

## Baby Boomer Professionals: Internet & TV Viewing Survey

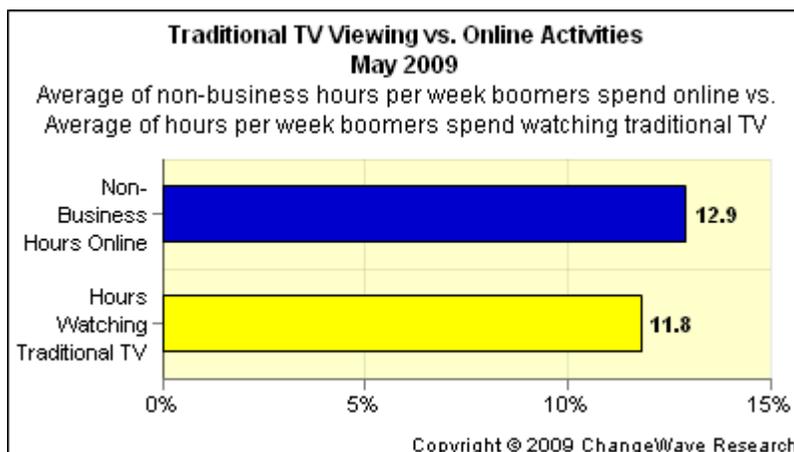
### *Shift in Habits Bodes Poorly for Traditional TV Service Providers*

**Overview:** A couple of decades back it was the Baby Boomers driving new waves of consumer demand, but are they still at the forefront of today's media and technology transformation?

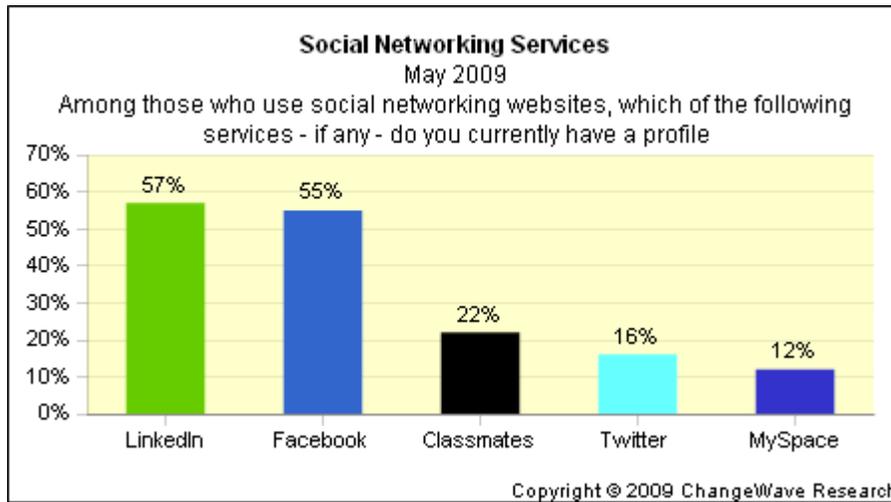
Surprisingly so, according to the latest ChangeWave survey of 1,660 members of the Baby Boom generation – all of them business professionals between the ages of 45 and 63.

The benchmark ChangeWave survey, completed in early May, focused on TV viewing habits vs. home Internet usage – and shows a powerful shift occurring among Boomers away from traditional TV viewing towards new types of online services and entertainment. Moreover, the transformation has affected lifelong habits including:

- By a five-to-one margin (30% vs. 6%), Boomers are watching less traditional television than they did a year ago.
- Among those watching less traditional TV, nearly two-thirds (62%) say it's because they're *not as interested in what's on TV these days*, and another 26% say they're spending more time *surfing the web*.
- Importantly, Boomers now spend more non-business hours online (12.9 hrs per week average) than they do watching traditional television (11.8 hrs per week average).



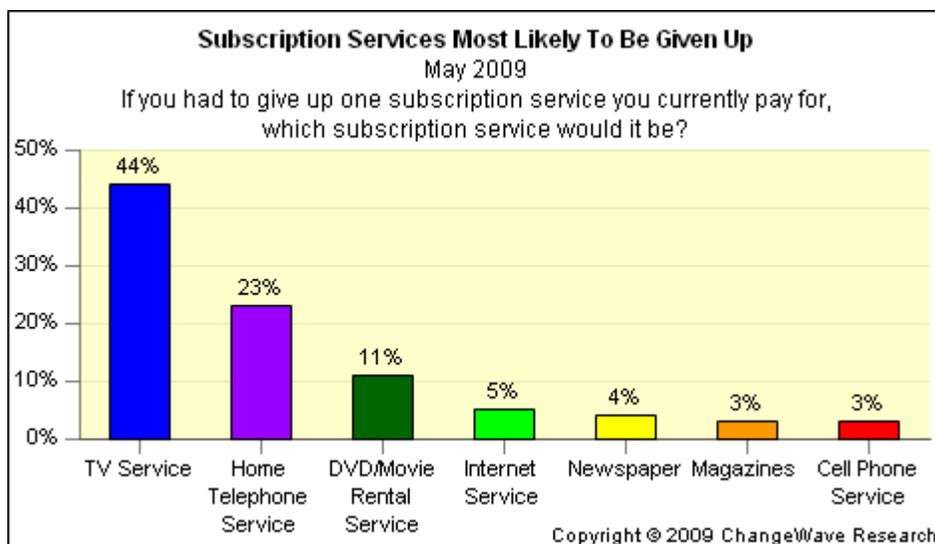
- One place that Boomer professionals are spending more time online is with social networking sites – where 51% say they currently maintain one or more profiles.
- Among this group, nearly three-in-five (57%) report they use the networking site LinkedIn. Another 55% have a Facebook profile – the social networking site normally thought to be most popular among teenagers.



- But Boomer interest in social networking services has its limitations – 77% of users report they would not be willing to pay a subscriber fee for social networking. Of all the services, LinkedIn is the most likely to attract paid subscribers. Even so, only 7% of LinkedIn users say they’d be willing to pay a fee if it was no longer free.

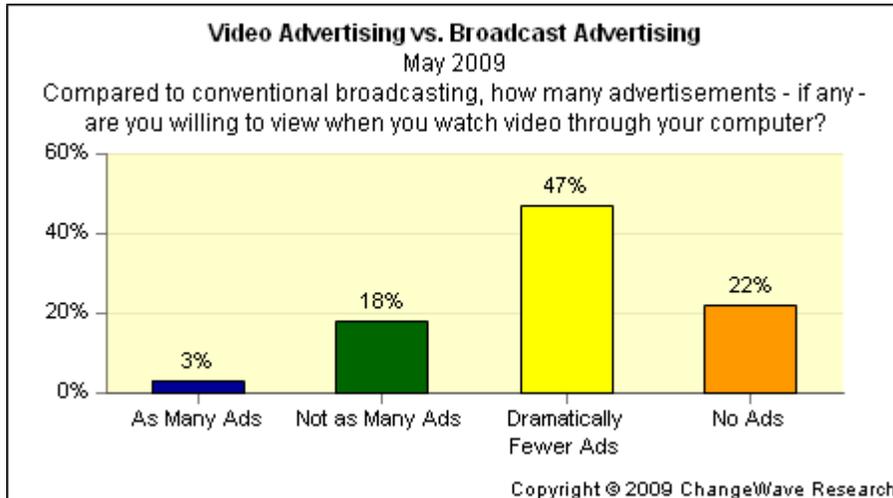
## A Closer Look at Traditional TV vs. Alternative Programming

- Among traditional TV viewers, an astonishing one in five (20%) say they’re likely to downgrade or cancel their current TV service package. The likelihood of canceling is highest among Cable subscribers (22%) and Satellite subscribers (22%), and lowest among fiber-optic TV subscribers (7%) – and of those likely to cancel, 20% say they’ll be watching more Video-over-the-Internet.
- We also asked Boomer respondents to tell us which one subscription service they now pay for that they would be most willing to give up, and again its TV Service (44%) that appears most vulnerable – scoring significantly worse than any other subscription service.



- Adding fuel to the fire, Video-over-the-Internet now clearly represents a significant threat to traditional TV viewing. Better than two-thirds of Boomers (69%) say they have watched video content on their computer over the past 90 days. Even more ominously, 48% of respondents say they’d be willing to pay a monthly fee for a Video-over-the-Internet subscription if it provided the programming currently available on their TV service.

- YouTube.com (79%) is the leading online website Boomers use to watch video, followed by TV Network Websites (39%), Hulu.com (16%) and iTunes (11%).
- We also asked Boomers who watch video over the Internet to tell us how willing they are to view advertisements. While Boomers clearly want to see fewer ads when viewing video through their computer than they do with conventional broadcasting, more than two-thirds (68%) do say they are willing to view at least some ads online.



## Summary of Key Findings

### Shift in Habits Bodes Poorly for Traditional TV Service Providers

- By a five-to-one margin (30% vs. 6%), Boomers are watching *less* traditional TV than they did a year ago
- Among this group, 62% say it's because they're *not as interested in what's on TV these days*, and another 26% say they're spending more time *surfing the web*
- Importantly, Boomers now spend more non-business hours online than they do watching traditional TV (12.9 hrs v. 11.8 hrs per wk)

### Social Networking – Breaking Through With Boomers

- 51% say they now have a profile on a social networking site
- Top Social Networking Sites**
- 57% have a profile on LinkedIn
  - 55% on Facebook
  - But 77% of users would not be willing to pay a subscriber fee for social networking websites

### Traditional TV vs. Alternative Programming

#### Worrisome Signs for TV Service Providers

- 20% are likely to downgrade (or cancel) their current TV service – mostly among Cable and Satellite users

#### #1 Service Respondents Are Willing To Give Up

- 44% say TV Service

#### Alternative TV Options

- 48% say they'd pay a monthly fee for a TV Internet subscription with the same programming available on their TV service

The ChangeWave Alliance Research Network is a group of 20,000 highly qualified business, technology, and medical professionals – as well as early adopter consumers – who work in leading companies of select industries. They are credentialed professionals who spend their everyday lives on the frontline of technological change. ChangeWave surveys its Network members weekly on a range of business and consumer topics, and converts the information into a series of proprietary quantitative and qualitative reports.

## **Table of Contents**

---

<b>Summary of Key Findings .....</b>	<b>3</b>
<b>The Findings .....</b>	<b>5</b>
(A) Traditional TV Viewing vs. Online Activities .....	5
(B) TV Viewing and Alternative Programming Distribution Services.....	8
(C) Subscription Services .....	13
<b>ChangeWave Research Methodology.....</b>	<b>14</b>
<b>About ChangeWave Research.....</b>	<b>14</b>

## I. The Findings

### Introduction

A couple of decades back it was the Baby Boomers driving new waves of consumer demand, but are they still at the forefront of today’s media and technology transformation?

Surprisingly so, according to the latest ChangeWave survey of 1,660 members of the Baby Boom generation – all of them business professionals between the ages of 45 and 63.

The benchmark ChangeWave survey, completed in early May, focused on TV viewing habits vs. home Internet usage – and shows a powerful shift occurring among Boomers away from traditional TV viewing towards new types of online services and entertainment.

### (A) Traditional TV Viewing vs. Online Activities

**Are you currently watching more traditional TV that you did a year ago, less than you did a year ago, or about the same compared to a year ago?**

	Current Survey May '09
More Than a Year Ago	6%
Less Than a Year Ago	30%
About the Same	62%
Don't Know	0%
No Answer	1%

By a five-to-one margin (30% vs. 6%), Boomers are watching less traditional television than they did a year ago.

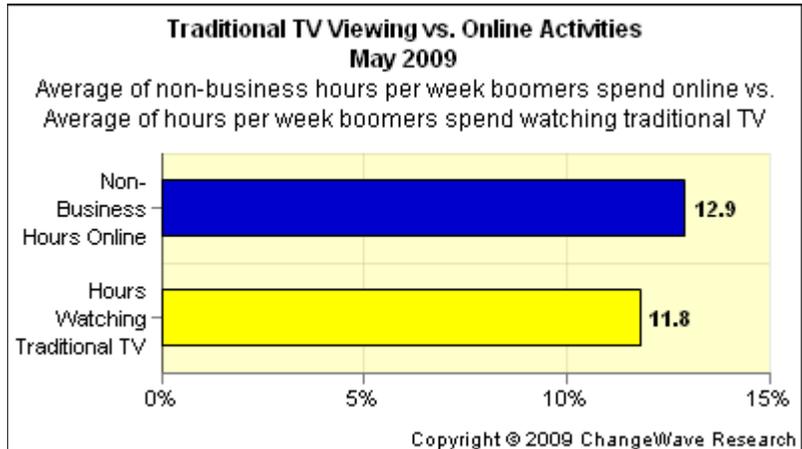
**For those who said less, what are the primary reasons why? (Check All That Apply)**  
(n=506)

	Current Survey May '09
I'm Spending Time Engaged in Non-Video Activities Online (e.g., Surfing the Web)	26%
I'm Watching More DVR Content Rather than Live TV	22%
I'm Watching More Video on Demand (VOD)	9%
I'm Watching More TV on the Internet (e.g., Hulu.com, TV.com)	9%
I'm Watching More Non-Standardized Internet Video (e.g., YouTube, MySpace Video)	6%
I'm Just Less Interested in What's on TV These Days	62%
Other	11%

Among those watching less traditional TV, nearly two-thirds (62%) say it’s because they’re *not as interested in what's on TV these days*, and another 26% say they’re spending more time *surfing the web* (26%).

**ChangeWave Research: Boomer Internet Usage and TV Viewing Habits**

Importantly, Boomers now spend more non-business hours online (12.9 hrs per week average) than they do watching traditional television (11.8 hrs per week average).



**How many hours per week would you say you currently spend watching traditional television?**

	<b>Current Survey May '09</b>
1-5 Hours	19%
6-10 Hours	<b>27%</b>
11-15 Hours	22%
16-20 Hours	14%
21-25 Hours	7%
26-30 Hours	3%
Over 30 Hours	3%
None	3%

**Consensus Estimate:** 11.8 Hours

**How many non-business hours per week would you say you currently spend online?**

	<b>Current Survey May '09</b>
1-5 Hours	18%
6-10 Hours	<b>29%</b>
11-15 Hours	22%
16-20 Hours	15%
21-25 Hours	7%
26-30 Hours	3%
Over 30 Hours	6%
None	0%

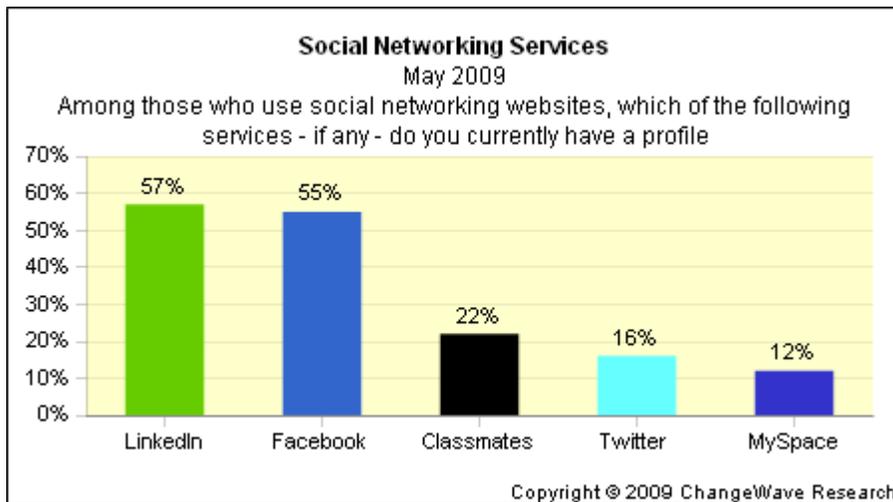
**Consensus Estimate:** 12.9 Hours

## Social Networking

One place that Boomer professionals are spending more time online is with social networking sites – where 51% say they currently maintain one or more profiles.

***For which of the following Social Networking services - if any - do you currently have a profile? (Check All That Apply)***

	<b>Current Survey May '09</b>
LinkedIn	<b>57%</b>
Facebook	<b>55%</b>
Classmates.com	<b>22%</b>
Twitter	<b>16%</b>
MySpace	12%
Mylife/Reunion.com	4%
Yahoo! 360	4%
Friendster	2%
Other	6%



Among this group, nearly three-in-five (57%) report they use the networking site LinkedIn. Another 55% have a Facebook profile – the social networking site normally thought to be most popular among teenagers.

## ChangeWave Research: Boomer Internet Usage and TV Viewing Habits

**For which of the following Social Networking services - if any - would you be willing to pay a subscriber fee if the service was no longer free? (Check All That Apply) (n=854)**

	Current Survey May '09
None	77%
LinkedIn	7%
Facebook	4%
Classmates.com	2%
Twitter	1%
Friendster	0%
Mylife/Reunion.com	0%
MySpace	0%
Yahoo! 360	0%
Don't Know	5%

But Boomer interest in social networking services has its limitations – 77% of users report they would not be willing to pay a subscriber fee for social networking. Of all the services, LinkedIn is the most likely to attract paid subscribers. Even so, only 7% of LinkedIn users say they'd be willing to pay a fee if it was no longer free.

## (B) TV Viewing and Alternative Programming Distribution Services

**Do you currently pay for TV programming service at home?**

	Current Survey May '09
Yes	80%
No	20%

**What type of TV service do you currently subscribe to? (n=1,333)**

	Current Survey May '09
Cable TV Service	64%
Satellite TV Service	28%
Fiber-Optic TV Service	7%
Other	1%

## ChangeWave Research: Boomer Internet Usage and TV Viewing Habits

**Over the next 6 months, how likely are you to downgrade (or cancel) your TV service package?** (n=1,333)

	<b>Current Survey May '09</b>
Very Likely	<b>6%</b>
Somewhat Likely	<b>14%</b>
Not Very Likely	44%
Not At All Likely	34%
Don't Know	2%

### Breakdown by Type of Provider:

	<b>Current Survey May '09</b>		<b>Current Cable TV Service Subscribers</b>	<b>Current Satellite TV Service Subscribers</b>	<b>Current Fiber-Optic TV Service Subscribers</b>
Very Likely	<b>6%</b>		7%	7%	1%
Somewhat Likely	<b>14%</b>		15%	15%	6%
Not Very Likely	44%		45%	43%	39%
Not At All Likely	34%		31%	35%	54%
Don't Know	2%		2%	1%	0%

Among traditional TV viewers, an astonishing one in five (20%) say they're likely to downgrade or cancel their current TV service package. The likelihood of canceling is highest among Cable subscribers (22%) and Satellite subscribers (22%), and lowest among fiber-optic TV subscribers (7%).

### Why? (n=301)

	<b>Current Survey May '09</b>
Cost	62%
Switching/Using Other Services Instead	11%
Lack of Quality Programming	11%
Not Using Current Services Enough	8%
Other	9%

Cost (62%) is the predominant reason respondents are downgrading/canceling.

## Alternative Programming

***For those who are likely to downgrade (or cancel) their TV service, will you be watching more video over the Internet? (n=273)***

	<b>Current Survey May '09</b>
Yes	<b>20%</b>
No	52%
Don't Know/No Answer	27%

***Over the past 90 days, have you watched any video content through your computer?***

	<b>Current Survey May '09</b>
Yes	69%
No / No Answer	30%

Video-over-the-Internet now clearly represents a significant threat to traditional TV viewing. Better than two-thirds of Boomers (69%) say they have watched video content on their computer over the past 90 days.

***How much would you be willing to pay per month for a video over the Internet subscription which provided all the programming currently available on your TV service?***

	<b>Current Survey May '09</b>
\$0 - Would Not Pay Anything	33%
\$1-5 Monthly Subscription Fee	<b>8%</b>
\$6-10 Monthly Subscription Fee	<b>9%</b>
\$11-15 Monthly Subscription Fee	<b>5%</b>
\$16-20 Monthly Subscription Fee	<b>5%</b>
\$21-25 Monthly Subscription Fee	<b>5%</b>
\$26-30 Monthly Subscription Fee	<b>4%</b>
\$31-35 Monthly Subscription Fee	<b>2%</b>
\$36-40 Monthly Subscription Fee	<b>3%</b>
\$41-45 Monthly Subscription Fee	<b>1%</b>
\$46-50 Monthly Subscription Fee	<b>3%</b>
More Than \$50 Monthly Subscription Fee	<b>3%</b>
Don't Know/No Answer	18%

Even more ominously, 48% of respondents say they'd be willing to pay a monthly fee for a Video-over-the-Internet subscription if it provided the programming currently available on their TV service.

## ChangeWave Research: Boomer Internet Usage and TV Viewing Habits

**Which of the following websites have you used to watch video over the past 90 days through your computer? (Check All That Apply) (n=1,151)**

	Current Survey May '09
YouTube.com	79%
TV Network's Website (e.g., cbs.com, fox.com, nbc.com, etc.)	39%
Hulu.com	16%
iTunes	11%
Netflix.com	9%
Amazon.com	4%
AOL Television	2%
TV.com	2%
Joost.com	1%
TVGuide.com	1%
Other	14%

YouTube.com (79%) is the leading online website Boomers use to watch video, followed by TV Network Websites (39%), Hulu.com (16%) and iTunes (11%).

**Over the next 90 days, how likely are you to watch video content through your computer?**

	Current Survey May '09
Very Likely	38%
Somewhat Likely	27%
Not Very Likely	20%
Not At All Likely	11%
Don't Know/No Answer	3%

**Which of the following websites do you think you'll use to watch video over the next 90 days through your computer? (Check All That Apply) (n=1,095)**

	Current Survey May '09
YouTube.com	77%
TV Network's Website (e.g., cbs.com, fox.com, nbc.com, etc.)	42%
Hulu.com	20%
iTunes	12%
Netflix.com	11%
Amazon.com	5%
TV.com	3%
AOL Television	2%
Joost.com	1%
TVGuide.com	1%
Other	12%

## ChangeWave Research: Boomer Internet Usage and TV Viewing Habits

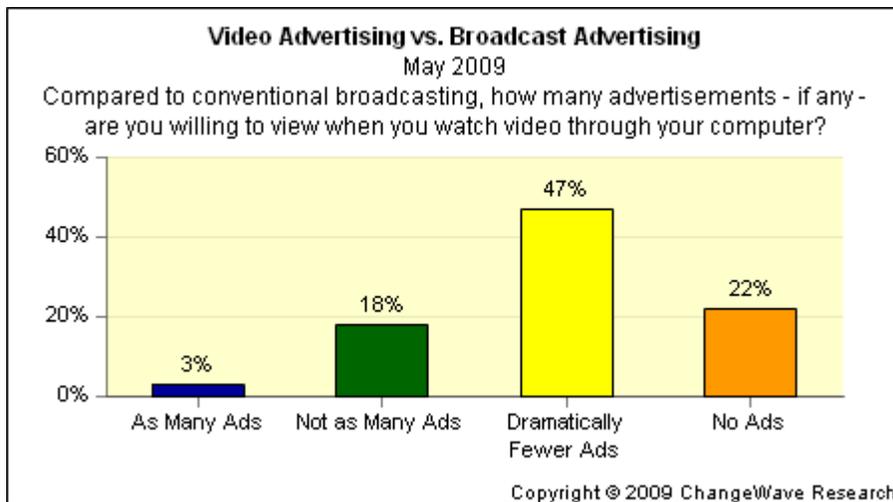
Looking ahead, the trend is similar with 65% reporting they're *Very* or *Somewhat Likely* to watch video content through the computer over the next 90 days. YouTube.com looks to continue as the overwhelming favorite website.

We also asked Boomers who watch video over the Internet to tell us how willing they are to view advertisements.

***How many advertisements - if any - are you willing to view when you watch video through your computer? (n=1,203)***

	Current Survey May '09
As Many Advertisements as with Conventional Broadcasting	3%
Some Advertisements but Not as Many as with Conventional Broadcasting	18%
Dramatically Fewer Advertisements than with Conventional Broadcasting	47%
No Advertisements	22%
Don't Know	3%
No Answer	7%

While Boomers clearly want to see fewer ads when viewing video through their computer than they do with conventional broadcasting, more than two-thirds (68%) do say they are willing to view at least some ads online.

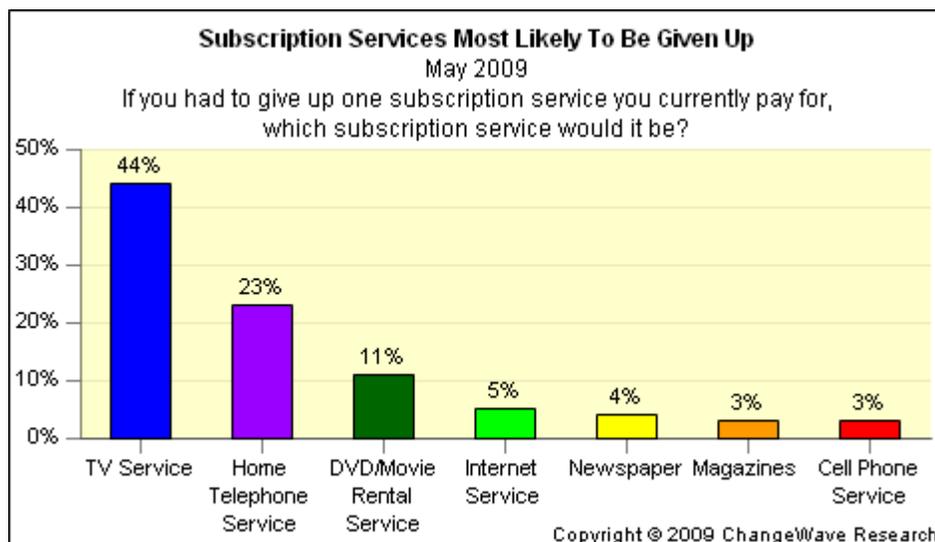


## (E) Subscription Services

We also asked Boomer respondents to tell us which one subscription service they now pay for that they would be most willing to give up, and again its *TV Service* (44%) that appears most vulnerable – scoring significantly worse than any other subscription service.

***If you had to give up one subscription service you currently pay for, which subscription service would it be and why?*** (n=734)

TV Service	44%
Land Line/ Home Telephone Service	23%
DVD/Movie Rental Services	11%
Internet Service	5%
Newspaper	4%
Magazines	3%
Cell Phone Service	3%
Other	8%



We also asked which one subscription service that they'd be least likely to give up.

***And which one subscription service would you be least likely to give up?*** (n=775)

Internet Service	56%
TV Service	23%
Cell Phone Service	6%
Land Line/ Home Telephone Service	4%
DVD/Movie Rental Services	3%
Verizon FIOS	1%
Other	7%

**Subscription Service Least Likely to Give Up.** On the other hand, Internet Service (56%) ranks as the top subscription service Boomers are least likely to give up.

## II. ChangeWave Research Methodology

---

This report presents the findings of a recent ChangeWave survey on consumer Internet usage and TV viewing habits. The survey was conducted between April 28 – May 1, 2009. A total of 1,660 consumers participated in the survey.

ChangeWave's proprietary research and business intelligence gathering system is based upon the systematic gathering of valuable business and investment information directly over the Internet from accredited members.

The Research Network is assembled from senior technology and business executives in leading companies of select industries. Nearly 3 out of every 5 members (56%) have advanced degrees (e.g., Master's or Ph.D.) and 93% have at least a four-year bachelor's degree.

The business and investment intelligence provided by ChangeWave provides a real-time view of companies, technologies and business trends in key market sectors, along with an in-depth perspective of the macro economy – well in advance of other available sources.

## III. About ChangeWave Research

---

ChangeWave Research, a subsidiary of InvestorPlace Media, LLC, identifies and quantifies "change" in industries and companies through surveying a network of thousands of business executives and professionals working in more than 20 industries.

The ChangeWave Research Network is a group of 20,000 highly qualified business, technology, and medical professionals – as well as early adopter consumers – who work in leading companies of select industries. They are credentialed professionals who spend their everyday lives on the frontline of technological change. ChangeWave surveys its Network members weekly on a range of business and consumer topics, and converts the information into a series of proprietary quantitative and qualitative reports.

ChangeWave delivers its products and services on the Web at [www.ChangeWave.com](http://www.ChangeWave.com).

ChangeWave Research does not make any warranties, express or implied, as to results to be obtained from using the information in this report. Investors should obtain individual financial advice based on their own particular circumstances before making any investment decisions based upon information in this report.

### For More Information:

ChangeWave Research  
9201 Corporate Blvd.  
Rockville, MD 20850  
USA

Telephone: 301-250-2200  
Fax: 301-926-8413  
[www.ChangeWave.com](http://www.ChangeWave.com)  
[alliance@changewave.com](mailto:alliance@changewave.com)