

# VIEWING ON DEMAND

**THE CROSS-PLATFORM REPORT**  
SEPTEMBER 2013

**nielsen**  
.....

AN UNCOMMON SENSE  
OF THE CONSUMER™



## WELCOME

DOUNIA TURRILL  
SVP INSIGHTS, NIELSEN

Less than 10 years ago, watching TV shows on a television set was as easy as being at home in time to turn the TV on. I remember having seven VCR tapes, labeled with each day of the week and I would tape shows on the days I could not be home.

Much has changed over the past decade, and watching TV shows has become increasingly easy over a multitude of platforms. As an avid viewer of shows, this has been a very good development. Digital Video Recorders (DVRs) allow for easy recording and storing of many shows for consumption later that night, that week, or for that matter, whenever we want. Taping entire seasons and “catching up” at a later time has allowed a flexibility of time-shifting beyond measure. With DVRs now available in 50% of US homes, the related shifts in viewing behaviors continue to be both an opportunity and a challenge for distributors of content.

As we continue to use this report to highlight the shifts in video consumption by age and ethnicity, we’ve also chosen to highlight a distribution platform that while not new, has only recently started to make a mark. This quarter, we will take a closer look at Video On Demand (VOD) as we explore the potential opportunity this platform offers.

DOUNIA

In the midst of developments for time-shifting and increased penetration of mobile devices which enable video consumption, one technology has grown seemingly unnoticed; Video On Demand (VOD). Set-top box VOD is currently available in approximately 60% of television households, up from 37% in 2008. The fact, however, is that this technology has been available for close to a decade through certain cable providers. VOD offers the opportunity to time-shift and catch up on shows through a single platform delivered to the consumer from cable or satellite providers without the need for extra hardware.

The reason this technology has taken so long to rise to the surface of awareness is two-fold. First as a nascent technology delivered by the program providers the interface was often cumbersome and difficult for the consumer to use. Second, the program distributors were wary of delivering content outside of their window of monetization if measurement could not account for the audience deliveries. Because of these issues, VOD content was often populated with old shows, or past seasons of shows.

OVER THE PAST YEAR, NOT ONLY HAS ACCESS TO VOD BECOME MUCH MORE USER FRIENDLY BUT NETWORKS HAVE BEEN MORE APT TO EXPERIMENT WITH RECENTLY TELECAST CONTENT AND MULTIPLE EPISODES FROM THE CURRENT SEASON.

This pivot has in large part been facilitated by the ability to include and break out viewing from the VOD play to the current episode of a show if aired within the seven day window of an original telecast. In fact, if the content on VOD includes the same national commercials as the television airing of a show, the viewing from the first three days are included in the Live+ 3 Day Commercial (C3) rating in the same way Nielsen credits DVR playback.

This has been a big development for networks and advertisers who both need to show that viewing is occurring and also that ads are being viewed. In another flavor of VOD content distribution and monetization, networks are able to provide shows to consumers with fewer commercials but also fast-forward disabled. With measurement of this particular type of Video On Demand, this creates another opportunity for all the players in the ecosystem. Cable and satellite providers can now offer DVR-like capabilities to their consumers in an easy fashion, and networks have an additional opportunity to deliver content to consumers who in turn have an expanded choice for viewing when, where and how they want.



## VIDEO ON DEMAND

With VOD now available in 60% of US television households, content providers are able to deliver their programs in yet another consumer friendly way allowing viewers an opportunity to sample new shows they might have otherwise missed or catch up on shows they love. In light of this expanded opportunity to deliver content, we provide different options for measurement and therefore monetization of this content.

### **RECENTLY TELECAST VOD**

Defined as programming that is delivered on the VOD platform within 7 days of the original telecast of a show, with the same commercial load. Delivered this way, the viewing contributes to the linear telecast of the program for 7 days, including the Live+3 Day Commercial (C3) rating.

### **VOD, CROSS-PLATFORM**

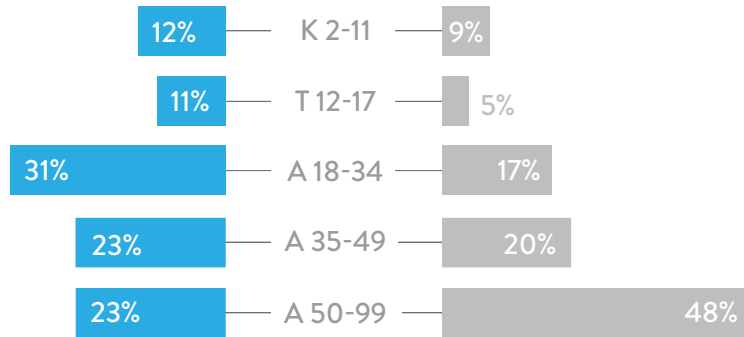
Defined as programming that is delivered on the VOD platform in a format that is different or outside the 7 day window of the linear telecast of an episode. Measurement of this content is not included in the linear rating of a program either because it is available outside the 7 day window or because it does not have the same commercial load.

# A CLOSER LOOK AT VIDEO ON DEMAND USERS

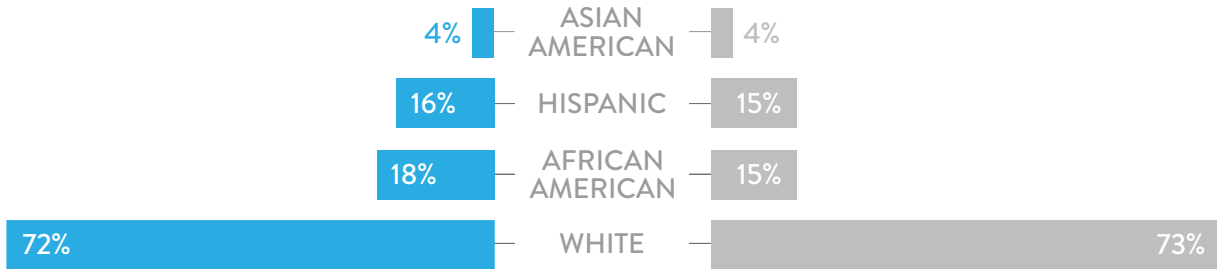
## AUDIENCE COMPOSITION

● VIDEO ON DEMAND ● TV USAGE

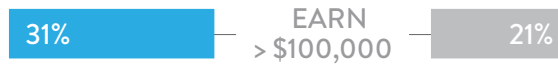
### AGE



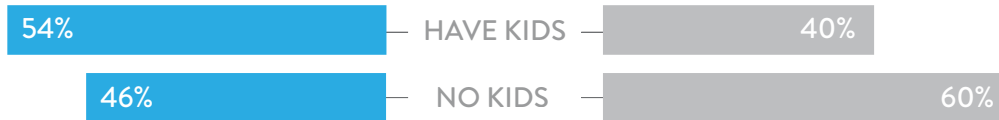
### ETHNICITY



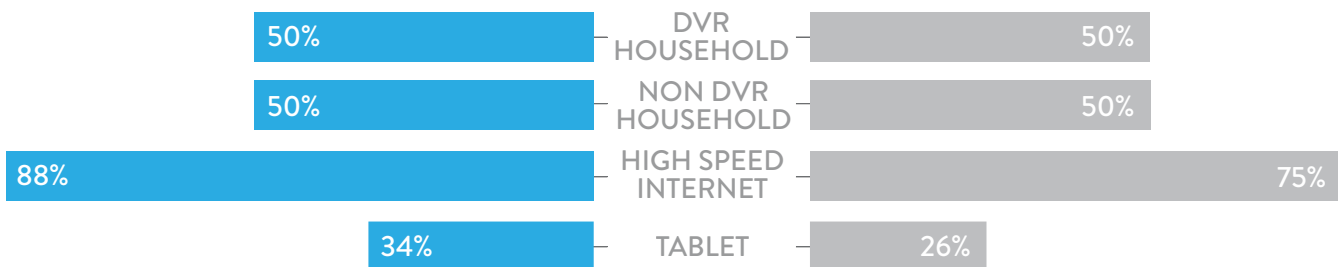
### INCOME



### FAMILY



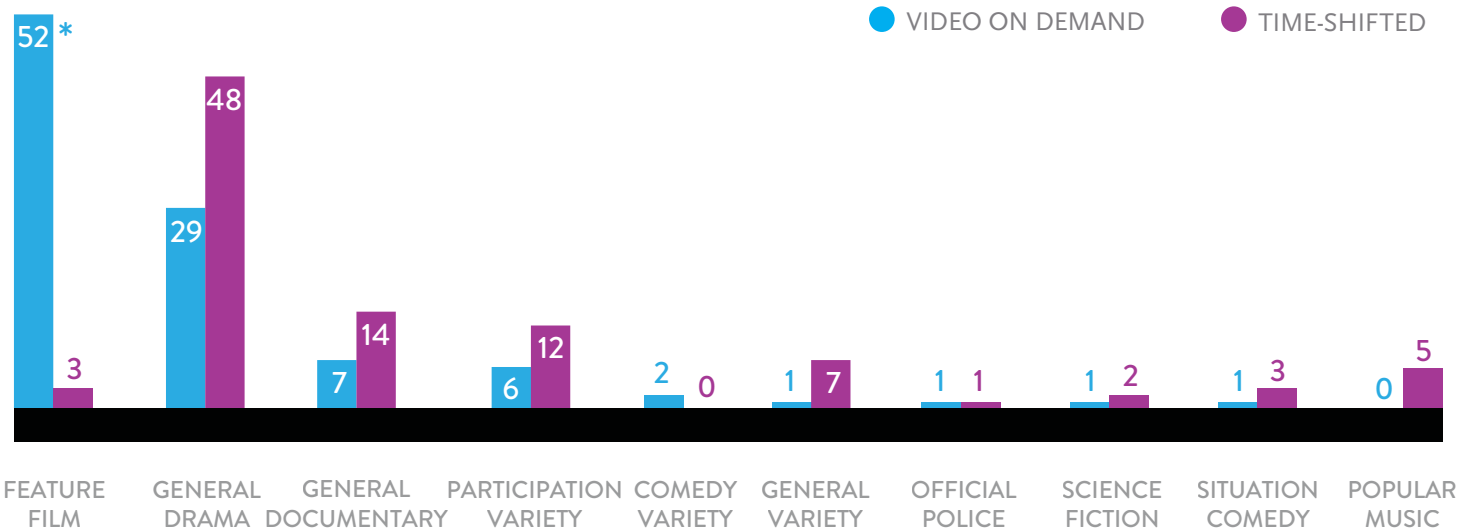
### DEVICE OWNERSHIP



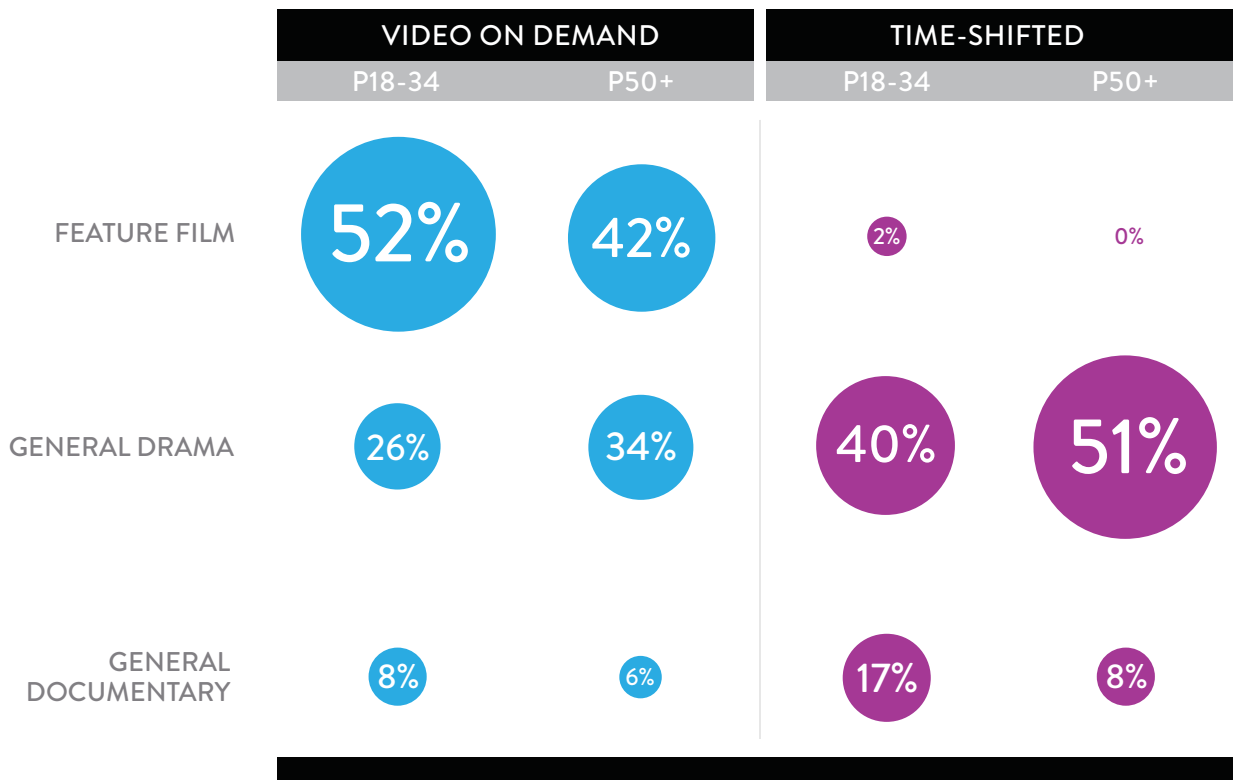
Source: Nielsen Primetime internal VOD & total TV usage data; NPOWER internal VOD data includes only programming encoded for measurement.

# A CLOSER LOOK AT VIDEO ON DEMAND & TIME-SHIFTED VIEWING

## DISTRIBUTION OF TOP 10 PROGRAM GENRES



## A CLOSER LOOK BY DEMO AMONG TOP THREE GENRES



Source: NPOWER internal VOD data includes only programming encoded for measurement; Primetime, P2+; \*52% of the top 100 programs viewed on VOD were feature films.

# TAKING A CLOSER LOOK AT THE DATA

EXHIBIT 1 – AVERAGE TIME SPENT PER PERSON PER DAY



TABLE 1 – A WEEK IN THE LIFE FOR THE TOTAL US POPULATION

WEEKLY TIME SPENT IN HOURS : MINUTES –BY AGE DEMOGRAPHIC

	K 2-11	T 12-17	A 18-24	A 25-34	A 35-49	A 50-64	A 65+	P 2+	BLACK 2+	HISP. 2+	ASIAN 2+
On Traditional TV	23:18	20:39	21:32	26:18	31:16	40:51	46:54	31:47	44:52	26:30	18:15
Watching Timeshifted TV	2:00	1:34	1:39	3:04	3:25	3:28	2:30	2:44	2:02	1:55	1:54
Using a DVD/ Blu Ray Device	1:51	1:05	1:00	1:26	1:09	0:52	0:33	1:07	1:19	1:04	0:55
Using a Game Console	2:18	3:31	2:51	1:59	0:51	0:17	0:04	1:24	1:36	1:34	1:00
Using the Internet on a Computer	0:24	0:51	4:58	6:17	6:21	5:33	3:09	4:19	4:09	2:53	3:31
Watching Video on Internet	0:11	0:19	1:24	1:21	0:57	0:45	0:16	0:45	0:58	0:47	1:00
Watching Video on a Mobile Phone	-	0:34	0:30	0:27	0:14	0:05	0:01	0:15	0:26	0:22	0:25

**TABLE 2 – OVERALL USAGE BY MEDIUM**  
NUMBER OF USERS 2+ (IN 000'S) – MONTHLY REACH

	COMPOSITE		AFRICAN AMERICAN		HISPANIC		ASIAN AMERICAN	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
On Traditional TV	282,657	283,293	36,870	36,821	47,207	45,945	15,676	15,559
Watching Timeshifted TV	167,109	145,805	20,161	17,035	22,210	17,451	8,221	7,267
Using a DVD/Blu Ray Device	141,496	149,241	16,464	18,547	22,960	24,535	7,321	8,209
Using a Game Console	94,019	96,325	11,669	12,527	17,436	16,532	5,505	5,462
Using the Internet on a Computer	203,932	210,142	24,359	24,334	27,127	26,295	7,385	7,395
Watching Video on Internet	149,813	161,864	17,805	18,657	20,052	20,407	5,903	6,074
Using a Mobile Phone	238,697	236,509	26,673	24,659	34,236	32,970	12,580	10,272
Watching Video on a Mobile Phone	50,582	37,048	8,022	4,988	10,292	7,737	4,185	2,585

**TABLE 3 – MONTHLY TIME SPENT BY MEDIUM**  
USERS 2+ IN HOURS: MINUTES

	COMPOSITE		AFRICAN AMERICAN		HISPANIC		ASIAN AMERICAN	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
On Traditional TV	146:37	144:54	206:47	202:35	121:28	125:39	86:37	90:33
Watching Timeshifted TV	12:35	11:33	9:23	8:47	8:45	7:31	9:00	8:36
Using a DVD/Blu Ray Device	5:10	5:13	6:05	6:30	4:54	5:11	4:20	4:55
Using a Game Console	6:27	6:26	7:22	7:42	7:12	6:51	4:46	5:13
Using the Internet on a Computer	27:21	28:29	28:37	29:47	22:46	24:45	35:13	33:52
Watching Video on Internet	6:28	5:51	9:00	7:52	8:17	7:05	12:23	10:26
Watching Video on a Mobile Phone	5:45	5:20	6:53	5:44	5:59	5:40	5:41	6:45



**TABLE 4 – MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES  
AMONG COMPOSITE**

	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	106:40	94:51	105:58	122:08	143:04	185:59	214:11	146:37
Watching Timeshifted TV	9:10	7:13	8:08	14:16	15:36	15:49	11:23	12:35
Using a DVD/ Blu Ray Device	8:29	4:58	4:55	6:37	5:15	3:58	2:29	5:10
Using a Game Console	10:31	16:10	13:59	9:15	3:55	1:16	0:20	6:27
Using the Internet on a Computer	4:34	7:27	30:45	32:50	32:31	30:54	23:49	27:21
Watching Video on Internet	3:21	4:08	11:20	9:12	6:29	5:37	2:40	6:28
Watching Video on a Mobile Phone	-	8:42	6:07	5:34	5:07	5:00	3:36	5:45

**TABLE 4 – MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES  
AMONG AFRICAN AMERICANS**

	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	149:01	146:08	163:02	172:34	214:38	275:42	317:04	206:47
Watching Timeshifted TV	7:04	6:28	6:32	11:09	12:29	11:53	5:50	9:23
Using a DVD/ Blu Ray Device	7:00	4:43	4:44	7:14	6:44	6:53	3:04	6:05
Using a Game Console	10:08	16:05	12:48	9:47	4:43	1:30	0:38	7:22
Using the Internet on a Computer	5:05	8:35	36:38	33:02	33:47	31:02	22:10	28:37
Watching Video on Internet	3:44	4:51	13:34	11:03	8:14	9:39	5:07	9:00
Watching Video on a Mobile Phone	-	8:10	7:29	7:02	5:54	5:55	-	6:53

**TABLE 4 – MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES  
AMONG HISPANICS**

	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	107:49	94:33	99:11	110:43	125:48	152:29	204:10	121:28
Watching Timeshifted TV	7:56	6:12	6:24	10:21	10:58	8:58	7:58	8:45
Using a DVD/ Blu Ray Device	8:33	4:30	4:01	5:40	3:36	2:59	2:17	4:54
Using a Game Console	10:07	15:49	12:47	7:06	2:35	1:23	0:27	7:12
Using the Internet on a Computer	4:24	7:54	33:54	26:33	24:43	26:45	21:39	22:46
Watching Video on Internet	3:52	4:42	13:49	9:47	6:26	9:10	7:05	8:17
Watching Video on a Mobile Phone	-	9:33	5:27	6:14	4:49	5:48	-	5:59

**TABLE 4 – MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES  
AMONG ASIAN AMERICANS**

	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	65:59	57:25	62:14	74:12	79:10	109:35	158:49	86:37
Watching Timeshifted TV	7:03	5:55	6:26	9:46	10:44	10:42	8:05	9:00
Using a DVD/ Blu Ray Device	7:08	2:25	2:00	4:28	4:37	4:33	2:35	4:20
Using a Game Console	7:58	10:36	8:32	6:00	2:53	1:05	0:54	4:46
Using the Internet on a Computer	6:12	13:09	54:01	40:39	40:39	29:41	17:41	35:13
Watching Video on Internet	4:57	8:13	20:30	15:16	10:25	10:06	6:13	12:23
Watching Video on a Mobile Phone	-	10:07	5:09	5:32	5:04	5:30	-	5:41

TABLE 5 – CROSS-PLATFORM HOMES RANKED BY IN-HOME STREAMING BEHAVIOR

STREAMING QUINTILE	COMPOSITE				AFRICAN AMERICAN			
	# OF PERSONS (000)	STREAM (AVERAGE DAILY MINUTES)	INTERNET (AVERAGE DAILY MINUTES)	TV (AVERAGE DAILY MINUTES)	# OF PERSONS (000)	STREAM (AVERAGE DAILY MINUTES)	INTERNET (AVERAGE DAILY MINUTES)	TV (AVERAGE DAILY MINUTES)
Stream 1	26,997	23.8	57.5	240.3	2,682	33.8	62.2	346.2
Stream 2	26,986	2.7	35.2	253.3	2,678	4.6	31.3	333.5
Stream 3	27,004	0.9	23.4	258.2	2,688	1.4	22.2	423.4
Stream 4	26,993	0.2	16.1	269.2	2,679	0.4	15.7	349.1
Stream 5	27,000	0.0	9.0	265.1	2,684	0.0	7.5	374.8
Non Streamers	102,930	0.0	1.6	236.3	11,345	0.0	1.5	326.2
All	237,910	3.2	16.8	248.2	24,757	4.4	15.9	347.5

STREAMING QUINTILE	HISPANIC				ASIAN AMERICAN			
	# OF PERSONS (000)	STREAM (AVERAGE DAILY MINUTES)	INTERNET (AVERAGE DAILY MINUTES)	TV (AVERAGE DAILY MINUTES)	# OF PERSONS (000)	STREAM (AVERAGE DAILY MINUTES)	INTERNET (AVERAGE DAILY MINUTES)	TV (AVERAGE DAILY MINUTES)
Stream 1	3,590	24.0	45.9	205.2	1,628	36.8	57.8	114.3
Stream 2	3,612	4.1	26.6	212.0	1,633	4.2	28.2	128.7
Stream 3	3,595	1.2	15.1	201.4	1,609	1.4	13.6	163.5
Stream 4	3,600	0.3	9.8	205.7	1,626	0.4	13.8	150.9
Stream 5	3,602	0.0	6.6	208.5	1,625	0.0	10.4	192.1
Non Streamers	16,941	0.0	1.0	197.2	7,966	0.0	1.8	150.0
All	34,940	3.1	11.3	202.0	16,087	4.4	13.5	149.8

TABLE 5 – CROSS-PLATFORM HOMES RANKED BY IN-HOME INTERNET BEHAVIOR

INTERNET QUINTILE	COMPOSITE				AFRICAN AMERICAN			
	# OF PERSONS (000)	STREAM (AVERAGE DAILY MINUTES)	INTERNET (AVERAGE DAILY MINUTES)	TV (AVERAGE DAILY MINUTES)	# OF PERSONS (000)	STREAM (AVERAGE DAILY MINUTES)	INTERNET (AVERAGE DAILY MINUTES)	TV (AVERAGE DAILY MINUTES)
Internet 1	35,723	13.1	79.1	303.6	3,608	20.7	77.9	412.4
Internet 2	35,751	4.9	21.0	263.9	3,616	6.1	19.7	367.0
Internet 3	35,712	2.0	7.7	242.9	3,607	2.1	7.3	347.0
Internet 4	35,732	0.6	2.2	233.0	3,610	0.7	2.1	323.9
Internet 5	35,734	0.2	0.3	225.3	3,609	0.1	0.3	328.7
Non Internet Users	59,257	0.0	0.0	230.6	6,708	0.0	0.0	324.2
All	237,910	3.2	16.8	248.2	24,757	4.4	15.9	347.5

INTERNET QUINTILE	HISPANIC				ASIAN AMERICAN			
	# OF PERSONS (000)	STREAM (AVERAGE DAILY MINUTES)	INTERNET (AVERAGE DAILY MINUTES)	TV (AVERAGE DAILY MINUTES)	# OF PERSONS (000)	STREAM (AVERAGE DAILY MINUTES)	INTERNET (AVERAGE DAILY MINUTES)	TV (AVERAGE DAILY MINUTES)
Internet 1	4,723	14.4	61.4	239.3	2,145	22.9	73.9	142.7
Internet 2	4,722	5.2	14.0	197.3	2,138	6.3	19.0	161.8
Internet 3	4,722	1.9	4.8	195.3	2,136	2.5	6.0	160.5
Internet 4	4,727	0.7	1.6	192.3	2,147	0.8	1.5	139.0
Internet 5	4,716	0.4	0.3	179.3	2,143	0.1	0.2	152.8
Non Internet Users	11,330	0.0	0.0	204.6	5,378	0.0	0.0	146.8
All	34,940	3.1	11.3	202.0	16,087	4.4	13.5	149.8

**TABLE 5 – CROSS-PLATFORM HOMES RANKED BY IN-HOME TELEVISION VIEWING BEHAVIOR**

TELEVISION QUINTILE	COMPOSITE				AFRICAN AMERICAN			
	# OF PERSONS (000)	STREAM ( AVERAGE DAILY MINUTES )	INTERNET	TV	# OF PERSONS (000)	STREAM ( AVERAGE DAILY MINUTES )	INTERNET	TV
Television 1	47,308	3.1	25.7	612.2	4,939	4.5	20.6	790.8
Television 2	47,288	2.5	18.6	303.9	4,937	3.7	18.2	442.6
Television 3	47,285	2.5	14.1	188.2	4,936	5.1	18.6	277.8
Television 4	47,321	3.4	13.2	107.3	4,934	3.3	11.8	165.5
Television 5	47,283	4.2	12.5	32.0	4,938	5.3	9.9	52.7
Non Television Viewers	1,425	10.1	13.6	0.0	74	15.2	17.4	0.0
All	237,910	3.2	16.8	248.2	24,757	4.4	15.9	347.5

TELEVISION QUINTILE	HISPANIC				ASIAN AMERICAN			
	# OF PERSONS (000)	STREAM ( AVERAGE DAILY MINUTES )	INTERNET	TV	# OF PERSONS (000)	STREAM ( AVERAGE DAILY MINUTES )	INTERNET	TV
Television 1	6,960	2.7	18.9	467.5	3,138	2.3	13.5	412.6
Television 2	6,948	2.4	9.5	250.1	3,150	3.5	13.9	183.6
Television 3	6,938	3.1	9.0	165.3	3,136	3.7	12.5	104.1
Television 4	6,961	3.2	8.9	98.0	3,142	4.8	13.3	52.6
Television 5	6,954	3.9	9.8	30.3	3,144	5.5	12.6	11.4
Non Television Viewers	178	9.9	12.6	0.0	378	22.6	30.3	0.0
All	34,940	3.1	11.3	202.0	16,087	4.4	13.5	149.8

**TABLE 6 - TELEVISION DISTRIBUTION SOURCES**  
NUMBER OF HOUSEHOLDS (IN 000'S)

	COMPOSITE		AFRICAN AMERICAN		HISPANIC		ASIAN AMERICAN	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
Broadcast Only	10,947	11,093	1,804	1,758	2,512	2,551	617	507
Wired Cable	56,621	59,304	7,667	7,676	6,377	6,606	2,099	2,227
Telco	10,857	9,271	1,403	1,111	1,163	941	618	592
Satellite	35,243	34,653	3,725	3,745	5,314	5,074	951	1,057

**TABLE 7 - CABLE/SATELLITE HOMES WITH INTERNET STATUS**  
NUMBER OF HOUSEHOLDS (IN 000'S)

	COMPOSITE		AFRICAN AMERICAN		HISPANIC		ASIAN AMERICAN	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
Broadcast Only and Broadband	5,306	5,134	513	411	820	800	461	364
Broadcast Only and No Internet/ Narrowband	5,904	5,854	1,252	1,285	1,569	1,580	130	124
Cable Plus and Broadband	78,511	78,795	8,006	8,004	8,607	8,316	3,305	3,475
Cable Plus and No Internet/ Narrowband	21,783	22,107	4,466	4,169	3,614	3,786	255	264

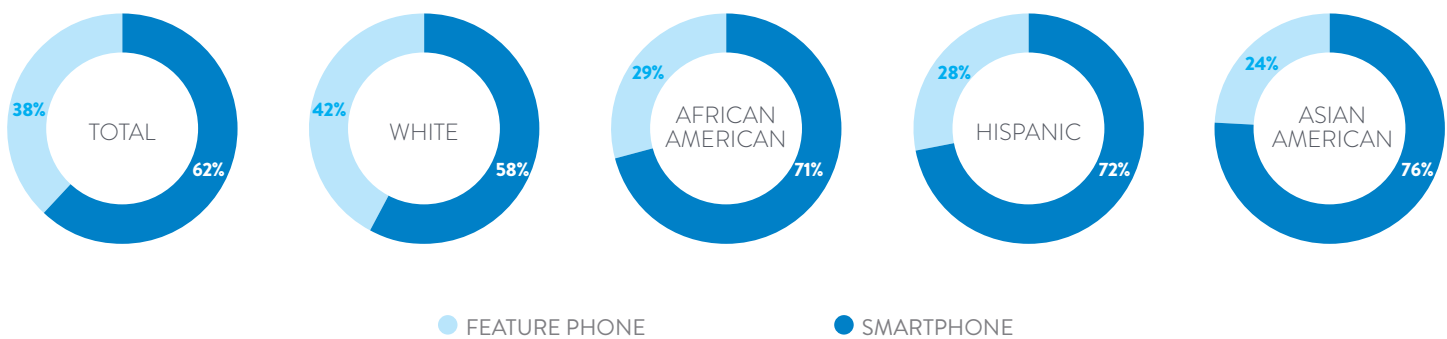
**TABLE 8 – DEVICES IN TV HOUSEHOLDS**  
NUMBER OF HOUSEHOLDS (IN 000'S)

	COMPOSITE		AFRICAN AMERICAN		HISPANIC		ASIAN AMERICAN	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
Any DVD/Blu-ray Player	94,587	96,960	11,460	11,520	12,110	12,340	3,237	3,645
Any DVR	52,977	49,013	5,567	5,107	5,574	4,918	1,881	1,844
Any High Definition TV	93,514	86,727	11,076	9,879	12,703	11,416	3,872	3,691
Any Video Game Console	50,250	51,750	6,123	6,299	7,936	7,553	2,229	2,270
Any Tablet	27,049	14,590	2,559	1,268	2,907	1,302	1,729	1,130

**TABLE 9 - TELEVISION DISTRIBUTION SOURCES**  
PERCENTAGE OF HOUSEHOLDS

MARKET BREAK	WHITE	AFRICAN AMERICAN	HISPANIC	ASIAN AMERICAN
Broadcast Only	8%	11%	15%	13%
Wired Cable	50%	52%	42%	50%
Telco	10%	11%	8%	15%
Satellite	32%	26%	35%	22%

**EXHIBIT 2 – MOBILE DEVICE PENETRATION BY ETHNICITY**



# SOURCING & METHODOLOGIES

## GLOSSARY

**TV HOUSEHOLD:** Nielsen now defines a TV household as a home with at least one operable TV/monitor with the ability to deliver video via traditional means of antennae, cable STB or Satellite receiver and /or with a broadband connection.

**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.”

## TELEVISION METHODOLOGY

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 2013 Television data is based on the following measurement interval: 4/1/13-06/30/13. As of February 2011, DVR Playback has been incorporated into the Persons Using Television (PUT) Statistic.

Metrics for Using a DVD/Blu Ray Device and Using a Game Console are based on when these devices are in use for any purpose, not just for accessing media content. For example, Using a Game Console will also include time when the game console is being used to play video games.



## ONLINE METHODOLOGY

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 the new hybrid panel. Year over year trends are available beginning in Q3 2012. Data should not be trended to previous quarters' published editions.

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. Watching video on the Internet is a subset of Using the Internet on a computer.

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 under reported 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.

May 2012 volume metrics were affected 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 processing error, YouTube brand-level stream and duration metrics have been inflated since May 2012, which impacted "Watching Video on Internet". The current report contains the corrected metrics for this quarter. However, because of an additional processing issue that occurred in Q2 2012 (above note), the prior year data could not be restated and this report contains the originally released data points for Q2 2012. Future editions of the report will contain the restated year over year comparisons. Data should not be trended to previous quarters' published editions.

## MOBILE METHODOLOGY

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. Total Minutes = (median#sessions)\*(mean#minutes). All previous quarter/year metrics have been recalculated with new methodology. Data are trendable within this version of the report, but not to previous quarters' published editions.

Nielsen's mobile survey reports mobile video usage for those users 13 and older. Thus, 12-17 is T13-17 for all mobile data.

## SOURCING

### TABLES 1, 2, 3, 4 - A WEEK IN THE LIFE, OVERALL USAGE BY MEDIUM, MONTHLY TIME SPENT BY MEDIUM IN HOURS:MINUTES USERS 2+, MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES

Source: Traditional TV, Timeshifted TV, DVD, Game Consoles 04/01/13 - 06/30/13 via Nielsen NPOWER/NPM Panel, Online 04/01/13 - 06/30/13 via Nielsen Netview and Nielsen VideoCensus, Mobile 04/01/13 - 06/30/13 via Nielsen Mobile Video Report/Mobile Insights.

Table 1 is based on the total US population whether or not they have the technology. Tables 2-4 are based on users of each medium.

### TABLE 5 – CROSS-PLATFORM HOMES RANKED BY IN-HOME STREAMING BEHAVIOR

Source: 04/01/13 - 06/30/13 via Nielsen NPOWER/Cross-Platform Homes Panel for P2+. The quintiles for the ethnic breaks will be based on ethnic behavior within the ethnic break itself as opposed to Composite Q1 2013 going forward. April and May “Stream” data included in this quarter would be impacted by the processing issue detailed above in the online methodology section.

### TABLE 6, 7, 8–TELEVISION DISTRIBUTION SOURCES, CABLE/SATELLITE HOMES WITH INTERNET STATUS, DEVICES IN TV HOUSEHOLDS

Source: Based on the Universe Estimates for the 15th of each month within the quarter via Nielsen NPOWER/NPM Panel.

### TABLE 9 - TELEVISION DISTRIBUTION SOURCES - PERCENTAGE OF HOUSEHOLDS

Source: Based on the scaled installed counts for 04/01/13-06/30/13 via Nielsen NPOWER/NPM Panel.

### EXHIBIT 1 – AVERAGE TIME SPENT PER PERSON PER DAY

Source: Daily time spent based on ratings, 04/01/13 - 06/30/13 vs. corresponding quarters in prior years via Nielsen NPOWER/NPM Panel.

## EXHIBIT 2 – MOBILE DEVICE PENETRATION BY ETHNICITY

Source: Mobile 04/01/13 - 06/30/13 via Nielsen Mobile Insights.

### SPOTLIGHT ON VOD

## AUDIENCE COMPOSITION VOD AUDIENCE VERSUS TOTAL TV AUDIENCE

Source: Distribution of viewing based on projections. VOD: RT VOD and CP VOD – includes programming encoded for measurement. PUT: prime. 05/27/13-08/04/13

## DISTRIBUTION OF TOP 10 PROGRAM GENRES AMONG TOP 100 SHOWS VIEWED ON VOD VERSUS TOP 100 TIME-SHIFTED SHOWS, A CLOSER LOOK BY DEMO AMONG TOP THREE GENRES

Top 100 programs ranked on VOD projections by P2+ (RT VOD and CP VOD – includes programming encoded for measurement) and top 100 broadcast and cable prime programs ranked on Live+7 lift based on linear only projections. Program distribution by genre within the top 100. 05/27/13-08/04/13

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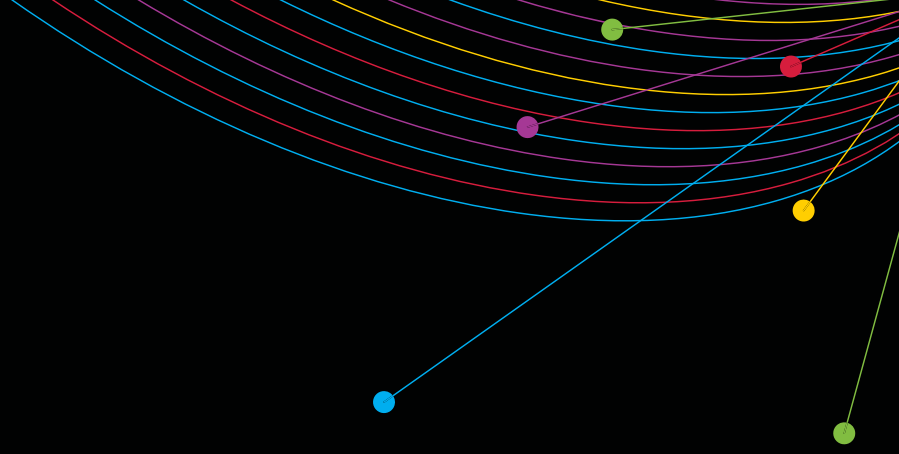
## ABOUT NIELSEN

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related properties. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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