

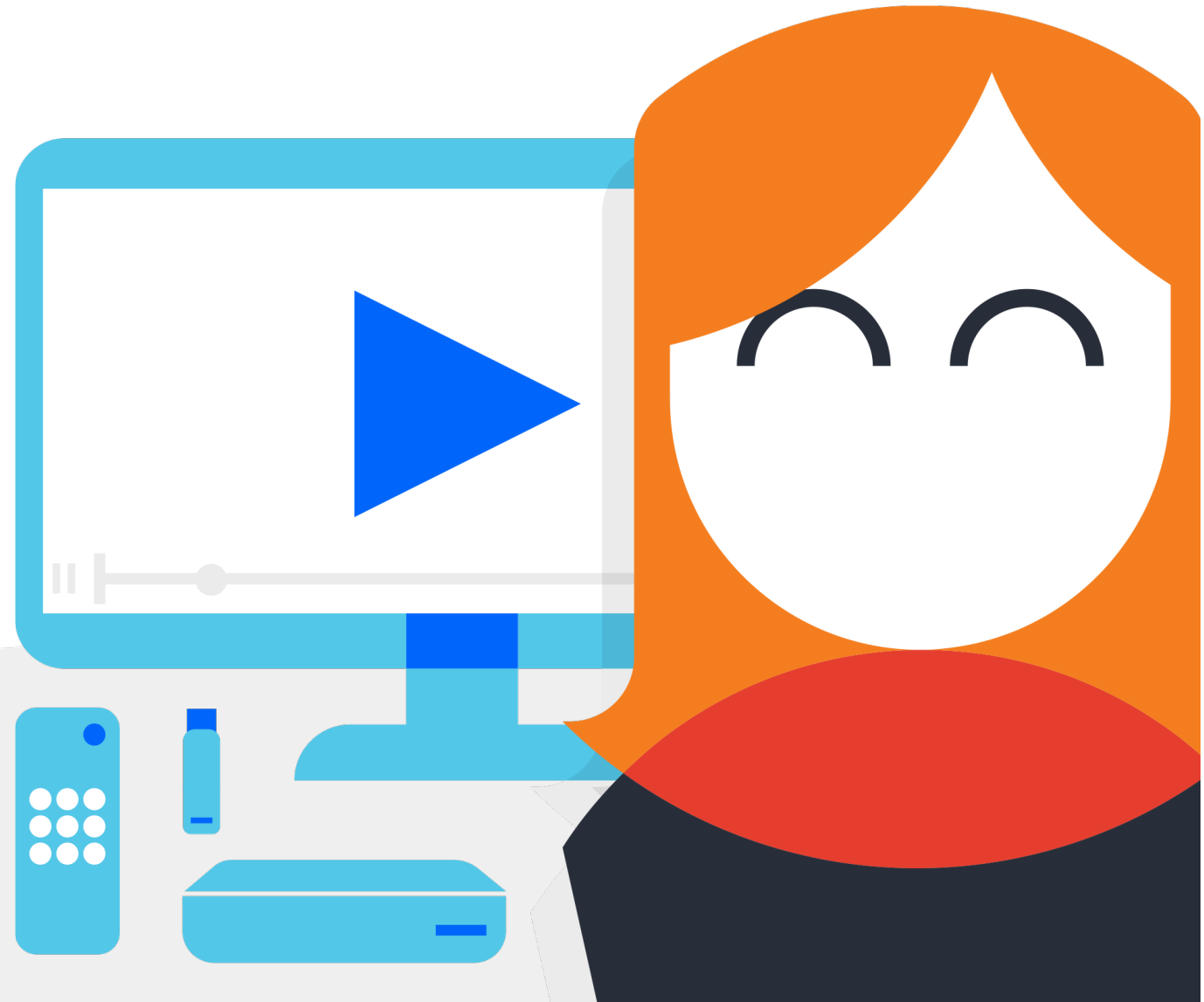
The State of OTT

James Muldrow

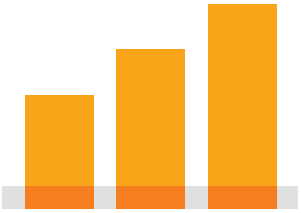
SR. DIRECTOR,
PRODUCT MANAGEMENT



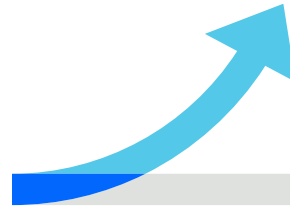
#StateOfOTT



Today's Agenda



**Recent trends and
COVID-19 impact**



**Drivers of growth in
streaming services**



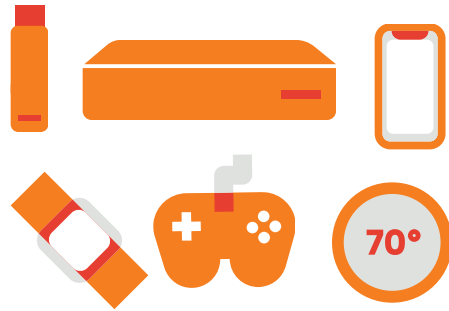
**OTT consumption in
context of other
services**

Comscore Total Home Panel offers several solutions to analyze and reach OTT viewers and device users



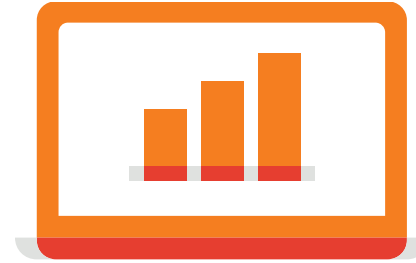
OTT INTELLIGENCE™

Measures over-the-top streaming content consumption across TV-connected devices.



CONNECTED HOME™

Delivers insight into the usage of all internet - or router-connected devices in the home – including IoT.



CUSTOM REPORTS & RAW DATA FEED

Provides unparalleled access to the complete Total Home Panel dataset for custom analyses.

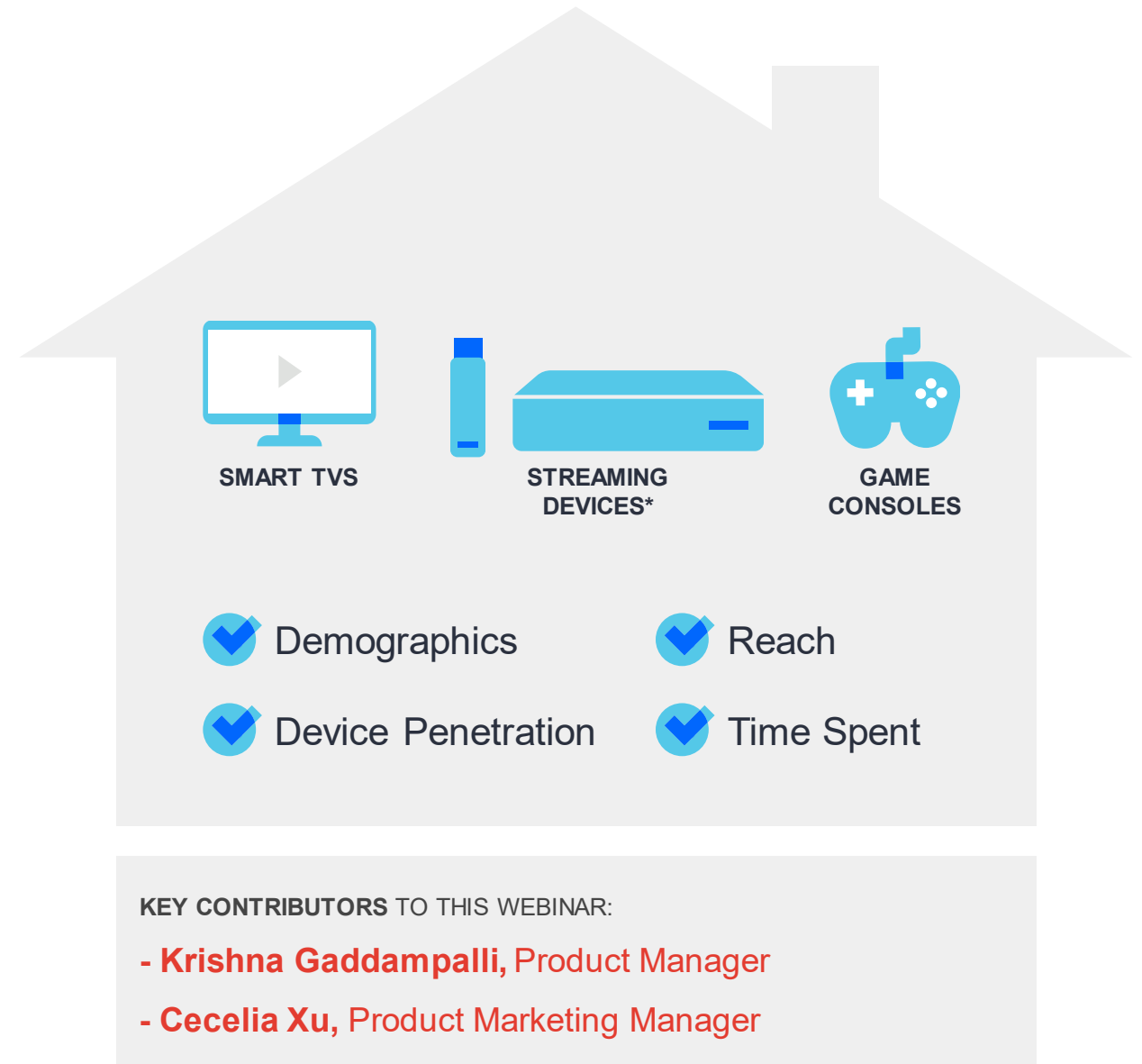


AUDIENCE TARGETING

Enables media buyers to reach audiences based on their OTT, SVOD and gaming behaviors.

About this report

- **The State of OTT is sourced from Comscore OTT Intelligence™**, which is powered by OTT consumption data from 75+ OTT services and accounts for the overwhelming majority of OTT usage.
- **When publishing or using information from this presentation**, please cite Comscore as sourced at the bottom of each slide and adhere to our [data usage policy](#).



Naming conventions: OTT vs. CTV (Connected TV)

Aligned with IAB's conventions on usage

OTT REFERS TO STREAMING CONTENT

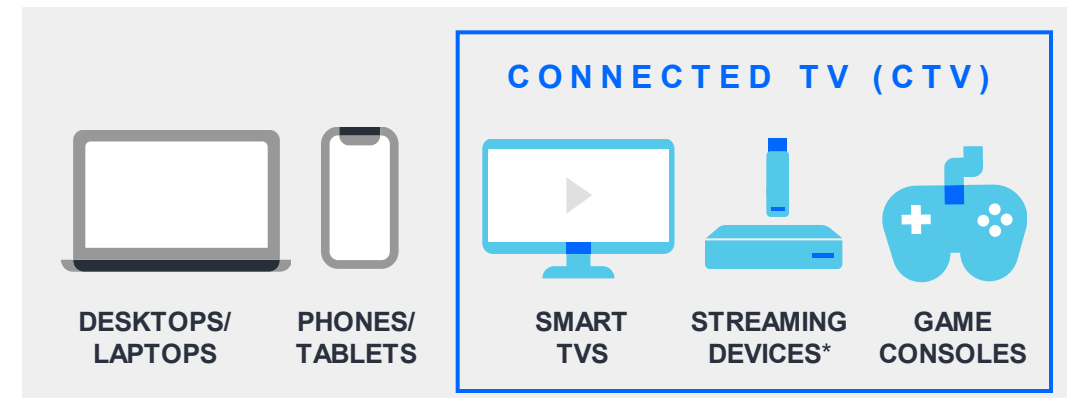
Any Internet-based content that is streamed on a device that is not a desktop, laptop, or mobile device.

Can include programming from subscription video-on-demand (SVOD) services, ad-supported services (AVOD), free VOD, and transactional VOD (e.g. iTunes).

CTV REFERS TO DEVICES

Devices that deliver video by connecting to a TV (e.g. boxes or sticks) or via functionality within the TV itself (i.e. smart TVs).

Common CTV device brands include Roku, Amazon Fire, and Apple TV.

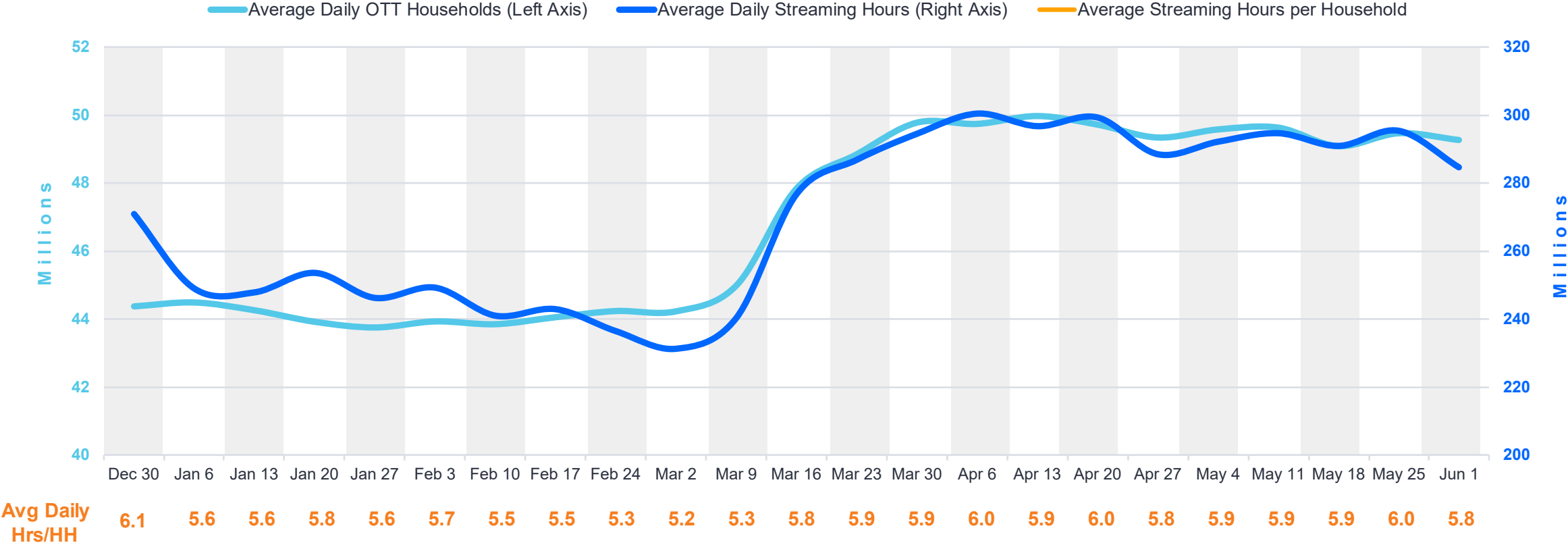


COVID-19 Impact



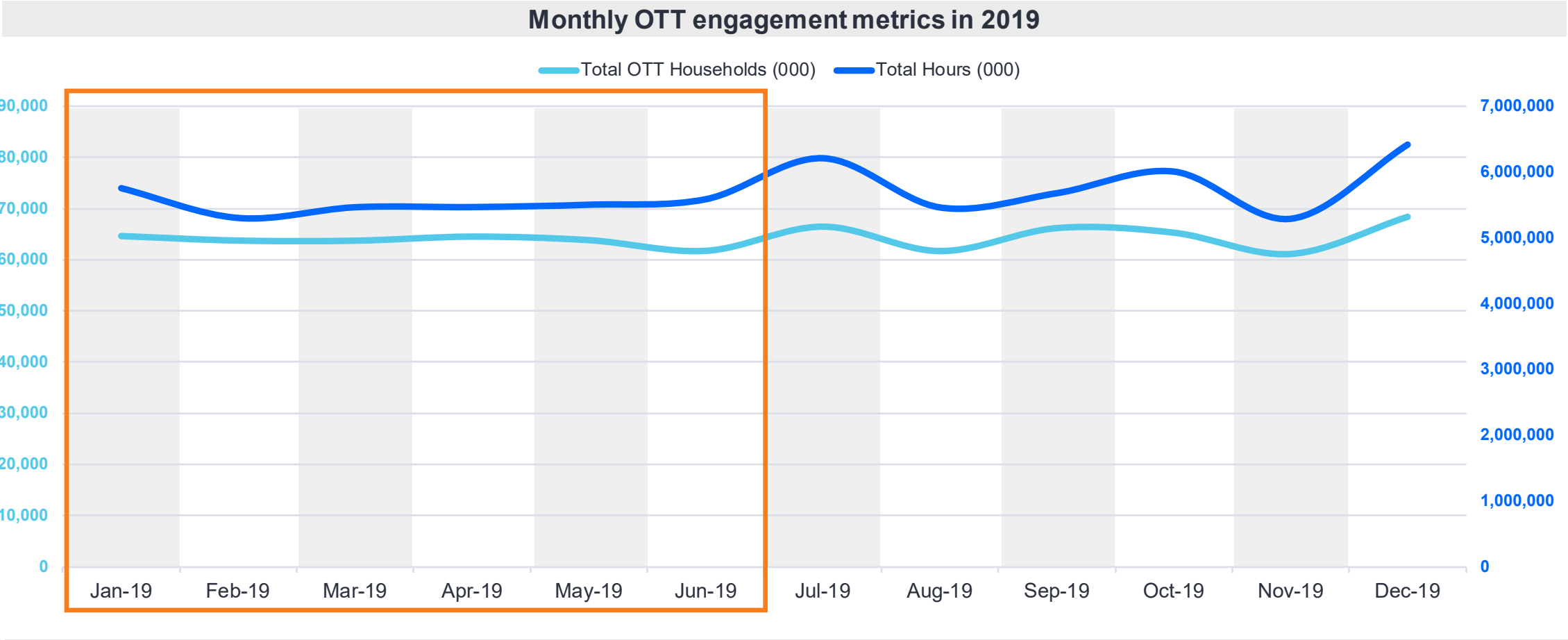
OTT consumption saw exceptional growth starting in early March 2020, and a plateau afterward

Average daily streaming households and hours by week (custom weekly data)

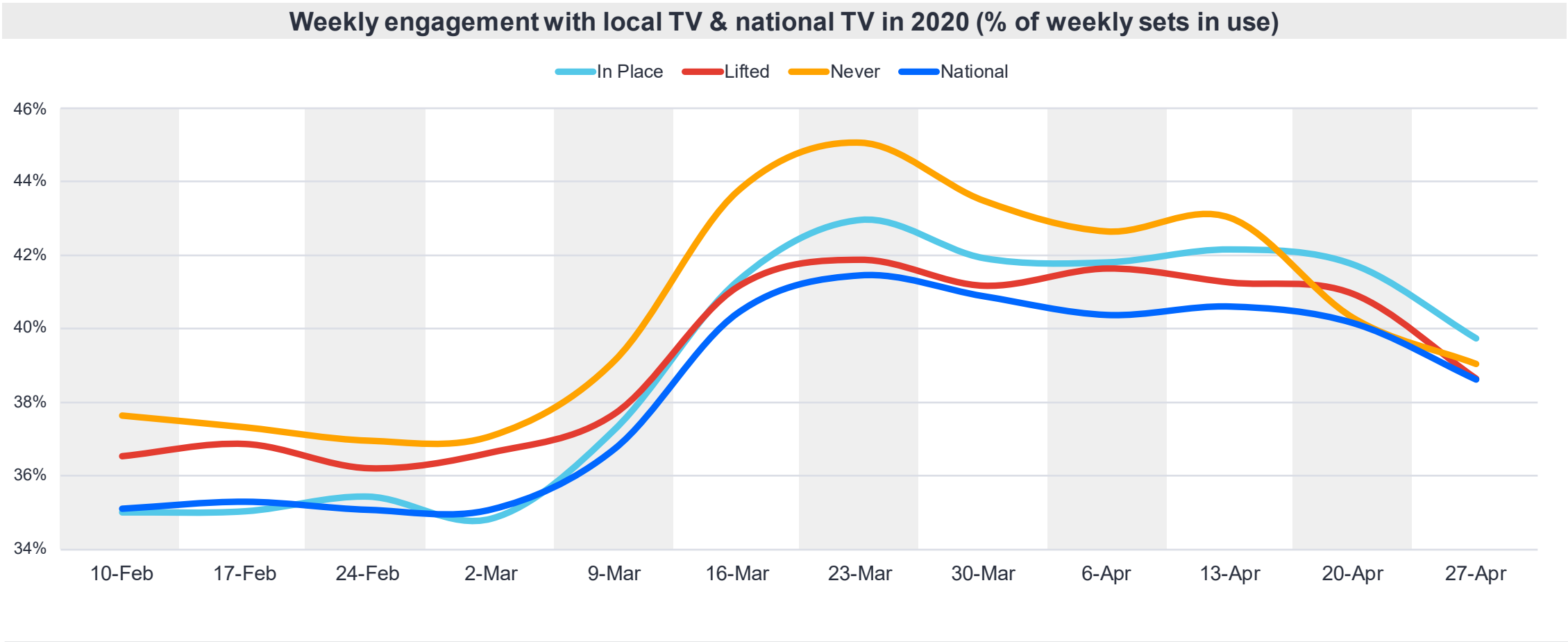


Avg Daily
Hrs/HH

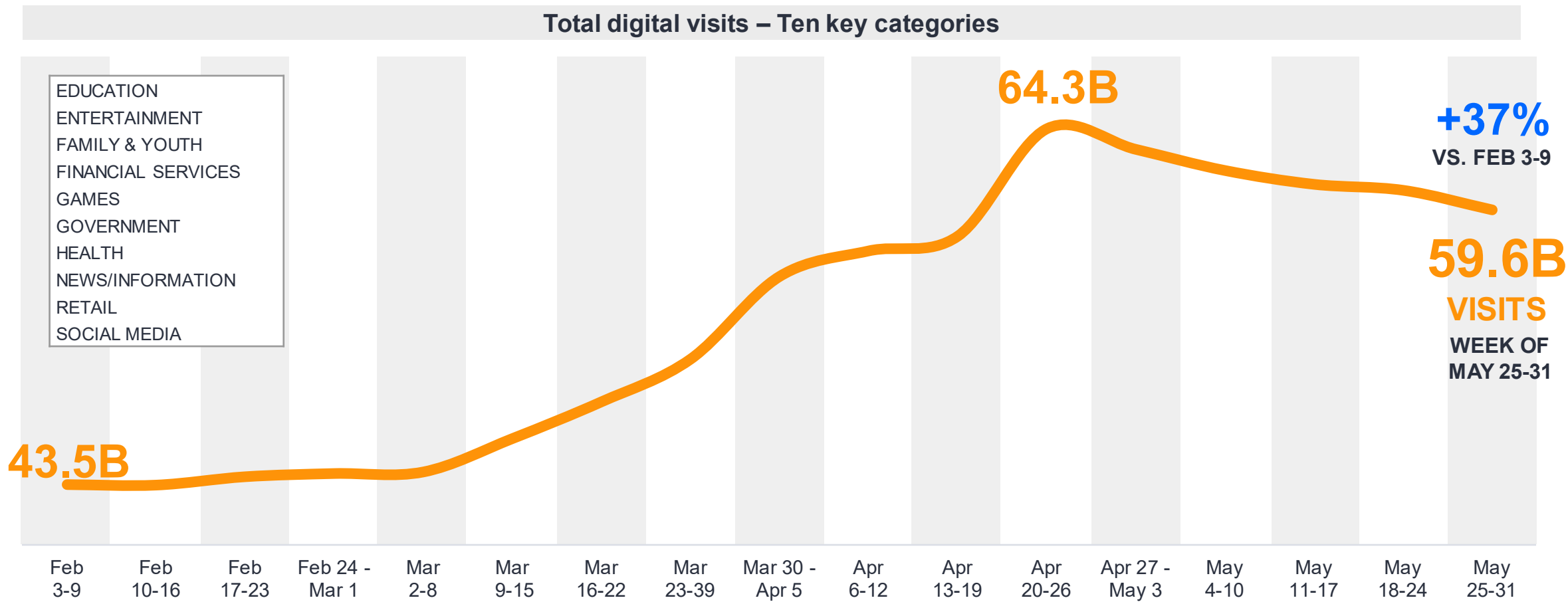
Comparing with 2019 OTT consumption shows that April-June 2020 was not affected by seasonality



TV consumption rose across the board, whether the market was affected by shelter in place orders or not



Consumption on desktop and mobile devices rose from 43.B to 64.3B total visits as online categories pivoted

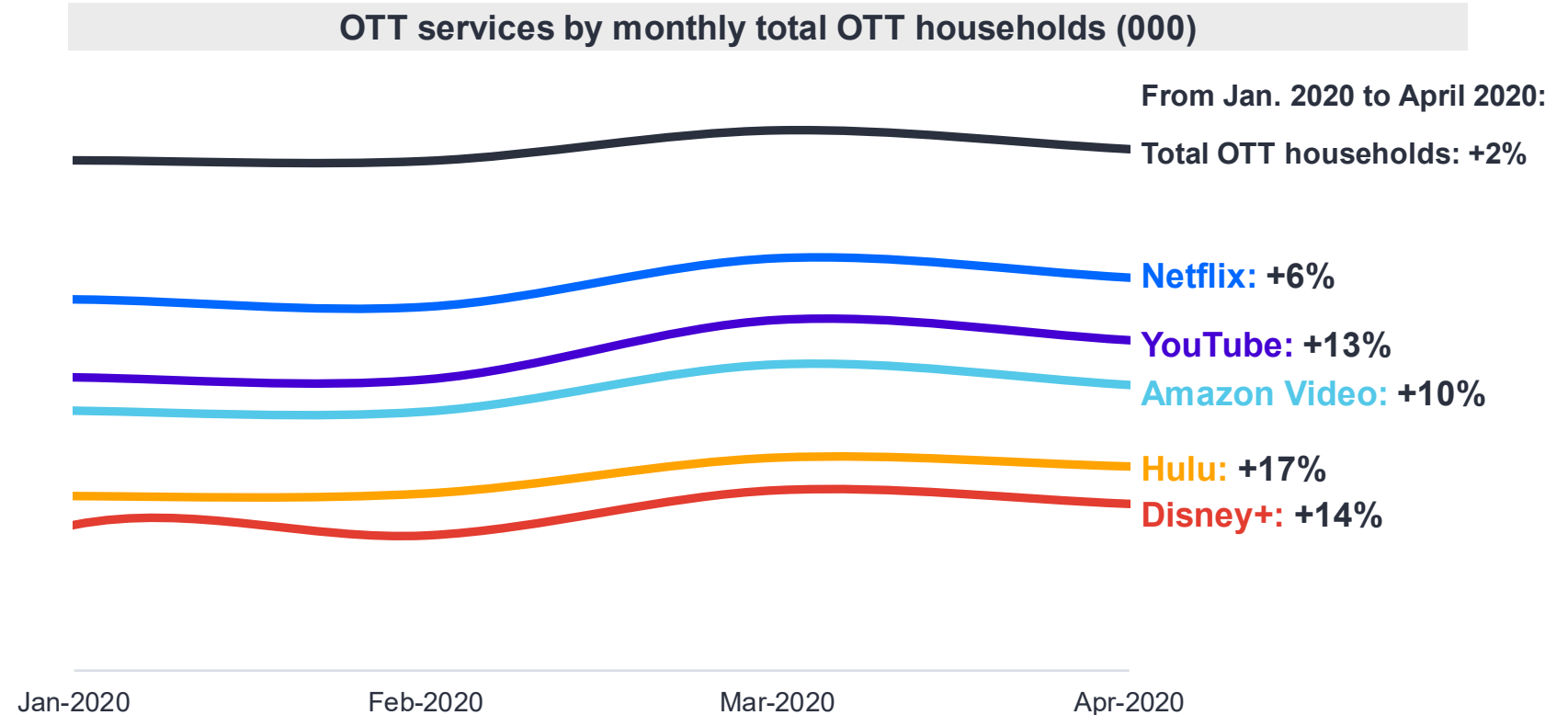


From the start of the year, we've seen shifts in the “Big 5” streaming services’ reach

The “Big 5” streaming services accounted for

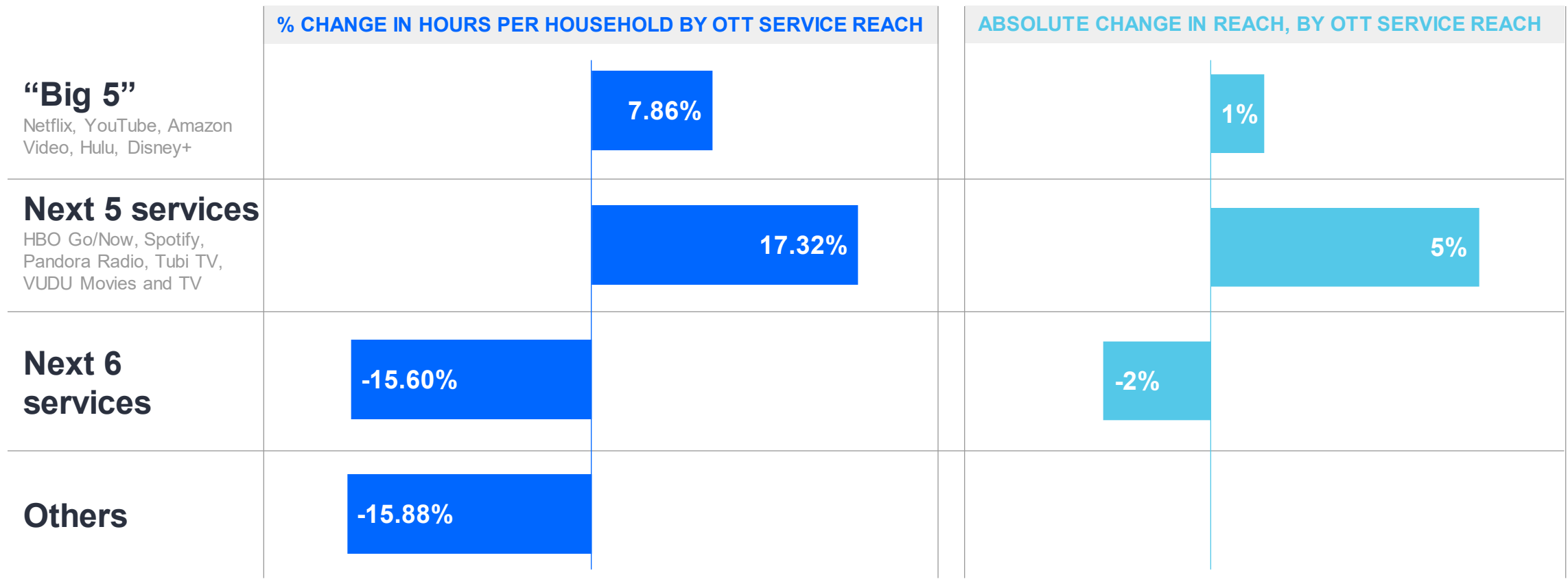
82.5%

of OTT streaming hours in April 2020



Non-"Big 5" services have opportunity for growth

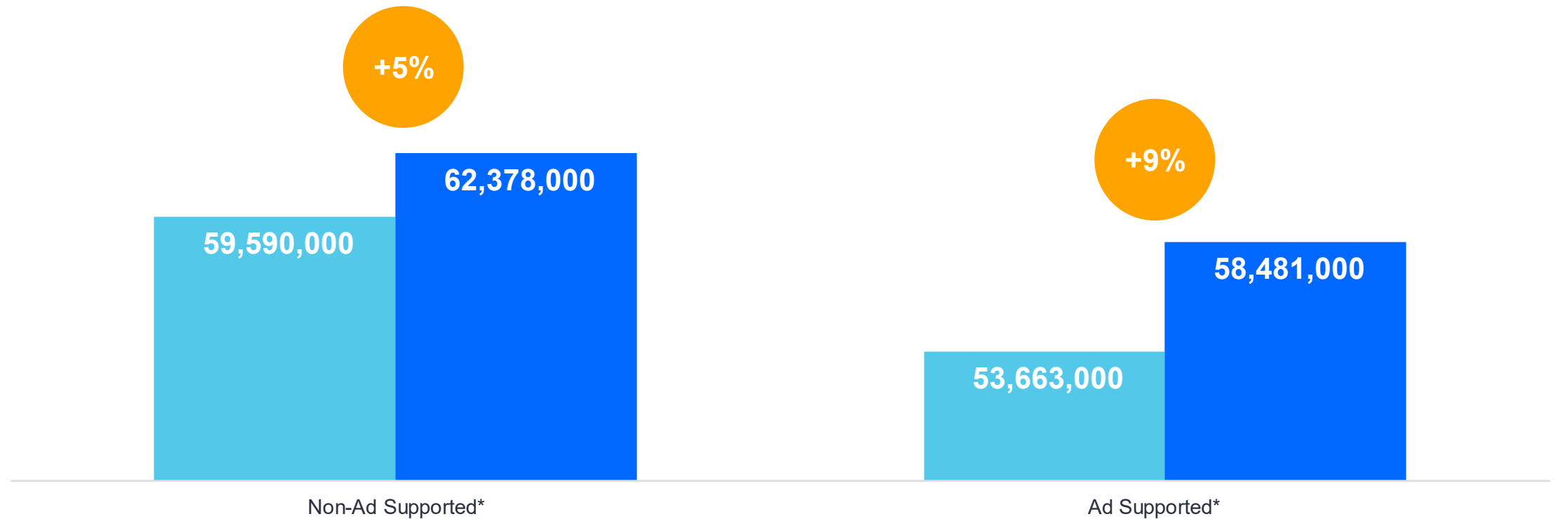
% Change in hours and change in reach, January 2020 vs April 2020



Growth in reach of ad-supported services is outpacing that of non-ad-supported services

Growth in OTT services' household reach (video only, no music streaming)

■ Jan-20 ■ Apr-20



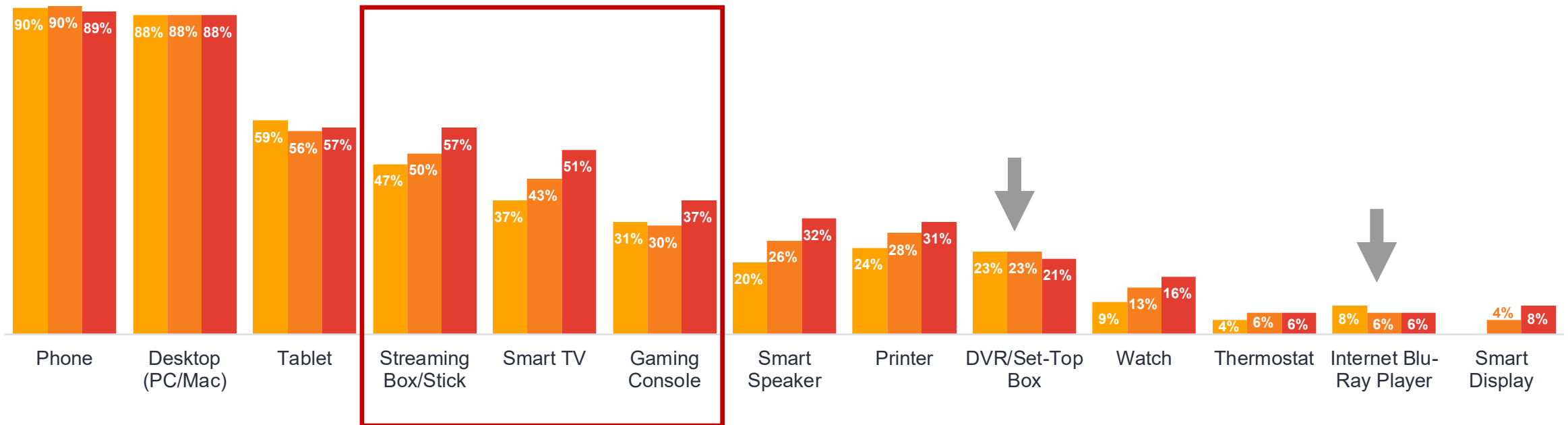
Overall OTT Trends



Traditional digital devices are still the most prevalent, but CTV devices are growing in reach

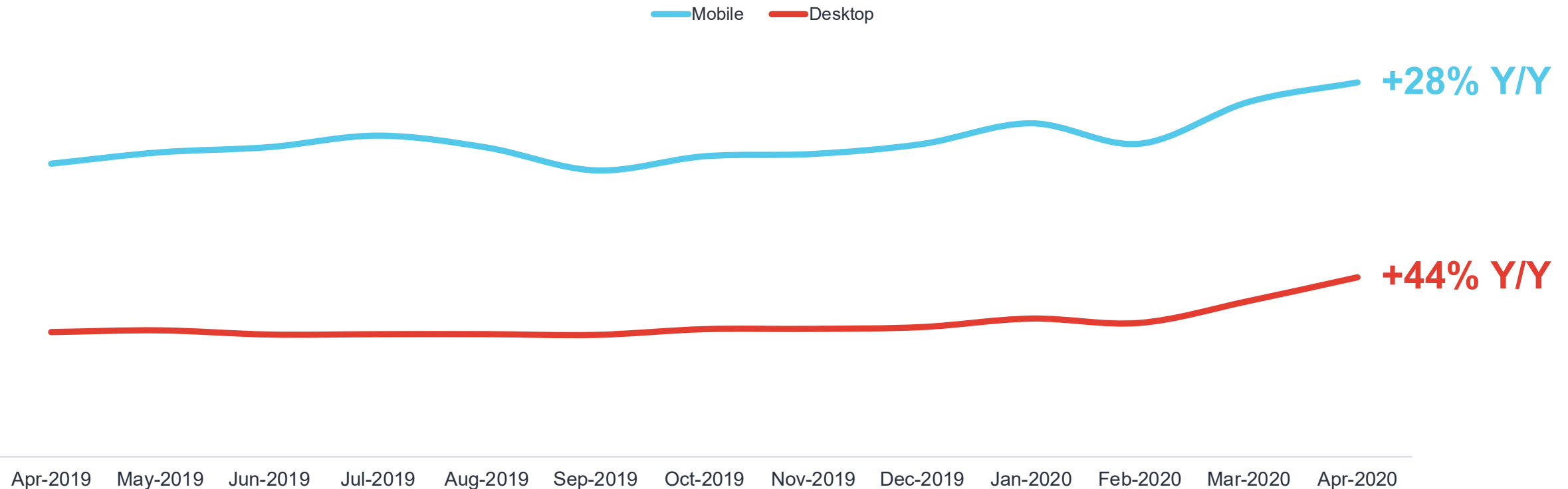
Household Reach Among U.S. Wi-Fi Households

Apr 2018 Apr 2019 Apr 2020



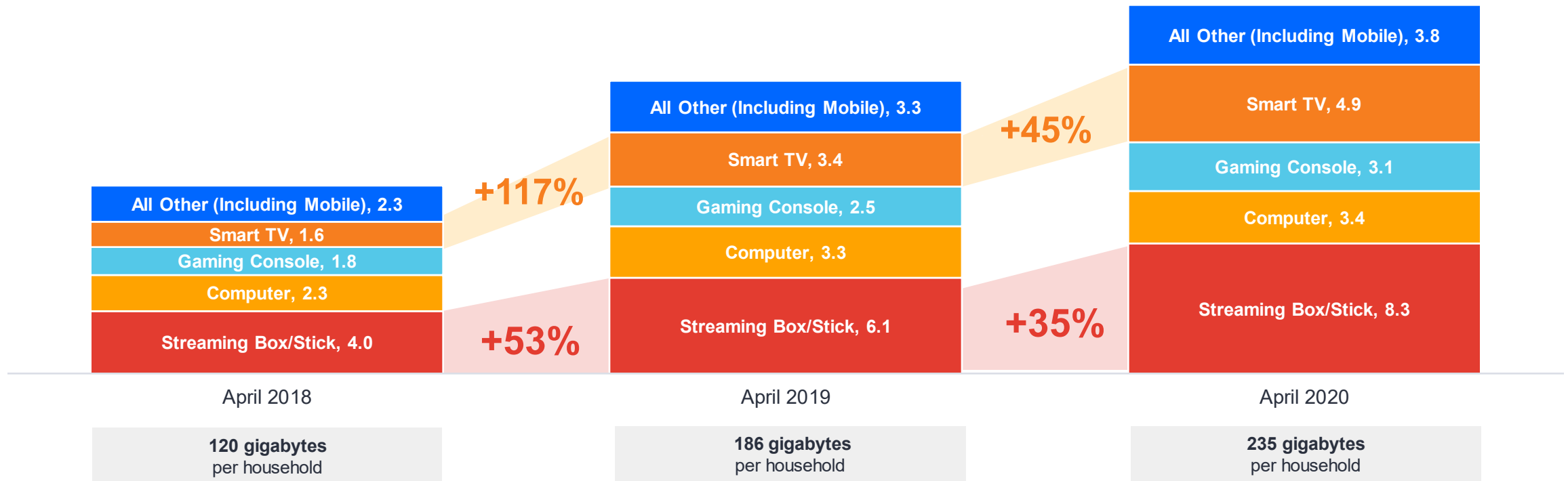
However, video streaming growth on desktop and mobile shows that the video format is driving attention

Video Streaming Minutes on Non-CTV Devices (Mobile and Desktop)

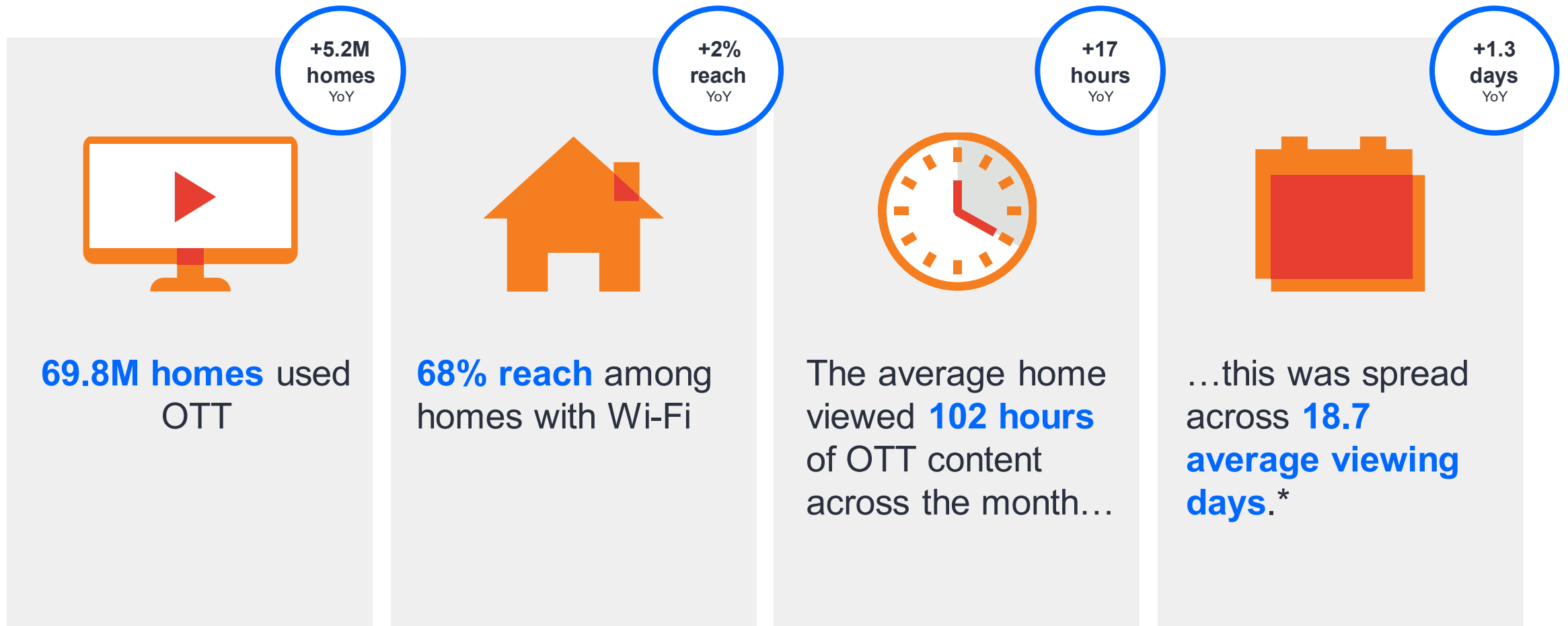


Among connected devices, smart TVs and streaming boxes/sticks are seeing the highest data usage

Total Gigabytes of Data Received in All U.S. Wi-Fi Homes (Billions)

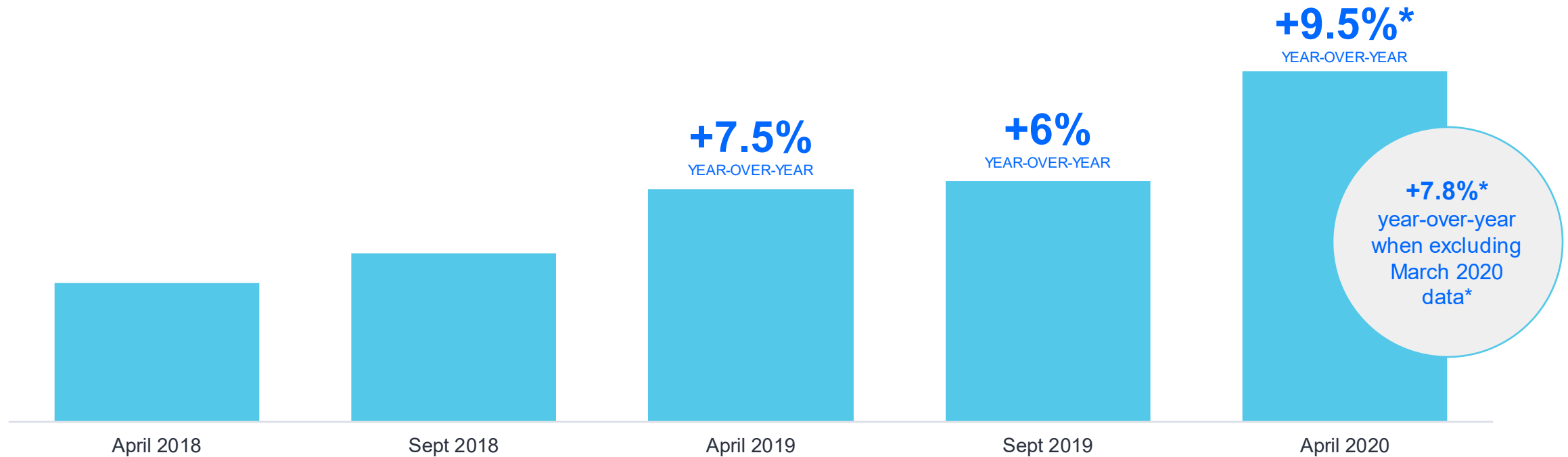


OTT content viewing has become a mainstream media behavior in the U.S.

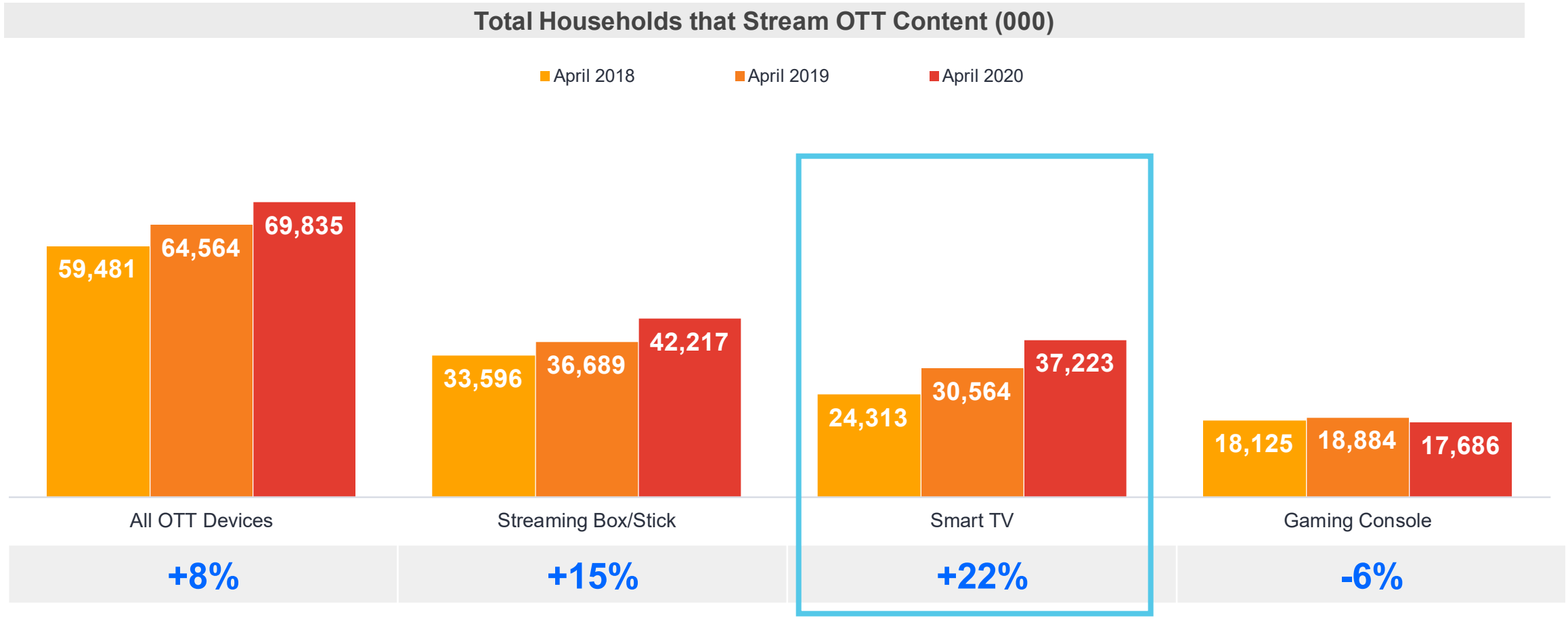


The number of OTT households showed strong growth in April 2020, though influenced by COVID-19 boost

Total OTT Households (Millions), Three-Month Averages Ending in Month Indicated



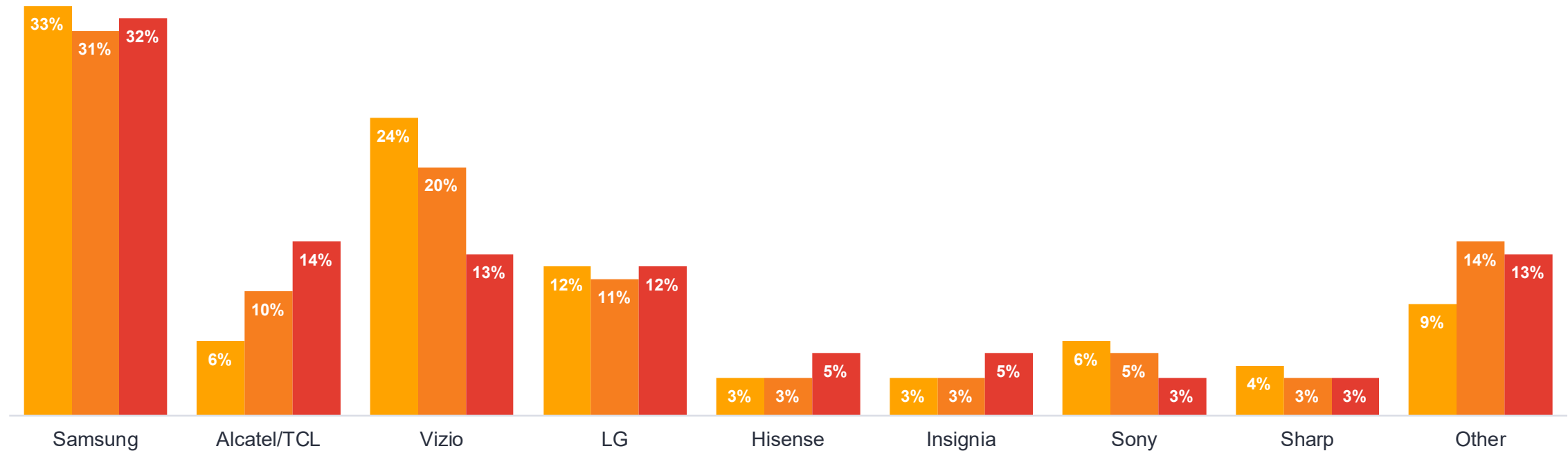
Smart TVs are the fastest growing streaming segment



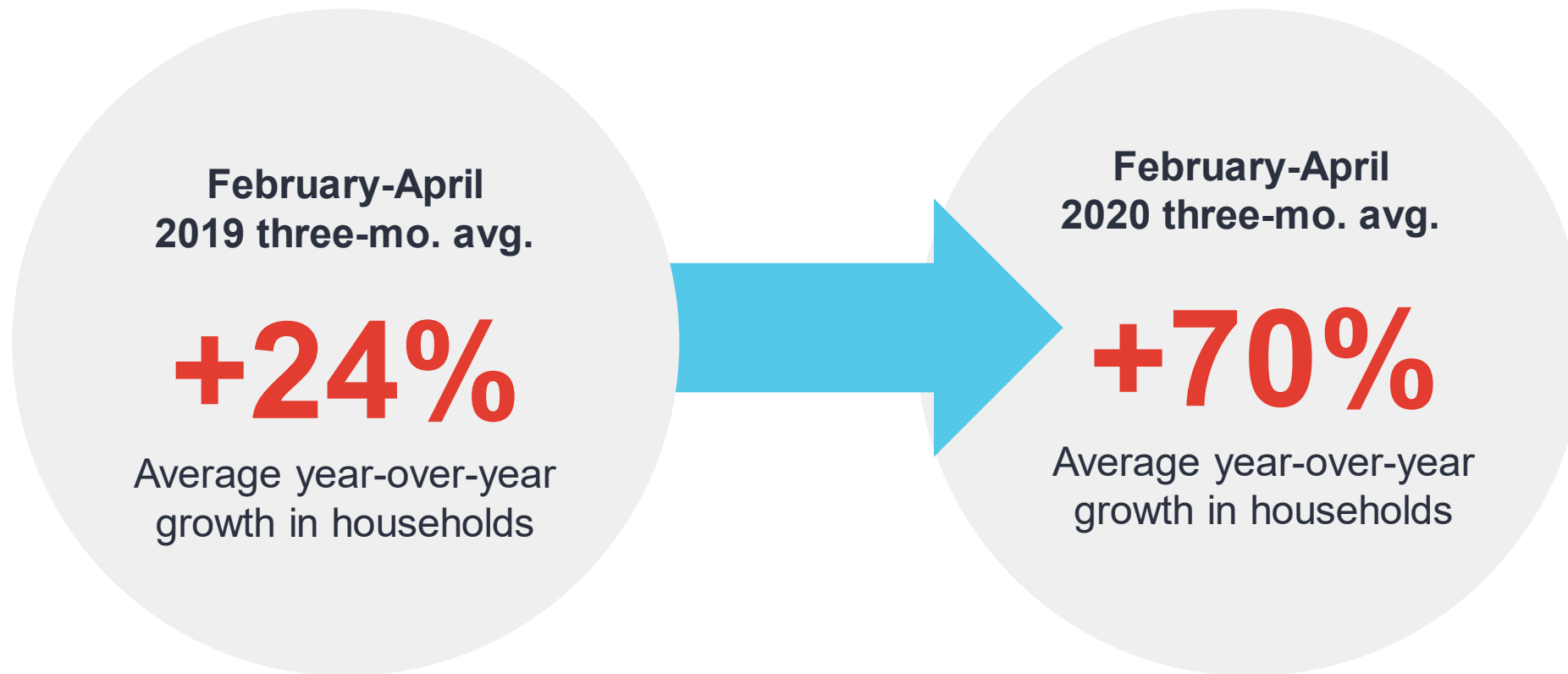
The Smart TV market is led by Samsung, Alcatel/TCL, Vizio, and LG

% Share of Smart TVs by OEM

■ Apr-18 ■ Apr-19 ■ Apr-20



The use of pure-play virtual MVPD services on OTT is increasing



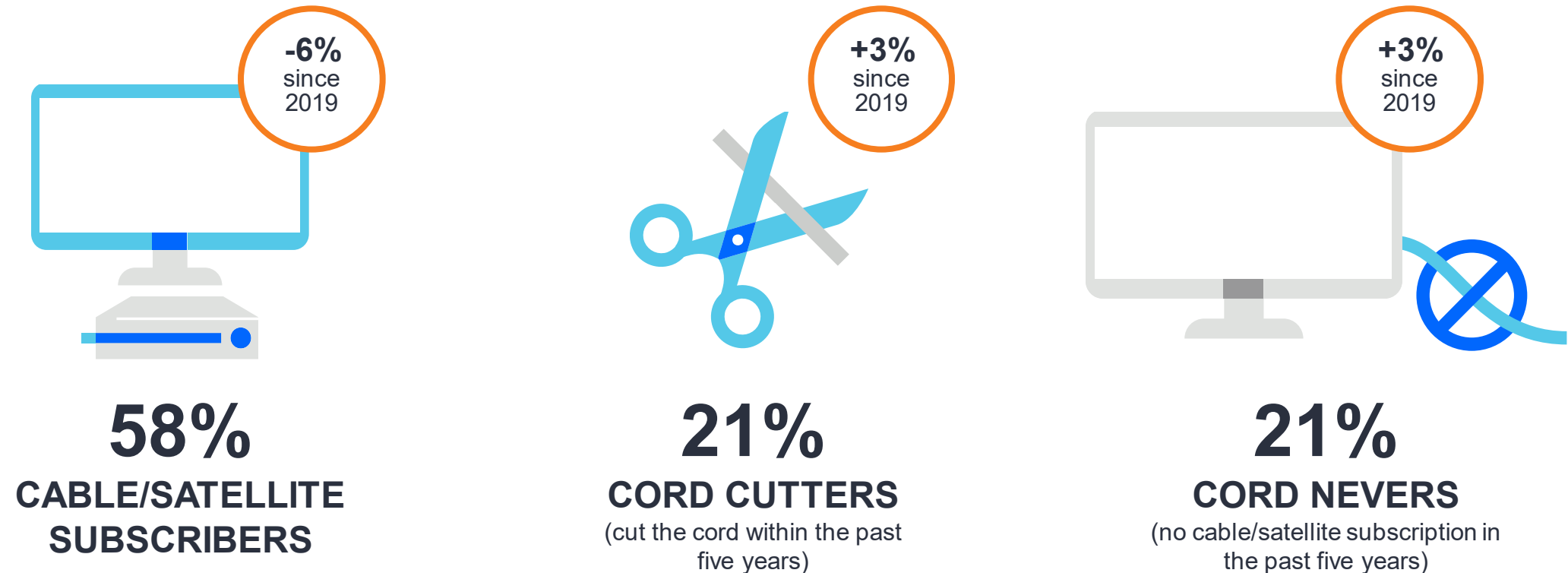
Definitions

An **MVPD** is a multichannel video (linear TV) programming distributor (cable/satellite companies).

A **virtual MVPD (vMVPD)** distributes linear TV content through the Internet, such as SlingTV and DirecTV Now.

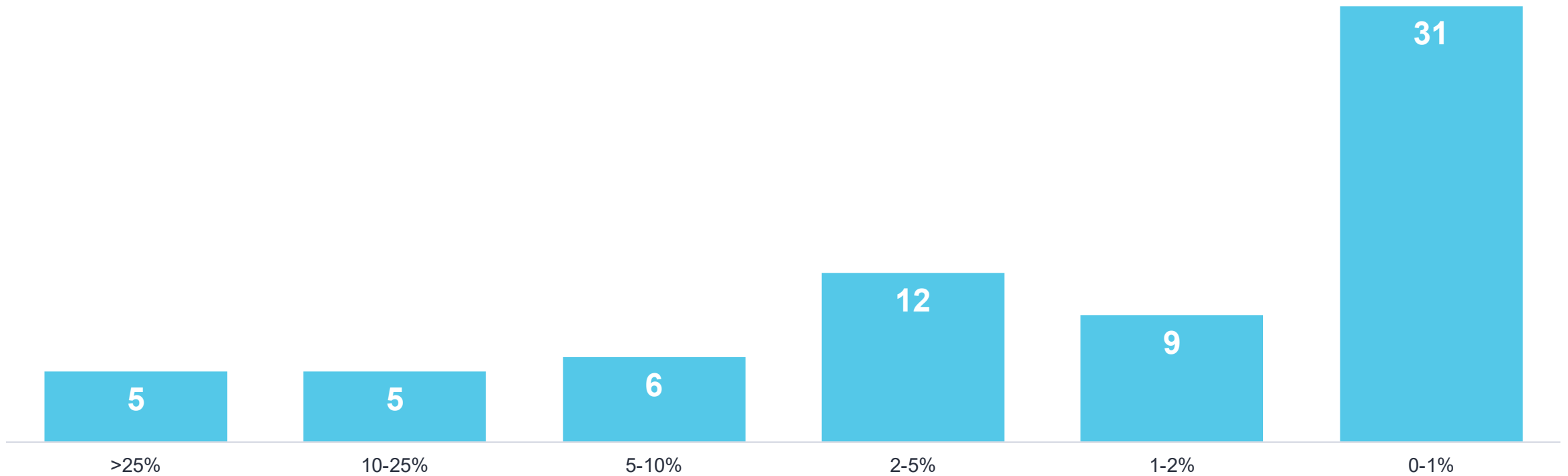
A **pure-play vMVPD** is a service that is exclusively a vMVPD, excluding services like YouTube and Hulu that have substantial non-linear, digital-only content.

The majority of CTV viewing households still have a traditional cable/satellite TV subscription



OTT streaming is a long-tail situation, with a few high-reach and many low-reach services

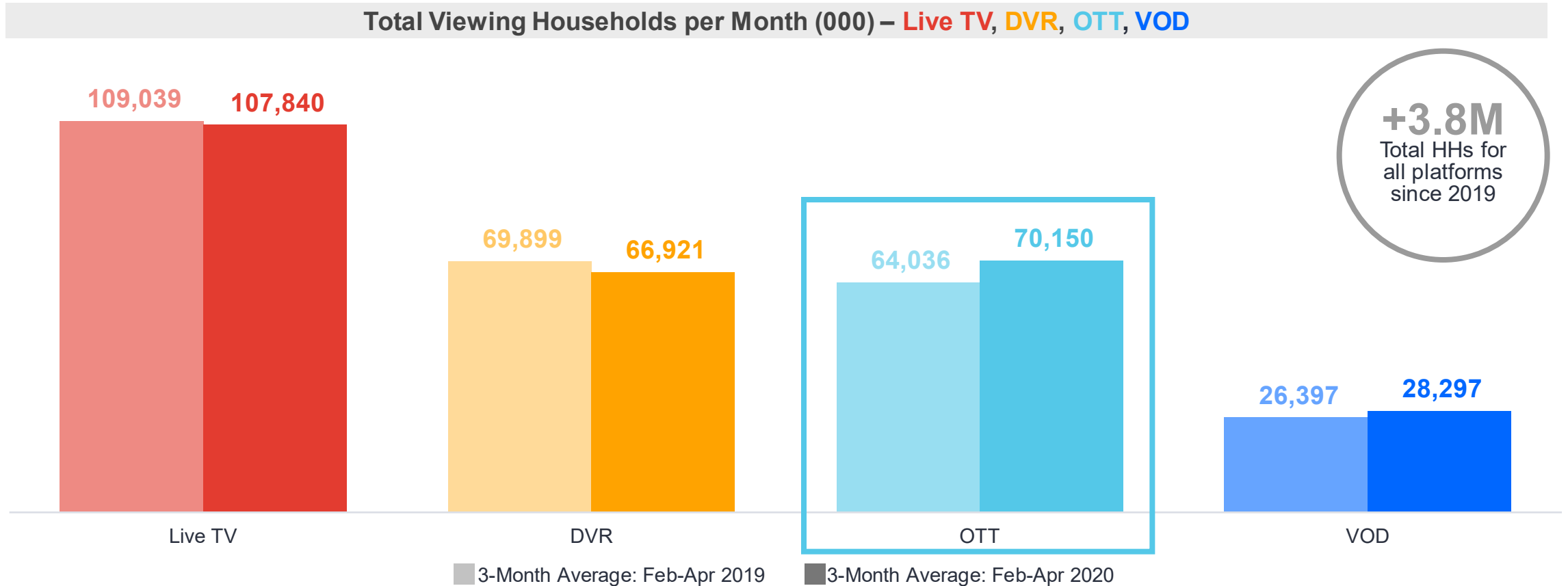
Number of Apps by Percent Reach of OTT Streaming Households



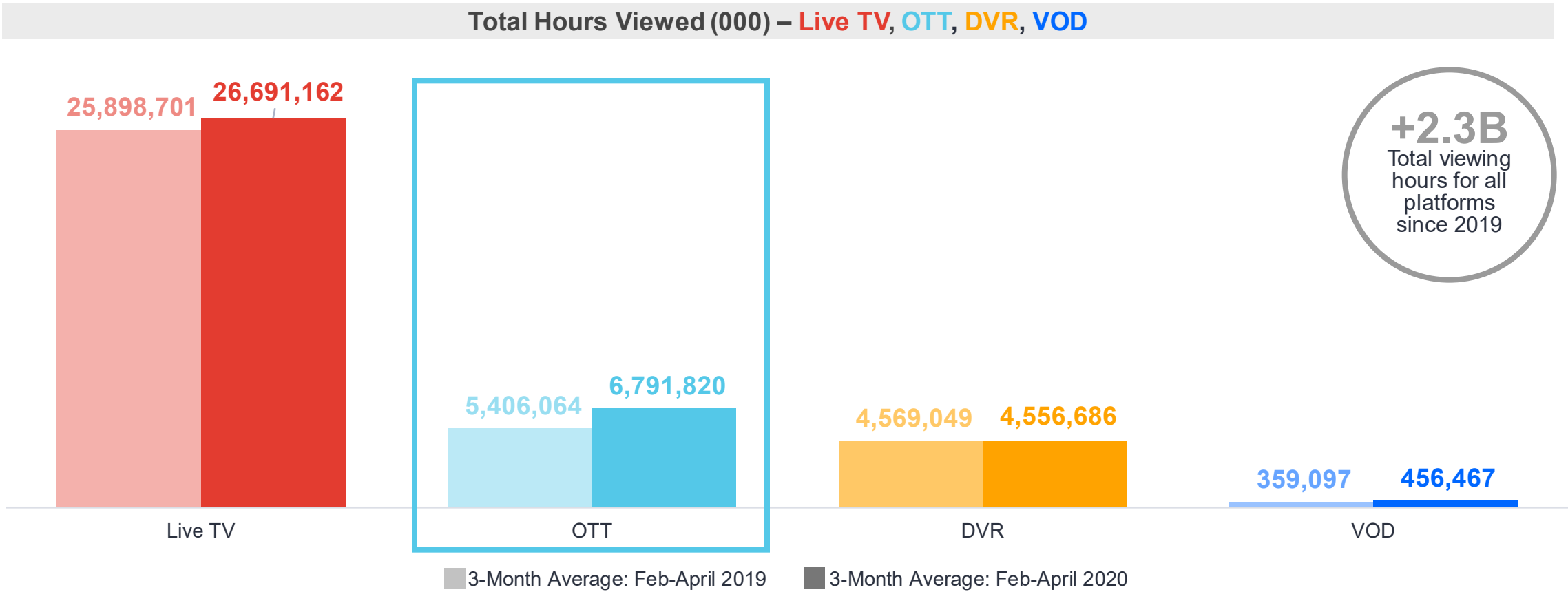
OTT in Context of Other Services



Drops in household reach for live TV and DVR, but increases in OTT and VOD

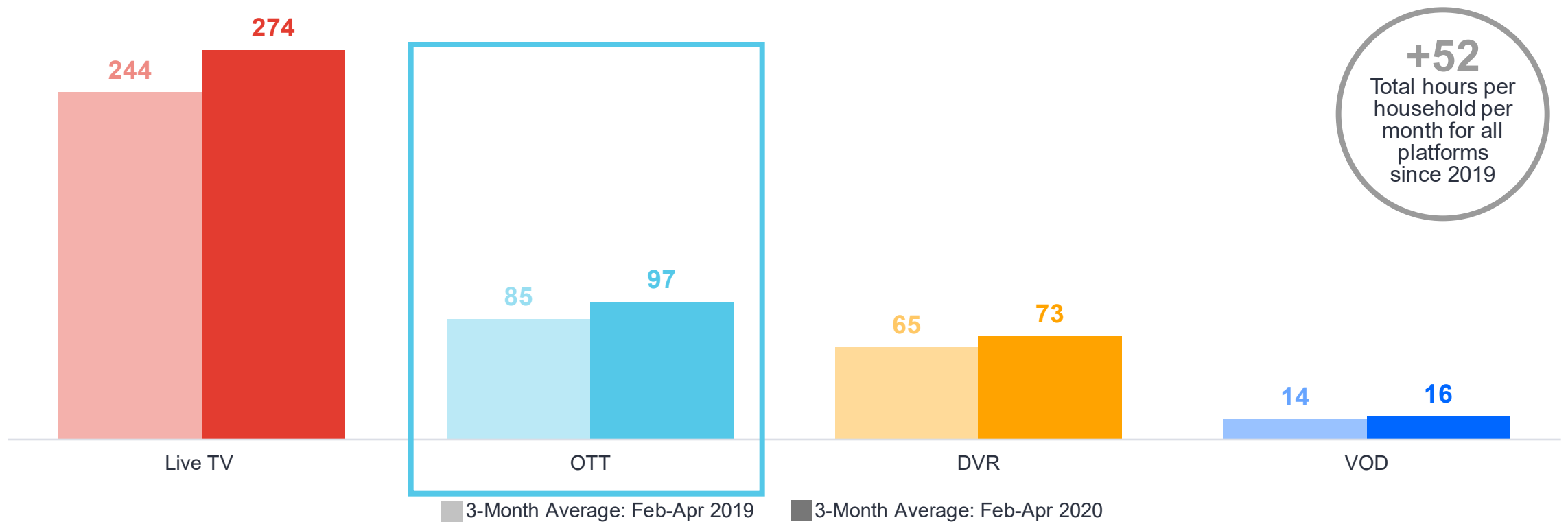


Total time spent on OTT has just begun to exceed total time spent on DVR



This broadcast season, hours per household spent with OTT are higher than hours per household on DVR

Total Monthly Hours Per Household Per Month – Live TV, OTT, DVR, VOD

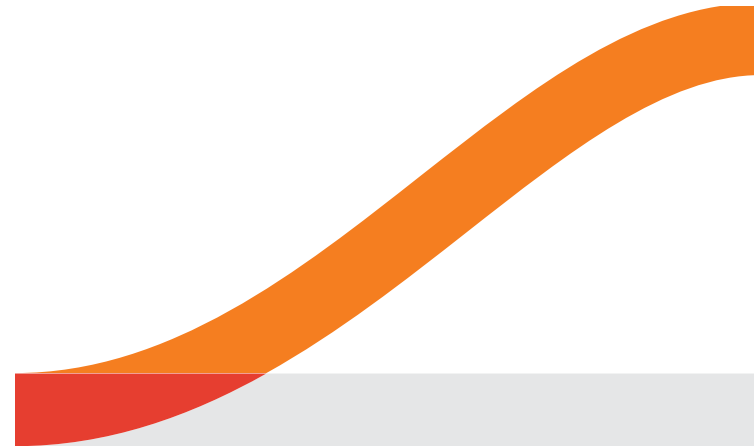


Summary



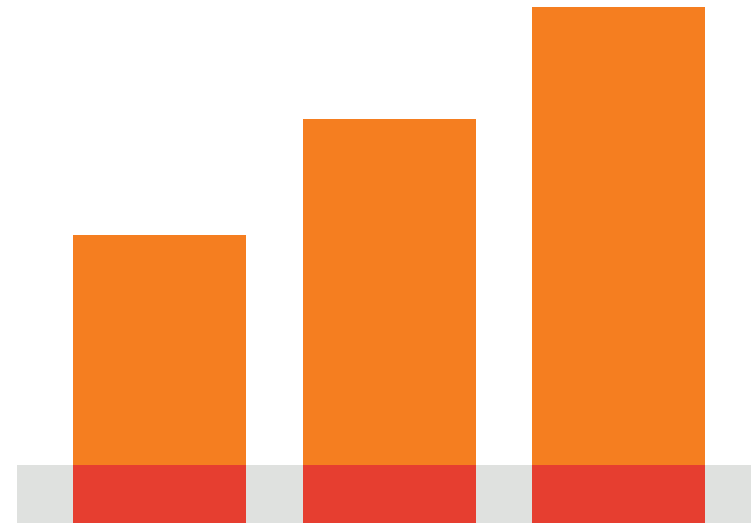
Key takeaways

Huge rises in OTT engagement during the COVID-19 era that are **holding steady for now**



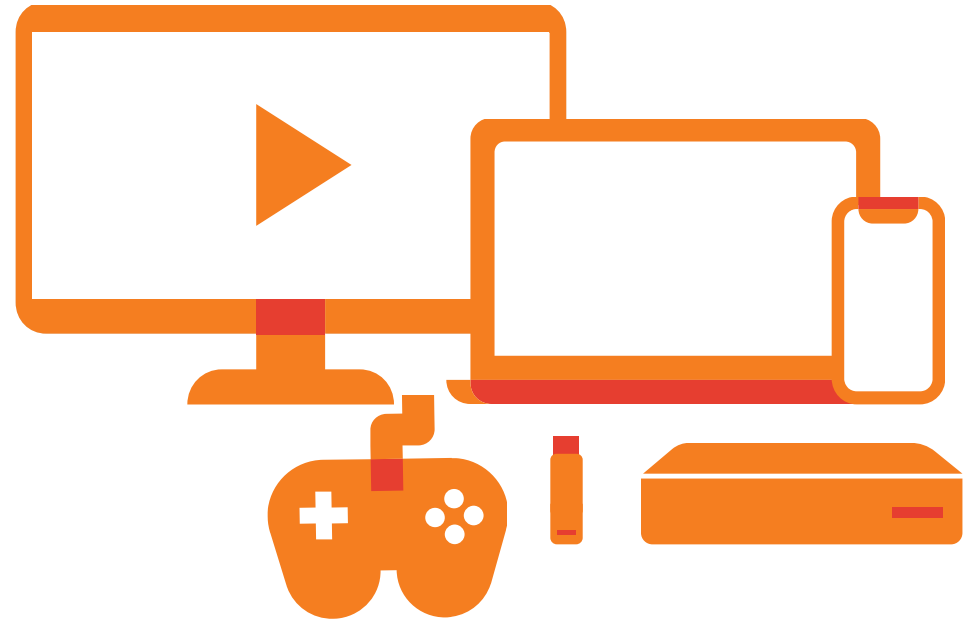
Key takeaways

Increased reach of ad-supported presents a need and opportunity for advertising



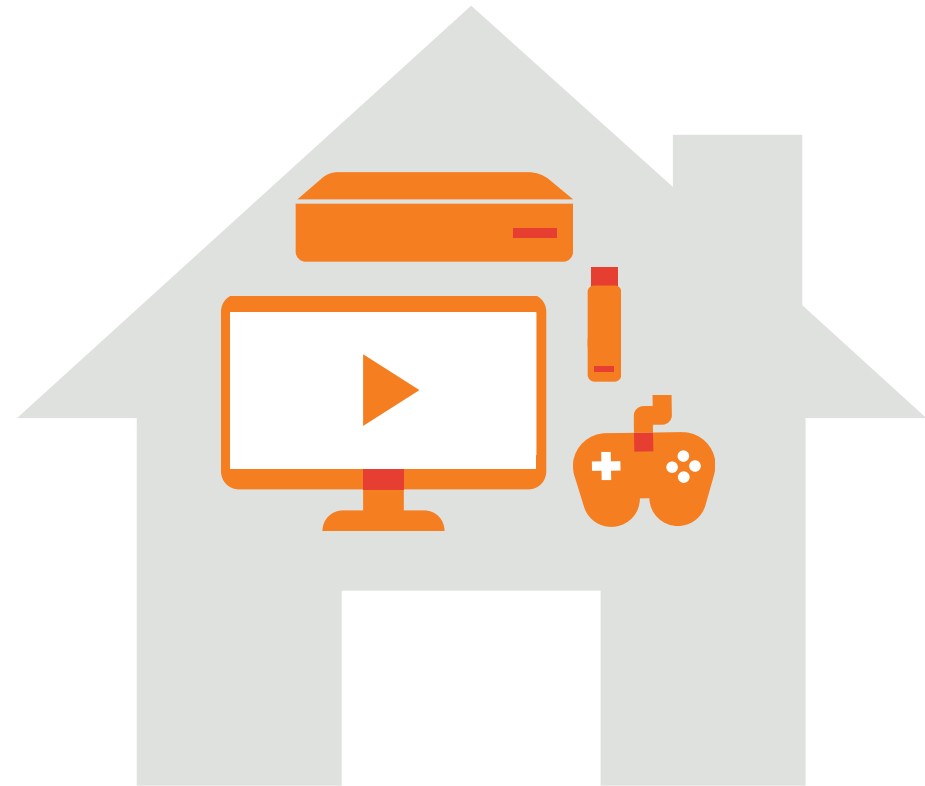
Key takeaways

Video content is driving consumption across all devices: CTV and desktop/mobile



Key takeaways

Consumption of OTT content is growing by both total households and total hours



Key takeaways

How will OTT advertising,
streaming services, and content
adapt after COVID-19?



Questions?

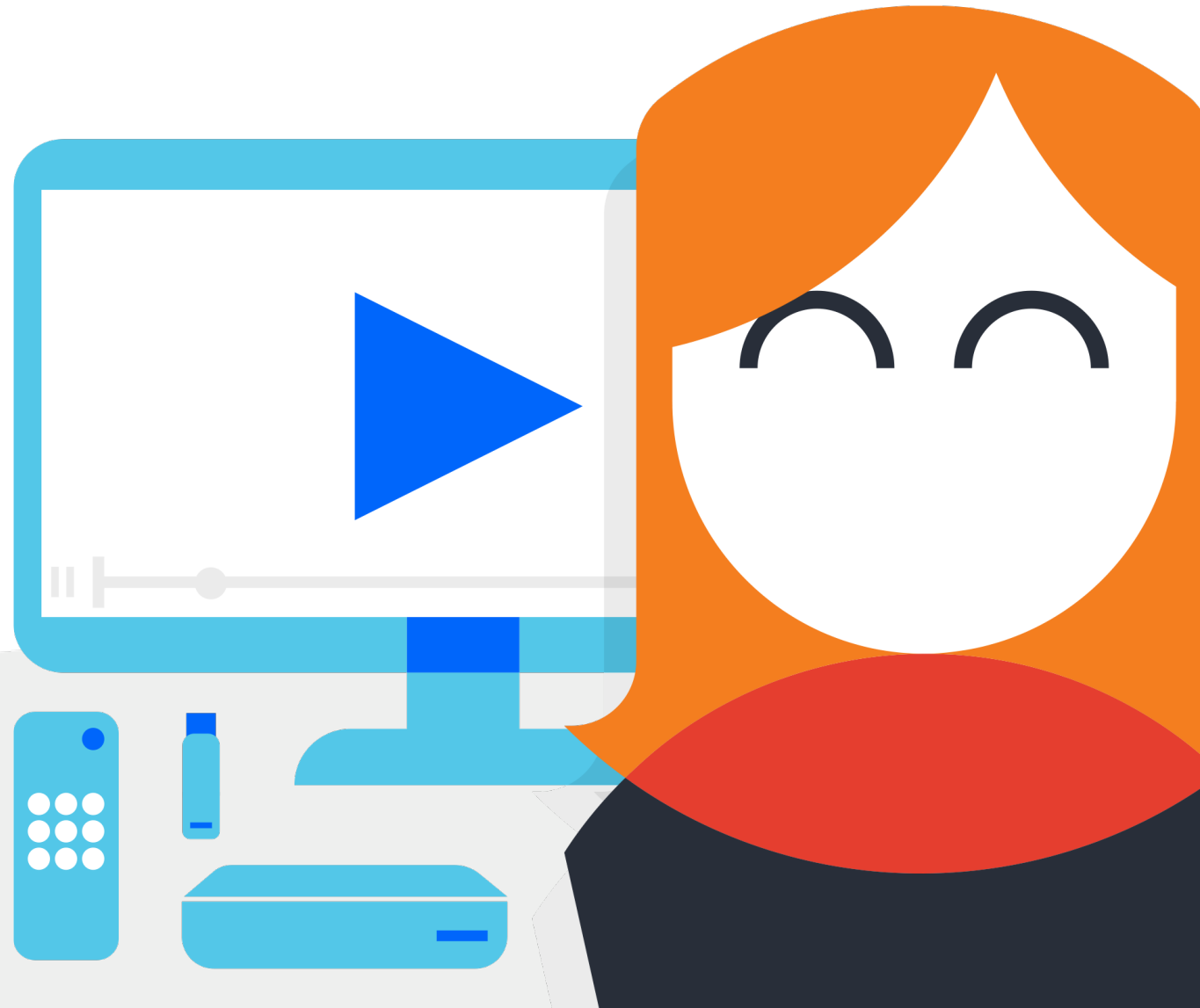
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#StateOfOTT



Definitions of Key Terms

- **Connected TV (CTV):** Devices that deliver video by connecting to a TV or via functionality within the TV itself (i.e. smart TVs). Common CTV device brands include Roku, Amazon Fire, and Apple TV.
- **Cordless:** A home that has no traditional pay-TV service (cable/satellite)
- **Cord-cutter:** A household that has had a traditional pay-TV service (e.g., cable or satellite) in the past five years, but has cancelled or forgone said service in favor of a digital, over-the-top or over-the-air option
- **Cord-never:** A home that has not had a traditional pay-TV (cable/satellite) subscription in the past five years.
- **Computer:** All PC and Mac computers, including desktops and laptops. Excludes tablets and smartphones.
- **Heavy streamers:** The top 20 percent of OTT households based on duration.
- **Light streamers:** The bottom 50 percent of OTT households based on duration.
- **Medium streamers:** The next 30 percent of OTT households (after heavy streamers) based on duration.
- **MVPD:** Multichannel video (live TV) programming distributor (cable/satellite companies).
- **Over-the-top (OTT):** Any Internet-based content that is streamed on a device that is not a desktop, laptop, or mobile device.
- **OTT streaming households:** Homes with OTT devices that stream content on those devices.
- **OTT services/apps:** Any app or service that provides content via OTT and bypasses traditional distribution (e.g. Netflix, Hulu, etc.).
- **Pure-play vMVPDs:** OTT services that are exclusively vMVPDs, excluding services like YouTube and Hulu that have substantial non-linear content.
- **Smart TV:** An internet-connected television on which users can stream OTT content.
- **Streaming box/stick:** Refers to devices that connect to a TV for the purpose of streaming video (e.g. Roku, Amazon Fire TV, Apple TV, and Chromecast).
- **Virtual MVPD:** An OTT service that distributes linear TV content through the Internet, such as SlingTV and DirecTV Now.
- **Wi-fi homes:** Refers to the 97 million U.S. homes that have wireless internet.

OTT Dictionary

Available OTT services for reporting and analysis. Not all services are available for analysis if viewing size is too small for us to create reliable reporting.

- | | | | |
|-----------------------------------|---------------------------------------|----------------------------------|------------------------|
| 1. ABC | 17. DirecTV Now | 33. NBC News | 49. Syfy Now |
| 2. ABC News | 18. Discovery Entertainment Streaming | 34. NBC Sports | 50. TBS |
| 3. ACORN.TV | 19. Disney Now | 35. Netflix* | 51. Tubi TV |
| 4. Adult Swim | 20. Disney+* | 36. NewsON | 52. Twitch |
| 5. Amazon Music with Prime Music* | 21. ESPN | 37. Newsy: Video News | 53. VEVO |
| 6. Amazon Video* | 22. Fandango* | 38. Nick Jr. | 54. Vh1 |
| 7. AMC Mobile | 23. FOX News | 39. Pandora Radio | 55. VRV/Crunchyroll |
| 8. Apple TV iTunes* | 24. Fox Now | 40. PBS | 56. VUDU Movies and TV |
| 9. Beachbody On Demand* | 25. Fubo.tv | 41. PBS KIDS Video | 57. WWE* |
| 10. Bravo Now | 26. FXNow | 42. Philo | 58. Xbox Movies & TV* |
| 11. Cartoon Network Video | 27. HBO Go/Now* | 43. Pluto.TV | 59. Xfinity Stream |
| 12. CBS All Access | 28. Hulu | 44. Showtime / Showtime Anytime* | 60. Xumo |
| 13. CNN Go | 29. iHeartRadio | 45. Sling | 61. YouTube |
| 14. Crackle | 30. JW Broadcasting* | 46. Spectrum TV | |
| 15. CWTv | 31. Mixer | 47. Spotify | |
| 16. DC Universe | 32. NBC | 48. Starz* | |