



# NOW SHOWING ON A SCREEN NEAR YOU: **EVERYTHING**

The multiscreen explosion, and what it means to marketers.

A whitepaper designed for everyone with a target audience. Created by audience strategists.

# The Remarkable Rise of the Multiscreen Consumer

The future is coming! The future is coming! In fact, it's well on its way. More people are spending more time using more screens than ever before.

Whether they're chatting with old friends, looking for new ones, researching a product they want to buy, getting the latest news, or binge-watching their favorite TV show, people are glued to screens, big and small.

Here are some facts:

- People of all generations use an average of 4.1 digital devices every day.<sup>1</sup>
- Gen Y (aka Millennials) uses the most devices, averaging 4.5 daily.<sup>1</sup>
- The Golden Gen (aka Baby Boomers) isn't far behind, using an average of 3.5 devices every day.<sup>1</sup>

Just about everyone uses the internet, whether it's on a desktop, laptop, tablet, or smartphone. In fact, 90% of the U.S. is plugged in.<sup>1</sup>

What's more, phones have become hubs for instant and endless access to every person, every place, and every thing imaginable.

It wasn't always this way. In fact, our attachment (some call it an addiction) to screens is a relatively recent phenomenon. What does this shift in human behavior mean to brands, marketers, media people, and to everyone interested in reaching a target audience?

With change comes opportunity. With massive change comes massive opportunity. But to take advantage of it, you have to understand it and know what it's all about. *This whitepaper will help.*

## Mobile has Moved into the Lead

If it seems as though the world is going mobile, that's because it is. Time spent with mobile devices now exceeds time devoted to any other medium, including TV.<sup>2</sup>

Of course, the mobile device used most is the one that's easiest to carry and does so much: the smartphone. People use it more than any other digital device both at home and on-the-go.

People now expect everything they can access on one screen to be available on all their screens—including their phone. Want proof? More than 90% of smartphone users look up information while they're in the middle of another task.<sup>3</sup>

As you'll see, this frequent and ubiquitous use of mobile devices, especially smartphones, has enormous repercussions for marketers.

### Time Spent on Digital Devices (U.S. Consumers Annually)<sup>2</sup>

**Desktops:** 429B min.    **Smartphones:** 442B min.    **Tablets:** 124B min.



## All Eyes on Digital Video

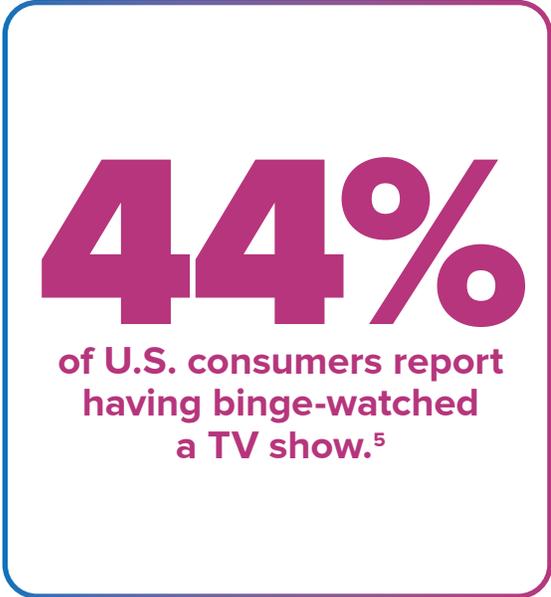
Consumers seem to have an insatiable appetite for movies, TV shows, and video. So it's not surprising that Amazon, Netflix, Hulu, and YouTube now produce original video content. Also not surprising is that over 70% of the total U.S. online population watches TV, film, or video online. That's over half (51%) of the entire U.S. population.<sup>4</sup>

Not only has the couch potato been completely destigmatized, binge watching is now accepted. In fact, it's even encouraged, as evidenced by Amazon's Show Hole and Xfinity Watchathon Week and by Netflix's release of an entire season (13 episodes) of House of Cards all at once.

No screen is considered too small for watching video. People now view everything, even feature length movies and live sports, across all devices, even phones. Importantly, companies such as Comcast, AT&T's Direct TV, and Verizon enable people to link all their devices for pause-and-resume viewing on all their screens.

When do people watch all this content, and on what devices? Desktops and laptops see the most action when people are multitasking in the office, peaking at around 3:00pm. (YouTube clip coffee break, anyone?)

As you'd expect, connected TV viewing is highest at night. Smartphone activity is also highest at night, in part because people are using their smartphone while watching TV. Tablet usage is high both midday and in the evening. Tablet use often spikes late at night, since people use them after they turn off the TV, but before they turn off the lights.<sup>6</sup>



# 44%

of U.S. consumers report having binge-watched a TV show.<sup>5</sup>

## Getting in on the Action

As the number of devices people use increases, and the amount of time people spend watching and using them increases, marketers can benefit by capitalizing on some of the latest trends. Here are three:

1. **Cross-Device Targeting**
2. **Connected TV**
3. **TV Viewership Targeting**

# Cross-Device Targeting: The Holy Grail of Digital Marketing?

As people have become increasingly enamored of their screens, cross-device targeting (also known as cross-device tracking) has become an important buzz term. In short, it means reaching people across all their digital screens—desktop, laptop, tablet, and phone. In the near future, this will also likely include Connected TVs (more on that later) as well as the Internet of Things.

Because people are spending more time watching more screens, marketers are determined to reach them no matter what device they're using. Another important goal is to know that the person using smartphone A is the same person who uses laptop B and tablet C, and then retargeting that person accordingly.

## Why cookies can't satisfy an appetite for cross-targeting

You're familiar with cookies, those small text files that enable brands to retarget consumers by following them around the internet. Although cookies work well on static devices such as desktops and laptops, they're meaningless on the mobile web. They don't work on many of the apps people use, making it difficult to track a person's activity both within and across given devices.

Although everyone sees the enormous value in reaching audiences across all screens, the technology for doing so has not yet been perfected. What's holding it back? We're glad you asked.



## Cracking the Code

Understandably, knowing your own audience from a cross-device perspective has become an intense focus of brands and marketers. What is the key to gaining this perspective and to cracking the code of cross-device targeting? The answer is first-party data, which many consider crucial to digital marketing.

How can marketers crack the code of first-party data? One way is by harvesting a huge number of email addresses. Because people use their email to login across multiple devices and platforms, email addresses are the simplest way to identify cross-device usage.

If you have first-party data, you have a better shot at successfully leveraging a cross-device campaign. But that comes with its own risks about privacy, especially when working with walled gardens.

## What are walled gardens?

Think Google, Facebook and Netflix. They have a lot of first-party data they don't share with others. But if you want to work with them, you need to give them yours.

According to Alan Beiagi, Senior Director of Products at DataXu, this poses a problem because "... they are both the providers of media and the cross-device capabilities... So not only are they the player and the referee, but they're also playing on both teams at the same time."

As brands continue to gather first-party data, and search for known user information like email addresses, privacy concerns will rise among consumers. Already 50% of U.S. internet users are concerned about data privacy and how companies use customer data.<sup>7</sup>

To address consumer concerns, brands must be transparent about how they intend to use their data. Consumers recognize that there's a big difference between collecting enough data to be useful and being overly invasive.

## The Closest Thing Yet to the Holy Grail

Since there is currently no single identifier in the cross-device arena, a combination of two approaches—probabilistic and deterministic—is used to achieve some degree of success.

### About probabilistic cross-device tracking:

This method, which many consider an inexact science, matches the devices connected to a person based on observed behaviors. For example, devices can be connected by observing proximity data, such as when devices are 'seen' with one another; by browsing patterns, such as consumed content; and by time-based clues, such as when devices wake up and go to sleep.

### About deterministic cross-device tracking:

This takes place when people sign in to websites and apps on every device they use. In other words, it matches devices by known user logins. The advantages of owning deterministic data—such as logins, email addresses and other first-party information—allow you to have massive reach, which is why Facebook and other walled gardens are successful at cross-device targeting.

When combining probabilistic and deterministic methods, marketers achieve:

- Scale and accuracy
- Usable data across the entire online ecosystem
- High data control and privacy
- Strong measurement and reporting
- Continuously refined and improved modeling

Marketers primarily use deterministic methodologies, supplemented with probabilistic methodologies, to achieve reach and scale when there is not enough first-party data available.

# CONNECTED TV: Growing Fast, and for Good Reason

A connected TV (CTV) is a TV set hooked up to the internet through built-in internet capacity (smart TV)—or through another device like a game console, set-top box, or streaming stick.<sup>4</sup>

Over-the-top (OTT) video services refer to any app or website that provides streaming video content over the internet, and bypasses traditional (in other words, cable) distribution.<sup>4</sup>

## GAME CONSOLE



## SET-TOP BOX



## STREAMING STICK



## OTT SERVICES



Because connected TV offers an uncluttered environment and engaged audience, it's the most rapidly growing screen based on time spent year over year. It best captures consumers who want to watch TV, when and where they want. In fact, 54% report wanting to watch TV shows or movies online because they want to watch on their own schedule.<sup>4</sup>

As consumers change the way they watch TV, marketers are responding. Recent reports indicate 43% year-over-year growth in ad views, and 50% and 140% year-over-year growth in authenticated ad views on long-form and live content, respectively.<sup>4</sup>

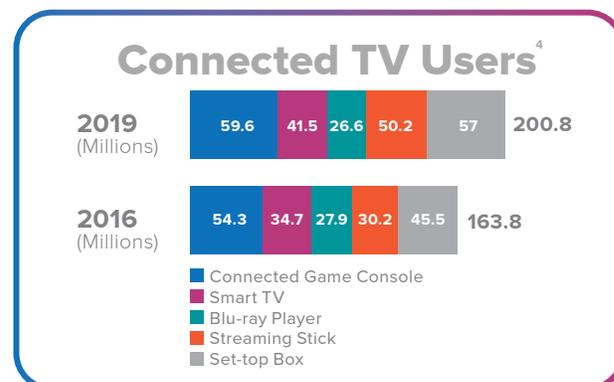
## What Will Drive Growth

The primary growth driver for CTV will be new ways to access content. It's widely expected that CTV users will gradually shift away from legacy technologies—DVD, Blu-ray players, and even game consoles—and toward new, more portable set-top boxes and streaming sticks.

Importantly, smart TVs are not the end-all-be-all people once thought them to be. They're not hugely popular because of their high price point.

Although our crystal ball isn't perfect, here are some predictions and observations:

- Set-top boxes, such as Roku and Apple TV, are poised for growth, but their \$100 price point is still too steep for some.
- Streaming sticks, like Google Chromecast, are leading to exponential CTV growth, because they're inexpensive (around \$35) and easy to use.
- Game consoles will remain the biggest CTV device for users, but their share will decrease as streaming sticks close the gap.



## What Will Drive the Growth of Over-the-Top Video Services

This year, 70% of internet users will use OTT video services. While the individual number of users is impressive, households are experiencing double digit growth. By 2019, nearly 90% of digital video viewers will use OTT services.<sup>4</sup>

Not only will the number of users increase, but the amount of time spent with OTT programming will command an increasing amount of internet users' television time, as viewers turn to such devices for more long-form, live content. By 2020, OTT time will increase 425%, from 3.6 hours per week (2015) to 18.9 hours per week (2020).<sup>4</sup>

People subscribe to these services primarily because of their convenience. While original content has made companies like Netflix popular streaming destinations, the availability of original content does not have a huge impact on growing subscriptions. In fact, 51% say that original video content does not influence them.

Access to OTT services happens across all devices, but there is a strong connection between OTT and the living room, especially when it comes to watching long-form content. Approximately 58% prefer to watch TV programs on actual TVs.<sup>4</sup>

As far as the main OTT services are concerned, the primary long-form content carriers do well in the living room. Fully 65% of Hulu viewers, 55% of Amazon viewers, and 55% of Netflix viewers prefer to connect in the living room.<sup>4</sup> On the other hand, the lion's share of YouTube views is on a smartphone or tablet—not surprising since YouTube provides mainly short clips.

### An important prediction

**199.6** million people in the U.S. will use over-the-top video services by 2019.<sup>4</sup>

## What to Know about Cord Cutters and Cord Neverers

Cord cutters are people who, for one reason or another (usually cost), have canceled their subscription to cable TV service. As connected TV and over-the-top services grow in popularity, and as work-around solutions become more readily available, more people are expected to become cord cutters.

A cord neverer (yes, it's a real term) is someone who has never had a subscription to cable TV, in large part because they've been able to satisfy their video needs with digital content. As you might expect, this behavior is most common among younger consumers, specifically Gen Z and Millennials.

### We See a Trend

**2014**

8 million Americans cut the cord—a 44% increase from prior years.<sup>4</sup>

**2016**

The number of U.S. households subscribing to cable or satellite will dip below 100 million.<sup>4</sup>

**2018**

Fully 20% of U.S. households will not have cable or satellite subscriptions.<sup>4</sup>

# TV VIEWERSHIP TARGETING: Traditional TV is Alive and Well

*“The reports of  
my death have been  
greatly exaggerated.”  
– Mark Twain, 1897*

Although the demise of traditional TV has been long and loudly forecast, the medium is still very much alive and kicking.

While connected TV is an extension of traditional linear viewing, 60% of the time internet users spend watching TV or video content is on traditional channels. This includes appointment viewing, as well as time-shifted and on-demand viewing via pay TV services.<sup>4</sup> Obviously, traditional television viewing is still very much a part of any comprehensive media discussion.<sup>4</sup>

While some marketers predict that digital dollars will surpass TV dollars this year, major television events such as the Summer Olympics and presidential election are expected to keep TV viewers in front of their sets, with advertising dollars sure to follow.

Importantly, audiences aren't passively watching TV anymore.<sup>1</sup> They're increasingly multitasking with a digital device at the same time. In fact, 78% of adults access the internet during shows, making digital media the single biggest distraction from the TV screen.<sup>2</sup>

## Who Are These People, and What Are They Doing?

Not surprisingly, second screen activity generally correlates with age, with younger users engaging in multitasking more than older ones.<sup>2</sup>

What exactly are they doing?

- 70% check email during the show; 84% during commercials<sup>2</sup>
- 64% visit a social media platform during the show; 71% during commercials<sup>2</sup>
- 32% text during the show; 43% during commercials<sup>2</sup>
- 29% perform general internet searches during a show; 37% during commercials<sup>2</sup>
- 26% online shop during a show; 28% during commercials<sup>2</sup>

## Fueled by Social Media

As you can see, much of the online activity people engage in while watching TV involves social media. It seems fair to conclude that people watching television at home want it to be a social activity that they can enjoy without getting off their couch. One thing is certain: people want to talk about what they're watching. In 2014 alone, one billion tweets were sent about TV programming.<sup>2</sup>

Sharing on social media while watching TV creates the connection people seek. It's about feeling accomplished when you finish binge-watching every episode of a season, from American Dad to The Walking Dead, and everywhere in-between.

*As we said, the future is well on its way. We now live in a world filled with screens, and with consumers who have an insatiable desire to use them. Marketers and brands that understand the full meaning and repercussions of this are poised to prosper. MNI can help.*

# MNI targetedmedia<sup>U</sup><sub>IZ</sub>



## A Few Words About Us.

MNI Targeted Media Inc. is one of America's leading media planning and buying entities, and provides both online and offline solutions that help clients precisely reach their target audience, without waste.

A part of Time Inc., we have more than 40 years of targeted marketing experience. And we deliver more than a billion ad impressions every year for more than 1,200 clients.

Our commitment to service is unparalleled.  
If there's anything we can do to help our clients succeed, our attitude is simple:  
*We do it.*

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<sup>1</sup> State of Consumers & Technology, Forrester Research, October 2015.

<sup>2</sup> Simultaneous Media Use: Screen Fragmentation Complements Traditional Channels, eMarketer, October 2014.

<sup>3</sup> Designing a Marketing Organization for the Digital Age, Harvard Business Review, November 2015.

<sup>4</sup> U.S. Connected TV Usage: Digital Content Gives the 'First Screen' New Life, eMarketer, November 2015.

<sup>5</sup> North America Consumer Trends 2016, Mintel, October 2015.

<sup>6</sup> For Devices, Day Part Determines Digital Video Usage, eMarketer, August 2015.

<sup>7</sup> Cross-Device Targeting: First-Party Data, TV, and Privacy are Big Factors for 2016, eMarketer, December.