



Online Publishers
Association

A Portrait of Today's Tablet User

Magid Media Futures
Sponsored by the OPA

June 2011

Conducted in partnership with

Frank N. Magid Associates, Inc.

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- Frank N. Magid Associates has been a leading research-based strategic consulting firm in the media, entertainment and communications industries for over 50 years. We interviewed over 1 million consumers by phone, online, and in-person in 2010. Conducted thousands of B2B executive and professional interviews.
- At the core of our work is our intense study of consumer behaviors and attitudes towards all aspects of communication and entertainment. Our staff has deep operational experience in all media platforms. These insights and experience form the nucleus of our operational and strategic consulting services.
- Magid has been instrumental in the success of hundreds of TV stations, networks, cable operators, game companies, wireless entities, newspapers, web sites and other media assets.
- Magid Advisors, the strategy and investment consulting group of Magid, has worked with public and private media companies in overhauling corporate strategies, advised investment firms on prospective investments, and conducted major due diligence efforts.



Magid is regularly featured in the press, including in these publications in 2010.



Background: Methodology

- OPA collaborated with Magid Media Futures for data analysis and insight.
- Nationally representative online survey of 2,482 people:
 - 2,051 were between the ages of 18 and 64
 - 431 were between the ages of 8 and 17
- Data were collected from April 15 through April 20, 2011.
 - A high quality online research panel and data collection firm was used for recruitment and data collection.

Note: (1) Margin of error on the entire sample was $\pm 1.97\%$; (2) Audience sizes reference the portion of U.S. Internet population reflected in the sample (ages 8-64) as 236.2 million people in 2011 and 243.2 million in 2012 (Source: U.S. Census Bureau, eMarketer).



Background: Study Objectives

- To gain insight into the key dynamics of the tablet user:
 - Who are tablet users?
 - How are they using tablets?
- To understand how tablet users feel about tablet advertising, and what content they are paying for:
 - Advertising receptivity
 - Preferences for paid vs. free apps
 - Preferences for purchasing content on tablets



Summary Findings: Five Key Takeaways

1. An estimated **12%** of the U.S. Internet population, ages 8-64, owns or uses a tablet; projected to rise to **23% by early 2012**
2. **87% of tablet users are accessing content and information**, the dominant activity for this device
3. **93% of tablet users have ever downloaded apps**; the average tablet user has downloaded **20 apps**
4. **79% of app downloaders have paid for apps** in the last 12 months; **26% of all apps downloaded are paid**
5. Consumers want **bundled content and payment options for paid content** on their tablets, and they prefer a **variety of retail channels to buy tablet apps**



The Tablet Audience: Who Are Tablet Users?

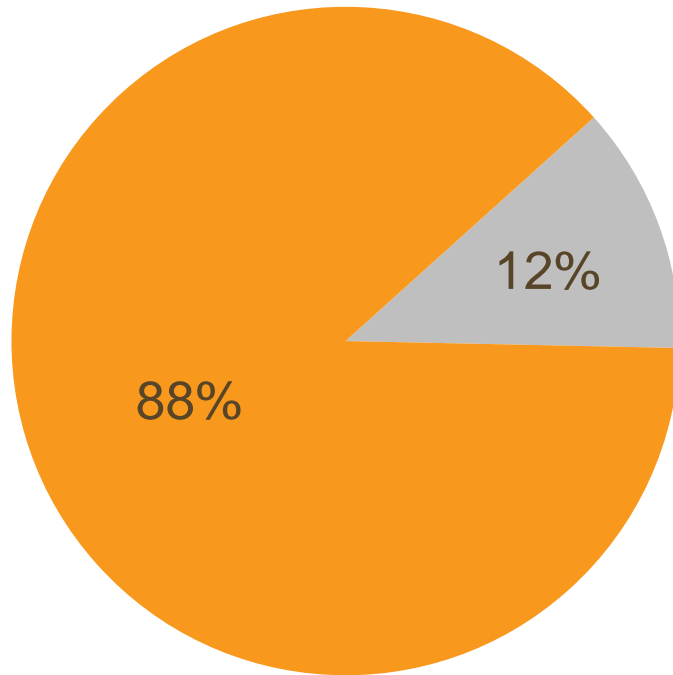


The Tablet Audience: Who Are Tablet Users?

- An estimated **12% of the U.S. Internet population, ages 8-64, owns or uses a tablet** (estimated 28 million consumers)
- Users skew **male, 18-34 years old** and come from **households with above average incomes**
- An estimated **23% projected tablet usage** by early 2012 (estimated 54 million consumers)
- **89% of tablet users are satisfied or very satisfied** with their tablet

12% of U.S. Internet Population, 8-64, Owns or Uses a Tablet Regularly; iPad Dominates

Do You Own/Use a Tablet? (% of Respondents)



■ Own/Use ■ Don't Own/Use

**Current Tablet User
Audience Size
Estimate: 28MM*
users**

Type of Tablet(s) Owned/Used**:

- **iOS**
 - iPad: 46%
 - iPad 2: 21%
- **Android**
 - Samsung Galaxy: 14%
 - Dell Streak: 11%
 - HP Slate: 9%
 - Archos 7 Home: 9%
- **Other**
 - Sony Dash: 7%

Base: Total sample, N=2,482. SCRI Which of the following do you own or use regularly? Select all that apply. Those who selected "A wireless tablet",

*Note: Based on estimated U.S. Internet population data (ages 8-64) from the U.S. Census Bureau and eMarketer.

**Note: Percentages do not add up to 100% because some tablet users own/use more than one type of tablet.

Tablet Early Adopters Skew Male and 18-34

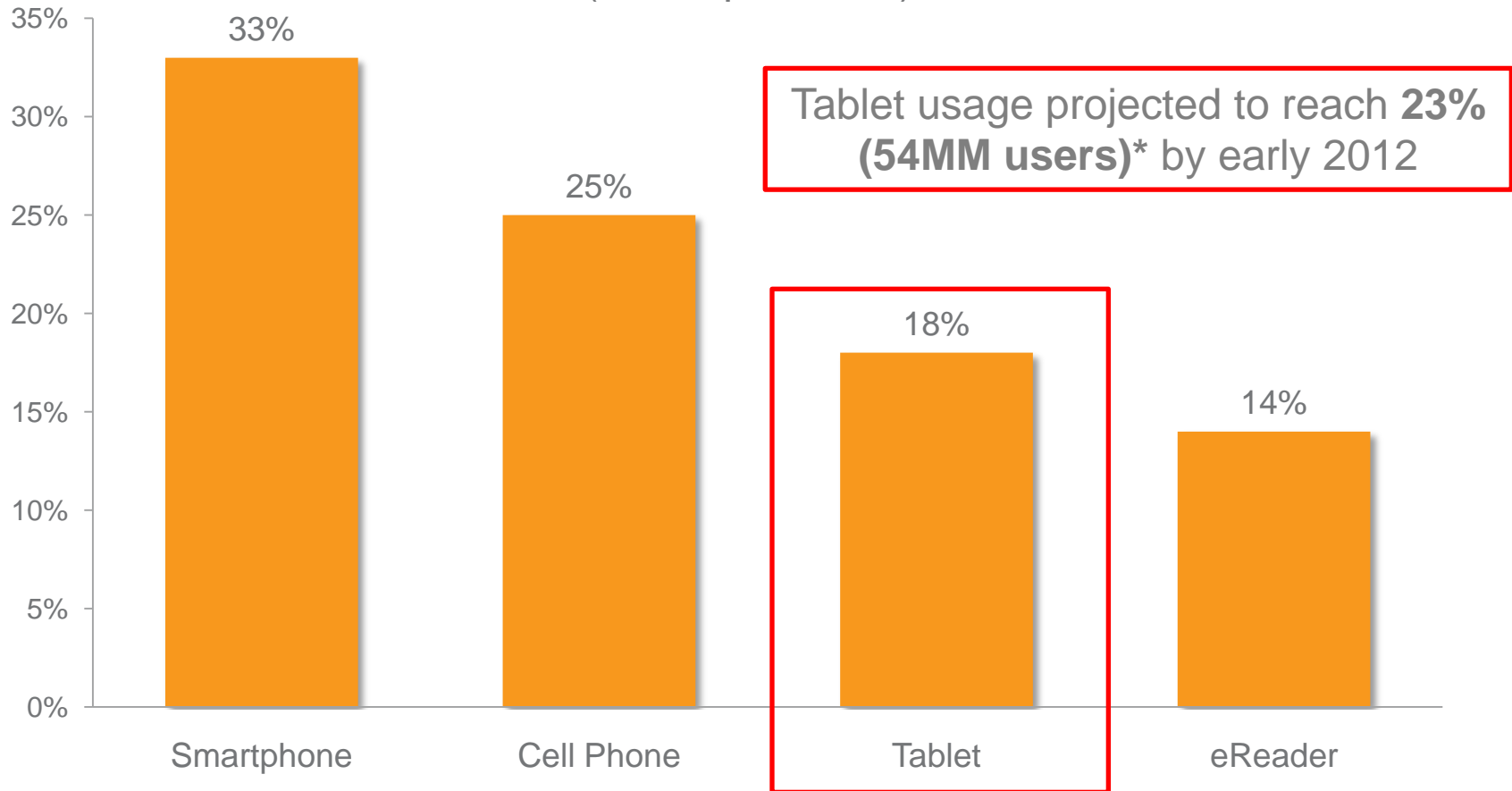


	% who own or use a tablet (composition)		
<i>N-Size</i>	<i>Total N=291</i>	<i>Male N=175</i>	<i>Female N=116</i>
	100%	60%	40%
8-11	10%	10%	10%
12-17	11%	7%	17%
18-24	19%	21%	16%
25-34	29%	30%	27%
35-44	17%	20%	13%
45-54	9%	7%	11%
55-64	6%	5%	7%



18% Of Consumers Plan On Purchasing A Tablet In The Next Year; Projected 23% Usage by Early 2012

Consumers Who Plan on Purchasing Device in Next 12 Months
(% Respondents)



Base: Total mention, N=2,482

QJ. Even if already owned, which of the following devices will you purchase within the next 12 months? Select all that apply.

* Note: Based on current usage and 62% of non-tablet users out of 18% of respondents that plan to purchase a wireless tablet in the next 12 months; and estimated U.S. Internet population data (ages 8-64) from the U.S. Census Bureau and eMarketer.

Tablet Purchase Intent Becoming Increasingly Female



	% who plan on purchasing a tablet in the next 12 months (composition)		
<i>N-Size</i>	<i>Total N=447</i>	<i>Male N=247</i>	<i>Female N=200</i>
	100%	55%	45%
% who are current tablet owners	38%	39%	32%
8-11	9%	9%	9%
12-17	13%	9%	18%
18-24	17%	20%	13%
25-34	26%	28%	25%
35-44	17%	20%	13%
45-54	13%	11%	15%
55-64	6%	5%	8%

Base: Those who plan on purchasing a wireless tablet in the next 12 months. N=447

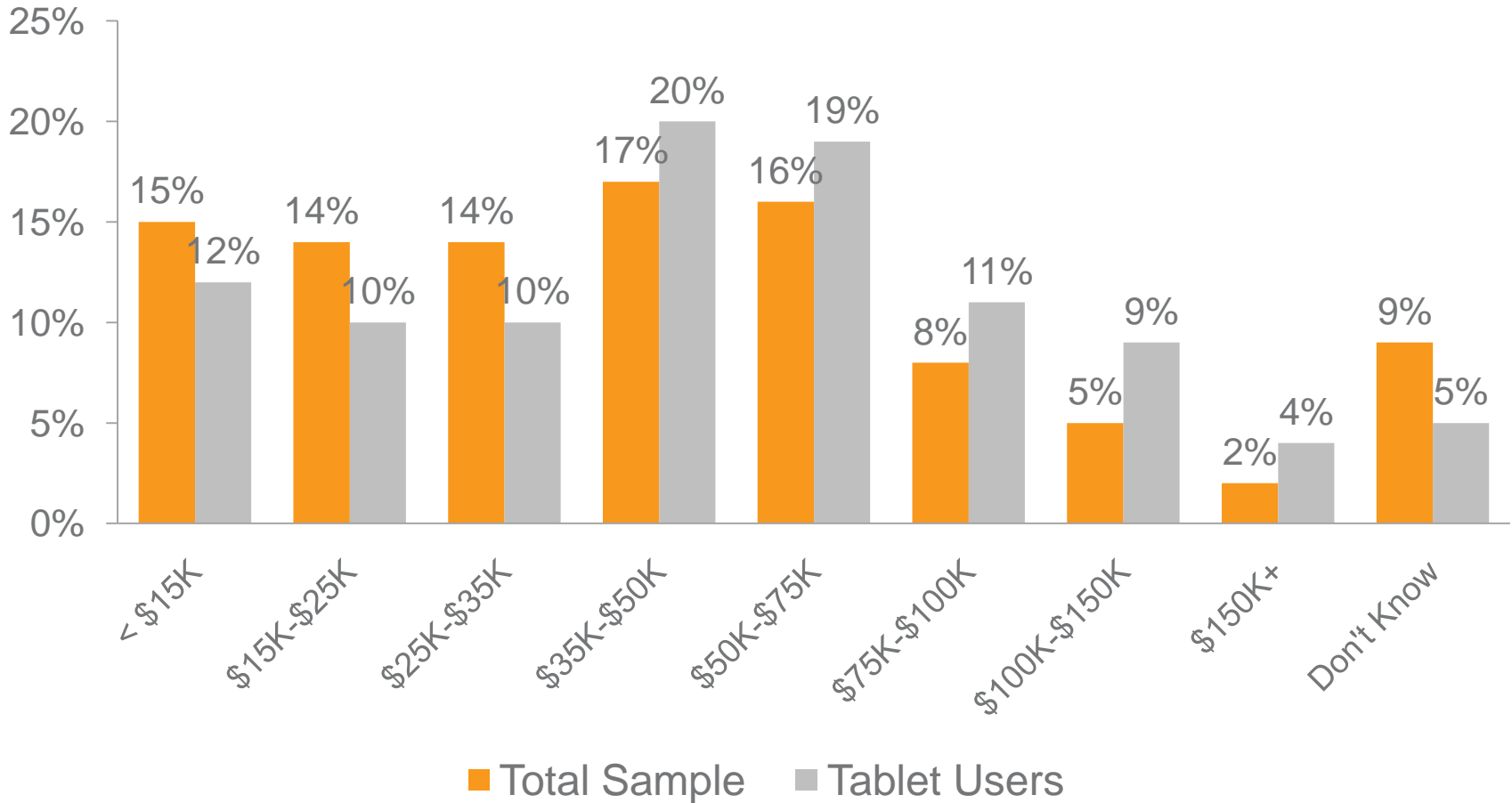
QJ. Even if already owned, which of the following devices will you purchase within the next 12 months? Select all that apply.





Tablet Users Come From Higher Income Households

Household Income for Total Sample vs. Tablet Users
(% Respondents)



Base: N=2,482; Tablet users N=291

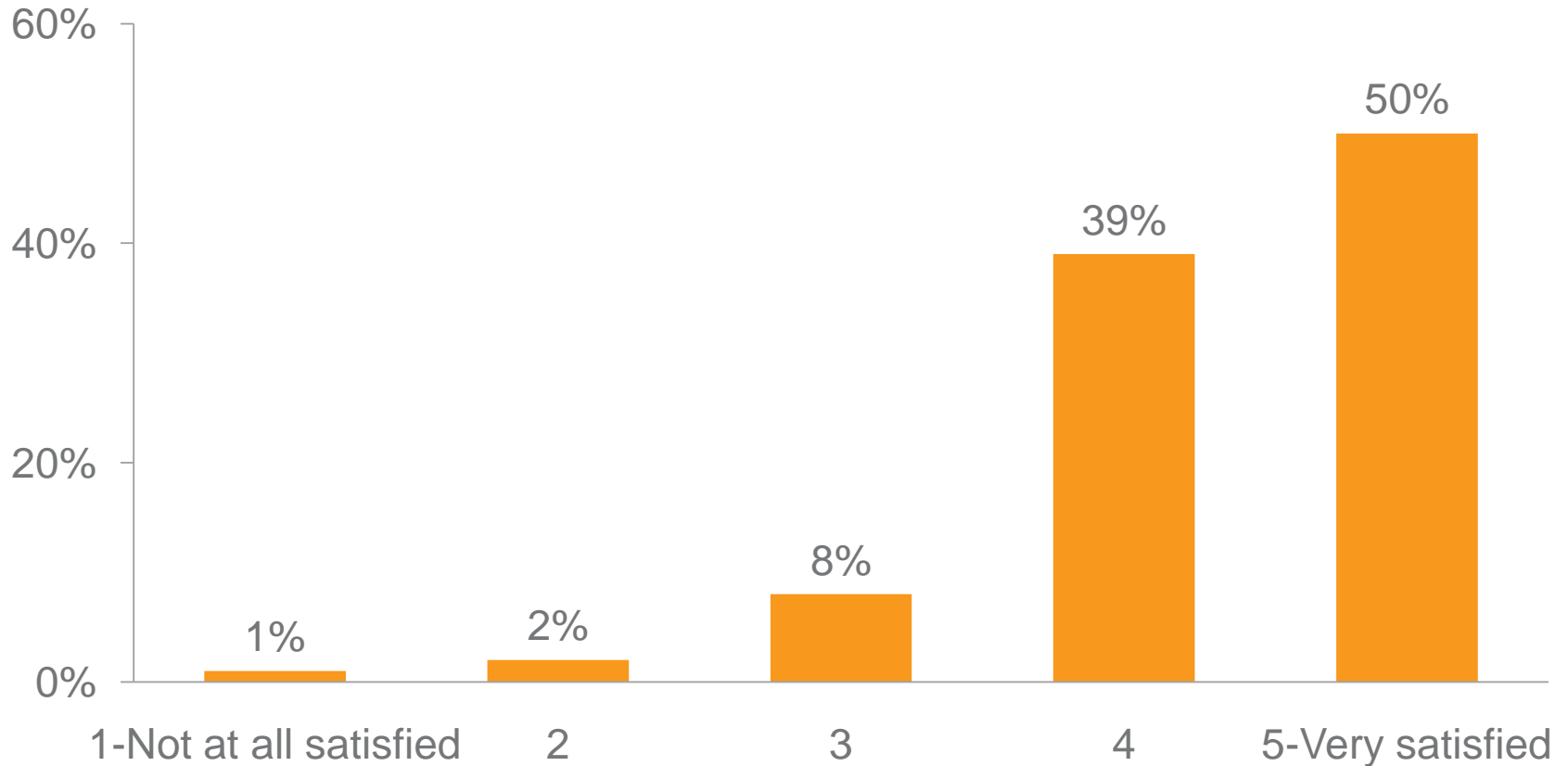
Q.E. What is your approximate annual household income before taxes? This includes the combined salary of all household members who work, income from pension, Social Security, etc.





Tablet Users Are Very Satisfied With The Experience

Tablet Satisfaction
(% Tablet Users)



Base: Wireless Tablet Owners/Users N=291
Q.7A How satisfied are you with your wireless tablet?
Q. 7A1 About how many apps for your wireless tablet have you ever downloaded?



Primary Activities: How Are They Using Tablets?



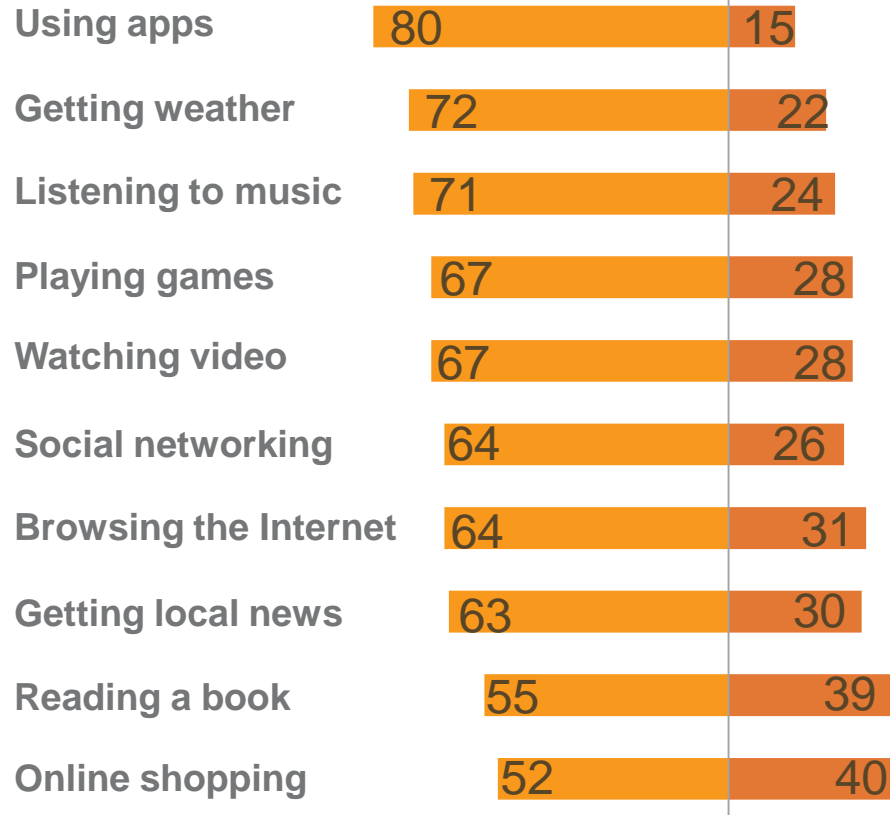
Primary Activities: How Are They Using Tablets?

- Tablet users view tablets as their **preferred reading device over computers and printed media** for many types of content and information
- **87% of tablet users (nearly 25 million consumers) seek content and information on a regular basis**
- **Long-form video is preferred** over short clips on tablets
- **Nearly all tablet users (93%) have downloaded apps.** The average tablet user has **downloaded 20 apps**, many of which are for **weather, entertainment and news**

Tablet Users Preferred Tablets Over The Personal Computer For All Types of Activities

Prefer using tablet

Prefer using computer



(% of respondents)

100% 80% 60% 40% 20% 0% 20% 40% 60% 80% 100%

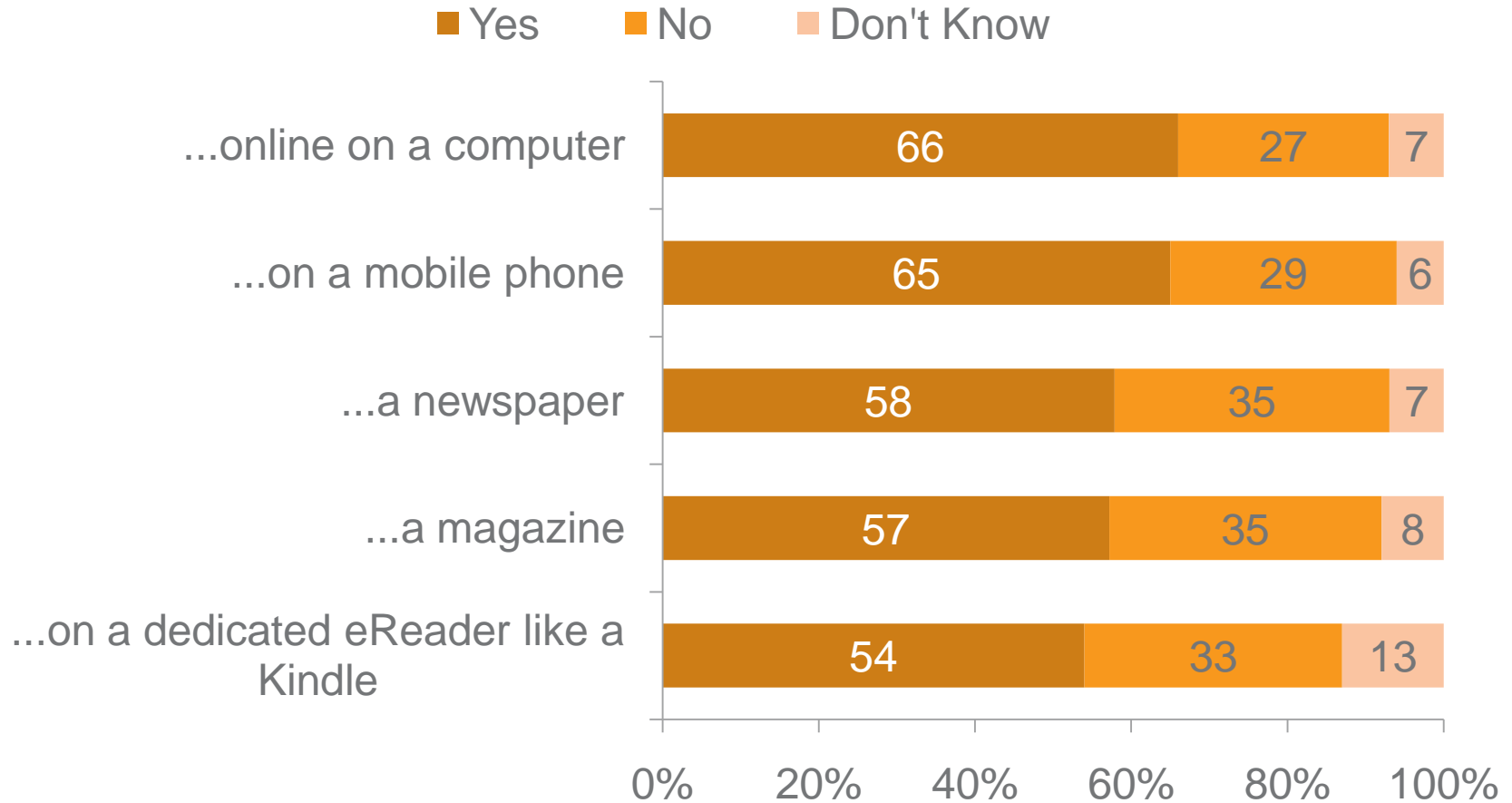
Base: Wireless tablet owners/users N=291

Q. 7.4 Do you prefer using a wireless tablet to a computer for (INSERT AND RANDOMIZE A-J)?

*Difference between 100% and number displayed is "No preference" percentage.

Tablet Users Also View Tablets as Their Preferred Medium For Reading

Do You Prefer Reading a Tablet to Reading...?
(% Tablet Users)

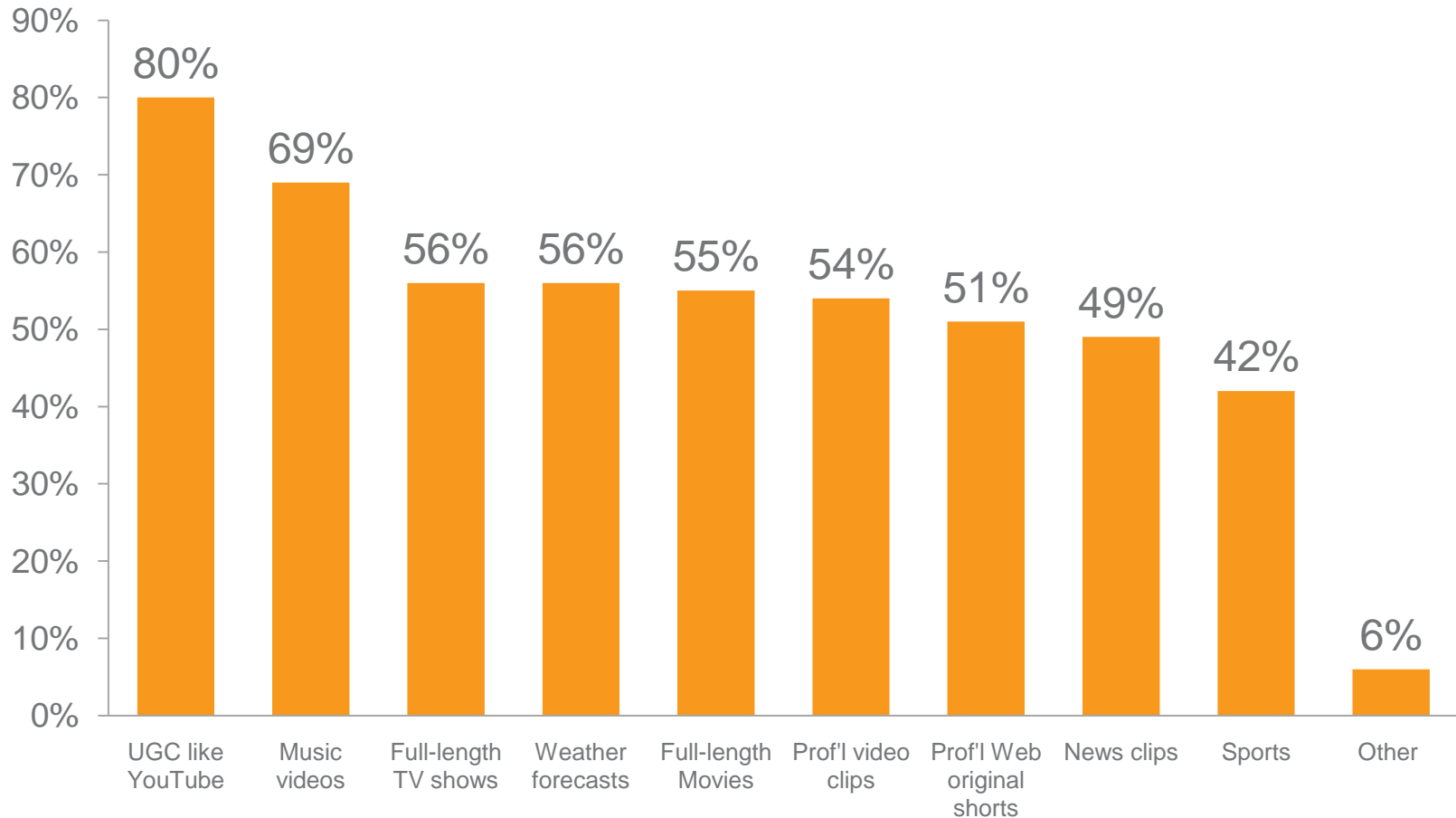


Base: Wireless Tablet Owners/Users who have downloaded apps N=291
Q.7.3 Do you prefer reading a wireless tablet to (Insert A-E)?



In Addition to UGC, Professional & Long-Form Video Are Finding Large Audiences On Tablets

Types of Regularly Watched Videos on Tablets
(% Tablet Users)



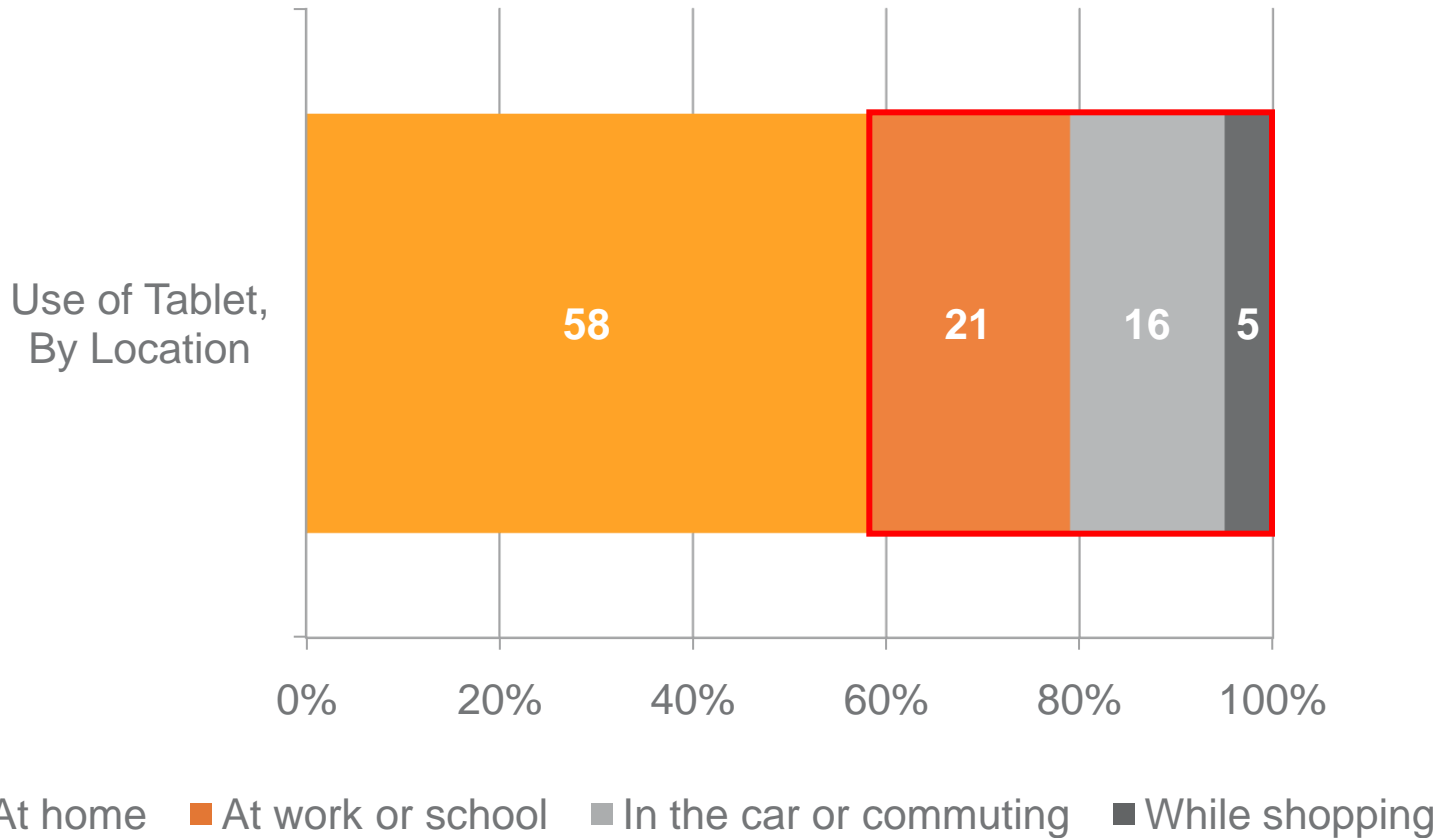
Base: Respondents who watch video on their wireless tablets N=142

Q7.9 Which of the following types of video do you watch regularly on your wireless tablet? Select all that apply.



Over 40% of Tablet Use Occurs Outside Home

Location of Tablet Usage
(% Time)

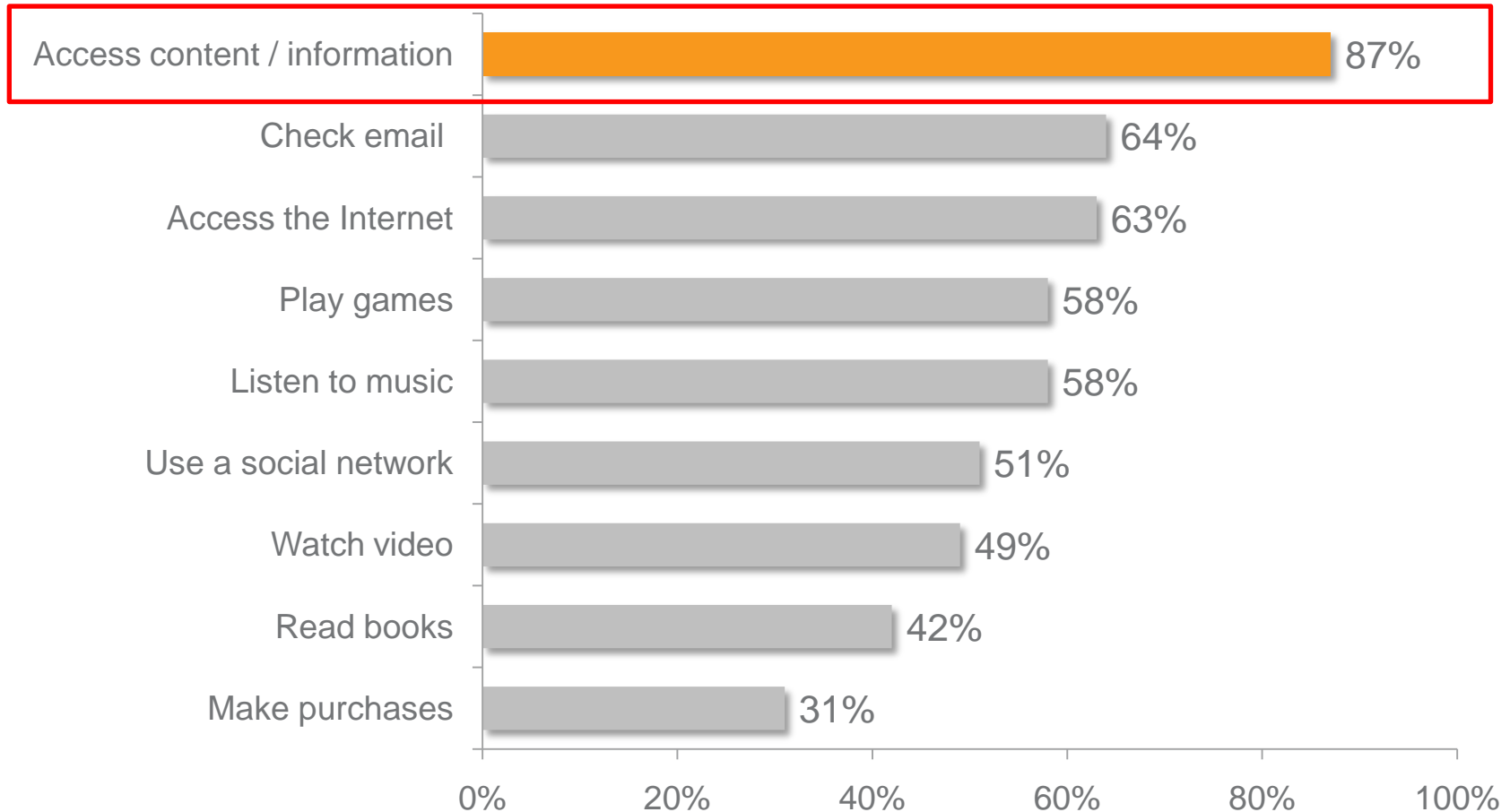


Magid Mobile Landscape Study
Base: Wireless tablet users N=802

Q13A-E_1. In a typical month, what percentage of time do you spend using your wireless tablet in the following locations?

Accessing Content And Information Is The Dominant Activity For Tablet Users

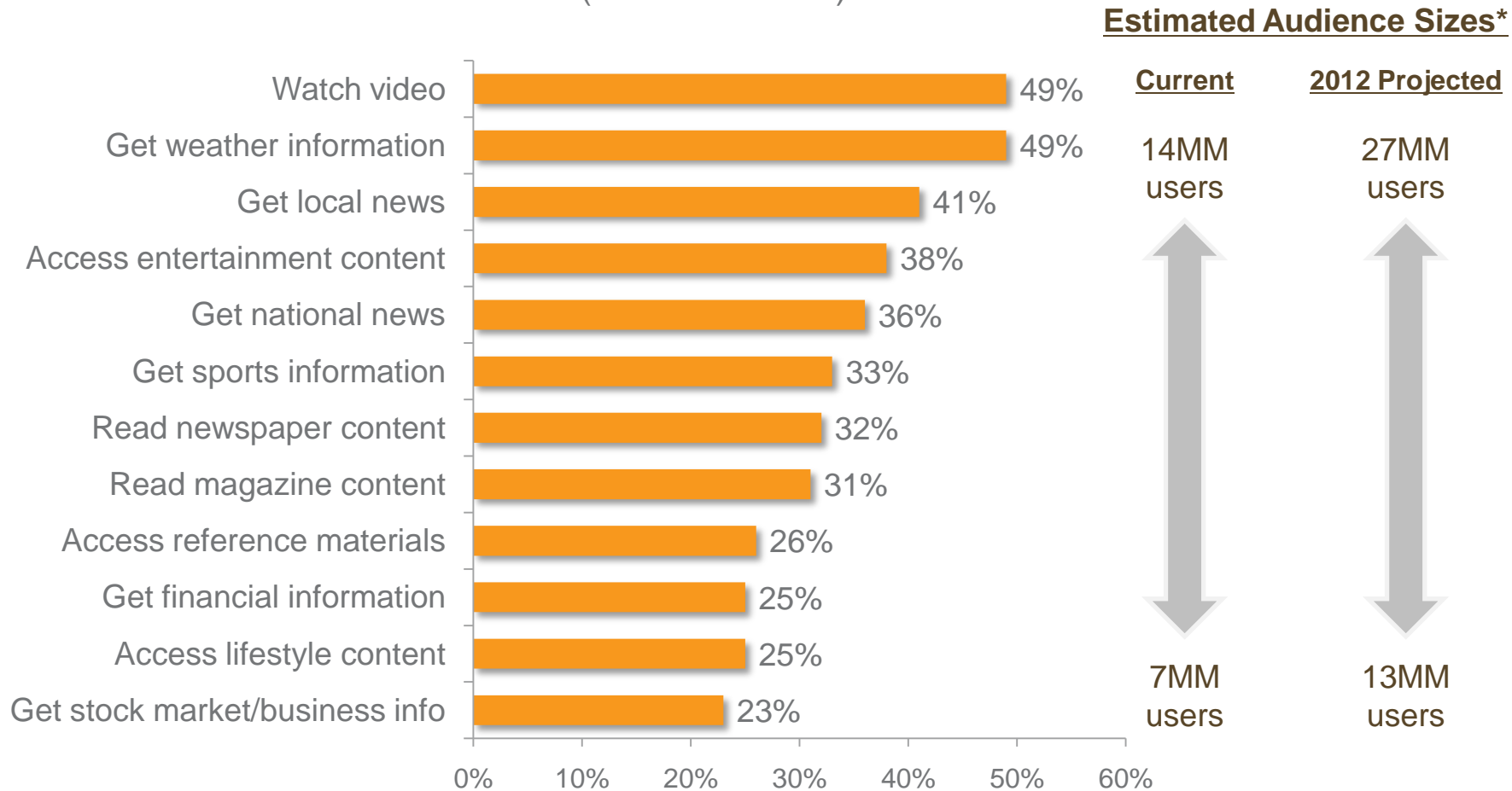
Following Activities Done Regularly On A Tablet
(% Tablet Users)



Base: Wireless tablet owners/users N=291
Q7.8 Which of the following things do you do regularly on your Wireless Tablet?

Consumers Are Accessing All Types of Content and Information

Following Activities Done Regularly On A Tablet
(% Tablet Users)



Base: Wireless tablet owners/users N=291

Q7.8 Which of the following things do you do regularly on your Wireless Tablet?

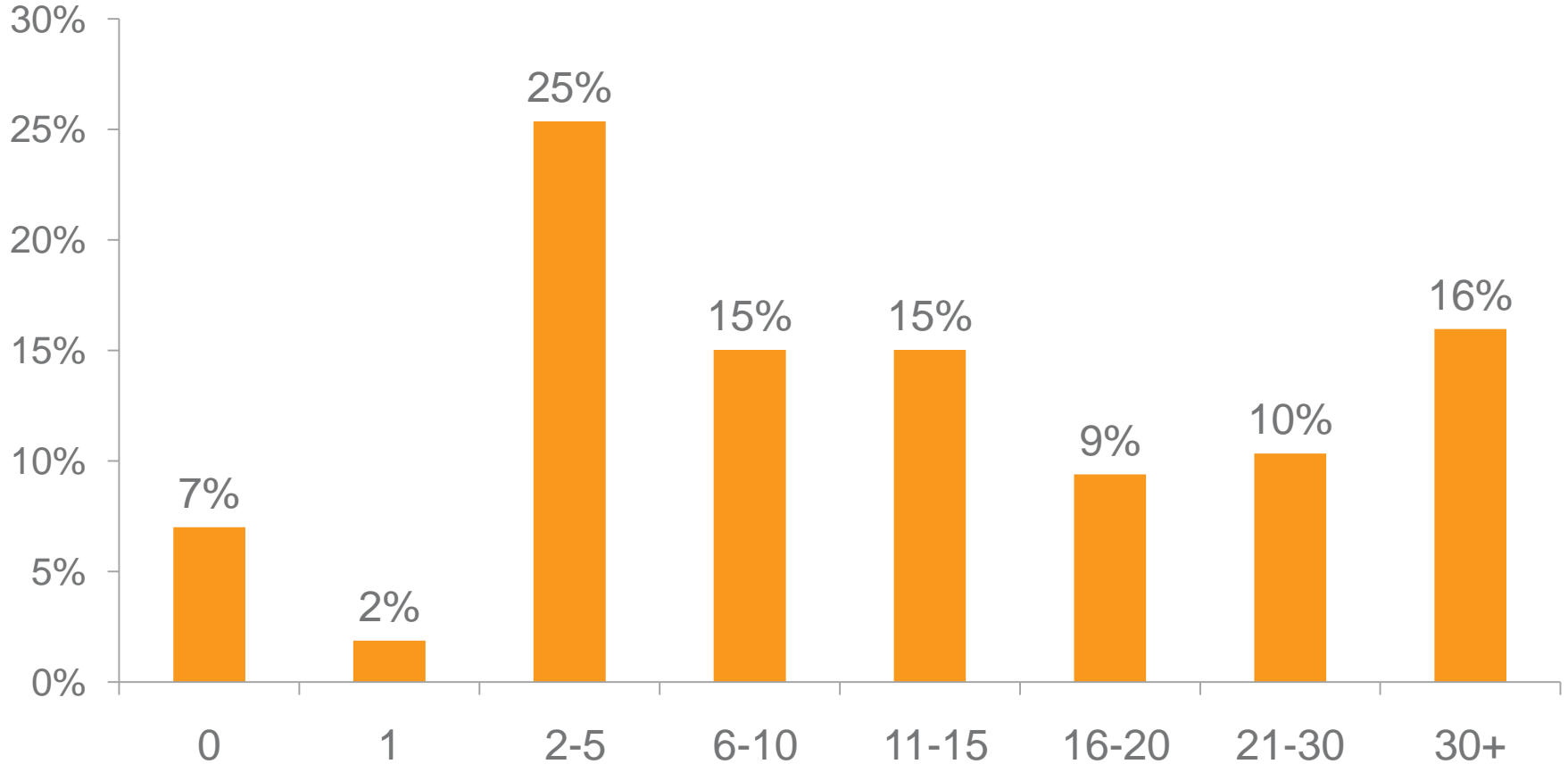
* Note: Based on estimated U.S. Internet population data (ages 8-64) from the U.S. Census Bureau and eMarketer.





93% of Tablet Users Have Downloaded Apps; Average User Has Downloaded 20 Apps

Number of Apps Ever Downloaded On A Tablet
(% Tablet Users)



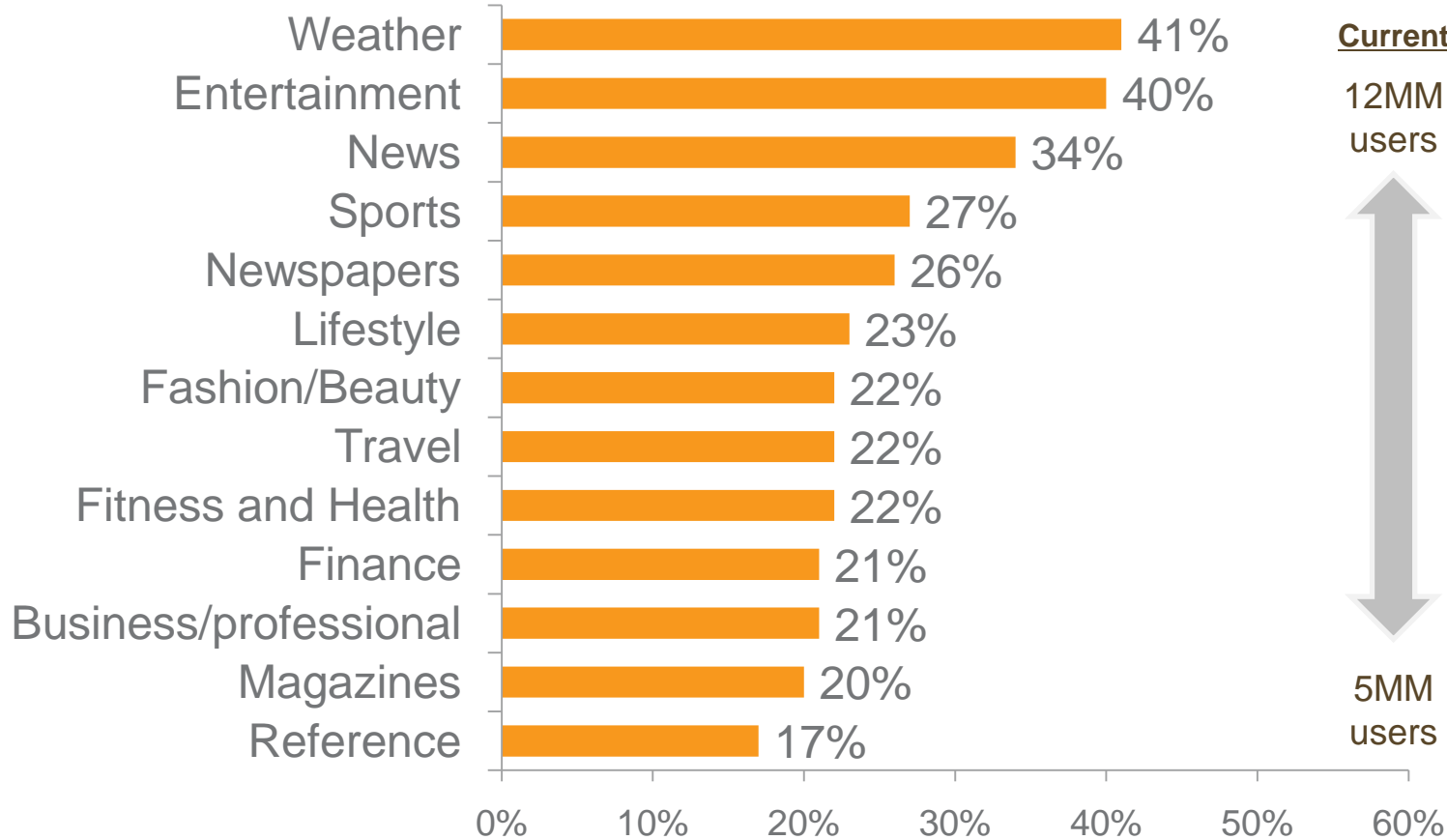
Base: N=291

Q. 7A1 About how many apps for your wireless tablet have you ever downloaded?



Most Popular Content Apps Are For Weather, Entertainment and News

Types of Tablet Apps Used Regularly
(% Tablet Users)



Estimated Audience Sizes*

	<u>Current</u>	<u>2012 Projected</u>
	12MM users	23MM users
	5MM users	10MM users

Base: Wireless tablet owners/users N=291

Q7.10 What types of wireless tablet apps do you use regularly? Select all that apply.

* Note: Based on estimated U.S. Internet population data (ages 8-64) from the U.S. Census Bureau and eMarketer.





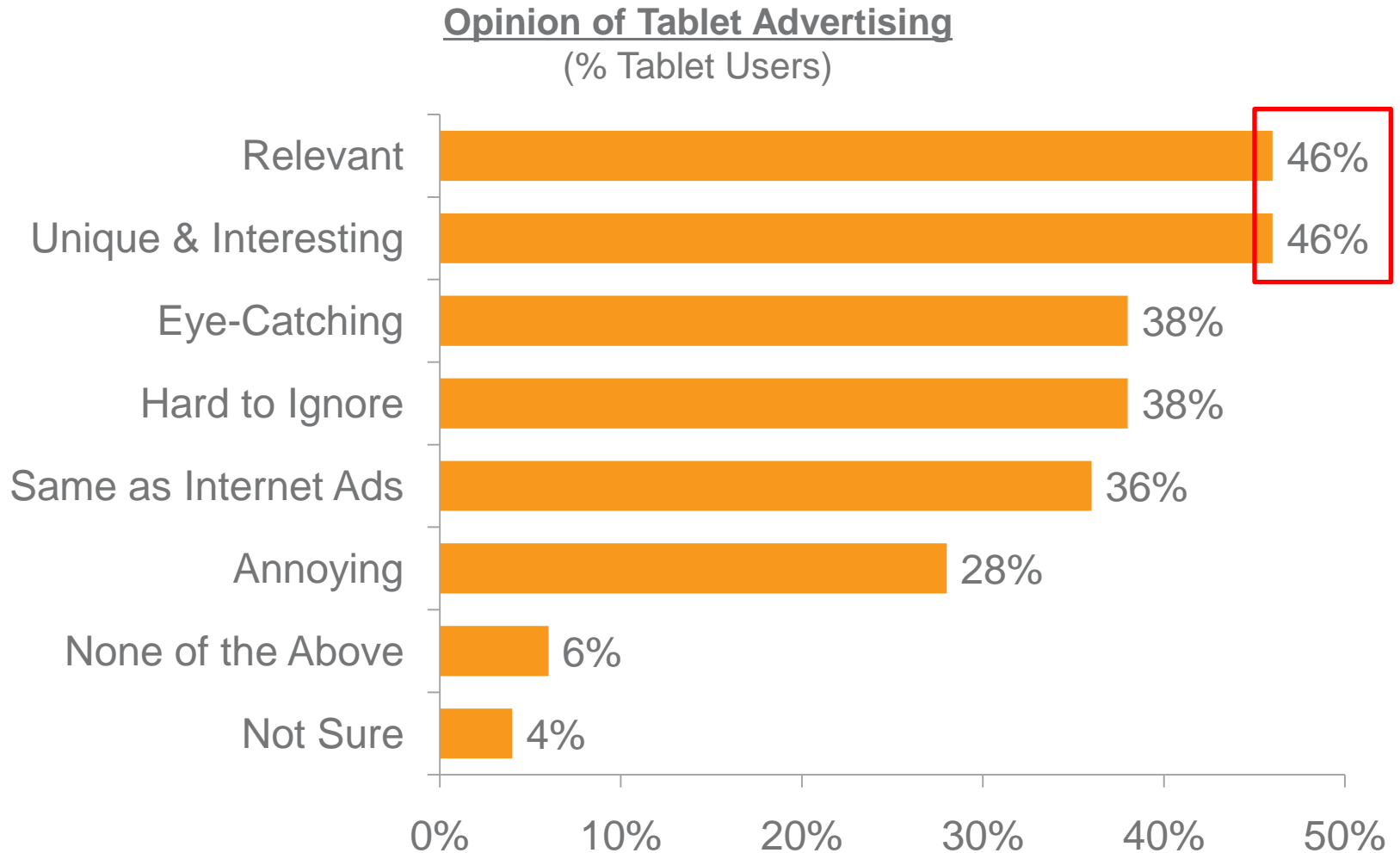
Monetization: How Do Tablet Users Feel About Tablet Advertising, And What Content Are They Paying For?



Monetization: Preferences for Tablet Advertising and Purchasing Content

- Nearly half of consumers find tablet advertising **relevant, unique and interesting**
- **Paid apps account for 26%** of all apps downloaded
- **79% of app downloaders have paid for apps.** The average app downloader spent **\$53 on apps** in the last year
- Consumers want **bundled content and payment options** for paid content on their tablets, and they **prefer a variety of retail channels to buy tablet apps**

Nearly Half of Tablet Users Find Ads Relevant and Unique & Interesting

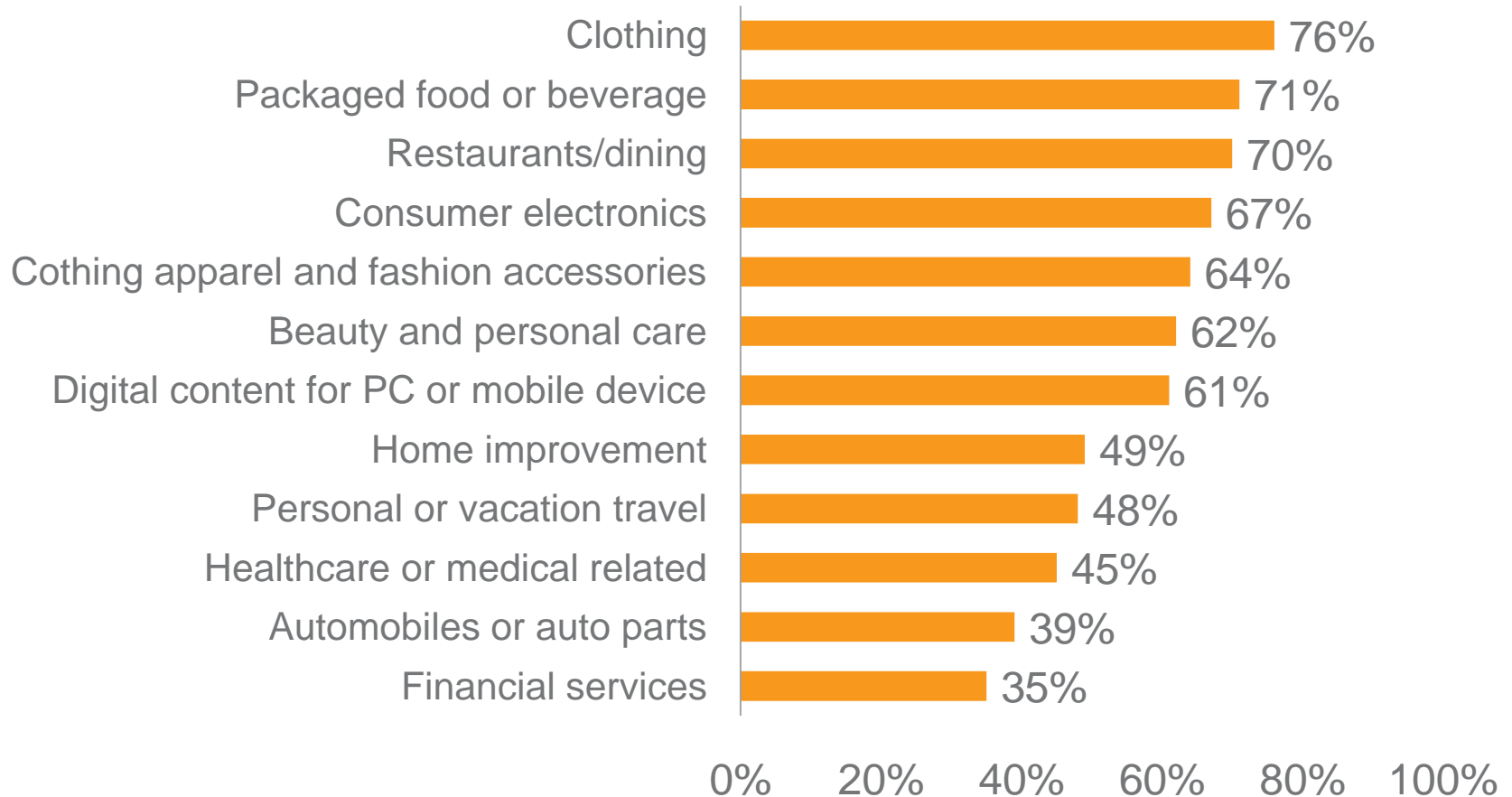


Base=Those who use newspaper and/or magazine tablet apps regularly, N=102.

Q7.11 In your experience, which of the following describes advertising within newspaper or magazine apps on a tablet? Select all that apply.

Recent Tablet User Purchases Suggest A Range Of Tablet Advertising Opportunities

Potential Categories for Tablet Advertising
(% Tablet Users)

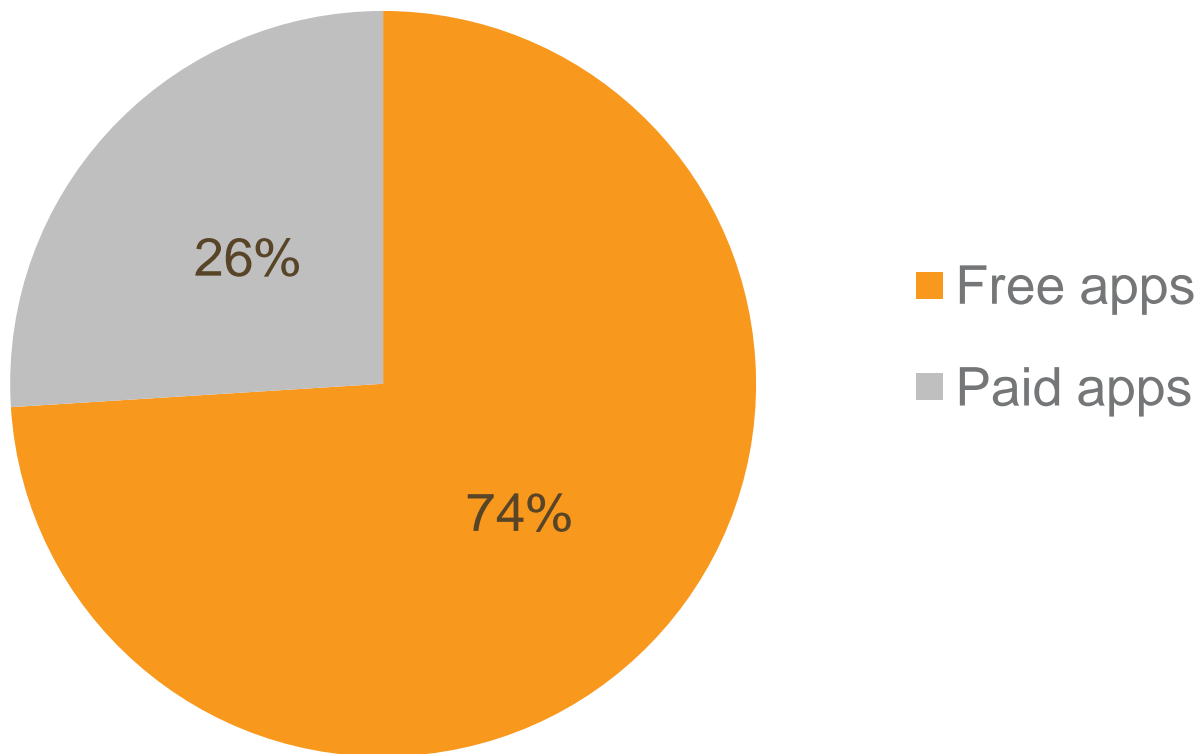


Base: Tablet users, N=291

Q. 3 Below is a list of products and services. Please indicate which of the following you have **shopped for** or **purchased for** you or others within the last **12 months**. (RANDOMIZE 1-12)

Paid Apps Account For 26% Of All Tablet Apps Downloaded

Paid vs. Free Tablet Apps
(% Tablet Users)



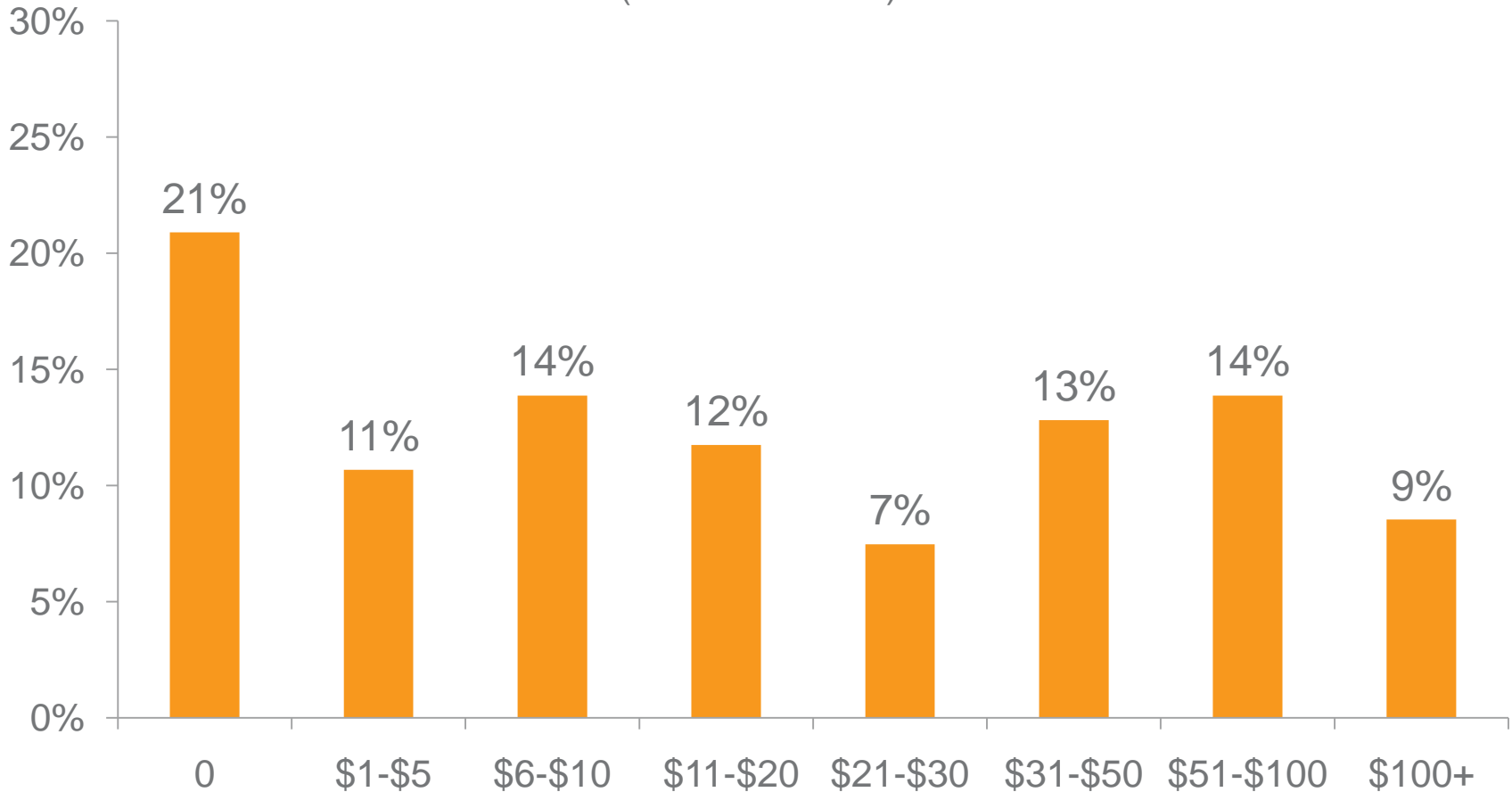
Base: Wireless Tablet Owners/Users who have downloaded apps N=272

Q. 7,1AA What percentage of the total amount of apps that you have ever downloaded on your wireless tablet were free apps versus paid apps? Must add up to 100%.



79% of App Downloaders Paid for Apps in the Last Year; Average Downloader Spent \$53

Amount of Money Spent on Tablet Apps in The Last Year
(% Tablet Users)



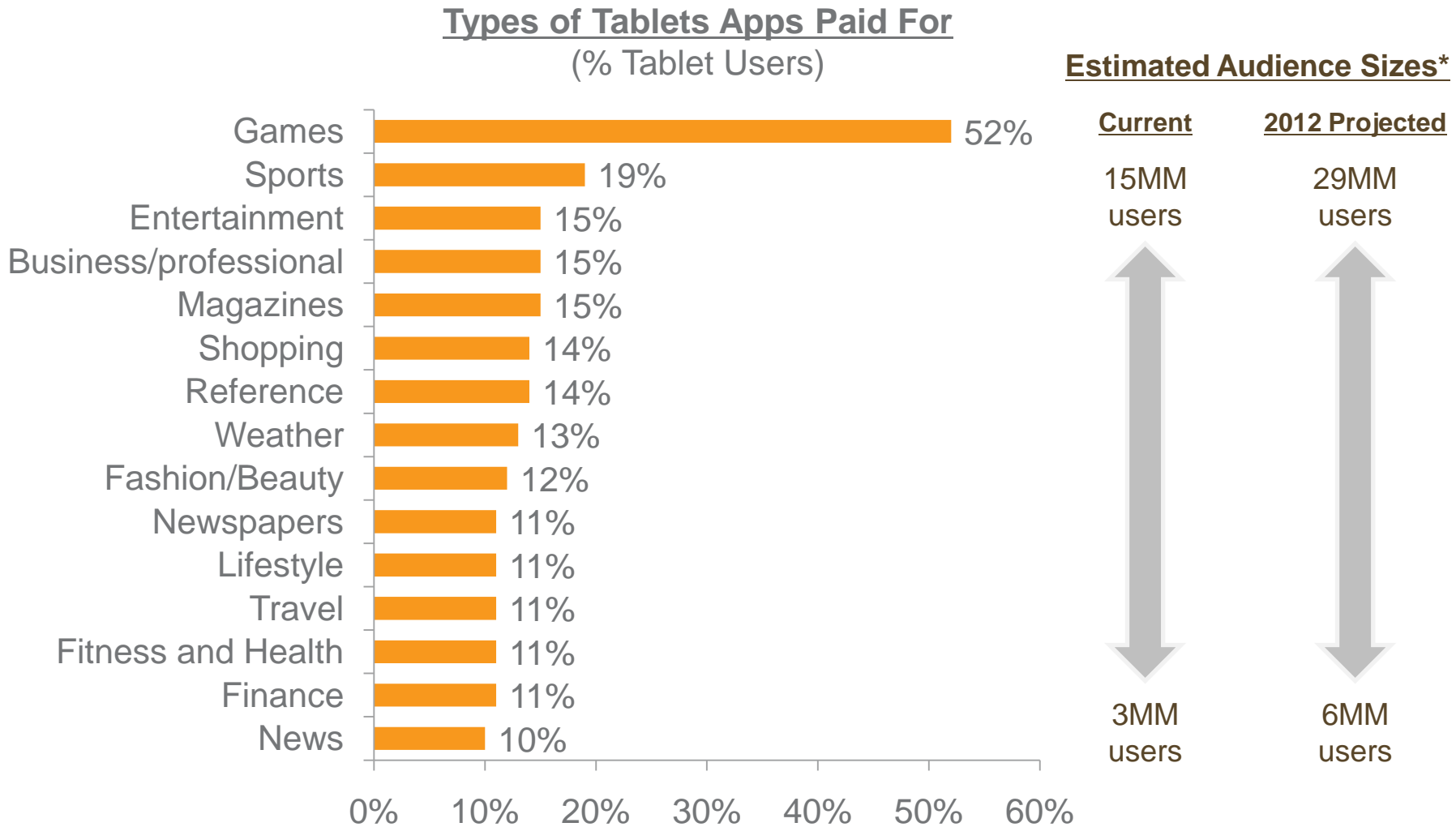
Base: Those who downloaded apps on a tablet N=272

Q. 7.2 About how much did you spend in total on apps on your wireless tablet in the last 12 months?





Games, Sports, Entertainment and Business/Professional Are Top Paid Apps



Base: Wireless tablet owners/users N=291

Q7.10A What types of wireless tablet apps have you paid for? Select all that apply

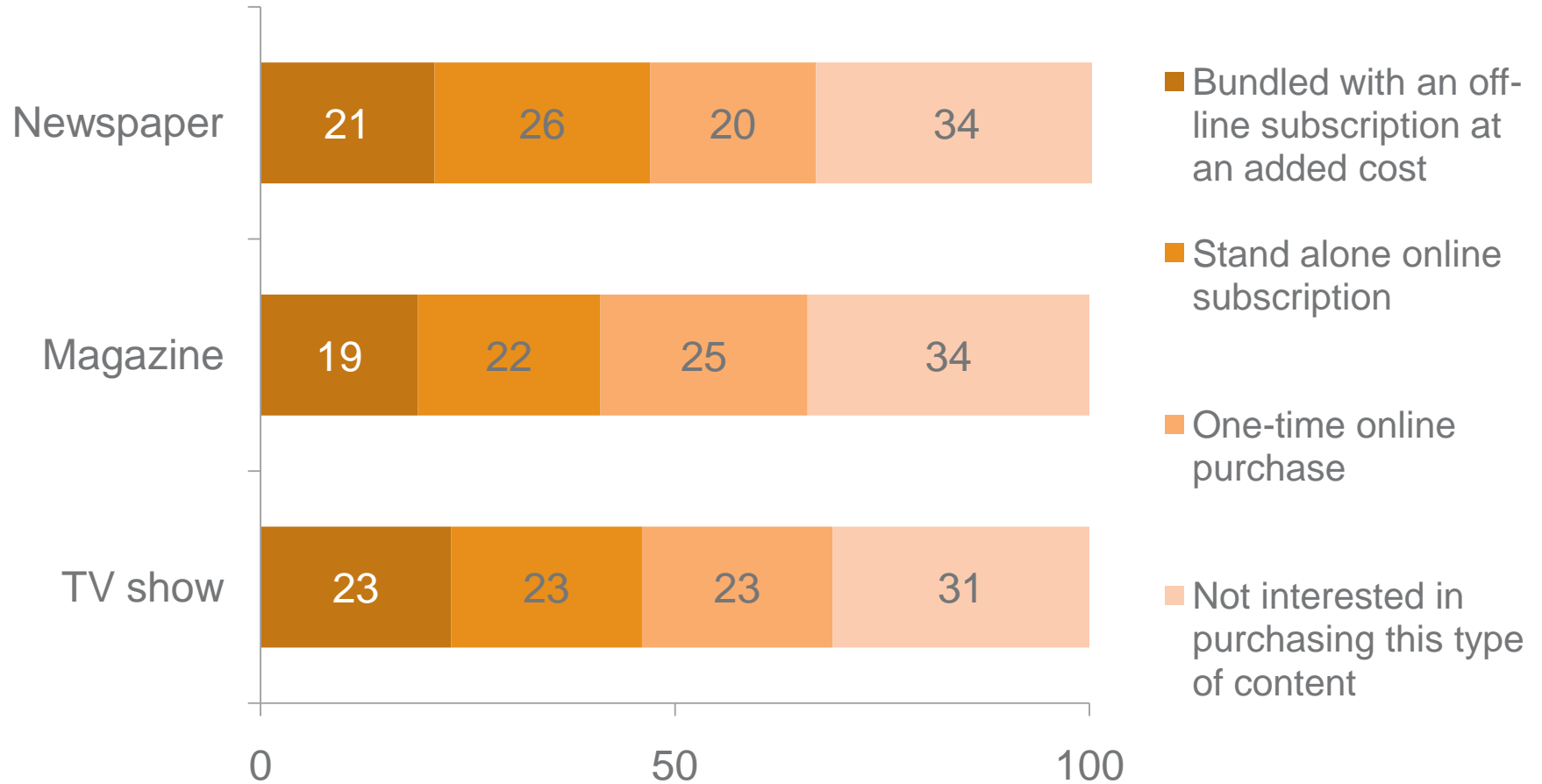
* Note: Based on estimated U.S. Internet population data (ages 8-64) from the U.S. Census Bureau and eMarketer.





Consumers Want Different Content Bundles and Payment Options

How Would You Most Prefer To Purchase This Content On Your Tablet?
(% Tablet Users)



Base: Those who own or use a wireless tablet regularly, N=291.

Q7.12.3 For the following types of content, how would you most prefer to purchase it on your wireless tablet?





Consumers Prefer a Variety of Retail Channels to Buy Tablet Apps

Where Prefer To Buy Your Tablet Apps?	
iTunes	54%
Amazon	46%
Google	43%
Direct from cable company or Internet provider	29%
Direct from publisher	25%
Other/None of the above	4%
Not sure	6%

Base=Tablet owners/users, N=291.

Q7.12.4 Where would you prefer to buy your apps for your wireless tablet? Select all that apply.





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