Consumer Likelihood to Buy HDTVs and Next-Generation DVD Players in the Next Year

Contributed by Harris Interactive
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ROCHESTER, N.Y. â€“ March 31, 2005 â€“ According to a recent national survey, 27 percent of adults indicate that they are likely to buy a HDTV (high-definition television) set within the next year â€“ the highest percentage of purchase interest among the seven electronic devices tested. And though next-generation DVD players, capable of delivering high-definition content to the home, have not yet been marketed in the United States, 24 percent of American adults surveyed indicate interest in buying one within the next year.

Greg Durkin, Research Manager for the Media and Entertainment practice at Harris Interactive?, states, "While considerable proportions of American adults are attracted to these technologies, the survey also shows that their interest may be tempered by the reality of the affordability of those products."

When Harris Interactive asks respondents about their likelihood to purchase these same technologies but includes current pricing information, percentages who say they are likely to purchase in the next year are somewhat lower. Likelihood to purchase a high-definition television set that costs between $1,500 and $5,000 is 19 percent while likelihood of purchasing a next generation DVD player that costs between $250 and $1,000 is 16 percent.

These are the results of a survey conducted online by Harris Interactive among a nationwide sample of 2,630 U.S. adults between March 8 and 14, 2005. A list of home electronic devices without price ranges was presented to 1,341 adults, while a list that included price ranges was presented to a separate group of 1,289 adults.

The differences between consumer responses before and after pricing information is disclosed illustrate the degree to which cost continues to inhibit the proliferation of HDTV and may threaten to inhibit the introduction of next-generation DVD players in the U.S. By comparison, the results show there is no significant difference between the percentages of American adults likely to buy a basic television set that costs between $100 and $500, a toaster that costs between $15 and $75, or TiVo or another digital video recorder that costs between $100 and $500, plus $20 per month and the percentages likely to buy when the prices of the devices are omitted.

Basic DVD players and VCRs, on the other hand, actually post higher levels of purchase interest when price ranges are included in the question. Only 19 percent of adults are interested in buying a basic DVD player, while a basic DVD player that costs between $40 and $150 has a net purchase interest of 25 percent. Likewise, 12 percent of adults say they are likely to buy a VCR in the next year, compared to 17 percent interested in buying a VCR that costs between $30 and $120.

"These figures suggest that first-generation DVD hardware sales will remain strong in the near-term," adds Durkin, "boosting domestic DVD penetration. VCR sales will persist as well, despite the pressure from relatively new technologies such as DVRs and DVD-burners that offer a recording function."

Low-end, tube televisions ready to display high-definition signals are currently available for less than $1,500 and these sets, while bulky, may be a viable option for price-conscious consumers. But there are certain segments of the population who appear to be less price sensitive than others when it comes to HDTVs and next-generation DVD players. For example:

- The generation with the highest degree of purchase interest in HDTVs and least price sensitivity are the "Echo Boomers" (those between the ages of 18 and 27). Nearly one-third (32%) of Echo boomers express likelihood of buying an HDTV set when price is not mentioned and nearly as many (29%) do when it is. Baby boomers (ages 40 to 58) are far more sensitive to the prices of the HDTVs â€“ 28 percent express likelihood to purchase when prices are concealed while only 17 percent express interest at the current prices.

- Generation Xers (ages 28-39), compared with other generations, show higher likelihood to purchase next-generation DVD players, both with (23%) and without (29%) price consideration. Baby boomers (ages 40-59) also express interest in purchasing next-generation DVD players; but, as with HDTV sets, they seem more likely to wait until the prices come down before buying.

- Consistent with trends in new consumer electronics, males are more likely than females to say they are likely to buy next-generation DVD players in the next year â€“ but price seems to be a bigger deterrent for men (36% likely to buy when price not mentioned/22% likely to buy when price is mentioned) than it is for women (19% likely to buy when price not mentioned/15% likely to buy when price is mentioned).

- Digital cable subscribers seem insensitive to the current prices of HDTVs, with 33 percent indicating purchase interest when prices are not mentioned, and 32 percent indicating likelihood to buy after considering price ranges. Adults with satellite television are far more price sensitive, as their stated likelihood to purchase drops from 30 to 22 percent when prices are mentioned.

- HBO subscribers express similar likelihood to purchase both HDTV sets and next-generation DVD players. When the price ranges are disclosed, 33 percent of HBO subscribers say they are likely to buy an HDTV set in the next year, and 32 percent say they are likely to buy a next-generation DVD player.

Summary of Findings
Table 1
Likelihood to Purchase Electronic Products in Next Year

Base: All adults who are shown list which did not include price ranges (n=1,341)

?

Likely (Net)

Very Likely

Somewhat Likely

Unlikely (Net)

Somewhat Unlikely

Very Unlikely

Not Sure

?

%

%

%

%

%

%

%

High-definition television set

27

11

16

66

15

50

7

Next-generation DVD player

24

8

17

65

15

50

11

Basic television set

24

9

15

70

16

55

6

Toaster

22

10

13

72

13

59

5

Basic DVD player

19

6

12

74

15

59

7

TiVo or another digital recorder

13

4

10

76

13

63

10

VCR

12

4

8

81

12

69

7

Table 2
Likelihood to Purchase Electronic Products in Next Year

Base: All adults shown list which included price ranges (n=1,289)

?

Likely (Net)

Very Likely

Somewhat Likely

Unlikely (Net)

Somewhat Unlikely

Very Unlikely

Not Sure

?

%

%

%

%

%

%

%

Basic television set that costs between $100 and $500

26

8

18

70

15

54

4

Basic DVD player that costs between $40 and $150

25

10

15

71

18

53

4

Toaster that costs between $15 and $75

23

9

14

73

17

56

4

High-definition television set that costs between $1,500 and $5,000

19

9

9

78

11

67

3

VCR that costs between $30 and $120

17

6

11

79

13

65

4

Next-generation DVD player that costs between $250 and $1,000

16

6

10

80

13

67

4

TiVo or another digital video recorder that costs between $100 and $500, plus $20 per month for service

11

5

6

84

10

73

5

TABLE 3
LIKELIHOOD TO PURCHASE IN NEXT YEARâ€"DEMOGRAPHICS
(THOSE SAYING "SOMEWHAT" OR "VERY LIKELY")

?

?

Total

Gender

Generation

?

Base

All Adults

Male

Female

Echo Boomers* (aged 18-27)

Gen Xers (aged 28-39)

Baby Boomers (aged 40-58)

Matures (aged 59+)

?
?

%

%

%

%

%

%

%

High-definition television set (no price indicated)

n=1,341

?

27

36

19

32

28

28

23

High-definition television set that costs between $1,500 and $5,000

n=1,289

?

19

22

15

29

20

17

15

Next generation DVD player (no price indicated)

n=1,341

?

24

32

18

23

29

27

15

Next-generation DVD player that costs between $250 and $1,000

n=1,289

?

16

20

12

19

23

13

11

* Very small base size

Table 4
Likelihood to Purchase IN NEXT YEARâ€”Media Subscribers
(THOSE SAYING "SOMEWHAT" OR "VERY LIKELY")

?

Base

Total

Digital Cable Subs

Satellite Cable Subs

HBO Subs

?
?

%

%

%

%

High-definition television set (no price indicated)

n=1,341

27

33

30

40

High-definition television set that costs between $1,500 and $5,000

n=1,289

19

32

22

33

Next-generation DVD player (no price indicated)

n=1,341

24

33

32

34

Next-generation DVD player that costs between $250 and $1,000

n=1,289

16

24

22

32

Methodology

This Harris Interactive survey was conducted online within the United States between March 8 and 14, 2005 among a nationwide cross section of 2,630 adults (aged 18 and over). A list of home electronic devices without price ranges was presented to 1,341 adults, while a list that included price ranges was presented to a separate group of 1,289 adults. Figures for age, sex, race, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondentsâ€™ propensity to be online.

In theory, with probability samples of this size, one could say with 95 percent certainty that the results have a sampling error of plus or minus 2 percentage points. Sampling error for percentages based on sub-samples is higher and varies. Unfortunately, there are several other possible sources of error in all polls or surveys that are probably more serious than theoretical calculations of sampling error.

They include refusals to be interviewed (non-response), question wording and question order, and weighting. It is impossible to quantify the errors that may result from these factors. This online sample is not a probability sample.

These statements conform to the principles of disclosure of the National Council on Public Polls.

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