

ANNUAL NATIONAL SURVEY FINDS MORE CONSUMERS WILLING TO TRADE OFF PRIVACY FOR PERSONALIZATION

57% of Consumers Responding to ChoiceStream Survey Indicate Willingness to Provide Demographic Data in Exchange for Personalized Content; Represents 24% Increase from 2005

Cambridge, Mass. — January 9, 2007 — According to The 2006 ChoiceStream Personalization Survey, more consumers are willing to provide information about themselves to providers they trust in exchange for a personalized online experience. The number of consumers willing to provide demographic information in exchange for a personalized online experience has grown dramatically over the past year, increasing 24 percent to a total of 57 percent of all respondents. The Survey also finds a significant increase in the number of consumers willing to allow Web sites to track their clicks and purchases, increasing 34 percent from the previous year. However, the results show no significant decline in the number of consumers concerned about the security of their personal data online, with 62 percent expressing concern in 2006 vs. 63 percent in 2005.

“Consumers are overwhelmed with the vast array of content and choices coming at them every day online. They want guidance, even though they want the freedom to make their own choices and to explore the data if they want to,” said Esther Dyson, editor of the blog Release 0.9 and an advisor to ChoiceStream. “Even though they still have concerns about the safety of their information, they’re increasingly willing to let vendors know more about them in exchange for the convenience and relevance of personalization. Of course, for this model to work, it’s critical that the vendors make it clear what’s going on, so that the personalization feels friendly rather than creepy.”

Social Networking Seen as Personalization’s Next Frontier

New to the Survey this year are questions concerning respondents’ participation in online social networking. Not surprisingly, participation varies greatly by age, with 69 percent of 18-24 year-olds indicating participation and just 8 percent of 50+ year-olds. Overall, 30 percent of respondents indicated membership in a social network. Of that 30 percent, the vast majority—75 percent—indicated that personalization would improve their social networking experience by introducing them to members who share their tastes and interests.

Interest in Personalization Spreads beyond the Desktop to TV and Mobile Screens

The Survey results also find that interest in personalization is spreading beyond the desktop to consumers' television and mobile screens. Overall, 45 percent of survey respondents are dissatisfied with their current onscreen TV program guide because it takes too long to scroll through to find programming of interest. 47 percent expressed interest in receiving a personalized guide to solve this problem by helping them find shows and movies that match their tastes and interests. Interest in a personalized guide varies by age, with 62 percent of all 18-24 year-olds indicating interest, while just 37 percent of 50+ year-olds expressed interest.

Cable operators and TV content providers should also take note that respondents' interest in a personalized guide extends to VOD and PPV listings as well, as nearly 40 percent indicated that they would watch more VOD/PPV if it were easier to find programming and movies that matched [their] tastes and interests.

Consumers responded in a similar fashion when asked about their mobile devices and the ease with which they can find interesting content to download. Almost 50 percent of Survey respondents indicated that they would be more likely to download ringtones, music or other content to their mobile devices if they were presented with choices based on their tastes and preferences.

"The results of the 2006 Survey indicate a shift in consumers' perceptions of their electronic devices. It's no longer enough for devices to simply provide consumers with access to content. They have to offer guidance to help consumers find the right content for them—whether it's ringtones to download, merchandise to buy, or even other people to connect with," said Steve Johnson, CEO of ChoiceStream. "We live in an age of superabundance where we're overwhelmed with choice. The brands that deliver a personalized experience to consumers are the ones that earn consumers' loyalty and, ultimately, spending power."

Additional Survey results focusing on targeted advertising, entertainment and mobile usage are available in the ChoiceStream Survey Research Brief. The Brief provides comprehensive, detailed information on all of the survey findings and is available at the ChoiceStream Web site, www.choicestream.com.

About the 2006 ChoiceStream Personalization Survey

The 2006 ChoiceStream Personalization Survey is the third in a series of national surveys designed to provide insight into consumer interest in, and perceptions of, personalization on the desktop, TV and mobile devices. The survey was first fielded in 2004. This year's survey includes the questions from the first and second surveys plus additional sections that focus on mobile devices, social networking and targeted advertising. The survey was conducted via MarketTools, an online survey services provider, and is based on 1,100 respondents. The survey is sponsored by Cambridge, Mass.-based ChoiceStream.

About ChoiceStream, Inc.

ChoiceStream is the premier personalization solution provider for the world's largest entertainment, e-retail, TV and mobile brands, including AOL, Yahoo!, DirecTV and Overstock.com. In today's marketplace of superabundance, ChoiceStream's RealRelevanceSM personalization platform restores control to consumers by delivering personally relevant choices when and where they want it. ChoiceStream's RealRelevance personalization platform accurately presents consumers with their favorite music, movies, news, sports, and products wherever they are: online, using a mobile device, or watching television. For consumers, ChoiceStream's technology delivers on the promise of instant gratification. For content providers, ChoiceStream's solution produces measurable business results and a powerful approach to building lifetime customer loyalty.

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