

# VOTERS GOING OFF THE GRID

## Research by:

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## Abstract

The following paper examines how the changing media landscape has impacted the way likely voters are consuming video and what that means for political advertising. Through a nationally representative poll among these likely voters, we learned that a significant portion (roughly one-third) had not watched live TV in the last week, and 45% consider something other than live TV to be their primary mode for viewing video. Almost all voters with a DVR in their home skip ads (88%) at least three-quarters of the time, with a clear majority (59%) skipping ads all of the time. Electoral and advocacy campaigns must better match their communications outreach efforts with voters' evolving media habits.

## Overview

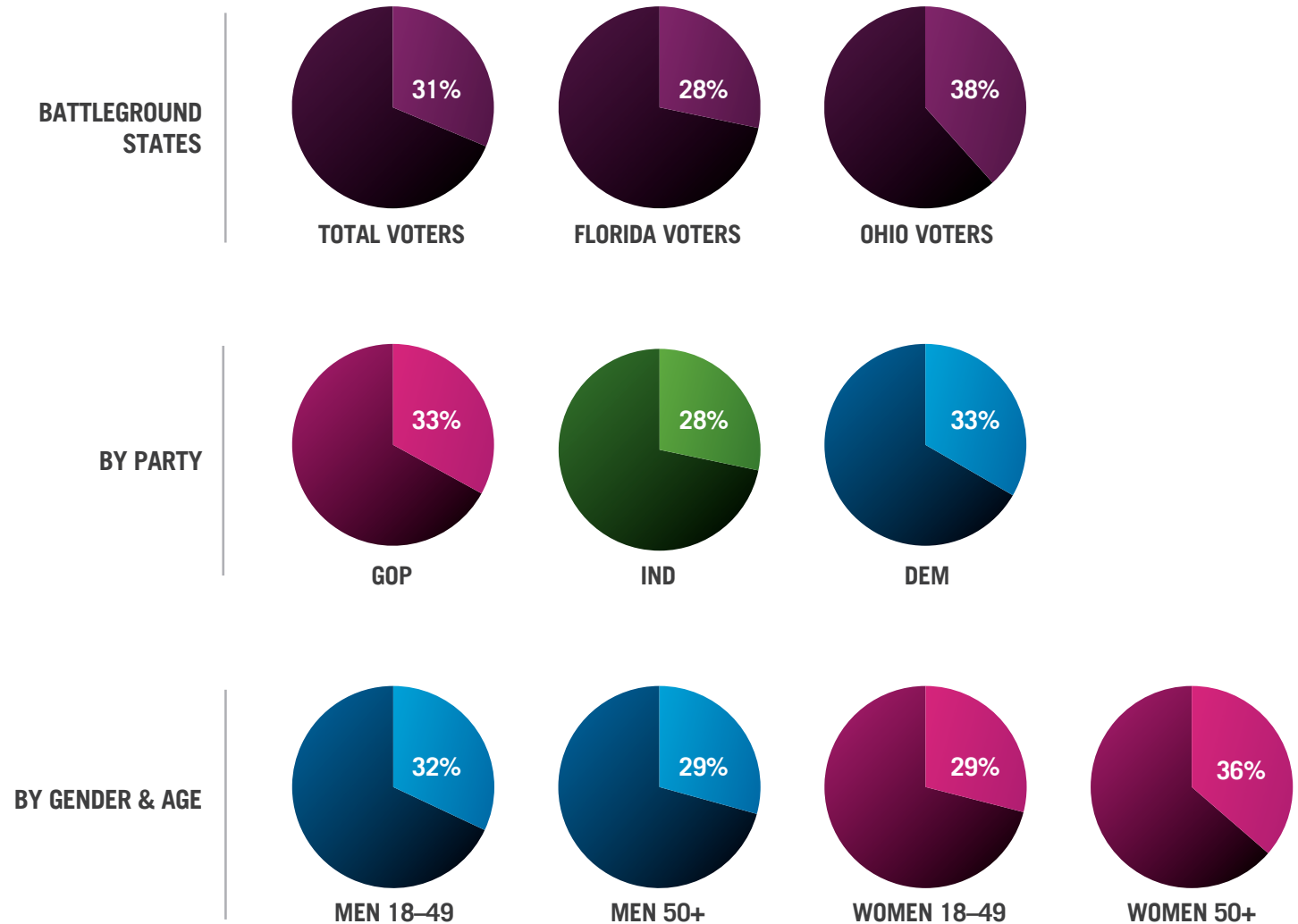
The 2012 political season is likely to see spending on broadcast television advertising in excess of \$3 billion, according to Moody's and PQ media, an increase of 50% over the \$2 billion spent during the 2010 mid-term elections, when TV spending represented about two-thirds of all political ad expenditures. Television's ability to quickly reach large groups of people at high frequency has made it the workhorse of political advertising for the last 50 years. But while the spending trend continues to rise, advances in technology have empowered the audience to control both their programming and ad consumption experiences in ways that reduce the effectiveness of these advertising dollars. Recent behavioral shifts are enabled by technologies like DVRs, which allow time shifting and ad skipping, as well as online streaming and mobile viewing. With a \$3 billion investment on the line, many political advertisers are analyzing whether and how their communications strategy needs to evolve to enable success in this crucial election cycle and beyond.

SAY Media has just concluded a bi-partisan study to evaluate the political advertising landscape in this time of changing behavior. The study was co-authored with two digital media consultancies and two well-known political pollsters, representing both the right and left sides of the political spectrum: from the Republican side, Targeted Victory and Neil Newhouse of Public Opinion Strategies and from the Democratic side, Chong & Koster and Thomas Eldon of SEA Polling. The goal of the research was to understand the changing media landscape, and specifically how it impacts a campaign's ability to effectively and efficiently reach voters in the upcoming election. Together, we designed and fielded a national telephone survey among 800 likely voters. We further ran an additional 300 surveys each in Ohio and Florida to understand how media trends impacted voters in key battleground states.

## Many Voters Are Not Watching Television When Broadcast

We asked likely voters how they consume video content across a variety of platforms. Our study found that 31% of all likely voters hadn't watched any live TV in the week prior (by "live TV" we mean watching programming as it is broadcast over the air or cable without a delaying device like a DVR). In fact, we observed an even higher level of this kind of behavior in the key battleground state of Ohio, where nearly 40% have not watched live tv in the last week. There are no significant differences in this behavior by age, gender, or party affiliation. One-third of the voting population, therefore, is putting itself out of the reach of televised political advertisements, which often rely on immediacy to help shape perceptions in a dynamic messaging environment. Though this study was conducted in Spring 2011, there is no reason to believe that live television viewing will increase with the election season. In fact, broad audience trends indicate the opposite.

## VOTERS OPTING OUT OF LIVE TV



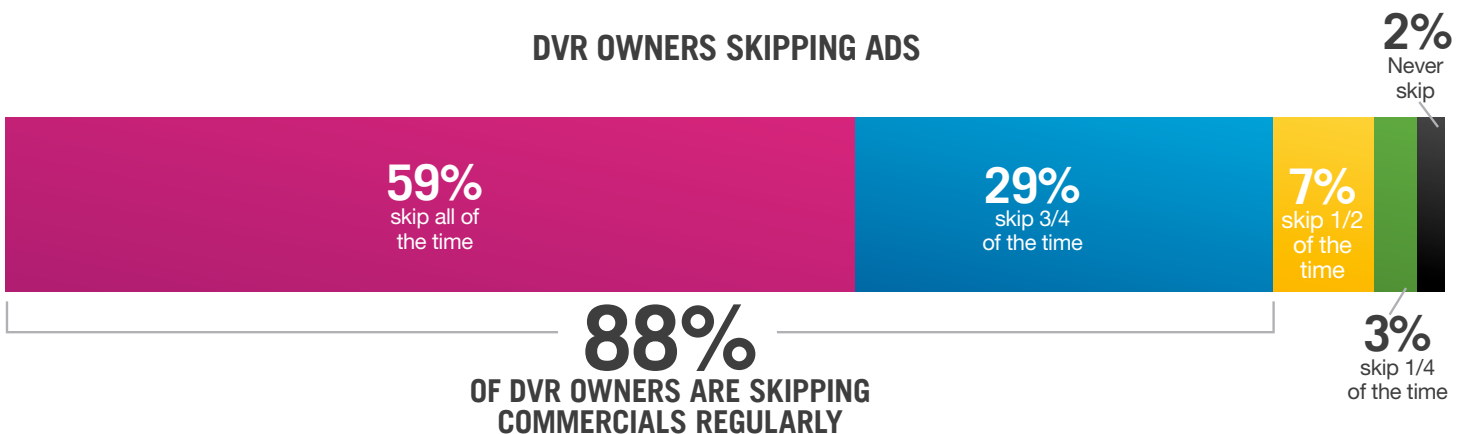
To discover whether DVR time-shifting is generating waste in the GRP's purchased on broadcast television, we asked respondents to indicate the primary platform through which they consume video programming. More than 40% cited a platform other than live TV (for example, a DVR or online sources such as Hulu) as the main platform on which they watch video programming. This behavior is even more prevalent among younger voters, with more than 50% of voters age 18–44 identifying a source other than television as their primary content platform.

### PRIMARY WAY TO WATCH VIDEO CONTENT

	Total	18-44	45+
On live TV	57%	44%	68%
Recorded on a TiVO or DVR	17%	25%	11%
DVDs	9%	10%	8%
On the internet with a laptop or PC	7%	11%	4%
Streamed w/ Roku, Apple TV, video game consoles, etc.	5%	6%	4%
On a mobile phone	1%	2%	0%

Nearly 20% of voters (and 25% of younger voters) primarily watch video content through their DVR, and almost 40% of all voters have a DVR in their home. Furthermore, while watching programming on their DVR, they generally try to skip the advertising. Roughly 60% of DVR users report that they always skip ads when watching shows on a DVR, and 88% skip ads at least three-quarters of the time. This indicates that a significant share of planned GRP's are being delivered by broadcasters but not seen by voters. Between ad skipping and the shift to non-television platforms, it is becoming increasingly difficult to rely on television advertising to effectively reach the full scope of voters a campaign seeks in competitive elections. Because of this, campaigns must re-balance their communication strategy to reach audiences both on television and through more targeted means.

### DVR OWNERS SKIPPING ADS



## A Generation Gap

Americans still love watching TV programming, but the means by which they access that content has evolved significantly over the last decade — and continues to rapidly evolve, making it difficult to reliably plan next year’s election based on last year’s models. Today, the average voter is consuming over 18 hours of video content each week, with only about half of that programming coming through live broadcast. But there is a big difference in consumption by age — while the total hours spent watching programming is roughly the same for all voters, younger voters (age 18–44) are getting a full two-thirds of their video programming from non-live sources, including DVR, DVD’s, and online streaming.

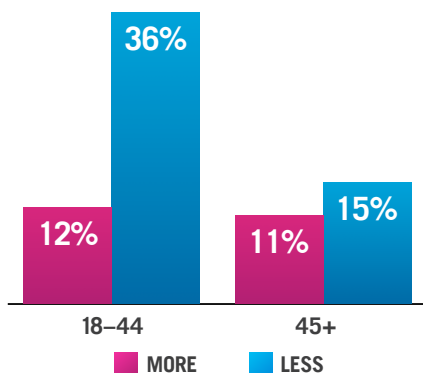
### AVG HOURS SPENT WATCHING VIDEO CONTENT BY SOURCE

	Total	18-44	45+
On live TV	8.9	6.5	10.9
Recorded on a TiVO or DVR	3.1	3.6	2.6
DVDs	2.5	3.0	2.1
On the internet with a laptop or PC	2.0	2.7	1.5
Streamed w/ Roku, Apple TV, video game consoles, etc.	0.8	1.2	0.5
On a mobile phone	0.8	1.2	0.5
Mean Total Hours	18.1	18.2	18.1

This generation of voters has found ways to get their entertainment without relying on live TV, and as time passes are likely to continue to move further away from the traditional viewing mode. Already, over 36% of voters age 18–44 are watching less live TV than they did a year ago, while 33% are watching more of their video content online. When asked about the next few years, nearly 30% of younger voters say they plan on switching from traditional video providers to streaming sources or other internet-based providers.

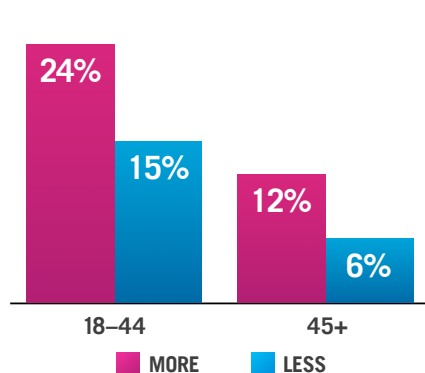
#### LIVE TV USE

Compared with last year



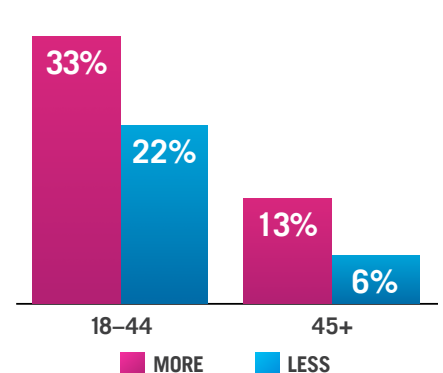
#### TIVO OR DVR USE

Compared with last year



#### VIDEO ON INTERNET

Compared with last year



## Conclusions

While all marketers should recognize this shift in consumer behavior as a major challenge that requires them to reconsider their media strategy, political media specialists have a particular challenge. Traditional, television-based campaigning reaches a significant and desirable portion of the voting public. To succeed in the next election cycle and maximize reach among the dwindling supply of swayable voters, political campaigns must re-evaluate their outreach strategies to ensure they are making the most of their campaign spend. This challenge extends beyond the 2012 election — as younger voters continue to move away from live TV and a new generation of voters enters the booths, interruptive ad models like television will continue to decline in effectiveness while being increasingly inefficient from a cost perspective.

### **SAY Media has three recommendations that reflect the state of audience behavior and current best practices applicable today:**

1. Communicate with voters who are not watching television through other media channels. One option is to pay for this additional reach with a reduction in frequency on the broadcast side. Since our research suggests that much broadcast frequency is wasted, this is a budget-neutral way to increase communication efficiency.

2. Choose opt-in advertising platforms. Campaigns should examine the growing number of engagement-based advertising models. Cost Per Engagement, rather than per impression, allows advertisers to spend only when a voter chooses to consume the message. This model has grown significantly in recent years and is now a staple of non-political brand and activation strategies. Campaigns and other advertisers find that this is an efficient means of reaching the audience most likely to be interested in the product or message and most likely to take action based on the content they consume. For political advertisers, this means reducing the cost of impressions that are presented to non-voters or voters who have already committed, in favor of paying to communicate with those who are persuadable.

3. Specifically target consumers who are moving away from television. Based on this and other proprietary research, SAY Media will launch a unique targeting methodology to deliver online ads specifically to the portion of the audience that are unlikely reachable through live television. This target will be available early in Q4 2011. Coupled with Cost Per Engagement pricing, this solution will provide advertisers with a vastly more cost-efficient pathway to reach and message their entire target audience.