

Original Digital Video Consumer Study

April 2014

Background & Objectives



The IAB is managing the 2014 NewFronts event, digital video's premier showcase of new, original, professionally produced digital video content. NewFronts week is scheduled to start April 28, 2014. As part of the weeklong presentation schedule, the IAB will be releasing research that refreshes the results from 2013. The purpose is to inform the buying community about what consumers do, watch, think and feel about original, professionally produced digital video content.

New for the 2014 study, a qualitative portion was added – four online focus groups recruited from participants who were viewers of Original Digital Video in the 2013 GfK NewFronts research.

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
- Compare viewing to GfK MultiMedia Mentor™ syndicated cross-platform measure
- Explore the audience experience of Original Digital Video and determine if it is as good or better than TV viewing experience
- Via focus groups, understand the “Why” behind viewing behaviors - how their experience of online video differs from TV, how it is similar, and how it fits into new viewing behaviors consumers are adopting

Quantitative Portion - Study Overview

Who?

- Full surveys were completed with 1,011 monthly+ viewers including:
 - TV Online - 788 ever users; 614 monthly+ users
 - Amateur – 868 ever users; 683 monthly+ users
 - Original Digital Video – 781 ever users; 490 monthly+ users
- 2,388 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.

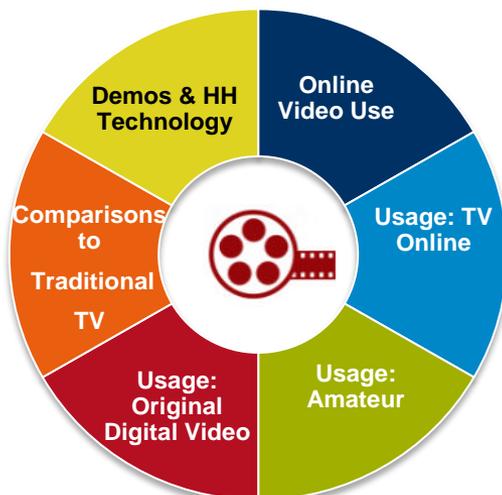
When?

- March 27- April 2, 2014

How?

- Via a 18-minute online survey using GfK KnowledgePanel™
The cooperation rate among the assigned sample was 44%

What?



Qualitative Portion - Study Overview

Who?

- Knowledge Panel participants from the 2013 IAB study were recruited for online focus groups, reconfirming original digital video viewing
- Groups consisted of up to six participants each
- A total of 23 participated

When?

- April 9, 2014

How?

- Via four 90 minute focus groups conducted online

What?

- Engage in moderator-led discussion to get at the “Why” behind Original Digital Video viewing behaviors and how behavior has changed in the past year

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*, *Colbert Report* or those found on sites like ABC.com or Hulu.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 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, Netflix Original Series (Orange is the New Black, House of Cards); or YouTube’s Original Channels (Buzzfeed, The Onion)
- *Additionally, a list of 92 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 2013 to 2014.

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.
- **For tables/charts showing means for monthly users**
 - differences of 0.6 or more can be considered significant

Colored “+/-” numbers indicate changes of 6 percentage points or more from 2013 to 2014.

Key Takeaway #1: Original Digital Video Market Grows 15%



Approximately one in five (22% or 52 million) American adults age 18+ watch Original Digital Video each month, up 15% from a year ago (19%; 45 million).

Key subgroups:

- Four in ten young adults age 18-34 watch monthly, a 25% increase from 2013
- Males tend to view content more on a monthly basis

Monthly+ viewing of TV Online is 28% of U.S. adults, and Amateur content is highest at 31%.



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



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. In a preference test, Original Digital Video is almost at a 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). Compared with a year ago, new original content is cited almost three times more often for what is liked better about Original Digital Video over Primetime TV by monthly users of both.



The relatively new option of Original Digital Video is fast becoming 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: Value in Original Digital Video & Social Media



More than half of monthly Original Digital Video users report their viewing of the medium is unplanned – compared with only about one quarter of TV Online and Primetime regular TV viewers. More than half do social media activities related to the shows (52%), compared to only 38% who do so for Primetime TV. Social media sites are playing a larger role in discovery of Original Digital Video (#2 source after word of mouth) and nearly a quarter of them discover, click links, discuss or co-view original digital video shows through social media compared to about 15% who do so for Primetime TV. Focus group respondents indicate Original Digital Video is more typically consumed solo and in shorter durations than regular TV is, making it easily shared via social media.



Viewing behavior for Original Digital Video and TV program viewing tends 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.



Highlight this social media “potential viral value” and when considering and selling ad placements in Original Digital Video content.

Key Takeaway #4: Flexibility of Original Digital Video is Differentiator



Watching “on my own schedule” is the top driver of use for Original Digital Video (41%), and one of the main aspects liked better about Original Digital Video over Primetime TV. Smartphones (46%) and tablets (41%) are now being used at levels almost twice that of a year ago, use reflected in twice as many reporting using Original Digital Video while traveling as a year ago. However, the majority of viewing still occurs at home (87%; 65% Home only).



Original Digital Video allows viewing “anytime, anywhere” which differentiates it from the limited offerings of “on demand” TV. Additionally, as supported in the qualitative research, the shorter form content is more conducive to viewing on portable devices, even in the home as a second screen.

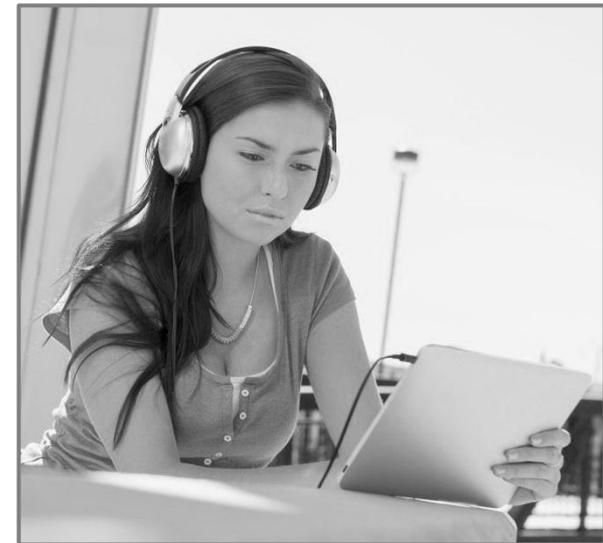


Flexibility of viewing can be promoted to differentiate Original Digital Video from regular TV in the pitch to shift ad dollars into this type of content. Increased mobile viewing may also indicate increased potential exposure closer to point-of-sale.

Additional Insights from Qualitative

Online focus groups were held with Original Digital Video users who had participated in the 2013 GfK NewFronts research. While they did not identify themselves as “followers” of any given show, their reported viewing ranged from *Comedians in Cars Getting Coffee* and *Wall Street Journal Live* to *Howcast*, *Buzzfeed*, *Smosh*, *Vevo Certified* and *Vice News*.

1. Viewers described their perceptions of original digital video as growing more favorable over the last year.
2. TV and original digital video were seen by viewers as “filling different niches”.
3. Viewers described the experience and mindset surrounding TV as a “commitment” while those of original digital video viewing were described as “a treat” and “a break.”
4. Original digital video is associated with a sense of control that viewers don’t find with TV.
5. Viewers describe watching TV as “social” mostly because of co-viewing in the room; original digital video is social because it is so often shared - the latter is potentially much more powerful because of network effects.



Additional Insights from Qualitative (cont'd)

6. The unplanned journey & spontaneous nature of the original digital video viewing experience is very different from that of TV.
7. The shorter length of original digital videos make them more likely to be viewed during quick snatches of the day than streamed TV programs.
8. The benefit to original digital video being online is that viewers are often already online, and turn to them for a break, a distraction, a treat.
9. Original digital video viewers find the ability to opt out after 5-10 seconds or choose the ads they watch as positives in their viewing experience (in numerous quant surveys in recent years, GfK has found that 2/3 to 3/4 of viewers find that ads take away from their enjoyment of content, whether it's regular TV or online video).
10. Many viewers describe their lives as becoming more "mobile" & original digital video fits in well to that behavior.

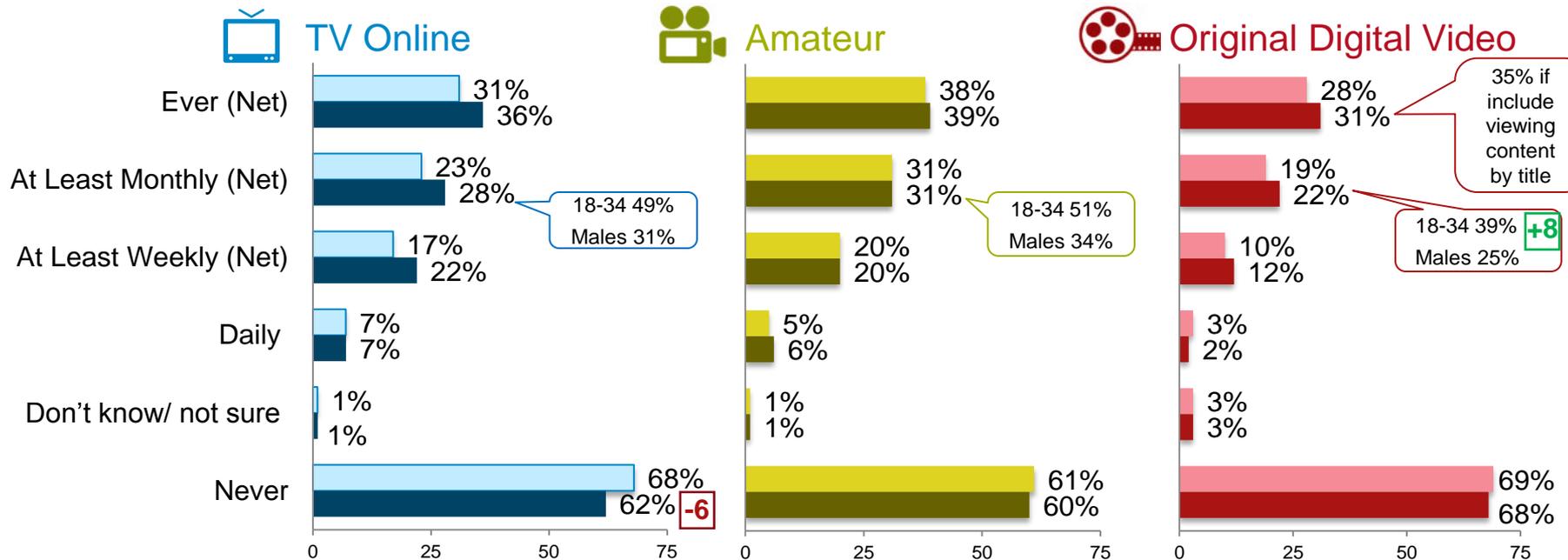


Sizing the Market

Sizing the Market Among the General Population

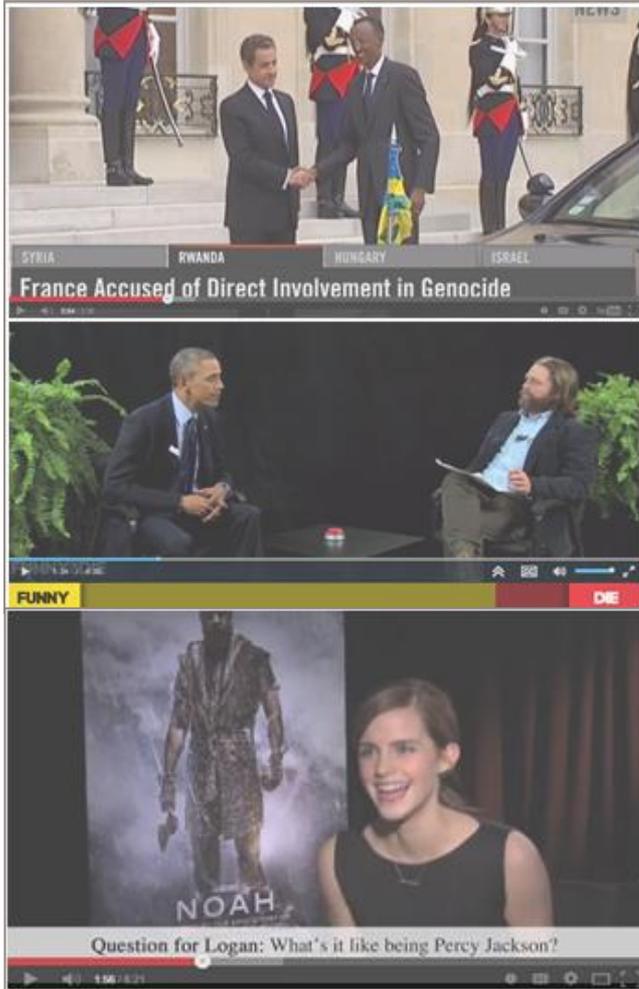
- Younger adults 18-34 (39%) and males (25%) report significantly higher Original Digital Video monthly+ viewing levels
- A rough estimate is that about **52 million American adults view Original Digital Video** each month (22% * 238.4M US adults)

Usage of Streaming Video Types – Adults 18+ –



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) (N=2,425/2,388)

The perception of original digital video is evolving



Viewers describe original digital video as becoming more credible, more normalized and more mainstream in its content and ideas.

- *"I have a more positive view of it....it's getting more diverse, more varied."* Female, 39
- *"I find it getting more credible."* Male 32
- *"It's not a subset of off-beat people. It's getting more normalized."* Female, 43

The increasing production values of online digital video is being noticed.

- *"It's getting more professional looking."* Male, 38
- *"You can tell they are spending more time to create these shows."* Female, 38
- *"The quality is getting just like TV."* Male, 45

Viewers perceive original digital video as being made specifically to be shown online...and this gives it growing credibility.

iab.



It's more exciting. (Online digital video) is gearing itself more to an online audience, with more specific appeal." Male, 32

"Celebrities are creating online brands. They are spending money and the quality has improved." Female, 39

"Before, highly paid comedians wouldn't be talking about their internet video projects. Now they are." Male, 38

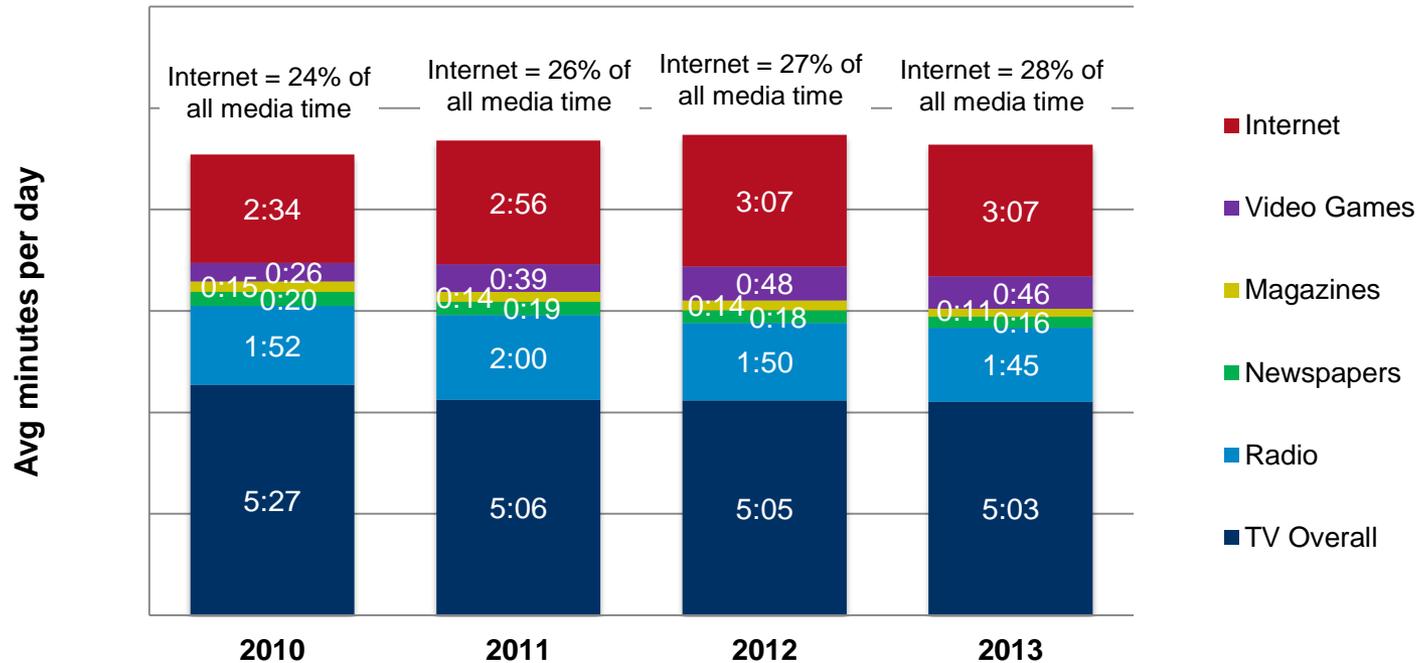
Time Spent with Media Overall

(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 21% from 2010 to 2013, much of it driven by added mobile usage
- However, because people expanded their media day, Internet's share of total media has grown modestly

Trend in Media Minutes per Day, Adults 18-64



Base: Adults 18-64 (5,000 per wave)
 Source: MultiMedia Mentor™ 2010 - 2013 releases.

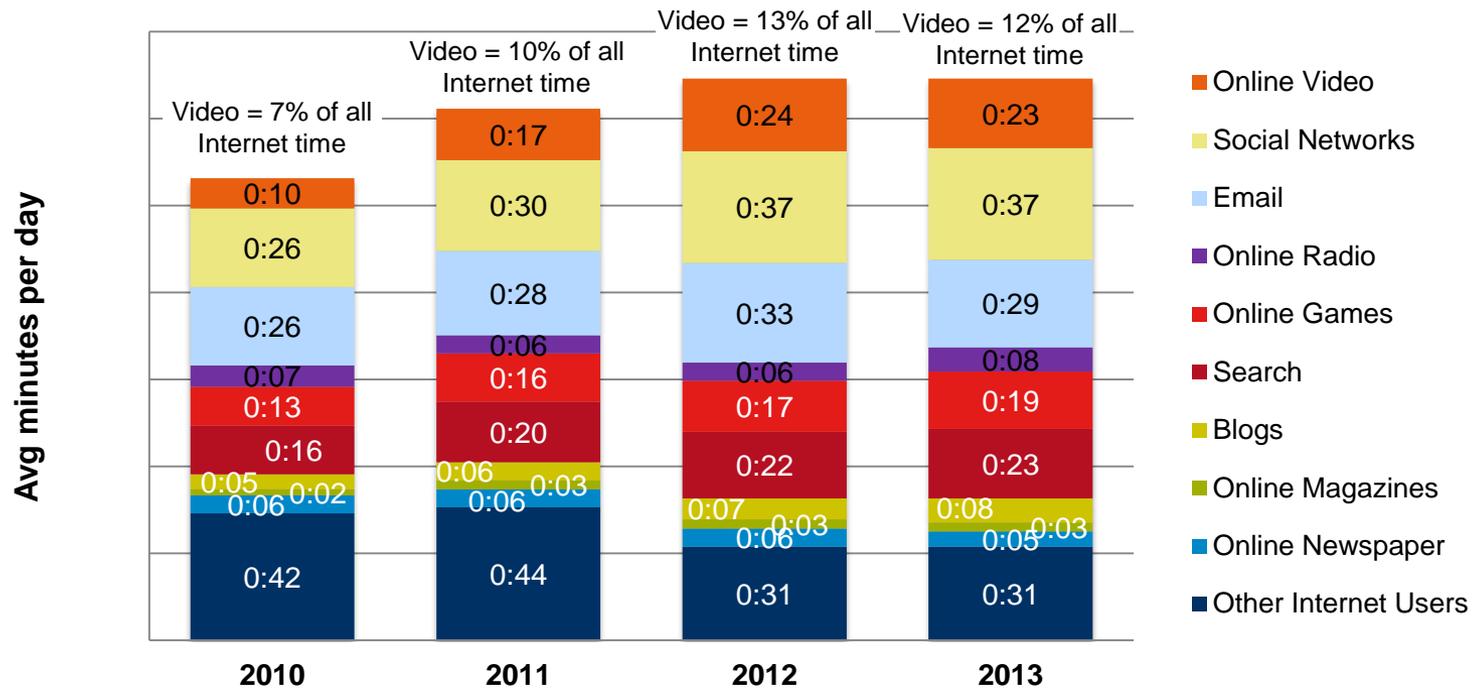
Time Spent Online

(from GfK's syndicated MultiMedia Mentor™)



- MultiMedia Mentor shows that minutes of online viewing has more than doubled over the past four years; in 2013, the average person spent 23 minutes a day watching Internet video

Trend in Online Minutes per Day, Adults 18-64



Base: Adults 18-64 (5,000 per wave)

Source: MultiMedia Mentor™ 2010 - 2013 releases.

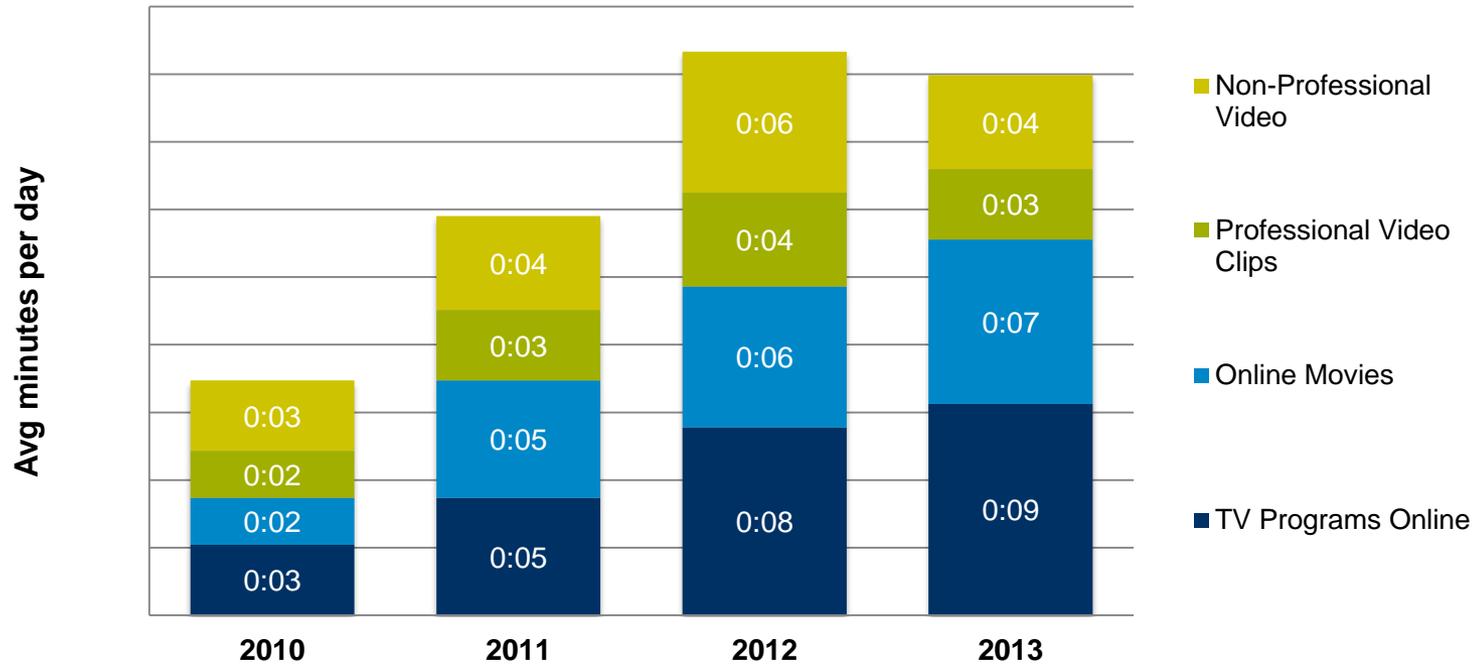
Time Spent with Online Video

(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

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



Base: Adults 18-64 (5,000 per wave)
 Source: MultiMedia Mentor™ 2010 - 2013 releases.

Video Streaming Behavior

Use by Daypart (yesterday), total population

- About one in nine adults age 18+ streamed Original Digital Video “yesterday”; this is equal to about 26 million American adults (11% * 238.4M US adults)
- As is seen with most media, use peaks in the evening dayparts

Yesterday Streaming Video Types By Daypart

– Adults 18+ –



TV Online



Amateur



Original Digital Video



6am - 9am 3%



9am - 3pm 5%



3pm - 6pm 5%



6pm - 9pm 7%



9pm - Midnight 7%



Midnight last night to 6AM 2%

Watched Yesterday (Net) 15%



3%



5%



5%



7%



5%



2%

Watched Yesterday (Net) 16%



2%



3%



4%



4%



5%



2%

Watched Yesterday (Net) 11%

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

Base: Total Respondents 18+ (N=2,388)

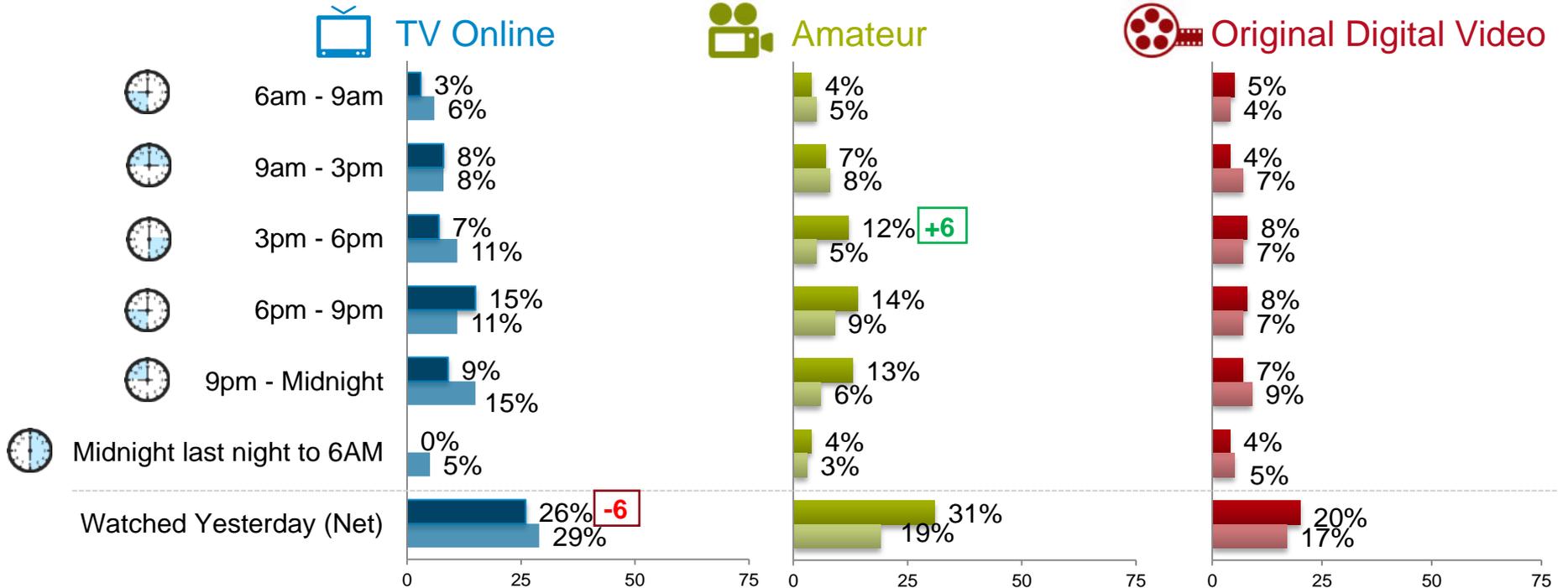
Use by Daypart (yesterday), 18-34

- Original Digital Video “yesterday” daypart use is similar between genders for ages 18-34
- Younger males report more Amateur use during most of the day compared to females, and TV Online skews female from 9pm to midnight

Yesterday Streaming Video Types By Daypart

– Adults 18-34 –

■ Male 18-34
 ■ Female 18-34



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

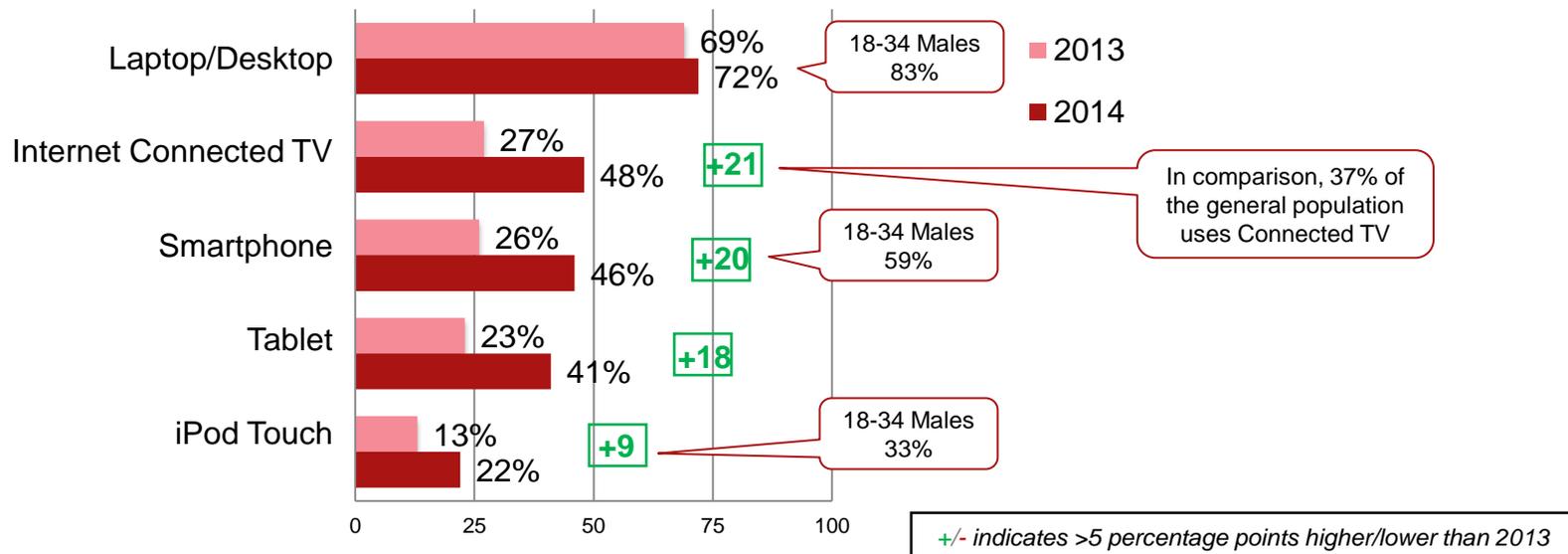
Base: Males 18-34 (n=204), Females 18-34 (n=245)

Devices Used to Stream

- Computers are still used most often by monthly+ Original Digital Video viewers
- Driven by increases in viewing, ownership, and ease of use, ICTV and mobile devices each enjoy a major increase in viewing use, approaching levels twice that of 2013
- Nearly half use connected TVs to watch Original Digital Video, creating a similar viewing environment to TV, as compared to 37% of the general population*. Connected TV viewing of Original Digital Video has nearly doubled from last year.



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 (2013/2014) (n=441/490)

*May 2014 GfK Home Technology Monitor survey shows that 37% of all HHs report watching TV or movies via streaming on a TV (whether via built-in capability, or internet-connected TV device like a blu-ray player, videogame system, etc)

Original digital video fits into behaviors that are becoming more mobile



“Last year I was primarily on my PC, but now I’m more and more likely to be on my laptop or iPad. That’s where I’ll see them (original digital videos). Male, 39

“I’ll watch in between class, on the bus ride to campus, in a coffee shop. Time when it’s quicker. When you can fill in. When I’m not going to watch a whole TV show. (Original digital videos) are shorter, easier to watch in a smaller space of time.” Male, 26

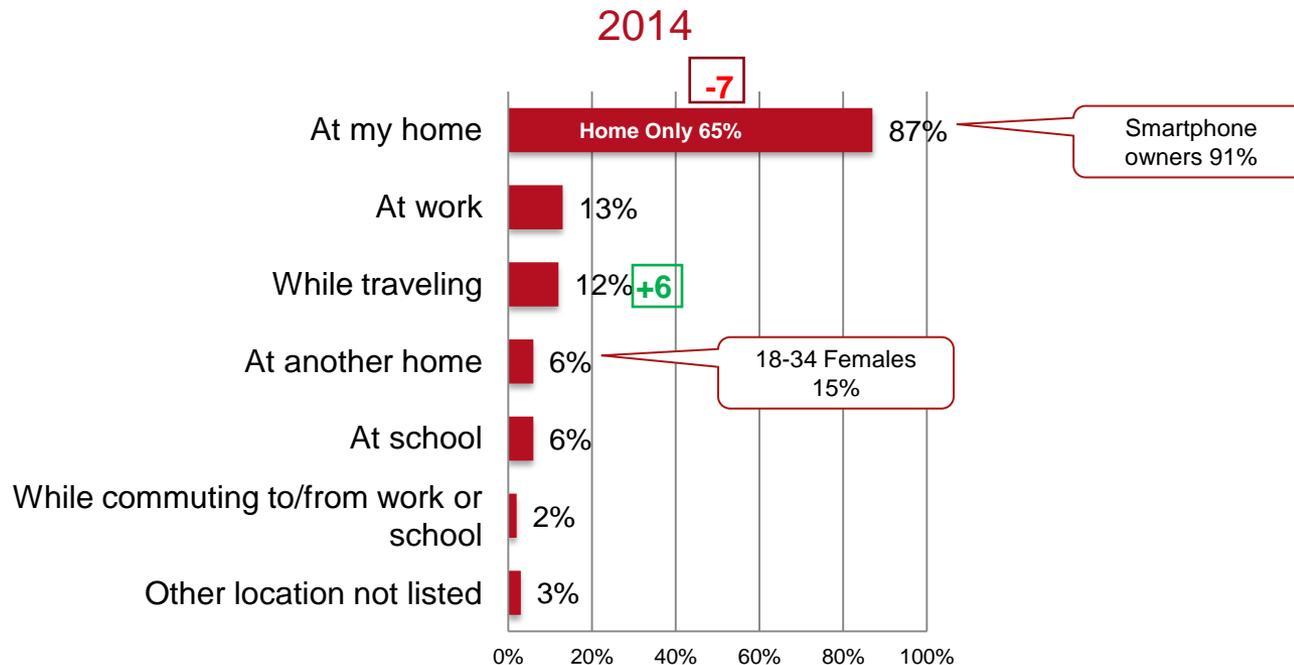


Locations

- 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.
- While still low, mobile viewing while traveling doubles from a year ago

Locations Typically Watch Original Digital Video

– Monthly+ Users of Original Digital Video –



+/- indicates >5 percentage points higher/lower than 2013

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) (n=441/490)

The shorter lengths of original digital video make it more likely to be viewed during quick moments of the day or evening



At home

"If I'm on the patio and the kids are in the pool, I'm still going to be doing things on my iPad. I'd watch a short video, but not a whole TV show." Female, 38

At night

"I'm alone, at night, in bed, relaxing, winding down. Female, 26

In between

"I'm at an in-between point, I'm finding a minute. I might be waiting for someone at Starbucks (preferably where there's wifi)." Male, 39

At work

"I'm not going to stream a TV show if I'm taking a break...original digital video is shorter and easier to watch...now you have something that fills those shorter periods of time." Male, 32

While watching TV

"I'll watch one if I'm bored with the TV show I'm watching." Female, 21

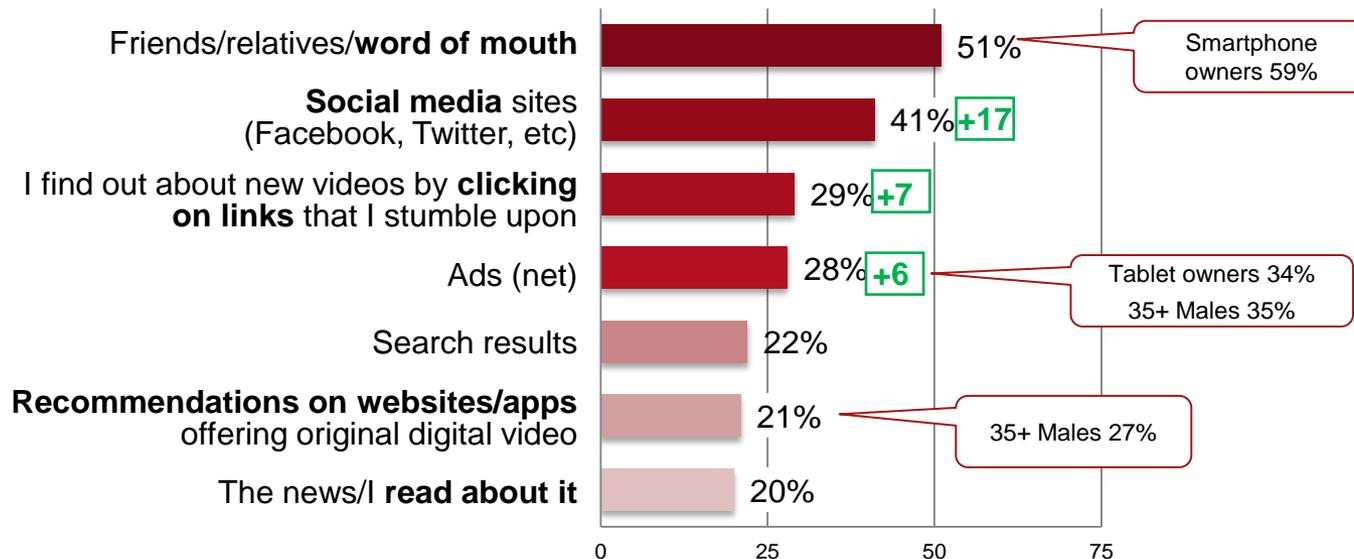
Discovery

Discovery Sources

- Word of mouth is still the main way Original Digital Video viewers discover new content, however social media's role has increased markedly versus a year ago
- Accidental discovery and Ads both see modest gains over the past year
- Older males are influenced more through ads and original digital video website/app recommendations

Top Ways Learn About Original Digital Video

– Monthly+ Users of Original Digital Video –



+/- indicates >5 percentage points higher/lower than 2013

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

Original digital video is content that is discovered and shared



Unlike TV, discovery is a fundamental part of the original digital video experience.

“People know what’s available on TV, you don’t have to tell them. But with original digital video, not everyone knows about them, so you have to share....you send a link.” Male, 26

“The cable universe is finite. The internet is infinite. To become popular, a video has to be shared.” Male, 32.

The original digital video viewing experience often begins with a recommendation.

“Viewing them often starts by being sent a link by a friend or family.” Mark, 57

“Normally, it’s a recommendation of some sort. Most often through Facebook.” Female, 52

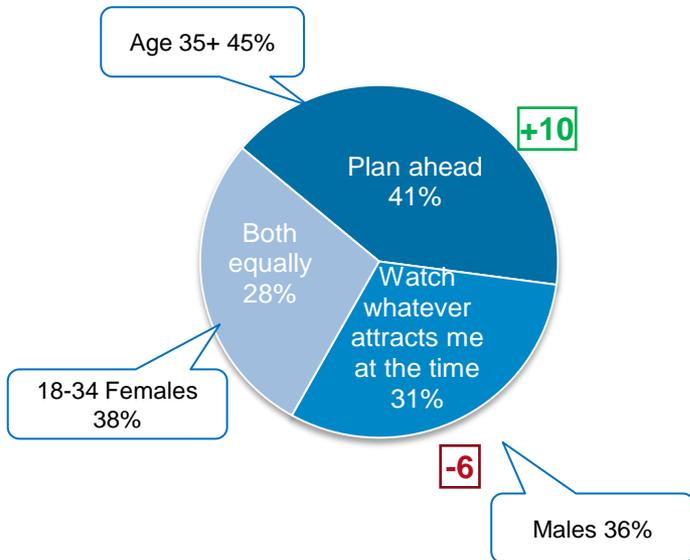
“Most of the time, it’s a link I pull from Twitter. Others come from blogs I look at like Gawker or Deadspin” Male, 32

Planning vs. Spontaneous – Online Video Types

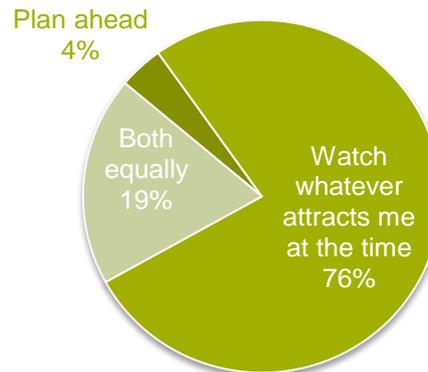
- Viewers of TV Online are most likely to typically plan ahead to watch something specific –with a considerable increase from 2013 level – though slightly less so among males
- Original Digital Video viewers are four times as likely as Amateur viewers to typically plan their viewing ahead, an indication of higher involvement in the content
- Males are a bit more spontaneous with TV Online, but older males plan Original Digital Video viewing more often than average

Planned vs. Spontaneous Viewing - Streaming Video Types - Monthly+ Users -

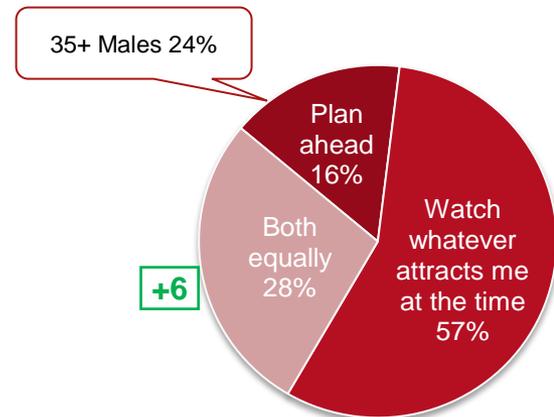
TV Online



Amateur



Original Digital Video



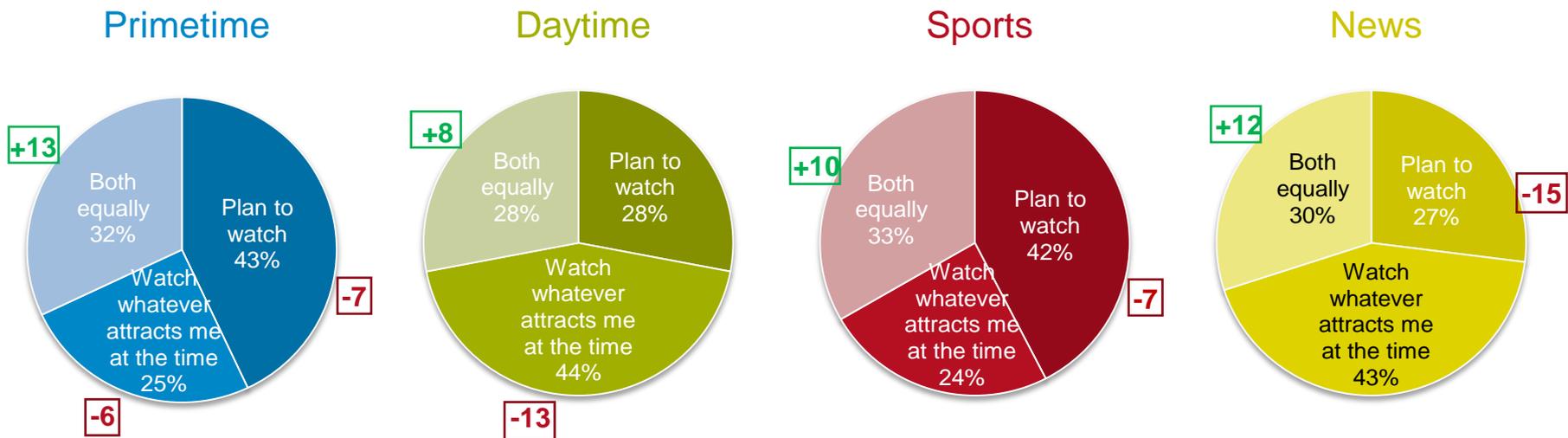
+/- indicates >5 percentage points higher/lower than 2013

Q10. First, for each type of online viewing listed, do you typically plan ahead to watch programs or videos, or do you watch whatever happens to attract your interest at time of viewing?
Base: Viewer of ... (2013/2014) TV shows online (n=495/614), Amateur (n=724/683), Original Digital Video (n=441/490)

Planning vs. Spontaneous – TV Types

- A drop in Primetime TV planned viewing put it at a level comparable to TV Online this year
- Though still much higher than Amateur and Original Digital Video, planned viewing declines in all TV types (except Daytime), perhaps due to an influence from online video habits

Planned vs. Spontaneous Viewing - TV Types - Monthly+ Users -



“Plan to watch” for online video types: TV Online (41%); Amateur (4%); Original Digital Video (16%)

+/- indicates >5 percentage points higher/lower than 2013

Q31. First, for each type of TV program, do you typically plan ahead to watch programs, or do you watch whatever happens to attract your interest at time of viewing?
 Base: Viewer of ... (2013/2014) Primetime (N=685/653), Daytime (N=289/281), Sports (N=488/456), News (N=704/683)

TV and original digital video viewing have very different associations



TV

Planned

A Commitment

Co-viewing

No Control

“TV is a commitment.. You plan your watching, and it takes time.”

Male 54

Original Digital Video

Spontaneous

A Break / A “Fill-In”

Solo Viewing

Personal / Controlled

“Original digital video doesn’t require a commitment.

There’s not an on-going plot development ... so you can drop in any time.” Male, 44

“You’d be surprised how much I find myself on Howcast.”
Female, 26

“Mainly comedy, entertainment...like Between Two Ferns or Vevo.” Male, 32

Even though viewers feel they have control, watching original digital video is not a planned activity



Watching original digital video is like an unplanned journey.

“I seek out TV content...with original digital video it’s wherever I end up.” Female, 23

“It’s not appointment viewing. It’s whenever I have 15 minutes to kill. It’s unplanned, when I want to relax.” Male, 39

“One thing leads to another and you find yourself in places that interest you.” Female, 43

“Original digital video draws me in. I click one and find it entertaining and I keep on going.” Male 24

“I follow my interests...and it leads me to another...and another.” Male, 60

“It might be something on TV ...or a newspaper. I want to learn more about it and it leads me to a video.” Male, 45

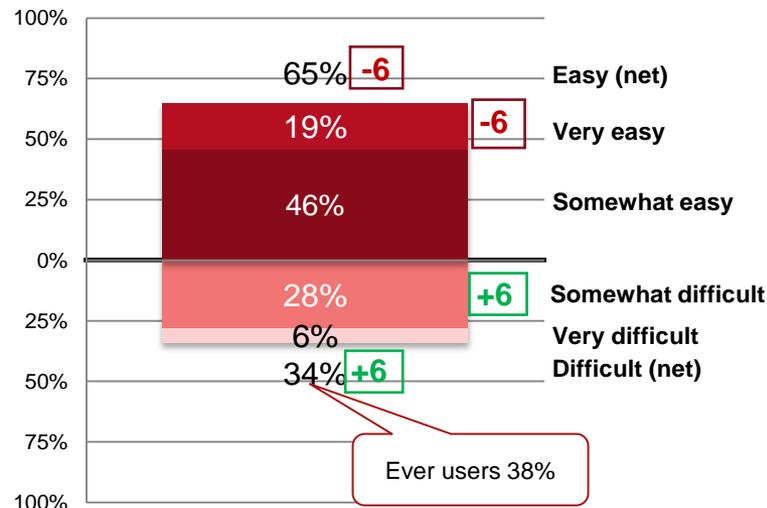
“Even watching Wall Street Journal Live isn’t planned.” Female, 26

Ease/Difficulty of Finding Content

- The majority of Original Digital Video viewers say finding content is “easy”, however this number is slightly down from 2013 perhaps due to a vast increase in content available

Difficulty of Finding Content – Original Digital Video

– Monthly+ Users of Original Digital Video –



+/- indicates >5 percentage points higher/lower than 2013

Q24. Overall, how difficult is it to find original digital video that you would be interested in watching?
 Base: Viewer of Original Digital Video (2013/2014) (n=441/490)

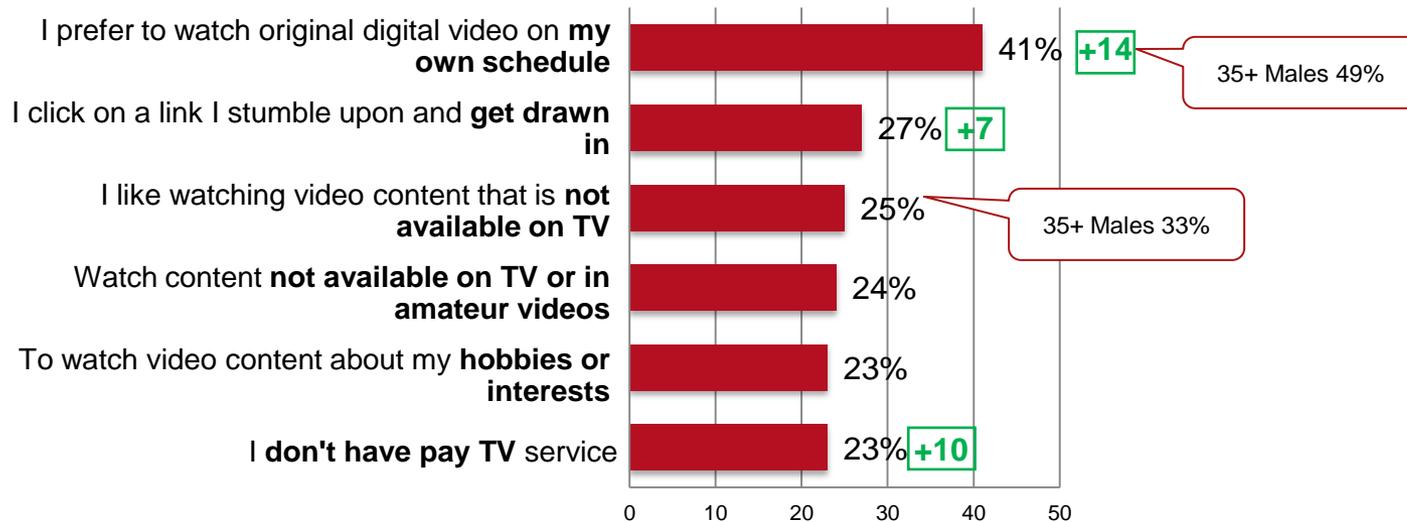
Motivations and Attitudes

Reasons Watch

- Watching “on my own schedule” is a top driver of Original Digital Video use, and markedly more so than a year ago. Content is also found spontaneously through random links
- Males age 35+ overindex for “on my own schedule” and “content not on TV”

Top Reasons for Watching – Original Digital Video

– Monthly+ Users of Original Digital Video –



+/- indicates >5 percentage points higher/lower than 2013

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

The original digital video viewing experience is about quick relaxation, fun and curiosity



Viewers associate original digital video with entertainment and fun.

- *“It’s relaxing. I watch just to get a laugh.”* Male, 39
- *“I watch to have fun...for entertainment.”* Female, 38
- *“It’s instant gratification.”* Female, 26

Original digital video provides a quick break from reality.

- *“It’s a nice change of pace. When I’m done with figures or correspondence I’ll watch to lighten things up.”* Male, 54
- *“It’s a break from work, a distraction while you’re doing something else.”* Female, 38

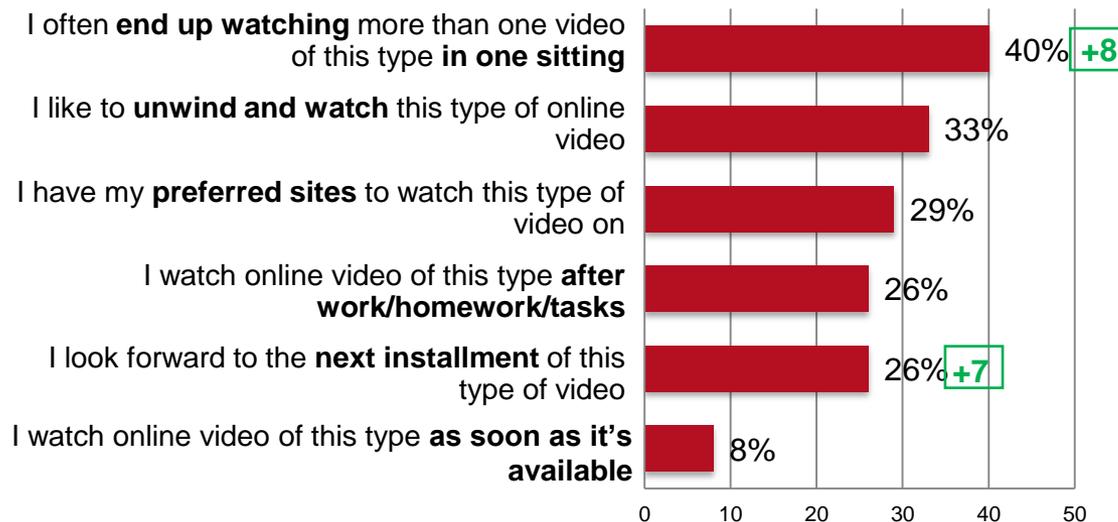
Some viewers are attracted by curiosity.

- *“I’ll watch when I’ve heard about something and want to see it myself.”* Male 44

Statement Agreement

- Multiple video viewing during a session is on the rise for Original Digital Video viewers, likely directly related to the increase in excitement for the next installment reported since a year ago
- Viewers do not tend to rush to view this type of content as soon as it is released.

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



+/- indicates >5 percentage points higher/lower than 2013

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) (n=441/490)

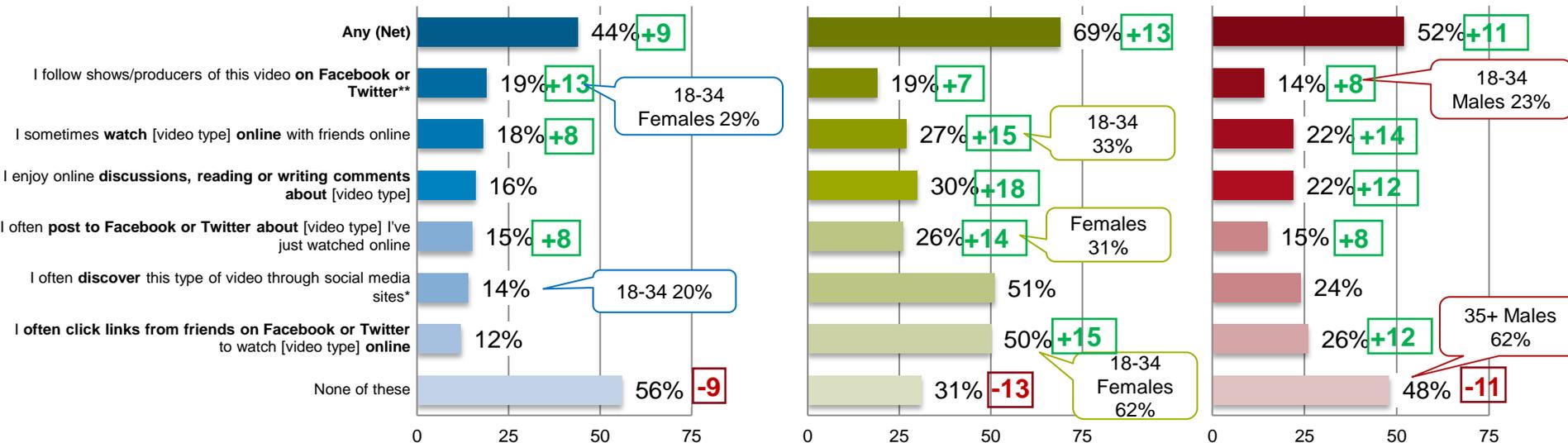
Social Media Interaction - Digital



- Social Media use for Original Digital Video viewers doubled for five of the six activities
- Original digital video viewers increasingly do more social media activities related to the shows (52%) than they do for Primetime TV (38%).
- Nearly a quarter of them discover, click links, discuss or co-view original digital video shows through social media compared to about 15% who do so for Primetime TV.
- Younger male 18-34 Original Digital Video viewers overindex on following shows/producers

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 ... (2013/2014) TV shows online (n=495/614), Amateur(n=724/683), Original Digital Video (n=441/490)

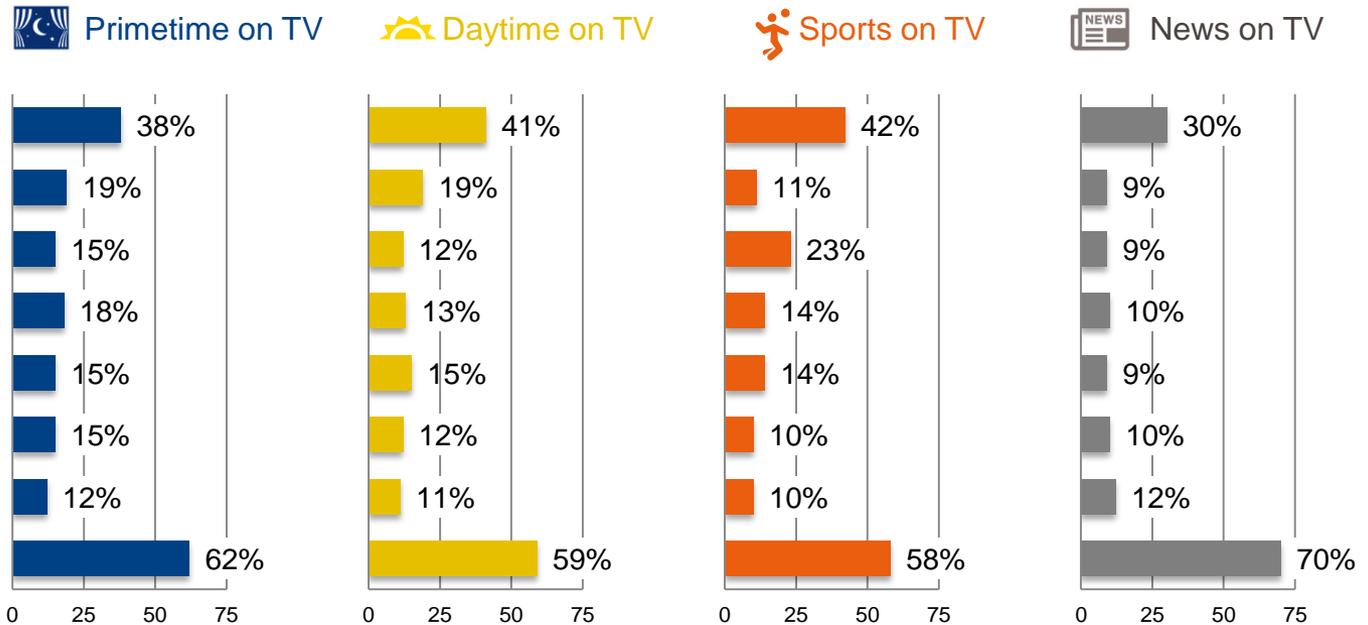
+/- indicates >5 percentage points higher/lower than 2013

Social Media Interaction – TV Types

- Regular TV viewers tend to use social media less with their TV experiences less than online video viewers do, especially TV News
- Primetime and Daytime social media behavior is similar, and both tend to be lower than use with Original Digital Video

Original Digital Video Any (Net)
52%

Social Media Use* – Monthly+ Users of TV Type –



*not asked about TV in 2013

Q32. How do you interact in social media with each type of TV program listed?

Base: Viewer of ... Primetime on TV (n=653), Daytime on TV (n=281), Sports on TV (n=456), News on TV (n=683)

The original digital video experience combines the private and social

Viewers often watch original digital video by themselves, but then share ones they enjoy through social media or e-mail.

“I often share them through social media with my friends.” Female, 23

“I’m most likely to share it, but watch it by myself.” Male, 51

“I’ll share it if it’s really funny or something unexpected... if I learned something that is new or really cool.” Female, 21

They are also shared in person.

“If it’s funny or interesting, I’ll share it with others...I’ll pull it up on the computer and use the Chromecast to put it on the TV.” Male, 26

“If I see something when we’re sitting together that I think she’ll like, I share it with my wife.” Male, 52



Reactions to Ads

Some viewers find positives in original digital video advertising



Advertisers seem to try harder

“Advertisers have such a short window, 10 seconds or so, before viewers can opt out, they seem to work harder to get your interest...it can draw me in.” Female, 21

The ability to choose

“When you’re watching on a computer, sometimes you can choose what type of ad you want to watch. You can choose a category. I prefer that.” Female, 23

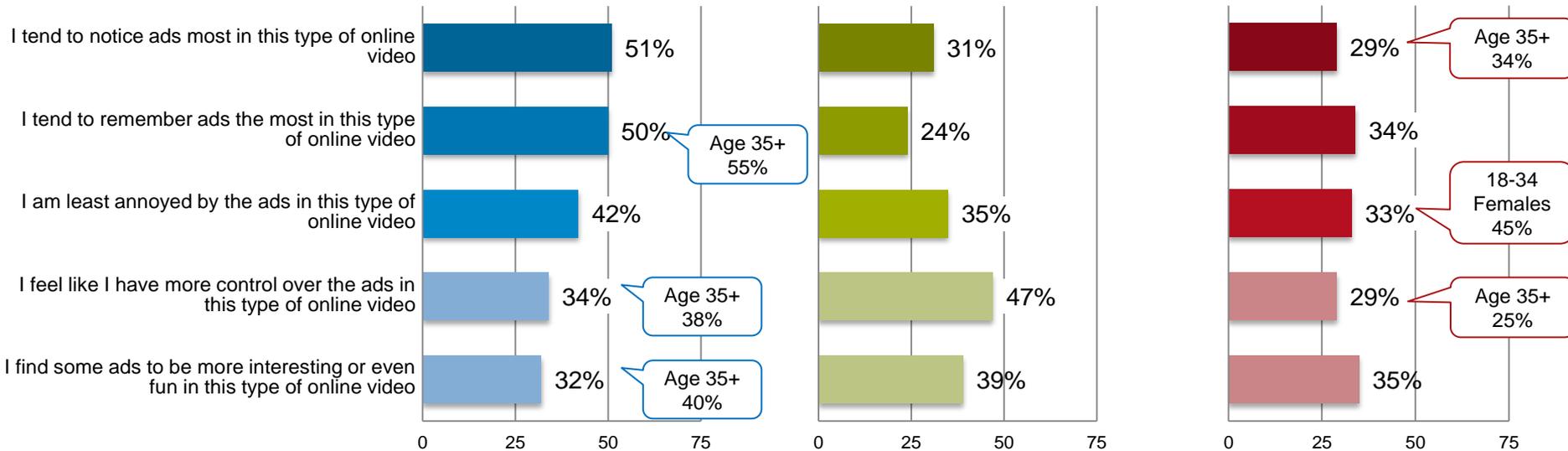
“If I can watch something for free, by watching ads, I’d rather have it be something I can choose. Something geared towards me.” Female, 26

“With original digital video ads, you can leave after 5 – 10 seconds.” Female, 43

Ads - Digital

- Ads tend to be more notable and memorable for TV online viewers versus ads seen by Amateur and Original Digital Video viewers
- Amateur users feel they have more control over the ads when using that type of video, and Original Digital Video is comparable to the other two video types on interesting/fun ads

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



*not asked in 2013

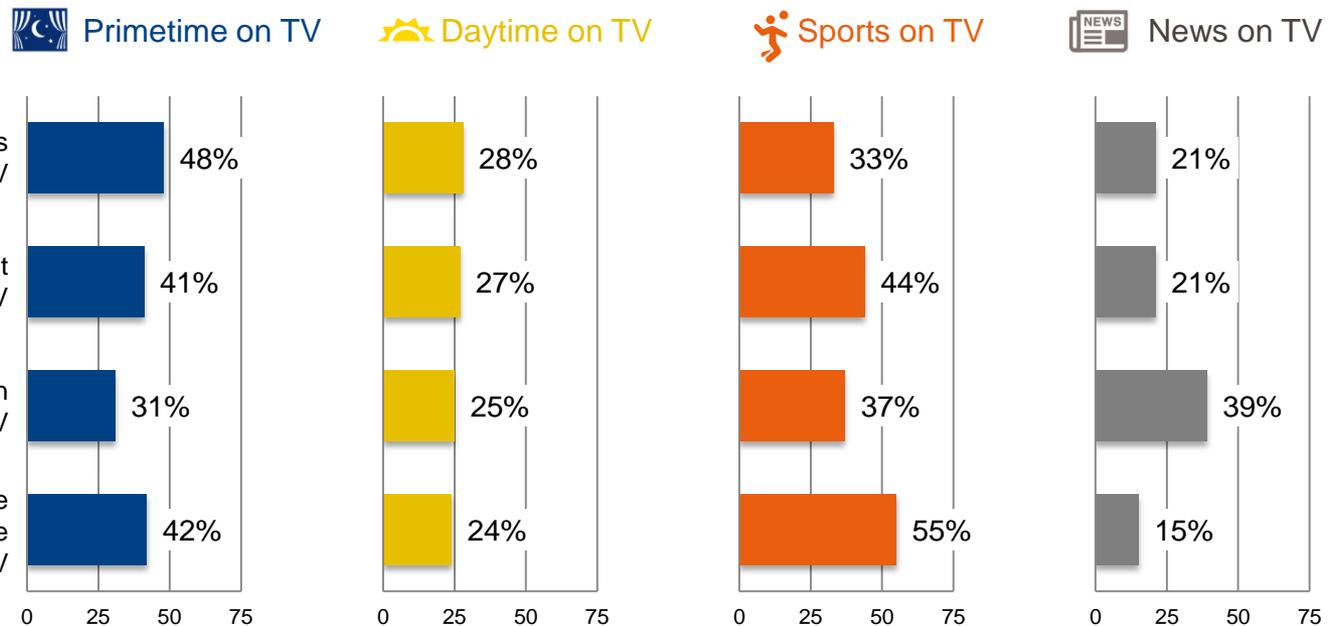
Q12. Which type of online viewing listed best matches each statement?

Base: Viewer of at least two of the video types... – TV shows online (n=570), Amateur Online (n=621), Original Digital Video (n=472)

Ads – TV Types

- Primetime TV viewers claim to notice ads more while watching, and ads are about as memorable to viewers as they are to those who watch Sports on TV
- Sports viewers show similar levels of ad rating metrics as Original Digital Video viewers do, with the exception of Sports being higher on interesting/fun ads

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



*not asked in 2013

Q33. Which type of TV program listed best matches each statement?

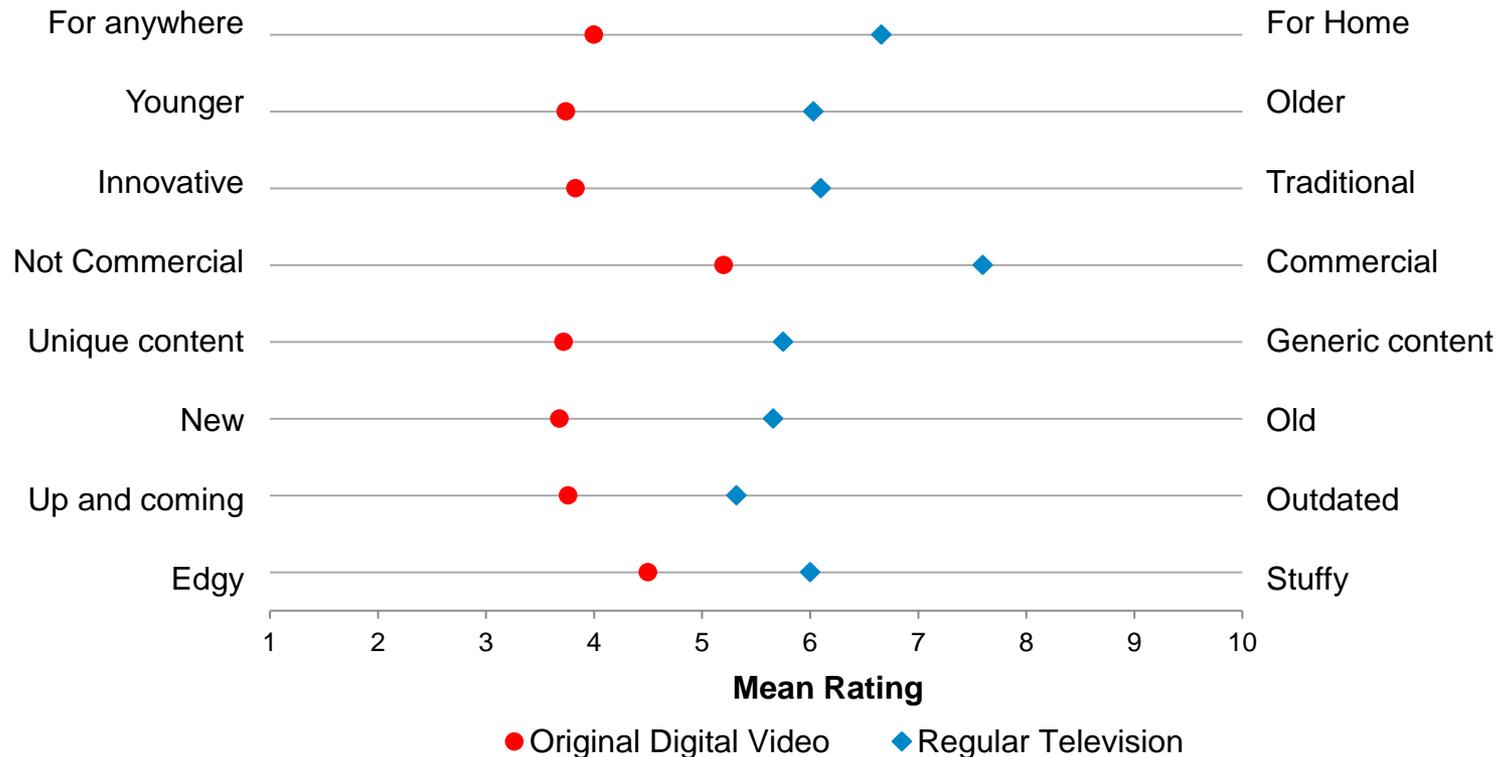
Base: Viewer of at least two TV types... – Primetime TV (n=607), Daytime TV (n=276), Live TV sports (n=425), TV news (n=630)

Original Digital Video vs. Regular TV

Image – Most Different

- Original Digital Video is clearly perceived to be newer, more innovative and unique, and more mobile than regular TV – and strongly less commercial and more edgy

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



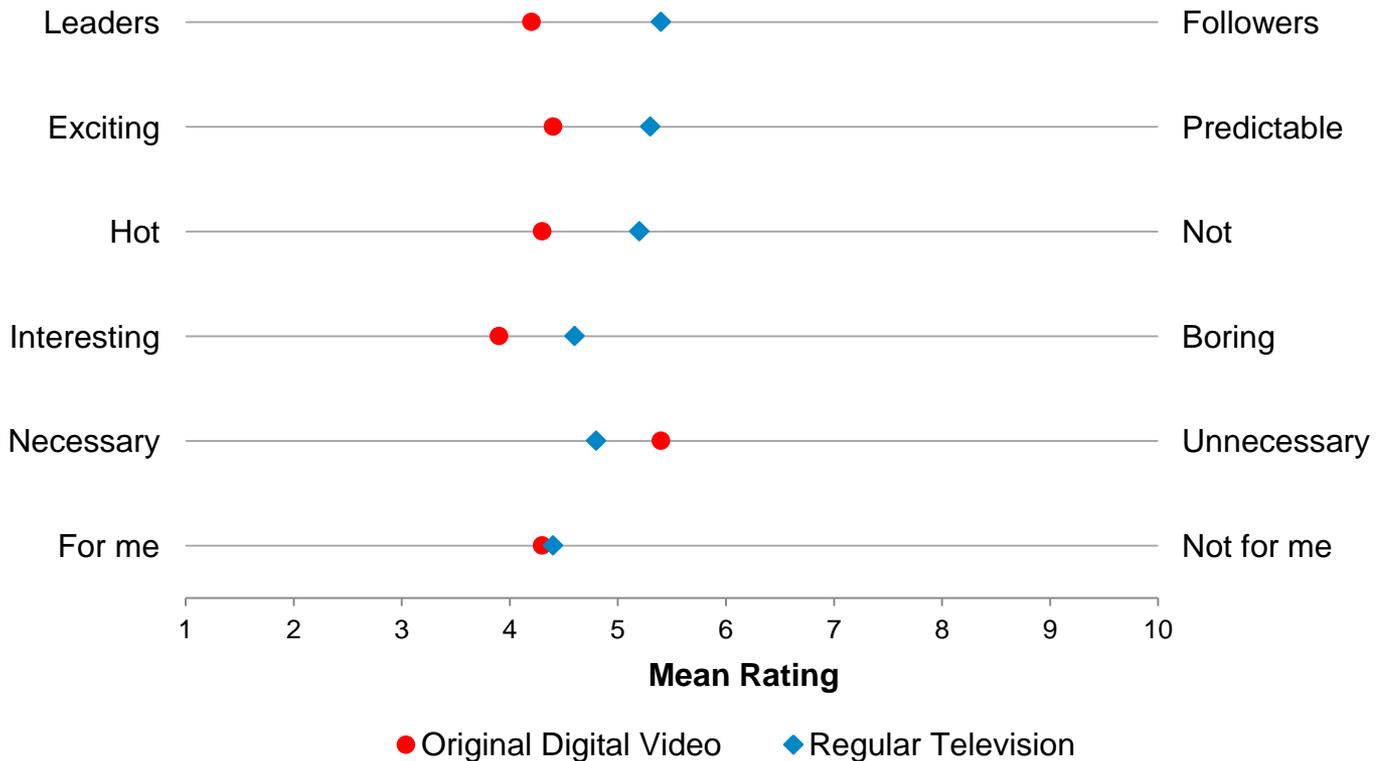
*not asked in 2013

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=402)

Image – More Similar

- Regular TV and Original Digital Video is seen as more similar on aspects such as being “for me” necessary and interesting

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



*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=402)

Viewers of online digital video are beginning to describe it as “a different form of media.”



“The content and the benefit we talked about with TV and online digital are different...they are almost different genres of entertainment. I find the advantages of one are balanced out by the other, so that is why I think of them as equal.” Male, 29.

“They fill different niches.”
Male, 54

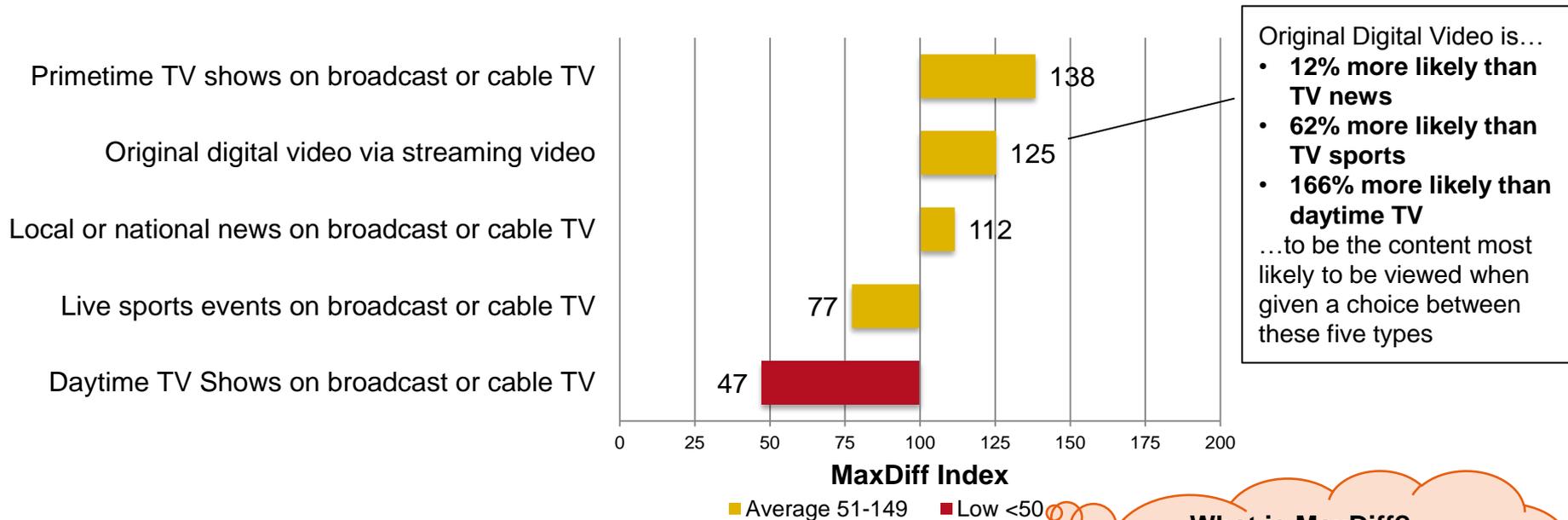
“TV and online digital video are really different experiences.”
Male, 32

“It’s different from TV. Television is a thing where if you’ve got the time and commit to it, it’s fine...(original digital videos) are shorter, easier to watch in a short amount of time ...even a 30 minute show on TV takes a lot of time.” Male, 26

Forced Choice - Original Digital Video Monthly+ Users

- Primetime TV and Original Digital Video are close to equal with respect to which would be most likely to watch

Video Most Likely to Watch* – 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 138 means this content is about 1.4 times more likely to be "most likely" to be watched than the average item on this list.

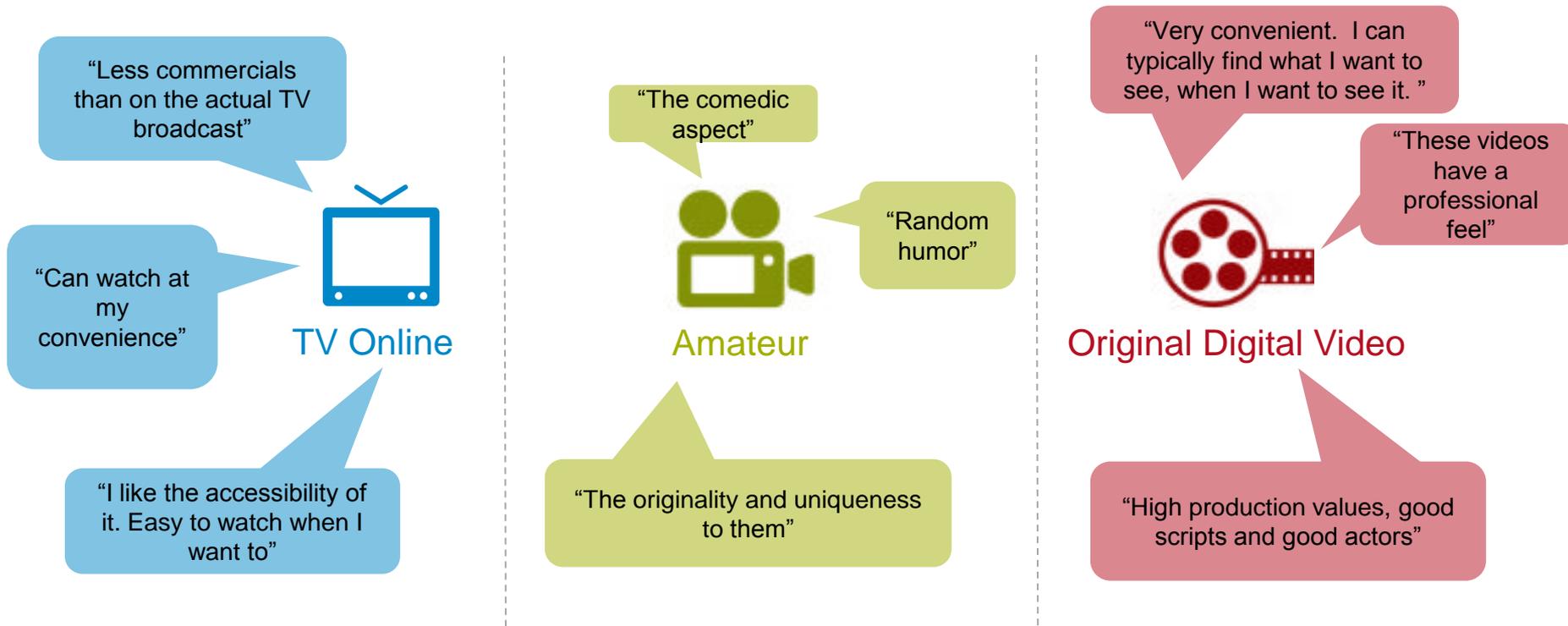
*not asked in 2013

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=490)

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



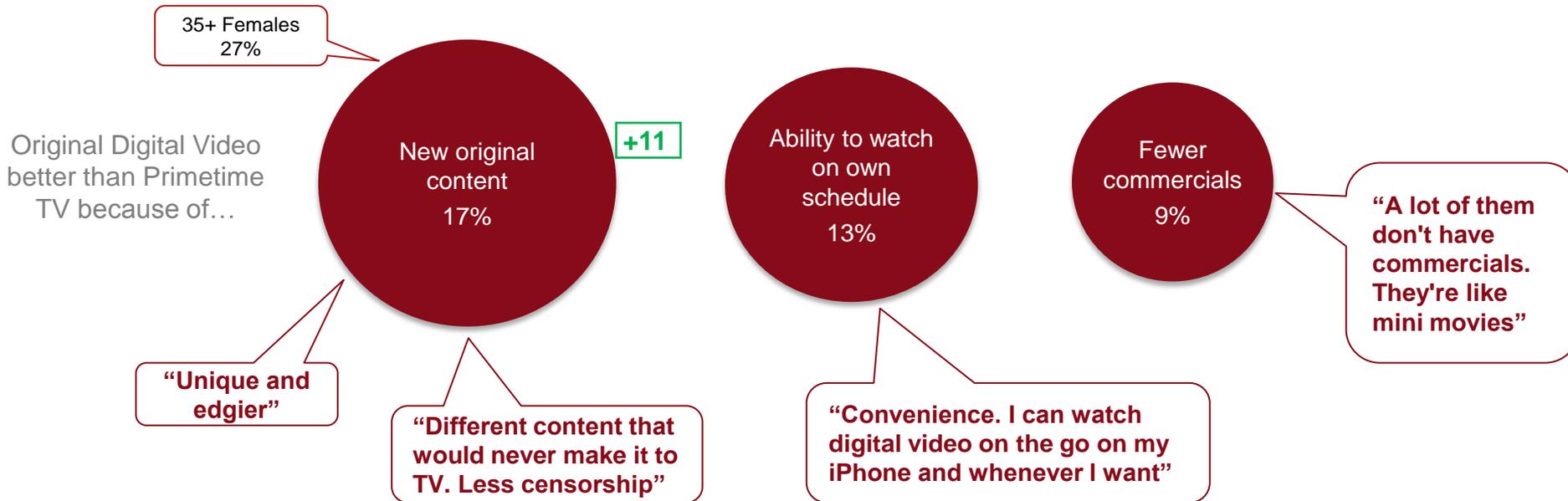
Q14a/b/c. Overall, what do you like best about the experience of watching [video type]?
 Base: Viewer of ... TV shows online (n=614), Amateur (n=683), Original Digital Video (n=490)

Original Digital Video and Primetime TV

- Compared with a year ago (6%), almost three times as many (17%) viewers of both Primetime TV and Original Digital Video cite original content as the most preferable aspects of Original Digital Video over Primetime TV
- Flexible viewing times and fewer commercials are the other main advantages



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



+/- indicates >5 percentage points higher/lower than 2013

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 (2013/2014)(n=298/322)

Many describe watching original digital video as a personal experience, where they are “in control”



TV is often described as ‘social viewing’ where control is shared.

“When you are watching with someone else, you aren’t In control. Control belongs to the others in the room.” Male, 52

“Friends usually take over the remote when they come by.” Female, 23

“Compromise is part of what makes it a family situation.” Female, 43

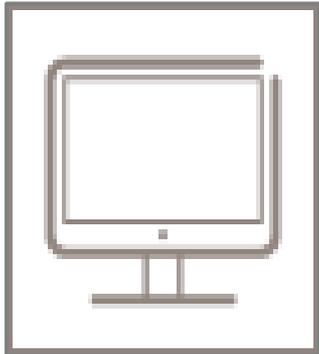


Original digital video is often described as a personal, private experience where the viewer is in control.

“I like the privacy of being able to put on my earphones and not bother others in the room. Male, 29

“I like to watch on my phone or laptop. It’s a more personal experience” Male, 38

Many viewers associate a sense of control with the overall original digital video viewing experience



Viewing on ‘a computer’ brings a sense of control associated with digital behavior.

“You can control time, pause, mute the ads.” Male, 45

“I’m by myself, on my phone, I can watch anywhere I am, any time of day.”
Female, 52

Viewers described ways that original digital video gave them more control over content.

“If you do know what you want, there is an accuracy to online that’s different from the randomness of TV surfing.” Male, 24

“I feel much more in control behind the computer. Even with 100 channels finding something you want is usually slim. Whereas online you can go to where your interests are.” Female, 43

Many viewers shared a very positive perception their original digital video viewing experiences

The question below was asked at the conclusion of each focus group.

74% of participants (17/23) described the experience of watching an original digital video they liked as equal to or better than that of watching something they liked on TV. This provides a helpful indicator of viewers' attitudes towards original digital video.

Across the four focus groups, participants described original digital video as:

- Increasing in quality
- Filling a different “niche” in their viewing lives than TV
- Providing enjoyable “quick breaks from reality” that fit into their lives

The viewing experiences they tended to describe were distinct and almost complementary to the experience of watching TV.

On the pad in front of you, using the 5-point scale provided, how would you compare the experience of watching an original digital you like versus something you like on TV?

1 2 3 4 5

Not as good as

Equal to

Better

Monthly+ Viewer Demographics

Demographic/Device Profile of Monthly+ Users

- Original Digital Video viewers have shifted a bit to include more females and HHs with kids in the past year. Mobile device ownership has increased for all video viewers

			
	TV Online	Amateur	Original Digital Video
	(N=614)	(N=683)	(N=490)
	(B)	(C)	(D)
 Male	52%	53%	54% -6
 Female	48	47	46 +6
 Mean age	38.1	38.6	39.0
 Median HH income (in thousands)	65.8	64.8	63.8
 Non-Ethnic	65	68 ^D	61
 College Grad+	36	36	40
 Married	50	48	48
 Any kids in HH	43	41	42 +6
 Median HH size	3	3	3
 Smartphone Ownership	70 +9	69 +8	70 +7
 Tablet Ownership	49 +9	47 +9	51 +11

Demographics

Q52. Which, if any, of the following devices do you personally own or regularly use?
Letter indicates significant difference at 95% confidence level.

+/- indicates >5 percentage points higher/lower than 2013

Appendix

Online Focus Group Participants: April 9, 2014



1:30 EDT Session

3:30 EDT Session

5:30 EDT Session

7:30 EDT Session

Age	Gender	Original Digital Video Use
23	F	Weekly
52	F	Weekly
58	M	Weekly
60	M	Weekly
57	M	Ever
43	F	Weekly

Age	Gender	Original Digital Video Use
54	M	Weekly
38	F	Ever
26	M	Weekly
69	M	Monthly
24	M	Monthly
45	F	Weekly

Age	Gender	Original Digital Video Use
51	M	Weekly
52	M	Monthly
39	M	Monthly
38	M	Monthly
39	F	Monthly

Age	Gender	Original Digital Video Use
44	M	Monthly
21	F	Weekly
29	M	Weekly
45	M	Weekly
32	M	Weekly
26	F	Weekly

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