



# LRG

Leichtman Research Group

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## **DIGITAL TRANSITION COULD IMPACT UP TO ONE-THIRD OF US HOUSEHOLDS**

*Awareness of the Digital Transition Nearly Doubled in Six Months, but Many Remain Unprepared*

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**Durham, NH – June 10, 2008** – New consumer research from Leichtman Research Group, Inc. (LRG) finds that 14% of primary residences nationwide with at least one TV set do not subscribe to cable, DBS, or any other type of multi-channel video service. In addition, 24% of households that subscribe to a multi-channel video service have at least one TV set that only receives broadcast programming. In total, 34% of all US households are at risk of losing broadcast reception to at least one TV set as a result of the pending digital transition if no action is taken.

LRG's research found that:

- 84% of all adults had heard of the digital transition – nearly double the rate from six months earlier
- Among those who have heard of the digital transition:
  - 30% of non-subscribers to a multi-channel video service believe that it will have no impact on their TVs
  - 41% of cable or DBS subscribers with a broadcast-only TV set think that it will have no impact on their TVs
  - 45% with annual household incomes under \$30,000 feel that they need to know more about it – compared to 28% with incomes of \$30,000-\$75,000 and 19% with household incomes over \$75,000

These findings are based on a telephone survey of 1,601 randomly selected households from throughout the United States and are part of a new LRG study, *Cable, DBS & Telcos: Competing for Customers 2008*. This is LRG's sixth annual study of this topic.

Other related findings include:

- The mean annual household income of non-subscribers to a multi-channel video service is \$44,400 – 32% below the sample mean
- Currently 12.5% of households in areas with cable TV available do not subscribe to a multi-channel video service – compared to 14% last year, and 17% in 2004
- The mean annual household income of cable and DBS subscribers (where cable is available) is 56% higher than that of non-subscribers – this is the largest disparity in the six years that this study has been conducted

“General awareness of the digital transition has significantly increased in the past year, but many still need to better understand the implications of the transition,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “Even among those who have heard of the transition, a large percentage of at-risk households, namely non-multi-channel video subscribers and multi-channel video subscribers with broadcast-only TV sets, seem to be oblivious to the potential impact of the transition on the TV sets in their household.”

**About Leichtman Research Group, Inc.**

Leichtman Research Group, Inc. (LRG) specializes in research and analysis on broadband, media and entertainment industries. LRG combines on-going surveys and analysis with years of hands-on industry experience to provide companies with a richer understanding of the potential impact and adoption of new products and services. For more information about LRG, please call (603) 397-5400 or visit [www.LeichtmanResearch.com](http://www.LeichtmanResearch.com).

*Cable, DBS & Telcos: Competing for Customers 2008* is based on a telephone survey of 1,601 adults age 18+ from throughout the continental US that was conducted in March-April 2008. The random sample of respondents was distributed to best reflect the demographic and geographic make-up of the US. The overall sample has a statistical margin of error of +/- 2.5%.

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