

Sky Media's Graeme Hutcheson on the UK's Changing Video Consumption Habits

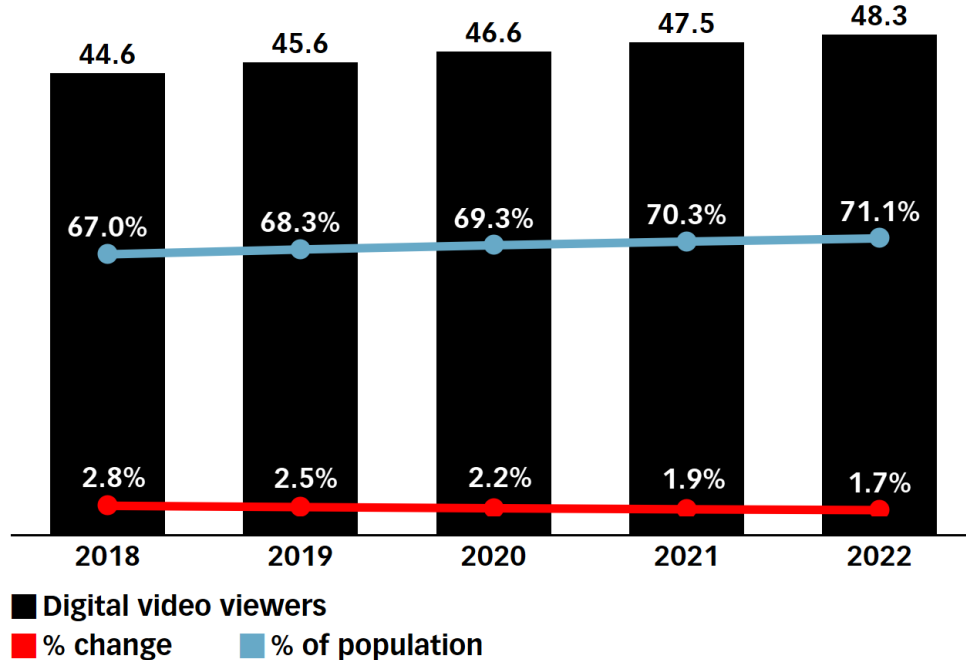
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The way people watch video content is changing worldwide. We forecast that 45.6 million people in the UK will watch digital video this year, representing 68.3% of the population. It's leading many traditional service providers to substantially alter their propositions, including the UK's pay TV behemoth Sky.

Digital Video Viewers in the UK, 2018-2022

millions, % change and % of population



Note: internet users of any age who watch streaming or downloaded video content via any device at least once per month

Source: eMarketer, September 2019

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For our [recent report on digital video in the UK](#), Graeme Hutcheson, director of advanced advertising strategy at Sky Media, the company's advertising sales arm, outlined how the firm is dealing with changing consumption habits of its UK subscriber base and how it's altering its advertising proposition as a result.

How are viewership trends changing in the UK?

Video consumption is as strong as ever; it's just we're seeing viewers watching content in different ways and on different screens. This is why we're focusing on providing a total view of consumption across all screens, which is spearheaded by our adoption of CFlight [NBCUniversal's cross-platform ad impression measurement metric].

What's the dynamic regarding short- and long-form content?

For Sky Media, short-form content is a growing area of consumption, but we'll always see the value in producing impactful and engaging long-form premium content. We use shorter content to engage a slightly younger audience, particularly on Twitter and YouTube, but it all links back to premium content on the big screen, particularly with sports, news and drama. [Mobile and TV] now serve Premier League highlights to fans. This season, we've opened access to all game highlights on YouTube, which is another great opportunity for advertisers.

How is the subscription model affecting consumer attitudes toward video ads?

People love good advertising and are intolerant when ads aren't relevant for them. Now that hypertargeting for linear TV through AdSmart [Sky's proprietary addressable TV product] is available at scale, we're seeing true benefits across the ecosystem. Addressable TV lowers channel switching by **nearly half** (48%), increases ad engagement by up to 35% and drives ad recall by 10% compared with traditional TV (which already has the highest metrics in the industry). Importantly, it delivers results for advertisers. Therefore, if you serve the right ad to the desired audience, the benefits reach far beyond just the advertiser.

How have these developments affected how brands/agencies create digital video ads?

Advertisers are increasingly developing multiple versions and lengths of creative to support one campaign. In line with this, we have recently launched a 6-second format, which plays just before a viewer begins live streaming content on Sky Go [the broadcaster's online TV streaming product]. This has had a lot of interest and proves that we need to enable advertisers to activate sequencing, reach and frequency across all screens.

Additionally, with more granular demographic and geographic targeting on TV now available, creatives are adapting TV copy more—localizing voice-overs and end frames, as well as adapting products and features for different audiences.

What about the ways they go about buying ad spots?

It should be about the audiences and business objectives rather than devices and platforms, building to a place where it's a holistic campaign approach measured by CFlight. We have three areas that aim to simplify the increasing complexity of the landscape:

- Developing advanced ways of serving ads to highly targeted audiences via products like AdSmart
- Investing in an analytics suite that allows advertisers to plan, monitor, report and evaluate campaigns they run across Sky Media's platforms
- Building in flexibility across our solutions—for instance, we can integrate clients' own data into the reporting of their Sky Media activity to show the wider business impact.

How have regulatory changes and security concerns affected video campaigns?

Sky Media has always handled the topic of data very seriously, and the TV environment has always had higher levels of approvals and regulation to navigate. This is a good thing though, as TV remains the most trusted platform, and we need to maintain that wherever content is distributed. As an industry, it is incumbent on all of us to prepare for regulatory change and at the same time protect what is a buoyant and increasingly effective advertising landscape.

For more insight on digital video trends happening in the UK, eMarketer PRO subscribers can read our latest report:

Report by Bill Fisher Sep 19, 2019

UK Digital Video 2019



To gain further insights into the global digital video landscape, eMarketer PRO subscribers can read the full PRO View report collection:

Report by Paul Verna Sep 19, 2019

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