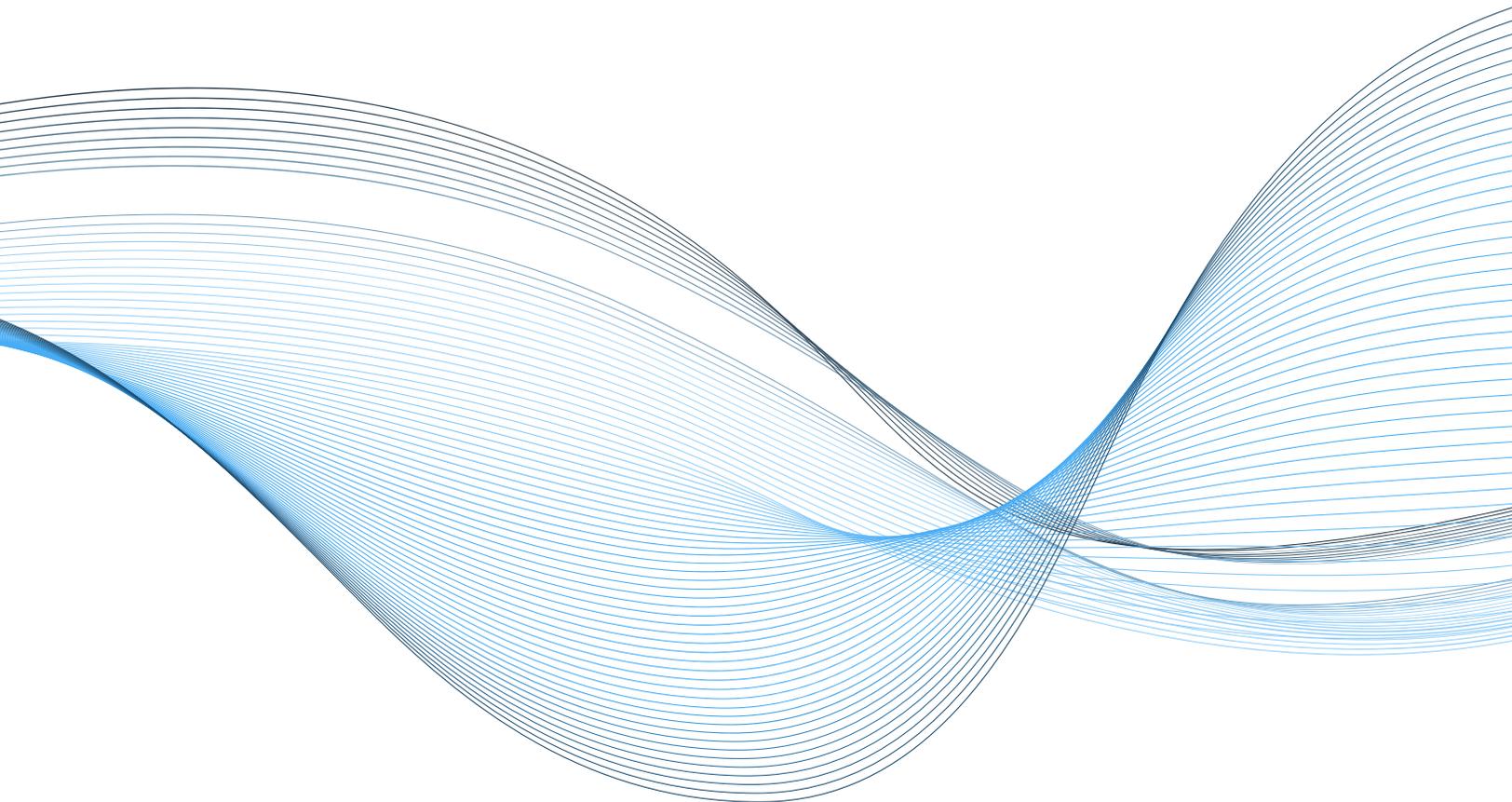
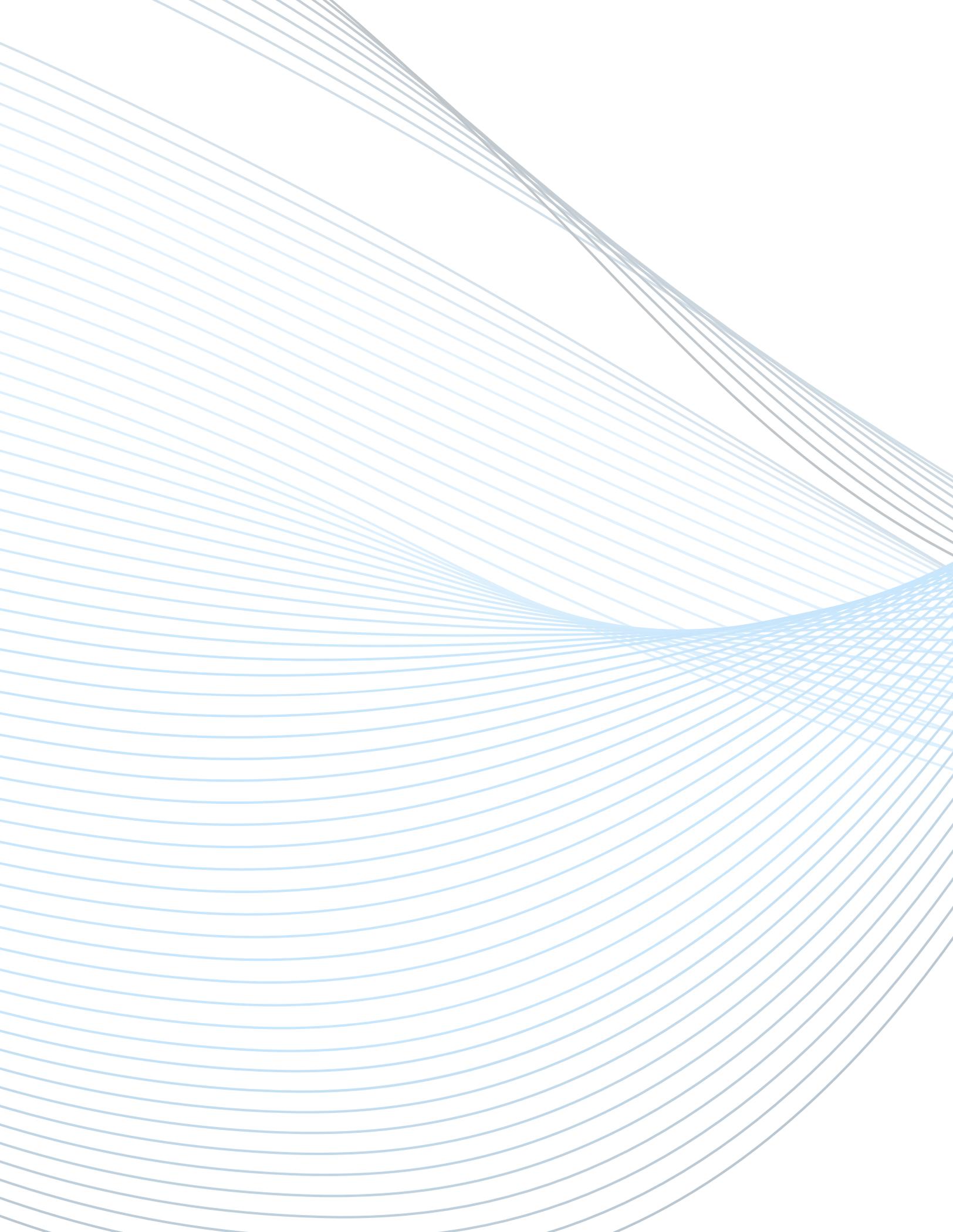


How Multi-Screen Consumers Are Changing Media Dynamics

Findings from a comScore Study for the
Coalition for Innovative Media Measurement



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Introduction

The media landscape as we know it is rapidly changing, driven by the expansion of consumer viewing habits from TV alone to the combination of digital platforms and TV.

Innovative upstarts that make TV content available on digital platforms, major media companies enabling their content online and on mobile, and the rapid adoption of smartphones, tablets and other connected devices by consumers, have given rise to a consumer that values on-demand and on-the-go TV consumption. Although millions of consumers continue to watch their programming from the “traditional” TV platform, consumers who connect with content via mobile and the Internet represent an important and growing segment of the population.

This complex television ecosystem poses a variety of new challenges for media companies, marketers and advertising agencies. Media companies seek to maximize enjoyment and engagement for their audiences, while ensuring that advertisers can maximize effectiveness and reach to garner the greatest ROI for their ad dollars. Achieving these goals becomes more challenging as consumers embrace new platforms for their TV consumption.

The timing is right for new investigations into how consumers use media across multiple screens in order to help make sense of this new reality. To help get new investigations underway, the Coalition for Innovative Media Measurement (CIMM) engaged comScore for a major research study on multi-screen TV and advertising consumption.

As media companies and marketers both continue to make investments in multi-screen content, allocating advertising across TV and digital channels presents a challenge. New insights are needed to understand consumers who use media in different ways, which would allow the development of solid marketing and media strategies. This paper highlights the findings from comScore research, examining how consumers use TV, Internet and Mobile alone and in combination.

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Research Background & Methodology

comScore conducted a major research study for the Coalition for Innovative Media Measurement (CIMM), with the purpose of deploying an audience and advertising campaign measurement capability across TV, Internet and mobile using a single-source consumer research panel. By single-source, we mean that media usage across all three media touch-points was captured from the same media users under measurement.

To establish this critical view of Cross-Media consumption, comScore developed a Multi-Screen panel of consumers who had access to TV, Internet and mobile devices. The study includes media behavior from both smartphones and tablets but does not include mobile app usage. TV viewing was obtained from set top boxes with return path data capability, with panel households located in metropolitan areas of 22 states. Internet and mobile media usage data was collected for each panelist and includes detailed demographics for each user. To report TV usage at a demographic basis, comScore developed a methodology to attribute demographics to the household-based TV data. With these pieces in place, each platform was enabled with the demographic and socio-demographic segments commonly used in the media industry.

In all, 10,000 consumers participated in the study and 1,000 were active mobile Internet users.

comScore measured the audience size and composition for 10 networks and network groups (“media brands”) and 3 advertisers. The networks/network groups were comprised of 4 major broadcast networks and 6 major cable networks or networks groups.

The study was conducted over a five week period in Fall 2011 and examined TV viewing for individual networks or groups of networks and cross-tabulated that viewing with the use of related content on the Internet, mobile Internet and online video. Due to sample size considerations, “related” content was usually broadly defined, so that it included the media company’s network-specific websites and online video, but also may have included other websites and online video content that the media company owns.

By way of defining the consumer groups, “Multi-Screen” consumers are those who used the respective network/network group’s content on two or more platforms of the three measured: TV, Internet, mobile. “Digital” consumers are consumers who used the respective network/network group’s content on Internet, on mobile or both. “Digital Only” consumers are those who used the respective network/network group’s content on the Internet and/or on mobile but did not view that network/network group’s content on TV. Due to sample size considerations, mobile consumers are not broken out separately in the study but are included in the “Digital,” “Digital Only” and “Multi-Screen” definitions. In addition, the study also examined delivery of advertising on TV, on the Internet (including both display ads and online video advertising) and on mobile.

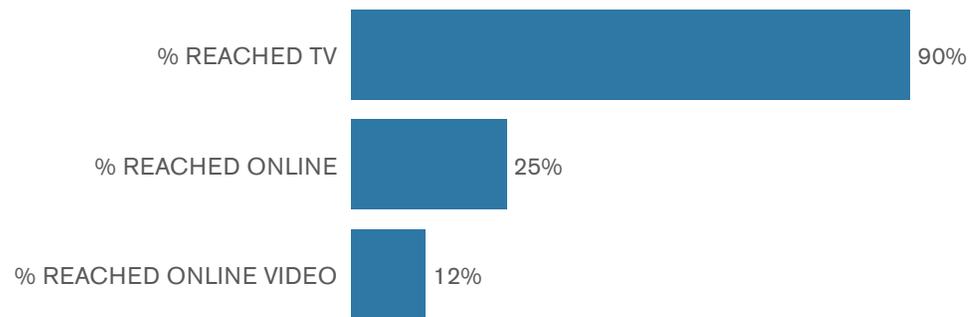
What We Learned

The study revealed several important insights regarding how consumers are integrating multiple screens into their media experience and who these consumers are, both demographically and behaviorally. The following section describes the key insights resulting from this analysis.

MAJOR BROADCAST AND CABLE NETWORKS ARE OFFERING THEIR CONTENT ACROSS PLATFORMS – AND CONSUMERS ARE TAKING ADVANTAGE OF THE OPPORTUNITY.

Across the ten major media brands included in the Study, it is no surprise that on average 90 percent of the audiences were reached on the TV platform. What is more surprising, however, is how the media brands' investments in digital platforms appear to be paying off. The media brands' reach online is significant with 26 percent of the audience on average using the network's content online, while 12 percent on average was reached through online video.

Figure 1 % Reach During 5-Week Study Period
Average Across 10 Broadcast and Cable Networks/Network Groups



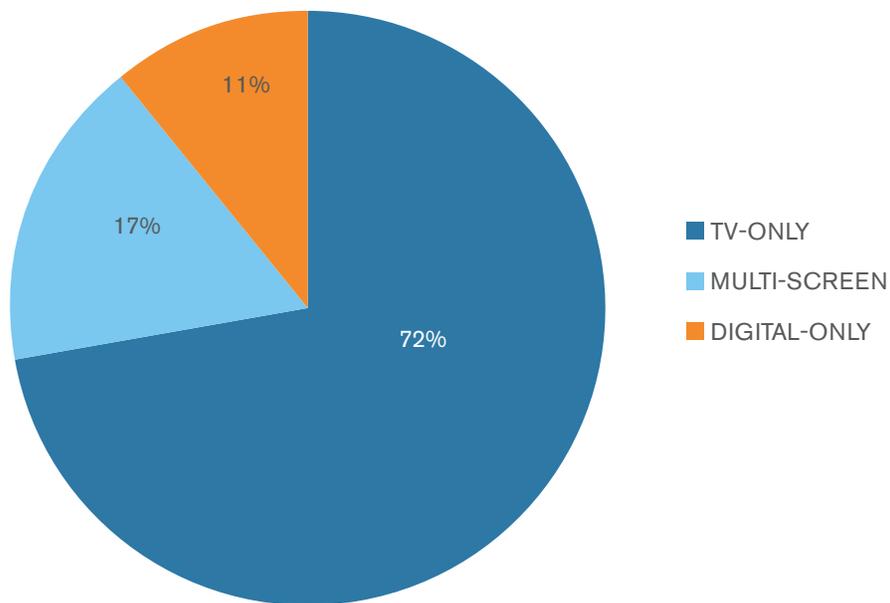
There were wide ranges around each of those averages. For example, for a major News network group and a Young Adult formatted network group, 75 percent of the audience is reached on TV. While that's still a substantial TV audience, it means that 25 percent of their consumers are Digital-Only and access the programming content via online and/or mobile. These consumers are getting content where they want it and when they want it, experiencing the media brands in a non-traditional environment.

NEW CONSUMER GROUPS WITH DISTINCT MEDIA BEHAVIORS AND CHARACTERISTICS ARE DISCOVERED: TV-ONLY, DIGITAL-ONLY AND MULTI-SCREEN CONSUMERS

The research investigated different types of consumers who engaged with the media brands, finding three new and distinct consumer groups: “TV Only” consumers, who use the brand’s media content on TV but do not access by way of other digital platforms; “Digital Only” consumers, who consume the media brands’ content on mobile and/or Internet but not on the TV platform; and “Multi-Screen” consumers who access content via two or more platforms. The definition of Multi-Screen consumers includes consumers who used TV and Internet, TV and Mobile, TV and Internet and Mobile, and Internet and Mobile.

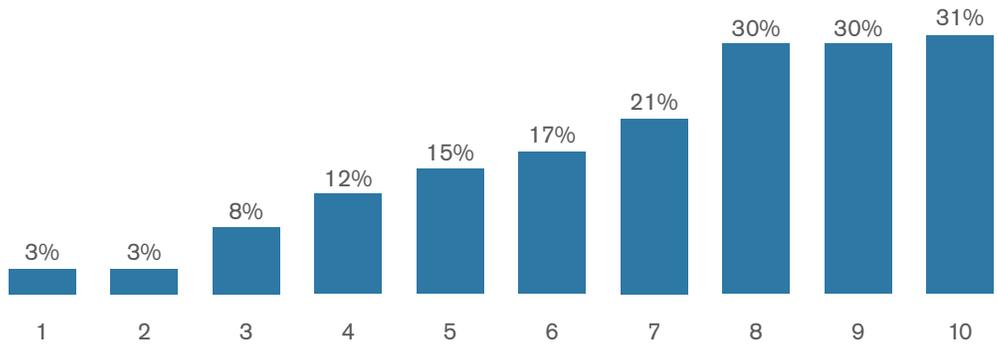
TV Only consumers continue to represent the largest portion of the audience. 72 percent on average across the media brands accessed the respective media brand’s content only on TV. However, the emerging Digital Only and Multi-Screen consumers are making a significant contribution to audience reach. Among the ten major broadcast and cable network groups in the Study, 17 percent on average is Multi-Screen and 11 percent on average is Digital Only.

Figure 2 % Reach During 5-Week Study Period
Average Across 10 Broadcast and Cable Networks/Network Groups



The averages don’t tell the entire story. Sports, News and Young Adult networks had as much as 30 percent of their audience going Multi-Screen, with most of the Multi-Screen audience choosing both TV and the Internet. In addition, one major broadcast network reached the 30 percent high bar for multi-screen audience, perhaps as a result of its investments in making TV programming available on digital platforms, but also as a result of creating additional digital content as part of the media brand that appeals to its TV viewers to help extend the audience to the digital platforms.

Figure 3 Multi-Screen by Network/Network Group
% Who Use Network/Network Group's Content On Multiple Screens



CONSUMERS WHO USE MEDIA BRANDS VIA ONLINE VIDEO AND MULTI-SCREEN CONSUMERS TEND TO BE THE MOST ENGAGED AND LOYAL BRAND CONSUMERS

Online video consumption proves to closely associate with consumer engagement with media brands overall. For most of the media brands, the Multi-Screen consumers who use the media brands via TV and online video spend more time with the content on any platform, and spend more time consuming the content on TV.

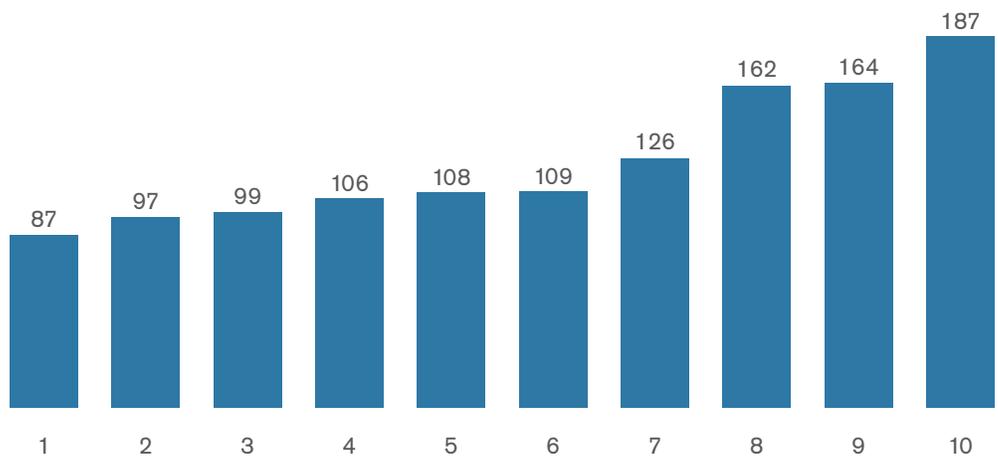
Consumers who build online video into their TV experience appear to be an important core constituency for media brands. On average across the ten media brands in the study, consumers who consumed the brands' content via online video and TV consumed 25 percent more minutes on the TV platform than the TV audience overall, indexing at 125.

Figure 4 Index of Minutes Spent Using TV
Average Across 10 Broadcast and Cable Networks/Network Groups



The importance of the online video user was seen across many of the media brands. On a network by network basis, the indices show that consumers who use the brands' content on TV and via online video watch more TV, with seven of the ten media brands indexing over 100.

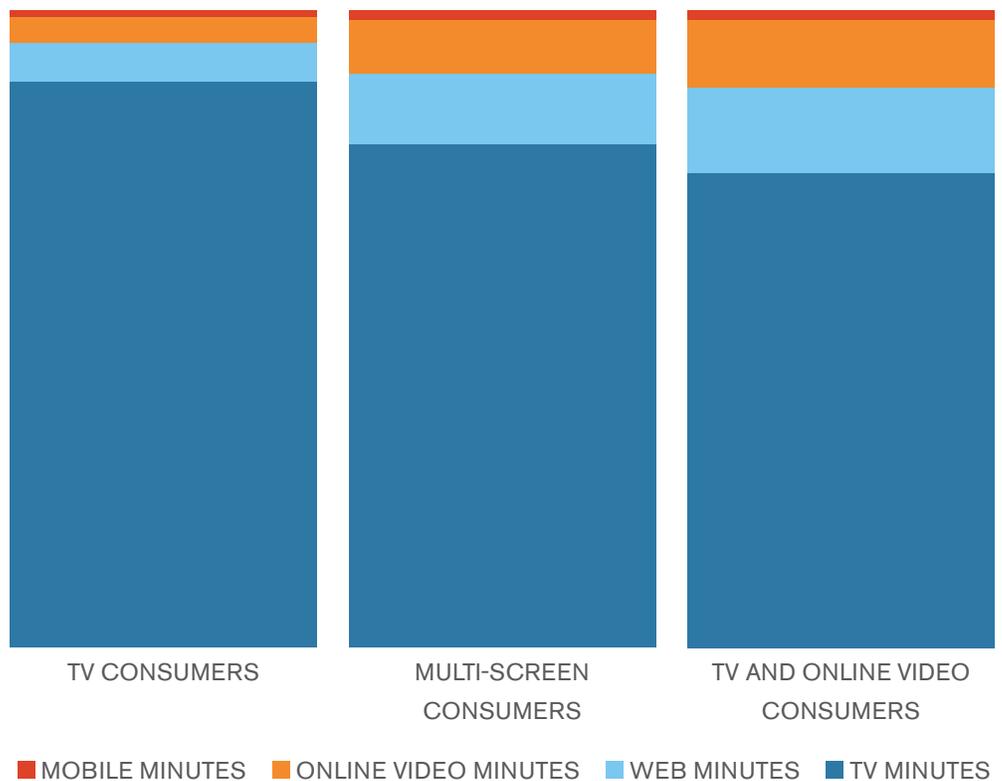
Figure 5 Index of Minutes Spent with TV by Network/Network Group
Consumers Using TV and Online Video Compared to Consumers Using TV



NO CANNIBALIZATION HERE: HOW MULTI-SCREEN CONSUMERS BUILD TV AND DIGITAL INTO THEIR EXPERIENCE WITH MEDIA BRANDS

The case study below shows one of the media brands and how the new Multi-Screen consumer, and in particular the new TV and Online Video consumers, are building minutes into their experience with the media brands. All three consumer groups – TV, Multi-Screen and TV and Online Video – continue to spend the majority of their time with the media brand on TV. Importantly the share of viewing minutes with the media brand on digital platforms grows as consumers build these platforms into their experience with the brand. Multi-Screen consumers spend almost twice as much time with the media brand on digital platforms than the overall TV audience for the media brand. Consumers who experience the brand on TV and Online Video spend more than twice as much time with the brand on digital platforms.

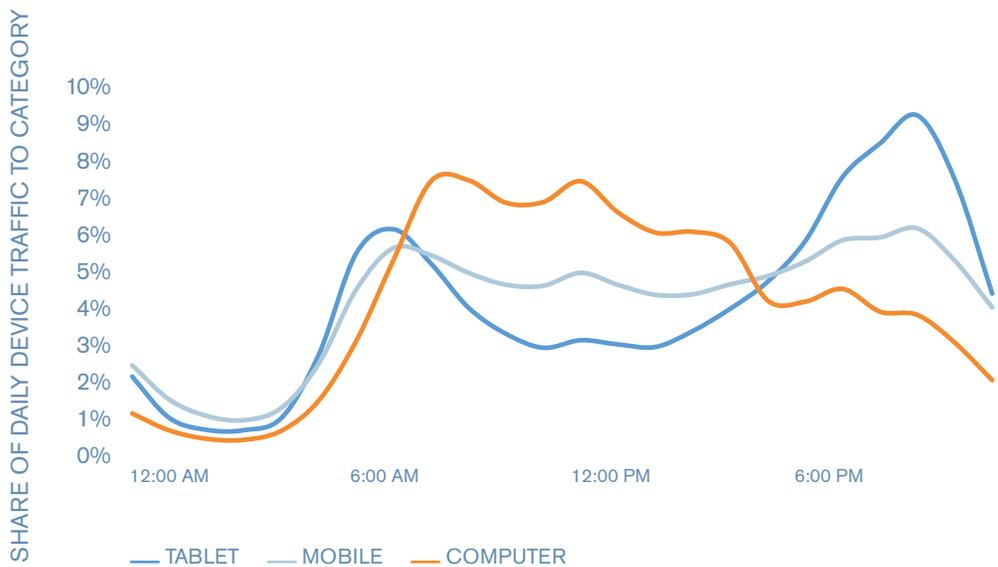
Figure 6 Case Study: How Minutes Build by Platform for One Major Network/Network Group



It's interesting to speculate how consumers are building up this new engagement with media brands. Although not specifically investigated in this study, comScore has conducted research about the timing of consumer engagement with different media platforms. By extending their content to digital platforms, the content is available to consumers on a "wherever, whenever" basis, which has led to the emergence of new "digital dayparts" in time segments that previously did not exist due to the exclusive reliance on TV as a content medium.

Below is a chart from a recent comScore analysis that traces the relative media consumption for different digital platforms (desktop computers, tablets and smartphones) for the news category. What is interesting is how consumption patterns vary by hour for each platform despite the similarity of content. Computer usage for this category spikes during the workday then tapers off during the traditional TV prime time peak. Tablet usage tends to follow the TV curve with usage peaking during prime time and into the later evening hours, and there is another distinct peak during the early morning hours as well. Smartphone usage starts out strong in the early morning and continues almost unabated throughout the day and evening.

Figure 7 Share of U.S. Device Page Traffic for the Newspaper Category Over a Day (Weekday)
 Source: comScore Custom Analytics, U.S., January 24, 2012 (Tuesday)



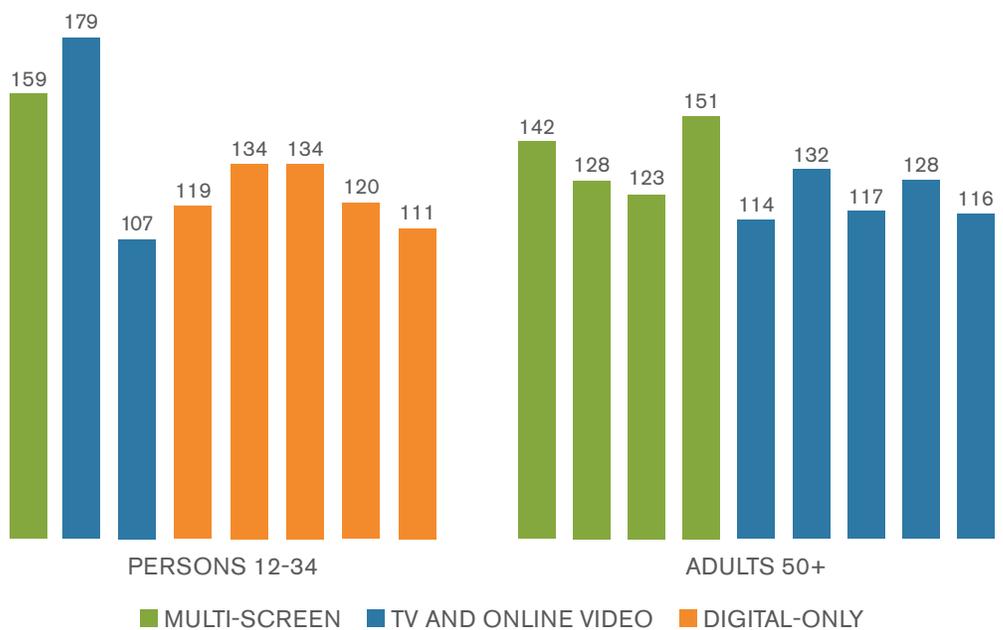
MULTI-SCREEN CONSUMERS ARE DEMOGRAPHICALLY “ON TARGET”

The study found that it is predominantly the media brand’s key demographic audience who is extending their reach across multiple platforms. The study reported on Multi-Screen media usage for more than thirty demographic and socio-demographic segments. For each network or network group, the percentage of the audience in each demographic segment was compared to the percentage of that demographic segment in the population. The resulting calculation was a Propensity Index, with an index of 100 or greater indicating an above average likelihood of representation from among that particular audience segment as compared to the total population.

The study found that the highest propensities occurred in the media brands' key demographic audience. For example, where the network's key demographic audience is males, that segment shows a higher propensity to be Multi-Screen, TV and online video users or Digital-Only – or all three. Where the network's key demographic audience is young adults, similarly young adults exhibit a higher propensity to be Multi-Screen, TV and online video users or Digital-Only users of the respective media brand.

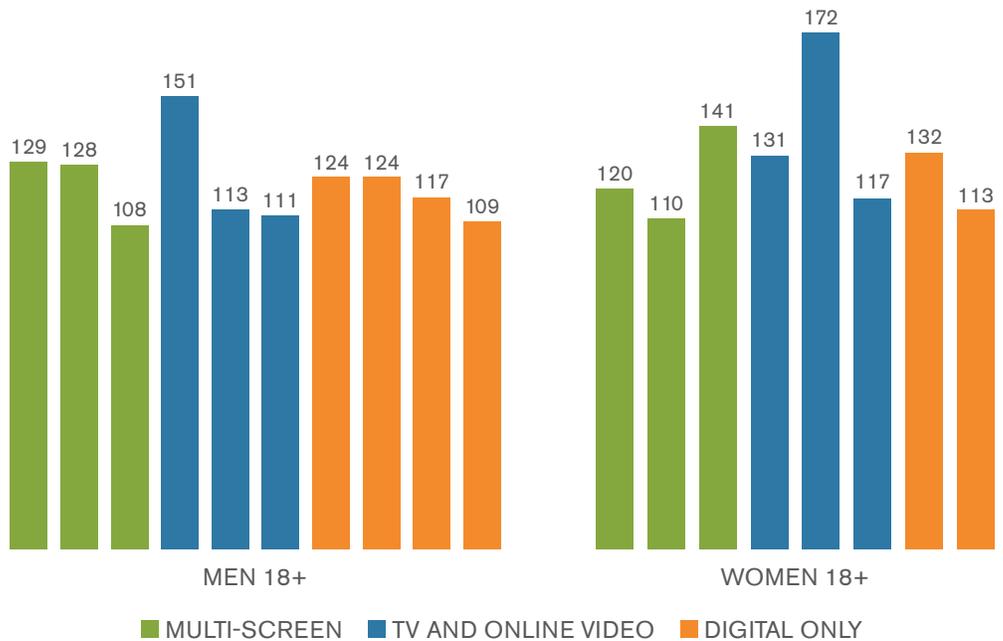
Comparing younger and older demographic segments, an interesting finding emerges. Where the key demographic audience for the media brand is adults 50+ and older, this audience emerged as more likely to be Multi-Screen and users of TV and Online Video, but they did not emerge as more likely to be Digital-Only. In contrast, where the key demographic audience for the media brand was younger persons age 12-34, they emerged as more likely to be Multi-Screen and TV and Online Video users, but they were also more likely to be Digital-Only consumers.

Figure 8 High Propensity Indices for Network/Network Groups by Age



When looking at propensity indices by gender, male and female audiences appeared equally likely to be Multi-Screen, TV and Online Video users and Digital-Only users of the respective media brand. Where the key demographic audience for the media brand is adult men or adult women, they emerged as having a high propensity to be Multi-Screen, TV and Online Video users and Digital-Only users of the media brand.

Figure 9 High Propensity Indices for Network/Network Groups by Gender



CONSUMERS ARE LEVERAGING DIGITAL TO ENRICH EXPERIENCE WITH MEDIA BRANDS – AND USING TV AND DIGITAL PLATFORMS CONCURRENTLY

The study also investigated the existence of “concurrent” media users; specifically, consumers who use TV and Internet within the same half-hour time block. Examining concurrent users enabled us to get an initial perspective on consumer behavior before doing a future deeper dive into usage that is simultaneous (at the same time).

The study revealed that the percentage of consumers who use TV and Internet concurrently is surprisingly high – and very common. Across the media brands in the study, 60 percent of the media brands’ TV consumers used the Internet concurrently while they watch the network on TV at least once during the 5-week study period. About half of those consumers (29 percent overall) used Facebook.

Figure 10 % Reach - Average Across 10 Networks/Network Groups During 5-Week Study Period



As one might expect, a smaller percentage of TV viewers are visiting the network's own websites and using the network's own online video content on a concurrent basis. However, for two of the networks in the study, the percent of consumers watching TV on the network and using the network's websites and online video concurrently was significant. For one of the networks, 25 percent of consumers who used the Internet concurrently while watching the network on TV were visiting the network website and online video. For the other network, more than 10 percent were using the network's own websites and online video.

THE MARKETER PERSPECTIVE: MULTI-SCREEN CAMPAIGNS

Three CIMM marketer members included their Multi-Screen advertising campaigns in the study. All of the marketers used TV advertising in combination with one or more digital advertising formats: display advertising, online video advertising or mobile advertising.

The study uncovered new insights regarding Multi-Screen campaign performance, including the following:

- While TV drives the greatest audience reach for the campaigns in the study, digital platforms provide an important contribution. Digital advertising builds incremental campaign reach; however, it was generally a modest contribution due primarily to the relatively small size of digital spend relative to TV spend.
- For the three campaigns in the study, Multi-Screen consumers had exposure frequency that was about the same as the overall TV audience. As expected, Multi-Screen consumers received a portion of their frequency of exposure from TV and a portion from digital platforms, and the Multi-Screen consumers in these campaigns had lower frequency of exposure from TV than the overall TV audience. Digital may play an important role in maintaining exposure frequency for target consumer segments so that the exposure frequency for Multi-Screen and Digital consumers is “on par” with the TV audience.
- Digital platforms are more highly targeted and deliver a higher portion of the advertiser’s target audience compared to TV. This finding is not unexpected and altogether consistent with the conventional wisdom of digital ad targeting efficiency. As a mass medium, TV reaches not only the marketer’s target consumers but the entire audience even if they are not in the marketer’s target. Digital advertising can be more finely targeted through the use of ad targeting technologies and algorithms, and the study provided evidence to support this fact.

The Future of Multi-Screen Measurement

The comScore Multi-Screen Study for CIMM represented a significant milestone from two important perspectives: consumer insights and methodology. The study was designed to uncover new insights about consumers and how they use multiple screens to access content, and to explore new methodologies for cross-platform audience and campaign measurement as a way of establishing best practices to guide future research. The study was successful on both fronts, capturing important new insights and demonstrating new methods to establish a single-source multi-screen panel, and capture usage data from multiple platforms – TV, Internet and mobile – electronically and passively.

New research methods were developed for this study and the findings guide our recommendations regarding next steps. The establishment of this 10,000 panelist sample size was a significant achievement in many regards because building and maintaining consumer research panels can be challenging particularly when consumers are asked to do multiple tasks. comScore was able to leverage its existing digital measurement capabilities, so the technical execution was well understood. The exploration of methodologies for TV set top box data processing was also an important part of the project.

One of the most critical issues this research surfaced is the issue of scale. It is clear that larger – even census-based – sample sizes offer the opportunity for improved granularity in the research and the ability to unlock new insights for a wider array of media brands and advertisers.

As an industry, we have statistically reliable sample sizes in our syndicated measurement services which measure each medium individually, whether it is TV, Internet or mobile. The methodology for Multi-Screen measurement needs to be designed to focus on the duplication between media. We need statistically reliable sample sizes to measure this duplication accurately and meaningfully.

Enhanced granularity is also a desirable goal, with very large sample sizes being the foundation of such an effort. This study aggregated TV shows and networks and used the highest levels of Internet and mobile reporting groups, but reporting for individual TV shows and more granular website groups are also needed to more fully understand consumer motivations and usage.

Conclusion & Implications

Major broadcast network and cable network groups are making their content available to consumers online, on mobile and on TV, and consumers have responded in resounding fashion by accessing the available content across all platforms. We can now distinguish between critical and distinct consumer segments, with Multi-Screen and Digital-Only consumers emerging as behaviorally and demographically distinct from the foundational TV audience. Multi-Screen consumers, particularly when they use online video, are driving greater usage and engagement with the media brands' content. Both Multi-Screen and Digital-Only consumers tend to align with the key demographic audience for media brands, so creating content that interests and excites them will continue to be an important strategy.

Similarly, marketers are ensuring that advertising content reaches consumers online, on mobile and on TV. The increasing size of Multi-Screen and Digital audiences presents compelling opportunities to reach new consumers, increase exposure frequency, and provide more compelling marketing communication in 'surround-sound'. By measuring consumers who use one medium, two media or even three or more media, marketers can make more informed decisions about how to optimally reach consumers with the appropriate media weight and allocation.

For more information

For more information about this Study, CIMM research initiatives or comScore services, contact:

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ABOUT CIMM

The Coalition for Innovative Media Measurement (CIMM) was founded by several leading television content providers, media agencies, and advertisers to promote innovation in audience measurement for television and cross-platform video. CIMM is exploring and identifying new methodologies and approaches to audience measurement through a series of pilot studies with independent measurement companies focusing on two key areas: the current and future potential of television measurement through set-top-box data, and new methods for cross-platform media measurement. www.cimm-us.org

Current members are: A+E Networks, Belo, CBS Corporation, Carat USA, ConAgra, Discovery Communications, Gannett, GroupM, Hearst, Interpublic Group Mediabrands, LEGO Systems, Inc., Microsoft, NBC Universal, News Corporation, Omnicom Media Group, P&G, Publicis Groupe, Scripps Networks, Time Warner, Unilever, Univision Communications, Viacom, and The Walt Disney Company.

ABOUT COMSCORE MULTI-SCREEN MEASUREMENT

comScore Multi-Screen Measurement quantifies the reach, frequency and behavioral impact of ad campaigns across multiple media touch-points and qualifies the size and composition of media audiences. Media companies, publishers, advertisers and advertising agencies can gain an understanding of how multimedia campaigns reach people in different digital media environments and use these insights to deliver more targeted campaigns at the desired reach and frequency.

ABOUT COMSCORE

comScore, Inc. (NASDAQ: SCOR) is a global leader in measuring the digital world and preferred source of digital business analytics. For more information, please visit www.comscore.com/companyinfo.

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