

December 2010
State of the Media

**DVR Use
in the U.S.**

nielsen
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Overview

Now in nearly 4 out of 10 households, DVRs have quickly progressed from a novelty to an increasingly mainstream technology. Today, DVR playback contributes significantly to overall TV usage and makes up a substantial portion of the ratings for some TV shows.

For the television and advertising industries, the DVR continues to represent both a blessing and a challenge. By allowing viewers to timeshift shows that they are not able to watch during the original broadcast, the DVR is helping TV networks hold on to viewers who would otherwise seek out other ways to watch these shows—or not watch them at all. At the same time, DVRs enable viewers to fast-forward through content that doesn't interest them, including commercials, potentially undermining television's longtime ad-supported business model.

Some key findings discussed in this report include:

- Viewers do watch commercials on their DVRs. Among DVR homes, playback lifts commercial ratings by 44% among 18-49s after three days. Among all 18-49 year-old viewers, DVR playback adds 16% to commercial ratings after three days.
- More than 38% of DVR users are over age 45.
- When DVR playback is included, DVR households watch more primetime programming than non-DVR households.
- Overall, 49% of time-shifted primetime broadcast programming is played back the same day it was recorded, and 88% is played back within 3 days.
- DVR playback peaks at 9pm and 10pm.

DVR Penetration and Growth

DVR penetration has grown steadily since 2006, when Nielsen first began measuring DVRs in the National People Meter Panel. As of September 2010, DVR ownership stood at 38% of all US TV households. A key factor in the increasing adoption

of DVRs has been their integration into cable and DBS set top boxes. In fact, as of September 2010, more than half (58%) of DVR homes had a DVR within their cable set top box, and 40% had one within their DBS set top box. Just 3% had a stand-alone DVR.

Though DVR penetration continued to grow over the past year, the percentage of homes with multiple DVRs remained unchanged. The majority (71%) of DVR homes have only one unit, a quarter (24%) of DVR homes have two, and 5% have three or more.

Race/Ethnicity of DVR Owners

DVR ownership is highest among White households, followed by Asian households. Ownership rates are lower for African-American and Hispanic households.

% DVR Penetration by Race/Ethnicity	
Total U.S.	38.1%
White	40.3%
Asian	35.4%
African-American	30.3%
Hispanic	29.8%

Income Profile of DVR Owners and Viewers

Viewers in upper income households are more likely to have and use a DVR than those in lower income households. During May 2010, adults in households with an annual income of \$100K+ represented about 19% of the total NPM sample but made up 29% of adults that owned a DVR.

Persons 18+	% of Sample	
	% of total P18+	% of P18+ within DVR HH
Household Income		
Less than \$25K	17.9	8.0
\$25K - \$50K	26.9	20.5
\$50K - \$75K	21.1	23.0
\$75K - \$100K	15.3	19.5
\$100K+	18.8	29.0

Similarly, viewers in households with \$100K+ income made up 30% of the primetime DVR playback audience, and those in households with \$75K+ income made up half the primetime playback audience.

Age Profile of DVR Playback Viewers

The majority of DVR users are under the age of 45. However, as DVR penetration has grown, older viewers have begun to catch up with their younger counterparts in their willingness to use this technology. As of May 2010, about 38% of the DVR-playback audience was 45 or older.

DVR Playback and TV Usage

DVR playback is beginning to have a meaningful impact on viewing. During the 2009-2010 broadcast season, DVR playback after 7 days added 2.29 rating points to total day usage levels for persons 18-49 in households with a DVR. Nevertheless, because DVR households watch less television throughout the day than non-DVR households, TV usage (Live+7) for total day was about one rating point higher in non-DVR households than in households with a DVR, even after playback.

In primetime, however, where DVR playback added almost 7.9 ratings points to TV usage levels in DVR homes, the situation was reversed. In this daypart, playback pushed TV usage in DVR households almost a full rating point above that in non-DVR homes.

	Daypart	Live Rating	Live+7 Rating	Lift
P18-49 in Non-DVR Household	Mon -Sun 6a - 6a	19.02	19.04	0.02*
P18-49 in DVR Household	Mon - Sun 6a - 6a	15.70	17.99	2.29
P18-49 in Non-DVR Household	Mon - Sun 8p - 11p	35.89	35.97	0.08*
P18-49 in DVR Household	Mon - Sun 8p - 11p	29.08	36.94	7.87

09/21/2009 - 05/26/2010

* Use of "start over" technology in non-DVR households is considered time-shifted viewing.

DVR Playback and Length of DVR Ownership

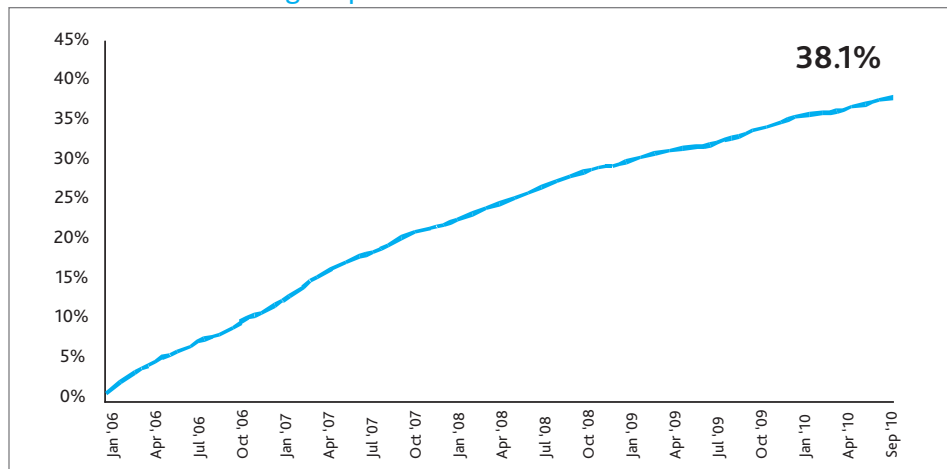
It seems that viewers do more time-shifting once they have become more accustomed to using a DVR. Looking at May 2010 data in households that had acquired a DVR only within the past 12 months, playback added 4.3 points to primetime usage levels for P18-49, making up about 13% of their total Live+7 usage. In households which had a DVR during both May 2009 and May 2010, DVR playback added almost 8.5 points of lift, or about 26% of their total Live+7 usage.

	Interval	Live Rating	Live+7 Rating	Lift
P18-49 (within HH that did not have a DVR in May '09) *	May '10	28.95	33.25	4.30
P18-49 (within HH that already had a DVR in May '09) **	May '10	24.53	33.01	8.47

*Represents 2.3% of P18-49

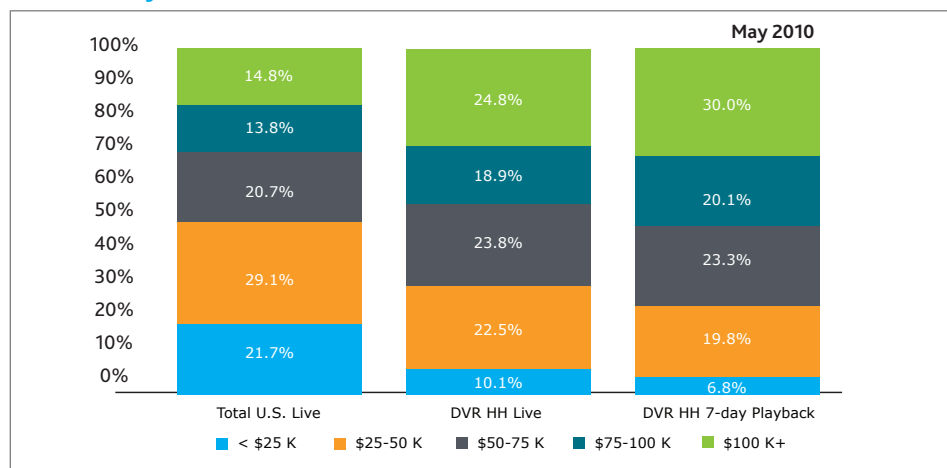
**Represents 13.0% of P18-49

DVR Penetration –through Sept 2010



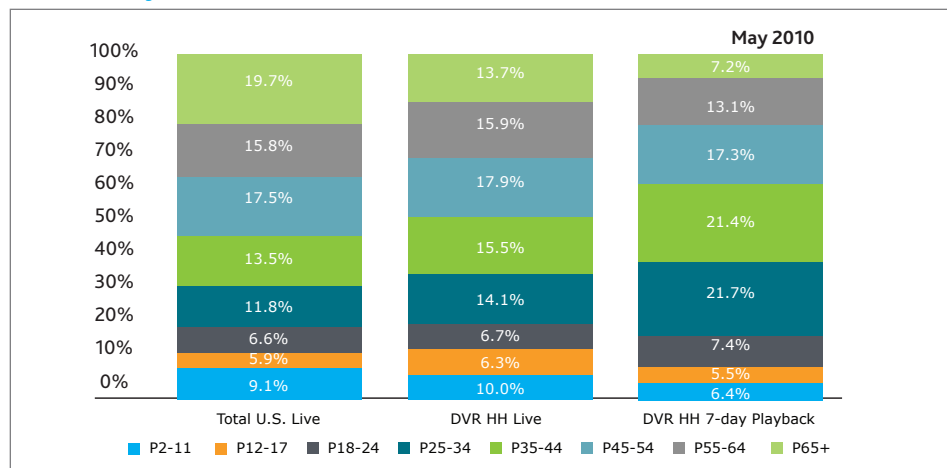
Prime Usage (M-Su 8P-11P)

Live and Playback Income Audience Profiles



Prime Usage (M-Su 8P-11P)

Live and Playback Audience Profiles



DVR Playback of Commercials

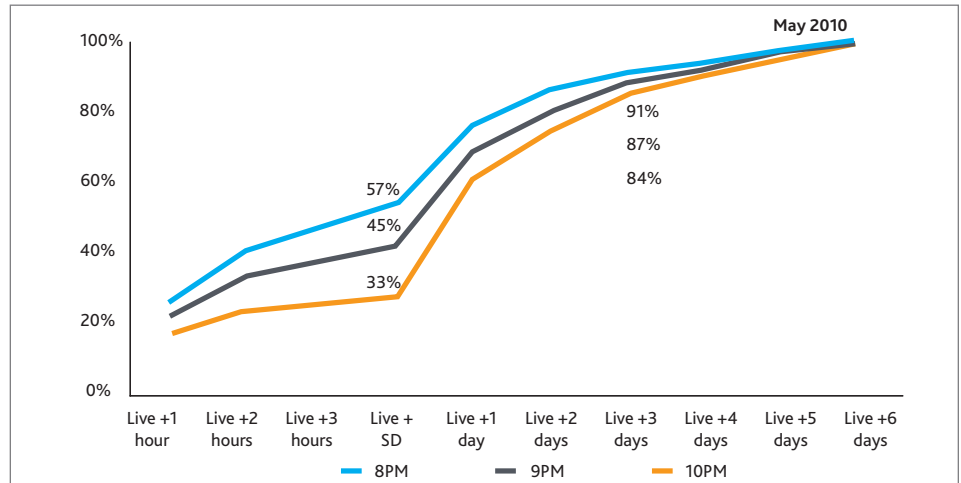
Contrary to fears that DVRs would wipe out the value of commercials because of viewers fast-forwarding through ads, DVRs actually contribute significantly to commercial viewing. In May 2010, the average rating for a primetime commercial minute among persons age 18-49 in DVR households rose from 1.54 in live viewing to 2.21 three days later – a 44% lift.* This degree of lift to the viewing of commercials has remained steady for several years. On a total U.S. basis, DVR playback added a 16% lift to the average minute of primetime commercials.

Primetime Programming on ABC, CBS, CW, FOX, and NBC 04/29/2010 - 05/26/2010				
	Program			
	Live Rating	Live+3 Days Rating	Program Playback Lift	% lift
P18-49 within DVR Household	1.61	3.15	1.54	95%
P18-49 (Total U.S.)	1.88	2.52	0.64	34%

Primetime Programming on ABC, CBS, CW, FOX, and NBC 04/29/2010 - 05/26/2010				
	Commercial			
	Live Weighted Rating	Live+3 Days Weighted Rating	Commercial Playback Lift	% lift
P18-49 within DVR Household	1.54	2.21	0.67	44%
P18-49 (Total U.S.)	1.78	2.06	0.28	16%

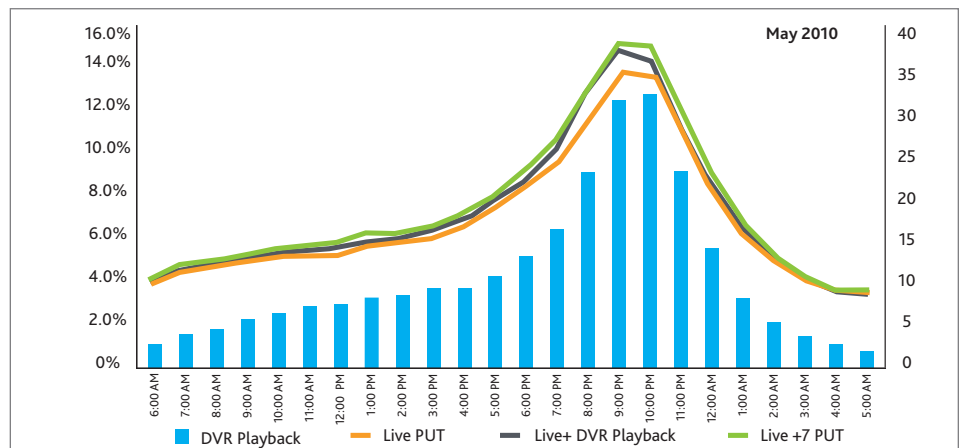
* % of ads played back was calculated by dividing the commercial playback lift by the program playback lift.

Distribution of Playback in Prime –P18-49



Includes all programs that aired on ABC, CBS, CW, FOX and NBC

DVR Playback by Hour –P18-49 Percentage of DVR Playback



DVR Playback through 7 Days

Overall, 49% of time-shifted primetime broadcast programming is played back the same day it was recorded, and 88% is played back within 3 days. But the length of time within which shows are played back varies depending on the time at which the program aired.

Generally, programs that are broadcast at 8pm are more likely to be played back later the same day (57%), while those that air at 9pm and 10pm are less likely to be played back the same day (45% and 33%, respectively) and more likely to be played back later in the week. Of course, the later in the evening that a program is broadcast, the less time viewers have to watch it later that same day.

DVR Playback by Hour

DVR playback levels throughout the day tend to follow a similar pattern as Live TV usage, with most DVR playback occurring in primetime (34%) and peaking at 9pm (12%) and 10pm (13%). Early fringe (M-Su 6-8p) and late fringe (M-Su: 11p-1a) are the next most popular dayparts for DVR playback. This pattern has remained very consistent over the last few years, though there has been a small increase in the amount of playback taking place in late fringe.

Most Time-Shifted Genres

During the 2009-2010 broadcast season, the top-ranked time-shifted genre was Science Fiction, which received a 1.3 rating lift from 7 days of DVR playback. (Note that only one program—V on ABC—fell into this category during the past season.) Sitcoms also ranked highly on lift from DVR playback, with the genre garnering an additional rating point (1.02) after 7 days of playback. General Drama was close behind, with nearly a full rating point of lift (.97), followed by Variety/Reality programs, with a .81 rating lift after 7 days of playback.

News and sports genres received relatively little lift from playback, not surprising since viewers generally prefer to watch these types of shows live. Feature films were the least time-shifted genre, perhaps because their availability on a growing number of platforms and distribution networks prior to the broadcast window has increased the likelihood that viewers will have already seen them.

Genre trends - 2009-2010 season (9/21/09 - 5/26/10)P18-49 - Primetime programming on ABC, CBS, CW, FOX and NBC					
Program Type	Live Rating	Live+SD Rating	Live + 7 Rating	L+SD Lift	L+7 Lift
SCIENCE FICTION	2.19	2.70	3.49	0.51	1.30
SITUATION COMEDY	2.22	2.73	3.24	0.51	1.02
GENERAL DRAMA	2.12	2.51	3.09	0.39	0.97
VARIETY/REALITY*	2.65	3.15	3.46	0.50	0.81
EVENING ANIMATION	2.92	3.30	3.67	0.38	0.75
AWARD CEREMONIES	5.50	6.02	6.21	0.51	0.71
SPORTS EVENT	5.55	5.80	5.85	0.25	0.30
COMEDY VARIETY	1.90	2.05	2.11	0.15	0.21
NEWS DOCUMENTARY	1.56	1.67	1.75	0.10	0.18
GENERAL DOCUMENTARY	1.57	1.64	1.70	0.08	0.13
SPORTS COMMENTARY	3.68	3.79	3.80	0.11	0.12
NEWS	1.36	1.42	1.47	0.06	0.11
FEATURE FILM	1.37	1.40	1.43	0.03	0.07

* includes both General Variety and Participation Variety
 Repeats and programs less than 5 minutes have been excluded
 Program with less than 5 telecasts were also excluded



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