Light TV Viewers in 2012: A Major Shift to Online from TV

TV and Google YouTube/GDN are complementary in a cross media campaign strategy
Executive Summary

1. Light TV viewers are not reached effectively on TV but in 2012 they are watching online.

2. Light TV viewers are valuable and a significant part of your audience… and they are the future.

3. YouTube/GDN delivers efficient effective reach to light TV viewers.

4. Shift TV dollars to YouTube/GDN to cost effectively supplement exposure to the Light TV viewers.
Agenda

1. The Marketplace
2. The Research Methodology
3. The Results
4. Implications
Audiences are Fragmented – Harder to Achieve Mass Reach

50% of TV viewership is on networks that each have <1% share

Source: http://industry.bnet.com/
Consumer Attention is Spread Across More Devices

By 2014, 42% of all TVs shipped WW are projected to be internet connected.

Data usage has passed voice usage on phones.

127% increase in iPad sales forecast for 2011.

Consumers still watch 5 hours of TV/Day on average.
TV Viewers Don’t All Watch in the Same Way

Nielsen TV Viewership Quintiles

Light
0 – 1.6 hrs/day

Light-Med
1.6 – 3.0 hrs/day

Med
3.0 – 4.6 hrs/day

Heavy-Med
4.6 – 7.3 hrs/day

Heavy
7.3+ Hrs/day

20% Viewers (about 60M Viewers Aged 2+) in Each Quintile

Light Viewers account for around 3% of TV viewing...

While Heavy Viewers Account for Around 48%

Source: Nielsen
31% of the valuable A18-49 audience watches less than 2 hours of TV daily

1.5X more Light TV Viewers than Heavy TV Viewers in A18-49

Source: Nielsen
Why should you care about the light TV viewer?

Indexes show stark contrast in audience composition

Source: Nielsen
Rise of “cable-less” TV viewers with broadband

+22.8% in broadcast only and broadband

Source: Nielsen
“U.S. consumers in homes with broadband Internet and free, broadcast TV stream video twice as much as the general cross-platform population. They also watch half as much TV.”

Nielsen Cross Platform Report Q3 2011
The Research Methodology

What are we trying to accomplish?
Goal:
Can we prove that YouTube + the Google Display Network...

are complementary to TV
in a cross media video strategy

efficiently reach people you didn’t reach on TV

deliver effective frequency to desirable
audiences that are hard to reach on TV
Methodology of 6 Cross Media Studies (US)

Nielsen TV Panel
Group exposed to TV ad

Nielsen Online Panel
Group exposed to YouTube/GDN ad

Nielsen Data Fusion

Online Incremental Reach to Light TV Viewers

1 – 4 month campaigns (Auto, Retail, Wireless)
Varied advertiser targets
Varied campaign sizes
Fit a nonlinear function to the progressive reach vs TRP curve
• Extrapolate TV to TV + online reach -> **Incremental TV TRPs**
• Incremental TRPs x Average CPP -> **TV Incremental Cost**
The Results
YouTube + GDN added 4% points incremental reach to the lightest TV viewer

- TV fails to reach 63% of lightest TV quintile
- Online increased TRPs delivery to light TV viewers by 27%
TV TRP Delivery Naturally Skews Heavy

Heavy TV Viewers Receive around 14X more TRPs than Light Viewers
Online added lift in 3+ and 5+ effective reach overall

+2.3 %pts
68.4% 70.7%

+2.5 %pts
50.6% 53.2%

+2.3 %pts
39.5% 41.8%

TV
TV + YouTube
Online delivered more impressions to light viewers to those exposed to both media

Increased frequency of exposure to lightest viewer by 145%

**Average Frequency**

(Overlap Group exposed to both TV and YT)

- TV avg frequency
- YouTube + GDN avg frequency

- TV not enough

- 3+ Effective Frequency

Lightest

- 3.0
- 4.4

Increased frequency of exposure to lightest viewer by 145%
Online added lift in 3+ and 5+ reach to lightest TV viewers

*Excludes individual forecasts where TV needs infinity TRPs
YouTube + GDN delivers incremental reach to the lightest TV viewer at 8% the cost of TV

Cost Per Incremental Reach Point

<table>
<thead>
<tr>
<th>TV</th>
<th>100</th>
</tr>
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<tbody>
<tr>
<td>YouTube</td>
<td>8</td>
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Reach a Complementary Audience

Cost to reach to lightest TV viewers is more efficient on YouTube/GDN

Opportunity to reach light TV viewers more efficiently on YouTube + GDN…

So how do you reach them?
Projection: TRP distribution shift

Shifting budget from heavy skewing TV networks to online video creates more even distribution across quintiles

Current Plan
90% TV / 10% YouTube + GDN

Projection
53% TV / 47% YouTube + GDN

Cross media plan currently skews toward heavy TV viewers

Example: M 18-24 target, TV + YT buy
Implications
Implications

• Incremental reach achieved online is much more efficient, especially to light TV viewers

• TV media does not deliver efficient media to light TV viewers
  • Delivers many more TRPs to heavy viewers, who are more likely older
  • Adds frequency to heavy TV viewers while overlooking light TV viewers
  • Distributes most of TV budget to heavy TV viewers

• Shift your light TV budget online to
  • Add “fresh” reach to a valuable, complementary, younger, audience
  • Add much needed frequency to light TV viewing audience
  • More evenly deliver media cross the quintiles
  • Achieve all this at an efficient cost
Appendix
Who Falls within the Lightest TV Viewing Quintiles?
This group is more likely than others to…

**Demographics**
- Be young
- Be ethnically diverse
- Be educated (4+ years of college)
- Have a household income of $100K+
- Pursue a managerial/professional career track
- Have children under 18 in the household

**Media Consumption**
- Watch only Broadcast TV, stream video online
- Integrate devices and the internet into their lives
- Be more interested in non-TV forms of media entertainment (more interested in gaming and less interested in DVR)
- Create content online

Source: Nielsen
Likelihood of each of the following characteristics (persons 2+)

- Broadcast viewer only: 204 (Light TV Viewers), 64 (Heavy TV Viewers)
- Used a cell phone to access the internet in the past 30 days: 109 (Light TV Viewers), 73 (Heavy TV Viewers)
- High internet usage at home (10-19 hrs per wk): 109 (Light TV Viewers), 79 (Heavy TV Viewers)
- User of a video capable laptop: 116 (Light TV Viewers), 80 (Heavy TV Viewers)

Consumer – Reaching the Right Audience
Media Consumption

Source: Nielsen
Consumer – Reaching the **Right** Audience

Online Content Creators

Source: Nielsen
Consumer – Reaching the **Right** Audience

**Media Consumption**

Source: Mediamark (MRI)