65% OF U.S. TV HOUSEHOLDS HAVE A CONNECTED TV

There are More Connected TV Devices in U.S. Households than Pay-TV Set-Top Boxes

Durham, NH – April 22, 2016 – New consumer research from Leichtman Research Group, Inc. (LRG) finds that 65% of US TV households have at least one television set connected to the Internet via a video game system, a smart TV set, a Blu-ray player, and/or a stand-alone device (like Roku, Apple TV, Chromecast, or Amazon Fire TV) – up from 44% in 2013, and 24% in 2010.

Among those with any connected TV devices, 74% have more than one device, with a mean of 3.3 per connected TV household. Those with a connected TV generally find them to be easy to use:

- 70% of all with a connected TV agree (8-10 on a 1-10 scale) that streaming services like Netflix are easy to access via connected TV devices, while 12% disagree (1-3)

The study also found that 77% of TV sets in pay-TV households have a pay-TV provider's set-top box, with a mean of 2.2 boxes per pay-TV household. Pay-TV subscribers tend to express little enmity toward set-top boxes:

- 20% with a pay-TV HD set-top box agree (8-10) that set-top boxes from TV companies are a waste of money, while 44% disagree (1-3)

- 42% with a pay-TV HD set-top box agree (8-10) that set-top boxes from TV companies provide features that add value to the TV service, while 16% disagree (1-3)

- 68% with 3 or more set-top boxes are very satisfied (8-10) with their pay-TV provider – compared to 54% with 1-2 set-top boxes

Overall, there are more connected TV devices in US households than there are pay-TV set-top boxes. Across all households (including those that do not have any of these), the mean

number of connected TV devices per household is 2.1, while the mean number of pay-TV set-top boxes per household is 1.8.

These findings are based on a survey of 1,206 TV households throughout the US, and are part of a new LRG study, *HD and Connected TVs XIII*. This is LRG's thirteenth annual study on TVs in the US.

Other findings include:

- 83% of households with any type of connected TV device get a pay-TV service – similar to 81% with no connected TV devices

- 38% of adults with a pay-TV service watch video via a connected TV device at least weekly – compared to 48% of pay-TV non-subscribers

- 79% of all TV sets in US households are HDTVs – an increase from 34% of all TV sets in 2010, and 3% in 2004

- 33% of non-4K Ultra HDTV owners have seen one in use – up from 10% in 2014

- 25% of those who have seen a 4K HDTV in use are interested in getting one – compared to 9% of those who have not seen a 4K HDTV

"Connected TV devices are now in nearly two-thirds of all TV households in the US, and there are actually more connected TV devices in US households than there are pay-TV set-top boxes," said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. "New forms of competition from Internet-delivered video via connected TVs, along with technological innovations in the pay-TV industry, are allowing consumers to choose more options for accessing and watching TV than they have ever had before."

About Leichtman Research Group, Inc.
Leichtman Research Group, Inc. (LRG) specializes in research and analysis on the broadband, media and entertainment industries. LRG combines ongoing consumer research studies with industry tracking and analysis, to provide companies with a richer understanding of current market conditions, and the adoption and impact of new products and services. For more information about LRG, please call (603) 397-5400 or visit www.LeichtmanResearch.com.

HD and Connected TVs XIII is based on a survey of 1,206 adults ages 18+ from throughout the continental US in households with a TV set. The random sample of respondents was distributed and weighted to best reflect the demographic and geographic make-up of the US. The telephone survey (including landline and cell phone calls) was conducted in February-March 2016. The overall sample has a statistical margin of error of +/- 2.8%.

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