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Analyst:

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## Netflix survey uncovers high usage for 'Watch Instantly'

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**Issue:** Less than three years after its launch, Netflix Inc.'s Watch Instantly service has cultivated a wide user base, with nearly two-thirds of Netflix DVD-by-mail customers saying they've tried the online video platform, according to our just-completed survey of Netflix customers.

**Background:** Working with media industry research specialist Praxi Group Inc., we surveyed 1,000 Netflix customers in October, collecting responses from a qualified online panel. We found broad awareness and usage of Watch Instantly, which makes roughly 17,000 commercial-free movies and TV shows available over the Internet to customers who pay at least \$8.99/month for a Netflix DVD-by-mail subscription. According to the survey, 91% of Netflix subscribers are aware of Watch Instantly, and those who use it watch an average of six titles per month over the streaming video service.

**Implications:** The survey results tell us the right combination of content, pricing and ease-of-use can produce impressive take-up levels for online delivery of mainstream television and film content. Netflix appears to have enticed a majority of its DVD customers with a streaming video adjunct that has demonstrated broad appeal. Even so, relatively few customers appear to be willing to drop traditional video subscription services in favor of a Netflix connection.

## ABOUT THE AUTHOR

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Stewart has been reporting on and writing about the cable television and media industries for more than 25 years, for publications and organizations including *Multichannel News*, *Cable World*, *CED Magazine* and Paul Kagan Associates. He has founded and served as editor of several national business magazines and is the author of the book *Fast Forward: Video on Demand and the Future of Television*; the editor of the book *Definitive Broadband*; and a co-author of *Broadband Planet*, published in 2004 by Cisco Press. He joined One Touch Intelligence as Senior Director of Communications Intelligence in September, 2007.

## ABOUT VIDEOTRAK

VIDEOTRAK helps industry executives understand the emerging economics and dynamics of the Internet-video sector by offering exclusive analysis of distribution and content providers, business models, market statistics and consumer behaviors that are shaping the fast-growing category.

VIDEOTRAK service deliverables include: business intelligence alerts, analyst support, monthly Internet TV analysis reports, and bi-annual sector analysis reports.

For VIDEOTRAK subscription information please go to:  
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Our clients include industry leaders in the Cable, Programming and Equipment sectors. Armed with One Touch Intelligence, our clients have realized tangible benefits including an increase in corporate knowledge across the enterprise, reduction of information management costs, and overall improvement of the decision making process across various lines of business.

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