1-3-9 Media Lab

A Proposal

Phase 4: The Paradox of Choice

Overview:

The 1-3-9 Media Lab has been delivering industry neutral research on indicative future audience behaviour for over three years to answer key questions for the media industry and regulator.

The focus of the research is convergence and the lab delivers members a longitudinal perspective of the impact of technology on audience behaviour. Consortium members frequently use the lab to improve understandings of the following:

1. How users interact with the different screens,
2. Attention and engagement in content or advertising,
3. Impact of types of content on viewing– e.g: high urgency My TV, non urgent My TV, compromise TV, high urgency social TV and social TV.
4. Issues surrounding how content is viewed on the screens– in a few days or a few months - catch up/ archive – why type of content drives explorative change behaviour and sustained behavioural change.
5. Likely claimed versus actual biases
6. Impact of viewing privately and socially.

The lab is now into its fourth year and the new design for Phase 4 will ensure that the bulk of the main future research questions are addressed including looking at non PVR VoD when viewers are given bigger hard drives.

Phase 4 is pre-Darwin/pre-Virgin Tivo/pre-Youview and pre-Kinect, pre-Move; this study will be bigger and include households with freeview/freesat in addition to the households that have Sky+ HDTV, Sky+, BT Vision and Virgin+. IPlayer, 4oD and SeeSaw will be on the desktop of the latest laptops /iPads. Wii's and Playstation 3's will be included in the study in addition to Xbox's 360 pre-Kinect ready, we will see how Sky Player, Zune and iPlayer are used on these devices. Phase 5 will take place later this year and will be post Youview/post-Virgin Tivo etc.

The best methodology

There exist many problematic issues around relying on claimed behaviour regarding new technology and usage. ACB observes viewing over a long period of time (4 weeks) and then interviews participants asking why/why that. Interviews are also filmed. This delivers clears neat and accurate insights into behaviour, attitudes and beliefs and understanding around the differences.

This research is **designed to complement larger research** studies facilitating a better understanding of new behaviours and facilitating a more reliable method of questioning.

Over the past three phases the ACB research has answered the following questions:

- What are the Drivers and Barriers of VoD consumption?
- Audience profiling - Who will explore and integrate the technology into their routine?
- Who will not explore and why? How long will it take them to do so? What content will encourage them to incorporate this into their embedded behaviour?
- How does VoD consumption on the PC compare to the TV?
- How does programme and channel brand impact choice?
- What content do viewers choose to watch On Demand?
- How do viewers prefer to watch On Demand (via TV service provider online or on TV or media connector from PC)
- What content do viewers pay for?
- How engaged are viewers with new content?
- What content is viewed socially and privately?
- How does viewing of each type of VoD differ (catch-up, archive and pay per view)?
- How does navigation impact choice?
- How does the impact of advertising differ on each platform (on demand, live and time-shifted)?
- Does viewing of content online lead to an acceptance of pre-roll advertising or avoidance? How does this compare to TV advertising? Is online advertising a barrier to entry?

- What are the differences between claimed and actual behaviour in terms of ad acceptance/avoidance?

The answers and how they are used by the industry:

ACB analyse natural behaviour to understand the impact of technology in home on embedded behaviour. The answers are used by clients to gain:

- *Early* indicative insights into the stages of use and adoption
- Age/Stage differences in the adoption and use of technology
- A vivid and robust picture of audience viewing behaviour in the future

The answers:

ACB have delivered valuable insights for industry for the past six years to assist them with their strategy and deliver greater detailed understanding on their consumer. ACB won Best Paper by International Journal of Qualitative Research 2008 for the work on the impact of PVR's on advertising.

1. For the award-winning and ground breaking PVR paper that looks at the impact of the PVR on advertising and attention in advertising see the following:

http://www.acbuk.net/pdfs/FINAL%20ACB%20PVR%201%20SEP%2006.pdf

2. ACB also delivers insights on the Conferences surrounding the research. For the report on seminal London Business School conference including updated analysis on PVR audience behaviour and also other speakers at the conference – this can be seen on the following link:

http://www.acbuk.net/pdfs/PVR_CONFERENCE_REPORT_AND_UPDATE.pdf

3. Top line results of three years of research conducted in 2007, 2008, 2009 see the following link for the top liners:

www.acbuk.net/presentations.php

4. Conference Papers from Convergence Conference at London Business in July 2009. All papers delivered at the Convergence half day conference held at London Business School on July 7 2009 are available to see along with the introduction by Emeritus Professor Patrick Barwise on the importance and timeliness of the conference. All research presented focused on non commercial, evidence based data with very little reference to claimed behaviour. Among the excellent presentations are results from the Neilsen Consumer Mapping Study; predictions from Enders Analysis on the adoption and use of VoD; the latest BBC research on iPlayer in addition to ACB's study on the impact of Converged TV technology on actual audience behaviour.

www.acbuk.net/conferences.php

5. Economist – A Special Report on Television May 2010. The special report included full international coverage featuring articles on online TV, Piracy, Mobile, Sport, 3DTV, New Directions for TV, Interactive and a three page feature on ACB's research entitled: How People Really Watch Television.

http://www.economist.com/specialreports/displaystory.cfm?story_id=15980817 .

Who else writes about ACB's research - the reliability and relevance?

At ACB, we use video ethnography to capture behaviour of participant's usage and then interview them. Our analysis and coding delivers valuable insights into behaviour that can be used to complement quant research and is used by the following: companies' e.g: Microsoft, BBC, forecasters, e.g.: Enders Analysis, Oliver & Ohlbaum. The research and conferences are supported by Ofcom, (the UK regulator) and Channel 4, BBC, Microsoft, Neilsen (US) and BARB.

What next – the new phase of addressing the very latest research questions and challenges for the industry.

Generic research questions for all consortium members, Phase 4:

1. How do claimed and actual attitudes and behaviour differ from one another?
2. Engagement in live, time-shifted, near-live, VoD, gaming and social networking on differing platforms.
3. What proportion of overall viewing is simultaneous vs. solus?
4. Social vs. Private viewing? Content, engagement and interaction.
5. Audience profiling: Who will explore and integrate new technology into their routine, and how? What content will be viewed on these devices? Who will not explore and why? How long will it take them to do so?
6. What are the drivers and barriers of VoD consumption?
7. How will larger hard-drives impact VoD use?
8. How does VoD consumption on the TV compare to PC and mobile?
9. What content do viewers choose to watch on on-demand? How do they prefer to watch on-demand (via TV service provider online or on the TV or media connector from PC)?
10. Impact of types of content on viewing – e.g: high urgency My TV, non urgent My TV, compromise TV, high urgency social TV and social TV
11. Issues surrounding how content is viewed on the screens: in a few days or a few months; catch up/ archive; what type of content drives explorative and sustained behavioural change, and why?
12. What content do viewers pay for?
13. What content is viewed online? What proportion of time spent online is social networking?
14. Does viewing of content online lead to an acceptance of pre-roll advertising or avoidance? How does this compare to TV advertising?
15. What are the drivers of Xbox 360, Wii and Playstation 3? Will Xbox live reduce some individuals' appetite for online gaming and gambling? How will iPlayer, Sky Player and Zune be used to complement gaming and viewing?

16. Initial insights into use of mobile in 18-25 year olds and how this complements use of other platforms.

The 1-3-9 Media Lab has conducted three phases to date (2007, 2008, 2009) with each phase addressing the latest research questions and each phase the households receiving a little more technology and a little more hot housing. Phase 4 will address the latest research questions and is designed specifically to address pre-Darwin/pre-Youview/pre-Virgin Tivo and pre-Kinect, pre-Move questions. There will be existing households that will have participated in earlier phases in addition to brand new households with a focus on the younger viewer and a focus on Freesat/Freeview viewing. Whilst most families will still have existing pieces of technology that we have given them in the house, all families including the new families will have some new technology that they will have had for a minimum of four months before we capture behaviour.

The design of Phase 4 will be as follows:

A minimum of 9 households with 33 family members - in addition to an unconfirmed number (expected another 10) of guests viewing/use.

The sample will include:

Andrews (M45, F45, F10, F8, F8)

Phase 1: BT Vision (free VoD) and PC (2007)

Phase 2: BT Vision (non free VoD) and PC with iPlayer and 4oD (2008)

Phase 3: BT Vision (max subscription VoD) and PC + laptop with iPlayer and 4catchup (2009)

Phase 4:

- **BT Vision (max subscription VoD - rejected) in Lounge**
- **Laptop with iPlayer, 4oD and SeeSaw in Kitchen**
- **PC with iPlayer, 4oD and SeeSaw in the Study**

- **New Technology= Nintendo Wii (iPlayer was introduced and gently hot-housed), in Lounge**

Sarah Pearson: We've been studying this household for five years, the family are enthusiasts of BT Vision (the PVR) and also are active in terms of their online video viewing on the 3ft (laptop and PC). We are particularly interested in how the children will access the other screens in their house to find content that suits their social and private viewing and will look at the increases in simultaneous viewing of all members of the family. The iPlayer coupled onto the Wii makes it particularly attractive and convenient for the children – we want to see how this takes off and whether it means that the girls will use the PVR more for archive. 4oD, which made it easier for Mrs Andrews to find her favoured strongly 4 branded Inbetweeners, will be also again available on the desktop of Mrs Andrews laptop and it will be interesting to see her screen preference and how that her favoured viewing fits into her busy life.

Baileys (M48, F47, M18, M16, F15)

Phase 1: Sky +HD and PC (2007)

Phase 2: Sky+HD (with Anytime) and PC and laptop with both having iPlayer and 4oD (2008)

Phase 3: Sky+HDTV (with Anytime gently hot housed) and PC and laptop, both with iPlayer, 4oD and Joost (2009)

Phase 4:

- **Sky+ HDTV 1 TB hard drive, upgraded from 500 GB in previous phase (with Anytime gently hot housed), in Lounge**
- **Laptop with iPlayer, 4oD, SeeSaw, Sky Player in Lounge**
- **PC with iPlayer, 4oD, SeeSaw, Sky Player in the hall**
- **Second TV with box 360 250gb with Microsoft Live Gold including Sky Player and Zune, positioned at far end of hall – owned by sons.**
- **New Technology= Upgraded hard drive (from 500GB to 1TB) and New Laptop and Sky Player**

- **Mobile capture of M18**

Sarah: This is a family who (studied by ACB for five years) regularly use their PVR and compete over the hard drive. We have given them a bigger hard drive (one terabyte) for three months prior to capture to understand how the bigger hard drive impacts their viewing and see whether they use the PVR more or less. We are also interested in seeing how online viewing of the teens has increased and whether the parents are also using the laptop in the lounge. We are also interested in whether their appetite for TV content on the 3ft is still in the lounge on the laptop or whether it has also shifted to the PC in the hall or the 18year olds Xbox 360 with Sky Player. We are keen to see how the 18 years olds passion for the brand 4, "I like 4 because it goes to places no one else dares to go," has endured and if this enthusiasm has caught on with his siblings. We are equally interested in younger sister watching Eastenders as Catchup on the laptop whilst father dominates main set – these two are the most dominant in terms of dictating what is watched and it will be interesting to see whether the teenager wins on the 9ft or has to settle like many others for the 3ft. This households viewing increased year on year perhaps due to the introduction of the laptop in the lounge in- Phase 2, Martin (then 16) "I like the computer but not loads, I like the telly, but not loads but because they' re in the same room, it's like I can go on that (referring to laptop) and watch that (referring to Sky+ HDTV), which makes me come in here more". Will this be sustained now that his Sky Player is available on the Xbox 360 which is located in another shared space in the house? Does this mean that there will be more viewing, but a different type of viewing? We are also interested in whether the introduction of a laptop in the long term drives Mrs Bailey (who tolerates her husbands choice of viewing post 9pm, when she completes her chores) to move to the laptop for TV – and what this can tell us about compromise TV and the impact of the additional screen on both their viewing choices.

Cunninghams (M47, F48, F19, M18, M16) ***This family have changed their package to Sky.***

Phase 1: Freeview TV, PC, Virgin +

Phase 2: Virgin +, PC, Laptop

Phase 3: V+ 80 hours, Mac, Apple TV, Laptop

Phase 4:

- **Sky + 500 GB hard drive in Lounge**
- **Laptop Mac with SeeSaw, iPlayer and 4oD, in Lounge**
- **PS 3 with iPlayer in Family Room**
- **New Technology= Xbox 360 with Sky Player and Zune in Lounge**
- **New Technology= Sky+ 250 GB in Family room**
- **M18 Mobile Capture**

Sarah Pearson: The Cunninghams had a full Virgin PVR jam-packed with films that the father intended to record – (he has bought the DVD's) but because they are busy they never got round to transferring their favourites onto DVDs and as a result there was approximately 60% of capacity full of films that were valued but not watched – this means that the remaining capacity was fought over – e.g.: mum gets her recordings deleted by teenage sons. This family now has opted to switch to Sky because of price and the sports package – they now have a bigger hard drive and the Xbox 360 with Microsoft Live Gold will give them the option of downloading favoured programs onto the additional hard drive and watching Sky-Player sports. The family love Apple (they have Apple Macs, iPods and Apple laptop) but – in terms of TV content – recency wins – simulcast is watched on the Apple Mac and Apple TV was dropped in preference to the Apprentice on the main set and newer content on live TV. In the second lounge there is another TV that prior to the study had no PVR – this TV is used frequently by the mother as the main set is mainly dominated by the father and teenage sons. We have upgraded this second TV to have another PVR attached to the Sky Multiroom – Sky +. Given that this household has effectively two PVRs in Phase 4 plus another Xbox 250gb hard drive in addition to VoD options on the Mac, laptop and Playstation, the study will deliver insights around the hierarchy of viewing given so much choice (similar to cloud? – but with potentially more immediate relevance) and help us understand the paradox of choice.

Drucker (M51, F45, M18, M16, F13)

NB: Darlings house (BT Vision family with three teens) have been replaced by a new family. The Druckers – this makes the study more representative and more interesting and more valuable for consortium members...

New family

Phase 4:

- **HDTV with Freesat and 500 mg PVR in Lounge**
- **Xbox 360 with Sky Player and Zune in Lounge**
- **Laptop with iPlayer, 4oD, SeeSaw in Family Room**
- **Second TV in family room**
- **PC with iPlayer, 4oD, SeeSaw in Family Room**
- **New Technology= Xbox 360; Freesat; iPlayer was introduced on the Wii.**

Sarah Pearson: With a particular request by the BBC for some new households - we will be looking at viewing on HD Freesat with a large PVR with the aim of understanding how Youview (in Phase 5) will potentially change their viewing habits over the next few phases.

Elton Peters (M31, F26)

Phase 1: Virgin+ and Laptop

Phase 2: Virgin+, Linksys Kiss Media Extender, 2 Laptops

Phase 3: Virgin+, Linksys Kiss Media Extender, 2 Laptops

Phase 4:

- **TV in Lounge with Virgin+ 80 hours**
- **Two Laptops in Lounge – high speed with SeeSaw, iPlayer and 4oD on desktop**
- **Linksys Kiss Box in Bedroom**
- **New Technology= X Box 360 with Sky Player and Zune**
- **New Technology= Sky Player was upgraded to have Sky Movies**

Sarah Pearson: Gabby and Joey Elton Peters have had their media connector for over two years and have a full well used PVR – TV is often near live with simultaneous viewing on their two laptops. Social viewing is prevalent but there is a lot of heads out viewing whilst Joey uses laptop for gaming and private viewing on laptop. We will be interested in seeing how engagement in the content on the media connector differs to the PVR and near live and live. This couple have driven us to develop another code for social viewing when also viewing content online on the laptop – this goes beyond the existing concurrent behaviour heads out coding for TV and will help us understand a little more about appointment to view type social viewing vs. social viewing whilst watching favoured private content on the laptop against heads out behaviours . We will be interested to see how this male gamer uses Xbox 360 and how it fits into his viewing. Will Xbox 360 with Microsoft Live and Sky Player reduce his appetite to pirate? The Linksys Kiss box now streams content to the bedroom TV where pirated content is watched routinely. We will be recording content from the Linksys box and it will be interesting to see how this pirating behaviour competes with the choice available on the 9ft (Sky Player/360, Virgin +/catchup) and the laptops.

Foster Jacobs (F30, M32 plus infant)

Phase 1: Sky + and PC

Phase 2: Sky + and Laptop

Phase 3- not selected for study

Phase 4:

- **TV in Lounge with Sky+ HD Box 500Tb**
- **Laptop and PC in Lounge, with iPlayer, 4oD, SeeSaw**
- **New Technology= Xbox 360 with Microsoft Live Gold with Sky Player and Zune (in Lounge)**
- **New Technology= Upgraded Sky Package (now have access to movies); Sky Player**

Sarah Pearson: Adam Foster Jacobs (32) is a regular recorder and watches majority of content live or near live. In regard to additional VoD he said: "With all that I have got to

watch … …" referring to the full planner and the little time he perceives as having to view his recordings. The larger box that we have given in phase 4 may impact his viewing and there maybe less anxiety and urgency to view his recordings. As a couple they very much enjoy sharing content and their jobs sometimes require working shifts, so each couple records programmes for them to watch together. Watching is rarer – but the value in recording for those precious viewing moments should not be underestimated even if they don't view. Adam is also a big gamer and sports fan – we are keen to explore hierarchy of viewing and understand drivers to the Xbox360 in this busy but heavy viewer. Will the Xbox reduce his appetite for online gaming and online gambling? The family who we have studied in 2007 and 2008 also have now since married and have a new infant –.on installing the Xbox 360 – Adam(32) said to his baby(sort of jokingly) : "What are we doing do when you wake up at 4 in the morning – we can go downstairs and watch hours of Xbox…. yeay??" It will be interesting to see how this technology fits into these individuals busy lives.

Gardner Jones (M45, F36 plus infant) Changed to Sky at Christmas 2009

Phase 1: Virgin +, PS 2, PC

Phase 2: Virgin +, PS 2, PC and Laptop

Phase 3: omitted from study

Phase 4:

- **Sky HDTV 500 GB in Lounge**
- **PC with iPlayer, 4oD, SeeSaw, in Family Room**
- **New Technology= Apple TV in Lounge**
- **New Technology= Apple iPad with iPlayer and 4oD, in Lounge**

Sarah Pearson: In phase 2, Verity Gardner Jones (lawyer 36) bought Grays Anatomy for her iPod – and explained that as a busy working commuter she is "time poor and cash rich". Francis Gardner Jones (company solicitor 45) also bought a film despite having Virgin + - for his private viewing. He also watched 4oD whilst downloading iTunes.

Between Phase 2 and Phase 4 this household have married and had a baby – they also switched to Sky and upgraded to HDTV due to a customer services issue with Virgin. In Phase 4 this family will have the iPad and Apple TV and we are interested in understanding the varying degrees of engagement on content viewed from these devices in comparison to favoured content available on Sky. The mother has gone back to work (four days a week in London) and it will be interesting to see if this couple are more selective in their precious viewing time and how the choice fits into that.

Harrisons (F23, F23, F24)

New Household

Phase 4:

- **Freeview TV in Lounge**
- **Laptop in Lounge**
- **New Technology= Nokia i5800 mobiles on F23 and F24**

Sarah Pearson: With a particular request by the BBC for some new households - we will be looking at viewing on Freeview with the aim of understanding how this technology is used in the home of three working women and also with a view of next year introducing Youtube (in Phase 5) to understand how the choice potentially change their viewing habits over the next few phases. We are also interested in gaining a baseline understanding of how these women use the laptop and mobile, what content is shared on the main set and how private viewing is experienced. We look forward to seeing how their viewing shifts over age and stage in future phases – what viewing behaviours and kept and what are dropped and why.

Indie Household (F22, M22, M23)

New Household

Phase 4:

- **Freeview TV in Lounge**

- **Laptop with iPlayer, 4oD, SeeSaw in Lounge**
- **New Technology= Xbox 360 250gb with Sky Player and Zune in Lounge**
- **New Technology= Nokia i5800 mobiles on M23, F22**

Sarah Pearson: : With a particular request by the BBC for some new households - we will be looking at viewing on Youview in this young household with the aim of understanding how Youview (in Phase 5) will potentially change their viewing habits over the next few phases. This study will also capture their mobile and laptop.

Understanding and Gaining Maximum Value from the Behavioural Coding

The behavioural coding is extremely detailed and offers the potential for clients to see changes in behaviour over time. There is the facility for consortium members to play with existing data set from phases 1 and 2 to see how the set can be mined to deliver insights over and above the main findings. We recommend this to help consortium members manage expectations and aid an understanding of how this may complement other research projects that your team maybe working on e.g.: online gaming, engagement, interaction with ads and content, impact of types of content on technology use. The following list is a short summary of some of the coding completed on the internet and TV it takes the form of 4 key elements that shape media consumption including context, content, audience and engagement. We have yet to develop the mobile and gaming and will do this with our clients in phase 4.

So here follows the list of <u>some</u> of the codes:

- Time of day
- Who is viewing
- Who is dictating/controlling remote
- Types of viewing
- Internet Use and Activity – online/offline

- Type of Use includes: Video Browsing, General Browsing, Email, Broadband TV, Online and Gaming
- Content viewed on Mobile, PC/Laptop and TV
- Video Ads: Product and Brand
- Promo vs. commercial
- Impact of concurrent behaviours – heads in/heads out/ both
- Simultaneous viewing ("Media Stacking")
- Engagement with online task
- Private vs. Social Viewing
- Level of Engagement with ad or content
- Interaction with ad or content
- Use of technology – record, rewind, pause etc
- Programme, genre
- Ads in Games: Product, Brand and Impact
- Product Placement
- Barrier and Drivers of VoD

For final comprehensive list please speak to Sarah Pearson, the coding can be adapted/added to ensure maximum value for consortium members.

Clips service

We will have an editor working full time on cutting/subtitling the clips for the top line results. It would be useful for consortium members if they are interested in having clips that go beyond this, to deliver a short list of likely interests over and above technology/behavioural insights.

For example – an ad agency would be best served by ACB if we have a list of ads scheduled for October onwards or a content house would be best served by delivering ACB with a schedule of programmes. This is a timely and valuable way of delivering clients with relevant insights as soon as possible. Consortium members are entitled to 20 clips from Phase 4 as part of the flat fee. If there are any more it may be necessary to charge a small fee to cover additional time spent by the editor. This can be discussed and negotiated with Sarah Pearson separately once it is known how many relevant valuable insights have been captured.

Timeline

June – Hand over of relevant new technologies
July/August - Consortium members use existing coding and familiarize themselves with data set.
September- Cameras installed in homes
October – Capture of behaviour
November – Interviews
February – Top Line results
March – Presentation with clips. Report.
April – Bespoke work and analysis.
May – Planning out Phase 5 to begin in October 2011.

Deliverables.

Top line results – mini report
Presentation with Top line results
Bespoke presentation containing bespoke analysis
Two Seminars: One to provide an update of results from the previous phases, and one to deliver the insights and results from Phase 4
A researcher allocated to deliver bespoke insights to data set until March 30 2011.

Ensuring the Best Working Relationship

ACB will strive to ensure the best working relationship with consortium members and is keen to arrange in advance regular briefing sessions/meetings (monthly) where there is a forum for exchanging ideas on the insights, discussion around output and general feedback on how the member can best receive value from the research.

Sarah Pearson is happy to deliver in-house seminars for staff on the research and also visit consortium members clients and produce webinars for consortium members if need be.

Terms – see separate attached document.