

A photograph showing the silhouettes of two people, an adult and a child, sitting and watching a television. The TV screen displays a colorful, abstract image with shades of pink, purple, and blue. The scene is dimly lit, with the primary light source being the television.

IPSOS AFFLUENT INTELLIGENCE:

**AFFLUENT AMERICANS AND**

**THE NEW GOLDEN AGE OF TV**



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# STREAMING NOW – THE GOLDEN AGE OF AFFLUENT TV

It's no secret that the world of TV content and viewing has been undergoing considerable and on-going change for some time, causing a wholesale redefinition of how audiences experience watching it – not to mention the impact these new ways of watching has had on people's lifestyles. This revolution can be attributed to many factors – from the massive proliferation in content and channels, to the growth and availability of bandwidth capacity and speed, to the rapid rise of mobile devices which changed what “watching” meant, to the launch of streaming services which removed the wires and cables. Add to that the coming-of-age of the digitally native Millennials and you have a world of TV that looks nothing like it did five years ago, let alone 25.

In this paper we'll look at the various behaviors, preferences and attitudes driving the “new TV” category - and most importantly for media and category service providers, we'll look at the affluent demographics and category segments posing the greatest revenue opportunities.

At Ipsos Affluent Intelligence, we're focused on helping companies understand Affluent consumers (those with a HH income of \$125K+) and the most influential consumers in every category (Affluencers). We'd love to help provide insights to further enhance your understanding of the various Affluent audiences that pose opportunities for the OTT/streaming category.

## What is an Affluencer?

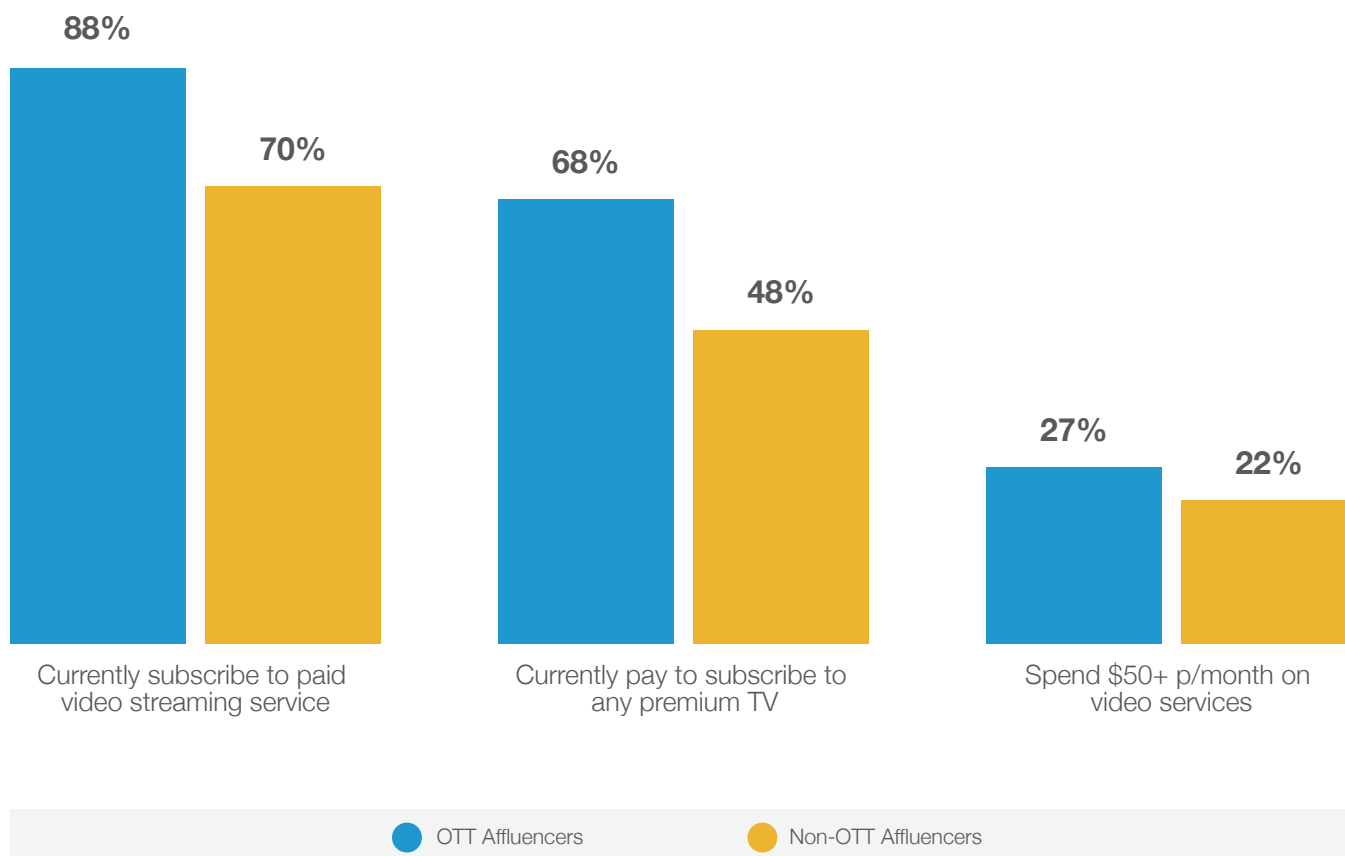
Affluent influencers — **Affluencers** — drive most categories. Affluencers are enthusiastic consumers of category-related information and have disproportionately high purchase intent. They're heavy spenders who are the first to try new offerings. And their networks depend on them for recommendations and advice. Affluencer recommendations may be the single most powerful form of communications in any category.



# MEET THE OTT AFFLUENCER – AN IMPORTANT SEGMENT FOR THE OTT SECTOR

At IAI, we've seen, in every category we've studied – and especially those going through change - that the Affluencers in the category are truly the ones leading the revolution, being the first to know about and try new products and services, and then pass on their recommendations to their networks. Nowhere is that more true than for TV. So, let us introduce to you the OTT Affluencer, that highly category-engaged influencer group crucial for driving this evolving new TV sector. They represent the high ground in the category – for the OTT Affluencer, paid video streaming is almost universal (88%) and more than two-thirds subscribe to premium TV channels. Their commitment to the category is further evidenced by their spending and their willingness to spend even more. We see that over a quarter of OTT Affluencers spend more than \$50 a month on video services overall and on average would be willing to spend up to \$54.14 per month compared to only \$45.30 among Non-Affluencers.

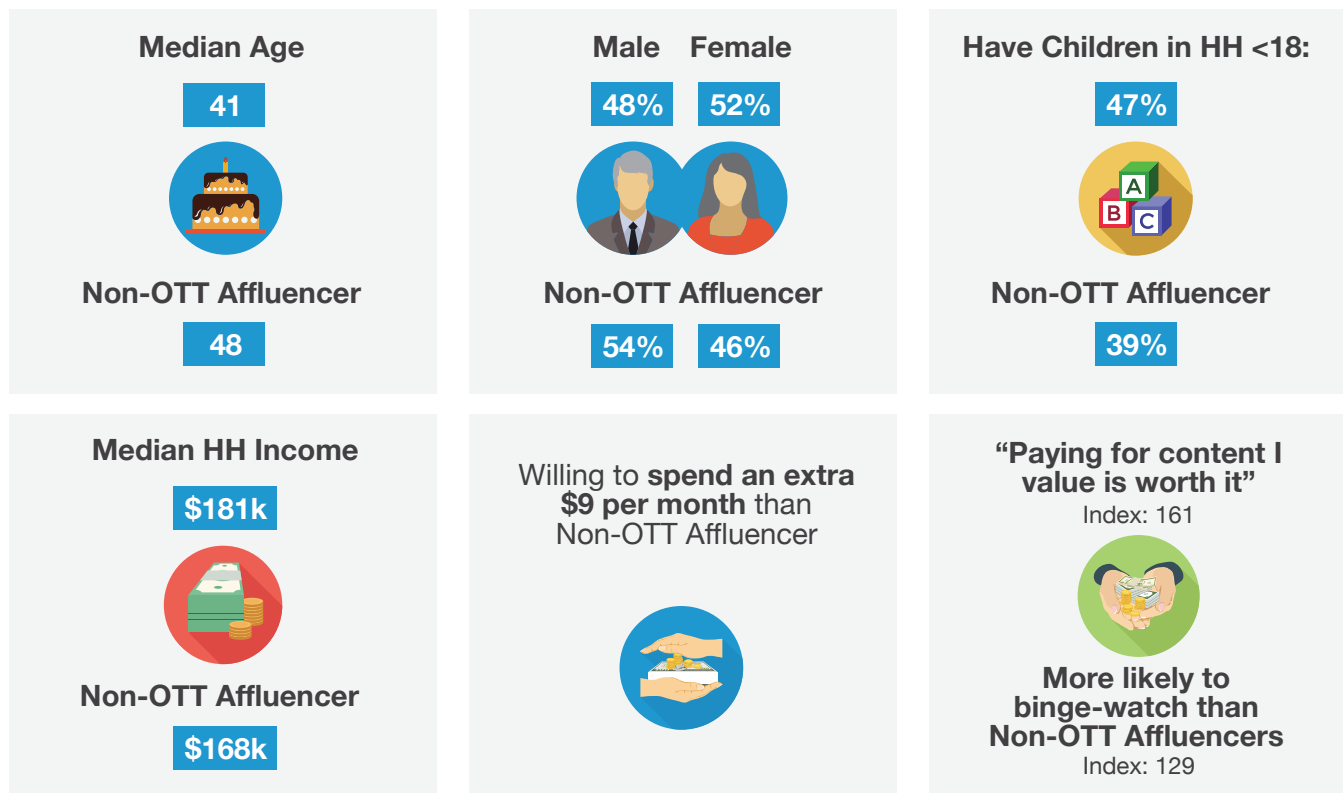
## Video Subscription & Spend by OTT Affluencer VS Non-OTT Affluencer



The fact that OTT Affluencers index an astounding 558 on the statement “I often give advice to people on what to watch” is demonstrative of the influence they wield in the category and more importantly, their potential as ambassadors of your brand.

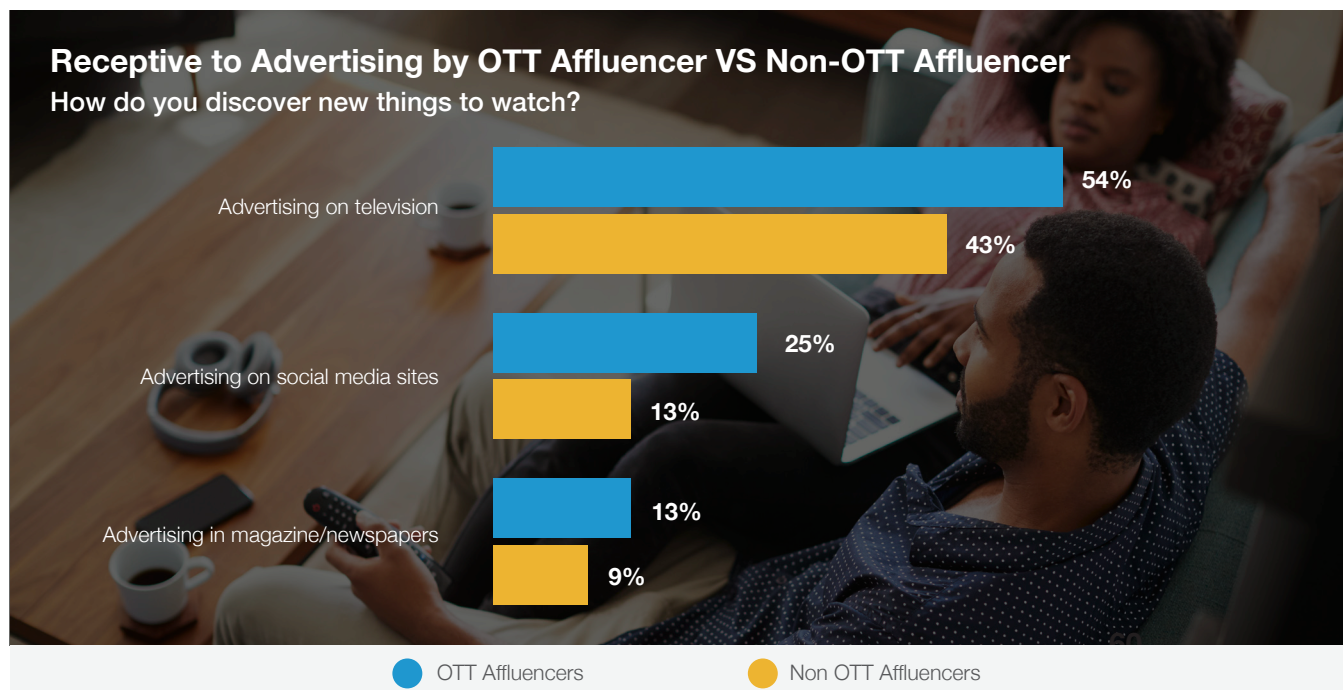


So, what defines this crucial target group in the OTT/streaming category? Some of the key demographic and psychographic characteristics of these Affluencers are illustrated below:



Source: Ipsos Affluent Survey, Fall 2018

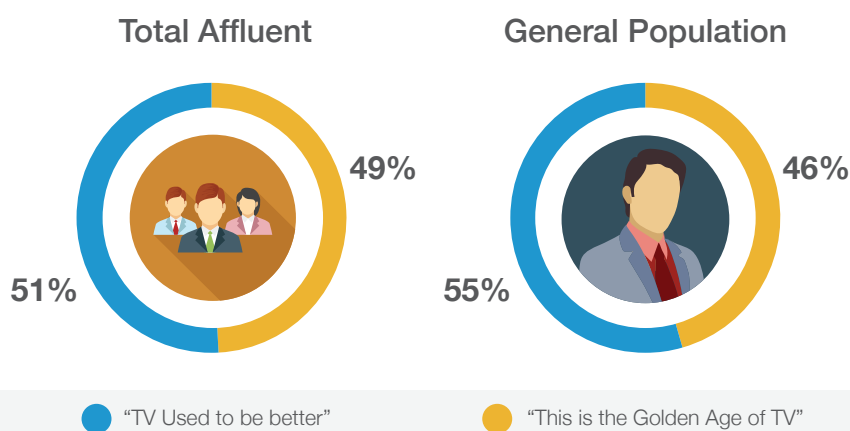
One of the most important attributes of OTT Affluencers for marketers - and it's true of all category Affluencers – is that they also are advertising-receptive:



# WHY OTT/STREAMING IS AN AFFLUENT-DRIVEN CATEGORY

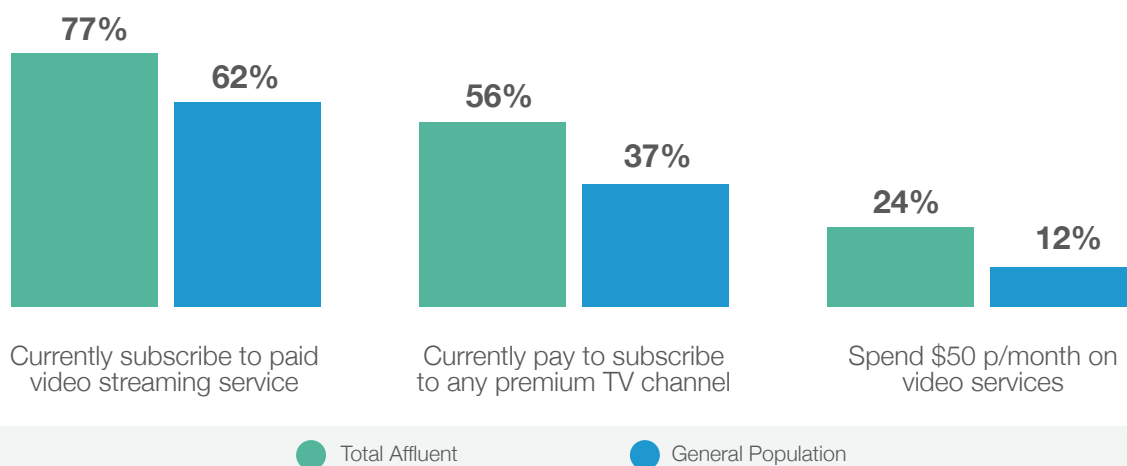
Because OTT/streaming is a category that everyone is engaging in, not to mention talking about it at the water cooler, it's easy to dismiss this as a general population phenomenon. However, we were surprised to find that Affluent households (income of \$125K+) were significantly distinguished from non-affluent households (below \$125K), demonstrating that, like so many other categories, OTT/streaming has an affluent skew and is an Affluent driven category. Compared to the general population, the Affluent are more heavily engaged, both in breadth and depth. They spend more than the general population – both in time and money -- embrace content in both choice and abundance, and more strongly represent a group that believe **this is the 'Golden Age of television'**.

## Statements Agreed with More

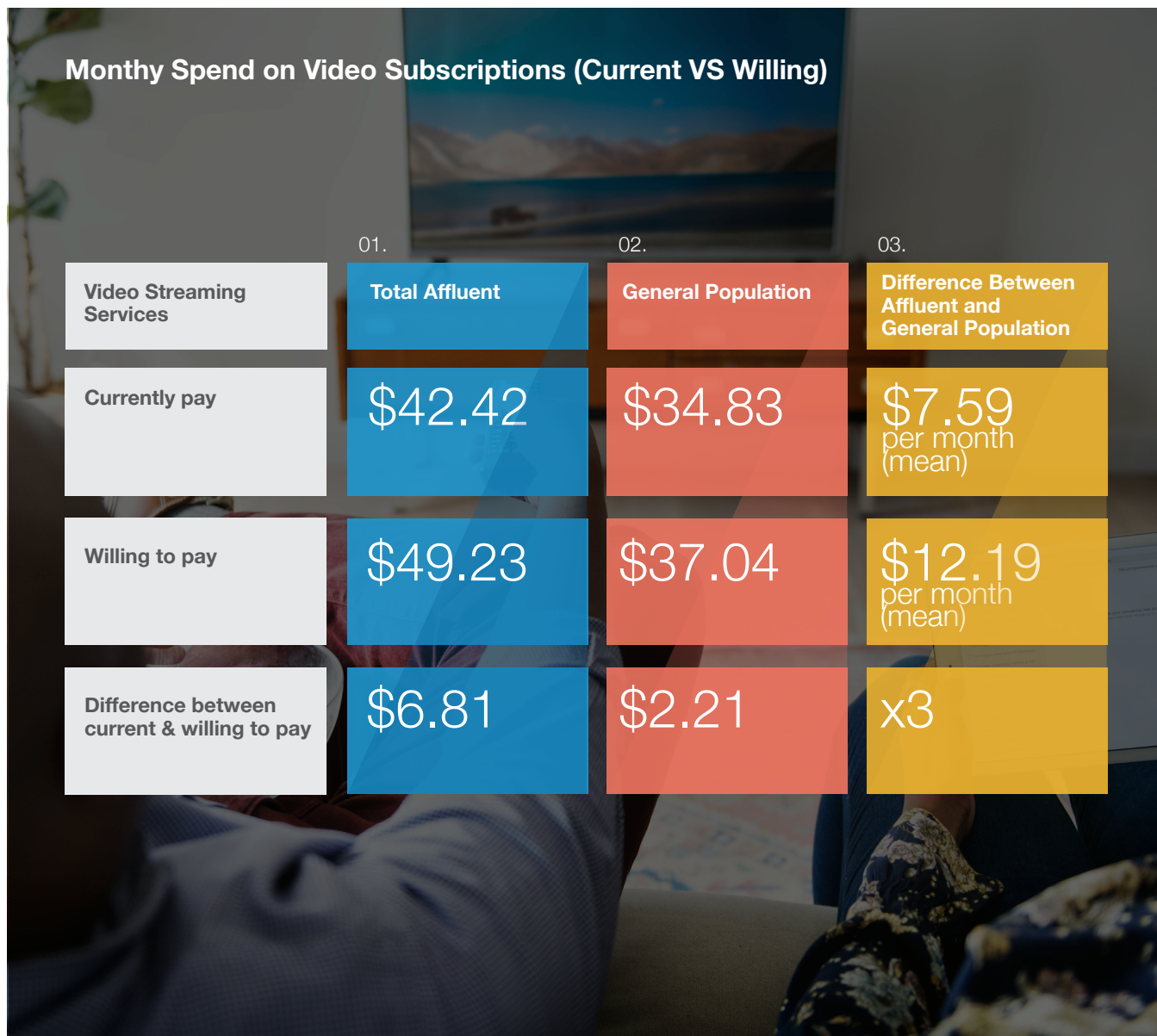


Accordingly, the highly influential Affluencer niche cited earlier, is not the only crucial target segment that should be part of any OTT planning strategy, but also, the wider Affluent population as distinguished from the General Population.

## Video Subscription & Spend by Affluent VS General Population

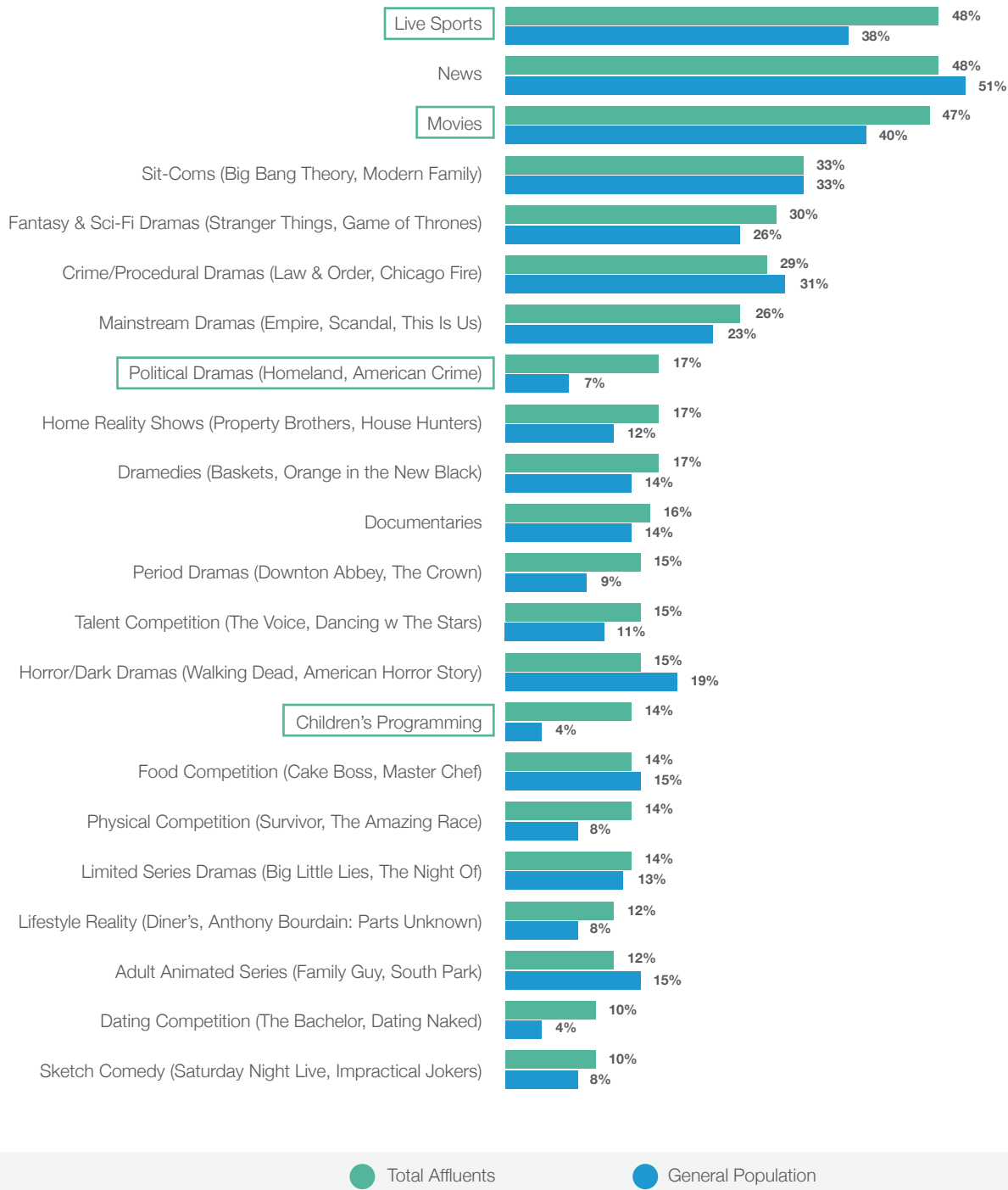


Looking at both current spend and willingness to spend on video subscription services, the Affluent spend considerably more and are disposed to spending even more than the general population. Currently, the Affluent claim to spend on average \$509/year compared to \$418 among general population. Affluents' willingness to spend is on average \$591/year compared to \$444 for the general population. The difference between what is currently spent and willingness-to-spend threshold is about three times greater for the Affluent compared to the general population. **This poses opportunities for cross-sector partnerships to develop bundled loyalty programs targeted at the Affluent since the figures above show leverage for an additional monthly offering.**



In marketing to the Affluent audience or developing targeted offerings, it's helpful to understand how their program preferences differ from the general population. Affluents especially skew on Dramas overall and in particular, skew very strongly on Political Dramas. Other types of programs where Affluents over-index compared to the general population are Live Sports, Movies and Children's Programming.

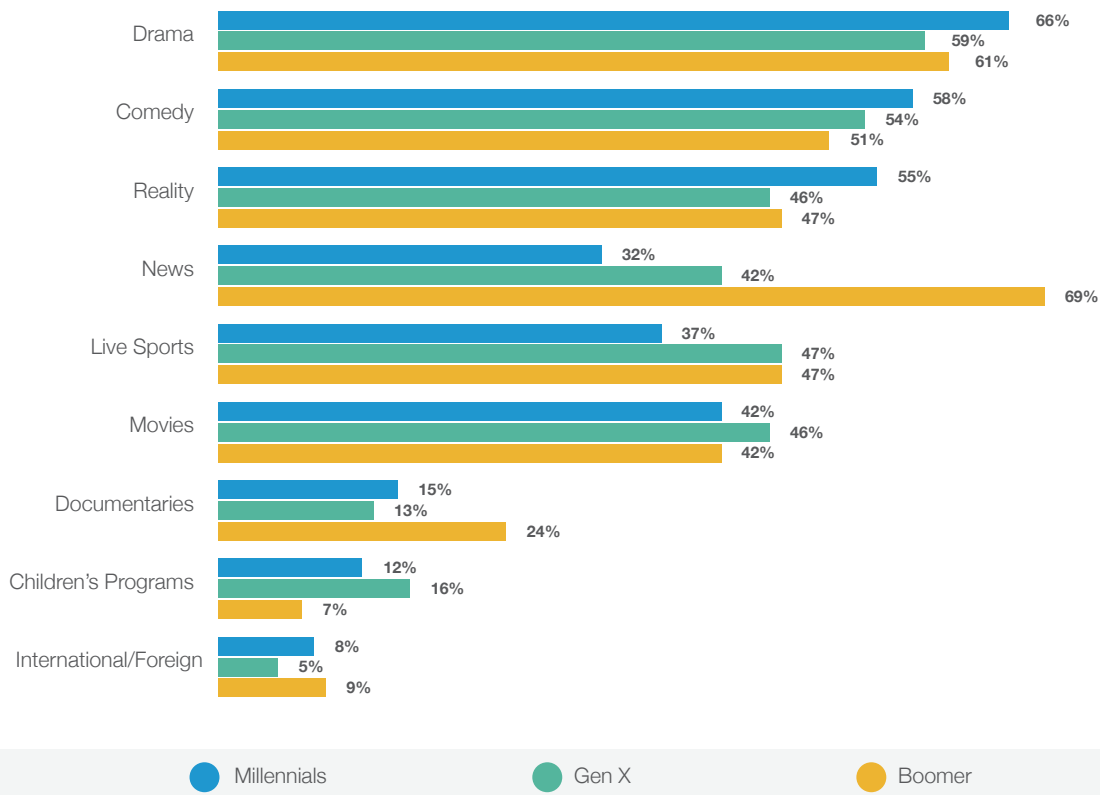
## Types of Programs Regularly Watched: Ranked by Affluents



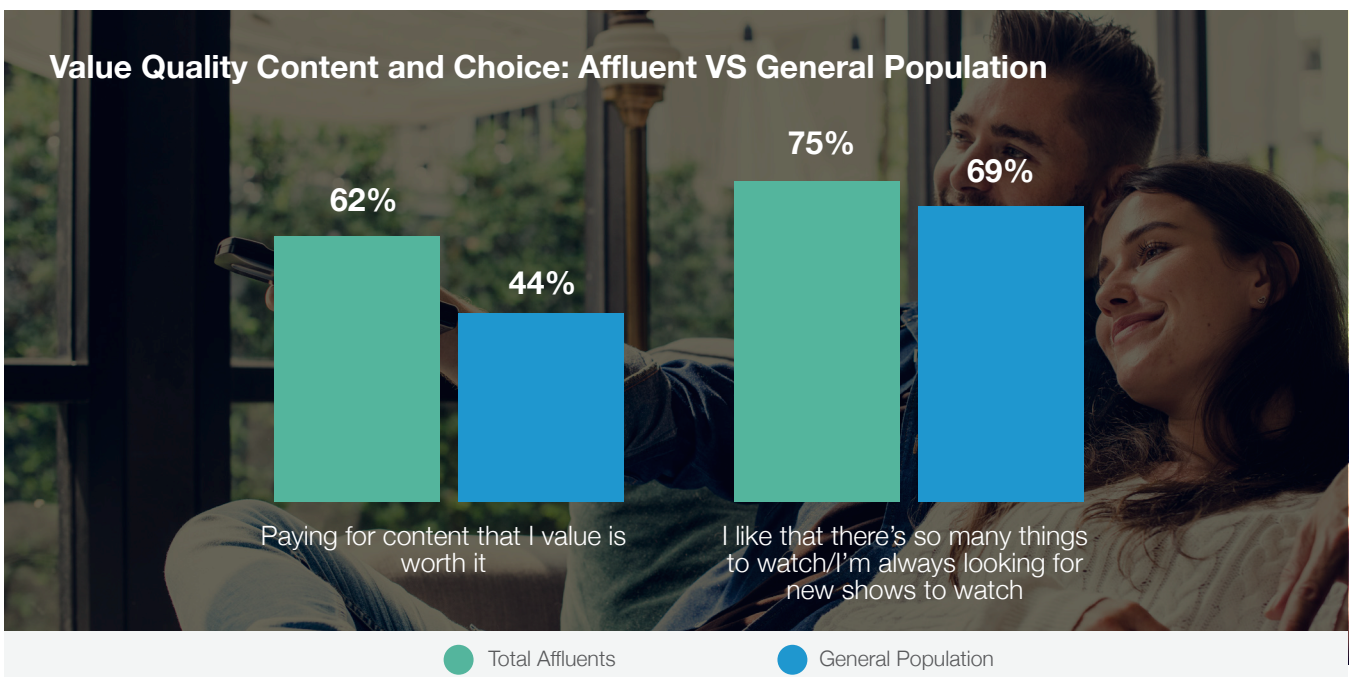
A deeper dive analysis within the Affluent group shows that program preferences vary by gender and by generation:

- **Men** enjoy a mix of programming from **Live Sports, Movies** to **Comedy**
- **Women** love to have **Drama** in their viewing lives as well as **Reality**
- **Millennials** skew on **Drama, Comedy, and Reality**
- **Gen X** skew on **Movies and Children's** programs
- **Boomers** skew on **News, Documentaries** and to a lesser extent, Foreign Programs

## Types of Programs Regularly Watched: Ranked by Generation



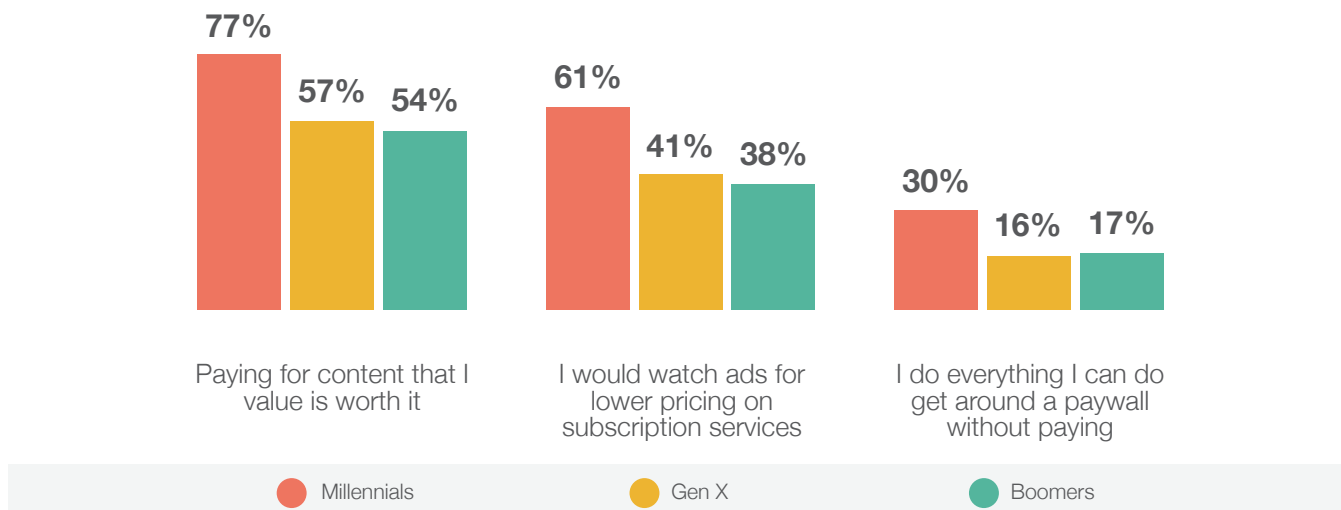
Another proof point that distinguishes the Affluent from the general population is their positive disposition toward paying for content that they value, as well as their appetite for content variety and choice, potentially making them the engine for growth in paid subscribers.





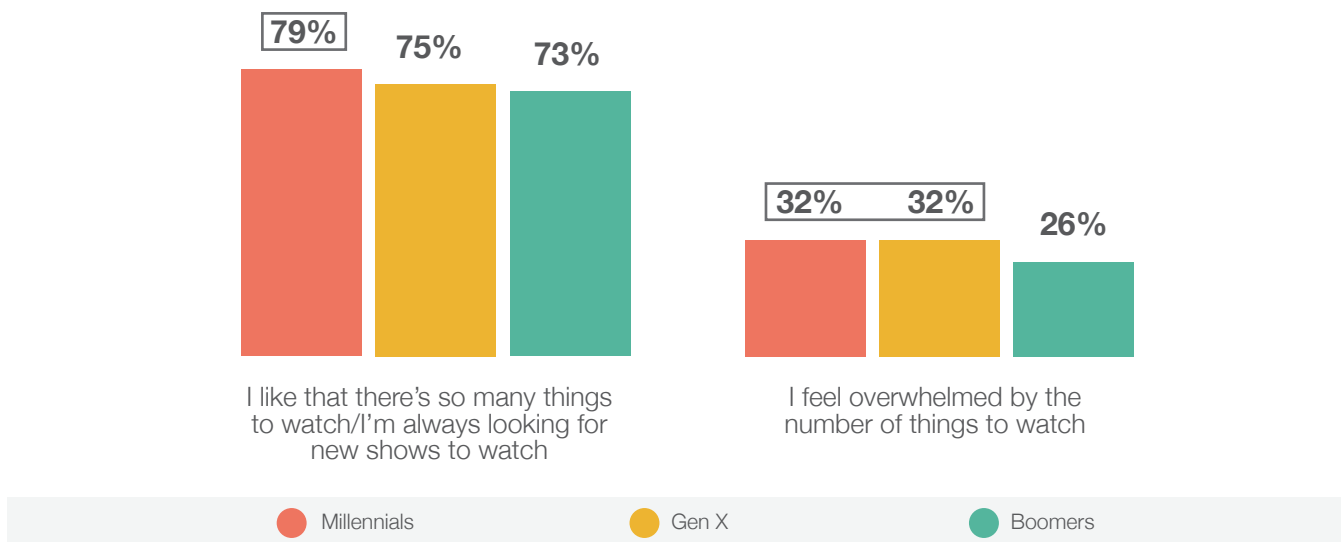
In particular, it's Millennials that value content breadth and depth more so than any other generation. That said, this value-driven generation also welcomes alternatives which enable them to keep costs at bay or avoid them altogether. Accordingly, Millennials are more likely than their generational counterparts to agree with statements around watching ads for lower subscription fees or managing their way around paywalls. This attitudinal paradox poses directional insights for streaming providers in developing offerings targeted at Millennials.

### Attitudes Toward Paying For Content By Generation (Top 2 Box Agree)



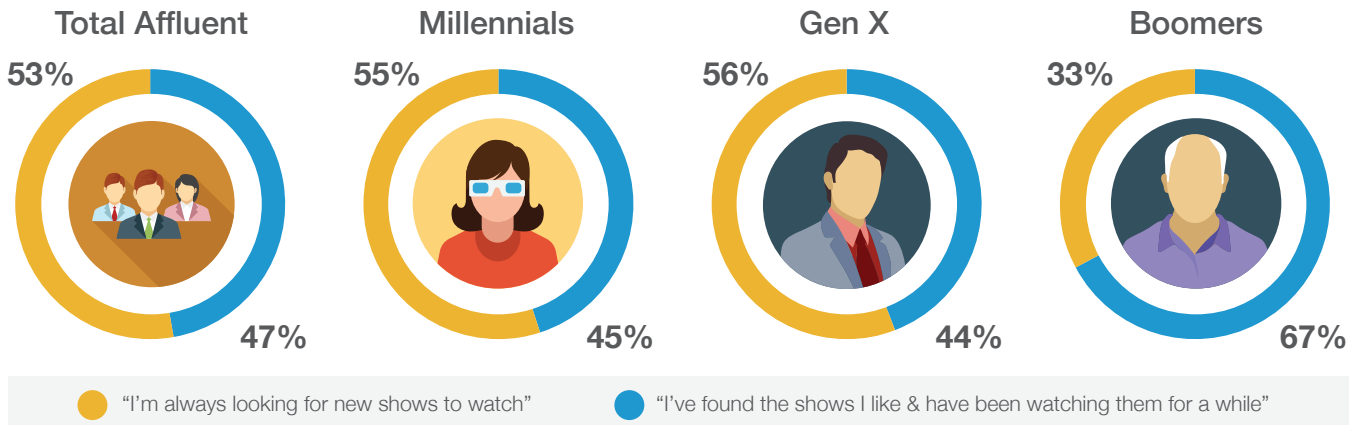
Digging further into Affluent attitudes toward content variety and abundance, we find another paradox that opens an opportunity for the sector. Although we see that Affluents, and especially Millennials, welcome and embrace content choice and variety, a good number of them also feel overwhelmed by the volume. This implies that there is an opportunity to improve home page user experience, recommendation services, and other viewing choice options and interfaces.

### Content Choice VS Content Overload By Generation (Top 2 Box Agree)



The OTT/streaming provider that is first-to-market in developing the definitive watching solution will be bridging an impactful category gap. Accordingly, it's relevant to know how Affluents are currently making their viewing choices and how this differs across generations. We know that while younger audiences actively search for content, older audiences are more passive in discovering content to watch.

### Statements Agreed with More



In summary, the Affluent are a crucial audience contributing to the OTT/streaming category – compared to the general population, they watch more, spend more and are more likely to embrace content choice and variety. For the Affluent (and especially Affluent Millennials), this is the 'Golden Age' of television. And although Millennials embrace content choice and abundance, there is an opportunity for the sector to innovate a solution which makes watching choices and navigating the vast sea of content, less cumbersome. Finally, a segment within the Affluent audience who has a crucial role to play for category brands and advertisers alike - is the OTT Affluencer. Highly disposed to the OTT/streaming category (both attitudinally and behaviorally), and highly advertising-receptive, this is a category influencer who should be a strong consideration for any OTT brand planning and marketing strategy.

**These findings represent just a sampling of insights and potential opportunities for the OTT/streaming category in targeting the Affluent (as distinguished from the general population) - as well as the ability to drill down to many various demographic subsets within. There is also the capability to customize our findings and insights for your brand by appending this (or any other) Barometer data to brand user data. Contact us for more information: [IpsosAffluentIntelligence@ipsos.com](mailto:IpsosAffluentIntelligence@ipsos.com)**

# ABOUT IPSOS AFFLUENT INTELLIGENCE

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Ipsos Affluent Intelligence began our Affluent Survey over 40 years ago because we understood that Affluents are one of the most powerful and influential target audiences across all industries, driving revenue, adoption of new technologies and experiences, and influencing purchases among their peers and network.

Affluents control the lion's share of U.S. household net worth and outspend non-Affluents in virtually every category. Consequently, marketers of everything from automobiles to watches, technology to media, and entertainment to travel rely on capturing both the share of wallet and share of mind of this critically important group.

For the purposes of this White Paper, the definition of Affluents is adults aged 18 and over, living in households with at least \$125,000 in annual household income. Data presented here are from the Fall 2018 Ipsos Affluent Survey USA, which consists of online interviews of 24,687 respondents and a Q2 2019 re-contact of 1,000 IAS respondents.

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