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Digital Customers Watch More TV - Use Interactive Program Guide

Research Reveals How Digital TV Changes Viewing Behavior

(Alexandria, VA - February 16, 2001) Digital cable and Direct Broadcast Satellite (DBS) customers say that they are watching **three to four more hours of TV per week** than analog cable TV customers, according to new CTAM research.

The CTAM (Cable & Telecommunications Association for Marketing) study, *Impact of Digital Features on Household TV/PC Viewing Decisions*, finds almost half of digital customers are watching more TV since subscribing to their digital service.

The study indicates digital video services and the PC have changed consumer television viewing behavior and purchase patterns.

- **Of premium channel customers, 58% of digital cable customers subscribe to three or more premium channels**, versus 32% of DBS customers and 15% of analog cable customers. Moreover, 89% of digital cable and 82% of DBS customers are frequent viewers of premium channel movies, having watched at least one in the past 30 days.
- **Digital cable and DBS customers are more likely to be frequent purchasers of pay per view movies (39% and 35% purchase once a month or more often)** compared to 5% of analog cable customers. In contrast, analog customers rent videos more often (69% rent at least once a month), while 57% of digital cable customers and 39% of DBS customers rent a videotape or DVD frequently.
- **More than 70% of digital cable and DBS customers agree there is a good selection of movies on their respective TV services**, while half of analog cable customers agree with this statement.

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- On average, **home Internet users report watching between two and four fewer hours of TV per week than non-users** (regardless of the type of TV service). In addition to their TV viewing time, home Internet users report spending between nine and ten hours online during a typical week.

Digital customers self-report changes in how they get program information since subscribing to digital services. According to the CTAM research:

- When asked to choose the one source used most often, **59% of digital cable and 52% of DBS customers use the Interactive Program Guide (IPG)** more frequently than any other source.
- Net usage of traditional printed TV program guides declined by 38% across digital customers and 27% across DBS customers.
- Analog customers still channel surf as the most frequently used program information source (41%), use a variety of printed TV program guides (32%) and use the scrolling cable channel (16%).
- The IPG features most frequently used by digital cable and DBS customers are the information button (80% and 69%), searches by channel (44% and 46%) and searches by premium channel (43% and 43%).

The Ipsos-Reid Corporation executed data collection and analysis. The study consisted of 1200 interviews, evenly divided between digital cable TV, DBS and analog cable TV customers. Interviews were conducted using a computer-assisted telephone interviewing system between August 13 and September 23, 2000. Cable operators provided a random sample of digital and analog cable customers in eight representative markets across the United States. A national random sample of DBS respondents was drawn from a targeted database of DBS customers purchased from Survey Sampling Inc.

CTAM's *Impact of Digital Features on Household TV/PC Viewing Decisions* is available for purchase at \$7500. It includes an executive summary, comprehensive charts and conclusions, data tabulations, and a *Power Point* presentation of key findings. Interested persons should contact Barbara Gural, VP of Research, at 703.837.6540 or barbara@ctam.com.

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Highlights of the study with charts are attached. The release and charts are available at www.ctam.com in the Press Room.

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CTAM, the ***Cable & Telecommunications Association for Marketing***, is dedicated to the discipline and development of consumer marketing excellence in cable television, new media and telecommunication services. As the industry's primary professional service organization, **CTAM** fosters the development of enhanced marketing skills and sharing of marketing information among its members, through conferences, specialized publications, Web sites, consumer research and an active network of local chapters. *The CTAM Educational Foundation* and its centerpiece initiative, *CTAM's Advanced Executive Program at the Harvard Business School*, are designed to help senior industry executives manage more effectively in a market-driven, consumer-focused environment.

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Also see "Viewers Say Yes to Interactive TV"