

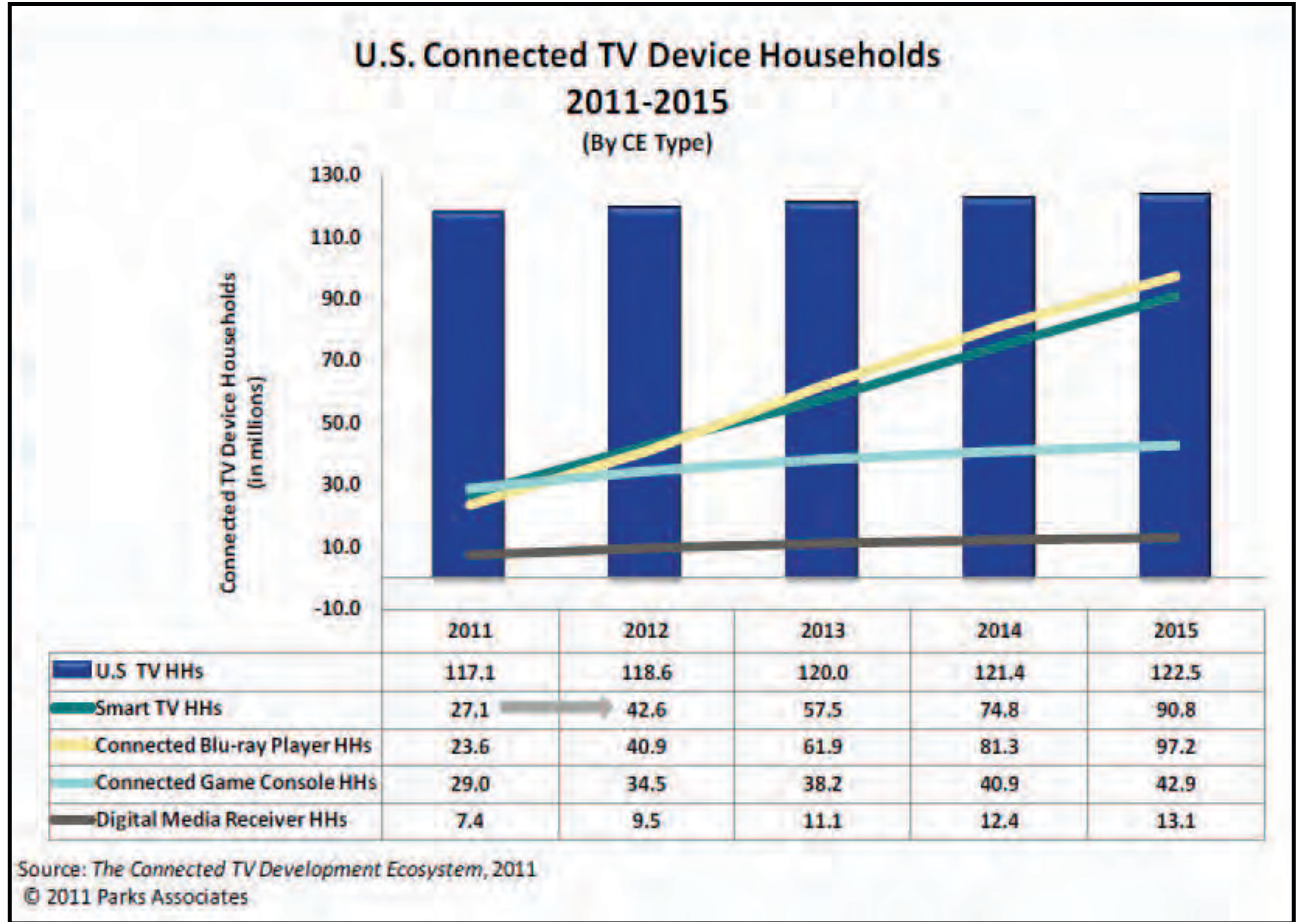
# Rovi Smart TV Field Study

Phase I Results



# The Connected Universe Is Expanding

- Over 27 million Smart TVs are projected to be in homes by year's end (representing 25% of HH)
- By end of 2012:
  - 42.6MM
  - 36% on TV homes
- Expected to grow to 57% in 2013



**Rovi seeing connectivity rates of 50 to 60%**



# Rovi Smart TV Field Study - Phase I Research

## Objectives of Phase I research is to understand:

- Connected device users
- Connected user awareness and usage of the devices
- Impact of connected platform on media consumption / habits
- Awareness of advertising on platforms
- Help advertisers look at how they can utilize the platforms

## Devices in research include:

- Connected TVs In Market
- Blu-ray players
- Advanced connected TVs



# Methodology

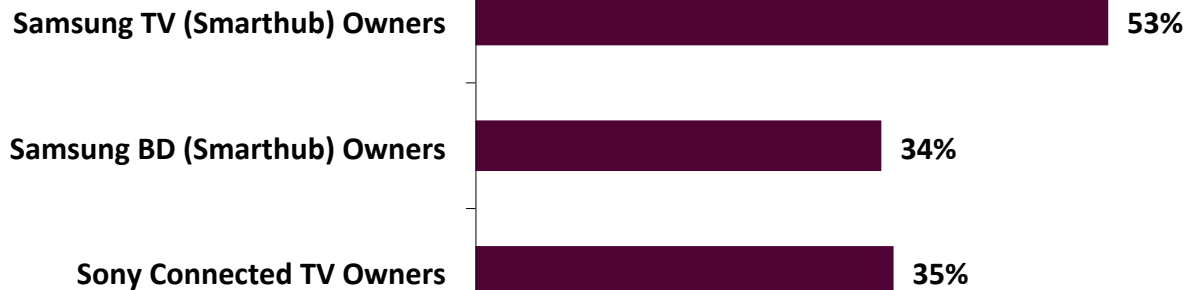
## Online Quantitative Survey

- National sample for greater reach and diversity
- Effective at finding emerging or lower incidence market segments
  - Based on sale of connected devices in US - estimated at 2.5%

## Total sample: n=500

- US residents
- Aged 18-54
- Connected device owners (includes: Samsung Smart Hub LED, LCD TVs, Connected BD series, Sony Connected Television platform)

## Connected Device Ownership Within Sample





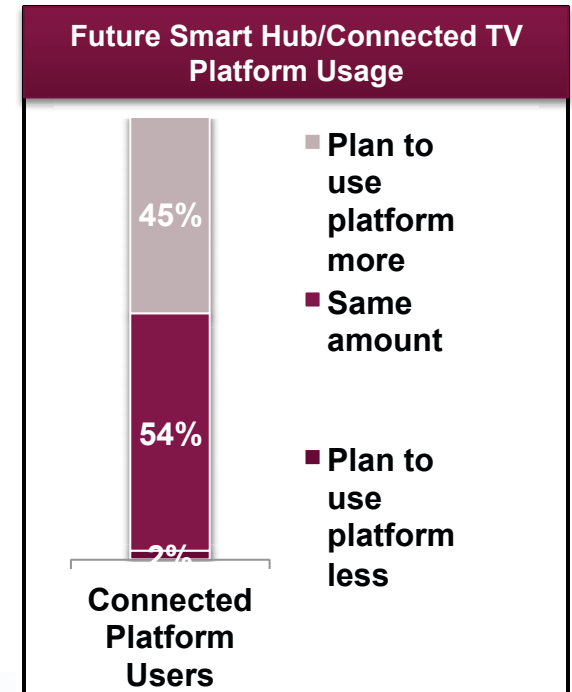
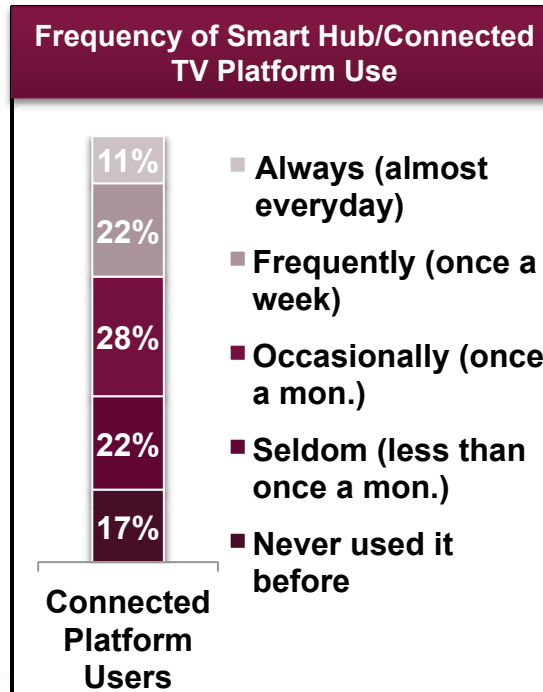
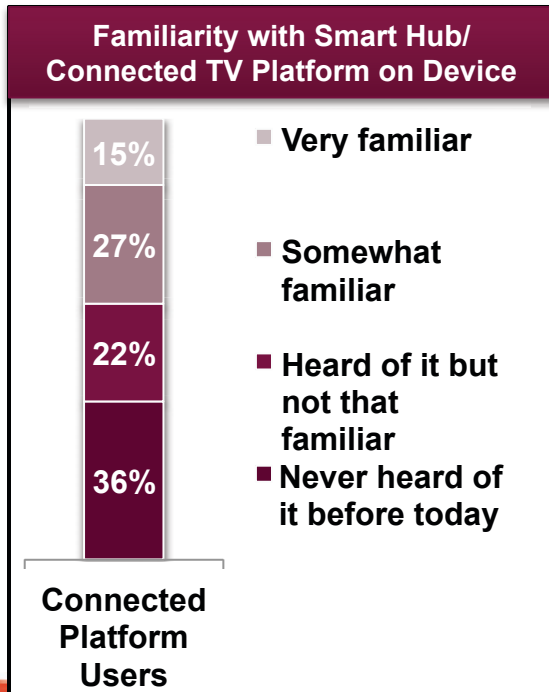
**results**



# Smart Hub/Connected Awareness

## Most connected device owners are aware of the Smart Hub/Connected TV feature on their devices

- 64% of owners are aware of the connected platform on their device and 42% have some level of familiarity with it
- 83% of owners have used connected platform; 33% access the feature frequently
- 100% of owners indicate they plan to use the device the same or more (45%) in the near future (3 months)



Rovi/Nielsen. Smart TV Field Lab Phase 1, September 2011



# Primary Usage Of The Connected Platform

## The primary usage of the connected platform is as an extension of users current TV viewing

- Users turn to the connected platforms when they don't know what they want to watch at the moment or are looking for a specific program which may or may not be available elsewhere (i.e. if other options have already been exhausted)
- About one-in-four platform users are accessing the feature when watching with others in the social setting (group or event viewing)

Search and discovery has become more complex because of many entertainment options available today	
When do they use the Smart Hub/Connected TV platform on their device?	Connected Platform Users
When I don't know exactly what I want to watch at the moment	49%
When I am looking for a specific program but don't know exactly where to find it	43%
When I want to plan my television watching schedule	33%
Every time I turn on the TV	32%
When I am watching with others in a social setting	24%

# What Users Like

**Users like the easy-to-use interface and the convenience of multi-tasking and streaming on one device**

<b>Reasons for Using Smart Hub/Connected TV</b>	<b>Connected Platform Users</b>
Easy to navigate and use	50%
Allows me to access Internet apps and widgets without having to use a separate device like a smartphone, tablet or computer	43%
Good for watching television on my own time	43%
Lets me stream programs from the Internet back to my TV set	42%
Good for multi-tasking	41%
Makes my overall television experience better	41%
Gives me access to a bigger selection of programs for me to watch	39%
Good value for the money	38%
Integrates all my media devices using a single platform / interface	36%
Allows me to watch programs with the highest quality experience	36%
Lets me catch up on episodes of a particular show that I've missed	35%
Best way to manage all my media devices	35%
Good for when I want to watch with other people	31%

- Nearly half of connected device users like the ability to access Internet features without having to use a separate device
- In addition, the ability to stream from the Internet to the TV set is also a strong motivator which enables them to watch on their own time and gives them a bigger selection of shows to access (e.g. via Netflix)

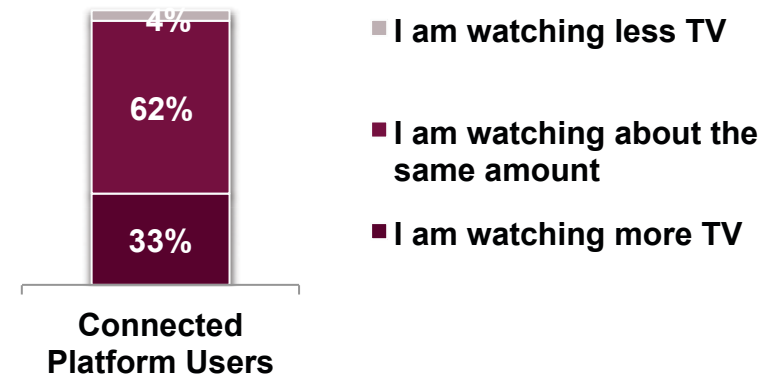
# Impact of the Connected Platform

## As a result, connected platform drives TV usage and device satisfaction

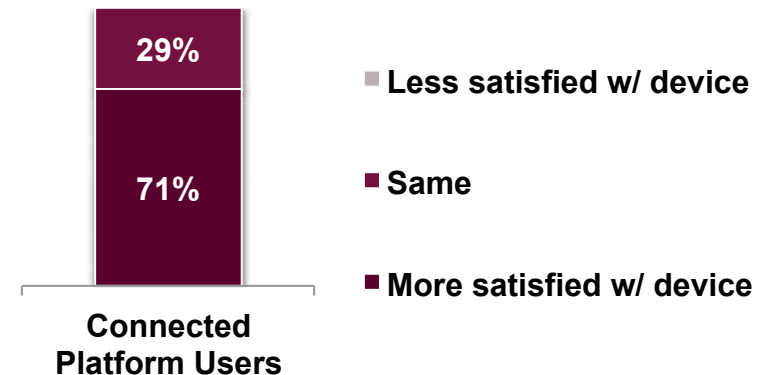
- About one-third of connected platform users are watching more TV as a result of the connected platform
- Of the 5 hours a day people watch TV, they spend 18 minutes leaning forward engaged in search/discovery\*

Rovi/Nielsen. Smart TV Field Lab  
Phase 1, September 2011  
\* Rovi STB Guide Usage Data,  
September 2011

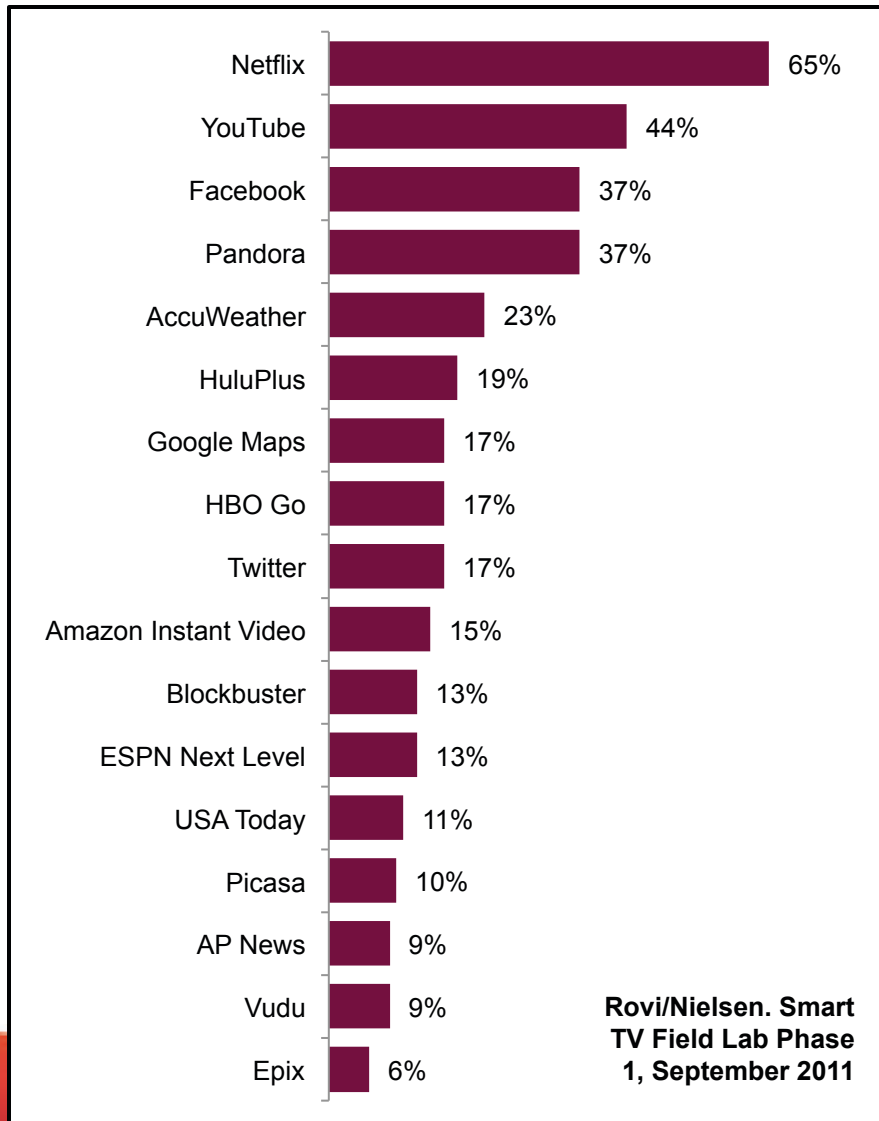
### Impact on TV Viewing



### Impact on Satisfaction with Connected Device



# Applications Usage On Connected Platforms

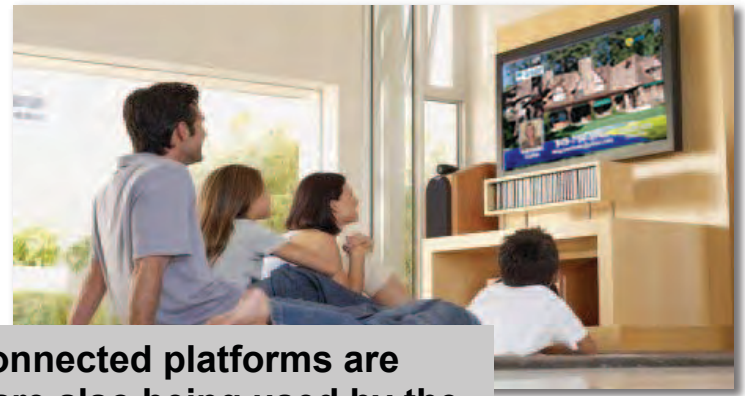


- Nearly two-thirds of connected platform users are accessing the Netflix app on their devices
- YouTube, Facebook and Pandora are also commonly used apps on connected devices

# More Likely Used With Others

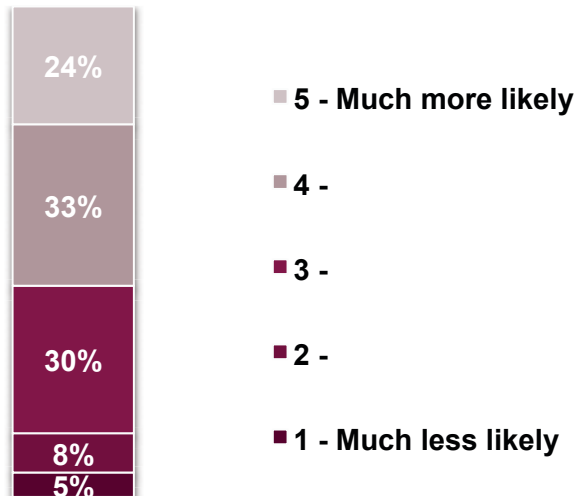
Connected platforms are also more likely to be used when a user is viewing with others

57% are likely to switch over to the feature when watching with others



The connected platforms are often also being used by the spouse and kids in the home

Likelihood to Use Feature When Watching w/ Others



Connected Platform Users

Who else in HH uses connected platform?	Connected Platform Users
My spouse or domestic partner	51%
My kids	38%
Visitors or guests	18%
My brothers/sisters	15%
My parents	14%
My roommate	10%
No one else	22%

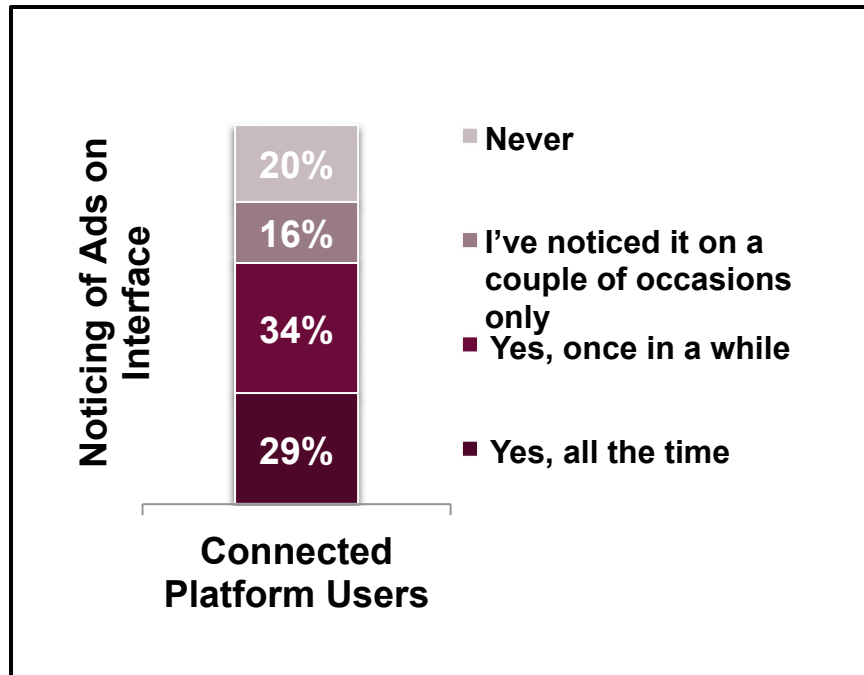
Rovi/Nielsen. Smart TV Field Lab Phase 1, September 2011



# What Does This Mean For Advertisers/Brands?

## Advertising Awareness: 80% of platform users noticed the presence of ads

- About one-third of those who noticed an ad clicked on the ad
- Banners catch their attention, had something they were interested in buying



**32%**

Percent of those who actually clicked on ad (if noticed)

What made them click on the ad/ banner? (those who clicked on an ad/banner)	Connected Platform Users
The banner ad caught my attention	61%
Had a promotion or special I was interested in	46%
Was for a product I was interested in buying	46%
The ad was for a show I wanted to watch	43%
The banner ad looked nice	36%

**Rovi Advertising click-through rates are 10-17%\***

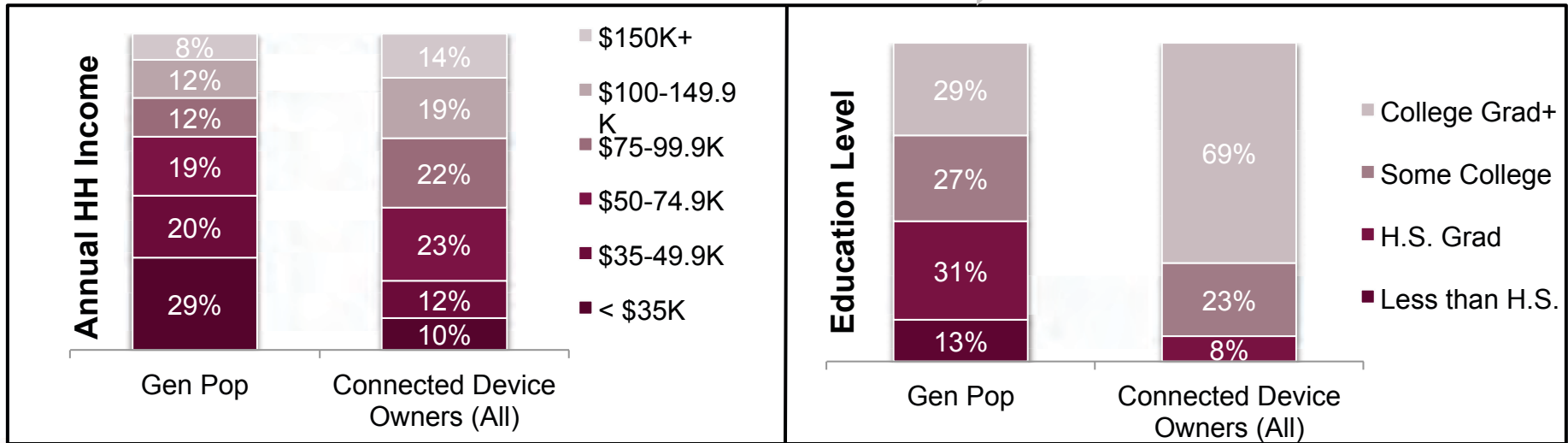
# Connected Device Households

## Connected device households are more affluent and have achieved a higher level of education

- HH Income: \$92.5k
- 2.5 times more likely to be college graduates
- Households most often consist of those who are married and have at least 1 child living in the home (avg. 3.2 HH members)

Typically 2 adults;  
1 child <18

	Connected Device Owners
Males	50%
Females	50%
Under 35 yrs old	50%
35 yrs old +	50%
Married or dom. partnership	63%
Single or not living with part.	37%
Parents of kids <18 in HH	50%
Mean # of people in HH	3.2



# Connected Device Users Are Tech-savvy and Influencers For Tech Purchases

	Connected Device Owners
I am usually the first among my friends to buy new technology (early adopters)	53%
People come to me for advice and information about the latest tech trends (influencers)	55%
<u>Top Devices</u>	
Int-Connected TV	90%
Laptop computer	90%
Game console (PS3, 360, Wii)	81%
Int-Connected BD Player	67%
DVR or TiVo	58%
Tablets (e.g. iPad, Galaxy)	45%
iPhone	41%
Android Smartphone	39%
Avg. number of devices in HH	10.5

## Strong influencers for connected devices



- Half buy products before their friends and also influence the purchases made by others
- More than 90% would recommend the Smart TV Platform to others
- Two-thirds keep up on the latest trends
- Own 11 connected devices in the home
- Top devices also owned in the home include game consoles, DVRs, tablets and media smartphones



Rovi/Nielsen. Smart TV Field Lab Phase 1, September 2011

# Summary

- **The study reinforces the viability of the Rovi Ad Network and Smart TV program as a powerful vehicle for products and brands to reach their target customers**
  - The connected TV market is growing and will experience accelerated growth over the coming years (based on awareness, satisfaction, and usage findings)
  - As expected, at this stage of the adoption curve, connected device owners are an attractive target audience (affluent and influential)
  - **There is high awareness of advertising on the platform, with far higher rates of interaction than other ad mediums**
- Rovi equates advertising results to the uncluttered environment, ad quality and interactivity, and the delivery timing (present when the user is active and leaning forward during content discovery)
- Rovi believes the opportunity for advertisers will continue to grow over time as content choices increase and consumers spend more time actively engaged in personalized search and discovery

**Thank you.**

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