nielsen

AN UNCOMMON SENSE
OF THE CONSUMER™

LOCAL WATCH

TELEVISION AND TECHNOLOGY USAGE IN OUR CITIES

APRIL 2016

THE LOCAL CONNECTION

UNDERSTANDING THE LOCAL MEDIA ENVIRONMENT AND THE CROSS PLATFORM TOUCHPOINTS OF POTENTIAL AUTO BUYERS

There's no denying that technology continues to transform the video experience with each passing day. As more and more devices continue to gain acceptance in homes, household viewing habits are evolving and expanding, offering more media touchpoints than ever before. Nearly a quarter of U.S. households now have access to Smart TVs, with urban cities such as Washington, D.C., Seattle and New York leading the way. Currently, Netflix is found in 45% of Local People Meter (LPM) TV homes and 58% of TV households in LPM markets now own a tablet.

Nielsen has continued to evolve our measurement standards and invest in enhancements, both nationally and locally.

In fact we now have all electronic measurement in 70 markets across the country, allowing us to take a more complete look at how local media is consumed in small to medium sized markets. Among these markets, Birmingham is number one in total TV viewing (live TV, time-shifted TV and multimedia device usage), at seven hours and 30 minutes, with live TV viewing making up six hours and 27 minutes. While larger cities are usually early adopters of new technologies, small to medium sized markets are showing some distinctive media habits all their own. For instance, Salt Lake City, San Diego and Austin have a higher Subscription Video On-Demand (SVOD) penetration than the national average (50%) while tablet penetration for Norfolk, San Diego and Hartford is 60% or higher, as against a national average of 58%.

Despite these impressive technology advancements, television is holding strong as the preferred screen for video consumption.

According to the latest Total Audience Report, Americans spend four hours and twenty-seven minutes per day watching live TV and another 32 minutes watching time-shifted TV. And while these numbers vary across the country, live television is reaching the most eyeballs in our cities, with some even showing increases year over year.

While local TV plays a major role in reaching audiences, understanding multi-platform touchpoints is especially important when it comes to today's digitally-savvy shoppers.

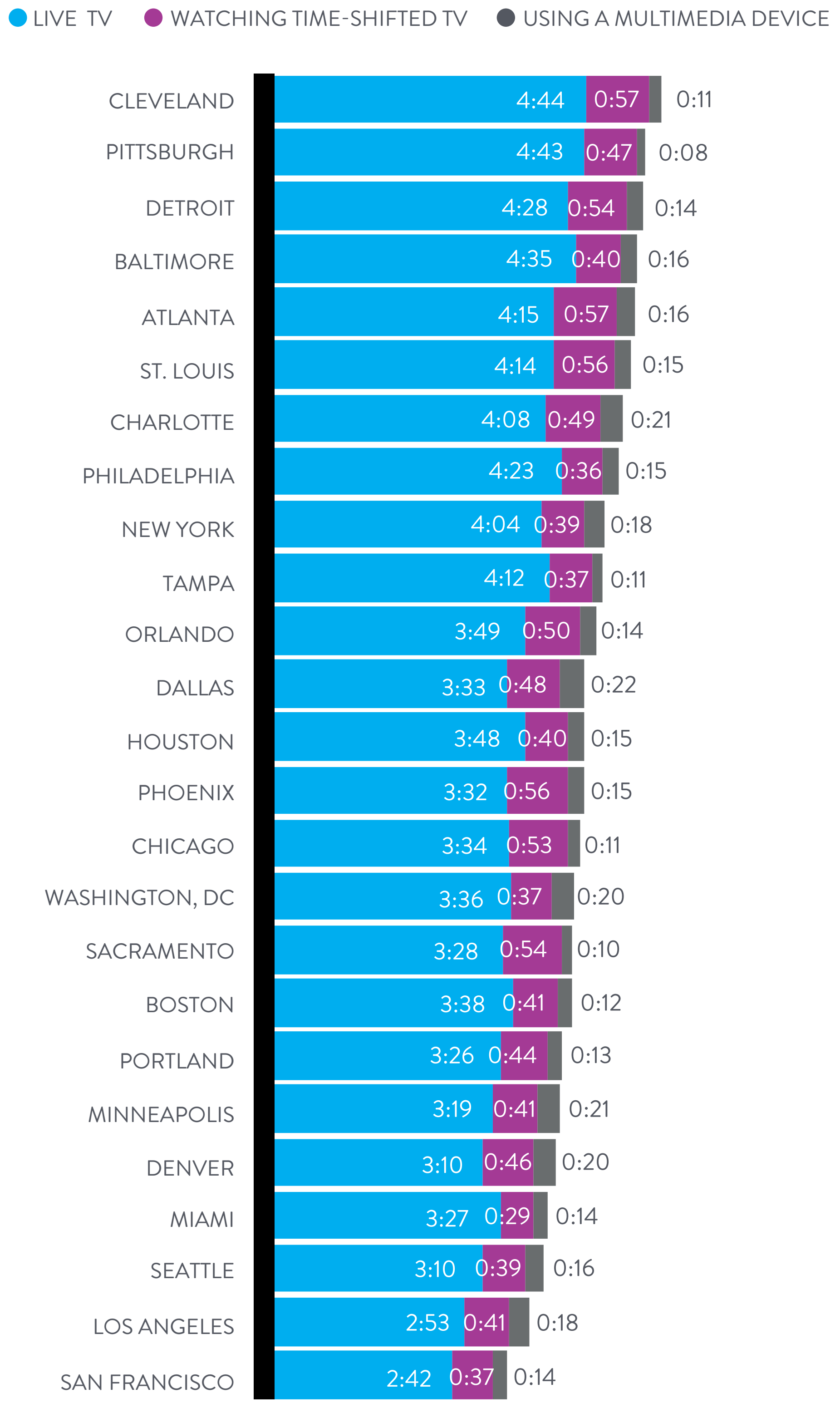
And perhaps no shopper does more homework and is savvier than a buyer in the market for a car.

In this edition of the Local Watch Report, we examine today's digital car shoppers and their media habits. Nearly 64 million U.S. adults— who make up nearly 26% of the total population— are searching the Internet for their next vehicle at any time. Understanding the profile, media touchpoints and attitudes of these spend-ready consumers is key to staying top-of-mind as they move through the purchase cycle.

Our analysis, using Scarborough data, found that digital car shoppers tend to be younger, have a higher income and generally plan to spend more on a vehicle than the average U.S. adult. It also found that out of the top 25 LPM markets, Houston and Minneapolis boast the largest penetration of these digital shoppers and sport utility vehicles are the most desirable for online car shoppers looking to buy a new vehicle. Interestingly, we found that by leveraging local broadcast television, marketers can reach 85% of digital car shoppers. These shoppers are also 62% more likely to use the internet or an app to get local news— proof that connected consumers can be reached with both traditional and digital media.

AVERAGE DAILY TIME SPENT IN LPM MARKETS

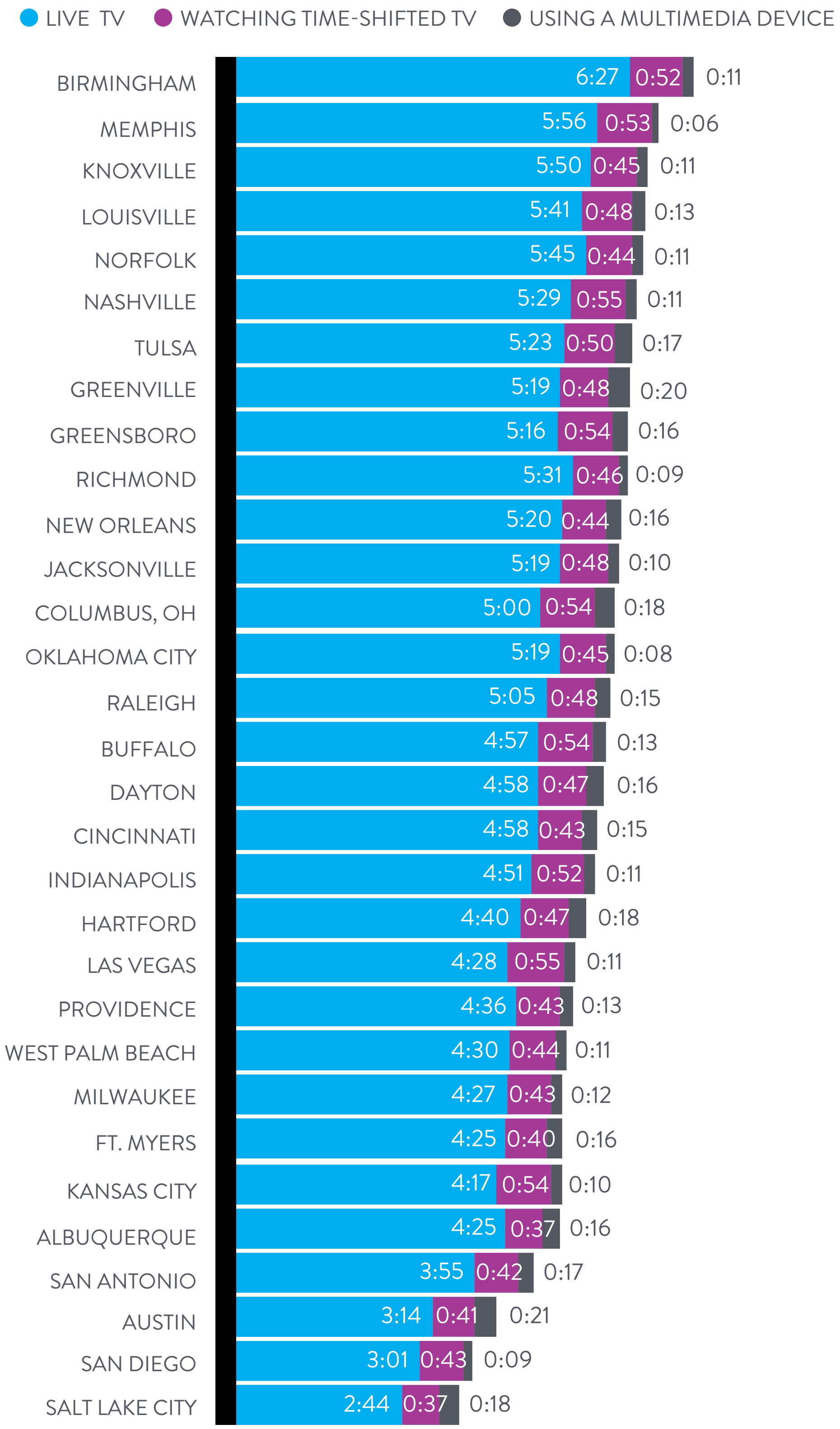
AMERICANS ARE SPENDING MOST OF THEIR DAY WITH LIVE TELEVISION



Source: NLTV FEB2016, Average Daily Time Spent HH:MM, P25-54, Live PUT, XPLT, Multimedia Device (Apple TV, Roku, Chromecast, etc)

AVERAGE DAILY TIME SPENT IN SET-METER MARKETS

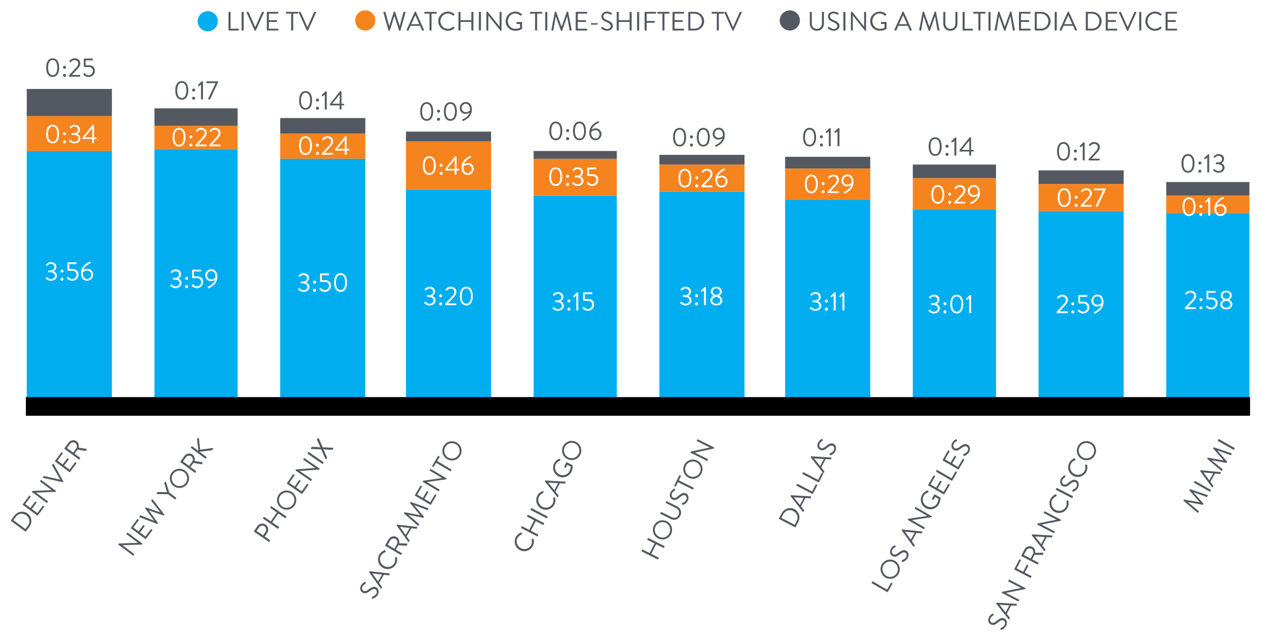
OVERALL, TIME SPENT WITH TELEVISION IS HIGHER IN SET-METER MARKETS



Source: NLTV FEB2016, Average Daily Time Spent HH:MM, P25-54, Live PUT, XPLT, Multimedia Device (Apple TV, Roku, Chromecast, etc)

HOW HISPANICS WATCH IN OUR TOP CITIES

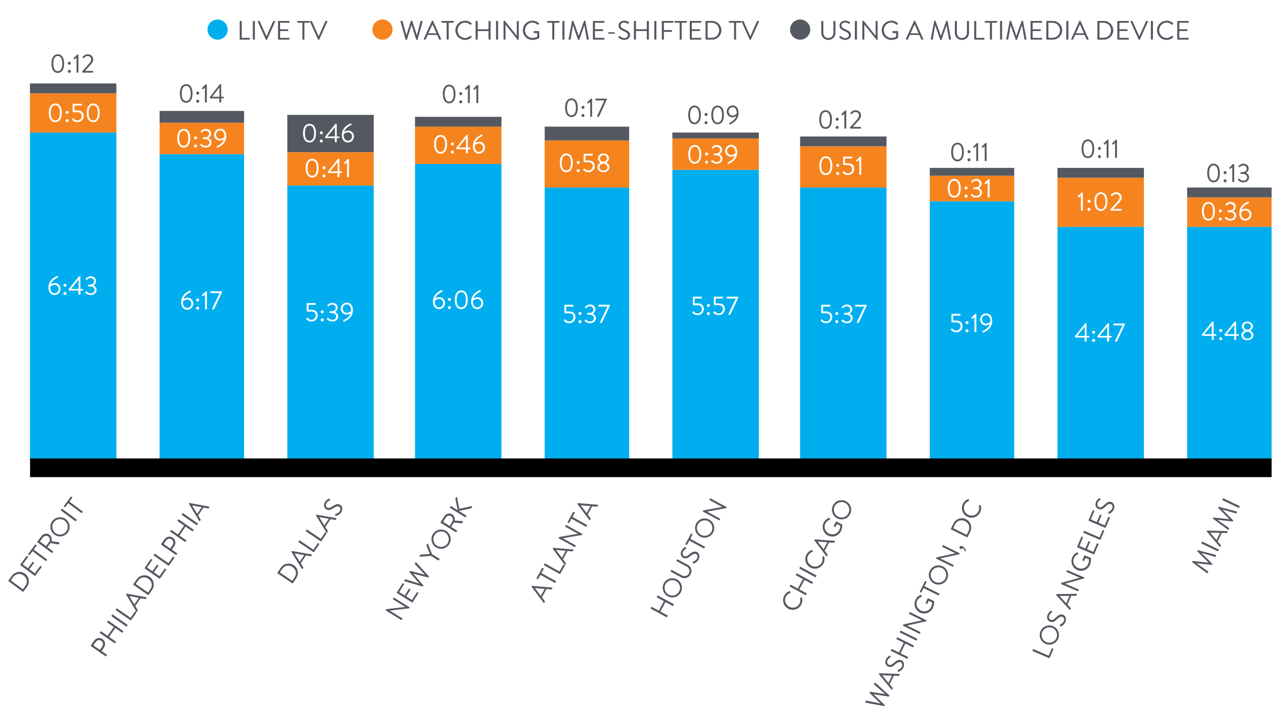
HISPANIC HOUSEHOLDS WATCH LESS TIME-TIMESHIFTED TV THAN OTHER GROUPS



Source: NLTV FEB2016, Hispanic, Average Daily Time Spent HH:MM, P25-54, Live PUT, XPLT, Multimedia Device (Apple TV, Roku, Chromecast, etc)

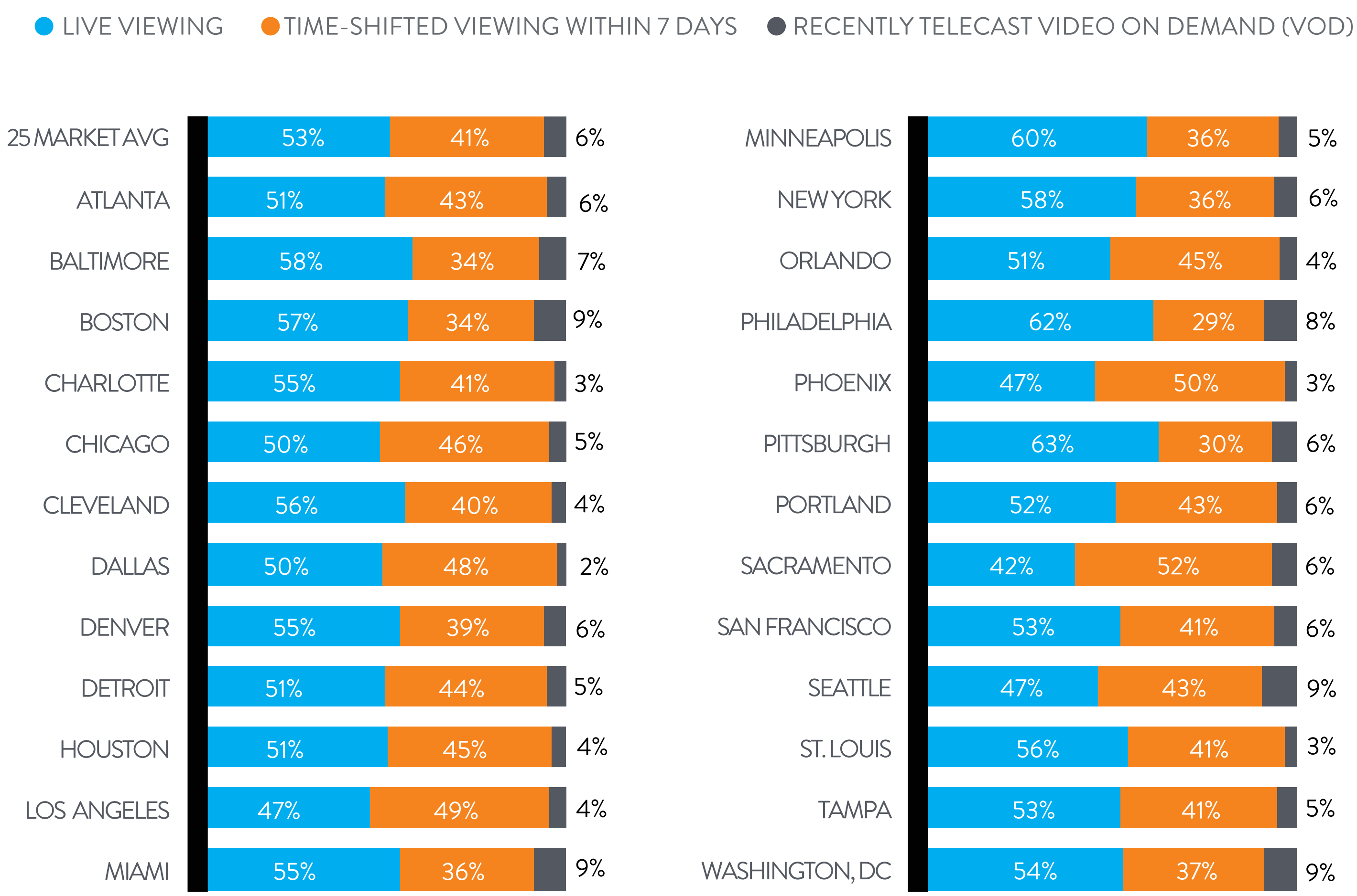
LIVE TV HIGHEST AMONG AFRICAN AMERICANS

DETROIT RANKS FIRST FOR MOST TIME SPENT VIEWING LIVE TELEVISION



Source: NLTV FEB2016, Black, Average Daily Time Spent HH:MM, P25-54, Live PUT, XPLT, Multimedia Device (Apple TV, Roku, Chromecast, etc)

GROWING IMPACT OF TIME-SHIFTING AND VOD ON PRIMETIME



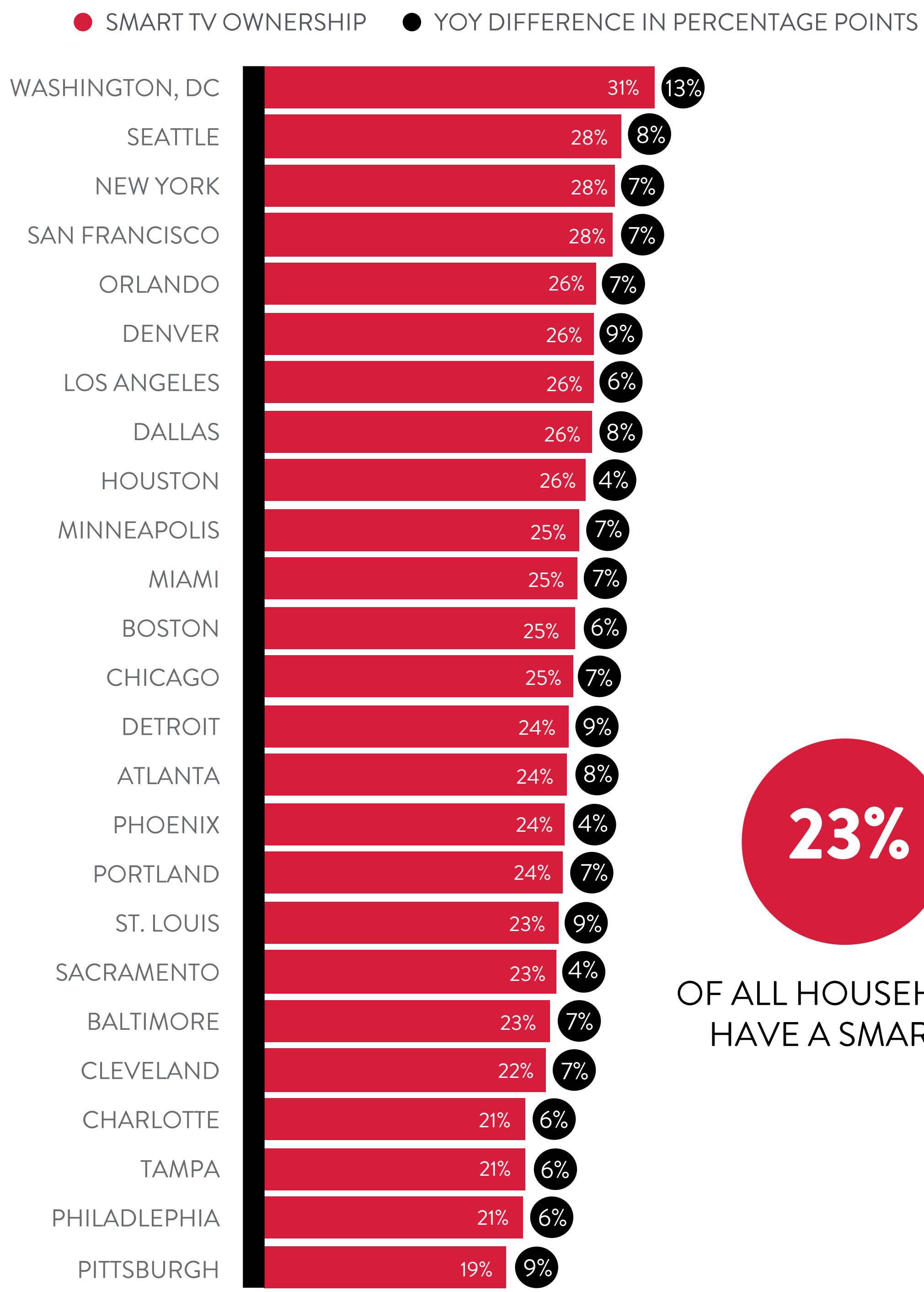
Source: Nielsen NPOWER, FEB 2016, Based on duration weighted average ratings for prime telecasts with recently telecast VOD contribution among externally reportable networks, includes only programming encoded for measurement, Live+7, P18+ in LPM markets

DEVICES ARE INCREASINGLY A PART OF THE VIEWING LANDSCAPE

Ownership of Tablets, Subscription VOD and Smartphones is growing across the country at varying rates. Some markets show aggressive adoption, while others show slower growth. Following are the latest penetration figures for these emerging technologies across our cities.

SMART TV PENETRATION AT 23%

AS SMART TV PENETRATION INCREASES, MORE AND MORE HOUSEHOLDS HAVE ACCESS TO STREAMING CONTENT DIRECTLY THROUGH THEIR SET



23%

OF ALL HOUSEHOLDS HAVE A SMART TV

Source: Nielsen Custom Data, SmartTV Capable and Enabled (custom list) HHs based on Avg installed counts, FEB 15, 2016

SMARTPHONE PENETRATION AT 86%

SMARTPHONE PENETRATION HAS INCREASED EIGHT PERCENTAGE POINTS SINCE FEBRUARY 2015

92%	SACRAMENTO
91%	DALLAS
91%	ATLANTA
91%	DENVER
91%	CHARLOTTE
90%	HOUSTON
90%	WASHINGTON, DC
90%	SEATTLE
89%	DETROIT
89%	MINNEAPOLIS
89%	PORTLAND
89%	ORLANDO
88%	LOS ANGELES
88%	SAN FRANCISCO
88%	MIAMI
87%	CHICAGO
87%	PHOENIX
87%	TAMPA
86%	NEW YORK
86%	ST. LOUIS
86%	BALTIMORE
85%	BOSTON
84%	PHILADELPHIA
82%	PITTSBURGH
72%	CLEVELAND

TOP 10 MARKETS WITH THE LARGEST GAINS SINCE FEBRUARY 2015

+13%	CLEVELAND
+12%	DETROIT
+12%	SACRAMENTO
+12%	PITTSBURGH
+11%	PORTLAND
+11%	TAMPA
+10%	MINNEAPOLIS
+10%	ORLANDO
+9%	LOS ANGELES
+9%	NEW YORK

Source: Mobile Insights, P13+, FEB2016 vs FEB2015

SMARTPHONE PENETRATION HIGHER AMONG HISPANICS AND AFRICAN AMERICANS

BASED ON TOP 10 HISPANIC AND AFRICAN AMERICAN LPM MARKETS

HISPANIC		AFRICAN-AMERICAN	
88%	**HISPANIC TOTAL US**	**91%**	**AFRICAN-AMERICAN TOTAL US**
93%	DENVER	97%	MIAMI
92%	SACRAMENTO	94%	DALLAS
91%	DALLAS	93%	HOUSTON
90%	HOUSTON	92%	ATLANTA
89%	PHOENIX	90%	WASHINGTON, DC
88%	CHICAGO	89%	DETROIT
86%	MIAMI	89%	PHILADELPHIA
85%	LOS ANGELES	88%	LOS ANGELES
83%	NEW YORK	87%	NEW YORK
81%	SAN FRANCISCO	83%	CHICAGO

TOTAL US SMARTPHONE PENETRATION = 86%

Source: Mobile Insights, Hispanic/Black P13+, FEB 2016

TABLET PENETRATION AT 58%

TABLET PENETRATION HAS INCREASED NINE PERCENTAGE POINTS SINCE FEBRUARY 2015

70%	ATLANTA
70%	WASHINGTON, DC
67%	BOSTON
66%	NEW YORK
65%	BALTIMORE
65%	LOS ANGELES
64%	SAN FRANCISCO
61%	DETROIT
61%	SEATTLE
61%	HOUSTON
60%	PHILADELPHIA
60%	SACRAMENTO
60%	ST. LOUIS
60%	PHOENIX
60%	CHICAGO
59%	ORLANDO
58%	MIAMI
58%	DENVER
58%	DALLAS
58%	PORTLAND
58%	MINNEAPOLIS
58%	TAMPA
57%	CHARLOTTE
55%	CLEVELAND
50%	PITTSBURGH

TOP 10 MARKETS WITH THE LARGEST GAINS SINCE FEBRUARY 2015

+19%	ST. LOUIS
+12%	PHILADELPHIA
+11%	BOSTON
+11%	NEW YORK
+10%	WASHINGTON, DC
+10%	CHARLOTTE
+10%	HOUSTON
+9%	LOS ANGELES
+9%	SEATTLE
+9%	PORTLAND

Source: Nielsen NPOWER, FEB 15, 2016 (vs. FEB 15, 2015), AVG Installed Counts, HHs with at least one tablet, (Excl. BBO Homes)

SUBSCRIPTION VOD PENETRATION AT 50%

SVOD PENETRATION HAS INCREASED NINE PERCENTAGE POINTS SINCE FEBRUARY 2015

60%	PORTLAND
60%	WASHINGTON, DC
59%	BOSTON
58%	DENVER
58%	SAN FRANCISCO
58%	SEATTLE
57%	LOS ANGELES
56%	NEW YORK
55%	CHARLOTTE
54%	ATLANTA
54%	DALLAS
53%	CHICAGO
53%	BALTIMORE
53%	MINNEAPOLIS
53%	PHOENIX
52%	SACRAMENTO
52%	PHILADELPHIA
50%	ORLANDO
48%	HOUSTON
48%	TAMPA
48%	DETROIT
47%	ST. LOUIS
47%	MIAMI
43%	CLEVELAND
43%	PITTSBURGH

TOP 10 MARKETS WITH LARGEST GAINS SINCE FEBRUARY 2015

+14%	PHILADELPHIA
+12%	DENVER
+12%	CHARLOTTE
+12%	PITTSBURGH
+11%	BOSTON
+10%	PORTLAND
+10%	TAMPA
+9%	ATLANTA
+9%	MIAMI
+9%	CLEVELAND

Source: NPOWER, FEB 15, 2016 AVG Installed Count of Homes with access to a subscription VOD service (Excl. BBO Homes)
Subscription VOD includes access to Hulu, Amazon Prime or Netflix

SUBSCRIPTION VOD CAN VARY BY MARKET

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO NETFLIX, AMAZON PRIME OR HULU PLUS

NETFLIX

45%	NETFLIX TOTAL US
54%	PORTLAND
53%	BOSTON
52%	DENVER
52%	LOS ANGELES
52%	SEATTLE
51%	WASHINGTON, DC
50%	NEW YORK
50%	CHARLOTTE
50%	SAN FRANCISCO
50%	ATLANTA

AMAZON PRIME

21%	AMAZON TOTAL US
35%	WASHINGTON, DC
32%	PORTLAND
31%	SEATTLE
30%	BOSTON
30%	SAN FRANCISCO
27%	DENVER
27%	BALTIMORE
26%	NEW YORK
25%	ATLANTA
24%	PHOENIX

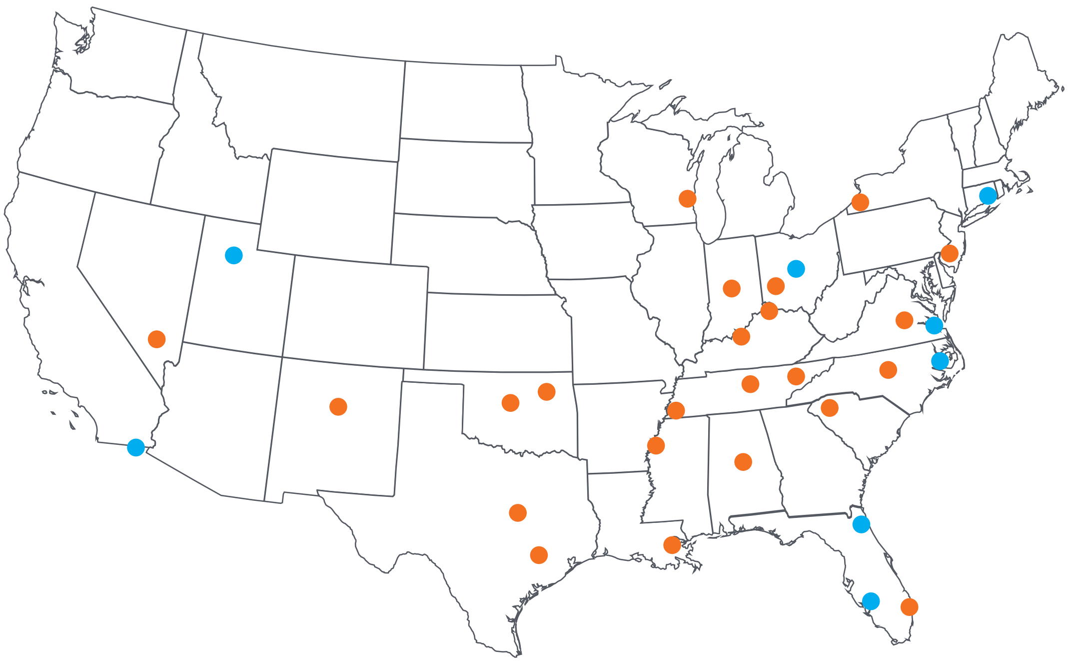
HULU PLUS

10%	HULU PLUS TOTAL US
14%	ATLANTA
14%	PORTLAND
13%	PHOENIX
12%	WASHINGTON, DC
12%	CHARLOTTE
11%	DENVER
11%	LOS ANGELES
10%	NEW YORK
10%	BALTIMORE
10%	SACRAMENTO

Source: NPOWER, FEB 15 2016, AVG Installed Count of Homes with access to a subscription VOD service (Excl. BBO Homes)

TABLET PENETRATION IN SET-METER MARKETS

SET-METER MARKETS AVERAGE LOWER PENETRATION OF THIS TECHNOLOGY COMPARED TO LPM MARKETS



SET-METER MARKETS AT OR ABOVE US AVERAGE (58%)

68%	NORFOLK
62%	SAN DIEGO
60%	HARTFORD
59%	FT. MYERS
59%	RALEIGH
58%	COLUMBUS, OH
58%	SALT LAKE CITY
58%	JACKSONVILLE

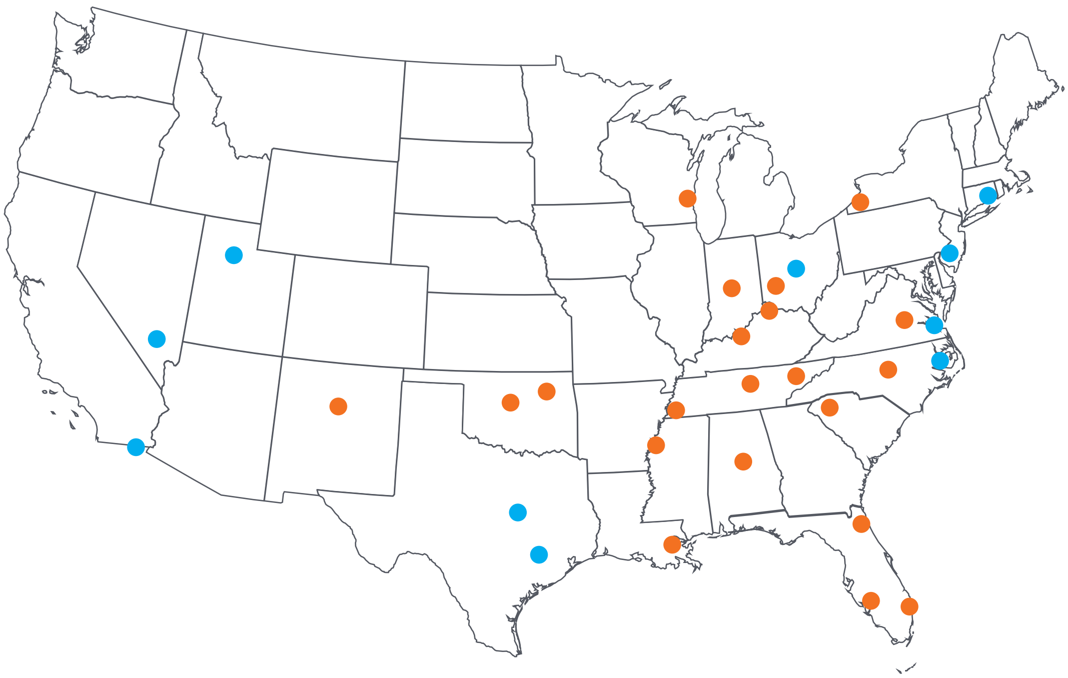
SET-METER MARKETS BELOW US AVERAGE

57%	INDIANAPOLIS
57%	NASHVILLE
56%	RICHMOND
55%	PROVIDENCE
55%	KNOXVILLE
55%	LAS VEGAS
54%	MILWAUKEE
54%	DAYTON
54%	LOUISVILLE
54%	WEST PALM BEACH
53%	AUSTIN
53%	GREENSBORO
52%	CINCINNATI
51%	KANSAS CITY
50%	OKLAHOMA CITY
50%	GREENVILLE
50%	TULSA
49%	BUFFALO
47%	SAN ANTONIO
46%	NEW ORLEANS
44%	ALBUQUERQUE
43%	BIRMINGHAM
39%	MEMPHIS

Source: Nielsen NPOWER, FEB 15, 2016, AVG Installed Counts, HHs with at least one tablet, (Excl. BBO Homes)

SVOD PENETRATION IN SET-METER MARKETS

HOUSEHOLDS WITH ACCESS TO SVOD (NETFLIX, AMAZON PRIME OR HULU PLUS)



SET METER MARKETS AT OR ABOVE US AVERAGE (50%)

64%	SALT LAKE CITY
63%	SAN DIEGO
59%	AUSTIN
56%	HARTFORD
55%	COLUMBUS, OH
53%	NORFOLK
53%	PROVIDENCE
51%	LAS VEGAS
51%	RALEIGH
50%	SAN ANTONIO

SET METER MARKETS BELOW US AVERAGE

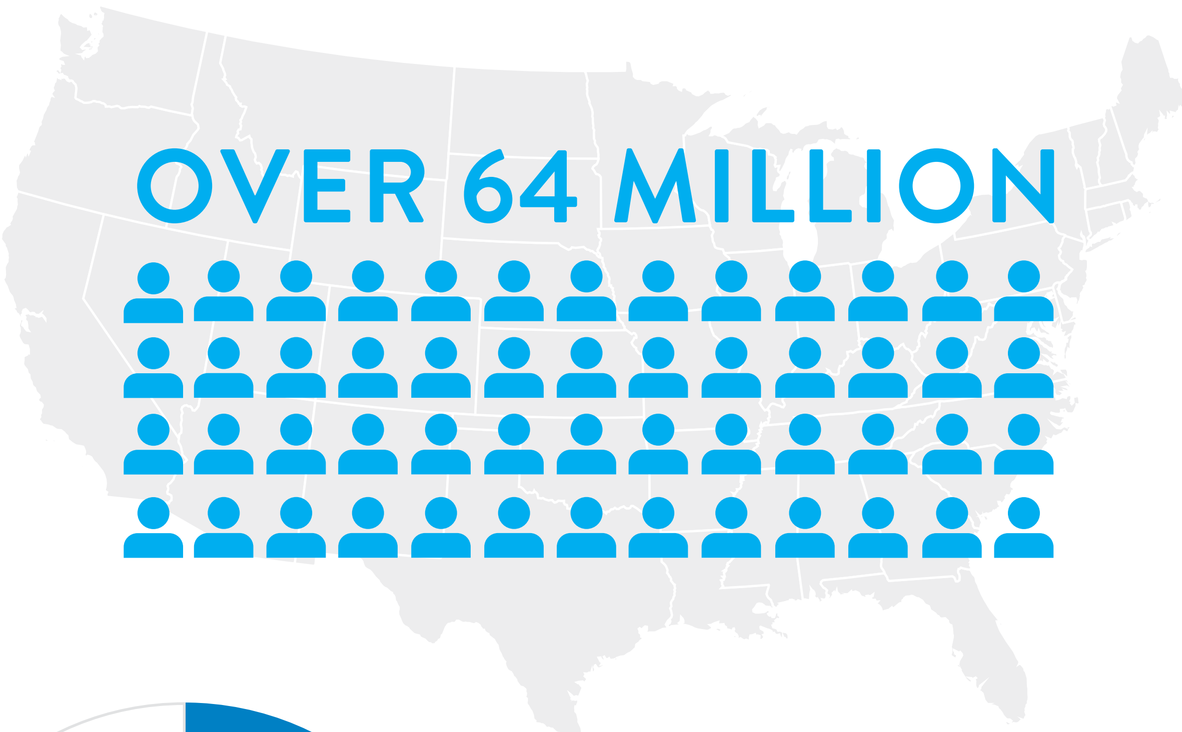
49%	KANSAS CITY
49%	MILWAUKEE
48%	CINCINNATI
48%	JACKSONVILLE
47%	GREENSBORO
46%	WEST PALM BEACH
46%	OKLAHOMA CITY
46%	BUFFALO
46%	NEW ORLEANS
46%	INDIANAPOLIS
45%	NASHVILLE
45%	ALBUQUERQUE
44%	FT. MYERS
44%	RICHMOND
44%	DAYTON
42%	LOUISVILLE
38%	TULSA
38%	BIRMINGHAM
38%	GREENVILLE
38%	KNOXVILLE
34%	MEMPHIS

Source: NPOWER, FEB 15, 2016 AVG Installed Count of Homes with access to a subscription VOD service (Excl.BBO Homes)

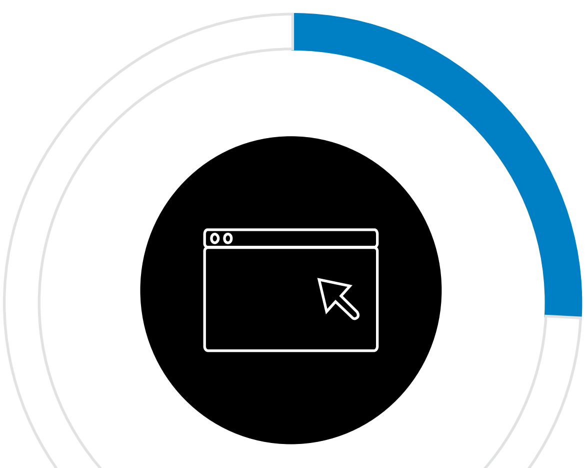
WINNING OVER DIGITAL CAR SHOPPERS

DIGITAL CAR SHOPPERS

ADULTS WHO USE ANY AUTO DEALERSHIP OR AUTO MANUFACTURER WEBSITE/APP TO SHOP OR USE INTERNET FOR AUTOMOTIVE INFORMATION



OVER 64 MILLION

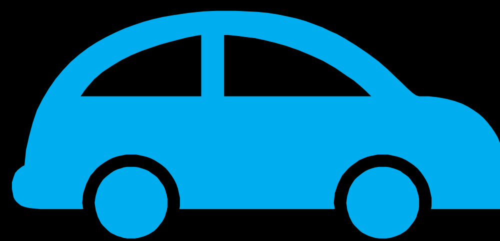


REPRESENT **26%** OF U.S. ADULTS

Source: Nielsen Scarborough USA+ Release 2 2015
Base: Adults 18+ who use any auto dealership/auto manufacturer website/app to shop or use internet for automotive information

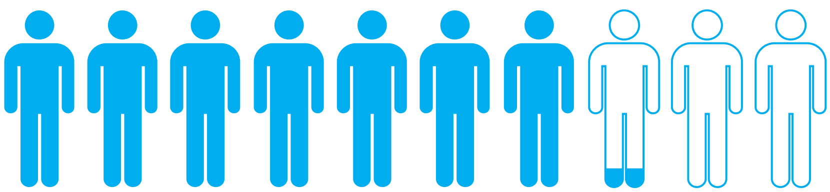
HIGH SPEND POTENTIAL

DIGITAL CAR SHOPPER HOUSEHOLDS PLAN TO SPEND OVER $102 BILLION ON NEW VEHICLES IN THE NEXT YEAR



OVER $102 BILLION

SPEND POTENTIAL ON NEW VEHICLES



73%

MORE LIKELY THAN THE AVERAGE ADULT TO PURCHASE A NEW VEHICLE IN THE NEXT YEAR

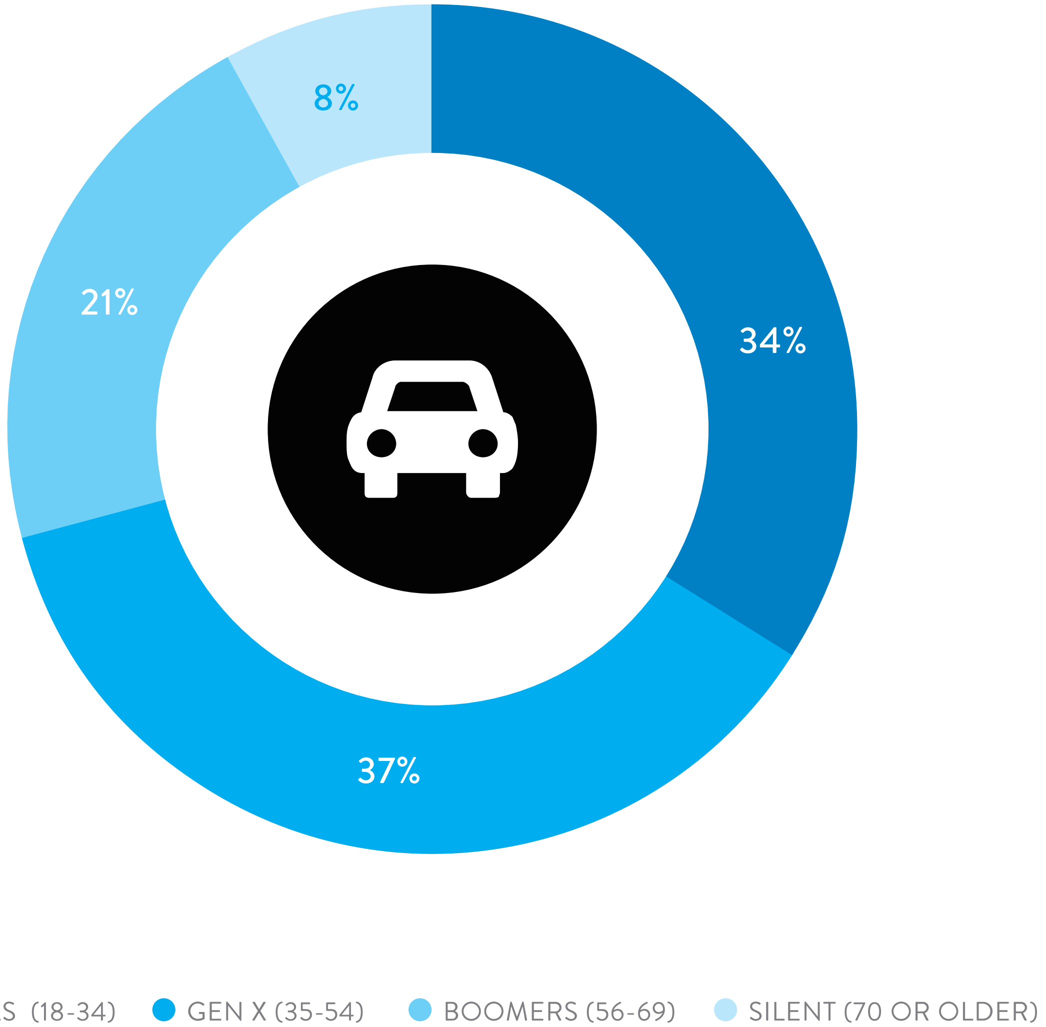
$26,780

AVERAGE AMOUNT HOUSEHOLD PLANS TO PAY FOR NEW VEHICLE

Source: Nielsen Scarborough USA+ Release 2 2015
Target: Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information
Base: Total Adults 18+

AGE PROFILE OF DIGITAL CAR SHOPPERS

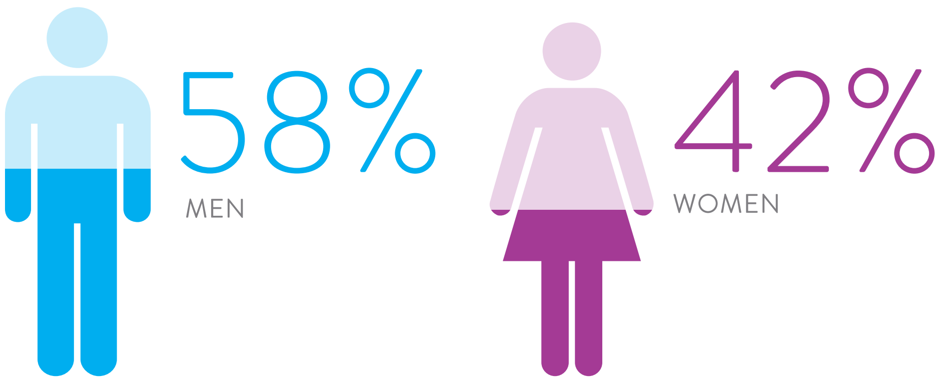
MILLENNIALS AND GENERATION X MAKE UP NEARLY THREE QUARTERS OF ONLINE SHOPPERS



Source: Nielsen Scarborough USA+ Release 2 2015
Target: Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information
Base: Total Adults 18+

THEY ARE MORE LIKELY TO BE MALE AND HAVE HIGHER INCOMES

APPROXIMATELY ONE THIRD OF THIS SEGMENTS' HOUSEHOLDS EARN OVER $100K

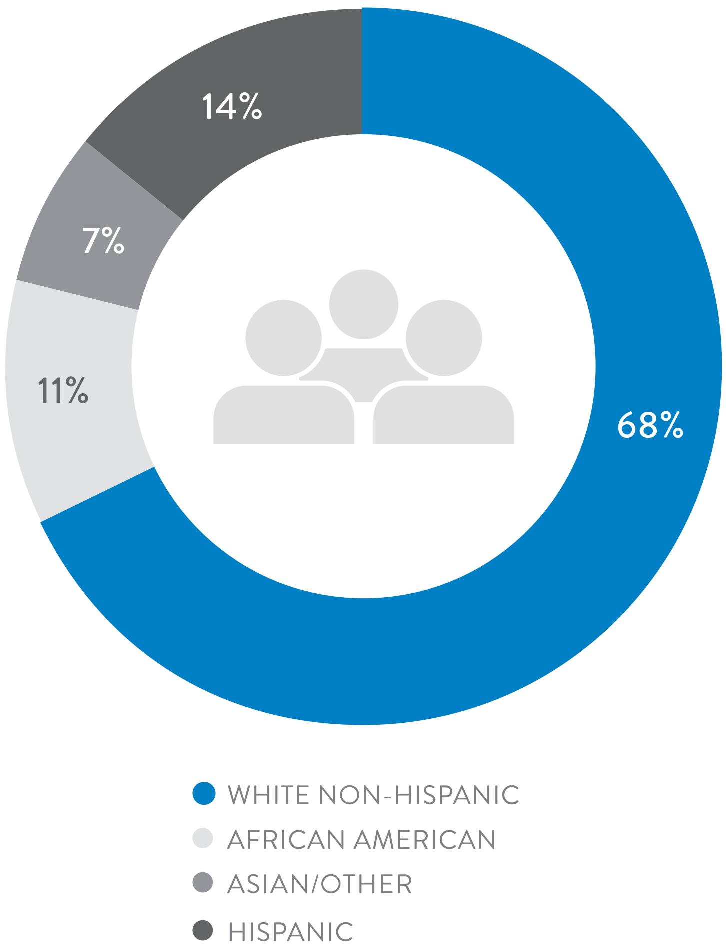


HOUSEHOLD INCOME	TOTAL US ADULTS	DIGITAL CAR SHOPPERS	INDEX
$0-25K	16%	10%	60
$25-50K	32%	27%	84
$50-75K	17%	18%	108
$75K-100K	14%	17%	125
$100K+	21%	28%	131

Source: Nielsen Scarborough USA+ Release 2 2015
Target: Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information
Base: Total Adults 18+
How to Read Index: "Digital Shoppers are 31% more likely to earn over $100K compared to the average US. adult"

ETHNIC GROUPS MAKE UP A THIRD OF DIGITAL CAR SHOPPERS

HISPANICS MAKE UP 14% OF ONLINE AUTOMOTIVE SHOPPERS



HISPANICS ARE

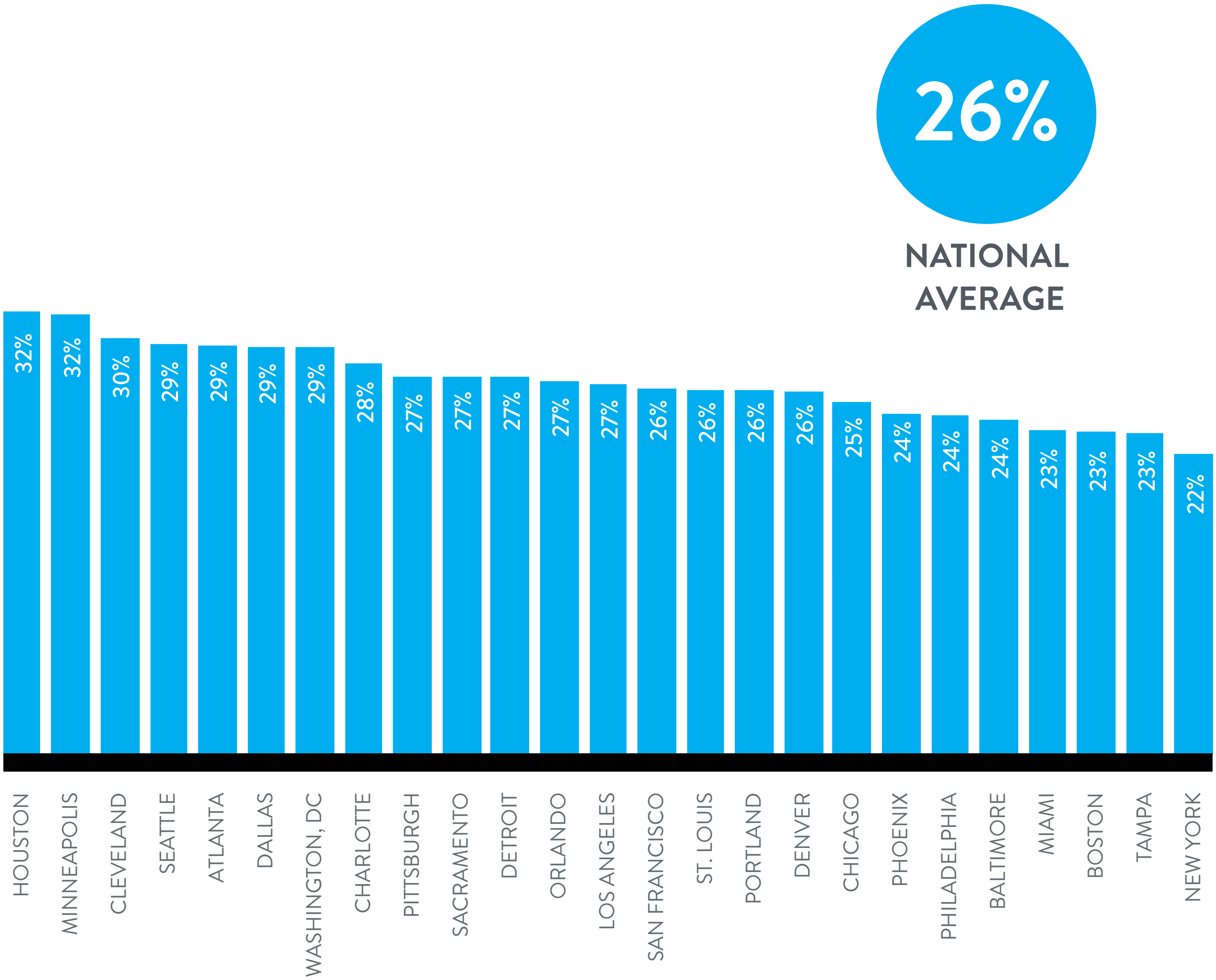
28%

MORE LIKELY TO PREFER A GREEN AND TRENDY CAR

Source: Nielsen Scarborough USA+ Release 2 2015, GfK/MRI Attitudinal Insights Data
Target: Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information

A LOCAL LOOK AT DIGITAL CAR SHOPPERS

HOUSTON AND MINNEAPOLIS HAVE THE HIGHEST CONCENTRATION OF DIGITAL CAR SHOPPERS

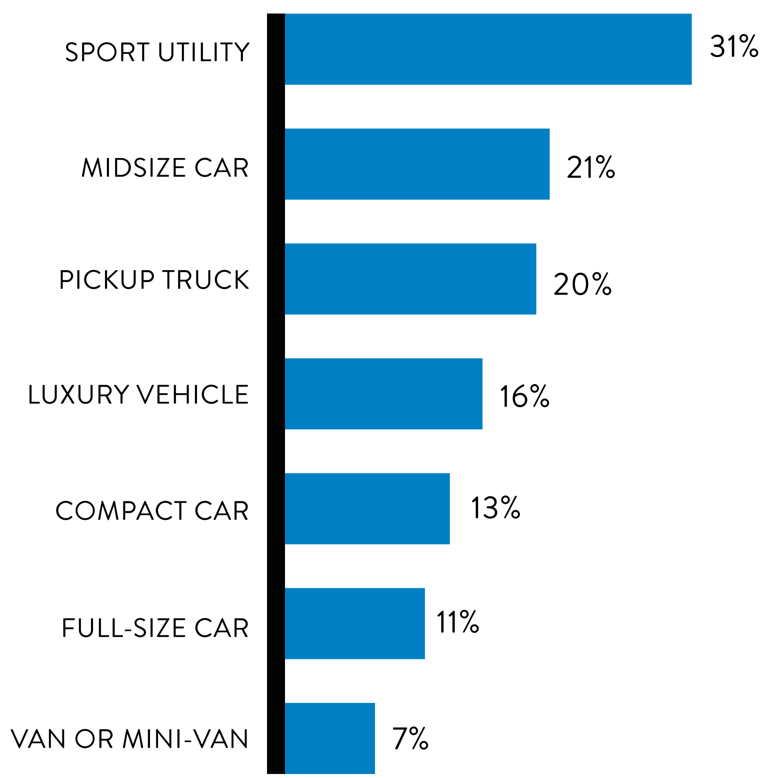


Source: Nielsen Scarborough USA+ R2 2015 ranker based on top 25 LPM markets only
Target: Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information
Base: Total US Adults 18+

SPORT UTILITY VEHICLES TOP THEIR LIST

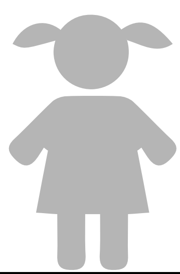
MOST DESIRABLE CAR FOR DIGITAL CAR SHOPPERS IS THE SUV

VEHICLE HHLD PLANS TO BUY IN NEXT 12 MONTHS



DIGITAL SHOPPERS WHO PLAN TO BUY AN SUV ARE:

22%
MORE LIKELY TO SPEND $35K+ ON A NEW VEHICLE



41%
HAVE A CHILD IN THE HOUSEHOLD

Source: Nielsen Scarborough USA+ Release 2 2015
Vehicle HHLD Plans to Purchase: Base = Plans to Buy a New Vehicle in Next 12 Months; Target = Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information
Digital Shoppers Who Plan to Buy an SUV: Base = Plan to Buy New Vehicle in Next 12 months; Target = Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information and Plan to Purchase a Sport Utility Vehicle

WHAT "DRIVES" THEIR PATH TO PURCHASE

SELECTION IS THE NUMBER ONE REASON FOR BRINGING DIGITAL CAR SHOPPERS TO A LOCAL DEALER

36%

DROVE 20 MILES OR LESS TO BUY/ LEASE LAST VEHICLE

TOP 3 REASONS USED DEALER TO BUY/LEASE LAST VEHICLE

SELECTION

33%

MORE LIKELY TO USE A DEALER BASED ON THEIR SELECTION

PRICE

28%

MORE LIKELY TO USE A DEALER BASED ON THEIR PRICING

FINANCING

22%

MORE LIKELY TO USE A DEALER BASED ON THEIR FINANCING OPTIONS

Source: Nielsen Scarborough USA+ Release 2 2015
Target: Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information
Base: Total Adults 18+

“GEARING” AUTOMOTIVE ADS TO ATTITUDES

UNDERSTANDING BUYER PREFERENCES AND THEIR PATH TO PURCHASE

75% “I CONSIDER SAFETY FIRST WHEN SHOPPING FOR A NEW VEHICLE”

66% “I RESEARCH AND COMPARE AS MANY VEHICLES AS POSSIBLE BEFORE MAKING MY FINAL PURCHASE DECISION”

66% “I LOOK FORWARD TO TECHNOLOGY ADVANCES IN NEW VEHICLES”

55% “REBATES AND INCENTIVES STRONGLY INFLUENCE MY NEW VEHICLE PURCHASE”

47% “I LOOK FOR VEHICLES THAT OFFER SPIRITED PERFORMANCE AND POWERFUL ACCELERATION”

33% “I BUY VEHICLES THAT REFLECT MY COMMITMENT TO SUPPORT THE ENVIRONMENT”

Source: Nielsen Scarborough USA+ Release 2 2015, GfK/MRI Attitudinal Insights
Base: Total Adults 18+

LOCAL TV REACHES DIGITAL CAR SHOPPERS

TOP 5 LPM MARKETS FOR DIGITAL CAR SHOPPERS WHO WATCH LOCAL NEWS

MORNING NEWS	
39%	**TOTAL US**
47%	CHICAGO
46%	ST. LOUIS
45%	ATLANTA
45%	DETROIT
44%	NEW YORK

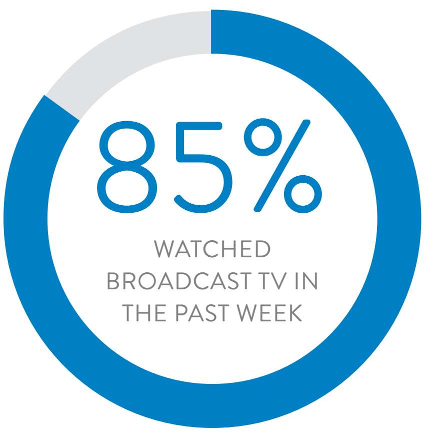
EVENING NEWS	
46%	**TOTAL US**
55%	PITTSBURGH
54%	TAMPA
51%	ORLANDO
51%	DETROIT
50%	DALLAS

LATE NEWS	
26%	**TOTAL US**
37%	MIAMI
36%	TAMPA
35%	HOUSTON
33%	DALLAS
32%	PITTSBURGH

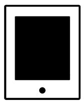
Source: Nielsen Scarborough USA+ Release 2 2015, Top 25 LPM Markets
Base: Adults who use any auto dealership or manufacturer website/app to shop or use internet for automotive information
Target: Respective Morning, Late or Evening News Viewer
How to Read: 47% of Digital Car Shoppers in Chicago Typically Watch Morning News

DIGITAL SHOPPERS ENGAGE WITH LOCAL MEDIA

PAIRING TRADITIONAL MEDIA WITH DIGITAL CAN HELP REACH POTENTIAL LOCAL CAR BUYERS



62%

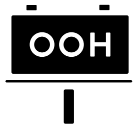


MORE LIKELY TO USE INTERNET/APPS FOR LOCAL NEWS IN PAST MONTH

23%

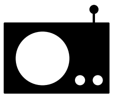
MORE LIKELY TO HAVE VISITED A BROADCAST MEDIA WEBSITE IN THE PAST MONTH

45%



MORE LIKELY TO HAVE VIEWED A DIGITAL VIDEO DISPLAY AT A GAS STATION

54%



MORE LIKELY TO LISTEN TO A LOCAL RADIO STATION ONLINE

Source: Nielsen Scarborough USA+ Release 2 2015
Target: Adults who use any auto dealership or auto manufacturer website/app to shop or use internet for automotive information

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population.

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