

# Why We Need More Fiber

## *16% Jump in Six Months: 81 Million People in US Watch Broadband Video at Home or Work*



**T**he latest study of video watching habits, by Nielsen for the Cable & Telecommunications Association for Marketing (CTAM), shows a huge jump in the broadband video audience – up 16 percent in the six months ending last March, from 70 million to 81 million.

But the analysis also showed (as have some earlier studies) that traditional home television ratings are minimally, if at all, affected by broadband video viewing over the Internet, because broadband viewing was found largely to be incremental new viewing rather than a substitute for traditional television viewing. That should be comforting to Wall Streeters who worry about the revenue potential for the “cable TV” base of the triple play – the side of the field that’s counted on by Verizon and other video providers to pay for their network upgrades.

The multiphased study, “A Barometer of Broadband Content and Its Users,” provides the first comprehensive look at the relationship of broadband video consumption at home and at work to traditional television viewing behavior. It also presents a detailed analysis of television network viewing preferences among broadband video users across all key demographics.

### **Key findings:**

**Online video usage supplements traditional television viewing overall.** Online video (including broadband video at work and in the home) was shown to add to overall video viewing more frequently than it replaced traditional television viewing in the home, representing a net audience gain to total television viewing. Thirty-three percent of

those surveyed indicated that watching video over broadband Internet increased their television viewing time, versus 13 percent who indicated it decreased their traditional television viewing.

**Potential upside for increased television program viewing online is high among current broadband video users:** An additional 32 million lighter broadband video users report being open to watching more TV programs via the Internet. Further, consumers indicate that greater awareness of where to find the videos they’re seeking, better navigation interfaces, and the increased availability of high-profile television programs online could significantly drive future broadband video content use over the long term.

**TV set access is the tipping point for widespread broadband video use:** Based on respondent feedback, widespread consumer use of broadband video seems to be contingent on Internet platform video content becoming more easily accessible via home television sets. At that point, consumers say, Internet video fare could assume its place as another source for content on demand.

**Broadband video use is dominated by the top brands:** ABC.com was the leader across all broadband viewer visits to television network Web sites, while Yahoo! Movies was the leader in the movies category.

Because the results are important, and unexpected by many, it is worth looking more closely at the methodology. Internet usage data came from Nielsen//Net-Ratings, which categorizes broadband video users as heavy, moderate or light in their usage levels both at home and at work. These data served as the study’s underlying survey sampling framework, a departure from most re-

search in the field, which simply differentiates between users and non-users of broadband.

Next, eight live Internet-linked group sessions were conducted to explore how different video formats and advertising tactics contribute to the long-term growth of television and broadband video platforms while minimizing and controlling TV audience erosion.

Thirty-two consumers participated in these sessions, which were conducted by Nielsen Entertainment Television Group at the CBS TV City facilities in Las Vegas on November 29 and 30, 2006.

This gave Nielsen a better idea of what to look for.

From December 2006 through February 2007, 2,267 online interviews were conducted to gather data on primary online video usage via broadband connections in home and work environments by heavy, moderate and light users as well as non-video users. Broadband behavioral metrics provided by Nielsen//NetRatings were also captured to generate enriched market segment profiles typically not possible in consumer survey research settings.

Respondent-level survey results were then linked to National People Meter (NPM) television viewing data for January and April 2007, using identical household metrics in the segmentation study as those employed to capture NPM data by Nielsen Media Research.

This created a comprehensive benchmark of the programming preferences that characterizes the six broadband video user segments.

The complete study is available for purchase on the CTAM Web site at [www.ctam.com/research/form-06-broadband-email.pdf](http://www.ctam.com/research/form-06-broadband-email.pdf).