



# LRG

Leichtman Research Group

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## **82% OF TV HOUSEHOLDS SUBSCRIBE TO A PAY-TV SERVICE**

*Pay-TV Penetration is at a Similar Level to Eleven Years Ago*

**Durham, NH – September 23, 2016** – New consumer research from Leichtman Research Group, Inc. (LRG) finds that about 82% of TV households nationwide subscribe to some form of pay-TV service. The percentage of TV households that subscribe to a pay-TV service is down from 87% in 2011, and similar to 82% in 2005.

Among TV households that do not currently subscribe to a pay-TV service, 14% paid for a service in the past year. Overall, about 2.6% of TV households paid to subscribe to a traditional pay-TV service in the past year, but currently do not – compared to 2.5% in 2015, 3% in 2014, 1.5% in 2011, and 2% in 2006.

While those who stopped subscribing to a service in the past year is similar to last year and to a decade ago, the study found that about 1% of pay-TV subscribers were new to the category in the past year – compared to 1% in 2015, 1% in 2011, and about 3.5% in 2006.

These findings are based on a telephone survey of 1,206 households from throughout the United States, and are part of a new LRG study, *Cable, DBS & Telcos: Competing for Customers 2016*. This is LRG's fourteenth annual study of this topic.

Other related findings include:

- Overall, about 3% of TV households last subscribed to a pay-TV service 1-3 years ago, about 6% subscribed over 3 years ago, and about 6% never subscribed to a pay-TV service
- 7% of current pay-TV subscribers did not subscribe to a TV service for more than a month at some time over the past two years
- 25% of those who moved in the past year do not currently subscribe to a pay-TV service – a higher level than in previous years

- 12% of pay-TV subscribers are likely to switch from their provider in the next six months – similar to 11% in 2015, and 12% in 2014
- 6% of pay-TV subscribers are likely to disconnect from their provider and not subscribe to any TV service in the next six months – similar to 7% in 2015, and 7% in 2014
- Mean reported monthly spending on pay-TV service is \$103.10 – an increase of 4% in the past year (the lowest annual increase in five years)

“About 82% of households that use a TV currently subscribe to a pay-TV service. This is down from where it was five years ago, and similar to the penetration level eleven years ago,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “The rates of those exiting the category, or intending to leave, are actually similar to recent years. The decline in penetration is also due to a lack of those who are coming into the category, and the industry not keeping pace with movers and related rental housing growth.”

**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](http://www.LeichtmanResearch.com).

*Cable, DBS & Telcos: Competing for Customers 2016* is based on a telephone survey of 1,206 adults age 18+ from throughout the continental US. 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 August 2016. The overall sample has a statistical margin of error of +/- 2.8%.

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