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News Release

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9.6 MILLION U.S. TV HOUSEHOLDS STILL UNPREPARED FOR THE DIGITAL SWITCH WITH ONLY FOUR MONTHS TO GO UNTIL TRANSITION

Houston Least-Prepared Local Metered Market; Ft. Myers-Naples Most-Prepared Market

NEW YORK, NY October 15, 2008 – According to The Nielsen Company, more than 9 million households are not ready for the upcoming transition to all-digital broadcasting and would be unable to receive any television programming at all if the transition occurred today. Another 12.6 million households have at least one television set that will no longer work when the digital transition occurs, meaning that nearly one in five U.S. households are either partially or completely unready for the transition.

Under government-mandated action, all television stations are required to switch to digital programming by February 17, 2009, which will leave viewers without a television signal unless they purchase digital television sets, connect to cable, satellite, and alternate delivery systems or purchase a converter box.

In a research paper released today, Nielsen reported that the number of fully unprepared homes decreased 1.4 percentage points from May 1 to September 1, 2008, leaving 8.4% of all U.S. households still completely unready (click [here](#) for the full report).

New details from this report show that households headed by less educated, lower income and blue collar workers are least prepared for the transition. Consistent with trends in previous reports, older, white households are better prepared than their younger, African American, Asian or Hispanic counterparts.

Nielsen also found that nearly a quarter of all “unready” analog sets are not being used to view regular television. These sets, which are in both partially and completely unprepared homes, are being used for DVD, VCR and Video Games.

“Through its representative panels of television households, Nielsen is uniquely positioned to draw a complete picture of the impact of the digital transition,” said Pat McDonough, Senior Vice President, Insights, Analysis and Policy. “We hope this report will help the broadcasting industry and the government as they accelerate their campaign to educate consumers about the need to transition to digital television.”

These estimates are based on the same national and local television ratings samples that are used to generate national and local television ratings. To conduct the survey, Nielsen representatives observed and tabulated the actual televisions used in its samples. Because Nielsen has developed



samples that reflect the total U.S. population including African American and Hispanic populations, these household characteristics in the samples can be projected to the whole country.

Readiness

Highlights of the report show:

- The percentage of Hispanic households that are completely unready for the digital transition is 13%. About one-quarter of the households that speak only or mostly Spanish are completely unready.
- The percentage of African American households that are completely unready for the digital transition is 12.5%.
- Households whose total annual household income is under \$25,000 per year are five times more likely to be unprepared than households earning over \$75,000.
- Households whose Head-of-House possesses less than a High School diploma are about twice as likely to be unready than ones with a college degree.
- Households whose Head-of-House is in a blue collar occupation are about three-quarters more likely to be unready than one in a white collar job.

Potential Impact of the Digital Transition on Viewing

Other highlights related to the potential impact of the digital transition on viewing include:

- About 15% of primetime viewing among English language broadcast networks occurs on “unready sets,” compared to 26% of viewing among Spanish language broadcast networks. The greatest contribution of viewing to unready sets is among children and teenagers.
- Unready televisions are disproportionately in the kitchen or secondary bedroom, as opposed to the living room or master bedroom.
- In homes that have made the transition from “unprepared” to “prepared” there is a 19% increase in overall viewing.
- Owners of unready televisions are dealing with their sets in a variety of ways. Among households that have done something about their analog sets, 38% of unready televisions have been removed or replaced; 25% have been made ready through a new digital tuner and the rest have either been switched to cable or satellite distribution.

Local Market Rankings

Among the 56 local markets that Nielsen measures with electronic meters, the one that is least ready is Houston, with 15.8% of the households completely unready. The most prepared market is Ft. Myers, with only 2.4% of homes unready.



Least Prepared Local Metered Markets Based on Percentage of Households Currently Unprepared for Digital Conversion

| | MARKET | % Unprepared |
|----------|------------------|---------------------|
| 1 | Houston | 15.8% |
| 2 | Dallas-Ft. Worth | 14.3% |
| 3 | Tulsa | 14.1% |
| 4 | Salt Lake City | 13.4% |
| 5 | Milwaukee | 13.3% |

Most Prepared Local Metered Markets Based on Percentage of Households Currently Unprepared for Digital Conversion

| | MARKET | % Unprepared |
|----------|----------------------------|---------------------|
| 1 | Ft. Myers-Naples | 2.4% |
| 2 | Hartford & New Haven | 2.6% |
| 3 | West Palm Beach-Ft. Pierce | 3.2% |
| 4 | Atlanta | 3.3% |
| 5 | Philadelphia | 3.7% |

Nielsen has developed a model for estimating preparedness in non-metered markets. As a result, there are now estimates of digital preparedness for all 210 local markets. For the full list of local market preparedness, click [here](#) for the metered markets and [here](#) for the diary markets.

About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.