



VIDEO ADVERTISING BUREAU - REPORT 2018

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Committed

Exploring Millennials' Meaningful
Relationship With TV Programming



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Why are Emotions Important?

...They Drive Intention & Build Brands

Someone who is highly attached is **3x** more likely to engage with the brand.

They are less price sensitive, go deeper into the product line and have a higher lifetime value to an advertiser

“Emotions lead to action, while reason leads to conclusions.”

Neurologist, Donald B. Caine



Quantifying TV's High Emotional Stakes

We've proved it over and over again - the tremendous commitment and engagement viewers have with ad-supported TV programming.

In *Be Still My Viewing Heart*, VAB demonstrated the emotional connection viewers have to the programs and characters they love - or love to hate.

In *TV @ The Epicenter of American Society*, we showed the tremendous impact TV has on culture - it influences the careers we explore, what we eat, and even how we speak!

In our *#TVisSocial* series, we repeatedly see that viewers are excited to share their reactions to TV with the world.

This report takes our most in-depth look yet at the emotional attachment viewers have with ad-supported TV content.



To Quantify Their Engagement...

We Conducted a Custom Study

The VAB commissioned *Research Now* to conduct the *Program Engagement Survey* fielded online in April 2018 with 1,000 adult 18+ respondents surveyed.

Survey respondents skewed slightly younger but otherwise aligned with the population. Additionally, their TV consumption is line with the population.

(See appendix for details)



Primary Study Objective...

To understand the emotion viewers exhibit for ad-supported TV programs* and how they express their attachment through their behaviors

*TV programs are defined as:

Programs that are currently airing or originally aired on broadcast or cable TV, inclusive of all devices and methods of viewing (e.g. watching *Breaking Bad* on Netflix or catching up on recent episodes of *This is Us* on Hulu or viewing through network apps such as CBS All Access)



Secondary Study Objective...

Contrast a viewers commitment to TV programming against how they engage with original YouTube content

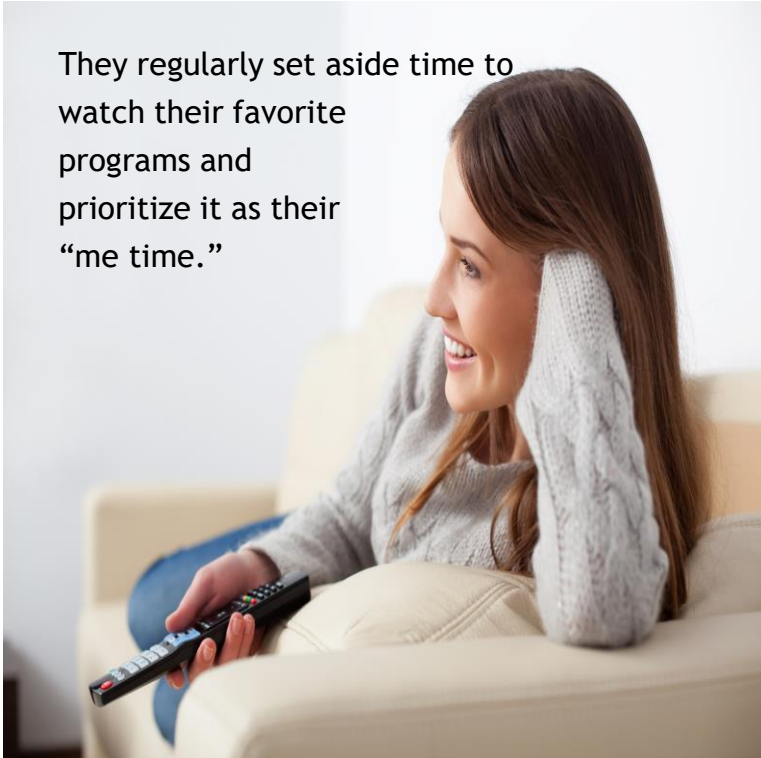
*Original YouTube Content: Videos that were produced by an established YouTube personality that are only available on YouTube and do not appear on broadcast or cable TV. Does not include user generated videos (e.g. cat videos), professionally-produced music videos, or TV program content (e.g. clips from Late Night with Stephen Colbert)



Topline Survey Findings

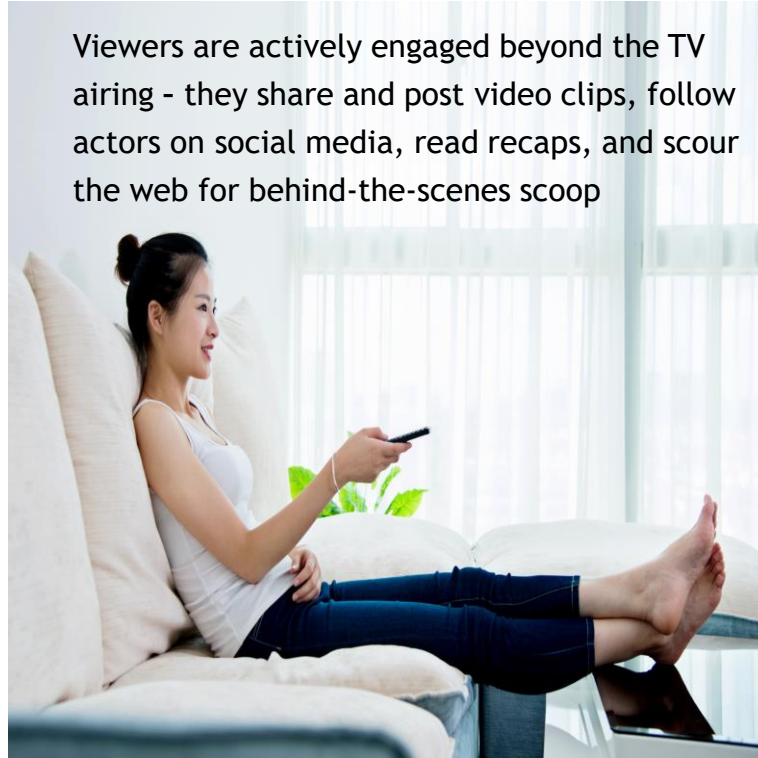
Millennials feel a strong bond with TV programming

They regularly set aside time to watch their favorite programs and prioritize it as their “me time.”



Emotional connection inspires deeper program engagement

Viewers are actively engaged beyond the TV airing - they share and post video clips, follow actors on social media, read recaps, and scour the web for behind-the-scenes scoop



Engagement motivates purchase

Motivated by their attachment, viewers buy products, select travel destinations, and dine at restaurants they have seen featured or advertised on TV



Millennials Up Close

Though we surveyed all adults, the focus of this report is Millennials.

Millennials are often portrayed as less attached to ad-supported TV programming however our study confirms a strong emotional (and time) investment in ad-supported TV content.

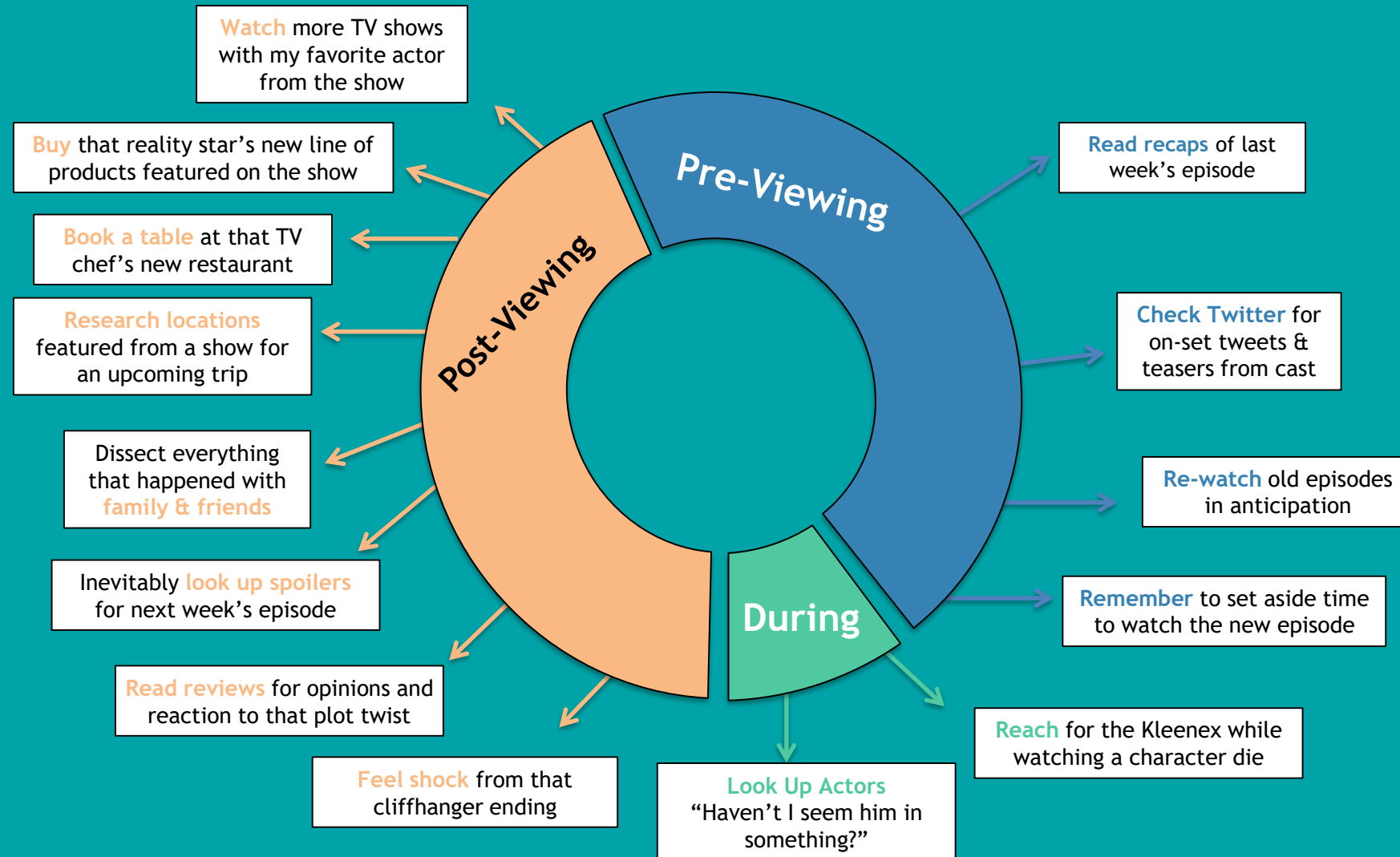
This report quantifies the ways Millennials demonstrate their commitment, engagement and passion to TV programming.





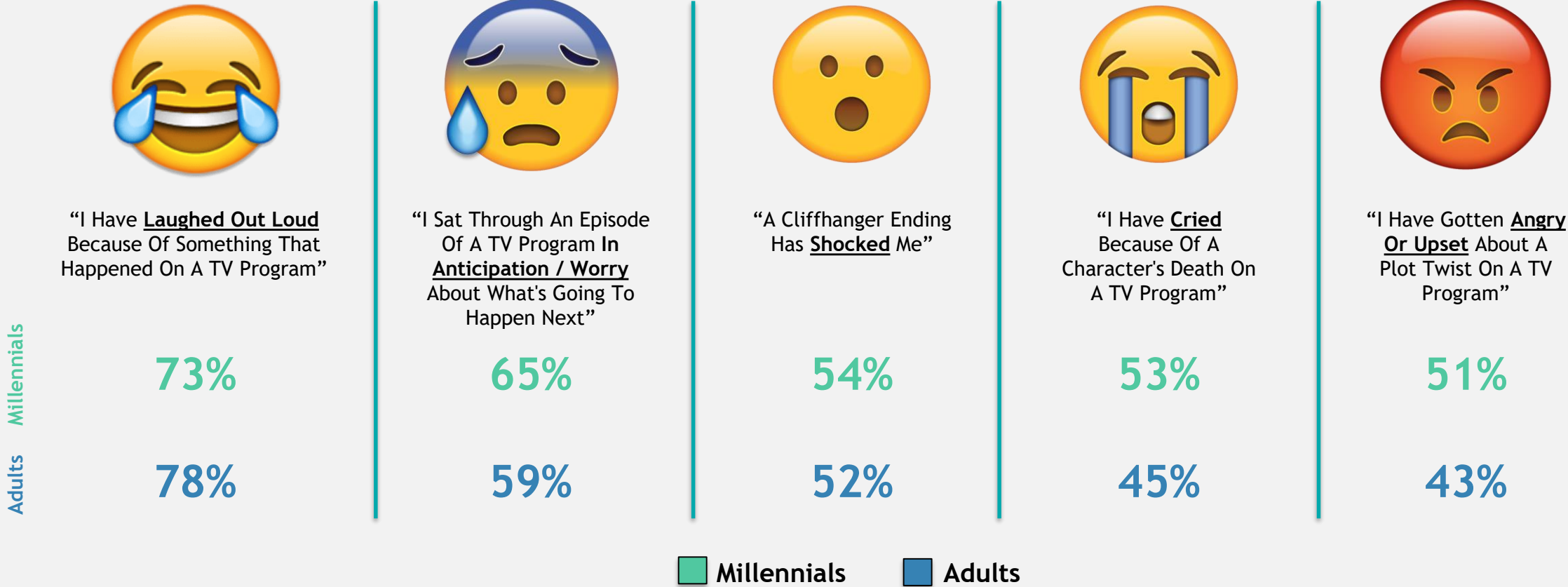
The 360 Relationship Between Millennials And Ad-Supported Television Programs

It Is Clear That Millennial Engagement With TV Content Goes Way Beyond Just The Time A Viewer Devotes To Watching A Program



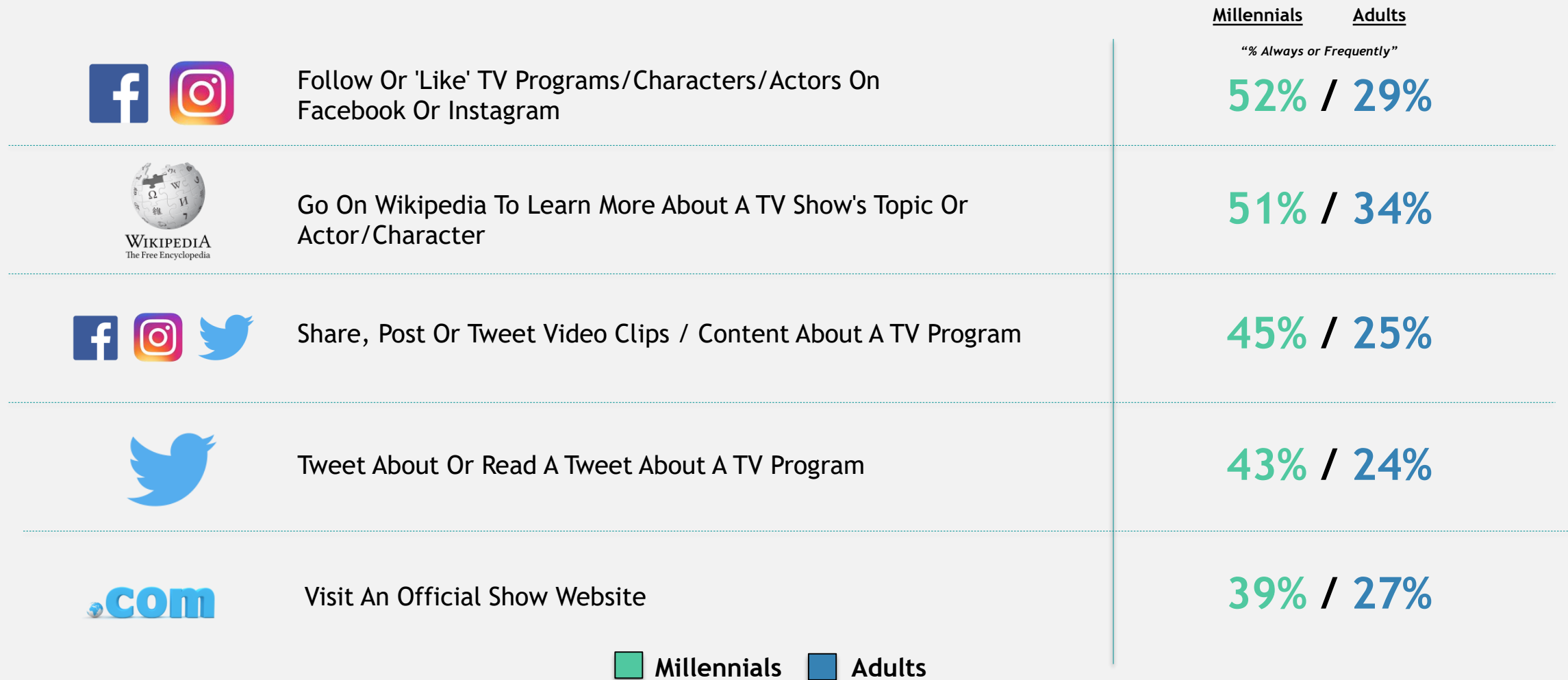
Millennials Are Highly Invested In TV Programming And Experience A Wide Range Of Emotions When Watching TV Shows

They typically feel as strong of an emotional reaction to TV programs, if not stronger, than the average adult



Source: VAB / Research Now "Program Engagement" Survey, April 2018. Q8: Which of the following statements are true for you? Check any that apply. Adults = A18+, Millennials = A18-34. Total Respondents=1,001.

This Emotional Bond Inspires Further Engagement on Digital Platforms Before, During, and After the Program Airs



The Emotional Connection Also Carries Over Into The Physical Realm And Permeates Pop Culture



“I have used a TV-related phrase in a conversation with family/friends/co-workers”

Millennials

55%



“I was inspired to make a food recipe based on a TV show or segment”

45%



“I have dressed up like A TV character for Halloween or a themed party”

43%

Adults

50%

41%

24%

■ Millennials ■ Adults

Most Importantly, This Deep Relationship Millennials Have With Programming Inspires And Influences Their Purchasing Decisions



“I purchased a product that has been shown / featured on a TV show”

43% / 40%



“I have eaten at a restaurant because it, or its chef / owner, was featured on a TV show”

43% / 37%



“Purchase a product I saw while watching a TV program (either a product I saw in an ad or in the actual program)”

43% / 25%



“I have visited a location / vacationed at a place because it was featured on a TV show”

40% / 33%

■ Millennials ■ Adults

Source: VAB / Research Now “Program Engagement” Survey, April 2018. Q9: Please indicate how often you do the following? *Purchase a product I saw while watching a TV program (either a product I saw in an ad or in the actual program)*. Respondents Answer = Always/Frequently. Q10: Which of the following statements are true for you? Check any that apply. Adults = A18+, Millennials = A18-34. Total Respondents=1,001.

The Relationship Between
Millennials And Ad-Supported TV Is
Even More Evident When It Comes
To Their Favorite Programs

*“Favorite Programs are programs you look forward to the most,
watch consistently, or recommend to others.”*



Viewers Develop A Commitment To TV Programs In Much The Same Way They Do With Any Other Of Their Favorite Products

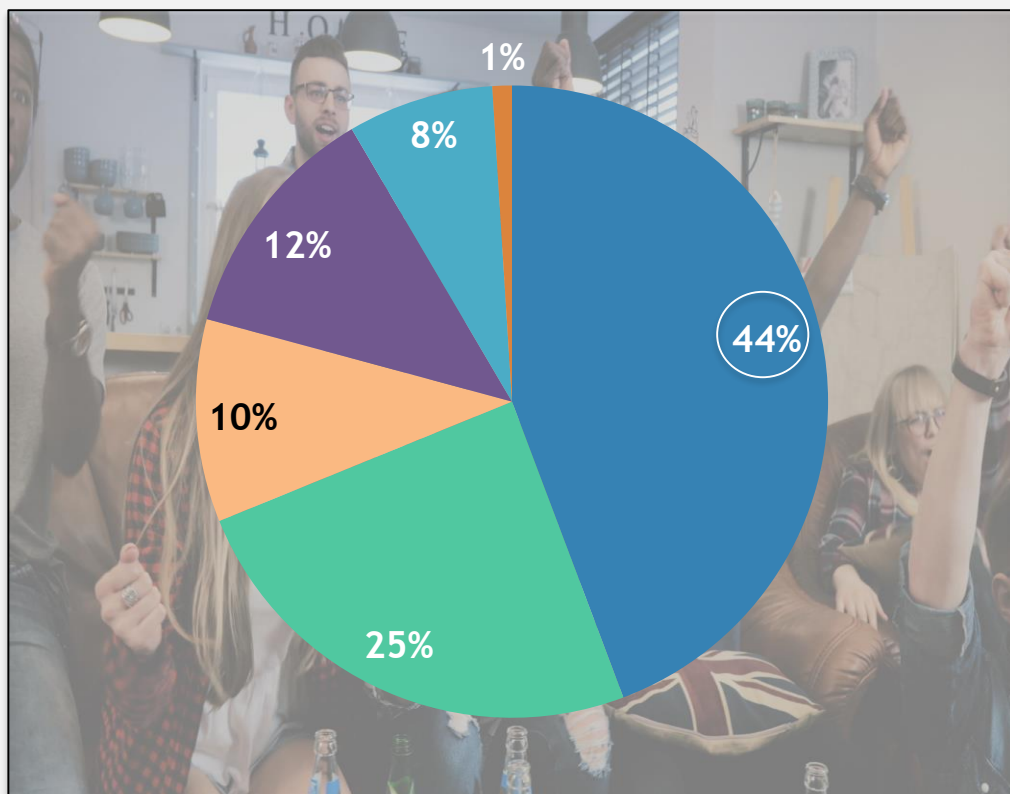
A viewer's path toward commitment to their favorite TV programming develops along similar stages as the consumer purchasing funnel.



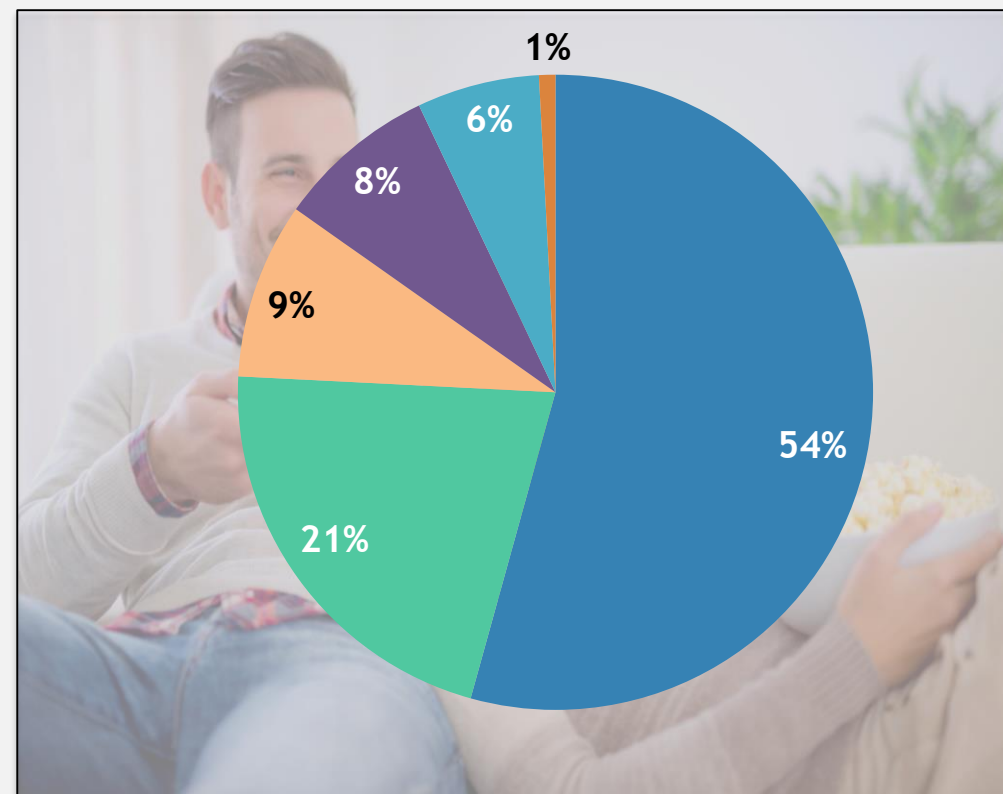
As A Result Of Its Unmatched Scale, Millennials Are More Likely To Watch Their Favorite Programs On Cable or Broadcast Than Any Other Platform

The 44% is most likely even higher for ad-supported TV as it doesn't take into account the Cable and Broadcast programming being watched on Hulu and other ad-supported streaming apps

Millennials

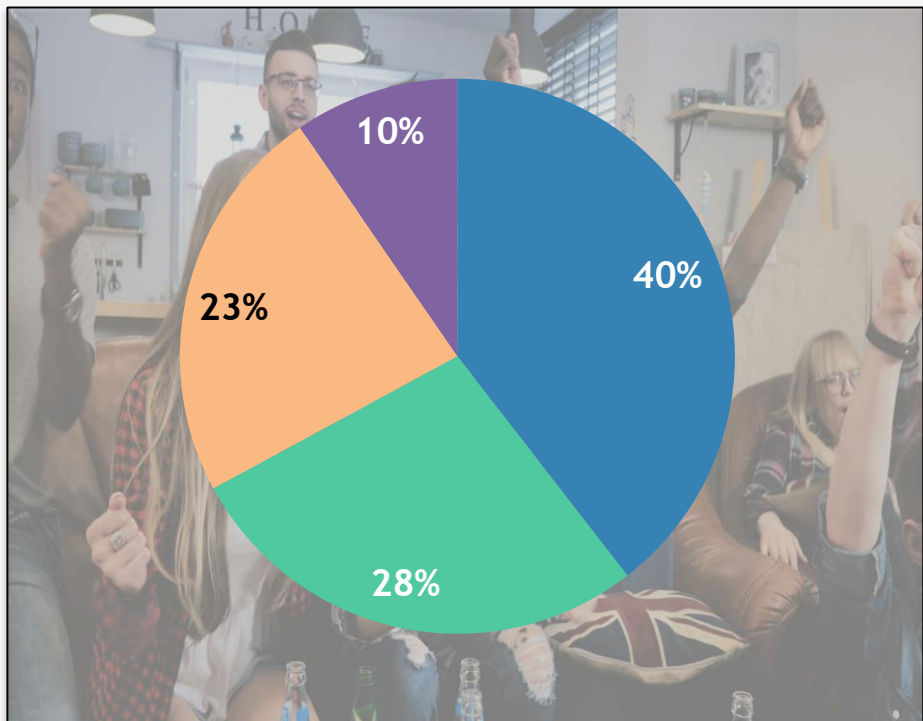


Adults

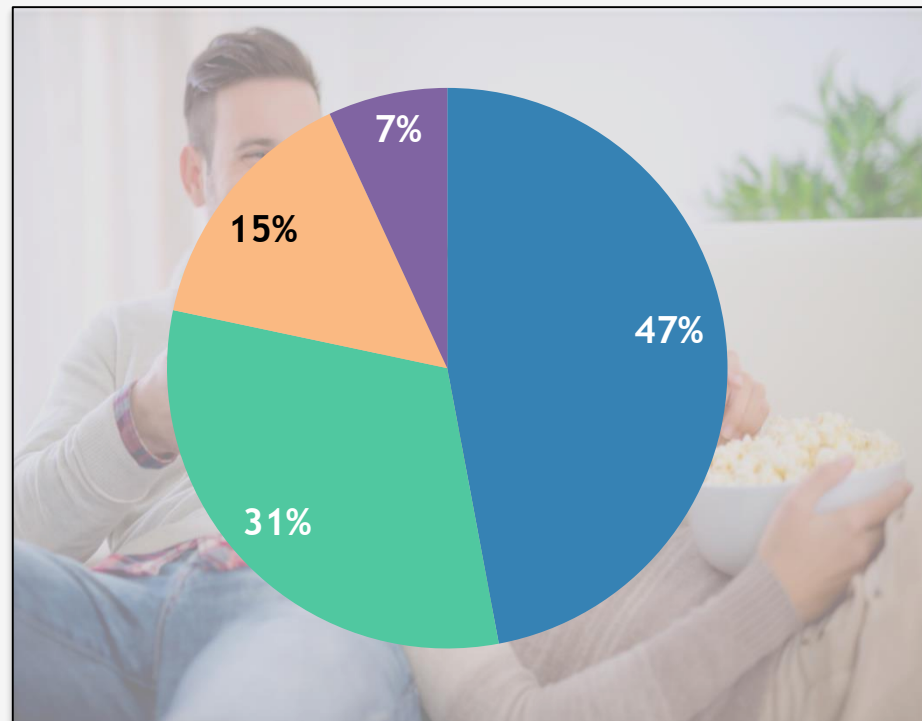


Millennials Feel A Sense of Immediacy & Community With Other Viewers Which Is Why “Live” Viewing Is Still The Most Popular Way To Watch Their Favorite Programs

Millennials



Adults



Live as it airs

Time-shifted / through a DVR (another time, after it airs, delayed time)

Via a streaming service or OTT app (i.e. Netflix, Hulu, CBS All Access)

On Video-On-Demand (VOD) through a cable or set top box

Source: VAB / Research Now “Program Engagement” Survey, April 2018. Q12: How do you prefer to watch your favorite TV programs? Q13.5: Please rate how much you agree or disagree with the following statements. *I like to watch my favorite TV programs with my friends / family.* . % of Respondents who agree-Top 2 Box (net). Total Respondents=1,001.

The Communal Aspect of TV

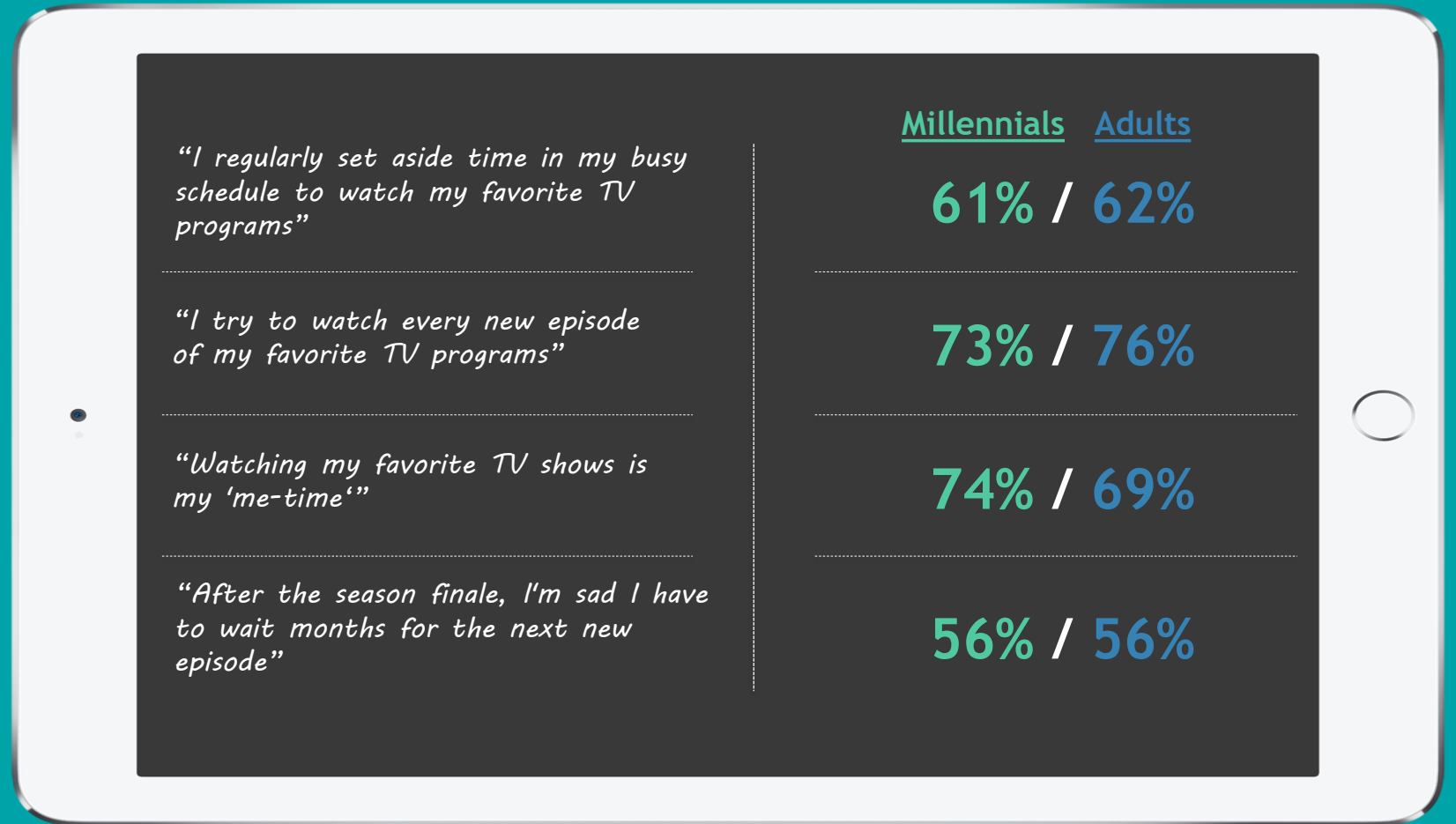
64% of Millennials enjoy watching their favorite programs with their friends and family (vs. 54% for the average adult)



Millennials' Favorite TV Shows Are Such Appointment Viewing They Practically Go Through Withdrawal Once A Season Is Over



Despite their busy lifestyles, Millennials prioritize their “TV time” just as much as the average person does



■ Millennials ■ Adults



Even When A Show Is Not Airing, Millennials Fuel Their Passion By Re-Watching Episodes & Engaging With Related Content Online

Online recaps, reviews, spoilers, related blogs, you name it, Millennials will consume any kind of content to satisfy their cravings and inherent curiosity



“I have re-watched episodes from previous seasons in anticipation of the upcoming season”

Millennials

52%



“I read online recaps, blogs or reviews about the episode”

49%



“I look for spoilers”

47%

Adults

49%

29%

27%

■ Millennials ■ Adults

“% After Every or Most Episodes”

Source: VAB / Research Now “Program Engagement” Survey, April 2018. Q15: Which of the following statements are true for you? Check any that apply. Q16: How often do you typically do the following after watching a new episode of one of your favorite TV programs. Respondents who answered “After every/most episodes”. Adults = A18+, Millennials = A18-34. Total Respondents=1,001.



They Are Also Much More Likely To Act As Major Advocates By Inspiring Conversation And Persuading Others To Join In The Viewing Fun



“I Discuss TV Programs With Friends, Family, Co-workers”



“I Have Tried To Convince A Friend To Start Watching My Favorite TV Program”

Millennials

59%

52%

Adults

39%

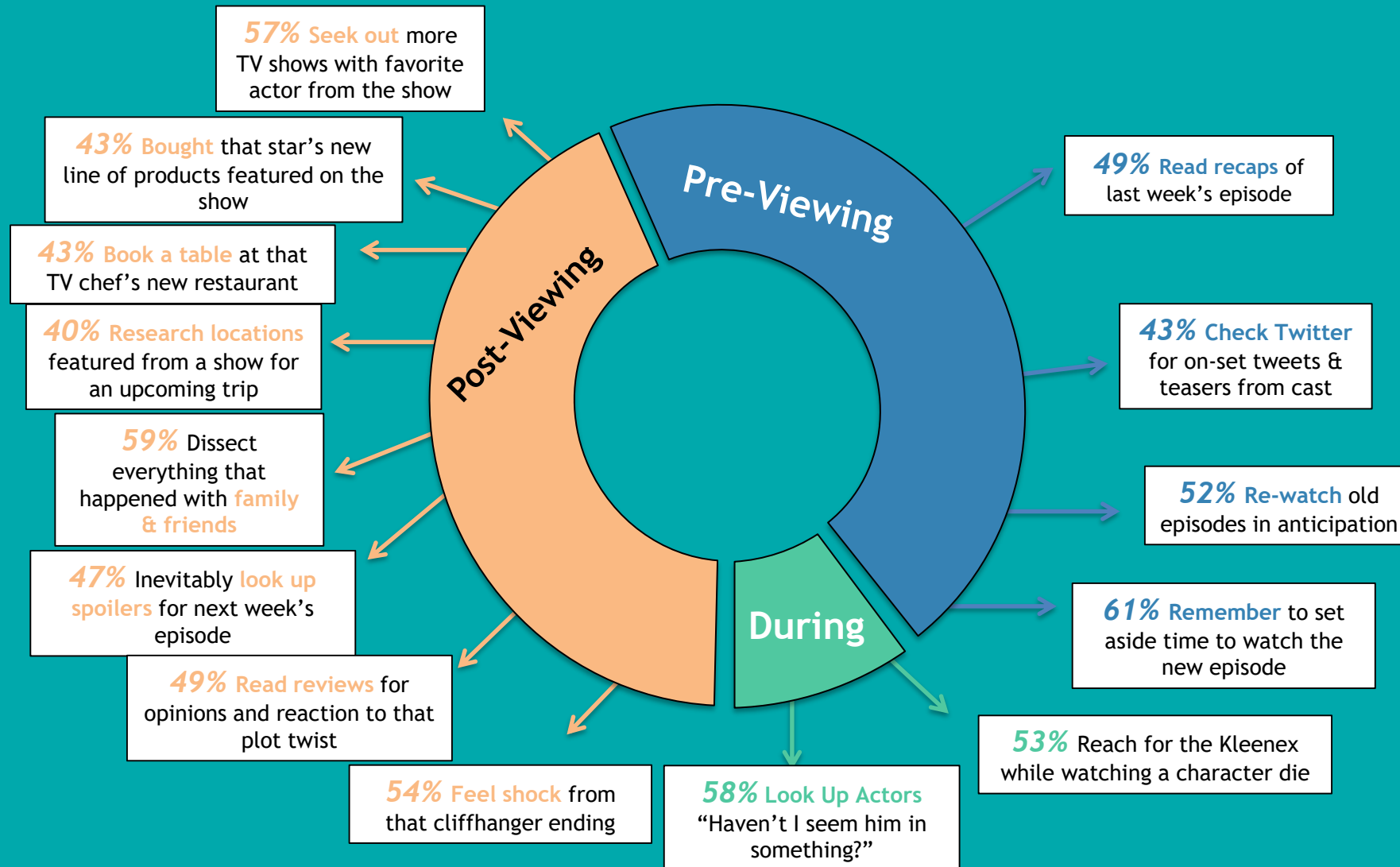
48%

■ Millennials ■ Adults

“% After Every or Most Episodes”

Source: VAB / Research Now “Program Engagement” Survey, April 2018. Q15: Which of the following statements are true for you? Check any that apply. Q16: How often do you typically do the following after watching a new episode of one of your favorite TV programs. Respondents who answered “After every/most episodes”. Adults = A18+, Millennials = A18-34. Total Respondents=1,001.

In Summary, The 360 Relationship That Millennials Have With TV Programming Is Real



It's clear that Millennials are highly engaged with TV programming. They feel emotionally attached to shows and characters and are moved to discuss and share with others.

But does the same behavior & “Emotional Stakes” exist for Original YouTube Content?





How We Define YouTube “Original Content”

YouTube Original Content refers to videos that were produced by an established YouTube personality that are only available on YouTube and do not appear on broadcast or cable TV. This does not include user generated videos (e.g. cat videos), music videos, or TV program content (e.g. clips from Late Night with Stephen Colbert)

Examples Include:



Smosh



JennaMarbles



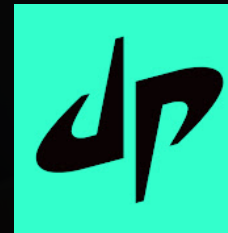
GoodMythicalMorning



LauraInTheKitchen



Ryan Toys Review



DudePerfect



PewDiePie



PopularMMOs

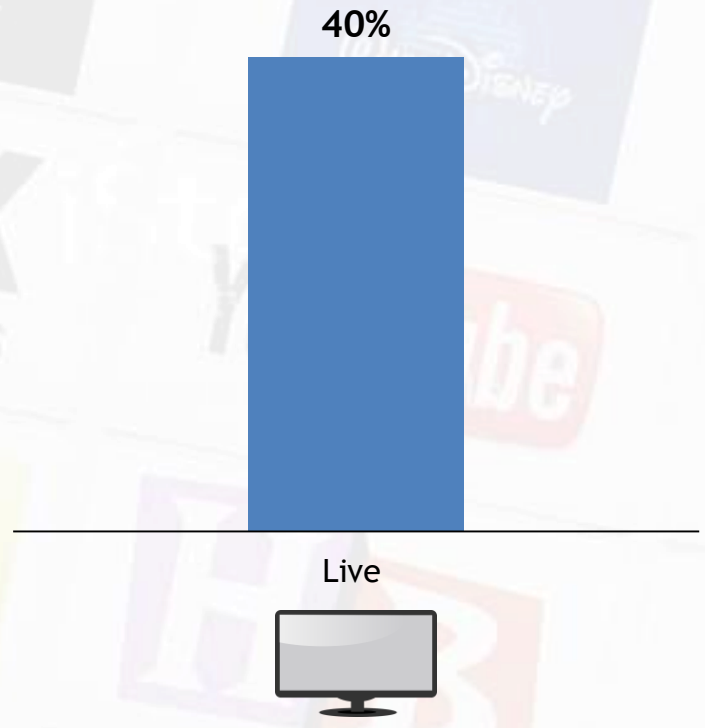
66% of Millennials regularly watch original content on YouTube, compared to **38%** of Adults 18+

Source: VAB / Research Now “Program Engagement” Survey, April 2018. Q16b: Do you regularly (at least twice a month) watch original content on YouTube (i.e. Jake Paul, PewDiePie, Good Mythical Morning, Jenna Marbles, First We Feast, etc.)? Millennials = A18-34. Total Respondents=1,001.

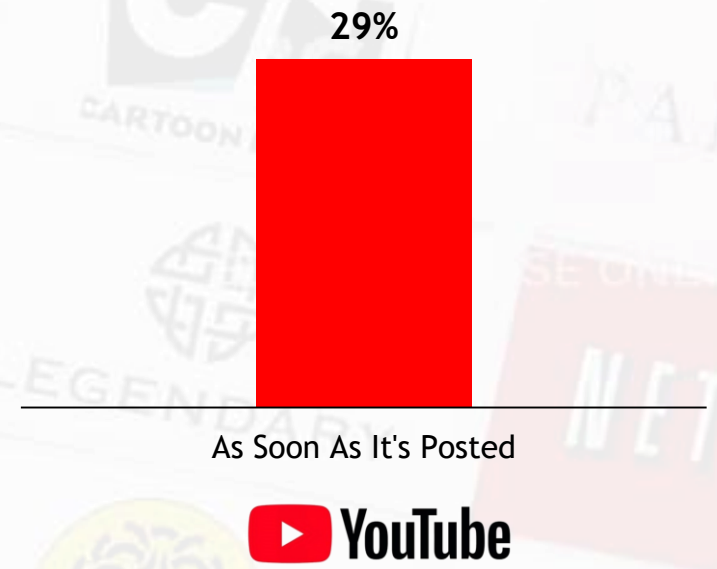
Millennials don't feel the same immediacy or sense of community around original YouTube videos as they do for TV

When Do Millennials Prefer To Watch Content?

TV Programs



YouTube Originals



Source: VAB / Research Now "Program Engagement" Survey, April 2018. Q12: How do you prefer to watch your favorite TV programs? Q21: I watch new videos posted by my favorite YouTube Personality...; Time-shifted YouTube viewing includes viewing, within a few hours of posting, same day as posting, within a few days, within a few weeks, whenever I have time/don't know. Millennials = A18-34. Total Respondents=1,001.

Millennials are drawn into TV's complex storylines, rich character development and well-known talent resulting in an unmatched emotional response



Millennials Are More Emotionally Invested In TV Programs Than They Are In Original YouTube Content

Millennials' Emotional Response to TV Programs and YouTube Original Content



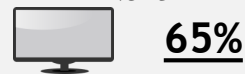
“Laughed Out Loud Because Of Something That Happened On A **TV Program**”



“Laughed Out Loud Because Of Something That A **YouTube Personality** Did”



“Sat Through An Episode Of A **TV Program** In Anticipation / Worry About What's Going To Happen Next”



“Sat Through A Video Of A **YouTube Personality** In Anticipation / Worry About What's Going To Happen Next”



“Cried Because Of A Character's Death on a **TV Program**”



“Cried Because Of Something That Happened In A Video Of An **Original YouTube Personality**”



“Gotten Angry Or Upset About A Plot Twist On A **TV Program**”



“Gotten Angry Or Upset About Something A **YouTube Personality** Did”



Millennials Also Feel a Stronger Connection With TV Characters & Actors Than to YouTube Personalities



“I feel personally connected to the characters of my favorite **TV programs**”



“I feel personally connected to my favorite **YouTube personality**”



“I have looked up the actors in a **TV program** to learn more about them 'off the screen'”



“I have looked up my favorite **YouTube Personality** to learn more about them 'off the screen'”



“I have watched other shows or movies because an actor from one of my favorite **TV programs** was in it”

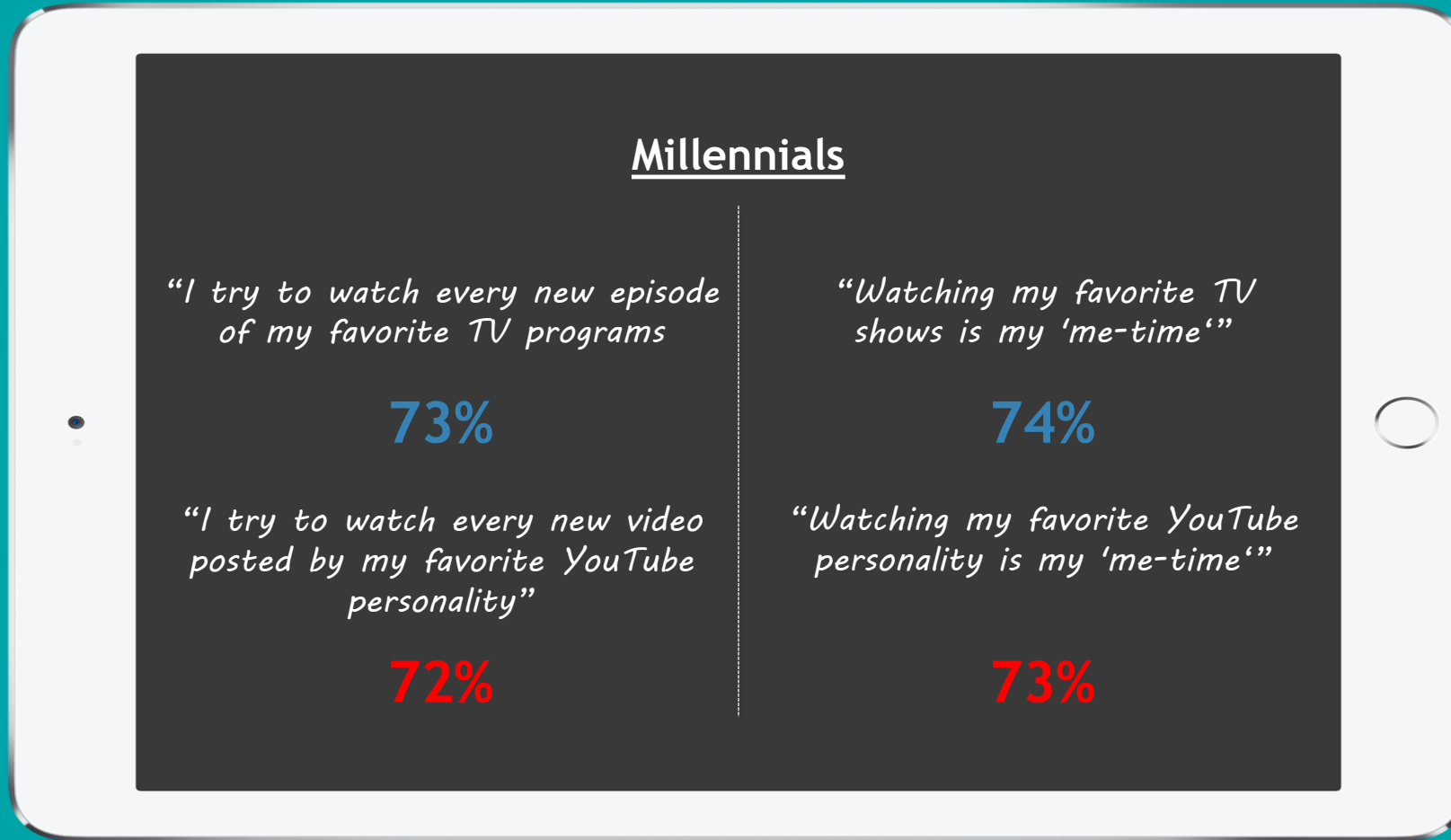


“I have watched other shows or movies because my favorite **YouTube personality** was in it”



Source: VAB / Research Now “Program Engagement” Survey, April 2018. TV: Q14: Again, keeping your favorite TV programs in mind, which of the following statements do you believe are true for you? YouTube: Q19: Again, keeping your favorite YouTube personalities in mind, which of the following statements do you believe are true for you? Check any that apply. Base=Those who regularly watch original content on YouTube. Millennials = A18-34. Total Respondents=1,001.

There Is An Equal Level Of Interest & Escapism For Millennials Between Ad-Supported TV Shows & Original YouTube Content



■ TV Show ■ YouTube Original Video



However, YouTube Itself Helps Further Fuel Millennials' Desire For TV With Supplementary Content On Its Platform

Millennials actively engage with TV content on YouTube



"% Always or Frequently"

"I Watch Video Clips From TV Shows On YouTube"

55%

"I Read Or Post Comments About TV Content On YouTube"

49%

"I Subscribe To Or Have Watched TV Show's YouTube Channel"

31%

Source: VAB / Research Now "Program Engagement" Survey, April 2018. Q9: Please indicate how often you do the following. Respondents Answer = Always/Frequently. Q15: Which of the following statements are true for you? Check any that apply. Millennials = A18-34. Total Respondents=1,001.



Most Importantly, Given Their Greater Commitment To Television Content, TV Programming Is More Likely Than YouTube Original Content To Inspire Purchase

Millennials are 19% more likely to purchase a product that's been shown or featured during ad-supported TV than they are a product featured by their favorite YouTube personality



43%

of Millennials have purchased a product that has been shown / featured on a TV show



36%

of Millennials have purchased a product that their favorite YouTube personality has shown / featured during a video

Source: VAB / Research Now "Program Engagement" Survey, April 2018. TV: Q10: Which of the following statements are true for you? YouTube: Q19: Again, keeping your favorite YouTube personalities in mind, which of the following statements do you believe are true for you? Check any that apply. Millennials = A18-34. Total Respondents=1,001.



Parting Thoughts

Millennials Show A Deep Commitment To TV Programming

Their Emotional Investment In TV Programs Is Shown In Their Interest and Desire To Watch, Share & Discuss Content As Well As Their Advocacy For Their Favorite Shows

Millennials Exhibit A Greater Emotional Connection To TV Over YouTube Original Content

Ultimately, TV Has More Influence On Their Purchasing Decisions Than YouTube Original Content

Contact Us



Danielle DeLauro
Executive Vice President
danielled@thevab.com

Jason Wiese
SVP, Director of Strategic Insights
jasonw@thevab.com

Marianne Vita
VP, Strategic Insights
mariannev@thevab.com

Leah Montner-Dixon
Senior Multi-Platform Video Analyst
leahm@thevab.com



[@VideoAdBureau](https://twitter.com/VideoAdBureau)

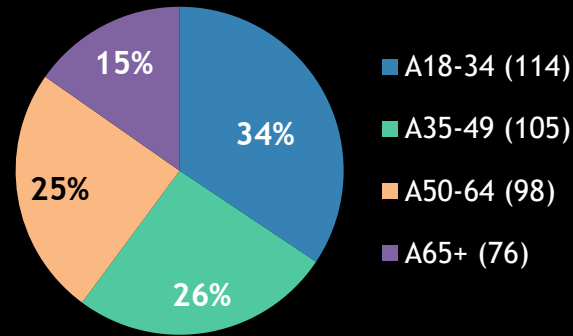


APPENDIX

The Survey Respondents Skew Slightly Younger But Are Otherwise Fairly Aligned With The Population

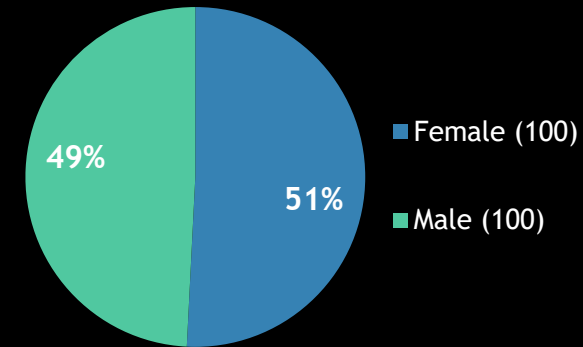
Age

At 34% of respondents, skews Millennial

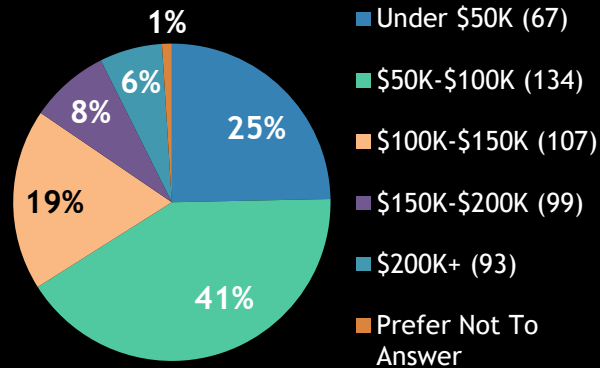


Gender

Aligns with population

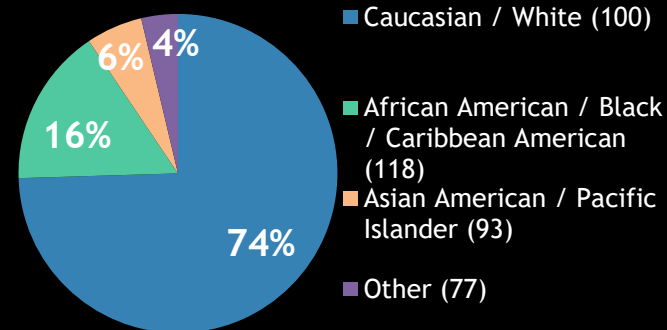


Annual Household Income



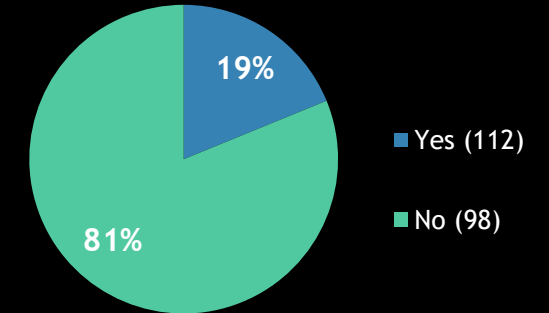
Ethnicity

Fairly aligned to population



Hispanic or Latin Descent

Fairly aligned to population



(Index) = Survey Respondents / U.S. Population



Survey Respondents' Television Consumption Is In Line With The Population

Adults:

Per Nielsen, Adults 18+ watch 4:46 per day
Per our Survey, 49% watch more than 3 hours per day

Millennials:

Per Nielsen, Adults 18-34 watch 2:17 per day
Per our Survey, 53% watch more than 2 hours per day

Source: VAB / Research Now "Program Engagement" Survey, April 2018. Total Respondents=1,001. U.S. Census data, 2017 population estimates; GfK MRI 2018 Doublebase; Nielsen Total Audience Report, Q1 2018.



Millennial Myth Busting

Myth: They don't watch any traditional (linear) television.

Reality: Millennials watch over 2+ hours of TV per day

Myth: They prioritize other leisure activities over TV.

Reality: 61% regularly set aside time in their busy schedules to watch their favorite TV programs

Myth: They overwhelmingly prefer original content from streaming services.

Reality: 44% of Millennials watch the majority of their favorite programs on cable & broadcast networks vs. 25% on Netflix

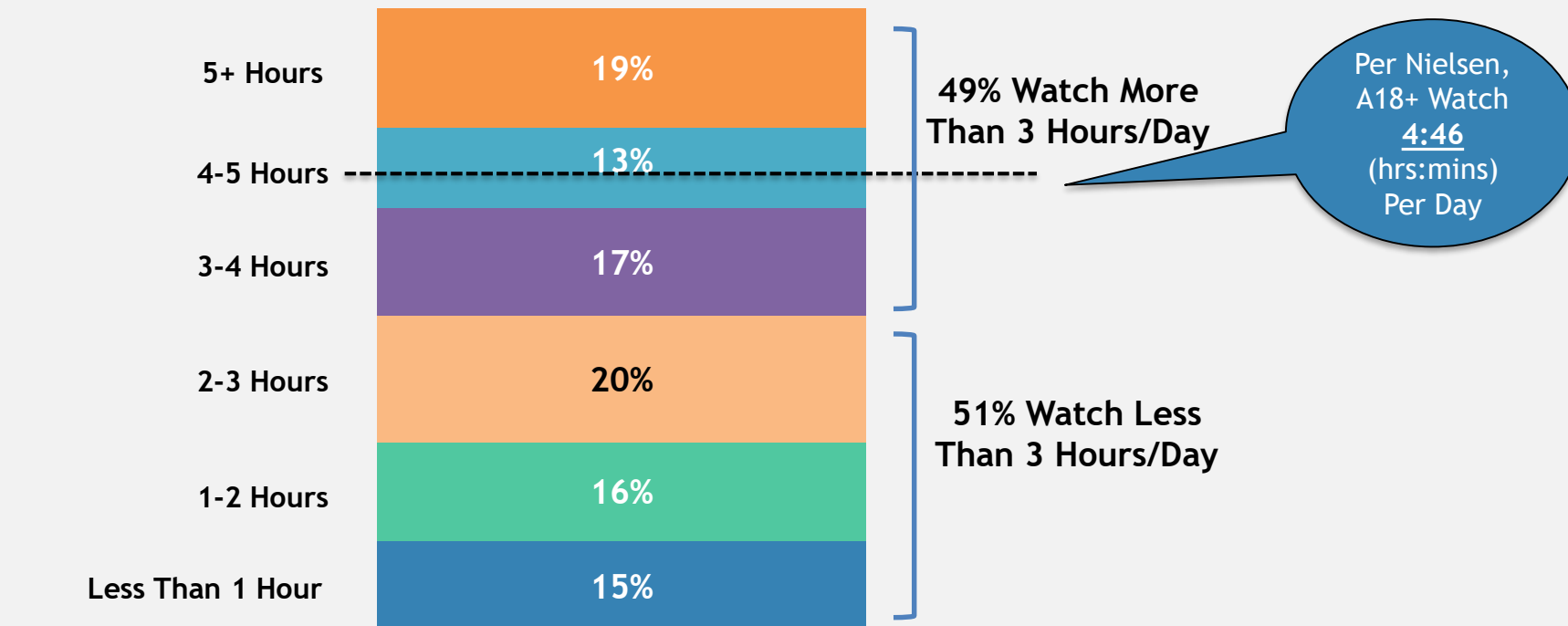
Source: Nielsen Total Audience Report, Q1 2018, A18-34. VAB Custom Program Engagement Study, April 2018.

A woman with long brown hair, wearing a white cable-knit sweater, is sitting on a light-colored couch. She is smiling and looking towards the left. She is holding a black remote control in her right hand. A teal rectangular overlay is positioned on the left side of the image, partially covering her face and the couch. The text "Members Only Slides" is written in white on this overlay. The background is a bright, out-of-focus indoor setting.

Members Only Slides

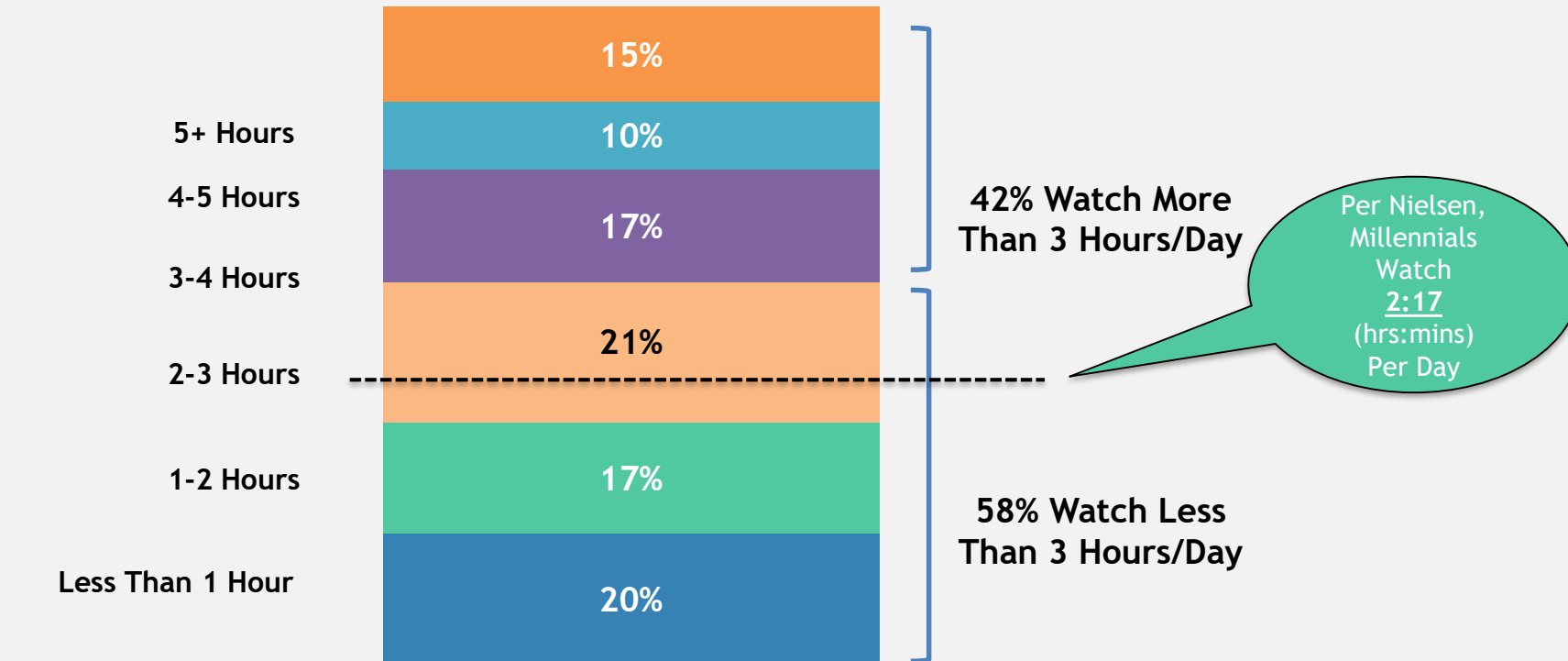
Almost Half Of The Overall Survey Respondents Say They Watch More Than Three Hours Of Ad-Supported TV Each Day

Hours Watched of Ad-Supported Cable/Broadcast TV Per Day
% of Total Respondents



Millennials Also Continue To Consume Ad-Supported Content, With Over 40% Saying They Watch Over Three Hours Of TV Each Day

Hours Watched of Ad-Supported Cable/Broadcast TV Per Day
% of Millennial Respondents



Millennials Tend Be More Attentive And Engaged With TV Programs Than Original YouTube Content



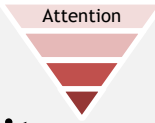
“I Tend To Do Other Things While Watching Videos From My Favorite YouTube Personalities”

64%

vs.

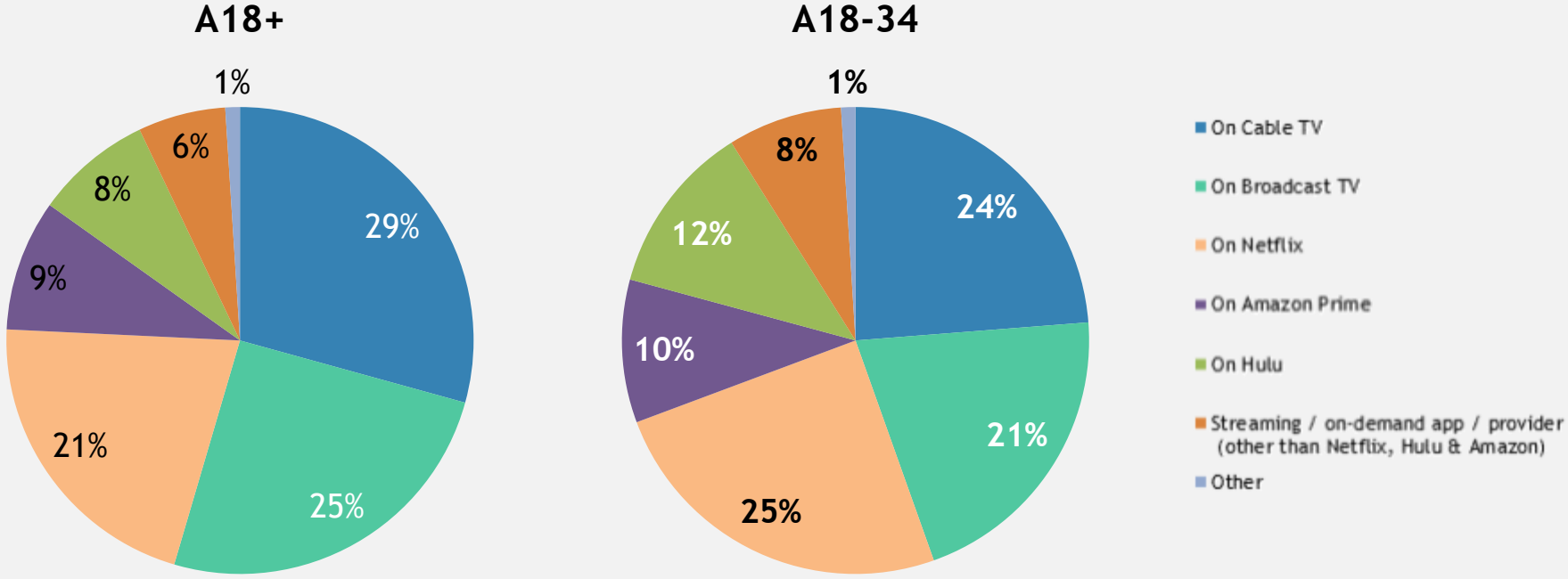
“I Tend To Do Other Things While Watching My Favorite TV Programs”

52%



As A Result Of Its Unmatched Scale, Millennials' Are More Likely To Watch Their Favorite Programs On Cable or Broadcast TV Than Any Other Platform

The Cable/Broadcast programming figures are likely higher as they do not account for programming watched on Hulu and other ad-supported streaming apps



Source: VAB / Research Now "Program Engagement" Survey, April 2018. Q11: Where do you watch the majority of your favorite TV programs? Check any that apply. Total Respondents=1,001.