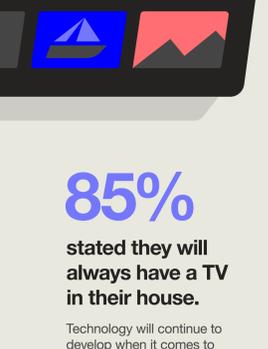


Thinking Inside the Box.

Viewers' perceptions of TV in changing times – considerations for advertisers.

The TV landscape is rapidly transforming from the developments in technology to the rise of catch-up TV and addressable. In this major, comprehensive study of TV and addressable advertising, we're getting to the bottom of what this means for viewers with our research project **Thinking Inside the Box**. From asking 'what is TV?' to 'how does addressable advertising impact viewer engagement?', **Thinking Inside the Box** tackles it all.

A transforming space.



BVOD is beginning to evolve into something more than a catch-up service.

Within this dynamic and evolving sector, viewers told us that Broadcaster-Video-On-Demand (BVOD catch-up services) has been a key catalyst for their changing habits, allowing them to view what they want; most importantly when they want. In the minds of viewers, BVOD is beginning to evolve into something more than a catch-up service.

70% of 16-34s felt the way they view TV has changed.

Viewer behaviour is consciously evolving; viewers are aware of the never-ending volume of content that sits at their fingertips, 'with 70% of 16-34s in our sample stating they felt the way they view TV has changed in the past 5 years.'

85% stated they will always have a TV in their house.

Technology will continue to develop when it comes to TV, with kids trying to touch TV screens and people already replacing traditional monitors with projectors. However, although some things are changing, the big screen is here to stay, with 85% stating they will always have a TV in their house.

It caters to each need, it's so individual.

There is far more choice on catch up TV; you can watch what you want and when you want.



There will always be a place for a television being in the house. The same way that... thousands of years ago people still really do the same thing, like sit around, a central thing and the TV became that central thing they sit around. Thousands of years ago it was a fire.

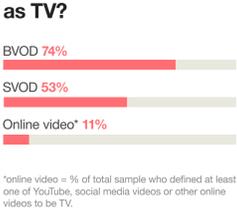
A house without a TV would feel empty.

So, what is TV from a viewer perspective?

We wanted to know amongst the rise of BVOD, SVOD and online video, what viewers define TV to be, and what it takes for viewers to define TV to be 'TV worthy'. We asked viewers to write down their definition of TV, and some clear themes emerged...

Viewers are unsure of what TV is now.

There are blurred lines, and viewers are unsure of what TV is now, they are aware it has become much more complicated, but perceptions clearly haven't caught up to behaviour!



*online video = % of total sample who defined at least one of YouTube, social media videos or other online videos to be TV.



It's weird now because the gaps are getting blurred between what is and what isn't.

Watching TV provides comfort and relaxation, whilst online video is more about being informed or passing the time.

Being 'TV worthy' is about much more than just entertainment, with other, often more emotional need states playing a big role. Although entertainment ties video content across the board together, TV provides a time to relax whilst online video is more so about being informed or passing the time.

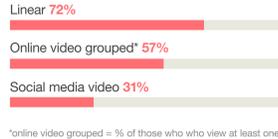
I now consider catch up and YouTube as TV, whereas 5 years ago it was only broadcast TV.

I think I see TV differently than I do with Netflix and YouTube and all those things. And I think probably kids would think totally differently.



Younger generations are more likely to consider online video to be TV.

Younger generations are more likely than older age groups to consider online video to be TV, but also more likely to be using it to fulfill more emotional needs, from 'feeling part of a community' to entertainment and are drawn to the real, raw, personalised content they can view online.



*online video grouped = % of those who view at least one of YouTube, social media videos or other online videos at least monthly and consider at least one to be quality content.



However, TV at its core will always be professionally produced content that is highly regulated.

TV is perceived as a safe pair of hands but with more mass appeal, whilst online videos can be random, more niche and varied in their content, but can also be more individually tailored to viewers.

[TV vs. online vid] They're more trusted because people assume it's regulated. If something comes up on normal telly I think that they have to do a kind of content and they can't just put anything up.

The story of TV advertising.

Viewers have different habits and thoughts when it comes to TV ads, with the power of TV advertising in their minds based around the stories the ads can tell.

When it comes to trust, TV leads the way.

35-44s were most likely to enjoy watching TV advertising

35-44s were the most likely age range to enjoy watching TV advertising (25%) but 16-34s were the most likely to recall taking action after viewing a TV ad (31%).

Which of the following forms of advertising would you say you trust the most?



(Base: Those open to advertising, 600)



I think if an advert is good it stays with you forever.

Appetite for addressable.

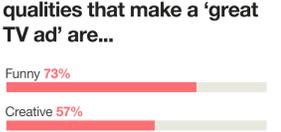
Relevance and personalisation are future expectations for viewers, with evidence that more relevant ads would improve viewer experiences. This opinion is even more evident amongst younger generations. Subtlety is key, as in the minds of viewers there's a clear line between an ad that's relevant and helpful and an ad that's intrusive and off-putting.

There's a fine line between an ad that's relevant and helpful and an ad that's intrusive and off-putting.

33% of 16-34s found the idea of TV ads tailored to their lifestyle/interests appealing, with a further **46%** feeling neutral on the idea.

1 in 3 felt they would be more likely to view ads if they were relevant to them.

For those open to TV advertising, the top 5 qualities that make a 'great TV ad' are...



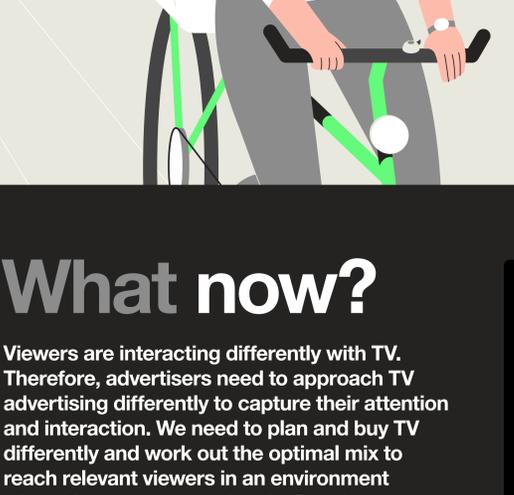
(Base: Those open to TV advertising, 668)

Social relevance is especially important to Gen-Z, with a significant **48% of 16-24s** stating a great TV ad should be socially relevant.

48% of 16-24s stated a great TV ad should be socially relevant.

If you have to watch the adverts why can't you choose what kind of adverts you want?

You'd only take it in if you were interested in it. Like if you hear something that catches your attention, you're going to start paying attention, whereas if you don't drive and it's about car insurance, it's probably going to go straight over your head.



What now?

Viewers are interacting differently with TV. Therefore, advertisers need to approach TV advertising differently to capture their attention and interaction. We need to plan and buy TV advertising differently and work out the optimal mix to reach relevant viewers in the environment where they are engaged and relaxed.

