

TAP Survey Results: Cable VOD Service

To get a better feel for the level of consumer knowledge about VOD service, In-Stat conducts an annual US-based consumer survey about the topic. The most recent one was conducted in June 2005, when 1,711 members of In-Stat's Technology Adoption panel participated in an on-line survey.

In-Stat's Technology Adoption Panel is an online panel of more than 14,000 US-based technology users and decision makers interested in contributing their opinions and insights about technology usage and technology issues in the workplace. The panel is composed of a diverse group of people who represent a wide range of company sizes, industries, and areas of expertise. The diversity of the panel also allows us to gather information on a variety of topics from many different perspectives.

Note, however, that since the panel was primarily recruited as a business panel, it is not representative of the overall consumer population in the U.S. In particular, most of the panelists are male, and tend to be more highly educated, have higher household incomes, and be more "tech-savvy" than the general consumer population.

Key Findings of the Survey

Key findings of our VOD survey include:

- Virtually all US cable TV subscribers were familiar with Video-on-Demand service. Ninety-six percent of those surveyed stated that they were familiar with the service, which is an increase from 80% in In-Stat's 2004 VOD survey.
- Two-thirds of the cable subscribers surveyed stated that their cable operator offered VOD service to their home. This does not mean that all the subscribers receive the service. Instead, it indicates that 66% of the respondents could get VOD if they elected to do so.
- Twenty-five percent of US cable TV subscribers have tried cable VOD service.
- The leading reasons that cable subscribers choose not to receive or watch VOD programming have remained constant over the past two years:
 1. VOD programming is too expensive
 2. No interest in the available VOD programming

Do You Currently Subscribe to Cable TV Service?

The first question in our consumer survey was asked in order to establish a base of cable TV subscribers. As shown in Table 1, 74% of the 1,711 respondents were actual cable TV subscribers.

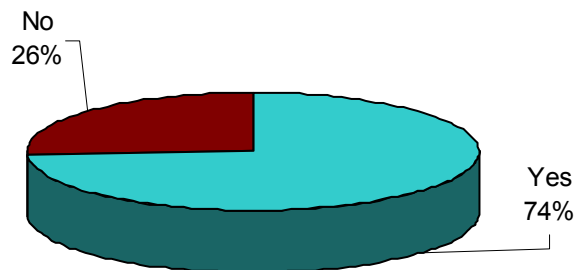
This percentage is marginally higher than the national cable TV penetration rate, which is approximately 65% of total US households. However, since the survey respondents tend to have higher-than-average household incomes, the slightly higher percentage of cable TV households in the sample is understandable.

Table 1. Do You Currently Subscribe to Cable TV Service?

Subscribe to Cable TV Service	% of Respondents	# of Respondents
Yes	74%	1264
No	26%	447
Total Respondents	100%	1711

Source: In-Stat, 6/05

Figure 1. Do You Currently Subscribe to Cable TV Service?



Source: In-Stat, 6/05

N = 1,711

Have You Ever Used Cable VOD Service?

We then asked our base of cable TV subscribers who could actually receive VOD service (N = 836) if they had ever used or tried the service. As noted in Table 5, 38% of the respondents stated that they had used or tried VOD.

This may seem like a modest percentage, but in comparison to last year it is a marked improvement. In the April 2004 In-Stat's consumer VOD survey, only 25% of the respondents who could receive VOD in their home had actually tried the service. This indicates that the cable operators have been moderately

successful during the past year in getting their subscribers to sample their VOD services.

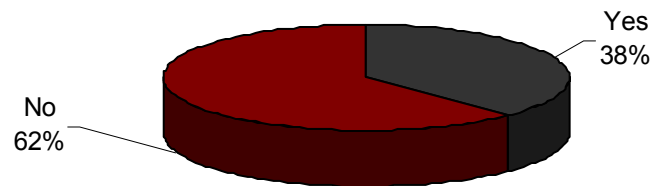
Table 2. Have You Ever Used Cable VOD Service?

Used Cable TV's VOD Service	% of Respondents	# of Respondents
Yes	38%	315
No	62%	521
Total Respondents	100%	836

Source: In-Stat, 6/05

Another way to segment the data provided by this question is that 315 out of 1,264 total cable TV subscribers, or 25%, have tried cable VOD service. After considering anecdotal VOD usage data, this percentage of actual industry-wide usage rings true.

Figure 2. Have You Ever Used Cable VOD Service?



Source: In-Stat, 6/05

N = 836