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49% OF U.S. HOUSEHOLDS HAVE A TV CONNECTED TO THE INTERNET

Nearly 80% of Netflix Streaming Users Watch Netflix on a TV Set

Durham, NH – June 6, 2014 – New consumer research from Leichtman Research Group, Inc. (LRG) finds that 49% of all US households have at least one television set connected to the Internet via a video game system, Blu-ray player, smart TV set, and/or stand-alone device (like Roku, Apple TV, or Google Chromecast) – up from 38% in 2012, and 24% in 2010. Overall, 24% of adults watch video from the Internet via a connected TV at least weekly, compared to 13% two years ago, and 5% four years ago.

Connected television use is heavily skewed towards Netflix subscribers, with 49% of Netflix subscribers watching video from the Internet via a connected device weekly, compared to 8% weekly use among all non-Netflix subscribers. Among Netflix streaming video users, 78% say that they watch Netflix on a TV set – a similar level to the previous three years.

These findings are based on a survey of 1,211 households nationwide and are part of a new LRG study, *Emerging Video Services VIII*. This is LRG's eighth annual study on this topic.

Other related findings include:

- 80% of all Netflix subscribers also subscribe to a pay-TV service – compared to 85% in 2012, and 88% in 2010
- 48% of all non-subscribers to a pay-TV service get Netflix – compared to 29% in 2012, and 16% in 2010
- 15% of Netflix subscribers agree that their Netflix subscription is shared with others outside their household
- 47% of households get Netflix, Amazon Prime, and/or Hulu Plus

- On a daily basis, 31% of adults watch video on non-TV devices (including home computers, mobile phones, iPads, tablets, and eReaders), and 58% weekly – up from 18% daily, and 46% weekly two years ago
- Including connected TV sets, 34% watch any over-the-top video daily, and 61% weekly

“While this study is LRG’s eighth annual report on this topic, Emerging Video Services have truly ‘emerged’ over the past two to three years,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “This recent growth was spurred by Netflix’s decision in the third quarter of 2011 to focus on streaming video, coupled with the proliferation of connected TV devices, smartphones, and iPads and tablets.”

About Leichtman Research Group, Inc.

Leichtman Research Group, Inc. (LRG) specializes in research and analysis on broadband, media and entertainment industries. LRG combines on-going surveys and analysis with years of hands-on industry experience to provide companies with a richer understanding of the potential impact and adoption of new products and services. For more information about LRG, please call (603) 397-5400 or visit www.LeichtmanResearch.com.

Emerging Video Services VIII is based on a telephone survey of 1,211 adults age 18+ (including 150 cell phone calls) from throughout the continental US. The survey was conducted in April 2014. The random sample of respondents was distributed and weighted to best reflect the demographic and geographic make-up of the US. The overall sample has a statistical margin of error of +/- 2.8%.

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