

Americans Expect Movies at the “Click Of A Mouse”

Toronto (May 30, 2007)—As the PC moves from a work device to a “life hub,” more Americans are using them to watch movies and expect that it’s a matter of time before all movies become available “at the click of a mouse.”

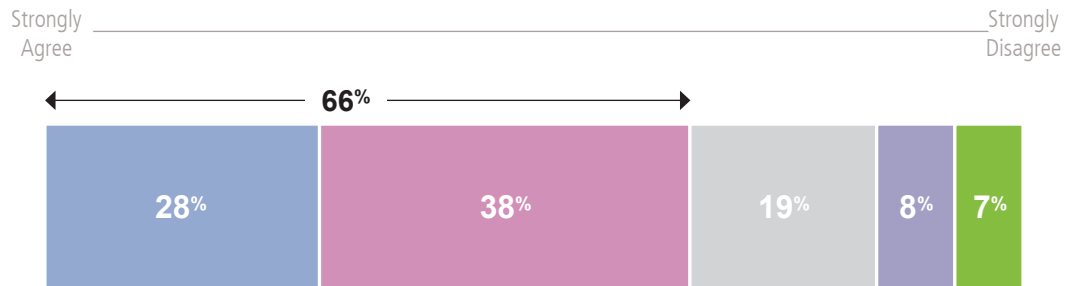
Among the highlights of a new research study conducted in May 2007:

- The PC is increasingly being used as a DVD player for movies or TV shows in many homes—47% of American PC users watched a DVD on their computers, up from 29% in October 2006.
- 15% of online Americans downloaded a full-length movie from the Internet “in the last month,” from any source (including peer-to-peer sites), up from 11% in October 2006. Paid downloads in the last month (movies or TV shows) were up from 5% of online Americans in October 2006 to 8% in May 2007.
- Full-length movies are found in 40% of all video-capable digital media players such as a video iPod and 27% have movie trailers stored on their devices.
- 66% agree with the statement “one day all movies will be available to download at the click of a mouse,” 19% are neutral and only 15% disagree. Agreement is strongest among those 30-49 (73%).

Despite the expectation of a digital universe of movies in the not too distant future, a majority of consumers do not yet have much awareness of or experience with current online movie options.

- **The Big Three (iTunes, Walmart, Amazon UnBox)**—among **itunes.com** visitors, 74% know that the site offers movies for download but only 30% have ever visited this section of the site. Among **amazon.com** and **walmart.com** visitors, only 10% and 8%, respectively, “ever” visited the movie download sections of these sites at some point in the past.
- **Others**—of the dozen or so other licensed online movie destinations covered in the research, **movielink.com** was visited by 9% at some point in the past, followed by the newly-launched **bittorent.com** (8%), Starz’ **Vongo.com** (5%) and **cinemanow.com** (5%).
- The dark horse in terms of potential online movie success is **Netflix** which ranks as the #2 source for physical DVD rentals in the study, next to **Blockbuster**. One-in-three Netflix members uses the Netflix online Instant Viewing feature (streaming video).

"ONE DAY ALL MOVIES WILL BE AVAILABLE TO DOWNLOAD AT THE CLICK OF A MOUSE"



Base: Total Online U.S.

"I would be willing to pay for the right to download movies onto my PC occasionally if they are less expensive than the DVDs sold in retail stores."

– Research participant, Female

"The world is going digital, the only products that need real retail stores are the ones you can't download. We will need grocery stores and t-shirt shops as long as we can't download a loaf of bread or a Metallica t-shirt."

– Research participant, Male

WHAT IT MEANS

The online video revolution and the quick migration of TV content to the Internet in the past year is beginning to shape consumer expectations for movies. Depending on their particular location, American consumers are defaulting to the appropriate screen available—whether a plasma TV at home, a PC at the office or a video iPod while on the go. But there is one common theme regardless of screen size: and that theme is a desire for instant access.

The increasing demand for instant access to movies is an opportunity for the movie business. And while consumers expect a discount from regular DVD prices, the research suggests that they *are* willing to pay for movies online as long as attractive current titles are made available with consumer-friendly interoperability and content portability features.

This information comes from **Digital Life America**, Solutions Research Group's independent syndicated trend study. The results are based on a survey of 1,230 American consumers in May 2007 and a similar survey of 1,600 in the fall of 2006.

Digital Life America uses high quality, professionally-managed panels which represent the U.S. online population by age, gender, region, and ethnicity. To maintain an unbiased perspective, Solutions Research Group funds its own syndicated research.

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