

We have heard many conjectural thoughts on the consumer's view of advertising, from "We know that people hate ads" to "Viewers don't hate advertising; they just hate bad ads" to "Advertising is welcomed by consumers and has impact." But which is right? The Role of Advertising in Decisioning Segmentation (ROADS) aims to show that all these statements are right, just about different groups of people and their varying degrees of ad receptivity.

## OBJECTIVES

This study is focused on understanding the continuum of ad receptivity to further improve upon the viewing experience by answering:

- What distinguishes ad avoiders from ad-receptive viewers.
- How pervasive ad avoidance is.
- What pain points are driving avoidance for different people.
- Which solutions have potential to turn the tide for various groups.

## BUSINESS APPLICATION

By developing deeper insight into the ad receptivity segments, we'll be able to:

- Gain understanding of programming that attracts certain segments over others, and the conditions that trigger degrees of receptivity
- Apply tactical changes to ad breaks and composition to optimize ad receptivity
- Track gains in viewing over time among the segments as a result of our receptivity strategies

## METHODOLOGY

- An online survey was conducted among 2,000 Adults 18-54 (March 9-27, 2017) who watch a minimum of five hours/week of full-length programs (across TV and streaming), using a Census representative general population sample.

Question areas included:

- Anchoring exercise recalling details about a recent viewing situation
- Ad attitudes, pain points, and prescriptive solutions
- Demographics, program, and network viewership

A cluster segmentation was performed leveraging canonical correlations, which finds important links between demographics, attitudes, and behaviors.

## RESULTS

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# ROLE OF ADVERTISING IN DECISIONING SEGMENTATION

MOST ← RECEPTIVE TO CONTENT WITH COMMERCIALS → LEAST

## Ad Accepters (38%)



### LEGACY LOYALIST

19%

### BUDGET-CONSCIOUS AD ACCEPTERS

19%

## Ad Skeptics (28%)



### MULTIPLATFORM MEDIA JUNKIES

8%

### TIME-SHIFTED SKEPTICS

20%

## Ad Rejectors (34%)



### CORD-MINIMIZING YOUTHS

23%

### PAY TO AVOID

11%

Ad experiences do not influence where or how they decide to watch shows.

Understand ads keep their price down; least likely to skip ads, even when given options.

Small % of people, large % of viewing; Watch all services & platforms; Don't hate ads but often avoid.

Heavy DVR users with a double payment mentality.

Heavy ad-free service viewers who don't rely on ads for information on new products.

Highest churners with high stress levels; highly influenced by willingness to pay to avoid ads.

"I'm used to ads - they are here to stay"

"I'll tolerate ads so I don't have to pay extra to avoid them"

"I'm not bothered by ads because I minimize my exposure to them"

"For what I'm paying, I shouldn't see ads"

"Now that I've tried ad-free services, there's no going back"

"I prefer to pay to get my entertainment without commercials"

## AD ACCEPTERS

## AD SKEPTICS

## AD REJECTORS

