



Lee Graham
lee@lee-graham.biz
212-333-4983

The NPD Group, Inc.
900 West Shore Road
Port Washington, NY 11050

The NPD Group: 4 in 10 U.S. Internet Households Subscribe to Premium Entertainment Services

Subscriptions to premium DVD delivery services and music- and gaming-download services nipping at heels of newspaper subscription rates

PORT WASHINGTON, N.Y., February 18, 2009 – According to The NPD Group, a leading market research company, 38 percent of Internet-enabled households in the U.S. subscribe to premium entertainment services for DVD delivery, music downloads, and/or gaming downloads. By way of comparison, 55 percent subscribe to newspapers or magazines, and 80 percent subscribe to premium television services such as cable, satellite or fiber optic.

"Despite the recession, there are dedicated consumers who remain committed to premium entertainment experiences," said Russ Crupnick, entertainment industry analyst for The NPD Group. "For just a few dollars a month consumers can get a vastly expanded library of movies, music or gaming options; and that represents real value, especially as many consumers are economizing by spending more time at home."

NPD's "Entertainment Trends in America" tracking surveys reveal that 18 percent of Web-enabled households currently subscribe to a premium DVD service, such as Blockbuster Online or Netflix; 6 percent subscribe to an online music service, like Rhapsody or eMusic; 12 percent subscribe to satellite radio; and 12 percent subscribe to a premium gaming service, such as Xbox Live.

"These services have been reporting aggressive subscriber growth in the face of economic stress," said Crupnick. "Entertainment companies need to keep an eye on whether subscriptions begin to cannibalize purchases of packaged media, or if there are additional declines in moviegoing and other away-from-home entertainment."

Data note: Information in this press release was derived from The NPD Group's ongoing tracking study "Entertainment Trends in America." Data was based on consumer surveys from a sample of more than 11,000 consumers, and results were balanced to reflect the U.S. population age 13 and older.

About The NPD Group, Inc.

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The NPD Group - 900 West Shore Road - Port Washington, NY 11050 - www.npd.com