



Broadcasting & Cable

Who's Buying DVRs?

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It's no secret that DVR is systematically changing the way millions of Americans watch TV. But what is surprising, according to a recent Ipsos Mendelsohn poll, is the discrepancy in DVR ownership between affluent households and the rest of the country.

More than 63% of households with at least \$100,000 total annual income (categorized as "affluent" by Ipsos Mendelsohn), own DVRs. That's roughly 15 million households. By contrast, only about 19% of households making less than \$100,000 a year own DVRs.

"I knew that it was going to be more than average," said Richard Vogt, architect of the survey, referring to the greater number of high-income households owning DVRs. "If you factor it out, it is over three times as much. I'm not sure advertisers are aware that the market is being driven (as much) as it is by the affluent sector."

The survey also looked at the attitudes and opinions of the affluent Americans polled in the study. It found that many are "early adopters" of new technology. They believe being on the cutting edge of new technologies is vital to their success. They often talk to others about their purchases offer advice about what to buy. If this is the case, DVR purchases among affluent Americans may be a harbinger of widespread purchasing by the middle-class.

"The youth market has always been looked to as the primary testing ground but I think looking at the affluent would be another testing ground, since they do have the means for purchasing new products such as DVR and services," Vogt said.

Much like the iPod, Vogt believes that as the price point comes down, acceptance of DVRs among millions of non-affluent Americans will rise. This is the kind of bellwether news that likely makes advertisers quiver. Why? Research on the habits of DVR users clearly indicates that, when given the choice, most viewers will fast-forward through commercials.

As more and more viewers circumvent traditional commercials, Vogt believes more advertisers will be forced to work within the boundaries of DVR platforms. "Tivo has movie trailers at the bottom of the home screen," said Vogt. "So there are opportunities there but they are opt-in. It's very passive."

Common logic assumes that these tough economic times would slow the rate of luxury purchases like DVRs but that may not be the case. The survey's summary concludes that in less than certain times, Americans go out less. Thus, they are more likely to enjoy and invest in the pleasures of home, a concept known as "nesting." Advertisers beware.