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The Struggle to Develop Audience Measurement Tools for Digital Video

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The digital video audience measurement industry is a highly competitive, rapidly evolving business segment. Digital STBs and digital video both produce Census-based, real-time or near-current viewer data, which is unavailable through traditional audience measurement means. To date, there is no scalable, single-source system or standard to provide both TV and online video audience metrics and can determine if or how the two mediums complement or overlap one another from a usage and advertising perspective. Complicating matters is the reality that most standard TV audience methodologies do not easily translate to the digital media realm.

From the ad buyer's viewpoint, reaching audiences, calculating ratings, and gauging advertising campaign ROAS and ROI is complex and challenging due to the vast amounts of user data available in the marketplace. Advertisers and content owners require an integrated video metric to deliver efficient, measurable multiplatform video campaigns and evaluate advertising performance.

This dearth in cross-platform measurement is an immense gap in the industry, one that needs to be filled quickly as more and more consumers, especially those in key demographic categories, embrace the mixed-media usage model in video consumption.

Parks Associates forecasts there will be almost 215 million online video viewers in the U.S. by 2014. The industry will need a scalable metric systems to track these viewers across platforms, especially if advertisers hope to enact personalized and targeted ad campaigns.

There are many digital video audience measurement firms, including companies focused solely on digital TV measurement, online video measurement, and firms offering both – cross-platform video audience data. Although not deemed a direct threat to existing measurement firms, the major digital TV and online video ad campaign management services supply post-campaign reporting figures.

To date, no one firm offers an integrated, single-source digital video audience measurement product. With that said, Nielsen is slightly ahead of its rival firms with plans to release a version of its traditional TV commercial ratings that will incorporate online video views sometime during Spring 2011. Nielsen originally planned to include online video viewing in its Extended Screens report beginning January 31, 2011. However, the product is delayed due to the technical complexity of developing a single-source TV/PC video metric.

Parks Associates' latest report [Cross-Platform Ad Metrics & Reporting](#) provides a competitive analysis and complete profiles of the digital video audience measurement firms. We based this analysis on customer value (i.e., which firm is strategically positioned to produce an industry-recognized audience metric system that extends across the digital TV and online video platforms). The following criterion, including order of importance, was the foundation for the competitive assessment.

1. **Products/Services** – number of products, diversity of products, and market share
2. **Customer Value** – service and quality attributes, number and types of clients
3. **Technology/Methodology** – R&D expertise, proprietary technology, and client access to data
4. **Strategy** – future plans, corporate portfolio, and resources
5. **Financial** – financial stability and sustainable growth

Using these standards, Parks Associates determined Nielsen, Kantar Media, TiVo, Arbitron, and Rentrak are currently the primary firms providing cross-platform video audience measurement services. comScore is a leader in Internet measurement, but the firm has yet to develop a product or service to collect television viewing data. Instead, these five firms are in the best position at present, due to strategic focus and current capabilities, to emerge as leaders in producing an integrated TV and online video audience measurement standard.

Read Parks Associates' latest report [Cross-Platform Ad Metrics & Reporting](#) for full details on this competitive analysis and profiling.

About Parks Associates

Parks Associates is an internationally recognized market research and consulting company specializing in emerging consumer technology products and services. Founded in 1986, Parks Associates creates research capital for companies ranging from Fortune 500 to small start-ups through market reports, primary studies, consumer research, custom research, workshops, executive conferences, and annual service subscriptions.

The company's expertise includes new media, digital entertainment and gaming, home networks, Internet and television services, digital health, mobile applications and services, consumer electronics, energy management, and home control systems and security.

Each year, Parks Associates hosts executive thought leadership conferences CONNECTIONS™, with support from the Consumer Electronics Association (CEA)®, and CONNECTIONS™ Europe.

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About the Author

Heather Way studies digital media advertising services and platforms as well as consumer research focusing on digital entertainment, digital media habits, and consumer advertising preferences.

Prior to joining Parks Associates, Heather worked in the Dallas-Fort Worth media market for thirteen years, holding positions as Director of Advertising, media planner and buyer, national sales representative, and training coordinator. Most recently, Heather taught as an adjunct professor in the Department of Radio, Television, and Film at the University of North Texas.

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INDUSTRY EXPERTISE: Digital Media, Emerging Advertising Technologies, and Digital Video Advertising



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