

ACUMEN REPORT CONSTANT CONTENT

The **ACUMEN REPORT** is DEFY Media's original research uncovering insights on the audiences we connect with through our brands and content.

Our earlier studies focused on men as consumers, but when Break Media and Alloy Digital merged into DEFY Media in 2013 it generated a digital footprint of 125 million 13-34 year olds. However these consumers often had been studied as a single age block—or scarcely addressed in the case of 13-17 year olds. Thus we've turned our research lens to the transformative consumers we believe are driving the future of media consumption: 13-24 year olds.

The big news about youth is the decline in television watching and increase in digital consumption, particularly via social media. Even heavyweight Nielsen concedes, "Traditional television viewing on a TV screen is down, especially for younger viewers," despite its inclusion of any time watching

a TV screen—even if the content originates on the internet.¹ Crowdtap finds Millennials spend 30% of their media time on content created by their peers or sources followed on social networks—more than the time they devote to TV.² The TRU Youth Monitor says the shift results from youth opting for the medium that "meets the right need at the right moment."³

We believe the movement stems from youth's "digital native" upbringing and their particular lifestyle needs. This cohort has had the opportunity to download or stream whatever content they want—whenever they want—from the day they could work a keyboard. Digital is second-nature, highly relevant, and uniquely suited for their always-on lifestyle—and we credit these factors for driving youth's increased consumption of online content.



'OFFLINE' ISN'T IN THEIR LEXICON

Exposure to online content and social media at a young age means digital is second nature to 13-24 year olds; they have different notions of “alone” and “sharing” compared to older generations.

For example, you're never alone when you can go back-and-forth via text and social media in real time. Watching a video “with other people” can mean texting each other while watching in different geographic locations. And “offline” has no meaning; life is never offline when the internet is available 24/7 and you've grown up with FOBO—the fear of being offline. ⁴

FOBO
THE FEAR OF BEING OFFLINE

This age group also differs in how they build relationships. Connection largely occurs in the digital domain, and the sharing of videos and photos is an indispensable tool for developing relationships. The video I share with you becomes a common experience between us—a bond—in

“ the same way shared life experiences create bonds.

I have [a friend] who refused to join Facebook. I haven't talked to her in 5 years.

AMBER, 24



Contrary to popular belief...

...not all teenagers walk around with smartphones glued to their thumbs. We found 13-year olds most often access the internet via family laptops and only 40% have personal smartphones, 59% of 14-17 year olds have personal smartphones.

TV TIME IS NOT EVEN CLOSE TO DIGITAL

Youth 13-24 view fewer hours of traditional TV than content from digital sources. Online video, viewed in social media or on sites like YouTube, is watched by 96% of youth at an average of 11 hours weekly. Traditional TV, by comparison, is viewed by only 81% at an average of 8 hours weekly.



ONLINE VIDEO

YouTube & similar, social media

96% WATCH

AVG. 11.3 HRS/WEEK



SUBSCRIPTION ONLINE VIDEO

Netflix, Hulu+, Amazon, etc.

71% WATCH

AVG. 10.8 HRS/WEEK



FREE ONLINE TV

amctv.com, ABC app, etc.

57% WATCH

AVG. 6.4 HRS/WEEK



SCHEDULED TV

broadcast, cable, satellite

81% WATCH

AVG. 8.3 HRS/WEEK



RECORDED TV

DVR, TiVo

56% WATCH

AVG. 7.5 HRS/WEEK

We believe digital's rise results from its better fit with youth lifestyles. Online video allows them to “watch any time I want” and “has what I want to watch” more so than TV. Online video has other notable benefits including it is “easy to relate to” and “makes me feel good about myself”—a meaningful trait for the angst of the teen years. And youth say online offers a better chance of avoiding advertising or ignoring it, pointing to the importance of native solutions that marry content with advertising.

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Whatever you want to watch online . . . it'll be there; TV, you have to deal with what's there.

JOE, 15

WHAT THEY WANT, WHEN THEY WANT IT	Online Video	Scheduled TV
Can watch anytime I want	81%	28%
Has what I want to watch	69%	56%
KIDS ARE ALRIGHT		
Easy to relate to	67%	41%
Makes me feel good about myself	62%	40%
SHARED EXPERIENCES		
I watch with other people	47%	61%
I talk about in social media	58%	47%
CHILL OUT		
For when I want to relax	66%	47%
AVOID ADS		
Has ads I can easily ignore	60%	42%
Has way too many ads	41%	63%



IMPORTANCE OF THUMB- STOPPER MOMENTS

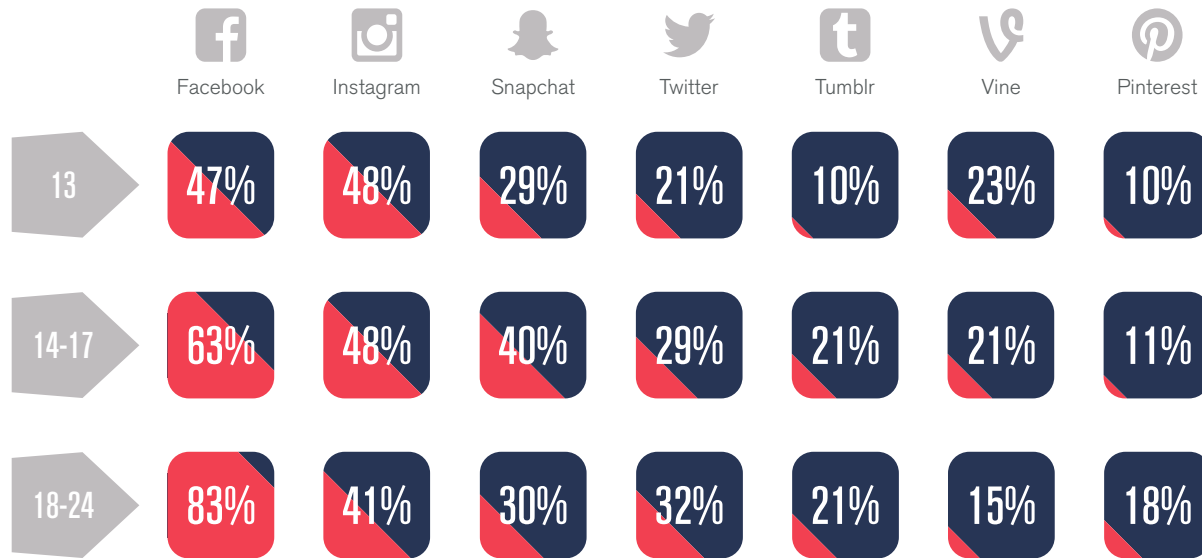
Youth say they frequently discover content via feeds, particularly social networks. Youth would use their thumbs to scroll through feeds and suddenly come to a halt on an item. We call these *thumbstopper* moments, meaning the instant you stop scrolling and start paying attention.



Thumbstoppers can be unrelated to the content—such as “sent by someone I respect,” “viewed by a lot of people,” and “polished and professional looking.” They also can be entirely about the subject matter; for instance, an “activity I can imagine doing with my friends” or “something I don’t expect.”

THUMBSTOPPER	Effectiveness
Liked or viewed by a lot of people	59%
Sent by someone I respect	58%
Something that happened to people I know	55%
Activity I can imagine doing with my friends	53%
Thought I’ve had but never said out loud	53%
Polished and professional looking	52%
Something I don’t expect	51%
Has a message or is about a cause	49%

NETWORK USAGE



If thumbstoppers are the track signals, then social media is the train. Facebook is the most often used network among 18-24 year olds despite a decline among teens, and Instagram is garnering significant use at the younger end of

the age spectrum. We've read interviews where teens say they use Facebook only to stay in touch with family; thus we can envision a future where Facebook is for family and Instagram is for peers—but both are still in use.



IMPORTANCE OF THUMBSTOPPER MOMENTS CONT.



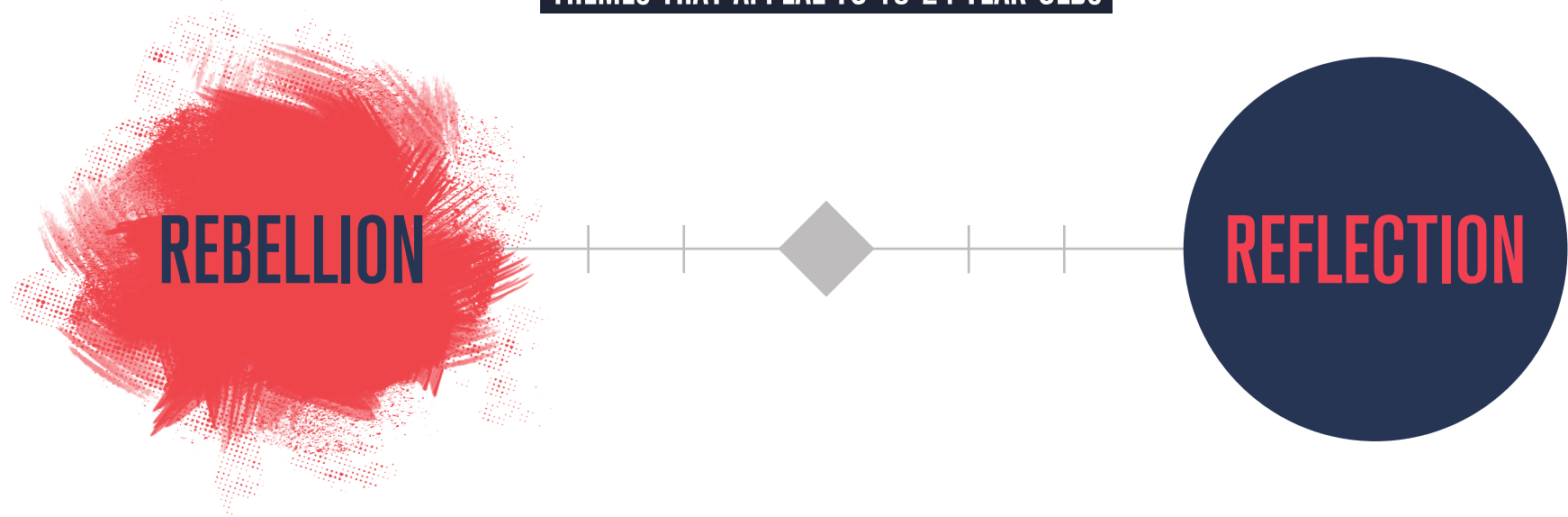
A thumbstopper may get youths' attention but it doesn't guarantee the content will be appealing. *Rebellion* and *Reflection* were themes we observed most often when youth described appealing content.. Rebellion is a check on the mainstream or a message that you-don't-have-to-grow-up. Youth in the study described this content as "random and hilarious." Reflection normalizes common events and engenders feelings of, "That's me!" and youth described such content as "relatable." Rebellion and Reflection don't cover every theme 13-24 year olds enjoy, but these are what we heard most often.



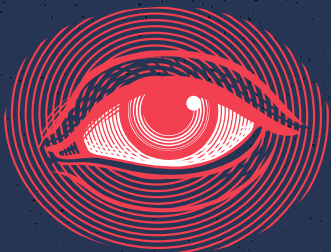
“Random things [are] funny to see and a joy to watch.

JOSH, 16

THEMES THAT APPEAL TO 13-24 YEAR-OLDS



Rebellion and Reflection materialize as two ends of a spectrum rather than either-or. An “activity I could imagine doing with friends” may seem Reflective, but if the activity is a stunt gone wrong (“major fail”), it can look like Rebellion.



Role of Personas: Caring Is Not Sharing

Youth say after enjoying a piece of content, they don't automatically share it because youth carefully craft their online personas. Teens cultivate an image for their peers; 18-24 year olds ensure there are no red flags for potential employers and colleges. Some develop social media devoted to topics of personal interest and assiduously maintain the theme to increase their followings.

YOUTUBE STARS ARE THE NEW INFLUENCERS

Variety magazine commissioned a study to measure the awareness, likability and purchase influence of YouTube stars and traditional TV/Movie stars among 13-18 year olds; six of the top ten personalities were YouTube stars.⁵ We built on this notion to discover why YouTubers are more popular, and it boils down to relatability.

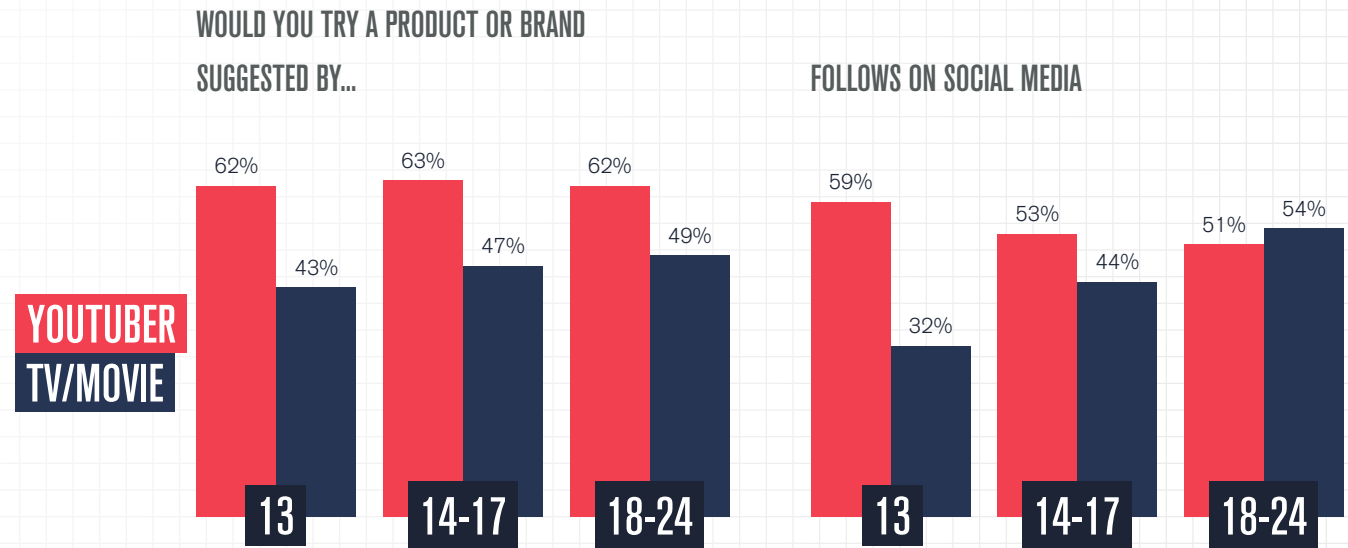
YouTubers are described as: just like me, understands me, someone I trust, has the best advice, doesn't try to be perfect, genuine, someone I feel close to, and likes the same things I do. YouTubers and TV/Movie stars are viewed equally as aspirational, meaning they have traits youth strive to achieve: someone I look up to / I respect / I'd like to be, does the things I want to do, and has unique or special talents.



You know...what they've been through. You can be like, I dealt with that a couple years ago, too. I'm not alone.

MAGGIE, 18

Is this a fad or a trend that will carry forth as youth age? We believe it's a trend because YouTubers have equal influence on teens and young adults. Over 60% of all age groups say they would buy a brand recommended by a YouTuber, and YouTubers are followed in social media at nearly equal rates across the age spectrum.



THE FUTURE FOR TODAY'S 13-24 YEAR OLDS IS DIGITAL. ONLINE SOURCES DELIVER THEMES AND PERSONALITIES MORE RELATABLE THAN THOSE OFFERED BY TV—ON THE TIMETABLE AND DEVICES “NATIVE” TO THIS GENERATION.

Methodology

We partnered with Hunter Qualitative Research and child psychologists at KnoWhy Research to conduct a 2-week online forum with 18 “buddy pairs” (36 total) ages 13–24 who were diverse in terms of ethnicity, race, income, and parent’s educational attainment. All lived in the Atlanta, Los Angeles, or Minneapolis metropolitan areas. Participants gave access to their social media feeds for observation of content received and shared. Nine of the buddy pairs participated in 90-minute interviews. The interviews were followed by an online survey of 1,350 youth ages 13-24, representative by age, gender, Hispanic origin and race.

For additional insights on youth, please visit

acumen.defymedia.com



NOTES

1. Nielsen, Total Audience Report, December 2014
2. Crowdtap, Social Influence, March 2014
3. The Futures Company, TRU Youth Monitor, Spring 2014
4. Facebook IQ, Coming of Age On Screens, December 2014
5. Variety.com, YouTube Stars More Popular Than Mainstream Celebs Among U.S. Teens, August 2014

About DEFY Media

DEFY Media is the top digital producer and programmer for 13-34 year olds, and the largest owner of YouTube channels and leading media brands across the comedy, lifestyle and gaming verticals. Each month, DEFY-produced content generates 500 million video views and reaches 125 million viewers across our 50 million YouTube subscribers, 80 million unique web visitors and consumers of our apps, which have been downloaded over 22 million times. DEFY Media brands include Smosh, recently named by Variety as the top brand for 13-18 year olds; Break, known for its top program "Prank It Forward"; and Screen Junkies, home to the highly influential digital series Honest Trailers. The world's top brands partner with DEFY to build immersive advertising solutions that deliver unparalleled access to this influential audience. With uniquely integrated capabilities in content development, studio production, distribution and promotion, DEFY Media is built for content delivery in the digital age. Please visit us at www.DEFYMedia.com.

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