

# SAY: OFF THE GRID

Marketing to the Next Generation Media Consumer

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**IPG** | medialab

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# BACKGROUND AND OBJECTIVES

Consumers are increasingly spending less time with live television and more time with online content as well as premium video content which is both time and device shifted. These Off The Grid consumers are difficult for marketers to reach using traditional broadcast media. In this study we wanted to learn:

How many Off The Grid consumers are there?

How do these consumers think about media?

Why are they making their specific media choices?

What challenges do Off The Gridders pose for interruptive advertising?

How can marketers reach them more effectively?

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# METHODOLOGY

In order to understand the motivations as well as behaviors of Off The Gridders, we conducted in depth interviews, an online survey as well as an online behavior analysis. In speaking to Off The Gridders, we focused on two distinct segments:

## OPT OUTS

Don't own a TV OR haven't watched live TV in the past week AND stream more than 4 hours in an average week across online, mobile or through their TV.

## ON DEMANDERS

Stream more than 4 hours in an average week AND spend less time watching live TV than they did a year ago.

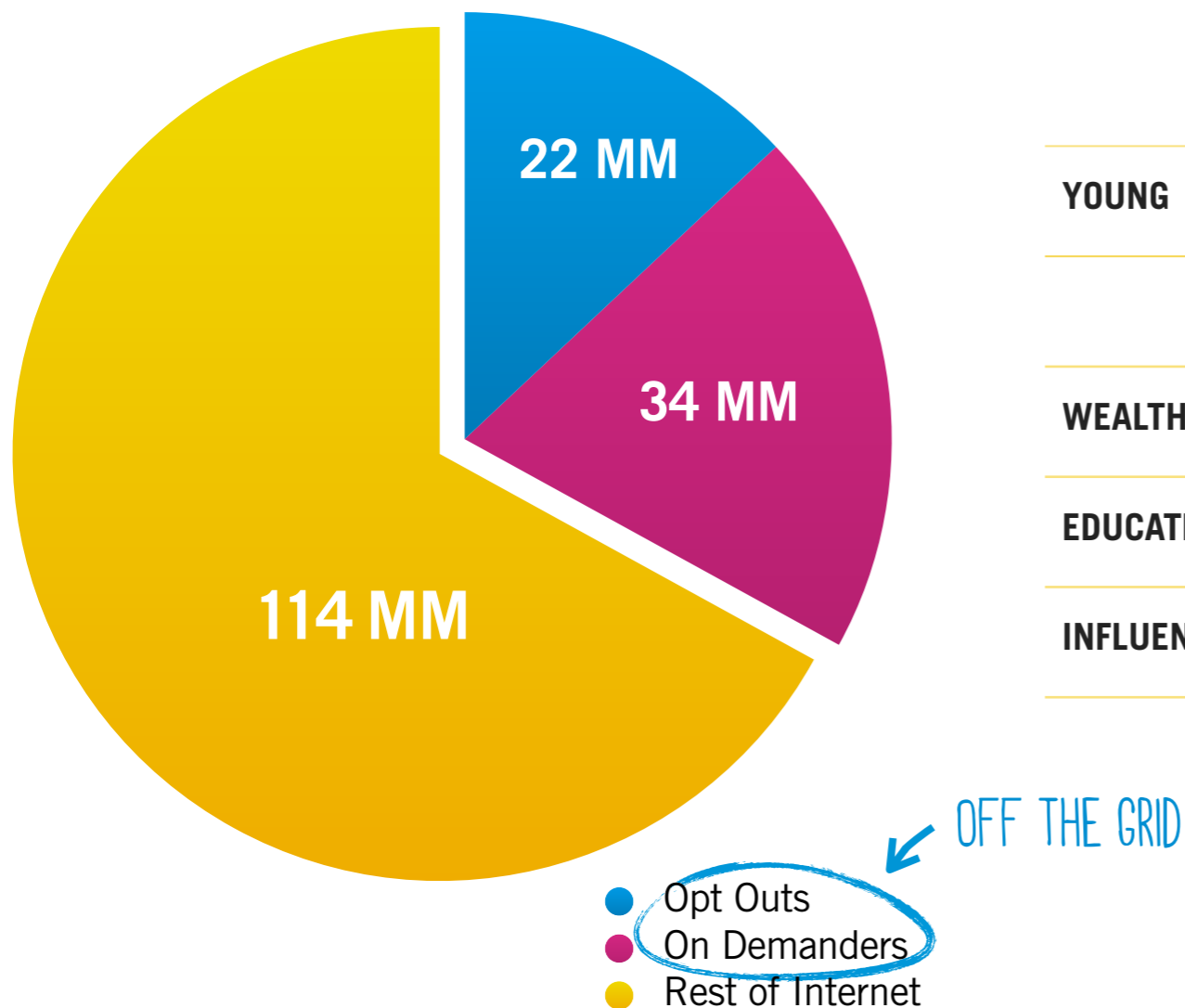
**Qualitative:** In home interviews with 8 Off The Grid households in Chicago and San Francisco with research partner TRU in August 2010.

**Quantitative:** Online survey among 1159 Internet representative users through comScore (including 232 Opt Outs and 305 On Demanders). Passive behavioral analysis of respondents through comScore's opt-in panel.

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# ONE-THIRD OF ONLINE ADULTS ARE OFF THE GRID

Off The Gridders are a large and attractive audience segment. Twenty percent of online adults are On Demanders, and another thirteen percent are Opt Outs.



		ON DEMANDERS	OPT OUTS	REST OF INTERNET
YOUNG	Age (mean)	38	36	42
	% 18-24	23%	30%	15%
WEALTHY	Median Income (\$000)	\$65	\$42	\$54
EDUCATED	Some college +	86%	73%	70%
INFLUENTIAL	Size of online network	245	193	201

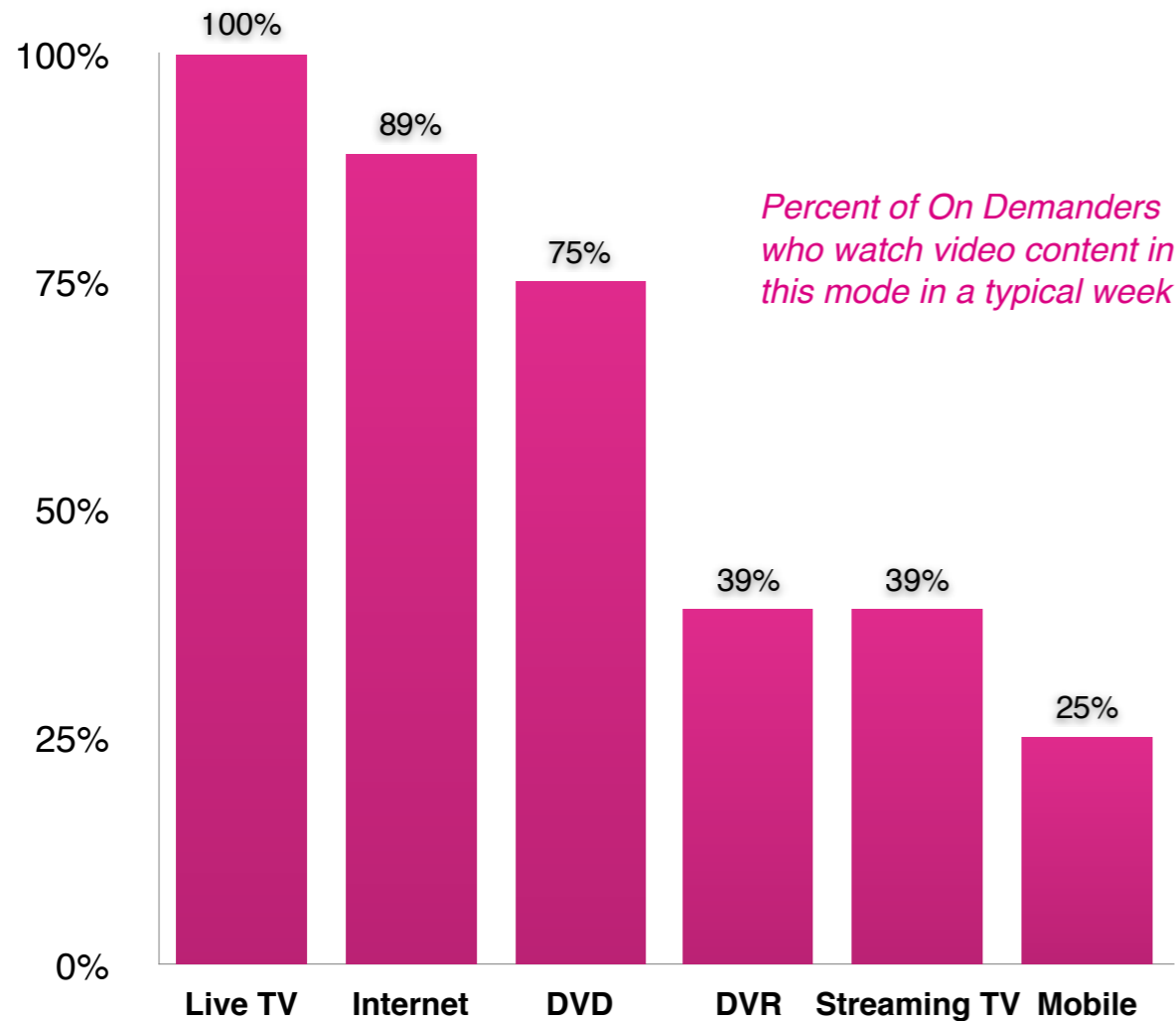
**On Demanders** are younger, more educated and affluent than general Internet users and have larger networks whom they influence.

**Opt Outs** are younger, educated and urban. They should have higher earning power as they age.

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# OPTIMIZE EFFICIENCY THROUGH CHOICE

Watching premium video content is still critical across all segments. **On Demanders** are attracted to devices and technology that will help them become more efficient in their busy lives. Including TV and PC/laptops, the average On Demander owns 5.4 devices for watching video. Netflix and mobile video are two ways this savvy group are accessing premium content any time, anywhere. Even the Rest of the Internet owns multiple devices for accessing video. In our view, these Off The Grid behaviors will continue to grow.



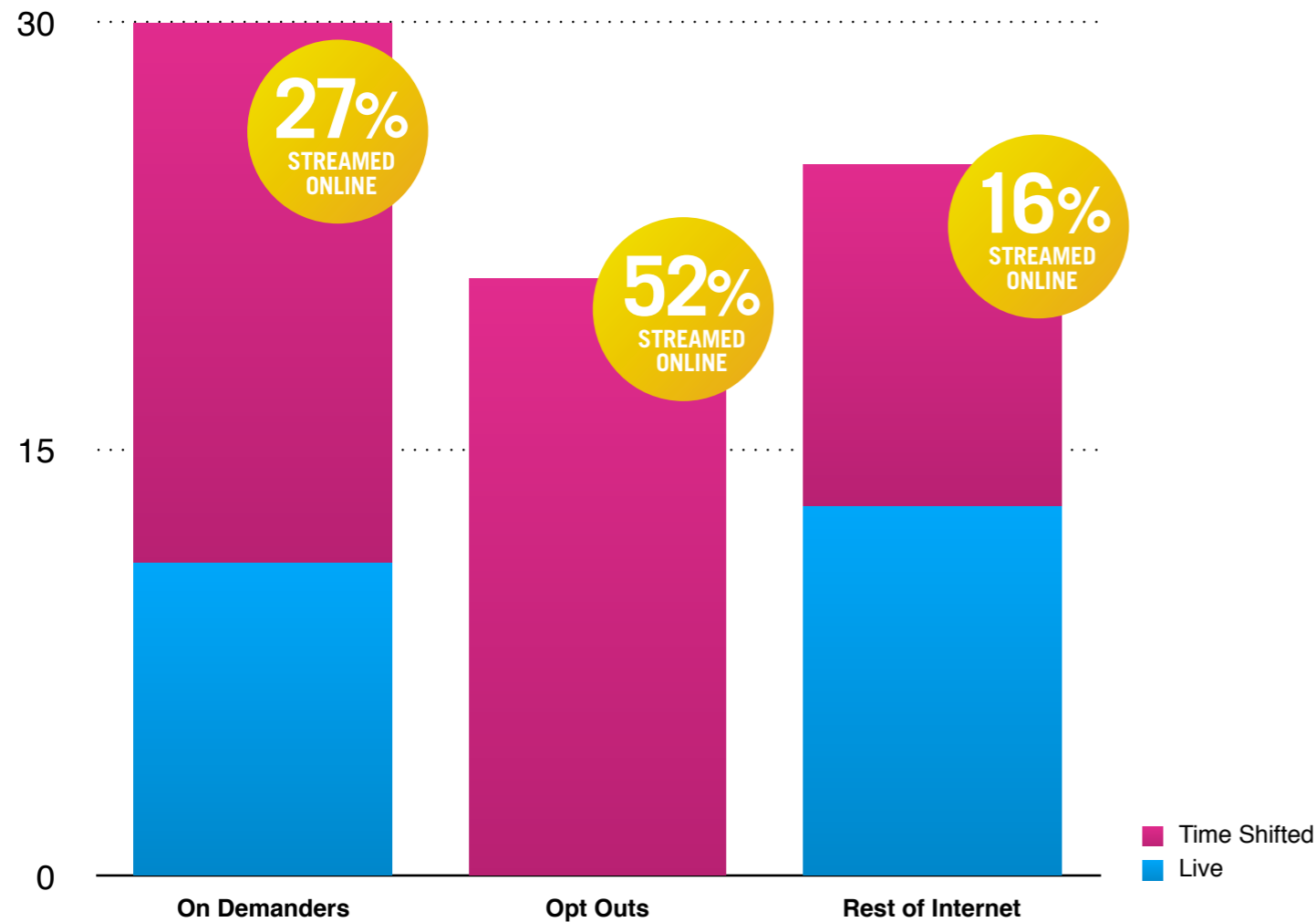
	ON DEMANDERS	OPT OUTS	REST OF INTERNET
Avg # of devices for watching video	5.4	3.9	4.6
% Netflix subscribers	47%	25%	24%
% Own mobile video device	40%	25%	31%

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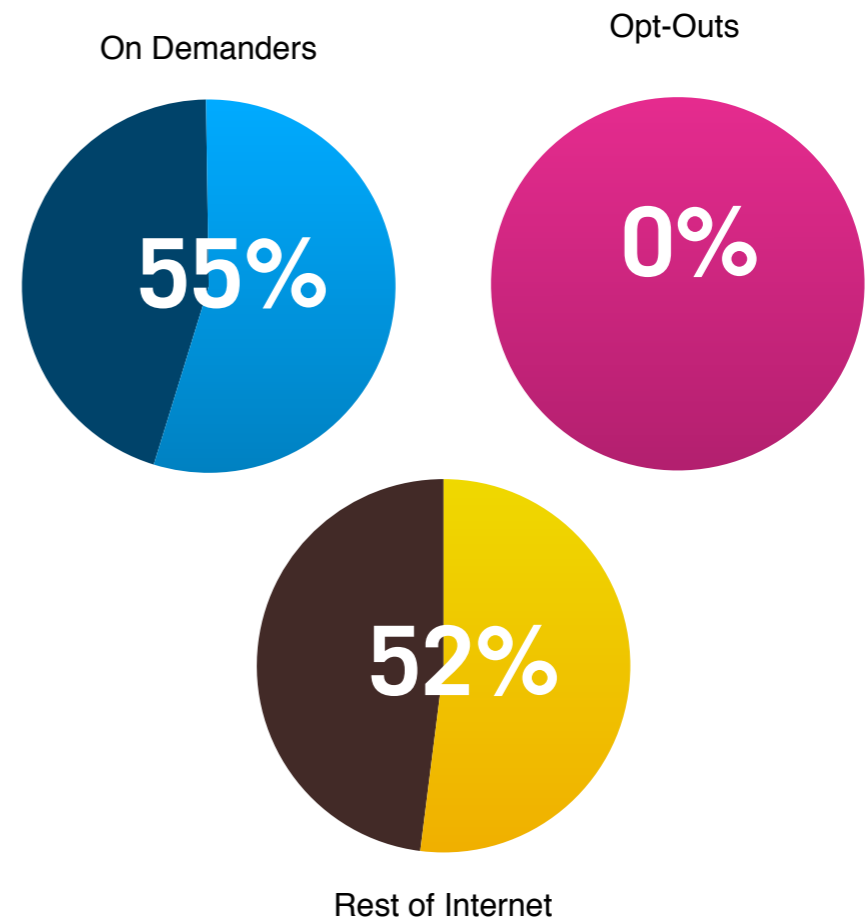
# ON DEMANDERS WATCH MORE

Efficiency does not mean less time with video content. On Demanders watch 30 hours of video content weekly (compared to 21 hours for Opt Outs and 25 hours for the Rest of the Internet). Half of Opt Outs' video content is streamed online, as is a quarter of On Demanders' video content. 8-11pm is still prime time for video content (even 3 in 4 Opt Outs watch video content then). However, only half of On Demanders (as well as the Rest of the Internet) are watching live TV during that time slot.

Average Weekly Video Consumption (Hours)



% watching Live TV from 8pm-11pm



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# ON DEMANDERS ARE LESS TOLERANT OF ADS

On Demanders Perceptions of Ads Within Video Content vs. Rest of Internet

STATEMENT	LIVE TV	ONLINE	MOBILE
Ads are annoying			
The ads interfere with my show			↑
Ads are too long		↑	
There are too many ads			
I wish I could fast forward through the ads		↑	
There are too many ads for each video content segment	↑	↑	

■ Sig Higher at 95%  
■ Sig Higher at 90%

On Demanders spend the most time with video content, yet they are the group who are the most irritated by intrusive, repetitive ads across all devices.

Interestingly, Opt Outs have a more positive view of both online and mobile advertising — in our interviews we heard an implicit understanding of the trade offs for getting all of their favorite shows and programming for free online or through streaming video.

## THE NEW MEDIA MENTAL MATH

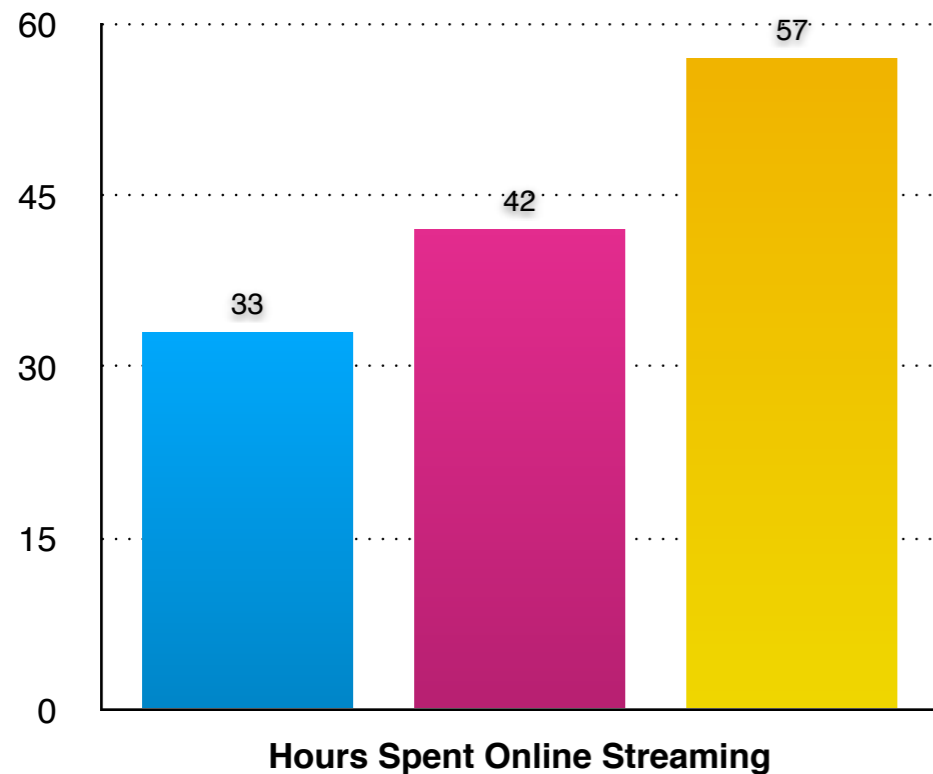
Off The Gridders make conscious decisions about when and how to consume media to maximize their enjoyment and time while minimizing advertising interruptions.

**DESIRE TO AVOID** > **WORK TO AVOID**  
**= AVOID AD**

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# OFF THE GRIDDERS ARE REACHABLE ONLINE

The good news for advertisers is that Opt Outs are not only more receptive to online and mobile advertising, but they also are consuming online content at unprecedented rates. Opt Outs, on average spend 2 hours daily watching video content online (twice as much time as the Rest of Internet). They also over index for time spent on blogs as well as other content they might have gotten through live TV like sports or news. On Demanders spend more time with online video as well as online entertainment (gaming, humor and movie) content.



Rest of Internet On Demanders Opt Outs

source: comScore behavioral analysis

ONLINE CATEGORY	ON DEMANDERS	TV OPT OUTS
News	114	820
Retail - Movies	484	537
Sports	83	327
Entertainment	128	267
Blogs	88	229
Gaming Info	392	180
Humor	216	176



# IMPLICATIONS FOR THE MODERN MARKETER

INSIGHT	IMPLICATION
Media usage is fluid across devices and locations	Media planning and creative have to work in tandem to ensure that creative strategy and media placement are both resonating with Off The Gridders
On Demanders are focused on efficiency, and the group least tolerant of interruptive advertising	Focus on attentive reach, not frequency; when you achieve engagement with a consumer, the optimal frequency may in fact be one
Off The Gridders don't want to be shouted at; they want a two way conversation	Instead of trying to reach broad targets, focus on building scale from smaller and passionate communities
When your audience is not subjected to frequent interruption and repetition of the same message, they hold more positive perceptions of advertising	Advertisers must focus on giving the audience value-based reasons to engage with advertising and seek media channels that create attention through engagement rather than interruption



# QUESTIONS / COMMENTS

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