Consumer Reports DTV Poll

January 2008

CU Project #2007.95

Methodology

- Telephone surveys utilizing a random probability sample of telephone households were conducted among 1,013 adults to assess their behaviors and attitudes regarding television viewing.

- Interviewing took place over December 13-16, 2007.

- The questionnaire was fielded via Opinion Research Corporation's Caravan twice-weekly national telephone omnibus survey.
  - ✓ ORC used a probability sample of telephone households to achieve a nationally representative probability sample and weighted completed interviews by age, sex, geographic region and race.

- The results of this study are intended for external communications. Methodology statement for public release:
  - ✓ The Consumer Reports National Research Center conducted a telephone survey of a nationally representative probability sample of telephone households. 1,013 interviews were completed among adults aged 18+. Interviewing took place over December 13-16, 2007.
    - ⇨ The margin of error is +/- 3.1% points at a 95% confidence level.

Summary

Who is affected?

- In total there are approximately 18% of consumers in households who have at least one TV that will be affected by the digital conversion: 13% are consumers in households who receive their television signal over the air (OTA) and 5% are consumers in households who subscribe to a paid television service like cable or satellite.
- Approximately fifteen percent of Americans currently watch television OTA only. If no action is taken, 94% of these OTA only television viewers will have at least one of their televisions affected by the transition.
  - ✓ As of February 17, 2009, 78% will not have a single television working, that is 11% of Americans with televisions who will be without TV programming.
- Although not to the same degree, the conversion will also have an immediate impact on paid television subscribers as approximately 6% of current subscribers have at least one non-digital television they currently watch television programming OTA.
- The impact to paid subscribers goes much deeper. The 6% affected does not take into account that 80% of paid TV subscribers will have at least one TV that does not work if they chose to cancel their paid service and 40% would have no TV programming at all.
- Being able to receive some type of signal OTA, is very important to many paid television subscribers as 46% indicate that they would be concerned if they were not able to receive an OTA signal if their paid television service went out. If no action is taken 40% of these paid subscribers would not be able to receive a signal after February 17, 2009 if their cable or satellite service was out.

Summary

Educating the Consumer

- There is quite a bit of work ahead in order to educate consumers about the conversion. As of December 16, 2007 over one third (36%) of total consumers in households are not aware of the conversion.
  - ✓ Most notably 28% of consumers in households who will have at least one TV affected and 31% of consumers in households who will have no functioning TVs as of 2/17/09 are not aware of the conversion.
- Awareness of the conversion is only a portion of the problem. Among the 64% of consumers who are aware of the conversion nearly three-quarters (74%) have major misconceptions about the impact this conversion will have on them.

Among Those Aware of the Conversion

- Only 55% of consumers in households with at least one TV in their household affected by the digital conversion believe that they will be affected by this transition. Of those who will not have any working TVs in their home, nearly half believe they are either not affected (24%), don't know if they are affected (25%).
- Although 80% of consumers who are aware of the digital conversion believe the digital conversion will provide a better viewing experience with improved picture and sound quality. There is confusion about how they will be able to receive this benefit.
  - ✓ More than half (58%) of consumers believe that all TVs will need a conversion box to function properly, even among consumers in households who have only digital TVs (51%).
  - ✓ Nearly half (48%) of consumers believe that consumers require digital televisions to be able to watch TV.
  - ✓ Nearly one quarter (24%) believe that they will have to throw away their analogue sets.

Summary

- A look at the options that consumers are planning to take indicates some further misunderstanding of the conversion. Among consumers in households who will have no functioning television on February 17, 2009, 42% plan to take no action.
- There also seems to be some confusion among those who watch television programming exclusively on digital TVs as one third (33%) of these consumers plan to purchase a converter and 31% plan to purchase a new television set with a built in digital tuner.
- It is evident that more attention should be placed in the education of the government coupon program as nearly three-quarters (73%) of consumers are not aware of the government coupon program to purchase these boxes.

By The Numbers

- ✓ 99% of consumers have at least 1 television in their household
- ✓ 18% of consumers have at least 1 television in their household that will be immediately affected by the conversion
- ✓ 11% of consumers will have all of the televisions in their household affected by the conversion
- ✓ 18% of consumers have only digital televisions in their household

Number of TVs per Household

- On average consumers have approximately 3 televisions in their household. Consumers in households receiving only over the air (OTA) television service tend to have one less with an average of 2 televisions.
  - ✓ One percent of consumers do not have any televisions in their households.

E1 - How many TVs, whether used or unused, are currently in your household?

		GENDER		AGE			REGION				Television Provider			
	Total Sample	Male	Female	18-34	35-54	55+	North East	North Central	South	West	OTA Total	PAID TV Total	PAID TV Cable	PAID TV Satellite
Unweighted Base-->	(1,013)	(502)	(511)	(153)	(376)	(477)	(193)	(224)	(368)	(228)	(155)	(853)	(589)	(294)
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
0	1	1	2	1	2	1	3	1	1	1	7	1	1	
1	16	15	16	12	18	17	21	14	12	19	37	12	13	8
2	29	30	29	33	25	31	28	31	32	24	25	30	28	32
3	23	22	24	25	23	22	20	27	24	20	20	24	25	22
4	17	16	17	17	19	13	15	16	16	21	8	18	17	21
5	8	6	9	4	9	9	5	5	11	7	2	9	9	8
More than 5	6	8	4	9	4	6	7	6	4	8	1	7	7	10
Average Number of TVs	*2.9*	*3.0*	*2.8*	*3.1*	*2.8*	*2.9*	*2.8*	*2.9*	*2.9*	*3.1*	*2.0*	*3.1*	*3.1*	*3.4*

Digital Televisions in Household

- Only 18% of consumers will find their household completely unaffected by the digital transition watching TV programming only on digital televisions. Nearly half of consumers (45%) do not have any digital televisions in their household.
  - ✓ 78% of paid subscribers would be affected by the transition if they chose to stop their paid television service.

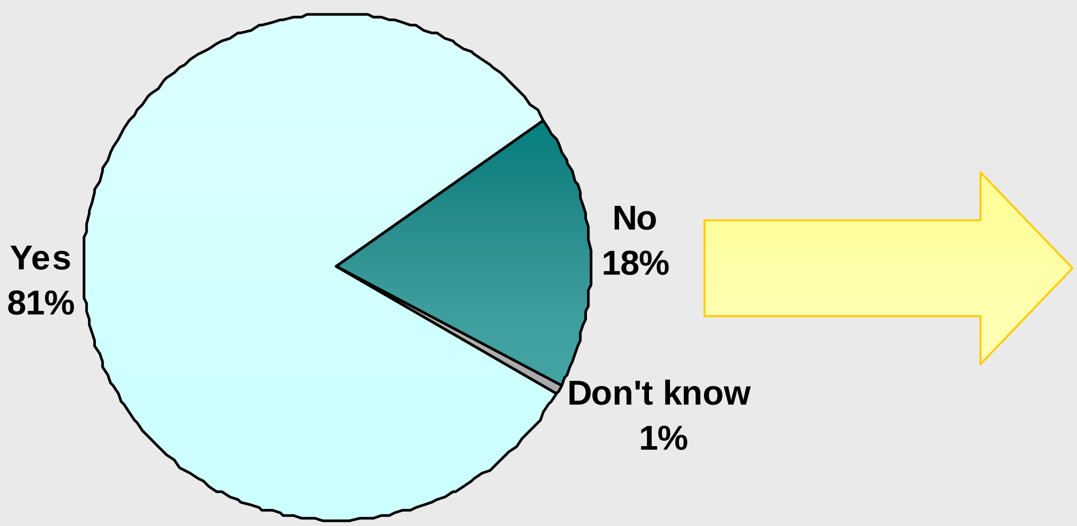
E2 - Of all of the TVs in your home that you watch television programming on, not just DVDs, videos, or video games, how many are DIGITAL TELEVISIONS? Would you say...
Base: Consumers who have at least one television in their home

		GENDER		AGE			REGION				Television Provider			
	Total Sample	Male	Female	18-34	35-54	55+	North East	North Central	South	West	OTA Total	PAID TV Total	PAID TV Cable	PAID TV Satellite
Unweighted Base-->	(994)	(491)	(503)	(150)	(370)	(468)	(186)	(221)	(363)	(224)	(142)	(848)	(584)	(294)
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
None of them	45	43	47	40	44	51	45	49	44	42	78	40	38	40
Some, but not all of them	35	38	32	35	38	31	31	33	39	34	16	38	41	36
All of them	18	17	19	23	15	16	21	15	15	22	4	20	19	22
Don't know	2	1	3	2	2	2	2	3	2	2	2	2	2	2

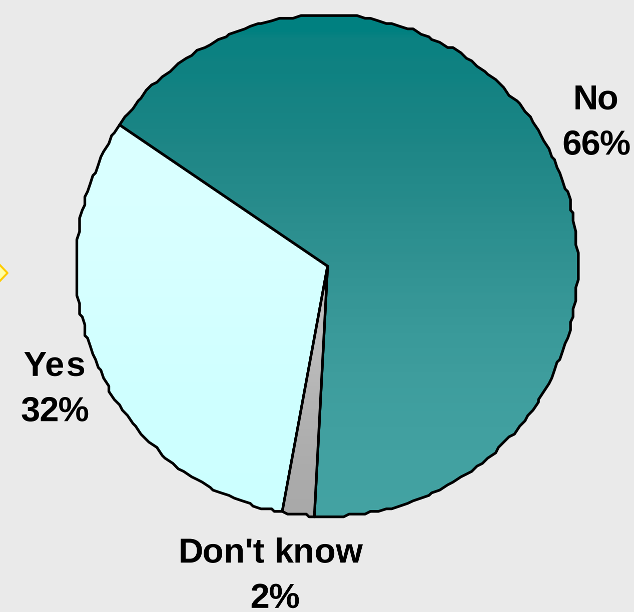
Consumers who Receive Paid Cable or Satellite Television Service

- The majority of paid subscribers (81%) have all of the televisions in their household hooked up to their paid service.
  - ✓ Approximately one-third (32%) of those who have TVs not hooked up to their paid service watch TV programming on these sets.

E3 - Do ALL of the television sets in your household receive paid cable or satellite television service?
Base: Consumers who subscribe to a paid TV service



E4 - Do you watch TV broadcasts on ANY of your televisions through rabbit ears or other antenna?
Base: Consumers who have TVs that do not receive their paid TV service



Consumers who Receive Paid Cable or Satellite Television Service

- Among those paid subscribers who also watch TV programming OTA, 65% are watching on 1 additional television.
  - ✓ Only 6% of paid subscribers who watch television programming OTA, watch solely on digital televisions.

E5 - How many TVs do you watch TV broadcasts on through rabbit ears, a rooftop antenna, or some other form of antenna?

Base: Consumers who watch TV broadcasts on TVs that do not receive their paid cable or satellite television service

	PAID TV Total
Unweighted Base-->	(50)
1	65
2	27
3 or more	8
Don't know	1

E6 - Are any of these TVs that you watch TV broadcasts through rabbit ears, a rooftop antenna, or some other form of antenna DIGITAL TELEVISIONS? Would you say…

Base: Consumers who watch TV broadcasts on TVs that do not receive their paid cable or satellite television service

	PAID TV Total
Unweighted Base-->	(50)
	%
None of them	62
Some, but not all of them	30
All of them	6
Don't know	2

Consumers who Receive Paid Cable or Satellite Television Service

- Being able to receive some type of signal OTA, is very important to many paid television subscribers as 46% indicate that they would be concerned if they were not able to receive an OTA signal if their paid television service went out.
  - ✓ This concern is fairly consistent across both cable and satellite subscribers.

E7 - When you experience cable or satellite outages, would you be concerned if you could not receive a signal through rabbit ears, a rooftop antenna, or some other form of antenna?
Base: Consumers who receive paid cable or satellite television service

	PAID TV		
	Total	Cable	Satellite
Unweighted Base-->	(848)	(584)	(294)
	%	%	%
Yes	46	47	44
No	51	51	52
Don't know	3	2	4

Awareness of Digital Television Conversion

- Overall, more than one third (36%) of consumers are not currently aware of the Digital TV Conversion.
  - ✓ Those groups who are most aware of the conversion:
    - ⇨ Males (67%)
    - ⇨ Older Consumers: 35 – 54 (70%) and 55+ (64%)

- Over one quarter (28%) of consumers who will have at least one TV affected in their household are not aware of the conversion.
  - ✓ 31% of consumers who will have no functioning TVs in their household as of 2/17/09 are not aware of the conversion.

E8 - Are you aware of the National Digital Television Conversion?
Base: Consumers who have at least one television in their home

	Total Sample	GENDER		AGE			REGION				Television Provider				Affected By Digital Conversion	
		Male	Female	18-34	35-54	55+	North East	North Central	South	West	OTA Total	PAID TV Total	PAID TV Cable	PAID TV Satellite	Any TV	All TVs
Unweighted Base-->	(994)	(491)	(503)	(150)	(370)	(468)	(186)	(221)	(363)	(224)	(142)	(848)	(584)	(294)	(179)	(108)
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	64	67	60	55	70	64	56	67	66	62	68	63	66	59	71	68
No	36	32	39	45	30	35	43	32	33	38	31	37	34	41	28	31
Don't know	1	0	1		0	1	1	1	0		1	0	1	0	1	2

Knowledge of Digital Television Conversion

- Although 80% of consumers who are aware of the digital conversion believe the digital conversion will provide a better viewing experience with improved picture and sound quality. There is confusion about how they will be able to receive this benefit.
  - ✓ More than half (58%) of consumers believe that all TVs will need a conversion box to function properly, even among consumers who have only digital TVs (51%)
  - ✓ Nearly one quarter (24%) believe that they will have to throw away their analogue sets. This is most evident among the younger age breaks 18-35 (25%) and 35-54 (28%).

E10 - Which of the following do you understand to be TRUE statements about the national conversion to digital television

Base: Consumers who are aware of the digital television conversion

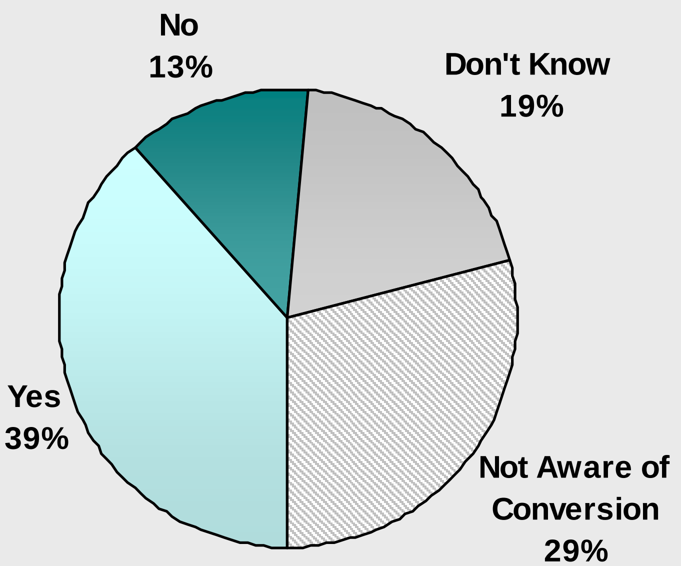
		GENDER		AGE			Television Provider				Affected By Conversion		NOT Affected By Conversion	
							OTA	PAID TV					All Non-digital TVs	All TVs
	Total Sample	Male	Female	18-34	35-54	55+	Total	Total	Cable	Satellite	Any TV	All TVs	Receive Paid Service	Digital
Unweighted Base-->	(654)	(335)	(319)	(84)	(258)	(306)	(100)	(552)	(397)	(178)	(133)	(74)	(514)	(98)
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Digital TV will offer a better viewing experience with improved picture and sound	80	86	74	89	81	71	68	82	81	85	72	63	82	76
All TVs will need a conversion box to function properly	58	57	60	58	61	55	66	57	57	57	67	65	56	51
Digital TV enables broadcasters and video service providers the opportunity to provide more TV channels	55	59	51	63	57	46	45	57	56	59	44	40	58	67
All households will need a digital television to watch TV	48	46	49	55	47	42	53	47	45	53	52	56	47	52
You will have to throw away all your current analog sets when the digital conversion kicks in	24	26	23	25	28	18	24	24	24	25	22	29	25	26
None of these	4	3	5		5	7	6	4	5	2	4	7	4	3
Don't know	1	1	1		1	2	2	1	1	1	2	3	1	2

Affected by Digital Television Conversion

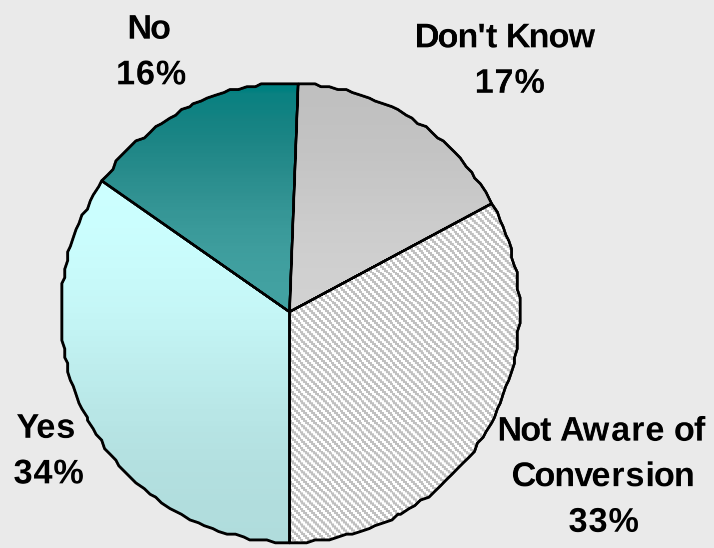
- Only 39% of those affected by the digital conversion are currently aware that they will be affected by this transition.
  - ✓ Of those who will not have any working TVs in their household, two-thirds believe they are either not affected (16%), don’t know if they are affected (17%) or are not aware of the conversion (33%).

E9 - Do you know if you are affected by the National Digital Television Conversion?

Base: Consumers who will have at least one TV affected by conversion



Base: Consumers who will have no working TVs on 2/17/09



Knowledge of Available Options

- More than half (58%) believe they are clear about their options for the transition.
  - ✓ Those who believe they are most clear are the younger age segment 18-34 (68%).

- More than half (53%) of those with at least one TV affected in their household are clear about their options.

E11 - Are you clear about the options you have in this transition?
Base: Consumers who are aware of the digital television conversion

		GENDER		AGE			REGION				Television Provider				Affected By Digital Conversion	
											OTA	PAID TV				
	Total Sample	Male	Female	18-34	35-54	55+	North East	North Central	South	West	Total	Total	Cable	Satellite	Any TV	All TVs
Unweighted Base-->	(654)	(335)	(319)	(84)	(258)	(306)	(104)	(153)	(257)	(140)	(100)	(552)	(397)	(178)	(133)	(74)
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	58	61	55	68	56	52	58	57	59	57	55	59	60	61	53	55
No	40	38	42	32	42	44	40	41	39	40	42	40	38	38	44	42
Don't know	2	1	3		2	4	1	1	2	3	3	2	2	1	2	3

Action Likely to be Taken

- Among consumers who will have at least one TV in their household affected by the conversion, the most popular action to be taken is to purchase a converter (41%).
  - ✓ Surprisingly, 42% of those who will have no functioning TV in their household on 2/17/09 plan to do nothing.

- There also seems to be some confusion among those who are not affected by the conversion as one third (33%) plan to purchase a converter and 31% plan to purchase a new television set with a built in digital tuner.

E12 - Which of the following actions, if any, do you plan to take?
Base: Consumers who are aware of the digital television conversion

	Affected By Digital Conversion		NOT Affected By Digital Conversion		Average Amount Consumers Who Selected this Action Expect to Pay
	Any TV	All TVs	All Non-digital TVs Receive Paid Service	All TVs Digital	
Unweighted Base-->	(133)	(74)	(514)	(98)	
	(%)	(%)	(%)	(%)	
Purchase a digital-to-analog converter box that plugs into an existing analogue television	41	41	47	33	$88
Purchase a new television set with a built in digital tuner	34	31	40	31	$901
Subscribe to a cable, satellite or video service provider	27	13	70	64	$63/month
Other			1		
Nothing/None of these	30	42	16	31	
Don't know	1	3	1		

Awareness of Government Coupon Program

- Although purchasing a converter box is the most popular action to be taken by consumers who are aware of the conversion, only 27% of consumers are aware of the government coupon program to purchase these boxes.

E16 - Are you aware of the government coupon program for digital converter boxes that can be used on analog televisions?
Base: Consumers who are aware of the digital television conversion

	Total	GENDER		AGE			REGION				Television Provider				Affected By Digital Conversion	
											OTA	PAID TV				
	Sample	Male	Female	18-34	35-54	55+	North East	North Central	South	West	Total	Total	Cable	Satellite	Any TV	All TVs
Unweighted Base-->	(654)	(335)	(319)	(84)	(258)	(306)	(104)	(153)	(257)	(140)	(100)	(552)	(397)	(178)	(133)	(74)
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	27	31	23	27	28	27	27	28	27	26	33	26	27	24	38	38
No	73	69	77	73	72	73	73	72	73	74	67	74	73	76	62	62