

WHAT WE'LL COVER

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 - Evan Krauss, executive VP, advertising sales, Shazam
 - Marie-José Montpetit, research scientist, MIT
 - Evan Shapiro, president, Participant Television
 - Mike Wiese, director, branded entertainment, JWT New York

A note to readers: To make the report easy to navigate, we've added hyperlinks to this page so you can jump immediately to the items that most interest you (or, alternatively, you can read the material straight through).

An iPad and a Nokia smartphone are shown side-by-side. The iPad screen displays a solid magenta background with the text 'BACKGROUND AND METHODOLOGY' in white. The Nokia smartphone screen displays a dark blue background with the text 'JWT' in white. Both devices are reflected on the surface below them.

BACKGROUND AND METHODOLOGY

JWT

SECOND SCREEN

The “second screen” (smartphones, tablets, PCs) and how it complements the first screen (TV) have become hot topics over the past year, but the phenomenon isn’t new: Nielsen was reporting on Internet/TV multitasking four years ago, and one of our 10 Trends for 2009 was the idea of Distraction as Entertainment. But today the spike in connected screens and services that link them with the big screen is creating intriguing new possibilities for TV broadcasters and marketers alike.

The second screen can turn TV viewing into a shared experience (“social TV”), enable fans to go deeper into the story world, allow instant follow-up on a call to action, extend a message beyond the limits of 30 seconds—and the list goes on. Perhaps most important to marketers, it means integration in communications will reach a much more mature level thanks to the mobile, seamless and multiscreen interaction in which consumers will be immersed. While the fight for engagement will be more fierce, ROI will improve thanks to more targeted, personalized and therefore meaningful branded experiences.

“TV was a big part of our lives, then it was popular to bash TV as a very passive viewing experience. Now brands and clients realize that it’s not really passive because of the ability to interact, connect with content, and also the multiple devices people have when they’re viewing TV.”

—BOB JEFFREY, Worldwide CEO and chairman, JWT, “*Worldmakers*” interview with Function(x) CEO Janet Scardino

“In the future, no television advertisements will be just self-contained narratives. They will be trailers into deeper branded digital experiences.”

—SHIV SINGH, global head of digital, PepsiCo, Mobile World Congress 2012

NEW BEHAVIORS

Consumers are multitasking over multiple screens more than ever. “Using a tablet or smartphone while watching TV is more common than not,” reported Nielsen in April. Some of the latest data shows:

- The vast majority of American tablet owners (88%) and smartphone owners (86%) surveyed by Nielsen in Q4 2011 said they used their device while watching TV at least once during a 30-day period. This multitasking occurred daily among more than 4 in 10 U.S. tablet and smartphone owners. Nielsen’s four-country study, which included the U.S., U.K, Germany and Italy, found that Americans were significantly more likely to be multitasking.
- Among U.S. tablet owners age 13-plus, Nielsen found that a significant percentage followed up online after seeing a TV ad, with 27% looking up related information and 22% looking up related coupons or deals. More than 4 in 10 checked a social networking site during either a TV show or commercial break.
- Among respondents to a recent *Hollywood Reporter* survey of social network users ages 13 to 49, 79% always or sometimes visit Facebook while watching TV, and 83% surf other parts of the Web.
- Forrester reports that 63% of Gen Xers and 74% of Millennials use a second-screen device more than half the time they watch TV.

NEW TOOLS

A crop of apps is seeking to sync the television with other connected devices. Some of these are tied to specific TV shows (this report cites apps for the Grammys telecast, *Conan* and *The X Factor*), some are released by networks (e.g., MTV's *Under the Thumb*, the upcoming Oxygen Connect), some are sponsored by publishers (*Entertainment Weekly's* viEWer), and a few have been created by marketers (we're spotlighting Heineken's Star Player and Chevy's Game Time here).

A range of tech firms are striving to become intrinsic to the second screen as well. Some of the more prominent:

- **Shazam:** This London-based company started as an audio-recognition tool, becoming one of the most downloaded iPhone apps. It now calls itself a “media discovery company” and is building partnerships with TV shows and advertisers. An on-screen logo cues users to open the app, which then syncs with the television and surfaces exclusive content, special offers and so on. Shazam claims 200 million-plus users, giving it a huge advantage in this space. Last month it signed an exclusive U.K. deal with the broadcaster ITV.

- **Viggle:** “Watch TV. Get Rewards” is the tagline of this new venture from Function(x), founded by billionaire media entrepreneur Robert F.X. Sillerman. Users earn points by checking in to TV content (which Viggle can automatically identify) and engaging with it. As with a typical loyalty program, points can be redeemed for movie tickets, gift cards and so on. As of mid-March, Viggle claimed a quarter-million users.

- **Zeebox:** Just getting off the ground in the U.K., this mobile app combines social networking and mobile commerce with synced second-screen content, aiming to make TV “a more immersive and social experience than ever before.” Its innovations include an ability to serve as the remote control for televisions that are Web-connected. BSKyB owns a stake in the company, which is prepping a U.S. launch.



NEW POTENTIAL

Can the value of second-screen engagement be quantified? One recent study by Nielsen for mobile video firm AdColony found that TV plus mobile (smartphone/tablet) exposures improved brand recall by 69% and boosted purchase intent by 72%. In a lab that simulated a normal media environment, viewers who saw a TV ad for the film *Contraband* as well as interstitial spots on mobile devices were also five and a half times more likely to do a search tied to the movie than those who just saw spots on TV.

There are two sides to this coin: With all its distractions, the second screen can easily take viewer attention away from TV commercials and product placements. All the more reason for marketers to join the tussle for control of the second screen sooner rather than later and to experiment with tactics.

We know very little as yet about what works best for which viewers. There will always be some who prefer to tune out everything but the big screen, and many marketers will need to keep in mind that “If people have a smartphone and

a bottle of beer on the table, you are competing with the bottle of beer,” as Tellybug chief executive Matt Millar put it (via *The Guardian*). This report looks at some of the ways marketers are competing with that beer.

“Without the power of synergy, the second screen becomes a fragmented series of one-off apps. With synergy, partnership and focus, it becomes a powerful platform to drive real user engagement, richer experience and most importantly provides a significant new revenue platform for all.”

—CHRIS STEPHENSON, president of Viggie, *Ad Age*

“Finally all our shouting at the TV can actually be heard. Brands that are smart enough to listen and leverage that emotional response can unlock valuable attention from an audience that actually cares.”

—MARK GHUNEIM, founder of Trendrr, *Ad Age*

METHODOLOGY

This report is the result of research conducted by JWTIntelligence throughout the year. Specifically for this report, we also received input from JWT planners across several markets and interviewed five experts and influencers about the changes afoot in television. Highlights from those interviews are included here, and full-length Q&As will appear on JWTIntelligence.com.

EXPERTS AND INFLUENCERS



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10 WAYS MARKETERS ARE USING THE SECOND SCREEN

It's early days for the second screen, and we expect to see additional approaches and more innovative examples crop up in the near term. The upcoming Summer Olympics, for one, will likely prompt a host of interesting ideas. We'll be adding to this report as they surface.

J W T

1. LEVERAGING THE SMALL SCREEN DURING BIG LIVE EVENTS

Big annual events like the Super Bowl and the Grammys have been garnering more viewers and buzz as social media and second screens create a digital watercooler. Brands are catching the attention of viewers whose attention is split between screens in various ways.

- **Coca-Cola / Polar Bowl / Super Bowl** For this year's Super Bowl, Coca-Cola created commercials featuring its animated polar bears, then extended the idea into a second-screen "**Polar Bowl**": Two bear viewers (one rooting for the Giants, another for the Patriots) reacted to the game, the halftime show and the commercials in near-real time. The bears also commented via @CocaCola on Twitter. While the brand had planned for 300,000 concurrent live stream viewers, more than double that number had the stream open by the third quarter, with viewership growing as more people mentioned the Polar Bowl on Facebook and Twitter.

- **Target / The Grammys Live app** Target, a key advertiser during the Grammys telecast in February, sponsored CBS Interactive's Grammys Live app, which featured exclusive behind-the-scenes footage, integrated social media feeds, news reports and more. Target's presence included banners connecting users with the retailer's music store, creating "one of the first instances where an on-air sponsor not only echoed their on-air creative on an app, but also fully closed the loop with an m-commerce sale," as MediaPost noted.



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1. LEVERAGING THE SMALL SCREEN DURING BIG LIVE EVENTS (cont'd.)

- **Bing / Viggle / The Grammys** A search engine is a natural fit for a second-screen tie-in, since multitasking viewers are often seeking more information about the show. Bing aired a 60-second spot in its “Bing Is for Doing” campaign during the Grammys and extended the idea through a partnership with Viggle, the rewards-based social TV app. Viggle users watching the telecast could answer trivia questions to rack up rewards points; for hints, they could tap a Bing icon within the app. Viggle and Bing created a similar experience during the Oscar telecast.
- **Cîroc / Super Bowl** Cîroc leveraged the Super Bowl by nabbing the attention of viewers checking Twitter. The vodka brand, fronted by Sean “Diddy” Combs, created four 15-second videos featuring the rap star, one of which showed him salsa dancing—a signature touchdown move of Giants wide receiver Victor Cruz. When Cruz scored a Super Bowl touchdown, Diddy tweeted his video, dedicating it to the athlete. Concurrently, rich media banners went live

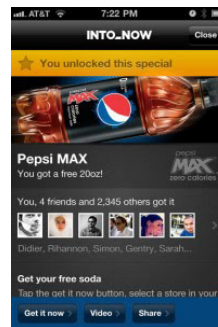
on sports-focused sites, leading consumers to a microsite with the ads where people could tweet to Diddy and share on social media. Diddy continued to tweet about the ads during the game, and they accumulated 1.3 million impressions over three days.



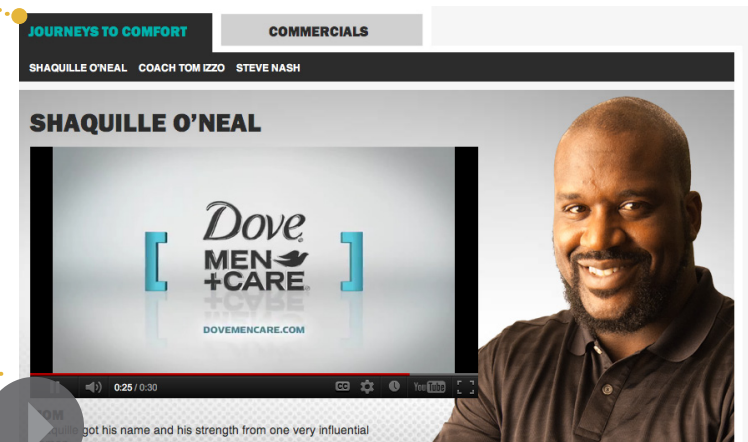
2. INCENTIVIZING AD ENGAGEMENT

Mobile apps open up opportunities to reward TV viewers for watching commercials or second-screen branded messaging—incentives range from freebies and coupons to relevant content like recipes—and even lead them right into an opportunity to purchase.

- **Pepsi / IntoNow** Tag the ad, get a Pepsi—that was the incentive last year for viewers who used the Yahoo-owned second-screen app IntoNow to find and tag a Pepsi MAX commercial. Doing so generated a digital coupon for the first 50,000 participants. Since a tag is broadcast to users' social media streams and to a news feed within the app, it automatically spreads word about the ad.



- **Unilever's Dove Men+Care / Viggle** Viggle, the app that rewards users for watching TV shows, partnered with this Unilever brand during March Madness. When viewers checked in to broadcasts of the college basketball games, they were directed to a Dove Men+Care landing page that offered extra Viggle points for watching Dove's "Journey to Comfort" videos, featuring three basketball legends. The landing page included live tournament stats and an Amazon e-commerce link.



Click to view video.

2. INCENTIVIZING AD ENGAGEMENT (cont'd.)

- **General Mills' Pillsbury / Shazam for TV** In December, Pillsbury ran a “Shazam-able” spot for its Crescents dough. Millennial moms, the target audience, could flip through pages of recipe ideas for Crescents while remaining in Shazam’s app, then store recipe and ingredient info on their mobile device.
- **Waitrose / Blippar** The U.K. supermarket chain Waitrose ran a Christmas TV commercial last year that enabled viewers with Blippar’s augmented reality mobile app to access more content, including a cake decorating tutorial by Delia Smith and an interview with chef Heston Blumenthal, both of whom starred in the spot. Print ads were also Blippable.



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3. GAMIFYING TV ADS

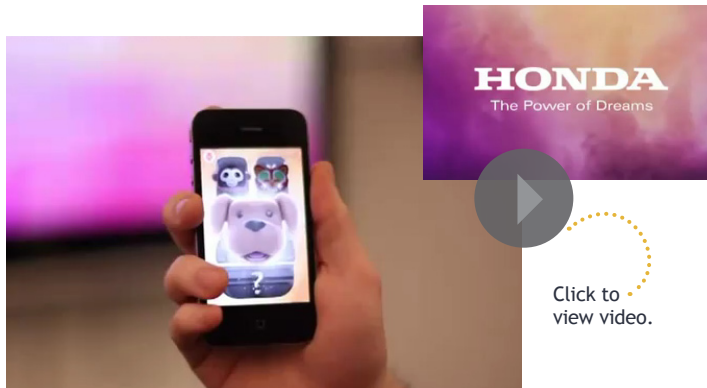
Another way to incentivize viewers to not only keep watching ads but more actively engage with them is by adding second-screen gaming elements that are either fun for their own sake or tied into contests and sweepstakes.

- **Coca-Cola / Chok** In 2011, Coca-Cola created Chok, an app for the Hong Kong market that turned users' phones into a mechanism for collecting virtual bottle caps. When signaled by the music in a Coca-Cola TV commercial, the app opened and synced to the ad, then prompted consumers to shake the phone ("chok" is Cantonese for this action). Using the device's accelerometer, the app measured the vigor of the motion and doled out bottle caps accordingly. These could be used to enter an instant drawing for prizes big and small, including digital goods like mobile games. Within 15 hours of launch, Chok became the No. 1 free app.

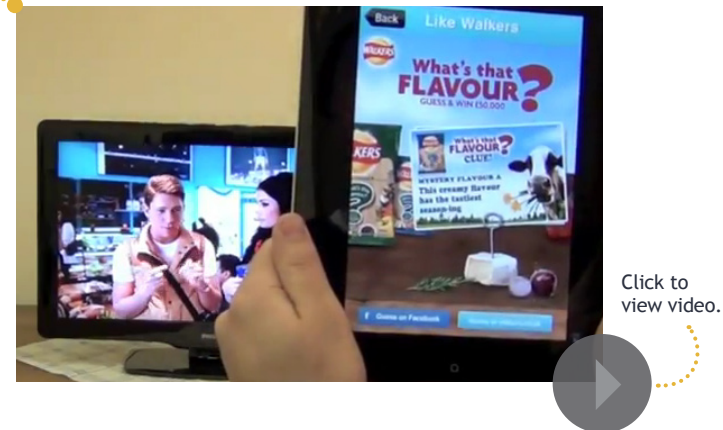


3. GAMIFYING TV ADS (cont'd.)

- **Honda Jazz / “This Unpredictable Life”** Last year in the U.K., Honda launched this animated TV commercial promoting its Jazz hatchback that included a gaming component: Viewers who downloaded the related iPhone app could use it to “capture” on-screen characters by physically swiping their phone at the ad (be it on a TV, computer or iPhone). They could then interact with each character—for example, making it dance by singing into an iPhone’s microphone. Users were encouraged to keep viewing the ad to catch all the characters.



- **Walkers / Point & Win** This PepsiCo brand of potato chips ran a “What’s That Flavour?” campaign earlier this year, giving British consumers a chance to win £50,000 if they correctly guessed one of three new mystery flavors. Viewers with the TvTak content-recognition app could “Point & Win” (viewing the ad either on TV or YouTube) to get exclusive clues. They could then click through to enter the contest.



4. BRIDGING A CAMPAIGN'S TV AND DIGITAL ELEMENTS

Instead of simply asking interested or intrigued viewers to visit a microsite or Facebook page after seeing a TV commercial, marketers can use second-screen apps like Shazam to quickly link consumers with a campaign's online elements and provide simple ways to share their enthusiasm via social media.

- **Cornetto Enigma / Shazam for TV** A 2011 Australian campaign for this Unilever ice cream brand was themed around the Enigma bear mascot helping consumers to “reveal their soft side”; the microsite let Australians send a personalized message via the bear to “someone special.” Shazaming the TV spot led viewers directly to a **mobile version of that site**.
- **Progressive Insurance / Shazam for TV** A TV spot featuring popular brand spokeswoman “Flo” took Shazam users to a custom mobile landing page, where they could call for a car insurance quote or download custom wallpaper for their mobile device and a **Flo-isms app**.



5. SYNCING E-COMMERCE WITH TV CONTENT

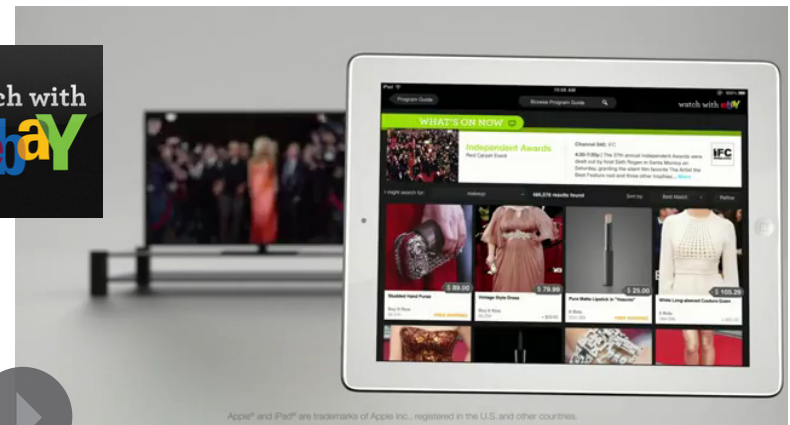
Simultaneous watching and shopping, with instant gratification for consumers and measurable results for brands, is an old idea that never quite came to fruition beyond home shopping networks. New technology looks to be changing that. While the second screen isn't vital here—e.g., services like Delivery Agent's TV Wallet operate via cable providers and the remote control—mobile apps offer an easy route to purchase. This could be through a TV spot that syncs to e-commerce options on mobile devices or by using the second screen to surface info on how to buy in-show products.

- **Watch With eBay** This U.S. app lets users “shop your favorite shows.” You input your zip code and cable provider to set it up, then enter the channel number in order to see live auctions linked to what's on-screen. In theory, the app brings up products related to the TV content: a basketball jersey during March Madness, a Jessica Simpson brand T-shirt during the show *Fashion Star*. In practice, however,

it turns up just as many unrelated items (CW hit *Ringer*, for example, summoned a bounty of ringer T-shirts; Fox's *Bones* turned up unaffiliated Bones brand skateboard wheels). eBay ultimately aims to match up its listings with specific items viewers are seeing (or lookalikes) by accessing a product database that various shows would provide. A secondary feature, “Shop Like a Star,” allows app users to choose from among an actor's favorite eBay categories, with purchases benefiting the celeb's favorite charity.



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6. SPONSORING SECOND-SCREEN EXTRAS

By either partnering with existing tools like Shazam or piggybacking off custom TV show apps, brands can sponsor novel second-screen experiences for fans.

- **Verizon / The X Factor** The U.S. version of *The X Factor*, which airs on Fox, added a synchronized **Xtra Factor mobile app** last September that's "presented by" Verizon. Fans can rate performances, interact with other viewers and access bonus content such as song lyrics. Consumers with a Verizon Android handset can vote for their favorite contestants as often as they want, see backstage goings-on via Verizon Live View and watch episode highlights.
- **Lexus / Shazam for TV / NBCUniversal shows** Earlier this year, Lexus sponsored second-screen content for episodes of several NBCUniversal Cable Entertainment shows, accessible to viewers who opened the Shazam for TV app (which recognizes which show and episode are airing). Along with interactive features and exclusive content tied to the shows, users saw video and photo galleries

showcasing Lexus' new GS sports sedan and could enter to win a Lexus-funded trip to Boston (where Syfy's *Being Human* is set), Santa Barbara, Calif. (where USA Network's *Psych* takes place), or Los Angeles (to see a taping of E!'s *The Soup*).



Click to view video.

6. SPONSORING SECOND-SCREEN EXTRAS (cont'd.)

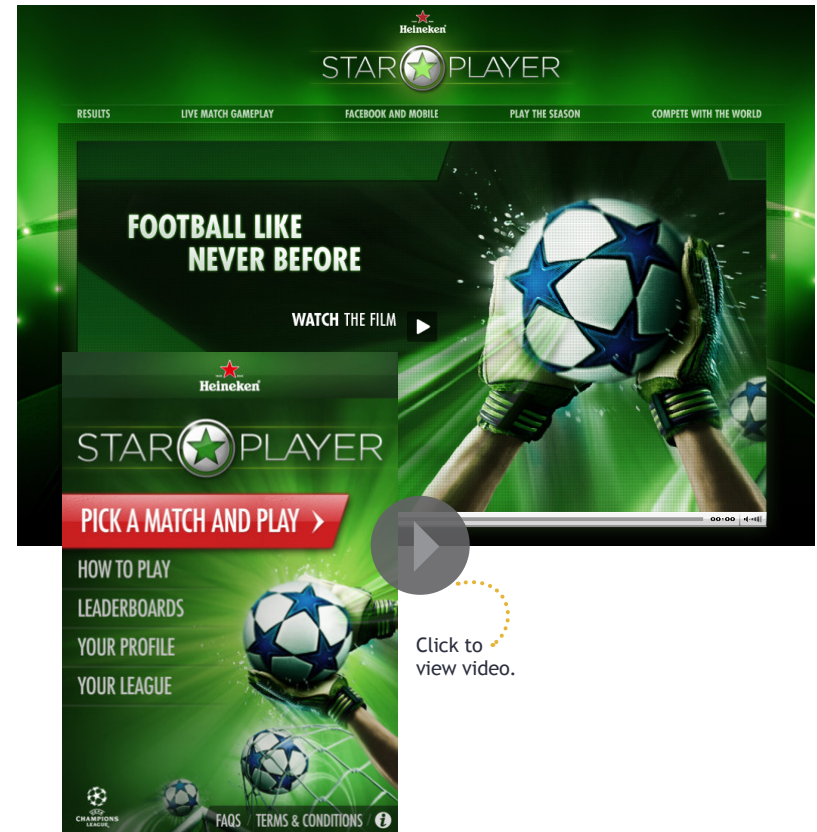
- **AT&T / Team Coco app** TBS' late-night show *Conan* launched a second-screen tablet app in February. Among other things, the Team Coco app allows Conan's young, digitally savvy audience to interact with one another while watching the show. AT&T was the launch sponsor, with a three-month exclusive sponsorship. "Offering enhanced viewing within a branded experience," as a press release puts it, the app includes messaging synced to AT&T's in-show integrations and its commercials.



7. GIVING SPORTS FANS A GAME OF THEIR OWN

Sports programming is often cited as “low-hanging fruit” when it comes to social TV and the second screen: Fans are especially interested in supplemental information and a group-viewing experience.

- **Heineken / Star Player** This iOS app from Heineken, launched in 2011, provides a second-screen gaming experience for the soccer fan without distracting from what matters most: the match. The Star Player allows viewers of UEFA Champions League games to interact with the action in real time (and, with the latest update, in eight languages), syncing with the game clock when the match begins. Users then earn points by predicting game events such as goals and corner kick outcomes and by answering questions during periodic pop-up quizzes. Players compete against friends, in a mini-league, and can also check their rank against all the app users. “Dwell time” with the app has averaged 56 minutes.



7. GIVING SPORTS FANS A GAME OF THEIR OWN (cont'd.)

- **Chevrolet / Game Time** This year's Super Bowl commercials faced some competition from General Motors' **Chevy Game Time app**. Chevrolet, which ran five traditional ads of its own, was aiming to sidle into the social media activity surrounding the game. App users answered trivia and poll questions about the game, the teams and the ads for a chance to win NFL paraphernalia and a range of other prizes. Consumers had another incentive to get the app and watch Chevy's commercials: Users received a unique "license plate" number for downloading Game Time and won one of 20 vehicles if the number matched any plate seen in the ads.
- **Molson Canadian / National Hockey League's PrePlay** The beer brand Molson Canadian is sponsoring this second-screen NHL app that lets viewers predict game action in real time, much like Heineken's Star Player. Users can guess who will score the next goal, for instance, or the outcome of a power play. People can also start playing before the game, predicting the final score, goalie

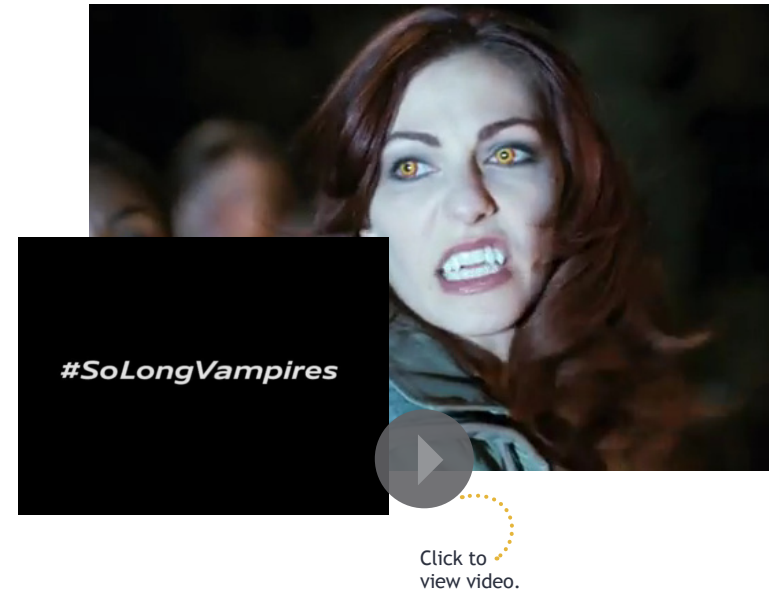
performance and such. Playing against a group of friends or everyone using the app, participants earn points for correct answers. The app recognizes when a Molson commercial appears on TV and displays a similar ad, offering the ability to get more information.



8. SPURRING SOCIAL CHATTER WITH HASHTAGS

Adding hashtags to ads, increasingly common practice over the past year, is one of the most basic ways to extend an ad beyond 30 seconds and one channel. An Accenture study conducted in March found that 18% of the U.S. consumers surveyed had noticed a hashtag in an ad and that 7% had then searched for the hashtag on Twitter.

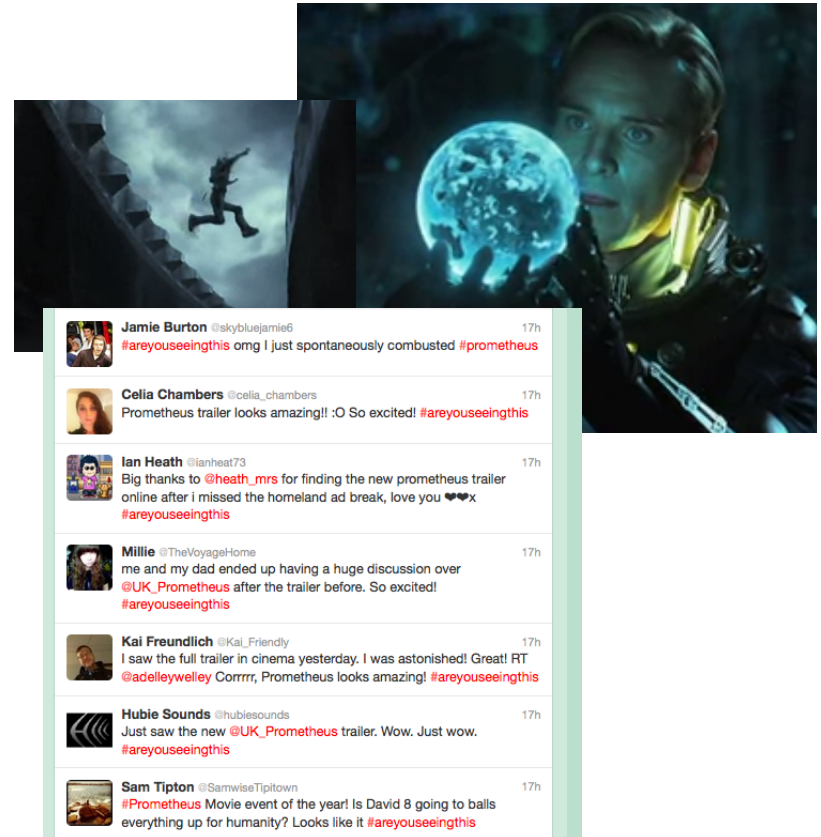
- **Audi / “Vampire Party”** Audi was the only marketer to include a hashtag in a 2011 Super Bowl ad. For this year’s Super Bowl, which featured an array of hashtags during the commercials, the automaker ran a spot promoting its daylight-simulating LED headlights. A group of young vampires partying outdoors at night is incinerated by an Audi’s bright lights; *#SoLongVampires* was the hashtag. Viewers who entered the hashtag in Google rather than Twitter saw an ad for Audi’s “Vampire Party” on Facebook.



9. ENABLING REAL-TIME INTERACTIVITY

Letting viewers directly influence live big-screen content, beyond simple voting tools, is an intriguing concept that we'll see broadcasters starting to experiment with (there's great potential for game shows), along with marketers.

- **Prometheus trailer** In late April, a trailer for the Ridley Scott film *Prometheus* that ran on Channel 4 in the U.K. featured the hashtag #areyouseeingthis. Nothing all that new about hashtags in ads. But these Sunday night viewers had added incentive to tweet: During the next commercial break, a 40-second spot showcased some of the tweets the first ad had elicited. At one point that evening, the hashtag was the No. 2 trending topic in the U.K. (In addition, users of Zeebox who tweet about the ad from within that second-screen app can win movie tickets and other prizes whenever it runs.)



10. CREATING TRANSMEDIA OPPORTUNITIES

Transmedia—the practice of arcing story worlds over various platforms, with each thread tailored to the platform it lives on—is becoming a bigger buzzword with the proliferation of second screens. These can serve as a key entry point for consumers seeking deep engagement, with different channels communicating different things. Watch for marketers to experiment with opportunities here. For instance, Shazam’s Evan Krauss says we’ll soon see Shazamble movie ads that provide an “interactive panorama experience” on the second screen, enabling viewers to feel they are walking through a scene in the film.

- **Red Bull Supernatural / NBC / Shazam** This Red Bull-sponsored backcountry freestyle snowboarding competition was Shazamable when it aired on NBC in March. Shazam users could access point-of-view footage for several competitors, enabling them to see both the wide view on the big screen and the snowboarder’s own dizzying perspective on a second screen. Shazam also linked app users with related social media streams. Krauss says the

numbers were “through the roof,” with the percentage of viewers who Shazamed the show in the single digits versus what’s typically decimal places. Video viewership was around 130%, meaning users watched more than one video.



*To learn more about this topic, see our March 2011 report, [Transmedia Rising](#).

An iPad and a Nokia smartphone are shown side-by-side. The iPad screen displays a maroon background with white text. The smartphone screen displays the letters 'JWT' in white on a dark background. Both devices are reflected on the surface below them.

EXPERT / INFLUENCER Q&A HIGHLIGHTS

Following are excerpts from our interviews with five experts and influencers in television. Full-length Q&As will be posted on JWTIntelligence.com.

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EXPERT / INFLUENCER Q&As: DAVID KAPLAN



DAVID KAPLAN, managing editor, TVexchanger.com

TVexchanger covers the rise of the connected home, the acceleration of time-shifted viewing, interactive TV, addressable, social TV, over-the-top services and devices, and how these affect the process of buying and selling of television advertising. A New York City-based journalist for more than 20 years, Kaplan has covered media, advertising and marketing at paidContent, Adweek and MediaPost. He has also written for Advertising Age, Broadcasting & Cable, Crain's New York Business, Bond Buyer and Worth magazines.

How much incentive do you think viewers need to Shazam an ad or otherwise engage on the second screen?

So obviously someone's checking in for a reason. For General Mills, for example, they've been doing some stuff with Pillsbury to say, We can give you a little cooking show or demonstration, or here's some recipes.

One of the big problems with online advertising in general or any kind of interactive advertising is that people are worried about their privacy. So here's the ultimate opt-in that's worry-free for marketers, because they're getting consumers they already have—the idea is they can strengthen that relationship. People are opting into something they already like, and it gives marketers a chance to get to know their fans a little bit better.

It's still difficult for these companies to use interactivity to find new consumers in a way that will not alienate them. The toughest part is finding the ones who can be either enticed to a greater degree or made to switch to their brand.

Is there a bit of a chicken-and-egg phenomenon with second-screen apps, with advertisers waiting for more users, and consumers lacking enough incentives?

GetGlue [a social TV app] says they need about 20 million [users] to really make it scalable so that they can have significant advertising. For a very popular show like *Walking Dead*, they'll get 40-50,000 check-ins, and that doesn't mean a lot to an

EXPERT / INFLUENCER Q&As: DAVID KAPLAN (cont'd.)

advertiser who's used to getting mass scale. It's going to take a while to get scalable, and even then, it's not certain how people will ultimately use social TV apps. Will they stick around to get more information? Will they have conversations on there?

Shazam has a lot of people and they're adding a lot, but for the most part, it's going to take a consolidation, which I think is expected this year. Once the winners have emerged in a clear way, advertisers will start to really say, "This is something we can support." Right now it's seen as interesting but something to watch.

It seems that Viggle got off to a good start?

They started in January, and they've already lined up a large array of blue-chip marketers. Their proposition is a bit different in terms of, it rewards loyalty. People will Shazam an ad because they already have an affinity for [the advertiser]. This is a way of building that affinity through loyalty programs. I think that's something you'll see more of.

It's still kind of a challenge—whether or not people will get tired of checking into these rewards, because they are hard to get. You really have to check in a lot. So I think while it appeals at first, it could also turn people off if they feel like "I've been doing all this checking in, and it's miles away until I can even hope to realize any of these rewards."

What are some things advertisers are liking about second-screen programs?

The one advantage all this new stuff has is, it does tell you in real time what's working. You can tell what's really moving people in real time as opposed to waiting a few days or even weeks for the reports to come in from traditional ratings agencies.

What is one piece of conventional wisdom from five years ago that's now been discarded?

The idea that people wouldn't opt in to advertising and that there wouldn't be any value in the ones that do. Now it's seen as, there is real value in people who opt in, and they will opt in, in great numbers, and there's something you can glean from that that will help you figure out what's working and what's not in real time.

EXPERT / INFLUENCER Q&As: EVAN KRAUSS



EVAN KRAUSS, executive VP, advertising sales, Shazam

Krauss, who joined Shazam in November 2010, is responsible for the company's global advertising sales and for growing its ability to deliver customized marketing solutions for agencies, brands and broadcasters. Prior to joining Shazam, he was SVP, global ad sales and business development, for Jumptap and president and CEO of online video editing service Cuts. Previously, Krauss spent six and a half years at Yahoo!, where his last role was managing director of the Connected Life Business unit. He also built and managed some of the earliest and most successful Internet advertising teams at Excite, AOL, LookSmart and Yahoo!.

What kind of user behavior did you find after extending Shazam beyond music and adding the TV component?

Something we saw right off the bat is that once people have Shazamed, the engagement numbers are through the roof. ... There are still some people who do it and they're like "Eh" or "Oh, that's cool" and don't really do anything, but for the most part people are engaging in a very deep way. If you take all our campaigns, we're looking at about a 47% [overall] engagement rate.

One of the things we hoped and we're seeing play out is it's not just in the moment. When I Shazam something, it stays in my "tag list." So every song I've ever Shazamed, any TV show or every commercial I've ever Shazamed, is now in that list almost like a bookmark. We're seeing people the next day, up to usually about three days, they're going back to that tag, whether it's to watch the video for the movie trailer or do a click to call for Progressive Insurance. There is lots of engagement when they're sitting on the couch, but that engagement actually also happens later on.

So it's extending the campaign over time as well as onto the other screen?

Absolutely. And that's why I think the second screen is powerful: It's a non-interruptive engagement experience. ... I can decide I'm going to take action, and I can either just put it down because I know it's on my phone, I'll go deal with it later, or I can engage now and not be interruptive [to other viewers in the room]. That's a huge part of why second screen is more powerful than the remote [used in conjunction with Internet-connected TVs].

EXPERT / INFLUENCER Q&As: EVAN KRAUSS (cont'd.)

What are the gender breakdowns of your Shazam for TV users?

Our overall app is about 50/50. Shazam for TV, it's 55/45 women—more women are Shazaming TV than men, which shocked the hell out of us. Our most successful campaigns are retail campaigns, by factors of 10. They were humongous.

Movies and entertainment, in general, have been very successful as well—that's where we're seeing potentially more men engaging. They see the *Underworld* ad, and they want to go see more Kate Beckinsale or the three-minute trailer.

What's the split among your users between tablets and phones?

It's mostly phone right now. Tablets are starting to increase. I don't think that's a penetration thing, by the way. Tablets are going to be a different use case, and we're developing towards that. Tablets are more about a watch-along experience: I want a really rich experience and I'm going to stay with it, vs. the smartphone model, which is, I'm going to engage for a period of time and then come back to it, or not.

What are some factors that make for a successful campaign?

There's a bunch of different factors that lead into that, whether it was a good call to action on-screen, was it a good value proposition—did the consumer care, and was it a good experience, did people talk about it afterwards?

There's nothing more compelling than TV commercials. Still to this day, no banner ad made you cry or made you laugh. You can really change somebody's perception in 30 seconds, but at the end of 30 seconds it's over. I've always believed the opportunity is to have that experience jump into consumers' hands, and we have the technology. And so now that we're starting to talk to the creative people, that vision is starting to come through.

Can we expect any interesting campaigns around the Olympics this summer?

All I can say is that the Olympics for us will make the Super Bowl look like an elementary school football game.

EXPERT / INFLUENCER Q&As: MARIE-JOSÉ MONTPETIT



MARIE-JOSÉ MONTPETIT, research scientist, MIT

Dr. Montpetit works in MIT's Research Laboratory of Electronics, focusing on social TV, video-centric networks and network coding for video transmission. She has been coined "the matriarch" of social television. Dr. Montpetit was a recipient of the Motorola Innovation Prize in 2007 for "seamless video mobility" and was spotlighted in MIT Technology Review for her work in social TV (one of the 10 technologies to watch in 2010). She is a frequent reviewer of the European Union Information Technology programs and a senior member of the IEEE.

When did you start exploring the idea of social TV?

I've been looking at this since about the year 2000, 2001. People had started thinking that texting could be used to exchange information while you were watching television, and maybe it would be a good idea to show some of that stuff on the TV. And then it evolved. At first it was very difficult because you had to re-create your friend groups. You could use your phone address book, but it was not as convenient.

And then suddenly, when Facebook appeared, there was a very easy way to create and manage your friends group. And then we started having the idea about using something like Facebook and connecting it to TV content—and that there was a way to create very interesting connections and to create more engagement on the TV content from the use of these other devices.

And now social TV is the hot topic.

The problem that is still existing—and I'm not sure that 2012 will fully resolve it—is the aspect of the business model. ... We're getting close to where there is going to be something that will become very successful, because there seems to be a demand for it.

What are some of the more promising ideas or models out there right now?

The ones that recognize the value of an affinity group. I don't like the idea of just posting random tweets about a show. A lot of people are watching *Game of Thrones* right now, for all kinds of reasons. You could find a group of people who are

EXPERT / INFLUENCER Q&As: MARIE-JOSÉ MONTPETIT (cont'd.)

watching it just for the medieval aspects. So that would be personalized, but not just for you, also for your group.

I would also say the idea of using crowdsourcing or some form of joint evaluation of programming, or even joint creation in some cases, seems very promising.

Does this mean we'll see TV content evolving as a result?

It depends on the show, and it depends what the storytellers are interested in telling. There's some shows that are going to be very much targeted to encourage interaction, or socialization. But the best way of socialization is telling an incredible story and have people talk about it outside the show.

But what we tell the students is that you still need to cater to people who just want to turn on the TV and relax. This is what they call lean back and lean forward. The lean back, the traditional TV, you just want to sit and relax. You need to cater to both.

What kind of demographics do you think are most drawn to social TV?

Often I see the demographics that people don't really think about. I think there's going to be a lot of buy-in from older people. The idea is very nice for grandparents. We had applications where, while you watch a show, you leave messages. And when your grandkids watch it, they see your messages. It's pretty cool.

What behaviors are you seeing around social TV that you might not have expected when you started researching this?

How fast it developed. When we said that we're going to combine Facebook and a DVR and television and the phone and a PC, people looked at you as a nut. Now we sound like visionaries. We haven't gotten to the tipping point where people have started making huge amounts of money with it, but we could be very close. The TV executives are starting to take notice of it, there's a lot of VC money being poured into this. Something's going to come out in 2012, 2013—there's going to be things that are very successful. I can actually see from our students—a lot are trying to go into business, and I'm sure a few of them, or one of them, is going to be very successful.

EXPERT / INFLUENCER Q&As: EVAN SHAPIRO



EVAN SHAPIRO, former president, IFC TV and Sundance Channel; president, Participant Television

Shapiro has just started at Participant Television, a division of Participant Media, where he will be responsible for the conception, development and production of programming that follows the company's model of commercial and socially relevant entertainment. As president of IFC TV and Sundance Channel, Shapiro steered both networks to new business and programming models, garnering each first-ever Prime Time Emmy nominations. He executive-produced well-received films and series, including This Film Is Not Yet Rated, R. Kelly's "hip-hopera" and the show Portlandia, which won a Peabody Award. Shapiro is on the board of The Ghetto Film School, chair of the Cable Center's Cable Mavericks Masters Program and an adjunct professor of Television Management at NYU.

Some key digital shifts—streaming content, DVR and Twitter—had naysayers wringing their hands about how splintering audiences would hurt advertisers and networks. Why were they wrong?

I probably was amongst the naysayers in a lot of these cases. The history of the television business has been littered with things that had unforeseen benefits to the business model. ... But if you're smart about new technology, your business can adapt and incorporate it. Twitter, DVR, streaming, all those things have been good for the television business. Netflix and Hulu and Amazon are now producing revenues for programmers like myself that were just unforeseen five years ago. These are new dollars to the marketplace.

It seems that technology and networks are working together to create very engaged niche audiences that are very different from traditional audiences.

Niche is the new mass. You have to cater your programming to a smaller, yet more passionate group of consumers. And that's because of technology. The first technology that really influenced that was cable, which created greater choice. Then DVRs and OTTs [over-the-tops] created niches, not just because of fragmentation by content grouping but also time [shifting]. There are exceptions: the Super Bowl, *American Idol*. But more and more, even broadcast television is becoming a niche

EXPERT / INFLUENCER Q&As: EVAN SHAPIRO (cont'd.)

brand unto itself. There are the big hits, but look at shows like *Community*, which has a small but very passionate audience.

How can the second screen and social TV help networks capitalize on that fervor?

The more you can feed that passion with second-screen experiences, communal experiences, live complementary experiences, the more loyal that audience will wind up being. We created second-screen experiences for almost all our shows [with a tool] called IFC Sync, where you have complementary content to what you're watching live.

And then we allow the audience to drive a lot of the conversation. While we do control our own Twitter output, we don't try to mandate a curative experience over Twitter or even on Facebook. And what we've seen is that feeds back into a very fervent live audience.

Does this open more opportunities for branded entertainment—does the audience's passion for *Portlandia*, for example, transfer to sponsoring brands or are they just basking in the glory?

Subaru appeared in a sketch inside *Portlandia*. The car itself was not sold in an overtly commercial way, it was just in the sketch that had to do with cars. ... There is a bit of courage that goes along with doing something like that. They were giving the conversation about their brand over to the artists and consumers. And I think smart, nimble, courageous brands that believe in their value proposition and the relationship they have with the end user will be able to do more than just bask in the glory, they will be able to participate in the conversation.

A lot of companies are trying to cash in on the social TV gold rush. Are there one, two or three that you think stand out?

Rather than invent our own, we are actually using existing social networks to create a conversation, mostly because you fish where the fish are. So I don't see Facebook ever being replaced, and I believe that's going to be one of the more important second-screen experiences for television and may eventually become a program outlet itself. Twitter is an enormously powerful tool, I don't see its importance dissipating. There are only so many of these things that can coexist before the point of diminishing returns.

EXPERT / INFLUENCER Q&As: MIKE WIESE



MIKE WIESE, director, branded entertainment, JWT New York

Wiese leads the creative and business development of original content and entertainment solutions for clients across JWT's network, working in all formats, including digital entertainment, scripted, documentary and unscripted film and television, music experience and live events. Clients include Macy's, Johnson & Johnson, Royal Caribbean, Unilever, Brand USA Tourism, Nestlé, Smirnoff, Rolex and the U.S. Marine Corp. Wiese also leads JWT's entertainment content-related ventures and strategic partnerships, including the New York office launch for shopper engagement agency Lunchbox. JWT projects Wiese has actively developed, produced and/or led include "The Bing Bar," Bing's live experience and sponsorship with the Sundance Film Festival; the "Decisions" Web series for Bing and MSN with Mario Batali; brand extensions for Macy's acclaimed CBS TV special Yes, Virginia; and Deepest Dive, a documentary with Fisher Stevens for Rolex, the BBC and National Geographic.

How will marketers start approaching TV in different ways?

The social TV platforms really reinforce that marketers need to be in the center of pop culture. I think television is not going away, just the viewing experience is changing. There are additions to it; there is more you can do with a television experience.

[For instance,] you want to be involved with the creators early in the process so you can layer in the second screen and have these different experiences. I think there will be greater opportunity for brands to work with a J.J. Abrams or other storytellers who really can think through an experience. As a brand, you are going to be able to create more content and more experiences tied to this central premise or storyline that is bringing everyone together.

As far as tools like Viggie and such, we're seeing some shows build in interesting extensions.

That's why *Top Chef* is so popular and important [with advertisers]. That's why the singing competition shows are always at a premium. They have more outside of the half hour or hour experience that you get with those [ad] buys. If you want to build an entertainment franchise, you have got to build a community around it. You have got to build your own fan base for more than just the filmed content.

EXPERT/INFLUENCER Q&As: MIKE WIESE (cont'd.)

As far as tools like Viggle and GetGlue, are there any you feel have significant potential?

I think Viggle is cool. The fact that there is that consumer incentive to watch and to play along is definitely important.

By next year's Super Bowl, do you think we will be seeing Viggle tie-ins and so forth?

I think you will. It's just another tool to get more people in. Companies like Viggle and GetGlue will have more features and more benefits to using them. The creative process is evolving too. You just want to do it in a smart way so it doesn't feel like slapping on a QR code to a print ad like people have done, where there is no real payoff to what you are going to use the technology for. The content delivery—if it's music or content or other offers, coupons—will get more interesting and fun to be a part of.

What are the advantages of this new kind of approach?

In this multiscreen environment, you [the consumer] have the ability to customize the messages you are receiving and who you are receiving it from. The smarter marketers will be publishing and creating and distributing content experiences that you're signing up for. So if you're part of the Grammy Awards experience, you are a brand that is delivering new music from artists that are nominated, delivering new experiences or content around what people are talking about on Twitter at that time.

How do you see TV shows evolving in, say, 10 years?

What consistently sells is celebrities and characters and stories that people want to spend time with—and if they are spending time with them watching TV or while they are on the phone or using their Facebook or Twitter or other applications, then those will service and become part of it.

One genre that would be interesting for branding is game shows. There are more game opportunities with advertisers and brands and TV distributors and programmers that haven't been figured out. Someone is going to figure out a way to get 60 million people watching the same game show because someone on their couch can win just as easily as someone in the studio. ... Interactivity with shows too can be something to look towards as story creators get more opportunities to have a more rapid response to the way shows are made and let viewers interact and give more feedback.

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10 Ways Marketers Are Using the Second Screen

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