

Welcome

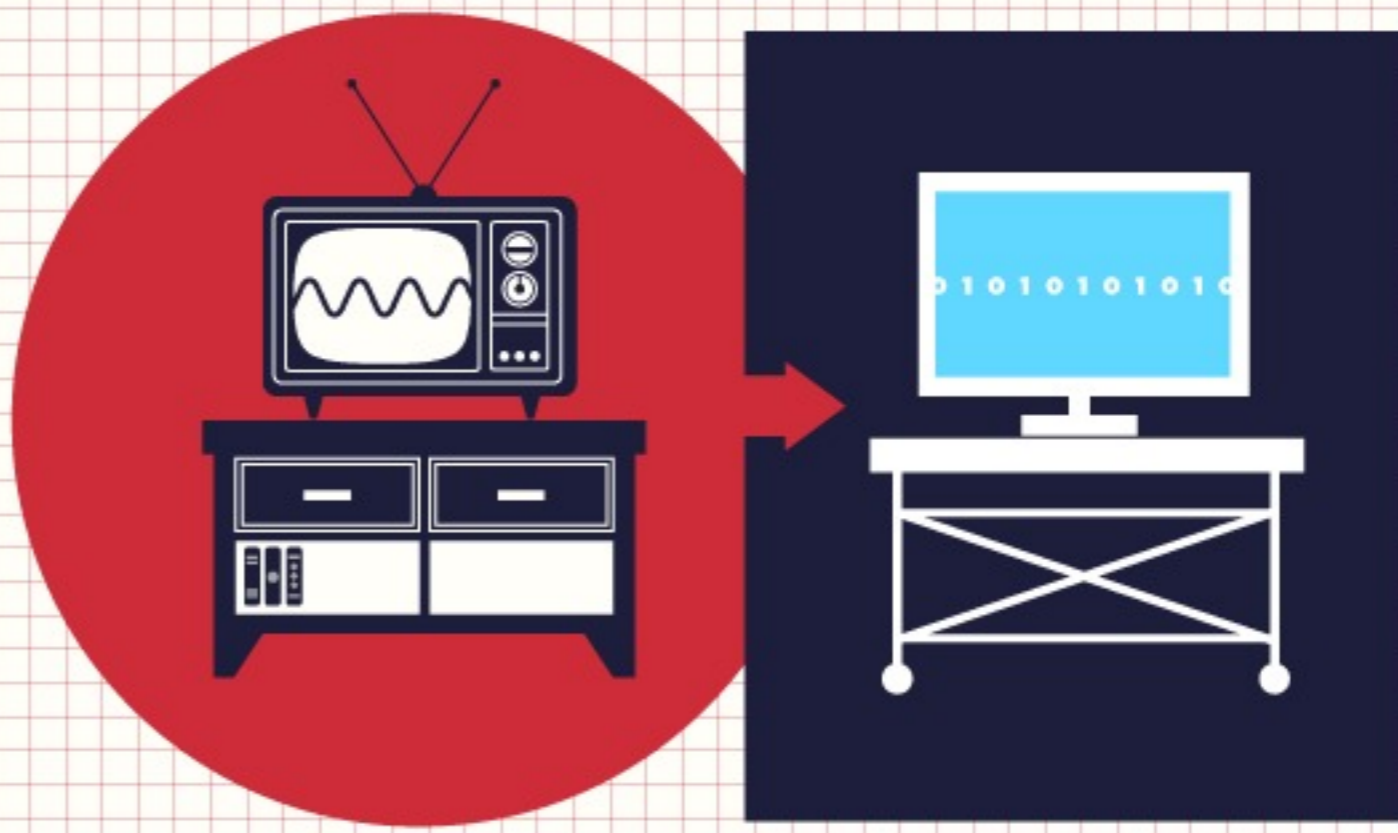
# TO THE DIGITAL LIVING ROOM

## How is the TV Landscape Changing?

### A Major First Step:

## ANALOG TO DIGITAL

Embracing the new digital era, Congress marked **June 12, 2009**, as the last day for TV stations to broadcast in analog. After that date, all broadcast signals were switched to digital, which produces higher-definition resolution, better sound, and can transmit more data.



### DVR Gives Viewers

## THE POWER TO TIMESHIFT

First introduced to the consumer market in 1999, digital video recorders (DVRs) have since grown tremendously. Forrester predicts that by 2015, the devices will reach a household penetration of about 40% to 45%.

According to Nielsen, DVRs—with TiVo leading the market—are both beneficial to networks ratings and consumer convenience.

### What Shows Are People Replaying?

Nielsen listed the top DVR genres, based on rate of playbacks, and found that science fiction is the most popular.



### Easy Peasy TV



**24.5** AVERAGE MONTHLY HOURS OF DVR VIEWING

**49%** OF DVR PRIMETIME PROGRAMMING IS PLAYED BACK THE SAME DAY IT WAS RECORDED.

**88%** IS PLAYED BACK WITHIN 3 DAYS.

## Online Video: A GAME CHANGER

Thanks to the ubiquity of the Internet and the advent of cloud computing, television programming now transcends the traditional small screen. Consumers can watch videos from any device that can access the Web.

IN FACT, IN OCTOBER 2011,  
**201.4 BILLION**  
ONLINE VIDEOS WERE WATCHED AROUND THE WORLD,  
WITH THE GLOBAL VIEWING AUDIENCE\* REACHING  
**1.2 BILLION**  
UNIQUE VIEWERS.

\*Aged 15 and older

### Where Are People Getting Their Online Video Fix?

**10,157,354**

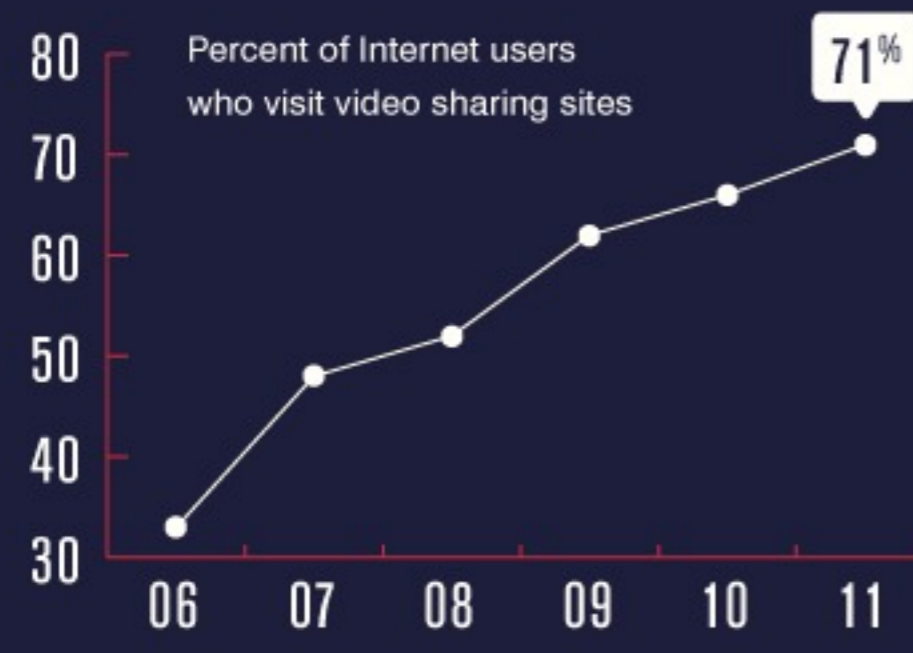
According to the latest Nielsen Report on the topic:  
**YOUTUBE HAS A HUGE LEAD COMPARED TO OTHER VIDEO STREAMING WEBSITES.**

Total Streams (September 2011)



### Visitors to Video - Sharing Sites Climbs

Over the past 5 years, the percent of Internet users who go to video sharing sites has more than doubled to 71% in 2011.



### Online Videos Drive Conversion & Traffic

The Discovery Channel increased video streams by **123%** by implementing video sitemaps, which make it easier for Google to index video content and have it appear in search results.

Dell, Inc. reports that video helped reduce service call volumes by **5%**.

**65.9%** of respondents to a GetResponse survey believe that videos in emails have a moderate to significant impact on conversion rates.

## Netflix & Hulu Bring On-Demand MAINSTREAM

### NETFLIX

How is Netflix able to attract more than 30 million subscribers? Through on-demand access to a large collection of films and television series.

On September 18, 2011, the company jeopardized this when it announced it would separate its DVD-by-mail and "Watch Instantly" streaming feature into two entities, with the DVD service being called Qwikster.

The companies would have different cost structures and benefits. Amidst the public uproar, the company cancelled the change less than a month later.

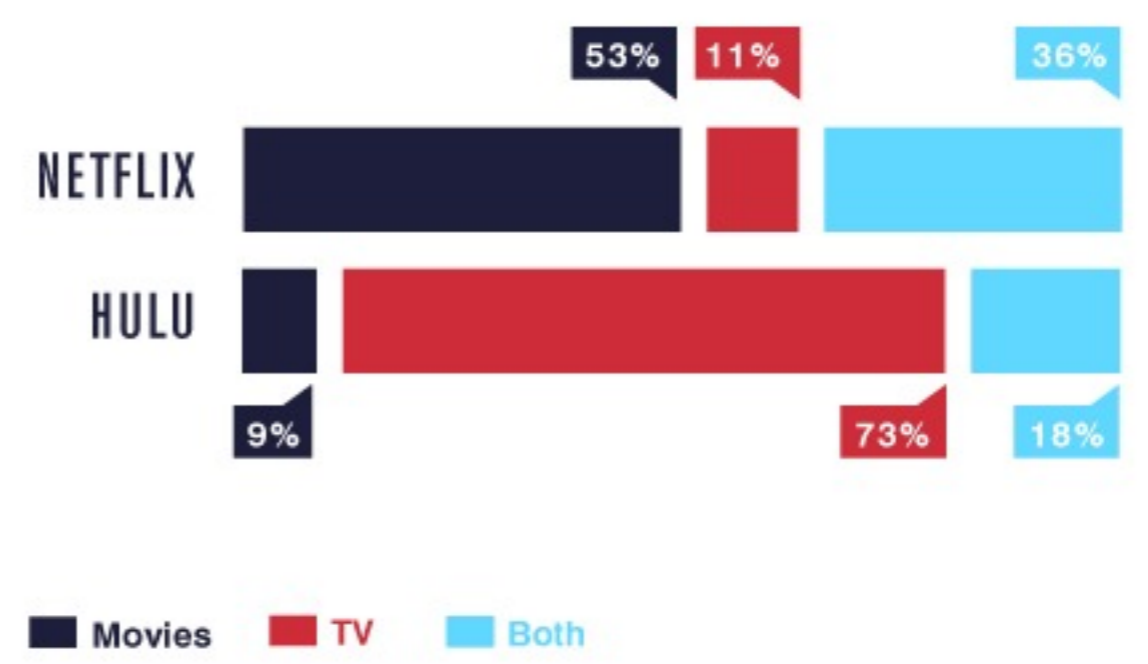
### THE AVERAGE NETFLIX USER WATCHES 5 TV SHOWS AND 4 MOVIES PER WEEK.



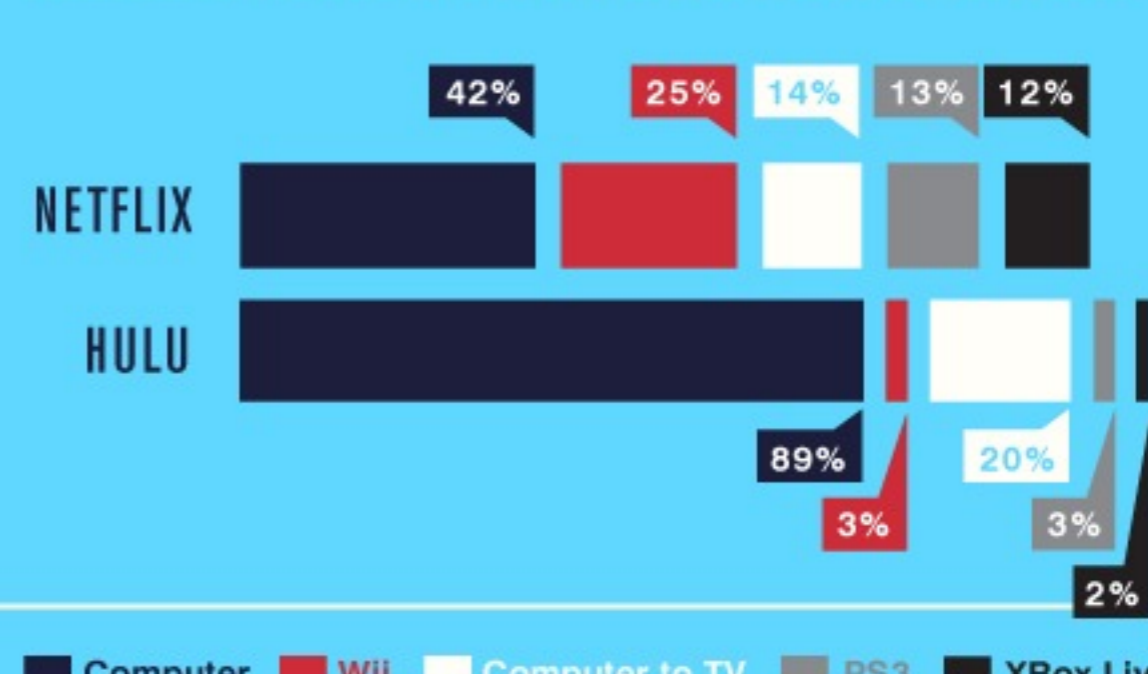
### HULU

Geared toward the TV fanatic, Hulu offers both recent TV episodes as well as past seasons, and attracts those yearning for exclusive behind-the-scenes footage from major networks.

### What are Netflix & Hulu Users Watching?

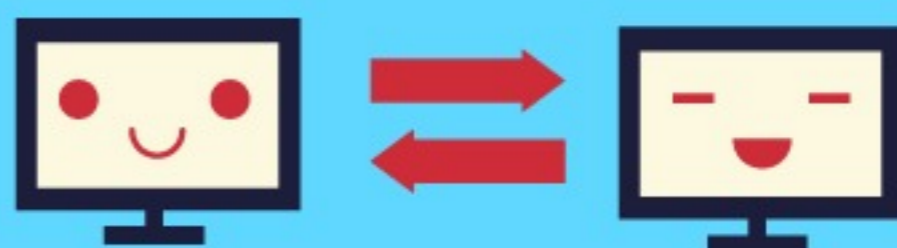


### And How Are They Watching?



## THE RISE OF SOCIAL TV

Social media has redefined how we communicate. Now, it is transforming the television viewing experience. Surveys suggest that many viewers use multiple internet-enabled devices while watching TV and marketers have begun incorporating social elements into their campaigns.



### TV Viewers Are Multitasking

YAHOO! AND RAZORFISH SURVEYED U.S. ADULTS AND FOUND THAT:

**88%** ARE MOBILE MULTITASKING WHILE WATCHING TV.

**15%** ARE ON THEIR PHONES FOR THE ENTIRE DURATION OF PROGRAMS.

**38%** SEARCH THE MOBILE WEB FOR CONTENT RELATED TO THE SHOWS THEY'RE WATCHING.

**94%** EXCHANGE EMAIL, SEND IMS, TEXT, TALK OR SOCIAL NETWORK WHILE WATCHING TV.

**38%** SAY BROWSING THE WEB ENHANCES THEIR TV VIEWING EXPERIENCE.

### How Is a New Era of Social TV Being Integrated?

#### X-FACTOR & TWITTER



This year, "The X Factor"—a reality singing competition—became the first of its kind to allow voting through Twitter. According to Bluefin Labs, a social media analytics company, the show averages 110,000 social media comments per episode and is the number one social TV show among reality series.

#### REPUBLICAN PRESIDENTIAL DEBATE & INTONOW



During the December, 17, 2011, Republican presidential debate, ABC News, which broadcast and moderated the event, used an app called "IntoNow" to poll live audiences and gauge reactions to debate responses in real time. It would then use the poll results to determine follow-up questions.

#### ZEEBOX



Developed for smartphones and the iPad, Zeebox is a dual-screen app that allows users to participate in real-time social network discussions about the shows they're watching while they're watching. It even allows invites to Facebook friends to view the same programs.

### Sources:

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