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Leichtman Research Group

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79% OF TV HOUSEHOLDS SUBSCRIBE TO A PAY-TV SERVICE

About Two-Thirds of Non-Subscribers had Pay-TV in the Past

Durham, NH – September 26, 2017 – New consumer research from Leichtman Research Group, Inc. (LRG) finds that about 79% 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 84% in 2014, 88% in 2010, and 81% in 2004.

Among TV households that do not currently subscribe to a pay-TV service, about two-thirds were former pay-TV subscribers, while one-third never had pay-TV. Overall, about 7% of TV households subscribed to a pay-TV service in the past three years, 7% last subscribed to pay-TV over three years ago, and about 7% never subscribed to a pay-TV service.

These findings are based on a telephone survey of 1,201 households from throughout the United States, and are part of a new LRG study, *Pay-TV in the U.S. 2017*. This is LRG's fifteenth annual study of this topic.

Other related findings include:

- 29% of TV households with annual incomes <\$50,000 do not subscribe to a pay-TV service, compared to 16% with household incomes >\$50,000
- 30% of those that moved in the past year do not currently subscribe to a pay-TV service – a higher level than in previous years
- 39% using one TV at home are non-subscribers – compared to 24% using two TVs, and 12% using three or more TVs
- 10% of non-subscribers plan to subscribe to a pay-TV service in the next six months – including 24% that had a pay-TV service in the past year, 7% that subscribed over a year ago, and 7% that never subscribed

- 13% of pay-TV subscribers are likely to switch in the next six months – compared to 12% in 2016 and 11% in 2012
- Mean reported monthly spending on pay-TV service among subscribers is about \$106 – an increase of 3% in the past year
- 92% of TV households have a pay-TV service and/or an over-the-air antenna – compared to 94% in 2015

“About 79% of households that use a TV currently subscribe to a pay-TV service. This is down from the peak in pay-TV penetration at the start of the decade, and represents the first time since the early 2000s that fewer than four-in-five TV households get a pay-TV service,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “The decline in pay-TV penetration is not solely a function of recent disconnects. Among those that do not currently get a pay-TV service, about one-third subscribed in the past three years, one-third subscribed over three years ago, and one-third never subscribed.”

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.

Pay-TV in the U.S. 2017 is based on a telephone survey of 1,201 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 2017. The overall sample has a statistical margin of error of +/- 2.8%.

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