VAB – MARKETER'S GUIDE - 2019

A Culture of Extremes

Exposing The Myths About Video Viewing Behavior

A Culture Of Extremes

From time to time, the video advertising industry can suffer from a **'culture of extremes'** fueled by an assortment of distorted 'truths' that attempt to be passed off as fact.

A tell-tale sign of industry extremism in action is when words like **'everyone,'** **'no one,'** or **'only'** are used by an individual or entity when referencing American media consumption habits or device usage.

However, in today's video environment, behaviors are much more nuanced and require a thorough investigation to understand the myths vs. realities.

This guide is **designed to help brand marketers and their agencies cut through the noise** by providing fact-based responses to some of the more distorted 'truths' that echo throughout our industry.

Continue reading as we expose **15 myths** about video viewing behavior with **real-world facts** culled from credible and verifiable data sources…

15 Myths Within Today's Video Environment

- *"Everyone is cutting the cord"*
- *"Everyone is moving away from TV towards mobile video"*
- *"Everyone is spending more time on Facebook & YouTube than TV"*
- *"No one under 35 watches Linear TV"*
- *"OTT platforms can be a replacement for Linear TV"*
- *"No one watches 'live' TV anymore"*
- *"Younger demos are much more engaged with YouTube than TV"*
- *"The most talked-about content is on Netflix, Amazon & YouTube"*
- *"Digital-native brands only need to invest in digital advertising to grow big"*
- *"TV is only effective at building awareness"*
- *"No one goes to the movies anymore due to streaming services"*
- *"Cinema is driven by only a handful of 'Superhero' blockbusters"*
- *"People only go to the movies during summer & holidays"*
- *"Online-based platforms are more Millennial-targeted than Cinema"*
- *"Cinema advertising doesn't drive people to take direct action"*

For PowerPoint version, put in presentation mode and click on a box to see slides that combat each myth with facts and stats

Click the icon on a slide in presentation mode to return to this navigation page

Let’s Break Out of the Culture of Extremes…

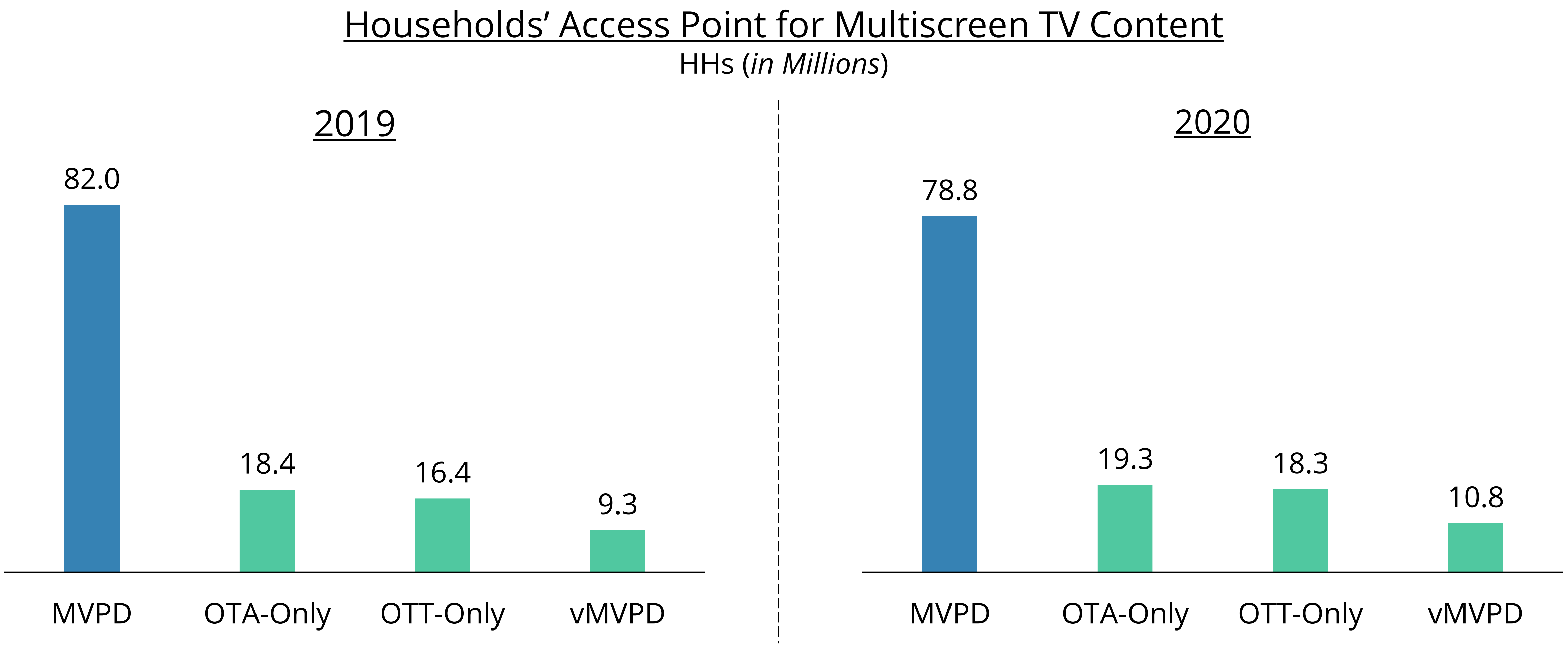
…By Exposing The Myths About Video Viewing Behavior

Myth:

"Everyone is cutting the cord and moving away from cable for other video substitutes & subscriptions"

The Reality Of Today's Video Viewing Behavior…

The Vast Majority Of Households Have An MVPD Subscription And It's, By Far, The Leading Video Distribution Access Point For Consumers



Source: VAB analysis of S&P Global Intelligence, SNL Kagan, April 2019, Projections. MVPD (Cable, Telco, Satellite), OTA (Over-the-Air), OTT (Over-the-Top), vMVPD (Virtual Multichannel)

Myth:

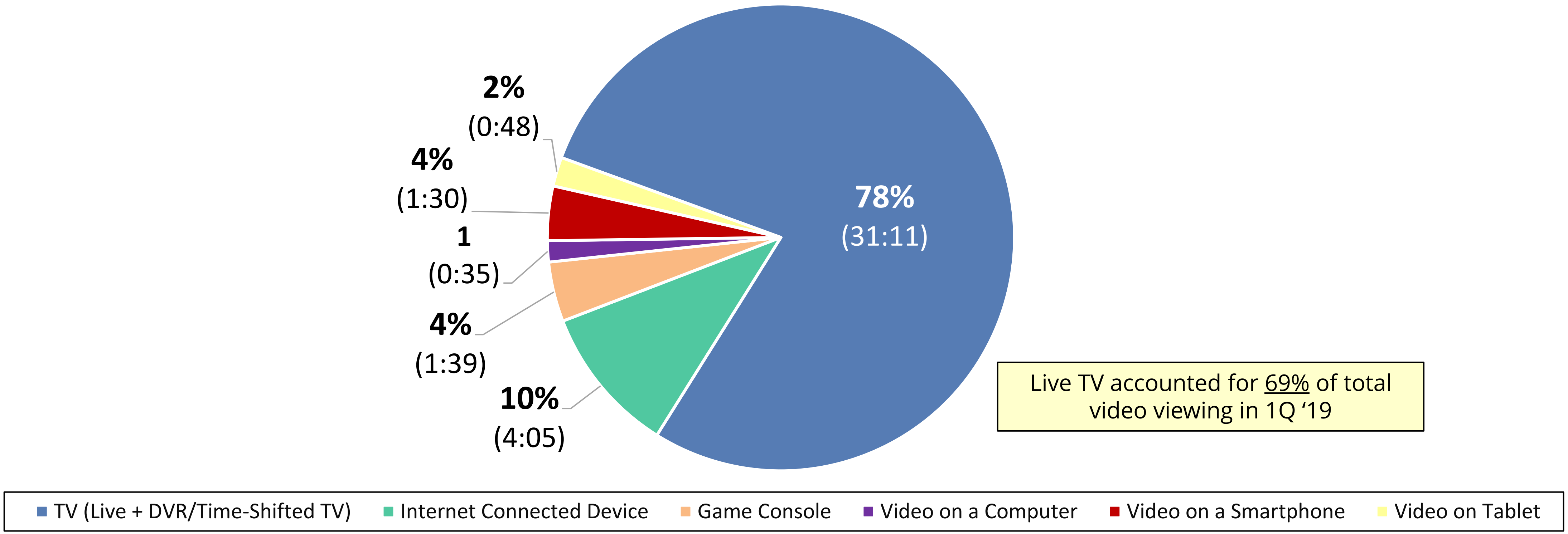
"Everyone is moving away from TV and getting their video content from other, more mobile, devices"

The Reality Of Today's Video Viewing Behavior…

While People Watch Over Five Hours of Video Each Day, The Large Majority Of Video Time (78%) Is Spent With Linear TV

% Share Of Weekly "Time Spent" By Video Device – 1Q '19

(Hrs:Mins Among U.S. Adult 18+ Population)

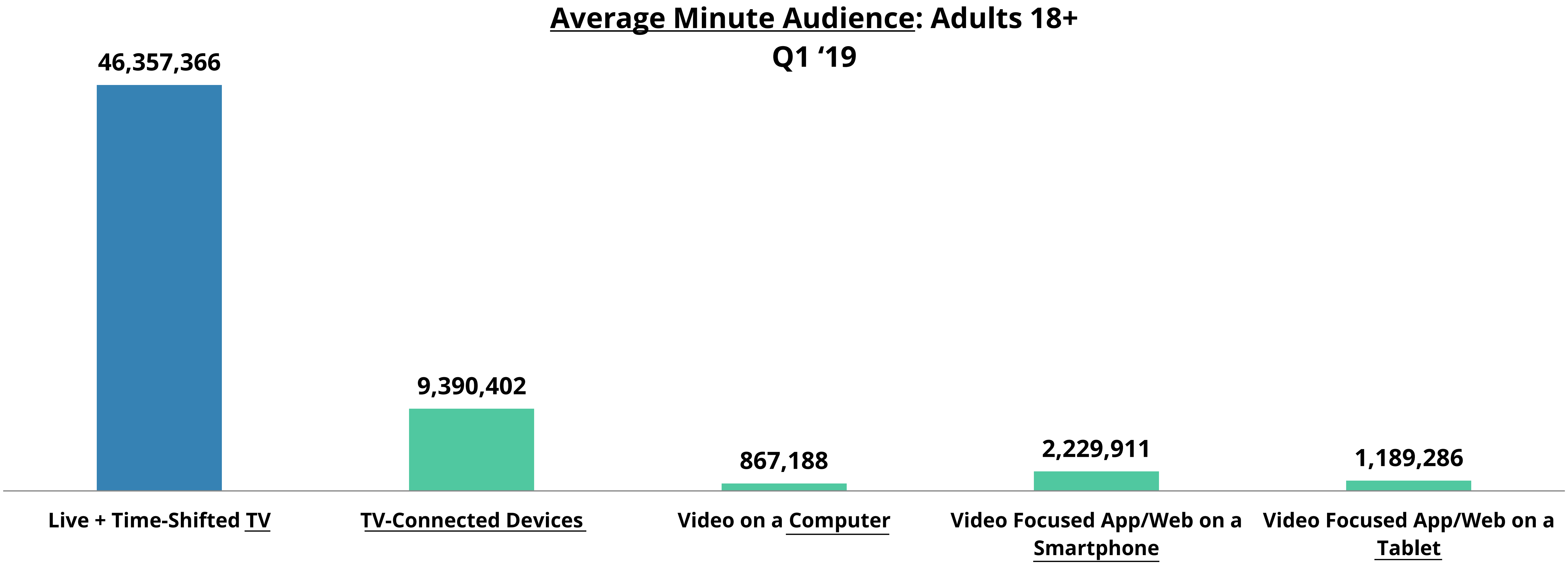


Live TV accounted for 69% of total video viewing in 1Q '19

Keep in mind: ad-supported TV content is also viewed on TV-connected devices, computers and mobile screens as well

Source: VAB analysis of data from the Nielsen Total Audience Report Q1 2019; based on hours:minutes among population; Only includes video capable platforms. Internet-Connected Device = devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, Smartphone, Computer/Laptops, etc. (inclusive of smart TV app usage). Charts exclude time spent with DVD/Blue-ray devices.

In *Any Given Minute*, Television's Audience (46.4 Million) In The U.S. Far Surpasses That Of Any Other Video Device



Keep in mind: ad-supported TV content is also viewed on TV-connected devices, computers and mobile screens as well

Source: VAB analysis of Nielsen Total Audience Report Q1 2019; Data based on weekly time spent averages among U.S. population, P18+. TV-Connected Device = DVD, smart TVs, game console, internet connected device; Internet Connected Device = devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, Smartphone, Computer/Laptops, etc. (inclusive of smart TV app usage).

Myth:

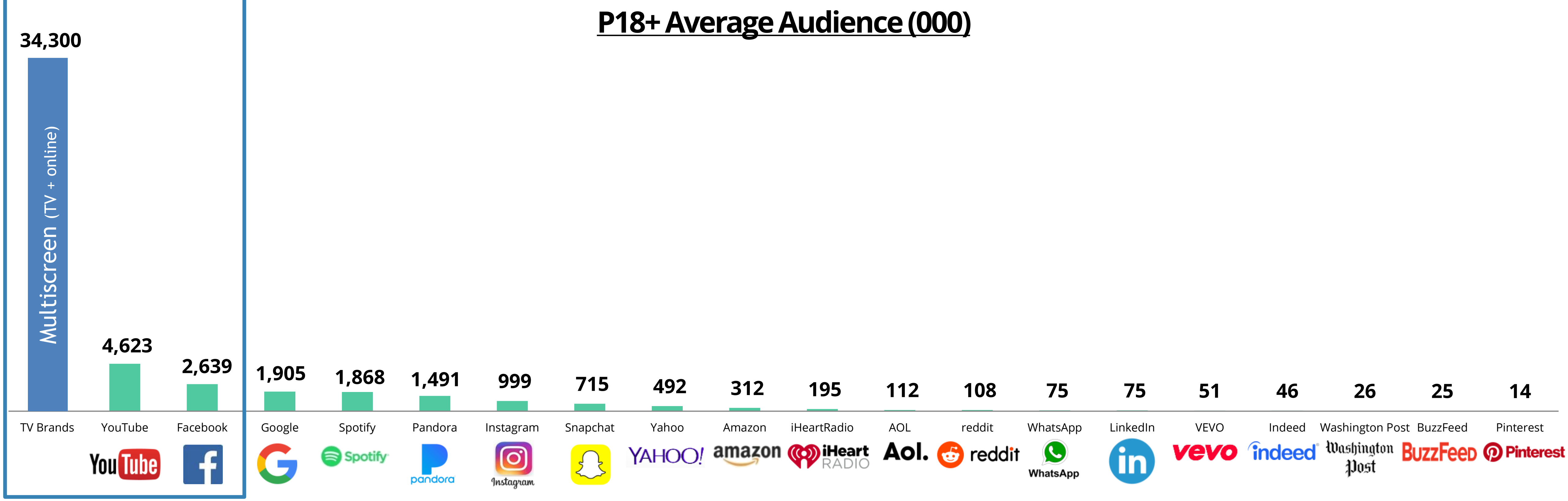
"Everyone is spending more of their time on platforms like Facebook & YouTube than ad-supported multiscreen TV"

The Reality Of Today's Video Viewing Behavior…

"Average Audience" During *Any Given Minute* Highlights The Engagement Gap Between Ad-Supported Multiscreen TV & Popular Digital Platforms Among Adults

7x more P18+ are watching ad-supported TV content than are on YouTube in any given minute

13x more P18+ are watching ad-supported TV content than are on Facebook in any given minute



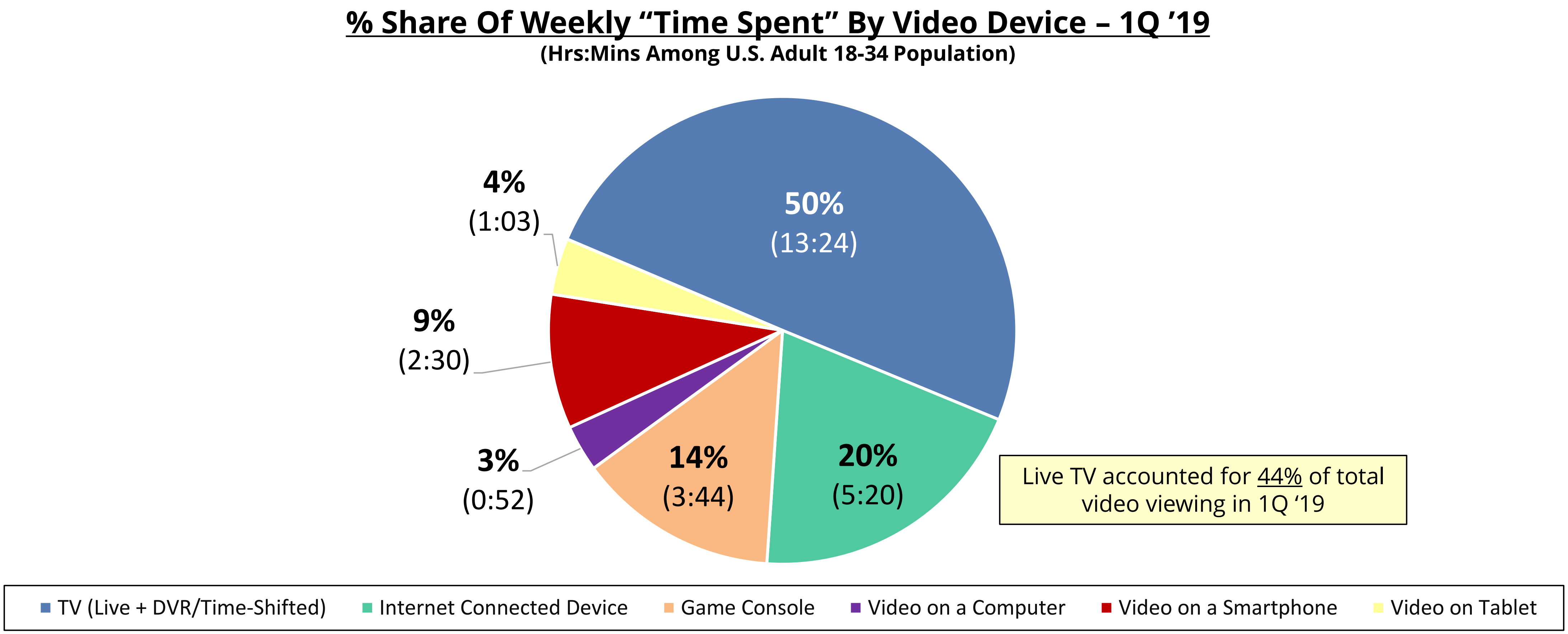
Source: VAB analysis of comScore MediaMetrix Key Measures multiplatform (desktop + mobile) data, March 2019; P18+. VAB analysis of Nielsen R&F Time Period Report, Live + SD, Total Day. March 1-31, 2019; P18+. "Average Audience" is based on the average minute, which is factored across the full month for websites and TV. TV Brands include linear TV and TV-related websites. comScore MediaMetrix data includes all visitor activity except for mobile video.

Myth:

"No one under 35 watches Linear TV anymore because they are living on SVOD platforms, digital sites & social media"

The Reality Of Today's Video Viewing Behavior…

50% of Video Consumption By Adults 18-34 Is Through Linear TV (Nearly Two Hours Per Day)

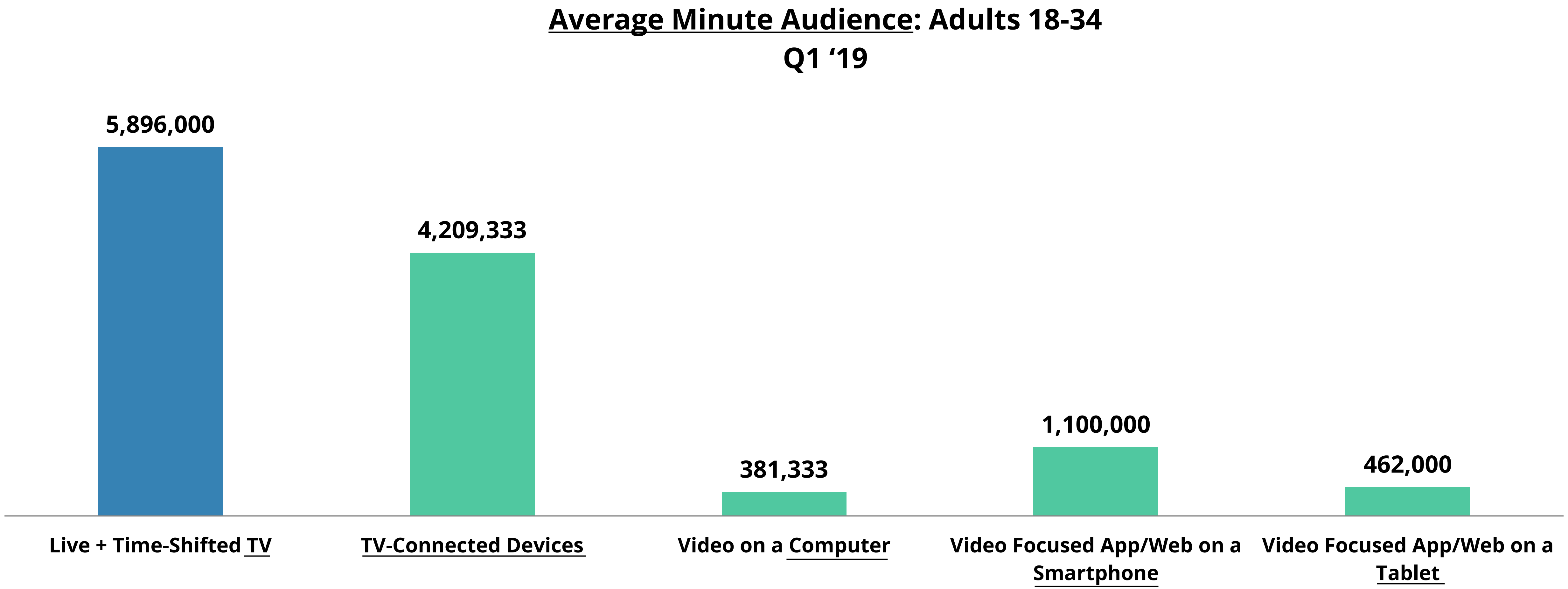


Live TV accounted for 44% of total video viewing in 1Q '19

Keep in mind: ad-supported TV content is also viewed on TV-connected devices, computers and mobile screens as well

Source: VAB analysis of data from the Nielsen Total Audience Report Q1 2019; based on hours:minutes among population. Only includes video capable platforms. Internet-Connected Device = devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, Smartphone, Computer/Laptops, etc. (inclusive of smart TV app usage). Charts exclude time spent with DVD/Blue-ray devices.

In *Any Given Minute*, Television's Adult 18-34 Audience (5.9 Million) In The U.S. Also Surpasses That Of Any Other Video Device



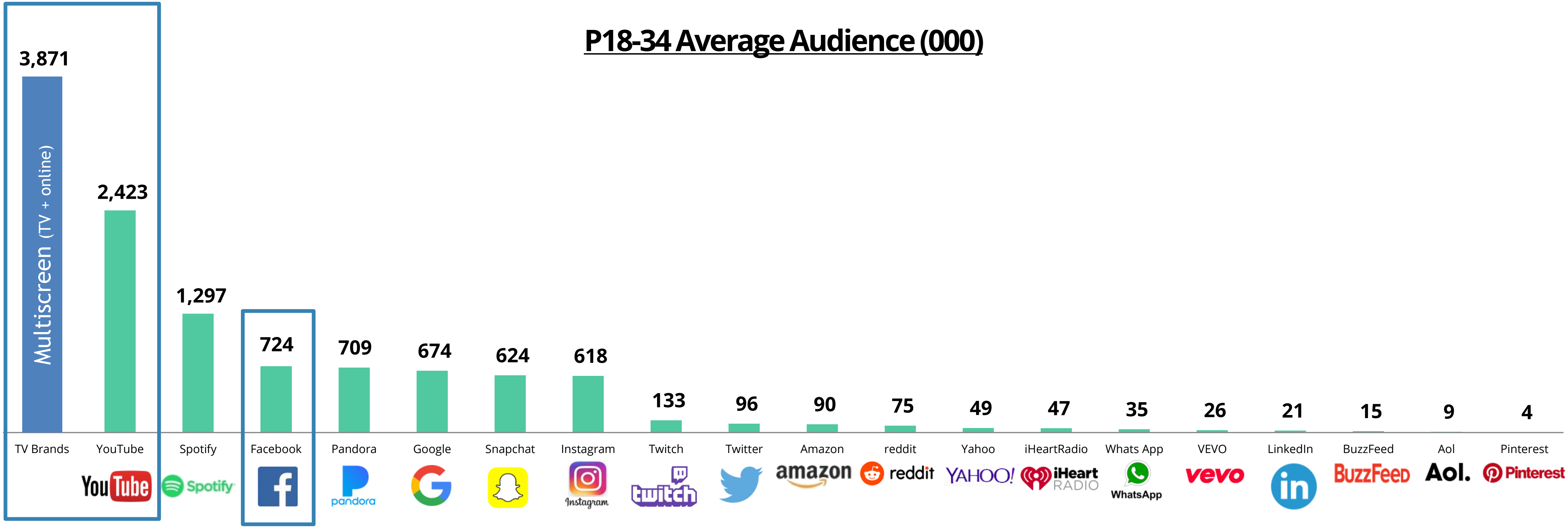
Keep in mind: ad-supported TV content is also viewed on TV-connected devices, computers and mobile screens as well

Source: VAB analysis of Nielsen Total Audience Report Q1 2019; Data based on weekly time spent averages among U.S. population, P18-34. TV-Connected Device = DVD, smart TVs, game console, internet connected device; Internet Connected Device = devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, Smartphone, Computer/Laptops, etc. (inclusive of smart TV app usage).

More Adults 18-34 Are Engaged With Multiscreen TV Brands In *Any Given Minute* Than Any Other Digital Platform

Over ***1.5x*** more P18-34 are watching ad-supported TV content than are on YouTube in any given minute

Over ***5x*** more P18-34 are watching ad-supported TV content than are on Facebook in any given minute



Source: VAB analysis of comScore MediaMetrix Key Measures multiplatform (desktop + mobile) data, March 2019; P18-34. VAB analysis of Nielsen R&F Time Period Report, Live + SD, Total Day. March 1-31 2019; P18-34. "Average Audience" is based on the average minute, which is factored across the full month for websites and TV. TV Brands include linear TV and TV-related websites. comScore MediaMetrix data includes all visitor activity except for mobile video.

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Myth:

"OTT platforms have the scale and can be a replacement for Linear TV"

The Reality Of Today's Video Viewing Behavior…

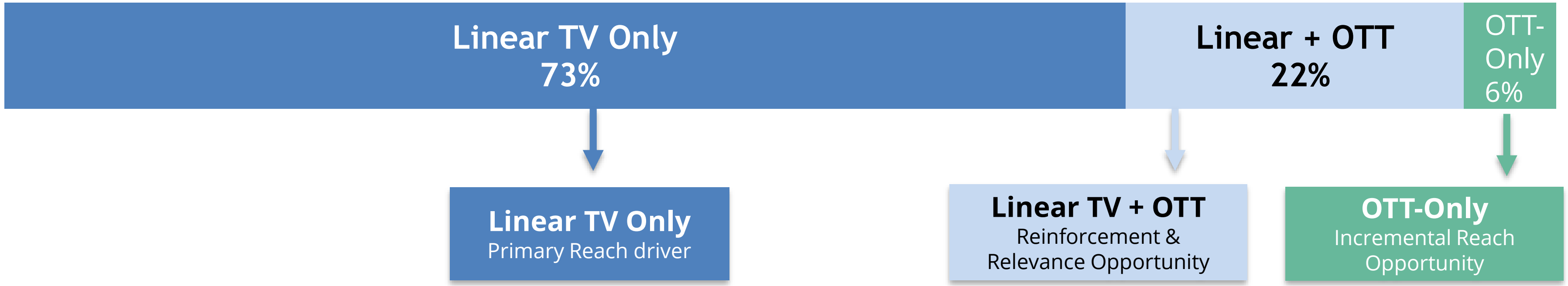
Custom Analysis:

Quantifying the Reach opportunity across linear TV & OTT

The analysis below for Adults 18+ indicates that 73% of reach is derived from linear TV alone, 22% is derived from those reached by a combination of linear TV + OTT, and 6% is derived from those reached by ad-supported OTT only

Reach Duplication, Adults 18+

Linear TV, Linear TV + OTT, OTT-only

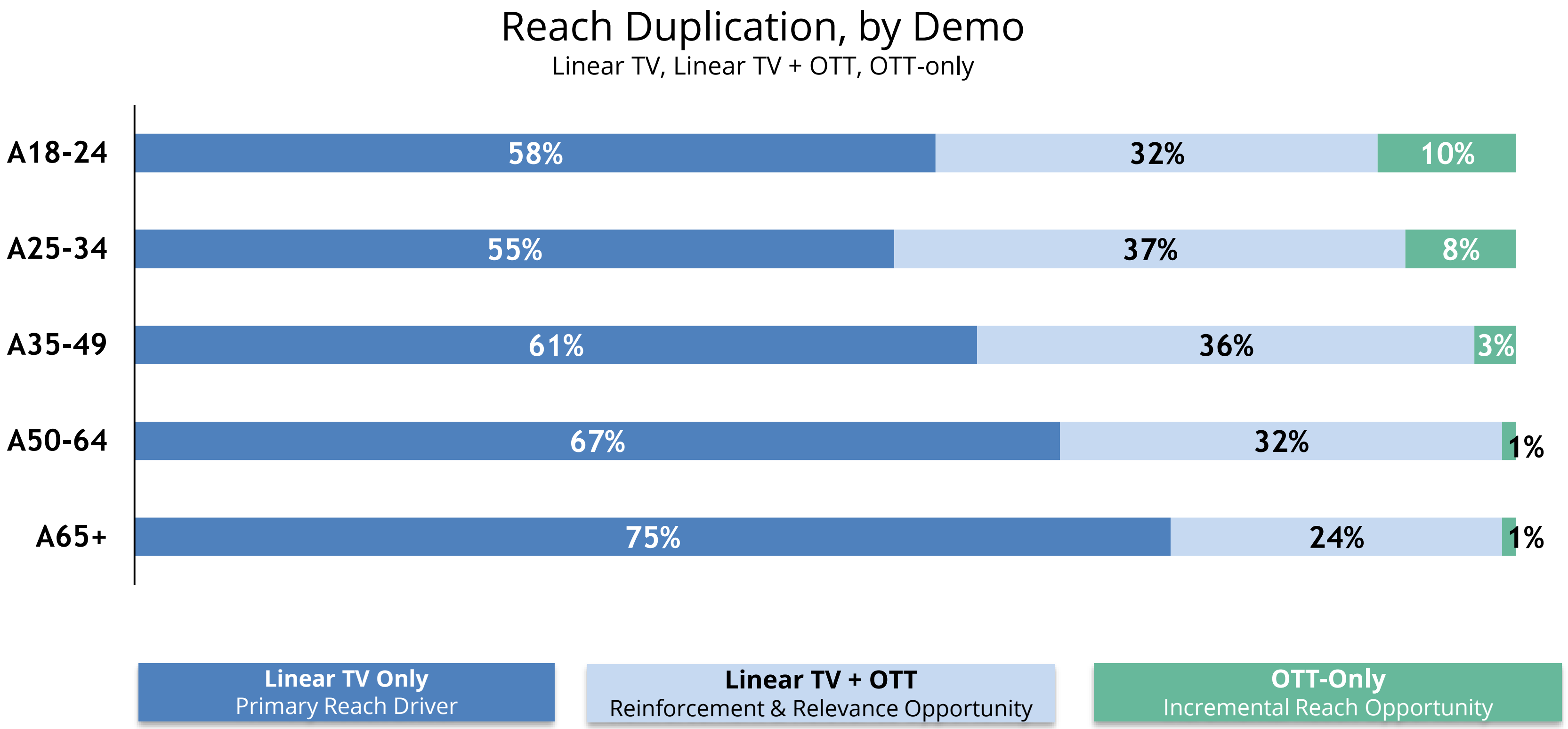


Source: Nielsen Media Impact; A18+. 4/1-4/30/18, Linear TV = Include Cable and Broadcast TV Programs, Live viewing plus 7 days after the broadcast; OTT = Desktop and laptop video streaming, does not include the two major subscription (non-ad supported) video platforms, Netflix and Amazon; TV + OTT = those reached on OTT and Linear TV

Custom Analysis:

While linear TV is the big reach driver, it can be complemented by an OTT schedule which can deliver an incremental audience across buying targets, particularly younger demos

While the vast majority of reach is achieved through Linear TV, OTT provides an opportunity to drive incremental reach, as well as message reinforcement cross-platform



Source: Nielsen Media Impact; A18+. 4/1-4/30/18, Linear TV = Include Cable and Broadcast TV Programs, Live viewing plus 7 days after the broadcast; OTT = Desktop and laptop video streaming, does not include the two major subscription (non-ad supported) video platforms, Netflix and Amazon; TV + OTT = those reached on OTT and Linear TV

Ad-Supported OTT Is A Complement To TV, Not A Replacement

Download Our "Living Together In Harmony" Marketer's Guide To Learn More

(49-page Marketer's Guide)

(click above in presentation mode to download report)

Myth:

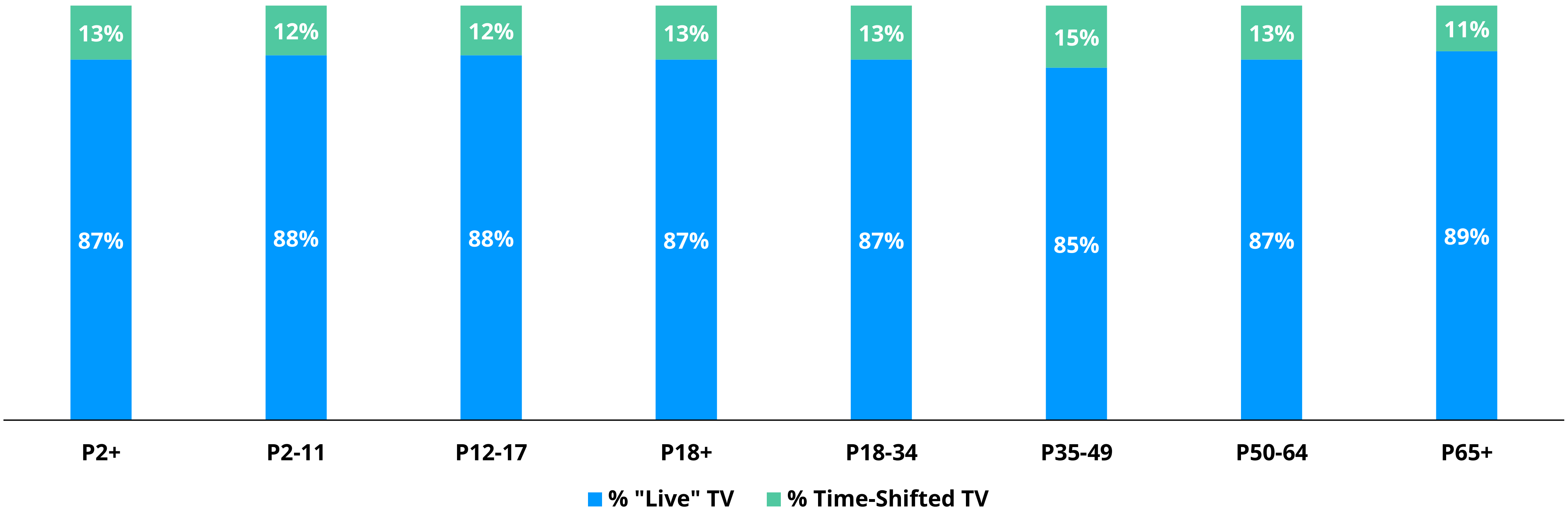
“No one watches ‘live’ TV anymore outside of sports”

The Reality Of Today’s Video Viewing Behavior…

The Vast Majority Of TV Viewing Across All Major Demos Is Watched "Live" (85% - 89%)

Average Weekly TV Time Spent: "Live" vs. "Time-Shifted" Viewing

1Q '19



Source: VAB analysis of Nielsen Total Audience Report 1Q 2019; based on U.S. population.

Myth:

"Younger audiences are much more engaged with YouTube content than TV programming"

The Reality Of Today's Video Viewing Behavior…

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**"

73%

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

YouTube 59%

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

65%

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

YouTube 43%

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

53%

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

YouTube 36%

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

48%

"Gotten **Angry Or Upset** About Something A **YouTube Personality** Did"

YouTube 33%

YouTube Original 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 (Smosh, Jenna Marbles, GoodMythicalMorning, PewDiePie, Dude Perfect, Ryan's Toy Review)

Source: VAB / Research Now "Program Engagement" Survey, April 2018. TV: Q8: Which of the following statements are true for you? YouTube: Q17: Which of the following statements are true for you? Check any that apply. Base = Those who regularly watch original content on YouTube; Millennials = A18-34. Total Respondents=1,001

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**"

47%

"I feel personally connected to my favorite **YouTube personality**"

YouTube 42%

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

58%

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

YouTube 51%

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

57%

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

YouTube 47%

YouTube Original 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 (Smosh, Jenna Marbles, GoodMythicalMorning, PewDiePie, Dude Perfect, Ryan's Toy Review)

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.

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%

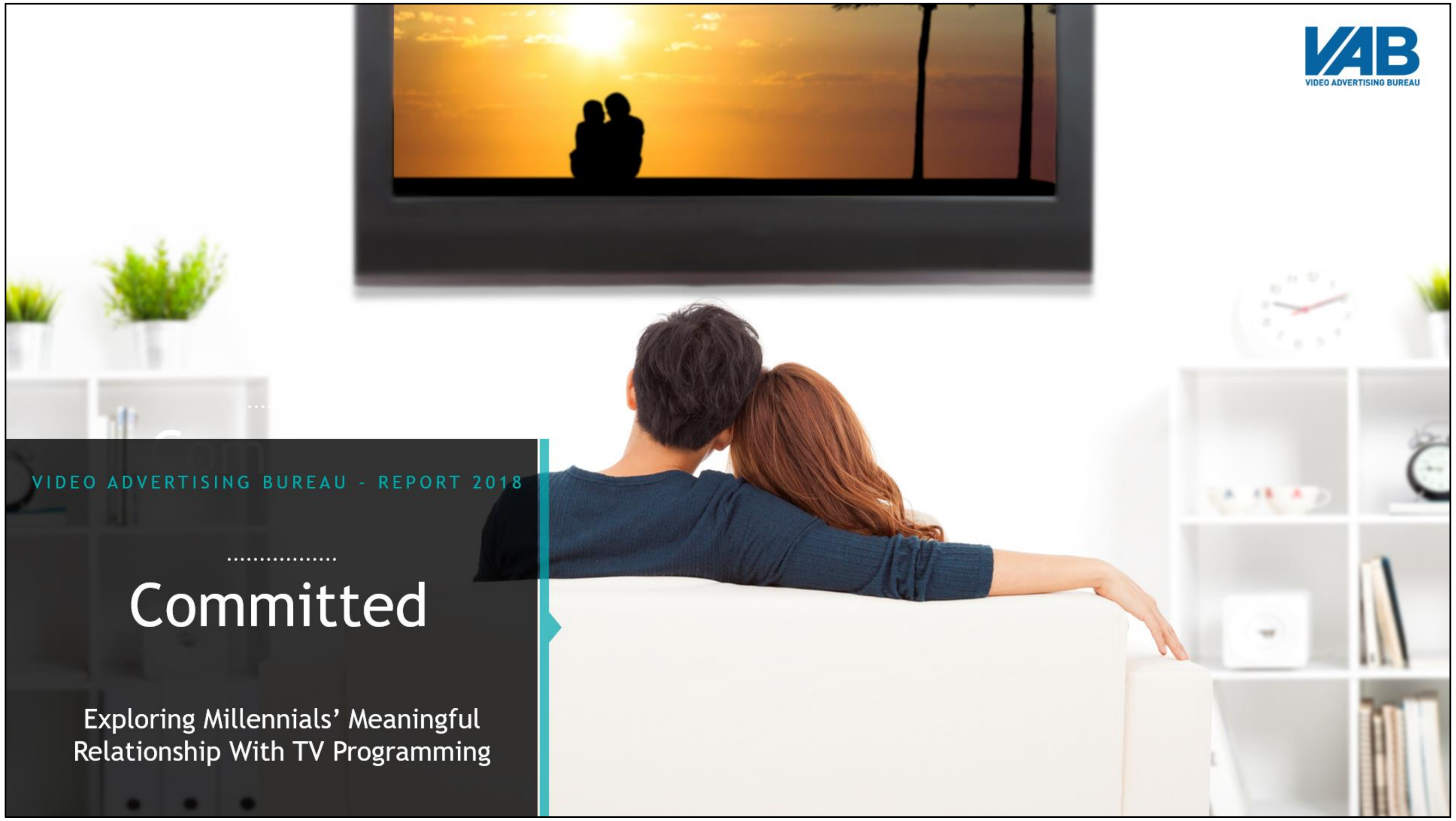
of Millennials have purchased a product that has been shown / featured on a TV show

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.

Download Our "Committed" Custom Study To Discover More About The Deep Connections Millennials' Have With Ad-Supported TV Programming



[(40-page Custom Study on 'Program Engagement')]

(click above in presentation mode to download report)

Myth:

"The real buzzworthy video content is on Netflix, Amazon and YouTube and that's what everyone is talking about"

The Reality Of Today's Video Viewing Behavior…

Ad-Supported TV accounted for over **8 of the top 10** trending Twitter topics at night through a four-week time period

Date Range: 9/24/18 – 10/21/18

84%
Overall Total % of TV-topics in Top 10 During Primetime

Ad-supported TV dominates the top social conversations on Twitter deeper into the night as more primetime shows and sporting events air

8:30p	9:30p	10:30p	11:30p
Total % of TV-topics In Top 10: **73%**	Total % of TV-topics In Top 10: **86%**	Total % of TV-topics In Top 10: **88%**	Total % of TV-topics In Top 10: **88%**

Source: VAB custom analysis of Top 10 trending Twitter Topics each night (8:30p, 9:30p, 10:30p, 11:30p) aggregated during 4-week time period (9/24/2018 – 10/21/2018). Results include both "direct" and "related" TV topics.

At least **two-thirds** of the top 10 trending Twitter topics **on any night** were based on ad-supported TV content

Four Week Average: % of Top 10 Trending Topics That Are Based On TV Content

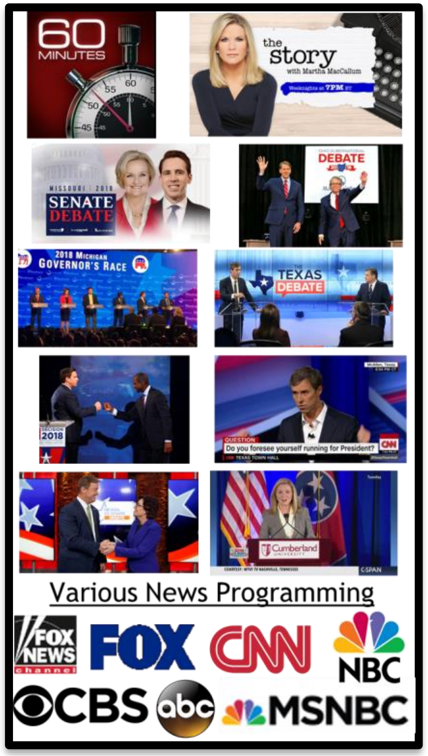
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Overall	84%	84%	88%	88%	68%	86%	87%
8:30p	65%	78%	75%	68%	43%	90%	93%
9:30p	90%	83%	90%	93%	70%	85%	93%
10:30p	90%	85%	90%	95%	80%	90%	88%
11:30p	93%	93%	98%	95%	80%	80%	75%

Source: VAB custom analysis of Top 10 trending Twitter Topics each night (8:30p, 9:30p, 10:30p, 11:30p) aggregated during 4-week time period (9/24/2018 - 10/21/2018). Results include both "direct" and "related" TV topics.

Over **87 TV programs** trended in the top 10 during the four-week primetime analysis

Sports and **entertainment** account for nearly the same number of programs that trended

Entertainment (36)	Sports (39)	News (12+)



On average, **six** different ad-supported TV programs trended in the Top 10 during each night

Source: VAB custom analysis of Top 10 trending Twitter Topics each night (8:30p, 9:30p, 10:30p, 11:30p) during 4-week time period (9/24/2018 – 10/21/2018). Results include both "direct" and "related" TV topics.

The reality is that nothing else gets people talking online like **ad-supported TV** programs

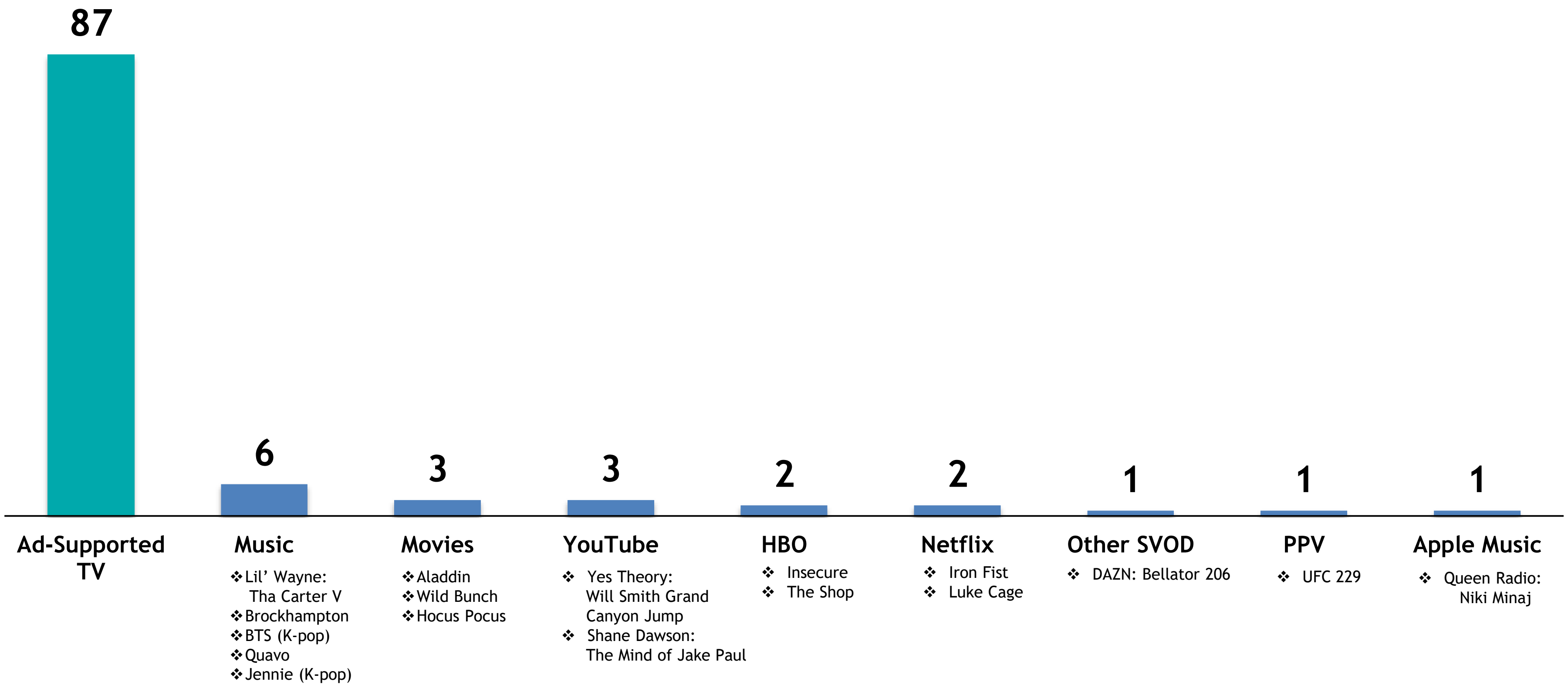
This is what the country is really talking about every night

Movies tend to trend on Blockbuster opening weekends, when popular trailers are released and when major production / casting news is announced.

Ad-Supported TV Accounts For **Over 80%** Of The Media Content That Trended In The Top 10

Four-Week Time Period

# of Top 10 Trending Programs / Content By Platform



Interestingly, the two Netflix shows that trended on Twitter did so because the streaming service announced their cancellation; while one of the reasons YouTube trended was because the platform went down one night (#YouTubeDOWN)

*Music excludes Apple Music which is a separate entry

Source: VAB custom analysis of Top 10 trending Twitter Topics each night (8:30p, 9:30p, 10:30p, 11:30p) during 4-week time period (9/24/2018 – 10/21/2018). Based on unique program counts. For the purposes of this chart, "program / content" is an all-encompassing definition for individual pieces of content on each platform (albums & singles for music, channel on YouTube, etc).

Download Our "#TVisSocial" Custom Analysis To Learn More About The Popularity Of Ad-Supported TV Programs On Social Platforms Like Twitter

(four-part custom analysis series)

(click above in presentation mode to download report)

Myths:

“Digital-native, direct-to-consumer brands only need to invest in digital advertising to grow big”

“TV is only effective at building brand awareness among consumers but it doesn’t directly drive sales”

The Reality Of Today’s Video Viewing Behavior…

125 ‘Direct-to-Consumer’ brands’ TV spend analyzed across 52 categories

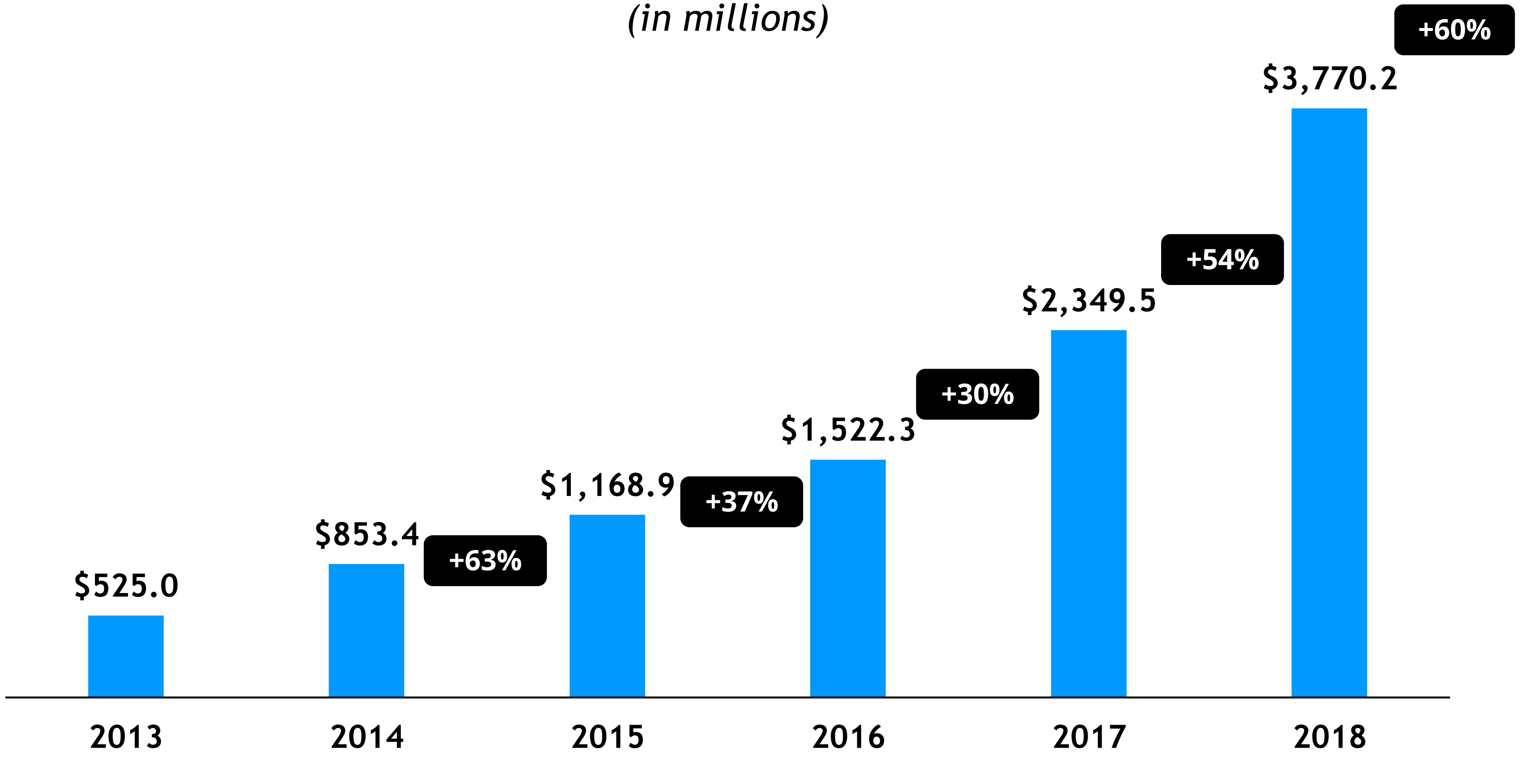
When challenged to grow big and increase their customer base and build revenues **they all made the ‘Big Bet’ on TV**

In fact, these 125 DTC brands collectively spent almost ***$3.8 Billion*** on TV in 2018, ***2.5x*** what was invested in 2016

DTC brands have accelerated spending recently - the 125 brands analyzed added **$1.4 Billion** to the TV advertising marketplace over the last year

125 ‘Direct-to-Consumer’ Brands

TV Spend Historical Trend
(in millions)



# of Existing Brands	2013	2014	2015	2016	2017	2018
# of Existing Brands	100	109	116	121	125	125

Source: VAB analysis of Nielsen Ad Intel data, calendar years 2013-2018. TV spend includes national cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, syndication TV. Reflects the cume TV spend of the 125 brands identified in this report. Not all companies existed since 2013 as reflected at the bottom of the chart. Existing brands = the number of brands that had launched publicly by that year out of the 125 brand grouping.

125 Direct-to-Consumer Brands Analyzed

‘Emerging’ Brands

(63 Brands)

Newer brands with an average age of 8 years old who only began investing in TV within the last three years (last two years on average)

‘Expanding’ Brands

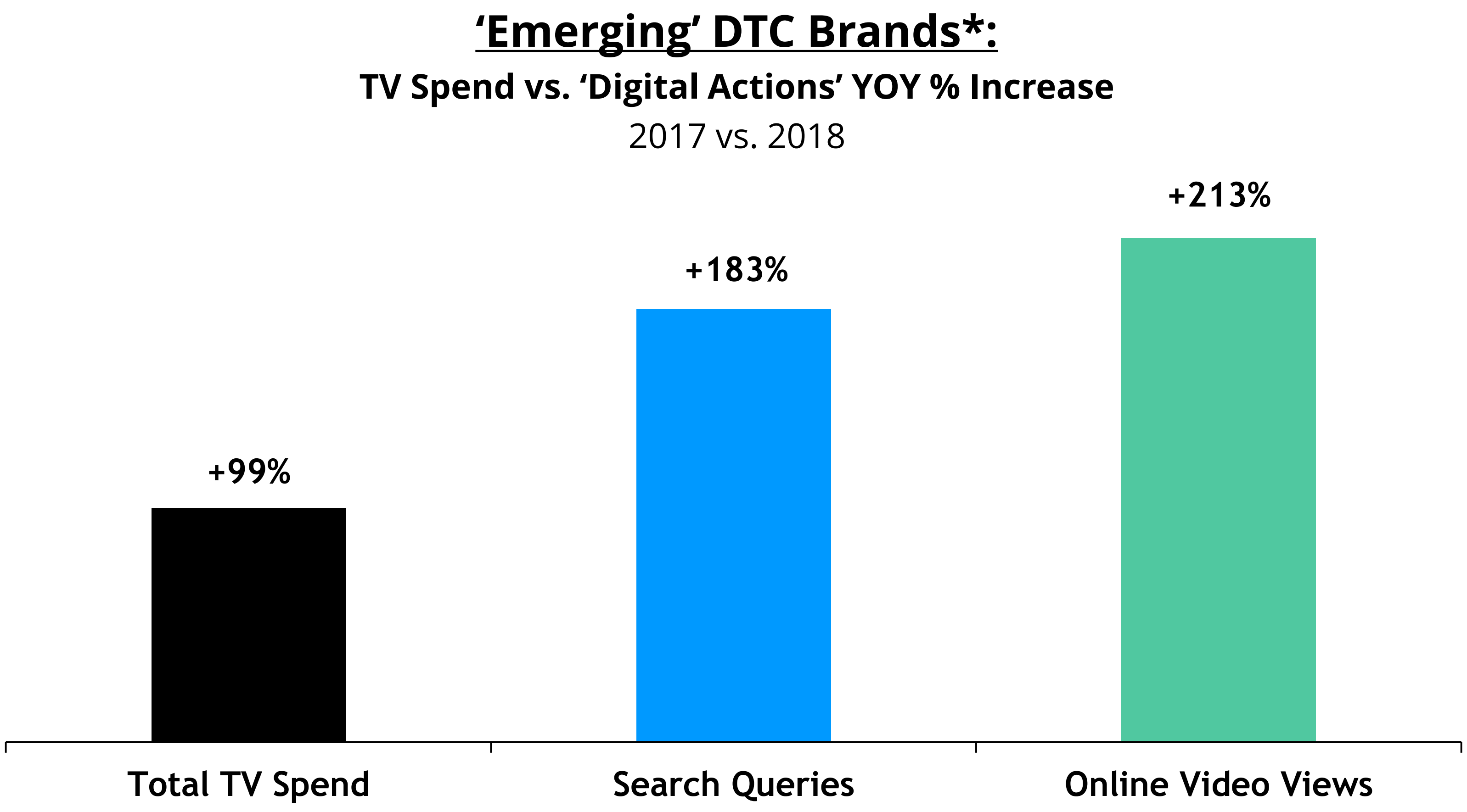
(62 Brands)

Brands with an average age of 13 years old who have been investing in TV for at least the last four years (eight years on average)

For the purposes of this marketer’s guide, we’ll focus on results for the ‘emerging’ brands only

TV is the catalyst that jumpstarts consideration around a brand in the form of more exploration and additional viewing of their advertising online

These digital actions far outpace the collective increase in TV spend across the 38 measured brands



**Reflects the 38 brands that are measured in iSpot.tv and had TV spending in both 2017 & 2018 for comparison purposes.*

Source: TV spending based on VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), calendar years 2017 & 2018. Digital actions based on VAB analysis of iSpot.tv data and reflects TV commercial-related searches (Google, Bing, Yahoo!) and earned, not promoted, online video views of TV ads (YouTube, iSpot.tv). Digital actions are correlated to TV ad airing data.

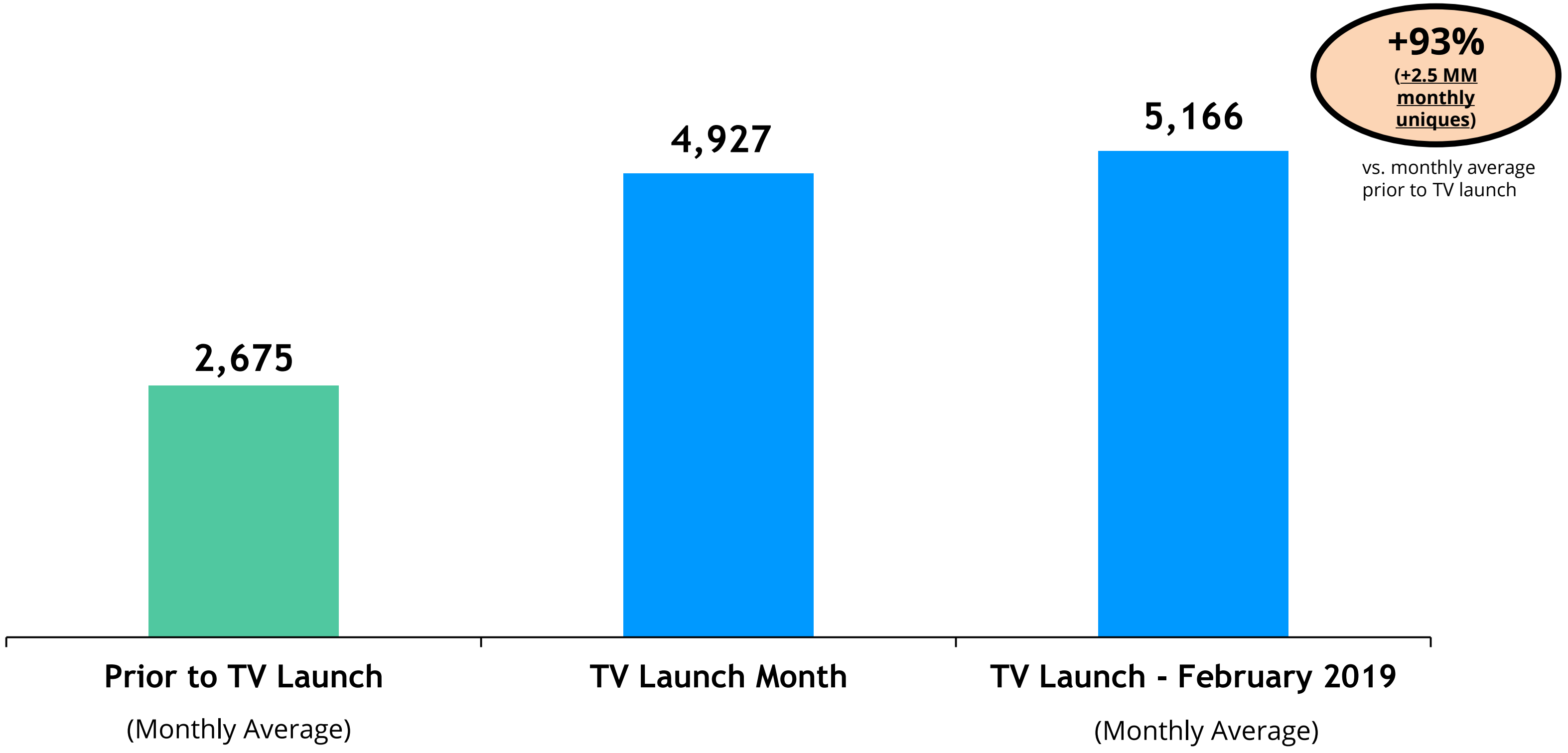
On average, monthly unique visitors see an ***immediate surge*** upon the launch of a TV campaign and this audience only ***continues to grow*** through the duration of a brand's TV flight:

The average 'Emerging' brand saw an ***84% increase*** in their unique website traffic during their TV launch month and a ***93% average monthly increase*** from launch month to present day

'Emerging' DTC Brands*:

Average Monthly Website Unique Visitors (000)

Based Over A Four-Year Time Period: Mar '15 – Feb '19



**Reflects the 39 brands that are measured in Comscore and had reported monthly unique visitors in at least one month prior to their TV campaign launch*

Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), March '15 – February '19 (calendar months). VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), March '15 – February '19 (calendar months). 'Prior to TV Launch' reflects the average monthly unique visitors based on when each brand's website began being measured by Comscore, or starting from March 2015 if measurement began before that month. Three brands within the 63 'emerging' brand groupings were not measured as of February 2019: Brooklinen, Hunt-A-Killer, Keeps.

While most DTC brands start with a social media-dominant strategy (Facebook, Instagram, etc), website traffic ***skyrocketed*** for many 'Emerging' brands once they launched a TV campaign

***Sampling* of Brands: Monthly Website Unique Visitors (000) Comparison**

Based Over A Four-Year Time Period (Mar '15 – Feb '19)

Brand	Monthly Average: Prior To TV Launch	Monthly Average: TV Launch – Feb '19	# Diff	% Diff
apartment list	1,190	2,000	+810	+68%
Betabrand	188	377	+189	+101%
BONOBOS	33	88	+55	+165%
CarGurus	12,142	20,862	+8,720	+72%
chewy.com	1,791	8,338	+6,547	+366%
Etsy	35,314	48,192	+12,878	+36%
FILTERSFAST.COM	149	247	+98	+66%
grammarly	1,835	5,199	+3,365	+183%
LUXURYRETREATS	98	205	+107	+109%
lyft	2,471	10,549	+8,078	+327%
nerdwallet	4,430	10,363	+5,932	+134%
noom	1,245	3,006	+1,761	+141%
POSHMARK	5,978	13,812	+7,833	+131%
purple	1,309	1,630	+321	+25%
SoFi	260	606	+346	+133%
stockX	1,113	2,254	+1,141	+102%
TECOVAS	549	1,013	+464	+85%
wish	18,307	40,463	+22,156	+121%
Zelle	1,584	3,008	+1,424	+90%
ZOLA	254	1,324	+1,070	+422%

Source: VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), March '15 – February '19 (calendar months). VAB analysis of Comscore mediametrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), March '15 – February '19 (calendar months). 'Prior to TV Launch' reflects the average monthly unique visitors based on when each brand's website began being measured by Comscore, or starting from March 2015 if measurement began before that month.

In Regards To Sales, 'Emerging' DTC Brands Often See Their Revenues Take Off When They Launch Their First TV Campaign

Brand	Year Founded	TV Launch		2016	2017	2018	'17 vs. '18 YoY Diff	
TOUCH OF MODERN	2009	2017	TV Spend (000):	---	$852	$33,871	+$33,019	
			Revenue (000):	$118,000	$150,000	$200,000	+$50,000	+33%
CarGurus	2006	2017	TV Spend (000):	---	$15,538	$50,560	+$35,022	
			Revenue (000):	$171,302	$282,664	$405,780	+$123,116	+44%
chewy.com	2011	2016	TV Spend (000):	$85,433	$99,405	$137,282	+$37,877	
			Revenue (000):	$880,000	$1,500,000	$2,600,000	+$1,100,000	+73%
THIRDLOVE	2013	2017	TV Spend (000):	---	$3,023	$13,195	+$10,172	
			Revenue (000):	$20,000	$80,000	$160,000	+$80,000	+100%
Etsy	2005	2018	TV Spend (000):	---	---	$7,662	+$7,662	
			Revenue (000):	$276,537	$317,755	$425,841	+$108,086	+34%

Source: TV spend based on VAB analysis of Nielsen Ad Intel data, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), CY 2016-2018. Revenues for public companies are based on company filings (10-K) for U.S. revenue via SEC.gov (EDGAR). Revenues for private companies are based on reports/projections/guidance provided publicly by company founders/representatives, or analyst estimates/forecasts, and reported within business/technology news outlets such as Bloomberg, CNBC, Digiday, Forbes, Inc., Recode, TechCrunch, WSJ, etc.

Download Our "Direct Outcomes" Marketer's Guide To Learn More About How TV Drives Consumer Action & Brand Results Through The Purchase Funnel

(55-page Marketer's Guide)

(click above in presentation mode to download report)

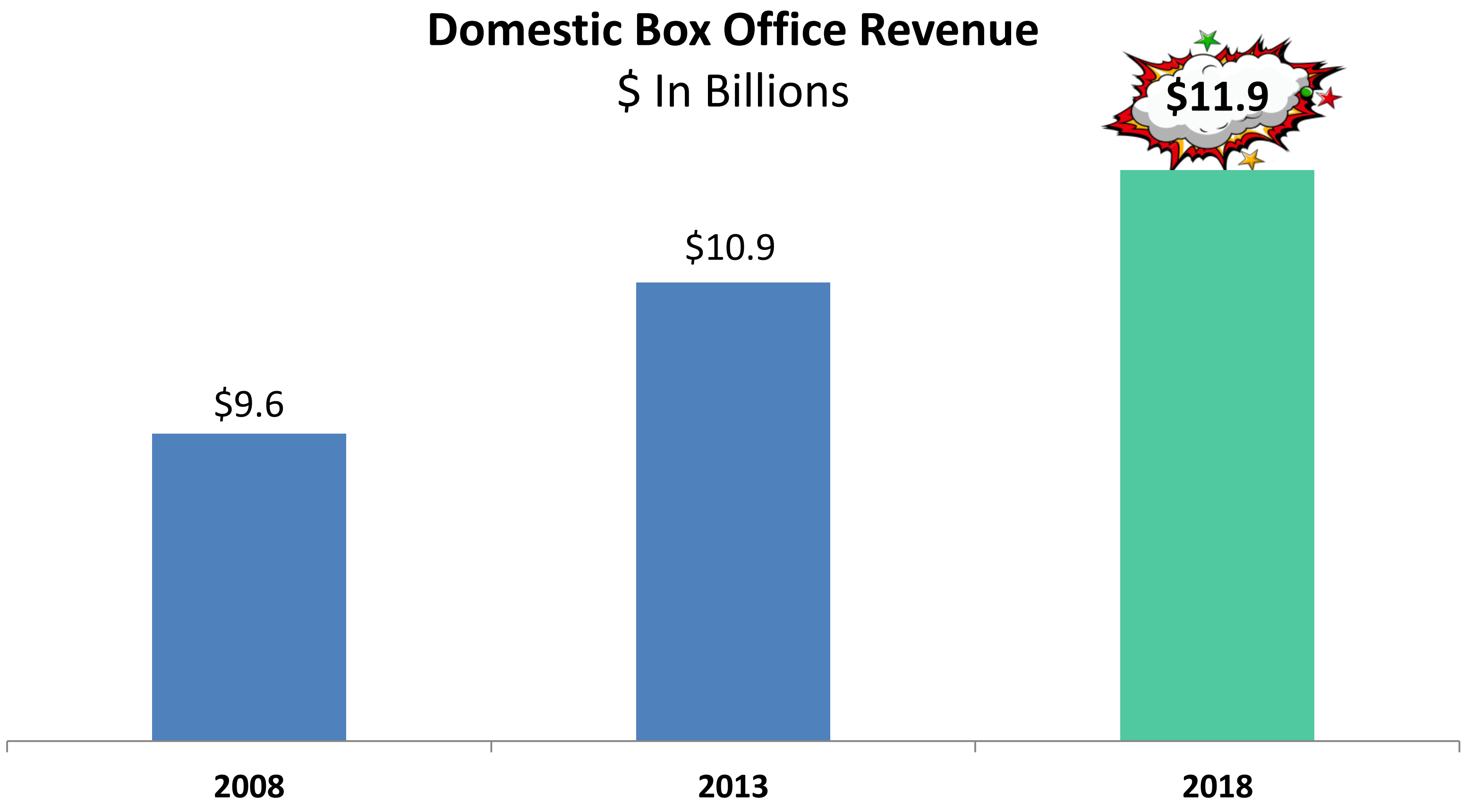
Myth:

"No one goes to the movies anymore because of Netflix, Amazon, Hulu and other streaming services"

The Reality Of Today's Video Viewing Behavior…

2018 Marked A Record Breaking Year For Domestic Box Office Revenues With Almost $12 Billion In Ticket Sales Which Equated To Over 1.3 Billion Admissions

In the last decade, box office revenue has grown by **24%**



Source: VAB analysis of Box Office Mojo; Calendar years

Myth:

"Cinema is driven by only a handful of blockbusters, mostly comic book 'Superhero' movies"

The Reality Of Today's Video Viewing Behavior…

Comic Book 'Superhero' Movies Made Up Seven Out Of The Top 30 Highest Grossing Films In 2018 And Accounted For Only <u>**22%**</u> Of The Total Box Office

Source: VAB Analysis of Box Office Mojo, 2018, Total Revenues. List above reflects the top 20 Domestic Box Office grossing films of 2018, non-"Comic Book Superhero" Top 30 Movies are in outlined in **blue**.
In 2018, 34 movies surpassed $100+ MM in domestic box office grosses.

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VAB
Intelligence. Insights. Impact.

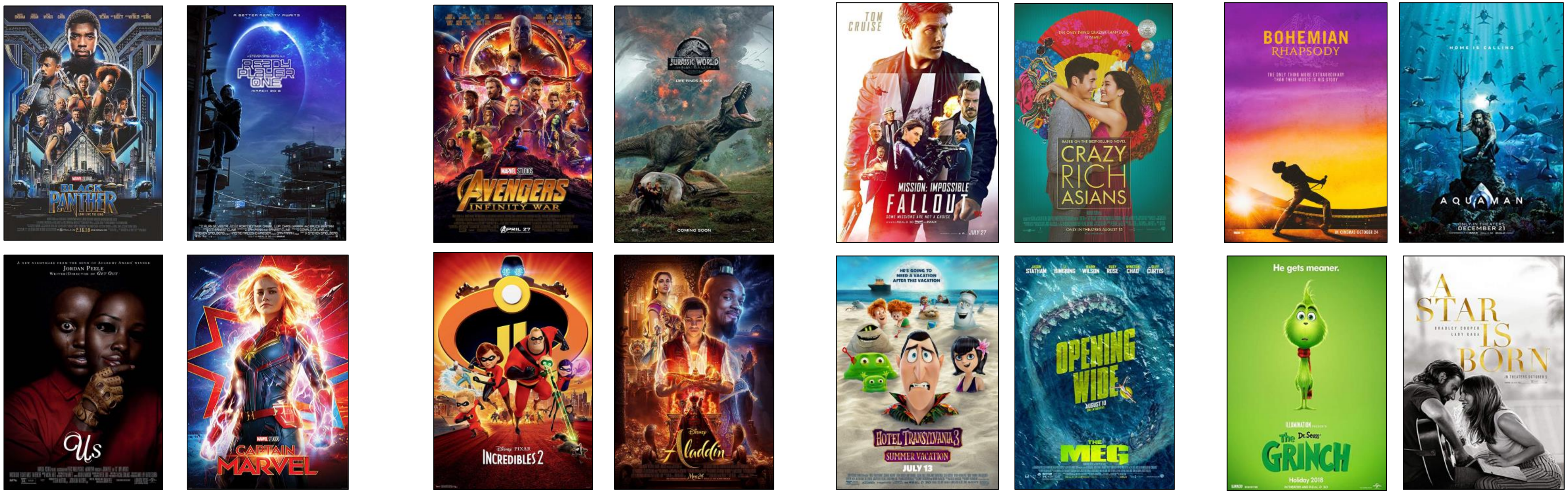
Myth:

"People only go to the movies on holiday weekends and during the summer"

The Reality Of Today's Video Viewing Behavior…

Cinema Admissions Are Fairly Equivalent Across Each Quarter With Only A Slight Bump In Early Summer

1Q (Jan-Mar)	2Q (Apr-Jun)	3Q (Jul-Aug)	4Q (Sept-Dec)
25%	**27%**	**23%**	**25%**



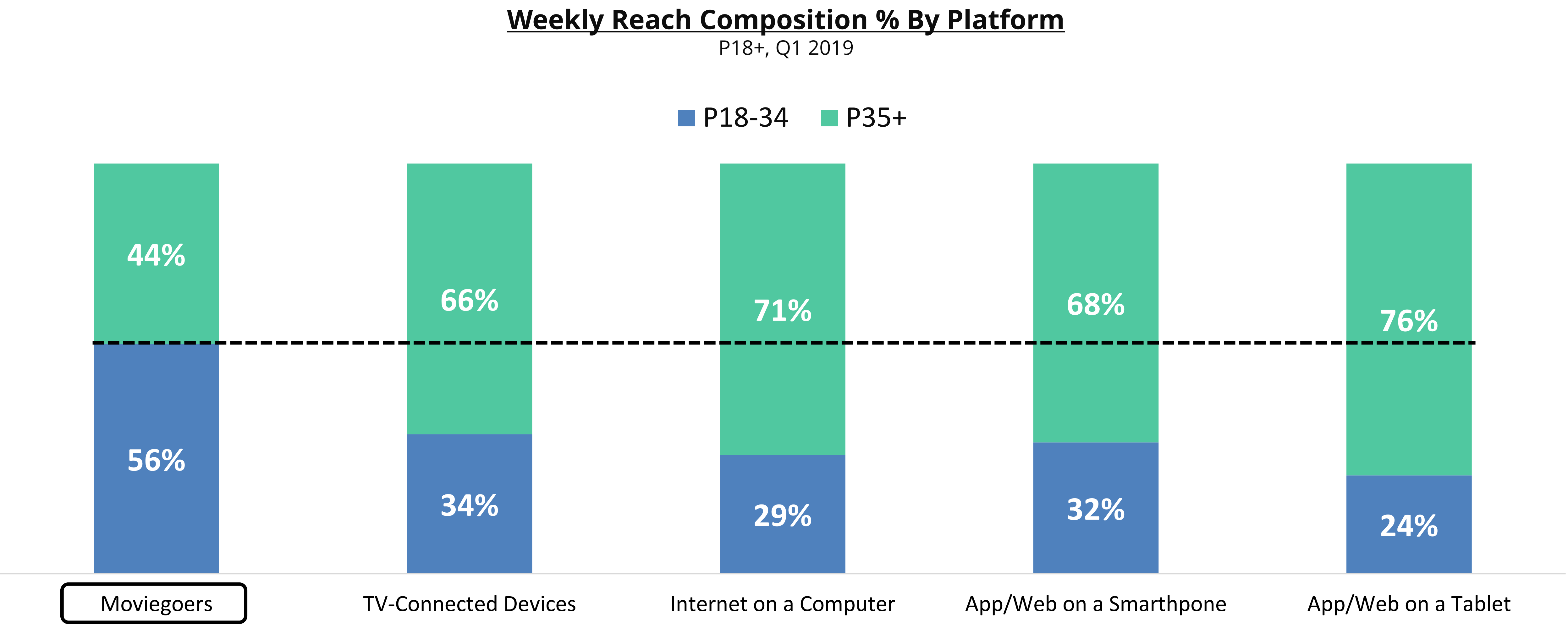
Source: VAB Analysis of Nielsen National Cinema Audience Report, Q1 – Q4 2018, Admissions cumed across months in period

Myth:

"Online-based platforms are more targeted towards Millennials than Cinema"

The Reality Of Today's Video Viewing Behavior…

Cinema Has A Much Higher Composition Of Millennials Than Other Digital-Based Platforms Like TV-Connected Devices & Smartphones



Source: VAB Analysis of Nielsen Total Audience Report Q1 2019

Myth:

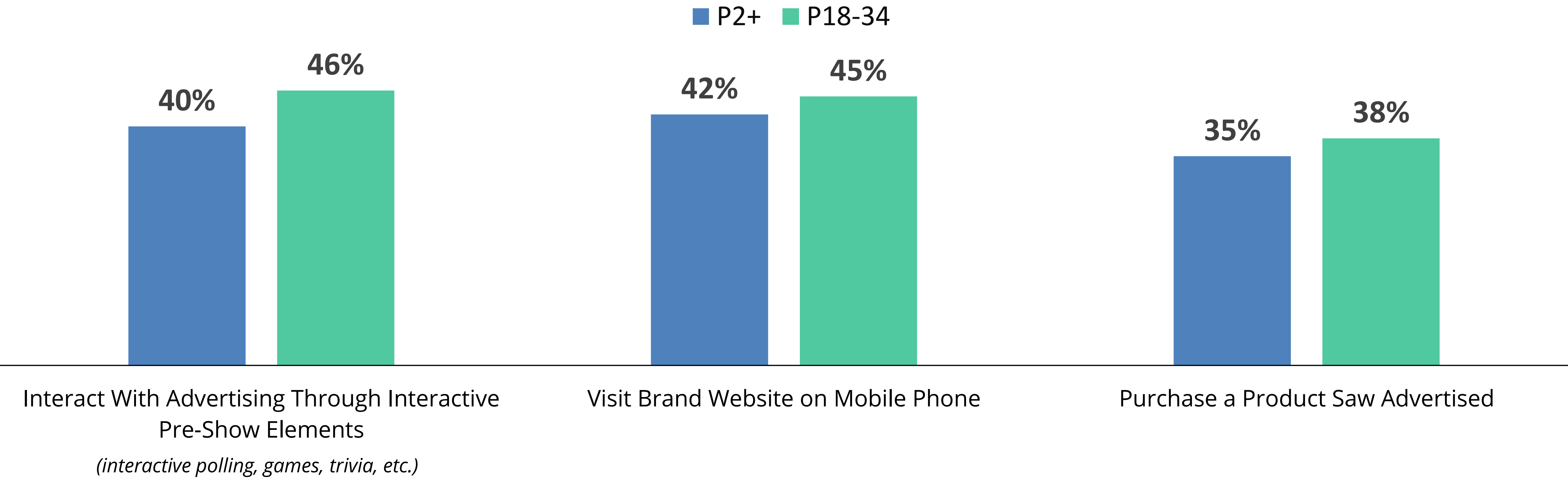
"Cinema advertising is purely to build brand awareness and doesn't drive people to take direct action"

The Reality Of Today's Video Viewing Behavior…

Almost Half Of Moviegoers Have Visited A Brand Advertiser's Website & Over One-Third Have Purchased A Product They Saw Advertised At The Cinema

<u>% Who Are "Likely" or "Very Likely" To Take A Specific Action As A Result of Seeing A Cinema Advertisement</u>

Q4 2018



Source: VAB analysis of Nielsen National Cinema Audience Report, October-December 2018, VAB Custom Questions: QM39.1018V Likely to interact with cinema advertising through interactive polling, games, trivia, etc. (top 2 box – Likely & Very Likely) QM38.1018V. Likely to Visit Brand Website on Mobile Phone (top 2 box – Likely & Very Likely). QM35: Likelihood of purchasing a product as a result of seeing an advertisement in movie theater/theater lobby (top 2 box – Likely & Very Likely)


‘A Culture of Extremes’
Summary

Ad-Supported TV

Myths	Realities
"Everyone is cutting the cord and moving away from cable for other video substitutes & subscriptions"	**82 MM HHs** have an MVPD subscription in 2019, far more than any other video access point
"Everyone is moving away from TV and getting their video content from other, more mobile, devices"	**46 MM+ Adults watch TV** in any given minute vs. 1.1 MM watching video on a smartphone
"Everyone is spending more time on Facebook & YouTube than ad-supported multiscreen TV"	**13x** more Adults 18-34 are engaged with TV content in any given minute than with Facebook
"No one under 35 watches Linear TV because they are on SVOD platforms, digital sites & social media"	**50%** of video consumed by Adults 18-34 is on TV
"OTT platforms have the scale and can be a replacement for Linear TV"	Only **28%** of Adults are reached by ad-supported OTT; **95%** are reached by TV

Ad-Supported TV

Myths

"No one watches 'live' TV anymore besides sports"

"Younger audiences are much more engaged with YouTube content than TV programming"

"The real buzzworthy video content is on Netflix, Amazon and YouTube and that's what everyone is talking about"

"Digital-native, DTC brands only need to invest in advertising on social platforms to grow big"

"TV is only effective for building brand awareness among consumers but it doesn't directly drive sales"

Realities

87% of all TV is viewed 'Live'

Millennials are **19% more likely** to purchase a product shown on TV than one featured by a YouTube personality

84% of top-10 Twitter topics are about ad-supported TV programs

125 DTC brands spent **$3.8 Billion on TV** in 2018; a **60% increase** YoY

93% average lift in monthly unique website visitors after TV launch

Cinema

Myths	Realities
"No one goes to the movies anymore because of Netflix, Amazon and other streaming services"	Domestic Box Office record in 2018 with **$11.9 Billion** in revenues; **1.3 Billion** tickets sold
"Cinema is driven by only a handful of blockbusters, mostly comic book 'Superhero' movies"	Superhero ('comic book') movies made up only **22%** of the total Domestic Box Office in 2018
"People only go to the movies on holiday weekends and during the summer"	Quarterly Admissions breakout: 1Q - **25%**, 2Q - **27%**, 3Q - **23%**, 4Q - **25%**
"Online-based platforms are more targeted towards Millennials than Cinema"	**56%** of moviegoers are millennial compared to 34% of TV-connected device users
"Cinema advertising is purely to build awareness and doesn't drive people to take direct action"	**38%** of millennial moviegoers are likely to purchase a product they saw advertised at the cinema


For Marketers To Reach Their Consumer,
They Must Create A Holistic **Video Agnostic** Plan…
…So Don’t Get Caught Up In The Extremes…
Assume Nothing, Investigate Everything

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