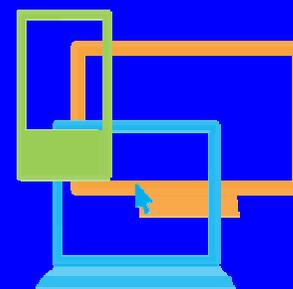


# Television's Bright Future

TV Vuosi 2010  
Helsinki, Finland

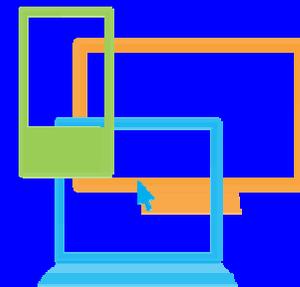
February 3, 2010



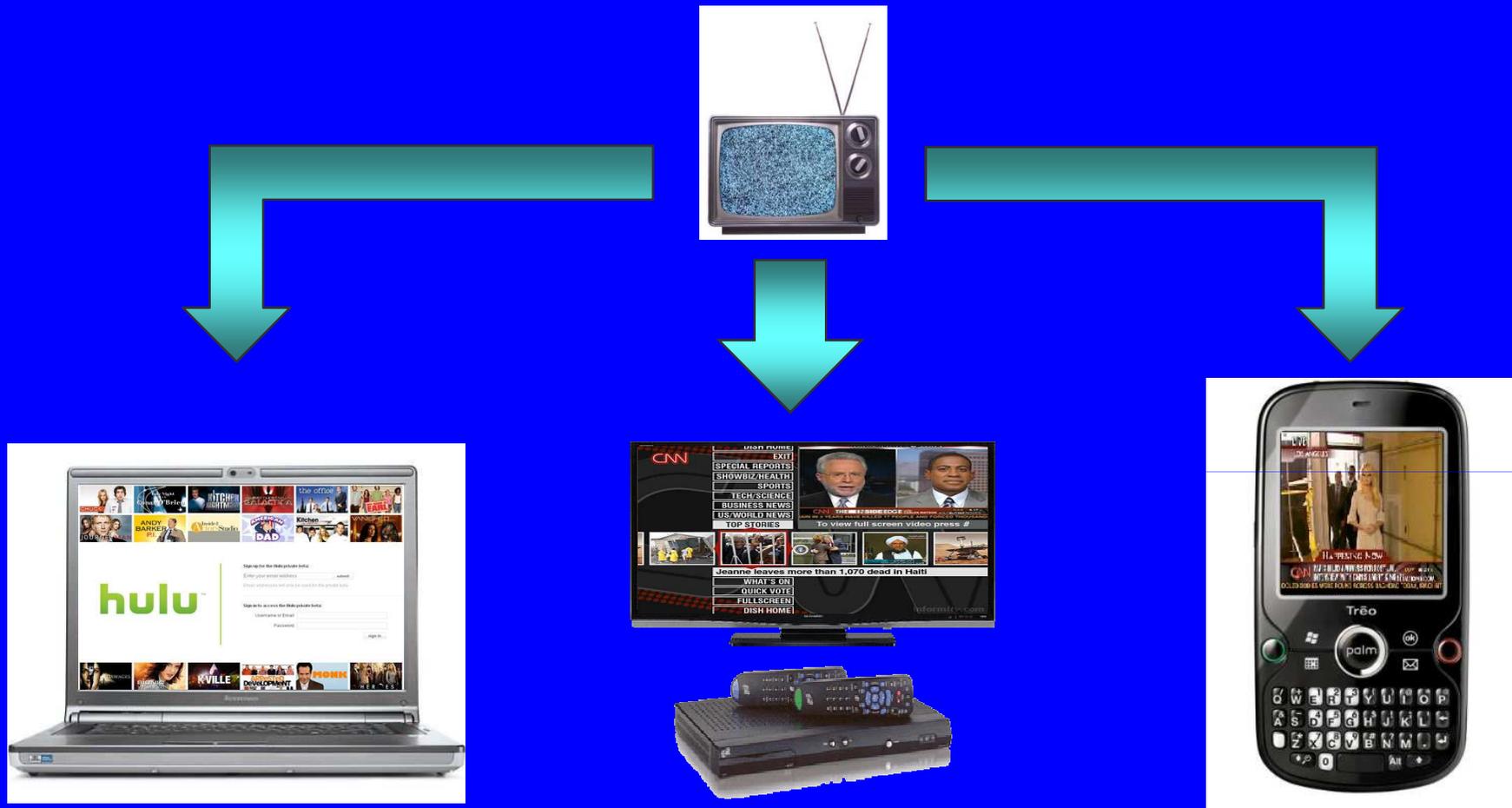
# Television's Bright Future

## The Agenda

- Popularity of Television
- Impact of the Internet
- Importance of “Catch Up” TV
- Dynamics of TimeShifted Television
- Video on Demand
- Emergence of Set-Top Box Opportunities
- Mobile Television Consumption
- Cross Platform Perspectives



# The Video Landscape



Online

TV & STB

Mobile

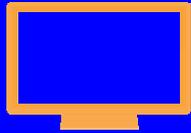
# The New Media Paradigm

- Anytime Anywhere Media





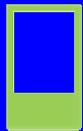
# Consumers Look to The “Best Screen” Available” to Consume Media



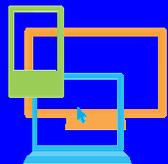
- Time Spent Viewing TV is at an All-Time High
- Live TV Dominates Across All Demographics
- DVR Usage is Small But Growing



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- Short Form Videos Lead Online Video Usage
- Nearly Half of Video Consumed is at the Workplace



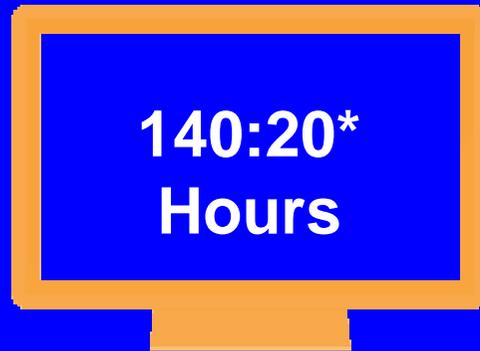
- The Number of Mobile Video Viewers is Growing
- Smartphones are Driving Increases in Mobile Video Consumption



- Heavy Internet Users are Heavy TV Viewers and Vice Versa
- Communicating Across Multiple Platforms Enhances Impact



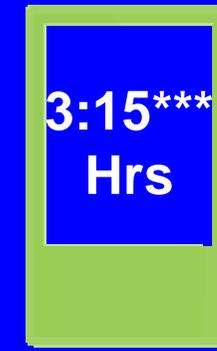
# Viewership By Screen Type



+



+



Monthly Time Viewing Video in Hours: Minutes Per User  
Q3 2009

Usage is Independent of Time

Usage is Independent of Location

Source: The Nielsen Company Q3 2009; \* TV in the home includes live viewing plus playback within 7 days. \*\* Internet includes home and work who used internet to watch online video. \*\*\* Mobile video audience consist of 13 or older mobile phone users who access video through any means.



# Considerable Time is Spent Consuming Media Each Month

Monthly Time Spent in Hours: Minutes Per User Q3 2009

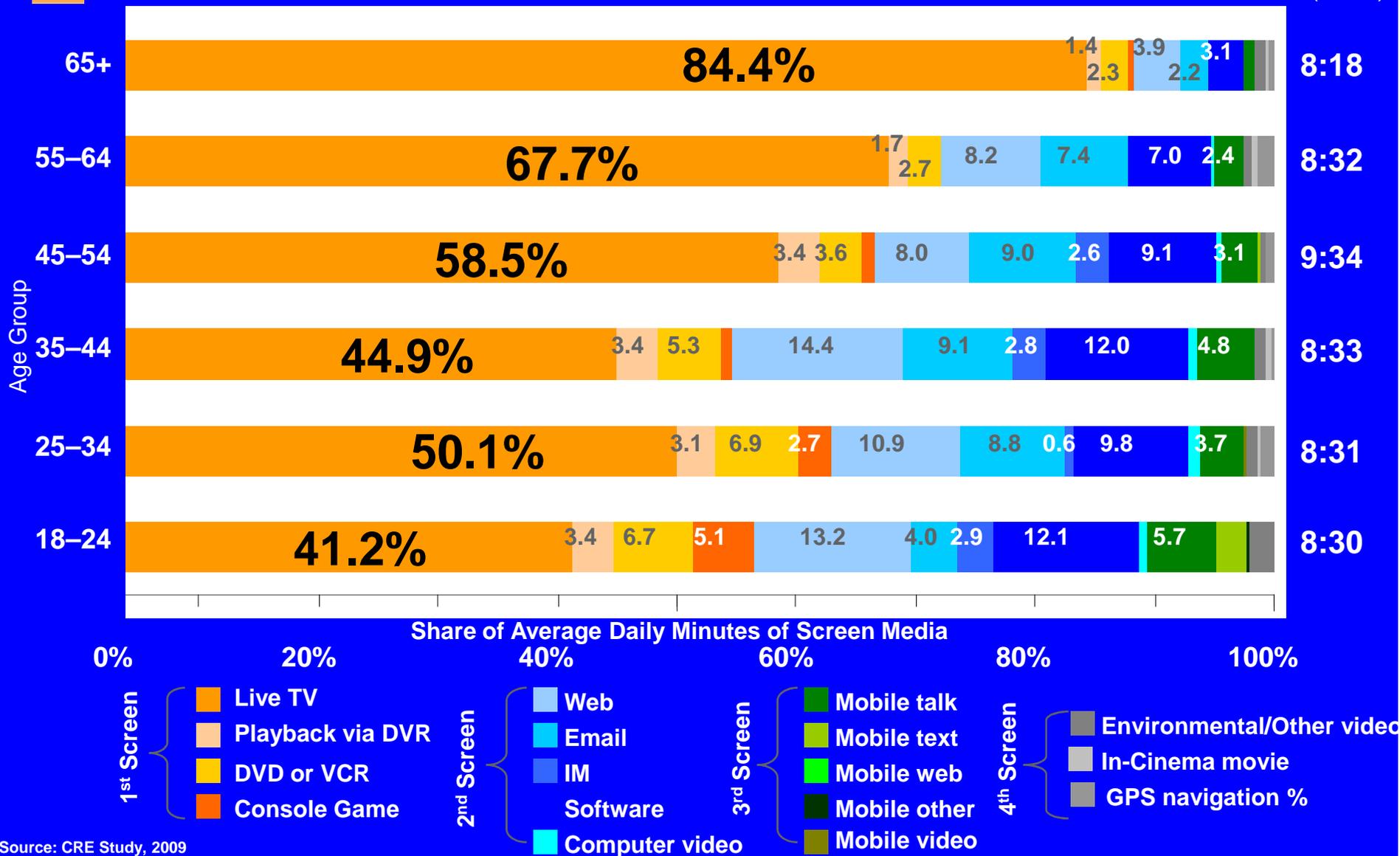
	Q3 2009	Q3 2008	% Diff	# Diff
<b>TV in The Home*</b>	140:20	140:48	-0.3%	0:28
<b>Timeshifted TV*</b>	7:54	6:27	22.5%	1:27
<b>Using the Internet**</b>	27:32	27:18	0.9%	:14
<b>Video on Internet**</b>	3:24	2:31	34.9%	:53
<b>Video on a Mobile Phone***</b>	3:15*	3:37	-10.0%	:22

Source: The Nielsen Company Q3 2009; \* TV in the home includes live viewing plus playback within 7 days. \*\* Internet includes home and work who used internet to watch online video. \*\*\* Mobile video audience consist of 13 or older mobile phone users who access video through any means.

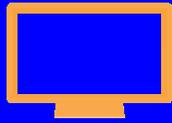


# Young Viewers Screen Usage is Dispersed

Total Screen Time (h:mm)



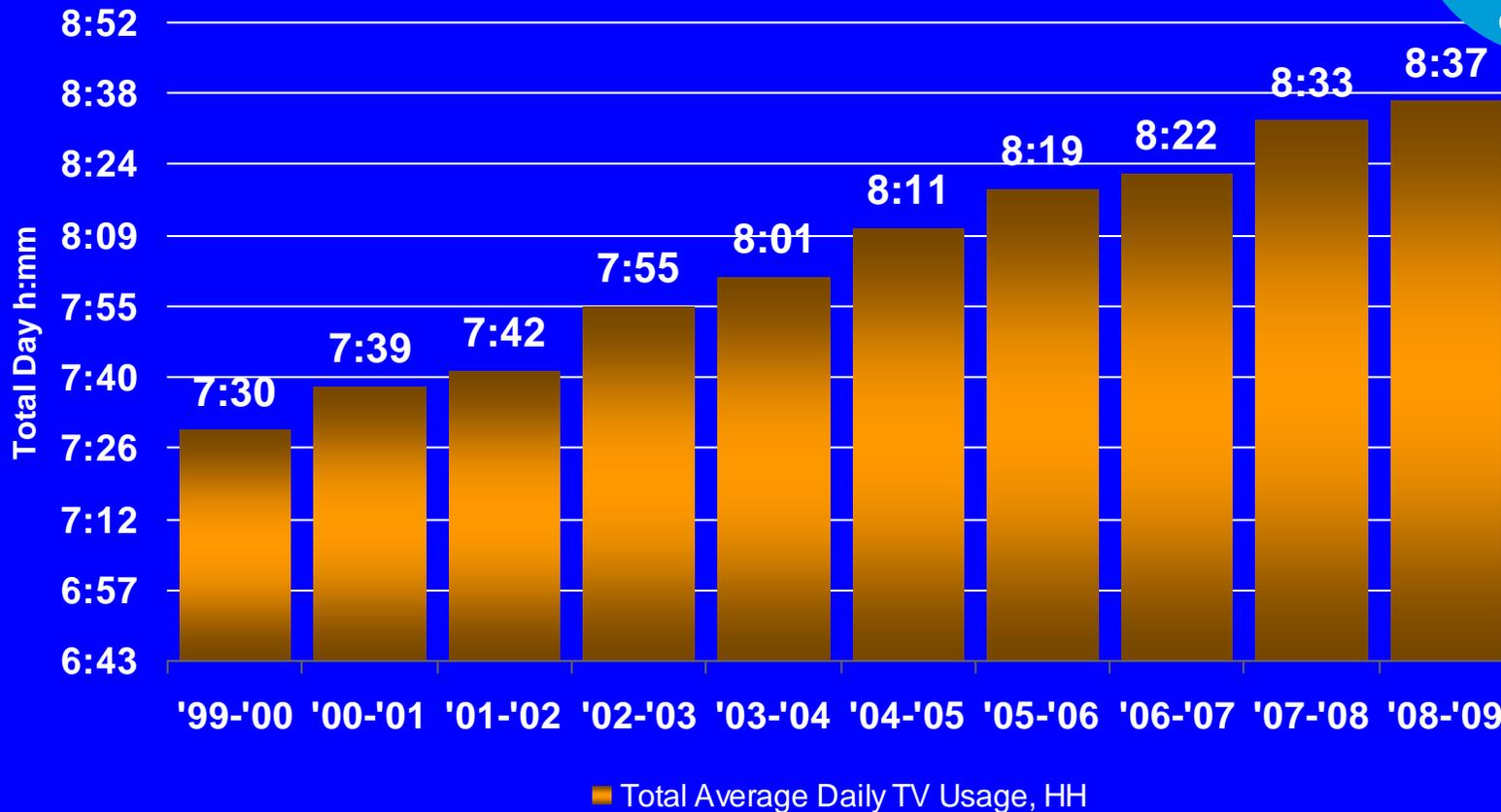
Source: CRE Study, 2009



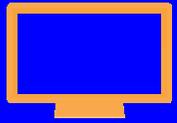
# TV Consumption Continues to Grow

## Total Average Daily TV Viewing per Household

Average Number of TVs per U.S. Household = 2.86

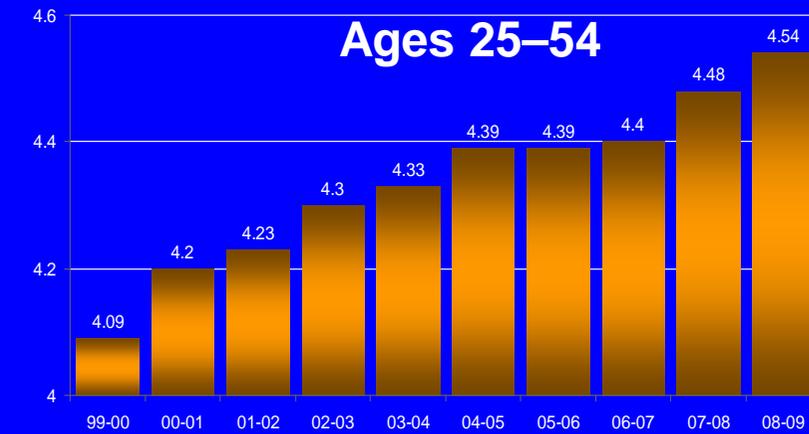
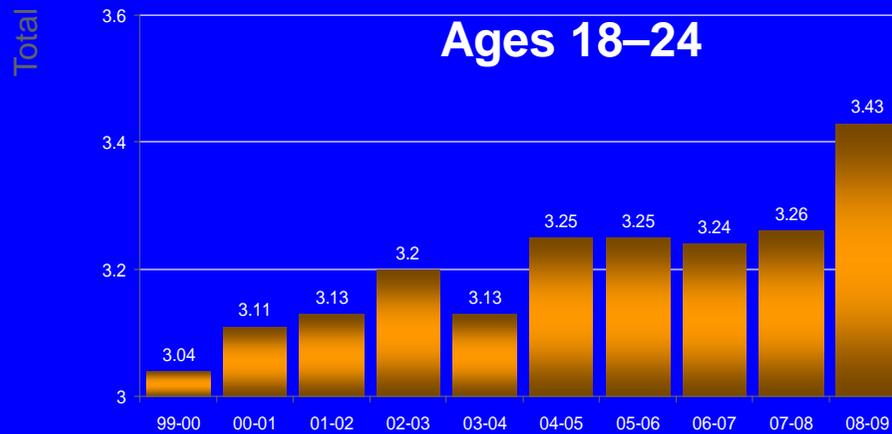
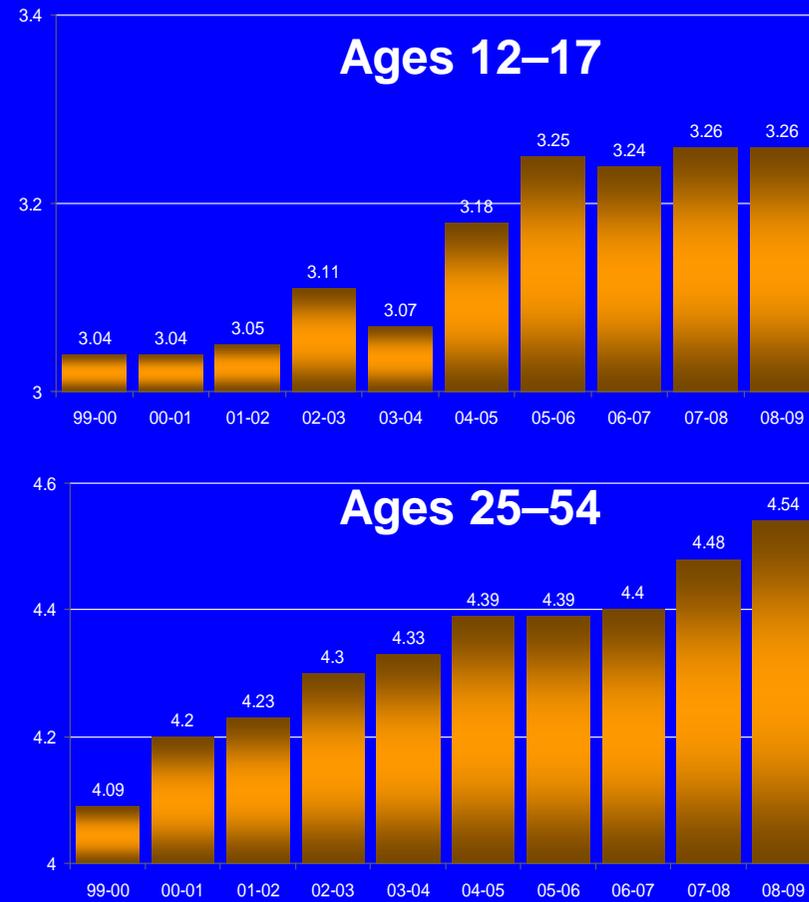
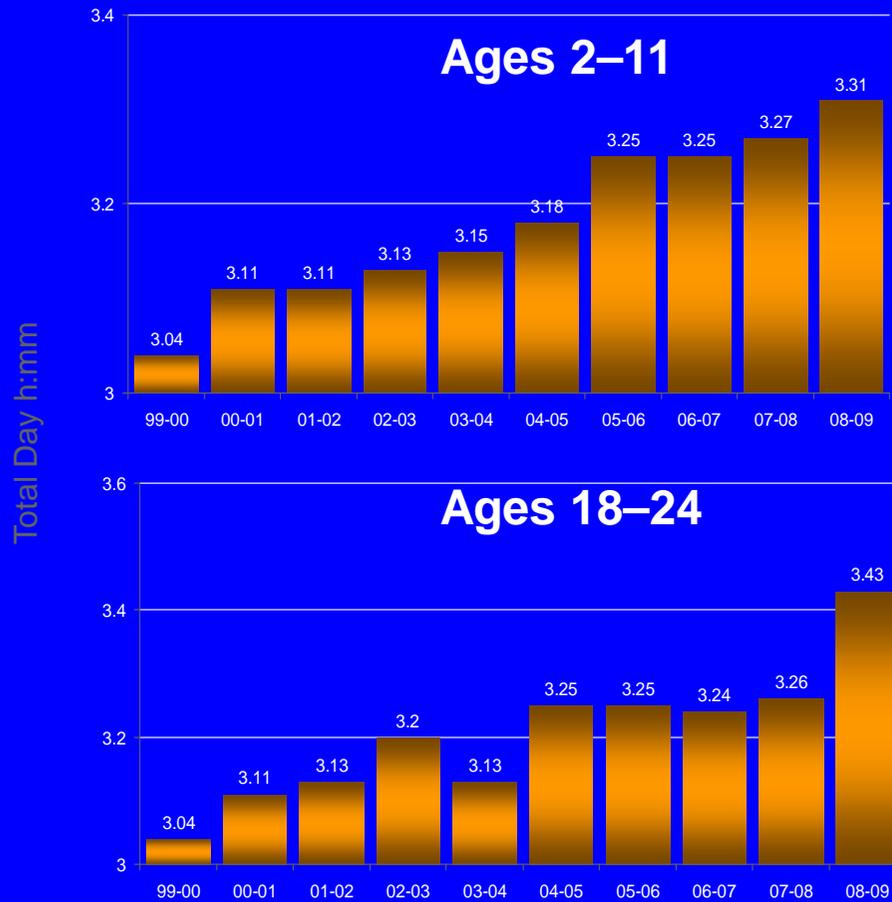


Source: Nielsen National People Meter, 05-09 data based on Live+DVR playback

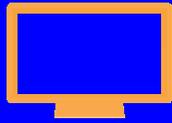


# TV is Growing Among All Age Groups

## Total Average Daily TV Viewing by Age Group

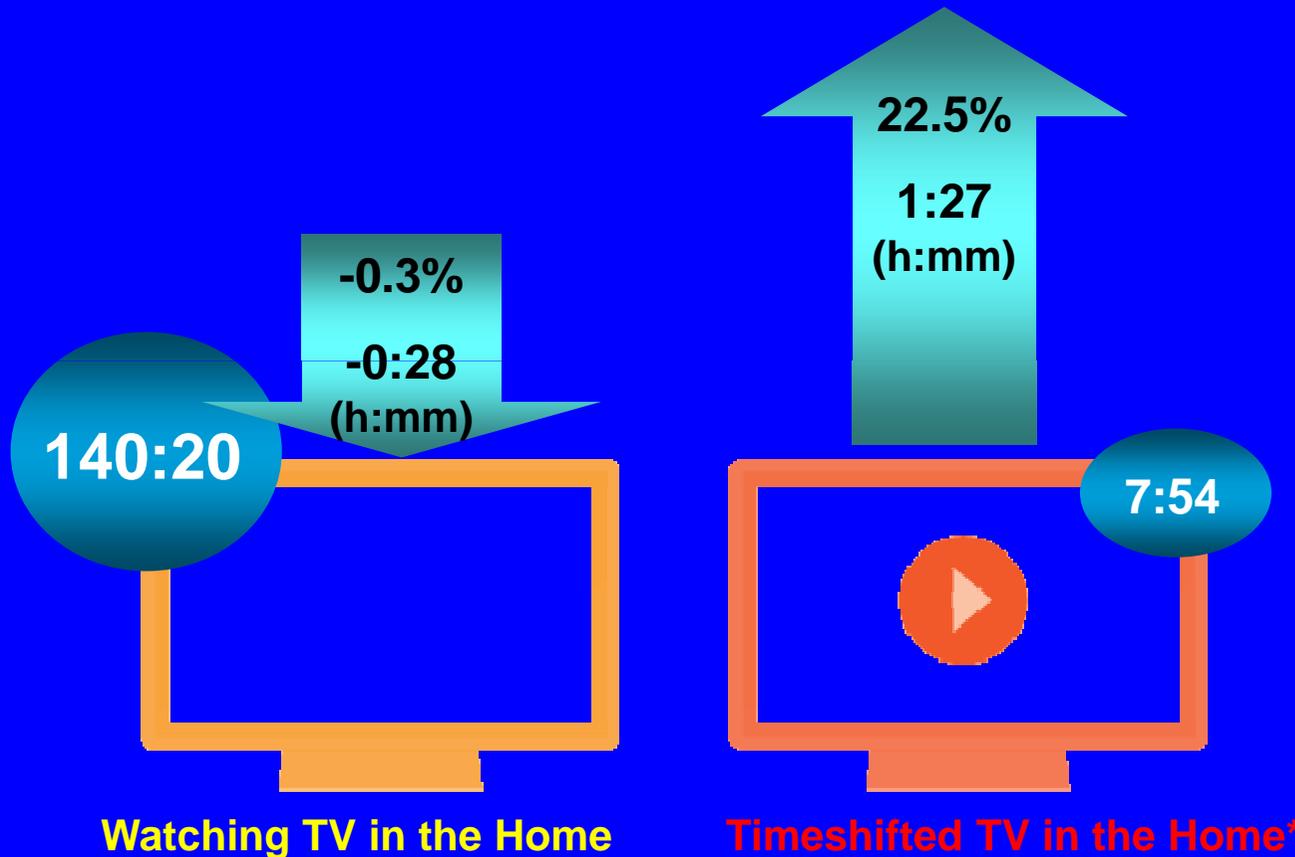


Source: Nielsen National People Meter, 05-09 data based on Live+DVR playback

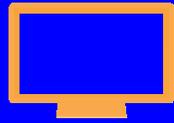


# Time Shifting is Driving TV Growth

Monthly Time Spent in Hours: Minutes Per User 2+  
Q3 2008–Q3 2009



Source: The Nielsen Company, Q3 2008 to Q3 2009; \* Timeshifted TV represents a subset of total TV viewing in the home



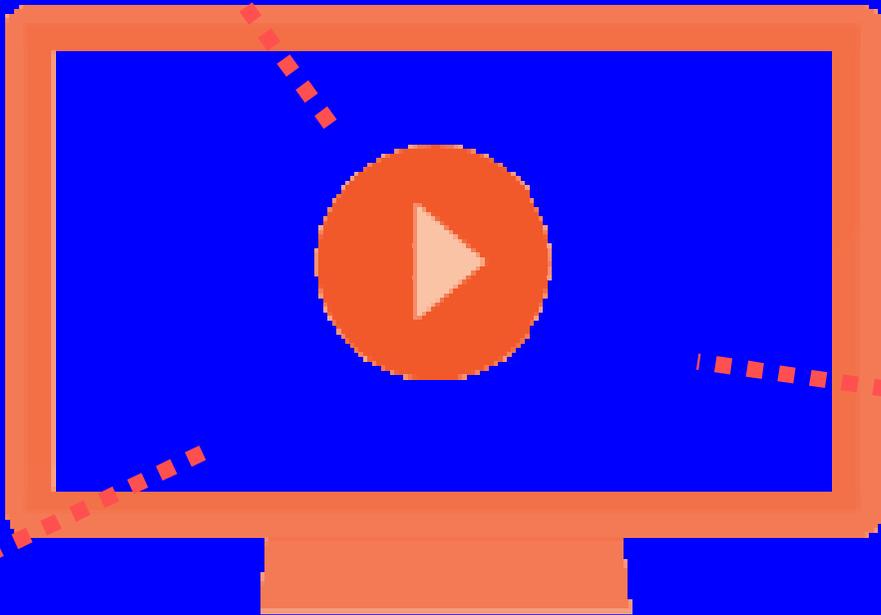
# DVR is Still Small -- 6% of Total Viewing

## DVR Usage

35% Penetration up 6% Over Prior year

Among DVR HHs, 70% Have 1 DVR, 25% 2, and 5% Have 3+

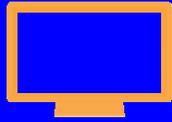
DVR owners watch 47% of all commercials recorded



Almost 86 Million People Used Their DVR For at Least One Minute, up 26% From the Prior Year

DVR Playback Makes up 6% of Total TV Viewing

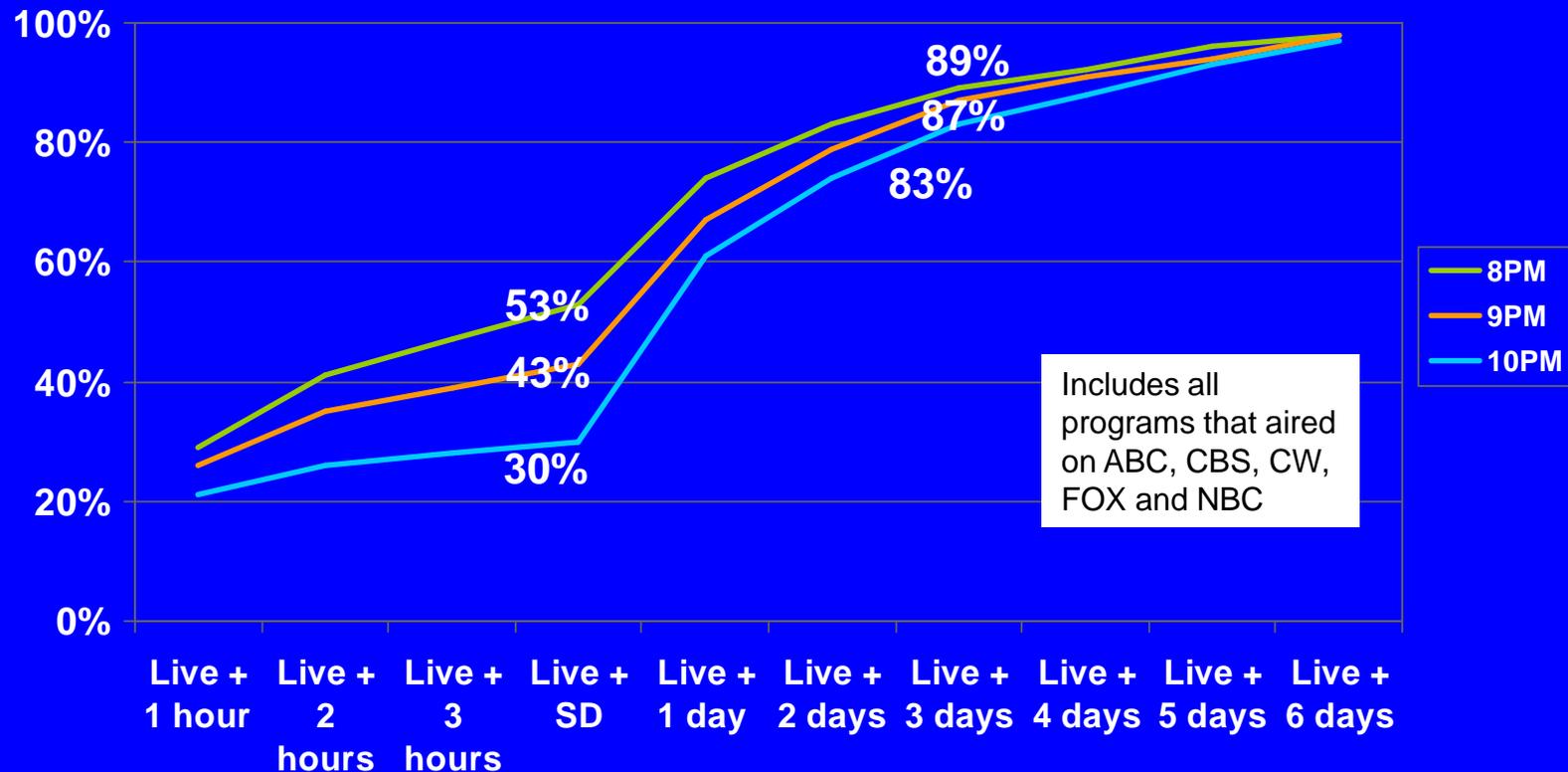
Source: The Nielsen Company, Q32009



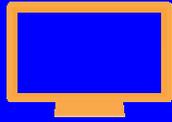
# For 8pm Programs, 50%+ of All Playback is Same Day – 89% in 3 Days

## Distribution of Playback for Broadcast Prime Programming

### P18-49 Composite – November 2009 Sweep

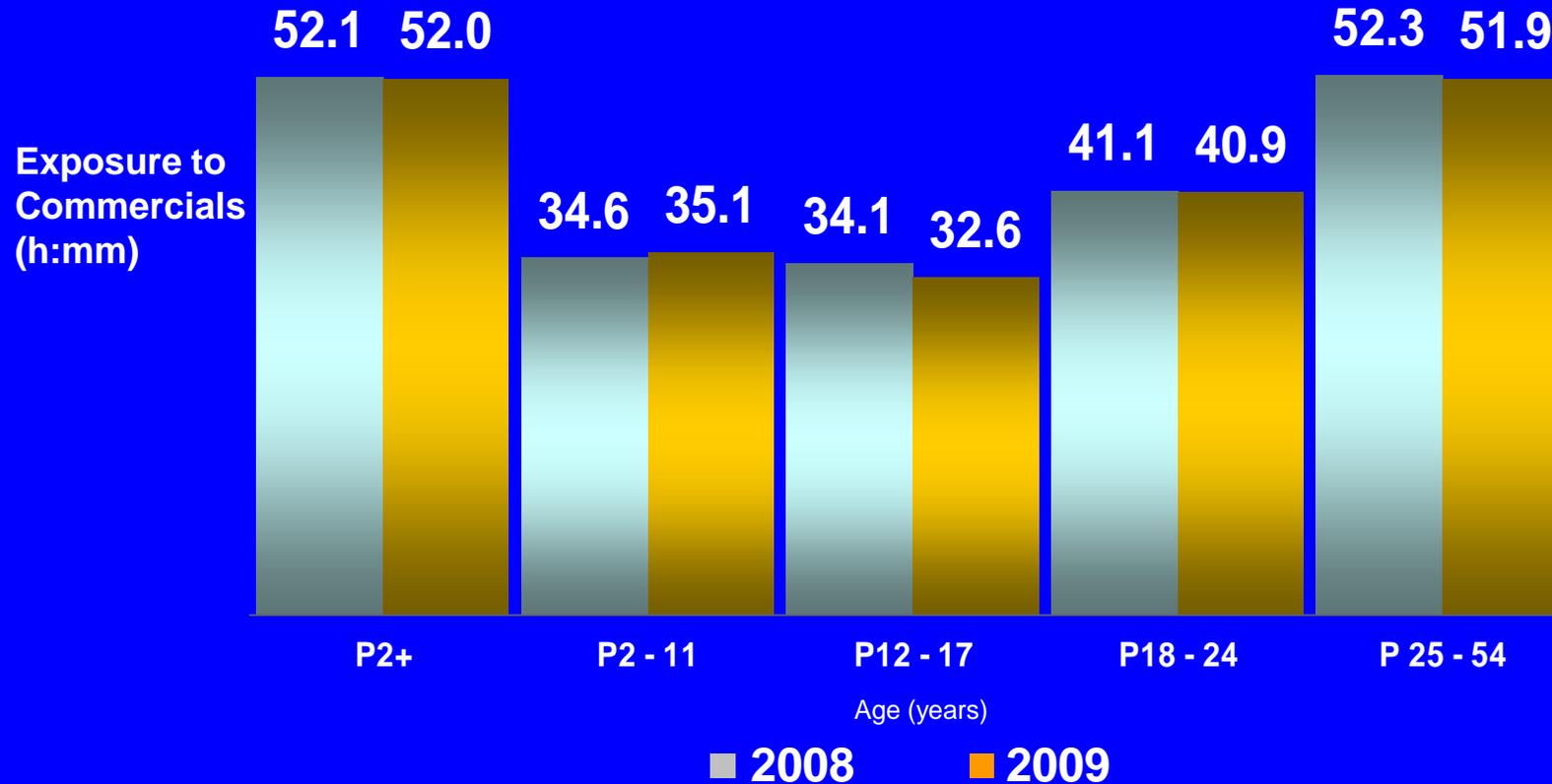


Source: The Nielsen Company, November 2009 sweep

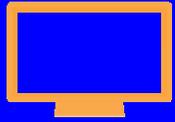


# Commercial Exposure is Relatively Flat For all TV Viewing Audiences

## Live Total TV Usage



Source: The Nielsen Company, Sep 2008 and Sep 2009



# Look Back: Time Warner's Start Over Allows Digital Cable Subscribers to Restart a Show Already in Progress... For Free!

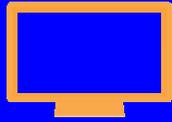


First launched in November 2005 and continues to be rolled out

Represents 3% of Primetime TV Viewing in Time Warner Homes

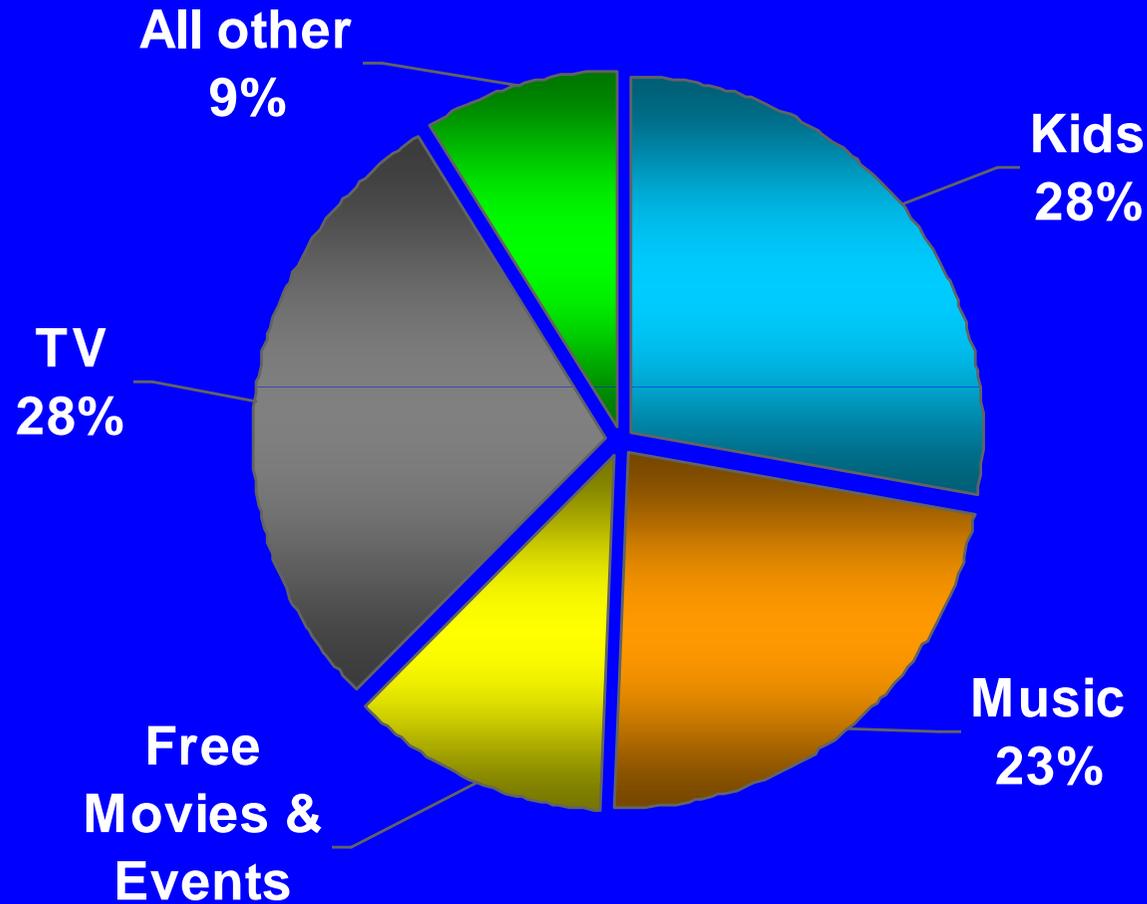


Source: <http://www.timewarnercable.com/nynj/learn/cable/startover.html>; The Nielsen Company, Dec 2009



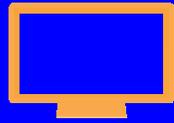
# TV & Video on Demand is Another Growth Driver

## Breakdown of Free VOD Viewing



VOD is in 44% of US TV homes, up 29% from five years ago

Source: NORA August 2009



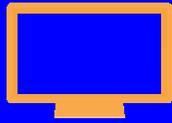
# Set Top Box Data Are Promising, But...



The Promise	The Challenges
Data on viewing from millions of TV sets collected passively and cost effectively	Data is what it says – tuning on boxes, not viewing on TV sets
Enables reporting at a local level with really large data sets – additional stability and granularity	Coverage – viewing on non-cable sets and cable sets without a box with return path data capabilities
Sec by sec tuning analysis	Accuracy of data
More efficient ROI measurement	Resolution
Measurement of enhanced advertising, interactive content	Consumer Privacy



Source: The Nielsen Company



# STB Data Must be Carefully Edited

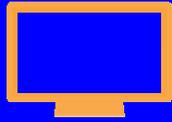
10% of the STBs Never Get Turned Off

30% Are on 24 Hours of Any Given Day

### STB and People Meter Tuning Levels Compared

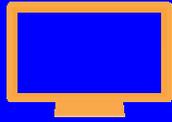


Source: Nielsen Advanced TV, Charter LA STB Service, December 2006



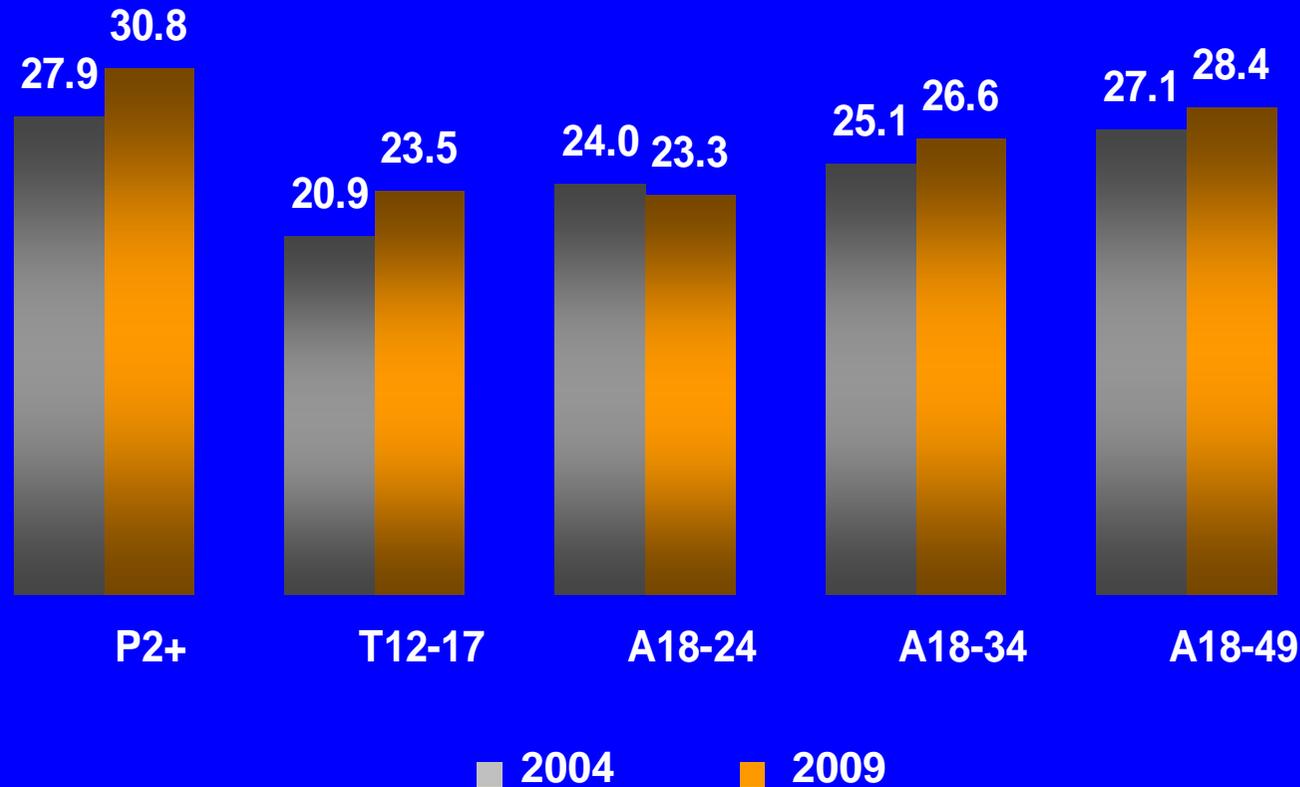
# The Combination of STB Data and Frequent Shopper (Loyalty Program) Data Offer Unique Opportunities

- Nielsen Recently Announced a Joint Venture with Catalina Marketing
- Catalina is a World Leader in Managing Frequent Shopper Programs
- Today Catalina Possesses Information on Nearly 90 Million American Households
- By Merging STB Box Data and Frequent Shopper Data, Enormous Opportunities Will Emerge
  - Improved Advertising Targeting
  - More Focused Marketing Programs
  - Enhanced Returns on Marketing Investments
  - Competitive Advantages



# People With Internet Access Are Watching More TV

Average Hours of TV Viewed per Person per Week in TV Households with Internet Access



Source: The Nielsen Company, 2009. 2009 data based on 3r quarter



# Online Video Usage is Growing With Total Streams up 17% YOY

## Overall Online Video Usage (U.S.)

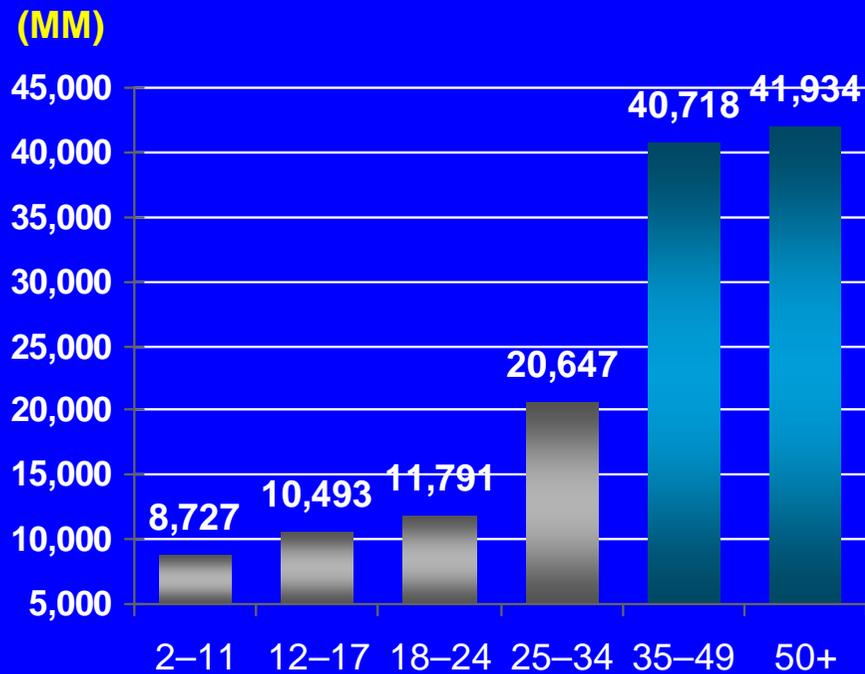
Metric	Nov'09	Year-Over-Year
Unique Visitors (000)	138,371	11.4%
Total Streams (000)	11,175,082	17.0%
Streams per Viewer	80.8	5.2%
Time per Viewer (min)	200.1	12.5%

Source: The Nielsen Company, November 2009

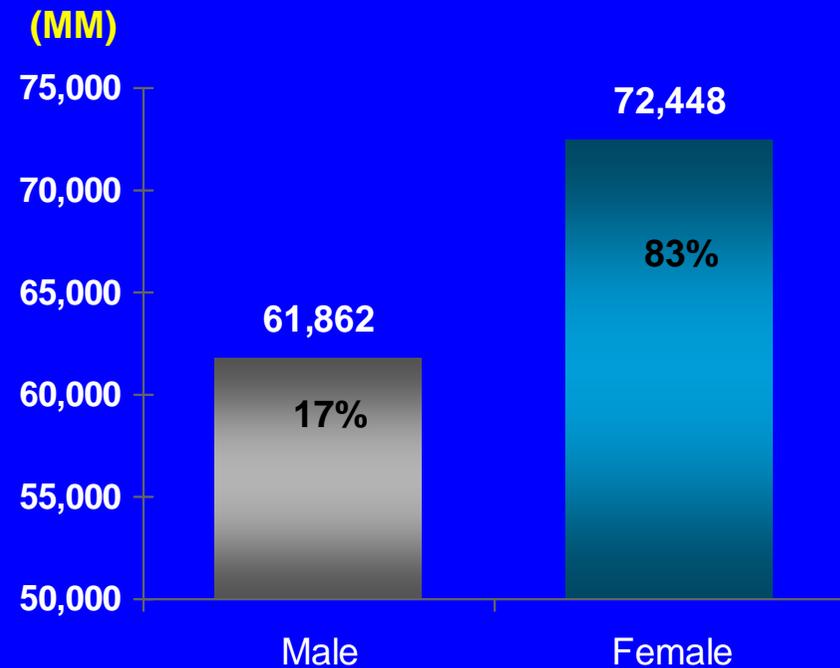


# Online Video Audience is Primarily Women Over Age 35

## Video Audience by Age



## Video Audience by Gender



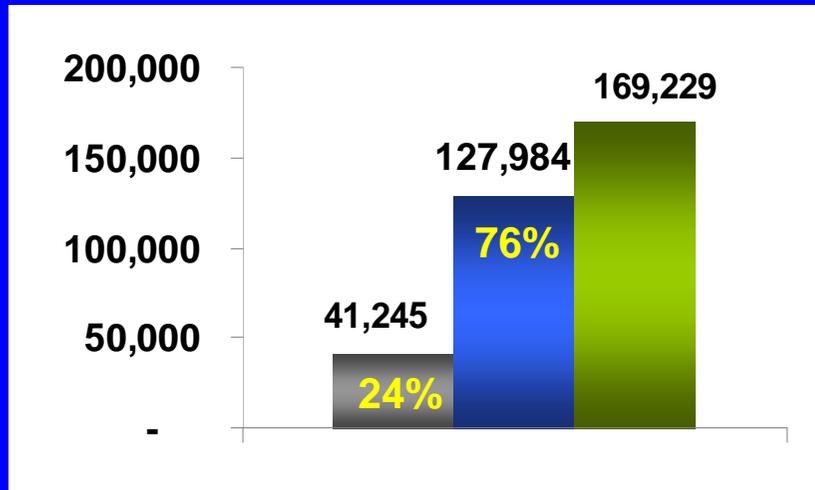
Source: Nielsen VideoCensus Jun 2009



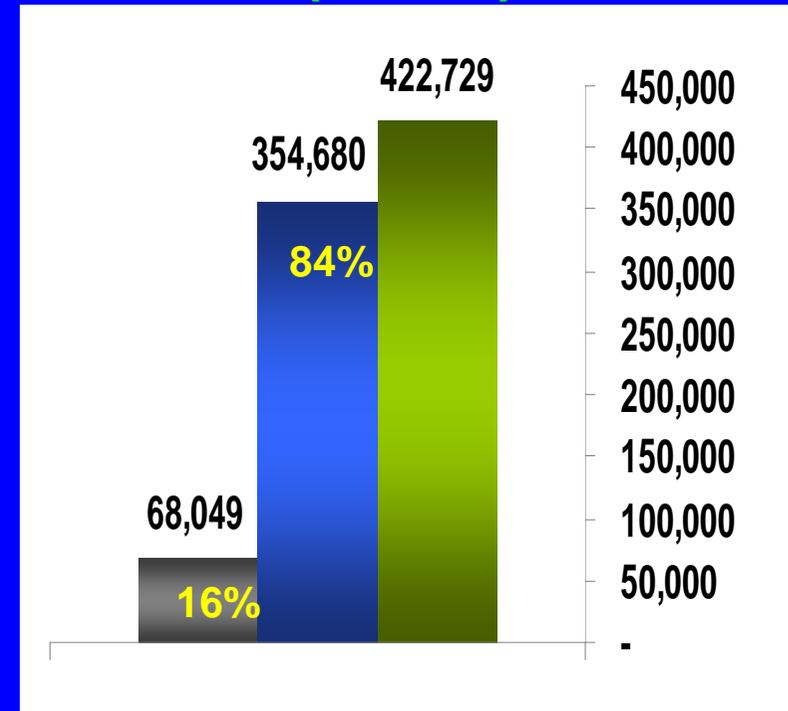
# Streams on Short-Form Video Sites Draw Most of Online Audience & Usage

## Video Audience

(MM)



## Video Usage (hours)



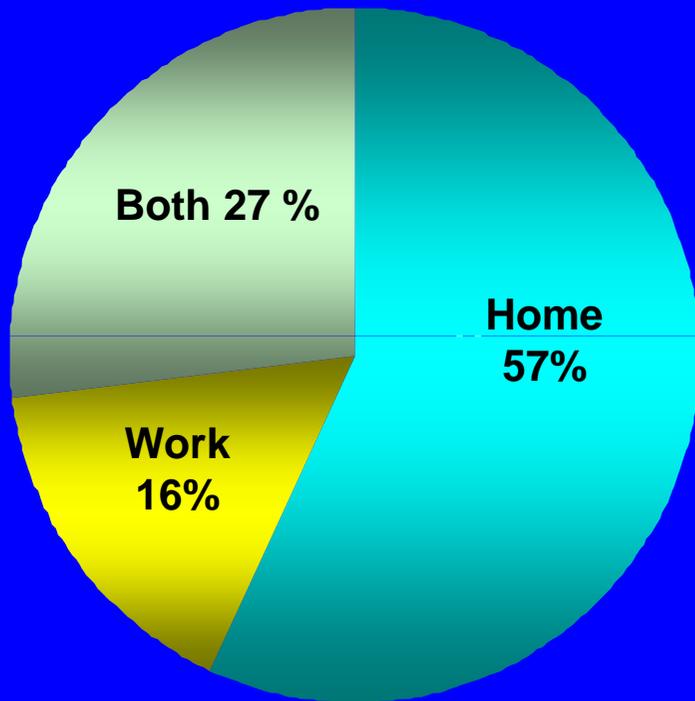
■ Long Form ■ Short Form ■ Total

Source: Nielsen VideoCensus Jun 2009; Examples of long form video sites: Hulu, Netflix, Bravo CBS, and USA Network

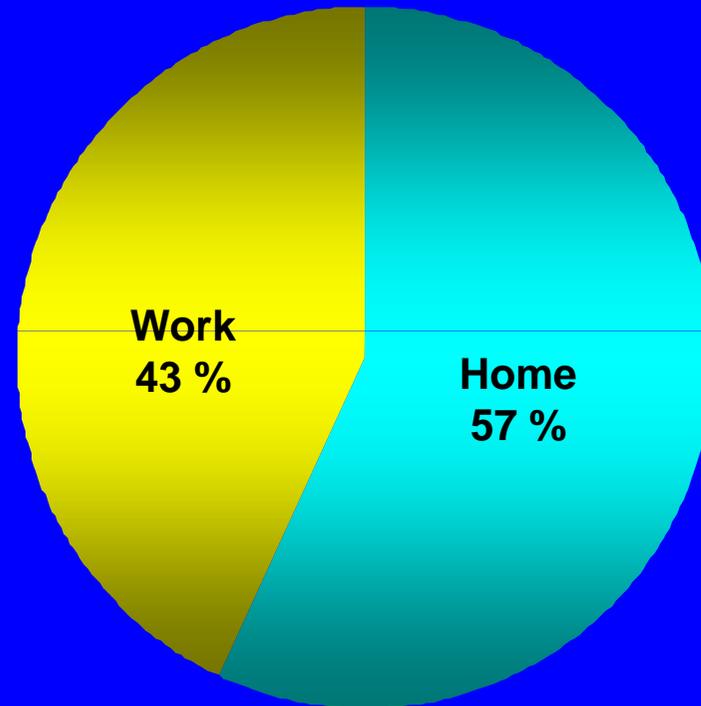


# Media Consumption is Proliferating in the Workplace

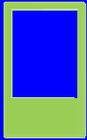
Video Audience



Video Usage (minutes)



Source: Nielsen VideoCensus Jun 2009



# Mobile Video Usage and Subscriptions are Growing YOY

## Mobile Subscribers (MM)

## Unique Users of Mobile Services



221MM

132MM (60%)

68MM (31%)

55MM (25%)

Audio 39MM (18%)  
 Apps 27MM (12%)  
 Games 23MM (10%)

15.2MM video via web (7%)

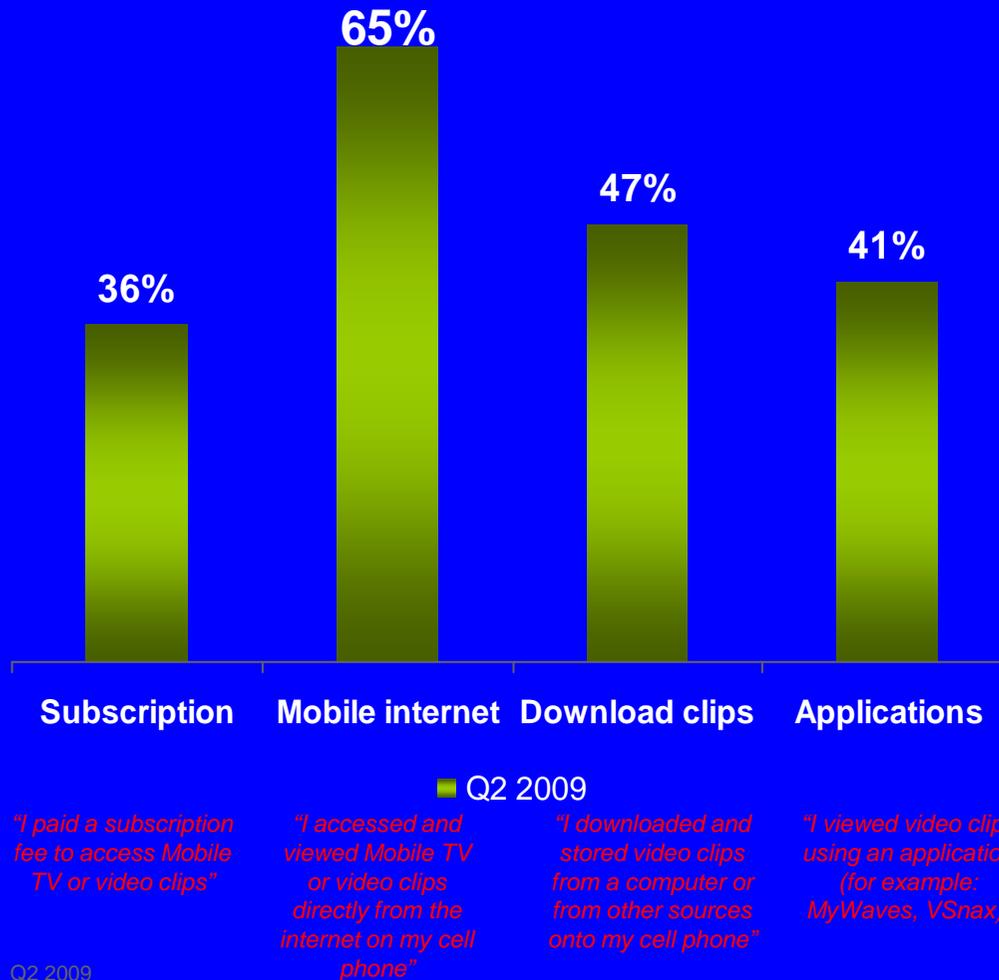
— Total US subs — Text messaging — Multimedia messaging — Internet — Downloads — Video

Source: The Nielsen Company, Q2 2008 to Q2 2009



# Streaming Via Mobile Internet is the Most Prevalent Way of Watching Mobile Video

## How Viewers Accessed Mobile Video

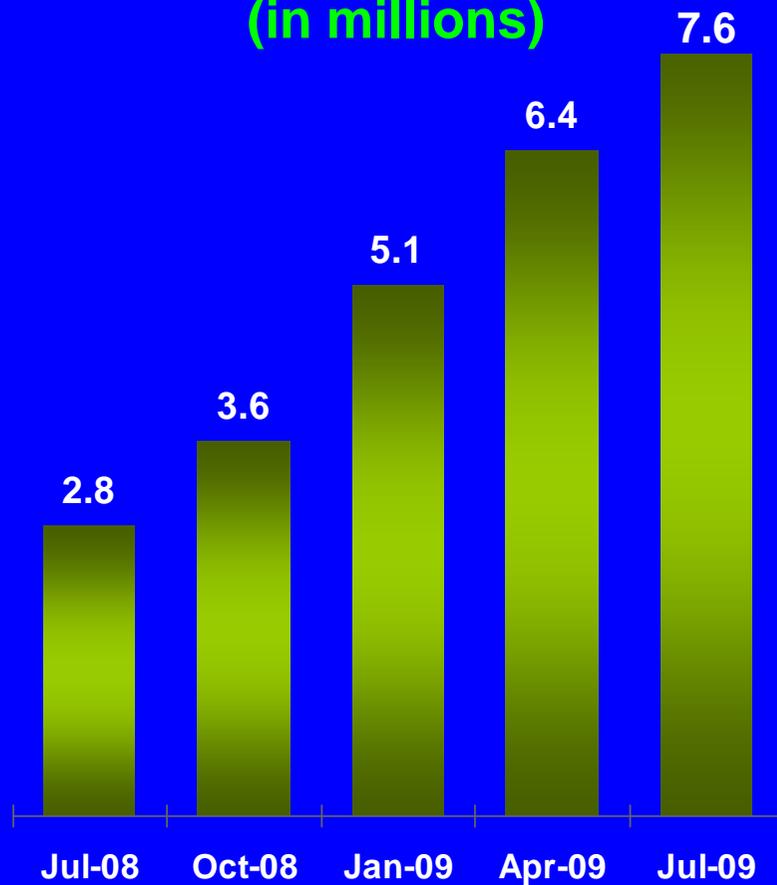


Source: Nielsen Mobile Video Report, U.S., Q2 2009

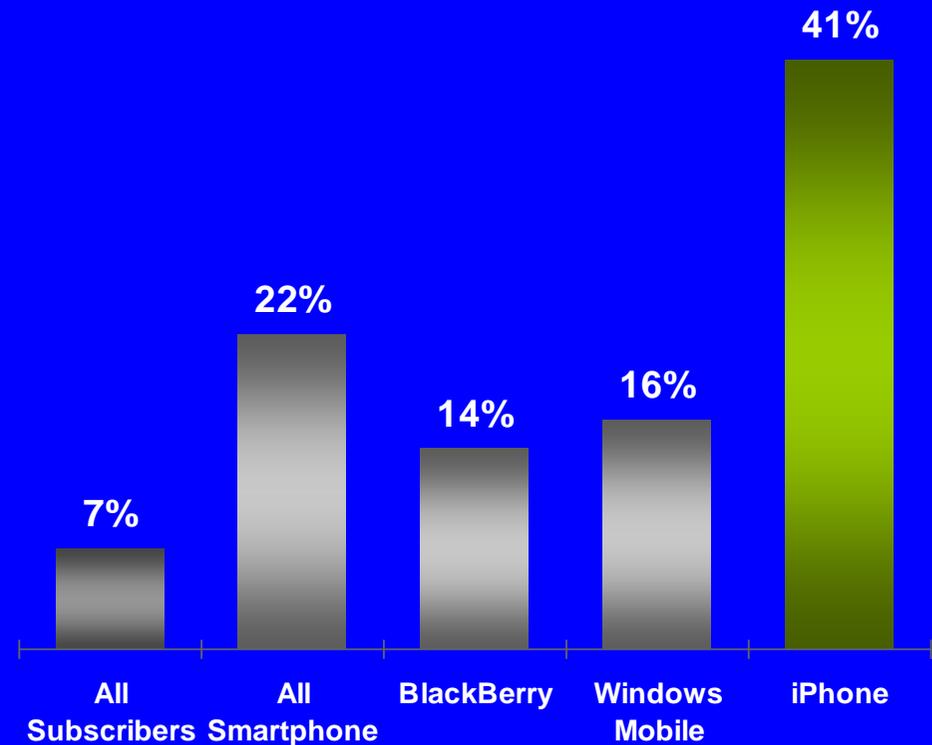


# iPhone Use is Rising and Driving High Rates of Mobile Media Consumption

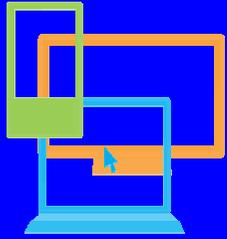
Apple iPhone U.S. Users  
(in millions)



Media Usage by Phone Type  
Video/Mobile TV



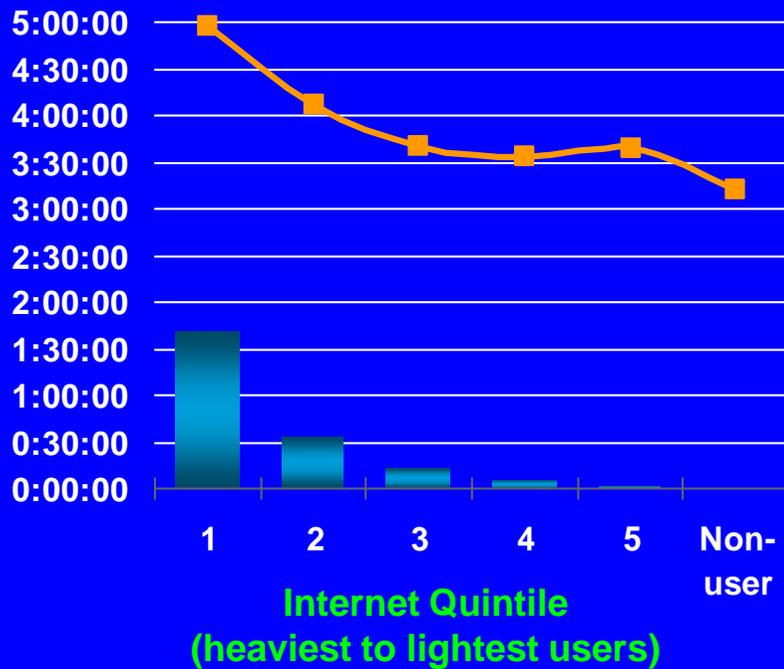
Nielsen iPhone Executive Overview, U.S., Q2 2009



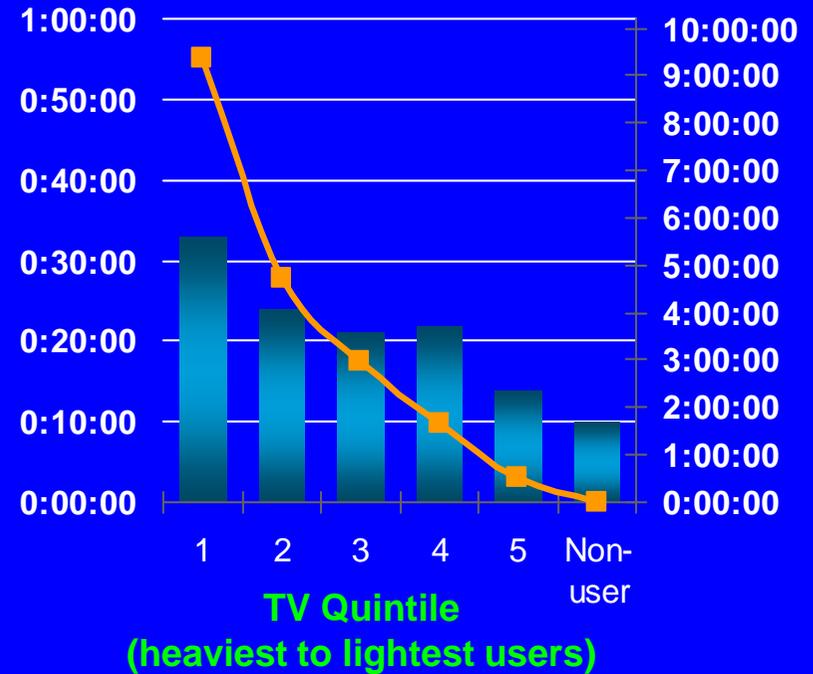
# Heavy Internet Users Are Heavy TV Viewers and Vice Versa

## Media Consumption Level By Usage Quintile, Broadcast

Internet and TV Usage per Day (h:mm)



Internet Usage per Day (h:mm)

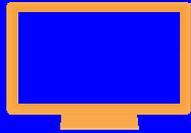


■ TV ■ Internet

Source: Nielsen TV/Internet Convergence Research Panel Reporting Broadcast Oct 2009



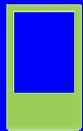
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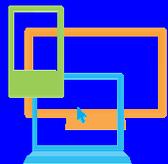
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# Thank You

nielsen  
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