GfK Media & Entertainment
GfK Consumer Experiences North America

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?

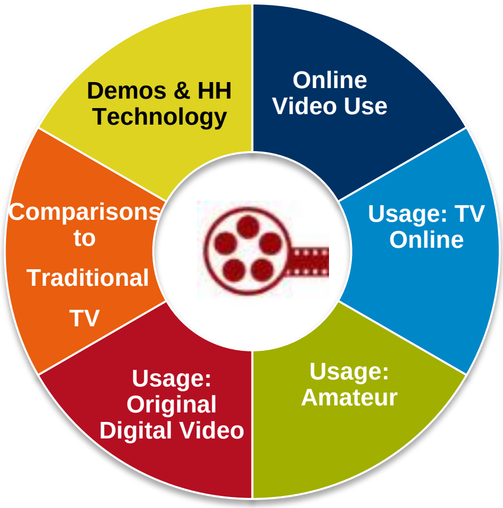
- April 7- April 14, 2015

How?

- Via a 17-minute online survey using GfK KnowledgePanel™

  The cooperation rate among the assigned sample was 46%

What?



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*

Reading the Tables/Charts

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

WHAT?

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.

SO WHAT?

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.

NOW WHAT?

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

WHAT?

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.

SO WHAT?

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

NOW WHAT?

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

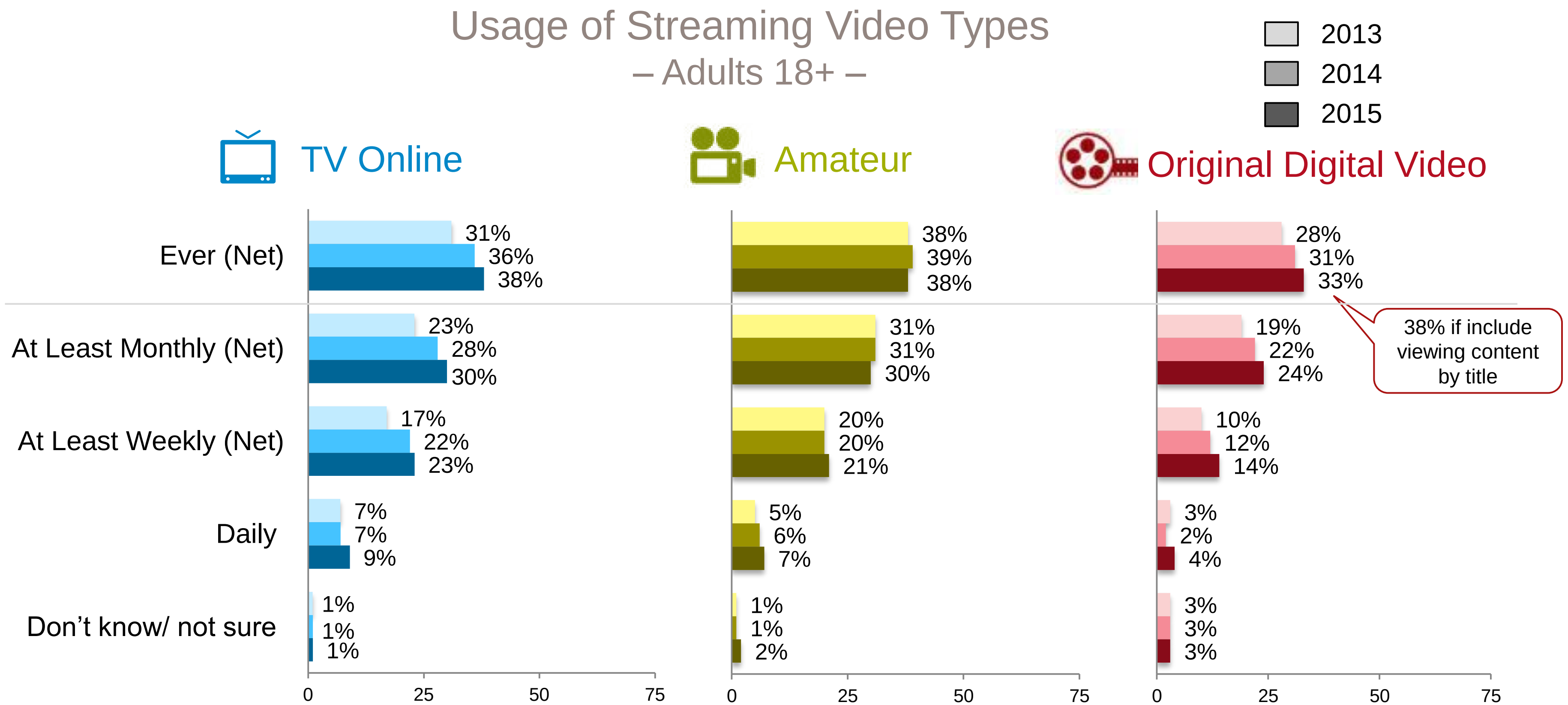
NOW WHAT?

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

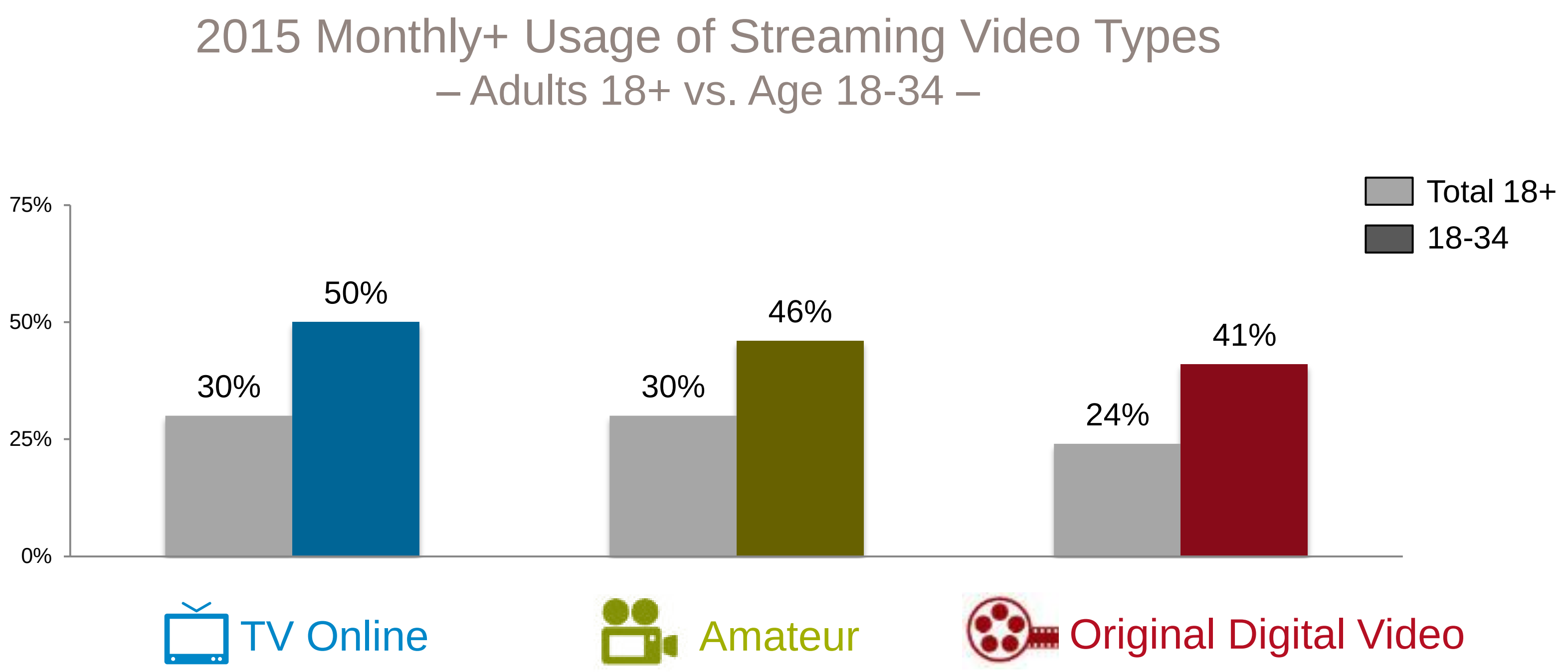
- A rough estimate is that about **59 million† American adults view Original Digital Video** each month, up 13% from 52 million in 2014 *(†24% * 244.6M US adults)*



S4a/b/c. About how often do you watch [TV shows online/amateur video online/original digital video] using any device (computer, smartphone, tablet, Internet-connected TV)?
S5. Have you ever watched any of the following original digital video shows or visited their sites below?
Base: Total Respondents 18+ (2013/2014/2015) (N=2,425/2,388/1,929)

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



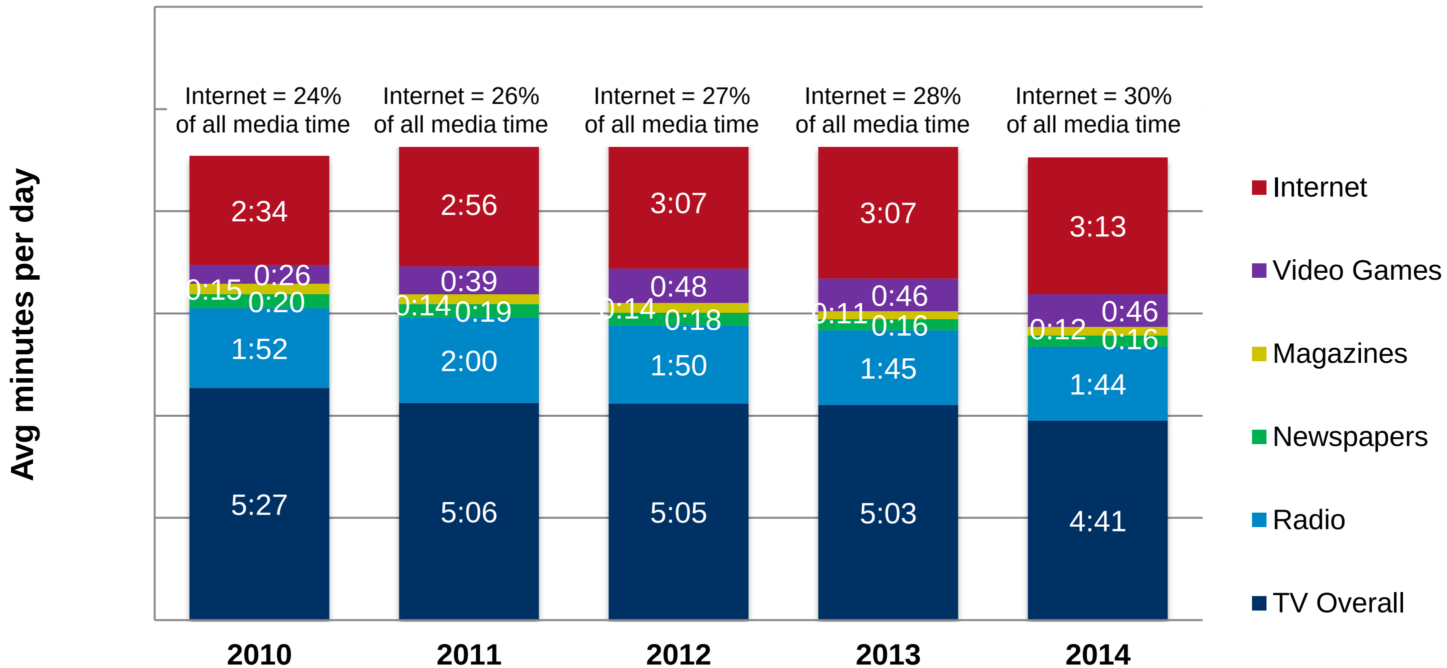
S4a/b/c. About how often do you watch [TV shows online/amateur video online/original digital video] using any device (computer, smartphone, tablet, Internet-connected TV)?
Base: 2015 Total Respondents 18+/18-34 (N=1929/429)

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



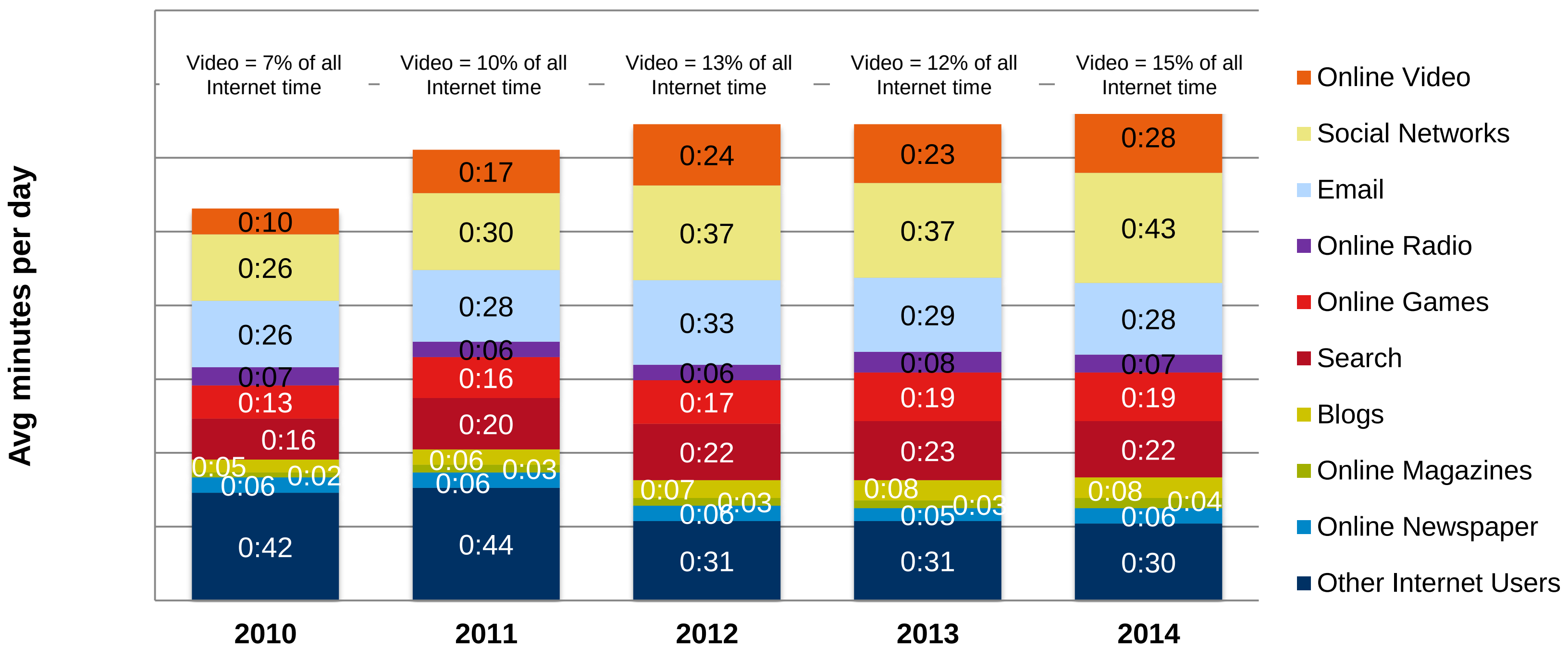
Base: Adults 18-64 (5,000 per year; 2,500 for 2014)
Source: MultiMedia Mentor™ 2010 - 2014 releases.

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



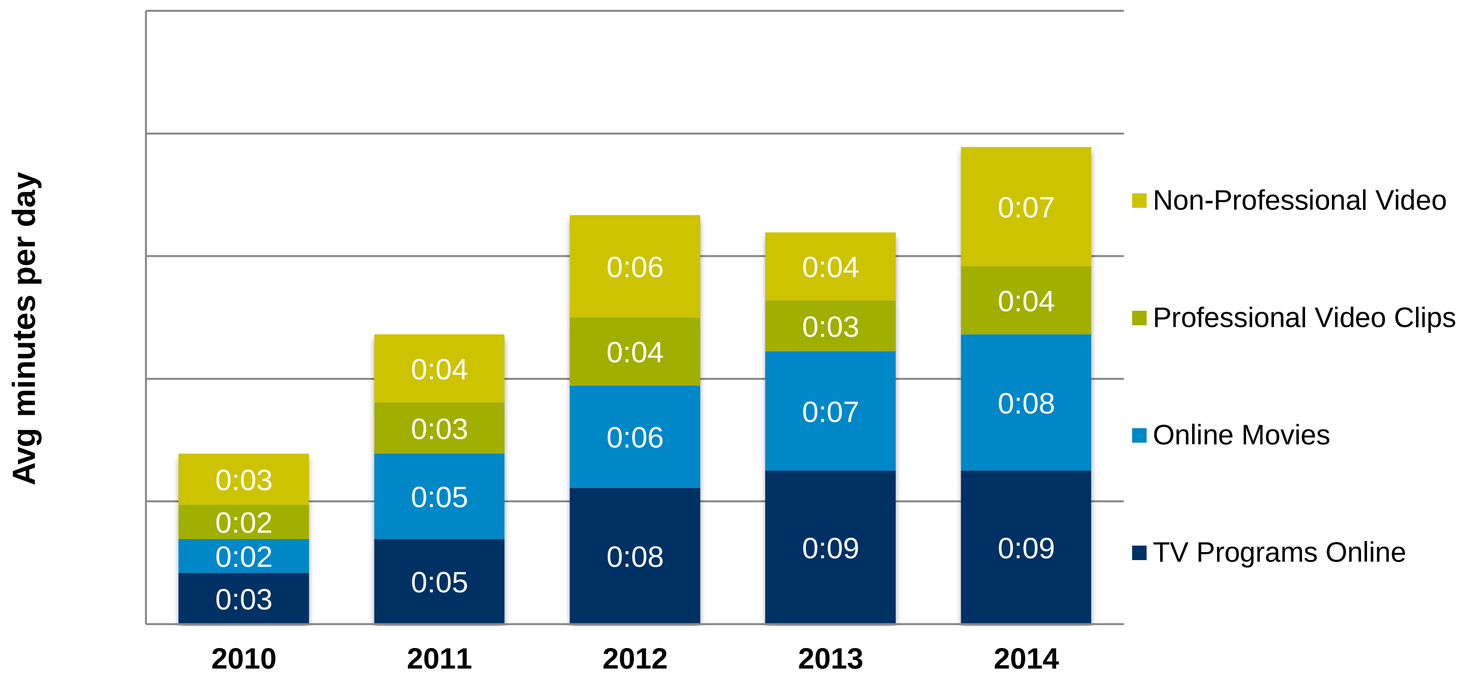
Base: Adults 18-64 (5,000 per year; 2,500 for 2014)
Source: MultiMedia Mentor™ 2010 - 2014 releases.

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)

Trend in Online Video Minutes per Day, Adults 18-64

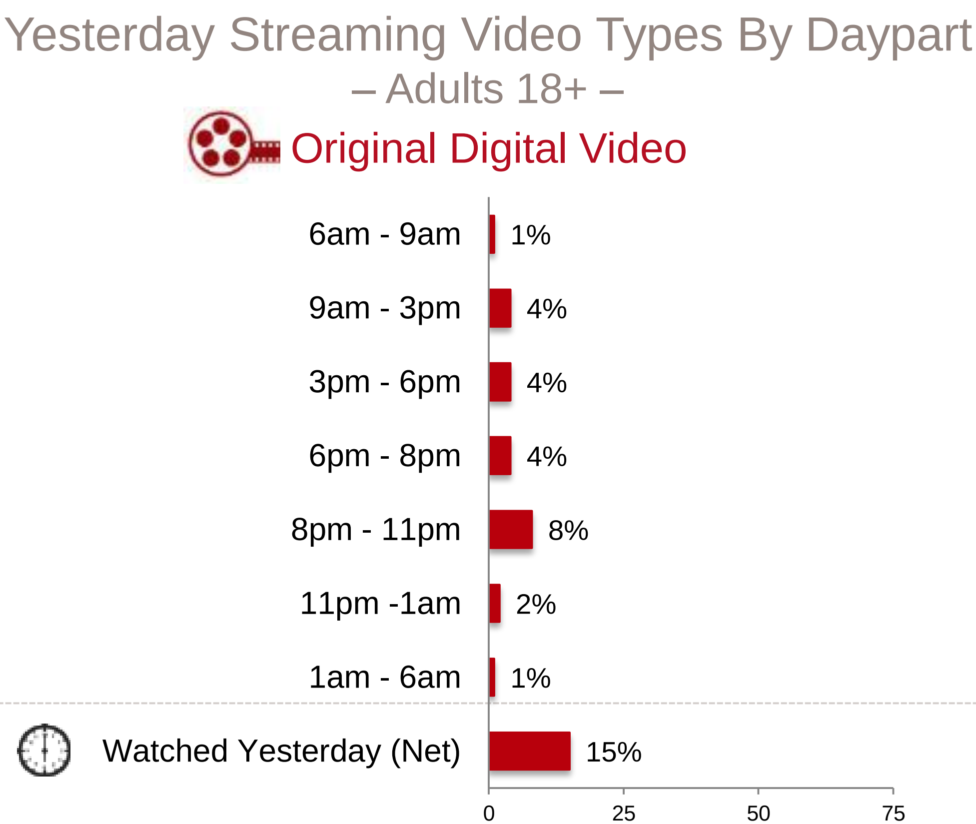


Base: Adults 18-64 (5,000 per year; 2,500 for 2014)
Source: MultiMedia Mentor™ 2010 - 2014 releases.

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

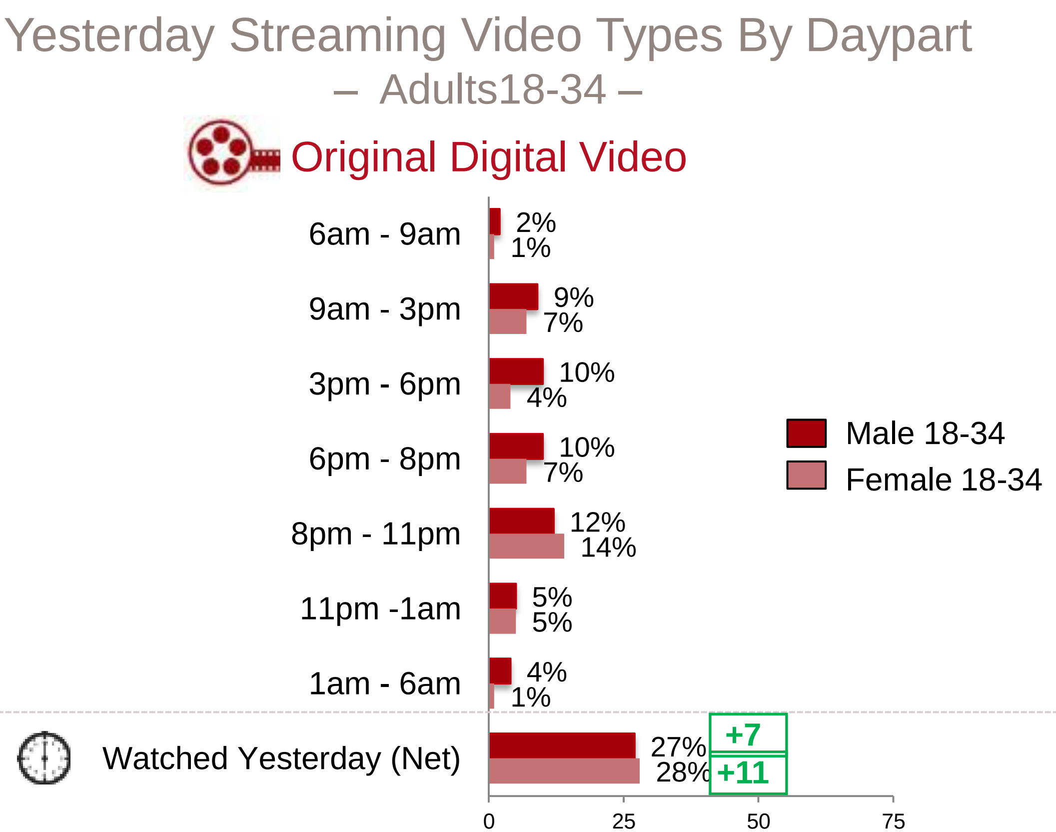


Q13. Now, thinking only of yesterday, during which of these time periods did you watch original digital video online? Please think of all your online viewing, in any location using any device.
Base: Total Respondents 18+ (N=1,929)

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

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



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)

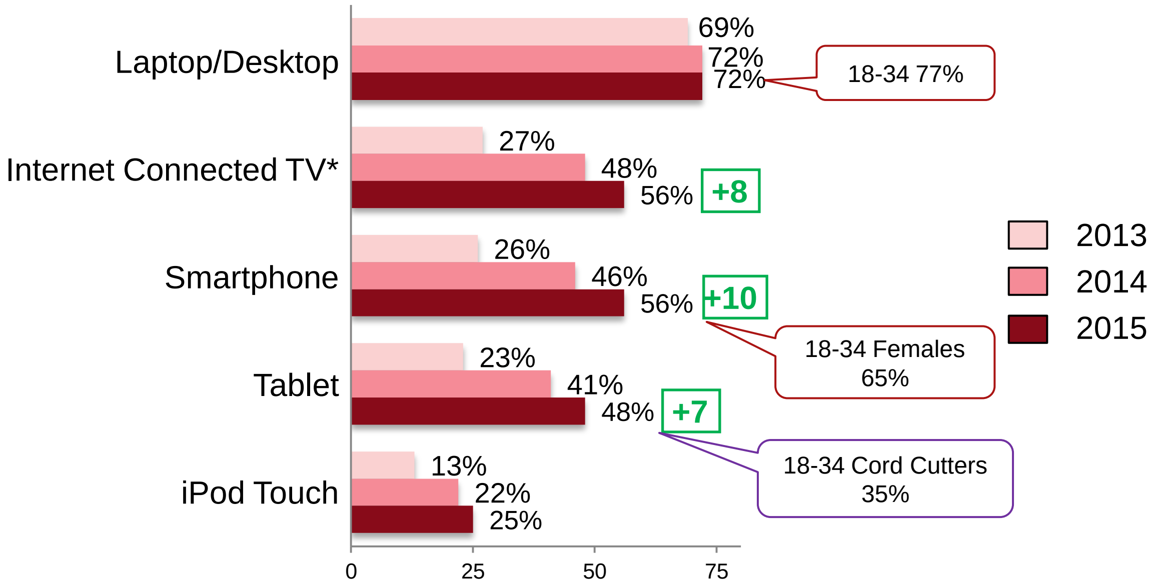
+/- *indicates >6 percentage points higher/lower than 2014*

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 –



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

*includes either built-in Internet capability or TV-connected devices with Internet capability

Q22. How often do you use each device to watch original digital video?
Base: Viewer of Original Digital Video (2013/2014/2015) (n=441/490/371)

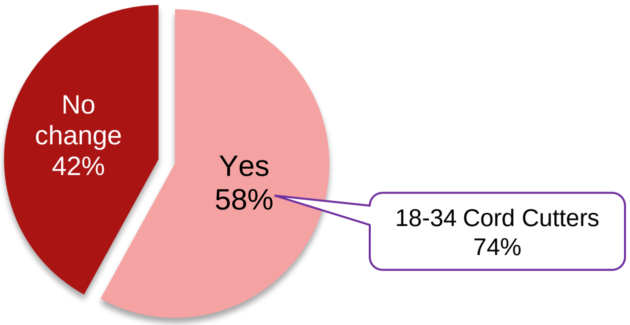
Connected TV Deep Dive

- 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

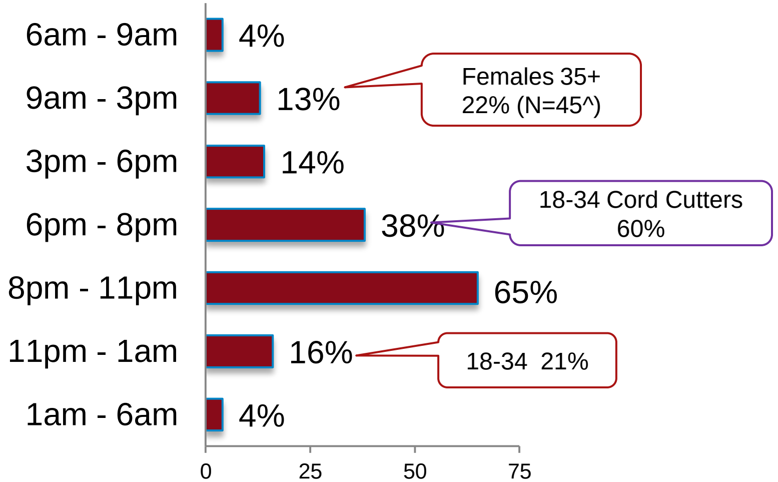
Connected TV Viewing Behavior**

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

Has Viewing Original Digital Video on Connected TV Reduced Your 'Regular TV' Watching Time?



Dayparts Original Digital Video Viewed on Connected TV



**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

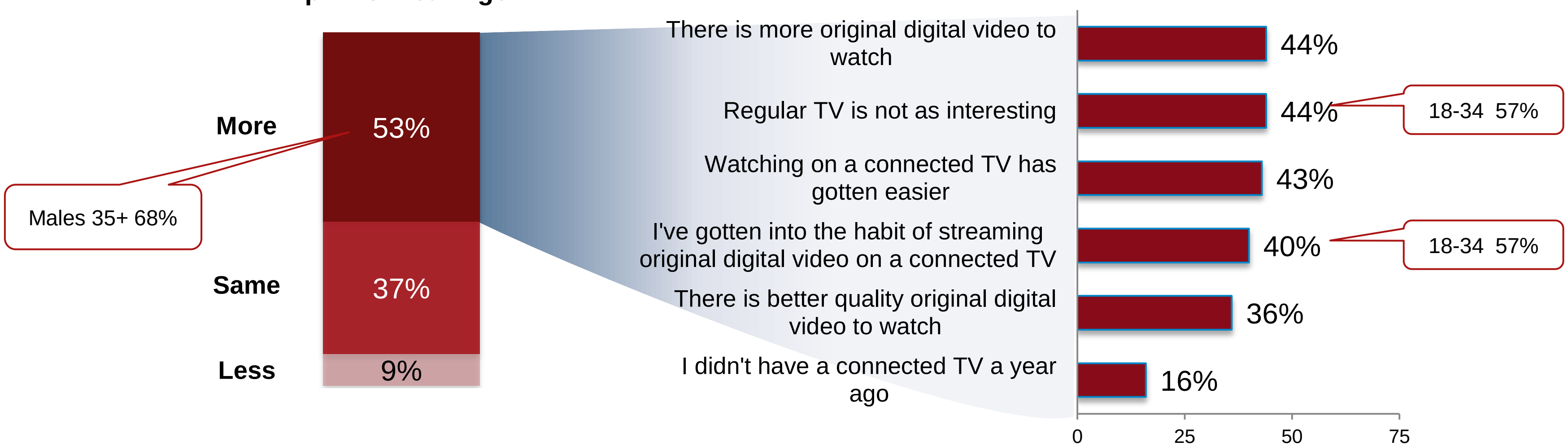
- Half of viewers of original digital video on a connected TV *during primetime* believe they are watching it more often in primetime than they were a year ago
- Top reasons are that more Original Digital Video is available, it's more interesting than TV and it's gotten easier to watch on a connected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

Reasons Watching More^



**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)

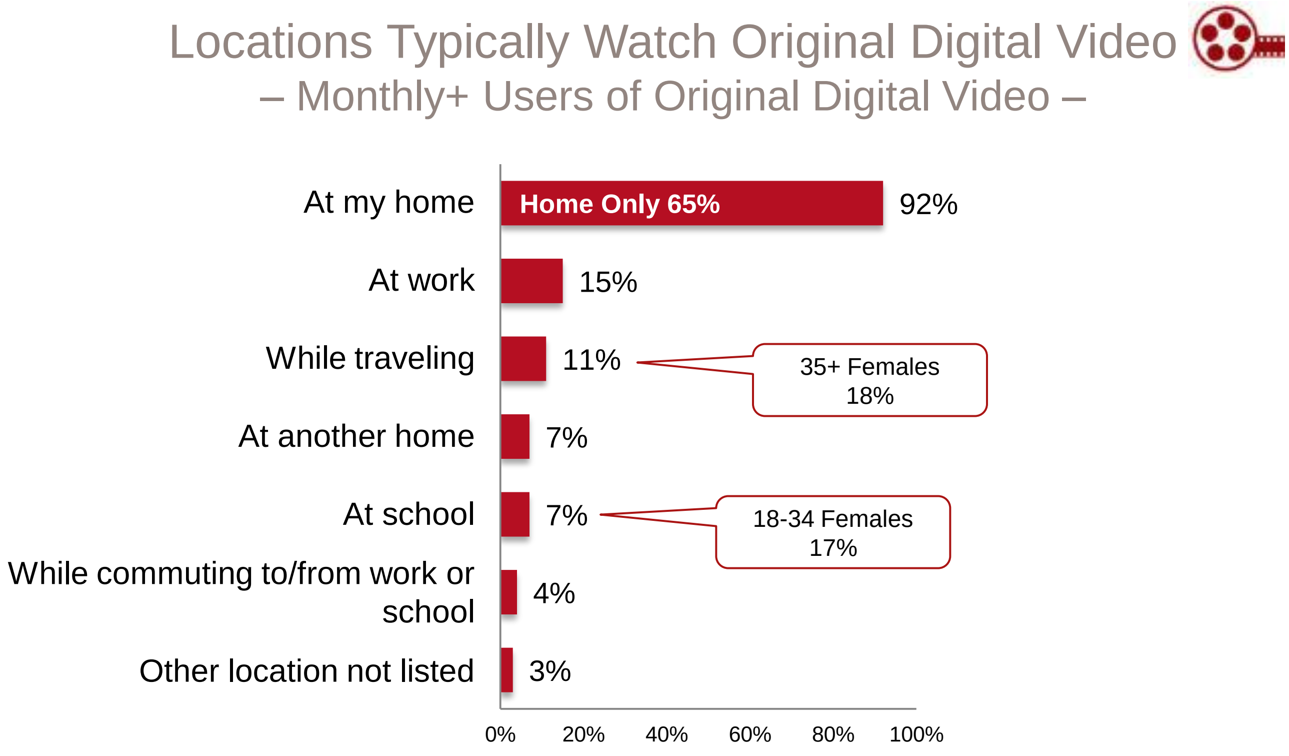
Q22j. You said you are viewing more original digital video on a connected TV during primetime (8-11pm) than a year ago. Why is that?

Base: Viewing ODV on a connected TV more in primetime (n=73^)

^caution: small base

Locations

- 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)?
Base: Viewer of Original Digital Video (2013/2014/2015) (n=441/490/371)

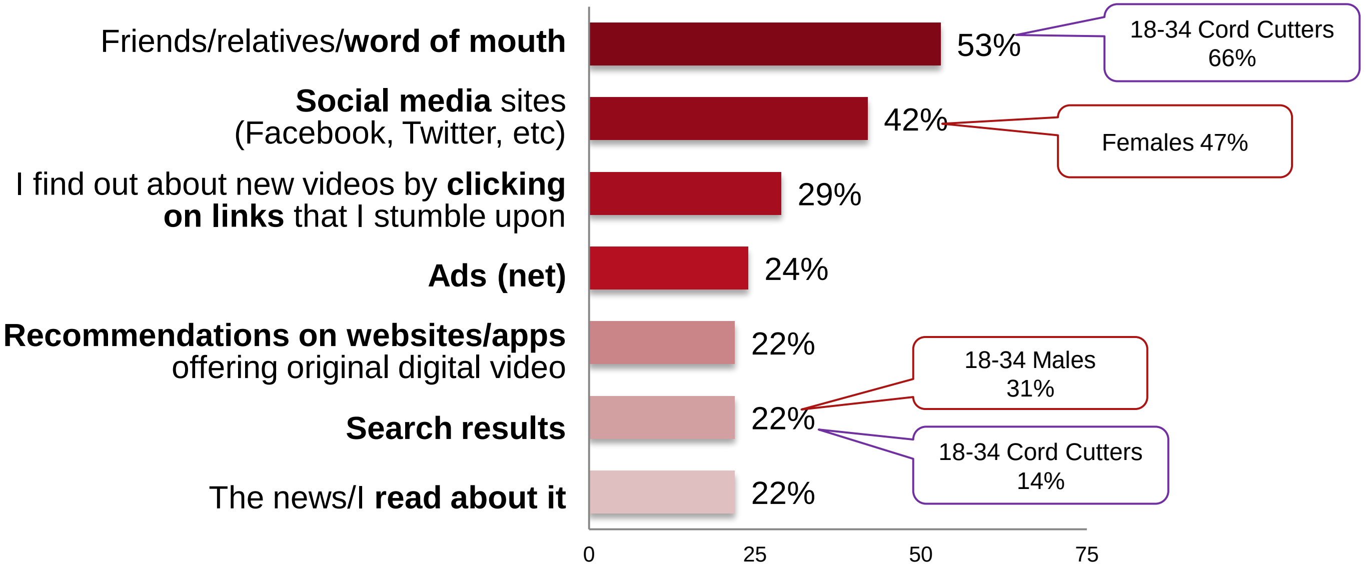
+/- indicates >6 percentage points higher/lower than 2014

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

Top Ways Learn About Original Digital Video
– Monthly+ Users of Original Digital Video –



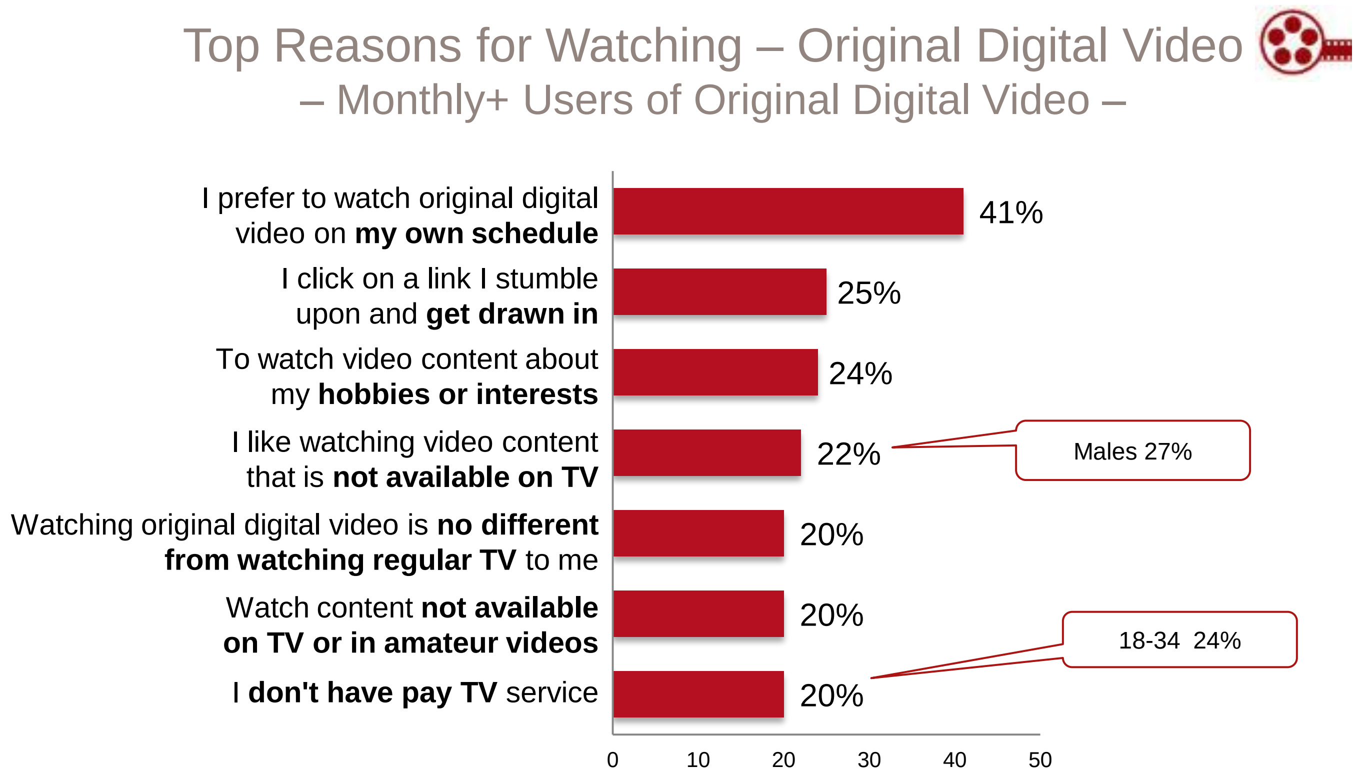
Q23. In which ways do you learn about original digital video?
Base: Viewer of Original Digital Video (2013/2014/2015) (n=441/490/371)

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

Motivations and Attitudes

Reasons Watch

- 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



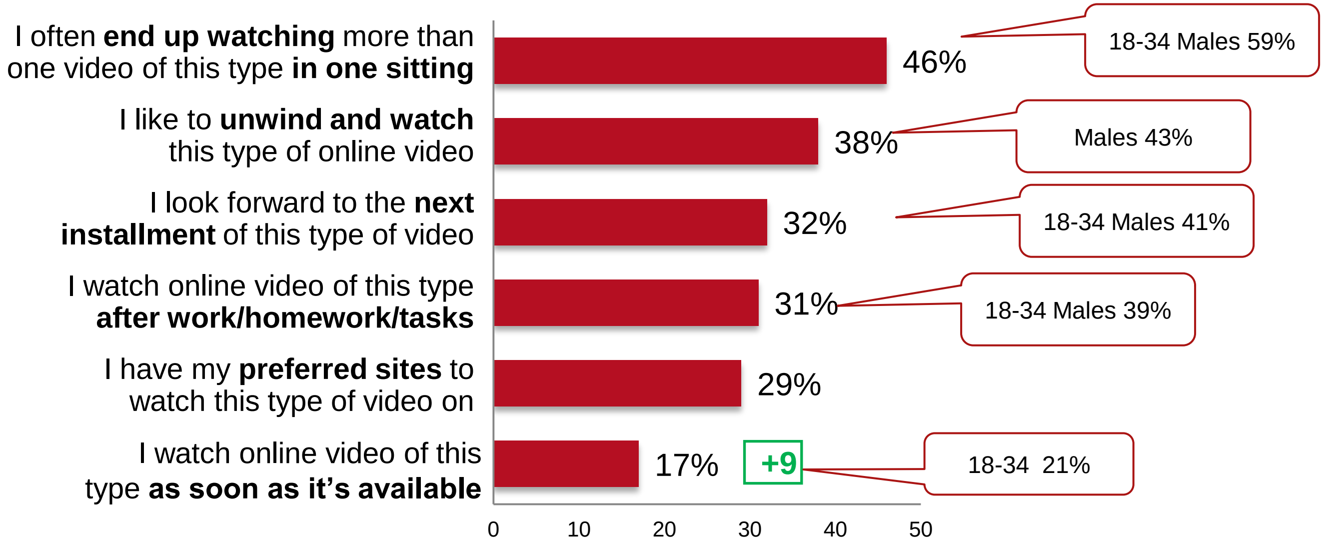
+/- indicates >6 percentage points higher/lower than 2014

Q25. And for what reasons do you usually watch original digital video? Select all that apply.
Base: Viewer of Original Digital Video (2013/2014/2015) (n=441/490/371)

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 –



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

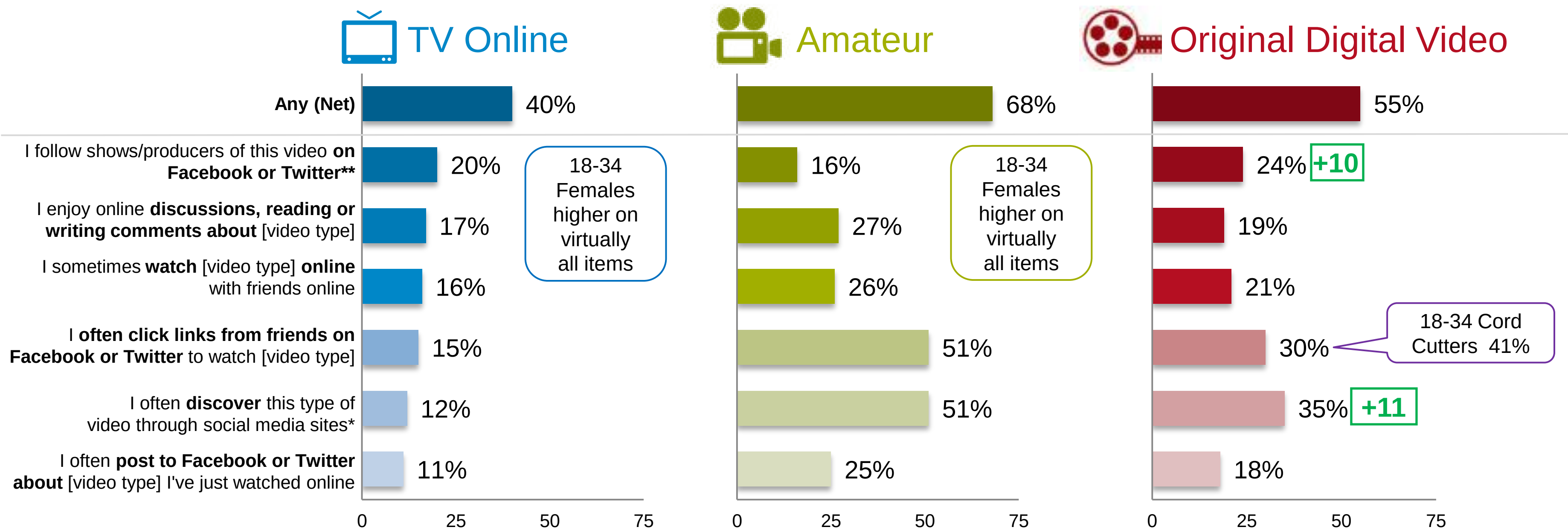
Q26. Thinking about when you watch original digital video, which of the following statements do you agree with? Select all that apply.
Base: Viewer of Original Digital Video (2013/2014/2015) (n=441/490/371)

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 –



*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)

+/- indicates >5 percentage points higher/lower than 2014 (>6 pp for Original Digital Video)

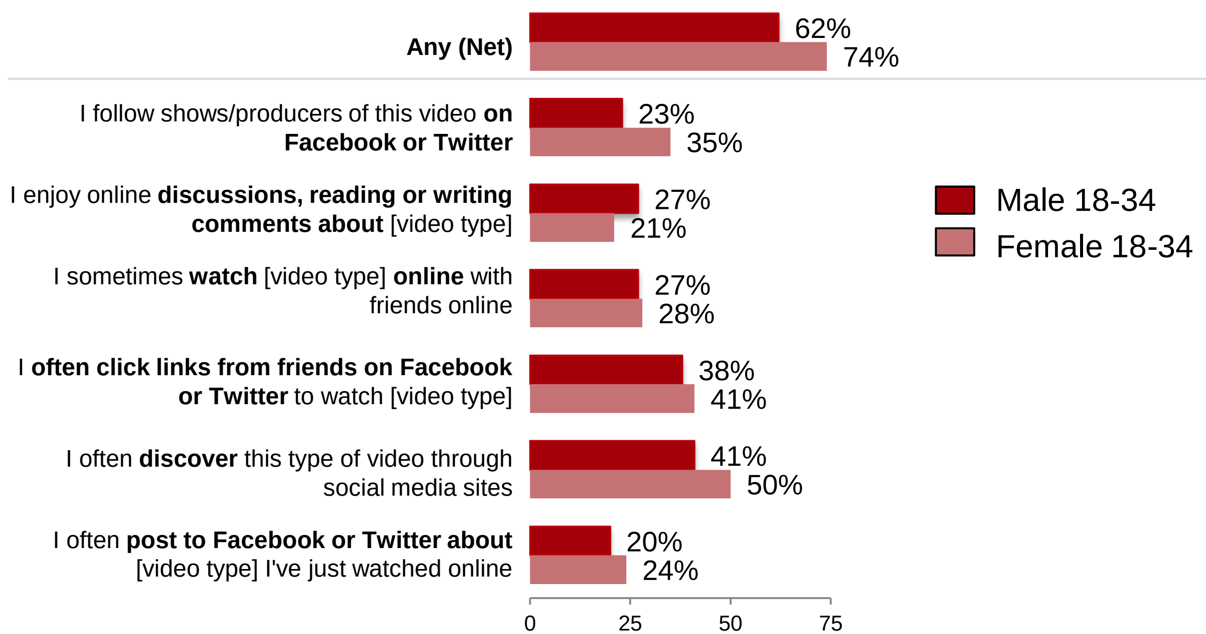
Social Media Interaction - Digital

- 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 –

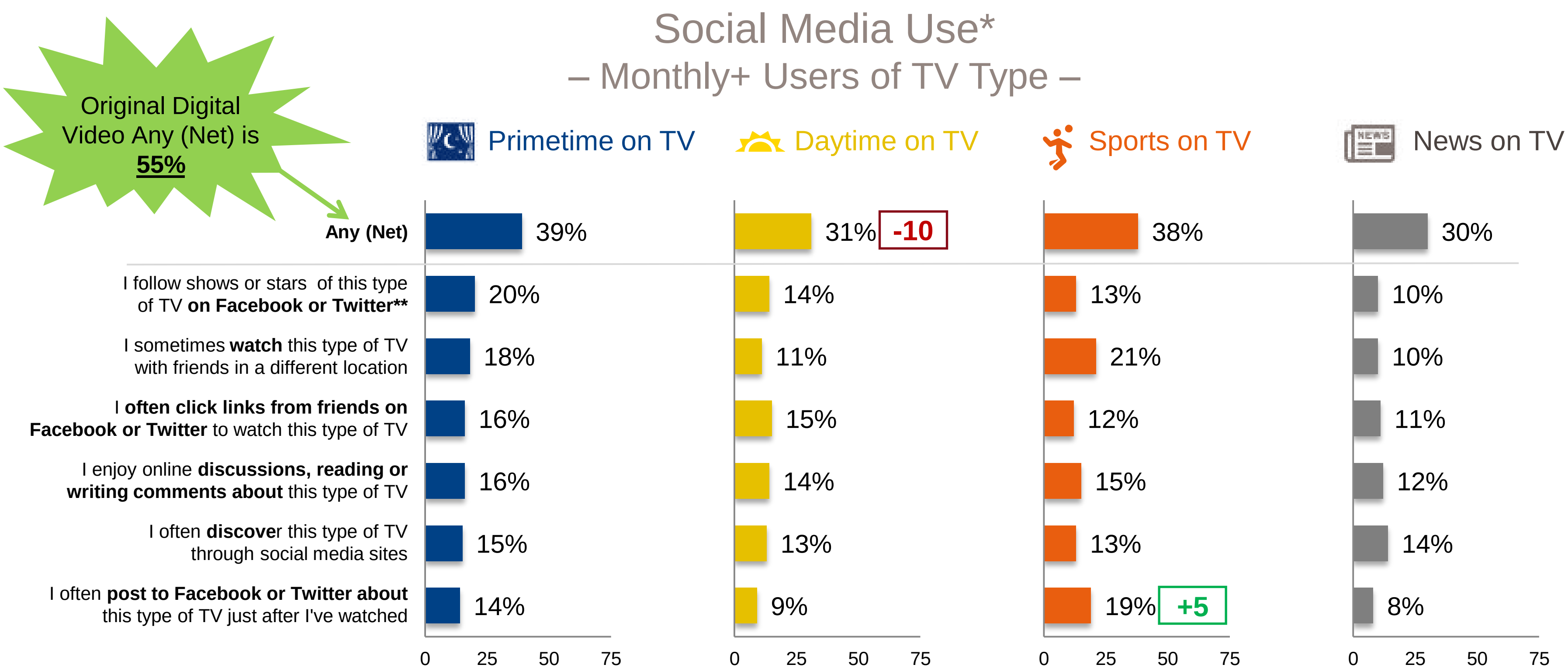
Original Digital Video



Q11. How do you interact in social media with each type of online viewing listed?
Base: Viewer of Original Digital Video: Male 18-34 (n=89), Female 18-34 (n=82)

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



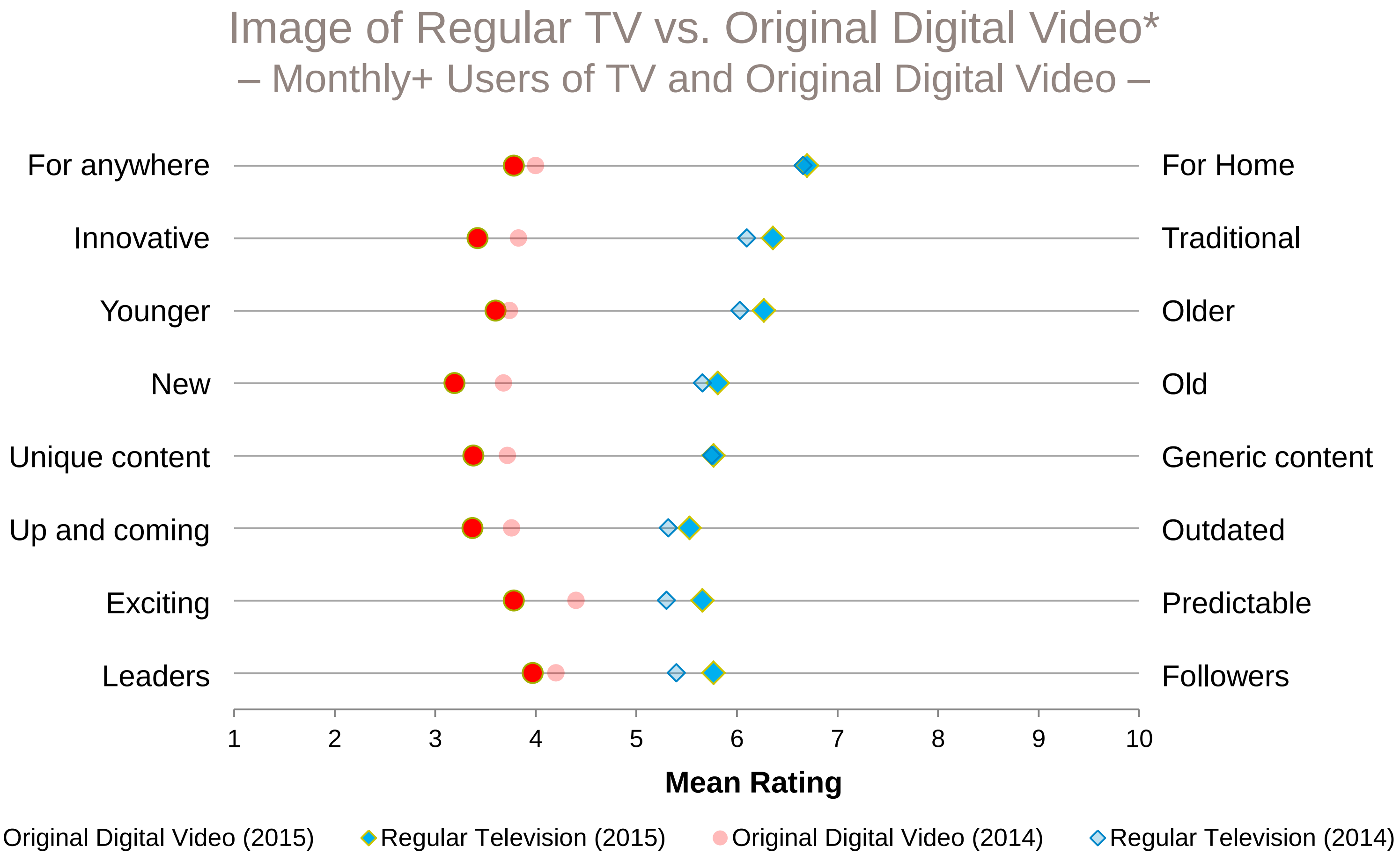
+/- indicates >5 percentage points higher/lower than 2014

*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)

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



*not asked in 2013

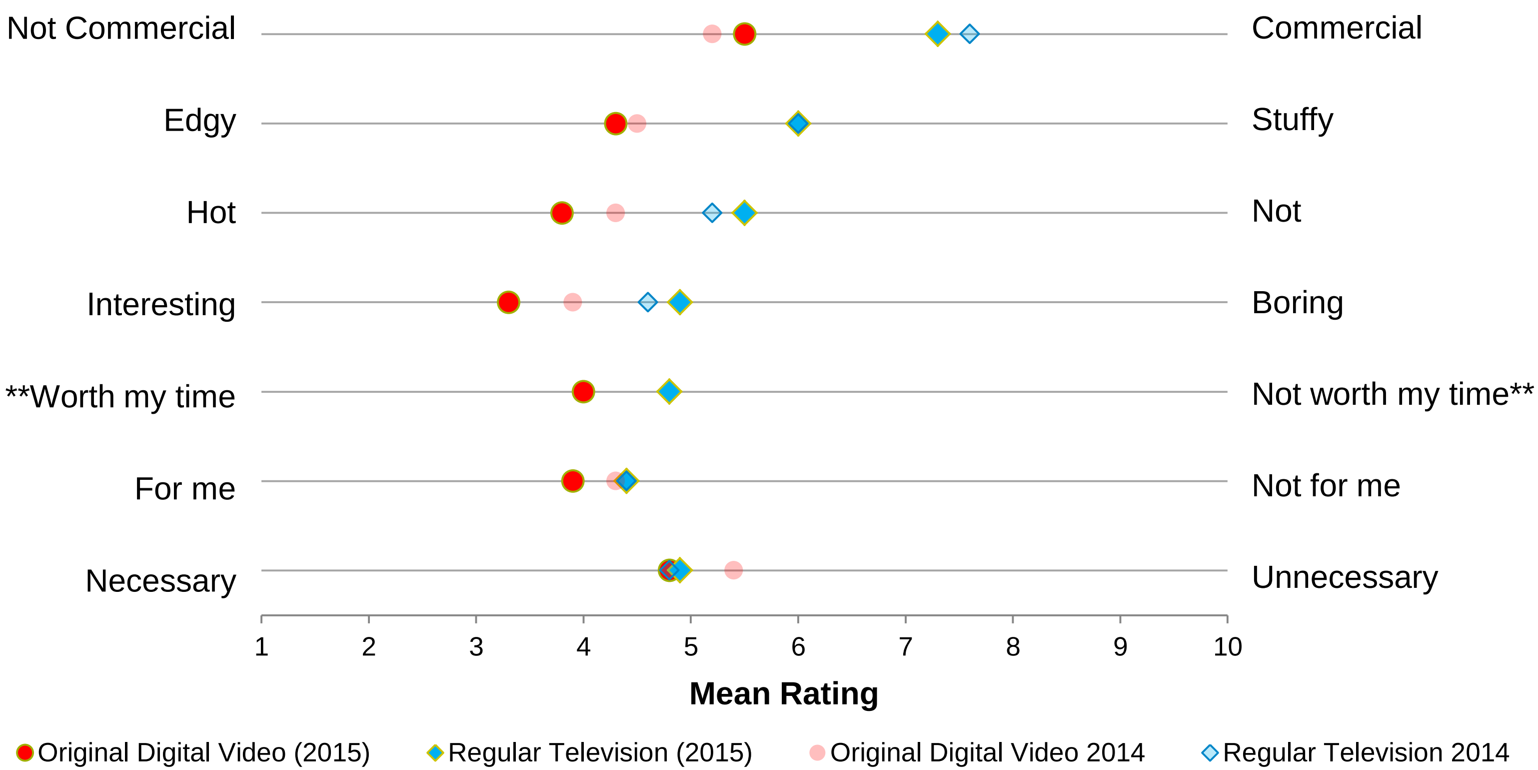
Q40. And, in your opinion, where does your image of each of these fall on the following scale … closer to the word on the left; closer to the word on the right; or somewhere in-between?

Base: Original Digital Video and Regular TV Viewer (2014/2015)(n=402/302)

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 –

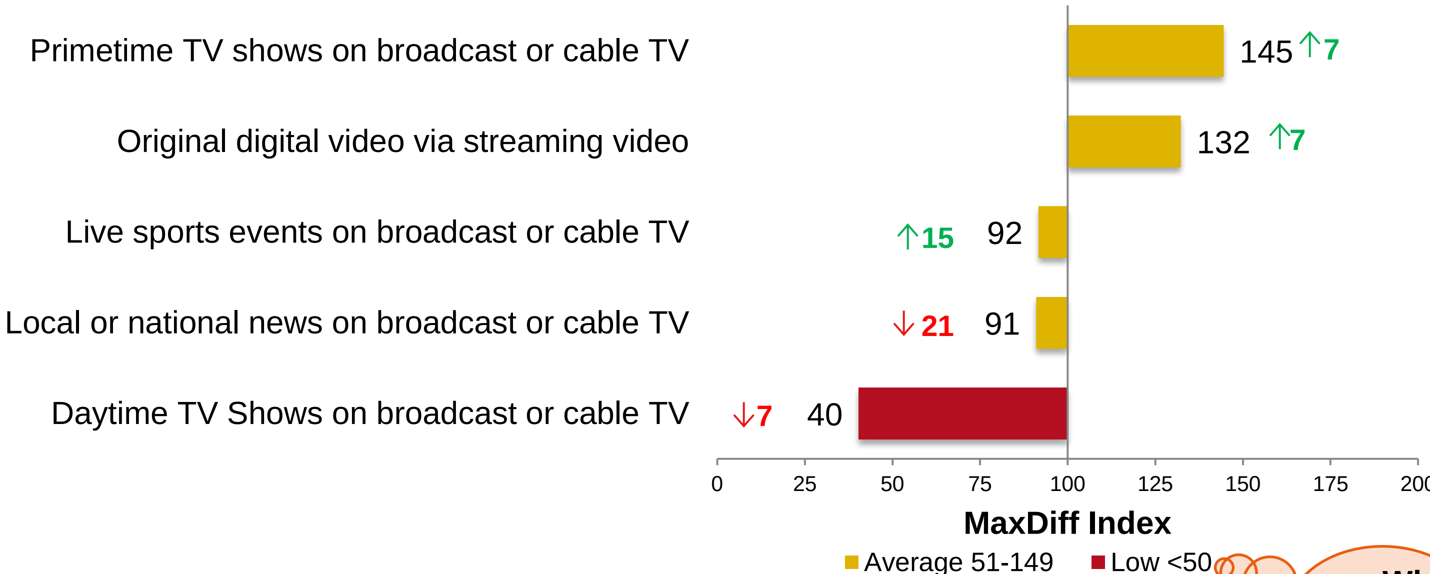


*not asked in 2013 **not asked in 2014
Q40. And, in your opinion, where does your image of each of these fall on the following scale … closer to the word on the left; closer to the word on the right; or somewhere in-between?
Base: Original Digital Video and Regular TV Viewer (2014/2015)(n=402/302)

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 –



↑ ↓ *shows change in index points from 2014*

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.

*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)

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 –

TV Online	
Ability to watch old episodes/reruns	61%
Ability to pause/start/stop anytime	58
Ability to choose programs/shows	53
Ability to watch all episodes at once	53
Free or reasonable price	53

Amateur	
Funny/Humorous	64%
Fun/Entertaining	57
Ability to watch on my schedule	42
Interesting/Creative	40
Shortness of videos	38

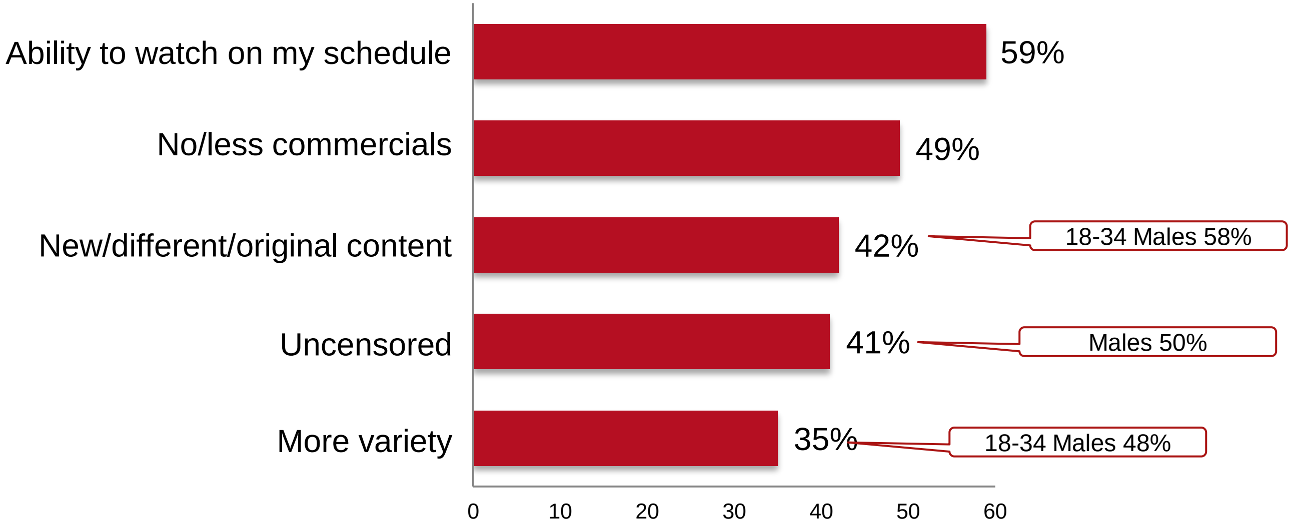
Original Digital Video	
Ability to watch on my schedule	54%
Fun/Entertaining	45
No commercials	41
Good quality	40
Ability to watch multiple episodes	40

Q14a/b/c. Overall, what do you like best about the experience of watching [video type]?
Base: Viewer of …(2014/2015) TV shows online (n=614/527), Amateur (n=683/551), Original Digital Video (n=490/371)

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

What Like Better About Original Digital Video over Primetime TV
- Monthly+ Users -



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?

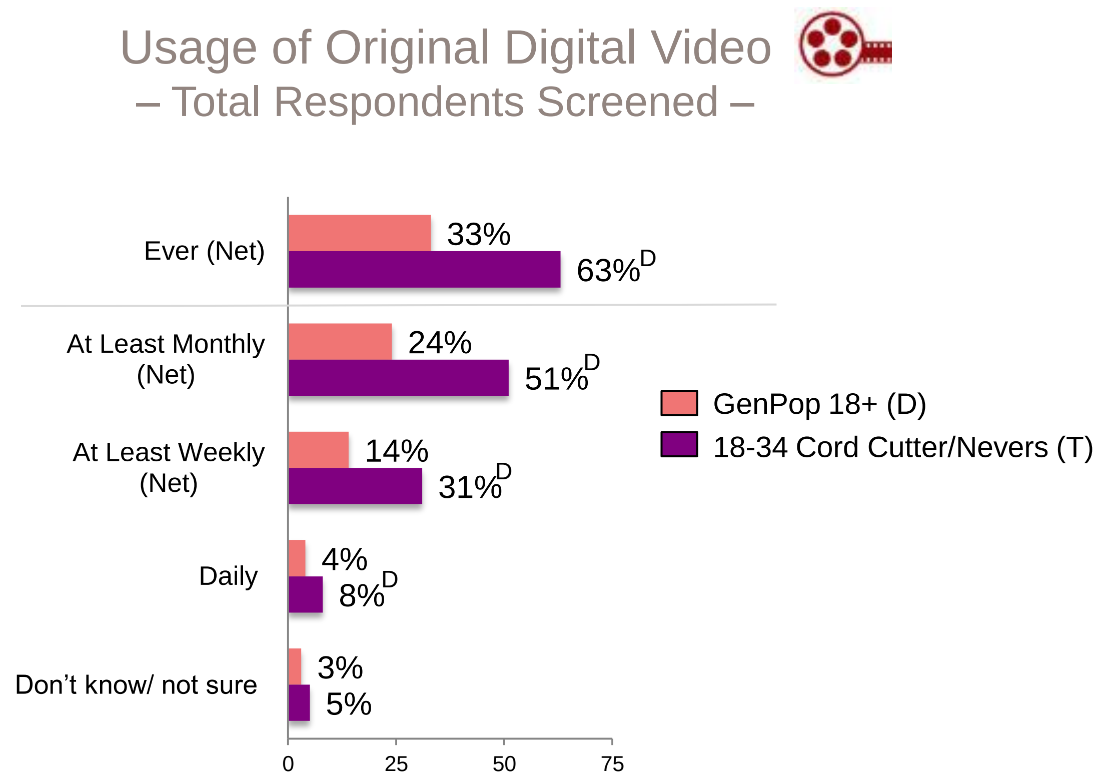
Base: Viewer of … Original Digital Video and Primetime TV (2014/2015)(n=322/245)

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



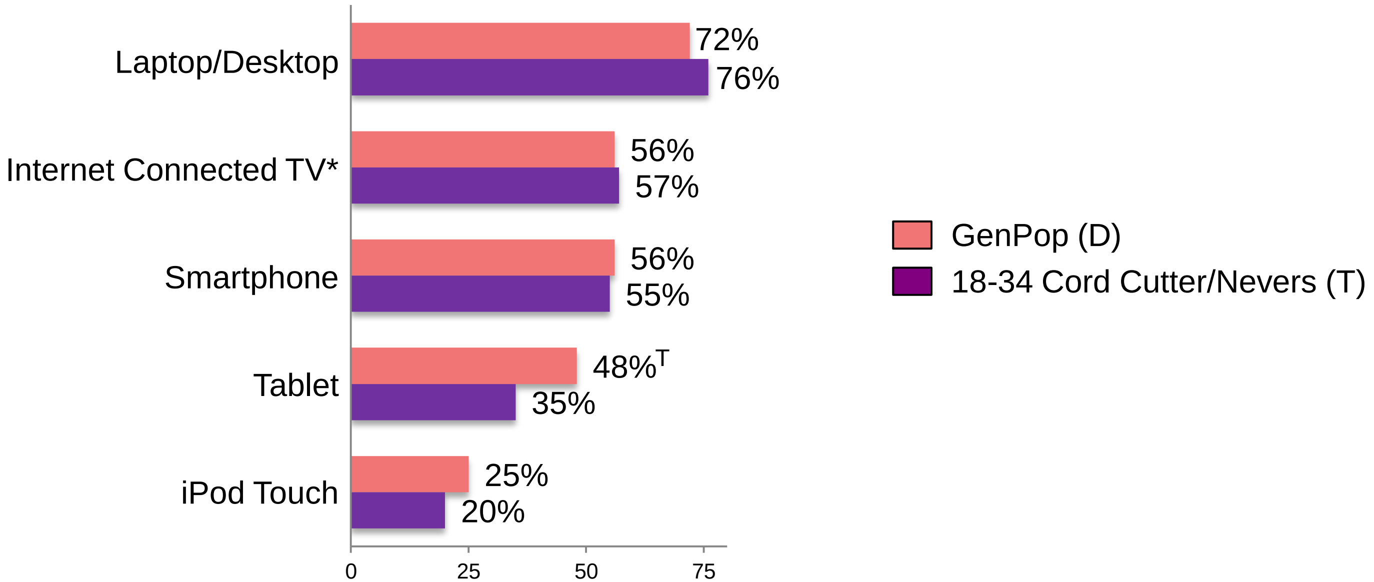
S4c. About how often do you watch original digital video using any device (computer, smartphone, tablet, Internet-connected TV)?
Base: Total Respondents (GenPop 18+ 2015,18-34 18-34 Cord Cutter/Nevers 2015) (N=1,929/297)
Letter indicate significantly higher than comparison group at 95%

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 –



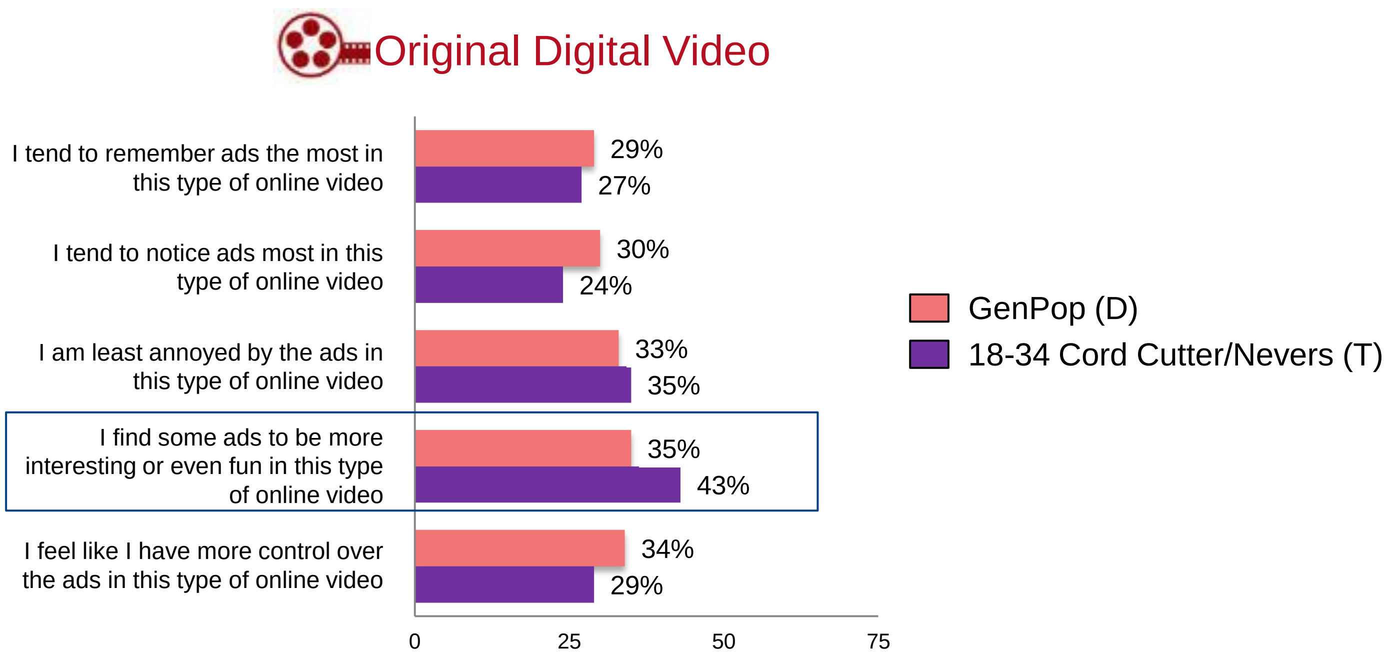
*includes either built-in Internet capability or TV-connected devices with Internet capability

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%

Ads - Digital

- 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.”

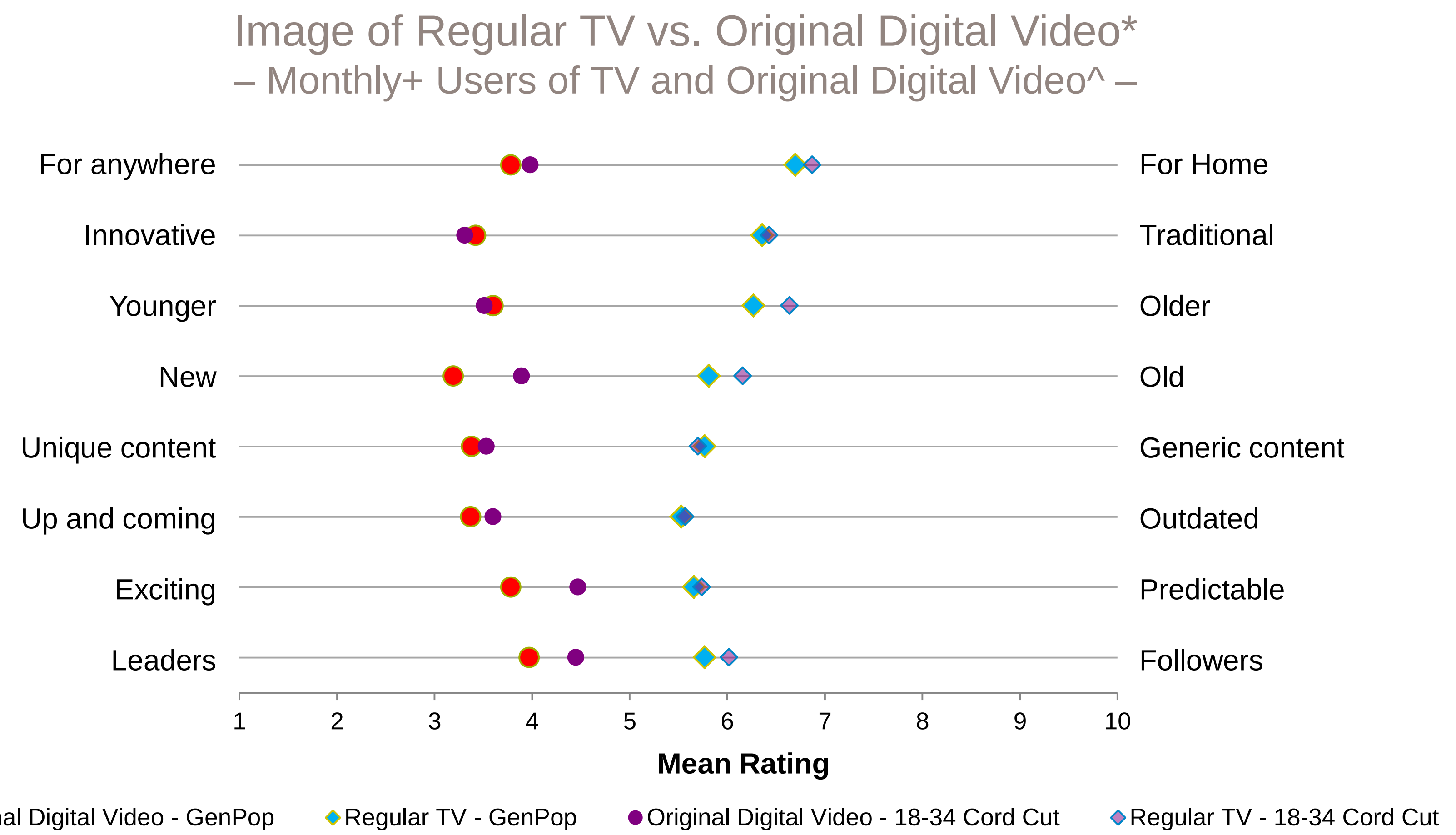
Ad Statement Association*
– Monthly+ Users of Original Digital Video –



*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%

Image – Most Different

- 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



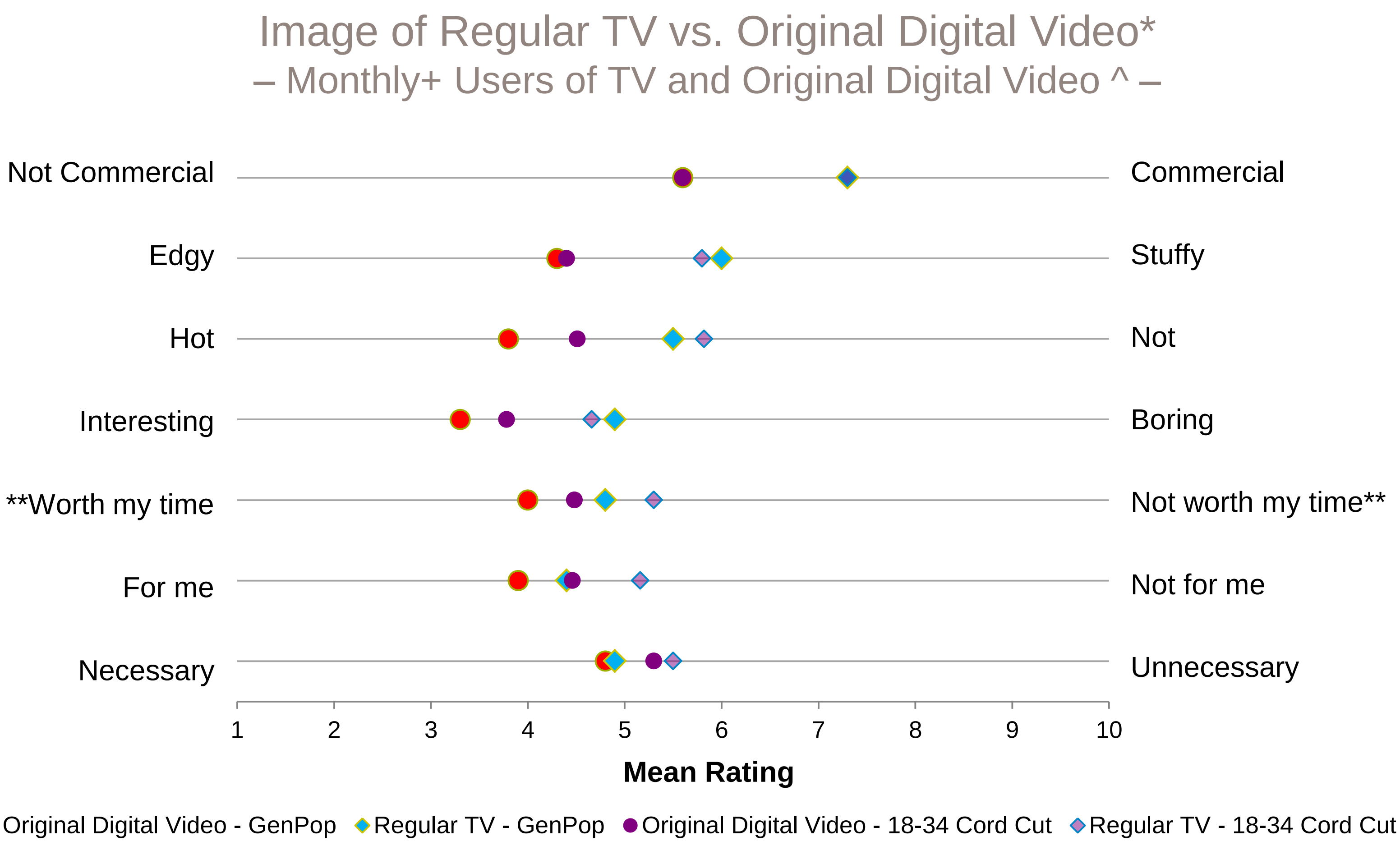
*not asked in 2013

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



*not asked in 2013 **not asked in 2014

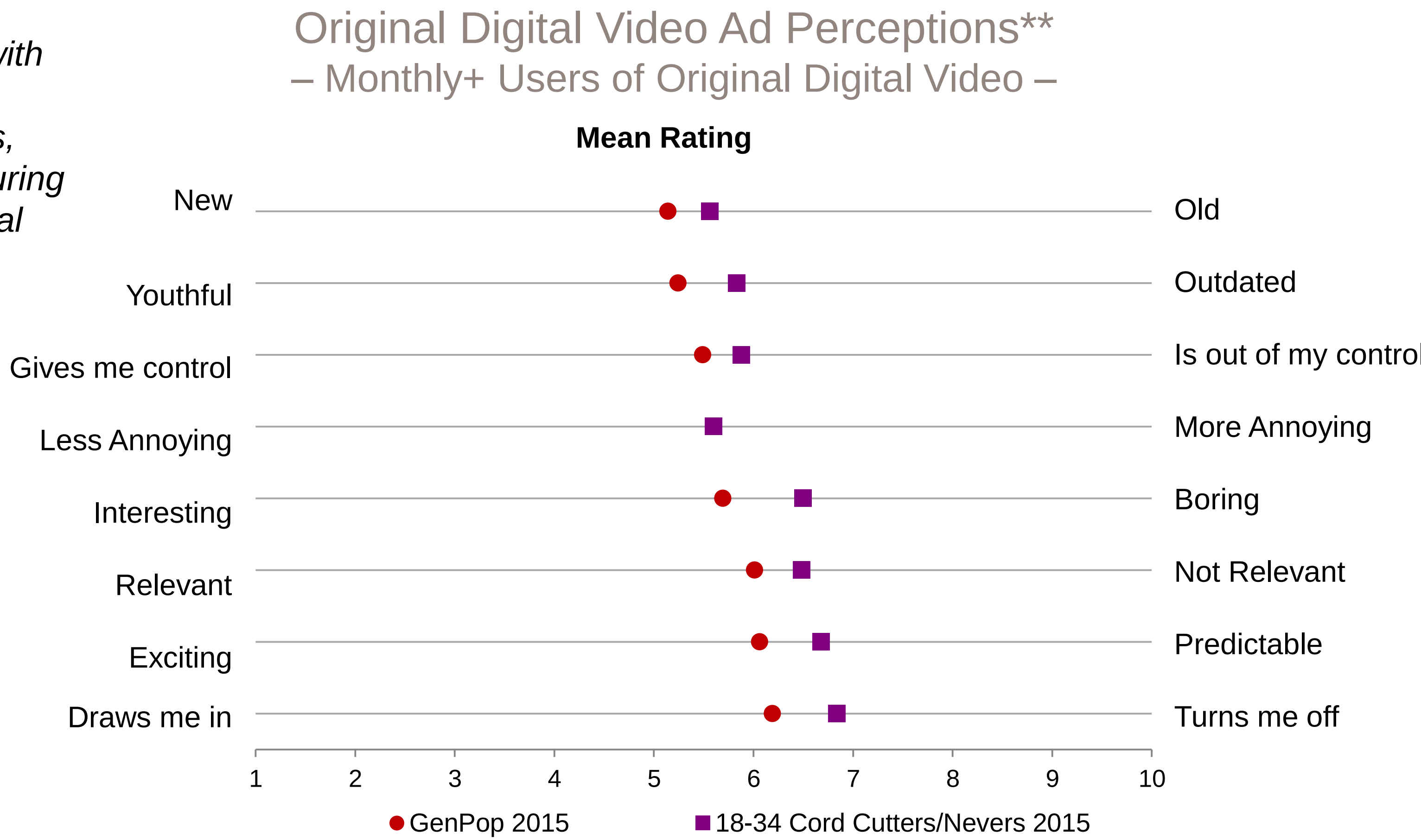
Q40. And, in your opinion, where does your image of each of these fall on the following scale … closer to the word on the left; closer to the word on the right; or somewhere in-between?

Base: Original Digital Video and Regular TV Viewer (N=302/71^) ^caution : small base

Image – TV Ads vs Original Digital Video Ads

- 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

Compared with regular TV commercials, video ads during original digital video are…



**not asked in 2014

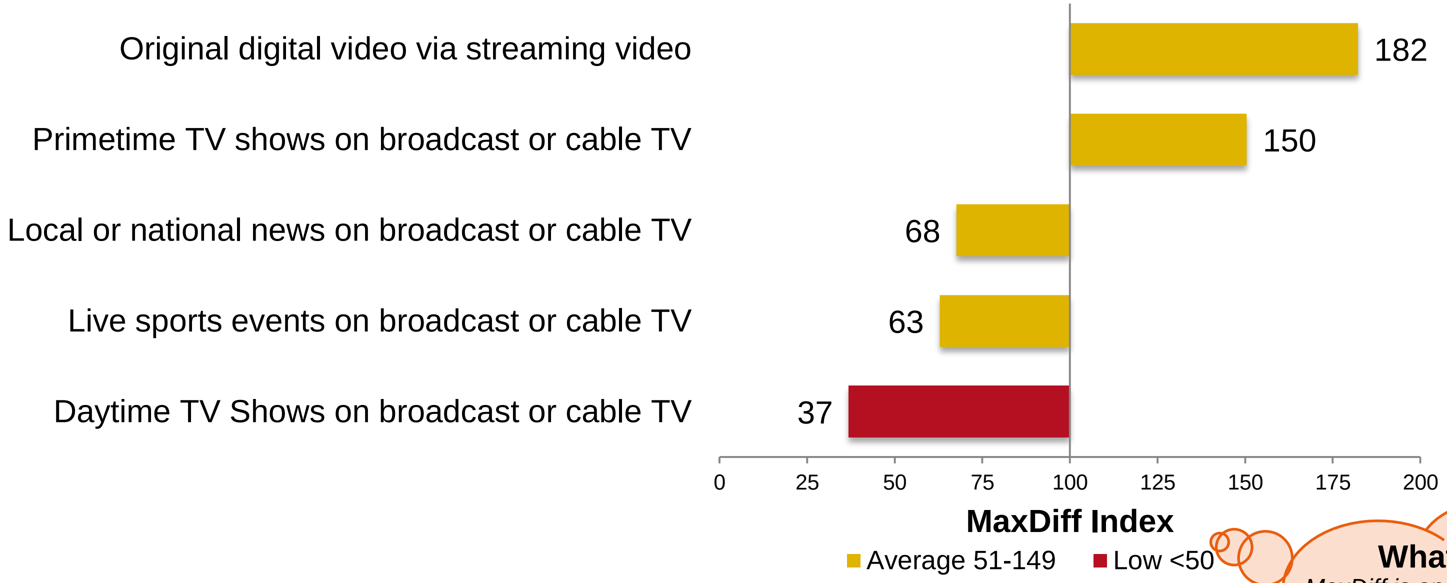
Q40z. Compared with regular TV commercials, would you say the video ads during original digital video are..

Base: Monthly+ Viewers of Original Digital Video (Gen Pop 2015 N=371, 18-34 Cord Cutters/Nevers 2015 N=147)

Forced Choice – Cord Cutters/Nevers

- 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*
– 18-34 Cord Cut/Never Monthly+ Users of Original Digital Video –



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)

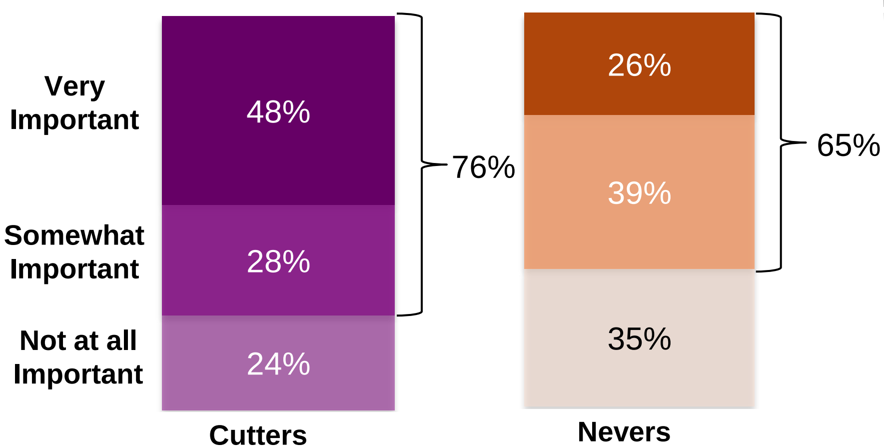
Influence of Original Digital Video on Cord-Cutter/Never Status

- 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

Degree Streaming Video Affects Lack of Pay TV**
– Cord Cutters/Nevers 18-34 –

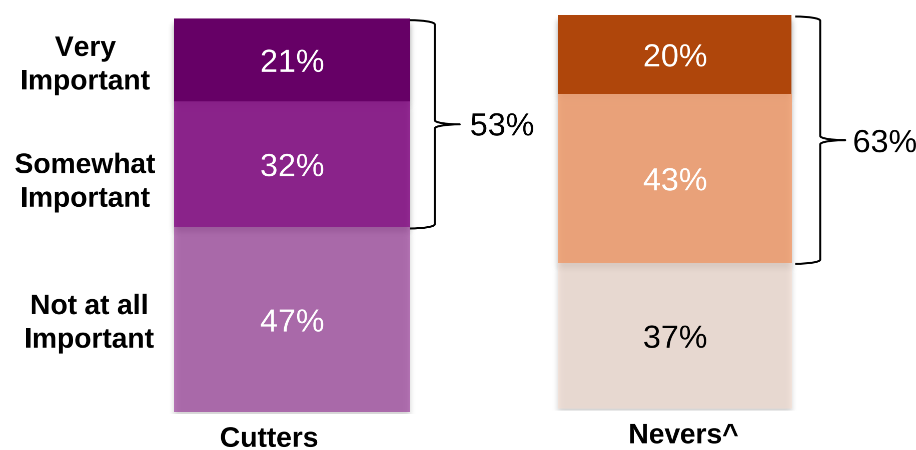
Importance of *Streaming Video (any type)* in Cancelling/Not Having Pay TV

- Total -



Importance of *Original Digital Video* in Cancelling/Not Having Pay TV

- Monthly+ Original Digital Video Viewers -



**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?

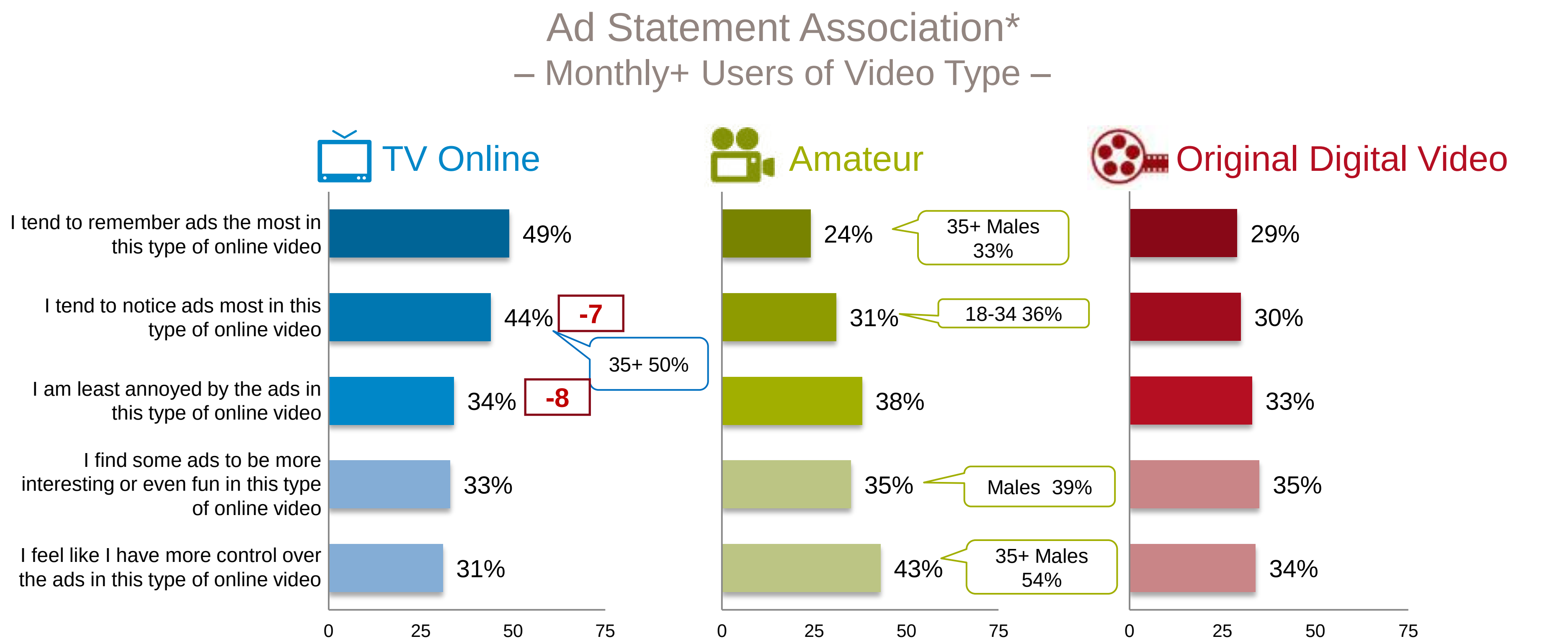
Base: Total qualified and cord-never (n=92) / Total qualified and cord cutter and ad-supported ODV viewer (n=48^)

^caution : small base

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



+/- indicates >5 percentage points higher/lower than 2014 (>6 pp for Original Digital Video)

*not asked in 2013

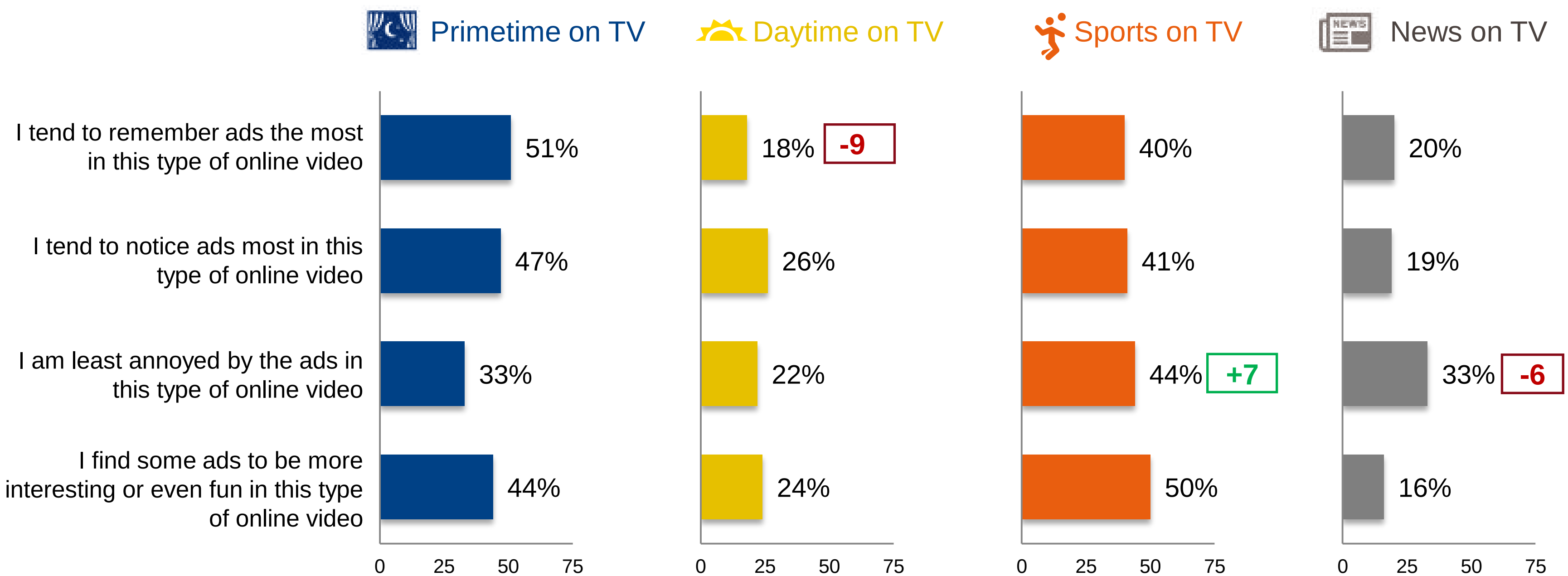
Q12. Which type of online viewing listed best matches each statement?

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 –



+/- indicates >5 percentage points higher/lower than 2014

*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)

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

	TV Online (N=527) (B)	Amateur (N=551) (C)	Original Digital Video (N=371) (D)	18-34 Cord Cutter/Never ODV (N=147) (T)
Male	51%	50%	50%	52%
Female	49	50	50	48
Mean age	37.8	39.5[BD]	36.9[T]	27.7
Median HH income (in thousands)	70.6	74.1 +9	70.8 +7	56.8
Non-Ethnic	67	68[D]	64	73[D]
College Grad+	40	40	38	47[D]
Married	52[D]	49	48	41
Any kids in HH	39	36	36	30
Median HH size	3	3	3	2

Demographics
Letter indicates significant difference at 95% confidence level.

+/- indicates >5 percentage points higher/lower than 2014 (>6 pp for Original Digital Video)

QUESTIONS?

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