Reach the Light TV Viewer on Google + YouTube

TV + Google YouTube Complementary in a Cross Media Campaign Strategy

Executive Summary

1 Light TV viewers are not reached effectively on TV but 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

Google | You Tube

Agenda

1 The Marketplace

2 The Methodology

3 The Results

4 The Opportunity

Google Confidential and Proprietary

Google | You Tube

Market:

Audience Fragmentation

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

Google | You Tube

Online Video Is Exploding Into Primetime

+30% increase in online video viewership during 6-9pm
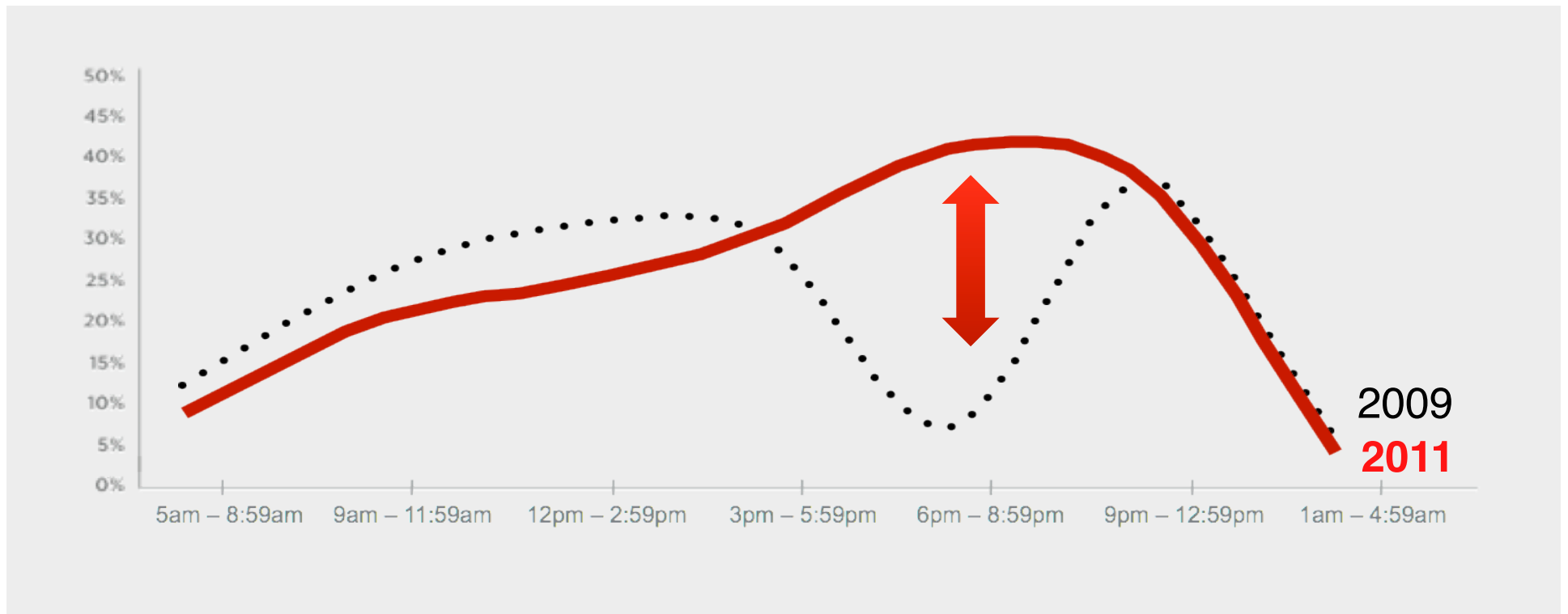
CONSUMER
Attention Fragmentation

By **2014**, **>60%** of all TVs shipped WW are projected to be internet connected
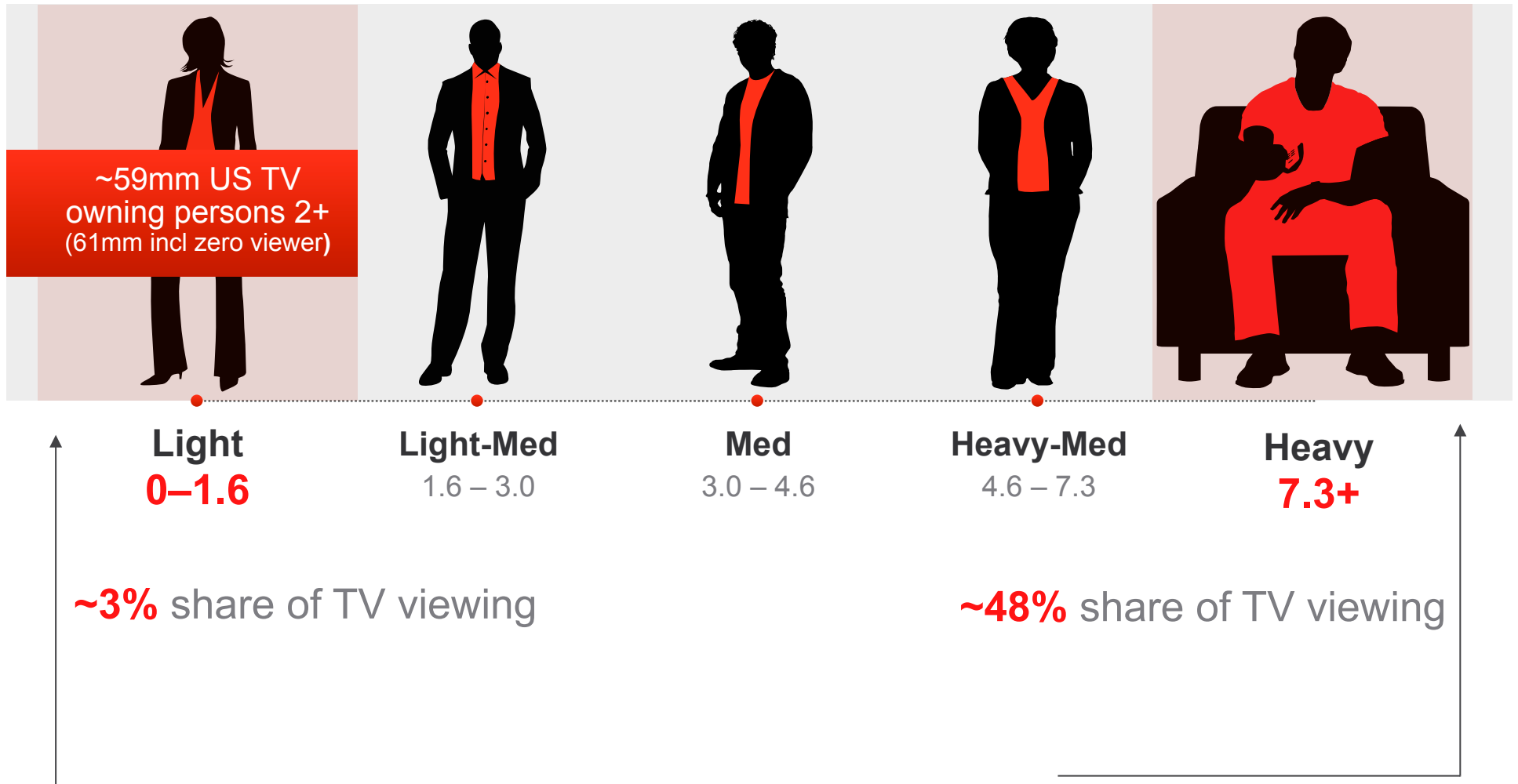
Data usage has passed voice usage on pho...

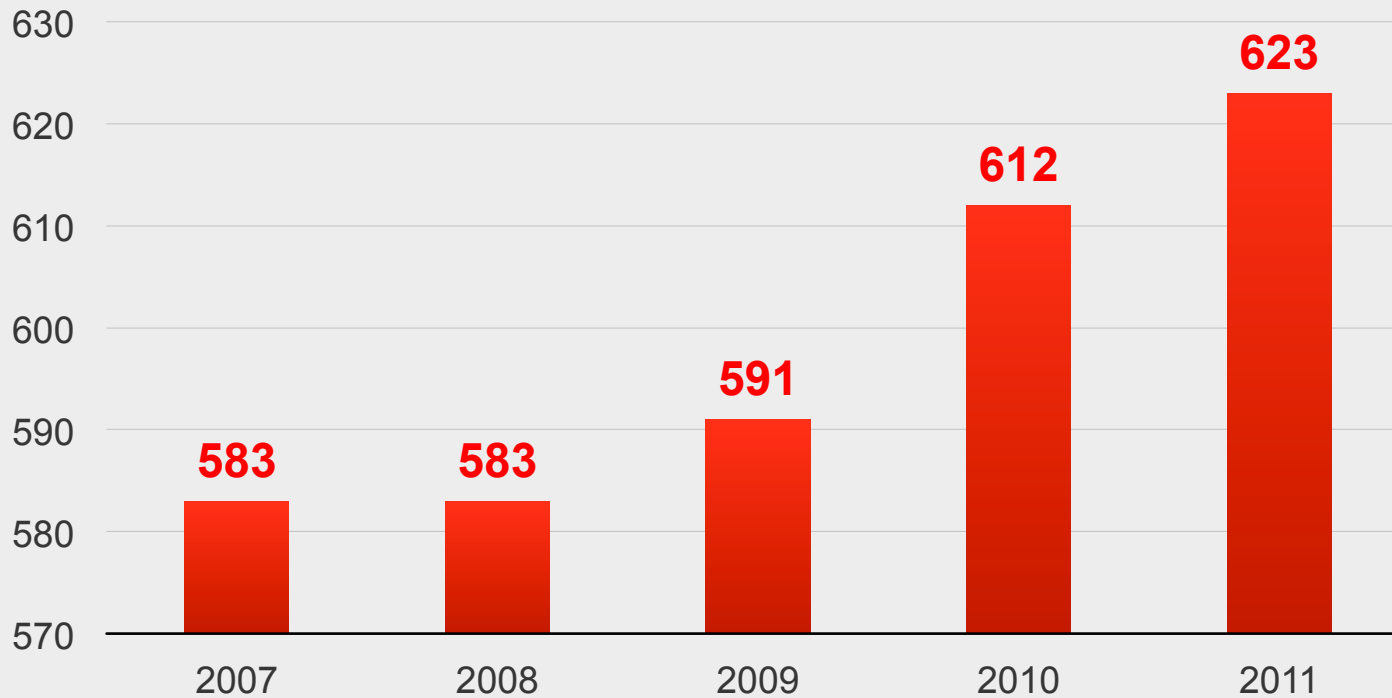**127%** increase in iPad sales forecast for **2011**

Consumers still watch **5** hours of TV/Day on average

Google | You Tube

But not everyone is watching 5 hours per day

Nielsen TV Viewership Quintiles P2+ ~ 20% buckets (hrs per day)

~59mm US TV owning persons 2+ (61mm incl zero viewer)

Light
0–1.6

Light-Med
1.6 – 3.0

Med
3.0 – 4.6

Heavy-Med
4.6 – 7.3

Heavy
7.3+

~3% share of TV viewing

~48% share of TV viewing

Google | You Tube

The Heaviest TV Viewers Watch Significantly More TV Now Than 5 Years Ago

Average minutes per day watching TV-Heaviest Quintile
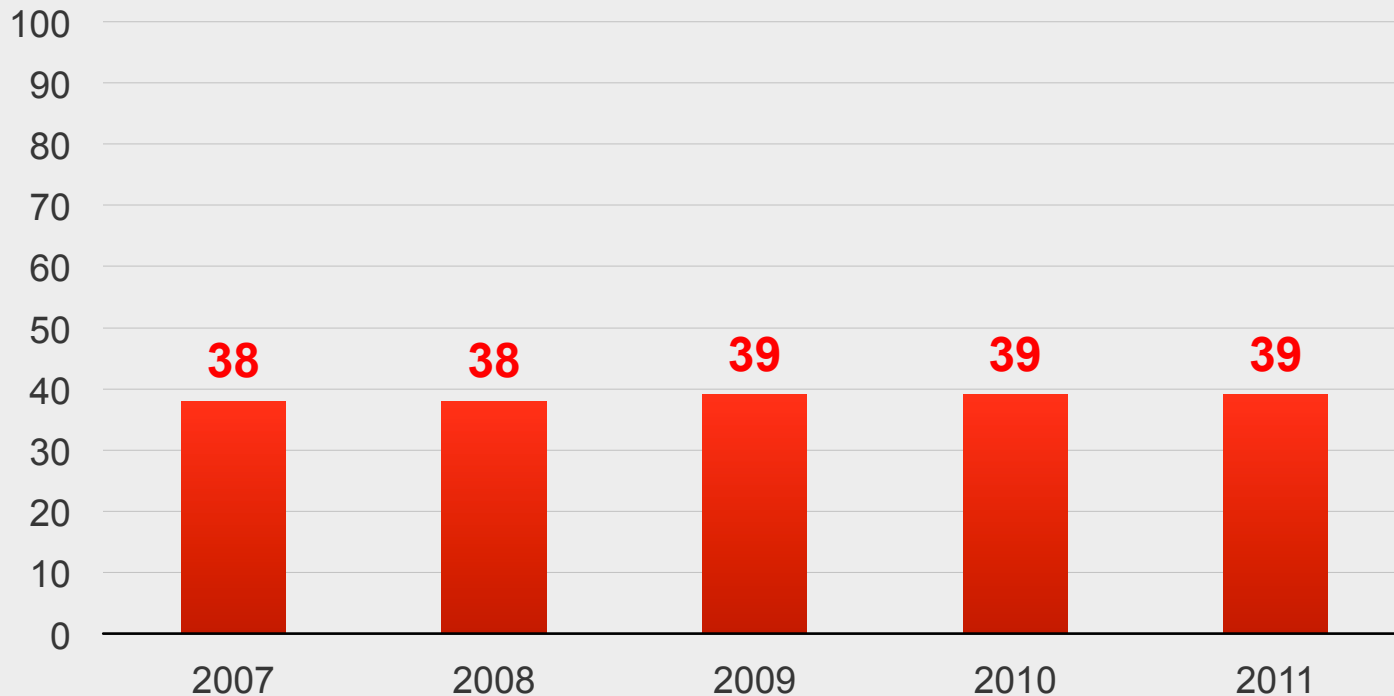
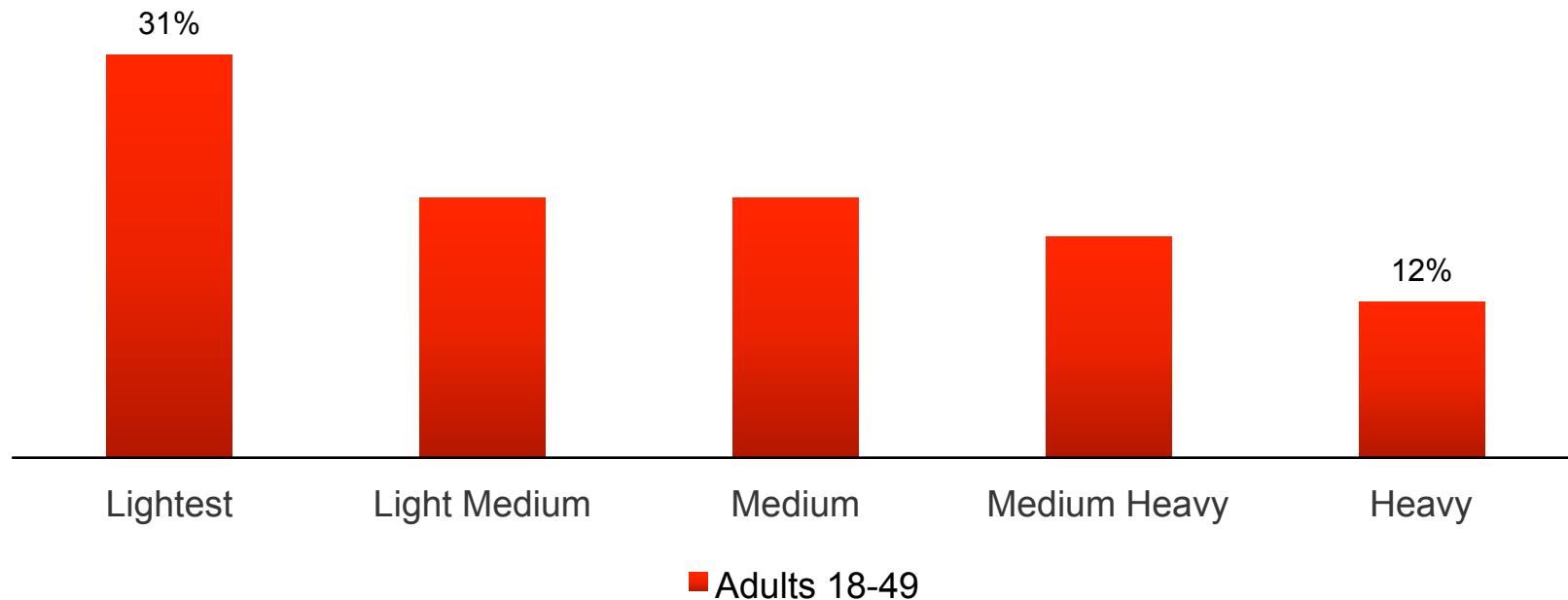**…While the Lightest Viewers Have Not Changed Their TV Habits in 5 Years.**

Average minutes per day watching TV-Lightest Quintile

Google | You Tube

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

Bar chart with values: Lightest 31%, Light Medium, Medium, Medium Heavy, Heavy 12%

Legend: ■ Adults 18-49

Google | YouTube
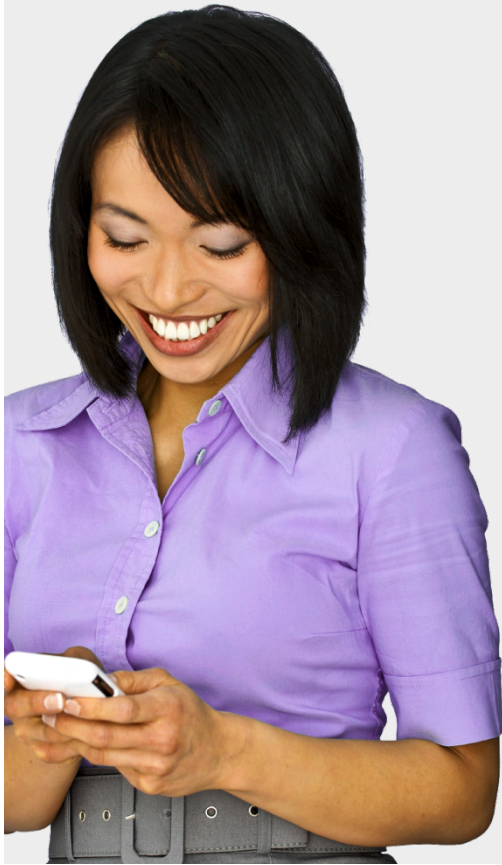
Young & diverse	Older
College education	High school education
Income over $100K	Lower Income
Broadcast Only TV	Couch Potatoes

Lightest and Heaviest TV Viewers
Indexes show stark contrast in audience composition

Google | You Tube

Rise of "cable-less" TV viewers with broadband

+22.8% in broadcast only and broadband

Q3 2011

Google | YouTube
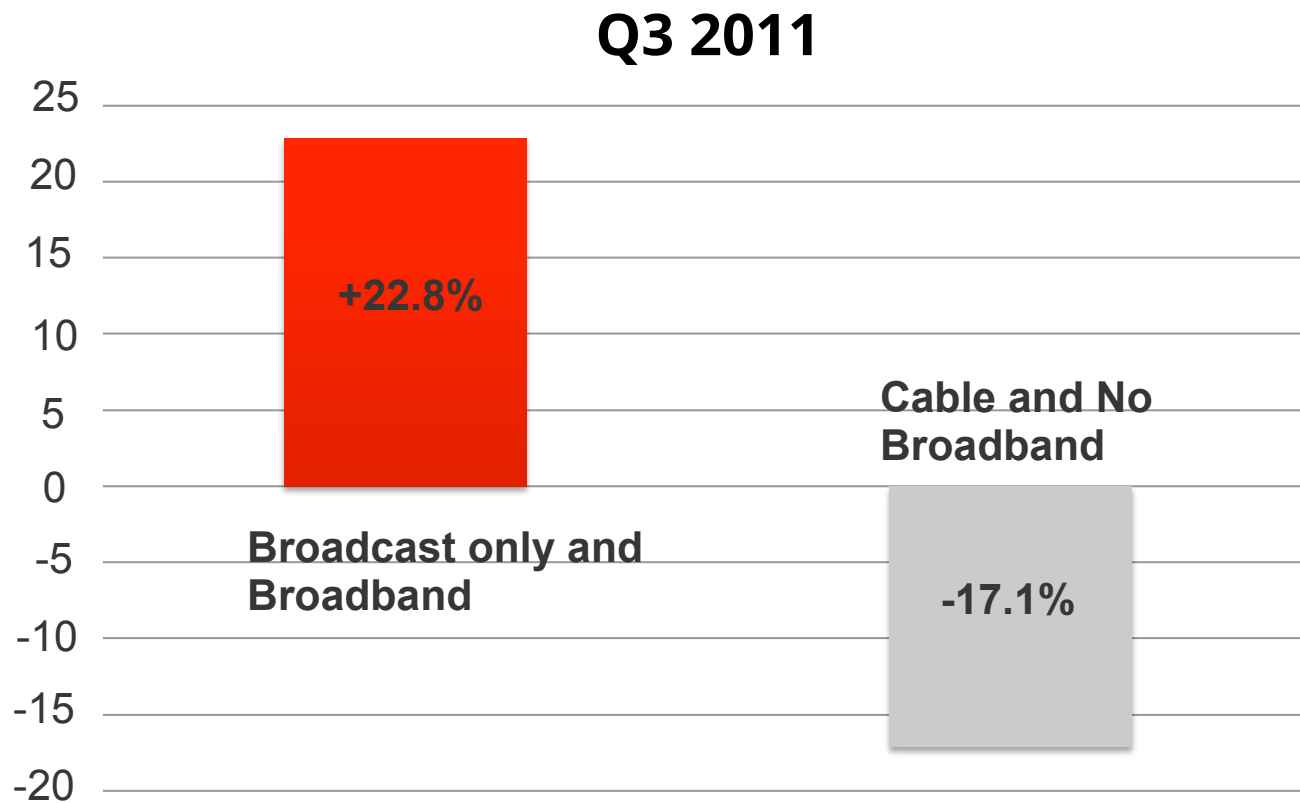
"U.S. consumers in homes with broadband Internet and free, broadcast TV **stream video twice as much** as the general cross-platform population. **They also watch half as much TV**."

Nielsen Cross Platform Report Q3 2011

Google | You Tube

Light TV viewers are valuable

Likelihood of each of the following characteristics (MRI Indices)

100 Index

Characteristic	Heavy TV Viewers	Light TV Viewers
A 18-49 w/ HH income > $100k	54	112
A 18-49 cell phone only HH	99	114
A 18-49 who has connected to the internet w/ their mobile device	80	109
A 18-49 "super influential" tech consumer	80	118

■ Heavy TV Viewers ■ Light TV Viewers
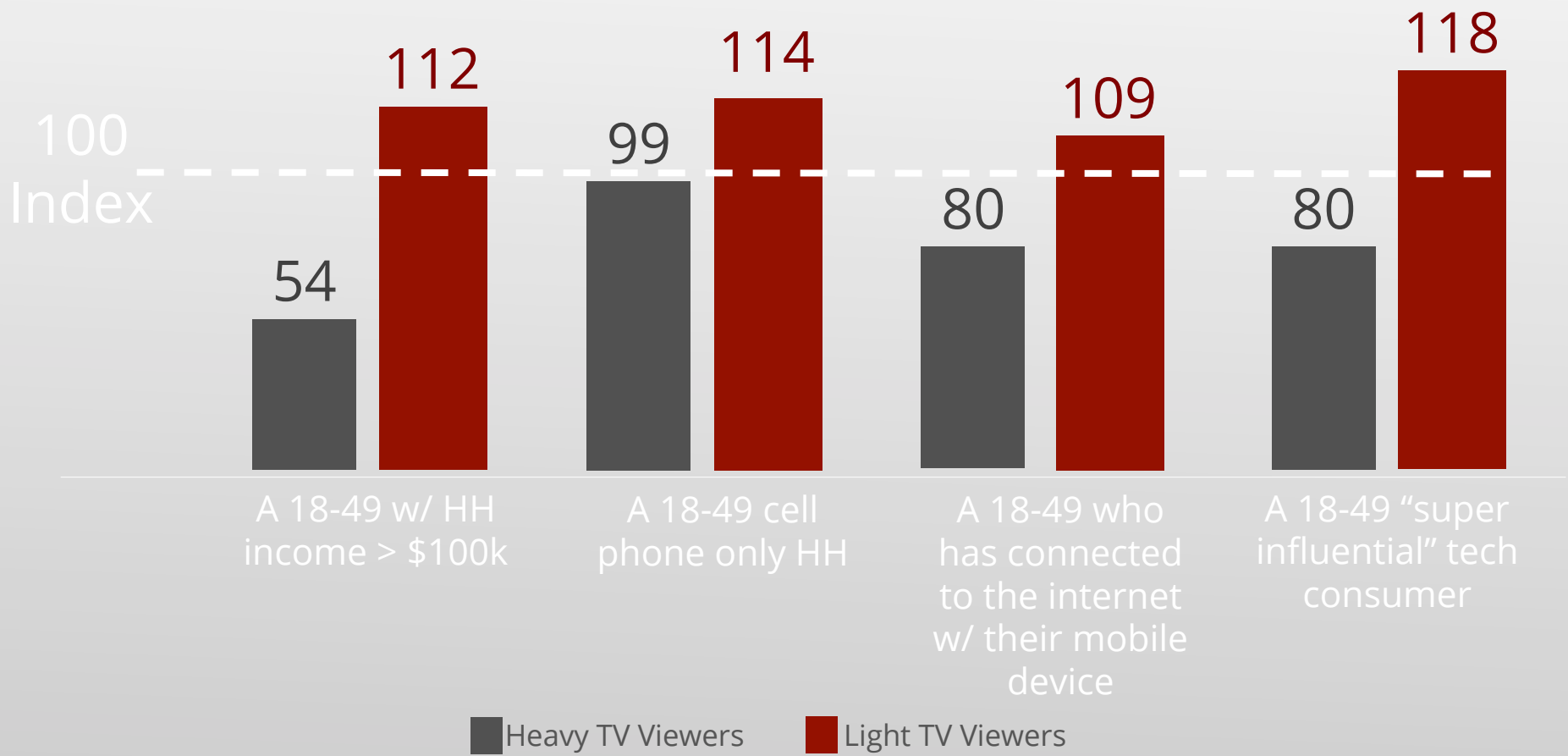
Source: MRI Index A18-49

Google | YouTube

The Research Methodology

What are we trying to accomplish?

Google | You Tube

Goal:

Can we prove that YouTube + the Google Display Network…

are complementary to TV
in 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

Google | You Tube

Methodology:
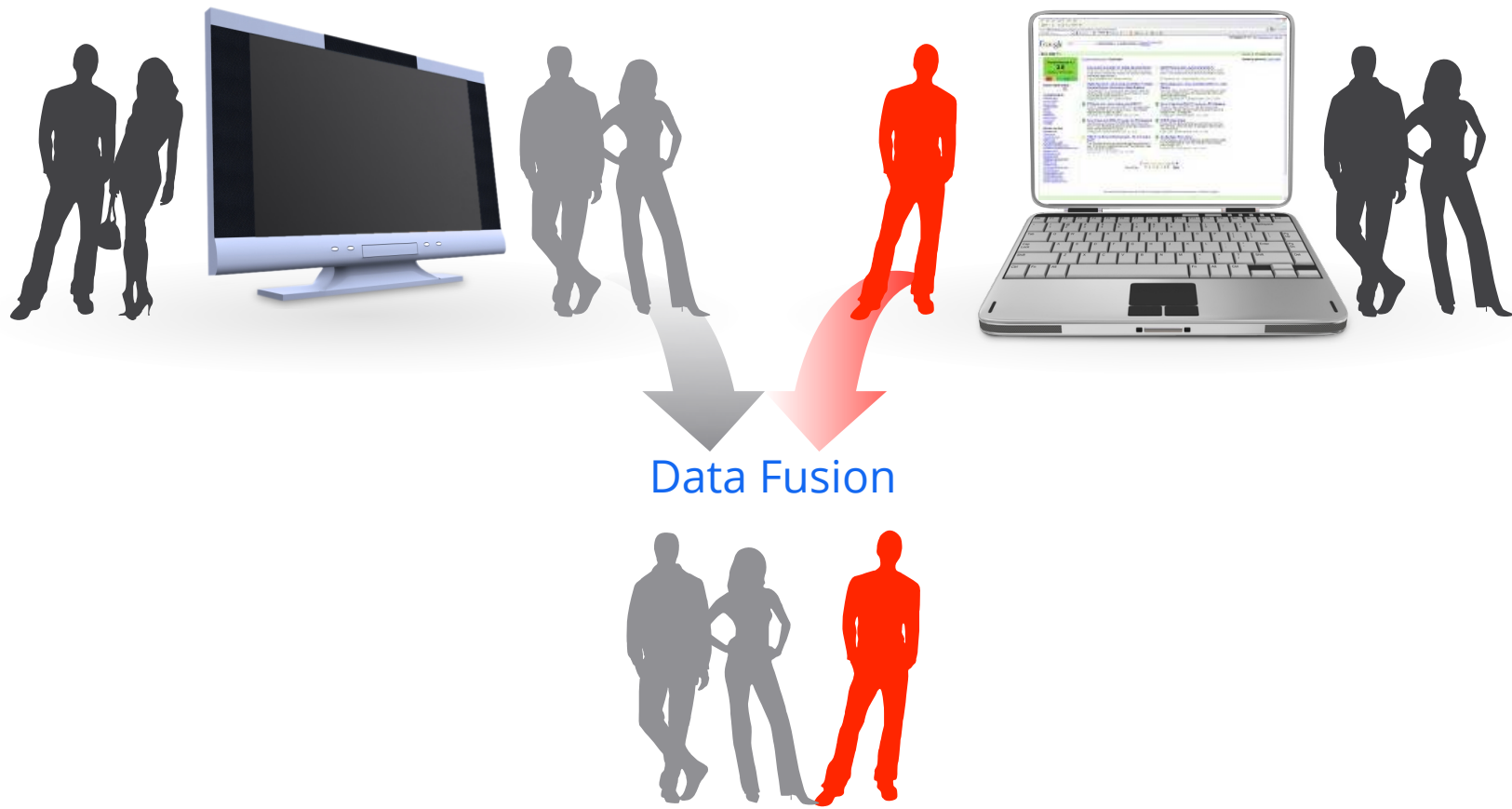
Nielsen Data Fusion

Nielsen TV Panel

Group exposed to TV ad

Nielsen Online Panel

Group exposed to YouTube/GDN ad

Data Fusion

Total Campaign Reach

Google | You Tube

Methodology:
Incremental Reach Forecast
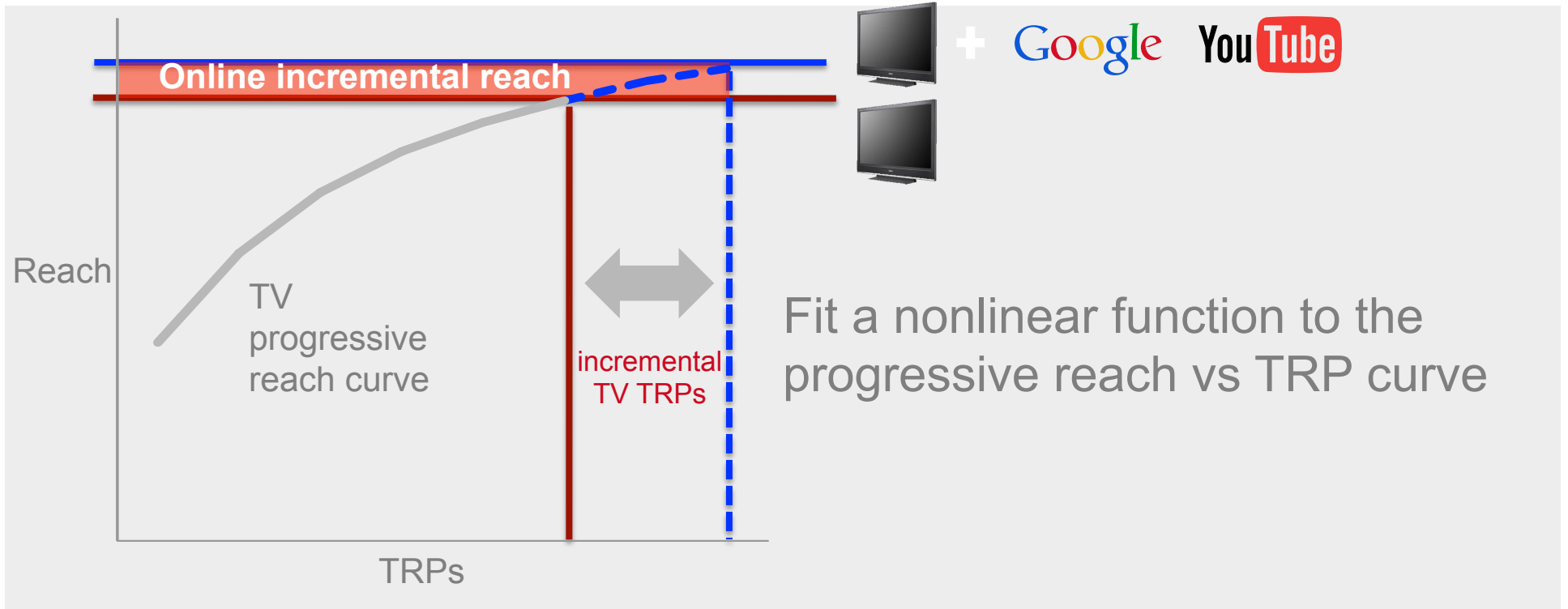
Extrapolate TV to TV + online reach
-> Incremental TV TRPs

Incremental TRPs x Average CPP
-> TV Incremental Cost

Campaign: Data Sources

1

TV Campaign

National TV
- Cable
- Syndication
- Spanish Language Cable
- Spanish Language Network

+

2

Google (YT/GDN) Campaign
YouTube & Google Display Network
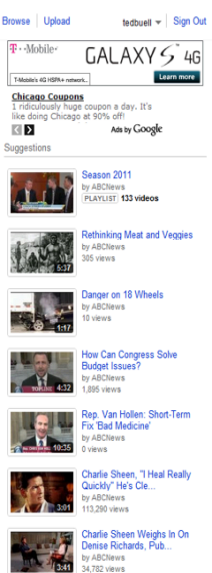- Homepage Masthead
- Partner Watch
- Run-of-Site
- YouTube First Watch
- YouTube Homepage Remarketing - GDN

3 month campaign on TV and 2 month campaign on online

Adult 18-49 target

Budget – 88% TV + 12% Online

Google | You Tube

YouTube/GDN Creative

The Results

Google | You Tube
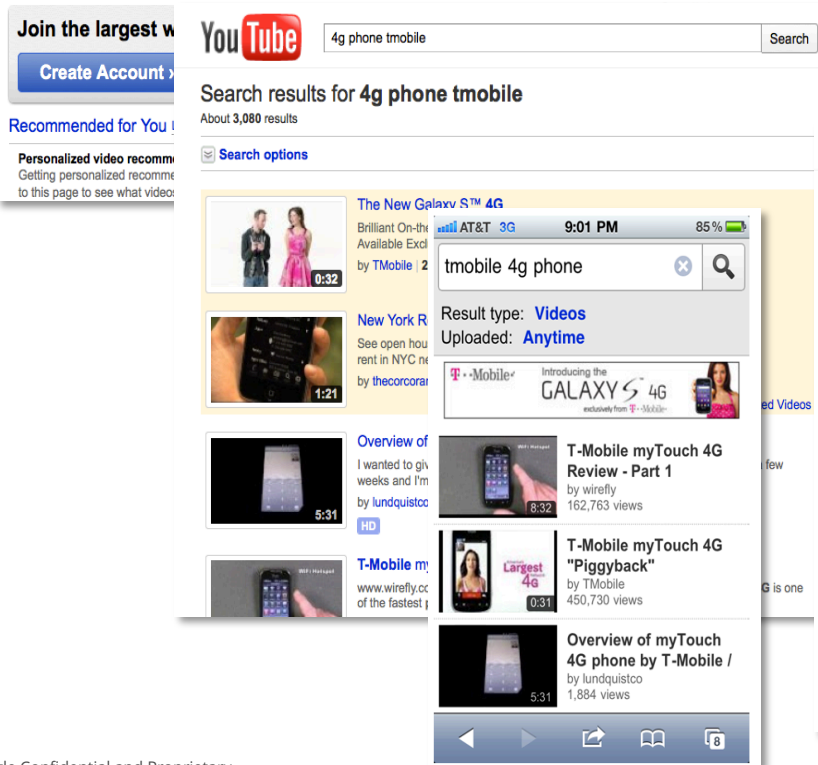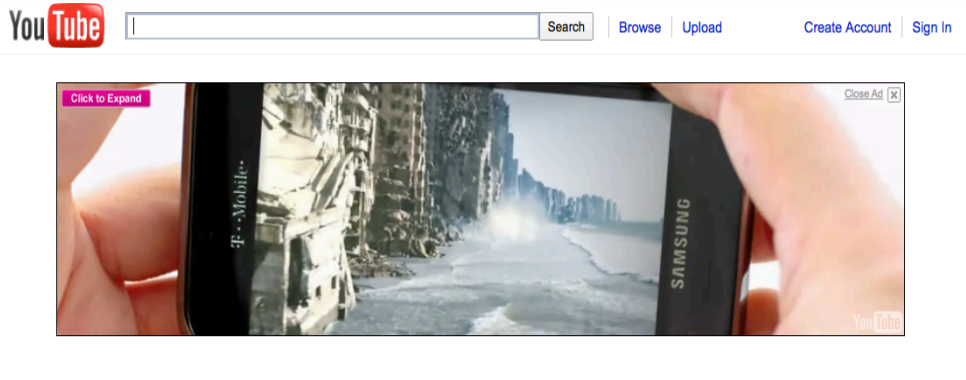
YouTube + GDN Add Complementary…

Reach | **Frequency** | **Efficiency**

Google | You Tube

T-Mobile's YouTube/GDN Campaign

Reached 13.8% of Adults 18-49

- 32% of viewers on YouTube/GDN had not seen the TV campaign

- More than half of online TRPs were delivered to light & light medium TV viewers

- With 12% of the budget, online delivered 24% of the TV reach

- TV reached only one fifth of the lightest TV viewers – online added 5 points incremental reach to this group

13.8% Adults 18-49
18.2 Million

Google | You Tube

61.7%
TV + YouTube/GDN Reach

57.3%
TV Reach
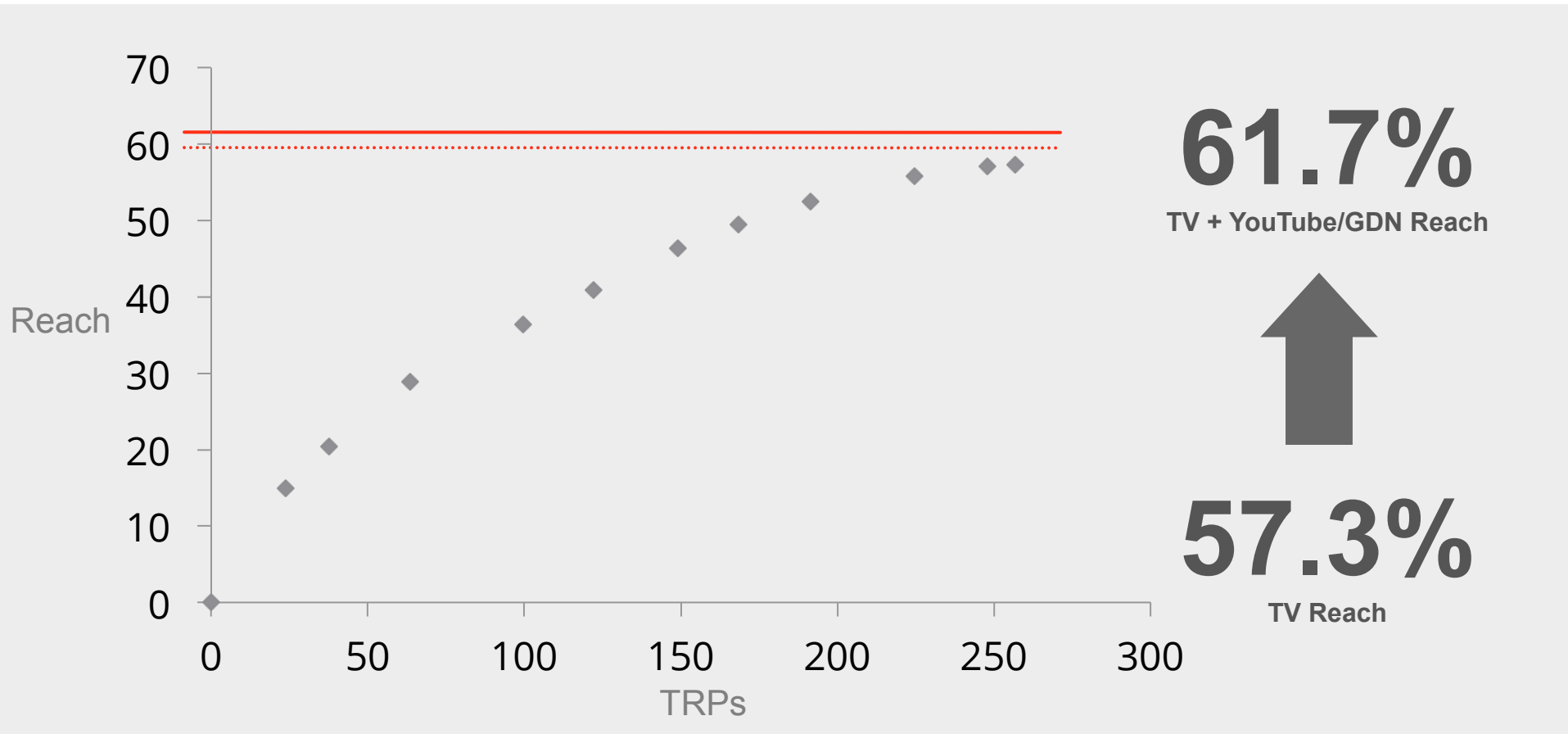
YouTube/GDN added 4.4% points incremental reach to TV

Google | You Tube

That's about **5.8mm** Adults 18-49 not reached on TV

Reach amongst lightest TV viewing adults 18-49 increased by ~1.4mm

Google | You Tube

TV impression distribution weighted to heavy viewers

YouTube Reaches a More Balanced Audience

YouTube adds TRPs to the lighter TV viewers

TV TRPs   YT TRPs

	Lightest	Light Medium	Medium	Medium Heavy	Heavy
TV TRPs	3%	11%	18%	26%	43%
YT TRPs	11%	20%	21%	25%	24%

Google | You Tube
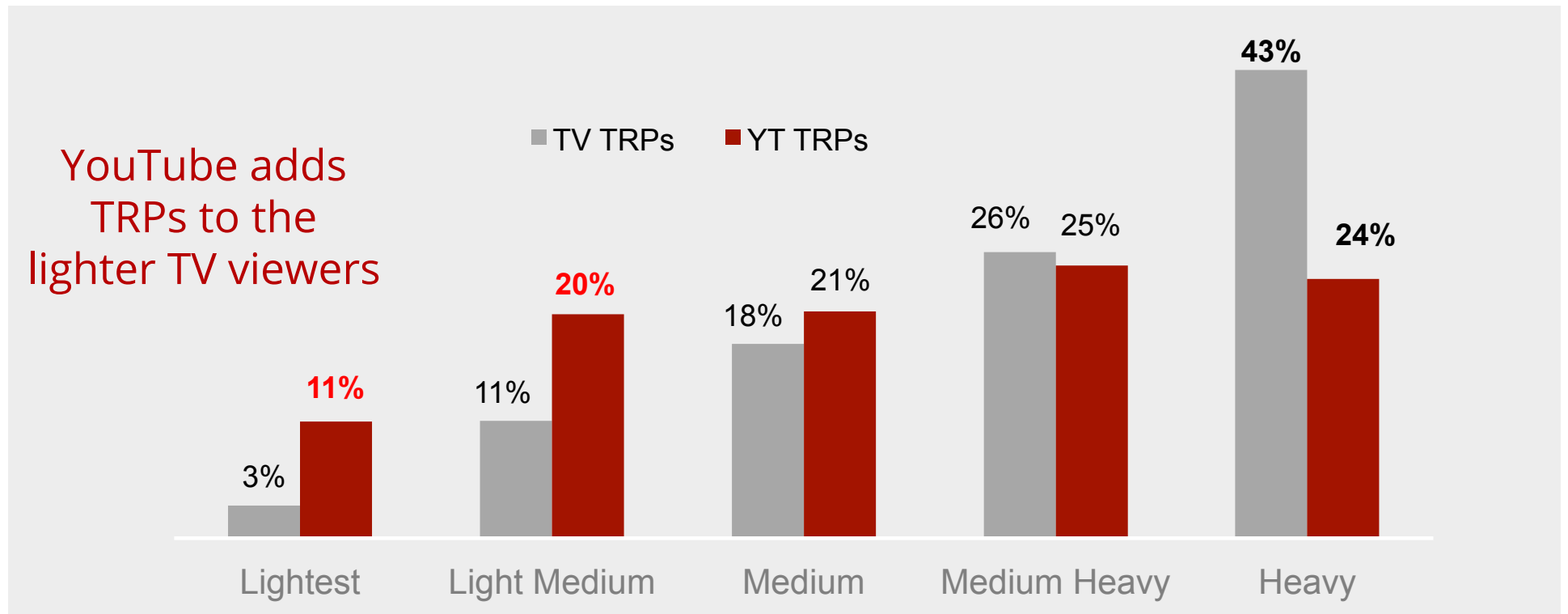
YouTube added 5+% pts incremental reach to the valuable lighter TV audience

YouTube increased reach amongst lighter TV viewers by 4.3M people

Lightest:
- +1.3MM
- **5%** (YT incremental reach)
- 2% (Overlap)
- 17% (TV reach)

Light Medium:
- +1.6MM
- **6%** (YT incremental reach)
- 7% (Overlap)
- 43% (TV reach)

Medium:
- +1.3MM
- **5%** (YT incremental reach)
- 11% (Overlap)
- 53% (TV reach)

Medium Heavy:
- **3%** (YT incremental reach)
- 13% (Overlap)
- 61% (TV reach)

Heavy:
- **2%** (YT incremental reach)
- 14% (Overlap)
- 68% (TV reach)

■ YT incremental reach   ■ Overlap   ■ TV reach

 Note: Total and individual reach #'s do not match due to rounding

Google | YouTube

As TV reach curve flattens, YouTube adds more reach points than TV

YT/GDN Incremental Reach

Overlap

TV Only

In the last 4 weeks of the campaign, YouTube and GDN adds more reach overall than TV does

TV adding frequency

Google | You Tube

YouTube + GDN Adds Complementary…

Reach   **Frequency**   **Efficiency**

Google | You Tube
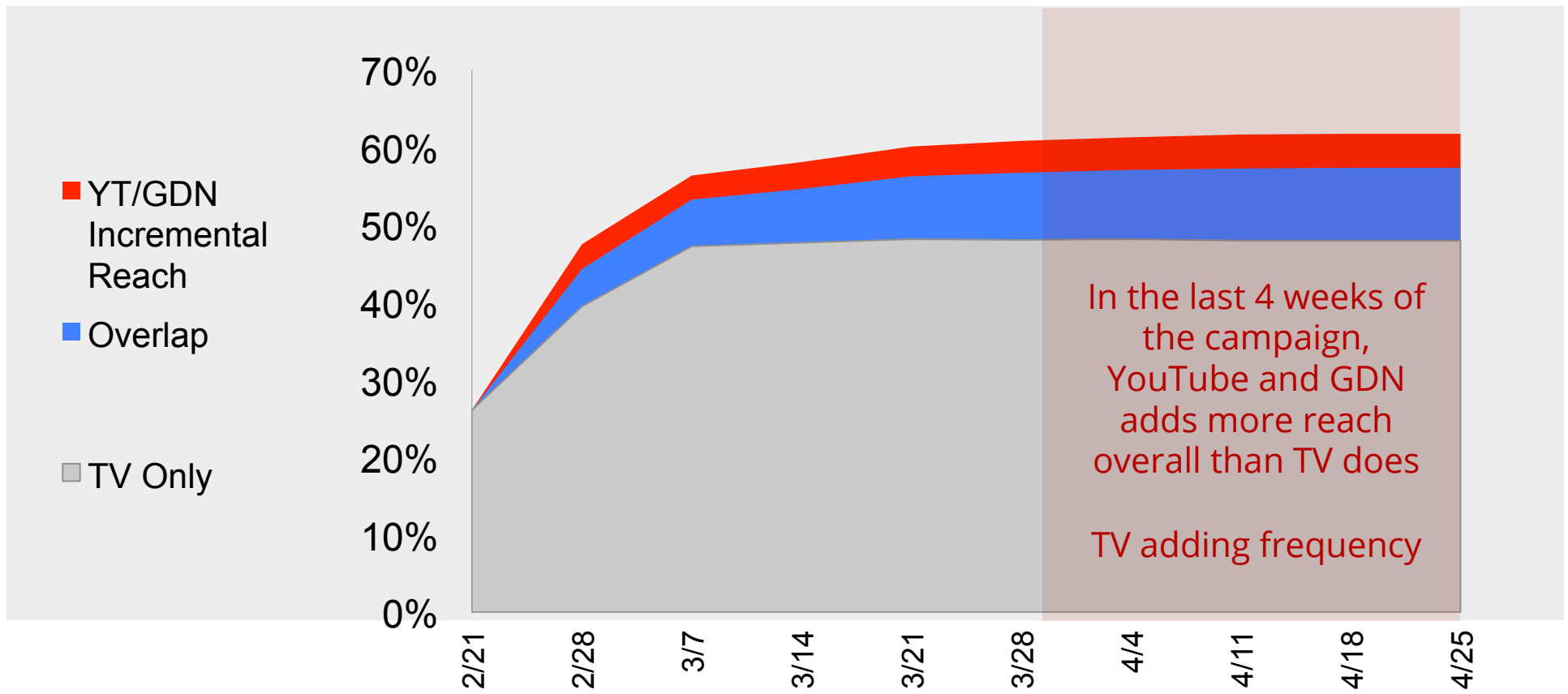
Online delivered more impressions to Light TV Viewers than TV

Average Frequency
(Group exposed to both TV and YT)

TV not enough

■ TV ■ YT

	Lightest	Light Medium	Medium	Medium Heavy	Heavy
YT	2.7	3.4	3	3.5	3.6
TV	2.2	2.6	3.2	4.0	6.1

3+ Effective Frequency

Google | You Tube

YouTube + GDN Adds Complementary…

Reach | **Frequency** | **Efficiency**

Google | You Tube
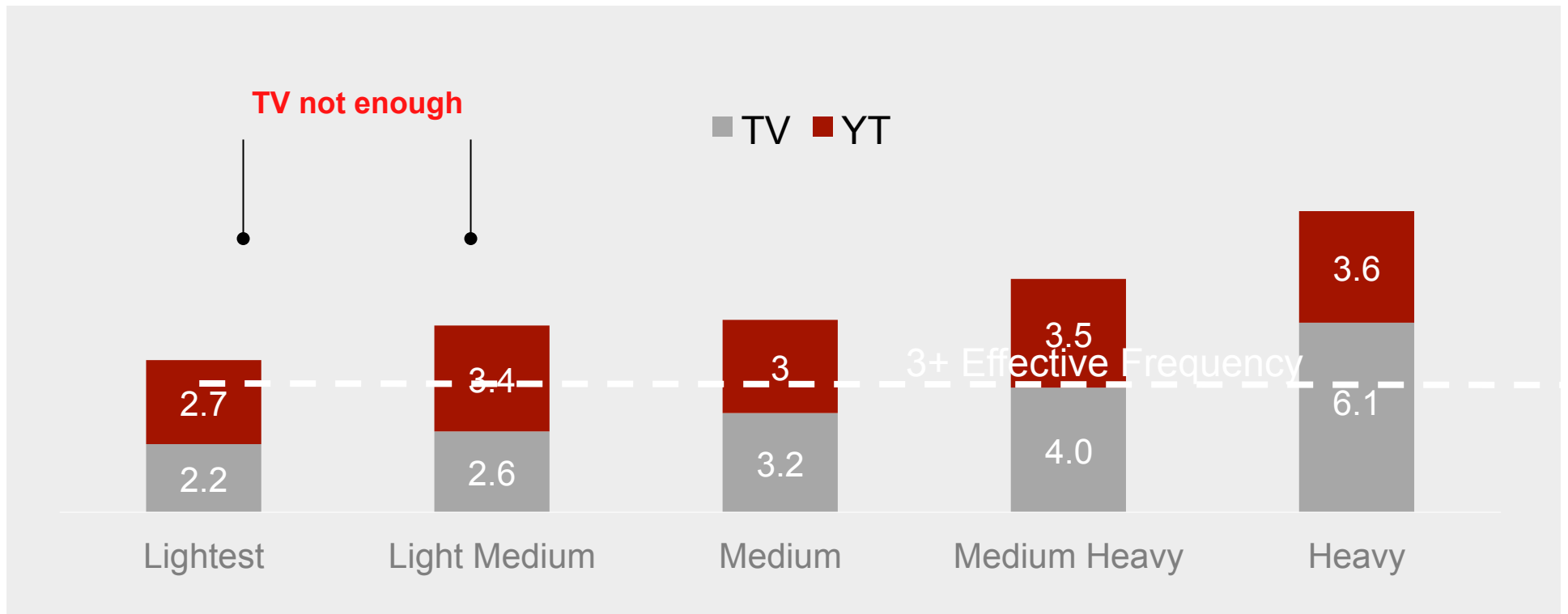
YouTube + GDN delivered 4.4% pts incremental reach at 73% less than the cost of TV

Cost Per Incremental Reach
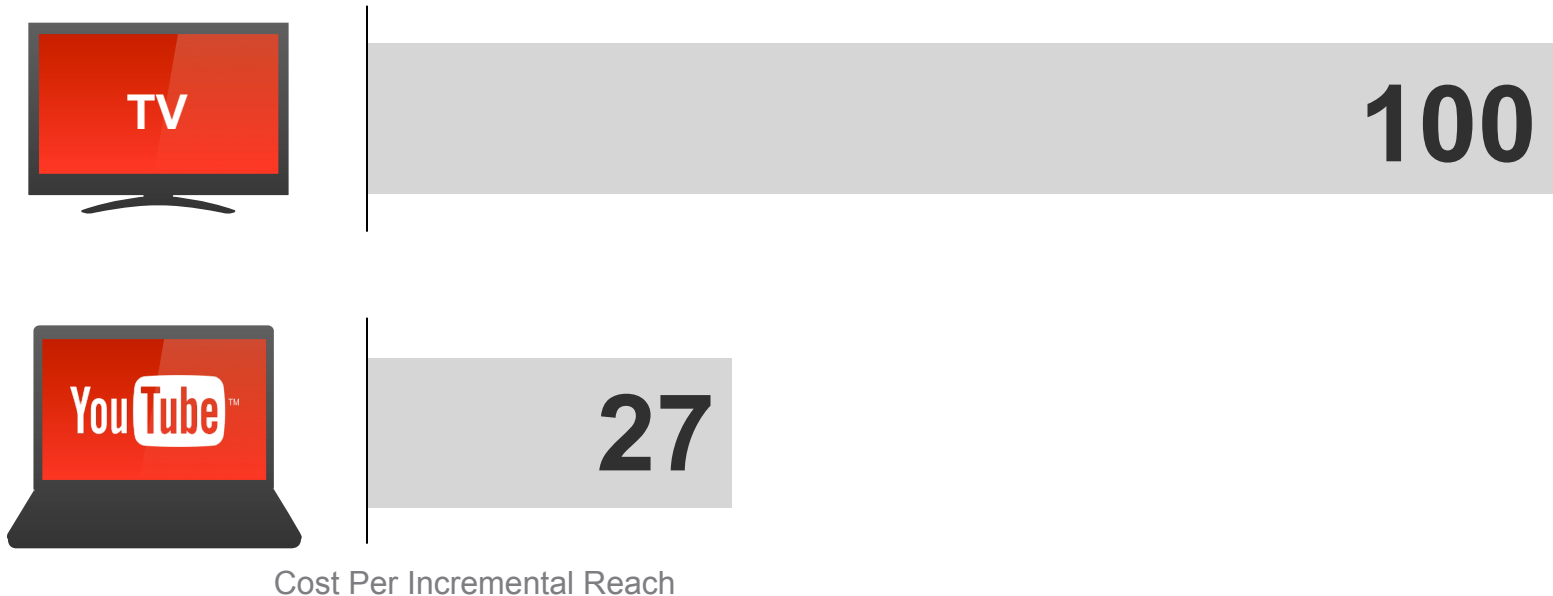
YouTube + GDN Delivered TRPs to at 63% less than the Cost per Point of TV

TV — 100

YouTube — 37
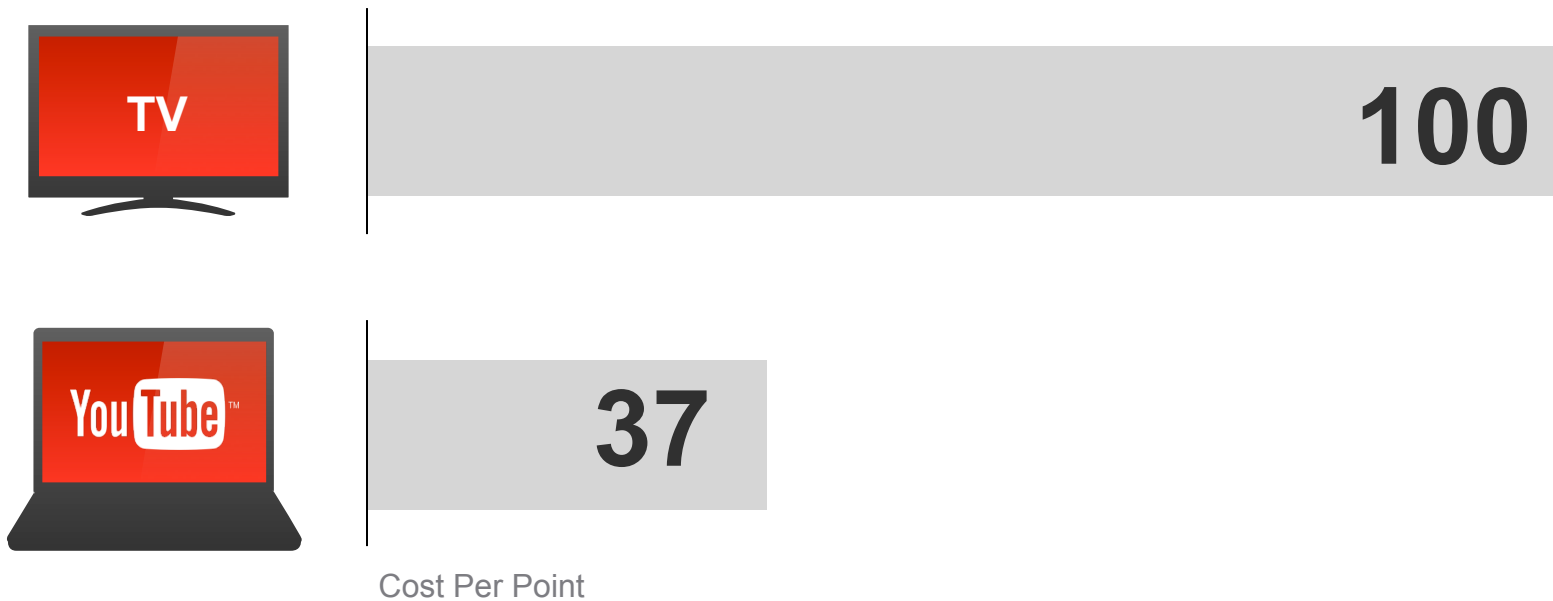
Cost Per Point

YouTube + GDN Delivered TRPs to the lightest TV viewing Adult 18-49 at 89% less than the Cost per Point of TV

TV — 100

YouTube — 11

Cost Per Point

Google | YouTube
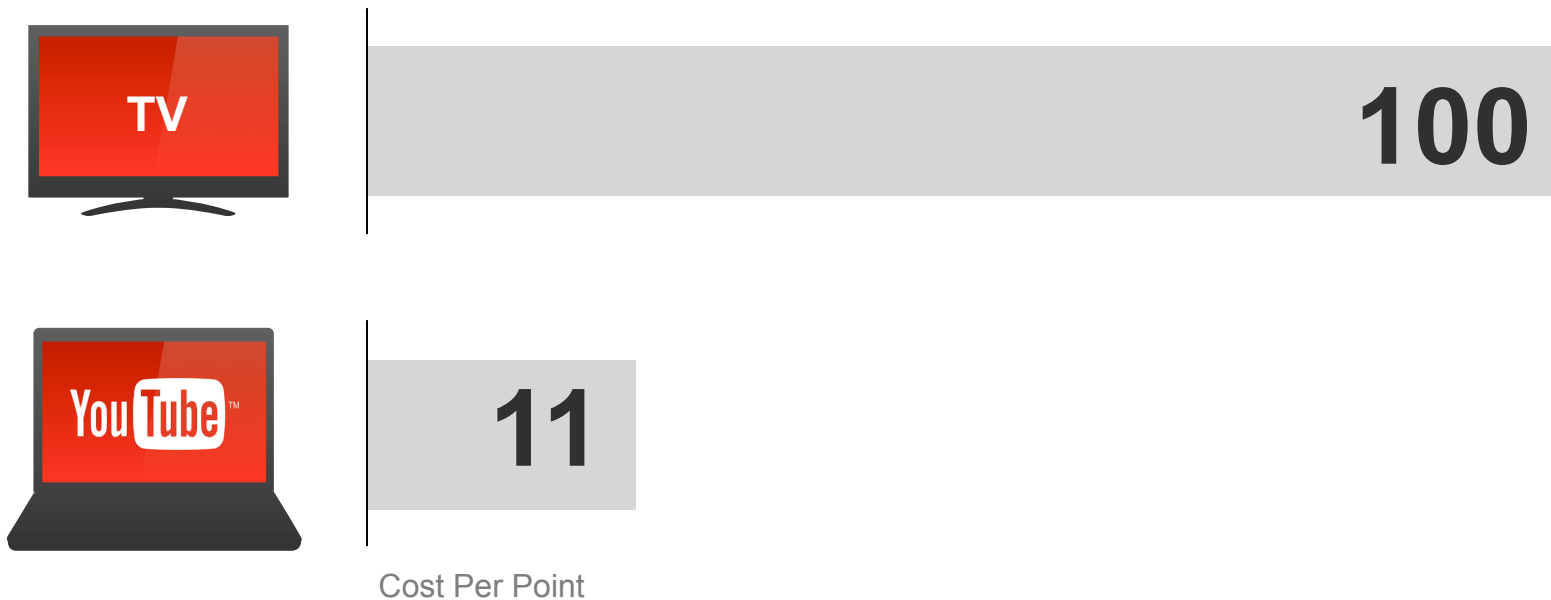
…to valuable audiences

Cost per point to desirable audiences is cheaper on YouTube …

100	79	72	68	54	49	47	45
TV	P18-49	P18-49: Video or I Enabled T-Mobile Cell Phone	P18-49: Vid or Int Enabled Cell Phone	P18-49 Video Capable Laptop	P18-49 Ipod User	P18-49 HHIncome 100K+	P18-49 Portable Video Game User

Google | You Tube
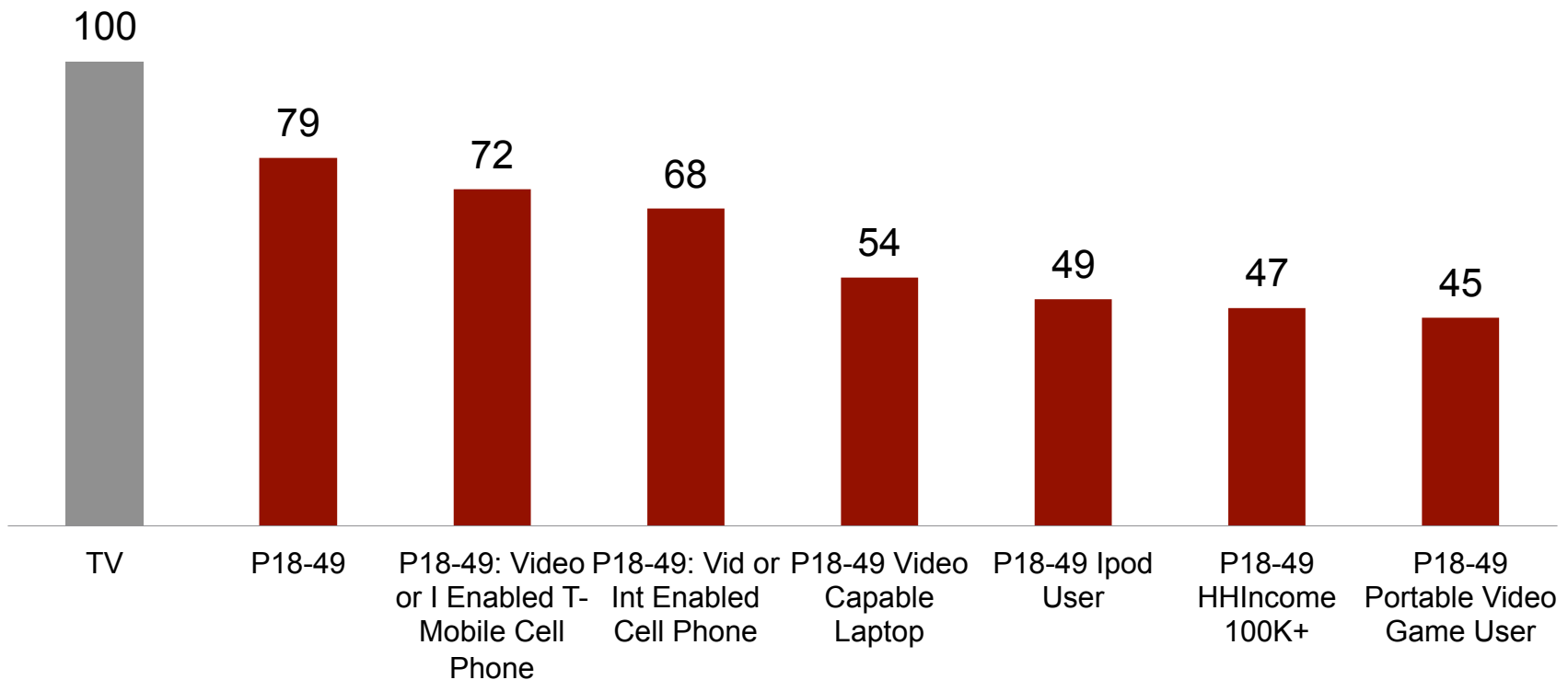
Improve Efficiency
Less reach spillover on YouTube + GDN

TV

Online

Reach to P18+

Older than 49

58%
to Adults 18-49
=
42% spillover

Reach to P18+

82%
to Adults 18-49
=
18% spillover

Google | You Tube
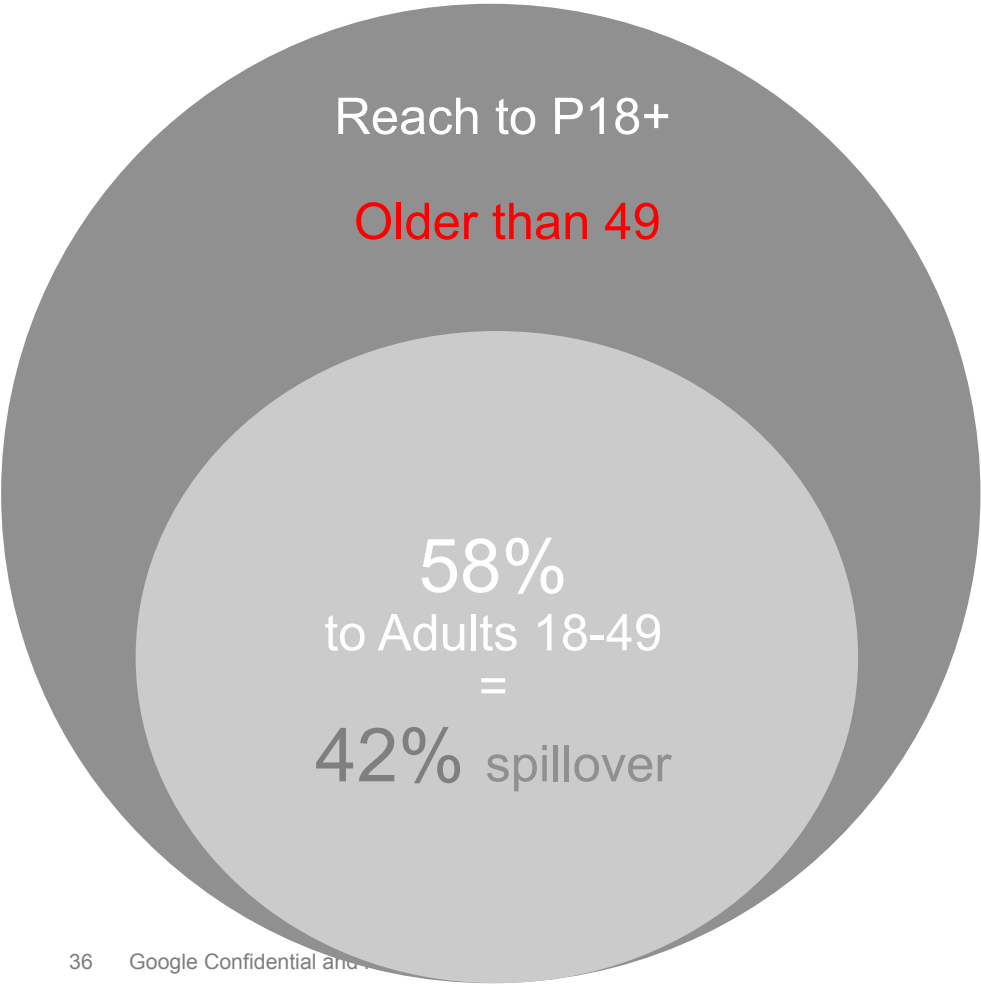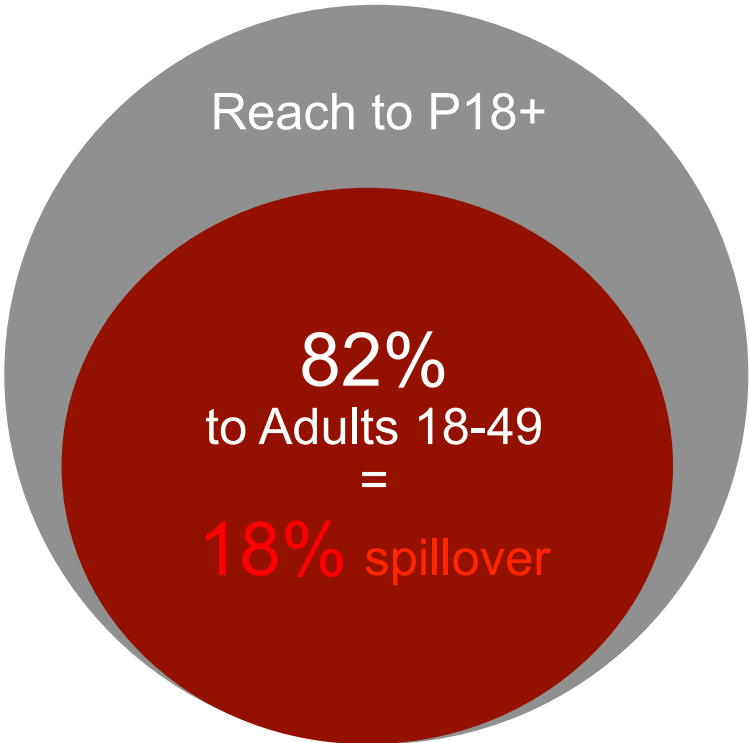
Improve Efficiency
Less impression spillover on **YouTube + GDN**

TV

Online

Impressions to P18+

Older than 49

53%
to Adults 18-49
=
47% spillover

Impressions to P18+

84%
to Adults 18-49
=
16% spillover

Google Confidential and

Google | You Tube

The Opportunity

Google | You Tube
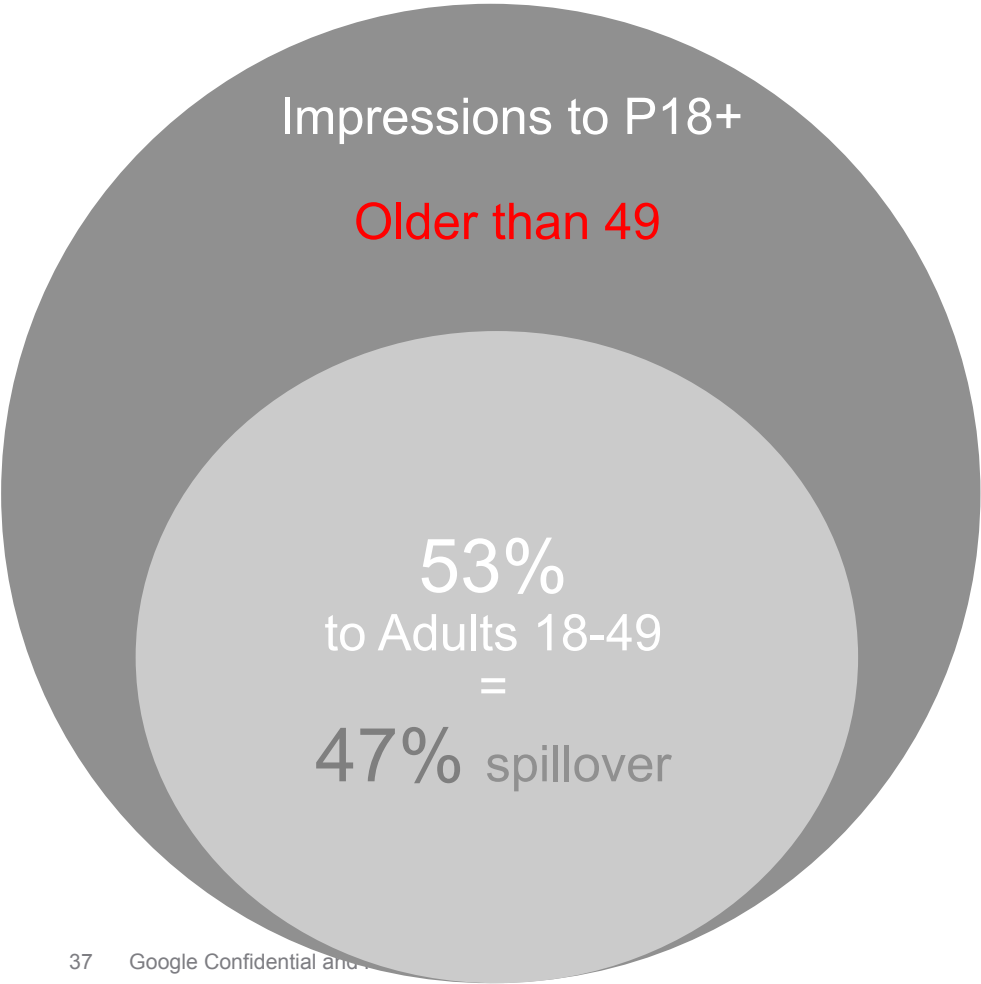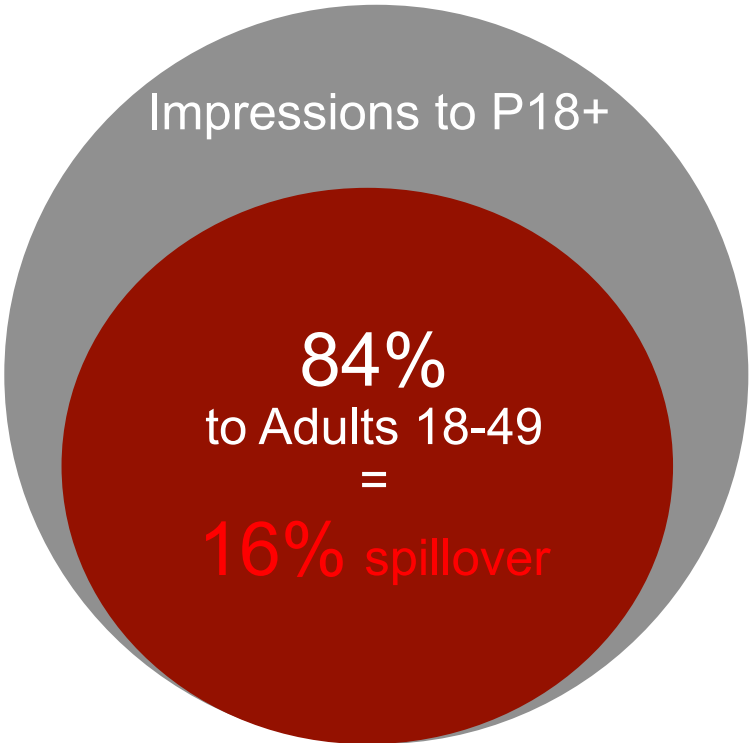
Disparity between distribution of TV TRPs and adult 18-49 audience

31% of target is very hard to reach on TV

Legend: ■ TV TRPs ■ Adults 18-49 population

	Lightest	Light Medium	Medium	Medium Heavy	Heavy
TV TRPs	3%	11%	18%	26%	43%
Adults 18-49 population	31%	20%	20%	17%	12%

Google | YouTube
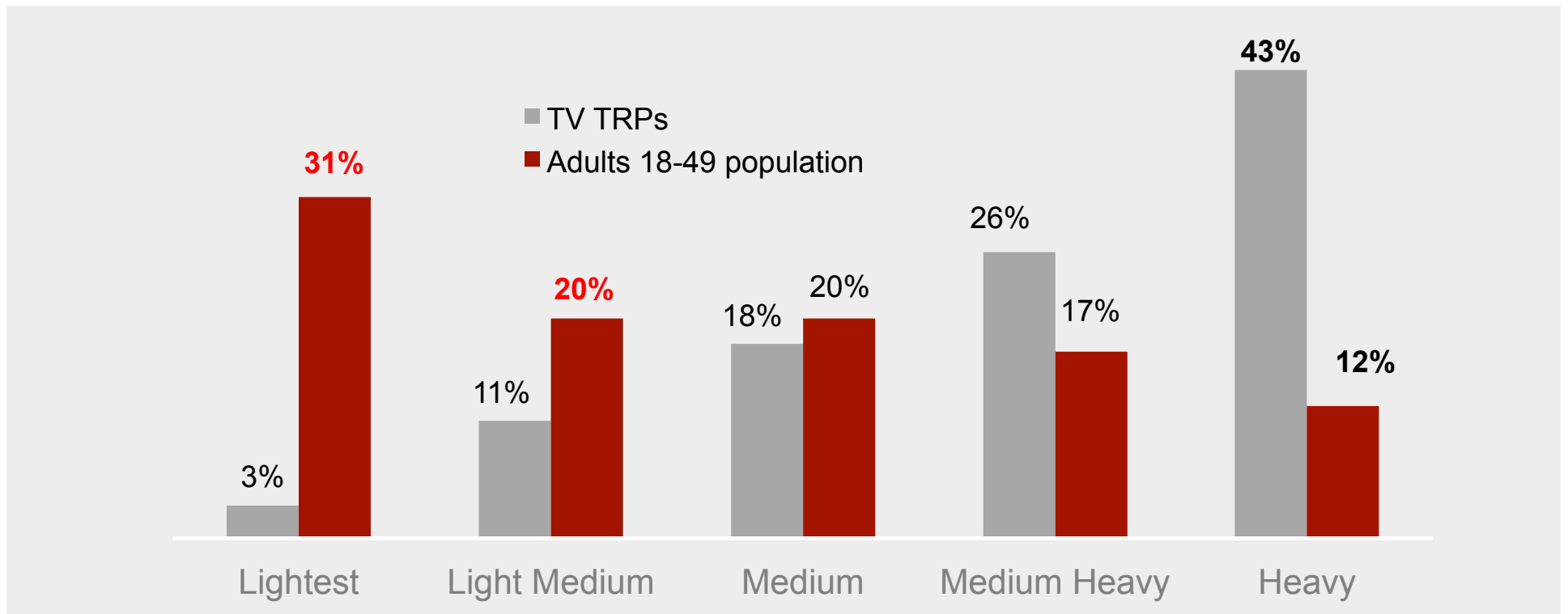
Reach A Complementary Audience

Cost to reach to lightest TV viewers 18-49 is more efficient on YouTube/ GDN

100

11

TV

Lightest TV Viewer

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

So how do you **reach them**?

Google | You Tube
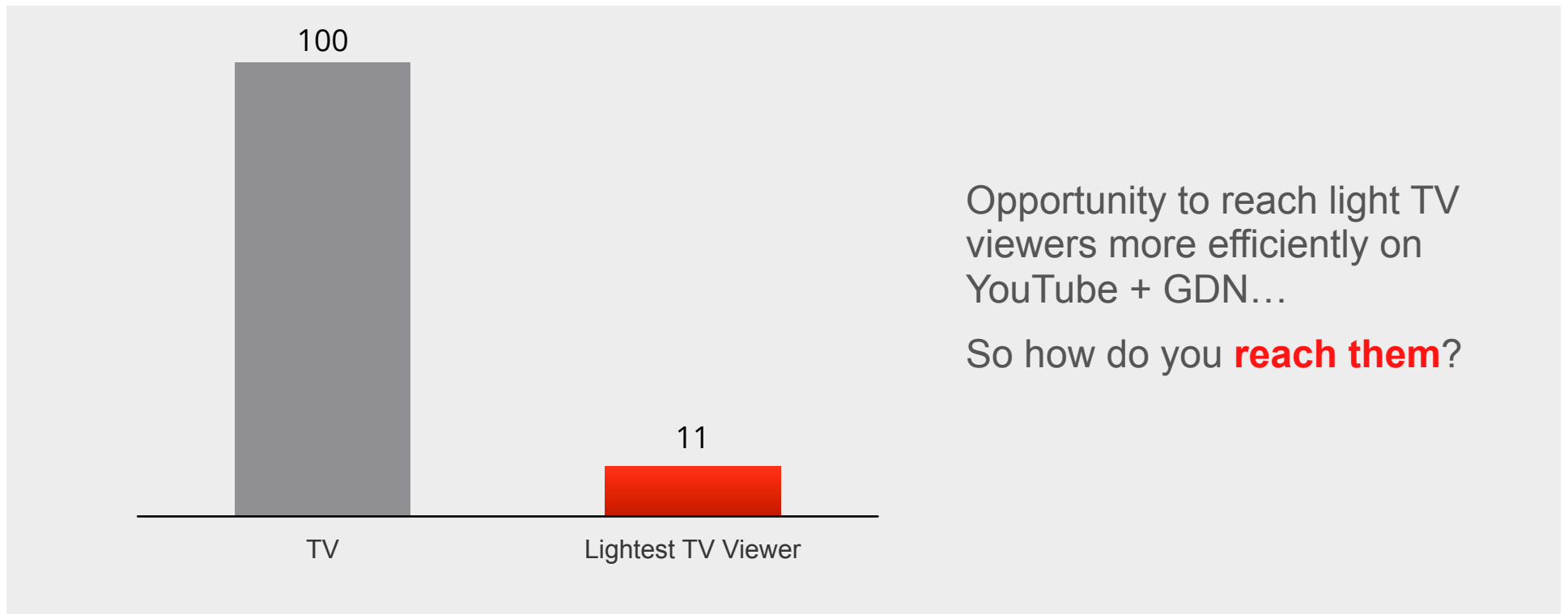
Better distribute TRPs across the quintiles

TV + YT Cross Media Video Planning

| **Light** | Light-Med | Med | Heavy-Med | **Heavy** |
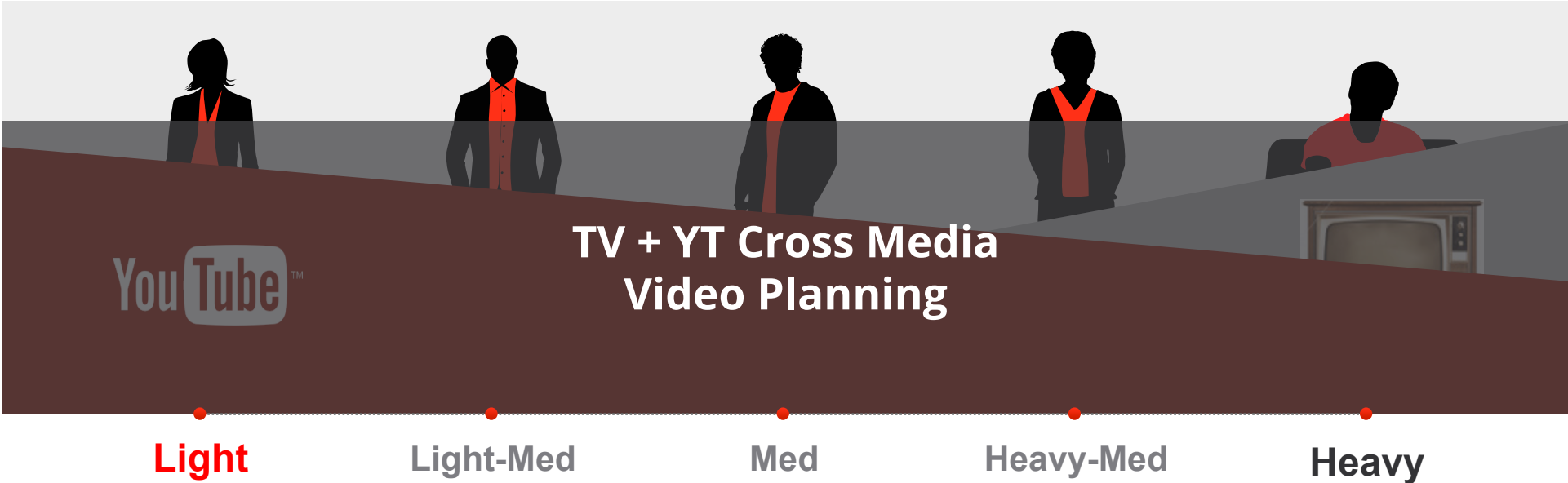
Shift budget out of heavy skewing TV networks

➡ Less waste More balanced media delivery

➕ Similar or **Increased reach** to a valuable light TV viewing audience

Viewership Across TV Networks Is Diverse

Some networks over-index for heaviest TV viewers and under-index to light TV viewers

HEAVY SKEW NETWORKS

High disparity of reach between Heavy and Light Viewers

LESS HEAVY SKEW NETWORKS

More even reach to Heavy and Light Viewers

Index to heavy TV viewers

325
275
225
175
125

5   10   15   20   25   30

Index to light TV viewers
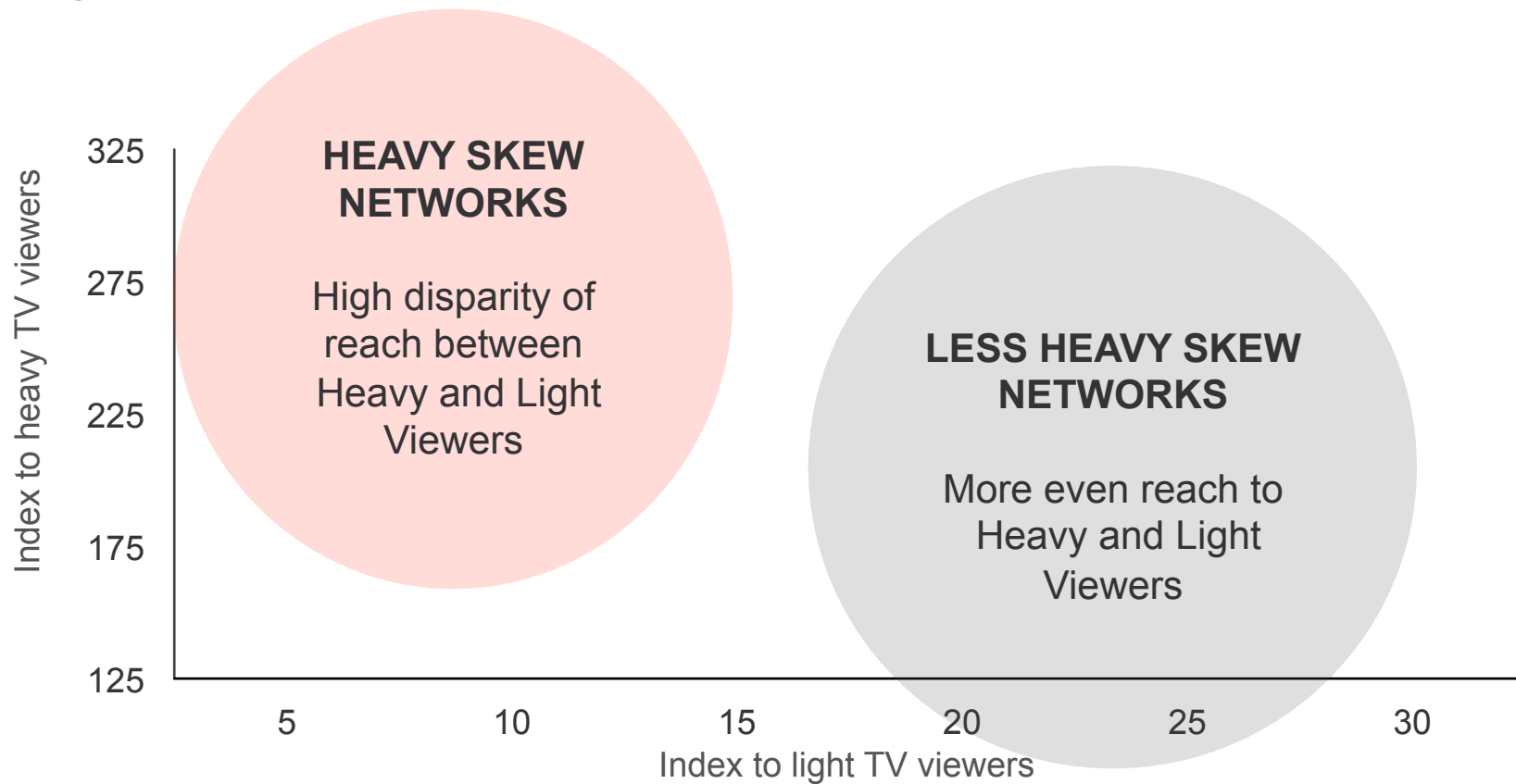
Improve Efficiency

TNT (heavy skew) vs Discovery en Espanol (less heavy skew)

Ex – TNT indexes heavy/ light viewers by ~31x

You could shift out of cable into broadcast, but that is expensive - **broadcast CPM is ~3x the cable CPM**

Ex – Discovery en Espanol indexes heavy/light by ~8x

Y-axis: Index to heavy TV viewers (5, 95, 195, 295, 395, 495)
X-axis: Index to light TV viewers (0, 5, 10, 15, 20, 25, 30)

Bubble labels: TV One, Oxygen Media, Tres, Wagner Brothers, TBS, TNT, A&E, Estrella, AZA, Fox Deportes, ESPN Deportes, FX, Bravo, TLC, TF, Galavision, E! Entertainment, UNi, Comedy Central, MTV, ABC Family, USA, MUN2 Cable, Discovery en Espanol

Note: Bubble size represents % of total impressions
Source: Nielsen Monitor Plus and Nielsen National People Meter
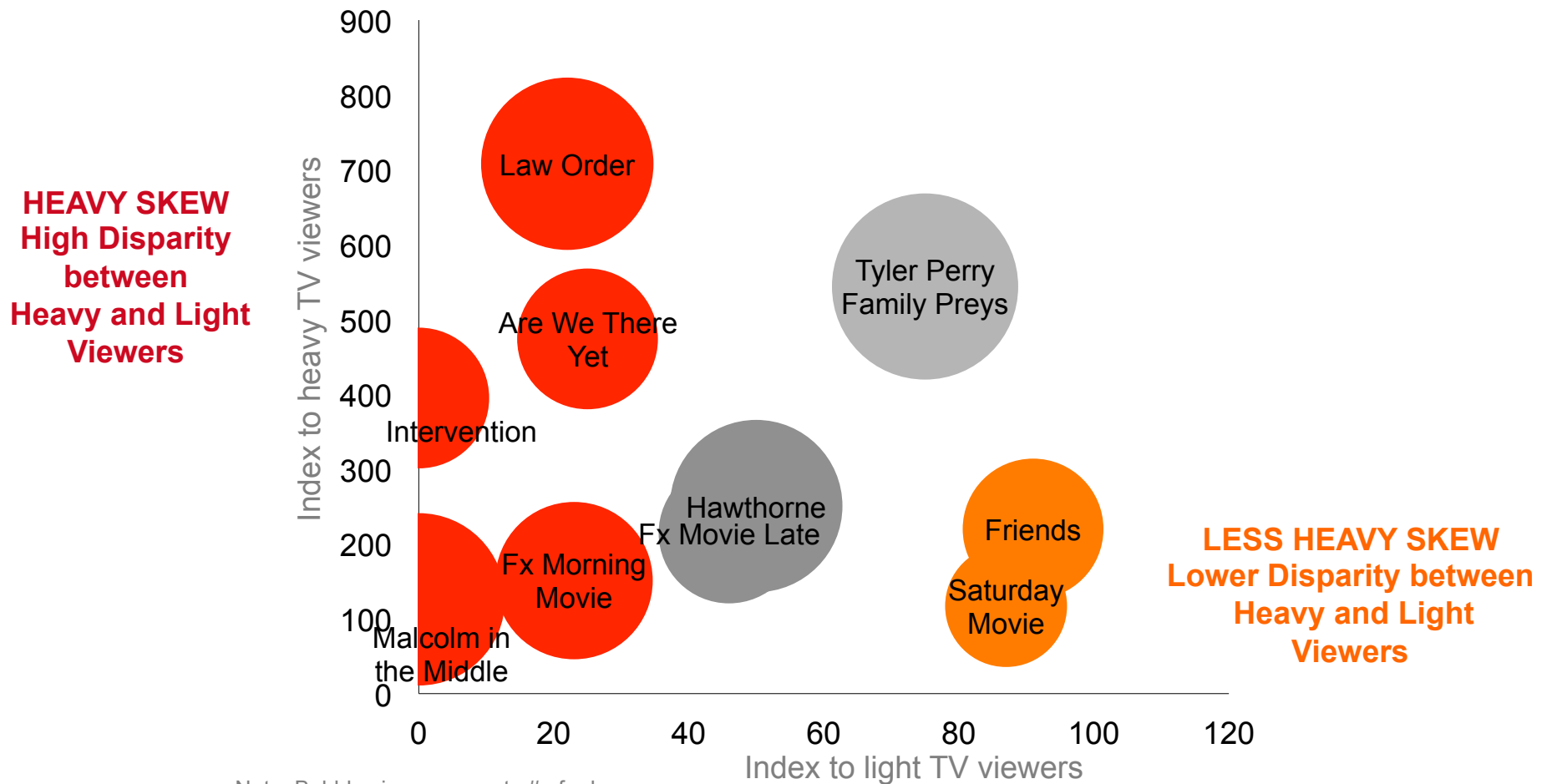CPM for cable was $13 and CPM for broadcast was $36.70 (based on Nielsen's national prime-time P 18-49 estimates)

Google | YouTube

Improve Efficiency

Some shows that over-index for heaviest TV viewers and under index to light TV viewers

HEAVY SKEW High Disparity between Heavy and Light Viewers

LESS HEAVY SKEW Lower Disparity between Heavy and Light Viewers

Index to heavy TV viewers

- Law Order
- Are We There Yet
- Intervention
- Tyler Perry Family Preys
- Hawthorne Fx Movie Late
- Friends
- Fx Morning Movie
- Saturday Movie
- Malcolm in the Middle

900
800
700
600
500
400
300
200
100
0

0   20   40   60   80   100   120

Index to light TV viewers

Note: Bubble size represents # of ads

Source: Nielsen Monitor Plus and Nielsen National People Meter

Google | You Tube

All placements in the online campaign - YouTube homepage, First Watch, GDN and Partner Watch added incremental reach and frequency of exposure to light TV viewers

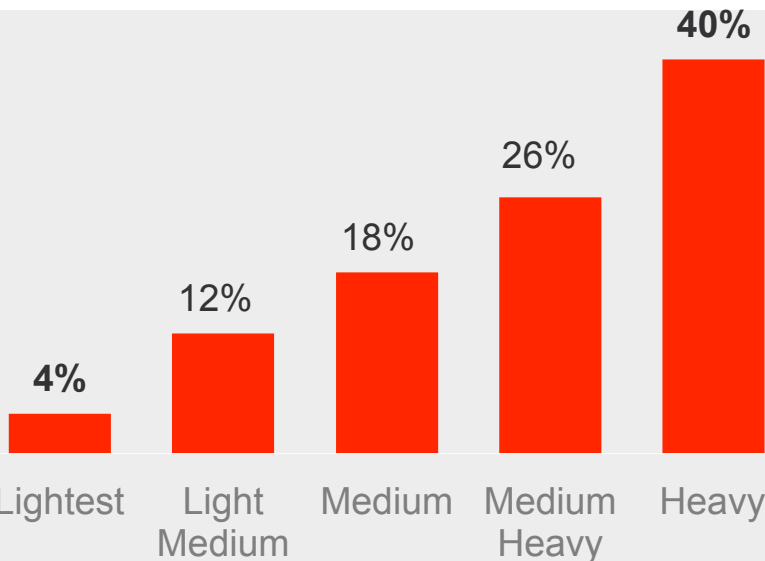Partner Watch In-stream and GDN
1.9%

1st week - YT HP + First Watch 3.3%

Reach to Lightest Quintile

- YT/GDN Incremental Reach
- Overlap
- TV Only

Distribution of YT/GDN incremental reach

- Partner Watch/GDN/ROS 36%
- YouTube Homepage +FW 64%
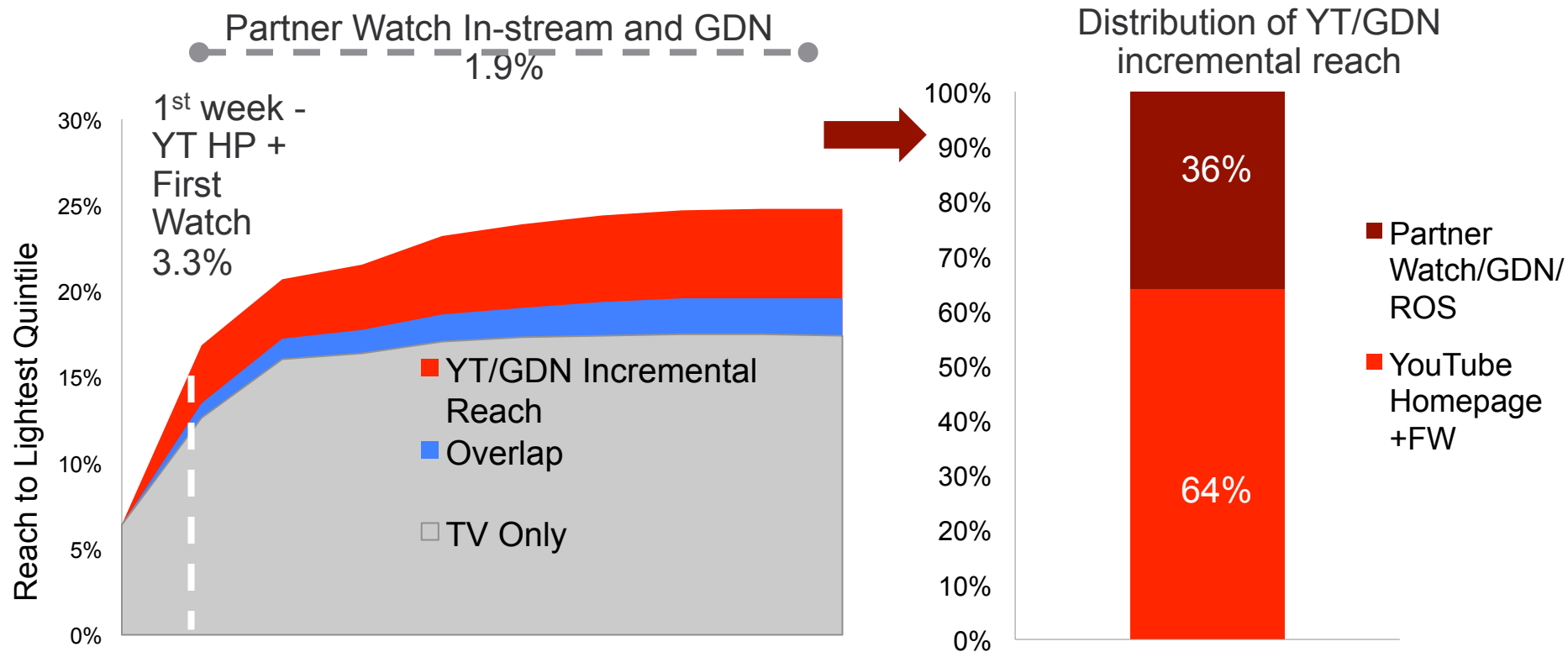
Projection: TRP distribution shift

Remember that TV impression distribution weighted to heavy viewers…
while YouTube reaches a more balanced audience?
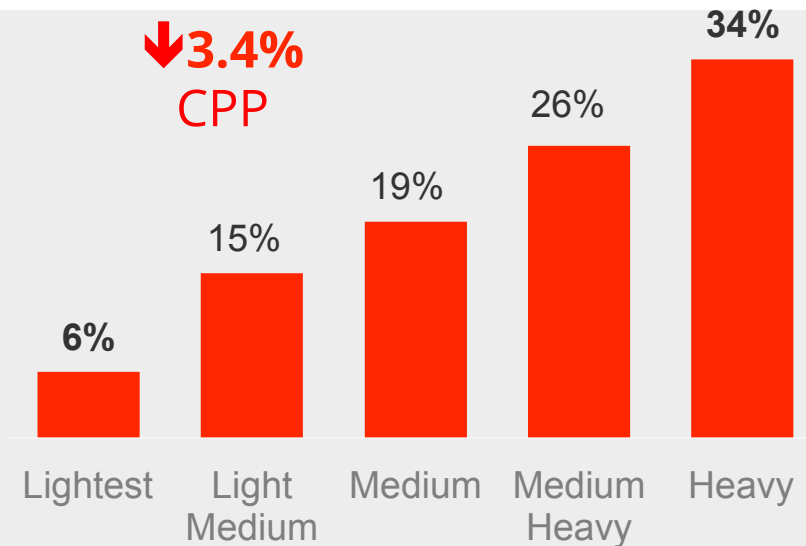
Current Plan
88% TV / 12% YouTube + GDN

Projection
68% TV / 32% YouTube + GDN

Shift budget from heavy skewing TV networks to online

↓**3.4%**
CPP

Current Plan chart:
- Lightest: 4%
- Light Medium: 12%
- Medium: 18%
- Medium Heavy: 26%
- Heavy: 40%

■ Cross Media Campaign TRPs

Projection chart:
- Lightest: 6%
- Light Medium: 15%
- Medium: 19%
- Medium Heavy: 26%
- Heavy: 34%

■ Cross Media Campaign TRPs

↓**12%** in TRPs to heaviest TV viewers

↑**51%** in TRPs to the lightest TV viewer

Google | YouTube

Thank you

Google | You Tube

Appendix

Google | You Tube

METHODOLOGY: Nielsen Data Fusion in a nutshell

Step 1 –

Home + Work online fusion

Nielsen Online Home Panel

Nielsen Online Work Panel

Step 2 –

Online + TV fusion

Fusion Using Common Person characteristics Variables and Media Usage

Nielsen TV panel

Fused Database using Common Demo Variables and Media Usage
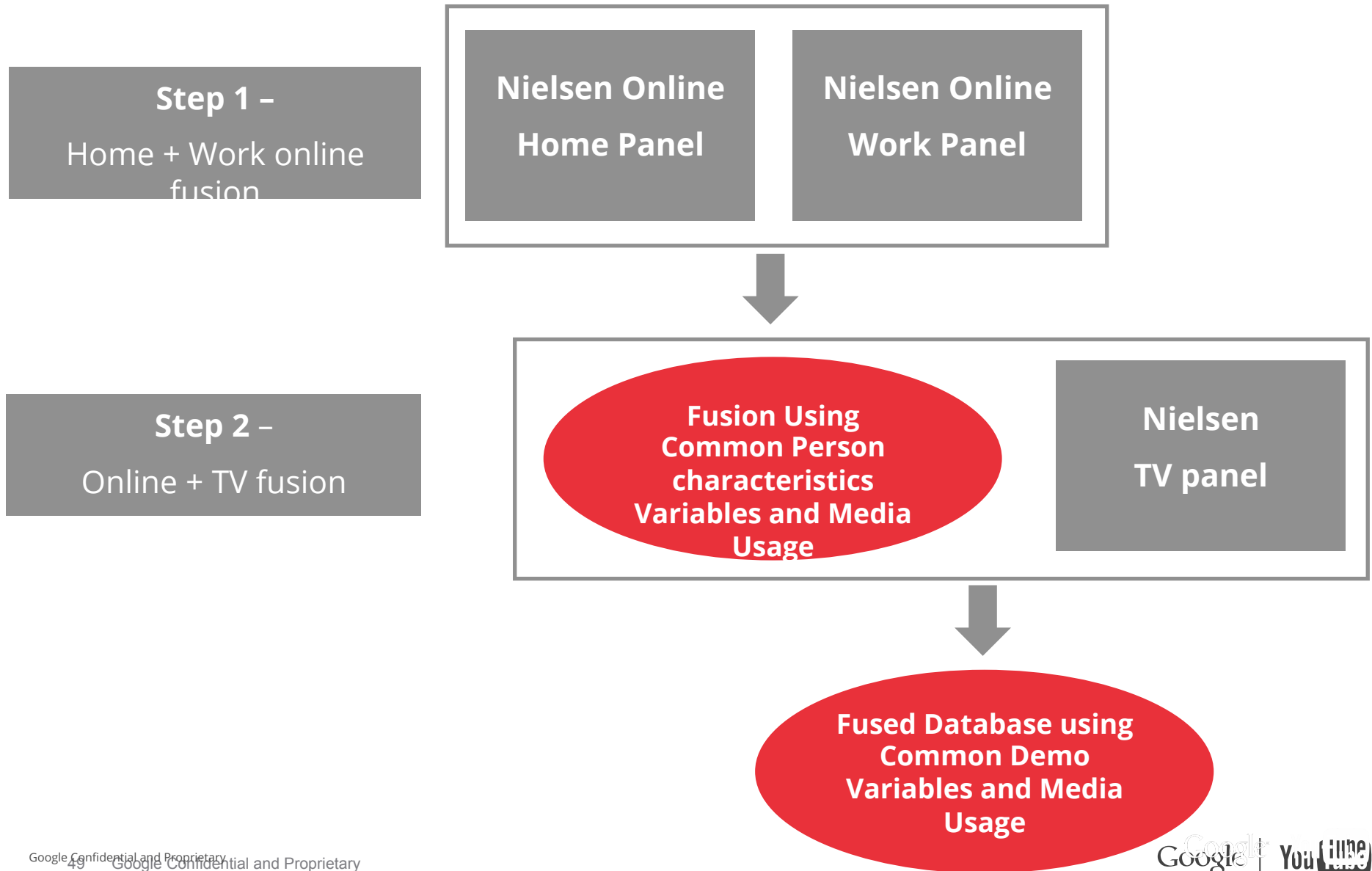
METHODOLOGY: Nielsen Monitor Plus

Nielsen's Monitor Plus's system has electronic devices, which identify new copies (via an audio and digital signature). These advertisements are crossed against a database of known advertisements in the marketplace and matched up to the particular brand/campaign.

For this analysis, Nielsen compares this known/tracked ad schedule against agency data to confirm that all advertisement buys are accounted for.

Costs: Every network provides broad daypart valuation for their content. By isolating each individual campaign, Nielsen is able to cross this activity against the network costs to provide a topline average of costs. Usually, considering bulk purchasing and make-goods, these costs are over-estimating the costs of TV, but typically, these over-estimations are equal across all brands.