchange would there be advertisements embedded in the article? Base: those who subscribe to a digital press product [n=192]

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