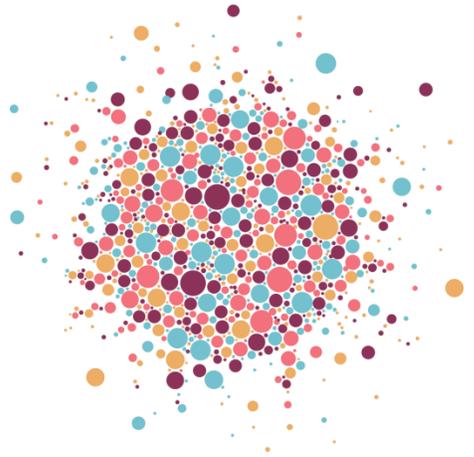


## CONSUMER INSIGHTS SEPTEMBER/OCTOBER 2014



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## VIACOM'S "TV HERE, THERE, (NOT QUITE) EVERYWHERE

While still nascent in terms of awareness and usage, TV Everywhere (TVE) presents a significant opportunity for brands to grow and strengthen their relationships with fans. The TV Everywhere experience is defined as watching full-length TV programs on sites and apps by "authenticating" – using one's pay TV log-in information. Viacom's "TV Here, There, (Not Quite) Everywhere" study explores consumers' perceptions, expectations and experiences around TVE apps and sites. The findings reveal an increase in overall TV viewing among TVE users, as well as greater customer loyalty towards pay TV providers that offer TVE services.

### Key Findings

**TV Everywhere Supplements TV Viewing, While Adding Value To Pay TV.** The majority of users agree: TV Everywhere is additive to the TV viewing experience. Since they began using TV Everywhere apps and sites, 64% report watching more TV overall. This finding is even stronger among Millennials, with 72% watching more TV.

- For those using TV Everywhere, the television is still the go-to source for TV shows and watching live. After live TV, TVE apps and sites are a strong alternative, rivaling VOD, DVR and other sites that don't require authentication with a pay TV provider, such as subscription streaming services or other free sites.
- TV Everywhere also increases the value of pay TV subscriptions while strengthening loyalty to pay TV providers and relationships with networks.
- A full 98% of users say TVE adds value to their pay TV subscription, with 67% saying it adds "a lot" of value.
- The vast majority (93%) is more likely to stay with their provider due to TV Everywhere and 68% have a more favorable impression of networks that offer TVE experiences.

**I Want My TVE.** Users cite strong content libraries, flexibility and the attitudinal element of staying savvy as their main drivers for using TV Everywhere services.

- Content is King: Whether to re-watch or catch up on episodes, content is one of the biggest drivers of TV Everywhere usage.
  - Viewers use TVE for replay, with 31% reporting that they re-watch episodes and 22% starting a show from the first season.
  - Over two-thirds report using TVE more often than other third-party or free sites because it has more shows overall (42%), offers the shows/series they want to watch (38%), and features exclusives (23%).
- True flexibility: Another major driver of TVE use, the flexibility of TVE allows viewers to watch shows *when, where* and *how* they want.
  - Nearly one-third of users use TVE because they weren't able to watch the show live.
  - 28% percent use TVE because they are away from home.
  - 22% use TVE because all TVs were in use, and the same percentage cite being able to move around the house.
- Staying savvy: TVE users also consider themselves early adopters, with one-fifth reporting that they started using these services because they like to be the first to try new things. They are also much more likely to own and access TV shows on a range of different devices, including tablets, set-top-boxes and Smart TVs.

**Barriers To Adoption:** The research reveals that TV Everywhere – as both a concept and a term – still suffers from a

lack of awareness and understanding.

- There's also no go-to source of discovery yet: 17% of users heard about TVE from an ad on TV; 16% were made aware by a spouse or partner; and 54% of kids learned about it from their parents.
- While 19% of users say they have no problems with their TVE experiences, the top issues tend to be tech-related, including loading/buffering (24%) and crashing/freezing (23%). Content-related issues are far less common.
- For non-users, the biggest barriers to adoption are a lack of perceived need, concerns about hidden costs, lack of awareness and screen size.

**The Ideal TVE Experience.** The majority of users say flexibility, extensive content, smart search, and custom logins create the best TVE experiences.

- Flexibility of a "Digital DVR": Viewers want to be able to pause a show and pick it up at another time, even on another device. They want the abilities to start/stop (66%), watch on any device (64%), and use outside of their home Wi-Fi (60%).
- Deep Content Libraries: Viewers want instant gratification and complete and deep content libraries, including immediate access to recent episodes (65%), old seasons of shows (62%), content that never expires (62%) and live TV (56%).
- Smart Search: Intuitive search functionalities are crucial. Consumers want clear search boxes to search for specific shows (68%), organized content (59%) and the ability to make queues or lists of favorites for later viewing (55%).
- Custom Logins: Particularly in multi-person households or for those with kids in the home, the ability to customize (52%) and have accounts for multiple users (48%) is important.

#### **Implications:**

While viewers find TVE additive, there is a general lack of awareness around these services, suggesting that TV Everywhere apps and services would benefit from increased consumer marketing. In addition, insights on what users want out of TV Everywhere – flexibility, extensive content, smart search and custom logins – can guide content and product teams in creating the ideal TV Everywhere experiences for viewers.

#### **Methodology:**

For the purposes of this study, the TV Everywhere experience is defined as watching full-length TV programs on sites and apps by "authenticating," or using pay TV log-in information. The methodology involved digital online journals, focus groups and ethnographies in New York and Chicago. Online surveys were conducted with more than 1,300 Viacom viewers ages 13-49 and more than 600 kids ages 2-12. Participants included both users of TV Everywhere and non-users.

## **MTV'S "MILLENNIALS NOW"**

It's well known that Millennials are voracious consumers of online video content – as well as its biggest creators and sharers. In "Millennials Now," MTV conducted a study to determine what viral videos, YouTube videos, Vine videos and more reveal about the Millennials who are so actively creating and sharing them. Based on this research, the network uncovered several generational trends.

#### **Key Findings**

##### **Real-searchers**

- Millennials are obsessive investigators, spending a lot of time discerning what's real versus fake online. Whether that's scrutinizing a video where someone catches on fire while twerking, analyzing the "elevator photo" from Solange and Jay Z's brawl or trying to determine whether James Franco's flirtations with a 17-year-old are real or part of a promo, they are highly aware that much of what they are consuming is staged. They seek authenticity where they can find it, especially in the form of YouTube and Vine stars that let them into their real worlds.

##### **Meta-lennials**

- Whether dissecting their Tinder dating behaviors, talking about what their 20s should be like, analyzing the impact of technology on humanity today or having a laugh at the whole "Millennial conversation," they are keen observers of their own behavior and that of their generation.

**Nerd is the new normal**

→ From participating in online Dr. Who Fandoms to obsessing over random hobbies like vampire stake-making and watching hours of PewDiePie gaming videos, Millennials are engaging in what used to be coined "nerd" behaviors and now are just categorized as "obsessions" or "passion points." Nerd culture is no longer niche but fully in the mainstream.

**The Methodology**

This study was based on qualitative research into video content that is being created and shared, including miscellaneous viral videos, branded content, YouTube stars, Vine stars and remixes.