

Nielsen Estimates Number Of U.S. Television Homes To Be 114.7 Million

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The Nielsen Company announced the 2012 Advance/Preliminary TV Household Universe Estimate (UE) is 114.7 million, down from 115.9 million in 2011.

Marking the first integration of the 2010 Census counts, the 2012 UEs reflect an aging population, as Baby Boomers increasingly shift out of the 35-49 demographic, as well as greater ethnic diversity.

The 2012 UEs also reflect a reduction in the estimated percent of U.S. homes with a television set (TV penetration), which declined to 96.7 percent from 98.9 percent. The last such UEs decline occurred in 1992, after Nielsen adjusted for the 1990 Census, and subsequently underwent a period of significant growth.

Potential interrelated factors for the 2012 UE downward shift in TV penetration include:

1. Digital Transition: The summer of 2009 marked a significant milestone with a shift from analog to digital broadcasting. Following the transition, consumers were only able to view digital broadcasts via a set with a built-in digital tuner (i.e., a newer TV set) or an analog TV set connected to a digital-to-analog converter box, cable or satellite. TV penetration first dipped after this transition; the permanence of this trend was acknowledged in 2010 after the number of TV households did not rebound over time.

2. Economics: As with previous periods of belt-tightening, the cost of owning a TV is a factor in this UE decline; TV penetration first saw sustained decreases in second quarter 2009. Lower-income, rural homes were particularly affected.

3. Multiple Platforms: Nielsen data demonstrates that consumers are viewing more video content across all platforms rather than replacing one medium with another. However, a small subset of younger, urban consumers are going without paid TV subscriptions. Long-term effects of this are unclear, as it's undetermined if this is also an economic issue, with these individuals entering the TV marketplace once they have the means, or the beginning of a larger shift to viewing online and on mobile devices.

The media marketplace continues to evolve and become more complex. Some consumers are clearly being driven by the economy to make choices on the media devices they purchase. Others are expanding their equipment to add more audio/video devices to their home. Still others may be deferring a TV purchase or replacing their TV with a computer," said Pat McDonough, Senior Vice President, Insights and Analysis, The Nielsen Company.

Nielsen's cross-platform media strategy will allow us to measure all of this content and report the total picture of video consumption to our clients regardless of delivery method. As the census data shows that we are a more diverse country, our measurements evolve to reflect our diversity and also to encompass all the ways that Americans consume media.

Nielsen will adjust local UEs with the changes to be released in late August 2011 for the 2011-12 TV season and review TV penetration on an annual basis moving forward. The 2010 Census will play a significant role in determining population shifts from market to market.

CALCULATING UNIVERSE ESTIMATES

Nielsen's total household and population estimates are based on the most recent data from the U.S. Census Bureau as well as auxiliary sources such as state governments and the U.S. postal service. The 2012 UEs were benchmarked to the 2010 Census results released earlier this year and growth to 2012 has been projected based on estimated growth rates.

CALCULATING TV PENETRATION

Nielsen applies TV penetrations to convert the total household and population estimates to TV households and persons therein. The 2012 TV penetration for U.S. households was estimated based on data collected during the recruitment of homes for Nielsen's People Meter panel.

Nielsen's definition of a television household requires at least one TV capable of tuning to at least one channel. For example, television sets not updated for digitally transmitted content would not count under Nielsen's definition.

About Nielsen

For more information please visit <http://www.nielsen.com/us/en.html>

3 May 2011