

DIGITAL VIDEO ONE SHEET

With the growth of digital, we've seen a dramatic shift in the way people consume video programming.

- Digital video consumption is on the rise. According to eMarketer, US adults will consume 1 hour 17 minutes of digital video a day in 2017, up 9.3% over 2016, while they are spending less time in front of the TV. This year, the average time spent watching TV (excluding digital) among US adults will drop 3.1% to 3 hours 58 minutes, the first time it has dropped below 4 hours a day.
- According to comScore, the younger demographic segments such as 18-34 spend more time on mobile than they do watching traditional linear TV.

Given the increased digital video consumption, brands' commitment to digital video advertising has increased exponentially in the U.S.

- According to IAB research with PwC, U.S. digital video advertising revenues hit a record \$9.1 billion in 2016, a 53% year-over-year rise from \$5.9 billion in 2015.
- On mobile devices, video revenue skyrocketed, more than doubling—up 145 percent year-over-year—to nearly \$4.2 billion.
- According to the IAB 2017 Video Ad Spend Study, the majority of media buyers (both agency and brand buyers) plan to increase their ad spend on mobile video (62%) and digital video (61%) in the next 12 months. The primary sources of the increased digital video spend include TV and expanded budgets.

New platform for video consumption is mainstreaming.

- According to IAB research, in 2017 56% of American adults own an Internet-enabled TV (smart TV or video streaming device). This is a 56% growth from 2015.
- The majority of time spent (54%) by Americans watching TV screens is dedicated to something other than traditional linear TV viewing. The largest share of that non-linear viewing on TV screens is spent streaming digital video (20%).
- With streaming boxes/sticks as the most popular method for streaming OTT content, Roku is leading the pack with 18% penetration of US Wi Fi households, followed by Amazon (12%), Google (8%) and Apple (5%). Netflix has the highest household penetration and viewing time per month among the major OTT content services.
- In the meanwhile, cord-cutting continues and shifts consumer's time spent to digital. According to eMarketer, 196.3 million US adults will watch pay TV (cable, satellite or telco) this year, down 2.4% over 2016. By 2021, that total will have fallen nearly 10% compared to five years earlier.

The NewFronts continue to play a critical role in digital video advertising decision-making by brands and agencies.

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- According to IAB research, 9 in 10 advertisers agree that their attendance at the 2016 NewFronts resulted in increased spending on Original Digital Video content and/or motivated them to increase their budgets for Original Digital Video content.
- In a post NewFronts attendees survey, media buyers who attended 2017 NewFronts, 71% mentioned media planning and buying purposes as their reason to attend the NewFronts, 88% are likely to attend next year.

Sources

- IAB Internet Ad Revenues Report 2016 Full Year
- IAB The Changing TV Experience Study 2017
- comScore Cross-platform Future in Focus 2017.
- IAB 2017 NewFronts Attendee Survey
- IAB 2017 Video Ad Spend Study
- <https://www.emarketer.com/Article/eMarketer-Lowers-US-TV-Ad-Spend-Estimate-Cord-Cutting-Accelerates/1016463>