



Movie Downloading Awareness Grows; While Many Watch On The Go

Recent findings from Ipsos study reveal non-traditional movie consumption poised to grow and vehicle-based DVD players becoming more prevalent

June 15, 2005, New York, NY – New research from global marketing research firm Ipsos-Insight reveals that more Americans are now aware of Internet-based movie acquisition methods than last year, with the vast number of households already having the technological capability to download movies from their homes. The study also reports strong home theater ownership, while a growing number of consumers own vehicle-based DVD players.

In late 2004, findings from *MOTION* – the company's biannual shared-cost research program tracking consumers' traditional and digital movie viewing behaviors and attitudes – revealed that nearly one-half (47%) of Americans aged 12 and older were aware of the ability to download a full-length motion picture off of the Internet. While actual downloading activity remains steady, awareness increased to 53% in the first quarter of 2005, suggesting a growing consumer orientation toward alternative movie acquisition methods.

According to the study, younger males continue to be lead users with older segments demonstrating greater awareness than before. The data also indicate that most of those who have downloaded a movie online have not paid for it, a trend that mirrors the early stages of music downloading. Results published by Ipsos' digital music tracking program, *TEMPO*, showed that more than ninety percent of music downloaders in 2002 acquired their music downloads without paying for them. Recent *TEMPO* findings, however, reveal that half of those who have downloaded music off of the Internet have paid for it - an achievement that may indeed pave the way for commercial web-based distribution of other entertainment, such as movies.

"As a general rule, awareness leads to interest, which leads to trial and usage. It is likely that as American's continue to become familiar with downloading, and Internet entertainment activity in general, that this will translate into more mainstream demand for Web-based movie and video acquisition," commented Neil Modi co-author of the *MOTION* study. "Consider also that close to eight out of ten American homes have a PC and 90% of those PCs are connected to the Internet. Further, consumers continue to adopt high-speed Internet at a rapid pace, creating an adequate platform for online movie downloads. These advances combined with emerging home networking possibilities signal a rising era of Web-based movie consumption in the very near future."

Enabling Devices Proliferate

MOTION also found that not only are Americans more aware of non-traditional movie consumption, they are increasingly surrounding themselves with movie related technologies in their homes. Recent *MOTION* findings show that one in three Americans own a home theater system, with DVD players and TV sets already having reached critical mass. Even relatively more recent video-related technologies are making sizable inroads, with one in four Americans owning a DVD recorder.

In addition, it's not just in the home where movie consumption is taking place. *MOTION* data also shows that consumer movie viewing habits are moving into non-traditional environments as well, with some 16% of consumers reporting they own a DVD player in their car.

"These findings are evidence that our movie consumption habits are going to continue to change in multiple directions. As with music listening, there isn't a single movie consumption medium that will necessarily dominate, nor will there be a massive replacement of traditional media; rather, there will be a complex interplay of movie consumption behaviour that will continue to shift based on individual and evolving consumer choices.

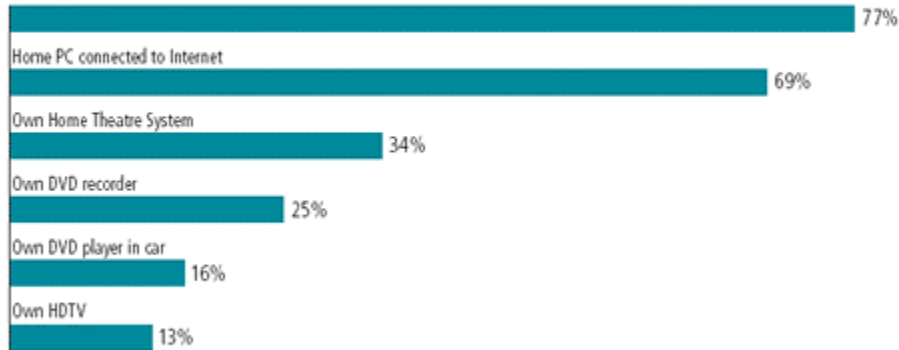


"These are the dynamics we're observing with *MOTION*. The key for developers and marketers will be to continue to identify emerging opportunities early on and monitor the direction of changes as they embrace the digital distribution paradigm," added Lynne Bartos, Senior Vice President and a leader with the Ipsos-Insight Cable, Media & Entertainment research practice.

2005: Household Movie Consumption Technology Ownership

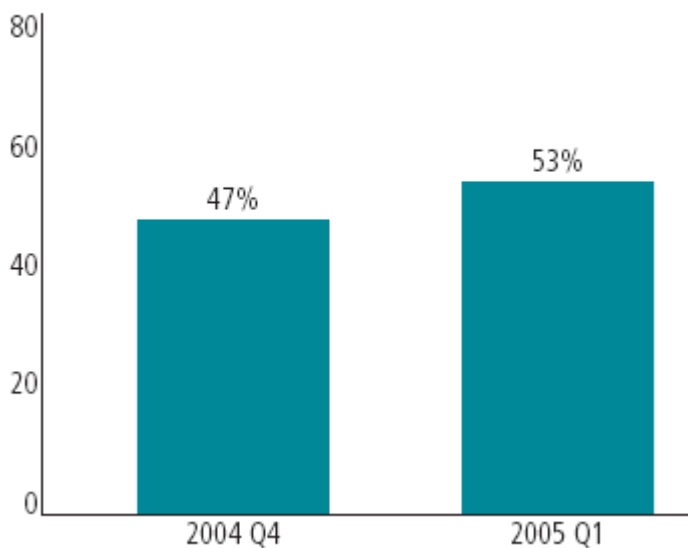
(Not all Measured Technologies Listed)

Own PC



Base: 1,117 Americans aged 12+

2005: Awareness of Movie Downloading



Base: 1,117 Americans aged 12+



Methodology

Data on movie downloading behavior was gathered from MOTION, a new biannual shared-cost research program by Ipsos-Insight that tracks trends and shifts in traditional and digital movie viewing attitudes and behavior among Americans ages 12 and older.

Data for this release were collected between April 26 and May 1, 2005, via a nationally representative U.S. sample of 1,117 respondents aged 12 and over. With a total sample size of 1,117, one can say with 95% certainty that the results are accurate to within +/- 2.93%. To learn more about the methodology of MOTION, please visit <http://www.ipsos-insight.com/industryfocus/techandcomm/motion.aspx>

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