

WATCH THE WEB CONNECT WITH THE ENGAGED VIEWER

Since the rise of user-generated content established the Internet as a viable medium for video distribution and consumption, producers of many forms of video have followed suit. According to Forrester, online video consumption is becoming ubiquitous as nearly two-thirds of those online watch online video in a typical month—roughly 117 million watchers in the US. In fact, the average online video viewer watches 56 minutes a week, more than 100 million hours of viewing each week. With such dramatic quantity in usage, it is no wonder video portals and distributors are not only attracting but also retaining audiences of significant size and scale.

Not All Viewers Are Created Equal

While a wide range of industry reports frame the online video space in totality, Forrester and Veoh wanted to take a closer look at the engaged viewer—those who watch more than an hour of online video a week in their new study *Watching the Web: How Online Video Engages Audiences*. The engaged currently make up 38% of all online video viewers and they love their online video. They watch an average of 6.1 kinds of video content—from animations to movie clips to full-length TV shows—during the course of a month. In a typical viewing session, they are watching 3.6 separate videos over 26 minutes.

Engaged Viewers are also young. Though 13 - 17 year olds are only 7% of the total population, they represent 13% of Engaged Viewers. Similarly, 18 - 24 year olds account for 23% of Engaged Viewers though they are just 8% of the online population respectively. Together they form the most disproportionately powerful group of Engaged Viewers.

Most importantly, online video viewing is not a fad but rather a viable and growing consumer habit. The majority, 61%, of Engaged Viewers expect to spend significantly more time watching online video in the next year.

Further Defining The Engaged Viewer

The study further segmented Engaged Viewers into three subgroups based on the following: the time they spend watching video; the type of video they typically watch; their comfort level managing the video viewing experience; their propensity to share videos with others; and the amount of attention they pay to online video compared to television. By clustering respondents according to these five behaviors we found three distinct groups worth noting:

Watchers are those who spend just over an hour watching video each week but, besides showing up to watch, don't engage the experience deeply by controlling playback or sharing videos.

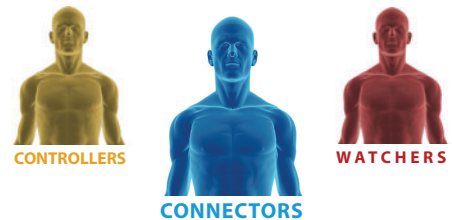
Controllers go one step further; these younger viewers take an active role in controlling their video experiences and feel that online video is important to their lives.

Connectors, though just 7% of online viewers, consume 20% of all online video and do 42% of all online video sharing.

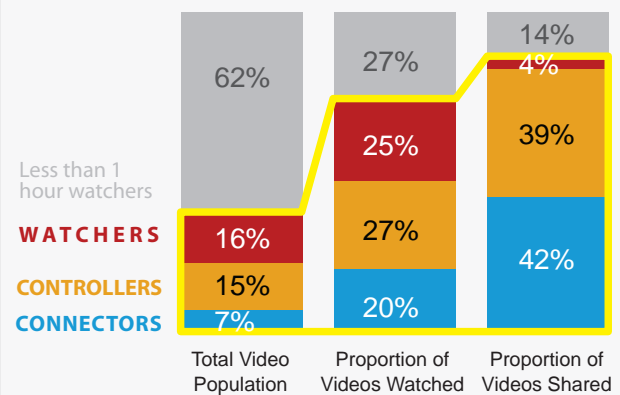
Pareto's principle of small proportions with a disproportionate representation fits even in the online video space. A minority, 38% of engaged video viewers, dominates 73% of all videos viewed online and 86% of all videos shared with others.

Connectors & Controllers shine because not only are they watching more than others, spending nearly twice as much time in their last session as the Watchers, but they are also shaping what others watch through their sharing.

Segmenting Engaged Viewers to Find Your Most Powerful Viewers



Revealing the Most Powerful Viewers



continued

Long-form Video Delivers A Different Ad Experience

It's important to define these segments because it has a preponderant influence of their openness to advertising in the online video experience. Long-form content sites not only attract desirable viewers, but also they cultivate an environment that garners more viewer attention and engagement with advertising – Connectors, specifically, believe video advertisements are a fair trade for free online viewing. Connectors and Controllers are also more apt to watch long-form video content in comparison to Watchers, making long-form content sites an ideal place to reach them.

The study also found those who watch long-form video in comparison to those who only watch short clips:

- are more likely to pay full attention to the videos they watch
- interact and rate the videos they watch more
- are twice as likely to recall in-video ads and post-rolls
- agree more readily that advertising helps pay for their free experience
- consider banner ads and ads that come in between videos most effective ads
- try to replicate the TV experience by looking for things “they wish were on TV.”

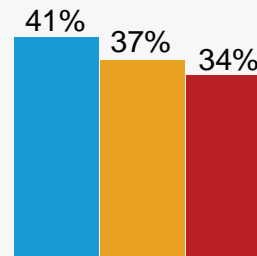
As online video viewing matures, it will create new opportunities for content providers and advertisers alike. In particular, it is clear that long-form viewing: 1) attracts more Connectors—the kind of person disposed to have a more positive experience with advertising; and 2) reinforces that disposition for Connectors and others with an engaging environment that the viewer has consciously chosen to experience.

Which of the following statements, if any, do you agree with?

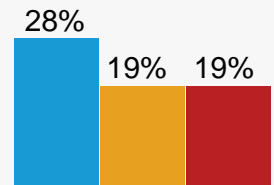
CONNECTORS

CONTROLLERS

WATCHERS



In-video advertisements are fair as they help pay for online video services



In-video advertisements are useful when they feature something I am interested in

Implications

Advertisers have the opportunity to rethink their approaches in order to captivate these valuable viewers starting with the following:



- **Think Adertainment, not Advertisement.** Engaged video viewers are more open to enjoying the advertising they watch giving marketers an opportunity to create ads that are as entertaining as the video clips they are paired with. Make the advertising a part of this engaging environment by telling compelling stories rather than consistently repeating the same 30-second spot.
- **Active mindset = greater action.** Engaged video viewers are more involved in every aspect of the viewing experience, including the advertising. In contrast, watchers who sit down to watch a 1-minute user-generated clip come to the screen with very different mindsets. Consider having multiple creative units depending on the mindset and propensity to engage with the medium.
- **Think about all the ad units on the page as a team.** All viewers feel advertising can be annoying. But none of them said it had to be annoying. **Engaged Viewers** respond to ad formats that don't intrude unfairly. Their preference for banner ads supports this. But banner ads can be supported by a comprehensive ad experience that ties display ads, sponsorships, and in-video ads together into a coherent package.
- **Target it and they will come.** As more viewers spend more than an hour a week viewing online video, it's time for advertisers and the sites that enable them to start matching ads to viewers more intelligently. The easiest place to do this is with long-form content, where the choice of programming—an episode of one's favorite TV show—says more about a viewer than a short clip about a dog on a skateboard ever can.

About the Research:

Forrester Consulting conducted this study with more than 1,013 people who watch online video at least an hour each week. These responses were calibrated against Forrester's ongoing Consumer Technographics research to ensure response validity. Building on this insight, a sub-sample of 10 individuals who completed the online survey and gave explicit permission to be contacted for a follow-up interview were recruited to participate in 10 one-hour, phone-based in-depth interviews to discuss their experience with online video more fully. The combination of rigorous quantitative measures and qualitative insight paint a picture of today's engaged online video viewer.