A Day in the Life: An Ethnographic Study of Media Consumption

Online publishers association

Dedicated to representing the highest standards in Internet publishing

A study conducted by the
Center for Media Design,
Ball State University
for the
Online Publishers Association

June 2006

Some Advertisers Believe "The Model is Broken" … Because the Consumer's Use of Media is Changing

1. **Consumers are changing in the way they consume and control their media of choice**

2. **Businesses are changing in the way they create and deliver media**

3. **Technology is changing just about everything in the media world**

How can you make good media decisions with outdated knowledge of consumer's use of media?

online publishers association

How Can You Compare the Value Among Media When Media Measurement is Siloed?

Our Multi-Media World Requires a Consumer-Centric Multi-Media Measurement Methodology

Ball State University's Center for Media Design

A consumer-centric media insight and R&D facility

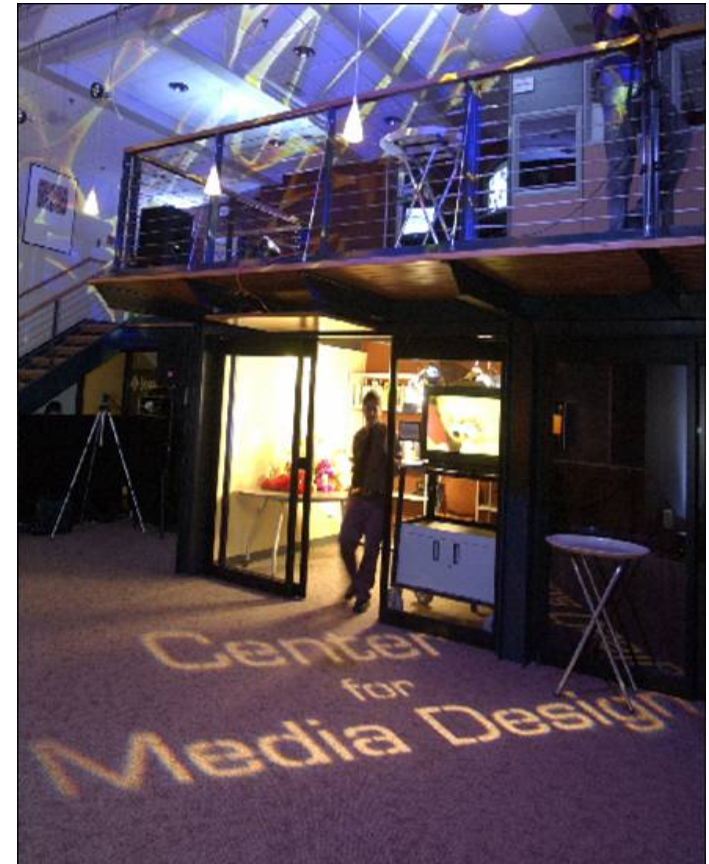**Applied insight and innovation focused on today through the next five years**
Funded by $40M in grants

Deliver actionable insight into the implications of digital technology
Assess impact on consumer behavior
Assess impact on business models & identify emerging alternatives

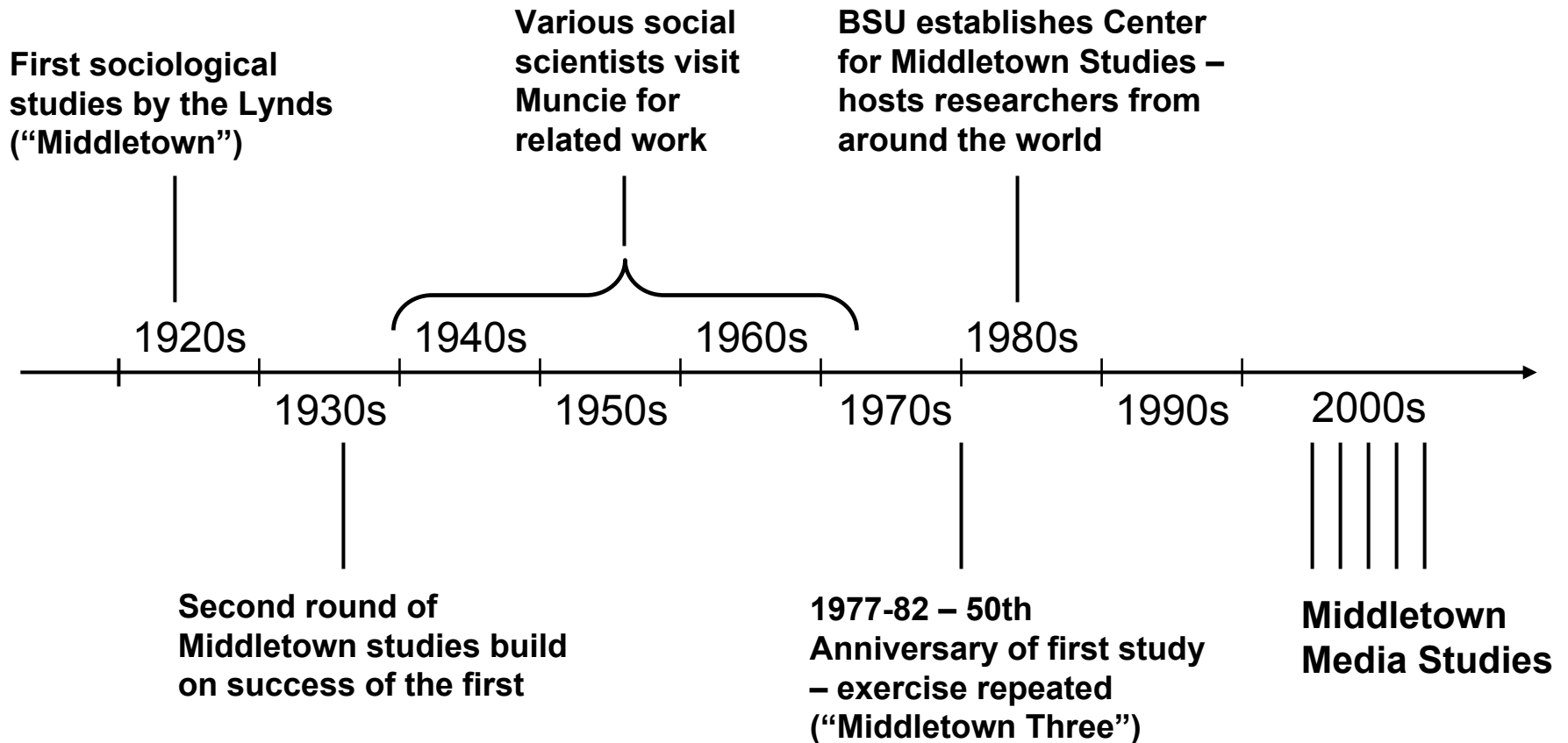**Close industry ties to remain relevant and ensure practical value**

Having an Impact on the Media World

"Now it [Ball State] is beginning to rival such ivory media towers as Syracuse's Newhouse School, NYU's Tisch School, and MIT's Media Lab as an academic authority about media."
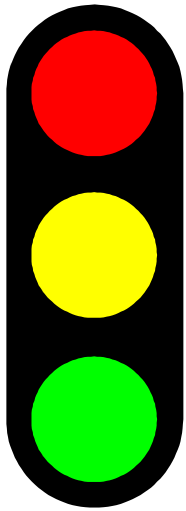
Mediapost.com 2005

Building on a Groundbreaking Research History: The Middletown Timeline

First sociological studies by the Lynds ("Middletown")

Various social scientists visit Muncie for related work

BSU establishes Center for Middletown Studies – hosts researchers from around the world

1920s 1940s 1960s 1980s

1930s 1950s 1970s 1990s 2000s

Second round of Middletown studies build on success of the first

1977-82 – 50th Anniversary of first study – exercise repeated ("Middletown Three")

Middletown Media Studies

Middletown Media Study I

Key learning from MMS I,
a three-method comparative analysis:
interview vs.
diary vs.
observation

Observation is superior to either telephone
interviews or diaries in providing high quality
information on consumer exposure to multiple
media, especially when used concurrently.

Middletown Media Study II:
A Day in the Life of 350 Consumers

- <u>Observed</u> in Spring, 2005
- Muncie and Indianapolis areas
- Split about equally between men and women 18-34, 35-49, 50+
- On average <u>observing</u> nearly 13 hours, or about 80% of the waking day
- 15 media, including 5 ad-supported media
- 17 life activities
- 4 locations: home, work, auto, other

Research Objectives

The goal of Day in the Life is to provide insight into the value of online audiences by addressing these questions:

- What are the media consumption habits of the average American?

- What are consumers saying about when, where and how they use media?

- Which target audiences can be reached and engaged online?

- How does online complement offline media?

- What are the implications for media, advertisers and marketers?
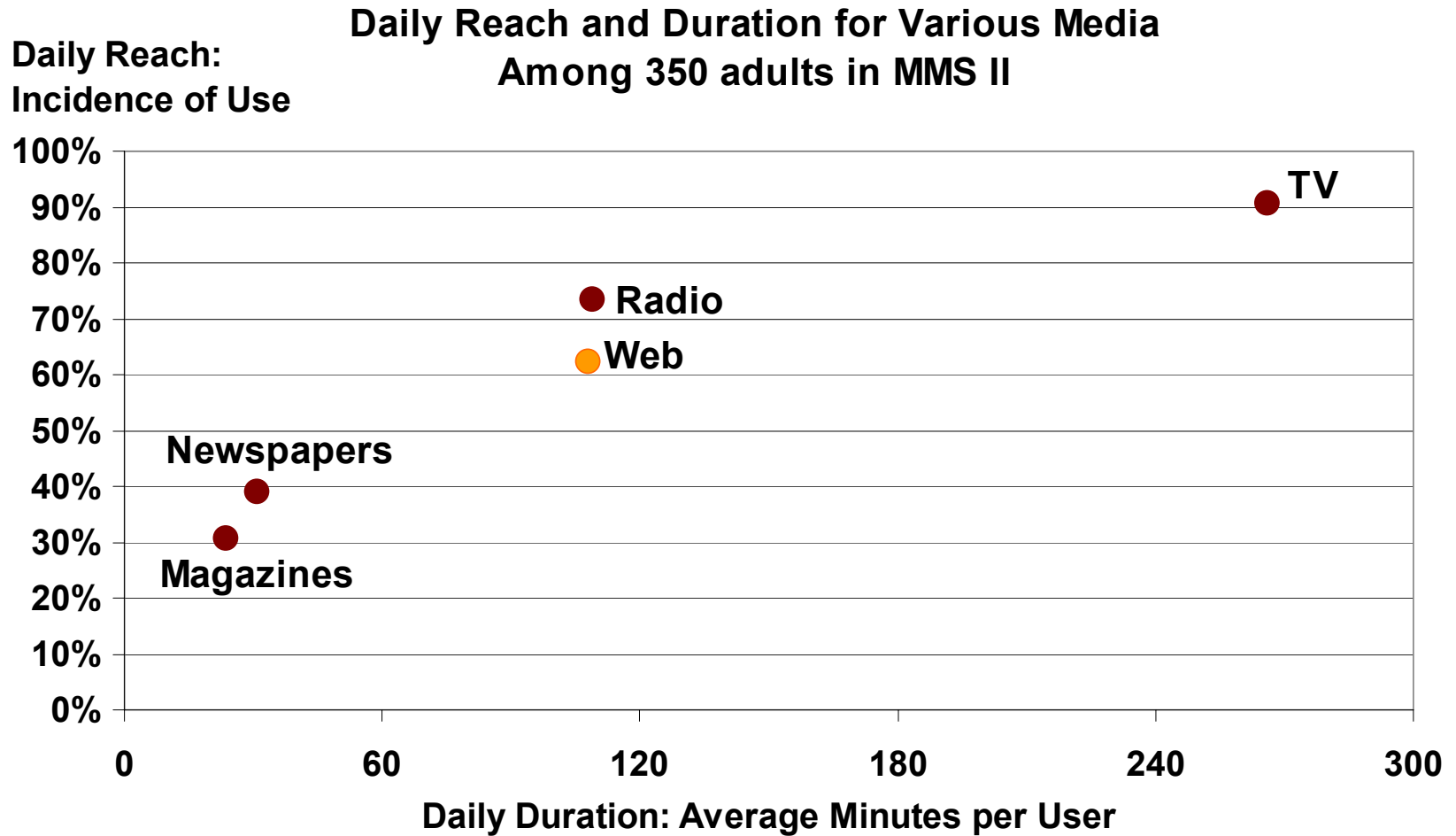
Mapping The Major Media

Daily Reach ↑

In two dimensions:

1. Daily Reach = % of consumers spending some time during the measured day with each of the media
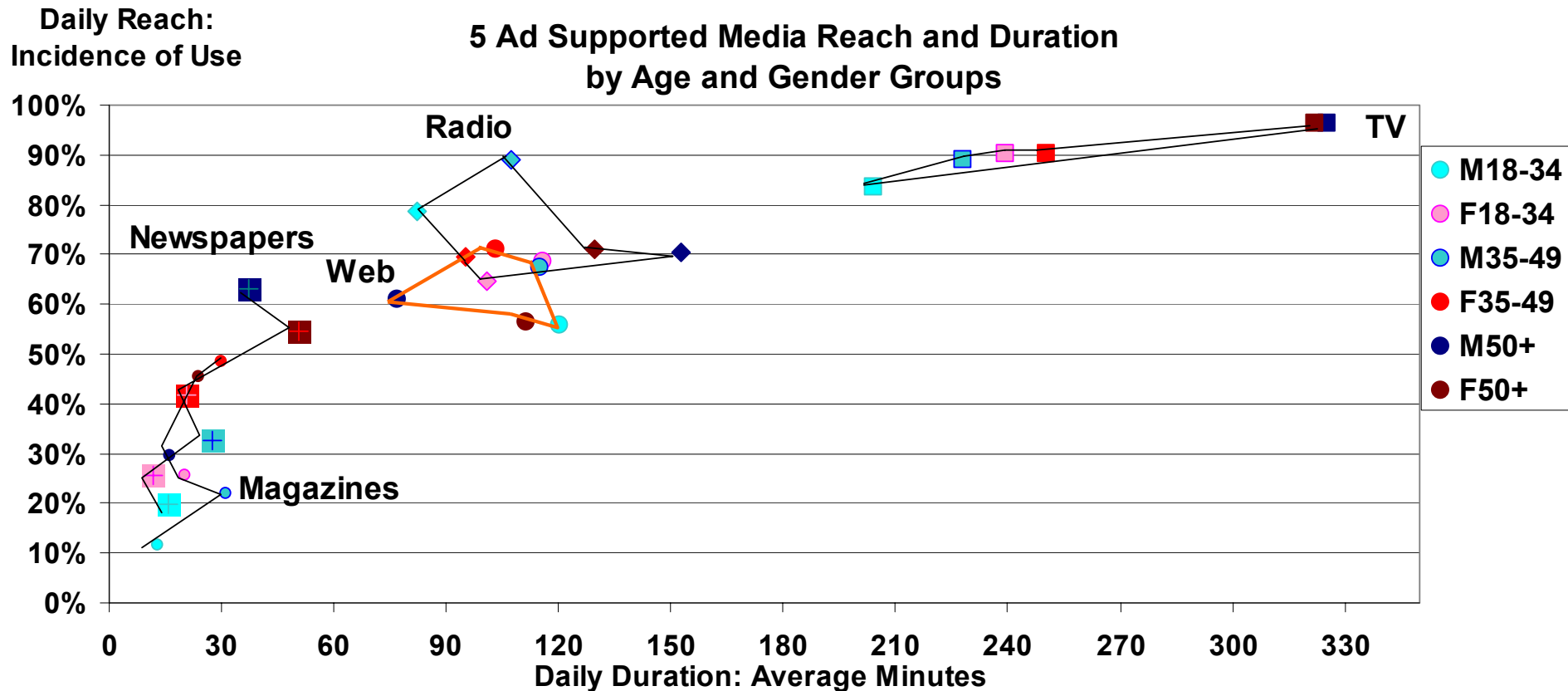
2. Daily Duration = the average time in minutes spent during the measured day among "users" of each of the media

Daily Duration →

The Web Has Taken a Strong Position Among the Major Media

Daily Reach:
Incidence of Use

Daily Reach and Duration for Various Media Among 350 adults in MMS II

Scatter plot showing Daily Reach (vertical axis, 0% to 100%) versus Daily Duration: Average Minutes per User (horizontal axis, 0 to 300).

- TV: ~270 minutes, ~91%
- Radio: ~110 minutes, ~74%
- Web: ~110 minutes, ~63%
- Newspapers: ~30 minutes, ~39%
- Magazines: ~20 minutes, ~31%

Daily Duration: Average Minutes per User

The Web Shows Fewer Age and Gender Differences Than Traditional Media

Daily Reach: Incidence of Use

5 Ad Supported Media Reach and Duration by Age and Gender Groups

Radio
Newspapers
Web
Magazines
TV

M18-34
F18-34
M35-49
F35-49
M50+
F50+

Daily Duration: Average Minutes

The Web Joins TV and Radio in Achieving Significant Reach in All Major Dayparts

Incidence of Use

5 Ad Supported Media Reach by Dayparts

TV
Web
Radio
Newspapers
Magazines

Morning (8-11am)   Lunch (11am-2pm)   Afternoon (2-5pm)   Evening (5-11pm)
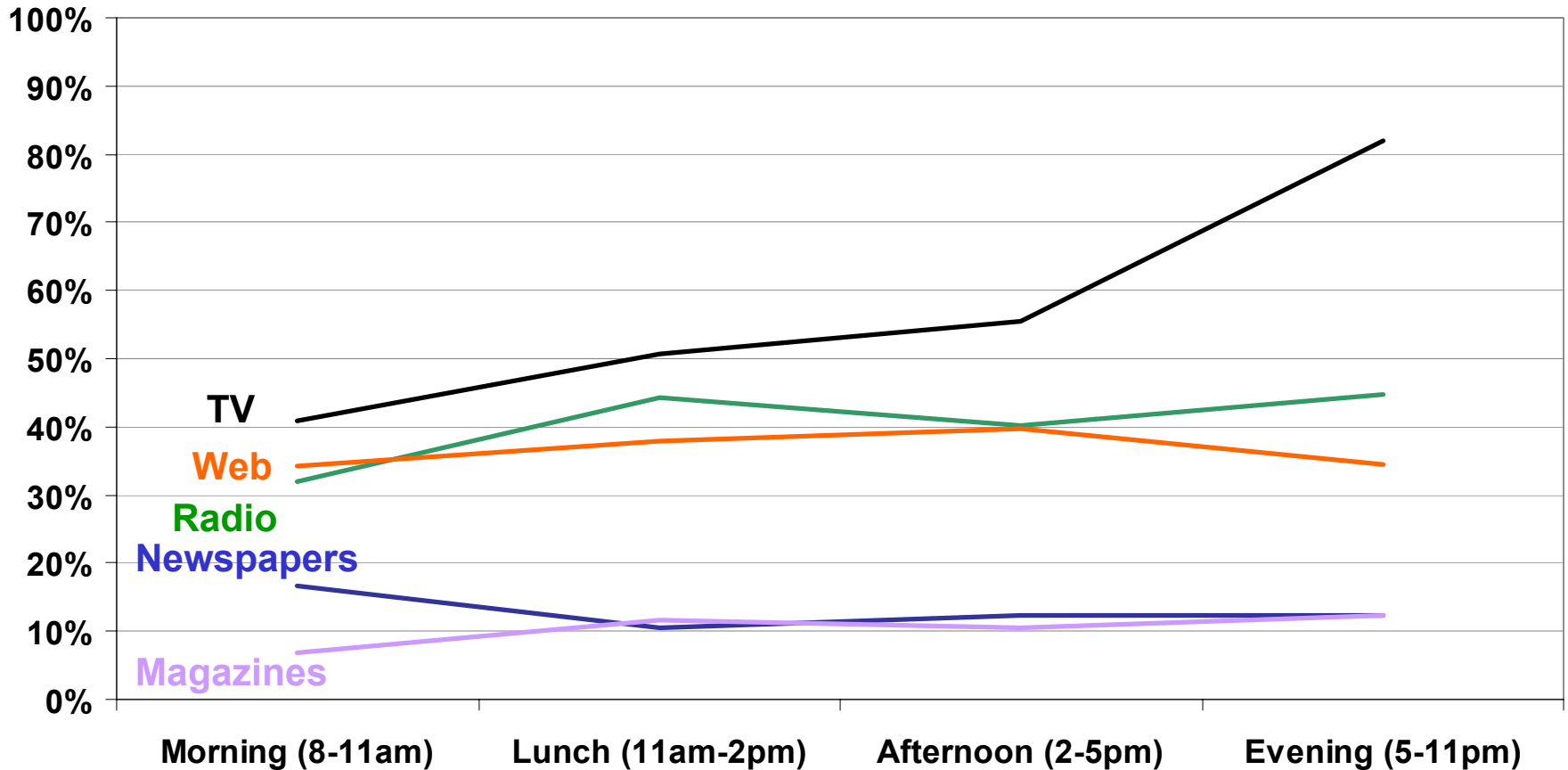
The Web Is the Second Leading Medium For Most of the Age/Gender Groups Reached at Home

Daily Reach of 5 Ad Supported Media At Home

Legend:
- M18-34
- F18-34
- M35-49
- F35-49
- M50+
- F50+

TV #1 at home
Web #2 at home
Radio #3 at home
Newspaper #4 at home
Magazine #5 at home
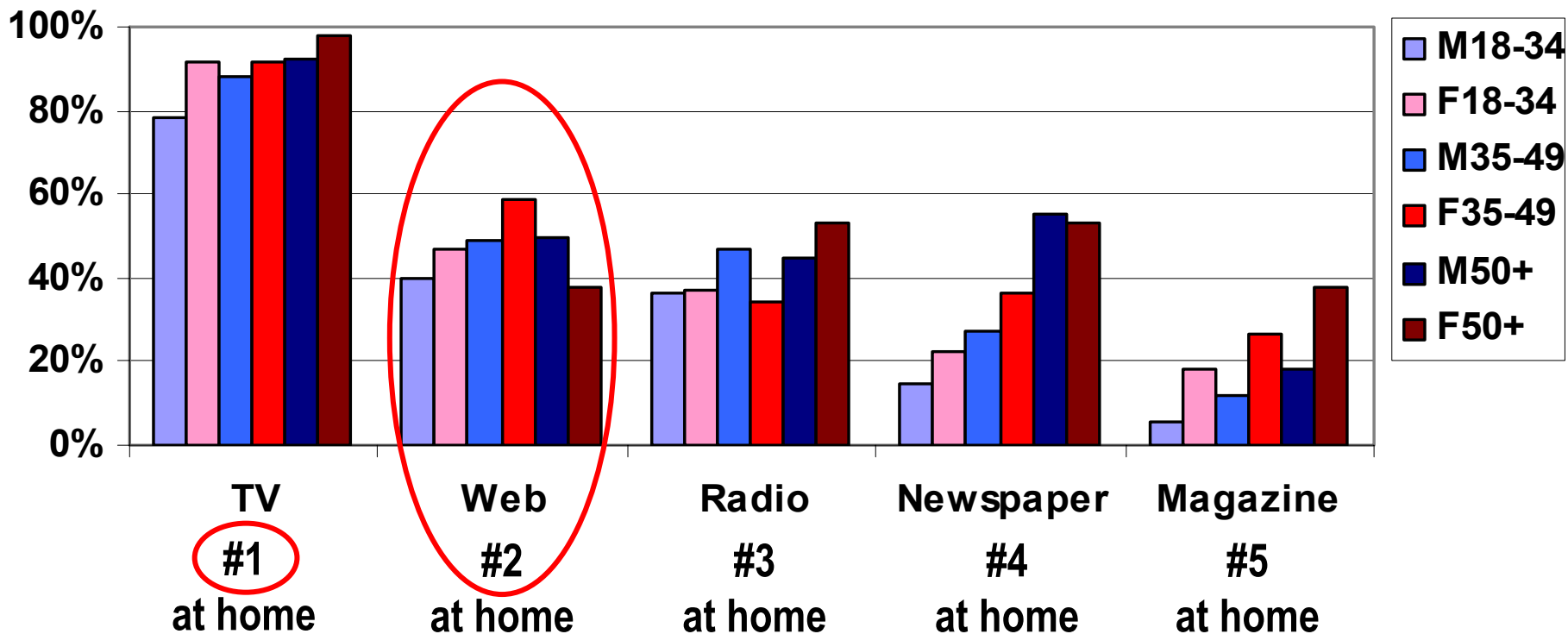
The Web Is the Leading Medium For All Of the Age/Gender Groups Reached at Work

Daily Reach of 5 Ad Supported Media At Work

Legend: M18-34, F18-34, M35-49, F35-49, M50+, F50+

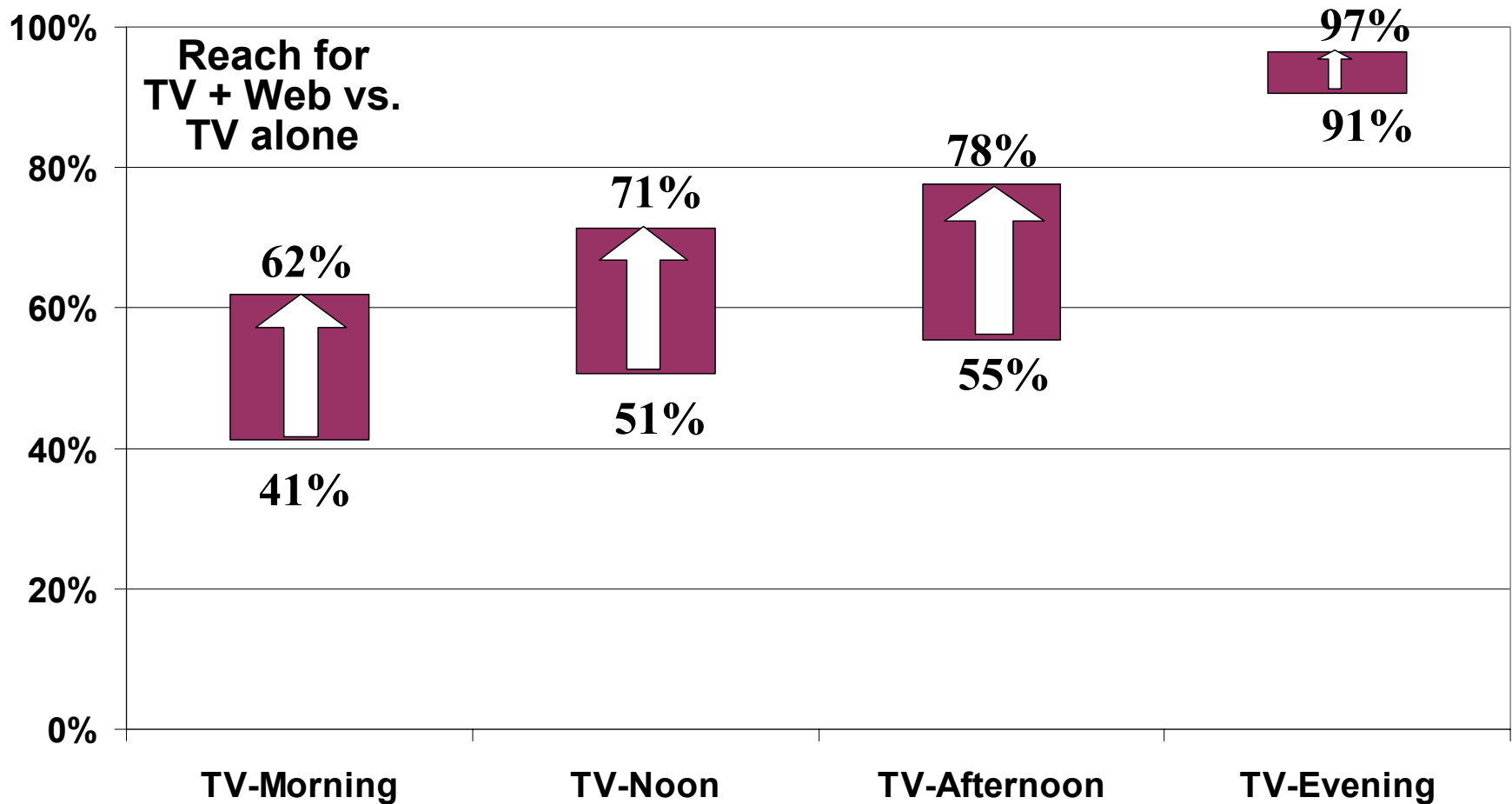TV #3 at work — Web #1 at work — Radio #2 at work — Newspaper #4 at work — Magazine #5 at work
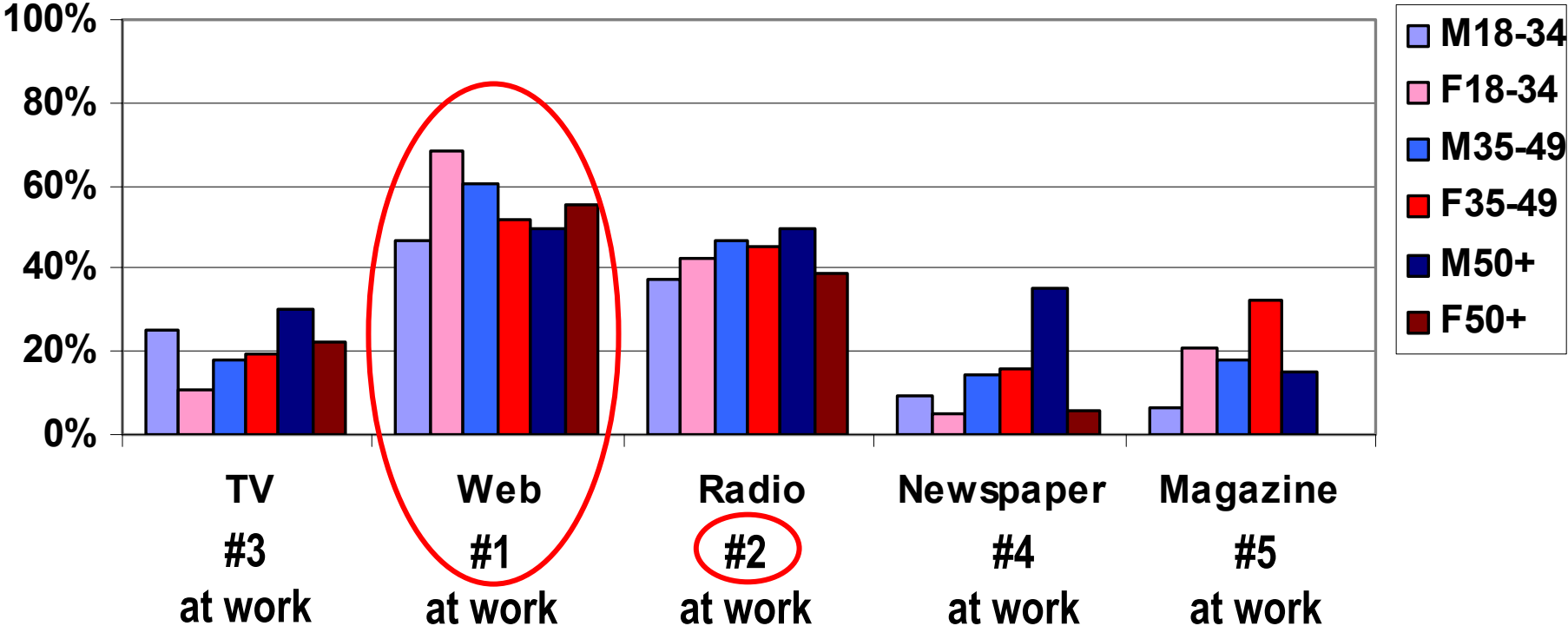
How Does the Web Complement Offline Media?

In addition to its strength on its own, the Web is a <u>potent partner</u> for each of the other major media
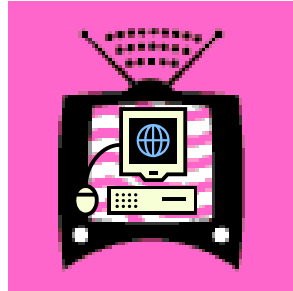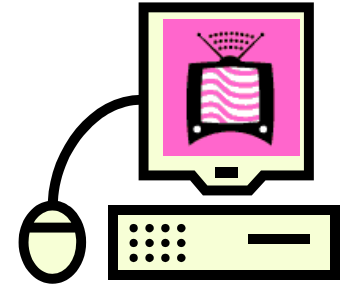
The Web Adds to TV's Reach in All Major Dayparts

Reach for TV + Web vs. TV alone

Daypart	TV alone	TV + Web
TV-Morning	41%	62%
TV-Noon	51%	71%
TV-Afternoon	55%	78%
TV-Evening	91%	97%

TV and Web Partner to Provide Enhanced Exposure – One Fifth of all Web Use is Before, During or After TV Viewing

16% of all Web use occurs while viewing TV
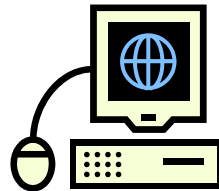
14% Web use occurs when viewing TV

2% TV viewing occurs within Web use

4% of all Web use is immediately before or after TV viewing

2% Web use occurs before TV

2% Web use occurs after TV

The Web adds to Magazines' Reach in All Major Dayparts

Reach for Magazines + Web vs. Magazines alone

	Magazine-Morning	Magazine-Noon	Magazine-Afternoon	Magazine-Evening
Magazines + Web	39%	44%	46%	72%
Magazines alone	7%	12%	11%	31%
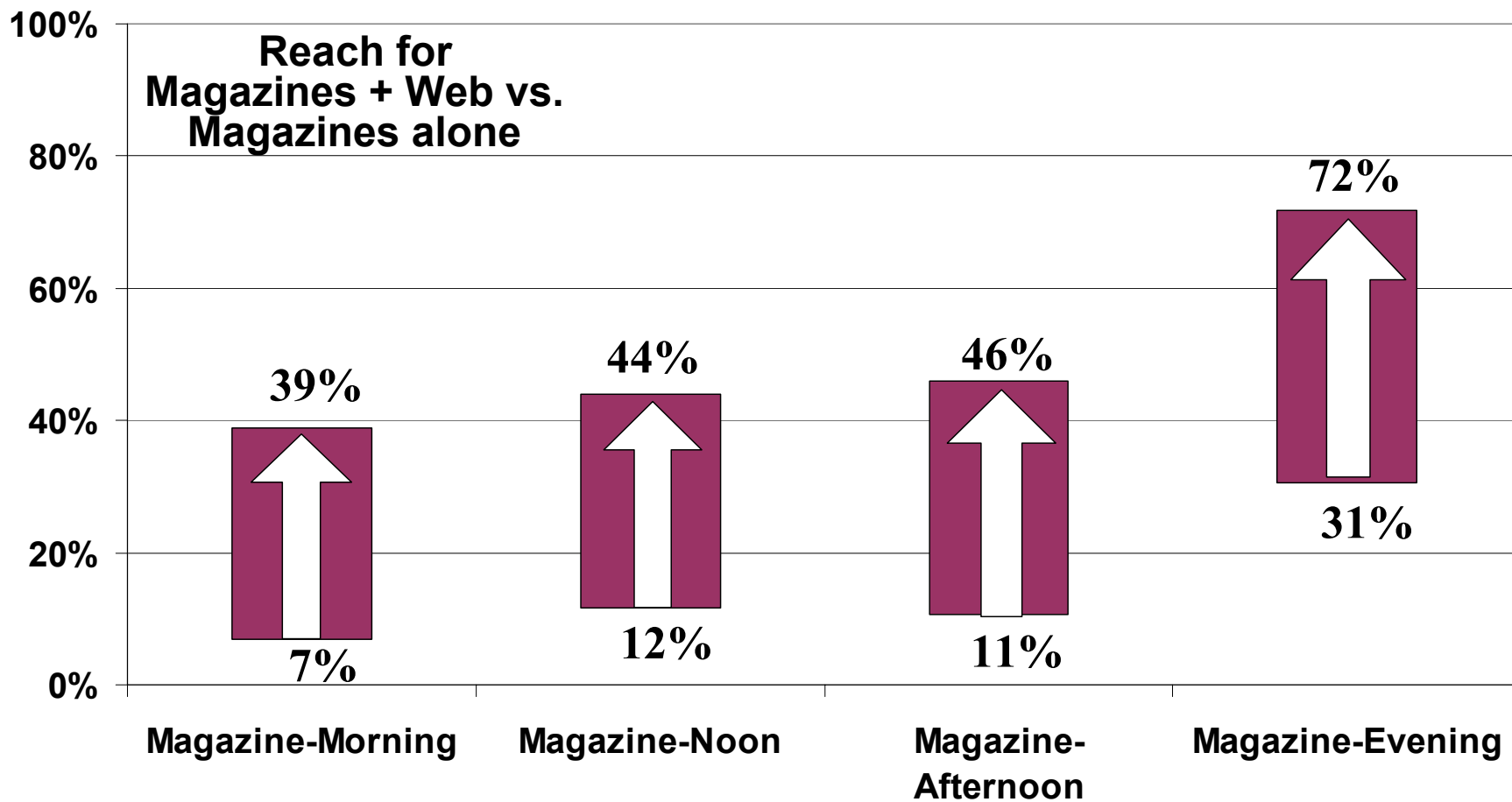
The Web is the Essential Complement to a Magazine Based Plan That Must Also Reach A Number of Key Targets, Example: Young Parents

32PP **26PP** **46PP** **34PP**

Morning (8-11am)   Lunch (11am-2pm)   Afternoon (2-5pm)   Evening (5-11pm)

■ Young Parents - Magazine   ■ Young Parents - Web
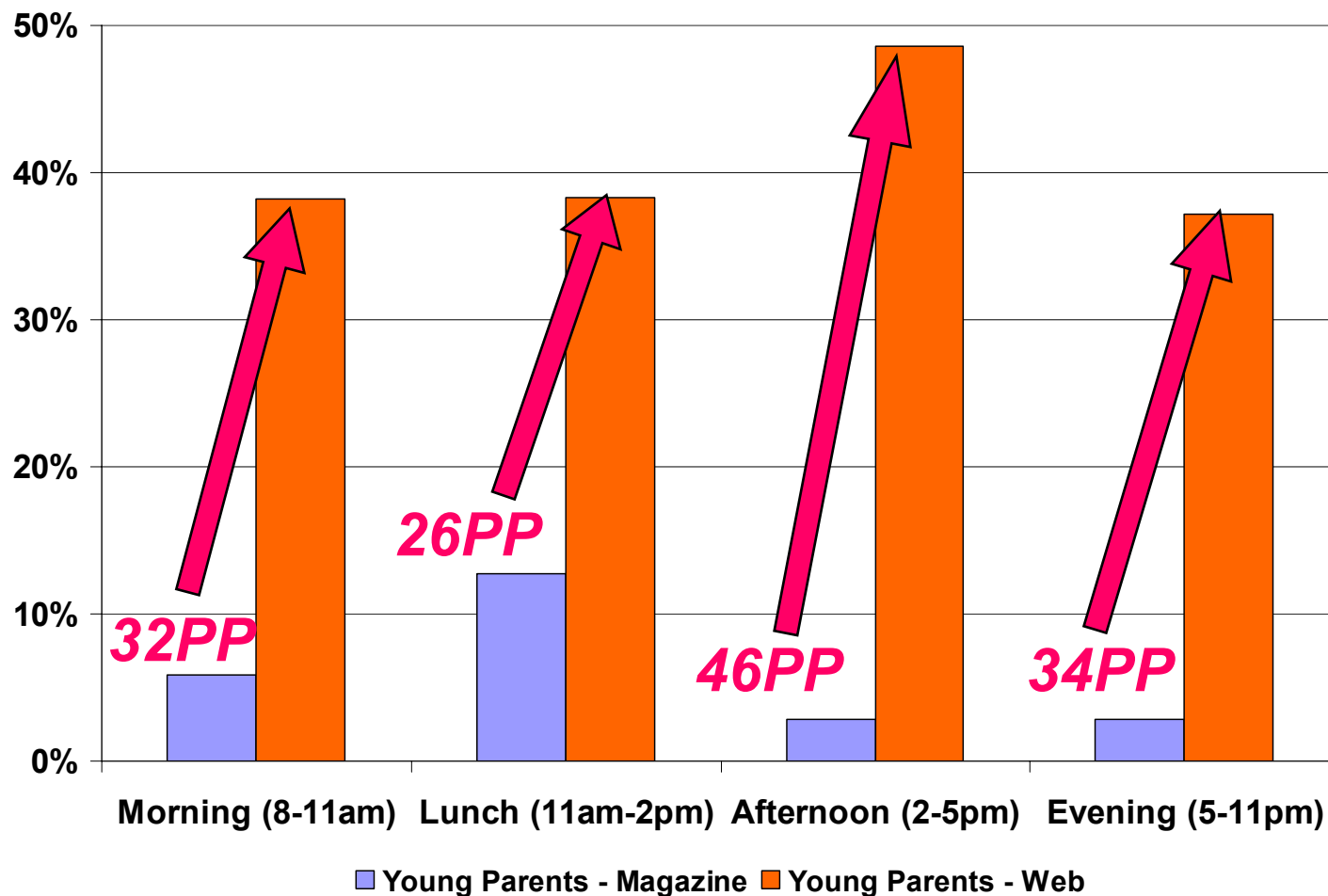
The Web Adds To Newspapers' Reach In All Major Dayparts

Reach for Newspapers + Web vs. Newspapers alone

Daypart	Newspapers + Web	Newspapers alone
Newspaper-Morning	44%	17%
Newspaper-Noon	44%	11%
Newspaper-Afternoon	46%	12%
Newspaper-Evening	75%	39%
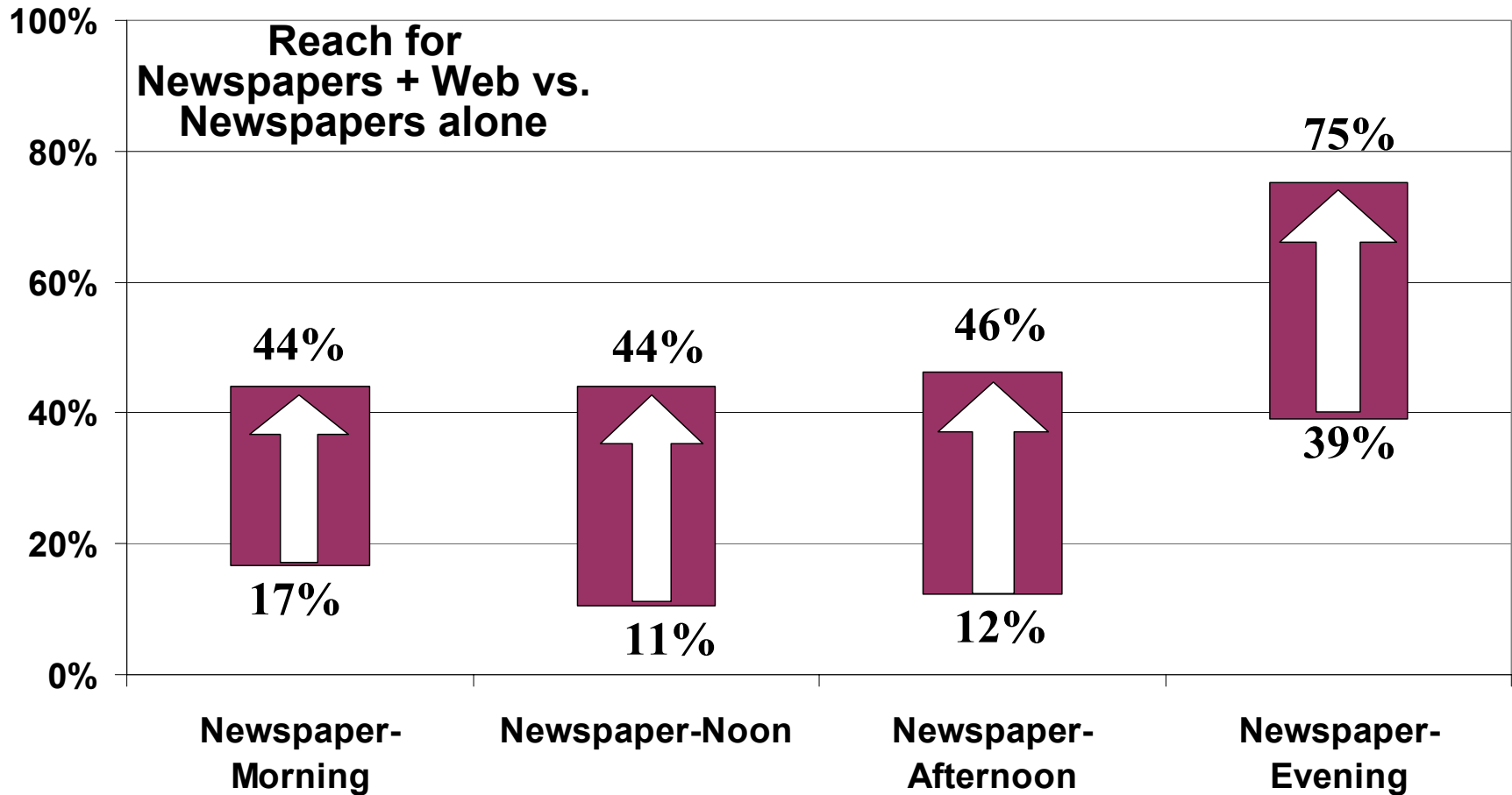
The Web is the Essential Complement to a Newspaper Based Plan That Must Also Reach A Number of Key Targets, Example: Affluent Empty Nesters

Chart showing Affluent Empty Nesters Newspaper vs Web reach by daypart:
- Morning (8-11am): **21PP**
- Lunch (11am-2pm): **17PP**
- Afternoon (2-5pm): **24PP**
- Evening (5-11pm): **17PP**

■ Affluent Empty Nesters - Newspaper   ■ Affluent Empty Nesters - Web
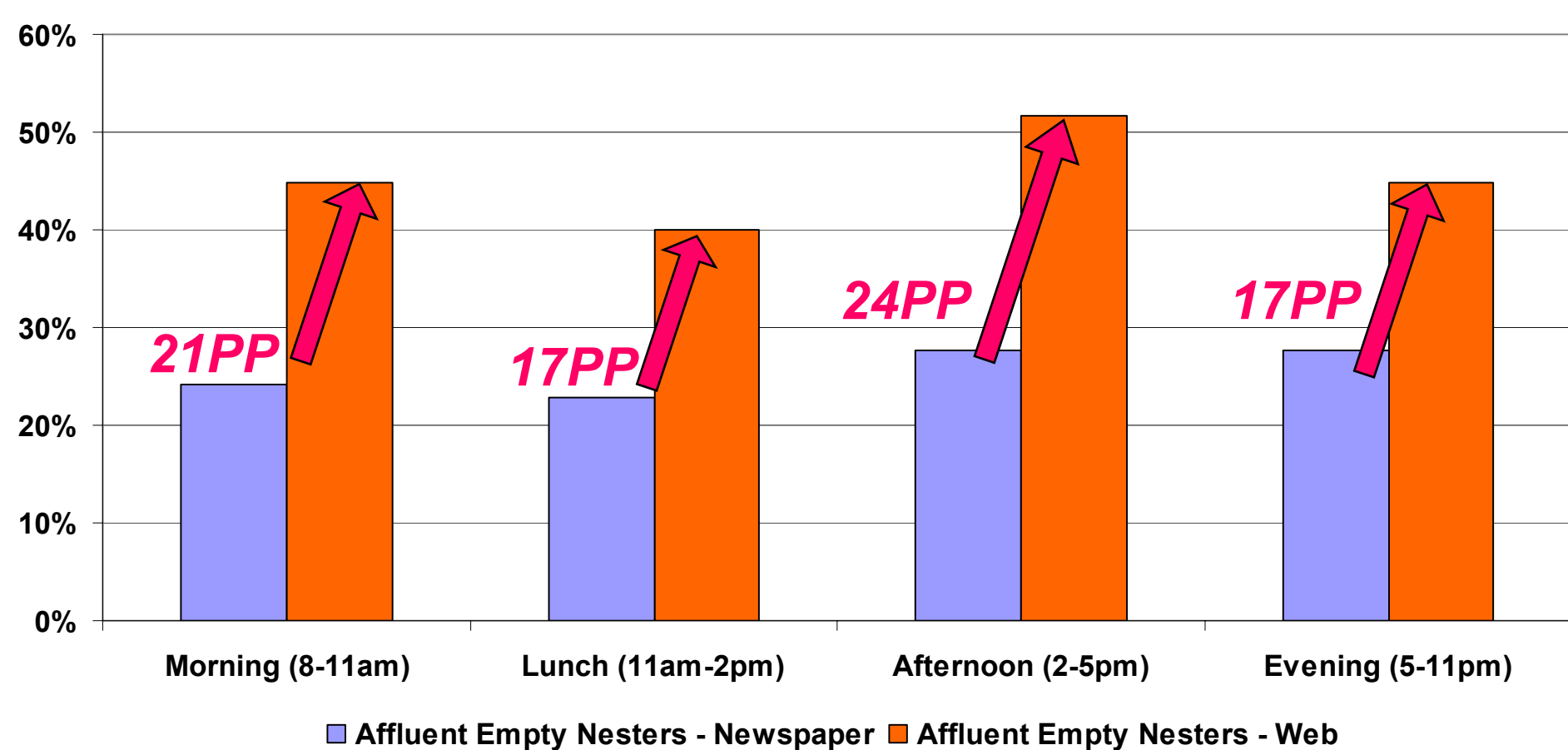
Compare the Value:
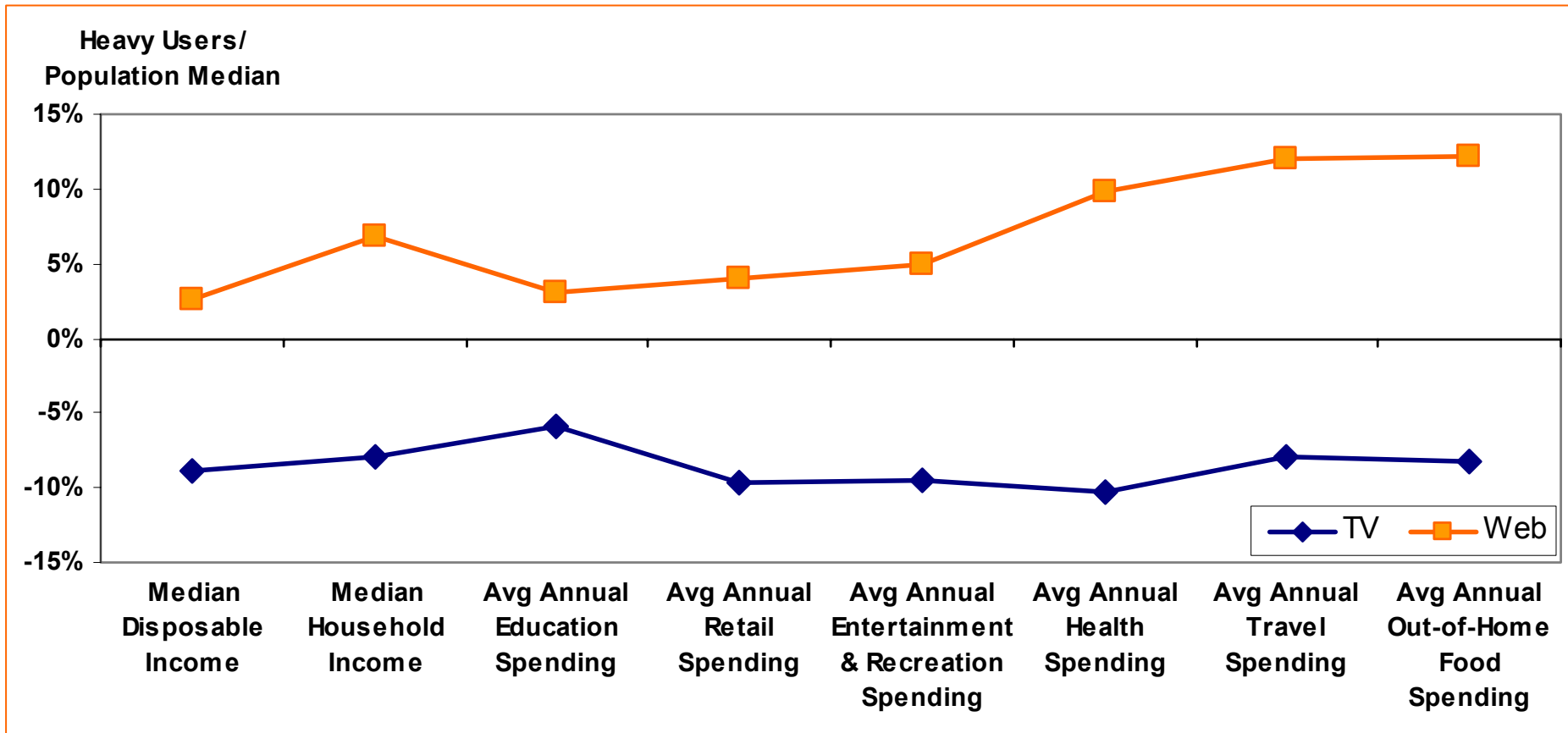# Web Dominant vs. Television Dominant Consumers

Based on U.S. Census statistics for neighborhoods of …

- TV dominant consumers
- Web dominant consumers

TV Dominant = heavy TV users who are medium, light or non Web users
Web Dominant = heavy Web users who are medium, light or non TV users

Unlike Heavy TV Users, Heavy Web Users Tend to Spend Consistently Over the Population Median

Heavy Users/
Population Median

TV — Web

Median Disposable Income · Median Household Income · Avg Annual Education Spending · Avg Annual Retail Spending · Avg Annual Entertainment & Recreation Spending · Avg Annual Health Spending · Avg Annual Travel Spending · Avg Annual Out-of-Home Food Spending

The Web Dominant tend to be in higher retail spending groups

Annual Retail Spending

TV Dominant	*Average retail spending $21,401*
Web Dominant	*Average retail spending $26,450*

0%   20%   40%   60%   80%   100%

■ **Annual Retail Spending > $20K**   ■ **Annual Retail Spending < $20K**
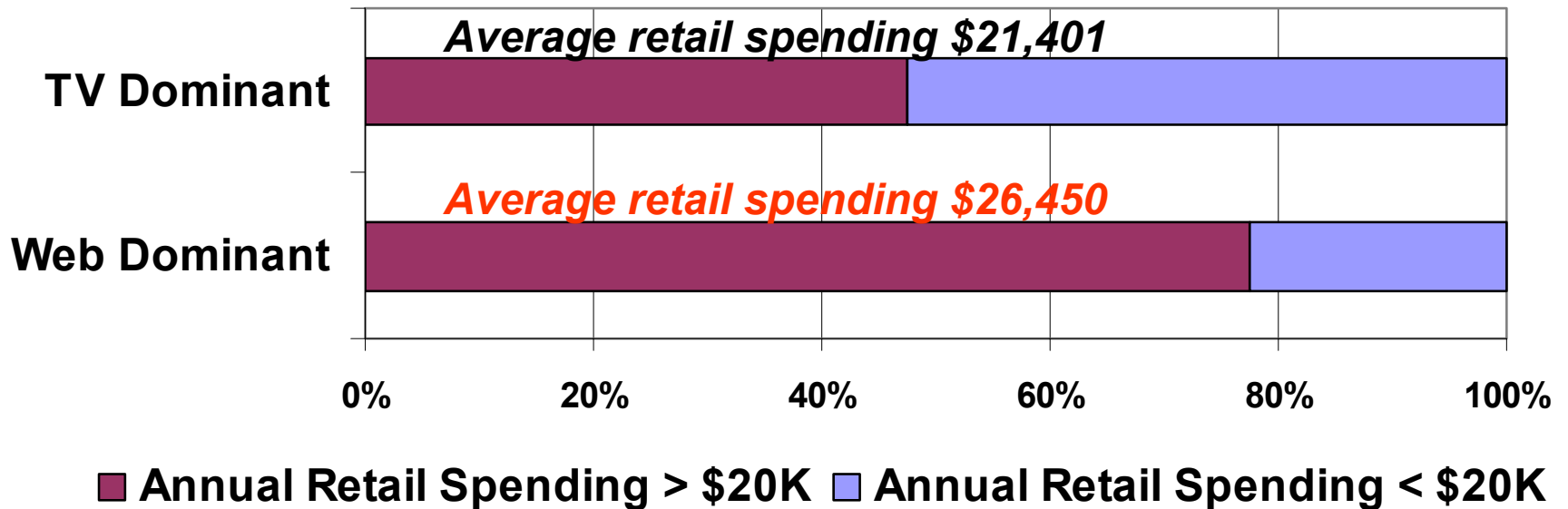
The Web Dominant tend to be in higher entertainment and recreation spending groups

Annual Entertainment & Recreation Spending

Average entertainment and recreation spending $2,626

TV Dominant

Average entertainment and recreation spending $3,281

Web Dominant

0% 20% 40% 60% 80% 100%

■ Annual Entertainment & Recreation Spending > $3K
■ Annual Entertainment & Recreation Spending < $3K
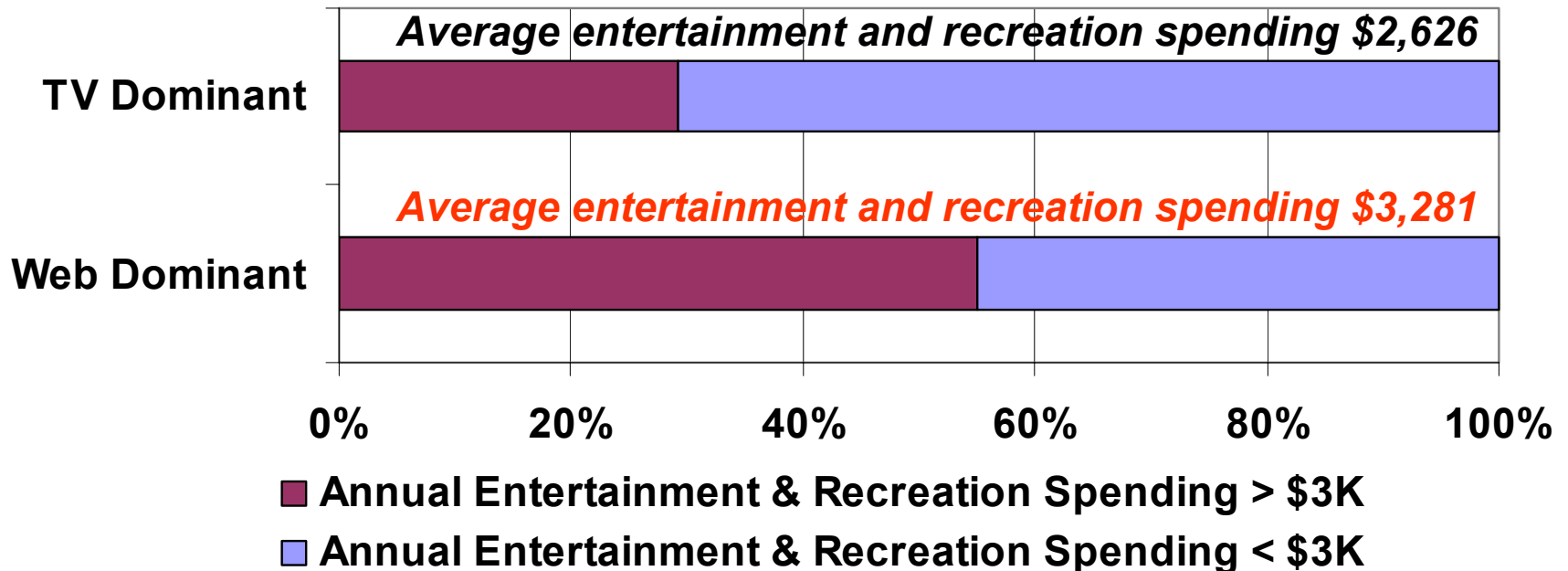
The Web Dominant tend to be in higher out of home food spending groups

Annual Out of Home Food Spending

Average out of home food spending $3,102

TV Dominant

Average out of home food spending $3,803

Web Dominant

0%   20%   40%   60%   80%   100%

■ **Annual OOH Food Spending > $3K**   ■ **Annual OOH Food Spending < $3K**
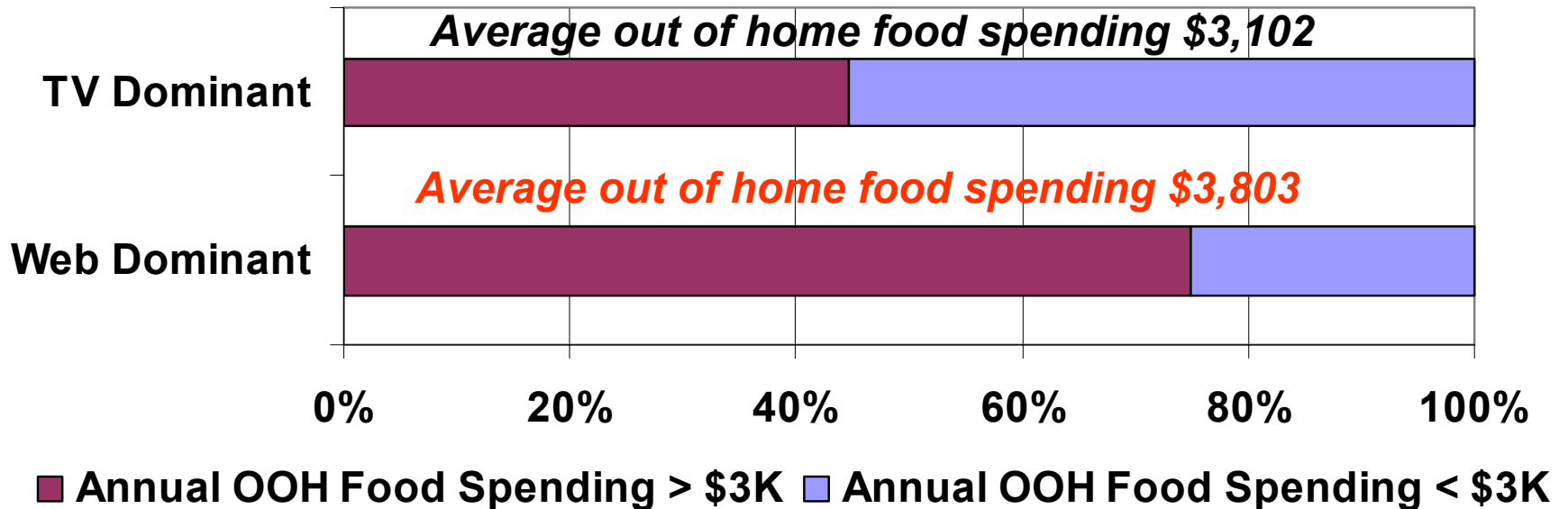
The Web Dominant tend to be in higher health spending groups

Annual Health Spending

Average health spending $2,635

TV Dominant

Average health spending $3,215

Web Dominant

0% 20% 40% 60% 80% 100%

■ **Annual Health Spending > $3K** ■ **Annual Health Spending < $3K**
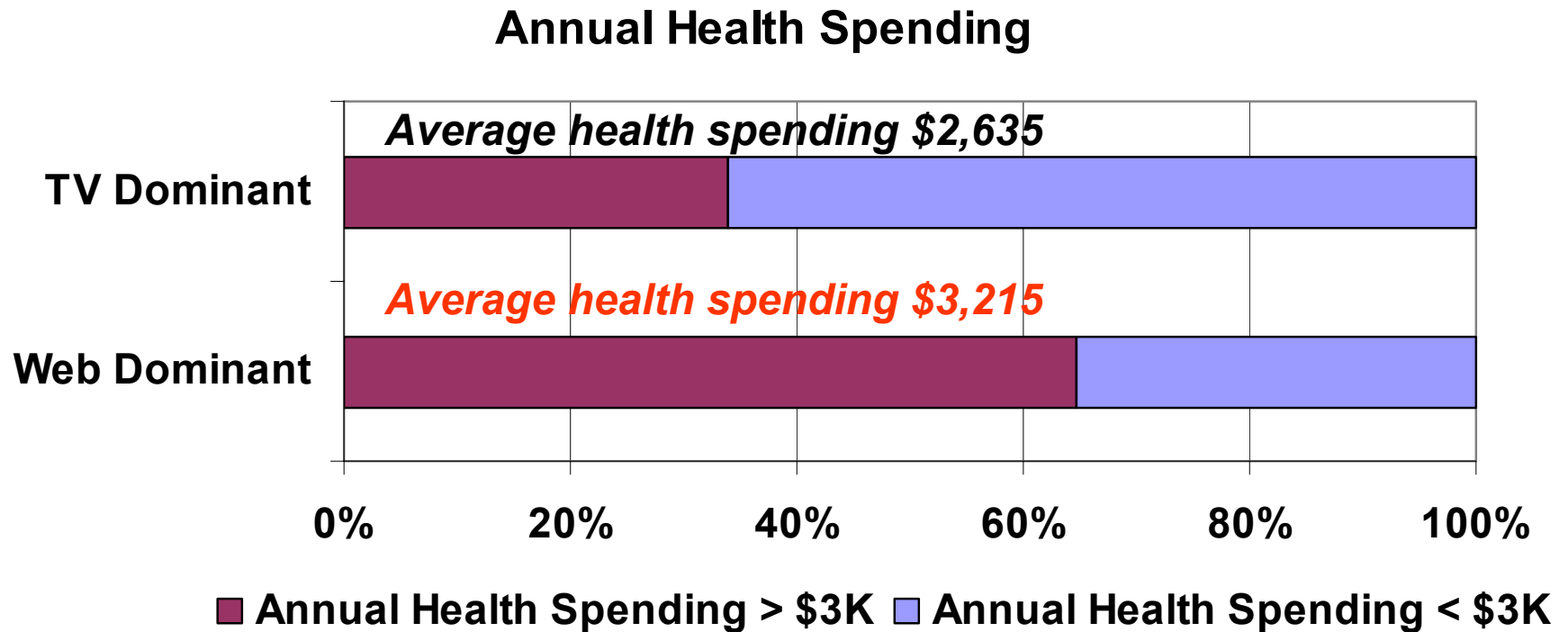
The Web Dominant tend to be in higher travel spending groups

Annual Travel Spending

Average travel spending $1,501

TV Dominant

Average travel spending $1,879

Web Dominant

0%   20%   40%   60%   80%   100%

■ Annual Travel Spending > $1.5K   ■ Annual Travel Spending < $1.5K
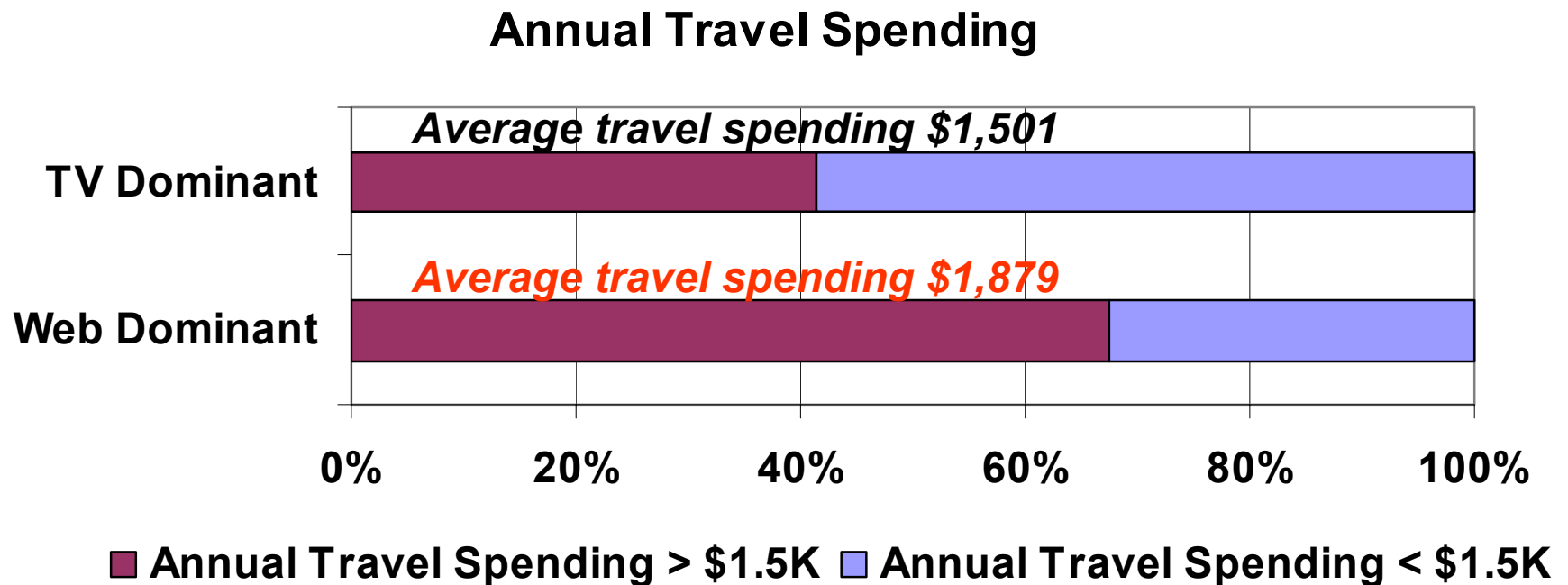
Summary of Findings

The Web…

- Has become a powerful reach medium in its own right

- Reaches consumers in all major dayparts

- Is a great partner medium, adding substantial incremental reach to other media

- Has an at-work presence exceeding all major media

- Attracts valuable audience for advertisers: spends more than heavy TV users in many consumer categories

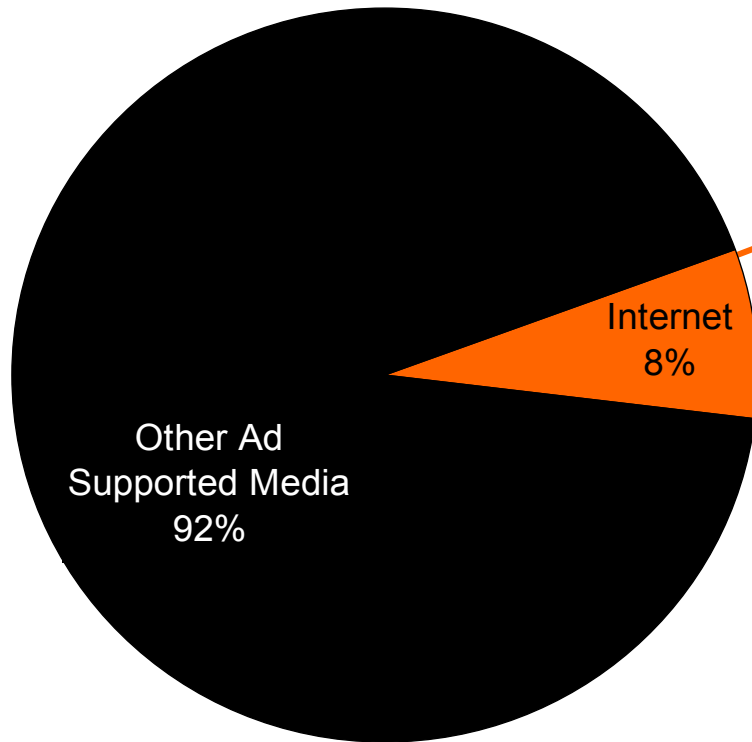# Two Final Considerations to Build on These Findings

- Time is money…
  or at least there should be a relationship between the two

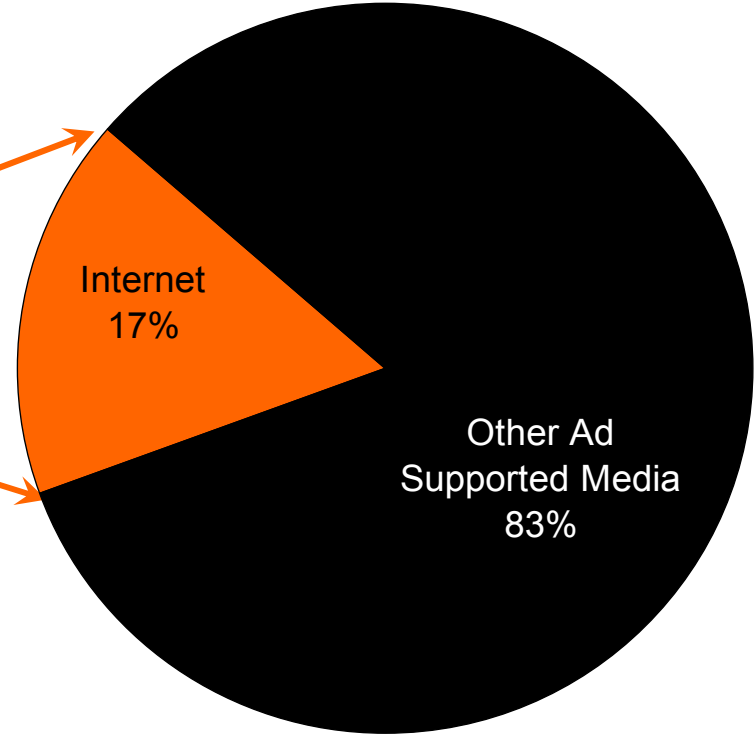- Moving from yesterday to today to tomorrow

Advertisers spend money… Consumers spend time
Getting them more in alignment will bode well for Internet advertising

Advertising spending on consumer media
(Veronis Suhler Stevenson, 2005)

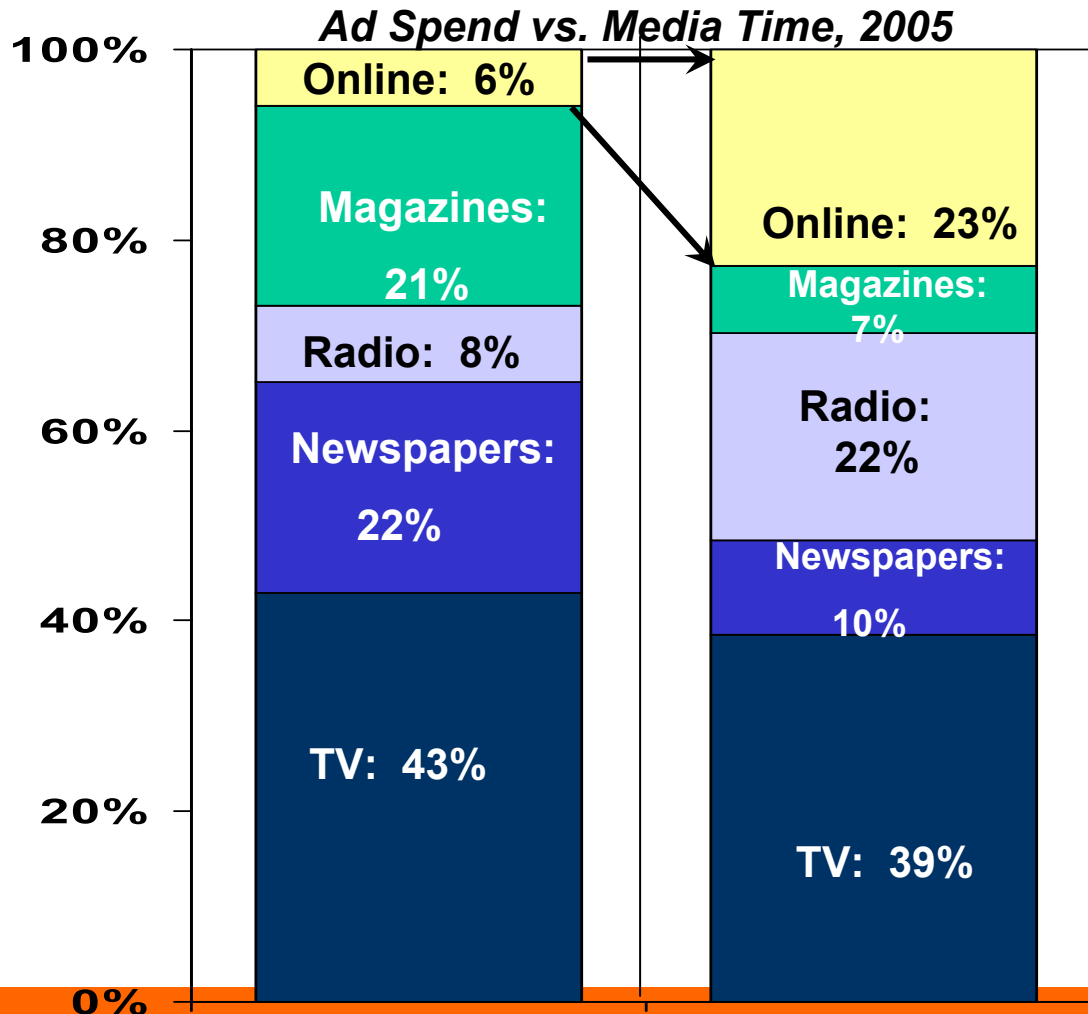Average Time per Person per Day Using Consumer Media
(350 Consumers in Middletown Media Study II, 2005)

Internet
8%

Other Ad
Supported Media
92%

Internet
17%

Other Ad
Supported Media
83%

online publishers association

www.online-publishers.org

Advertisers spend money…   Consumers spend time

Getting them more in alignment will bode well for Internet advertising

Ad Spend vs. Media Time, 2005

Left bar (Ad Spend):
- Online: 6%
- Magazines: 21%
- Radio: 8%
- Newspapers: 22%
- TV: 43%

Right bar (Media Time):
- Online: 23%
- Magazines: 7%
- Radio: 22%
- Newspapers: 10%
- TV: 39%

Sources: Forrester's NACTAS 2006

Benchmark Survey, TNS Media Intelligence

online publishers association

www.online-publishers.org

In Other Words…

- Most consumers have made the Web an integral part of their media day

- When will most advertisers make the Web an integral part of their media plans?

While other major media have been in place for over 50 years, the Web's position has been created in 10 years

Daily Reach:
Incidence of Use

Daily Reach and Duration for Various Media Among 350 adults in MMS II

Scatter plot with y-axis "Daily Reach: Incidence of Use" from 0% to 100% and x-axis "Daily Duration: Average Minutes per User" from 0 to 300. Data points: TV (~270, 91%), Radio (~110, 74%), Web 2005 (~108, 62%), Newspapers (~30, 39%), Magazines (~20, 31%), Web 1995 (~45, 9%). A dotted orange arrow connects Web 1995 to Web 2005.

Closing with a few words from today's media consumers

- Online drives offline usage and offline drives online usage

- Consumers use the Web for commerce and purchase related research

  Yes if I am watching TV and hear a story on the news I will jump on the internet to get more information about it. If I am shopping and find a product and want more information. Shopping for a digital camera right now. Reading ads in the paper and then going back and doing more research to see which one I really want.