



## NEWS RELEASE

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### Satellite TV Growing Fast & Losing Ground

Houston – (6/10/03) – From 2000 to 2002 Satellite TV increased its subscriber base in 85 metropolitan markets by 27 percent. In spite of its significant growth it fell further behind in its battle for market share with Cable TV, according to The Media Audit.

While Satellite TV was growing by 27 percent, Cable TV was growing by 13 percent but, Satellite was building on a subscriber base of 11,632,000 while Cable was building on a subscriber base of 84,762,000, says Bob Jordan, co-chairman of International Demographics, Inc., a 32-year old research firm, which produces The Media Audit.

From 2000 to 2002 Satellite TV increased its aggregate penetration in the 85 markets measured by The Media Audit from 9.3 percent to 11.3 percent while Cable TV increased its market penetration from 67.7 percent to 73.1 percent.

Cable's subscriber count lead over Satellite grew from 73 million in 2000 to 81 million in 2002. Satellite grew from 11,632,000 subscribers in 2000 to 14,816,000 in 2002. Cable moved from 84,762,000 in 2000 to 96,113,000 in 2002. During the three years Satellite gained 3,184,000 new subscribers in the 85 metro markets while Cable gained 11,351,000 subscribers. Satellite penetration declined in 22 of the 85 markets surveyed while Cable declined in four.

"We expect both Cable and Satellite people to find success in the latest research and to some extent they should," says Jordan.

#### Market Dominance

"The Cable TV companies can no longer enjoy their dominance of the market knowing that Satellite is succeeding in penetrating their market," says Jordan, "but, the gap – or gulf – between the two industries is enormous."

Having said that, Jordan immediately points out "the limited value in aggregate numbers." He insists that advertisers on Cable and/or Satellite must be aware of market penetration at the

local market level. Satellite market penetration extends from 20 percent of households in some markets to less than 5 percent in others.

### **Satellite Penetration in New England**

The individual market penetration numbers can, in combination, show a pattern that extends throughout a multi-state area of the country. Of the six markets with the lowest satellite penetration rates, four are in New England. They are New Haven, Hartford, Boston and Providence-Warwick-Pawtucket.

Jordan is quick to acknowledge that neither he nor anyone else knows when or if the competition between Cable and Satellite will result in greater balance in the marketplace. "It's very possible that the final market positions achieved by the two industries might be determined - not by Cable or Satellite – but, by broadband computer access which is provided by the Cable companies," says Jordan. "In the markets we serve, 80 percent of the Cable subscribers have one or more computers at home. That means fiber optic broadband is just a phone call away. And, if Internet access via Satellite becomes universally available that may impact the marketing success of Satellite TV. It may be that – once again – technology will determine the future of these two industries."

### **Data Source**

Traditional media - print, broadcast and outdoor – have used The Media Audit data in sales, marketing and management for more than 30 years. In 1998, the surveys started providing data on local media web sites. The surveys now contain more than 400 fields of qualitative information in addition to quantitative measurements of local web audiences.

The Media Audit is a product of International Demographics, Inc., a 32-year-old Houston firm that is engaged exclusively in syndicated, multimedia surveys conducted at the local market level.

Note: If you would like to periodically receive market survey data from The Media Audit, please contact Bob Jordan by email ([bjordan@TheMediaAudit.com](mailto:bjordan@TheMediaAudit.com)) and leave your name, title, company affiliation, mailing and/or email address. Additional research data can be found at [TheMediaAudit.com](http://TheMediaAudit.com)