

March 26, 2009

The Council for Research Excellence Video Consumer Mapping Study

The Council for Research Excellence would like to thank The Nielsen Company for its ongoing support of the CRE and its financial commitment to a study that none of our companies could afford to execute individually.

Purpose of Video Consumer Mapping (VCM) Study

Dimension current consumption of media, focusing on television and video, and how it is changing over time—in order to guide video audience measurement.

10 Key Findings

1. Although the composition of consumers' screen media time varied across age groups, their total screen time was strikingly similar, except among those Adults 45-54, whose screen time was highest.
2. The degree of concurrent screen media exposure (also referred to as media multitasking) was equivalent for all age groups under 55.
3. The study confirmed that 99% of Nielsen's Three-Screen Time is TV. Even among Adults 18-24, TV represented more than 98%.
4. Live TV led all video time by a large margin, followed by DVDs, with DVRs third.
5. The study suggests that computing has displaced radio as the number two media activity. Radio is now number three and print is number four.
6. New HDTV ownership (first or second set) led to higher TV exposure, though some of this increase appeared to be temporary.
7. Early DVR owners spent much more time with DVR playback than new DVR owners.
8. A higher percentage of TV time was spent as sole medium compared with computers, print or audio. DVR Playback was even more likely than live TV to be a sole medium.
9. TV users were exposed to on average roughly an hour a day of live TV ads and promos.
10. Serious caution needs to be applied in interpreting self-report data for media use. TV was substantially under-reported while online video and mobile video were over-reported.

The Council for Research Excellence

On February 18, 2005 Nielsen announced that it would make available an initial \$2.5 million for a special research and development fund to be administered by a client group to be called the Council for Research Excellence. The goal was to get the best research minds from a wide spectrum of Nielsen clients, to work in a think-tank style capacity. In June of that year the Council for Research Excellence held its first meeting. The mission of the Council is:

To advance the knowledge and practice of methodological research on audience measurement through the active collaboration of Nielsen Media Research and its clients.

Nielsen's contribution to date has totaled \$7.5 million. While funded by Nielsen, the Council operates independently.

The Council for Research Excellence membership

Brad Adgate Senior Vice President, Research Horizon Media
Shari Anne Brill Senior Vice President, Director of Programming Carat
Joanne Burns Executive Vice President, Marketing, Research and New Media 20th Television, Fox
Michele Buslik Senior Vice President, Director Media Research TargetCast TCM
Alex Corteselli Vice President, Associate Director of Programming Telerep
Laura Cowan Vice President, Media Director RJC.
Susan Cuccinello Senior Vice President, Research TVB
Paul Donato Executive Vice President, Chief Research Officer The Nielsen Company
Colleen Fahey Rush Executive Vice President, Strategic Insights & Research MTV Networks
Nancy Gallagher Senior Vice President, News Sports and Affiliate Research NBC Universal
Mike Hess Executive Vice President, Research, Marketing Science, and Consumer Insights Carat
George Ivie Executive Director MRC
Bob Ivins Vice President, Data Products Comcast Spotlight
Mark Kaline Global Media Director Kimberly Clark
Pat Liguori Senior Vice President, Research ABC Owned Television Stations
Michael Link Vice President, Methodological Research The Nielsen Company
Billy McDowell Vice President, Research Raycom Media
Dan Murphy Senior Vice President, Online Research & Ad Traffic Univision Communications, Inc.
Michael Nathanson Senior Analyst, U.S. Media Sanford C. Bernstein and Co.
Michael Orgera Senior Vice President, Media Sales Research Warner Brothers
Jessica Pantanini Chief Operations Officer Bromley Communications
Mike Pardee Senior Vice President, Research Scripps Networks
David Poltrack Chief Research Officer CBS Corporation
Beth Rockwood Senior Vice President, Market Resources Discovery Communications
Greg Ross Director, North American Media & Marketing Procter & Gamble
Matt Ross Corporate Research Director Hearst-Argyle Television
Lyle Schwartz Senior Vice President, Media Director of Broadcast GroupM
Ceril Shagrin Executive Vice President, Corporate Research Division Univision Communications, Inc.
Tina Silvestri Senior Vice President, Sales Operations NBC Universal
Noreen Simmons Director, Media Strategy & Operations Unilever
Barbara Singer Director, Strategic Media Information Kraft
Kate Sirkin Global Research Director Starcom MediaVest Group
Steve Sternberg Executive Vice President, Director of Audience Analysis MAGNA
Ira Sussman Senior Vice President, Research & Insight CAB
Beth Uyenco Global Research Director Microsoft Advertising
Jack Wakshlag Chief Research Officer Turner Broadcasting
Richard Zackon Facilitator, Council for Research Excellence

The Council currently has four active research committees – Media Consumption and Engagement, Non-response, Universe Estimates and Set Top Box. Some Nielsen clients not on the CRE participate in the work of the committees.

Media Consumption and Engagement Committee

The Media Consumption and Engagement Committee (MCE) is responsible for the Video Consumer Mapping Study (VCM). The members of the committee include Shari Anne Brill (Chair), Tim Brooks, Joanne Burns, Jane Clarke, Billy McDowell, Dan Murphy, Michael Orgera, Mike Pardee, Noreen Simmons, Barbara Singer, Steve Sternberg, Horst Stipp, Beth Uyenco, Jack Wakshlag. (See bios below). The MCE Committee has also benefited from contribution of its emeritus members including Betsy Frank, Bruce Goerlich and Vicky Champlin

At its first meeting in 2005, the Media Consumption and Engagement committee saw the need to map the changing landscape of consumer media usage within the context of their daily lives. DVR penetration was starting to make inroads and online video streaming was a reality, with some surveys suggesting substantial usage. Mobile video was in its infancy and speculation abounded as to the continued viability of traditional 30-second TV commercials. There was insufficient independent research that attempted to examine, in a media neutral fashion, what was really going on with consumers.

The MCE believed it was critical to undertake a large-scale video mapping study and recognized the CRE had the resources to do it well. The committee broadly defined the goal of the study as mapping consumer media behavior with a focus on video. Concerns included: how consumers interact with different media and how this changes over time; how location impacts usage, at home versus workplace or other places; and the rate of consumer adoption of new media devices. Findings would help guide the Council's recommendations to Nielsen for audience measurement priorities.

The Video Consumer Mapping Study (VCM)

Background

The MCE circulated a request for proposal to the industry, reviewed over a dozen proposals, and met with three finalists. The Committee selected the research proposal submitted by Ball State University and Sequent Partners. This proposal received approval from the Full Council in Fall '06 to move ahead with a pilot study, which would test the viability of a larger-scale-study.

The study was designed to map media usage using Ball State University's proprietary Computer Assisted Observation Technique. With special attention to be paid to high-tech media users, the pilot study was designed to measure the time and duration of usage for each medium consumed by each participant during a single day. Simultaneous media usage would be precisely captured as would multi-tasking with non-media activities. Also critical was the study's ability to account for ethnicity, race, and income status.

Why Observation?

Observation methodology was last employed in the 1960s to establish the relative value of various television exposure scenarios such as dayparts, program genre, and viewing locations and settings. The Committee felt that given the numerous media and non-media choices available to today's consumer, a well-executed observational study held the most promise for mapping the full scope of video media usage from a single source.

Pilot Study

The pilot study, conducted jointly by Ball State's Center for Media Design (CMD) and Sequent Partners, used the same technology and methodology that was employed in the Middletown Media Studies II. Middletown II, executed in 2004, was an enhancement using observational methods of the classic sociological research conducted in 1929 in Muncie Indiana. (For more information about these studies please visit www.bsu.edu).

The pilot study went through an intense collaborative design process during late 2006. Execution began in the first quarter of 2007 with observations completed from February to May. It was conducted in the Muncie and Indianapolis area among 50 participants.

To provide a basis upon which the MCE Committee could objectively evaluate the results of the MCE Pilot Study, a set of success criteria was developed:

- The sample needed to represent key target groups of interest.
- The study had to capture data for an average observational day of 14 hours.
- TV viewing levels found in the study needed to compare well to Nielsen measurements for the Indianapolis DMA for relevant dayparts.
- Video measurement had to encompass multiple platforms and locations.
- The study needs to generate confidence in the data through high-quality training processes and materials developed for the pilot.
- Gaps in video media measurement needed to be identified.

Sample representation of target groups of interest was achieved:

- Spanish-language dominant
- African Americans
- Inner-city subjects
- Advanced video technology users.
- People Meter Forced Turn Over (FTO) HH individuals

Virtually all observed subjects successfully completed the observation day.

Adult in-home television usage had to compare logically to NSI Indianapolis DMA data. CRE Pilot A18+ television usage data and NSI Indianapolis data by dayparts show a very strong positive correlation ($R^2=.94$ and $.97$ for May and February respectively). As expected, both data sets showed that TV viewing peaks around primetime and gradually declines after 9:30 PM.

Based upon the success criteria established, the CRE declared the Pilot Study successful and commissioned work to begin on planning the full study.

Media Acceleration

The media acceleration technique was designed to provide a look ahead to a world in which the “early majority” has adopted new media devices and services currently in the hands of only “early adopters.” We know that usage patterns of early adopters are not good predictors of subsequent mainstream usage.

Prior to Acceleration being incorporated into the Video Consumer Mapping Study, CMD and Sequent Partners, with support from Time Warner, *Procter and Gamble* and *Pepsico*, had *pilot*-tested the Media Acceleration method now deployed here.

Jack Wakshlag from Turner Broadcasting, a member of the CRE, having worked on the initial Media Acceleration study, brought the process to the attention of the Council.

By enabling current non-users to purchase from among a carefully chosen group of media devices and services for half the current price, the media acceleration technique simulates the world in which prices of these new technologies have dropped and the “early majority” begins to purchase. The media acceleration technique, (which was not included in the Pilot Study), was designed to address the goal of dimensioning how TV and video consumption might change over a short (two to four year) time frame.

Full VCM Study

The study objectives were to dimension current consumption of media, focusing on television and video, and to guide Nielsen’s video media audience measurement..

In pursuit of these objectives the VCM study included two distinct, but coordinated, elements: a Core Panel of participants to measure current media consumption and an Accelerated Panel to estimate the effects of new media device adoption on media consumption. Based upon a statistical power analysis, a sample size of 350 in the core panel was deemed optimal.

The study management team consisted of Mike Bloxham and Michael Holmes of Ball State University and, Bill Moulton and Jim Spaeth of Sequent Partners. The study execution team consisted of full and part time employees of CMD. .

The study included both observation of participants and questionnaires that were completed by participants after being observed. Observation was conducted by trained observers who used CMD’s proprietary Media Collector software to capture 17 media (including up to 7 sub-categories per medium), 15 life activities at 7 locations in 10-second increments.

Media, Life Activities, and Locations Examined

	Media	Locations	Life Activities
1	TV	Own Home Living/Family/TV Room Kitchen Bedroom Other	Media Only
2	Video Playback	Other's Home Living/Family/TV Room Kitchen Bedroom Other	Work
3	Radio	Car	Meal - preparation
4	Web	Public Transportation (e.g., bus, train)	Meal -- eating
5	Email	Work	Traveling or commuting
6	Instant Messaging	School	Personal needs
7	Software	Other (Outdoors, retail)	Household activity or chores
8	Computer Media		Care of another
9	Landline Phone		Personal/ Household services
10	Mobile Phone		Shopping
11	Portable Video		Education
12	Music		Religion
13	Print		Organizations
14	Games		Social activities
15	Digital Transfer		Exercise/sports/hobbies
16	Cinema		Other
17	Other		

Observation was supplemented with near-recall to capture media usage during the times immediately prior and subsequent to the observation period.

Participants were each observed twice, once in the Spring and again in the Fall.

In addition, questionnaires were completed by participants a day after observation and included The Big Five Personality Model, satisfaction and engagement and an Innovativeness measure. The results from these surveys will be published as part of a digital appendix. (See complete listing below)

A second group of participants were recruited specifically to the Acceleration Panel. They were offered the opportunity to purchase new media devices and services from an online catalogue with half of the retail price subsidized by this study, (i.e, half to be paid by the study and half to be paid by the participant).

The objectives of Media Acceleration portion of this study were (1) to learn how to address new consumer attitudes and behaviors for successful media measurement, marketing communication, media satisfaction, preference, growth and loyalty, device adoption and penetration growth; and (2) to be prepared for the likely shifts in consumers' preferences and marketplace media values and maximize the opportunities and minimize the risks of media in transition.

The Core Panel for the VCM Study was recruited randomly among former Nielsen local people metered panelists from the Atlanta, Chicago, Dallas, Philadelphia and Seattle DMAs. Initial telephone recruiting was handled by the Nielsen call center, with potential cooperators passed to CMD for scheduling and fulfillment. Three hundred and seventy six panelists were recruited and successfully observed twice,

The Acceleration Panel was recruited from the Indianapolis general population by CMD using purposive methods. One-hundred panelists were successfully observed.

The Core Panel was observed in two waves, the first commencing in March and concluding in May, 2008 and the second commencing in September and concluding in early-November.

The Acceleration panel was also observed in two waves, with the acceleration procedure executed immediately after the first wave. The first wave of fieldwork took place in May. Acceleration occurred in June. The second wave of fieldwork commenced in Mid-October and concluded in early November.

The Video Consumer Mapping study is based on a total of 952 observations. Usage results closely mirror data found in Nielsen's national Three Screen Report.

The data derived from this study were used to create a number of analyses covering the following topics:

- Map of the consumers' use of media by time of day:
- Media used
- Simultaneous media usage
- Multi-tasking with non-media activities
- By demographic, socioeconomic class, etc.
- By high-speed broadband access
- By ownership of/access to newer technologies
- Media satisfaction/engagement :
- By medium by Season
- Rationale for using different media

Results from the VCM study will be posted to the Council for Research Excellence website at www.researchexcellence.com in the second week of April, 2009.

About the Ball State University Center for Media Design:

The Center for Media Design (CMD) at Ball State University is a research and development facility focused on the creation, testing and practical application of media technologies for business, classroom, home and community.

The CMD is engaged in multidisciplinary, media research and content development projects that explore how media technology will touch the way we live, learn, work and play.

Mike Bloxham is Director, Insight and Research, at the Center for Media Design. He is responsible for the development and delivery of the Center's research agenda and is a co-author of the Middletown Media Studies.

Michael Holmes is Associate Director, Insight & Research, for the Center for Media Design at Ball State University. Dr. Holmes' research interests include new communication technologies, visual communication and media measurement. He is a co-principal investigator in the Middletown Media Studies.
For more information contact:

Mike Bloxham: 765.285.0127, mbloxham@bsu.edu

Michael Holmes: 765.285.0138, mholmes@bsu.edu

About Sequent Partners:

Sequent Partners is a consulting firm that was formed in 2003 specifically to advance the practice of linking marketing and media metrics to financial metrics.

In six words, Sequent Partners focuses on "customer value...brand value...shareholder value." They believe these three components of value can, and should, be linked in financial terms. They help clients cut across their many "silos" to integrate information in a way that fully incorporates the metrics of marketing into today's reality of heightened accountability and professional financial management.

Bill Moult is a Founding Partner of Sequent Partners. Immediately prior to co-founding Sequent Partners LLC in 2003 as a brand and media metrics consultancy, Bill served as President of the Marketing Science Institute, a non-profit organization that combines the resources and efforts of world-class marketing organizations and leading researchers from marketing academia worldwide, to advance the science of marketing.

Jim Spaeth is a Founding Partner of Sequent Partners. Immediately prior to co-founding Sequent Partners LLC as a brand and media metrics consultancy, Jim served as President of The Advertising Research Foundation, for seven years.

More information is available at www.sequentpartners.com.

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Appendix

The following documents are all available to the Council in electronic form:

1. Additional Findings and Presentation Materials (PPT)	2. Technical Appendix	3. Day in the Life Maps and Videos	4. Workshop Materials
<ul style="list-style-type: none"> • It was (almost) all about age • Digital video • Additional video exposure maps • Share of media by location • Solitary vs. social exposure • Media exposure events • Time of day data • HDTV ownership data • DVR ownership data • Game ownership data • Device ownership and TV genre • Life activities and media data • Degrees of concurrency • Personality profile data • Yankelovich Uses & Gratifications • Future • Digital transition questionnaire summary • Additional measurement analysis • Miscellaneous 	<p>Limitations</p> <p>Observer feedback report</p> <p>Observer training report</p> <p>Power analysis presentation</p> <p>Statistical significance testing</p> <p>Supplemental instruments:</p> <ul style="list-style-type: none"> • Media devices and services inventory • Big 5 personality survey • Innovativeness profile • Yankelovich Media Uses and Gratifications Battery • Digital Transition Preparedness • Recall of media exposure • Observer session report • VCM Power Analysis PPT 	<p>Triple play:</p> <ul style="list-style-type: none"> • 10 Day in the Life Maps from Accelerated participants • Video clips related to the Day in the Life Maps <p>Video library</p>	<p>Workshop 1-4 materials</p> <ul style="list-style-type: none"> • Workshop-1 08/13/08 • Workshop -2 08/27/08 • Workshop -3 12/17/08 • Workshop -4 01/13/08 <p>Updated Workshop 1 and 2 materials with Fall '08 data:</p> <ul style="list-style-type: none"> • Reach duration charts • Demographic indices • Pie charts

Committee Bios:

Shari Anne Brill – Committee Chairperson . Shari is SVP, Director of Programming, for Carat and an original member of the CRE. She leads all video research activities and programming projects for Carat and its clients. A highly-regarded industry leader, Shari Anne is constantly sought after by both the mainstream and trade press for her insights into television. She was also named a Wonder Woman, class of 2006 by the editors of Multichannel News and WICT.

Tim Brooks is currently a consultant, after having retired as EVP Research at Lifetime Television in 2007. During a 30-plus year career he also headed the research operations at USA Networks and NW Ayer, and held executive positions at NBC, CBS and Westinghouse. He has chaired committees of the MRC and the ARF and is a board member of CTAM. He received the ARF's Lifetime Achievement Award. He is a media historian and has written several award-winning books about media. He was an original member of the CRE and the MCE committee.

Joanne Burns is EVP Marketing, Research and New Media for 20th TV, Fox. Joanne's 30 career spans TV Rep firms, independent syndication, studio syndication and network. She also headed up the syndication business unit for Nielsen Media. Joanne's expertise is called upon to lead marketing campaigns, pioneer new media applications and set the course for her company's business strategy. Joanne is one of the original members of the CRE and the MCE committee. In 2007 Media Week chose Joanne as one of the Top 50 Most Indispensable Media Executives

Jane Clarke is VP, Insights & Innovation for Time Warner Global Media Group where she oversees the synthesis of industry, company, media and consumer intelligence to inform customized, cross-media marketing programs for Time Warner's largest advertisers, and directs cross-divisional ad effectiveness measurement. She is on the ARF Board, co-chairing the 360 Media & Marketing Super-Council. With Pepsico and P&G, she managed the Media Acceleration Pilot Test with Ball State University and Sequent Partners.

Billy McDowell is VP, Research for Raycom where he oversees all research related activities for the Raycom owned television stations, one of the nation's largest broadcasters. McDowell currently serves as Chairman of the Television Committee for the Media Rating Council and sits on the executive board. He received a BA from Samford University in Birmingham, Alabama and a MS degree in Media Management from Florida State University. Previously he spent over 14 years with NBC, and the last 7 years as VP Research for the Television Stations Division.

Dan Murphy is SVP of Research & Ad Traffic at Univision Interactive Media. Dan has been co-chair for the IAB Ad Operations Council for over three years. He's been working in the online world since 1994 having spent time with Sportsline (CBS Digital), Relevant Knowledge (comScore Media Metrix), Yupi (MSN Latino) and Univision Online. He has also concurrently served on the CRE as well as the IAB Research Advisory Board. Mr. Murphy received a MS Statistics, MS EE and Bachelor's of EE degree from The Georgia Institute of Technology.

Michael Nathanson is the U.S. Media analyst for Sanford C. Bernstein where he covers media conglomerates, global advertising agencies and radio/broadcast TV. He joined the firm in 1998. He earned a BA in American Studies from Brandeis University in 1985 and a master's in Management from the Yale School of Management in 1990. Mr. Nathanson was ranked #1 (Entertainment) from 2006 through 2008, #3 (Radio) in 2006 and 2007 and #2 (Radio) in 2008 by Institutional Investor Magazine

Michael Orgera is SVP of Media Sales Research for Warner Bros. Domestic TV Distribution where he focuses on consumer insights, audience measurement and market trends. Prior to joining Warner Brother, he was also Senior Vice President of Media Research at Universal McCann where he spent 16 years supporting media planning, buying and testing initiatives. Michael has a BA with Distinction in Economics from Swarthmore College.

Michael Pardee is SVP Research, Scripps Networks. Mike is a 30+ year veteran of marketing and media research – including consumer market research, Nielsen Media and media companies Your Choice TV & Scripps Networks. He focuses on the role of consumer needs, motivations, attitudes and behavior in the creation of effective media and advertising environments. Mike leads Scripps' research staff in support of five lifestyle cable networks, corresponding websites and brand extensions.

Noreen Simmons is Director Media Strategy and Operations, Unilever, leading media operations across Unilever Americas where she is involved in a number of initiatives ranging from managing local media agency resources to contributing to the evolution of global best practices for managing investments. A recent accomplishment is the development of a dynamic web based solution for sharing educational materials/best practices across marketing to deliver on Unilever's focus on shared learning

Barbara Singer is Director of Strategic Media Information at Kraft Foods. Her role is to lead the innovative and effective use of media information. She is responsible for articulating consumers' evolving media experience, creating new tools and information, sharing learning globally across the company, and participating in the industry. Prior to Kraft, Barbara was at J. Walter Thompson, and was V.P., Group Media Director, NY.

Steve Sternberg is EVP, Audience Analysis for MAGNA, a division of IPG's Mediabrands, Steve is in charge of television/video audience analysis for Mediabrands agencies, which include Initiative and Universal McCann. Steve does extensive analyses and writing on television programming, audience trends, and video research issues, and is one of the most quoted advertising executives in the business. He was an original member of the CRE and received *Ad Age's* Media Maven award in 1996 and 2007, and *Media Week's* Media All-Star award in 2003.

Horst Stipp is SVP Strategic Insights & Innovation in the Research department of NBC Universal in New York where he oversees strategic marketing and consumer research for NBCU's TV networks as well as the new digital platforms. Stipp received his Ph.D. in Sociology from Columbia University and has been involved in media research for over 30 years. His publications, in English and German, cover a wide range of topics. Since 2000, he has been teaching a seminar on media metrics at Columbia University's Business School.

Beth Uyenco is Global Research Director for Microsoft Advertising. Prior to Microsoft she spent many years at agencies, most recently at OMD as U.S. Director of Strategic Research and Analysis. Before that she was SVP of Research for Optimum Media, the media arm of DDB Worldwide, where she was responsible for managing all its media research operations. Currently, Beth is the U.S. West representative for ESOMAR, chair of the MRC Internet Committee, and co-chair of the Interactive Advertising Bureau's Research Council.

Jack Wakshlag is chief research officer for Turner Broadcasting System, Inc. (TBS, Inc.). Jack is among the leading research and performance analysts in media today. His portfolio includes all research supporting the company's strategic development, marketing, and distribution and ad sales. In addition, he is responsible for research supporting Turner initiatives in innovation, online metrics and new delivery platforms. Jack holds a Ph.D. in Communication from Michigan State University where he has been honored as a distinguished alumnus.

Richard Zackon, CRE facilitator, comes to his role with a BA from Yale, postgraduate degrees from Stanford in Communications and Statistics, a Fordham law degree, advanced training in executive coaching and speech act theory and experience in improvisational comedy. He has worked over thirty years in media research and created and teaches a course in TV Ratings at NYU. In his spare time he, well, he no longer seems to have any.