



Americans' Affection For The TV Remains Undeterred By Advancing Online Video Options

Despite The Growing Popularity Of Non-Traditional Methods To Access And View Video Content, The Living Room TV Is Still The Favorite 'Screen' For Enjoying Video Entertainment According To Ipsos Insight's Latest MOTION Study

New York, NY, May 25, 2007 — While digital video continues to grab headlines with the growing prominence of streaming and downloading video files among online adults, today's entertainment enthusiasts remain largely steadfast in their love of traditional viewing options, according to recent findings released by Ipsos Insight from *MOTION* - the company's biannual study of digital video behaviors. Among those adults that actively stream and download video content, just 11% of the video content they consume is viewed on a PC, while the overwhelming majority of their video content (75%) is consumed on a television set. Even among 12-24 year olds, who are the heaviest video streamers or downloaders, over 60% of their video content is currently consumed on the TV. So, despite the rise of online video offerings today, consumers appear just as entranced by the increasing variety of content options available for viewing on their TVs, including terrestrial and premium broadcast television, DVDs, and pay-per-view options, as well as a growing autonomy to control when they watch their video content.

Consumers Continue To Invest In Watching Video From Their Living Rooms

In response to the abundant video content options and user-friendly controls, Americans are increasingly investing in consumer technologies that create a video viewing utopia in the living room. For example, over one in four (27%) households in the US now owns a home theater system with multiple surround sound speakers, while 20% own a large screen plasma or LCD television. In addition, nearly one in five households owns a TiVO or other DVR device (19%), and though the impact of the DVR on overall viewing behaviors continues to be debated, it remains obvious that Americans still love watching television – consuming nearly 16 hours per week on average. "It's clear that consumers are inclined to experiencing video, particularly longer-form content, within their living rooms. And given the growing investment many are making to upgrade their current technology at home, the TV appears to be well positioned to remain the dominant 'screen' for most video enthusiasts," said Brian Cruikshank, Executive Vice President of the Ipsos Insight Technology & Communications practice.

Consumers aren't just spending money on the technologies in their living room, but also heavily investing in the video content they can experience on their TVs. Driven largely by the passion consumers have for living room entertainment, DVDs have become a ubiquitous medium in our country. Today, three in four (74%) households own a DVD player, and the average video library in households now includes almost 50 DVDs. In addition, the majority of American households (71%) subscribe to some form of premium video subscription service, whether it's standard cable television service, digital cable service, or digital broadcast satellite service. Lastly, newer subscription services are further bolstering the TV's position as the nexus of video viewing. For example, close to one in five (17%) U.S. households now have rented DVDs through a mail service such as those offered from Netflix or Blockbuster.

Other Video Channels Not An Imminent Threat To The TV's Dominance

Digital offerings have not yet dissuaded videophiles from watching TV shows, DVDs and movies on their TVs. For instance, only 11% of streamers and downloaders claim that their ability to access digital video has made them less likely to watch television using a traditional TV. While digital video behaviors are growing exponentially within the U.S., the vast majority of these streams and downloads are for short-running content, such as music videos, amateur video clips, movie trailers, and brief news, sports and commentary clips. The major networks have responded to the digital options by allowing online users to stream their shows for free after they air (with some advertising), but only 26% of streamers (or 11% of the overall U.S. population) have ever viewed full length TV shows digitally. Furthermore, only 29% of downloaders (or 8% of the overall U.S. population) have downloaded a full length TV show.



Despite the lower overall prevalence of downloading and viewing full-length TV shows in digital formats, many of today's video streamers and downloaders are very much interested in viewing this content on their TVs. Over two in five adults (43%) who have streamed or downloaded video in the past are interested in "burning digital video files from (their) PC onto a DVD" so they can watch this content on standard DVD player, and nearly as many (38%) are interested in watching video content they have downloaded online on their "regular TV/entertainment system." All of this seems to imply that the largest impediment to the consumption of longer-form digital video content is the viewing medium; most consumers would simply rather watch their favorite TV shows and movies on a large screen, not on their PC or mobile device. Concluded Cruikshank, "All the data we have been tracking seems to underscore one simple insight: Americans are happy with the TV as their primary access point for viewing video content. Though many consumers are beginning to try out newer online video acquisition and viewing options, particularly streaming video on their PCs, if they had their choice, they would really rather watch this content in their living room. Given this consumer truism, the marketplace appears primed for a solution that allows consumers to easily view digital video content on their TVs."

Methodology

The MOTION Winter Wave study was conducted in two phases. A representative US sample of those 12 years of age and older was conducted in December of 2006 to determine the prevalence of digital video behaviors. A follow-up online study was conducted in January of 2007 among those 12 and older in the US that have downloaded or streamed video content online.

The MOTION Winter Wave study examined:

- *The prevalence of digital video downloading and streaming among the US population, including the types of content (movies, TV shows, music videos, clips, etc.).*
- *The awareness and usage of websites that offer digital video content and what is most important to consumers that visit these websites.*
- *The amount of downloading that is fee-based and the reasons why they choose to pay or not pay.*
- *The prevalence of other types of video related activities (movie theaters, TV watching, DVDs, rentals, Pay-Per-View, etc.) and how much of an impact digital video has on more traditional viewing.*
- *The ownership, preferences and attitudes regarding technology as a whole, with a heavy emphasis on digital video.*

To learn more about MOTION, please visit: www.ipsosinsight.com/industryfocus/techandcomm/FOW.aspx

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