

Press Release



Contact:

Wendy Stockard
469.287.8061
ws@asktdg.com

Dominance of Brick-and-Mortar Video Rental Stores

Continues to Give Way to Emerging Services

July 24, 2007 (Dallas, Texas) - According to new research from The Diffusion Group, the dominance of local video rental stores continues to give way to alternative sources such as direct-mail, video-on-demand, or pay-per-view. *Movie Rental Behavior and Proclivity to Use Online Movie Services*, TDG's latest report on the media consumption habits of broadband consumers, notes that one-third of broadband households that rent movies from traditional retail outlets also use another direct-mail, pay-per-view, or video-on-demand service for movie rental.

"Approximately 90% of U.S. broadband households rent movies on a regular basis," notes Michael Greeson, president and principal analyst at The Diffusion Group, a Dallas-based consumer electronics think tank. "Two-thirds of these consumers still use a local video store for movie rentals, but a growing number of these same consumers now use other rental services to either supplement their video store rentals or, in an increasing number of cases, to replace them." TDG's research found that, among consumers who rented movies from a traditional video rental store, 15% also use a pay-per-view service, 14% use a direct-mail service, and 12% use a video-on-demand service for their movie rentals. Online movie services, however, continue to have a negligible impact on rental behavior: less than 2% of adult broadband users have rented movies through online services and less than 1% use them with any frequency. TDG's latest report on media consumption among broadband consumers, *Movie Rental Behavior and Proclivity to Use Online Movie Services*, features results from a recent online survey of more than 2,000 U.S. adult broadband users and details their media consumption habits, technological proclivities, and demographic characteristics of this important yet poorly understood consumer segment. The report also offers a discussion regarding the challenges and opportunities for online movie download services.

About TDG

The Diffusion Group is a market planning and research firm dedicated to keeping our clients *In Front of the Curve*.™ Since 2004, TDG has helped more than 250 technology leaders, media companies, and service providers to understand and manage the quantum shifts now impacting how consumers access, navigate, distribute and consume media – whenever and wherever they may be.

Media Contact

Wendy Stockard | 469.287.8061 | ws@asktdg.com