

New Report: Dominance of Brick-and-Mortar Video Rental Stores Continues to Give Way to Emerging Services

July 24, 2007 (Dallas, TX) – According to new research from The Diffusion Group, the dominance of local video rental stores continues to give way to alternative sources such as direct-mail, video-on-demand, or pay-per-view. [Movie Rental Behavior and Proclivity to Use Online Movie Services](#), TDG's latest report on the media consumption habits of broadband consumers, notes that one-third of broadband households that rent movies from traditional retail outlets also use another direct-mail, pay-per-view, or video-on-demand service for movie rental.

"Approximately 90% of U.S. broadband households rent movies on a regular basis," notes Michael Greeson, president and principal analyst at The Diffusion Group, a Dallas-based consumer electronics think tank. "Two-thirds of these consumers still use a local video store for movie rentals, but a growing number of these same consumers now use other rental services to either supplement their video store rentals or, in an increasing number of cases, to replace them."

TDG's research found that, among consumers who rented movies from a traditional video rental store, 15% also use a pay-per-view service, 14% use a direct-mail service, and 12% use a video-on-demand service for their movie rentals. Online movie services, however, continue to have a negligible impact on rental behavior: less than 2% of adult broadband users have rented movies through online services and less than 1% use them with any frequency.

TDG's latest report on media consumption among broadband consumers, [Movie Rental Behavior and Proclivity to Use Online Movie Services](#), features results from a recent online survey of more than 2,000 U.S. adult broadband users and details their media consumption habits, technological proclivities, and demographic characteristics of this important yet poorly understood consumer segment. The report also offers a discussion regarding the challenges and opportunities for online movie download services.

[Movie Rental Behavior and Proclivity to Use Online Movie Services](#) is now available for purchase at TDG's website (www.thediffusiongroup.com).

About The Diffusion Group (TDG):

TDG is an analytics and advisory firm helping companies in the connected home and broadband media markets. Using a unique think-tank approach that blends executive-level consultants and in-depth market research, TDG generates reasoned and pragmatic insights that help clients make intelligent market decisions. TDG produces more than just research - we create Intelligence in Action®.

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