



BroadBandVideo.com Streaming Overview - 2002

1) Why Should I Use Streaming Video?

Over the past three and a half years, we have witnessed the explosive growth of Internet usage and streaming media.

More and more Americans are using streaming media on a regular basis. Most research clearly documents streaming media's explosive growth in the years to come. Of particular note is the impact of broadband on streaming media behavior. Many Internet veterans dissatisfied with their streaming media experience through dial-up Internet connections are turning to broadband. When consumers get broadband, their time spent online and with streaming media (especially video) surges.

“Streamies,” those Internet users who watch or listen to webcasts online, have crossed the 50% threshold of all Internet users. Recent studies reveal that 52% of all online Americans have ever streamed audio or video. As a proportion of all Americans, 34% have now experienced streaming media.

Consumer adoption of super fast, always-on Internet connections at home continues to rise. The percentage of online Americans who indicate they have super fast broadband Internet access at home has increased from 12% in January 2001 to 16% in July 2001.

Highlights:

One-third of Americans would give up TV if forced to choose between at-home Internet access and television. It is stunning how, in a very short period of time, the Internet has become such a necessity for a large percentage of Americans. Among those who watch or listen to streaming media, nearly half would forsake their televisions to keep Internet access. Half of younger Americans (age 12 to 24) say they would give up their TVs in order to keep their home Internet access.*

PCs become entertainment centers. New research from the Yankee Group indicates that home PCs are increasingly being used for entertainment purposes, particularly in broadband households. A third of broadband households used their PC to watch streaming video, 23 percent downloaded films, and 23 percent watched DVDs.**

More Americans using streaming media. Of those who have watched streaming video, 42 percent said they have watched national news on streaming video in the past three months, while 13 percent have watched streamed 'how-to' videos. Eight percent have watched streaming footage of houses on real estate websites, and 5 percent have watched streaming video as part of a distance education course.**

The answer to the question “why?” is simple – to reach the largest number of people possible with your video assets there is only one practical approach: streaming media.

2) How Many People Can I Actually Reach?

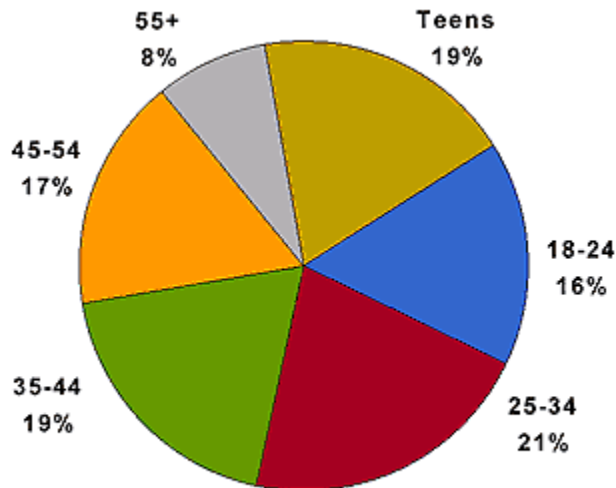
According to recent studies, 34% of Americans age 12 and older are “Streamies,” or Internet users who ever listen to online audio or watch online video. This translates to approximately 80 million Americans. In a typical month, 24% of those online (equal to approximately 40 million Americans) listen to or watch Internet audio or video.*

Overall Reach of Streaming Media: 80 Million Americans
Monthly Reach of Streaming Media: 40 Million Americans

3) What Kind of People Will I Reach?

Streaming is not just a youth phenomenon. It is a commonly held perception that streaming is for the young. As the consumption of streaming has grown, the age composition of those who listen or watch online in the past month (“monthly Streamies”) has become remarkably balanced among all age groups from 12 to 54 years old.*

Age Composition of Monthly Streamies



Base: Monthly Streamies





The active streaming audience (those who listen or watch online in the past month and past week) skews male. Fifty-six percent (56%) of monthly Streamies are men and 44% are women. Among Streamies who watched or listened online in the past week, 62% are male and 38% are female.*

African-Americans and Hispanics who are online are more likely to consume streaming media. Among African-Americans online, 55% indicate they have listened or watched online compared with 57% among Hispanics and 48% among whites.*

Those who consume streaming media on a regular basis are a very attractive demographic target. Of the 17% of all Americans age 12 and older who indicate that they have consumed audio or video streaming in the last month...

- ? **62% are employed** full or part time (vs. the national average of 57%)
- ? **49% live in homes with \$50,000+ annual income** (vs. the national average of 34%)
- ? **42% have made a purchase** in the last month (vs. 31% of all Internet users)
- ? **26% plan to spend more** online in the next year (vs. 19% of all Internet users who have made an online purchase)

4) What About Broadcast TV or Cable?

Certainly Broadcast Television and Cable have tremendous reach and clout in terms of message delivery – **but the cost to reach the same geographic numbers that can be reached by streaming media would be very prohibitive.** Broadcast Television is sold based on geographic market and time slots, Cable (which has a more fragmented market share due to the niche nature of much of its programming) is sold in local and national segments.

Streaming media knows none of the boundaries of traditional broadcasting and cable. Your materials are available on a global scale, 24 hours a day. Events are only “time sensitive” if you decide to stream a live event – and even in this case, the event can be archived for continuous replay after it has occurred. In fact, many people are turning away from traditional broadcast to embrace streaming media.

Monthly Streamies spend nearly as much time online each day as they spend listening to radio or watching TV. Consumers who streamed in the last month say they spend an average of 2:16 online each day. These monthly Streamies say they spend 2:38 per day listening to radio and 2:58 per day watching TV.*



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Half of video Streamies say they watch online video content that they cannot otherwise find on existing TV or cable. Men are more likely to say they look for unique online video content on the Internet as compared to women. Interestingly, six out of ten African-Americans and Hispanics say they watch streaming video for content that cannot be found elsewhere. It appears there is a growing opportunity to offer minorities unique and compelling content via streaming video.*

5) Why Should I Use BroadBandVideo.com?

Encoding Clarity

Our experience is in the creation of programming and content for television and a Video-On-Demand environment. These are the standards to which we create Internet-based streaming video programming.

Multiple Bandwidth Recognition

We identify the user's connection speed and deliver content that has been encoded to optimize maximum clarity for their particular connection.

Private-Labeled Player Window

Remove unnecessary advertising links and distractions from your website visitor's video. We give you the ability to control user experience in terms of advertising and links.

Transparent Integration

It's your website, and it's your video content. At Broadbandvideo we realize our best position is as a "silent partner" in the background helping to you to achieve success.

Reporting and Accountability

Each month you'll receive a detailed report showing the activity of video delivered to your website visitors.

For more information, please contact Denny Reinert – VP Sales at 303-488-4015 or e-mail at dreinert@broadbandvideo.com

*Edison Research Group **Yankee Research