



Market Research

2011 CTAM Case Study Digital Viewing Effects Study



Hypotheses

- Viewers Prefer Live TV (or DVR) Over Online Viewing
- Online Viewing Helps Retain Fanbases
- Online Viewing Behavior Can Be a Tool in Acquiring New Viewers



Methodology

Online survey

- E-Poll Panel

Sample

- Adults 18+
- Cable and/or Satellite subscriber
- Broadband Internet subscriber

3 Segments

- Mostly Linear TV Viewers (n=541)
- Mostly Online TV Viewers (n=558)
- Both Linear and Online TV Viewers (n=541)

Field Dates

- January 7 – 19, 2011



Segments

Segment 1: Watch Mostly Linear TV

Watch less than 5 hrs online per week but watch 5 hrs or more linear per week

Segment 2: Watch Mostly Online TV

Watch at least as many or more hours of Online TV per week than they do Linear TV, with a minimum of 5 hrs of online per week

Segment 3: Watch a mix of Linear and Online TV

Must watch a minimum of 5 hrs per week online and 5 hrs linear per week.





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Hypothesis:

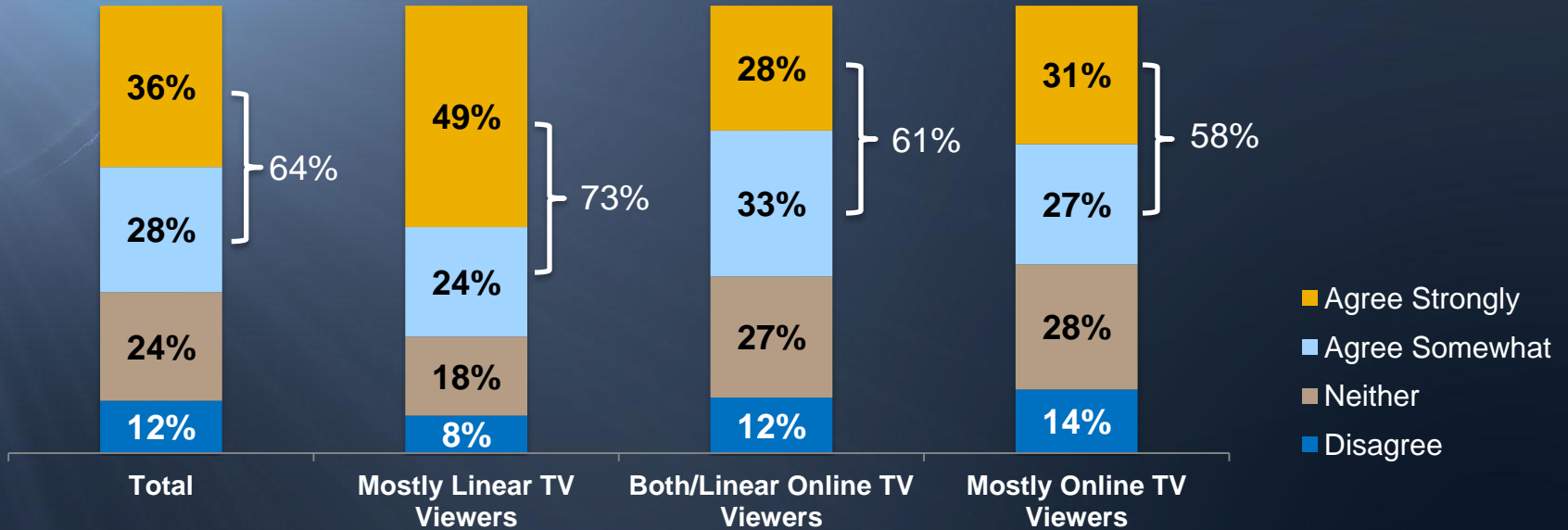
**Viewers Prefer Live TV (or DVR)
Over Online Viewing**

*Do Viewers Who Watch Online
Programming Stay as Online Viewers?*



Viewers Prefer Television – Favorite Programs

“I prefer to watch my **favorite programs** live on TV or through a DVR rather than watching them online.”



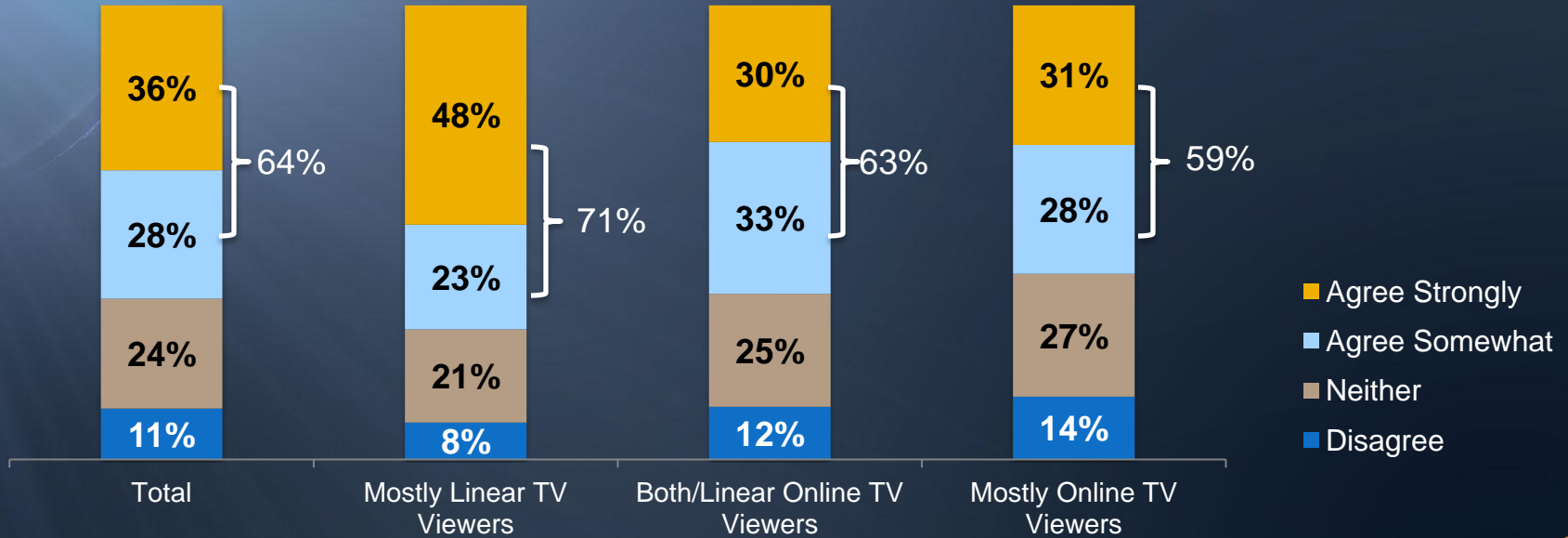
Base: Total Respondents

Q.32 - Please indicate how much you agree or disagree with each of the following statements regarding your viewing of full-length TV programs.



Viewers Prefer Television – Programs Want to Watch

"I would choose Live TV or DVR viewing over Internet streaming if **the program I wanted to watch** was available Both Online and on Live TV/DVR."



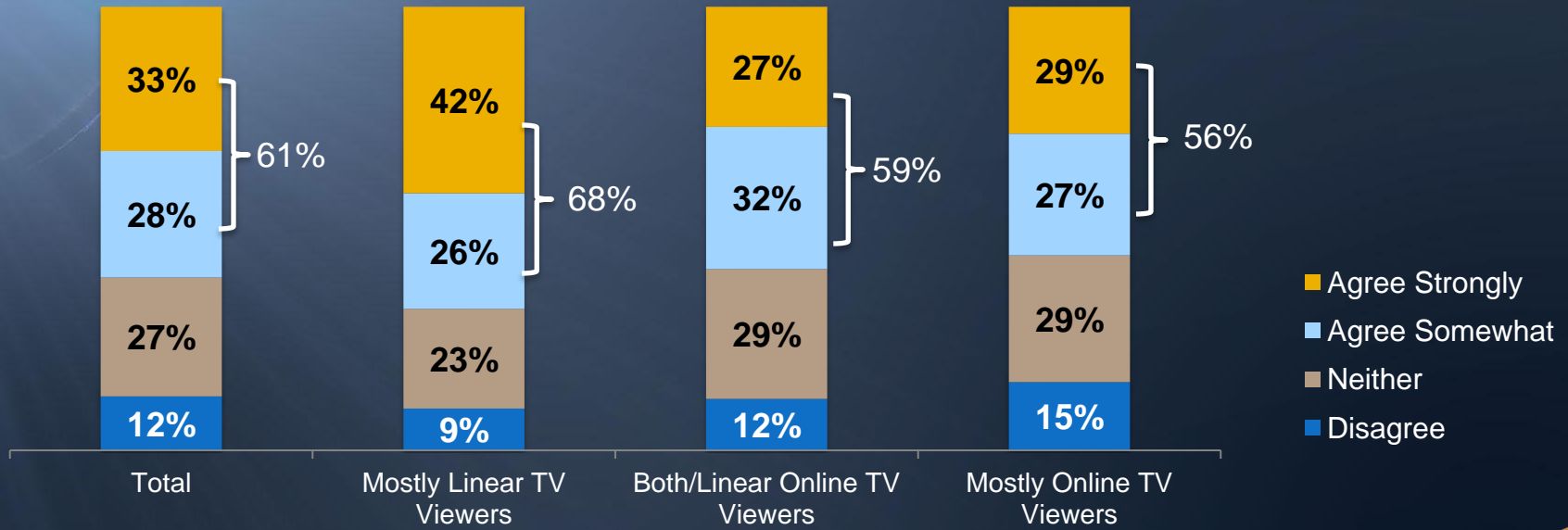
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Viewers Prefer Television – **New Shows**

"If I **discover a new show I like online**, I would prefer to watch it on Live TV or through a DVR rather than online."



- Agree Strongly
- Agree Somewhat
- Neither
- Disagree

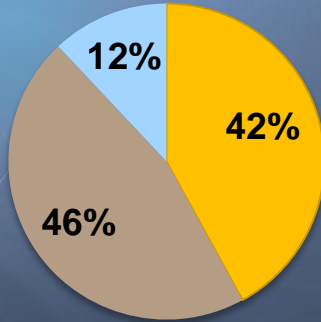
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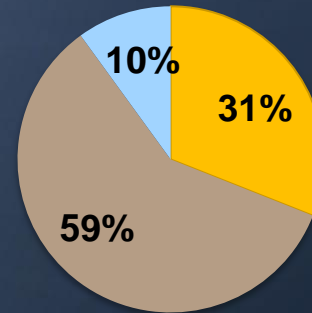


Impact of Watching Full Length TV Programs Online on Likelihood to Watch Programs on Linear TV

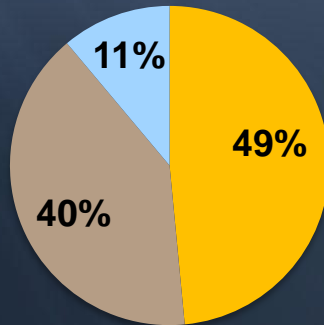
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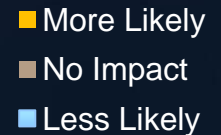
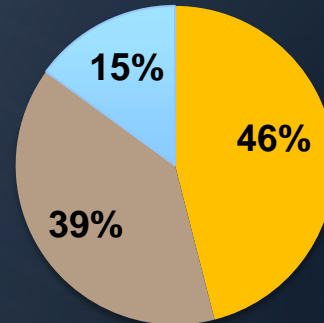
Mostly Linear TV Viewers



Both/Linear Online TV Viewers



Mostly Online TV Viewers

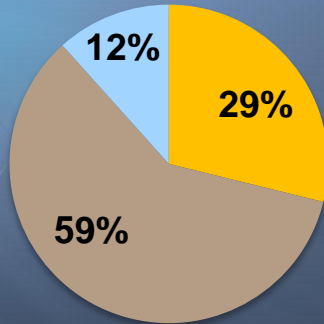


Base: Total Respondents

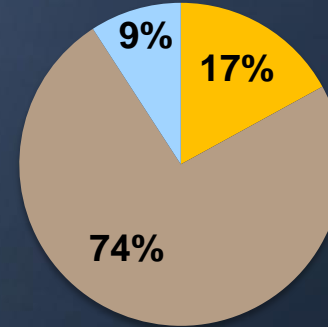
Q.23 - What impact, if any, has each of the following activities had on your likelihood to watch programs on live TV or through a DVR

Impact of Watching Full Length TV Programs Online on Frequency of Watching Programs on Linear TV

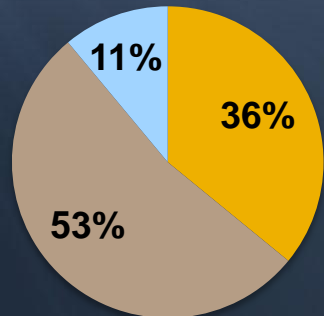
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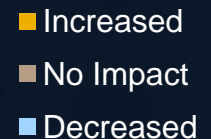
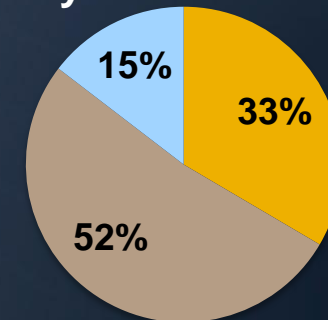
Mostly Linear TV Viewers



Both/Linear Online TV Viewers



Mostly Online TV Viewers



Base: Total Respondents

Q.22 - What impact has each of following activities had on your frequency of watching programs on live TV or through a DVR

Hypothesis **Supported**: Viewers Prefer Live TV (or DVR)

- Viewers prefer to watch on Live TV...
 - A TV program they wanted to watch
 - Their favorite TV programs
 - A show they discovered online
- Viewers are primarily anchored to linear TV, regardless of online availability
- Online TV viewing both complements and expands Live TV/DVR viewing





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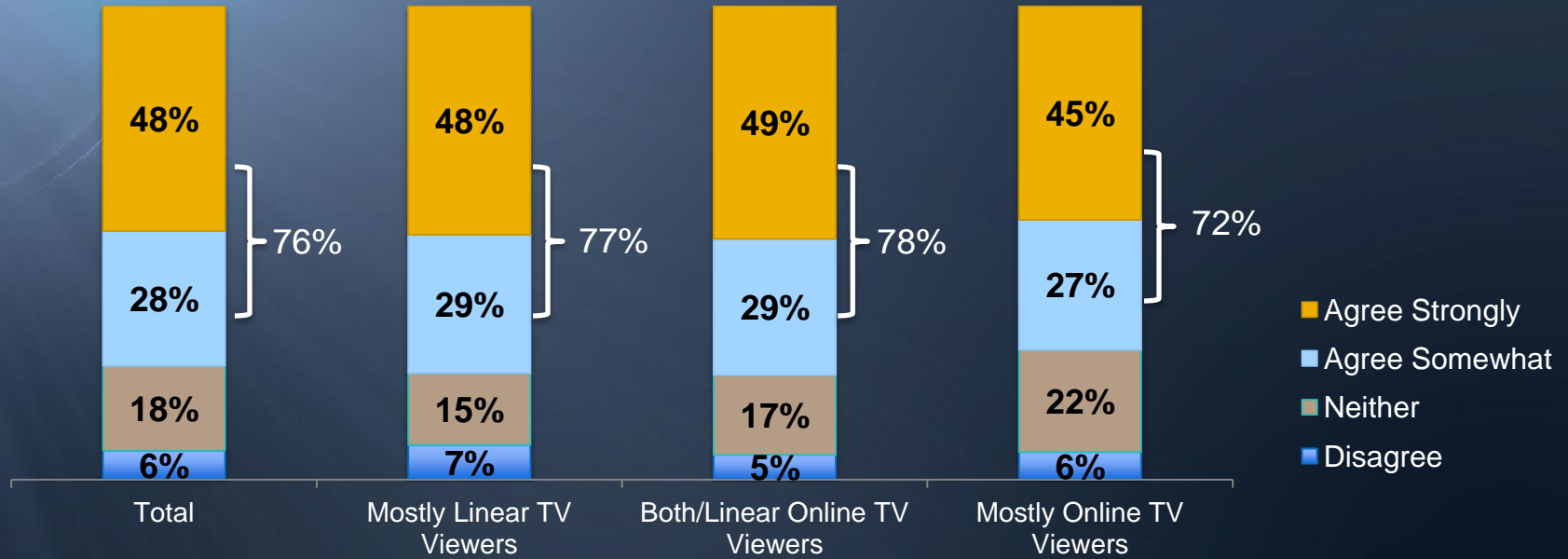
Hypothesis:

Online Access to Programs is Crucial for Current and Future Fans



Access Builds Program Loyalty

“If I miss an episode of a TV show I wanted to watch, I would **watch the missed episode online** if it is available.”

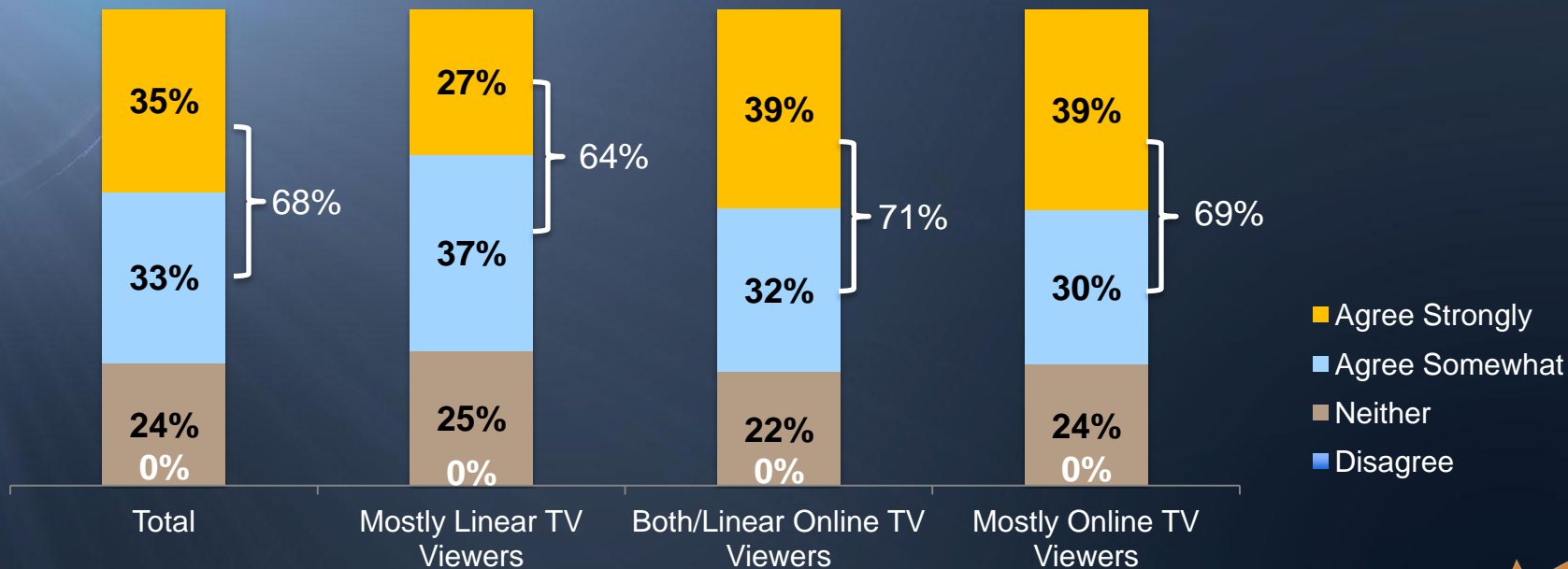


Base: Total Respondents



Program Enjoyment Increases with Access

“Watching missed episodes of TV programs online **adds to my enjoyment of the program.**”



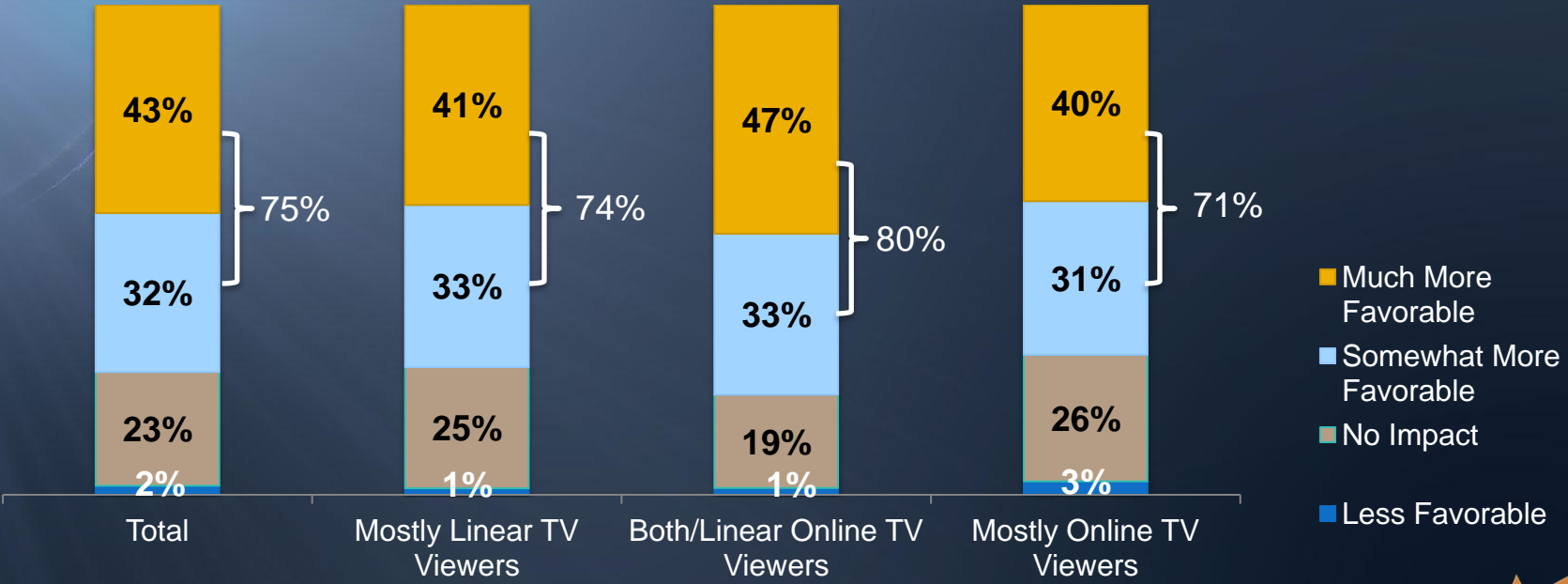
Base: Total Respondents



Market Research

Network Favorability Increases with Access

If a network were to provide access to the full-length programs you like to watch online as well as on air, how would this impact your impression of this network?



Base: Total Respondents
Q.29 - If a network were to provide access to the full-length programs you like to watch online as well as on air, how would this impact your impression of this network? Would you have a...

Hypothesis **Supported**: Online Viewing Supplements Live TV Viewing, Building Show Fanbases

- Online viewing is an important option for Live TV/DVR viewers to catch missed episodes.
- Having the option of watching favorite shows online as well as on Live TV enhances viewers' enjoyment of these shows
- Providing access reflects positively on Networks : “Halo Effect”





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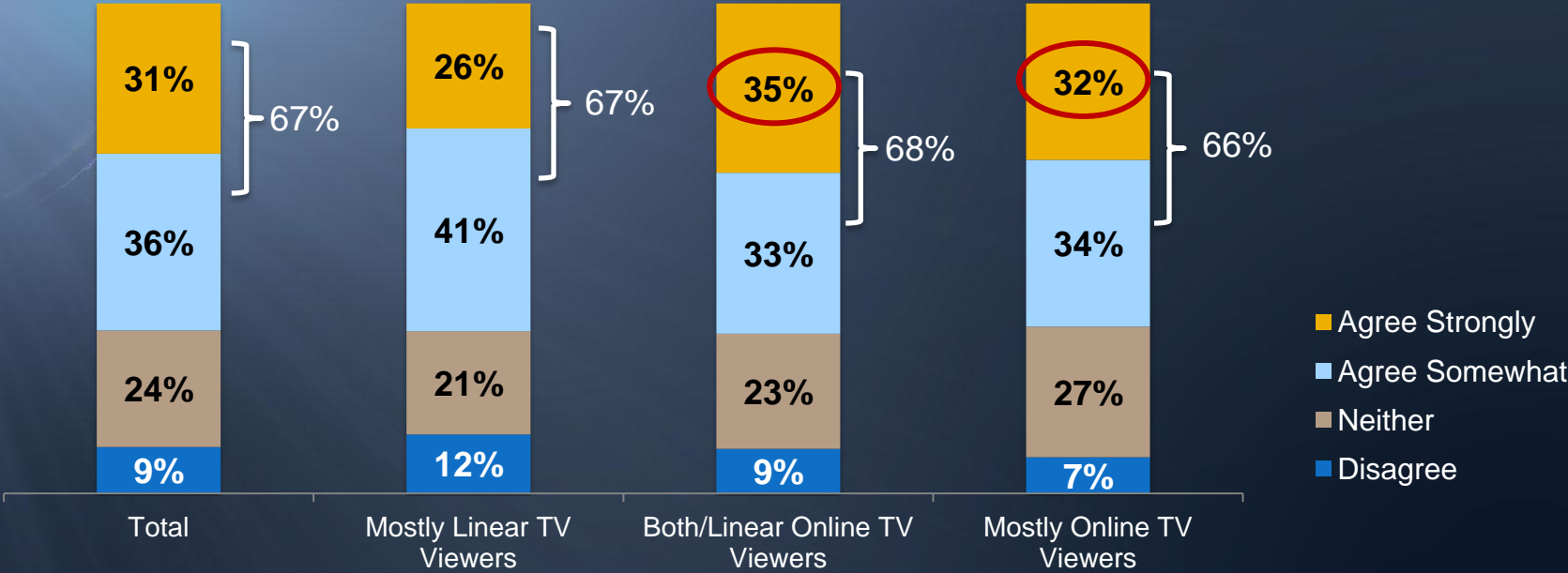
Hypothesis:

**Online Viewing Behavior
Can Be a Tool in
Acquiring New Viewers**



Influencers Drive New Viewers – Word of Mouth

“I talk about TV programs I watch with friends, family, or coworkers”



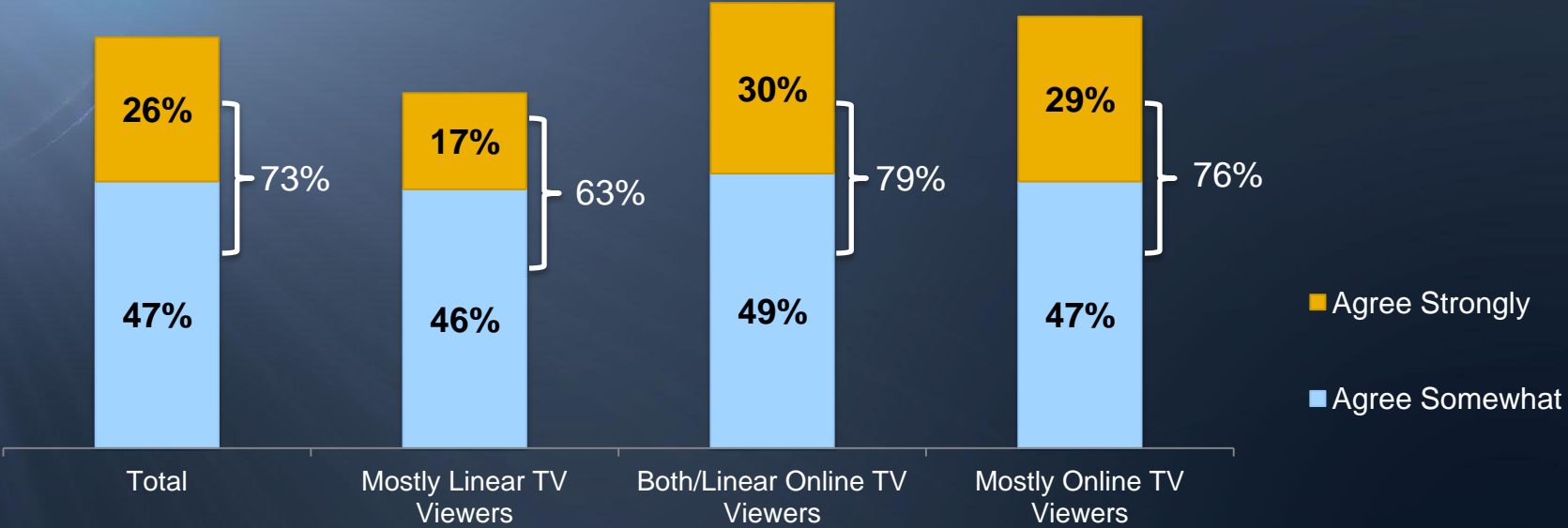
Base: Total Respondents

Q.32 - Please indicate how much you agree or disagree with each of the following statements regarding your viewing of full-length TV programs.



Influencers Drive New Viewers – TV Programs

“I am someone who influences others to check-out new TV programs or to watch specific TV programs, either on-air or online.”



■ Agree Strongly
■ Agree Somewhat

Base: Total Respondents

Q.36 - Please indicate how much you agree or disagree with each of the following statements



Hypothesis **Supported**: Online Content Availability Increases a Program's Ability to Acquire New Viewers

- Viewers of TV programs online are advocates for those programs
- Online influencers can sustain and expand linear viewership via
 - Buzz about a particular show
 - Introducing new shows to others
- Online accessibility gives viewers the chance to sample new shows



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Business Applications

AMC used the insights from this research by providing online viewing opportunities:

- What programming to make available online
- How many/which episodes of selected programs to make available online
- How the website would be structured/designed to allow visitors to select and view episodes
- How AMC's online content will be promoted to viewers



Real World Example

- *The Killing* premiered April 3rd, multiple episodes available online
 - Increased linear viewing for weeks where online streaming was available
 - + 10% A18-49 L+7 vs. linear only episodes
 - Audience composition for those weeks skewed the youngest of the season
 - Highest retention among program viewers week to week
- Approaching finale, online episodes and on-air marathons are being employed to retain and acquire new viewers





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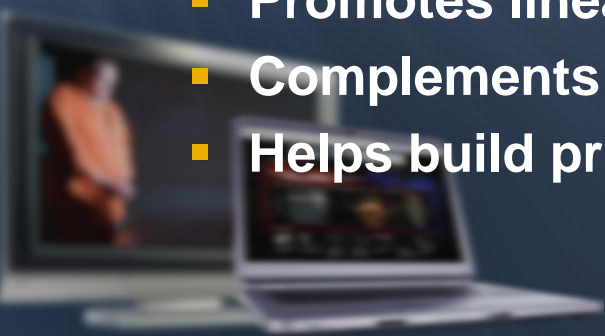
Overall Conclusion



Overall Conclusion

AMC stands to benefit by offering episodes of its TV programs on amctv.com.

- AMC's goal is to protect its most valuable commodity: Good Programming. As times change, so do the means for protecting programming, and building viewership.
- Limiting access to programs works against this goal.
- Providing online access...
 - Promotes linear viewing
 - Complements and supplements linear viewing
 - Helps build program fan bases



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