



The Demise of Demographics: New Research Cites Life Stages as Dominant Factor In Media Consumption

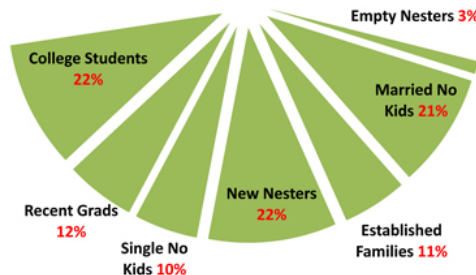
Joint Study Identifies Eight Major Life Stages

LOS ANGELES – February 23, 2010 – The results of a joint study of U.S. media consumption by Hallmark Channel, E-Poll Market Research and the Entertainment Technology Center at the University of Southern California (ETC) have been released today, revealing that Americans’ media behavior is most greatly affected by their stage in life, rather than demographic or economic factors. The study, titled “Life Stage: Its Impact on the Future of Traditional and Emerging Media,” explores the attitudes and traces the distinct and often contrasting behaviors of eight major life stage groups, including Teens, College Students, Recent Grads, Single No Kids, New Nesters, Established Families, Married No Kids and Empty Nesters.

Detecting Deficit of Demographics

“In identifying the predictive value of life stages, the study reveals the limitations in traditional demographic research,” notes Gerry Philpott, CEO of survey co-sponsor E-Poll Market Research. “A 45-year-old with a child in pre-school will have different entertainment and purchasing needs than a 45-year-old whose teenager has just left for college.” The wealth of information captured in the survey reveals that individuals in different life stages can have very similar demographic profiles but different attitudes and media usage. For example, the 18 – 49 demographic group familiar to TV and advertising executives is made up of people in seven different stages, with College Students, New Nesters and Married No Kids comprising nearly equal proportions. Three of the life stages have a median age of 37 or 38. Yet when examining behavior, the life stages are distinct and exhibit clear differences.

**The 18 to 49 Demographic Includes
Many Life Stages**



Comparing Life Stages

The study reveals many differences and similarities among life stages. For example: While New Nesters (families with children under 13 in the household) and Married No Kids (married couples with no children of any age) look similar from a demographic perspective, when comparing each life stage’s attitudes and behaviors, a startlingly different perspective emerges.

Similar Demographics but Different Behavior

	New Nesters	Married No Kids
Median Age	37	38
Median Income	\$65K	\$70 K
Percent Married	85%	100%
Employed Full Time	60%	62%

New Nesters rate the importance of family relationships very highly with over two-thirds saying they consider it “very important” (69% vs. 56% of Married No Kids), and tend to view entertainment options through this lens. New Nesters value television more than other groups, and have a lot of TV content coming into the home – they are the group most likely to have digital/satellite channels – and they place the highest value on devices that filter video content such as DVR, VOD and DVD. Notably, however, New Nesters use these devices as a programming tool, to locate and display family-appropriate entertainment, and screen out unwanted content.

In contrast, Married No Kids are more engaged with friends and activities outside the home, ranking higher than New Nesters in such activities as travel, exercise and spending time with friends. Married No Kids (MNK) also enjoy more leisure time and have more time for such activities as reading and listening to music. When they do watch TV, dramatic programming on networks such as USA, TNT and Fox are among their favorites.

When it comes to other forms of technology, the two groups again show marked differences. Both groups report similar levels of social networking, but different attitudes towards the technology. New Nesters are the most satisfied with social networking (33% “very satisfied”) and use it as a tool to stay in touch with friends and family. MNK, in contrast, are markedly less satisfied with the time they spend social networking (20% “very satisfied”), and report that the primary reason they use social networking sites is to “maintain/expand my professional network.”

Economically, New Nesters are more likely to have experienced a negative change in their financial situation (30%), while MNK are less likely to have experienced financial hardship over the past 12 months, and are more likely to have moved to a new home.

“Despite similar demographics, these life stages clearly have very different attitudes and motivations, and it would be a mistake to communicate with them in the same way,” concludes Philpott.

“Life stage research is a new and valuable tool to help the ETC and our member companies understand the impact of new technology on all aspects of the entertainment industry,” said KC Blake, Director of Business Development at the ETC. “Importantly, this research provides insight not only for today’s market, but also in the future as consumers pass through various life stage groups.”

“People come to the ETC to share and explore ideas on how entertainment consumption is changing and to look for the opportunities to come together for the good of the consumer,” said David Wertheimer, CEO and Executive Director of the ETC. “This research is a great example of how new technologies change the

way people think about media and we're excited to be bringing this study to the entertainment and technology industries."

Implications for Brands

"The results from the study are eye opening, with strong implications for the television industry," said Jess Aguirre, Senior Vice President, Research, Hallmark Channel and Hallmark Movie Channel. "While we have known that only 23% of American parents are satisfied with the amount of family programming available to them, this new research shows the lengths to which New Nesters and established families will go to provide trusted content to their households. These groups are using all technological means at their disposal to protect their families from unwanted content."

It's not just programmers and networks that are affected. A recent E-Score® Brand analysis found that there are hundreds of brands that rate above average as "family friendly," but only a handful of networks are considered "trustworthy" for viewing in mixed company -- even fewer when it comes to ad supported entertainment networks.

"This presents a major hurdle for hundreds of national advertisers who would like their key brand attributes re-enforced," points out Aguirre. "To quote a senior P&G executive, 'Brands are judged by the company they keep.'"

Implications for Media and Technology Companies

Among the questions addressed in the research, the study assesses the importance of various media technologies to each of the life stages, with a laptop as the item most difficult to give up for most groups, particularly college students at 80% saying it would be "very hard to give up." Meanwhile, smartphones are particularly important to Single No Kids households at 64%, and significantly less so to Empty Nesters (32%). A DVD player, DVD subscription service, Video on Demand (VOD) and HDTV are most important to New Nesters, with Teens feeling less attachment to those technologies, while College Students are hooked on their iPods and video game consoles. A full list is below.

Affinity for Media Technologies - "Importance"

Product / Service	Important		Less Important	
	Life Stage	Percentage	Life Stage	Percentage
Laptop Computer	College Students	80%	Established Families	54%
Smartphone	Single No Kids	64%	Empty Nesters	32%
TiVo/DVR	Empty Nesters	63%	Teens	21%
iPod with video	Teens	51%	Established Families	24%
HDTV	New Nesters	44%	Teens	13%
iPod with/out video	College Students	40%	Empty Nesters	18%
HD Channels	Married No Kids	33%	Teens	9%
DVD Player	New Nesters	32%	Teens	16%
Subscription to DVD rental service by mail	New Nesters	30%	Recent Grads	11%
Handheld Game System	Single No Kids	30%	Recent Grads	3%
Video Game Console	College Students	29%	Recent Grads	16%
Home Theater System	Single No Kids	26%	Teens	8%
VOD	New Nesters	19%	Teens	7%

Source: Life Stage: Its Impact on the Future of Traditional and Emerging Media, 2009

About The Study

“Life Stage: Its Impact on the Future of Traditional and Emerging Media” is a national pilot research study to examine the impact of life stages on emerging media. Further studies will be fielded in the coming months to gain additional insight into key consumer trends that facilitate cross-industry discussions about today's reality and the future of potential digital entertainment offerings. For more information about life stage research, please contact E-Poll Market Research at 877-MY-EPOLL, or visit www.epollresearch.com.

About E-Poll Market Research

E-Poll Market Research is a leading provider of custom research products and services for entertainment and media companies. Products include the E-Score® family of celebrity, character and brand evaluations and FastTrack™ Television. Custom services include survey design, data analysis and reporting using advanced industry specific methodologies. In addition to traditional and online focus groups, E-Poll utilizes a deeply profiled, proprietary research panel which offers the ability to access highly targeted sample groups quickly and cost effectively. For more information, please visit www.epollresearch.com.

About Entertainment Technology Center (ETC)

The Entertainment Technology Center is an organization within the USC School of Cinematic Arts which brings together the top entertainment, technology and consumer electronics companies to explore opportunities for new consumer entertainment offerings today and into the future. The ETC@USC was founded with the help of George Lucas in 1993, with the goal of bringing technology and entertainment visionaries together to collaborate on the future of entertainment technology.

About Hallmark Channel

Hallmark Channel, owned and operated by Crown Media Holdings, Inc., is a 24-hour basic cable network that provides a diverse slate of high-quality entertainment programming available in high definition (HD) and standard definition (SD) to a national audience of nearly 90 million subscribers. The top tier program service is distributed through more than 5,450 cable systems and communities as well as direct-to-home satellite services across the country. Hallmark Channel consistently ranks among the highest-rated cable networks and is the nation's leading network in providing quality family programming. Hallmark Channel's sibling network is Hallmark Movie Channel, also available in HD and SD, which focuses on the greatest family movies of all time.

For more information, please visit www.hallmarkchannelpress.com.

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Methodology

Source: Life Stage: Its Impact on the Future of Traditional and Emerging Media. This online survey was conducted by E-Poll Market Research among a nationally representative sample of 1,440 individuals age 13 - 54. The margin of sampling error at 95% confidence for aggregate results is +/- 3%. Sampling error is larger for subgroups of the data. The survey was fielded July 10 – 24, 2009.