

Fast Facts



What you need to know about new & emerging trends, platforms or technology

The Odyssey of Content Discovery

How TV advertising builds streaming audiences and creates engagement opportunities





There are nearly 600 new, original scripted programs available to watch.

As a result, content discovery and deciding “What should I watch?” have never been more challenging for consumers.

Savvy streaming platforms competing for consumers’ attention and consideration have found success by investing in linear TV advertising to build and retain their audiences.

The benefit for advertisers? The influx of viewers to these streaming platforms creates a more robust advertising environment, strengthening reach and engagement opportunities.

With an increasing number of options available to consumers, discovering streaming content has grown very challenging

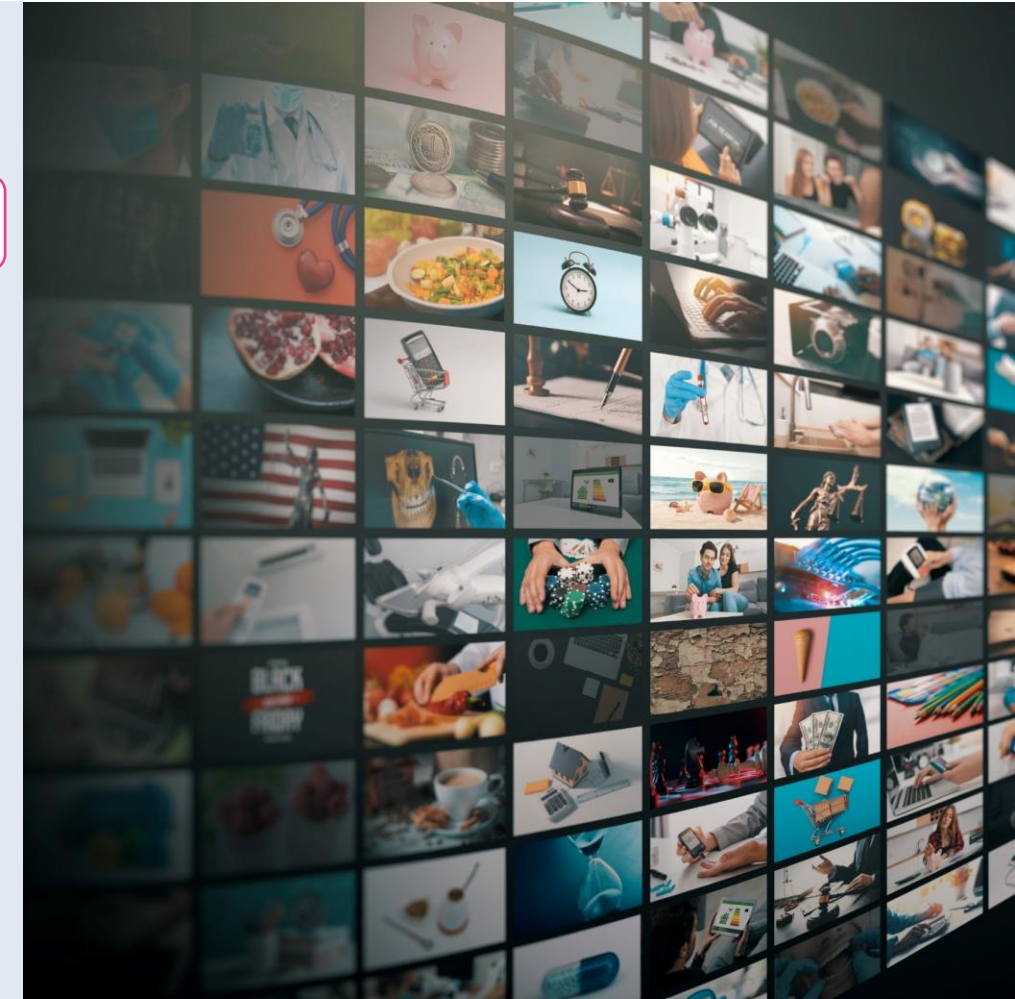


1

Consumers have more choice than ever when deciding what they want to watch on TV

Estimated Number of Scripted Original Series

Across Broadcast, Cable & Streaming

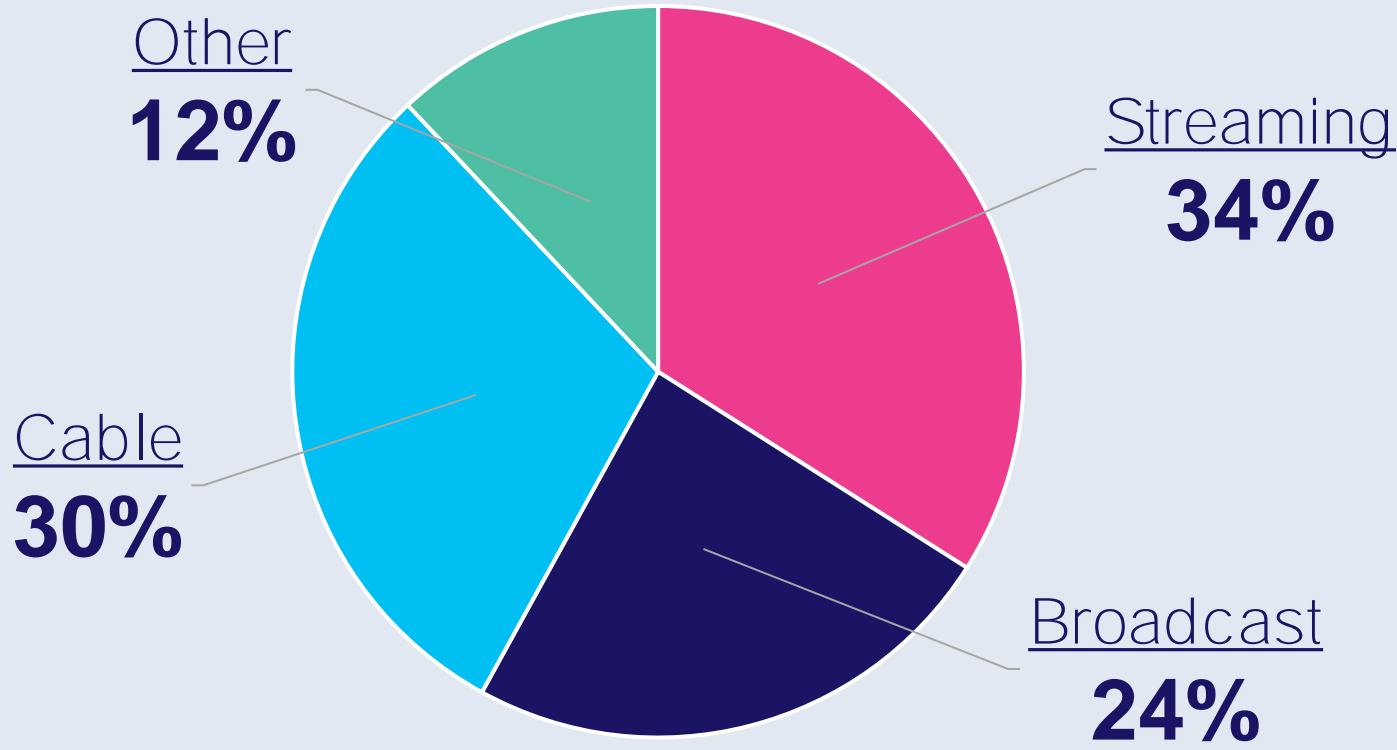


Source: DirecTV, Cutting Through the Clutter, February 2023.

2

People are accessing TV programming across several different connection points

Share of Monthly Time Spent With TV
February 2023

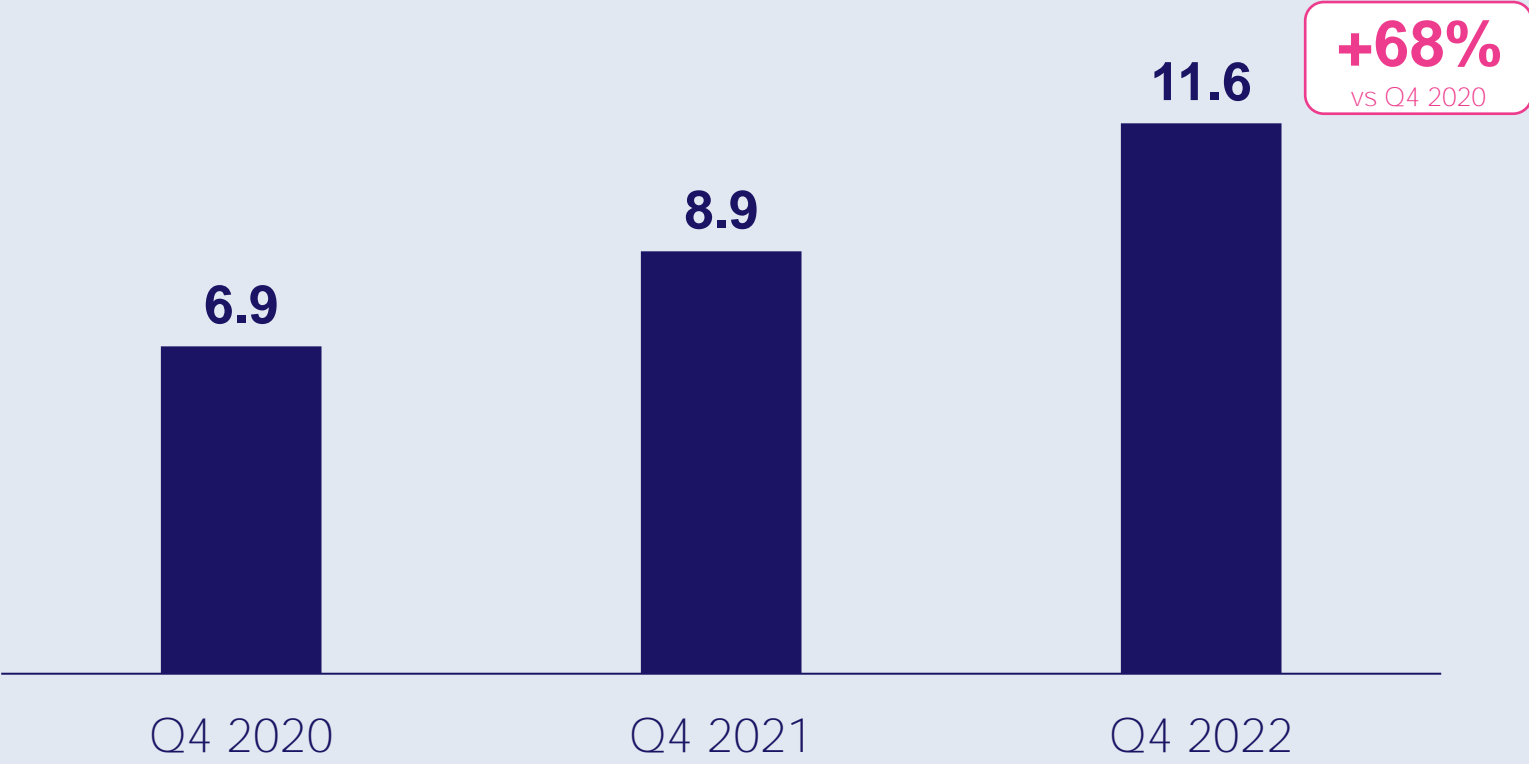


Source: VAB analysis of Nielsen, 'The Gauge', February 2023, Total Day, P2+, 'Other' includes all other TV including all other tuning (unmeasured sources), unmeasured video on demand (VOD), streaming through a cable set top box, gaming and other device (DVD playback) use.

3

As streaming options increase, the number of video services consumers watch has also significantly increased

Average Total Services Used To Consume Video Content



Source: TiVo, Video Trends Report Q4 2021 & Q4 2022, includes pay-TV subscriptions.

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As viewing shifts, consumers are now more likely to go to streaming first to start their search for what to watch on TV

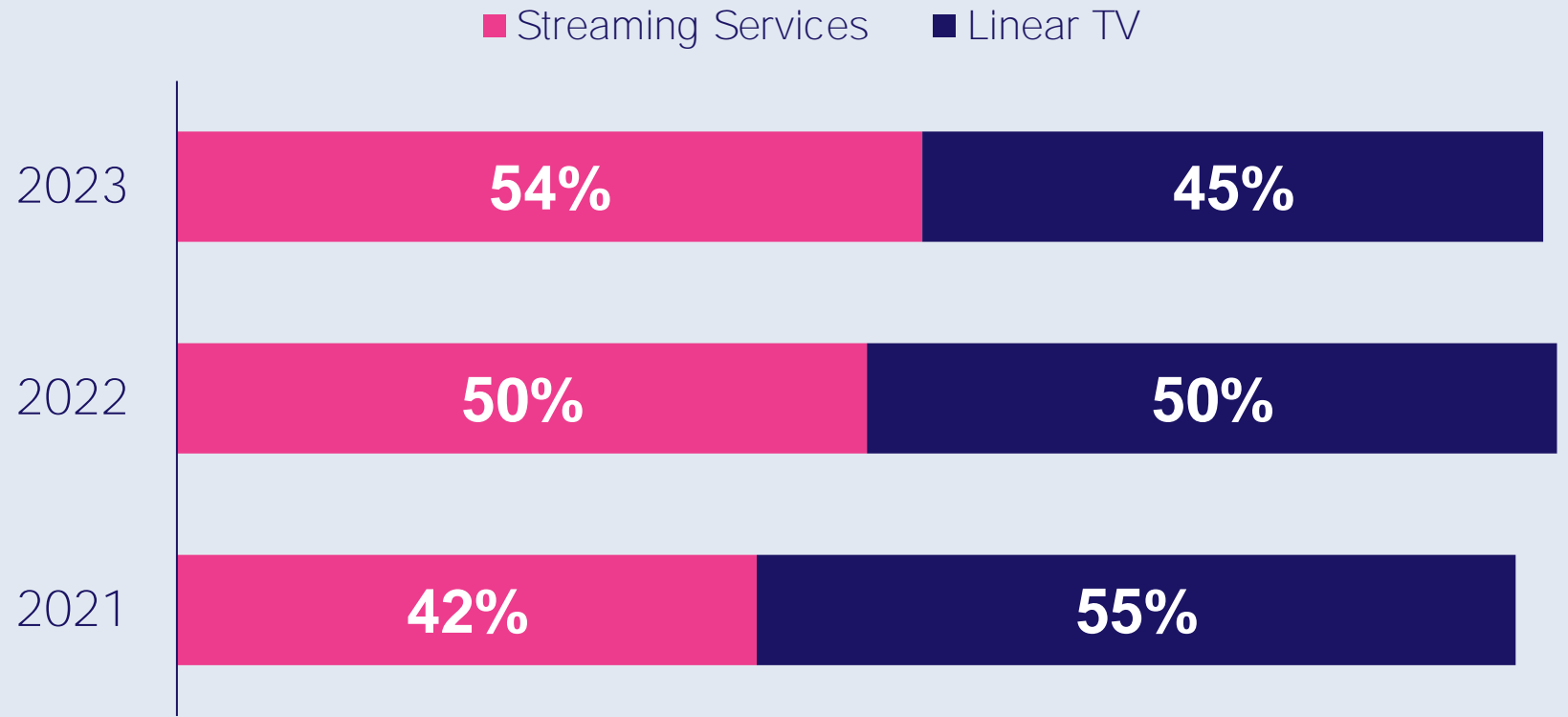
▶ 64% of adults are *always on the hunt for new shows to stream**



53%

of streamers are **watching more streaming TV** this year than last, an **increase of 20%** from 2021**

Where do you look first for something to watch?

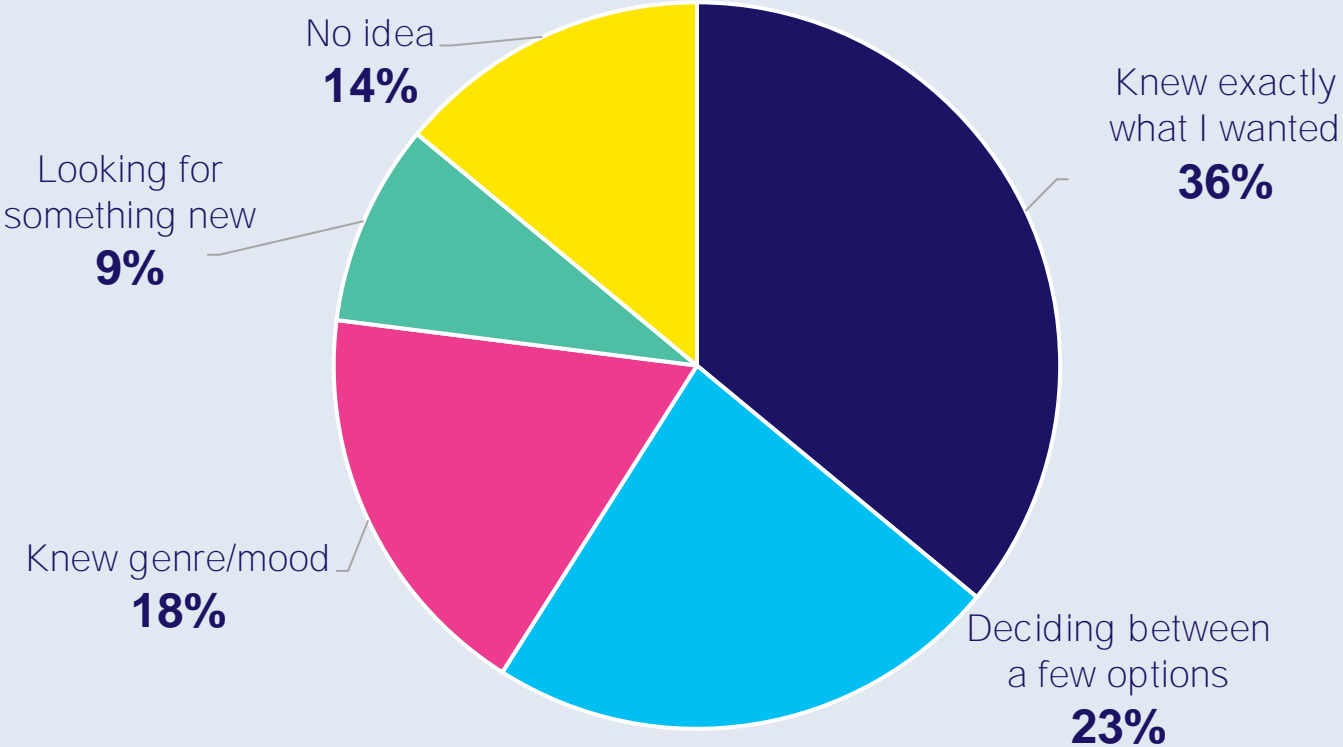


Source: Hub, Evolution of Video Branding, February 2023. *MRI Cord Evolution, November 2022 Study, P18+, any agree. **Magnite, Streaming Continues To Surge, 2023.

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However, only about one-third of viewers know exactly what they want to watch when they start searching for streaming content

Which of the best describes your intentions when choosing what to watch?



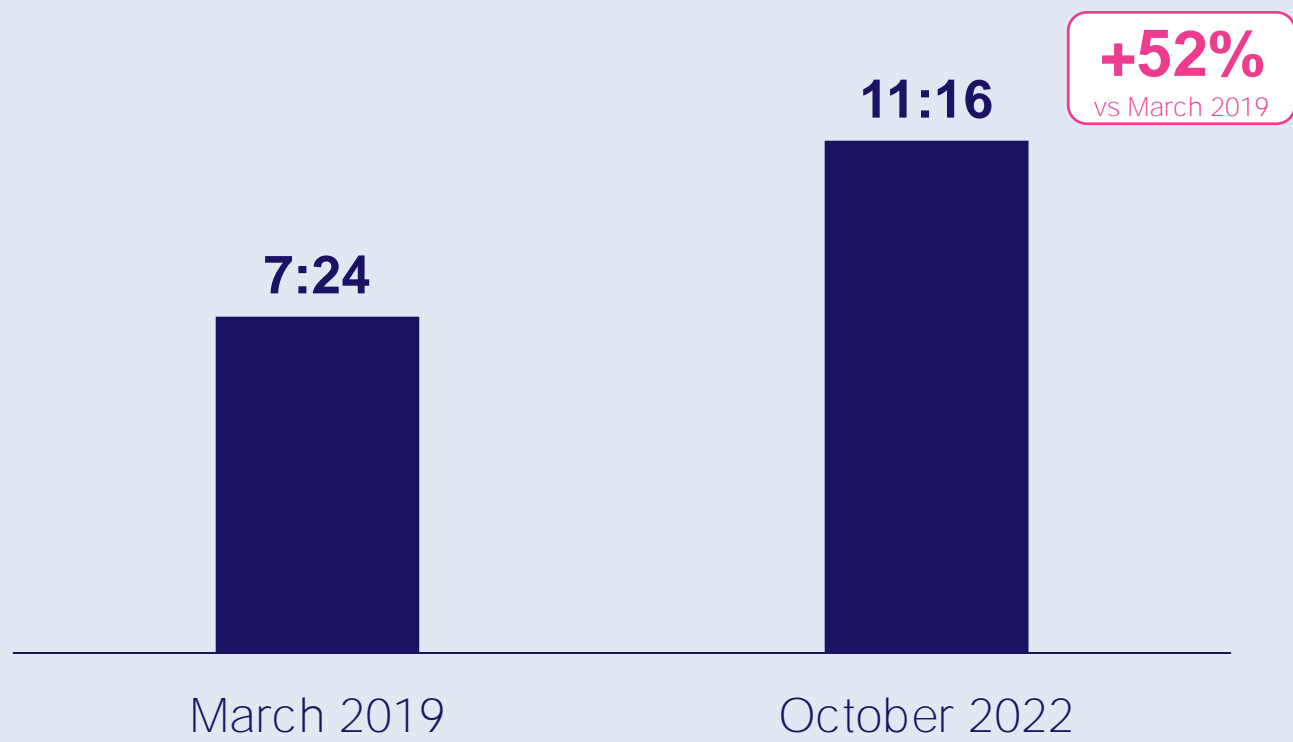
Source: Warner Bros. Discovery, Content Discovery Paths: Capturing Attention in a Noisy World, from Informa's Media Insights & Engagement Conference 1/31/23.

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More content across more platforms overwhelms many consumers which leads to lengthy indecision when trying to select what to watch

Average Time to Make a Selection While Streaming

Time in minutes:seconds



48%

agree that the amount of **streaming video services and content available feels overwhelming** to me

Source: Nielsen, Audience insights, December 2022.

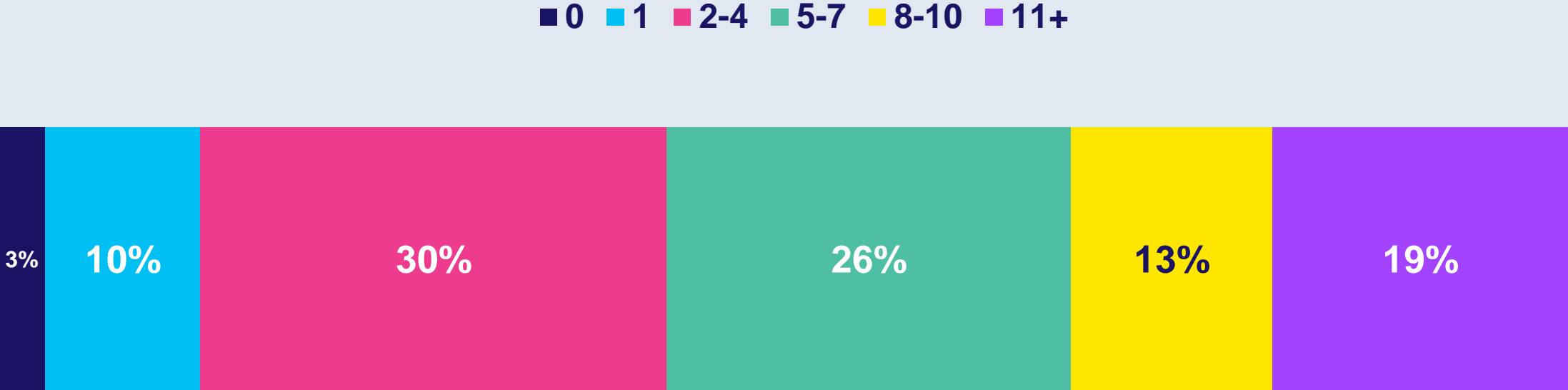
Linear TV advertising is the catalyst in consumers' content discovery journey



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Consumers encounter an average of seven touchpoints on their journey when looking for new content to stream

Number of Touchpoints Consumers Encounter On Content Discovery Journey

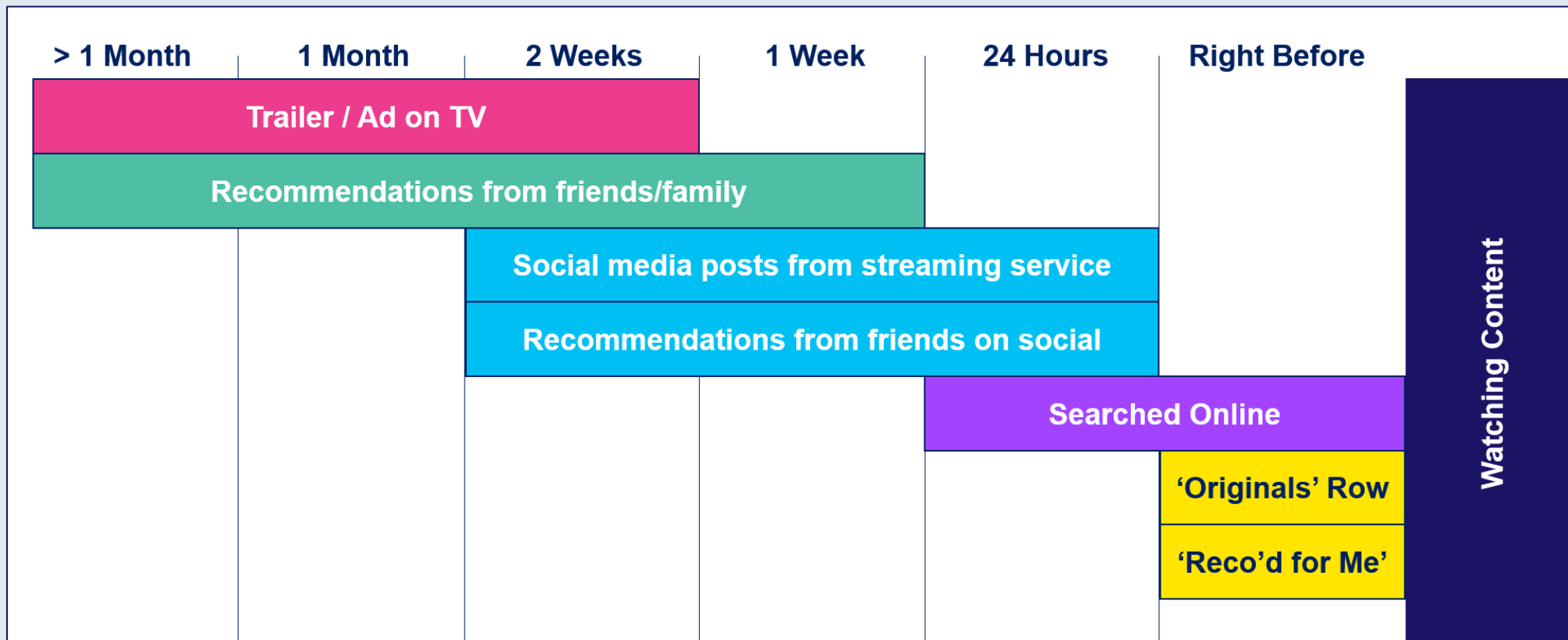


Source: Warner Bros. Discovery - Content Discovery Paths: Capturing Attention in a Noisy World, from Informa's Media Insights & Engagement Conference 1/31/23, 'Touchpoint' examples include: Trailer/ad on TV, recommendations from friends on social media, searched online, in-app recommended content, etc.

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TV ad exposure is typically one of the first consumer touchpoints for content which stokes initial awareness and engagement

How long before you watched this TV show/movie did you see each of these?



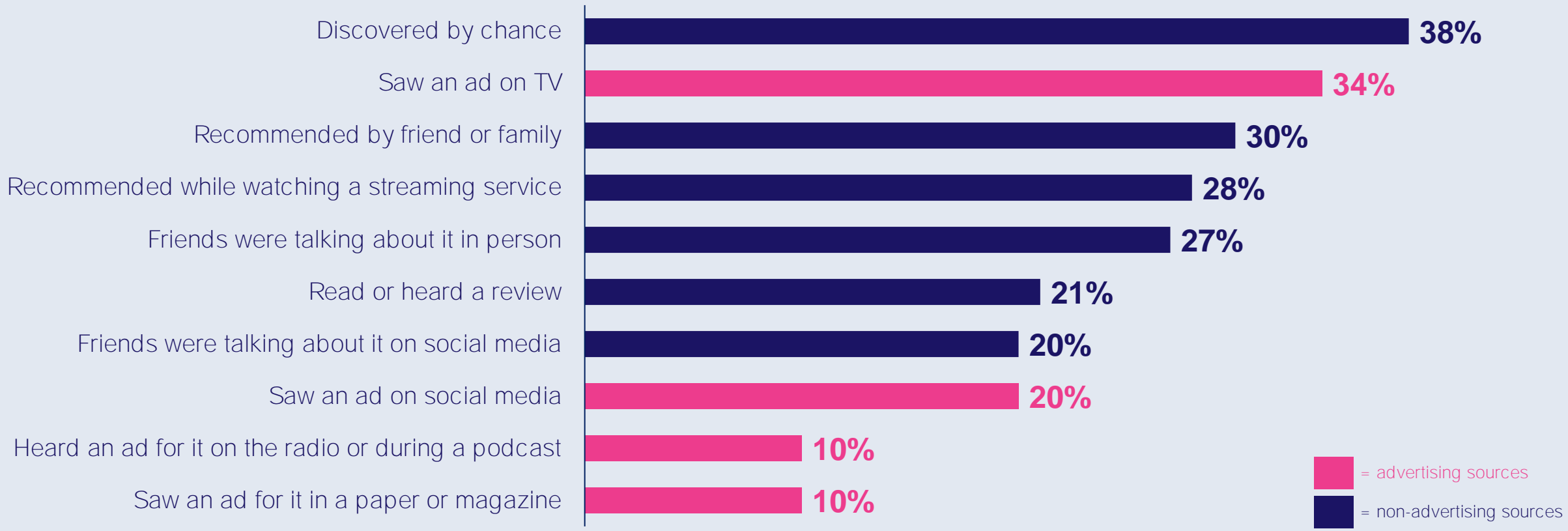
Source: Warner Bros. Discovery - Content Discovery Paths: Capturing Attention in a Noisy World, from Informa's Media Insights & Engagement Conference 1/31/23. 'Originals' Row & "Reco'd for Me" are both based on in-app platform exposure.

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TV is the top advertising platform for content discovery and can create a 'halo effect' that impacts recommendations from others

▶ 64% of people want to tell their friends about TV shows they have seen an ad for on their TV screen*

Top Sources of Discovery for Streaming Content

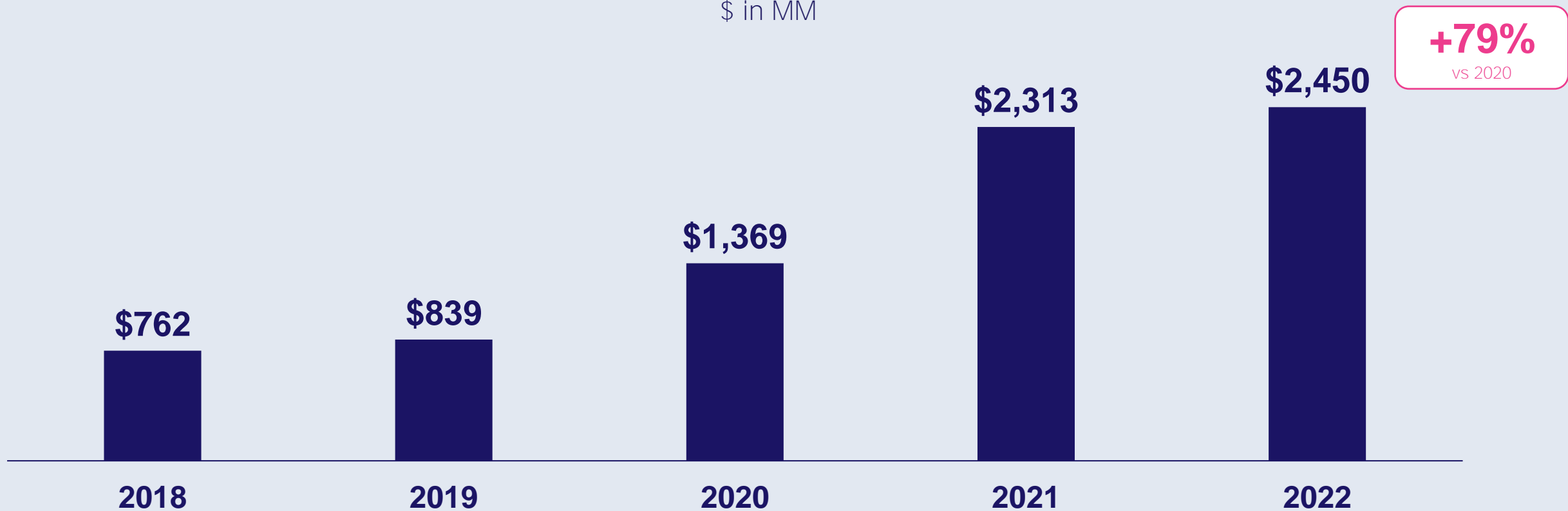


Source: Conviva, State of Streaming: Content Discovery 2021, Note: excludes non-advertising selections below 20%. *DirecTV, Cutting Through the Clutter, February 2023.

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Collectively, streaming platforms have nearly doubled their annual TV ad investment as they breakthrough and increase engagement

Streaming Categories: Annual TV Advertising Spend
\$ in MM



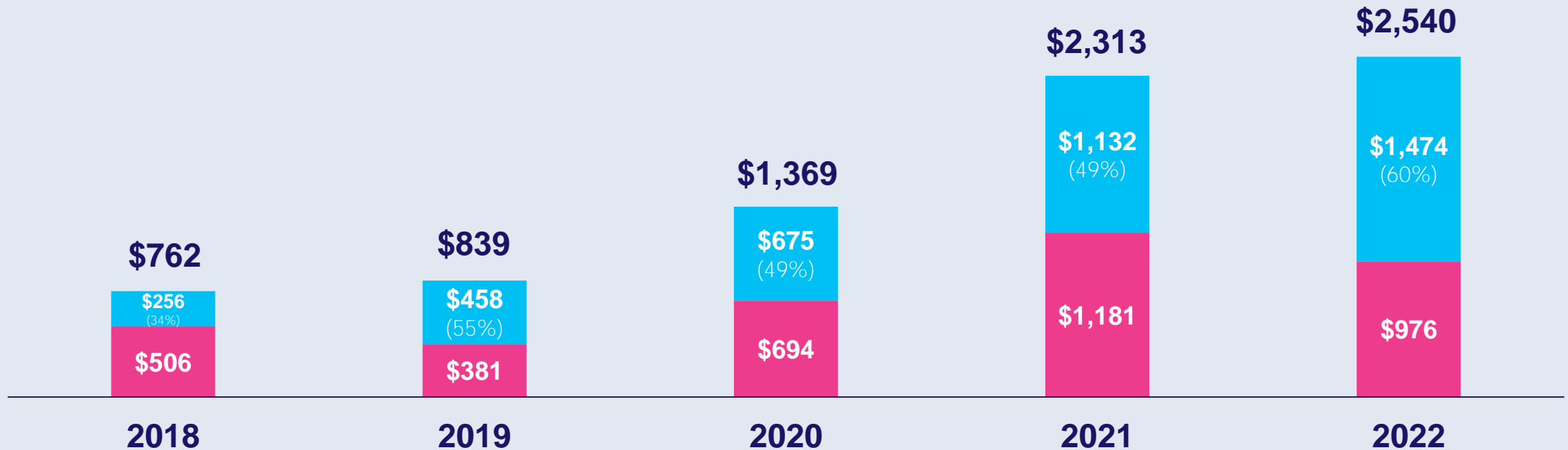
Source: VAB analysis of Nielsen AdIntel, CY 2018-2022, TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only, excludes promos. Streaming Categories include: Streaming Channel, Streaming Player, Streaming Program and Streaming Services-Video.

Streaming services' TV ads are now more likely to feature specific programs to further aid viewers in content discovery

Streaming Categories: Annual TV Ad Spend

\$ in MM

■ Service-Focused ■ Program-Focused



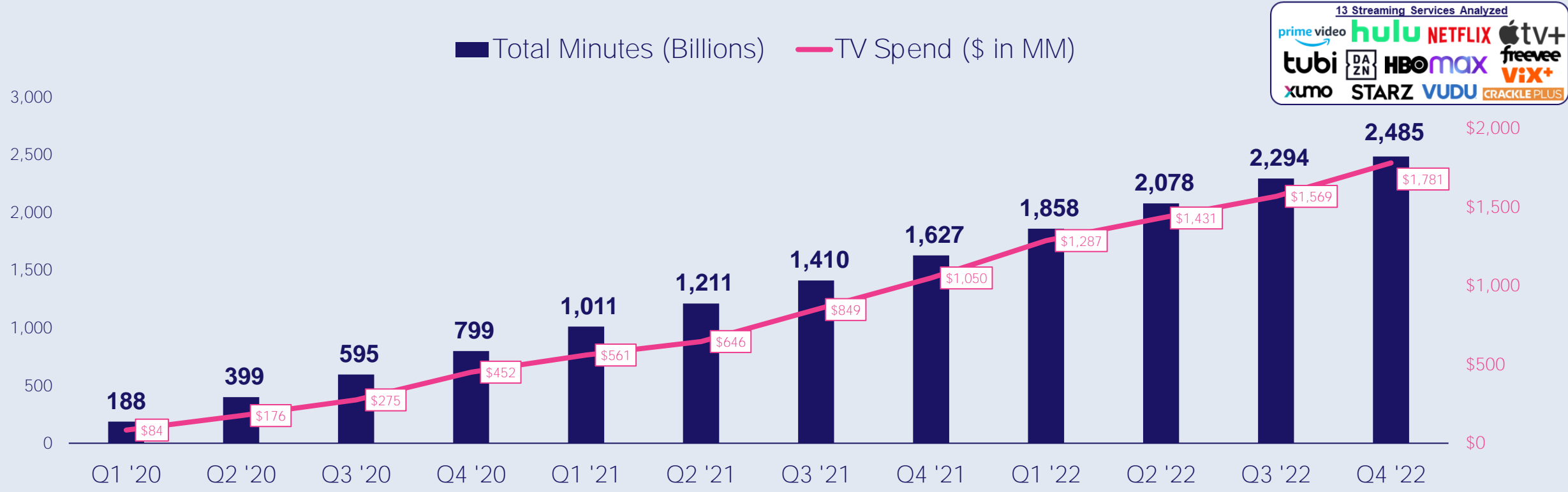
Source: VAB analysis of Nielsen AdIntel, CY 2018-2022, TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only, excludes promos. Streaming Categories include: Streaming Channel, Streaming Player, Streaming Program and Streaming Services-Video.

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There is a close correlation between TV ad investment and increased platform usage

- ▶ Streaming services leverage the scale, engagement and legitimacy of TV to foster 'word of mouth' and drive streaming content discovery by consumers; because of this, streamers with TV campaigns have seen **their 'total time spent' viewership grow in line with their TV ad investment**

Streaming Services - Cumulative Quarterly U.S. Total TV Ad Spend & Time Spent



How to read - Ex: Q4 '22 represents total measured time spent & TV spend from Q1 '20 – Q4 '22 for the 13 streaming services.

Source: VAB analysis of Nielsen AdIntel, Jan '20 – Dec '22 (calendar months). TV spend includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, spot TV, and syndicated TV. U.S. TV spend only, excludes promos. VAB analysis of Comscore mediаметrix multiplatform media trend data, total audience (Desktop P2+, Mobile 18+), Jan '20 – Dec '22 (calendar months). Chart analysis represents a mix of both SVOD & AVOD streaming services, with monitored cume TV spend from Nielsen Ad Intel and measured cume audience data from Comscore (Netflix, Hulu, Amazon Prime Video, Apple TV+, Starz, DAZN, Crackle+, HBO Max, VIX+, Xumo, Vudu, Tubi TV & Amazon Freevee).

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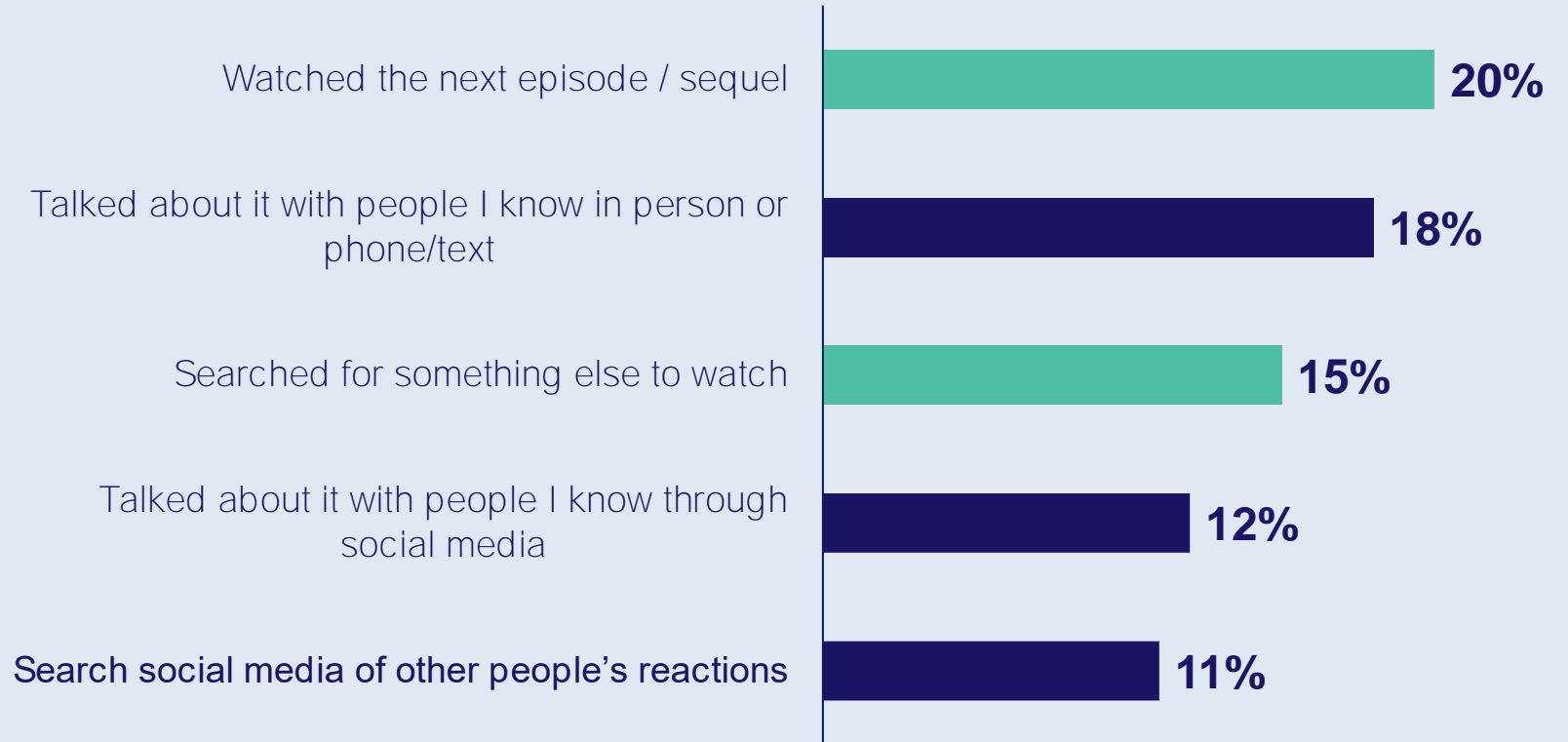
TV advertising builds audiences, resulting in increased consumer engagement opportunities and a more vibrant advertising environment



71%

of viewers **took action** related to the title **after viewings**

Did you do anything after watching this TV show/movie (you discovered)?



Source: Warner Bros. Discovery - Content Discovery Paths: Capturing Attention in a Noisy World, from Informa's Media Insights & Engagement Conference 1/31/23.

Key Marketer Takeaways

- ▶ Consumers have never had more choice and access to premium video content across platforms, but there are discovery challenges that come along with the volume of content.
- ▶ TV advertising is proven effective for driving awareness and action in a highly competitive category.
- ▶ TV advertising is a catalyst that increases streaming content discovery, enabling services to build scale and drive more viewership resulting in increased engagement opportunities and a more vibrant advertising environment

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Through Upfront season, marketers are making important decisions about their video investment strategy.

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Setting the Stage

15 Streaming Trends That Will Impact Marketing Plans in 2023



What is TV?

A Modern Look At How Consumers Define TV



Staying Ahead of the Churn

Why migrating audiences means new ad opportunities for brands



25 Ways TV Grows Brands

Powering Performance Through Full-Funnel Business Outcomes



How can streaming deliver incremental audiences in Convergent TV?



What are the 7 key reasons advertisers launch TV campaigns?

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