



TAILOR-MADE TELEVISION:
TV Everywhere

How Consumers Custom Design Their TV Viewing

☰ 1Q '18 REPORT

Time-Shifting: **More** Choices For Watching **More** Content

Time-Shifting refers to the ability of a consumer to access premium TV content when, where, and how it is most convenient for them. The options for time-shifting have grown, driven by the increasing demand consumers have to enjoy **more** content they love on their terms with **more** choices available to them.

This freedom of choice appeals to a wide range of viewers across age groups, income brackets and ethnicities, with each group having a specific preference on how they access content beyond live airings.

This three-report series will highlight the main ways consumers can time-shift their TV viewing: **DVR, Video-on-Demand (VOD), and TV Everywhere (TVE)**. We will define each, size the landscape, discuss how many consumers are time-shifting, and review the profiles of time-shifting consumers.

There Are Three Main Ways A Viewer Can Watch TV Content Outside Of A Live Airing

DVR (Digital Video Recorder): a Set-Top Box that records and stores television shows for viewing at a later time. Some MVPDs (*Cable, Telco or Satellite Provider*) offer Cloud DVR service, which allows users to view DVR'd content on mobile devices via the MVPD app, or on a computer via the MVPD's website.



VOD (Video-On-Demand): allows users to select and watch video content when they choose to, rather than at a specific broadcast time. This report is specifically referring to VOD viewed through MVPDs (*Cable, Telco or Satellite Provider*) via their set-top-box.

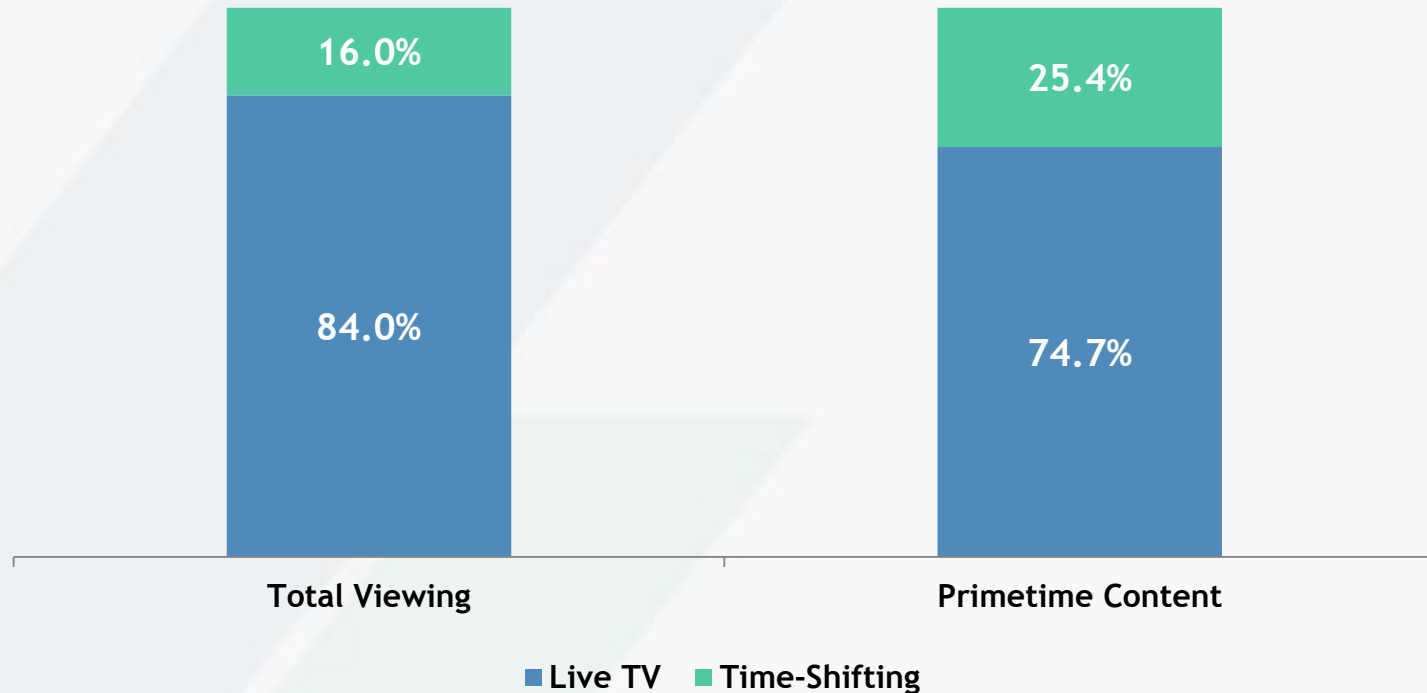


TVE (TV Everywhere): the ability for a viewer to watch TV and film content whenever and wherever they choose across devices (Smart TV, connected device, tablet, mobile device or computer). Content can be accessed through either a broadcast or cable programmer (via MVPD authentication/user log-in) or an MVPD app (like Comcast Xfinity & Spectrum TV).



First, It Should Be Noted That Live TV Remains The Reigning Champ Of TV Viewing Time, Regardless Of The Time Of Day

Share of Total TV Viewing Time: Live TV vs. Time-Shifted TV



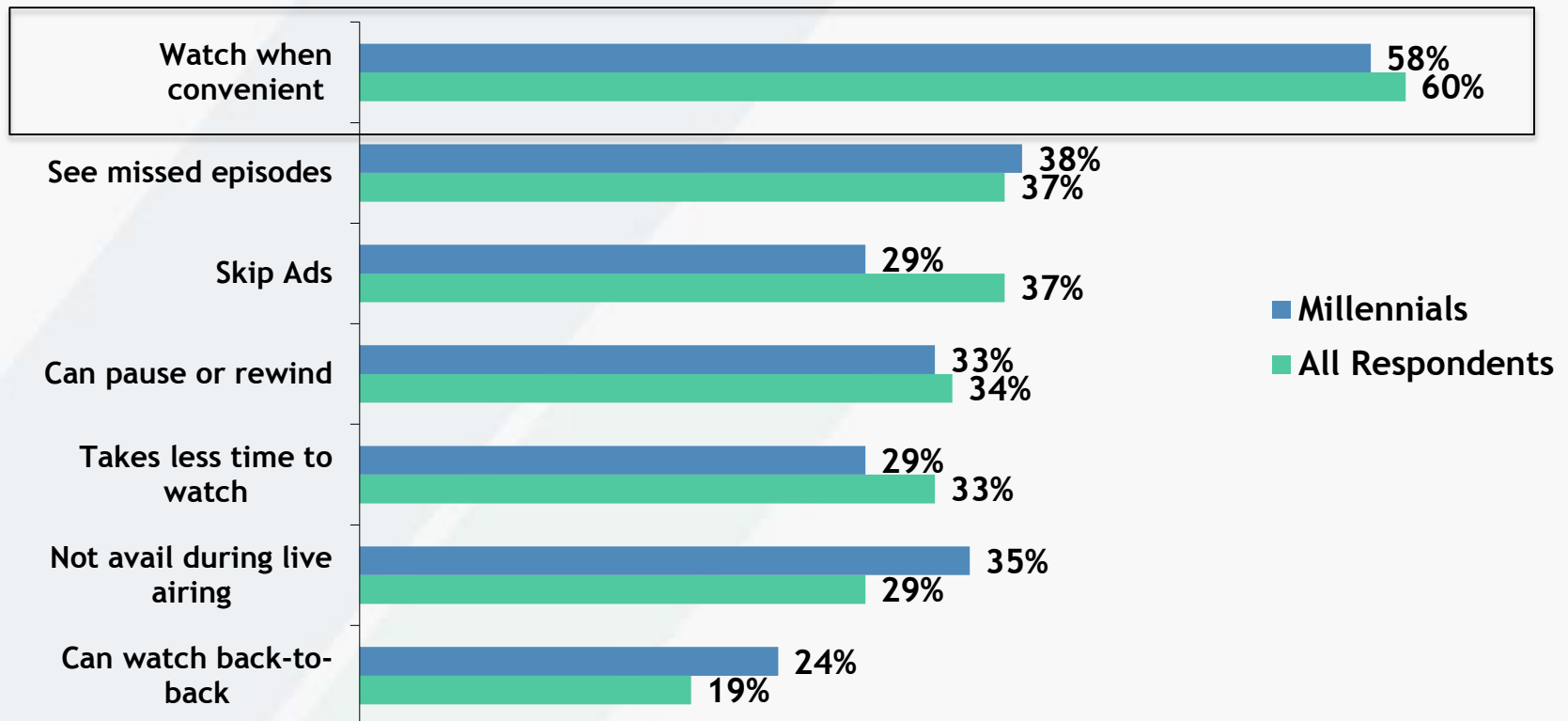
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Source: comScore TV Essentials, U.S., Full Year 2016, Live +15 Day DVR; comScore State of VOD Trend Report, Total U.S. Audience; Time-Shifted TV includes VOD and DVR.

Convenience (Not Ad Avoidance) Is The Top Reason For Time-Shifting Programs

This Convenience Allows Users The Opportunity To Consume More Content By Catching Up On Missed Shows And Binging Multiple Episodes

Top Reasons For Time-shifting TV Shows

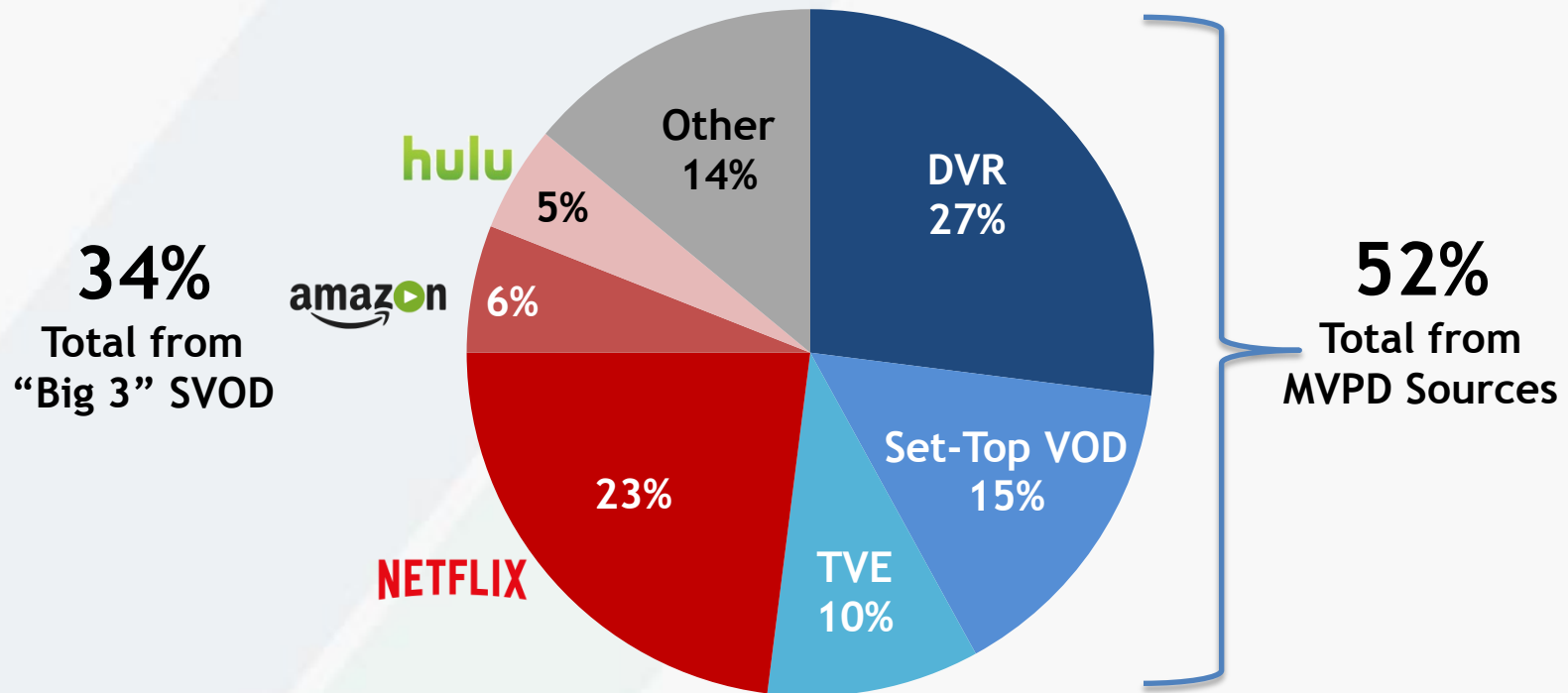


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Source: HUB Entertainment research 3/15; Survey of 1,210 TV consumers 16-74 who watch at least 5 hours of TV/week and have broadband home access; What do you consider to be the biggest benefits of watching episodes of a current show at a later time?

Despite All Of The Options Consumers Have, Half Of Time-Shifted Viewing Is Through MVPDs Via DVR, Set-Top VOD And TV Everywhere

How is Your Time Shifted Viewing Distributed?

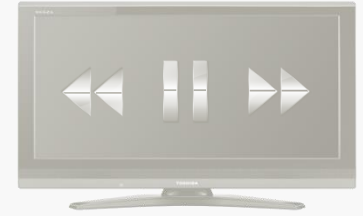


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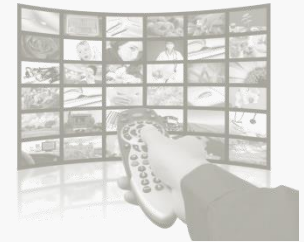
Source: Hub Entertainment Research, *The Battle for Share of Mind*, January 2018. TVE: Authenticated TV Everywhere, from a network or pay TV operator's website/app; Based on total viewing (TV & movies).

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TV Everywhere (Via MVPD Authentication) - What You Need To Know

1. *More Access*

- ✓ There are 61 million TVE users - many of whom are young and ethnically diverse - a 136% increase over the last five years
- ✓ 50% of MVPD subscribers use TVE at least on a weekly basis

2. *More Content*

- ✓ 9.2 billion annual TVE views, a 331% increase over the last five years

3. *More Mobility*

- ✓ 24% of users access a TVE platform while on a lunch break at work, 21% access while a passenger in a car and 19% access during dinner at home

4. *More Discovery*

- ✓ Users browse for programming one-third of the time when they log onto a TVE platform

5. *More Value*

- ✓ 60% of heavy TVE users consider their MVPD subscription a good or excellent value

There Are Dozens of Authenticated “TV Everywhere” Network & MVPD Apps Available To Subscribers



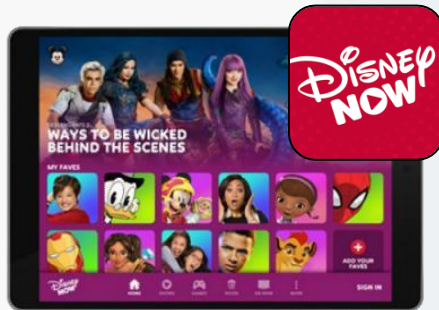
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Source: comScore OTT Intelligence, U.S., April 2017. *Network TV App definition excludes premium networks such as HBO and Showtime and Skinny Bundles such as Sling.

“TV Everywhere” Encompasses A Range Of Content, From Live TV & Exclusive Content To Current & Past-Season Libraries

Examples:

Library Content



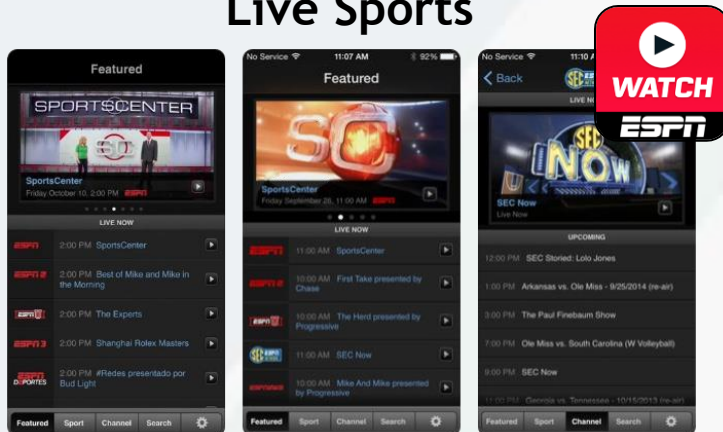
Live TV



Exclusive Content



Live Sports

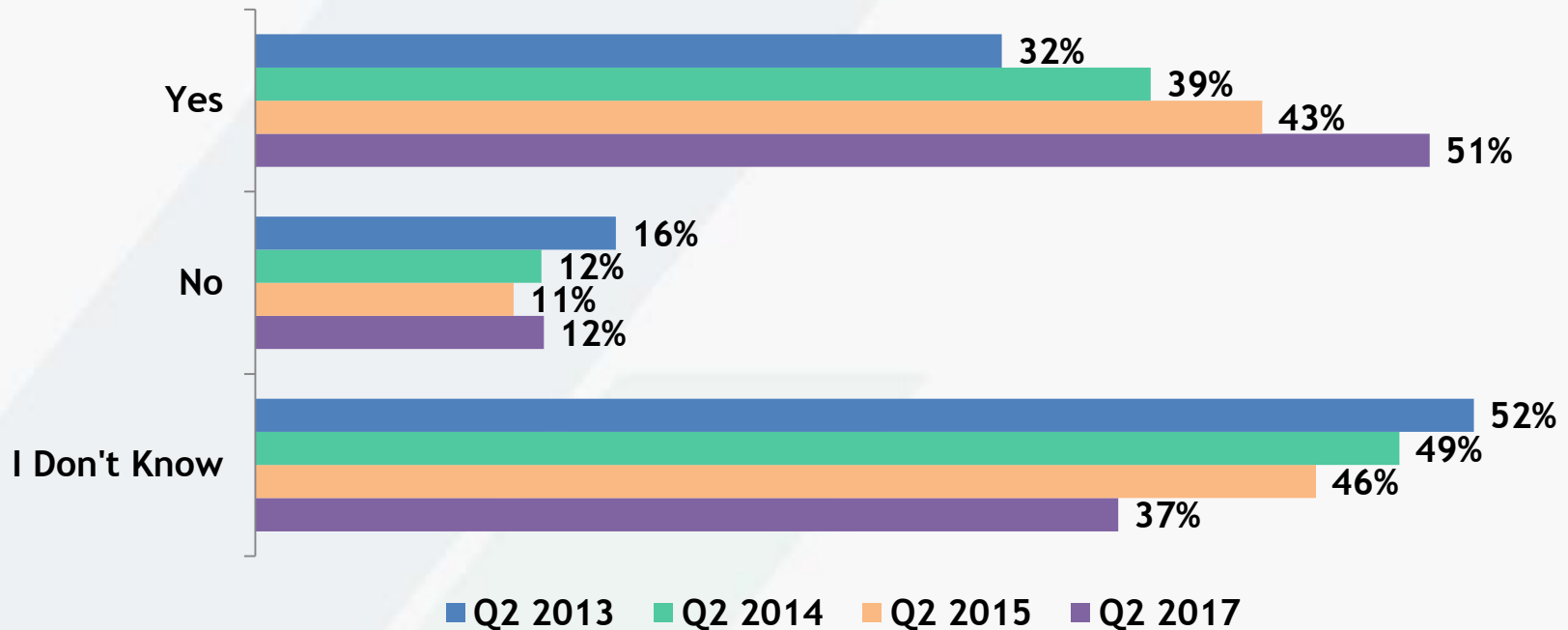


Current Episodes



“TV Everywhere” Awareness Has Increased Considerably Over The Last Four Years

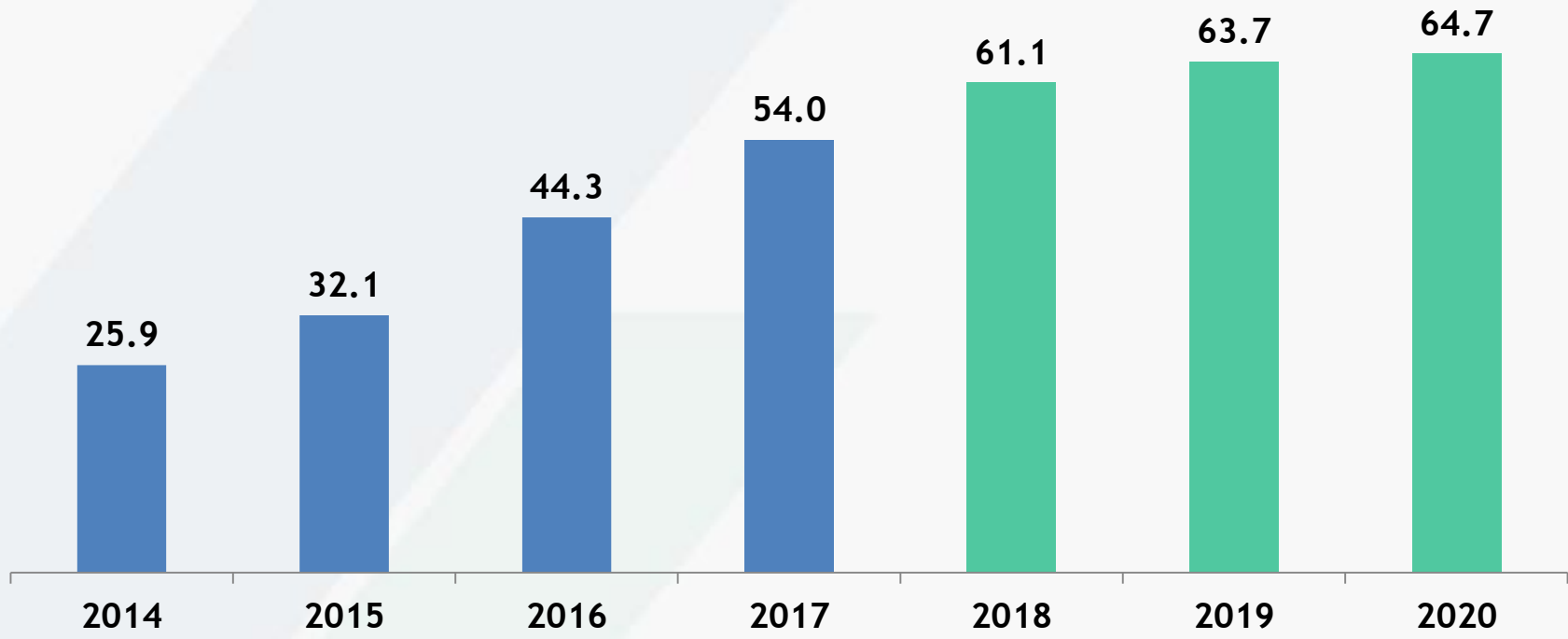
Does Your Cable/Satellite Provider Offer an App(s) That Allows You To Watch TV/Movies On Devices Such As Smartphone, iPad/Tablet Or A Computer/Laptop?



There Are Over 61 Million “TV Everywhere” Users, A 136% Increase Over The Last Five Years

Half (51%) of TV Households Are Accessing TV Everywhere

Estimated & Projected U.S. Multichannel TV Everywhere Uniques (Millions)



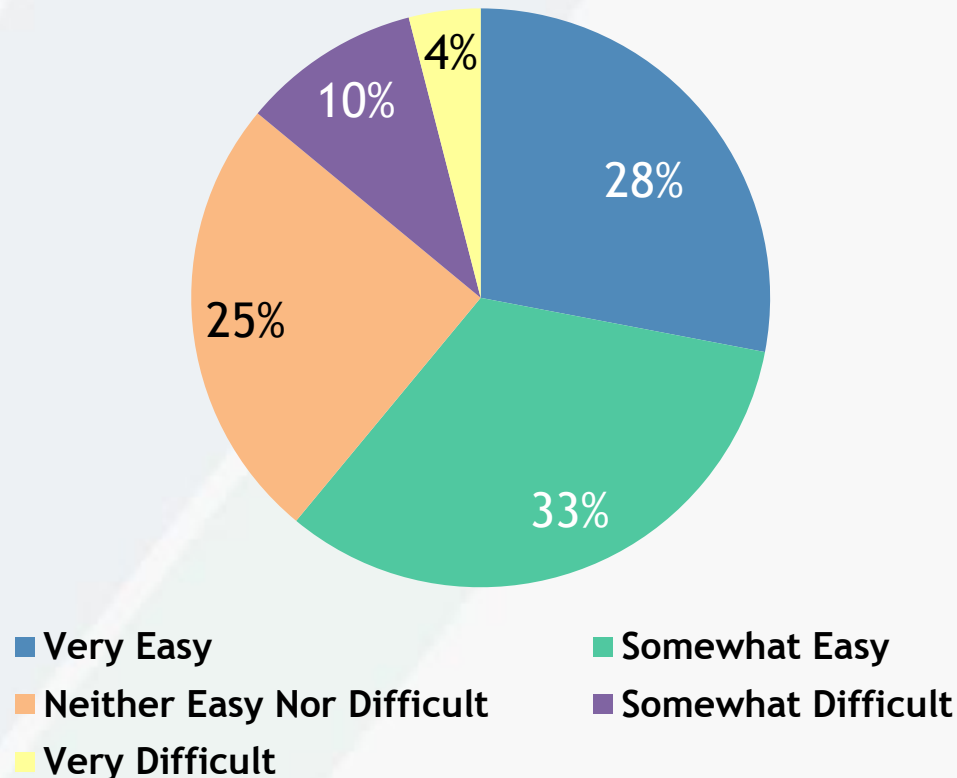
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Source: 2016 SNL Kagan, As of August 2016, Includes authenticated video views from cable, DBS and telco service providers; Nielsen National Universe Estimates, 2018. Blue bars on graph reflect estimated figures; green bars reflect projections.



61% Of Users Find That The Process Of Using TV Everywhere Is Easy

The Process Of Using TVE Was...



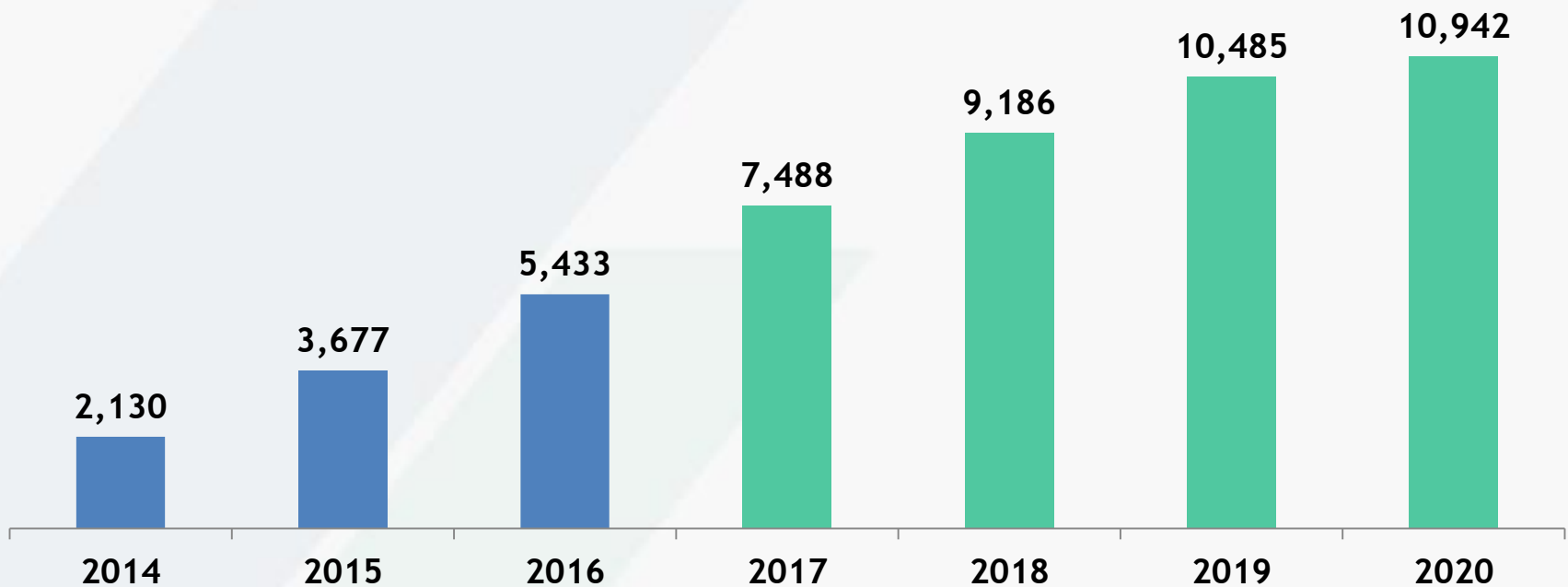
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Source: CTAM & Hub Entertainment Research, *TVE Tracking: November 2017 Results*. Q5T: Of the last 10 times you've used TV Everywhere, how many times, if any, did you watch a show as it was streaming live? TVE Users - MVPD Subscribers (18-64).

More People Are Consuming More Content Through “TV Everywhere” Platforms

“TV Everywhere” Views Are Outpacing Unique Users As They Become More Comfortable With Viewing Content This Way

Estimated & Projected U.S. Multichannel TV Everywhere Plays
(Millions)

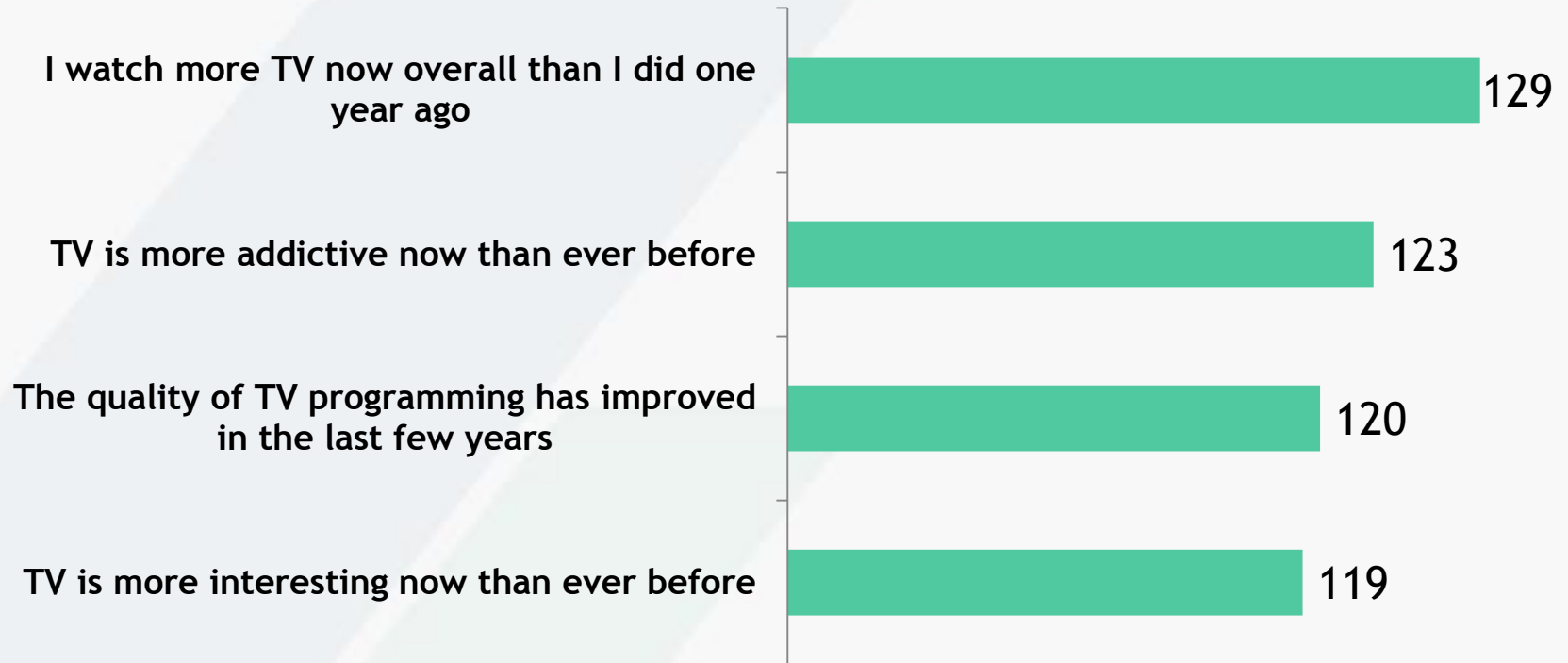


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Source: 2016 SNL Kagan, As of August 2016, Includes authenticated video views from cable, DBS and telco service providers. Blue bars on graph reflect estimated figures; green bars reflect projections.

TVE Viewers Are Watching More Content Because They're Highly Engaged With Quality Programming

TVE Users (Through Network App)
Index v. General Population

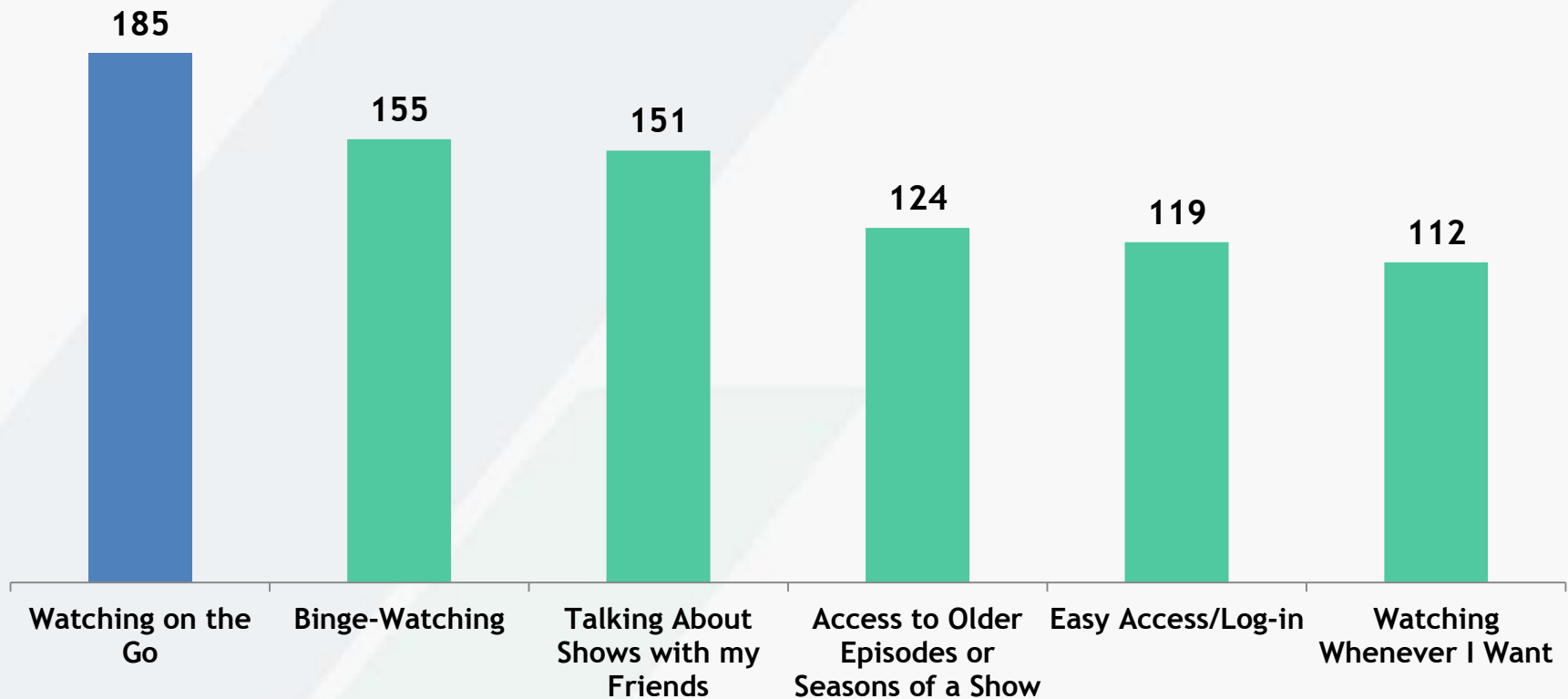


VAB: TAILOR-MADE TELEVISION

Source: 2017 GfK MRI Doublebase, "Watch TV programs in the following ways - Through a TV network's app"; Includes index v. general population.

They Most Rely Upon TVE Apps To Watch The Content They Love When On The Go

Very Important to How You Prefer to Watch TV (TVE Users)
Index v. General Population



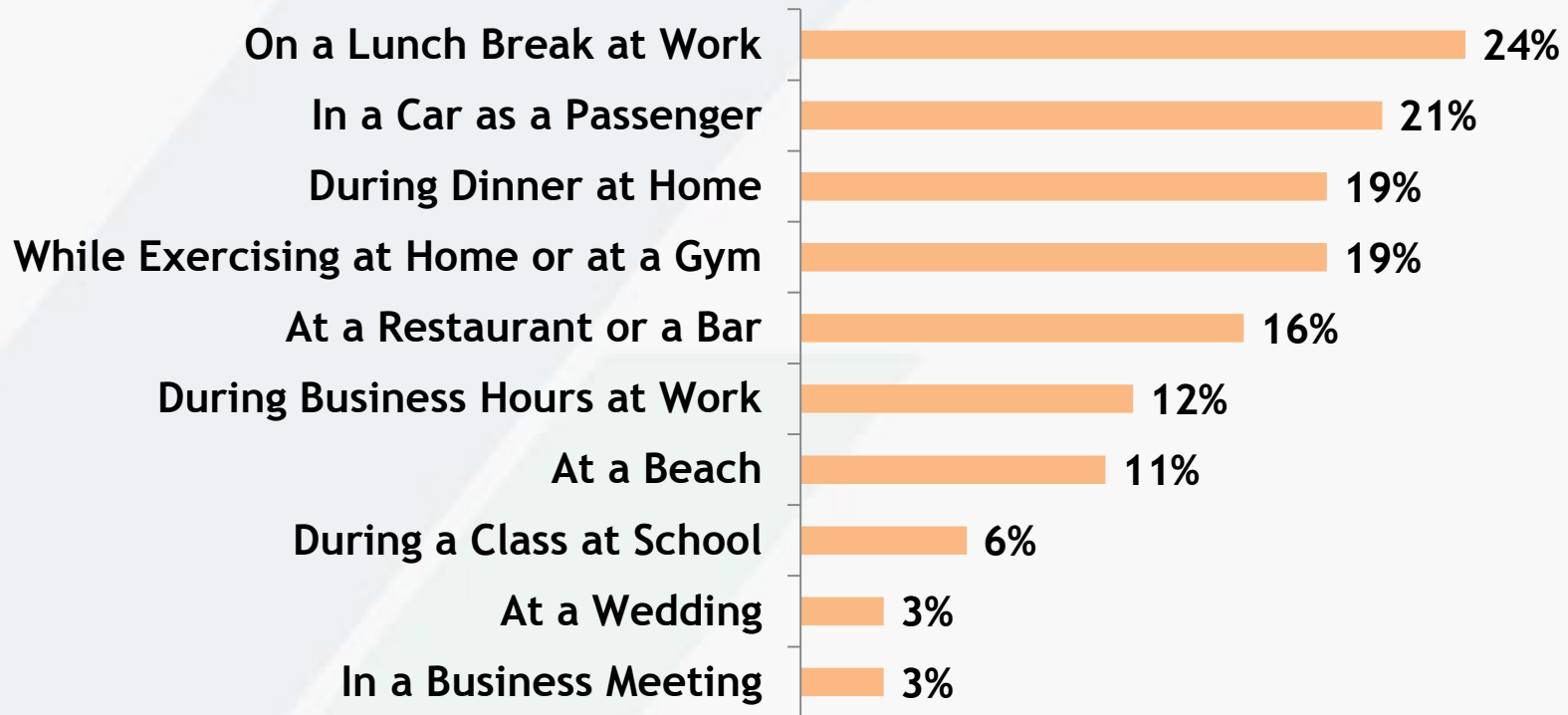
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Source: 2017 GfK MRI Doublebase, "Watch TV programs in the following ways - TV network's app"; Includes index v. general population.

TVE Has Allowed Users To Access TV Content In A Variety Of “Non-Traditional” Places Both In And Out Of The Home

Thus, “TV Everywhere” Has Created Many More Opportunities Throughout The Day For People To Watch TV Content Beyond The Living Room Or Bedroom

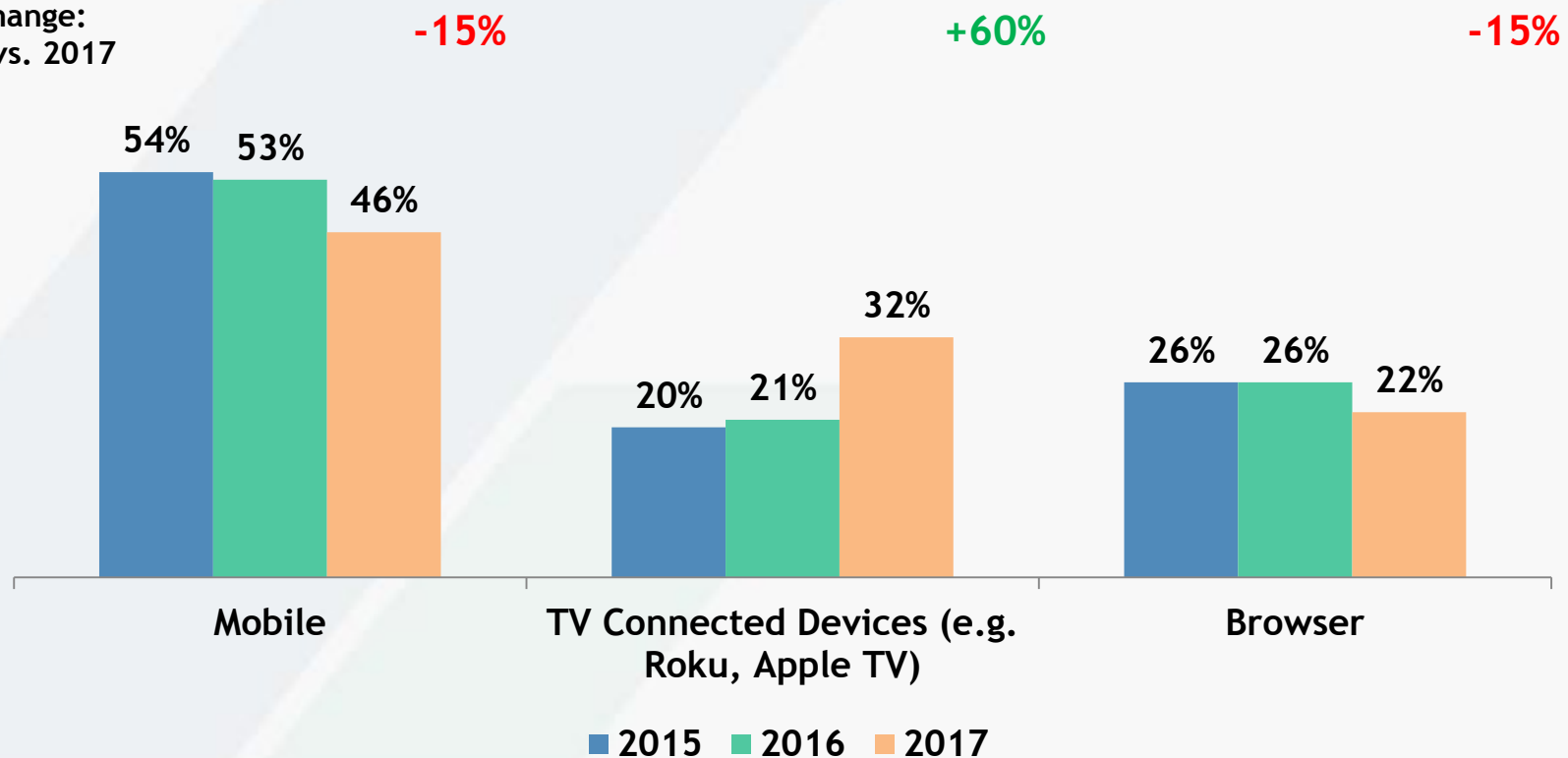
Top Activities Engaged in While Using TVE



Despite Prevalent Use Of TVE On The Go, The Fastest Growing Devices Are Connected TVs, Which Provide The Biggest Screen

Share of TV Everywhere Starts, by Access Type

% Change:
2015 vs. 2017



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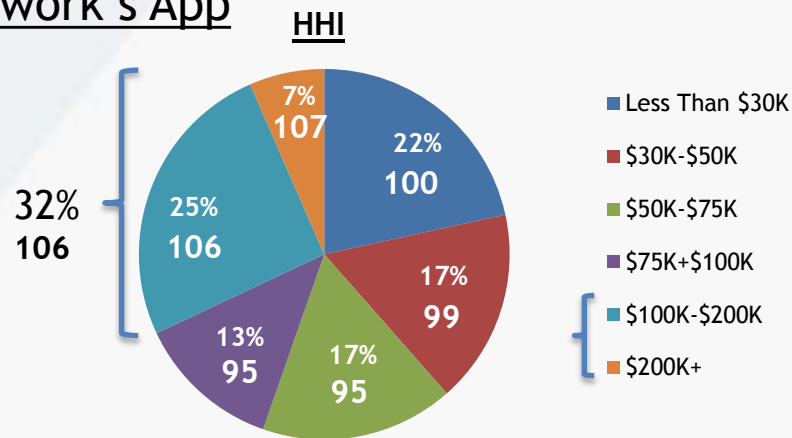
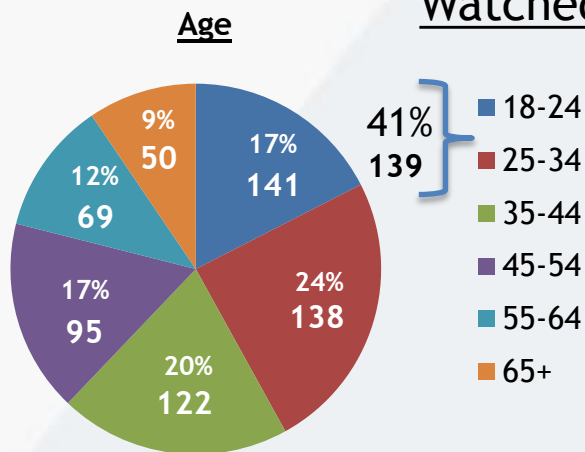
Source: Adobe Digital Insights, *The State of Digital Video*, 2017. North America, Data from January of each year.



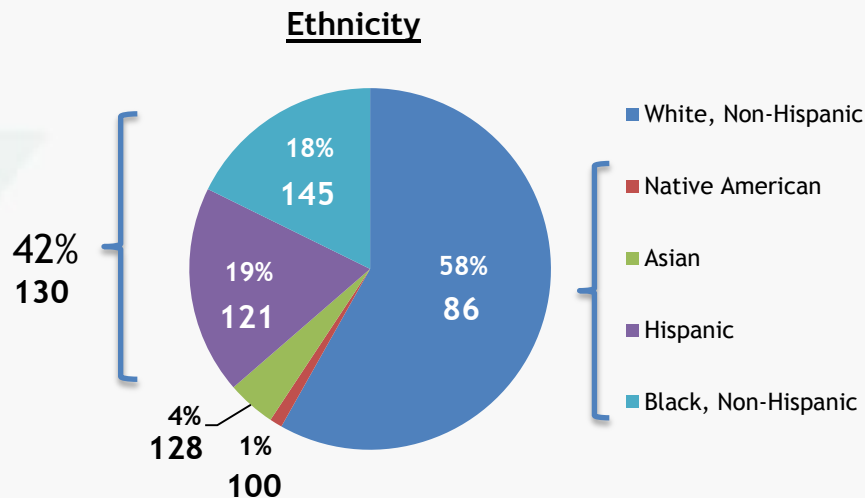
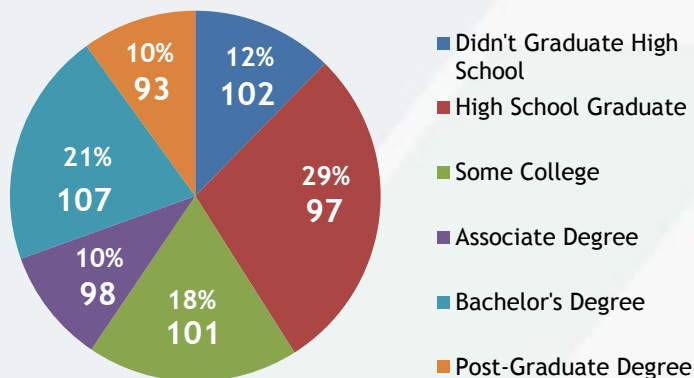
“TVE” Demographics

TV Everywhere Viewers Are Younger And More Ethnically Diverse Than The Average Adult

Watched A TV Network's App



Education

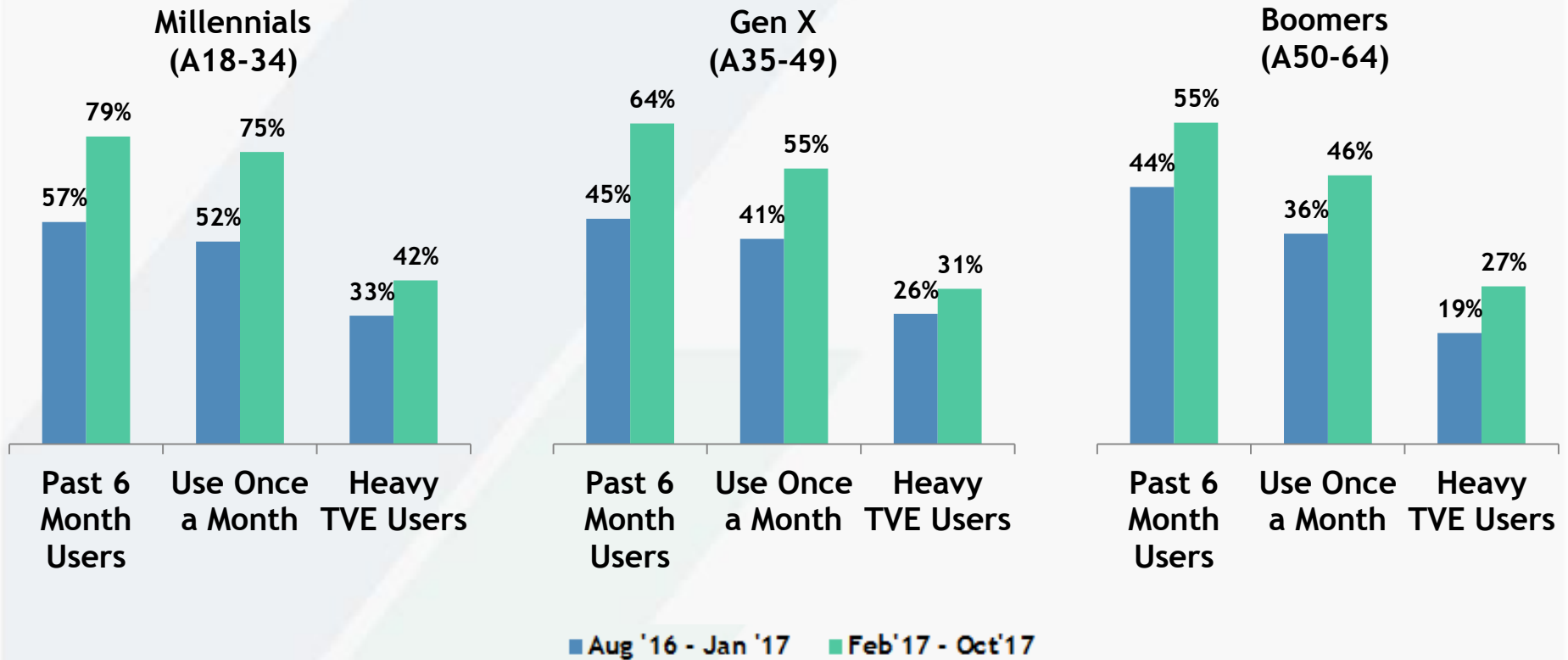


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Source: 2017 GfK MRI Doublebase, "Watch TV programs in the following ways - Through a TV network's app"; Includes index v. general population.

TVE Usage Continues To Grow Across Key Demographics Of MVPD Subscribers, Especially Millennials

MVPD Subscribers' TVE Use



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Source: CTAM & Hub Entertainment Research, *TVE Tracking: November 2017 Results*; Light TVE Users: once per month or less, Moderate TVE Users: weekly or several times per month, Heavy TVE Users: daily or several times per week.

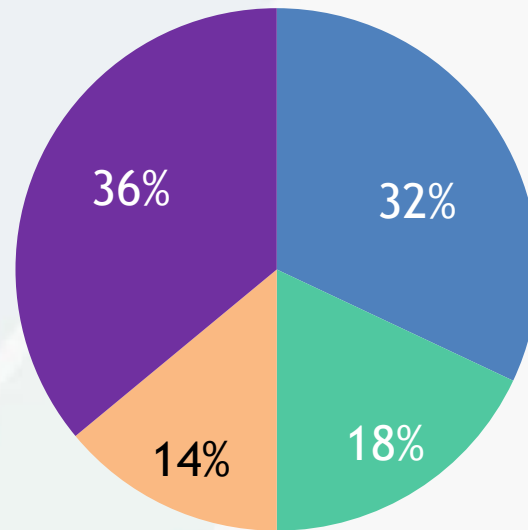


“TVE” Usage & Value

Half of MVPD Subscribers Use Their Provider's "TV Everywhere" Platform At Least On A Weekly Basis

Extent of TVE Use in Past Six Months

MVPD Subscribers Age 18-64



64% of MVPD Subscribers Access TVE Using Their Subscription Across Devices

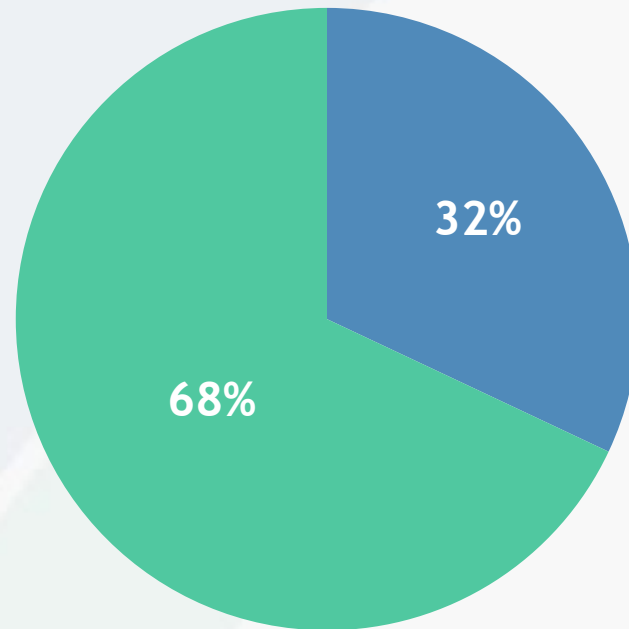
■ Heavy ■ Moderate ■ Light ■ Non-Users

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Source: CTAM & Hub Entertainment Research, *TVE Tracking: November 2017 Results*. Q4D: For which of these have you entered your [PROVIDER] account information in the past SIX MONTHS in order to watch streaming full-length TV shows, sports programs, or movies online?; Light TVE Users: once per month or less, Moderate TVE Users: weekly or several times per month, Heavy TVE Users: daily or several times per week.

Most Users Are Looking For Something Specific When They Log-On, But TVE Is Also Good For Discovering Programs As Well

When You Use TVE, What Percent Of The Time Do You Have....



■ Nothing Specific in Mind ■ Specific Show in Mind

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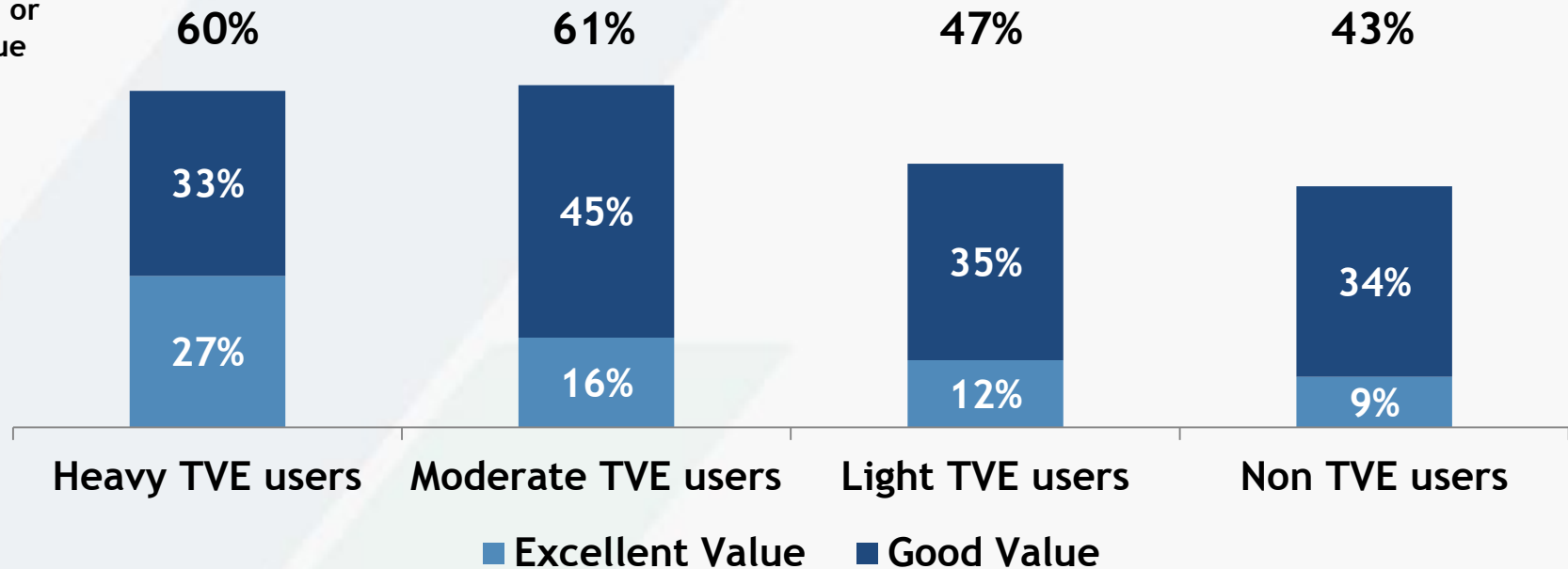
Source: CTAM & Hub Entertainment Research, *TVE Tracking: November 2017 Results*. Q5F: When you use TV Everywhere, about what percent of the time do you have a specific show in mind you want to watch, and what percent do you have nothing specific in mind? MVPD Subscribers (18-64).

TVE Usage Increases The Value Viewers Place On Their MVPD Subscription

Perceived Value of Service from MVPD Provider

A18-64 MVPD subscribers

Excellent or
Good Value



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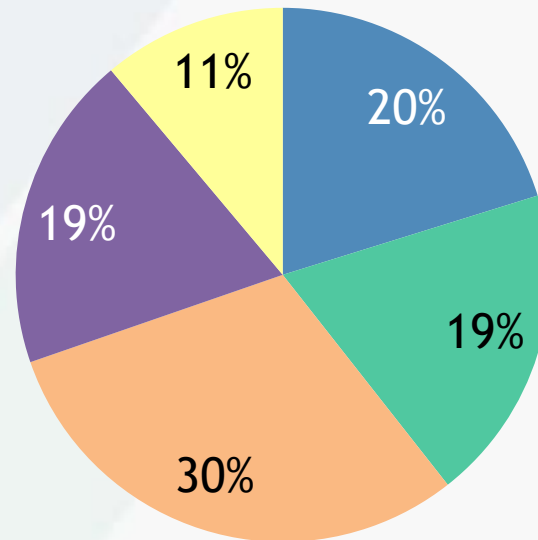
Source: CTAM & Hub Entertainment Research, *TVE Tracking: November 2017 Results*. Q2D: How would you rate the value of your [provider] subscription, based on what you get for what you pay?; Light TVE Users: once per month or less, Moderate TVE Users: weekly or several times per month, Heavy TVE Users: daily or several times per week.

Nearly Half Of The Programming Viewers Access Through TVE Is Live Streamed Rather Than Library Content

4 Out Of The Last 10 Times Consumers Used TVE, They Streamed A Show As It Aired Live

Of Times TVE Users Live Streamed (Out Of Last 10 Times Using TVE)

■ 0 Times ■ 1-2 Times ■ 3-5 Times ■ 6-9 Times ■ 10 Times



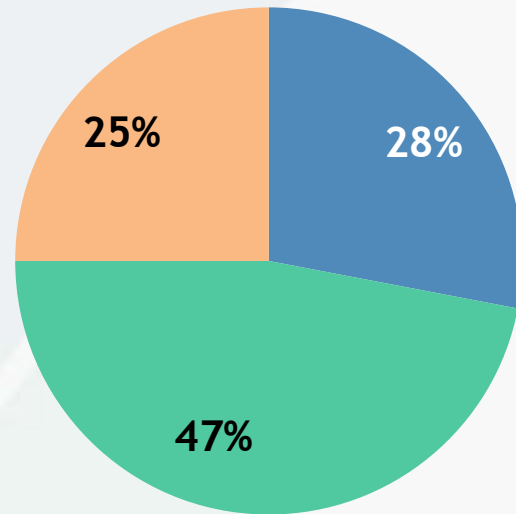
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Source: CTAM & Hub Entertainment Research, *TVE Tracking: November 2017 Results*. Q5T: Of the last 10 times you've used TV Everywhere, how many times, if any, did you watch a show as it was streaming live?

75% Of TVE Users Find Live Streaming To Be A Valuable Feature Of Their MVPD Subscription

This Is Especially Apparent Among Millennials, Who Are The Heaviest TVE Users

Value Of Live Streaming With TVE



- A Lot More Valuable
- A Little More Valuable
- No More Valuable

VAB: TAILOR-MADE TELEVISION

Source: CTAM & Hub Entertainment Research, *TVE Tracking: November 2017 Results*. Q5V: Does the ability to watch shows streaming live make TV Everywhere...?TVE Users - MVPD Subscribers (18-64).



Time-Shifting Segmentation

TVE Users Are Likely To Be Multicultural, Young Adults Who Binge-Watch Content “On The Go”

	<u>DVR User</u>	<u>VOD Viewer</u>	<u>TVE Viewer</u>
Who:	Slightly older than VOD viewers & more affluent than TVE users Median Age: 47 Average HHI: \$92K	Younger than DVR users & the most affluent & educated Median Age: 43 Average HHI: \$93K	The youngest and most ethnically diverse viewers Median Age: 39 Average HHI: \$67K
What:	Drama, Reality, Thrillers & Soap Operas	General Entertainment & Kids Programming	Live TV & Sports, Library Content, Exclusive Content, & Current Episodes
When:	Throughout the day, with the majority occurring outside of Primetime	On their own time, when they can binge-watch multiple episodes	Whenever & Wherever
Why:	Convenience and watching on their own time	Convenience and having a range of content available	Binge-watching premium content on the go
How:	On a TV through a set-top-box recorder or on mobile devices via Cloud DVR through an MVPD	On a TV viewed through MVPDs (Cable, Telco or Satellite Provider) via their set-top-box	Across devices through either a broadcast or cable programmer or an MVPD app

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Source: 2017 GfK MRI Doublebase, DVR User: “How often watch TV programs in the following ways compared to 12 months ago-Using a DVR”; VOD Viewer: “Video-On-Demand # of Times Watched Past 30 days-TV/Shows/Movies (Any); TVE Viewer: Watch TV programs in the following ways - Through a TV network’s app”.

These TVE Viewers Are The Youngest, Most Ethnically Diverse Group Among The Three Segments

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For More Information on Time-Shifted Viewing, Check Out All Of The Reports From Our Series

Tailor-Made Television: How Consumers Custom Design Their TV Viewing



DVR



Video-On-Demand



TV Everywhere

[Find All Three Reports Here](#)

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Sean Cunningham
President & CEO
212-508-1223
seanc@thevab.com

Danielle DeLauro
Executive Vice President
212-508-1239
danielled@thevab.com

Jason Wiese
VP Strategic Insights
212-508-1219
jasonw@thevab.com

Marianne Vita
VP Strategic Insights
212-508-1211
mariannev@thevab.com

Evelyn Skurkovich
VP Strategic Research & Insights
212-508-1220
evelyns@thevab.com

Lauren Leff
VP Marketing & Communications
212-508-1222
lauren@thevab.com



No platform drives business like
TV's premium video-at-scale