

WHAT'S ON THEIR SCREENS

What's On Their Minds:
Reaching & Engaging the
Multi-Screen Consumer

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The Multi-Screen World: Marketing At A Crossroads

Increasingly, consumers use multiple screens to engage with media. Understanding the way these consumers use media, their attitudes towards it and the marketing messages it carries, will help marketers develop strategies to reach and engage consumers with powerful experiences that strengthen brands and produce business results. This paper explores: 1) what makes multi-screen consumers important, 2) how they use multiple screens and 3) how marketers can translate consumer behaviour into successful marketing strategies.

Key Findings

- Multi-screen users are well educated, career minded, affluent, brand loyal and brand advocates.
- Rapid adoption of digital devices is driving convergence as consumers use several screens to perform the same activities. However, convergence has not led to cannibalisation amongst media devices. Instead, consumers find that each screen has unique benefits. Together they enhance the user experience.
- The purchase funnel has changed. Multi-screen media consumption influences consumers' purchase path and each screen plays a critical role.
- Consumers want relevant, consistent and connected advertising and content experiences across their screens.
- Multi-screen advertising with Microsoft Advertising has proven to garner impressive results. Campaign effectiveness increases incrementally with each additional digital media channel.

Who are Multi-Screen Consumers? How Are They Different?

They embrace a media lifestyle. A multi-screen consumer is an adult (16+) who owns and uses a TV and accesses the Internet via a computer and smartphone on a weekly basis. This applies to an estimated 19m European adults across the seven European countries that we analysed. This figure has doubled in the last two years.¹

The average multi-screen consumer spends 46 hours a week engaged in activities on media and entertainment devices – 12.5 hours more than the average European.¹ Multi-screen users are also sophisticated media meshers – 86% use at least one other media whilst they watch TV, with 68% using the Internet (compared to a European average of 30%).³ Almost two thirds of European multi-screen consumers have a game console at home – they are over twice as likely to play it vs. all Europeans.¹

They are a high-value audience. Compared to the average European adult, multi-screen consumers:

- Have a higher discretionary income and a higher mean household income.
- Are better educated – they are 46% more likely to have higher education.
- Are more likely to be employed.
- Are career minded – a third state they put a lot of time and energy into their careers, 83% more likely than all Europeans.¹



How Do They Use Screens?

Convergence: The Sweet Spot of Multi-Screen. Individual activities—from social networking to playing games to watching news highlights—are no longer restricted to a single screen. Convergence occurs as the functional benefits of each screen come together. It is the computer where you observe this convergence the most.

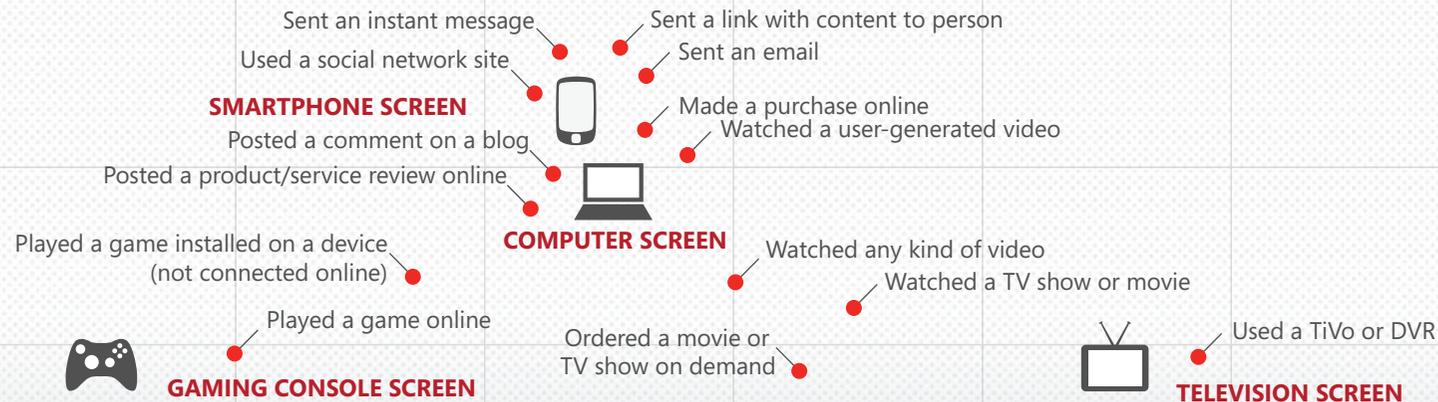
Watching video on a computer, smartphone or TV is a key example of convergence, and comes closest to being a three-screen activity. From a marketing standpoint, that means video is a compelling format in which to tell a cohesive story and drive engagement across all screens.

Screen Convergence Does Not Equal Cannibalisation. Consumers still recognise that each screen has a primary set of benefits, and they aren't reducing the number of devices that they use. Increasingly, consumers expect a relevant, consistent and connected advertising and content experience across screens.

By understanding how and why consumers use multiple screens, marketers can take advantage of this opportunity, creating complimentary experiences across a variety of screens which provide more rewarding and memorable experiences for their customers.

Computer: An Engaging Way To Get Things Done. The computer is the device with the most utility. While it is still used for productivity and information, it is also used for entertainment, socialising and making purchases. More than half of all multi-screen users have received a video clip, website link or image via their PC or laptop. More than 84% say they have shared these with friends and family, compared with European averages of 47% and 70% respectively.² In fact, amongst multi-screen consumers, the PC is considered more 'fun' than the TV.²

Consider: Multi-screen consumers want to be engaged whilst they interact with their PC.



How Do They Use Screens?

Smartphone: Personalised Style, Smart and Sophisticated. The smartphone is perceived as the most 'sophisticated' of all the devices.² 'Cool', 'stylish' and 'trendsetting' are words associated with the smartphone amongst multi-screen consumers.² Users rely on the phone to stay in touch, and not only through talk and text. In fact, 84% of multi-screen consumers use their phone for other activities and services. For example, 40% of European multi-screen consumers also use their phones to communicate via social networking sites, and 68% have sent/received emails. Nearly 50% have used mobile search—it is also seen as a primary resource for information, much like the PC.³ **Consider: Multi-screen consumers believe the smartphone keeps up with their needs—and they expect marketing content residing on this device to evolve just as fast.**

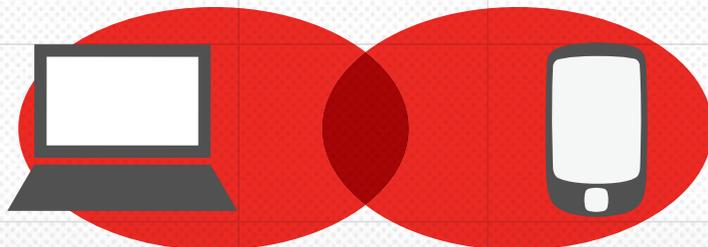
Gaming Console: The Fun Way To Connect. The games console is the most 'fun' and 'engaging' of all the devices.² Entertainment is at its core— but the console's functionality and usage extend beyond gaming to include watching video and socialising with friends . We've seen a 157% *increase* in the time spent watching movies over Xbox LIVE in the last year.⁴ More than 4m personal messages are sent between Xbox LIVE members *every day*.⁴ **Consider: Consoles let users feel connected to others; this should be reflected in the marketing executions that use this channel.**

TV: Lean Back Entertainment. Multi-screen consumers currently consider the TV to be the least engaging of media devices.² The role of TV is intrinsically linked to entertainment. It is typically a lean back screen rather than an interactive one. However, consumers are seeking control of this environment as well. In fact, almost 40% of all online Europeans would like to watch films or TV on demand via their TV's in the future.¹

Consider: Reflecting the personality of each device enables further alignment between the marketing message and the consumer's expectations.

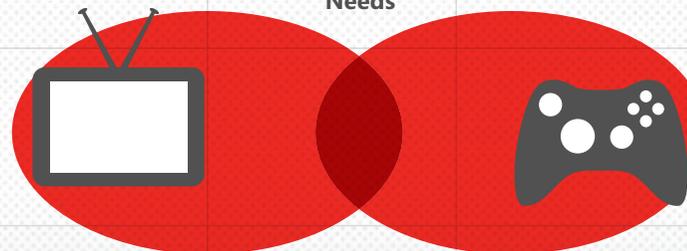
PC & Smartphone: Dynamic Duo

Productive & Efficient Meets Info Needs Personal & Convenient



TV & Game Console: Sit Up & Play, or Sit Back & Watch

Kick Back & Relax Meets Entertainment Needs Interactive & Social



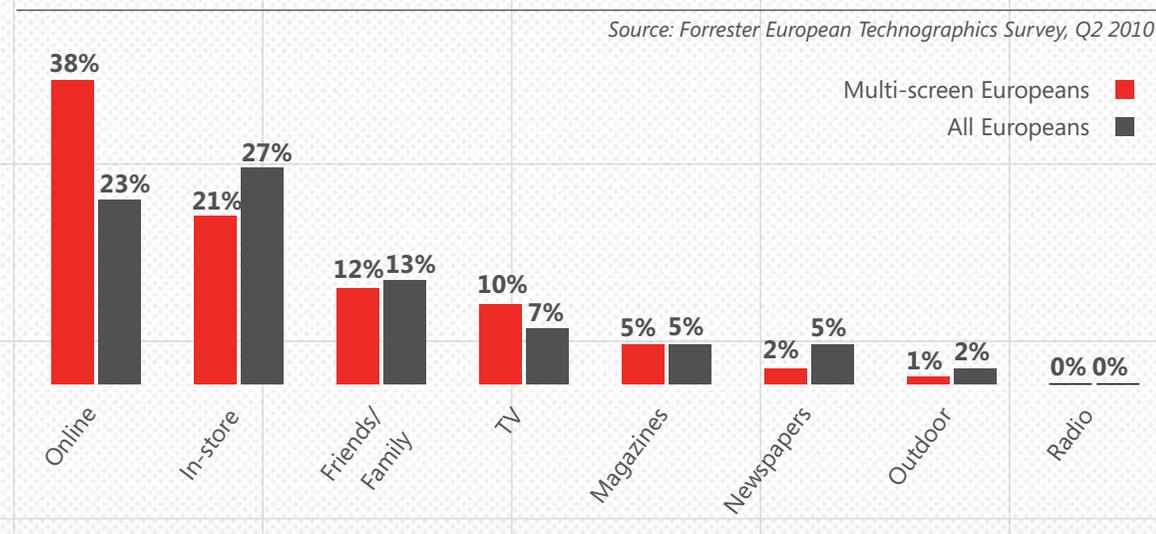
Building A Strategy

The Internet has a key role to play in the initial awareness, research and ultimately buying influence as well. 83% of multi-screen consumers have researched products online in the last 3 months. When asked where they first learnt about the last product they researched and went on to purchase, 38% cited an online source and over a third went on to purchase the product online. Over just the past 3 months, 78% of multi-screen consumers have ordered and paid for products online.¹

The purchase funnel has changed. Online is a key driver of purchase decision. Multi-screen media consumption means that every purchase decision takes a different path, and each screen plays its own critical role within the entire purchase decision process.

Multi-screen consumers can be great brand advocates. Despite the fact that European multi-screen consumers like to shop around before making a purchase, they are extremely brand loyal, with 52% tending to stick to brands they like, and they are less swayed over price vs. brand.¹ They are willing to try new things (55% agree), are product advocates (54% agree) and can be swayed by advertising (27% more likely to agree that ads help them decide what to buy vs. all Europeans). The average multi-screen consumer has spent 343 Euros online in the past 3 months – 19% higher than the average European.¹

Online is the quickest route to initial awareness.



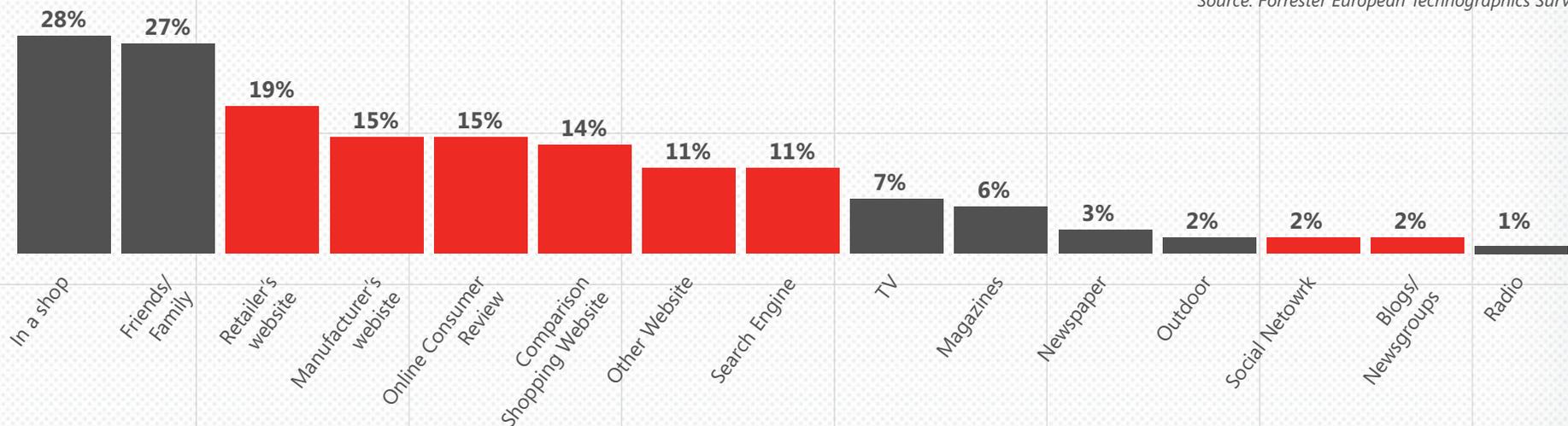
Building A Strategy CONT.

A successful strategy includes the following:

- 1. Generating brand awareness.** Impactful stories can be told across all screens. All media devices are associated with entertainment and storytelling, which is why video is seen as a 3-screen activity. Connected experiences across media devices improve consumers' perceptions of the content provider.²
- 2. Building consideration and preference.** All screens can act as a decision-making resource. While the PC is still the primary source for learning about brands, products and services (88%), the TV (32%), smartphone (36%), and games console (11%) are also leveraged.²
- 3. Encouraging preference.** Computers and smartphones are key points of purchase, with 89% of multi-screen consumers claiming to have made a purchase via their computer, and 30% via their smartphone.²

In short, multi-screen consumers crave a consistent, connected experience across devices – get this right and the impact multiplies, increasing the usefulness, relevancy, and overall opinion of the brand.

6 of Top 10 Routes to Purchase Decisions Happen Online.



Case Study 1: Nationwide Building Society 2-screen Campaign

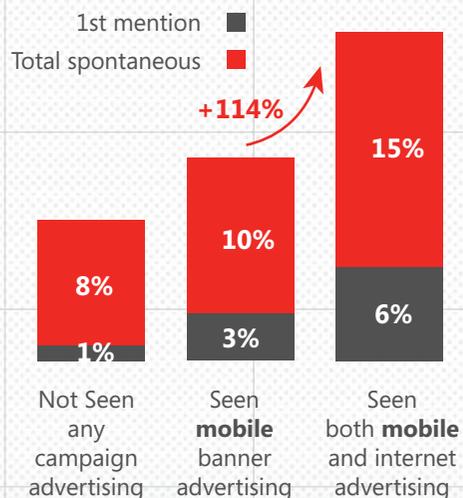
The following are case studies of three recent programmes developed by Microsoft Advertising and its customers:

Programme: A series of mobile and online display ads promoting Home Insurance in the UK. The campaign ran simultaneously over mobile and web portals of MSN and Sky and the mobile operator sites of 3, O2, Orange, T-mobile and Vodafone.

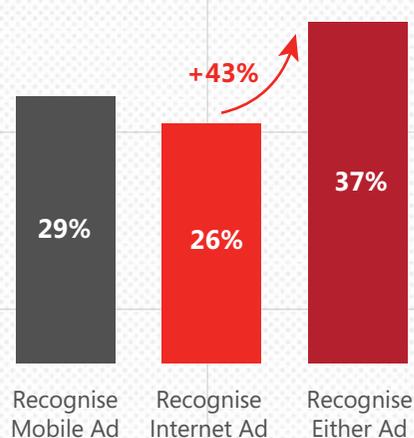
Results: The organization found that advertising across both platforms increased the campaign's performance. Spontaneous brand awareness was 50% higher amongst those who had seen mobile ads than those who had seen no Nationwide advertising. That increased to 114% when consumers were exposed to both online and mobile advertising. When exposed to ads across online and mobile, recognition was 43% greater than those exposed just to the online component. Consideration of Nationwide Home Insurance increased by a further 24% vs. the campaign average when respondents had been exposed to both the mobile and online ads.

These results also show that although though in its relative infancy, mobile advertising can be a great brand-builder.

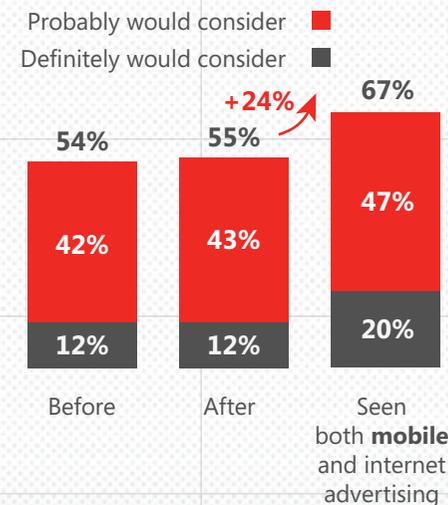
Awareness went up even more amongst those that saw ads on both platforms



Recognition was much higher amongst those that saw online and mobile



Consideration to purchase was much higher amongst those that saw ads on both platforms

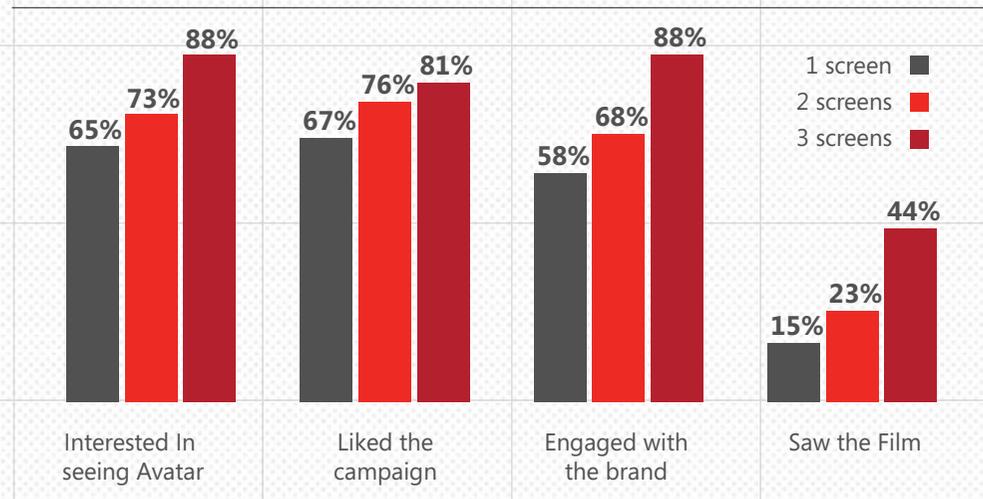


Case Study 2: Fox International Avatar 3-Screen Campaign

The challenge: Before the science-fiction film Avatar made history as the highest grossing film ever, the 3-D film faced the same critical challenge as most others – how to create enough buzz to pack cinema theatres. This was an untraditional film that required marketing to the movie-going masses to make it a success. Fox International partnered with Microsoft Advertising to launch a multi-screen campaign that would reach a diverse audience, spanning 15 countries and 18 different languages. This was the largest digital multi-screen campaign executed to-date, engaging with consumers where they live, at work, at play and everywhere in-between: on the PC, mobile phone and TV.

The results: Multi-screen marketing can build awareness, excitement and ultimately film viewership at a level much greater than the sum of its parts.

3 Screens=3x More Seats Filled.



Source: Interpret Research. Data reflects consumers viewing Avatar ads on Microsoft properties across 1-3 screens.



NB - AVATAR is now available on DVD and BluRay

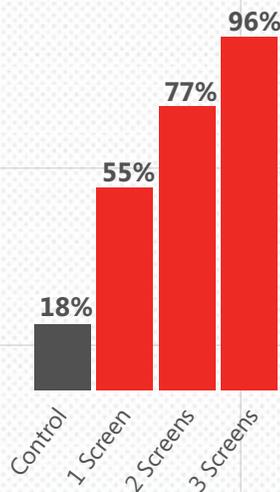
Case Study 3: TOMS Shoes 3-Screen Campaign

TOMS is a shoe company that gives a new pair of shoes to a child in need for every pair of TOMS shoes which a customer purchases. To spread awareness, it created the One Day Without Shoes (ODWS) event. TOMS shoes partnered with Microsoft Advertising to reach its target audience of young adults 18-34, and encourage them to sign up to the ODWS event and go barefoot for the day. Microsoft Advertising developed a multi-screen campaign that helped TOMS connect with its target consumers through the PC (MSN, Windows Live Hotmail, Windows Live Messenger), mobile phone (MSN Mobile) and TV (via Xbox LIVE and Massive in-game ads). The activity spanned 4 countries (UK, France, US and Canada).

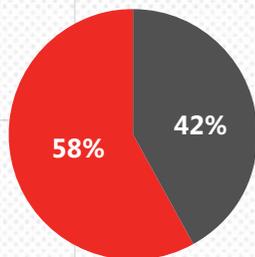
Results: Consumers acted, as the graphs clearly indicate. Nearly 80% of them went online or walked into a store to buy TOMS shoes. Advertiser value increased with each additional screen. The more advertising channels to which consumers were exposed, the more likely they were to be aware of the event and, more importantly, the more likely they were to take action.

Post Ad Actions

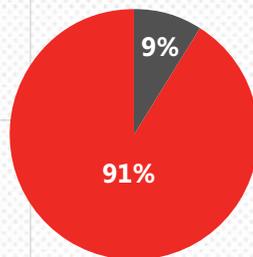
Aided Awareness By Number Of Screens Viewed



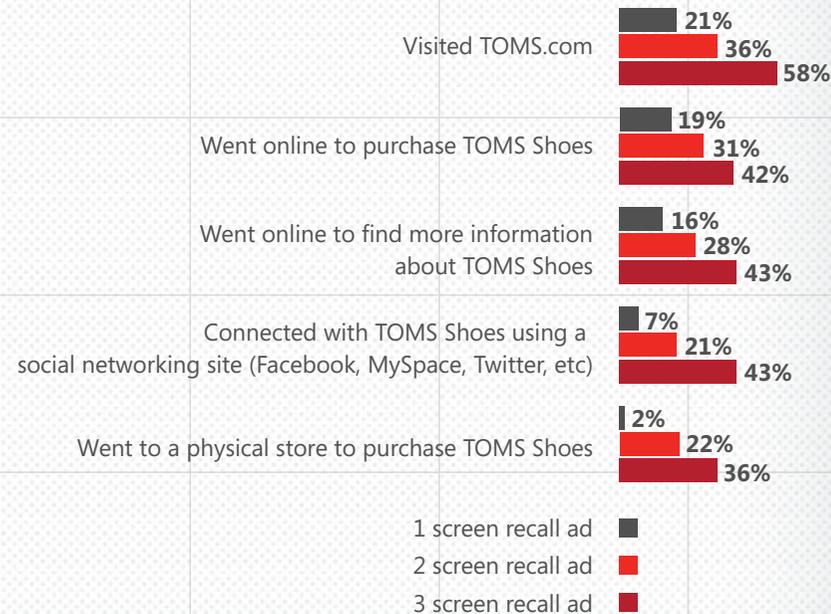
1-Screen Recall



3-Screen Recall



Did a post-ad action ■
 Did not do a post-ad action ■



Conclusions

Advancements in technology are shaping the way media is consumed. Screens are used in multiple ways, providing more opportunities for marketers to speak to and engage with their customers. This requires an intimate knowledge of the multi-screen consumer and their multi-faceted use of digital screens.

Consumer expectations are high. Multi-screen consumers highly value experiences that are cohesive and connected across the multiple screens that define their media experience. By working with the right media partners, marketers can ensure that all of the touch points through which consumers experience their brands are meaningful, relevant and consistent.

Marketers and agencies need to work with their media partners of choice to keep abreast of the shifting consumer behaviours, to ensure they are meeting—and even exceeding—the consumer expectations for how they want to engage and learn about products that are relevant to them.

Why Choose Microsoft Advertising

Microsoft Advertising provides the digital solutions to effectively engage customers across multiple screens through our technology expertise, leading consumer products and advertising solutions.

As a global advertiser and a publisher, we understand your challenges. As a partner, we connect you to one of the world's largest and most-engaged audiences. Our media and technology solutions unify your message across the screens and experiences that define consumers' lives. When you work with us, creativity meets technology meets a global media network. And we hope that these results speak for themselves.

Through The PC

- **MSN** – Europe's No.1 portal, reaching 132m Europeans a month.⁵
- **Windows Live** – Delivering brand engagement through Hotmail and Messenger, the world's leading communication tools, reaching 171m European users being engaged for over 6.2 hours a month.⁵
- **Microsoft Media Network** – Making your display advertising work harder. Premium Microsoft properties, plus 300 of the world's top sites provide access to over 140m Europeans a month.⁵
- **Bing** – The faster way to more informed choices. Attracting a greater number of European users that are more likely to convert once they have clicked than any other search engine.⁶
- **Ciao** – Ciao is a multi-million-strong online community that critically reviews and rates millions of products and services for the benefit of other consumers. More than 38m consumers visit the site every month, making it one of the largest shopping portals in Europe.

Through the TV

- **The Massive Network** – An in-game advertising network that enables advertisers to reach and engage with an audience of young adult males who play games every day.
- **Xbox LIVE** – Xbox LIVE is the world's largest online gaming and entertainment network, with over 60% of all Xbox 360's attached to the LIVE service and 25m active users a month.⁴

Through the Mobile Phone

- **Microsoft Mobile Media network** – Targetable, premium content, at scale, in your consumers' hands. Over 27m monthly users.⁷

For more information or to get in touch with Microsoft Advertising, please visit www.advertising.microsoft.com/europe

A Note About Our Sources

This paper utilises Forrester's European Technographic Study, the EIAA Mediascope Study and Microsoft Advertising's bespoke consumer research (Spring 2010) to explore the behaviours and attitudes of consumers who actively use a PC, access the web via their mobile phone and watch TV on a weekly basis.

1. Forrester Research Inc, European Technographics Benchmark Survey, Q2 2010 – A survey of 25,535 respondents conducted in seven markets: France, Germany, Italy, the Netherlands, Spain, Sweden, and the UK. This survey is based on adults ages 16 and older. The data is weighted by age, gender, region, education, and income to demographically represent the adult European population per country.
2. Microsoft Advertising's Multi-Screen Consumer Survey 2010, conducted in partnership with Wundermann (a WPP company). US online panel of over 1,200 adults (aged 18-64) who have and use a TV, computer and smartphone, and who also access the Internet at least 2-3 times a week through their PC and smartphone.
3. EIAA Mediascope Study 2010, with over 15,000 interviews conducted in 15 European countries: UK, France, Italy, Germany, Spain, the Netherlands, Denmark, Norway, Sweden, Switzerland, Poland, Portugal, Russia, Belgium and Turkey. This survey is based on adults ages 16 and older. The data is weighted by age, gender, region and education to demographically represent the adult European population per country.
4. Internal data 'Facts n Stats E3 2010'
5. ComScore Q2 2010
6. Nielsen NetRatings UK and France Q1 2010
7. ComScore M:Metrics April (3 month average, France, UK, Germany, Spain, Italy, Adults 13+)