

# Moving from Second Screen to First Screen

A Parks Associates Whitepaper Developed for

iMediaShare

**PARKS**  
ASSOCIATES

The mobile platform is moving from a peripheral position in the TV ecosystem  
*to a key role in the consumer content viewing experience.*

As the PENETRATION & COMPLEXITY  
*of* smartphones and tablets

..... have **INCREASED** .....

these devices are increasingly used  
DURING or IN CONJUNCTION **with** *television viewing.*

For a growing number of consumers,  
the mobile device has become  
**the first device** encountered for  
viewing sessions.

THIS SHIFT BEGS THE QUESTION

Is the mobile device the user's  
"second screen," or is it becoming  
the new "first screen?"

## SEVERAL FACTORS CONTRIBUTE TO THIS SHIFT:

**The growth of OTT services** and  
their use on mobile devices.

**Initiatives from pay-TV operators**  
to add viewing capabilities on  
mobile devices.

**A growing number of mobile apps**  
by pay-TV providers, content creators,  
and other ecosystem players that  
allow greater access to content or  
to otherwise enhance the content  
viewing experience.



Consumers are attracted to mobile use in conjunction with  
television viewing because the devices are present, personal,  
preferred, and private.

Apps available to consumers allow improved discovery of content, social  
networking, interaction with content, access to content-related information,  
and other enhancements. As a result, mobile devices have become the first  
screen encountered in the user's viewing experience, particularly among  
younger consumers.

At the same time, the television remains the consumers' preferred viewing  
platform for TV content.

**So, how will the consumer's television viewing experience evolve?**  
**In the future, the mobile device will play an even larger role:**

- Mobile devices will be a key component of the personalized interface.
- Mobile devices will initiate the viewing experience.
- Mobile interaction will allow smooth transitions between  
at-home and on-the-go viewing.

## The Actual “First Screen”

Odds are good that you and almost everyone you know owns one, *if not multiple*, mobile devices.



The mobile phone has become virtually ubiquitous, changing the way that we interact with each other and with the world around us.



Tablets, led initially by the iPad, have become the most recent consumer electronics success story, with penetration increasing rapidly among consumer homes.



While mobile platforms provide us with ready access and entertainment anywhere, many consumers use their mobile devices for a variety of purposes within the home.

In particular, consumers now use their mobile devices in conjunction with one of the most ubiquitous CE devices: the TV.

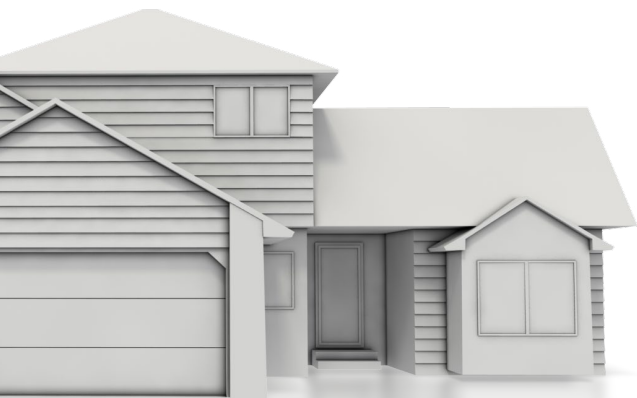


Many in the television industry see mobile devices as a growing part of the television experience. The term “**second screen**” was coined to describe the mobile portion of a collaborative entertainment experience between the television and mobile devices.

While the television remains the viewing platform of choice, the experience is undergoing a subtle shift. For a growing segment of consumers, the mobile device is the first screen encountered as they begin their video viewing experience. Although the television is the most watched, this shift begs the question: Which is the actual “first screen”?

## Mobile, but Used at Home

The emergence of OTT video services jump-started the use of mobile devices as a key part of the in-home viewing experience. OTT services have witnessed amazing growth over the last few years.



At the end of 2012, North American giant Netflix had more than 30 million paying subscribers to their streaming service, a 41% increase over the previous year; Hulu has been able to grow subscriptions to its premium Hulu Plus service to three million. Other services, including Amazon Prime, Crackle, and iTunes, provide consumers with additional content choices and business models. YouTube is eager to enter the OTT market, with plans for channelized content and options for renting movies and TV programming. Importantly, the growth is occurring worldwide. Netflix has expanded into Latin America, the Caribbean, and Europe. European players LOVEFiLM and Acetrax are expanding across their regions.

*Several factors have led to this tremendous growth.*

Most important, a business model that offers a low price point for high volumes of content is popular with consumers. However, the ability to access content across a wide variety of CE devices, particularly mobile devices, lets consumers watch video at times and in places not previously possible. Also, intuitive interfaces allow users to easily find content. Thus, OTT services have realized a notable advantage over pay-TV offerings.

Seeing the growth of OTT services and fearing a loss of customers, pay-TV providers leapt into the OTT space, offering access to on-demand and linear TV via their TV Everywhere service.

BY THE END OF 2012,

**90%** of pay-TV subscribers had access to a TV Everywhere service from their current pay-TV provider (Figure 1).

Originally these services were delivered only to computers. Recognizing the growing importance of the mobile platform, several U.S. pay-TV providers launched mobile apps in 2011 and 2012. The initial apps offered little functionality beyond access to the program guide. Many operators have since upgraded their apps. Mobile apps from Comcast, DirecTV, AT&T, and other operators now have a variety of features, including viewing of linear and VOD content, remote programming of the DVR, and the ability to use the mobile device as a remote control.

**This heightened emphasis on the mobile platform has extended well beyond OTT and pay-TV services.**

Content creators, including studios and television networks, have launched their own TV-related apps for mobile devices. While some of these apps provide access to live or on-demand content, several offer features that are unique to the content provided by the network. For example, Nickelodeon provides age-specific apps for kids, such as their educational app for pre-school children that provides math-related games and rewards. The Travel Channel offers an app that provides details about local restaurants and rewards for users that dine in those restaurants. MTV's WatchWith App is designed to be used in conjunction with broadcast shows, providing curated content and interaction with friends as a complement to linear programming. USA Network's Psych Vision 2 app promotes the network's popular series *Psych*, allowing viewers to play games and access unique content.



## Availability of TV Everywhere Services — 2012

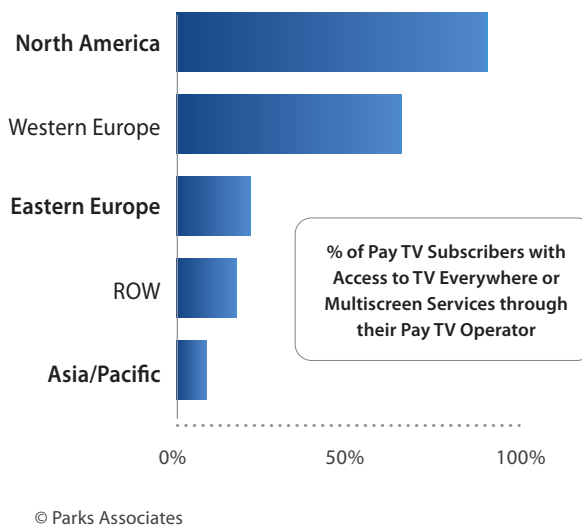


Figure 1: Availability of TV Everywhere Services

These apps provide several benefits to content owners. Viewers can access episodes outside of the broadcast window, thus increasing exposure and building a larger audience. The additional value within apps incents pay-TV providers and broadcasters to pick up specific programs or channels. Viewer interaction with content also enables content owners to achieve greater brand exposure, build audience loyalty, and provide a more immersive experience during, or even after, the show's broadcast.

By growing the size of the audience and interest level among viewers, content owners can realize higher revenues through greater penetration of channels and programming among pay-TV providers or broadcasters, higher license fees, and in-app advertising. In addition, apps provide content owners with a direct channel to reach consumers, a valuable tool if content owners choose to offer a direct-to-consumer business model for content.



## Drivers for Blended Use

The increasing use of mobile devices within the home has spurred the development and launch of these TV-related apps. Sixty percent of TV viewing on a mobile phone is done within the home. Over 70% of TV viewing on a tablet is performed within the user's home.<sup>1</sup> In addition to TV viewing, many other in-home mobile activities are performed while watching television and are related to the TV viewing experience (Figure 2).

### The mobile platform plays a natural role in the TV viewing experience for several reasons:

**PRESENCE**—Mobile devices are commonly carried by consumer and are easily available when the viewing session begins. Because they are often carried by the user, smartphones and tablets are more likely to be with a consumer during a viewing session more often than laptops, particularly for viewing sessions outside of the home or that are initiated in the homes of friends or family.

**PERSONAL**—Mobile devices are configured for personal use and are considered by users as a personal tool. The apps and interfaces of mobile devices are unique to the individual user, and mobile devices often have defined login and authentication for particular apps or services.

**PREFERRED**—Mobile phones and tablets are preferred devices for communication during viewing sessions as they offer options for voice, texts, e-mail, and social networking. The touch screen interfaces are also easier to use while watching TV than a mouse and keyboard.

**PRIVATE**—Mobile devices provide users with a private platform that is not available for everyone else in the room to see. Thus, consumers are able to have their own TV viewing experience and can include others as they desire.

## Second-screen Activities While Watching TV

Smartphone and tablet users in U.S. broadband households

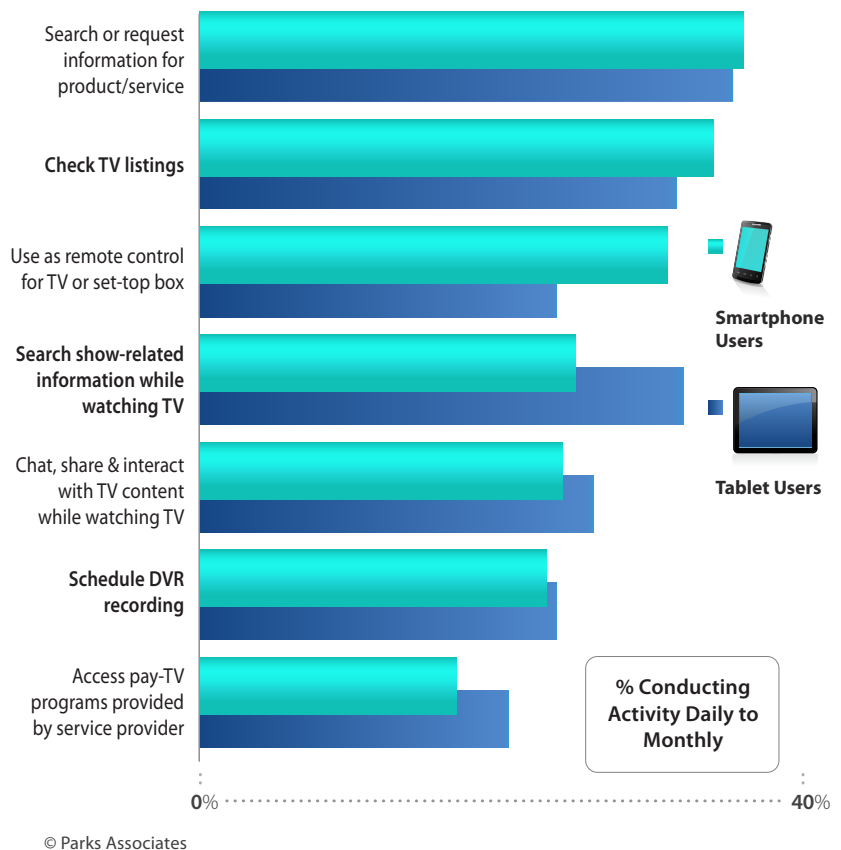


Figure 2: Mobile Device Activities while Watching TV

*An increasing number of consumers are using their mobile devices to discover content.*

The easy-to-use touch interfaces allow consumers to more easily input search criteria than with a remote control. With today's relatively large screen sizes for smartphones and tablets, consumers can easily browse content options. In addition, discovering content on a mobile device does not interrupt the viewing session for the user or any other viewers in the room. Today, 18% of homes with a smartphone or tablet use an app from their pay-TV provider to check TV listings, program their DVR, or watch TV programming.

<sup>1</sup> From Parks Associates' *Choosing Content: Video Viewing* consumer survey project, 2012.

While integration of social networking features into the television screen has met with limited success, mobile social networking has proven to be popular with consumers.

Because mobile devices allow private communication via text or social networking, consumers can freely interact with others during a viewing session without interrupting other viewers in the same room.

A number of mobile apps provide unique information, content, or interaction based on what is displayed on the TV screen.

**22% of consumers in broadband homes check or update their preferred social network while watching TV.**

These companion apps are designed to supplement the broadcast programming in real time, using various technologies to synchronize the mobile and TV experience. During the 2013 Super Bowl, the Shazam app recognized the audio from the live broadcast and provided game statistics, team information, and a Twitter feed related to the game.

New, emerging companies are using gamification techniques on mobile platforms to enhance consumers' TV watching experience. "Gamification" apps utilize game mechanics, such as challenges, achievements, and rewards, to provide a fun, interactive experience for consumers—and to build

loyalty. Viggle, for example, lets program viewers "check in" via their mobile devices and earn points based on the length of the show viewed. Viggle users can share their check-ins on social media to encourage friends to watch the same program; watch commercials on their devices for extra rewards; and use points for gift certificates from brick-and-mortar and online stores. With GetGlue, viewers can check in via Facebook and receive content recommendations based on their friends' preferences and their own viewing habits. GetGlue also awards discounts and "stickers" to viewers, often related to particular TV shows.

## The Mobile Device Has Become the First Screen

In many cases, these TV- and video-related applications are termed "second screen" apps, emphasizing that mobile devices are peripheral to the television screen.

*However, mobile devices are now shifting from peripheral platforms to become the first platform encountered in the viewing experience. The personalized, private nature of these mobile devices also makes them an integral part of the experience for a growing number of consumers.*

This mobile shift is most evident among younger consumers, who are more likely to own smartphones and tablets and show more active usage habits on these devices.

Figure 3 compares the usage habits among consumers based on three age groupings. Consumers 18-34 use mobile devices concurrently with TV viewing more often than consumers 34-55.

### THE YOUNGEST GROUP

*is more active across these areas:*

- **70% more likely** to look up TV listings via a mobile device.
- **90% more likely** to look up information about what they are watching.
- **Twice as likely** to look up info on products/services seen on TV.
- **2.5 times as likely** to read social media comments about programming.
- **Three times as likely** to post social media comments about programming.

© Parks Associates

## Mobile Activities by Age Group

Among U.S. Broadband Households

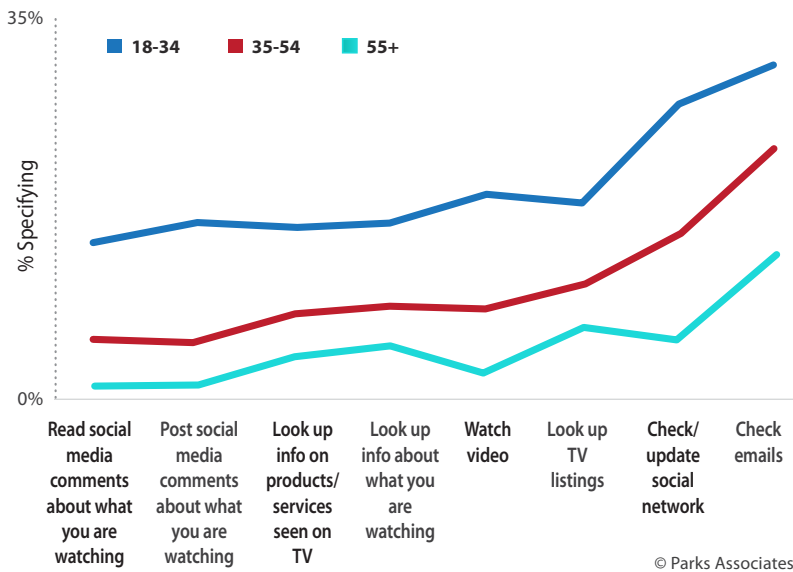


Figure 3: Mobile Activities by Age Group

The discovery process for content, in particular, is an important factor encouraging the mobile device to become the first screen.

As consumers use program guides, recommendations, social interaction, and browser searches on mobile devices to find content, their interface to the content fundamentally shifts away from the set-top box or smart-TV interface, making the mobile device the initiator of the viewing experience on the television. The ability to change channels via the mobile device or to serve content from the mobile device further decreases the user's reliance on the set-top box or the television interface.

## The TV is Still The Preferred Viewing Platform

While the mobile device is growing in importance as part of a consumer's viewing experience, the television remains the platform most consumers would like to use to watch content. On average, U.S. consumers watch over 30 hours of live television per week. Almost 90% of these consumers watch TV programs regularly on the television (Figure 4). Actual viewing of programs on computers, mobile phones, and tablets is far lower.

*A preference for televisions should not be surprising.*

After the computer, the television is often one of the more expensive CE devices in the home. Televisions offer the largest available screen for viewing, often with superior sound and picture quality than computers or mobile devices. Community viewing of content on the TV is common, and many homes are arranged or furnished with group viewing of the TV in mind. In addition, many of the Internet-connected devices in the home are designed to be attached to the television, including Blu-ray players, DVRs, game consoles, and digital media players.

## TV Program Viewing by Device

Within the last two weeks, how many times have you watched a TV program...

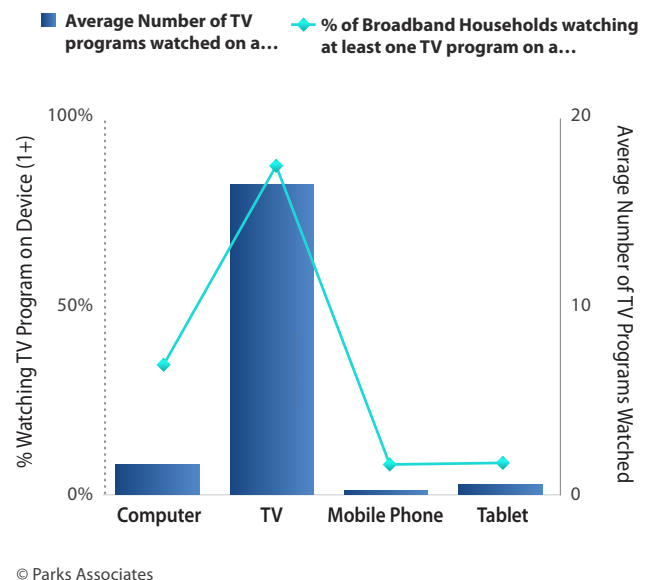


Figure 4: TV Program Viewing by Device



## Looking to the Future

So, with televisions likely to remain the preferred screen for actual viewing and the mobile device likely to take a larger role in the viewing experience, what will the future of the consumer experience look like?

As we look to the future, the mobile device will ultimately take a much larger role overall in the viewing experience, but the television will remain the preferred screen for actual viewing. As a result...

### MOBILE PLATFORMS WILL TAKE ON THE FOLLOWING ROLES:

#### **Mobile devices will be a key component of the personalized interface.**

Several aspects of mobile devices, particularly smartphones, make them an optimal platform for future personalization. The personal nature of smartphones allows them to identify particular users, facilitating individual profiles rather than household profiles, but without the need for users to log in. Mobile devices can link to cloud-based profiles within or outside of the home, providing a more complete picture of viewing habits than would be available via in-home platforms alone. Because they are often linked to social networking sites, social input can be used to refine recommendations. Also, the private nature of mobile phones will contribute to more accurate profiles. Consumers are more likely to be open with their preferences and searches on a private device than on a television screen that is available for all to see.

#### **Mobile devices will initiate the viewing experience.**

Consumers will be increasingly drawn to mobile platforms as the first step in their viewing experience due to the advantages of the personalized mobile interface. In fact, the portability of these devices encourages users to begin the discovery process before they are even in front of the TV. Over time, content services will add capabilities that allow consumers to find content on a mobile device and then launch their selection on a particular TV. Apps on mobile devices will eventually replace remote controls, further encouraging this shift. Pay-TV services currently offer remote control functionality in their apps. Other services will add similar features.

#### **Mobile interaction will allow smooth transitions between at-home and on-the-go viewing.**

With the mobile device as the initiator of TV viewing, transitioning viewing sessions to, and away from, the TV will be easier. Cloud and client-based solutions will track use on one device and manage the handover of the viewing session to other devices, streaming the correct file at the correct bitrate to the correct device over the correct network. By leveraging the unique advantages of mobile devices, the TV anywhere, anytime experience that consumers want will become a reality.





## ABOUT iMEDIASHARE

iMediaShare takes visual and audio entertainment to a new level. Life is about sharing happy experiences, and with iMediaShare wants everyone in on the fun. iMediaShare is a cloud-based mobile media discovery and control technology designed for the Connected Home. The patented technology allows effortless shifting of online and personal digital content from the cloud over DLNA and Airplay-compliant TVs, game consoles and other connected devices. iMediaShare breaks out of the box of traditional media discovery and delivery. Unlike standard TV broadcasting solutions iMediaShare empowers your freedom of choice and delivers entertainment to your fingertips wherever you are, whenever you reach for it.

### Enjoy the Content You Want on the Screen of Your Choice

The iMediaShare app is the consumer's gateway to the entertainment experience. Connect a TV to your home network, start the iMediaShare app on your phone and enjoy video, music and stills on the big screen. Take your media with you, anywhere, anytime, any screen, without syncing or side loading.

- Works with connected TVs, game consoles, Blu-ray players, audio systems, & media boxes.
- Seamlessly integrates cloud services, Internet and local media discovery.
- Acts as a TV remote control offering full playback control functionality.
- Delivers online video in HD and 3D, optimized in real-time for your connected device.
- Supports push-to-play to any DLNA media renderer and Apple TV.
- Delivers on-demand video on your living room TV as well as on the go.

### iMediaShare for Content Publishers

iMediaShare allows publishers to reach any connected TV screen in the world, but with a quick time to market and without a heavy investment in apps development. Using iMediaShare, content publishers can ensure on-demand access to all digital assets across all screens.

- Get your channels published in the iMediaShare app to reach new audience and build brand awareness.
- Install "Watch on TV" button to enable wireless video streaming from your website to any HDTV.
- Incorporate iMediaShare play-on-TV technology into existing mobile media applications to extend reach to the TV screen.



## ABOUT PARKS ASSOCIATES

Parks Associates is an internationally recognized market research and consulting company specializing in emerging consumer technology products and services. Founded in 1986, Parks Associates creates research capital for companies ranging from Fortune 500 to small start-ups through market reports, primary studies, consumer research, custom research, workshops, executive conferences, and annual service subscriptions.

The company's expertise includes new media, digital entertainment and gaming, home networks, Internet and television services, digital health, mobile applications and services, consumer electronics, energy management, and home control systems and security.

[www.parksassociates.com](http://www.parksassociates.com) | 972.490.1113 | [info@parksassociates.com](mailto:info@parksassociates.com)



## ABOUT THE AUTHOR

### **BRETT SAPPINGTON**, *Director, Research*

Brett Sappington leads Parks Associates services research team, including access and entertainment services, digital media, OTT, cloud media, video gaming, and technical support services. Brett is an expert in worldwide television and broadband services. His personal research focuses on the activities and trends among operators and the market forces affecting their businesses.

Brett has spent over eighteen years in the industry as an analyst, executive manager, and entrepreneur. He holds an MBA from the University of Texas at Austin with a concentration in high-tech marketing and a BA in physics from Baylor University.

**INDUSTRY EXPERTISE:** International Digital Living Trends, Television Services (IPTV, cable, satellite/DTH, terrestrial/DTT), Broadband Services, Multiscreen Services, Value-added Services, Cloud-based Consumer Services, Set-top Boxes, Residential Gateways, Electronic Program Guides, Video Search and Recommendation, Video Metadata, Middleware, Technical Support Services

Attribution: Authored and Published by Parks Associates | © Parks Associates | Dallas, Texas 75248. All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher. Printed in the United States of America.

Disclaimer: Parks Associates has made every reasonable effort to ensure that all information in this report is correct. We assume no responsibility for any inadvertent errors.



**PARKS  
ASSOCIATES**

## **BACK YOUR VENTURE WITH SOLID DATA**

**Advance strategic business planning with *up-to-date consumer research and analysis.***

- Access and Entertainment Services
- Advertising
- Connected CE and Platforms
- Connected Home Systems and Services
- Digital Gaming
- Digital Health
- Digital Home Support Services
- Digital Living Overview
- Digital Media
- Home Energy Management
- Mobile and Portable
- App Ecosystem
- SMB Market
- European and Worldwide Consumer Research

**Understand the Connected Home and Mobile Industries.**

Discover us today at [www.parksassociates.com](http://www.parksassociates.com)