



Internet**Home**Alliance
CABA's Research Council

IPTV2 Research
Final Report

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Background & Methodology

The Internet Home Alliance Research Council wants to investigate consumer reactions to the “next frontiers” in TV technology and advertising effectiveness, in the form of IPTV interactive advertising and product purchasing. IPTV gives advertisers a new format for delivering messages that are potentially more relevant to and engaging for consumers.

The goal of this research was to present interactive advertising elements to individuals, couples, and families and gauge their receptivity to this new medium. Specific objectives were:

- Understand impressions of interactive TV in general, and which ad types people are receptive to
- Determine whether people can use the remote to operate interactive pieces
- Understand the effect interactivity has on the “main” ad, and what effect it has on TV watching in group and individual settings
- Explore the degree of willingness to shop/buy on the TV
- Gauge willingness to share personal data in order to get more relevant advertising
- Investigate consumer expectations regarding the collection/storage of an account number or credit card number, used to request or buy items.

Zanthus 17 conducted one-on-one interviews at the offices of Campell Ewald Advertising from February 27 - March 2. Participants received \$275 (families), \$175 (couples) or \$125 (individuals) for their time.

Participants met the following criteria:

- Families headed by people aged 35-54
- Couples who live together with no other family members, ranging in age from 18-55+
- Individuals who live by themselves, ranging in age from 18-55+
- Have broadband Internet at home
- Subscribe to for-pay TV
- No more than 25% of participants are first/early adopters of technology
- Household has at least one mobile phone and one other recent consumer technology item
- At least 7 of 17 have bought/leased a new car recently or plan to in the near future (a potential target for the brand channel ad)
- At least 7 of 17 where either head of household travels overnight for work at least 3 times per year (a potential target for the telescoping ad)

During the sessions, participants watched a demo consisting of four TV programs (5 min. snippets). Each show clip was followed by an interactive ad, demonstrating telescoping (Holiday Inn), getting a free sample (Gillette razor), buying ring tones and games (Alltel), and seeing an in-depth look at a Chevy truck with a brand channel.

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Executive Summary

Overall Impressions

Consumers see interactive advertising as an inevitable next advance in the connected, customized, Internet-enabled future. Some see promise in the potential for interactive advertising, and others cautiously expect to like some interactive executions, just like they like some commercials. All see it as a marriage of TV with Internet-like control and options.

Pros

- More information on desired products/services/brands
- Ability to choose ad content from a list of options
- It's like an Internet pop-up – you can easily kill it
- Convenience of buying some items by TV – it's almost-instant gratification
- Ability to request something – a catalogue, a free sample

Cons

- It's still advertising
- It's like an Internet pop-up – you have to make it go away
- It might divert attention from programming, so people spend more time in front of the TV than they had anticipated
- Web-like, but not as good as the Web
- If not properly staged, it's confusing and it actually detracts from the primary commercial

Executive Summary

Overall Usability

- Participants quickly learn to use the remote to operate interactive elements. The onscreen keyboard is OK, but to participants it feels too time consuming and a bit clunky. In fact, some participants volunteer that they'd prefer to use a single account number to identify themselves to the system. People who do text messaging on cell phones seem especially adept at using the onscreen keyboard.
- Users say interactive TV will be a breeze for children and perhaps difficult for older people: "My mom can barely use her DVD player – this would be too much for her."

TV Habits and Interactive TV

- For some, TV is relaxation and diversion at the end of a busy day. Others have rather inflexible "TV time" in the evenings, in order to watch certain shows or sports programming. In a different pattern, many participants leave the TV on in the background while they go about tasks at home.
- Very often, a commercial break is time to walk away from the TV and use the bathroom, check the laundry, prep for the next day, and so on. But most people think they'll pay more attention to commercials in the interactive TV future, because of the novelty of it. But after the novelty wears off, interactivity will attract viewers only if the product is relevant and/or the ad is fun to watch. Otherwise, people predict they'll ignore the ad regardless of interactivity. That is to say, interactivity is good if you like Chevy trucks. If you're a Ford family, interactivity won't change your mind.
- Is it impolite to other TV watchers to interact with the ad? No. Participants expect that channel-changing and remote control habits will persist into the interactive TV future. When family members watch TV together, they'll accept some amount of remote clicking on interactivity. When someone gets bored, they'll either nudge the person with the remote, or go make a phone call, or go watch TV in another room, according to their usual habit.

Executive Summary

Free Sample

- Of the four ad types, this is the one that gets the most enthusiastic reception. “Free” captures the viewer’s attention immediately. But, viewers immediately set to work getting the free sample, and they all but ignore the commercial, even while it continues to play. In fact, some say it’s distracting for the commercial to run in the background while they’re entering information in order to get the sample.

Store

- The ad that lets you shop appears to have great revenue potential here in the US, where the right to amass consumer goods is demonstrated more fervently than are the rights to speak freely and assemble peaceably. For consumers, it’s convenient, fast, and easy impulse buying, with almost-instant gratification. For advertisers, it’s a very short path from consumer awareness to interest to purchase.
- A few consumers raise the idea of buying a just-released CD or DVD that’s featured on a TV show. This “1-click ordering” strikes several as “the next generation of TV” and “the wave of the future.” This ad type has the “Wow, what will they think of next?” factor.
- Consumers also like the short trip from awareness to interest to purchase. Once a viewer becomes aware of an item and she feels pretty certain she wants it, she can buy it without getting off the couch. Further, she doesn’t have to remember that she wants it. Next, she doesn’t need to figure out where it’s sold and whether it’s in stock. And, she doesn’t need to drive to a store, find the item, and wait in line to pay for it. It’s possible that she’ll receive it faster if she orders it on the TV than if she buys it a store.
- As with the free sample ad, consumers want the opportunity to enjoy an ad they like, without the distraction of interactive elements that direct them away from the ad.

Executive Summary

Brand Channel

- Consumers like the Chevy brand channel, and it's the favorite of many. The brand channel approach seems just right for a big-ticket item like a vehicle, because it provides more and deeper information for those who are considering buying one. (Note that one 13-year old boy would like to see a brand channel about ice cream.) And the content is entertaining even for those who don't have plans to buy, as long as they're Chevy or truck fans.
- The video page is especially liked; viewers think it's cool to pick from several videos on a variety of product attributes. The static Web pages are nice too, because buyers can read and consider the specs and options.
- Many people say they would order a catalog via TV if the product advertised was something under consideration for purchase. Aside from the Web experience and the video experience, participants also like the "morphing truck" as a form of entertainment: it's intriguing at the start, and then fun/exciting as the truck morphs through the decades.

Telescoping

- This particular ad and type of ad is the least successful of the four presented. Many are turned off by the humor which seems targeted at younger men. Many didn't get the message that Holiday Inn has meeting rooms from either the primary ad or the telescoped piece.
- On the interactive side, the telescoped piece detracts viewers from the main ad, which they have trouble deciphering in the first place. Next, the telescoped story doesn't connect very well to the main ad. Adding on the telescoped piece just adds to the confusion
- While other ads give a call to action – get a sample, buy an item, get more information about a truck – this one is just an extra-long commercial; "It's like two commercials in one!"
- Since consumers view the telescoped piece as another ad, most say it would be best to save it until the close, so as not to disrupt the flow of the main ad.
- Viewers found the Holiday Inn execution so confusing that it was difficult for them to imagine other similar ads that might be worth watching. This approach might or might not work in other executions, depending on the appeal of the spokesmen or product and the content of the ad.

Executive Summary

Personal Data and Purchase Data

- Is it OK for a personalized advertising system to collect demographic information about households? Yes, if done so in an unobtrusive fashion. Consumers assume their information is routinely captured by many entities: “That’s just the way it is these days.”
- Is it OK for a system to store a credit card number? On the whole, feelings are mixed on this topic. Some want to enter an account number for each purchase, and some want to safely store the account number within the system, so it isn’t “traveling across the Internet.” Others say they expect the same level of security as they’ve experienced with online banking or purchasing online from Amazon.
- The general take-away is that consumers want assurance that their account numbers are safe, because identity theft and credit card fraud are so prevalent these days. Both phone companies and cable TV companies are considered safe, stable, reliable companies that can be trusted with credit card and account numbers.
- Who gets paid? Participants don’t really know who they would be paying if they bought something via the TV. But more importantly, they don’t have a preference as long as it’s a safe, stable, reliable company: one that will deliver the item purchased, will accept a return if the item is wrong in some fashion, and will act responsibly with credit card and demographic information.

Personalized Advertising

- At first, many like the idea of personalized ads. It sounds good to bypass commercials for products they don’t buy.
- But very quickly, viewers realize they would miss finding out about new, potentially interesting products that didn’t fit within their profile, therefore the downside is greater than the upside.

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Conclusions & Recommendations

Overall Usability

Plan for the remote to be the primary input device.

- People don't see themselves using a wireless keyboard in the TV room.
- The onscreen keyboard is somewhat slow and clunky. Instead, many will prefer to use an online account number to identify themselves to the system.
- If users need to enter data with the remote, put letters on the control buttons, like a phone pad. Also, use an auto-fill to suggest/accept previously used combinations of letters (entering in MA returns "Mary Ann Johnson").

Include a passcode option, to lock out use by children if desired.

- Adults assume children will be able to operate this perhaps too easily. On the other hand, it also looks too complicated for elderly TV watchers.

Assume the male head of household is holding the remote.

- Others in the household will adjust to his remote habits – it's not really a cause of friction.

Overall Look and Feel

Interactivity should come at the close of an ad.

- Otherwise, it distracts viewers from the primary ad. This would encourage people to pay attention to an intriguing and appealing ad to see if there was an interactive piece at the end – like a free sample offer.
- Interactivity elements should carry the same look/feel as the primary ad, in order to be less distracting.

"Click to start" elements should be unobtrusive.

- The more screen space they take, the more they call attention away from the primary ad.
- Items could start up with a click on an unobtrusive button, similar to a TiVO thumbs-up button.

Ad Types

Free samples are very appealing to consumers.

- Most people will request a free sample for a product category they use.

Conclusions & Recommendations

Ad Types (con't)

The store presents a wide array of possibilities for selling “impulse-buy” products.

- Sell items that are relatively inexpensive and cost the same price regardless of the store. If comparison shopping is called for, buying by TV is less appealing. For example, consumers won't spend time on the TV wading through multiple screens of lawnmowers considering variations on horsepower, weight, and accessories – and then buy one with a click.

The range of potential applications is broad for the *brand channel*.

- Advertisers could focus on big-ticket items and provide specs and videos that tout product attributes or brand attributes. But a brand channel could also boost loyalty and prompt additional purchases for aspirational brands like Nike and Apple.

***Telescoping* might work if the main ad and telescoped piece are clearly aligned/related to each other, and if the telescoped piece continues the story in some fashion.**

- It could also offer viewers another commercial in a favorite series, like the Geico lizard or the Apple/Windows conversations.

Personal Data and Purchase Data

It's OK to collect demographic data and hobbies/interests.

- Consumers aren't concerned about the collection of demographic information, such as household ages, genders, presence of pets, sports fans, and so on.
- There is no clear answer how a credit card or account number should be stored/retrieved. But viewers assume they'll be doing business with a single entity who is safe, stable, and reliable.

Personalized Advertising

Allow personalized advertising to be turned on or off.

- Consumers want to see ads for items they don't yet know about or use.
- Potentially, provide personalized ad recommendations a la Amazon or Netflix (“Hello, Johnsons, we have recommendations for you!”)

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Overall Impressions

Consumers accept the presence of interactive TV ads. Some viewers see promise in the potential for interactive advertising, and others cautiously expect to like some interactive executions, just like they like some commercials, especially funny ones or ads about products they like and use. All see it as a marriage of TV with Internet-like control and options. Consumers see it as an inevitable next advance in the connected, customized, Internet-enabled future.

Pros:

- More information on desired products/services/brands
- Ability to choose ad content from a list of options
- It's like an Internet pop-up – you can easily kill it
- Convenience of buying some items by TV – it's almost-instant gratification
- Ability to request something – a catalogue, a free sample

Cons:

- It's still advertising
- It's like an Internet pop-up – you have to make it go away
- It might divert attention from programming, so people spend more time in front of the TV than they had anticipated
- Web-like, but not as good as the Web
- If not properly staged, it's confusing and it actually detracts from the primary commercial.

Participants who have DVRs seem more receptive to interactivity than people without. The experience of using a DVR has primed consumers to expect a greater degree of control and choice when watching TV, even though a recent TiVo study shows that a good number of their customers watch the commercials in time-shifted programming. People who don't have DVRs talk about losing their TV time to commercials, even after hearing that programming pauses and then resumes after the commercial. Even though they'll see the entire show, these consumers want to spend an hour – not an hour plus a few minutes more – with Lost.

Overall Impressions

Overall Usability

- Participants quickly learn to use the remote to operate interactive elements. The onscreen keyboard is workable, but to participants it feels too time consuming and a bit clunky. In fact, some participants volunteer that they'd prefer to use a single account number to identify themselves to the system. People who do text messaging on cell phones seem especially adept at using the onscreen keyboard.
- Users say interactive TV will be a breeze for children and perhaps difficult for older people: "My mom can barely use her DVD player – this would be too much for her."

TV Habits and Interactive TV

- There is a range of typical behavior associated with the TV. Some people view it as a passive "lean-back" activity. It's relaxation and diversion at the end of a busy day. Others have "TV time" in the evenings, in order to watch certain shows or sports programming. "TV time" isn't too flexible for these people; it's after dinner and chores and before the scheduled bedtime routine. In a different pattern, many participants leave the TV on in the background while they go about tasks at home.
- Very often, especially for "TV time" people, a commercial break is time to walk away from the TV and use the bathroom, check the laundry, prep for the next day, and so on. Participants say the commercial breaks are longer than ever these days, so people feel even more confident they can go away for a few minutes and come back in time to pick up the TV show.

Overall Impressions

TV Habits and Interactive TV (con't)

- Most people think they'll pay more attention to commercials in the interactive TV future, because of the novelty of it. And if the ad is for a desired product or if it's an especially entertaining ad, people say they'll probably "try it out" to find out what more they can see, learn, or get. People will stick around through the commercial to see if they can click to get a free sample, for example. And most people in the market for a car can imagine themselves watching the extra videos in the brand channel.
- But interactivity is good only if the product is relevant and/or the ad is fun to watch. Otherwise, people predict they'll ignore the ad regardless of interactivity. Given consumer reactions to the advertising shown, this prediction sounds right. While Zanthus steered the conversation to the potential for seeing more, learning more, and getting something, participants focused narrowly on the pros/cons of Chevy trucks, ring tones and games, and Holiday Inn and "cage-fighters." That is to say, interactivity is good if you like Chevy trucks. If you're a Ford family, interactivity won't change your mind.
- Is it impolite to other TV watchers to interact with the ad? No. Participants expect that channel-changing and remote control habits will persist into the interactive TV future. In couples, quite often it is the man who drives the remote, and his spouse has long since come to terms with this. So it will be with interactive TV. When family members watch TV together, they'll accept some amount of remote clicking on interactivity. When someone gets bored, they'll either nudge the person with the remote, or go make a phone call, or go watch TV in another room, according to their usual habit. All participants say interactivity won't result in "new" TV-hogging behavior.



The thing that interested them each most – Other impressions (Daniel & Theresa 2/28/07 5:30 p.m. - Family)

Overall Impressions



Seen ads on TV and caught their attention (Richelle & Daryl 3/1/07 3 p.m. - Couple)



Location of remote and ownership of remote (John & Marcia 2/27/07 5:30 p.m. - Family)



Other ads would pause while looking at ad (Karen 2/28/07 11:00 a.m. - Individual)



Commercials have an Internet feel (David 2/27/07 2:00 p.m. - Individual)



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Free Sample

Of the four ad types, the free sample is the one that gets the most enthusiastic reception. Even people who are lukewarm regarding interactive advertising exclaim “Oh cool—I can get something for free!” “Free” captures the viewer’s attention immediately.

- Some participants lament that newspapers rarely carry free samples anymore. They like getting to try a product before spending money on it; as one points out, you can skim a book and try on clothes before buying, but you can’t feel a razor. One woman mentioned the free product tastes she regularly tries at the grocery store. People say they use personal care free samples (shampoo, lotion) at the gym and while traveling.
- But for advertisers, the lure of the “free” has a negative outcome. Viewers immediately set to work getting the free sample, and they all but ignore the commercial, even while it continues to play. In fact, some say it’s distracting for the commercial to run in the background while they’re entering information in order to get the sample: “It’s too much information at once!” is the complaint.
- It’s a problem for advertisers and viewers, but easily solved by offering the sample at the end of the commercial, rather than at the beginning. This would encourage people to pay attention to an intriguing and appealing ad to see if a free sample would be offered at the close.
- The merit of this approach was clearly demonstrated during the sessions. Many participants like the Gillette ad very much – they find the “technology” theme and execution very appealing. The ad is just fun to watch, and it does a good job touting the benefits of five blades. But people feel cheated out of the opportunity to watch it, because the interactivity turns their attention away from the ad and towards the free sample.

Free Sample

- Here as in other ads, consumers would like to spend a minimum length of time entering personal information. A 10-digit phone number is an acceptable amount of data entry. Some volunteer unsolicited that they'd like to have their info stored somewhere so they could do "1-click ordering."
- Is it OK to use a phone number, instead of some other identification number? Maybe not. Participants are reluctant to use a cell phone number, because they don't want to pay for any resulting calls. And participants are fully aware that a home phone number is sufficient info to land them on lists for direct mail, door-to-door solicitations, and telemarketing calls. At the same time, several participants assume that someone will call them to get their name and address in order to send the sample. They're a little leery of this assumed additional engagement by phone.

Free Sample



Reaction to Free Sample (Denver 2/28/07 12:00 p.m. - Individual)



Free Sample - Likes the free offer – Will pay more attn (Howard & Margaret 2/27/07 7:30 p.m. - Couple)



Reaction to Free Sample (Karen 2/28/07 11:00 a.m. - Individual)



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Store

The ad that lets you shop appears to have great revenue potential here in the US, where the right to amass consumer goods is demonstrated more fervently than are the rights to speak freely and assemble peaceably. For consumers, it's convenient, fast, and easy impulse buying, with almost-instant gratification. For advertisers, it's a very short path from consumer awareness to interest to purchase.

- All participants find the store easy to navigate, and they like being able to try out Alltel items for sale (games, screensavers, ring tones). One minor hiccup: people can't figure out how to get ring tones to play. They don't see the "press 9" instruction. People who do buy cell phone games and ring tones can see themselves browsing and buying in this fashion.
- Many say they don't bother with ring tones and games on their phones. In order to explore the store ad idea, Zanthus suggested that someone watching a talk show (Oprah, Sunday morning news) could buy a book being featured on the show. A few consumers raise the idea of buying a just-released CD or DVD that's featured on a TV show they're watching. This "1-click ordering" strikes several consumers as "the next generation of TV" and "the wave of the future." This ad type has the "Wow, what will they think of next?" factor.
- Consumers like being able to buy something by TV right away for a couple reasons. They like the short trip from awareness to purchase. Once a viewer becomes aware of an item and she feels pretty certain she wants it, she can buy it without getting off the couch. It's pretty low-effort gratification. Further, she doesn't have to remember that she wants it, or make a note to herself to get it. Next, she doesn't need to figure out where it's sold and whether it's in stock. And, she doesn't need to drive to a store, find the item, and wait in line to pay for it. It's possible that she'll receive it faster if she orders it on the TV than if she buys it a store.

Store

- Consumer thoughts about the types of items that could be ordered by TV vary widely. Books, music, and DVDs come to mind first. These are relatively inexpensive and they cost the same price regardless of the store, so no comparison shopping is called for. One or two participants liken it to Home Shopping Network, so anything HSN sells could also be sold by TV (like jewelry, for one woman). Some frequent online shoppers say anything Amazon sells could also be sold by TV. And one or two speculate that frequent use items would be perfect – like groceries and household items. In this scenario, a consumer has an account with an online grocer, and they add items to their shopping cart while they watch TV. One man wants to buy clothing online because it's difficult to find items in his size in the stores. One or two women would also like to buy clothes by TV, but another woman says she must try on clothes first.
- Not suitable for “1-click ordering” by TV: big purchases, items available in many varieties/formulations (hair products, for instance), and items that vary in price from store to store. If comparison shopping is called for, buying by TV is less appealing. For example, consumers won't spend time on the TV wading through multiple screens of lawnmowers considering variations on horsepower, weight, and accessories – and then buy one with a click.
- Some participants wonder if children will 1-click order without their parents' permission, but one father says it's not a concern. He says some kids misbehave and some don't based on their upbringing, not their ability to buy items by TV. Is it OK for children to buy items in this fashion? Not until they can pay for them, say several parents; adults can do this, and children aren't allowed to. If a child wants to buy something, she can urge her mother to buy it the next time the commercial airs. Requiring a password to buy is a good safety net.
- Consumers want the opportunity to enjoy an ad they like, without the distraction of interactive elements that direct them away from the ad. The store should be presented at the end of the commercial. Alternatively the store could start up with a click on an unobtrusive button, similar to a TiVO thumbs-up button.



Store



Store - Placing orders on TV – Easy – Other items (Howard & Margaret 2/27/07 7:30 p.m. - Couple)



Store - Would order on TV – Would forget once gone – Other items (Daniel & Theresa 2/28/07 5:30 p.m. Family)



Store – Not a buyer, but likes to browse (David 2/27/07 2:00 p.m. - Individual)



Reaction to Store (John & Marcia 2/27/07 5:30 p.m. - Family)



Reaction to Store (Karen 2/28/07 11:00 a.m. - Individual)

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Brand Channel

Consumers like the Chevy brand channel, and it's the favorite of many viewers, coming in just behind the free sample in terms of appeal. The brand channel approach seems just right for a big-ticket item like a vehicle, because it provides more and deeper information for those who are considering buying a new vehicle. Buyers can learn specifics without having to go on the lot and "deal with a car salesman." And the content is entertaining even for those who don't have plans to buy, as long as they're Chevy or truck fans.

- The video page is especially liked; viewers think it's cool to pick from several videos on a variety of product attributes. The static Web pages are nice too, if not as exciting as the videos, because buyers can read and consider the specs and options.
- Several point out that this type of material is available at auto manufacturer Web sites they've visited. They say, why not see it on TV too, if someone wants to? This ad is one which seems most "Web-like" because it puts the viewer in the driver's seat. The viewer decides what to look at, rather than the advertiser.
- Many people say they would order a catalog via TV if the product advertised was something under consideration for purchase. They say it's helpful to have printed material handy for reference as they decide which make/model they're going to buy.
- The onscreen keyboard is considered somewhat slow and clunky for entering a mailing address. If users need to enter data with the remote, put letters on the control buttons, like a phone pad. Also, use an auto-fill to suggest/accept previously used combinations of letters (entering in MA returns "Mary Ann Johnson").

Brand Channel

- Aside from the Web and video experiences, participants also like the “morphing truck” as a form of entertainment. The piece is intriguing at the start, and then fun/exciting as the truck morphs through the decades.
- The one drawback is the amount of time someone could spend browsing a brand channel. It’s likened to getting on the Internet for a quick search, and then staggering away from the PC two hours later, wondering where the evening went. Many people have given themselves “TV time” allotments. When TV time is up, it’s up. These viewers don’t want to spend more of their TV time looking at ads and less time watching their programs.

Brand Channel



Brand Channel - Likes getting details as long as interested (Howard and Margaret 2/27/07 7:30 p.m. Couple)



Brand Channel– Intrusive – Other products that would benefit (Daniel & Theresa 2/28/07 5:30 p.m. - Family)



Brand Channel– Likes interactivity and checking details (David 2/27/07 2:00 p.m. - Individual)



Brand Channel– Likes video more than web, but would use (David 2/27/07 2:00 p.m. - Individual)

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Telescoping

This particular ad and type of ad is the least successful of the four presented. Many are turned off by the humor which seems targeted at younger men. Many didn't get the message that Holiday Inn has meeting rooms. Those who did get the message don't associate Holiday Inn with meeting rooms. Further, neither the main ad nor the telescoped piece address the amenities of Holiday Inn meeting rooms. And the two stories don't connect to each other very well. For most, the ad fails on all counts. But a few viewers do find the stories and characters very funny, even though the ad doesn't say "Holiday Inn has meeting rooms" to them.

- On the interactive side, the telescoped piece detracts viewers from the main ad, which is already confusing. Adding on another piece just adds to the confusion. Since consumers view the telescoped piece as another ad, most say it would be best to save it until the close, so as not to disrupt the flow of the main ad.
- While other ads give a call to action – get a sample, buy an item, get more information about a truck – this one is just an extra-long commercial; "It's like two commercials in one!"
- Viewers found the Holiday Inn execution so confusing that it was difficult for them to imagine other ads with telescoping that might be worth watching. Zanthus suggested the Geico lizard and caveman as stars of commercials which offered a "second look" at those characters in other situations. This idea was met with a noncommittal shrug. Maybe, maybe not, depending on the appeal of the spokesmen or product and the content of the ad.
- What kinds of items might merit a "second look" option at the close of an ad? An extended trailer for a movie or a "the making of" piece, vacation destinations and cruise ships, and sports shoes (suggested by a 12-year old boy).

Telescoping



Reaction to Telescoping (Howard and Margaret 2/27/07 7:30 p.m. - Couple)



Reaction to Telescoping (Denver 2/28/07 12:00 p.m. - Individual)



Reaction to Telescoping (Karen 2/28/07 11:00 a.m. - Individual)



Telescoping - Does not like Telescoping (Howard and Margaret 2/27/07 7:30 p.m. - Couple)



Telescoping - Encourages viewer to continue watching (Daniel & Theresa 2/28/07 5:30 p.m. - Family)



Telescoping - Likes “2 stories” at once (David 2/27/07 2:00 p.m. - Individual)

Key Findings

Background & Methodology

Executive Summary

Conclusions & Recommendations

Key Findings

- Overall Impressions
- Free Sample
- Store
- Brand Channel
- Telescoping
- **Personal/Purchase Data**

Personal/Purchase Data

Demographic Information

- Is it OK for a personalized advertising system to collect demographic information about households? Yes, if done so in an unobtrusive fashion. Consumers assume their information is routinely captured by many entities: through Web sites and online accounts, questionnaire forms in magazines, prize drawings, donations they make (ie to Sierra Club for example), by political groups, and by stores that request a zip code and phone number before accepting money for a purchase. “That’s just the way it is these days,” is the attitude.

Purchase Data/Credit Card Number

- Is it OK for a system to store a credit card number? People aren’t quite so nonchalant about authorizing some entity to store an account number and charge it in a 1-click to order situation. In this discussion, participants bring up “identity theft” and “credit card fraud;” almost everyone seems to know victims, and one or two have experienced it first-hand. But it’s not posed as an “Internet” problem; instead, it’s a problem of credit cards and thieves no matter their location.
- On the whole, feelings are mixed on this topic. Some participants prefer the safety of entering in an account number for each purchase, and the system doesn’t store it (and thieves can’t get it). Some want to safely store the account number within the system, so their information isn’t “traveling across the Internet.” These participants consider the phone company and the cable company to be more secure than “the Internet.” Others say they expect the same level of security as they’ve experienced with online banking or purchasing online from a well-known company like Amazon.
- Another consideration is the effort required to buy something using a remote control and a TV screen. It’s evident that people can successfully enter in a mailing address and a credit card number with a remote. But most people say they don’t want to expend that much effort. “1-click” to order is much faster.
- The general take-away is that consumers want assurance that their account numbers are safe, because identity theft and credit card fraud are so prevalent these days.
- Both phone companies and cable TV companies are considered safe, stable, reliable companies that can be trusted with credit card and account numbers.

Personal/Purchase Data








Who Will You Pay?

- Participants don't really know who they would be paying if they bought something via the TV. About half speculate they would see the purchase on a bill from the company who provides their TV channels – ie the cable or phone company. Others just aren't sure what group would receive their payment.
- But participants don't have a preference for who they pay, as long as it's a safe, stable, reliable company – whether it's the phone company, the cable company, or Amazon.com. What they expect is to do business with a company that will deliver the item purchased, will accept a return if the item is wrong in some fashion, and will act responsibly with credit card information and demographic information.

Personalized Advertising

- At first, many like the idea of personalized ads. It sounds good to bypass commercials for products they don't buy, like baby items, hygiene items, video games, liquor, snack foods, pharmaceuticals. But very quickly, viewers realize they would miss finding out about new, potentially interesting products that didn't fit within their profile. For personalized advertising, the downside is greater than the upside.
- This reaction can be taken as a consumer endorsement of the practice of advertising. Advertising benefits people because it informs them about products that might be of interest. It's fine to preach to the choir; they'll certainly get the sermon. But also, preach your product to the tavern next door, and to the gym down the street. Otherwise, how will they know what they're missing?
- Another endorsement for advertising: people like to watch good ads just for fun. As one man pointed out, "I watch ads that are entertaining—entertaining ads aren't necessarily for the products I want to buy. For example, I don't drink beer, but I love to watch the Budweiser ads they run during the Superbowl."

Personal/Purchase Data

	<i>Ads that are relevant to ones interests - reaction (Richelle & Daryl 3/1/07 3:00 p.m. - Couple)</i>
	<i>Effect of ads on how one watches TV at home – more time watching TV (John & Marcia 2/27/07 5:30 p.m. - Family)</i>
	<i>Ads focused on person’s interest i.e. restaurants (John & Marcia 2/27/07 5:30 p.m. - Family)</i>
	<i>Reaction to personalized advertising (Howard and Margaret 2/27/07 7:30 p.m. - Couple)</i>
	<i>Where the bill is coming from (Daniel & Theresa 2/28/07 5:30 p.m. - Family)</i>
	<i>Trustworthiness of companies (Daniel & Theresa 2/28/07 5:30 p.m. - Family)</i>
	<i>What does the system need to know? (David 2/27/07 2:00 p.m. - Individual)</i>



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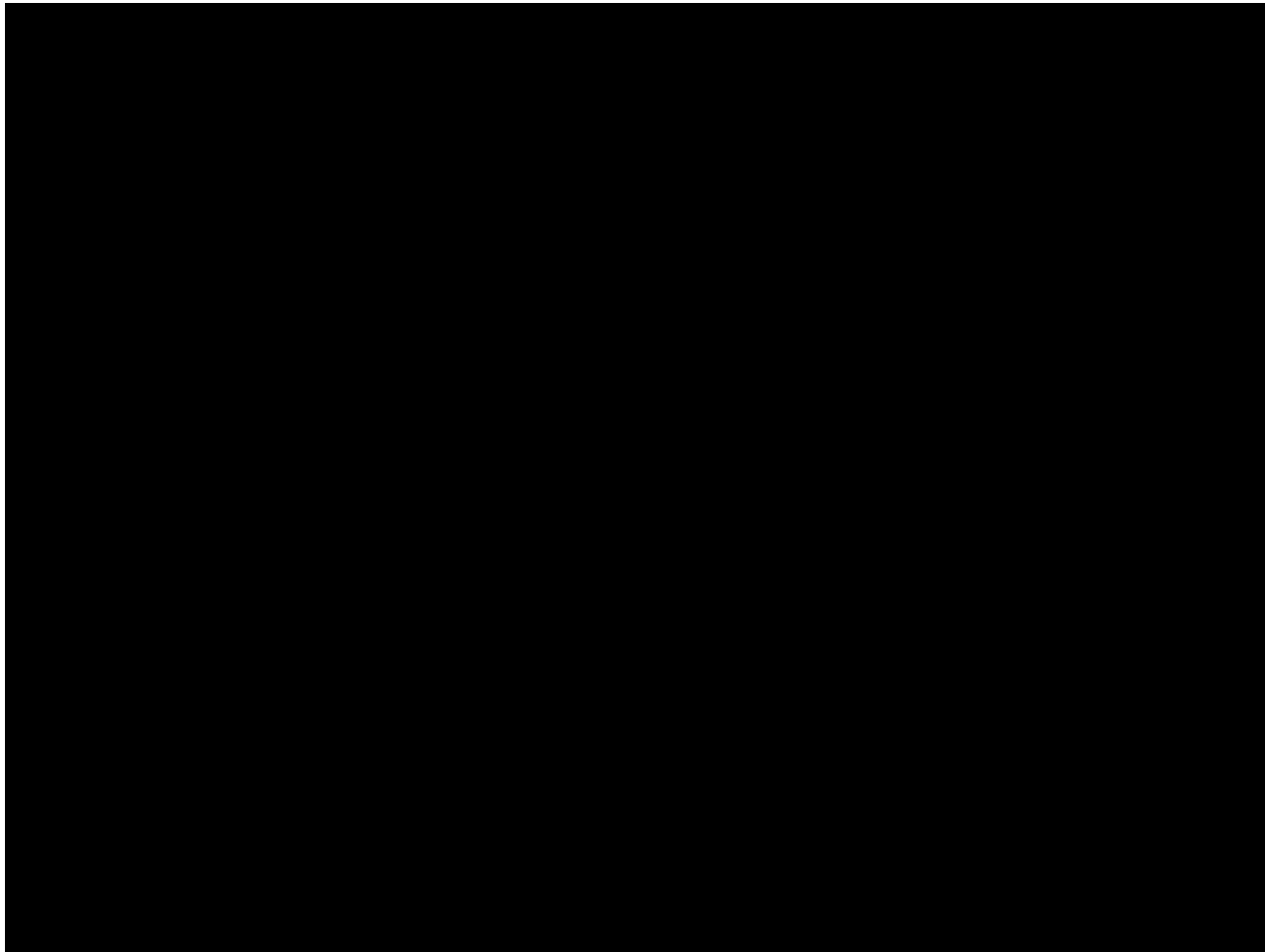


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End of slide show

Video Clip #1 (Reaction to Brand Channel)

Click box
to play video

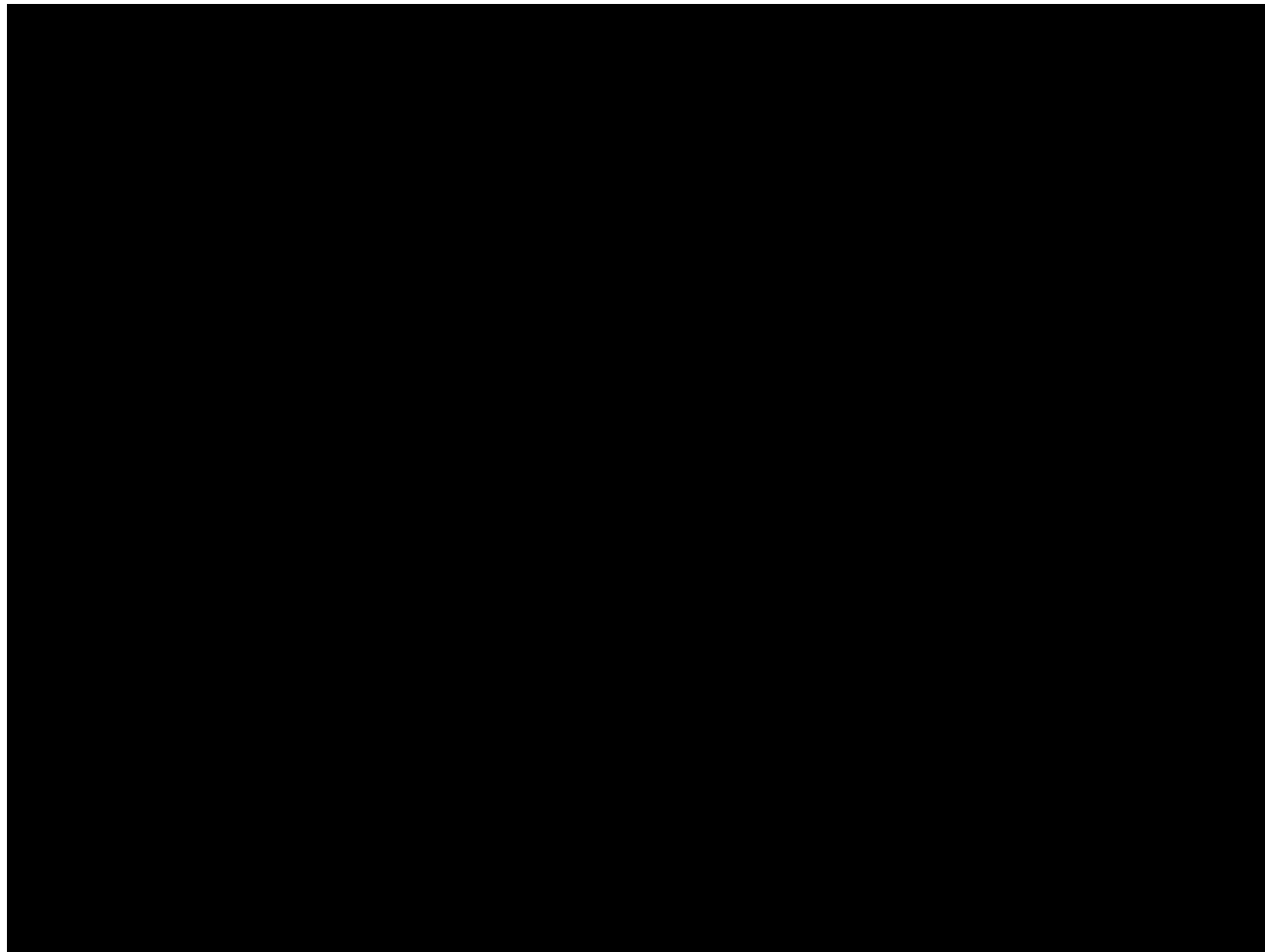


Reaction to Telescoping (Howard and Margaret 2/27/07 7:30 p.m. - Couple)
04 Rembert-Barkley02.wmv

[RETURN](#)

Video Clip #2 (Reaction to Brand Channel)

Click box
to play video

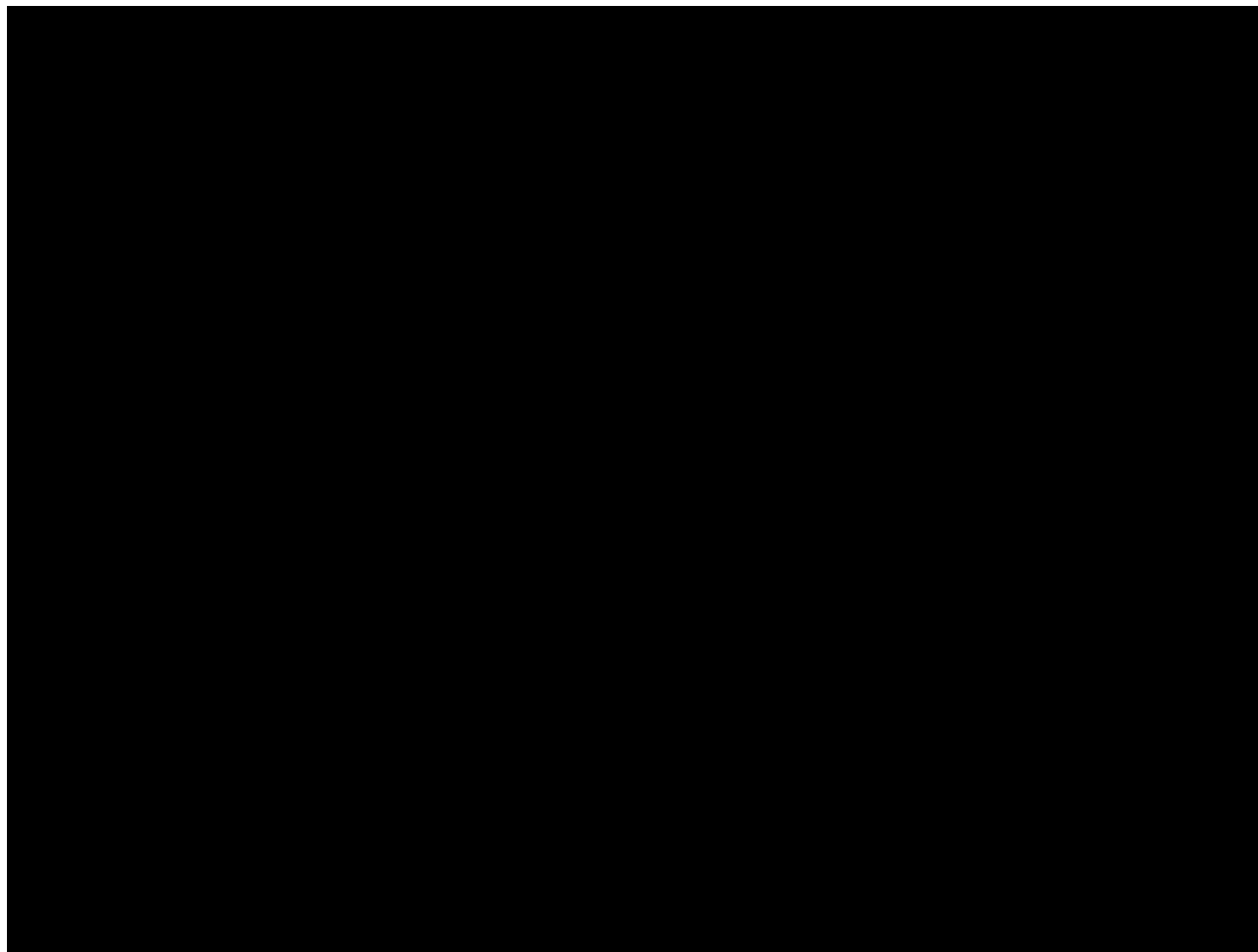


[RETURN](#)

*Reaction to Free Sample – Gillette (Tilotti 2/28/07 12:00 p.m. - individual)
02 Tilottti01.wmv*

Video Clip #3 (Reaction to Brand Channel)

Click box
to play video

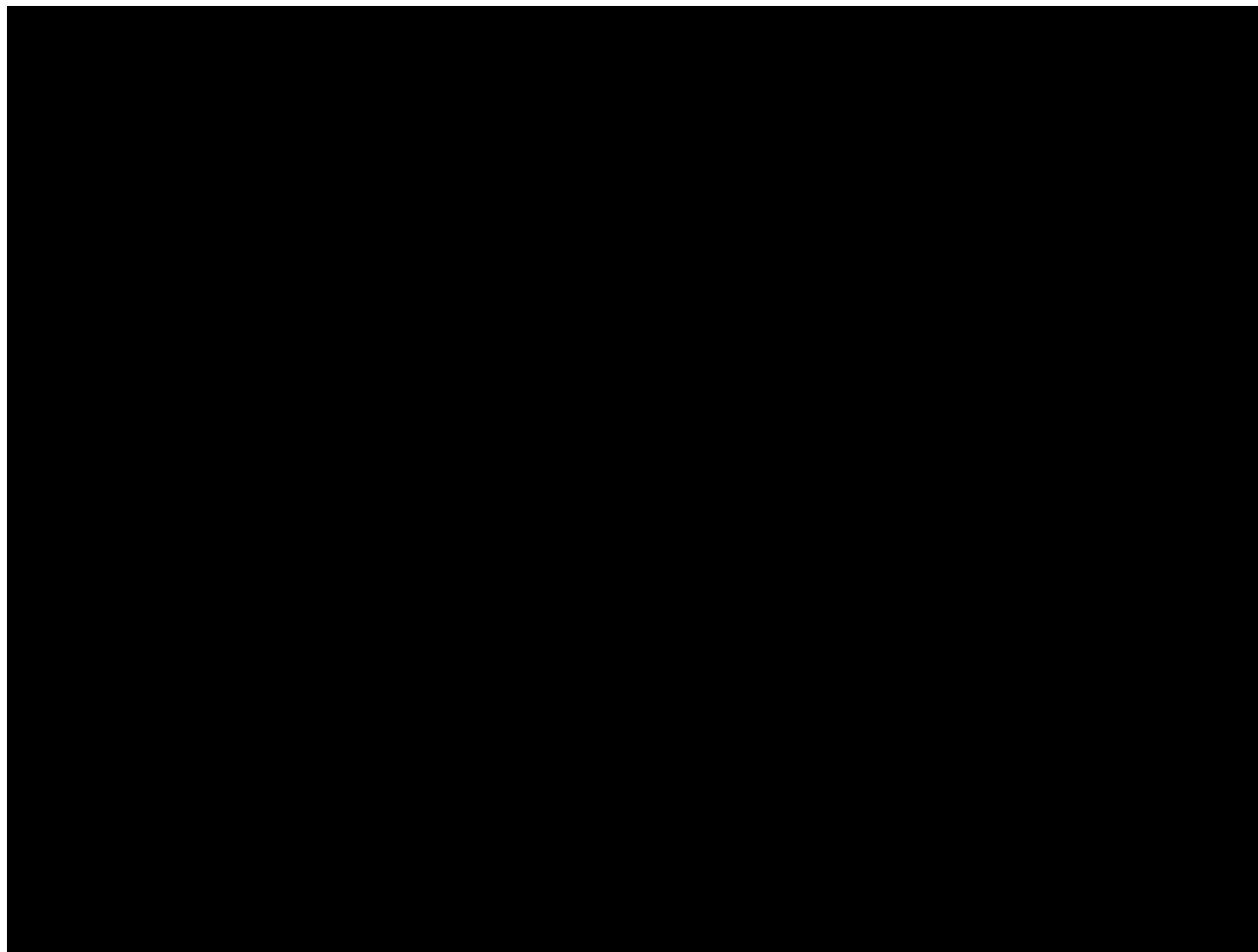


[RETURN](#)

*Reaction to Telescoping — Holiday Inn (Tilotti 2/28/07 12:00 p.m. - Individual)
01 Tilotti02.wmv*

Video Clip #4 (Reaction to Brand Channel)

Click box
to play video

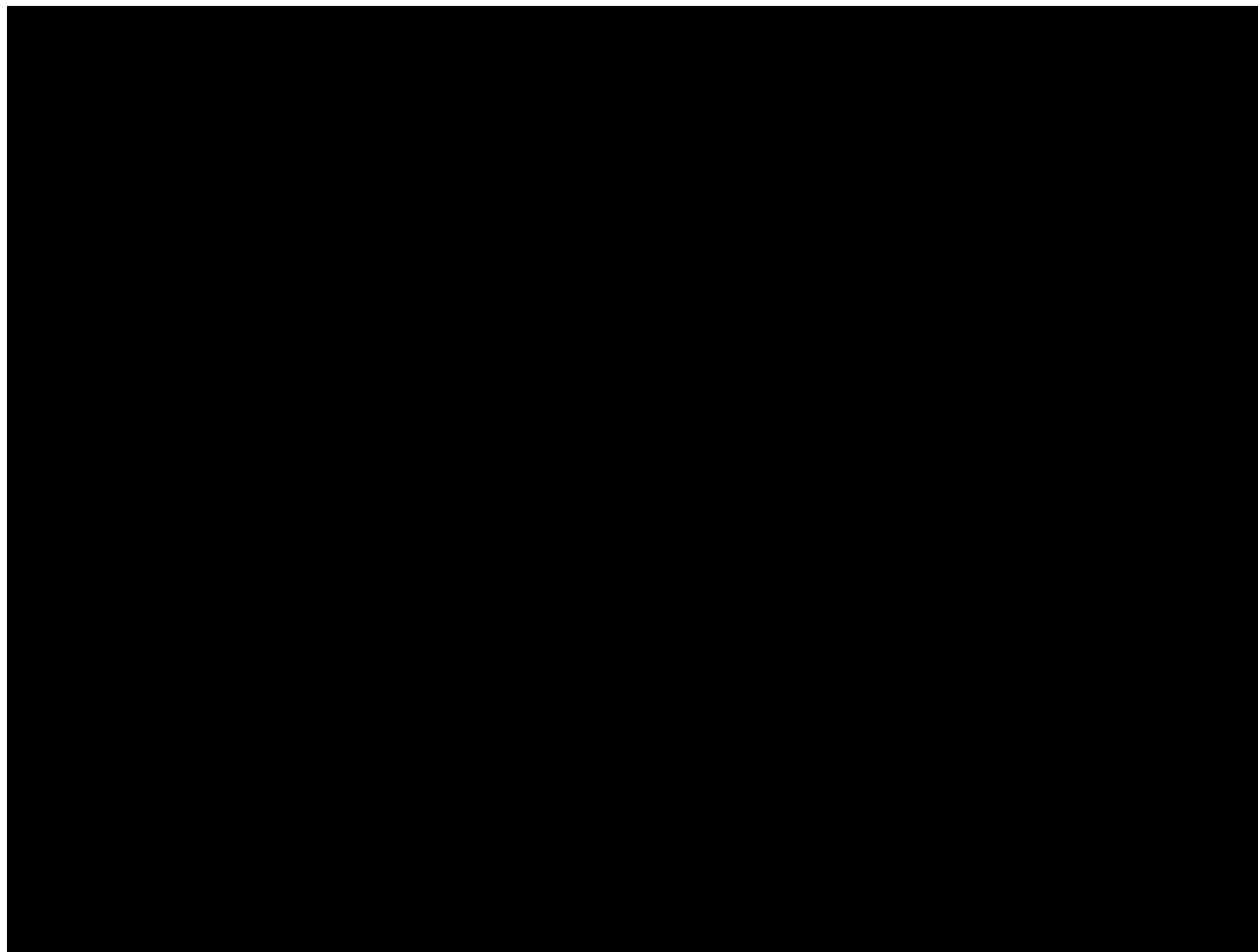


Reaction to Store — Alltel (John & Marcia 2/27/07 5:30 p.m. - Family)
03 Yates02.wmv

[RETURN](#)

Video Clip #5 (Reaction to Brand Channel)

Click box
to play video

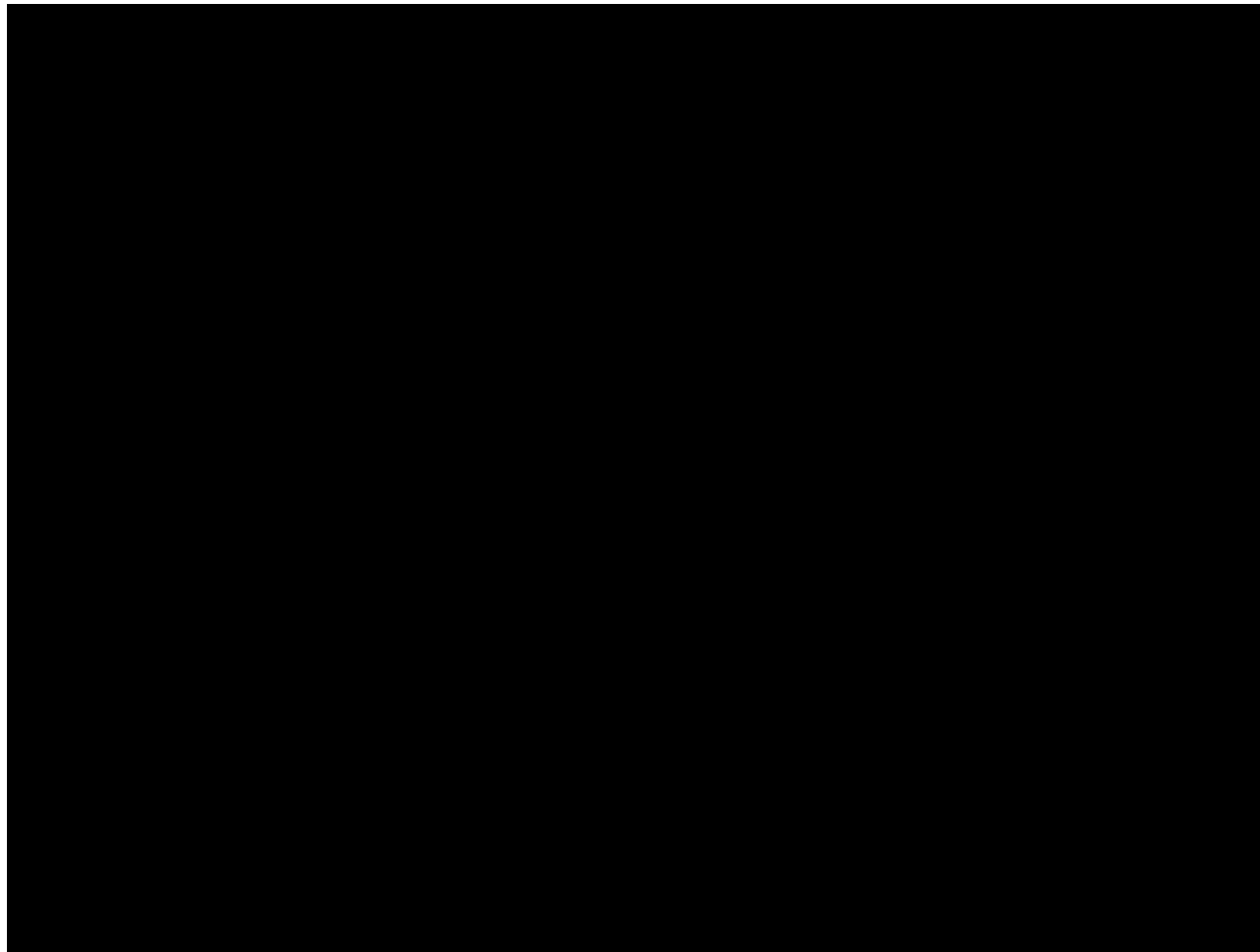


*Reaction to Telescoping — Holiday Inn (Karen 2/28/07 11:00 a.m. - Individual)
01 Multhaup01.wmv*

[RETURN](#)

Video Clip #6 (Reaction to Brand Channel)

Click box
to play video

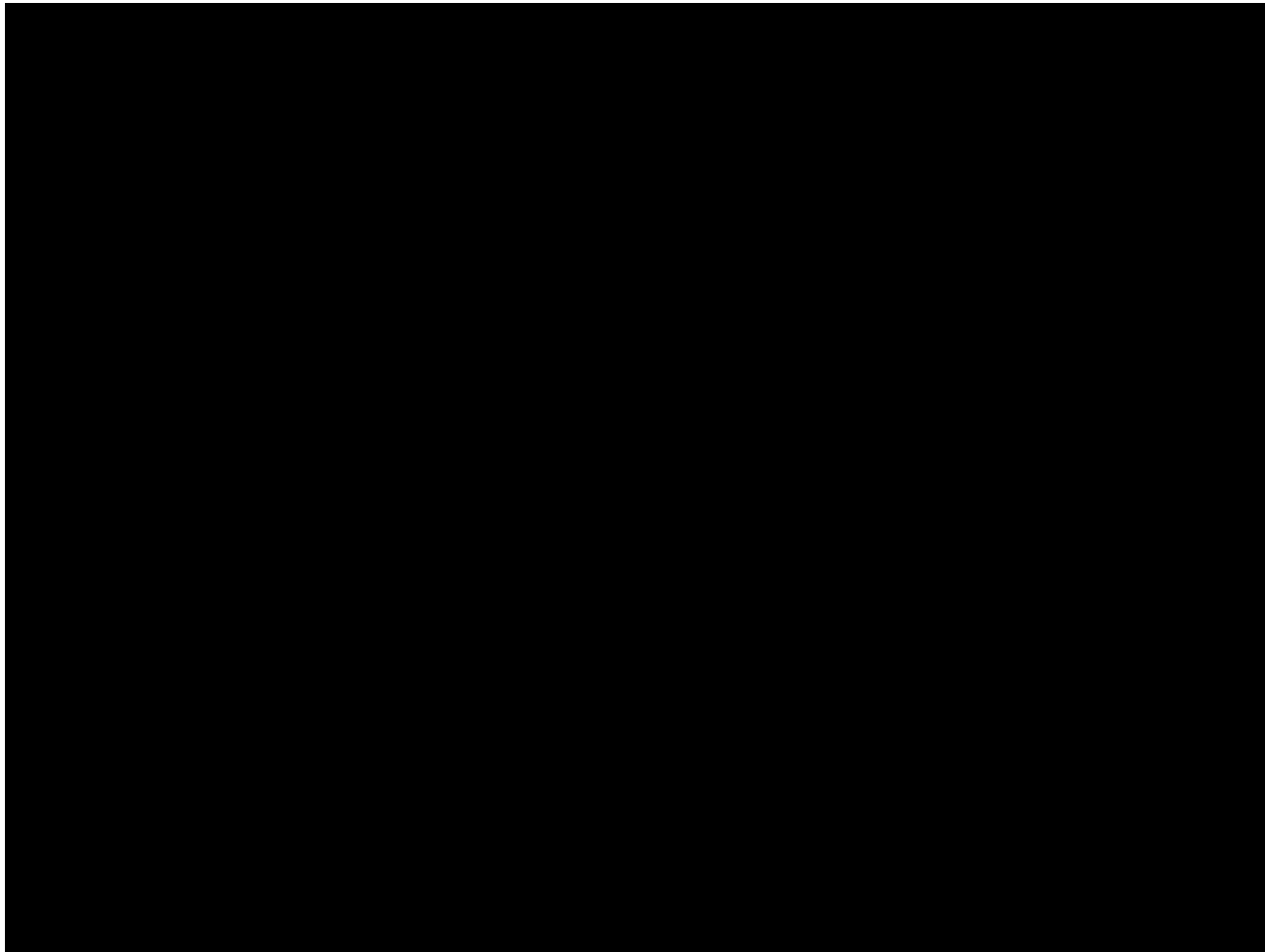


[RETURN](#)

Reaction to free sample — Gillette (Karen 2/28/07 11:00 a.m. - Individual)
02 Multhaup02.wmv

Video Clip #7 (Reaction to Brand Channel)

Click box
to play video

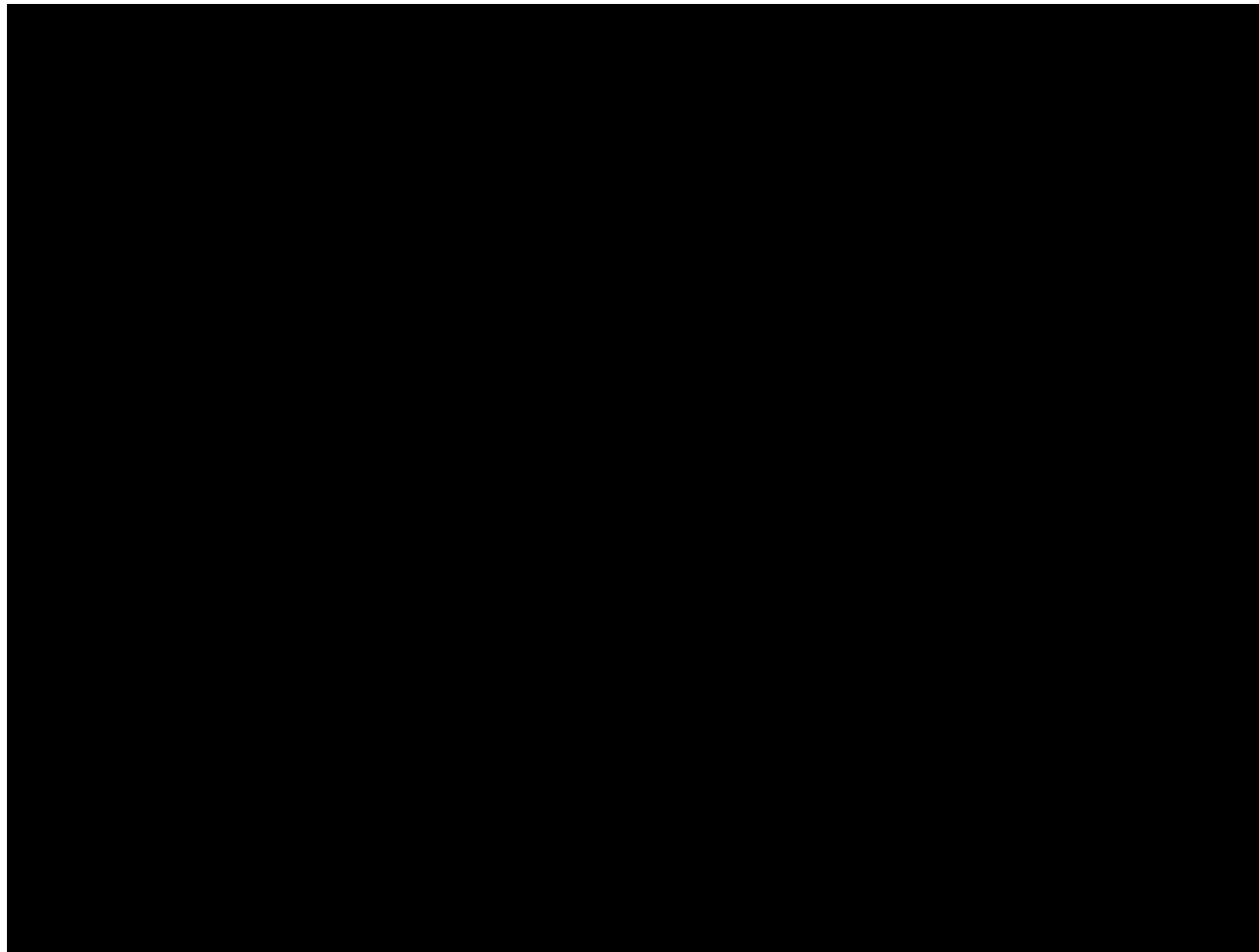


[RETURN](#)

Reaction to store — Alltel (Karen 2/28/07 11:00 a.m. - Individual)
05 Multhaup03.wmv

Video Clip #8 (Reaction to Brand Channel)

Click box
to play video

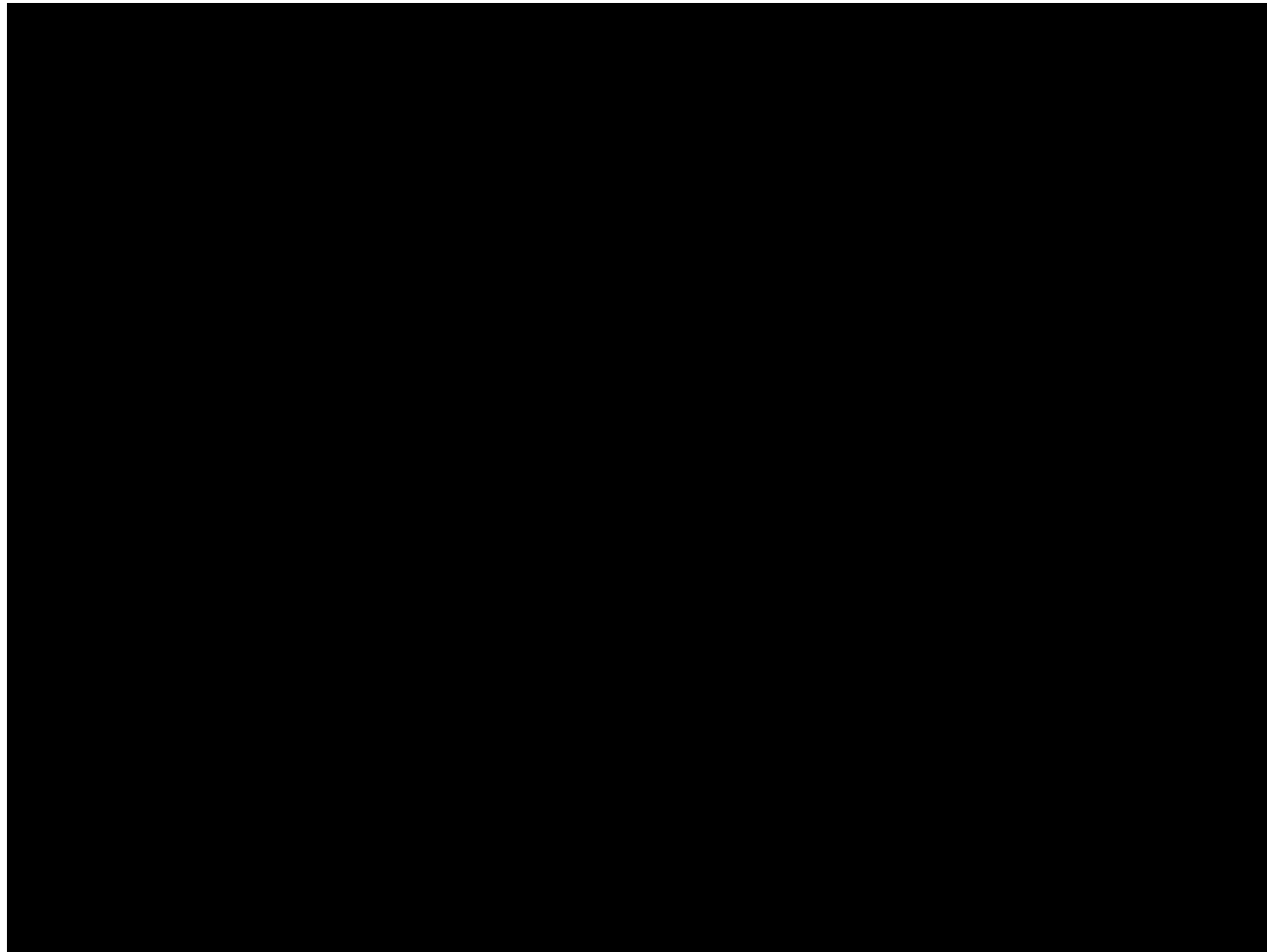


[RETURN](#)

Telescoping - Does not like Telescoping (Howard and Margaret 2/27/07 7:30 p.m. - Couple)
01 Austin02.wmv

Video Clip #9 (Reaction to Brand Channel)

Click box
to play video



[RETURN](#)

Telescoping - Encourages viewer to continue watching (Daniel & Theresa 2/28/07 5:30 p.m. - Family)

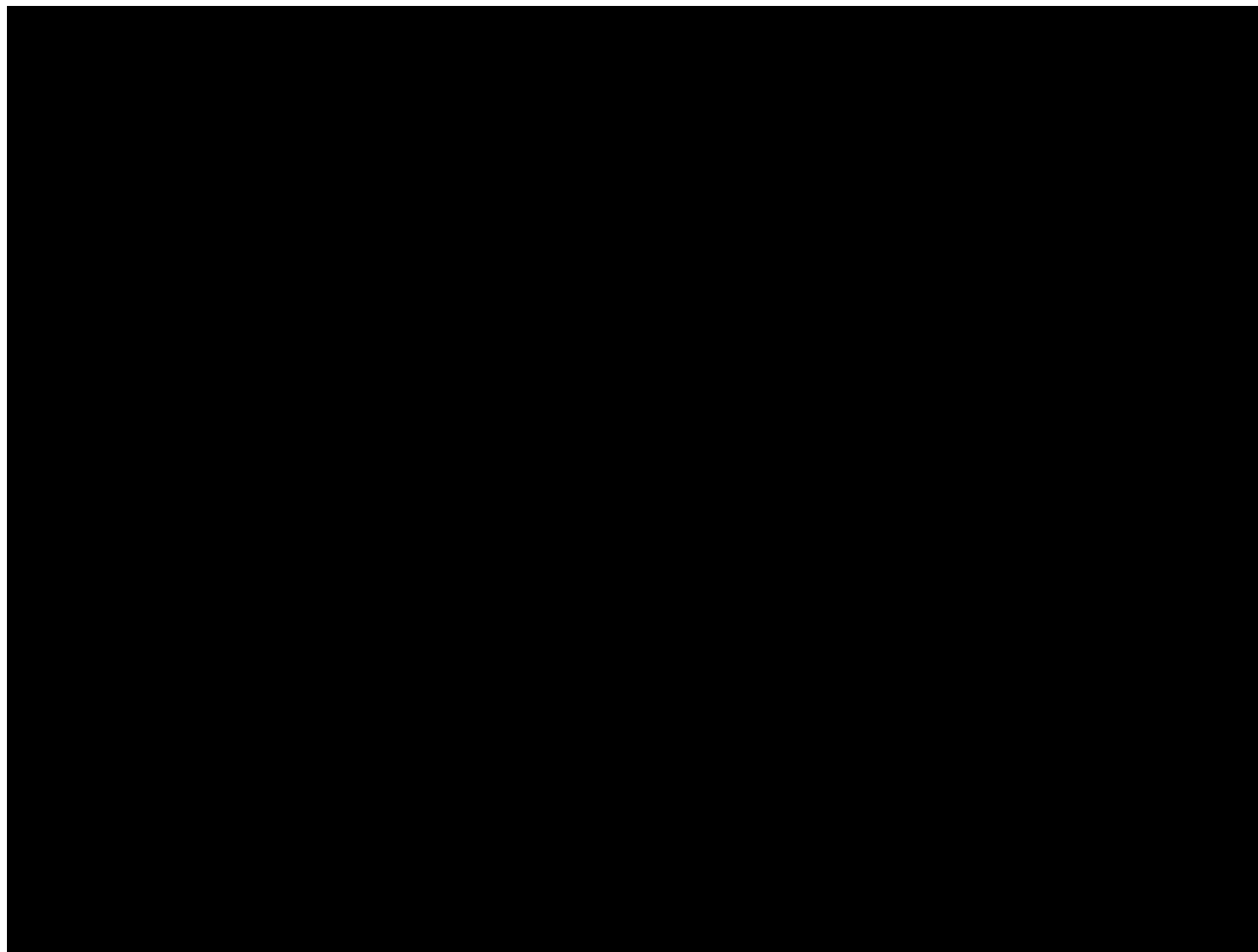
01 McFarland01.wmv



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Video Clip #10 (Reaction to Brand Channel)

Click box
to play video

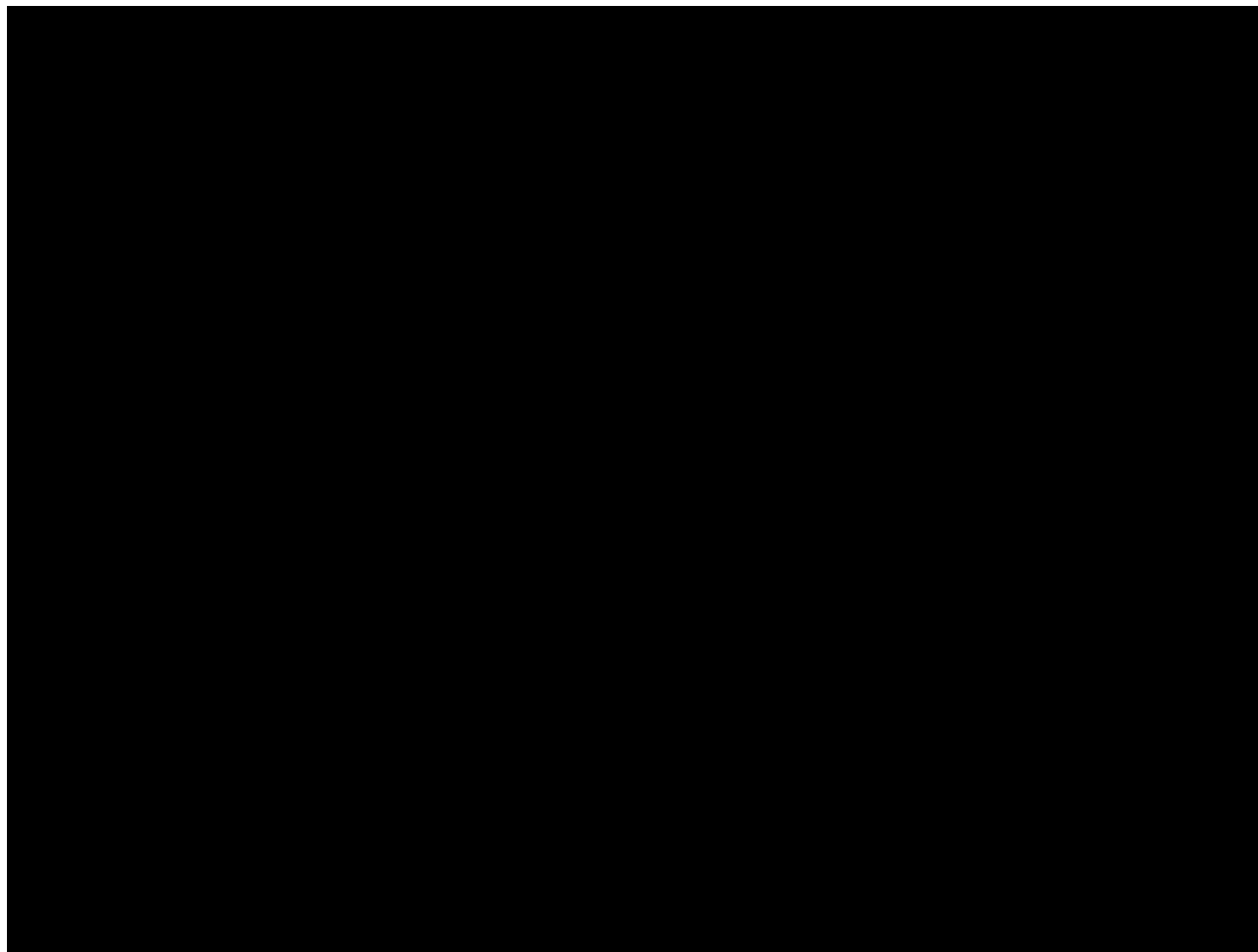


[RETURN](#)

Telescoping - Likes "2 stories" at once (David 2/27/07 2:00 p.m. - Individual)
01 Stiltner02wmv

Video Clip #11 (Reaction to Brand Channel)

Click box
to play video



[RETURN](#)

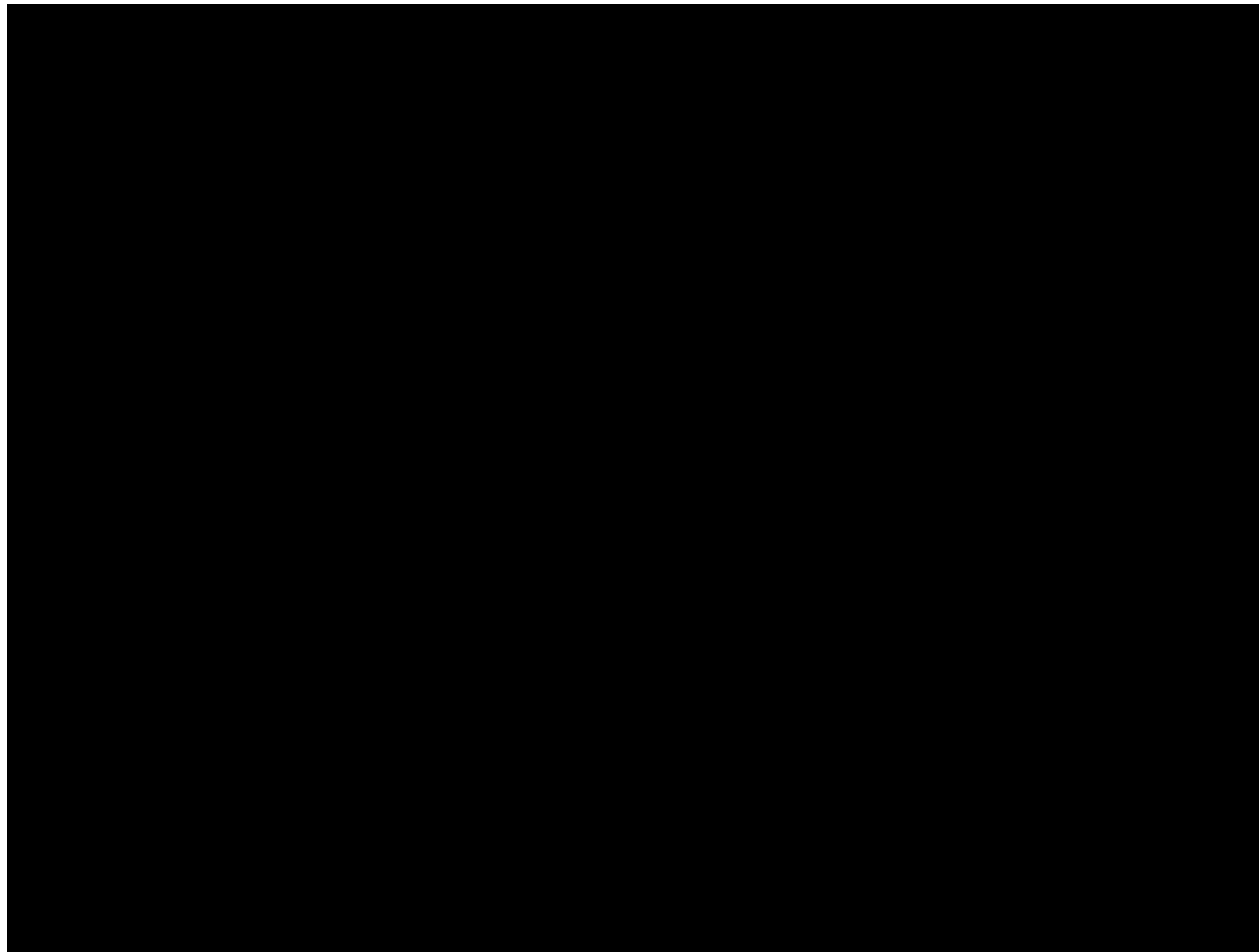
Free Sample - Likes the free offer – Will pay more attn (Howard & Margaret 2/27/07 7:30 p.m. - Couple)
02 Austin03wmv



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Video Clip #12 (Reaction to Brand Channel)

Click box
to play video

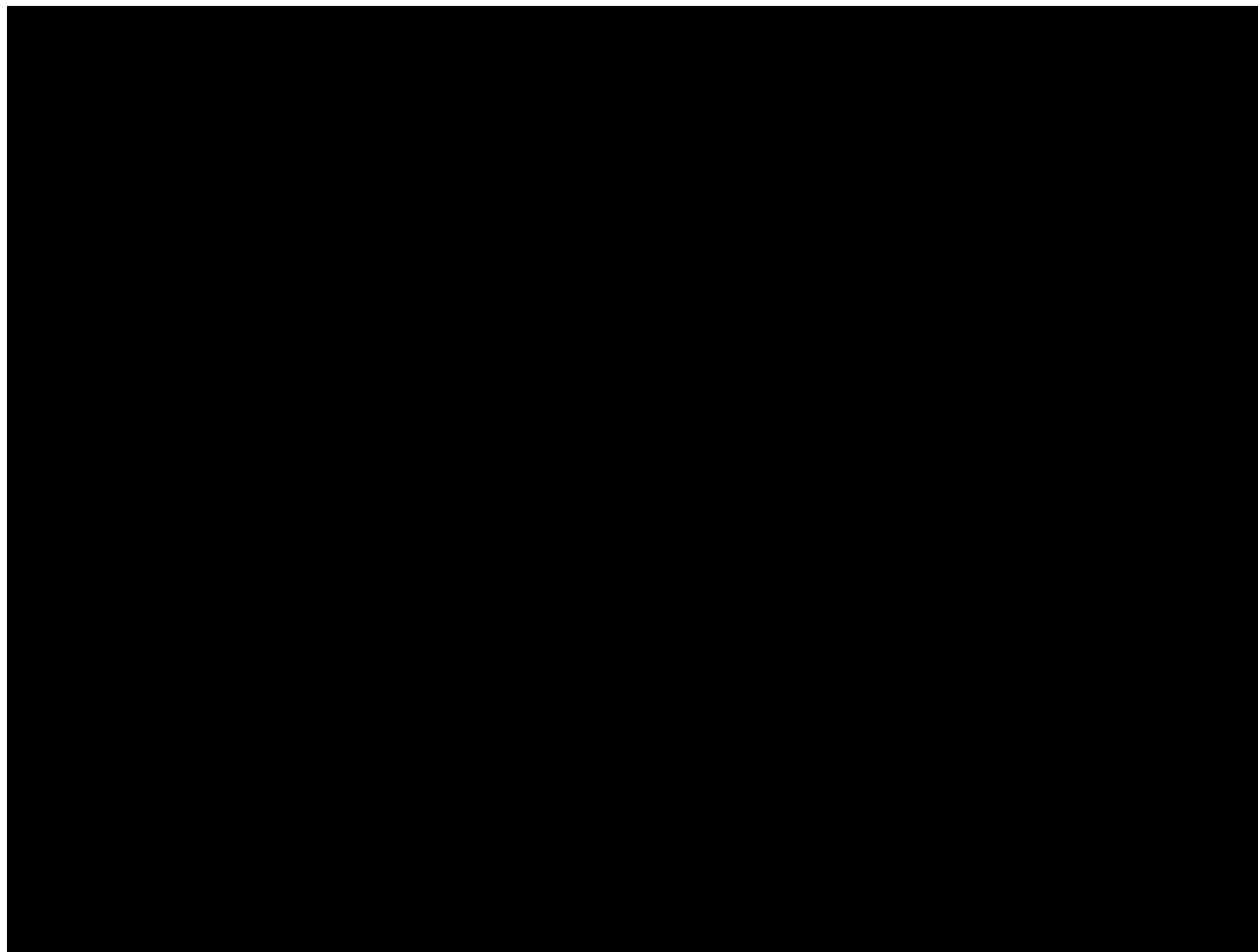


[RETURN](#)

Store - Placing orders on TV – Easy – Other items (Howard & Margaret 2/27/07 7:30 p.m. - Couple)
03 Austin04.wmv

Video Clip #13 (Reaction to Brand Channel)

Click box
to play video

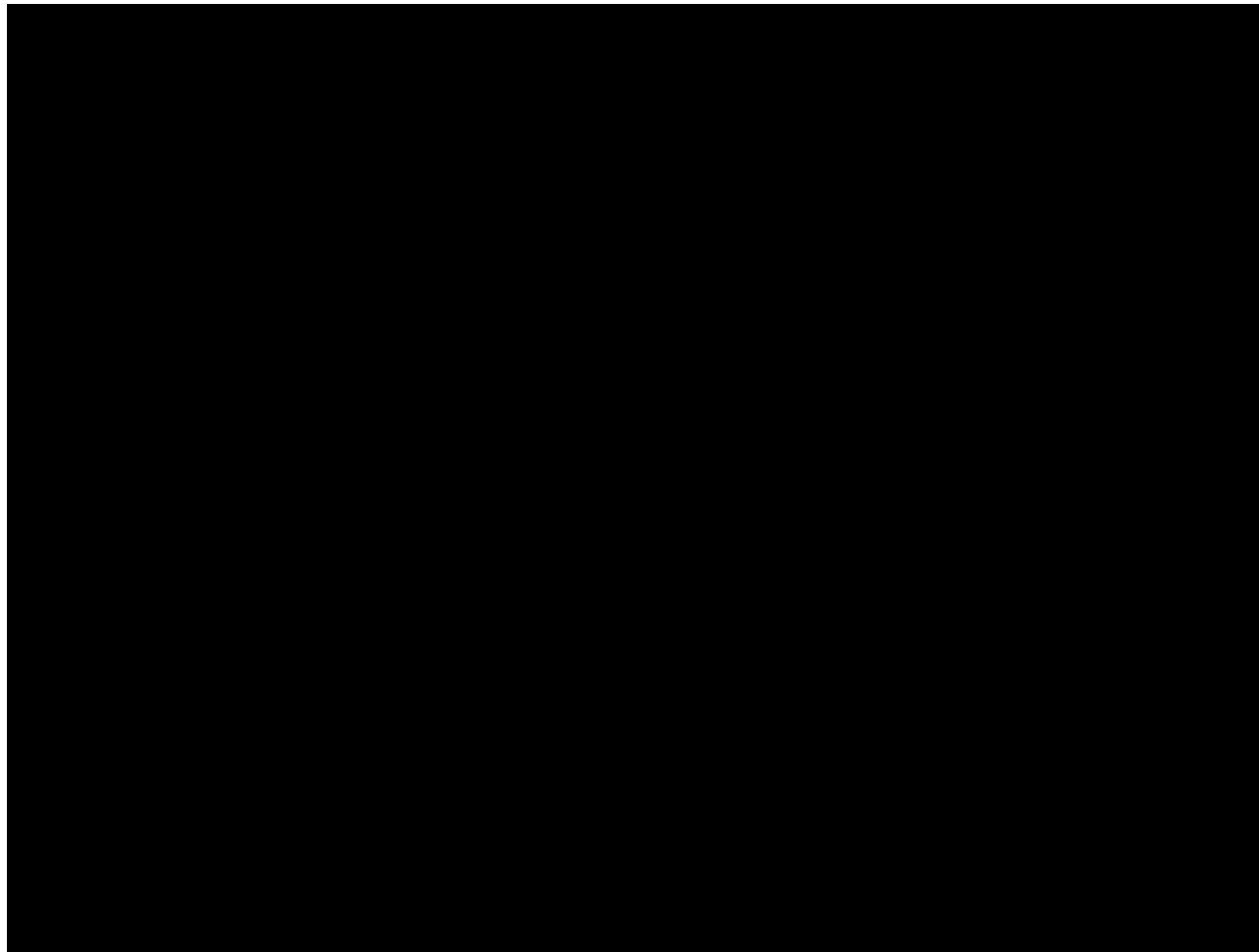


[RETURN](#)

*Store - Would order on TV – Would forget once gone – Other items (Daniel & Theresa 2/28/07 5:30
p.m. - Family)
03 McFarland02.wmv*

Video Clip #14 (Reaction to Brand Channel)

Click box
to play video

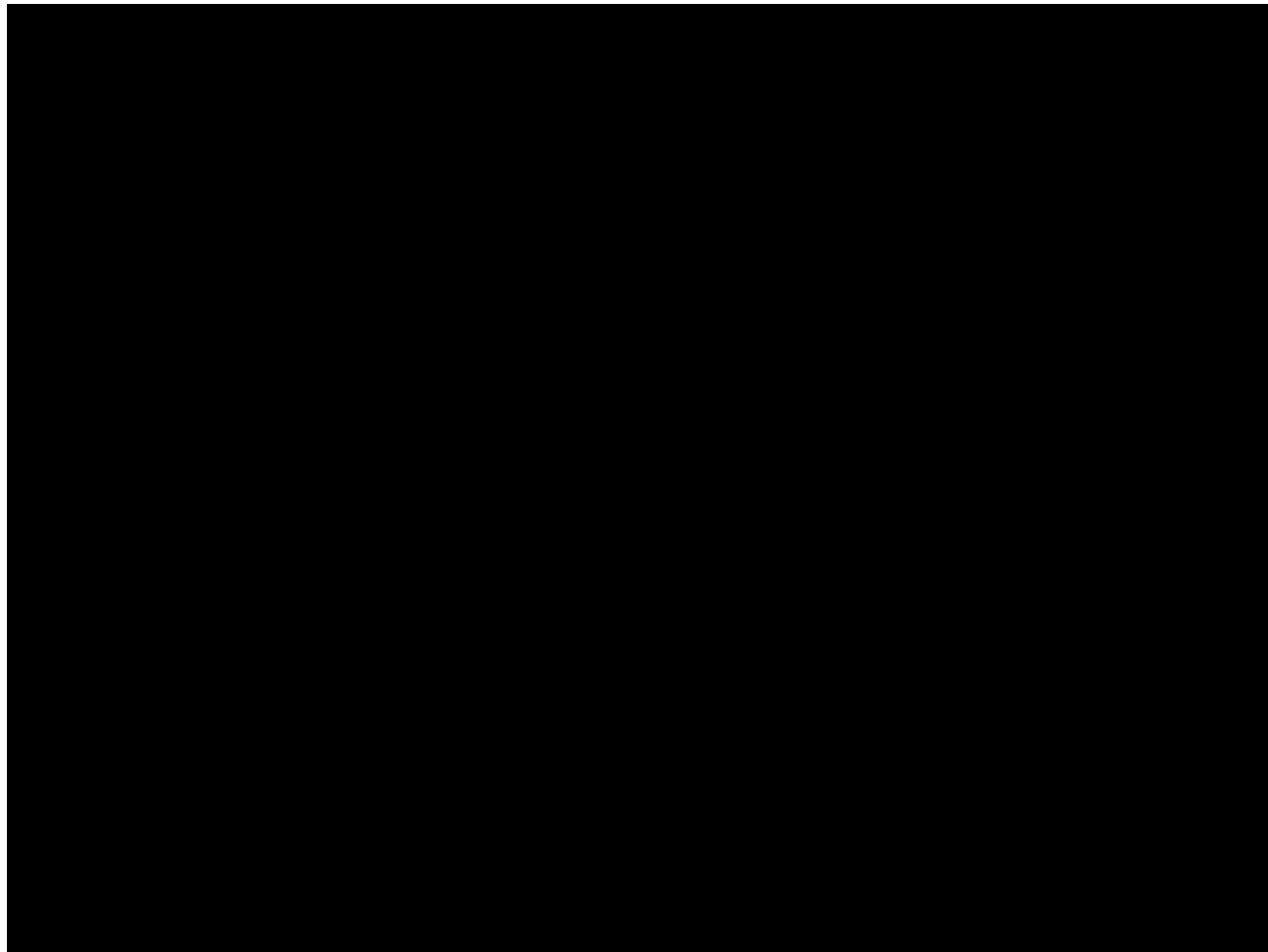


[RETURN](#)

Store – Not a buyer, but likes to browse (David 2/27/07 2:00 p.m. - Individual)
03 Stiltner03.wmv

Video Clip #15 (Reaction to Brand Channel)

Click box
to play video

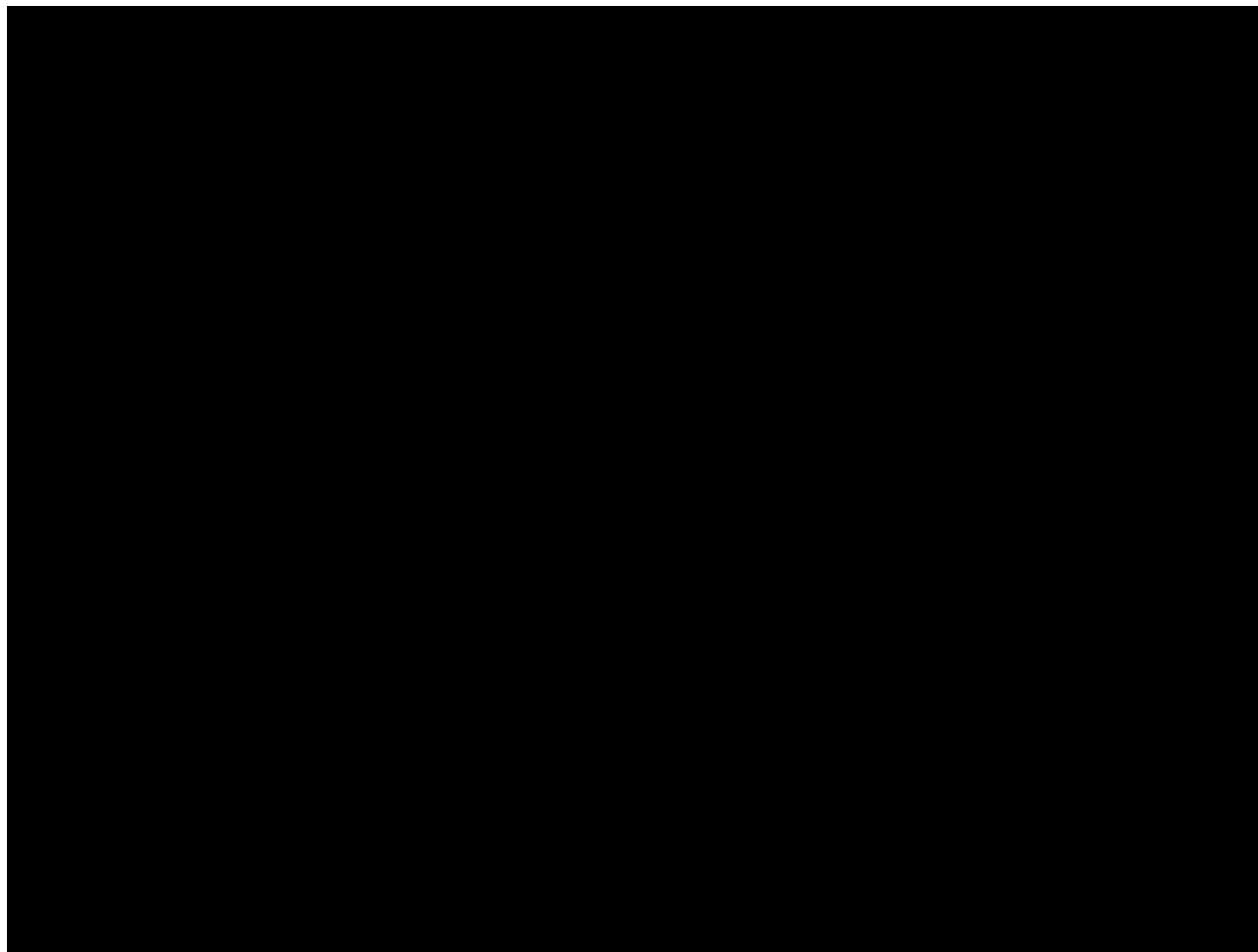


[RETURN](#)

Chevy - Likes getting details as long as interested (Howard and Margaret 2/27/07 7:30 p.m. - Couple)
04 Austin01.wmv

Video Clip #16 (Reaction to Brand Channel)

Click box
to play video

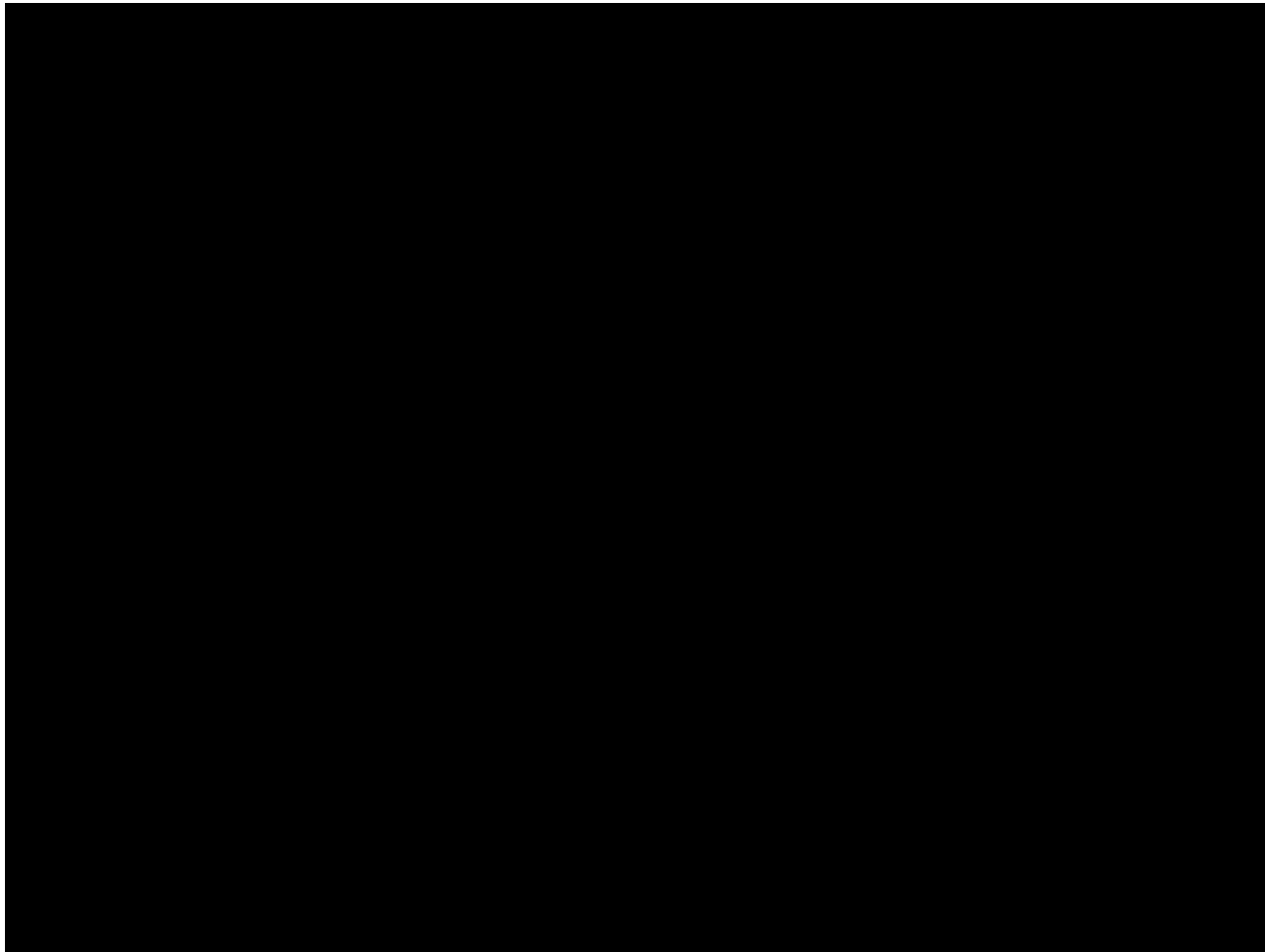


[RETURN](#)

Chevy – Intrusive – Other products that would benefit (Daniel & Theresa 2/28/07 5:30 p.m. - Family)
04 McFarland04.wmv

Video Clip #17 (Reaction to Brand Channel)

Click box
to play video

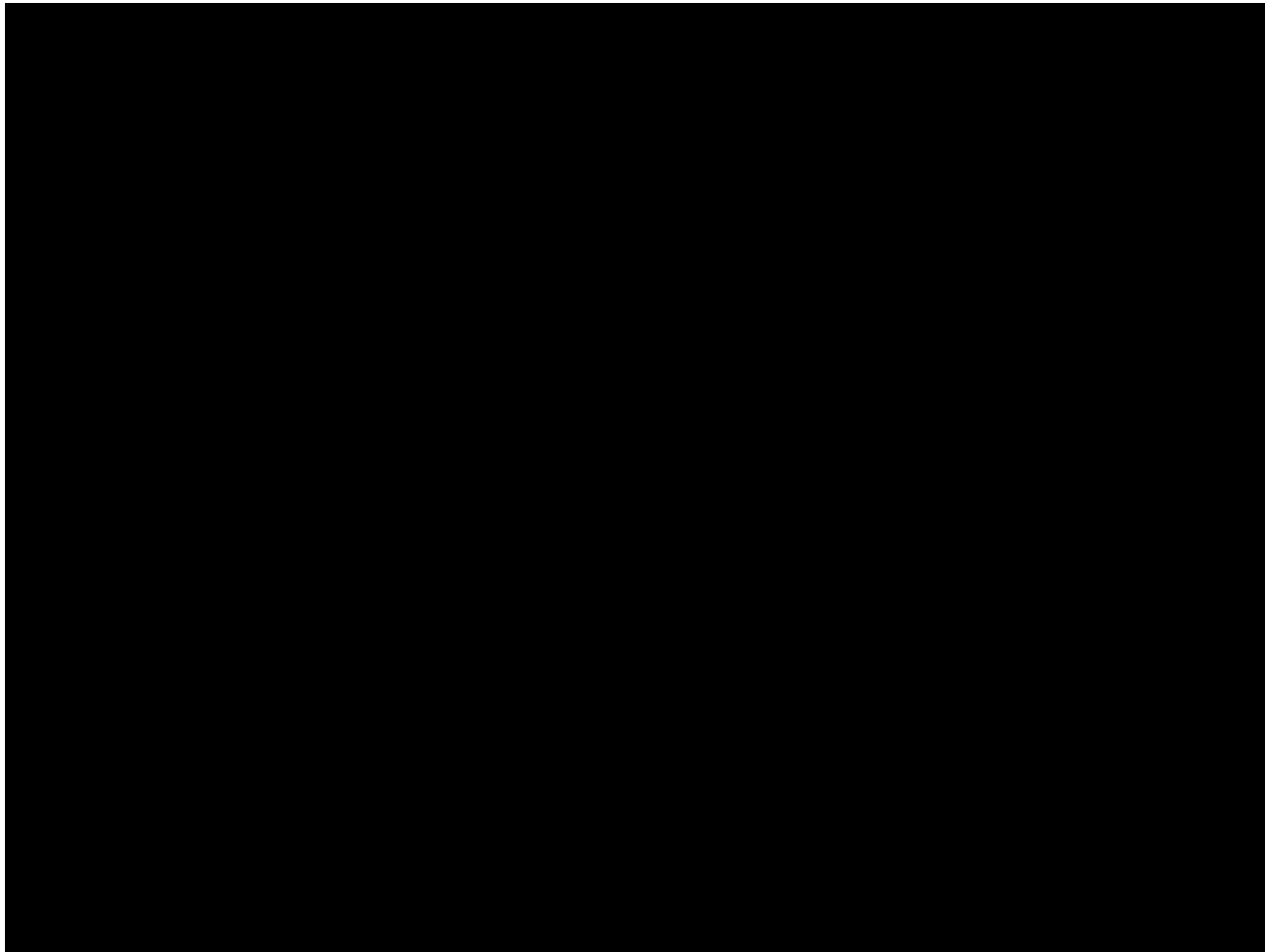


[RETURN](#)

Chevy – Likes interactivity and checking details (David 2/27/07 2:00 p.m. - Individual)
04 Stiltner01.wmv

Video Clip #18 (Reaction to Brand Channel)

Click box
to play video

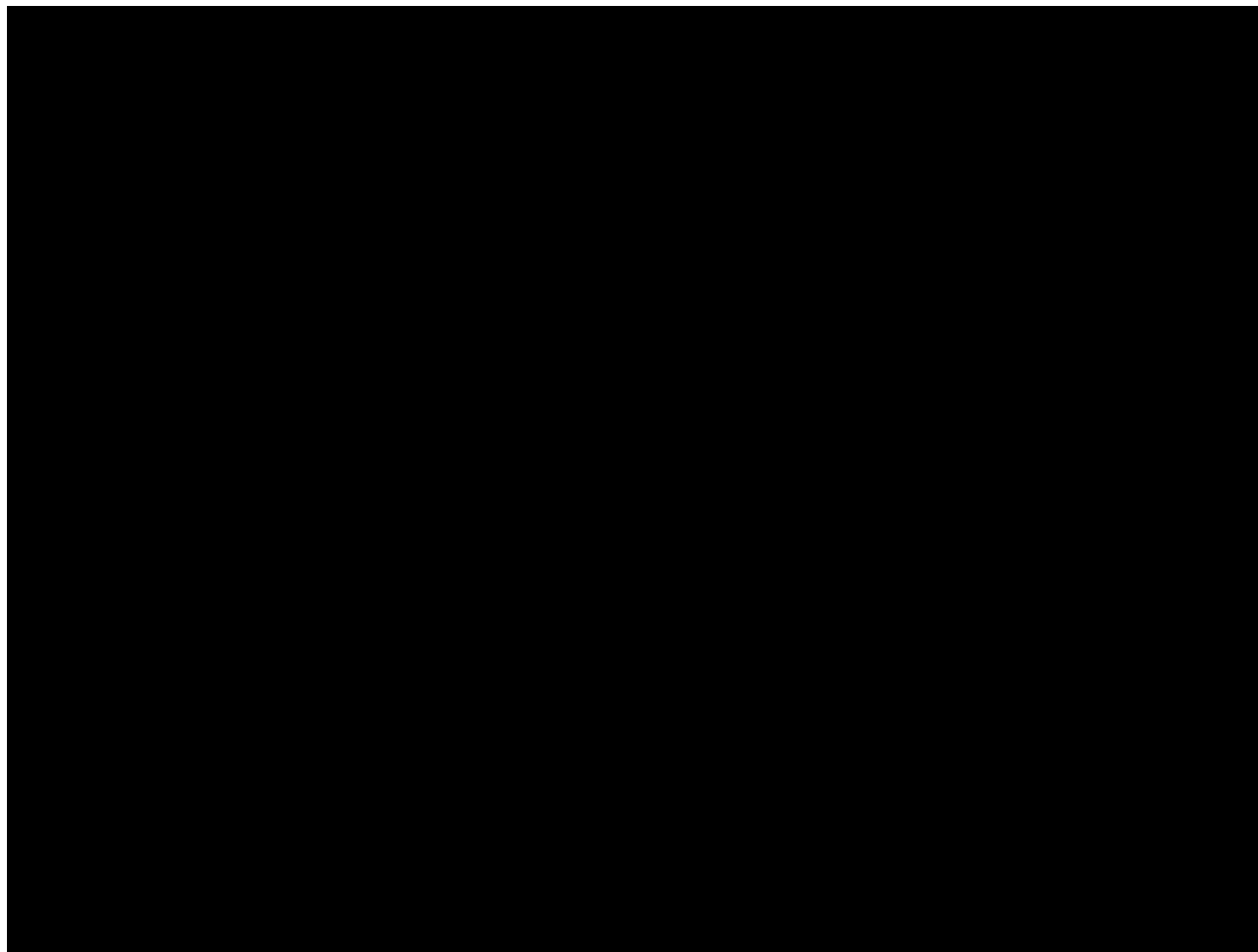


[RETURN](#)

Chevy – Likes video more than web, but would use (David 2/27/07 2:00 p.m. - Individual)
04 Stiltner04.wmv

Video Clip #1 (General Impressions)

Click box
to play video

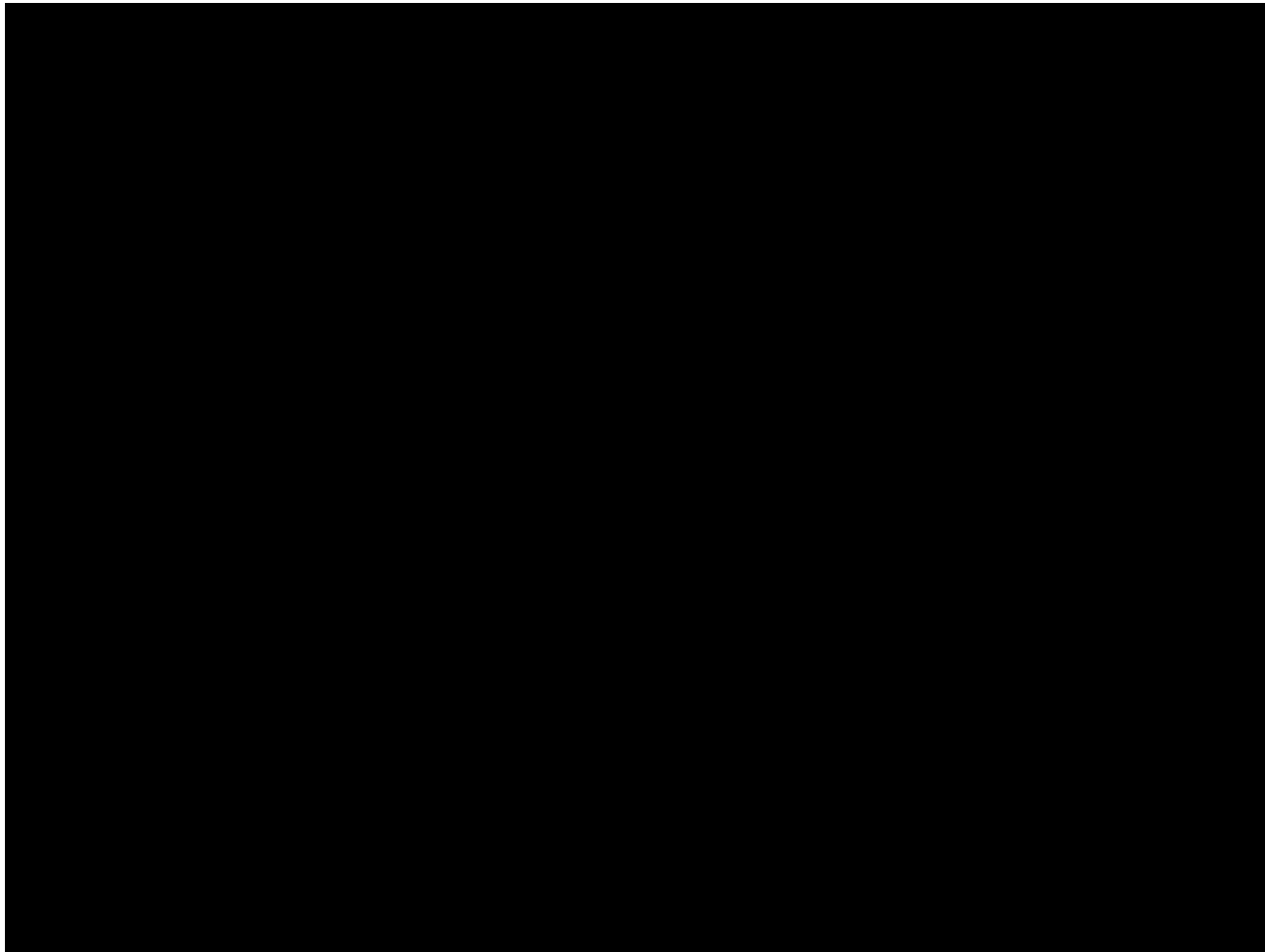


[RETURN](#)

The thing that interested them each most – Other impressions (Daniel & Theresa 2/28/07 5:30 p.m. - Family)
07 McFarland06.wmv

Video Clip #1 (TV Watching/Web Surfing)

Click box
to play video

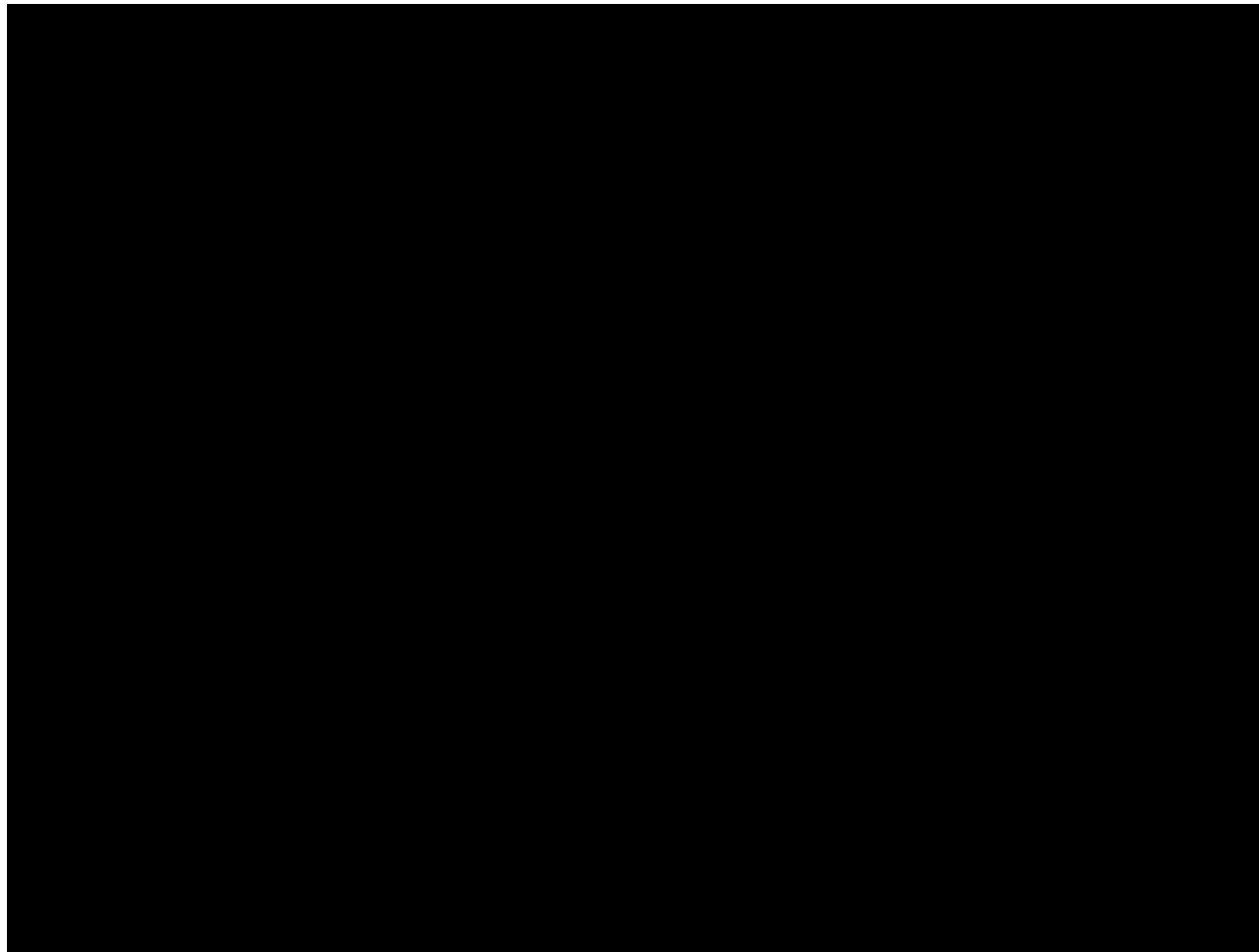


[RETURN](#)

*Seen ads on TV and caught their attention (Richelle & Daryl 3/1/07 3 p.m. - Couple)
05 Rembert-Barkley01.wmv*

Video Clip #2 (TV Watching/Web Surfing)

Click box
to play video

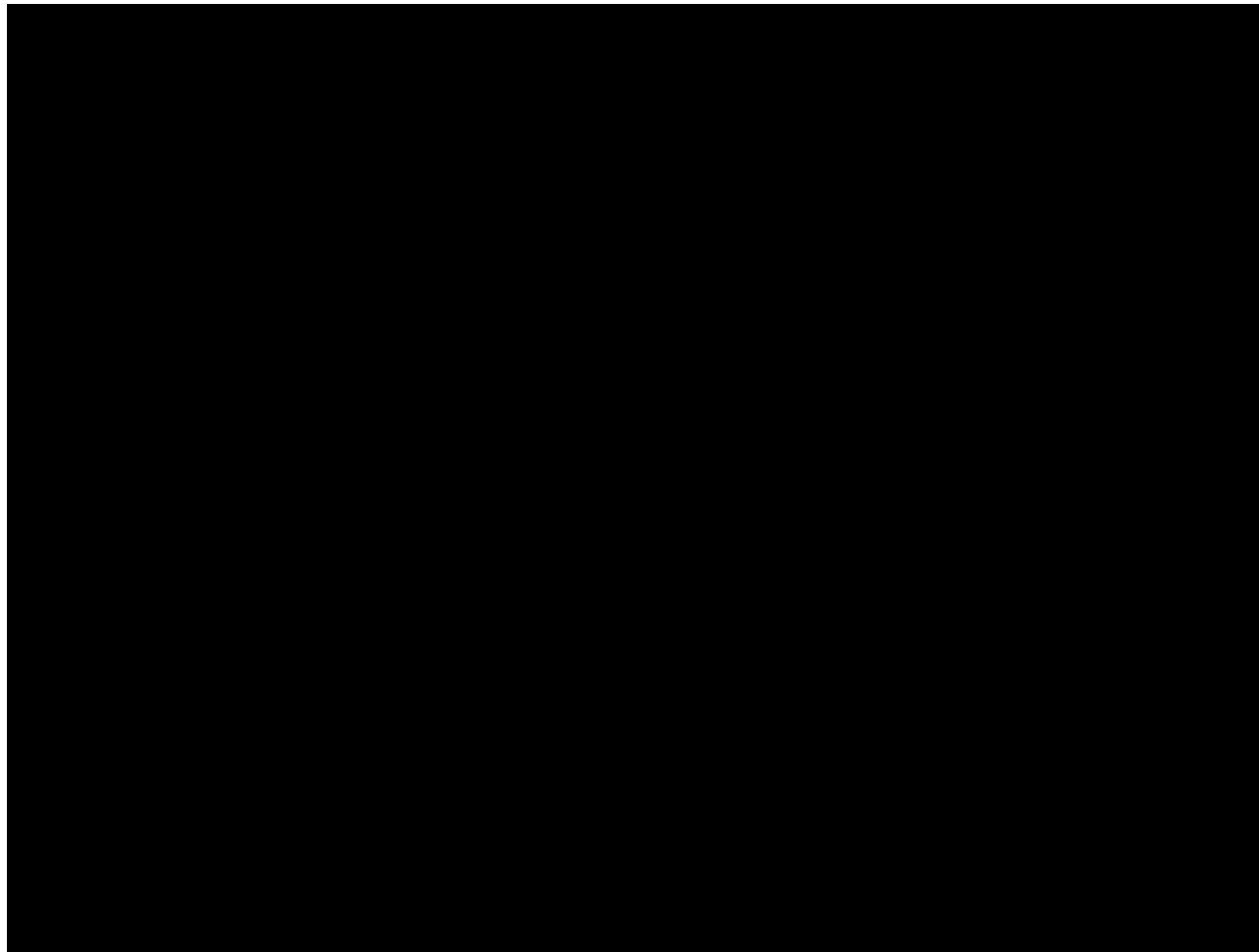


[RETURN](#)

*Location of remote and ownership of remote (John & Marcia 2/27/07 5:30 p.m. - Family)
05 Yates01.wmv*

Video Clip #3 (TV Watching/Web Surfing)

Click box
to play video

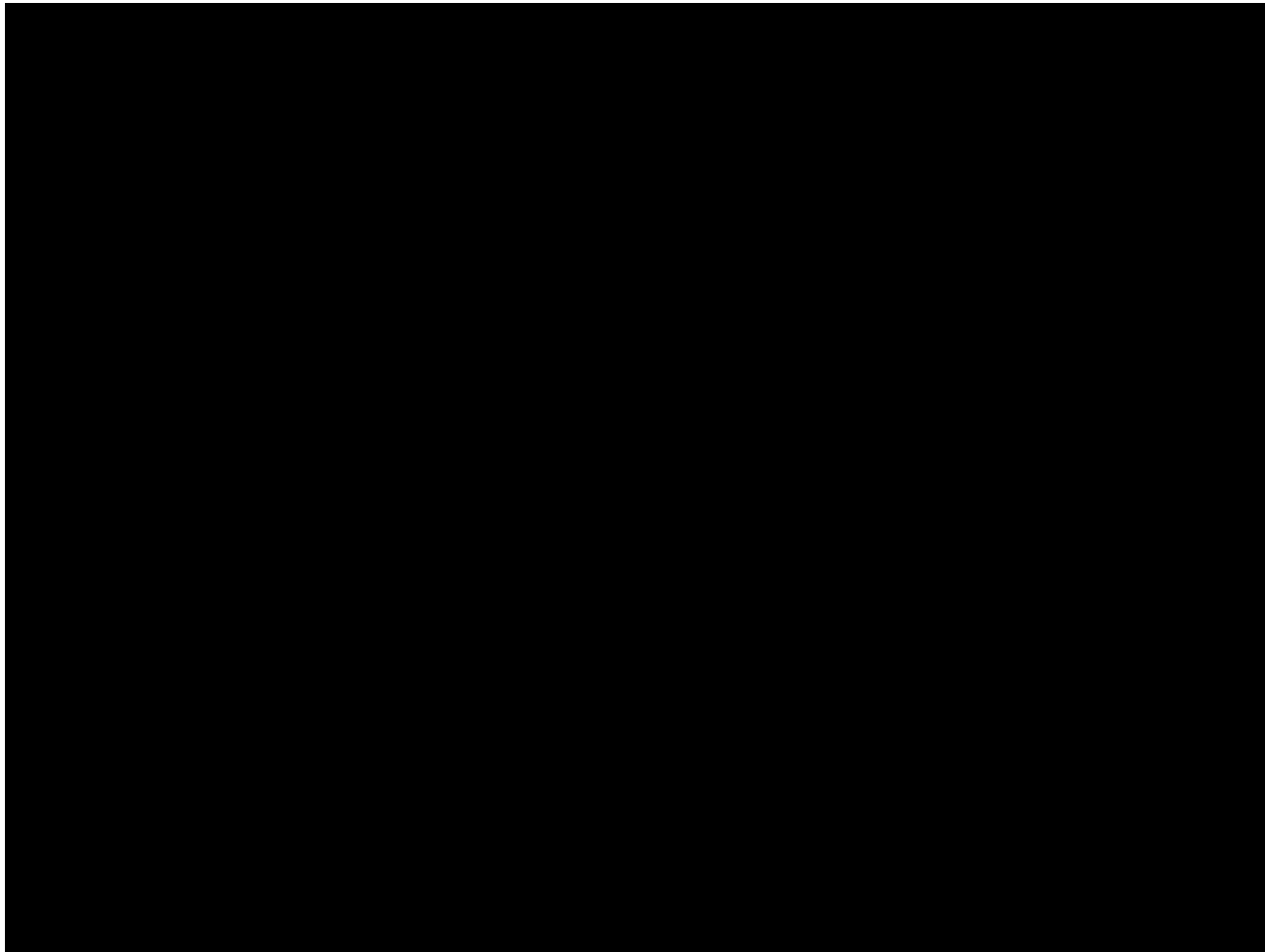


[RETURN](#)

Other ads would pause while looking at ad (Karen 2/28/07 11:00 a.m. - Individual)
05 Multhaup03.wmv

Video Clip #4 (TV Watching/Web Surfing)

Click box
to play video

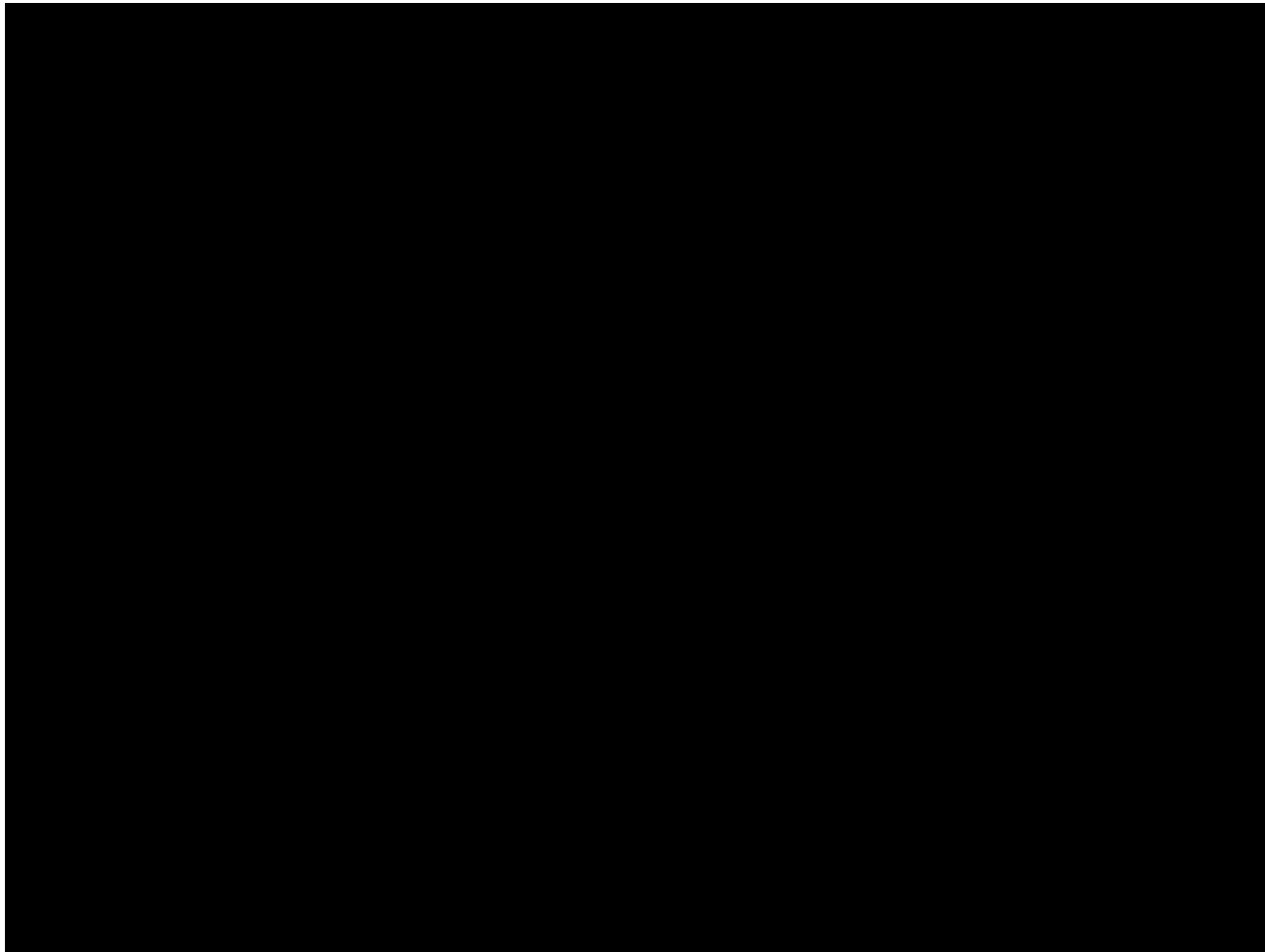


[RETURN](#)

Commercials have an Internet feel (David 2/27/07 2:00 p.m. - Individual)
05 Stiltner05.wmv

Video Clip #1 (Personal Data)

Click box
to play video

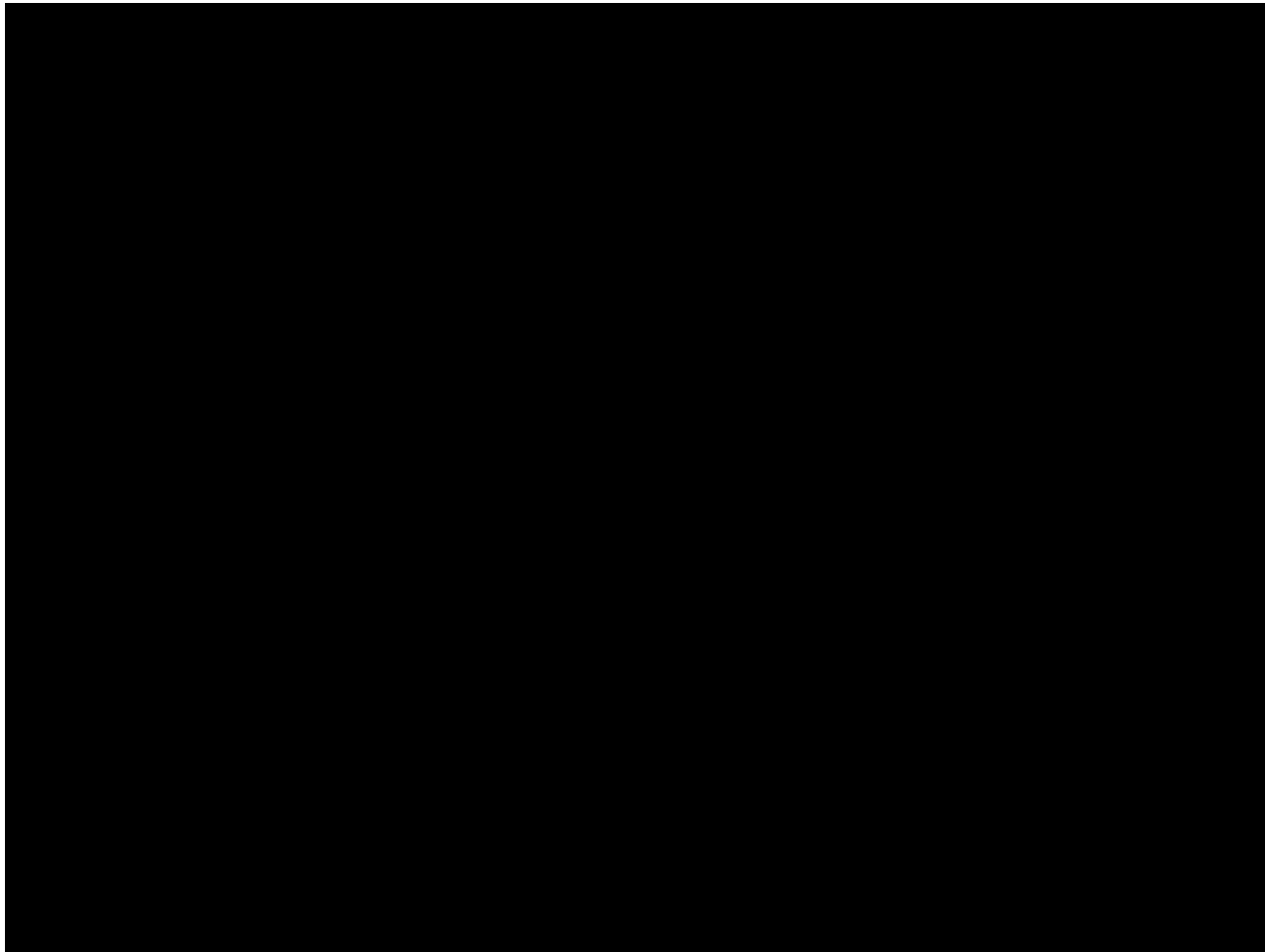


[RETURN](#)

Ads that are relevant to ones interests - reaction (Richelle & Daryl 3/1/07 3:00 p.m. - Couple)
06 Rembert-Barkley03.wmv

Video Clip #2 (Personal Data)

Click box
to play video

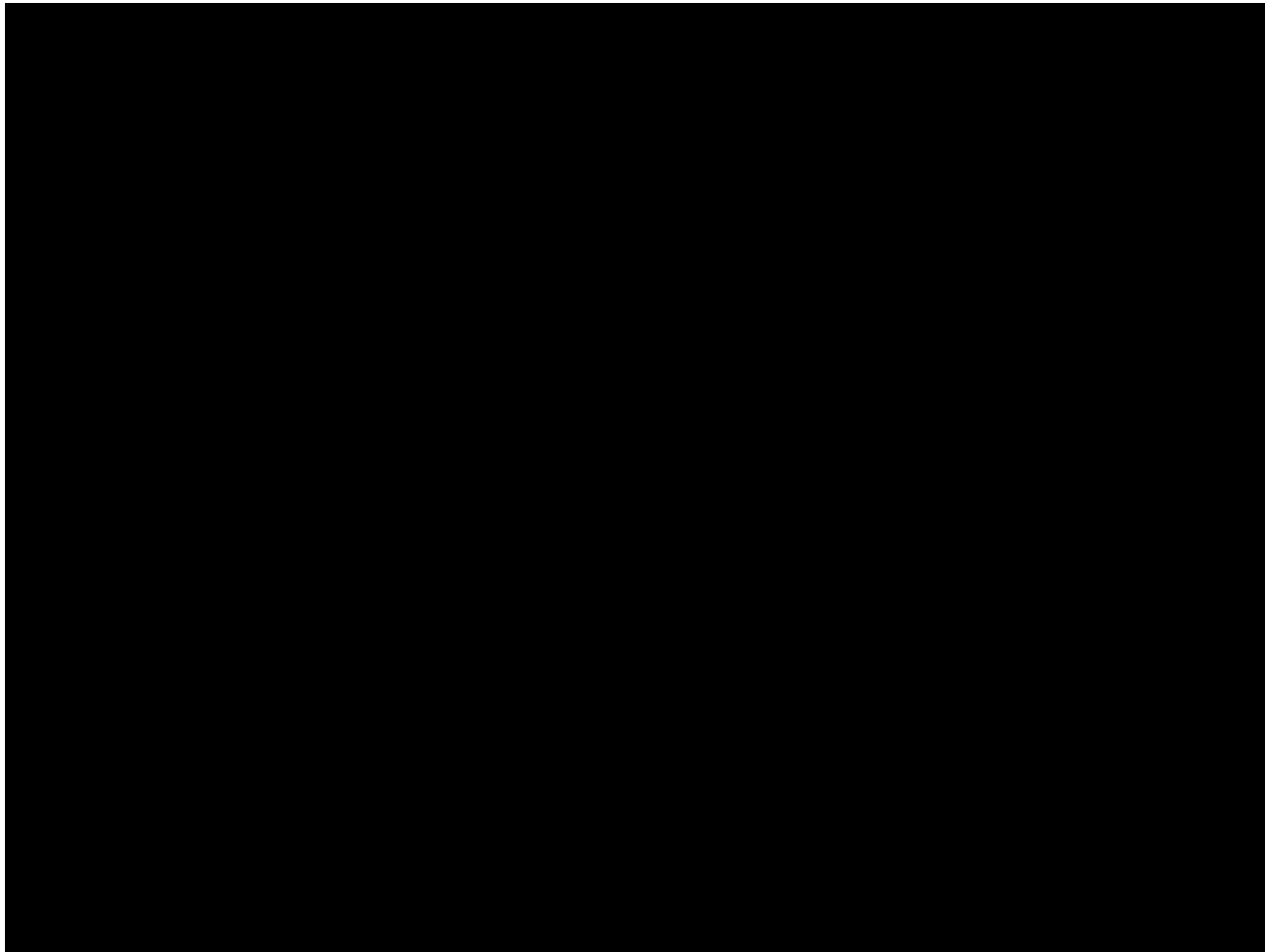


[RETURN](#)

*Effect of ads on how one watches TV at home – more time watching TV
(John & Marcia 2/27/07 5:30 p.m. - Family)
06 Yates03.wmv*

Video Clip #3 (Personal Data)

Click box
to play video

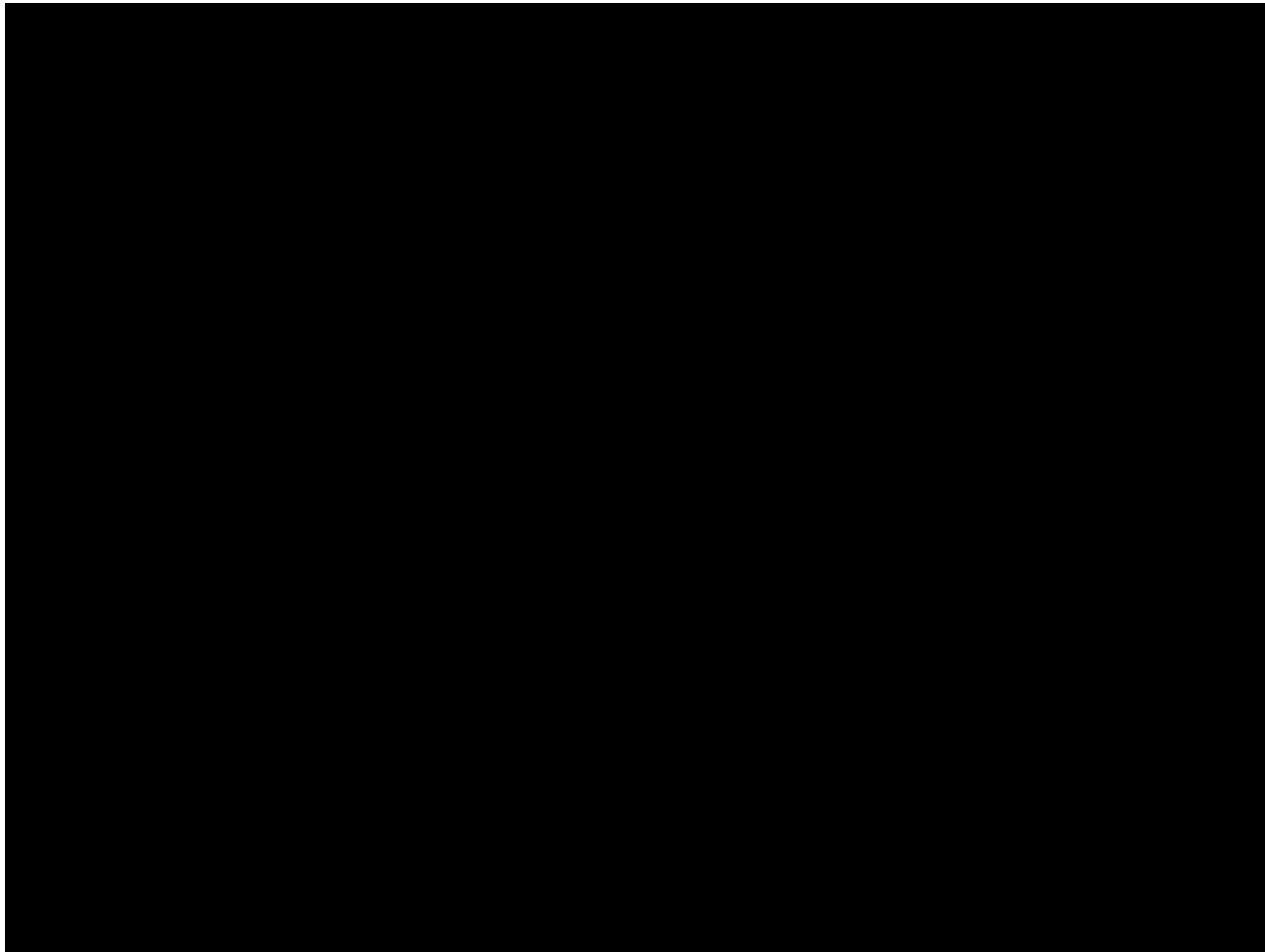


[RETURN](#)

Ads focused on person's interest i.e. restaurants (John & Marcia 2/27/07 5:30 p.m. - Family)
06 Yates04.wmv

Video Clip #4 (Personal Data)

Click box
to play video

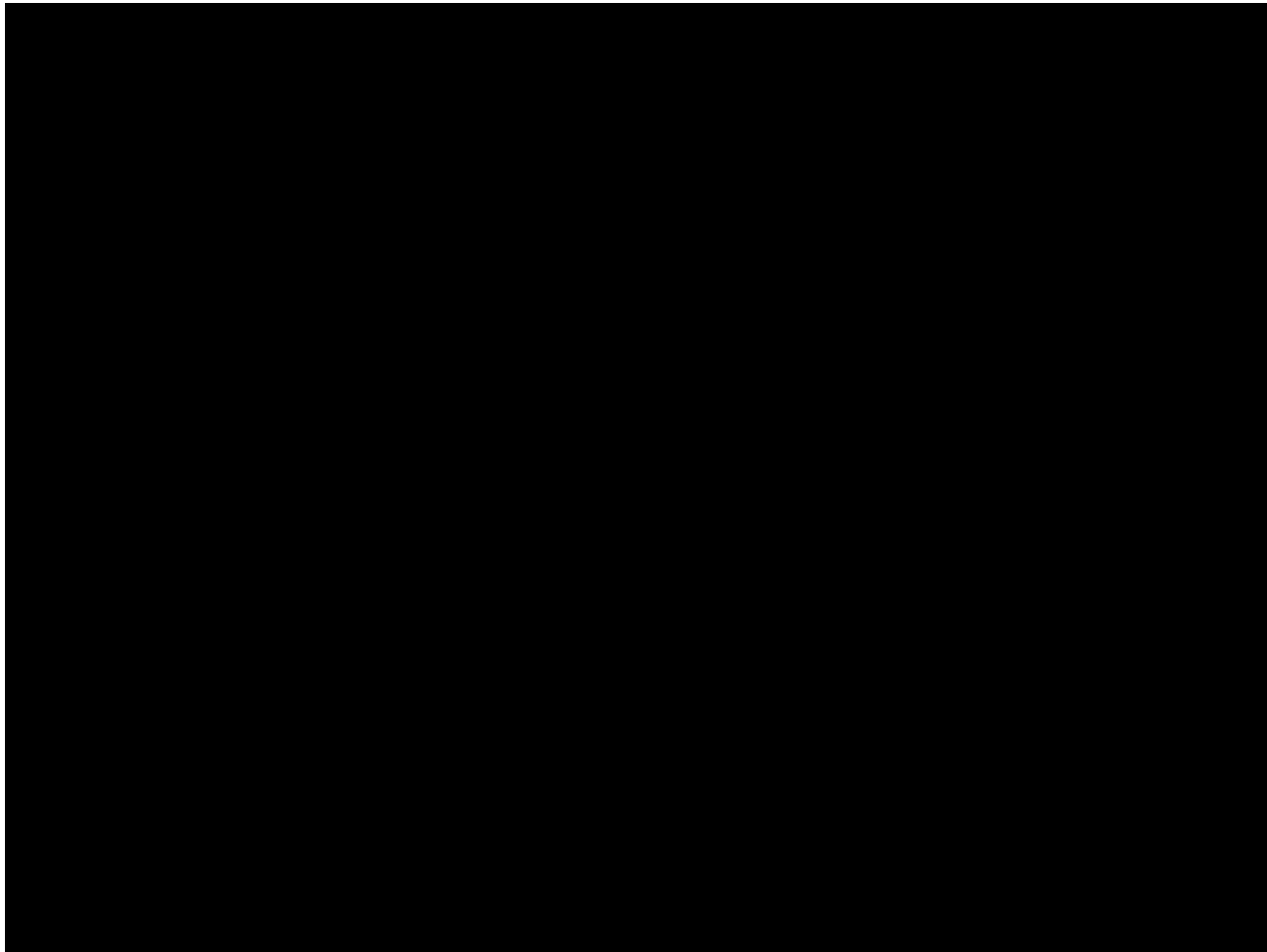


[RETURN](#)

Reaction to personalized advertising (Howard and Margaret 2/27/07 7:30 p.m. - Couple)
06 Austin05.wmv

Video Clip #5 (Personal Data)

Click box
to play video

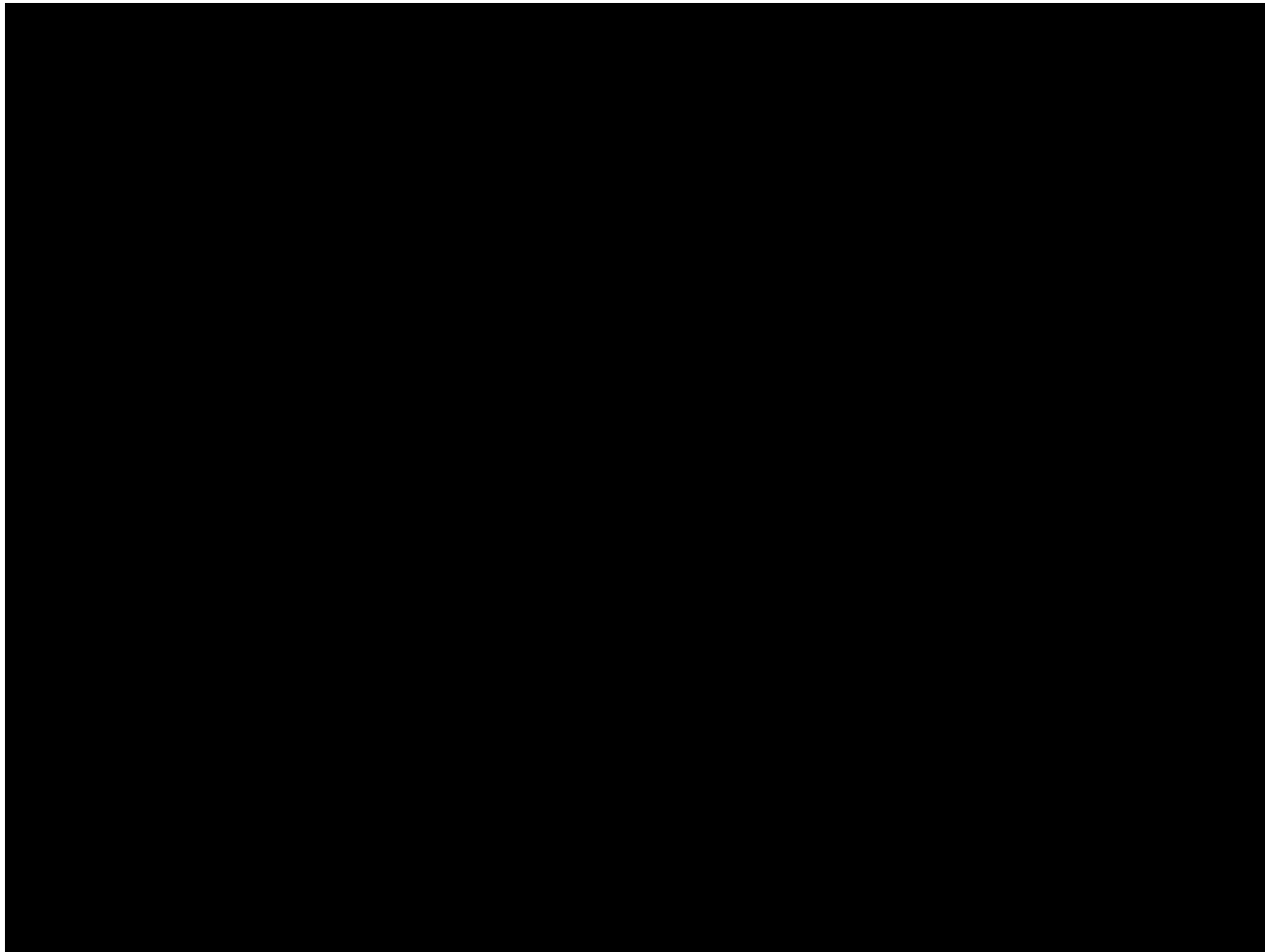


Where the bill is coming from (Daniel & Theresa 2/28/07 5:30 p.m. - Family)
06 McFarland03.wmv

[RETURN](#)

Video Clip #6 (Personal Data)

Click box
to play video

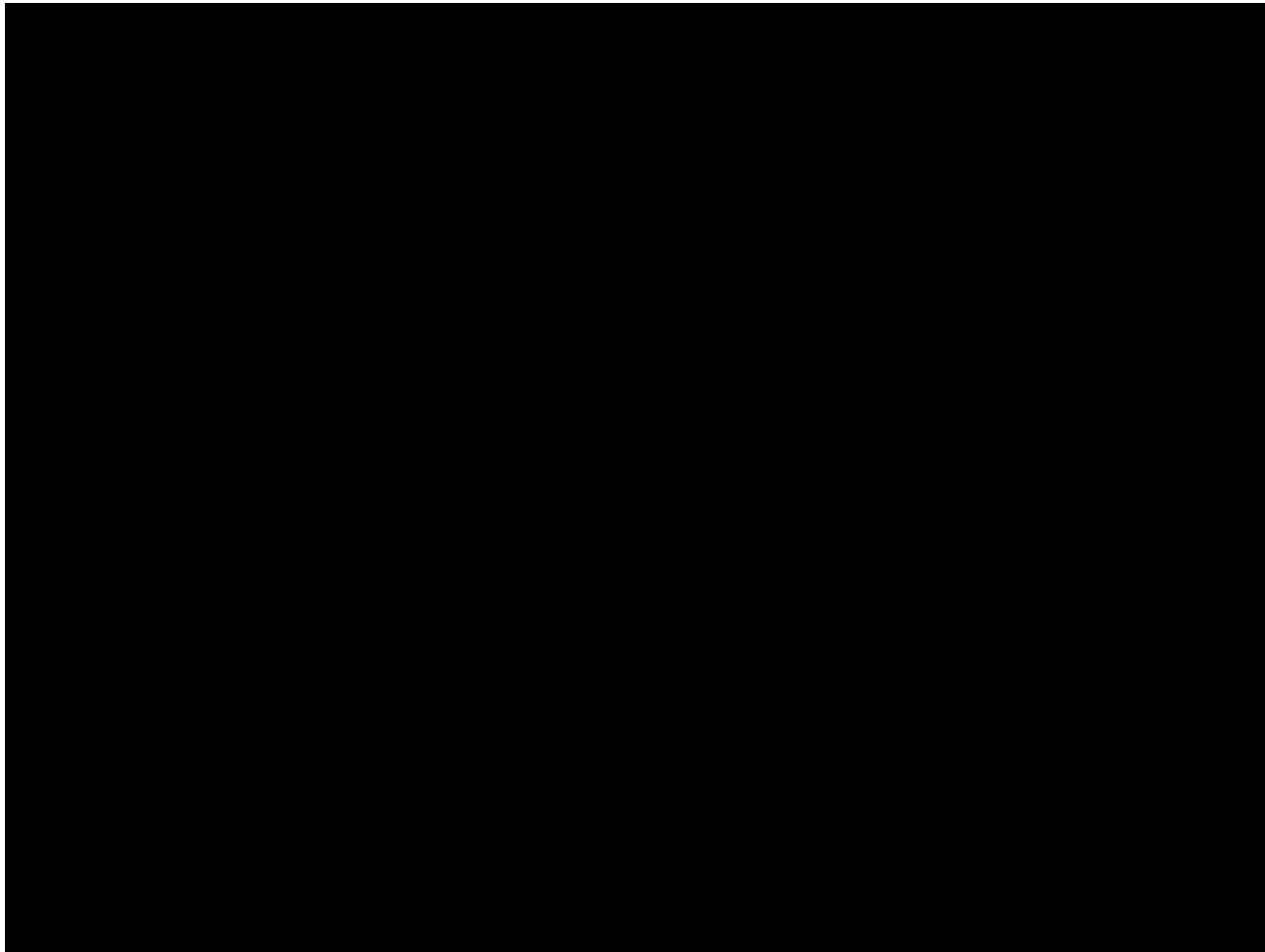


[RETURN](#)

Trustworthiness of companies (Daniel & Theresa 2/28/07 5:30 p.m. - Family)
06 McFarland05.wmv

Video Clip #7 (Personal Data)

Click box
to play video



[RETURN](#)

What does the system need to know? (David 2/27/07 2:00 p.m. - Individual)
06 Stiltner06.wmv