Consumer Behavior and Internet TV

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The Web and TV are coming together in consumer behavior…

The Web and TV are linked together in content
The TV experience starts to resemble the Web experience
Ordering Pizza over Interactive Television

Videogames delivered from a cable server to the TV set

New habits emerge:
The PC as a “second TV set”
Early streaming Web video mixes traditional TV, new content forms and the offbeat

**Streaming Video Content, 2004**
Share of Streaming Video

- Music Videos: 32%
- Film and General Entertainment: 19%
- Internet TV: 15%
- News: 15%
- Sports: 16%
- Internet TV rose from 6% in 2003 to 15% in 2004

Source: AccuStream; iMedia Research, Q 1-2, 2004

**Long Form Advertising**
Movie and TV Show Promos

**CBSNEWS.com**

**VIDEO**

**TOP STORIES**

- Russian Troops Seize School
- The Early Show
- U.S.
- World
- Politics

CBS Evening News

Source:  AccuStream; iMedia Research, Q 1-2, 2004
American Express Webisodes

NBC Screening Room – Program Promos

Underground Video

Paramount Studios – Movie Trailers

JibJab Spoof of the Presidential Campaign

Video Blogs
Steve Garfield's Video Blog

Video File Sharing
Top 10 Pirated TV Shows

Program | Files shared* | Illegal downloading of TV shows increased 368% between 1/04 and 4/05
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SpongeBob Squarepants | 374,555 | 
Will and Grace | 318,997 | 
The O.C. | 240,525 | 
Friends | 222,671 | 
Survivor | 222,404 | 
American Idol | 204,298 | 
Family Guy | 196,330 | 
Futurama | 137,440 | 
Seinfeld | 121,520 | 
The Simpsons | 118,769 | 

Source: BigChampagne; Broadcasting and Cable

* N of files shared during week of December 7, 2004

Video Messaging

Search Engines for Web Video
Discussion

Is there a “killer” application?

Adult content often leads the way…

Followed by…
ESPN PPV on the Web

Are we too early?

Magazine Ad for America’s Independent Light and Power Companies, 1960

Demographics of People Who Download Movies, By Age

The Web TV audience appears to be young and male, but....
Demographics of People Who Download Movies, By Gender

- Female: 19%
- Male: 81%

Video downloads were 0.3% of sales and rentals revenue in Q1-2 2004

Source: NPD, Video Business

Gender of Internet Users in the U.S.

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>1998</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>2000</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>2005</td>
<td>51%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: GVU, Pew Research Center

The consumer experience of Web video is still mixed
The demand for mobile access to media
The demand for outside-the-home access to media includes television.
What Devices?  
One Device or Many?

PVRs  
Personal Computers  
Networked TV Sets  
New Generation Cell Phones  
Laptops  
Portable Videogame Players  
Proprietary Devices  
Hybrids