contentworx for your business

Consumers not excited by High Definition TV, but agree that advertisers funding content is the smart way forward

Following its in-depth consumer survey in March 2006, branded content specialist agency, **contentworx** has commissioned its third study to gain further insights into the emerging trends of the rapidly changing digital landscape.

The report covers several related areas particularly taking account of how technology is continuing to influence and fundamentally change consumer habits.

We wanted to understand the motivation for watching TV programmes on other devices away from their TV set at home; which technology they were most excited about? Whether they would recommend Sky+ to their friends? Did they interact more with a TV programme when they were watching it alone or with their family? Were they interested in receiving their TV programmes 'on-demand' via broadband and how much were they prepared to pay for these services? Did they think it was smart for advertisers to fund and create relevant TV programmes?

Our study addresses some of the key challenges brands are facing now and is further evidence of how traditional forms of advertising are becoming less effective in influencing the consumer's purchasing decision.

The telephone survey of 1,000 adults demographically weighted to represent the UK population was conducted by **ICM Direct**, one of the leading specialists in the field of market research.

The key findings:

- Around 7 million people now watch TV programmes either on their PC/laptop via broadband or Mobile phone (a 37% increase since March 2006)
- The majority of young adults would recommend Sky+ to their friends
- Most watched TV programmes on other devices for 'convenience'
- Three-quarters of adults were not excited by the prospect of high definition TV
- Around two-thirds of young people were excited by the prospect of faster broadband speeds to download more content
- They were 'more engaged' and 'interacted with' programmes when watching 'at home alone' rather than

'at home with their family or friends', on a mobile or PC/Laptop

- Around one-third were interested in receiving TV via broadband allowing 'on-demand' access to content
- Almost two-thirds thought it was a 'smart move by advertisers and the way forward' to fund the creation of TV programmes

We tend to act positively when we receive a personal recommendation from a friend, so it was interesting that 42% agreed when asked "Would you recommend that your friends get a personal video recorder, such as Sky+?" This rose to 56% amongst 18-24 year olds. Of those surveyed, 62% said they had a personal video recorder.

Over the past year we have seen an acceleration in the trend in migrating our viewing of TV programmes to other devices, such as mobile phones and PC/Laptops via broadband away from the traditional TV set at home.

We set out to understand the motivation to do this by asking, "Why do you watch TV programmes on other devices…?" 40% said it was out of 'convenience', 20% said 'it was on their own terms', 13% answered with 'killing time' and that it was 'a more personal engaging experience' with 7% citing 'better quality image/sound'.

The younger age groups (18-24) scored 'it's on my own terms' much higher at 36%, whilst 35-44 year olds saw 'convenience' as being most important at 56%. Perhaps a little surprising was that 38% of 65+ adults said that it was 'a more personal engaging experience' for them.

Overall, we discovered that 15% watch TV on other devices, equating to 7 million adults, a staggering 37% increase from our last study in March 2006.

Recently there has been much hype about the benefits of High Definition (HD) TV and how it will enhance our viewing experience. Amongst other future developments, e.g. TV programmes 'on-demand', faster broadband speeds, more TV channels on your mobile; we wanted to know "Are you excited about the prospect of…?" these advances in technology.

We were surprised to see that just 25% said they were excited about the prospect of HD TV. However, this did rise to 43% amongst 18-24 year olds. On a regional basis London faired better at 32%, but just 12% of adults living in Wales agreed.

The prospect of 'watching TV programmes on-demand whenever and wherever I want to' was deemed to be more exciting with 41% agreeing (68% for 18-24 year olds). Only 31% (41% for AB adults) were excited about 'faster broadband speeds to enable me to download more programmes on my PC/Laptop'. Lastly, just 10% saw the prospect of 'more TV channels on my mobile phone' as exciting, perhaps unsurprisingly this rose sharply to 33% amongst 18-24 year olds.

We know that it has been proven that consumer engagement and involvement with a TV programme result in higher attention levels and appreciation of that programme and therefore, the commercial messages contained within and around it.

In light of this and the rapidly changing viewing experience, we wanted to understand how this was affected by different environments and devices, so we asked "Do you feel more or less engaged or involved with a TV programme when you watch them…'at home alone', 'at home with family or friends', 'on your mobile phone', 'PC/Laptop via broadband'?"

Overall, the vast majority, 89% said they were either the 'same' or 'more' (33%) engaged or involved when watching 'at home alone'. When viewing 'at home with family or friends' this dropped to 72% ('more' = 16%). This declined more significantly to 37% ('more' = 8%) for the mobile phone and to 60% ('more' = 19%) for PC/Laptop via broadband.

With interaction becoming the norm, we felt it was important to establish again how the environment or device affected consumers and asked them "Are more inclined to interact with TV programmes, when you are watching them on TV…'at home alone', 'at home with family or friends', 'on your mobile phone' or 'PC/Laptop via broadband'?"

Over three-quarters (77%) said they were either the 'same' or 'more' (38%) inclined to interact 'at home alone'; 66% ('more' = 18%) said they interacted when 'at home with family or friends'; 50% ('more' = 8%) for mobile phone and 56% ('more' = 19%) for PC/Laptop via broadband.

We learned that the level of interaction with a TV programme is very similar whether they are watching 'at home alone' (66%) or 'at home with family or friends' (67%). The responses for interacting with a mobile and PC/Laptop via broadband were significantly lower at 24% and 27% respectively.

There were some interesting variations on a regional basis; overall, London scored the highest levels of interaction (alone = 75%, family/friends = 79%, mobile = 33%, PC/Laptop 37%) with the South West showing the lowest levels (alone = 54%, family/friends = 56%, mobile = 18%, PC/Laptop = 18%).

With companies such as British Telecom (BT) moving into the entertainment sector ultimately delivering television content 'on-demand' which will enable consumers to select the exact programmes they want and at whatever time they want to watch them.

We wanted to gain further insights into how this would be received by the Great British public, so we asked "…would you be interested in this type of service?"

The good news for BT and other companies offering these types of services is that 31% said they would be interested equating to around 14.5 million adults.

Amongst 18-24 and 25-34 year olds this rose to 57% and 43% respectively. Regionally, the South East scored highest at 42%, followed by the Midlands at 31% and North 27% expressing an interest.

There will be a cost attached to these types of services, and we wanted to gauge the perceived value, so we asked "How much would you be prepared to pay per month?"

Overall, the 'mean' amount was just under £18 (£17.76), equating to around £213 per year. Just 6% said they would pay 'nothing', with '£10-15' being most popular at 38% and 11% saying they would pay £30+ per month (over £360 annually).

The 18-24 year olds 'mean' amount was highest at £20.64 with AB adults, perhaps showing their wisdom came in at £16.70. Those in the Midlands recorded the highest 'mean' value at £18.85.

Finally, we asked "In light of the advances in technology, advertisers are increasingly looking at innovative ways of talking to their potential customers. One way of doing this is to fund the creation of TV programmes relevant to their customers. Do you think this is a smart move by advertisers and the way forward?"

An overwhelming 65% agreed that using content was a smart move and the way forward for advertisers. This rose dramatically amongst the younger age groups with 85% of 18-24's, 71% of 25-34's and 76% of 35-44 year olds agreeing with this statement.

Copies of the full report are available for £399.00 (excl. VAT)

Quote from Andrew Canter, CEO of **contentworx**: "It is clear from our study that the Great British public are continuing to embrace technology in significant numbers that advertisers cannot ignore. It shows that consumer habits are constantly evolving which must be taken account of when targeting potential customers. We are developing a clearer understanding of the fundamental changes taking place in consumer behaviour which is directly shaping our thinking for our clients."

About contentworx

contentworx is an independent branded content specialist that guides advertisers through the complex world of branded content.

contentworx works with an unrestricted roster of production companies, brands and their agencies, offering expertise in the origination and production of brand and advertiser funded content and to gain the maximum benefit for their brands

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About ICM Direct

ICM Direct Ltd was established in 1998 to provide specialist telephone research fieldwork and tabulations to the market research industry. Surveys are run mid week and at the weekend, with an option available for the Daily Omnibus.

Clients can pick and choose the fieldwork dates to fit in with their deadlines. This is an unparalleled research vehicle using ICM's tried and tested telephone polling methodology available to clients every day and at affordable prices.

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