

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

Agenda

1 The Marketplace

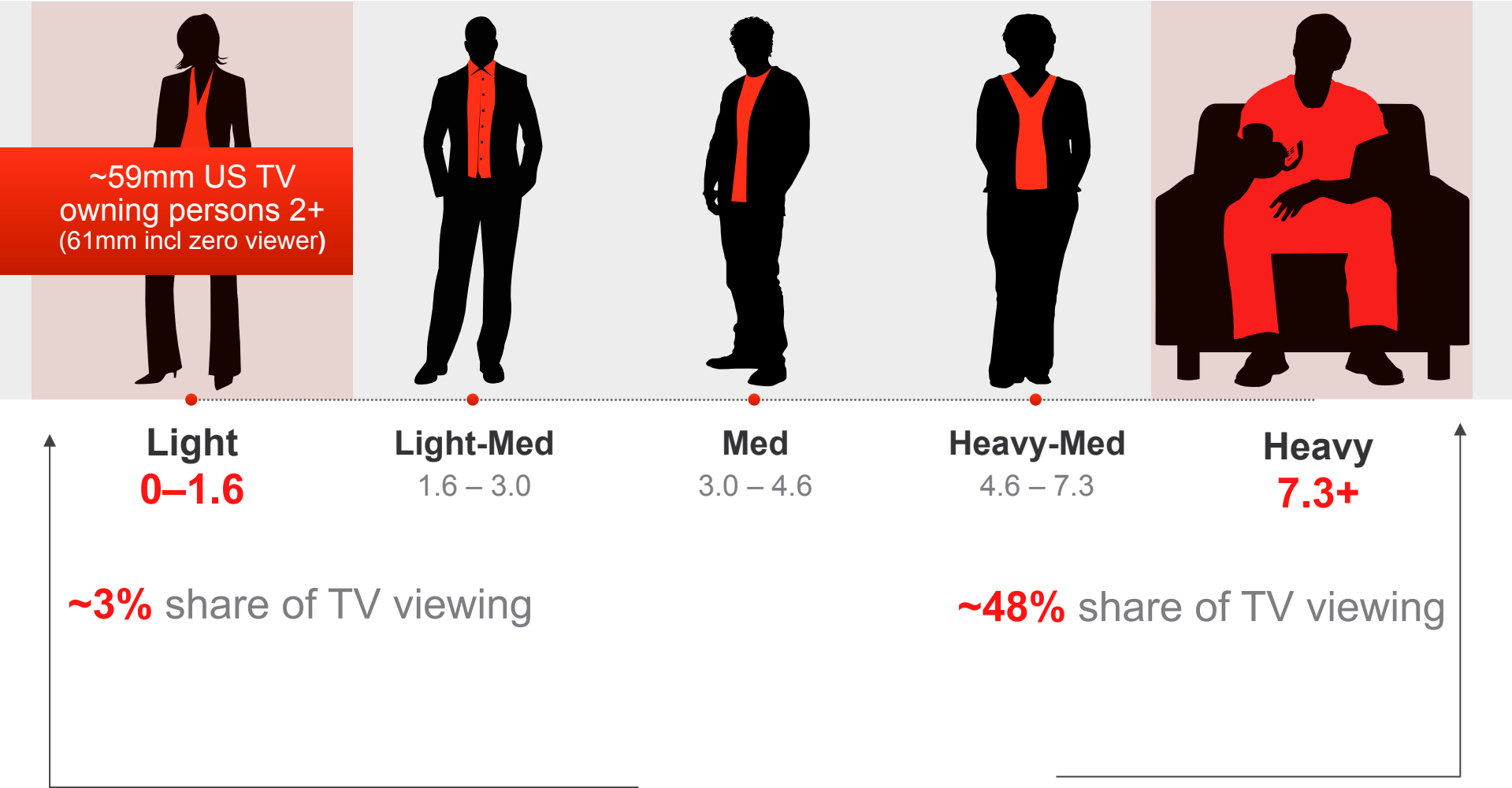
2 The Methodology

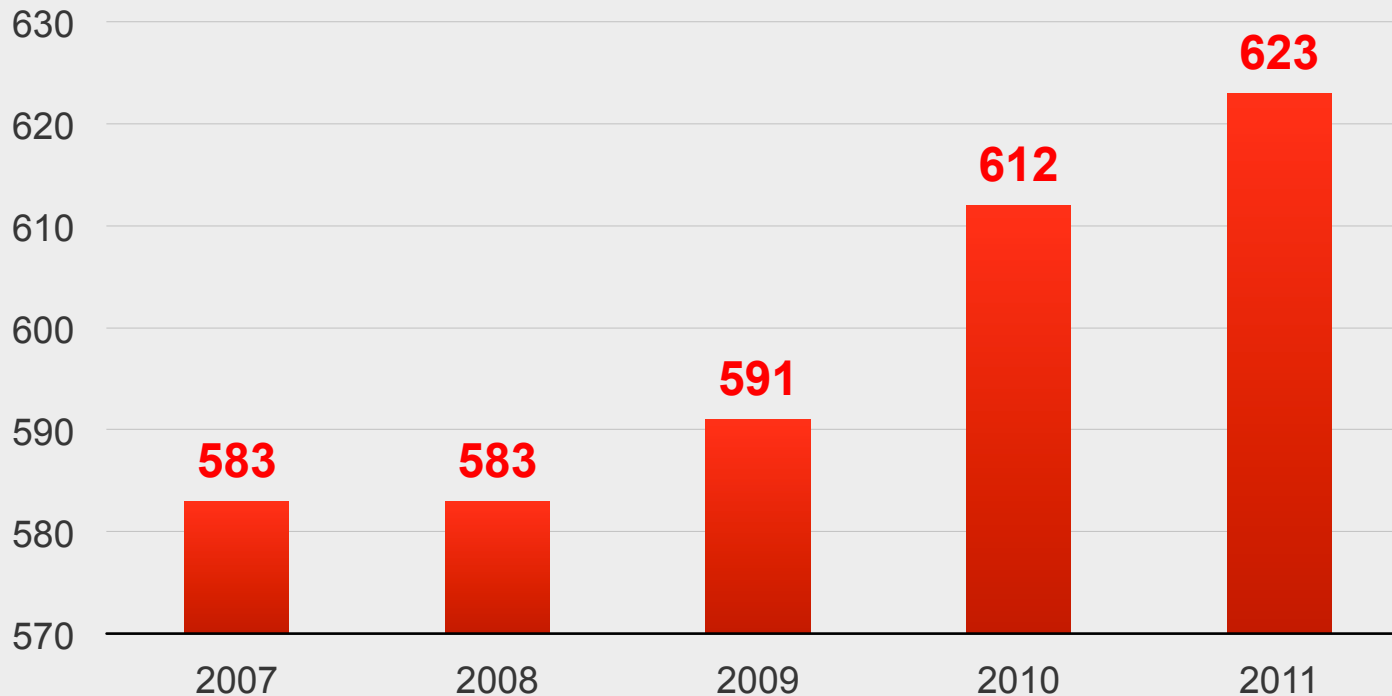
3 The Results

4 The Opportunity

But not everyone is watching 5 hours per day

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

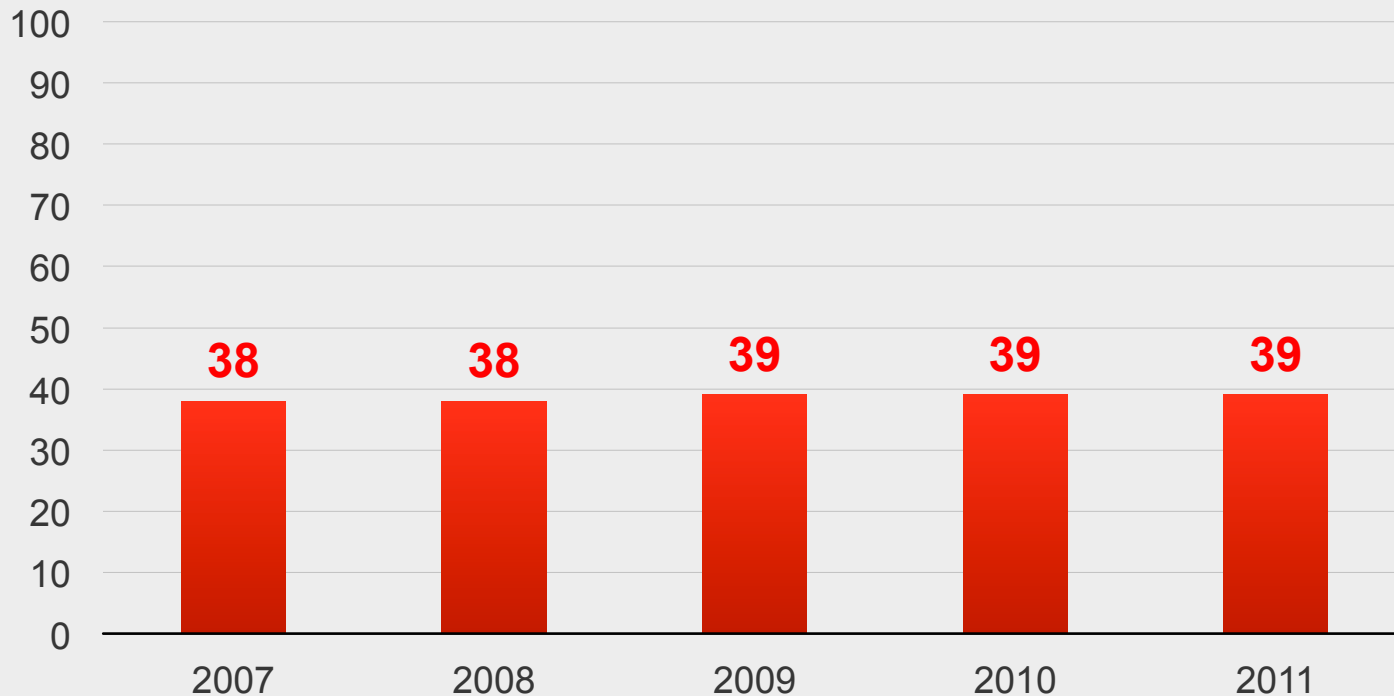




Source: P2+, Nielsen National People Meter Sample, Q1 2010 and Q1 2011

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

Average minutes per day watching TV-Heaviest Quintile



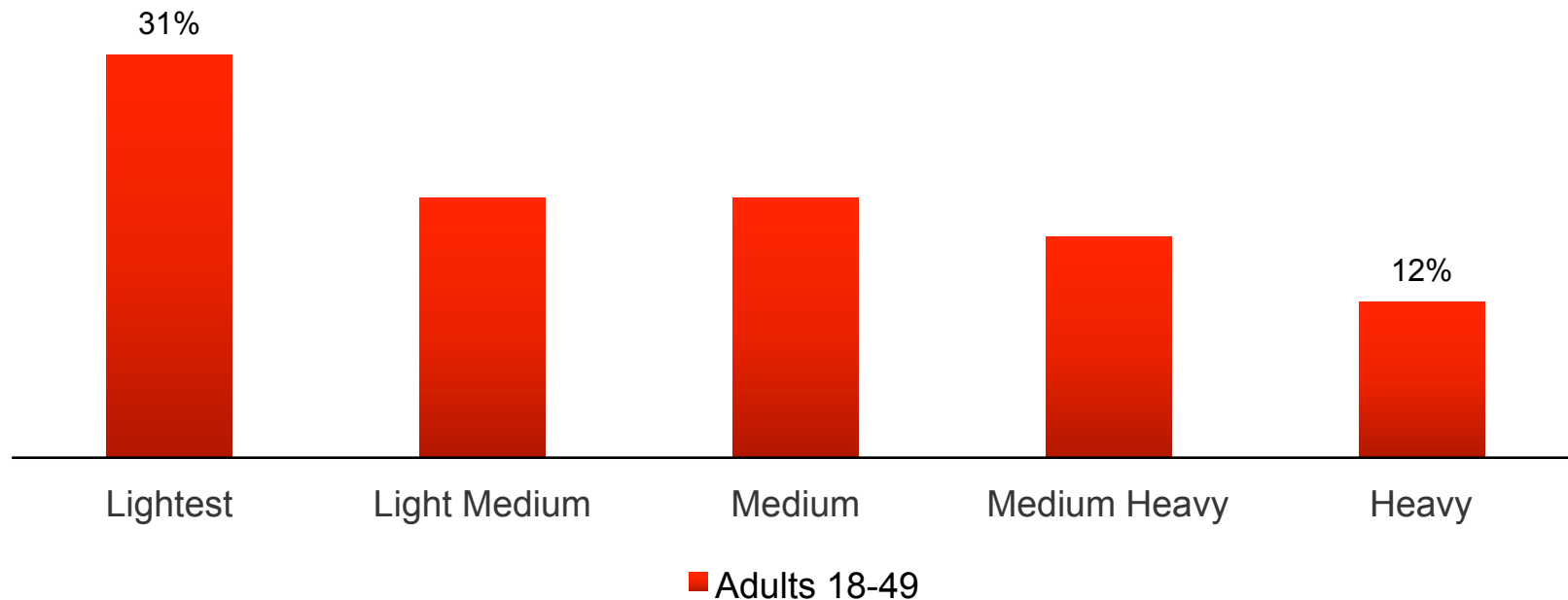
Source: P2+, Nielsen National People Meter Sample, Q1 2010 and Q1 2011

...While the Lightest Viewers Have Not Changed Their TV Habits in 5 Years.

Average minutes per day watching TV-Lightest Quintile

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 Q1 2011

Light TV viewers are...

Twice as likely to own a Volvo

8.5x more likely to own a Volvo S60

than heavy TV viewers



**Young
& diverse**

**College
education**

**Income
over \$100K**

**Broadcast
Only TV**

Older

**High school
education**

**Lower
Income**

**Couch
Potatoes**



Lightest and Heaviest TV Viewers

Indexes show stark contrast in audience composition

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

The Research Methodology

What are we trying to accomplish?

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



Methodology:

Nielsen Data Fusion

Nielsen TV Panel

Group exposed to TV ad



Nielsen Online Panel

Group exposed to YouTube/GDN ad



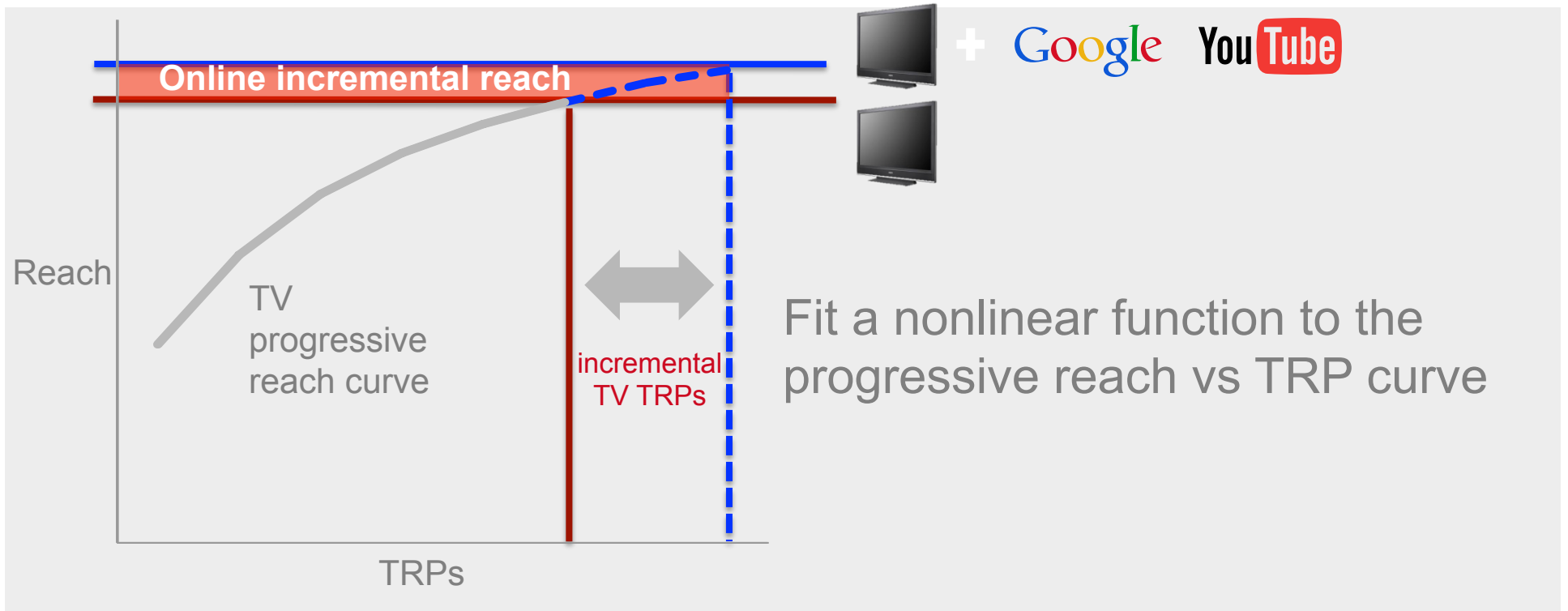
Data Fusion



Total Campaign Reach

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

- Broadcast: English
- Cable: English

Local Spot TV

+

2

Google (YT/GDN) Campaign

YouTube & Google Display Network

- Homepage Masthead
- YouTube Homepage Remarketing – GDN
- GDN Lifestyle
- YouTube Media

7 month TV campaign and 1 month Google YouTube display and video campaign

Adult 30-39 target

Budget – 99% TV + 1% Google YouTube display/video

The Results

YouTube + GDN Add Complementary...

Reach

Frequency

Efficiency

Volvo's YouTube/GDN Campaign

Reached 4.9% of Adults 30-39



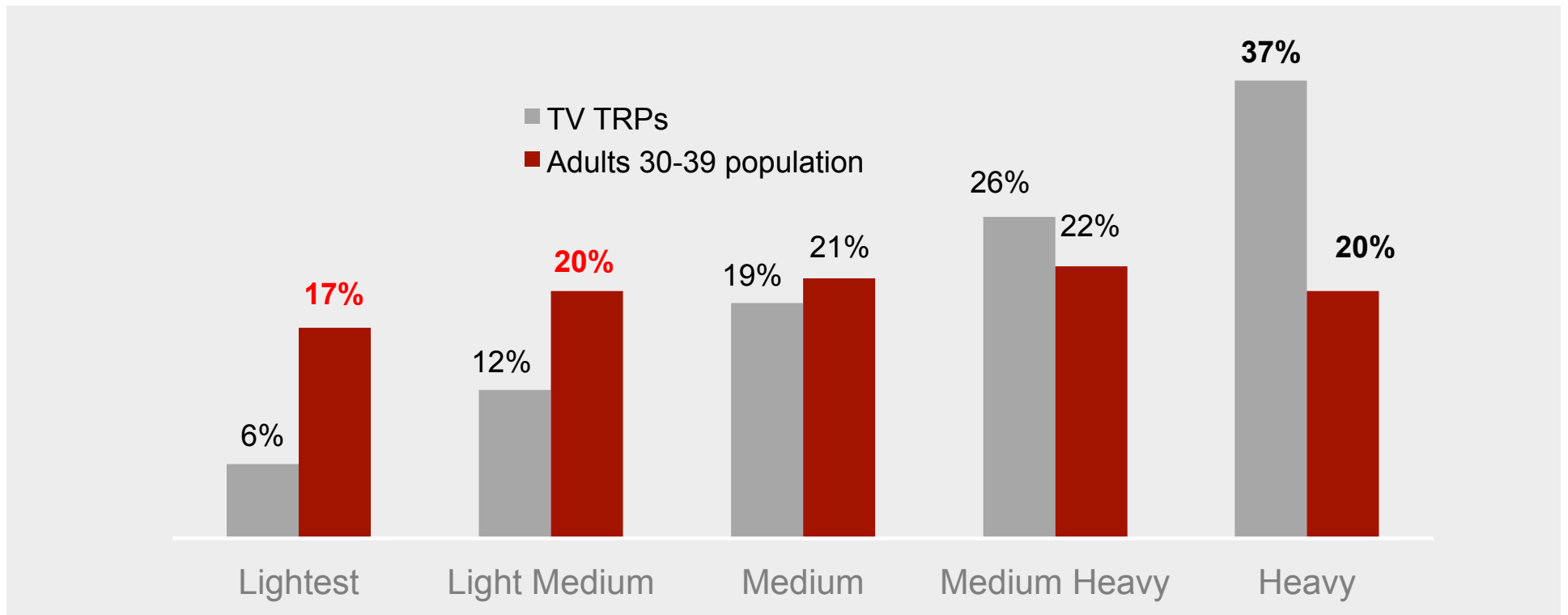
- ▶ With 1.4% of the budget, online delivered 5.7% of the TV reach
- ▶ TV failed to reach 30% of the lightest viewers – 38% of incremental reach comes from this group

4.9% Adults 30-39

Almost 2 Million People

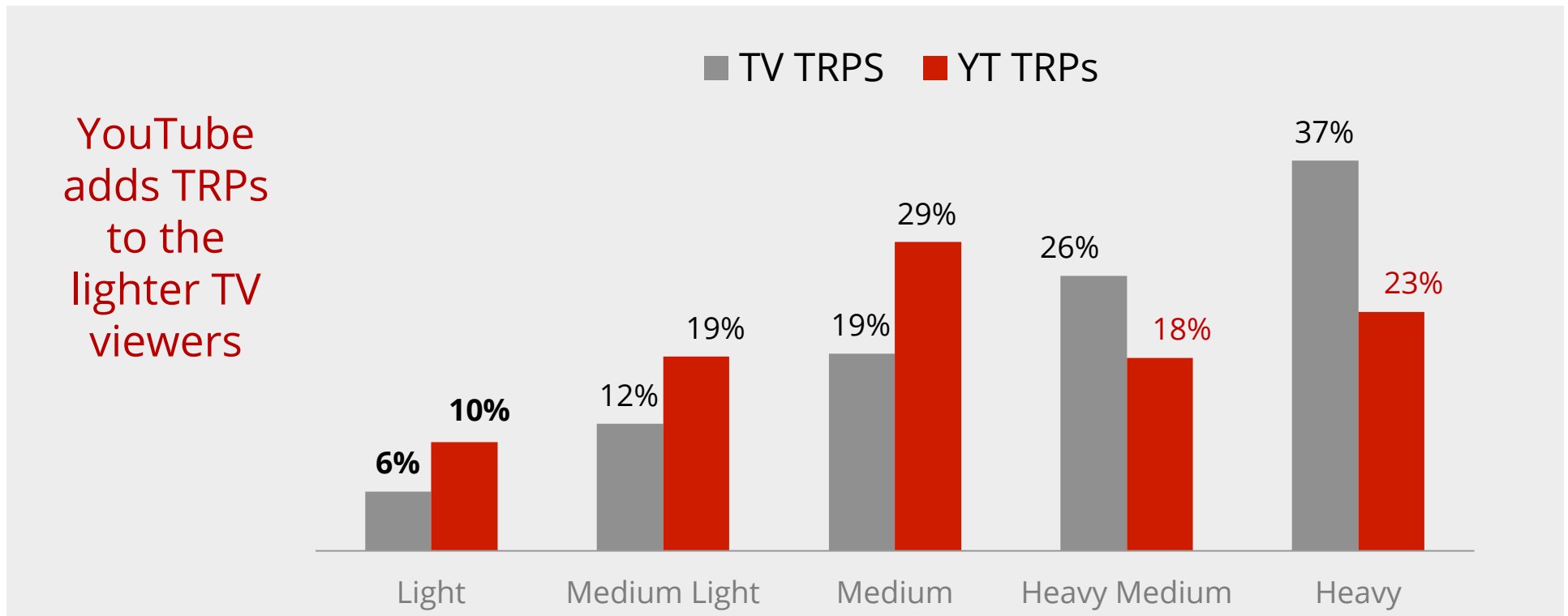
Disparity between distribution of TV TRPs and adult 30-39 audience

17% of target is very hard to reach on TV



TV impression distribution weighted to heavy viewers

YouTube Reaches a More Balanced Audience



YouTube + GDN Adds Complementary...

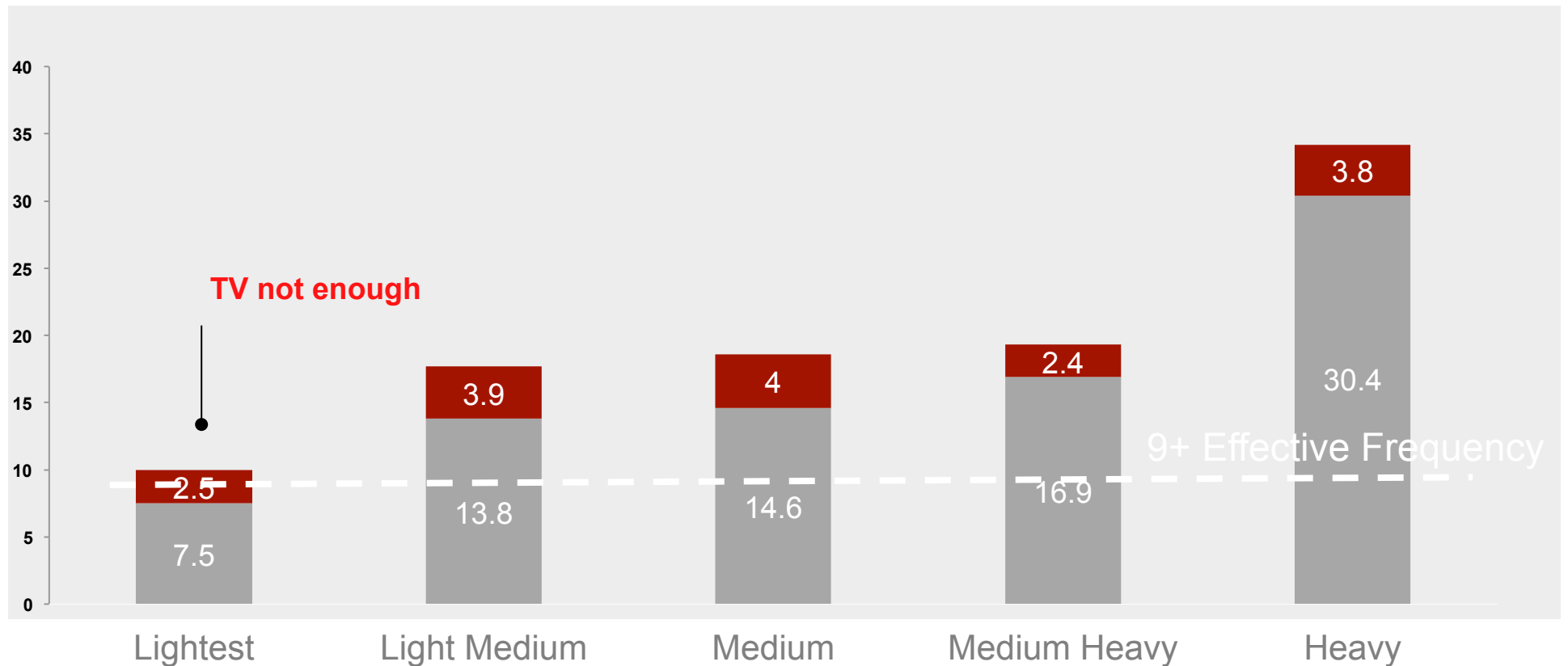
Reach

Frequency

Efficiency

TV skews heavy but online delivers impressions more evenly

Average Frequency
(Group exposed to both TV and YT)



YouTube + GDN Adds Complementary...

Reach

Frequency

Efficiency

YouTube + GDN delivered incremental reach at **65% less** than the cost of TV



\$1,075 K



\$373.7 K

Cost Per Incremental Reach

YouTube + GDN delivered incremental reach to the **lightest TV viewing** Adult 30-39 at **74% less** than the cost of TV



\$1,435 K



\$373.7 K

Cost Per Incremental Reach

YouTube + GDN delivered TRPs to the **lightest TV viewing** Adult 30-39 at **33% less** than the Cost per Point of TV



\$57 K



\$38 K

Cost Per Point

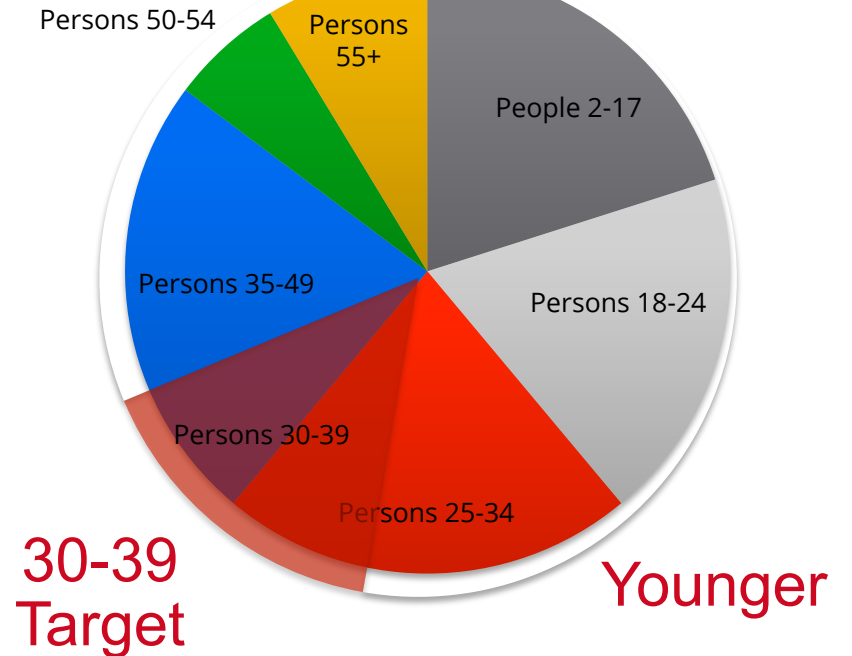
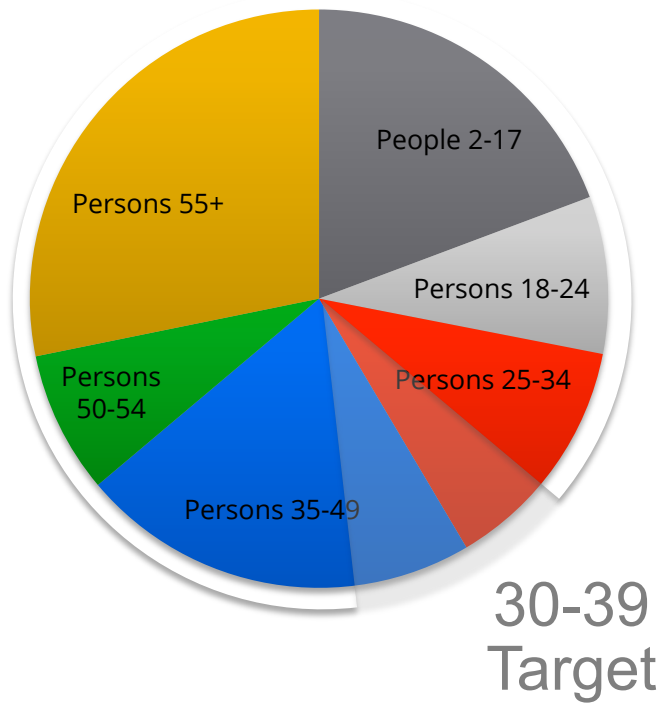
Improve Efficiency

Less reach spillover to **older audiences** on YouTube + GDN

TV

Online

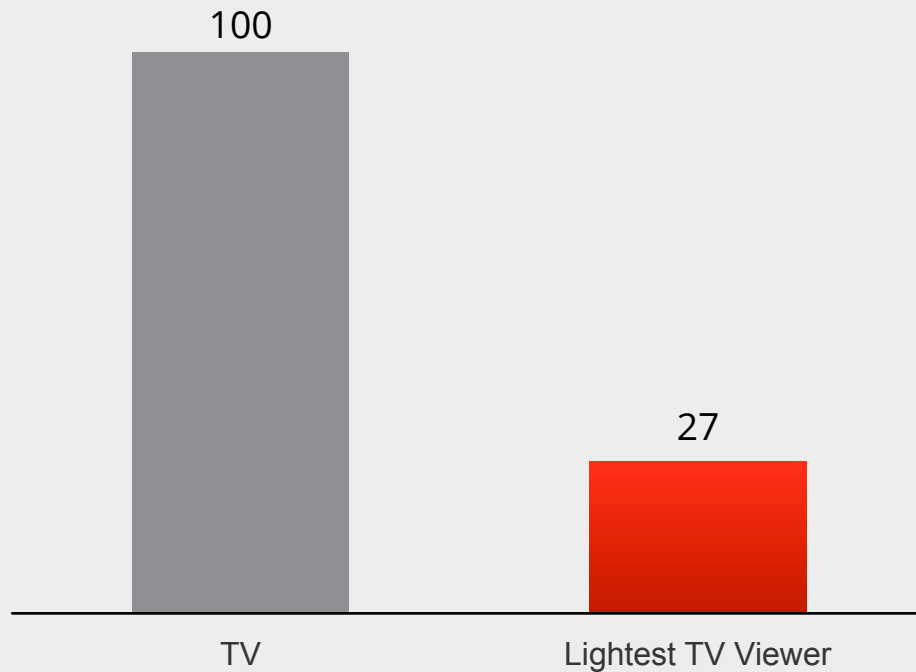
Older



The Opportunity

Reach A Complementary Audience

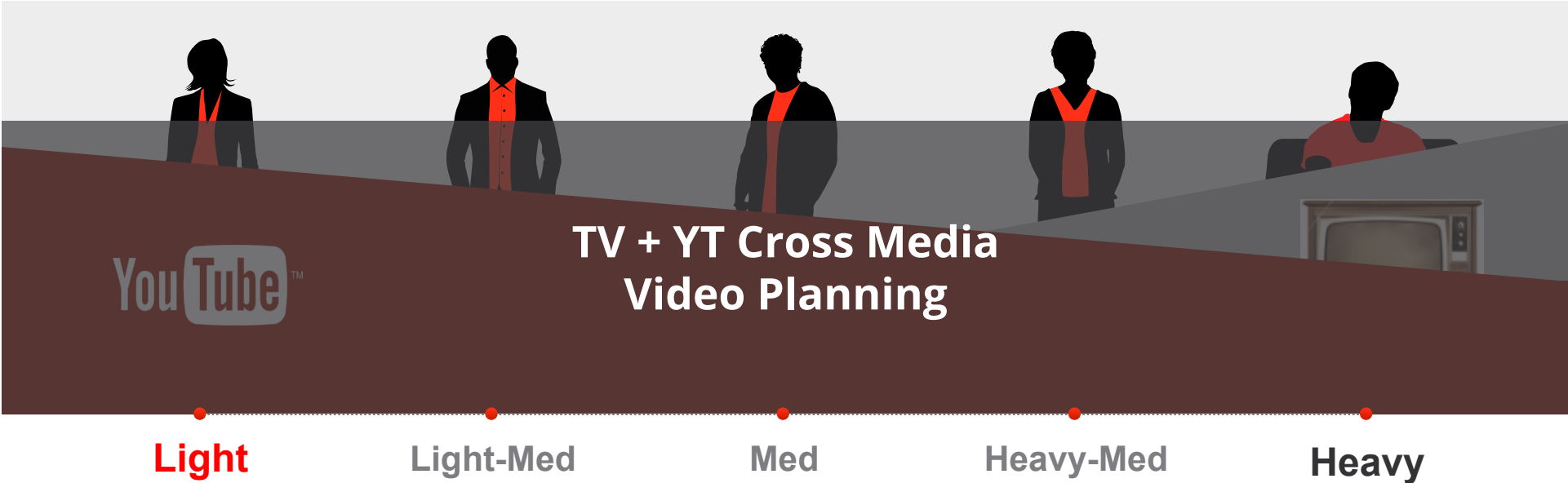
Cost to reach to lightest TV viewers 30-39 is more efficient on YouTube/
GDN



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

So how do you **reach them**?

Better distribute TRPs across the quintiles



Shift budget out of heavy skewing TV networks



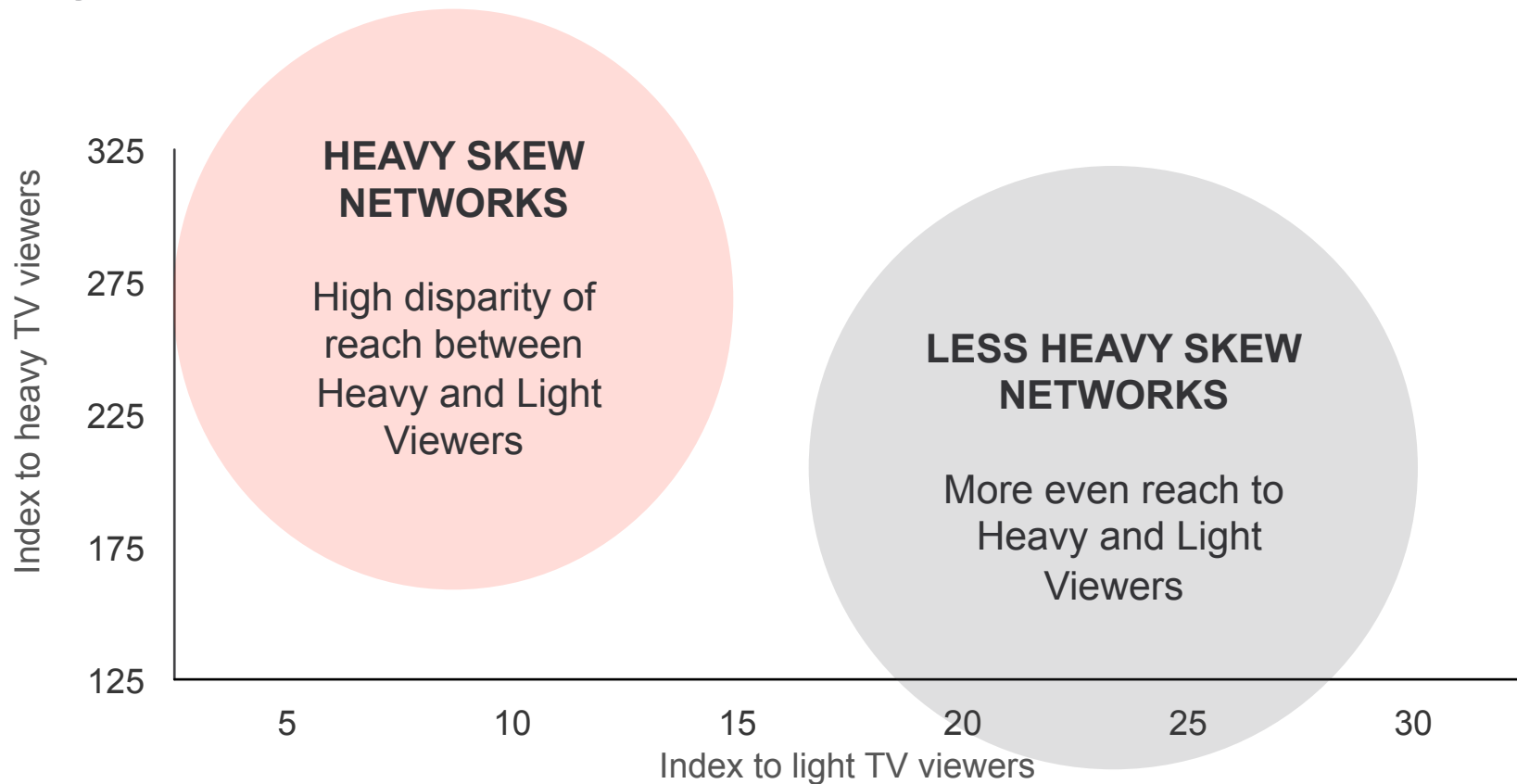
Less waste
More balanced media delivery



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

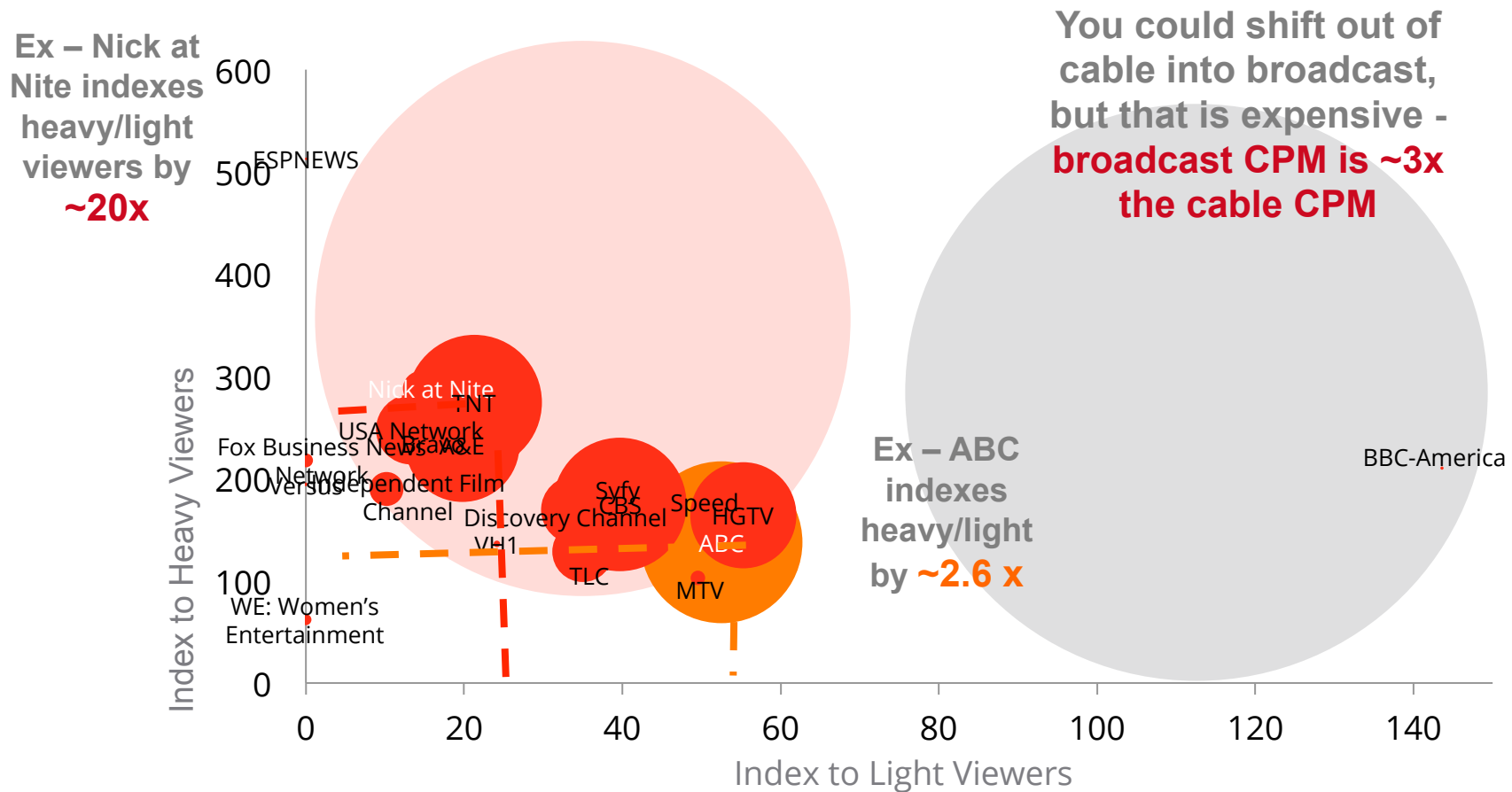
Viewership Across TV Networks Is Diverse

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



Improve Efficiency

Nick at Nite (heavy skew) vs ABC (less heavy skew)



Note: Bubble size represents % of total impressions

Source: Nielsen Monitor Plus and Nielsen National People Meter

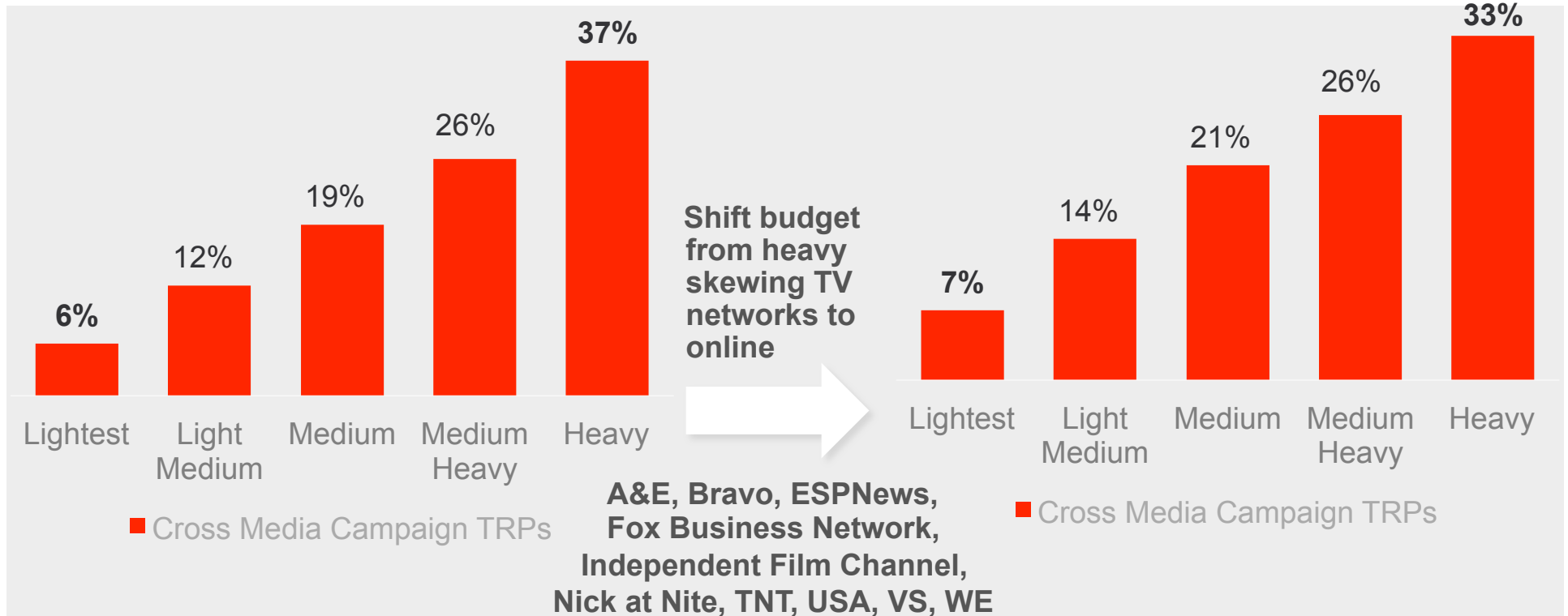
Note: On the graph, the top 10 networks most skewed to heavy TV viewers and the top 10 networks least skewed to heavy networks are displayed.

Scenario: TRP distribution shift

Remember that TV impression distribution weighted to heavy viewers... while YouTube reaches a more balanced audience?

99% TV / 1% YouTube + GDN

85% TV / 15% YouTube + GDN



↓16% in TRPs to heaviest TV viewers

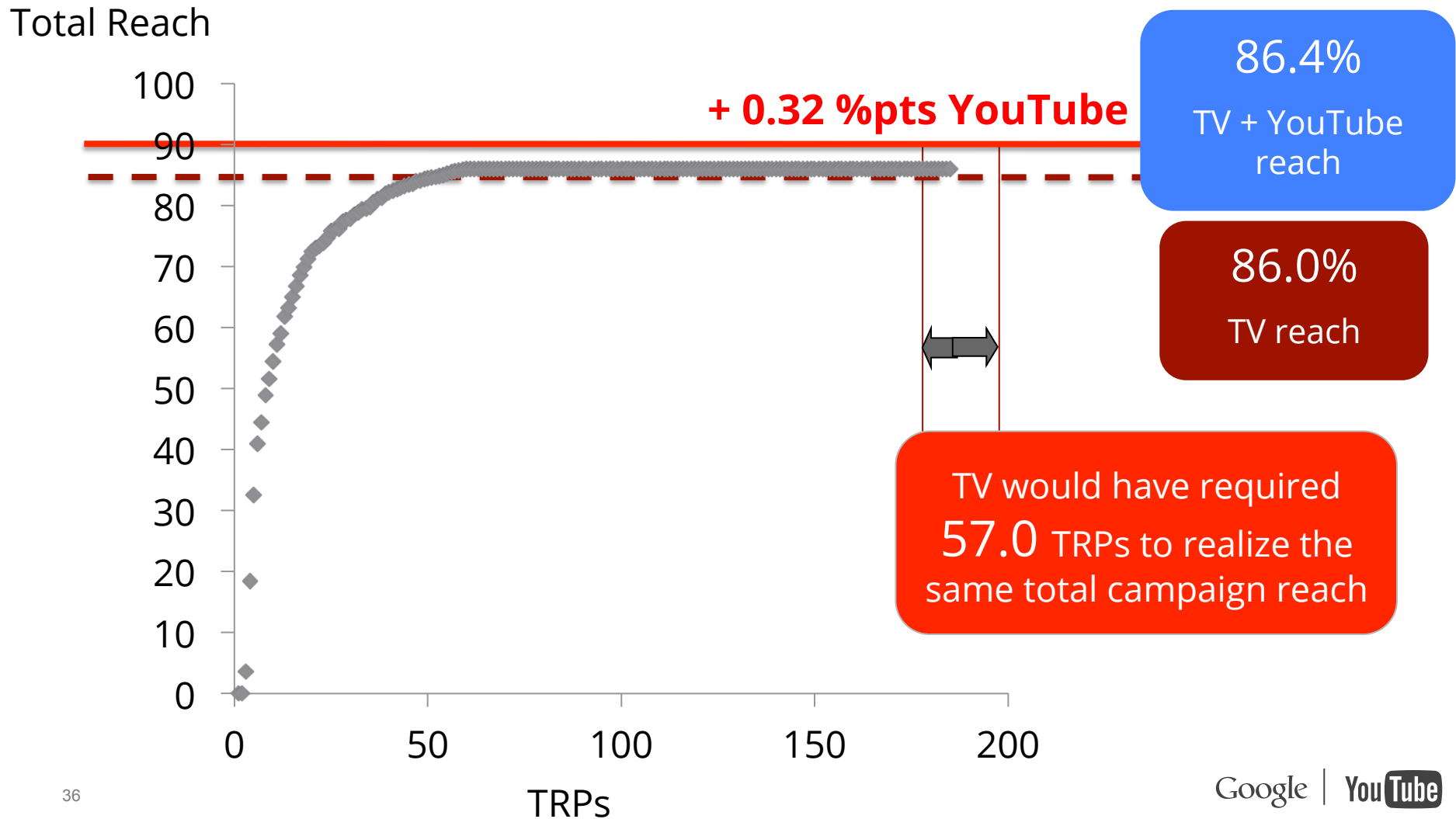
↑10% in TRPs to the lightest TV viewer

Thank you

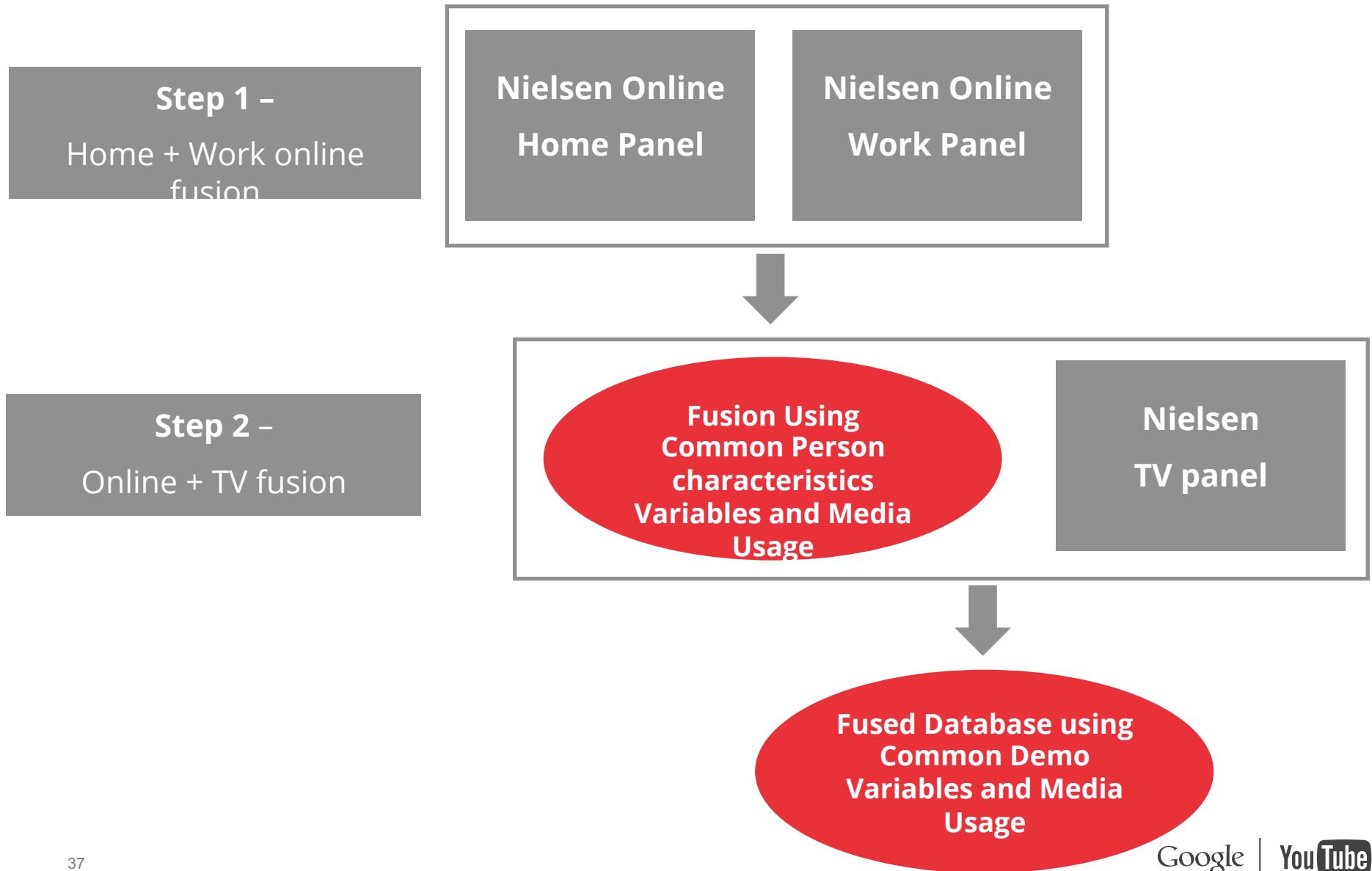
Appendix

YouTube builds efficient incremental reach to TV

YouTube helps build reach at higher efficiency
(higher reach per TRP due to increasing saturation of the TV reach curve)



METHODOLOGY: Nielsen Data Fusion in a nutshell



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.