Upfront and Personal: Social Media and the New Advertising Ecosystem

Webinar At A Glance

1. Overview
2. Brief Presentations
3. Panel Discussion
4. Audience Q&A
5. Conclusion
OUR PANELISTS AND MODERATOR

Dounia Turrill, Senior Vice President, Client Insights, Nielsen

Jeff Smith, Senior Vice President, Product Leadership, Ad Effectiveness, Nielsen (formerly CMO, Vizu)

Deirdre Bannon, Vice President, Social Media Solutions, SocialGuide

Julia Monti, Senior Director, Global Communications, Nielsen
Beyond what is traditionally measured there is additional engagement with media

The average American consumes over 41 hours of content each week across TV, online and mobile

Source: The Nielsen Cross-Platform Report Quarter 4 2012
MONTHLY TIME SPENT IN HOURS:MINUTES
By Race and Ethnicity

<table>
<thead>
<tr>
<th>Activity</th>
<th>White</th>
<th>African American</th>
<th>Hispanic</th>
<th>Asian</th>
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</thead>
<tbody>
<tr>
<td>On Traditional TV</td>
<td>152:32</td>
<td>215:02</td>
<td>131:08</td>
<td>99:30</td>
</tr>
<tr>
<td>Watching Timeshifted TV (all TV homes)</td>
<td>13:47</td>
<td>9:45</td>
<td>8:21</td>
<td>9:06</td>
</tr>
<tr>
<td>Using a DVD/Blu Ray Device</td>
<td>5:32</td>
<td>6:12</td>
<td>5:41</td>
<td>4:33</td>
</tr>
<tr>
<td>Using a Game Console</td>
<td>6:16</td>
<td>8:17</td>
<td>7:22</td>
<td>4:56</td>
</tr>
<tr>
<td>Watching Video on Internet</td>
<td>6:27</td>
<td>10:54</td>
<td>9:58</td>
<td>15:01</td>
</tr>
<tr>
<td>Mobile Subscribers Watching Video on a Mobile Phone</td>
<td>4:58</td>
<td>6:15</td>
<td>5:58</td>
<td>6:20</td>
</tr>
</tbody>
</table>

Source: The Nielsen Cross-Platform Report Quarter 4 2012
THE SECOND SCREEN EXPERIENCE

85% of tablet/smartphone owners use their device while watching TV at least once a month with 40% of them doing it daily.

41% used at least once a day while watching TV.

39% used at least once a day while watching TV.

Source: The Nielsen Cross-Platform Report Quarter 4 2012
AUDIENCE QUESTION

What percent of your engagement in social media is linked to a “need to know and exist in the space” for work versus for personal interest?

• 1-20%
• 21-50%
• 51-75%
• 75+%
SIMULTANEOUS TABLET AND TV USE SKEWS OLDER

**Skews Older**
Age groups 25-34 and 55-64 are the most likely to use their tablets multiple times per day while watching TV.

**TYPICAL ACTIVITIES**

**Seeking Information**
36% of people 35-54 and 44% of people 55-64 use their tablets to dive deeper into the TV program they are currently watching.

**Surfing and e-Mailing**
55-64 are the heaviest web surfers and email checkers during commercial breaks and programs.

**Sports Scores**
Nearly a third of all tablet users aged 25-64 check sports scores on their tablets while watching TV.

Source: The Nielsen Cross-Platform Report Quarter 4 2012
SIMULTANEOUS MOBILE AND TV USE SKEWS YOUNGER

Skews Younger
Nearly half of 18-24 year olds use their smartphones while watching TV at least once per day.

TYPICAL ACTIVITIES

Social Media
44% of 18-24 year olds and close to 50% of 25-34 year olds are visiting social networking sites on their smartphones during both commercials and programs while watching TV.

E-Mailing
Is the heaviest simultaneous smartphone activity across all demos, with over 50% of users checking during commercials and programs.

Shopping
29% of 25-34 year olds shop on their smartphones while watching TV.

Source: The Nielsen Cross-Platform Report Quarter 4 2012
SOCIAL IS ALL ABOUT MOBILE

Time Spent and Unique Audience for social on mobile drove YOY growth

Time Spent on Social Media: YOY Growth

- Total Minutes: 121.1B (JULY 2012)
- 5.7B (JULY 2011)
- 40.8B
- 74.0B

- 57% growth in time spent on social came from Mobile Apps and Mobile Web

Unique U.S. Audience for Social Networking

- JULY 2011: 44.8M
- JULY 2012: 85.8M

- 100% growth in Mobile App unique users, and 81% growth in Mobile Web unique users

Upfront & Personal: Social Media and the New Advertising Eco-System
Source: Nielsen State of Social Media Report 2012
MORE PEOPLE ARE USING MOBILE TO ACCESS SOCIAL

Devices used to access social media

2011 | 2012

Source: Nielsen State of Social Media Report 2012
TABLETS AND SMARTPHONES HAVE BECOME THE SECOND SCREEN TO TV

85% of tablet and smartphone owners who watch TV use their device simultaneously at least once a month

~40% of tablet and smartphone users visit a social network while viewing

POLL QUESTION

Question:
How do you engage with social media while watching TV?

Answer choices:
• I post and read messages (on Twitter, Facebook, etc.) while watching TV
• I read messages posted by my friends while watching TV
• I do not engage in social media while watching TV
THE TWITTER TV CONVERSATION IS ACCELERATING

182% YOY growth in Tweets about TV (U.S.)

Tweets (Millions)

32 million Unique people in the U.S. Tweeted about TV in 2012
PAID SOCIAL MEDIA ADVERTISING CHANNELS USED AS OFTEN AS FREE CHANNELS

Q. Please describe your organization’s social media activities

- **Use free tools such as Facebook, Twitter, and YouTube to spread content organically**
  - Advertisers: 89%
  - Agencies: 71%

- **Purchase media and/or sponsor content on social sites or platforms for social campaigns**
  - Advertisers: 75%
  - Agencies: 81%

- **Don’t do anything with social media**
  - Advertisers: 0%
  - Agencies: 6%

**Advertisers** vs. **Agencies**
PAID SOCIAL SPENDING IS INCREASING

Brands: For 2013, do you expect your paid social media advertising budget to:

- Increase: 64%
- Stay the Same: 34%
- Decrease: 2%
PAID SOCIAL SPENDING IS INCREASING

Brands: For 2013, do you expect your paid social media advertising budget to:

- **Increase**: 64% of respondents said their budgets will grow up to 20%.
- **Stay the Same**: 34%.
- **Decrease**: 2%.

- **Over half of respondents** said their budgets will grow up to 20%.
- **Just over 10% of respondents** said it will grow even more.
WHERE IS THE BUDGET COMING FROM?

Q. In 2013, to what extent, if any, are you shifting budget from the following areas to your paid social media advertising budget?

- None, social media has its own dedicated budget: 41%
- From other online channels – display: 23%
- From other online channels – other: 10%
- From offline channels: 39%
Q. How often are your paid social media advertising efforts run in conjunction with other types of advertising?

**With Other Online Advertising**
- Most or all of the time: 66% (Advertisers), 71% (Agencies)
- Half of the time or less: 11% (Advertisers), 7% (Agencies)
- Rarely or never: 11% (Advertisers), 5% (Agencies)

**With Other Offline Advertising**
- Most or all of the time: 51% (Advertisers), 41% (Agencies)
- Half of the time or less: 31% (Advertisers), 39% (Agencies)
- Rarely or never: 18% (Advertisers), 20% (Agencies)
Q. What is the primary purpose of your paid social media advertising campaigns?

PAID SOCIAL IS PRIMARILY USED FOR BRANDING

- Primarily branding related, e.g. raising awareness, influencing brand opinions: 45% (Advertisers), 31% (Agencies)
- Primarily direct-response related, e.g. driving product trials or site visits: 16% (Advertisers), 15% (Agencies)
AUDIENCE QUESTION

How important is it that the effectiveness of paid social media advertising efforts be measured using classic ROI metrics? (Brand Lift of Sales Lift), as opposed to “social metrics” (likes, shares, engagement, etc.)

Brand Lift

- Very Important
- Somewhat important
- Neutral
- Somewhat unimportant
- Not important

Sales Lift
ADVERTISERS ARE LOOKING FOR CLASSIC ROI METRICS TO JUSTIFY THEIR INVESTMENT IN SOCIAL MEDIA

Metrics Brands Say They Want

- Exact same metrics as offline media, and nothing else: 12%
- Exact same metrics as offline, and some additional metrics specific to the online medium: 42%
- Some of the same metrics from the offline medium, and some metrics specific to the online medium: 29%
- Metrics specific to the online medium: 17%
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As asked what specific metrics they would like to use:

- Sales Lift (49%)
- Brand Lift (35%)
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What Media Sellers Provide

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- Some of the same metrics from the offline medium, and some metrics specific to the online medium: 29%
- Metrics specific to the online medium: 49%

Asked what specific metrics they provide:
- Clickthroughs (74%)
- Views (68%)

ADVERTISERS ARE LOOKING FOR CLASSIC ROI METRICS TO JUSTIFY THEIR INVESTMENT IN SOCIAL MEDIA
SUMMARY

- Advertisers continue to increase their use of both free and paid social media, and the dollars they are allocating to their paid efforts

- Paid Social Media Advertising is primarily a branding vehicle for advertisers

- As such, advertisers are looking for brand related ROI metrics – sales lift and brand lift – to justify their social media investment

Download Full Report: http://brandlift.vizu.com/knowledge-resources/research/
Learn about Nielsen’s solutions for measuring social media advertising: BrandLift.com
THANK YOU FOR ATTENDING OUR WEBINAR

Dounia Turrill: Imagine a scenario in which your TV program viewing experience and your social media outreach (Twitter feed, Facebook updates) don’t just exist as a second screen experience but are linked on the TV set so that as you are watching your show you are also engaging with your communities and taking the water cooler to the screen real time.

Deirdre Bannon: Growth of social TV is creating new opportunities for advertisers and networks to engage with and reach consumers.

Jeff Smith: Evaluate your investment in social media advertising just as you would any other channel – is it delivering brand lift or sales lift? If not, there may be better places to spend your money.

Please contact us if you have any questions or comments:

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