



NEWS RELEASE

Increased Availability of Streaming Content Driving Cord Cutting; Millennials Flock to Smartphones to Watch Online Video According to Limelight Networks' 'State of Online Video' Report

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Video Quality Is a Key Factor and Content Availability Is Gaining Ground on Price As Primary Reason Consumers Shift to Viewing Over-the-Top Content

TEMPE, Ariz.--(BUSINESS WIRE)-- As consumers find themselves with a wider variety of over-the-top (OTT) content options, price is becoming less of a factor in the decision to cut the cord with pay TV providers while content availability increasingly drives decision-making. Streaming video services are surging in popularity, with seven out of 10 consumers now subscribing to at least one service. These are among the findings of the **Limelight Networks, Inc.** (Nasdaq: LLNW), semi-annual 'State of Online Video' research report, which examines consumer behaviors and perceptions around watching online video.

Twenty nine percent of respondents cited rising prices as the primary reason they would cut the cord, down more than 8 percent since May 2015. By contrast, 20 percent of consumers said a key factor would be the ability to directly subscribe to the channels they want online, up 4 percent in the same timeframe. Surprisingly, the number of respondents who would "never terminate cable or pay television subscription" has risen from 10 percent to 15 percent since 2015. This reinforces the diminishing impact of price on cord cutting and a shift to content availability driving behavior.

The availability of content is particularly important to Millennials (aged 18 to 35), who were similarly price-averse as the population as a whole. The most striking contrast is that Millennials are seven percent more likely to shift viewing to OTT content and cancel pay TV subscriptions when they can subscribe to channels directly. Millennials are also at the center of the overall dramatic surge in OTT content consumption. Eighty percent of Millennials subscribe to at least one OTT service and 39 percent report watching at least seven hours of online video per week. Among the entire consumer population, 69 percent subscribe to at least one OTT service – a ten percent increase since May 2015.

The study also found that computers and laptops remain the dominant devices for watching online video; however, their days at the top may be numbered. For Millennials, the smartphone is the most popular device for watching online video and gaining ground among the broader population.

“Our research continues to show increasing adoption of OTT content, especially among younger consumers,” said Nigel Burmeister, vice president of global marketing at Limelight Networks. “Consumers are demanding access to content when they want it, using the device of their choosing. Traditional providers and delivery models are increasingly at risk of being left behind as consumers become more savvy.”

Additional key findings from the research include:

- Video quality is becoming increasingly important. Consumers continue to report buffering to be the most frustrating part of watching online video, but poor video quality is starting to close the gap.
- YouTube’s decline may signal an interest in higher quality online content. TV shows and movies remain the most watched type of online video, with original content/YouTube demonstrating a steady decline since the last study. Millennials in particular are watching less YouTube in favor of OTT services.
- Advertising in online video is becoming more accepted. Respondents are increasingly fine with online video ads – particularly if it allows them to access content for free. Interestingly, Millennials are the most accepting of advertisements.
- Millennials are the video sharing generation. Across all social media channels, Millennials share dramatically more video than their generational counterparts with Facebook continuing as the channel of choice for all generations.

“The State of Online Video” report is based on a survey fielded in May 2016 that collected data from 1,086 consumers ranging in age, gender and education, located in the United States, the United Kingdom and Canada. To view the report in full, please click [here](#).

About Limelight

Limelight Networks (NASDAQ: LLNW), a global leader in digital content delivery, empowers customers to better engage online audiences by enabling them to securely manage and globally deliver digital content, on any device. The company's award winning Limelight Orchestrate™ platform includes an integrated suite of content delivery technology and services that helps organizations secure digital content, deliver exceptional multi-screen experiences, improve brand awareness, drive revenue, and enhance customer relationships — all while reducing costs. For more information, please visit www.limelight.com, follow us on **Twitter**, **Facebook** and **LinkedIn** and be sure to visit our online community and read our blogs on **Limelight Connect**.

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fama PR on behalf of Limelight Networks

Dan Gaffney, 617-986-5036

limelight@famapr.com

or

Investor Inquiries:

ir@limelight.com

Source: Limelight Networks, Inc.