



PROLIFERATION OF VIDEO-CONSUMPTION DEVICES PRESENTS DILEMMA FOR AUDIENCE MEASUREMENT

New Council for Research Excellence Study Addresses Growing Challenge for Content Providers and Marketers Alike

New York, NY, December 19, 2012 – The growing multiplicity of video-consumption devices, such as tablets, smart TVs and gaming consoles, presents a challenge for audience researchers seeking to capture accurately and completely the tuning that occurs on these devices.

That challenge is made clear in a new study by One Touch Intelligence (OTI), a Colorado-based market intelligence and intelligence management company, on behalf of the Council for Research Excellence (CRE), a diverse group of senior-level research professionals from throughout the media and advertising industries dedicated to advancing the knowledge and practice of audience measurement methodology.

“Both the buy and sell sides have the expectation, and rightly so, that *all* devices on which tuning occurs – not just traditional television sets – be measured and ultimately used as ratings currency,” said Patricia Liguori, senior vice president, research & electronic measurement, at the ABC Owned Television Stations and chair of the CRE’s Return Path Measurement Committee. “We knew we had a major challenge merely in quantifying the penetration levels of the various devices, but that is only the tip of the measurement iceberg.”

Among the conclusions of the OTI research which suggest the potential for rapid transformation of the device marketplace:

- Despite the broad array of devices, there are two distinct methods of transporting video signals to end users: via the set-top boxes (STBs) of multichannel video program distributors (MVPDs), or via Internet Protocol (IP) from servers to users’ devices.

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- The industry requires understanding of how the new delivery mechanisms operate, including the video transport methods, in order to determine where along the transmission path measurement can occur.

Currently, the OTI report notes that the average national penetration of emerging media devices is led by gaming consoles at 56%; followed by DVRs at 44%; Smart TVs and Blu-ray players at a combined 22%; tablets – by all accounts a rapidly growing segment – at 14%; and over-the-top (OTT) STBs, at 11%.

The report also notes:

- OTT STBs show the least promise of growth and may even “be rendered largely obsolete” as consumers gravitate toward gaming consoles and smart TVs;
- Fewer than half of all smart TVs and Blu-ray players currently are connected to the Internet -- thereby precluding access to apps and MVPD content specifically designed for use on these devices. Smart TVs require an Internet connection to become “smart” and their popularity may surge if:
 - broadband penetration increases substantially;
 - MVPDs make their full channel lineups available for these devices;
 - content storage – currently not available on smart TVs – increasingly moves to the Cloud;
- An aggressive rollout by MVPDs of the newer “network” DVRs, where storage is transferred from the DVR’s hard drive to the Cloud – would not only boost smart TV penetration, but also would drive DVR penetration from its current level of 44% “to effectively match the same penetration as digital set-tops.”

The potential for increased and shifting use of these various transmission devices raises the stakes for understanding how those devices are used in practice, the report indicates. Regarding smart TVs, for example, the OTI report notes, “The key stats to follow include the number that are actually hooked up to the Internet, any survey data from those connected TVs of how much viewers are watching, and what content they are watching.”

“For the audience researcher, this avalanche of devices can be daunting,” Liguori noted. “But, thanks to this study, we have benchmarked the devices of the digital landscape and can focus on those that are the most critical to, or show the greatest promise for, measurement. Only with information, such as device penetration by DMA and number of devices per household, can researchers more rapidly guide the development, deployment and adoption of alternative electronic measurement that is so desperately sought by our industry.

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“The CRE plans to expand this area of study to include the growing use of the Cloud,” Liguori noted, “and we’ll be reaching out to various stakeholder groups so we can collectively advance new electronic measurement that will benefit all parties – including buyers, sellers, and device and data owners.”

The full whitepaper can be found [here on the CRE site](#).

About **One Touch Intelligence**

One Touch Intelligence helps companies compete more effectively by producing and delivering critical business knowledge. The company combines original monitoring, reporting and analysis with organization and management of clients’ internal and third-party research assets so they can quickly access and distribute vital intelligence.

www.onetouchintelligence.com.

About the **Council for Research Excellence**

The **Council for Research Excellence** (CRE) is an independent research group created (in 2005) and funded by Nielsen. CRE is dedicated to advancing the knowledge and practice of audience measurement methodology and comprises senior-level industry researchers representing advertisers, agencies, broadcast networks, cable, syndicators, local stations, and industry associations.

CRE members represent advertising agencies and media-buying firms including GroupM, Horizon Media, Media Storm, Omnicom, Starcom MediaVest and TargetCast tcm; media companies including ABC, AMC Networks, CBS, Comcast, Cox, Discovery, Disney, Google, Hulu LLC, LIN Media, NBC Universal, News Corporation, Raycom Media, Scripps Networks Interactive, Time Warner, Univision and Viacom; advertisers including Kimberly-Clark, Microsoft and Procter & Gamble; industry organizations including the Media Rating Council, the National Association of Broadcasters, the Syndicated Network Television Association and the Television Bureau of Advertising; the investment bank Nomura Securities; and Nielsen.

For more information about the Council for Research Excellence, please visit:

<http://www.researchexcellence.com/>

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