Ipsos Insight

More Evolution Than Revolution

Most Consumers Ambivalent About Emerging Digital Video Choices

While new ways of accessing digital media are intriguing to some members of the online public, most prefer to wait and see

New York, NY, May 31, 2006 – Online American consumers are generally cautious when it comes to trying new ways to access digital content, according to Ipsos, the global survey-based market research firm. Indeed, most consumers appear reasonably satisfied with their existing options for accessing digital video. They consider emerging options potential additions, not replacements, for existing options. Only a minority of Americans is open to just-emerging ways of accessing digital video content via the Internet.

Survey respondents were presented with a series of entertainment consumption methods across various content types (for example, "listen to music on CD"). For each activity, respondents indicated whether they expect to do this more often, about the same amount, or less often a year from now (they also could indicate they would not expect to do a given activity a year from now). There is little variation (ranging from 8% to 12%) in the proportion expecting to use each method <u>less</u> often in the next year, so results focus on the varying proportions expecting <u>more</u> use of the different methods (see Chart 1).

"It's pretty clear to us that most consumers lean toward the path of least resistance – involving the smallest amount of learning and behavior change," says Todd Board, SVP of Ipsos Insight's Technology & Communications practice. "Our findings also suggest that early experiences with content obtained from the Internet and consumed on portable devices has not been all that users had hoped for."

Respondents were asked how seriously they would consider each of five hypothetical models for consuming video content – all involving Internet content access, and varying in terms of cost, duplication rights, and presence of advertising. About 10 percent of online American consumers said they are open to each of the five models (see Chart 2).

"While only about one-tenth would seriously consider any one of these, it's not the same one-tenth from one model to the next, so there is somewhat broader potential than the figure suggests," says Board. "Among potential early adopters for web-driven video content, we already see differences in the priority placed on cost, absence of ads, and ability to make limited copies."

The findings also indicate a leaning toward several of the models among parents, perhaps because fewer trips to the video store might be welcome. Owners of portable MP3 players, DVRs (e.g., TiVo), and media hubs reported higher-than-average interest in most of the models.

"There has never been more consumer-friendly technology, including technology for accessing, sharing, and consuming digital media," says Board, "so this explosion of new options comes at a time when most consumers feel they already have enough. Relatively few of them have the time or interest in exploring these new video consumption models, or clear sense of the best way to do that."

More choices are often viewed by technology marketers as unquestionably positive, Board notes.

"The reality is that consumers mostly want a balance between enough choice and not too much to choose from," says Board. "That's the sweet spot. Of course, major players in this space have to work together to frame these choices for consumers, and avoid overwhelming them."

Methodology

This study was conducted with a representative sample of 1,063 online adults from the entire U.S. online adult population (18+). This yields results which are accurate to within +/-3.01% at the 95% confidence level. Data were gathered using the *Ipsos U.S. Online Express* from April 6-10, 2006.

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