

New Media Insights for Local Advertisers



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Streaming Services Forge Ahead of Pay TV for Movie Viewing

Pay-TV generated the most 2021 revenues (\$96.7 billion) in the combined US theatrical and home/mobile entertainment and pay-TV markets. The online subscription sector (2021 revenues of \$29.5 billion), however, surpassed pay-TV in shares of adults who watched movies at home during 2021 at 82% and 79%, respectively.

Driving this shift was larger shares of adults who watched movies at home via an online subscription than pay TV in three of the five viewing frequencies.



Adults' Shares of Watching Movie at Home by Distribution Channel and Viewing Frequency, January 2022

Distribution Channel	Every Day	Several Times/ Week	Once a Week	2-3 Times/ Month	Never
Online subscription	21%	25%	12%	24%	18%
Pay TV	20%	20%	12%	27%	21%
EST/VOD*	5%	7%	7%	33%	48%
Physical disc	5%	8%	7%	36%	44%

Motion Picture Association, March 2022

*Electronic Sell-Through/Video on Demand

Online subscriptions were tied with pay-TV for adults watching TV shows/series every day at 22% each. A larger share was watching TV shows/series than pay-TV several times per week, or 25% and 21%, respectively. Plus, a slightly larger percentage said they never watched TV shows/series on pay-TV than online subscriptions, or 22% and 20%, respectively.

Of the adults surveyed, a larger percentage said their viewing of movies or TV shows/series via online subscriptions increased significantly at 31%, compared to a 20% increase for pay-TV. Men and women were watching movies or TV shows/series equally via online subscriptions and pay TV.

Comparing the two distribution channels by age group reveals why online subscriptions were first. More adults 18–24 (13%), 25–39 (30%) and 40–49 (17%) were watching via online subscriptions compared to 11%, 26% and 16%, respectively via pay TV. Online subscriptions were only one-percentage point less than pay TV among adults 50–59, or 15% and 15%, respectively.

Although the movie theater industry is rebounding and hoping for a very strong summer 2022 box office, the convenience and huge selection of titles adults found via online subscriptions during the pandemic have made this distribution channel a top choice.



Metaverse Gains Interest Among Young Adults

It's the same story that's been told throughout the digital age: a new concept/service is launched and a majority of people are reluctant to participate. It happened with the World Wide Web, social media and AR/VR and is now the case with the metaverse.

According to a recent Morning Consult survey, just more than one-third (36%) of adults expressed any interest in the metaverse. Nonetheless, the prime audiences are starting to emerge. The same survey found 46% of men are interested compared to 28% of women.

Unsurprisingly, the youngest adults are the most interested, with 20% of Gen Zers saying they are "very interested" and 31% "somewhat interested." Millennials were even more interested: "very" at 24% and "somewhat" at 32%.

Of even greater importance for advertisers is African Americans and Latinx Americans are more interested than Caucasian Americans.



Interest in the Metaverse, by Ethnicity, March 2022

Ethnicity	Very Interested	Somewhat Interested	Not That Interested	No Interest
All adults	14%	24%	20%	43%
Caucasian Americans	12%	22%	20%	46%
Latinx Americans	20%	32%	21%	27%
African Americans	17%	35%	19%	29%
All other ethnicities	9%	28%	24%	37%

Morning Consult, April 2022

A Digital Wipeout

The perceived value of digital media at the four stages of the consumer buying funnel couldn't be more obvious than the results of a Q3 2021 Advertiser Perceptions survey of marketers and ad agencies.

In three of the four stages, digital videos were first for improving brand awareness/recall (51%), improving brand preference/favorability (48%) and improving consideration/buying intention (44%). In the fourth stage, increasing sales, paid search was first at 50%.

Of the six media types selected as the most effective in each of the four stages of the funnel, TV was the only other "legacy" or non-digital medium listed. It was second in improving brand awareness/recall at 43%, fourth in improving brand preference/favorability at 34% and fifth in increasing sales at 26%.

TV's second-place position in improving brand awareness/recall reflects TV's many decades of brand awareness strength. The results of the survey also indicate a combination of TV and various digital media is a very effective media mix.



InsightBrief: Newspapers Struggle to Attract Digital Ad Dollars

An April 2022 Borrell Associates survey found just 4% of local newspaper managers described their digital strategy as “brilliant.” Radio managers and TV managers scored their digital strategies better, but still small percentages: Radio managers at 10% and TV managers at 18%.

InsightBrief: More Mobile Gamers Were US and Canadian Adults 45+

The NPD Group reports US and Canadian adults 45+ were the largest age group playing mobile games during 2021 at 73.2 million, a 3.6% decrease from 2020, but they still represented 32% of all mobile gamers. Children 2–12 were 16% of mobile gamers, Gen Zers (13–24) were 22% and adults 25–44 were 30%.



InsightBrief: Many Netflix Users Are Password Sharers

A new survey of Netflix users from Leichtman Research Group found 33% were sharing their accounts/passwords. This is a problem Netflix has been testing in Latin America, charging users approximately another 3% if they share their passwords.



InsightBrief: Streaming Video Could Be Vulnerable in the Metaverse

Deloitte research in five countries revealed younger adults may be more attracted to the metaverse because it features user-generated social media streams and social video games than streaming video, a concept largely unchanged during the past 15 years.

Sources: Motion Picture Association Website, 4/22 Morning Consult Website, 4/22 Marketing Charts Website, 4/22; MediaPost Website, 4/22; Next TV Website, 4/22; TV Technology Website, 4/22.

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