



20/20 Vision for Mobile Video

Outlook for a new era of mobile-first experiences



National
Research
Group

A STAGWELL COMPANY

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2020 Changed the Way We Video.

Mobile video is at an inflection point characterized by a surge in premium video content, driving both meaningful connection and self-expression among Gen Zs and Millennials.

The Budding Premium Mobile Video Category Is About Social Currency

With so many people accessing video through mobile phones, global mobile video viewership is growing 6% annually, outpacing growth on other video platforms.¹ The rise of mobile video is fueled not only by the 8 in 10 Gen Zs and Millennials who watch user-generated content every day,² but also by a growing contingent of Gen Zs and Millennials who watch premium mobile content daily. They are drawn to premium, immersive and made-for-mobile experiences: content that communicates compelling stories in less time, and is shot in vertical display.

Premium mobile video is about social currency, with more than 8 in 10 Gen Z and Millennial consumers turning to premium mobile video to stay up-to-date with what people are talking about, to feel informed, learn something new, and to participate in the conversation.³ Mobile video inspires individuals to talk about what they watch when it reflects their values and identity. The most effective mobile experiences not only help Gen Z and Millennial consumers connect to each other, but also allow them to express themselves, and elevate them to be contributors to the cultural conversation.

2010

Smartphones
are ubiquitous



Early 2010s

User-generated
content explodes



2020+

Rise of Premium
Mobile Video



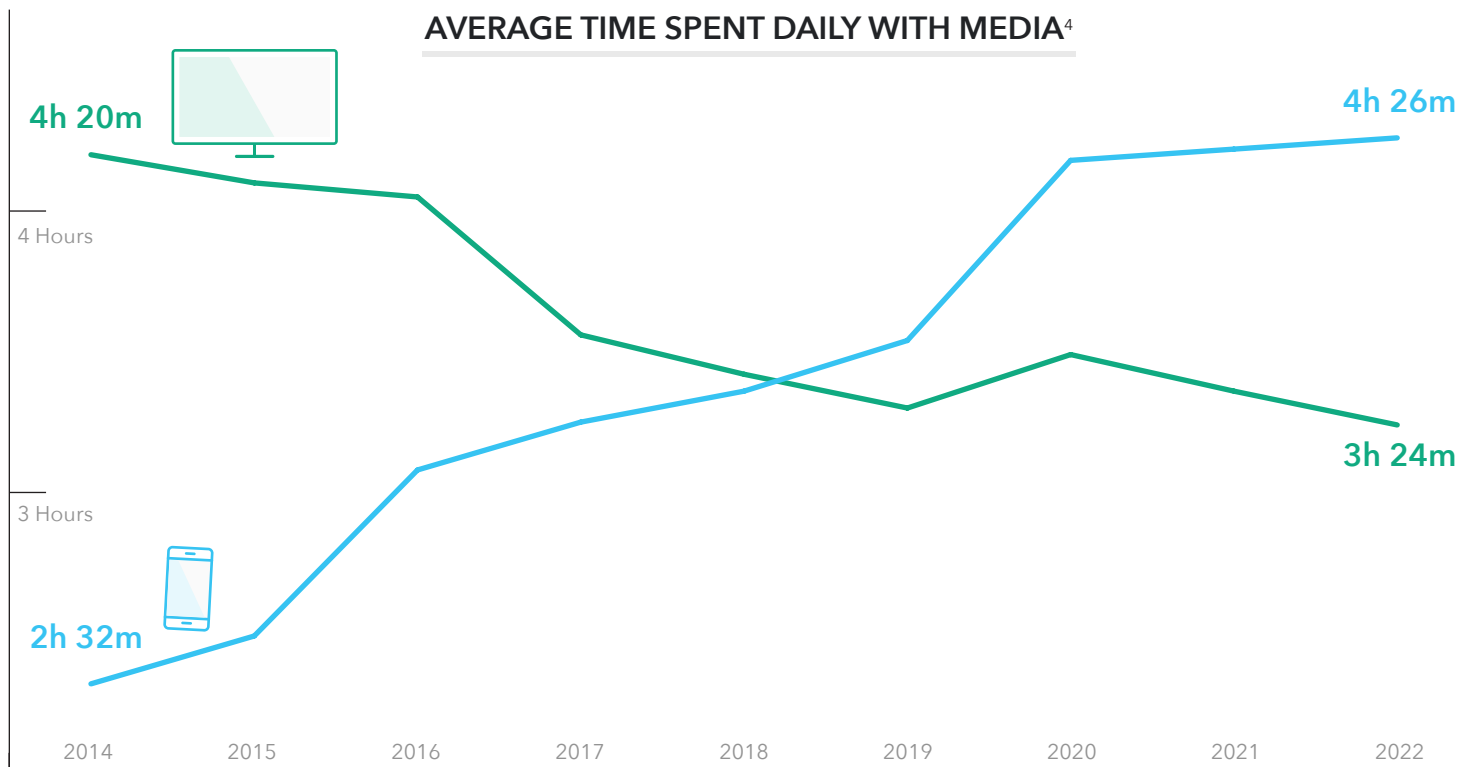
Mobile phones now lead for share of time.

Mobile is the main event, surpassing all other devices consumers devote their attention to.

Over the past six years, smartphone screen time has multiplied by more than 1.5x, steadily rising from 2.5 hours per day in 2014, to a new high of 4 hours and 18 minutes per day in 2020. Approximately 47 minutes (20%) of time spent on smartphones is dedicated to watching video.

The COVID-19 pandemic has boosted media consumption across every screen, increasing time spent with TV, mobile and mobile video. COVID-19 is accelerating existing trends for mobile, which will continue to experience positive momentum post-pandemic. However, despite a surge in TV consumption during COVID-19, downward trends for TV look likely to return as consumers are no longer sheltering in place.

- In just two short years, time spent with mobile went from lagging TV by six minutes in 2018 to surging ahead by 29 minutes in 2020. Gains for mobile are projected to continuously grow in the coming years.
- Time spent with TV has declined by 12%, from an average of 4 hours and 20 minutes per day in 2014, to 3 hours and 49 minutes per day in 2020. TV is experiencing temporary gains of 19 minutes during COVID-19, with a projected return to a decline in consumption in 2021.
- Age is a critical determining factor for time spent with TV, with the youngest consumers spending far less time than their older counterparts. Gen Z and Millennial consumers' daily TV time is a fraction of older generations'.



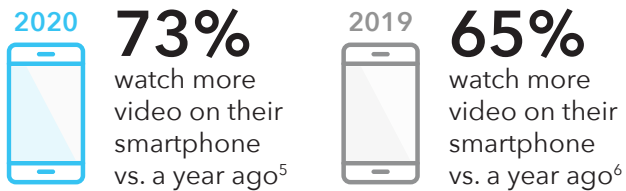
⁴eMarketer, US Time Spent with Media 2020, April 2020, eMarketer, US Mobile Time Spent 2018



Mobile video focus is exponentially higher among Gen Zs and Millennials.

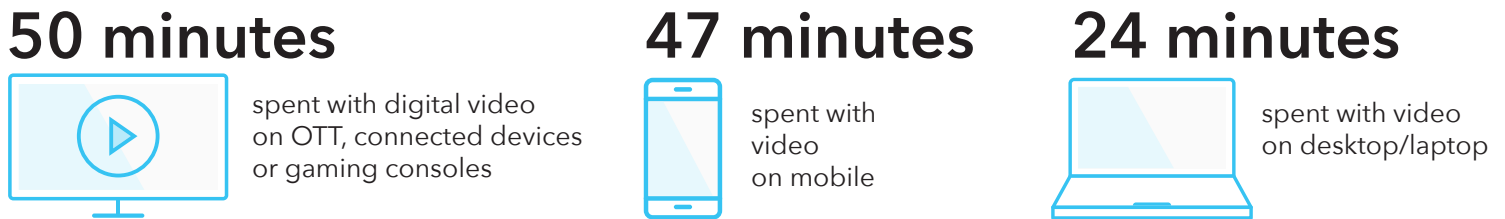
TIME SPENT IS UP YEAR OVER YEAR

Young consumers are spending more time with mobile video every year. In 2020, nearly 3 in 4 Gen Zs and Millennials report that they watch more video on their smartphones than they did a year ago.



MOBILE VIDEO OUTPACES DESKTOP VIEWERSHIP⁷

When it comes to share of time across devices, consumers are spending nearly as much time with mobile video as they do with digital video on OTT, connected devices or gaming consoles.



MOBILE VIDEO > TV DURING COVID⁸

The impact of COVID-19 on mobile video consumption is significant. Mobile video is up 4% in March 2020, compared to February, and now accounts for more than half of all mobile traffic.⁹ Despite added TV time for Gen Z and Millennial consumers while isolating at home, younger generations are still prioritizing mobile video.



^{5,8}2020 NRG US Study commissioned by Snap Inc.
⁶2019 NRG US Study commissioned by Snap Inc.

⁷eMarketer, US Time Spent with Media 2020, April 2020
⁹<https://www.mediapost.com/publications/article/349231/video-im-texting-drive-mobile-during-covid-19-cr.html>

Mobile video is more than entertainment: it gives Gen Zs and Millennials tools to thrive.

In 2020, mobile video has become a viable way for many consumers to cope with newfound anxieties and stay connected to one another.

Smartphones are consumers' most intimate devices: they're a portal for connecting with loved ones and the outside world, and where consumers keep many of their most important photos, memories and reminders.

The social currency mobile video provides is further reinforced during the COVID-19 pandemic. Short-form mobile video is an accessible lifeline for consumers to connect and stay informed in a moment of need.



86%

of Gen Zs and Millennials say mobile video has helped them cope during the current crisis.¹⁰

USING MOBILE VIDEO TO COPE DURING THE PANDEMIC¹¹



88%

Entertainment

For escape, laughter and distraction



77%

Personal Growth & Wellness

Keeping the mind or body healthy with fitness, skill building, and emotional wellness



76%

Connection

To loved ones, the world around you, and people who are being real and authentic



59%

Information

To stay informed about news and pop culture

“Provide the tools for people to succeed and thrive. Let them find it and shape it.”

- Galit Ariel, Futurist, Ted Speaker & Author



Galit suggests that “amid COVID-19 and the global economic and social unrest, Maslow’s pyramid has crumbled. People are shifting away from a ‘me’-centric culture as they begin to evaluate their needs, ambitions and behaviors through more critical cultural and societal perspectives. Our mindsets don’t adhere with the hierarchical model Maslow’s pyramid suggests anymore. We got to a point where we realize that the relationship between individual, social, psychological and basic needs are organic and intertwined—the layers are melded. We started to comprehend that we need to actualize ALL the layers (at least on some level) to thrive.”

Storytelling matters more than ever.

A rising quality standard is paving the way for short-form premium mobile video's ascent.

Short-Form Does Not Mean Cutting Corners on Quality

Despite a trend towards shorter video content among elusive young consumers, there is still strong demand for immersion and escape at a click.

Aside from simply spending more time with their phones, there are three key reasons viewers are tuning into more short-form premium mobile video: accessibility, quality and storytelling.

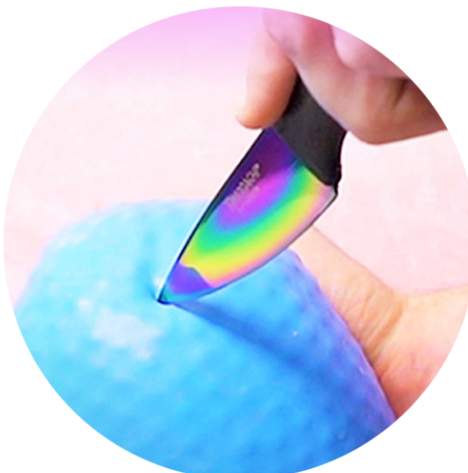


Accessibility

Mobile provides always-on, always available access

74%

say it is very important to have easy access to the most popular videos and an always growing collection of videos¹²



Quality

Amount of quality video is growing

88%

say it is important for mobile video to feel professionally created, i.e., tell a story in less time and professionally shot in vertical display¹³



Storytelling

Stories are becoming more interesting

79%

say short-form premium video is pulling them into characters, personalities and storylines¹⁴

"There's extraordinary content. [Mobile videos] are more entertaining, and easier to access. It's on-the-go fun!"

- Male, age 26



Attention spans aren't shrinking; the standard for storytelling is evolving across screens.

Premium content is driving the mobile video category forward, with 4x the growth of user-generated content.

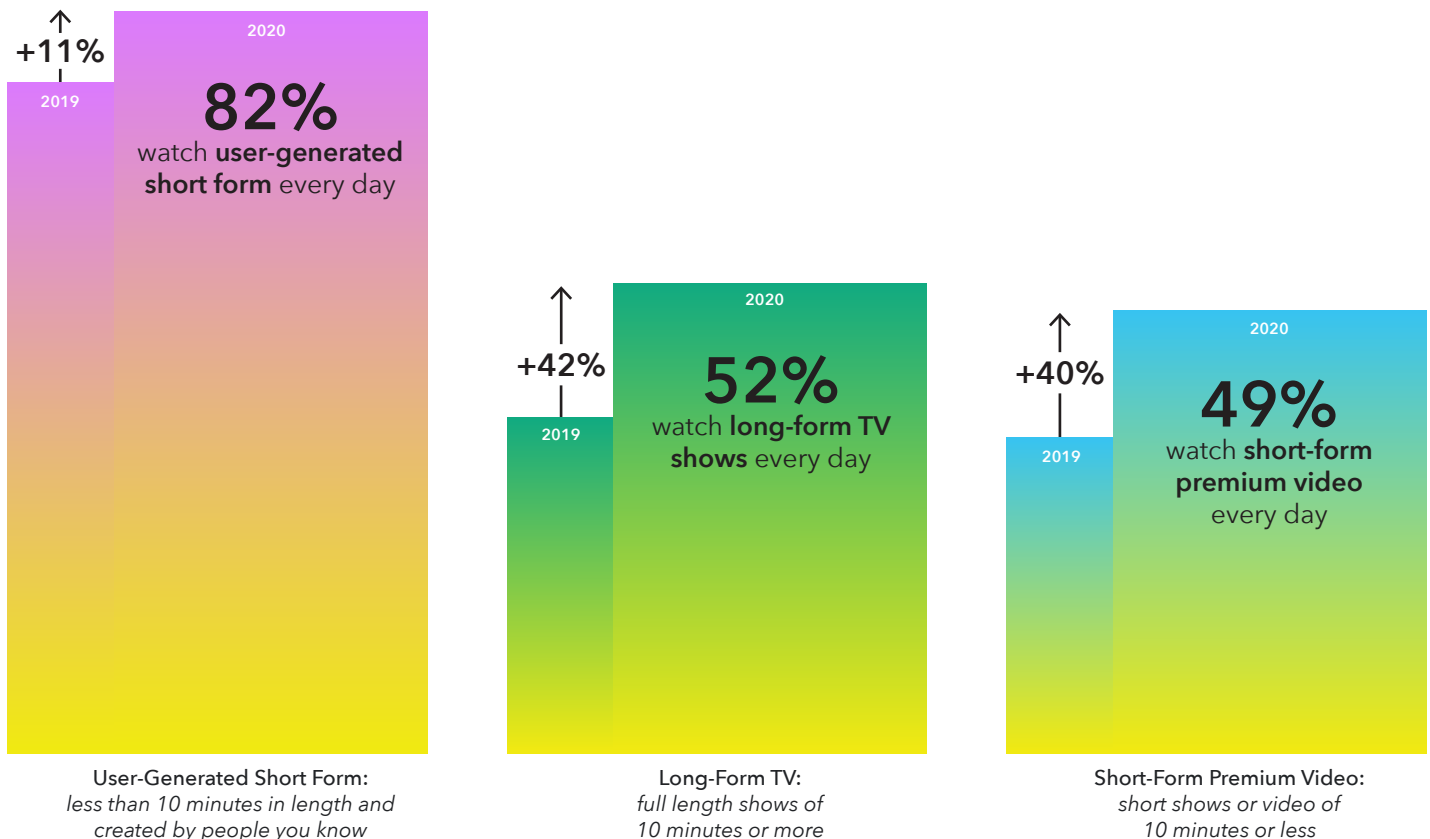
While 8 in 10 Gen Zs and Millennials watch user-generated content every day, both long-form and short-form premium video content are growing significantly faster in the mobile space.

Premium mobile video daily engagement growth is monumental—up 40% in 2020; user-generated content growth is incremental—up 11% in 2020.

Today, 1 in 2 Gen Z and Millennial consumers enjoys long-form and short-form premium content on their phones every day.

Millennials have caught up to Gen Zs in their short-form mobile video viewing. 52% of Millennials watch short-form premium mobile video daily (vs. 47% of Gen Zs), and 55% of Millennials say they are watching more short-form premium mobile video than they were a year ago (vs. 42% of Gen Zs).¹⁵

PERCENT OF GEN Zs AND MILLENNIALS WHO WATCH MOBILE VIDEO DAILY¹⁶



¹⁵2020 NRG US Study commissioned by Snap Inc.

¹⁶2020 NRG US Study commissioned by Snap Inc. versus 2019 NRG US Study commissioned by Snap Inc.



Three pillars characterize the magic of mobile: Personal; Shareworthy; Relatable.

The mobile video content Gen Zs and Millennials crave gives them connection to real life and each other.

The most effective mobile experiences not only help consumers connect with each other, but also allow them to express themselves, and elevate them to be contributors to the cultural conversation.

When mobile video is personal, shareworthy and relatable it creates the perfect intersection of connection and self-expression that solidifies mobile video's role in Gen Z and Millennial consumers' lives.

THREE PILLARS OF AN ENGAGING PREMIUM MOBILE VIDEO EXPERIENCE

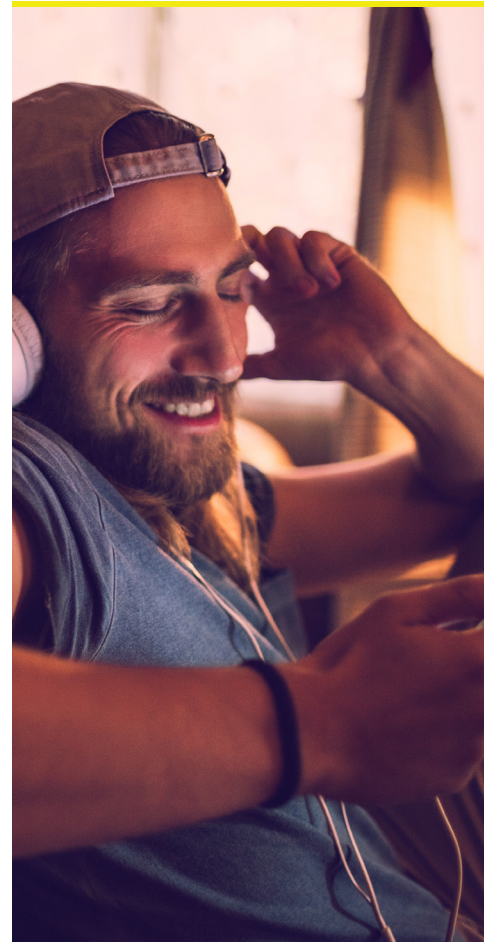
Personal



Shareworthy



Relatable



Personal

Premium mobile video creates a just-for-me storytelling experience, in a convenient format that offers flexibility.



*Vertical Video Creates
an Intimate Experience*

3 in 4

Gen Zs and Millennials say that when video fills the screen vertically it feels so much more personal (76%) and immersive (74%).¹⁷

81% of Snapchatters say it's more *personal*
vs. 71% among non-Snapchatters¹⁸

77% of Snapchatters say it's more *immersive*
vs. 72% among non-Snapchatters¹⁹

Vanessa Guthrie, Director, Snap Originals, Snap Inc., explains how made for mobile storytelling enhances the personal user experience:

"The stories that you tell must lean into the intimacy factor of the phone. Beyond the fact that it's a totally different medium, it's so much more personal—and so the types of stories, and the way you tell them, have to be truly made for mobile."



Discerning digital natives crave compelling narratives, in a convenient format.

Mobile short-form video is about watching on consumers' own terms, fitting their schedule and time commitments.

Gen Zs and Millennials Crave Immersion *and* Convenience

Consumers still want an immersive experience, but in a format that is convenient for their moment-to-moment lives.



82%

Gen Zs and Millennials say short-form premium content fits well into their day or schedule.²⁰

Gen Zs and Millennials value the flexibility mobile provides²¹



7 in 10

say they would rather engage with a lot of shorter videos than get completely immersed in a longer video.



56%

say full-length TV or video series are too much of a time commitment.

While Millennials find long-form content to be more addicting than short-form, the two formats go head-to-head among the youngest Gen Zs (teens):²²



39% of teens say **short-form** keeps them watching
vs. 28% of Millennials



42% of teens say **long-form** keeps them watching
vs. 56% of Millennials

Short-form is stepping up its game when it comes to emotional engagement.

Though engaging storylines skew in favor of premium long-form content, premium short-form content is not far behind.

The Most Enjoyable Short-Form Mobile Videos Have a Unique DNA

When short-form premium mobile video works best, it engages viewers in an exciting story with characters they feel emotionally connected to. Short-form premium mobile video is also about discovering new unique things to share socially, that let audiences feel like they're part of a bigger community.

TOP DRIVERS OF ENJOYMENT & ENGAGEMENT FOR PREMIUM MOBILE SHORT-FORM²³

- Gives me a sense of adventure and excitement
- Puts me on the edge of my seat
- Makes me feel emotionally connected to a character, person or story
- Allows me to discover new and unique content
- Makes me feel like I'm a part of a community of people like me
- Allows me to be a trendsetter/introduce family and friends to new content
- Gives me a chance to participate in a conversation with people like me around the world



3 in 4

Gen Z and Millennial consumers associate short-form premium mobile video with moving characters/personalities, and **storylines that give them a sense of excitement, adventure or suspense**²⁴

Shareworthy

Uniquely enriching Gen Zs and Millennials with social cred and relevance, short-form premium mobile video puts consumers at the center of the conversation.



Content Leans Into Self-Expression

86%
of Gen Zs and Millennials say
technology allows them to
express themselves.²⁵

88% among Snapchatters
vs. 83% among non-Snapchatters²⁶



Galit Ariel, Futurist,
Ted Speaker & Author

The video content Gen Zs and Millennials engage with is a reflection of who they are. We're still in the early stages of how we can share content and we may see more advanced ways to use emerging technologies like augmented reality (AR) to achieve interactions beyond lenses, such as opportunities to step inside a specific show and engage with your favorite characters. Looking to the future, **Galit Ariel** remarks,

"The transformation between what's fantasy and what's real—the bridge between real connection and shared imagination—is going to be very powerful."



Short-form uniquely delivers on social currency.

Short-form premium mobile video is becoming increasingly savvy at maximizing engagement by tapping into a desire for social connection.

Top attributes of short-form premium mobile video relate to establishing social currency. Short-form premium mobile video is known for helping young audiences stay in-the-know and allowing them to participate in the cultural conversation, fueling self-expression. When consumers talk about or share what they watch, they signal: "This is me. I want everyone to know I agree with this. This supports what I care about."



Shareworthy content is content that represents a point of view, or a type of person: an identity. People share things that represent them."

- Ella Mielniczenko, Senior Director - Spin Master, Former Executive Producer at BuzzFeed

TOP ATTRIBUTES OF SHORT-FORM PREMIUM VIDEO²⁷

Keeps me up to date on what everyone is talking about

Gives me a chance to take a break from my daily life

Makes me feel informed (e.g., keeping up with the news, learning a new skill)

Allows me to discover new and unique content

Gives me something to talk about with others online

Fits into my day/schedule well

Gives me something to talk about with my family and friends in person

Teaches me something new

Allows me to see relatable/relevant characters and people

Gives me a chance to participate in a conversation with people like me around the world

Allows me to be a trendsetter and introduce my friends/family to new things



At least 4 in 5

Gen Zs and Millennials agree that each of these describes short-form premium mobile video



Relatable

Short-form premium mobile video is a conduit to relevant real-life content and experiences—just what consumers need, right when they need it.



*Relatable Interactions
Deepen Trust & Connection*

77%

Gen Zs and Millennials say short-form premium mobile video makes them feel like they are a part of a community of people like them.²⁸

80% among Snapchatters

vs. 74% among non-Snapchatters²⁹



Connor Blakley,
Founder, Youthlogic

As a top driver of engagement with short-form premium content, relatability is a key component of the mobile video experience. That's why creators need a human face to break through. As **Connor Blakley**, who Forbes cites as "the #1 Gen Z Expert to Follow" reminds us, brands need to curate real personalities, backed by real people and in-depth storytelling.

"Digital media has first instinct power. It's where people go to send trusted information or what they wouldn't send over text."



Hyper-relevance creates hyper-connection.

Mobile video content preferences are a personal reflection of Gen Zs and Millennials' individual needs and tastes in any given moment. Unlike more communal, lean-back entertainment experiences like TV, mobile video content choices are more purposeful.

Mobile is portable, so the top genres Gen Zs and Millennials engage with on mobile video deliver on a wide variety of needs that evolve as they navigate every aspect of their day-to-day. Whether watching a tutorial to address an in-the-moment challenge or laughing at a quirky video when they need a pick-up, each mobile video choice serves a specific need in that very moment.

TOP 10 MOBILE VIDEO GENRES FOR GEN Zs AND MILLENNIALS³⁰

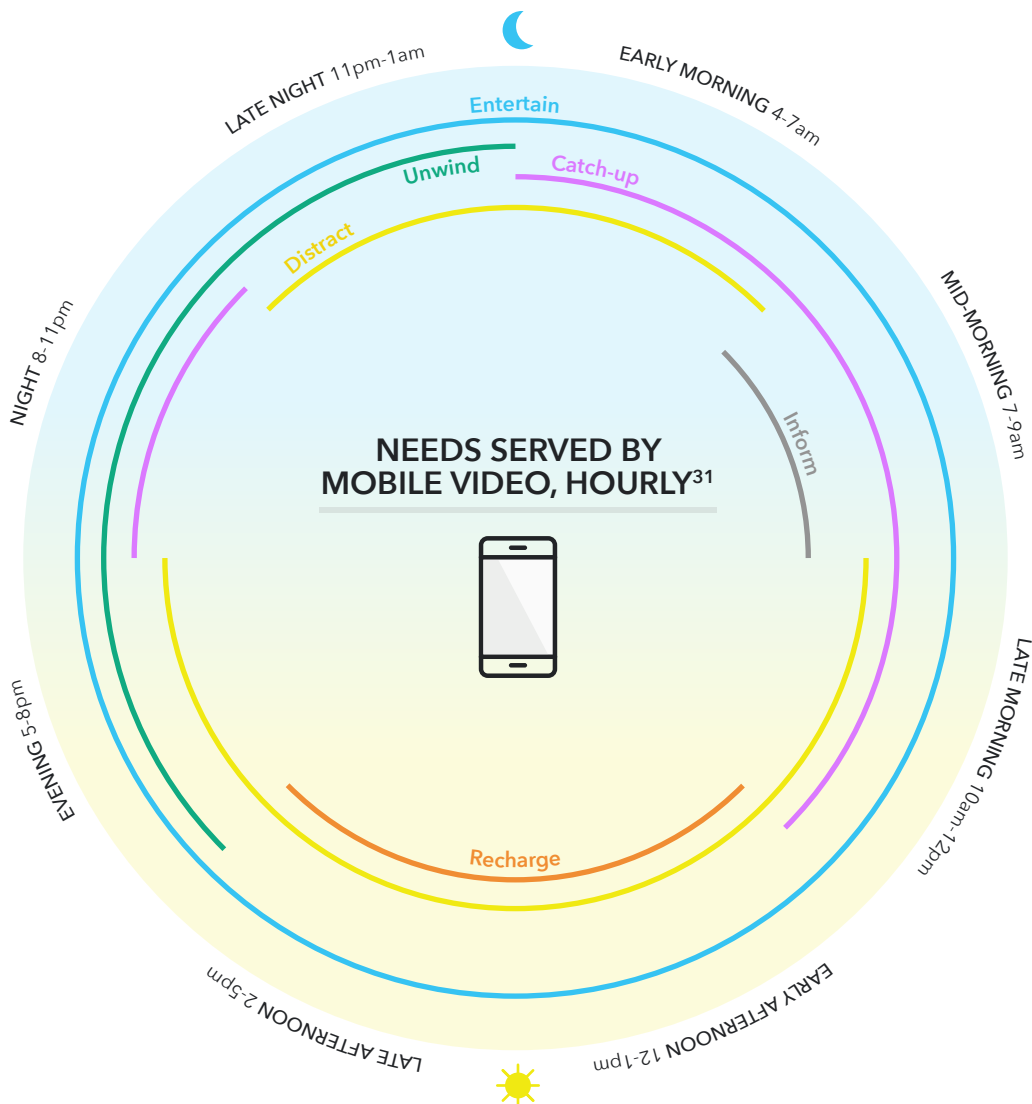
serving everyday needs of entertainment, information and connection



Relevance matters in every moment, with mobile video serving a range of needs across each day.

Mobile video: often the last thing they go to sleep with, and the first thing they wake up to.

Gen Zs and Millennials are very purposeful in their mobile video consumption, and it's important to understand how need states shift throughout the day to determine how best to engage them. While their entertainment needs are top-of-mind all day, the type of informational needs and emotional pay-off change from morning to night.



Next-generation experiences will build even more meaningful connections.

Interactivity will make social currency even stronger for mobile video.

The Future of Premium Mobile Short-Form Is Interactive

When we look to Gen Zs, interactive features that allow social participation and relatability are increasing in importance. The connection and self-expression they seek in mobile video experiences will become even more central in the future.

Social Participation

65% of Gen Zs

Very Important, vs. 58% Millennials³²

Sharing your thoughts with interactive polling or questions within a video or show; lenses that bring to life your favorite video characters or themes



AR Content

51% of Gen Zs

Very Important, vs. 49% Millennials³³

Augmented Reality (AR) experiences that let you step inside scenes of your favorite shows or videos; AR experiences that let you experience video from all angles and get up close and personal with your favorite personalities or characters



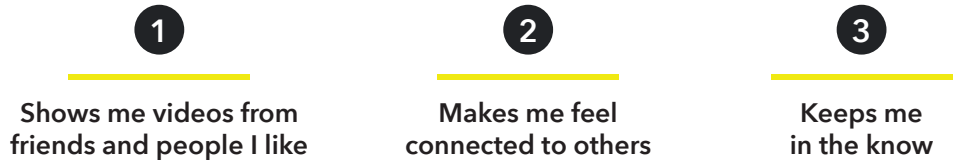
Snapchat is the go-to destination for meaningful connection.

Video on Snapchat connects Gen Zs and Millennials to each other and to culture.

Snapchat’s Superpower Is Authentic Connection

Users recognize Snapchat’s ability to create meaningful community, and deliver the unique social currency mobile video offers.

TOP RATED ATTRIBUTES OF SNAPCHAT’S VIDEO EXPERIENCE³⁴

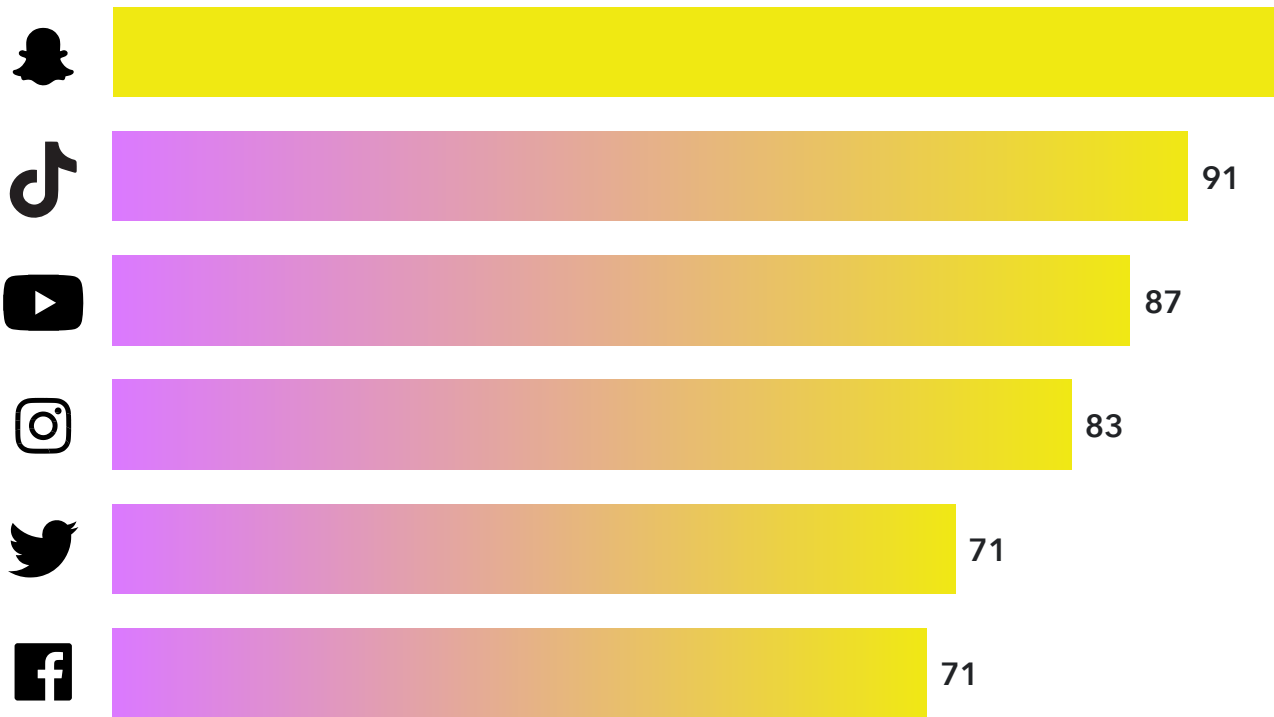


Connection Is Snapchat’s Key Point of Differentiation Among Gen Zs and Millennials³⁵

Snapchat’s video experience delivers a sense of connection better than any other social video platform. Snapchat has a unique ability to make users feel connected to others, outperforming all other social video platforms.

Makes me feel connected to others

Indexed against Snapchat



³⁴⁻³⁵2020 NRG US Study commissioned by Snap Inc.

A shift in preferences among Gen Zs and Millennials towards high-quality and immersive bite-sized experiences will continue to propel premium mobile video consumption to new heights. Mobile video is becoming a fundamental part of how young consumers connect, and stay in the know about what's culturally relevant. With mobile video increasingly taking center stage in their media diets, the 1.83 billion worldwide mobile video viewers will become even mightier, growing to 2.72 billion people in 2023.³⁶

“*Young people today have inherited a very complicated, fast-paced world. At Snap, we are always thinking about how we can elevate these voices for change.”*

Jim Shepherd, Head of Talent Partnerships, Snap Inc.,
on a more collaborative and more connected future.





ABOUT THIS REPORT

National Research Group conducted a second annual online quantitative study on behalf of Snap Inc., collecting responses among US smartphone owners ages 13-35 who had watched video on their mobile phones in the past week. Gen Zs are defined as 13-23 year olds and Millennials are defined as 24-35 year olds. N=1000 responses were collected between May 7-May 11, 2020.

ABOUT SNAP

Snap Inc. is a camera company.

We believe that reinventing the camera represents our greatest opportunity to improve the way people live and communicate.

We contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.

ABOUT NRG

National Research Group is a leading global insights and strategy firm at the intersection of entertainment and technology. The world's biggest marketers turn to us for insights into growth and strategy for any content, anywhere, on any device.