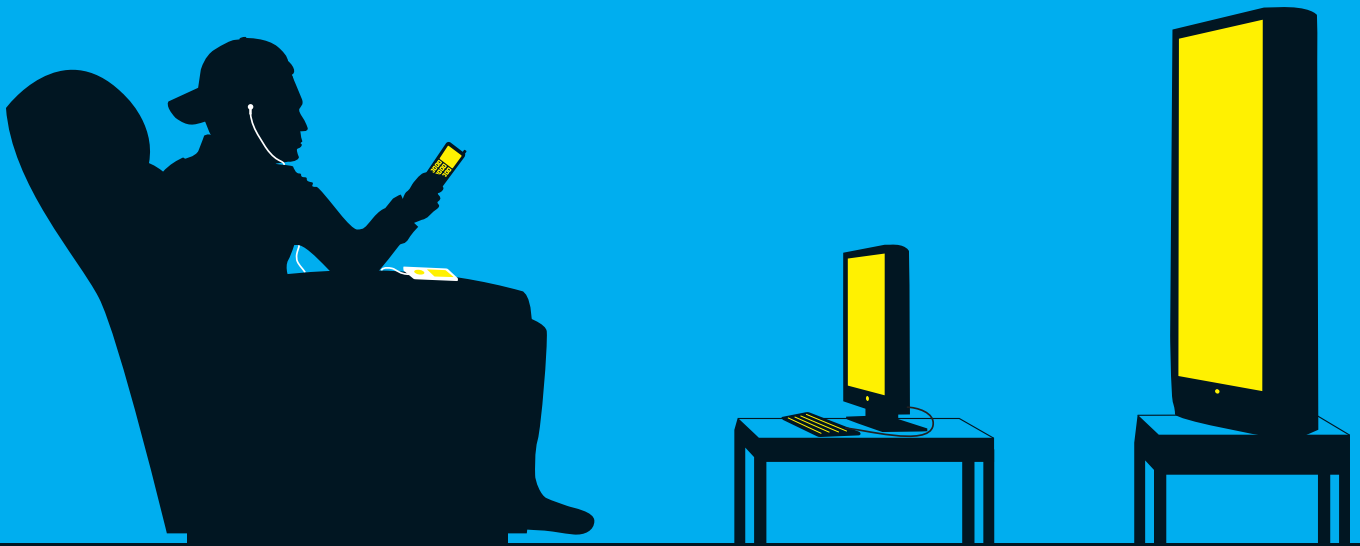


Television,
Internet and
Mobile Usage
in the U.S.



A2/M2 Three Screen Report

VOLUME 6 • 3rd Quarter 2009

Updated Dec. 18, 2009

nielsen
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A Week in the Life of the Connected Consumer

DVR and Online Video Usage Show Most Growth, Traditional TV Remains Strong

Nielsen's third quarter A2/M2™ Three Screen Report – a regular analysis from Nielsen's Anytime Anywhere Media Measurement™ initiative – reveals that DVR and online video continue to show considerable growth from the previous year: up 22.5% and 34.9%, respectively, in time spent for 3Q09 (see Table 2). Given the consistent spike we've seen in usage among the three screens of television, Internet and mobile, consumers are clearly adding video platforms to their weekly schedule, rather than replacing them.

For the first time this quarter, Nielsen reports how much time the average American spends in a typical week viewing content on TV, the Internet and on mobile devices (see Table 6). Without a doubt, consumers of all ages spend the majority of their video time in front of the television, while DVR and online video are becoming more widely used.

- In 3Q09, the average American watched 31 hours of TV per week, with 32 minutes spent in playback mode with their DVR
- In addition, each week the average consumer spent 4 hours on the Internet and 22 minutes watching online video
- The average consumer spent 3 minutes watching mobile video each week

The TV and Internet figures in this report are calculated using Nielsen's National TV and Internet panels, which are measured electronically and reported on a regular basis. The mobile phone figures are collected by Nielsen via a quarterly survey and give a firsthand look at how early adopters self-report their usage of mobile video.

The 3Q09 Highlights:

- 99% of video in America viewed on traditional TV
- DVR and Online Video show brisk growth – up 22.5% and 34.9% respectively
- Teens with mobile are the heaviest users of mobile video, at 7-plus hours per month...
- ...but 45-54 mobile users log their fair share – nearly 3 hours of mobile video per month

Trends We See:

- Americans consume media at a record pace – 140 hrs of TV, 27 hrs of Internet, 3 hrs of mobile video each month
- Older demos embrace new media – 63% of Internet users and 39% of mobile video users are 35+
- 57% of Americans with home Internet access use TV and Internet simultaneously at least once a month

[Visit www.nielsenwire.com to find previous Three Screen Reports](http://www.nielsenwire.com)

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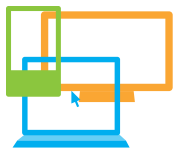


Table 1

Overall Usage Number of Users 2+ (in 000's) – Monthly Reach				
	3Q09	2Q09	3Q08	% Diff Yr to Yr
Watching TV in the home ^o	283,508	284,396	282,289	+0.4%
Watching Timeshifted TV ^o	85,833	82,297	67,656	+26.9%
Using the Internet**	190,481	191,035	160,070	+19.0%
Watching Video on Internet**	138,162	133,962	120,343	+14.8%
Using a Mobile Phone [^]	237,411	233,722	225,392	+5%
Mobile Subscribers Watching Video on a Mobile Phone [^]	15,744	15,267	10,260	+53%

Source: The Nielsen Company

Table 2

Monthly Time Spent in Hours:Minutes Per User 2+						How to Read Table 2:
	3Q09	2Q09	3Q08	% Diff Yr to Yr (3Q09 to 3Q08)	Absolute Diff Yr to Yr (3Q09 to 3Q08)	As of 3Q09 the 290 million people in the U.S. with TVs spend on average 140 hours, 20 minutes each month tuning into television. 3Q09 data shows that 138 million people watching video on the Internet spent on average 3 hours, 24 minutes during the month doing so. As of 3Q09 the 15.7 million people who watch mobile video in the U.S. spend on average 3 hrs, 15 minutes each month watching video on a mobile phone.
Watching TV in the home*	140:20	141:03	140:48	-0.3%	-0:28	
Watching Timeshifted TV*	7:54	7:53	6:27	+22.5%	+1:27	
Using the Internet**	27:32	26:15	27:18	+0.9%	+0:14	
Watching Video on Internet**	3:24	3:11	2:31	+34.9%	+0:53	
Mobile Subscribers Watching Video on a Mobile Phone [^]	3:15	3:15	3:37	-10.0%	-0:22	

Source: The Nielsen Company. Based on Total Users of each Media.
 Editor's Note: TV viewing patterns in the U.S. tend to be seasonal, with TV usage higher in the winter months and lower in the summer months, leading to a decline in quarter to quarter usage.

Table 3

Monthly Time Spent in Hours:Minutes 3Q 2009								
	K2-11	T12-17	A18-24	A25-34	A35-44	A45-54	A55-64	A65+
On Traditional TV*	108:56	107:31	106:47	127:30	135:14	153:02	175:03	194:28
Watching Timeshifted TV*	6:35	5:45	6:01	11:04	10:41	8:44	8:36	4:06
Using the Internet**	5:06	10:39	27:18	36:07	35:11	31:27	28:16	23:07
Watching Video on Internet**	1:49	2:59	5:57	4:57	3:47	3:10	1:55	1:32
Mobile Subscribers Watching Video on a Mobile Phone [^]	n/a ^{^^}	7:13 ^{^^}	4:20	2:53	2:36	2:53	2:10	n/a ^{oo}

Source: The Nielsen Company. Based on Total Users of each Media.

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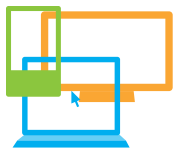


Table 4

Video Audience Composition – Age 3Q 2009								
	K2-11	T12-17	A18-24	A25-34	A35-44	A45-54	A55-64	A65+
On TV*	11%	6%	8%	12%	14%	16%	15%	18%
On the Internet**	6%	7%	9%	15%	19%	22%	13%	9%
On Mobile Phones^	n/a^^	18%^^	12%	31%	21%	11%	6%	1%

Source: The Nielsen Company. Based on Total Users of each Media.

A Week in the Life of the Connected Consumer

The American consumer is spending more and more time with his/her technology, especially with the three screens of television, Internet and mobile devices. Each age group appears to be multi-tasking media, but interesting patterns emerge by comparing viewing by device and across demographics. Television is clearly where consumers of all ages spend the majority of their screen time – as of 3Q09, the average person watched television 31 hours:35 minutes per week compared to 4 hours of Internet time (Table 6). Though kids and teens are two demographics that online advertisers want to reach, their Internet usage is actually only one fourth of adults' Internet time. Also, young adults 18–24 are the only demographic group that spends more time watching online video than timeshifted

Table 5

Video Audience Composition – Gender 3Q 2009		
	F2+	M2+
On TV*	54%	46%
On the Internet**	54%	46%
On Mobile Phones^^	42%	58%

Source: The Nielsen Company. Based on Total Users of each Media.

TV. Not surprisingly, older Americans 65+ use traditional TV the most, at 43 hours:48 minutes per week, but they also are on the Internet more each week than teenagers (2 hours:25 minutes versus 1 hour:29 minutes).

Table 6

Weekly Time Spent in Hours:Minutes – By Age Demographic 3Q 2009									
	K2-11	T12-17	A18-24	A25-34	A35-44	A45-54	A55-64	A65+	P2+
On Traditional TV*	24:36	24:07	23:03	28:41	30:37	34:47	39:53	43:48	31:35
Watching Timeshifted TV*	0:31	0:23	0:20	0:57	0:53	0:34	0:32	0:08	0:32
Using the Internet**	0:25	1:29	3:47	5:35	6:39	6:44	4:33	2:25	4:06
Watching Video on Internet**	0:05	0:17	0:35	0:35	0:33	0:30	0:14	0:07	0:22
Mobile Subscribers Watching Video on a Mobile Phone^	n/a^^	0:13^^	0:05	0:05	0:03	0:02	0:01	n/a^^	0:03

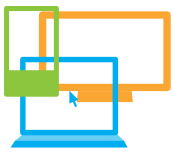
Source: The Nielsen Company. Based on Total Population in the U.S.

How to Read Table 6:

This chart is based on the total population in the U.S. -- all 292 million Americans with TVs. As of 3Q09 the average American spends 31 hours, 35 minutes each week tuned into television and spends 4 hours, 6 minutes using the Internet and 22 minutes watching online video per week and 3 minutes watching mobile video.

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Key Facts:

- The majority of video content consumed in America, approximately 99%, continues to be viewed on traditional television. TV viewing levels are down 28 minutes from 3Q08, most likely due to increased viewing in third quarter 2008 from the Beijing Olympics and the Presidential election.
- Internet video usage is also on the rise, with Internet users watching 53 more minutes of video online in 3Q09 versus last year.
- Americans continue to use their DVRs – third quarter results show the average DVR user timeshifts more than 7 hours of programming each month, 22.5% more than the year before.
- Overall, young adults 18–24 spend most of their three screen time watching live TV, but they typically devote more time to watching online video than timeshifted TV.
- Time spent among overall mobile video viewers remains consistent, with teens reporting the most time spent on average watching mobile video, at just over 7 hours per month; however, this is not just a young medium, as older mobile video users age 45–54 report viewing nearly 3 hours of video on their mobile phones each month.

Trends to Watch:

- The first few weeks of the September TV season brought a large surge in timeshifting with viewers sampling the new season TV programming with their DVRs.
- Social networks are becoming a popular source for online video. Time spent viewing video on social networking sites increased 98% from October 2008 to October 2009. The embedding of videos into existing social networks only strengthens the viral nature of online video. As a sign of the increased maturity of both the social media and video markets, much of the growth in video consumption within social media is coming from older demographics, with the 35 to 49 year old segment increasing their viewership time by 37% and the 65+ segment increasing their viewership 47% year over year.
- Mobile video viewing continues to grow, with 15.7 million Americans viewing video on their mobile phones in Q309, an increase of +53% versus last year. As the penetration of smartphones increases and as more mobile video options become available over mobile web, expect this trend to continue its upward movement.

This is a quarterly report published by
The Nielsen Company. For more information,
please contact your Nielsen account representative.

FOOTNOTES FOR CHARTS ABOVE:

- ° TV in the home includes those viewing at least one minute (reach) within the measurement period. This includes Live viewing plus any playback within the measurement period; Timeshifted TV is playback primarily on a DVR but includes playback from VOD, DVD Recorders and services like Start Over. The 3Q09 figures have been updated to reflect the full Nielsen third quarter time frame, 3Q09 = 6/29/09 to 9/27/09. 3Q08 hours:minutes viewed have been restated to reflect a more precise calculation for average month viewing. 2Q09 timeshifted hours:minutes viewed have been updated to include the full Nielsen second quarter time frame, 2Q09 = 3/30/09 - 6/28/09.
- * TV in the home includes Live usage plus any playback viewing within the measurement period. Timeshifted TV is playback primarily on a DVR but includes playback from VOD, DVD Recorders and services like Start Over.
- ** Internet figures are from home and work. Hours:minutes for Internet and video use are based on the universe of persons who used the Internet/watched online video. All Internet figures are monthly averages over the course of the quarter. Due to enhancements to Nielsen NetView and Nielsen VideoCensus, Q2 2009 figures are based on June 09 monthly metrics only. Trending of previously-reported data with current results may show percentage differences attributable to these product enhancements and should only be compared directionally.
- ^ The average monthly unique users of mobile phones and mobile video in 3Q 2008, 2Q 2008 and 3Q 2009, projected based on Nielsen telecom flowshare, surveys and historical CTIA projections of U.S. wireless subscriptions. Video user projection, time spent and composition data based on survey analysis of past 30 day use during the period. The mobile video audience figures in this report include mobile phone users who access mobile video through any means (including mobile Web, subscription-based, downloads and applications). Projection of all subscribers is based on persons 2+. Projection of mobile video viewers, and all other mobile video estimates, based on subscribers 13+.
- ^^ Nielsen's mobile survey reports mobile video usage for those users 13 and older. Thus, 12-17 is T13-17 for all mobile data.
- °° A65+ base size too small to report mobile video hours:minutes.

Updated Dec. 18, 2009