



High-Definition TV: Is the Signal Getting Stronger?

Consumer interest rises, but understanding remains low, reveals Ipsos-Insight

December 9, 2003, New York, NY – Interest in high-definition television (HDTV) continues to rise among American consumers as television set prices continue to drop and cable and satellite operators move to include more HD programming, according to Ipsos-Insight, the global survey-based marketing research firm. The survey compared current consumer interest, probability of purchase, awareness, and familiarity with last year's levels.

Among those respondents who say they are familiar with HDTV, healthy proportions report having looked at HDTV in a retail store (79%) and being somewhat likely or very likely to buy an HDTV set in the next three months (15%). These proportions are significantly higher than last year: in late 2002, 69% reported having looked at HDTV in a store, and 10% stated intentions to buy HDTV in the near term. However, among HDTV-familiar Americans, three-quarters (76%) say the technology is too expensive to purchase—the same proportion as last year, despite price drops.

“As HDTV prices continue to come down and HD content continues to increase, these perceptions should improve,” says Lynne Bartos, a leader with the company's Cable, Media and Entertainment research division.

Among those familiar with HDTV, nearly all associate the technology with positive and important benefits, such as having a superior quality television picture (92%). Familiarity with HDTV was pronounced among men, people under the age of 55, and the more affluent—a socio-demographic profile that fits the “early-adopter” segment of technology consumers.

But while there are positive trends among those familiar with HDTV, HDTV has yet to make inroads among a broader consumer audience in terms of familiarity. Survey results revealed awareness of HDTV at parity with last year's levels: 76% of Americans are aware of HDTV, compared to 74% last year. More importantly, of the respondents who had heard of HDTV, 40% said they didn't know anything about it, unchanged from the 2002 results. And, while 36% of respondents indicated they were familiar with HDTV, there remains considerable confusion. For example, 13% of people surveyed say they currently own a high definition TV set — a much higher percentage than the industry's reported figure.

“The fact is, high-definition television has yet to make much of an impression on most U.S. consumers,” says Bartos. “While a significant number of Americans have heard of it, they know almost nothing about it.”

“We expected to see the needle move in terms of bringing more consumers up-to-speed with HDTV, not the least because more channels now have HD programming and more cable and satellite operators have slotted HD channels into their line-ups,” she said. “But our findings proved otherwise.”

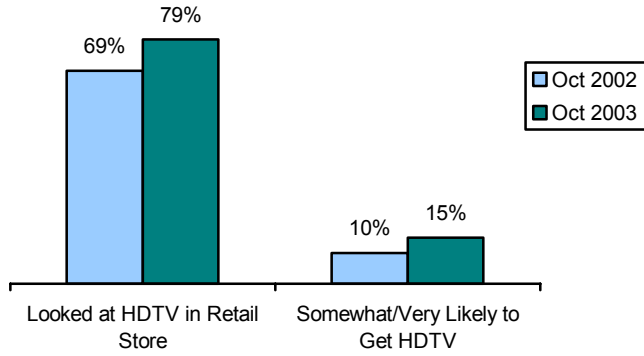
“Retailers, therefore, have an important role to play,” says Bartos. “They need to explain to consumers the features and benefits of HDTV. And to reduce the confusion surrounding what it is. And once consumers become better informed about HDTV, they'll be in a much better position to consider buying into it.”

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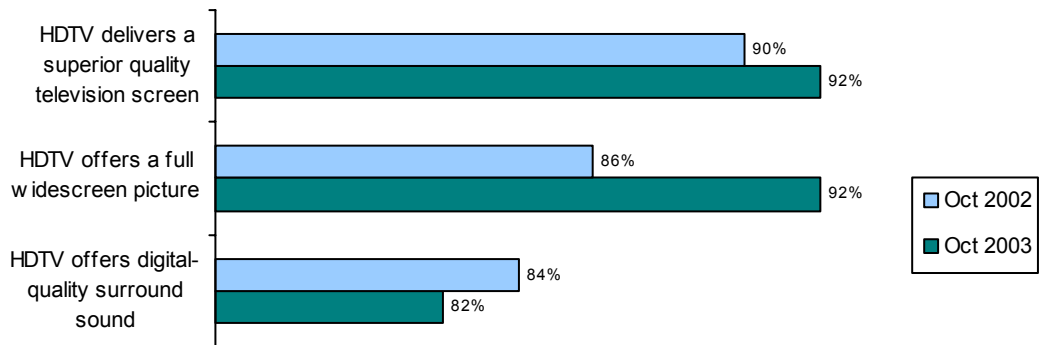


Looked at HDTV in Retail Store/Likelihood to get HDTV



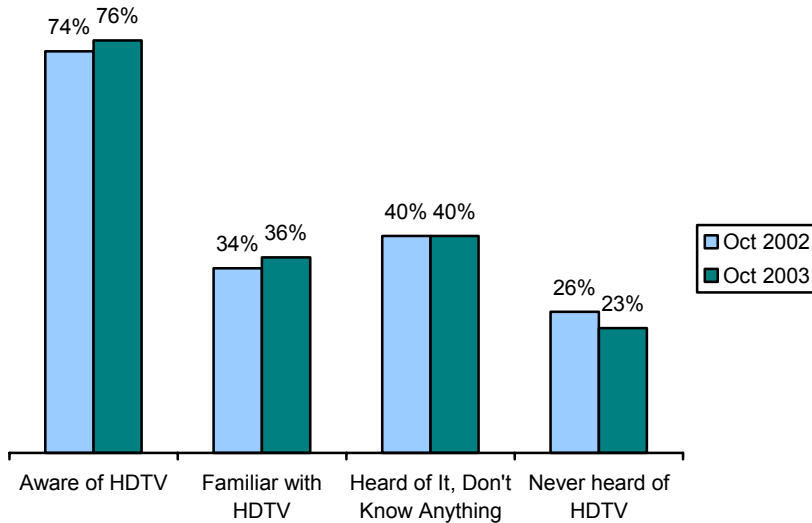
Benefits of HDTV (among respondents who are familiar)

Percentage Agree (Strongly + Somewhat)





Awareness and Familiarity with HDTV



2003 Source: Ipsos U.S. Express. Dates: October 24-26, 2003. Sample size: 1,000 American adults

Ipsos-Insight

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