

STATE
OF THE
MEDIA

THE
CROSS-
PLATFORM
REPORT

QUARTER 2, 2012 — US

nielsen
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MORE, MORE, MORE

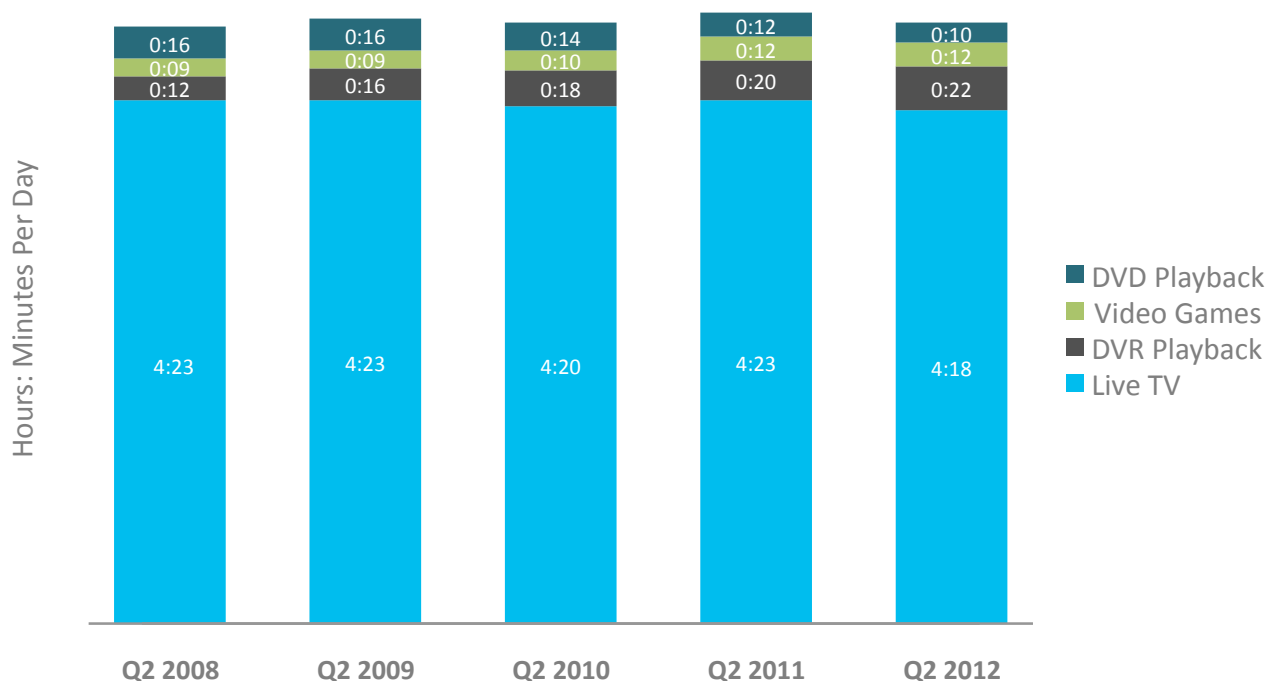
How do you like it? At home and on the go, US consumers want content at their fingertips.

So much of our time today is spent just catching up; on TV shows, news, sports, stocks, friends, shopping and of course, on gossip! The list is endless but what we know is that we are constantly “on”. While we continue to see shifts in how and where consumers watch, there is no denying that moving across life constantly connected creates an ever growing set of opportunities for advertisers and media companies to promote their messages. Being connected also is driving the growth in multitasking. And most importantly, the ability for each of us to engage in multiple activities at once is becoming ubiquitous.

SCREENS BY THE NUMBERS

In Q2 2012, Americans spent more than 34 hours per week in front of a TV set. We watched traditional TV, DVDs and played games. Most of the content from these activities was delivered to us on the TV set in a traditional manner, over broadcast, cable, satellite or telco connection, and a growing amount was delivered by Internet connection. Americans also added another 5 hours in front of the computer screen using the Internet or watching video content and an increasing amount of time using smartphones this quarter. Tablets and smartphones are proving to be new, novel and potentially necessary utilities, aiding us in connecting with the people and content we desire. These devices are enabling a new trans-generational community of connected consumers that crosses age, gender, race and ethnic lines to truly participate in the multitasking that used to be reserved only for the young or tech savvy elite. Consider smartphones now have a market penetration greater than 50% and tablets are already in close to 20% of US TV homes.

Average Time Spent Per Person Per Day



Footnote: based on P2+ in US TV HH

WHO SAID YOU CAN'T DO IT ALL?

While tablets and smartphones offer the freedom of mobility, close to 40% of Americans now use their tablets or smartphones while watching TV at least once a day, and twice as many do it at least once a month. Modernity in its new form is enabling us with access in a myriad of ways and we are taking full advantage. These devices are omnipresent and not just among the young. Today over 39% of people use their smartphone at least once a day while watching TV, 62% saying they do this multiple times a week and 84% at least once a month.



SPOTLIGHT ON SMARTPHONES

Smartphones enable the most flexibility to connect compared to all other devices. Interestingly, penetration of these devices continues to be highest among ethnic persons with 62% of African Americans, 60% of Hispanics and 70% of Asians in the US owning smartphones. They are gateways to internet connectivity for Americans who might not have daily access to a computer. When married with TV viewing second screen activity on these devices opens more direct dialogue with the consumer. Whether used to stay connected through social media sites, check email or engage in mobile shopping, the interaction between what happens on the TV screen and the mobile screen is creating opportunity.

SPOTLIGHT ON TABLETS

Tablets remain a relatively new device in the hands of consumers, yet the adoption rate is incredibly brisk. Within a two-year period, almost one fifth of US homes became owners of a tablet and there is no sign of this slowing. These devices are driving yet another form of consumer behavior. While owners tend to be somewhat older and more affluent they only serve to prove that adoption and use of new technologies are not reserved for the young. While watching TV 36% of P35-54 and 44% of P55-64 use their tablets to dive deeper into the TV program they are watching and nearly a third of tablet users aged 25-64 check sports scores. Across the board a majority of users use apps while watching TV.



A NEW CONNECTED COMMUNITY

When we now talk about this growing connected community, we really are talking of a group comprised of multiple generations, crossing ethnic and racial boundaries and breaking down socio-economic barriers. With these trends pointing to continued increases in media consumption, it could be said that consumer choice is driving more than watching, it's also creating stronger bonds with audiences of all sizes and in all places.

Dounia Turrill
Cross-Platform Practice Lead

A snapshot of SIMULTANEOUS USAGE

The increased penetration of devices that facilitate connection and communication also allow us to engage in simultaneous usage or what we commonly refer to as multi-tasking. As we watch TV, we also shop, email, engage with friends through social media platforms or check sports scores. Americans are truly making the most of the technology at their fingertips!

Simultaneous Usage Insights

Tablets and TV

Skews Older

Age groups 25-34 and 55-64 are the most likely to use their tablets multiple times per day while watching TV.



85%

of tablet/smartphone owners use their device while watching TV at least once a month with 40% of them doing it daily.

Smartphones and TV

Skews Younger

Nearly half of 18-24 year olds use their smartphones while watching TV at least once per day.



TYPICAL ACTIVITIES



Seeking Information

36% of people 35-54 and 44% of people 55-64 use their tablets to dive deeper into the TV program they are currently watching.

Surfing and e-Mailing

55-64 are the heaviest web surfers and email checkers on tablets during commercial breaks and programs.



Sport Scores

Nearly a third of all tablet users aged 25-64 check sports scores on their tablets while watching TV.

41%

use their device at least once a day while watching TV.

39%

TYPICAL ACTIVITIES

Social Media

44% of 18-24 year olds and close to 50% of 25-34 year olds are visiting social networking sites on their smartphones during both commercials and programs while watching TV.

e-Mailing

is the heaviest simultaneous smartphone activity across all demos, with over 50% of users checking during commercials and programs.



Shopping

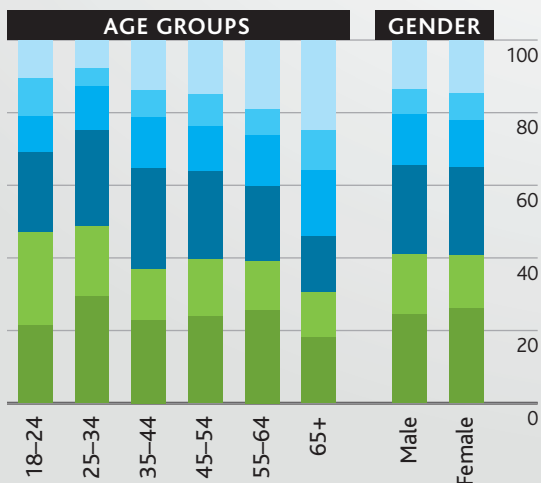
29% of 25-34 year olds shop on their smartphones while watching TV.



Tablets

Smartphones

Tablets

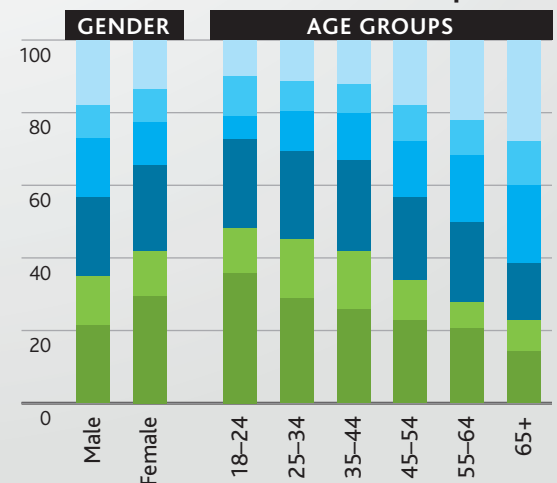


Frequency

of using another device while watching TV



Smartphones



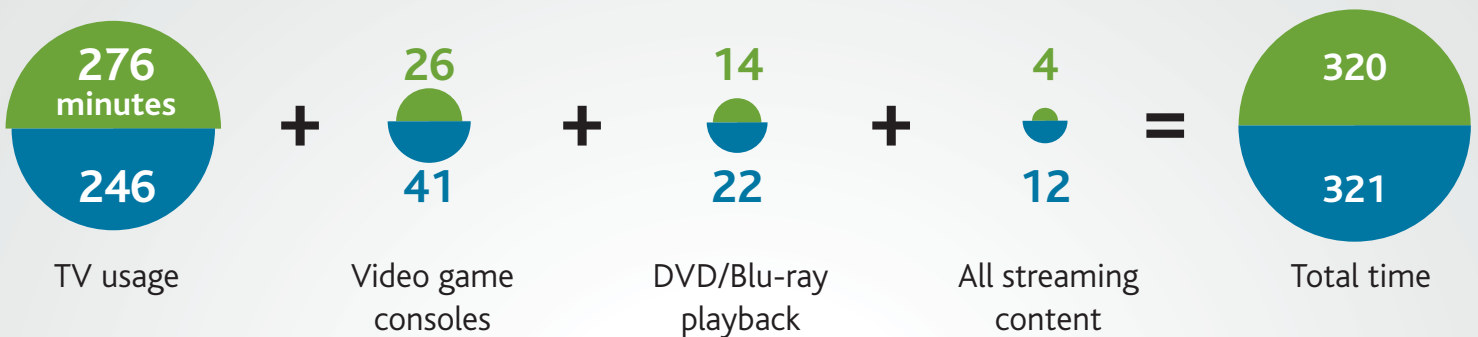
IT'S NOT HOW MUCH, BUT HOW

Looking closely at the consumption of content among Netflix users and non-Netflix users within Nielsen homes, it is interesting to note that Netflix users consume the same amount of total media as non-Netflix users. While both groups watch an average of 5 hours and 20 minutes of content per day, the difference lies in how they watch.

How People Watch

Average time spent per day among P18+

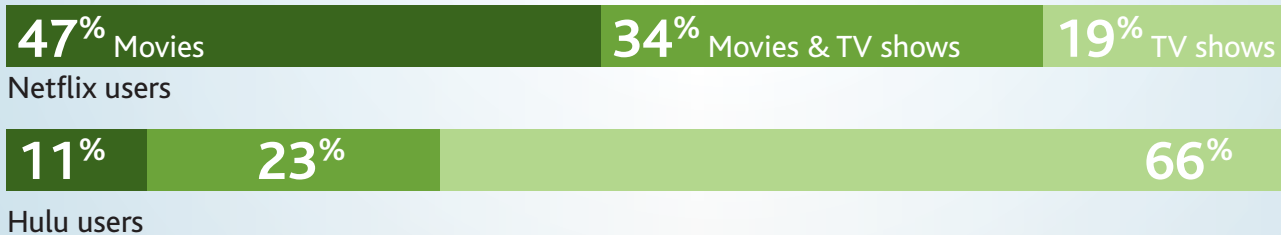
■ Non-Netflix Users
■ Netflix Users



NETFLIX VS. HULU

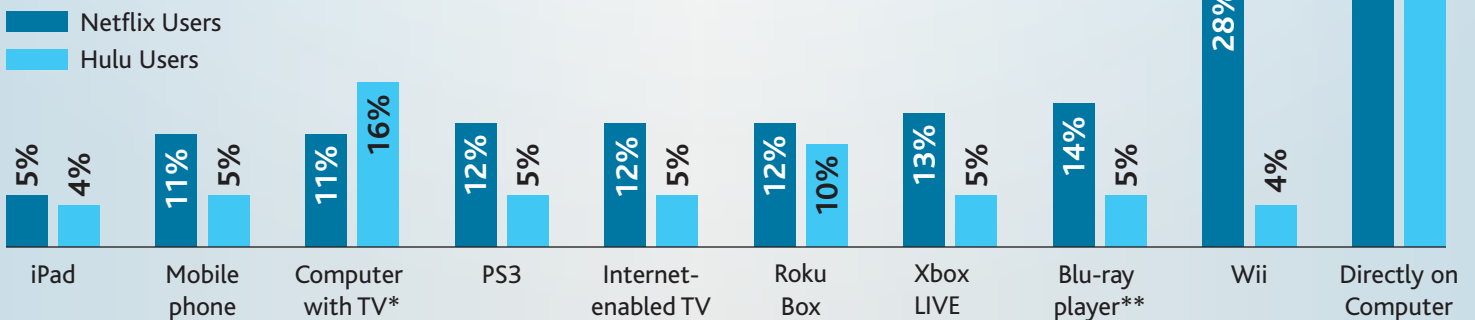
What People Watch

While over two thirds of Hulu users are most often watching TV shows on Hulu, Netflix users skew more of their time to watching movies.



Devices Used

A large majority of Hulu users watch content directly on their computers, while more than half of Netflix users watch via other devices like game consoles, Blu-ray players, Roku boxes, or IPTV apps.



Notes: *Connecting a computer to a TV screen. **With Internet connection

Source: Nielsen Over-the-Top and Streaming Video Study 2012; Nielsen Cross-Platform Homes Panel Homes

HOW PEOPLE WATCH

TABLE 1. A Week in the Life – Weekly Time Spent in Hours: Minutes – By Age Demographic for Entire US Population

	K 2-11	T 12-17	A 18-24	A 25-34	A 35-49	A 50-64	A 65+	P 2+	Hispanic 2+	African- American 2+
On Traditional TV ^o	23:34	21:37	22:32	27:06	32:02	40:02	45:20	31:45	27:37	44:25
Watching Timeshifted TV ^o (all TV homes)	1:55	1:30	1:34	3:04	3:17	3:06	1:59	2:32	1:39	1:56
Using a DVD/Blu-ray Device	1:54	1:05	1:10	1:25	1:08	0:51	0:33	1:09	1:08	1:26
Using a Game Console	2:20	3:34	2:48	2:03	0:51	0:12	0:04	1:25	1:30	1:41
Using the Internet on a Computer * +	0:30	1:14	4:56	6:48	6:40	6:01	3:05	4:34	3:04	4:16
Watching Video on Internet * ◇	0:09	0:23	1:21	1:17	0:58	0:41	0:16	0:44	0:41	0:52
Mobile Subscribers Watching Video on a Mobile Phone ^ ^^	NA	^0:22	0:23	0:18	0:09	0:03	<0:01	0:10	0:17	0:15

Source: Nielsen. Table 1 is uniquely based on the Total Population in the US—all 298 million Americans over age 2—whether or not they have the technology.

TABLE 2. Overall Usage – Number of Users 2+ (in 000's) – Monthly Reach

	Q2 12	Q1 12	Q2 11	% Diff Yr to Yr
On Traditional TV ^o	283,293	283,302	288,256	-1.7%
Watching Timeshifted TV ^o (all TV homes)	145,805	145,553	137,136	6.3%
Using a DVD/Blu-ray Device	149,241	159,980	165,467	-9.8%
Using a Game Console	96,325	102,233	99,123	-2.8%
Using the Internet on a Computer * +	210,142	211,633	192,395	---
Watching Video on Internet * ◇	161,864	162,523	143,002	---
Using a Mobile Phone ^	236,509	233,875	231,355	2.2%
Mobile Subscribers Watching Video on a Mobile Phone ^	37,048	35,957	29,916	24%

Source: Nielsen.

TABLE 3. Monthly Time Spent in Hours:Minutes – Per User 2+ of Each Medium

	Q2 12	Q1 12	Q2 11	% Diff Yr to Yr	Hrs:Min Diff Yr to Yr
On Traditional TV ^o	144:54	155:46	146:20	-1.0%	-1:26
Watching Timeshifted TV ^o (all TV homes)	11:33	12:09	10:30	10.0%	1:03
Using a DVD/Blu-ray Device	5:13	6:07	6:17	-17.0%	-1:04
Using a Game Console	6:26	7:26	6:27	-0.3%	-0:01
Using the Internet on a Computer * +	28:29	30:05	24:25	---	---
Watching Video on Internet * ◇	5:51	5:24	4:26	---	---
Mobile Subscribers Watching Video on a Mobile Phone ^	5:20	5:01	4:49	10.7%	0:31

Source: Nielsen. Unlike Table 1, this table is based on total users of each medium. Additional Note: TV viewing patterns in the US tend to be seasonal, with usage patterns different in winter months than summer months—sometimes leading to declines/increases in quarter to quarter usage.

TABLE 4a. Monthly Time Spent in Hours: Minutes Age Demographic

	K 2-11	T 12-17	A 18-24	A 25-34	A 35-49	A 50-64	A 65+	P 2+
On Traditional TV ^o	107:11	98:12	107:52	124:50	145:03	180:29	205:50	144:54
Watching Timeshifted TV ^o (all TV homes)	8:43	6:51	7:31	14:08	14:54	13:59	8:58	11:33
Using a DVD/Blu-ray Device	8:38	4:56	5:35	6:29	5:08	3:50	2:28	5:13
Using a Game Console	10:37	16:10	13:26	9:25	3:53	0:56	0:19	6:26
Using the Internet on a computer * +	5:26	10:01	31:29	35:32	33:04	32:23	24:31	28:29
Watching Video on Internet * ✧	2:38	4:19	10:41	8:07	6:01	4:40	2:48	5:51
Mobile Subscribers Watching Video on a Mobile Phone ^ ^^	NA	7:10	5:50	5:16	4:45	4:22	3:26	5:20

Source: Nielsen. Unlike Table 1, this table is based on total users of each medium. Traditional TV and Timeshifted viewing estimates are based on persons in TV Households (290 million).

TABLE 4b. Monthly Time Spent in Hours: Minutes Age Demographic – Additional Demos

	A 18-34	A 18-49	A 25-54	A 18+	A 21+	A 55+
On Traditional TV ^o	117:50	130:51	143:01	156:53	159:55	196:38
Watching Timeshifted TV ^o (all TV homes)	11:24	13:04	14:31	12:35	12:54	11:19
Using a DVD/Blu-ray Device	6:07	5:39	5:24	4:37	4:36	3:01
Using a Game Console	11:05	7:38	5:13	4:37	4:07	0:30
Using the Internet on a Computer * +	34:00	33:32	34:15	32:06	32:23	27:51
Watching Video on Internet * ✧	9:04	7:33	6:36	6:13	6:02	3:33
Mobile Subscribers Watching Video on a Mobile Phone ^	5:30	5:14	5:01	5:06	5:00	3:49

Source: Nielsen. Unlike Table 1, this table is based on total users of each medium. Traditional TV and Timeshifted viewing estimates are based on persons in TV Households (290 million).

TABLE 5. Video Audience Composition – Monthly Time Spent By Gender

	M2-17	F2-17	M 18-49	F 18-49	M 50+	F 50+	M2+	F2+
On Traditional TV ^o	103:27	104:20	124:49	136:51	177:13	202:30	136:28	152:59
On the Internet * ✧	3:38	3:12	8:32	6:41	4:22	3:51	6:30	5:16
On Mobile Phones^ ^^	NA	NA	5:25	5:12	5:28	5:02	5:21	5:17

Source: Nielsen. (Based on Total Users of each medium)

TABLE 6. Video Audience Composition – Monthly Time Spent in Hours: Minutes Ethnicity & Race

	White	African-American	Hispanic	Asian
On Traditional TV ^o	141:00	202:35	125:39	90:33
Watching Timeshifted TV ^o (all TV homes)	12:41	8:47	7:31	8:36
Using a DVD/Blu-ray Device	5:00	6:30	5:11	4:55
Using a Game Console	6:07	7:42	6:51	5:13
Watching Video on Internet * [◇]	5:07	7:52	7:05	10:26
Mobile Subscribers Watching Video on a Mobile Phone [^]	5:07	5:44	5:40	6:45

Source: Nielsen. (Based on Total Users of **each** medium for Persons 2+)

TABLE 7a. Video Audience Composition – Age Demographic

	K 2-11	T 12-17	A 18-24	A 25-34	A 35-49	A 50-64	A 65+
On Traditional TV ^o	11%	6%	7%	12%	21%	25%	19%
On the Internet * [◇]	7%	6%	10%	17%	27%	23%	10%
On Mobile Phones [^] ^{^^}	NA	13%	24%	28%	24%	9%	1%

Source: Nielsen. (Based on Total Users of **each** medium)

TABLE 7b. Video Audience Composition – Age Demographic – Additional Demos

	A 18-34	A 18-49	A 25-54	A 18+	A 21+	A 55+
On Traditional TV ^o	19%	40%	41%	84%	81%	36%
On the Internet * [◇]	27%	54%	53%	87%	83%	24%
On Mobile Phones [^]	52%	76%	56%	87%	77%	7%

Source: Nielsen. (Based on Total Users of **each** medium)

TABLE 8a. Cross-Platform Homes – Ranked by In-Home Streaming Behavior

Stream Quintile	# of Persons (in 000's)	Average Daily Minutes		
		Stream ⁺	Internet ⁺	TV
Stream 1	29,041	19.4	59.6	230.1
Stream 2	29,038	2.7	36.5	260.5
Stream 3	29,042	0.9	24.6	250.3
Stream 4	29,045	0.3	17.1	267.7
Stream 5	29,035	0.0	9.6	265.1
Non Streamers	92,508	0.0	1.3	238.4
All	237,710	2.9	18.6	248.5

Source: Nielsen. Based on Nielsen Cross-Platform Homes for Persons 2+ in Internet households. °°

TABLE 8b. Cross-Platform Homes – Ranked by In-Home Internet Behavior

Internet Quintile	# of Persons (in 000's)	Average Daily Minutes		
		Stream ⁺	Internet ⁺	TV
Internet 1	36,940	11.0	81.3	300.7
Internet 2	36,934	4.4	24.2	255.5
Internet 3	36,964	2.0	9.7	241.3
Internet 4	36,920	0.7	3.0	243.4
Internet 5	36,955	0.1	0.4	227.7
Non Internet Users	52,997	0.0	0.0	229.3
All	237,710	2.9	18.6	248.5

Source: Nielsen. Based on Nielsen Cross-Platform Homes for Persons 2+ in Internet households. °°

TABLE 8c. Cross-Platform Homes – Ranked by In-Home Television Viewing Behavior

TV Quintile	# of Persons (in 000's)	Average Daily Minutes		
		Stream ⁺	Internet ⁺	TV
Television 1	47,265	2.6	27.3	604.1
Television 2	47,276	2.2	19.2	306.5
Television 3	47,262	2.1	15.7	191.9
Television 4	47,266	3.2	16.8	111.4
Television 5	47,268	4.2	14.1	33.6
Non Television Viewers	1,372	6.1	18.3	0.0
All	237,710	2.9	18.6	248.5

Source: Nielsen. Based on Nielsen Cross-Platform Homes for Persons 2+ in Internet households. °°

DEVICE AND DELIVERY PENETRATION

TABLE 9. Television Distribution Sources - Number of Households (in 000's)

	Q2 12	Q1 12	Q2 11
Broadcast Only	11,093	11,067	11,140
Wired Cable	59,304	59,807	62,042
Telco	9,271	8,890	8,028
Satellite	34,653	34,567	34,480

Source: Nielsen. Based on the Universe Estimates for the 15th of each month within the quarter.

TABLE 10. Cable/Satellite with Internet Status - Number of Households (in 000's)

	Q2 12	Q1 12	Q2 11
Broadcast Only and Broadband	5,134	5,147	4,949
Broadcast Only and No Internet/Narrowband	5,854	5,960	5,813
Cable Plus and Broadband	78,795	78,574	80,944
Cable Plus and No Internet/Narrowband	22,107	22,399	22,849

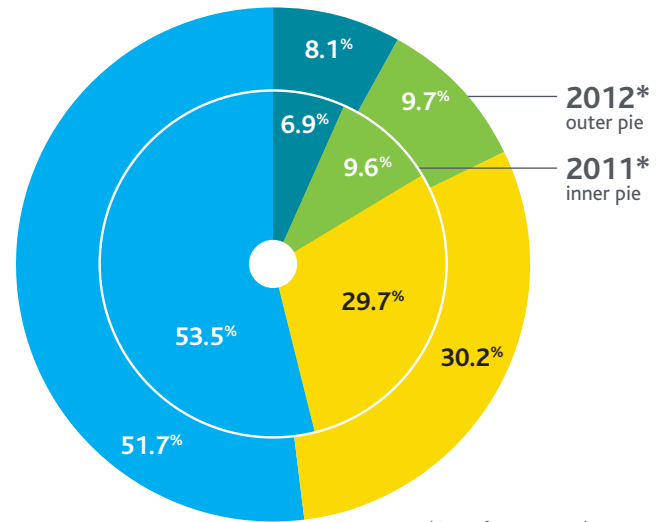
Source: Nielsen. Based on the Universe Estimates for the 15th of each month within the quarter.

Please see "Glossary" definitions in footnotes on last page.

CHART 1. Source Distribution

SOURCES

- Telco
- Broadcast Only
- Satellite
- Wired Cable



*Data from second quarter.

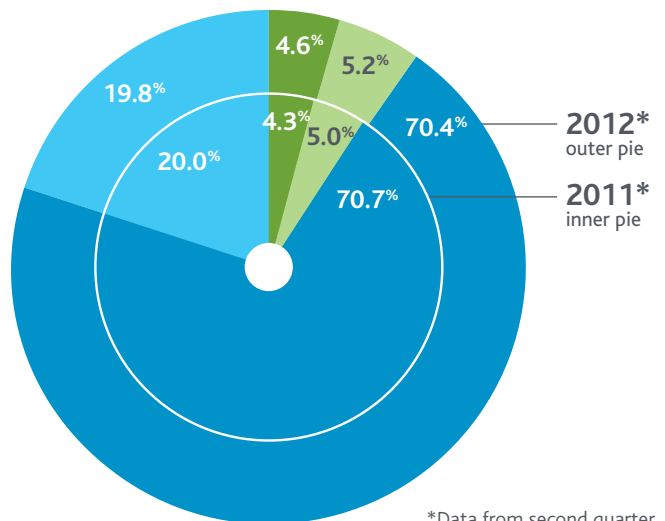
CHART 2. Cable/Satellite with Internet Status Tracking

BROADCAST ONLY AND...

- Broadband
- No internet/narrowband

CABLE PLUS AND...

- Broadband
- No Internet/narrowband



*Data from second quarter.

TABLE 11. Television Distribution Sources

Market Break	White	African-American	Hispanic	Asian
Broadcast Only	8%	11%	15%	12%
Wired Cable	52%	54%	45%	51%
Telco	8%	8%	7%	13%
Satellite	32%	27%	34%	25%

Source: Nielsen. Based on scaled installed counts for the entire quarter.

TABLE 12. Devices in TV Households (in 000's)

	Q2 12	Q1 12	Q2 11
Any DVD/Blu-ray Player	96,969	97,292	99,747
Any DVR	48,960	47,947	45,297
Any High Definition TV	86,676	83,378	79,043
Any Video Game Console	51,704	51,081	50,992

Source: Nielsen. Based on Universe Estimates for the entire quarter.

TABLE 13. Mobile Device Penetration by Ethnicity

	White	African-American	Hispanic	Asian
Smartphone	50%	62%	60%	70%
Feature phone	50%	38%	40%	30%

Source: Nielsen.

Note: Due to data collection errors for April and May, quarterly numbers cannot be reported for Q2 2012.

Above numbers therefore reflect month of June 2012 only. Quarterly averages will return for Q3 2012 edition.

FOOTNOTES FOR TABLES IN THIS REPORT:

- ° On Traditional TV 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, server based DVR's and services like Start Over. In response to these services continued growth, for Q2 2012 forward this report will no longer feature the "only in homes with DVRs," which was limited to physical DVR presence.

On Traditional TV reach includes those viewing at least one minute within the measurement period. This includes Live viewing plus any playback within the measurement period. Second Quarter 2012 Television data is based on the following measurement interval: 3/26/12-6/24/12. As of February 2011, DVR Playback has been incorporated into the Persons Using Television (PUT) Statistic.
- °° In response to client requests for the ability to recreate these quintiles of time spent, from Q2 2011 forward the production of the underlying data has been fully migrated to the NPOWER system. In addition to allowing clients that subscribe to the Nielsen Cross-Platform Service to generate these and associated reports, it also incorporates production sample weighting (detailed in Chapter 3 of the National Reference Supplement) and universe projections.

Beginning in Q3 2011 report, average daily minutes statistics are calculated by averaging the total minutes from all persons in the quintile including non-users. Q1 and Q2 2011 reports averaged the total minutes from users only.
- * In July 2011 an improved hybrid methodology was introduced in Nielsen's NetView and VideoCensus product. This methodology combines a census-level accounting of page views and video streams where Nielsen measurement tags have been deployed in order to project audience and behavior to the full universe of all Internet users. For VideoCensus, the portion of the total video streams calibrated by census data, previously allocated to Home/Work computers, are now allocated to other devices and locations such as smartphones and viewing outside of home and work. This change affects both "Watching Video on the Internet" and "Using the Internet" figures. Beginning in Q1 2012, Cross-Platform metrics are derived from new hybrid panel. Year over year trends will be available beginning in Q3 2012. Until then, data is not trendable.

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 weekly or monthly averages over the course of the quarter. All "Using the Internet on a Computer" metrics are derived from Nielsen NetView product, while all "Watching Video on the Internet" metrics are derived from Nielsen VideoCensus product.^
- ^ Mobile video user projection, time spent and composition data are based on survey analysis of past 30 day use during the period. The mobile video audience figures in this report include mobile phone users (aged 13+) who access mobile video through any means (including mobile Web, subscription-based, downloads and applications). Beginning in Q1 2012, data reflect enhanced methodology for calculating the Total Minutes spent watching video on a mobile phone. Historically, distributions of key variables (# sessions and # minutes per session) were skewed warranting the use of the median as the measure of central tendency, Total Minutes= (median # sessions) * (median # minutes). Current analyses of the distributions indicate that the variable # minutes per session fits a more normal distribution and justifies the use of the mean as the measure of central tendency. The current calculation reflects a truer metric of average time spent watching video on a mobile phone, Total Minutes = (median#sessions)*(mean#minutes). All previous quarter/year metrics have been recalculated with new methodology. Data is trendable within this version of the report, but not to previous quarters published editions. For Q2 2012 mobile data contained in table 2 is for June 2012 only.
- ^^ Nielsen's mobile survey reports mobile video usage for those users 13 and older. Thus, 12-17 is T13-17 for all mobile data.

A SPECIAL NOTE ON INTERNET AUDIENCES:

- + Due to the release of the Chrome browser v.19 in May 2012, some Nielsen NetView data for a small number of sites that have extensive use of HTTPS is underreported for May and June 2012. A solution has been implemented for July 2012 reporting. This affects the "Using the Internet on a Computer" and "Internet" time spent figures provided in this report for current quarter data.

Yahoo! Mail and Yahoo! page view and duration data shows an artificial decrease for May-November 2011 and do not reflect the actual activity on these sites. This was corrected with December 2011 forward reporting. This affects the "Using the Internet on a Computer" and "Internet" time spent figures provided in this report for previous year data.

Due to a change in the type of call used behind Facebook's AJAX interface, Nielsen NetView data for Facebook page views and duration were underreported for June and July 2011. This was corrected with August-forward reporting. This affects the "Using the Internet on a Computer" and "Internet" time spent figures provided in this report for previous year data.
- ◇ May 2012 volume metrics were effected for two YouTube channel entities. As of June 2012, YouTube Partner reporting became available through Nielsen VideoCensus featuring May 2012 data. YouTube Partner data is reported as individual channels under the YouTube brand in Nielsen VideoCensus. Data for each YouTube partner is aggregated across two entity levels, the broadest as Nielsen VideoCensus channel entity and the more granular being Nielsen VideoCensus client-defined entity. This affects the "watching video on the internet" and "stream" numbers in this report for current quarter data.

Due to a change in the format of Netflix stream URLs, streaming for the Netflix brand was not reported in the April and May 2011 VideoCensus reports. This was corrected with June-forward reporting. This affects the "Watching Video on the Internet" and "Stream" figures in this report for previous year data.

GLOSSARY:

TV Household: A home with at least one TV capable of tuning to at least one channel. For example, television sets that are not updated for digitally transmitted content would not count under the current guidelines.

Traditional TV: Watching live or timeshifted content on a television set delivered by broadcast signal or a paid TV subscription.

Wired Cable: Traditional cable delivered through wires to your home.

Telco: A paid TV subscription delivered fiber-optically via a traditional telephony provider.

Satellite: A paid TV subscription where the signal is distributed to an orbiting satellite. The amplified signal is then re-transmitted to the home and received via a dish. (Sometimes also referred to as "dish").

Broadband: A paid, high-speed Internet access delivered via DSL, Cable Internet through cable provider, Fiber-Optic Service, U-Verse, Satellite Internet, Data Card (aircard that connects to a cellular phone network) or PC tethered to cell phone (cellular phone network).

Narrowband: A household that accesses the Internet via a telephone line (often referred to as dial up).

Broadcast Only: A mode of television content delivery that does not involve satellite transmission or cables (ie—a paid service). Also commonly referred to as "Over-the-air."



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