

## US TV Viewers' Response to Economic Turmoil

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## Executive Summary

As 2008 wound down to a dismal close, In-Stat fielded a consumer survey to ascertain how the economic turmoil is likely to affect consumers' spending plans. We also included a battery of questions about TV viewing and multitasking habits. While the economy is definitely going to slow down consumer spending, new applications that combine TV and the Internet can continue to develop because there are no new costs for consumers.

With broadband service becoming nearly ubiquitous, and consumers using a PC while watching TV, Harris' Dynacast product shows one way to "marry" TV to people simultaneously viewing a related website, and transform the World Wide Web into a "lean back" experience.

Here are the top line findings:

- Most consumers are moderately worried about their jobs, and their net worth has fallen.
- Overall spending is likely to be "somewhat less" through the entire first half of 2009.
- Spending on Subscription-TV, Broadband, and Mobile Services will be "about the same" for most consumers, but about 15% will try to decrease spending. The result of these consumers spending less may mean \$4.7 billion less for communications service providers during the next 12 months.
- Consumers are still watching TV, using the Internet and services.
- A surprisingly wide range of age groups reported using a PC while simultaneously watching TV.
- We estimate that 66.3 million US TV Viewers are simultaneously using a PC while watching TV.
- Low-cost, limited function PCs, called "Netbooks" may be a new US\$2.4 billion opportunity.
- The economic downturn is spurring interest in obtaining news from around the globe.
- 91% of respondents with incomes greater than \$200K reported they used the Internet for news.
- 69.6% of respondents with incomes greater than \$200K reported they still read newspapers.
- 37% of respondents with incomes greater than \$200K reported that National Public Radio (NPR) is their "lifeline" for international news.

### HIGHLIGHTS

- Rich women are watching 24-hour news channels.
- 30% of females under 40 are using a PC when watching TV.
- 40% to 50% of males, in younger age groups, are using a PC while watching TV.
- Interest is growing for "lite" Subscription TV services that use the Internet with TV.

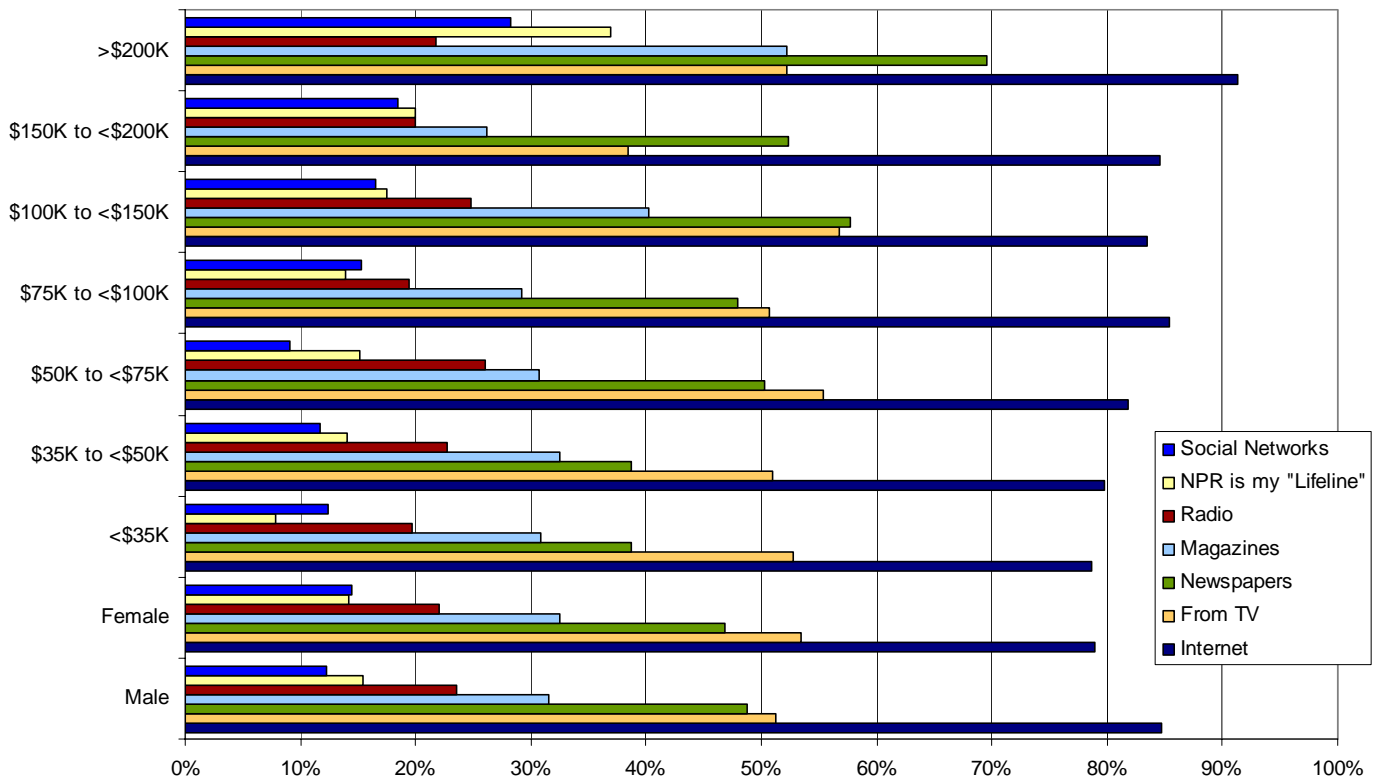
Figure 1, below, provides a quick snapshot of how respondents to our survey reported getting their news about countries outside the US. TV is now falling behind in a race to deliver not just local and national news, but news from around the world, to a consumer base that is heavily involved with the Internet, and with social network “friends” who reside all around the globe. The economic downturn has spurred interest in how the rest of the world is reacting. The CIA’s recent threat assessment that economic terrorism is their number one concern is creating interest in learning more about the world.

Recently, many local TV stations have added a “world watch” or “world beat” segment to their local news because national network and 24-hour news channels don’t deliver enough news and information about events taking place outside the United States. The highest income bracket reported the highest usage of the Internet, newspapers, and even National Public Radio (NPR), as their “lifeline” for international coverage.

Only about 50% of all respondents said they used TV to get international news. Social networks (the bright blue bar at the top of each income bracket) are providing an innovative “person-to-person” approach for obtaining information about what’s going on outside the US.

About 22% of all respondents still used radio to get international news, and 14.8% of all respondents said that NPR, specifically, was their “lifeline” for International news and information.

**Figure 1. How Respondents Get International News and Information, by Gender and by Income**



Source: In-Stat, 2/09

**Table of Contents**

Executive Summary.....1	Males Multitasking While Watching TV, by Age .....34
Some Historical Perspective on Economic Turmoil.....4	Multitasking by Gender, Ages 18–34 .....36
Reed Business Webinar Series Provides Insights into the Turnaround .....5	Multitasking by Gender, Ages 35–49 .....38
US Consumer Attitudes about Current Economic Situation.....6	Multitasking by Gender, 50 to 65+ .....40
Employment Status and Confidence.....6	Estimate of Number of TV Viewers Multitasking While Watching TV .....42
How Has Your Personal Wealth Changed .....10	Why Multitasking Is an Important Issue.....44
How Will Spending Change on Communications Services .....11	Harris Dynacast Solution Marries TV With Live Web Portals .....45
Spending On Subscription-TV Services.....11	Dynacast Makes the Web a “Lean Back” Experience .....45
Spending on Broadband Services.....11	Netbook PCs and Mobile Internet Devices May Be an Opportunity.....46
Spending on Mobile Services.....11	Consumer Interest in “Lite” Subscription-TV Services .....48
Estimate of Annual Decrease in Spending on Pay-TV, Broadband, and Mobile Services by Household Income Group .....15	Sezmi TV.....48
How Will General Consumer Spending Change, by Season.....17	Daily Media.TV .....49
TV Viewing Habits by Gender, by Income, and by Age.....21	Estimate for Number of Consumers Interested in “Lite” Subscription-TV .....49
What Males are Watching on a Schedule .....21	Methodology .....51
What Females are Watching on a Schedule.....24	More Detailed Data From This Survey is Available.....51
Multitasking While Watching TV .....28	<a href="#">List of Tables .....52</a>
Overall Comparisons by Gender.....28	<a href="#">List of Figures .....53</a>
Females Multitasking While Watching TV, by Age .....32	Related In-Stat Reports.....54

## Some Historical Perspective on Economic Turmoil

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Today's global economic situation is being described by many pundits as the worst since the Great Depression of the early 1930s. However, since the end of World War II, the US, and various other key first world economies have stumbled through recessions that can be quite severe. The 1974–1976 recession was driven by what, at the time, seemed like dramatic increases in oil prices that hurt automakers and created very high inflation, along with high unemployment. It presented economists with circumstances they had not seen before. If you are old enough, you may remember those Whip Inflation Now (WIN!) buttons, and President Jimmy Carter appearing from the Oval Office wearing a sweater, and urging Americans to turn back their thermostats, and to reduce their spending on unnecessary items. Of course, that didn't happen, and, when oil prices eased, American consumers began spending again.

Carter was replaced by Ronald Reagan, who faced the 1980–82 recession, in which the Federal Reserve raised the Prime Interest Rate to 20%, and the result was unemployment in the 10% range. Reagan popularized the notion that “deficits don't matter in the near term” and ramped up spending on Defense, while deregulating Savings and Loans (S&Ls). In 1987, the stock market crashed (again!) and we had another recession until early 1990.

In his best-selling book, “An Empire of Wealth: The Epic History of American Economic Power,” author John Steele Gordon shows that the American economy has a 200+ year history of cyclical boom and bust. The 1837–1847 depression was far worse, and lasted longer, than the Great Depression of the 1930s. After the Civil War ended, gold speculators ran up the price of gold to unsustainable levels and shocked the country into another deep recession that lasted a decade. Since the formation of the Federal Reserve Bank, America's recessions have been much shorter, and less deep. Evidence shows that a strong central banking system works in our favor.

Anyone born after about 1970 has never really lived through a serious recession as an adult. Individuals under the age of 40 have developed a sense of entitlement that has created a consumer expectation that “if I want it, I should be allowed to have it.” In essence, this proves that advertising works. This approach drove consumer spending in America to amazing limits and has heavily stressed the infrastructure that was offering credit too liberally. That high rate of consumer spending has also been the driving force for manufacturing growth in China, and services growth in India. America's high rate of consumer spending has lifted the tide for economies around the planet. Americans save less than any other society. And everybody else wants to be like us. However, the American Dream may not be sustainable for a lot of other people.

In his epic book, “Collapse, How Societies Choose to Fail or Succeed,” UCLA professor Jared Diamond provides case studies of societies that emerged, grew, peaked, and then quickly collapsed. He draws well thought out analogies with the current global situation, and provides the sobering insight that those of us living in the first world have created a living style that cannot be supported for all the rest of the people on earth who want to live like we do.

The point is, if half the people of China rise up to the equivalent of a middle class American, there won't be enough forests, water, energy, food, and vital resources to sustain that life style. Jimmy Carter may have been correct when he said that Americans need to lower our expectations, in order to show the rest of the world what a sustainable rate of consumption ought to be. The results of our survey, however, appear to point away from that goal. Standing on the wreckage of the World Trade Center, just a few days after the September 11, 2001 attack, President Bush encouraged all Americans to try to return to normal, and begin shopping, as quickly as possible, as a way to show the world that we were not intimidated.

In general, about 15% of respondents are worried about their employment situation, and most realize that their net wealth has declined dramatically, as the stock markets have lost about half their value. However, most respondents believe that the recession will begin to ease by mid-year, 2009, and indicate that by summertime they may return to spending levels that are "about the same" as they were one year ago.

### **Reed Business Webinar Series Provides Insights into the Turnaround**

In-Stat, as part of Reed Business Information, has access to Jim Haughey, an economist with over 30 years experience. He recently presented an in-depth web discussion that supports the idea that the current recession began near the end of 2007, is already nearing its peak, and we should hit bottom before summer of 2009. Gasoline prices have already dropped by nearly \$3 a gallon in the US, and no politician is trying to increase the gasoline tax and force consumers to slow down. The recent economic stimulus package will actually encourage consumers to start spending again, as soon as possible.

Webcast 1 of 4: Reed Construction Data and AGC of America present:

2009 Market Insights Webcast Series

"Have We Hit Bottom?"—January 27, 2009 at 2:00PM EST

Topics included:

- The recession
- US construction market
- Key market trends
- A look ahead

To sign up for, and listen to, the archive of Jim Haughey's webinar, log on to:

<https://event.on24.com/eventRegistration/EventLobbyServlet?target=registration.jsp&eventid=129755&sessionid=1&key=E118D9DF07F99732F6FF5E7CA7F4A492&sourcepage=register>

## US Consumer Attitudes about Current Economic Situation

We asked a battery of questions to determine respondents' attitudes about their employment situation as a result of the recent economic turmoil. This section of the report sets the stage by identifying which income groups have the highest anxiety levels.

### Employment Status and Confidence

As the global economic downturn has progressed, economists are comparing the current situation to the early 1980s recession, in which unemployment reached more than 10%. We asked a series of questions to determine respondents' confidence levels in their current employment situation.

Table 1, below, and Figure 2, on the following page, show the responses to the question:

*As a result of recent turmoil in the financial and banking industry, how has your confidence changed with relation to the security of your household's current employment situation?*

Nearly one-quarter of all respondents reported that they were moderately worried. About 15% of all respondents were very worried or extremely worried. 25.7% of females are moderately worried, versus 22.0% of males. 11.1% of females are very worried, versus 8.9% for males. We highlighted in blue people with incomes between \$100K to less than \$150K had 29.9% report being moderately worried, which was the highest percentage among all income groups being moderately worried. We believe that people in this income group are mainly households with two incomes, and one, or another, of these breadwinners is in fear of losing their job, putting the household into a state of worry.

People with incomes between \$150K to less than \$200K had 43.1% report being a little worried, which was the highest percentage among all income groups being a little worried. We highlighted this data point in blue. This group also reported, by far, the lowest percentage of respondents being moderately worried, at 13.8%. People with incomes above \$200K had 26.1% reporting that they were moderately worried. People in this income group had 13% more respondents being moderately worried than those in the \$150K to less than \$200K group. Only one income group did not report close to one-quarter of respondents feeling moderately worried. It is possible that the people in the \$150K to less than \$200K group will become moderately worried within the next six months, and their current reporting of only being a little worried illustrates a "lag time" for this group to become worried.

**Table 1. How Worried Are You about Employment Situation, by Gender and by Income**

Overall Attitude About Employment Situation	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	1,005	492	513	178	163	231	144	97	65	46
<b>Not at all worried</b>	28.4%	31.9%	25.0%	29.2%	28.2%	27.7%	29.2%	22.7%	33.8%	32.6%
<b>A little worried</b>	32.6%	32.9%	32.4%	26.4%	29.4%	33.3%	35.4%	36.1%	43.1%	37.0%
<b>Moderately worried</b>	23.9%	22.0%	25.7%	21.9%	25.2%	25.5%	20.1%	29.9%	13.8%	26.1%
<b>Very worried</b>	10.0%	8.9%	11.1%	12.9%	10.4%	7.4%	12.5%	10.3%	7.7%	4.3%
<b>Extremely worried</b>	5.1%	4.3%	5.8%	9.6%	6.7%	6.1%	2.8%	1.0%	1.5%	0.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

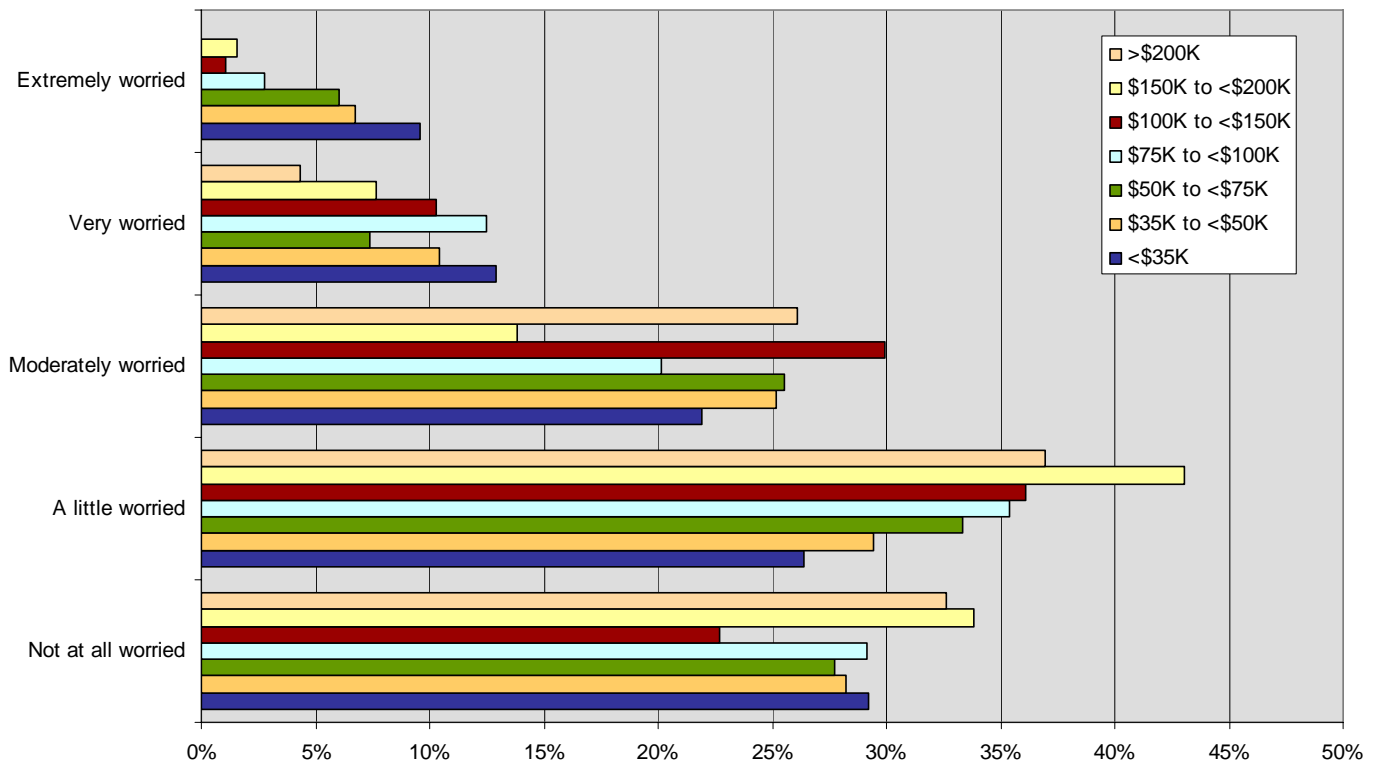
Source: In-Stat, 2/09

Note about Table 1 and all upcoming tables that include number of respondents:

Some respondents refused to answer the demographic question about their household income. In Table 1, on the preceding page, the top tan-colored row indicates the number of respondents to our questions. We include all respondents, all male respondents, all female respondents, and the number of all respondents, of either sex, in each of seven household income categories. While the total number of all respondents for the entire survey was 1,005, the number on each of the succeeding categories may not add up to 1,005, because a small number of respondents may have refused to answer particulars about their gender, their household income, or other personal information. We follow this convention for all tables that provide the number of respondents.

Figure 2, below, graphically illustrates the data from Table 1 on the preceding page. About 25% of all respondents were at least a little worried, and the group with household income between \$150K and less than \$200K reported the highest rate that they were a little worried. The group with household income between \$100K to less than \$150K reported the highest rate of being moderately worried.

**Figure 2. How Worried Are You About Employment Situation, by Income**



Source: In-Stat, 2/09

Our survey aimed to obtain attitudes about consumer households. We provided the following explanation:

*Sometimes an individual may be living in a household where one, or more, people are employed. For the next set of questions, when we use the word "household" we mean that at least one person in the household either has a job, or is looking for a job, to pay the bills. You, personally, may not be the person who supports the household, but please tell us your attitudes and your confidence level in "the household's" ability to find, or keep, a job. If you are the only one in your household, please answer for yourself.*

Table 2 and Figure 3, on the following page, show the responses to the following question:

*If you or someone in your household has lost a job, or may lose a job, which of the following describes your confidence in finding work within the next six months?*

When we total all responses for a little confident or somewhat confident, we get 48.7% of all respondents. About half of all respondents were a little confident, or somewhat confident, that their household could find a job within the next six months. When we totaled all responses for very confident or extremely confident, we got 25.0% of all respondents.

When we totaled all male responses for a little confident or somewhat confident, we got 44.9% of all male respondents. When we totaled all female respondents, we got 52.2% of all females in this range.

When we totaled all male responses for very confident or extremely confident that they could find a new job within six months, males reported 31.1%, and females reported 19.1%. The percentage of female respondents was significantly lower than males in the two categories of being very confident or extremely confident that they could find a new job within six months.

The table and figure provide the detailed break outs by income group.

22.0% of all females reported that they "don't know" how confident they are, indicating a level of uncertainty for one-fifth of all respondents. Respondents in the less than \$35K income group reported 21.7% "don't know" responses. The percentage of "don't know" responses then gradually tapers off for each succeeding income group, with one significant exception. The one interesting item for the income groups is that those in the \$100K to less than \$150K income group reported that 22.7% of them "don't know" if they could find a job with the next six months.

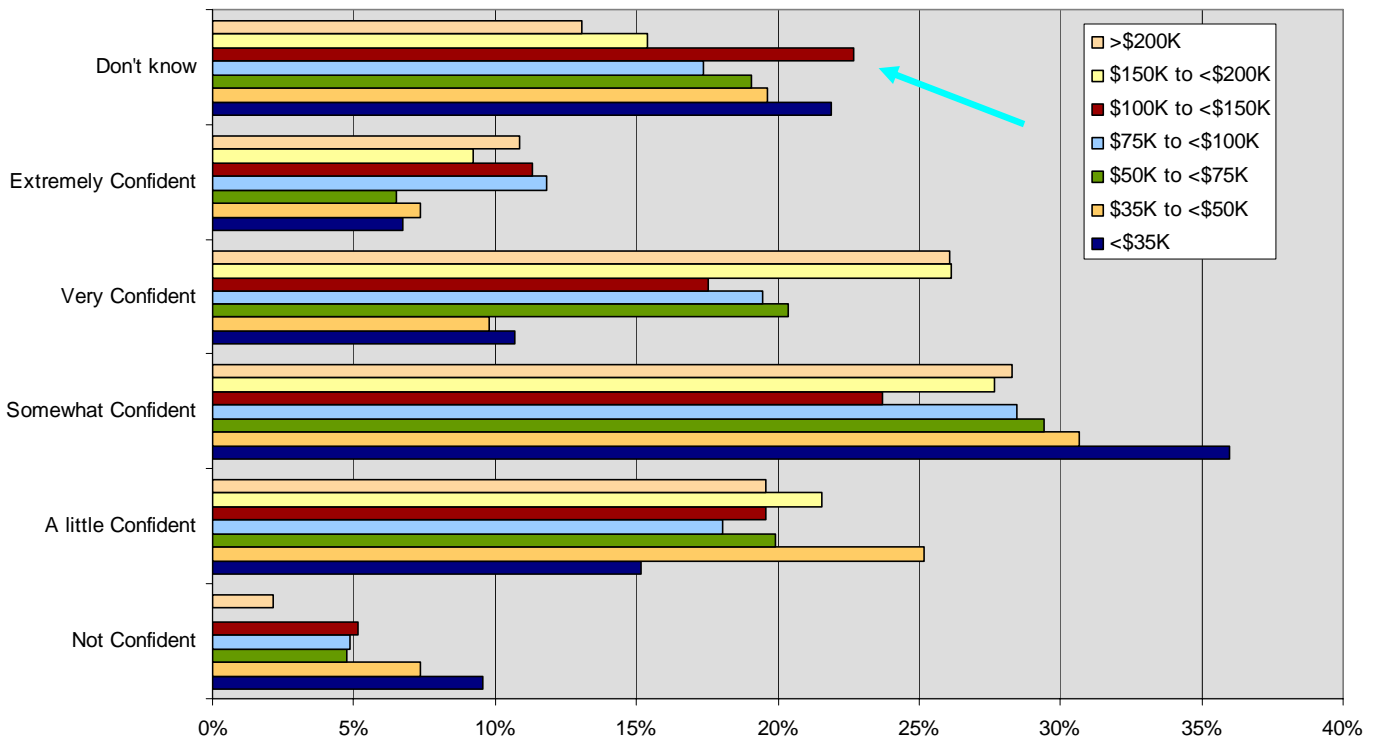
In Table 2, on the following page, we've highlighted this income group's percentage that responded "don't know." In Figure 3, on the following page, we've drawn a blue line pointing from the \$100K to less than \$150K income group's "don't know" response. We believe that households in this income group generally represent two-income households, which are increasingly worried that one, or another, of the wage earners will not only lose a job, but may be unable to find a new one within six months. This indicates that a key group within the middle class is under increasing stress due to the employment situation.

Table 2. Confidence in Finding a Job Within Six Months, by Gender and by Income

Confidence in Finding a Job in 6 months	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	1,005	492	513	178	163	231	144	97	65	46
<b>Not Confident</b>	5.9%	5.1%	6.6%	9.6%	7.4%	4.8%	4.9%	5.2%	0.0%	2.2%
<b>A little Confident</b>	19.4%	17.5%	21.2%	15.2%	25.2%	19.9%	18.1%	19.6%	21.5%	19.6%
<b>Somewhat Confident</b>	29.3%	27.4%	31.0%	36.0%	30.7%	29.4%	28.5%	23.7%	27.7%	28.3%
<b>Very Confident</b>	16.8%	19.3%	14.4%	10.7%	9.8%	20.3%	19.4%	17.5%	26.2%	26.1%
<b>Extremely Confident</b>	8.2%	11.8%	4.7%	6.7%	7.4%	6.5%	11.8%	11.3%	9.2%	10.9%
<b>Don't know</b>	20.5%	18.9%	22.0%	21.9%	19.6%	19.0%	17.4%	22.7%	15.4%	13.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: In-Stat, 2/09

Figure 3. Confidence in Finding a Job Within Six Months, by Income



Source: In-Stat, 2/09

## How Has Your Personal Wealth Changed

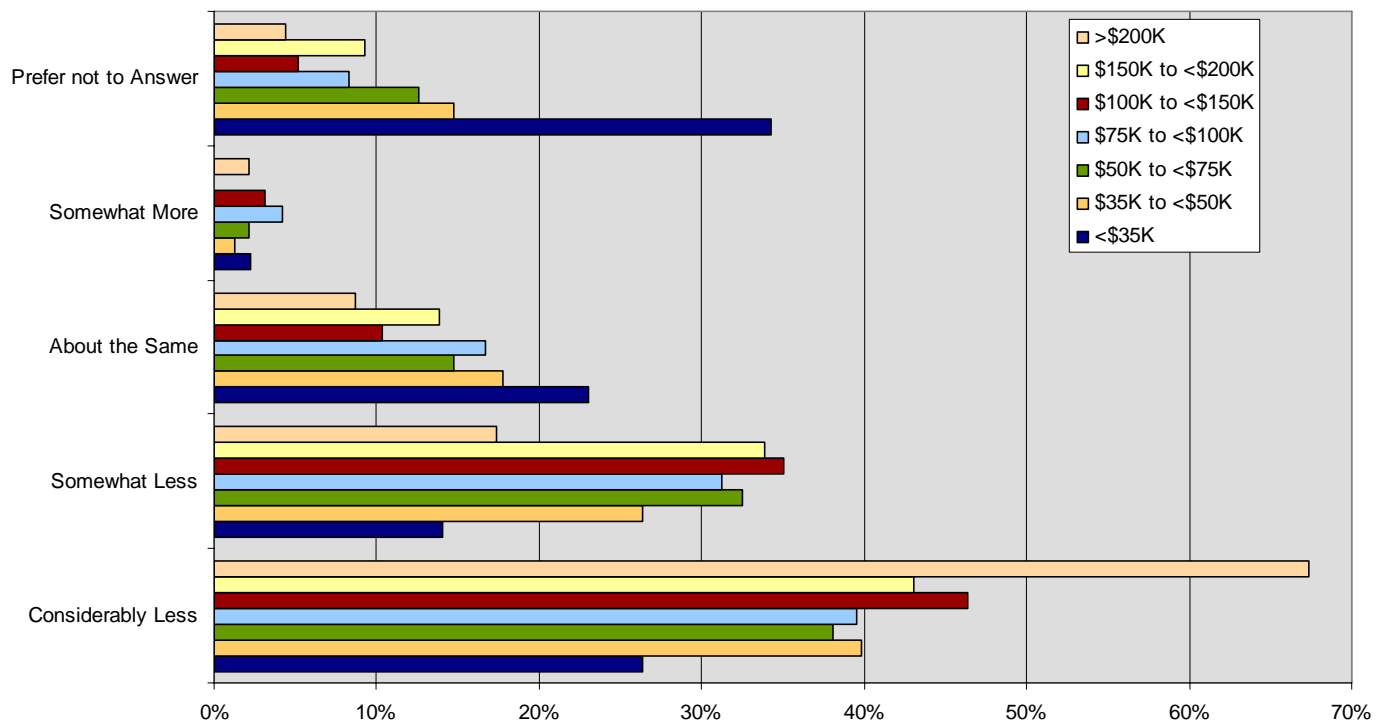
Table 3 and Figure 4, below, present the responses to a question about how personal wealth has changed. Not surprisingly, those in the very highest income level, households above \$200K, reported, by far, the greatest loss in personal wealth because these households are usually heavily invested in the stock market, which has seen its value drop by nearly half in the past 12 months.

**Table 3. How Has Your Personal Wealth Changed, by Gender and by Income**

How has Personal Wealth Changed	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
Number of respondents	1,005	492	513	178	163	231	144	97	65	46
Considerably Less	38.8%	39.8%	37.8%	26.4%	39.9%	38.1%	39.6%	46.4%	43.1%	67.4%
Somewhat Less	26.8%	29.5%	24.2%	14.0%	26.4%	32.5%	31.3%	35.1%	33.8%	17.4%
About the Same	16.0%	16.9%	15.2%	23.0%	17.8%	14.7%	16.7%	10.3%	13.8%	8.7%
Somewhat More	2.4%	2.4%	2.3%	2.2%	1.2%	2.2%	4.2%	3.1%	0.0%	2.2%
Prefer not to Answer	16.0%	11.4%	20.5%	34.3%	14.7%	12.6%	8.3%	5.2%	9.2%	4.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: In-Stat, 2/09

**Figure 4. How Has Your Personal Wealth Changed, by Income**



Source: In-Stat, 2/09

## How Will Spending Change on Communications Services

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We asked a battery of questions about how likely household spending would be to change in the coming twelve months. This section presents the results for communications services, which include:

- Subscription-TV services
- Broadband Internet services
- Mobile communications services.

We'll present the details by gender and by income level for each of these, and then provide an estimate for the monthly and annual dollar amounts in decreased spending that is represented by the survey results. It is generally accepted that people do not change their spending on these three communications services, even during recessions, because consumers derive great value from Subscription-TV, broadband Internet and mobile communications services. In general, our survey results bear this out.

### Spending On Subscription-TV Services

Table 4 and Figure 5, on the following page, present survey results by gender and by income level. In general, the higher a household's income level, the more likely they are to pay for Subscription-TV services. In general, 15.7% of male survey respondents indicated that they would like to decrease monthly spending by \$10 a month. Only 9.9% of females said they were planning to decrease spending. The tables and figure further illustrate minor differences among various household incomes.

### Spending on Broadband Services

Table 5 and Figure 6, on a following page, present survey results by gender and income level for spending plans for broadband services. In general, most consumers consider broadband even more important than Subscription-TV. The \$100K to less than \$150K income group reported that 17.5% of them may decrease spending on Subscription-TV by \$10 per month, but only 10.3% of them reported that they might decrease spending on broadband by that amount. Recall that the \$100 to less than \$150K income group is the group that has the highest doubt about employment. This income group probably feels a strong need to keep their broadband service intact so they can network online for employment.

### Spending on Mobile Services

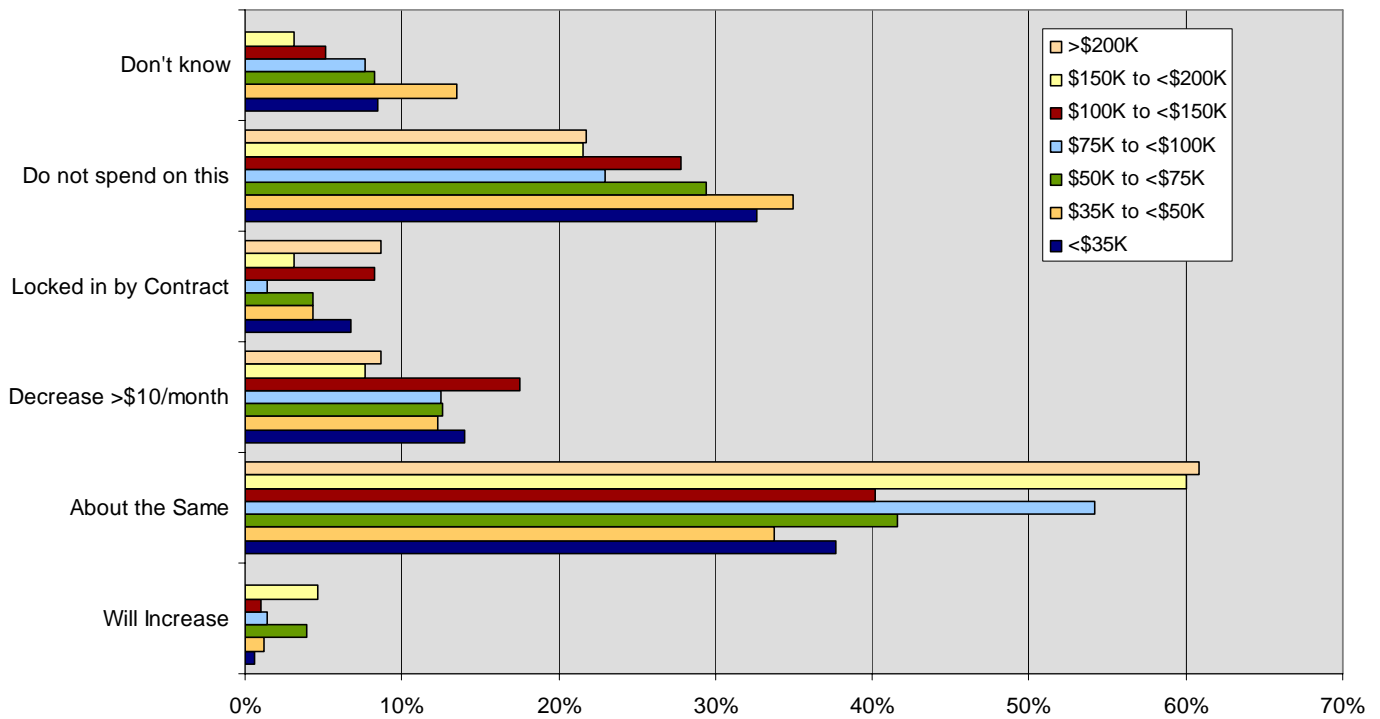
Table 6 and Figure 7, on a following page, present survey results by gender and income level for spending plans for Mobile Services. Similar to Subscription-TV and broadband services, only about 15% of all respondents plan to decrease spending on mobile by \$10 per month. The \$150K to less than \$200K income group reported the highest level, with 12.3% that plan to decrease mobile spending when their current contract expires. It's likely these upscale households will be cutting back on data services being used by their children who are heavily into text messaging and mobile data services.

Table 4. Changes in Spending on Subscription-TV, by Gender and by Income

How will spending Change on Pay-TV	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	1,005	492	513	178	163	231	144	97	65	46
<b>Will Increase</b>	2.0%	2.0%	1.9%	0.6%	1.2%	3.9%	1.4%	1.0%	4.6%	0.0%
<b>About the Same</b>	42.4%	41.1%	43.7%	37.6%	33.7%	41.6%	54.2%	40.2%	60.0%	60.9%
<b>Decrease &gt;\$10/month</b>	12.7%	15.7%	9.9%	14.0%	12.3%	12.6%	12.5%	17.5%	7.7%	8.7%
<b>Locked in by Contract</b>	5.1%	4.9%	5.3%	6.7%	4.3%	4.3%	1.4%	8.2%	3.1%	8.7%
<b>Do not spend on this</b>	28.8%	29.3%	28.3%	32.6%	35.0%	29.4%	22.9%	27.8%	21.5%	21.7%
<b>Don't know</b>	9.1%	7.1%	10.9%	8.4%	13.5%	8.2%	7.6%	5.2%	3.1%	0.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: In-Stat, 2/09

Figure 5. Changes in Spending on Subscription-TV, by Income



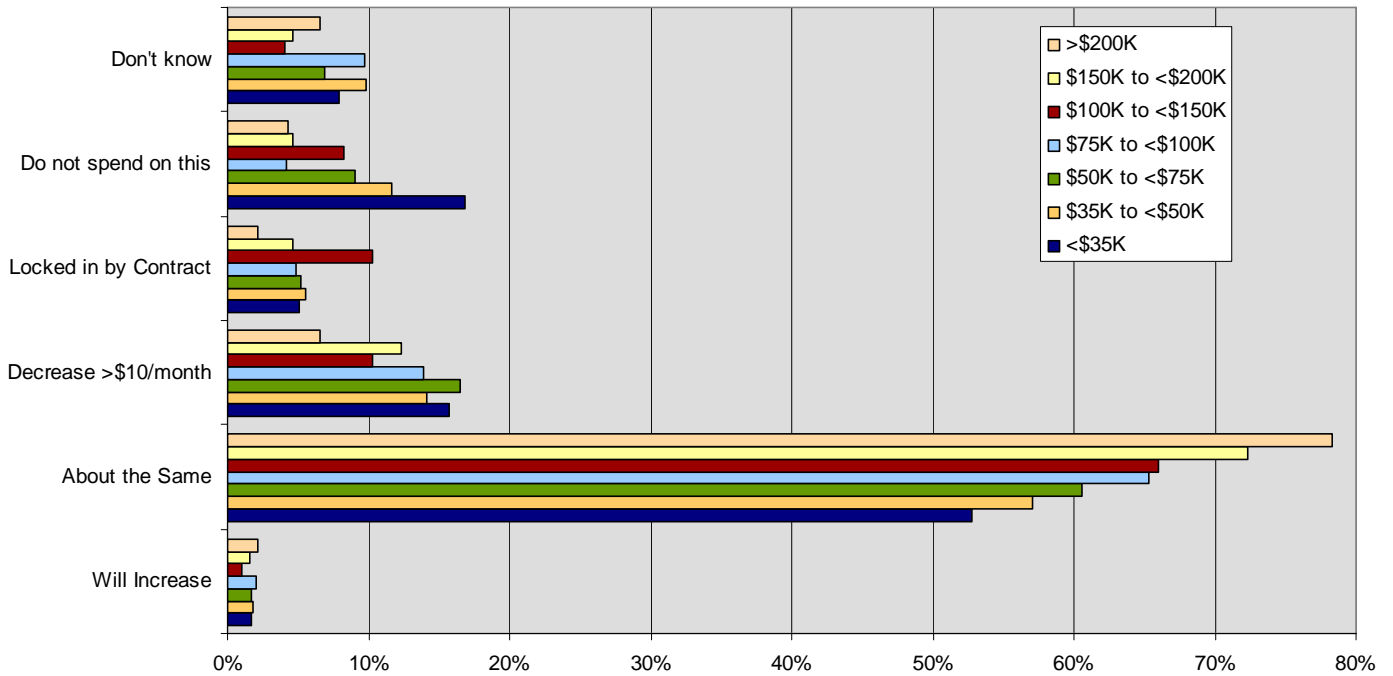
Source: In-Stat, 2/09

Table 5. Changes in Spending on Broadband, by Gender and by Income

How Will Spending Change on Broadband	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	1,005	492	513	178	163	231	144	97	65	46
<b>Will Increase</b>	1.7%	2.0%	1.4%	1.7%	1.8%	1.7%	2.1%	1.0%	1.5%	2.2%
<b>About the Same</b>	60.6%	62.0%	59.3%	52.8%	57.1%	60.6%	65.3%	66.0%	72.3%	78.3%
<b>Decrease &gt;\$10/month</b>	13.8%	15.4%	12.3%	15.7%	14.1%	16.5%	13.9%	10.3%	12.3%	6.5%
<b>Locked in by Contract</b>	5.5%	4.3%	6.6%	5.1%	5.5%	5.2%	4.9%	10.3%	4.6%	2.2%
<b>Do not spend on this</b>	9.8%	8.5%	10.9%	16.9%	11.7%	9.1%	4.2%	8.2%	4.6%	4.3%
<b>Don't know</b>	8.7%	7.7%	9.6%	7.9%	9.8%	6.9%	9.7%	4.1%	4.6%	6.5%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: In-Stat, 2/09

Figure 6. Changes in Spending on Broadband, by Income



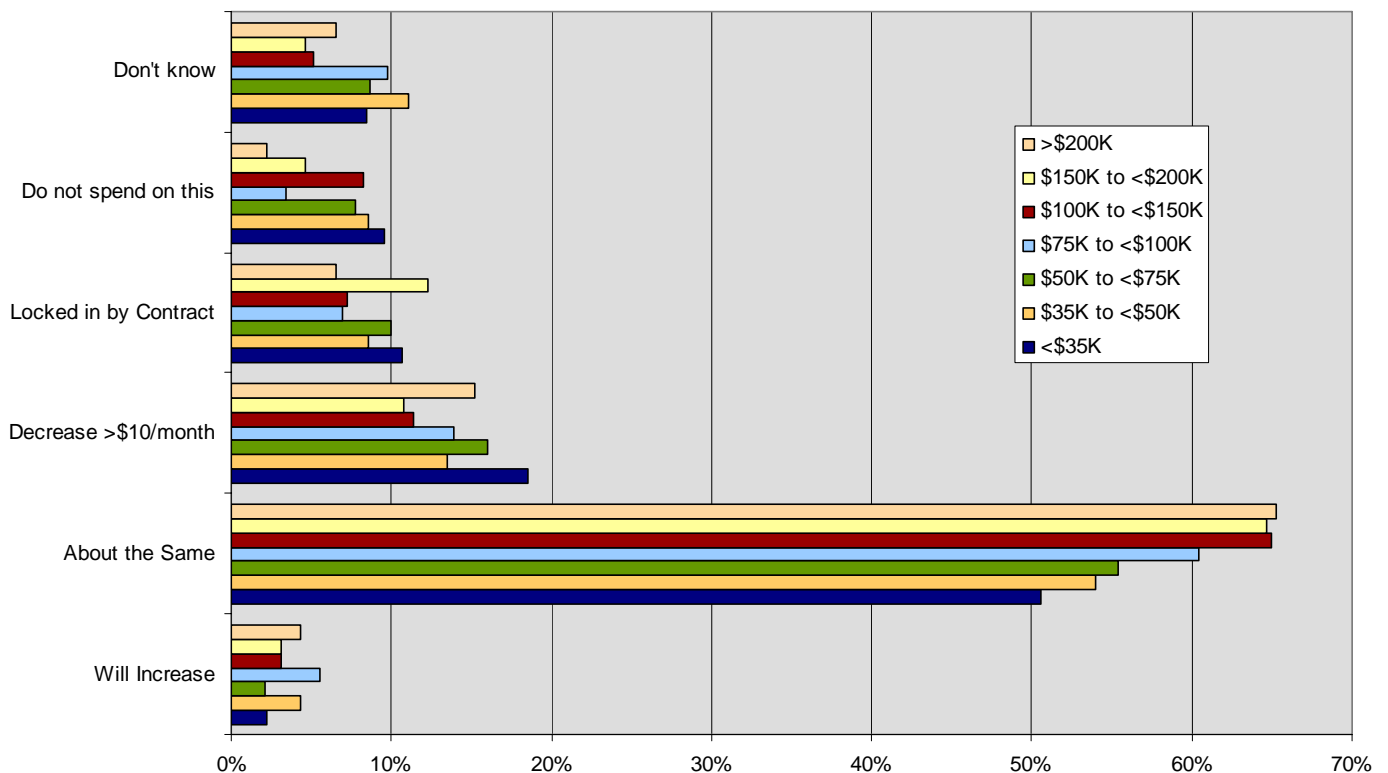
Source: In-Stat, 2/09

Table 6. Changes in Spending on Mobile Services, by Gender and by Income

How Will Spending Change on Mobile	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	1,005	492	513	178	163	231	144	97	65	46
<b>Will Increase</b>	3.4%	3.3%	3.5%	2.2%	4.3%	2.2%	5.6%	3.1%	3.1%	4.3%
<b>About the Same</b>	56.0%	56.7%	55.4%	50.6%	54.0%	55.4%	60.4%	64.9%	64.6%	65.2%
<b>Decrease &gt;\$10/month</b>	14.6%	15.7%	13.6%	18.5%	13.5%	16.0%	13.9%	11.3%	10.8%	15.2%
<b>Locked in by Contract</b>	9.3%	8.7%	9.7%	10.7%	8.6%	10.0%	6.9%	7.2%	12.3%	6.5%
<b>Do not spend on this</b>	7.1%	7.5%	6.6%	9.6%	8.6%	7.8%	3.5%	8.2%	4.6%	2.2%
<b>Don't know</b>	9.7%	8.1%	11.1%	8.4%	11.0%	8.7%	9.7%	5.2%	4.6%	6.5%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: In-Stat, 2/09

Figure 7. Changes in Spending on Mobile Services, by Income



Source: In-Stat, 2/09

**Estimate of Annual Decrease in Spending on Pay-TV, Broadband, and Mobile Services by Household Income Group**

Table 7, below, uses estimates from the US Census and In-Stat proprietary data to establish an approximate number of households, by income level, that are currently taking Subscription-TV, broadband Internet, or Mobile Services to their home. We then applied the percentage in each income group that said they would be likely to decrease monthly spending by \$10 per month. We then calculated the number of households so inclined. On the far right hand side of Table 7, we total the monthly dollar amount likely to be decreased by all households.

The percentage that is highlighted in ivory that reads % of Total by Income Group is the percent of total value represented by each income group. As an example, the households in the less than \$35K income group may decrease monthly spending on Subscription-TV by US\$52.5 million per month, which represents 37.6% of the monthly total decrease, which is expected to be US\$139.7 million. Readers will be able to find a wealth of useful data points by inspecting Table 7 in more detail.

**Table 7. Estimate of Monthly and Annual Decrease in Spending (Households in Millions, US\$ in Millions)**

Estimate of Annual Value of Spending Decrease	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K	Cumulative
<b>HHs Spending on Pay-TV</b>	37.409	14.869	19.141	12.457	12.793	4.604	3.831	105.104
<b>% Decreasing by \$10 Month</b>	14.0%	12.3%	12.6%	12.5%	17.5%	7.7%	8.7%	
<b># of HHs Decreasing</b>	5.254	1.824	2.403	1.557	2.242	0.354	0.333	
<b>Estimated Monthly \$ Decrease</b>	\$52.5	\$18.2	\$24.0	\$15.6	\$22.4	\$3.5	\$3.3	\$139.7
<b>% of Total By Income Group</b>	37.6%	13.1%	17.2%	11.1%	16.1%	2.5%	2.4%	
<b>HH Spending on Broadband</b>	29.928	11.895	15.313	9.966	10.234	3.683	3.065	84.083
<b>% Decreasing by \$10 Month</b>	15.7%	14.1%	16.5%	13.9%	10.3%	12.3%	6.5%	
<b># of HHs Decreasing</b>	4.7	1.7	2.5	1.4	1.1	0.5	0.2	
<b>Estimated Monthly \$ Decrease</b>	\$47.1	\$16.8	\$25.2	\$13.8	\$10.6	\$4.5	\$2.0	\$120.0
<b>% of Total By Income Group</b>	39.2%	14.0%	21.0%	11.5%	8.8%	3.8%	1.7%	
<b>HHs Spending on Mobile</b>	31.175	12.391	15.951	10.381	10.661	3.836	3.193	87.587
<b>% Decreasing by \$10 Month</b>	18.5%	13.5%	16.0%	13.9%	11.3%	10.8%	15.2%	
<b># of HHs Decreasing</b>	5.8	1.7	2.6	1.4	1.2	0.4	0.5	
<b>Estimated Monthly \$ Decrease</b>	\$57.8	\$16.7	\$25.5	\$14.4	\$12.1	\$4.1	\$4.9	\$135.6
<b>% of Total By Income Group</b>	42.6%	12.3%	18.8%	10.6%	8.9%	3.0%	3.6%	
<b>Monthly Decrease for All Three</b>	<b>\$157.4</b>	<b>\$51.8</b>	<b>\$74.8</b>	<b>\$43.8</b>	<b>\$45.1</b>	<b>\$12.2</b>	<b>\$10.2</b>	<b>\$395.2</b>
<b>% of Total By Income Group</b>	<b>39.8%</b>	<b>13.1%</b>	<b>18.9%</b>	<b>11.1%</b>	<b>11.4%</b>	<b>3.1%</b>	<b>2.6%</b>	
<b>Annual Decrease for All Three</b>	<b>\$1,888.96</b>	<b>\$621.03</b>	<b>\$897.23</b>	<b>\$525.96</b>	<b>\$540.72</b>	<b>\$146.46</b>	<b>\$122.27</b>	<b>\$4,742.6</b>
<b>% of Total By Income Group</b>	<b>39.8%</b>	<b>13.1%</b>	<b>18.9%</b>	<b>11.1%</b>	<b>11.4%</b>	<b>3.1%</b>	<b>2.6%</b>	

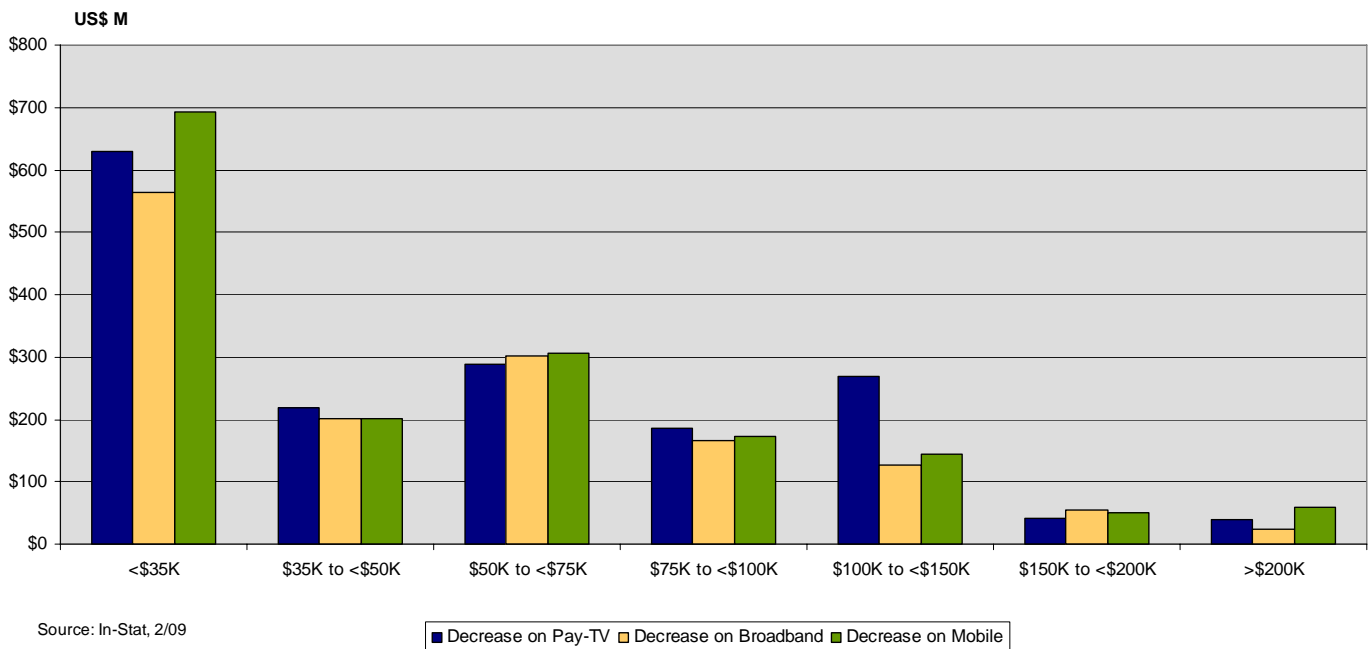
Source: In-Stat, 2/09

Figure 8 graphically illustrates the annualized spending decreases, by household income level, for the three communications services.

Households with less than \$35K income level are expected to account for about US\$630 million in annual decreases for Subscription-TV, US\$565 million annual decrease on broadband, and US\$694 million on Mobile Services during calendar 2009.

Households with incomes between \$100K to less than \$150K are likely to decrease spending on Subscription-TV services by US\$269 million, probably by cutting back on premium channels, like HBO, ShowTime, and pay-per-view purchases. Households in this income group, however, are expected to cut back much less on broadband and Mobile Services.

**Figure 8. Estimate of Annual Decrease in Spending by Income Level (US\$ in Millions)**



## How Will General Consumer Spending Change, by Season

Table 8 and Figure 9, below, provide the data sets we received from this question:

*What do you think your general level of overall household spending on all products and services will be: In the next 0 to 90 days (Holiday season)*

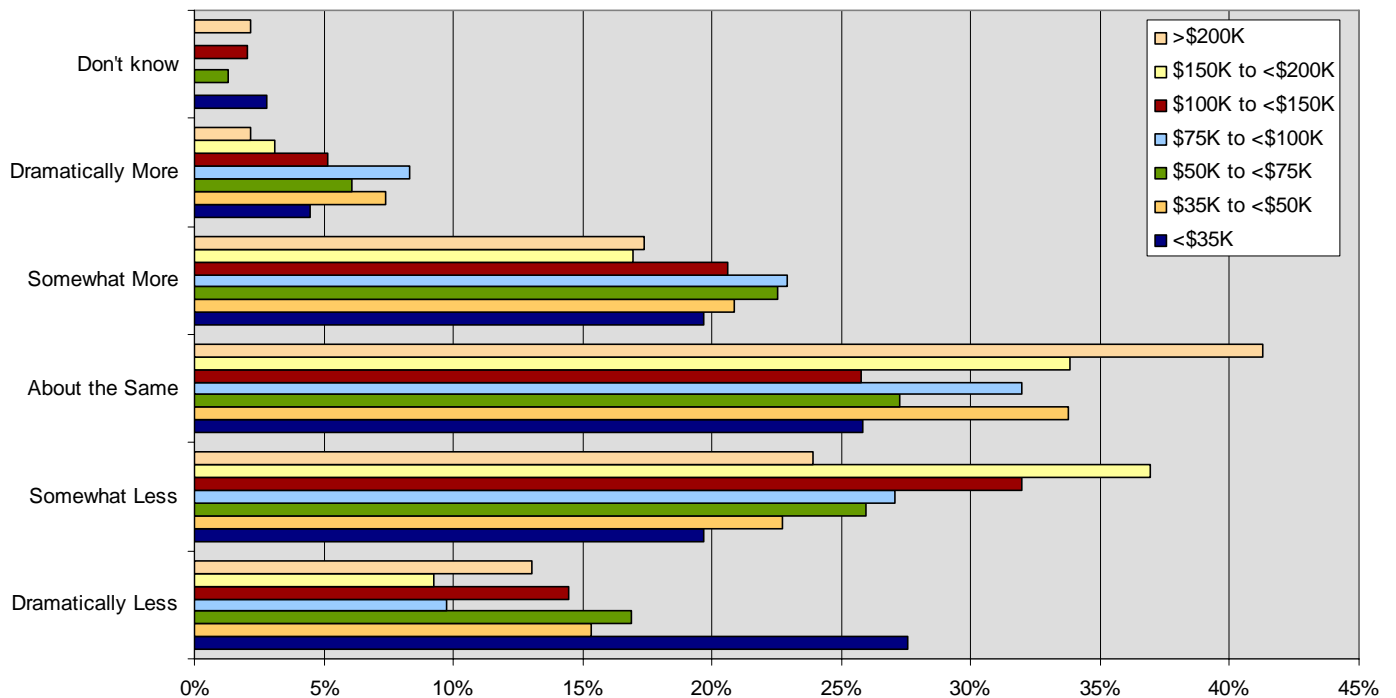
42.4% of all respondents said dramatically less or somewhat less spending for the holidays, and the end-of-year results reported by retailers prove this out. Females reported that 26.3% of them would spend somewhat more for the holidays, compared with only 15.2% of males.

**Table 8. How Will Overall Spending Change for Holidays, by Gender and by Income**

Overall Spending Change for Holidays	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	1,005	492	513	178	163	231	144	97	65	46
<b>Dramatically Less</b>	16.6%	15.0%	18.1%	27.5%	15.3%	16.9%	9.7%	14.4%	9.2%	13.0%
<b>Somewhat Less</b>	25.8%	27.4%	24.2%	19.7%	22.7%	26.0%	27.1%	32.0%	36.9%	23.9%
<b>About the Same</b>	29.7%	36.8%	22.8%	25.8%	33.7%	27.3%	31.9%	25.8%	33.8%	41.3%
<b>Somewhat More</b>	20.9%	15.2%	26.3%	19.7%	20.9%	22.5%	22.9%	20.6%	16.9%	17.4%
<b>Dramatically More</b>	5.5%	4.5%	6.4%	4.5%	7.4%	6.1%	8.3%	5.2%	3.1%	2.2%
<b>Don't know</b>	1.6%	1.0%	2.1%	2.8%	0.0%	1.3%	0.0%	2.1%	0.0%	2.2%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: In-Stat, 2/09

**Figure 9. How Will Overall Spending Change for Holidays, by Income**



Source: In-Stat, 2/09

US TV Viewers' Response to Economic Turmoil  
SKU: IN0904557CM

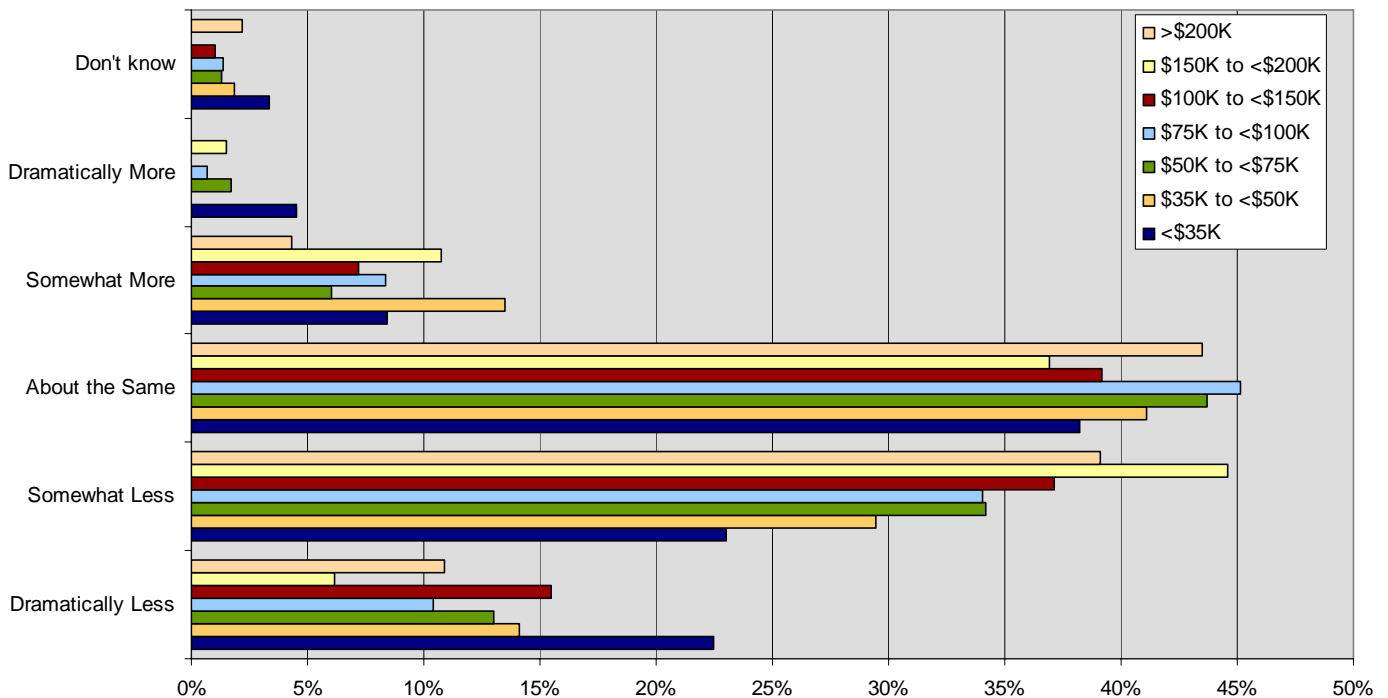
We asked the same question about spending for winter 2009. Table 9 and Figure 10 show the results. For winter, females pulled back a bit, with 48.5% expecting to spend dramatically less, or somewhat less, compared with 42.3% who pulled back for the holiday season. While 26.4% of all respondents said they would still spend somewhat or dramatically more for the holidays, for winter, all respondents reported only 9.6% would be spending somewhat or dramatically more. Respondents in the \$150K to less than \$200K income group reported the highest percentage, 44.6%, spending somewhat less for winter 2009. The lowest income group reported 22.5% of them would spend dramatically less.

Table 9. How Will Overall Spending Change for Winter, by Gender and by Income

Overall Spending Change for Winter	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
Number of respondents	1,005	492	513	178	163	231	144	97	65	46
Dramatically Less	14.3%	12.8%	15.8%	22.5%	14.1%	13.0%	10.4%	15.5%	6.2%	10.9%
Somewhat Less	32.3%	31.9%	32.7%	23.0%	29.4%	34.2%	34.0%	37.1%	44.6%	39.1%
About the Same	41.5%	43.7%	39.4%	38.2%	41.1%	43.7%	45.1%	39.2%	36.9%	43.5%
Somewhat More	8.2%	9.1%	7.2%	8.4%	13.5%	6.1%	8.3%	7.2%	10.8%	4.3%
Dramatically More	1.4%	1.0%	1.8%	4.5%	0.0%	1.7%	0.7%	0.0%	1.5%	0.0%
Don't know	2.3%	1.4%	3.1%	3.4%	1.8%	1.3%	1.4%	1.0%	0.0%	2.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: In-Stat, 2/09

Figure 10. How Will Overall Spending Change for Winter, by Income



Source: In-Stat, 2/09

**US TV Viewers' Response to Economic Turmoil**  
SKU: IN0904557CM

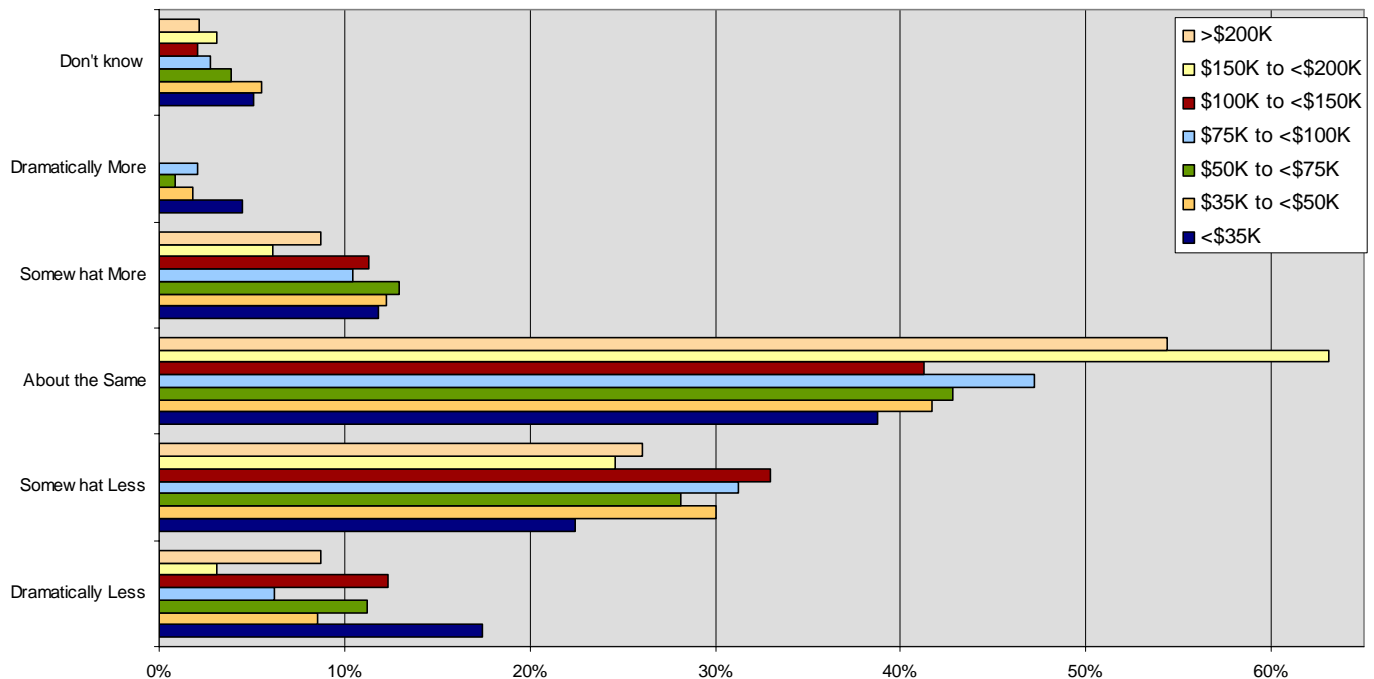
We asked the same question about respondents' spending outlook for spring 2009. For this question, 39.1% of all respondents reported that they are still expecting to spend dramatically or somewhat less in spring 2009. In general, the higher income groups expect to return to normal spending in spring 2009. 63.1% of respondents with incomes in the \$150K to less than \$200K segment expect to spend about the same in spring 2009, while 54.3% of those in the greater than \$200K segment will do so. However, the key "take away" from this data is that nearly 40% of respondents, regardless of gender or income level, expect to be spending dramatically to somewhat less even in spring 2009. This foretells that a recovery based on an up-tick in overall consumer spending will not take place at least until summer 2009, or later. Retailers who cannot hang on until the fall and holiday season of 2009 may go out of business waiting for overall consumer spending to pick up.

**Table 10. How Will Overall Spending Change for Spring, by Gender and by Income**

Overall Spending Change for Spring	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	1,005	492	513	178	163	231	144	97	65	46
<b>Dramatically Less</b>	10.5%	9.3%	11.7%	17.4%	8.6%	11.3%	6.3%	12.4%	3.1%	8.7%
<b>Somewhat Less</b>	28.6%	26.8%	30.2%	22.5%	30.1%	28.1%	31.3%	33.0%	24.6%	26.1%
<b>About the Same</b>	43.8%	46.7%	40.9%	38.8%	41.7%	42.9%	47.2%	41.2%	63.1%	54.3%
<b>Somewhat More</b>	10.8%	12.2%	9.6%	11.8%	12.3%	13.0%	10.4%	11.3%	6.2%	8.7%
<b>Dramatically More</b>	1.6%	1.6%	1.6%	4.5%	1.8%	0.9%	2.1%	0.0%	0.0%	0.0%
<b>Don't know</b>	4.7%	3.3%	6.0%	5.1%	5.5%	3.9%	2.8%	2.1%	3.1%	2.2%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: In-Stat, 2/09

**Figure 11. How Will Overall Spending Change for Spring, by Income**



Source: In-Stat, 2/09

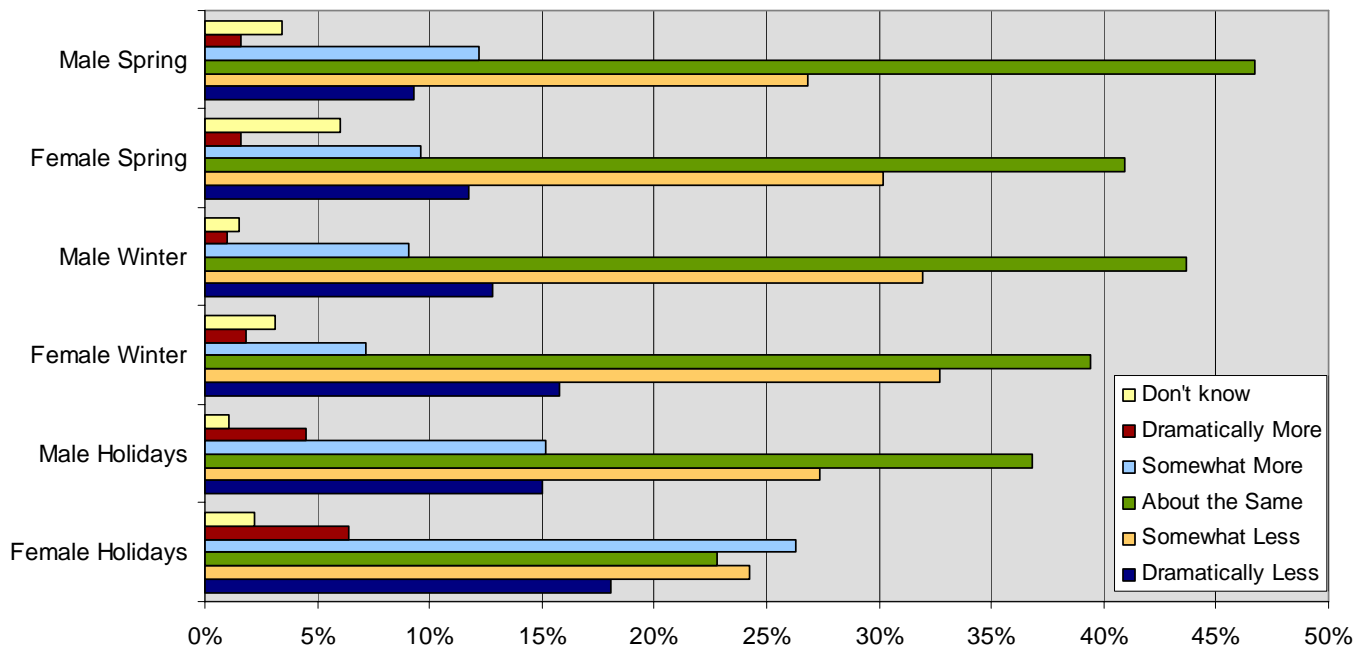
Table 11 and Figure 12, below, show overall spending plans by gender, in each of the three time periods: holiday season 2008, winter 2009, and spring 2009. In Figure 12, it is instructive to view the horizontal light blue bar for each segment that represents somewhat more spending. It is largest for the holiday season 2008, and drops by half for winter 2009, and does not recover very much in Spring 2009. While the horizontal green bar, representing about the same, gets gradually longer with each passing quarter, the yellow bar, representing somewhat less spending remains over 25% even out in spring 2009. About one quarter of all respondents expect to be spending somewhat less for a long time.

**Table 11. Comparison of Spending Plans by Quarter, by Gender**

Overall Change in Spending by Quarter	Female Holidays	Male Holidays	Female Winter	Male Winter	Female Spring	Male Spring
<b>Dramatically Less</b>	18.1%	15.0%	15.8%	12.8%	11.7%	9.3%
<b>Somewhat Less</b>	24.2%	27.4%	32.7%	31.9%	30.2%	26.8%
<b>About the Same</b>	22.8%	36.8%	39.4%	43.7%	40.9%	46.7%
<b>Somewhat More</b>	26.3%	15.2%	7.2%	9.1%	9.6%	12.2%
<b>Dramatically More</b>	6.4%	4.5%	1.8%	1.0%	1.6%	1.6%
<b>Don't know</b>	2.2%	1.1%	3.1%	1.5%	6.0%	3.4%

Source: In-Stat, 2/09

**Figure 12. Comparison of Spending Plans by Quarter, by Gender**



Source: In-Stat, 2/09

## TV Viewing Habits by Gender, by Income, and by Age

We asked a battery of questions about what types of programming respondents still schedule their personal time for viewing, and specifically watch “live” at the time the program is actually being played. While 64% of all respondents said that they did NOT have a personal video recorder, or PVR, even those who own a PVR reported that some TV programs are still watched “live” at the time they are being aired. In-Stat presents in-depth coverage of PVR usage in other reports.

Because these questions permitted multiple choices, the percentages do not add up to 100%. However, the trends shown in the course of analyzing the results provide a great deal of insight about which genders, income levels, and age groups are performing various activities while watching TV.

### What Males are Watching on a Schedule

Table 12, and Figures 13 and 14, on following pages, present respondents' answers about which type of programming genres males still watch “live.” An upcoming section of the report provides a similar look at females, and this section finishes with a comparison between males and females.

Sporting events were the hands down leader for all income groups, and as income level goes up, “live” sporting events are the dominant genre for males who schedule their time for TV. In an upcoming section of this report, we expand on male viewing habits to include the phenomenon of “multitasking,” in which many males, and some females, are using a computer at the same time as watching TV.

A surprising result is that males in the two highest income groups are only half as likely to be watching 24-hour news channels as those in income groups below \$150K per year. This turns out to be exactly the opposite of the trend we will see for females, in which the highest two income groups reported the highest percentage watching 24-hour news programming. National network news programs pulled the highest interest from males in two distinct income brackets, 15.6% of those in the \$50K to less than \$75K group and 16.0% of those in the over \$200K group said they schedule their time to view national network news programming.

**Table 12. Programming Genres Male Respondents Watch “Live,” by Income**

Programs you Schedule your Time to see	Male	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	492	56	80	128	75	60	41	25
<b>One-Hour Drama</b>	30.5%	28.6%	28.8%	34.4%	30.7%	36.7%	26.8%	20.0%
<b>Half-Hour Shows</b>	22.6%	30.4%	25.0%	22.7%	24.0%	20.0%	24.4%	8.0%
<b>Local TV News</b>	14.4%	19.6%	13.8%	17.2%	13.3%	13.3%	12.2%	8.0%
<b>Network News</b>	11.2%	7.1%	10.0%	15.6%	9.3%	11.7%	4.9%	16.0%
<b>24/7 News</b>	12.4%	8.9%	12.5%	13.3%	16.0%	16.7%	7.3%	8.0%
<b>Sporting Events</b>	37.4%	28.6%	33.8%	37.5%	40.0%	40.0%	46.3%	48.0%
<b>Weather or Financial</b>	14.0%	7.1%	13.8%	14.8%	17.3%	21.7%	4.9%	20.0%

Source: In-Stat, 2/09

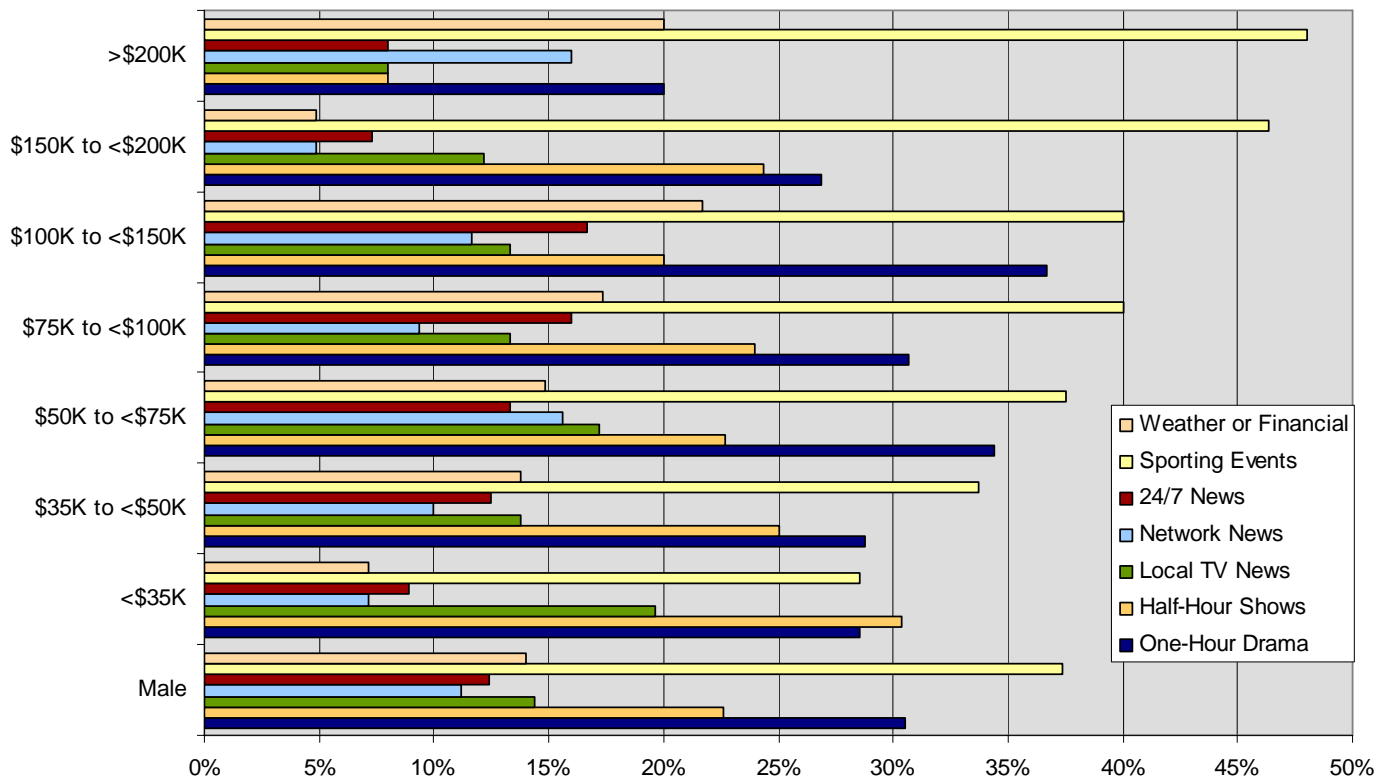
Figure 13 provides an interesting presentation of the data of Table 12. For each income level, we graph the percentage of respondents what regularly watch our seven genres of programming.

The lowest income segment, those making less than \$35K per year, is as likely to be watching half-hour comedies and hour-long dramas as they are to be watching sports. The lowest income group also reported the highest percentage of males watching local TV news. The \$35K to less than \$50K segment reported heavier interest in sports, followed by half-hour comedies.

The \$50K to less than \$75K group reported even stronger interest in both sports and half-hour shows, with hour-long programs having much less interest. However, national network news got 15.6% of this group's responses, nearly as high as the 16.0% in the over \$200K income bracket.

The two groups in the middle, with incomes between \$75K, up to less than \$150K, had the high responses for sport and for half-hour comedies. Respondents in the two highest income brackets mainly watch live sporting events. Households in these income brackets are much more likely to have a personal video recorder to time-shift traditional TV programs. Financial and weather programming scored the highest results with males in the \$100K to less than \$150K group and with the over \$200K group.

Figure 13. Programming Genres Male Respondents Watch "Live," Sorted by Income



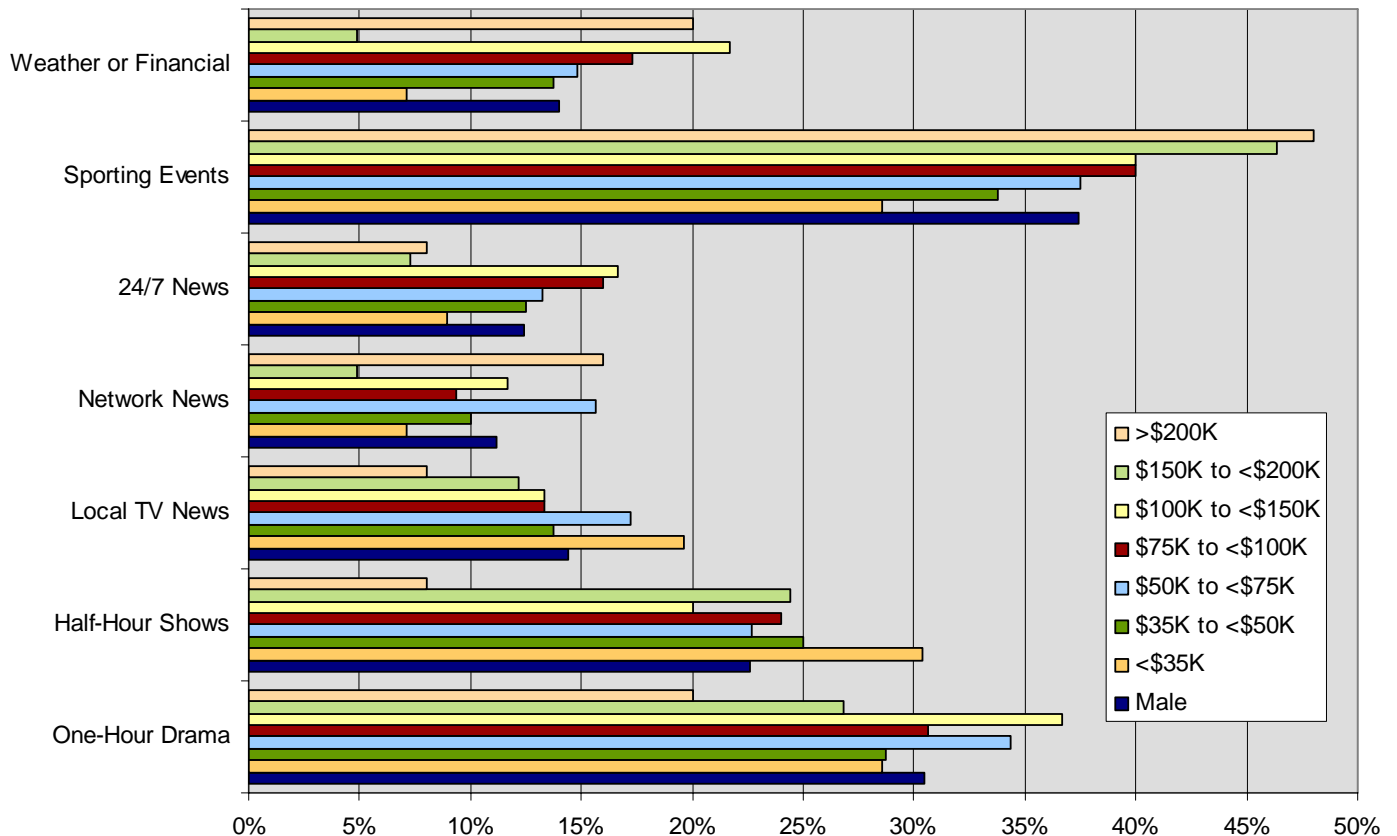
Source: In-Stat, 2/09

Figure 14 provides one more look at the data from Table 12. This time, we plot the programming genres on the left hand vertical column, and show the percentage of each male income group that is watching. From this view, it's easy to see that the percentage of males watching "live" sporting events goes up as income level goes up. This could be attributable to PVR availability going up with income level, meaning those in the higher income levels are more likely to be time-shifting traditional TV programming, while those in lower income brackets have to watch their TV as it is played out from the local TV station or from their Subscription-TV service.

One-hour dramas scored the highest with males in the \$100K to less than \$150K group, then with males in the \$50K to less than \$75K group. Half-hour comedies scored highest with the lowest income group, those making less than \$35K per year.

All types of news programming scored less than 20% with all males, regardless of income level. Because males are much more likely to be online while watching TV, they may simply be getting their news from an online source and see little reason to schedule their time to get news from TV.

Figure 14. Programming Genres Male Respondents Watch "Live," Sorted by Genre



Source: In-Stat, 2/09

**What Females are Watching on a Schedule**

Table 13, below, and Figures 15 and 16 on following pages, present the results of our question about what percentage of respondents regularly schedule their personal time around viewing of seven genres of TV programming. In the next section, we'll compare these responses with those from the males in Table 12.

As household income goes up, more women responded that they watch "live" sporting events. This data is surely valuable to advertisers who are looking for a way to get their message in front of women. Figure skating and gymnastics have been traditional strongholds for women sports viewers. With the addition of more sports, such as soccer, tennis, the Ladies Professional Golf Association (LPGA), swimming, and the WNBA, women have more choices for sports than ever before. Many women also are fans of the NFL, the NBA, the PGA, Major League Baseball (MLB) and, of course, hockey!

Women are slightly more likely to schedule their time for hour long dramas than for half-hour comedies. This is exactly the opposite of males, who are much more likely to choose comedies over dramas.

Local TV news has the strongest appeal of all news programming for women in income brackets from the lowest, up to the \$100K to less than \$150K group. National network news does not fare that well in any income group with females.

The big insight from this data is that women in the two highest income brackets, above \$150K, reported dramatically high percentages watching "live" 24-hour news networks, which include FOX, CNN, and MSNBC. We've highlighted these data points in taupe.

For weather or financial programming, every other income bracket reported double digit answers. The three income brackets, \$35K to less than \$50K, \$75K to less than \$100K, and \$150K to less than \$200K, are twice as likely to schedule their time to watch weather or financial programming as those in the other income brackets. We've highlighted these data points in light green.

**Table 13. Programming Genres Female Respondents Watch "Live," by Income**

Programs you Schedule your Time to see	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	513	56	80	128	75	60	41	25
<b>One-Hour Drama</b>	33.7%	29.5%	36.1%	37.9%	30.4%	35.1%	33.3%	33.3%
<b>Half-Hour Shows</b>	22.6%	23.8%	24.1%	20.4%	24.6%	13.5%	20.8%	28.6%
<b>Local TV News</b>	13.3%	10.7%	16.9%	10.7%	21.7%	13.5%	4.2%	4.8%
<b>Network News</b>	9.9%	7.4%	9.6%	9.7%	13.0%	8.1%	4.2%	14.3%
<b>24/7 News</b>	10.7%	9.0%	14.5%	8.7%	7.2%	5.4%	16.7%	23.8%
<b>Sporting Events</b>	18.9%	7.4%	16.9%	23.3%	23.2%	27.0%	25.0%	33.3%
<b>Weather or Financial</b>	11.3%	9.0%	14.5%	7.8%	15.9%	8.1%	16.7%	4.8%

Source: In-Stat, 2/09

Figure 15, below, illustrates the data from Table 13. On the left hand vertical column, we've put the seven income groups.

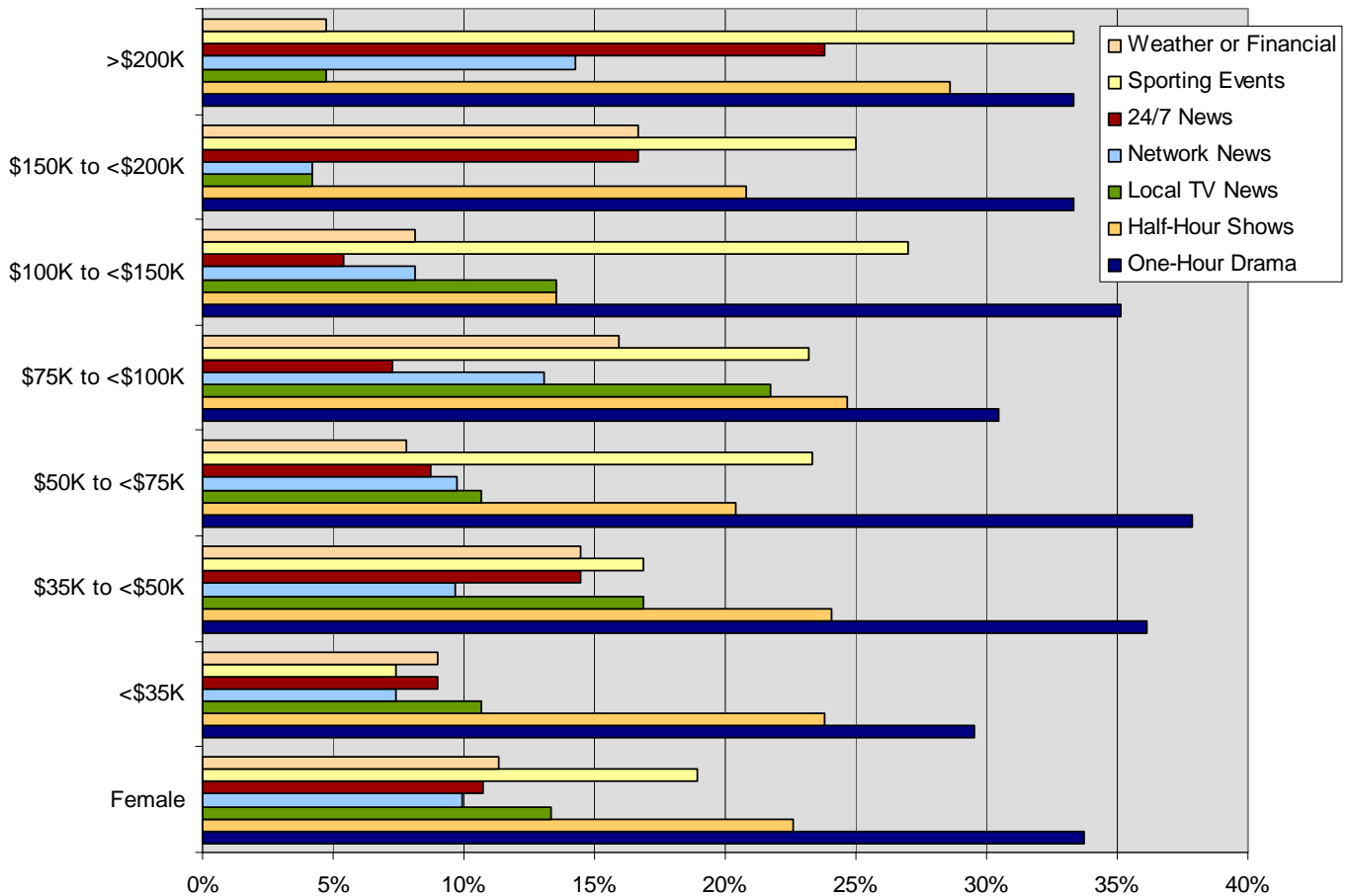
Hour-long dramas and half-hour comedies have the strongest pull for most females in all income brackets.

The \$100K to less than \$150K income bracket reported a high percentage watching hour-long programs, 35.1%, but a dramatically small percentage, 13.5%, watching half-hour comedies.

Local TV news scored highest with those in the \$75K to less than \$100K bracket, and with the \$35K to under \$50K income bracket. Overall, local TV news scored the highest of all three news genres for households with incomes below \$100K.

The 24-hour news networks scored remarkably well with women in the two highest income brackets.

**Figure 15. Programming Genres Female Respondents Watch "Live," Sorted by Income**



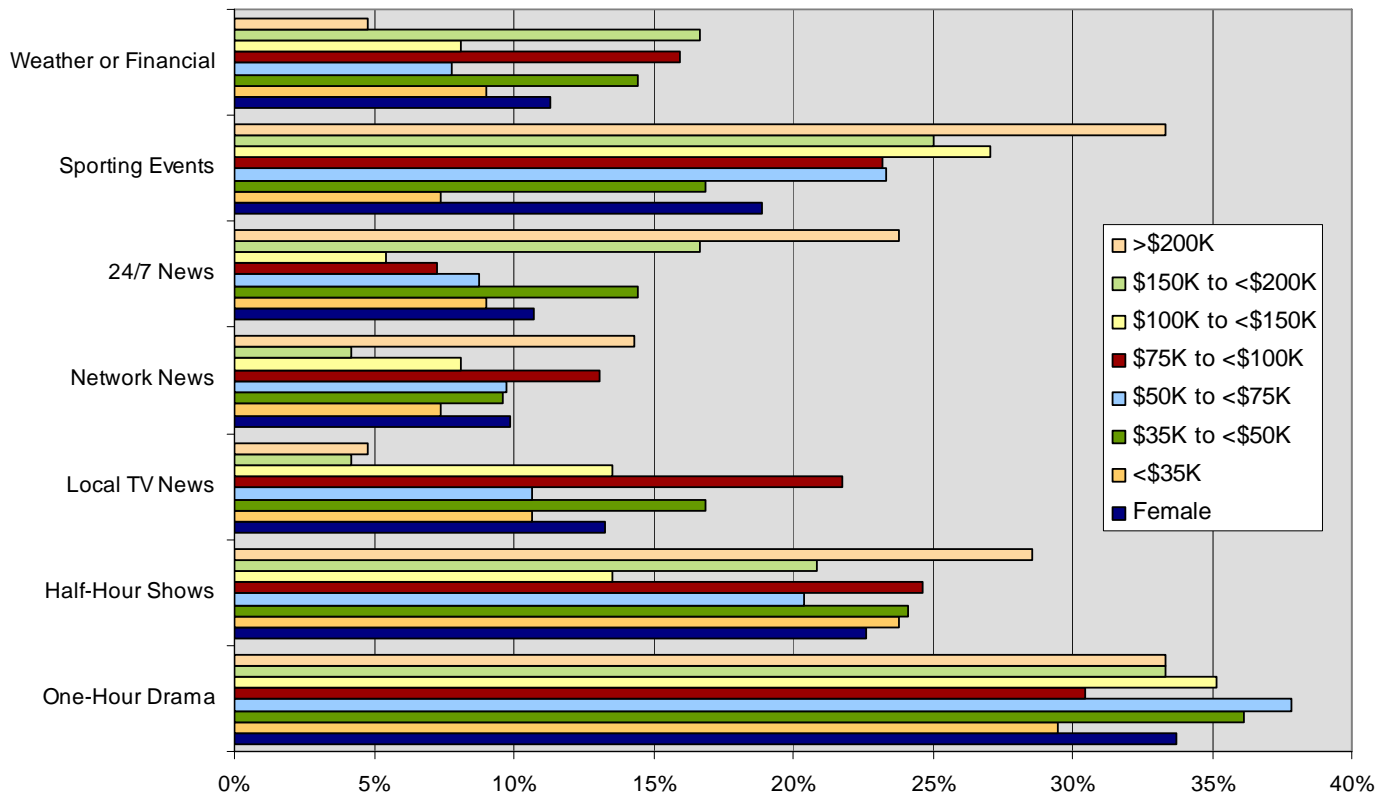
Source: In-Stat, 2/09

Figure 16 provides one more look at the data from Table 13. This time, we plot the programming genres on the left hand vertical column, and show the percentage of each female income group that is watching.

Sports viewing had gradually increasing percentages as income levels rise.

Weather and financial programming fares well, and is close to, and sometimes slightly above, percentages for the various news genres.

Figure 16. Programming Genres Female Respondents Watch "Live," Sorted by Genre



Source: In-Stat, 2/09

Table 14, below, uses percentage responses from females given in Table 13 as the base, and we subtracted the percentage responses of males given in Table 12. A positive number means women reported a HIGHER percentage than males in the same income bracket. A negative number means that women reported a LOWER percentage than males in the same income bracket.

Women were only a few percentage points ahead of males for scheduling their time to watch hour-long dramas. Only females in the top income brackets were significantly higher than males for this genre.

Local TV news was slightly more likely to be watched by males than by females, except that females in the \$75K to less than \$100K bracket reported 8% higher viewing than males. We've highlighted that data point in taupe so that it's easy for the reader to see.

Women in the two highest income brackets reported 9% and 16% higher responses for 24-hour news programming than males. We've also highlighted these data points in taupe so that it's easy for the reader to see how much more interest high-income women have in 24/7 News than the other groups.

Women in all income brackets reported significantly lower responses than males for sports. We've highlighted the sports line in light blue to indicate male dominance in this genre.

Finally, women reported slightly lower percentages than males for weather or financial programming, with the exception of those in the \$150K to less than \$200K income bracket. We've highlighted this data point in taupe so that it's easy for the reader to see this data point.

**Table 14. Females Compared with Males for Live Programming, by Genre and by Income**

Delta Females Versus Males	Male vs. Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>One-Hour Drama</b>	3%	1%	7%	3%	0%	-2%	7%	13%
<b>Half-Hour Shows</b>	0%	-7%	-1%	-2%	1%	-6%	-4%	21%
<b>Local TV News</b>	-1%	-9%	3%	-7%	8%	0%	-8%	-3%
<b>Network News</b>	-1%	0%	0%	-6%	4%	-4%	-1%	-2%
<b>24/7 News</b>	-2%	0%	2%	-5%	-9%	-11%	9%	16%
<b>Sporting Events</b>	-19%	-21%	-17%	-14%	-17%	-13%	-21%	-15%
<b>Weather or Financial</b>	-3%	2%	1%	-7%	-1%	-14%	12%	-15%

Source: In-Stat, 2/09

## Multitasking While Watching TV

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An important question that pertains to the convergence of the Internet with television is what people are doing while they are watching TV. We asked respondents to describe the activities in which they participate while watching TV. The list of possibilities includes:

- Watch Alone
- Watch with Others
- Sitting Still
- Moving About
- Using a PC
- Talking on Phone
- Instant Messaging

The upcoming tables and figures present the results of this question broken out by gender, income level, and in-depth comparisons of respondents by gender and by age group.

Table 15, on the following page, provides the data showing the percentage of respondents by gender, and by income, who participated in the list of activities. Because this question permitted multiple choices, the percentages do not add up to 100%. However, the trends shown in the course of analyzing the results provide a great deal of insight about which genders, income levels, and age groups are performing various activities while watching TV. Figure 17, on the following page, illustrates just the gender responses.

### Overall Comparisons by Gender

About one-third of all respondents usually watch TV alone, and the mix is similar for females and males. Slightly more males than females reported that they are usually watching TV with others. Nearly 40% of males reported that they usually sit still while watching TV, while over 45% of females reported that they regularly are moving about. About one-third of males are using a PC while watching TV, but only about one-fourth of females use a PC while watching TV.

About one-fourth of females reported that they regularly talk on a telephone while watching TV, but only about one-sixth of males reported regularly using a phone.

About one-fifth of all respondents reported doing instant messaging while watching TV. The percentage is similar between females and males.

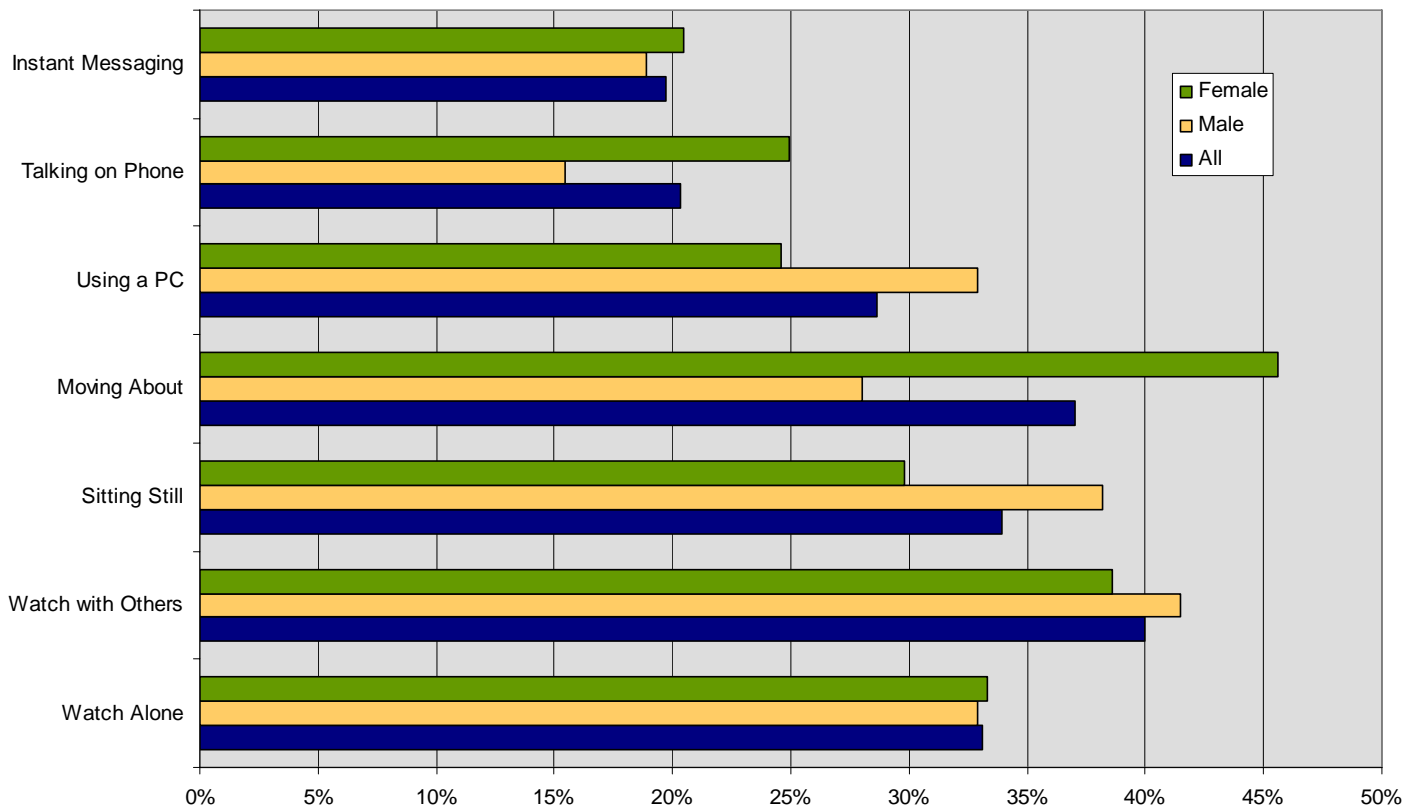
Later on, we'll provide a comparison between the genders by age groups.

**Table 15. Multitasking While Watching TV, by Gender and by Income**

Multitasking While Watching TV	All	Male	Female	<\$35K	\$35K to <\$50K	\$50K to <\$75K	\$75K to <\$100K	\$100K to <\$150K	\$150K to <\$200K	>\$200K
<b>Number of respondents</b>	1,005	492	513	178	163	231	144	97	65	46
<b>Watch Alone</b>	33.1%	32.9%	33.3%	38.8%	41.7%	30.7%	26.4%	28.9%	40.0%	26.1%
<b>Watch with Others</b>	40.0%	41.5%	38.6%	32.6%	36.8%	41.1%	47.9%	39.2%	40.0%	58.7%
<b>Sitting Still</b>	33.9%	38.2%	29.8%	32.0%	35.6%	35.9%	36.8%	35.1%	26.2%	23.9%
<b>Moving About</b>	37.0%	28.0%	45.6%	36.5%	42.3%	34.6%	31.3%	37.1%	43.1%	37.0%
<b>Using a PC</b>	28.7%	32.9%	24.6%	26.4%	27.6%	29.4%	33.3%	26.8%	33.8%	30.4%
<b>Talking on Phone</b>	20.3%	15.4%	25.0%	25.3%	21.5%	21.6%	11.1%	18.6%	16.9%	23.9%
<b>Instant Messaging</b>	19.7%	18.9%	20.5%	20.8%	23.9%	19.9%	20.1%	16.5%	13.8%	10.9%

Source: In-Stat, 2/09

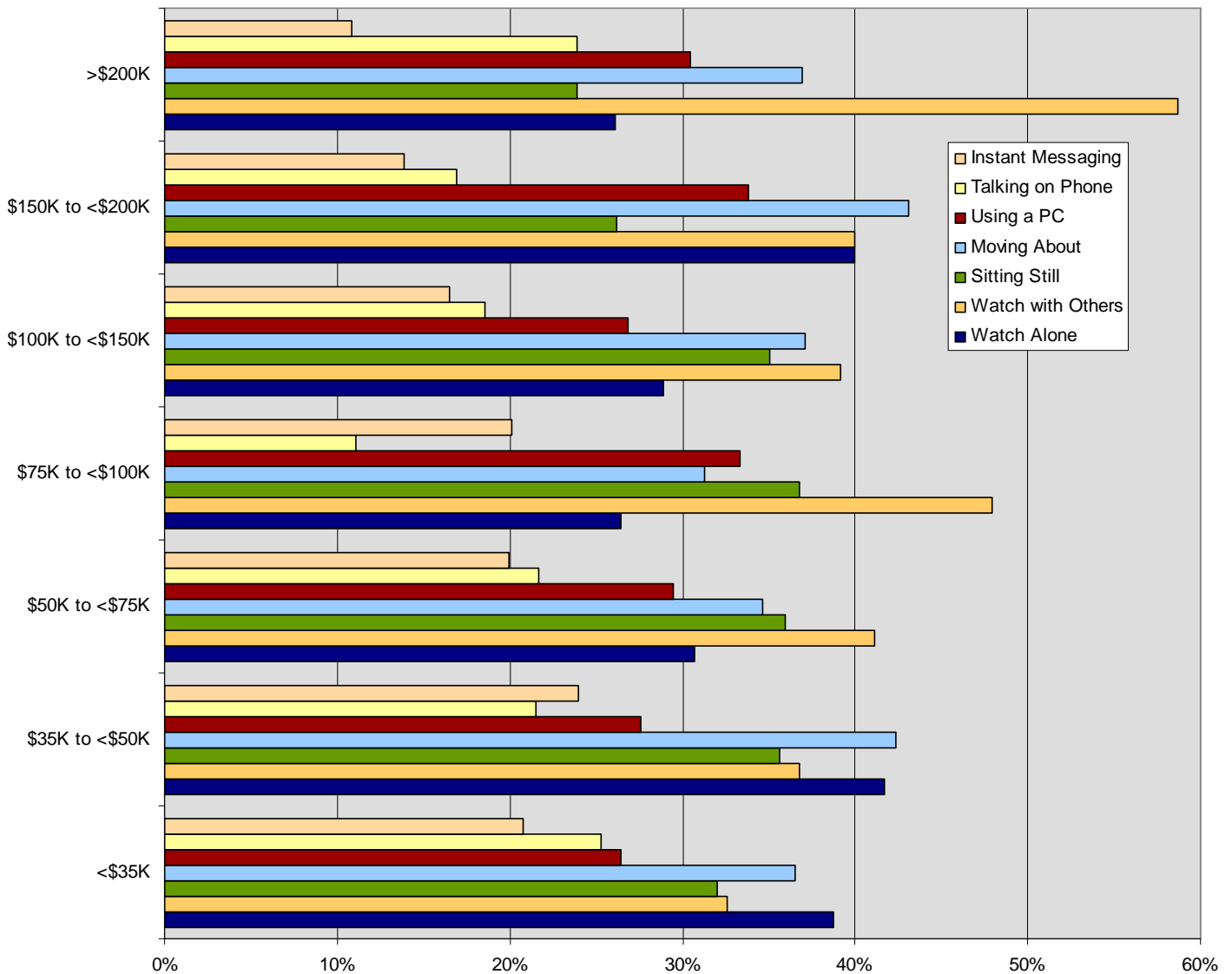
**Figure 17. Multitasking While Watching TV, by Gender**



Source: In-Stat, 2/09

Figure 18, below, graphically illustrates multitasking activities by income level. The data is provided in Table 15. Respondents with incomes between \$50K up to less than \$150K reported a high percentage of watching with others, typically about 40%. Nearly 60% of respondents with incomes over \$200K watch with others. At least one-quarter of all respondents in all income levels reported that they regularly use a PC while watching TV. Fully one-third of respondents in the two income levels of \$75K to less than \$100K, and \$150K to less than \$200K reported being on a PC while watching TV.

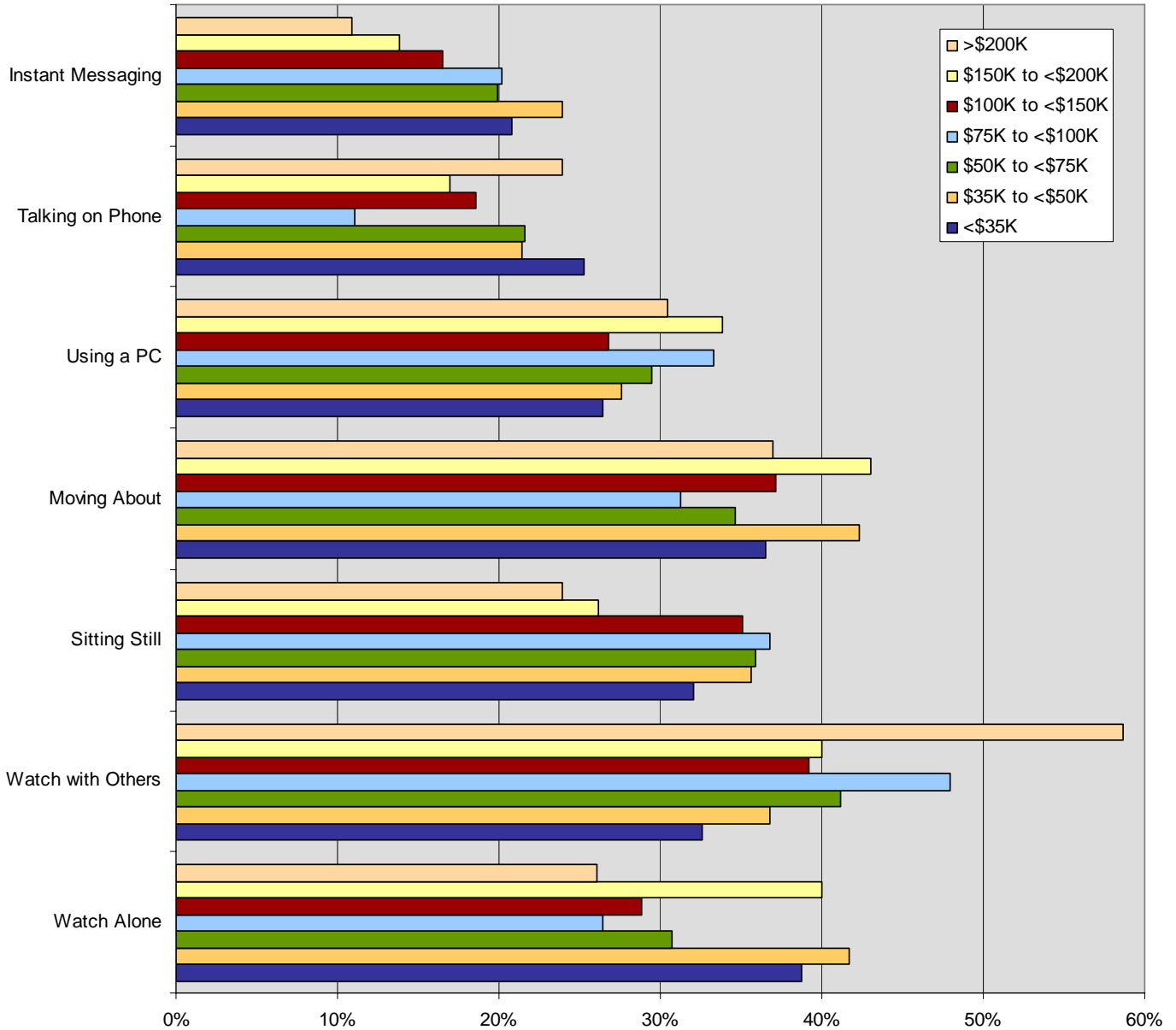
Figure 18. Multitasking While Watching TV, by Income



Source: In-Stat, 2/09

Figure 19, below, re-states the data shown in Figure 18. This time, we show the activities on the left-hand column so that we can compare how popular each activity is by income level. Respondents making \$75K to less than \$100K, and those making \$150K to less than \$200K, reported the highest percentage of using a PC while watching TV. The \$75K to less than \$100K group also reported the lowest percentage of talking on a phone while watching TV, at a very low level of 11.1%.

Figure 19. Multitasking While Watching TV, by Activity and Income



Source: In-Stat, 2/09

**Females Multitasking While Watching TV, by Age**

Table 16, below, and Figure 20, on the following page, provide data about multitasking by females while watching TV. The data provides in-depth details for each of the ten age groups. Later on, we'll compare the responses between females and males of similar age groups.

Female respondents in the 45–49 age group reported the highest percentage that watch alone, at 46.0%. The two age groups, 18–24 and 25–29, reported the highest percentage of regularly watching TV with others, at 47.9% and 49.1%, respectively. 44.2% of those in the age group 50–54 reported regularly watching TV with others. This high incidence may be due to the younger women watching with room mates, and then with their own young children. Women in the 50–54 group may be watching with grandchildren for whom they provide child care, or with their spouse or significant other. The 55–59 age group reported the lowest percentage of watching with others, at 29.7%. This may indicate a higher percentage of divorced women, or women who may have lost a spouse.

Overall, more females reported that they are regularly moving about while watching TV than are sitting still. This is easy to see in Figure 20.

Younger women in the 18–24, 25–29, and 35–39 age groups reported the highest percentage of regularly using a PC while watching TV. About one-third of all respondents in these three age groups use a PC while watching TV. The 45–49 age group reported that 30% regularly use a PC while watching TV.

About one-quarter of all female respondents reported that they regularly talk on a telephone while watching TV. Two age groups that reported low usage of a PC while watching TV reported higher percentages of using a telephone. These two age groups are the 30–34 age group and the 50–54 age group. Perhaps these two age groups correlate to daughters talking to their mothers while watching TV.

Not surprisingly, respondents that reported using instant messaging, either from a PC or a cellphone had the highest percentages in the youngest age groups. The 18–24 and 25–29 age groups reported over 40% usage of instant messaging while watching TV. The 30–34 age group reported slightly higher than 31%. The 45–49 age group reported about 16% using instant messaging while watching TV. The “bump” in the 45–49 age group may, indeed, be mothers texting their adult-age children while watching TV, or some “space age” grandparents texting their grandchildren.

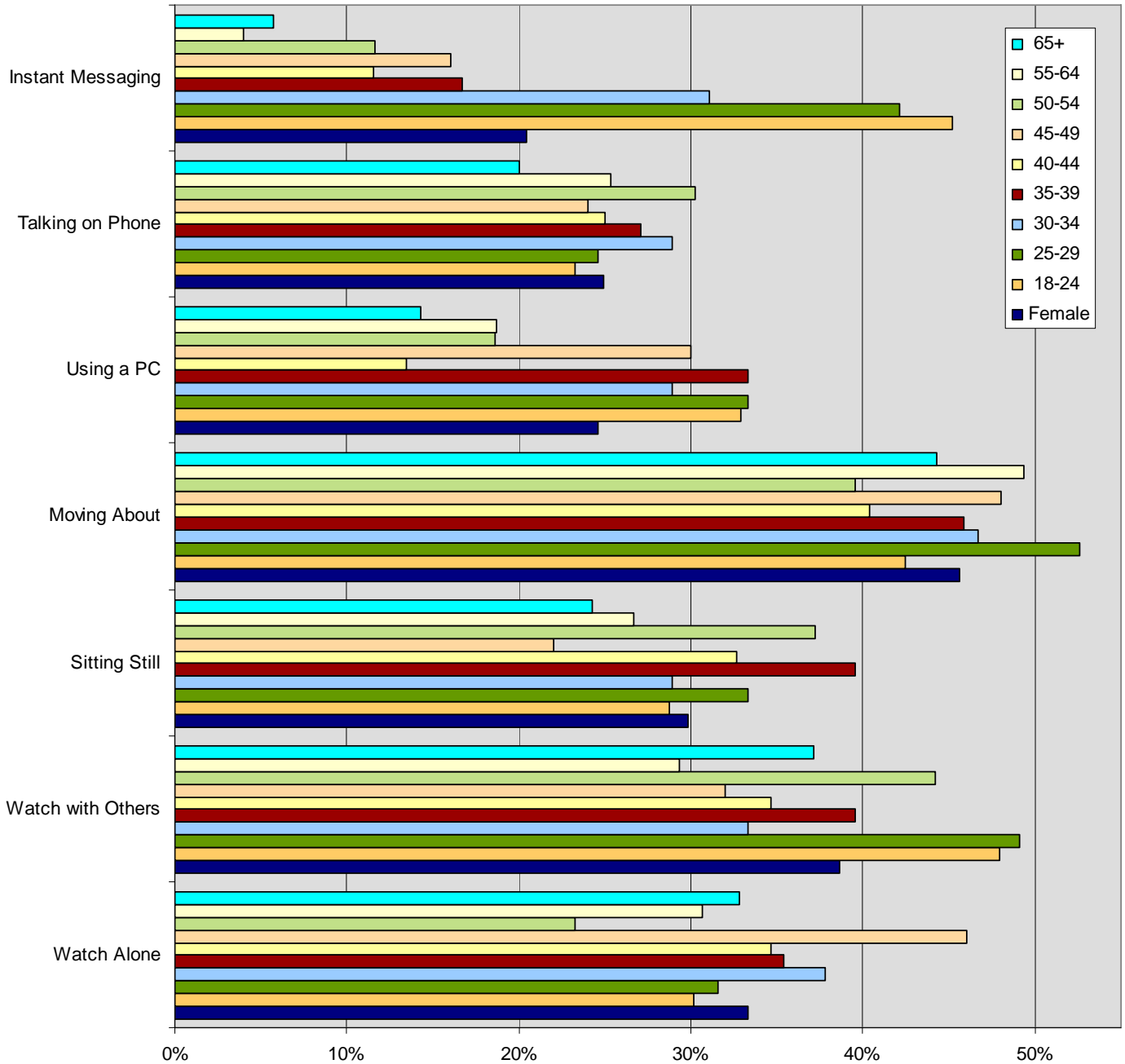
**Table 16. Females Multitasking While Watching TV, by Age**

Multitasking While Watching TV	Female	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-64	65+
<b>Female Respondents</b>	513	73	57	45	48	52	50	43	75	70
<b>Watch Alone</b>	33.3%	30.1%	31.6%	37.8%	35.4%	34.6%	46.0%	23.3%	30.7%	32.9%
<b>Watch with Others</b>	38.6%	47.9%	49.1%	33.3%	39.6%	34.6%	32.0%	44.2%	29.3%	37.1%
<b>Sitting Still</b>	29.8%	28.8%	33.3%	28.9%	39.6%	32.7%	22.0%	37.2%	26.7%	24.3%
<b>Moving About</b>	45.6%	42.5%	52.6%	46.7%	45.8%	40.4%	48.0%	39.5%	49.3%	44.3%
<b>Using a PC</b>	24.6%	32.9%	33.3%	28.9%	33.3%	13.5%	30.0%	18.6%	18.7%	14.3%
<b>Talking on Phone</b>	25.0%	23.3%	24.6%	28.9%	27.1%	25.0%	24.0%	30.2%	25.3%	20.0%
<b>Instant Messaging</b>	20.5%	45.2%	42.1%	31.1%	16.7%	11.5%	16.0%	11.6%	4.0%	5.7%

Source: In-Stat, 2/09

Figure 20 graphically illustrates the data provided in Table 16 on the preceding page.

Figure 20. Females Multitasking While Watching TV, by Age



Source: In-Stat, 2/09

**Males Multitasking While Watching TV, by Age**

Table 17, below, and Figure 21, on the following page, provide data about multitasking by males while watching TV. The data provides in-depth details for each of the ten age groups. Later on, we'll compare the responses between females and males of similar age groups.

Male respondents in the 25–29 age group reported the lowest percentage that watch alone, at 14.7%. The age group of 40–44 also reported a very low percentage watching alone, of 23.4%. The male 25–29 age group reported, by far, the highest percentage that watches TV with others, at 55.9%.

Overall, men watch TV sitting still at higher percentages than females. The two older age groups, 55–64 and 65+ reported sitting still at 47.9% and 43.6%, respectively. The 50–54 age group, conversely, had 46.9% of respondents reporting that they are moving about while watching TV. The 30–34 male age group also reported 39.1% to be moving about, perhaps keeping track of children in the house while watching TV.

Older men in the 55–64 and 65+ age groups reported the lowest percentage regularly using a PC while watching TV, at 19.7% and 21.3%, respectively. The 35–39 age group reported the highest percentage using a PC while watching TV, at 52.4%. Over 40% of respondents in three age groups regularly use a PC while watching TV. These three age groups are 18–24, 25–29, and 45–49. Slightly more than one-third respondents in the 30–34 age group reported using a PC. Only one-quarter of respondents in the 40–44 age group reported using a PC while watching TV.

While about one-quarter of all female respondents reported that they regularly talk on a telephone while watching TV, less than one-sixth of males, overall, talk on a telephone while watching TV.

While the females had higher percentages reporting that they regularly used instant messaging while watching TV, with the percentages dropping off by age group, only 18–24 year old males reported a very high percentage use of instant messaging, at 57.9%. About one-quarter of males aged 25–39 reported using instant messaging. Males over the age of 40 reported very low percentages using instant messaging while watching TV.

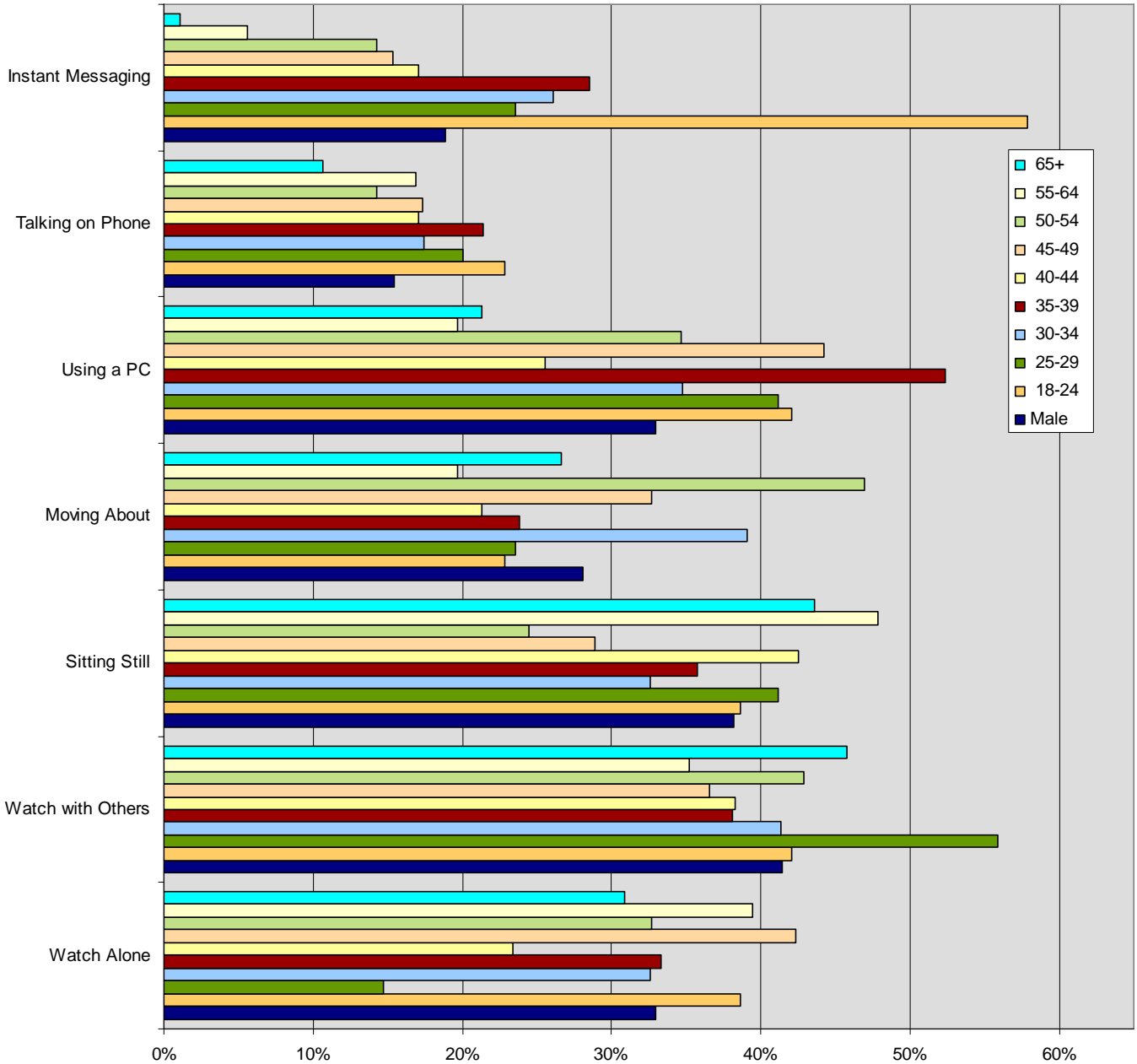
**Table 17. Males Multitasking While Watching TV, by Age**

Multitasking While Watching TV	Male	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-64	65+
<b>Male Respondents</b>	492	57	34	46	42	47	52	49	71	94
<b>Watch Alone</b>	32.9%	38.6%	14.7%	32.6%	33.3%	23.4%	42.3%	32.7%	39.4%	30.9%
<b>Watch with Others</b>	41.5%	42.1%	55.9%	41.3%	38.1%	38.3%	36.5%	42.9%	35.2%	45.7%
<b>Sitting Still</b>	38.2%	38.6%	41.2%	32.6%	35.7%	42.6%	28.8%	24.5%	47.9%	43.6%
<b>Moving About</b>	28.0%	22.8%	23.5%	39.1%	23.8%	21.3%	32.7%	46.9%	19.7%	26.6%
<b>Using a PC</b>	32.9%	42.1%	41.2%	34.8%	52.4%	25.5%	44.2%	34.7%	19.7%	21.3%
<b>Talking on Phone</b>	15.4%	22.8%	20.0%	17.4%	21.4%	17.0%	17.3%	14.3%	16.9%	10.6%
<b>Instant Messaging</b>	18.9%	57.9%	23.5%	26.1%	28.6%	17.0%	15.4%	14.3%	5.6%	1.1%

Source: In-Stat, 2/09

Figure 21, below, graphically illustrates the data provided in Table 17 on the preceding page.

**Figure 21. Males Multitasking While Watching TV, by Age**



Source: In-Stat, 2/09

## Multitasking by Gender, Ages 18–34

Table 18 and Figure 22, on the following page compare the responses to our questions about multitasking while watching TV by gender and by age group. We'll point out key differences.

Only 14.7% of males in the 25–29 age group watch alone, compared with 31.6% of females in the same age group. Males in the 25–29 age group are unlikely to be living alone. Single men typically share a living space with a roommate(s) or housemate(s), or are recently married. About 30% of females in the 25–29 age group reported that they regularly watch TV alone. This is double the percentage of males in the same age group. Males in the 25–29 age group had, by far, the highest percentage reporting they regularly watch TV with others, at 55.9%.

Males, in general, reported a higher percentage watching TV while sitting still than females, across all three age groups in this section.

Conversely, females reported markedly higher percentage that move about while watching TV than males. The 18–24 females reported nearly 20% higher rates of moving about than the males. The 25–29 females reported 29.1% higher rates of moving about while watching TV than males. Evidently, as males age beyond 30, they begin to move about quite a bit more while watching TV, reporting only a 7.5% difference with like-age females, probably because men in their 30s are involved in living situations that include children.

More males than females reported using a PC while watching TV, but the percentage differences were much closer than the differences reported for moving about versus sitting still. The 18–24 age group reported 32.9% of females and 42.1% of males using a PC. The 25–29 age group reported 33.3% of females and 41.2% of males using a PC. The 30–34 age group reported 28.9% females and 34.8% males using a PC while watching TV.

Talking on the phone while watching TV scored nearly identical percentages for the 18–24 age group. The 25–29 age group reported 24.6% females and 20.0% males talking on the phone. The 30–34 age group began to diverge, with 31.1% of females reporting that they regularly talk on the phone while watching TV but only 26.1% of males reporting the same.

Instant messaging, either on a PC or a cellphone, was highly reported by females, at 45.2%, and by males, at 57.9%, for the 18–24 age group. This group contains a high percentage of Facebook and MySpace users, who probably regularly visit their home pages and update their activities. Males in the 18–24 age group reported, by far, the highest percentage performing instant messaging while watching TV. As males age beyond 25, they report a lower percentage than females instant messaging while watching TV. The 25–29 age group reported 42.1% of females but only 23.5% of males instant messaging while watching TV.

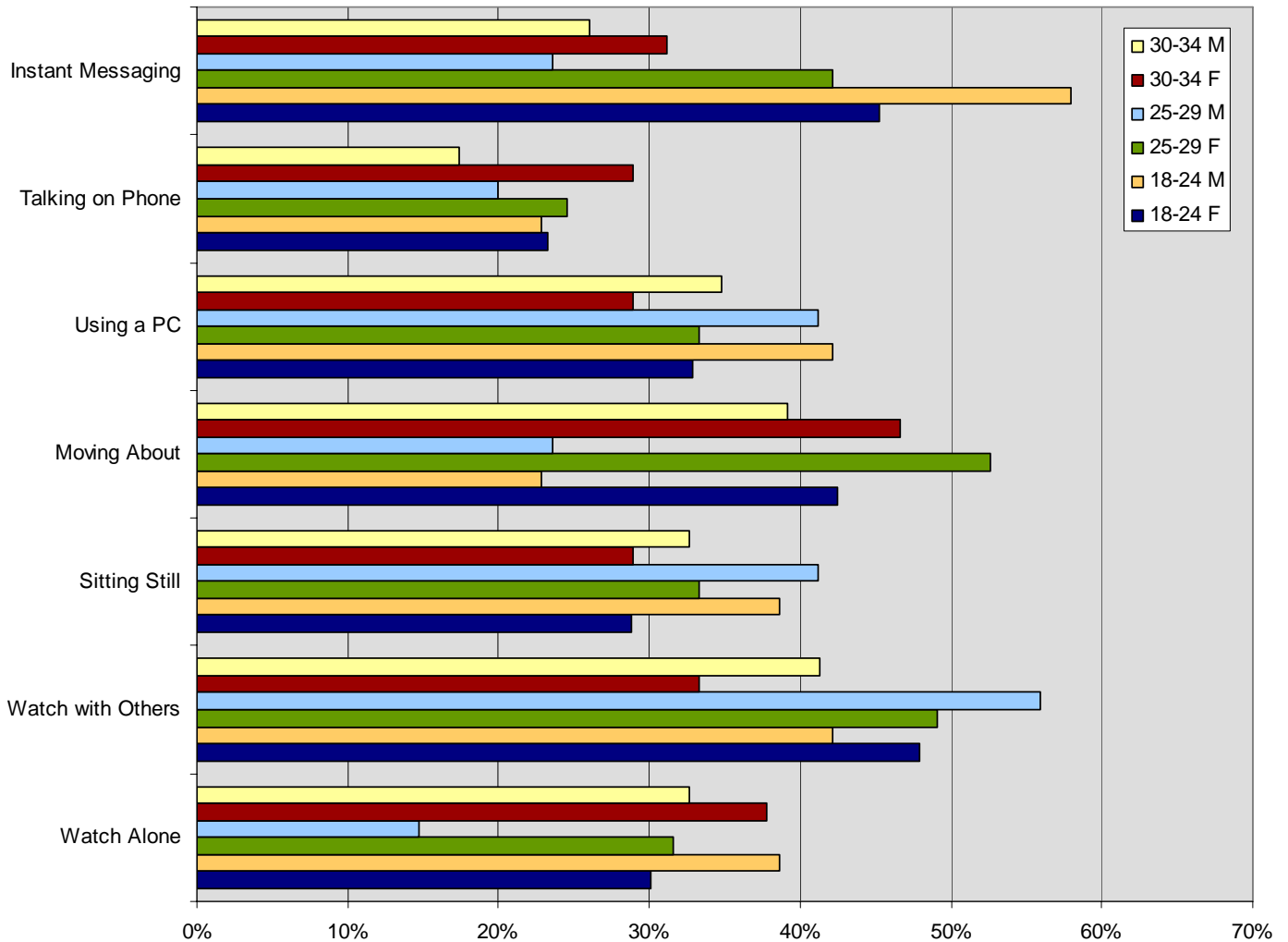
The 30–34 age group reported 31.1% of females and 26.1% of males instant messaging while watching TV.

**Table 18. Multitasking by Gender, Ages 18–34**

Multitasking While Watching TV	18-24 F	18-24 M	25-29 F	25-29 M	30-34 F	30-34 M
Watch Alone	30.1%	38.6%	31.6%	14.7%	37.8%	32.6%
Watch with Others	47.9%	42.1%	49.1%	55.9%	33.3%	41.3%
Sitting Still	28.8%	38.6%	33.3%	41.2%	28.9%	32.6%
Moving About	42.5%	22.8%	52.6%	23.5%	46.7%	39.1%
Using a PC	32.9%	42.1%	33.3%	41.2%	28.9%	34.8%
Talking on Phone	23.3%	22.8%	24.6%	20.0%	28.9%	17.4%
Instant Messaging	45.2%	57.9%	42.1%	23.5%	31.1%	26.1%

Source: In-Stat, 2/09

**Figure 22. Multitasking by Gender, Ages 18–34**



Source: In-Stat, 2/09

## Multitasking by Gender, Ages 35–49

Table 19 and Figure 23, on the following page, compare the responses to our questions about multitasking while watching TV by gender and by age group. We'll point out the key differences.

Males in the 40–44 age group reported the lowest percentage regularly watching TV alone, at 23.4%. Over 40% of females and males in the 45–49 age group reported that they watch TV alone.

In the 35–49 age groups, between 32% to 38% of all respondents reported that they regularly watch TV with others. These age groups are the most likely to have children living at home with them, making TV viewing a shared experience.

While over 30% of all respondents in the 35–39 and 40–44 age groups reported that they are sitting still while watching TV, less than 30% of all respondents in the 45–49 age group sit still. Conversely, females in all three age groups reported significantly higher percentages that are regularly moving about while watching TV than their male counterparts. In the 35–39 age group, females reported a 22% higher percentage than males moving about, at 46%. In the 40–44 age group, 40% of females reported moving about, 19.1% more than males. In the 45–59 age group, 48% of females reported moving about, against only 33% of males, a difference of 15%.

52% of males in the 35–39 age group reported regularly using a PC while watching TV, 19% higher than the 33% of females. In the 40–44 age group, 26% of males, and only 13% of females reported using a PC while watching TV. In the 45–59 age group, 44% of males reported using a PC, against only 30% of females, a difference of 14%. Males in the 35–39 age group reported the highest percentage using a PC while watching TV at 52%, with males in the 45–49 age group coming in a close second at 44%.

Females reported a slightly higher incidence of talking on a telephone while watching TV. Females in the 35–39 age group reported a 5.7% higher incidence of talking on the phone while watching TV than males. Females in the 40–44 age group reported an 8% higher incidence than males, and females in the 45–49 age group reported a 6.7% higher incidence than males for talking on the telephone while watching TV.

For use of instant messaging while watching TV, 29% of males in the 35–39 age group said they did, against only 17% of females, nearly a 12% difference. For the 40–44 age group, 17% of males and 12% of females reported instant messaging while watching TV. For the 45–49 age group, 16% of females and 15% of males reported instant messaging while watching TV.

The key “take aways” for the 35–49 age group are that males are more likely to sit still than females, and this fact results in a higher use of PCs and instant messaging by males while watching TV.

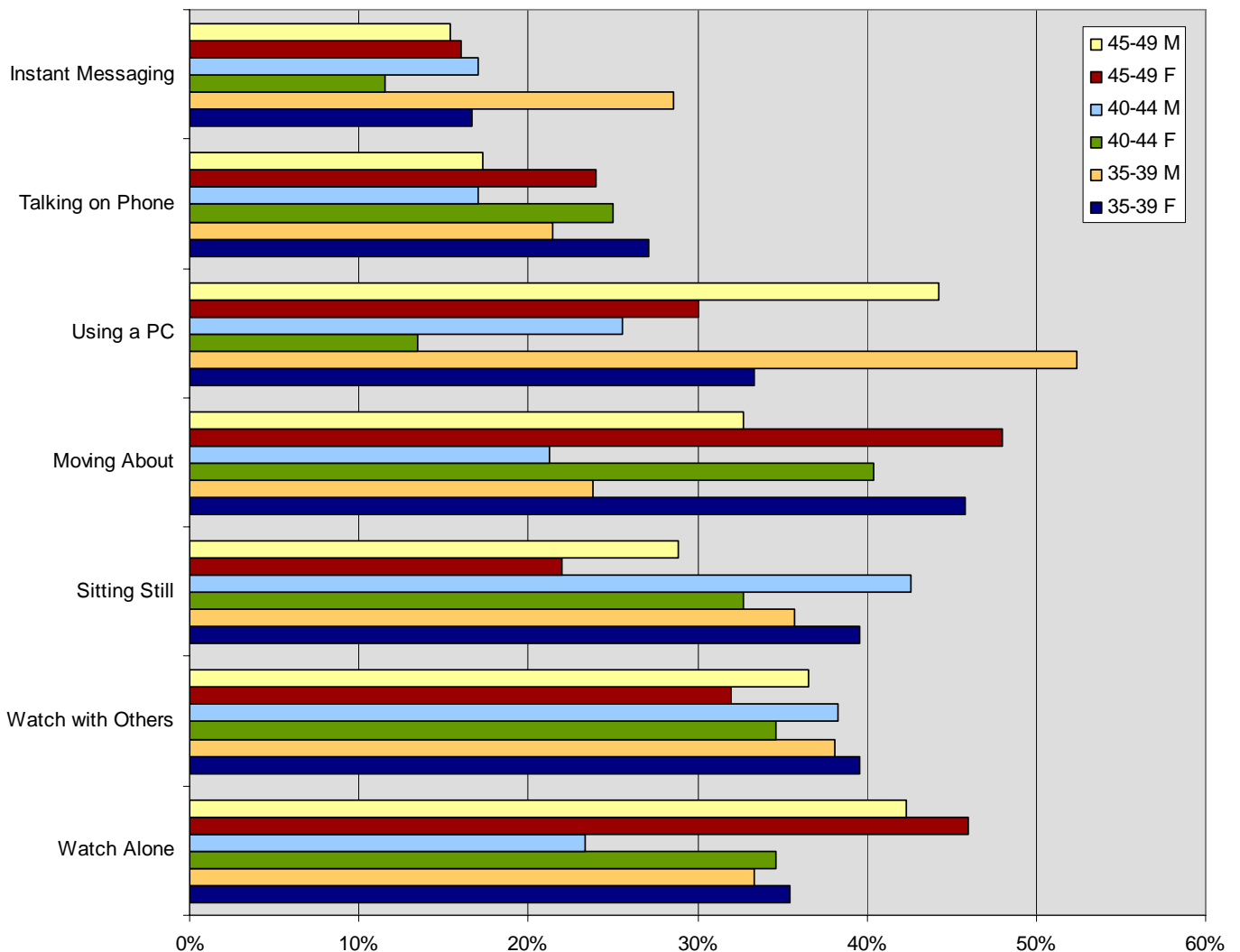
Males in the 35–39 and 40–44 age groups are very likely to be using a PC while watching TV.

**Table 19. Multitasking by Gender, Ages 35–49**

Multitasking While Watching TV	35-39 F	35-39 M	40-44 F	40-44 M	45-49 F	45-49 M
Watch Alone	35.4%	33.3%	34.6%	23.4%	46.0%	42.3%
Watch with Others	39.6%	38.1%	34.6%	38.3%	32.0%	36.5%
Sitting Still	39.6%	35.7%	32.7%	42.6%	22.0%	28.8%
Moving About	45.8%	23.8%	40.4%	21.3%	48.0%	32.7%
Using a PC	33.3%	52.4%	13.5%	25.5%	30.0%	44.2%
Talking on Phone	27.1%	21.4%	25.0%	17.0%	24.0%	17.3%
Instant Messaging	16.7%	28.6%	11.5%	17.0%	16.0%	15.4%

Source: In-Stat, 2/09

**Figure 23. Multitasking by Gender, Ages 35–49**



Source: In-Stat, 2/09

## Multitasking by Gender, 50 to 65+

Table 20 and Figure 24, on the following page, compare the responses to our questions about multitasking while watching TV by gender and by age group. We'll point out key differences.

Nearly 40% of males in the 55–64 age group reported that they regularly watch TV alone. Nearly 50% of them reported that they sit still while watching TV. Yet this group of males reported relatively low use of a PC, a telephone, or instant messaging while watching TV. These men fit the classic description of “couch potatoes” because they literally sit still and watch their TV.

All of the other segments in this section, including females and males in the 50–54 age group, females in the 55–64 age group, and all respondents in the 65+ age group reported 40%, or higher, rates of moving about while watching TV. The males in the 55–64 age group reported fewer than 20%. Males in the 55–64 age group were less than half as likely to be moving about while watching TV.

A relatively high percentage of male respondents in the 50–54 age group, 34.7%, reported regularly using a PC while watching TV. Fewer than 20% of respondents in the remaining age groups and gender categories reported regularly using a PC while watching a TV.

Females in the 50–54 age group reported a high percentage that talked on the phone while watching TV, 30.2%, compared with a paltry 14.3% of males in the same age group, less than half.

In the 55–64 age group, the percentage of women regularly talking on the phone while watching TV declined to about 25.3%, and the percentage of male respondents rose to 16.9%. In the 65+ age group, an equal 20% of both females and males reported that they regularly talk on the phone while watching TV.

A surprising 14.3% of males in the 50–54 age group reported doing instant messaging while watching TV, and 11.6% of females in the 50–54 age group also reported doing instant messaging.

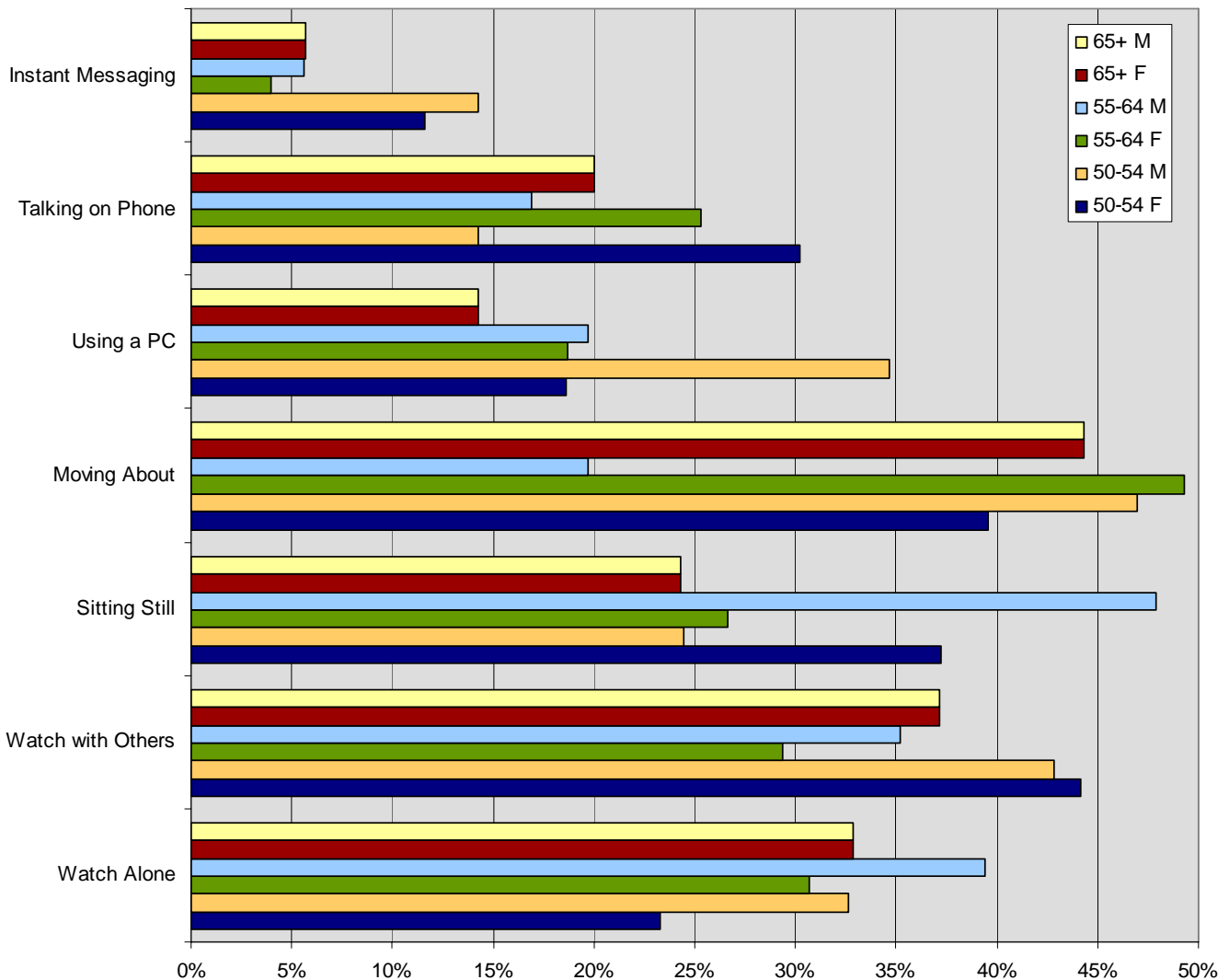
For the “over 55” age groups, 55–64 and 65+, fewer than 6% of respondents reported doing instant messaging while watching TV.

**Table 20. Multitasking by Gender, 50 to 65+**

Multitasking While Watching TV	50-54 F	50-54 M	55-64 F	55-64 M	65+ F	65+ M
Watch Alone	23.3%	32.7%	30.7%	39.4%	32.9%	32.9%
Watch with Others	44.2%	42.9%	29.3%	35.2%	37.1%	37.1%
Sitting Still	37.2%	24.5%	26.7%	47.9%	24.3%	24.3%
Moving About	39.5%	46.9%	49.3%	19.7%	44.3%	44.3%
Using a PC	18.6%	34.7%	18.7%	19.7%	14.3%	14.3%
Talking on Phone	30.2%	14.3%	25.3%	16.9%	20.0%	20.0%
Instant Messaging	11.6%	14.3%	4.0%	5.6%	5.7%	5.7%

Source: In-Stat, 2/09

**Figure 24. Multitasking by Gender, 50 to 65+**



Source: In-Stat, 2/09

## Estimate of Number of TV Viewers Multitasking While Watching TV

Table 21, and Figure 25, below, provide a rough estimate of the number of US TV Viewers that are multitasking while watching TV.

Our estimate is that about 66.3 million TV Viewers are simultaneously using a PC while watching TV.

About 47 million are talking on a telephone while watching TV.

About 45.1 million US TV Viewers are simultaneously using Instant Messaging on a PC or Text Messaging on a cell phone while watching TV.

In the Using a PC category, we would expect males to have a high percentage doing this, and our survey bears this out, with about one-third of all males participating. What's surprising is that female respondents showed a high number Using a PC while watching TV. That tracks at slightly lower numbers as the males within each age group. In the 55–64 and group, and the 65+ age group, we estimate that the number of females Using a PC while watching TV is very close to the number of males in this category.

The older males, above age 55, appear to be the “laggards” for Using a PC while watching TV. The percentage Using a PC drops from 34.7% for males, 50–54, down to 19.7% for males, 55 to 64. It remains nearly flat, at 21.3% for males in the 65+ age bracket. If the PC industry could come up with an easy to use approach and a cost-effective product for this demographic, there may be a substantial market opportunity. We'll address this opportunity later on in the report, in the section about Netbooks.

Talking on the phone attracted significantly more females than males. If you look at the green vertical bar in Figure 25, you'll see that the number of females regularly talking on the phone is clearly larger than the light blue vertical line that indicates the number of males Talking on the Phone while watching TV.

For Instant Messaging and Texting on a mobile device, males in the 18–24 age group were “off the charts” compared with all other age groups, with 57.9% of males doing this. The females in this age group reported 45.2% of them participate. The 25–29 age group had exactly the opposite response. Our estimate is that there are about 4.4 million females regularly using IM and Texting while watching TV in this age group, and only about 2.6 million males.

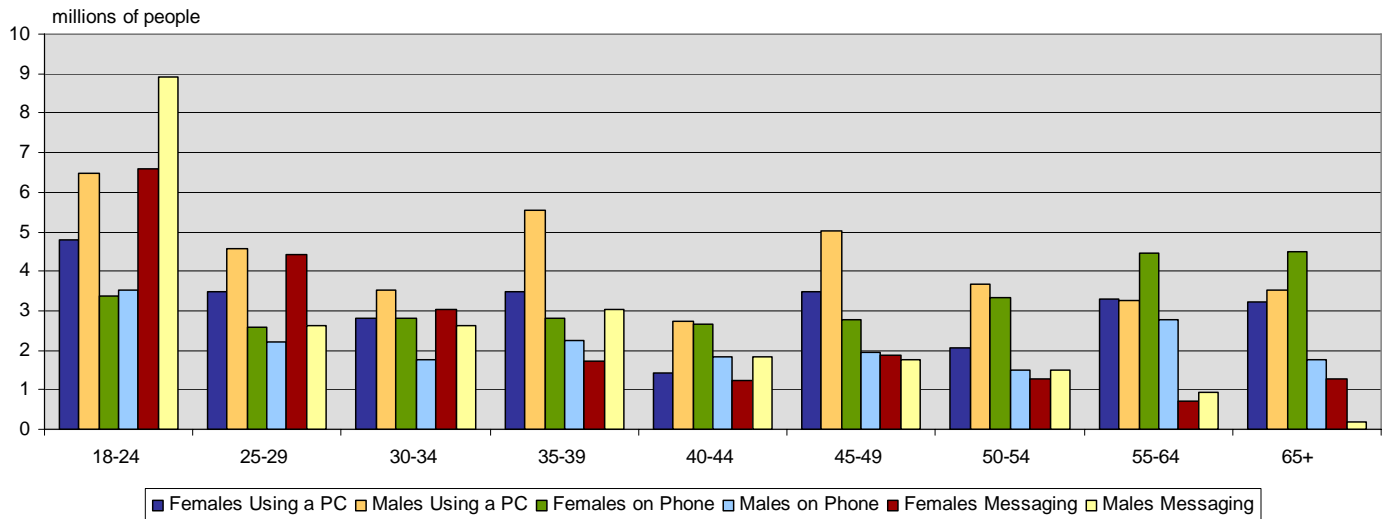
**US TV Viewers' Response to Economic Turmoil**  
SKU: IN0904557CM

**Table 21. Estimate of US TV Viewers Multitasking, by Gender and Age**  
(Number of People in Category, in Millions, Percentage in Percent)

Estimate of number of persons Multitasking by Age Group	Female	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-64	65+
<b>Number in Category</b>	118.7	14.6	10.5	9.8	10.4	10.7	11.6	11.0	17.6	22.5
% on PC	24.6%	32.9%	33.3%	28.9%	33.3%	13.5%	30.0%	18.6%	18.7%	14.3%
# on PC	29.1	4.8	3.5	2.8	3.5	1.4	3.5	2.0	3.3	3.2
% on Phone	25.0%	23.3%	24.6%	28.9%	27.1%	25.0%	24.0%	30.2%	25.3%	20.0%
# on Phone	29.6	3.4	2.6	2.8	2.8	2.7	2.8	3.3	4.5	4.5
% Messaging	20.5%	45.2%	42.1%	31.1%	16.7%	11.5%	16.0%	11.6%	4.0%	5.7%
# Messaging	24.3	6.6	4.4	3.0	1.7	1.2	1.9	1.3	0.7	1.3
Estimate of number of persons Multitasking by Age Group	Males	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-64	65+
<b>Number in Category</b>	112.8	15.4	11.1	10.1	10.6	10.7	11.3	10.6	16.4	16.6
% on PC	32.9%	42.1%	41.2%	34.8%	52.4%	25.5%	44.2%	34.7%	19.7%	21.3%
# on PC	37.1	6.5	4.6	3.5	5.5	2.7	5.0	3.7	3.2	3.5
% on Phone	15.4%	22.8%	20.0%	17.4%	21.4%	17.0%	17.3%	14.3%	16.9%	10.6%
# on Phone	17.4	3.5	2.2	1.8	2.3	1.8	2.0	1.5	2.8	1.8
% Messaging	18.9%	57.9%	23.5%	26.1%	28.6%	17.0%	15.4%	14.3%	5.6%	1.1%
# Messaging	21.3	8.9	2.6	2.6	3.0	1.8	1.7	1.5	0.9	0.2

Source: In-Stat, 2/09

**Figure 25. Estimate of US TV Viewers Multitasking, by Gender and Age**  
(Number of People in Category, in Millions)



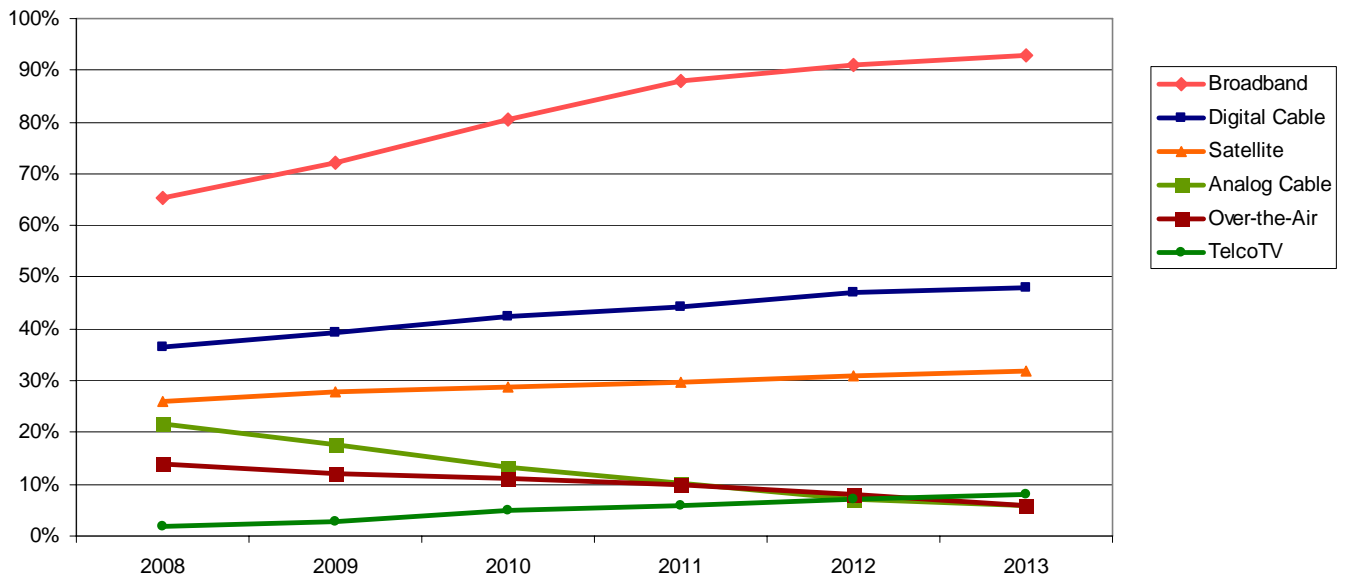
Source: In-Stat, 2/09

## Why Multitasking Is an Important Issue

We've just presented a great deal of information about what types of programming consumers are watching, and what kinds of activities they are engaged in while watching TV. At least 25% of all male respondents, from all age groups, reported that they are sometimes using a personal computer simultaneously while watching TV. Some male age groups reported 40%, and up to 50%, are using a PC while watching TV, and about 30% of females under the age of 40 are also using a PC while watching TV. These PCs are connected to broadband services. Many are laptop PCs that connect to a wireless in-home network, such as Wi-Fi.

Figure 26, below, graphically illustrates the percentage of US households that will be connected to a broadband service through 2013. Recall that broadband service is the one "must have" service and consumers will not be decreasing their spending on broadband, even during these difficult economic times. Local TV stations, TV networks, pay-TV networks, 24-hour news networks, sports leagues, and music channels, can instantly connect to some of their viewers, right now, on both the TV screen and on a laptop computer screen. By putting services and applications directly onto the World Wide Web, a very large audience can be obtained from a single web portal that has millions of users logged in during the live TV broadcast. The NFL provided a preview of this approach for Thursday Night Football, encouraging fans to "tune" their computer to <http://www.nfl.com> where they could get six camera viewing angles, along with real-time stats and highlights of the game while watching their big screen TV. With broadband expected to become nearly ubiquitous by 2013 in the US, even the cable TV service providers are linking up with TV networks to participate in this emerging new way to watch TV.

**Figure 26. Broadband Penetration Versus TV Delivery System Penetration Through 2013**



Source: In-Stat, 2/09

## Harris Dynacast Solution Marries TV With Live Web Portals

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Harris Broadcast Communications Division is a leading provider of technology solutions to the broadcast television industry. During the past decade, the world of television has been moving from traditional analog TV to new digital TV formats. With video and audio “digitized,” a revolution is taking place that combines digital TV with Commercial Off-The-Shelf (COTS) Information Technology (IT) equipment, such as computers, disk drives, networks, and solid state memory devices. Modern TV programs are produced in an efficient workflow that permits easy integration with technologies from the World Wide Web. Digital markers can be placed in a digital video file that can be used as triggers to activate applications on the Internet. Addressable advertising can also be supported in this fashion.

### Dynacast Makes the Web a “Lean Back” Experience

The traditional difference between TV and the Internet has been that the TV is a “lean back” experience, in which the viewer tunes in a program and watches, while the Internet is the “lean forward” experience that requires a certain level of active engagement. On a web page, you must navigate a cursor around the screen, and then type in information with a keyboard. What if you could “tune in” to a web page, opt in with a registration that provides your personal preferences, and then the website took over and “pushed” your preferred content to you? You could “lean back” while on the Internet!

A new product from Harris, called Dynacast, acts as the “connection” between linear (“live”) or “on demand” digital video playback going to a TV set, and applications that are set up on a web portal. When a person is logged into the web portal, and has activated a viewing window, the Dynacast “machinery” can provide automatic updates of sports statistics, roll streaming video highlights, and insert localized advertising that is synchronized with what is being shown on the big screen TV set.

Dynacast provides a two-screen, interactive viewing and listening experience for television and radio audiences. This unique and award-winning technology synchronizes web content with a live or pre-recorded program, connecting a whole new “channel” to the Internet. Dynacast delivers a compelling new way to engage audiences and generate revenue.

During a Dynacast, information supplemental to the program is displayed on the viewer’s Internet browser. Watching golf? With Dynacast, as a golfer sinks the winning putt, the viewer’s computer can display player and tournament stats. Or, when an ad runs, the website of a local retailer can appear in the browser. If the viewer “clicks through” to the local retailer’s website, and opts in to obtain more information, local broadcasters and cable operators will participate in revenues from generating sales leads. This provides an entirely new web-based revenue stream for video providers.

To find out more about the Harris Dynacast product, visit:

[http://www.broadcast.harris.com/product\\_portfolio/product\\_details.asp?sku=dynacast](http://www.broadcast.harris.com/product_portfolio/product_details.asp?sku=dynacast)

**Netbook PCs and Mobile Internet Devices May Be an Opportunity**

There is a new type of low-cost personal computer beginning to come to market, called a Netbook. In-Stat has detailed reports about this emerging product, along with an entire line of reports for mobile internet devices, or MIDs.

On Table 20 and in Figure 24, we presented data about multitasking while watching TV. One thing that stands out is that males in the 55–64 year old age group are overwhelmingly “sitting still” while watching TV. In addition, only about 19% of them are using a PC while watching TV.

Men in the 50–54 age group are not sitting still as much, and 34.7% of them said they are already using a PC while watching TV. The 55–64 age group and the 65+ age group have much higher percentages who are sitting still while watching TV, but do not yet use a computer. We calculated, conservatively, that about 4.6 million men in the 55–64 age group are sitting still, but not yet using a computer. We further calculated that about 3.7 million men in the 64+ age group are sitting still but not yet using a computer. This provides a possible market for 8.3 million new PCs.

A new type of low-cost laptop, popularly being called a Netbook, retails for about \$300. Because these Netbooks do not run a full-blown desktop operating system, like Microsoft Windows, they provide a reduced feature set. Many Netbooks are being purpose-built specifically to surf the Internet and permit email to be exchanged. These reduced feature-set Netbooks would be an ideal fit for the needs of older men sitting still in front of their TV sets. The ease-of-use of the Netbook, combined with “lean back” applications provided by the Harris Dynacast products, might be just the ticket to encourage men over the age of 55 to purchase a Netbook and use it to enhance their “lean back” TV viewing!

If 8.3 million Netbooks, costing about \$300 each, were to be sold at retail to this target demographic, it would create about US\$2.4 billion in potential revenue for some innovative Netbook producer.

**Table 22. Estimate of Males Over 50, Sitting Still But Not Using a PC**

<b>Older Men Sitting Still</b>	<b>50-54</b>	<b>55-64</b>	<b>65+</b>
# in Age Group	10.6	16.4	16.6
% Sitting Still	24.5%	47.9%	43.6%
# Sitting Still	2.6	7.9	7.2
% Using a PC	34.7%	19.7%	21.3%
# Using a PC	3.7	3.2	3.5
<b>Delta</b>	<b>-1.1</b>	<b>4.6</b>	<b>3.7</b>

Source: In-Stat, 2/09

This is an opportunity for companies that make Netbooks. Netbooks are fully self-contained personal computers that provide a keyboard, a nice viewing screen, and built-in Wi-Fi wireless networking. Because many of these products use Microsoft Windows CE (for consumer electronics) or Linux, they provide limited functionality. One group of functions would be the ability to surf the Internet using the Wi-Fi connection, and send and receive email. These simple, easy-to-use, reliable, and robust Netbooks do not need constant updating and reworking like a full blown PC. Netbooks would make an ideal solution for millions of older gentlemen who are sitting in their comfy La-Z-Boy recliners, watching TV, and surfing the Internet while watching TV. Consider what we just mentioned about Harris' Dynacast product, which can use the laptop as part of an enhanced "lean back" experience!

In-Stat is proposing that the Netbook folks get together with the Harris folks and create an old man's La-Z-Boy net cruiser to marry their laid back TV experience with an exciting Internet supplement.

**Figure 27. Comfortable Recliner With Built-In Computer Table**



Source: In-Stat, 2/09

## Consumer Interest in “Lite” Subscription-TV Services

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We've already shown that about 15% of respondents would like to decrease their spending on Subscription-TV services, and we've also seen that significant portions of the US TV viewing population are regularly using a PC while watching TV. There is a trend emerging in which some consumers are seriously considering dropping their current Subscription-TV service in favor of a hybrid alternative that uses some linear broadcast TV and delivers some portion of TV programming through the household's broadband service connection. EchoStar's DISH Network, and DirecTV have pioneered an approach that delivers traditional direct-to-home (DTH) satellite TV service for linear channels, and “pushes” movies and video-on-demand (VOD) content to a hard disk drive through a subscriber's existing broadband connection. Two other alternatives are likely to be rolled out sometime during the latter part of 2009: Sezmi TV, in the United States, and DailyMedia.TV, in the Netherlands.

### Sezmi TV

Sezmi TV, formerly known as Building B, is an approach that combines the US Digital Terrestrial TV (DTT) infrastructure, a special set-top box that contains a very large hard disk drive (HDD), and a broadband connection to the home to deliver what they describe as a “low-cost alternative to cable TV.” Sezmi operates a Network Operations Center (NOC) in Florida, with their partner, Harris Broadcast Communications Division (Harris BCD).

Internet Service Providers (ISPs) become partners with Sezmi and they sign up subscribers within their local coverage area. The service is expected to cost less than \$40 per month, including rental of the set-top box.

The Sezmi service includes all locally-available High Definition and digital TV stations, and “pushes” some content through the broadband connection to the large disk drive in their set-top box. Sezmi's approach also leases bandwidth from local Digital Terrestrial TV stations and can “data cast” popular video-on-demand content, and also some traditional Subscription-TV networks, using the over-the-air digital infrastructure.

Sezmi has signed up a suite of most-asked-for Subscription-TV networks and has completed technical trials with partners in Seattle, Washington.

For more information, visit:

<http://www.sezmi.com/>

**Daily Media.TV**

Based in the Netherlands, United Content Distributors (UCD) is in trial deployments with their alternative TV approach in Rotterdam. The DailyMedia.TV set-top box does not include a hard disk drive and is based on the Intel Atom processor. The set-top box uses the industry standard “x86” architecture and is capable of streaming “live” video, or “on demand” video directly to a TV set from a consumers’ broadband connection. They have included a DVB-T Digital Terrestrial TV tuner in their set-top box. Because all of the video processing goes on inside the set-top box, the DailyMedia.TV approach can “blend” a broadcast video and audio signal with content that is coming in from the Internet. One example would be that for a soccer game, the viewer using the DailyMedia.TV service might watch the main broadcast feed on the left-hand side of their TV screen, and on the right-hand side they could have a menu of options, including different camera angles, statistics of their favorite players, highlight video clips from other matches taking place, and also participate in social networking.

For more info, visit: <http://www.dailymedia.tv/eng/index.html>

**Estimate for Number of Consumers Interested in “Lite” Subscription-TV**

Table 23 and Table 24, below, provide results from a question we asked about respondents’ level of interest in canceling their existing Subscription-TV service and moving over to one of these lower-cost alternatives. About 31% of all females and all males replied “somewhat interested.”

**Table 23. Female Interest in “Lite” Subscription-TV Service, by Age Group**

Interest in Pay-TV "Lite" Solution	Females	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-64	65+
<b>Number of respondents</b>	513	73	57	45	48	52	50	43	75	70
<b>Not at all</b>	35.5%	20.5%	14.0%	17.8%	29.2%	38.5%	48.0%	30.2%	50.7%	60.0%
<b>Not very</b>	21.8%	21.9%	35.1%	11.1%	22.9%	19.2%	18.0%	27.9%	21.3%	18.6%
<b>Somewhat</b>	31.4%	41.1%	42.1%	44.4%	39.6%	28.8%	22.0%	34.9%	22.7%	14.3%
<b>Very</b>	5.7%	12.3%	3.5%	8.9%	2.1%	7.7%	12.0%	2.3%	1.3%	1.4%
<b>Extremely</b>	1.8%	0.0%	1.8%	8.9%	4.2%	1.9%	0.0%	0.0%	0.0%	1.4%
<b>Don't know</b>	3.9%	4.1%	3.5%	8.9%	2.1%	3.8%	0.0%	4.7%	4.0%	4.3%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: In-Stat, 2/09

**Table 24. Male Interest in “Lite” Subscription-TV Service, by Age Group**

Interest in Pay-TV "Lite" Solution	Males	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-64	65+
<b>Number of respondents</b>	492	57	34	46	42	47	52	49	71	94
<b>Not at all</b>	26.0%	14.0%	20.6%	8.7%	14.3%	19.1%	26.9%	28.6%	40.8%	39.4%
<b>Not very</b>	29.7%	22.8%	23.5%	37.0%	35.7%	36.2%	26.9%	26.5%	21.1%	36.2%
<b>Somewhat</b>	31.5%	35.1%	38.2%	39.1%	35.7%	34.0%	34.6%	36.7%	28.2%	18.1%
<b>Very</b>	7.1%	17.5%	8.8%	8.7%	7.1%	2.1%	5.8%	6.1%	5.6%	4.3%
<b>Extremely</b>	4.1%	8.8%	2.9%	4.3%	7.1%	6.4%	3.8%	0.0%	2.8%	2.1%
<b>Don't know</b>	1.6%	1.8%	5.9%	2.2%	0.0%	2.1%	1.9%	2.0%	1.4%	0.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

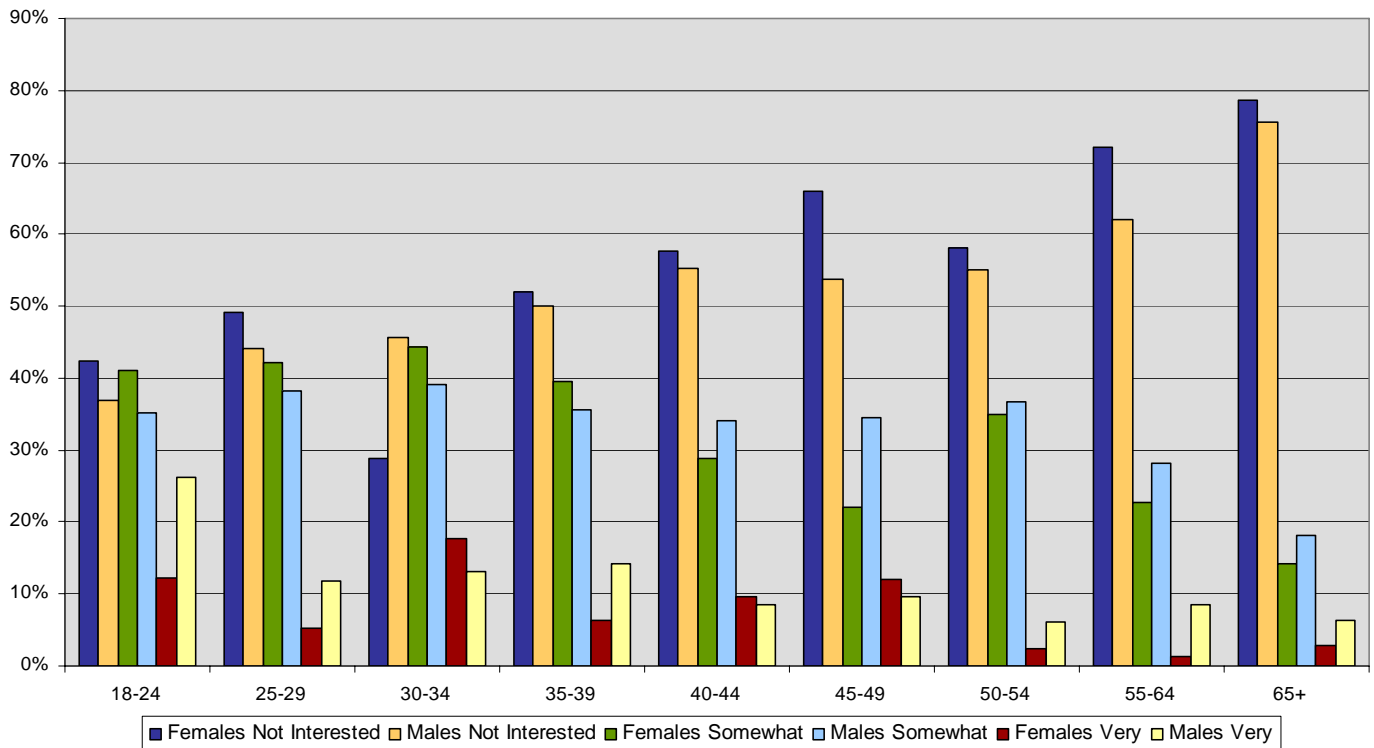
Source: In-Stat, 2/09

Figure 28, below, graphically illustrates data from Tables 23 and 24 on the preceding page.

The bright yellow vertical bar to the right of each group shows the percentage of male respondents who said that they were either “very interested” or “extremely interested” in such an alternative Subscription-TV service. 26% of males in the 18–24 age group fit this group. Just about 10% of male respondents in all of the age groups under 49 years of age also said they were either “very interested” or “extremely interested” in a “Lite” Subscription-TV service. A much smaller percentage of females were in this group.

The good news for alternative TV service innovators is that females indicated that they are at least “somewhat interested” in such a service. The green vertical bar shows females who are “somewhat interested,” and the light blue vertical bar shows males who are “somewhat interested.” Just about 40% of all female respondents under the age of 39 said that they were “somewhat interested.” About 35% of all males in age groups younger than 54 said they are “somewhat interested” in a “Lite” Subscription-TV service. It appears that interest in a “Lite” Subscription-TV service is becoming significant. Now it’s up to these alternative providers to roll out their services and see what kind of traction they earn.

**Figure 28. Female and Male Interest Level in “Lite” Subscription-TV Service, by Age**



Source: In-Stat, 2/09

## Methodology

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This report is part of a continuing series of consumer surveys that In-Stat has been providing to the high tech industry for many years.

In October of 2007, we did an in-depth survey looking at TV viewing habits that asked the question: Will online TV viewing usurp pay-TV? Recently, we've done multiple surveys about consumer interests and attitudes about the so-called "three screen experience" that produced provocative results. We are also closely covering mobile video services, and mobile Internet devices.

The survey was designed and programmed by In-Stat's Primary Research Group, which offers a wide range of capabilities.

The specific survey of this report was fielded in October 27 through November 3, 2008. The number of respondents, by age ranges and gender, match US Census percentages.

The survey was fielded to an audience of consumers in the United States who were 18 years of age, or older, and had an Internet connection, mobile phone, and TV in their primary residence.

1,005 respondents successfully completed the survey.

58% have at least one wide-screen HDTV display and 38% have HDTV service.

### More Detailed Data From This Survey is Available

The survey delivered a great deal more information than can be covered in one report. Interested readers who wish to see more of the detailed data about any of these topics are welcome to contact In-Stat and ask for a quote to obtain a customized version of the detailed data.

#### Note about the Number of Respondents provided on the top rows of some tables:

Some respondents refused to answer the demographic question about their household income. In Table 1, on the preceding page, the top tan-colored row indicates the number of respondents to our questions. We include all respondents, all male respondents, all female respondents, and the number of all respondents, or either sex, in each of seven household income categories. While the total number of all respondents for the entire survey was 1,005, the number on each of the succeeding categories may not add up to 1,005, because a small number of respondents may have refused to answer particulars about their gender, their household income, or other personal information.

**List of Tables**

---

Table 1. How Worried Are You about Employment Situation, by Gender and by Income ..... 6

Table 2. Confidence in Finding a Job Within Six Months, by Gender and by Income..... 9

Table 3. How Has Your Personal Wealth Changed, by Gender and by Income ..... 10

Table 4. Changes in Spending on Subscription-TV, by Gender and by Income ..... 12

Table 5. Changes in Spending on Broadband, by Gender and by Income ..... 13

Table 6. Changes in Spending on Mobile Services, by Gender and by Income ..... 14

Table 7. Estimate of Monthly and Annual Decrease in Spending (Households in Millions, US\$ in Millions) .... 15

Table 8. How Will Overall Spending Change for Holidays, by Gender and by Income ..... 17

Table 9. How Will Overall Spending Change for Winter, by Gender and by Income ..... 18

Table 10. How Will Overall Spending Change for Spring, by Gender and by Income ..... 19

Table 11. Comparison of Spending Plans by Quarter, by Gender ..... 20

Table 12. Programming Genres Male Respondents Watch “Live,” by Income ..... 21

Table 13. Programming Genres Female Respondents Watch “Live,” by Income ..... 24

Table 14. Females Compared with Males for Live Programming, by Genre and by Income ..... 27

Table 15. Multitasking While Watching TV, by Gender and by Income..... 29

Table 16. Females Multitasking While Watching TV, by Age ..... 32

Table 17. Males Multitasking While Watching TV, by Age ..... 34

Table 18. Multitasking by Gender, Ages 18–34 ..... 37

Table 19. Multitasking by Gender, Ages 35–49 ..... 39

Table 20. Multitasking by Gender, 50 to 65+ ..... 41

Table 21. Estimate of US TV Viewers Multitasking, by Gender and Age (Number of People in Category, in Millions, Percentage in Percent) ..... 43

Table 22. Estimate of Males Over 50, Sitting Still But Not Using a PC ..... 46

Table 23. Female Interest in “Lite” Subscription-TV Service, by Age Group ..... 49

Table 24. Male Interest in “Lite” Subscription-TV Service, by Age Group ..... 49

[Return to Table of Contents](#)

**List of Figures**

Figure 1.	How Respondents Get International News and Information, by Gender and by Income .....	2
Figure 2.	How Worried Are You About Employment Situation, by Income .....	7
Figure 3.	Confidence in Finding a Job Within Six Months, by Income .....	9
Figure 4.	How Has Your Personal Wealth Changed, by Income .....	10
Figure 5.	Changes in Spending on Subscription-TV, by Income .....	12
Figure 6.	Changes in Spending on Broadband, by Income .....	13
Figure 7.	Changes in Spending on Mobile Services, by Income .....	14
Figure 8.	Estimate of Annual Decrease in Spending by Income Level (US\$ in Millions).....	16
Figure 9.	How Will Overall Spending Change for Holidays, by Income .....	17
Figure 10.	How Will Overall Spending Change for Winter, by Income .....	18
Figure 11.	How Will Overall Spending Change for Spring, by Income .....	19
Figure 12.	Comparison of Spending Plans by Quarter, by Gender .....	20
Figure 13.	Programming Genres Male Respondents Watch "Live," Sorted by Income .....	22
Figure 14.	Programming Genres Male Respondents Watch "Live," Sorted by Genre.....	23
Figure 15.	Programming Genres Female Respondents Watch "Live," Sorted by Income.....	25
Figure 16.	Programming Genres Female Respondents Watch "Live," Sorted by Genre .....	26
Figure 17.	Multitasking While Watching TV, by Gender.....	29
Figure 18.	Multitasking While Watching TV, by Income.....	30
Figure 19.	Multitasking While Watching TV, by Activity and Income .....	31
Figure 20.	Females Multitasking While Watching TV, by Age .....	33
Figure 21.	Males Multitasking While Watching TV, by Age .....	35
Figure 22.	Multitasking by Gender, Ages 18–34.....	37
Figure 23.	Multitasking by Gender, Ages 35–49.....	39
Figure 24.	Multitasking by Gender, 50 to 65+ .....	41
Figure 25.	Estimate of US TV Viewers Multitasking, by Gender and Age (Number of People in Category, in Millions) .....	43
Figure 26.	Broadband Penetration Versus TV Delivery System Penetration Through 2013 .....	44
Figure 27.	Comfortable Recliner With Built-In Computer Table.....	47
Figure 28.	Female and Male Interest Level in "Lite" Subscription-TV Service, by Age .....	50

[Return to Table of Contents](#)

## Related In-Stat Reports

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- #IN0703448CM US TV Viewer Survey: Online Bids to Usurp Pay-TV, November 2007  
<http://www.instat.com/catalog/mmcatalogue.asp?ID=212&year=2007#IN0703448CM>
- #IN0803962WWI The US Market for Multi-Screen Services, November 2007  
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Webcast 1 of 4: Reed Construction Data and AGC of America Present:

<https://event.on24.com/eventRegistration/EventLobbyServlet?target=registration.jsp&eventid=129755&sessionid=1&key=E118D9DF07F99732F6FF5E7CA7F4A492&sourcepage=register>

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