



Direct Brands and the Ad-Supported OTT Video Viewer

Excerpts from 'Ad Receptivity and the Ad-Supported OTT Video Viewer'

Objectives and Methodology

Objective:

The study ***Ad Receptivity and the Ad-Supported OTT Video Viewer*** aimed to both size the audience and provide demographics of U.S. video streamers watching Ad-Supported Over-the-Top (ASV OTT) video. Once ASV OTT viewers were identified, a deep dive survey further explored the video viewer segments to gain insights into their behaviors, attitudes and usage in order to help better target the ASV OTT cohort.

This deck, ***Direct Brands and the Ad-Supported OTT Video Viewer***, contains excerpts from the larger study which focus on ad-supported OTT video viewers' attitudes and behaviors around Direct Brands and related purchase decisions.

Methodology:

Two online surveys were fielded among MARU/Matchbox's Springboard America online panel (~250,000 U.S. members):

1. Omnibus study of 1,512 nationally representative U.S. 18+ sample to determine the profile of the Ad-Supported OTT Video Viewer; fielded 8/10/18.
2. Study among 1,223 consumers ages 18+ in the U.S., with age/gender quotas set to reflect viewership profiles from the omnibus study; fielded 9/25/18-9/26/18.

Definitions

- **Ad-Supported OTT Video Viewers (ASV OTT Viewers) are defined as those who watch video...**

Through a streaming service I watch for free and there are ads (e.g., YouTube, Pluto, Roku Channel, Crackle, Vevo, Xumo, etc.)

Through an online-based cable TV provider (e.g., Sling TV, DirecTV Now)

Through a streaming app that requires a cable/satellite/telco login (e.g., Discovery GO, FX app, WatchESPN, Xfinity, Spectrum, etc.)

Through a streaming service I subscribe to for a monthly fee, and there are ads (e.g., Hulu with limited ads, CBS All Access with limited ads, etc.)

- **Free Ad-Supported OTT Video Viewers (Free ASV OTT Viewers), a subset of ASV OTT, are defined as those who watch video...**

Through a streaming service I watch for free and there are ads (e.g., YouTube, Pluto, Roku Channel, Crackle, Vevo, Xumo, etc.)

- **Subscription Video On Demand (SVOD) Viewers defined as those who watch video...**

Through a streaming service I subscribe to for a monthly fee, and there are no ads (e.g., Netflix, Amazon Prime, HBO Go/Now, Showtime App, etc.)

- **TV Viewers are defined as those who watch...**

'Regular' (not cable) TV to access free local channels (e.g., ABC, CBS, NBC, FOX, etc.) using an antenna or 'over the air'

Through my cable/satellite/telco provider (e.g., live TV, DVR, VOD)

TV Only Viewers = those who only watch TV/Cable

Heavy = those who watch TV/cable daily+

Light = those who watch TV/cable weekly or less

Ad Supported OTT Video Viewers

Consumers view ad-supported OTT video

73%

of adults surveyed who typically watch OTT video also say they watch ad-supported OTT video

45%

of adults say they watch ad-supported OTT Video the **most** out of their streaming options

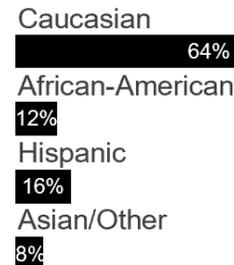
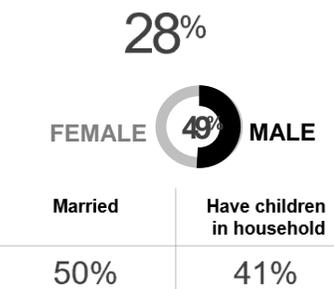
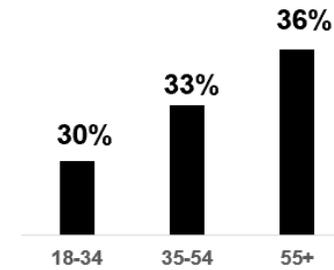
Ad Supported OTT Video Audience Profile

- Younger
- Kids in Household
- Higher Earning
- More Diverse
- Male

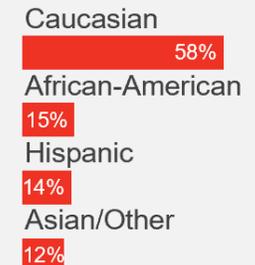
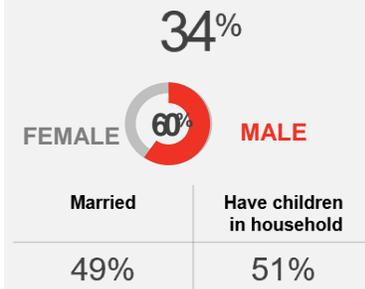
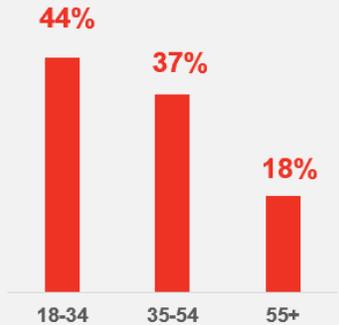
ASV: Ad Supported Video
 Gender, Age, HH Income, Marital Status., Kids in HH
 Omnibus, n=1,512; Watch ASV OTT Most, n=388
 Source: Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB, Oct. 2018



U.S. GEN POP.



WATCH ASV OTT MOST



Key Findings | Incremental Audience

ASV OTT Viewers are an incremental reach: They spend less time watching cable than SVOD Viewers

Hours Spent Watching Cable/Sat/Telco TV Per Week



ASV OTT Viewers



SVOD OTT Viewers



TV Only Viewers

Even lower among Free ASV OTT Viewers: 10.1hrs

QS6. [TV through cable/satellite/telco provider (e.g., live TV, DVR, VOD)] How many hours a week do you watch on each of the following platforms?

Base: ASV OTT Viewers n=340, SVOD Viewers n=193, TV Only Viewers n=262

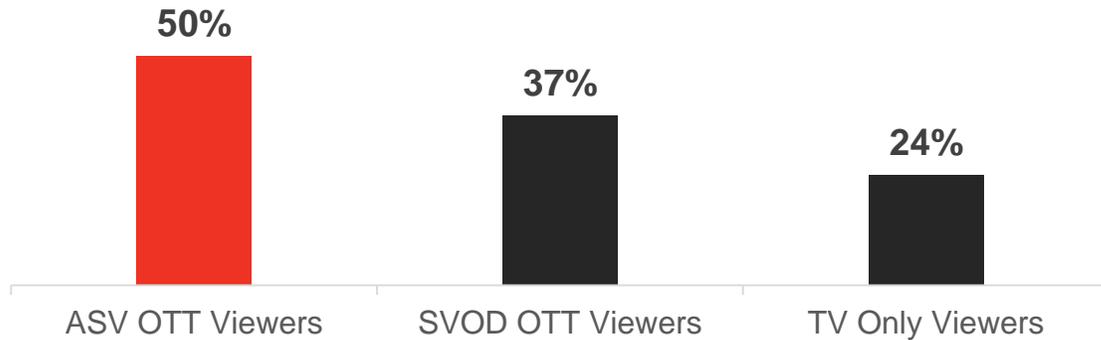
Statistically significant differences between ASV OTT and TV Only.

Statistically significant differences between SVOD OTT Viewers and TV Only

ASV OTT viewers are more receptive to advertising

50% of ASV OTT Viewers say that ads can be useful or enjoyable

“Some ads can be useful or enjoyable”

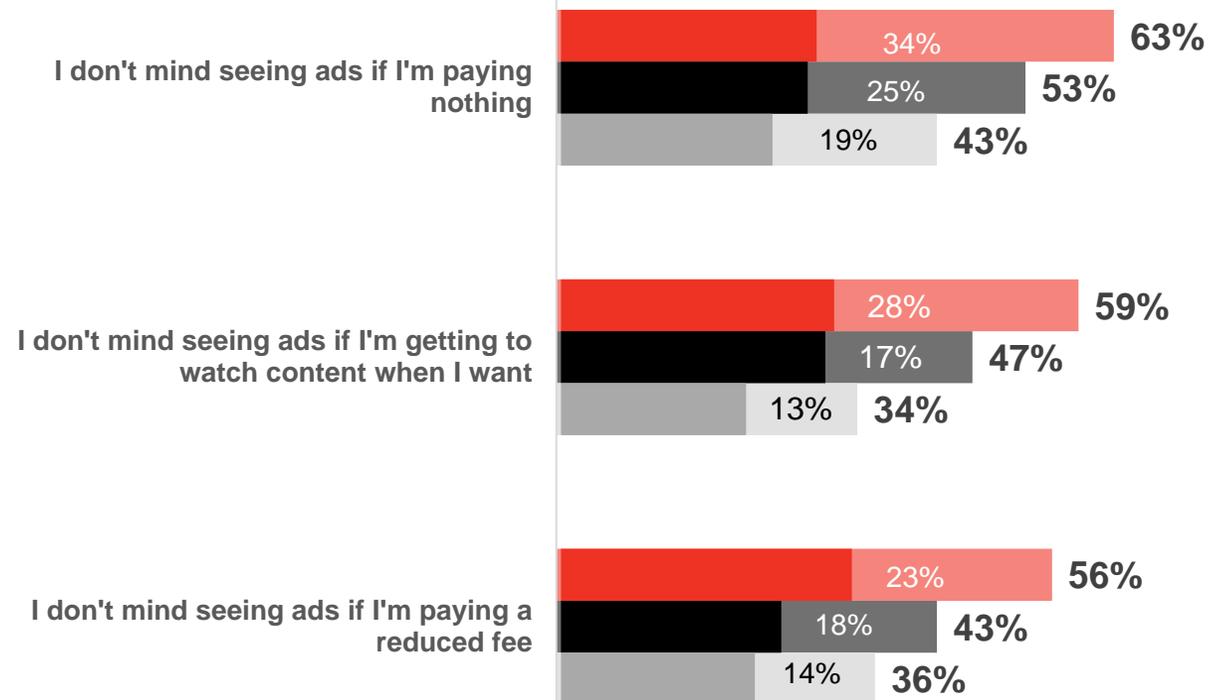


Nearly **2/3** of ASV OTT viewers don't mind seeing ads

Ad Receptivity

ASV OTT Viewers SVOD Viewers TV Only Viewers

Agree | Strongly Agree



QS7. How do you feel about advertising in general?
 Q22. [NET: Top Box] How much do you agree or disagree with the following?
 Base: ASV OTT Viewer n=589, SVOD Viewer n=332, TV Only Viewer n=302
 Statistically significant differences between ASV and SVOD or TV Only

Source: Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB, Oct. 2018

Direct Brands and ASV OTT Viewers

Ad Supported Video (ASV) OTT Viewers are Direct Brand Shoppers: 1 in 4 Prefer to Buy Direct from the Brand Online

25% buy more products directly from the brand online
vs. in stores (for ex. mattresses, eyeglasses)

Total	SVOD OTT VIEWER	TV ONLY VIEWER
18%	18%	4%

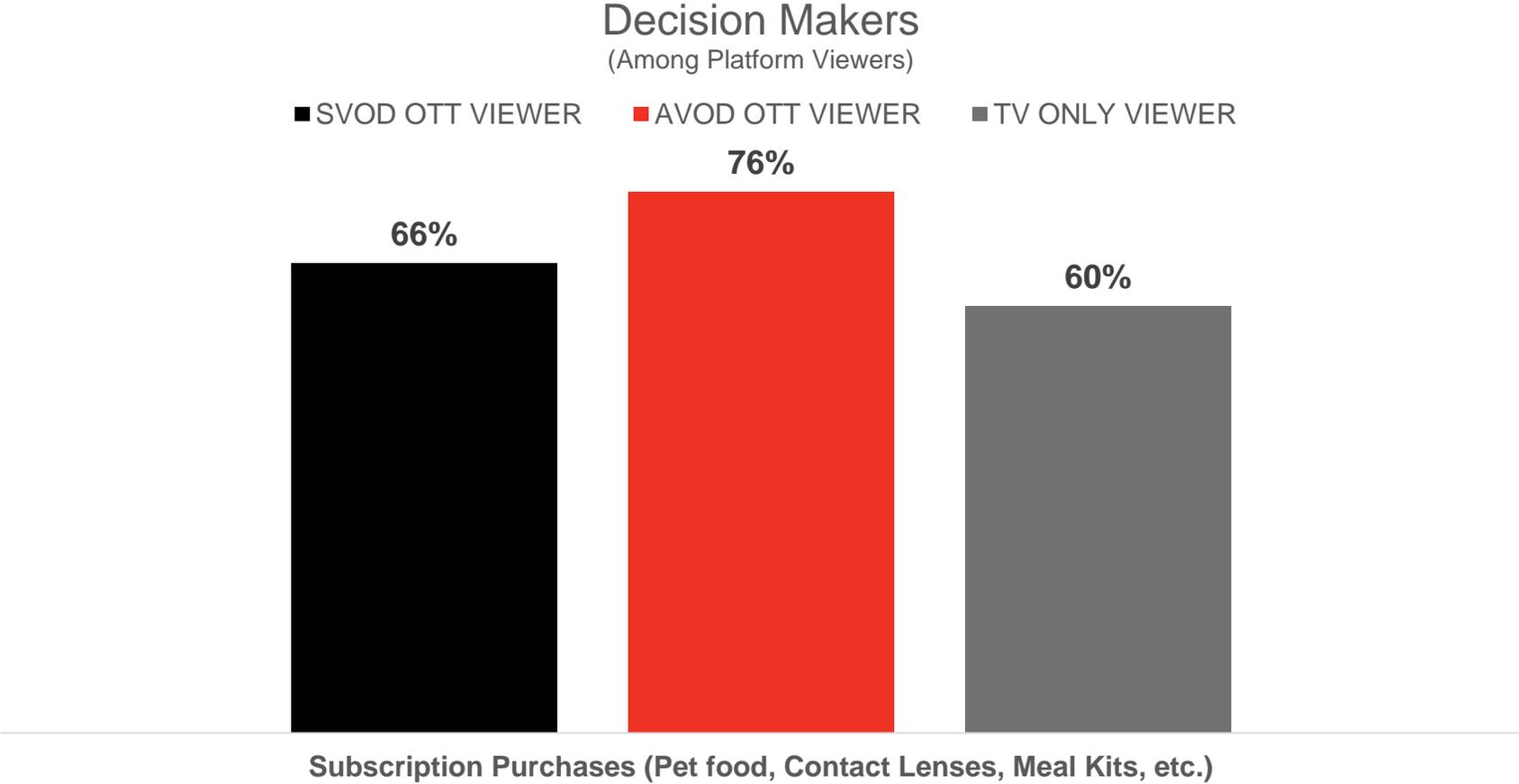
Q25. Which of the following describe you?

Base: Total n=1223, ASV OTT Viewer n=589, SVOD Viewer n=332, TV Only Viewer n=302

Statistically significant differences between ASV OTT and SVOD OTT Viewers or TV Only or Total

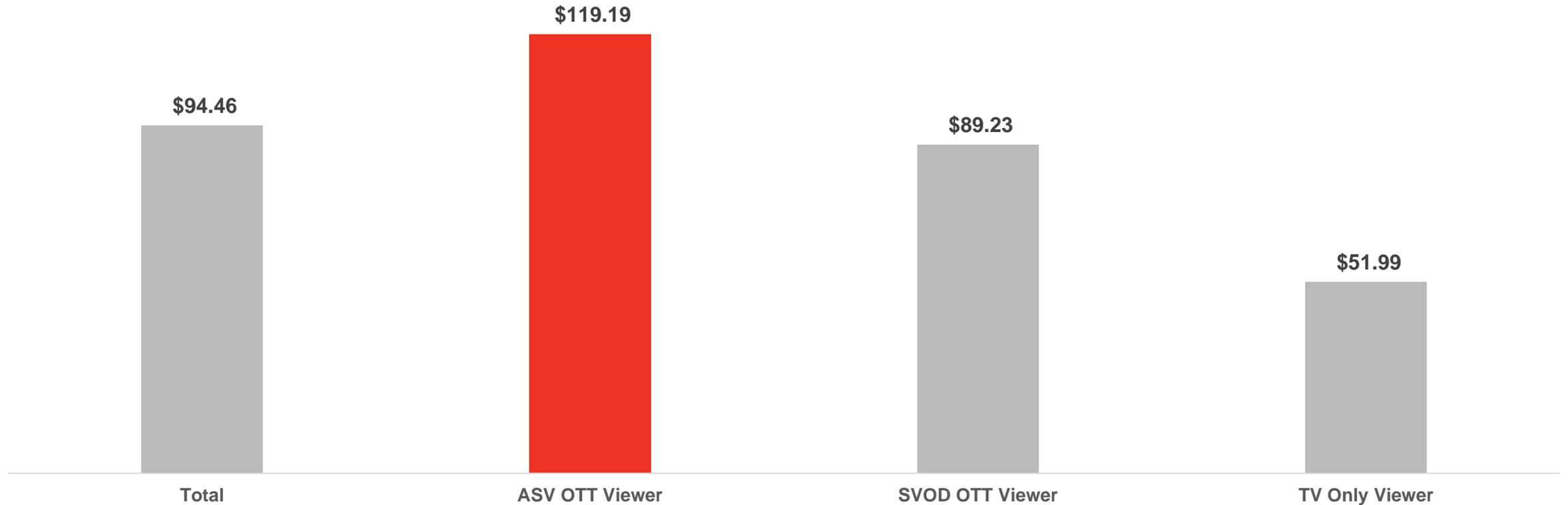
Source: *Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB, Oct. 2018*

ASV OTT Viewers are more likely than SVOD or TV only viewers to be decision-makers on subscription direct brand purchases



ASV OTT Viewers spend more on direct to consumer subscription services

Mean Spend on Subscription Purchases (e.g., Pet food, Contact Lenses, Meal Kits, etc.)



Q27b. [Subscription Purchases (Pet food, Contact Lenses, Meal Kits, etc.)] How much would you estimate that your household spends on the following per month?

Base: Total n=1223, ASV OTT Viewer n=589, SVOD Viewer n=332, TV Only Viewer n=302

Statistically significant differences between ASV OTT and SVOD OTT or TV Only or Total

Source: *Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB, Oct. 2018*

ASV OTT Viewers are...

Open to New Brands **52%** are very likely to try new brands/products

Total	SVOD OTT VIEWER	TV ONLY VIEWER
44%	47%	25%

Influenced by Video **36%** learn about new products/brands/services from video ads

Total	SVOD OTT VIEWER	TV ONLY VIEWER
30%	30%	17%

Influencers **26%** say others come to them to find out about new products/brands/services

Total	SVOD OTT VIEWER	TV ONLY VIEWER
20%	20%	7%

21% often post about products, brands, or services

Total	SVOD OTT VIEWER	TV ONLY VIEWER
16%	16%	6%

Q24. How likely are you to try new brands/products? [TOP BOX]

Q25. Which of the following describe you?

Base: Total n=1223, ASV OTT Viewer n=589, SVOD Viewer n=332, TV Only Viewer n=302

Statistically significant differences between ASV OTT and SVOD OTT Viewers or TV Only or Total

Source: *Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB, Oct. 2018*

ASV OTT Viewers follow internet influencers – more so than SVOD OTT viewers

ASV OTT Viewers

25% regularly watch videos from some YouTube stars

Total	SVOD OTT VIEWER	TV ONLY VIEWER
18%	17%	5%

22% follow some internet stars on social media

Total	SVOD OTT VIEWER	TV ONLY VIEWER
15%	13%	3%

20% listen to video personalities who discuss products / brands / services

Total	SVOD OTT VIEWER	TV ONLY VIEWER
15%	15%	4%

Q25. Which of the following describe you?

Base: Total n=1223, ASV OTT Viewer n=589, SVOD Viewer n=332, TV Only Viewer n=302

Statistically significant differences between ASV OTT and SVOD OTT Viewers or TV Only or Total

Those Who Watch Free ASV OTT (Like Original Digital Video Series) are Even More Likely to Follow and be Influenced by Online Personalities

**Free ASV
OTT Viewers**

Total

27%

regularly watch videos from some YouTube stars

18%

23%

follow some internet stars on social media

15%

23%

listen to video personalities who discuss products / brands / services

15%

40%

learn about new products/brands/services from video ads

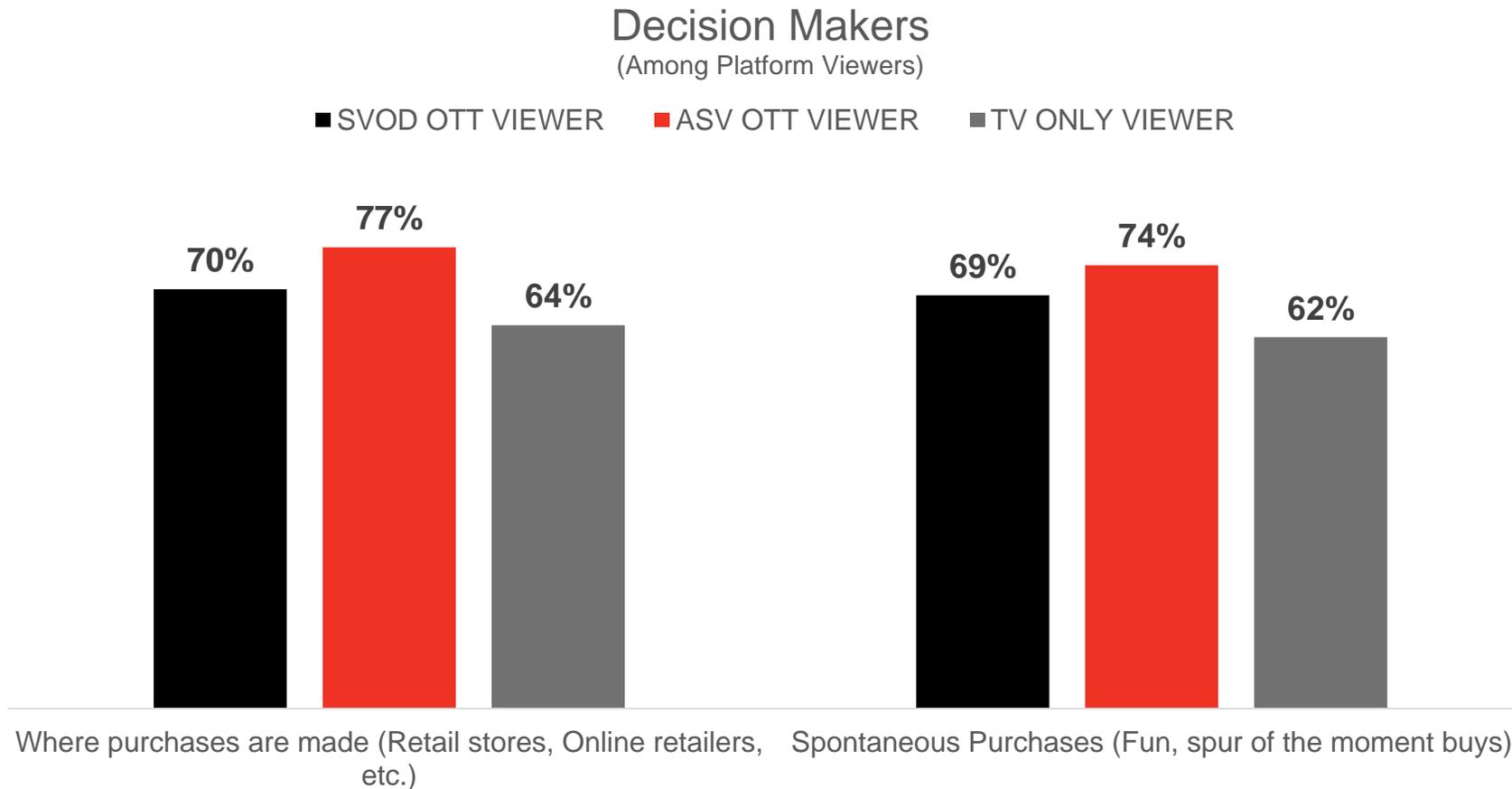
30%

*= significantly higher than Total
Q25. Which of the following describe you?
Base: Total n=1223, Free ASV OTT Viewer n=277

Source: Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB, Oct. 2018

Other Purchase Categories

ASV OTT Viewers are more likely than SVOD or TV only viewers to be decision-makers in where and how purchases are made

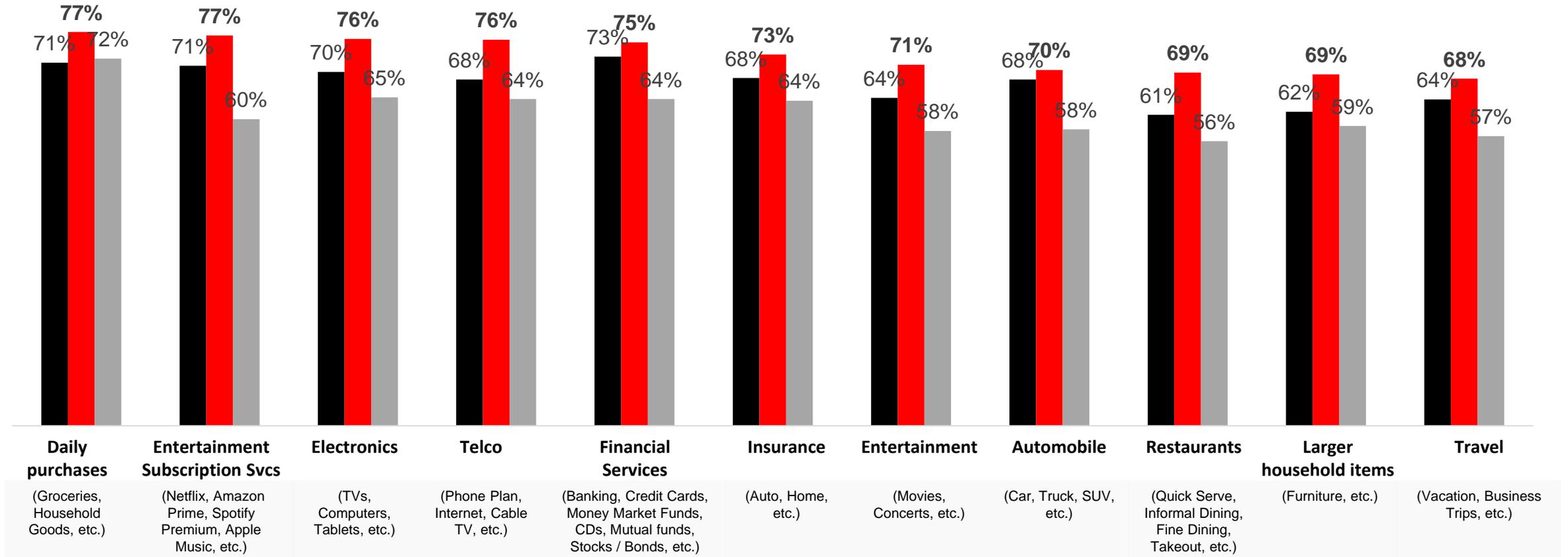


ASV OTT Viewers are more likely than SVOD or TV only viewers to be decision-makers in household purchase categories

Purchase Decision Makers

(Among Platform Viewers)

■ SVOD OTT VIEWER ■ ASV OTT VIEWER ■ TV ONLY VIEWER



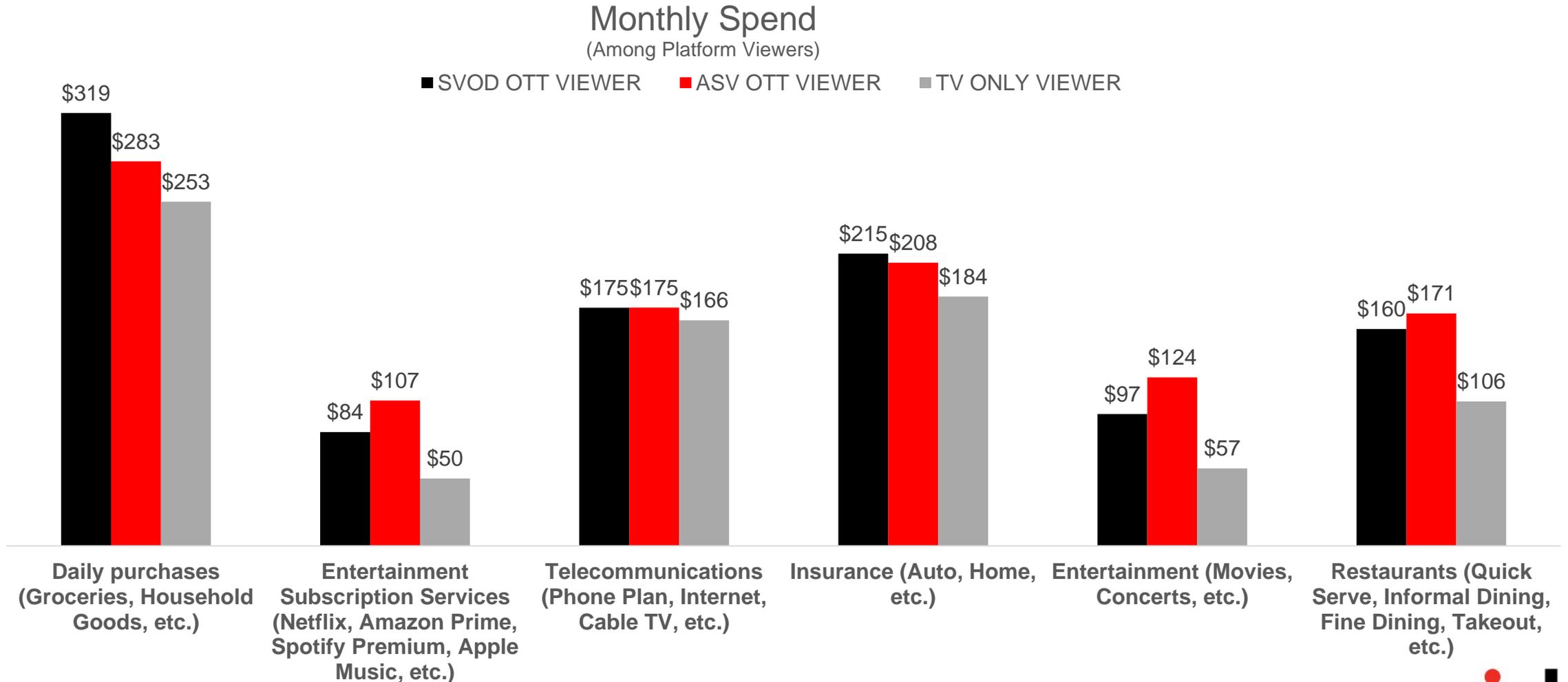
Q26. [NET: Top 2 Box] Which of the following best describes your role in household purchasing for the following? I am the sole decision-maker +

Someone else participates, but I make the final decision

Base: SVOD OTT, ASV OTT, TV Only Viewers

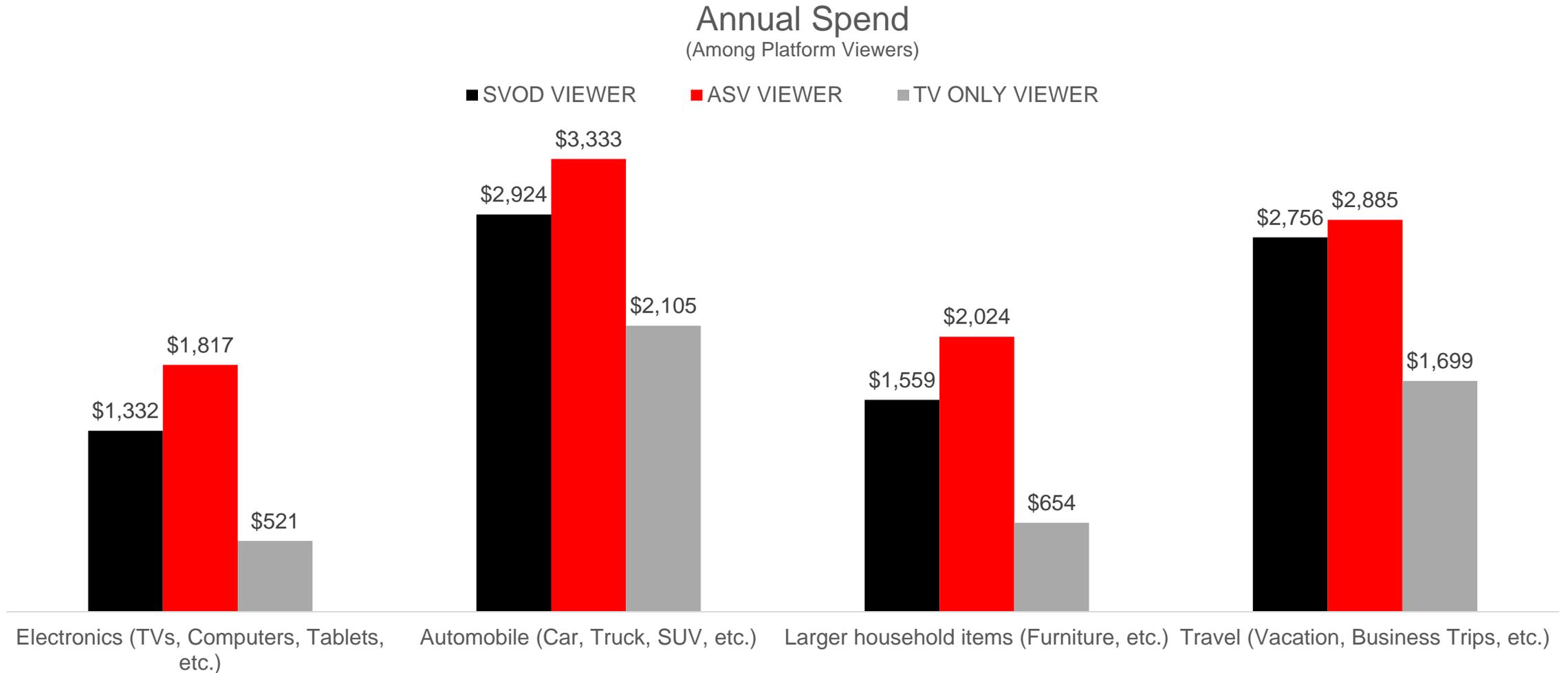
Source: Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB, Oct. 2018

ASV OTT Viewers are more likely than SVOD or TV only viewers to spend more on monthly purchases in Entertainment, Subscriptions and Restaurants



Q27. How much would you estimate that your household spends on the following per month? Mean.
 Base: SVOD OTT, ASV OTT, TV Only Viewers
 Source: Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB, Oct. 2018

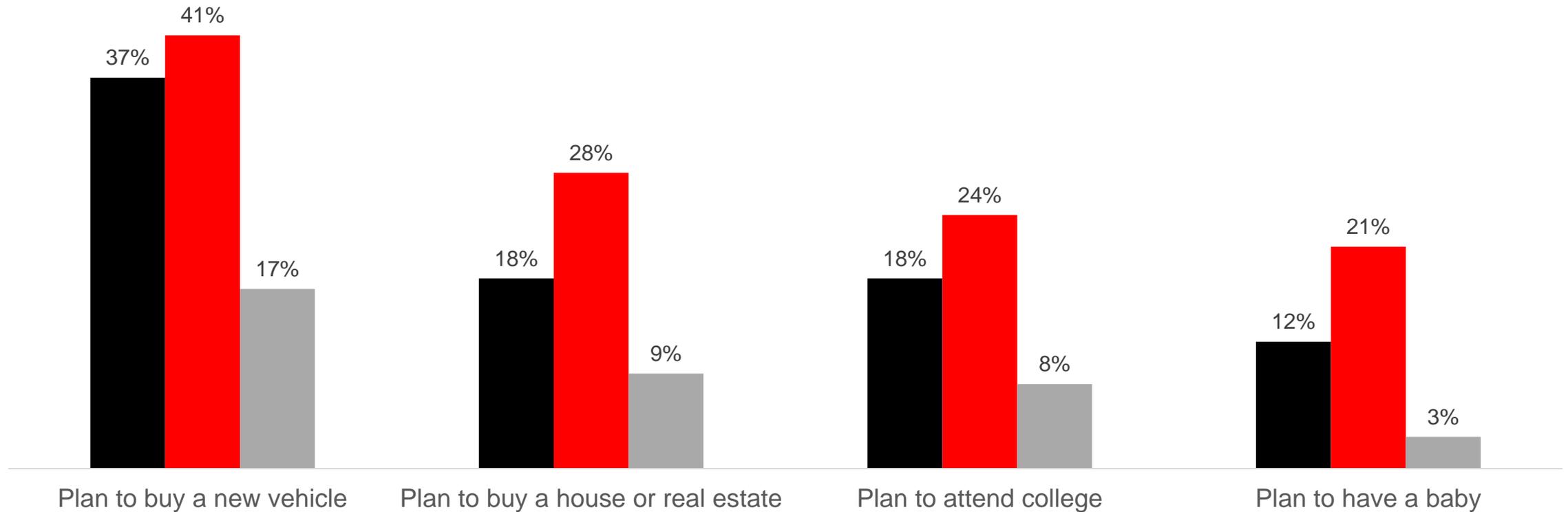
ASV OTT Viewers are more likely than SVOD or TV only viewers to spend more on big ticket items



ASV OTT Viewers are more likely than SVOD or TV only viewers to be planning major purchases or life events

Major Purchase/Life Plans (Among Platform Viewers)

■ SVOD OTT VIEWER ■ ASV OTT VIEWER ■ TV ONLY VIEWER





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Questions?

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