



Morse Analyzes Impact of New Nielsen Measurement Strategy

For the first time Nielsen Media Research will soon begin measuring viewership of TV on subscription online video services. Analyzing the audio components of a program will determine which shows are being streamed. Still under development is a way to measure subscription-video viewing on mobile devices, where the current process won't work.



Dr. John Morse of Byron Media commented: "At its November 2014 client meeting, Nielsen presented data documenting a significant shift in the past year from linear TV viewing to digital viewing on various devices, including VOD/SVOD. A timetable was also announced for incorporating measurement of all digital options into the national People Meter Ratings service over the next 2 years. That should, in theory, boost many networks' ratings from the decline that has occurred in the past year.

Everyone is waiting for Nielsen to catch up to the new reality. Given the rate of change from traditional to OTT viewing options, we are likely to see further declines in Nielsen ratings in the short run while waiting for the measurement of new technologies to increase them."

Specifically, the recent report presented at the client meeting identified significant trends in the current media universe. Linear TV declined by a rate of 2% from last year—4.75% when including broadband only homes. There are many more choices for viewers driven by advances in technology. These factors have contributed to lower PUTS (People Using Television) across all demographic categories.

As overall video consumption continues to grow, new platforms, devices and services are widespread among viewers including SVOD (Subscription Video on Demand), tablets, and OTT (Over the Top video). The American consumer is changing. While the overall population is still mostly white and non-Hispanic across all demographics, audiences are becoming more diverse:

2009				2014			
Age	12-24	25-54	55+	Age	12-24	25-54	55+
White	61%	65%	78%	White	56%	61%	76%
Hispanic	18%	16%	8%	Hispanic	21%	18%	9%
Black	16%	12%	10%	Black	17%	15%	11%
Asian	4%	5%	3%	Asian	4%	5%	3%

As more viewing choices become available, there are winners and losers among the technologies.

Since 2011:

- ⌄ Telco homes up 4.2% to 11.6% of viewers
- ⌄ Wired cable homes down 7.4% to 45.4%
- ⌄ Broadcast only up 1.5% to 10.6%
- ⌄ Broadband only is in the early stages of development and commands 2.6% of homes
- ⌄ ADS dropped .8% to 29.9%

While TV usage is down across the board in the past year, digital video use is up dramatically. Among the 18-49 group--53%; 25-54--62%; and 55+--55%. These numbers correspond with small drops in the usage of TV screens.

In addition, in the past two years the use of online streaming and mobile apps are on the rise:

- ε Streaming up from 4.5% to 5.8%
- ε Apps up from 23.5% to 27.4%
- ε PC surfing down dramatically from 81% to 63%
- ε TV channels used and AM/FM radio down slightly

Other key trends:

- ε 40% of households have access to an SVOD service and across the board non-SVOD households have higher TV usage levels.
- ε Households that own tablets are more likely to embrace a wider range of digital devices including broadband, smart phones, SVOD and DVR's. They use these devices by a wide margin over non tablet people. Conversely non-tablet homes have higher TV usage levels across all demographics.
- ε Smart TV usage is definitely on the rise going from 16% penetration in 2013 to 21% this year. Ownership of enabled Smart TV almost doubled going from 7% to 13%. Homes with non enabled smart TV's have higher TV usage levels across the demographic spectrum.
- ε The growth of multimedia devices thrives in broadband only homes while live TV usage is a tiny part of the equation for these viewers.
- ε Currently broadband only homes make up 2.6% (1.2% in 2013) of U.S. households. Traditional TV households with 1+ BBO sites account for 4.1% (2.2% in 2013). All other households total 93.3% (96.6% in 2013)

*** * Season's Greetings and Best Wishes for a very Happy New Year from everyone at Byron Media! * ***
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