Multiscreen Video
THE NEW IMPERATIVE

A Parks Associates Whitepaper Developed for **mPortal**
enabling connected experiencea™

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Executive Summary

Sitting passively watching broadcast or cable TV is a thing of the past.

Today, a large percentage of consumers conduct a variety of activities on multiple devices while watching linear and on-demand TV programs.

As a result, consumer attention and eyeballs are being diverted away from traditional TV advertising, the industry's primary revenue model.

Consumer demand for multiscreen media experiences has forever changed the game. As Internet-connectivity standardizes across multiple CE devices, consumers continue to access video content outside of traditional channels.

This problem will not subside and in fact will only grow more problematic as more connected devices penetrate the market and consumers find new ways to access content *on their own terms*.

Top Trends:

- Smartphone and tablet ownership has reached critical mass
- Over-the-top (OTT) services have transformed the way consumers watch TV
- Multiscreen media engagement is becoming the norm

Key Strategies:

- Unify and extend multiscreen video services
- Personalize video with social integration
- Leverage analytics to create compelling user experiences

Introduction

What is a Multiscreen Video Experience?

In 2011, the media industry coined a new term, *second-screen,* to describe the various activities consumers conduct on smartphones or tablets while watching TV programs on a TV set.

These so-called second-screen activities include sending or receiving emails, viewing online videos, interacting with social networks, or searching the mobile web while at the same time watching TV.

While most second-screen experiences were not initially linked to a TV program or channel, a new breed of services emerged, enabling the synchronization of TV content with a smartphone and tablet app using automatic content recognition (ACR) technology.

While second-screen has been a favorite industry term to describe co-viewing behaviors, the term is presently in question among industry thought leaders.

The issue centers on how one defines a smartphone or tablet- is it a *first-screen* or *second-screen* device?

First Screen vs. Second Screen Devices

Companies who primarily develop or supply apps and mobile web content argue that smartphones and tablets are not *second-screens*, but *first-screens*, particularly for those under the age of 35 who view and interact with Internet based content.

Traditional video owners and suppliers – broadcast and cable TV networks and cable operators – assert that the TV set is and always will be the prime, or *first-screen*, for which mass audiences view TV shows or movies – both in linear and on-demand environments.

Moving forward, the industry seeks to lose the differentiation between the *first-screen* and *second-screen* in favor of describing consumer demand for *content everywhere* as *multiscreen*.

It no longer matters what type of screen a video or other content type is consumed, instead that these experiences are intuitively tied together, providing consumers with content on whichever device, or screen, is most preferred.

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Trends Driving
the Need for a
Multiscreen Video
Strategy

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Smartphone & Tablet Ownership Has Reached Critical Mass

Apple's first generation iPhone hit the consumer market in 2007, and since then **smartphone penetration has grown at lightning speed.**

Parks Associates reports that as of 1Q 2014, 76% of adults in U.S. broadband households (BB HHs) owns a mobile device that connects to a WiFi, 3G, 4G, or LTE (or newer service) network (Figure 1).

Since 2011, smartphone penetration among young adults, those under the age of 35, has become consistently higher than adoption among general smartphones owners.

As young consumers mature, their higher than average adoption rates will cause usage patterns to change from those now reported by older age segments (i.e., those 45+ years).

Smartphone Ownership Trends by Age Group 2011-2014
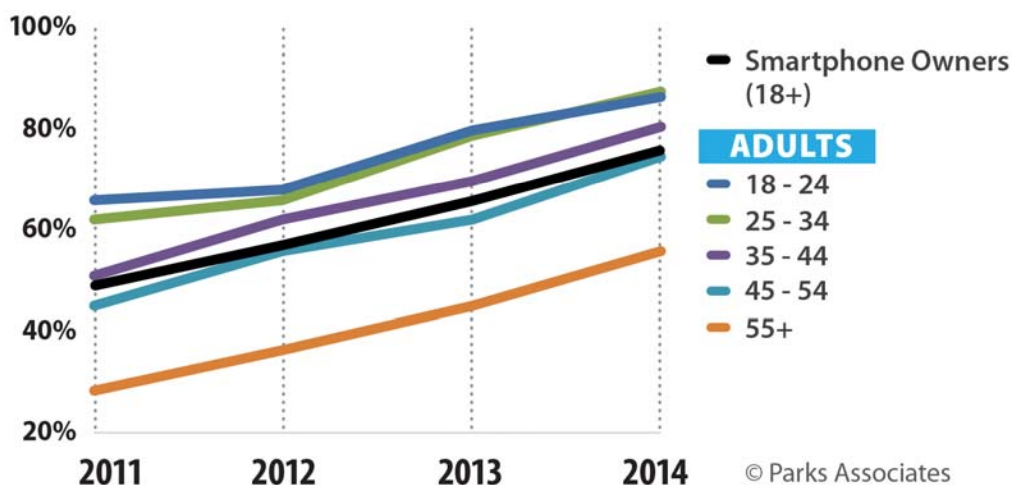Among U.S. Broadband Households

Figure 1

TREND 1

Smartphone & Tablet Ownership Has Reached Critical Mass

Prior to the release of the first smartphone, the mobile phone market was well established if not yet at maturity.

However, the tablet market did not exist prior to Apple's release of the iPad in early 2010. With the launch of the iPad, Apple created a brand new consumer electronics category. And within a few short years, the tablet market exploded.

In 2011, 13% of adults in U.S. BB HHs owned a tablet. As of 1Q 2014, ownership rates have quadrupled to 61% (Figure 2).

Again, a younger, more digitally connected, consumer segment is driving tablet ownership trends-68% of adults under 35 years old report owning a tablet.
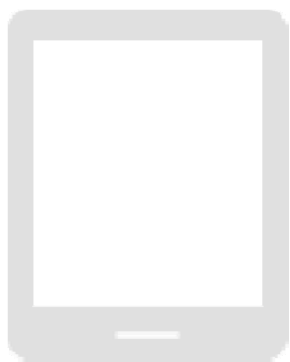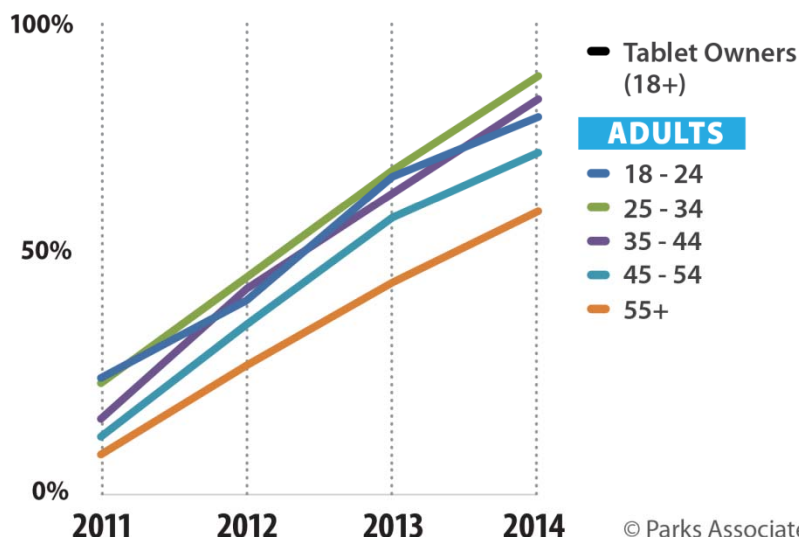
Tablet Ownership Trends by Age Group 2011-2014
Among U.S. Broadband Households

Figure 2

Tablet Owners (18+)

ADULTS
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55+

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TREND 2

OTT Services Have Transformed the Way Video is Consumed

While a dominant majority of consumers watch video via traditional channels (i.e., on a TV set via a pay-TV service subscription), video consumption on computers, smartphones, and tablets continues its uptrend.

Internet-connected devices are slowly supplanting traditional TV distribution sources (i.e., pay-TV service networks). As of 1Q 2014, 78% of U.S. households have broadband.

The implications of over-the-top (OTT) video use will become more problematic for stakeholders as young video viewers age and become the primary audience.

Young consumers are more likely to watch TV programs and movies online, via smart TVs, smartphones and tablets and are less inclined to view in traditional viewing mode than viewers over the age of 35 (Figure 3).

Video Viewing Habits by Demographics

U.S. Broadband Households

Figure 3
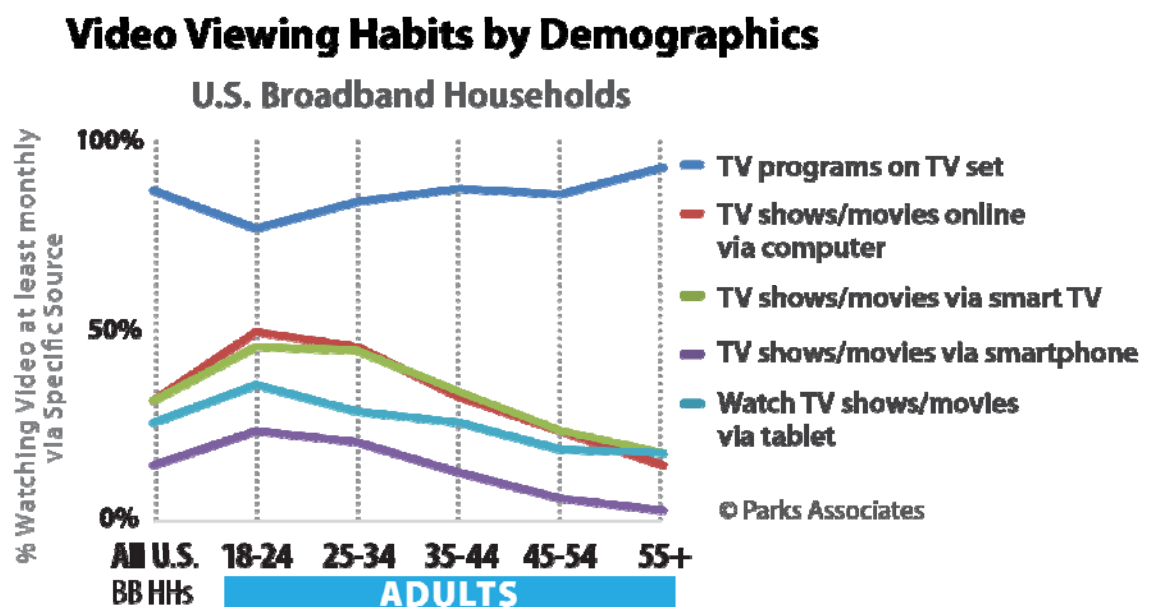
TREND 3

Multiscreen Media Engagement is Becoming the Norm

Consumer demand for multiscreen media experiences is intensifying, particularly among young TV viewers. Parks Associates reports adults 18 - 34 are more likely to use a smartphone or tablet device to interact with TV shows than viewers 35 or older.
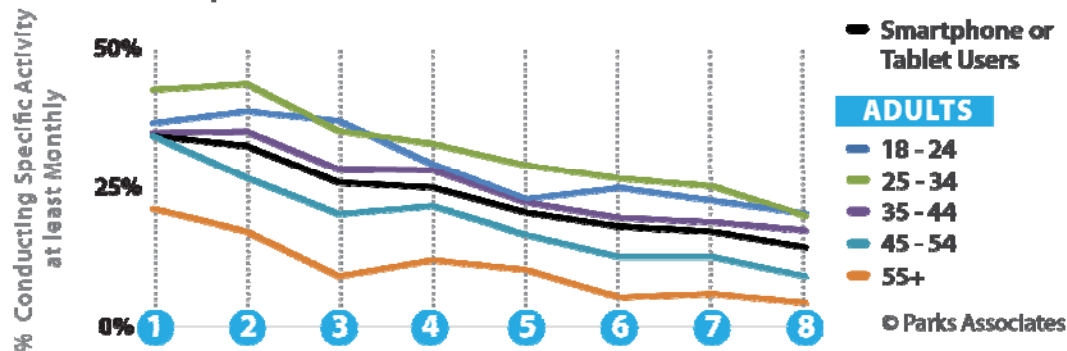
Young TV viewers are:

- More inclined to message, share, or interact with others regarding a TV program
- More likely to play games, take polls, or answer trivia questions
- More likely to search or request information for a product or service after seeing a TV ad

Multiscreen activities continue to increase and can no longer be ignored by those invested in the TV ecosystem. The transition to a truly convergent multiscreen media realm is imminent-from distribution to consumption. Consumers want *lean-back* and *lean-in* experiences, often at the same time.

Smartphone or Tablet Activities While Watching TV
Smartphone & Tablet Users in U.S. Broadband Households

% Conducting Specific Activity at least Monthly

50%

25%

0%

1 2 3 4 5 6 7 8

Smartphone or Tablet Users

ADULTS
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55+

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1 **Check** TV listings
2 **Search** TV show/channel information
3 **Message**, share, or interact with others regarding a TV show/channel
4 **Search or request** information for a product/service after seeing a TV ad
5 **Schedule DVR** recordings using a pay-TV service app
6 **Interact** with the TV show/channel by playing games, taking polls, or answering trivia
7 **Select & watch** TV programs/channels using a pay-TV service app
8 **Purchase** a product after seeing it on a TV show

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Best Practices
in Developing a
Multiscreen Video
Strategy

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STRATEGY 1

Unify and Extend Multiscreen Video

Video content owners, particularly broadcast and cable TV networks, are well aware of and concerned with the shifts of video viewing away from traditional platforms to over-the-top (OTT) channels.

But are they moving quickly enough to meet consumer demand?

To address changing viewing patterns, the leading TV networks are taking a two pronged strategy:

1 **THE FIRST** approach protects established video distribution deals with the major pay-TV services through authenticated video access.

2 **THE SECOND** approach involves deploying video apps directly to consumers to retain and grow viewership, particularly among younger consumers who are more apt to engage TV shows outside of linear, broadcast environments.

STRATEGY 1   Best Practices

Multiplatform is a must.

Providers need to deliver both linear TV and on-demand content across multiple connected device platforms, providing the same user experience regardless of device type and operating system.

Seamless discovery is key.

It needs to be quick and easy for people to find and choose what they want to watch on TV amongst thousands of options. Discovery must include recommendations based on user history; Strategy 3 addresses this need.

Compelling user experiences is critical!

Delivering a compelling user experience is arguably the most important element in "getting it right" in multiscreen and OTT delivery.

The user experience (UX) must be simple, seamless and visually convincing. Keeping this consistent across the fragmented nature of the device and platform landscape is a big challenge, and is something that providers need to conquer in-house or by out-sourcing to the right expertise.

Bright House TV Explorer App
See how it works at
www.youtube.com/watch?v=GmVOu8G5H_I

STRATEGY 2

Personalize Video Experiences with Social Integration

In addition to having all-access to video, consumers are growing more accustomed to using social channels to engage with TV programs and movies.

There are many social integration features that can be used to build and engage audiences, including the following multiscreen media implementations:

- **Social TV:** The curation of social comments on Twitter, Facebook, et al. around TV shows followed by their display on TV through the networks graphic systems.

- **Companion TV:** Platforms that are "synched" to the content that viewers are watching and supply supplementary content such as cast and show information to the viewer in real time.

- **Participation TV:** Platforms that allow viewers to participate in LIVE votes, opinions, quizzes, gamification, etc., in real time, and allow the viewer to see the results instantly displayed on TV through the networks graphic systems.

Customized video experiences across platforms have a domino effect for stakeholders. Good experiences build a stronger, more valuable audience base, which strengthens the value of the content or service, which in turn increases company revenues.

# STRATEGY 2   Best Practices

Get More Social.

TV shows by nature drive conversation. Providing viewers with the ability to share thoughts and opinions with others has been proven by research using biometric monitoring and eye tracking to increase viewer engagement significantly.

Provide More Information.

Supplementing primary TV content with additional information such as show and cast information and video clips helps to retain viewer attention even as they are bombarded with many competing options and distractions.

Go Interactive.

Real-time interaction enables viewers to be active vs. passive participants in the TV viewing experience. This ability, while still in early stages, can ultimately help differentiate the traditional provider's offerings from rival services.

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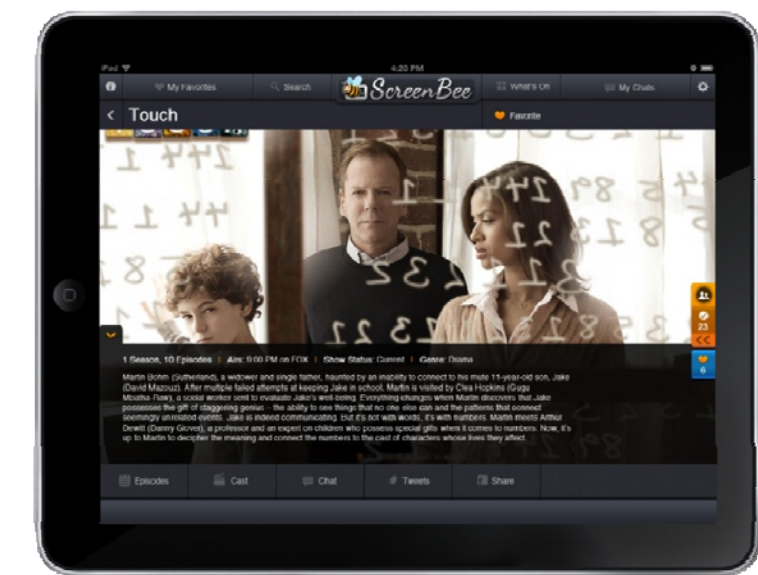
Screen Bee App

See how it works at

www.youtube.com/watch?v=fIZc_q7tRXA

STRATEGY 3

Leverage Analytics to Improve the User Experience

As watching video entertainment on a variety of connected devices becomes a way of life, the collection of real-time actionable intelligence becomes of prime importance.

Building an engaged, segmented audience is key to delivering highly personalized content based on viewer behaviors for both live and on-demand media. This means seeing, analyzing, and acting on data at a granular level.

Measurement and analysis of user data typically fall into three general buckets:

- **Quality of Service**. Ensuring reliable content reaches multiple viewing devices in many formats is a constant challenge, but critical for maintaining a good user experience.

- **Audience Behavior**. Tracking audience behavior down to the individual viewer level provides data that is used for many purposes, including customized delivery and recommendation of programs and promotions.

- **Monetization Strategies**. Detailed reports on individual users, including who they are, where they are, what they watch, how they engage and which devices they are using, is very valuable to companies seeking to optimize their investment.

Providing valuable insights into viewer behavior — and more importantly, acting on it — results in viewers who watch longer and remain more engaged.

STRATEGY 3 Best Practices

Know Your Audience.

Learn what viewers are watching, when, from where, and from which device, in order to provide intelligent recommendations based on personal preferences and behavior.

Engage with the Right Content.

Collect detailed data on how users are engaging with specific pieces of content, in order to learn what to remove or promote.

Ensure Quality.

Monitor alerts and diagnostics in real-time to manage the quality of experience (e.g., if video isn't being delivered properly to a certain region, device, browser, or platform.)

Provide Superior Customer Care.

Detailed viewer-specific reports help customer care agents make better decisions when viewers call in with complaints.

Monetize the Data.

Identify micro-demographics and behavioral data in order to deliver targeted and optimized promotional and advertising campaigns.
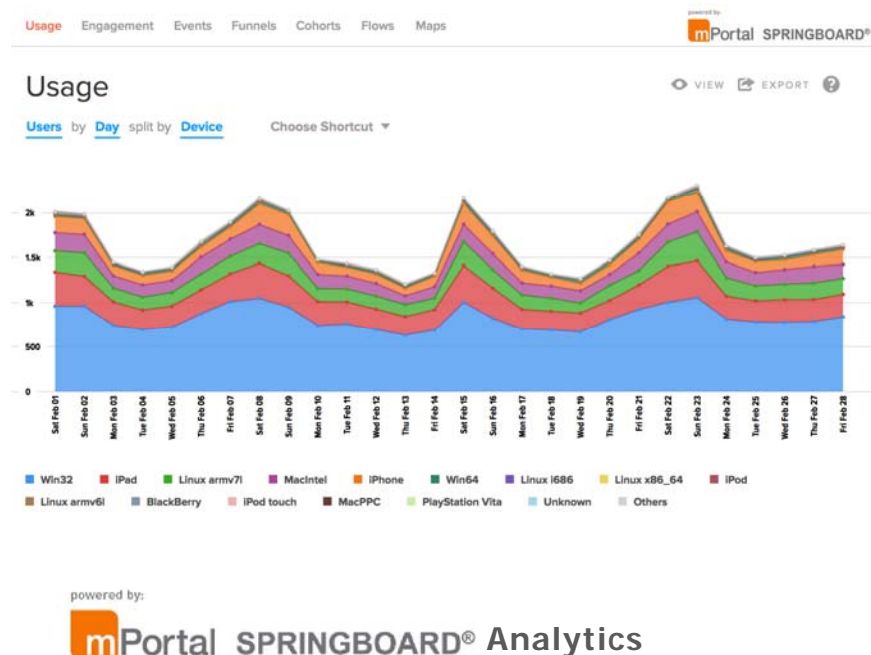
About mPortal

mPortal, founded in 2000, focuses on providing superior end user experiences for mobile content and applications across smartphones, tablets and other Internet-connected devices.

mPortal's SPRINGBOARD® Mobile Experience Platform provides the critical link between the service provider's existing service infrastructure, and the successful deployment of mobile apps & services (VoIP, UC, Video, Entertainment) across an ever-changing array of connected devices.

Our customers to date include many of the world's leading companies such as AT&T, Bright House Networks, Cablevision, Comcast, Cricket Communications, Cox Communications, Disney Mobile, Mobile ESPN, Reliance Infocomm, TELUS, TV Guide, Time Warner Cable, and Verizon Wireless.

- Check out www.mportal.com for more information
- View our customer case study videos on Youtube
- Send us an email at sales@mportal.com
- Follow us on Twitter @mportal

About the Research

Attribution

Executive Editor: Tricia Parks
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Research Resources

- Parks Associates, *The 360 View: Mobility and The App Economy*, 1Q 2014

- Parks Associates, *Broadband and Consumer Electronics*, 2Q 2013

- Parks Associates, *Video on Demand: The Road to Revenues*, 1Q 2013

About Parks Associates

Parks Associates is an internationally recognized market research and consulting company specializing in emerging consumer technology products and services.

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

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