



# STREAMS TURN INTO A RIVER

## OTT IMPACT ON THE US TELEVISION LANDSCAPE

Presented to ASI  
Brian Fuhrer – SVP Product Leadership  
9th November 2017

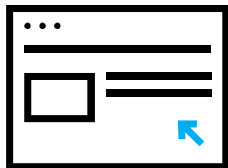
# AGENDA

- **Landscape Brief: OTT and SVOD Penetration**
- **TV Streaming Context from the Streaming Meter**
- **Nielsen SVOD Content Ratings: What, Why and How**
- **A First Look: SVOD Data Insights**

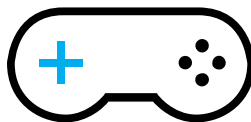
# IMPACT OF TV CONNECTED DEVICES

**75 MILLION** or **63.2%**

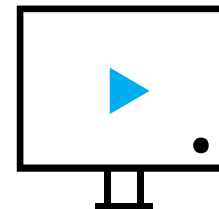
of U.S. TV households have at least one of these devices



DIGITAL  
STREAMING  
DEVICES



INTERNET-ENABLED  
VIDEO GAME  
CONSOLES

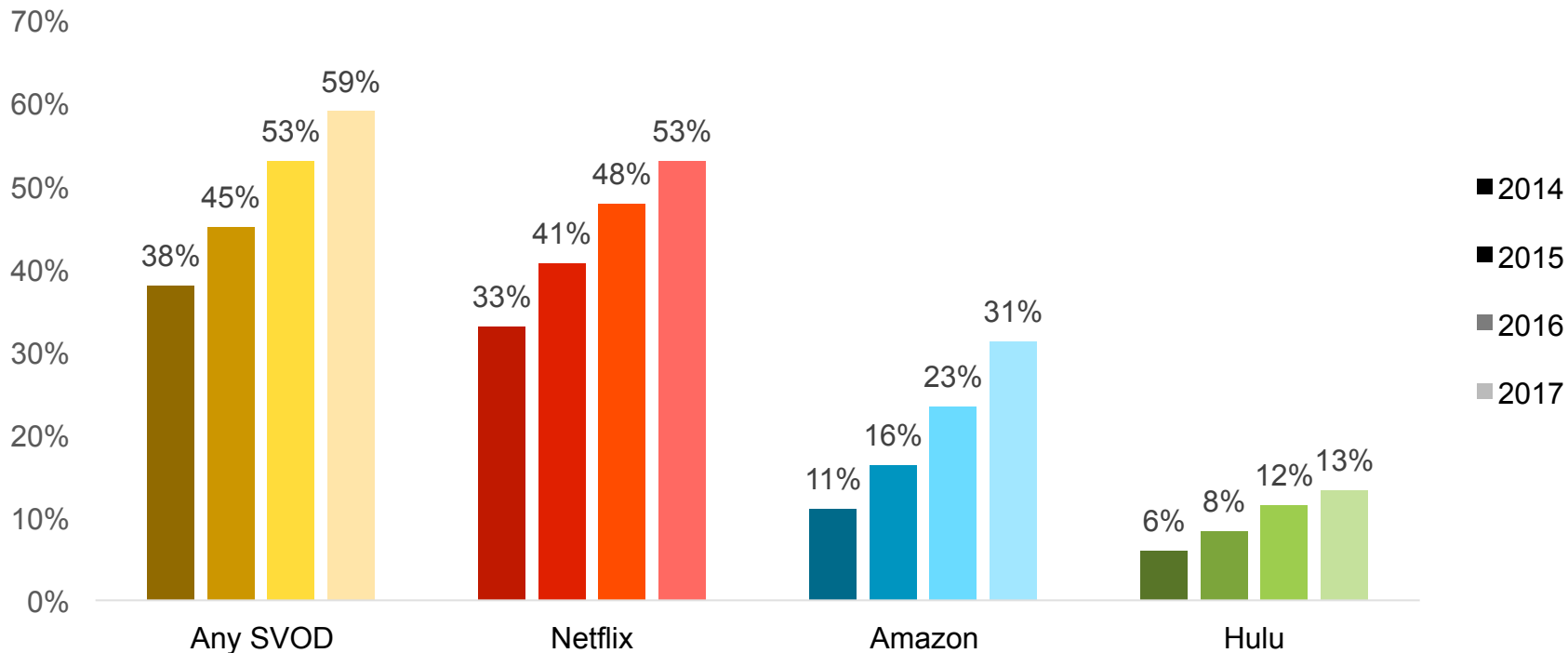


INTERNET-  
ENABLED  
SMART TVs

Up from 57% penetration last year

# SUBSCRIPTION VIDEO ON DEMAND

Percent of U.S. TV households with access

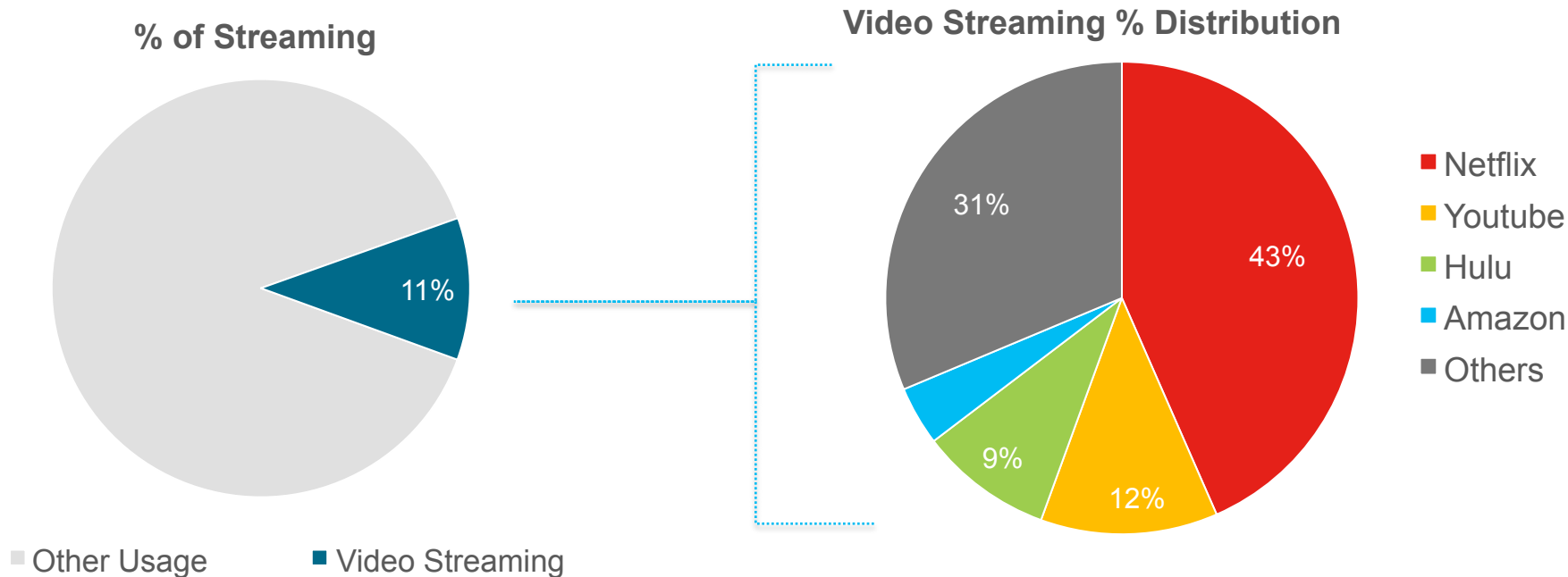


Source: Nielsen National Panel (Scaled Installed Count) June 2014, 2015, 2016, 2017

# **NIELSEN'S STREAMING METER: *THE IMPACT ON TOTAL USAGE***

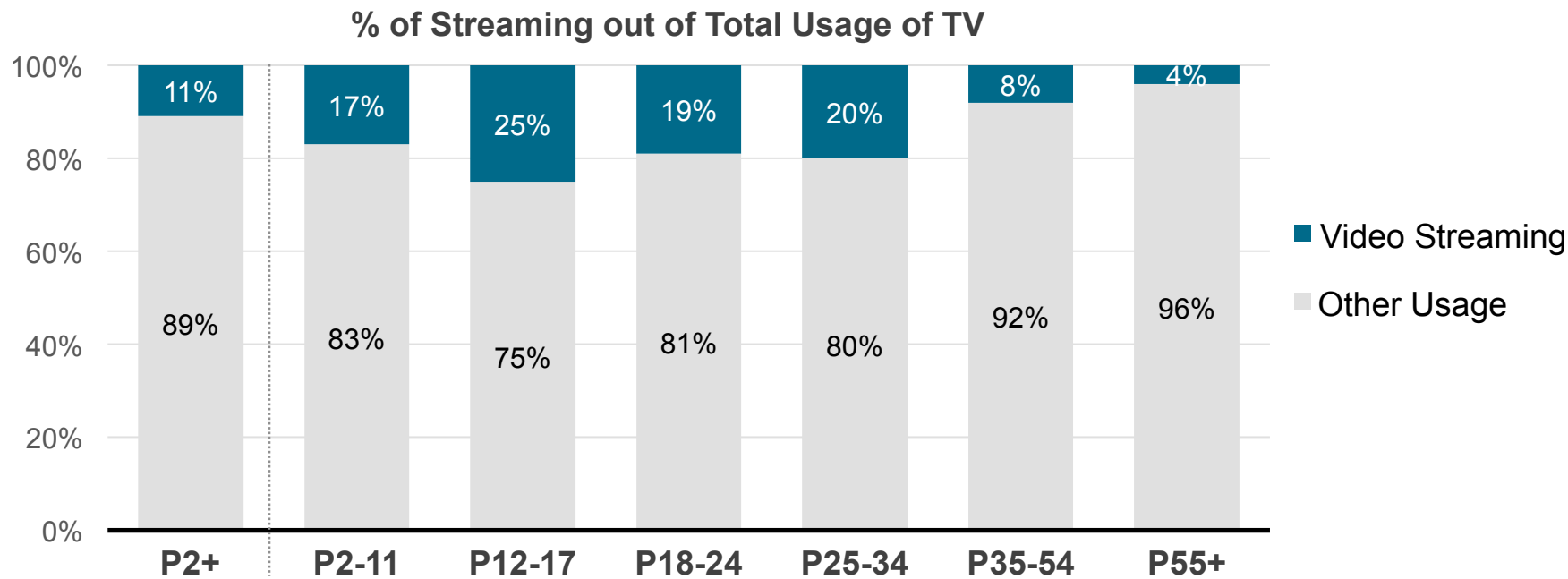
# WHEN DOES A STREAM BECOME A RIVER?

Streaming accounts for 11% of total U.S. TV usage among over-the-top capable homes



# U.S. STREAMING CONSUMPTION BY AGE

Streaming is a quarter of total television time among teens 12-17



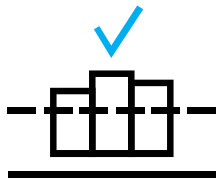


# SVOD CONTENT RATINGS: *WHAT, WHY AND HOW*

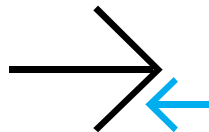


# INTRODUCING SVOD CONTENT RATINGS

Service launched with Netflix content and provides the following



**A Competitive  
View of SVOD**



**Comparable  
Metrics to TV**



**Full National  
Panel Capabilities**



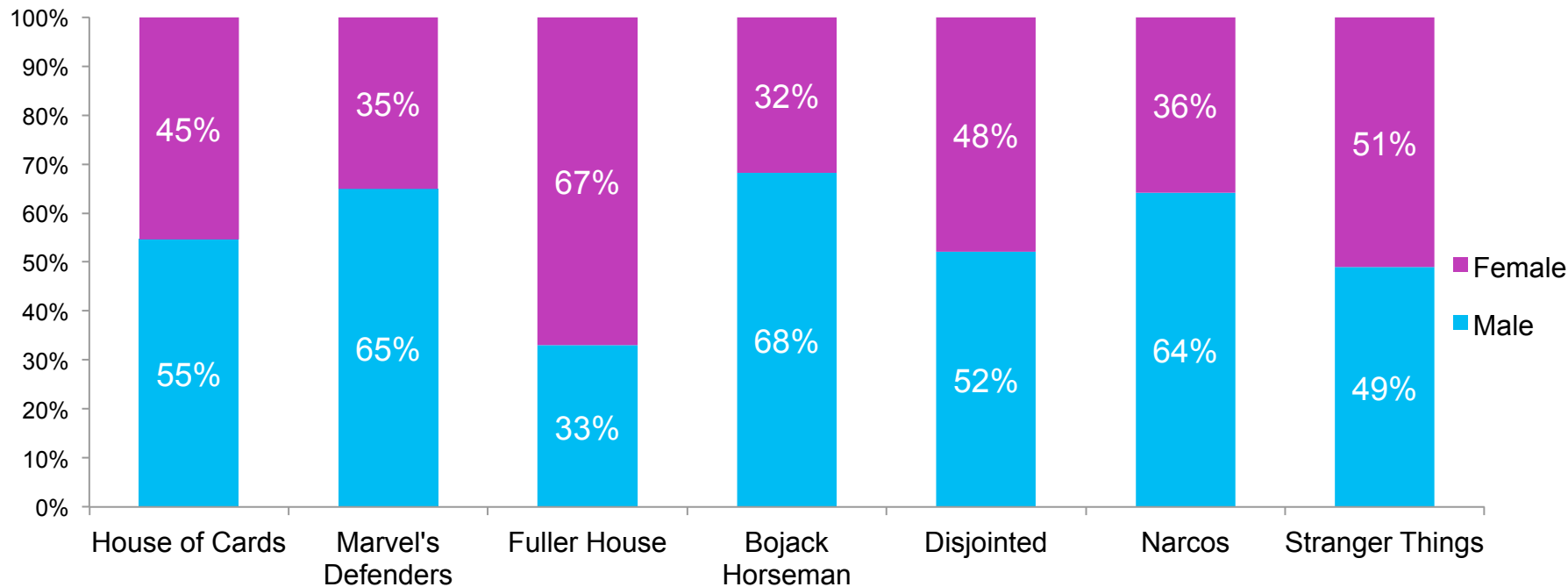
# SVOD DATA FIRST LOOK: AGE AND GENDER SKEWS



# DEMO SKEW OF NETFLIX PROGRAMS

Different genres; different audience composition (US television homes)

## Gender Skew

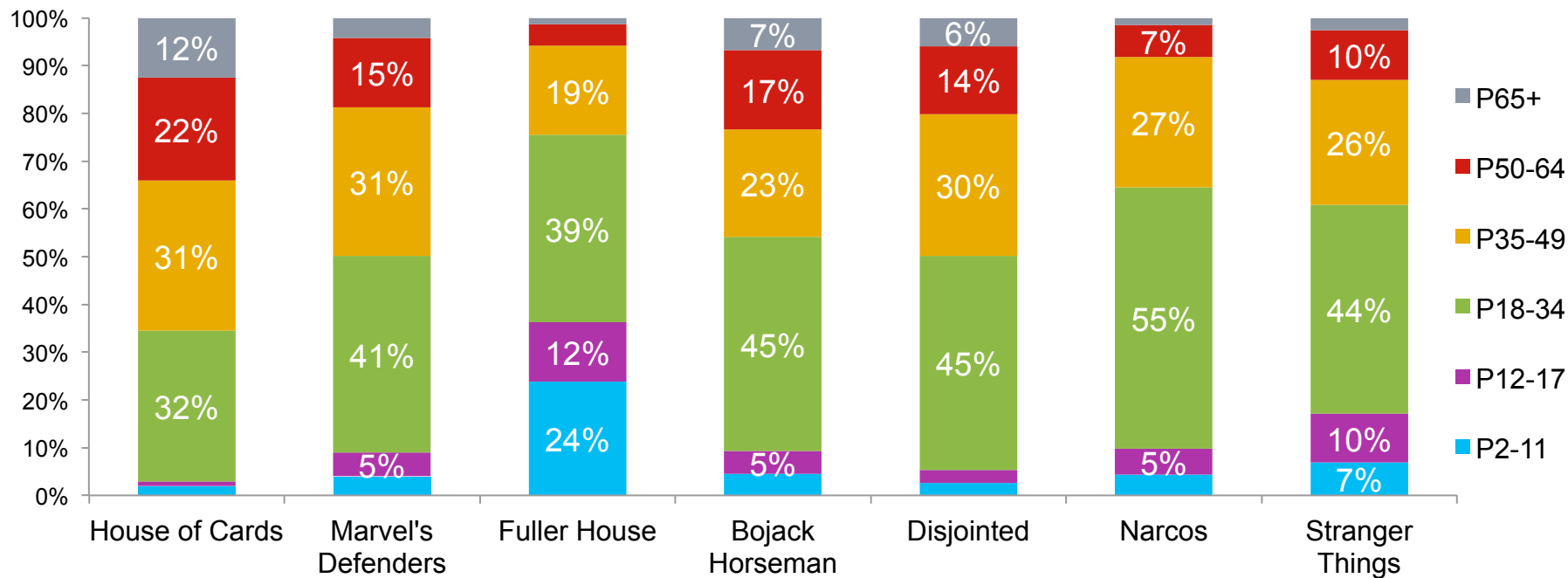


Source: NPOWER, House of Cards Ssn5: 05/30/2017 - 06/25/2017; Marvel's Defenders: 08/17/2017 - 09/17/2017; Fuller House: 09/21/2017 - 10/08/2017, Bojack Horseman: 09/08/2017 - 09/22/2017; Disjointed: 08/25/2017 - 09/08/2017; Narcos: 09/01/2017 - 09/15/2017, Stranger Things: 10/27-10/29/2017; Distribution based on P2+

# AGE COMPOSITION OF NETFLIX PROGRAMS

Different genres; different audience composition (US television households)

## Age Skew



Source: NPOWER, House of Cards Ssn5: 05/30/2017 - 06/25/2017; Marvel's Defenders: 08/17/2017 - 09/17/2017; Fuller House: 09/21/2017 - 10/08/2017, Bojack Horseman: 09/08/2017 - 09/22/2017; Disjointed: 08/25/2017 - 09/08/2017; Narcos: 09/01/2017 - 09/15/2017, Stranger Things: 10/27-10/29/2017; Distribution based on P2+





# SVOD DATA FIRST LOOK: *RANKING SVOD VS. LINEAR*

# TOP PROGRAM RANKING: HOUSE OF CARDS

During the week of the release, the first four episodes of House of Cards ranked among the top 20 most watched shows across the U.S.

## Linear and Non Linear Weekly Telecast/Episode Ranker: P18-49

Broadcast Date	Originator	Program Name	Telecast / Episode Details	L7 AA %	L7 Proj (000)
06/04/17	ABC	NBA FINALS ON ABC-GM 2	7:59 PM	7.21	9,247
06/01/17	ABC	NBA FINALS ON ABC-GM 1	8:59 PM	7.00	8,981
05/30/17	NBC	AMERICA'S GOT TALENT-TUE	8:00 PM	3.59	4,601
05/30/17	NBC	WORLD OF DANCE	10:00 PM	3.22	4,131
05/29/17	ABC	BACHELORETTE, THE	8:00 PM	2.23	2,862
05/30/2017 - 06/06/2017	SVOD Programs	HOUSE OF CARDS	S5 E1	2.16	2,770
06/04/17	AMC	FEAR THE WALKING DEAD	9:00 PM	2.09	2,676
06/04/17	AMC	FEAR THE WALKING DEAD	10:03 PM	1.96	2,517
06/01/17	ABC	NBA COUNTDOWN-GM 1	8:31 PM	1.96	2,512
05/30/2017 - 06/06/2017	SVOD Programs	HOUSE OF CARDS	S5 E2	1.76	2,263
05/29/17	NBC	NBC NHL STANLEY CUP FNL#1	8:11 PM	1.73	2,218
05/29/17	FOX	GOTHAM	8:00 PM	1.71	2,190
06/04/17	ABC	NBA COUNTDOWN-GM 2	7:31 PM	1.63	2,087
05/31/17	FOX	MASTERCHEF	8:00 PM	1.60	2,053
05/29/17	FOX	LUCIFER	9:01 PM	1.59	2,040
05/30/2017 - 06/06/2017	SVOD Programs	HOUSE OF CARDS	S5 E3	1.59	2,034
05/30/17	FOX	PRISON BREAK	9:00 PM	1.56	2,004
05/29/17	DISCOVERY CHANNEL	STREET OUTLAWS	9:00 PM	1.46	1,868
06/01/17	CBS	AMAZING RACE	10:00 PM	1.41	1,807
05/30/2017 - 06/06/2017	SVOD Programs	HOUSE OF CARDS	S5 E4	1.39	1,786

Source: NPOWER, P18-49 AA Proj, Live+7, 05/29/2017 - 06/04/2017, Linear ranker based on telecast, Non Linear ranker based on episodes

# TOP PROGRAM RANKING: MARVEL DEFENDERS

During the week of the release, all eight episodes of Marvel's Defenders were among the top 20 most watched shows in the U.S.

## Linear and Non Linear Weekly Telecast/Episode Ranker: P18-49

Broadcast Date	Originator	Program Name	Episode/ Telecast details	L7 AA %	L7 Proj (000)
08/20/17	HBO PRIME	GAME OF THRONES	9:04 PM	6.31	8,100
08/15/17	NBC	AMERICA'S GOT TALENT-TUE	8:00 PM	3.73	4,781
08/18/2017 - 08/25/2017	SVOD Programs	MARVELS THE DEFENDERS	S1 E1	3.36	4,305
08/18/2017 - 08/25/2017	SVOD Programs	MARVELS THE DEFENDERS	S1 E2	2.92	3,745
08/16/17	NBC	AMERICA'S GOT TALENT-WED	8:00 PM	2.83	3,635
08/20/17	ADULT SWIM	RICK & MORTY	11:30 PM	2.74	3,521
08/17/17	CBS	BIG BROTHER-THU	9:00 PM	2.58	3,305
08/16/17	CBS	BIG BROTHER-WED	8:00 PM	2.51	3,216
08/18/2017 - 08/25/2017	SVOD Programs	MARVELS THE DEFENDERS	S1 E3	2.48	3,182
08/20/17	CBS	BIG BROTHER-SUN	8:00 PM	2.40	3,081
08/18/2017 - 08/25/2017	SVOD Programs	MARVELS THE DEFENDERS	S1 E4	2.26	2,895
08/18/2017 - 08/25/2017	SVOD Programs	MARVELS THE DEFENDERS	S1 E5	2.21	2,841
08/14/17	ABC	BACHELOR IN PARADISE	8:00 PM	2.19	2,804
08/18/2017 - 08/25/2017	SVOD Programs	MARVELS THE DEFENDERS	S1 E6	2.08	2,665
08/18/17	CBS	BIG BROTHER-FRI 8/18 SP	8:00 PM	2.06	2,643
08/18/2017 - 08/25/2017	SVOD Programs	MARVELS THE DEFENDERS	S1 E7	1.98	2,536
08/17/17	NBC	SNL WKND UPDATE-PRIME	9:00 PM	1.91	2,454
08/18/2017 - 08/25/2017	SVOD Programs	MARVELS THE DEFENDERS	S1 E8	1.84	2,362
08/15/17	ABC	BACHELOR IN PARADISE-TUE	8:00 PM	1.76	2,262
08/14/17	NBC	AMERICAN NINJA WARRIOR	8:00 PM	1.71	2,188

Source: NPOWER, P18-49 AA Proj, Live+7, 08/14/2017 - 08/20/2017, Linear ranker based on telecast, Non Linear ranker based on episodes

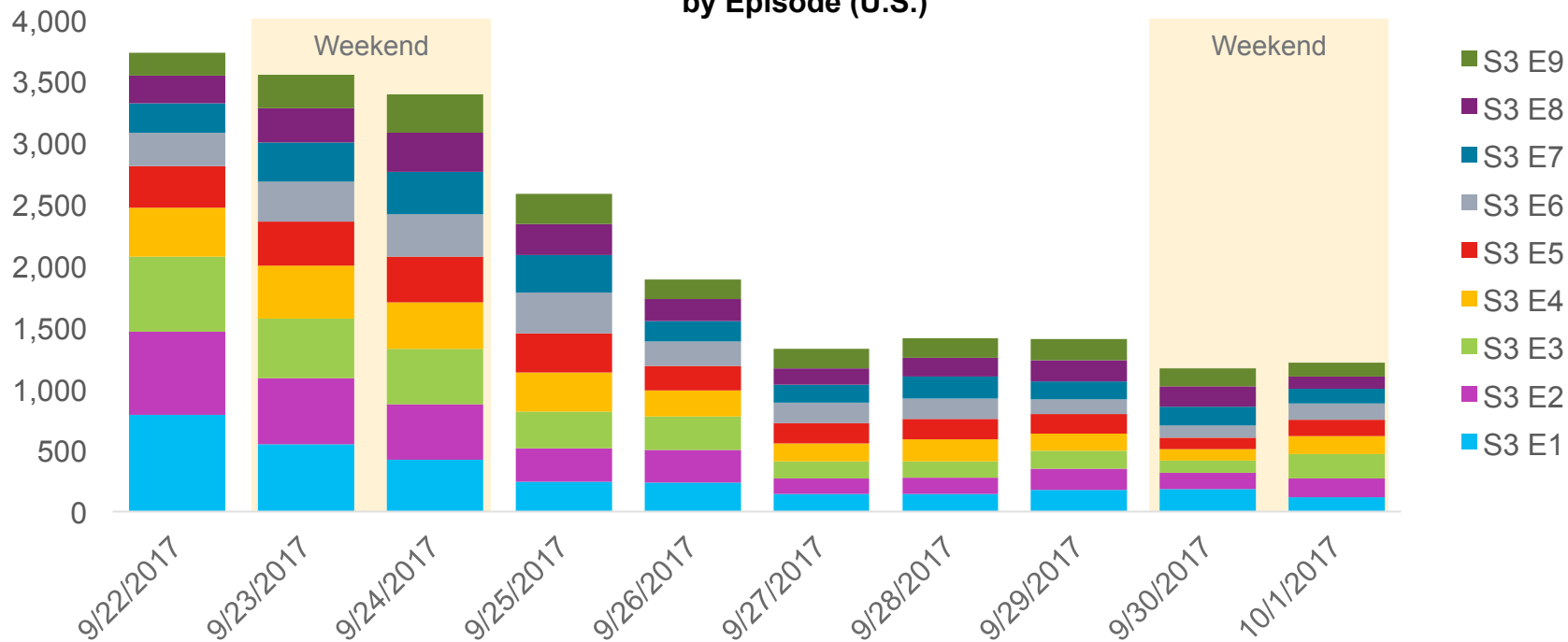


# SVOD DATA FIRST LOOK: *EPISODE BUILD*



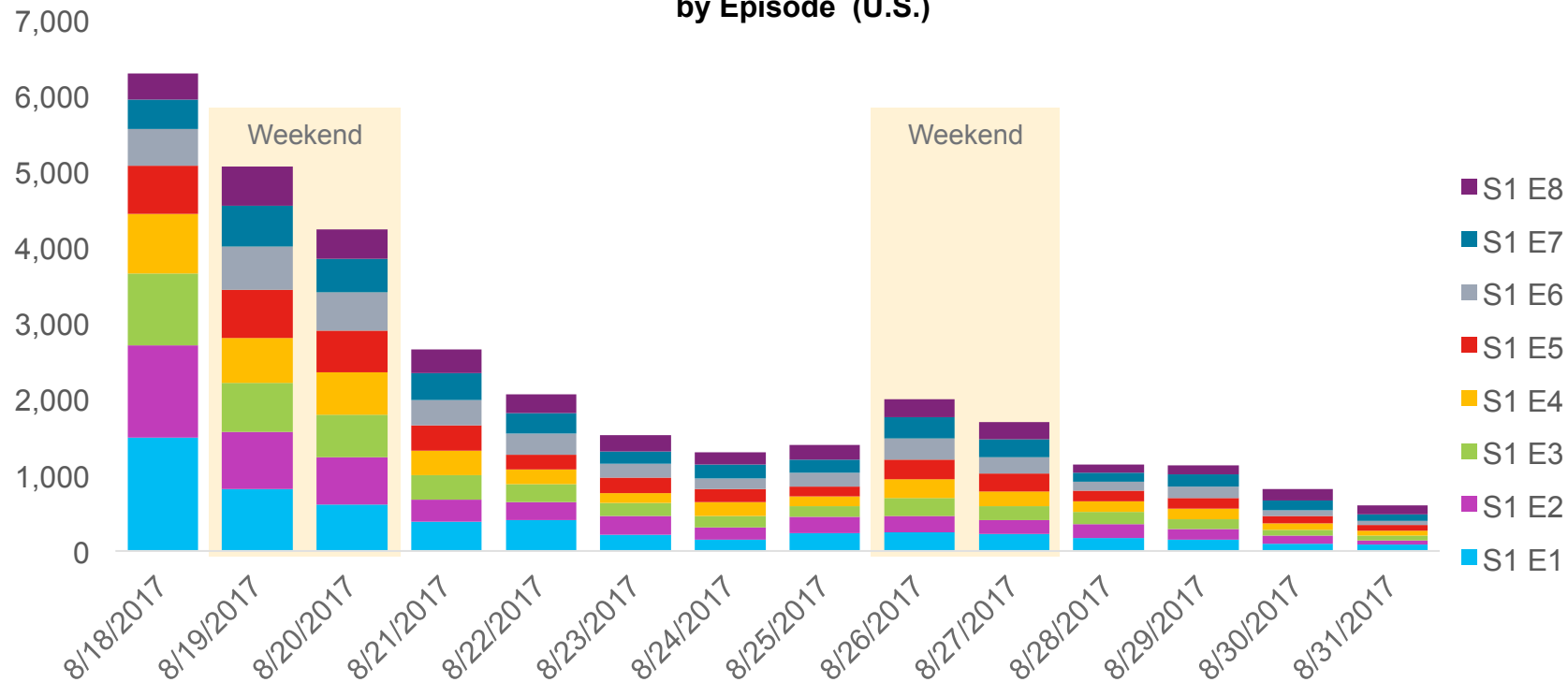
# FULLER HOUSE EPISODE AUDIENCE BY DAY

Fuller House: Season 3 P18-49 Projections (000)  
by Episode (U.S.)



# MARVEL DEFENDERS EPISODE AUDIENCE BY DAY

Marvel's Defenders: Season 1 P18-49 Projections (000)  
by Episode (U.S.)



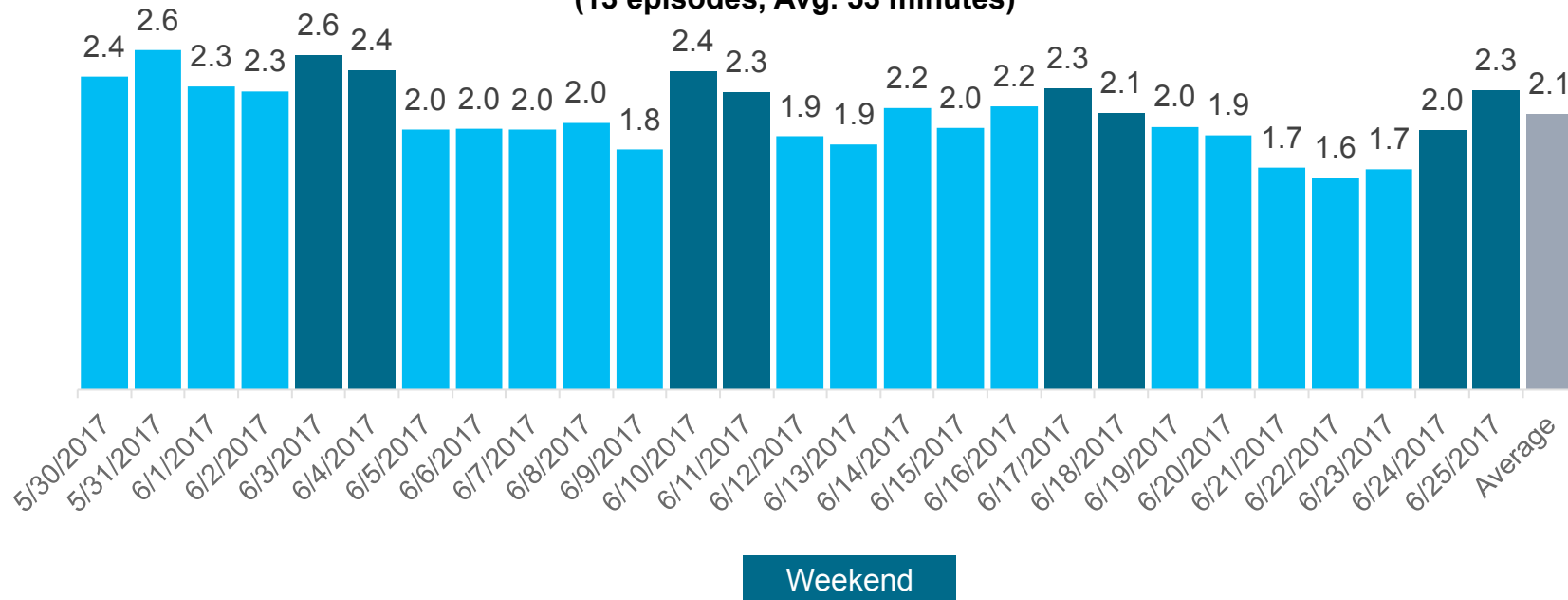


# SVOD DATA FIRST LOOK: *THE BINGE FACTOR*



# HOUSE OF CARDS BINGE VIEWING

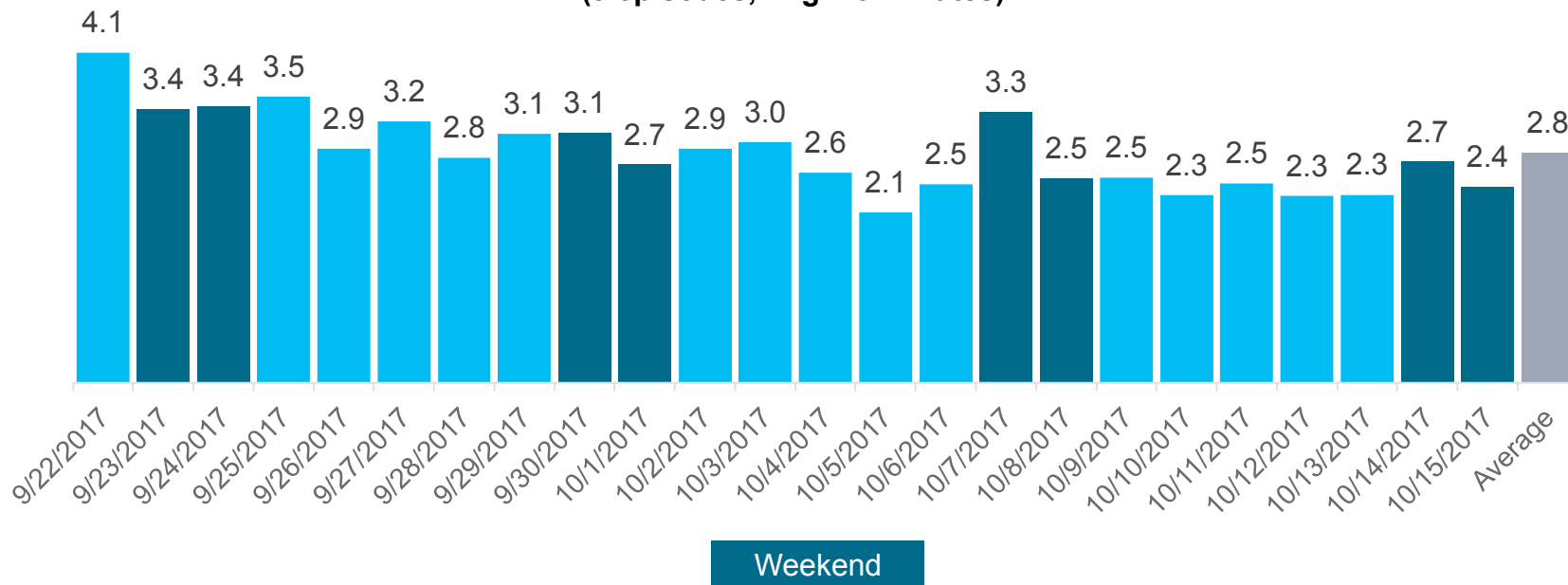
**P18-49 Average Number of Episodes Viewed per day – House of Cards**  
(13 episodes, Avg. 53 minutes)



Source: NPOWER, Reach and Frequency Program Report, P18-49 Freq by day for SVOD Programs: House of Cards Season 5, 5/30/2017 – 6/25/2017, Qualifier: 6 minutes, Distinct Processing

# FULLER HOUSE BINGE VIEWING

**P18-49 Average Number of Episodes Viewed per day – Fuller House**  
(9 episodes, Avg. 26 minutes)





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# STRANGER THINGS

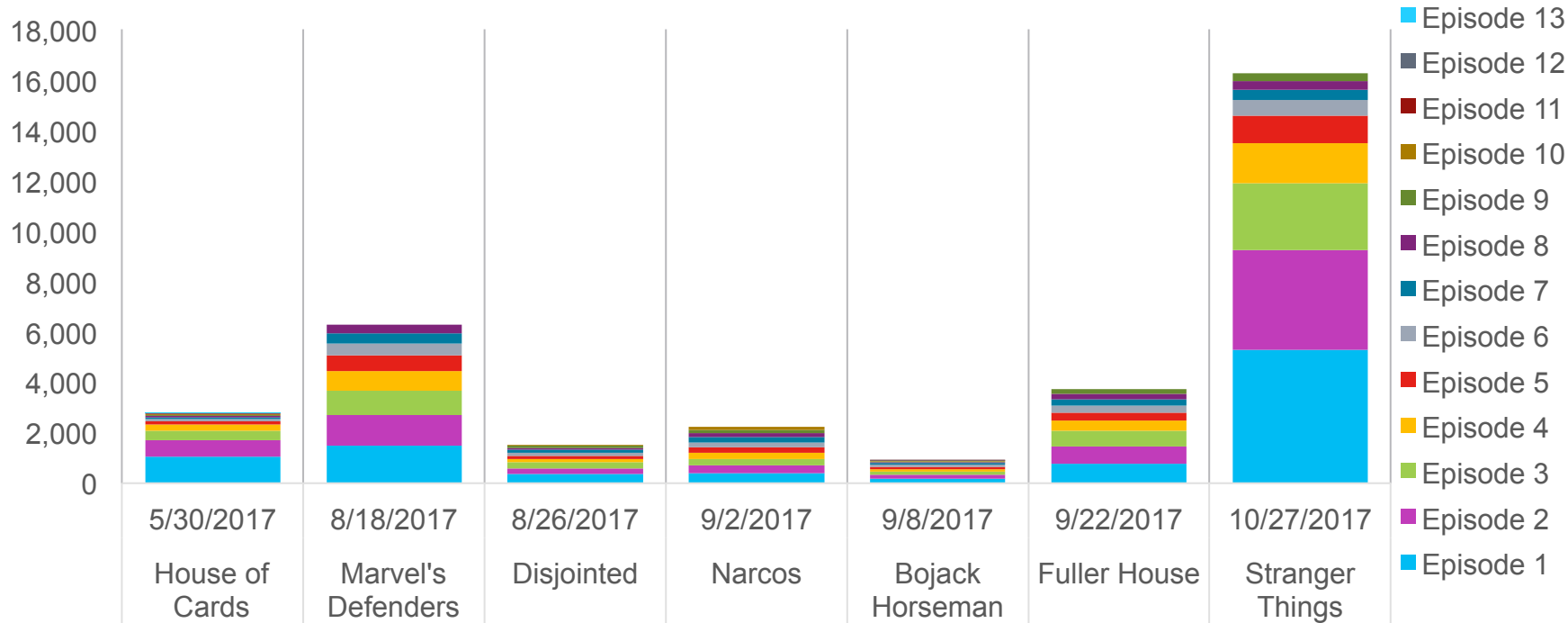
A NETFLIX ORIGINAL SERIES

7 NOV 2017



# U.S. PROJECTIONS FOR PROGRAM RELEASE DATE

P18-49 (U.S.) Projections (000) by Episode  
For Premiere Date



# STRANGER THINGS RANKED VS. NON SPORTS

During the week of the release, all 9 Stranger Things episodes were in the top 20 for P18-49, **excluding** sports (U.S.)

## Linear and Non Linear Weekly Entertainment Telecast/Episode Ranker: P18-49

Broadcast Date	Originator	Program Name	Episode/ Telecast details	L3 AA %	L3 Proj (000)
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E001 CHAPTER ONE: MADMAX	8.51	10,972
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E002 CHAPTER TWO: TRICK OR TREAT, FRE	7.47	9,633
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E003 CHAPTER THREE: THE POLLYWOG	6.30	8,124
10/29/17	AMC	WALKING DEAD	9:00 PM	5.59	7,204
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E004 CHAPTER FOUR: WILL THE WISE	5.09	6,560
10/24/17	NBC	THIS IS US	9:00 PM	4.36	5,616
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E005 CHAPTER FIVE: DIG DUG	4.34	5,600
10/23/17	CBS	BIG BANG THEORY, THE	8:00 PM	4.08	5,256
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E006 CHAPTER SIX: THE SPY	3.48	4,482
10/23/17	ABC	GOOD DOCTOR, THE	10:01 PM	3.29	4,246
10/26/17	ABC	GREY'S ANATOMY	8:00 PM	2.96	3,818
10/26/17	NBC	WILL & GRACE	9:00 PM	2.93	3,771
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E007 CHAPTER SEVEN: THE LOST SISTER	2.87	3,695
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E008 CHAPTER EIGHT: THE MIND FLAYER	2.63	3,392
10/23/17	NBC	VOICE	8:00 PM	2.61	3,364
10/25/17	ABC	MODERN FAMILY	9:00 PM	2.60	3,348
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E009 CHAPTER NINE: THE GATE	2.47	3,180
10/24/17	NBC	VOICE-TUE	8:00 PM	2.28	2,938
10/25/17	CBS	SURVIVOR	8:00 PM	2.23	2,873
10/24/17	FX	AMERICAN HORROR STORY	10:00 PM	2.16	2,784

# STRANGER THINGS RANKED VS. ALL PROGRAMS

During the week of the release, 5 Stranger Things episodes were in the top 20 for P18-49 including sports (U.S.)

## Linear and Non Linear Weekly Entertainment Telecast/Episode Ranker: P18-49

Broadcast Date	Originator	Program Name	Episode/ Telecast details	L3 AA %	L3 Proj (000)
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E001 CHAPTER ONE: MADMAX	8.51	10,972
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E002 CHAPTER TWO: TRICK OR TREAT, FRE	7.47	9,633
10/29/17	FOX	FOX NFL SUNDAY-NATIONAL	4:25 PM	6.62	8,537
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E003 CHAPTER THREE: THE POLLYWOG	6.30	8,124
10/29/17	AMC	WALKING DEAD	9:00 PM	5.59	7,204
10/29/17	FOX	FOX NFL SUNDAY-PST GN-NAT	7:37 PM	5.41	6,974
10/29/17	FOX	FOX WORLD SERIES GAME 5	8:14 PM	5.32	6,862
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E004 CHAPTER FOUR: WILL THE WISE	5.09	6,560
10/29/17	NBC	NBC SUNDAY NIGHT FOOTBALL	8:31 PM	4.81	6,203
10/29/17	CBS	CBS NFL SINGLE	1:03 PM	4.55	5,868
10/29/17	FOX	FOX NFL GAME BREAK	4:10 PM	4.47	5,760
10/24/17	NBC	THIS IS US	9:00 PM	4.36	5,616
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E005 CHAPTER FIVE: DIG DUG	4.34	5,600
10/29/17	FOX	OT, THE	7:41 PM	4.33	5,578
10/25/17	FOX	FOX WORLD SERIES GAME 2	8:13 PM	4.18	5,392
10/29/17	CBS	CBS NFL SINGLE POST GUN	4:01 PM	4.11	5,293
10/23/17	CBS	BIG BANG THEORY, THE	8:00 PM	4.08	5,256
10/29/17	FOX	FOX WORLD SERIES GM5-PRE	8:00 PM	4.03	5,197
10/23/17	ESPN	NFL REGULAR SEASON L	8:15 PM	3.95	5,088
10/24/17	FOX	FOX WORLD SERIES GAME 1	8:06 PM	3.92	5,057

# STRANGER THINGS RANKED: THE 50+ FACTOR

During the week of the release, 2 Stranger Things episodes were in the top 20 for P2+ including sports (U.S.)

## Linear and Non Linear Weekly Entertainment Telecast/Episode Ranker: P2+

Broadcast Date	Originator	Program Name	Episode/ Telecast details	L3 AA %	L3 Proj (000)
10/29/17	FOX	FOX NFL SUNDAY-NATIONAL	4:25 PM	7.25	22,082
10/29/17	FOX	FOX WORLD SERIES GAME 5	8:14 PM	6.26	19,051
10/23/17	CBS	BIG BANG THEORY, THE	8:00 PM	5.58	17,000
10/29/17	FOX	FOX NFL SUNDAY-PST GN-NAT	7:37 PM	5.48	16,691
10/24/17	CBS	NCIS	8:00 PM	5.30	16,127
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E001 CHAPTER ONE: MADMAX	5.20	15,828
10/27/17	FOX	FOX WORLD SERIES GAME 3	8:14 PM	5.17	15,746
10/23/17	ABC	GOOD DOCTOR, THE	10:01 PM	5.17	15,735
10/25/17	FOX	FOX WORLD SERIES GAME 2	8:13 PM	5.11	15,559
10/29/17	FOX	FOX NFL GAME BREAK	4:10 PM	5.10	15,541
10/28/17	FOX	FOX WORLD SERIES GAME 4	8:14 PM	5.08	15,481
10/29/17	CBS	CBS NFL SINGLE	1:03 PM	5.00	15,223
10/24/17	FOX	FOX WORLD SERIES GAME 1	8:06 PM	4.94	15,040
10/24/17	NBC	THIS IS US	9:00 PM	4.93	15,025
10/29/17	CBS	CBS NFL SINGLE POST GUN	4:01 PM	4.70	14,305
10/29/17	FOX	FOX WORLD SERIES GM5-PRE	8:00 PM	4.67	14,215
10/29/17	NBC	NBC SUNDAY NIGHT FOOTBALL	8:31 PM	4.58	13,949
10/27/2017 - 10/29/2017	SVOD Programs	STRANGER THINGS	S02E002 CHAPTER TWO: TRICK OR TREAT, FRE	4.51	13,727
10/29/17	FOX	OT, THE	7:41 PM	4.47	13,621
10/24/17	CBS	BULL	9:00 PM	4.43	13,488

# REVERSE AUDIENCE SEGMENTATION: WHAT ELSE DID STRANGER THINGS VIEWERS CONSUME?

Top 20 Telecasts for P18-34 (U.S.) watching 6+ minutes of Stranger Things Season 2 on 10/27-10/29/2017 on Live+3 Broadcast and Cable (excluding sports)

Broadcast Date	Originator	Program Name	Telecast Start Time	L3 AA %	L3 Proj (000)
10/29/17	AMC	WALKING DEAD	9:00 PM	8.92	681,604
10/29/17	AMC	TALKING DEAD	10:00 PM	2.15	164,444
10/28/17	NBC	SATURDAY NIGHT	12:00 AM	1.16	89,465
10/28/17	NBC	DAVID S. PUMPKINS	11:30 PM	1.10	84,834
10/29/17	ABC	SHARK TANK-SUN 10PM	10:00 PM	1.00	76,039
10/27/17	ABC	ONCE UPON A TIME	8:00 PM	0.95	72,710
10/29/17	ABC	SHARK TANK	9:00 PM	0.90	68,692
10/27/17	ADULT SWIM	BOBS BURGERS	10:30 PM	0.80	60,745
10/27/17	DISCOVERY CHANNEL	GOLD RUSH	9:00 PM	0.77	58,801
10/29/17	ADULT SWIM	RICK & MORTY	11:00 PM	0.70	53,454
10/29/17	AMC	WALKING DEAD	7:54 PM	0.69	52,536
10/29/17	HBO PRIME	LAST WEEK TONIGHT	11:18 PM	0.69	52,504
10/29/17	AMC	WALKING DEAD	11:00 PM	0.67	50,823
10/28/17	TRAVEL CHANNEL	GHOST ADVENTURES	10:00 PM	0.65	49,848
10/29/17	HBO PRIME	VICE PRINCIPALS	10:47 PM	0.65	49,385
10/29/17	ADULT SWIM	FAMILY GUY	10:00 PM	0.64	48,563
10/27/17	DISCOVERY CHANNEL	GOLD RUSH	10:02 PM	0.61	46,723
10/28/17	TRAVEL CHANNEL	GHOST ADVENTURES	9:00 PM	0.60	46,530
10/29/17	CBS	60 MINUTES	7:00 PM	0.60	46,082
10/27/17	CW	JANE THE VIRGIN	9:00 PM	0.57	43,390

Source: NPower, P18-34 viewing 6+ minutes of Stranger Things Season 2 10/27-10/29; What are they viewing Live on Broadcast and Cable, Excluding Sports, Live+3

# RELEASE DATE OVERINDULGENCE

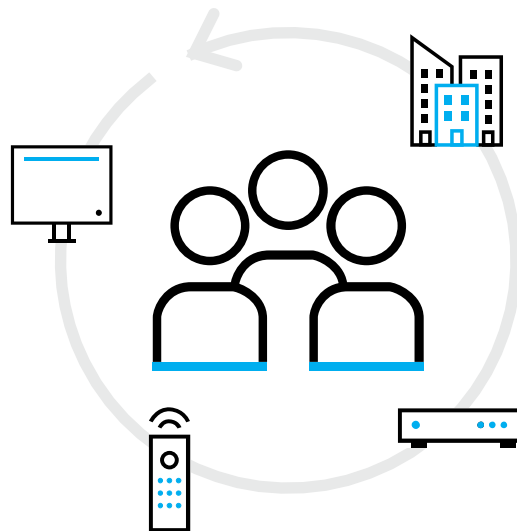
361,000 people watched all 9 episodes of Stranger Things on release date (U.S.)

P2+ that watched all episodes on premiere date (in thousands)	11	327	201	361
Program	House of Cards	Marvel's Defenders	Fuller House	Stranger Things
Premiere Date	5/30/2017	8/18/2017	9/22/2017	10/27/2017
Day of Week	Tuesday	Friday	Friday	Friday
Number of Episodes	13	8	9	9
Avg. Episode Duration	53	51	26	52

# KEY TAKEAWAYS

While OTT, SVOD and Streaming are having a dramatic impact on the U.S. television landscape understanding the Total Audience unlocks opportunities

- Understanding total usage and where viewers are going is critical to overall strategy
- Streaming is not an edge case
- Bingeing is real and impactful, and “sticky”
- High profile SVOD releases impact relatively briefly, the main staple is back seasons of TV





# THANK YOU!

The background of the entire image consists of a series of horizontal, wavy lines in various shades of blue, creating a sense of depth and movement, similar to water ripples or a topographical map.

# nielsen

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