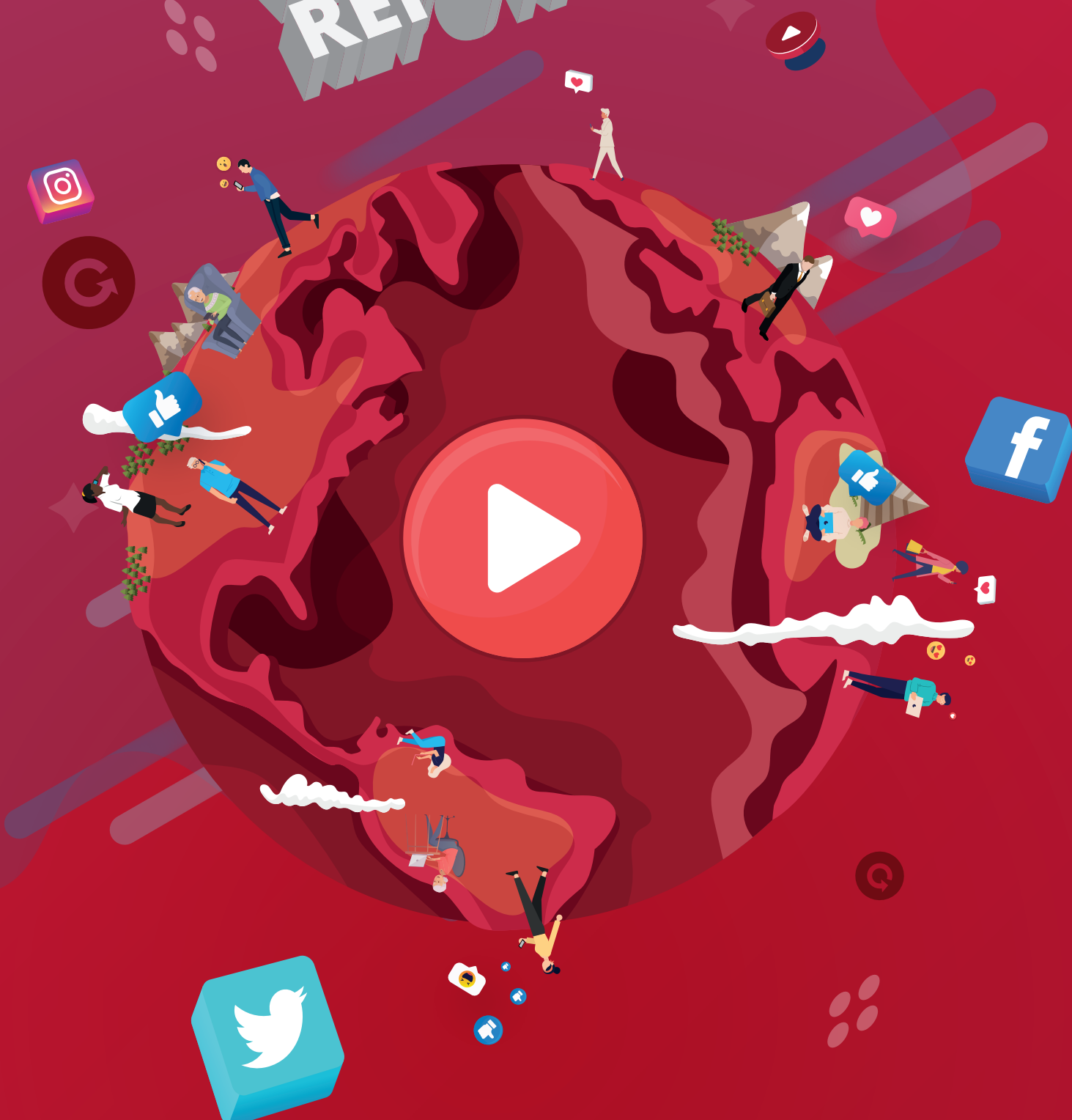


GLOBAL VIDEO TRENDS REPORT 2019



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grabyo

ABOUT THE STUDY

The 2019 Grabyo Global Video Trends Report surveys 9690 people across seven countries: the United Kingdom, United States, France, Germany, Italy, Spain and Australia.

We study a representative sample of respondents - varying in age, gender and income. The study took place in March 2019.

The purpose of this study is to discover what really matters to video audiences today. Which devices are people using to watch video? Which platforms are most popular? How do consumers respond to video marketing?

In this report, we explore how different consumer segments behave across the video industry and where they are spending their money. We will find out how content creators, broadcasters and marketers can ensure video resonates with a 21st century audience.

The report provides an overview of the state of today's video industry and plots a course for its digital future. We hope you enjoy reading it - don't hesitate to get in touch with us to find out more!

Gareth Capon
CEO - Grabyo



EXECUTIVE SUMMARY

The way consumers watch TV and video has changed. Despite its huge reach, most consumers rank linear broadcast TV as their 3rd choice for video, while smartphones are now the most popular device for watching video worldwide. Mobile viewing is a key factor in the huge growth of social video, with penetration now greater than 75% in all markets studied.

The shift in media consumption has impacted business models for video services, with more people paying for online streaming services than pay-TV. This move to OTT is seen in all markets in this study, with more than 50% of consumers choosing to pay for an online video service. The growth of mobile video has played a part in changing how consumers pay for television - 43% of consumers that have cut the cord are watching video most often on a smartphone.

Much of the commentary about changing media viewing habits has focused on younger segments, the Millennials and Gen Z. The results of this study show that mobile, social and online viewing is not restricted to younger demographic groups. All audiences under the age of 50 show a preference for OTT and mobile video. Flexibility, price and quality matter to consumers, something which is harder to deliver with the restrictions of linear TV.

The expectations of consumers for online streaming and social video have also changed. 18-25-year-olds suggest they are willing to spend on video services if the quality of the content and experience is good enough. Younger consumers want online video in the latest high-definition formats, such as 1080p/60FPS, 4K UltraHD and HDR video across devices.

As TV and video move online, it impacts other parts of the economy, including advertising, sponsorship, and retail. Social video is now an important channel for online and offline commerce, with 2/3 of consumers reporting that social video viewing has impacted what they choose to buy. Social video advertising is accelerating the adoption of OTT services and exacerbating the challenges for pay TV providers. 42% of 18-25s have looked to purchase online media subscription services after watching social ads.

The move to online streaming and social media does not signal the immediate death of TV, but it does highlight what needs to change. Consumers want video services which are low-cost, available everywhere, and with a usage model that allows them to escape the TV schedule if they choose. Sport remains the most popular live category, which will help each sport to retain rights value, but usage patterns suggest that for sports properties to maximize audience growth, they need a distribution model which moves beyond exclusivity on pay TV.

Capturing audiences is about convenience, content availability, service quality, and price.

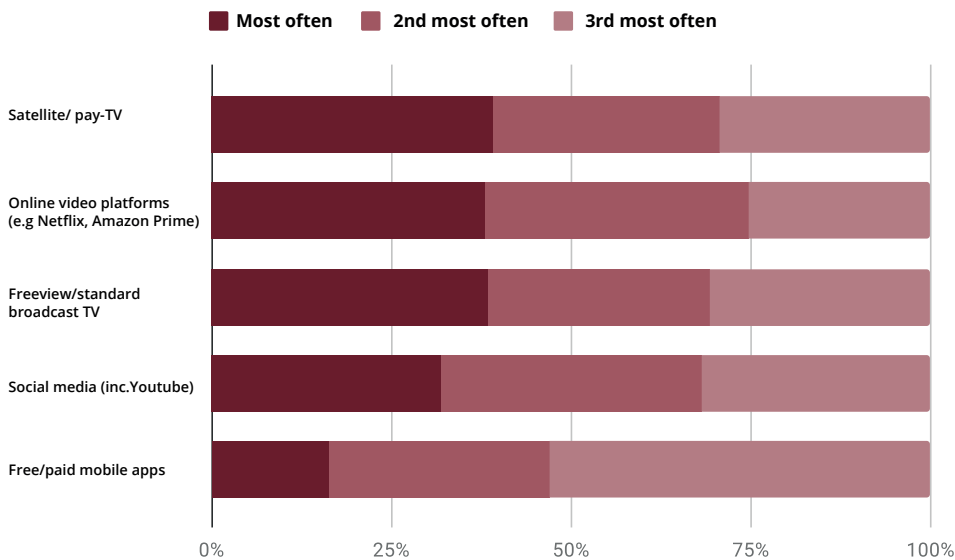
The future of TV is the internet and the shift is happening now.

THE GLOBAL CONSUMER

More people are paying for OTT video services than pay-TV platforms globally. Premium social media services are also finding a place in the market, boosted by younger viewers.



Where are global consumers watching video?



Despite its huge reach, most consumers rank linear broadcast TV as their 3rd choice for video.

While consumers are watching TV for specific shows, or major events, the majority favour digital platforms for casual viewing.

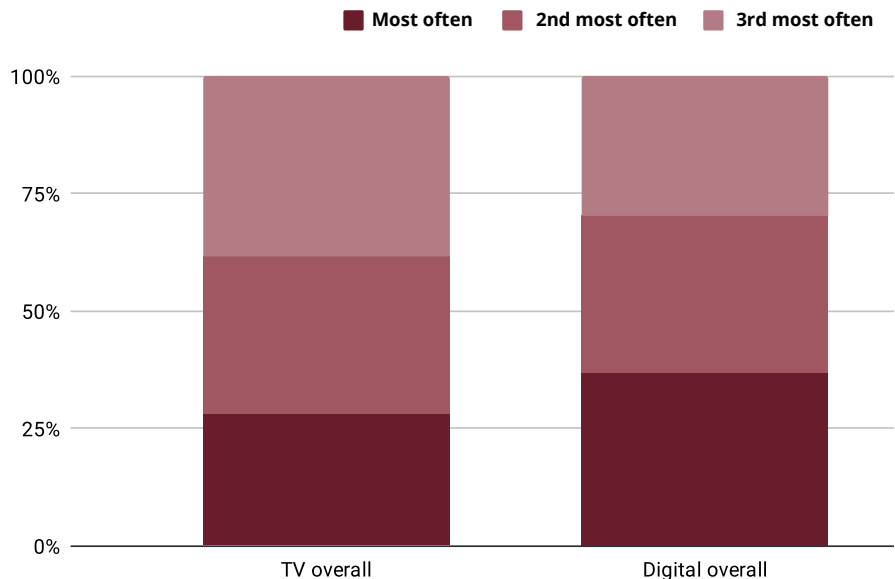
TV vs digital viewing



27% of pay-TV customers watch satellite TV most frequently



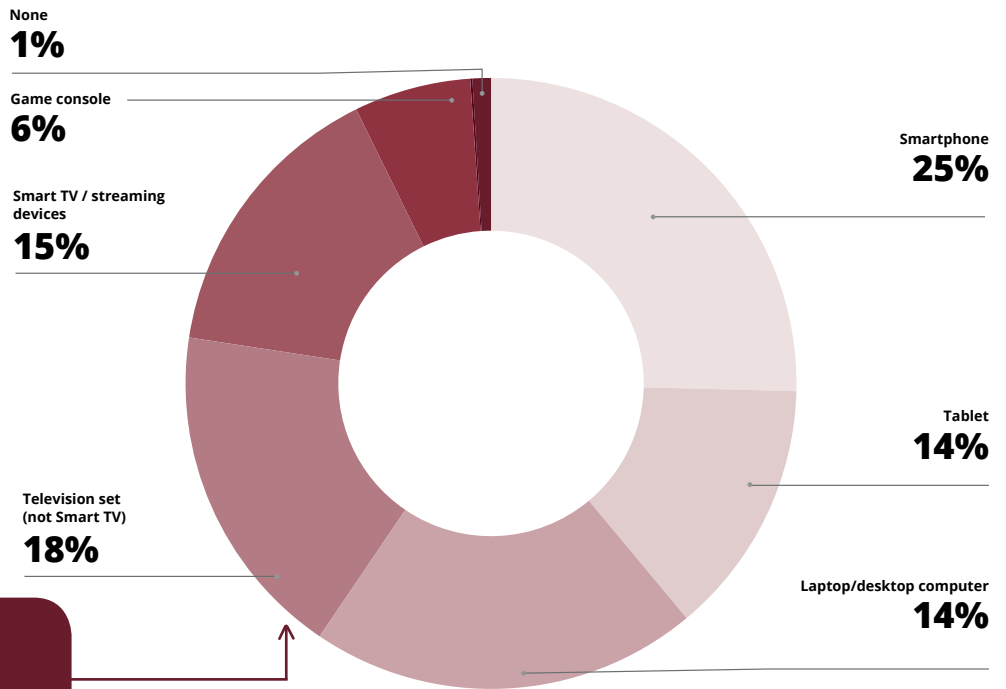
40% of global 18-25 year olds watch video on social media most often



THE GLOBAL CONSUMER

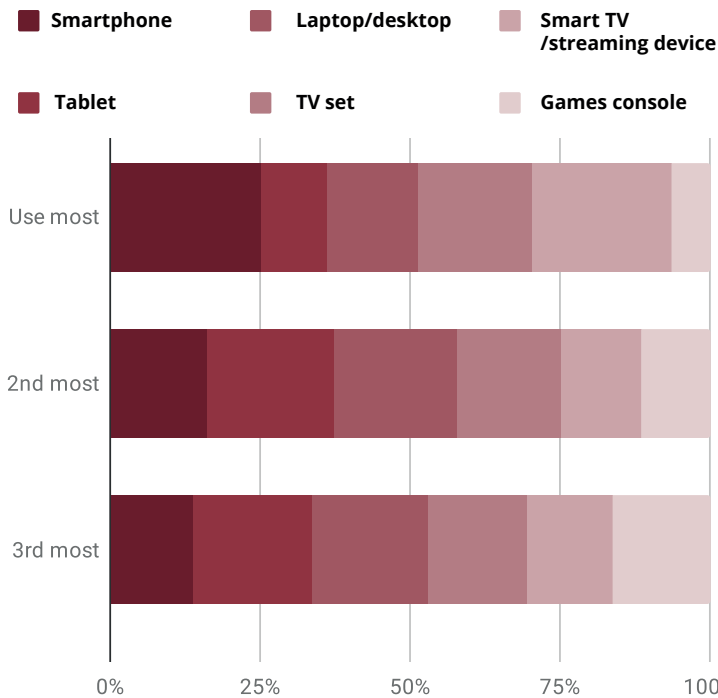
Which devices do they use to watch video?

Consumers are moving away from the big screen in all markets. Smartphones, laptops and desktop computers are now the most popular ways to watch video.



For audiences under 50, Smart TVs and streaming devices are more popular than traditional TVs for bigger screen viewing at home

Which devices are used to watch video the most often?



Smart TVs have overtaken traditional TV sets for primary viewing, which suggests consumers are using their (Smart) TV sets for streaming and on-demand services. The penetration of Netflix and Amazon Prime in all markets in the study is a key driver of this shift. Tablets are more popular than TVs for secondary device viewing, suggesting home viewing preferences are shifting towards smaller screens too.



of pay-TV customers watch most frequently on a TV set



of 'cord cutters' watch the most often on smartphones

Just 21% of consumers in Spain watch TV broadcasts most often

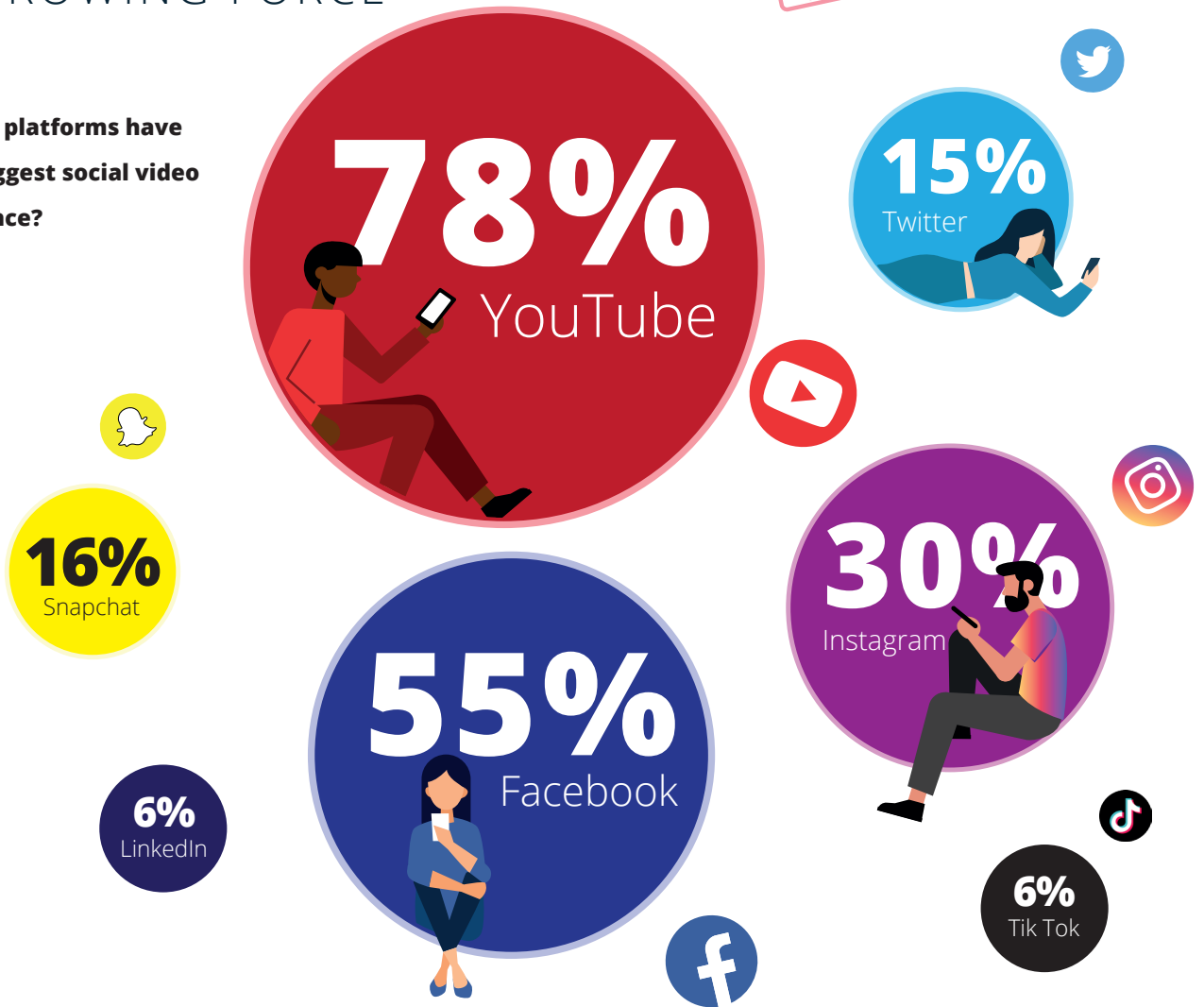
Smartphones are the most popular video device for consumers, with 25% of the global audience watching most frequently on mobile



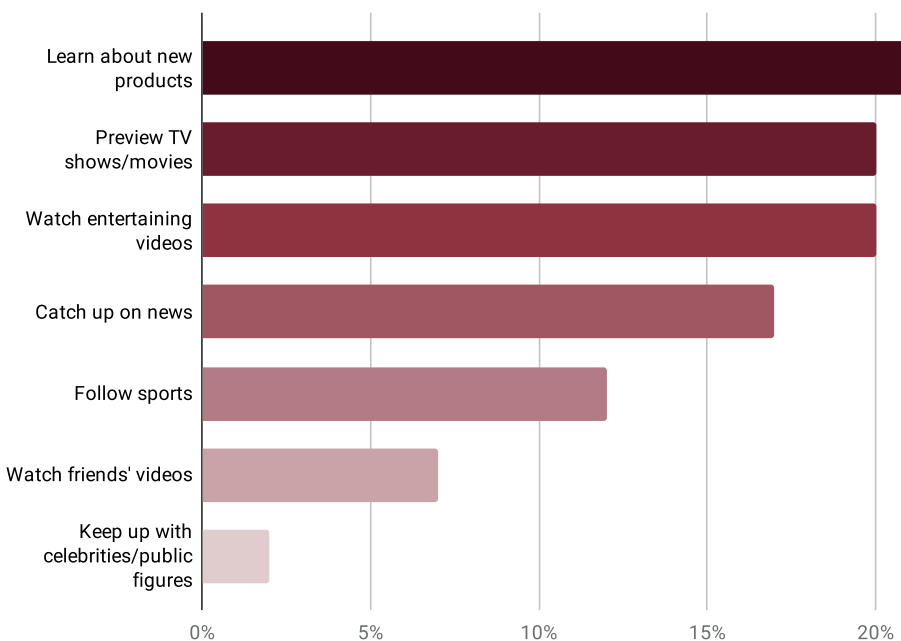
SOCIAL VIDEO

A GROWING FORCE

Which platforms have the biggest social video audience?



Why do consumers watch social video?



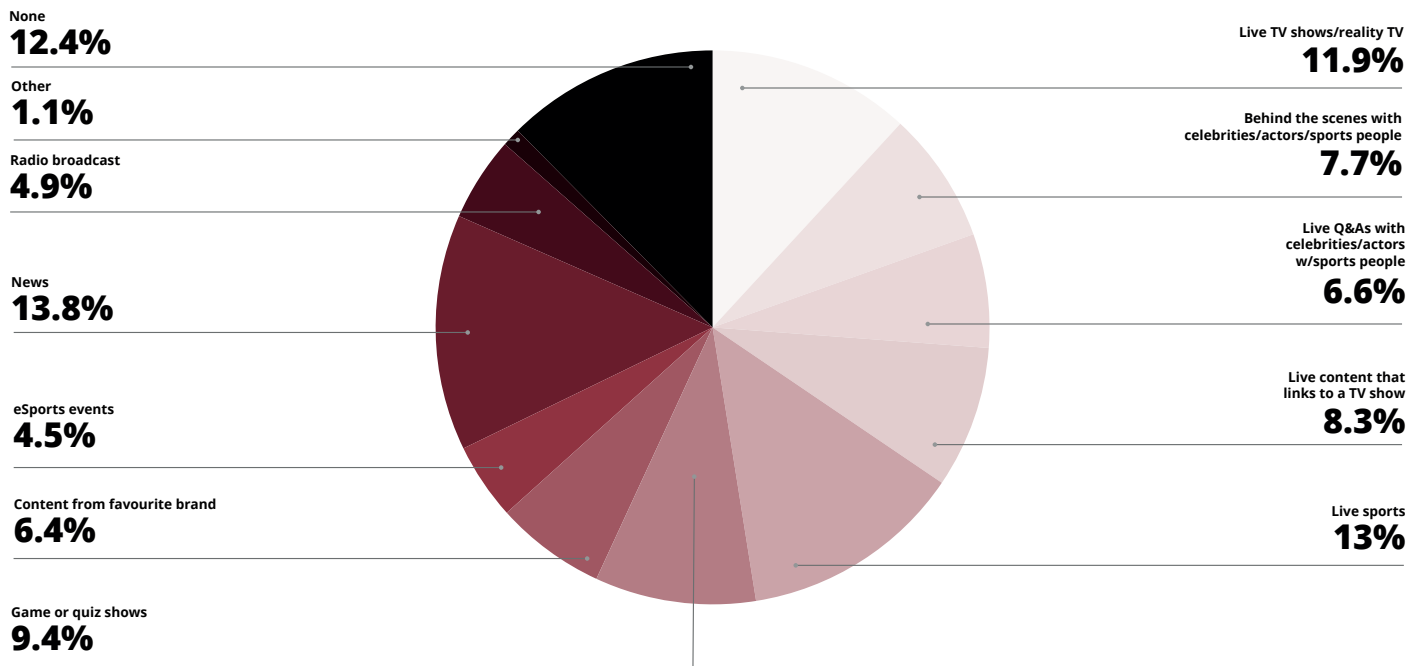
Globally, consumers are more interested in watching social video to discover new products or services than watching viral videos and TV clips.

The desire to learn about new products is consistent in every market, even when consumers are not looking to buy something at the time.

SOCIAL VIDEO

A GROWING FORCE

Which content do audiences want to see live streamed on social media?



Which types of video clips do consumers want to see more regularly on social platforms?



37%

want more movie clips/ trailers



37%

want more music videos



36%

want more breaking news updates



35%

want more TV/ entertainment clips



32%

want more how to videos / factual content



24%

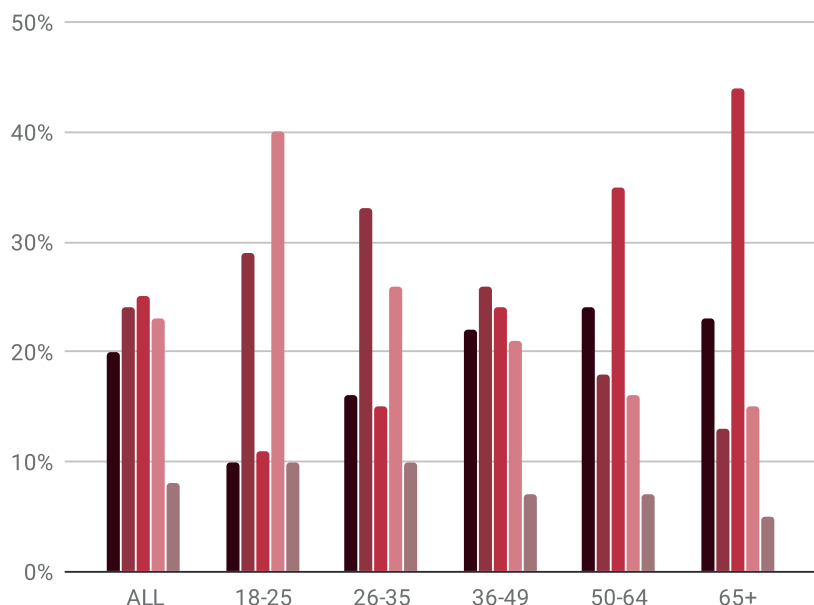
want more sports highlights



REACHING ALL AGES

Where is everyone watching?

- Satellite/Pay TV
- Online video platforms (e.g Netflix, Amazon Prime)
- Freeview/Standard Broadcast TV
- Social media (inc. YouTube)
- Free/paid mobile apps



Social media is the most popular video platform for 18-25s

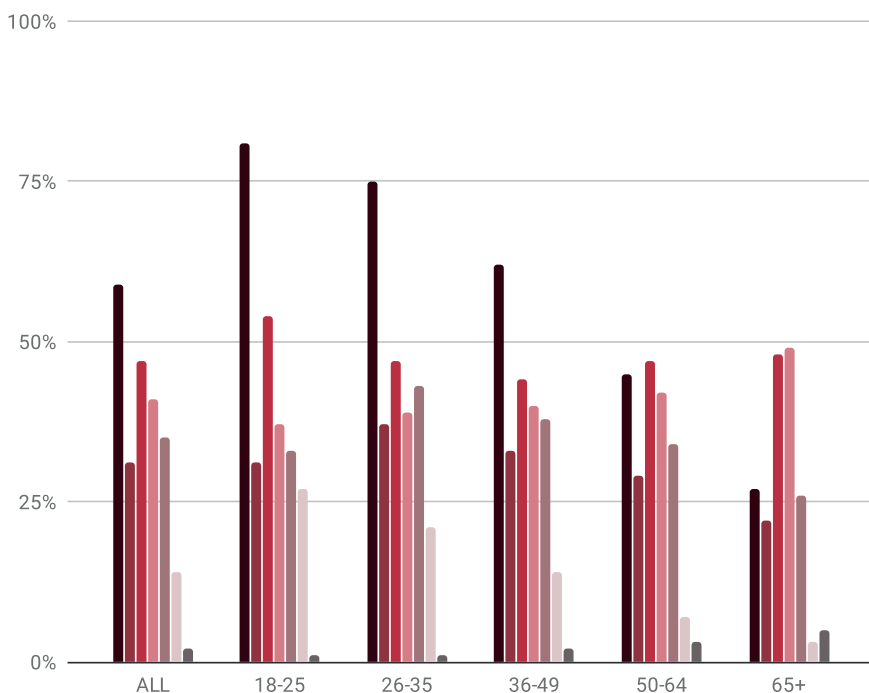
Online video platforms are most popular for every other age group

Which devices are the most popular for watching video?

- Smartphone
- Tablet
- Laptop/Desktop Computer
- Television set (not smart TV)
- Smart TV/Streaming Devices (e.g. Amazon Fire Stick, Apple TV)
- Game console
- None

Smart TV penetration is consistent in all age groups under 50. Over 65s report a sharp increase in watching on laptops and desktop computers.

Mobile devices (smartphones and tablets) are now the most frequently used device for watching video, outpacing TV's for every segment under the age of 50.



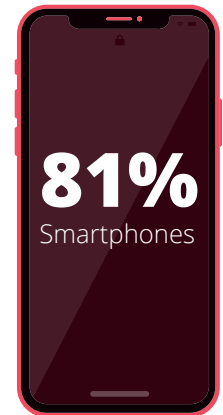
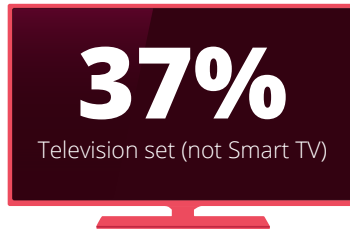
49% of over 50s are watching video most often on a smartphone

THE

18-25s

Gen-Z'ers and late millennials expect personalized experiences across every platform and device. This age group is highly receptive to new ideas and harder to impress. Cutting-edge innovation and new formats are required to get attention.

Which devices do they use?



What platforms do they prefer?

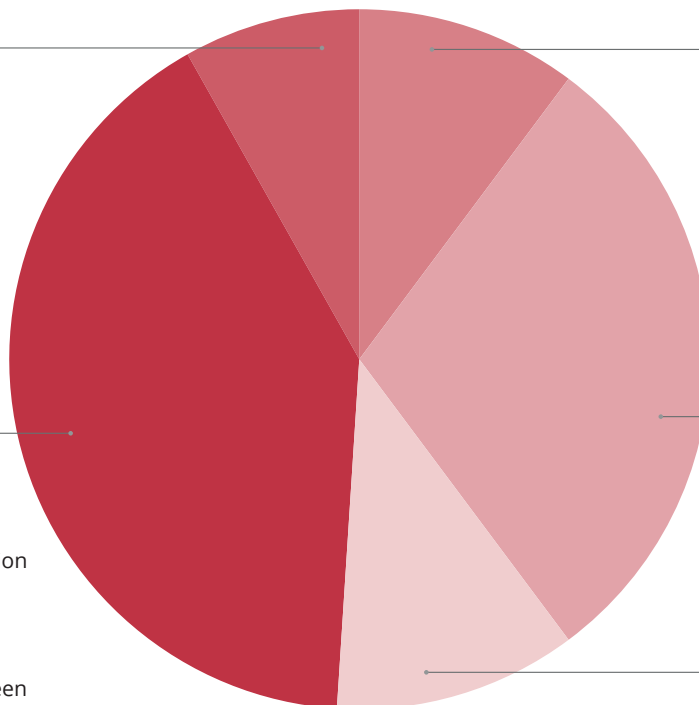
Free/paid mobile apps
8%

Satellite/pay-TV
10%

Social media
(inc. YouTube)
41%

Online video platforms
(e.g Netflix, Amazon Prime)
30%

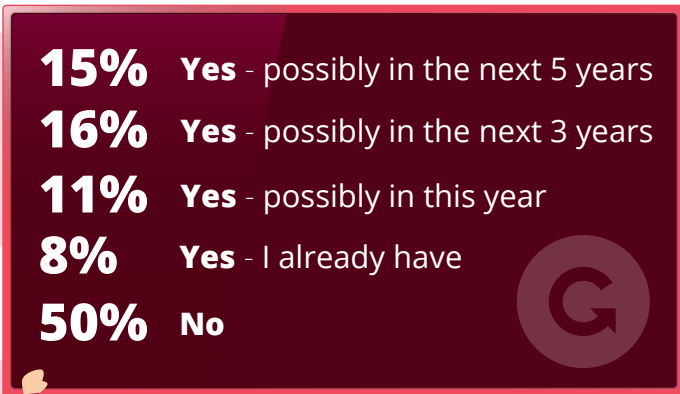
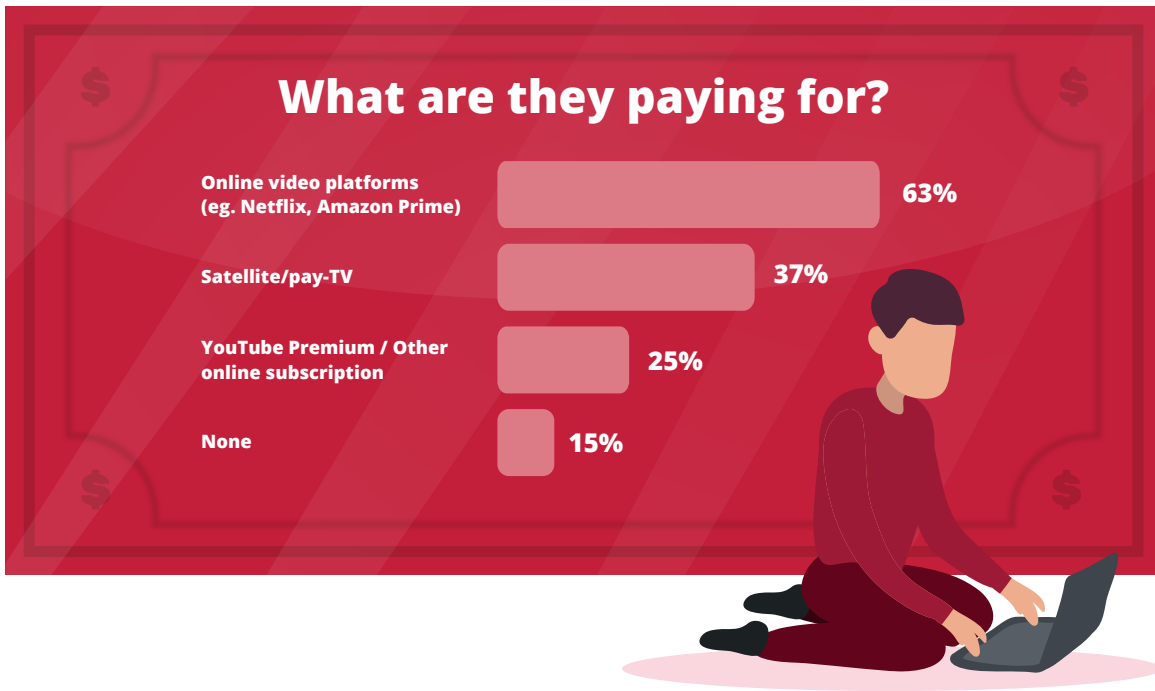
Freeview/Standard Broadcast TV
11%



'Gen Z' is defined as the generation of people born after 1997.

'Millennials' are defined as the generation of people born between 1981 and 1996.

18-25s



Are they cutting the cord?

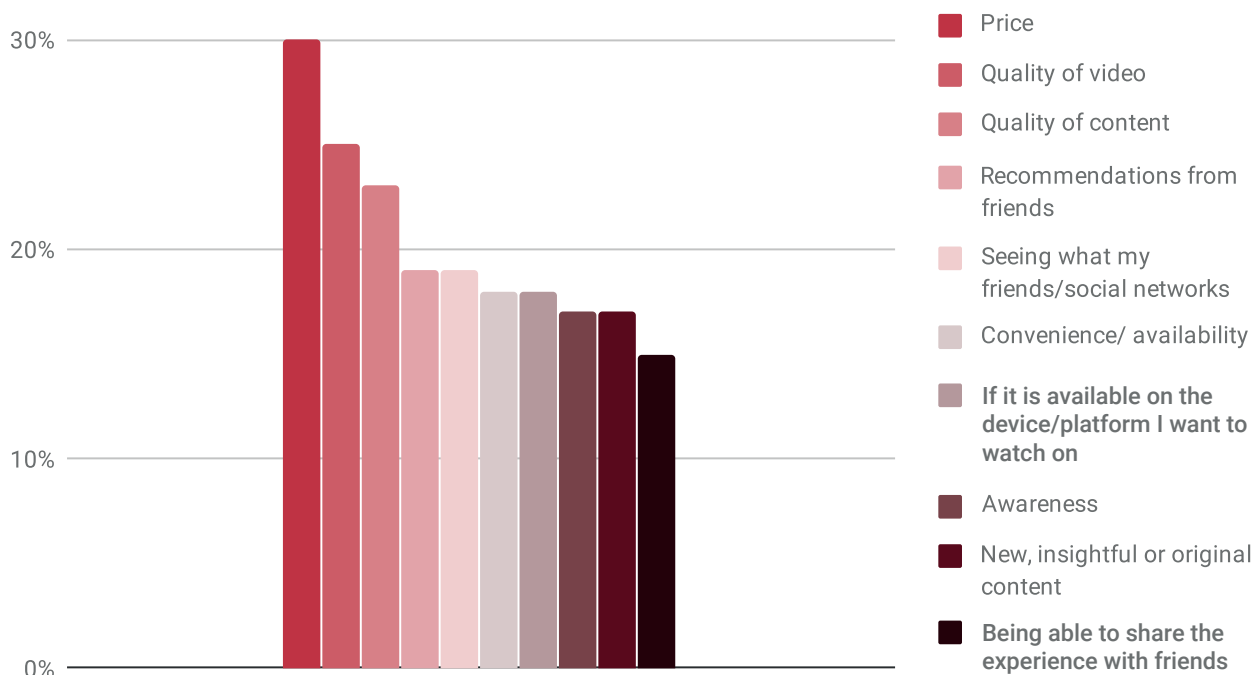
18-25s suggest that once digital platforms deliver enough content they care about, they'll consider cutting the cord.

35% of under 25s plan to cut the cord in the next 3 years or have already done so. As only 37% pay for their own TV services, many will go on to become 'cord-never' consumers.

← **29% of 18-25s report that nothing is stopping them from cutting the cord**

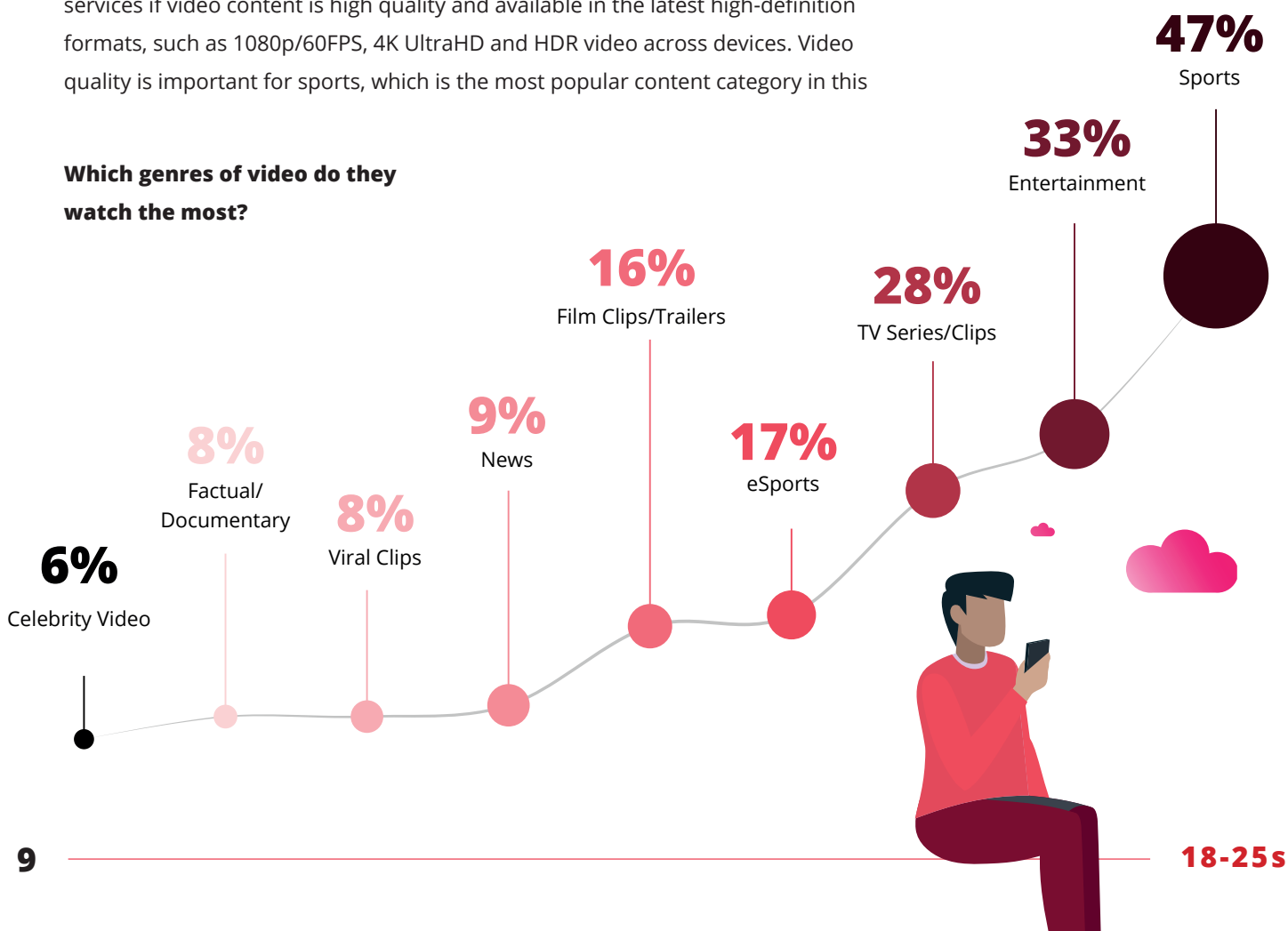
18-25s

What influences their choice in video?



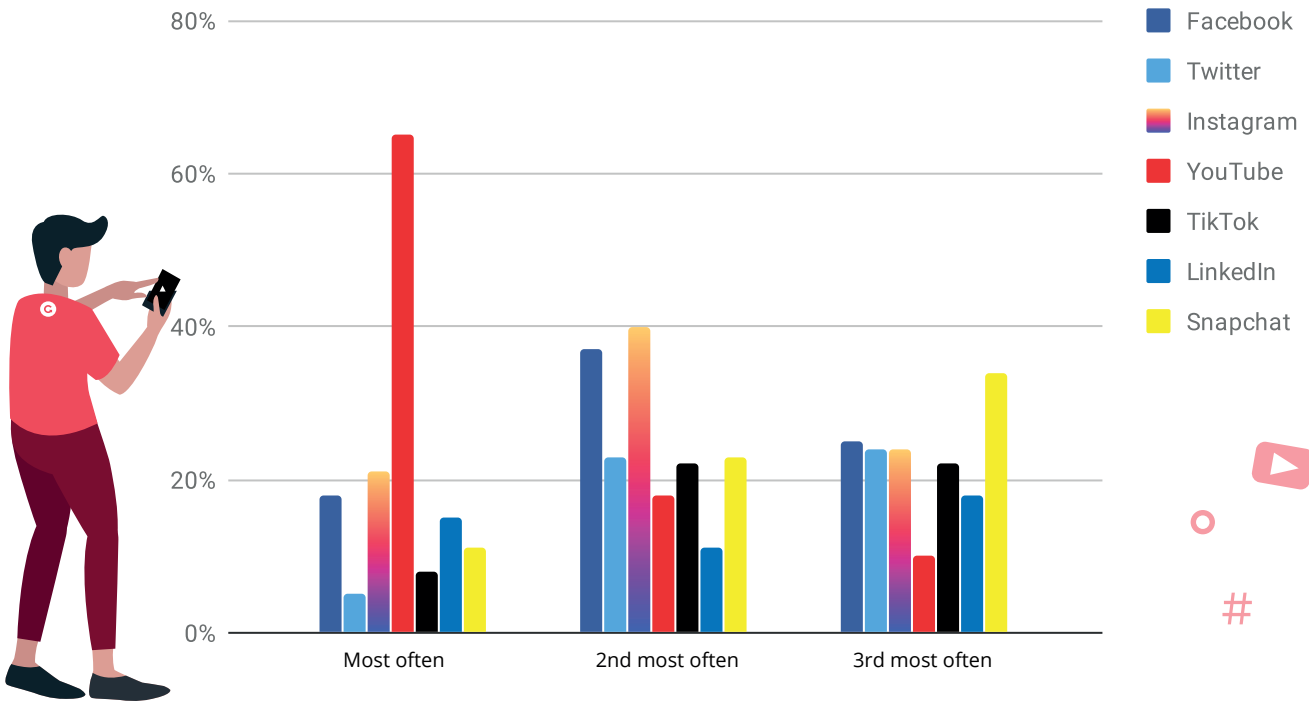
While price is an important factor, 18-25 year olds will justify their spend on services if video content is high quality and available in the latest high-definition formats, such as 1080p/60FPS, 4K UltraHD and HDR video across devices. Video quality is important for sports, which is the most popular content category in this

Which genres of video do they watch the most?



18-25s

Which social platforms are 18-25s watching on?



YouTube is the dominant social video service for this age group, followed by Instagram and Facebook. Around 20% of respondents watch more on Snapchat than Twitter. TikTok has grown rapidly in this age segment with more than 20% of consumers saying it is their 2nd most popular video service.

What attracts 18-25s to videos on social media?



27%

To watch entertaining videos



21%

To learn about new products or services I might like



18%

To preview TV shows/ movies



14%

To catch up on news/ current events



10%

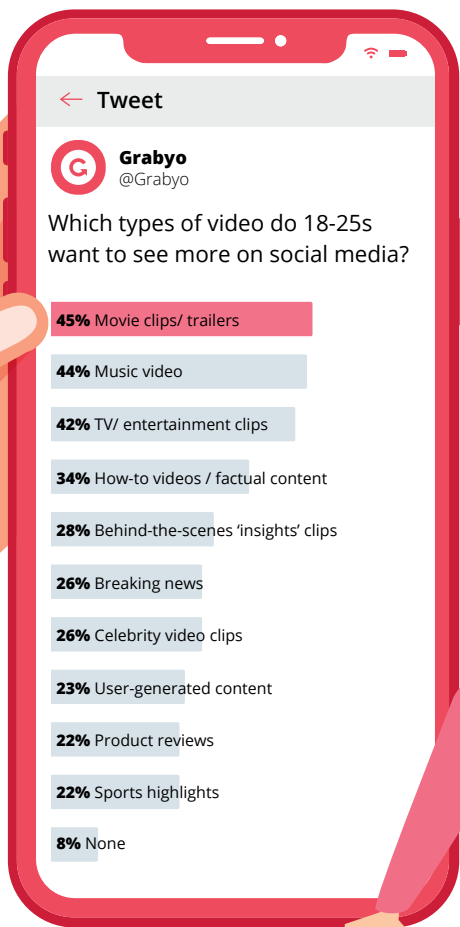
To follow sports

83% of 18-25s have investigated or purchased a product after seeing a related video on social media.



18-25s

Which types of video do 18-25s want to see more frequently on social media?



18-25s are more interested in content from media publishers over viral videos and friends' updates. This includes clips and highlights available on other platforms, and content that enriches their experience with supplementary content, such as behind the scenes, interviews and unseen clips. Publishers have the opportunity to capture social audiences with unique content only available on their social channels, where 18-25s are looking for video most often.



What are they buying from social ads?

42% of 18-25s are influenced to purchase or investigate online media subscription services after watching social ads.

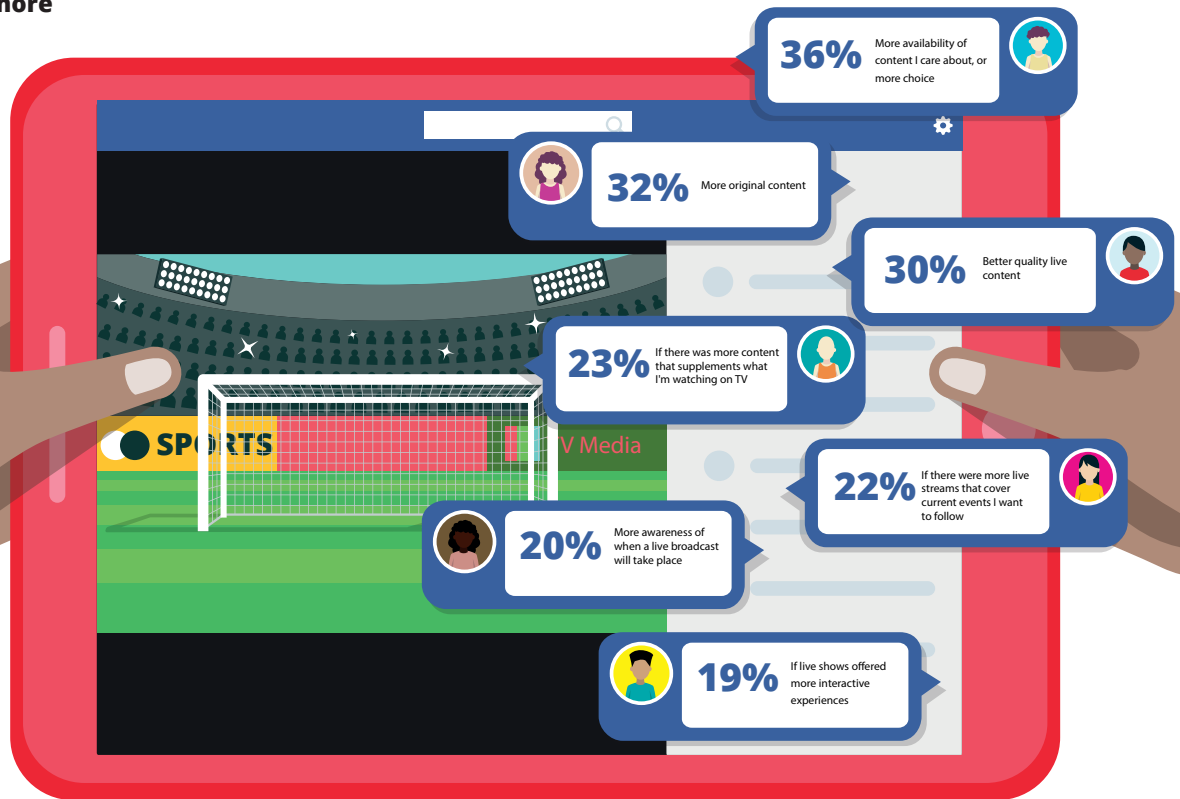
Offering premium video content on social media drives subscriptions to paid services.

Shared experiences are important to this demographic. One of the biggest influences for 18-25s exploring new products is watching videos shared by their friends.



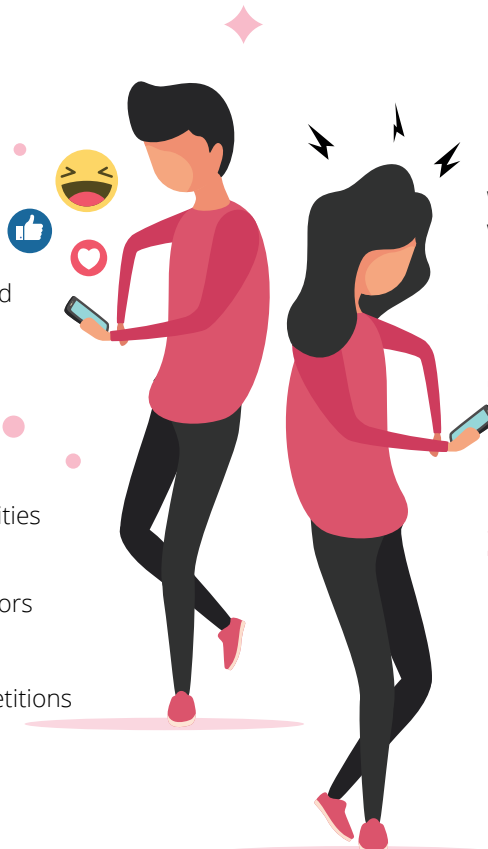
18-25s

What would encourage 18-25s to watch more live social video?



Which types of live social video would they like to see?

- 28%** Live TV shows / reality TV
- 24%** Live content that links to a TV show or a live event (e.g hosted watch party with celebrity)
- 22%** Live sports
- 22%** News
- 21%** Behind the scenes with celebrities / actors/ sportspeople
- 21%** Live Q&As with celebrities/ actors / sportspeople
- 19%** Favourite brand events/competitions



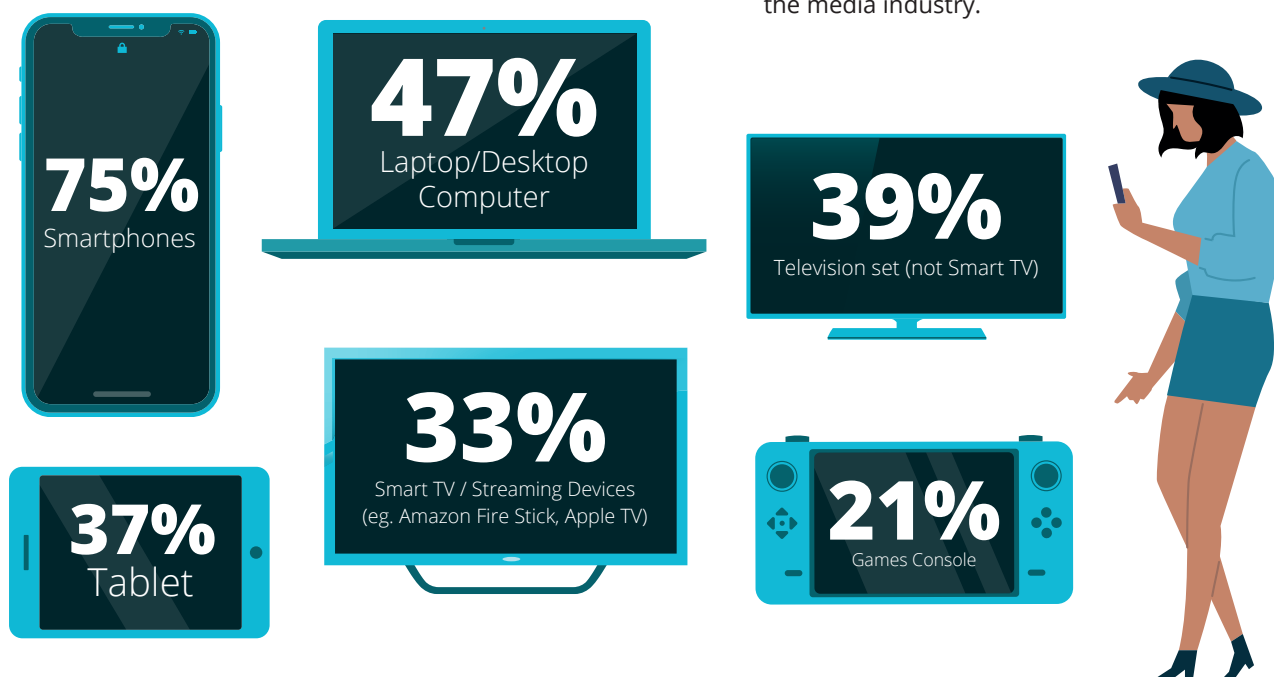
What stops them from watching more live social video?

- 38%** There is not enough content I care about
- 33%** Poor quality video streams
- 31%** My network speed causes too much latency/buffering
- 28%** The cost of mobile data / video uses too much of my mobile data package
- 18%** I do not enjoy the viewing experience

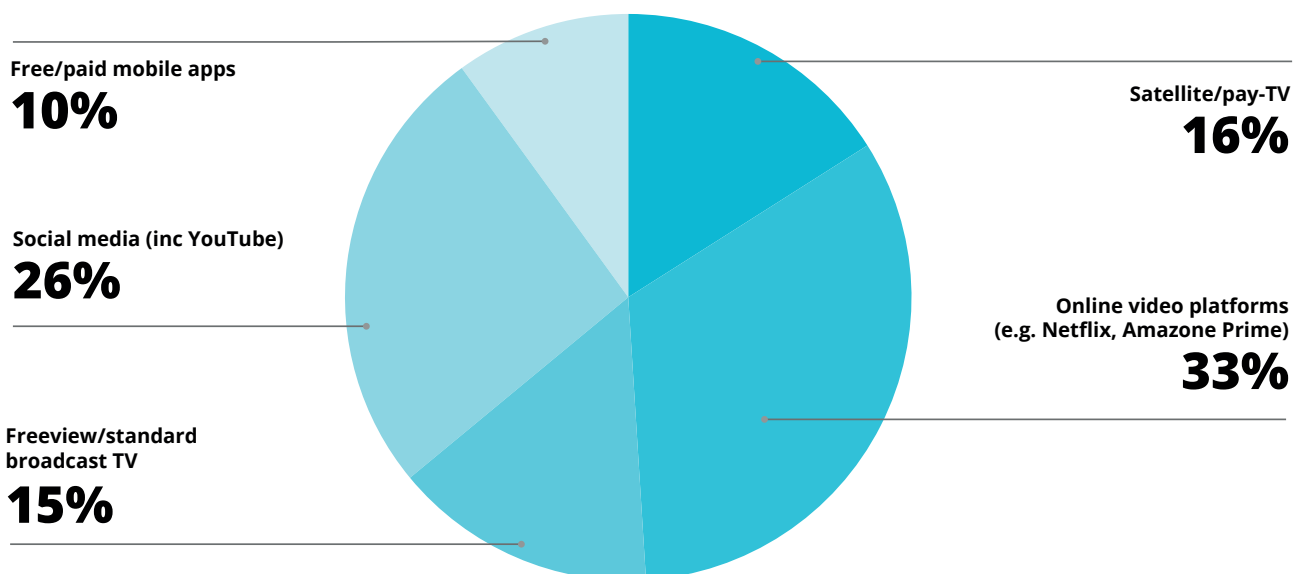
THE 26-35s

Millennials are the first digitally-native generation. The widespread adoption of smartphones and streaming services has had a profound effect on the media industry. Millennials have grown up with the opportunity to compare digital services with traditional media. In contrast to GenZ (under 23s), this group has inherited media consumption habits from their parents and have explored new digital mediums. Millennials are the bellwether for changes in the media industry.

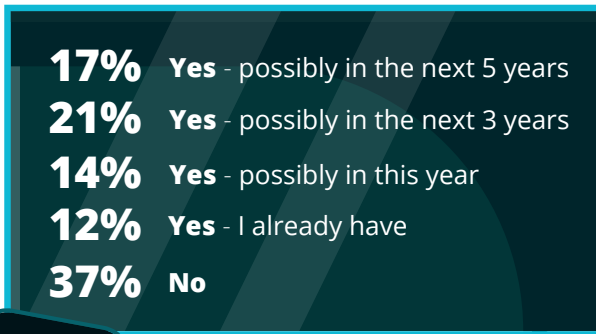
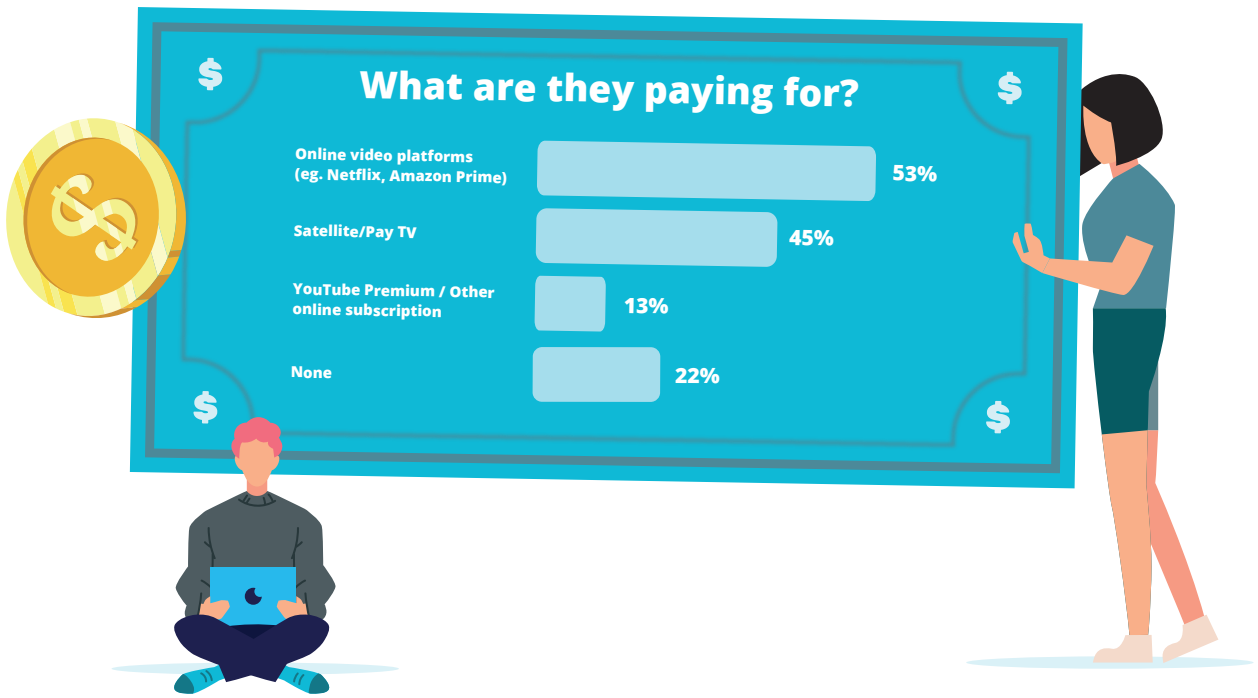
Which devices do they use?



What platforms do they prefer?



26-35s

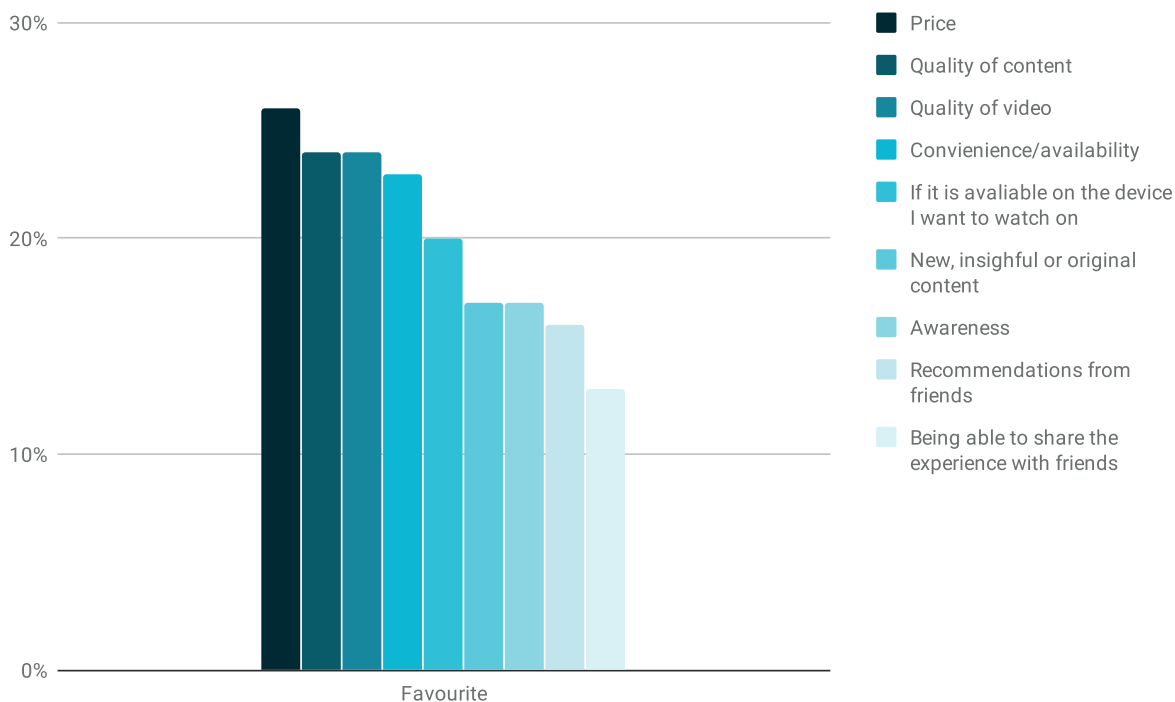


More 26-35 year olds are planning to 'cut the cord' than under 25s. Digital platforms and online video platforms services offer choice, flexibility and availability which is a key buying decision for this age group.

All under 35s indicate that a wider range of content would persuade them to switch to digital platforms and abandon traditional TV.

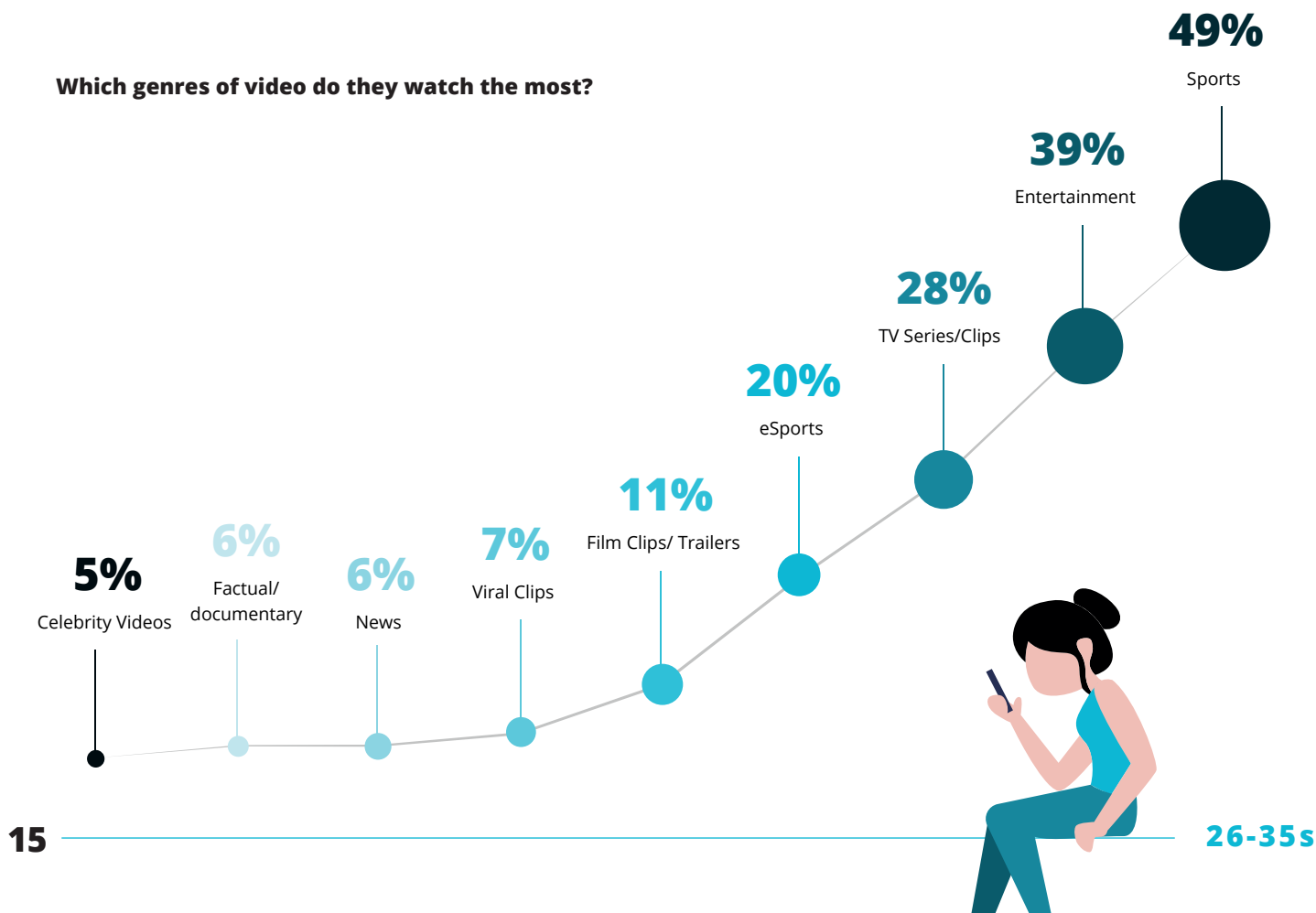
26-35s

How do 26-35s choose their video content?



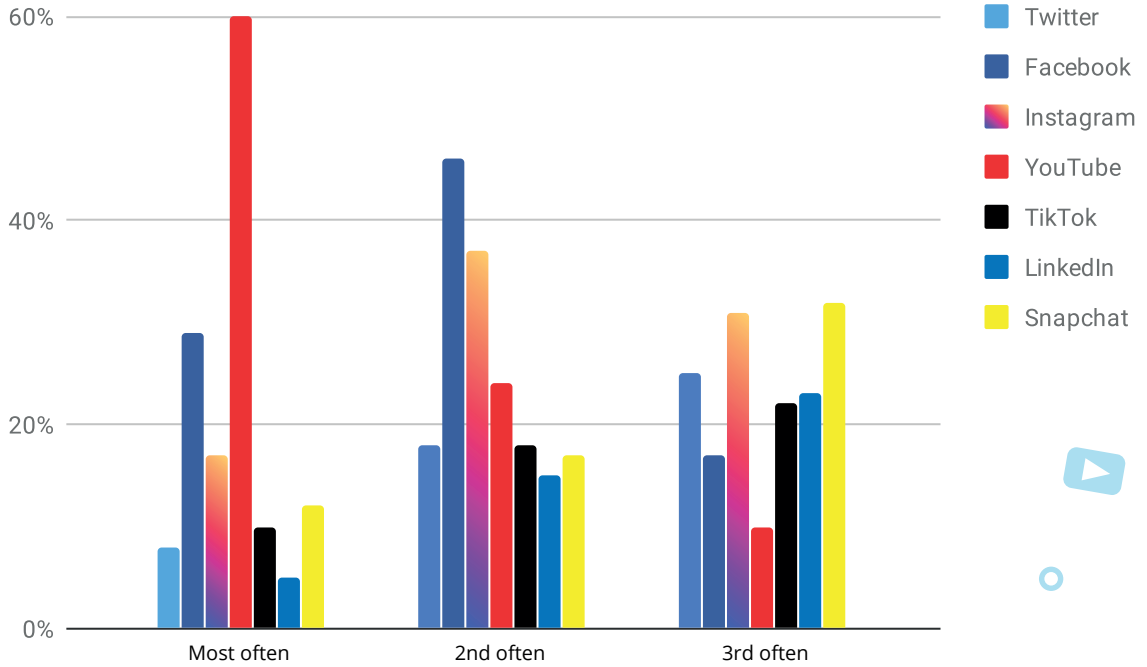
26-35s value convenience and access when choosing where to watch video, reflected in the importance they place on availability and which devices they can use. Unlike younger audiences, 26-35s are more focused on price. Price is likely to be more important to this age group as they are the primary bill-payers.

Which genres of video do they watch the most?



26-35s

Which social platforms are 26-35s watching on?



Unlike younger users 26-35s remain loyal to Facebook. Snapchat and TikTok have higher penetration in this age group than under 25s, with Instagram an increasingly important destination for video.

What attracts 26-35s to videos on social media?



26-35s

Which types of video do 26-35s want to see more on social media?

26-35s want to see more social video content from publishers across music, TV, film and factual genres. This age group also want to watch breaking news updates on social media.

Demand for more social video within this age group is high, offering a vast potential audience for publishers that create a publishing strategy targeted at this age demographic.



80% of 26-35s have investigated and/or bought a product after seeing a related social video.

Millennials are highly receptive to learning about new clothes, health, beauty, food and beverage products. Social media is satisfying the shopping habits of millennials, who are spending more time online and less browsing in physical stores.

41%
Online media services
(eg. Netflix, Amazon Prime etc)

32%
Personal electronics

16%
Magazine/newspaper
subscription



5%
Event tickets

38%
Healthy/beauty
products

43%
Clothing/apparel

38%
Food/beverages
products

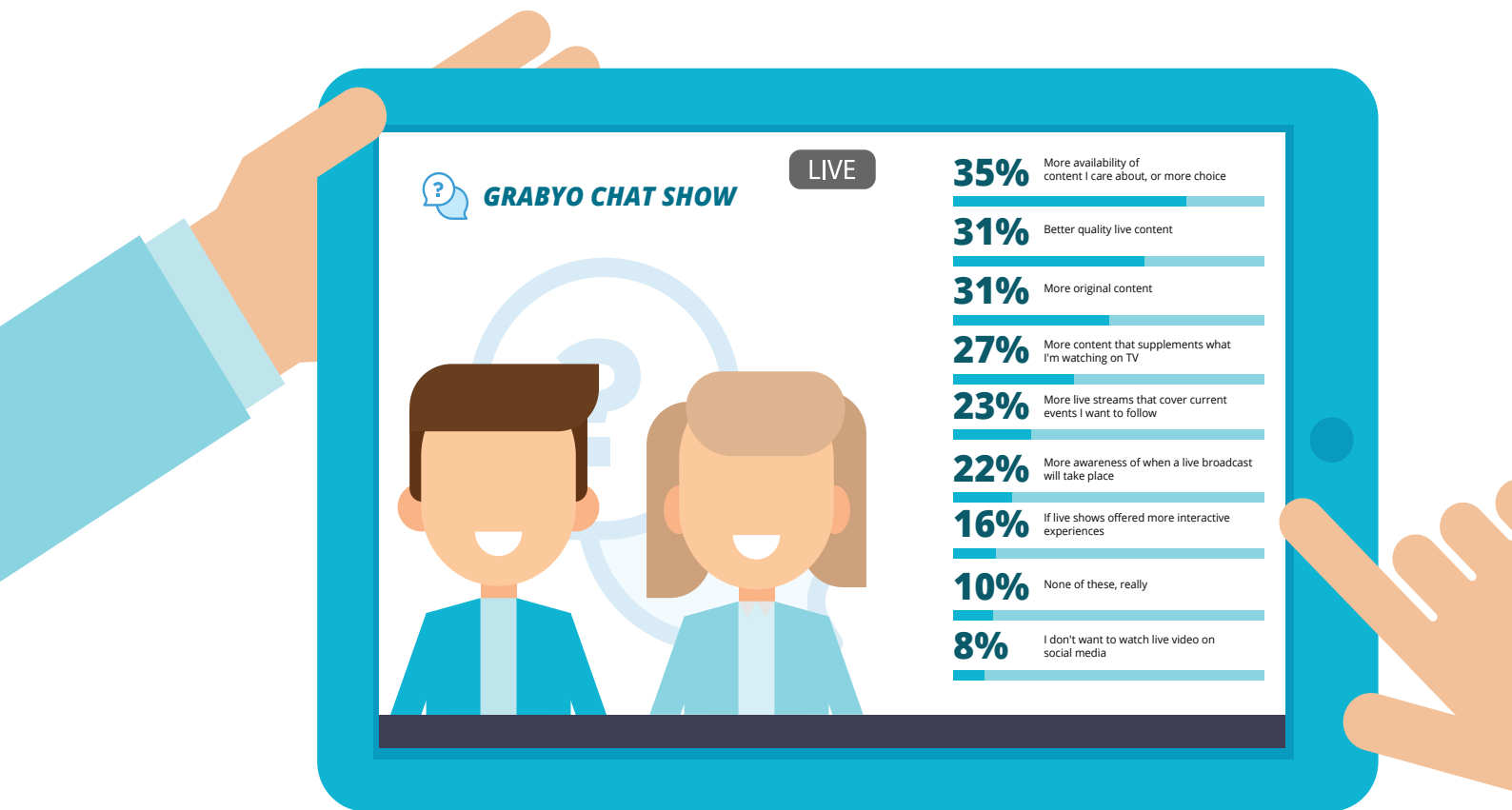
27%
DIY/specialist
hobby products

20%
Sporting equipment
or merchandise

43%
Clothing/apparel

26-35s

What would encourage 26-35s to watch more live social video?



Which types of live social video would they like to see?

- 32% Live TV shows / reality TV
- 26% News
- 24% Live sports
- 24% Game or quiz shows
- 23% Behind-the-scenes with celebrities /actors/sportspeople
- 23% Live content that links to a TV show or a live event (ie. hosted watch party with celebrity)
- 20% Live Q&As with celebrities/actors /sportspeople
- 19% eSports events
- 18% Favourite brand events/competitions
- 12% Radio broadcasts



What stops them from watching more live social video?

- 36% There is not enough content I care about
- 30% Poor quality video streams
- 29% The cost of mobile data / video uses too much of my mobile data package
- 27% My network speed causes too much latency/buffering
- 18% I do not enjoy the viewing experience

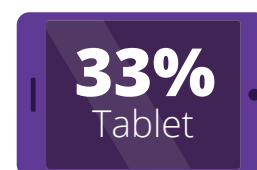
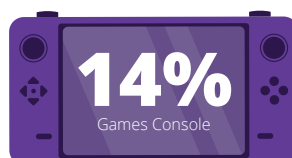
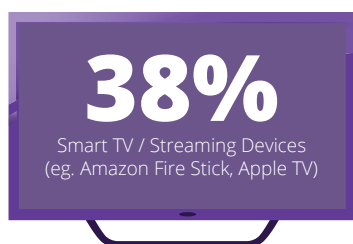
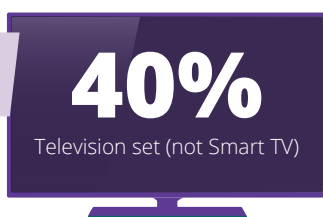
THE

36-49s

36-49 year olds show a keen interest in digital innovation and social media. this segment is a blend of late millennials, Gen X and Baby Boomers, that did not grow up with social media, but was part of the first online generation. Social media apps such as Facebook and Twitter are more popular now with older demographic groups. There is now greater alignment to the preferences of younger audiences than ever before.



Which devices do they use?



What platforms do they prefer?

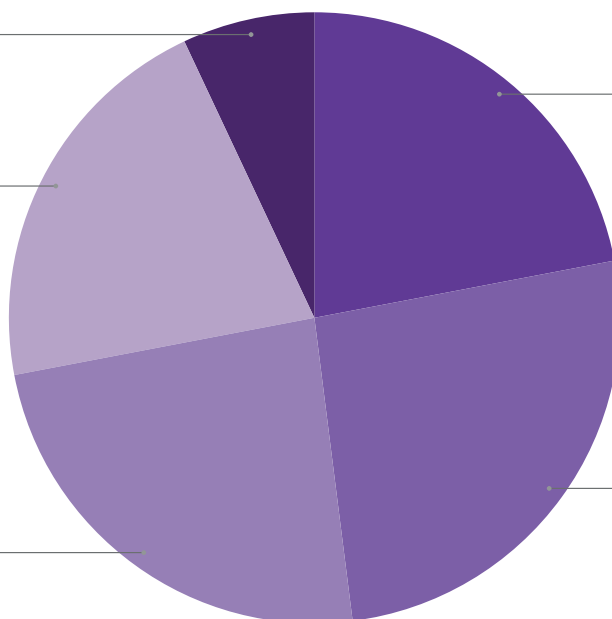
Free/paid mobile apps
7%

Social Media
21%

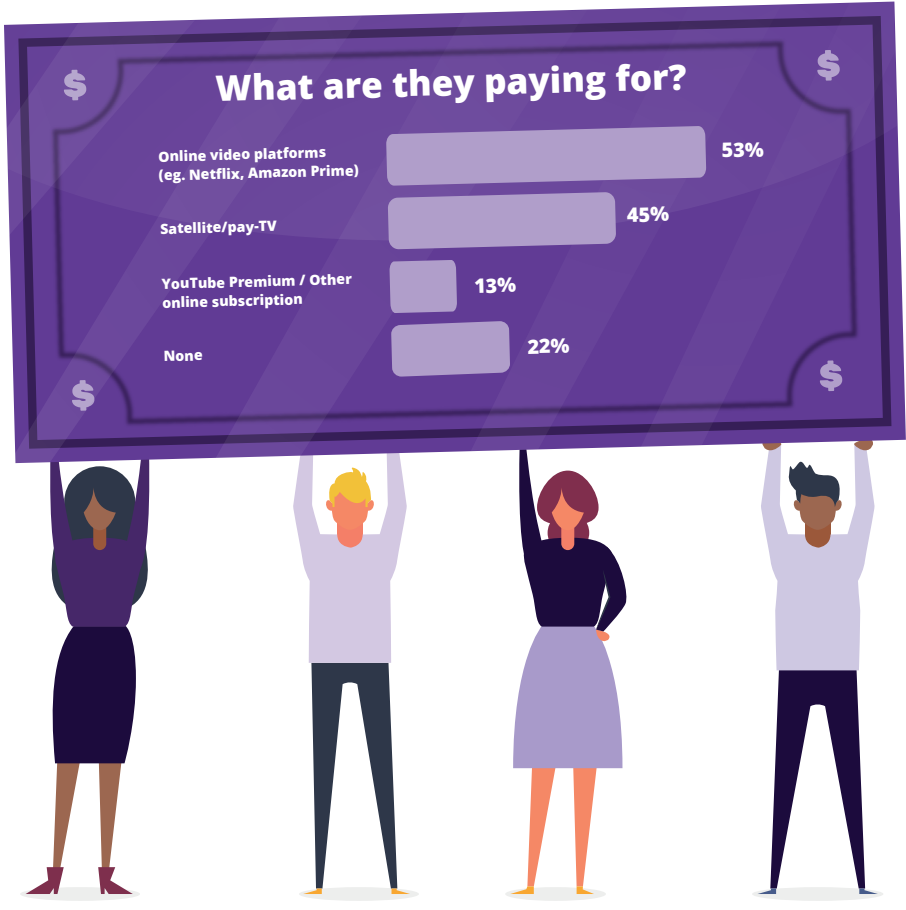
Freeview/Standard
Broadcast
24%

Satellite/Pay TV
22%

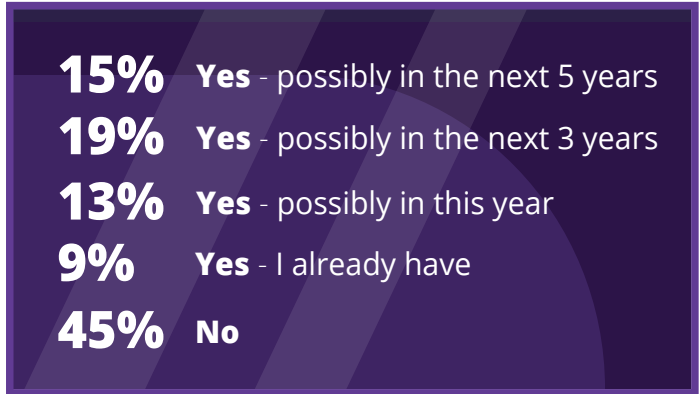
Online video
platforms
26%



'Gen X' defined as the generation of people born between 1965-1980. Baby Boomers defined as the generation of people born between 1946-1964.



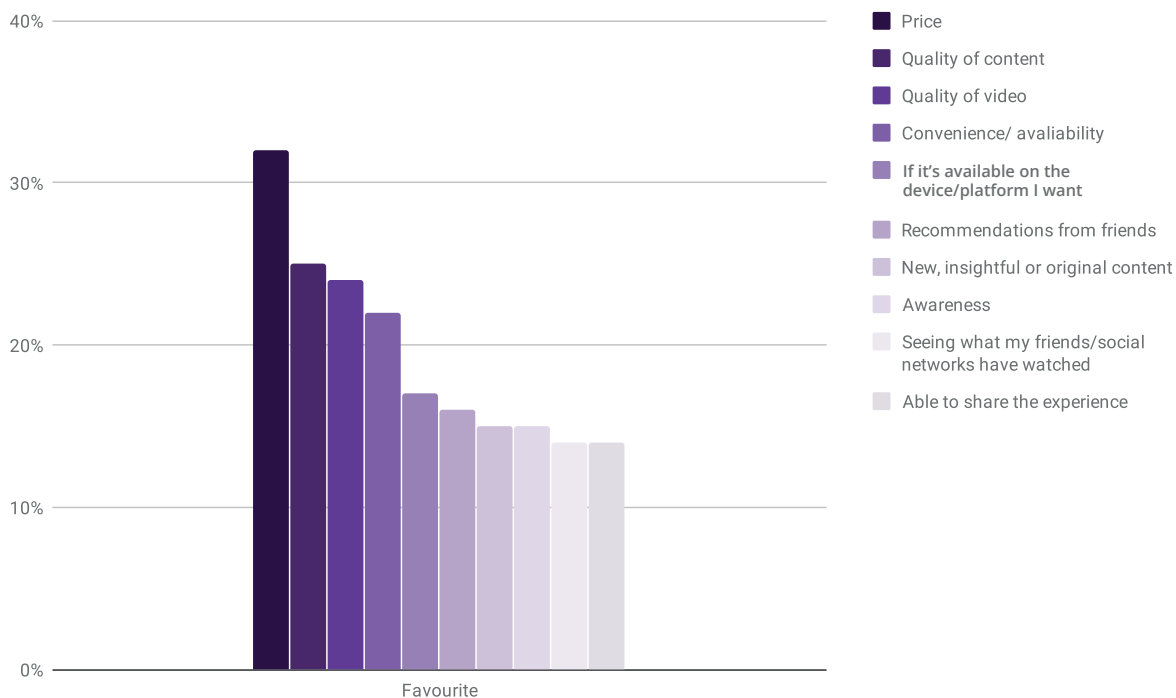
Age is not the only factor that influences a preference for digital platform vs traditional TV. Innovation, experience and quality influence the decisions of all age groups under 50, who all want to watch on multiple devices and platforms.



36-49s show a preference for broadcast TV when compared with younger age groups. This group report less barriers to cutting the cord than younger age groups, which suggests the difference in viewing habits between older and younger age groups is decreasing.

36-49s

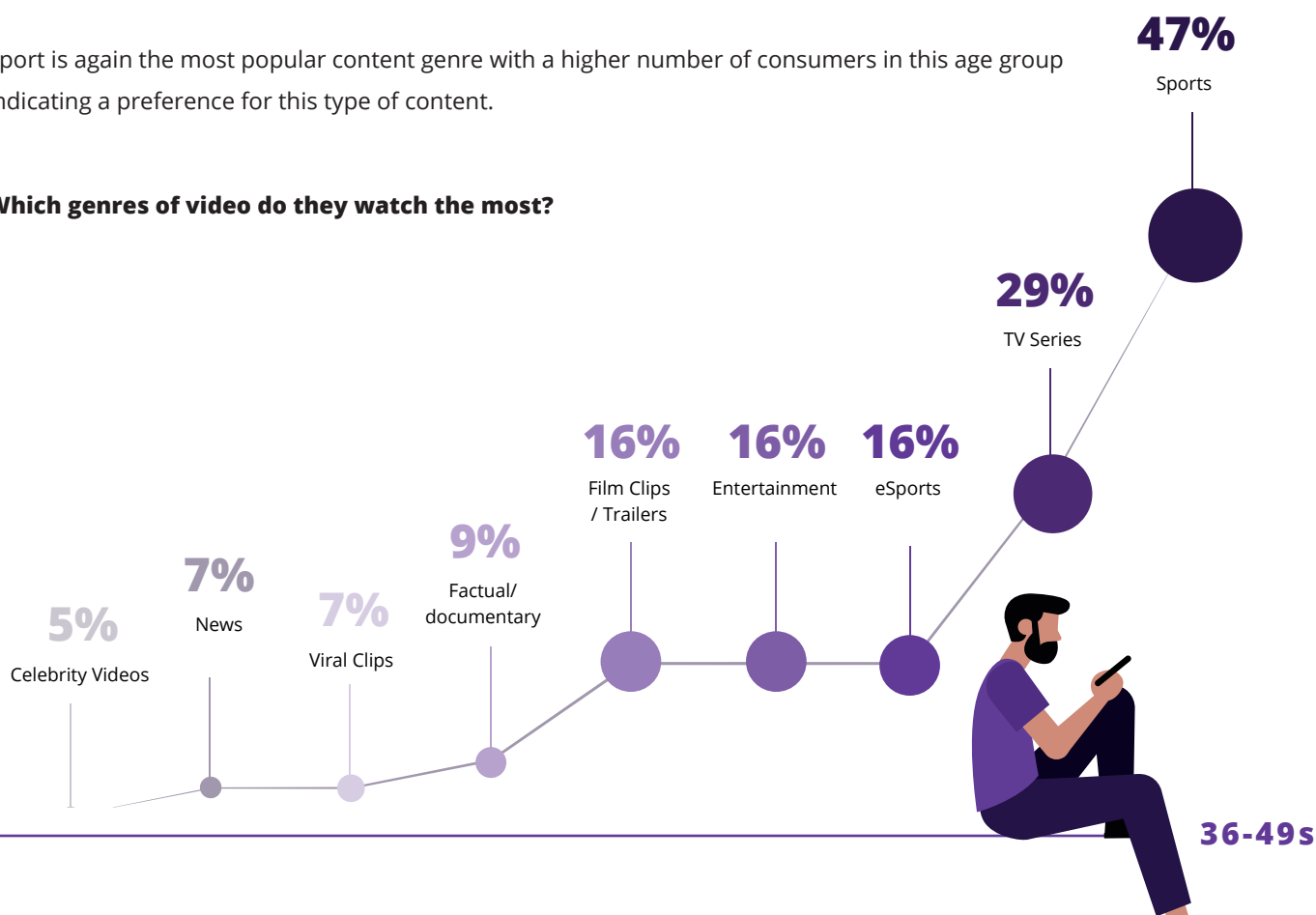
How do 36-49s choose where to watch video?



Price is the key purchase driver for the 36-49 age group, indicating a preference for ad-supported services which are free. Brands and publishers can take advantage of this with strategic sponsored content partnerships on social media - tailoring products and content to consumer interests to promote brand awareness and deliver engaging content.

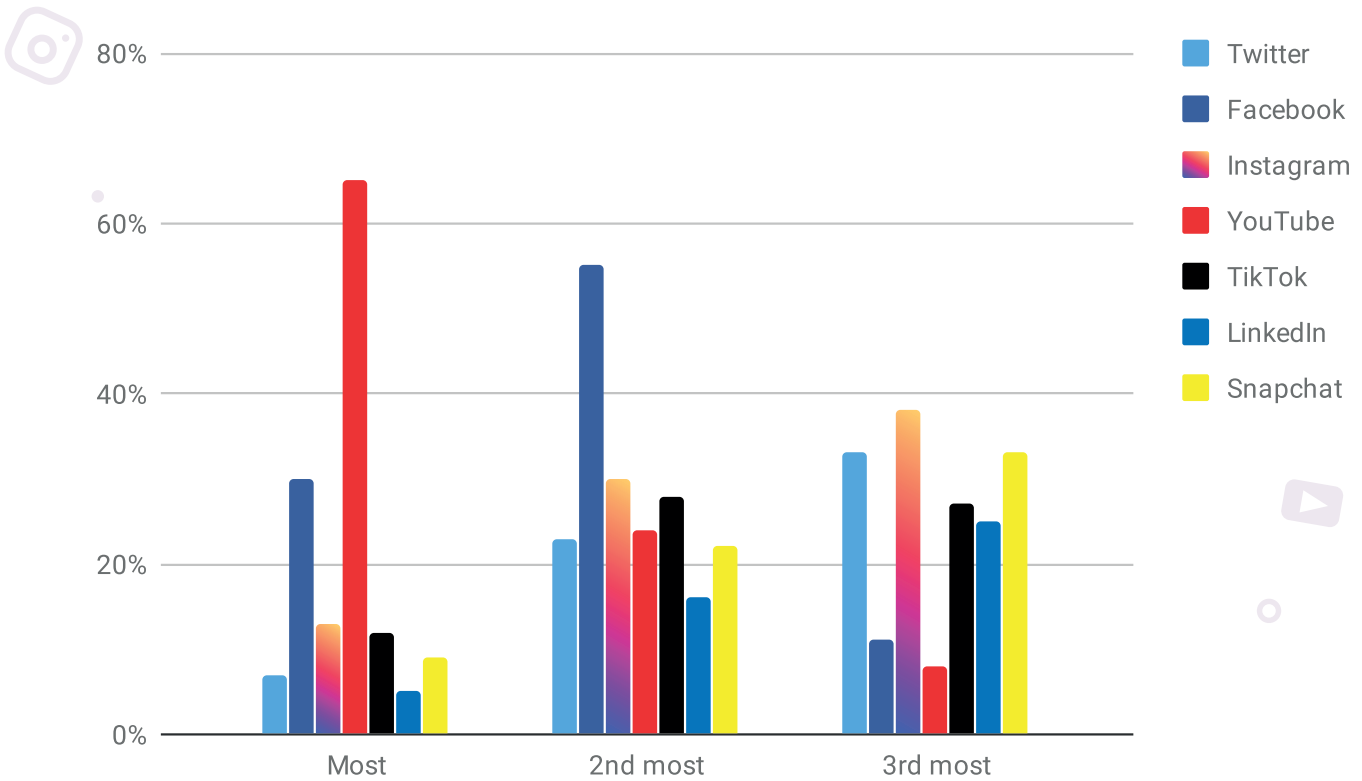
Sport is again the most popular content genre with a higher number of consumers in this age group indicating a preference for this type of content.

Which genres of video do they watch the most?



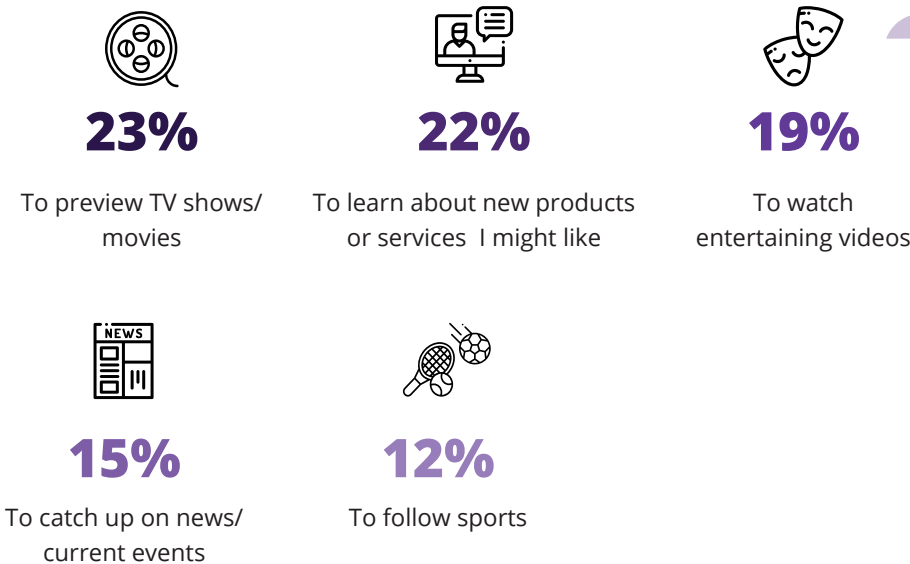
36-49s

Which social platforms are 36-49s watching on?

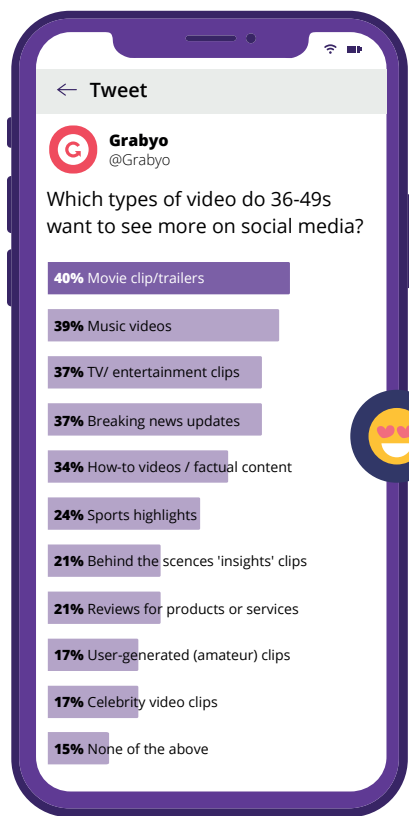


YouTube and Facebook are the most popular video platforms for the 36-49s with significantly higher penetration than any other social media platform. Snapchat has slowing user growth on a global basis but adoption is increasing amongst this age group. TikTok is used more by this age group than those under 25, which may be explained by parents accessing the service their children are using. Overall, 36-49s aren't just using social media - they access a wide range of platforms and use them regularly.

What attracts 36-49s to videos on social media?



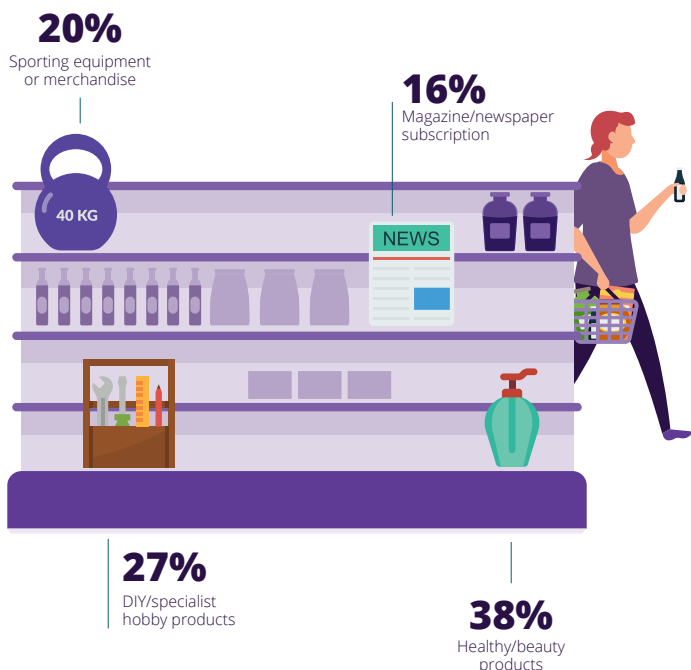
36-49s



Which types of video do 36-49s want to see more on social media?

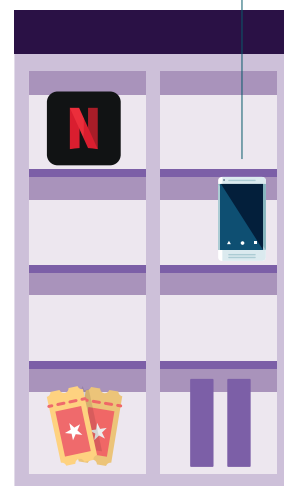
85% of 36-49s show a keen interest in social video content. The demand for more video from publishers is consistent in all age groups under 50. TV, film and music clips resonate with a vast amount of consumers and media publishers must take advantage of this as social video viewing continues to grow in these age groups.

70% of 36-49s report investigating or buying products after seeing a social video. Social shopping is not an 'Instagram phenomenon for millennials and Gen-Z.' Older demographic groups are influenced by social videos and advertising. Older consumers want to research products before buying them and social video plays a key role.



41%
Online video services
(eg. Netflix, Amazon Prime etc)

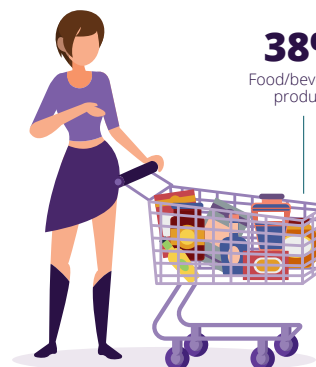
32%
Personal electronics



5%
Event tickets

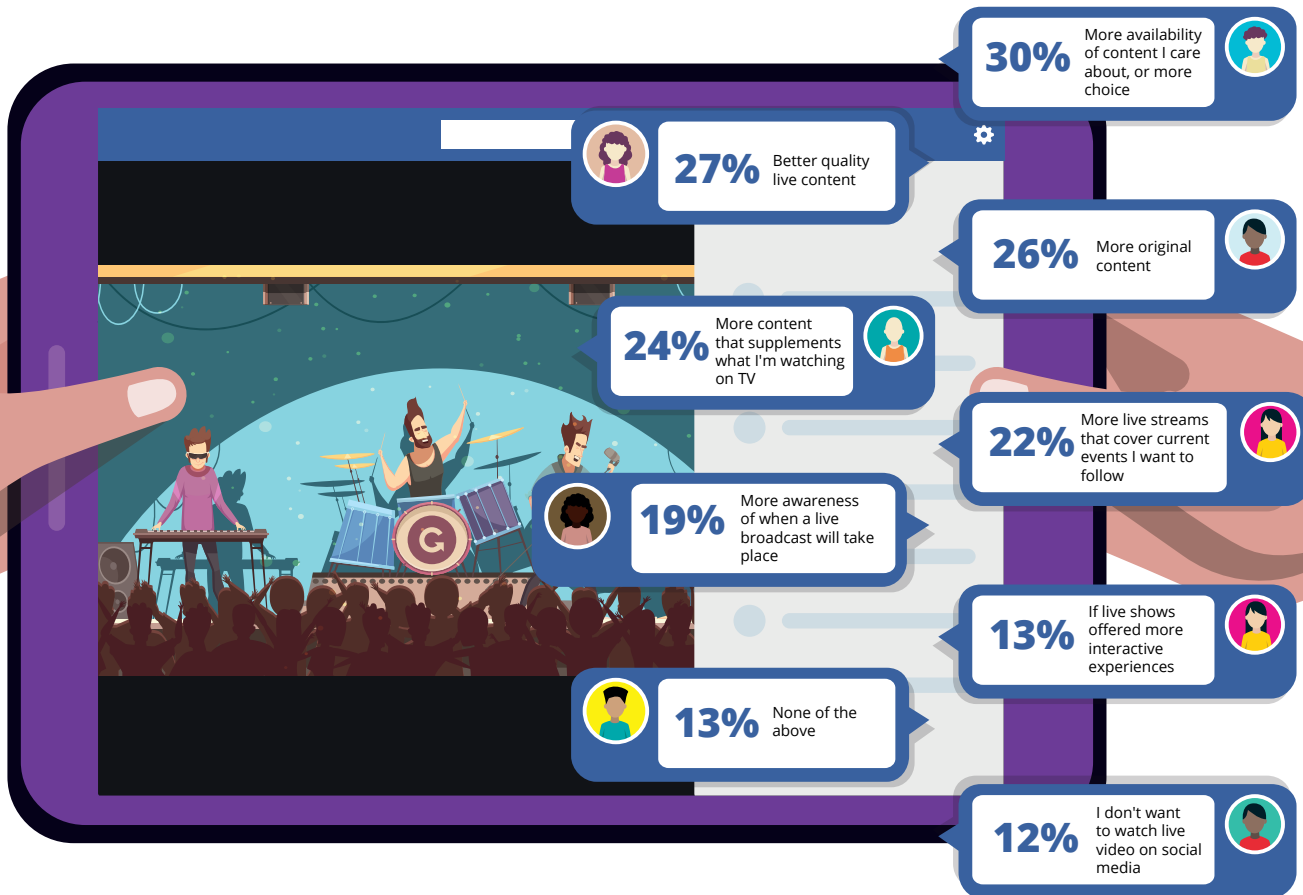
43%
Clothing/apparel

38%
Food/beverages products



36-49s

What would encourage 36-49s to watch more live social video?



Which types of live social video would they like to see?

- 29% Live sports
- 28% News
- 25% Live TV shows / reality TV
- 19% Live content that links to a TV show or a live event (ie. hosted watch party with celebrity)
- 19% Game or quiz shows
- 17% Behind-the-scenes with celebrities /actors/sportspeople
- 13% Live Q&As with celebrities /actors/sportspeople
- 13% Favourite brand events/competitions
- 11% Radio broadcasts
- 9% eSports events



What stops them from watching more live social video?

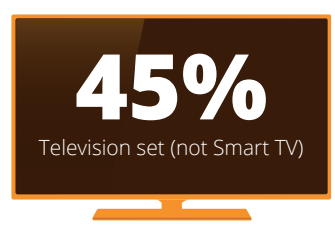
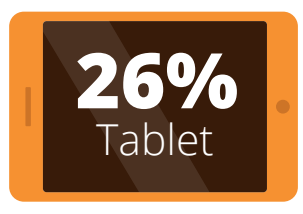
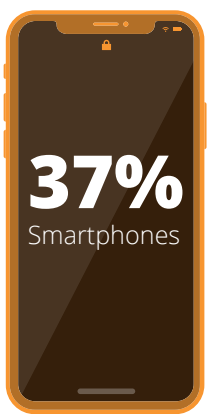
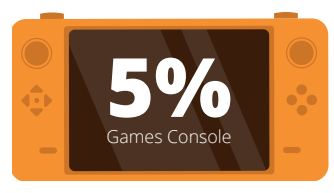
- 35% There is not enough content I care about
- 30% Poor quality video streams
- 25% The cost of mobile data / video uses too much of my mobile data package
- 24% My network speed causes too much latency/buffering
- 16% I do not enjoy the viewing experience

THE 50-65+

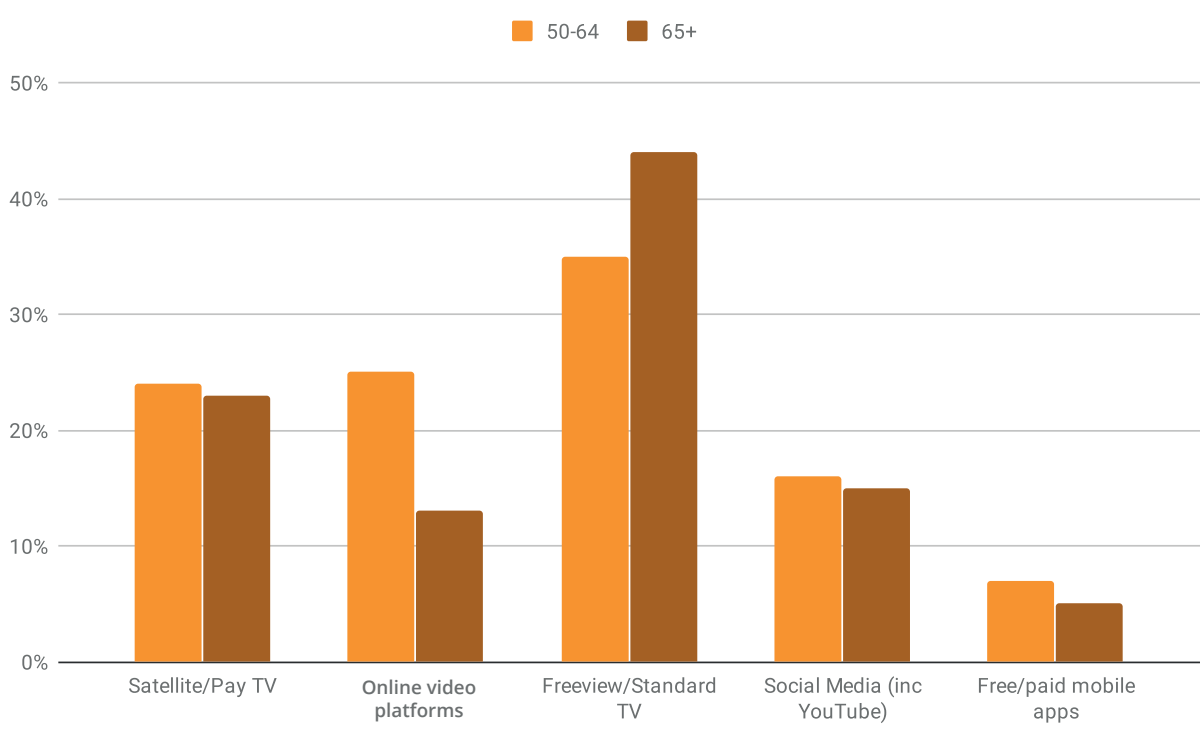


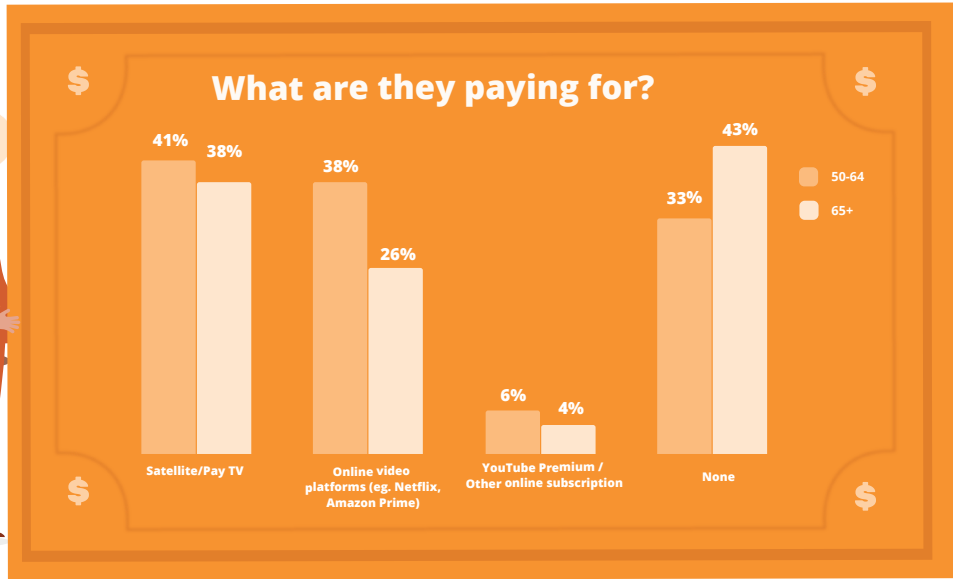
The 'baby boomers' and beyond. This demographic is attractive to publishers and brands as they spend almost \$7 billion shopping online. In the United States alone, Baby Boomers control around 70% of the country's disposable income. This segment is increasingly connected, showing the potential for online streaming and social video adoption

Which devices do they use?



What platforms do they prefer?

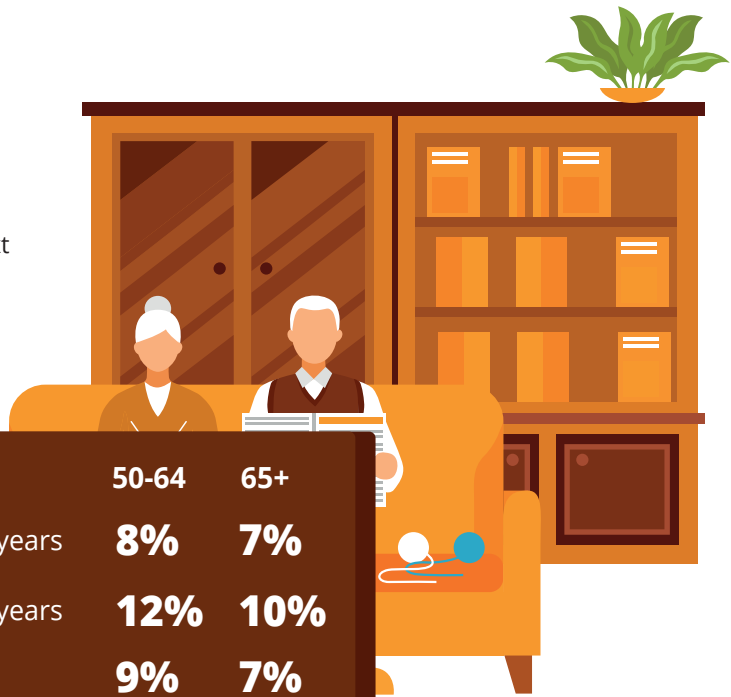




The 50+ audience is less likely to pay for video services, choosing to watch on free-to-air TV and social media.

Online video services have started to penetrate this market. This will continue to grow as technology adoption increases and more digitally aware consumers grow old and join this segment.

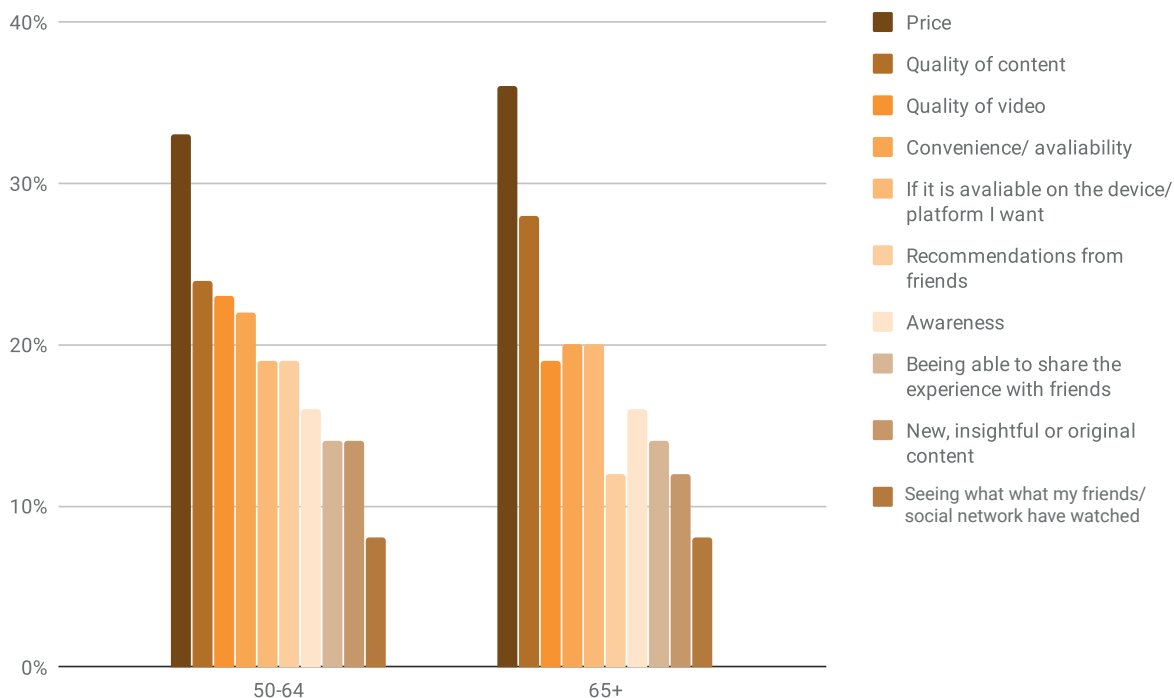
The older age groups are loyal to pay-TV services with more than 2/3 not expecting to cut the cord in the next 3-5 years.



	50-64	65+
Yes - possibly in the next 5 years	8%	7%
Yes - possibly in the next 3 years	12%	10%
Yes - possibly in this year	9%	7%
Yes - I already have	5%	4%
No	65%	72%

50-65+

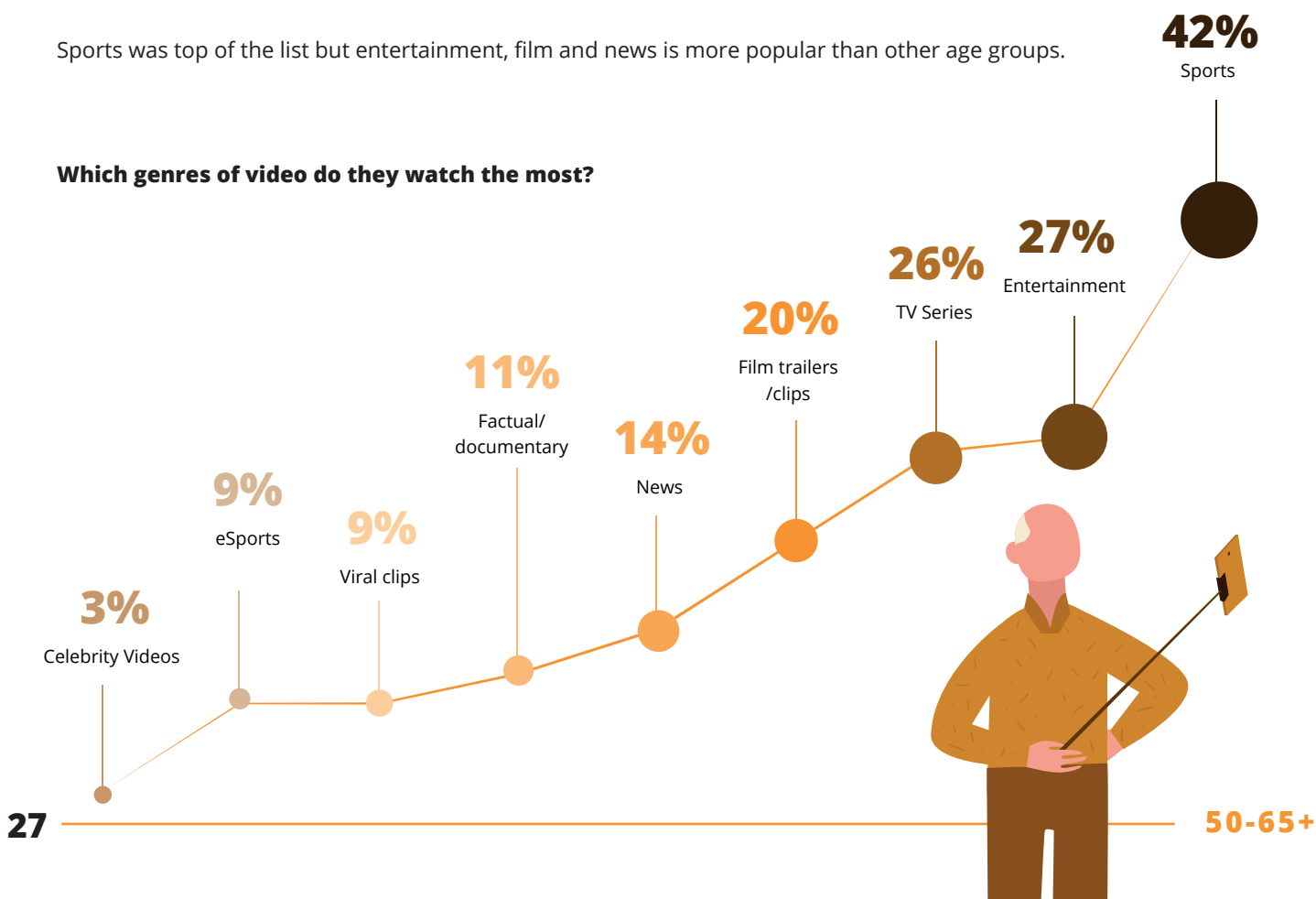
How do 50-65+ choose where to watch video?



Quality of content is a key driver in how consumers aged 65+ watch video, and what they are willing to pay for. Content quality scored much higher in the over 65s than in younger segments. 65+ consumers have an interest in a broader range of content genres.

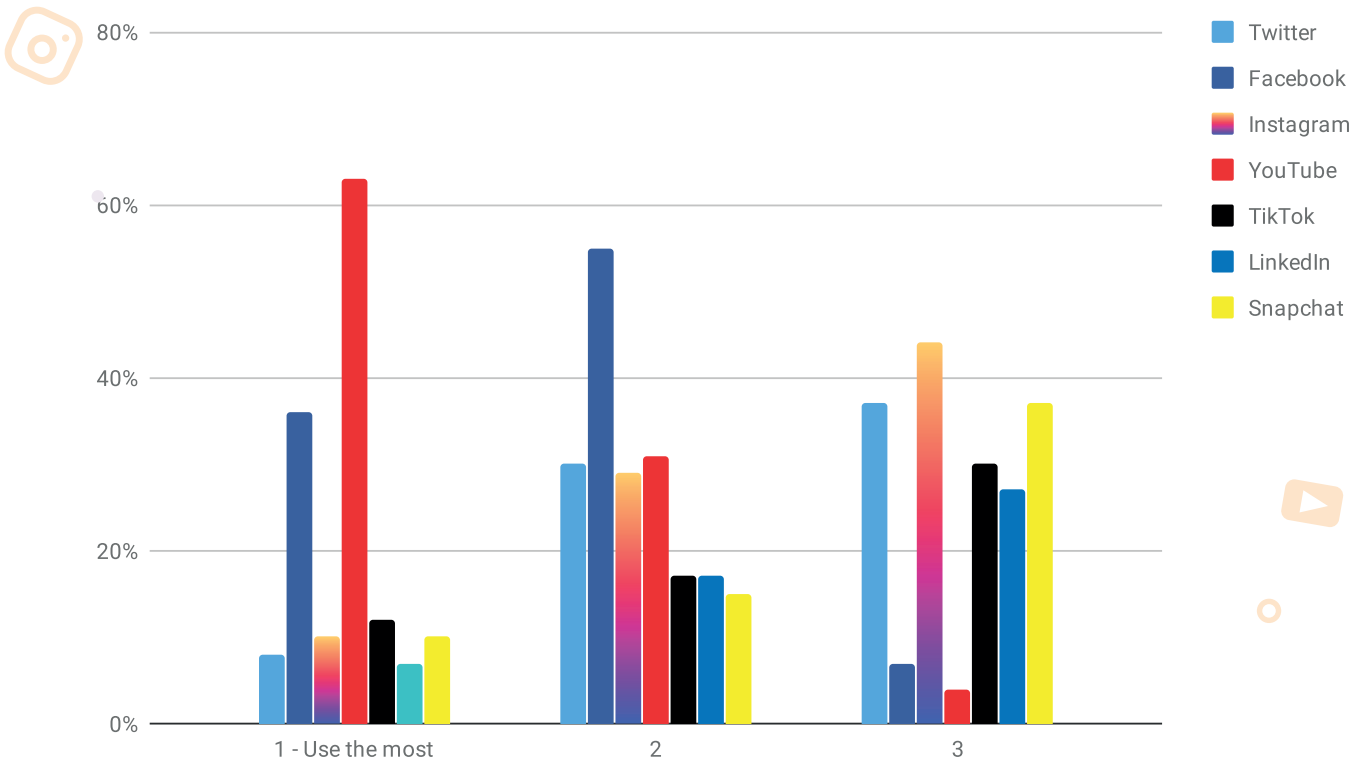
Sports was top of the list but entertainment, film and news is more popular than other age groups.

Which genres of video do they watch the most?



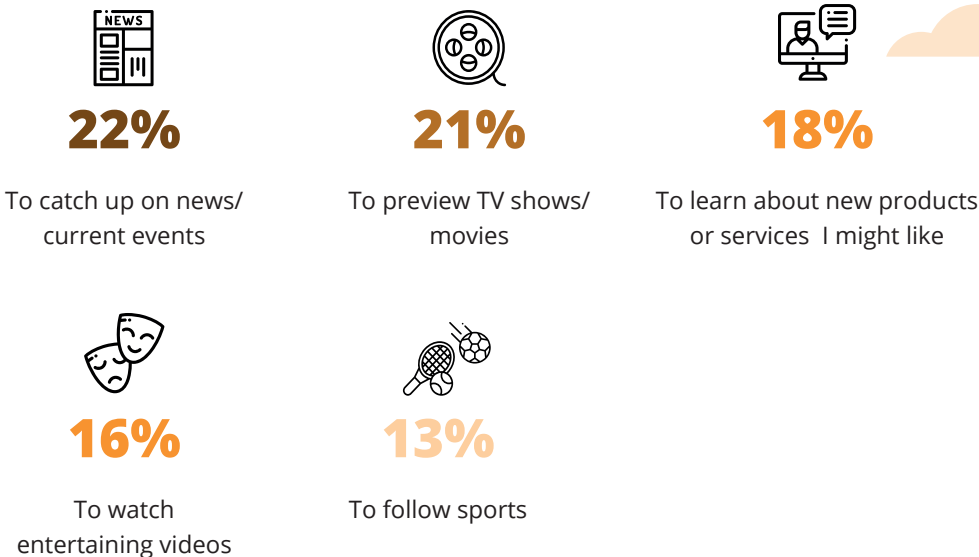
50-65+

Which social platforms are 50-65+ watching on?



YouTube and Facebook have the highest penetration for social video viewing. A large gap to other platforms such as Instagram and Snapchat. Many over 50s use social video to catch up with news and current affairs, or to learn about new products

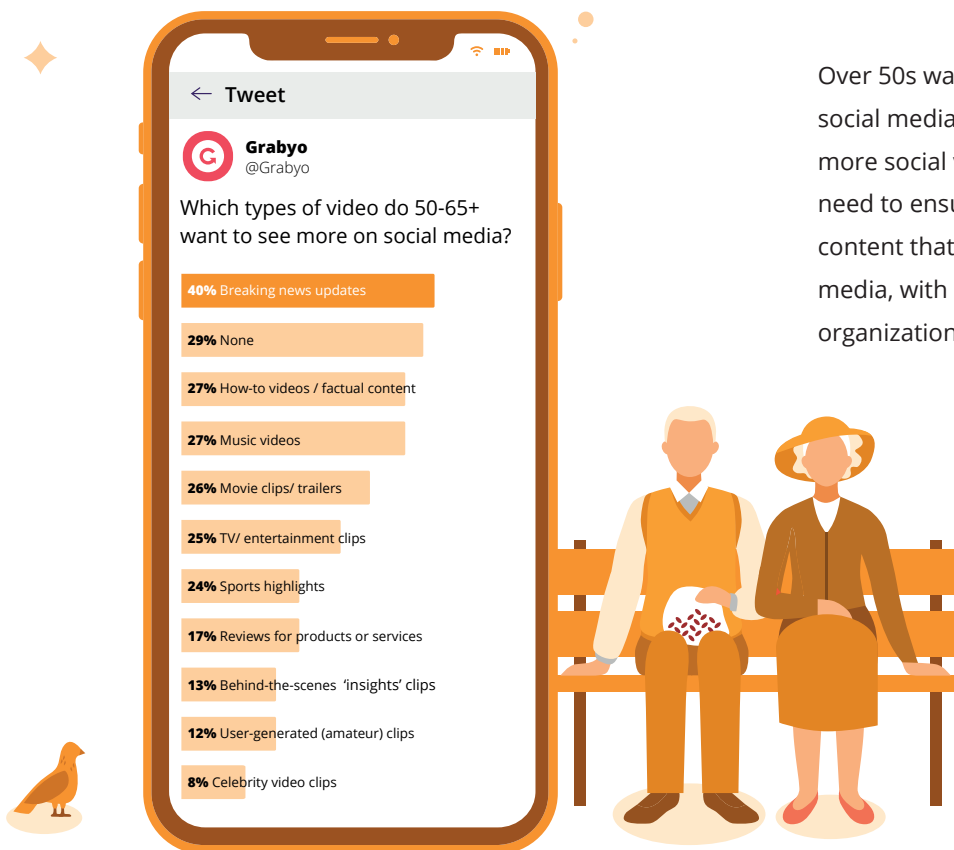
What attracts 50-65+ to videos on social media?



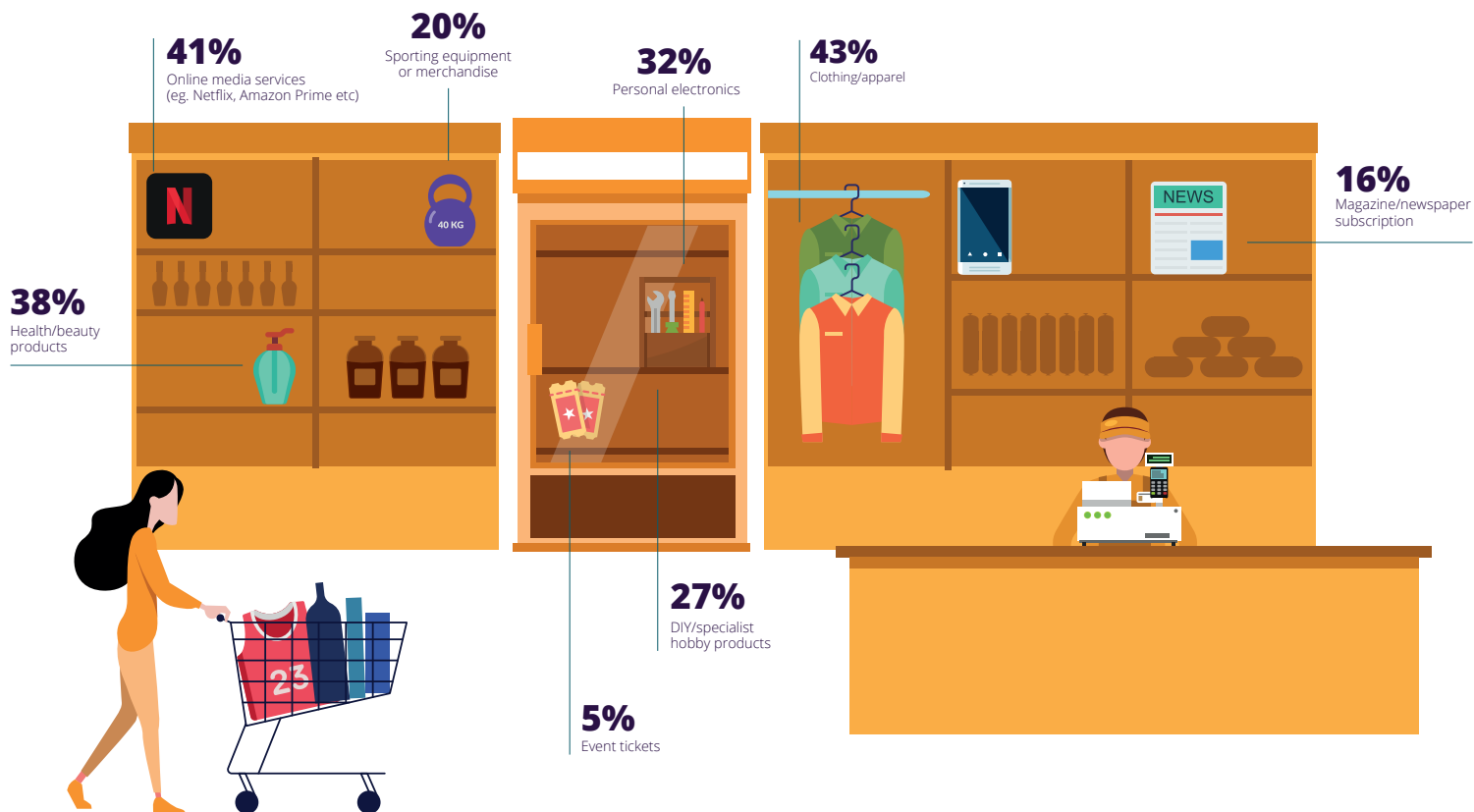
50-65+

Which types of video do 50-65+ want to see more on social media?

Over 50s want more news and factual video on social media. As this age group are watching more social video than ever before. Publishers need to ensure they are maximizing video content that over 50s want to see on social media, with a specific opportunity for news organizations to extend reach beyond TV.

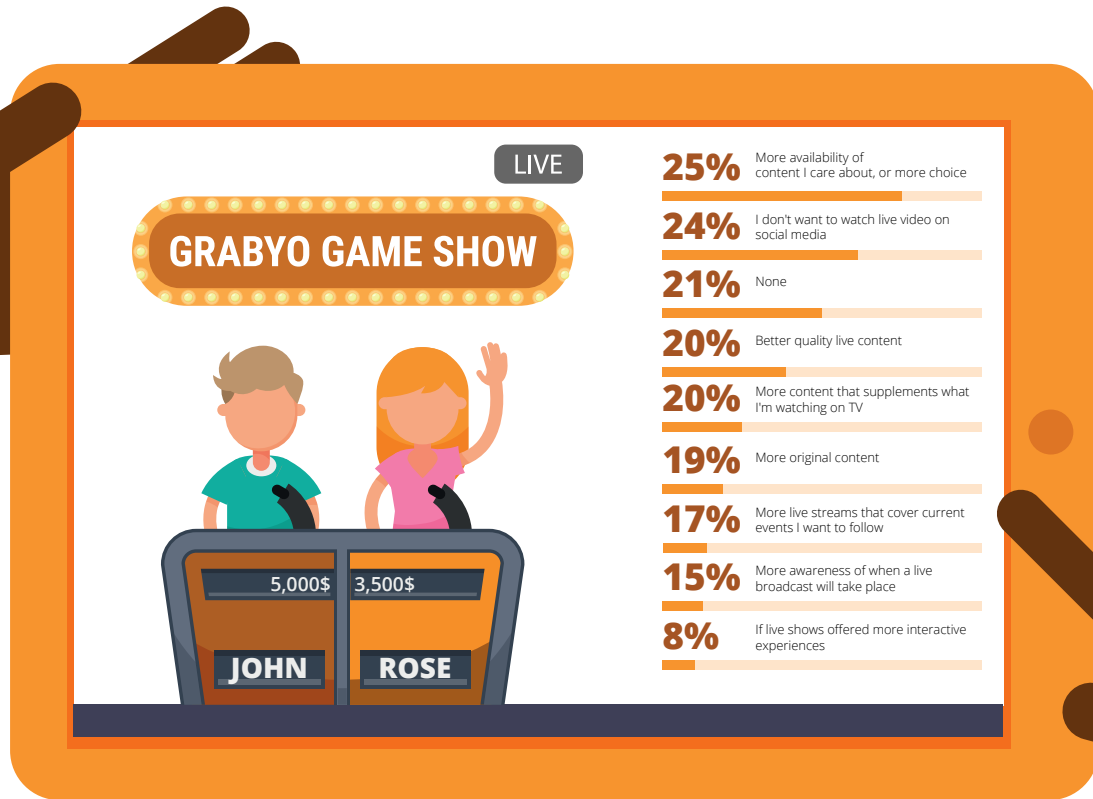


What are they buying from social ads?

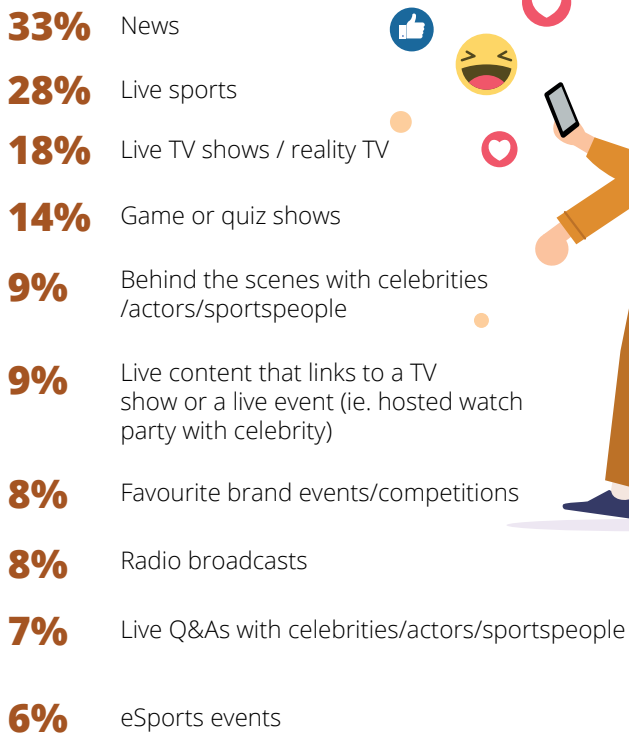


50-65+

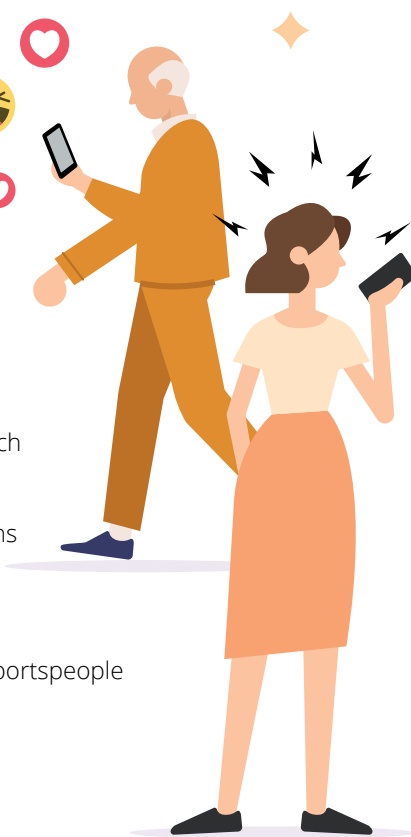
What would encourage 50-65+ to watch more live social video?



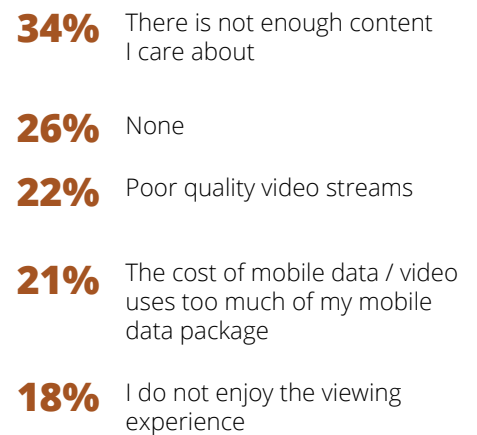
Which types of live social video would they like to see?



Content matters for this segment. 1/3 would be willing to watch live sports and news on social platforms



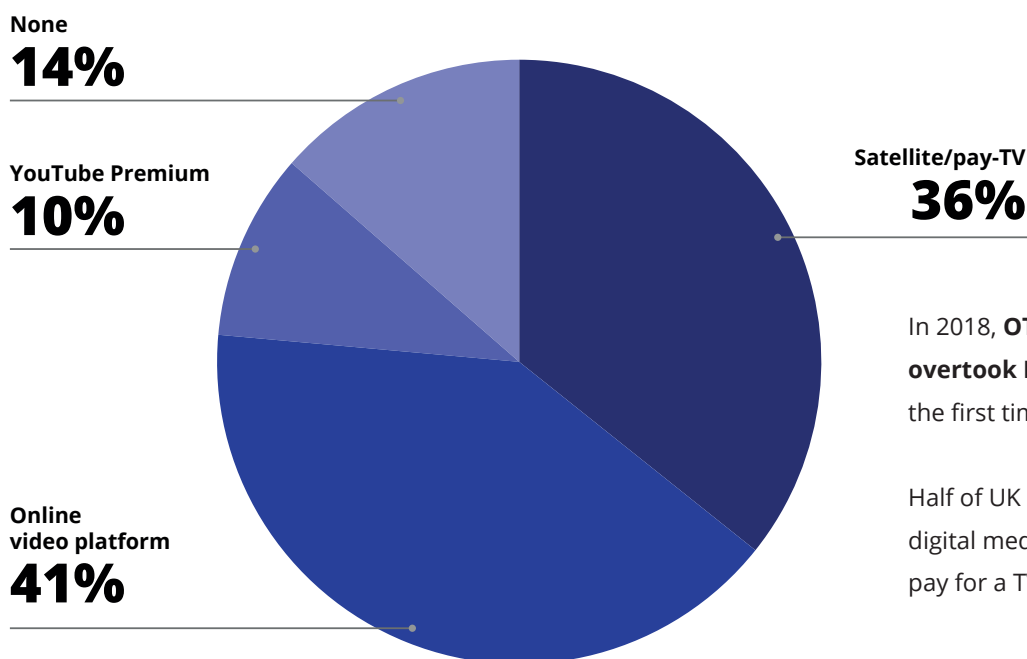
What stops them from watching more live social video?



THE UNITED KINGDOM

UK consumers are early adopters of technology and the bellwether for consumer trends in media across Europe. The UK media market is highly competitive with a broad range of service propositions across free-to-air linear TV services, pay TV and online streaming. Satellite and cable service have dominated the UK pay-TV market in the last ten years but the number of OTT subscriptions overtook pay TV customers for the first time in 2018. Just 14% of UK consumers do not pay for any TV or video service which is the lowest in Europe.

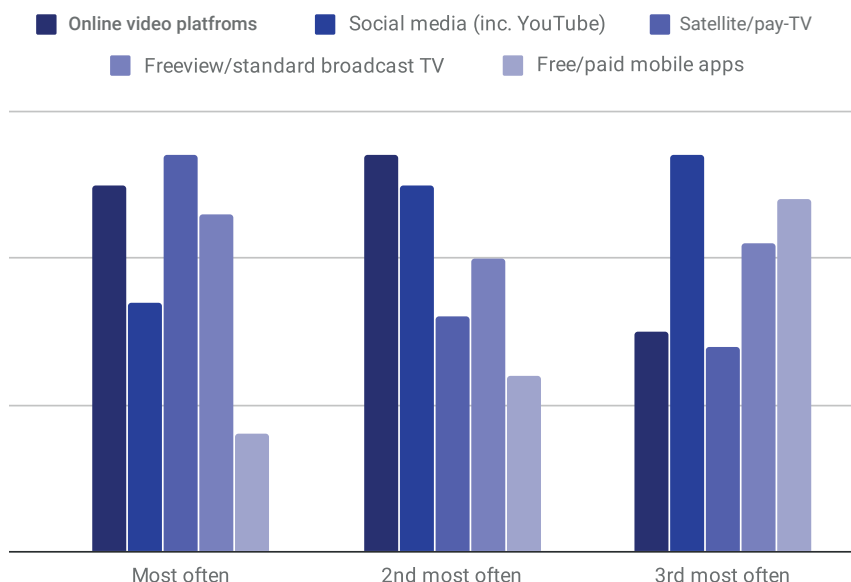
Which media services are UK consumers paying for?



In 2018, **OTT subscriptions overtook Pay-TV customers** for the first time in the UK.

Half of UK consumers pay for a digital media service, just over 1/3 pay for a TV subscription.

Which video platforms are UK consumers using the most?

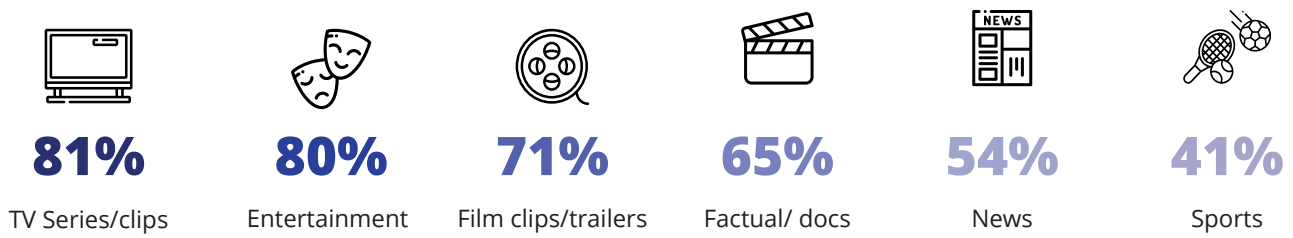


In the UK, **48%** of those who have cut the cord, or plan to in the next 3 years, watch the **most video on social media**.

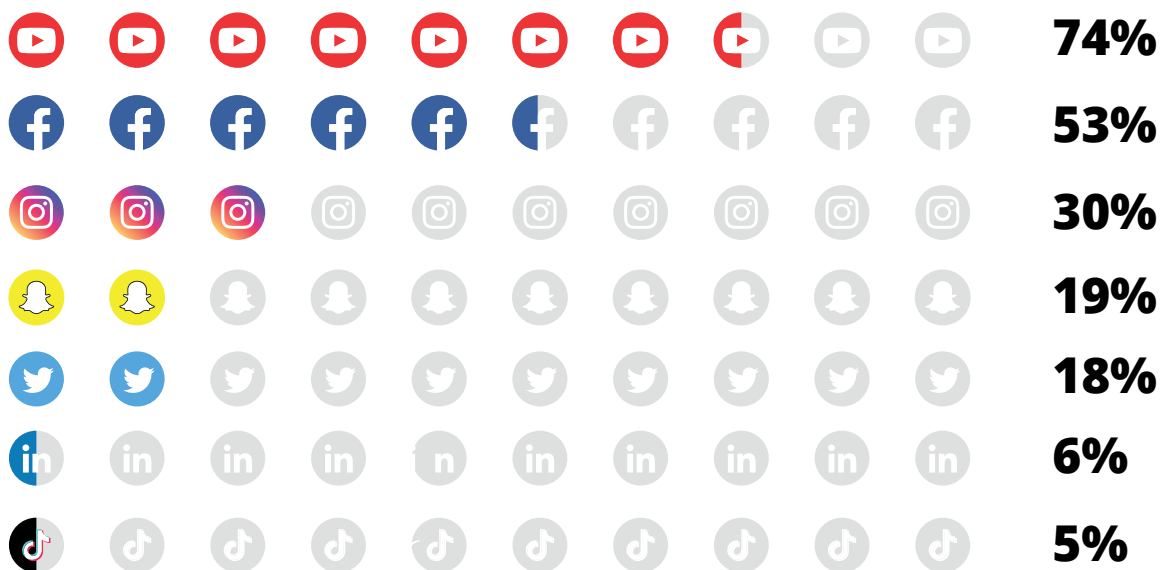
Only 31% of Smart TV owners are watching linear TV broadcasts the most. Free-to-air TV is watched less often than online streaming services in the UK.

THE UNITED KINGDOM

What is the most popular type of content in the UK?



Which social media platforms are the UK using to watch video?



The Grabyo Perspective

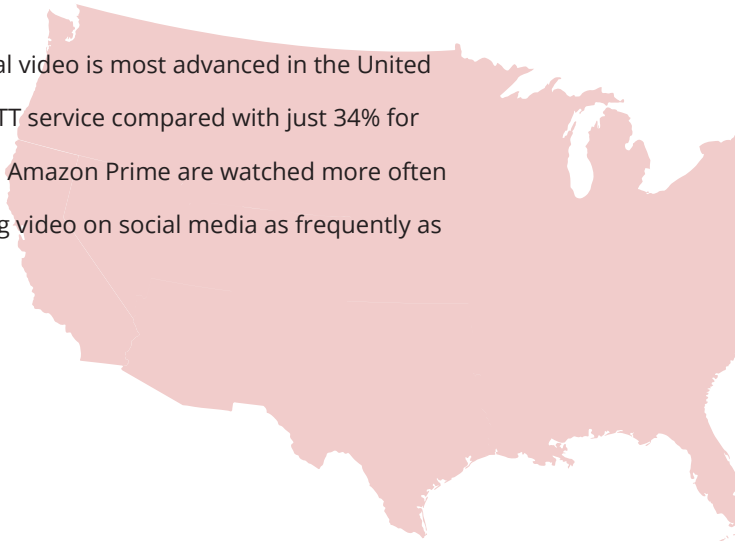
Although the UK pay-TV market remains the strongest in Europe, consumers show a preference for online streaming. Online video platforms have a higher market penetration than pay-TV with much greater growth. Social video is beginning to exacerbate the move away from traditional pay-TV with half of UK consumers who have cut the cord, or plan to in the next few years, watching video most often on social media. The growth of social video is part of the wider trend towards video consumption on mobile, 6 in 10 consumers are watching most often on a smartphone.

60% of UK consumers that pay for TV services watch the television set most often, but this is only around 1/3 of the total audience and the majority are over 65. UK consumers want to watch TV online and on social media and this will drive down linear TV viewing over time as digital becomes the first choice for video viewing.

Our findings suggest live video viewing will expand online in the next few years and start to grow rapidly on social media as all audiences under 50 show an interest in watching live streams on social and OTT. Broadcasters and publishers must get ahead of this shift and deliver live TV content, events and experiences that are built for digital

THE UNITED STATES

The transition from traditional TV to online streaming and social video is most advanced in the United States. More than 50% of US consumers subscribe to a paid OTT service compared with just 34% for cable or satellite TV. Online video platforms such as Netflix and Amazon Prime are watched more often than pay-TV or free-to-air services, with US consumers watching video on social media as frequently as the legacy TV platforms.



Which media services are US consumers paying for?

None

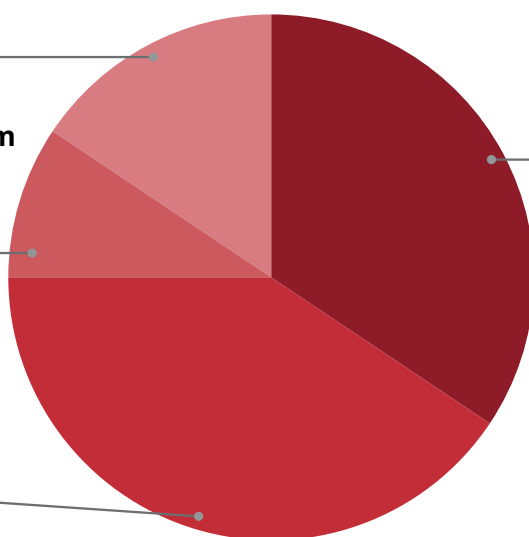
16%

YouTube Premium

10%

Online video services

41%



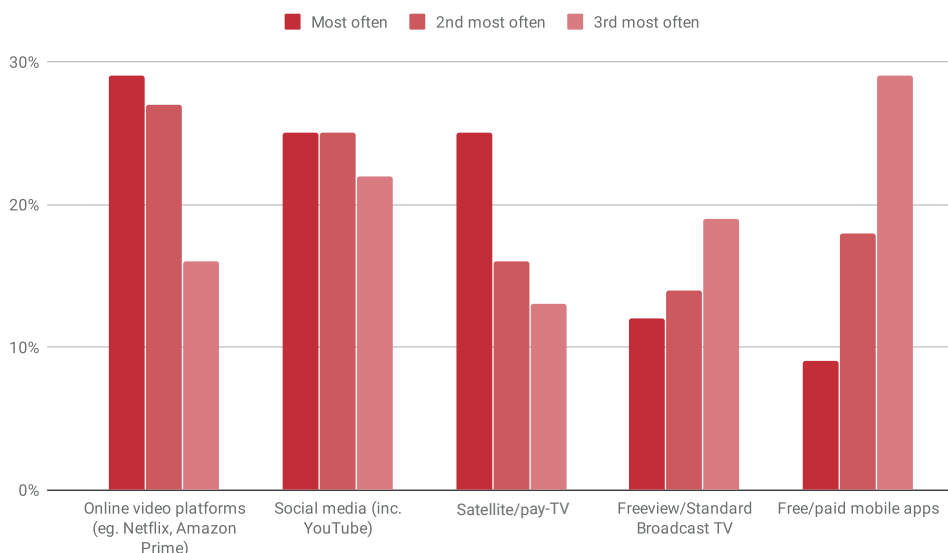
Satellite/pay-TV

34%

Half of US consumers pay for digital video, whereas just over 1/3 pay for TV services.

More US consumers choose not to pay for any services than the UK.

Which video platforms are US consumers using the most?

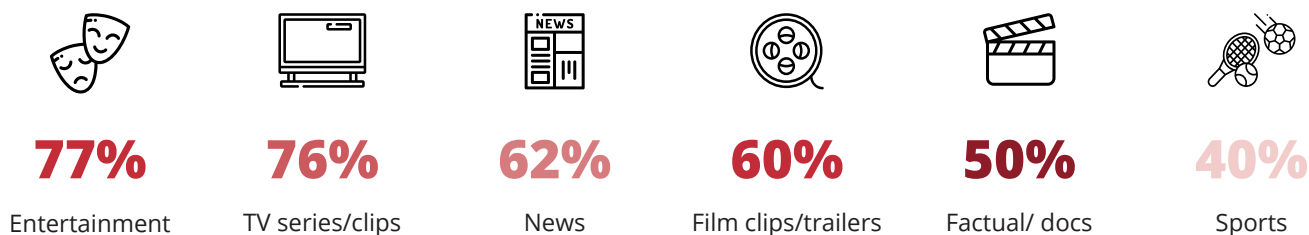


Online video platforms dominate screen time in the US.

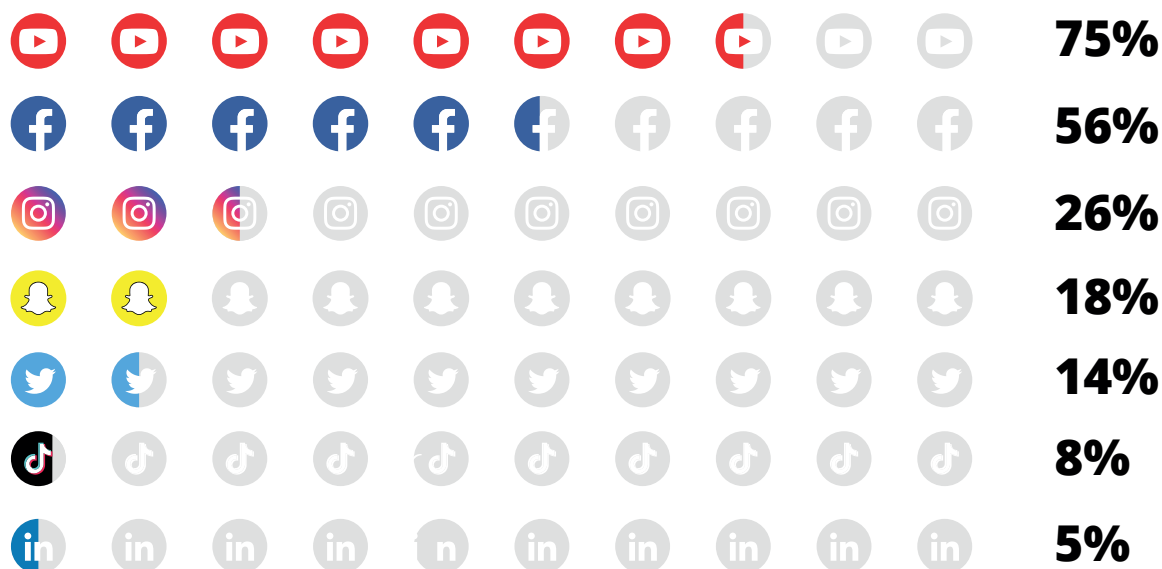
Almost 30% of consumers are watching most often on social media, equal to the amount of consumers watching most often on pay-TV.

THE UNITED STATES

What is the most popular type of content in the US?



Which social media platforms are the US using to watch video?



The Grabyo Perspective

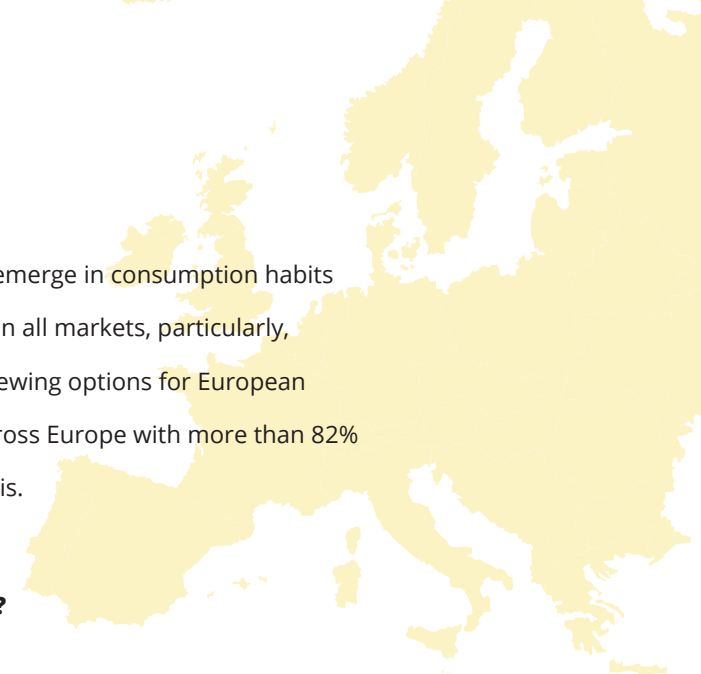
The US TV and video market has changed dramatically in the last three years. M&A activity has been prevalent across all the major broadcasters including Warner Media, Disney/FOX and Comcast/NBCU. This consolidation has taken place against a backdrop of rapidly accelerating adoption of online streaming services, with Netflix now in 1 in every 2 households in the US.

The decline in pay-TV subscribers in the U.S is evident in the consumption habits of consumers. Audiences are accessing video on social media as often as pay-TV or cable and more frequently across online streaming platforms. The data shows a bifurcation in viewing habits across the market: If U.S consumers don't watch pay-TV the most often they rarely watch it at all - choosing digital alternatives instead. The launch of Disney+, ESPN+ and WarnerMedia OTT is a response to this change in consumer viewing preferences, but this comes with a huge shift in business model for the leading players.

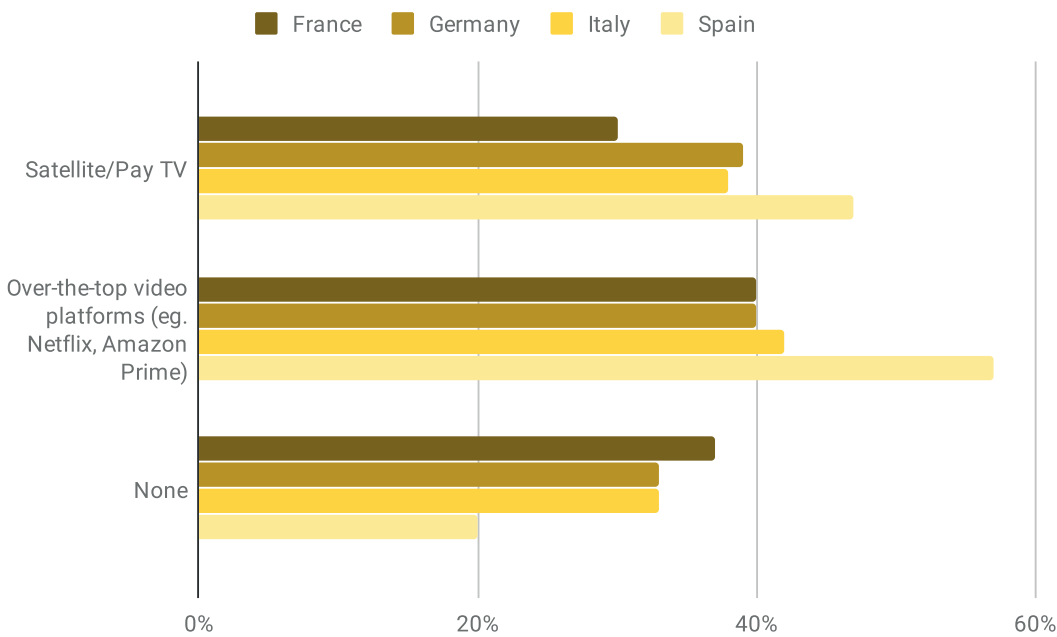
U.S audiences care about the quality and availability of content in order to invest in video services. Consumers are moving away from costly TV packages and towards affordable online subscriptions, supplemented by free to access video which includes social. 75% of US consumers watch video most often on YouTube which reflects the move towards smaller screen device viewing and younger viewers moving away from traditional TV.

EUROPE

Across France, Germany, Italy and Spain some clear differences emerge in consumption habits and preferences for video services. Online streaming is growing in all markets, particularly, but the prominence of free-to-air TV and social video provides viewing options for European consumers. YouTube has a dominant position in online video across Europe with more than 82% of respondents indicating they use the platform on a regular basis.



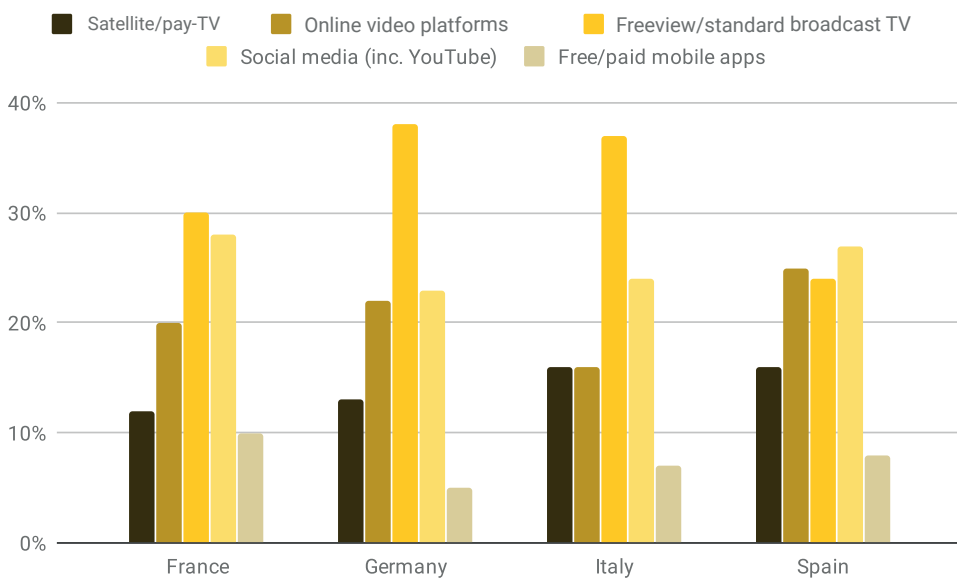
Which media services are European consumers paying for?



Online video services are now moving ahead of pay-TV in the European paid media market.

The penetration of paid online streaming is highest in Spain (57%) in contrast to France (40%) which has the highest number of consumers that don't pay for any video or TV services.

Which video platforms are European consumers using the most?

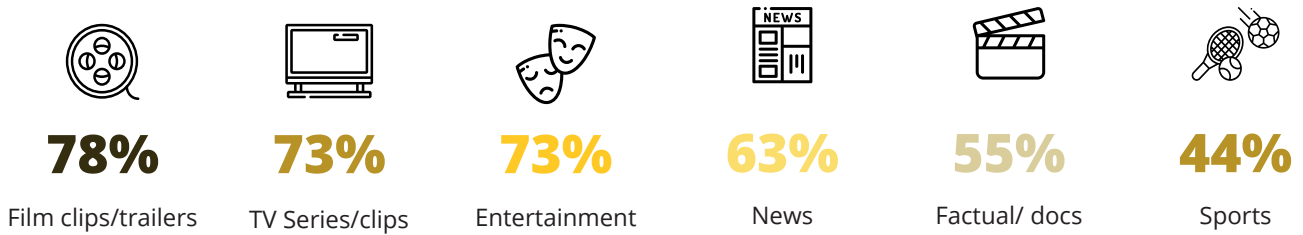


Free-to-access TV dominates the European market. Social video audiences are growing rapidly as consumption increases across the continent.

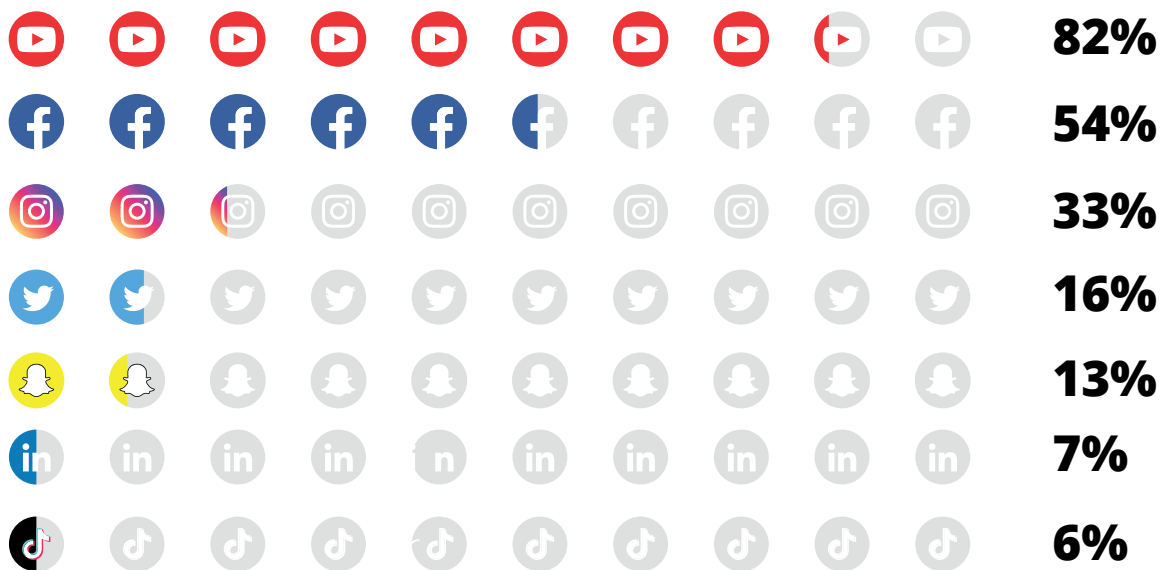
Social video is the second most popular type of video for audiences across France, Germany, Italy and Spain.

EUROPE

What is the most popular type of content in Europe?



Which social media platforms are Europeans using to watch video?



The Grabby Perspective

While the majority of consumers in each market are paying for media services, European consumers show a preference for free and ad-supported content across TV and social platforms. Social video penetration and usage is higher than OTT which is in contrast to the US and UK - 82% of European consumers watch video on YouTube which is higher than any other market in the study.

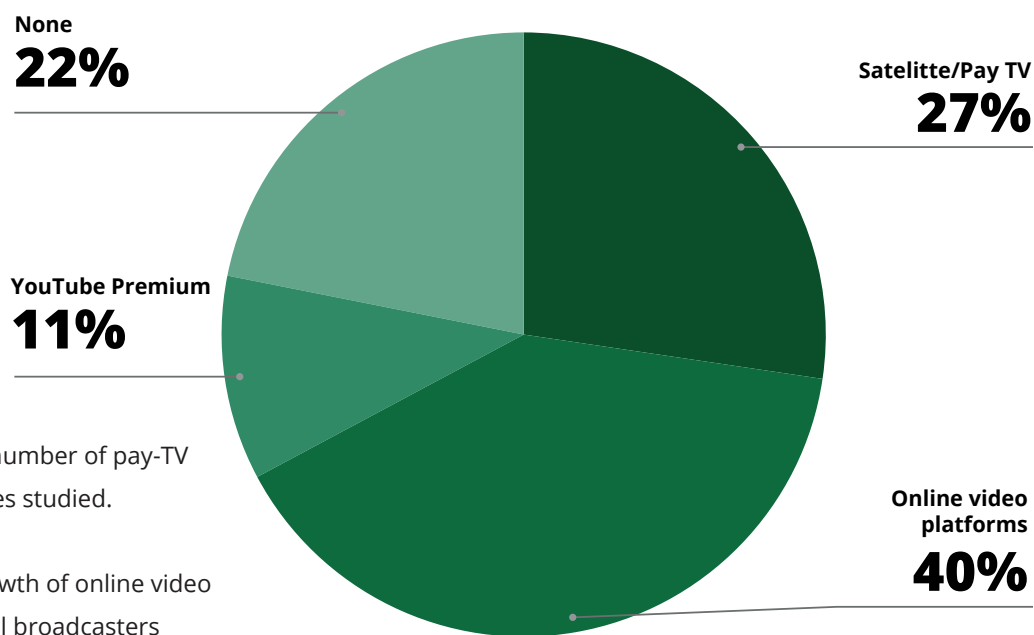
This trend carries across all four territories which is significant given the variation in media rights and services available in each country. In France, where free-to-air TV services remain dominant, social video viewing is almost as frequent as TV. In Spain, where OTT penetration is almost 60%, social media is used more often for video than any other channel.

These findings suggest a great opportunity for social platforms to build out video services for European consumers. The markets show a preference for ad-supported streaming as viewers want to access to video in a low-cost, mobile-centric and high-convenience way.

AUSTRALIA

The Australia TV market is the most challenging for traditional pay-TV with more than 50% of consumers paying for streaming services and more than 1 in 5 consumers choosing not to pay for video at all. Driven by the success of online streaming services such as Netflix, Australia is moving towards digital-first consumption as local broadcasters launch their own digital offerings to win a share of growing online video audiences and combat the shift away from pay TV.

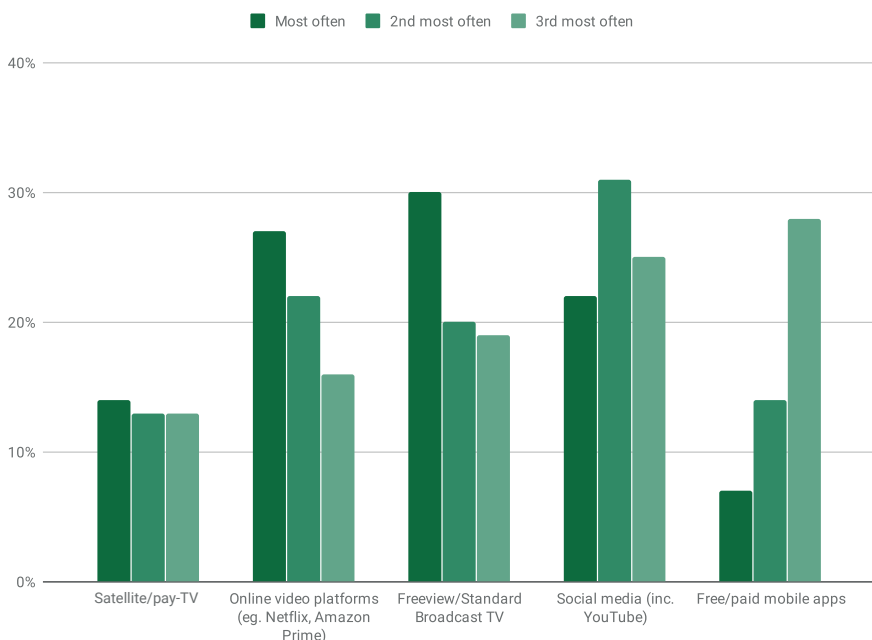
Which media services are Australians paying for?



Australia has the lowest number of pay-TV subscribers of all countries studied.

Netflix has driven the growth of online video services in Australia. Local broadcasters are entering the market to compete for a growing online audience.

Which video platforms are Australian consumers using the most?

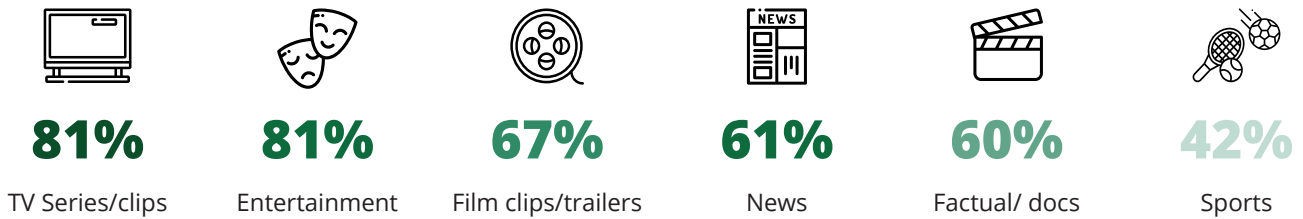


While Australians watch video most often on free-to-air TV.

Social media is the most popular second choice for watching video.

AUSTRALIA

What is the most popular type of video content in Australia?



Which social media platforms are Australians using to watch video?



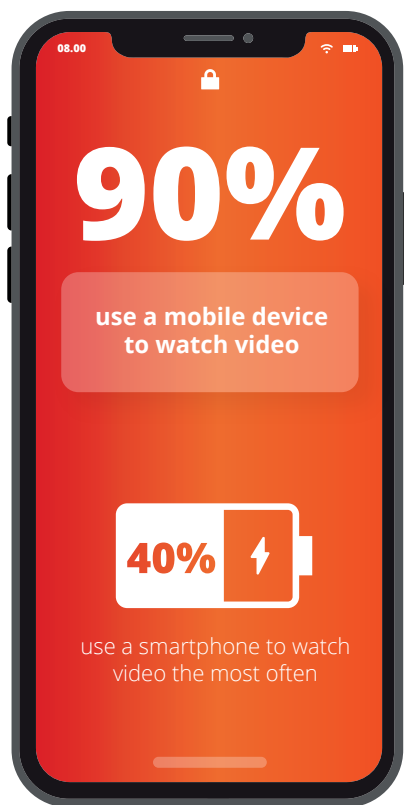
The Grabby Perspective

More than 50% of Australian consumers pay for streaming services with usage frequency which sits just behind free to air TV. Freeview TV and social media are most popular in the video market - almost 3/4 of Australians watch longer-form video content on YouTube.

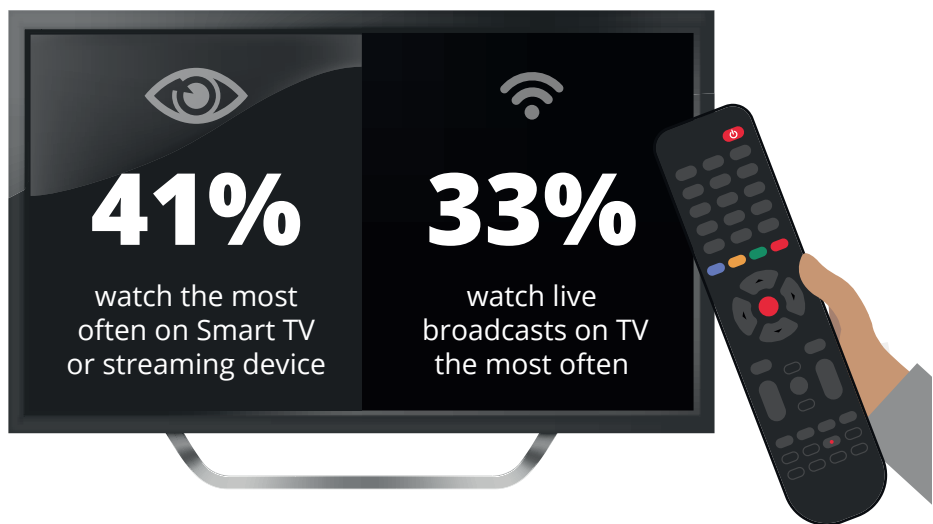
Netflix is the dominant subscription service in the online streaming market but local services such as 7 Plus, 10 Play and 9 Now have a sizeable presence with each service used by 30% of Australian consumers.

Social video viewing is hugely popular in Australia with YouTube, Facebook and Instagram video penetration as high as any other markets studied. Australia is now a digital-first market with all audiences under 50 streaming video online more often than watching linear TV broadcasts. The combination of social video viewing and a preference for streaming offers lots of opportunities for OTT services, such as the launch of Kayo Sports, we expect to see more of this type of competition.

MOBILE vs. TV

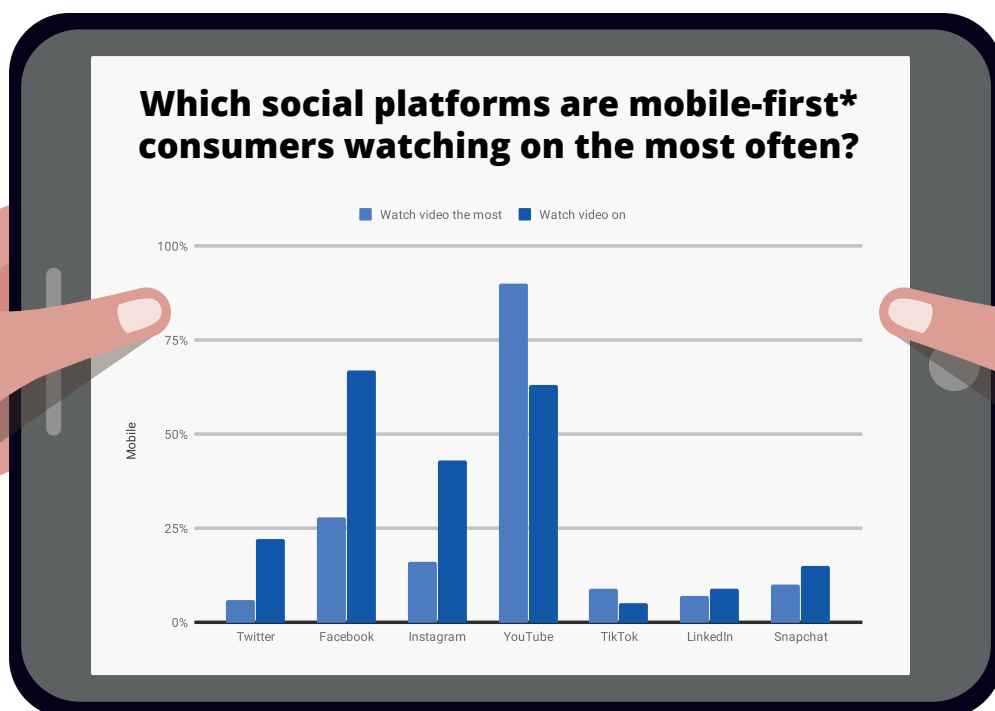


Smartphones dominate today's video market. Almost half of consumers reported using their phone to watch video more than any other device, this jumps up to 59% for 18-25 year-olds.



Only 38% of global pay-TV customers watch the most video on a TV screen - suggesting most pay-TV customers are watching TV online, on-demand on a variety of mobile and streaming devices.

Broadcasters that fail to adopt a robust multi-platform strategy will struggle in the coming years.



*consumers that are watching video on mobile devices the most often

SOCIAL SHOPPERS

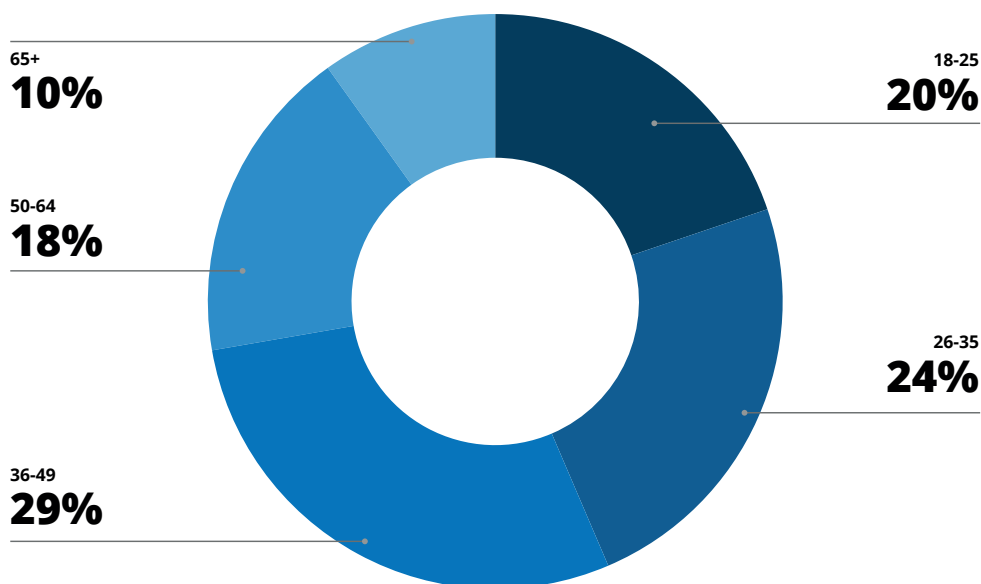
Social media is an effective marketing channel for products and services. Enhanced targeting allows for brands to reach consumers with a specific set of interests. Marketers must ensure they also cater for a consumer's content preferences and which devices they use to watch video. Social video is now an important channel for online and offline commerce, with 2/3 of consumers indicating that social video viewing has impacted what they choose to buy.

Who are social shoppers?

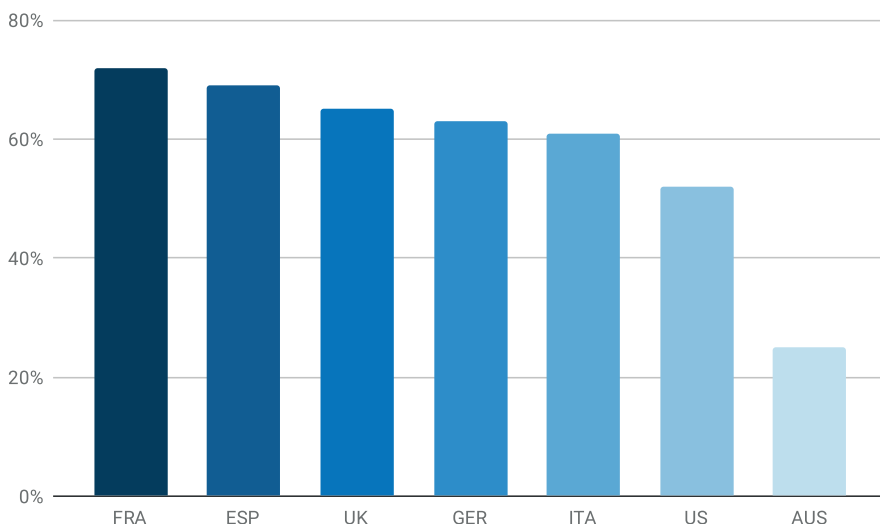


67% of global consumers have investigated or bought a product after seeing a social video

* 1% prefer not say



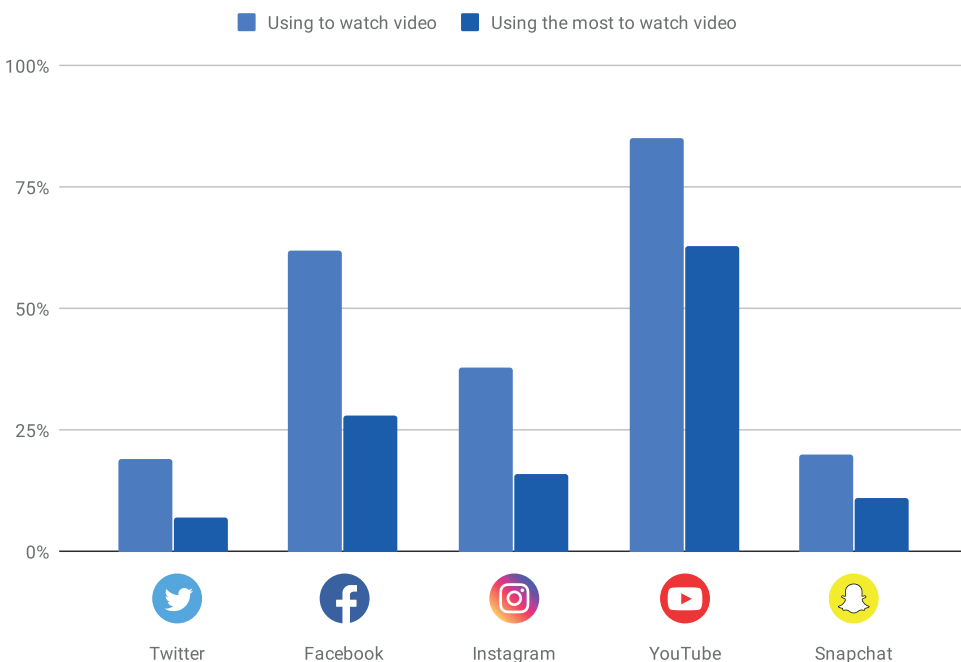
Where are the social shoppers from?



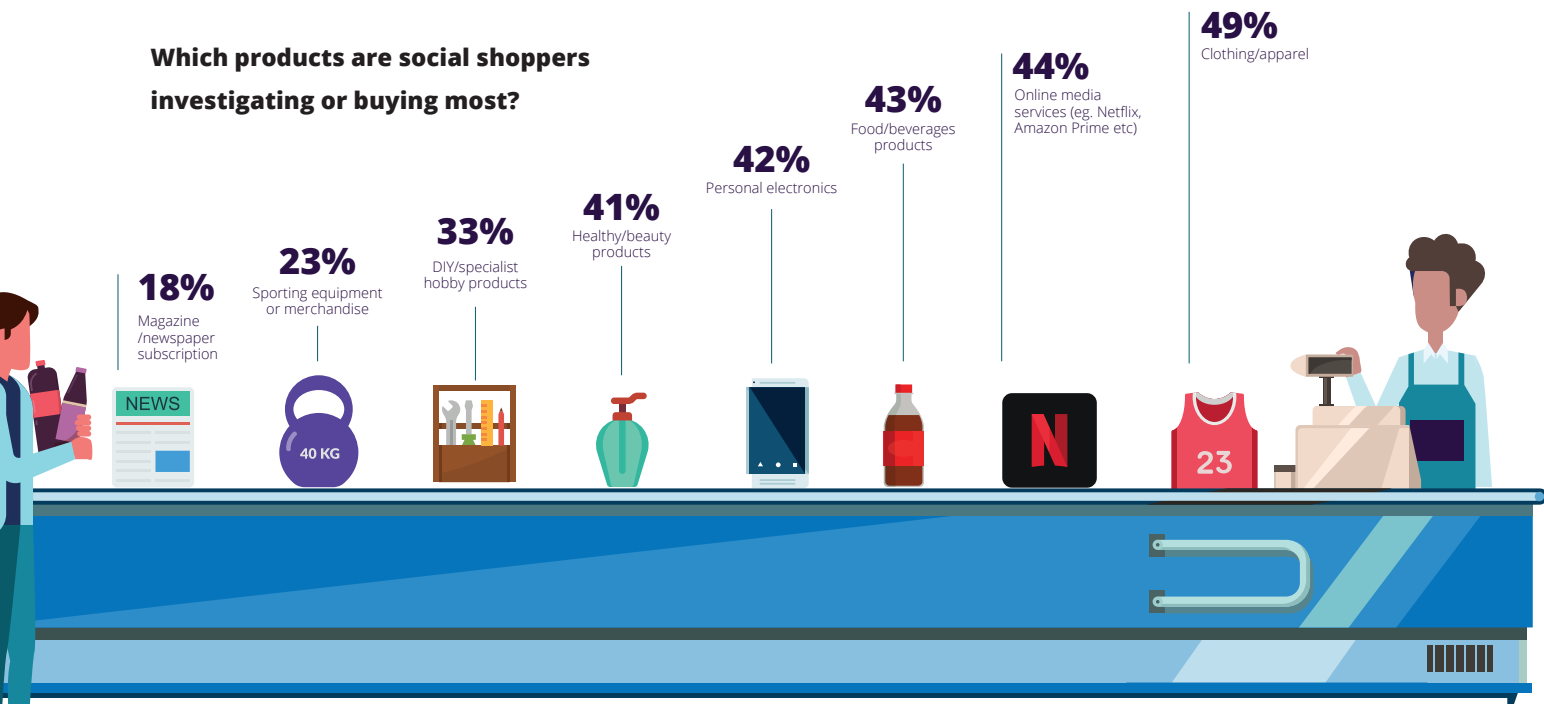
This graph shows the percentage of social shoppers with a yearly household income of less than 40,000 (in local currency).

SOCIAL SHOPPERS

Which social platforms are social shoppers using?

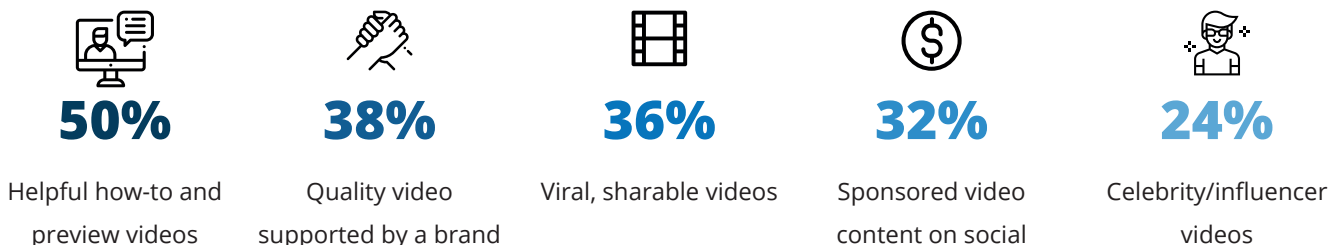


Which products are social shoppers investigating or buying most?



How to capture today's social shoppers

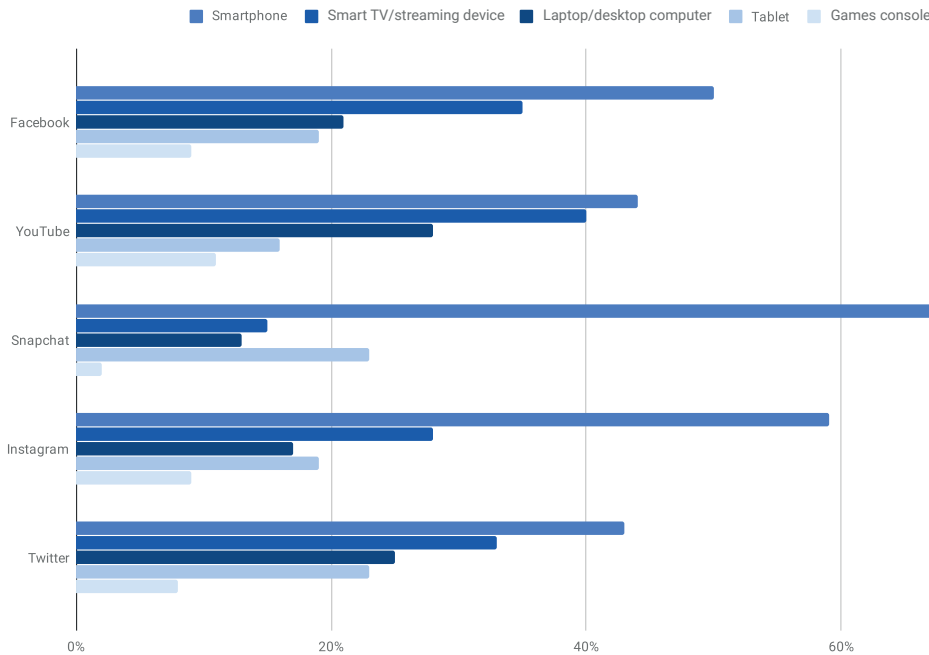
Which types of video encourage social shoppers to investigate further, or buy a product?



SOCIAL MEDIA: WHAT, WHERE?

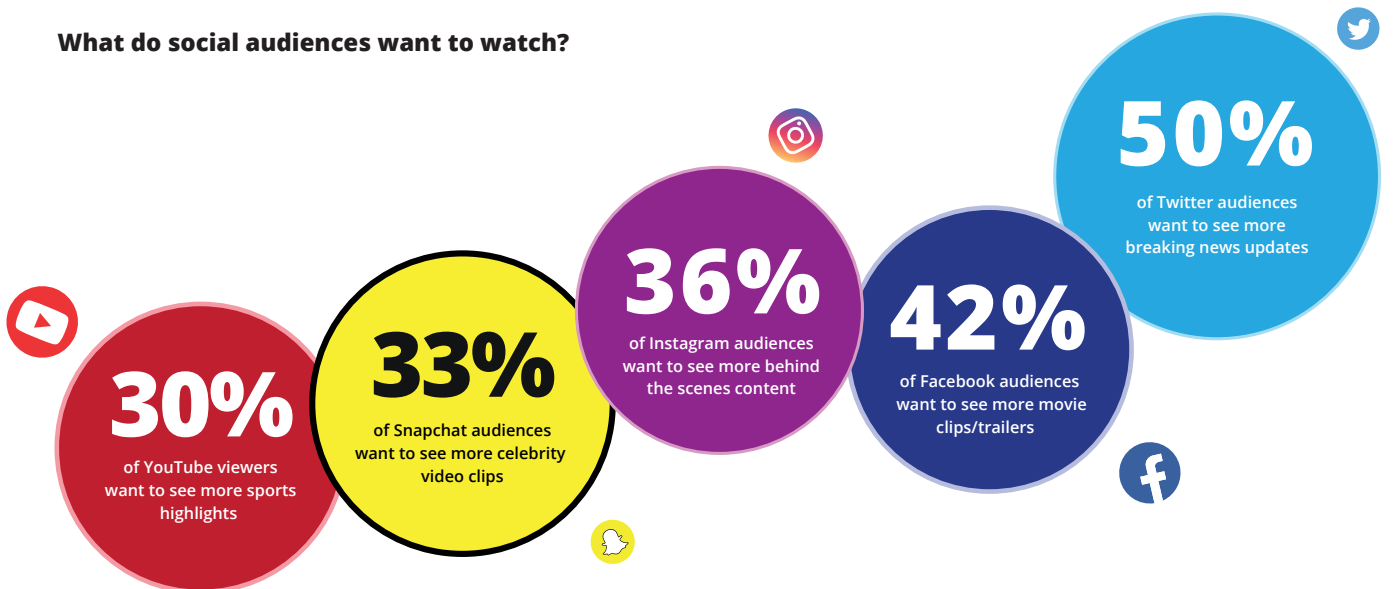
Social video audiences live across a range of social media platforms. Consumers expect the viewing experience to be tailored across each platform and device.

Which devices are social audiences watching on most often?



YouTube audiences are migrating from the smartphone to the Smart TV. 40% of YouTube audiences watch the most often on Smart TVs or streaming devices.

What do social audiences want to watch?



Social media users look for specific types of content on each platform. Twitter users want real-time, instant updates - and want their news delivered this way. YouTube audiences tend to watch more long-form video content, and want to see more in-depth sports highlights. Despite a reducing trust in influencers, 33% of consumers watching video most often on Snapchat want more celebrity video content on social media.

CONCLUSION: OUR PERSPECTIVE

The future of TV is the internet.

Streaming has become the new normal. OTT services are now used as often as traditional TV for the majority of global video consumers and online streaming represents the largest segment for paid subscriptions. Consumers want flexibility, convenience and access to content across all devices at a low price point - this is the sweet spot for OTT.

We're in a time of rapid growth in social video viewing driven by huge growth in smartphone usage. 6 in 10 consumers in our study watch video most often on a smartphone. A generational shift in media consumption is happening that will have a profound impact on the structure of the TV market and the business models for video. Consumers under 25 now watch video on social media more often than TV.

The move to online streaming and social media does not signal the immediate death of TV, but it does signal what needs to change. Consumers want video services which are low-cost, available everywhere with a usage model that allows audiences to escape the TV schedule if they choose. Sports remains the most popular live category, which will help sports to retain rights value, but usage patterns suggest that for sports properties to maximize audience growth they need a distribution model which moves beyond exclusivity on pay TV.

Capturing audiences is about convenience, content availability, service quality and price.

The strength of pay TV has been built on exclusive content and high-fidelity video, with restrictions on access and a focus on linear TV scheduling. This won't be enough for much longer. Online streaming and mobile video services now support broadcast-quality video formats such as HDR and 4K video combined with flexibility of access not possible on TV.

The roll out of 5G network infrastructure and devices will accelerate this shift with high-fidelity video available everywhere on all connected devices.

TV is social, mobile and online. The future starts now.





