

manatt

VORHAUS ADVISORS

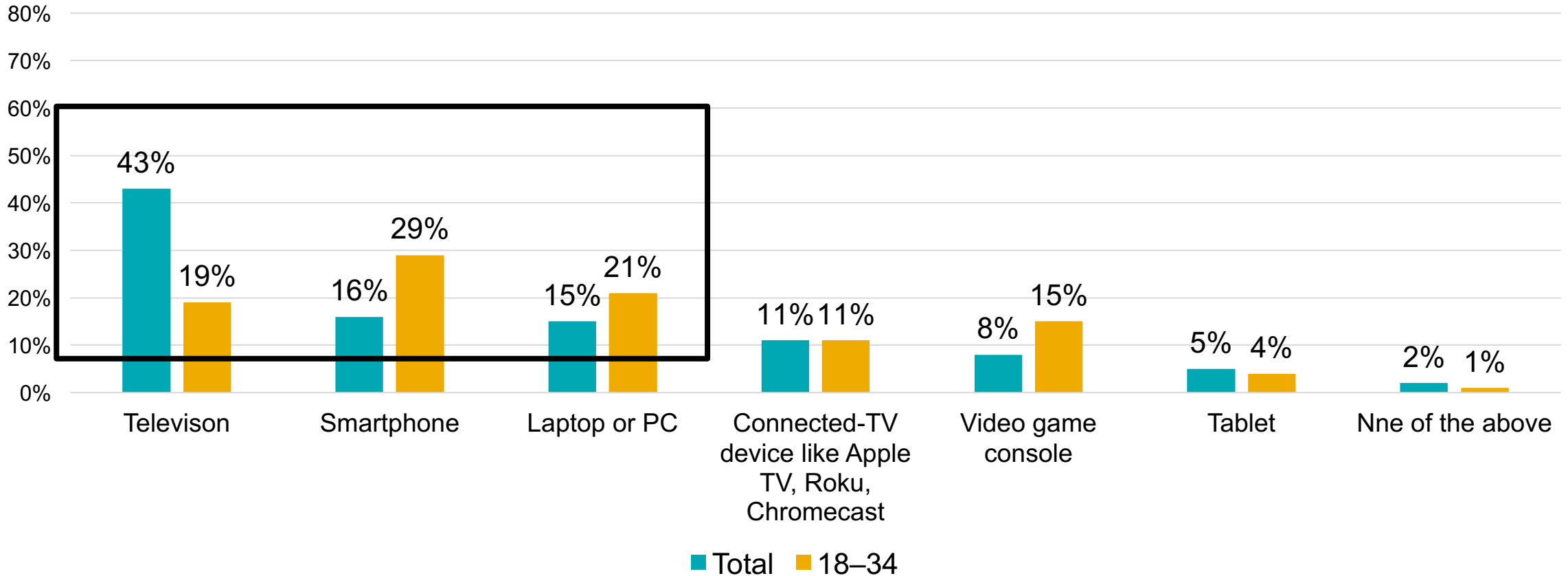
Manatt-Vorhaus Digital Strategy Study

Digital Media Consumption

July 16, 2019

Viewing Platforms

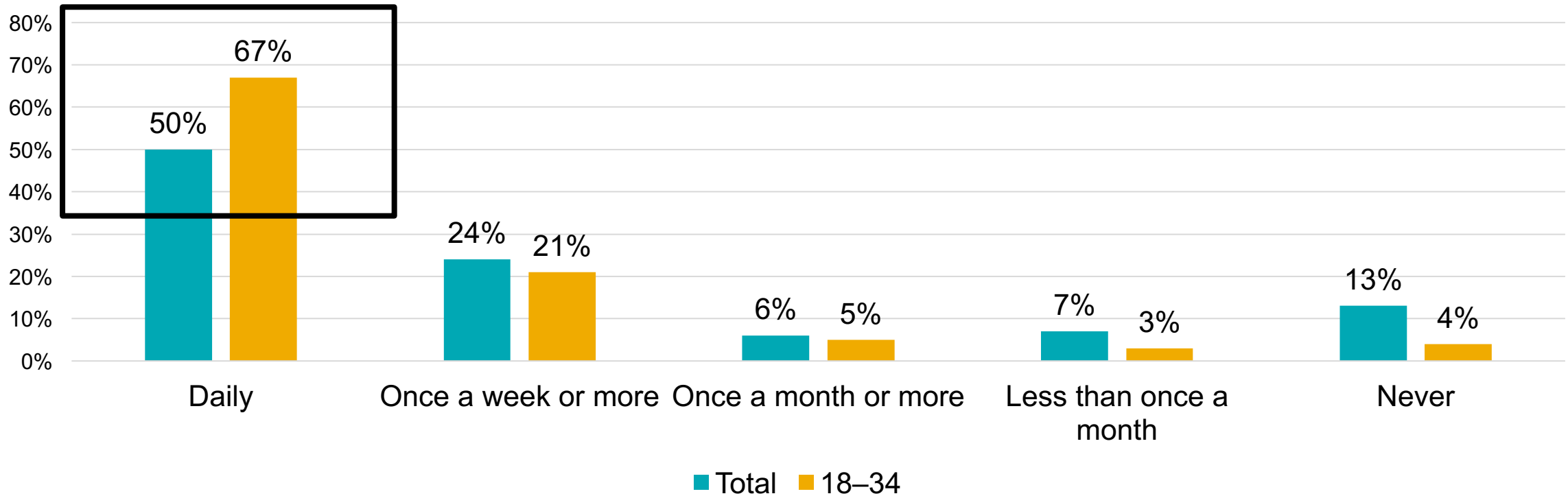
Smartphone Dominates With 18–34 Population



Total N=2,007. Q1.2: What is your primary medium for entertainment?

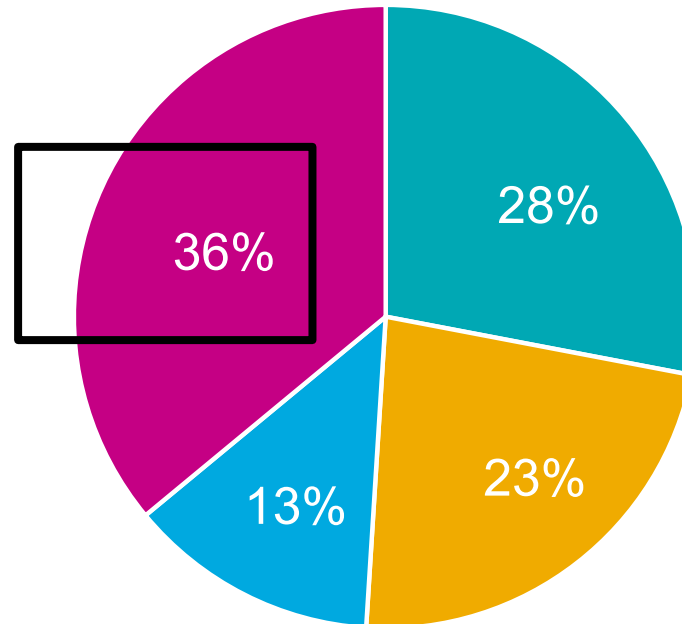
Half of U.S. Adults Watch Online Video Daily—Two-Thirds of Younger Adults

Frequency of Online Video Viewing on Computer, Smartphone, Tablet or Smart TV



Total N=2,007. Q34: About how often would you say you watch online video? This is any video you view on a computer, laptop, smartphone, tablet, or TV connected to the Internet.

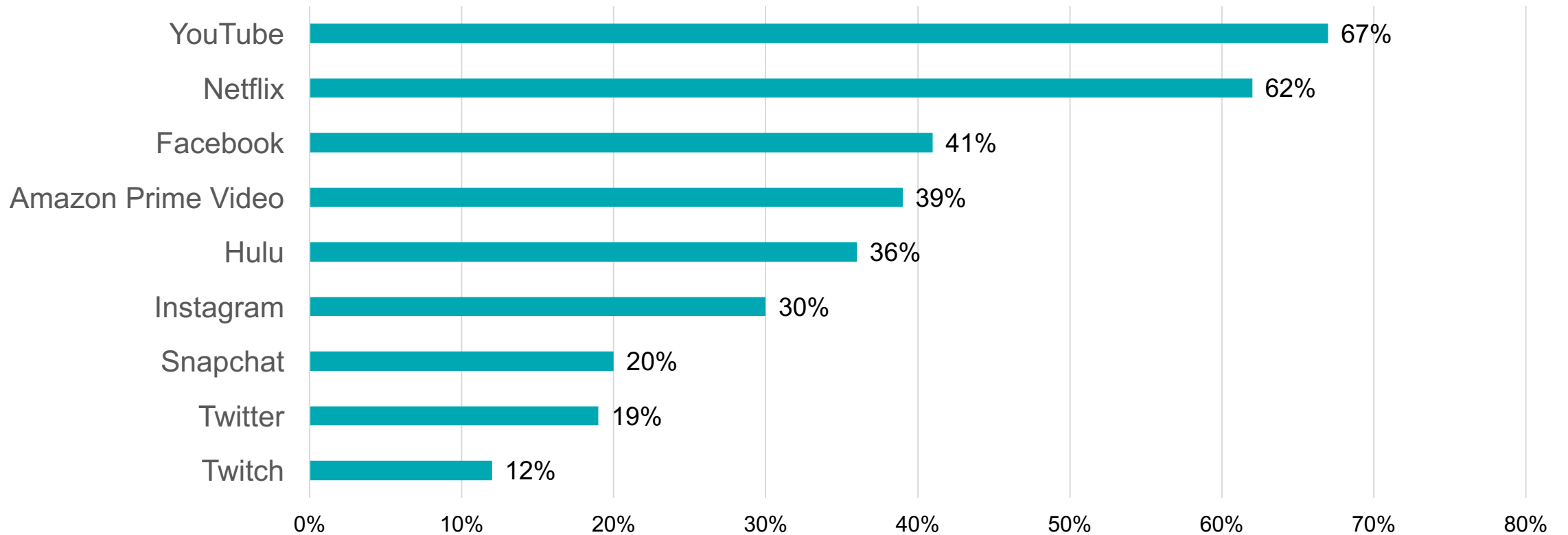
Percentage of Online Video Watched on Each Platform



■ Computer ■ Smartphone ■ Tablet ■ TV connected to Internet

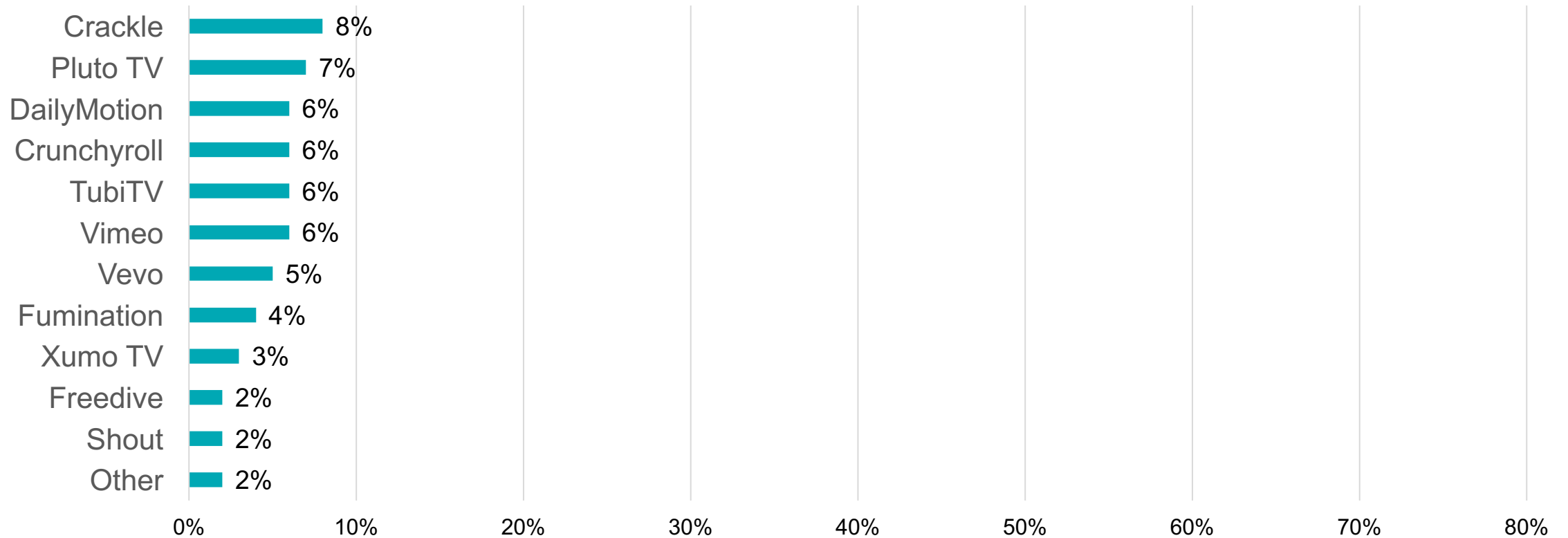
Online video viewers, N=1,739. Q35B: On average, in a typical week, what percentage of online video do you watch on computer/laptop, tablet, smartphone, or TV connected to the Internet?

Top 9: Over 10% Use to Watch Online Video



Online Video Viewers, N=1,739. Q35. Which of the following do you currently use to watch online video regularly (at least once per week)? This means any site or app you use for online video which you view on a computer, smartphone, tablet, or TV connected to the Internet.

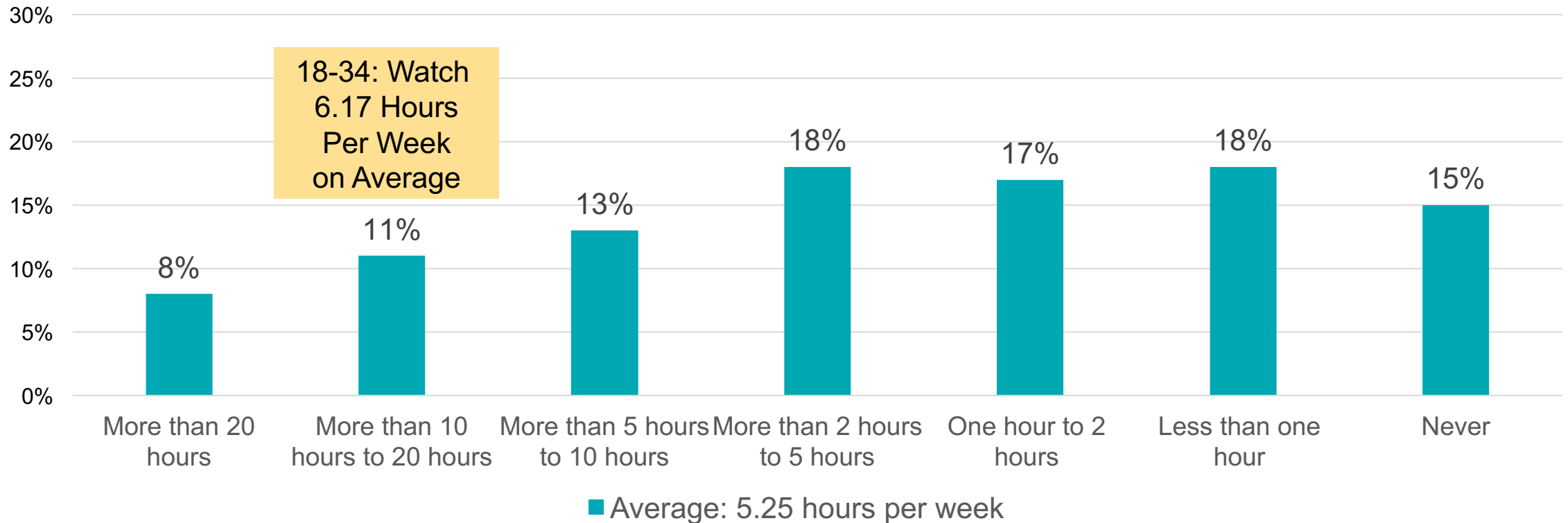
Under 10% Use to Watch Online Video



Online Video Viewers, N=1,739. Q35. Which of the following do you currently use to watch online video regularly (at least once per week)? This means any site or app you use for online video which you view on a computer, smartphone, tablet, or TV connected to the Internet.

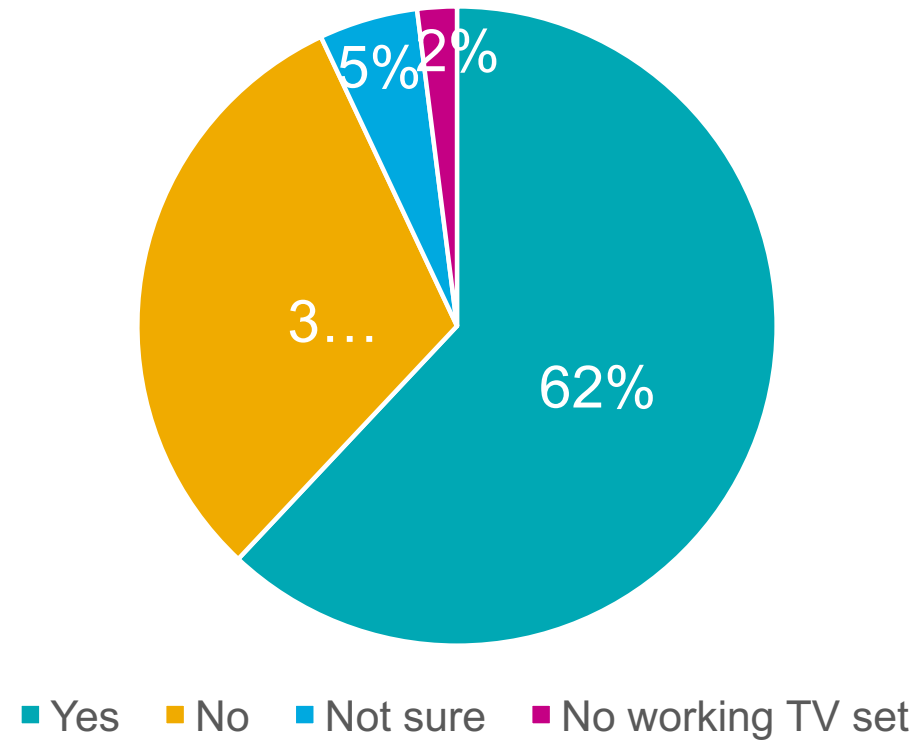
Online Video Users Watch an Average of 5.25 Hours Per Week

Weekly Time Spent Watching Digital Video Content on Computer/Laptop



Online Video Viewers, N=1,739. Q36. Thinking about all the digital video content you watch for entertainment, how much time do you spend in an average week, watching such content on your computer/laptop?

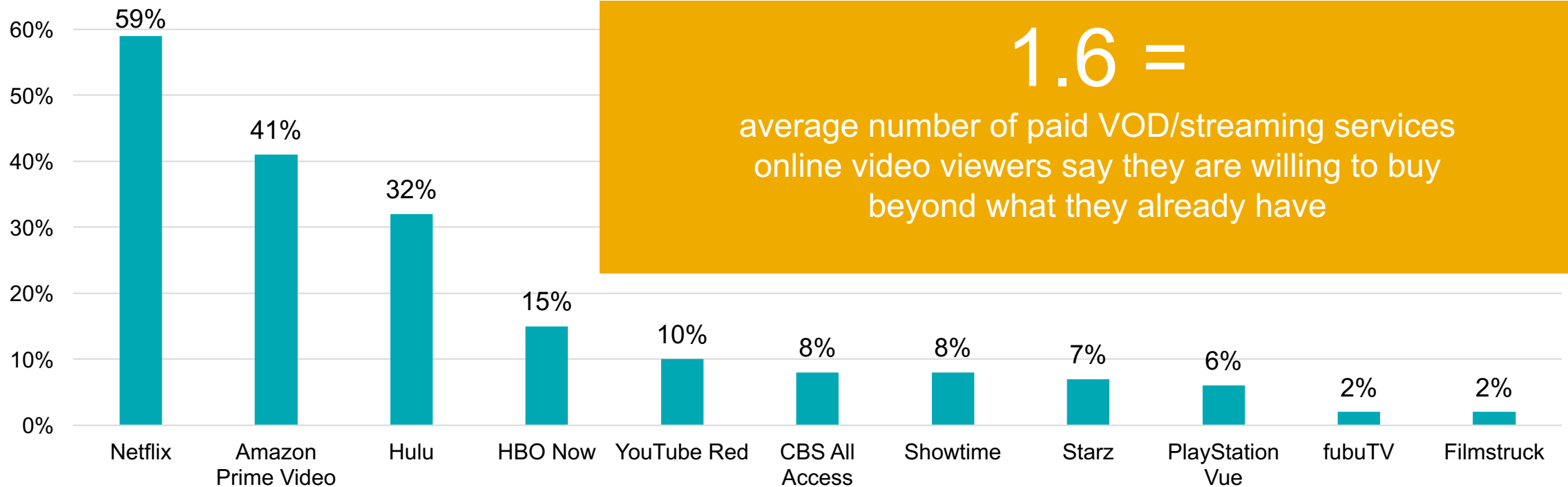
Ever Connect TV to the Internet



Total N=2,007. Q13.4: Do you ever connect your TV to the Internet? This could include browsing the Internet, watching Netflix, YouTube, or using connected apps directly on your TV set.

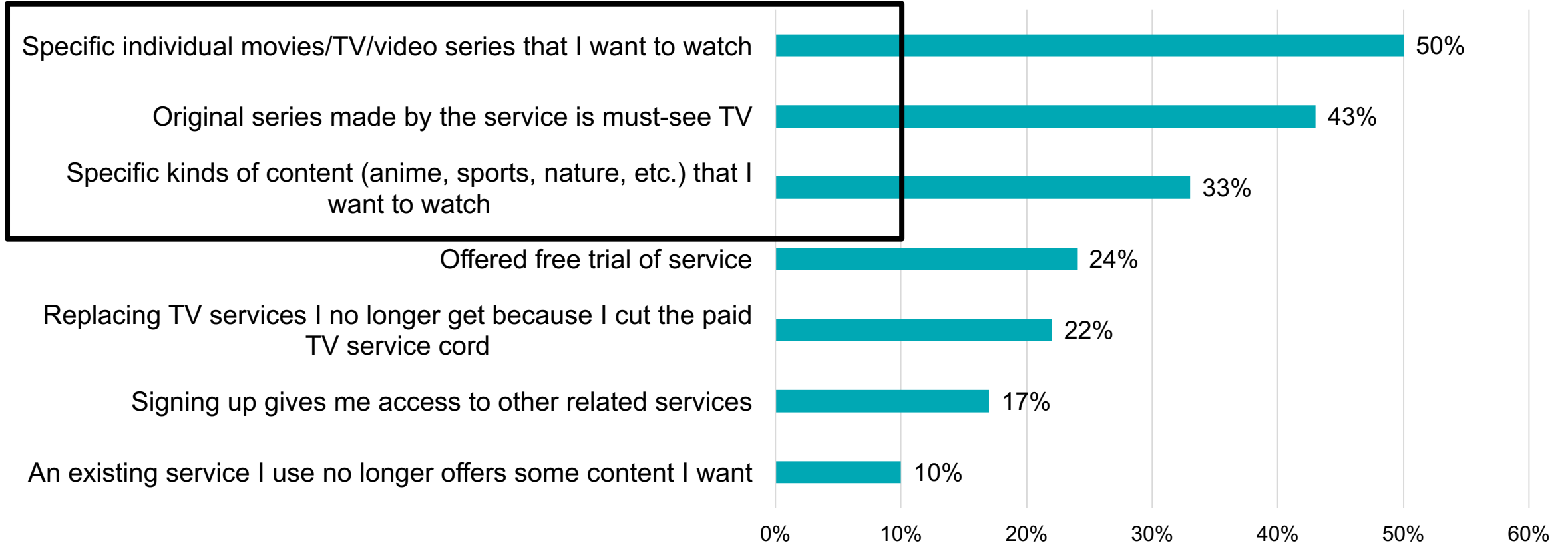
SVOD/Streaming Services

Nearly 6 in 10 Subscribe to Netflix



Total N=2,007. Q28: Do you, or does anyone in your household, pay to subscribe to any of the following? Select all that apply. Q36.3: How many paid video on demand/streaming services do you think you are willing to buy beyond any you already pay for? (Based on online video viewers N=1739)

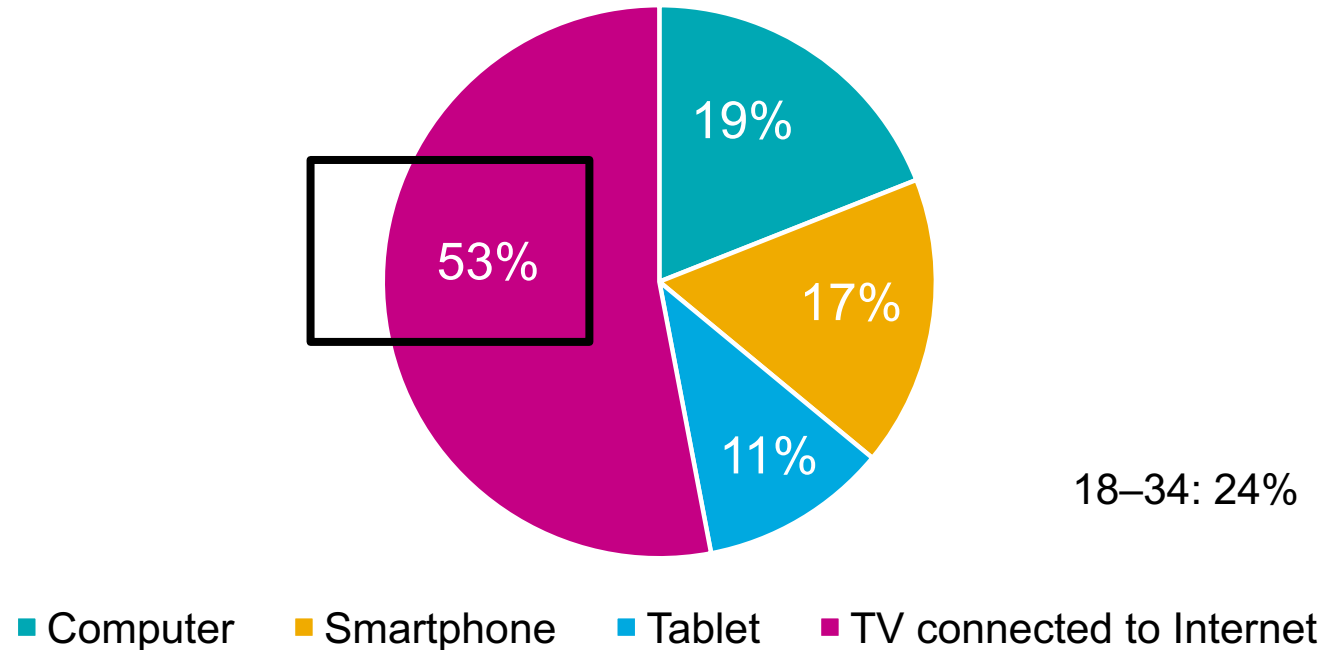
Being Able to Watch Specific Movies, Shows or Originals Is a Key Reasons to Subscribe



SVOD subscribers, N=1,490. Q28A: For what reasons did you sign up for subscription VOD services such as Netflix, Hulu, HBO Now, etc.?

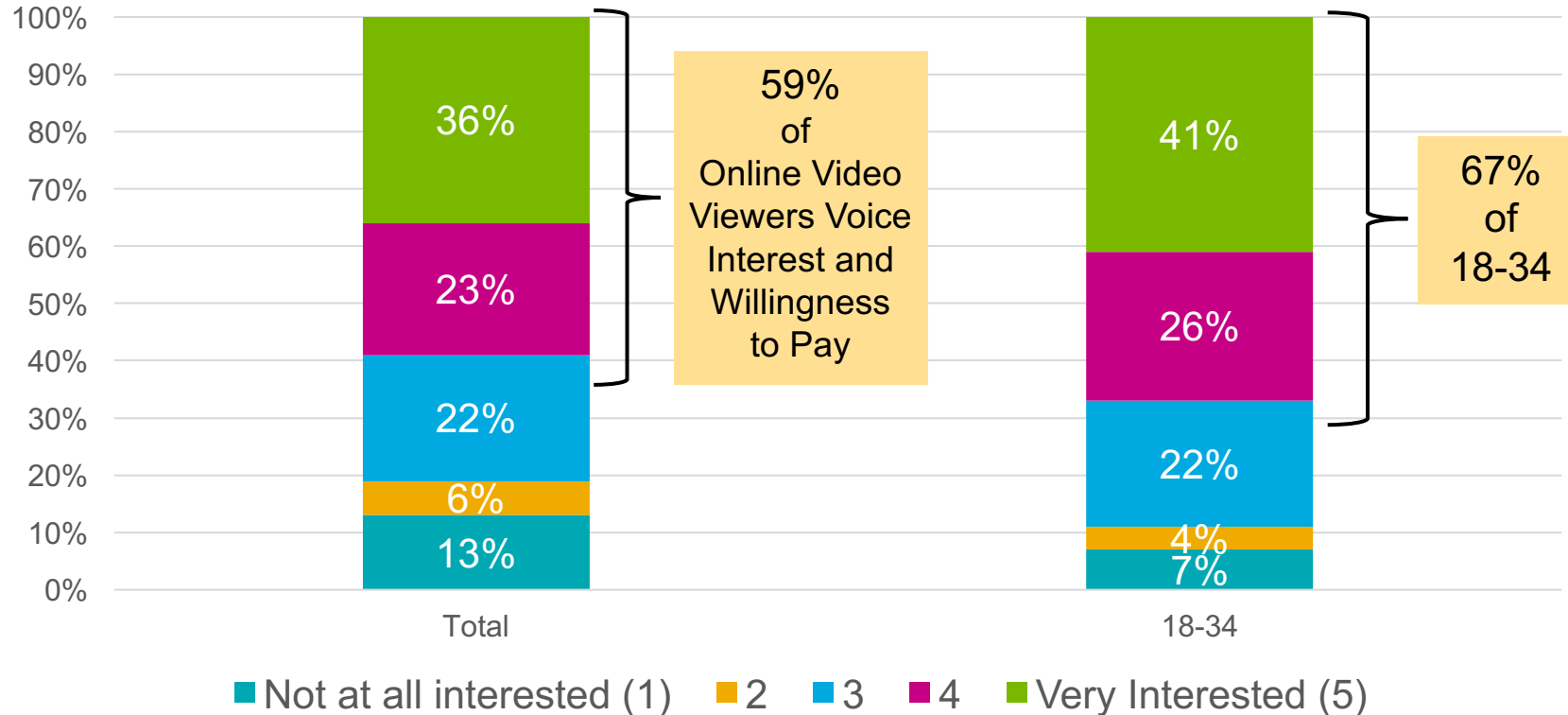
Younger Males Lean Toward Watching on Alternative Devices

Percentage of SVOD Video Watched on Each Platform



SVOD subscribers, N=1,490. Q28D: In a typical week what percentage of the video you watch from your subscription VOD video services is viewed online on a computer, smartphone, tablet or a TV connected to the Internet?

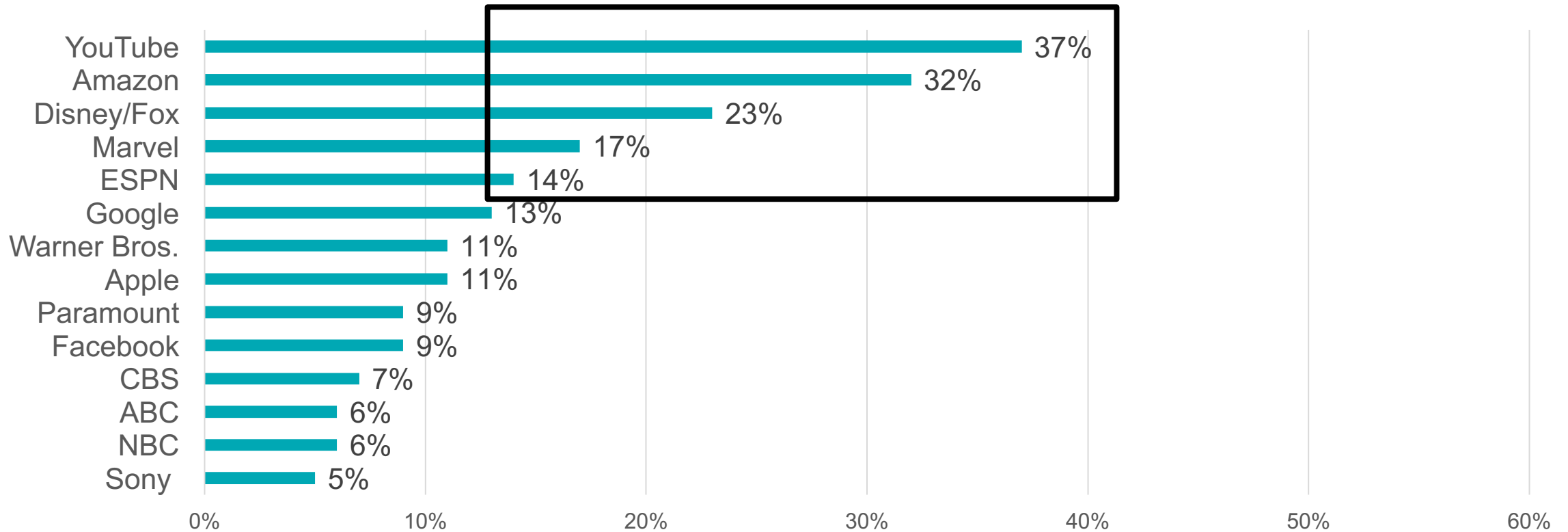
6 in 10 Are Interested in Paying \$10 Per Month Per Service



Online Video Viewers, N=1,739. Q36.1. How interested are in you this type of service at \$10.00 a month, per service? - A number of new services are being launched soon that will stream high-quality content to your connected TV, computer, laptop, tablet or phone. They will offer content such as television shows, movies, and other content from major studios and producers.

YouTube and Amazon Have Highest Appeal Among Potential New Streaming Services

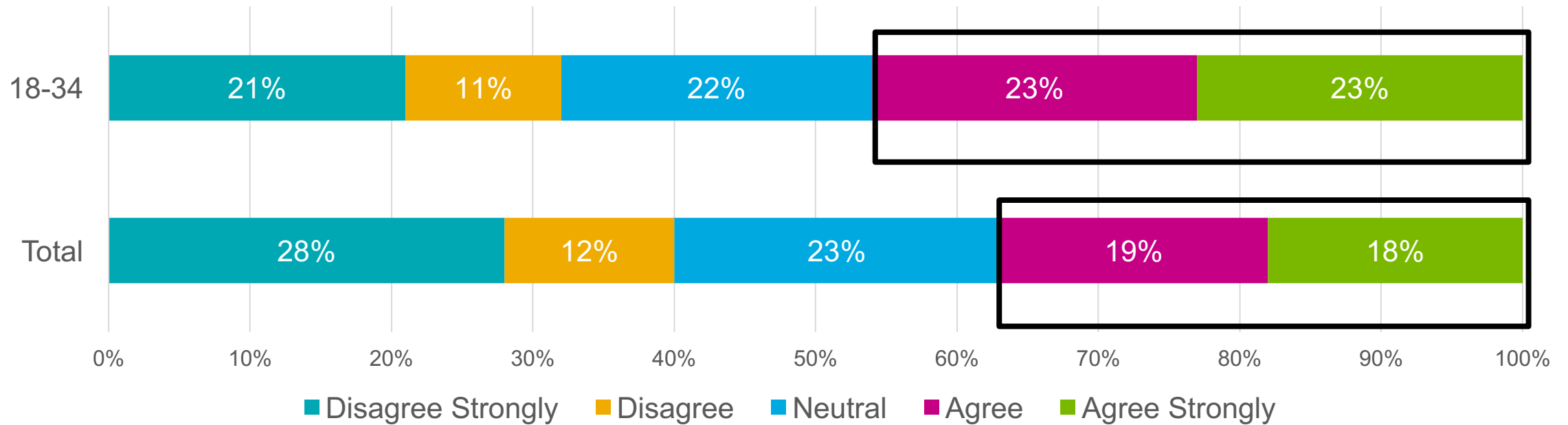
Top 2 Choices From New Streaming Service List



Online Video Viewers Willing to Pay For One or More Additional Streaming Services, N=1,307. Q36.4. Please pick your top two choices for additional streaming movie and TV services. Q37. How much do you agree with the following statement: Sometimes you can't remember if you are watching traditional TV and cable, or your TV connected to the Internet, or a Netflix- or Hulu- type service on your TV, your computer/lapt or your mobile devices. It all seems the same to you whether it is online content or content from a traditional network ?

Younger Users Less Likely to Distinguish Between Traditional and Online Sources

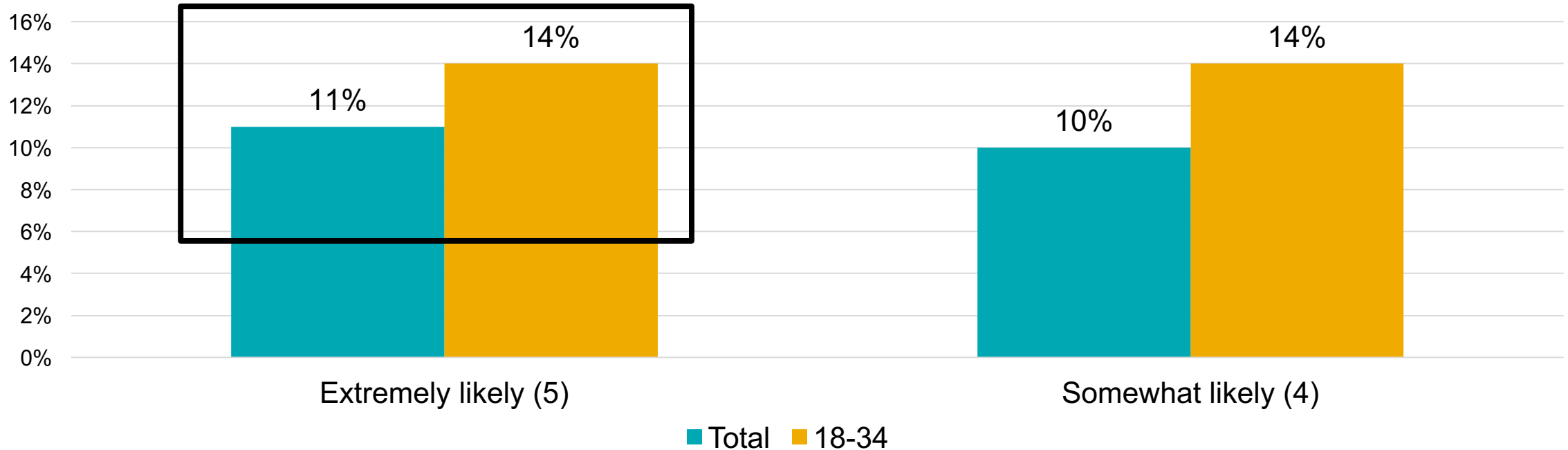
Sometimes you can't remember if you are watching traditional TV and cable, or your TV connected to the Internet, or a Netflix- or Hulu-type service on your TV, computer/laptop or mobile device. It all seems the same to you...



Total N=2,007. Q37. How much do you agree with the following statement: “Sometimes you can't remember if you are watching traditional TV and cable, or your TV connected to the Internet, or a Netflix- or Hulu- type service on your TV, your computer/laptop or your mobile devices. It all seems the same to you whether it is online content or content from a traditional network”?

Cord Cutting and Slimming

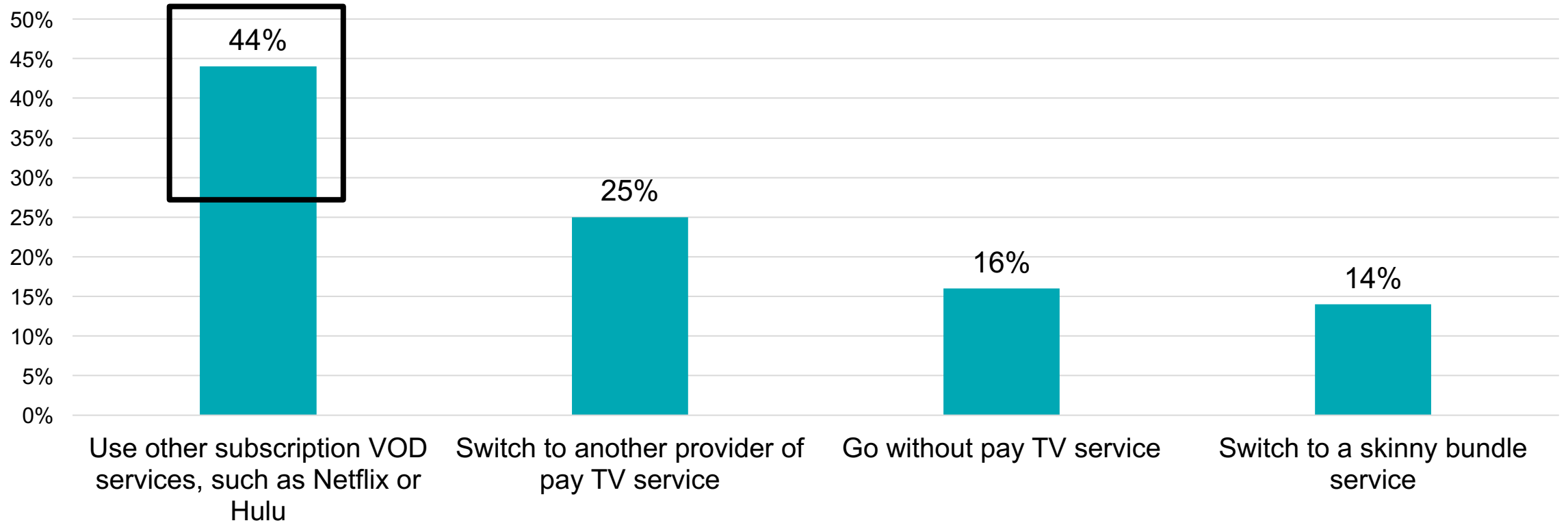
Those Extremely Likely or Somewhat Likely to Cancel Their Pay TV Service Subscription in Next 12 Months



Pay TV subscribers N=1,476. Q10.4: How likely are you to cancel your pay TV service in the next 12 months? This is not referring to subscription services like Netflix or Hulu, and solely refers to the television service provided to you by your cable, satellite, or telco company.

Cord Cutters Are More Likely to Use SVOD Than Switch to Another Provider

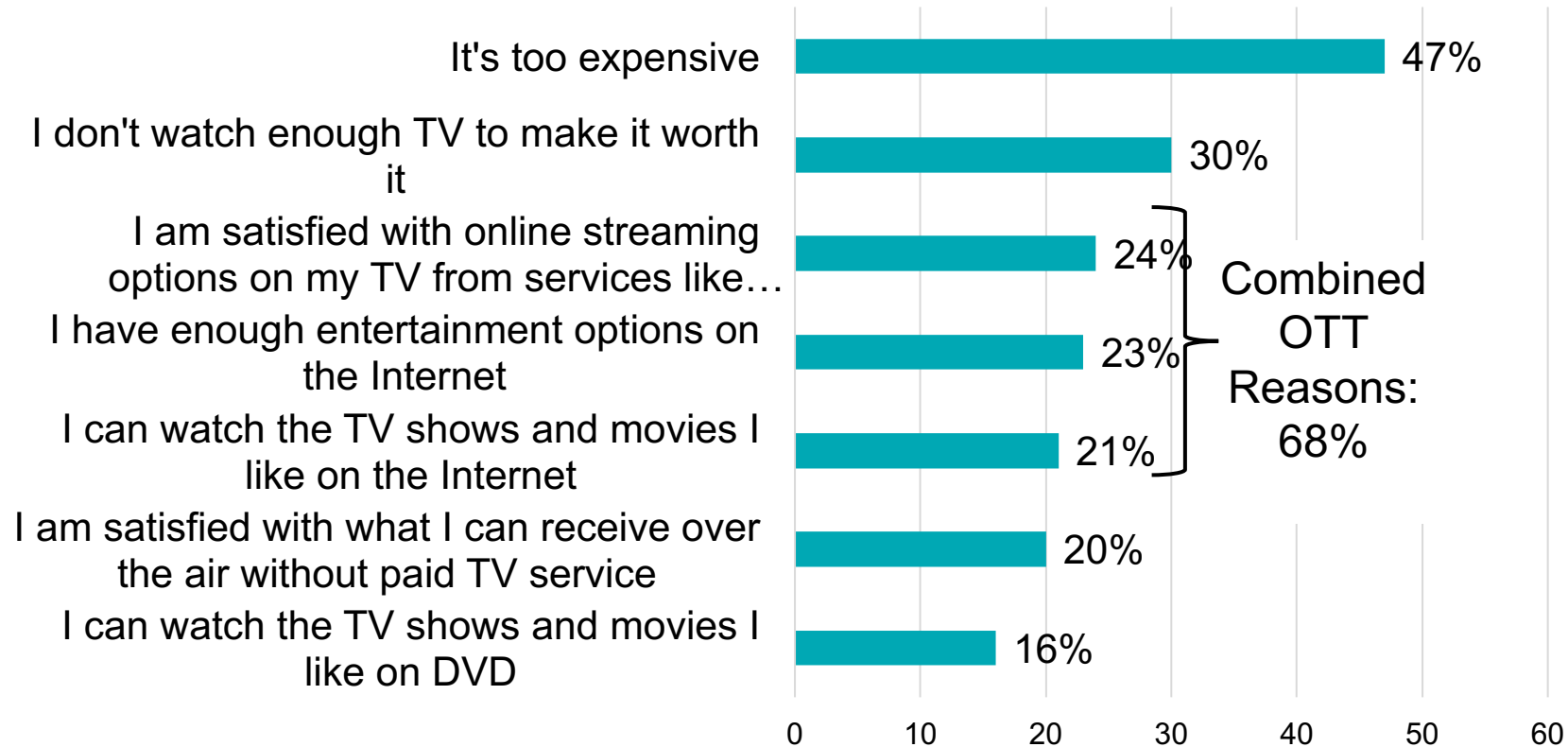
Most Likely Behavior After Canceling Pay TV Service



Pay TV subscribers who may cut the cord in the next year, N=625. Q10.5: If you cancel your current pay TV service in the next 12 months, which of the following are you most likely to do?

Likely Cord Cutters Who Would Go Without Pay TV Exclusively

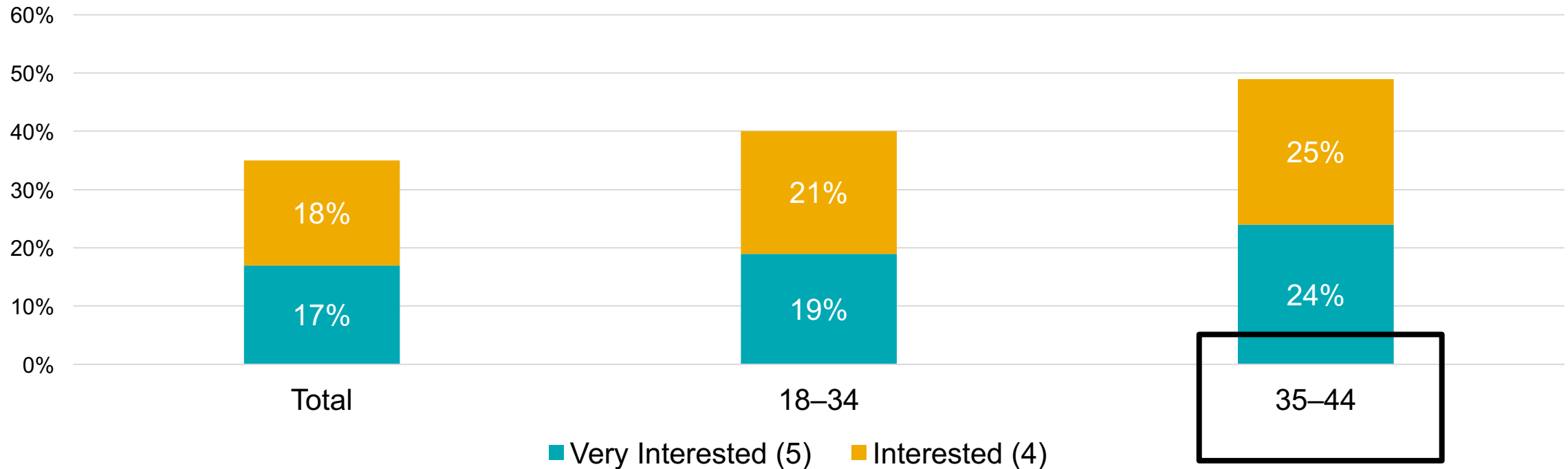
Reasons for Canceling and Going Without Pay TV Service



N=101. Q10.6: For which of the following reasons will you go without pay TV service?

Adults 35–44 Have Highest Interest; Possible Response to Cord Cutting

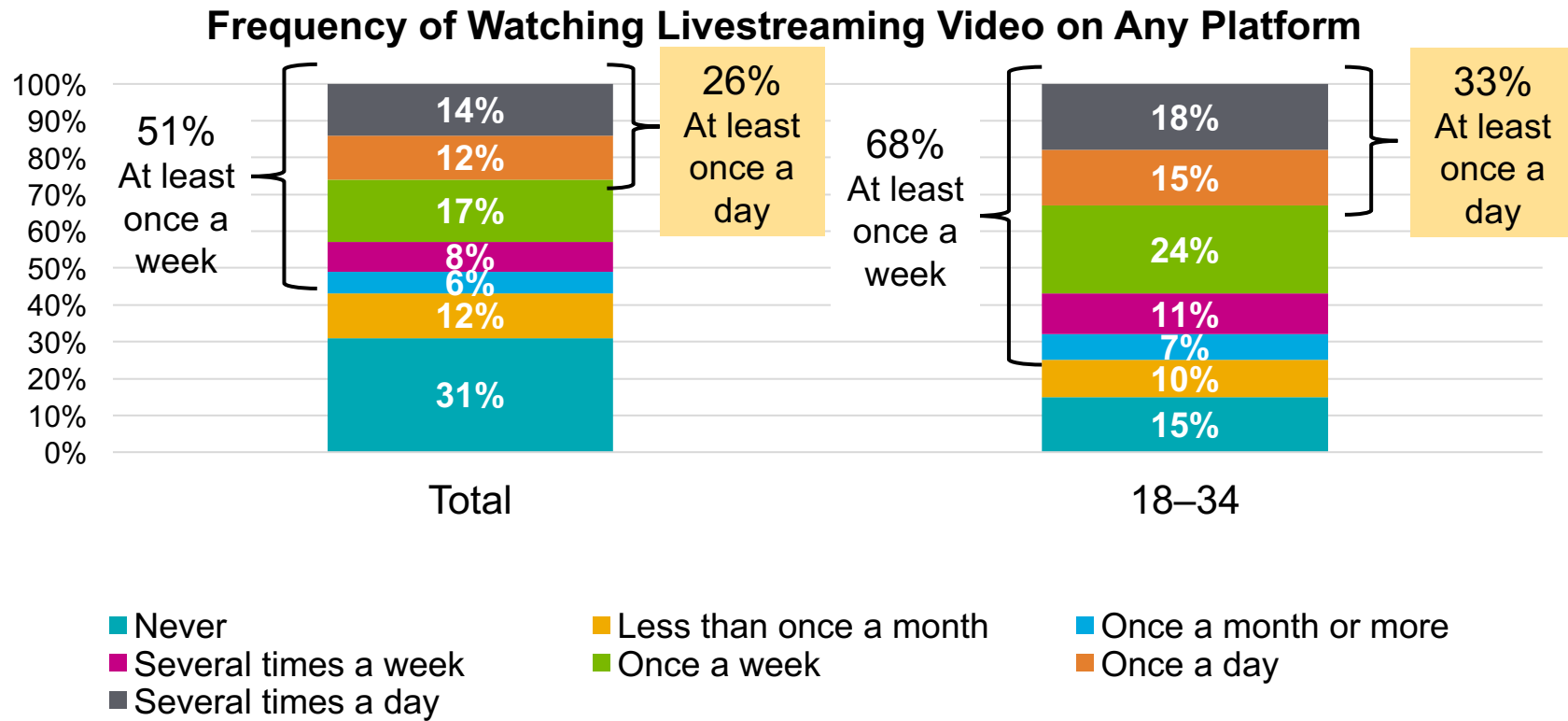
Those Rating Their Interest 4 or 5 on a 5-Point Scale



Those without a skinny bundle. Total N=1,915. Q12.1: How interested are you in subscribing to a skinny bundle? In a skinny bundle you choose a cable/satellite package with a smaller number of channels at a lower price than a typical cable bundle.

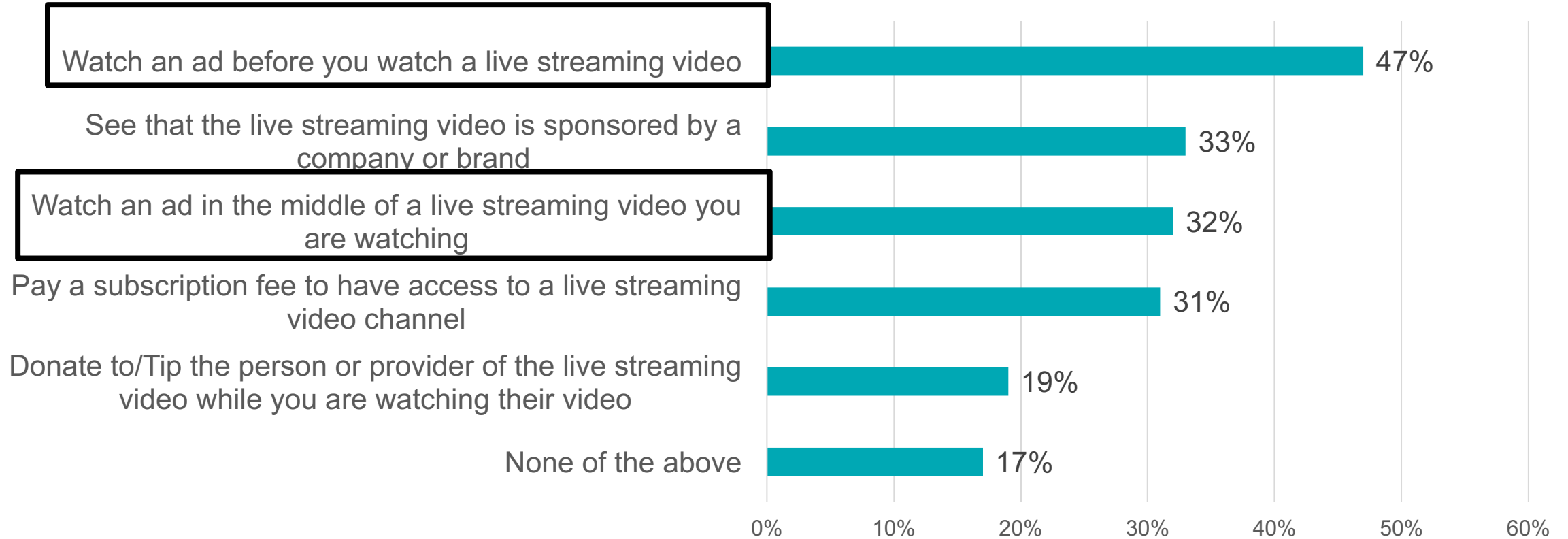
Livestreaming Video

Over Half of Online Users 18+ Watch Livestreaming Video Every Week—Two-Thirds of Those 18–34



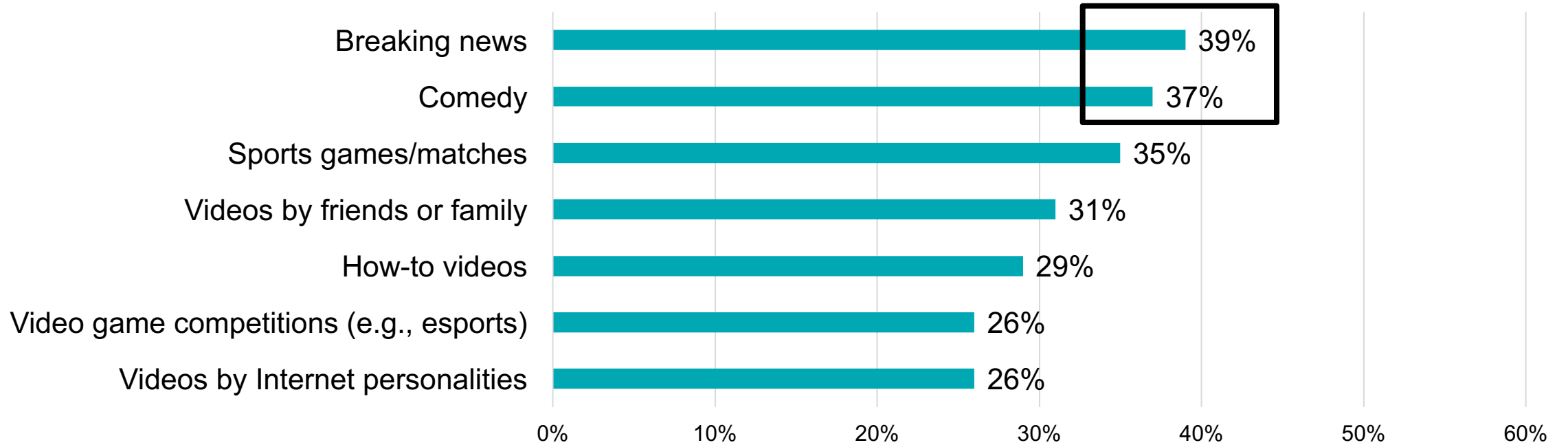
Total N=2,007. Q40.1: How frequently do you watch LIVE streaming video? This is watching Internet video that is being produced live to watch on a computer, smartphone, tablet, or TV connected to the Internet, and can be about anything from competitive video game playing to a how-to makeup video.

Live Streaming Video Payment or Viewing Methods



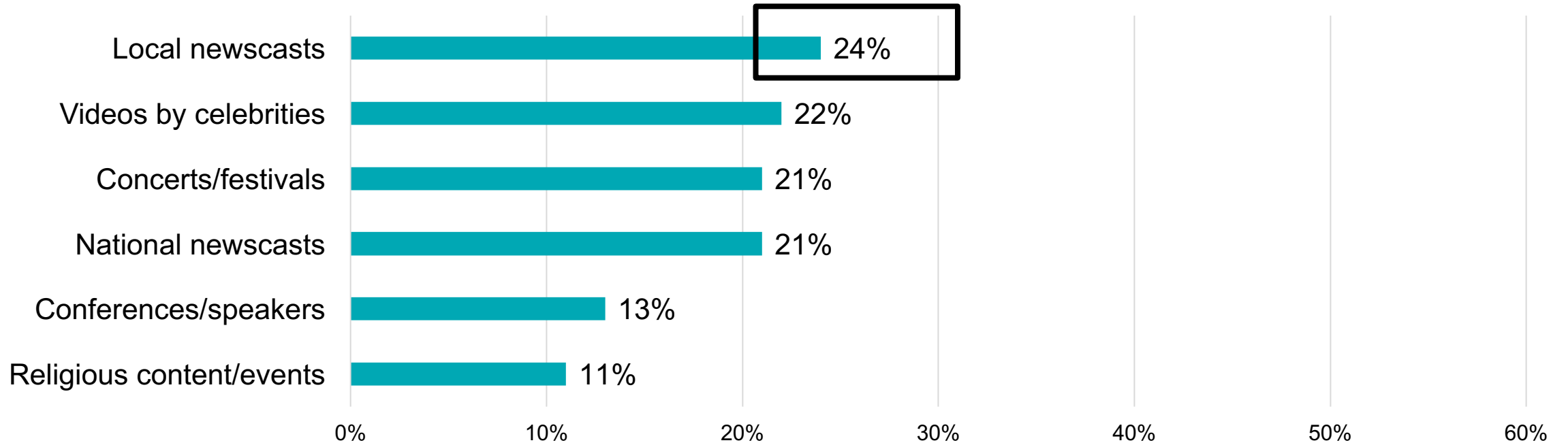
Monthly livestreaming viewers. N=1,147. Q40.7. Which of the following payment or viewing methods would you be willing to do in order to watch LIVE streaming video?

Top 7—Watched by More Than One-Quarter



Monthly livestreaming viewers. N=1,147. Q40.5: What types of LIVE streaming videos do you currently watch? Again, we're talking about the types of Internet video you watch that are being produced live to watch on a computer, smartphone, tablet, or TV connected to the Internet, and can be about anything from competitive video game playing to a how-to makeup video.

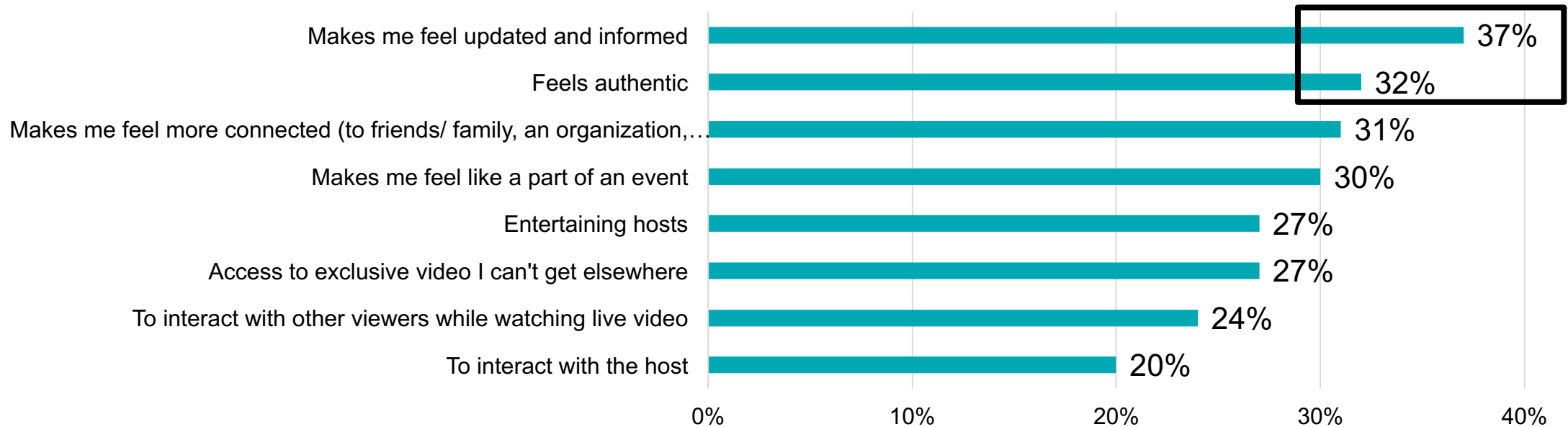
Bottom 7—Watched by Less Than One-Quarter



Monthly livestreaming viewers. N=1,147. Q40.5: What types of LIVE streaming videos do you currently watch? Again, we're talking about the types of Internet video you watch that are being produced live to watch on a computer, smartphone, tablet, or TV connected to the Internet, and can be about anything from competitive video game playing to a how-to makeup video.

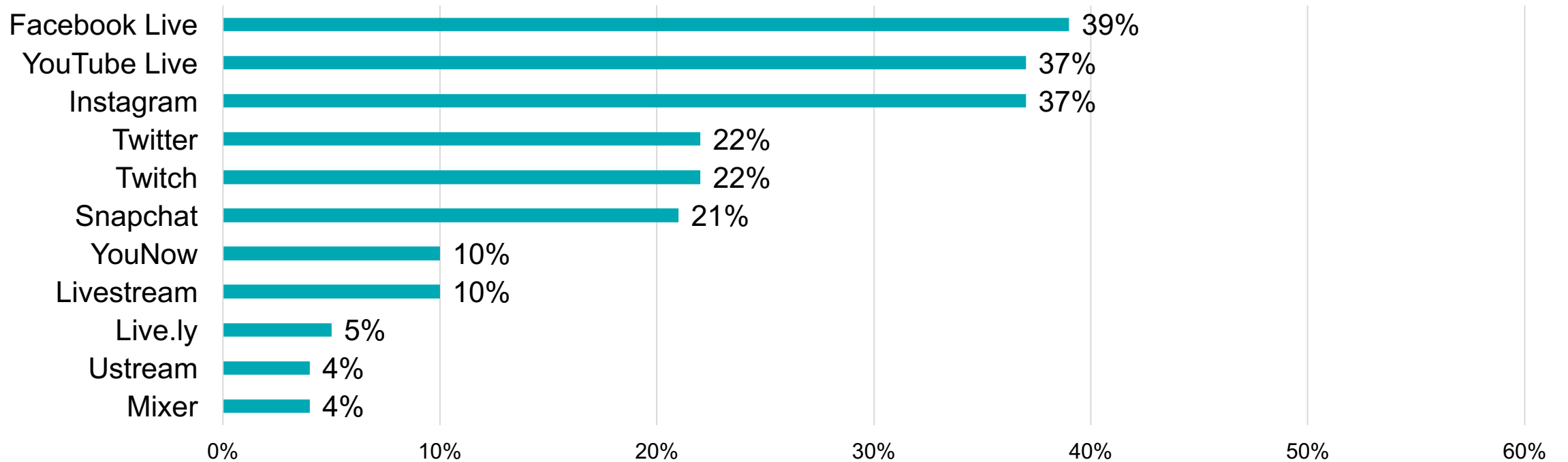
Livestreaming Feels Authentic

Reasons to Watch Livestreaming Video



Monthly livestreaming viewers. N=1,147. Q40.5: What types of LIVE streaming videos do you currently watch? Again, we're talking about the types of Internet video you watch that are being produced live to watch on a computer, smartphone, tablet, or TV connected to the Internet, and can be about anything from competitive video game playing to a how-to makeup video.

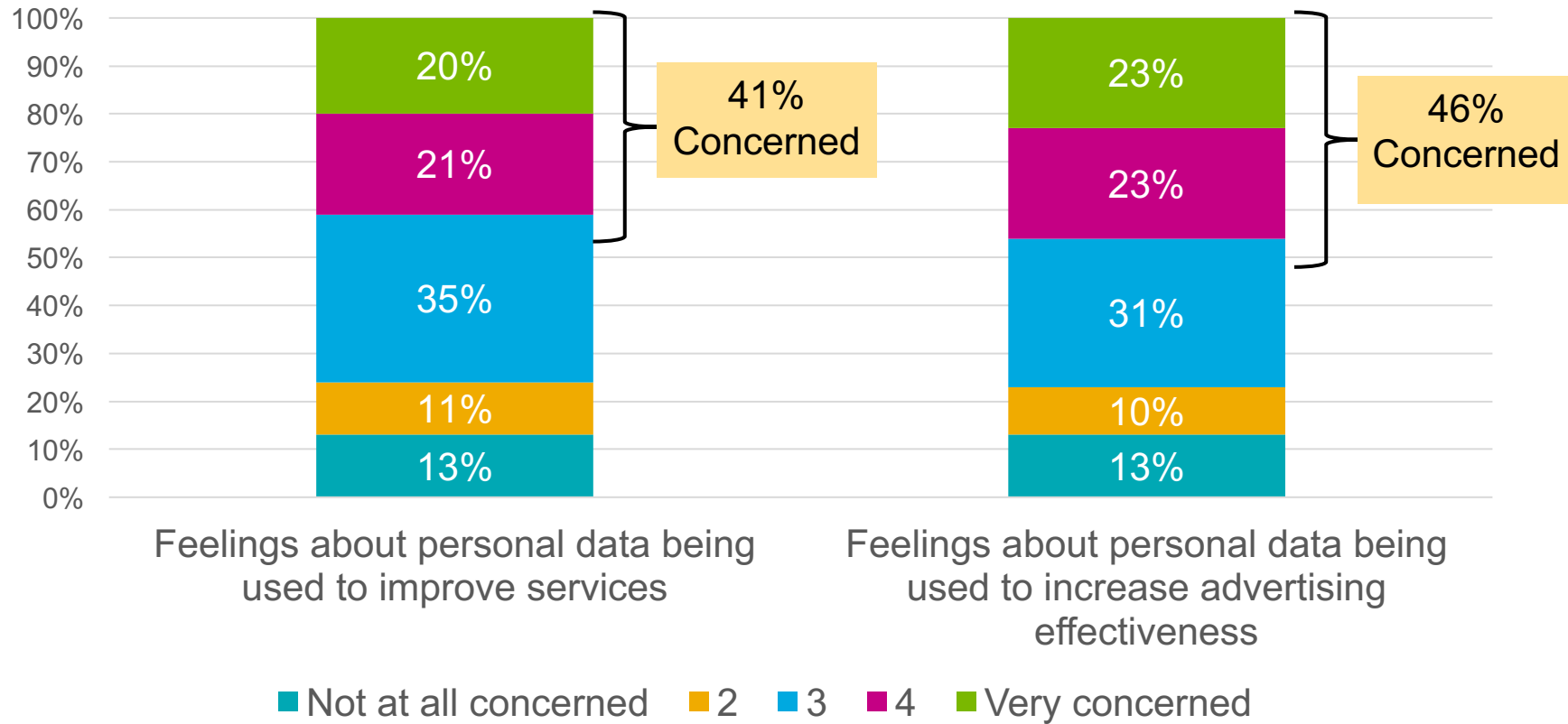
Platform Used to Watch Livestreaming Video



Monthly livestreaming viewers. N=1,147. Q40.3: Which of the following do you ever use to watch LIVE streaming video? This is any service that you use to view video content that is being produced live to watch on a computer, smartphone, tablet, or TV connected to the Internet.

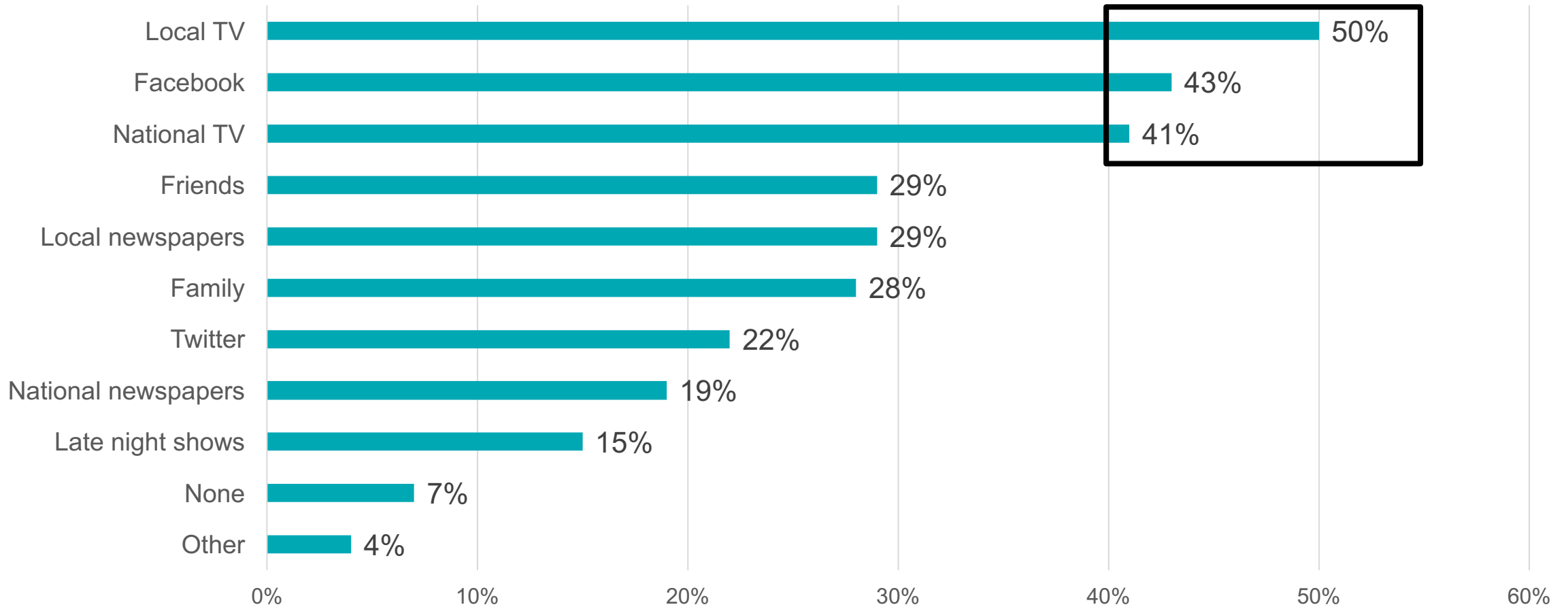
Data Privacy & Fake News

Less Than Half Concerned Over Company Use of Personal Data



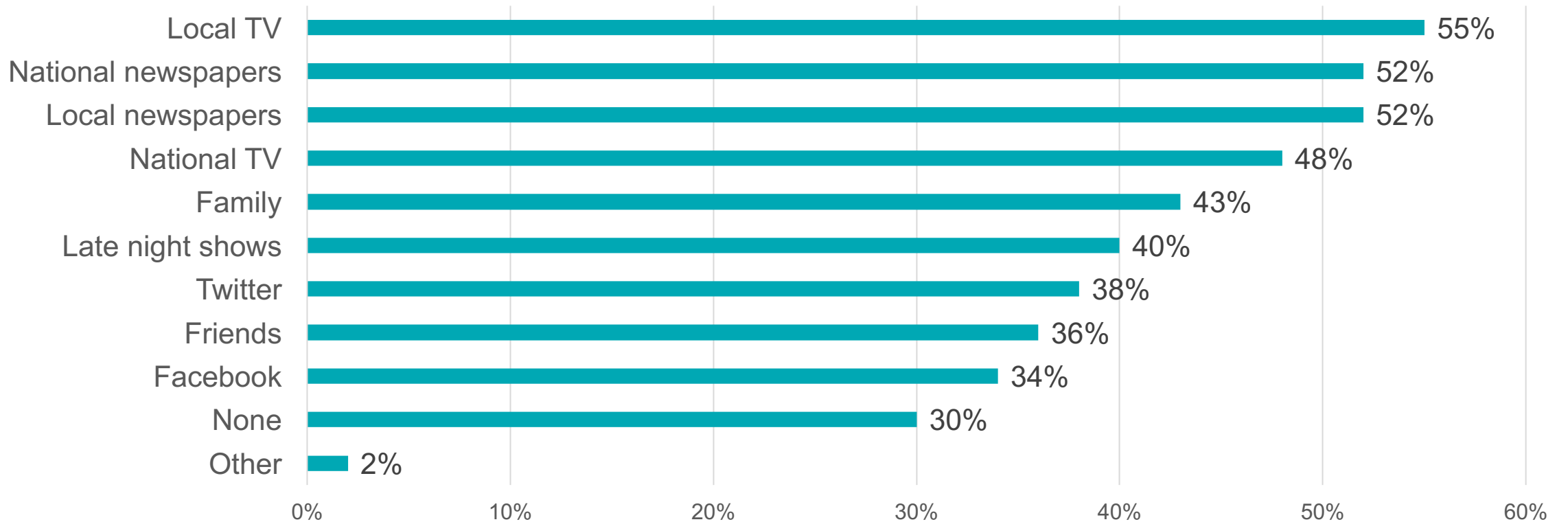
Total N=2,007. Q190A. How concerned are you about digital companies using your media consumption data to improve their services? Q190B. How concerned are you about digital companies using your media consumption data to increase their advertising effectiveness?

TV Remains a Top Source for News Alongside Facebook



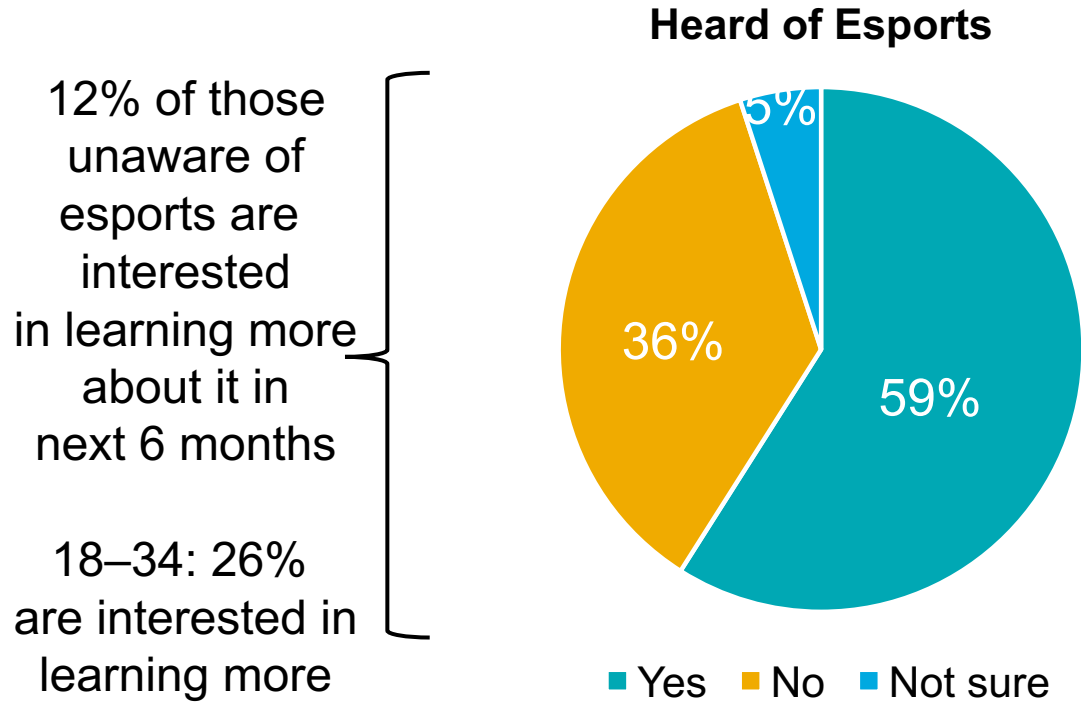
Total N=2,007. Q190C. Which of these sources of news do you regularly (at least once per week) use:

% Perceiving Source as Credible and Rejecting of Fake News



Based on those who say they regularly use these sources. Q190D. Which of these sources would you describe as very credible and rejects fake news?

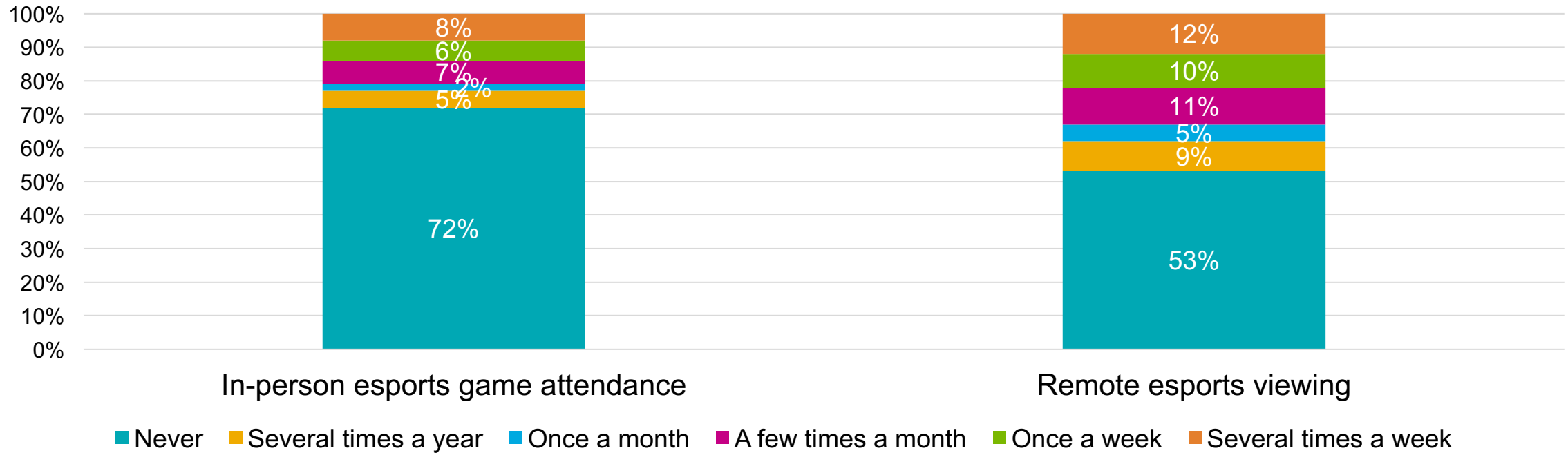
Esports



N=2,007. Q123: Have you ever heard of esports? Esports, also known as competitive gaming, is where top-tier players compete in video games such as League of Legends, DOTA, Overwatch, Hearthstone, and Counter-Strike: Global Offensive (CS: GO) for trophies and prize money. Q123A: How interested are you in learning more about esports in the next 6 months? (Those unaware, N=814)

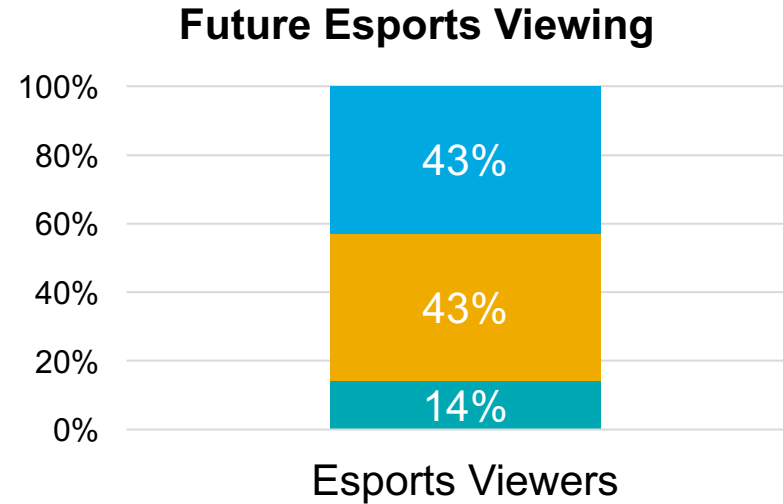
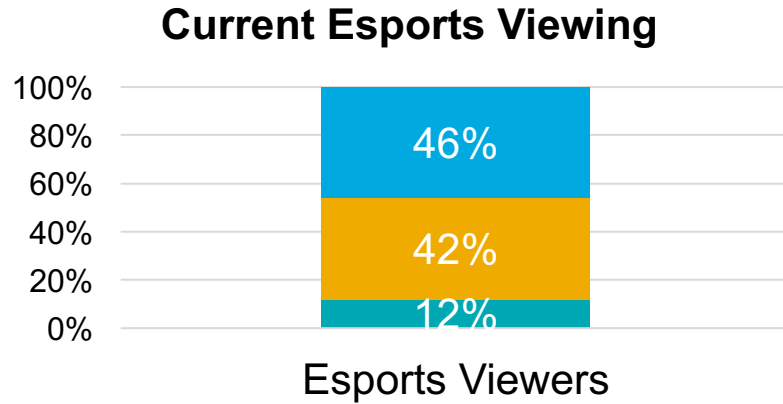
37% Attend Esports Events in Person at Least Once a Year

Frequency of Watching Esports In Person or Remotely



Aware of esports N=1,193. Q123.2: How often do you attend esports games in person? Q123.2A: How often do you watch esports games remotely, not attending in person?

The Future Looks Bright for Esports—Viewing Is Growing Among Current Viewers



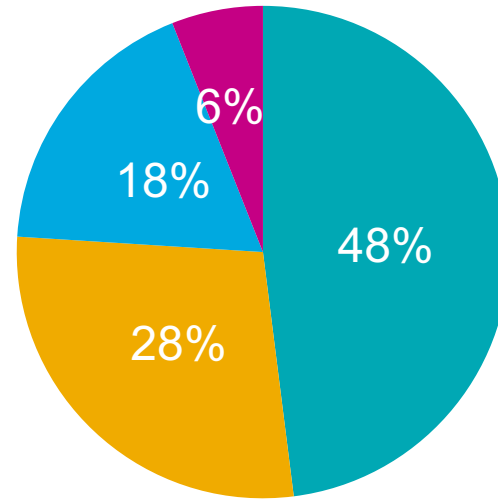
■ I watch esports more than I did 6 months ago

■ I anticipate spending more time watching esports in next 6 months

■ No change

Esports Viewers N=568. Q123.2B: How has the amount of time you spend watching esports (whether in person or remotely) changed over the past 6 months? Q123.2C: How do you think the amount of time you spend watching esports over the next 6 months will change?

Preferred Payment Model for Esports

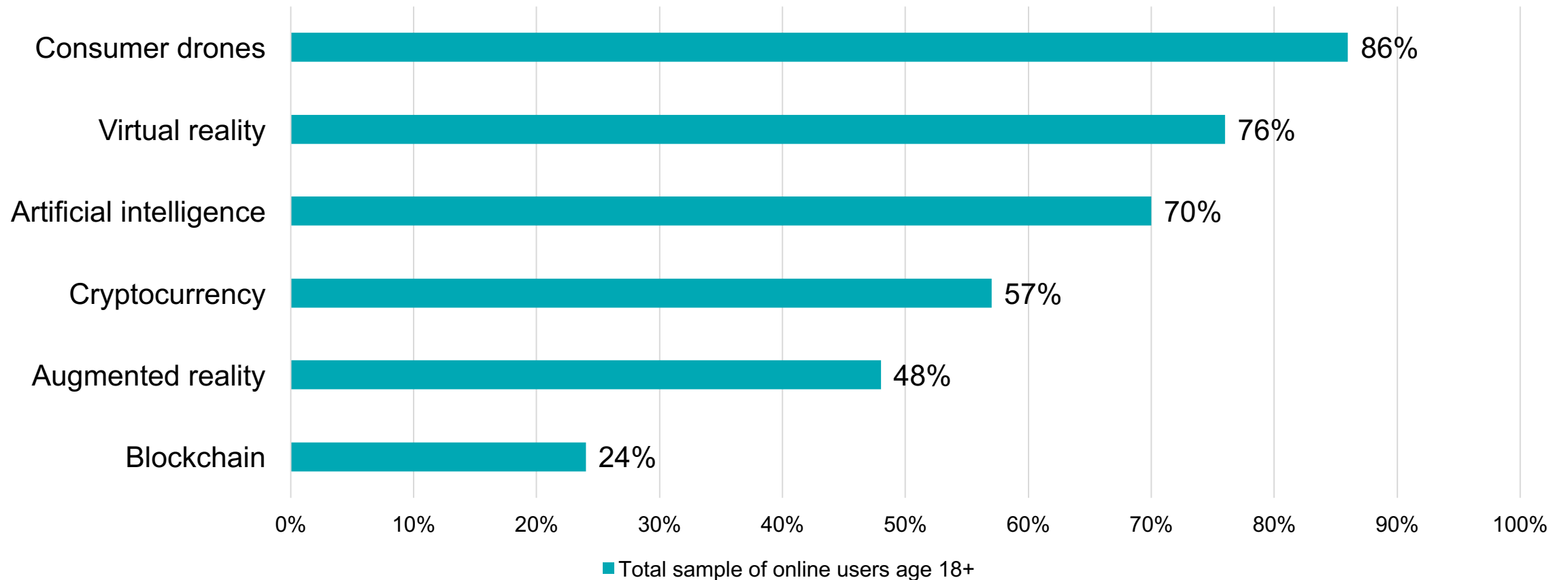


- Esports content watched live and on demand with ads for free (like on YouTube, Twitch, network TV)
- Esports content watched live and on demand for a subscription fee, but with no ads (this would include access to exclusive digital goods and content)
- Esports content that I make a one-time purchase for and download or stream over the internet (like pay-per-view, or single event tickets for online viewing)
- None of the above

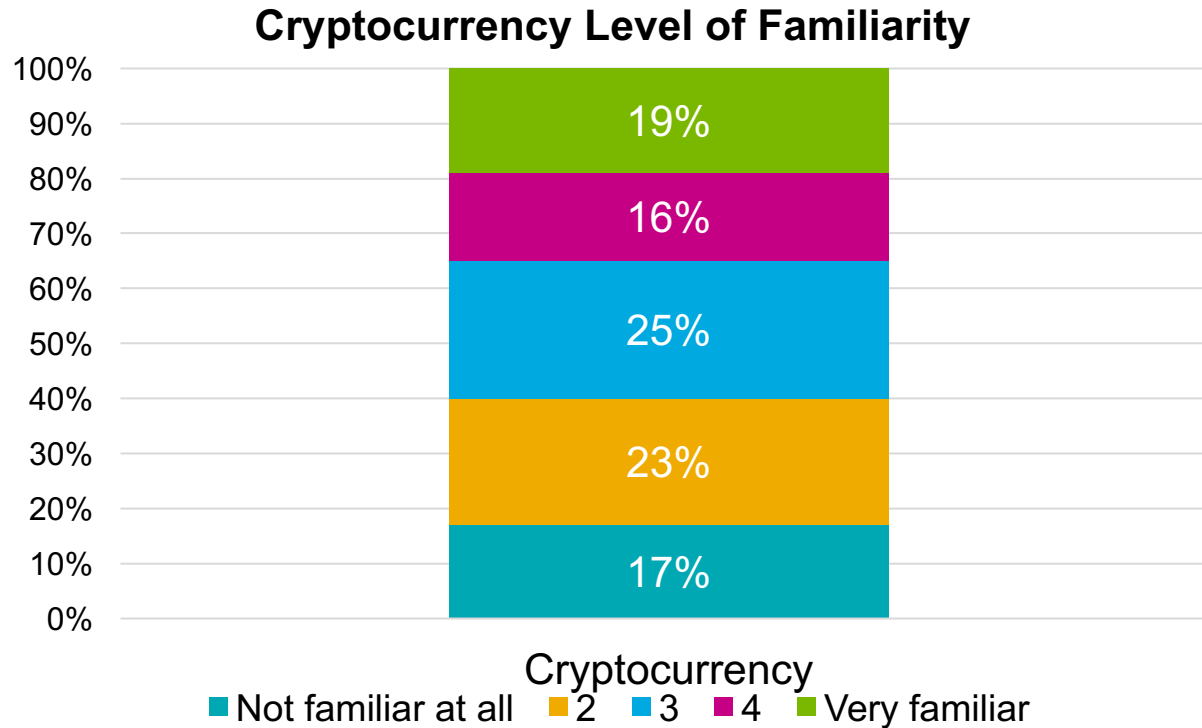
Esports Viewers N=568. Q123.6F1: By which of the following payment models would you prefer most to watch any type of esports content?

New Frontiers

Percentage Aware of New Technologies



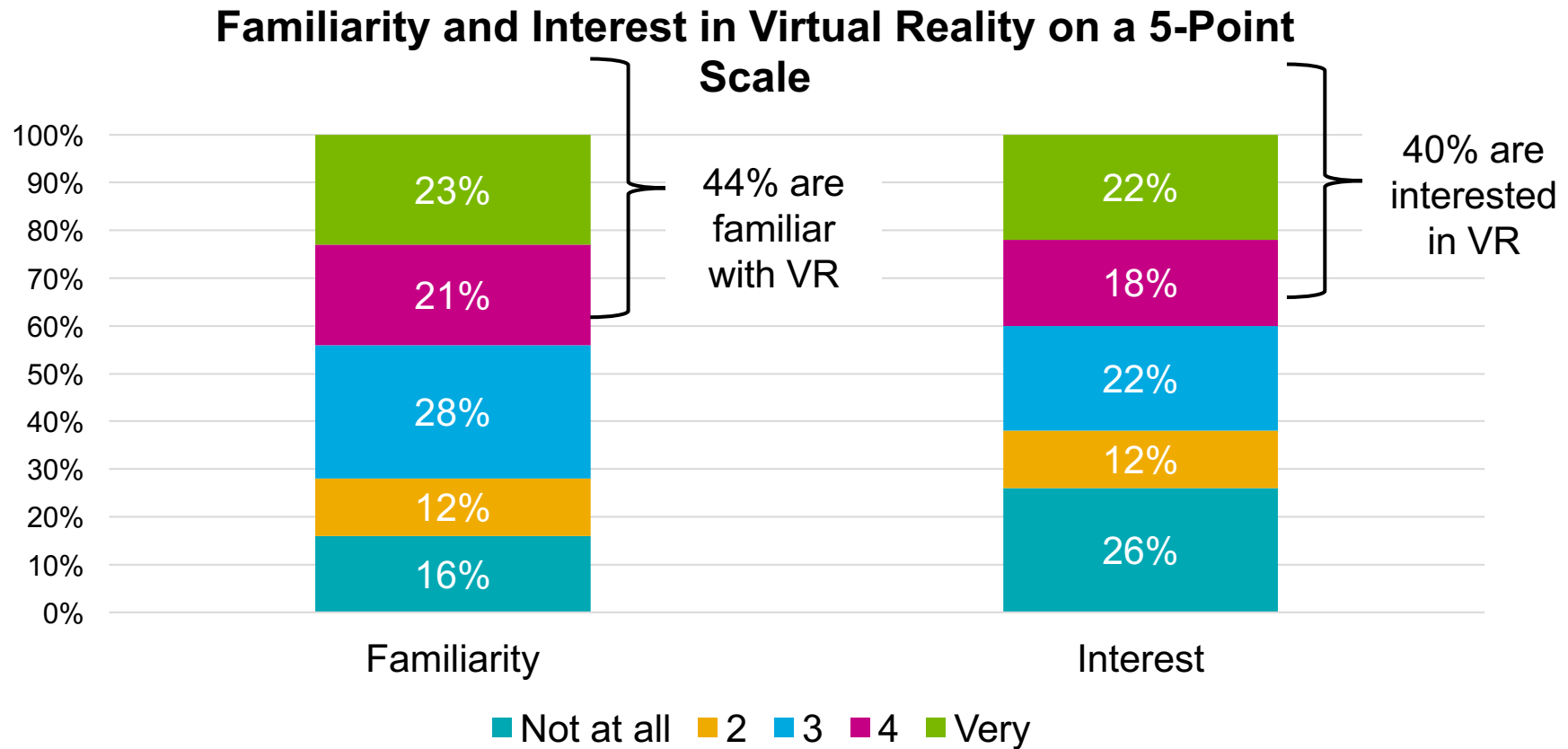
Media consumption survey: Total N=2,007. Q150: Have you heard the following terms or concepts before?



21%
likely to buy
cryptocurrency in
the next 12 months

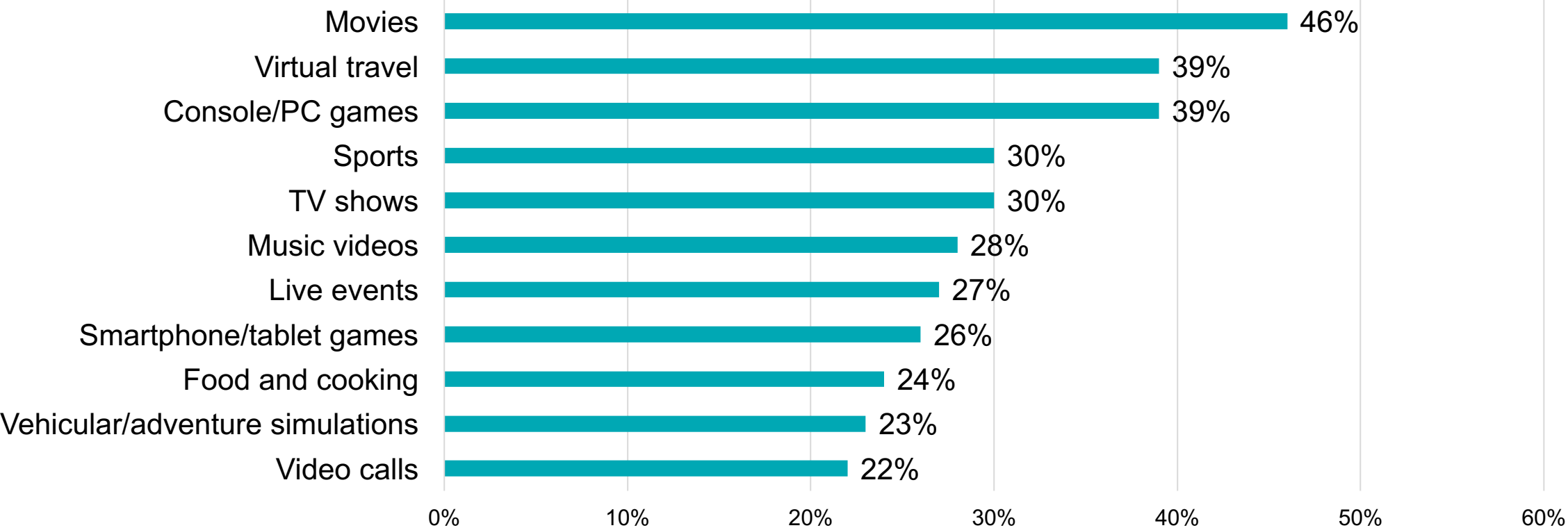
66%
unlikely to buy
cryptocurrency in
the next 12 months

Heard of cryptocurrency N=1,192. Q150.1: How familiar are you with cryptocurrencies? Cryptocurrencies are digital or virtual currencies that use cryptography for their security features. This security feature makes it hard to counterfeit a cryptocurrency. Q150.3: How likely are you to buy any cryptocurrency in the next 12 months?



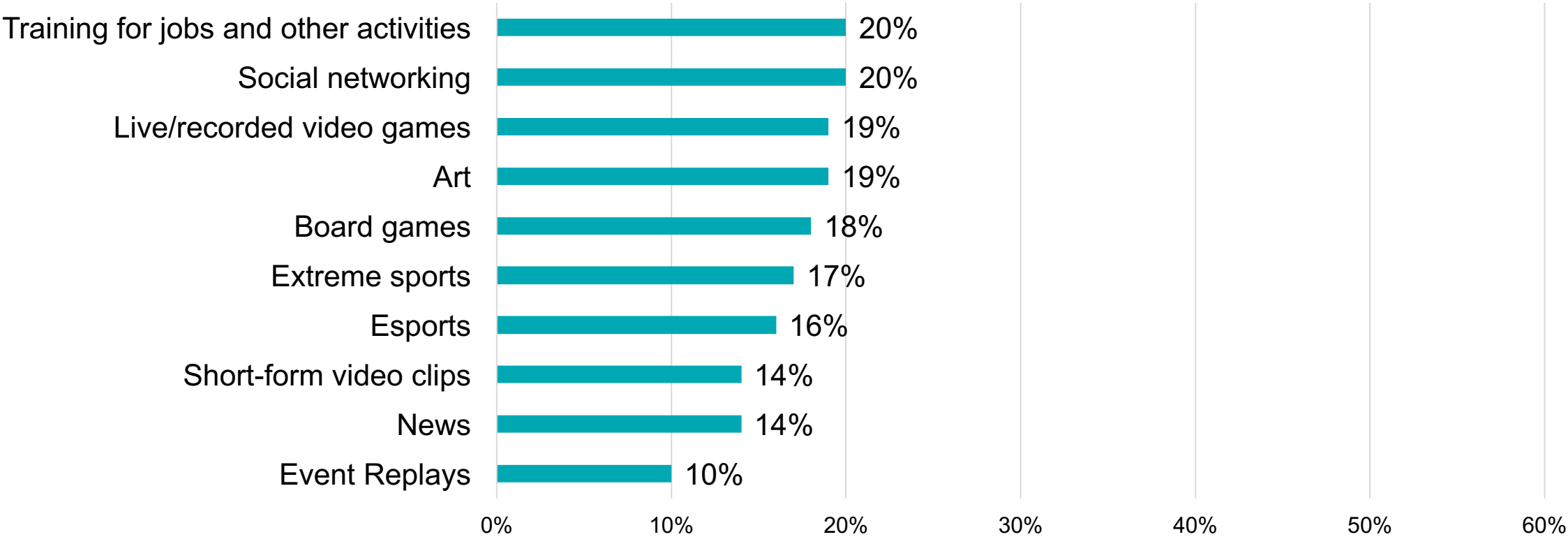
Total N=2,007. Q151: How familiar are you with the concept of virtual reality (VR)? Q152: How interested are you in virtual reality?

Interest in Virtual Reality Content—Top 11

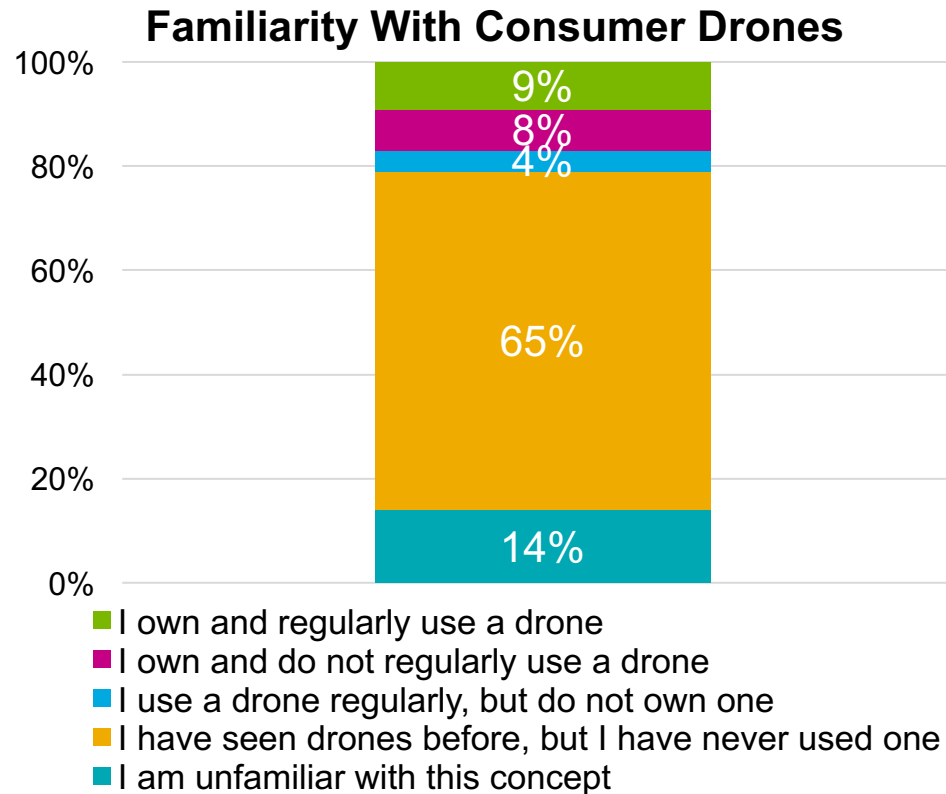


Those at 4 and very interested in VR. Total N=1,240. Q152.5: What kind of content would you be interested in experiencing through virtual reality?

Interest in Virtual Reality Content—Bottom 10



Those at 4 and very interested in VR. Total N=1,015. Q152.5: What kind of content would you be interested in experiencing through virtual reality?



8%
of nonowners are likely to buy a consumer drone in the next 12 months

72%
are unlikely to buy a consumer drone in the next 12 months

Total N=2,007. Q154: How familiar are you with consumer drones? Consumer drones are small remote-controlled vehicles that fly using mini-rotors that are often used by owners to take pictures and videos from high-altitudes that can be streamed to a mobile device such as a smartphone or tablet. Q155.2: How likely are you to buy a consumer drone in the next 12 months? (Based on nonowners N=1,668)

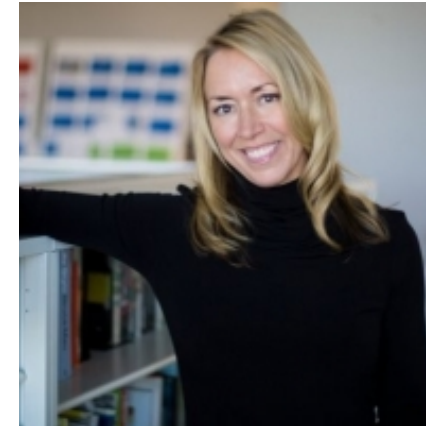
- **Nationally representative online survey of N=2,007 online users**
 - Ages 18+
 - Sample matched to the U.S. Census for age, gender and race
 - Study focus: media attitudes and behaviors of consumers on a broad range of topics
 - Data collected June 13–17, 2018
 - Average survey length 20 minutes
 - Respondent recruitment completed by a high-quality online research panel and data collection firm



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