IAB Original Digital Video Consumer Study
April 2015
Background & Objectives

The IAB manages the NewFronts, digital video’s premier showcase of new, original, professionally produced digital video content. The 2015 NewFronts run from April 27 – May 8, 2015. As part of a comprehensive research program around the NewFronts, the IAB partnered with GfK to track consumer attitudes, awareness and usage of original digital video. In its third year, the purpose of this study is to benchmark how many consumers are watching original digital video and to inform the buying community about what consumers do, watch, think and feel about original, professionally produced digital video content.

New for the 2015 study, a small sample of young (18-34) cord-cutters/cord-nevers were added to the overall sample to explore how this critical group makes use of Original Digital Video.

Main Objectives of the Research

- Size the market for original, professional online video (Original Digital Video) content relative to use of TV/Movie or Amateur video content
- Explore the audience experience of Original Digital Video and determine if it is different or better than the TV viewing experience
- Explore ad receptivity in Original Digital Video compared with TV advertising
- Discover any key differences in the use of Original Digital Video by young cord-cutters/cord-nevers compared with the overall Original Digital Video audience
Study Overview

Who?
• Full surveys were completed with 856 monthly+ viewers including:
  ➢ TV Online – 675 ever users; 527 monthly+ users
  ➢ Amateur – 706 ever users; 551 monthly+ users
  ➢ Original Digital Video (Ad supported) – 604 ever users; 371 monthly+ users
• 1,931 persons were screened from a general population age 18+ sample for being monthly+ viewers of online video and “ever” users of either TV Online, Amateur or Original Digital Video
• Due to robust sample sizes, analysis was performed on monthly+ users of each video type
• Additionally, this year an augment of was added to the study to enable analysis of a total of 147 age 18-34 monthly+ users of Original Digital Video who are Cord Cutters/Nevers

When?
• April 7 - April 14, 2015

How?
• Via a 17-minute online survey using GfK KnowledgePanel™

The cooperation rate among the assigned sample was 46%
Defining the Streaming Video Types

Respondents who reported watching streaming video monthly+ were asked how frequently they watched each of the three video types on any device, with the video types defined as follows:

- **TV Online** – Network TV shows online such as *Pretty Little Liars, The Walking Dead* or those found on sites like ABC.com, Hulu.com or HBO.com
- **Amateur** – called “amateur online video” for the survey respondents – defined as: created by regular people and looks and feels like it is home made. (Examples are baby videos or funny cat videos)
- **Original Digital Video** – originally produced online video – defined as professionally produced video only for ad-supported online distribution and viewing (not TV). The creators of this kind of video content can range from media companies (for example, Wall Street Journal Live News, Glamour Do’s and Don’ts of the Week, Weather.com Behind the Scenes videos, etc.); online-only companies (for example Funny or Die, HowCast; or YouTube’s Original Channels (The Onion, PewDiePie). Those who only watch non-ad supported Original Digital Video (Netflix Original Series) were not included
- As part of the screening process, a list of 81 Original Digital Video shows and sites were shown in a separate question, and if any were selected by respondent they were considered an “ever” user of Original Digital Video. This allowed us to classify Original Digital Video users either on response to the definitional question or by their actual behavior
Some of the following slides present data for TV Online, Amateur Video, and Original Digital Video side by side.

However, because of the way the questionnaire was structured, it is difficult to create data tabulations that automatically calculate statistical significance between the three groups, as well as in comparing data from previous years to 2015.

Given the sample sizes are the same order of magnitude (statistically speaking), the reader can safely use the following rules of thumb as far as significance:

- **For tables/charts showing % of monthly users**
  - differences of 6 percentage points or more can be considered significant (7 percentage points or more for Original Digital Video users 2014 vs. 2015).

- **For tables/charts showing means for monthly users**
  - differences of 0.6 or more can be considered significant (0.7 or more for Original Digital Video users 2014 vs. 2015)

Colored “+/−” numbers indicate significant differences from 2014 to 2015.
Key Takeaway #1: Original Digital Video Market Grows 13%

WHAT?
Approximately one in four (24% or 59 million) American adults age 18+ watch Original Digital Video each month, up 13% from a year ago (22%; 52 million). A key subgroup is young adults age 18-34, 41% of whom watch Original Digital Video at least monthly.

For other digital video types, monthly+ viewing of TV Online is at 30% of U.S. adults, and Amateur content is also at 30%, both similar levels to our 2014 measure.

SO WHAT?
Both Original Digital Video and TV Online enjoy increases in monthly and “ever” use, which shows more consumers are turning to the internet for video entertainment, and more frequently. Amateur use continues to be flat.

NOW WHAT?
The increasing popularity of Original Digital Video makes a case for greater inclusion of the medium in advertising campaigns in order to leverage its increased audience.
Key Takeaway #2: Original Digital Video Establishing its Niche

Original Digital Video is perceived as more innovative, edgy, unique and mobile compared with Regular TV, a gap that has widened over the past year. In a preference test, Original Digital Video is again almost at parity with Primetime TV as the video type most likely to watch, and has a higher preference than the other regular TV genres (daytime, sports, news). Almost half cite new original content as what is liked better about Original Digital Video over Primetime TV by monthly users of both.

The relatively new option of Original Digital Video has quickly become comparable with traditional TV viewing among monthly+ users. Though not a complete substitute for regular TV, Original Digital Video is being taken seriously as a fresh new way to consume quality programming.

Capitalize on the momentum that Original Digital Video is gaining, and the perception of it as being at least as good an option as regular TV, by including original digital video in the advertising campaign mix for brands.
Key Takeaway #3: Flexibility of Original Digital Video is Differentiator

Connected TVs (56%), smartphones (56%), and tablets (48%) are being used to stream original digital video more than twice as often as two years ago, while computer viewing of original digital video (72%) remains steady.

Two-thirds (65%) of those who stream original digital video to connected TVs state that they typically watch during primetime (8-11pm) and half (53%) of them report they are doing so more than they did a year ago, largely driven by more (and more interesting) content along with ease of use of connected TVs.

While Original Digital Video continues to allow viewing “anytime, anywhere” which differentiates it from the limited offerings of “on demand” TV, the emergence of easy-to-use options for viewing Original Digital Video content on TV screens means inroads on traditional TV’s territory.

Flexibility of Original Digital Video viewing can allow publishers to leverage mobile viewing with potential exposure closer to point-of-sale, or, increasingly, the ability to offer an in-home, on-TV-screen exposure on par with regular TV.
Key Takeaway #4: Original Digital Video Important for Cord-Cutters/Nevers

**WHAT?**

Young (18-34) Cord-Cutters/Nevers are about twice as likely as adults overall to view Original Digital Video. Both cord-cutters (53%) and cord-nevers (63%) see Original Digital Video as “very” or “somewhat” important in their decision to not have pay TV.

Most notably, young cord-cutters/nevers have a preference for Original Digital Video over all types of regular TV, including over Primetime.

**SO WHAT?**

For young cord-cutters/nevers, Original Digital Video clearly fills their “gap” in video content resulting from no pay TV service; indeed, Original Digital Video appears to be preferred to regular TV fare, including Primetime.

**NOW WHAT?**

Use of Original Digital Video in a media mix can help marketers reach these highly desirable young people who are just starting their adult life and forming the brand relationships they will carry into a future marriage and family.
Key Takeaway #5: Value in Original Digital Video & Social Media

WHAT?

Social media sites are playing a larger role in discovery of Original Digital Video – approaching twice that of two years ago (42% vs. 24% in 2013)

Overall social media interaction with Original Digital Video is at 55% of Original Digital Video viewers, compared with 39% of Primetime TV viewers

SO WHAT?

Viewing behavior for Original Digital Video and TV program viewing continues to be quite different: the spontaneous shorter-form nature of consuming much Original Digital Video, combined with high word of mouth discovery and social media sharing, could lead to powerful network effects

NOW WHAT?

Highlight this social media “potential viral value” when considering and selling ad placements in Original Digital Video content
Sizing the Market
Sizing the Market Among the General Population

- A rough estimate is that about **59 million†** **American adults** view **Original Digital Video** each month, up 13% from 52 million in 2014 (†24% * 244.6M US adults)

### Usage of Streaming Video Types

**– Adults 18+ –**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ever (Net)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV Online</td>
<td>31%</td>
<td>36%</td>
<td>38%</td>
</tr>
<tr>
<td>Amateur</td>
<td>38%</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>Original Digital Video</td>
<td>28%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>2013</td>
<td>38%</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td><strong>At Least Monthly (Net)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV Online</td>
<td>23%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>Amateur</td>
<td>31%</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>Original Digital Video</td>
<td>19%</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>2013</td>
<td>38%</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td>21%</td>
</tr>
<tr>
<td><strong>At Least Weekly (Net)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV Online</td>
<td>17%</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Amateur</td>
<td>20%</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Original Digital Video</td>
<td>10%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>2013</td>
<td>38%</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td><strong>Daily</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV Online</td>
<td>7%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Amateur</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Original Digital Video</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>2013</td>
<td>38%</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td><strong>Don’t know/ not sure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TV Online</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Amateur</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Original Digital Video</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Sizing the Market Among the General Population

**TV Online**

- **At Least Monthly (Net)**
- **At Least Weekly (Net)**
- **Daily**
- **Don’t know/ not sure**

38% if include viewing content by title

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Monthly Streaming of Video Types

- Younger adults 18-34 (41%) are much more likely than adults 18 and older to watch Original Digital Video at least monthly

2015 Monthly+ Usage of Streaming Video Types – Adults 18+ vs. Age 18-34 –
Time Spent with Media Overall
(from GfK’s syndicated MultiMedia Mentor™)

- Putting media use into context, GfK’s single source measure of media use, MultiMedia Mentor™, shows that total minutes of Internet time increased by 25% from 2010 to 2014, much of it driven by added mobile usage.
- Internet’s share of total media has grown accordingly, up one quarter (6pp) in the same period.

### Trend in Media Minutes per Day, Adults 18-64

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg Minutes per Day</th>
<th>Internet</th>
<th>Video Games</th>
<th>Magazines</th>
<th>Newspapers</th>
<th>Radio</th>
<th>TV Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5:27</td>
<td>2:34</td>
<td>0:15</td>
<td>0:26</td>
<td>0:20</td>
<td>1:52</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>5:06</td>
<td>2:56</td>
<td>0:14</td>
<td>0:39</td>
<td>0:20</td>
<td>2:00</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>5:05</td>
<td>3:07</td>
<td>0:14</td>
<td>0:48</td>
<td>0:18</td>
<td>1:50</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>5:03</td>
<td>3:07</td>
<td>0:11</td>
<td>0:46</td>
<td>0:16</td>
<td>1:45</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>4:41</td>
<td>3:13</td>
<td>0:12</td>
<td>0:46</td>
<td>0:16</td>
<td>1:44</td>
<td></td>
</tr>
</tbody>
</table>

Base: Adults 18-64 (5,000 per year; 2,500 for 2014)
Source: MultiMedia Mentor™ 2010 - 2014 releases.
Time Spent Online
(from GfK’s syndicated MultiMedia Mentor™)

- MultiMedia Mentor shows that minutes of online viewing has almost tripled over the past five years; in 2014, the average person spent 28 minutes a day watching Internet video

Trend in Online Minutes per Day, Adults 18-64

- Online Video = 7% of all Internet time
- Online Video = 10% of all Internet time
- Online Video = 13% of all Internet time
- Online Video = 12% of all Internet time
- Online Video = 15% of all Internet time

Base: Adults 18-64 (5,000 per year; 2,500 for 2014)
Source: MultiMedia Mentor™ 2010 - 2014 releases.
Time Spent with Online Video
(from GfK’s syndicated MultiMedia Mentor™)

- Minutes spent with all types of online video covered by Mentor have increased since 2010
- Full-length professional video (TV and movies) has grown by more than 3 times (from 5 to 17 min per day)

Base: Adults 18-64 (5,000 per year; 2,500 for 2014)
Source: MultiMedia Mentor™ 2010 - 2014 releases.

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Video Streaming Behavior
Use by Daypart (yesterday), total population

- About one in seven adults age 18+ streamed Original Digital Video “yesterday”; this is equal to about 37 million American adults (15% * 244.6 US adults)
- As is seen with most media, use peaks in the evening dayparts

Yesterday Streaming Video Types By Daypart – Adults 18+ –

<table>
<thead>
<tr>
<th>Daypart</th>
<th>Watched Yesterday (Net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6am - 9am</td>
<td>1%</td>
</tr>
<tr>
<td>9am - 3pm</td>
<td>4%</td>
</tr>
<tr>
<td>3pm - 6pm</td>
<td>4%</td>
</tr>
<tr>
<td>6pm - 8pm</td>
<td>4%</td>
</tr>
<tr>
<td>8pm - 11pm</td>
<td>8%</td>
</tr>
<tr>
<td>11pm - 1am</td>
<td>2%</td>
</tr>
<tr>
<td>1am - 6am</td>
<td>1%</td>
</tr>
</tbody>
</table>

Base: Total Respondents 18+ (N=1,929)

Q13. Now, thinking only of yesterday, during which of these time periods did you watch original digital video online? Please think of all your online viewing, in any location using any device.

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Use by Daypart (yesterday), 18-34

- Original Digital Video “yesterday” daypart use is similar between genders for ages 18-34
- Younger males report more daytime use compared with younger females

Yesterday Streaming Video Types By Daypart  
– Adults 18-34 –

Q13. Now, thinking only of yesterday, during which of these time periods did you watch each type of video original digital video online? Please think of all your online viewing, in any location using any device.

Base: Males 18-34 (n=223), Females 18-34 (n=206)

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Devices Used to Stream

- Computers continue to be used most often by Monthly+ Original Digital Video viewers
- Driven by increases in viewing, ownership, and ease of use, levels of Original Digital Video viewing using ICTV and mobile devices are now twice that of 2013

**Devices Used Monthly+ to View Original Digital Video**

– Monthly+ Users of Original Digital Video –

<table>
<thead>
<tr>
<th>Device</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laptop/Desktop</td>
<td>18%</td>
<td>27%</td>
<td>69%</td>
</tr>
<tr>
<td>Internet Connected TV*</td>
<td>26%</td>
<td>48%</td>
<td>56%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>23%</td>
<td>46%</td>
<td>56%</td>
</tr>
<tr>
<td>Tablet</td>
<td>13%</td>
<td>41%</td>
<td>48%</td>
</tr>
<tr>
<td>iPod Touch</td>
<td>22%</td>
<td>25%</td>
<td>22%</td>
</tr>
</tbody>
</table>

*indicates >6 percentage points higher/lower than 2014

Q22. How often do you use each device to watch original digital video?
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*includes either built-in Internet capability or TV-connected devices with Internet capability
Connected TV Deep Dive

- Most viewing original digital video on a connected TV occurs during primetime, followed by fringe
- Nearly six in ten Monthly+ Original Digital Video viewers believe their viewing of original digital video streamed on connected TVs has reduced the time they watch regular TV

**Connected TV Viewing Behavior**

– Monthly+ Viewers of Original Digital Video on Connected TV –

**Has Viewing Original Digital Video on Connected TV Reduced Your ‘Regular TV’ Watching Time?**

- Yes 58%
- No change 42%

**Dayparts Original Digital Video Viewed on Connected TV**

- 6am - 9am: 4%
- 9am - 3pm: 13%
- 3pm - 6pm: 14%
- 6pm - 8pm: 38%
- 8pm - 11pm: 65%
- 11pm - 1am: 16%
- 1am - 6am: 4%

Base: Uses connected TV to watch ODV at least monthly (n=202); Cord Cutters/Nevers 18-34: ODV Mo.+ Users (n=88)

**not asked in 2014**

Q22g. Do you think your viewing of original digital video streamed on connected TVs has reduced the time you watch programs on regular TV in the past year?

Q22h. In a typical week, which of these times do you typically watch original digital video streamed to a connected TV?

Base: Uses connected TV to watch ODV at least monthly (n=202); Cord Cutters/Nevers 18-34: ODV Mo.+ Users (n=88)

^caution: small base
Connected TV Deep Dive

- Half of viewers of original digital video on a connected TV during primetime believe they are watching it more often in primetime than they were a year ago.
- Top reasons are that more Original Digital Video is available, it’s more interesting than TV and it’s gotten easier to watch on a connected TV.

**Connected TV Primetime Viewing Behavior**
– Monthly+ Viewers of Original Digital Video on Connected TV 8pm-11pm –

![Original Digital Video Viewed on Connected TV From 8pm-11pm vs. Year Ago](chart)

- There is more original digital video to watch
- Regular TV is not as interesting
- Watching on a connected TV has gotten easier
- I’ve gotten into the habit of streaming original digital video on a connected TV
- There is better quality original digital video to watch
- I didn't have a connected TV a year ago

**reasons Watching More**

- 44% More
- 44% Same
- 37% Less
- 9% Males 35+ 68%

**not asked in 2014**

Q22i. Do you feel you are watching more original digital video on a connected TV set during primetime (8PM to 11PM) than a year ago?
Base: Uses connected TV To watch ODV in primetime 8pm-11pm (n=127)

Q22j. You said you are viewing more original digital video on a connected TV during primetime (8-11pm) than a year ago. Why is that?
Base: Viewing ODV on a connected TV more in primetime (n=73*)

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• Home use continues to dominate as the location for viewing Original Digital Video; the majority of users of all types say they only view at home.
• Mobile viewing remains on par with a year ago

Q21. In which locations do you typically watch original digital video (using any device in any location)?

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Discovery
Discovery Sources

- The top ways Original Digital Video viewers discover new content are consistent to a year ago; word of mouth continues as the main way
- Females are influenced more through social media and males through search
- Cord-cutters appear to be more influenced by WOM and less influenced by search
Motivations and Attitudes
• Watching “on my own schedule” continues to be the top driver of Original Digital Video use
• “Watching video content that is not available on TV” is a top reason, particularly among males

Q25. And for what reasons do you usually watch original digital video? Select all that apply.

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Top Reasons for Watching – Original Digital Video
– Monthly+ Users of Original Digital Video –

- I prefer to watch original digital video on my own schedule
- I click on a link I stumble upon and get drawn in
- To watch video content about my hobbies or interests
- I like watching video content that is not available on TV
- Watching original digital video is no different from watching regular TV to me
- Watch content not available on TV or in amateur videos
- I don’t have pay TV service

Males 27%

+- indicates >6 percentage points higher/lower than 2014
Statement Agreement

- Original Digital Video is catching on - multiple video viewing during a session continues to rise for Original Digital Video viewers (46% up from 40% in 2014 and 32% in 2013)
- In 2015, viewers are rushing more than in 2014 to view this type of content as soon as it is released (17%, up from 8%), particularly among the younger 18-34 audience

Statement Agreement About Original Digital Video – Monthly+ Users of Original Digital Video –

Q26. Thinking about when you watch original digital video, which of the following statements do you agree with? Select all that apply.


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Social Media Interaction - Digital

- Consumers are more likely to interact on social media around any digital video than they are around TV.
- Amateur Video Viewers are most likely to interact in social media. Half discover content through social media or click links posted by friends.
- Consumers are significantly more likely to follow Original Digital Video shows than other video types on Facebook or Twitter.
- More viewers learn about Original Digital Video shows from social media than did a year ago.

Social Media Use
– Monthly+ Users of Video Type –

<table>
<thead>
<tr>
<th>Social Media Interaction</th>
<th>TV Online</th>
<th>Amateur</th>
<th>Original Digital Video</th>
</tr>
</thead>
<tbody>
<tr>
<td>I follow shows/producers of this video online on Facebook or Twitter**</td>
<td>20%</td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td>I enjoy online discussions, reading or writing comments about [video type]</td>
<td>17%</td>
<td>27%</td>
<td>19%</td>
</tr>
<tr>
<td>I sometimes watch [video type] online with friends online</td>
<td>16%</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>I often click links from friends on Facebook or Twitter to watch [video type]</td>
<td>15%</td>
<td>51%</td>
<td>30%</td>
</tr>
<tr>
<td>I often discover this type of video through social media sites*</td>
<td>12%</td>
<td>51%</td>
<td>35%</td>
</tr>
<tr>
<td>I often post to Facebook or Twitter about [video type] I've just watched online</td>
<td>11%</td>
<td>25%</td>
<td>18%</td>
</tr>
</tbody>
</table>

*not asked in 2013
** asked as “I follow [video type] on…” in 2013
Q11. How do you interact in social media with each type of online viewing listed?
Base: Viewer of … (2014/2015) TV shows online (n=614/527), Amateur(n=683/551), Original Digital Video (n=490/371)

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Social Media Interaction - Digital

- Adults 18-34 are more likely to interact around Original Digital Video in social media than are Adults 18 and older.
- Original Digital Video social media interaction among the younger 18-34 set skews female for Twitter/Facebook follows and discovery through social media.

Social Media Use
– 18-34 Monthly+ Users of Video Type by Gender –

Original Digital Video

<table>
<thead>
<tr>
<th>Activity</th>
<th>Male 18-34</th>
<th>Female 18-34</th>
</tr>
</thead>
<tbody>
<tr>
<td>I follow shows/producers of this video on Facebook or Twitter</td>
<td>23%</td>
<td>35%</td>
</tr>
<tr>
<td>I enjoy online discussions, reading or writing comments about [video type]</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>I sometimes watch [video type] online with friends online</td>
<td>27%</td>
<td>28%</td>
</tr>
<tr>
<td>I often click links from friends on Facebook or Twitter to watch [video type]</td>
<td>38%</td>
<td>41%</td>
</tr>
<tr>
<td>I often discover this type of video through social media sites</td>
<td>41%</td>
<td>50%</td>
</tr>
<tr>
<td>I often post to Facebook or Twitter about [video type] I've just watched online</td>
<td>20%</td>
<td>24%</td>
</tr>
</tbody>
</table>
Social Media Interaction – TV Types

- Consumers are more likely to use social media around digital video than they are around TV
- Daytime TV social media behavior declined 10 percentage points since last year

### Social Media Use*

<table>
<thead>
<tr>
<th><strong>Social Media Interaction</strong></th>
<th><strong>Primetime on TV</strong></th>
<th><strong>Daytime on TV</strong></th>
<th><strong>Sports on TV</strong></th>
<th><strong>News on TV</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Any (Net)</td>
<td>39%</td>
<td>-10%</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>I follow shows or stars of this type of TV on Facebook or Twitter**</td>
<td>20%</td>
<td>14%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>I sometimes watch this type of TV with friends in a different location</td>
<td>18%</td>
<td>11%</td>
<td>21%</td>
<td>10%</td>
</tr>
<tr>
<td>I often click links from friends on Facebook or Twitter to watch this type of TV</td>
<td>16%</td>
<td>15%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>I enjoy online discussions, reading or writing comments about this type of TV</td>
<td>16%</td>
<td>14%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>I often discover this type of TV through social media sites</td>
<td>15%</td>
<td>13%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>I often post to Facebook or Twitter about this type of TV just after I’ve watched</td>
<td>14%</td>
<td>9%</td>
<td>19%</td>
<td>8%</td>
</tr>
</tbody>
</table>

*not asked about TV in 2013
Q32. How do you interact in social media with each type of TV program listed?
Base: Viewer of … (2014/2015)Primetime on TV (n=653/579), Daytime on TV (n=281/244), Sports on TV (n=456/450), News on TV (n=683/566)

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Original Digital Video vs. Regular TV
Image – Most Different

- The image gap between Original Digital Video and TV widens in 2015; Original Digital Video is perceived to be even more mobile, innovative, younger and newer than regular TV

Image of Regular TV vs. Original Digital Video*
– Monthly+ Users of TV and Original Digital Video –

For anywhere

Innovative

Younger

New

Unique content

Up and coming

Exciting

Leaders

For Home

Traditional

Older

Old

Generic content

Outdated

Predictable

Followers

Mean Rating


*not asked in 2013
Q40. And, in your opinion, where does your image of each of these fall on the following scale … closer to the word on the left; closer to the word on the right; or somewhere in-between?
Base: Original Digital Video and Regular TV Viewer (2014/2015)(n=402/302)

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Image – More Similar

While Original Digital Video is seen as more interesting than TV, regular TV and Original Digital Video is seen as more similar on aspects such as being “for me” and necessary.

Image of Regular TV vs. Original Digital Video*
– Monthly+ Users of TV and Original Digital Video –

*not asked in 2013  **not asked in 2014
Q40. And, in your opinion, where does your image of each of these fall on the following scale … closer to the word on the left; closer to the word on the right; or somewhere in-between?
Base: Original Digital Video and Regular TV Viewer (2014/2015)(n=402/302)

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Forced Choice - Original Digital Video Monthly+ Users

- Respondents are nearly as likely to watch Original Digital Video as Primetime TV
- They are much more likely to watch Original Digital Video than Daytime TV

Video Most Likely to Watch*
– Monthly+ Users of Original Digital Video –

*not asked in 2013
Q41. Choose the type of video you would be most likely to watch, and which one you would be least likely to watch...
Base: Monthly+ Viewers of Original Digital Video (n=367)

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What is MaxDiff?
MaxDiff is an alternative to traditional rating scales and better determines the relative appeal of the alternatives. An index of 145 means this content is about 1.5 times more likely to be “most likely” to be watched than the average item on this list.
Likes

- For TV Online Viewers, “the ability to watch on my own schedule” remains the most common like; “fewer ads” are mentioned by some as well
- Amateur Viewers watch mainly because the content is “funny or humorous”
- Original Digital Video Viewers are more differentiated in their reasons - “watch on own schedule”, “video quality” and “good quality video” are mentioned most often

Like Best About Viewing Experience – Top 5
– Monthly+ Users of Video Type –

<table>
<thead>
<tr>
<th>TV Online</th>
<th>Amateur</th>
<th>Original Digital Video</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to watch old episodes/reruns</td>
<td>Funny/Humorous</td>
<td>Ability to watch on my schedule</td>
</tr>
<tr>
<td></td>
<td>61%</td>
<td>54%</td>
</tr>
<tr>
<td>Ability to pause/start/stop anytime</td>
<td>Fun/Entertaining</td>
<td>Fun/Entertaining</td>
</tr>
<tr>
<td></td>
<td>58</td>
<td>45</td>
</tr>
<tr>
<td>Ability to choose programs/shows</td>
<td>Ability to watch on my schedule</td>
<td>No commercials</td>
</tr>
<tr>
<td></td>
<td>53</td>
<td>41</td>
</tr>
<tr>
<td>Ability to watch all episodes at once</td>
<td>Interesting/Creative</td>
<td>Good quality</td>
</tr>
<tr>
<td></td>
<td>53</td>
<td>40</td>
</tr>
<tr>
<td>Free or reasonable price</td>
<td>Shortness of videos</td>
<td>Ability to watch multiple episodes</td>
</tr>
<tr>
<td></td>
<td>53</td>
<td>40</td>
</tr>
</tbody>
</table>
Original Digital Video and Primetime TV

- Viewers of both Primetime TV and Original Digital Video cite flexible viewing times and fewer commercials as the main advantages of Original Digital Video.
- Original content is also mentioned by many, particularly males.

Q49. Lastly for this section, you told us that you watch both original digital video as well as primetime shows on regular TV. Comparing those, what do you like better about original digital video content when compared with primetime TV shows?


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Highlights: Young Cord Cutters/Cord Nevers

GfK interviewed a sample augment of 147 monthly+ users of Original Digital Video who are also pay TV Cord Cutters/Cord Nevers, age 18-34
Sizing the Market

- Not surprisingly, young cord-cutters/-nevers are much more likely than the general population to watch Original Digital Video – at least twice as likely on a daily, weekly, or monthly basis.

### Usage of Original Digital Video
– Total Respondents Screened –

<table>
<thead>
<tr>
<th>Frequency</th>
<th>GenPop 18+ (D)</th>
<th>18-34 Cord Cutter/Nevers (T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ever (Net)</td>
<td>33%</td>
<td>63%^D</td>
</tr>
<tr>
<td>At Least Monthly (Net)</td>
<td>24%^D</td>
<td>51%^D</td>
</tr>
<tr>
<td>At Least Weekly (Net)</td>
<td>14%^D</td>
<td>31%^D</td>
</tr>
<tr>
<td>Daily</td>
<td>4%^D</td>
<td>8%^D</td>
</tr>
<tr>
<td>Don’t know/ not sure</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

S4c. About how often do you watch original digital video using any device (computer, smartphone, tablet, Internet-connected TV)?
Base: Total Respondents (GenPop 18+ 2015, 18-34 2015, 18-34 Cord Cutter/Nevers 2015) (N=1,929/297)
Letter indicate significantly higher than comparison group at 95%
Devices Used to Stream

- Young cord-cutters/-nevers have a similar device profile for viewing Original Digital Video, the exception being use of tablets

Devices Used Monthly+ to View Original Digital Video – Monthly+ Users of Original Digital Video –

Q22. How often do you use each device to watch original digital video?
Base: Viewer of Original Digital Video (GenPop 2015,18-34 Cord Cutter/Nevers 2015) (N=371,147)
Letter indicate significantly higher than comparison group at 95%
© GfK 2015 | IAB 2015 Original Digital Video Consumer Study | April 2015
• Young cord-cutters/-nevers have broadly similar attitudes towards ads in Original Digital Video compared with Original Digital Video users overall. They are more likely to find Original Digital Video ads to be “interesting” or “fun.”

Ad Statement Association*  
– Monthly+ Users of Original Digital Video –

<table>
<thead>
<tr>
<th>Statement</th>
<th>GenPop (D)</th>
<th>18-34 Cord Cutter/Nevers (T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I tend to remember ads the most in this type of online video</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>I tend to notice ads most in this type of online video</td>
<td>30%</td>
<td>24%</td>
</tr>
<tr>
<td>I am least annoyed by the ads in this type of online video</td>
<td>33%</td>
<td>35%</td>
</tr>
<tr>
<td>I find some ads to be more interesting or even fun in this type of online video</td>
<td>35%</td>
<td>43%</td>
</tr>
<tr>
<td>I feel like I have more control over the ads in this type of online video</td>
<td>34%</td>
<td>29%</td>
</tr>
</tbody>
</table>

*not asked in 2013  
Q12. Which type of online viewing listed best matches each statement?  
Base: Viewer of at least two of the video types… (GenPop 2015, 18-34 Cord Cutter/Nevers 2015) (N=371,147)  
Letter indicate significantly higher than comparison group at 95%  
© GfK 2015 | IAB 2015 Original Digital Video Consumer Study | April 2015
• Young cord-cutters/-nevers again have broadly similar attitudes towards Original Digital Video vs regular TV as do Original Digital Video viewers overall – still largely positive

Image of Regular TV vs. Original Digital Video*
– Monthly+ Users of TV and Original Digital Video^ –

For anywhere
Innovative
Younger
New
Unique content
Up and coming
Exciting
Leaders
For Home
Traditional
Older
Old
Generic content
Outdated
Predictable
Followers

Mean Rating

Original Digital Video - GenPop
Regular TV - GenPop
Original Digital Video - 18-34 Cord Cut
Regular TV - 18-34 Cord Cut

*not asked in 2013
Q40. And, in your opinion, where does your image of each of these fall on the following scale … closer to the word on the left; closer to the word on the right; or somewhere in-between?
Base: Original Digital Video and Regular TV Viewer (N=302/71^)
^caution : small base
Image – More Similar

- Again, young cord-cutters/-nevers have broadly similar attitudes towards Original Digital Video vs regular TV for these image statements

Image of Regular TV vs. Original Digital Video*
– Monthly+ Users of TV and Original Digital Video ^ –

Not Commercial

■ Original Digital Video - GenPop ▲ Regular TV - GenPop ■ Original Digital Video - 18-34 Cord Cut ▲ Regular TV - 18-34 Cord Cut

Edgy

- Commercial

Hot

- Stuffy

Interesting

- Not

**Worth my time

- Boring

For me

- Not worth my time**

Necessary

- Not for me

Unnecessary

Mean Rating

1 2 3 4 5 6 7 8 9 10

*not asked in 2013   **not asked in 2014
Q40. And, in your opinion, where does your image of each of these fall on the following scale … closer to the word on the left; closer to the word on the right; or somewhere in-between?
Base: Original Digital Video and Regular TV Viewer (N=302/71^)

^caution : small base

© GfK 2015 | IAB 2015 Original Digital Video Consumer Study | April 2015
Young cord-cutters/-nevers have slightly more negative views of ads in Original Digital Video than do Original Digital Video viewers overall; this is typical of younger adults.

**Original Digital Video Ad Perceptions**

- **New**
  - GenPop 2015: 5
  - 18-34 Cord Cutters/Nevers 2015: 5

- **Youthful**
  - GenPop 2015: 5
  - 18-34 Cord Cutters/Nevers 2015: 5

- **Gives me control**
  - GenPop 2015: 4
  - 18-34 Cord Cutters/Nevers 2015: 4

- **Less Annoying**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

- **Interesting**
  - GenPop 2015: 4
  - 18-34 Cord Cutters/Nevers 2015: 4

- **Relevant**
  - GenPop 2015: 5
  - 18-34 Cord Cutters/Nevers 2015: 5

- **Exciting**
  - GenPop 2015: 5
  - 18-34 Cord Cutters/Nevers 2015: 5

- **Draws me in**
  - GenPop 2015: 5
  - 18-34 Cord Cutters/Nevers 2015: 5

- **Old**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

- **Outdated**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

- **Is out of my control**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

- **More Annoying**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

- **Boring**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

- **Not Relevant**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

- **Predictable**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

- **Turns me off**
  - GenPop 2015: 6
  - 18-34 Cord Cutters/Nevers 2015: 6

**not asked in 2014**

Q40z. Compared with regular TV commercials, would you say the video ads during original digital video are...

*Base: Monthly+ Viewers of Original Digital Video (Gen Pop 2015 N=371, 18-34 Cord Cutters/Nevers 2015 N=147)*
Among Original Digital Video Viewers who are also cord-cutters/-nevers, there is a clear preference for Original Digital Video content compared with all the types of TV content, including Primetime TV.

**Video Most Likely to Watch**

- **Original digital video via streaming video**: 182
- **Primetime TV shows on broadcast or cable TV**: 150
- **Local or national news on broadcast or cable TV**: 68
- **Live sports events on broadcast or cable TV**: 63
- **Daytime TV Shows on broadcast or cable TV**: 37

*MaxDiff Index*
- Average 51-149
- Low <50

**What is MaxDiff?**
MaxDiff is an alternative to traditional rating scales and better determines the relative appeal of the alternatives. An index of 182 means this content is about 1.8 times more likely to be “most likely” to be watched than the average item on this list.

*not asked in 2013
Q41. Choose the type of video you would be **most likely** to watch, and which one you would be **least likely** to watch...

Base: 18-34 Cord Cutters/Nevers and Monthly+ Viewers of Original Digital Video (n=144)
Among Cord-Cutters/-Nevers who are also Original Digital Video viewers, a strong majority say streaming video was important in their decision to not have pay TV; Original Digital Video was almost as important, particularly among Cord-Nevers.

**Important of Streaming Video (any type) in Cancelling/Not Having Pay TV**
- Total -

- Very Important: 48% Cutters, 26% Nevers
- Somewhat Important: 28% Cutters, 39% Nevers
- Not at all Important: 24% Cutters, 35% Nevers

**Importance of Original Digital Video in Cancelling/Not Having Pay TV**
- Monthly+ Original Digital Video Viewers -

- Very Important: 21% Cutters, 20% Nevers
- Somewhat Important: 32% Cutters, 43% Nevers
- Not at all Important: 47% Cutters, 37% Nevers

**not asked in 2014**
Q50b/Q50c. How important a role did streaming video – of any type – play in your decision to cancel your subscription to cable, satellite, Fios, telco or paid TV?? / How important a role did streaming of original digital video play in your decision to cancel your subscription to cable, satellite, Fios, telco or paid TV?
Base: Total Qualified and cord-cutter (n=152) / Total qualified and cord cutter and ad-supported ODV viewer (n=99)

Q50d/Q50e. How important a role does streaming video – of any type – play in your decision to not have a subscription to cable, satellite, Fios, telco or paid TV? how important a role does streaming of original digital video play in your decision to not have a subscription to cable, satellite, Fios, telco or paid TV?
Base: Total qualified and cord-never (n=92) / Total qualified and cord cutter and ad-supported ODV viewer (n=48*)

^caution : small base

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Reactions to Ads
Ads - Digital

- Consistent with previous years, ads tend to be more notable and memorable for TV online viewers versus ads seen by Amateur and Original Digital Video Viewers.
- Amateur Video Viewers continue to feel that they have more control over the ads when using that type of video.

Ad Statement Association*
– Monthly+ Users of Video Type –

<table>
<thead>
<tr>
<th>Statement</th>
<th>TV Online</th>
<th>Amateur</th>
<th>Original Digital Video</th>
</tr>
</thead>
<tbody>
<tr>
<td>I tend to remember ads the most in this type of online video</td>
<td>49%</td>
<td>24% (35+ Males 33%)</td>
<td>29%</td>
</tr>
<tr>
<td>I tend to notice ads most in this type of online video</td>
<td>44%</td>
<td>31% (18-34 36%)</td>
<td>30%</td>
</tr>
<tr>
<td>I am least annoyed by the ads in this type of online video</td>
<td>34%</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>I find some ads to be more interesting or even fun in this type of online video</td>
<td>33%</td>
<td>38%</td>
<td>35%</td>
</tr>
<tr>
<td>I feel like I have more control over the ads in this type of online video</td>
<td>31%</td>
<td>43% (35+ Males 54%)</td>
<td>34%</td>
</tr>
</tbody>
</table>

*not asked in 2013
Q12. Which type of online viewing listed best matches each statement?
Base: Viewer of at least two of the video types...(2014/2015) – TV shows online (n=570/527), Amateur Online (n=621/551), Original Digital Video (n=472/371)
Ads – TV Types

- Primetime TV Viewers claim to notice and remember ads more while watching this type of video than any of the other video genres.
- Sports Viewers find some ads more interesting/fun on this type of video as well as being less annoyed by the ads viewed than they were last year.

Ad Statement Association*
– Monthly+ Users of TV Type –

<table>
<thead>
<tr>
<th></th>
<th>Primetime on TV</th>
<th>Daytime on TV</th>
<th>Sports on TV</th>
<th>News on TV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I tend to remember ads the most in this type of online video</td>
<td>51%</td>
<td>18%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>I tend to notice ads most in this type of online video</td>
<td>47%</td>
<td>26%</td>
<td>41%</td>
<td>19%</td>
</tr>
<tr>
<td>I am least annoyed by the ads in this type of online video</td>
<td>33%</td>
<td>22%</td>
<td>44%</td>
<td>33%</td>
</tr>
<tr>
<td>I find some ads to be more interesting or even fun in this type of online video</td>
<td>44%</td>
<td>24%</td>
<td>50%</td>
<td>16%</td>
</tr>
</tbody>
</table>

*not asked in 2013
Q33. Which type of TV program listed best matches each statement?
Base: Viewer of at least two TV types... (2014/2015)– Primetime TV (n=607/533), Daytime TV (n=276/242), Live TV sports (n=425/414), TV news (n=630/530)

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Monthly+ Viewer Demographics
Demographic/Device Profile of Monthly+ Users

- Original Digital Video viewers have shifted to include more females and HHs with kids
- As expected, young cord-cutters/nevers are less likely to be married or have kids, have lower incomes

<table>
<thead>
<tr>
<th></th>
<th>TV Online</th>
<th>Amateur</th>
<th>Original Digital Video</th>
<th>18-34 Cord Cutter/Ne ver ODV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(N=527)</td>
<td>(N=551)</td>
<td>(N=371)</td>
<td>(N=147)</td>
</tr>
<tr>
<td>Male</td>
<td>51%</td>
<td>50%</td>
<td>50%</td>
<td>52%</td>
</tr>
<tr>
<td>Female</td>
<td>49%</td>
<td>50%</td>
<td>50%</td>
<td>48%</td>
</tr>
<tr>
<td>Mean age</td>
<td>37.8</td>
<td>39.5BD</td>
<td>36.9T</td>
<td>27.7</td>
</tr>
<tr>
<td>Median HH income (in thousands)</td>
<td>70.6</td>
<td>74.1+9</td>
<td>70.8+7</td>
<td>56.8</td>
</tr>
<tr>
<td>Non-Ethnic</td>
<td>67%</td>
<td>68D</td>
<td>64%</td>
<td>73D</td>
</tr>
<tr>
<td>College Grad+</td>
<td>40%</td>
<td>40%</td>
<td>38%</td>
<td>47D</td>
</tr>
<tr>
<td>Married</td>
<td>52D</td>
<td>49%</td>
<td>48%</td>
<td>41%</td>
</tr>
<tr>
<td>Any kids in HH</td>
<td>39%</td>
<td>36%</td>
<td>36%</td>
<td>30%</td>
</tr>
<tr>
<td>Median HH size</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Demographics
Letter indicates significant difference at 95% confidence level.
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+/- indicates >5 percentage points higher/lower than 2014 (>6 pp for Original Digital Video)
QUESTIONS?

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