While HDTV Resides in More Households, Interest in Blu-ray Remains Lukewarm

Few likely to purchase a Blu-ray player within the next year

ROCHESTER, N.Y. – June 18, 2009 – While Blu-ray was declared the big "winner" in the high definition format war last year, consumers may be slow to be part of the winning team. In fact, Americans are not jumping on board with any of the high definition DVD players. Just one in ten Americans (11%) own a HD DVD player while 7% own a Blu-ray player. Looking at the other devices for playing HD DVDs, 9% own a Sony PLAYSTATION®3 (which plays Blu-ray) and 3% have the external HD DVD drive for the Xbox® 360 (which plays HD DVDs).

These are some of the results of The Harris Poll of 2,401 U.S. adults surveyed online between April 13 and 21, 2009 by Harris Interactive.

While slow to catch on, ownership of all these high definition disc players is up from May 2008. Interestingly, while Blu-ray was the clear "format war" winner over HD DVD, sales of HD DVD players (11% in 2009 vs. 6% in 2008) are up over 2008 by about the same margin as Blu-ray players (7% in 2009 vs. 4% in 2008). Both were rivaled by the Sony PLAYSTATION®3 (9% vs. 5%). However, only 3% purchased the external HD DVD drive for the Xbox® 360, up from 1% in 2008. There is no expected surge of interest pending -- only 7% of non-Blu-ray player owners report a likely purchase of a Blu-ray disc player within the next year, down from 9% in May 2008

Ownership of HDTVs

Looking at high definition television sets, almost half of consumers now report owning a high definition television (47%), up decidedly from May of 2008 (35%). HDTV ownership rises dramatically with household income (27% for those with less than $35K vs. 62% among those with more than $75K).

Are Blu-ray Player Owners Switching from Standard DVDs to Blu-ray Discs?

On average, consumers purchased approximately 6 Standard Format DVD's in the last six months compared with 1 in HD format (HD DVD .7 vs. Blu-ray .5). However, plans to purchase Standard Format DVD's is down by half compared to past six month purchases, while interest in HD DVD's (.6) and Blu-ray (.7) are holding their own. Notably, HD DVD format purchases reflect the continued sales of the HD DVD players within the past year.

When Blu-ray player or PS3™ owners are asked specifically about standard versus Blu-ray format purchases, the results suggest a mixed bag of behaviors with some price sensitivity indicated:

- Only one quarter plan to switch to Blu-ray completely (25%), while one third of Blu-ray or PS3 owners claim that most of their movie purchases are now on Blu-ray format (32%);
- Two in five are waiting for Blu-ray format prices to come down before they buy more (43%) – and a quarter buy Blu-ray regardless of price (25%); and,
- Only 1 in 5 appear to be replacing or duplicating their existing standard format DVD library with Blu-ray format (21%), and over a third say they only buy movies on Blu-ray format that they currently do not own on standard definition (37%).

So What?

In addition to financial issues that may be slowing consumer adoption, Milton Ellis, Vice President and Senior Consultant, Harris Interactive Technology, Media, and Telecom Practice added, "Blu-ray also faces competition from alternative technologies such as cable, satellite, and the Internet. Consumers today can easily watch high definition TV channels or use the Internet or video-on-demand to access high definition movies. In the near future, access to high definition movies may be a download or streaming delivery of one's favorite movies to a home media server that eliminates the need for a Blu-ray player and Blu-ray disc. One thing is for sure, the market will be highly competitive and consumers will have a wide variety of choices for their entertainment experience."

TABLE 1
CURRENT TECHNOLOGY OWNERSHIP
"Which of the following devices do you own?"

Base: All Adults

	2008 Total	2009 Total	2009 Household Income			
			$34.9k or less	$35k - $49.9k	$50k - $74.9k	$75k+
	%	%	%	%	%	%
DVD Device (net)	N/A	83	71	80	88	90
Desktop computer	86	81	78	79	86	81
Laptop computer	53	56	40	51	57	69
Wireless router (a wireless network or wireless Internet access in your house)	47	49	32	42	56	63
Large screen television (36" or larger)	35	42	25	39	50	55
A high definition television set (HDTV)	35	47	27	45	52	62
A portable DVD player (not the kind that you install in a car)	28	28	16	21	33	39
Sony PlayStation® 2	24	22	20	25	32	18
Any other device that plays DVDs	18	22	19	23	23	26
Nintendo Wii	11	21	10	19	30	27
DVD player that is installed in your car and not removable	10	14	6	8	21	17
Xbox 360	9	13	7	8	21	18
The original Xbox	9	9	8	6	16	9
An HD-DVD player	6	11	7	5	19	12
Sony PlayStation® 3	5	9	6	11	16	8
A Blu-ray disc player	4	7	2	6	13	9
The external HD-DVD drive for the Xbox 360	1	3	1	2	11	2
None of these	1	1	3	*	1	*

Note: Multiple responses allowed
Note: * indicates less than 0.5%;

TABLE 2
LIKELIHOOD OF PURCHASING BLU-RAY DEVICE

(2008): "Knowing that Blu-ray is the unofficial winner of the high-definition DVD format way, how likely are you to purchase a Blu-ray disc player within the next year?"
(2009): “You indicated that you do not own a Blu-ray disc player. How likely are you to purchase one within the next year?”

Base: Do not own Blu-ray Device

	2008 Total	2009 Total
	%	%
LIKELY (NET)	**9**	**7**
Extremely Likely	1	1
Very Likely	2	2
Likely	6	4
SOMEWHAT/NOT AT ALL LIKELY (NET)	**91**	**93**
Somewhat Likely	26	17
Not at all Likely	65	75

Note: Percentages may not add up exactly to 100% due to rounding.

TABLE 3
DVDs PURCHASED IN PAST SIX MONTHS

“How many DVD titles of the following formats have you personally bought in the past 6 months?”
“How many DVD titles of the following formats do you expect to personally purchase in the next 6 months?”

Base: All Adults

	In past six months	In next six months
	Mean	Mean
Standard Format DVDs	6.2	3.4
Blu-ray Discs	.5	7
HD DVDs	.7	6

TABLE 4
PURCHASING DVDS

"Which of the following best describes how you feel about the following statements…?"

Base: Blu-Ray Player Or PS3 Owners

	Completely/ Very Well (Net)	Completely	Very Well	**Well**	**Somewhat/ Not at All (Net)**	Somewhat	Not At All
	%	%	%	%	%	%	%
I am waiting for the prices of movies on Blu-Ray format to drop before I purchase any more	**43**	28	16	19	**38**	15	23
If a movie is available on both Blu-ray format and standard definition, I will only buy it on Blu-ray format.	**42**	31	11	11	**48**	12	36
I only buy movies on Blu-ray format that I do not own on standard definition.	**37**	26	11	19	**44**	12	33
I only buy movies on Blu-ray format when they are on sale.	**36**	24	12	14	**49**	19	30
There are certain genres of movies that I only buy on Blu-ray format.	**35**	26	9	12	**52**	11	41
If a movie is released in standard definition first, I will wait for the Blu-ray format instead of purchasing the standard definition one.	**35**	24	11	14	**51**	16	35
I prefer to purchase movies that have the standard definition and Blu-ray format of the movie bundled in one set.	**32**	20	12	12	**56**	14	41
The majority of movies I buy are on Blu-ray format.	**32**	24	7	9	**59**	14	45
I prefer to purchase movies on Blu-ray format that come with a digital copy of the movie (which I can transfer to my computer or portable video player.)	**31**	21	9	14	**56**	14	42
Ultimately, I plan on replacing the titles that are in my standard definition library with the Blu-ray format.	**25**	20	5	9	**65**	15	51
I purchase movies on Blu-ray format regardless of price.	**25**	18	7	7	68	13	55
My Blu-ray library collection includes many titles that I already have in my standard DVD library collection.	**21**	18	3	7	72	13	60

Note: Percentages may not add up exactly to 100% due to rounding.

Methodology

This Harris Poll was conducted online within the United States between April 13 and 21, 2009, among 2,401 adults (aged 18 and over). 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 respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

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

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