



Mary Meeker's Internet Trends Report Indicates Changes in the Digital Landscape

Each year noted Silicon Valley media analyst and investor Mary Meeker presents her findings on the current state of video and the Internet. It is extensive and in-depth. 2016's three top take-aways include:



1) The internet itself is growing more slowly. In the past two decades, the internet economy was affected by macroeconomic trends, but it was external issues like the housing and financial crises that were driving the slowdown. Now, it is global internet growth itself that is slowing down.

2) Typing text into a search bar will be rapidly declining. In five years, at least 50 percent of all searches are going to be either images or speech.

3) The home screen has acted as the de facto portal on mobile devices since the arrival of the iPhone and even before. Messaging apps, with context and time, have a chance to rival the home screen as the go-to place for interaction.

TV Program Consultant Peter Hamilton who specializes in this area of research added additional highlights from the report. (His web site is: www.documentarytelevision.com)

Disruption:

Hamilton underlines the importance of Meeker's work because she provides both context and specific examples of the huge and accelerating disruption the video industry is experiencing right now.

Here is the video:

Visit Recode.net to follow along by reading Meeker's PPT slides.

Content

- The presentation is a dizzying experience, as she races through 213 slides.
- Topics covered include video's role in the Internet, millennials, Live viewing, China, ad blockers, and much more.
- Meeker says "easy growth is behind us" as the newest Internet users are coming from less affluent countries.

Facebook / Live Video

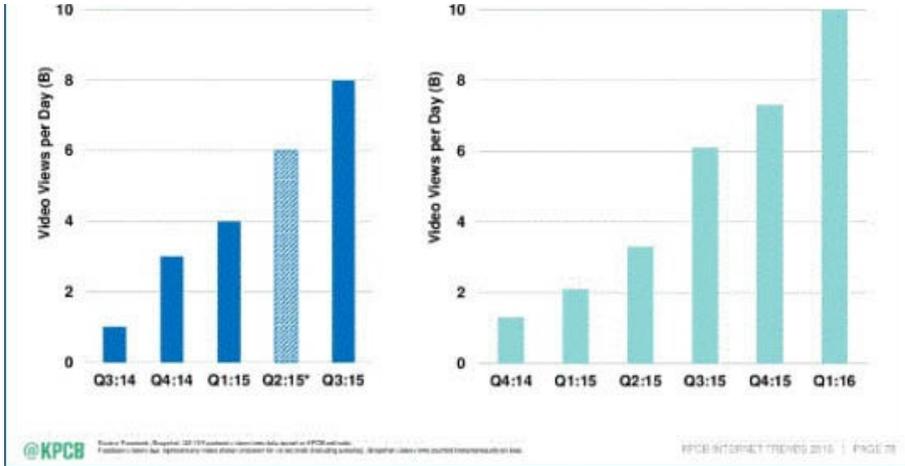
- Meeker says that 2016 is the breakout year for Live Video.

Hamilton was particularly taken by a chart that captures meteoric rise of Facebook and Snapchat in the video ecosystem. (See slides 42+).

User-Shared Video Views on Snapchat & Facebook = Growing Fast

Facebook Daily Video Views,
Global, Q3:14 – Q3:15

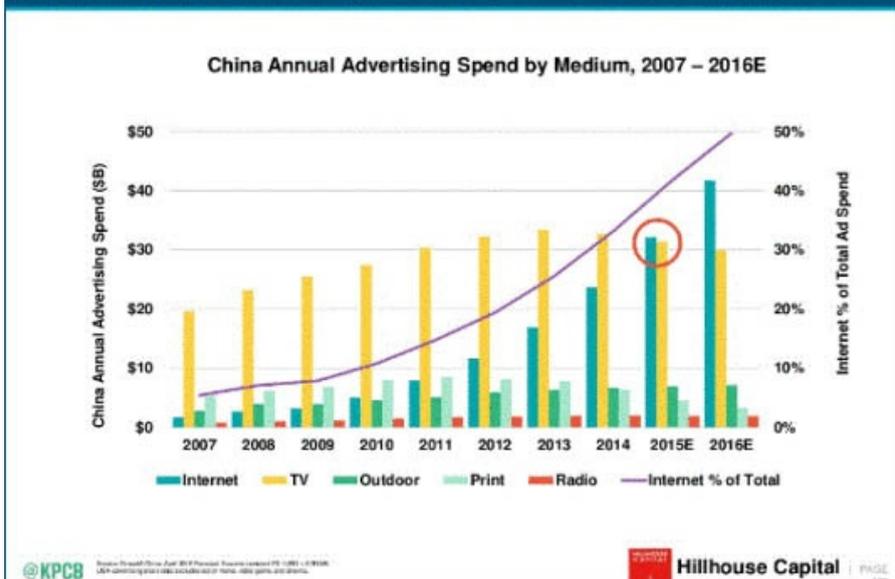
Snapchat Daily Video Views,
Global, Q4:14 – Q1:16



China

- Meeker addresses China's scale (668 Mn users) and growth of its Internet economy.
- She captures the rapid shift in advertising spending from China's traditional to Internet media.

China Online Advertising > TV (2015)... Online > 42% Total Ad Spend vs. 39% in USA



Are TV Ads Better Than Online Video Ads?

Is there really a difference between TV ads and online video ads? According to a recent Nielsen survey, the answer is a resounding yes: 63% of consumers say they trust the ads they see on television, whereas just 48% say they trust video ads they see online. Online ads are annoying because they interrupt what the consumer is trying to accomplish. Television commercials aren't perfect, but people accept them because they're already sitting in front of a television often consuming entertainment passively. Even if the content of an online video is the same as that of a TV commercial, customers will react more positively to the televised advertisement.

Why TV Is Still Relevant

Some companies presume television ads are no longer worth the investment, but that simply isn't the case. Although online ads serve their purpose, there are important reasons for marketers to stay on the airwaves.

First, television allows you to reach more people for a lower price per person. Although commercials are not as targeted as online ads, they manage to get the message across to consumers without breaking the bank: Television ads remain the most effective advertising medium, according to a 2014 MarketShare study.

What's more, TV ads require less from consumers. Online ads often request some sort of engagement, usually in the form of a click or a form to fill out, and they wrestle for attention with the rest of the content on the page. Whereas online requires consumers to "lean forward" to engage, television asks consumers to do nothing but "lean back" and devote their relaxed attention to the screen. Consumers aren't avoiding TV ads, either: Television viewers typically consume 73 minutes of TV commercials per day,

Waiting 30 seconds for a YouTube video to load while an ad plays can seem like an eternity — much longer than the interval between one part of a television program and the next feels when viewers are eager to see a show's outcome. Because people are generally more willing to spend time consuming an ad on television, the odds that they will try out or purchase the advertised product increase by 16 percentage points.

Still not convinced that television marketing works? Just ask Dollar Shave Club: It used a national television ad campaign to double its subscribers.

In short, television viewers are easier to persuade, cost less to reach, and pay more attention than their online counterparts. Digital advertising has its place, just like printed collateral, social media, and experiential marketing do. None of those media, however, can match the selling power of television.

Erik Huberman is founder and CEO of Hawke Media, named one of the "Top 50 Startups in LA"

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Whether it's audience measurement, distribution or ad sales, marketing/promotion, multi-platform, or program content and scheduling, Byron Media has made the bottom-line difference for companies.

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