



Discover

April 2021

Setting The Screens

The Latest Facts on Multiplatform Video Consumption Habits

What You'll Learn...

- ▶ How the growth in streaming provides marketers additional opportunities to reach and interact with audiences across platforms and devices
- ▶ How consumers are engaging with content across linear TV and streaming, and the **implications for marketers around viewer behaviors and video services' content libraries**
- ▶ How best to engage consumers through advertising across platforms and devices, particularly connected TV, to help marketers boost the impact of their campaigns

Five Fast Facts on Video Streaming





As an industry we will look back at 2020 and remember it as a transformative time for streaming with accelerated consumer adoption and usage and the introduction of several new platforms.

These *Five Fast Facts* explore the growing opportunities for marketers to reach and engage their audiences across streaming platforms and devices.

1

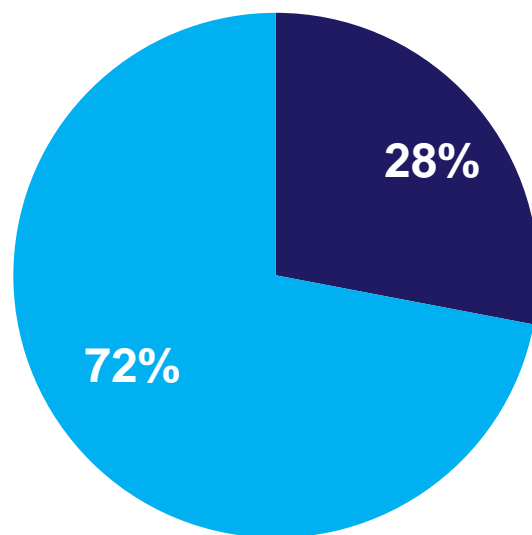
Ad-supported services now collectively account for **over one-third of all video streaming time**, providing greater opportunities for brands to expand their video campaigns cross-platform for incremental reach.

The collective ad-supported share is even greater in Black homes (45%) while Asian-American homes had the highest percentage specifically among AVOD services (34%).

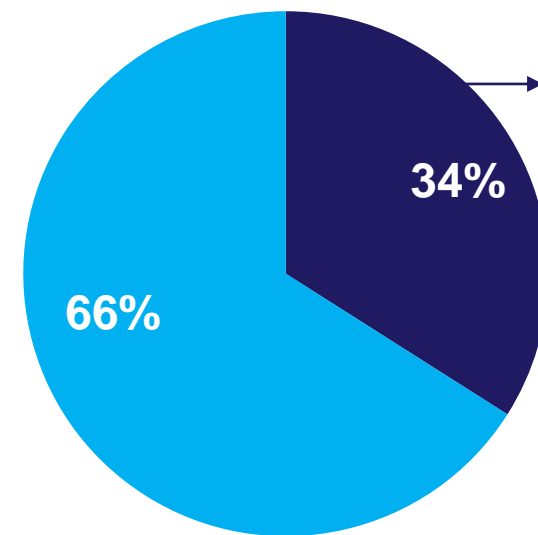
Share of Streaming by Platform Type

Among Streaming Capable Homes

■ AVOD / Linear TV Streaming ■ SVOD / Other Streaming



Jan '20



Jan '21

K2-11:	35%
T12-17:	32%
P18-34:	29%
P35-54:	32%
P55+:	40%

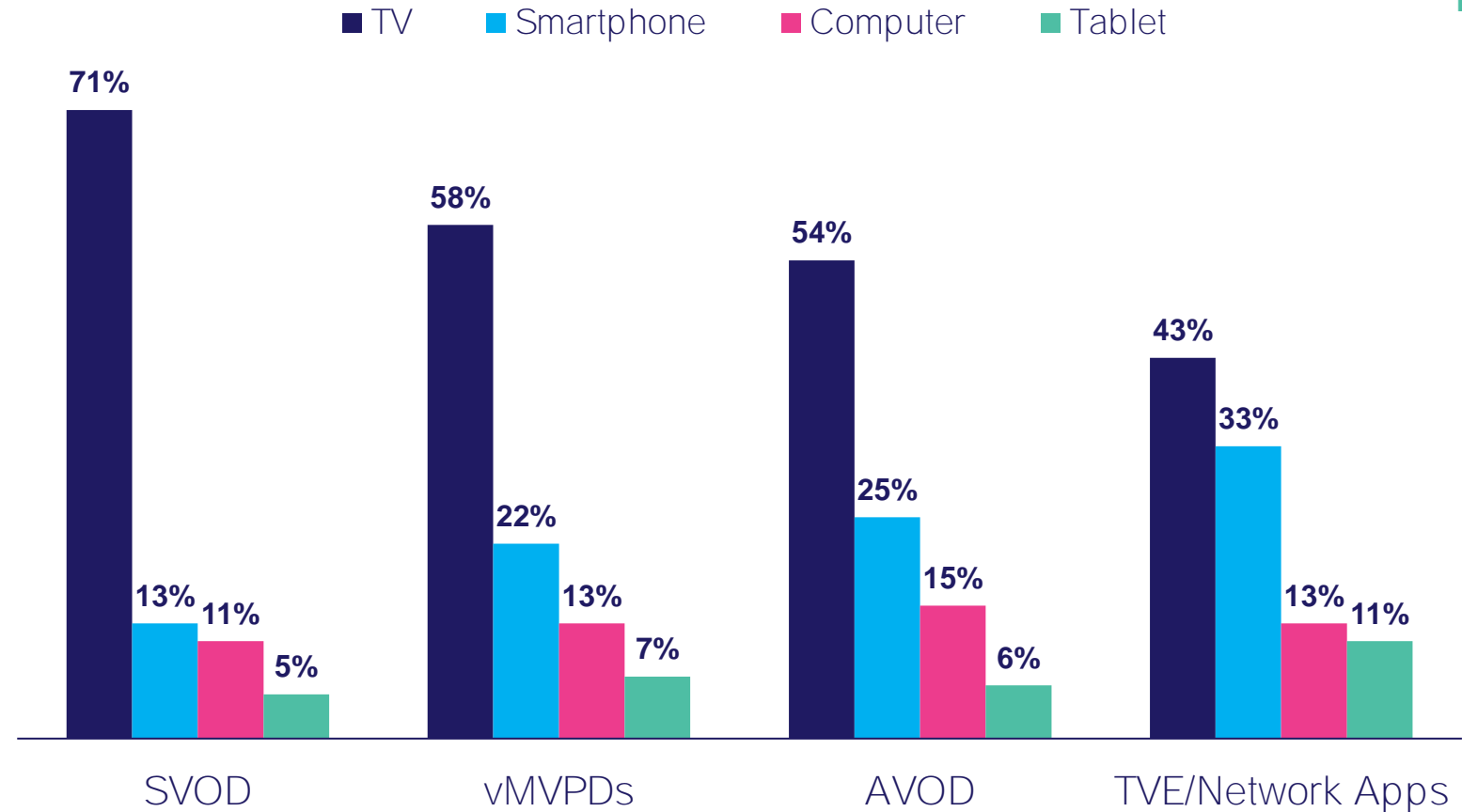
*As of December 2020, streaming accounted for 23% of total TV usage among streaming capable homes (vs. 21% in Dec '19)

Source: Nielsen Streaming Meter Homes, January 2020 & January 2021, P2+, Total Day. Linear TV streaming reflects TVE / network / cable provider apps. 'Other Streaming' primarily reflects SVOD platforms and includes social, gaming and other uncategorized platforms.

2

TV is the most preferred device for viewing content, but as we enter a post-pandemic world and can resume more active, 'on-the-go' lifestyles, it will be important for marketers to consider a variety screens and platforms in their video campaigns

Screen On Which Viewers Watch Most Often



Source: TiVo, Video Trends Report Q4 2020. Percentages are based on respondents who view each type of content.

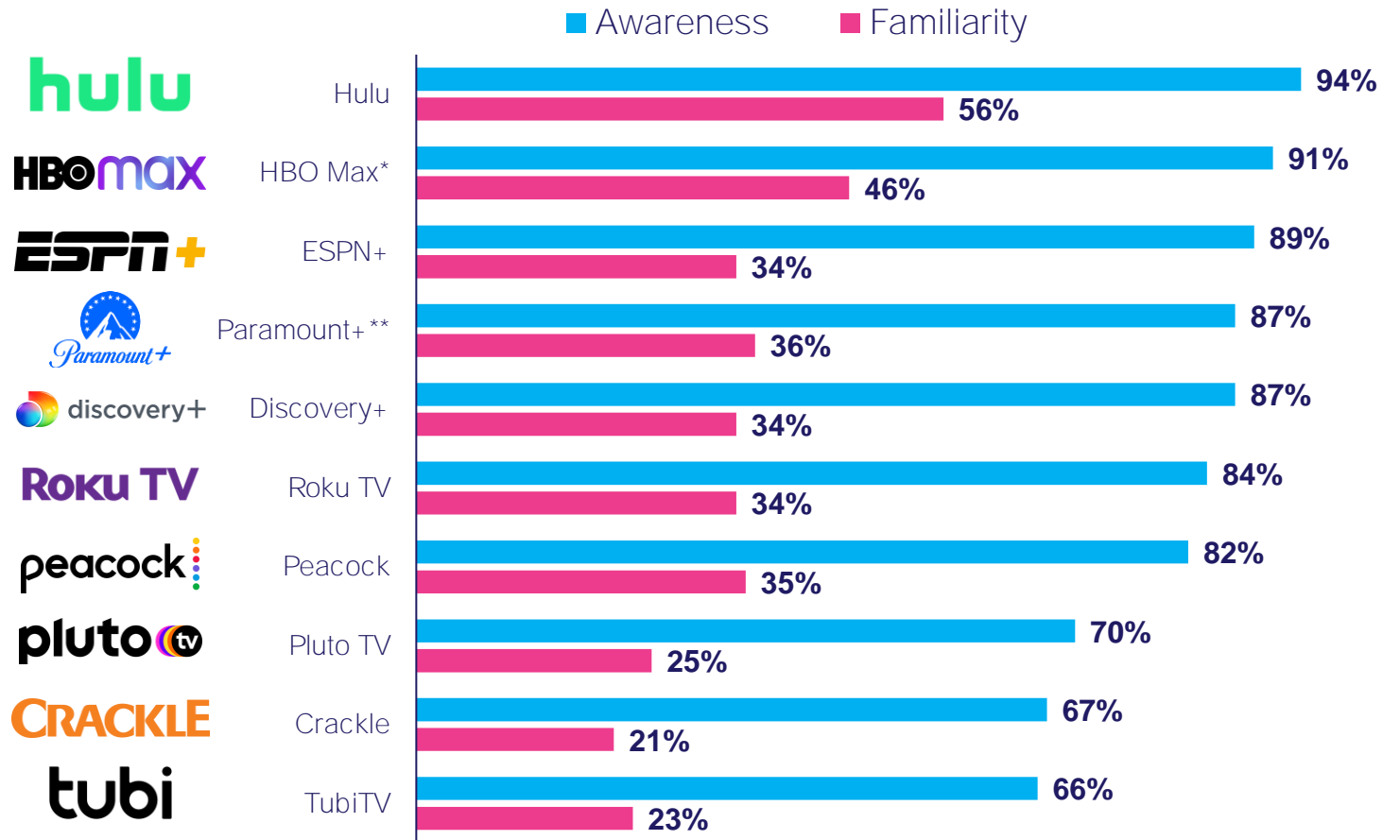
3

While many consumers are aware of the major ad-supported streaming services, increased competition means consumers need a **compelling reason** to try out a new platform.

70% of P16-34 are more interested in watching a show **when it's labeled as an 'original,'** this type of content can drive trial and convert people from awareness to engagement with a service.

Awareness & Familiarity of AVOD & Hybrid AVOD/SVOD Streaming Services

Awareness: % have heard of, Familiarity: % that could explain what the brand is and offers



Source: Hub Research, Evolution of Video Branding, Feb 2021, Note: only AVOD & Hybrid AVOD/SVOD streaming services shown. *HBO Max ad-supported tier coming in June 2021. **Data reflects CBS All Access which now has been rebranded to Paramount+.

4

In the past year, consumers were motivated to add streaming services due to **free time, deals and desire** while money and the lack of use were the main reasons for canceling a service.

As the economy rebounds and disposable income increases, **consumers will be less motivated to cancel services**, leading to larger viewer bases and higher reach for marketers.

Why Consumers Added Subscriptions During COVID-19

(25% added at least one new streaming subscription due to the pandemic)

- 63%** We're at home and have more time to watch
- 38%** Deal or special offer (free trial, etc.)
- 36%** Specific show or movie we wanted to see
- 26%** We need to entertain our kids
- 19%** We ran out of things to watch on our other services
- 11%** Need new ways to keep up with the news

Why Consumers Canceled Subscriptions During COVID-19

(15% canceled at least one video subscription due to the pandemic)

- 45%** Our household income has been affected by coronavirus
- 39%** We are tightening our budget just in case
- 35%** We realized we weren't watching them enough
- 28%** We don't have enough time to watch them right now
- 26%** We watched everything we wanted to watch on that service
- 17%** We wanted to switch to a different video service instead

Source: TiVo, Video Trends Report Q4 2020

5

With many already subscribing to several paid services, consumers are **welcoming of free, ad-supported streaming options** and would even like to see their favorite SVOD platforms create an ad-supported tier.

Marketers can capitalize on greater incremental reach opportunities within streaming as more streamers gravitate towards AVOD services.



83%

Say that **canceling paid streaming** services and using free, ad-supported services is a good way to save money



81%

Wish that paid streaming services like Netflix or Prime Video **offered a free, ad-supported** option



79%

Say they would **rather use free, ad-supported service** than subscribe to another paid service



57%

of consumers are **happy to watch some ads** in OTT in exchange for free content

Source: TiVo, Video Trends Report Q4 2020; Conviva, State of Streaming Advertising, March 2021 (top two box agreement).



Marketer Takeaways: Video Streaming

- ▶ As consumer behaviors have evolved during the pandemic, so too has video streaming. Ad-supported services are growing – the launch of more platforms has led to the exponential availability of more free, premium content which has increased total time spent viewing and share of overall streaming
- ▶ Marketers can leverage the growing advertising opportunities across platforms and devices by utilizing advanced data to build incremental reach and engage their target audiences within premium content

Five Fast Facts on Content Engagement





With the proliferation of platforms and increased time at home during the pandemic, consumers now have a bevy of choices – across both linear TV and streaming – and a variety of ways to discover new content.

In this highly competitive environment, these *Five Fast Facts* explore the how, what and why of content engagement and the implications for marketers around viewer behaviors and video **services' content libraries.**

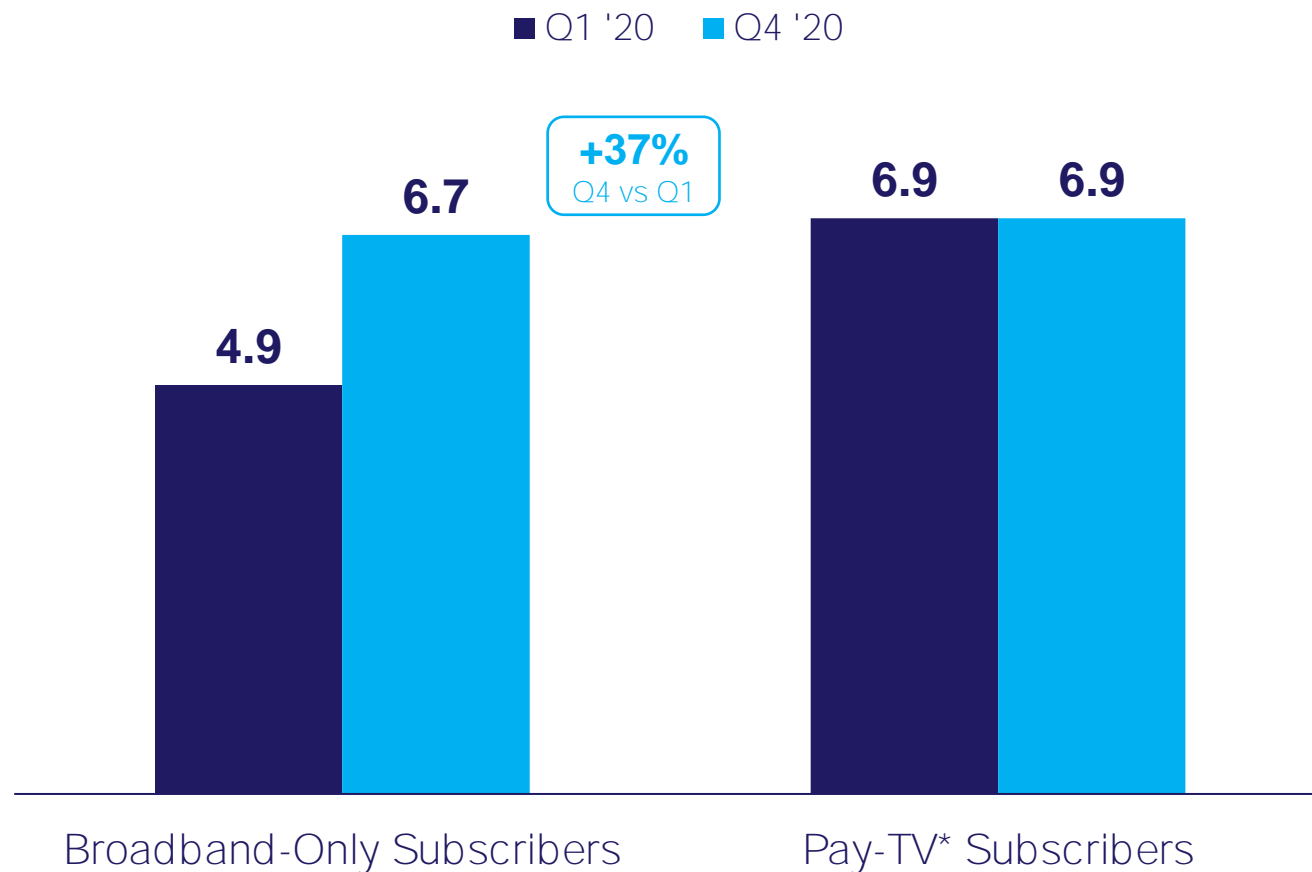
1

Prior to the pandemic, broadband-only homes cherry-picked their video services and added two more on average during the pandemic as they searched for more content.

Pay-TV subscribers' thirst for content was satisfied by the existing strong base of content available through their MVPD, they kept their total services constant through the pandemic by potentially shifting between secondary streaming services.

Number of Video Services Per Person

Average Across Respondent Types



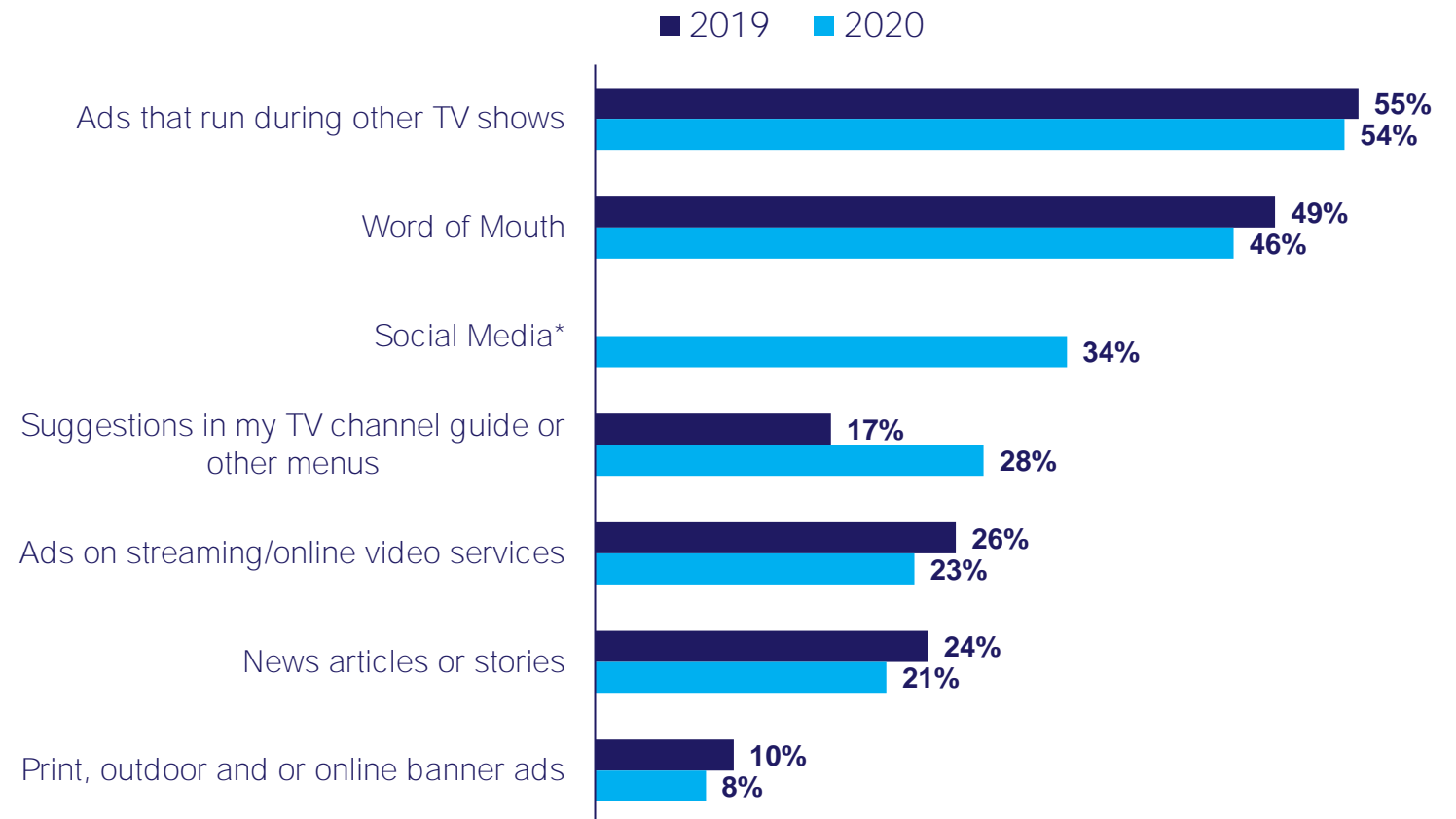
Source: VAB analysis of TiVo Video Trends Report, Q1 2020 & Q4 2020, P18+. *Pay-TV = Cable, Satellite or Telco TV subscribers.

2

Even as platforms proliferate, viewership fragments and the ways to gather information accelerates, **TV's ability to enable viewers to discover new content through advertising** and promos that run during other TV shows is higher than any other form of communication

How Viewers Discover New Movies/TV Shows to Watch

Percentage of total respondents, respondents could choose more than one answer



Source: TiVo Video Trends Report Q4 2020, P18+ . *Social Media not available for 2019.

3

Many streamers have signed up for a service just to watch a specific show, however subscriptions driven from these shows can also lead to higher churn if a service lacks a deep library.

When selecting advertising partners, marketers should **consider the full breadth of their content library** and be sure to re-evaluate platforms on a regular basis to assess the audiences across services.

35%

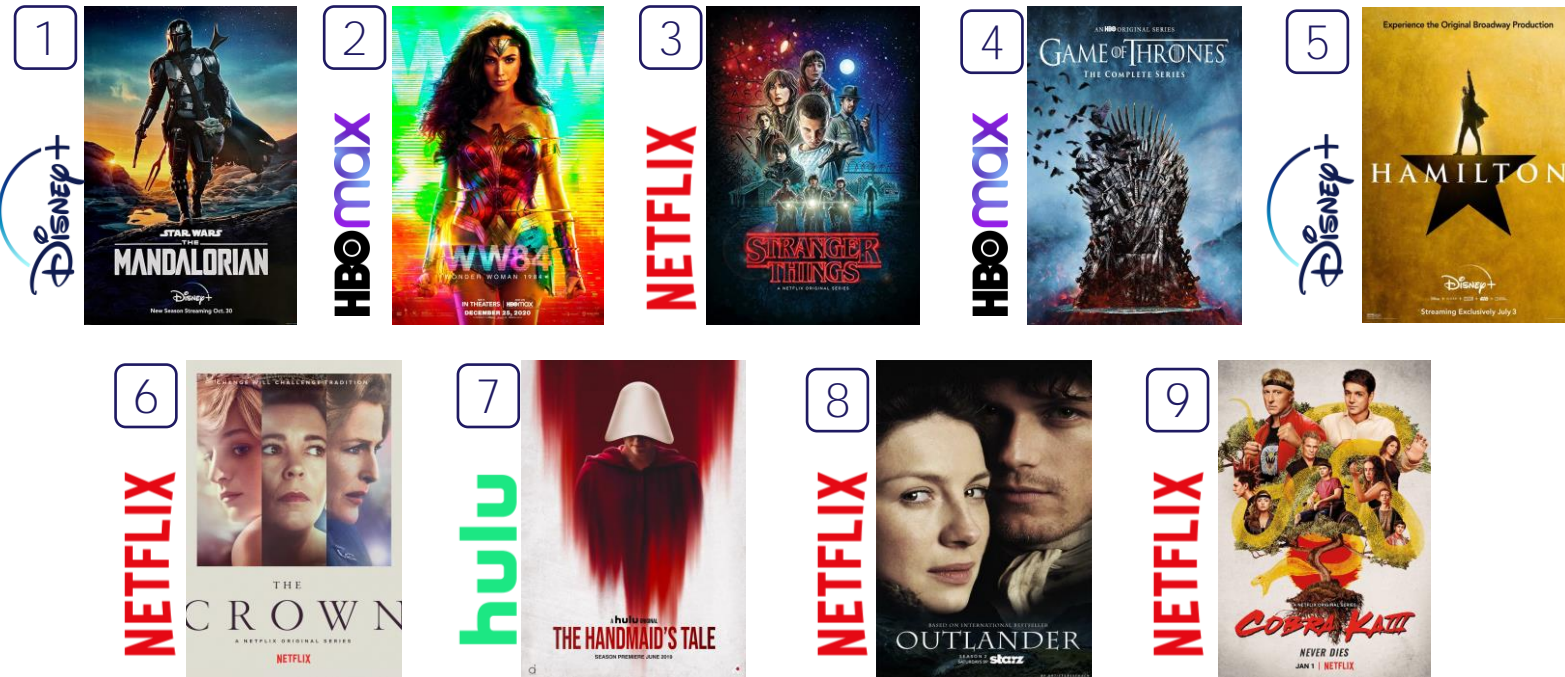
of viewers have signed up for a provider just to get **access to one show**

57%

of P16-24 have signed up for a provider just to get **access to one show**

Which Show Did You Sign Up to Watch?

Most Mentioned Titles



Source: Hub Research, Evolution of Video Branding, Feb 2021, Survey Base: P16-74, watch at least one hour of TV weekly & have broadband access, Survey Fielded February 2021

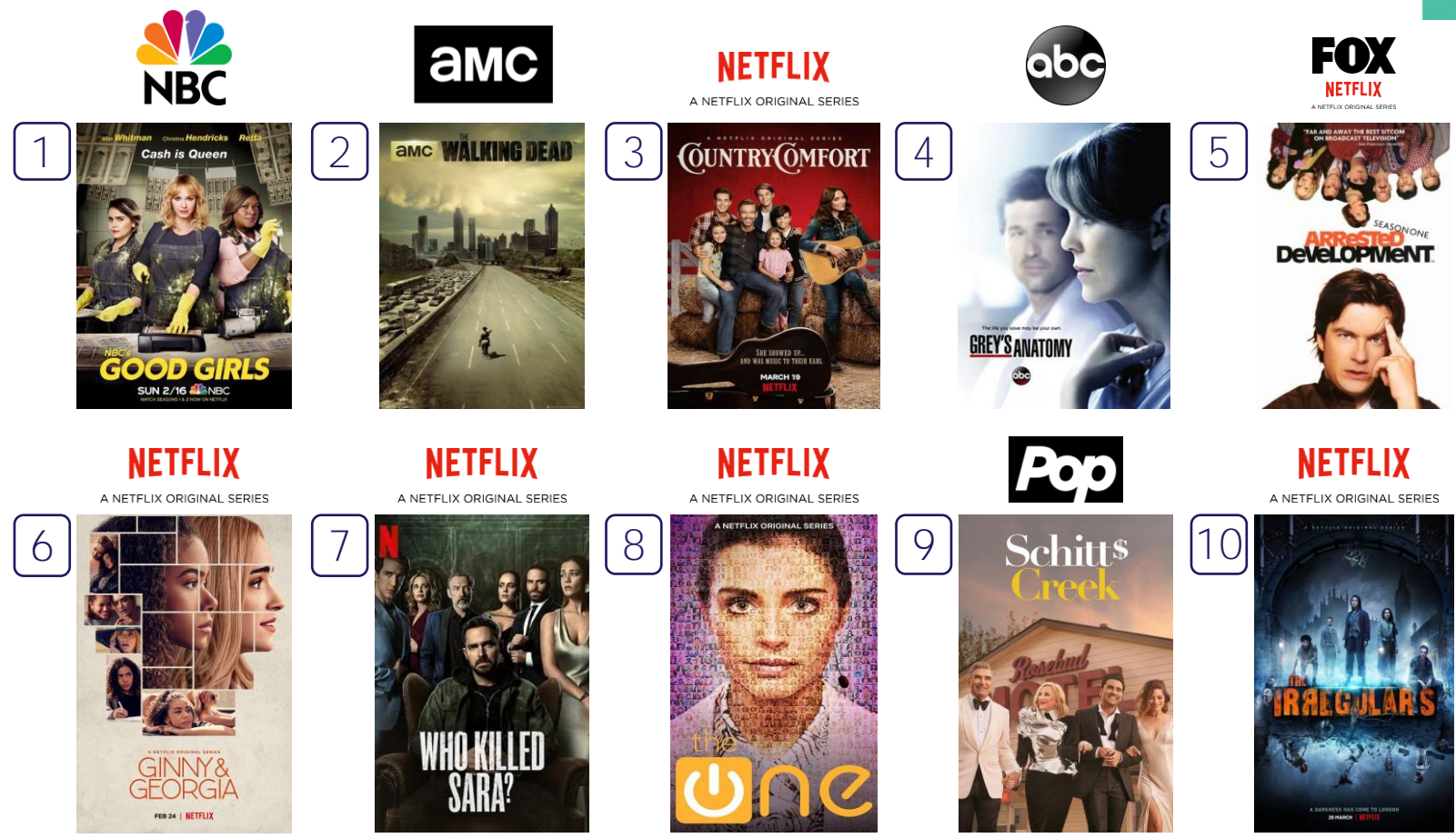
4

On Netflix, while their original series releases garner the most headlines and buzz, **at least half of the most watched shows on the service tend to be acquired programming** from TV networks.

It's imperative for marketers to **understand what content is on each platform** as TV network groups build up their own DTC streaming services and look to retain, or take back, the streaming rights to their shows.

Netflix's Most Watched Shows

Week of 3/24/21



Source: ReelGood via PCMag 'The Most Watched Shows on Netflix This Week', updated on 4/1/21, 'Most Viewed Shows' reflects ReelGood platform data of 4MM monthly users stream usage.

5

While COVID-19 closed most cinemas for an extended period, the pent-up desire to see movies on the big screen has meant that **most people are eager to go back to theaters as soon as local restrictions are lifted.**

Although some studios will continue to release new movies on streaming post-pandemic, questions remain regarding interest from viewers.



63%

Are **eager to go to a movie theater** 0-3 months of covid restrictions being lifted



21%

Plan to go to the movies **even more post-pandemic**



29%

Are interested in **paying to view a new movie release at home**



31%

Are interested in **viewing new movie releases at home** even after pandemic is over

Source: Nielsen Total Audience Report, March 2021, based on a special COVID-related advertising survey fielded in February 2021, (Top 2 Box – very eager / somewhat eager). TiVo Video Trends Report Q4 2020;



Marketer Takeaways: **Content Engagement**

- ▶ Many consumers have built a large video service stack as platforms have proliferated, **therefore it's important for marketers** to re-evaluate platforms regularly as evolving content offerings can affect new subscribers or retention rates
- ▶ As the video service landscape becomes even more competitive inside the home and more pandemic-related local restrictions are **lifted outside the home, it's important to follow consumer behavior** to understand how video content consumption will be affected moving forward

Five Fast Facts on The Ad Opportunity In Premium Digital Video





As marketers battle for viewer attention, it's important to understand how best to engage with consumers across platforms and devices.

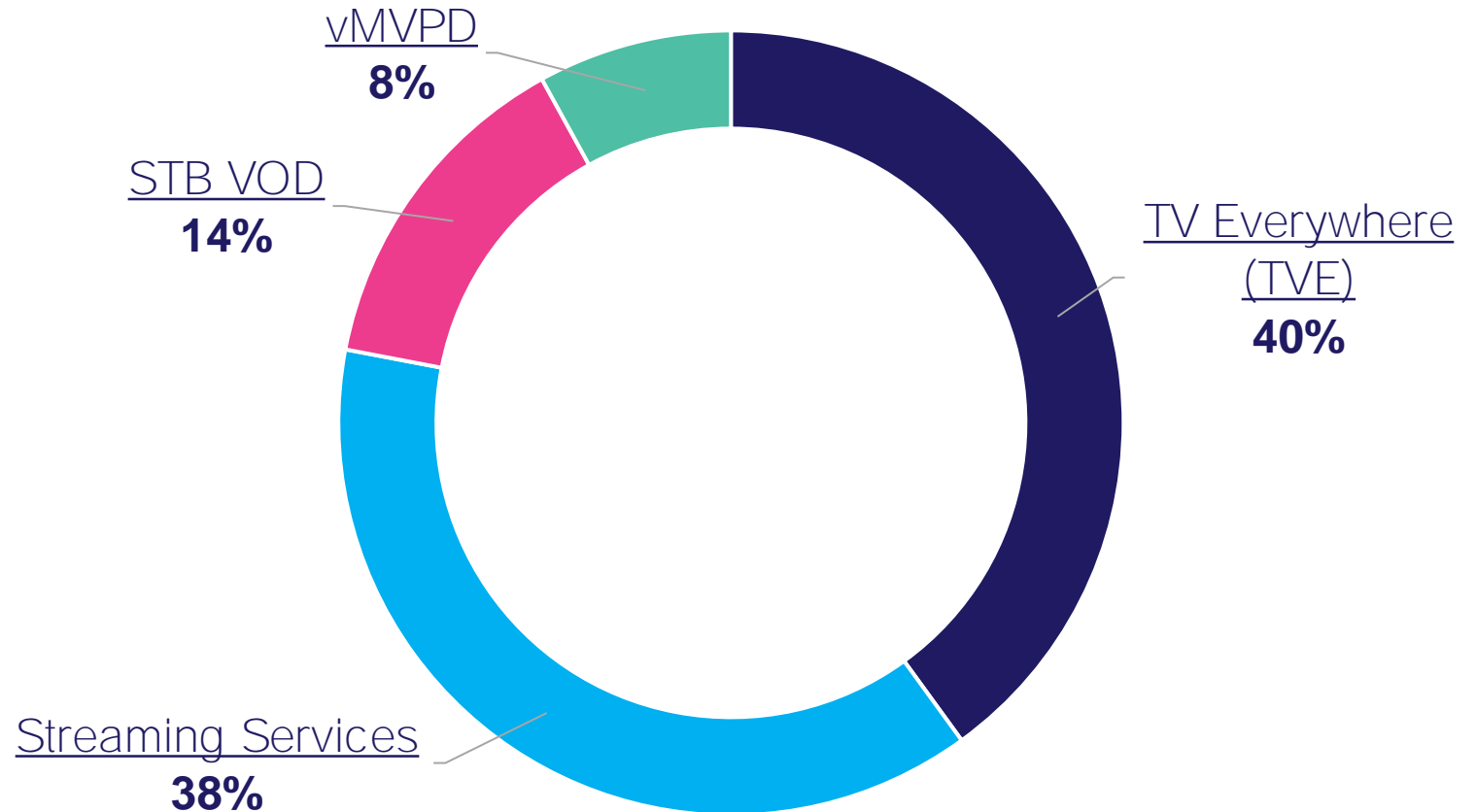
These *Five Fast Facts* explore the relative ad views and engagement across platforms and devices, with a particular focus on connected TV, to help marketers boost the impact of their campaign.

1

As consumers straddle **both** content worlds, many marketers are utilizing a combination of streaming and cable / satellite apps (TVE) to achieve their desired scale

Share of Ad Views By Distribution Platform

2H 2020




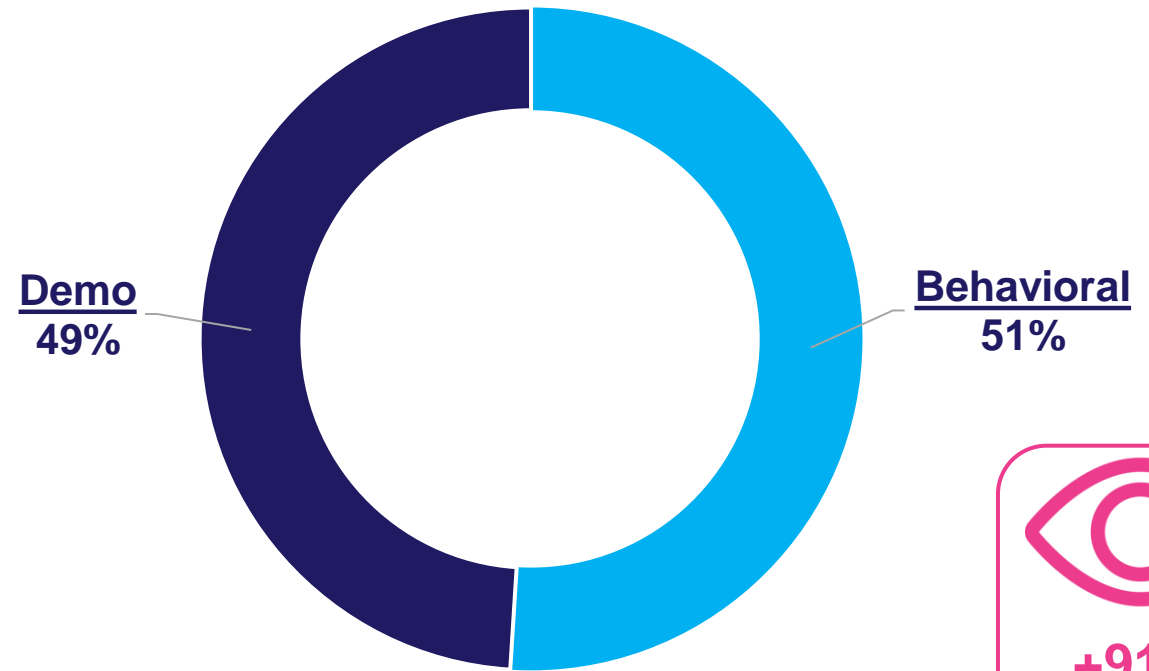
Source: Freewheel, Video Monetization Report 2H 2020: A Decade of TV Evolution.

2

Understanding the importance of precisely reaching the right audience with their message, marketers have doubled their number of impressions in **audience-based buying**

Audience Share of Targeted Campaigns

2H 2020



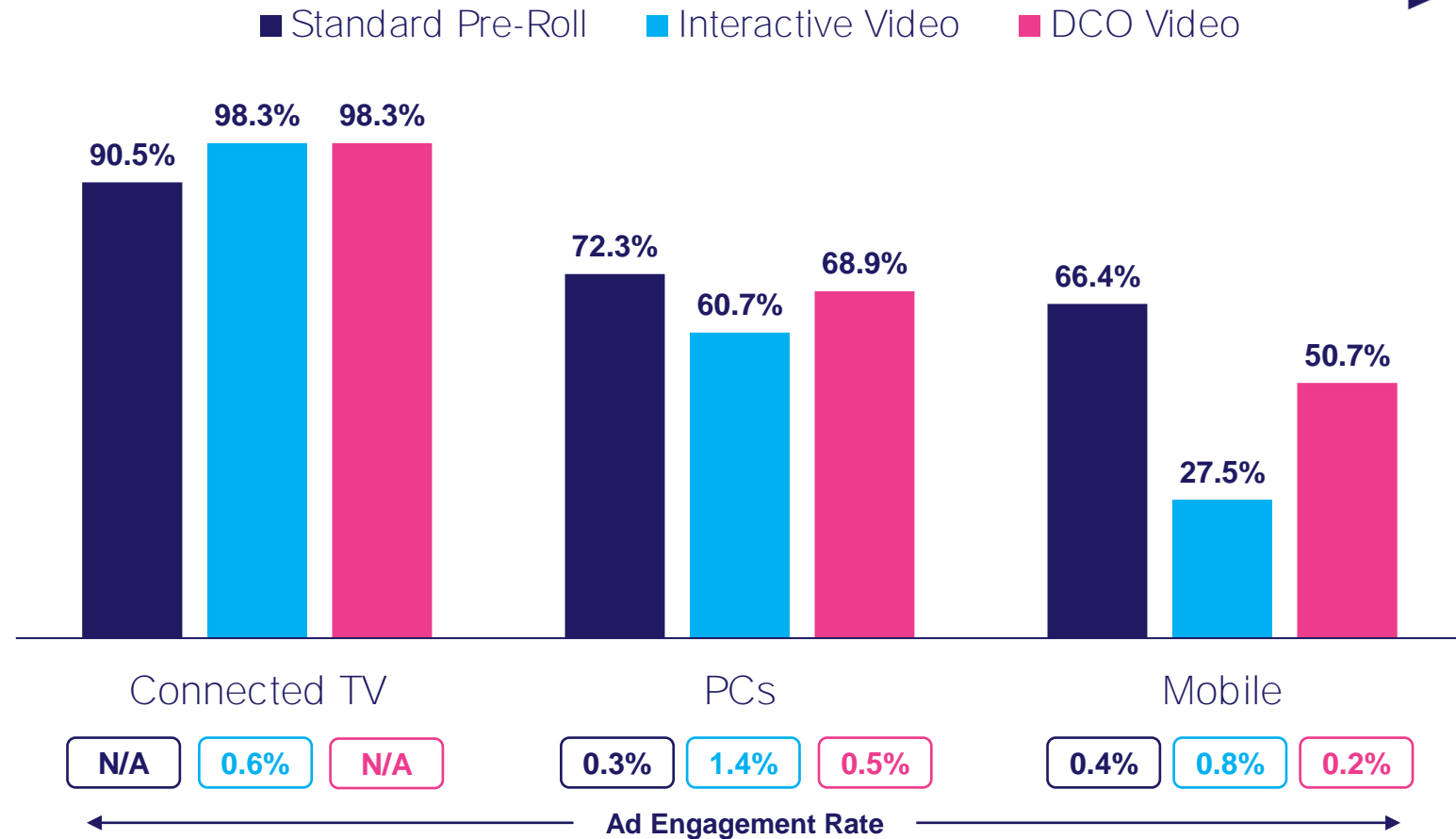
+91%
growth in audience
targeted ad views
since 2018

Source: Freewheel, U.S. Video Monetization Report H2 2020: A Decade of TV Evolution; 'Demo' audience segment types are those that target based on age and gender, 'Behavioral' audience segment types are those that target more advanced segments such as auto intenders, sports enthusiasts etc.

3

Although people's comfort level with viewing content on various platforms has increased, their **attention** to ads directly corresponds to screen size, making it a critical factor for marketers

Completion Rate by Device and Ad Format



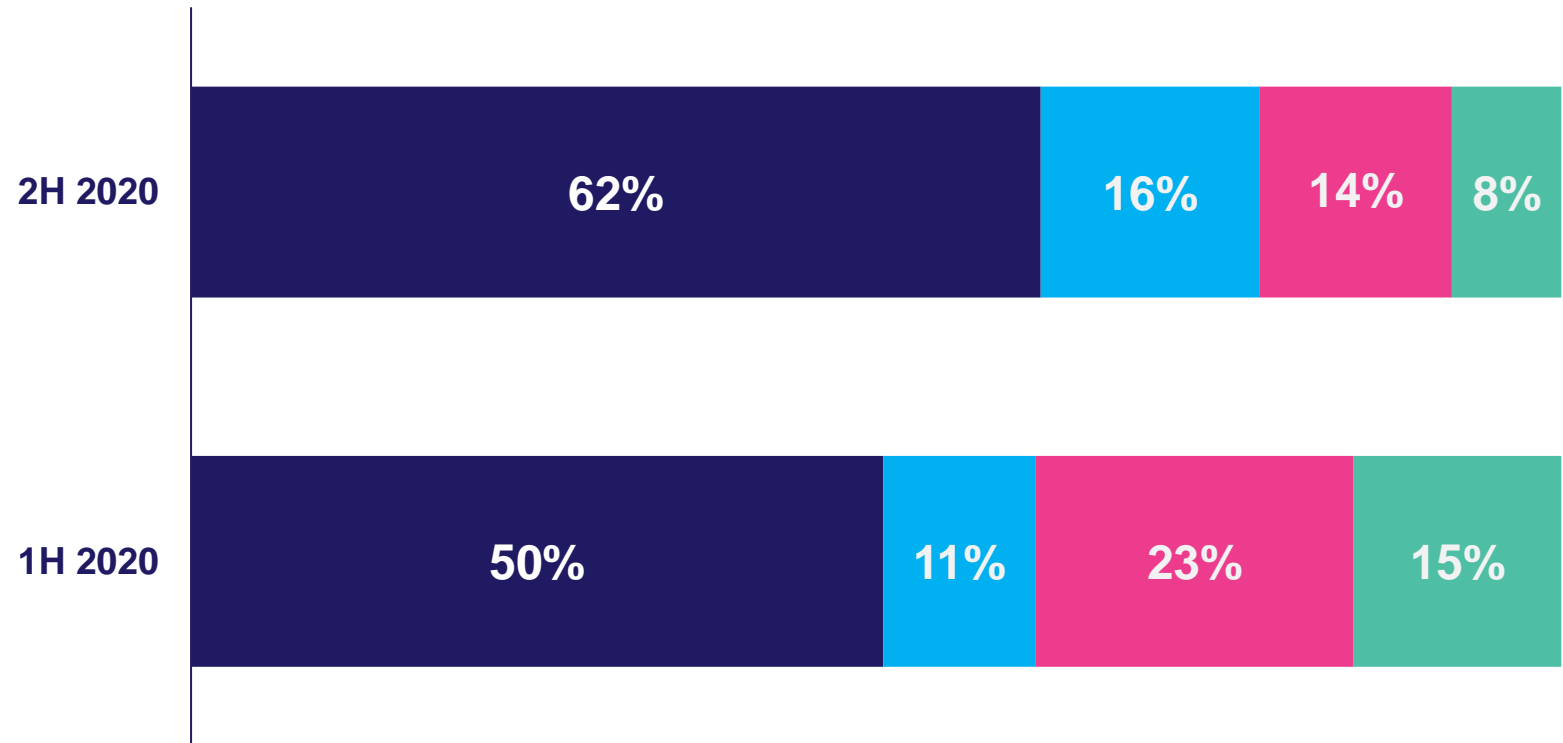
Source: Innovid, U.S. Video Benchmarks Fall 2020, DCO is 'Dynamic Creative Optimization' which is a platform for advertisers to engage consumers with personalized relevant messaging across platforms, *Standard Pre-Roll Video running across CTV devices does not allow for click-throughs and therefore does not have engagement opportunities, no engagement data available for Connected TV DCO Video. Examples of Interactive Ads: Expand, TV-2-Mobile and Choice Based.

4

Recognizing the superior ad environment available in CTV, marketers are increasingly **shifting impressions** from other video options

Ad Impressions by Device

■ Connected TV ■ Desktop ■ Set Top Box ■ Mobile

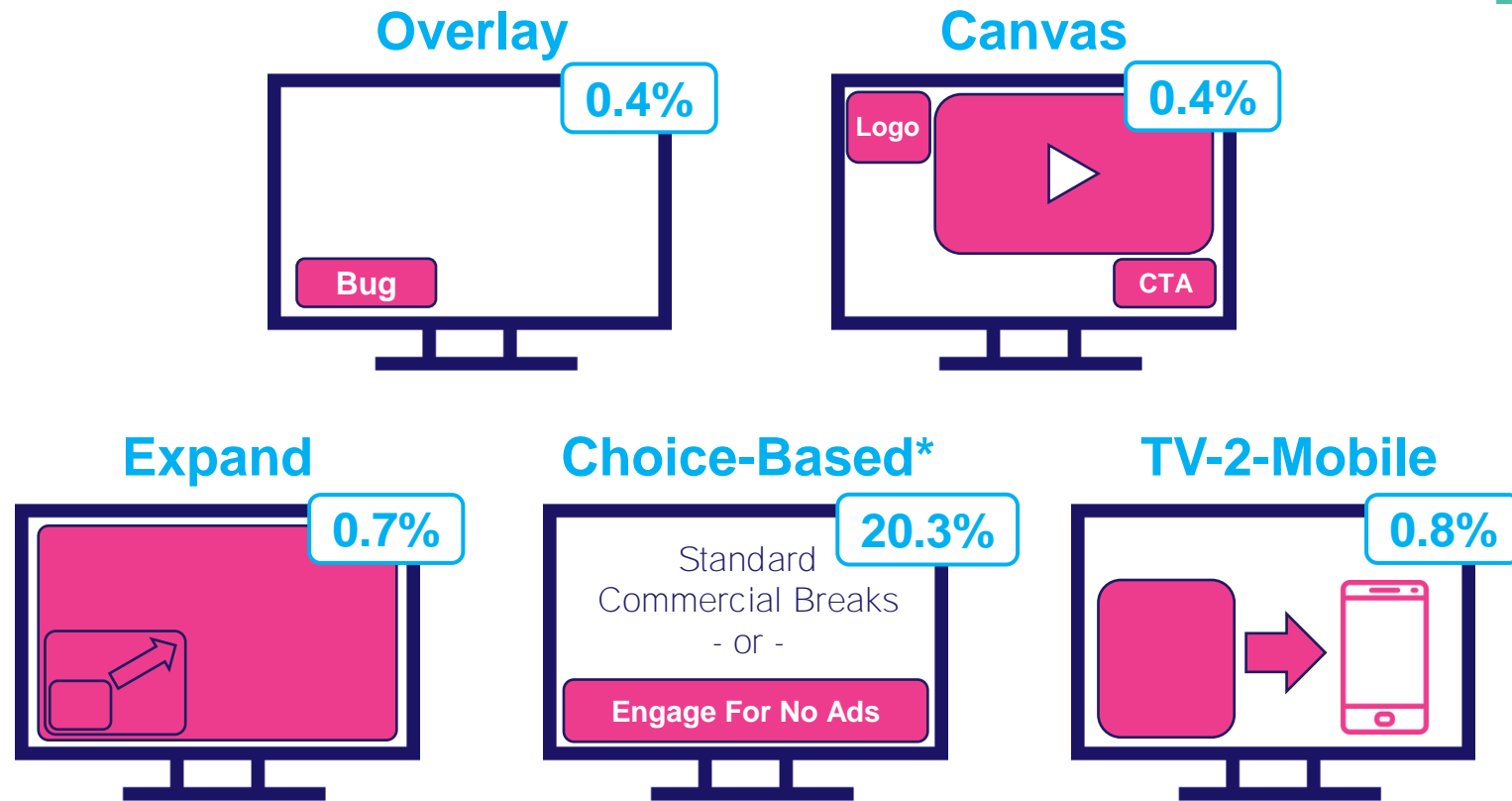


Source: Freewheel, Video Monetization Report, 1H 2020 & 2H 2020, Note: Starting in 2H 2020, FreeWheel categorizes impressions from IP apps on MVPD set top boxes as 'CTV.'

5

When considering ad format in CTV, consumers reward marketers who provide **choice and value** by enhancing their overall viewing experience

Connected TV Engagement Rate by Interactive Ad Format



Source: Innovid, U.S. Video Benchmarks Fall 2020, *Choice-Based: by interacting with an Engagement Ad, viewers are given the ability to watch their content with significantly reduced ad loads while guaranteeing the full attention of the viewer with a marketing message.



Marketer Takeaways: The Ad Opportunity In Premium Digital Video

- ▶ As marketers develop cross-screen campaigns to add reach, it's also important to consider how viewer engagement plays a role in overall campaign effectiveness.
- ▶ Beyond understanding how screen size, content length and context may affect viewer engagement with their brand messaging, marketers should also consider going beyond the creation of standard ads to cultivate further interactivity with consumers

Key Takeaways For Marketing Plans



Capitalize On The Growing Cross Platform Opportunities

With the growth in ad-supported streaming services, marketers should leverage advanced data to build incremental reach and interact with targeted audiences through premium video across devices, particularly connected TV.



Follow The Consumer

As platforms proliferate, viewership fragments and the video service landscape becomes even more competitive, it's important for marketers to follow consumer behavior to understand how video consumption will continue to evolve.



Learn From Today And Apply To Tomorrow

'Test and learn' on different video platforms and re-evaluate often as evolving content offerings can change audiences.

Apply learnings that drive viewer engagement to optimize the effectiveness of future campaigns.

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A Sea Change in Video Viewing
Helping Marketers Find More Fish in the Streaming Ecosystem



Navigating the Flood
Charting Your Way Through Today's Streaming Ecosystem



Five Fast Facts on Paramount+



Untangling Terminology Within Streaming
Clarifying Marketing Topics and Terms

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