LONGITUDINAL ETHNOGRAPHY & ACCELERATION STUDY

August 6, 2014

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WiFi information:
SSID: TimeInc_Guest
Passcode: piaffe
## AGENDA

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>12:00</td>
<td>Lunch</td>
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<tr>
<td>12:30</td>
<td>Introductions: Richard Zackon, Ceril Shagrin, Bryon Schafer</td>
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<tr>
<td>12:45</td>
<td>Research Report: Heather Coffin, GfK</td>
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<td>1:30</td>
<td>Council POV: Cheryl Brink, Laura Cowan</td>
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<tr>
<td>1:40</td>
<td>Audience Questions</td>
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<tr>
<td>2:00</td>
<td>Panel Discussion Brad Adgate, Bryon Schafer, Eric Solomon, Dave Tice</td>
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<td>2:30</td>
<td>Adjourn</td>
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ABOUT THE CRE

The Council for Research Excellence is a body of senior research professionals, formed in 2005 to identify important questions about audience measurement methodology and to find, through quality research, the answers to those questions.

The Council provides the Nielsen client community a means to undertake research projects no one company could undertake on its own.
DIGITAL COMMITTEE

Bryon Schafer
Chair

Members

Brad Adgate
Josh Axelrad
Cheryl Brink
Michele Buslik
Laura Cowan
Sherrill Mane

Dan Murphy
Daria Nachman
John Potter
Beth Rockwood
Ceril Shagrin
Antonia Toupet
ACCELERATION COMMITTEE

Laura Cowan
Chair

Members

Cheryl Brink
Tim Brooks
Janet Gallent
Bryon Schafer
Ceril Shagrin

Reggie Shah
Susie Thomas
Antonia Toupet
Emily Vanides
Jack Wakshlag
CRE Chair
EVP Corporate Research
Univision
BRYON SCHAFFER
CRE Digital Committee Chair
SVP
Media Research & Insights
Warner Bros. Television Group
OBJECTIVES & RESEARCH QUESTIONS
KEY RESEARCH QUESTIONS

What new viewing patterns are arising?
KEY RESEARCH QUESTIONS

How does video viewing differ by device in the home, and outside of the home as well?
KEY RESEARCH QUESTIONS

What motivates the selection and purchase of new viewing technologies and services?
RESEARCH OBJECTIVES

1. Understand the changing media landscape resulting from internet technology and video platform proliferation

2. Inform the development of strategies for audience measurement
TWO STUDIES

ACCELERATION

50 households in the Chicago area tracked over a 15 week period
Project duration: Nov. 2013 to April 2014
Initial visits of 50 households
In-store or online purchase event
Continual tracking of all households via a Participant Toolkit (PTK) and behavior and usage surveys
Follow up questions based upon incoming data

LONGITUDINAL ETHNOGRAPHY

National sample of 100 households tracked over two years
Project duration: Nov. 2013 to Oct. 2015
Initial visits of 100 households
Continual tracking of all households via a Participant Toolkit (PTK)
Targeted, in-person time with 25 households
Visit 25-50 new households in 2015
WHY ETHNOGRAPHY

- Rooted in Anthropology

- Based on observations from the perspective of the consumer

- Has played a role historically in the development of audience measurement systems.
  - Helps with various issues, such as:
    - Practical issues (e.g. measuring kids)
    - Philosophical issues (e.g. what constitutes an exposure)
A NOTE ABOUT THE METHODOLOGY

Ethnographic research is quantitative research

By design, it is:
- Not meant to be representative
- Not meant to be projectable

It is framed to oversample users of specific groups, such as:
- SVOD Subscribers
- Latinos
HEATHER COFFIN

Senior UX Lead
User Experience
GfK
APPROACH

In-Person & Digital Ethnography
CO-DISCOVERY & ENGAGEMENT

Build Trust and Maintain Engagement

Ethnography

Track Over Time

Synthesize and Visualize Data
SAMPLE AND METHOD
Recruitment was designed to identify households intending to make a media technology upgrade before remuneration was discussed.
STUDY SAMPLE

50 households
Households were located in the Chicago-land area, covering both urban and suburban locales.

HOUSEHOLD TYPES

- 4 Multi-Generational
- 4 Roommates
- 6 Single
- 11 Couple
- 25 Family with Children

DEMOGRAPHICS

- 2 Asian
- 6 African American
- 7 Hispanic
- 35 White
BLENDED METHOD

A purchase acceleration technique was used to speed up the adoption of new video viewing technologies.

A blended research approach combined both ethnographic observation and periodic survey queries.
A total of 63 devices were purchased by 50 households with an average expenditure per household of $870 before subsidization.

Most households only purchased a single device: 37 households while some purchased two: 13 households.

The most frequently purchased items were:
- SMART TV: x26
- STREAMING DEVICE: x18
- TABLET: x11
SUMMARY OF OVERALL FINDINGS

Smart TVs emerged from this study as the viewing device most participants intended to purchase in the near future.
The introduction of a Smart TV drew viewing time away from other devices in the household and became the stimulus for more group viewing.
Streaming Devices (the 2nd most purchased item) show the potential to shift household viewing patterns.
SUMMARY OF OVERALL FINDINGS

While a new Tablet (the 3rd most purchased device) did not become a primary screen, it tended to establish a solid position in the household device hierarchy.
SUMMARY OF OVERALL FINDINGS

When both a new Smart TV and Streaming Device enter a household, the household focuses on the Smart TV and uses the Streaming Device to supplement a non-Smart TV in another room of the house.
When Smart TVs were introduced into households they became the most used screen for video consumption, reducing the time spent with other devices.
Streaming Devices (e.g. Apple TV, Roku, Chromecast) often became the second most used devices, decreasing the usage of laptops, tablets, and game consoles.
Households that purchased a Tablet for the study reported viewing with the device less as the study progressed. Viewing time drifted from the TV to the Tablet and back over the course of the study.
When a Smart TV and a Streaming Device were simultaneously introduced the Smart TV received more viewing time than the Streaming Device.
LOCAL DISTRIBUTION

<table>
<thead>
<tr>
<th>Region</th>
<th>Urban</th>
<th>Suburban</th>
<th>Rural</th>
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<tbody>
<tr>
<td>East</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
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<tr>
<td>Midwest</td>
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<td>South</td>
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<td>West</td>
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</table>
STUDY SAMPLE

HOUSEHOLD TYPES

10 Multi-Generational
11 Roommates
13 Single
22 Couple
44 Family with Children

DEMOGRAPHICS

5 Asian
15 African American
20 Hispanic
60 White
SELF REPORTED DEVICES AND SERVICES

TV: 88
Laptop: 78
Smartphone: 61
Tablet: 59
Game Console: 47
Blu-ray player: 28
Streaming TV Device: 22
Smart TV: 15
Desktop: 8

Netflix: 65
Amazon Prime: 14
Hulu Plus: 13
iTunes: 7
Google Play: 4
Redbox: 1
Xbox Live: 1
Vudu: 1
Ultraviolet: 1
2014 STUDY TIMELINE

100 homes visited at the end of March

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<th>Tasks</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
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<th>Oct</th>
<th>Nov</th>
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<td>Study Kicked off &amp; Fully Recruited</td>
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<td>Initial Ethnographic Visits</td>
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<td>Household-Specific Assignments via Toolkit</td>
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<td>ALL 100 HHs</td>
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<td>Additional Ethno. Visits (Subset)</td>
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<td>Strategy for Year 2</td>
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<td>Potentially Recruit Additional HHs</td>
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Subset Of 25 Chosen                                       |     |     |     |     |     |     |     |     |     |     |     |     |

Today                                                        |     |     |     |     |     |     |     |     |     |     |     |     |

Direction For Year 2                                         |     |     |     |     |     |     |     |     |     |     |     |     |

25-50 NEW HHs
LONGITUDINAL FINDINGS
In-person ethnographies revealed a high level of complexity in ecosystems and behaviors.
HOUSEHOLD ECOSYSTEMS

Main TV

Drawer full of DVD's

Blu-Ray Player

Home Theater Receiver

Cable Box with DVR

Mom’s Laptop and Tablet

Dad’s Laptop

Daughters Laptop

Dining Room Table

Dad’s Smart Phone

Mom’s Laptop and Tablet

Dad’s Laptop

Dad’s Smart Phone
HOUSEHOLD ECOSYSTEMS

Consumers are still developing mental models of device and service pairings.
HOUSEHOLD ECOSYSTEMS

Main TV

Home Theater Receiver

Cable Box

Blu-ray player with Netflix.

Dad's iPad

Dad's Android Smartphone

Son's Galaxy Phone

Daughters iPhone

Main TV
HOUSEHOLD ECOSYSTEMS

Many households have multiple “main” viewing devices, depending on the activity and group.
Each upstairs bedroom has a TV, some with streaming capabilities.

Dad's usual chair

Blu-ray Player

Cable Box

Game room

Kitchen table

Mom’s Android smartphone

Main TV
Portable devices create new flexibility in viewing environments.
HOUSEHOLD ECOSYSTEMS
INFLUENCERS

Several factors, internal and external, influence changes to configurations and content consumption.
INFLUENCERS

Content is a primary driver.

The ability to stream and cast is compelling.

Exposure to advertisements and popular media informs and influences.
INFLUENCERS

Household members, family, and friends often act as agents of change.

Young children, teens, and “boomerang” young adults are influencing technology purchases and subscription choice.
Ecosystem configurations facilitate multiple viewing strategies and approaches.
CHOOSING A STRATEGY

Any of these factors can take priority depending on the circumstances.

- Content
- Time
- Multiple, Portable Screens
- Group Dynamics
- Screen Availability
STRATEGY: ATTENTIVE CO-VIEWING

They watch the main TV during weekday evenings when they are home together. They view separately in their bedrooms on laptops between 9-10pm.

Content is accessed through On Demand, via Cable Box

J's (Apple) Laptop, with blog page loaded
STRATEGY: TOGETHER, VIEWING SEPARATELY

J watches a show on Netflix on his Laptop — typically he would be in his own room, but wants to be with the family.

A and S co-play Minecraft on a Tablet

M, the mother, watches Cash Cab on OTA TV

Main TV
STRATEGY: SOCIAL VIEWING

Laptop used for short-form video, especially during commercial breaks and half time.

Projector is used as the main TV.

R and C, the parents in the household, are in and out of the room while they fix dinner.
STRATEGY:
SINGLE SOURCE, MANY USES

M watches The Office reruns on Netflix via his PS2 for background noise.

Desktop, sometimes used for working while listening to Netflix on the TV; other times, used to stream recent content like The Daily Show.

Laptop, sometimes used for multitasking in bed while watching TV.
STRATEGY: VIEWING IMMERSION

The main TV, a projector, plays 24, from the DVR. L (home owner) uses his Tablet to check out social media or follow sports scores during the show. Muted sports game in background. This TV is constantly utilized for this purpose. L's friend is focused on 24.
Companion Screen Use
COMPANION SCREENS

Second, and sometimes third screens, are used while viewing the main screen, typically a TV.
USE OF COMPANION SCREENS

Companion Screen Usage

Use of Companion Screens unrelated to main screen content

Non-video
- Texting, checking email, social media, banking, casual gaming, and shopping

Video
- Intentional Long-Form Video exposure (Rare in our households)

Use of Companion Screens related to main screen content

Texting, using social media or social apps to discuss content being viewed

Coincidental Short-Form Video exposure (typically through social media clicks)

Using apps or websites to learn more or engage in activities related to content
UNRELATED COMPANION SCREEN USE

Smartphones, laptops, and tablets are used while viewing a main screen frequently and for a variety of reasons.

Most scenarios find viewers somewhere in the middle of this range.

Content as “background noise” for other digital tasks.

---

**Main Screen**
100%

**Companion Screen**
0%

---

**Main Screen**
0%

**Companion Screen**
100%
COINCIDENTAL SHORT-FORM VIDEO EXPOSURE

Infrequently, companion screen activities result in coincidental concurrent video viewing.

Short form video comes from many sources:

“The videos in YouTube are short and I am able to watch YouTube during a commercial when I am watching live TV and if the TV is in DVR mode YouTube is very convenient and fast.”

Mom in her forties

“I like YouTube because it passes the time during commercials.”

Teen daughter
INTENTIONAL LONG-FORM VIDEO EXPOSURE

In certain circumstances, a single viewer uses multiple devices to view multiple forms of content.
“HYPER VIEWING”

Special viewing events and favorite shows promote hyper viewing behaviors.

> Simultaneous, multi-screen usage and mobile viewing are more pronounced.
> Continuous conversation via social media, IM, in-person, and remote chats.
> Events and shows prompt people to explore and use applications, websites, and new platforms.
  - For many, new platforms provide an enhanced viewing experience.

“I can email, IM, and tweet... talk to people. It’s fun to socialize with people and interact with them while I’m watching.”
Young Mom in her early thirties

“On my lunch break I’ll sit out and watch some of the games on my phone and I’ll have my bracket with me.”
Couple – the young man in his mid thirties

“The NCAA app allows me to see the game, and at the bottom you see the stats. The app allowed me to watch live!”
Young single man
**IMPLICATIONS TO CONSIDER**

1. TV is considered the primary screen in the home.

2. Portable devices are used for video throughout the household.

3. Households are seeking ways to access streaming content.

4. Consumers have moved from a single source, single device mental model to a multi-source, multi-device mental model.

5. Many households are heavily engaged in time-shifted viewing.

6. The number of viewers may change multiple times during viewing sessions given group dynamics.
IMPLICATIONS TO CONSIDER

- Multiple screens may be in use for video viewing in the same room by multiple people.
- Personal devices are sometimes viewed by more than one person at the same time.
- Companion screens can fuel engagement with content.
- Alternatively, companion screens can distract attention away from content if they are used to do things unrelated to the content being viewed.
- Multiple forms of social media are used to learn and engage with content; however, content being followed via social media may be different from the content being viewed (e.g., tweeting about *Scandal* while watching *South Park*).
- People initiate streams from many different sources (e.g., links sent via Facebook, Twitter, or network application).
CHERYL BRINK
VP, Digital Research & Analytics
Scripps Networks Interactive
STRATEGY: TOGETHER, VIEWING SEPARATELY

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LAURA COWAN

Acceleration Committee Chair
Director Analytics and Insight
MEC Global
QUESTIONS
PANEL DISCUSSION

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BRYON SCHAFTER
Senior Vice President
Media Research & Insights
Warner Bros. Television Group

ERIC SOLOMON
Senior Vice President
Global Audience Measurement
Nielsen

DAVID TICE
Senior Vice President
GfK

RICHARD ZACKON
CRE Facilitator
THANK YOU