

The Nielsen Company: Update on the Digital Transition in America

Digital Readiness of U.S. Households

As of June 7, 2009

Market	% of HHs that are Completely Ready	% of HHs that are Partially Unready	% of HHs that are Completely Unready
Total U.S.	89.3%	8.3%	2.5%

Percentage of U.S. Households that are Completely Ready, Partially Unready and Completely Unready (based on NPM Sample week ending June 7, 2009)

How are American homes getting ready?

- Nielsen estimates that 36% of “unready” television sets from November 2008 were “ready” as of the end of April 09.
- Of those 36% of previously “unready” TV sets:
 - 70% purchased an external Digital Converter Box
 - 20% went to Cable
 - 10% went to DBS / Satellite
- In addition to the 36% of TV sets made ready, 13% of unready sets were removed and replaced with newer sets.

Source: The Nielsen Company, National Unified Sample – Unready on November 2, 2008 / Ready on April 26, 2009

Characteristics of Unready Households



Summary: Characteristics of Unready Households

As of June 7, 2009

- Black 5.1%
- Hispanic 4.3%
 - Only Spanish 9.1%
 - Mostly Spanish 5.6%
- Age of Head <35 4.6%
- Asian 3.1%

Digital Readiness by HH Characteristics

Home Internet Access

Household Characteristic	% of Completely Unready HHs	% of Total U.S. HHs	Index
Homes WITH Internet access	37.0%	74.4%	50
Homes WITHOUT Internet access	63.0%	25.6%	246

Distribution of Household Internet Access in Completely Unready households and Total U.S. households (based on NPM sample as of week ending April 26, 2009)

Characteristics of Unready Sets



Average Number of Sets per Household

Household Status	Average # Sets Per Household
Completely Ready Homes	2.5 sets
Partially Unready Homes	3.5 sets
Completely Unready Homes	1.6 sets

Average number of television sets in Completely Ready, Partially Unready and Completely Unready households (based on NPM sample week ending April 26, 2009)

Average Tuning by Household Digital Status

Household Status	Average Daily Tuning to TV per Home
Completely Ready	8.6 hours
Partially Unready	8.5 hours
Completely Unready	6.7 hours

Average daily household tuning durations in Completely Ready, Partially Unready, and Completely Unready households (based on NPM sample week ending April 26, 2009)

Characteristics of the Unready Set

Location Within the Household – Total U.S.

Location of Television Set within <u>Total U.S.</u> Households	% of Unready Sets	% of Total U.S. Sets	Index
Living Room	19.0%	34.4%	55
Family Room	3.4%	5.6%	62
Master Bedroom	16.5%	22.7%	74
Other Bedroom	38.2%	19.2%	187
Kitchen	6.7%	4.0%	162
Other Location*	16.2%	13.2%	122

*'Other Location' includes Basement, Detached Building, Dining Room, Garage, Office, Patio, and Other

Location of Unready Sets compared to location of all Sets in Total U.S. households (based on NPM sample as of week ending April 26, 2009)

Terminology – Television Sets

- **Ready Set** – a television set that is connected to a cable service, satellite service, or a digital converter box, or a television set that has an internal digital tuner
- **Unready Set** – a television set that does not meet above conditions and is therefore not capable of receiving digital broadcast television signals

Terminology – Television Households

- **Completely Ready Household** – a household that has all Ready Sets
- **Partially Unready Household** – a household that has at least one Ready Set and at least one Unready Set
- **Completely Unready Household** – a household that has all Unready Sets