



# LRG

Leichtman Research Group

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## **OVERALL, 87% STILL SUBSCRIBE TO A MULTI-CHANNEL VIDEO SERVICE**

*Household Economics are Key to Multi-Channel Video Subscriptions and Spending*

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**Durham, NH – July 5, 2012** – New consumer research from Leichtman Research Group, Inc. (LRG) finds that 87% of households nationwide subscribe to some form of multi-channel video service. The percentage of households that subscribe to a multi-channel video service is similar to the past two years, and up from 80% in 2004.

The mean annual household income of multi-channel video subscribers is 53% higher than the household income of non-subscribers. Nationwide, 6% with annual household incomes over \$75,000 do not subscribe to a multi-channel video service – compared to 12% with incomes of \$30,000-\$75,000, and 27% with incomes under \$30,000.

These findings are based on a telephone survey of 1,369 households from throughout the United States, and are part of a new LRG study, *Cable, DBS & Telcos: Competing for Customers 2012*. This is LRG's tenth annual study of this topic.

Other related findings include:

- Overall, 42% of individuals agree that changes in the economy have negatively impacted their household in the past year – down from 50% last year, 47% in 2010, and 44% in 2009.
- 39% of those negatively impacted by the economy (8-10) agree that they reduced spending (8-10) on TV, Internet, and phone in the past year – compared to 18% of those less impacted (1-7) by the economy
- 32% of those negatively impacted by the economy agree that they will likely reduce spending in the next six months – compared to 12% of those less impacted by the economy

- 16% of those negatively impacted by the economy are likely to switch video providers in the next six months – compared to 8% of those less impacted by the economy
- Mean reported monthly spending on multi-channel video service is \$78.63 – an increase of 7% from last year
- Multi-channel video subscribers with annual household incomes over \$75,000 report spending 14% more per month than those with incomes under \$30,000 – when non-subscribers are included, mean spending per household of all with incomes >\$75,000 is 49% higher than those with incomes <\$30,000

“The penetration of US households subscribing to a multi-channel video service has leveled off at about 87% nationwide over the past three years,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “The defining characteristic of those who do not subscribe to a multi-channel video service remains the level of household income. In addition, those facing economic challenges are most likely to switch provider, or reduce spending on services.”

**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 2012* is based on a telephone survey of 1,369 adults age 18+ from throughout the continental US that was conducted in April-May 2012. The random sample of respondents (including 109 cell phone calls) was distributed and weighted to best reflect the demographic and geographic make-up of the US. The overall sample has a statistical margin of error of +/- 2.6%.

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