

Bosses Beware: Employees Watching Videos Online on the Company's Dime

New Research Finds 68 Percent of Respondents Watch Videos During the Day

*With Consumer Behavior and Consumption Evolving, Study Uncovers
New Way to Measure Video Engagement Online*

SUNNYVALE, Calif., August 6, 2009 –Yahoo! Inc., Interpret LLC, Havas Digital, Warner Bros. Media Research, and PHD today announced the results of a study that explored how consumers interact with online video, and how marketers can use this information to drive greater engagement with their target audiences online. The study found similar spikes in online video consumption for people at work and at home, with approximately 70 percent watching during the day and at night. Leveraging this information, the companies have identified a new model for measuring online video engagement, which should allow online publishers and advertisers to determine which types of videos are most appealing to specific audiences.

“Unlike television consumption, which mostly happens during the primetime hours of 8 p.m. – 11 p.m., people across all demographics are watching online videos consistently throughout the day and night, with the exception of dinnertime,” said Jason Kramer, Chief Strategy Officer at Interpret LLC. “This fundamental shift in consumer behavior opens up opportunities for publishers, advertisers, agencies and marketers. For example, rather than advertisers only vying for spots on hot television shows that appear during primetime, they can leverage online video to reach target audiences more often than just once per week.”

The study showed spikes in online video consumption among men, women, students and full-time employees during the hours of 12 p.m.- 3 p.m., and then again between 9 p.m.- 1 a.m. The lowest was around dinnertime from 6 p.m.- 9 p.m. Regardless of time of day, one third of people who watch a video share it with friends, family members and colleagues.

“Online video has experienced dramatic growth among consumers, but publishers still have questions about what works, and advertisers have been slow to move dollars online because there are no established metrics,” said Radha Subramanyam, head of corporate and media research for Yahoo!. “We plan to use this new engagement model to help publishers, including Yahoo!, better identify which videos should be shown online, as well as how they can be effectively measured and monetized. It’s our hope that marketers will find this information helpful as they consider launching advertising campaigns in video-rich environments.”

New Engagement Model Identifies Three Key Measurements:

The model is based on the following variables:

- **Completion of the Video** – Completion is a strong indicator of engagement because online videos are generally a self-selected experience where the viewer has to first decide to start watching a video and then decide to leave that page once they are done.
- **Attention to Content** – This variable refers to the amount of attention someone gives to a video experience, compared to the amount of attention they give to the other people or tasks in their environment at that moment. Attention paid is a strong indicator of passion and the potential opportunity to make an ad impression.
- **Actions Taken** – This variable refers to the actions viewers might have taken before, during, or after watching the streaming video (e.g. posting a comment, rating the video, sharing the video).

High Engagement Videos Drive Consumer Behavior:

High engagement levels translate into high satisfaction for viewers, high brand recall for advertisers, a greater inclination for consumers to seek product information, and potentially more money for publishers.

According to the study:

- 27 percent of respondents who remembered seeing an ad searched for more information about the product featured after watching high engagement videos, versus only 13 percent for low engagement videos.
- 28 percent visited an advertised brand or product's website after viewing a high engagement video versus only 10 percent for low engagement videos.
- High engagement videos account for nearly half (47 percent) of ad recall.

“This propensity for sharing and ad recall translates into improved viral ‘buzz’ for advertisers and their ads – *if they take advantage of online video opportunities properly,*” said Liz Huszarik, senior vice president, Warner Bros. Media Research.

About the Study

Interpret LLC conducted an online survey of 2,024 broadband Internet users between the ages of 13 and 54 who had watched a video online in the past 24 hours. The survey used the “coincidental” methodology in order to collect the most accurate behavioral information. This methodology was originally developed in the 1930s for radio and refined for TV in the 1960s. The International Handbook of Market Research Techniques says it is a methodology set to establish the viewing behavior of a randomly selected individual at a particular moment and has been deployed in the marketplace to validate rating systems such as the Nielsen Company television ratings and Arbitron for radio. It is most common to television advertising research in which viewers are asked to give a detailed account of their last viewing occasion. This online video engagement study was the first to apply this methodology to analyzing online video viewership. The video data was weighted back to Nielsen video census data, with a margin of error of less than 2% in most cases by time period. The interviews were conducted over the course of seven days (3/8/09-3/15/09) to ensure every time and day of the week were accounted for in the analysis.

About Yahoo!

Yahoo! Inc. is a leading global consumer brand and one of the most trafficked Internet destinations worldwide. Yahoo! is where millions of people go every day to see what is happening with the people and things that matter to them most. Yahoo! helps marketers reach that audience with its unique and compelling advertiser proposition. Yahoo! is headquartered in Sunnyvale, California. For more information, visit <http://pressroom.yahoo.com> or the company's blog, Yodel Anecdotal (<http://yodel.yahoo.com>).

About Havas Digital

Havas Digital is the umbrella holding company that manages all Havas Media's interactive companies: Media Contacts and Lattitud, global interactive media networks; iGlue, new independent interactive media network; Mobext, mobile advertising network; Uncommon, direct marketing specialist in Spain, One-to-One, specialized CRM solution in Portugal, and Archibald Ingall Stretton the new UK-based creative shop expanding rapidly worldwide.

Havas Digital brands provide data driven marketing solutions across all interactive channels: digital, direct response, relationship based media, and design. Havas Digital's companies work and complement each other bringing together professional expertise, proven strategic insight, and Artemis®, an advanced proprietary data platform and optimization engine, which allows the group agencies to maximize impact for the advertiser interactive marketing investment.

Havas Digital's brands currently operate from 43 offices in 33 different countries across Europe, North America, South America, Asia, and Oceania, serving over 400 clients, including the market leaders in

many industries such as Air France, Danone, Diageo, Expedia, Fidelity, France Telecom, ING Direct, Nike, Peugeot/Citröen, Repsol, Reckitt Benckiser, Sears, and Vodafone, amongst others.

About Interpret LLC

Interpret is a leading entertainment, media and technology measurement and market research firm that applies proprietary, cutting edge methodologies and extensive category knowledge to help companies plan, test, and measure their business strategies. As the first research firm to focus on evaluating and measuring the intersections of content, technology, advertising and consumer behavior, Interpret provides clients with premium quality insight across the media and entertainment landscape, including leaders in the home entertainment, video game, new media, mobile content, and theatrical industries. Interpret's syndicated measurement products and custom market research services continue to address many of the challenges faced by marketers, programmers and technologists in the evolving digital age. Based in Los Angeles with offices worldwide, Interpret's "on the ground" staff, strategic partnerships and strong vendor relationships in key territories give the company a global reach with services throughout North America, Europe and Asia Pacific.

About Warner Bros. Media Research/Warner Bros. Media Lab

One of the industry's premiere media research operations, Warner Bros. Media Research provides comprehensive insights about media engagement and consumer behavior to divisions of Warner Bros. Entertainment (WBE), chiefly Warner Bros. Domestic Television Distribution, Telepictures Productions and Warner Bros. Media Sales. Through its on-site, state-of-the-art Warner Bros. Media Lab, Warner Bros. Media Research provides insight into how consumers engage new forms of content and enables hands-on interaction with cutting-edge consumer electronic devices and emerging distribution platforms. The Media Lab is equipped to test media content including broadband, gaming, video-on-demand/pay-per-view and wireless, and serves as a resource not only for WBE divisions but also for third-party companies eager to test emerging content and technology.

About PHD

PHD is a wholly-owned subsidiary of Omnicom Media Group, a division of Omnicom Group Inc., the world's largest advertising marketing communications company. With offices in over 45 countries, we are driven by a passion to pioneer the quality of thinking and execution within communications around the world. Pioneering means we are always looking for a better way – for our clients and our employees. PHD is a top 10 media agency in the US representing such clients as Chrysler Group, Discovery Communications, HBO, Charles Schwab, and New Balance.

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