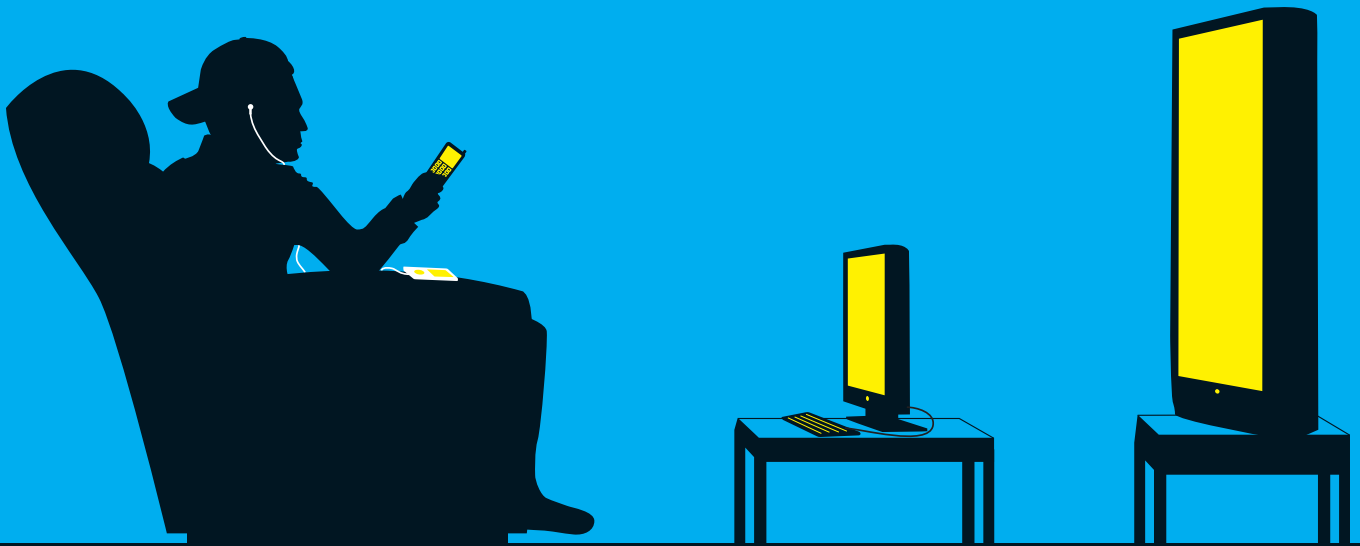


Television,
Internet and
Mobile Usage
in the U.S.



A2/M2 Three Screen Report

VOLUME 5 • 2nd Quarter 2009

Updated Dec. 18, 2009

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Viewership on the Rise as More Video Content Spans All Three Screens

57% of Internet Consumers Use TV and Internet Simultaneously at Home

Nielsen reports in this issue of the A2/M2 Three Screen Report – a regular analysis from Nielsen's Anywhere Anytime Media Measurement initiative (A2/M2) – that American video consumption across the three screens of television, Internet and mobile continues to rise. During 2nd Quarter 2009, online and mobile video consumption were up considerably, year over year, in terms of time spent and size of audience. The mobile video audience increased 70% from a year prior and time spent watching online video increased 46% in the same period (see Tables 1 and 2). While online and mobile are taking on an increasing role in the American media experience, traditional TV consumption continues to grow and remains at a seasonal all-time high (141 hours a month in the second quarter).

American consumers appear to be adding video consumption platforms, not replacing them, and media multi-tasking is part of the equation. Today, more than half of Americans (57%) who have Internet access at home use television and the Internet simultaneously at least once a month. Though this two-screen, simultaneous usage amounts to just 3% of their TV viewing, it already represents more than a quarter of their at-home internet usage (28%). This simultaneous activity is one reason we see continued growth of both Internet and TV consumption.

Table 1

Overall Usage Number of Users 2+ (in 000's) – Monthly Reach				
	2Q09	1Q09	2Q08	% Diff Yr to Yr
Watching TV in the home ^o	284,396	284,574	281,746	0.9%
Watching Timeshifted TV ^o	82,297	79,533	62,240	32.2%
Using the Internet**	191,035	163,110	159,986	19.4%
Watching Video on Internet**	133,962	131,102	119,164	12.4%
Using a Mobile Phone [^]	233,722	230,436	221,651	0.5%
Mobile Subscribers Watching Video on a Mobile Phone [^]	15,267	13,419	9,004	70.0%

Source: The Nielsen Company

Table 2

Monthly Time Spent in Hours:Minutes Per User 2+						How to Read Table 2: <i>As of 2Q09 the 290 million people in the U.S. with TVs spend on average 141 hours: 3 minutes each month tuning into television. June 2009 data (used in this report in place of 2Q09) shows that 134 million people watching video on the Internet spent on average 3 hours:11 minutes during the month doing so. As of 2Q09 the 15 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.</i>
	2Q09	1Q09	2Q08	% Diff Yr to Yr (2Q09 to 2Q08)	Absolute Diff Yr to Yr (2Q09 to 2Q08)	
Watching TV in the home*	141:03	153:27	139:00	1.5%	2:03	
Watching Timeshifted TV*	7:53	8:13	6:05	+29.4%	1:48	
Using the Internet**	26:15	29:15	26:29	-0.9%	0:14	
Watching Video on Internet**	3:11	3:00	2:12	45.5%	0:59	
Mobile Subscribers Watching Video on a Mobile Phone [^]	3:15	3:37	3:37	-10.0%	0:22	

Source: The Nielsen Company
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, yet increasing from 2Q08 to 2Q09.

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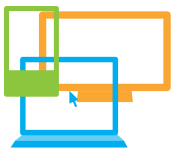


Table 3

Monthly Time Spent in Hours:Minutes 2Q 2009								
	K2-11	T12-17	A18-24	A25-34	A35-44	A45-54	A55-64	A65+
On Traditional TV*	101:51	101:09	108:49	131:11	136:38	156:59	178:34	197:44
Watching Timeshifted TV*	5:53	5:19	6:01	11:14	10:49	9:00	8:46	4:16
Using the Internet**	4:44	10:22	26:09	34:00	33:05	30:35	26:55	21:57
Watching Video on Internet**	1:48	2:41	5:11	4:42	3:27	3:00	1:56	1:13
Mobile Subscribers Watching Video on a Mobile Phone^	n/a^^	6:30^^	3:15	2:10	2:53	2:10	2:10	n/a°°

Source: The Nielsen Company

Table 4

Video Audience Composition – Age 2Q 2009								
	K2-11	T12-17	A18-24	A25-34	A35-44	A45-54	A55-64	A65+
On TV*	10%	6%	8%	12%	14%	17%	15%	18%
On the Internet**	6%	8%	9%	15%	19%	21%	13%	9%
On Mobile Phones^	n/a^^	19%^^	12%	32%	20%	11%	5%	1%

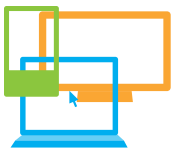
Source: The Nielsen Company

Table 5

Video Audience Composition – Gender 2Q 2009		
	F2+	M2+
On TV*	54%	46%
On the Internet**	54%	46%
On Mobile Phones^^	41%	59%

Source: The Nielsen Company

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The Simultaneous TV and Internet Experience

Nielsen's Convergence Research Panel, launched in 2008, is the industry's first ever, ongoing, single source electronic measurement of TV and Internet usage in the same homes. As of June 2009, this panel^{oo} shows that 57% of consumers with Internet access at home watch TV and go online simultaneously at least one time each month. On average these consumers

spend 2 hours, 39 minutes each month simultaneously using the Internet while also watching TV. The average consumer's online experience at home is in front of the television almost a third of the time — 28% of consumer's time using the Internet is also spent simultaneously watching TV, while only 3% of consumer's time watching TV is spent simultaneously using the Internet. (see Table 6).

Table 6

Persons 2+ Watching TV and Using the Internet Simultaneously At Least Once Per Month — June 2009 ^{oo}	
	P2+
% of Persons Using TV/Internet Simultaneously	56.9%
Estimated Number of Persons Using TV/Internet Simultaneously (000)	128,047
Time Spent Simultaneously Using TV/Internet Per Person in Hours:Minutes	2:39
Average % of TV time Panelists spent also using the Internet	2.7%
Average % of Internet time Panelists spent also using TV	27.9%
Source: The Nielsen Company	

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 including playback on services like Start Over as well as playback from a DVD recorder or VOD.
- * TV in the Home includes Live usage plus any playback viewing within the measurement period. Timeshifted TV is playback primarily on a DVR but including playback services like Start Over as well as playback from a DVD recorder or VOD. 2Q09 timeshifted hours:minutes viewed have been updated to include the full Nielsen second quarter time frame, 2Q09 = 3/30/09 - 6/28/09.
- ** 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. Quarterly averages will resume with Q3 2009.
- ^ The average monthly unique users of mobile phones and mobile video in 2Q 2008, 1Q 2009 and 2Q 2009, projected based on Nielsen TPG surveys, Nielsen TPG Flowshare and 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 Mobile's survey reports mobile video usage for those users 13 and older. Thus, 12-17 is T13-17 for all mobile data.
- oo A65+ base size too small to report mobile video hours:minutes
- ooo Figures are from Nielsen's TV/Internet Convergence Panel, a sample of 1000 homes and approximately 2800 people (ages 2+) where both TV and Internet are electronically measured. PCs owned by the household are measured, including laptops. PCs owned by an employer are NOT included. The panel is primarily comprised of Forced Turnover Households (FTO) from Nielsen's National TV panel and is therefore not a probability sample or projectable to the total U.S. population. NOTE: Simultaneous users are those that simultaneously used the TV and the Internet for at least one minute during the month. 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 including playback on services like Start Over as well as playback from a DVD recorder or VOD. Simultaneous Users are weighted to the sum of weights of Internet homes in Nielsen's National TV sample. Weighting has not been applied to the other statistics. June 2009 is 6/1/09 - 6/28/09.

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Key Facts:

- Americans continue to watch more TV each year. There are also more TVs in each home than people — in 2009 the average U.S. home had only 2.5 people vs 2.86 television sets. 54% of Americans have three or more TV sets in the home.
- Online usage is relatively flat since last year, though more people are viewing video online than ever before. Certain age groups also view online video more than others do — Adults 18-24 watch more than 5 hrs each month vs. Adults 65+ watching just over 1 hr of online video.
- Short form video (such as YouTube clips) still makes up the lion's share of online video viewing — 83% in May 09 — while name-brand TV network content comprises the majority of mobile video viewing.
- Americans multi-task their media — 57% of TV and Internet homes simultaneously use the Internet and TV at least one time per month. In addition, the average consumer's online experience at home is in front of the television almost a third of the time. As of June, 28% of consumer's time using the Internet is also spent simultaneously watching TV, while only 3% of consumer's time watching TV is spent simultaneously using the Internet.

Trends to Watch:

- Timeshifted television will continue to grow. Currently, 30% of homes in the U.S. have DVR devices. Nielsen data also shows Americans are using DVRs more than ever, watching one hour more of timeshifted TV each month than a year ago (7hrs, 53min in 2Q09 vs 6hrs, 5min in 2Q08).
- Younger demographics aren't using the Internet as much as older demographics, yet the growth rate of kids 2-11 online clearly outpaces the overall Internet penetration. The number of kids online has increased 18% compared to 10% growth for the total active Internet universe (P2+).
- Mobile video viewing continues its upward trend, with over 15 million Americans reporting watching mobile video in Q2 2009. This is an increase of 70% versus last year — the largest annual growth to date.

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

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