

Why TV



Television Tops Three Screens

Americans tuned into their televisions for record-setting hours during the second quarter of 2009 when average in-home consumption reached 141 hours per month, a 2.4% increase over the previous quarter. Timeshifted and online video viewing were up, as well, at 57.9% and 62.7% respectively, according to Nielsen reports.



Nielsen found that people still prefer to watch shows on their television sets and say they are willing to give up their cable or satellite service if they could access programs online through their TV.

In another study by the Council for Research Excellence, results of the Video Consumer Mapping Study (VCM) demonstrated television's ability to continue to capture viewer attention, with the average American exposed to 72 minutes of TV ads and promos per day. Other key findings included:

- Daily viewing time totaled just over 9.5 hours for adults 45-54, and 8.5 hours for all other age groups
- Watching television in-home still commands the vast majority of screen time at just less than six hours per day for the average adult, compared to computer video viewing, which averages only two minutes per day for adults 18+, 5.5 minutes per day for adults 18-34
- The exposure to more than an hour of TV ads and promos per day dispels the myth that consumers tend to channel hop or other activities to avoid commercials
- Television remains the No. 1 video medium, with computer usage replacing radio as the No. 2 media activity

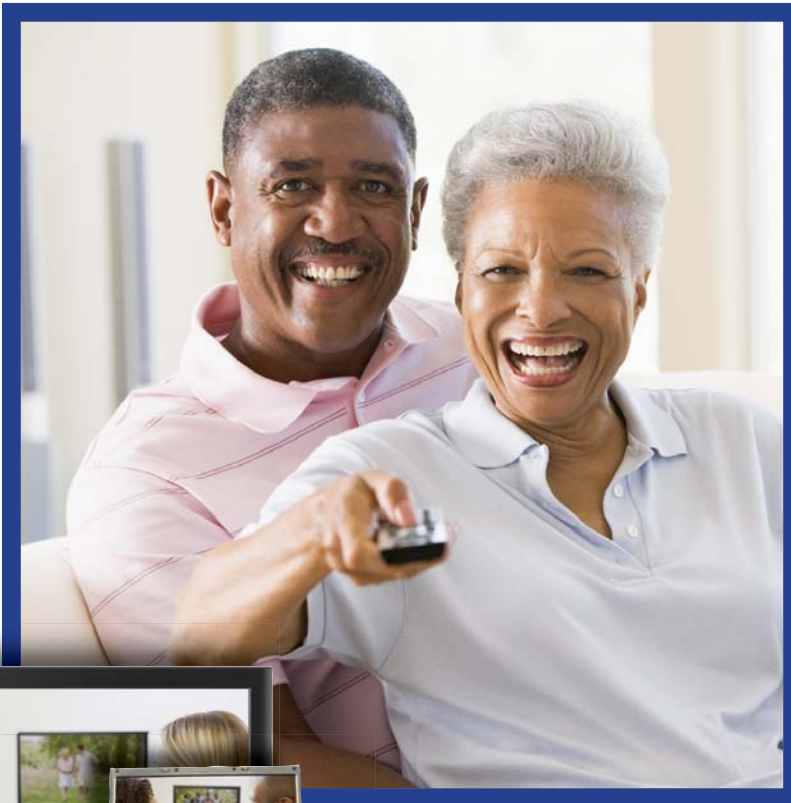
Three Screens Drive Video Consumption

In today's golden age of media, consumers are fully embracing the expanded options of content access on TV, the Web and on their mobile phone, with time spent on watching video on the rise across all platforms.

How are people finding the extra time to consume more and more media? Nielsen points to several factors that contribute to what seems to be an insatiable appetite for information and entertainment:

Television

- HD programming has significantly improved the quality of TV content and the lower cost of HD equipment means more households have access to the enhanced viewing experience.
- The introduction of DVRs gives viewers greater control over when they watch what they want to watch.
- More channels and more on-demand video is also contributing to the growth of TV viewing



- With some households owning several TV sets, viewing opportunities are available in almost every room

Internet

- Most Internet users now have access to broadband connection that allows for richer content and a more enjoyable experience
- Streaming media, the increase of offline content finding its way online and the growing number of consumer-generated social media sites are engaging people to spend more time online
- Not all Internet surfing happens in the home – more than 40% of viewing takes place at work



Why TV ?



Mobile

- Fast 3G networks, along with iPhones, Blackberries, smartphones, app stores and the recently launched Droid are leading the growth of media consumption on mobile devices
- The introduction of 4G will further accelerate the speed of mobile downloads
- For those who can't get enough TV at home, TV programming is now available on cell phones for a nominal fee
- Anytime, anywhere media through high-speed mobile devices allow users to share content or have it delivered to them, regardless of their location

Television Reigns: State of the Media

Released in December 2009, Deloitte's fourth State of the Media Democracy survey revealed a significant surge in television viewing, with more than 70% of respondents reporting watching TV as one of their top three favorite media activities, a 26% increase compared to the previous year.

In the 2008 report, almost half of respondents named magazines and online media as their second and third favorite media activities at 49% and 48%, respectively. In the most recent study, when respondents were asked to rank TV alongside surfing the Web, listening to music or reading, 34% placed it at the top of the list with online media named as the number two choice - by only 14%.

The 2009 survey also found that consumers watched close to 18 hours of television programming on their home TV in a typical seven day week - up from less than 16 hours last year. Millennials, those between the ages 14-26, reported the largest increase, from 10.5 hours to almost 15 hours.

When tuning into their favorite TV programming, 86% of respondents said they prefer watching shows on their television set, whether live, via DVR/TiVo, or using an on-demand feature. Less than 10% of Americans said they prefer to watch the same content online. Additionally, 72% of Americans said they reduced purchases of other entertainment products like movies, concerts, sporting events, DVDs, CDs and videogames.



Among the most significant trends that have gained strength over the last three years – an impressive 65% of respondents who would like to be able to easily connect their home TV to the Internet to view videos or downloaded content.

The Medium with the Most Influence

Television also remains the most influential advertising medium, with 83% of consumers in the Deloitte survey identifying TV ads as one of the top three media with the most impact on their buying decisions, while less than half identifying online advertising (banner and video ads, search engine result ads and pop-ups) as contributing to making a purchase.

The ability of ads on websites to move traffic to other sites also dropped from 72% to 59% over the past three surveys. Respondents said they are less inclined to click on more Internet ads, even if the messages are targeted to their needs.

How Media Works: Advertising and the Purchase Funnel, released in April 2009 by Yankelovich, found similar results when researchers set out to discover TV's role within the multiplatform advertising environment.

The study looked at the customer's "Purchase Funnel," or the process used when people are first exposed to a message about a product and progress to interest, consideration, desire, to store and website purchases.

Media impacted 80% of the awareness phase in the process and declined to 53% by the time a consumer decided to buy. Additionally, television made greater contributions than all other media combined, challenging the notion that traditional media only influences awareness while interactive media drives an actual purchase.

The study measured responses to ads across 15 categories, including vehicle dealers, financial services, restaurants, insurance, telecommunications, home improvement and health care and found that television made the biggest contribution to increased awareness of a product, but the size of its contribution varied by category.

In the entertainment category, TV contributed 48% to consumer awareness, 51% to more interest and impact, 39% to make a purchase. For automotive, TV generated awareness for 44% of those surveyed and interest among 40%. However, less than a quarter (22%) said TV contributed to their purchase decision.



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Media Impact on the Purchase Funnel

Media	Awareness	Interest	Consider Purchase	Want to Purchase	Visit Store or Website	Make Purchase
TV	43%	40%	35%	33%	32%	26%
All Other Media Combined	37%	35%	32%	27%	27%	27%
None	20%	25%	33%	41%	41%	47%

SOURCE: Yankelovich

Launching a 360 Perspective

The Advertising Research Foundation (ARF) recently launched a new initiative, 360 Media and Marketing, which recommends a dramatic shift in the way businesses plan their advertising campaigns.

Under the new model, the ARF suggests businesses begin with a point-of-purchase perspective to aid advertisers in creating messages based on what they want customers to do when they visit a store.

The approach provides advertisers with an “intelligent” way to deal with the increasing number of media choices consumers have today. By looking at targeted customers, like expectant mothers or NASCAR dads, advertisers can improve engagement by using the right media combination aimed at the right audience.

When planning television commercials using the 360 Marketing Model, advertisers need to:

- Know the intended target audience and place spots on relevant programming
- Craft messages that grab attention and create an emotional connection with customers
- Take advantage of the opportunity to “show” viewers products and services and use well-crafted scripts to serve as a tour guide
- Tell the audience about the features but show the benefits that add value or convenience to the viewers



TV of the Future

If all the current technology isn't enough, during the next 3-5 years Nielsen predicts a couple of key trends that will have significant impact on how viewers and their TVs interact:

1. TV Everywhere: Connectivity will enrich the TV viewing experience and allow viewers to “network” with programming and advertising. If successful, TV will take an even larger share of people's screen time by taking content currently available only on TV to any screen, anywhere.
2. Increasing WiFi access is leading manufacturers to introduce DVD players, TVs and video game consoles with built-in wireless connectivity that piggyback on an existing network with content pulled straight into the TV set from the Internet.

SOURCES: IVT.com, 01/07/10, 01/13/10, 01/14/10; Ad Age, 08/31/09, 01/08/10, 01/14/10; Media Daily News, 01/13/10, 1/15/10; Emarketer, 12/23/09, 01/13/10; The New York Times, 12/04/09; Cnet.com, 12/17/09; Nielsen, 12/14/09, 12/15/09, , 12/17/09, 12/18/09; Bloomberg, 06/25/09; TV Week, 01/15/10; Deloitte, State of the Media Democracy, 12/15/09; Variety, 03/13/09; helium.com, 12/09/09; TNS Media, Commercial Tuneaway, June 2009; buzz.com, 04/16/09; Council for Research Excellence, Video Consumer Mapping Study, 03/26/09.



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