

# Press Release



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## **Online Movie Services Continue to Languish, Identifying Winning**

*New Report from The Diffusion Group Provides Insight into Which OMD Attributes Are of Greatest Importance to Consumers*

February 7, 2008 (Dallas, Texas) - The Diffusion Group, the nation's leading broadband media consultancy, today released its latest report on web-based video services. [Attributes of a Successful Online Movie Download Service - What the Consumer Wants](#) provides a detailed analysis of primary consumer research regarding 10 different service attributes, ranging from content considerations to interactive features. The report is now available for purchase on TDG's website ([www.thediffusiongroup.com](http://www.thediffusiongroup.com)).

"Online movie services have to date failed to gain a critical mass of users," noted Michael Greeson, president of TDG and author of the new report. "Even Steve Jobs recently noted that Apple, among others, has failed to figure out what combination of features will prove sufficiently compelling to consumers."

Despite the presence of strong brand names such as Apple and the innovative services of start-ups such as Vudu, only 10% of adult broadband users have used an online download service either to rent or purchase movies (most of whom do so infrequently). The challenge, notes Greeson, is not only to increase familiarity with OMD services, but to make sure that when consumers do visit an OMD site that they find high-quality content and a set of compelling features free from the complexities and hassles of traditional web media sites.

One attribute that consumers considered most important is getting online movie content to the TV as opposed to the PC monitor, a strategy TDG has long considered critical to the success of OMD services. "Watching video on the TV is a well-established form of media behavior engrained in consumer behavior," notes Greeson. "Watching full-length movies on the PC or on a mobile device, however, requires a paradigm shift of sorts, one that the vast majority of consumers are unwilling to accept. Asking consumers to view full-length movies on a PC monitor is a radically different experience than asking them to view shorter-form content such as TV shows or user-generated video. Today's OMD services are finally realizing the truth of this statement and working to push their content to the TV, but until they deliver the right combination of features, even a TV-based OMD service may appear to be a poor alternative when compared to emerging cable VOD services or rental services from Blockbuster or Netflix."

*Attributes of a Successful Online Movie Download Service - What the Consumer Wants* evaluates the importance of ten specific OMD attributes ranging from content to interactive features and viewing platform preferences. The analysis uses multiple methodologies to identify which attributes rank most highly and what this means for OMD providers.

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### **About TDG**

The Diffusion Group is a market planning and research firm dedicated to keeping our clients *In Front of the Curve*.™ Since 2004, TDG has helped more than 250 technology leaders, media companies, and service providers to understand and manage the quantum shifts now impacting how consumers access, navigate, distribute and consume media – whenever and wherever they may be.

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