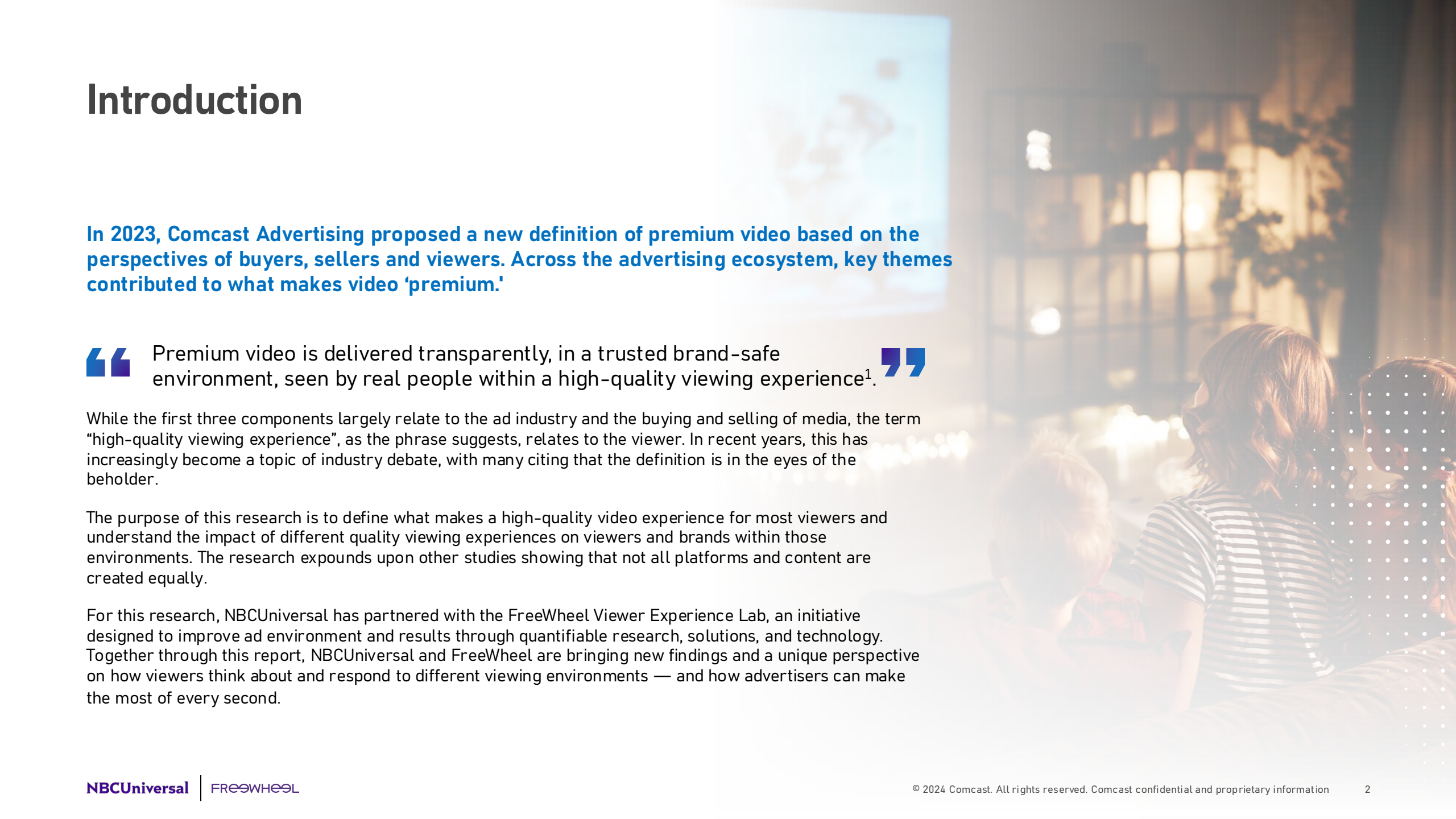
NBCUniversal | FREEWHEEL

# Prescribing Premium

## What a high-quality viewing experience means for consumers and why advertisers should take advantage of it

SEPTEMBER 2024

# Introduction



**In 2023, Comcast Advertising proposed a new definition of premium video based on the perspectives of buyers, sellers and viewers. Across the advertising ecosystem, key themes contributed to what makes video 'premium.'**

> Premium video is delivered transparently, in a trusted brand-safe environment, seen by real people within a high-quality viewing experience[1].

While the first three components largely relate to the ad industry and the buying and selling of media, the term "high-quality viewing experience", as the phrase suggests, relates to the viewer. In recent years, this has increasingly become a topic of industry debate, with many citing that the definition is in the eyes of the beholder.

The purpose of this research is to define what makes a high-quality video experience for most viewers and understand the impact of different quality viewing experiences on viewers and brands within those environments. The research expounds upon other studies showing that not all platforms and content are created equally.

For this research, NBCUniversal has partnered with the FreeWheel Viewer Experience Lab, an initiative designed to improve ad environment and results through quantifiable research, solutions, and technology. Together through this report, NBCUniversal and FreeWheel are bringing new findings and a unique perspective on how viewers think about and respond to different viewing environments — and how advertisers can make the most of every second.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# Key takeaways

1. A high-quality viewer experience is created via a composite blend of the right platform, content, device and ad load.

2. Video content with editorial input and carefully crafted ad breaks are considered higher quality which explains the preference globally for national networks and international streamers.

3. Brands are more trusted and viewed as higher quality when aligned within premium video content.

4. A quality ad experience delivered in a premium video environment drives meaningful and measurable outcomes for advertisers.

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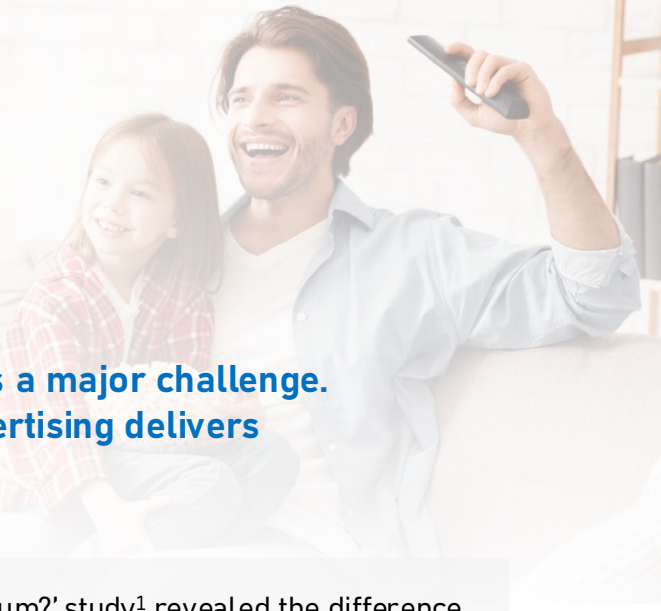
# Platform and content can make a difference



**In this highly complex, noisy and overloaded media environment, vying for the attention of consumers is a major challenge. Separate research studies from Amplified Intelligence and Lumen showed that the vast majority of advertising delivers low levels of attention.**

Adelaide Analytics data[2] demonstrated that the right platform and content make a difference for how much attention ads command. The top performing platform [CTV] was found to be +77% more effective in garnering attention when compared to online video.

**The Right Platform**
+77% more effective

Comcast Advertising's 'What is Premium?' study[1] revealed the difference in recall across different types of video content. Content typically referred to as premium (as per report definition), had +58% higher recall than non-premium content.

**+58% higher recall**
for premium compared with non-premium content[1]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# Study details / Methodology

## Research Objective

Understand what comprises a high-quality viewing experience from an audience perspective by considering factors like content producer, platform owner, screen size, duration, device and advertising experience.

## Methodology

8,000 online interviews with adults aged 16-64. Explicit questions around content consumption were asked alongside a conjoint analysis to fully understand viewer attitudes around what constitutes a high-quality viewing experience. Cint was used as the global panel provider to source all survey respondents.

## Markets:

Australia, Canada, France, Germany, Italy, Spain, UK, U.S.

## Attributes tested in conjoint analysis [over 4,000 scenarios tested]

| Content Description | Content Platform | Device | Content Duration | Content Recency | Breaks per Hour | Ads per Break |
|---|---|---|---|---|---|---|
| National networks | National streaming platform | Big screen TV at home with others | Long form | Live broadcast | 1-2 | 1 |
| International streamers | International streaming platform | Big screen TV at home by yourself | Short form | Recently released show or movie | 3-4 | 2-3 |
| Broadcast quality UGC | YouTube | PC, laptop, or tablet | | Classic show or movie | 5 or more | 4+ |
| Low quality UGC | National linear network | Mobile phone | | | | |


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# What does ‘high-quality’ mean to viewers?

# **Quality perception** with a combination of attributes

Content platform, content description, and device had the most impact on perceived quality[3]. The ad experience mattered more than recency and length, but less ~~so~~ than the platform, device, and content description.

The research revealed the cumulative impact of these contributing factors is what makes a viewer perceive something as high quality, with content platform and program content having the most impact.

## Contribution to viewer's perception of quality

| 6% | 9% | 11% | 15% | 17% | 20% | 23% |
|---|---|---|---|---|---|---|
| Content duration | Content recency | Breaks per hour | Ads per break | Device | Content description | Content platform |

Least Important → Most Important


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# The right blend of factors is required to fully deliver a high-quality experience

While premium can mean different things to different viewers, **big screen experiences with limited interruptions on network and streaming providers** were more likely to be described as high-quality.

This is evident when comparing two scenarios for perceptions of a greater viewing experience. Respondents rated scenario one 3.6x higher than scenario two for delivering a high-quality viewing experience.

| Which of these two scenarios below would you say is closest to being a high-quality viewing experience? | | |
|---|---|---|
| | Scenario 1 | Scenario 2 |
| Content Provider | National Network | UGC/Influencer (basic quality) |
| Content Platform | Owned Streaming Platform | Content Aggregator |
| Device | Big Screen TV at home with others | Mobile Phone |
| Show/Content Duration | Long Form | Short Form |
| When Content Was Made | Recently released | Recently released |
| Number of breaks per hour | 1 or 2 | 5 or more |
| Number of Ads Per Break | 2 or 3 | 2 or 3 |
| High-Quality Uplift | +3.6x | – |


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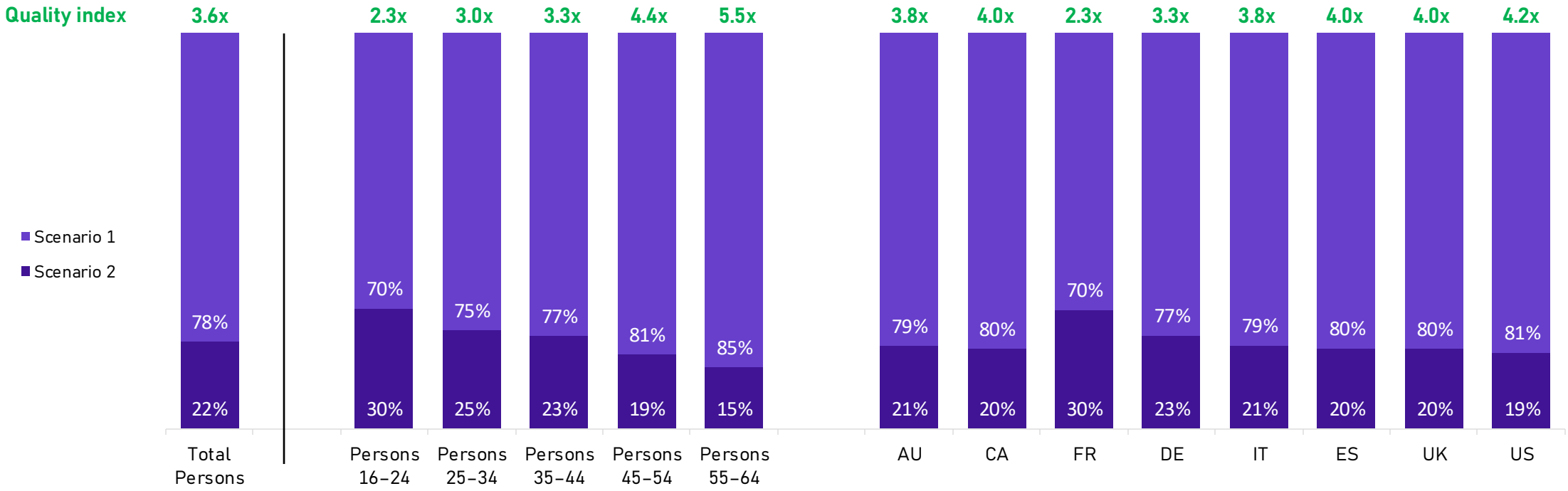
# Quality perception extends across age groups and regions

Similar perceptions of a high-quality viewing experience extend across age groups and countries studied with at least a +2x uplift for big screen experiences with limited interruptions on network and streaming providers (compared to mobile experiences with more ad breaks through content aggregators).

## Scenario comparison for viewer preference by age & country




Scenario 1: National Network, owned streaming platform, big screen at home with others, long form, recently released, 1-2 breaks per hour, and 2-3 ads per break.
Scenario 2: UGC/influencer content, content aggregator platform, mobile-phone, short form, recently released, 5+ ad breaks per hour, and 2-3 ads per break.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# What makes content high-quality?

# Viewing experience impacts the perception of premium content

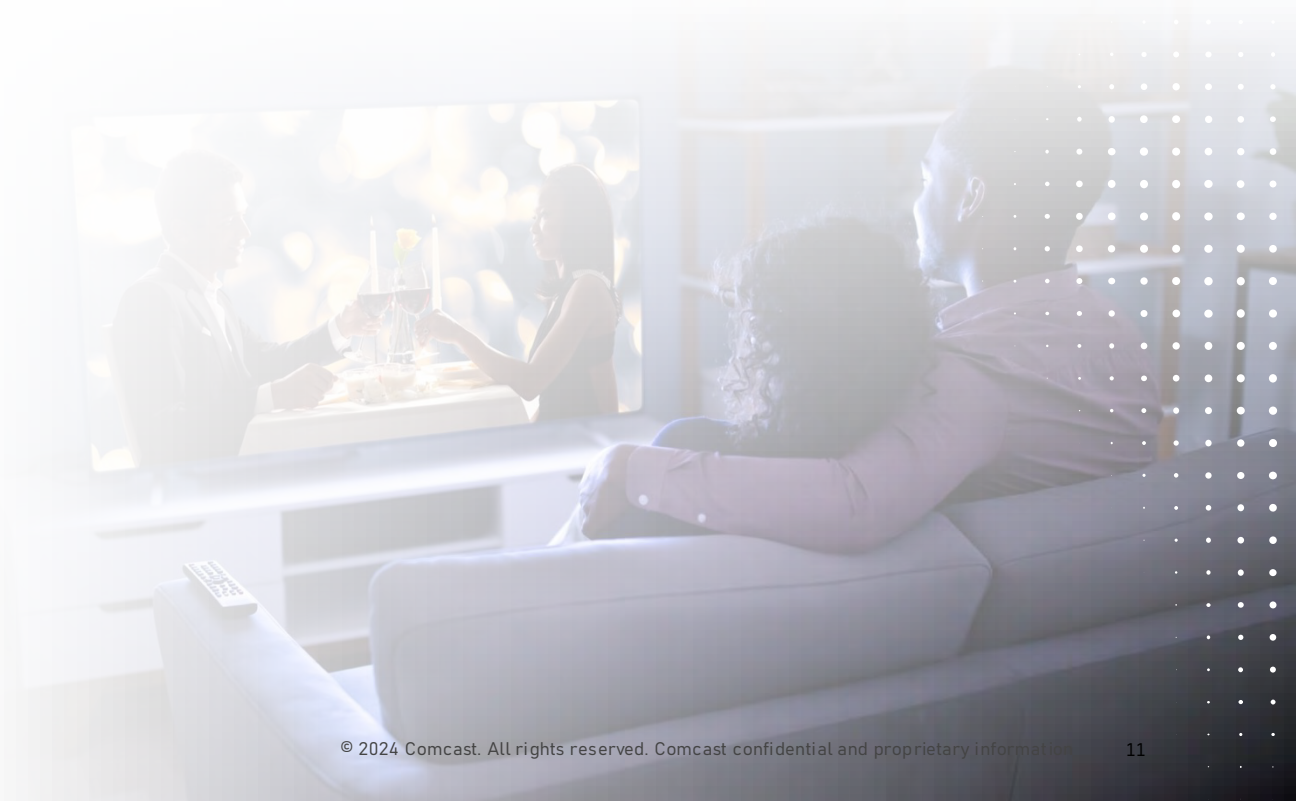
Many marketers define premium content by factors like network, show popularity or screen. The research shows that viewers are most likely to focus on the experience they have while watching.

Viewing experience starts with the content, but also extends to the ad experience. Viewers associate high-quality with editing and production quality, narrative structure, and their experiences with ads.

1 High production value

2 Narrative structure

3 Positive ad experiences

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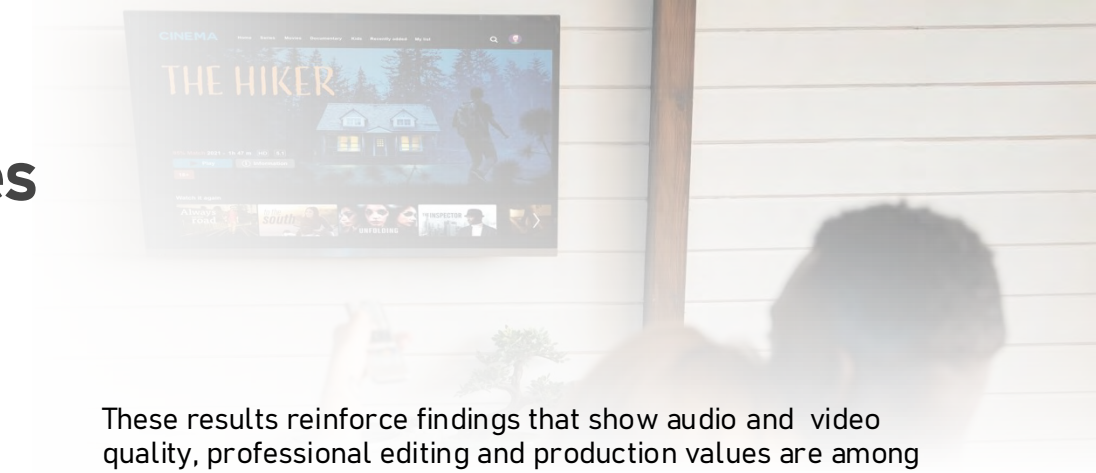
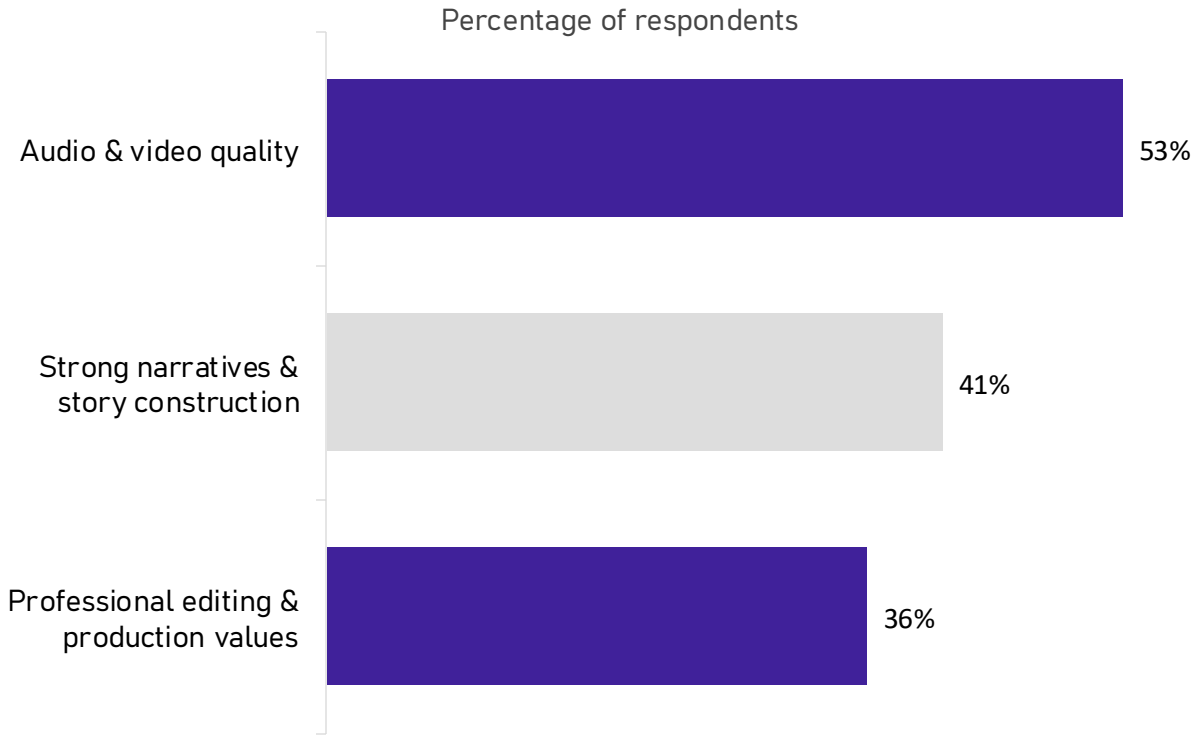
# 1 Viewers notice high production values




## Attributes associated with a high-quality viewing experience




These results reinforce findings that show audio and video quality, professional editing and production values are among the top three elements most associated with a high-quality viewing experience.

### Insights from 'What is Premium?'[1]

Viewers, buyers, and sellers overwhelmingly cited high-quality audio and video as what makes video content premium.

### Viewers rate leading broadcasters highly

85% of viewers associate the leading broadcasters in their country with high-quality audio and video and 80% associate them with professional editing/production values.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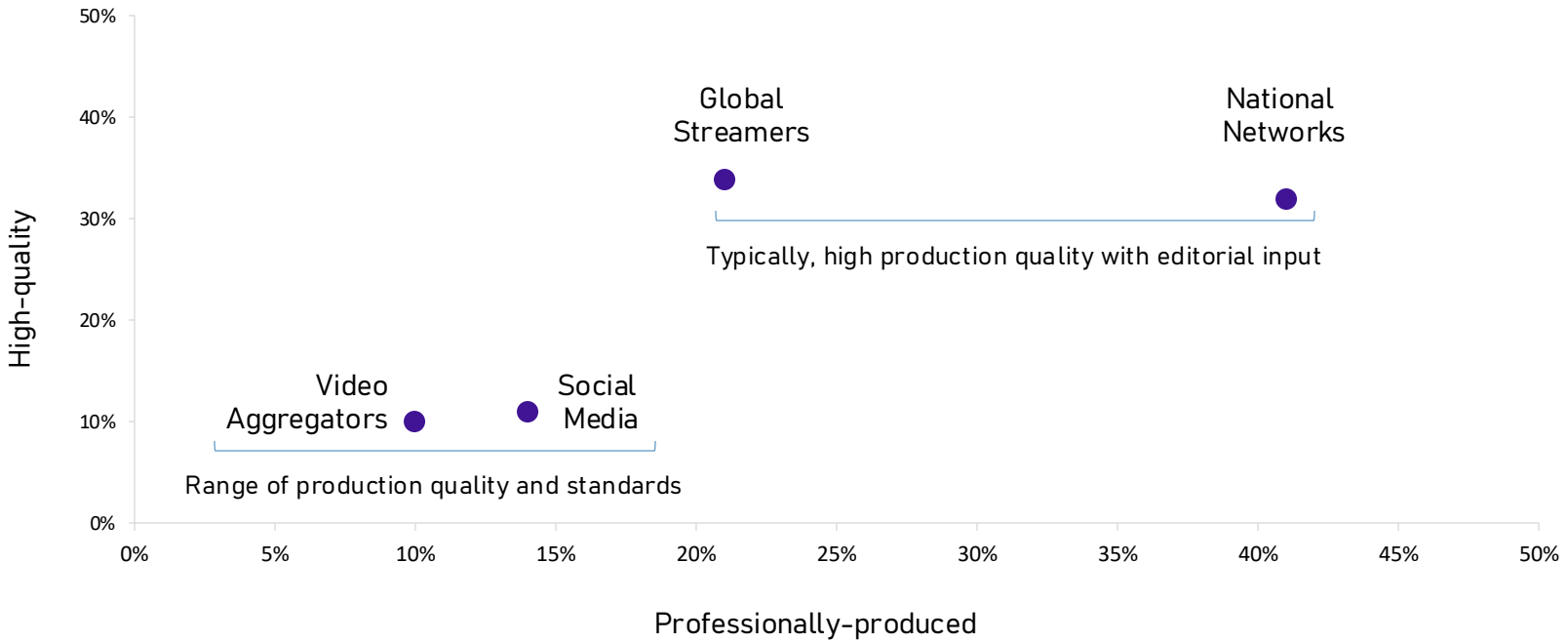
# Platforms with consistently high production values correlated with higher quality video

Respondents associated high-quality and professionally-produced content more so with streamers and national networks than video aggregators and social media platforms. This could be because content on network and streaming platforms generally have higher production values including a variety of camera angles, editing, and editorial input. Video aggregators and social media content have a range of production standards; however, much of the content on those platforms has less complex production and editorial input.

Which of the following would you most associate with..."high-quality"..."professional production" (% of respondents)




### Fit for TV

In 2023, BARB, the UK's television audience measurement body, defined 'fit for TV'[4] content that has editorial input and oversight, meets regulatory compliance, and is brand-safe. The purpose was to help buyers differentiate between the different types of content on video-sharing platforms.

### National networks more likely perceived as professionally-produced

Respondents of this survey were +3x more likely to associate professionally-produced content with national networks, compared to social media platforms or video aggregators.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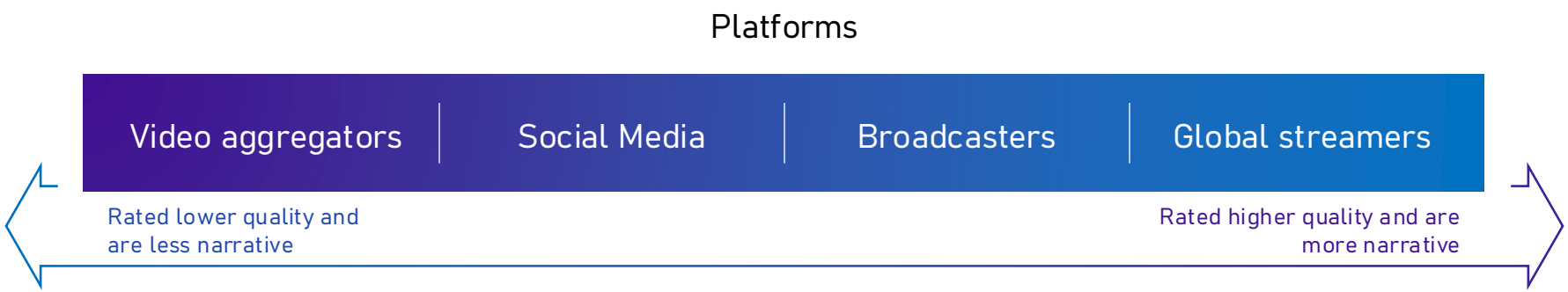
# 2 Strong narratives and story construction feel more premium

Strong narratives include elements like a plot, setting, and theme, with characters and a conflict. Content from broadcasters and streaming platforms typically contains long-form episodic content with traditional story narratives. Conversely, social media and video aggregators tend to have shorter content focused on more immediate experiences & topics.

Narrative-driven content like comedies and dramas were rated as the highest quality viewing experience, further supporting a connection between story-like narratives and high-quality viewing experiences.

**National networks and global streamers are likely associated with strong narratives and story construction**




- Narratives fulfill a desire for full immersion in premium content
- The main reason respondents give for watching premium content is to immerse themselves in engaging content.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# 3 Quality extends to the ad experience

**Percentage of respondents who rated each factor as important or very important in creating a positive advertising environment**

**Limited ads**
**80% ***

**Non-intrusive advertising**
**77%**

**Relevant and engaging advertising**
**73% ****

The number of ads per break and the number of ad breaks represent more than a quarter of what contributes to a high-quality viewing experience.

The right ad experience had

## +2.1x Quality Index

### Insights from the FreeWheel Viewer Experience Lab

- Keep ad breaks to two minutes or less for a positive viewer experience.[5]
- Viewers notice bad ad experiences like too many ads, gaps in content (known as slates), and unnatural ad breaks. This negative sentiment can pass onto the program content and brands within it.

* Average of responses from 'only 1-2 ads per pod' (81%) and 'a low level of advertising per hour' (79%)
** Average of responses from 'brands that are 'relevant to me and my interests' (72%) and 'innovative, entertaining, and engaging ads' (73%)


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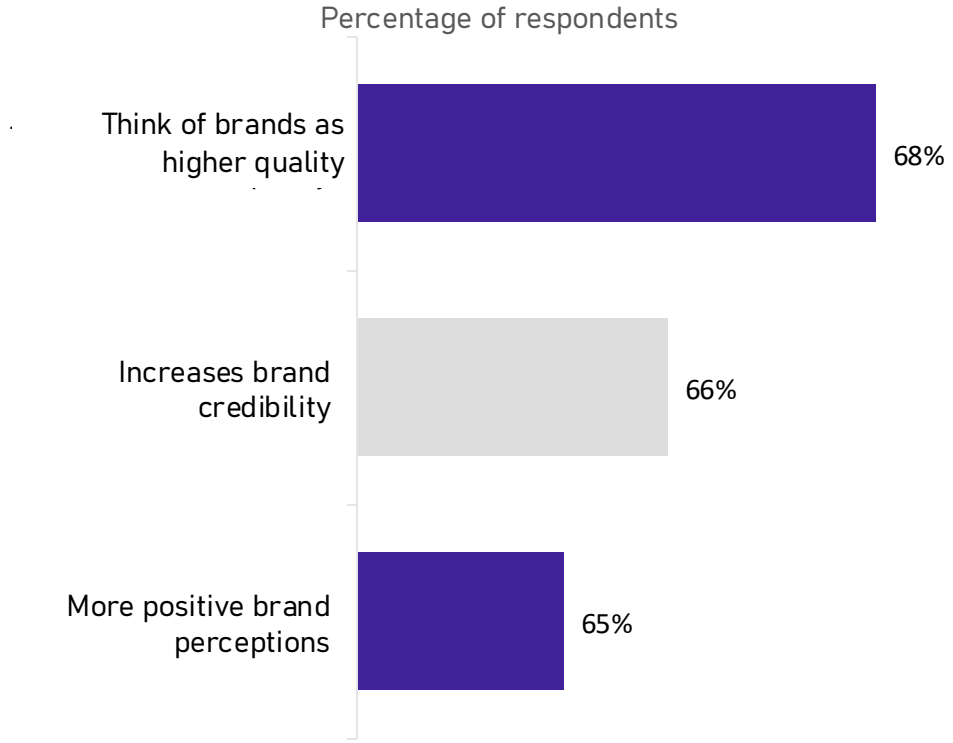
# How does quality impact advertising?

# Brands shown in a premium video environment are seen as higher quality

## Premium content compared to non-premium content (any agree)




Respondents associated brands in premium video content as higher quality, with increased credibility, and more positive perceptions.

This means **premium content could enhance brand appeal** through a halo effect.

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# Viewers are more likely to take action for brands shown in premium environments

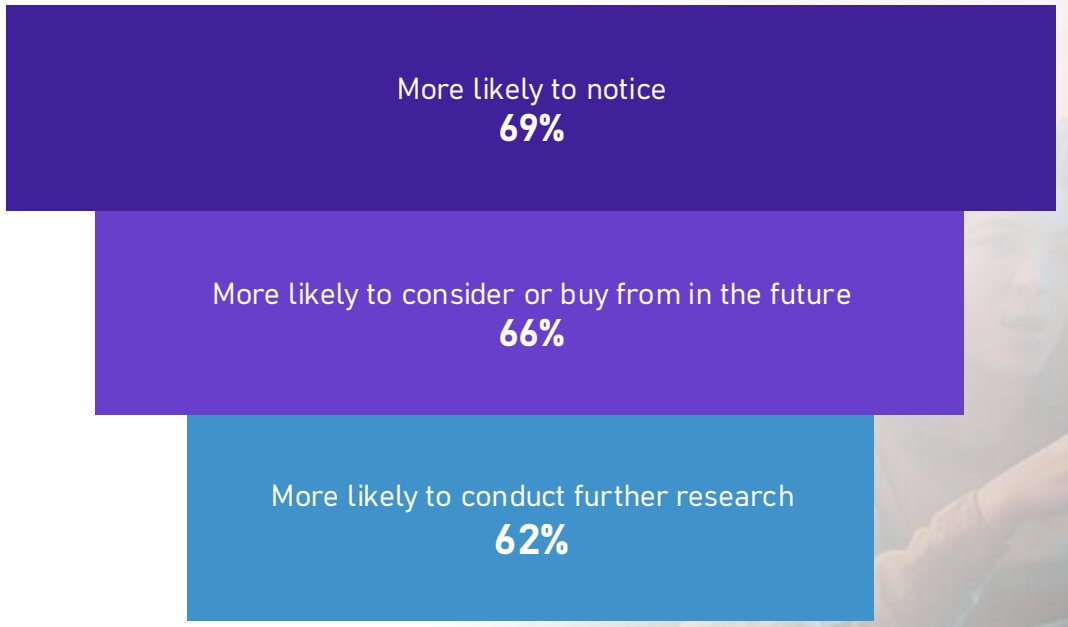
The impact of ads seen, particularly in high-quality environments, can accelerate a brand's path to consideration.

### Insights from 'What is Premium?'

Memory is critical for consumers to take action, and viewers were 58% more likely to recall ads in premium content compared to non-premium content.[1]

**Premium environments compared to non-premium**

Percentage of respondents





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# Positive ad experiences in premium video contribute to positive brand outcomes

**How respondents rated premium vs. non-premium environments**

**Advertising breaks are less intrusive**

**72% agree**

**Advertising is higher quality and engaging**

**72% agree**

**Less low-quality advertising**

**69% agree**

The ad experience contributes to brand outcomes. Survey respondents felt ad breaks were less intrusive within premium video. In this complex media landscape where buyers and sellers are competing for share of audiences and attention, it is critical to be mindful of viewers' ad experience because of the impacts that can be passed on to brands.

## Insights from the FreeWheel Viewer Experience Lab

When ad breaks come in the middle of a scene or sentence and throw off the flow of content, they feel 16% more intrusive.[6] This is particularly an issue in content formats that were not designed to have ads nor filmed with natural breaks within the content.


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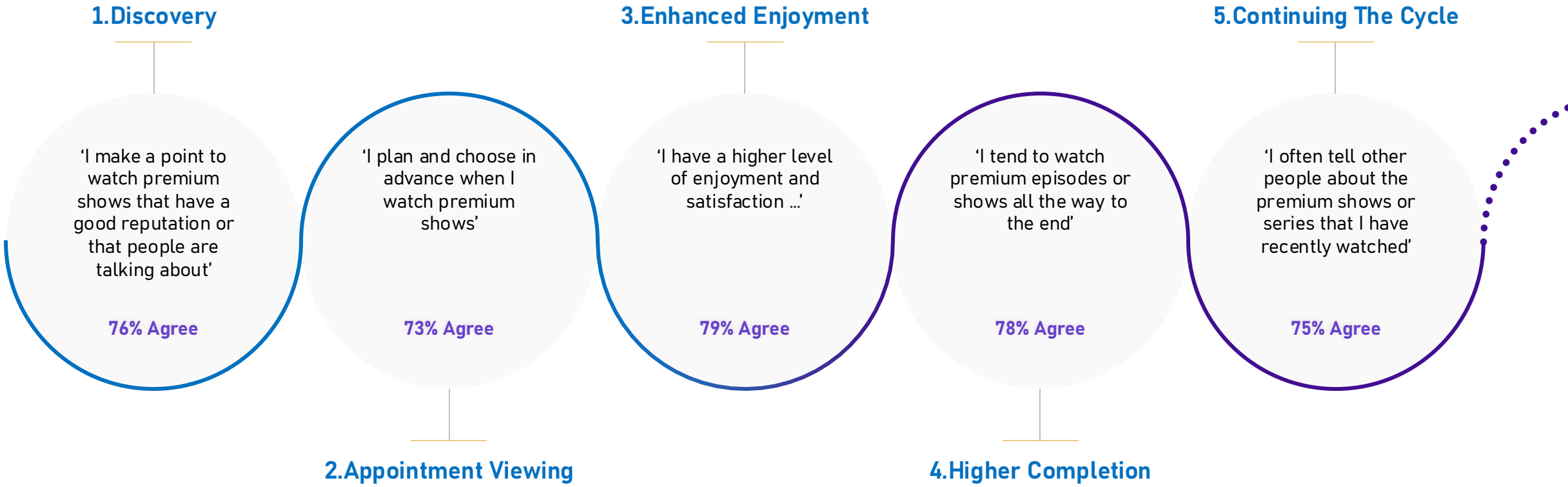
# The premium content consumption cycle engages viewers

Watching premium video is a weekly experience for 70% of people. They plan out what they want to watch, make intentional choices about the content that fulfills their desires to escape, engage and are a part of wider social conversations. Advertisers benefit from the increased attention viewers pay to premium content as they become immersed from start to finish[7].





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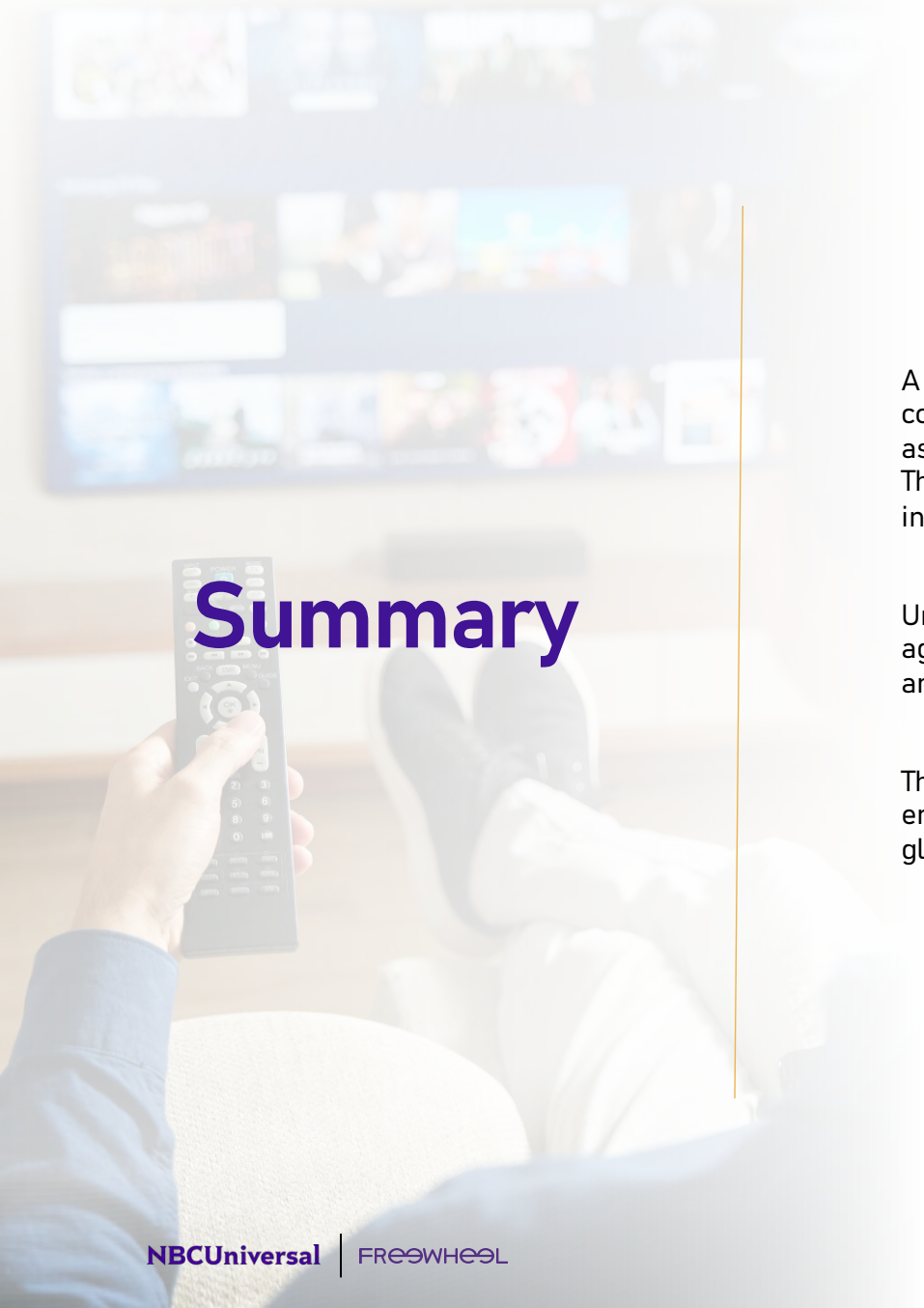

# Summary

A premium video environment is defined by a combination of attributes, particularly program content and platform, rather than single factors like content, length or recency. Viewers often associate premium video with storytelling, high-quality audio and video, and non-intrusive ads. These criteria are most likely to be associate with content produced and published in non-intrusive ad environments by national networks and international streamers.

Understanding what viewers consider premium is absolutely crucial for advertisers and their agencies. Positive associations with high-quality environments can enhance brand perception and trust, leading to greater consumer engagement and consideration.

This research consistently shows that the preference for premium, high-quality video environments and their positive impact on advertising is not an isolated or specific case but a global phenomenon across all age groups.


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# COUNTRY BREAKOUTS

# High-quality ratings & elements

| % of Respondents | Which three elements below would you most associate with a high-quality viewing experience for you personally? | | | Which of the following would you most associate with high-quality? | | | | Which of the following would you most associate with professionally produced content? | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Audio & Video Quality | Strong Narratives & Story Construction | Professional Editing/ Production Values | National Networks | Global Streamers | Video Sharing Aggregator | Social Media | National Networks | Global Streamers | Video Sharing Aggregator | Social Media |
| **Total** | 53% | 41% | 36% | 32% | 34% | 10% | 11% | 41% | 21% | 10% | 14% |
| **Australia** | 53% | 46% | 39% | 33% | 32% | 9% | 14% | 45% | 16% | 10% | 16% |
| **Canada** | 51% | 45% | 43% | 36% | 28% | 13% | 11% | 46% | 17% | 11% | 13% |
| **France** | 45% | 30% | 26% | 25% | 36% | 11% | 10% | 34% | 22% | 13% | 15% |
| **Germany** | 51% | 43% | 35% | 31% | 33% | 10% | 11% | 41% | 22% | 9% | 13% |
| **Italy** | 53% | 40% | 34% | 30% | 40% | 9% | 9% | 38% | 28% | 11% | 13% |
| **Spain** | 61% | 37% | 38% | 23% | 52% | 5% | 7% | 36% | 35% | 7% | 9% |
| **UK** | 54% | 41% | 39% | 40% | 30% | 9% | 11% | 48% | 15% | 9% | 17% |
| **US** | 54% | 44% | 36% | 35% | 27% | 12% | 13% | 43% | 18% | 12% | 15% |


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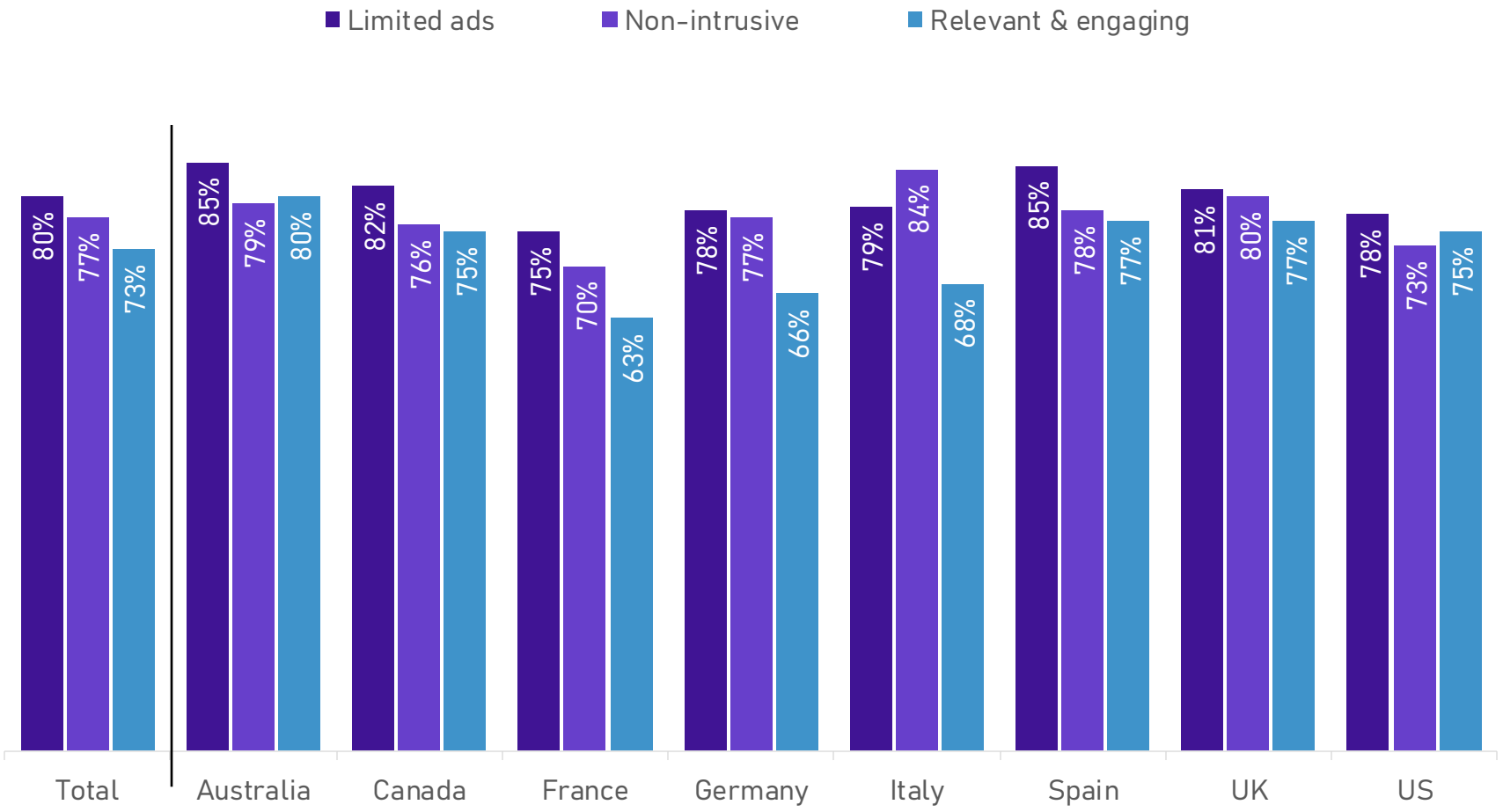
# Ad experience

Percentage of viewers who think each factor is important or very important in creating a positive advertising environment that fits with a high-quality viewing experience




| Country | Quality index for minimal ads & ad breaks vs. heavy ad loads and breaks per hour |
|---|---|
| **Total** | **2.1x** |
| Australia | 2.0x |
| Canada | 2.1x |
| France | 1.9x |
| Germany | 2.1x |
| Italy | 2.2x |
| Spain | 2.3x |
| UK | 2.0x |
| US | 2.1x |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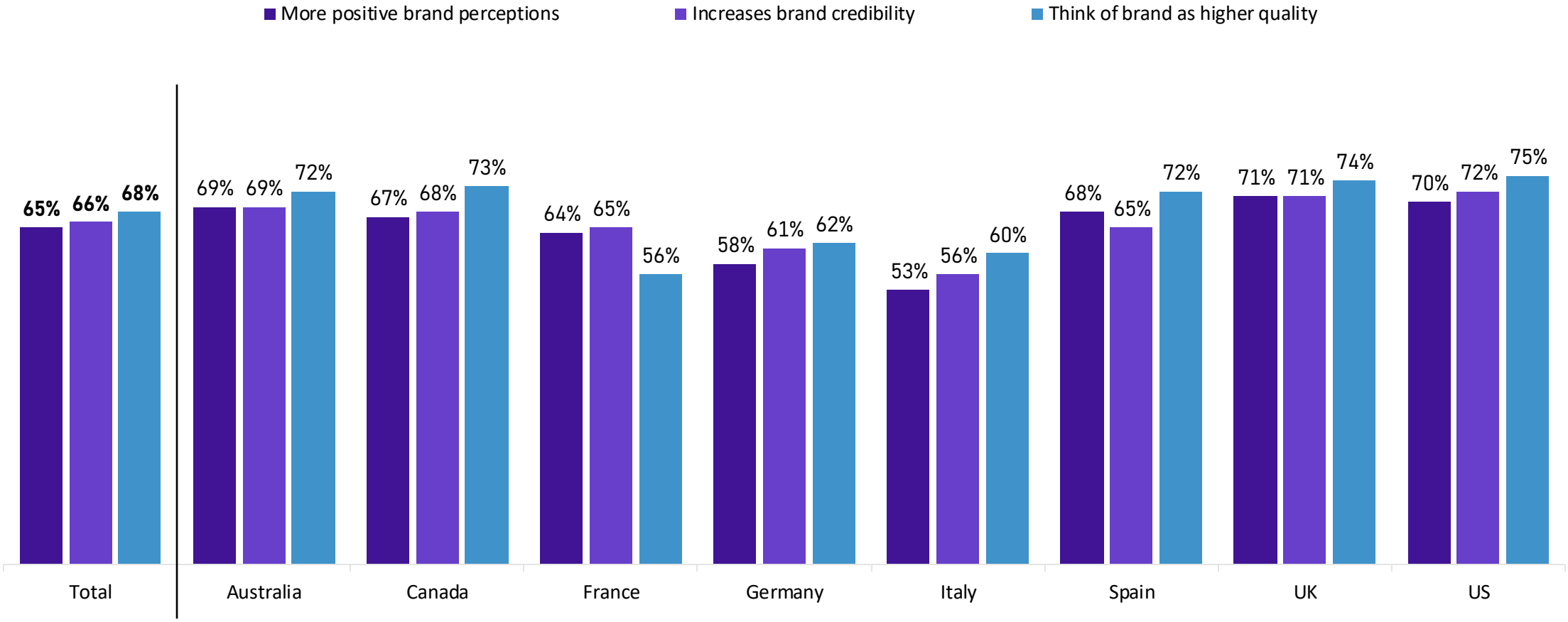
# Premium environment impact on brands

## Premium content compared to non-premium content (any agree)





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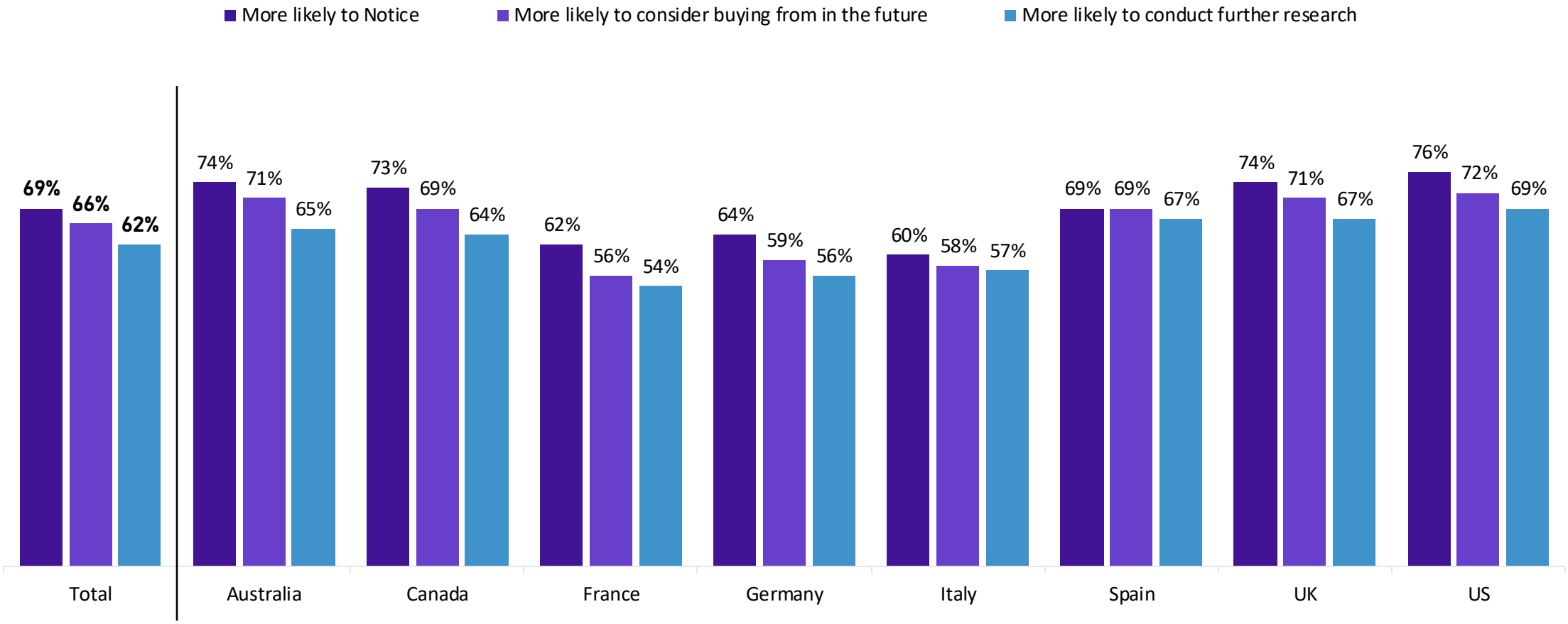
# Premium environment likelihood to act

## Premium content compared to non-premium content





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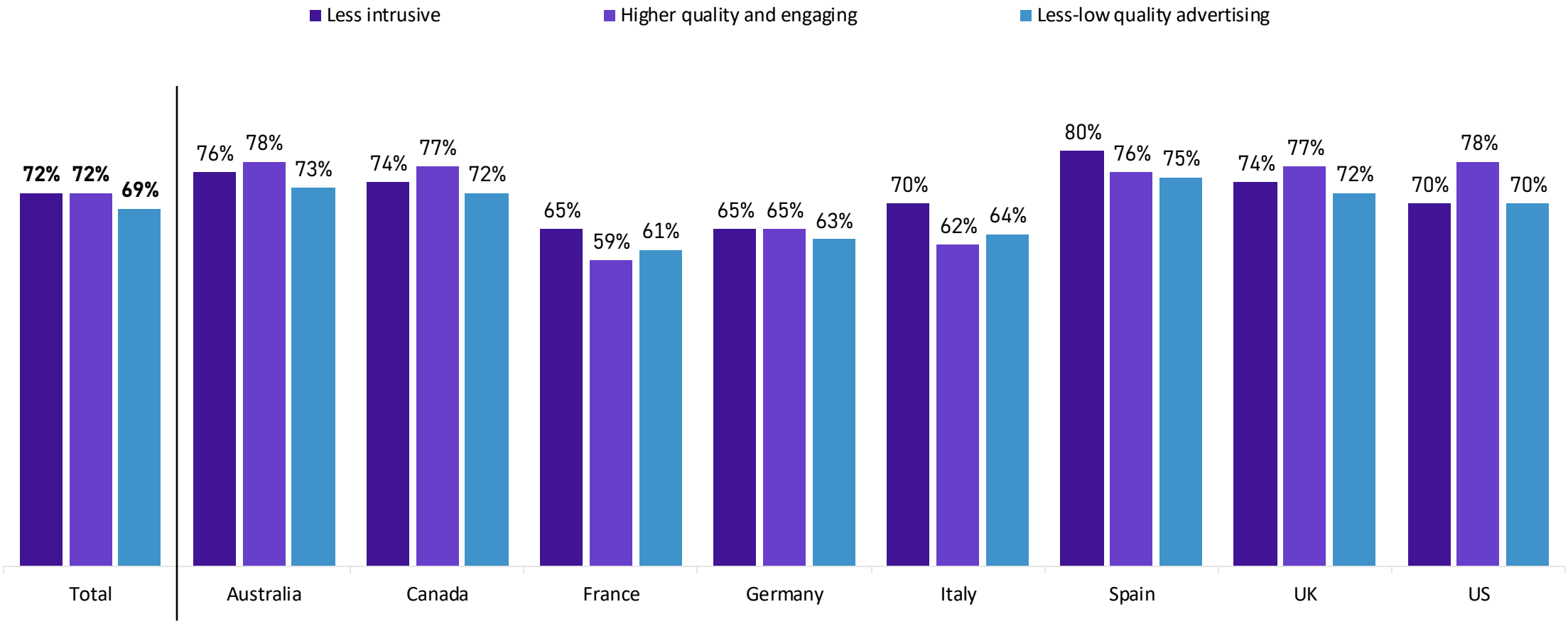
# Ad experiences in premium environments

## Advertising around premium content compared to non-premium content





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# The premium content cycle

| | 1 Discovery | 2 Appointment Viewing | 3 Enhanced Enjoyment | 4 Higher Completion | 5 Continuing the Cycle |
|---|---|---|---|---|---|
| Country | 'I make a point to watch premium shows that have a good reputation or that people are talking about' | 'I plan and choose in advance when I watch premium shows' | 'I have a higher level of enjoyment and satisfaction ...' | 'I tend to watch premium episodes or shows all the way to the end' | 'I often tell other people about the premium shows or series that I have recently watched' |
| **Total** | 76% | 73% | 79% | 78% | 75% |
| **Australia** | 82% | 78% | 87% | 83% | 81% |
| **Canada** | 81% | 77% | 85% | 81% | 77% |
| **France** | 71% | 66% | 74% | 74% | 73% |
| **Germany** | 69% | 67% | 76% | 74% | 64% |
| **Italy** | 70% | 69% | 73% | 72% | 70% |
| **Spain** | 76% | 73% | 80% | 80% | 79% |
| **UK** | 82% | 76% | 81% | 80% | 78% |
| **US** | 80% | 75% | 79% | 81% | 76% |


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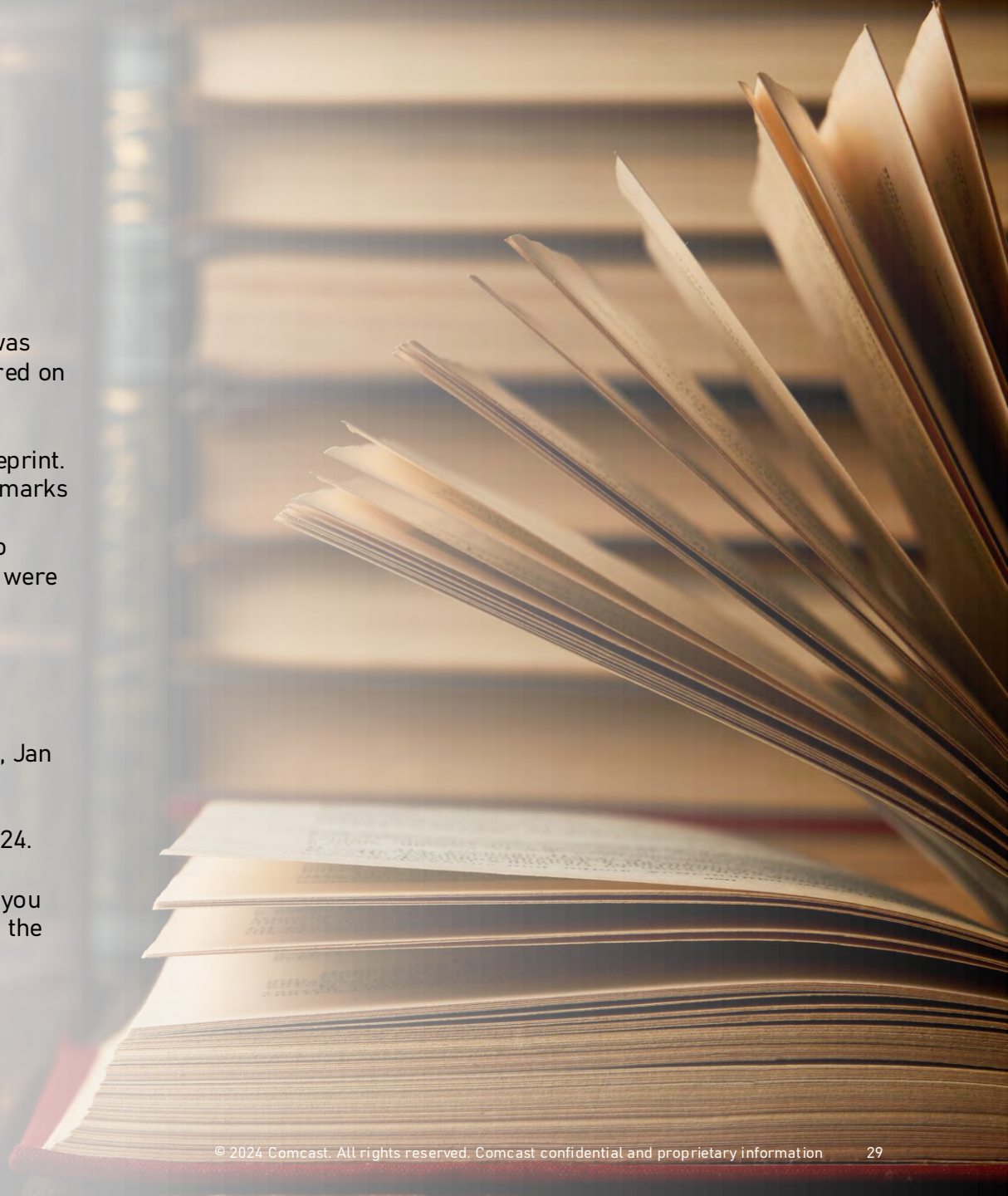
# Sources




1. Comcast Advertising, "What is Premium", Nov 2023. Premium content in the study was publisher created episodic content with 100% of the ads viewable. Non-premium content was individual created short form content with 50% of the ads viewable. All content was delivered on a TV screen.

2. Amplified Intelligence / Nelson-Field, K. (2024). The Attention Economy: A Category Blueprint. Springer Nature Lumen / LAMP Measurement Product. Adelaide Analytics, Q2 2024 Benchmarks

3. Conjoint analysis modelled 4,320 different scenarios from the 8,000 survey responses to understand what viewers associated most with a high-quality viewing experience. Viewers were asked to pick from two scenarios which one they found to be higher quality.

4. Barb audiences Ltd, February 2023, barb to include fit-for-tv content on video-sharing platforms.

5. Research from the FreeWheel Viewer Experience Lab, Designing a Better Ad Pod report, Jan 2024.

6. The FreeWheel Viewer Experience Lab: Improving the Quality of Ad Experiences, May 2024.

7. Percentage a survey responses to question : 'We'd now like you to tell us to what extent you agree or disagree with the statements shown below regarding premium content', see table the premium content cycle in the country breakouts section.

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