# The OTT Co-Viewing Experience: 2017

November 2017

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# Objectives

IAB Digital Video Center of Excellence has identified OTT/Connected TV as one of its research priorities in 2017. During the first half of 2017, IAB Digital Video Center released the Video Content Discovery Study and the Changing TV Experience Study to understand the awareness and discovery patterns of video content across platforms, including OTT/Connected TV, and specifically the adoption, usage and attitudes towards OTT/Connected TV.

To continue building this OTT/Connected TV research program, IAB Digital Video Center, in collaboration with Freewheel, Hulu, and Roku, conducted this primary research study to focus on understanding the **co-viewing** behavior on OTT and its benefits to brands, such as incremental reach and advertising effectiveness. In addition, the research aims to compare co-viewing behaviors between OTT and linear live TV programming to understand similarities and differences.

# Methodology

- An online survey was fielded among MARU/Matchbox's Springboard America online panel (~250,000 U.S. members).
  - The total sample included 1,223 video viewers ages 13-64 in the U.S., representative by Census.
  - The survey was fielded 10/2/2017 – 10/9/2017
  - All statistical significance is noted with (*) and tested at 95% confidence level.

- Key definitions:
  - ***Co-viewing*** – Watching video content with others
  - ***OTT*** – Video programming (on demand or live) streamed to a TV via the internet, using a streaming device, Blu-ray player, gaming console, or smart TV.
  - ***Linear TV*** – Live video programming received through a cable/satellite/telco TV service or an antenna.
  - ***VOD*** – On demand video programming received through a cable/satellite/telco TV service.

# Key Findings: Co-Viewing Landscape

**TV viewing is social, with 93% of people engaging in some co-viewing activity on the big screen.**

- The TV screen is the most co-viewed screen, with 93% of TV viewers engaging in some co-viewing activity.
- Co-viewing behavior on TV is highly prevalent across all platforms including linear, OTT, VOD and DVR.
- OTT takes #2 position in overall reach behind linear TV and ahead of VOD and DVR. Viewers co-view more on OTT than on VOD or DVR.

# Key Findings: OTT Co-Viewing Experience

**Co-viewing on OTT tends to occur among younger viewers, in larger households, and with strong brand-engagement.**

- Co-viewers on OTT skew younger (18-34), Hispanic and cordless/no pay TV; they are likely to have a larger household with kids.
- The majority of OTT co-viewers say they pay most attention to video content and report a high level of enjoyment and interaction during co-viewing.
- When co-viewing, OTT viewers are likely to engage in brand/product-related multitasking activities such as online searches, social discussions and online purchases.
- Group interaction is dynamic during OTT co-viewing, which involves brand/product-related discussions in-person or on social media and influencing one another's perceptions.

# Key Findings: OTT Co-Viewing Deep Dive

**The study further looks into co-viewing behaviors and attitudes on OTT to uncover opportunities for brands to engage with OTT audiences.**

- OTT accounts for 29% of the 29.5 hours of weekly co-viewing time among those who watch OTT video content with others.
- OTT co-viewers spend more than double the amount of time on a weekly basis watching ad-supported content than on subscription services with no ads.
- Movies are the most co-viewed genre; co-viewing with children and co-viewing of animated/children's programming on OTT are also common.
- Households usually choose co-viewed content on OTT collaboratively. Co-viewing is generally motivated by a desire to share time together and to relax/unwind.
- Longer videos (>30 minutes) are more popular than short-form videos for co-viewing on OTT. And 36% of OTT videos co-viewed are live programming.

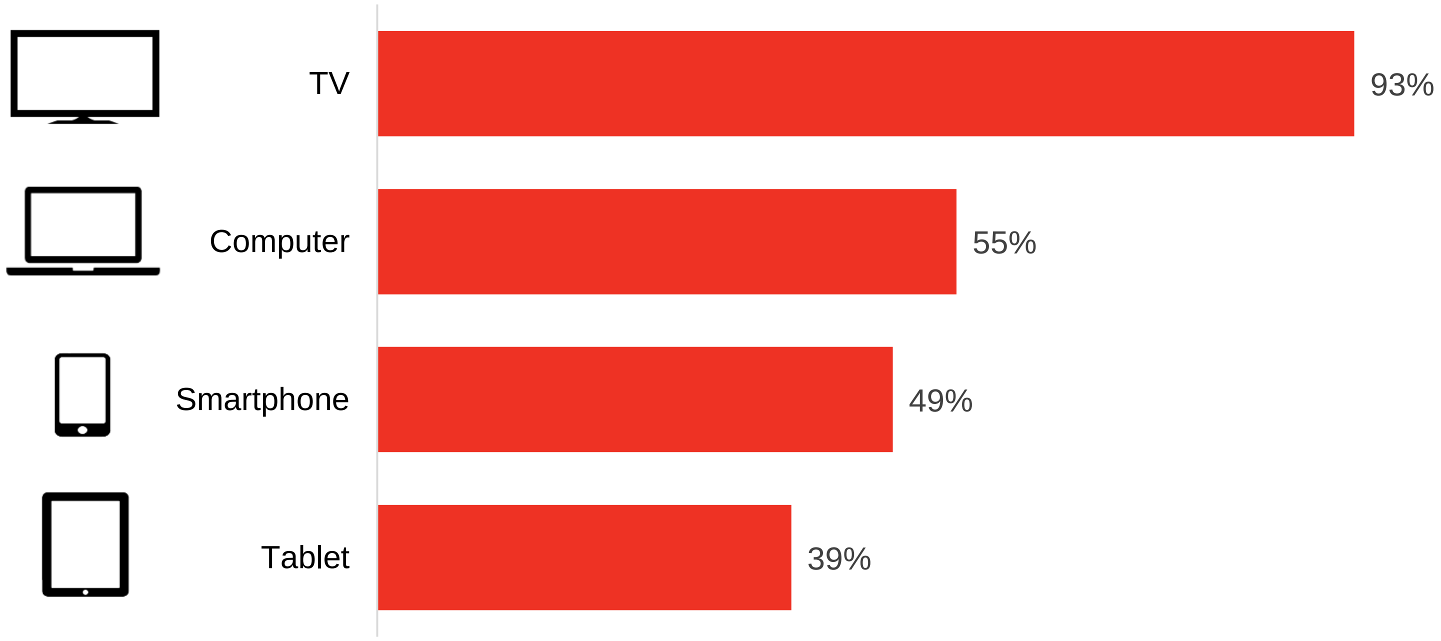
# Co-Viewing Landscape

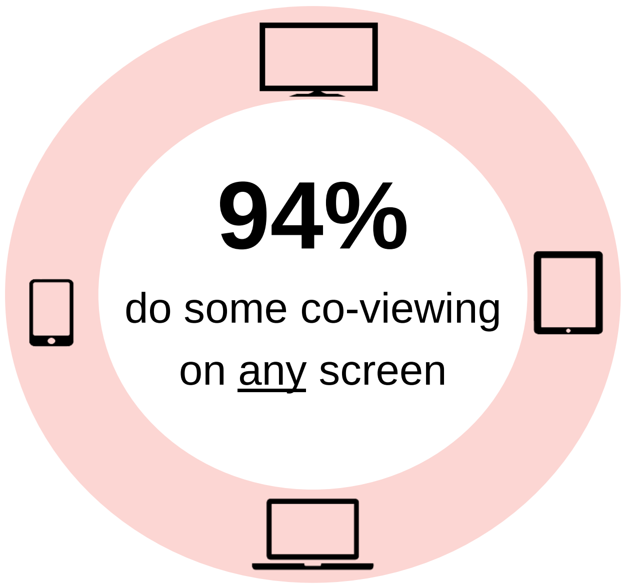
# Video viewing is highly social; TV is the dominant screen for co-viewing

Most co-viewing takes place on a TV screen, with 93% of viewers having watched video content with others on TV. About half of viewers also watch video content with others on computer and smartphone screens.

## Co-Viewing Incidence by Screen *(Ever Co-View with Others)*

Among Total U.S. Viewers



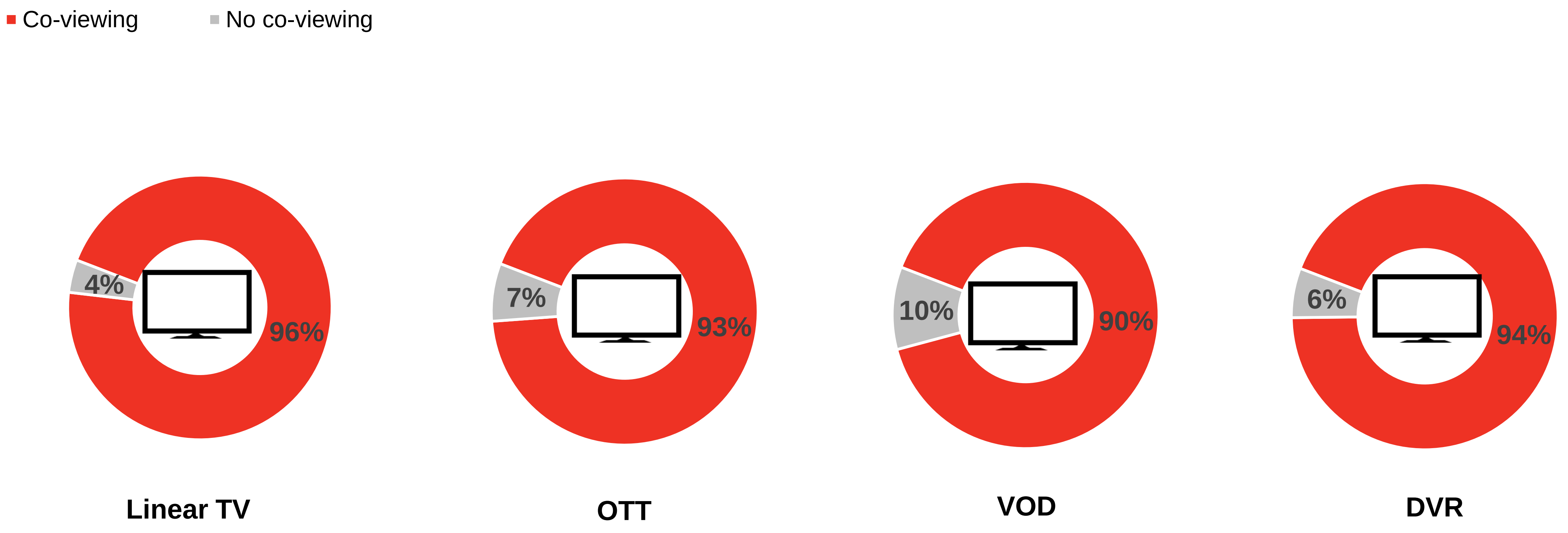

TimeCoViewing. How is your time split between watching alone and watching with others on each of the following devices in a typical week?
Base size: Total U.S. viewers.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# Co-viewing behavior is prevalent on the TV screen, no matter the viewing platform

Linear TV has the highest co-viewing incidence among its viewers. Co-viewing contributes to incremental audience reach across viewing platforms.

## Co-viewing Incidence on Platform

Among Viewers on the Platform





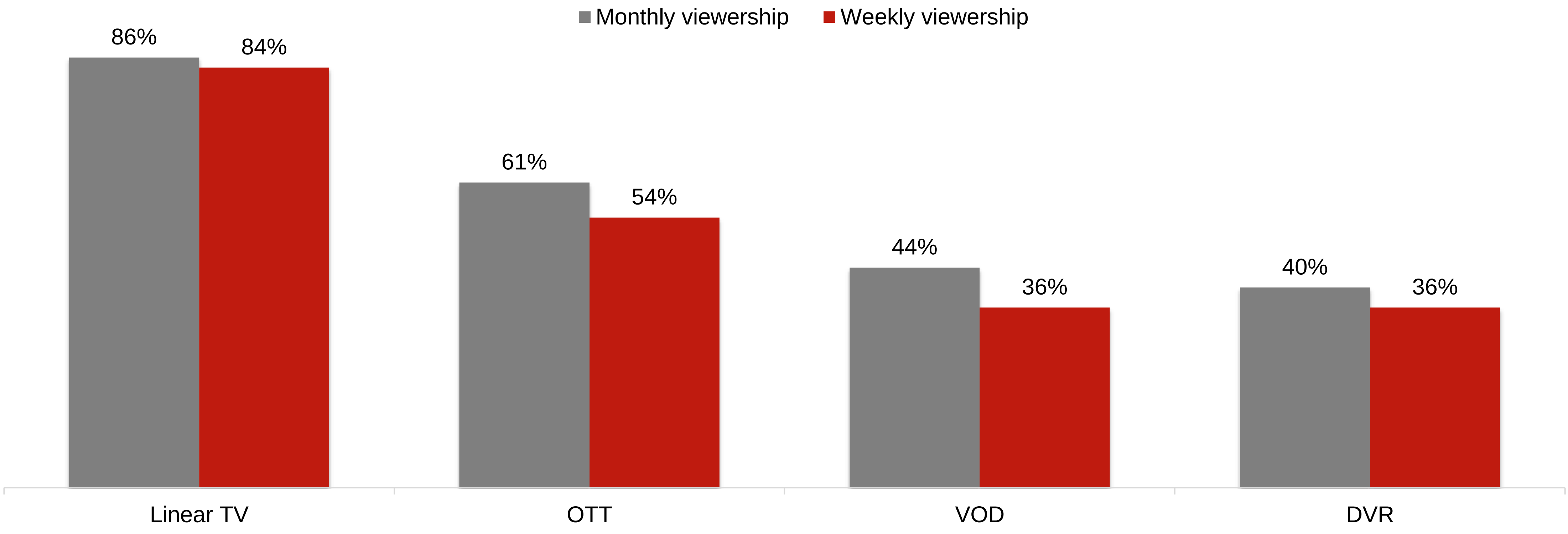

CoviewingDev. When you watch video content on a TV at home in a typical week, how is your time split between watching alone and watching with others in the following ways?
Base size: Viewers on this platform.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# After linear TV, more Americans watch video content on OTT than on VOD or DVR

OTT takes #2 position on overall reach, ahead of VOD and DVR.

## Overall Viewership by Platform

Among Total U.S. Viewers



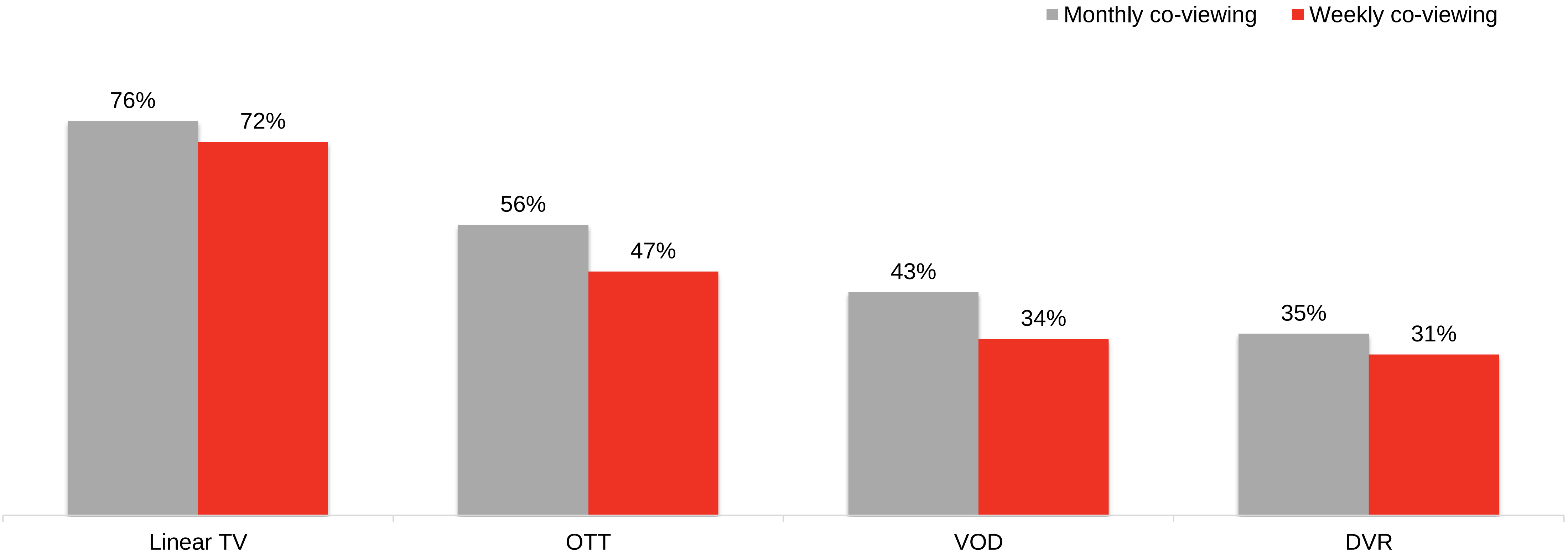



FreqVideoWatch_Way. How often do you watch TV shows, movies or videos on a TV in the following ways?
Base size: Total U.S. viewers.
IAB Research Using Maru/Matchbox’s Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# As a result, co-viewing reach is highest among linear TV and OTT

## Co-Viewing Viewership by Platform

Among Total U.S. Viewers






CoviewingDev. When you watch video content on a TV at home, how often do you watch with others in each of the following ways?
Base size: Total U.S. viewers.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

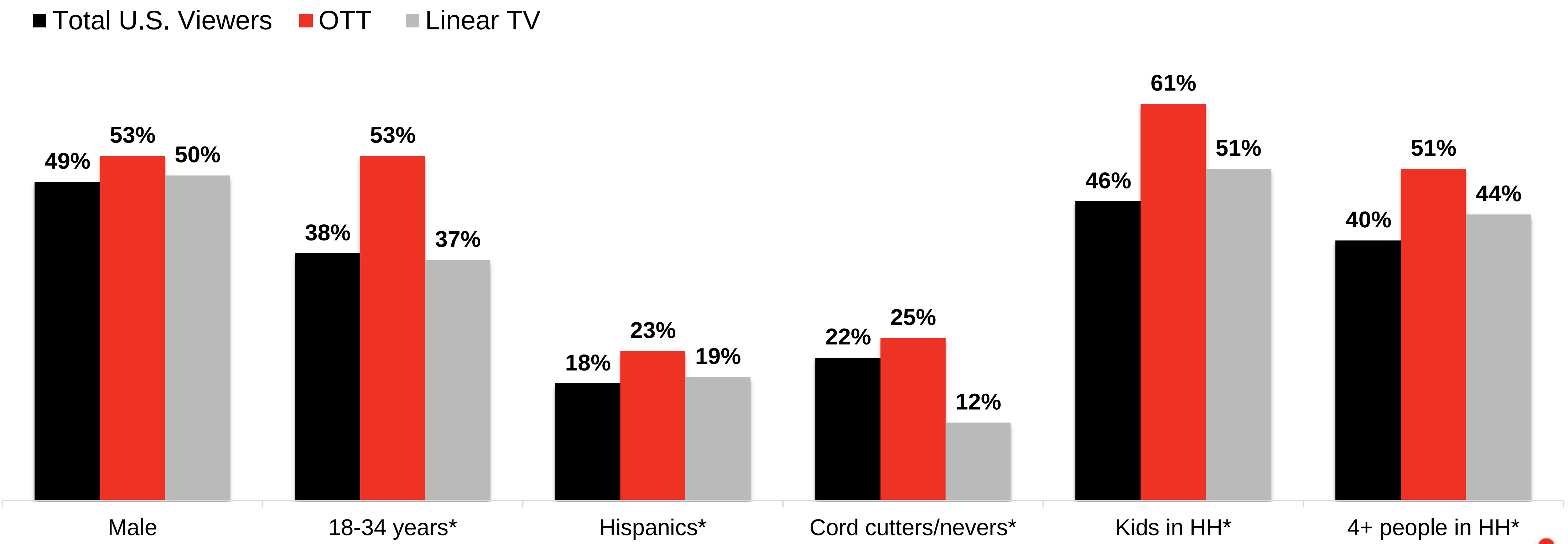
# OTT Co-Viewing Experience

# Co-viewers on OTT skew more Millennial, Hispanic, and cordless; they are likely to have a bigger household with kids

OTT co-viewers over-index on millennials, Hispanics, cord cutters/nevers, and large families with children.

## Co-Viewer Profile

Among Co-viewers on the Platform




Base size: Co-viewers of the platform – weekly+. * Statistically significant difference. Cordless includes cord cutters and cord nevers.

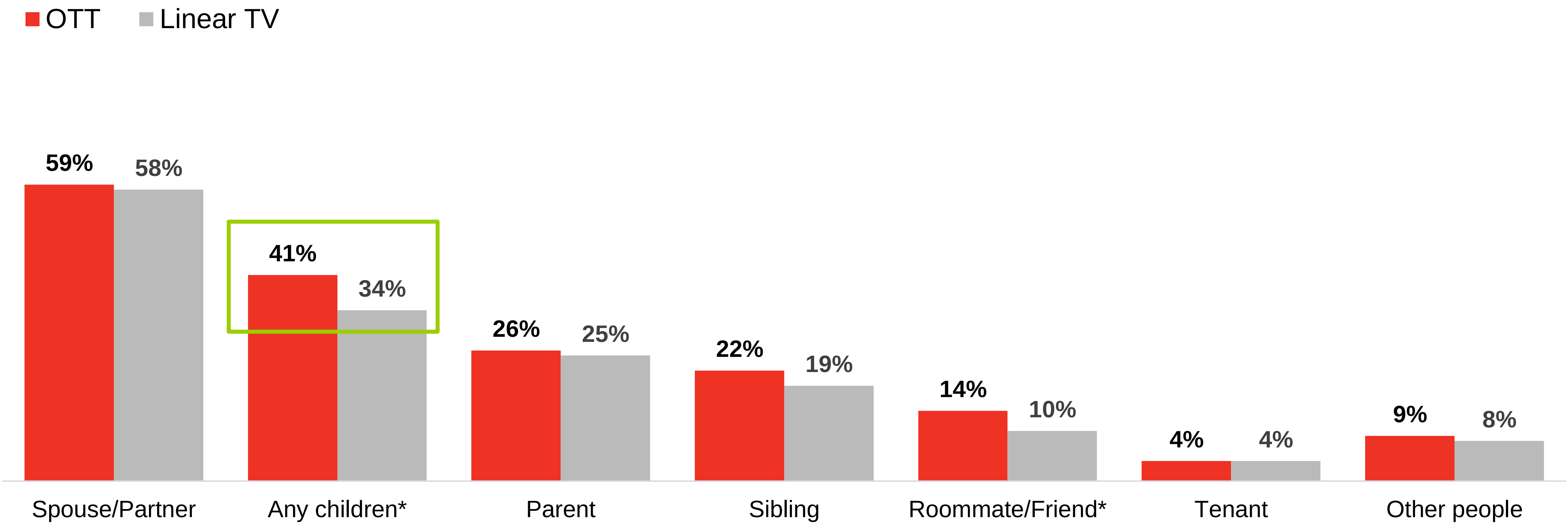
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# Co-viewing activity on OTT centers around family, where top co-viewing companions are spouses/partners and children

OTT can be an effective platform to reach children through family co-viewing on the platform.

## Person Co-Viewing With..

Among Co-viewers on the Platform





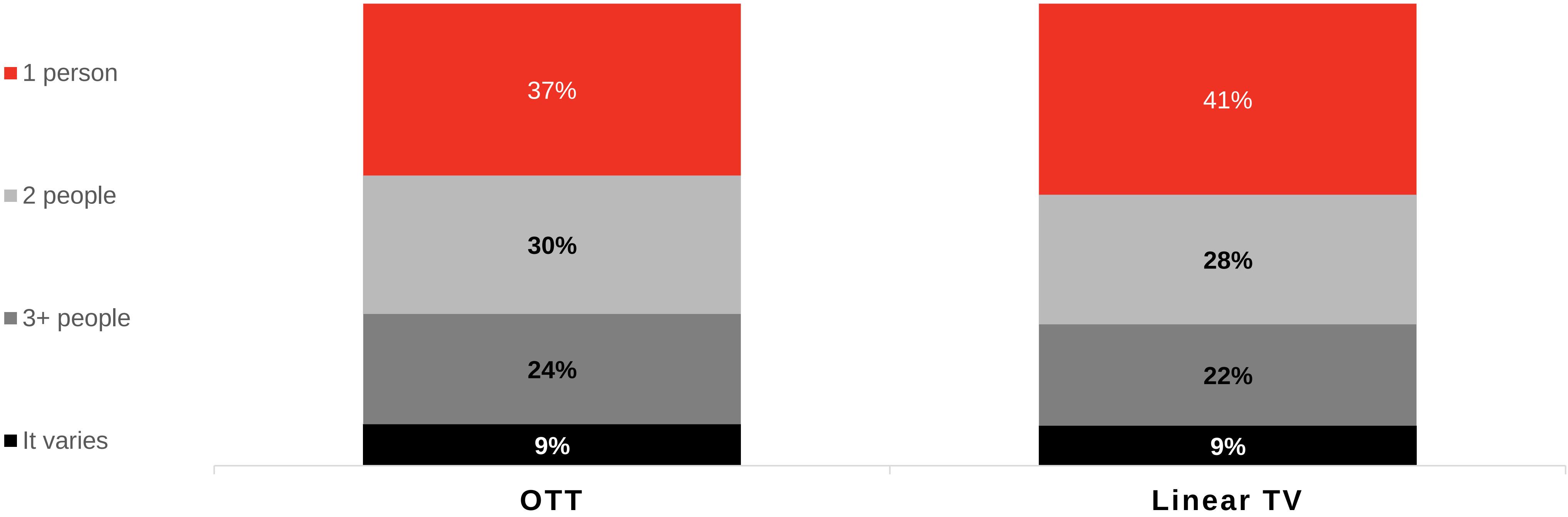

CoviewingCompanionByDev. In a typical week, with whom do you usually watch TV shows, movies or videos in each of the following ways?
Base size: Co-viewers of the platform – weekly+. * Statistically significant difference.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# Average number of weekly co-viewing companions is about two people on OTT and linear TV

## # of People Co-View with Weekly *(not including the respondents)*

Among Co-viewers on the Platform

| | OTT | Linear TV |
|---|---|---|
| Estimated Average # of co-viewing companions (excluding "It varies") | **1.94** | **1.86** |



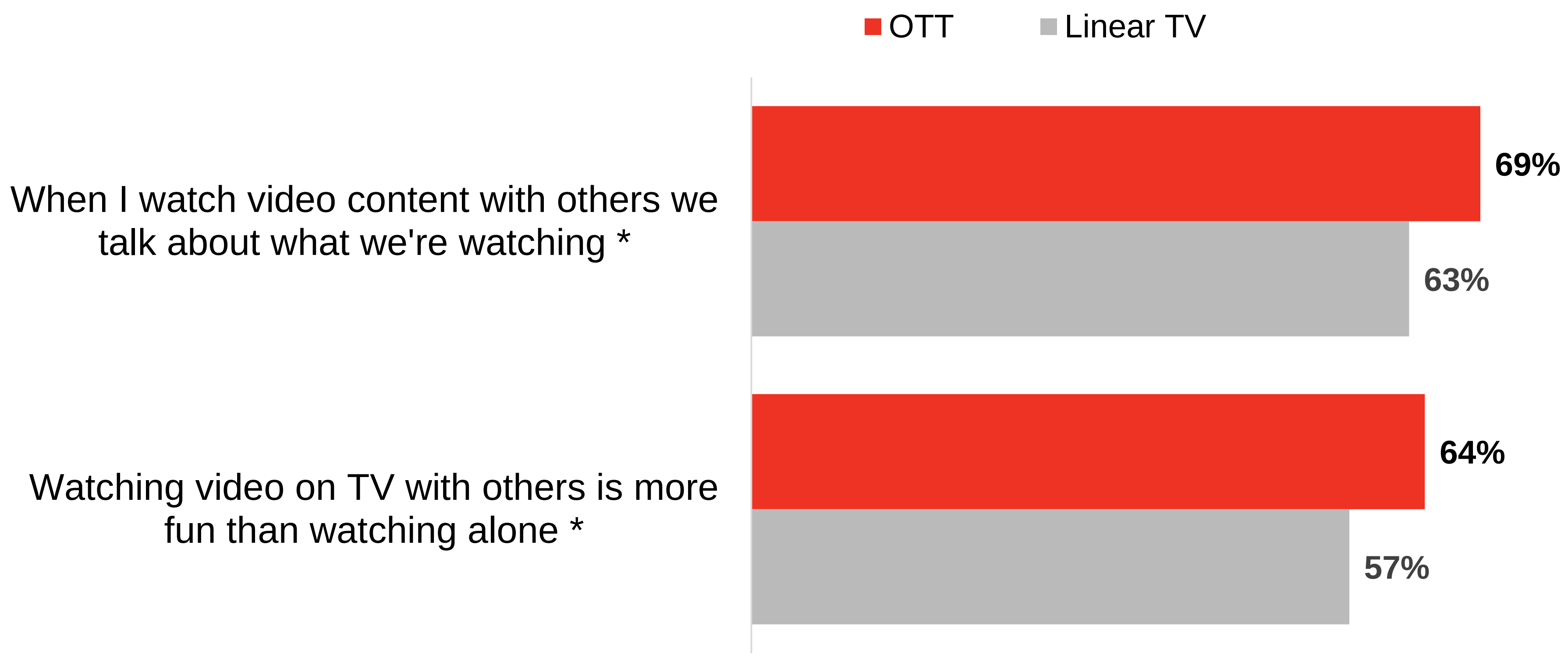



CoviewingCountByDev. In a typical week, when you watch video content on TV with others, how many people do you watch with in each of the following ways?
Base size: Co-viewers of the platform – weekly+.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# The majority of co-viewers on OTT indicate a high level of interaction and enjoyment

## Co-Viewing Attitudes *(Top 2 Box agreement %)*

Among Co-viewers on the Platform






CoviewingCompanionByDev2. Think of your experience watching video content on a TV with others versus when watching alone. To what extent do you agree with the following statements?
Base size: Co-viewers of the platform – weekly+. * Statistically significant difference.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

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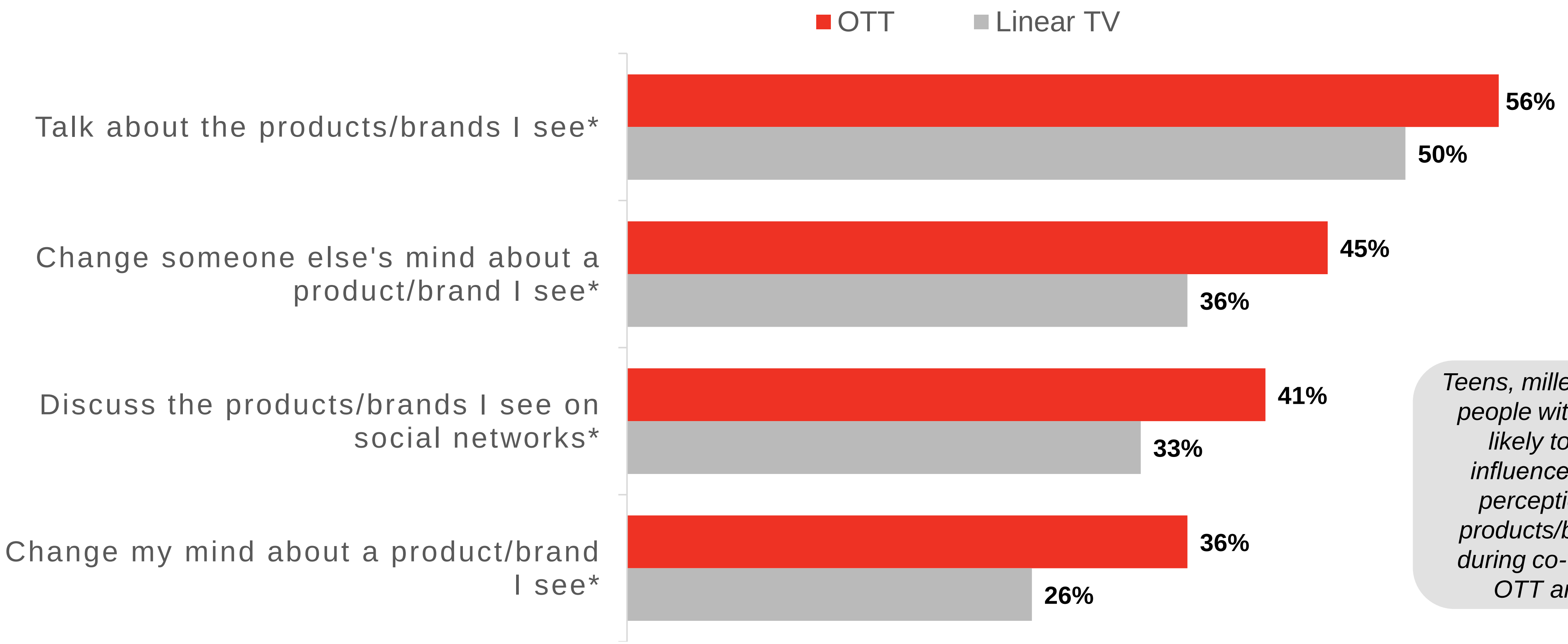
# Brand-related interaction is dynamic during OTT co-viewing, including in-person or social discussions

Viewer interaction triggered by co-viewing further enhances brand engagement and decision-making dynamics.

## Likelihood to Interact During Co-Viewing *(Top 2 Box agreement %)*

Among Co-viewers on the Platform




*Teens, millennials, men, and people with kids are more likely to interact and influence one another's perceptions about the products/brands they see during co-viewing on both OTT and linear TV.*

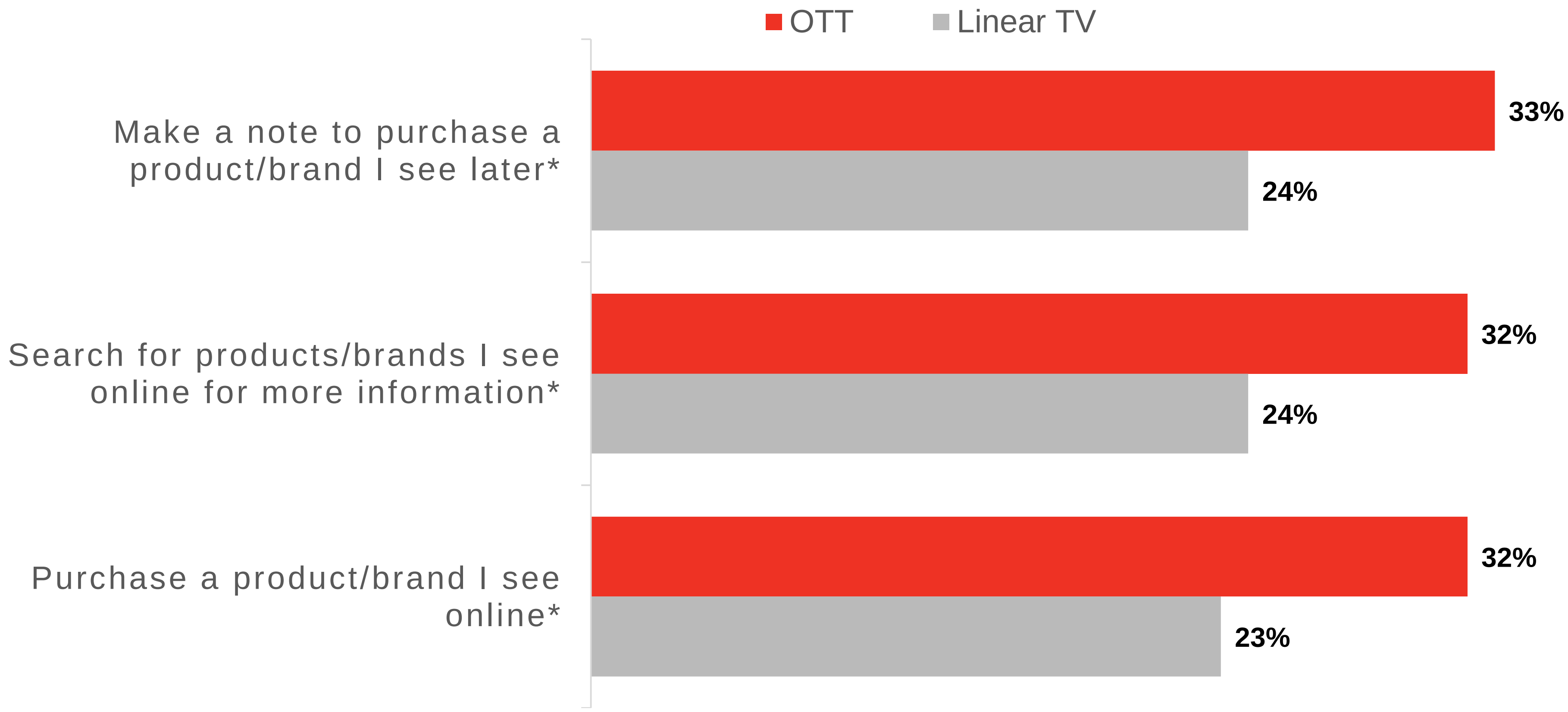


CoviewingAttitudinal. Thinking about watching video content on a TV alone vs. watching with others, how likely would you be to do each of the following?
Base Size: Co-viewers of the platform – weekly+. * Statistically significant difference.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# Co-viewers are likely to take an action in response to the product/brand they see, especially on OTT

## Likelihood to Take Actions During Co-Viewing *(Top 2 Box agreement %)*

Among Co-viewers on the Platform




*Teens, millennials, men, and people with kids are more likely to take an action related to the products/brands they see during co-viewing on both OTT and linear TV.*

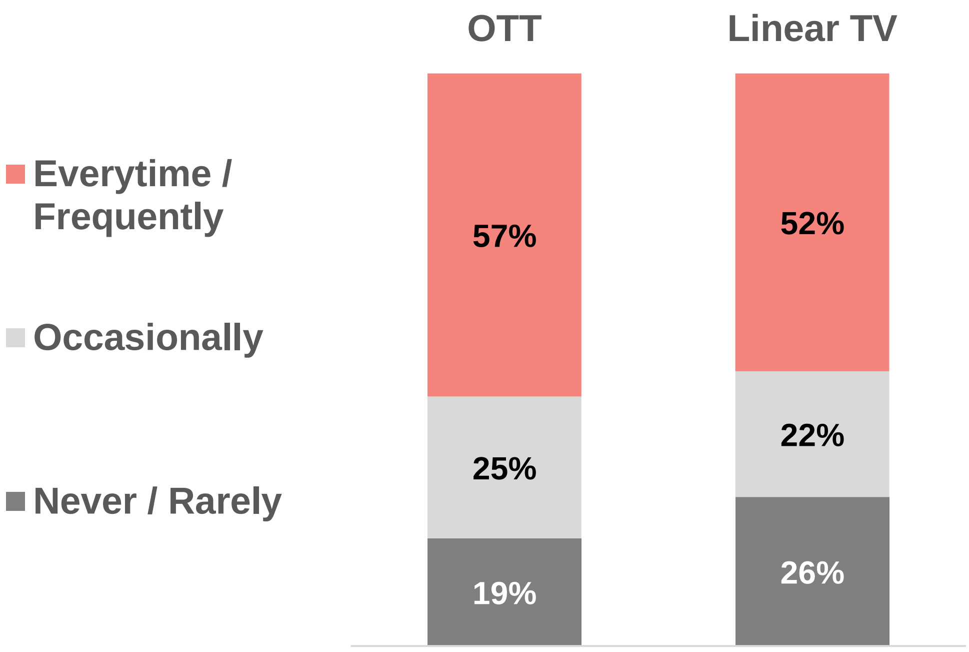


CoviewingAttitudinal. Thinking about watching video content on a TV alone vs. watching with others, how likely would you be to do each of the following?
Base Size: Co-viewers of the platform – weekly+. * Statistically significant difference.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# Most multitask on another device during co-viewing; likely activities include online searches, discussions on social media and online purchases

## Frequency of Using Another Device during Co-viewing

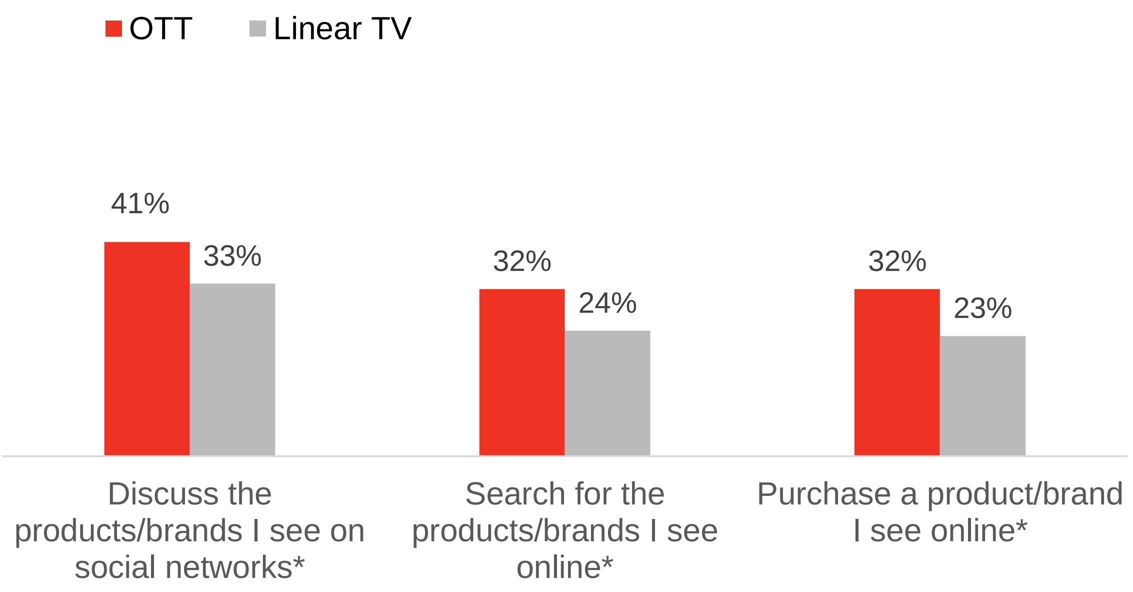
Among Co-viewers on the Platform




## Likelihood to Take Actions During Co-Viewing

*(Top 2 Box agreement %)*

Among Co-viewers on the Platform



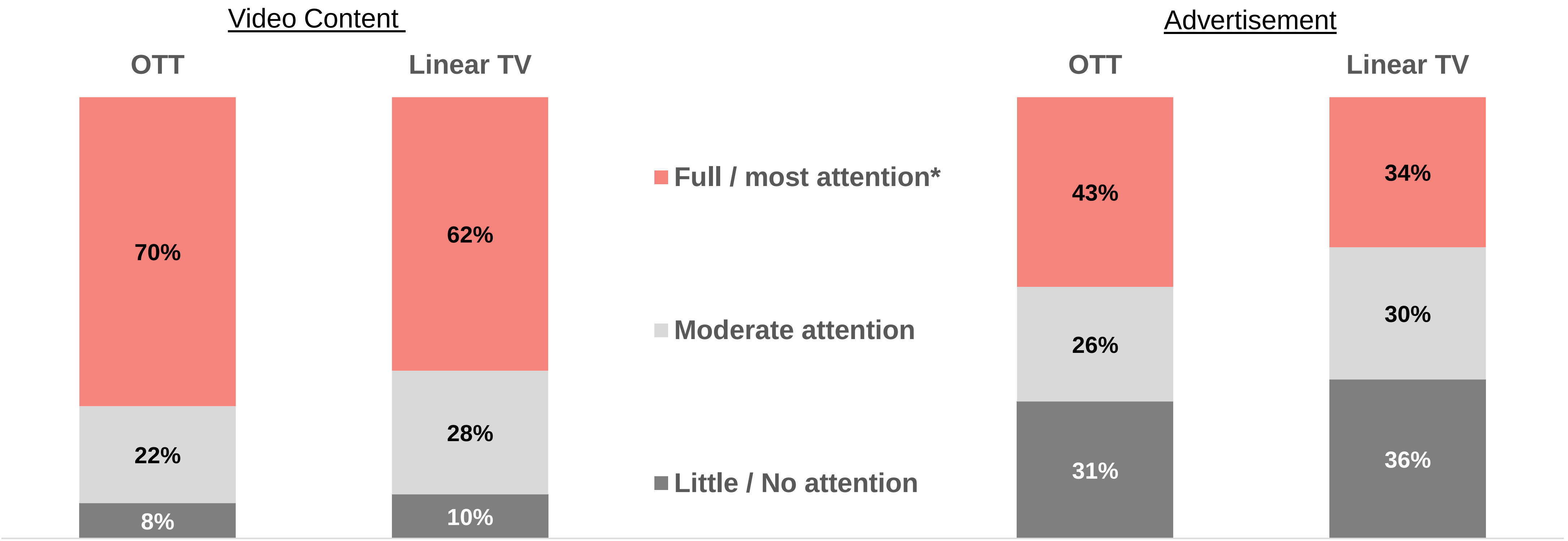

FreqCoviewingMultiTask. How often do you also use another device (such as a smartphone, tablet or laptop), while watching TV with others in the following ways?
CoviewingAttitudinal. Thinking about watching video content on a TV alone vs. watching with others, how likely would you be to do each of the following?
Base Size Co-viewers of the platform – weekly+. * Statistically significant difference.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# The majority of co-viewers say they pay full/most attention to video content, especially on OTT

Given the tendency of multi-tasking, co-viewers are likely to conduct brand-related activities on another device triggered by seeing an ad.

## Attention Paid to Video Content and Ads During Co-Viewing

Among Co-viewers on the Platform






CoViewAttentionToVideo/Ads. How much attention do you pay to the video content / advertisements, while watching TV with others in the following ways?
Base size: Co-viewers of the platform – weekly+. * Statistically significant difference.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

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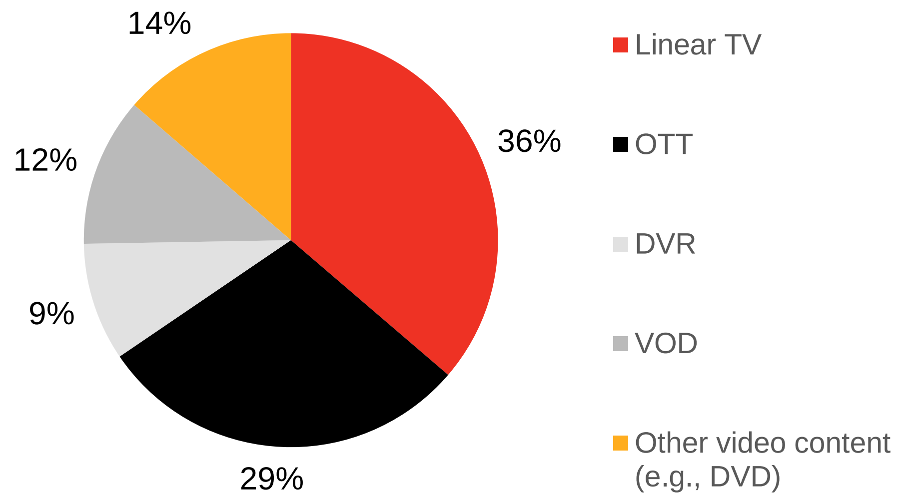
# OTT Co-Viewing Deep Dive

# OTT accounts for nearly one-third (29%) of weekly co-viewing time on TV, among those who watch OTT content with others

## Share of Total Weekly Co-Viewing Time

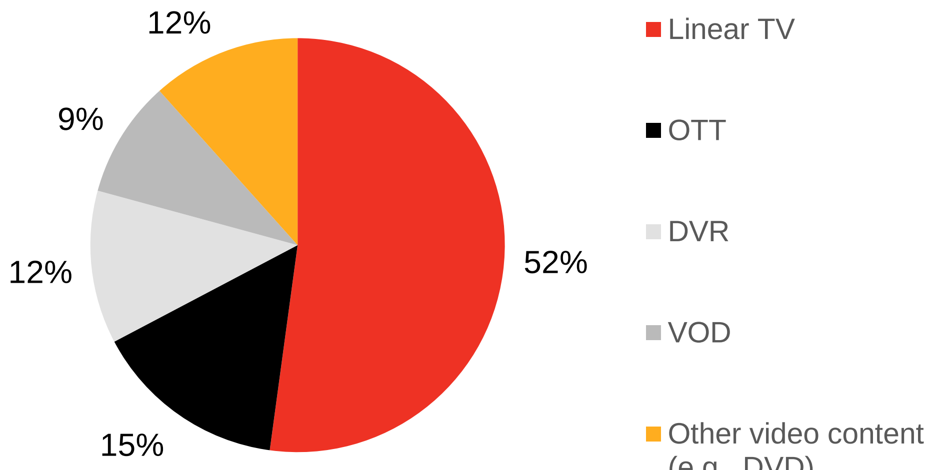
Among Co-viewers on OTT

**29.5** **hours of co-viewing in a week**




Among Co-viewers on Linear TV

**28.5** **hours of co-viewing in a week**






TimeSpentCoviewingDev. Think of all your video content viewing on a TV with others at home. In a typical week, how many hours do you spend?
Base size: Co-viewers of the platform – weekly+.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

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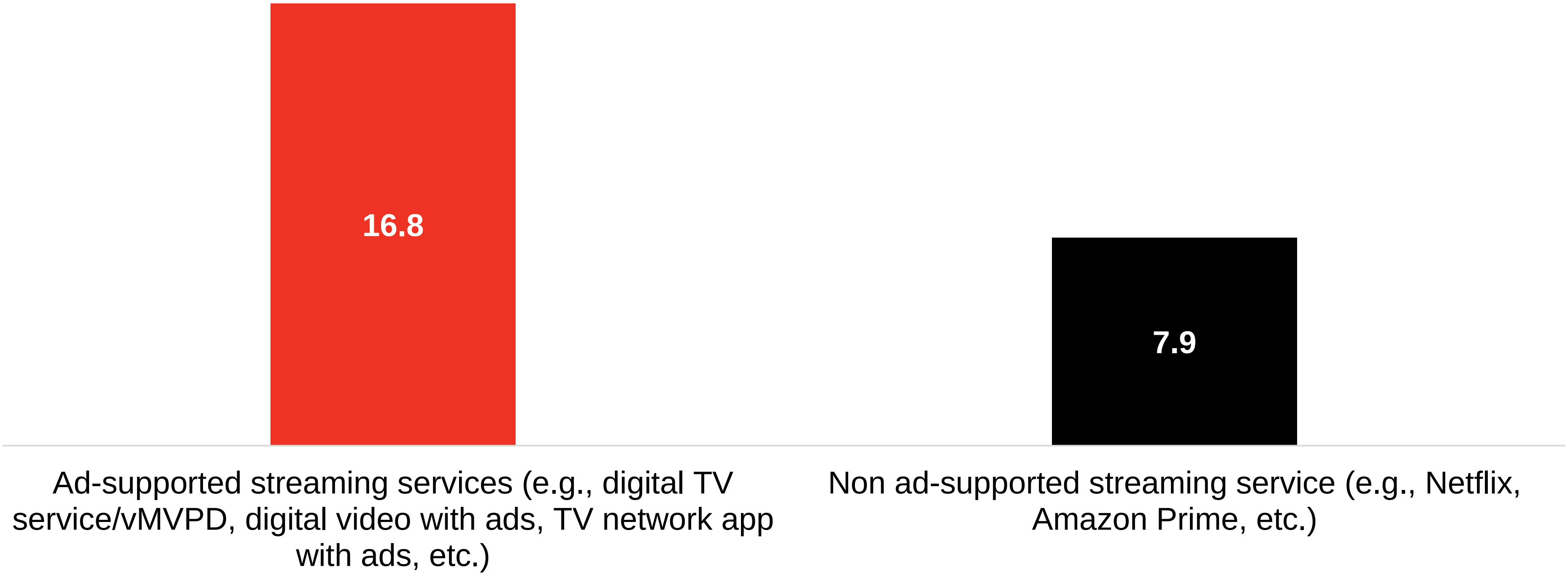
# OTT co-viewers spend more than double the amount of time watching ad-supported content than subscription services

## Average Hours Spent Co-Viewing with Streaming Services in A Week

Among OTT Co-viewers





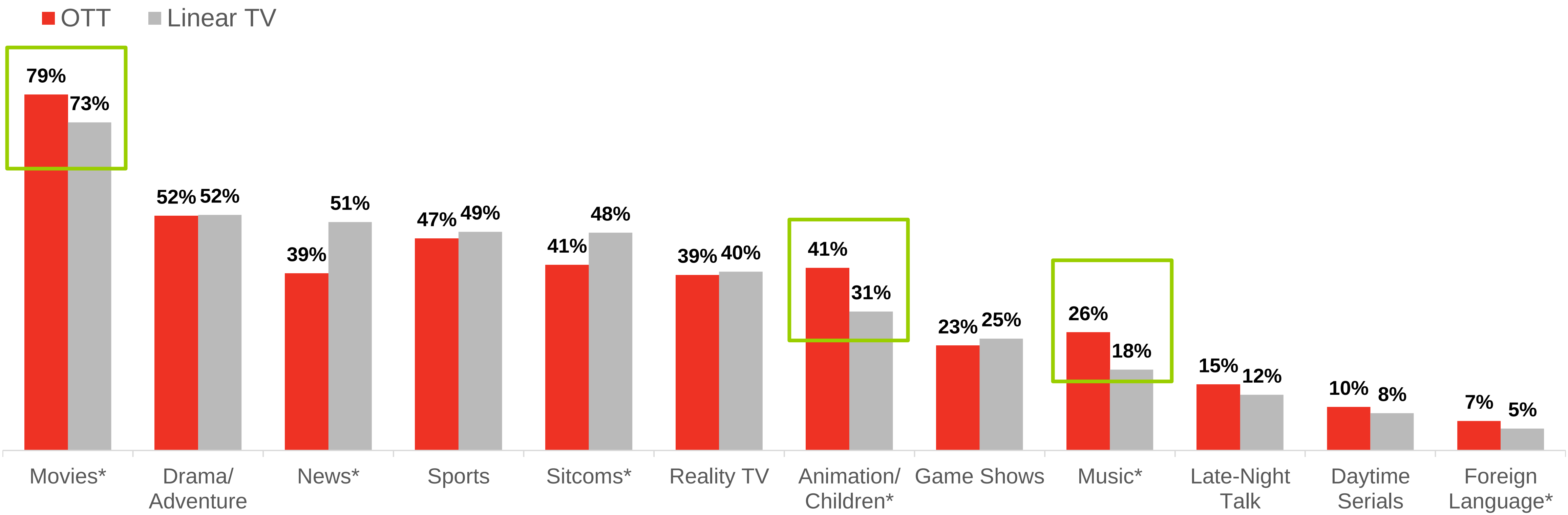

TimeSpentCoviewingPlatform. In a typical week, how many hours do you spend using the following types of video streaming services to watch TV with others?
Base Size: Co-viewers of the platform – weekly+.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# Movies are by far the most co-viewed genre; other top genres vary by platform

Animation/children's programming and music are more co-viewed on OTT, whereas news and sitcoms are more co-viewed on linear TV.

## Top Co-Viewed Genres

Among Co-viewers on the Platform






CoviewingContentByDev. When you watch video content on a TV with others at home, what are the top 5 types of programming you watch?
Base size: Co-viewers of the platform – weekly+. * Statistically significant difference.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# While movies are most co-viewed by all groups, other top genre choices vary by co-viewing companion

## Top Co-Viewed Genres by Companion

Among Co-viewers

| Spouse/Partner | | Child/children | | Parents | | Sibling | | All other people | |
|---|---|---|---|---|---|---|---|---|---|
| **Movies** | **74%** | **Movies** | **77%** | **Movies** | **77%** | **Movies** | **74%** | **Movies** | **73%** |
| Drama/Adventure | 54% | Animation/Children | 54% | Sitcoms | 57% | Sports | 50% | Sports | 50% |
| News | 50% | Drama/Adventure | 49% | Reality TV | 49% | Drama/Adventure | 44% | Drama/Adventure | 46% |
| Sitcoms | 49% | Sports | 46% | Sports | 48% | Reality TV | 42% | News | 45% |
| Sports | 48% | News | 43% | Drama/Adventure | 47% | News | 39% | Sitcoms | 40% |
| Reality TV | 37% | Sitcoms | 40% | Animation/Children | 42% | Sitcoms | 39% | Reality TV | 36% |
| Animation/Children | 35% | Reality TV | 39% | Music | 33% | Animation/Children | 34% | Animation/Children | 30% |
| Game Shows | 23% | Game Shows | 23% | News | 25% | Music | 31% | Game Shows | 26% |



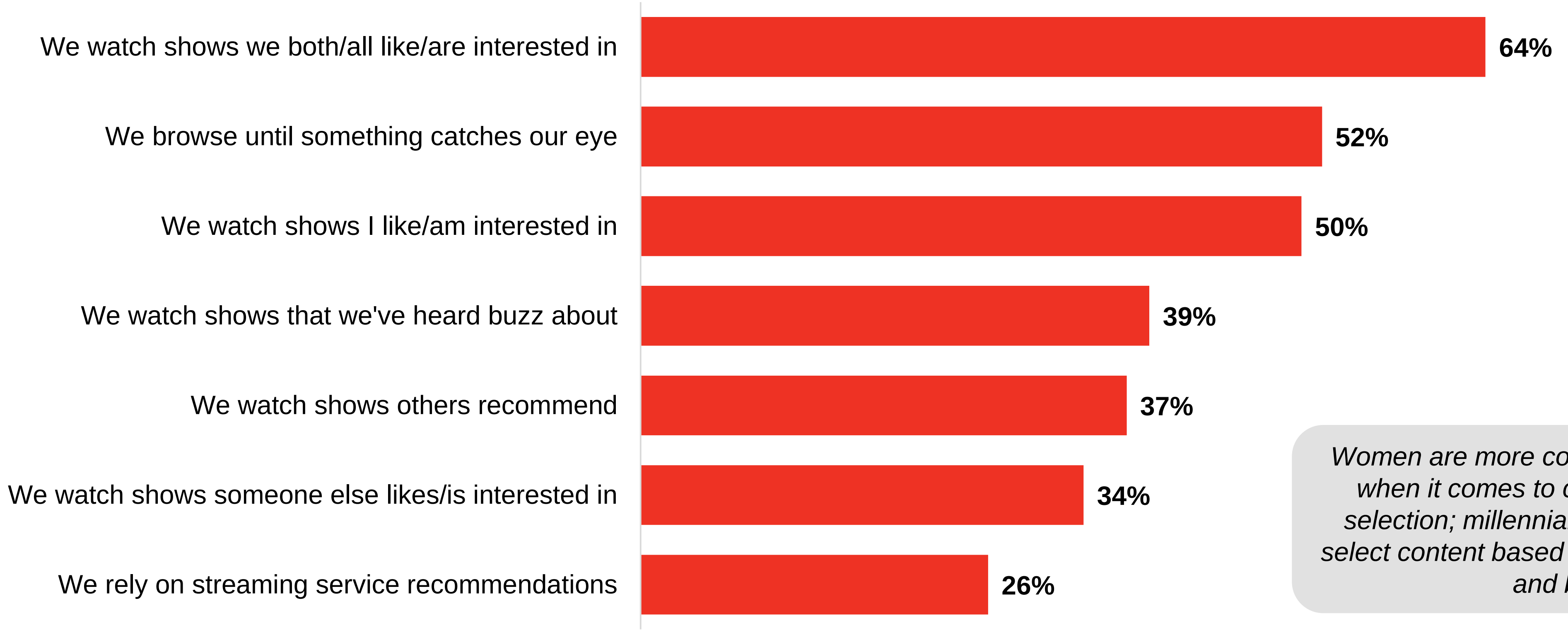
CoviewingContentByDev. When you watch video content on a TV with others at home, what are the top 5 types of programming you watch?
Base size: Those who co-view – weekly+.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# The selection of co-viewed content on OTT is usually collaborative

Collaborative content choices potentially expose broader audiences to both content and the products/brands advertised.

## Selection of Streaming Video Content

Among OTT Co-viewers




*Women are more collaborative than men when it comes to co-viewing content selection; millennials are more likely to select content based on recommendations and buzz.*



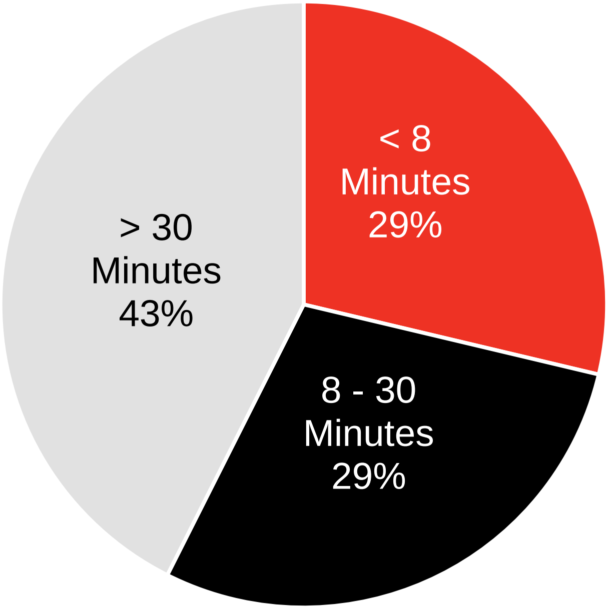
CoviewingDecision. Typically how do you decide what to watch when you stream video content on TV with others?
Base size: Co-viewers of the platform – weekly+.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# The popularity of longer (>30 minutes) videos reflects the interest in movies and TV shows for OTT co-viewing

## Share of OTT Co-Viewing By Video Length

Among OTT Co-viewers

*Average % of co-viewing time is spent watching…*




## Live Programming in OTT Co-Viewing

Among OTT Co-Viewers

**An average of**

**36%**

**of all OTT content that is co-viewed in a typical week <u>is live</u>**

Live programming in OTT co-viewing is more likely to be sports, music and game shows; drama/adventure, sitcoms and animation/children's programming are less likely to be co-viewed live.

Q_TimeSpentCoviewingLength. When you stream the following lengths of video content on TV and watch with others in a typical week, what % of your time is spent watching…
Q_TimeSpentCoviewingLive. Keep thinking only about your experience watching video content with others by streaming digital video on TV. In a typical week, what percentage of the content you watch is live - meaning you watch it as it airs?
Base size: Co-viewers on OTT – weekly+.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017



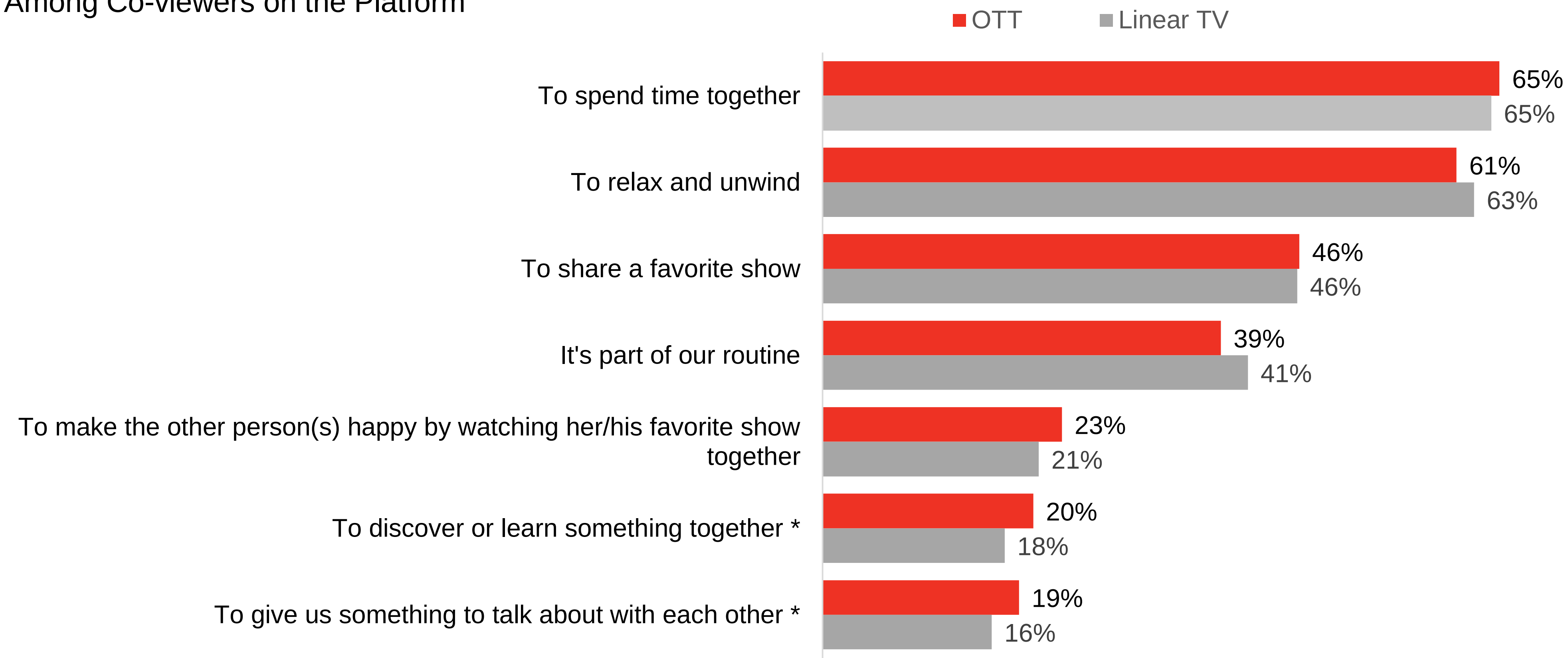
maru/matchbox iab.

# “Spending time together” and “relaxing” are the most common motivations for co-viewing on OTT

Co-viewers on OTT are more likely to cite “to discover/learn something together” and “to give us something to talk about with each other” than co-viewers on linear TV.

## Motivations for Co-Viewing

Among Co-viewers on the Platform




Q_CoviewingDriverByDev. What are the top 3 reasons you watch video content on a TV with others at home? Please select up to three.
Base: Co-viewers of the platform – weekly+. * Statistically significant difference.
IAB Research Using Maru/Matchbox’s Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

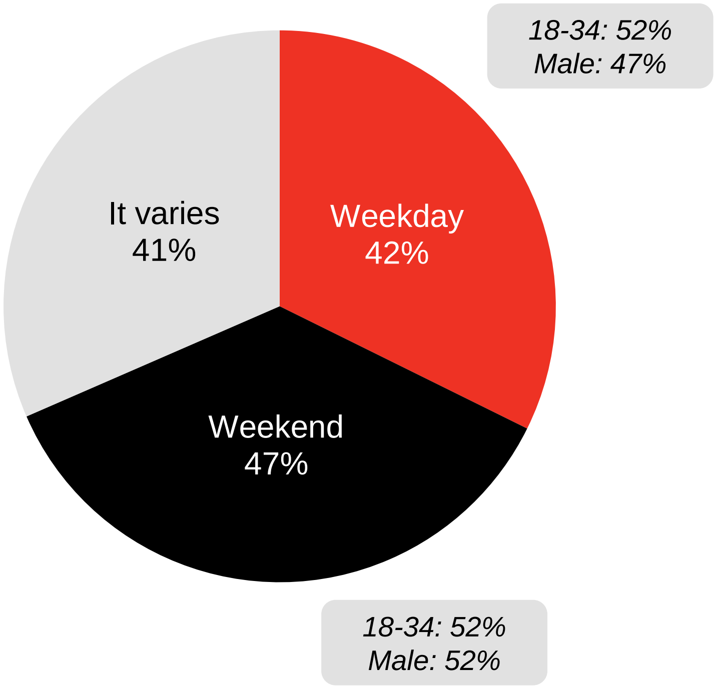
maru/matchbox iab.

# Early evening & prime time are the leading co-viewing windows; more daytime co-viewing activity occurs on weekends

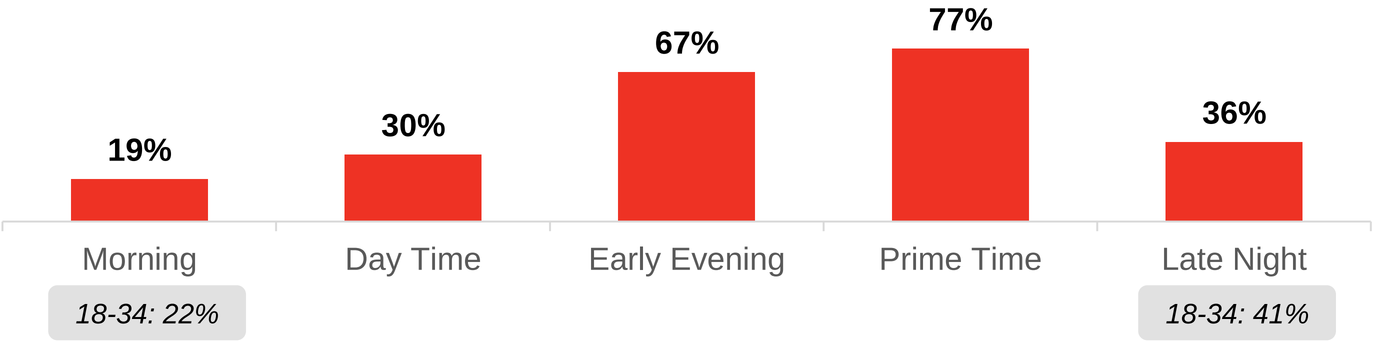
18-34 years are more likely to co-view during morning and late night.

## Day of OTT Co-Viewing

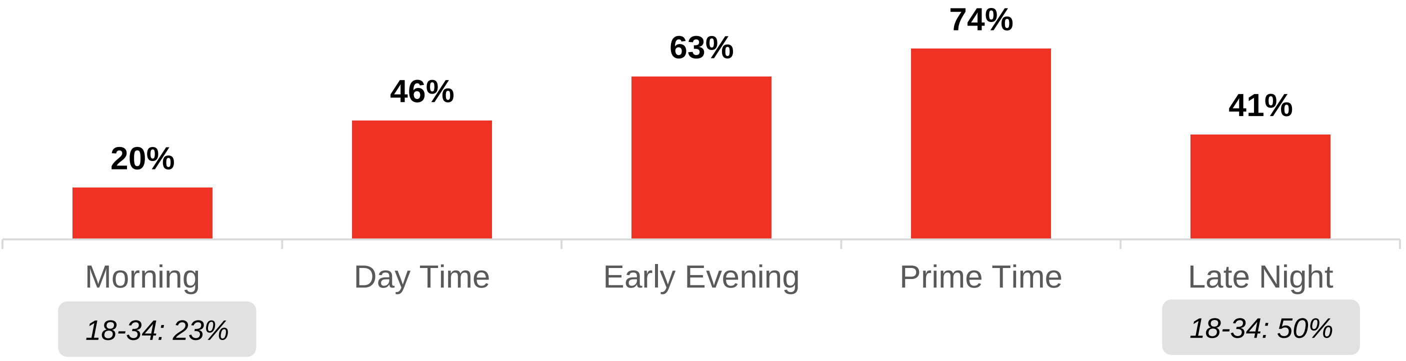
Among OTT Co-viewers




## OTT Co-Viewing Weekday




## OTT Co-Viewing Weekend

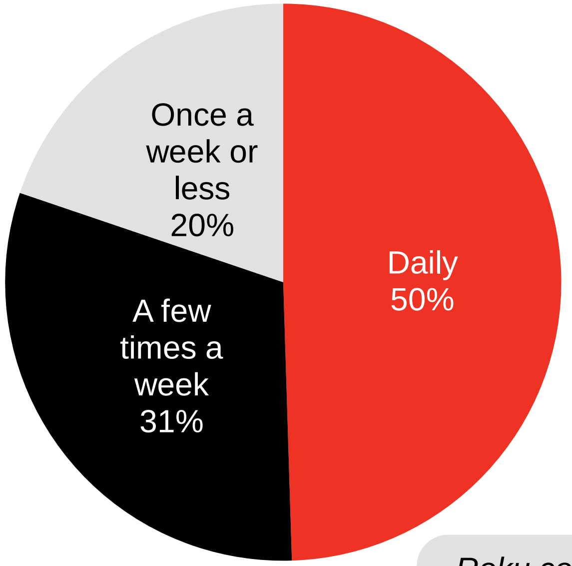



TimeSpentCoviewingWeek. What days of the week do you usually stream video content on TV and watch with others? Base size: Those who co-view on OTT.
TimeSpentCoviewWeekdayDaypart. On a typical weekday, what time do you typically stream video content on TV and watch with others?
TimeSpentCoviewWeekendLength. On a typical weekend, Saturday or Sunday, what time do you typically stream video content on TV and watch with others?
Base size: Co-view streaming content weekly - weekdays/weekends.
IAB Research Using Maru/Matchbox's Springboard America Online Panel, Representative of General U.S. Ages 13-64 Online Population, October 2017

# On Roku, most people co-view regularly and Millennials are more likely than Boomers to watch OTT with others

## Co-Viewing Frequency

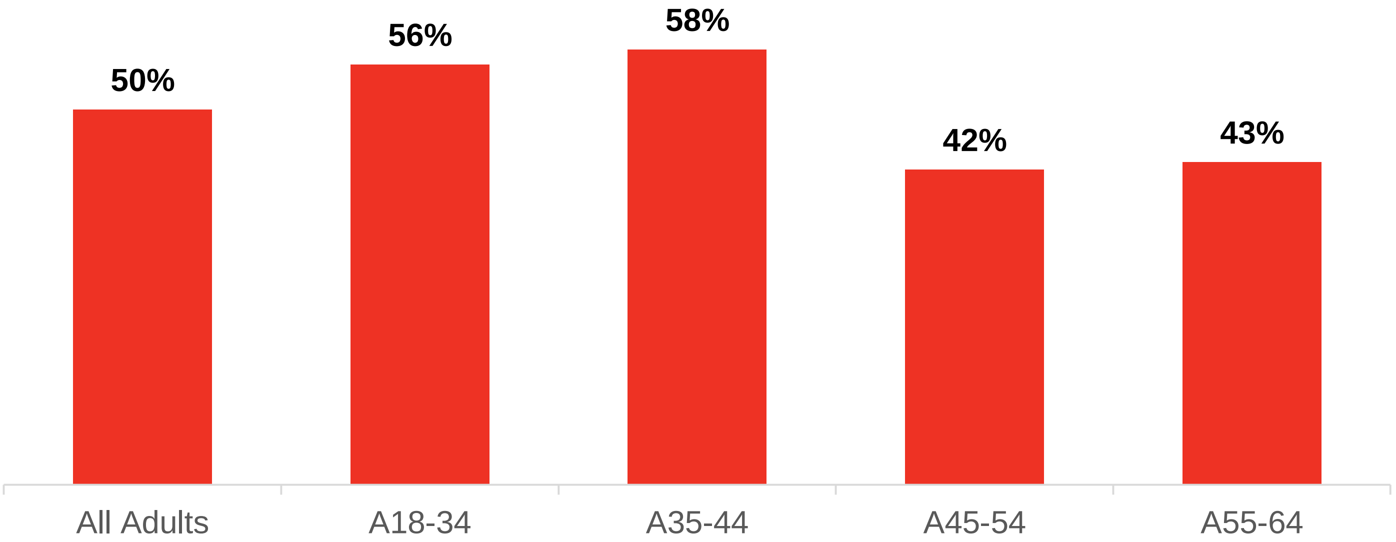
Among Roku Viewers Who Co-view




*Roku co-viewers over-index on daily co-viewing compared to overall OTT co-viewers (32% daily)**

## Incidence of Daily Co-Viewing by Demo

Among Roku Viewers Who Co-view






Q_CoviewingRokuFreq. When you watch video content on your Roku device, how often do you watch with other people? Base: Those who co-view on Roku, n=543
Q_FreqCoviewingDev. ["Daily" Summary] When you watch video content on a TV at home, how often do you watch with other people in each of the following ways? Base: Those who watch OTT content with others, SBA 18-64*, n=650.
IAB Research Using Random Probability Sample of Average Roku Users and Roku Internal Viewership Data, October 2017

# On Roku, co-viewers overindex on ad-supported viewership and content searches

## Ad-Supported Viewership

Among Roku Viewers Who Co-view

**113 Index**
to Roku U.S. Population

## Free Content Viewership

Among Roku Viewers Who Co-view

**160 Index**
to Roku U.S. Population

## Number of Content Searches

Among Roku Viewers Who Co-view

**145 Index**
to Roku U.S. Population

Among those who co-view on Roku. n=543
IAB Research Using Random Probability Sample of Average Roku Users, October 2017

# OTT Co-Viewing: Implications for Brands

- TV viewing is a pervasively social activity which naturally extends audience reach for brands and marketers across platforms. The co-viewing effect on incremental audience reach should be accounted for when planning and buying video advertising on all video platforms.

- Given the prevalence of co-viewing, OTT is a powerful platform for advertisers to reach and engage millennials, Hispanics, and cord cutters/nevers. In addition, OTT can be an effective platform to connect with families and children as OTT co-viewing is more likely to include children.

- Co-viewers on OTT are highly interactive either in person or on social media. This can lead to high brand engagement including discussions, online searches, and online purchases. The interaction also creates a two-way dynamic to influence decision-making and brand perceptions. Brands can leverage the opportunity to plan a cross-device campaign optimizing social and search activities.

- To fully leverage the OTT co-viewing benefits of incremental reach and highly engaged audience, brands can target long-form videos, such as movies, dramas and day parts including early evening and prime time to ensure the highest level of co-viewing activity.

# Thank You

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