

TiVo Serves Up Portrait of the Ad-Zappers --- Marketers Are Offered A Look at Subscribers, How They Use DVRs

Wall Street Journal – November 8

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Facing increased competition from cable operators and phone companies that offer digital video-recording services, TiVo is making a bigger grab at a different source of revenue: the pile of money that marketers are throwing at companies that promise fresh insights into TV-viewing habits.

TiVo, a provider of digital video recorders, about a year ago began selling advertisers second-by-second ratings of programs and commercials based on the viewing habits of its subscribers. Today, the company plans to announce that it will soon add demographic data about the viewers themselves, such as age, income, marital status and ethnicity.

Over the past year advertisers have begun getting a clearer picture of how many people are using DVRs when they watch TV and what percentage of them are skipping the ads. But marketers are anxious for detailed portraits of the ad-zappers themselves, so they can tweak their ad strategies accordingly.

"I want to know which segments of my customers are skipping my ads," says Seth McLaughlin, senior vice president of marketing for global eyewear maker Luxottica. Luxottica, which has figured out that about 8% of its consumers are avoiding its ads. "If one segment has the highest propensity for skipping, I may be able to supplement my marketing mix with other stuff to reach them." Luxottica spends about \$50 million on TV ads a year.

TiVo's latest offering, dubbed "PowerWatch," brings it more in line with ratings giant Nielsen Media Research, which provides both commercial-ratings data and demographic information. While media buyers are still in the early days of analyzing the Nielsen data, they are beginning to glean more about the ad skippers. Several buyers say the data are already showing that men and women age 18 to 34 are skipping more commercials than the general population, and that older women tend to bypass fewer ads than younger women.

TiVo's data will push the ball forward from what Nielsen provides in at least one respect. It will include information on 20,000 homes, compared with Nielsen's sample size of 3,000 homes with DVRs. More important, TiVo will offer marketers the opportunity to survey some of its users via an online poll to ask deeper questions about their viewing habits and their feelings about both the ads and the marketers. (Nielsen doesn't allow marketers to query its poll respondents.)

"The ability to talk to the panel and find out why they are skipping the commercial is key," says Chris Boothe, president of Publicis Groupe's Starcom USA, a major media-buying firm and current customer of TiVo ratings data. Starcom helped TiVo develop its latest service.

TiVo's data has some gaps. For example, even among DVR users, TiVo watchers are often more upscale, which limits marketers' ability to extrapolate to the general population.

How hard did TiVo have to work to get those 20,000 people to give out their personal details? Not very. Giving them the chance to win a new TiVo in a raffle generated more than enough interest, the Alviso, Calif., company says.

TiVo, which earns money both from selling the DVR devices and collecting subscriber fees, pioneered DVR technology, giving viewers the freedom to watch TV programs when they want and skip commercials. But similar technology is now widely available through cable and phone companies, and that is putting pressure on TiVo to find new sources of growth. Research has become a particularly hot business, and TiVo's PowerWatch is an effort to cash in on that trend. TiVo won't say how much money it makes from selling research, but its ratings-data customers include big firms such as Interpublic Group and MDC Partners' Crispin Porter +Bogusky.

TiVo says it is looking at the possibility of letting marketers compare their internal customer databases with those of TiVo, which would help the advertisers see in greater detail how people's viewing habits affect their purchases.

Getting to Know You

Demographic categories that TiVo is adding to its ratings service.

- Gender
- Age
- Income
- Geography
- Race/Ethnicity
- Presence of children in the home
- Marital status
- Number of TiVos
- Length of ownership
- Connectivity type (broadband vs. dial up)
- TV signal type (cable, satellite, over the air)