



**Nielsen Data Documents Dramatic Shift in TV Viewing:
 A Conversation with Dr. John Morse**



Q: Why is the number of live TV viewers dropping so significantly?

JM: There are three key reasons:

- (1) Convenience . . . time shifting to view whenever desired.
- (2) Additional viewing sources . . . mobile, computers et al
- (3) Low cost viewing platforms with minimal advertising . . . OTT (Over The Top) and online streaming.

Total Day: Persons Using Television (Live)
 Year-Over-Year Percent Change

	P2-11	P12-17	P18-34	P35-49	P50-64	P65+
2014 vs 2013	-8%	-10%	-10%	-5%	-3%	-1%
Jan-Feb 2015 vs. Jan-Feb 2014	-11%	-18%	-15%	-6%	-5%	-3%

*Source: Nielsen NPower, M-Su/6A-6A Jan-Dec by year
 HUT-PUT minus DVR Playback – dual feed
 Nielsen Media Research, 2015*

Q: Why are the largest declines occurring outside of primetime?

JM: Live viewing has dropped over 12% in the past year in the 7 AM and 8 AM time slots as well as 3 AM and 4 AM. Viewing in primetime has shown a lesser decline because the shows are more likely to be first run; are more engaging; and have a related higher length of tuning.

Q: Why is the usage of new devices such a key component of the overall trend?

JM: In the past two years the usage of TV-connected devices is trending up sharply led by a 50% increase in the

65+ category, 24% for people 50-64, 22% for the ages 35-49, and 24% in the 18-34 category. This illustrates the convenience of using mobile and computers to watch videos.

Q: What role does the emergence of social media play in determining winners and losers among TV programs? How significant are platforms such as Facebook, Twitter and Instagram?

JM: All the online chatter about shows serves as strong reminders to seek out and watch the shows of interest. This seems to be more of reinforcement than a conversion tool.

Q: How has media measurement evolved to track the changes in audience's viewing habits?

JM: Nielsen has historically measured TV usage in the home as well as online. Because the national Nielsen measurement is based on a sample of 20,000 homes, the lower-rated programs/networks often have unreportable audiences with high statistical error levels. The good news is that Nielsen is phasing in an expanded sample . . . but nowhere near the size of set top box samples.

Q: Have any new companies appeared on the scene to provide competition for Nielsen?

JM: In the past few years various competitors have developed alternate services to fill in the gaps left by Nielsen measurement systems. These companies include Rentrak, comScore and TIVO Research. However, there are challenges related to accreditation, editing rules, sample representation, and demos inferred from household composition rather than actual measurement.

Q: Can the viewing patterns of programs be linked to follow up behaviors, particularly buying habits?

JM: The "holy grail" of data fusion is the linking of a program's exposure (including promotion or ads) to follow-up behavior (product/service purchases or others responses which may include social media discussions).

Marketers talk about "brand journeys" which involve many media touch points related to building awareness, interest, and product sampling, some bringing new users to a product category; others bring conversions from competitive brands; and others increasing volumetrics.

Q: It appears that Millennials are forsaking the multichannel environment which includes watching much less live television and migrating to OTT SVOD. How does that pattern factor into the viewing equation?

JM: According to a new study, 75% of Millennials have access to an OTT SVOD service and are three times as likely to have an OTT SVOD service and no multichannel subscription, while nearly half (48%) report spending more than 50% of their viewing time streaming.

In addition the number of Millennials watching traditional television took a steep dive in the past year according to research completed by MoffettNathanson. From July 2014 to this past June, live-plus-seven-day-DVR playback ratings dropped 14% among the eleven largest broadcast and cable companies for adults 18-34.

This group includes CBS, Disney, NBCUniversal and Viacom, the latter taking the hardest hit, off 19 percent. NBC fell by 18 percent, while Fox channels took the third-worst hit, down 17 percent. By comparison, among adults 25-49, ratings declined just 7 percent in that time, and among all viewers, viewership of the day was also

adults 35-49, ratings declined just 7 percent in that time, and among all viewers over age 2, the drop was also only 7 percent.

Many younger Millennials grew up with connected devices, and these devices function quite well as their principal media channels. They don't feel the need to watch TV on traditional TV sets.

Horowitz Associates, August, 2015

Media Life, August 27, 2015

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