



July 2009

# White Paper

## Centris Special Analysis: *Downloading*

### Introduction

This White Paper is an excerpt from Centris' U.S. Communication and Entertainment *Insights* Program Q1 2009 Quarterly Technology Tracker. The U.S. Communications and Entertainment *Insights* program is an ongoing Syndicated Research Report series; short "Snap Shot" reports are produced on a monthly basis while more detailed tracker reports are prepared quarterly. The entire research program is available on an annual subscription basis. Alternatively, monthly reports or individual quarterly reports can be purchased separately.

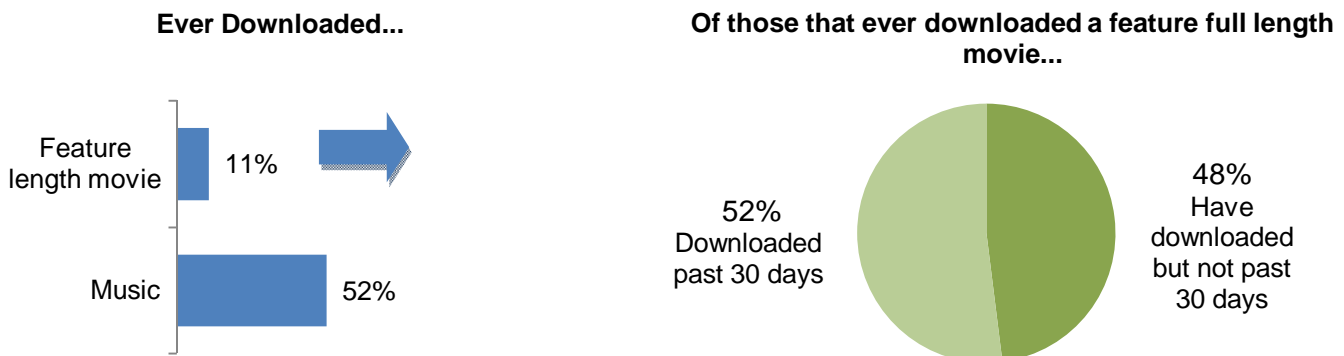
### Methodology

Since 1997, Centris has been tracking over 100 communications, entertainment and technology areas on a daily basis. Selective coverage areas include technology deployed in the home, service providers and media consumption. Centris completes over 40,000 surveys per year. The survey uses the addressed based sampling methodology.

Centris clients can elect to participate in this ongoing research program through the addition of specific customer questions, such as: "How many premium channels do you receive?", "Do you have a web cam?", "How many TV sets do you have in your home?", etc. Proprietary inserts can be asked of the entire respondent base or any identified household subgroup. The number of questions a client needs to ask to obtain sought-after information is likely reduced since the core survey inventory enables filtering and pre-identification of target segments. Market intelligence from the survey is provided to clients in traditional Banners and Tabs or in customized formats.

### Downloading Basics

Downloading is more common for music as opposed to movies. While just over one-half of broadband households have downloaded music, only about one in ten have ever downloaded a feature-length movie. Half of these broadband households have downloaded movies in the past thirty days.





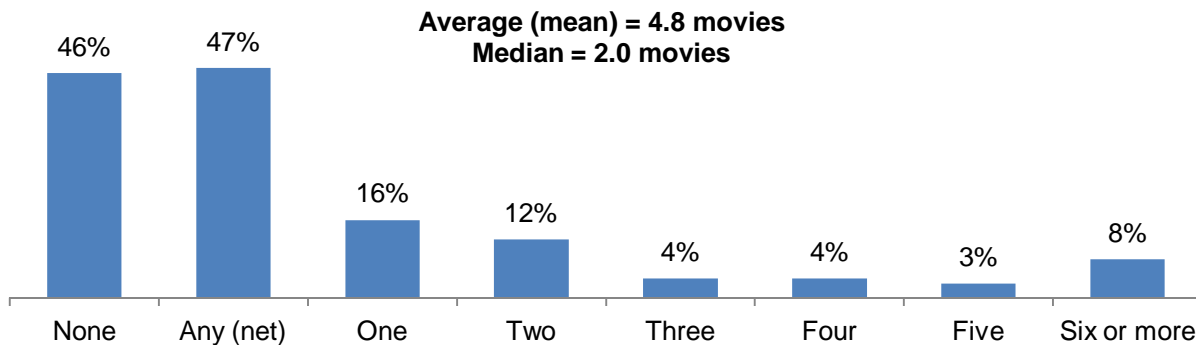
## Movies Downloaded Past 30 Days

Among broadband households that have ever downloaded a feature length movie through the Internet, nearly half have done so in the past thirty days. 28% of households downloaded one or two movies during this timeframe, while one in five downloaded three or more movies.

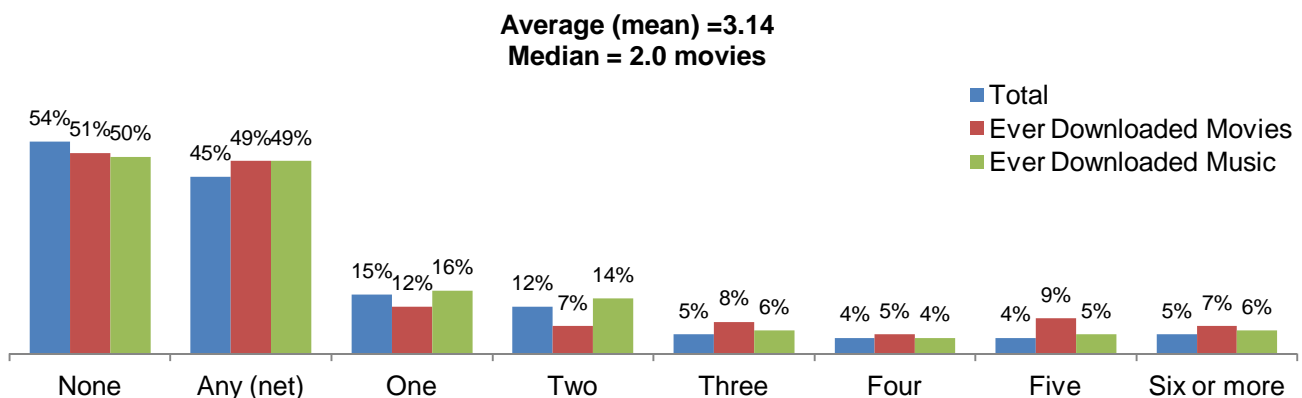
### VOD Movies Ordered Past 30 Days

- About half of households that have ever ordered a VOD movie have ordered at least one movie during the past 30 days. This is similar to movie downloading.
- Consumers are more likely to order a higher quantity of movies through downloading in a 30 day period than they are through VOD. The average number of movies downloaded is 4.8 as opposed to the 3.3 average movies ordered on demand.

**Number of Movies Downloaded -- Past 30 Days**  
Among households who have ever downloaded movies



**VOD Movies Ordered Past 30 Days**  
Among households that have ever ordered VOD

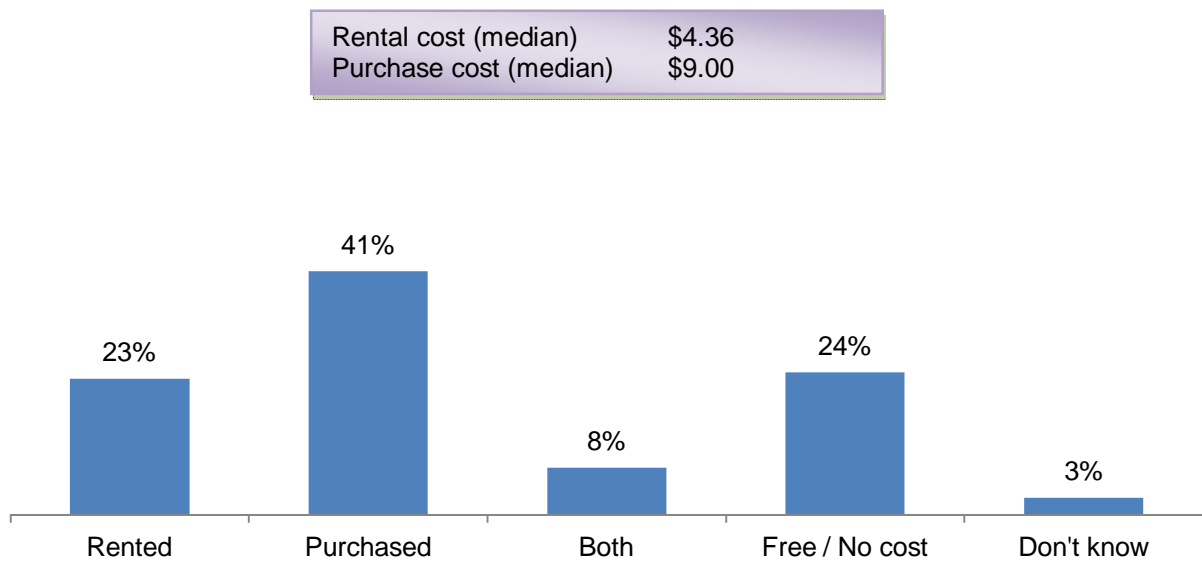




## Movies – Rentals vs. Purchases

- Among households that have downloaded one or more movies during the past thirty days, movies were more commonly purchased (41%). Far less than this proportion rented movies (23%) or downloaded them at no cost (24%). Also, 8% of households combined movie rentals and purchases during this time.
- The average (median) cost of a rented download was just over \$4, while that for purchased movies was \$9.

**Movies -- Rentals vs. Purchases**  
Among HHs that have downloaded movies past 30 days



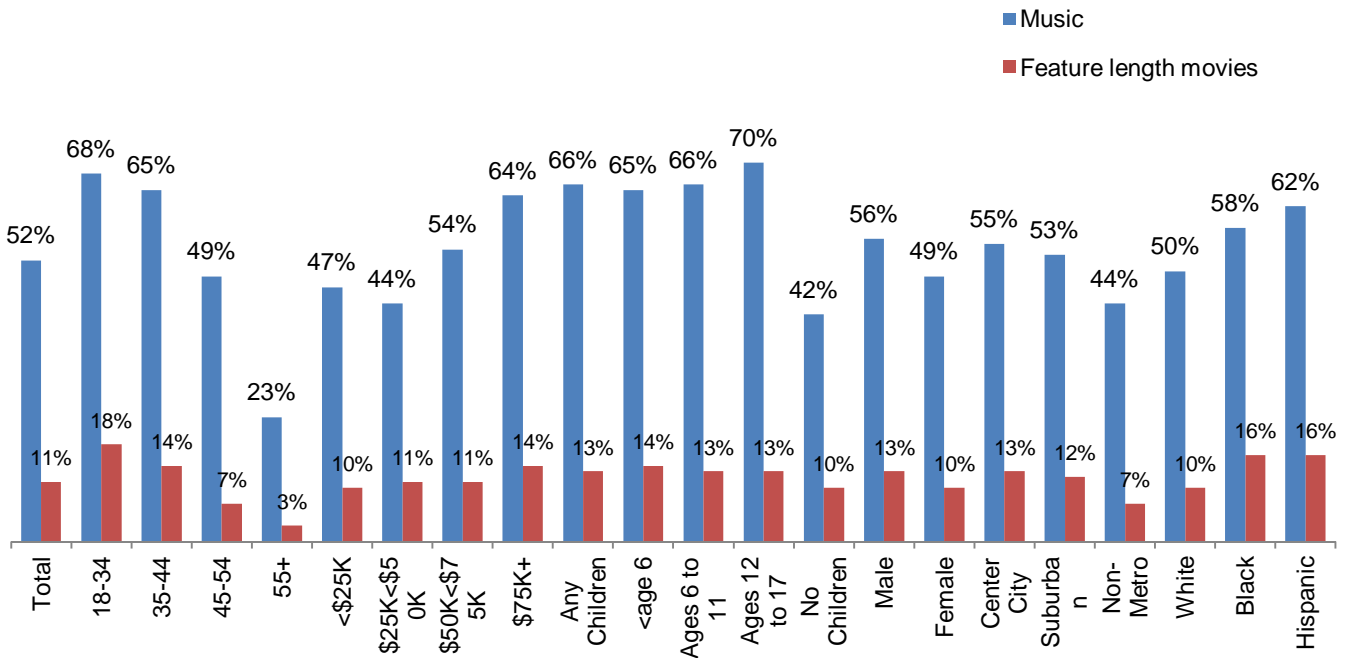


## Downloaders Demographic Profile

Music and feature length movie downloaders are demographically similar, and both are more likely to:

- Be between the ages of 18 and 44
- Have higher income of \$75K+
- Have children in the household
- Be male
- Live in Center City or Suburban areas
- Be Black or Hispanic

**Demographic Profile**

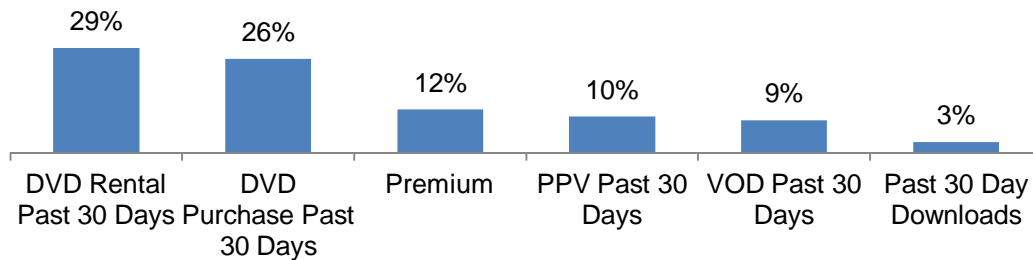




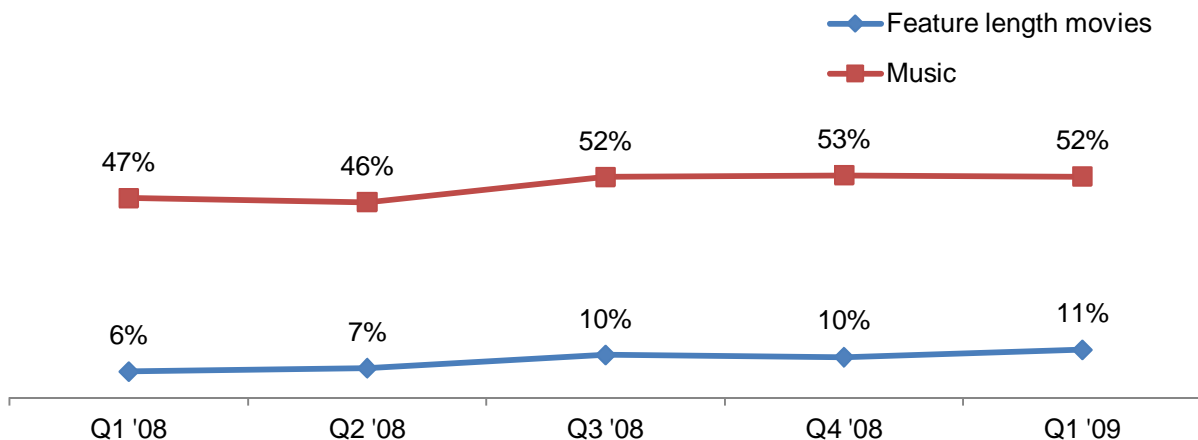
## Movies & Downloading

- Overall, movies are most commonly watched as DVDs with almost equal frequency for rentals and purchases. Fewer than half as many HHs watched movies in PPV or VOD formats within the past 30 days. The same was true of households that subscribed to premium channels as well.
- While only 3% of households downloaded movies in the past thirty days, the trend for downloads has been steadily upward over the past year. Music, which is downloaded far more by broadband-equipped households than movies, shows a 5 percentage point gain between Q1 '08 and Q1 '09 (now 52%). For feature-length movies, the proportion of such households that have ever downloaded has nearly doubled within the past 30 days (from 6% to 11%).

**Movies Watched  
Among HHs with availability for each**



**Ever Downloaded...**

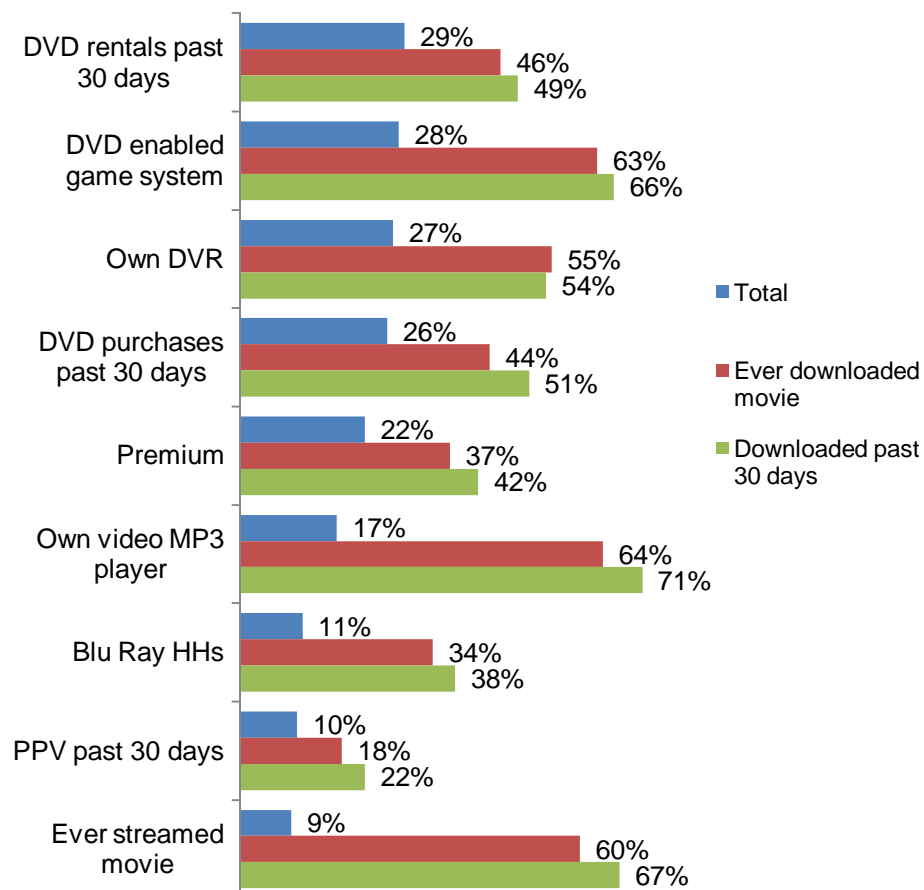




## Core Variable Profile – Activity Measures among Total Households

- Among the nine activities depicted below, the most common are: DVD rentals, DVD purchases, ownership of DVD enabled game systems and ownership of DVRs.
  - All four of these activities are far more prevalent among downloaders; particularly DVD enabled game system ownership.
- About one in five households have premium channels, while slightly fewer own video MP3 players.
  - Video MP3 player ownership is far higher among downloaders.
- Only about one in ten households have Blu Ray players, watched PPV in the past thirty days, or have ever streamed a movie.
  - Significantly more downloaders have ever streamed a movie, compared to total households.
- As might be expected, the incidence of each of these nine activities is far higher among downloaders than among total households.

**Core Variable Profile -- Activity Measures  
Among Total HHs**





## About Centris

Centris is a member of the AUS Group, one of the top research organizations in the United States. Centris provides market intelligence on buyers' preferences and behaviors relating to the purchase and use of voice, video and data services. Centris conducts daily market surveys providing clients with syndicated research reports, tracking reports and custom studies. In addition, Centris develops and maintains analytic models and provides consulting services to help marketers plan and evaluate their marketing strategies, track competitor actions and optimize their marketing mixes. Centris helps its clients grow revenue, expand margins and build strong brands. For more information, please visit [www.centris.com](http://www.centris.com).

### Industries Served by Centris

Primary users of Centris' services include:

- Cable Companies
- Telecommunication Providers
- Satellite Companies
- Wireless Operators
- Media and Content Producers
- Original Equipment Manufacturers
- Software Publishers
- Government Units
- Academia
- Investors

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