



INTERPRET: HULU'S PROPOSED SUBSCRIPTION PLAN TAPS INTO CONSUMER HABITS, BUT FACES ROADBLOCKS

Hulu's rumored decision to implement a paid subscription business model can increase viewership, if executed correctly.

Santa Monica, CA June 9, 2010 – Based on data from Interpret's New Media Measure™ study, today's *Interpretations* report, "Hulu's Biggest Challenge: Netflix or TV Everywhere?" found that Hulu's best chance of success is to incorporate a subscription model in addition to its current ad-supported model. According to the study, Hulu and Netflix streamers have decidedly different interests – the former more apt to stream television content, and the latter more apt to stream movie content (among Hulu-only streamers, 93% watch TV shows and 60% watch movies versus 68% and 87%, respectively, for Netflix-only streamers). "The lead Hulu has established in streaming television is a blessing and a curse," stated Josh Bell, Executive Director, Interpret. "Hulu's audience is conditioned to expect breadth of quality TV programming for free with limited commercial interruption, but reliance on network television programming puts them in a precarious position." The study revealed that online TV streaming is primarily done to catch up on missed current episodes and that Hulu viewers are also more likely to visit network sites. Added Bell, "This suggests consumers will go in search of content, so changing the business model may prove difficult. Hulu's best chance at success is to diversify its content by branching out to include newer movies, sports programming and premium cable networks, all of which consumers are accustomed to paying for."

New Media Measure™ is Interpret LLC's proprietary, quarterly survey of media behaviors, attitudes and product consumption. Designed to keep pace with the evolving media landscape, New Media Measure™ supplies the means to better measure and keep track of fast-changing consumer behaviors. New Media Measure™ surveys 9,000 consumers aged 12-65, representative of the U.S. population and weighted to U.S. Census. Data collected includes: demographics, psychographics, brand consumption, traditional media consumption, online and social networking, mobile phone, video gaming, and digital entertainment. Data is available via *Interface*, a web-accessible, interactive analysis tool, through *Intrend*, quarterly trend reports, and through *Interpretations*, monthly whitepapers from Interpret analysts. www.interpretllc.com/new-media-measure.php.

About Interpret LLC

Interpret LLC is a leading entertainment, media and technology market research firm that applies proprietary, cutting edge methodologies and extensive category knowledge to help companies plan, test, and measure their business strategies. www.interpretllc.com

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Contact

Jeff Tiddens (310) 255-0590 x346 / jeff.tiddens@interpretllc.com