

Press Release



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Consumers Want to View Linear Cable TV on Their PCs

New Research Identifies High Levels of Interest in Viewing Cable Programming on PC Screens, Capable of Sustaining Additional Monthly Fees

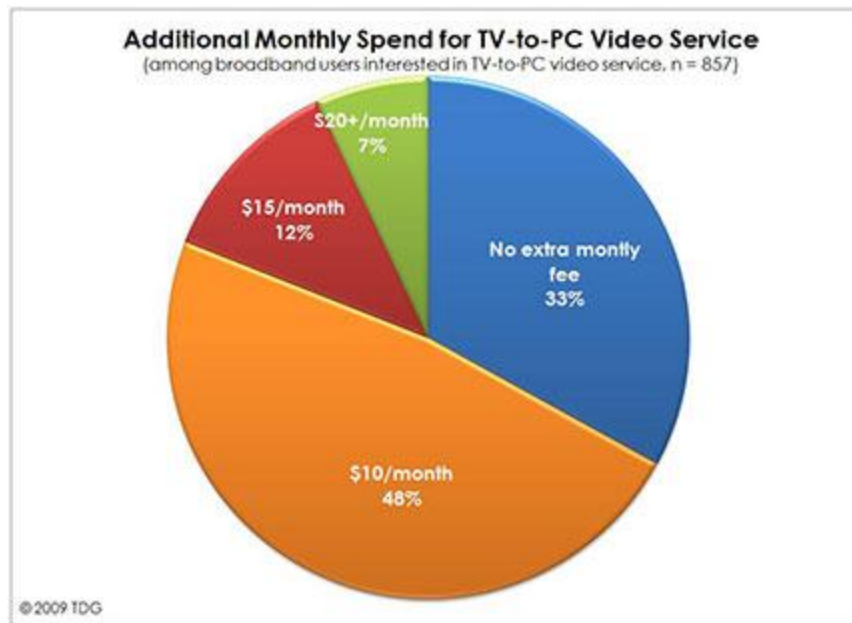
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Dallas, Texas – Just as Comcast and other Pay TV operators announced plans to push high-value cable network programming to the PC, new research from TDG suggests that their intention to not charge for this content could be a major strategic error and leave hundreds of millions in additional fees on the table.

“Cable operators are working aggressively to neutralize the growing threat of online video (both PC-based and Over-the-Top) and the inevitable erosion of traditional Pay TV viewership,” noted Michael Greeson, President of TDG and director of TDG’s quantitative research initiatives. “Making their best content available for online viewing through their own branded portals instead of online aggregators such as Hulu is the right strategy at the right time. Even incumbent Pay TV operators – the antithesis of fast-movers when it comes to Internet video – understand that very soon their one-stop, one-screen TV services will be challenged by alternative conduits and new screens.”

Greeson argues, however, that doing this for free, as an “entitlement” to existing Pay TV subscribers, “...undervalues the very content which has for years driven subscriptions and overlooks a sizeable opportunity to grow revenue and profits at a time during which simply avoiding collapse is seen as a major accomplishment for operators.”

How significant is this opportunity? According to TDG’s new research, 43% of broadband consumers are interested in viewing their linear Pay TV content on their PCs, two thirds of which (29%) are willing to pay at least \$10 per month for the service. The chart below offers a more granular view of pricing preferences.



How much of a difference can that make in revenues and profits? Greeson uses Comcast as an example. "Comcast has close to 17 million digital TV subscribers and 15 million broadband Internet subscribers. If 29% of Comcast's broadband Internet subscribers (4.35 million) would spend an extra \$10 per month to have their current TV programming delivered to their PCs, that's an additional \$43.5 million in gross revenue each month (~\$130 million per quarter or ~\$522 million per year). In times like these – in which simply maintaining revenues and profits would be considered an accomplishment – an extra \$500 million in additional revenue can make a huge difference.

TDG's latest quantitative research project studied consumer interest in alternative video distribution models such as Over-the-Top broadband TV and place shifting applications such as TV-to-PC video offerings. A full outline of topics addressed in this study can be found on TDG's website.

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.

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