

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**

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

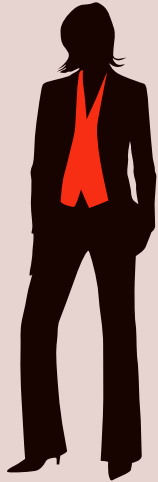
127% increase in iPad sales forecast for **2011**

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

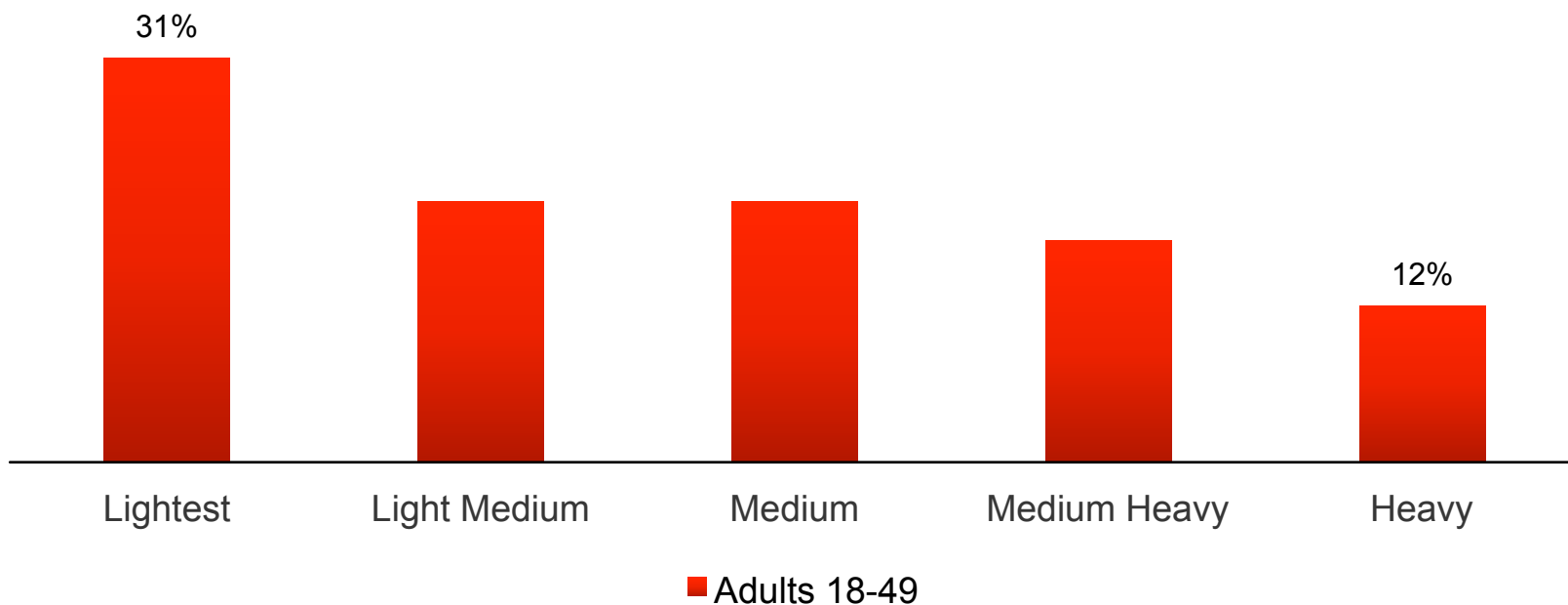
Light Viewers account for around **3%**
of TV viewing...

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



**Young
& diverse**

**College
education**

**Income
over \$100K**

**Broadcast
Only TV +
Broadband**

Older

**High school
education**

**Lower
Income**

**Couch
Potatoes**



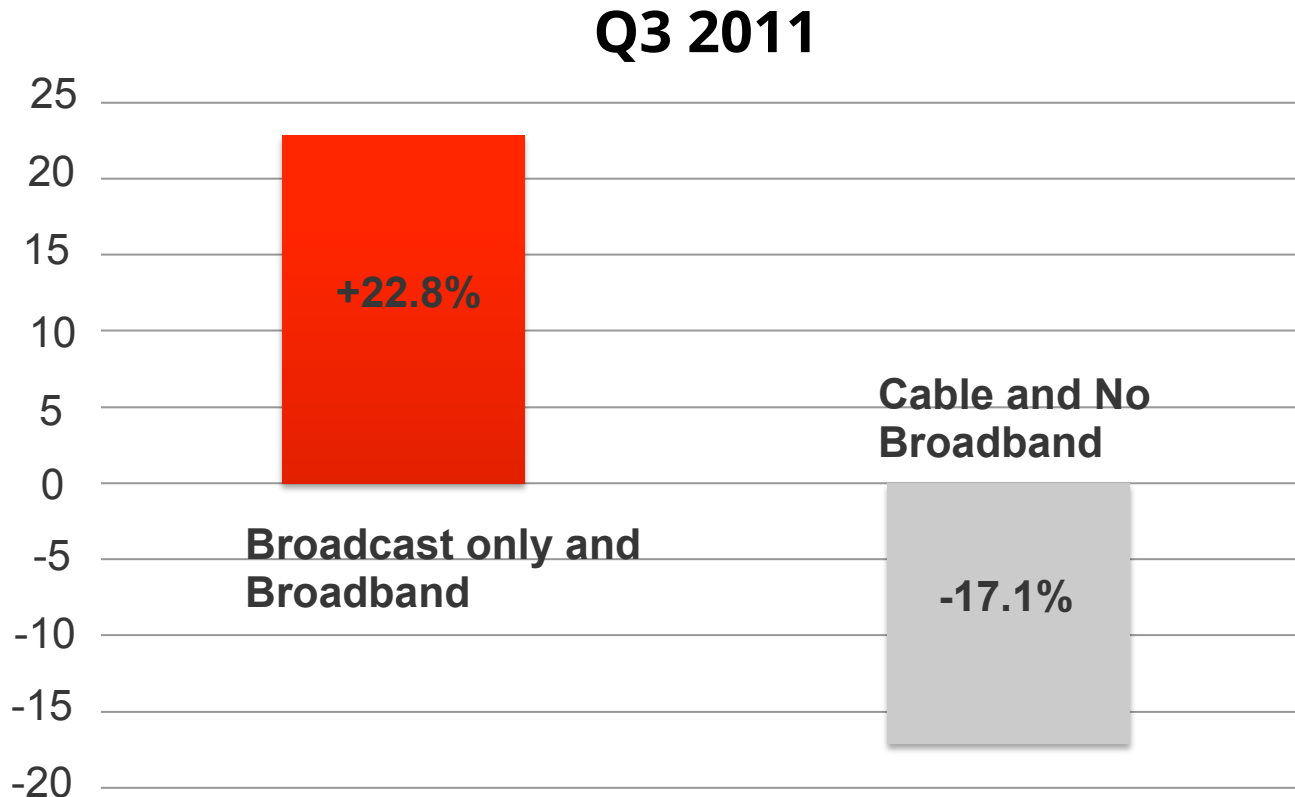
Why should you care about the light TV viewer?

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)

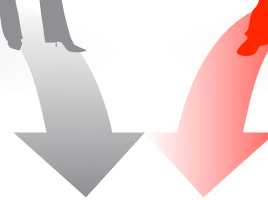
Nielsen TV Panel

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)

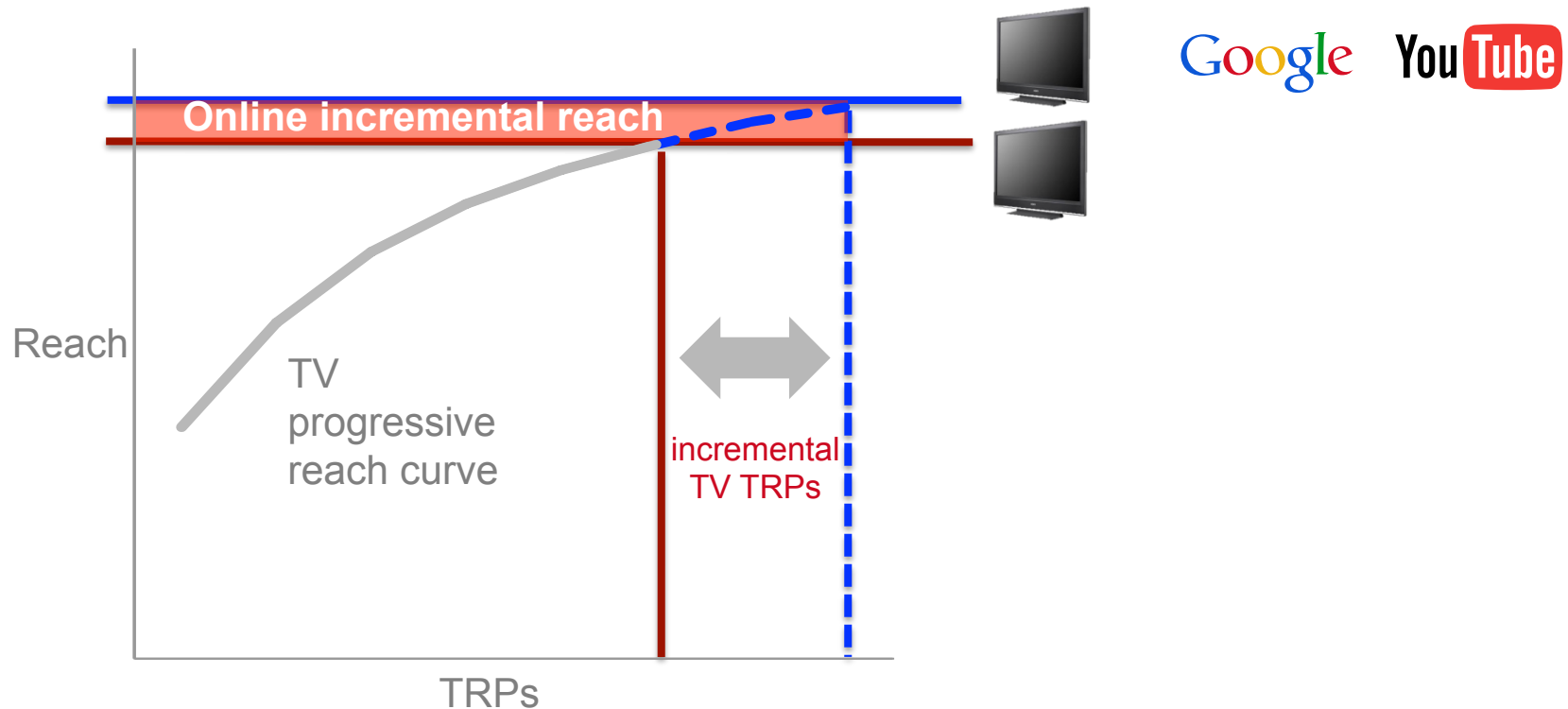
Varied advertiser targets

Varied campaign sizes

TV panel ~21k homes/50k persons

Online panel ~200k persons

Methodology: Incremental Reach Forecast



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

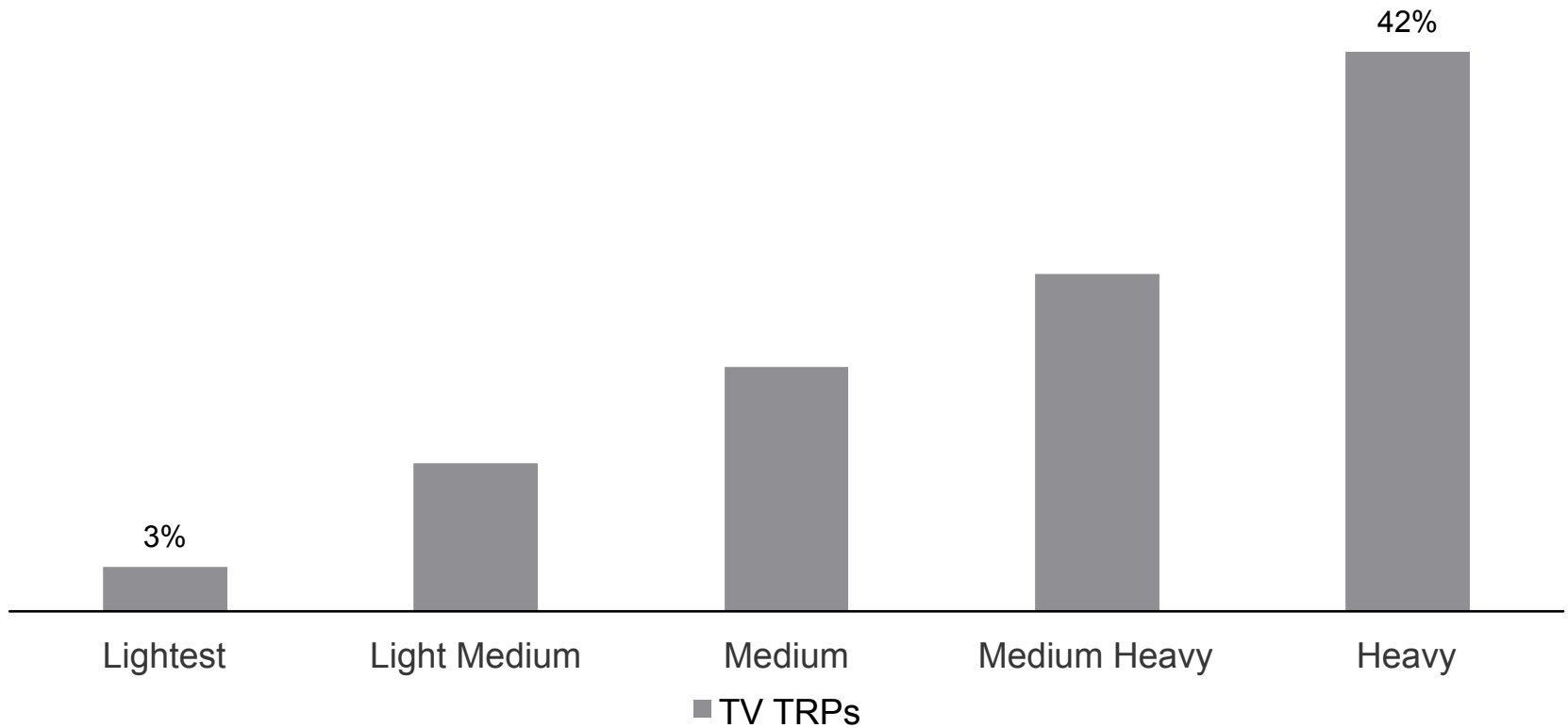
YouTube + GDN added 4% points incremental reach to the lightest TV viewer



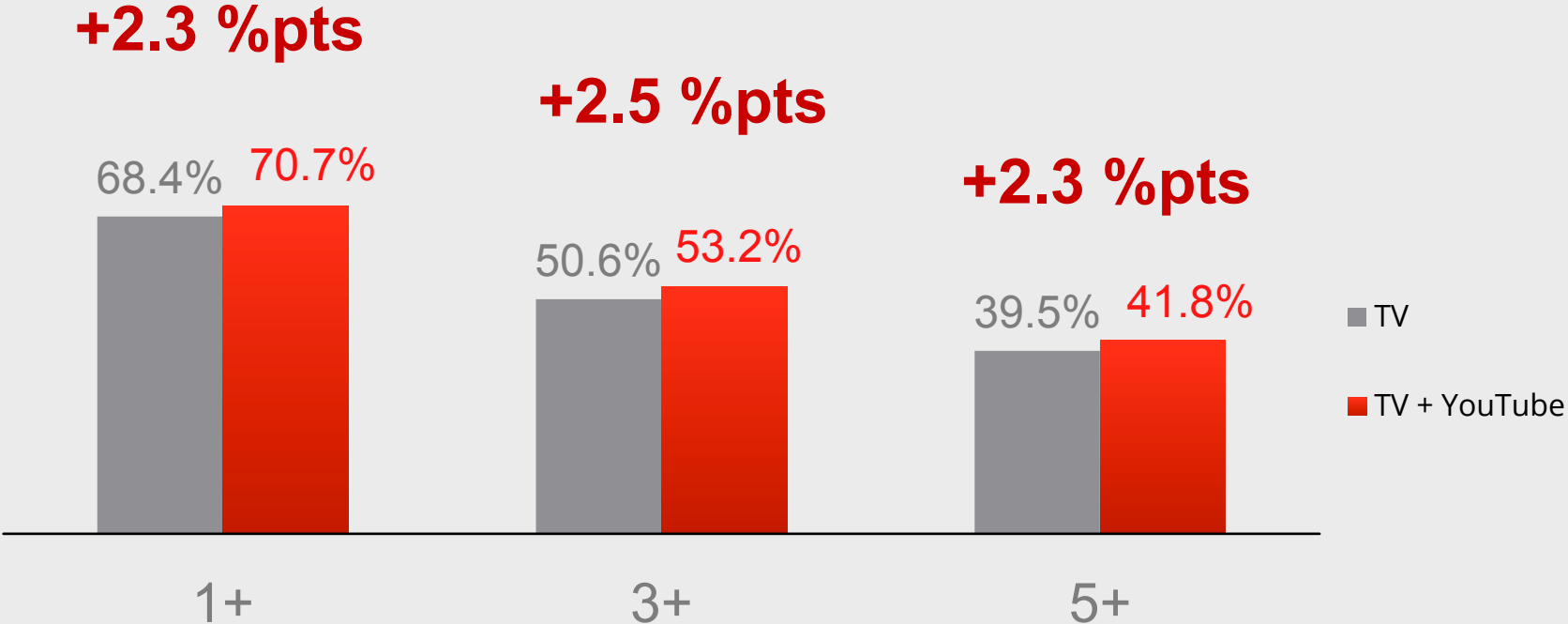
- ▶ TV fails to reach 63% of lightest TV quintile
- ▶ Online increased TRPs delivery to light TV viewers by 27%

TV TRP Delivery Naturally Skews Heavy

Heavy TV Viewers Receive around 14X more TRPs than Light Viewers



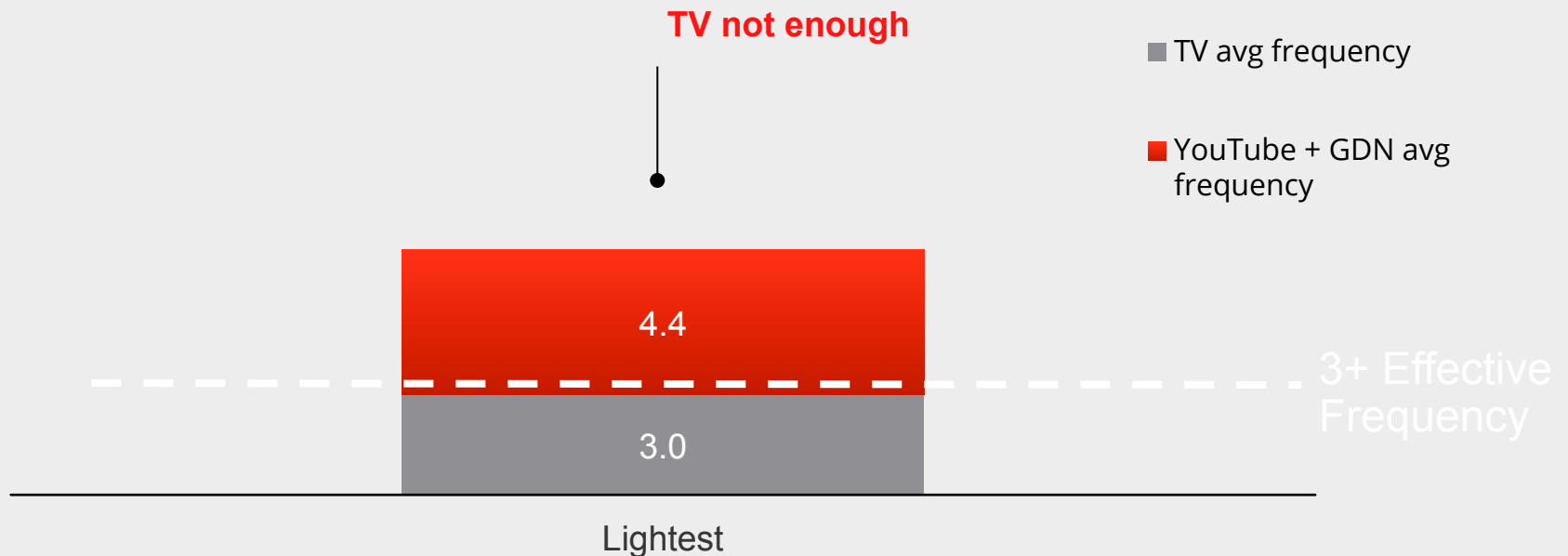
Online added lift in 3+ and 5+ effective reach overall



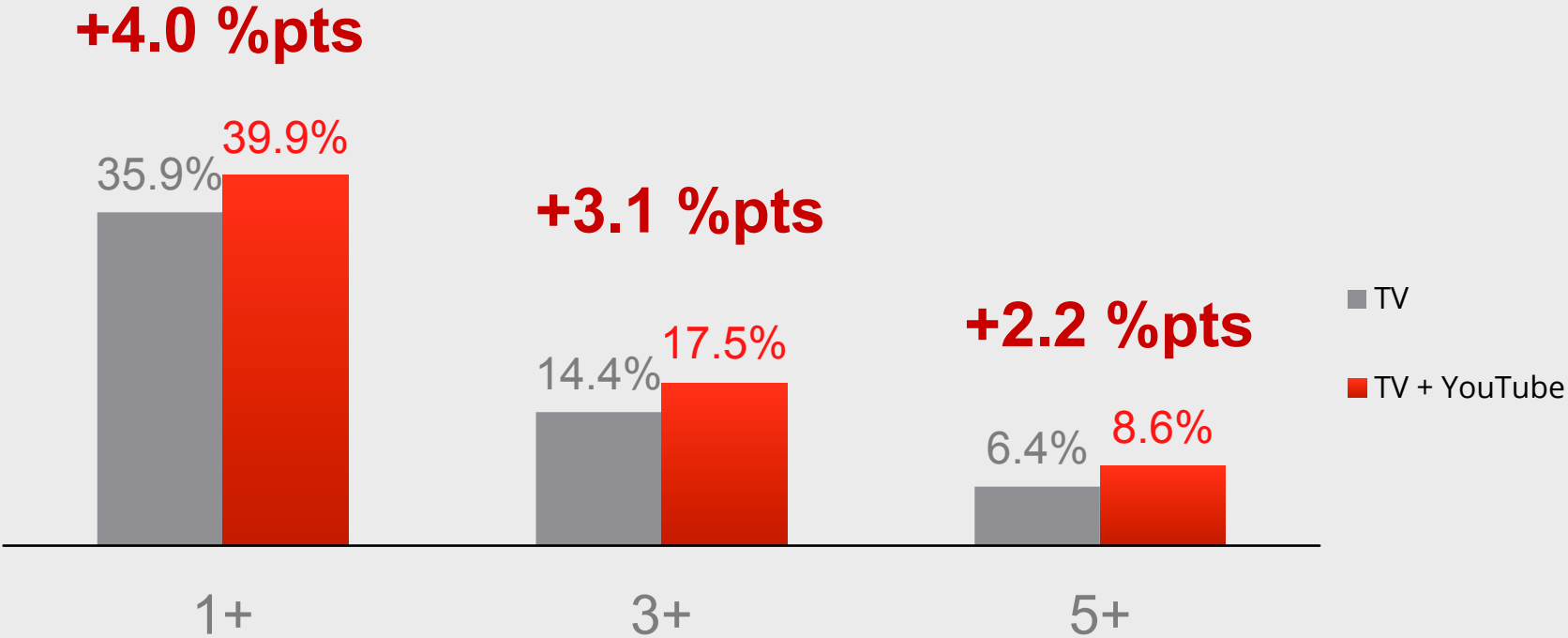
Online delivered more impressions to light viewers to those exposed to both media

Increased frequency of exposure to lightest viewer by 145%

Average Frequency (Overlap Group exposed to both TV and YT)



Online added lift in 3+ and 5+ reach to lightest TV viewers



*Excludes individual forecasts where TV needs infinity TRPs

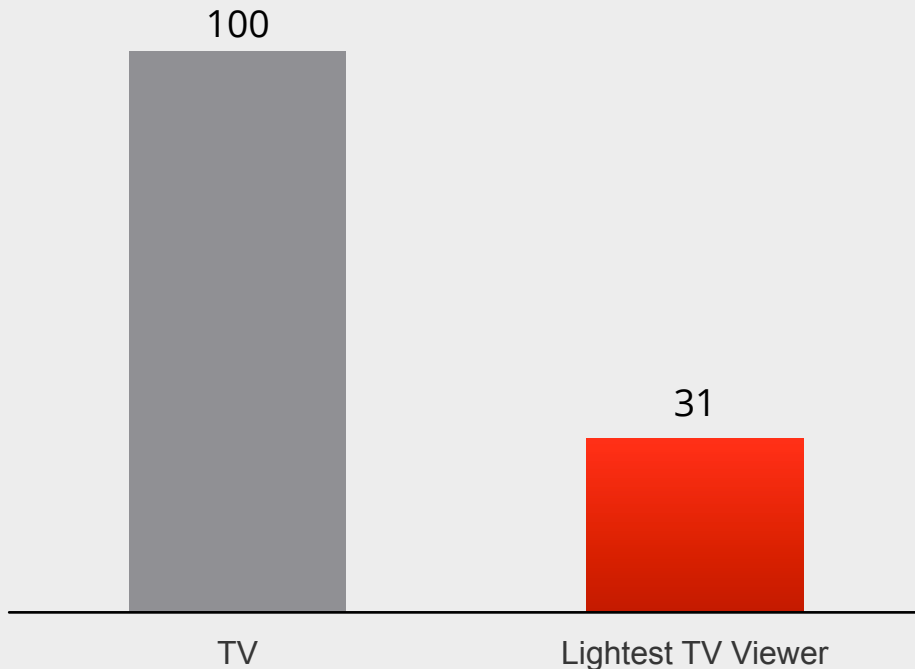
YouTube + GDN delivers incremental reach to the lightest TV viewer at 8% the cost of TV

Cost Per Incremental Reach Point



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**?

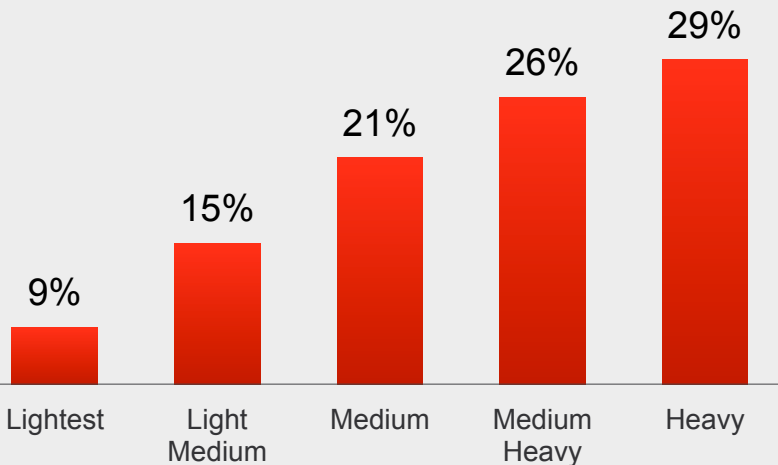
Projection: TRP distribution shift

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

Current Plan

90% TV / 10% YouTube + GDN

■ Cross Media Campaign TRPs

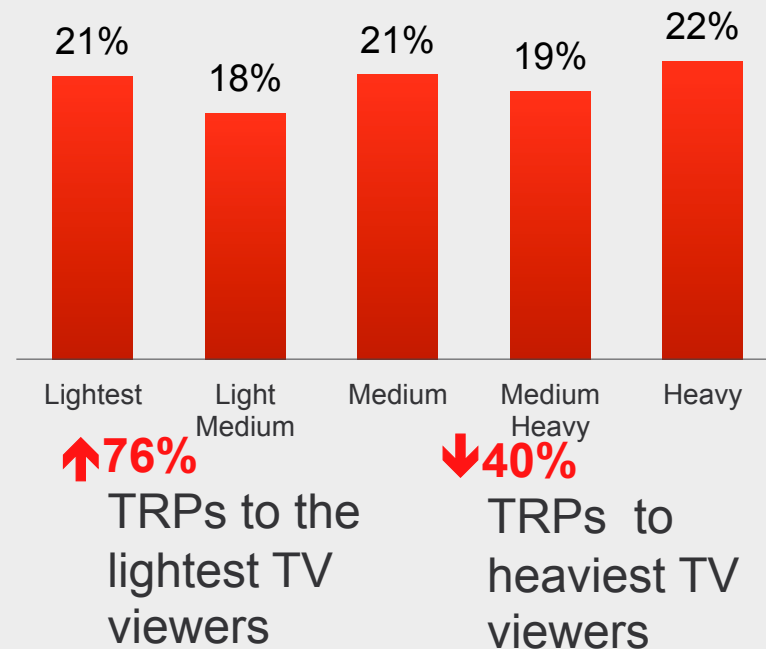


Cross media plan currently skews toward heavy TV viewers

Projection

53% TV / 47% YouTube + GDN

■ Cross Media Campaign TRPs



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

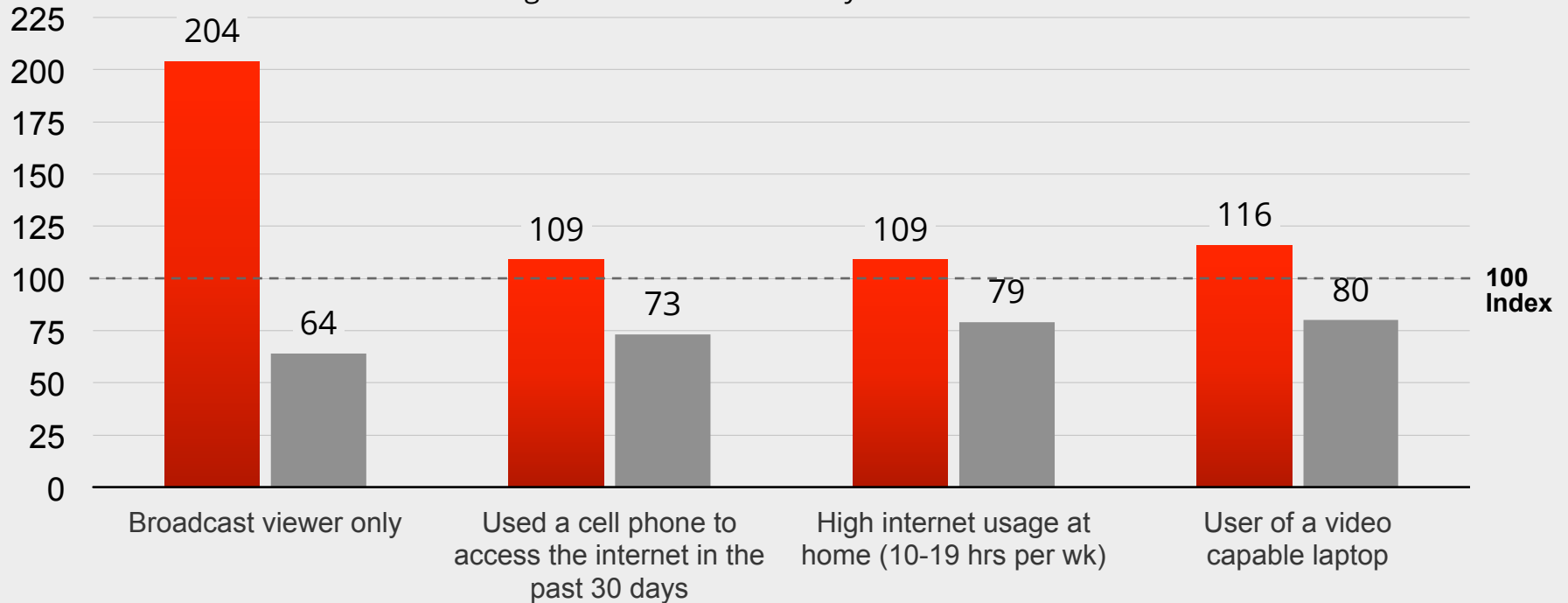
Media Consumption

- 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+)

■ Light TV Viewers ■ Heavy TV Viewers



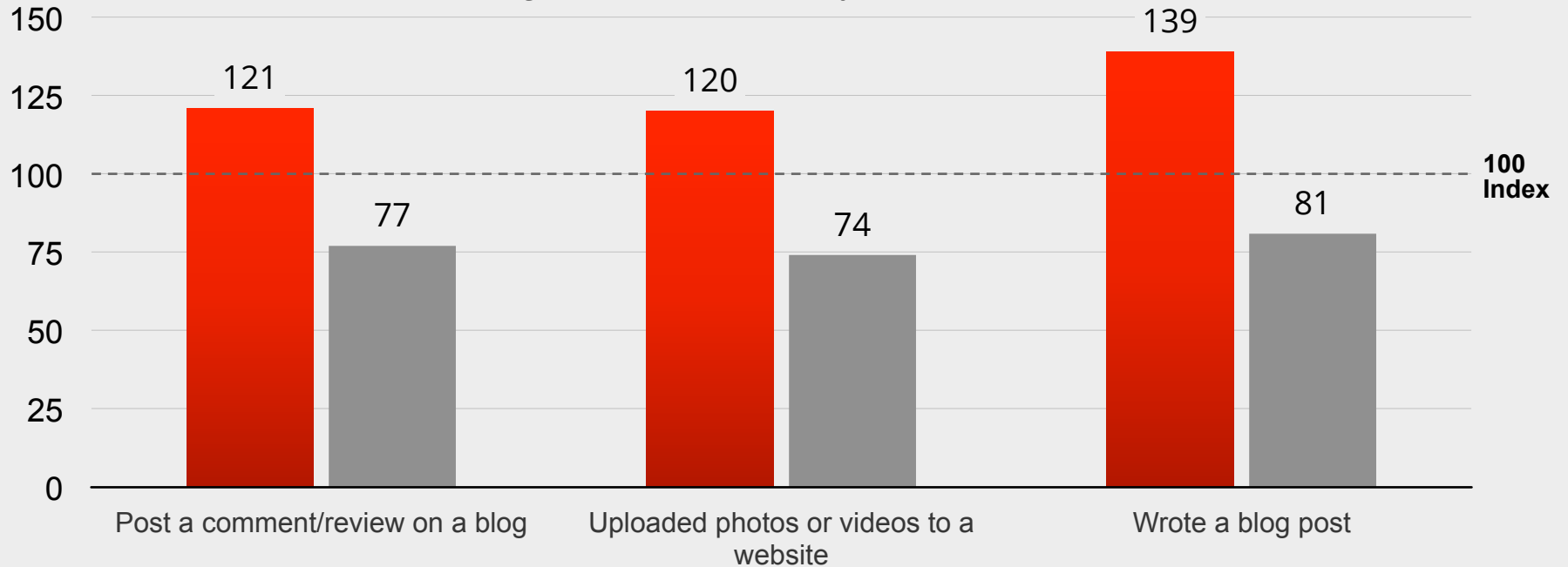
Consumer – Reaching the **Right** Audience

Media Consumption

Source: Nielsen

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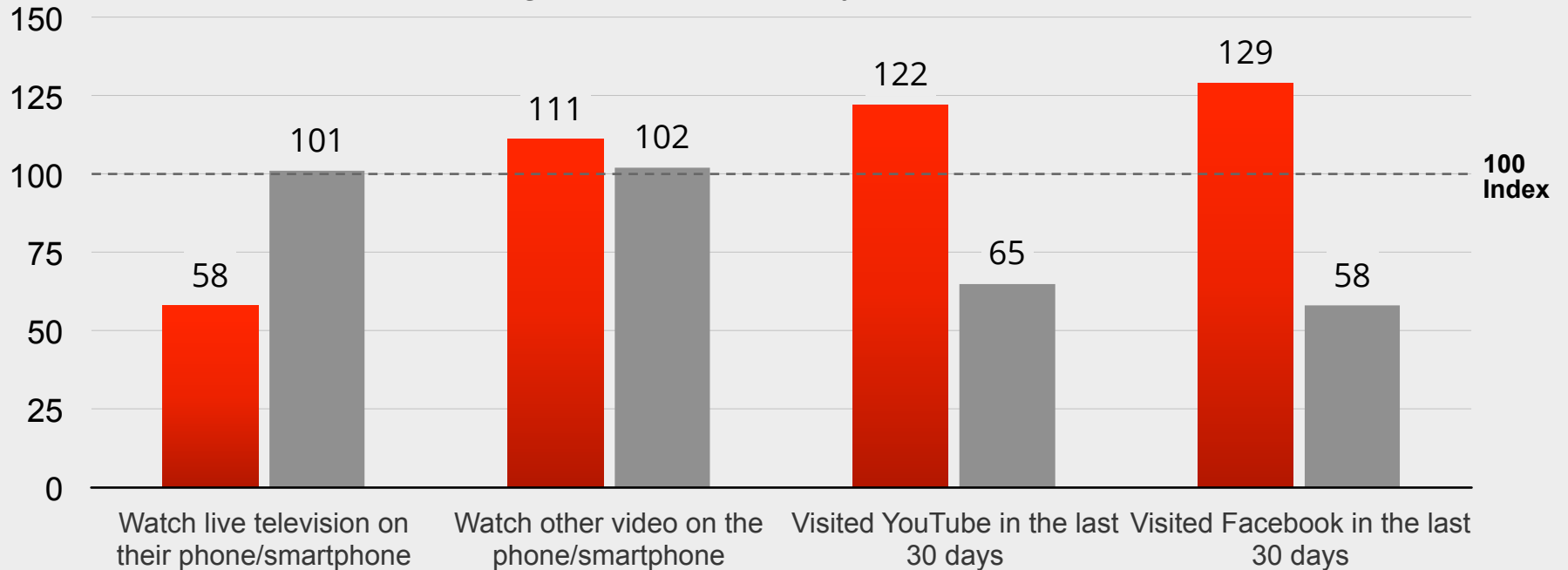
Consumer – Reaching the **Right** Audience

Online Content Creators

Source: Nielsen

Likelihood of each of the following characteristics (MRI persons 18+)

■ Light TV Viewers ■ Heavy TV Viewers



Consumer – Reaching the **Right** Audience

Media Consumption

Source: Mediamark (MRI)