TV Everywhere Market Profile

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Research Objectives

- Develop a statistically robust profile of US video content consumption patterns outside the workplace.
- Determine the current incidence of video content delivered via the Internet relative to video content delivered through cable, satellite, fiber, digital antennae and physical media, e.g., DVD.
- Identify trends in the use of these alternative video distribution channels.
- Identify and determine the relative influence of the factors responsible for video content distribution, channel preference, and utilization.
- Profile how these findings vary across different consumer segments.

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Methodology

- A random cross-section of 2,000 US consumers* was recruited to participate in a 20-minute online survey exploring their household's video content consumption habits and preferences.
- A 'what did you do yesterday' sampling approach was used to capture video watching and use of alternative video delivery channels. This 'previous day' timeframe was used to minimize potential recall-related reporting errors. Respondents were recruited using a sampling protocol which produced a sample that was evenly balanced across all seven days of the week. The rolled-up view of these individual daily video consumption profiles provides the foundation of our volumetric market estimates.
- Spending behavior was captured using a 'last month' frame of reference.
- Results of the 2,000 interviews are subject to a 95% confidence interval no greater than +/- 2.2%. This means the results come within plus or minus 2.2% of the results that would have been obtained, given a census of all qualified individuals.

*The sample frame used to recruit research participants was limited to individuals with Internet/Web access and an active email account.

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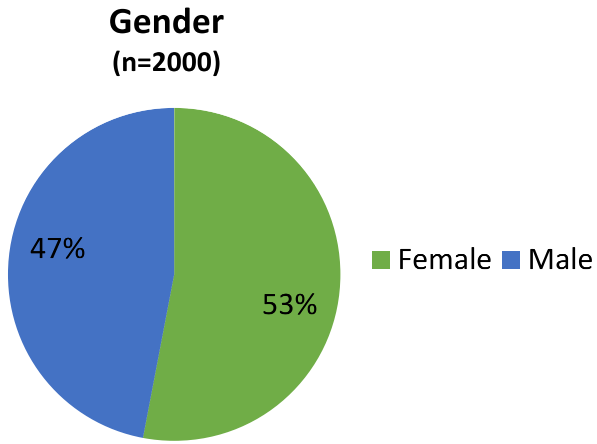
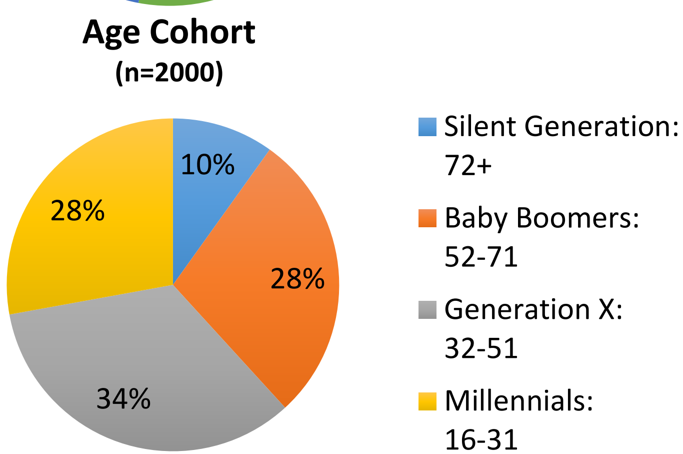
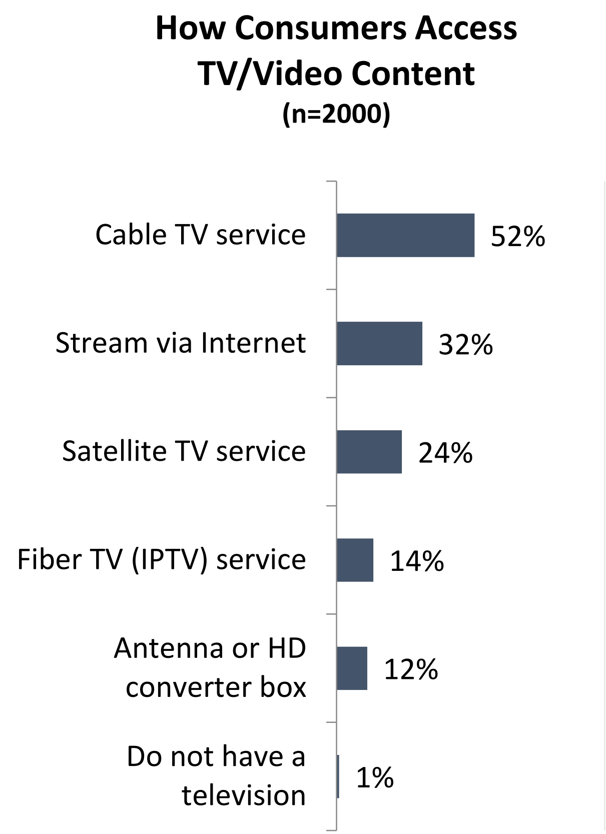
Sample Profile

- Research results were weighted to align with the age and gender composition of the US as reported by the US Census Bureau in its 2013 population update.



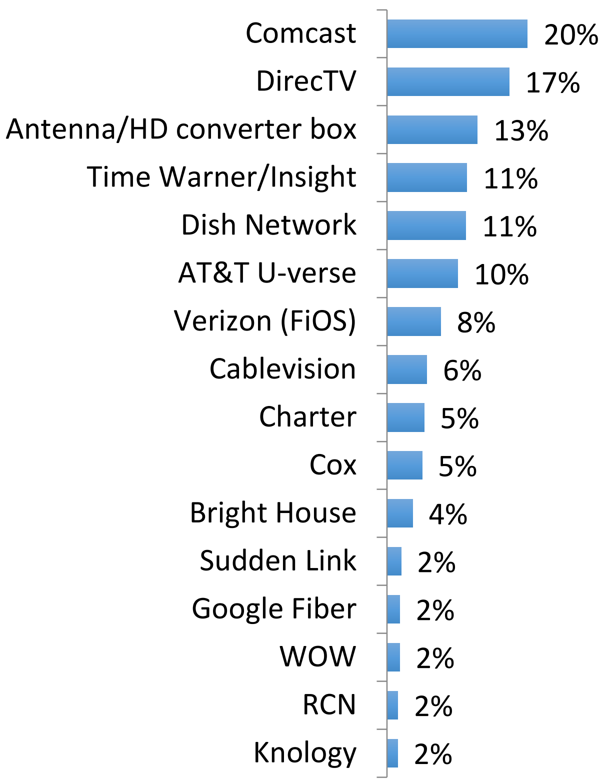




S2. Please indicate your gender.
S3. And what is your age?
Q1: Which of the following best describe how your household receives the TV and video content you watch?

Sample Profile - Video Content Distributor Subscription Incidence Alignment

Video Distributor/Source Currently Used
(n=2000)



Multi-channel Video Provider	Subscribers at the end of Q1 2013	Net Adds in Q1 2013	Net Adds in Past Year
Cable Companies			
Comcast	21,935,000	(60,000)	(359,000)
Time Warner	12,100,000	(118,000)	(553,000)
Charter	4,124,000	(34,000)	(217,000)
Cablevision	3,191,000	(6,000)	(66,000)
Suddenlink	1,211,900	700	(35,300)
Mediacom	999,000	(1,000)	(60,000)
Cable ONE	588,180	(5,435)	(34,159)
Other major private companies	6,895,000	(40,000)	(235,000)
Total Top Cable	**51,044,080**	**(263,735)**	**(1,559,459)**
Satellite TV Companies (DBS)			
DirecTV	20,105,000	21,000	139,000
Dish Network	14,092,000	36,000	21,000
Total Top DBS	**34,197,000**	**57,000**	**160,000**
Telephone Companies			
Verizon FiOS	4,895,000	169,000	542,000
AT&T U-verse	4,768,000	232,000	777,000
Total Top Phone	**9,663,000**	**401,000**	**1,319,000**
Total Multi-channel Video	**94,904,080**	**194,265**	**(80,459)**

Sources: The Companies and Leichtman Research Group, Inc.

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Q14: What is your level of familiarity with the following video programming distributors?

Executive Summary

Executive Summary

Streaming services are positioned for strong growth, held back only by issues with image reliability/resolution and (where applicable) the degree to which viewers can fast-forward through commercials. Streaming services generally outperform traditional service providers on key aspects of service fulfillment and accordingly, have higher brand affinity and summative index scores. These findings argue for traditional service providers to explore new 'TV everywhere' options and other ways to enhance content accessibility, viewability and ease-of-use—the three factors with the greatest influence on consumers' choice of service provider.

When it comes to their choice of service providers, consumers first consider content accessibility, not cost; in fact, content accessibility is four times more influential than cost. The shift from cable-only to dual sourcing of video content is driven primarily by access to desirable content, followed by viewing flexibility, ease-of-use, content delivery and lastly, cost. This dynamic suggests that traditional service providers can minimize subscriber and revenue loss by improving content accessibility and other non-pricing aspects of its services insofar as they maintain reasonable price models relative to alternatives.

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Executive Summary

The most significant revenue threat to traditional service providers comes from dual users shifting to a combination of cable/satellite/fiber and streaming services. 'Cord-cutting' consumers, who only access video content via streaming, account for about 2% of total video spend in the US. Barring a new disruptive technology, this percentage is likely to grow at a relatively modest pace for the foreseeable future. We found that about one in eight consumers (about 13%) is likely to 'cut the cord' within the next year. This may initially sound like a substantial increase in subscriber loss, but recent history indicates that most are likely to join the larger trend toward a hybrid model of traditional and streaming services. Accordingly, traditional service providers should develop strategies to manage this trend, perhaps by developing more robust 'TV everywhere' offerings, to minimize subscriber churn and associated revenue declines.

Executive Summary

Baby Boomers and Millennials are leading the charge to 'cut the cord.' Compared to other age cohorts, a larger percentage of these age groups is inclined to abandon traditional video distribution channels. Given their relatively low opinion of cable and other traditional service providers, Millennials will undoubtedly accelerate the shift toward OTT options as they age and increase their household earnings.

There is no consensus among consumers on the best—most appealing—pricing model, though a solid plurality (41%) prefer a Netflix-style model that allows for unlimited viewing of a limited library for a fixed monthly fee. This preference is even more pronounced among Millennials—52% of them prefer this option. Netflix and YouTube are largely setting consumers' expectations in terms of their preferred pricing model. The second-most preferred pricing model among the four we tested is akin to YouTube—free access to a limited library with occasional advertising. Only about 28% of consumers prefer a model in which they actually pay for discrete content. These findings indicate that traditional service providers need to create opportunities to enhance the value of their bundles through apps and other Internet-based extensions of their current services.

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Executive Summary

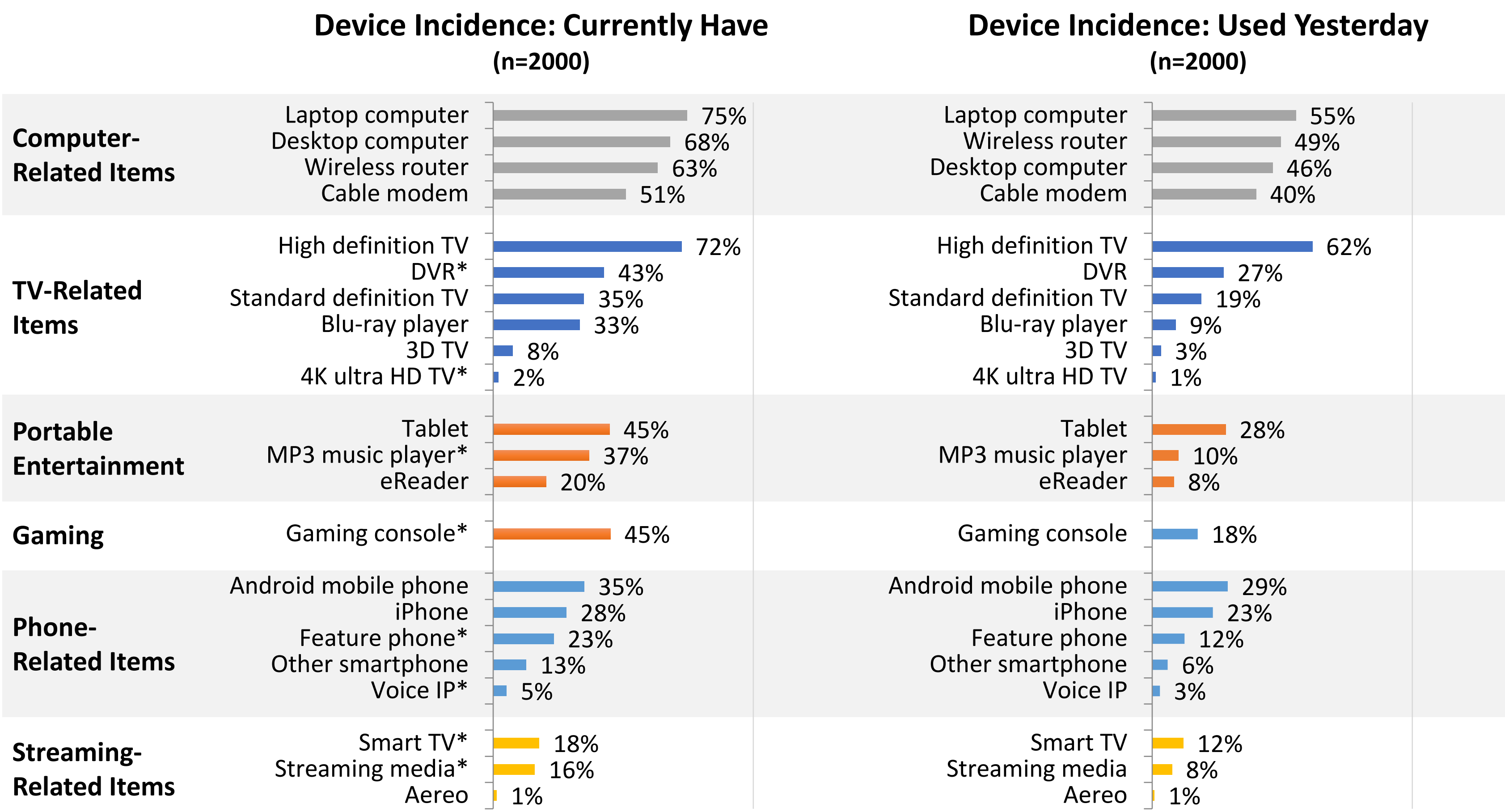
Millennials are more likely than older consumers to use a mobile device to watch video via the Internet and are more inclined to watch short-form content, rather than traditional TV programming or movies. This shift in device and content preferences presents both risks and opportunities for traditional video service providers. Service providers that offer innovative 'TV everywhere' options and actively cultivate exceptional short-form content are likely to be in the best position to win.

Consumer satisfaction with service providers/sources is extremely low. With that in mind, however, streaming service providers significantly outperform both cable and satellite video content distributors in terms of fulfilling consumer expectations. For example, traditional Net Promoter Scores (NPS) for most service providers are negative. As determined by NPS, Netflix leads the pack in satisfaction with a score of 23%. Expanding content accessibility, as well as viewing and delivery options, can help service providers gain ground here.

Technographic Profile

Technology Audit

Technology utilization patterns among US households with Internet access show that about three in four of these consumers have the equipment and experience required to view video content delivered over the Internet.



*Additional description of device available in notes section

S4: Which of the following do you currently have? *(Please select all that apply)*
S5: Which of the following did you use on **[IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"]**? *(Please select all that apply)*

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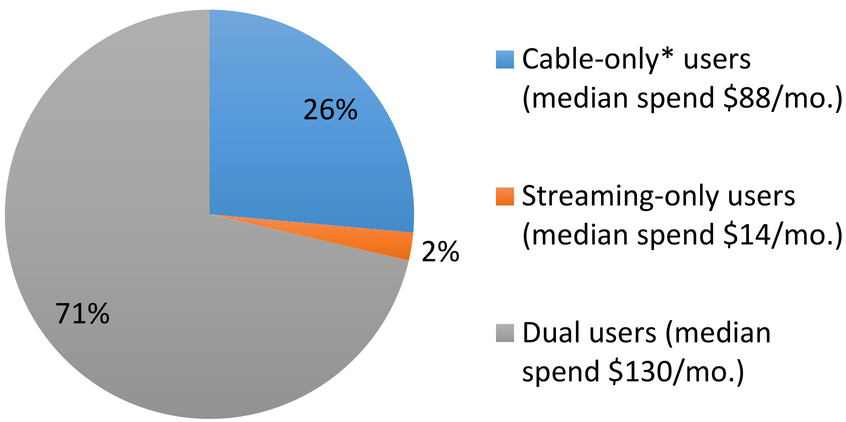
Share of Overall Video Content Spend

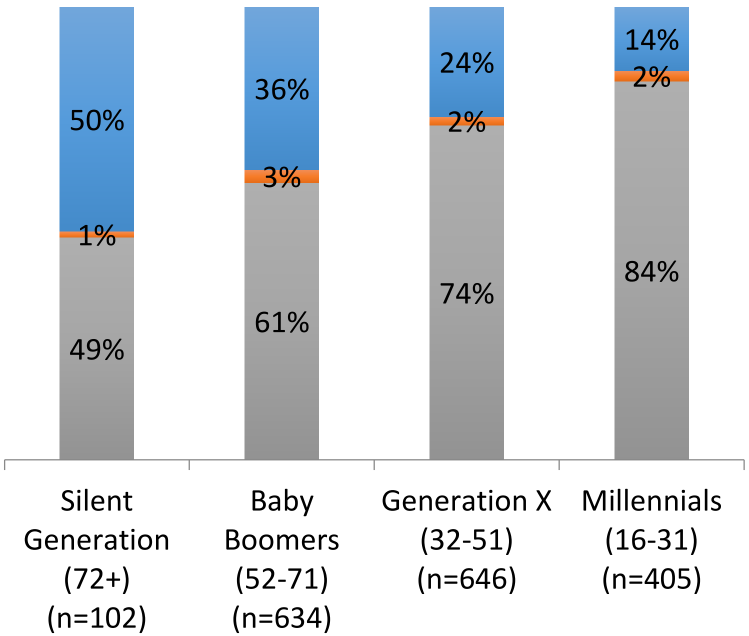
'Cord-cutting' consumers account for about 2% of the total video content spend in the US consumer market. The most significant revenue threat to traditional service providers comes from dual users shifting to a combination of cable/satellite/fiber and streaming services.

Share of Wallet
(n=1787)



*Includes cable TV service, satellite TV service, fiber TV (IP TV) service and antenna or HD converter box

Share of Wallet by Age Cohort
(n=1787)



Q15. Approximately how much did you/your household pay LAST MONTH to access video programming from the following distributors?
Q17. Approximately what is the total monthly amount paid by you or your household for access to the following video- on-demand services?

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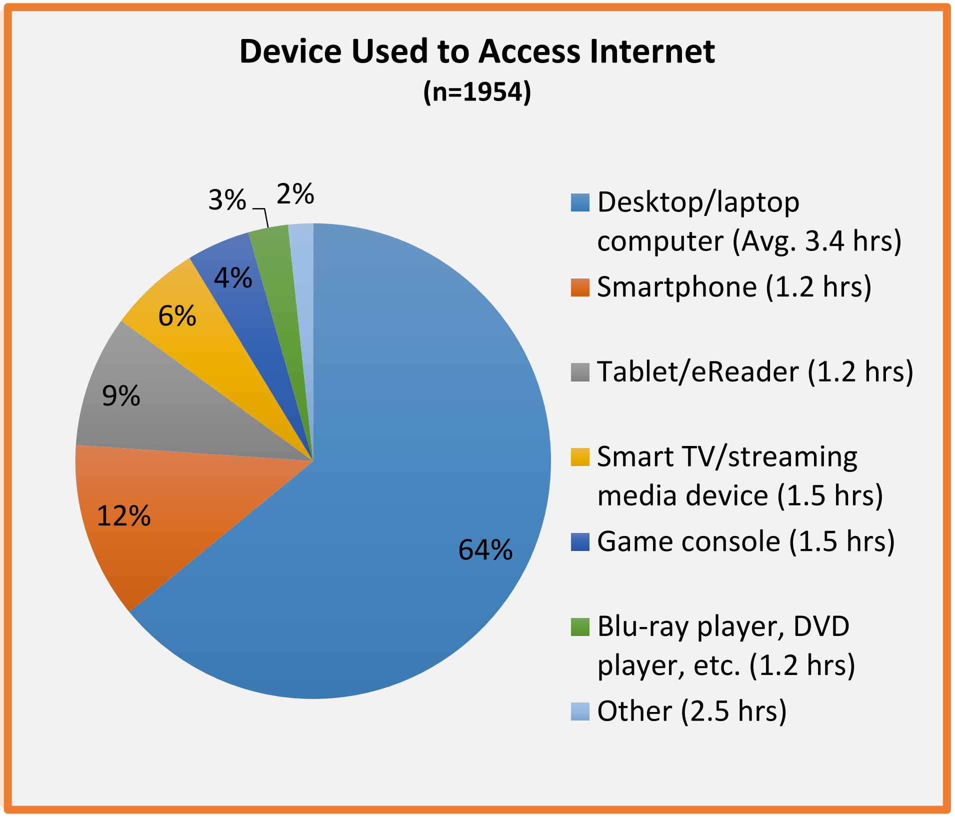
Internet Usage Profile

The typical US adult spends an average of 4.6 hours per day using the Internet for non-work-related activity. About one quarter of this activity (23%) involves use of a mobile device.

Average Number of Hours Spent Using the Internet Yesterday*
(n=2000)

4.6

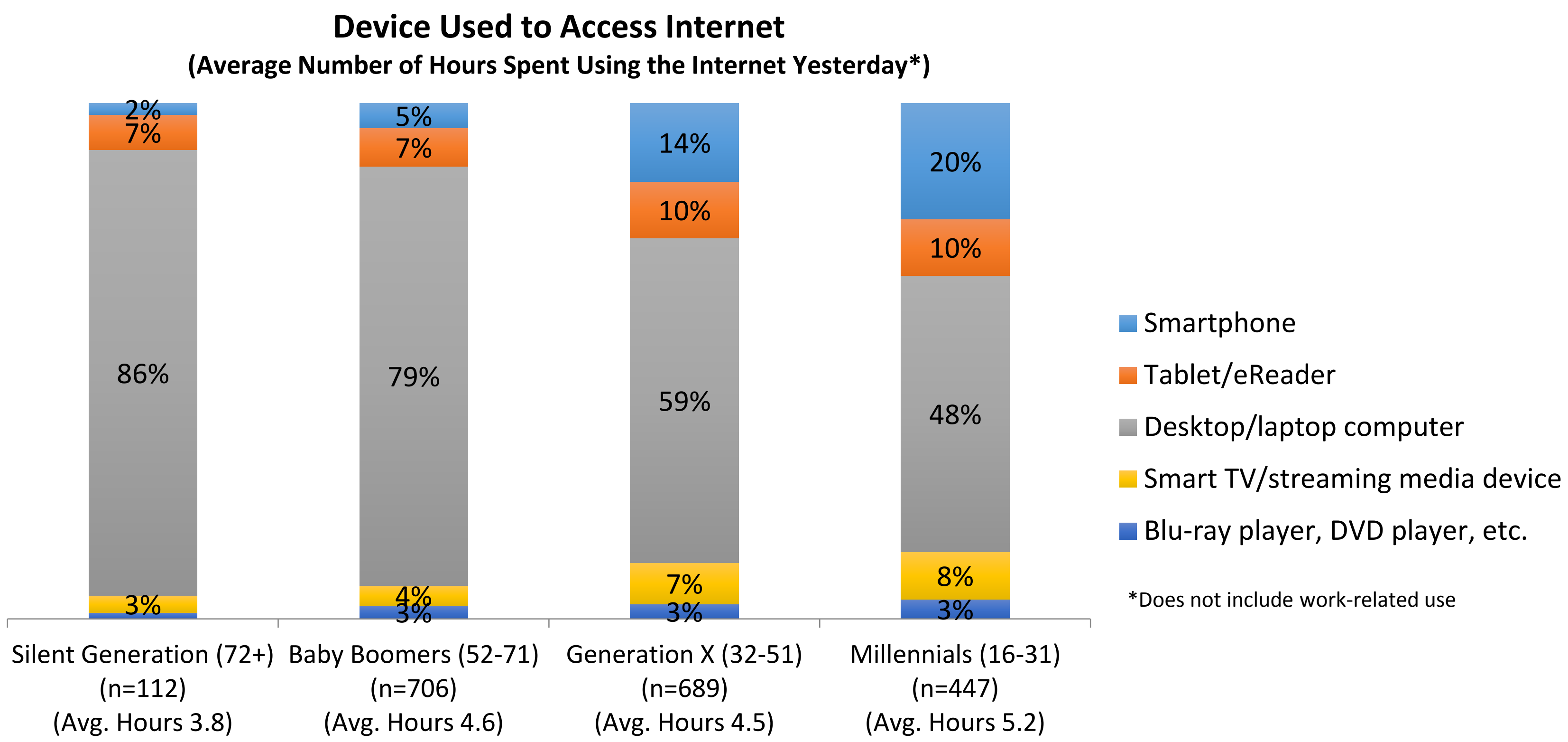
*Does not include work-related use



Q4: How many hours did you use the Internet on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT “a typical day”] for activity unrelated to work? Please include time spent streaming online content/video. For partial hour estimates, use a decimal; e.g. “0.5” for half an hour.
Q5: And thinking of the [INSERT Q4] hours you spent using the Internet on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT “a typical day”], approximately what percentage of that time involved the use of any of the following devices? Enter “0” if you did not use the device. The total must sum to 100%. Please provide your best estimates.

Internet Usage Profile by Age Cohort

Older consumers are less likely than their younger counterparts to use a mobile device to access the Internet.



Q4: How many hours did you use the Internet on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT “a typical day”] for activity unrelated to work? Please include time spent streaming online content/video. For partial hour estimates, use a decimal; e.g. “0.5” for half an hour.
Q5: And thinking of the [INSERT Q4] hours you spent using the Internet on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT “a typical day”], approximately what percentage of that time involved the use of any of the following devices? Enter “0” if you did not use the device. The total must sum to 100%. Please provide your best estimates.

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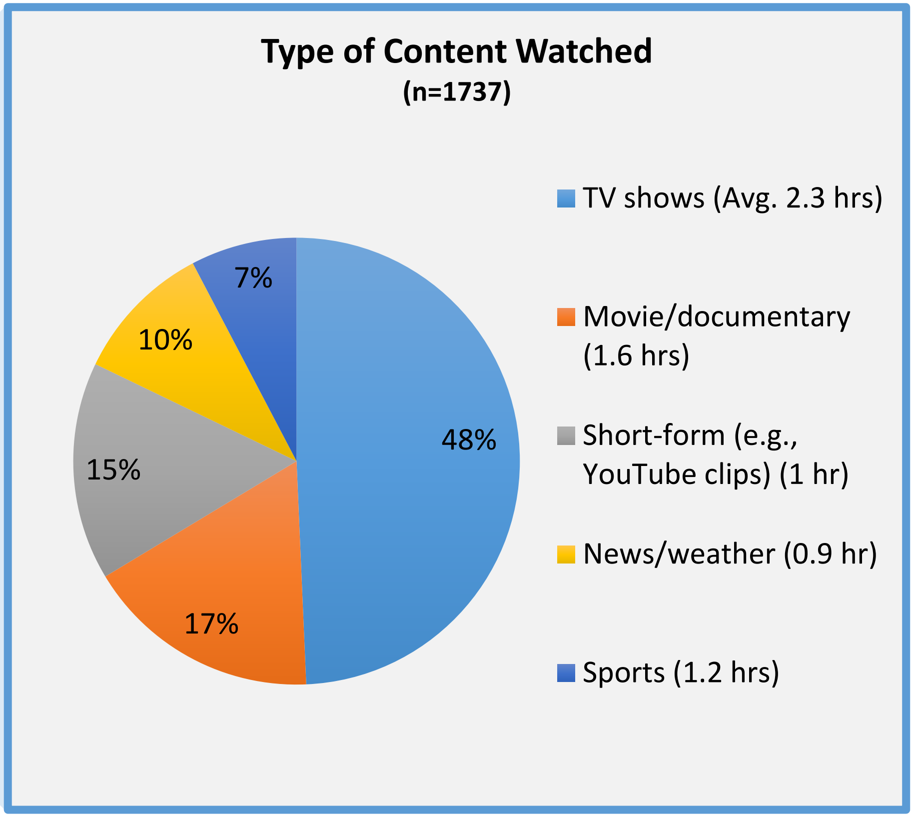
US Consumer Video Consumption Profile

Video Consumption Market Profile

About 70% of non-work-related Internet use involves watching video content (on average, 3.2 hours out of 4.6 hours daily). TV shows account for almost half of the content viewed. Short-form video is a more popular option than either sports or news/weather content.

Average Number of Hours Spent Watching Video Content Yesterday
(n=2000)

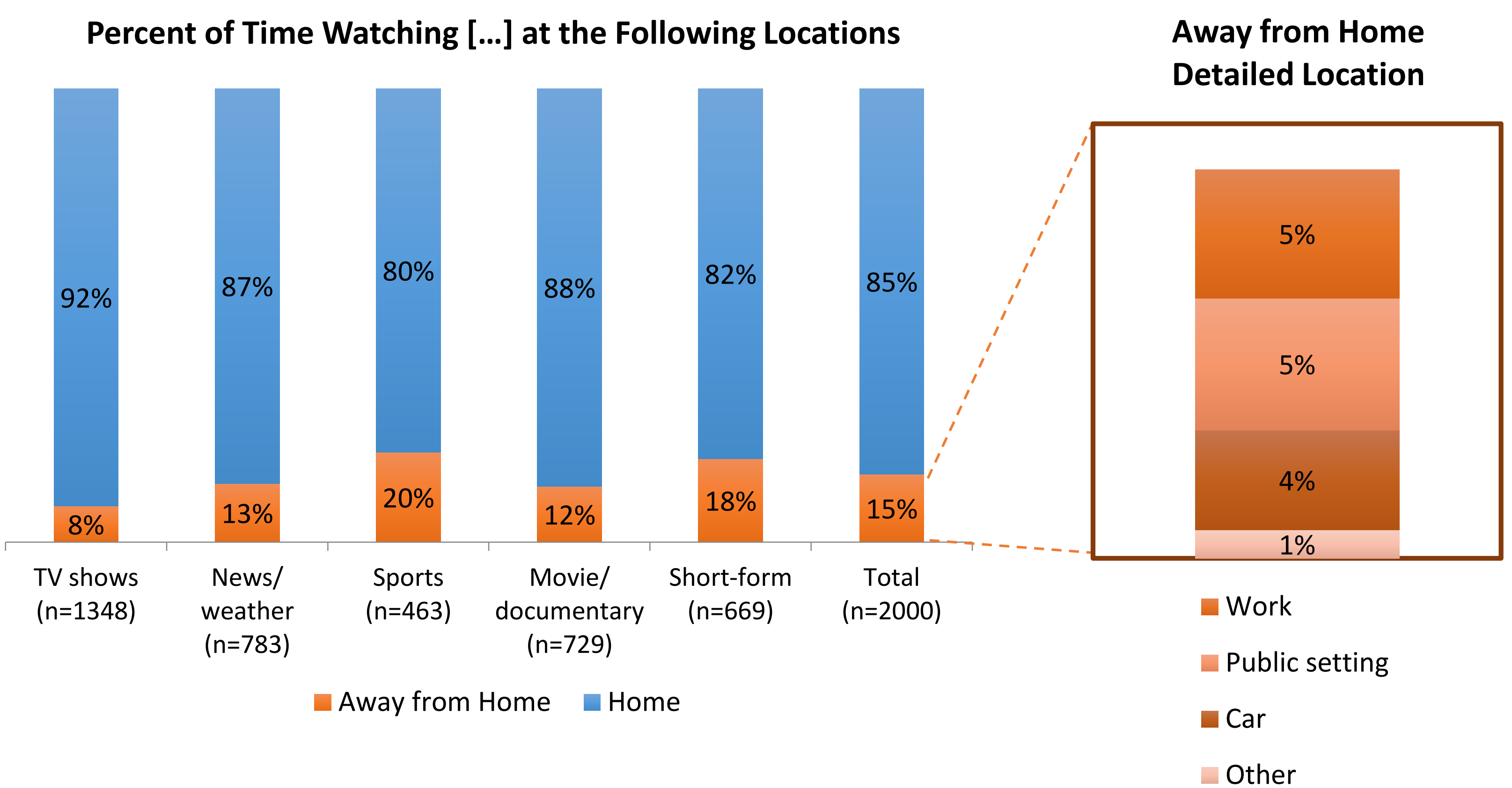
3.2



Q6: Approximately, how much time on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT “a typical day”] did you spend watching video content? Please include time spent watching all video content on any device; e.g., traditional TV, streaming video content or watching DVDs.
Q7: Of the [INSERT Q6 VALUE] hours, approximately, how much time on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT “a typical day”] did you spend watching the following?

Video Content Consumption by Location

Sports and short-form video have the highest level of non-home viewing activity.

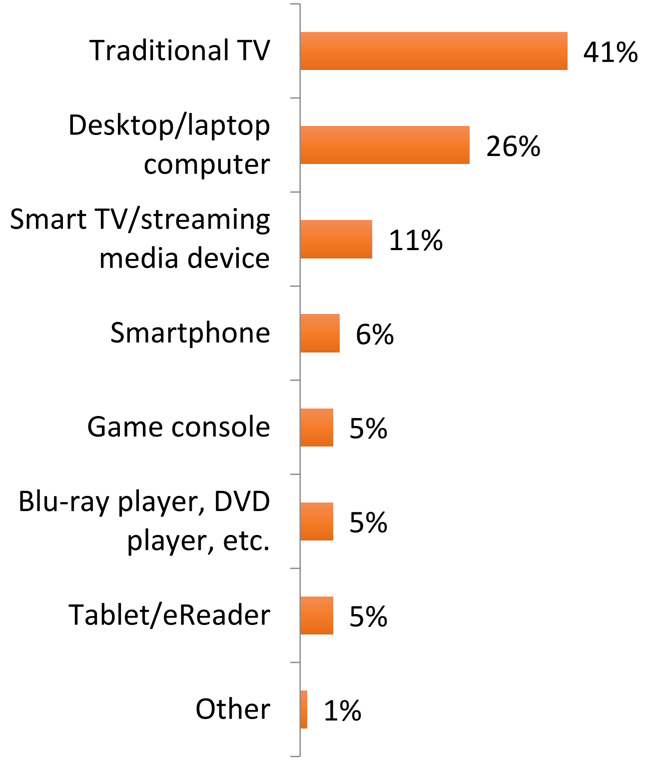


Q8:Thinking of each video category separately, what percentage of your time did you watch at the following locations on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"]? The total for each category must sum to 100%.

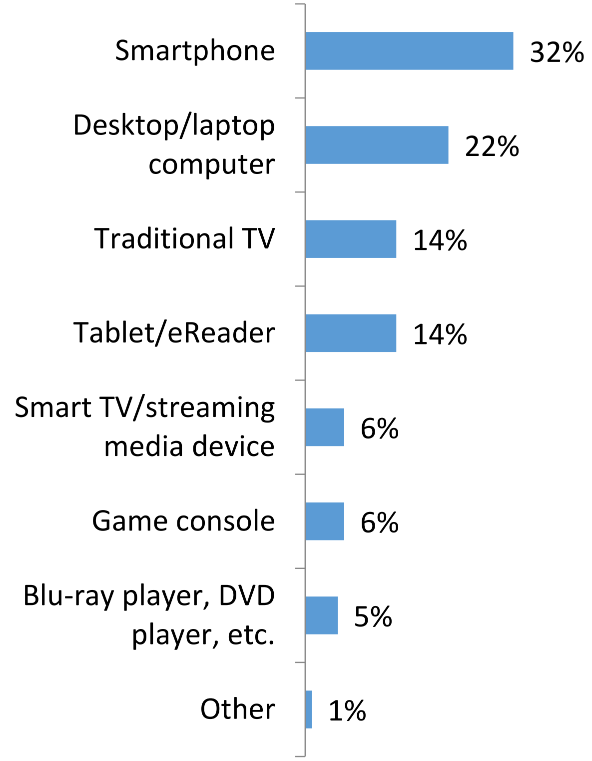
Video Content Device Utilization by Location

Smartphones have eclipsed laptop computers as the most common technology used to access video content outside the home.

Video Content Device Utilization at Home
(n=1688)



Video Content Device Utilization Away from Home
(n=315)



Q9: Now thinking of when you were home versus away from home, what percentage of your time did you watch video content using the following devices on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"]? The total for each category must sum to 100%.

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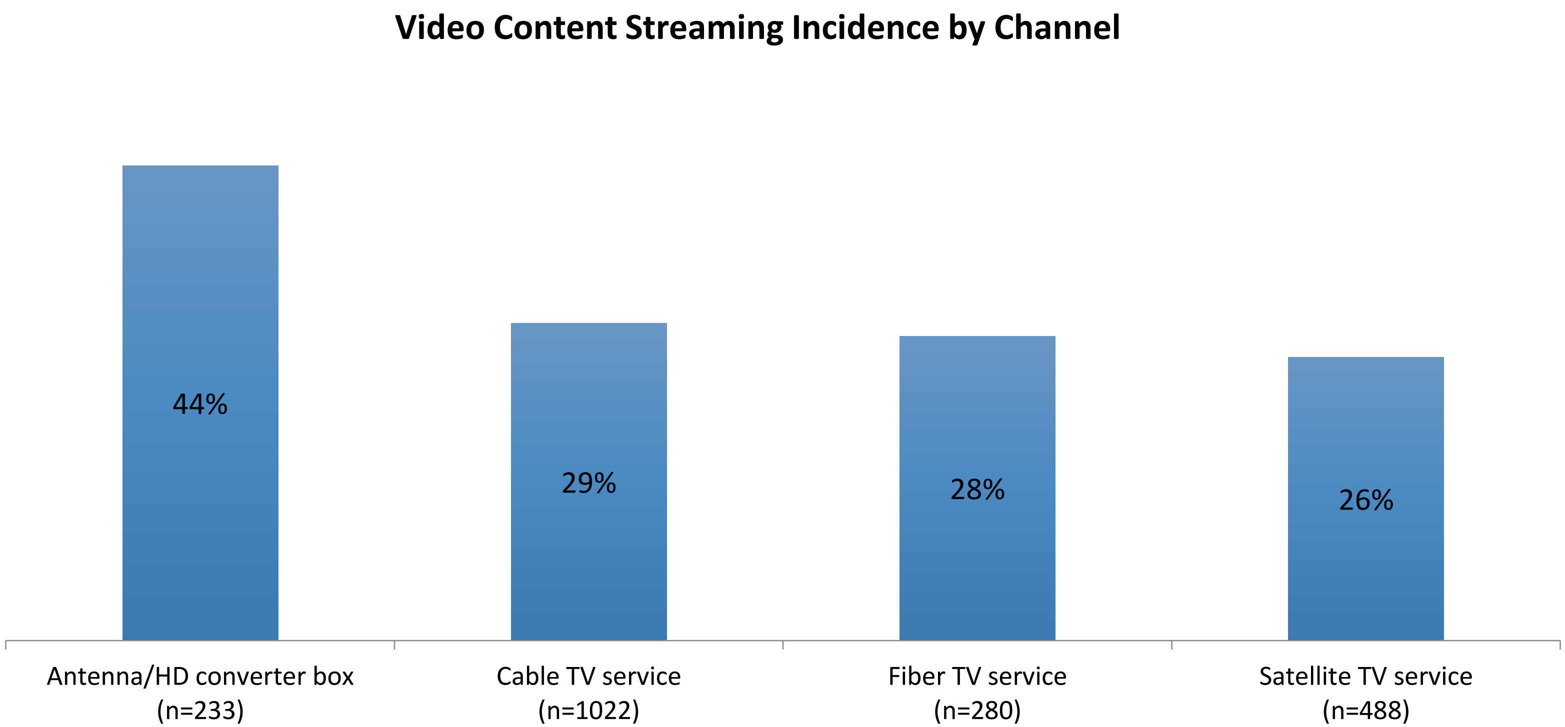
Incidence of TV/Video Content Streaming

Video content streaming activity does not vary significantly among cable, satellite and fiber distribution channels. 44% of Antenna/HD converter box users also stream content via the Internet.



Q1: Which of the following best describe how your household receives the TV and video content you watch?
(Please select all that apply)

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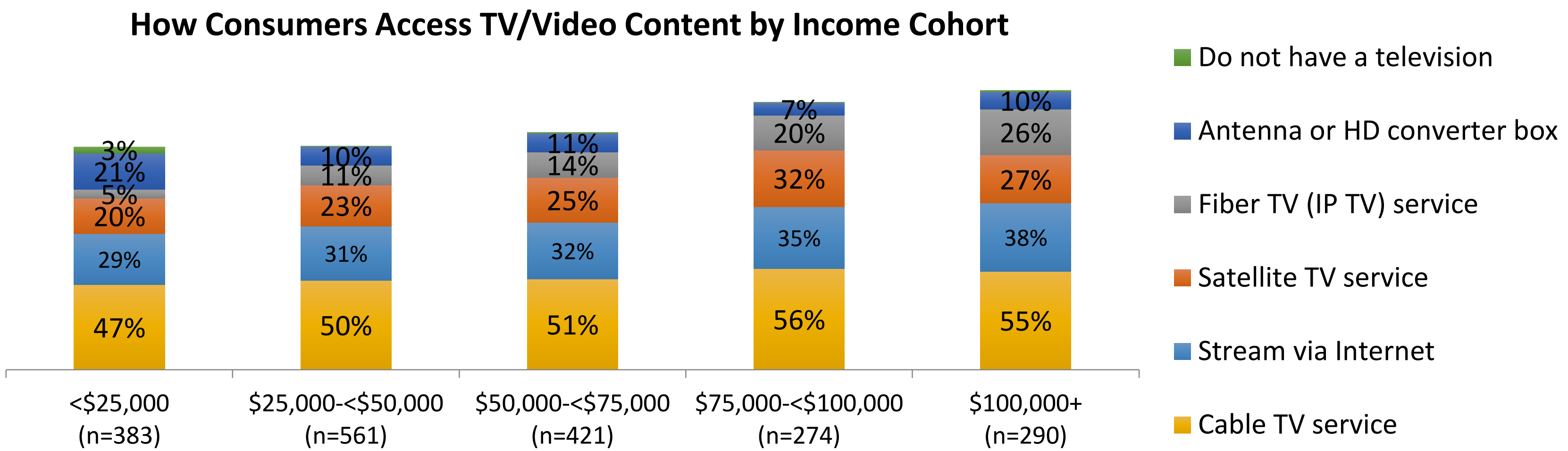
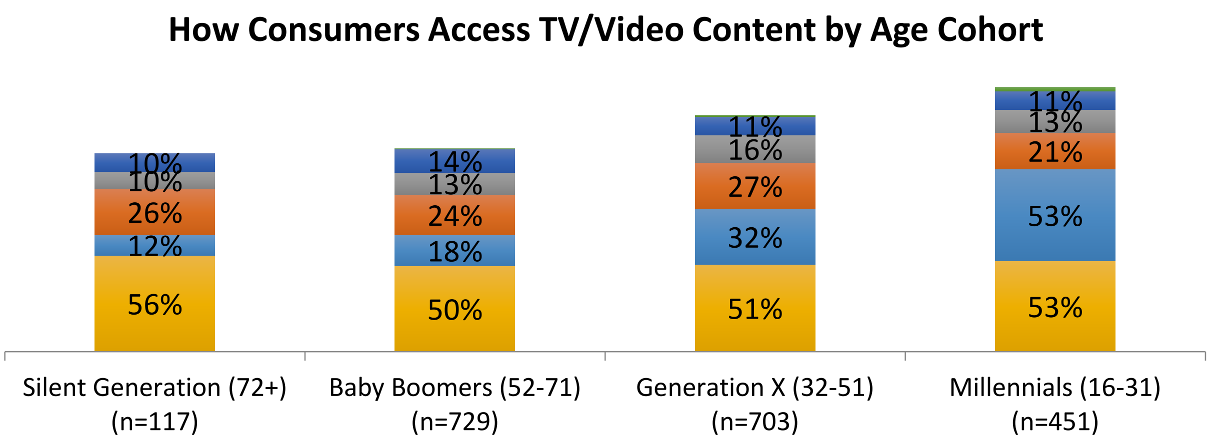
How Consumers Access TV/Video Content

Streaming video content via the Internet does not significantly vary by income among households earning $25K+ annually. Older consumers, however, are significantly less likely than their younger counterparts to stream video content.





Q1: Which of the following best describe how your household receives the TV and video content you watch?
(Please select all that apply)

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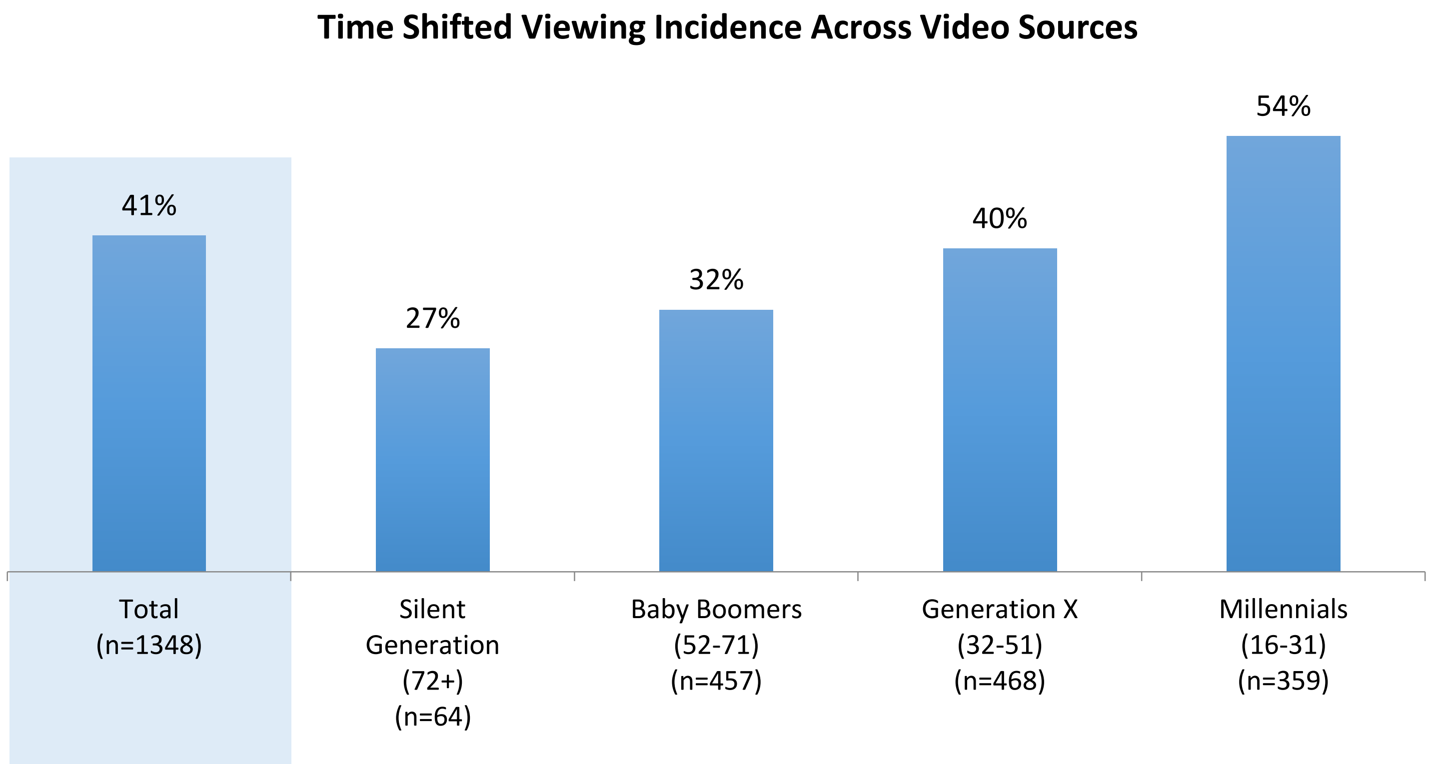
Video Consumption Behavior – Time Shifting*

The younger the consumer, the greater the tendency to time shift. This behavior suggests the pace of 'cable-cutting' will increase as Millennials enter the market in earnest.



*Time shifting is the recording of video programming to a storage medium, e.g. DVR, to be viewed or listened to at a later time.

Q10: Approximately what percentage of the time spent viewing TV shows on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"] was live vs. pre-recorded (e.g., DVR)? The total must sum to 100%.

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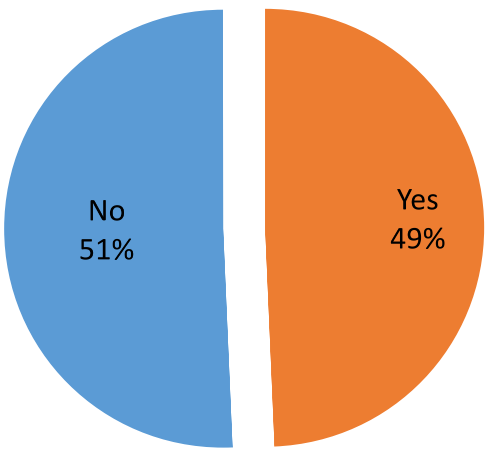
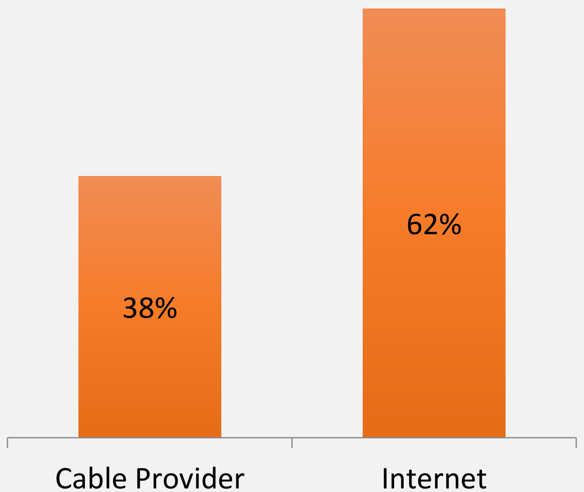
Accessing Video Content Behavior

About half of US consumers (49%) currently use the Internet to access video content. Among this group, almost two-thirds of their total video consumption is streamed via the Internet.

Used Internet to Access Video Content
(n=1954)



Percent of Time Viewing Content via Cable Provider vs. Internet
(n=926)



Q11: Did you use the Internet to access video content (e.g., TV shows, movies, documentaries) on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"]?
Q13: Thinking of [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"], what percentage of the time viewing content was via the cable provider (e.g. Satellite TV Service Provider, Cable TV Service Provider) vs. the Internet?

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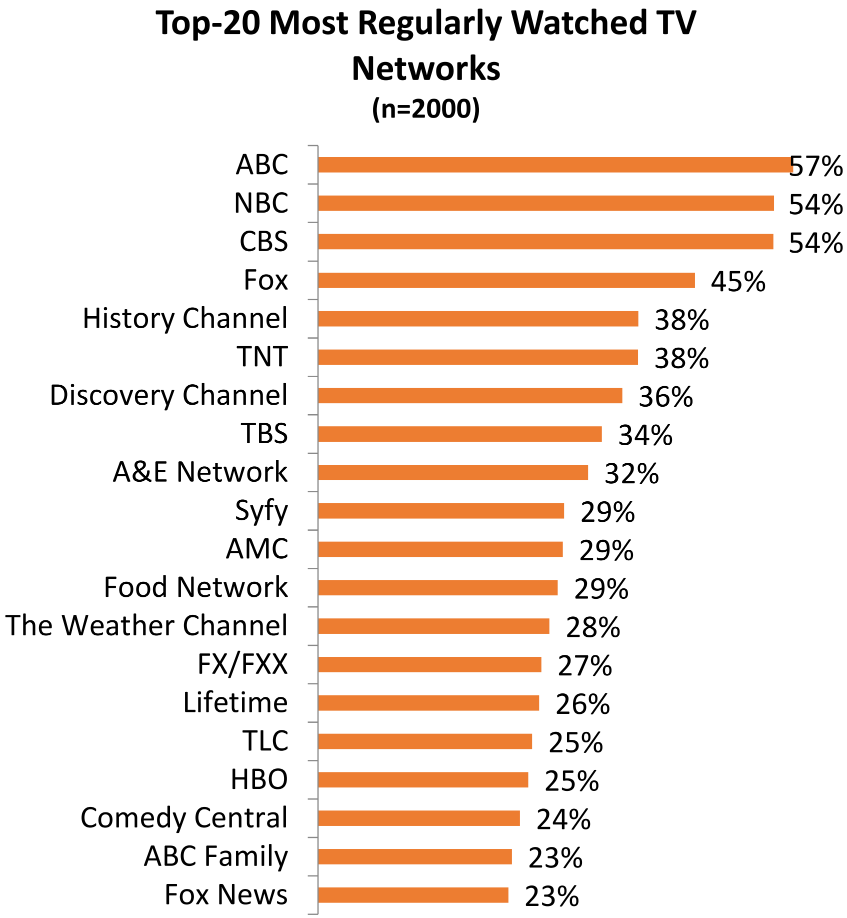
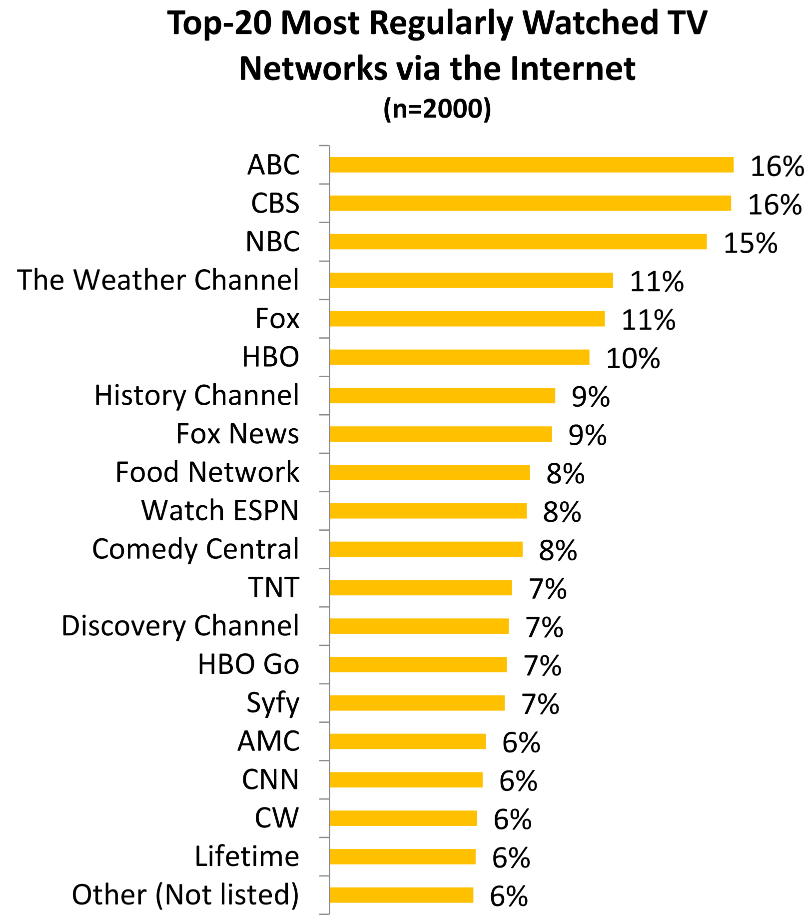
Programming Preference Profile: Cable vs. Internet

With the exception of the Weather Channel and HBO, TV network viewing preferences do not vary between viewers of cable and Internet streaming channels.





Q31: Thinking of all TV networks, across all platforms and sources, which of the following do you regularly watch? *(Please select all that apply)*
Q32: Now specifically thinking of when you access video content via the Internet, which TV networks' content do you most typically watch? *(Please select all that apply)*

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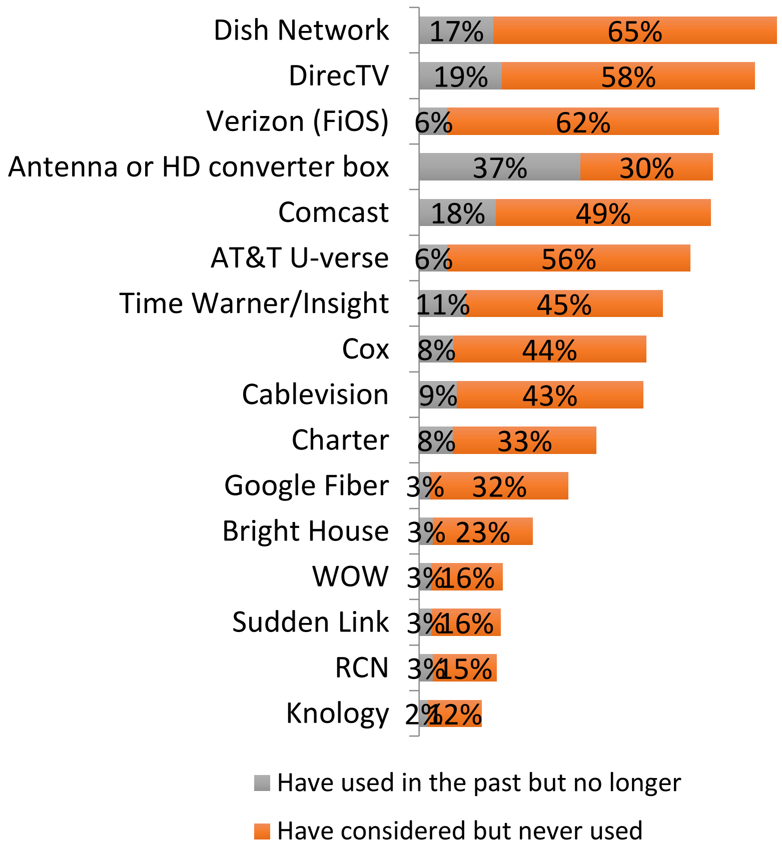
Profile of the Video Distributor Landscape

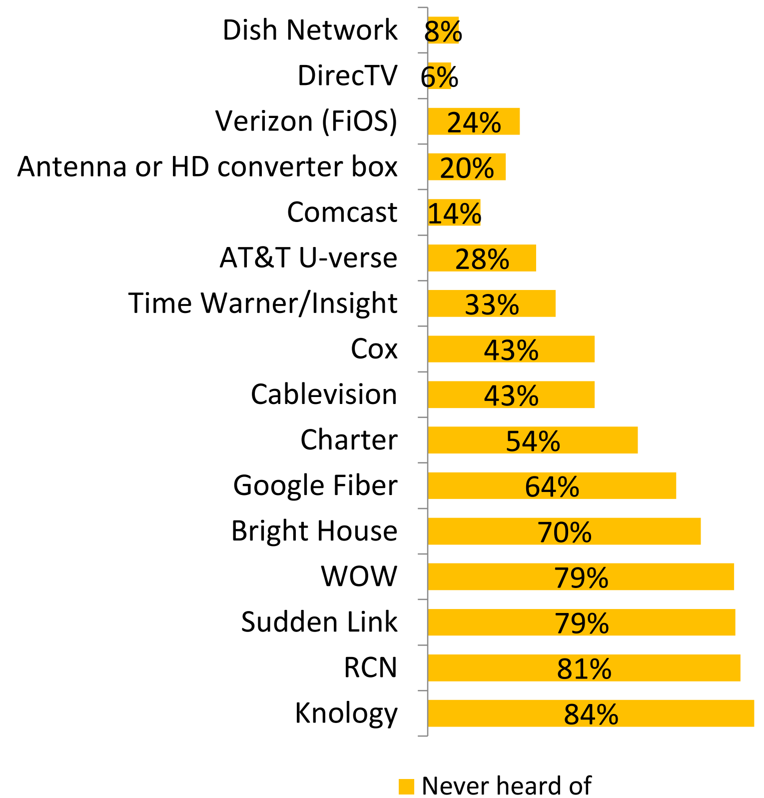
Video Distributor Awareness Profile

Satellite distributors are about twice as likely as cable companies to have fallen short of meeting consumer expectations and/or meeting the criteria used to select the distributor.

Video Distributor/Source 'Rejecters'
(n=2000)



'Never Heard of' Video Distributor/Source
(n=2000)

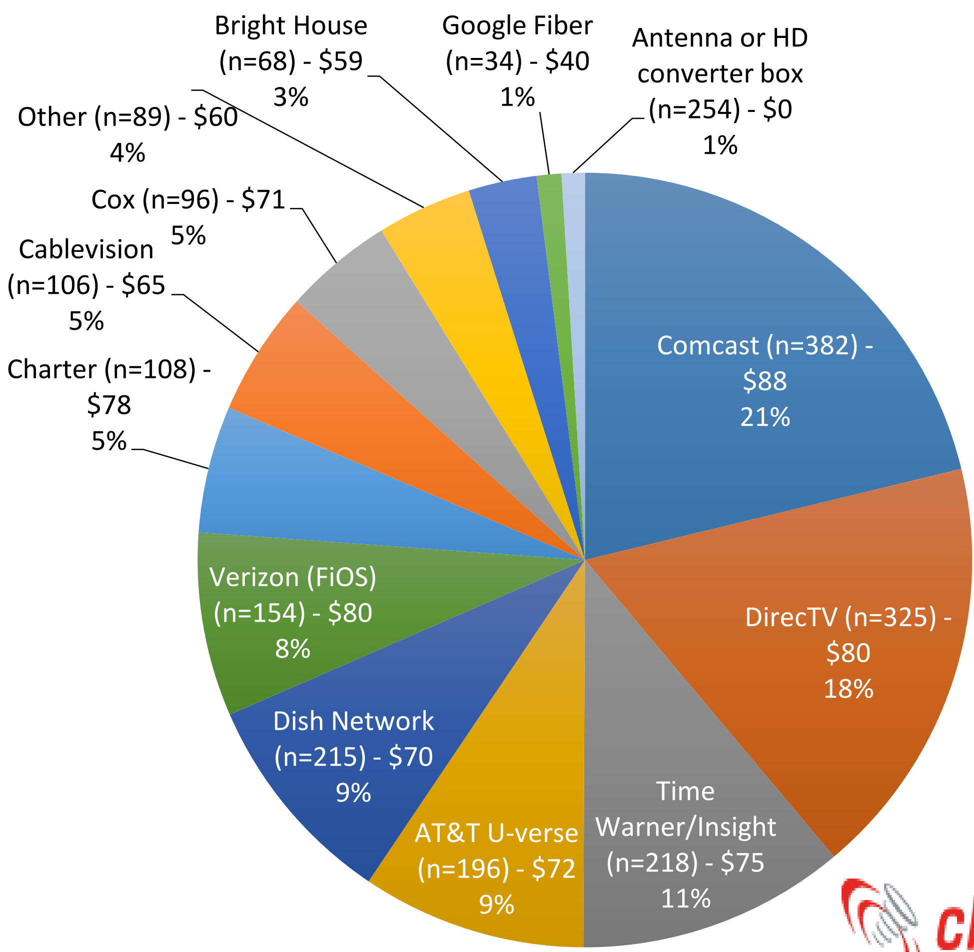


Q14: What is your level of familiarity with the following video programming distributors?

Reported Video Distributor Share of Wallet

Distributor share of wallet is more a function of the number of subscribers than the average amount spent on video content.

Video Distributor Share of Wallet and Self-Reported Median Monthly Bill (n=1811)



Q15: Approximately how much did you/your household pay LAST MONTH to access video programming from the following distributors?

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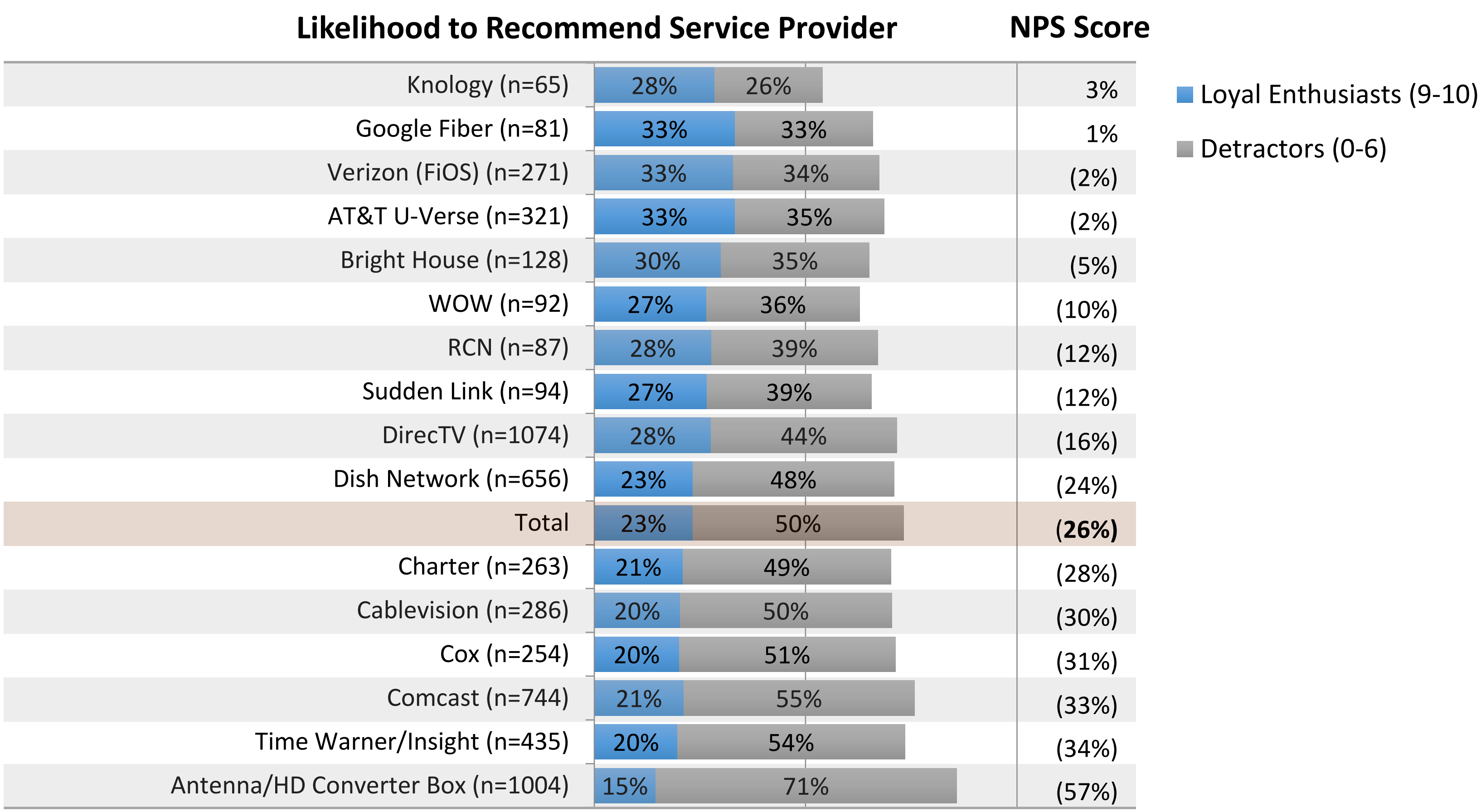
Satisfaction with Traditional Service Providers

Most traditional service providers have relatively high levels of ‘detractors’ and consequently have negative Net Promoter Scores (NPS). The scores range from a high of 3% to a low of -57%. The average NPS for this group is -26%.



Q28: Now thinking of video content providers, please rate your overall satisfaction with the following, using a scale where “0” means “not satisfied at all” and “10” means “completely satisfied”.

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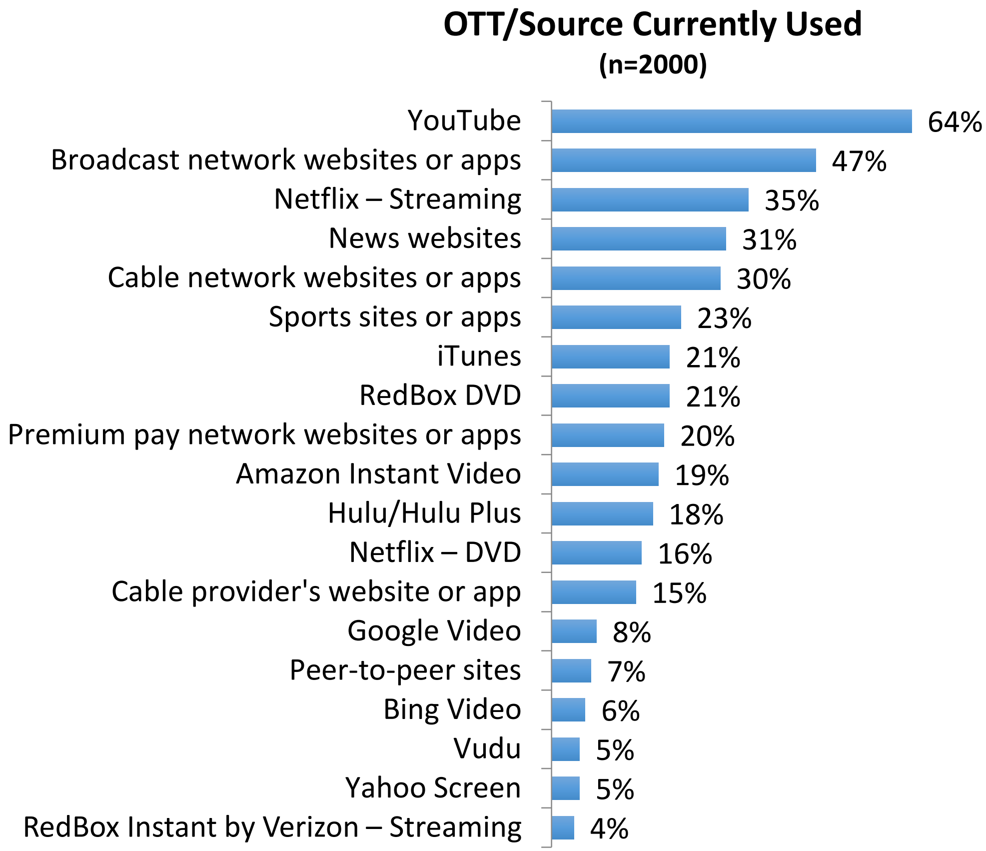
Profile of the Over-the-Top Content (OTT) Provider Landscape

OTT Market Share

YouTube dominates the US streaming video content market, with broadcast television websites or apps a distant second.



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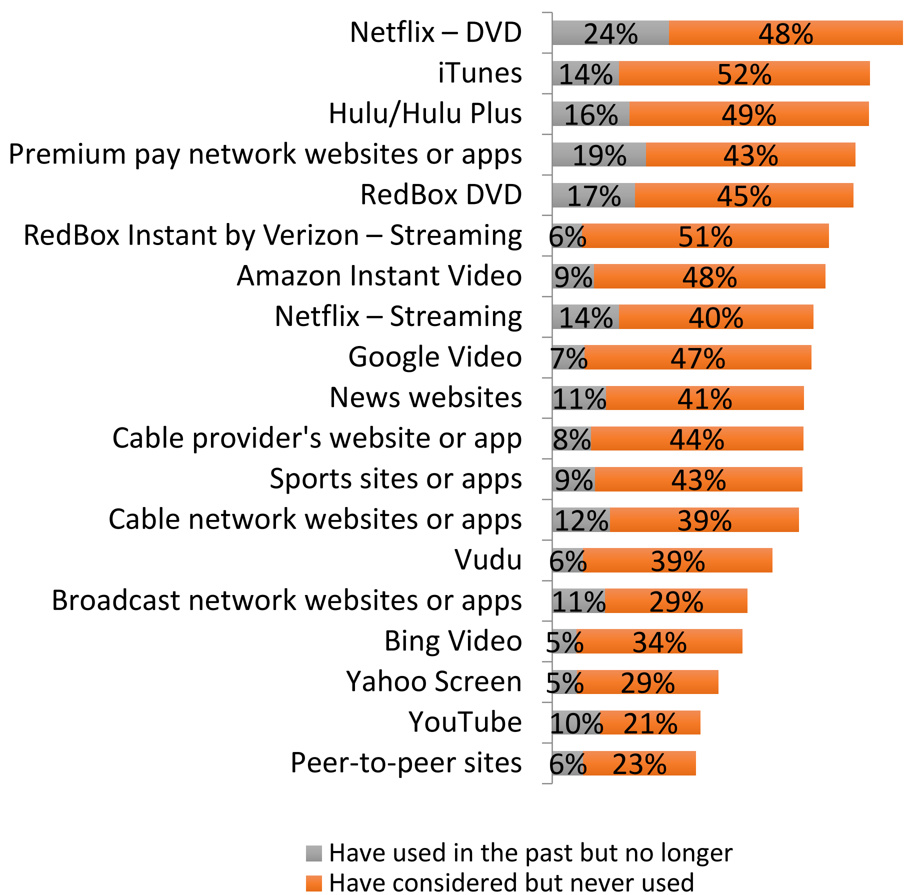
Q16: What is your level of familiarity with the following video-on-demand services?

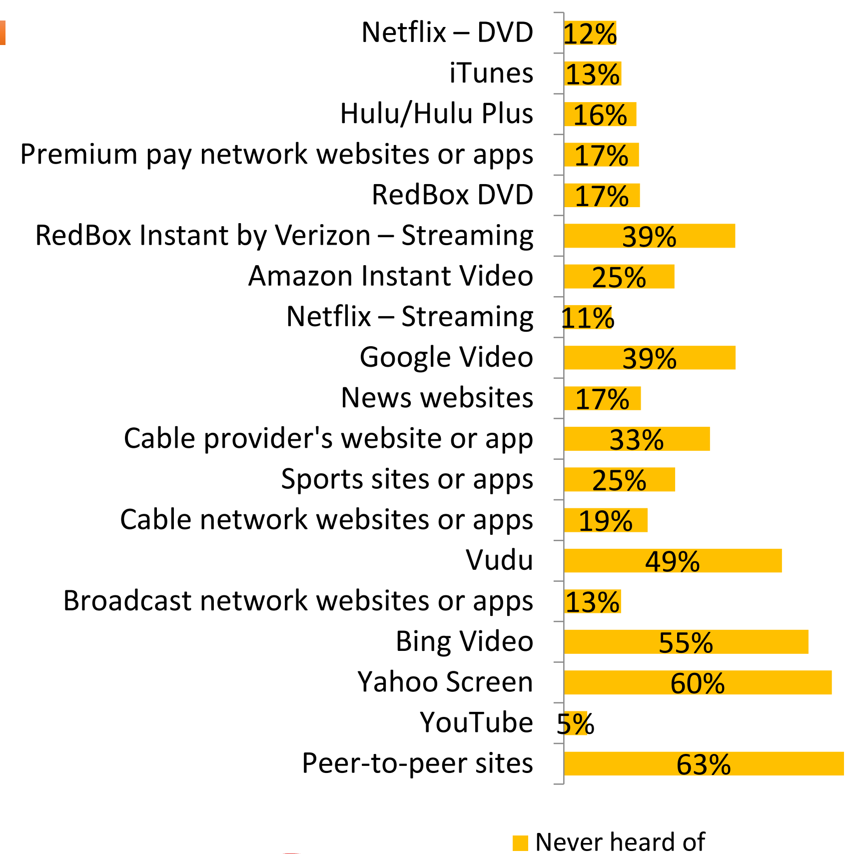
OTT Awareness Profile

Most of the OTT streaming video content providers are roughly equivalent, in terms of converting prospects into subscribers.

OTT/Source 'Rejecters'
(n=2000)



'Never Heard of' OTT/Source
(n=2000)



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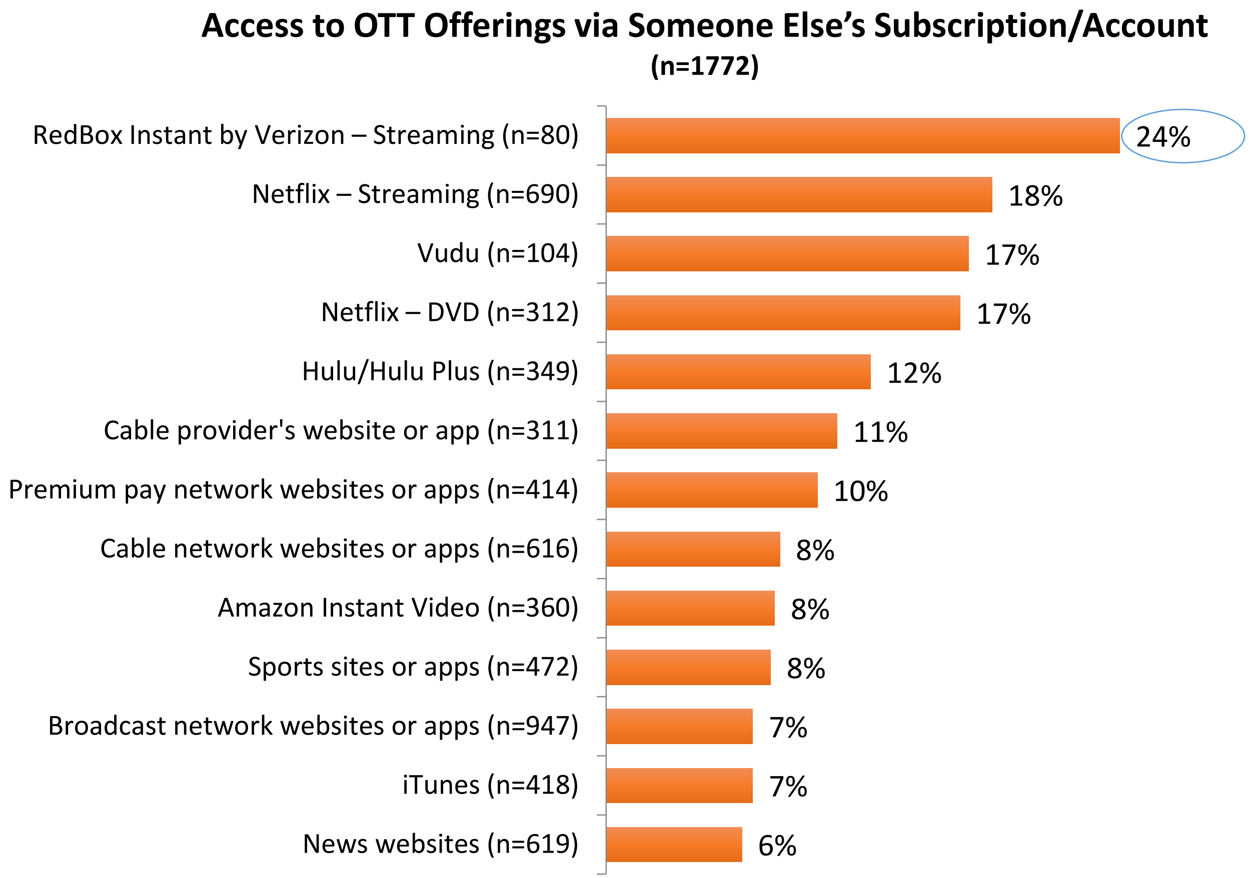
Q16: What is your level of familiarity with the following video-on-demand services?

‘Borrowed’ Video Content Access

Approximately one out of five consumers is not paying anything to access OTT content.



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Q17a. Which of the following best describes how you access the following content?

‘Borrowed’ Video Content Access (cont’d)

Millennials over-index on the use of someone else’s subscription/account to access content on virtually every OTT option.

Millennials are 13% more likely to use someone else’s subscription to access RedBox Streaming

	Total (n=1772)	Male (n=912)	Female (n=860)	Silent Generation (72+) (n=94)	Baby Boomers (52-71) (n=600)	Generation X (32-51) (n=646)	Millennials (16-31) (n=432)	<$25K (n=312)	$25K-<$50K (n=491)	$50K-<$75K (n=380)	$75K-<$100K (n=256)	$100K+ (n=275)
RedBox Instant by Verizon – Streaming	24%	32%	14%	0%	12%	14%	37%	0%	27%	17%	33%	26%
Netflix – Streaming	18%	19%	17%	9%	14%	13%	24%	25%	16%	16%	18%	14%
Vudu	17%	21%	13%	0%	0%	13%	26%	42%	5%	13%	7%	23%
Netflix – DVD	17%	16%	17%	0%	15%	13%	24%	25%	18%	9%	17%	20%
Hulu/Hulu Plus	12%	16%	9%	0%	3%	8%	19%	9%	14%	10%	12%	16%
Cable provider's website or app	11%	13%	9%	0%	7%	12%	18%	13%	10%	12%	5%	10%
Premium pay network websites or apps	10%	9%	11%	0%	2%	6%	25%	16%	9%	11%	4%	11%
Cable network websites or apps	8%	6%	10%	6%	4%	5%	17%	9%	11%	6%	6%	7%
Amazon Instant Video	8%	11%	5%	0%	2%	6%	13%	7%	13%	4%	5%	8%
Sports sites or apps	8%	7%	8%	4%	2%	7%	18%	10%	9%	7%	6%	4%
Broadcast network websites or apps	7%	6%	8%	3%	5%	6%	12%	8%	8%	6%	6%	4%
iTunes	7%	7%	7%	22%	5%	6%	6%	0%	9%	6%	3%	11%
News websites	6%	7%	6%	9%	4%	4%	10%	9%	8%	5%	3%	6%

Red highlights indicate significantly higher percent than Total
Green highlights indicate significantly lower percent than Total

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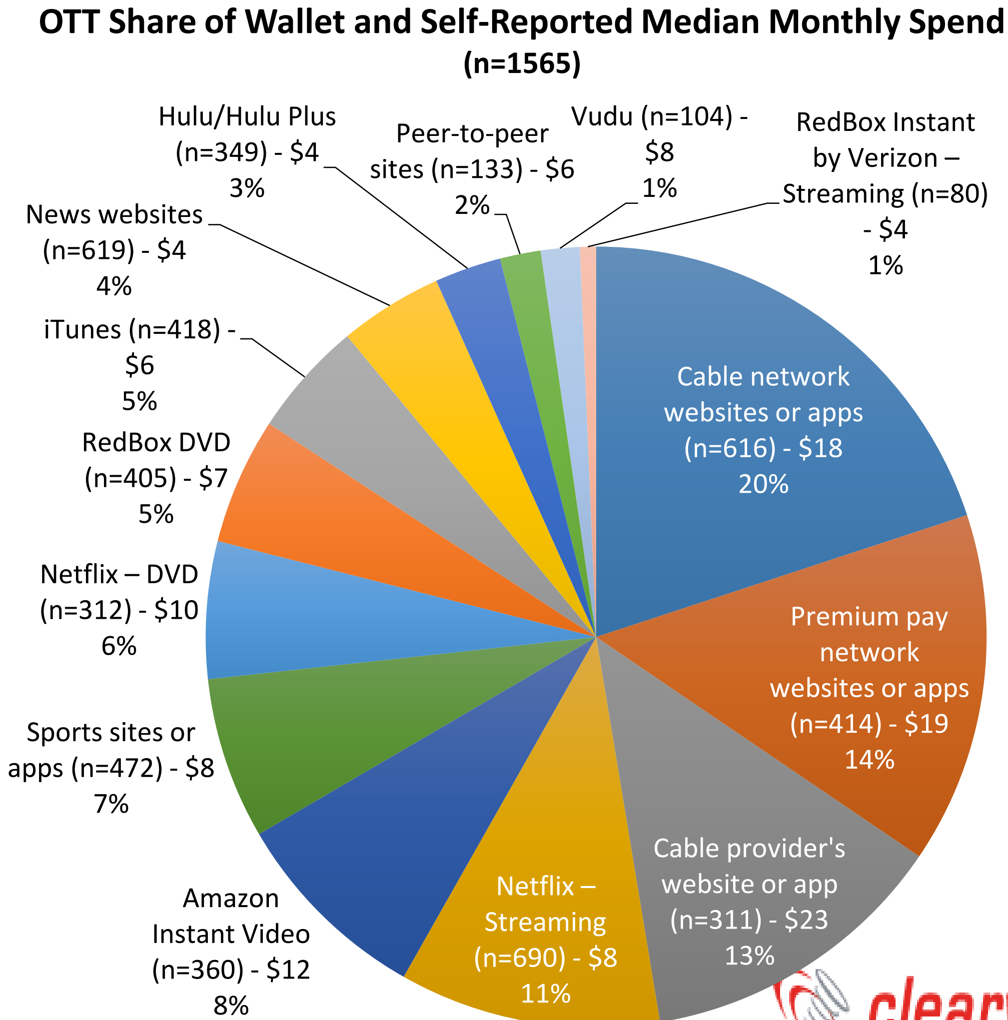
Q17a. Which of the following best describes how you access the following content?

OTT Share of Wallet Profile

Share of wallet for OTT is significantly different than share of usage. Here, cable provider websites or apps generate the greatest share of OTT revenue, though they rank fifth in terms of usage. These higher costs, however, contribute to 'cord-cutting' and service shifting.



Q17: Approximately what is the total monthly amount paid by you or your household for access to the following video-on-demand services?

Satisfaction with OTT Service Providers

OTT service providers fare somewhat better than traditional providers in terms of satisfaction, though most still fall into negative NPS territory. Netflix is perceived as significantly better than all of the video content providers/sources we tested.

Overall Satisfaction with OTT/Source Provider

Provider	Loyal Enthusiasts (9-10)	Detractors (0-6)	NPS Score
Netflix – Streaming (n=956)	45%	22%	23%
YouTube (n=1477)	37%	27%	9%
Amazon Instant Video (n=530)	32%	26%	6%
Sports Sites/Apps (n=645)	32%	30%	1%
Bing Video (n=205)	27%	26%	1%
Broadcast Network Websites/Apps (n=1162)	31%	32%	0%
Yahoo Screen (n=201)	32%	33%	(1%)
Google Video (n=273)	32%	33%	(1%)
Total	32%	33%	**(1%)**
Cable Network Websites/Apps (n=851)	31%	33%	(2%)
Netflix – DVD (n=784)	32%	37%	(4%)
Cable Provider's Website/App (n=468)	30%	34%	(5%)
News Websites (n=833)	27%	34%	(7%)
RedBox DVD (n=738)	31%	38%	(7%)
Vudu (n=226)	27%	36%	(9%)
iTunes (n=684)	29%	38%	(10%)
Premium Pay Network Websites/Apps (n=808)	28%	41%	(13%)
Peer-To-Peer Sites (n=249)	27%	40%	(13%)
Hulu/Hulu Plus (n=654)	26%	40%	(15%)
RedBox Instant by Verizon – Streaming (n=202)	24%	41%	(17%)

Q28: Now thinking of video content providers, please rate your overall satisfaction with the following, using a scale where "0" means "not satisfied at all" and "10" means "completely satisfied".

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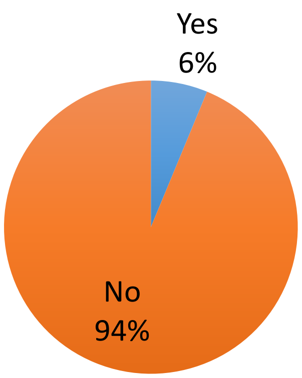
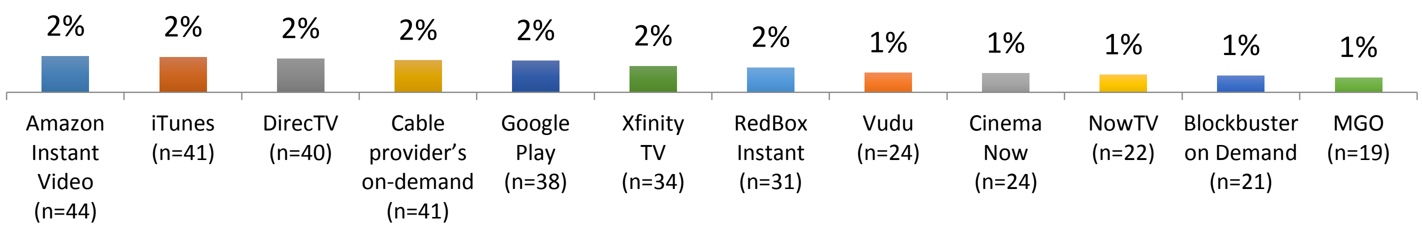
On-Demand Purchases via Internet

On-demand content purchase levels do not vary significantly across OTT providers.

Purchased On- Demand Content Yesterday (n=2000)



On-Demand Purchasing Profile



Q18: [IF S1=1 "Did"; OTHERWISE INSERT TEXT "Do"] you purchase any on-demand movie or television show, delivered via the Internet, on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"]?
Q19: From which of the following on-demand service providers [IF S1=1 "did"; OTHERWISE INSERT TEXT "do"] you purchase the movie or television show on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"]? (Please select all that apply)
Q20: How much did you pay to watch the on-demand movie or television show provided by [INSERT Q19 SELECTION] on [IF S1=1 INSERT TARGET DAY; OTHERWISE INSERT TEXT "a typical day"]?

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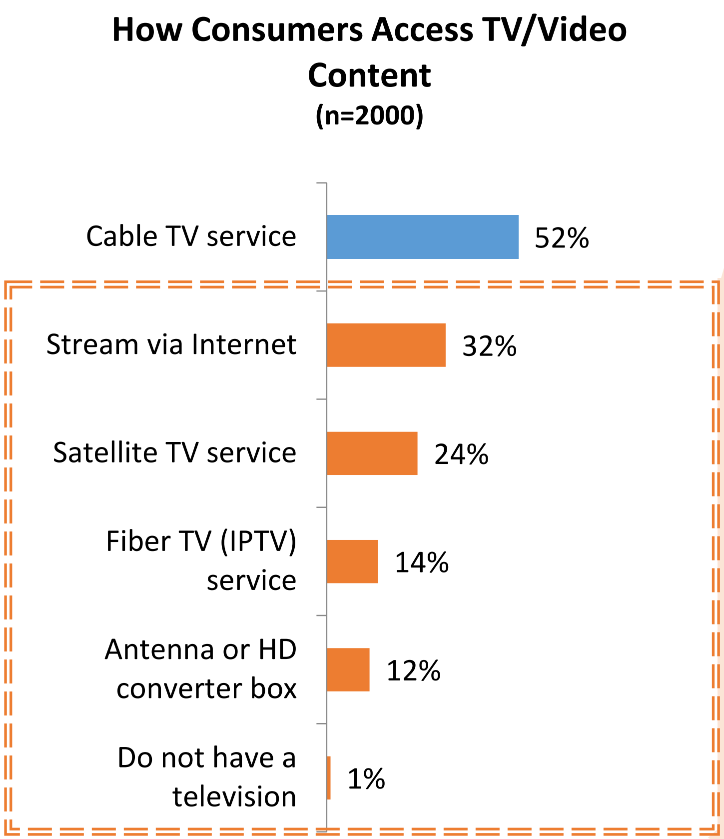
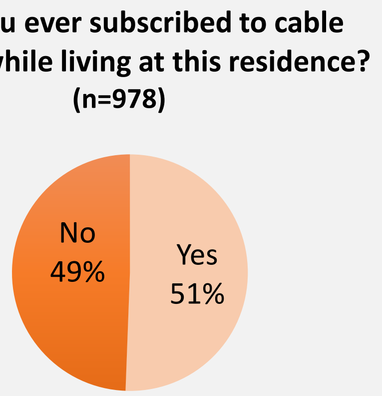
Likelihood to ‘Cut Cable’

How Consumers Access Video Content

About one in three US consumers uses the Internet to access video content; 14% cite this option as the main reason they do not subscribe to cable.





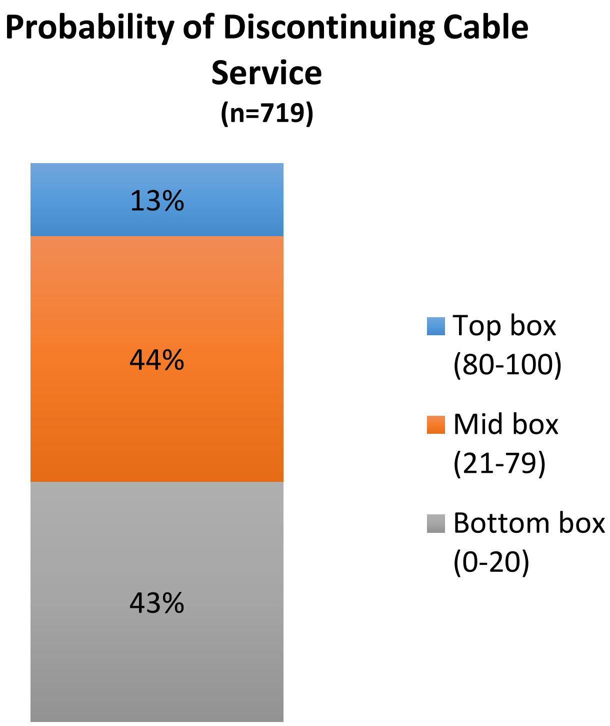
Reason for not subscribing to cable service (n=978)	
Too expensive	41%
Opted for satellite service instead	38%
Other*	21%
Opted to rely exclusively on Internet to access video content	14%
Not enough time to watch video/TV	6%
Do not watch video/TV	4%

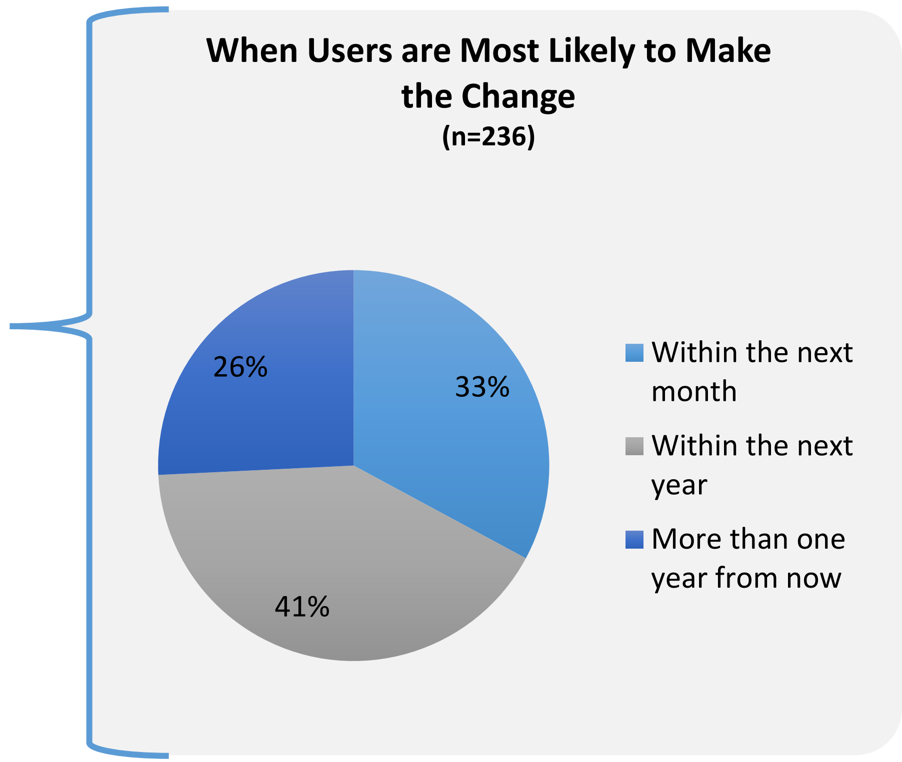
*Other= bad customer service, cable not available in area, prefer fiber

Q1: Which of the following best describe how your household receives the TV and video content you watch? *(Please select all that apply)*
Q2: Have you ever subscribed to cable services while living at this residence?
Q3: Which of the following best describes why you do not subscribe to cable service for this residence? *(Please select all that apply)*

Probability of Discontinuing Cable Service

About one in eight consumers are likely to discontinue their cable service—a solid majority of them (74%)—within the next year.





Q21: What is the probability you will discontinue the cable service at your home and only watch video content via the Internet at sometime in the future? Use a scale from "0%" to "100%" where: 0% = "Definitely going to keep cable" and 100%= "Definitely going to discontinue cable".
Q22: When would you most likely make this change?

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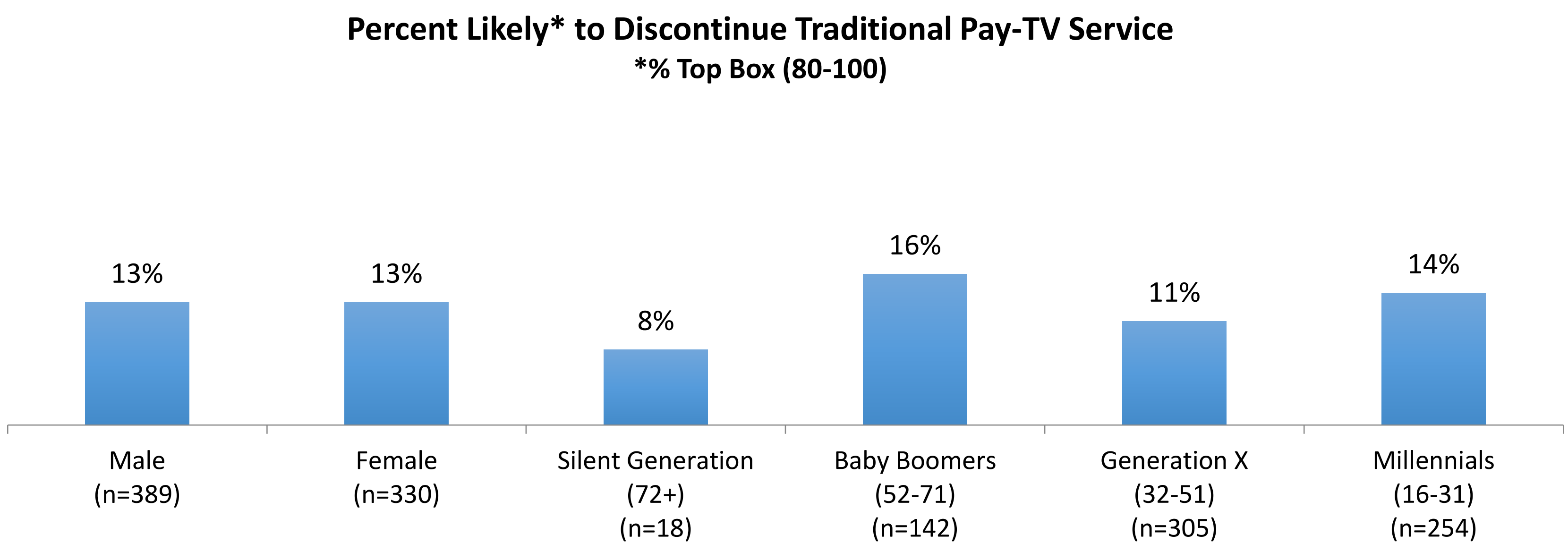
Probability of Discontinuing Cable Service

Among age cohorts, Baby Boomers and Millennials are most disposed to ‘cord-cutting’; there are no differences by gender on this issue.



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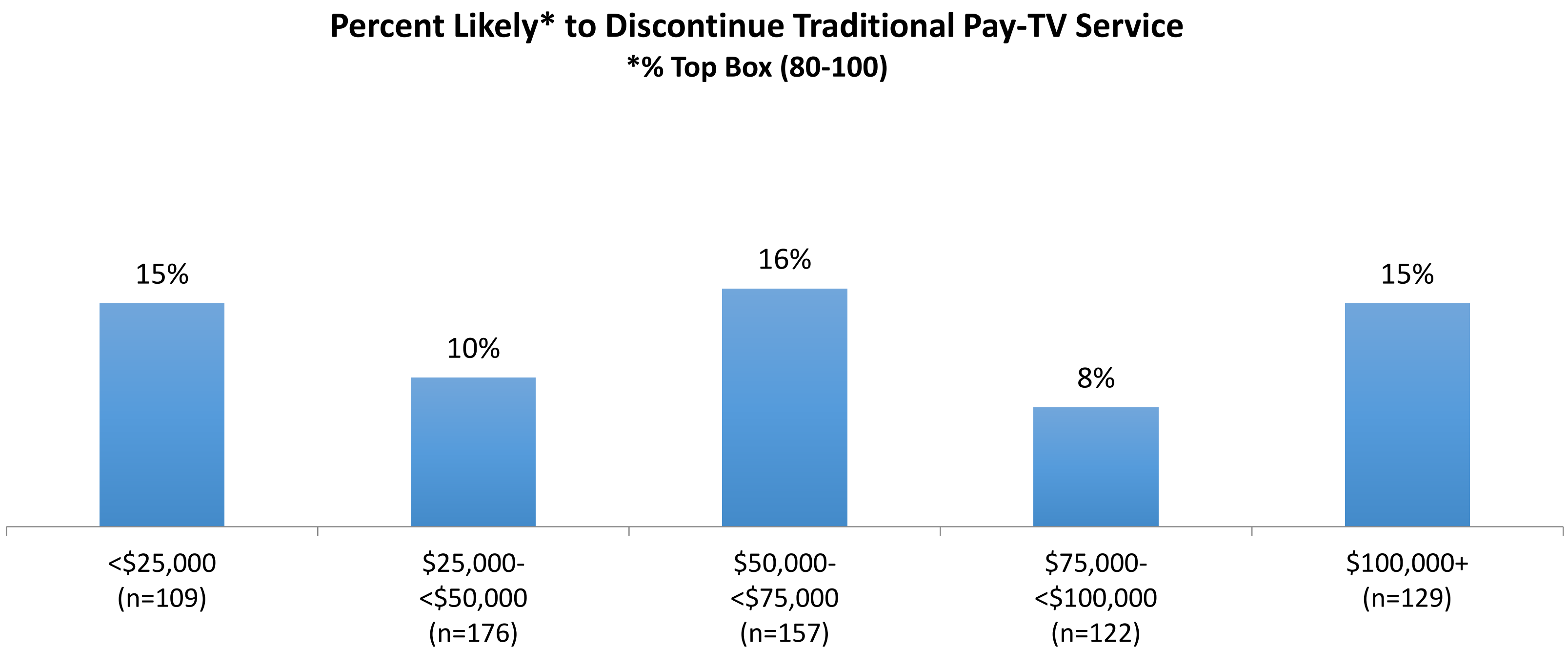
Probability of Discontinuing Cable Service

Households with the highest average incomes, a segment that currently accounts for a substantial portion of on-demand revenue, are most likely to consider abandoning traditional cable/satellite services.



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Voice of the Customer

Main Reasons to Discontinue Cable Subscription
(n=236)

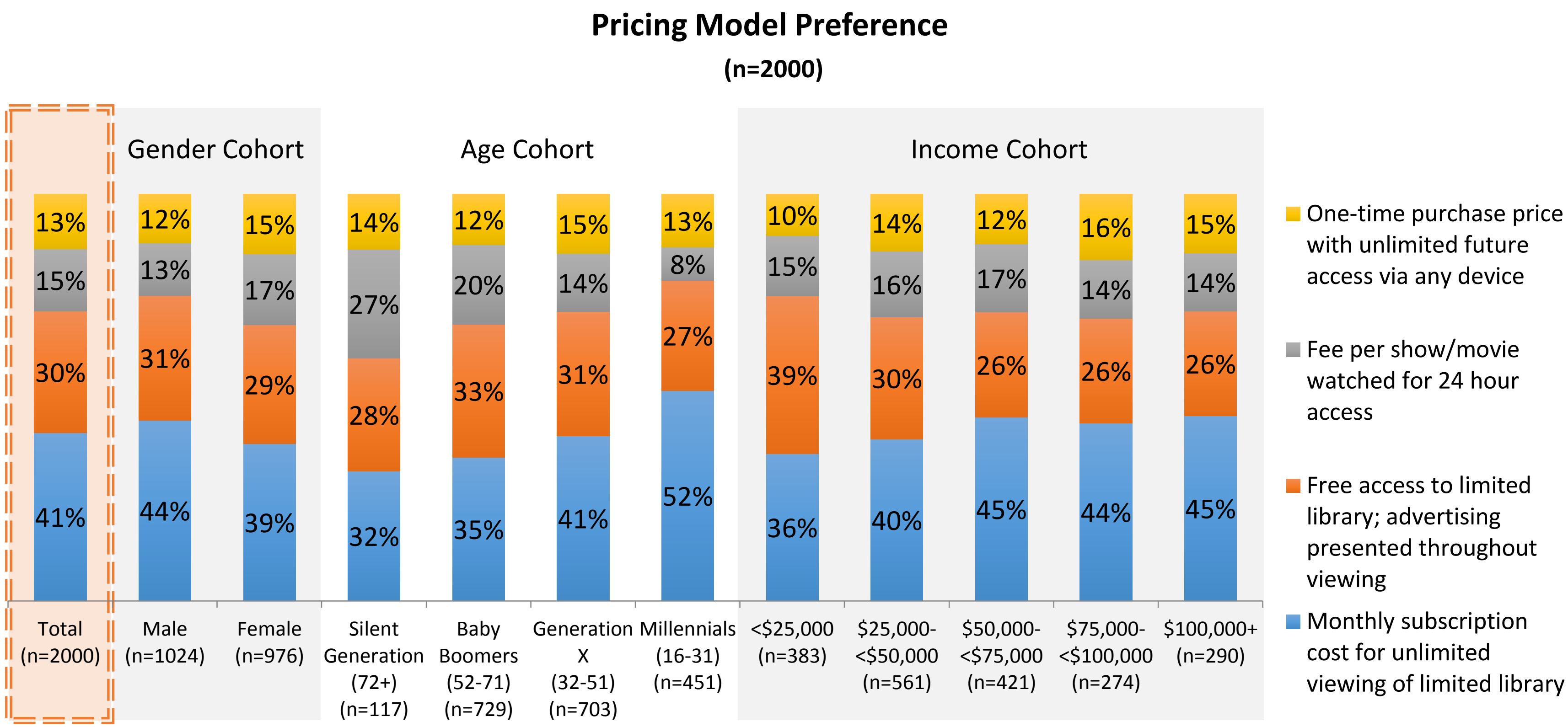
Key Quotes
I don't watch enough TV and expect to watch even less in the next few years.
Fewer advertisements. More control over what I'm able to watch and when, and the ability to pause shows. Higher quality for less money.
I used to watch all kinds of shows on TV, but now only watch things like Walking Dead and Game of Thrones on it - which I can watch online instead. I have replaced my old television shows with daily shows on YouTube, and have hours of new content to watch each day. I am at a point in my digital life where the Internet is more entertaining than the television and I don't know why I keep it. I actually called to cancel my services for good about a month ago, but was given a huge discount ($25 off my bill) to stay for two more years - so I am sticking around until that ends and will be stopping my services.
I will not be home often and typically use my computer more than the TV when I am alone.
Internet video content is on demand so I can watch what I want to watch, when I want to watch it. I also don't have to sit through the same amount of commercials.
Less expensive and there is more to choose and watch now.
My parents are the only ones who watch the "real" TV in our house, so I imagine once I move out on my own I won't need or want a TV. It's so easy to just watch everything online.
The constantly increasing cost of the service and the fact that I must pay for channels that I have no interest in.
Too expensive, plenty to watch online
We watch less and less television programming and there are so few stations that we feel are appropriate for our family. The cost doesn't match the benefit.

Q23: And what would be the main reason you discontinue your cable subscription and rely solely on the Internet to access video content?

Pricing Model Preferences

Pricing Model Preference Profile

Many consumers (41%) would prefer a monthly subscription for unlimited viewing of a limited video library. Pricing model preference varies across different age cohorts, but is relatively consistent across gender and income levels >$25K.



Q29: How do you prefer to access/pay for your video content?

Voice of the Customer

Reasoning Behind Pricing Model Preferences

Monthly subscription cost for unlimited viewing of limited library – 41%
Easier, most consistent with billing
Because I get everything for one price.
There are no ads and it's a better value for the money
Cost is always the same so I don't have to think about it and I can watch all I want
I know what I pay each month and can view until the content is replaced
I don't have to keep track of how many videos I see and if I decide to cancel subscription I will not be charged in the future
Because I pay everything else in my world monthly.
Watch as much as you want, variety, and no commercials
I watch so many shows online, it would get expensive quickly if I had to buy them all individually.
You have a lot of options on what to watch and there are no commercials

Free access to limited library; advertising presented throughout viewing – 30%
Because it is free
Cannot afford to pay for other services
When I pay a fee, I feel too pressured to use the subscription/content
It's free and they have most of what I would watch.
I like the ability to keep my money. I have limited funds at the moment.
Prefer to spend time doing other things.
It has a bigger variety of shows and movies
Fits the budget, still plenty of choices, minor inconveniences.
I do not like to pay extra for things that I do not care much about.
I would rather be given a list of content to choose from opposed to paying to access anything

Fee per show/movie watched for 24 hour access – 15%
Let's me have the most control over what I see
Usually when you order you want to watch right there and now
Because I don't watch a lot of movies per month; I don't want to pay for something I don't use
Don't use it that often so this allows me to only pay for what I use
Because this is what I know. I don't have any interest in watching shows over the Internet
I prefer that along with monthly subscription
Don't use very often so seems least costly for my needs
For the amount of movies I watch, it would be cheaper ala cart rather than a subscription.
That's the only way I can watch newer movies if I choose to do so for a small charge
With this method I can economically choose a certain movie at a certain time to my liking.

One-time purchase price with unlimited future access via any device – 13%
It is easier to pay a one time fee because it is paid and done and you don't have to worry about it
Easier to pay with no risk of price going up
Flexibility to watch on different devices
Once it's paid, there are no recurring bills
Don't have to worry about time constraints
A one time fee with unlimited access with any device would cover all my needs, without having to pay over and over again. At least something yearly?!
It is the most convenient and I like the unlimited feature.
It simplifies the purchase and viewing experience
Because I want to able to watch it as much and whenever I want
It's hard to keep up with payments

Q30: Why do you prefer **[INSERT Q29 RESPONSE]** most?

Modeling the Factors Determining Success in the Video Content Distributor

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A Market Driver Modeling Process Was Used to Provide a Detailed Understanding of Competitor Strengths and Weaknesses

Brand-specific ratings of vendor selection criteria

Factor Analysis

Derive the statistically distinct clusters of selection criteria representing individual market drivers

Structural Equation Modeling

Measure the influence of each market driver over brand affinity

15 Selection Criteria Rating Scales

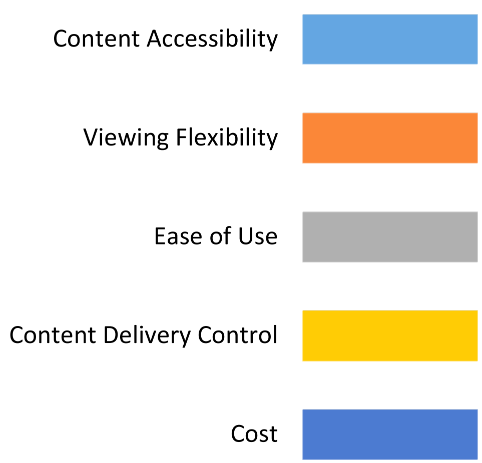
0 = WORST IN THE MARKET

5 = ON PAR WITH THE MARKET AVERAGE

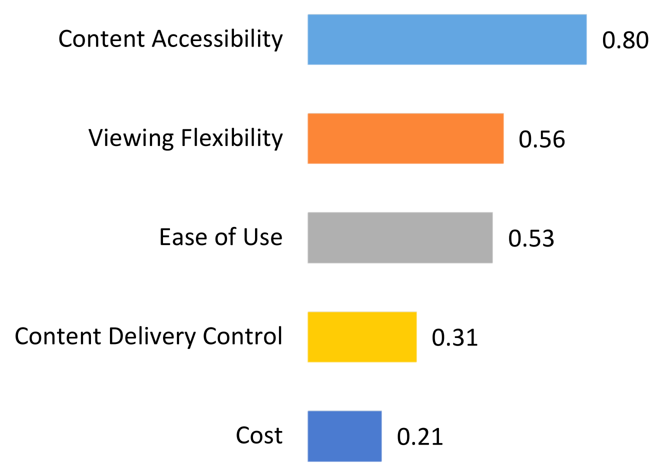
10 = BEST IN THE MARKET

1. Ease of use
2. Time and effort required to set-up service
3. Reliability of video delivery while watching
4. Compatibility with multiple devices
5. Having to view advertising while watching video
6. Range of video content available to download
7. Offers DVR type functionality
8. Ease of sharing access with others
9. Capacity to use from different locations
10. Provides access to new release movies
11. Ability to share video content with friends
12. Content library includes both movie and television shows
13. Quality display resolution
14. Time to view video content after purchase
15. On-going subscription cost

Created Five Distinct Market Drivers



With Brand Equity Impacts Ranging from .80 to .21



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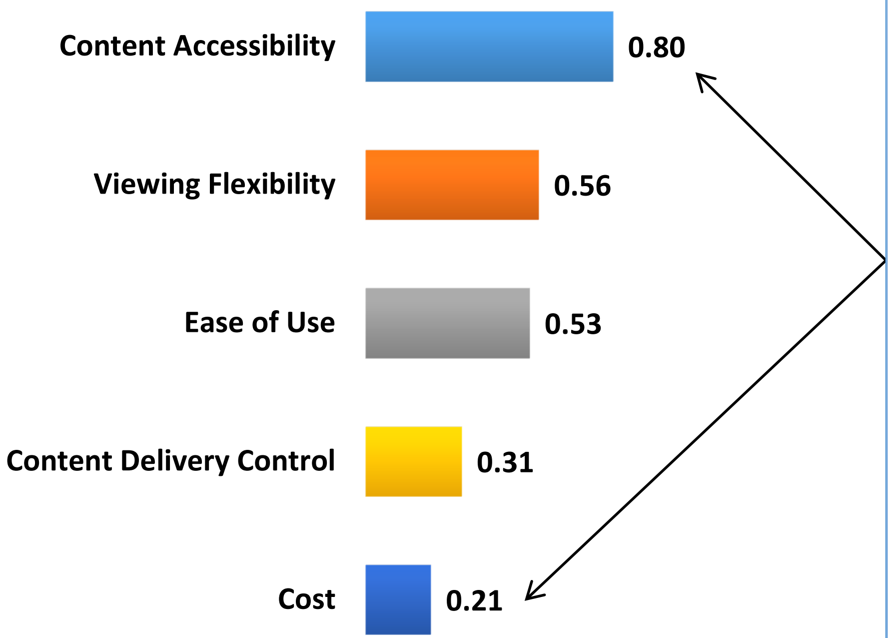
We Discovered Five Statistically Distinct Market Drivers That Determine Video Content Delivery Market Share

Factor	Score	Driver	Impact	% within Factor	Influence
Content Accessibility	**0.80**	Range of video content available to listen to/download	0.22	27%	9%
		Content library includes both movie and television shows	0.22	27%	9%
		Time to view video content after purchase	0.21	27%	9%
		Provides access to new-release movies	0.15	19%	6%
Viewing Flexibility	**0.56**	Compatibility with multiple devices	0.18	33%	8%
		Capacity to use from different locations	0.16	28%	7%
		Ability to share video content with friends	0.11	20%	5%
		Ease of sharing access with others	0.11	19%	4%
Ease of Use	**0.53**	Reliability of video delivery while watching	0.19	36%	8%
		Ease of use	0.17	32%	7%
		Time and effort required to set up service	0.17	32%	7%
Content Delivery Control	**0.31**	Quality display resolution	0.19	60%	8%
		Offers DVR-type functionality	0.12	40%	5%
Cost	**0.21**	Having to view advertising while watching video	0.11	52%	4%
		On-going subscription cost	0.10	48%	4%

These Five Market Drivers Vary In Their Influence Over Market Share and Brand Equity: Content Accessibility Has Four Times the Influence Associated with Cost

Individual Driver Impact Over Brand Affinity



Higher impact scores =
Greater importance to decision =
Increased opportunity to improve Brand Affinity

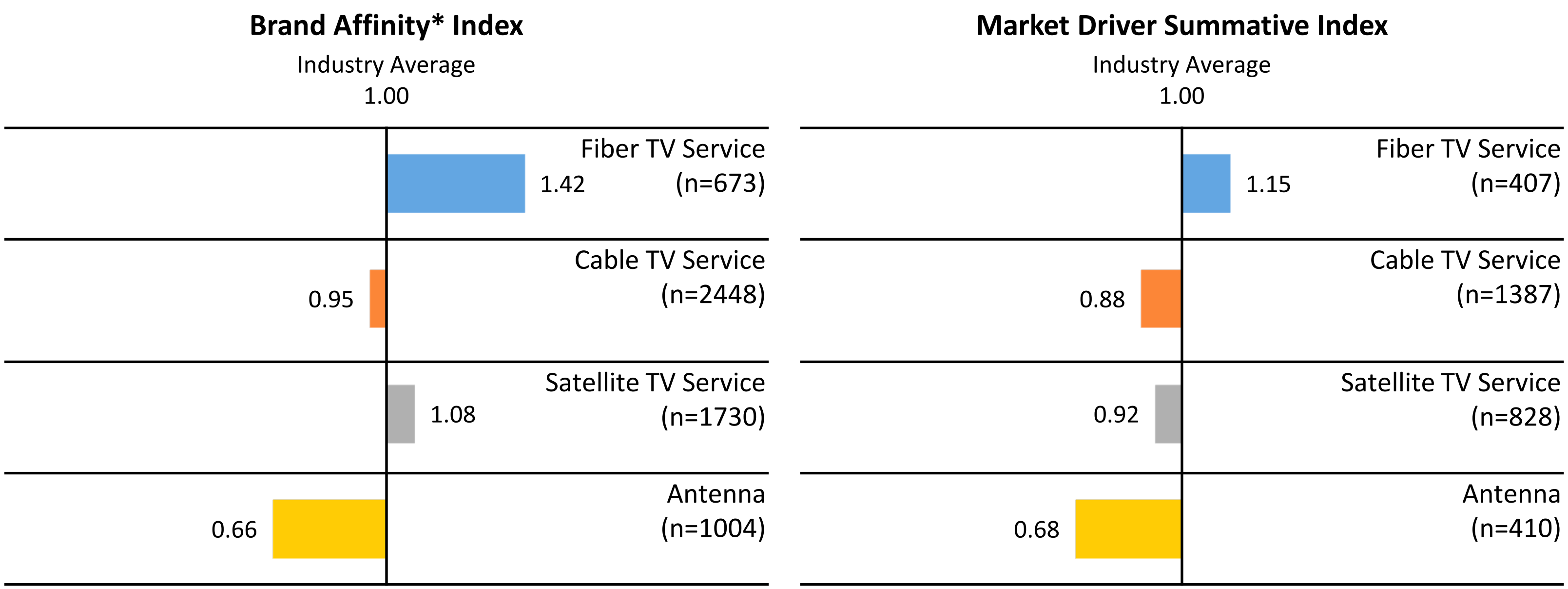
Impact scores represent the brand affinity improvement forecast to result from a five percent (5%) improvement in driver ratings. For example, if a company were to improve its average rating for the selection criteria composing the *Content Accessibility* market driver by 5%, i.e., from 7.5 to 7.88, the company's overall brand affinity would increase by **.80%**.

However, affecting a similar 5% point increase on *Cost* results in a **.21%** increase in revenue. Your company may derive one fourth as much **ROI** by focusing on *Cost* rather than on *Content Accessibility*.

Impact score improvements are additive – marketing strategies that impact multiple market driver categories produce market share improvements equal to the sum of the market impact scores from all affected drivers.

Market Driver Analysis – Channel

Fiber TV services are defining the competitive standard for video content delivery channels. Though cable and satellite channels vary in terms of brand affinity (where satellite holds a significant advantage), both struggle to meet customer expectations in terms of market driver fulfillment.



*Note: Brand Affinity=average of Overall Satisfaction, Likelihood to Recommend, Likelihood to Use in Future

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.
Q25. Please rate your overall satisfaction with the following video programming distributors.
Q26. What is the probability that you would recommend the following video programming distributors?
Q27. What is the probability that you would subscribe/use to the following video programming distributors in the future?

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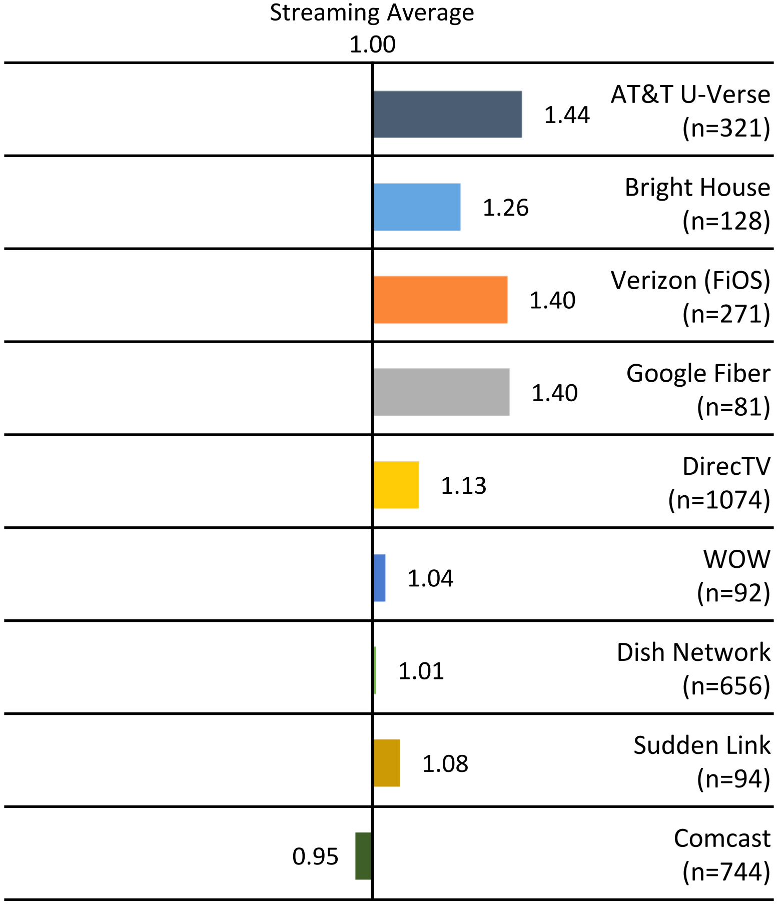
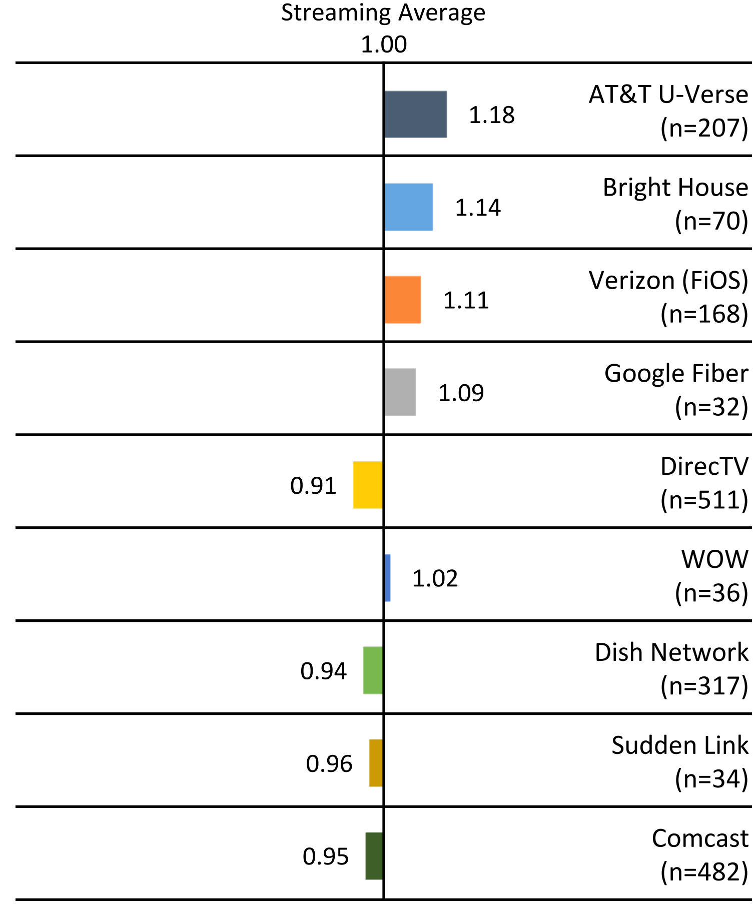
Market Driver Analysis – Channel (cont'd)

Comcast single-handedly pulls down both the brand affinity and market driver fulfillment scores of the entire cable distribution category. AT&T defines the competitive standard for both metrics.

Brand Affinity* Index



Market Driver Summative Index



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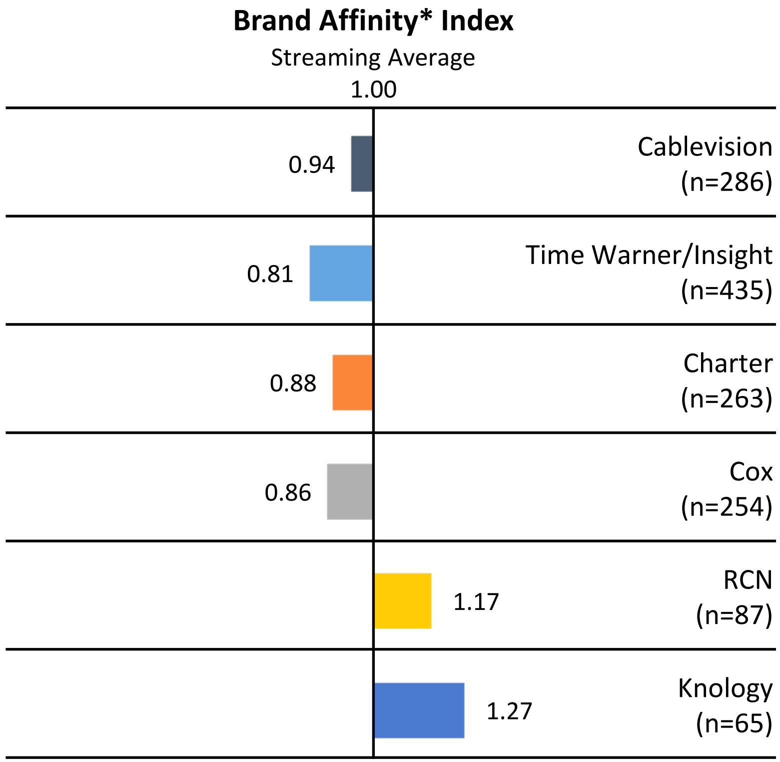
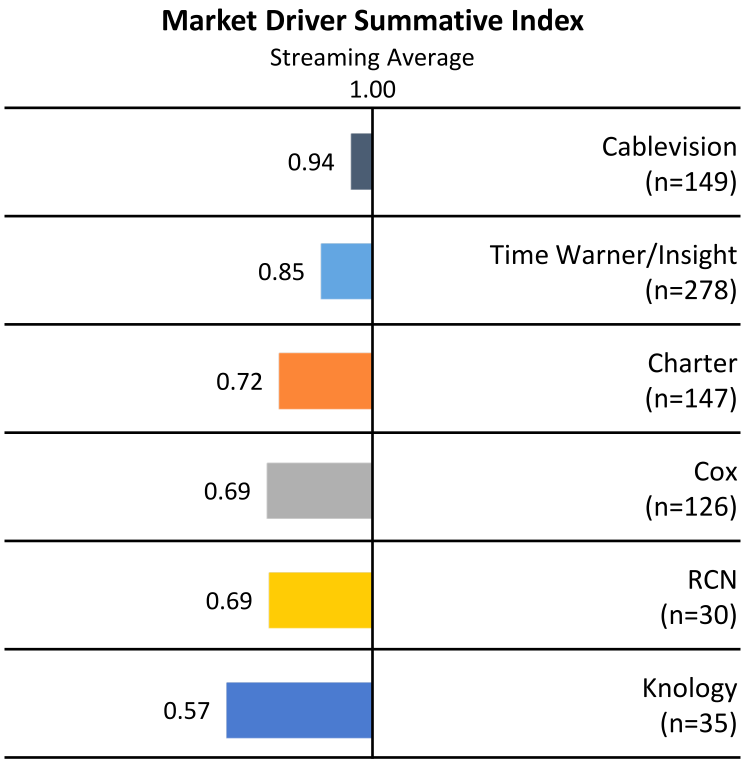
Market Driver Analysis – Channel (cont'd)

These companies show significant long-term market share vulnerability related to failing to fulfill customer market driver expectations. RCN and Knology are actively undermining their brand equity.





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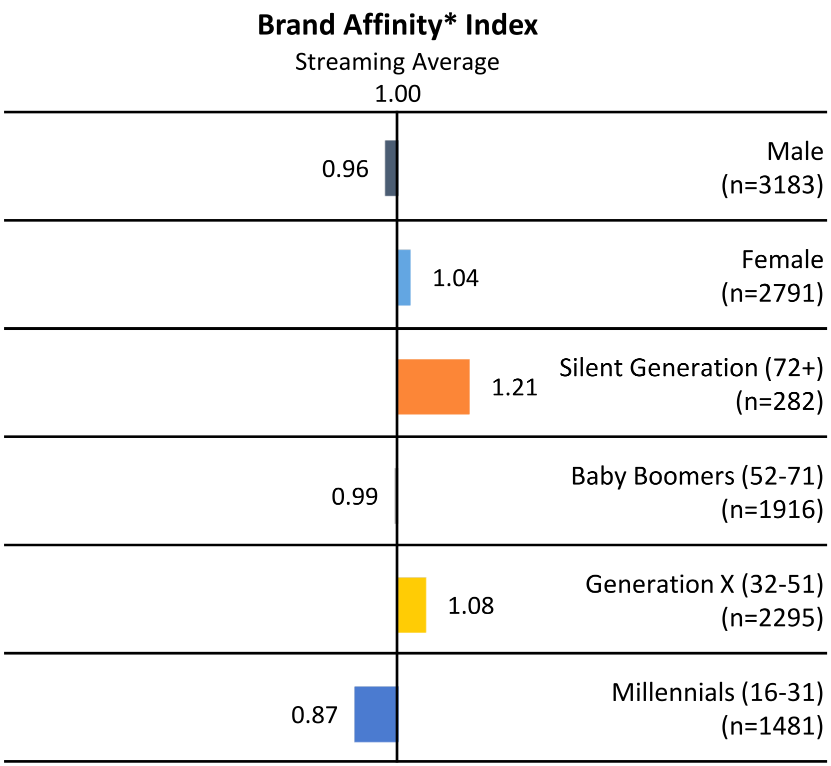
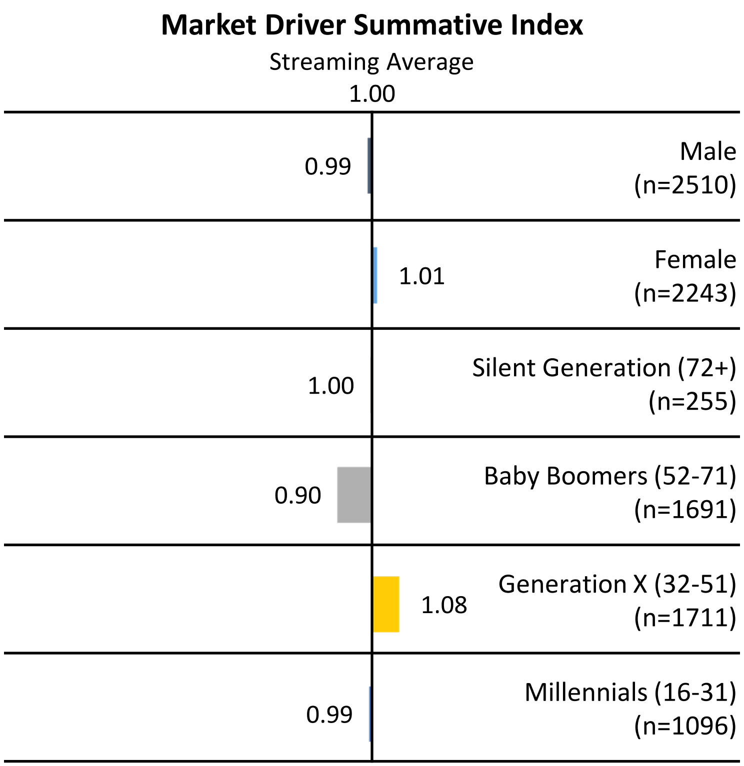
Market Driver Analysis – Segment View

Millennials are the most vocal 'cord-cutting' evangelists and are highly critical of their video content distributor, despite market driver fulfillment ratings that suggest adequate service and value.





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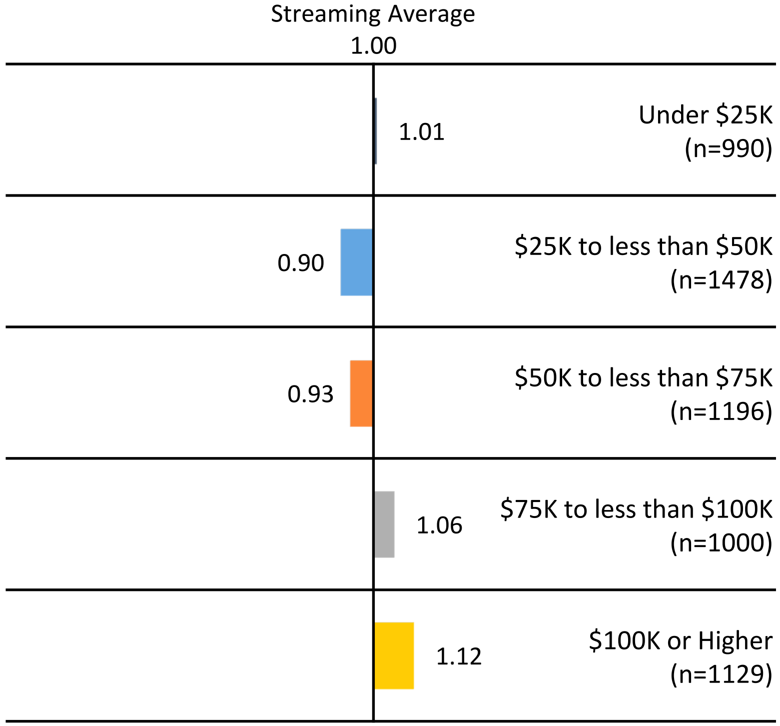
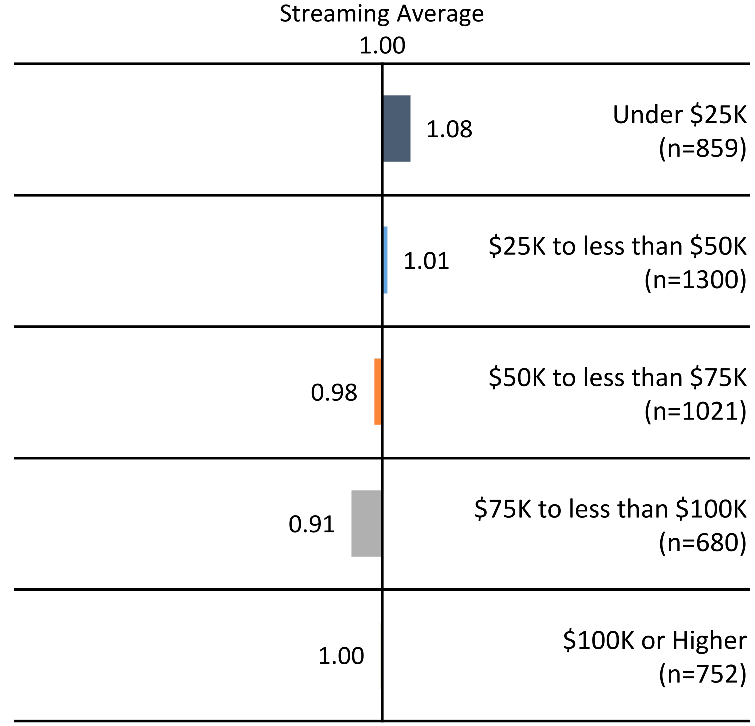
Market Driver Analysis – Income Segments

Those income categories with the highest percentage of Millennials are the most critical of their video content distributor.

Brand Affinity* Index



Market Driver Summative Index



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Market Driver Impact – Channel

Streaming service providers significantly outperform both cable and satellite video content distributors in terms of fulfilling consumer expectations.

Summative Index (Indexed against Market Average)

Fiber TV Service (n=407)	Cable TV Service (n=1387)	Satellite TV Service (n=828)	Antenna (n=410)	Streaming Service (n=1629)
1.15	0.88	0.92	0.68	1.17

Market Driver Index (Indexed against Market Average)

	Market Driver Impact	Fiber TV Service (n=407)	Cable TV Service (n=1387)	Satellite TV Service (n=828)	Antenna (n=410)	Streaming Service (n=1629)
Content Accessibility	0.80	1.14	0.89	0.93	0.43	1.21
Viewing Flexibility	0.56	1.01	0.75	0.72	0.50	1.42
Ease of Use	0.53	1.22	0.94	0.98	1.00	1.01
Content Delivery Control	0.31	1.39	1.08	1.21	0.57	0.78
Cost	0.21	0.97	0.70	0.82	1.44	1.31

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

Market Driver Impact – Channel (cont'd)

There is very significant variation in market driver fulfillment across the different cable and satellite companies. Most of the variation is found in the two most influential market driver categories: content accessibility and viewing flexibility.

Summative Index (Indexed against Market Average)

AT&T U-Verse (n=207)	Bright House (n=70)	Verizon (FiOS) (n=168)	Google Fiber (n=32)	DirecTV (n=511)	WOW (n=36)	Dish Network (n=317)	Sudden Link (n=34)	Comcast (n=482)
1.18	1.14	1.11	1.09	0.91	1.02	0.94	0.96	0.95

Market Driver Index (Indexed against Market Average)

Market Driver	Market Driver Impact	AT&T U-Verse (n=207)	Bright House (n=70)	Verizon (FiOS) (n=168)	Google Fiber (n=32)	DirecTV (n=511)	WOW (n=36)	Dish Network (n=317)	Sudden Link (n=34)	Comcast (n=482)
Content Accessibility	0.80	1.20	1.13	1.05	1.28	0.95	0.98	0.90	0.84	1.01
Viewing Flexibility	0.56	1.10	1.07	0.94	0.86	0.75	0.97	0.68	1.03	0.77
Ease of Use	0.53	1.17	1.17	1.31	1.07	0.95	1.05	1.03	0.88	0.99
Content Delivery Control	0.31	1.44	1.44	1.47	0.72	1.14	0.97	1.33	1.19	1.17
Cost	0.21	1.02	0.89	0.75	1.62	0.73	1.30	0.95	1.03	0.74

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

Market Driver Impact – Channel (cont'd)

Companies with summative index market driver fulfillment scores of less than 1.0 should experience declining market share.

Summative Index (Indexed against Market Average)

Cablevision (n=149)	Time Warner/ Insight (n=278)	Charter (n=147)	Cox (n=126)	RCN (n=30)	Knology (n=35)
0.94	0.85	0.72	0.69	0.69	0.57

Market Driver Impact / **Market Driver Index (Indexed against Market Average)**

Market Driver	Market Driver Impact	Cablevision (n=149)	Time Warner/ Insight (n=278)	Charter (n=147)	Cox (n=126)	RCN (n=30)	Knology (n=35)
Content Accessibility	0.80	0.90	0.88	0.75	0.58	0.66	0.58
Viewing Flexibility	0.56	0.77	0.74	0.63	0.59	0.59	0.69
Ease of Use	0.53	1.12	0.87	0.82	0.91	0.61	0.46
Content Delivery Control	0.31	1.22	1.08	0.87	0.88	0.63	0.48
Cost	0.21	0.62	0.62	0.44	0.54	1.44	0.63

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

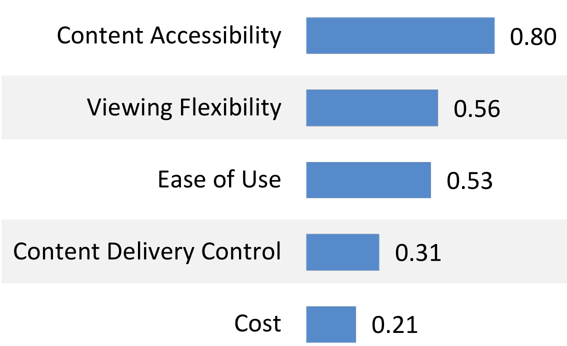
Market Driver Impact – Channel (cont'd)

Gen X consumers give the highest market driver fulfillment ratings to their video content distributors. These ratings typically do not vary by gender.

Summative Index (Indexed against Market Average)

Male (n=2510)	Female (n=2243)	Silent Generation (72+) (n=255)	Baby Boomers (52-71) (n=1691)	Generation X (32-51) (n=1711)	Millennials (16-31) (n=1096)
0.99	1.01	1.00	0.90	1.08	0.99

Market Driver Impact



Market Driver Index (Indexed against Market Average)

Market Driver	Male (n=2510)	Female (n=2243)	Silent Generation (72+) (n=255)	Baby Boomers (52-71) (n=1691)	Generation X (32-51) (n=1711)	Millennials (16-31) (n=1096)
Content Accessibility	0.97	1.03	1.06	0.91	1.06	1.00
Viewing Flexibility	0.98	1.02	0.72	0.80	1.10	1.10
Ease of Use	1.01	0.99	1.18	0.94	1.05	0.94
Content Delivery Control	0.97	1.03	1.30	1.03	1.05	0.84
Cost	1.05	0.95	0.56	0.82	1.20	1.05

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

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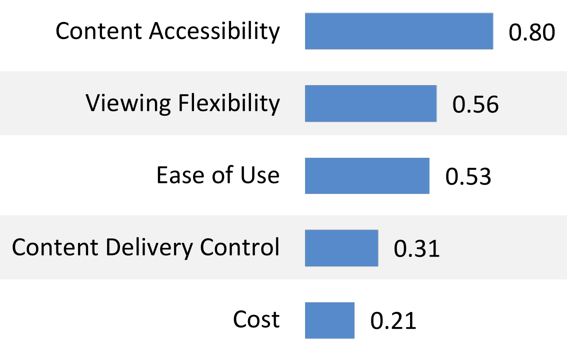
Market Driver Impact – Channel (cont'd)

Overall market driver fulfillment ratings do not vary among households with annual incomes greater than $25K.

Summative Index (Indexed against Market Average)

Under $25K (n=859)	$25K to less than $50K (n=1300)	$50K to less than $75K (n=1021)	$75K to less than $100K (n=680)	$100K or Higher (n=752)
1.08	1.01	0.98	0.91	1.00

Market Driver Impact



Market Driver Index (Indexed against Market Average)

Market Driver	Under $25K (n=859)	$25K to less than $50K (n=1300)	$50K to less than $75K (n=1021)	$75K to less than $100K (n=680)	$100K or Higher (n=752)
Content Accessibility	1.06	1.02	0.97	0.91	1.00
Viewing Flexibility	1.14	1.04	0.91	0.92	0.98
Ease of Use	1.10	1.01	1.01	0.90	0.96
Content Delivery Control	1.05	0.99	1.05	0.89	1.03
Cost	1.02	0.98	0.99	0.97	1.07

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

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Attribute Index Score – Driver Detail View

Streaming services are positioned for strong growth, held back only by problems with image reliability/resolution and (where applicable) the degree to which viewers can fast-forward through commercials.

		Top Box %	Indexed against Market Average				
	Attribute	Total (n=4753)	Fiber TV Service (n=407)	Cable TV Service (n=1387)	Satellite TV Service (n=828)	Antenna (n=410)	Streaming Service (n=1629)
Content Accessibility							
9%	Range of video content available to listen to/download	24%	0.97	0.81	0.82	0.42	1.38
9%	Content library includes both movie and television shows	28%	1.19	0.93	0.90	0.46	1.18
9%	Time to view video content after purchase	22%	1.12	0.89	0.99	0.52	1.16
6%	Provides access to new release movies	22%	1.36	0.93	1.08	0.28	1.07
Viewing Flexibility							
8%	Compatibility with multiple devices	26%	1.18	0.86	0.77	0.50	1.28
7%	Capacity to use from different locations	26%	0.83	0.71	0.76	0.56	1.47
5%	Ability to share video content with friends	18%	1.12	0.67	0.62	0.23	1.54
4%	Ease of sharing access with others	19%	0.90	0.68	0.64	0.65	1.49
Ease of Use							
8%	Reliability of video delivery while watching	27%	1.49	1.03	1.11	0.68	0.86
7%	Ease of use	36%	1.08	0.97	0.97	1.17	0.97
7%	Time and effort required to set up service	26%	1.08	0.78	0.83	1.16	1.23
Content Delivery Control							
8%	Quality display resolution	30%	1.38	1.07	1.10	0.71	0.85
5%	Offers DVR-type functionality	29%	1.42	1.09	1.38	0.34	0.68
Cost							
4%	Having to view advertising while watching video	16%	1.03	0.79	0.98	0.48	1.30
4%	On-going subscription cost	18%	0.91	0.61	0.66	2.35	1.32

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

Attribute Index Score – Driver Detail View (cont'd)

	Attribute	Top Box % Total (n=4753)	Indexed against Market Average AT&T U-Verse (n=207)	Bright House (n=70)	Verizon (FiOS) (n=168)	Google Fiber (n=32)	DirecTV (n=511)	WOW (n=36)	Dish Network (n=317)	Sudden Link (n=34)	Comcast (n=482)
Content Accessibility											
9%	Range of video content available to listen to/download	24%	0.98	1.07	1.00	0.81	0.83	0.85	0.80	0.89	0.96
9%	Content library includes both movie and television shows	28%	1.23	1.17	1.04	1.64	0.91	1.09	0.89	0.81	1.01
9%	Time to view video content after purchase	22%	1.25	1.12	0.92	1.29	0.99	1.01	0.98	0.82	0.99
6%	Provides access to new release movies	22%	1.38	1.13	1.32	1.35	1.16	0.91	0.97	0.85	1.11
Viewing Flexibility											
8%	Compatibility with multiple devices	26%	1.25	1.44	1.13	1.02	0.74	1.10	0.83	1.12	0.84
7%	Capacity to use from different locations	26%	0.91	0.73	0.81	0.44	0.81	0.75	0.66	1.22	0.74
5%	Ability to share video content with friends	18%	1.23	1.20	0.95	1.25	0.70	1.22	0.48	0.72	0.62
4%	Ease of sharing access with others	19%	1.00	0.78	0.75	0.90	0.69	0.86	0.55	0.77	0.82
Ease of Use											
8%	Reliability of video delivery while watching	27%	1.39	1.13	1.63	1.39	1.11	1.12	1.10	0.58	1.13
7%	Ease of use	36%	1.06	1.22	1.18	0.70	0.92	1.01	1.06	1.00	1.01
7%	Time and effort required to set up service	26%	1.06	1.15	1.08	1.21	0.78	1.01	0.90	1.07	0.80
Content Delivery Control											
8%	Quality display resolution	30%	1.41	1.37	1.49	0.71	1.03	0.94	1.22	1.33	1.18
5%	Offers DVR-type functionality	29%	1.50	1.56	1.45	0.75	1.31	1.01	1.50	0.98	1.17
Cost											
4%	Having to view advertising while watching video	16%	1.11	1.08	0.85	1.37	0.89	1.36	1.12	1.34	0.86
4%	On-going subscription cost	18%	0.94	0.71	0.66	1.85	0.58	1.24	0.80	0.74	0.63

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

Attribute Index Score – Driver Detail View (cont'd)

		Top Box %	Indexed against Market Average					
	Attribute	Total (n=4753)	Cable-vision (n=149)	Time Warner/ Insight (n=278)	Charter (n=147)	Cox (n=126)	RCN (n=30)	Knology (n=35)
Content Accessibility								
9%	Range of video content available to listen to/download	24%	0.81	0.78	0.68	0.39	0.62	0.46
9%	Content library includes both movie and television shows	28%	1.00	0.93	0.80	0.67	0.66	0.71
9%	Time to view video content after purchase	22%	0.83	0.93	0.77	0.68	0.55	0.53
6%	Provides access to new release movies	22%	0.98	0.90	0.73	0.57	0.86	0.58
Viewing Flexibility								
8%	Compatibility with multiple devices	26%	0.89	0.77	0.72	0.88	0.63	0.72
7%	Capacity to use from different locations	26%	0.83	0.69	0.64	0.43	0.59	0.82
5%	Ability to share video content with friends	18%	0.58	0.80	0.51	0.37	0.44	0.75
4%	Ease of sharing access with others	19%	0.60	0.67	0.50	0.46	0.63	0.29
Ease of Use								
8%	Reliability of video delivery while watching	27%	1.31	0.97	0.80	1.02	0.66	0.62
7%	Ease of use	36%	1.02	0.95	0.92	0.95	0.73	0.30
7%	Time and effort required to set up service	26%	1.02	0.64	0.71	0.71	0.36	0.50
Content Delivery Control								
8%	Quality display resolution	30%	1.22	1.10	0.80	0.89	0.59	0.47
5%	Offers DVR-type functionality	29%	1.23	1.05	0.99	0.87	0.70	0.49
Cost								
4%	Having to view advertising while watching video	16%	0.63	0.72	0.49	0.60	1.57	0.50
4%	On-going subscription cost	18%	0.60	0.54	0.40	0.49	1.31	0.75

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

Attribute Index Score – Driver Detail View (cont'd)

	Attribute	Top Box % Total (n=4753)	Indexed against Market Average: Male (n=2510)	Female (n=2243)	Silent Generation (72+) (n=255)	Baby Boomers (52-71) (n=1691)	Generation X (32-51) (n=1711)	Millennials (16-31) (n=1096)
Content Accessibility								
9%	Range of video content available to listen to/download	24%	0.99	1.01	1.11	0.89	1.07	0.99
9%	Content library includes both movie and television shows	28%	0.96	1.04	1.13	0.96	1.00	1.00
9%	Time to view video content after purchase	22%	0.95	1.05	1.01	0.88	1.07	1.01
6%	Provides access to new release movies	22%	0.96	1.04	0.94	0.87	1.13	0.99
Viewing Flexibility								
8%	Compatibility with multiple devices	26%	0.96	1.04	0.88	0.83	1.07	1.08
7%	Capacity to use from different locations	26%	1.01	0.99	0.80	0.84	1.08	1.08
5%	Ability to share video content with friends	18%	0.96	1.04	0.54	0.71	1.20	1.09
4%	Ease of sharing access with others	19%	1.00	1.00	0.35	0.74	1.12	1.18
Ease of Use								
8%	Reliability of video delivery while watching	27%	1.01	0.99	1.37	0.96	1.05	0.88
7%	Ease of use	36%	0.98	1.02	1.12	0.96	1.06	0.94
7%	Time and effort required to set up service	26%	1.05	0.95	1.05	0.91	1.04	1.02
Content Delivery Control								
8%	Quality display resolution	30%	0.98	1.02	1.30	1.06	1.07	0.78
5%	Offers DVR-type functionality	29%	0.96	1.04	1.30	0.97	1.02	0.93
Cost								
4%	Having to view advertising while watching video	16%	1.04	0.96	0.58	0.81	1.25	0.99
4%	On-going subscription cost	18%	1.05	0.95	0.54	0.83	1.15	1.10

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

Attribute Index Score – Driver Detail View (cont'd)

	Attribute	Top Box %	Indexed against Market Average				
		Total (n=4753)	Under $25K (n=859)	$25K to less than $50K (n=1300)	$50K to less than $75K (n=1021)	$75K to less than $100K (n=680)	$100K or Higher (n=752)
Content Accessibility							
9%	Range of video content available to listen to/download	24%	1.06	1.00	1.03	0.89	0.99
9%	Content library includes both movie and television shows	28%	1.06	1.01	0.96	0.97	1.01
9%	Time to view video content after purchase	22%	1.02	1.04	0.96	0.89	0.96
6%	Provides access to new release movies	22%	1.10	1.04	0.93	0.85	1.03
Viewing Flexibility							
8%	Compatibility with multiple devices	26%	1.08	1.07	0.96	0.91	0.92
7%	Capacity to use from different locations	26%	1.15	1.01	0.89	0.95	0.99
5%	Ability to share video content with friends	18%	1.24	1.10	0.85	0.89	0.92
4%	Ease of sharing access with others	19%	1.14	0.94	0.89	0.91	1.20
Ease of Use							
8%	Reliability of video delivery while watching	27%	0.98	1.00	1.00	1.00	1.02
7%	Ease of use	36%	1.13	1.04	1.02	0.85	0.90
7%	Time and effort required to set up service	26%	1.20	0.97	1.00	0.84	0.97
Content Delivery Control							
8%	Quality display resolution	30%	1.04	1.00	1.05	0.89	1.01
5%	Offers DVR-type functionality	29%	1.07	0.97	1.04	0.88	1.06
Cost							
4%	Having to view advertising while watching video	16%	0.96	0.94	0.92	1.09	1.15
4%	On-going subscription cost	18%	1.07	1.02	1.05	0.86	0.99

Q24. Please rate each video programming distributor on its ability to deliver on the statements below.

How To Interpret Market Driver Results

Interpreting Brand Strength Metrics

Our brand strength metrics—as captured by our uniquely compelling market driver modeling—provide a high-level overview of the respective strength of the major video distribution channel/sources.

Market driver modeling provides two perspectives of brand strength: the first compares the degree to which each brand fulfills the criteria consumers use to select video distribution channel/sources; the second compares the overall brand affinity resulting from that experience. Both metrics are indexed for ease of comparison. Ratings greater than 1.0 indicate performance and brand affinity higher than the video distribution industry average; conversely, ratings of less than 1.0 indicate performance and brand affinity weakness and vulnerability.

Interpreting Our Market Driver Model

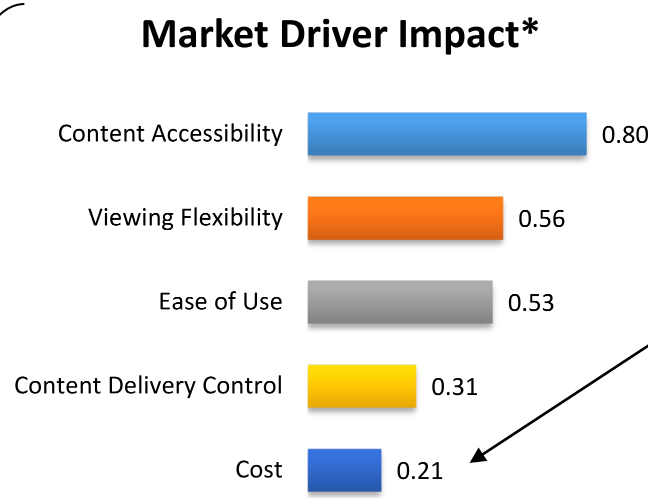
Market driver modeling defines statistically distinct clusters of selection criteria that ultimately determine video channel/source market share. The larger the impact score, the greater the influence of a market driver over customer loyalty, share of wallet and market share. ClearVoice uses market driver modeling to profile the competitive landscape and hone in on those issues with the greatest impact on business performance and potential ROI.

Market Driver Impact= Market Drivers' Relative Importance of Factors Determining Market Share

Impact on Purchase Likelihood
Higher Impact Score =
increased preference/market share opportunity

The influence of each driver is expressed in terms of an impact score. Impact scores reflect the relative influence of different market drivers over attitudes, opinions, preferences, and future buying behavior – i.e., outcomes.

Drivers with the highest impact score represent attributes upon which your company may wish to focus in order to increase purchase likelihood.



For every **one-point increase** in customer perception that your company can effect on *Content Accessibility*, you will experience a corresponding **0.80 increase in purchase likelihood** of your video distribution channel/source brand.

However, effecting a similar **one-point increase** on *Cost* results in a **0.21 increase in purchase likelihood** of your brand/product.

Your company may derive almost four times as much **"bang for the buck"** by focusing on *Content Accessibility* rather than on *Cost*.

*Derived by determining actual correlation between video distribution channel/source brand ratings and ultimate brand selection decision.

Interpreting Our Market Driver Summative Index

- The summative index shows the total impact of all drivers on competitive strength.

Summative Index Calculation

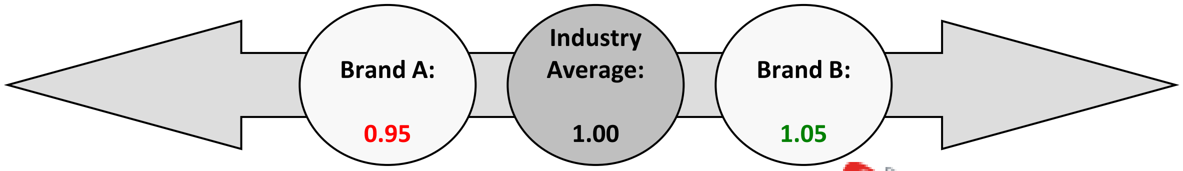
Performance Rating
The brand top box percent (percent of respondents with 9 to 10 rating) is calculated and multiplied by the relative importance impact score for each attribute.

Market Driver Influence
Within each driver, the sum of the attributes for each brand is indexed against the sum of the attributes of the industry average and then multiplied by the average market driver influence for each brand.

Summative Index
The summative index is calculated for each brand by adding the indexed scores for each individual market driver together.

- The summative index represents the performance of each segment compared to industry average for each market driver, where 1.0 equals the industry average. Market differentiation is statistically significant if the summative index is greater than 1.05 or lower than 0.95.
- Low scores on the summative index might indicate lack of competition or barriers in the market, whereas high scores on the summative index might indicate volatility/opportunity for high return.

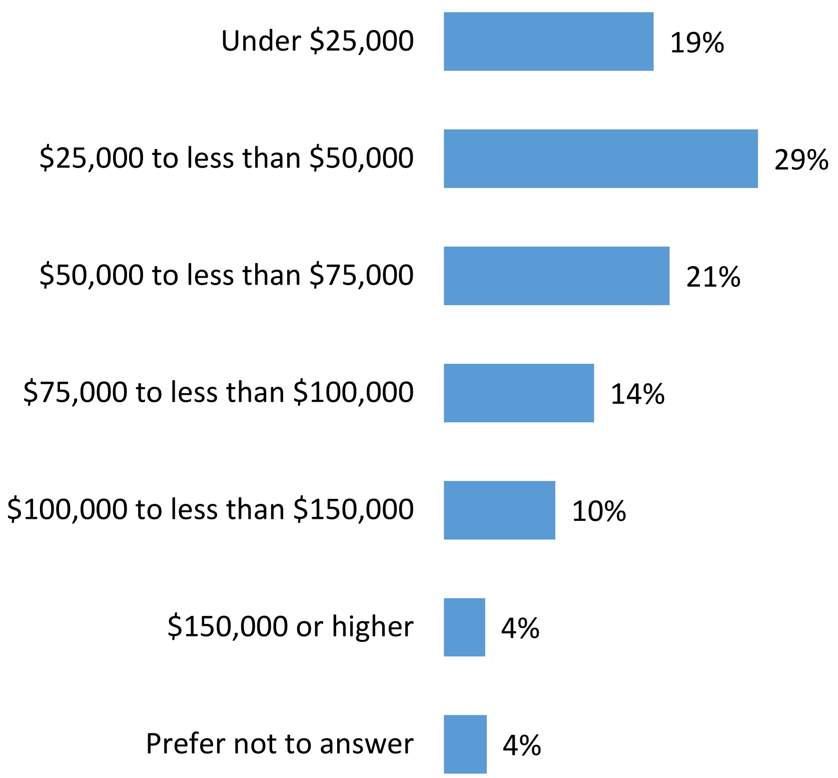
Summative Index



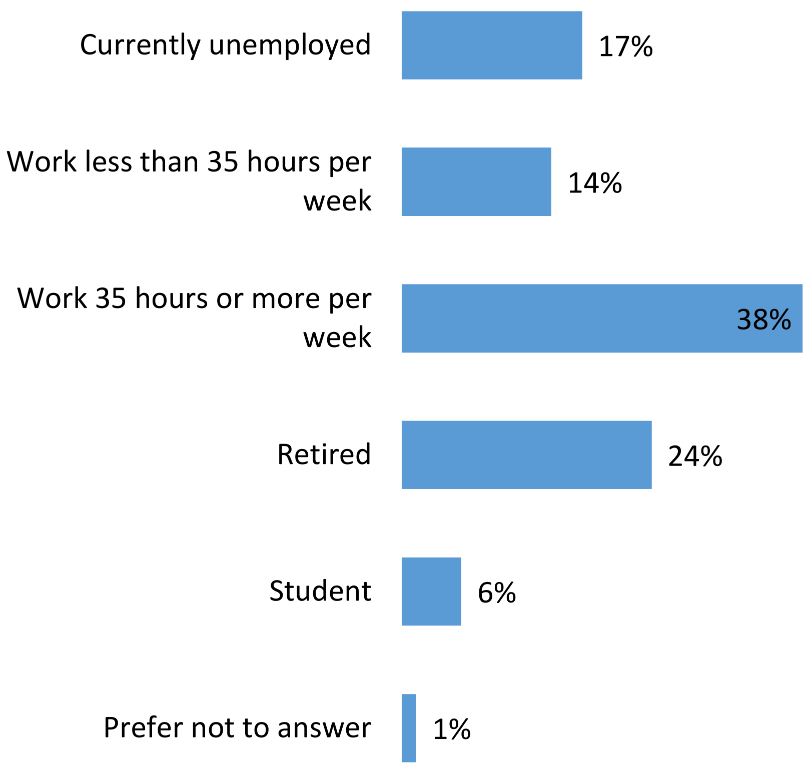
Respondent Profile

Annual Household Income and Employment Status

Annual Household Income
(n=2000)



Current Employment Status
(n=2000)



D1. Which of the following best represents your total household income before taxes?
D3. How would you describe your current employment status?

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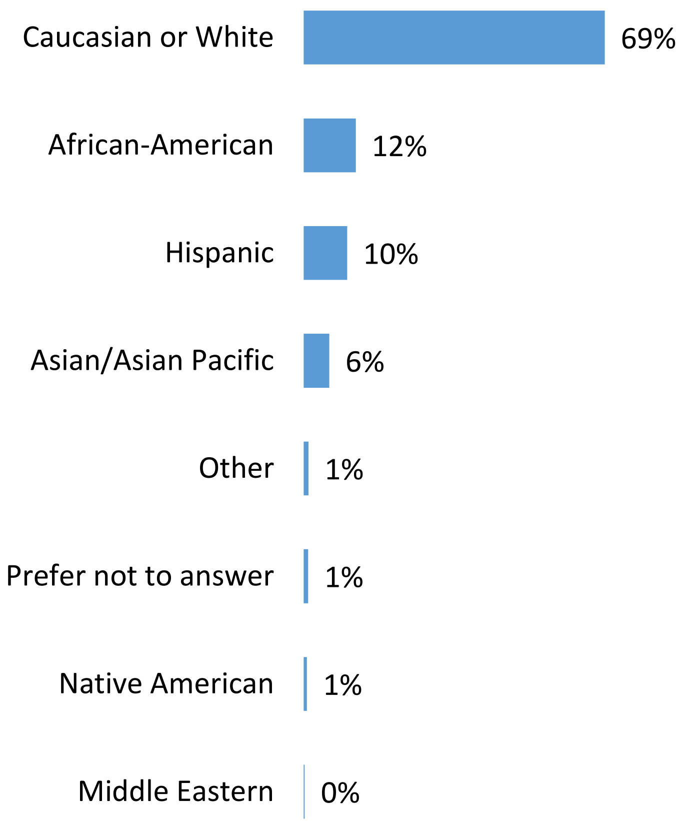
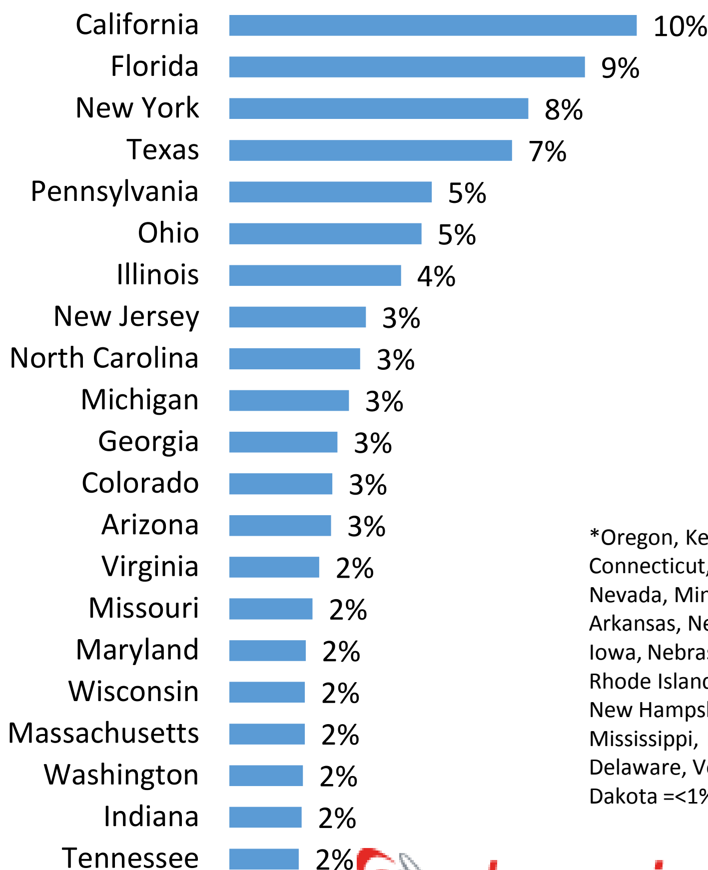
Race/Ethnicity and Employment Status

Race/ethnicity
(n=2000)



Current Residence (State)*
(n=2000)



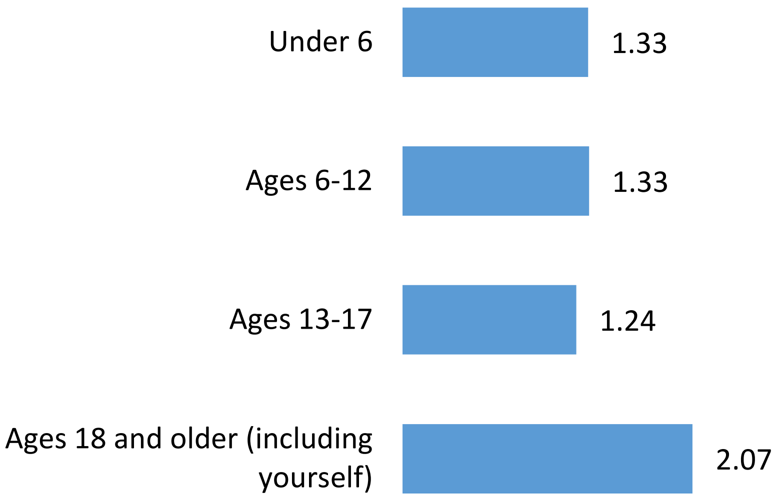
*Oregon, Kentucky, Alabama, Connecticut, South Carolina, Louisiana, Nevada, Minnesota, Utah, Kansas, Arkansas, New Mexico, Oklahoma, Iowa, Nebraska, Idaho, West Virginia, Rhode Island, Hawaii, South Dakota, New Hampshire, Montana, Maine, Mississippi, District of Columbia, Delaware, Vermont, Alaska, North Dakota =<1%

D2. What race/ethnicity do you most closely identify with?
D4. In which state do you currently reside?

Household Configuration

Average Number of People in Household
(n=2000)

Average Number by Age Group
(n=2000)



D5. Including yourself and any children, how many people currently live in your household?
D6. And how many of those people currently living in your household are in each age range below?

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Summary of Capabilities

Capabilities

- Buyer Behavior Profiling: targeting research defining the who, what, where and how of consumer behavior
- Market Driver Profiling: defining the factors determining market share and measuring competitor performance
- Segmentation: traditional macro segmentation plus dynamic web behavior segmentation
- Opportunity Forecasting: Monetizing competitor brand value with two-year opportunity forecasts
- Pricing: Determining market opportunity associated with alternative configurations of feature/function/price
- Strategy Optimization: Copy testing, positioning strategy development, promotion design
- Customer Experience: Tracking research typically focused on measuring customer satisfaction and brand awareness
- Product Testing: Calibration of new product concepts against established competitive benchmarks
- Innovation Research

Online Quantitative

- Customer Satisfaction Indexing
- Brand Tracking Studies
- New Item Tracking
- Claims Testing
- Packaging Testing
- Concept Tests
- IHUTs (In-Home Usage Tests)
- Custom Panel Builds

Online Qualitative

- Bulletin Board Discussion Groups
- Online focus groups (IDIs and Group)
- In-person focus groups

Traditional Qualitative

- New Messaging Online Quantitative
- Retail Kit; In Market Testing
- Ethnography and Shop-Alongs

Other Services

- Strategy Consulting
- Shelf-Optimization
- Customized Emails on Proprietary Email Platform
- Unique Social Media Consumer Engagement Construct

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Practice Leads

Media & Entertainment

Emily Keating

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Emily Keating brings more that 8 years of experience from her global experiences working in investment banking, risk management, strategy and market research. She previously worked for Goldman Sachs in their New York and Sydney, Australia offices, advising Fortune 500 companies. Emily earned her undergraduate degree at the University of Kansas.

Healthcare

Jerimy Hiltner

jerimy.hiltner@clearvoiceresearch.com (303) 895-3574

Jerimy Hiltner brings more than 10 years of experience in developing client relationships, building dynamic teams, executing complex projects and delivering actionable insights that drive business results for clients. Prior to joining ClearVoice Research, Jerimy held management positions in corporate strategy, business planning, business development and product management in the telecom and technology sectors. Jerimy holds an MBA from the University of Denver Daniels College of Business and an undergraduate degree from Amherst College.

Finance & Insurance

James Perkins, CFA

james.perkins@clearvoiceresearch.com (303) 895-3580

James Perkins brings more than 13 years of experience in market research, investment research and financial advisory. Prior to joining ClearVoice, James worked as a Principal for Benedetto, Gartland & Company (BGC), an investment bank focused on financial advisory, private equity fundraising and corporate finance. Before joining BGC, he held various positions in equity research, institutional financial consulting and product management. James holds an MBA from Columbia Business School, earned an undergraduate degree in Economics from UC Berkeley and is a CFA charterholder.

Consumer Products

Kristine Hawthorne

kristine.hawthorne@clearvoiceresearch.com (303) 895-3565

Kristine Hawthorne brings 15 years of consumer product experience. Prior to joining ClearVoice Research, Kristine held management positions in product development, operations, and marketing in the consumer products industry with Kraft, General Mills and Nestle. Her industry experience helps bring a unique perspective to design and execution of quantitative and qualitative research. Kristine hold an MBA from the Carlson School, an MS from Cornell University and an undergraduate degree from Rutgers University.

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