

How Consumers Watch: 2010 TV Upfront Fact Sheet

While new ways of consuming media, for instance on mobile phones or through the Internet, are gaining in popularity, TV viewership continues to increase to record levels.

It seems that we are entering into a new golden age of media: the DVR, in 35% of homes, brings the convenience to watch programming when viewers want; high-def programming and flat screen sets provide the user with a higher-quality experience; we increasingly consume media simultaneously, especially watching TV while on the Internet. In fact, it seems consumers cannot get enough media and their appetite for video in particular continues to grow.

In advance of the 2010 TV advertising upfront season, The Nielsen Company has prepared this fact sheet for your reference —to help bring to light where consumers are increasingly placing their attention. The document covers high-level data on how U.S. consumers watch video and related advertising trends. Please feel free to use any of this information in your upfront presentations and planning materials.

Traditional TV

- There are more TVs (2.86) than people (2.53) in the average home in America
- The average American watches 34 hours, 37 minutes of TV per week (4Q09)
- Approximately 90% of homes receive cable and/or satellite service (Feb 2010)
- Almost one-half of homes (47%) own a high definition TV set (Mar 2010)
- 57% of primetime TV viewing is done alone (Oct 2009)

DVR

- DVRs are in 35% of American homes, with usage up 25% from a year ago (4Q09)
- In 4Q09, the heaviest timeshifters are A25-34 (2hrs:58min per week) and the lightest are A65+ (1hr:10min per week)
- DVR users watch about 47% of primetime commercials in programs played back after 3 days
- Even within DVR homes, 85% of all primetime viewing is live (Nov 2009)

Online Video Consumption

- Online video consumption is up 16% from last year—while 44% of online video is consumed at the workplace (4Q09)
- Primetime for online viewing lasts from noon to 6:00 p.m., peaking at 4:00 p.m.
- People watch network TV online to catch up with programming, or if the TV itself is unavailable. It is not primarily a replacement for TV viewing
- 59% of Americans use TV and Internet simultaneously at least once per month (Dec 2009)
- 34% of the time people are on the Internet they are also watching TV at home; 3% of the time people are watching TV at home they are also on the Internet (Dec 2009)



Mobile

- 242M Americans use a mobile phone and 17.6M watch mobile video each month (4Q09)
- The number of active mobile video users grew 57% from 4Q08 to 4Q09, from 11.2M to 17.6M users
- The 21% of smartphone devices in the marketplace is driving the increase in mobile video consumption (57% year over year) on mobile devices
- Smartphone users make up 59% of mobile video users in 4Q09, this is up from 47% in 4Q08
- 67% of mobile video viewers access video via mobile Internet

Advertising – Spending and Effectiveness

- \$117B was spent on all U.S. advertising in 2009. 57% of all ad spending in 2009 went into Television, making it the largest medium for advertisers. Print media earned approximately 28% of ad dollars, while Internet earned 7% of all ad dollars
- Overall TV spending was down 5.6% from 2008 to 2009. Network TV ad revenue was down almost 10% while Cable TV revenue increased almost 15%
- Spending on national TV (including Network, Cable, Syndication, Spanish Language, and Spanish Language Cable) was down less than one percent last year. The top spending product category for national TV was

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- Automotive which spent \$3.4B. The most significant growth by any one category among the top 20 was Mobile Phones, with national TV spend growing almost 200% to \$587M in 2009
- The 30-second commercial remains the television advertising standard in primetime, accounting for 54% of all commercials (2009). In primetime, the number of 30-second commercials has decreased 5%, but the number of 15-second commercials has increased 6%. With the rise of DVR, there is a trend to keep 30-second commercials

- Total national TV advertising in primetime increased 15% from Fall 2008, across all national TV media—Broadcast, Cable, and Spanish Language
- Ad dollars spent in primetime in national television account for about 50% of total TV ad dollars

Enhancing the Value of a Television Commercial

- Television commercials which are paired with in-program product placement deliver higher brand recall (+18%),

higher message recall (+21%) and higher likability (+17%)

- Using Food & Beverage as a test category, Nielsen research shows that television commercials perform higher in brand and message recall when a viewer has also been exposed to a video ad for the product online within seven days prior
- Using Food & Beverage as a test category, Nielsen research shows that repurposed TV ads have better brand recall on the Web than original online video ads (+15%) or in-stream flash animation ads (+48%), even when controlling for prior TV ad exposure

Relative Sizes of Media – 4Q09		
	Number of U.S. P2+ users (000)	% of U.S. Population P2+
Television	286,945	98%
DVR/Timeshifters	90,768	31% of persons
Internet Users	190,885	65%
Online Video	138,135	47%
Mobile Phone Users	241,626	82%
Mobile Video**	17,583	6%

Relative Use of Media			
Average Time Spent using Media per Week – Users 2+	4Q08 (hrs:mins)	4Q09 (hrs:mins)	% Change Year to Year
TV	34:25	34:37	+1%
DVR	1:39	2:04	+25%
Online*	3:25	3:56	+15%
Online Video *	0:17	0:22	+29%
Social Networks and Blogs*	0:13	0:40	+214%
Mobile Video**	0:02	0:04	+100%

FOOTNOTES FOR TABLES IN THIS FACT SHEET:

Note: The U.S. Population in 2009-2010 consists of 294 million people age 2+ / 114 million homes.

* TV in the home includes Live usage plus any playback viewing within the measurement period. Timeshifted TV is playback primarily on a DVR but includes playback from VOD, DVD recorders and services like Start Over.

*Internet figures are from home and work. Hours:minutes for Internet and video use are based on the universe of persons who used the Internet/watched online video. All Internet figures are monthly averages over the course of the quarter. Due to enhancements to Nielsen NetView and Nielsen VideoCensus in June 2009, trending of previously-reported data with current results may show percentage differences attributable to these product enhancements and should only be compared directionally.

** The mobile figures are based on all Americans 13+.

How to read this chart:

The information in this chart is based on the total population in the U.S.—294 million Americans age 2 and older—whether or not they have the technology. As of 4Q09 the average American spends the following time weekly: 34 hours, 37 minutes watching television; approximately 2 hours timeshifting; 3 hours, 56 minutes using the Internet; 22 minutes watching online video; and 4 minutes watching mobile video.

For more information, contact your Nielsen representative or visit www.nielsen.com