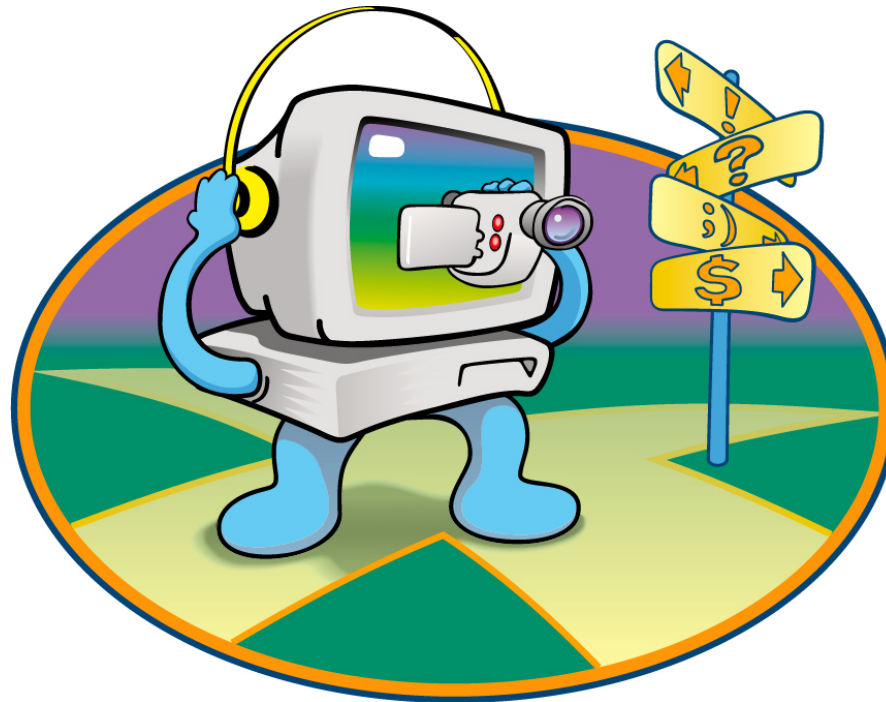


# TV in the New Media World



# Arbitron/Edison Media Research Internet Studies

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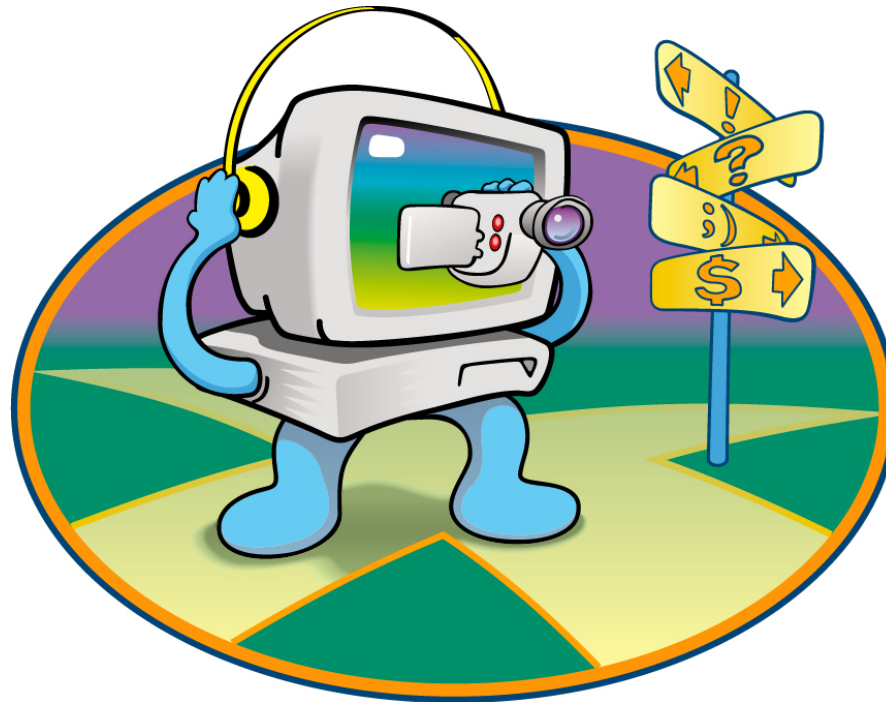
- **Biannual studies from August 1998 to January 2001 focusing on the Internet and streaming**
- **“TV in the New Media World”:**
  - **3,005 telephone interviews conducted in January 2001**

# Survey Goals/ What We Will Learn

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- **Growth of Internet Use**
- **Streaming Media**
- **Video Streamies**
- **The Impact of Broadband**
- **Television Station Web Sites**
- **Measuring the New Media World**

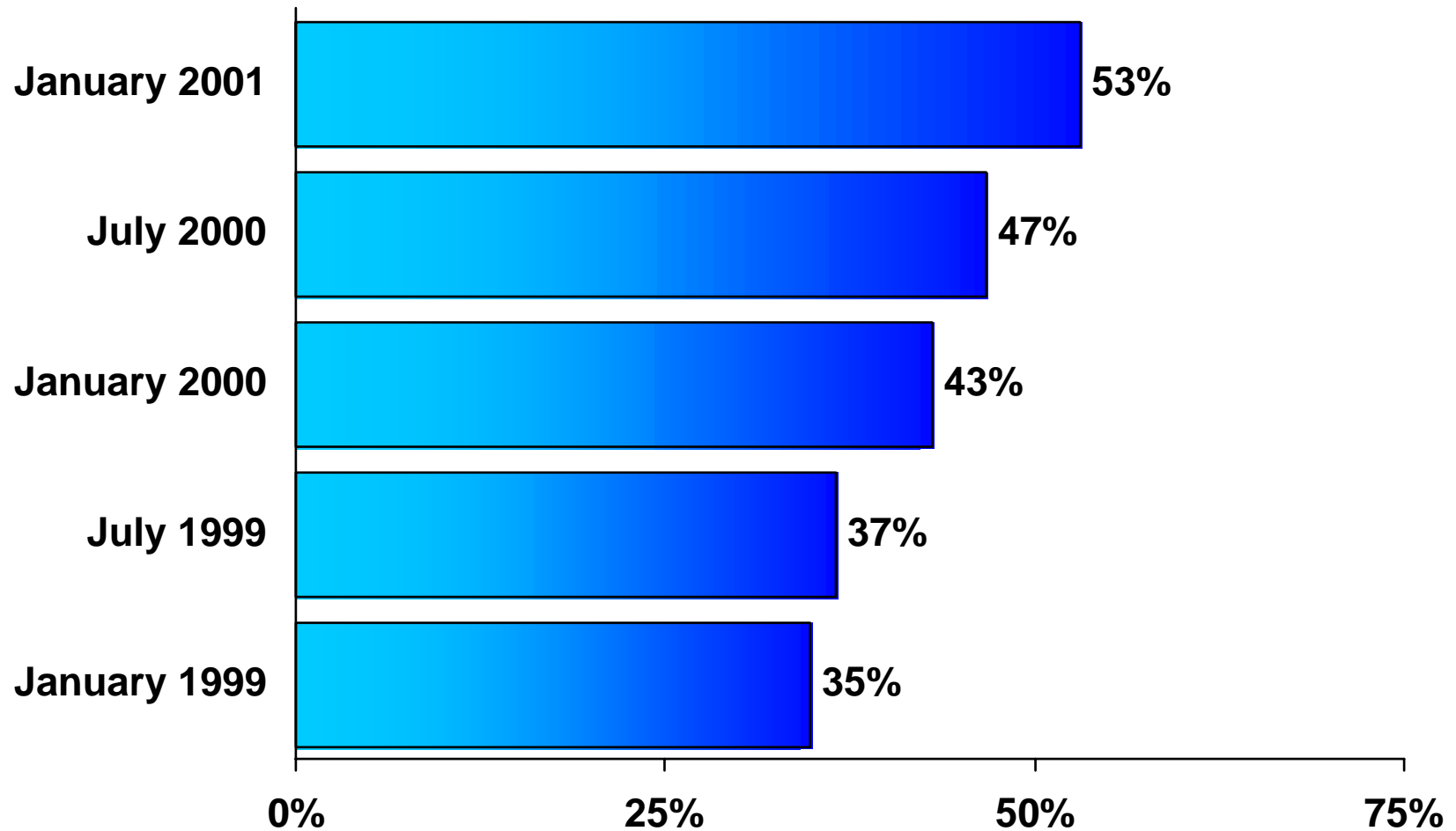
# The State of Internet Growth



# Home Internet Access Continues to Grow



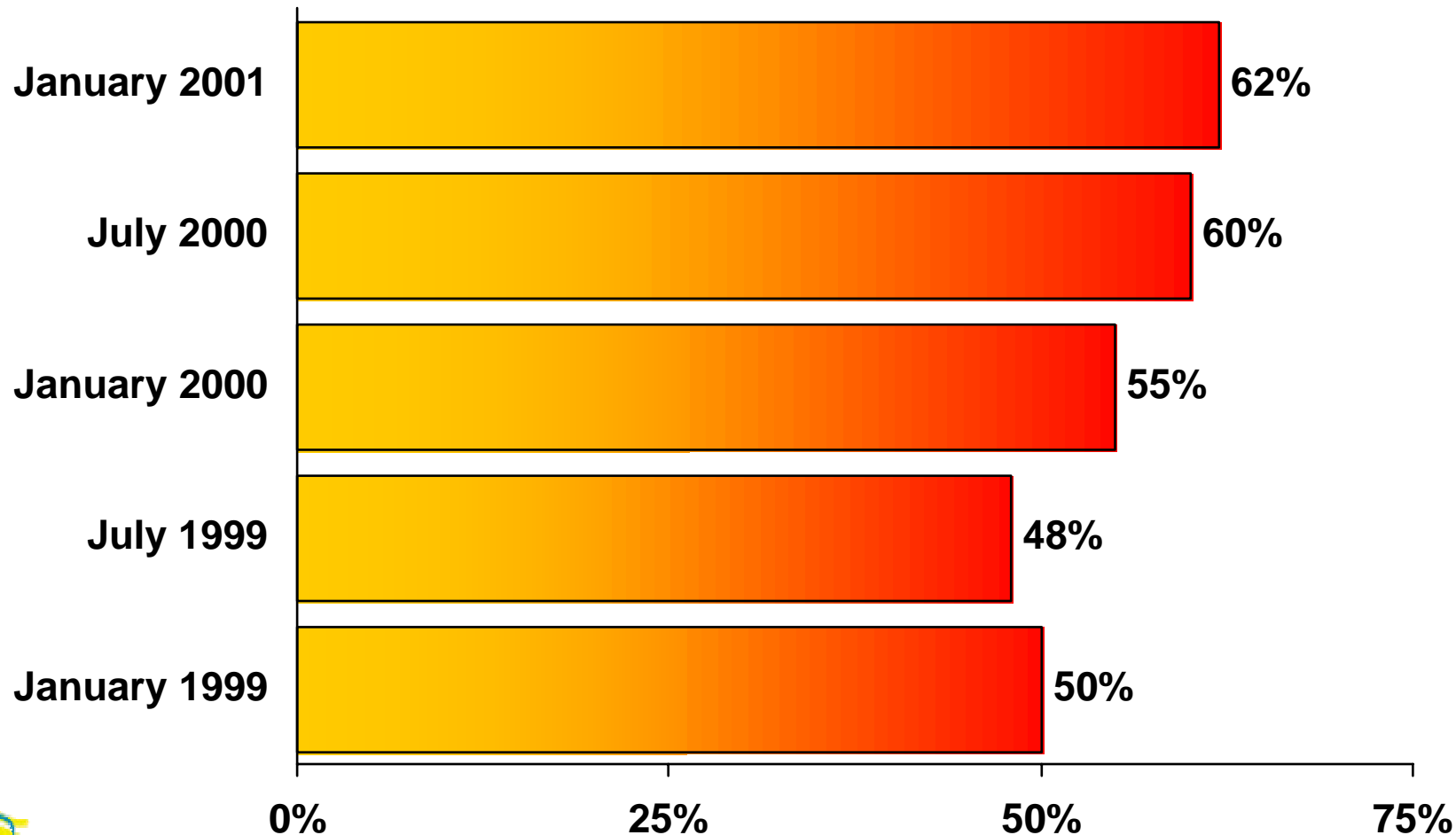
## % with Internet Access at Home



# Overall Internet Access Continues to Grow



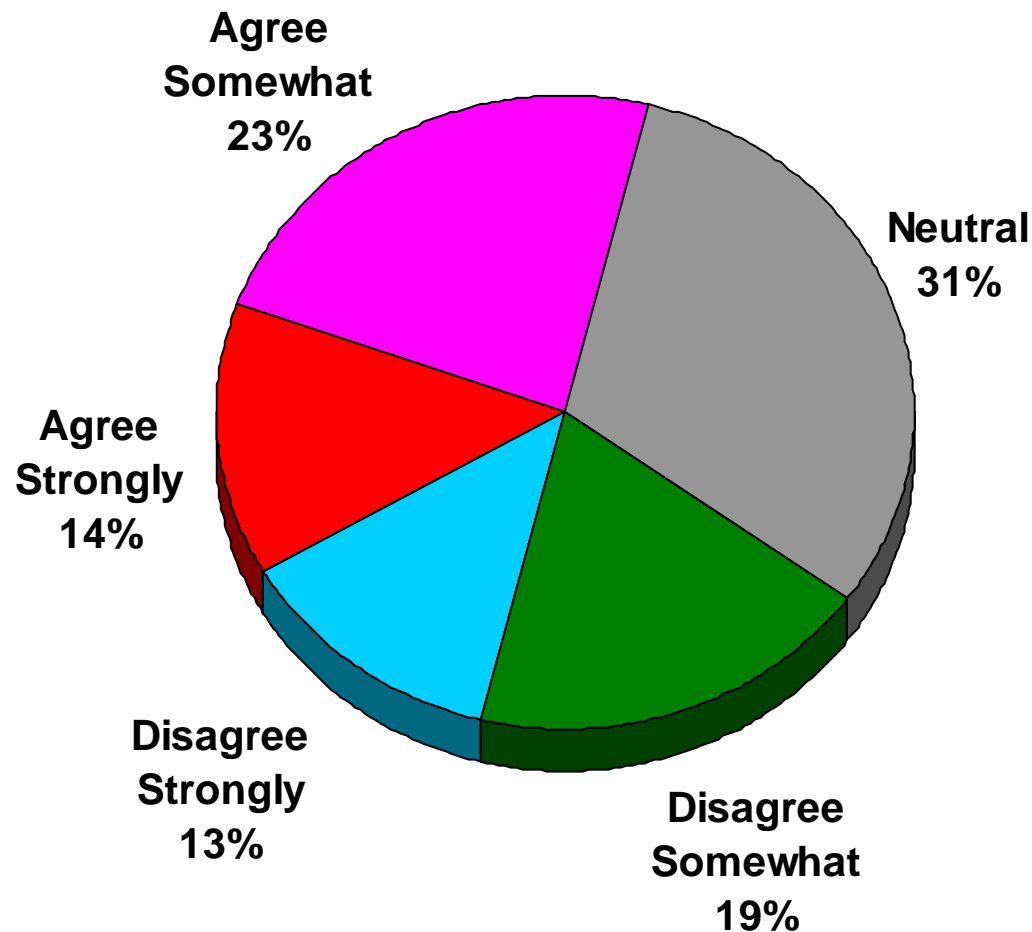
## % with Internet Access at Any Location



Base: Total Population

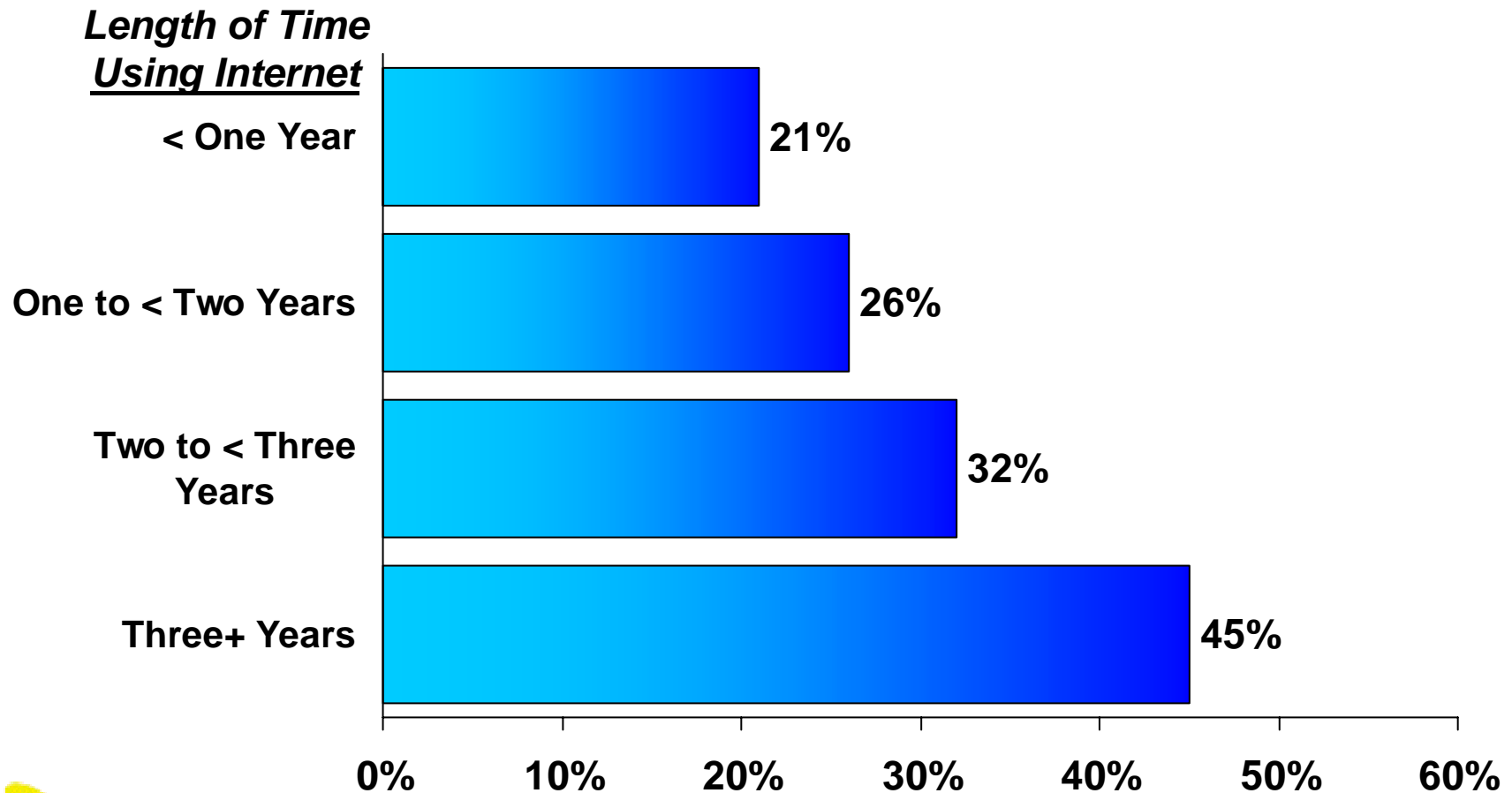


# “I am increasingly using the Internet to get my news”



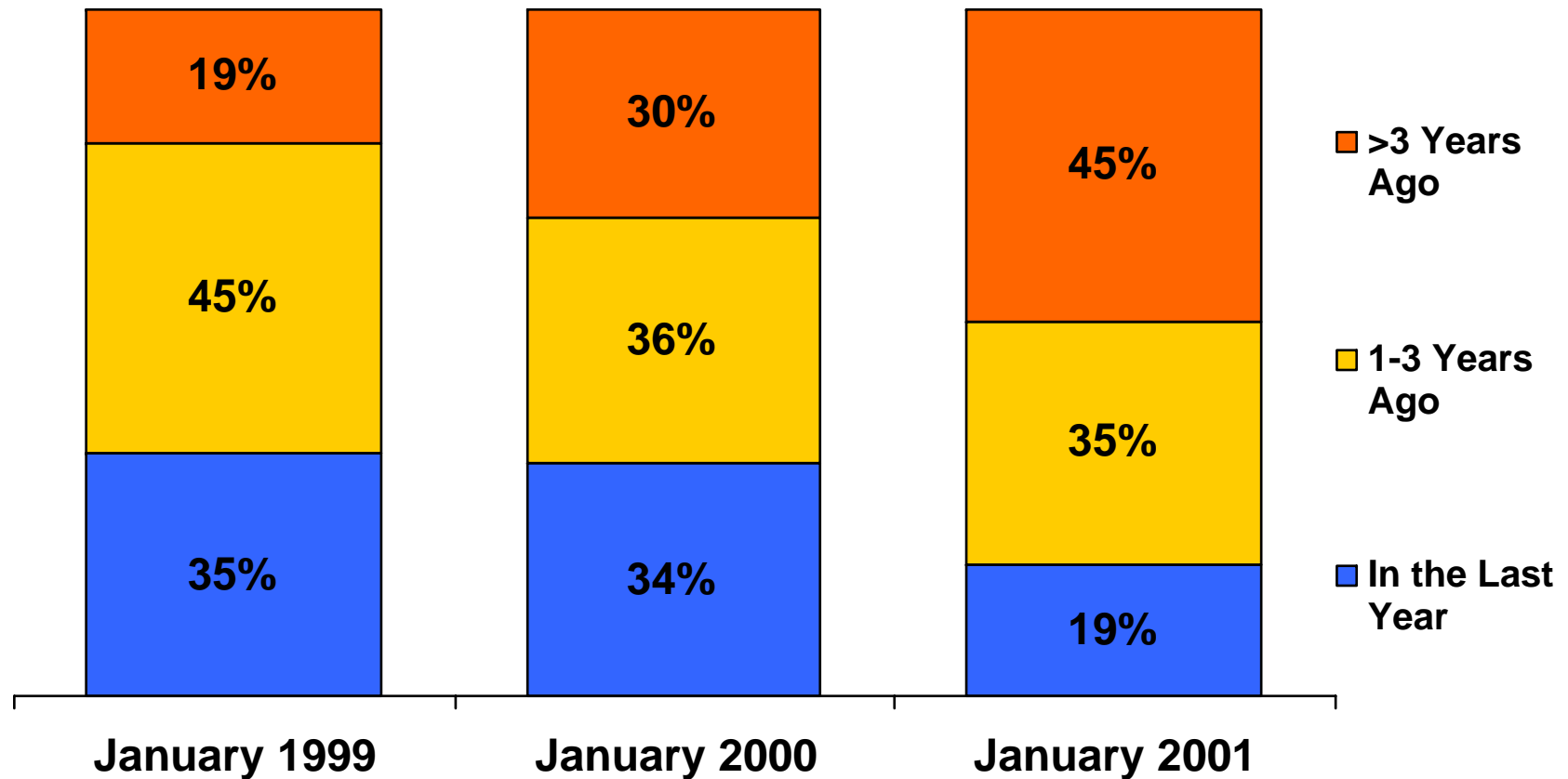
# “I am increasingly using the Internet to get my news”


% “Agree Strongly” or “Agree Somewhat” (5-point scale)



# Fewer "Newbies" Coming Online as the Internet Matures

“When did you first access the Internet?”





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While Growth May  
Be Slowing, the Internet  
Is Becoming Vital  
to a Huge Percentage  
of Households

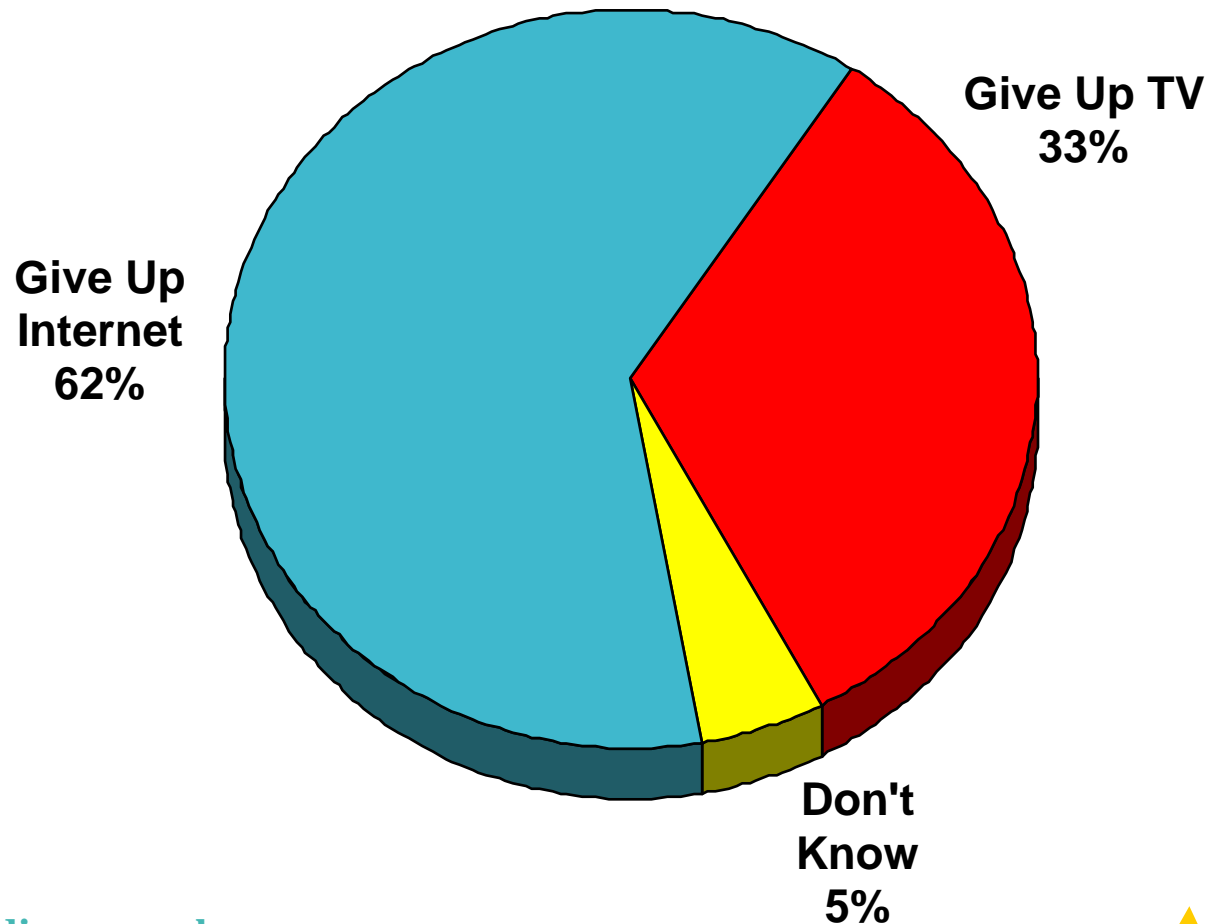
# Question Asked to Those With Home Internet Access

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**“If you had to choose between giving up all of the televisions in your home or giving up your Internet access at home, which would you rather give up first?”**

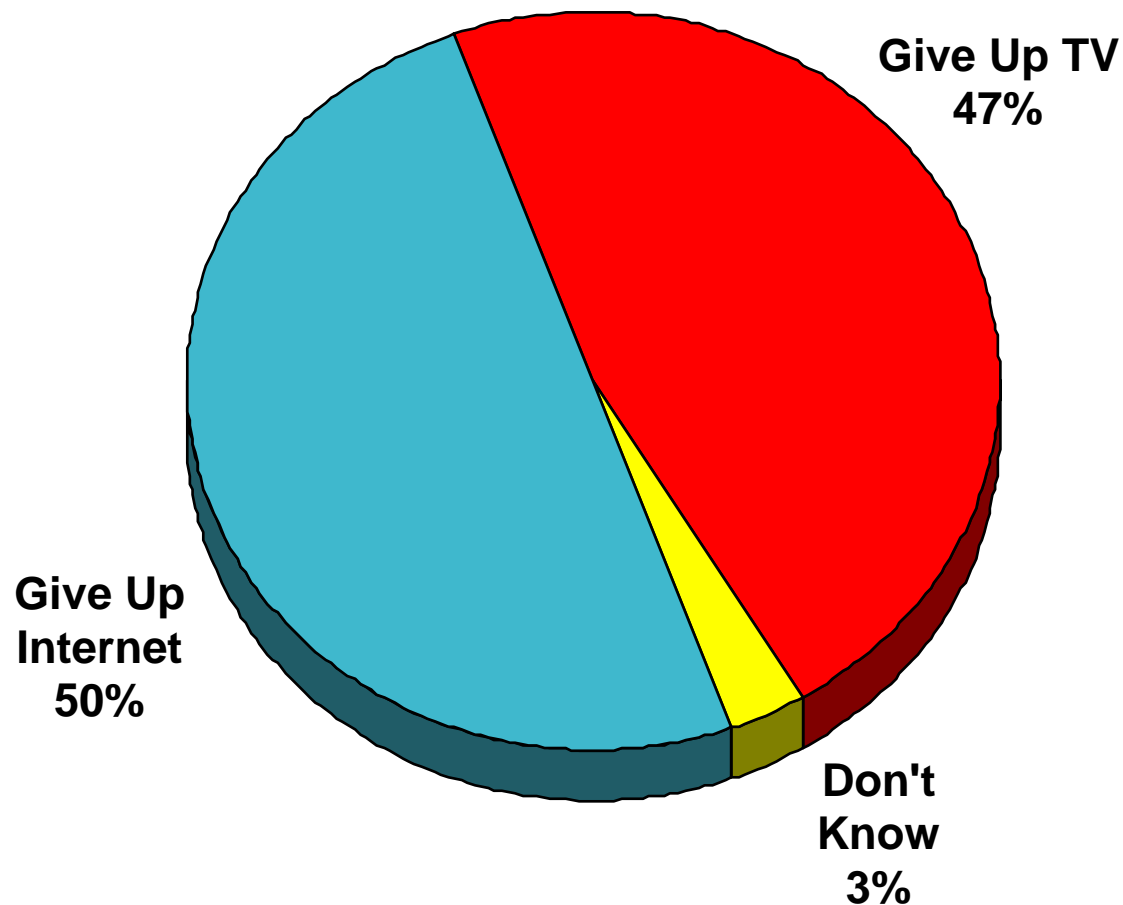
# The Internet Is *Vital* to a Significant Segment

Age 12+ with Home Internet Access



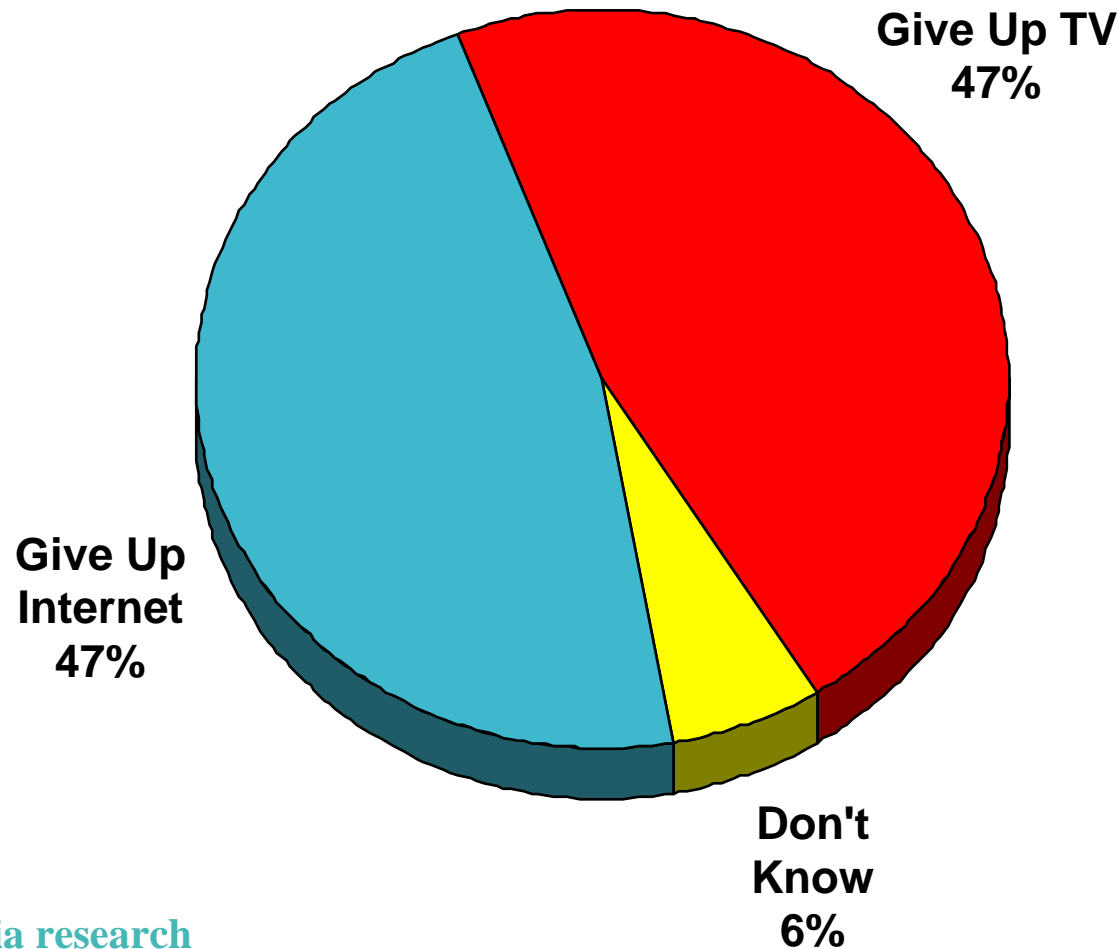
# Internet Is Equally as Important as TV Among Youngest Groups

Age 12-24 with Home Internet Access

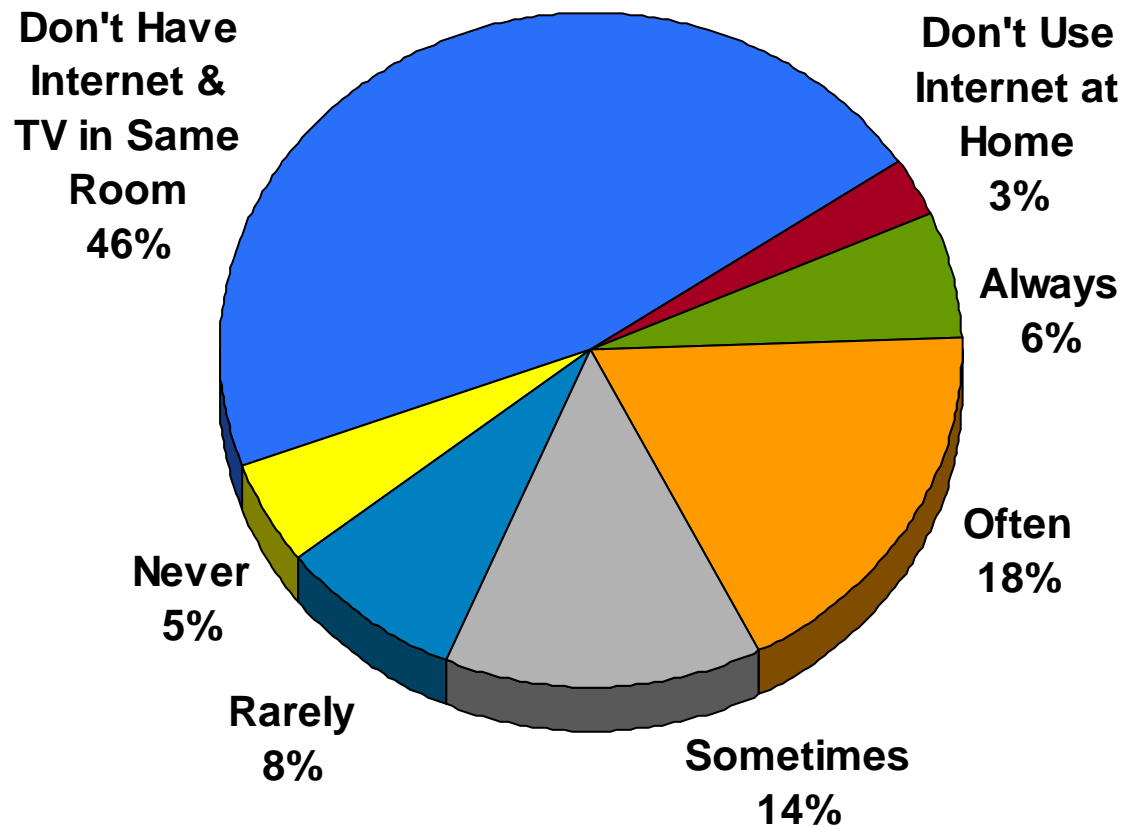


# Those Most Active Online Are as Willing to Give Up TV as Internet

Those Who Have Used Streaming Audio/Video in Last Week



# Watching TV While Using the Internet at the Same Time



# Who Is Surfing While Watching TV at the Same Time?

Target: "Always/Often" Watch TV & Use Internet Simultaneously

## Gender

Men

Index  
Avg. = 100

93

Women

107

## Age

18-34

114

35-54

94

55+

82

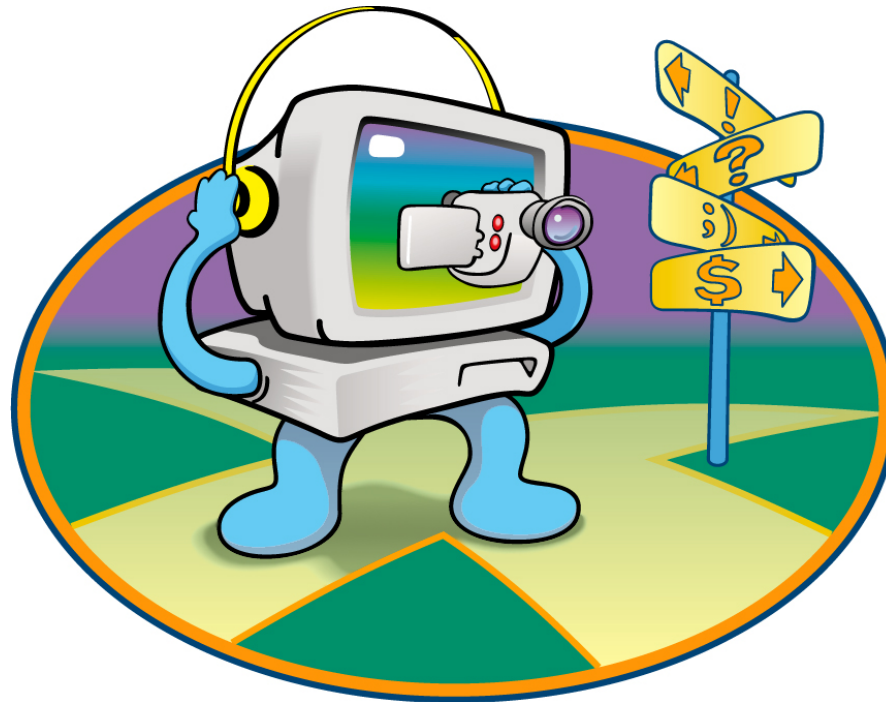
0 20 40 60 80 100 120



Source: Scarborough 2000 National Internet Study (n=2132)  
Base: Total Internet Users



# "Streamies"



# “Streamies”

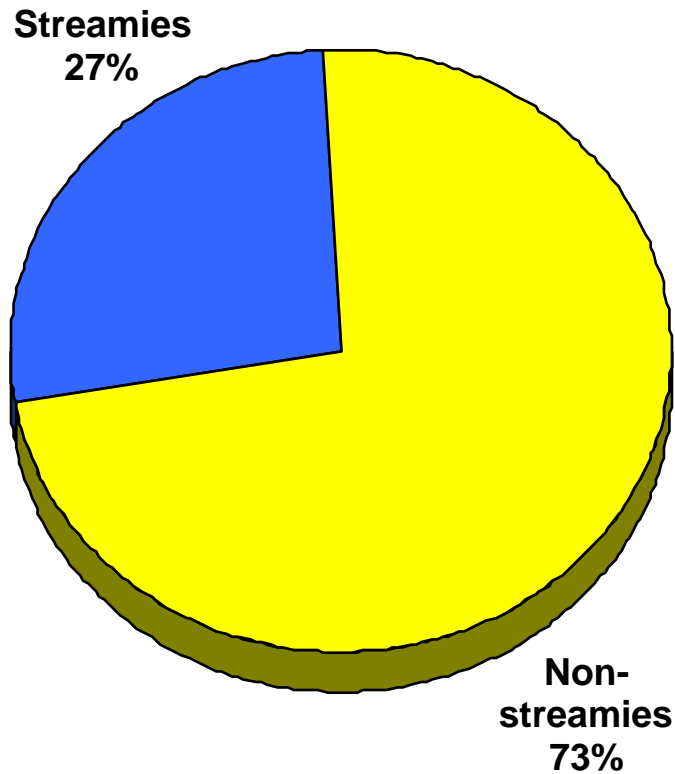
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**Definition: those who consume streaming media over the Internet**

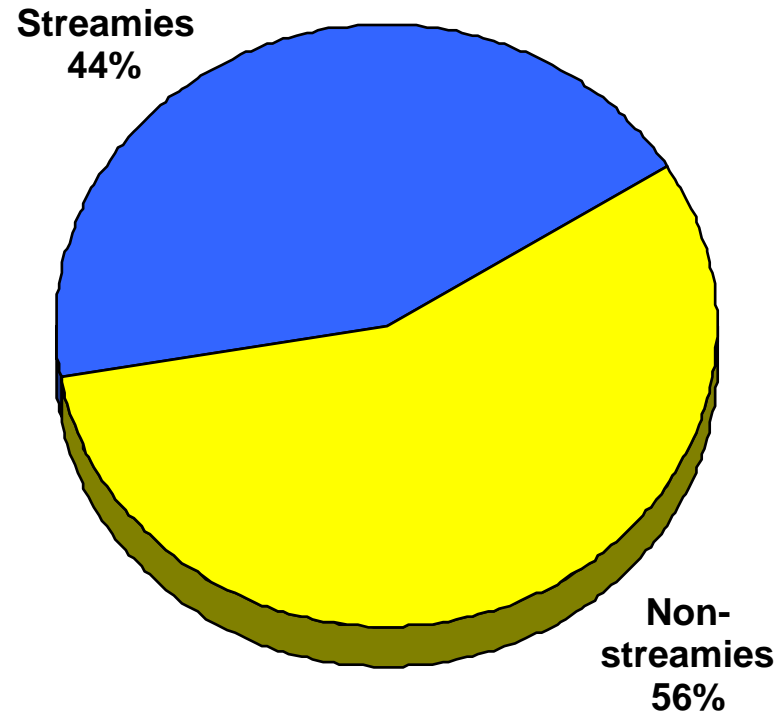
- **Audio streamies: those having ever listened to streaming audio over the Internet**
- **Video streamies: those having ever viewed streaming video over the Internet**
- **Active streamies: those having consumed streaming media in the last week or last month**

# More Than One in Four Americans Are Streamies

**Among Americans 12+**



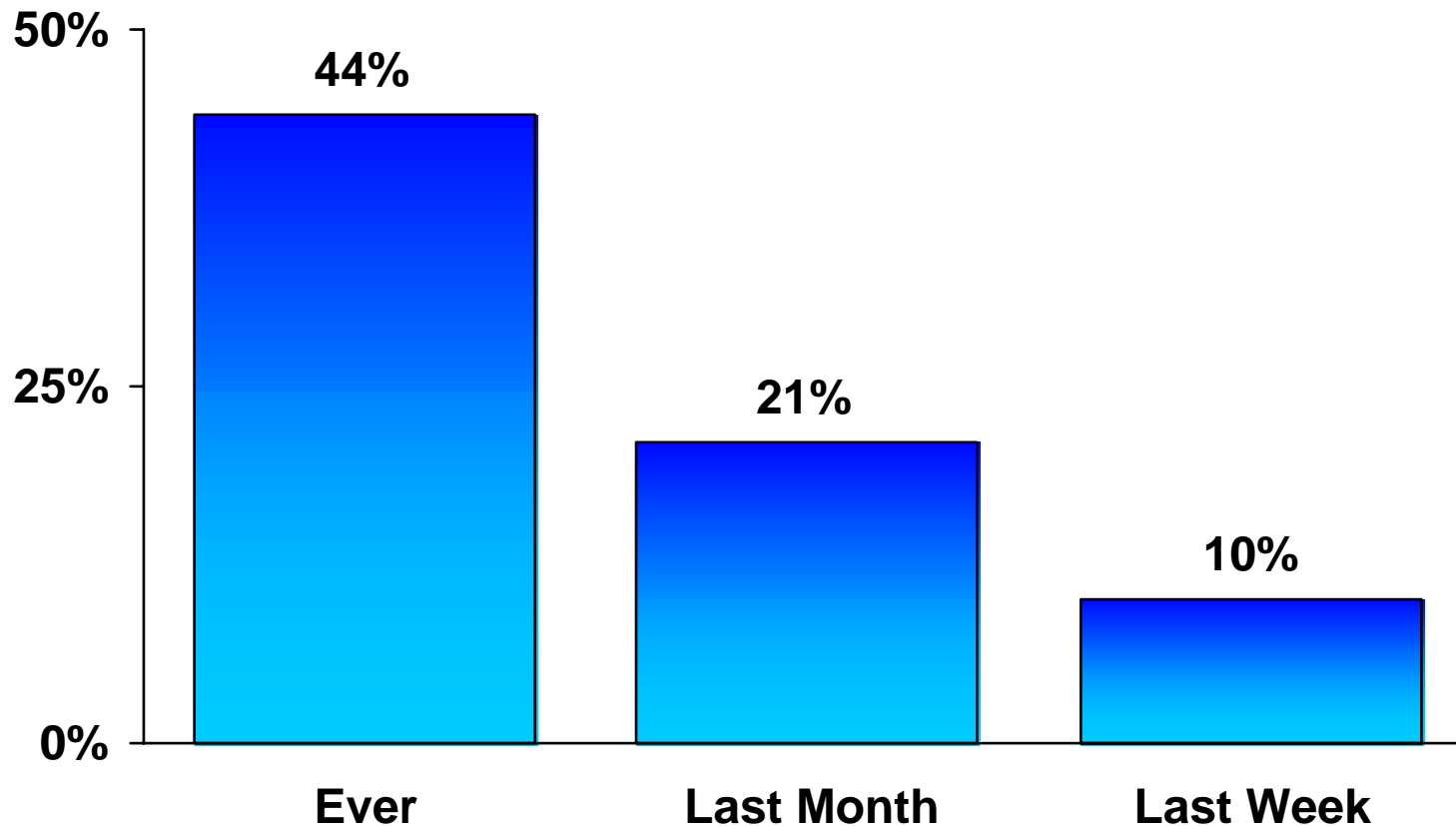
**Among Those Online**



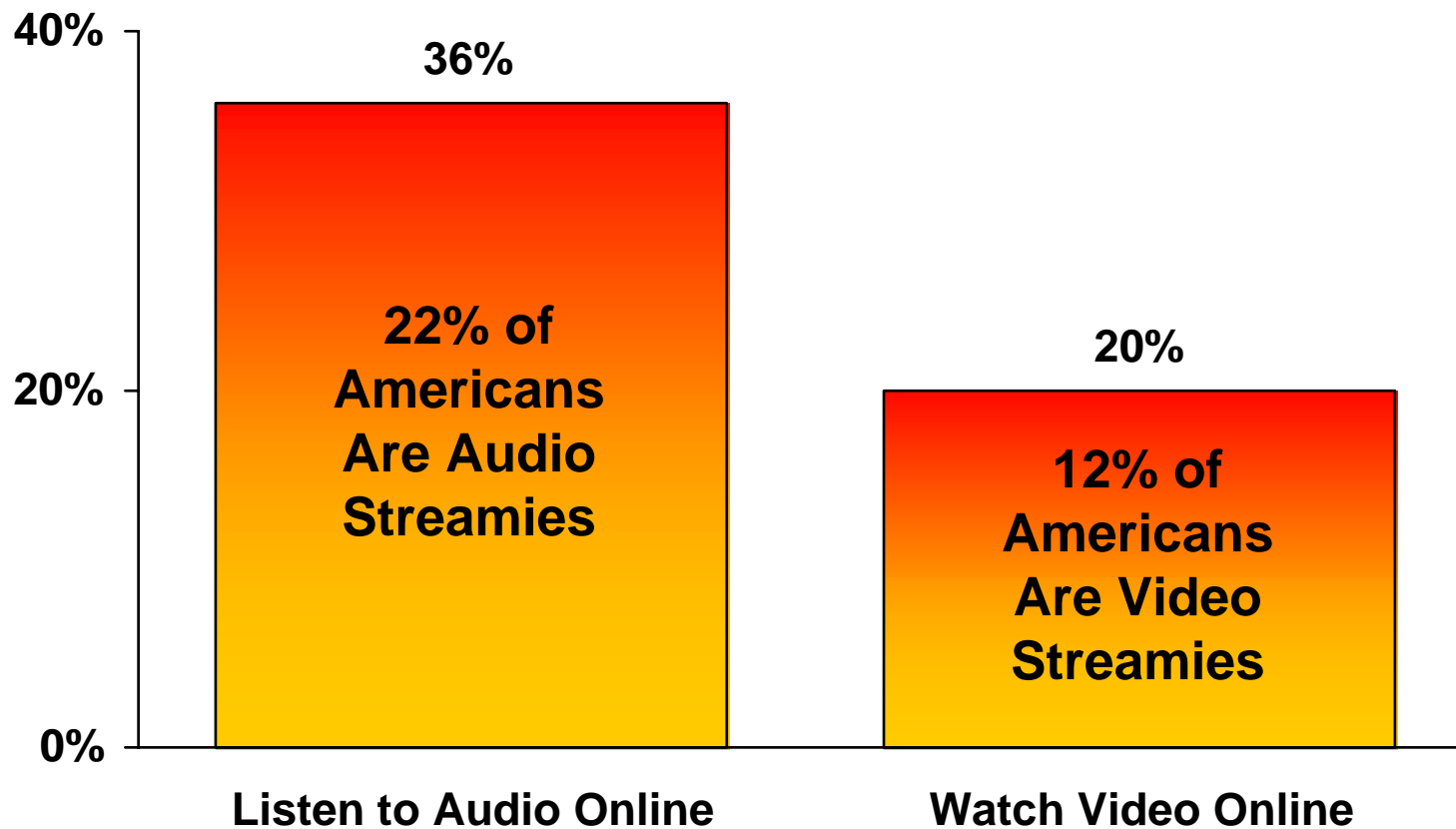
# Of Those Online, One in Five Have Used Streaming Media in Last Month



**% of Those Online Who Have Used Internet Audio or Internet Video**



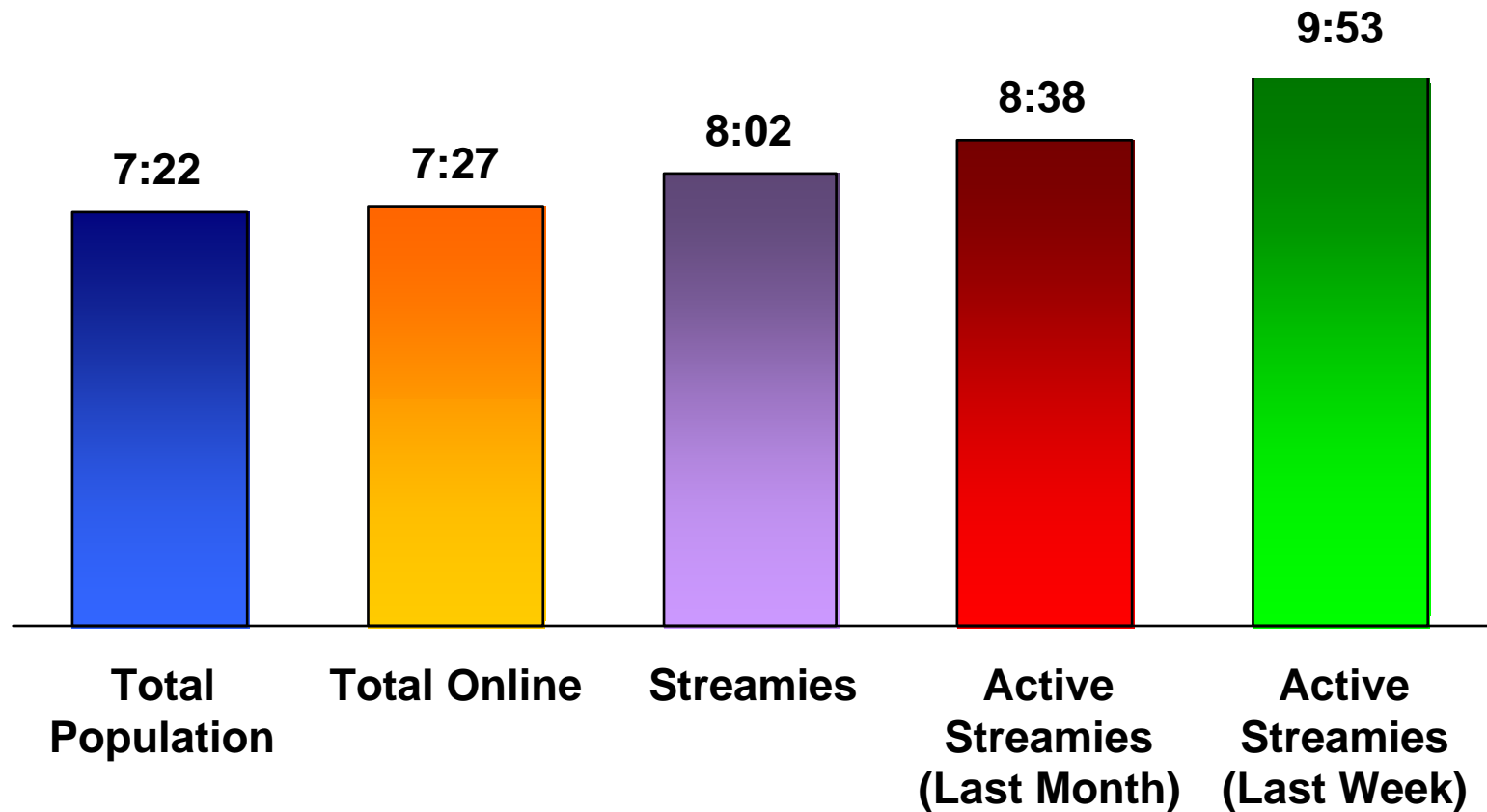
# More Americans Listen Than Watch Online



# Streamies Are Media Junkies

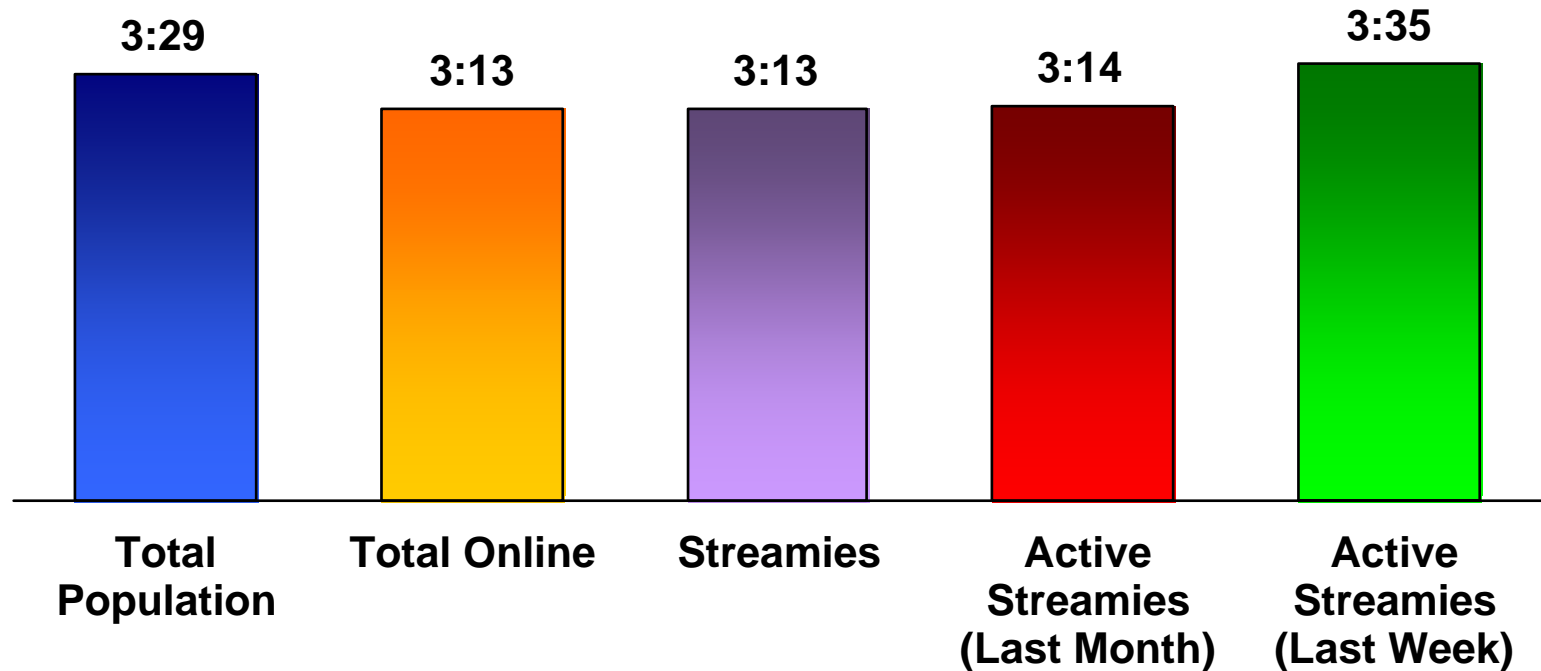


Amount of Daily Time Spent with Media (TV, Radio, Newspapers, Internet) (hr:min)



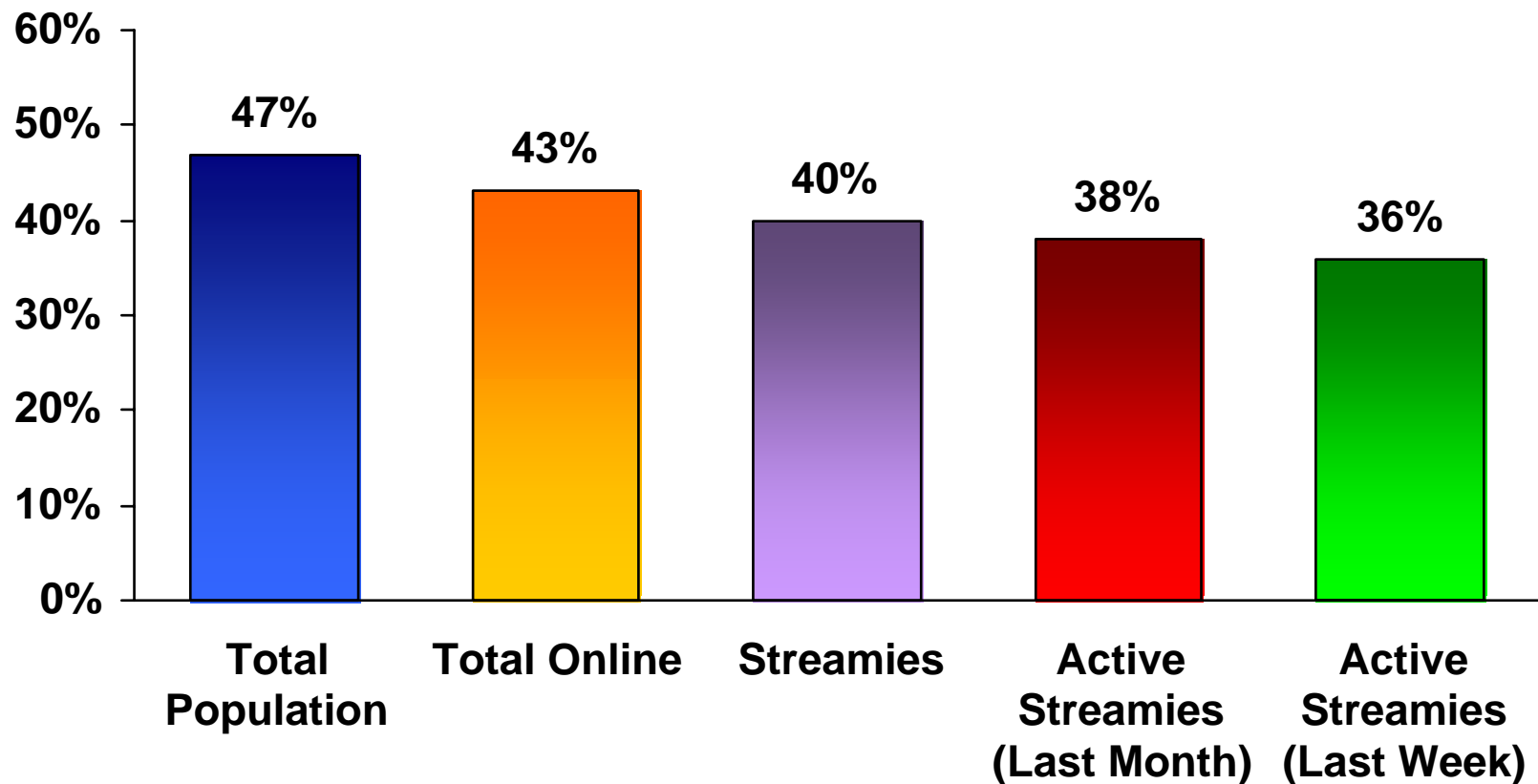
# Active Streamies Spend More Overall Time with TV

Amount of Daily Time Spent with TV (hr:min)

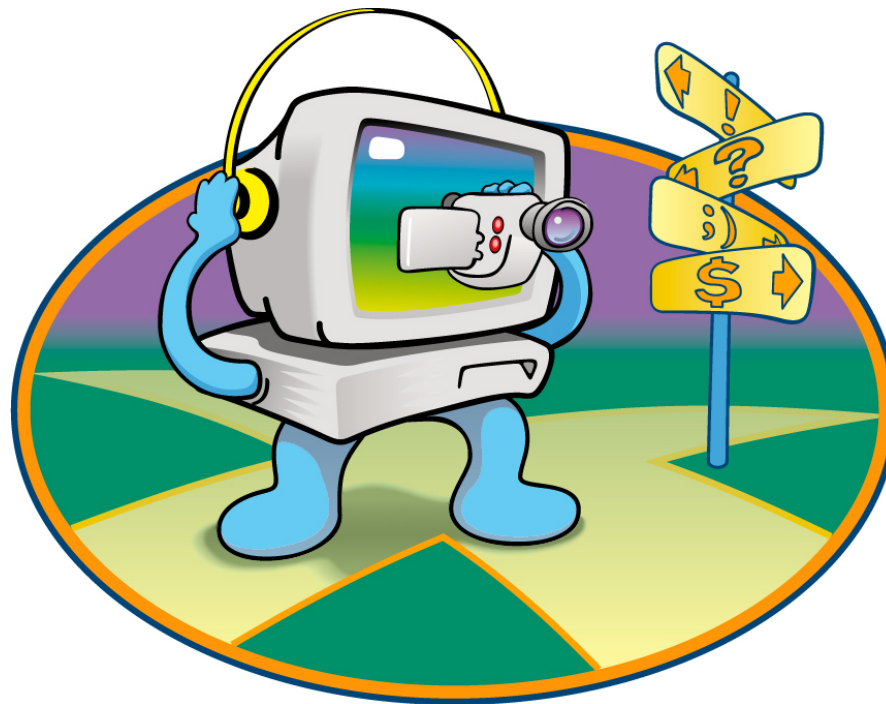


# Streamies Proportionally Spend Less Overall Media Time with TV

**% of Media Time Spent Watching Television per Week**



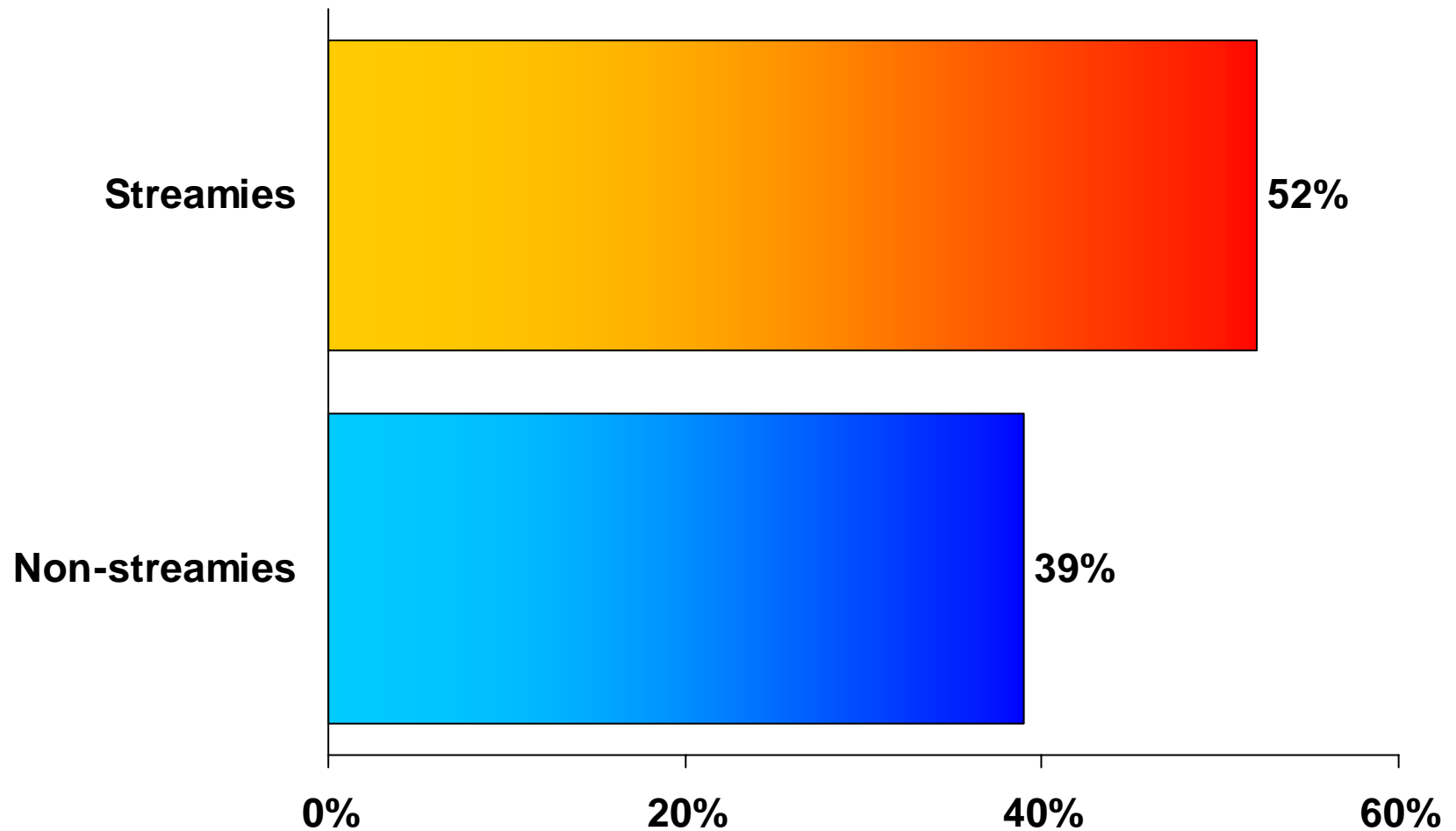
# Streamies Are an Attractive Target for Advertisers



# Streamies Are Online Veterans



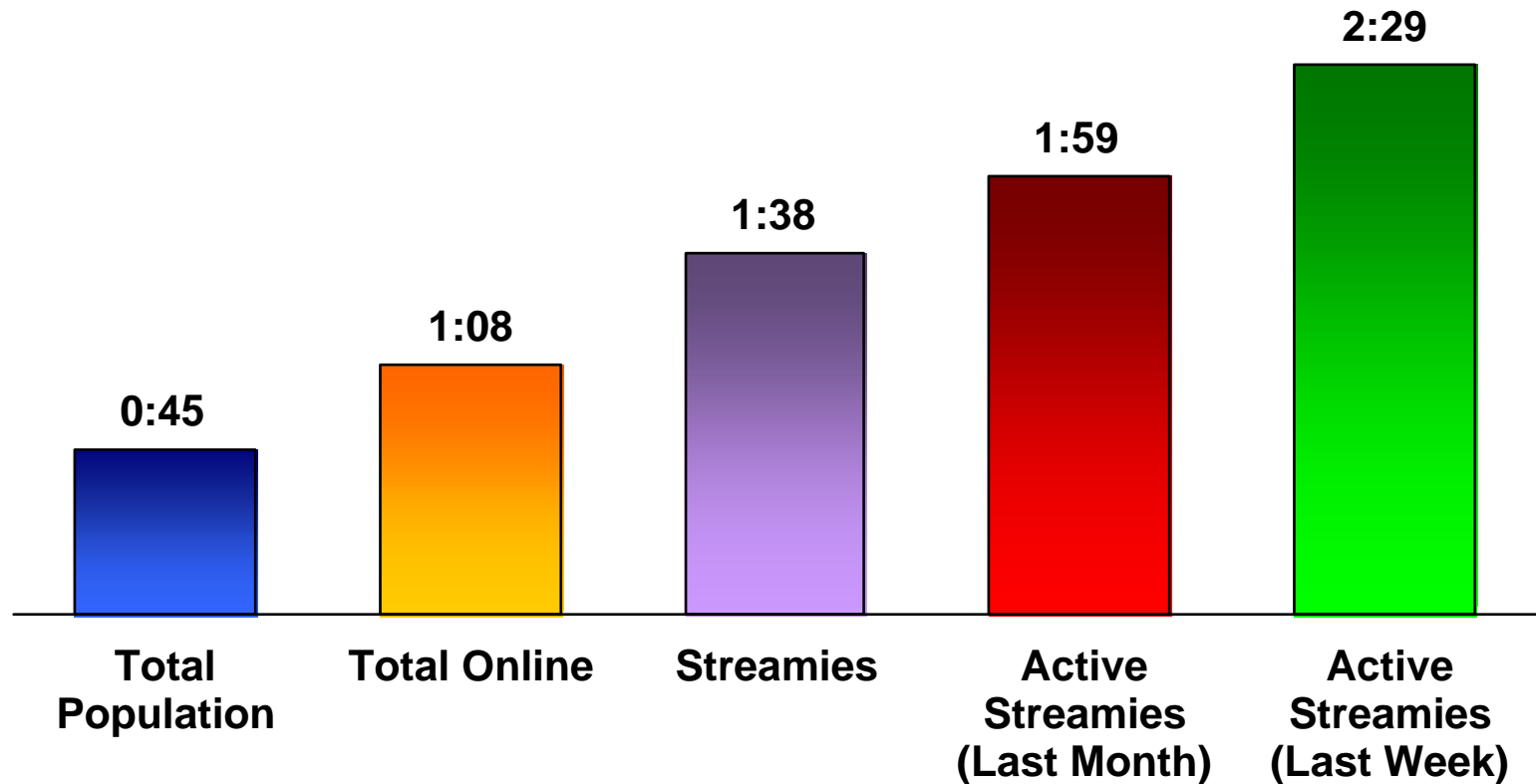
**% Online for Three or More Years**



# Streamies are Online Fanatics



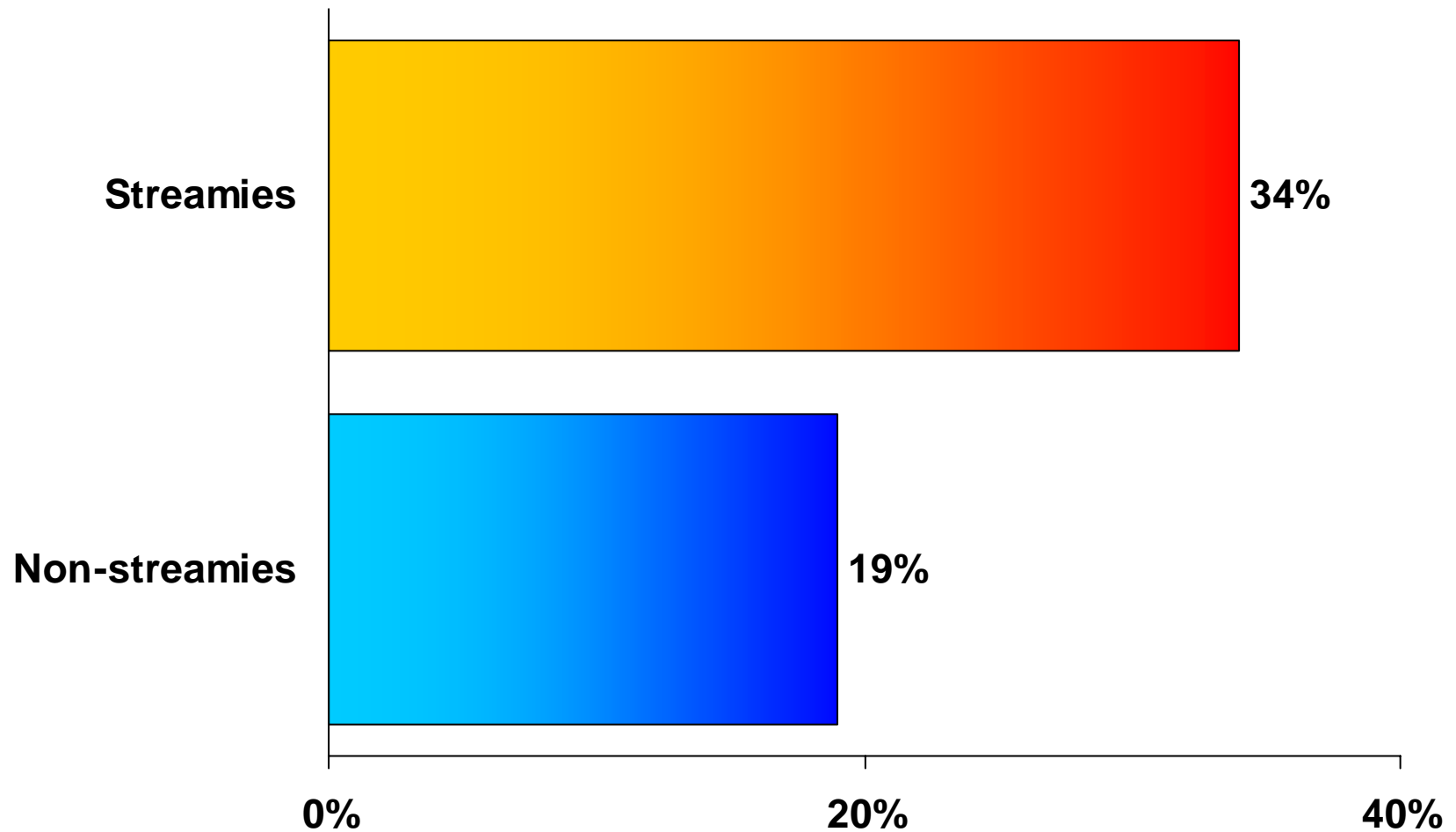
Time Spent Online per Day (hr:min)



# Streamies Are Much More Likely to Purchase Online

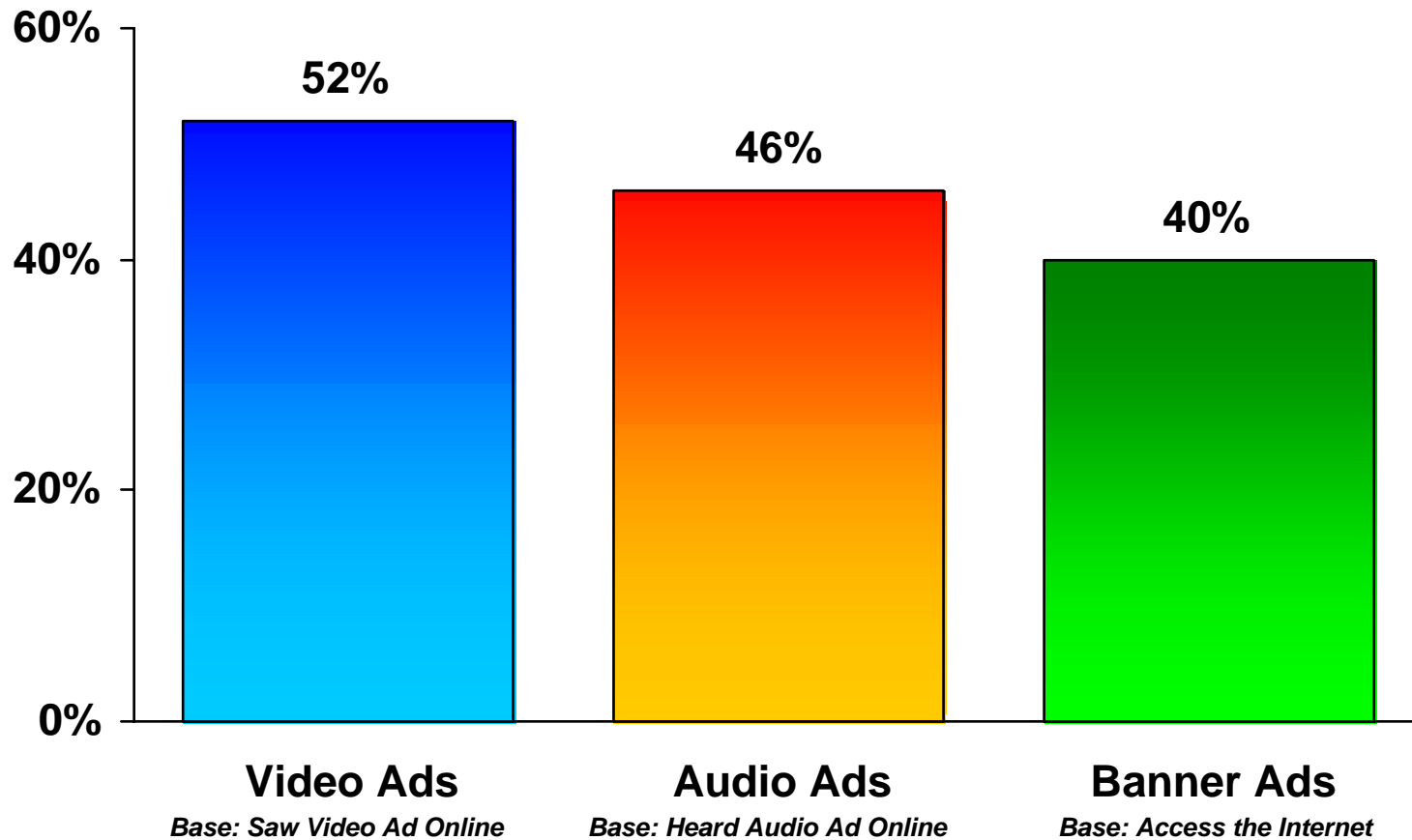


**% Who Purchased Online in the Last Week**



# Streamies Pay More Attention to Online Audio and Video Ads

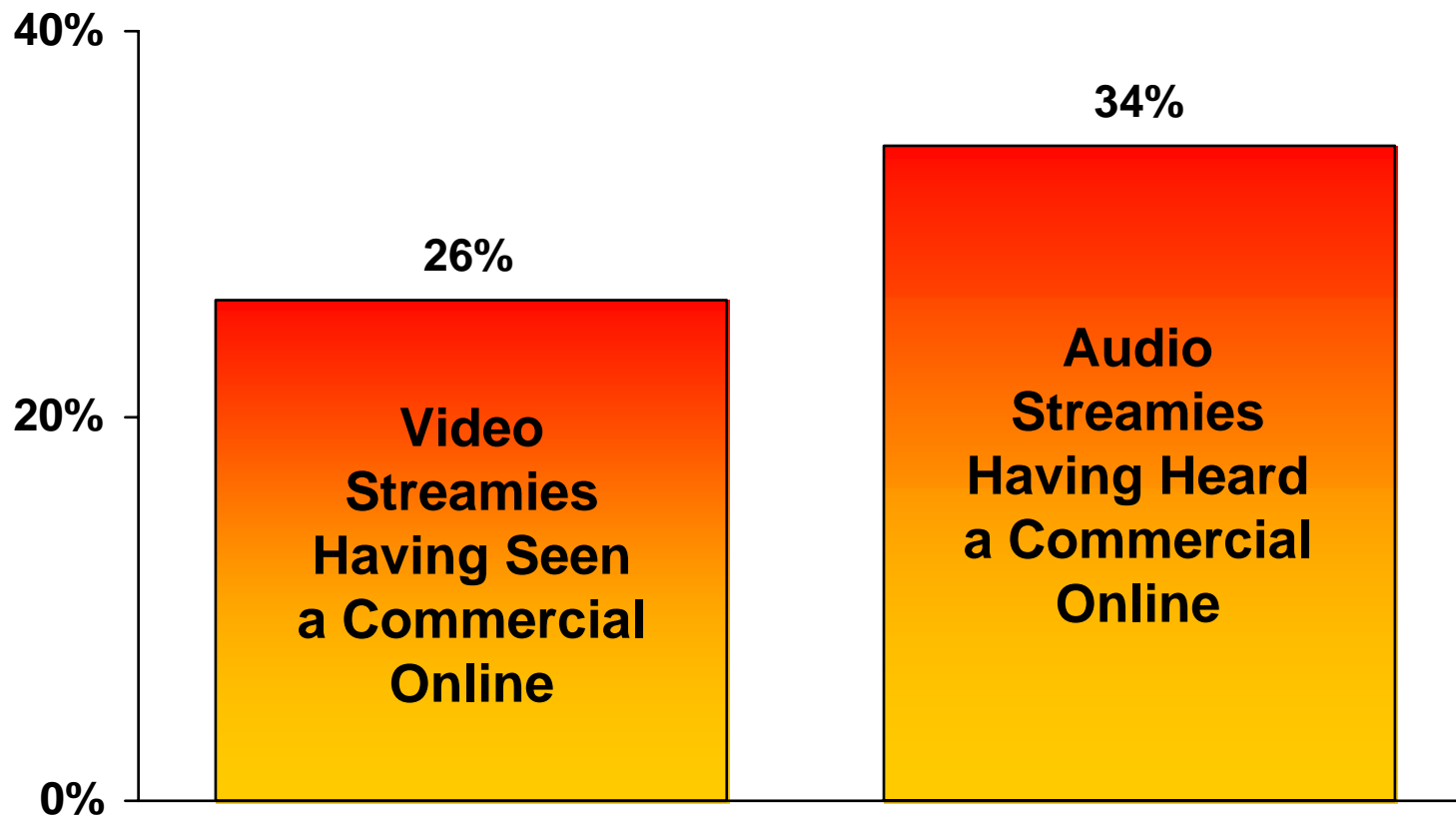
◆ % Who “Frequently/Sometimes” Pay Attention to Each Type of Ad



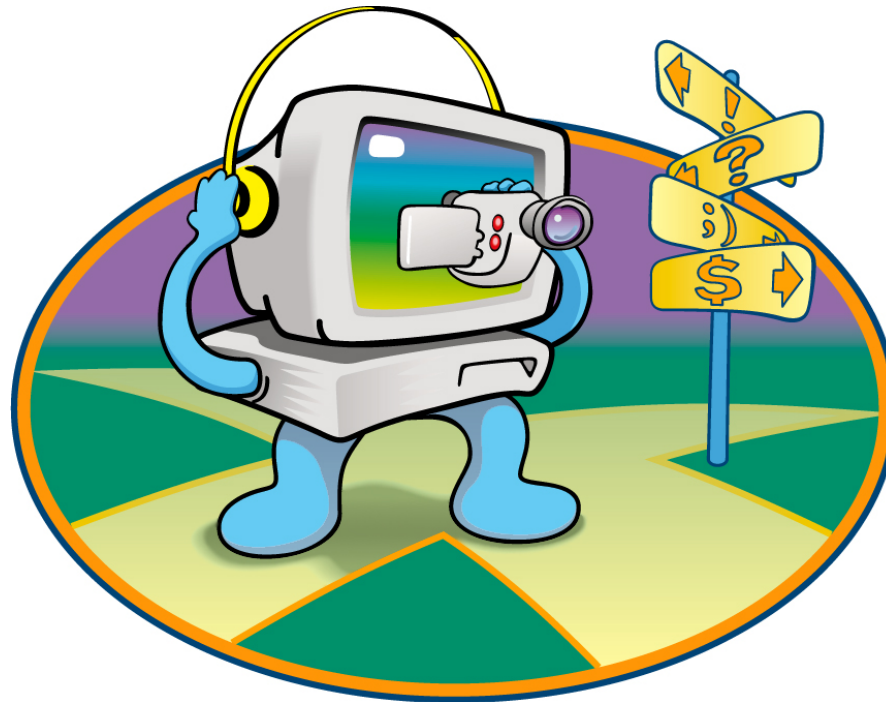
# Most Streamies Have Not Heard or Seen Commercials Online



**% Who Have Seen Video or Heard Ads Online**

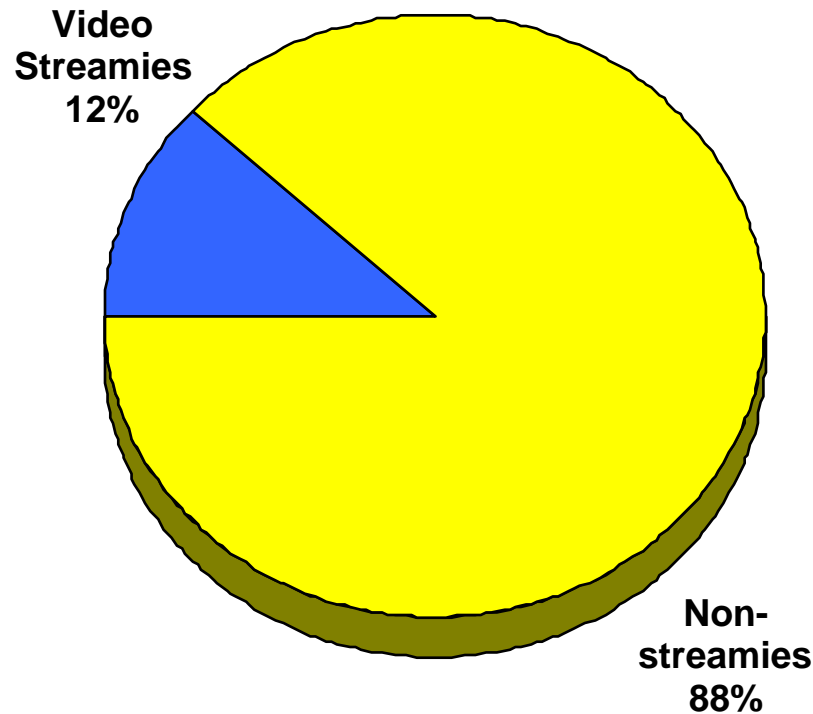


# Video Streamies

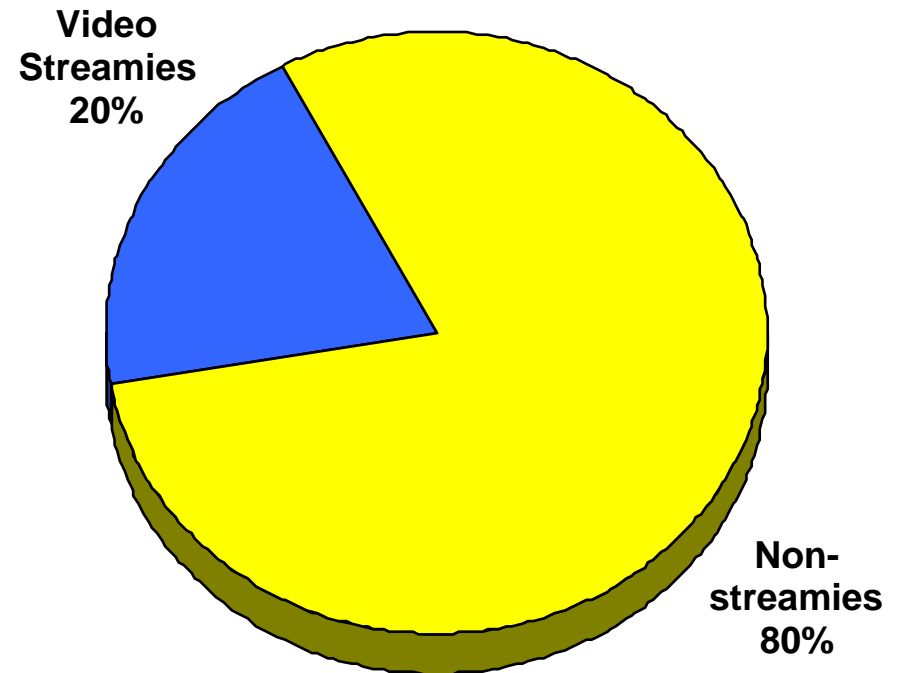


# One in Eight Americans Are Video Streamies

**Among Americans 12+**



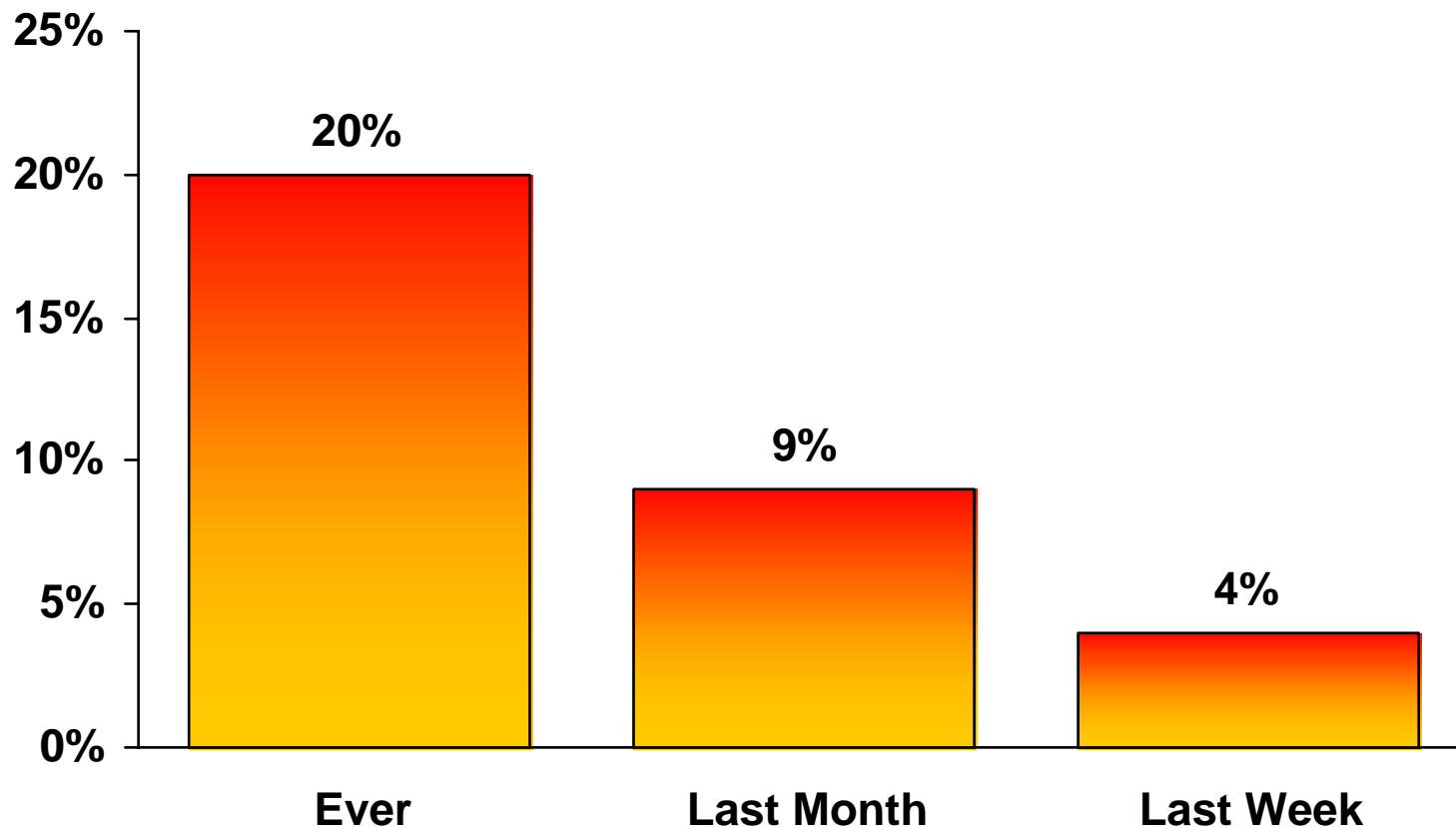
**Among Those Online**



# Of Those Online, One in Five Are Video Streamies

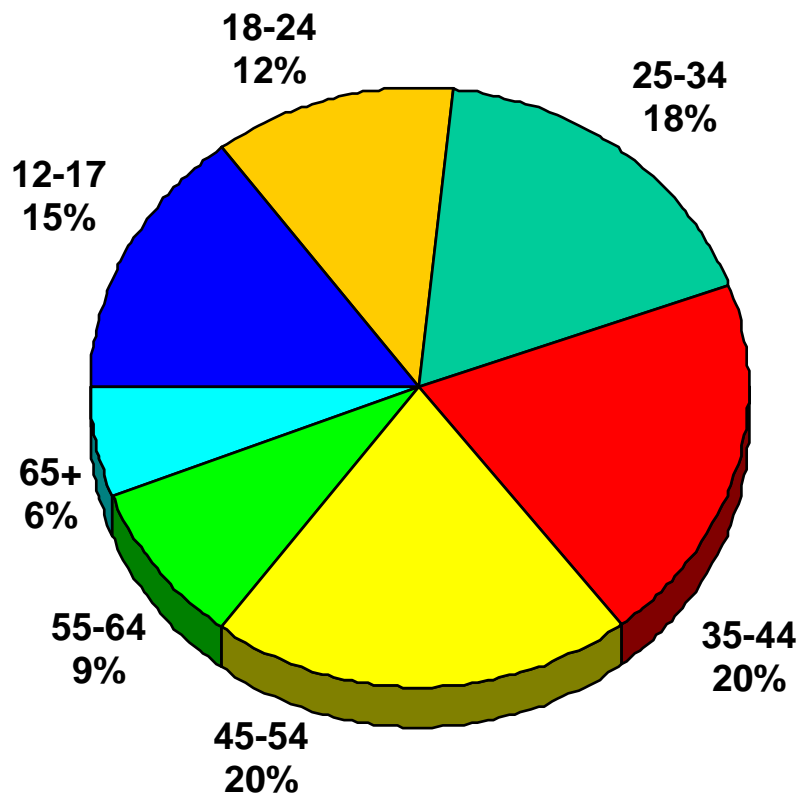


**% Online Who Have Viewed Streaming Video**

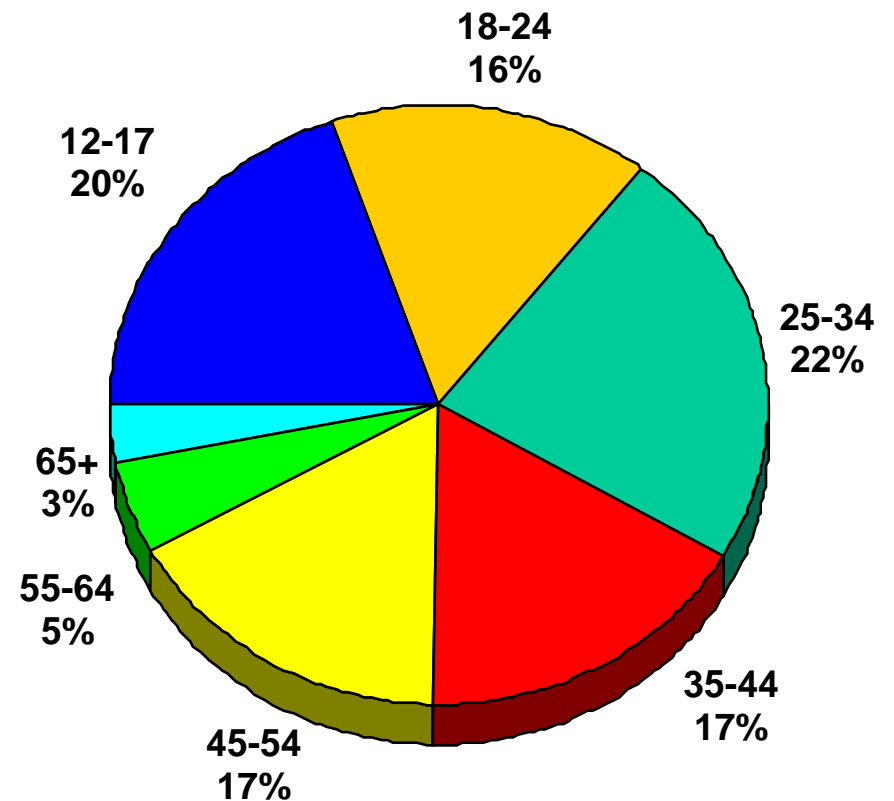


# Compared to Those Online, Video Streamies Are Younger...

## Age (Online)



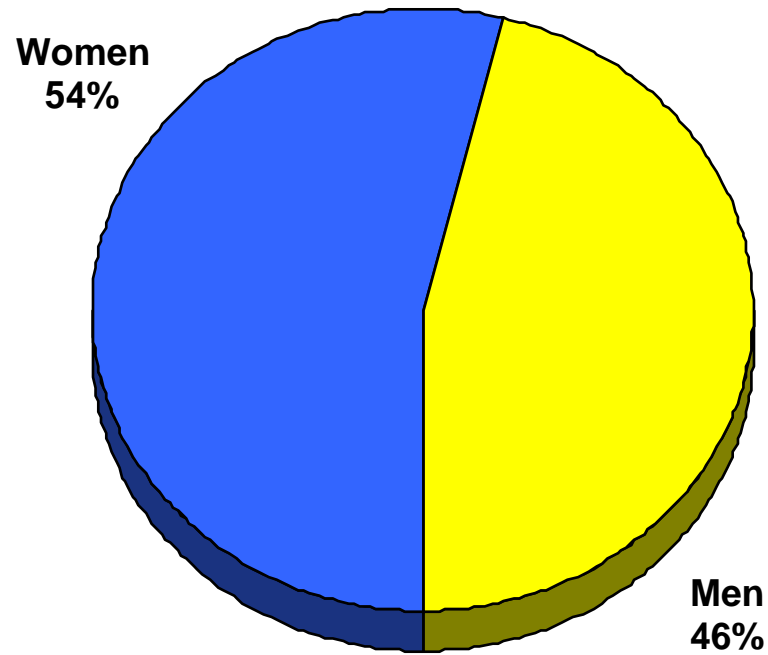
## Age (Video Streamies)



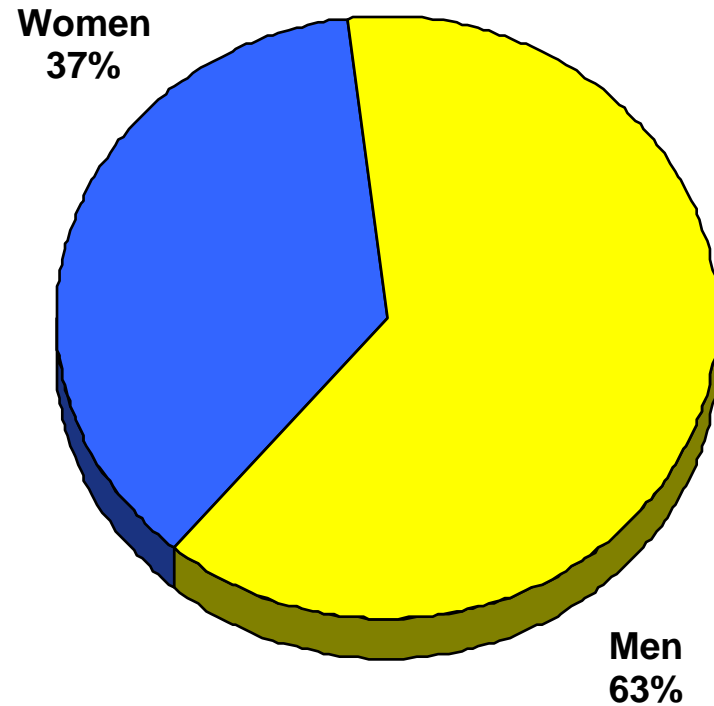
# ...And Video Streamies are More Male



**Sex (Online)**

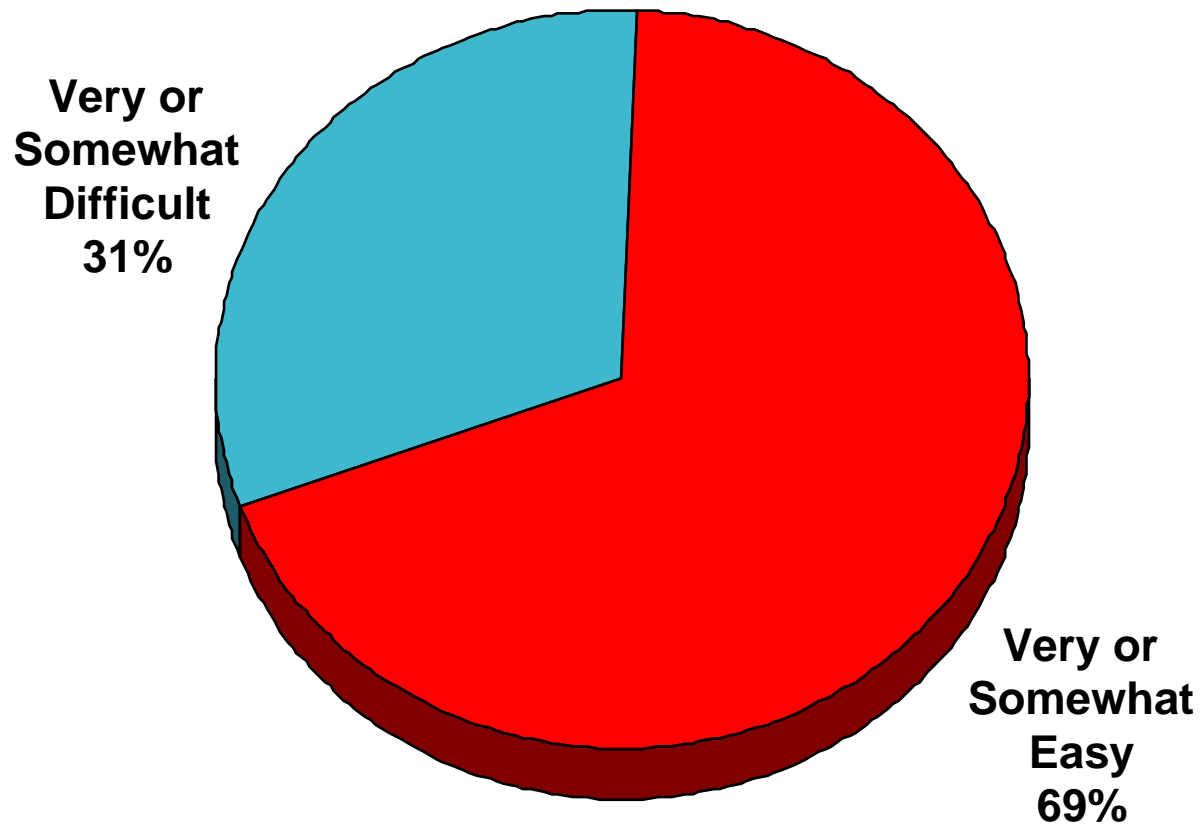


**Sex (Video Streamies)**

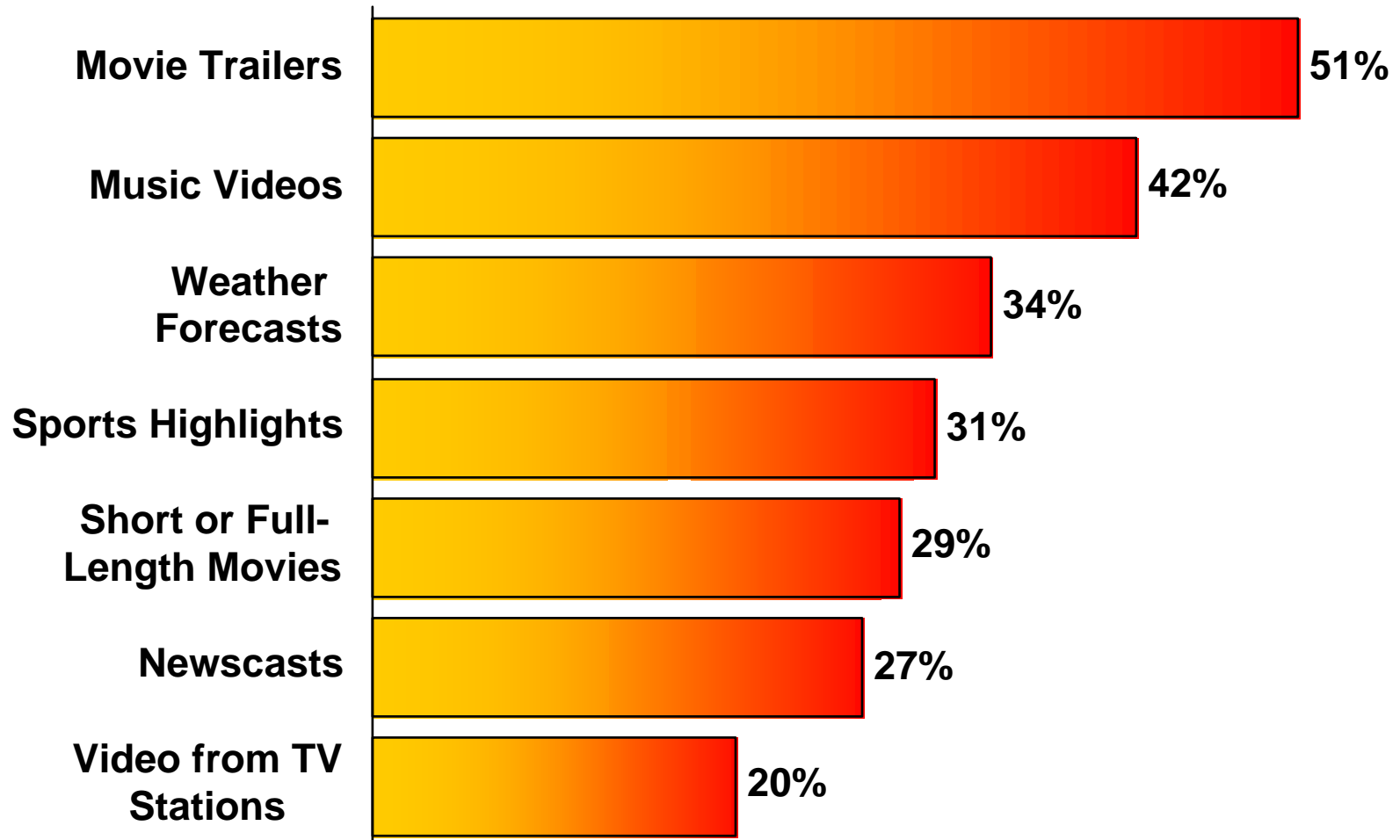


# Many Find Watching Streaming Video Difficult

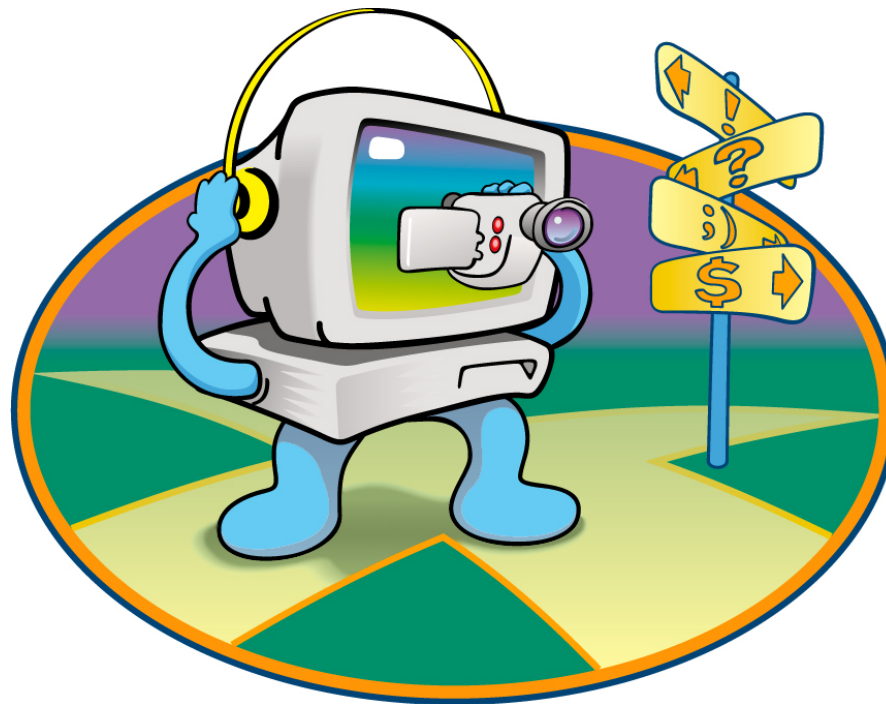
“How easy or difficult do you find the process of viewing video over the Internet?”



# Types of Programming Video Streamers Watch

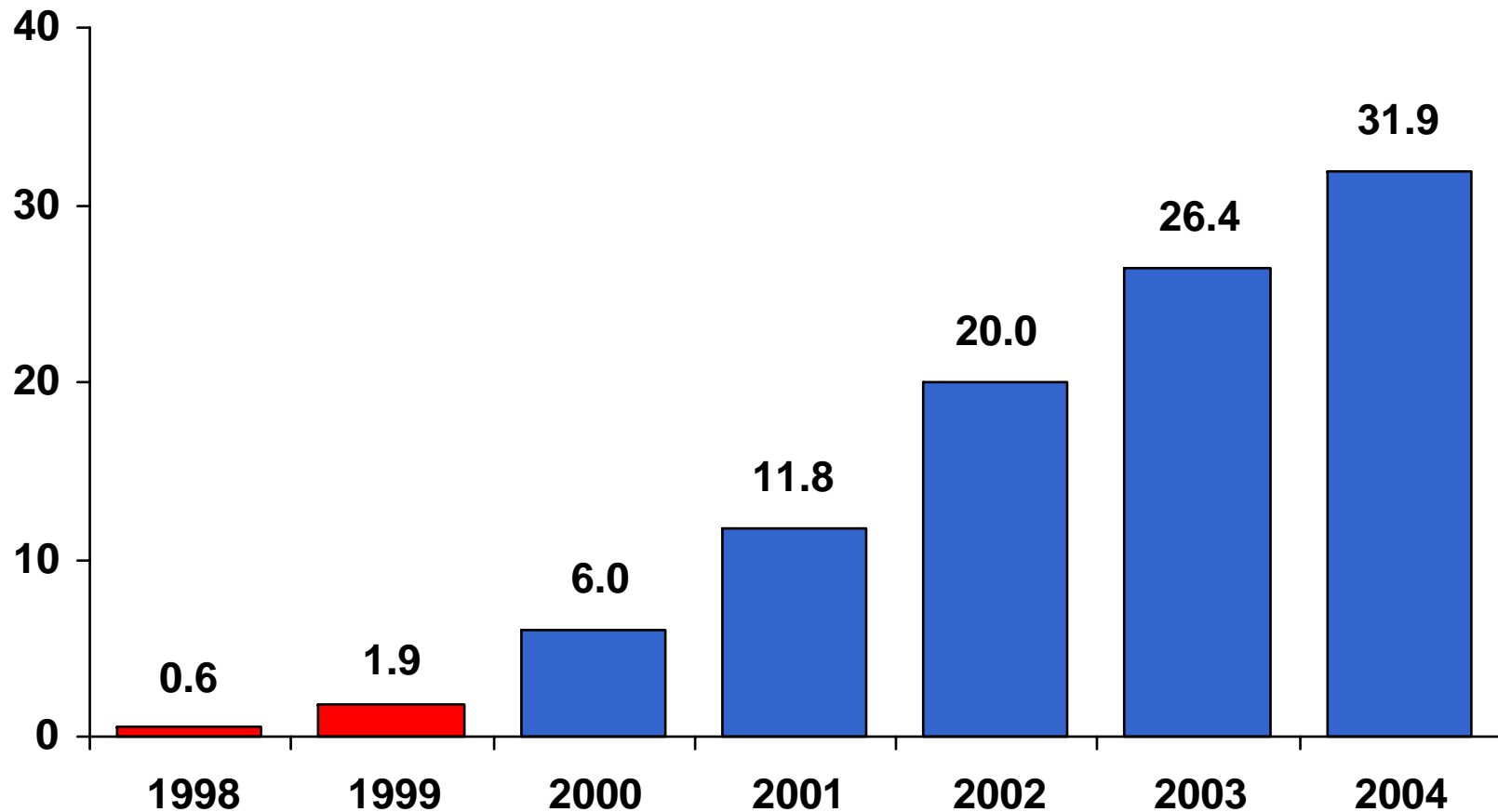


# The Impact of Broadband



# 32 Million Homes to Have Broadband by 2004

## Millions of HH with DSL or Cable Modems



edison media research

Source: Paul Kagan & Associates



ARBITRON

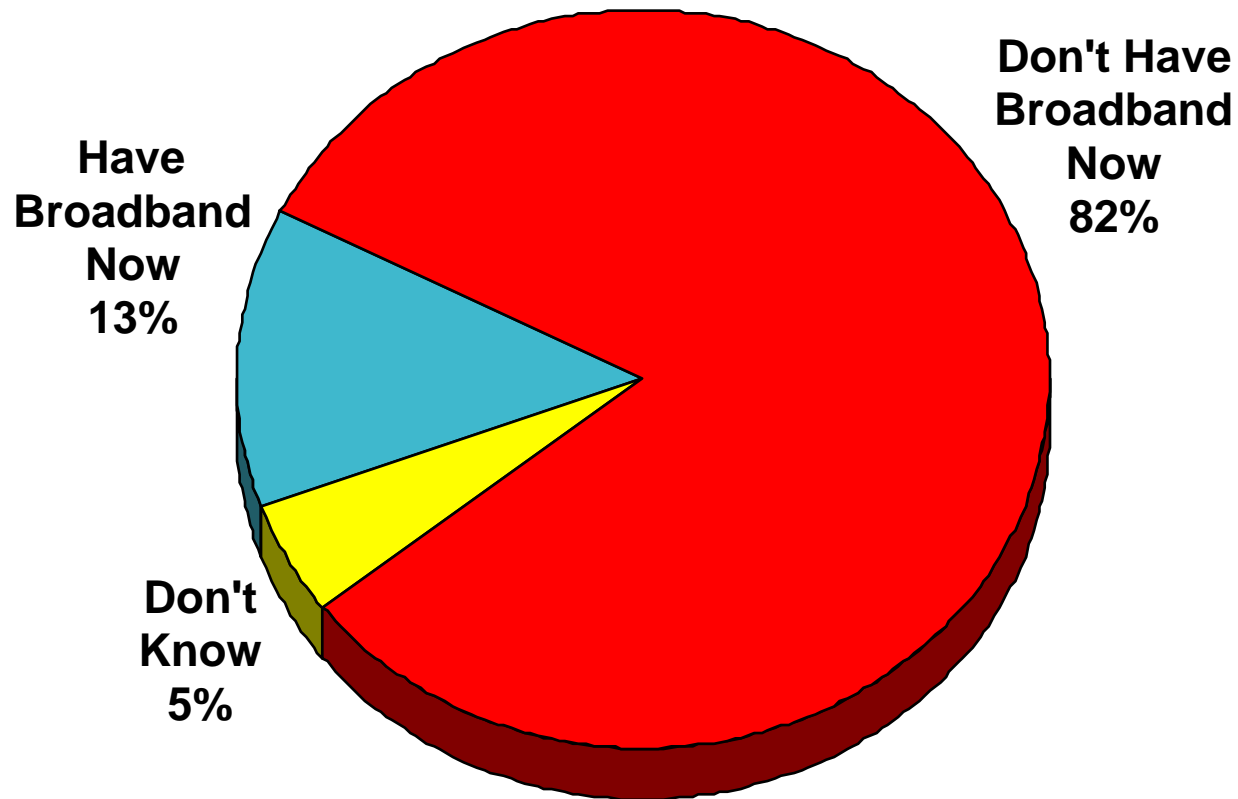
# Top 10 Markets Most Likely to Get Broadband in Next 12 Months

Source: Scarborough

<b>Austin</b>	<b>13.8%</b>
<b>Denver/Boulder</b>	<b>13.7%</b>
<b>Phoenix</b>	<b>13.1%</b>
<b>San Francisco</b>	<b>13.0%</b>
<b>San Diego</b>	<b>12.8%</b>
<b>Dallas/Ft. Worth</b>	<b>12.5%</b>
<b>Wichita</b>	<b>12.2%</b>
<b>Philadelphia</b>	<b>11.9%</b>
<b>Washington, DC</b>	<b>11.7%</b>
<b>Kansas City</b>	<b>11.6%</b>

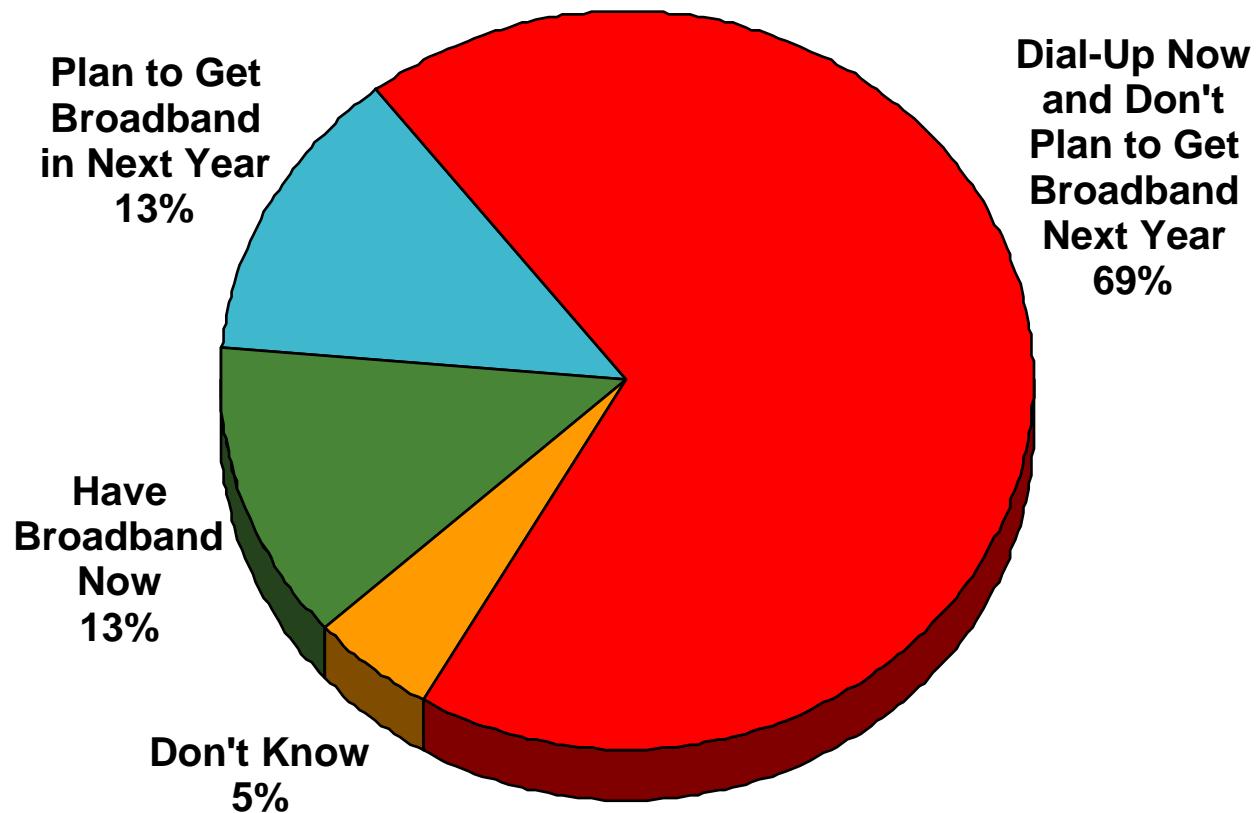
# Few Internet Households Have Broadband Access...

## Broadband vs. Dial-Up in Homes with Access to the Internet



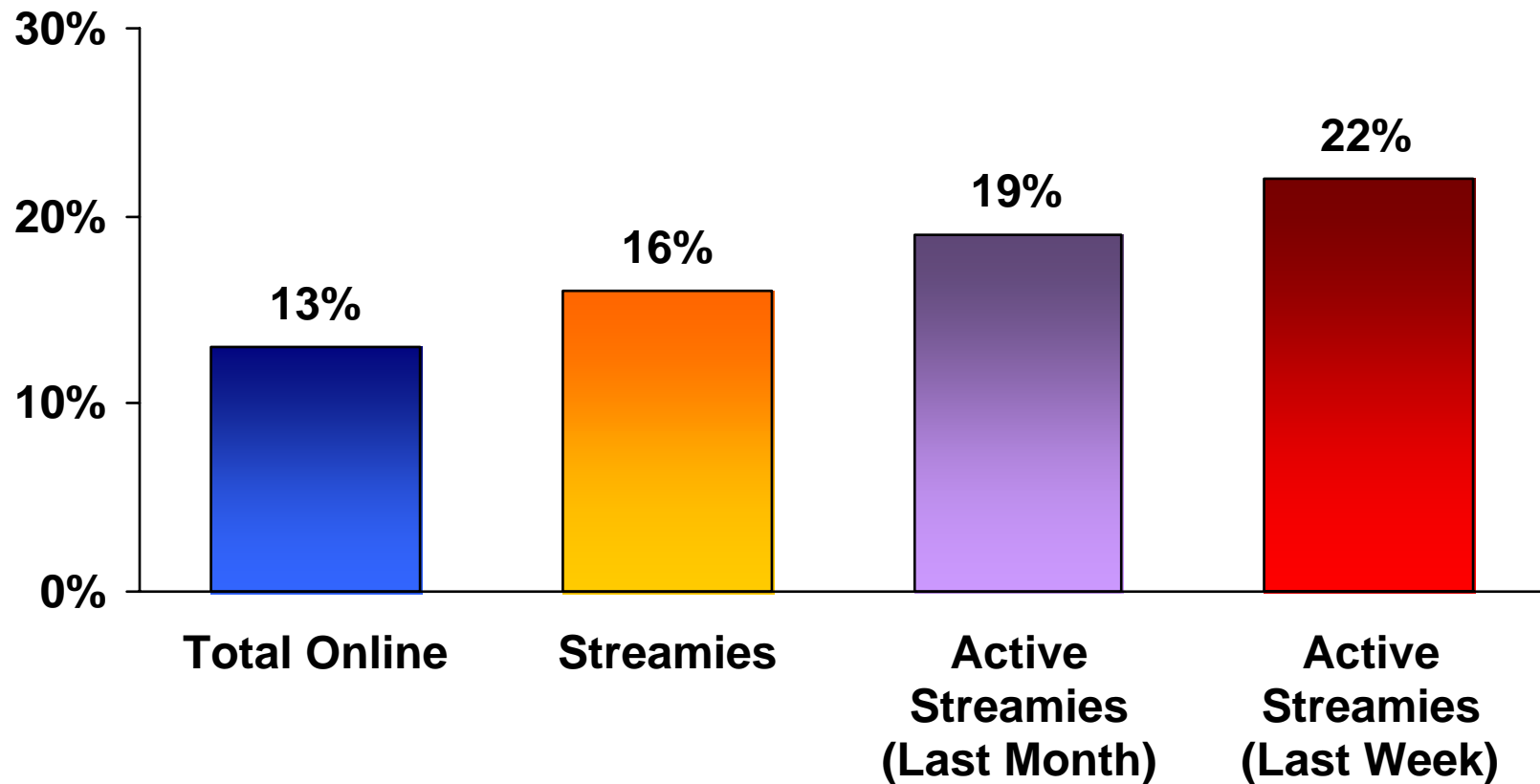
# ...However, Broadband Access May Double in Next Year

## Broadband vs. Dial-Up in Homes with Access to the Internet



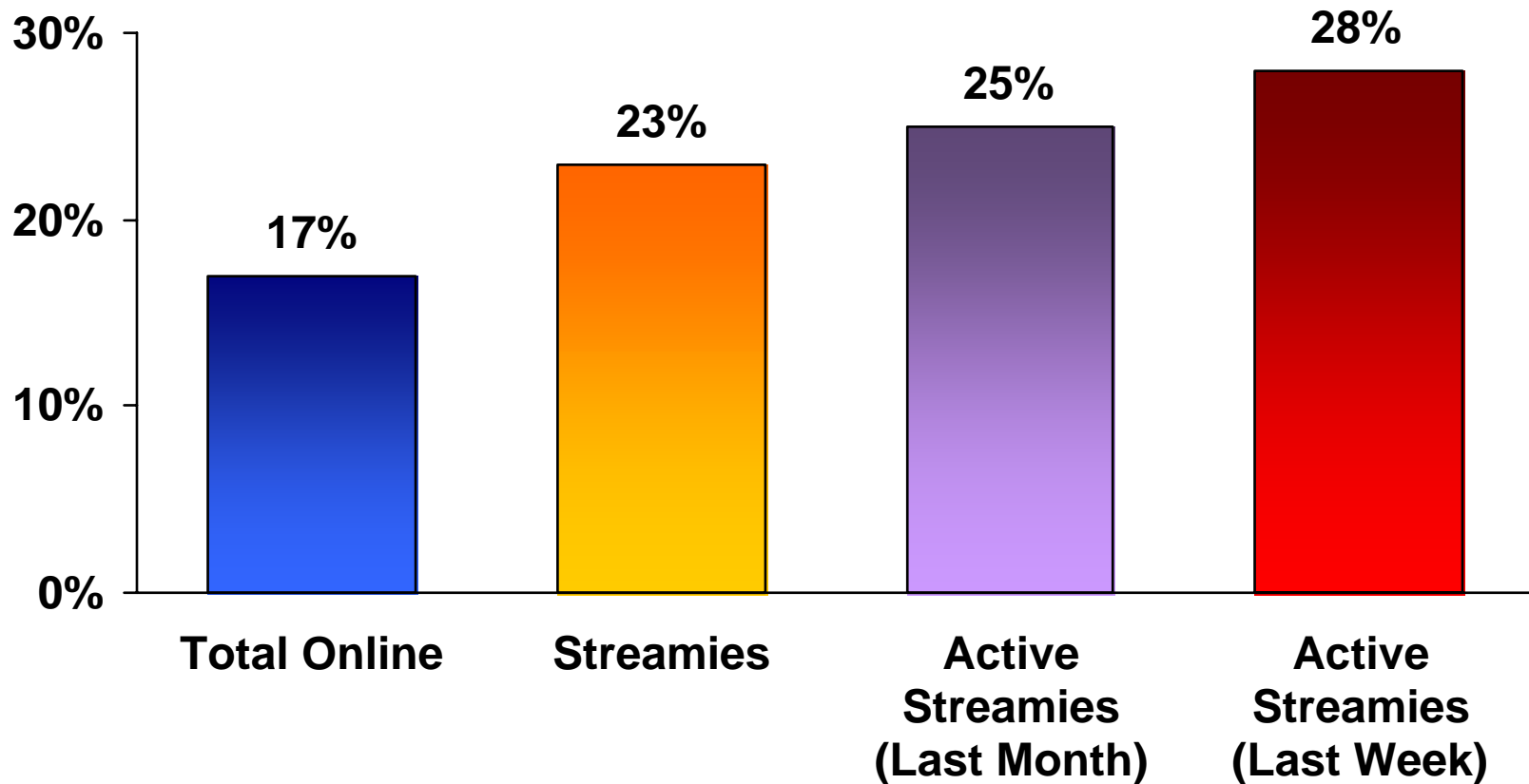
# Streamies Are More Likely to Have Broadband Access at Home

% with Broadband Internet Access at Home



# Streamies Are More Likely to Get Broadband in the Next Year

**% with Dial-Up Internet Access Planning to Get Broadband in Next Year**



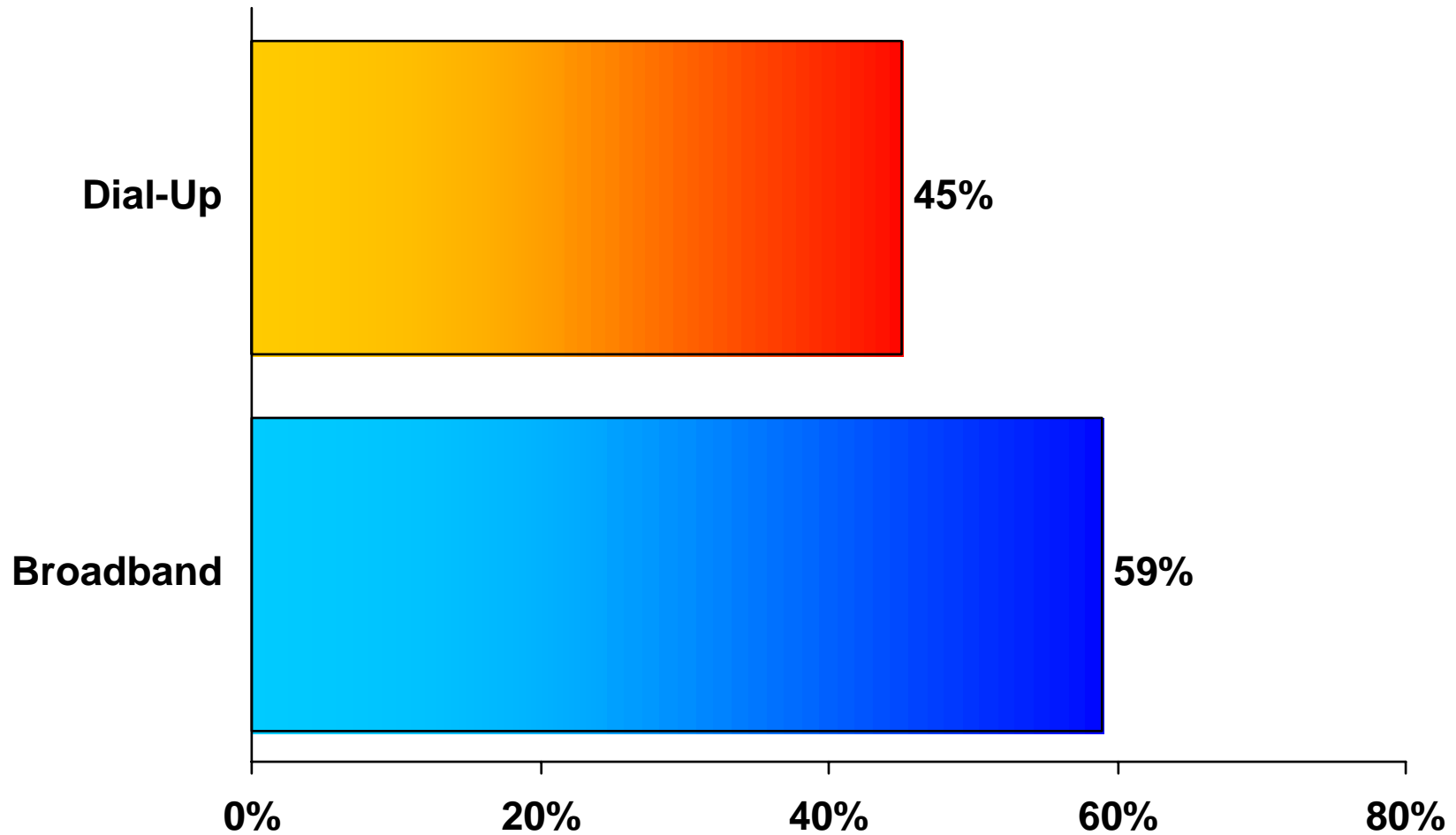
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Compared to Those  
with Dial-Up Internet  
Access, People in  
Broadband Homes...

# ...Are Online Veterans



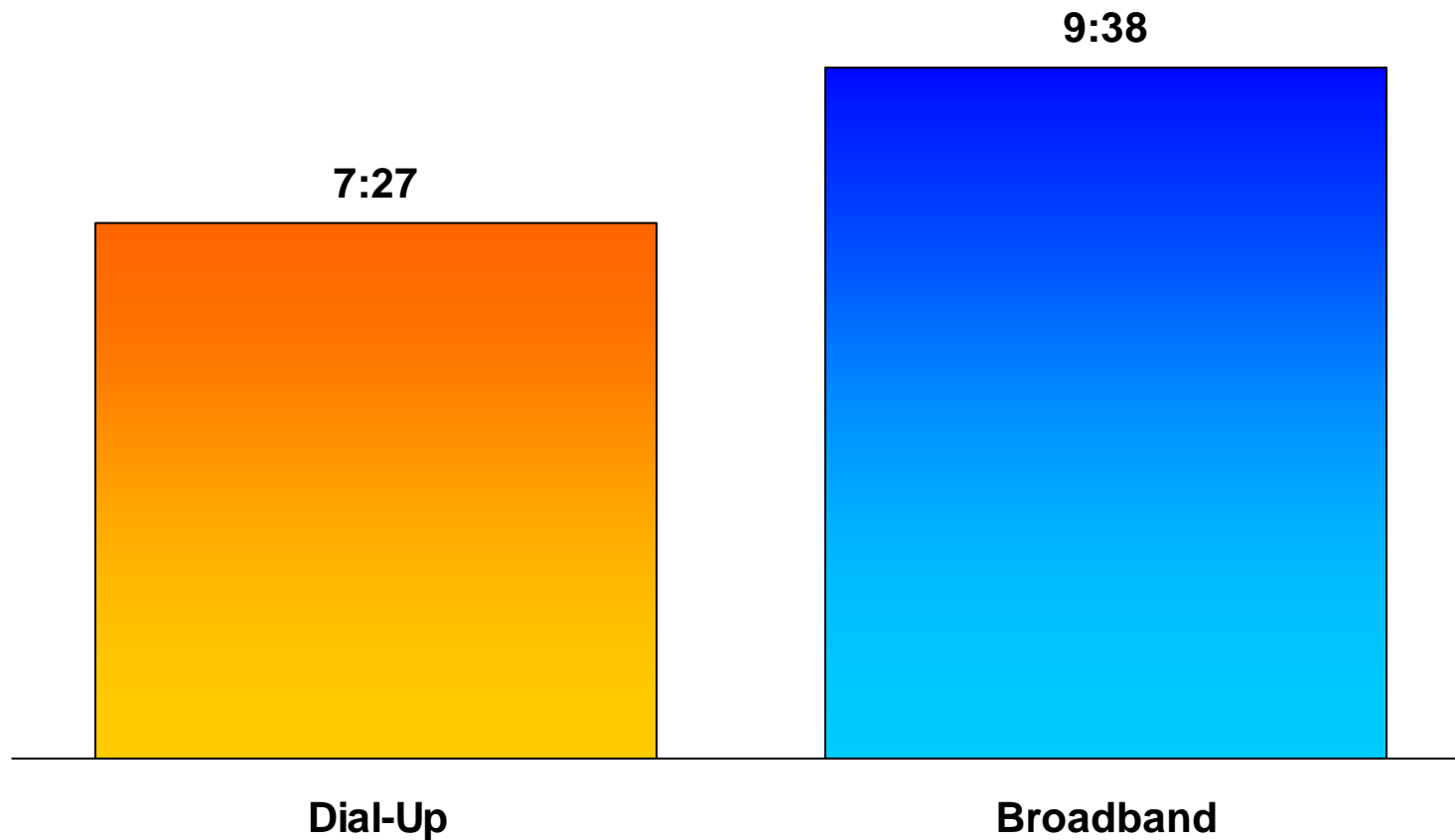
**% Online for Three or More Years**



# ...Spend More Time Online

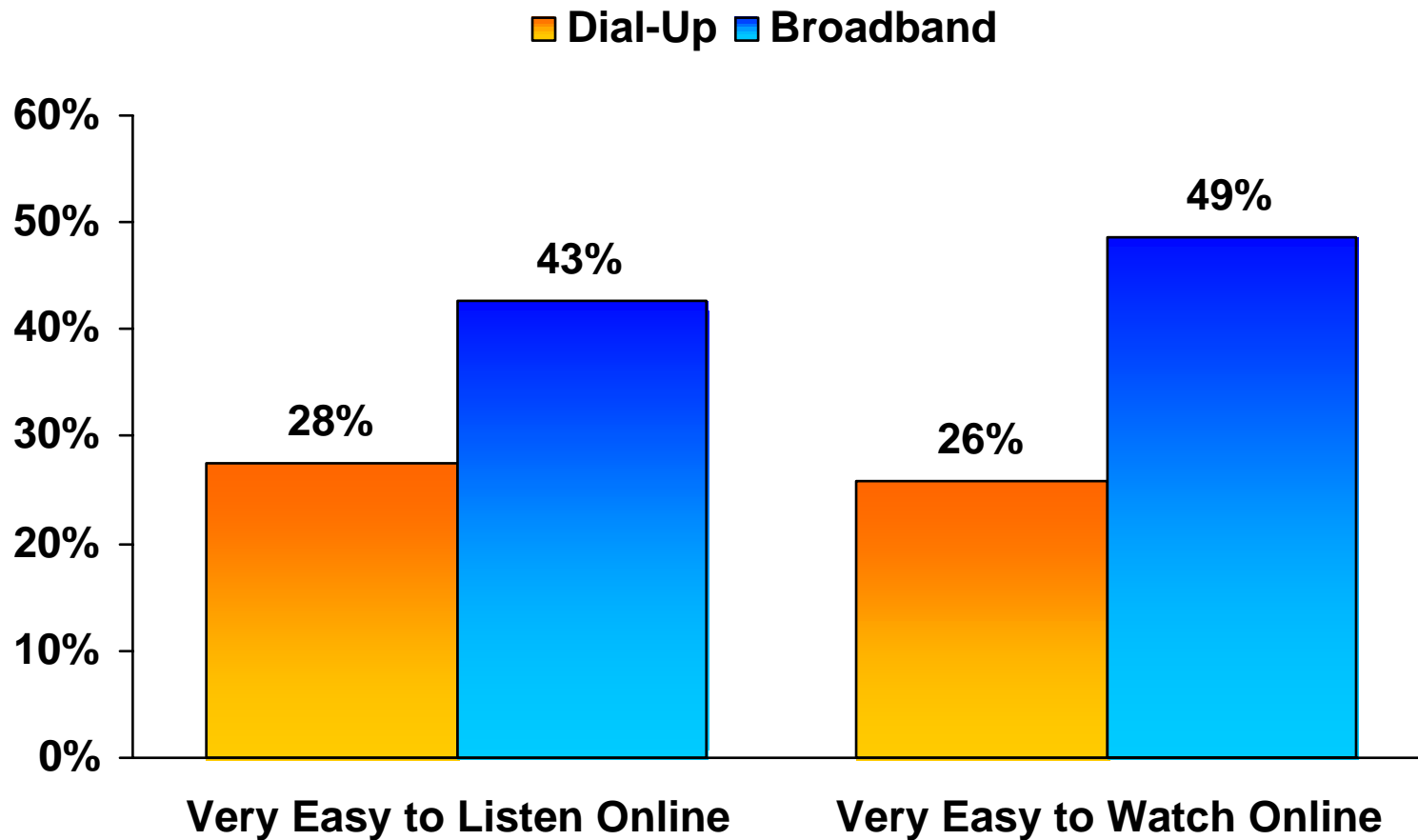


Amount of Time Spent Online Per Week (hr:min)

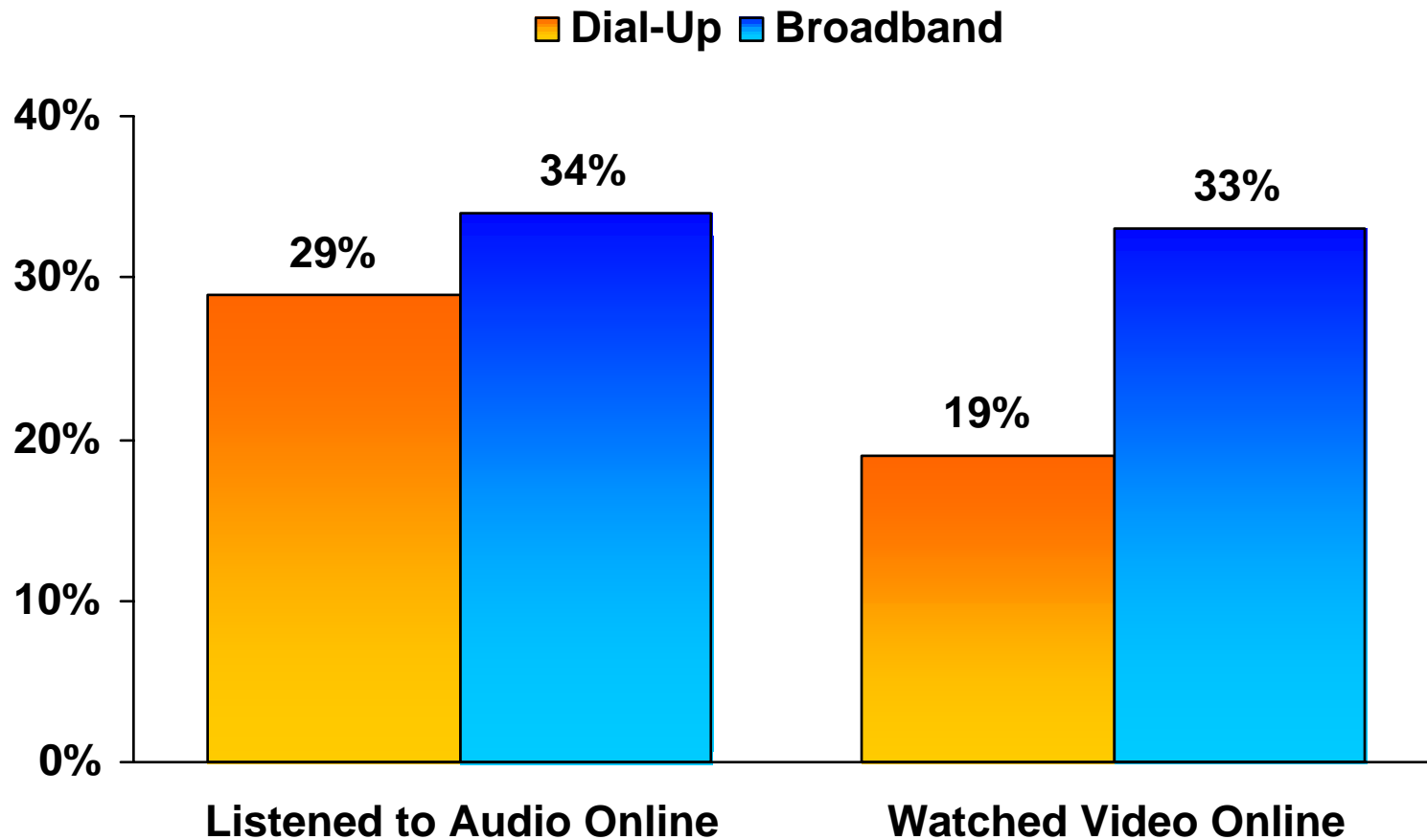


# ...Have an Easier Time Streaming

% Saying Streaming Is “Very Easy”

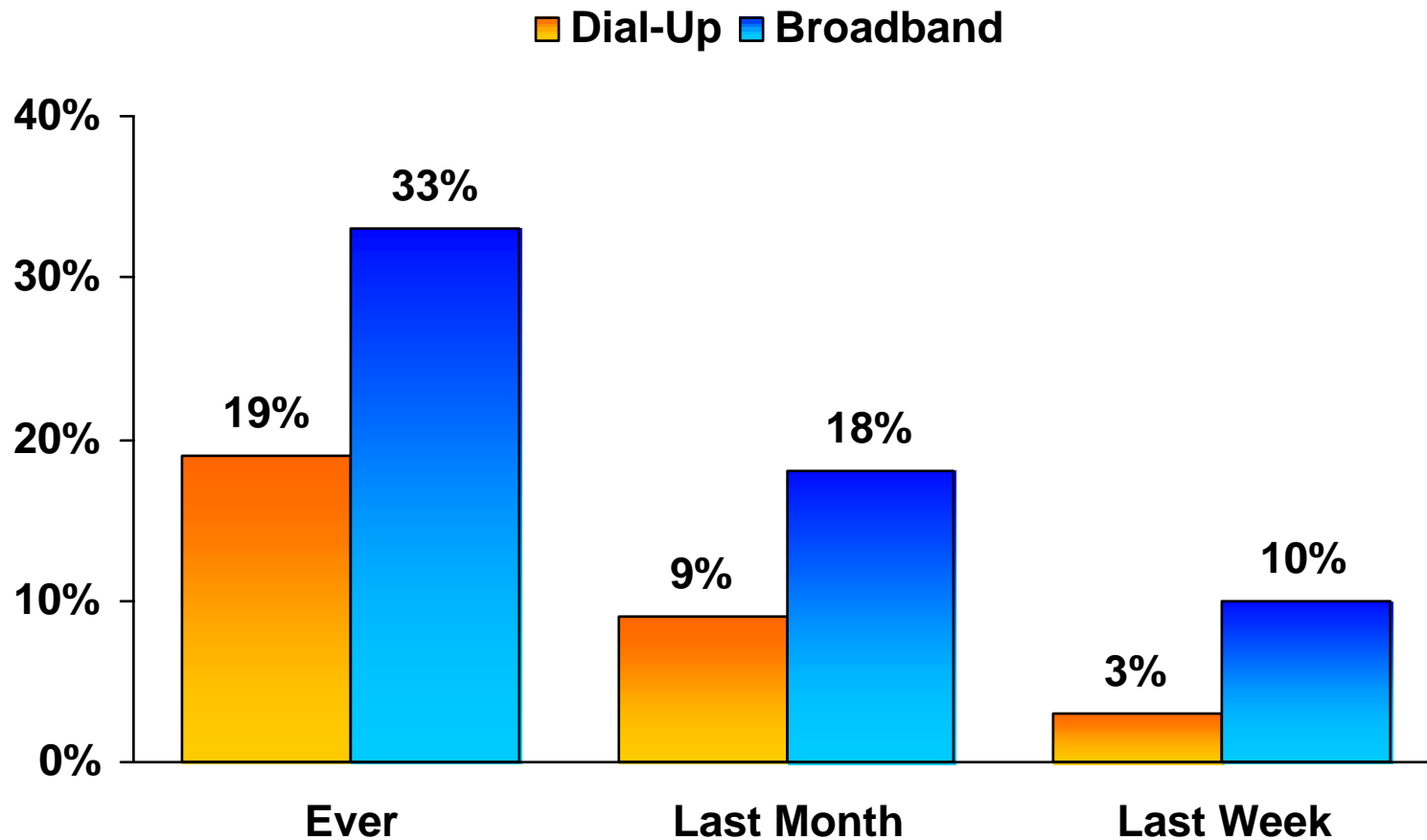


# ...Are More Likely to Use Streaming Media



# ...Are More Active Video Streamies

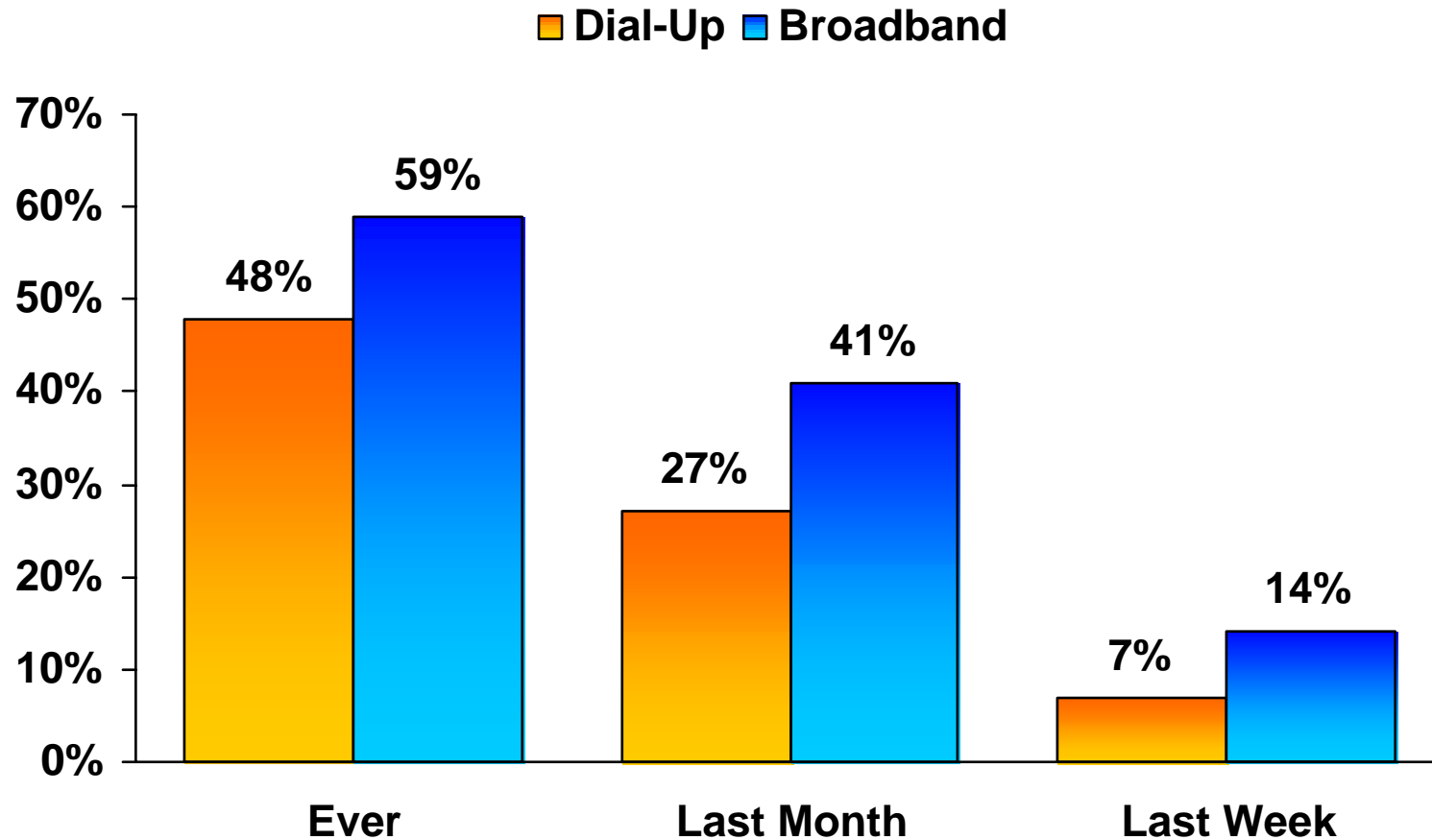
% Online Who Have Viewed Streaming Video



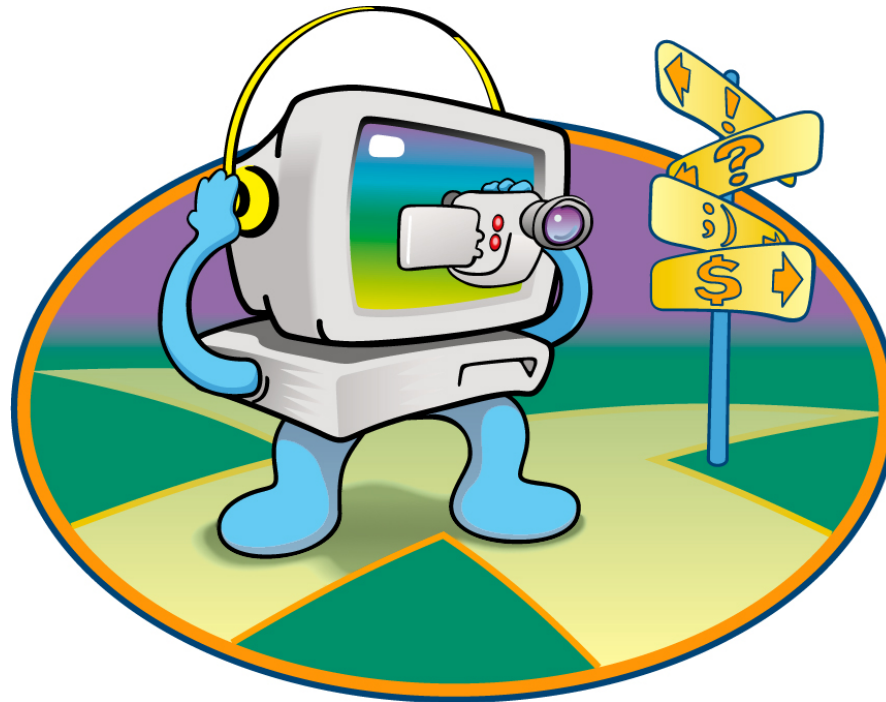
# ...Are More Likely to Make Online Purchases



## % Having Made a Purchase Online



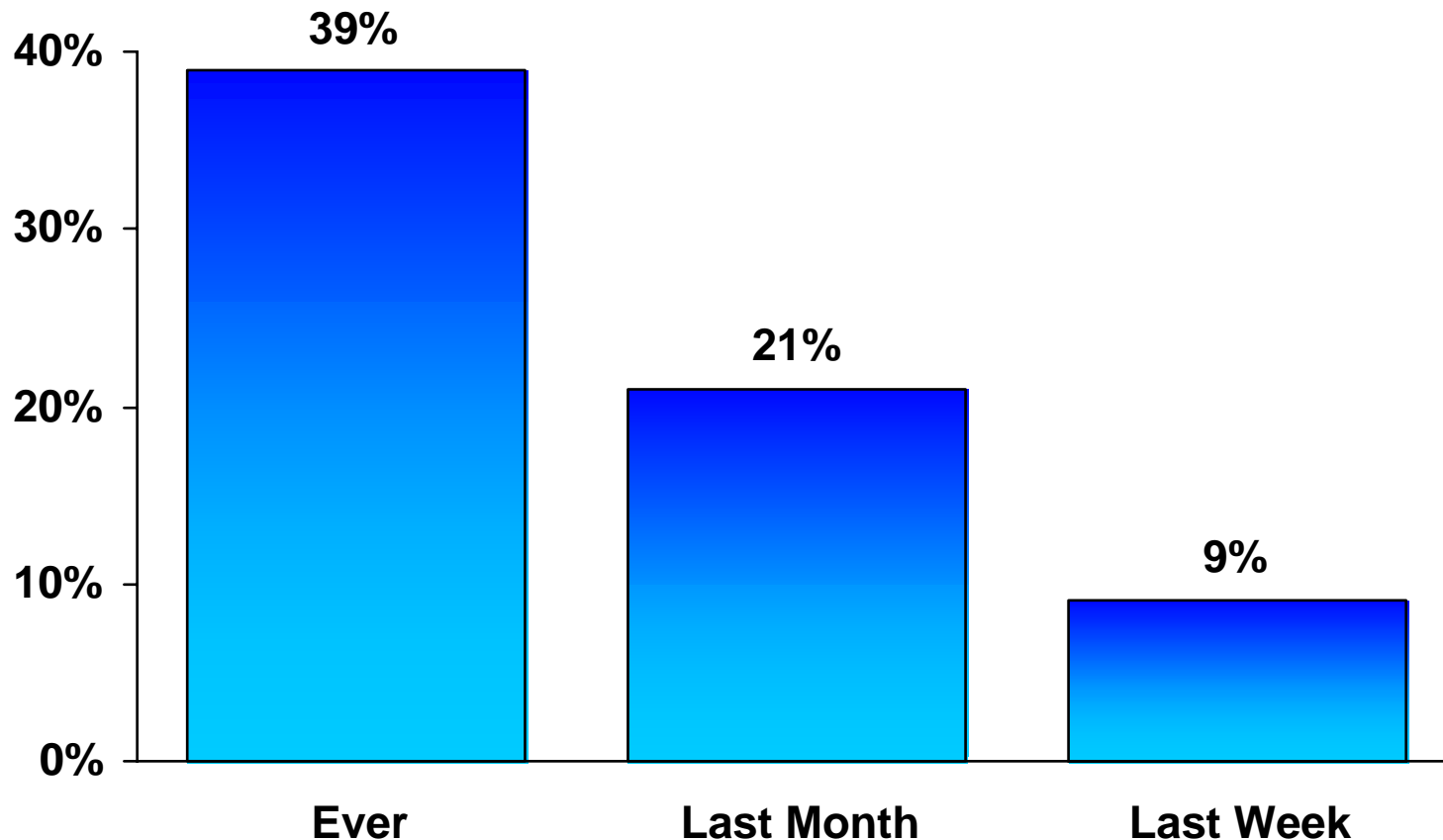
# Television Station Web Site Visitation



# Two Out of Five Online Have Visited a TV Station Web Site



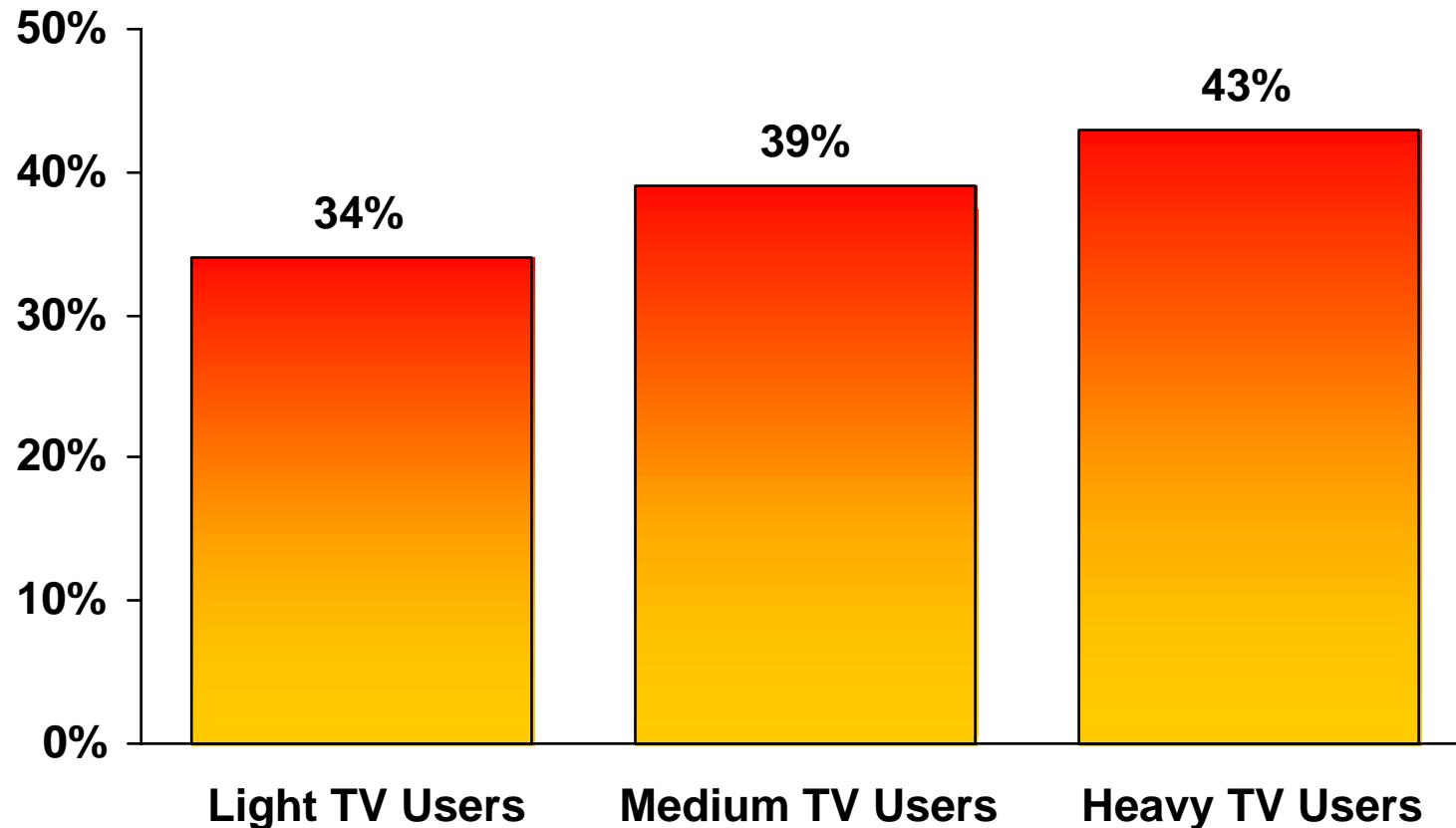
**% Online Who Have Visited the Web Site of a TV Station**



# Heavy Users of Television More Likely to Visit TV Station Web Site

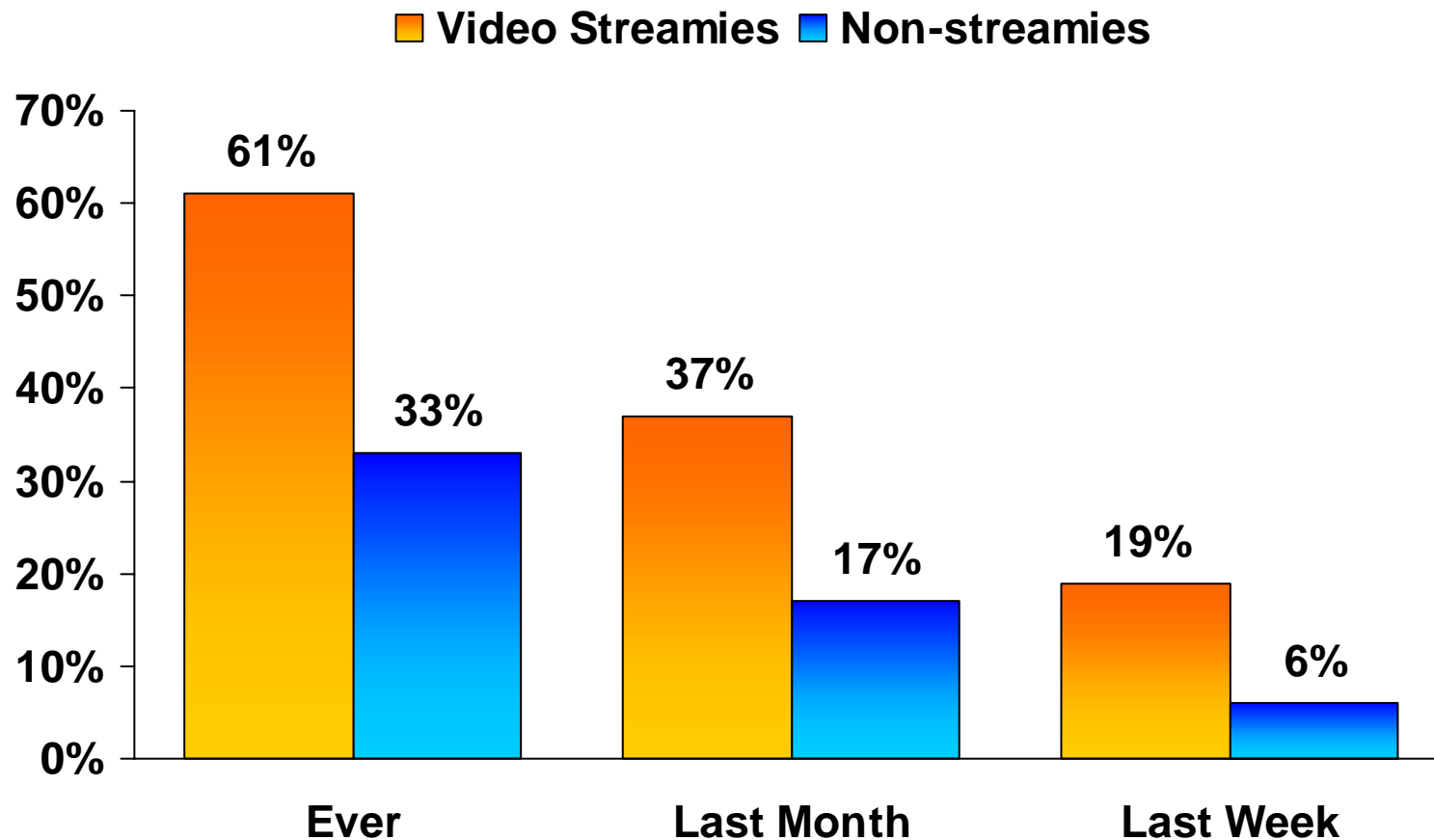


**% Who Have Visited the Web Site of a TV Station**



# Video Streamies Also Visit TV Sites Much More Frequently

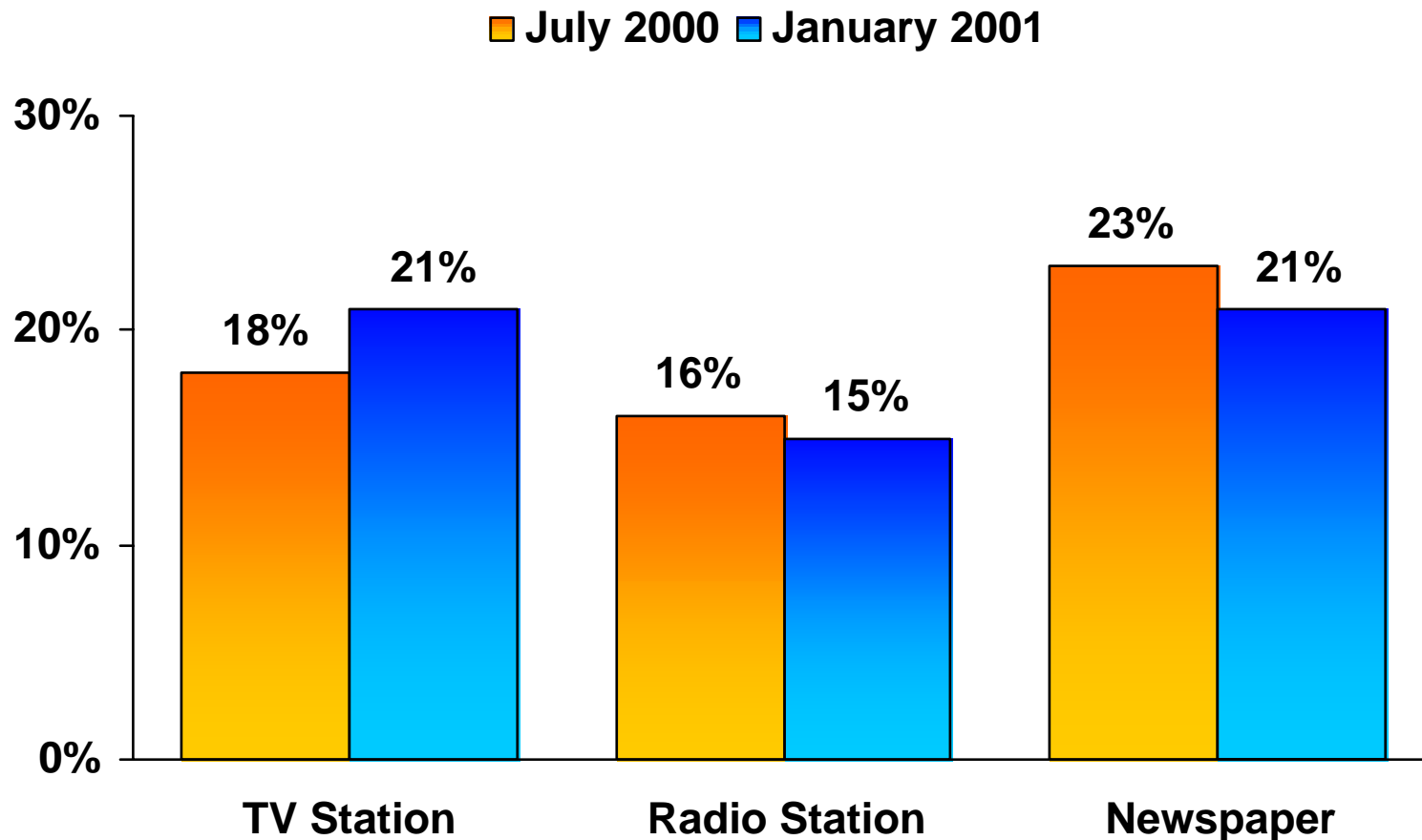
% Who Have Visited the Web Site of a TV Station



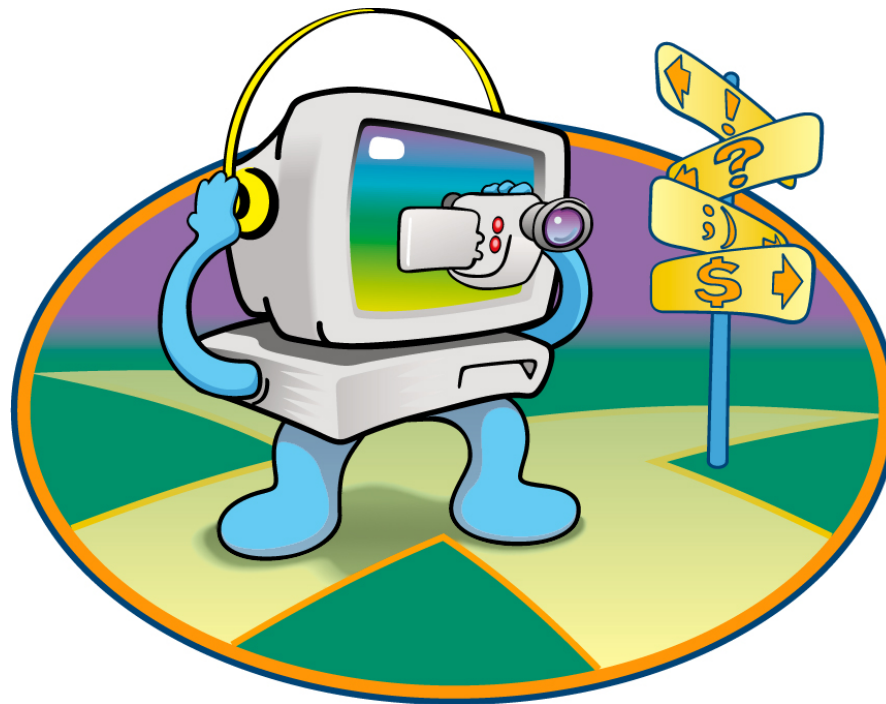
# Monthly Web Site Visitation Among Different Media



**% Online Who Visited Web Site of Medium in Last Month**



# Measuring the New Media World



# Arbitron Webcast Ratings



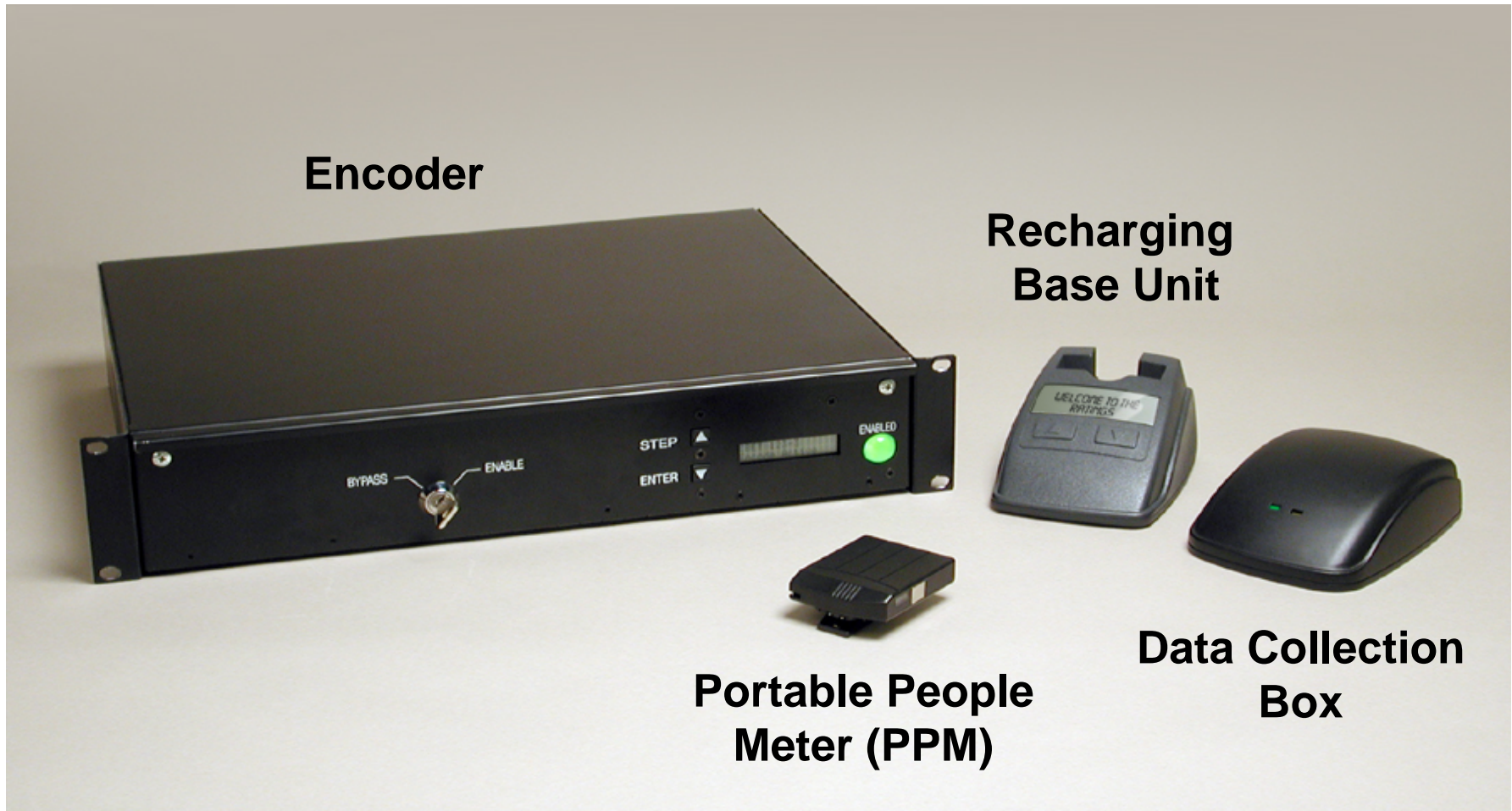
- **Collects streaming data directly from webcast servers for near census measurement**
- **Collects both audio and video streaming**

# Measuring the New Media World

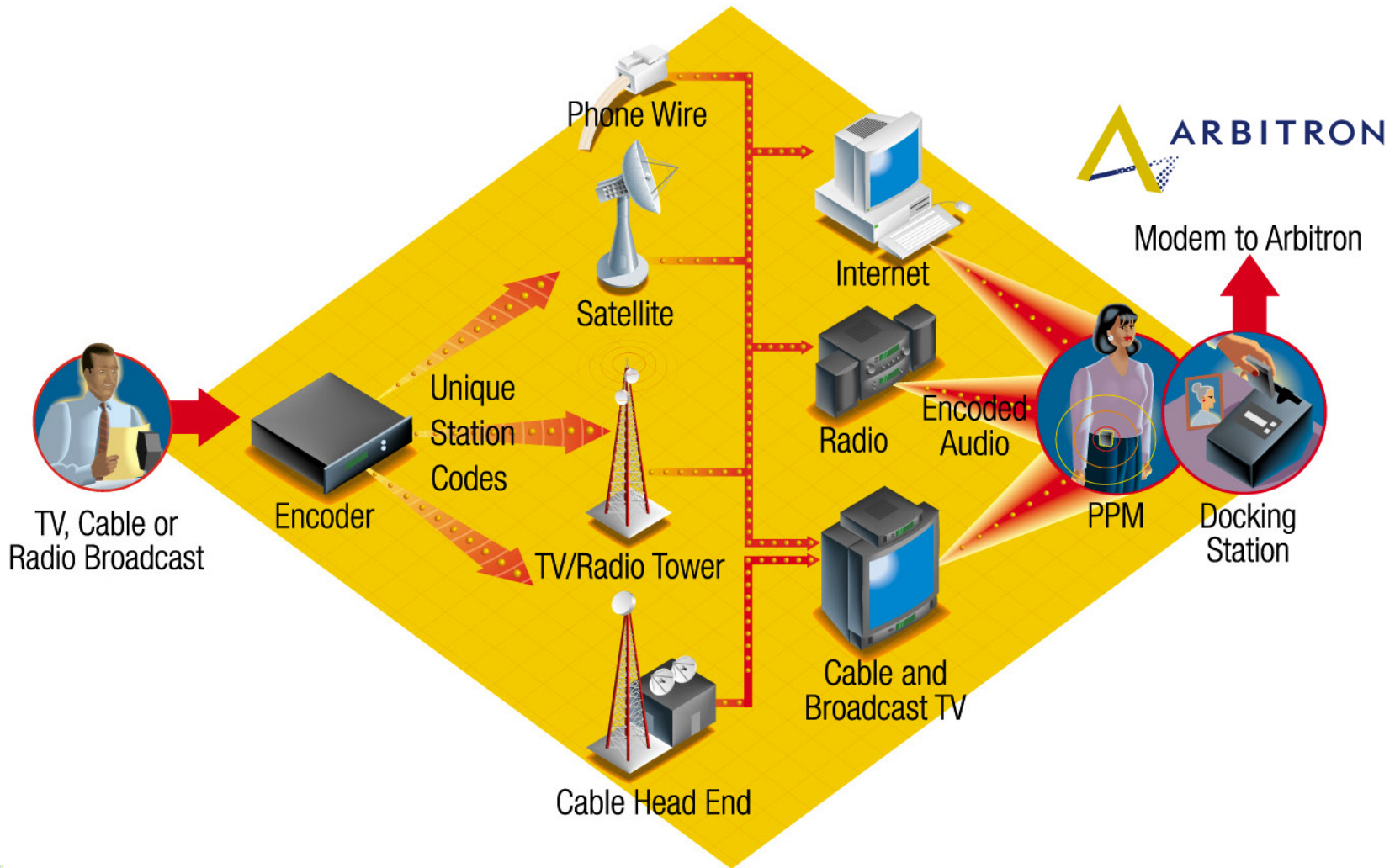
## The Portable People Meter



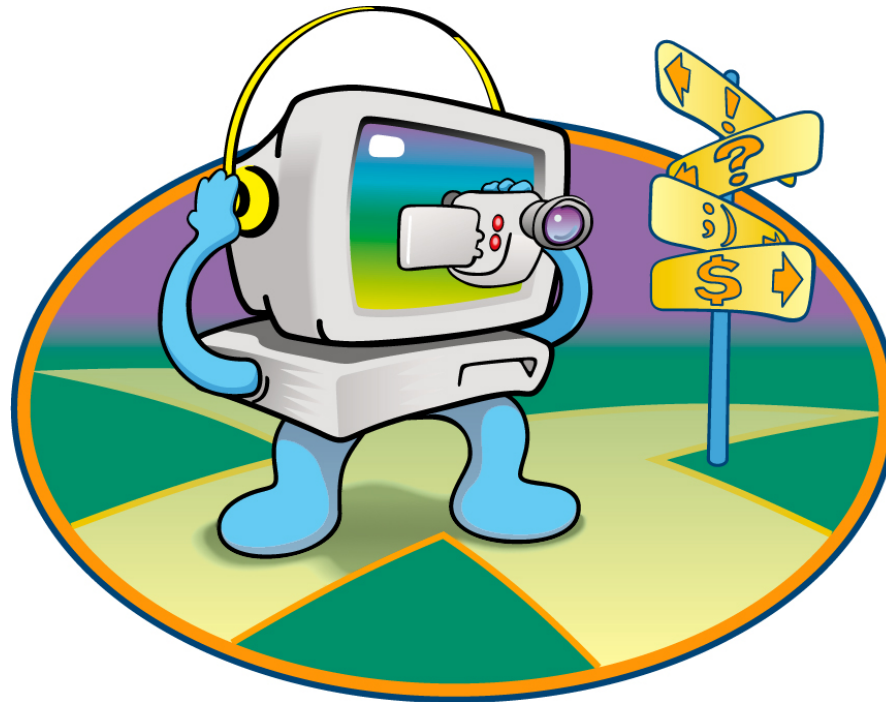
# The PPM Hardware (ver. 2.0)



# The PPM System in Action



# Recommendations



# Recommendations

---

## **1. Consider online “niche-casts”**

- Internet-based extensions of a station’s regular or “over-the-air” programming**
- Complements or extends the station’s over-the-air brand**

# Recommendations

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## **2. Ad insertion is the key to a successful video streaming revenue strategy**

# Recommendations

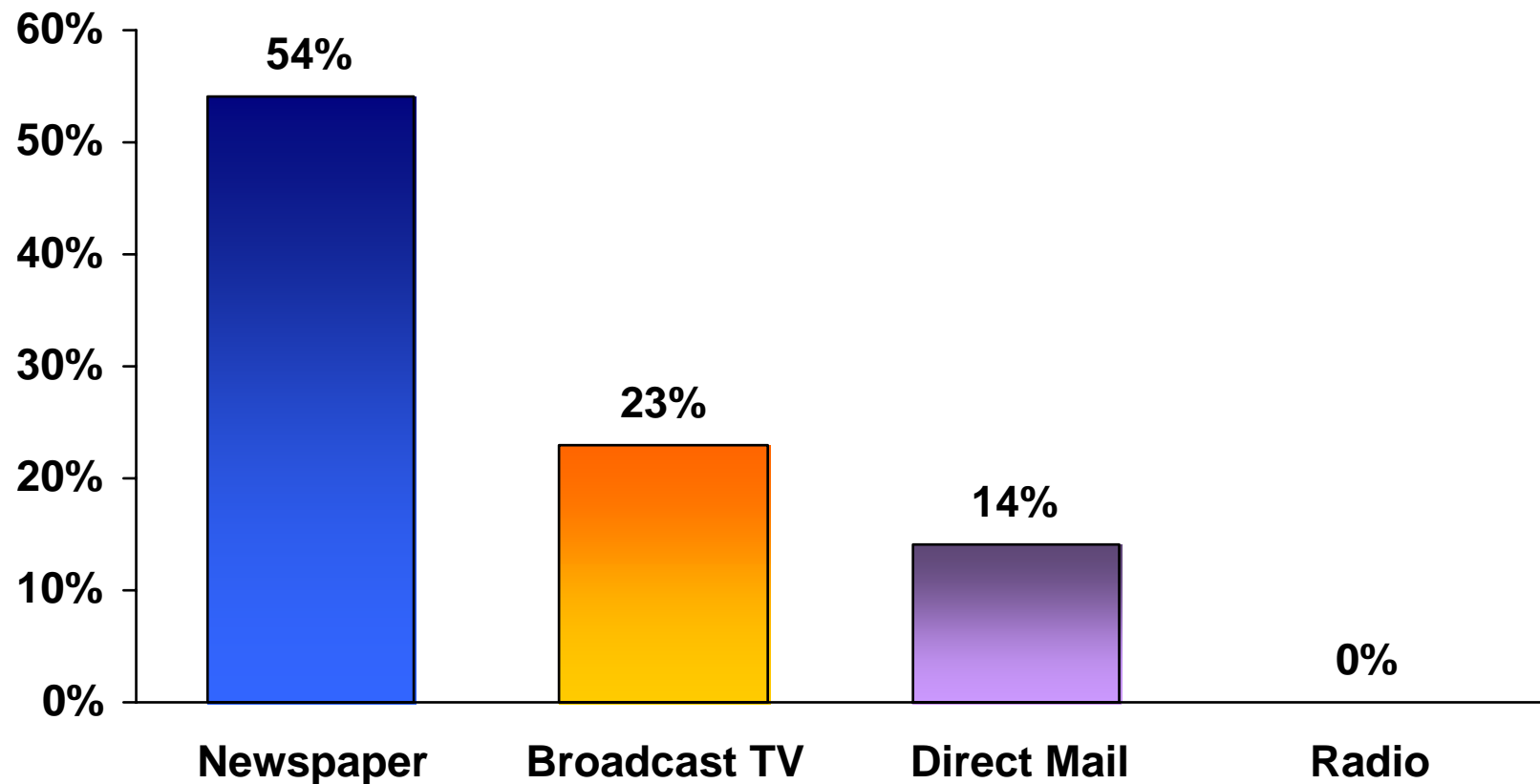
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## **3. Seek Internet strategies to build TV's image as the medium to assist consumer shopping decisions**

- Links to advertiser sites
- Classified ads
- Coupons
- etc.

# Newspaper Owns the “Shopping Tool” Image

Which one medium “best helps consumers decide where to shop?”



# Recommendations

---

**4. Emphasizing streaming will make your TV station Web site “stickier”**

# Recommendations

---

## **5. Ensure that Web site content aligns to viewer desires**

- Assess what Web content is most compelling to viewers**

# Recommendations

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- 6. Develop your strategies with broadband in mind – could be as much as 25% of Internet users by the end of 2002**

# Free Copies of All Arbitron/ Edison Media Research Studies

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[www.edisonresearch.com](http://www.edisonresearch.com)

[www.arbitron.com](http://www.arbitron.com)



# TV in the New Media World

