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VIACOM MUSIC GROUP'S "MUSIC EXPERIENCE"

Today, music is as emotionally relevant as ever – and consumers have a myriad of ways to experience it, from streaming and downloading to live concerts and more. Thanks to social media, fans also have unprecedented access to their favorite artists. Given these changes in the music landscape, the Music Group, which includes MTV, VH1 and CMT, conducted research into the "Music Experience," taking a deep look into the ever-evolving process of discovering and obtaining music among teens, 20- and 30-somethings, as well as what the fan-music-artist connection looks like in 2014.

Key Findings

Streaming is the new normal. The popularity of streaming is growing quickly as a way of listening to music "on the regular."

- There's year-over-year growth in the streaming category, with biggest growth coming from free streaming.
- 78% of music fans have streamed music from sites like Pandora, Spotify, iHeartRadio and other sites in the past three months.
- Older Millennials are more actively streaming than both older and younger music fans, with 63% of 22-30 year olds streaming daily (compared to 55% of 31-40 and 57% of 13-21).

Getting the music into my life. The music experience plays out over three phases: Discover, Immerse, Acquire. But the "path to purchase" is hardly linear. Because there isn't really one brand/platform/device that serves a single purpose, each can come into play at any stage in a fan's relationship to music.

- **Discover: More ways than ever.** Music is happening everywhere: 96% of music fans say that radio and the Internet are their main sources for music discovery, followed by TV, word of mouth, being out and about, and movies.
 - Music's ubiquity means it's ambient: 83% of music fans say discovering new music is passive – it usually just finds them.
 - As a result, music listeners are wanting for ways to filter through it all: 70% say, "There's so much music online it's hard to stay on top of it all," while 66% "wish there was someone or something that could point them in the right direction when looking for new music."
- **Immerse: From ambient to active.** Once fans hear a song, they work to deepen their relationship to the music and the artist – from listening to the song repeatedly on YouTube, Wiki'ing the artist or sampling similar songs on iTunes.
 - How fans make this "artist connection" largely depends on life stage. Younger audiences are hungry for any and all information on their favorite artists. They want to know them as a person, and expect to have a reciprocal relationship (i.e. having Taylor Swift respond to their tweet).
 - 80% of 13-21 year olds wish there were more direct ways to interact with artists.
 - 90% of 13-21 year olds want to know about their favorite artists' musical influences and how they got started in music.
 - 76% of 13-30 year olds agree, "When an artist reveals a lot about themselves in social media, I feel a deeper loyalty to them."

- For older fans, it's more about the music: 87% of 31-40 year olds believe an artist's personal life is personal.
 - Fans connect with artists through a variety of means and platforms, including TV, social media and concerts.
 - TV gets an A+ for both experiential reasons and discovery purposes.
 - 90% discover new music through TV and the same percentage agrees that if they can't see a live performance, watching the artist perform live on TV is the next best thing.
 - 94% appreciate when TV shows put a lot of thought into the songs they include in an episode and 88% often look up songs heard on TV shows as soon as they hear them.
 - Nearly three-quarters of music fans 22-30 are more likely to look up a song they hear on TV than the radio.
 - Social media is hailed for the direct access it provides between fan and artist, with the majority of music fans (60% for 13-21 year olds; 51% for 31-40 year olds) reporting that they follow artists on Twitter, Facebook, Instagram or other social networks.
 - 63% of fans follow artists on Facebook, which serves as an "official outlet" for tour updates and information.
 - 37% of fans follow artists on Twitter, which offers a "blow-by-blow feed" and highlights interactions with other celebrities.
 - 25% of fans follow artists on Instagram, which provides a direct line into artists' literal worldview.
 - 14% of fans follow artists on Tumblr, which provides the most intimate glimpse into an artist's psyche/spirit.
 - Concerts play a significant role in the lives of music fans, particularly as an important way to connect to artists. But attendance is socially motivated in addition to supporting an artist financially.
 - 79% go to live music events to showcase their fandom for an artist/music genre.
 - 88% go to concerts because they can tell their friends they went.
 - 74% go to see live music to financially support artists they like.
 - 76% go to concerts even if they don't know the artist because it's a chance to hang out with friends.
- **Acquire: When fans are ready to invest in a song and incorporate it into their lives.** In 2014, the definition of "acquire" is a little more nuanced. It still includes purchasing (83% of participants said they purchased music within the last month), but also illegal downloading, getting music from friends or even streaming it incessantly.
- 4 in 5 fans say that the closer they are to an artist, the more likely they are to support that artist by purchasing their music (rather than downloading it for free).
 - Most respondents report very mindful, cautious consumption processes:
 - 83% say they make sure they really like a song before they pay for it so they won't regret their decision later.
 - 91% listen to the song/watch the video on YouTube prior to purchasing.
 - 87% listen to other songs from that artist prior to purchasing.
 - 66% search for info about the song online prior to purchasing.
 - While illegal downloading occurs, it is considered socially unacceptable and risky.
 - 63% say illegally downloading music is never appropriate.
 - 64% say they're more nervous than they used to be about downloading music illegally.
 - Friend acquisition is a safer bet, with many music fans sharing files through services like DropBox or WeTransfer or even burning CDs.
 - 81% of fans say that they share music to make others happy.
 - 81% of fans say that they share music to support bands or artists that they love.
 - 77% of fans share because it gives them a sense of personal fulfillment.

Our brands deliver on the entirety of the music experience. Though the focus of the study wasn't on our channels specifically, viewers of each of the Music Group brands see us as places where they can discover, immerse themselves in, and acquire new music:

- More than 80% of MTV/VH1/CMT fans credit the respective networks with both introducing them to new artists/bands and giving them behind-the-scenes access to artists.

- And, more than three-quarters of the networks’ viewers have heard a song on MTV/VH1/CMT and purchased it.

Implications:

- Music is as emotionally relevant as ever – consumers just have a myriad of ways to experience it.
- Discovery is happening everywhere, actively and passively. Fans aren’t overwhelmed, but they could certainly use a hand.
- With so many acquisition options, getting fans to spend is a challenge, but building and strengthening connections between artists and fans increases the chances of fans purchasing music.
- Videos, TV and social media rank highest in forging that fan-artist connection. But with so many ways to connect to artists, it’s more important than ever to use a variety of media touch points to facilitate a stronger connection between artist and fan.

Methodology:

This study is based on a quantitative survey with more than 1,200 participants 13-40 years old; “biographies” with 34 participants; secondary research; as well as check-ins with proprietary panels and Facebook groups.

NICKELODEON’S “THE STATE OF KIDS AND GAMING”

Nickelodeon has long recognized that gaming is an integral part of daily life for today’s youth. In “The State of Kids and Gaming,” a study among 6- to 13-year-olds, Nickelodeon investigated the current gaming landscape including kids’ motivations, behaviors and attitudes toward video games on multiple platforms. Nickelodeon, in partnership with Smarty Pants, uncovered expectations and preferences across three gaming platforms: console, online, and handheld.

Key Findings

State of the Game

- While all kids have their preference, most kids enjoy all three gaming platforms – online, handheld and console, all of which continue to play a critical role in kids’ lives.
- Across all platforms, the majority of kids find that gaming is “fun” and “exciting.” Kids are happy to game on whatever device is available and convenient at the time.

Gaming Trends

- **Handhelds & Tablets:** Handheld devices give kids the control and independence they seek. Personal ownership, control over game choice and independent play – combined with fresh, fun content that is quick to play and cheap to acquire – deliver an experience other platforms just can’t match.
 - Tablets have become the preferred gaming device for all kids aged 6-7 and girls aged 8-13, with 83% saying that they like playing games on tablets “really a lot” or “really really a lot.”
 - In addition to an overall “cool” factor, tablets give kids exactly what they want: a big screen, ease of use, great graphics and endless variety.
- **Consoles Still the Most Robust:** With the most exciting titles, realistic graphics and immersive experience, consoles are the preferred platform for the most diehard gamers: boys 8+. They also offer the most flexible play as kids can compete and collaborate with others both in-person and remotely.
- **Online Still the Most Common:** Despite the popularity of mobile gaming and the passion for consoles, kids continue to have the most steady diet of online gaming.

A Look at Each Platform

→ Console Gaming Is...

- **The Best:** For many, especially boys 8+, nothing beats it.
- **Immersive:** Consoles offer an experience far beyond what’s available elsewhere; kids can truly “escape” into console titles, living out their fantasies.
- **Competitive:** Driven by competition, both against themselves and others – console gamers take leveling up and earning exclusives (and the bragging rights) seriously.

- **Social:** In-person and remote social play are easily accomplished and allow for play regardless of whether you're alone or not.
 - **A Gamer's Paradise:** Realistic graphics, immersive stories and title variety offer kids the most complete gaming experience.
- When playing with consoles, kids expect to play with friends and family in the same room; to play with others remotely; to escape from reality; to be "cool" or fit in; independence; passion for the device; variety and challenge.
- Across consoles, the most popular game categories are racing, city/world building, puzzle, arcade and brain games.
- **Handheld Gaming Is...**
- **Fast:** Titles are quick and easy to acquire and faster to play/less in-depth than those on other platforms.
 - **Fresh:** Low cost games with a simple purchase process make it easy to try something new; over half of tablet and smartphone users get new games weekly.
 - **Accessible:** Size and lack of cord make handhelds incredibly portable – personal ownership and high parent permission also make handhelds a compelling gaming option.
 - **Filler:** Accessibility, along with titles that are easy to play in spurts, make handhelds a natural choice for killing boredom wherever, whenever.
 - **Personal:** Designed for one player, most kids don't use the WiFi feature, resulting in a very solitary experience.
- When gaming on a handheld device, kids expect independence; to be "cool" or fit in; passion for the device; a good gaming experience; and a boredom buster.
- Among users of all handheld gaming devices, puzzle and arcade games are most popular.
- **Online Gaming Is...**
- **Pervasive:** Much like TVs, computers are centrally located in the home – as such, access to online games surpasses all other platforms.
 - **Varied:** A deeper and broader library of free games means each kid can find his ideal experience – and find new ones as often as he wants.
 - **Social:** Remote interactive play has become a key element of online gaming.
 - **Immersive:** Home of the virtual world, online gaming lets kids be a part of something bigger as well as play in shorter intervals.
- The most popular online game categories are similar to those of smartphones and tablets, with kids primarily playing puzzle, brain, city/world building and arcade games. However, games centered on virtual worlds are unique to online gaming.
- Kids expect social play; variety; escape/avoidance; creativity and imagination; clear goals and accomplishments; getting deep into the game; and connections with their favorite characters.

Implications

As in years past, kids generally focus on the content. But as devices have evolved, kids have more choices than ever when it comes to both content and device, allowing kids to choose not only based on what game they want to play but what device they can or want to access at any given moment. As such, each platform offers different experiences and fits into kids' lifestyles in distinct ways. Content creators, product developers and marketers can best serve their consumers by looking at the state of gaming most holistically, considering both content and device.

The Methodology

This study was based on qualitative research, including gaming digital diaries and ethnographies in New York, Chicago, Charlotte and San Diego, as well as quantitative research, including an online survey with 2,275 respondents ages 6-13.