NIELSEN HOME ENTERTAINMENT

VIDEO 360

2018 REPORT HIGHLIGHTS

nielsen

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INTRODUCTION

It's a wonderful time to be a viewer. Today's golden era of video has produced an abundance of original content as well as ample avenues for viewers to access video — wherever and whenever they wish.

Cultivating viewers in this dynamic time requires a sophisticated and nuanced understanding of audience motivations and behaviors. Our full 2018 Nielsen Video 360 Report is designed to help you do that. It offers comprehensive data and insight for home entertainment habits and preferences. In the report, you'll find how consumers are viewing film and TV across physical, digital, rental, purchase and streaming platforms. You'll see which devices viewers use to access content, along with when and why they use those devices. You'll also understand why viewers buy content and, just as importantly, the barriers to purchase. And you'll know how attitudes towards short-form and long-form content are changing.

"CULTIVATING VIEWERS IN THIS DYNAMIC TIME REQUIRES A SOPHISTICATED AND NUANCED UNDERSTANDING OF AUDIENCE MOTIVATIONS AND BEHAVIORS."

There are so many insights in the full report, it's tough to pick out the most important ones. Instead, we've developed a special, Video 360 Highlights Report, which you're now reading, to give an example of how you can use the data in the full report to uncover unique insights. Here, we examined how the general audience discovers, purchases, downloads and streams video. We then compared those results with two types of movie franchise fans: superhero and family. Spoiler alert: they differ quite a lot. It's a fascinating cut of the data, and we hope you'll find it useful.

Audience attention is precious and elusive. It's our job to help you gain a richer understanding of the many ways audiences see themselves and how that plays out in their consumption of content across multiple media channels. We invite you to reach out to us if you have any questions, or if you'd like to purchase the full 2018 Nielsen Video 360 Report.

Note: The 2018 Video 360 report provides an in-depth look into the home entertainment consumer and their video discovery, purchasing, and viewing behaviors. The data in this report is based on self-reported information.

OVERVIEW

THIS HIGHLIGHTS REPORT INCLUDES A SAMPLE OF THE MOST RECENT DATA FROM THE FULL 2018 NIELSEN VIDEO 360 REPORT.

Now in it's third year. To highlight how insights can be driven from the larger report, we gauged the video consumption patterns of the general population alongside two self-identified audience groups: superhero and family-movie franchise fans. Here's how they compare.

Gain access to the full 2018 Nielsen Video 360 Report to:

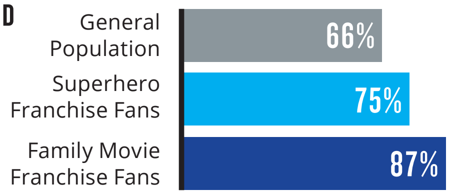
- Get a deep understanding of category insights for a syndicated price
- Obtain a comprehensive view of short-form and long-form video trends
- Segment by demographic and behavioral attributes

FOR MORE INFORMATION,
contact Lauren.Kobel@nielsen.com

THIS YEAR'S HEADLINES

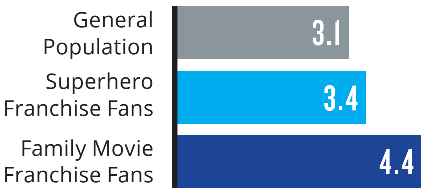
66% OF THE GENERAL POPULATION REPORTED PAYING FOR SUBSCRIPTION VIDEO ON DEMAND SERVICE (SVOD).

PAY FOR SVOD



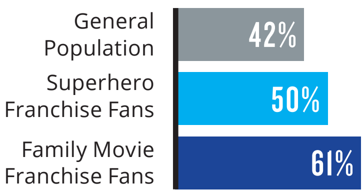
3.1 NUMBER OF SVOD SERVICES SUBSCRIBED TO BY THE AVERAGE RESPONDENT.

SUBSCRIBE

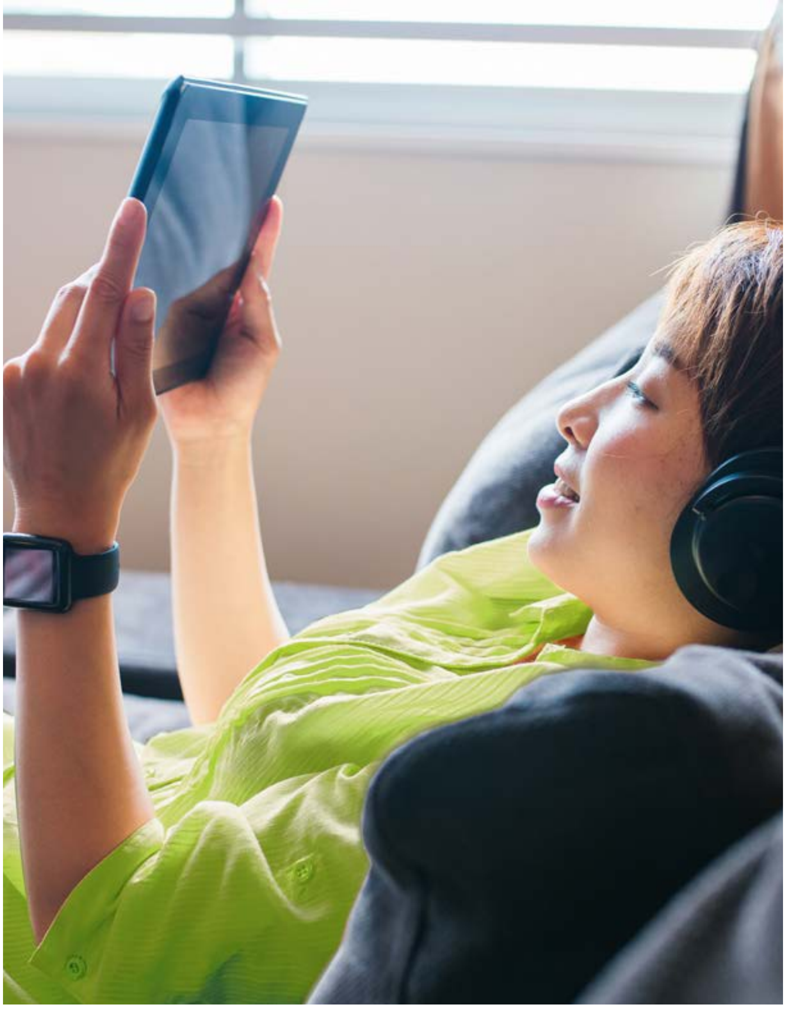


42% OF THE GENERAL POPULATION HAS INDICATED WATCHING LIVE STREAMED CONTENT.

STREAM



Source: 2018 Nielsen Video 360



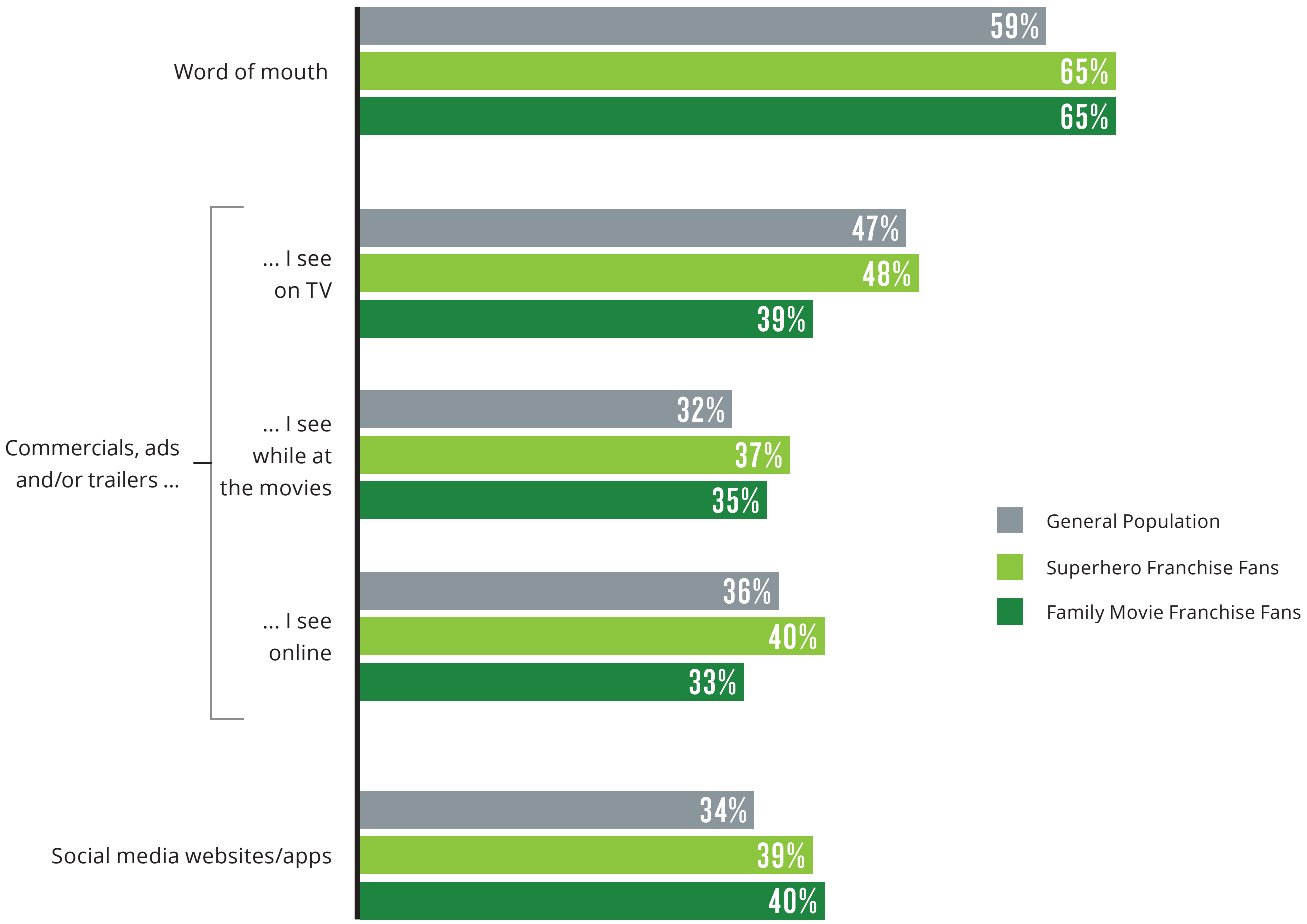
34%

USE SOCIAL MEDIA TO FIND NEW VIDEO CONTENT, UP FROM 28% REPORTED IN 2016

VIDEO DISCOVERY

Across multiple audiences, social media sites and applications gained the most ground over time in how viewers reported discovering new content, growing from 28% in 2016 to 34% this year, a 22% relative increase. Looking deeper reveals that family franchise fans are more active on social media than not only the general population, but also fans of superhero franchises as well. Among family franchise fans, 97% have used social media in the past year, compared to 92% of the general population. Fans of superhero franchises also outpace the general population in social media usage with 96%. That said, word of mouth remains the No. 1 way audiences find new content.

DISCOVERING NEW VIDEO CONTENT*



*Which of the following are ways you discover new movies, TV shows or other full-length video content?

Source: 2018 Nielsen Video 360

42%

BOUGHT DIGITAL DOWNLOADS IN 2018, UP FROM 35% IN 2016.

PURCHASING

This year has seen a slight increase in video purchasing, with 51% of the general population reporting that they've bought long-form physical video in the past year, compared to 48% in 2017. Digital download purchases also have gained ground, growing from 35% of the general population in 2016 to 42% in 2018. A growing factor in acquiring long-form video is the desire to build a collection, in either physical or digital format. In 2016 only 23% cited collection building as an important factor in their purchase decisions, compared to 30% who said so this year.

Fans of family movie franchises are heavy purchasers. These fans are also the more dogged in their pursuit of specific titles. When asked what they would do if a piece of content was not available in the formats they wanted, family franchise fans were more likely than other fan groups to seek the title in alternative formats rather than look for another title.

PAYING FOR VIDEO

42%

OF THE GENERAL POPULATION HAS PURCHASED DIGITAL VIDEO IN THE PAST YEAR.

SUPERHERO FRANCHISE FANS

52%

FAMILY MOVIE FRANCHISE FANS

68%

51%

OF THE GENERAL POPULATION HAS PURCHASED PHYSICAL VIDEO IN THE PAST YEAR.

SUPERHERO FRANCHISE FANS

62%

FAMILY MOVIE FRANCHISE FANS

78%

*Did you purchase a movie or TV show (one or more episodes) either for yourself or someone else in the past year?

Source: 2018 Nielsen Video 360

DOWNLOADING

One in four viewers reported downloading or streaming a movie before it was available on DVD or Blu-ray discs. About the same leveraged online platforms to watch movies that were released while still being shown in theaters. Once again, franchise fans outpaced the general population in consuming video content in this manner. Notably, 47%, nearly twice as many family franchise fans as the general population, say they'd downloaded or streamed content before it became available in disc formats.

WATCHED MOVIE ONLINE …

	GENERAL POPULATION	SUPERHERO FRANCHISE FANS	FAMILY MOVIE FRANCHISE FANS
… BEFORE IT WAS RELEASED ON DVD/BLU-RAY?	25%	33%	47%
… WHILE IT WAS STILL IN THEATERS?	23%	29%	45%

Source: 2018 Nielsen Video 360

STREAMING

The vast majority of audiences have incorporated online video into their media diet, with eight out of 10 viewers reporting they use an application or service to stream online videos in a typical week. Live streaming in particular is becoming increasingly popular, with 42% of the general population reporting that they've ever watched live streamed video. The top three content types for live streaming are TV shows, live streams from social media users and regular season sporting events. More than half the general population has watched short-form videos in the past three months. Again, franchise fans are far more active video consumers than the average population.

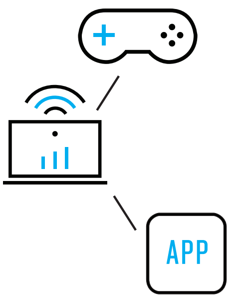
STREAMING ONLINE

	GENERAL POPULATION		SUPERHERO FRANCHISE FANS	FAMILY MOVIE FRANCHISE FANS
80%	REPORT USING AN APP OR SERVICE TO WATCH VIDEO CONTENT ONLINE IN A TYPICAL		89%	94%
42%	OF RESPONDENTS HAVE EVER WATCHED LIVE STREAMED CONTENT.		50%	61%
55%	WATCHED SHORT-FORM VIDEO IN THE PAST 3 MONTHS.		65%	71%

Source: 2018 Nielsen Video 360

2018 VIDEO 360 REPORT

KEY QUESTIONS INCLUDE



WHAT ROLE DOES VIDEO PLAY IN THE OVERALL ENTERTAINMENT EXPERIENCE?

WHAT ARE THE EMERGING FORMS OF REVENUE FOR CONTENT PROVIDERS?

HOW QUICKLY/WHY ARE CONSUMERS TRANSITIONING TO DIGITAL CONTENT?

CONTENT SUMMARY

The following summary outlines the key topics in the Nielsen Video 360 questionnaire. Nielsen Video 360 Report offers brands and content creators insights into how consumers are interacting with content and how to leverage film, TV and short-form video passion points to drive purchasing for home entertainment.

TARGET CONSUMER SEGMENTS

(INCLUDED BUT NOT LIMITED TO)

- Physical/digital video consumers
- Lapsed video buyers
- Movie attenders
- Streaming subscribers
- Cable-cutters, cable-nevers
- Skinny bundle subscribers
- YouTube users
- Moms
- Hispanics
- Millennials
- Franchise-level fans

PANELIST ATTRIBUTES

- Age
- Gender
- Household income
- Education
- Employment status
- State of residence
- Zip code
- Ethnicity
- Children in the household

MEDIA CONSUMPTION

- Device ownership (TV, smartphones, e-Readers, tablets, video game consoles)
- Digital/streaming media player
- Entertainment consumption activities and fanship (music/movies/books /video games/sports)
- Movie attendance

VIDEO CONSUMPTION

- Interaction with video content (full-length movies, television shows or short-form videos or clips) for example, YouTube videos
- Mobile apps (e.g., HBO GO, HBO NOW) and services (e.g., Netflix, YouTube, Hulu) used
- In-home or personal viewing preferences

LONG-FORM VIDEO

- Methods of discovery for new movies, TV shows or other full-length video content
- Formats (e.g., physical, digital, TV, etc.) used to view
- Recency of video purchases
- DVD/Blu-ray video purchases by retailer
- Purchase drivers/barriers
- Purchase influencers (child, parent, sibling, grandparents, etc.)

ONLINE VIDEO CONSUMPTION

- SVOD services currently pay for or used to pay for
- Subscription tiers used
- Satisfaction with SVOD services
- SVOD purchase drivers/barriers
- Importance of SVOD functionalities / features
- Time spent with SVOD
- Preferred device to watch SVOD
- When / where watch SVOD
- Live streaming video content by platform
- Types of content live streamed

SHORT-FORM VIDEO CONTENT

- Types of short video content (e.g., TV clips, music videos and/or user-generated content) typically watched
- Website/apps (e.g., YouTube, Vimeo, Buzzfeed, etc.) used to view
- Time spent with short-form video content
- Short-form vs. long-form consumption
- Interest in watching short-form content online

BRANDED ACTIVATIONS

- Favorability toward brands who are involved with movies in various ways (movie tie-ins, special packaging, branded DVD/Blu-ray releases, etc.)
- Marketing activations driven by branded content

DIGITAL TECHNOLOGY

- Awareness/interest in virtual reality/ augmented reality (VR/AR)
- Social media usage

METHODOLOGY

The Nielsen Video 360 Study is an in-depth look into the home entertainment consumer and their video discovery purchasing and viewing behaviors.

Data for this study was collected April 15–23, 2018 among 2,000 consumers reflective of the population of the United States. Additional responses were collected for 13–34 year olds and Hispanics.

The survey was offered in both English and Spanish, as selected by the respondent. Data was weighted to the U.S. census population based on age, gender, race, region and household income. This study is based entirely on self-reporting and aims to place home video and video entertainment in the context of general video viewing and the total video landscape.

Any time- and money-spent information is based on self-reported information. It is not intended to be a measurement but a general sense of consumer behavior.

General Population: U.S. General Population, 13+ (n = 2,000)
Teens & Millennials: Ages 13–34 (n = 1,054)

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.

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