

MULTISCREEN IS REALITY: HOW CONNECTED TV IS CHANGING THE TELEVISION LANDSCAPE

MULTISCREEN & CONNECTED TV USE: RESULTS

- ▶ Which digital devices are currently used in households?
- ▶ How is digital media consumption being influenced by new devices?
- ▶ Who are connected TV users?
- ▶ What content is being used and what content is in demand on digital devices?



smartclip

The Multiscreen Video & Brand Advertising Platform

THE BATTLE FOR THE USER'S ATTENTION: ▶ MORE DEVICES ARE RELEVANT

The research looks at the use of internet-based functions on a large TV screen via connected TV, in conjunction with a second screen, and the influence on the use of linear TV. This study has been conducted by smartclip through an independent market research company.

- ▶ **Basic population:** internet users in Germany 14-49 years old
(representative according to AGOF Internet Facts – Working Group for Online Media Research)
- ▶ Online survey of an access panel of the reputable **Research Now** institute
- ▶ **Sample:** n=1,536 respondents
- ▶ **July / August 2012**



The device and media landscape is going through radical change, as is user behaviour. Multiscreen is a fact of life in digital media use. The sought-after, younger target groups are using every kind of digital device.

With every new purchase the penetration of smart TV sets in the home and the prevalence of internet enabled devices bring an increase of online services onto the large TV screen in the living room in a domestic environment.

The adoption of Connected TV and the use of a second internet enabled screen such as notebook, smartphone or tablet PC at the same time as watching TV, is competing for the attention of the 14 – 49 year old target audience alongside linear TV.

The study shows that advertisers must pay more attention to multiple devices when planning media and the evolution of the use of the new digital media landscape.

STUDY RESULTS OVERVIEW

#1 Digital media use on multiscreen devices is the most important @home media and now exceeds TV viewing for **length of time used**.

#2 **Simultaneous use of internet & TV is a fact:** Nearly two-thirds of viewers use the internet frequently if not more often while they watch television.

#3 More than half of the respondents (56%) own devices that allow them to use the internet via the TV screen. **Some 70 % of owners** of an internet capable TV use the online functions!

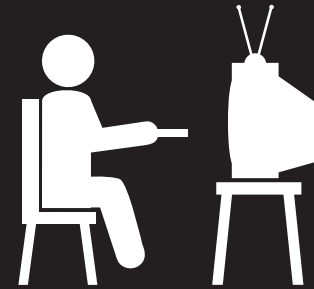
#4 **Connected TV users are not technology nerds** but are a mainstream target demographic. They are representative of the population as a whole, and have an above-average education. **They are family oriented with a high proportion of males in the 20–39-year-old age group.** Exactly the target that is often so difficult to reach via linear TV.

#5 **New content, which can be accessed via connected TV, is gaining in acceptance.** The scope of media consumption on TV sets is growing, not least through new functions such as gaming, internet telephony or sports workouts.

#6 **The TV continues to be the most important screen** for movies and TV shows – however, the viewer decides what content to view and at a time to suit. There is a high demand for special areas of interest.



CONNECTED TV



SECOND SCREEN

CON·NECT·ED TV

[kə'nektɪd ,ti: 'vi:]

describes TV sets that can be connected to the internet (synonym: hybrid TV). Access to internet-based services is established through integrated solutions on so-called smart TVs or through internet capable peripheral devices such as set-top boxes, Blu-ray and other media players of known CE manufacturers and gaming consoles.

SEC·OND SCREEN

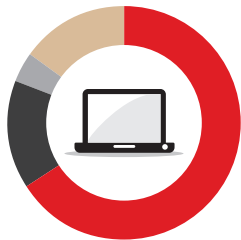
[sək'ənd skrēn]

describes an additional internet-capable device (e.g. tablet PC or smartphone) that is used by viewers at the same time as watching TV. Viewers can call up additional information on the current television programme that is coordinated with the TV content or can make use of any other internet services such as chats, surfing, playing games etc.

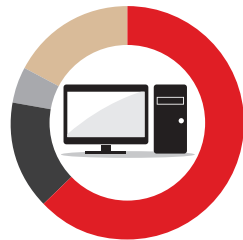


QUESTION: » Which of the following devices in your household offers the possibility of accessing the internet (mobile and home device) and how often do you use the internet capability? «

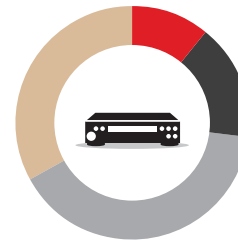
THE NOTEBOOK (STILL) IS THE MOST IMPORTANT ONLINE DEVICE AT HOME FOLLOWED BY SMARTPHONES, CONNECTED TVS AND TABLETS



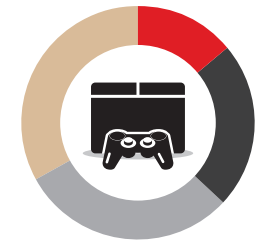
LAPTOPS/NOTEBOOKS



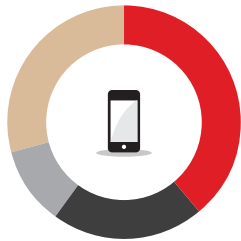
STATIONARY PCS



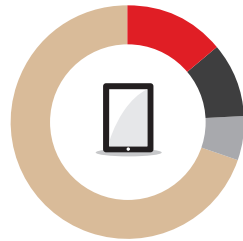
DVD/BLU-RAY PLAYER,
HARD DISC RECORDERS



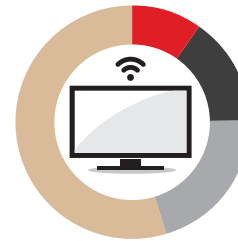
GAMING CONSOLES



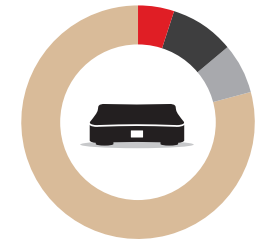
SMARTPHONES



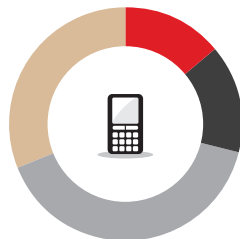
TABLET PCS



(SMART-)TV DEVICES



SET-TOP BOXES,
MEDIACENTER



MOBILE PHONES (NO SMARTPHONE)

Digital media use takes place on all internet capable devices. Every fourth user already uses a tablet and smart TV set (additionally) as an online device.

Interesting: Gaming consoles – if available – are also being used predominantly for online use and are important devices for connected TV use.



CONNECTED TV-DEVICES

- Available, frequent use of internet capability
- Available, no use of internet capability
- Available, occasional use of internet capability
- Not available in the household

[Use of internet capability of total media sample (n=1,536)]

QUESTION: » On an average day, how much time do you spend using the following media, internet and television, privately? «

INTERNET-BASED MULTISCREEN USE IS EXCEEDING LINEAR TELEVISION CONSUMPTION



■ Accessing the internet at home

[Use of media by total sample (n=1,536)]

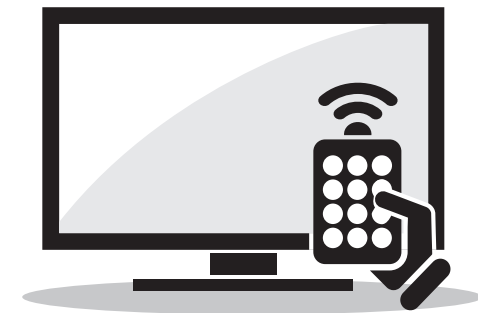
Internet use on all devices is the most important @home medium

▶ **43% of 14 to 49 year olds** are online for **more than three hours a day** – only 28% watch television this long every day. Connection to the internet is made via all devices:

- PC/laptop
- Mobile devices (smartphones and tablets)
- Connected TV

▶ TV viewing is centered on one to three hours per day for **55% of the target group**

▶ **Private media use at home is increasingly taking place online!**



■ Watching television

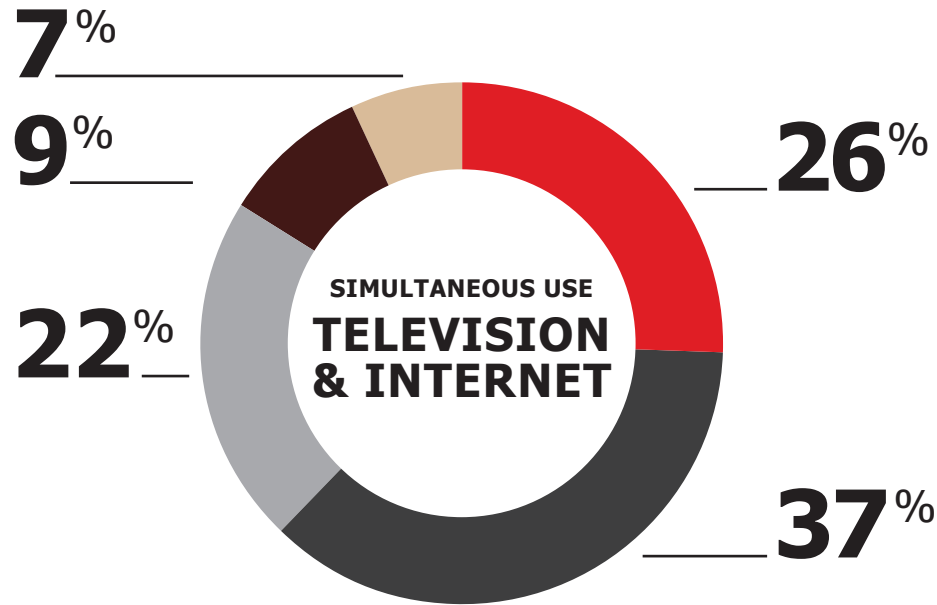
[Use of media by total sample (n=1,536)]

QUESTION: » If you think of occasions when you watch television at home, how often do you use the internet simultaneously (irrespective of the device used)? «

SECOND SCREEN: TWO OUT OF THREE RESPONDENTS USE TV & INTERNET SIMULTANEOUSLY

The television set now competes for the user's attention. 26% of respondents are nearly always online whilst watching television. Another 37% frequently use the internet whilst watching television.

Thus: A second screen is the reality for more than half of the respondents.



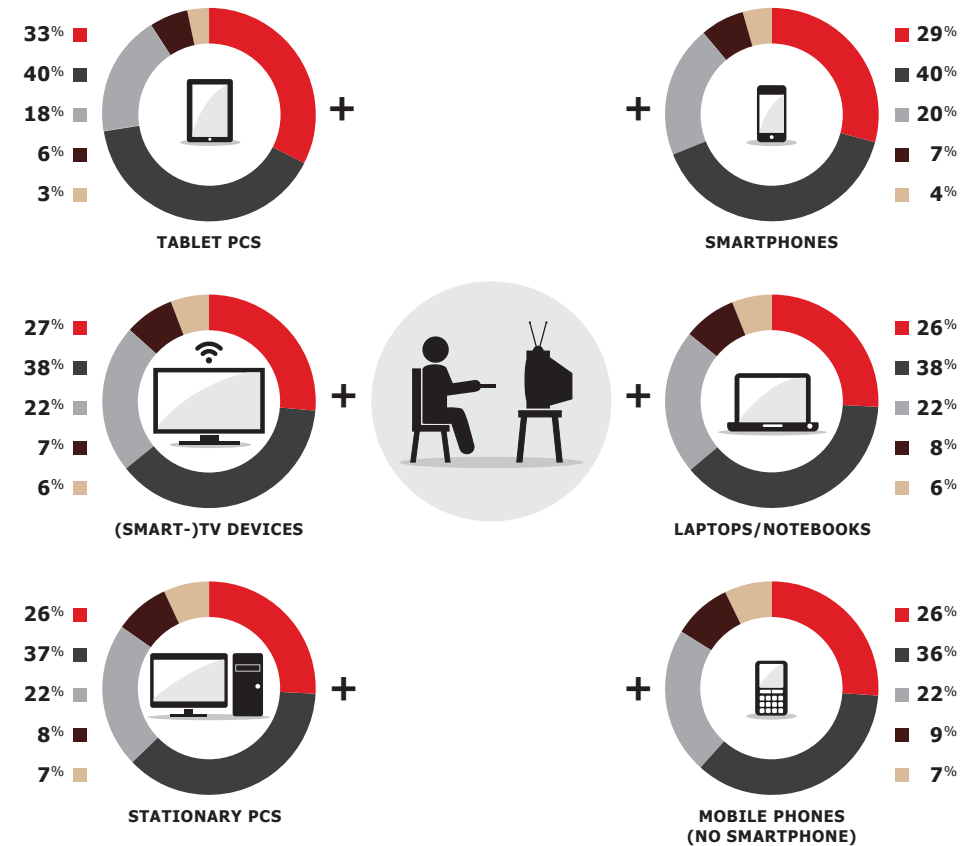
■ Nearly always ■ Frequently ■ Sometimes ■ Rarely ■ Never

[Simultaneous use of the internet whilst watching television, total sample (n=1,536)]

QUESTION: » If you think of occasions when you watch television at home, how often do you use the internet simultaneously (irrespective of the device used)? «

SIMULTANEOUS USE OF TV AND INTERNET MOST COMMON AMONGST TABLET PC OWNERS

Two-thirds of tablet PC owners use the internet frequently whilst watching TV. The figure is also above average for owners of connected TV devices. **Exclusive attention of the viewer given to traditional TV content is becoming the exception.**



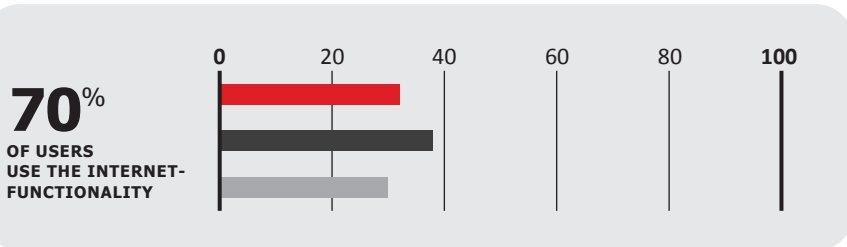
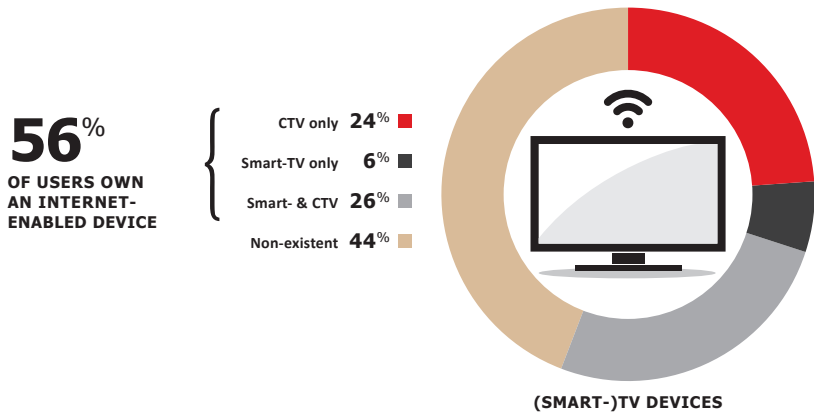
■ Nearly always ■ Frequently ■ Sometimes ■ Rarely ■ Never

[As a percentage for owners of the respective devices (n=1,536)]

QUESTION: » Do you have any other internet capable device in your household with which you can access the internet via the TV screen, e.g. set-top box, gaming console or Blu-ray player? **«**

70% OF OWNERS OF CTV DEVICES USE THEM TO GO ONLINE

56% of respondents own device(s) that can access the internet via the TV screen. A third of these respondents use them frequently, another 38% only use them occasionally.



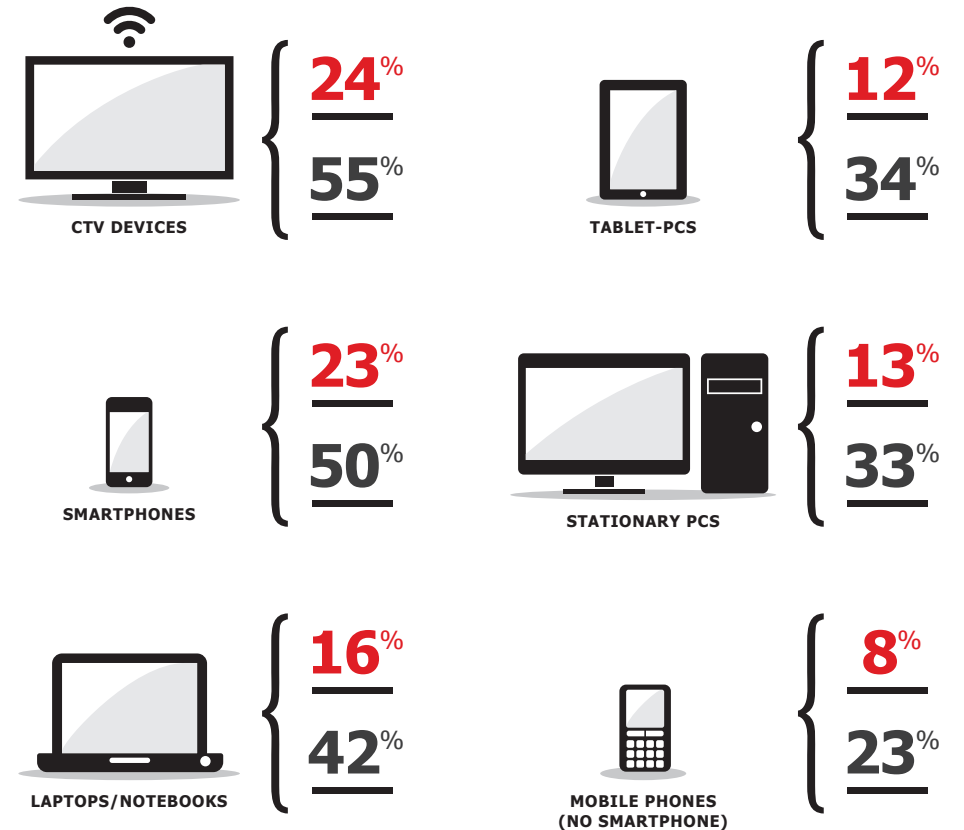
■ Frequent use CTV ■ Occasional use CTV ■ Non-use CTV

[Question on use on the basis of connected TV users (n=1,536 total; n=862 connected TV owners)]

QUESTION: » How likely is it that within the next 12 months you will purchase one of the following internet capable devices – irrespective of whether or not you will use this capability? **«**

PURCHASING: CTV DEVICES PREFERRED OVER SMARTPHONES

55% of respondents are likely to or will very probably purchase a device within the next few months in order to consume internet-based content on a TV screen.



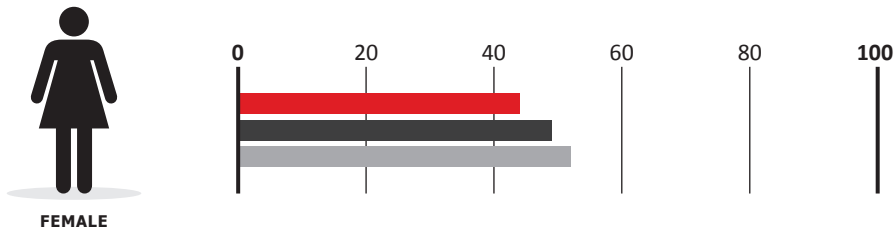
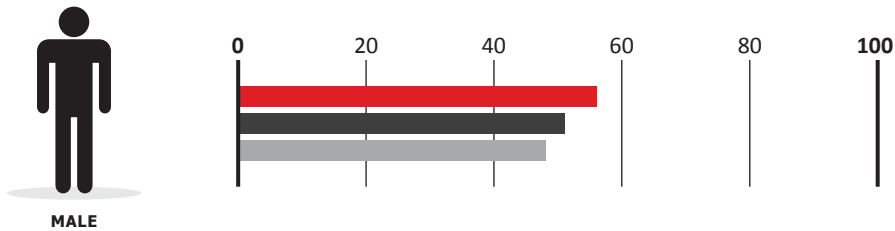
■ Very likely ■ (Very likely and quite likely) Combined

[Likelihood of the purchase of new, internet capable devices, total sample (n=1,536)]

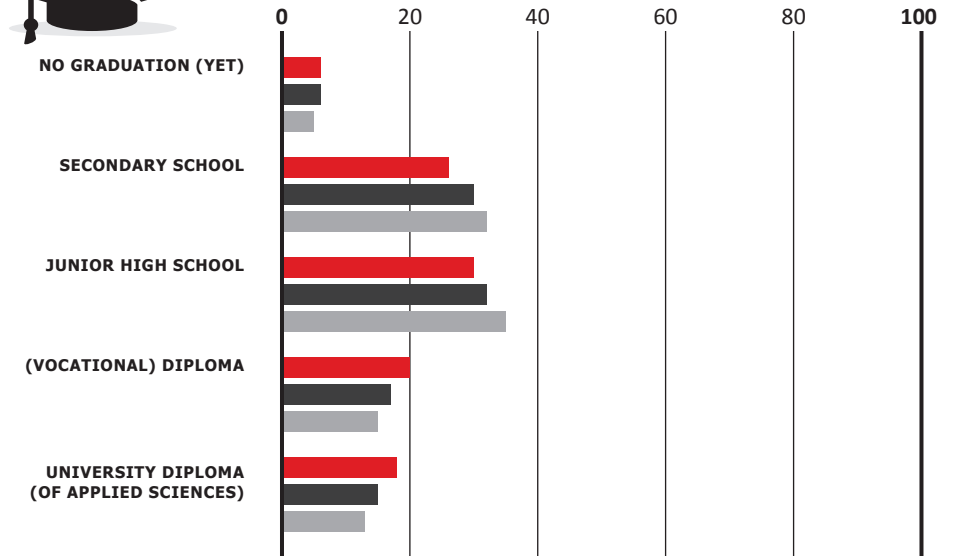
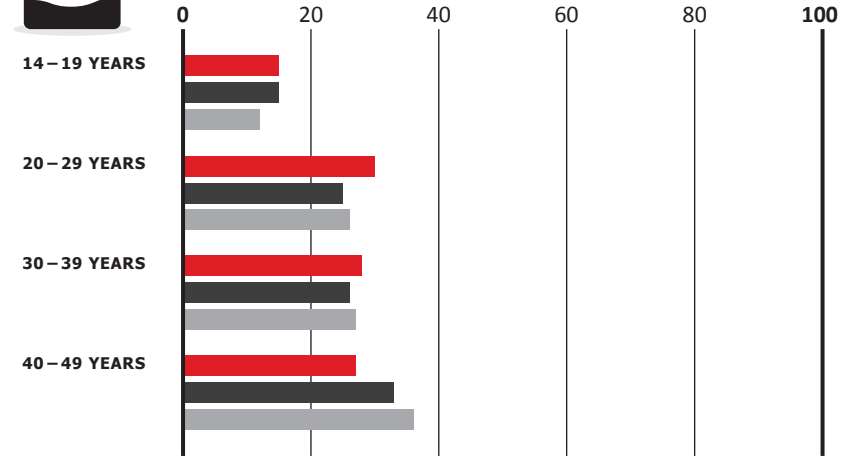
CTV USERS

ARE THE MOST SOUGHT-AFTER AND MOST DIFFICULT TO REACH YOUNGER TARGET GROUPS

Connected TV users are not technology nerds but are a premium target demographic. They are representative of the population as a whole and are above-average **educated, family oriented with a high proportion of males in the 20-39-year-old age group.** Exactly the target group that is difficult to reach via traditional channels but can be addressed via connected TV and via the large screen in the living room.



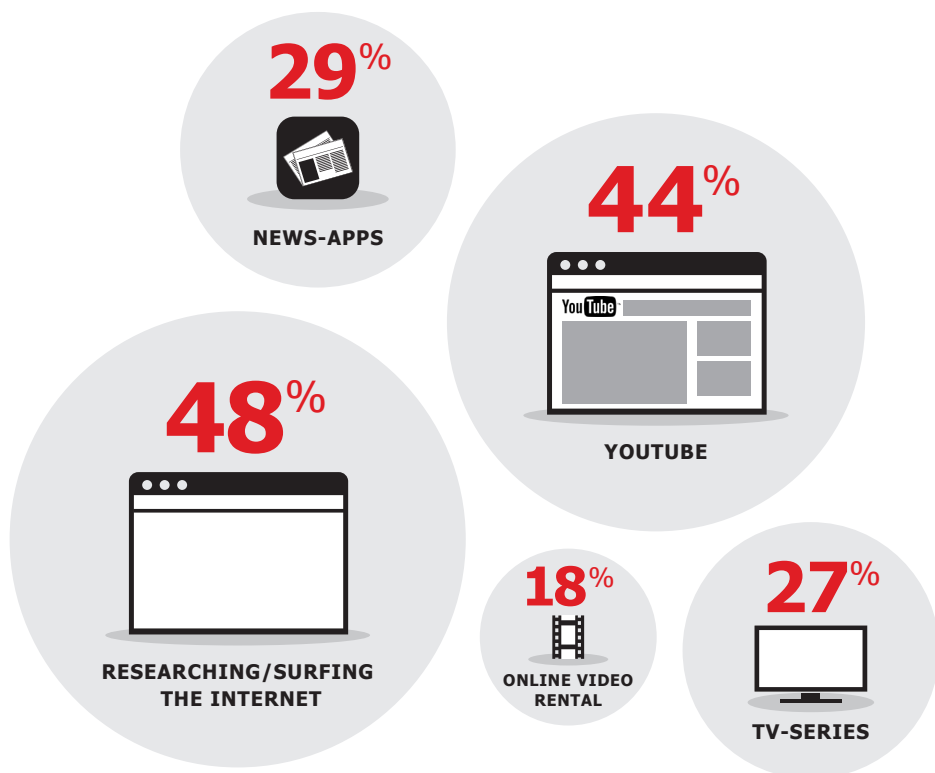
■ Connected TV user ■ Internet user ■ TV user



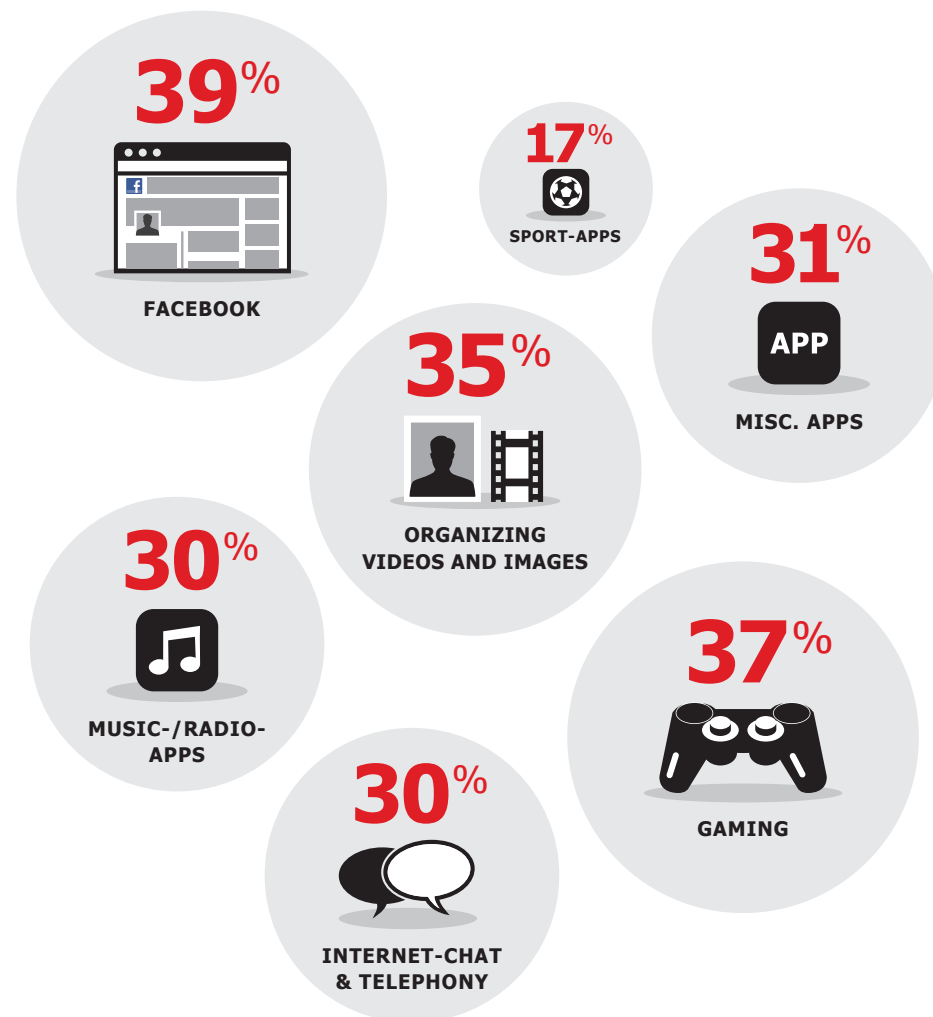
[Social-demographic query; Filter: TV target groups of min. 2 hours daily (n=891), internet target group of min. 2 hours daily (n=1,061), connected TV users (n=778); Figures as a percentage]

QUESTION: » Here you can see a range of specific offers that are possible to use with a smart/connected TV device in addition to the normal TV function. How often do you use these? «

CTV USERS EMBRACE THE MAJORITY OF ADDITIONAL OFFERS



Besides well-known offers, such as YouTube and Facebook, the online content used on a television screen is for the most part chat and telephoning, gaming, music and news apps – which are used at least once a week by nearly one in three.



■ Once a week or more often

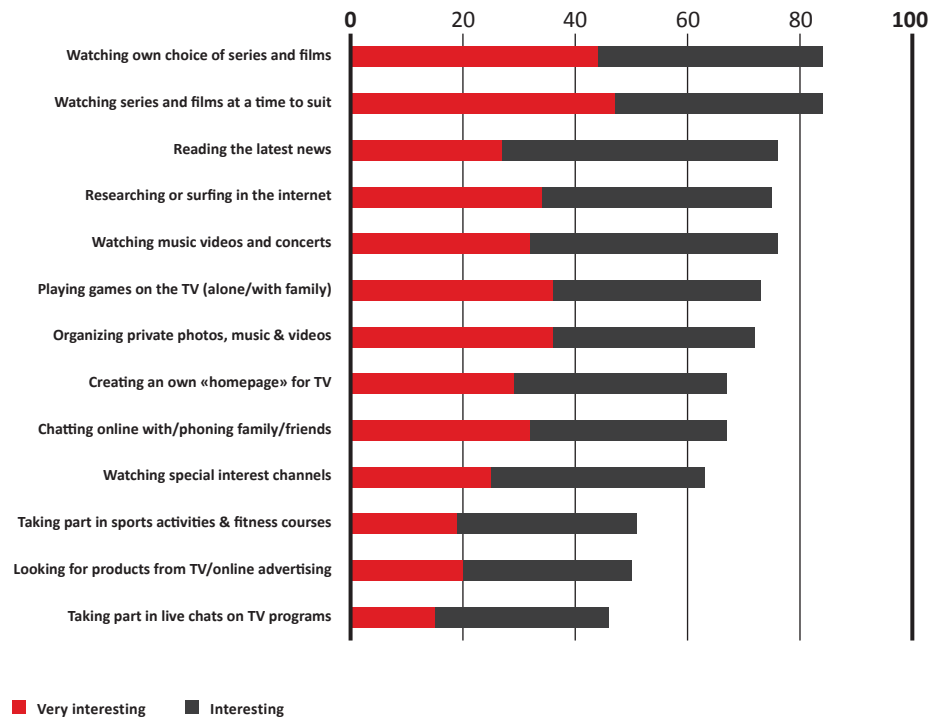
[Top 2 values on a 4-value scale; Filter: smart- and/or connected TV users (n= 601)]

QUESTION: » Here you can see a range of specific offers that are possible to use with a smart/connected TV device in addition to the normal TV function. How interesting are these functions for you? «

THE BIG ADVANTAGES: PERSONAL CHOICE OF USE AND MULTI-TASKING AT ANY GIVEN TIME

Interest in the functionality of connected TV is high, primarily amongst its users: the **non-linear viewing of series and films leads the ranking with 84% of interest.** Traditional TV content remains relevant but the use of connected TV unrestricted by time and determined by personal choice is a major advantage of connected TV for viewers.

Connected TV represents freedom in organizing one's own use of media and consumption of new content on the TV screen.



[n=601 Connected TV users; Top 2 values on a 4-value scale]

» The option of constantly having info made available. Accessible, easy and to an incredible extent. It's possible to do things fast (e.g. order something) or send an important message quickly, which used to be much more time-consuming and complicated before. «

» Once you've gotten to grips with the new possibilities, it's very easy to watch videos, go shopping online and make a telephone call whenever you want. «

[Quotes of CTV users]

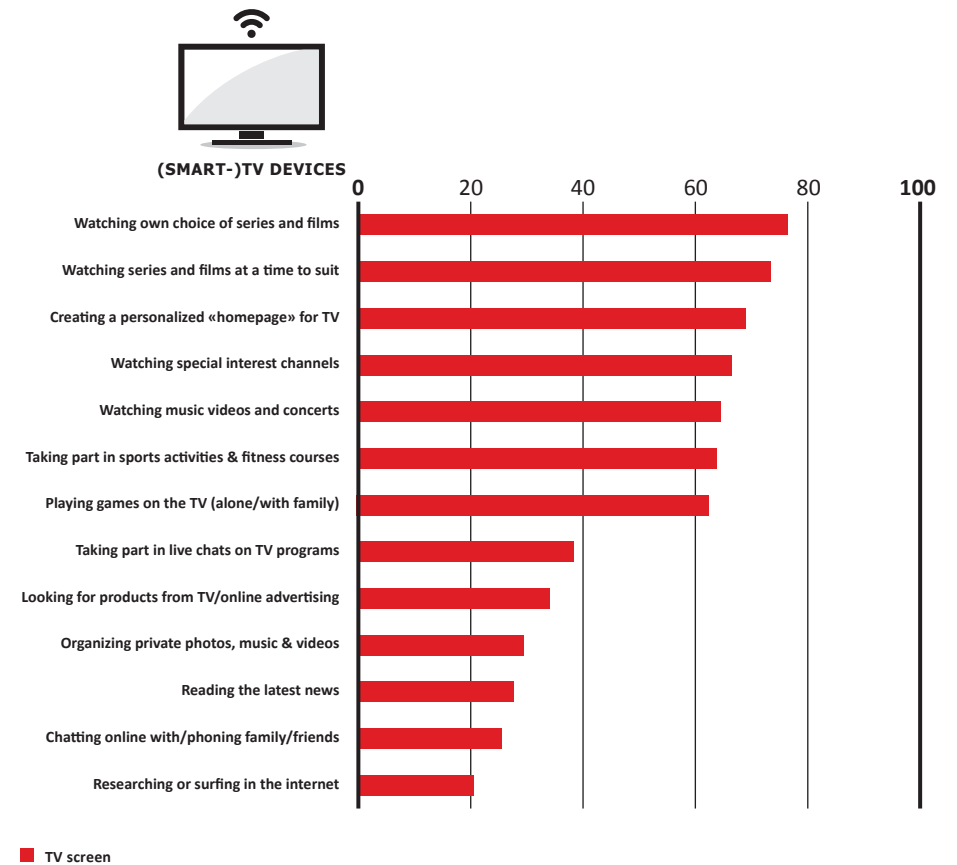
THE DECISIVE QUESTION
FOR CONSUMERS IS:

▶ WHICH
DEVICE
AND WHICH
SCREEN FOR
WHICH USE?

QUESTION: » Considering the functions and offers that are interesting for you personally, which of the output devices/screens can you best envision making use of in the future, irrespective of whether or not you already have such a device? «

MOVIES, TV SHOWS & NEW KINDS OF ENTERTAINMENT WILL PRIMARILY BE VIEWED ON THE TV SCREEN

Most viewers watch their **time-delayed content** on their TV screen, as well as using it for watching music videos, special interest channels, playing games or doing sports workouts. **There is a high demand for personalisation of the TV screen.**



[Filter: The top 2 most interesting functions in each case (n=1,536)]

QUESTION: » Considering the functions and offers that are interesting for you personally, which of the output devices/screens can you best envision making use of in the future, irrespective of whether or not you already have such a device? «

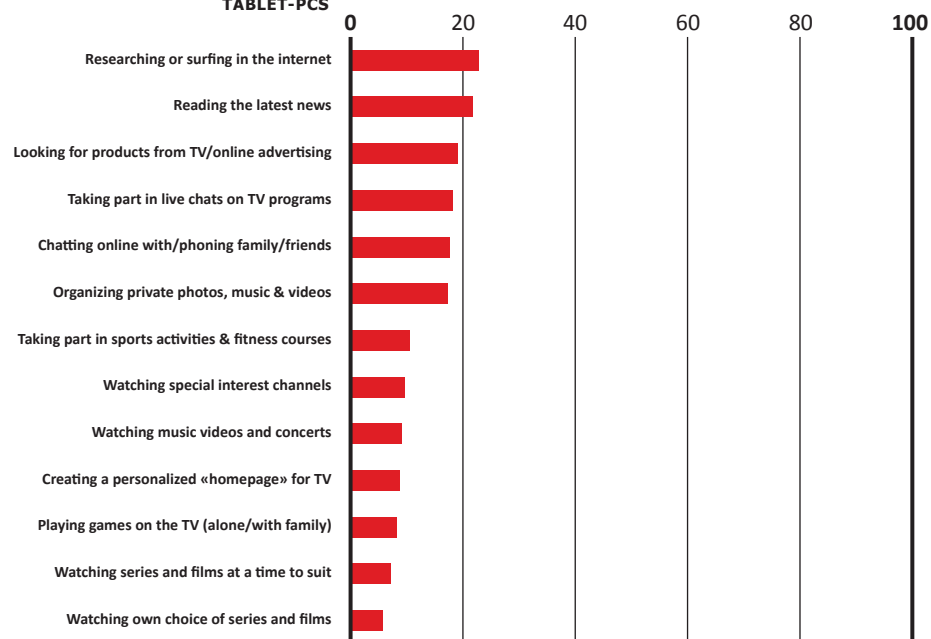
THE TABLET-PC

IS THE DEVICE OF CHOICE FOR SECOND SCREEN USE

In addition to researching background info, news and products being advertised, **the tablet** is also used as a **means of communication** to chat with friends – **something that television as a lean-back medium is less suitable for.**



TABLET-PCS



■ Tablet

[Filter: The top 2 most interesting functions in each case (n=1,536)]

QUESTION: » Considering the functions and offers that are interesting for you personally, which of the output devices/screens can you best envision making use of in the future, irrespective of whether or not you already have such a device? «

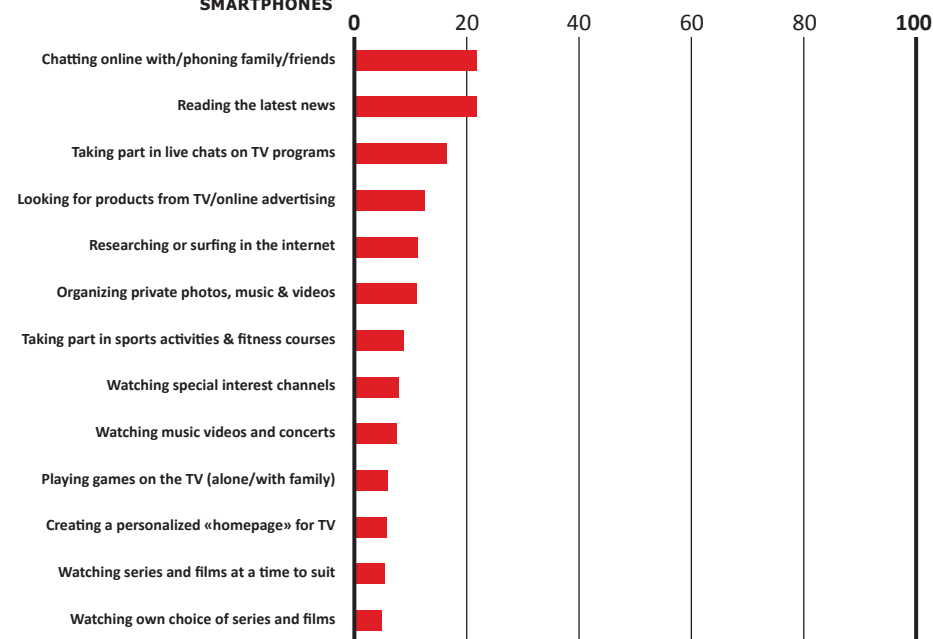
SMARTPHONES

ARE USED PRIMARILY FOR RAPID ACTION SUCH AS CHATS AND NEWS-CHECKING

The smartphone with its small display is mainly used by respondents as a **communications and information device** – for a quick chat with friends on Facebook or to check the news now and then e.g. when **on the go or during an advertising break.**



SMARTPHONES



■ Smartphone

[Filter: The top 2 most interesting functions in each case (n=1,536)]

>> It is simply mind-bogglingly convenient being able to surf the web whilst watching TV and perhaps even researching issues that are currently on TV and the web at the same time. <<

>> TV and internet combined with games and TV series and their background info, simply fantastic! <<

>> It's possible to read the news at any time or watch series whenever regardless of the TV program. <<

[Quotes of CTV users]

ABOUT SMARTCLIP

smartclip is a global multiscreen and brand advertising platform specializing in video ad formats across all Internet-connected devices including, smartphones, tablet PCs, gaming consoles, set-top boxes and connected TVs, in addition to the classic PC. The company helps advertisers and media agencies to reach targeted consumers. Publishers benefit from proprietary and innovative technology solutions for the monetization of their video content. smartclip is headquartered in Hamburg, Germany with major operations in Europe, Australia, the U.S. and Latin America, pushing the frontier of digital video advertising. The company is a wholly owned subsidiary of Adconion Media Group, which has 24 offices serving 20 countries around the world.

Further information available at:

www.smartclip.com

The latest company news can be found on twitter:

<http://twitter.com/smartclipAG>.



MULTISCREEN STUDY, EN // 2012

WOULD YOU LIKE MORE BACKGROUND INFORMATION?

Just contact us!

We are happy to explain opportunities available
for online video advertising and branding campaigns
on all screens.



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