RTL

The New Life of the Living Room

Exploring video habits in Europe and the US

by RTL AdAlliance

Contents

TV brings people together

Stéphane Coruble
CEO
RTL AdAlliance

The battle for consumer attention is intensifying. The TV, once the centre of our living rooms, now competes with multiple devices – smartphones, laptops and tablets – and a wider range of content than ever before (long form video, short form video, social etc).
But despite changes in consumer behaviour, our research shows that the TV remains the favourite destination for watching video content and it brings people together.

In this third edition of *The New Life of the Living Room,* we explore what people watch, how they watch it, how much they spend on video content, their attitudes to advertising and its impact across screens and different platforms.
We also take a look at the inexorable rise of Connected TV. In recent years, there has been an ongoing transition from linear to Connected and Addressable TV, with 78% of Europeans owning a Connected TV (February 2024).

This year's research goes further than previous editions, spanning 11 European countries and, for the first time, the US. This pioneering initiative provides a thorough comparison of the European and US markets and will help guide the industry in how to adapt specific media strategies to separate regions – as our research shows, Europe and the US are markedly different.

The New Life of the Living Room demonstrates RTL AdAlliance's expertise in connecting brands with diverse audiences across all video platforms and devices. With rich insights and research on a global and local scale, we seamlessly connect advertisers to their target markets.

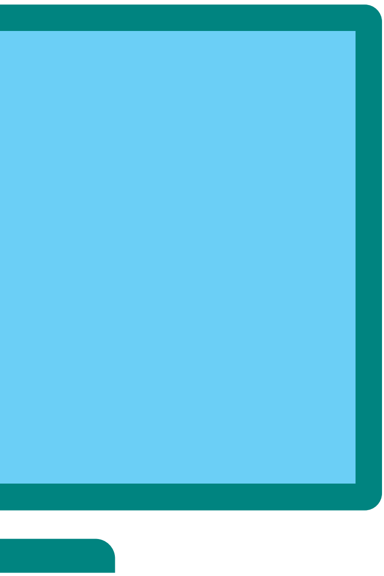
Alongside advanced advertising technology solutions, we address and tackle advertisers' challenges worldwide. We are a driving force in the transformation of this ecosystem, delivering simplicity for advertisers and value for publishers.

78%

of Europeans currently own a Connected TV as of February 2024

This pioneering initiative provides a thorough comparison of the European and US markets and will help guide the industry in how to adapt specific media strategies to separate regions.

How we carried out the study



Quantitative research

For this third edition, quantitative research was carried out between February 5-15, 2024, using online questionnaires completed in 11 European countries: Belgium (new), Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, the UK and in the US (new).

More than 10,000 people, aged 18-64, participated, answering 28 questions which provided extensive quantitative data.

There were 700 to 1,000 participants per country (based on population) who were selected using the quota sampling method based on age, gender, region, and employment status. The field work was carried out by Norstat.

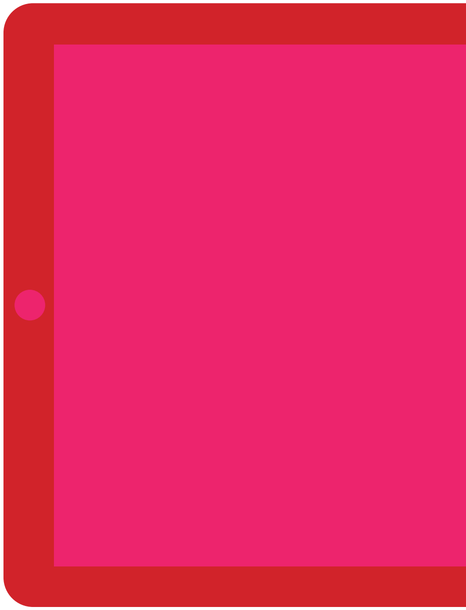
12 countries

Belgium NEW
Denmark
Finland
France
Germany
Italy
The Netherlands
Norway
Spain
Sweden
United Kingdom
United States NEW

10,000+
participants

700 to 1,000
participants per country
(approximately 1,000 respondents per country in the main markets and 700 respondents in the Netherlands, Belgium and Nordics)

28
questions



Source: Norstat for RTL AdAlliance – field from 5th to 15th of February 2024 – Individuals 18-64 representative of each country in terms of gender, age, employment status and location. 12 countries: UK, France, Germany, Italy, Spain, The Netherlands, Denmark, Finland, Norway, Sweden, Belgium the US. 1,000 respondents in the main markets and 700 respondents in the NL, Belgium and Nordics.

Is smart TV ownership increasing in Europe?

Yes, everyone wants to own a smart TV!

Our data shows that 78% of Europeans across our 11 markets say they own a smart TV, compared with 81% of respondents in the US. Smart TV ownership is particularly strong in Spain (89%) and the UK (83%).

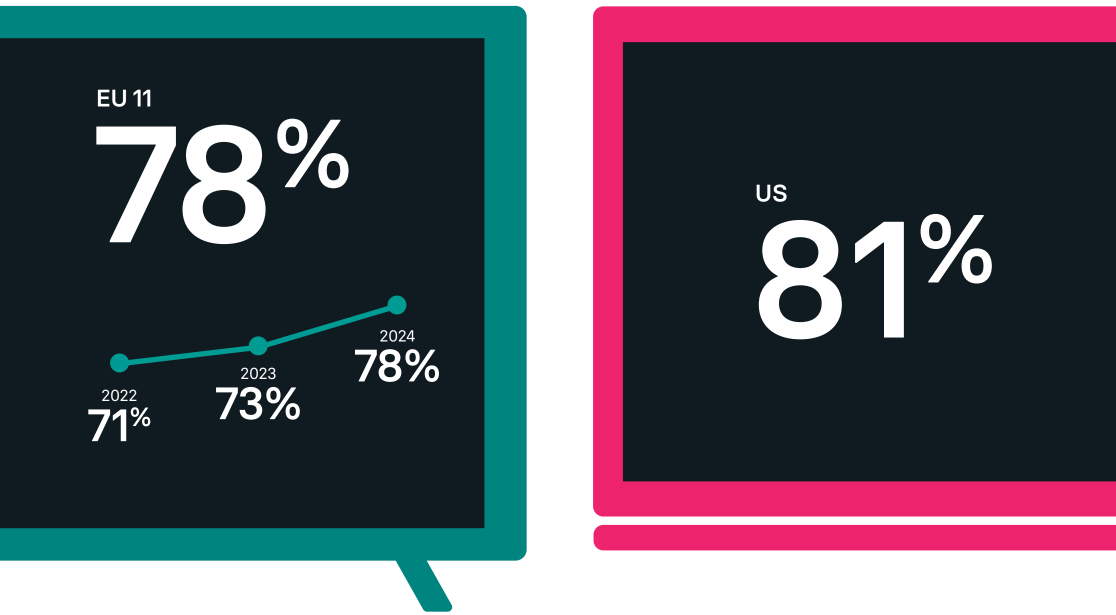
When we zoom in on specific audiences, there are some significant differences – 86% of European families and 84% of affluent consumers say they have a smart TV in their homes.

Trends

In Europe, a smart TV is a must-have item.

In 2022, 71% of our respondents said they owned a smart TV, compared with 78% in 2024.

Do you own a smart TV?



The TV remains at the centre of our living rooms

Our respondents say it brings people together.

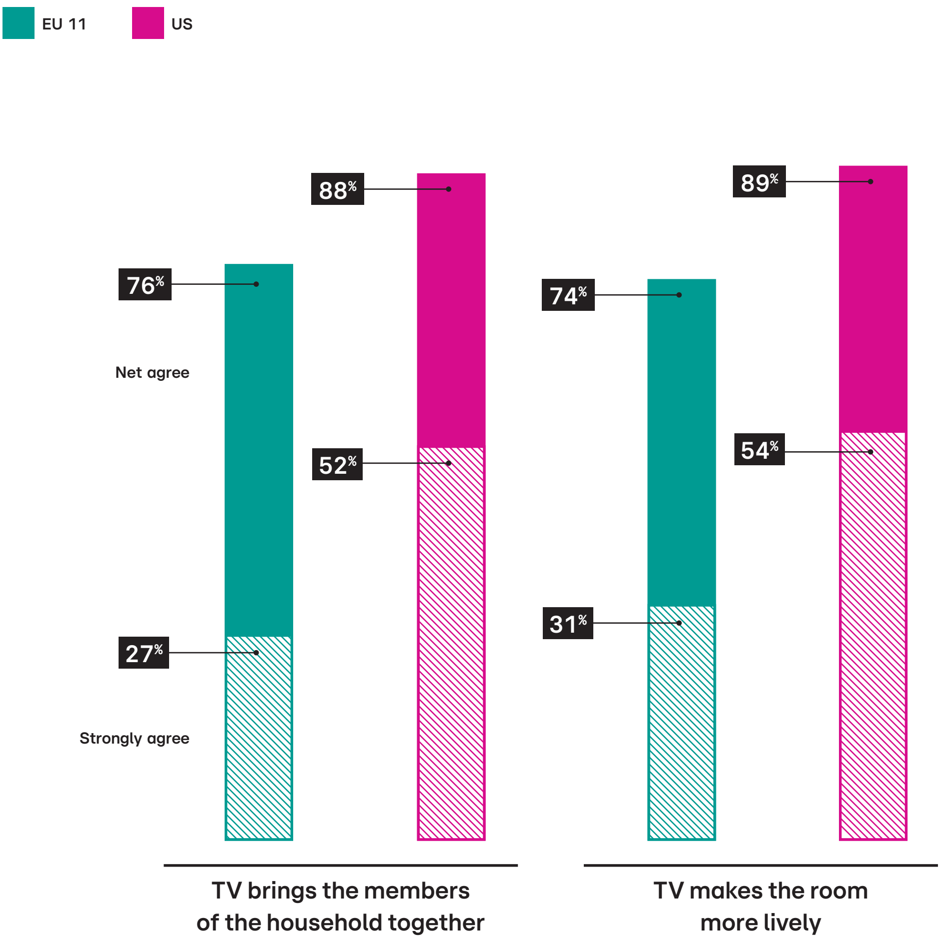
The Europeans and Americans we surveyed say that the TV is essential. It brings people together and makes their living rooms livelier. In the US, more than half of our respondents strongly agreed with both statements.

It is also worth highlighting the fact that the importance of the TV is felt even more strongly by European respondents aged 18-34.

Trends

The important role of the TV set in our homes remains unchanged.
In 2023, our respondents declared that the TV played a central role both in our family lives, with 76% stating that it brings the members of the household together, and in our living rooms, with 75% stating that it makes the room more lively or helps to create a presence within the house.

Indicate to which extent you agree with the following statements



Basis: "Own a TV set". EU 11 N=8,746 ; US N=899.

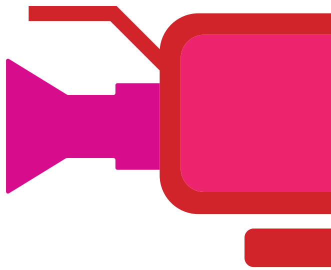
How do consumers watch video on their TV screens?

Linear TV and streaming platforms are both popular options when it comes to watching TV.

Compared with last year, the way in which consumers watch video on the big screen has undergone notable changes. Streaming platforms (SVOD, BVOD, and AVOD) have all gained importance in video consumption via the TV set.

The biggest difference between the US and Europe lies in the importance of AVOD. In the US, the declared weekly consumption rate of content from major players such as Tubi and Roku is 62% – approaching similar levels to linear TV.

In Europe, linear TV remains strong and 53% of respondents say that linear TV is their first destination when turning on their TV set. In the US, where linear TV has historically been less prominent, that drops to 35%.



"My go to place for TV is our subscription services – Amazon Prime and Netflix. We have our favourites on those, so they are the two places that we really like to go for entertainment."

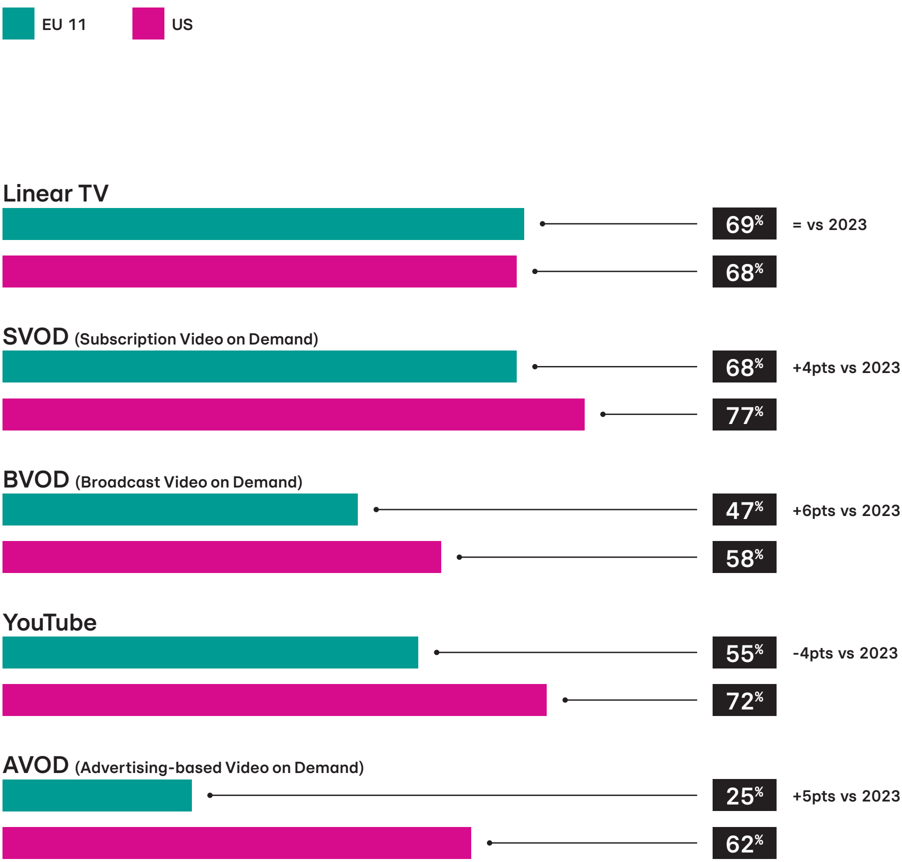
Respondent from the US

"If I just turn on the TV and I don't have a specific goal, then I often scroll through the normal TV programmes first and see if there's anything about sport on."

Respondent from Germany

Source: Ipsos Creative Excellence – online field in Germany and the US– February 2024.

On which type of video platform do you watch content at least one to three times a week on your TV set?

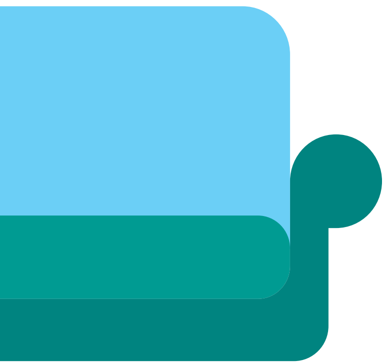


Basis: “Own a TV set”. EU 11 N=8,746 ; US N=899. Answer: At least one to three times a week.

What content do people watch on linear TV?

Europeans tune in for the news headlines, but Americans prefer sports programmes.

When it comes to linear TV, content consumption varies considerably between the US and Europe. In Europe, news and magazine programmes are the most watched content (30%), compared with sport in the US (22%).



> **“The first thing I usually do is switch on ntv to catch up on the news of the day.”**
>
> Respondent from Germany

Source: Ipsos Creative Excellence – online field in Germany and the US– February 2024.

What type of content is most watched on Linear TV?

US

22%

Sports programmes

EU 11

30%

News and magazine programmes

Basis: “Watch content on a TV set and said they watch each platform”. EU 11 N=7,796 ; US N=787.

How tolerant are viewers to ads?

Regardless of the platform, US and European respondents have very different tolerance levels towards advertising.

Generally, US viewers exhibit a relatively high tolerance to TV advertisements across all platforms. Only 30% of US viewers say they are annoyed by adverts on AVOD, and 38% by adverts on YouTube. By contrast, ad annoyance figures are much higher in Europe – advertising annoyance levels for YouTube, for example, stand at 57%.

This acceptance of advertising in the US is also demonstrated by the fact that 22% of respondents say they actively pay attention to ads (compared with 8% in Europe).

Who is annoyed by adverts on YouTube?

38%
of US viewers

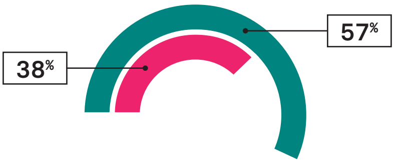
57%
of Europeans viewers

To what extent are you annoyed by ads on each platform?

Respondents who rated ad annoyance at 4 or 5 on a 5 point scale

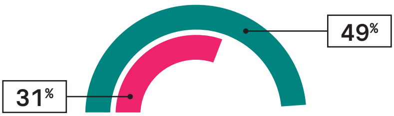
EU 11   US

YouTube

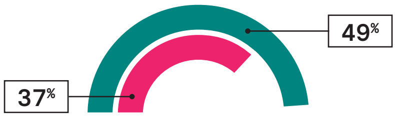


Linear TV

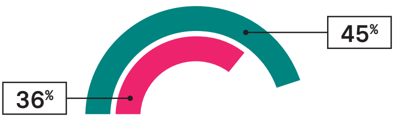
BVOD (Broadcast Video on Demand)



Social networks



SVOD (Subscription Video on Demand)



AVOD (Advertising-based Video on Demand)

Basis: total respondents. EU 11 N=9,239 ; US N=1,000.
Answers 4 and 5: 5 means it's very annoying, and 0 means it's not at all annoying. One possible answer per platform.

Does watching ads encourage consumers to take action?

Adverts spark high levels of engagement in the US.

Brand advertisements spark high engagement amongst US consumers, with 50% of viewers researching, discussing, or even buying a product after watching a TV advertisement. Overall, European viewers are a lot less responsive, with only 26% of viewers actively researching the brand after seeing an ad.

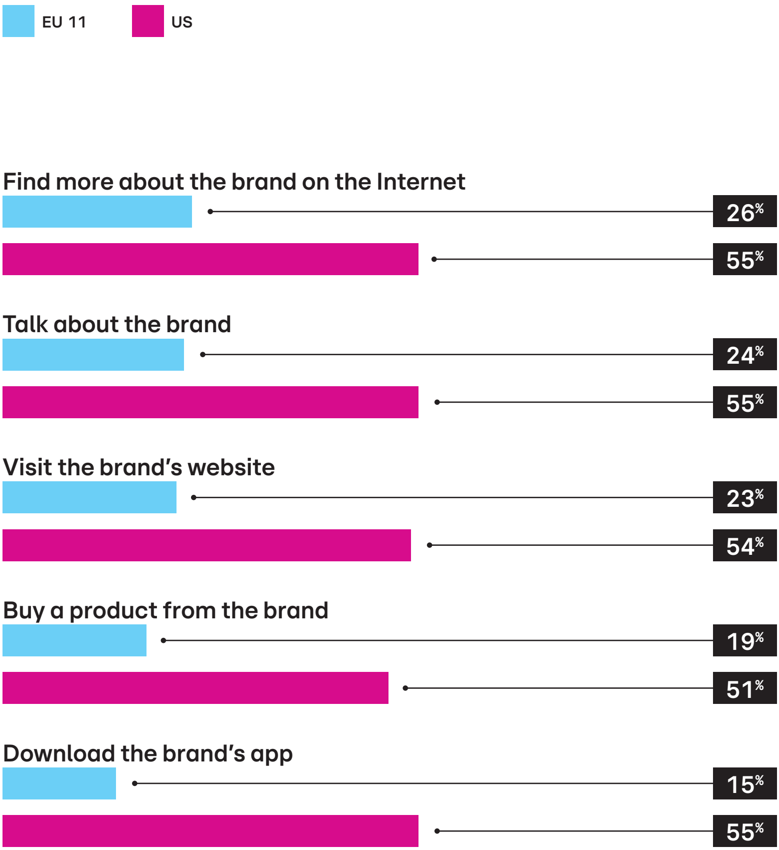
50%

of US viewers research, discuss or even buy a brand's product after watching a TV advertisement

26%

of Europeans viewers actively research the brand after seeing an ad

Do you often, or from time to time, engage in activities related to the brand after seeing it advertised on TV?



Basis: total respondents. EU 11 N=9,239 ; US N=1,000. Answer: Yes (often + from time to time).

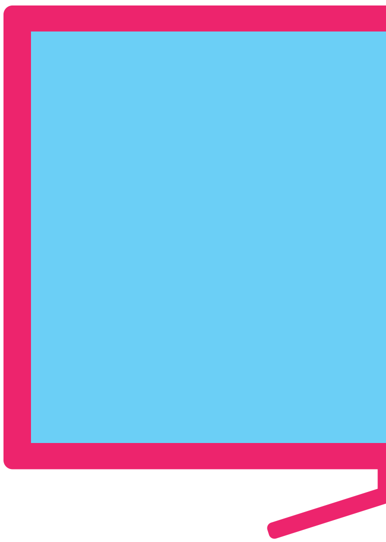
US respondents are more open to targeted advertising than Europeans

When an ad aligns with their interests, US consumers are happier.

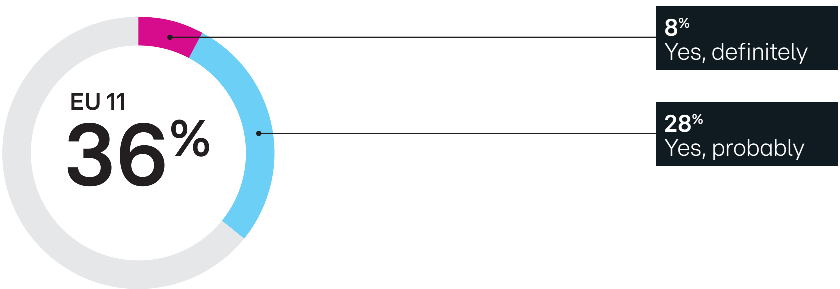
We've seen in the previous pages that, overall, US viewers express a more positive attitude toward advertisements than Europeans. It is therefore unsurprising that they also express a willingness to receive targeted ads tailored to their interests (66%).

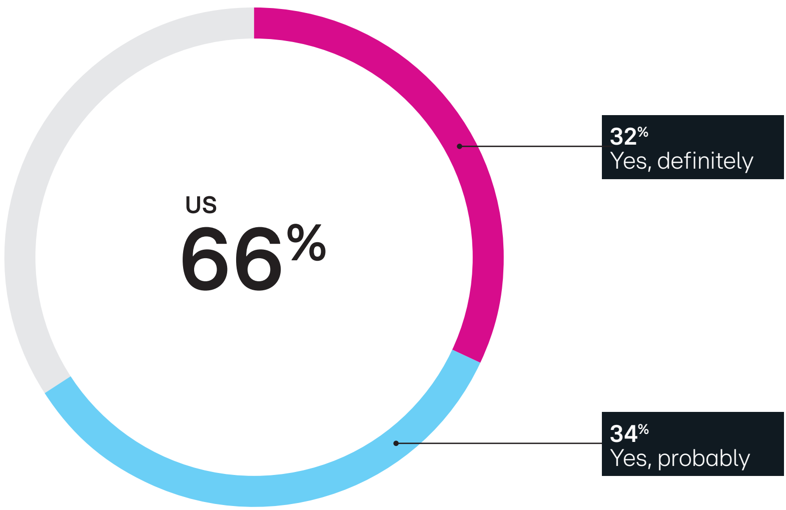
The overall acceptance and trust in advertising is significantly lower amongst European viewers, which impacts their openness to ad-tiers.

Indeed 56% declare that they are not bothered with advertising if they can access premium programmes for free or at lower cost, a figure much lower than the 78% among US viewers.



Would you be interested in receiving targeted advertising on your TV that is more suited to your interests?





Basis: total respondents. EU 11 N=9,239 ; US N=1,000. Net agree: definitely or probably.

Are consumers planning to reduce the amount of money they spend on video content?

Watching video at home is such a central activity that very few are considering decreasing their budget in the coming months.

Over the next six months, most Europeans and Americans plan to maintain or increase their household video budget. More surprisingly, given the already high budget dedicated to video content in the US, 42% of US households say they are willing to increase their video budget.

In both the US and Europe, those respondents who plan to decrease their video budget intend to do so primarily by ending a subscription, rather than moving to an ad-tier option.

Households intending to increase their video budget over the next six months

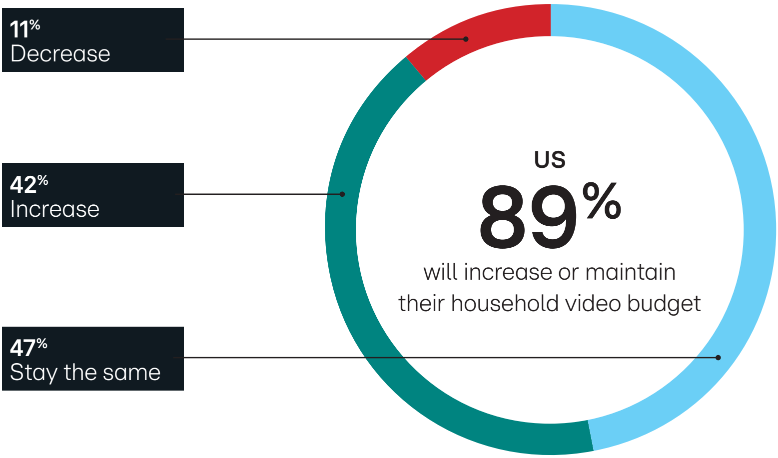
42%

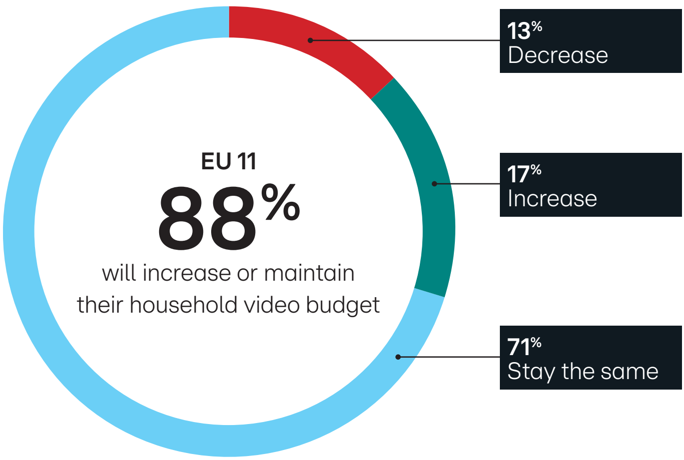
of US households

17%

of European households (EU 11)

Over the next six months, do you think that your household budget for video content will...?





EU 11 N=5,687 ; US N=602.

How loyal are consumers to SVOD platforms?

US households have developed a habit of churning, whilst Europeans are more loyal subscribers.

SVOD platforms face a huge challenge when it comes to retaining their existing customers. Amongst US respondents, 53% admit to sometimes or often subscribing to, and then unsubscribing from, an SVOD platform in order to watch a specific programme. By contrast, only 37% of European viewers engage in this practice.

US consumers are also making savings by opting for bundled offers of various services such as Netflix, Disney+, and Prime Video – 44% say they pay for such a service compared with just 22% of Europeans.

Opting for a bundled offer

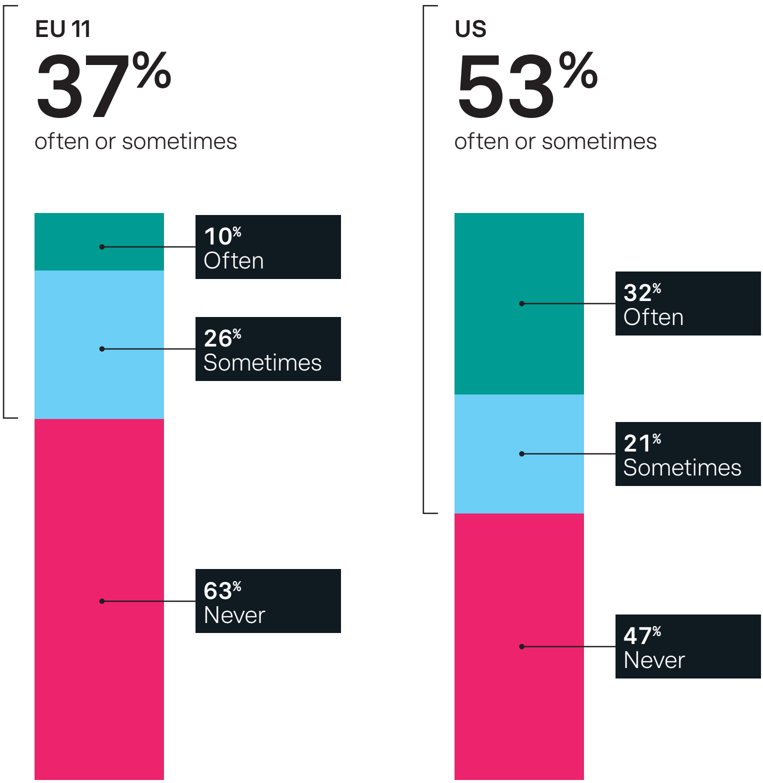
44%

of US viewers

22%

of European viewers

Do you subscribe to an SVOD platform (e.g., Netflix, Disney+) only for a specific programme and then unsubscribe from that platform?



Basis: total respondents. EU 11 N=9,239 ; US N=1,000.

Did you know that Netflix and Disney+ offer ad-supported subscription options?

US households are more clued in than in Europe.

Awareness of lower subscription options for Netflix and Disney+ is higher amongst US viewers – 72% say they know about Netflix's ad-tier option and 62% know about Disney's option. Amongst European viewers, awareness stands at 62% for Netflix and 48% for Disney+. This difference between the two platforms is due to the fact that the ad-tier option was launched by Netflix in November 2022 but a year later by Disney+.

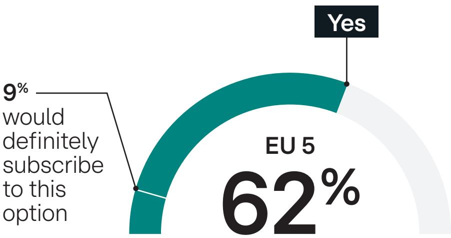
However, there is little desire to subscribe to these ad-supported offerings. Only 8% of European respondents would definitely subscribe to Netflix with ads, while just 11% express a strong intention to subscribe to Disney+ with ads.

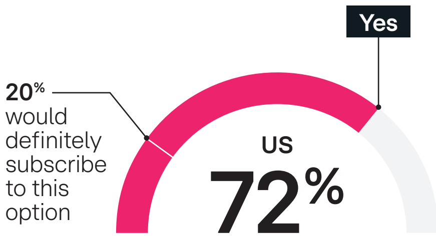
78% of US viewers

56% of European viewers

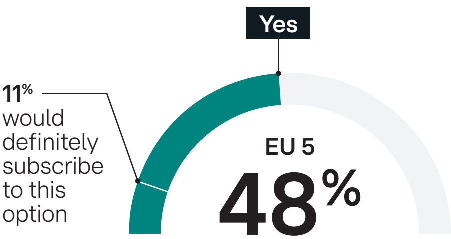
declare that they are not bothered with advertising if they can access premium programmes for free or at lower cost.

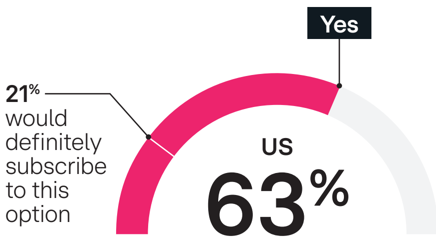
Did you know that Netflix and Disney+ offer a cheaper subscription if you agree to watch advertising before your video?





NETFLIX





Disney+

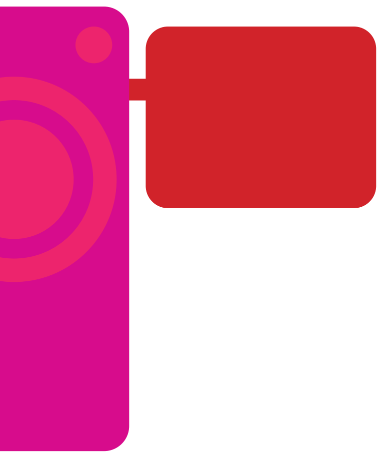
EU 5: United Kingdom, France, Germany, Italy and Spain. EU 5 N=5,025 ; US N=1,000.

Summary

The findings from this third edition of *The New Life of the Living Room* shed light on the nuances of video consumption habits between the US and Europe. While many in the industry look to the US for indications of future trends in Europe, not all findings are universally applicable. Nevertheless, certain parallels between Europe and the US are evident.

Smart TV ownership is at a similar level in both regions as Europeans and Americans consider the TV set essential for bringing people together and enlivening the room. In addition, there is a concurrent increase in streaming consumption in both Europe and the US.

But there are significant differences in attitudes towards ads, content preferences, and subscription behaviours between the two regions. For example, in Europe, linear TV remains a significant part of entertainment, with a preference for news and magazine programmes. Meanwhile, in the US, sports dominate linear TV content consumption.



There are other disparities between the US and Europe, with little sign of change in the foreseeable future. US viewers, for example, exhibit greater tolerance for, and engagement with, advertising compared with Europeans, indicating a higher emphasis on ad-supported video-on-demand (AVOD) platforms in the US market. In Europe, the quality of European free-to-air television encourages consumers to remain loyal to their local broadcasters.

Budgeting and churn rates also vary between the two regions, with US households showing a willingness to increase spending on video content and higher churn rates compared with Europe. In Europe, the bundled offers of video providers will allow consumers to maintain control over video budgets without sacrificing content access. And, despite higher awareness of ad-supported options such as Netflix and Disney+ in the US, subscription desire remains relatively low in both regions.

Recognising these disparities is essential for tailoring media strategies to each local market. By leveraging precise insights like those provided in this study, content providers and advertisers can effectively engage with audiences in Europe and the US, adapting their approaches to match the unique preferences and behaviours of each region.

Matching content with relevant ads

James Collins
Chief Revenue Officer
Titan OS

As a smart TV operator, how do you see your role in *The New Life of the Living Room* with regards to big screen advertising?

Ad experience is a big part of a positive viewing experience. As a smart TV operator, we want to ensure that advertising remains relevant to viewers, and that brands can reach all types of audiences in an impactful way.

With access to consented audience viewing data from all areas of TV, our ability to connect viewers whilst they are searching for or watching their favourite content is unparalleled. Our role is to deliver on the promise that digital is the biggest screen in the living room.

Do you see big differences within different European markets when it comes to CTV?

Europe is a beautiful, eclectic mix of people with a diverse array of cultures, interests, and languages. Nonetheless, the growing trend toward CTV and streaming appears to be ubiquitous across different regions.

As such, we need to ensure that there is localised content that engages audiences across the different countries. This is why we are investing in local experts across Europe to ensure that high quality localised content is matched with relevant advertising opportunities.

What is your position towards other major players "in the living room"? Specifically broadcasters.

Collaboration and positive partnerships between broadcasters and major players in the CTV world are the keys to success. Audience trends on the big screen are transitioning towards new ways of discovering, viewing and enjoying content, and that means switching to streaming.

Whilst broadcasters may look at this as ‘losing’ viewers, engaging with viewers on different formats actually provides an additional touchpoint for broadcasting. For example, using on-demand and FAST channels to distribute content is working to reconnect with the ‘lost audiences’, like the BBC did with the *Doctor Who* FAST channel.

As a CTV operating platform, our driving force is improving this new experience and helping the viewers, and we remain neutral when it comes to the results.

What do you expect from your partnership with RTL AdAlliance ?

A partnership with RTL AdAlliance will be undoubtedly beneficial. Its extensive experience of the advertising industry, especially across traditional TV and the growing CTV industry is extremely valuable. In addition, its technology and expert sales experience across the European market makes it a great partner to grow with.

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As a smart TV operator, we want to ensure that advertising remains relevant to viewers, and that brands can reach all types of audiences in an impactful way.

Ensuring attention on the big screen

Selina Bah
Senior Media Manager
Coty

What is the place and role of the big screen in your advertising strategy?

Today more than ever, there is an increasing challenge for consumer attention. Reaching our audience is not enough, we must ensure memorability.
Big screen (TV/CTV) has a strong place within our media mix. It contributes to delivering high quality ads with impact thanks to large display screens with sound on that capture customer attention.

Using Marketing Mix Modelling studies we measured that adding Connected TV to our mix is effective at driving both short and long term ROI for our brands.

What are the challenges you face when it comes to the fragmentation of the video consumption and of the offer for advertisers?

It has led us to rethink and better tailor our video strategy to reach and engage with consumers efficiently. In an ever-growing OLV/CTV landscape, we are constantly reevaluating and prioritising within our media plans the best actors to maximise impact per market.

Another challenge is to control the ad frequency. We must keep testing technologies from different DSPs to build the optimal reach and frequency.

What are the main adaptations in terms of media activation or creative that you have to consider when advertising in Europe and in the US?

We constantly adjust our media mix based on past insights while executing innovative test and learn to tackle shifting market behaviours. For example, the US is more mature in terms of CTV penetration compared with Europe so we upweight it within this geography.

From a creative standpoint, it is mandatory to avoid the one size fits all approach. By adapting the creative to each platform's strengths, you can craft more engaging and memorable campaigns for consumers. Also, personalisation is key to increase ad relevancy. For example, in the US we adjust creatives with both English and Spanish speakers and rotate brand messages within the media funnel.

What insights do you need to build the media activation in Europe?

It would be great to have more insights on CTV placements especially around the quality of content, inventories, position within the adbreak, adbreak length etc.
We would also want to have more information about the CTV landscape such as key vendors to work with, formats to prioritise, optimal media mix and how to better manage the frequency across vendors so we can optimise our omnichannel strategy.

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Adding Connected TV to our mix is effective at driving both short and long term ROI for our brands.

About RTL AdAlliance

RTL AdAlliance is the sales house that puts all premium content publishers in Europe for international brands under one roof.

Created from the most successful broadcasting, publishing and AdTech companies in Europe, RTL AdAlliance offers brands access to the audience of 100 TV channels, 900 print publications and 5,000 premium web properties – with over 160 million daily TV viewers and more than 4 billion online ad impressions a month in one streamlined service – offering unrivalled reach in Europe and beyond.

RTL AdAlliance makes a difference through the support of 250 media sales experts all over the world. It provides not only this dedicated support but also access to the latest insights and innovations in the media world. Offering market leading AdTech solutions for buying, selling, and customising ad space to help brands make the most of each platform at every stage of the customer journey.

RTL AdAlliance gives advertisers simplified access to premium, brandsafe platforms that reach only the most engaged audiences. Because people are more receptive to messages when they're enjoying top-quality content. Empowering publishers to make better use of their premium platforms by providing smarter, simpler monetisation strategies and dedicated media sales expertise.

RTL AdAlliance
Simplicity for advertisers.
Value for publishers.

RTL

Advertising solutions for every screen and platform

Explore RTL AdAlliance’s wide range of advertising formats, ideal to captivate audiences and drive the best results.

Visit rtl-adalliance.com

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