

Gen Z (ages 18-24) are increasingly consuming more short form-content and their mobile phones have overtaken the role of traditional TV. How are traditional cable and OTT companies changing their approach to target the viewing habits of this younger demographic? How do you foresee these strategies developing?

As the shift from traditional television to streaming services and social media platforms evolves, gaining and attracting the attention of Gen Z viewers is proving to be a daunting task. This younger generation only knows a world in which the Internet exists, with endless possibilities of content to consume. Despite these content options, overall total viewing time for Gen Z has declined, primarily due to less time spent consuming content through a traditional TV subscription, whereas short-form content consumption is on the rise.¹ Keeping this generation engaged, specifically with long-form content, continues to be a significant hurdle for traditional cable and OTT companies.

To stay competitive, traditional cable/OTT companies have started to explore short-form content to target Gen Z viewers, hoping to drive them back to long-form content and maximize viewership. According to the YouTube Culture and Trends Report, 59% of Gen Z admit to using short-form video apps as a primary mechanism for discerning their commitment to long-form content.²

¹ "CTAM Canada Media360 October 2022: Full National Results," YouGov, 20.

² "YouTube Culture & Trends Report 2022," Ipsos (on behalf of YouTube), AU, BR, CAN, DE, EG, FR, IN, JP, KOR, KSA, MX, U.K., U.S., Online survey of individuals aged 18-24, n=5722, May 2022

An especially important component of attracting Gen Z viewership involves connecting through experiences. Traditional cable and OTT companies often pursue Gen Z viewers by leveraging social media platforms and influencers to endorse and support their content and offering. Netflix partnered with interactive live-stream service Twitch to co-stream the first episode of the series *Arcane*, in attempt to maximize reach and attract reactions from content creators in real-time to the show's premiere, creating a community.³ A study conducted by Hulu found that 32% of streamers confirmed watching shows or movies with others, or having a community of fellow fans, as being significantly important to them.⁴ At a recent exclusive screening of j-hope *IN THE BOX*, Disney+ Canada partnered with Universal Music Canada to leverage Universal's pre-existing audience to drive awareness of the breadth of content available on Disney+ Canada. The event encouraged social sharing among attendees and influencers, leveraging fans as the promotional marketing tool. This created a fandom effect, driving the number of first streams for this Disney+ Star original documentary on platform, creating awareness for similar content. Netflix, along with other major studios, also incorporated interactive storytelling or "choose your own adventure" into various series, allowing viewers to curate the story based on their feelings, creating an intentionally personalized experience. For the series *Bandersnatch*, over 94% of viewers elected to participate in changing the storyline, rather than passively watching.⁵

Looking to the future, traditional cable and OTT companies cannot take their foot off the gas when it comes to targeting Gen Z viewers. There are over 1.2 billion Gen Zs globally, forecasted to be 30% of the workforce by 2030, increasing their overall purchasing power.⁶

³ "The Challenge to Keep Millennials and Gen Z Interested in Long-Form, High Quality Content: Part One," Arts Management & Technology Laboratory, October 2021

⁴ "Generation Stream: The TV Multiverse, Building Connections Through Television," Hulu, April 2020

⁵ "Netflix's Interactive Movie and TV Show Initiative Explained - State of Streaming," IGN, July 2020

⁶ "Gen Z 2022 Trends, Analysis & Consumer Insights," Zeno, 2022

These companies must be cognizant of the preferences of this generation, and willing to adapt quickly to any changes in their behaviours as Gen Zs take the preferences and behaviours they developed during this time, into adulthood.⁷

With the strength of this generation growing, traditional cable and OTT companies must continue leveraging short-form content and social media promotion as a marketing function, to drive subscriptions and viewership of long-form content on their platforms. According to CTAM Canada's research, popularity and usage of TikTok has increased year of year, specifically for this generation, surpassing Facebook.⁸⁹ To effectively exploit this platform's popularity and format, traditional cable/OTT companies would be wise to amplify their current approach by mining the TikTok star system for talent, creating new series that incorporates this talent to capture their fanbase. Disney recently did this with TikTok star Charli D'Amelio, who has 150.1M¹⁰ TikTok followers and was cast as the lead in The D'Amelio Show on Hulu. Season 1 of The D'Amelio Show set a new viewership record for Hulu as the most watched unscripted series across all first season unscripted SVOD series titles for the month following its premiere.¹¹ It's been renewed for a third season.

As an industry, consistency and creativity will be vital to capture Gen Z viewers and convert them to watching long-form content. There are tactics that are within reach on various platforms, such as the curation of videos on the TikTok "For You" page which creates a unique experience for each individual user. Traditional cable/OTT companies should evolve their strategy by layering in this functionality to recommend content from their own platforms based

⁷ Generation Z News: Latest Characteristics, Research and Facts," Insider Intelligence, January 2023

⁸ "CTAM Canada Media360 October 2021: Full National Results," YouGov, 34

⁹ "CTAM Canada Media360 October 2022: Full National Results," YouGov, 22

¹⁰ "charlidamelio," TikTok, March 2023

¹¹ "The D'Amelio Show to Return for a Third Season," Vital Thrills, December 2022

on the videos and interests curated from each user's TikTok account. This would provide the ability to link a social media account, like TikTok, with TVE apps and OTT platforms, taking the conventional recommendation algorithm to another level.

Furthermore, dedicating space on TVE and OTT platforms to feature tailored-to-social-media, short-form videos, created by traditional cable and OTT companies, would maximize discoverability of long-form content when Gen Zs are using these platforms.

Gen Z have undoubtedly played a major role in shaping the current video consumption landscape and will continue to have an impact in the future. Traditional cable/OTT companies will need to prioritize non-traditional marketing such as: short-form content as a pull to longer forms, being part of the community and fandom and creating interactive personal experiences to boost viewership from this discerning, creative-minded, demographic.