



TV+ social networks

Incumbent media quite rightly fear emerging media.

While newspapers have coexisted with radio since the latter's first broadcast, and radio has remained popular despite the arrival of television, both newspapers and radio have lost the pre-eminence they once enjoyed.

Today, social networks are considered the fastest growing medium. Social networks threaten to compete head-on with television for attention and, consequently, advertising spend. The ubiquity of social networks is already such that they can claim the reach of television and the depth of the Internet.

Some television executives worry about the competition for eyeballs; for others the concern is over whether their programmes are generating sufficient social buzz; others still strive to emulate social networks' ability to gather user data.¹²

While television should fear all emerging media, the depth of concern should be put in context. Fear is fine, if this prompts a pragmatic analysis of the extent of the threat. But fretting is counter-productive.

UK viewers spend far more time (35x) watching television than on social networks.

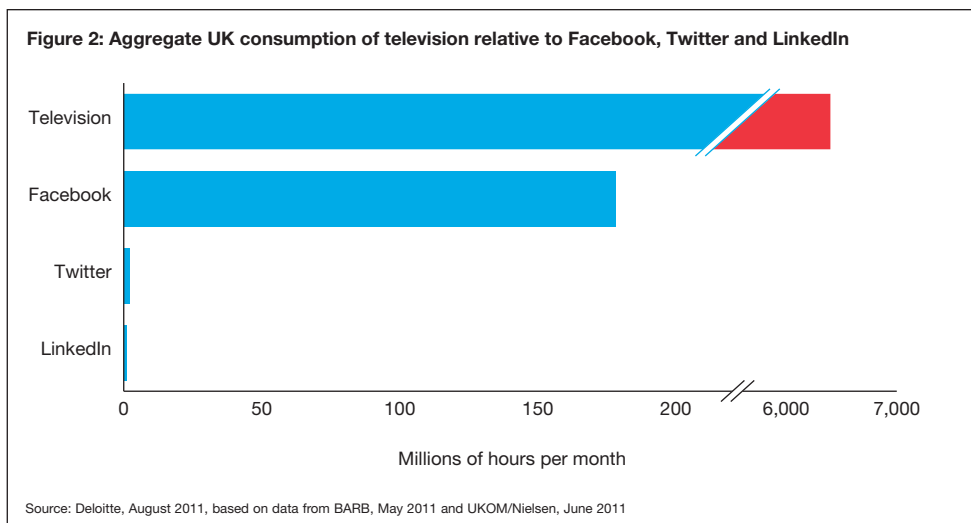
Social network usage remains dwarfed by television consumption.

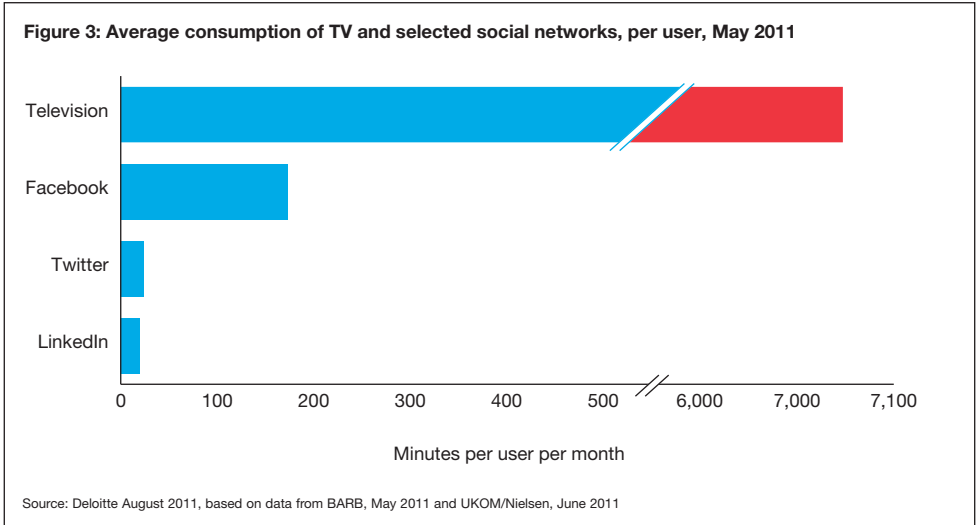
The UK's aggregate consumption of television in May 2011, among the 54.5 million people aged 2+ who watched TV, was about 6.4 billion hours, or 118 hours per viewer.¹³ In the same month aggregate consumption of three of the best known social networks, Facebook, Twitter and LinkedIn, was 182 million hours, or 6 hours 39 minutes, 24 minutes and 20 minutes respectively per unique user of each platform.¹⁴

By contrast, aggregate time spent on the UK's two most watched channels, BBC1 and ITV1, was over 12 times that spent on Facebook, Twitter and LinkedIn. Current aggregate consumption of Facebook, across all UK users, is equivalent to about half that for BBC2 or Channel 4. Time spent on Facebook across all users was 90 times greater than time spent on Twitter, and 178 times that spent on LinkedIn (see Figure 2).

The current gulf in consumption volumes between the two media is down to the fact that there are still far more people who watch television than are on social networks. And the average television viewer spends far more time watching television than the average social network user spends on their social networks (see Figure 3).

Advertising revenues are commensurate with time spent on each platform.¹⁵ In 2010, Facebook's UK revenues were estimated at just under £100 million.¹⁶ This compares to £3.42 billion for television in the same period.





Social networks' current ability to raise awareness of new products and services may also be a key reason explaining the gulf in advertising revenues between the two media. Six per cent of 18-24 year olds found out about (and subsequently purchased) a new product or service via a social network. For television, the proportion was one in five. Only two influencers were more powerful: coming across the product or service in a store and recommendations from friends.¹⁷

Time spent on Facebook, Twitter and LinkedIn is growing at a double digit pace. Television consumption is also rising – from a significantly higher base. Year-on-year growth in aggregate TV viewing is double the total time spent on social networks.

While there may be a gulf today, time spent on social networks is growing at a faster rate than for television. Can time spent on social networks steadily, inexorably catch up with television?

In one key respect, social networks should grow at a faster year-on-year rate relative to television – the medium is newer and current usage levels are thus far lower than for TV.

Facebook is certainly characterised by fast growth. Deloitte has calculated that aggregate time spent on Facebook rose by 13 per cent in the year to May 2011, to 178 million hours, driven by a six per cent rise in average time spent on the network and a seven per cent rise in unique users.

During the same time period, consumption of television rose by six per cent, to 6.4 billion hours, an increase of 364 million hours from May 2010, or double the total time spent on all social networks in May 2011.¹⁸

If television consumption were to stay flat as of May 2011, and if time spent on Facebook continued growing at the same pace as maintained in the last two years, in ten years' time aggregate UK time spent on Facebook would have reached ten per cent of TV viewing.

Total time spent on LinkedIn and Twitter has also increased, with growth rates far higher than Facebook's, but the bases are significantly lower. Time spent on Twitter per unique user declined over the period May 2009-11.¹⁹

Social networks and television complement each other. People use social networks as they watch television; social networks are used to talk about television.

The assumption that television remains flat as time spent on social networks rises could however be considered fallacious: television viewing should be crowded out by usage of social networks.

Growing consumption of television, rising time spent on social networks and a nation that is not foregoing sleep are not necessarily mutually exclusive. The first two activities are certainly complementary.

Our desire to discuss and comment among friends and families is constant. What has evolved and expanded is the available range of communications tools. Television programmes have long been the topic of the country's conversations. They are, not surprisingly, the theme for many conversations on social networks.

Commenting on social networks and watching television should be relatively easily combined. Television has for a long time been a medium that has suffered interruption. Some television programmes assume interruption: viewers are offered frequent recaps and summaries.

The volume of television related discussions on social networks is so high that Twitter publishes a specific index of the most popular television related tweets.²⁰ The percentage of those tweeting about a particular programme is typically tiny relative to the volume of viewers, but presently the community of tweeters can have a disproportionate influence on the buzz about a programme.

Indeed, the social buzz around programmes is now such that some producers design programmes to generate comment on social networks. This can encourage more people to watch live.²¹ Watching later would mean they would not be able to participate in the online conversation about the programmes with friends. The greatest intensity of commenting on programmes is during transmission, not before or after, when activity can plummet rapidly.²²

Television programmes in general don't require significant social buzz to do well. It is more likely that popular programmes are what drive social chatter.

The television programmes that tend to dominate the top 20 in most months are represented predominantly by three genres: soap operas, talent shows and news programmes. Occasionally a major sporting occasion also breaks into the top 20. These programmes have for the most part existed for years, and in some cases, such as soap operas and news programmes, decades. They would most likely be watched regardless of whether there was social chatter about the programmes. A strong showing among social networks' conversations helps, but does not appear to be integral to the ongoing success of a top 20 programme.

The types of programmes where social chatter can make a difference tend to be new series being launched on digital only, non-Public Service Broadcaster (PSB) family channels. For such programming any form of promotion helps, and specific campaigns to generate social chatter, along with other promotional activity, are likely to be deployed.

Social networks currently have a relatively minor role in helping viewers discover new programmes – except among younger age groups. The most powerful form of recommendation is the trailer.

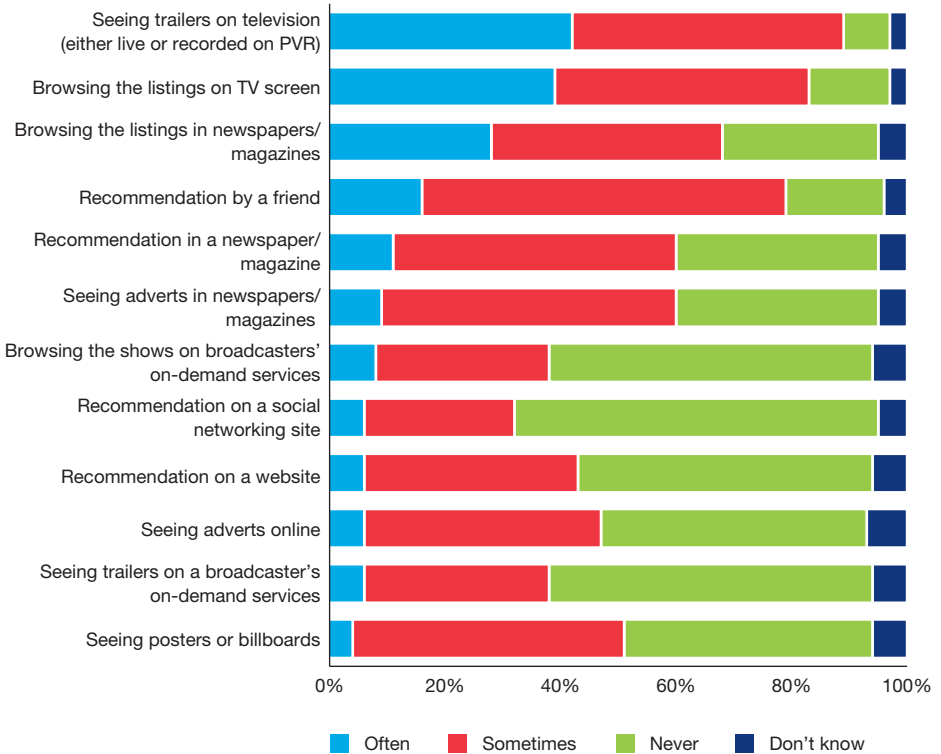
The fact that a trailer shown on television is the most powerful form of raising awareness for new programmes should not be surprising: television has always been a powerful and compelling advertising medium. So what better way to advertise what to watch on television than with television itself?

Today's emerging programmes are the potential blockbusters of tomorrow. So promotion is crucial. What role do social networks have in suggesting to UK viewers what new programmes they should be watching?

The role social networks play in recommending new programmes is, across all age groups, relatively small. But among 18-24 year olds, 19 per cent find out about new programmes through social networks "often" and 47 per cent do so "sometimes". This contrasts with one per cent and ten per cent respectively for the 55+ age group.

While younger viewers are the more active users of social networks to find out about new programmes, their most common discovery method is still the TV trailer: almost half of 18-24 year olds find out about new programmes this way.

Figure 4: Methods of discovery of new TV programmes



Question: How do you find out about new TV programmes which you want to watch?

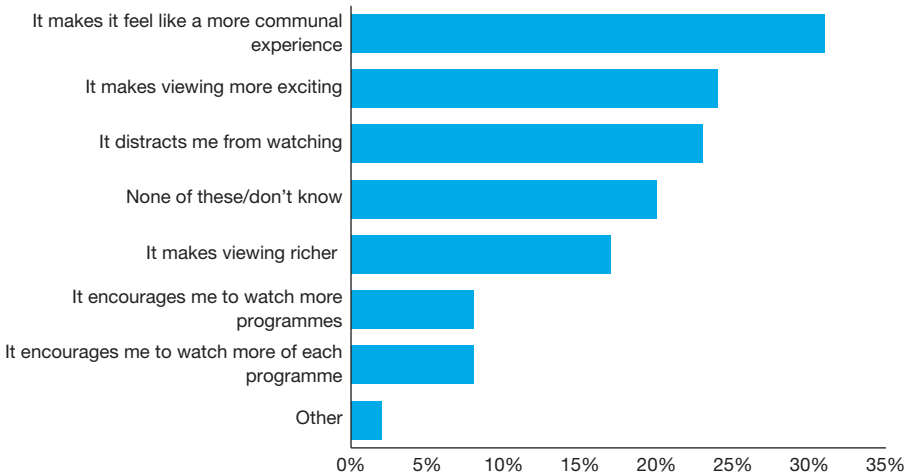
Source: Deloitte/GfK, June 2011. Sample: all respondents (4,000)

Television and social networks: mostly complementary, minimally competitive

A social network provides a platform via which individuals with similar interests, in any geography, can congregate. Television provides some of the raw material, such as programmes, presenters, televised events or genres, which unifies members of social network groups.

Television provides the topic of conversation while social networks, through enabling the conversation, amplify the appeal of television. They enable those with a common interest in a programme, separated physically but joined thanks to their broadband connection, to discuss the programme they are watching as if they were sitting on the same sofa. Among survey respondents who used the Internet to discuss shows while viewing, the most commonly noted impact was that it made TV viewing feel like a more communal experience.

Figure 5: Impact of using the Web to discuss shows currently being watched



Question: You said you sometimes use the Internet to discuss shows while watching them on television. Which, if any, of the following statements do you agree with? Please select all that apply.

Source: Deloitte/GfK, June 2011. Sample: all those who use the Internet while watching TV (733 respondents)

Television and social networks could each exist independently of each other. Television and social networks will compete for ad budgets, if the latter is able to compete for branding dollars. But today, the two media are strongest when working in parallel. This symbiotic relationship is likely to endure.