

# Television sets in Australian households 2011

Current stock and consumer expectations about replacing television sets

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# Summary

The information presented in this paper is derived by analysing data from a consumer survey conducted for the Australian Communications and Media Authority (ACMA) by Newspoll in May 2011.

Among other things, the Newspoll survey sought to understand consumer views about:

- > the length of time a television set was expected to remain in service before being replaced
- > some of the factors that might drive a new purchase
- > desirable features that might influence choice.

It was anticipated that expectations may vary by household income, age, and location (metro/regional) as well as other demographic factors.

The Newspoll survey, along with other material from the Department of Broadband, Communications and the Digital Economy (DBCDE) *Digital Tracker* surveys, and other ACMA-commissioned research, provides an indication of the age and the technical specifications of television sets in Australian homes.<sup>1</sup> This enables estimates to be made about the television stock in Australian homes, the total number of digital and analog television sets, and the proportion of high and standard definition digital set-ups.

The ACMA undertook the research to understand the nature and stock of television receiving equipment in Australian homes. This will help it to plan digital television services in the future and, in particular, to gain a better understanding of:

- > the types of television equipment in Australian homes
- > their age and general technical specification
- > how frequently new television equipment is purchased and for what reasons.

## Key findings

### Number of television sets

There are about 18.7 million working television sets in Australian households, with an average of 2.2 in each home. The number of television sets is related to the number of people—adults and children—in the household.

### Purchasing new sets

In the 12 months prior to the survey, 29 per cent of households had purchased a new television set. Most (97 per cent) of these were digital, and for 57 per cent it was their first digital set purchased.

Another 41 per cent of households surveyed had purchased a new set between one and three years before May 2011, meaning that 70 per cent of households had purchased a new television set in the previous three years.

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<sup>1</sup> The *Digital Tracker* surveys have been conducted since early 2009 and involve a sample of households in the 33 switchover areas across Australia.

Industry data indicate that sales of flatscreen television sets—liquid crystal display (LCD) and plasma—more than doubled between 2007 and 2010, from 1,348,000 units to 3,036,000 units.<sup>2</sup>

Prices for new flat-screen television sets have also declined significantly. Between the first half of 2010 and the first half of 2011, the average selling price of an LCD television set declined 27 per cent, or \$256; and the average selling price of a plasma television set fell 14 per cent, or \$174.<sup>3</sup>

### **Digital television conversion**

By mid-2011, over 80 per cent of main television sets in Australian households had been converted to digital.<sup>4</sup>

Nationally, 78 per cent of households where the main television set had been converted had a television with an integrated digital tuner. The remainder had been converted to digital using a set-top box or digital television recorder. However, the method of converting to digital varied by region.

Ninety-three per cent of main television sets with integrated digital tuners and 74 per cent of set-top boxes in converted households were high definition.

Approximately 41 per cent of main television sets were analog, although about half of these had been converted to digital using a set-top box or digital television recorder.

Most main television sets over five years old had been converted using an external digital device. About 46 per cent of other (secondary) television sets in the household had been converted to digital.

About 60 per cent of all working television sets in Australian households had been converted to digital by mid-2011.

A small proportion of households (seven per cent) had not converted their main television set to digital in mid-2011 but subscribed to subscription television, and were able to access retransmitted free-to-air digital channels.

Figure 26 (see page 27) provides estimates of the current household television pool based on the Newspoll survey and other sources of data presented in this paper.

### **Summary of household television equipment, mid-2011**

- > There were approximately 18.7 million television sets in 8.4 million Australian households.
- > There was no working television set in about 100,000 households.
- > Digital television set-ups comprised approximately 62 per cent of the total number of televisions, equating to 11.6 million sets.
- > Forty per cent of all sets (7.5 million) in households were estimated to be less than four years old.
- > Of the 6.8 million main sets that had been converted to digital in June 2011, 78 per cent (5.3 million) had inbuilt digital tuners and 22 per cent (1.5 million) were attached to a set-top box or other digital receiver.
- > Seventy-four per cent of converted sets were high definition (HD) and 26 per cent were standard definition (SD).

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<sup>2</sup> Canon Consumer Digital Lifestyle Index, 2007–2011.

<sup>3</sup> *ibid*, H1 2011.

<sup>4</sup> 'Main television set' generally refers to the set that is used most often.

## Replacement of television sets

A third of television sets that had been replaced in the 12 months prior to the survey were more than 10 years old, and 16 per cent were three years old or less.

The average age of television sets that had been replaced was 8.3 years.

Picture quality and viewing experience, as well as the switch to digital, were the main drivers for purchasing a new television.

At least 57 per cent of television sets that had been replaced were kept or given to family, friends or charity.

## Costs

The average price paid for a new set by those who had made a purchase in the previous 12 months was \$1,131, less than the \$1,270 that those who had not made a purchase expected to pay.

Those in younger age groups paid more on average for a new television set than did older age groups.

Mainstream brands were most commonly purchased. Eighty per cent of purchases were to replace an existing television set.

## Expectations about replacement

Those who had not bought a new television set in the previous 12 months expected a new set to last 8.7 years on average. Those who had bought a new set expected it to last 7.4 years on average before it would need to be replaced.

## Conclusions

The study suggests that consumers are replacing television sets more frequently than in the past, as costs fall and specifications and the viewing experience improve.

The average annual replacement rate for television sets is conservatively estimated at 19 per cent, meaning the average life of a television set would be 5.3 years.<sup>5</sup> However, the age of television sets that had been replaced varied considerably, with a third more than 10 years old, and a mean age of 8.3 years.

The majority of new purchases (80 per cent) were to replace existing sets, although about 57 per cent of the replaced sets continued to be used.

New set purchasing does not appear to be affected by the average number of television sets in Australian homes, which, at 2.2 sets per household, has remained relatively constant since 2007. Nor is it entirely accounted for by the increase in the number of Australian households over the same period, from about 7.9 million to 8.5 million.

According to the *Digital Tracker*, a decreasing number of replaced sets are being retained, either in the same household, or given to family and friends.<sup>6</sup> In Q2 2009, 65 per cent of replaced sets were retained. By Q2 2011, this figure had fallen to 57 per cent.

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<sup>5</sup> The replacement rate equals the average annual purchase rate in the last three years (70%/3 years) x 80% of purchases that replace an existing set = ~19%.

<sup>6</sup> *Digital Tracker*, Q1 2009–Q2 2011.

The Newspoll survey indicates that 70 per cent of households nationally had bought a new set in the three years before May 2011. Forty-one per cent had purchased a new television set between one and three years previously.

The yearly average for the proportion of households that had bought a new television set was just over 20 per cent in the period one to three years before the survey, increasing to 29 per cent in the 12-month period before the survey. While recall of earlier purchases may be less sound than for more recent purchases, and may have some impact on the average for one to three years ago, the data suggest that consumers are buying new television sets more often.

The expected impact of these factors (growing consumer purchasing of new television sets but no increase in the average number of sets per household) is that the overall stock of household television sets is getting younger. However, a wide range of television sets of different ages and capabilities is likely to remain for some time, including a (diminishing) proportion of analog and standard definition television sets.



# Background

In May 2011, the ACMA commissioned Newspoll to include in its regular omnibus survey a series of questions seeking consumer views about:

- > the length of time a television set was expected to remain in service before being replaced
- > some of the factors that might drive a new purchase
- > desirable features that might influence choice.

The survey was conducted nationally in May 2011 with 1,203 respondents aged 18 years and over.

The Newspoll survey is the main source of data on consumer expectations about television set replacement presented in this report. The survey methodology is presented in Appendix A and the questionnaire in Appendix B.

The purpose of the research was to establish when respondents had last purchased a television set and their expectations about how long it would be before they needed to replace their main set. Information was also collected about what had been done with the television sets that had been replaced.

The information collected in the survey was intended to provide an indication of the age and technical specifications of television sets in Australian homes by looking at television set replacement and expectations about the length of time a set would last. This was so that the size of the pool of legacy television equipment (analog and standard definition) could be estimated.

Information in this report on television set replacement is supplemented with material from DBCDE's *Digital Tracker* reports, and data from two ACMA studies of domestic antenna stock and television equipment, carried out in [Bathurst and Orange](#), NSW, in 2010, and in Penrith, NSW, in mid 2011.<sup>7</sup>

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<sup>7</sup> *Television equipment and antenna stock in Penrith households, 2011.*

# Current domestic television stock

Most Australian homes have more than one television set. In the lead-up to the digital switchover, over 80 per cent of main television sets have been converted to digital<sup>8</sup>, although the proportion of second and third sets that have been converted is smaller.<sup>9</sup>

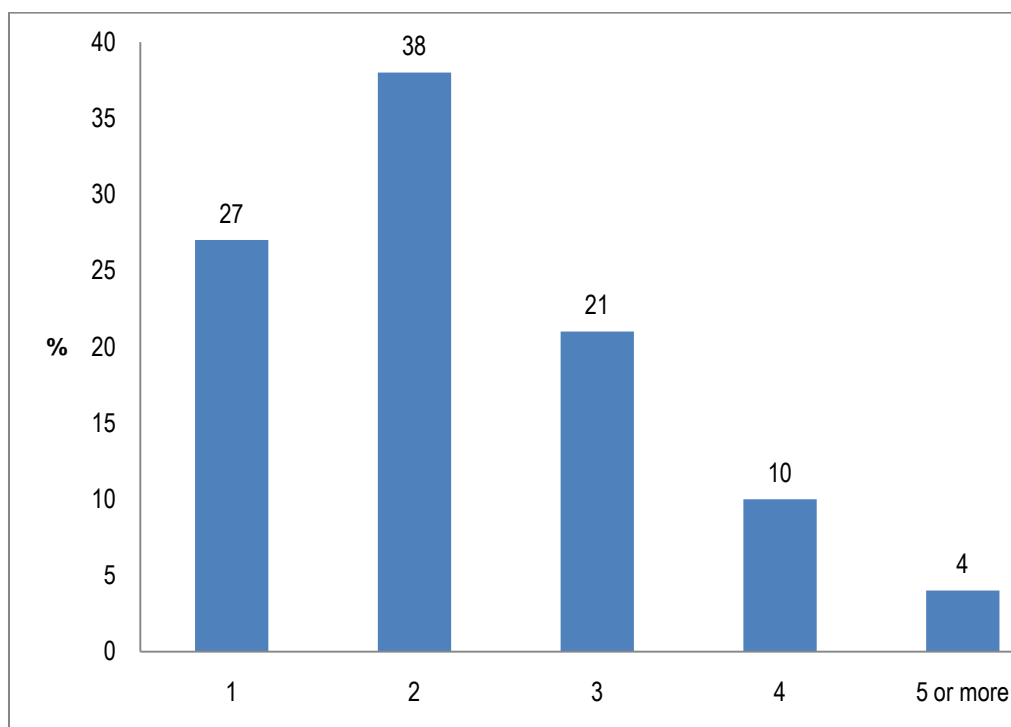
Most Australian research has concentrated on the main television set, and there is limited information available about secondary sets.

## Number of television sets in Australian homes

The Newspoll survey confirmed that most households have more than one television set, with a mean of 2.2 sets. This figure has been relatively consistent since 2007, although there is some regional variation (from 2.1 sets on average in Perth and Sydney to 2.4 in the ACT, regional South Australia and regional Western Australia).<sup>10</sup>

The number of households in Australia in 2011 was estimated to be 8.520 million.<sup>11</sup> Using these figures, it is estimated that there are about 18.7 million television sets in Australian homes.

Figure 1 Number of working television sets in Australian homes



Source: Newspoll 2011 (respondents involved in purchase decision, n=892 weighted).

The Newspoll study indicated that the average number of working television sets was related to the number of adults in the household, as well as the number of children.

<sup>8</sup> Digital Tracker, Q2 2011.

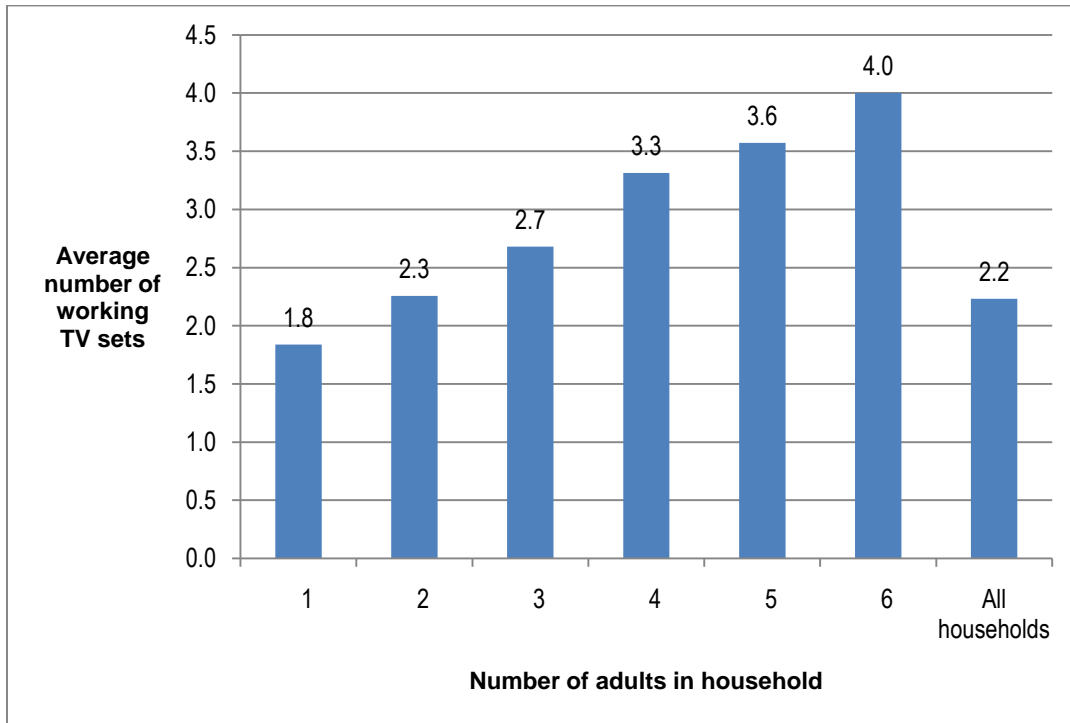
<sup>9</sup> See, for example, *Television equipment and antenna stock in Penrith households, 2011*.

<sup>10</sup> The ACMA's December 2007 report *Digital Television in Australian Homes* indicated 2.2 sets on average, down from 2.3 in 2005 and 2006.

<sup>11</sup> ABS 3236.0—*Household and Family Projections, Australia, 2006 to 2031*.

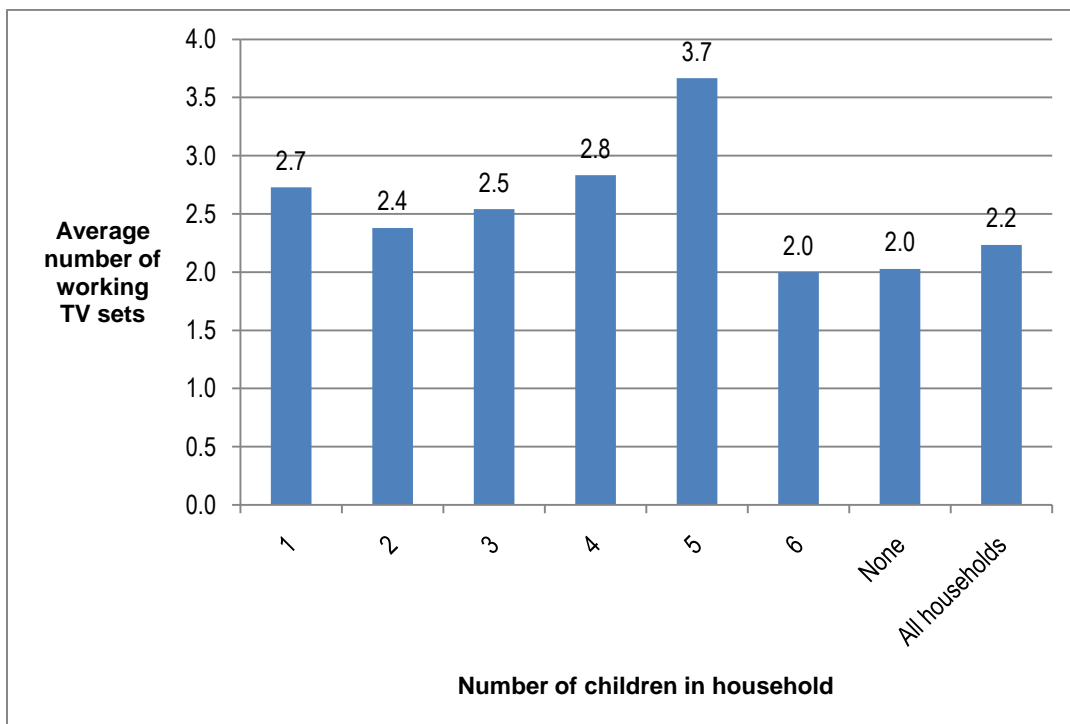
The more people in the household, the greater the number of television sets, on average.

Figure 2 Average number of working television sets, by number of adults in household



Source: Newspoll 2011 (n=891 weighted).

Figure 3 Average number of working television sets, by number of children in household



Source: Newspoll 2011 (households with children n=354).

Respondents aged 65 and over reported fewer working television sets (1.9 on average) than did respondents aged 18 to 24 (2.8 on average). However, these differences relate as much to household composition as to age.

## Digital television sets

Twenty-nine per cent of the Newspoll survey respondents had purchased a new television set in the last year. Most (97 per cent) of these television sets were digital, while two per cent were analog, and one per cent of respondents did not know which type of television they purchased.

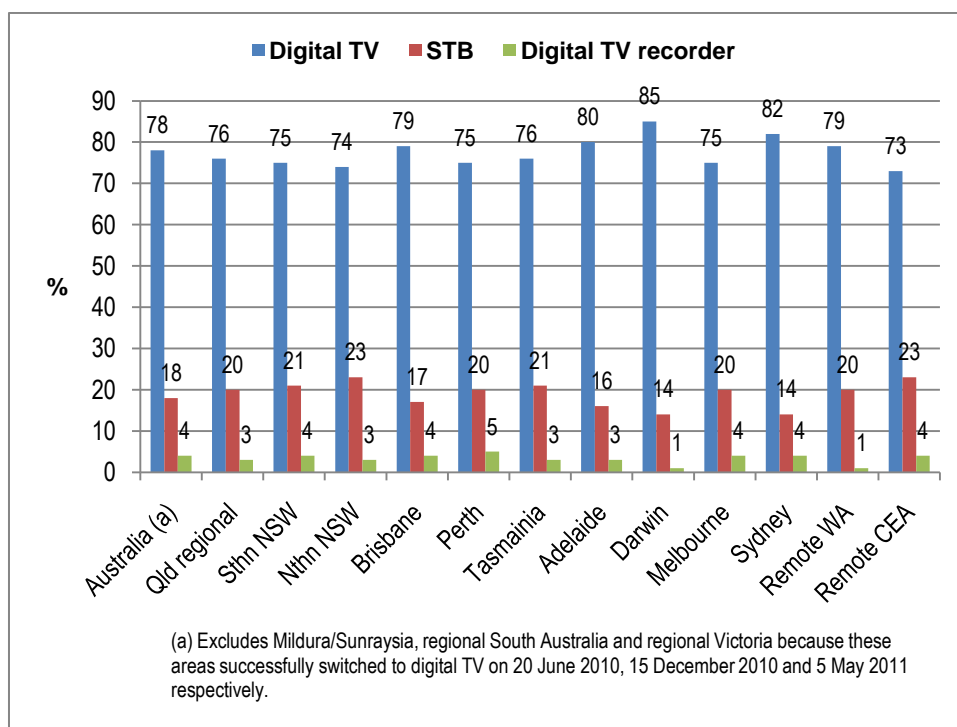
More than half (57 per cent) indicated that this was the first digital television set that they had purchased.

### Method of converting to digital

DBCDE's [Digital Tracker](#) report for the second quarter of 2011 provides information about the method of converting television sets to digital.

Australia-wide, 78 per cent of converted households in mid-2011 had a main television set with an integrated digital tuner. Eighteen per cent of converted households had a digital set-top box attached to the main set and four per cent had converted using a digital television recorder. However, some variation is evident across switchover regions (see Figure 4).

Figure 4 Method of converting to digital



Source: Digital Tracker Q2 2011.

The method of conversion also varied between different areas in the same region. Twenty-one per cent of Penrith households surveyed in mid-2011 (involving a random sample of 302 households in postcode 2750) had a digital set-top box attached to the main television set (compared with 14 per cent for the whole of Sydney) and 33 per cent had a DVD recorder or other device with a built-in digital tuner. A proportion of these digital devices (17 per cent) were connected to television sets with integrated digital tuners.

The Penrith study showed that 73 per cent of households who had converted to digital had a television set with an integrated digital tuner, slightly lower than the figure of 82 per cent for Sydney as a whole.

The conversion rate in Penrith at the time of the study was 81 per cent, similar to the 82 per cent found by the *Digital Tracker* survey in Q2 2011.<sup>12</sup>

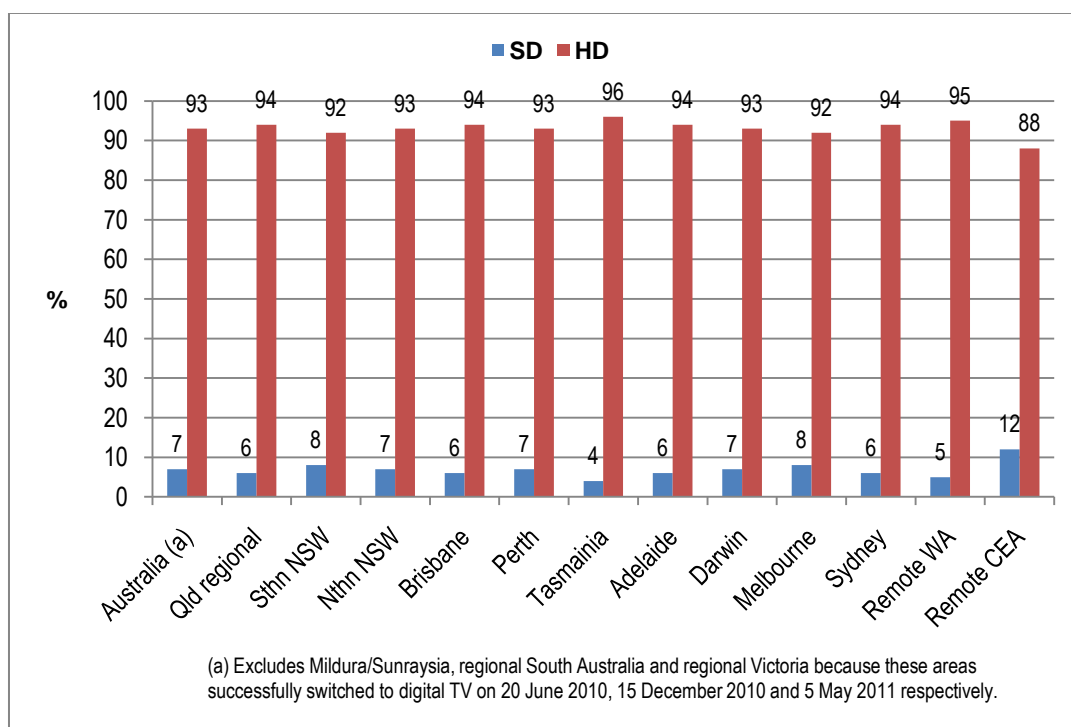
The Penrith study found that where the main set was analog, 25 per cent of all households sampled had a set-top box or other digital device connected. This equates to approximately 31 per cent of the digitally converted households in the study.<sup>13</sup>

### Standard definition or high definition

The *Digital Tracker* report for Q2 2011 provided information about whether the main television was standard definition (SD) or high definition (HD). High definition refers to a screen resolution of 720 pixels or better. Most television sets with integrated tuners sold in the past three years or so have been HD.

### Integrated digital television

Figure 5 Converted households with an integrated digital television—standard or high definition



Source: *Digital Tracker* Q2 2011.

### Analog television set with set-top box or other attached digital device

The *Digital Tracker* for Q2 2011 also provided some information about whether set-top boxes used to convert television set-ups to digital were SD or HD. Overall, 26 per cent

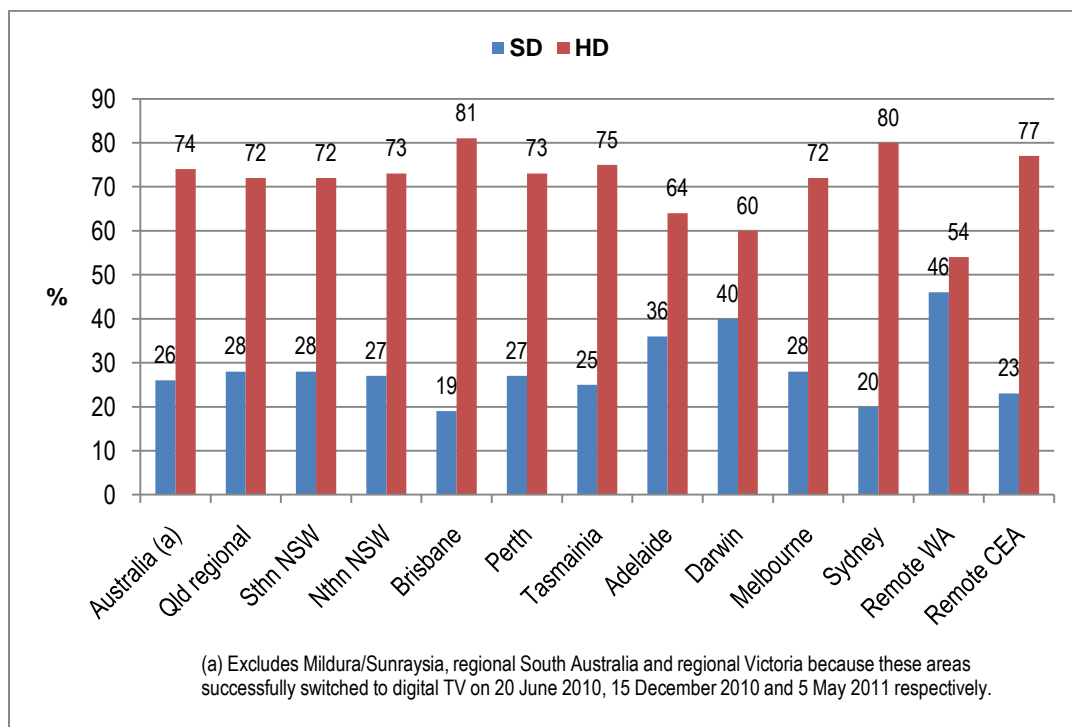
<sup>12</sup> The *Digital Tracker* report (p. i) showed that in Q2 2011, 82 per cent of main sets in Australian households had been converted to digital, although subsequent analysis in the report excluded those regions that had already switched to digital (Mildura/Sunraysia, regional South Australia and regional Victoria), giving a conversion rate for the remaining switchover regions of 81 per cent. This means that there may be some slight variation in the numbers quoted from the report.

<sup>13</sup> Some overlap is apparent, as a number of households with an integrated television set also had a device with a digital tuner, such as a personal video recorder (PVR) attached.

of households that had converted their main set to digital using a set-top box (excluding the regions already switched to digital—Mildura/Sunraysia, regional South Australia and regional Victoria) had a SD set-top box, and 74 per cent had a HD set-top box.

SD set-top boxes were commonly used earlier in the switchover to digital. However, most set-top boxes on the market now are HD.

**Figure 6 Converted households with a set-top box—standard or high definition**



Source: Digital Tracker Q2 2011.

## Analog television sets

The proportion of main television sets that are analog-only is the sum of unconverted sets plus digital set-ups where a digital set-top box or other digital device is attached to an analog television set.

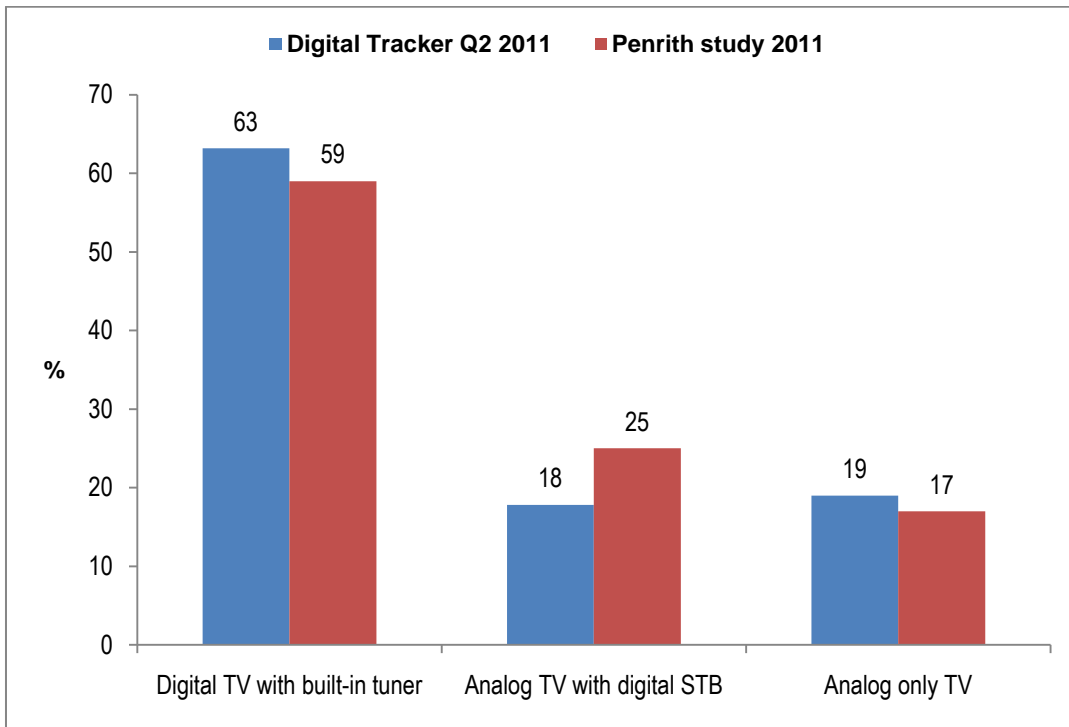
The *Digital Tracker* Q2 2011 reported 81 per cent of households in the remaining switchover regions had converted the main television set to digital. This means that 19 per cent of main television sets in these regions were analog in mid-2011, as they had not been converted.

A total of 22 per cent of digital conversions were achieved by attaching a set-top box or a digital television recorder.<sup>14</sup>

Taken together, this means that 41 per cent of all main television sets were analog in mid-2011. Approximately half of these analog main sets had been converted to digital using an external digital receiver.

<sup>14</sup> The figure for Penrith was 25 per cent, as indicated above.

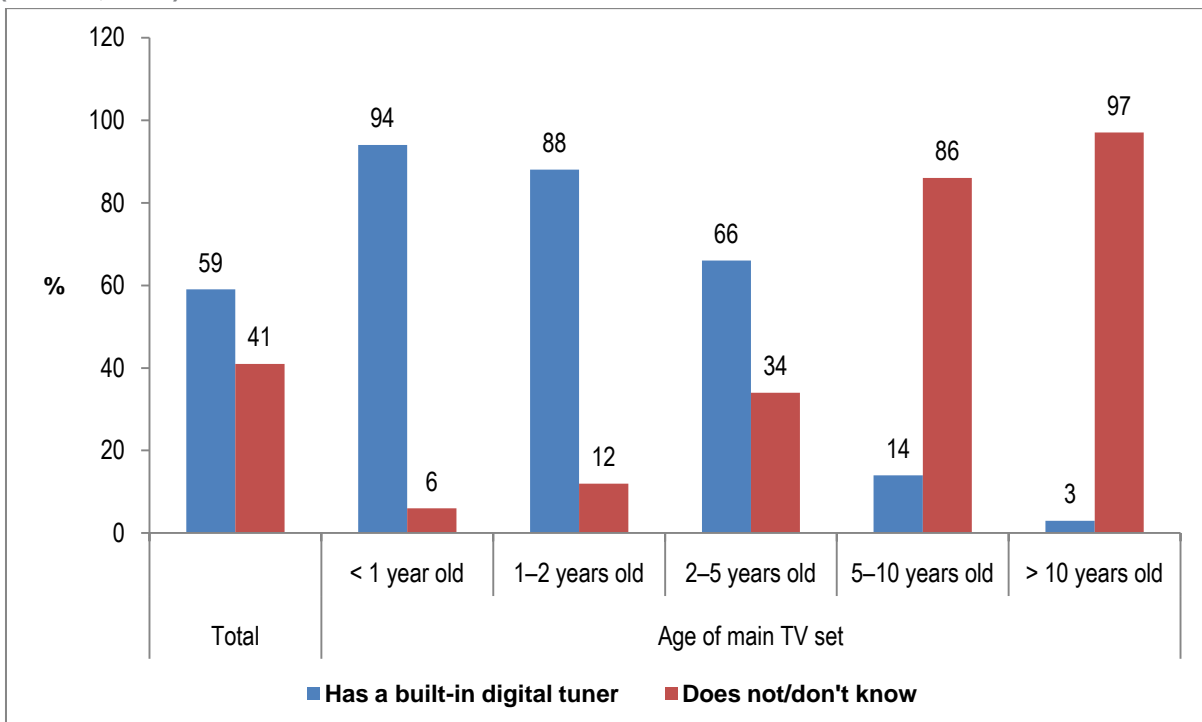
**Figure 7 Digital and analog—main television set, all households**



Source: Digital Tracker Q2 2011, Penrith 2011 (N=302 observed).

Most television sets offered for sale in the last few years have incorporated a built-in digital tuner. This is reflected in the decreasing proportion of household sets converted using a set-top box, as over time consumers purchase more integrated digital television sets.

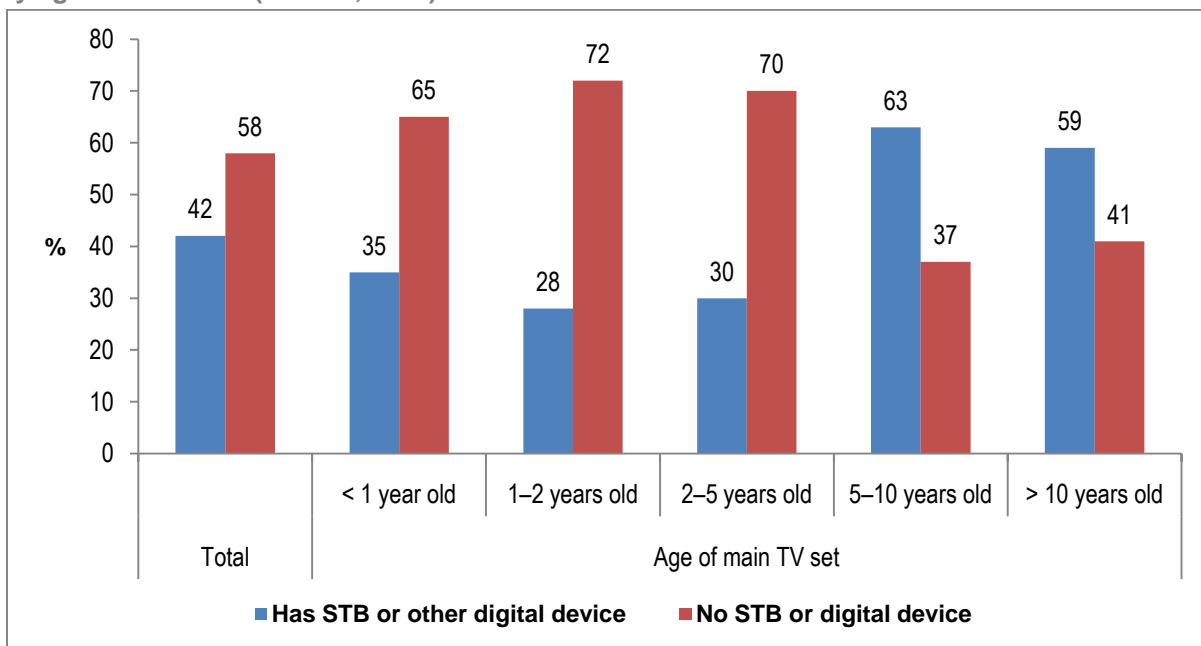
**Figure 8 Proportion of main television sets with built-in digital tuner, by age of television (Penrith, 2011)**



Source: Penrith 2011 (N=302 observed).

Using a set-top box was a common way to convert analog television sets to digital but, given the widespread availability of television sets with integrated digital tuners, set top boxes are less common with newer sets (less than five years old). However, a proportion of new sets will have a personal video recorder (PVR) or other recording device with a digital receiver attached, even when the television also has a digital tuner.

**Figure 9 Proportion of main television sets with set-top box or other attached digital receiver, by age of television (Penrith, 2011)**



Source: Penrith 2011 (N=302 observed).

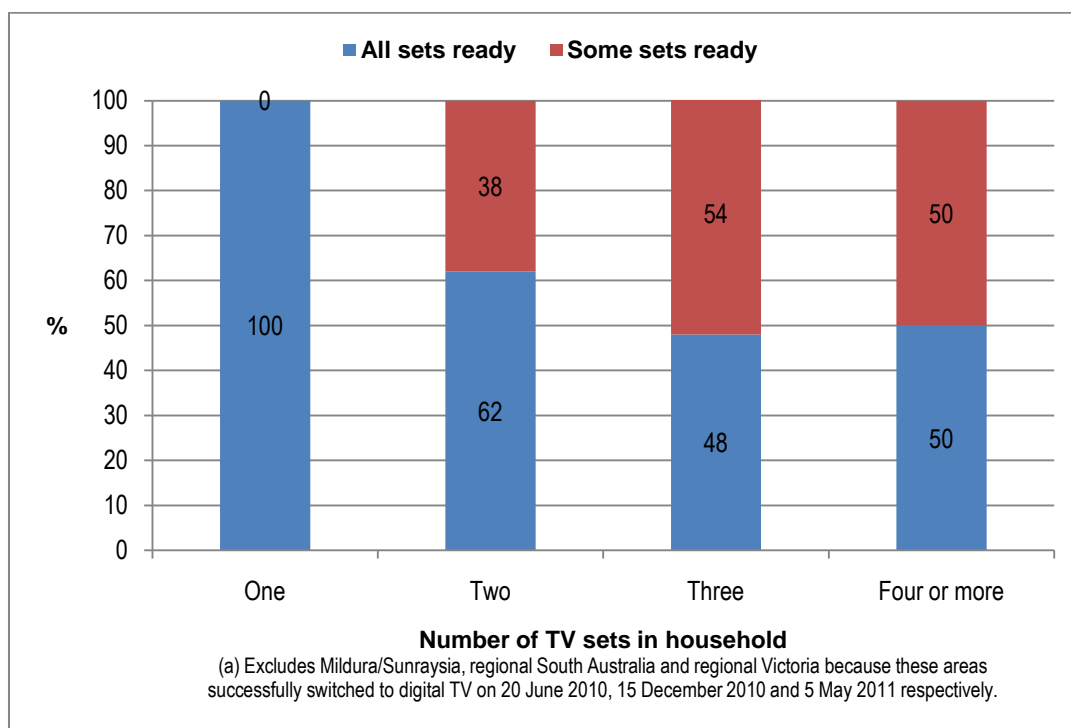
## Secondary sets

The *Digital Tracker* report for Q2 2011 provides some additional information about the number of television sets in the household where the main set is digitally ready.

It is estimated that about 46 per cent of secondary sets were digital in mid-2011.



Figure 10 Where main set is digitally ready, proportion of sets digitally ready by total number of sets



Source: Digital Tracker Q2 2011.

In the Penrith study, 82 per cent of all households audited had more than one television set, and 46 per cent of the secondary television sets were assessed as digital. The total number of television sets in the 302 households, as reported by respondents, was 740, with a mean of 2.4 sets per household.

Taking into account both the main and secondary television sets, 60 per cent of all sets in the households sampled in Penrith were assessed as digital. This means that 40 per cent of all television sets in Penrith were analog-only—that is, they had not been converted to digital.

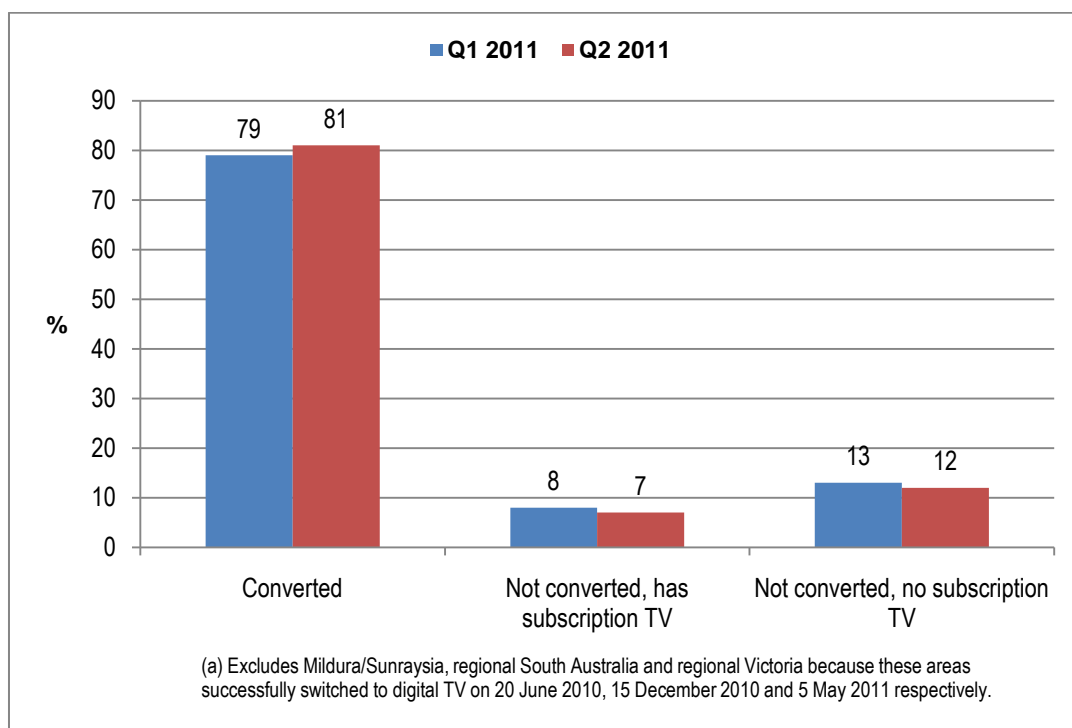
Using the figures from the *Digital Tracker* report for Q2 2011, the estimated proportion of all television sets that had not been converted to digital (excluding the regions that had completed switchover by the end of June 2011) was 41 per cent. This compares with the figure of 19 per cent for main television sets.

To obtain an overall view of the number of television sets in Australian homes, the analysis needs to consider those areas that had switched to digital but were excluded from the figures presented in the *Digital Tracker* report Q2 2011. It is estimated that about 38 per cent of the approximately 18.7 million television sets in Australian households were analog-only in mid-2011.

## Subscription television

A proportion of households have not converted their main television to digital but subscribe to a satellite or cable television service, such as Austar or Foxtel. The *Digital Tracker* survey report for Q2 2011 estimates the number of these households as seven per cent.

Figure 11 Conversion to digital, all households



Source: Digital Tracker Q2 2011.

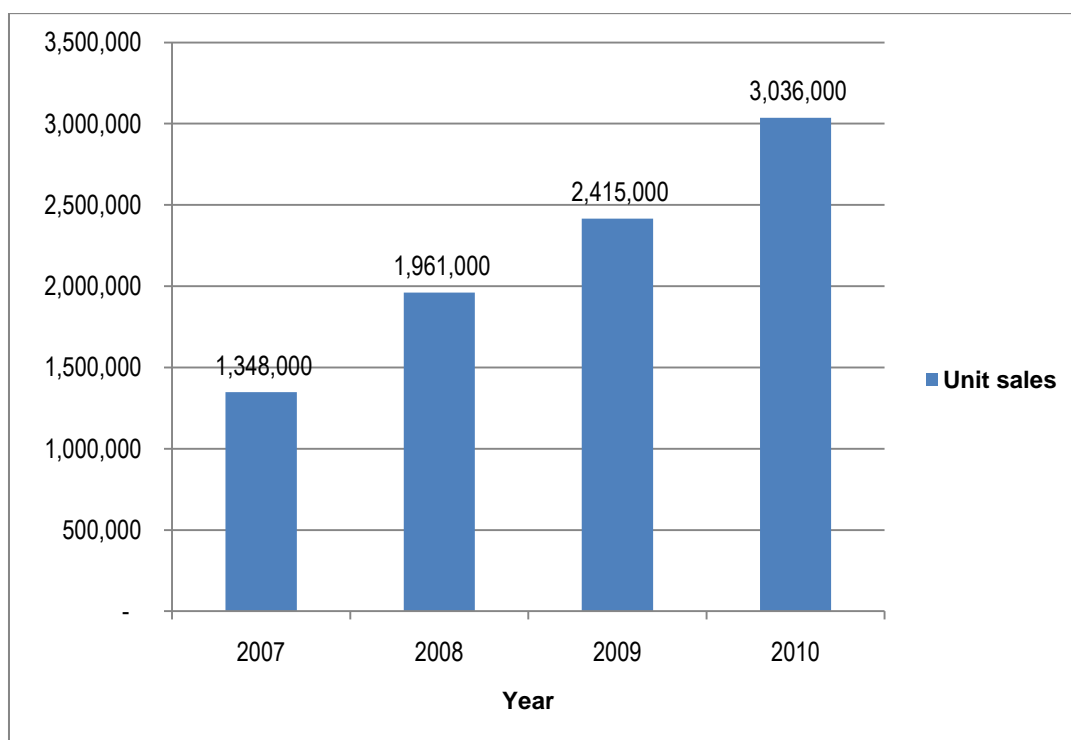
# TV set replacement

How often consumers replace television sets, as well as what they do with the set that has been replaced, impacts on the characteristics of the total pool of household television equipment.

## Sales of LCD and plasma television sets

Unit sales of LCD and plasma television sets more than doubled from 2007 to 2010, from 1,348,000 to 3,036,000.

Figure 12 Australian unit sales of LCD and plasma television sets 2007–10



Source: GfK Retail and Technology Australia: 'Canon Digital Lifestyle Index half yearly reports 2007–2010', as quoted in *Free TV Australia*, Television Industry Report, 2011.

Average prices for television equipment fell significantly between the first half of 2010 and the first half of 2011, when the Newspoll survey was undertaken.

Table 1 Changes in average selling prices—1H 2010 to 1H 2011

	Change in price	Percentage change
PVR	-\$156	-32
LCD TV	-\$256	-27
DVD recorder	-\$89	-16
Plasma TV	-\$174	-14

Source: Canon Consumer Digital Lifestyle Index, 1st Half 2011.

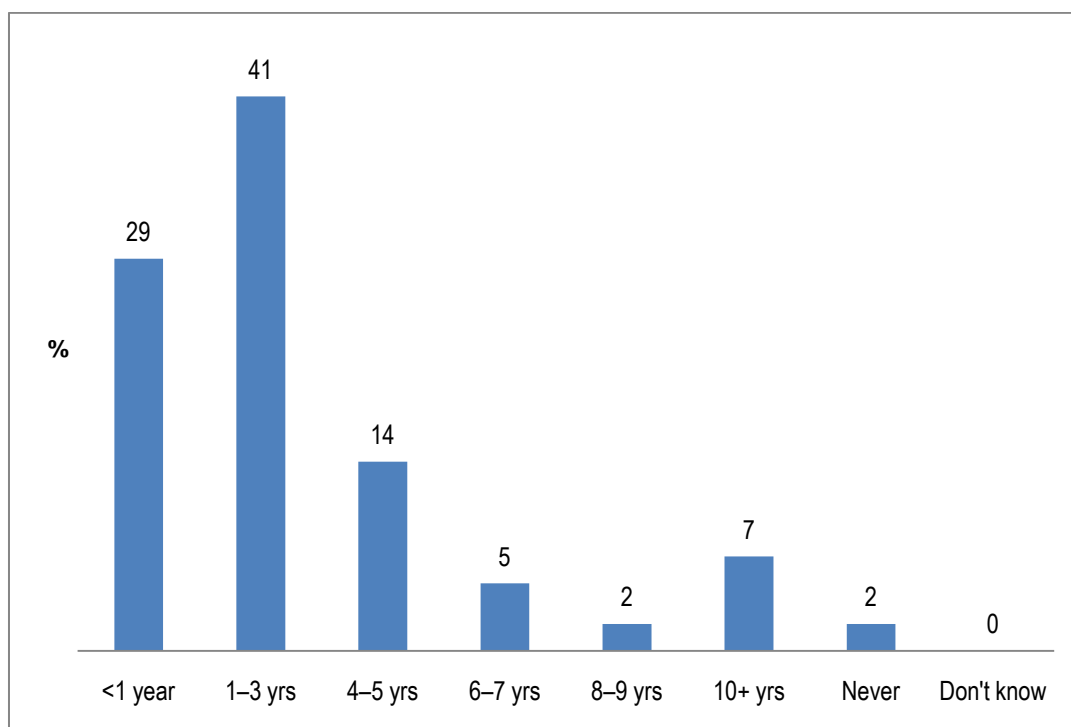
## How often do consumers buy a new television set?

With costs of flat and large-screen television sets falling, consumers have been buying new sets in increasing numbers.

The Newspoll survey found that 70 per cent of households had purchased a new television set in the past three years (overall mean 3.1 years).

In the last year, 29 per cent of households had purchased a new television set. If replacement continues at that rate, 87 per cent would buy a new television in three years, considerably higher than the 70 per cent who had purchased a new set in the previous three years. The replacement rate seems to be increasing as costs fall, although factors such as sports events (for example, the Olympics or the Rugby World Cup) and economic conditions are also known to alter year-on-year purchasing patterns.

Figure 13 Last time purchased a television set

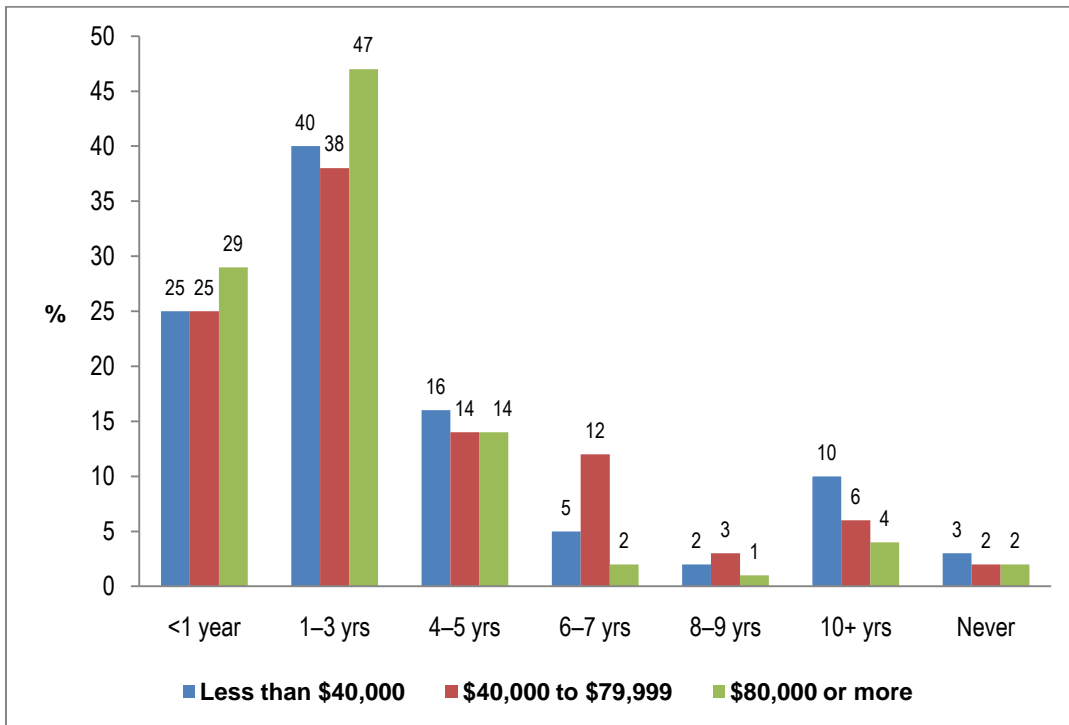


Source: Newspoll 2011 (N=1,203).

In Bathurst and Orange in 2010, 71 per cent of main television sets were reported to be less than five years old. In Penrith, half of the main television sets had been purchased in the last two years, with about a quarter (26 per cent) purchased in the last year.

For respondents in the Newspoll survey, those on higher incomes were more likely to have purchased a new television set in the past three years, with 76 per cent of those reporting a household income of \$80,000 or more having done so.

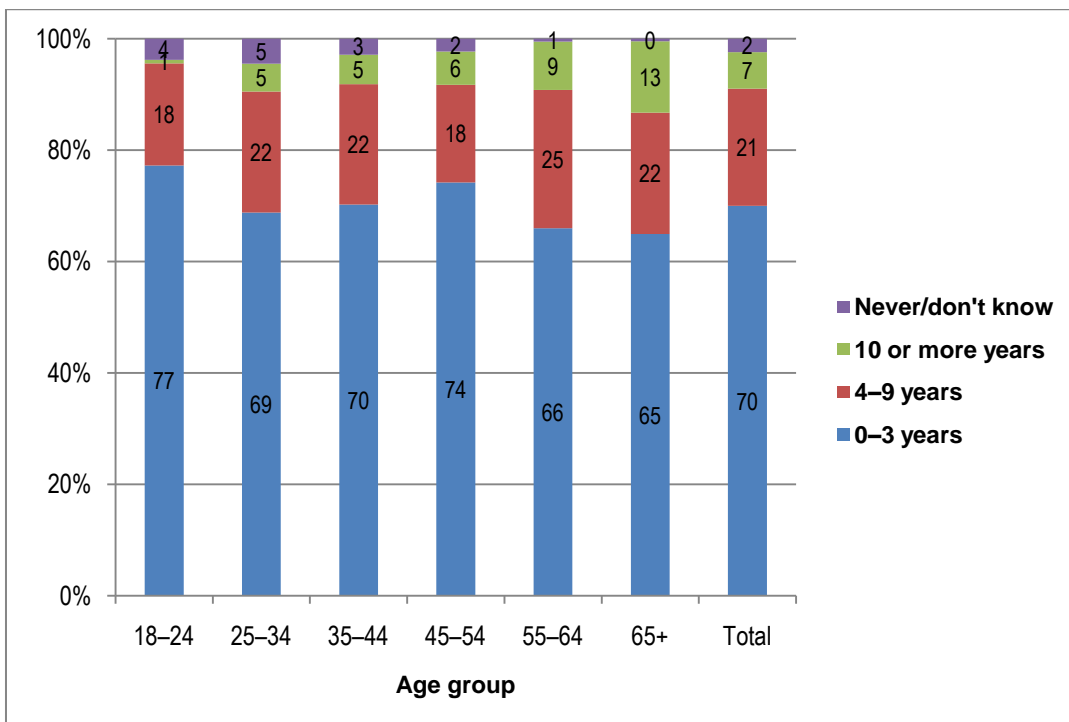
**Figure 14 Last time purchased a television set, by household income**



Source: Newspoll 2011 (n=257, n=255 and n=474 weighted).

Older age groups (55 years and over) were less likely to have purchased a new television set in the last three years (65 per cent had done so) than were younger age groups (18-24 years old) (77 per cent).

**Figure 15 Last time purchased a new television set, by age group**



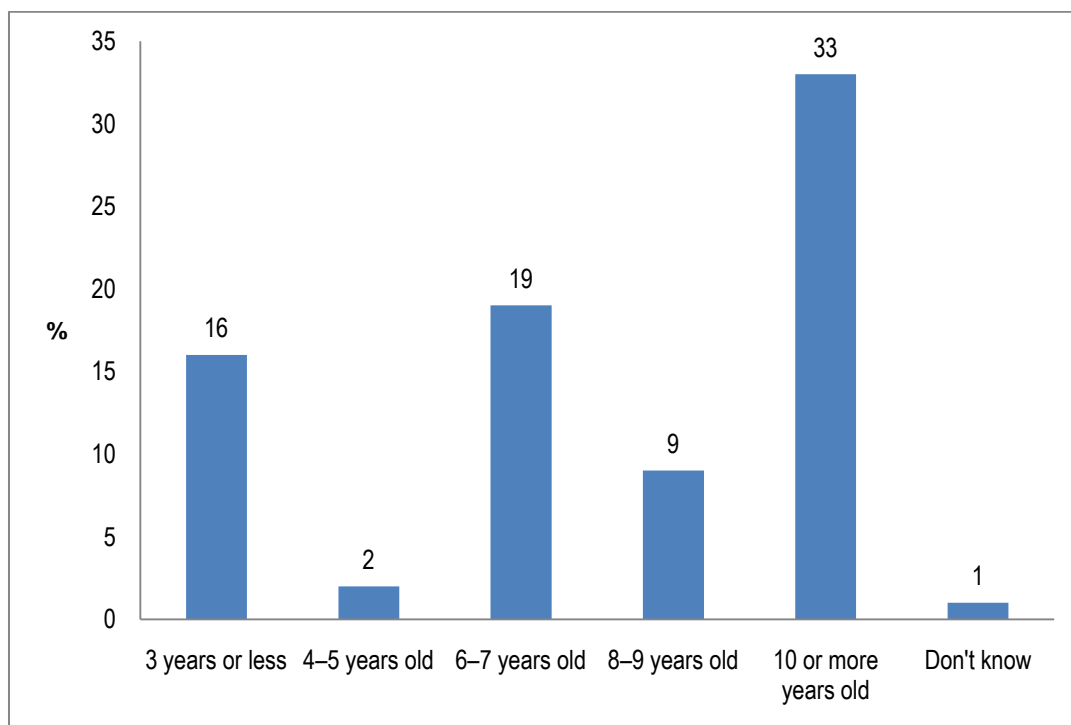
Source: Newspoll 2011 (n=365, n=322. N=277, n=210 weighted).

## Mean replacement age

Eighty per cent of new television sets were purchased to replace an existing set (see Figure 24, page 24).

A third of television sets that had been replaced in the previous 12 months were 10 or more years old. However, 16 per cent of replaced sets were three years old or less, although the replaced set was likely to continue to be used within the household.

Figure 16 Age of replaced television set, if new television purchased less than a year ago



Source: Newspoll 2011 (n=213).

The mean age of the television set that was replaced was 8.3 years.

## Main drivers

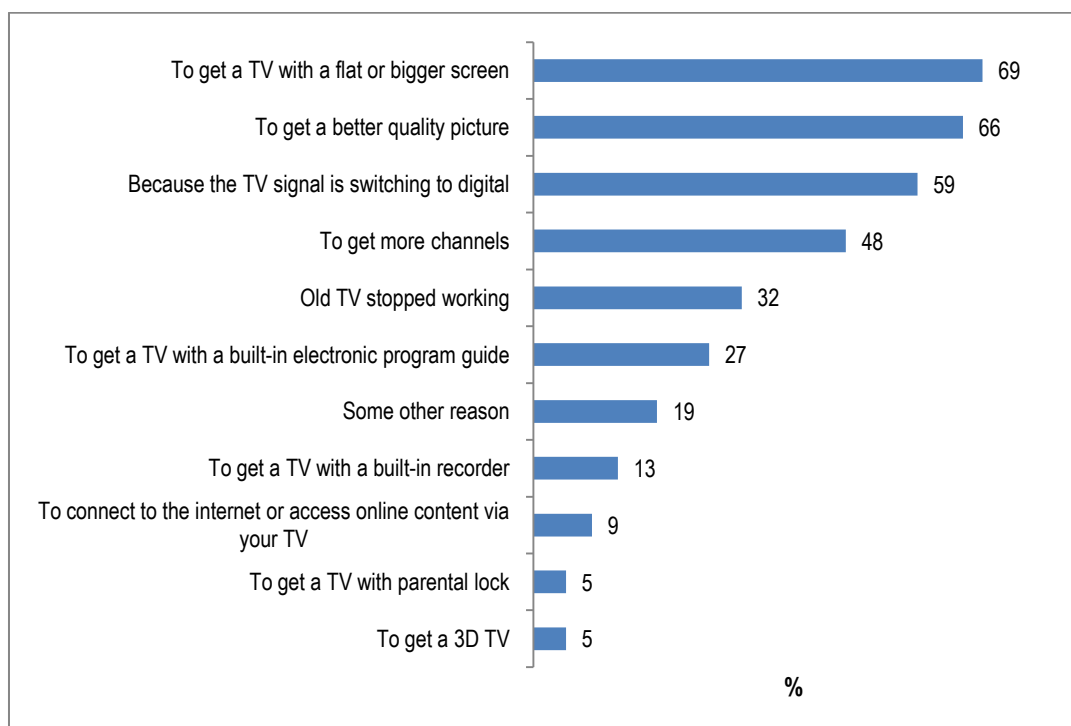
The main reasons given for purchasing a new television set were:

- > picture quality (66 per cent)
- > viewing experience:
  - > a flat or bigger screen (69 per cent)
  - > to get more channels (48 per cent).

The switch to digital was also a significant driver, with 59 per cent stating this as a reason.

Internet-enabled and 3D television sets were not such significant drivers (nine and five per cent respectively).

Figure 17 Main reasons for purchasing new television set, if bought less than a year ago



Source: Newspoll 2011 (n=269).

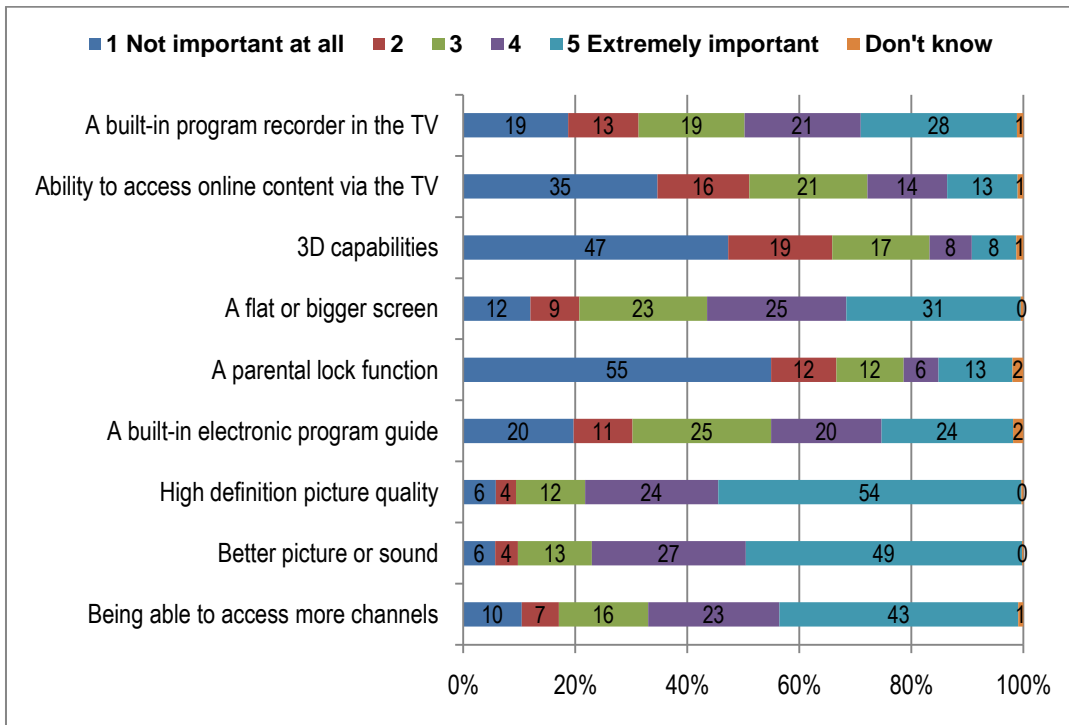
Newspoll respondents who had not recently bought a new television set were asked about the importance of various features when upgrading or replacing a television set. The following features were identified as important:

- > high definition picture (78 per cent said very or extremely important)
- > better picture or sound (76 per cent very or extremely important)
- > being able to access more channels (66 per cent very or extremely important)
- > a flat or bigger screen (56 per cent very or extremely important).

The following features were not identified as important:

- > 3D (16 per cent very or extremely important)
- > parental lock (19 per cent very or extremely important)
- > the ability to access online content via the TV (27 per cent very or extremely important).

Figure 18 Importance of features in deciding to upgrade or replace television set

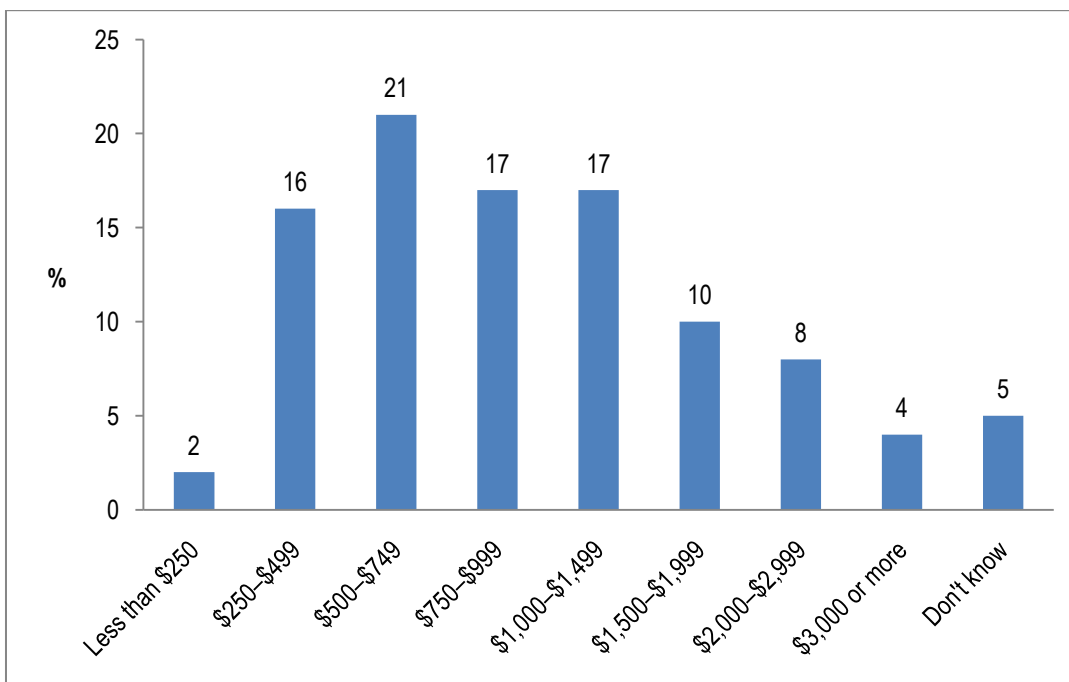


Source: Newspoll 2011 (n=891-893).

## Cost

The cost of large flat-screen television sets has declined in recent years (see Table 1, page 15). Respondents who had purchased a new television set in the last year were asked how much they spent.

Figure 19 Cost of a new television set, if new television purchased less than a year ago

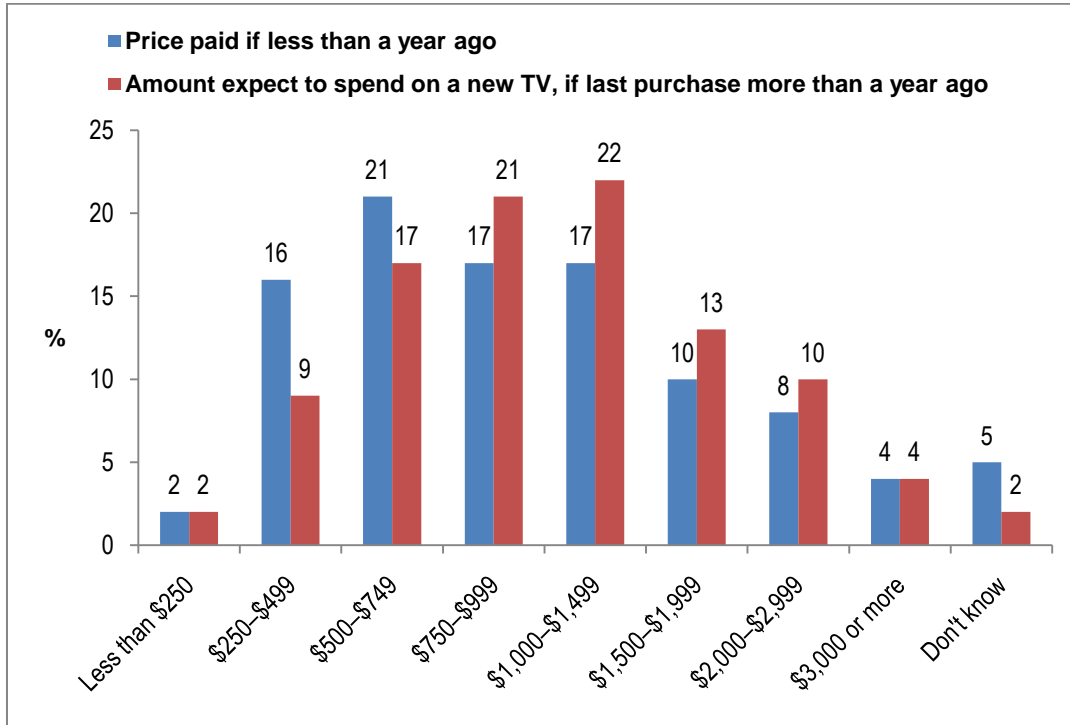


Source: Newspoll 2011 (n=269).



Those who had not purchased a new television set in the previous 12 months expected to spend more on a new set (mean \$1,270) than the price paid by those who had made a recent purchase (mean \$1,131).

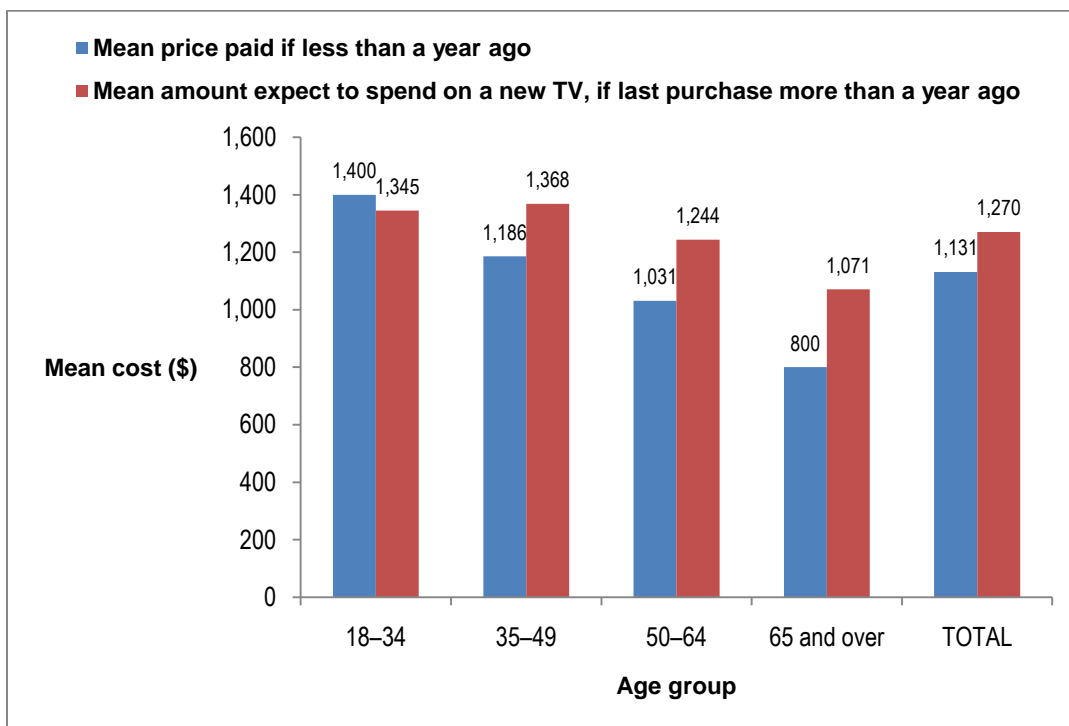
**Figure 20 Price paid, if new television set purchased less than a year ago, and amount expect to spend on new television set, if last purchase more than a year ago**



Source: Newspoll 2011 (n=269 purchased in past 12 months, n=656 last purchase more than a year ago).

Younger age groups paid more than older age groups for a new television set if they had purchased one in the last 12 months. Except for those aged 18 to 34, all age groups who had not purchased a new television set in the last year expected to pay more for a new television than the price paid by those who did buy a new television set in the last 12 months.

Figure 21 Price paid and expected cost, by age group



Source: Newpoll 2011 (n=269 purchased in past 12 months, n=656 last purchase more than a year ago).

For many households, the cost of purchasing a new television set was significantly less than expected, and this is likely to be the case while the price of new television sets continues to fall.

## Brands

As well as the cost, respondents were asked about the brand of television set purchased in the last 12 months. This was to gain an indication of the likely technical specifications of new television sets that had been purchased.

Those who had purchased a new television set in the last year most commonly bought mainstream brands. However, a large number of different brands and models were observed in the Penrith study, with no one brand and model making up more than one per cent of the total. This suggests that the variety of brands, models and sizes of television sets may complicate any assumptions about technical specifications.

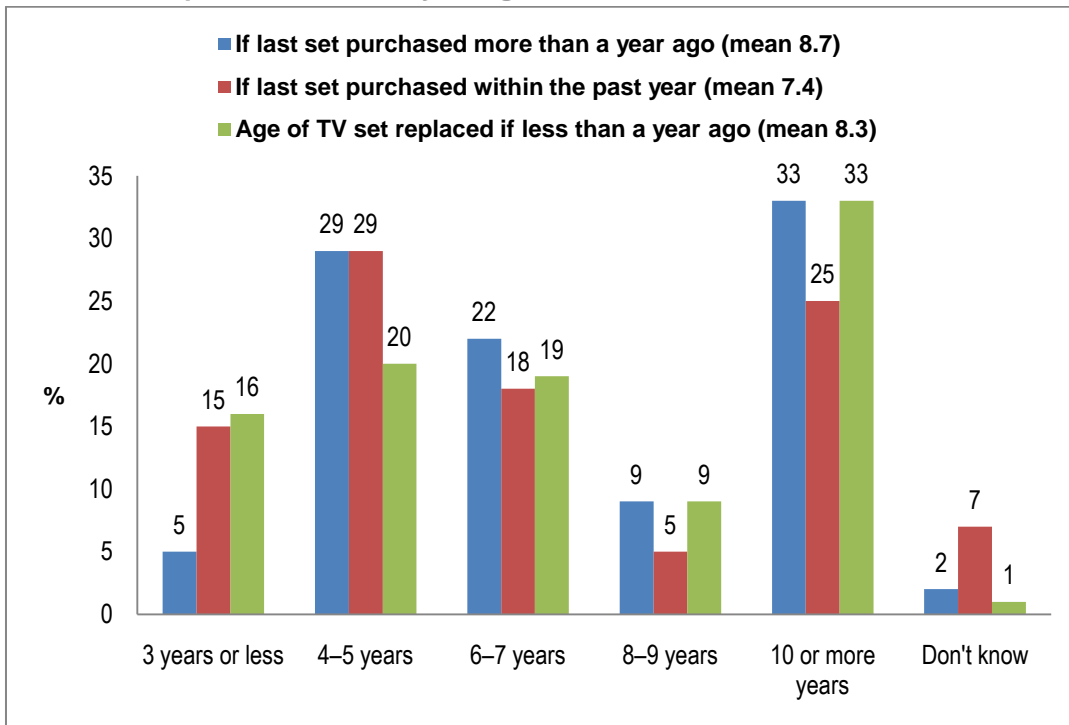
Respondents who had *not* bought a new television set in the last year were asked what brand they were *most* likely to buy. While the order was different to the brands actually bought by those who had made a purchase in the last year, mainstream brands still predominated.

## Expectations about new television sets

At 7.4 years, the expected life of a new set purchased in the last year was significantly less than either the age of the television set that was replaced (8.3 years) or expectations of those who had not bought a new set in the last year (8.7 years) (see Figure 22).

This could suggest that consumers are starting to expect to replace television sets sooner, due to a combination of enhanced features and declining costs.

**Figure 22 Length of time new television set expected to last, compared with age of replaced television, if replaced less than a year ago**

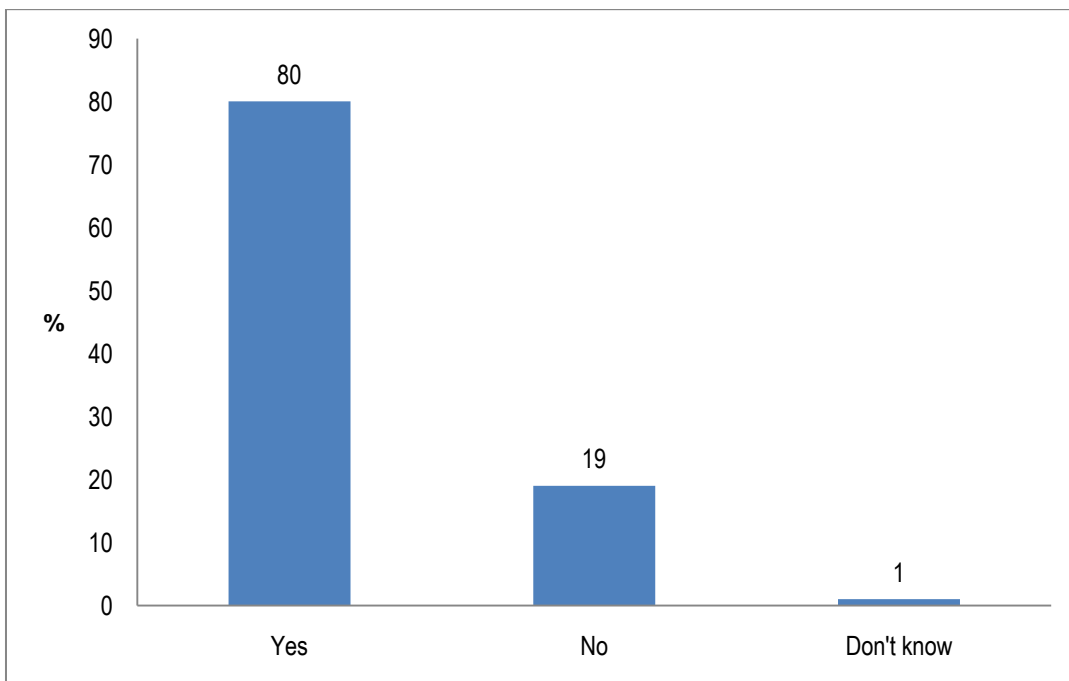


Source: Newspoll 2011 (n=656, n=269, n=269).

## What happened to the television set that was replaced?

Eighty per cent of new television sets purchased in the last year were to replace existing sets.

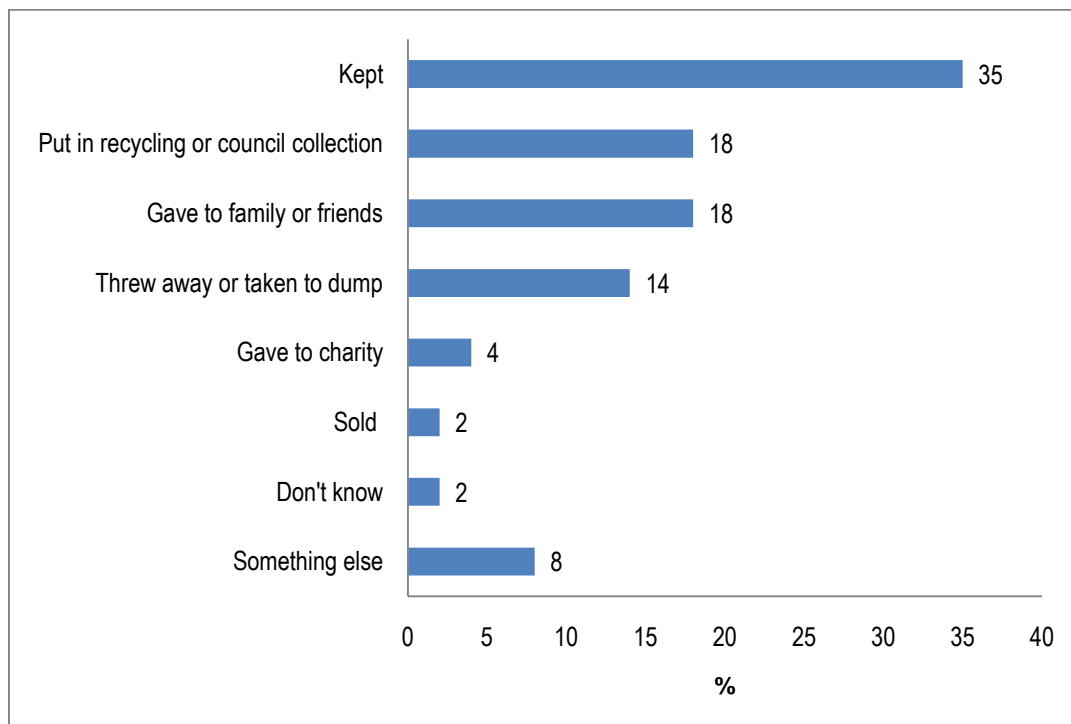
**Figure 23 Television set purchased in last year to replace existing set**



Source: Newspoll 2011 (n=269).

For the 80 per cent of sets that were purchased to replace an existing set, respondents were asked what they had done with the old set.

**Figure 24 What was done with set that was replaced?**



Source: Newspoll 2011 (n=219).

At least 57 per cent of replaced sets were kept or given to family, friends or charity, and another two per cent were sold. This means that, of the replaced sets, almost 60 per cent were likely to continue to be used, while 32 per cent were recycled, put in a council collection or dumped.

The proportions in each category were almost identical when the respondent reported that the new television set purchased was the first digital set they had bought (57 per cent of respondents who had bought a new television set in the past year).

The *Digital Tracker* reports provide figures for the disposal of analog television sets.

**Table 2 Households whose main television set is digital<sup>(a)(b)</sup>—  
How disposed of old television set, by broad switchover area type**

How disposed of old TV set	Broad switchover area type							
	Metro <sup>(c)</sup>		Regional		Remote		Total	
	(n=1,870/1,933)		(n=4,090/3,084)		(n=266/268)		(n=6,226/5,285)	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
Kept it	40	38	42	38	47	47	41	39
Threw away/rubbish dump	24	24	23	26	20	25	24	24
Gave to family/friends	18	19	17	17	17	16	18	18
Gave to charity	5	4	5	5	3	2	5	4
Put in recycling	5	6	5	5	3	3	5	6
No old set (first TV)	2	1	1	1	1	1	2	1
Sold it	3	3	3	3	6	5	3	3

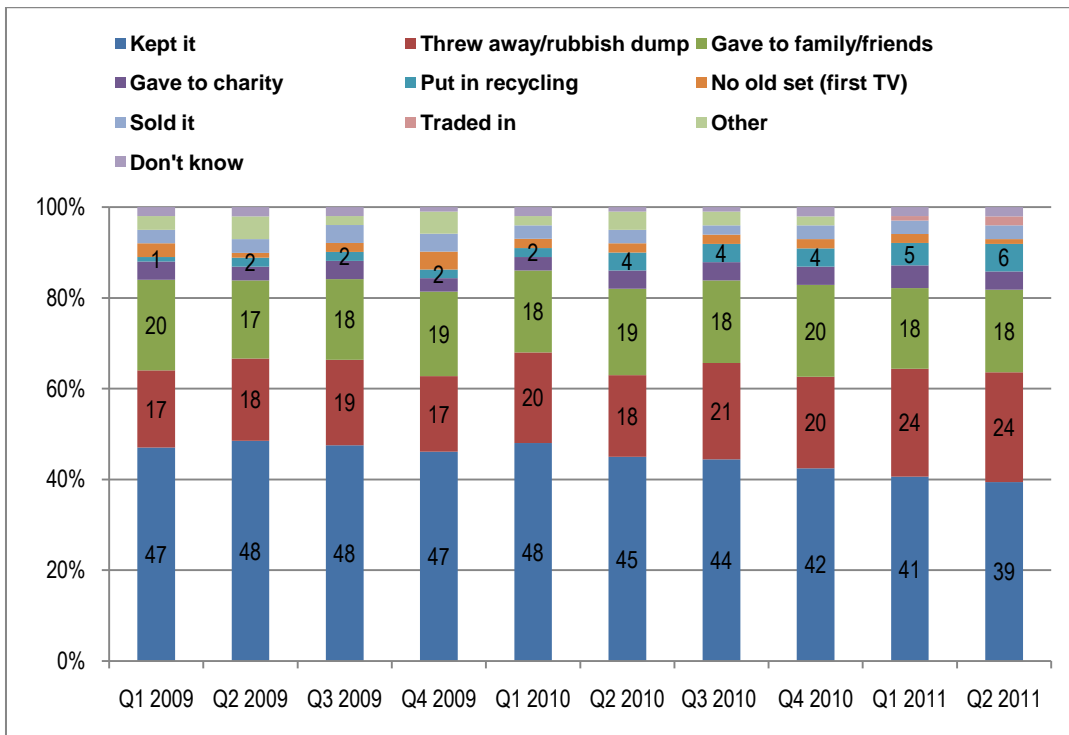
Traded in	1	2	1	2	1	0	1	2
Other	0	0	0	0	0	0	0	0
Don't know	2	2	2	2	2	1	2	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

(a) Has an integrated tuner. (b) Excludes Mildura/Sunraysia, regional South Australia and regional Victoria because these areas successfully switched to digital TV on 20 June 2010, 15 December 2010 and 5 May 2011 respectively. (c) Comprises Sydney, Melbourne, Brisbane, Adelaide and Perth.

Source: Digital Tracker Q2 2011.

From Q2 2009 to Q2 2011, a decreasing number of replaced television sets were retained. Those sets that were kept or given to family and friends fell from 65 per cent in Q2 2009 to 57 per cent in Q2 2011.<sup>15</sup>

Figure 25 How disposed of old television set



Source: Digital Tracker Q1 2009–Q2 2011.

## Rate of replacement

One of the aims of the study was to establish how often consumers updated or replaced television sets.

In the Newspoll survey of mid-2011, 70 per cent of respondents had purchased a new television set in the previous three years, and 29 per cent in the 12 months prior to the survey.

Eighty per cent of purchases made in the previous 12 months were to replace an existing television set. Where the television set was replaced, approximately 32 per cent were put in the recycling or council collection, or were thrown away or taken to the dump (meaning that most would no longer be used). The remainder were kept; given to family, friends or charity; or sold.

<sup>15</sup> Digital Tracker, Q1 2009–Q2 2011.

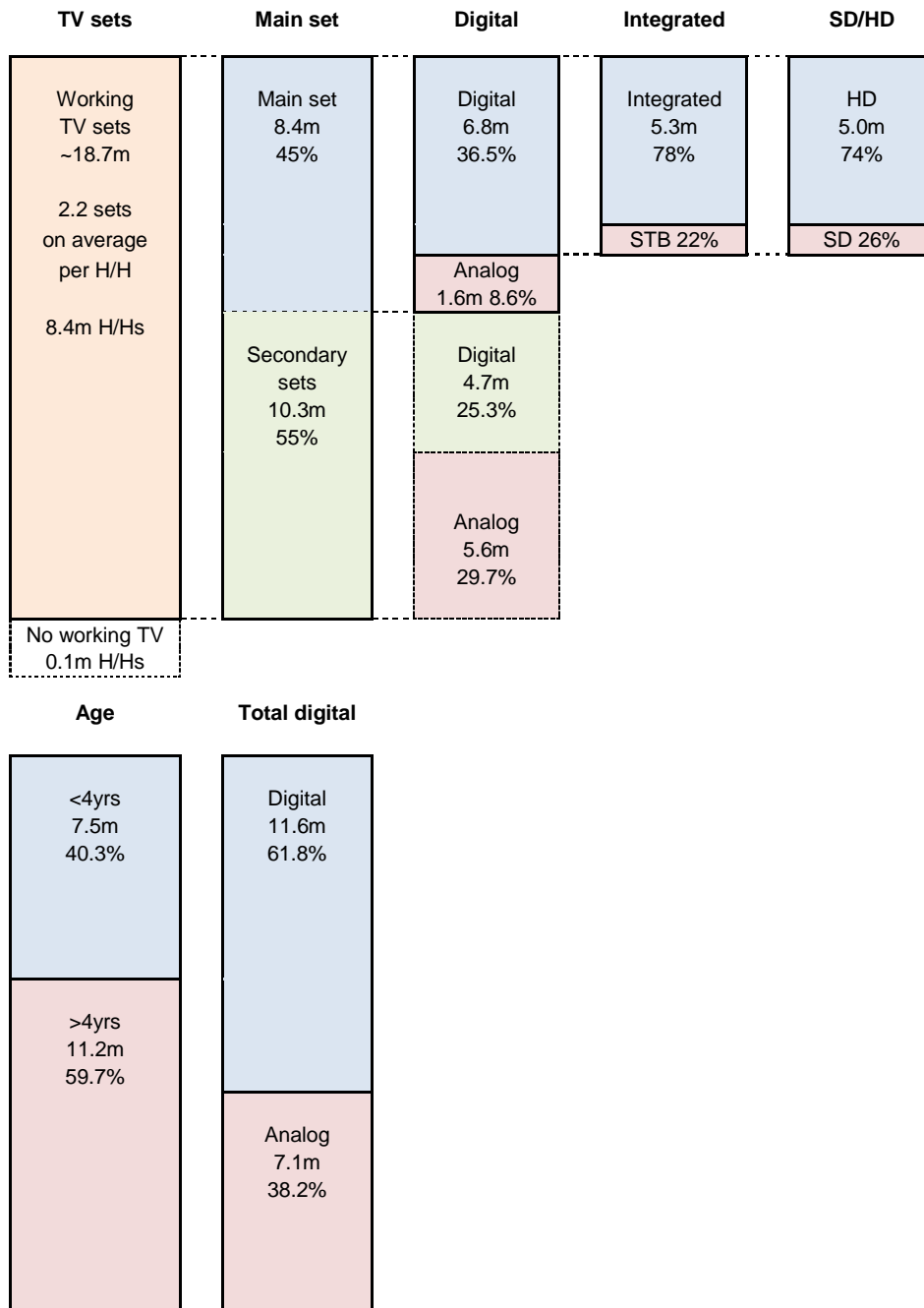
These figures suggest an annual replacement rate (new television set for old) of about 19 per cent. However, this rate is likely to depend on a number of factors, including the cost of a new television set, overall economic conditions and disposable household income, and the age and condition of television sets in the household.

With television sets being replaced at a rate of 19 per cent per annum, the stock of main television sets would be replaced approximately every 5.3 years. This, however, does not align with the mean age of main television sets replaced (8.3 years) or the expected life of the set if it had been purchased in the previous 12 months (7.4 years).

The study suggests that consumers are replacing television sets more frequently than in the past, as costs fall and specifications improve. This means that the overall stock of household television sets is becoming younger, although a wide range of different ages and capabilities will remain.

# Estimating the current household television pool

Figure 26 Estimates of household television sets, 2011



# Conclusions

As the cost of new television sets continues to fall, Australian consumers are buying them in increasing numbers. Seventy per cent of households had purchased a new television set in the three years prior to the Newspoll survey in May 2011, and 29 per cent had bought a new set in the previous 12 months.

The majority of new purchases (80 per cent) were to replace existing sets, although about 57 per cent of old sets continue to be used. However, the proportion of old sets that continue to be used is declining.

New set purchasing does not appear to be affecting the average number of television sets in Australian homes, which—at 2.2 sets per household—has remained relatively constant since 2007. Nor is it entirely accounted for by the increase in the number of Australian households over the period, from about 7.9 million to 8.5 million. Therefore it can be assumed that the average age of television sets being used domestically is getting younger, although obviously many older television sets remain in service.

About 40 per cent of all television sets in use in Australian households were less than four years old in mid-2011. However, a third of television sets that had been replaced in the previous 12 months were 10 or more years old.

New sets have important benefits for viewers, as more recent television equipment will be digital and high definition, giving access to more channels as well as better pictures. Consumers recognise these features as important when deciding to upgrade or replace a television set.

Interestingly, most respondents in the survey who had not purchased a new television set in the previous 12 months expected to pay significantly more than those who bought a new set had actually paid. Expectations about cost are likely to continue to lag behind actual prices while prices for new television sets continue to fall.

Digital sets were estimated to make up over 60 per cent of all household television sets in mid-2011. The proportion of digital sets will only increase as the analog signal is switched off in switchover regions with greater numbers of households, like the main metropolitan areas.

Until the mid-2000s, converting older sets typically meant connecting a set-top box or other receiver. However, the increasing incidence of digital television sets with built-in tuners means the proportion of set-top boxes and external digital receivers used with the main television set is now relatively small, at about 22 per cent nationally in 2011. The proportion of external digital devices used to convert the main set does vary by region—for example, Sydney at 18 per cent compared to northern NSW at 26 per cent.

Most main digital set-ups are HD, with SD only accounting for 26 per cent of main sets that have been converted to digital. This means that about 60 per cent of households were able to receive HD free-to-air broadcasts on their main set in mid-2011.

An improved viewing experience (higher resolution and larger screens) will continue to be drivers of new set purchases, even as the switch to digital happens.



# Appendix A—Study methodology for consumer survey conducted by Newspoll

## Sample

Conducted nationally among 1,203 respondents aged 18 years and over.

Respondents were selected via a random sample process that included:

- > a quota being set for each capital city and non-capital city area and, within each of these areas, a quota being set for groups of statistical divisions or subdivisions
- > random selection of household telephone numbers within each area
- > random selection of an individual in each household by a 'last birthday' screening question.

## Interviewing

Conducted by telephone from 27 to 29 May 2011 by trained and personally briefed interviewers.

To ensure the sample included those people who tend to spend a lot of time away from home, a system of call-backs and appointments was incorporated.

## Weighting

To reflect the population distribution, results were post-weighted to Australian Bureau of Statistics data on age, highest level of schooling completed, sex and area.

## **ISO 20252—Market, Social and Opinion Research**

This study was carried out in compliance with ISO 20252—*Market, Social and Opinion Research*.

# Appendix B—Questionnaire

## **SECTION A—PROG NOTE: ASK ALL RESPONDENTS**

A1 Thinking now about televisions. When was the last time, if ever, your household purchased a **new** TV set. Was it...? **READ OUT**

**PROG NOTE:**  
—SINGLE RESPONSE

1	Less than 1 year ago
2	1 to 3 years ago
3	4 to 5 years ago
4	6 to 7 years ago
5	8 to 9 years ago
6	10 or more years ago
7	Or, never
8	<b>DO NOT READ</b> Don't know

**PROG NOTE: ASK IF PURCHASED IE CODE 1–6 IN A1. CODE 7–8 GO TO NEXT SECT**

A2 Were you personally involved in the decision the last time your household purchased a new TV set? **DO NOT READ**

**PROG NOTE:**  
—SINGLE RESPONSE

1	Yes
2	No not involved/don't know

**PROG NOTE: ASK IF INVOLVED AND PURCHASED LESS THAN ONE YEAR AGO IE CODE 1 IN A1 AND CODE 1 IN A2. CODE 2 IN A2 GO TO NEXT SECT. OTHERS GO TO A12**

A3 What was the **main** reason or reasons for purchasing that new TV set? Was it...? **READ OUT**

**PROG NOTE:**  
—MULTI RESPONSES ALLOWED  
—RANDOMISE 1–10 THEN 11–12 LAST  
—IF CODE 1–11 SELECTED CANNOT SELECT CODE 12

1	Because your old TV stopped working
2	To get more channels
3	To get a better quality picture
4	To get a TV with a built-in electronic program guide
5	To get a TV with a parental lock function
6	To get a TV with a flat or a bigger screen
7	To get a 3D TV
8	To connect to the internet or access online content via your TV set
9	To get a TV with a built-in recorder
10	Because the TV signal is switching to digital
11	Or, some other reason ( <b>SPECIFY</b> )
12	<b>DO NOT READ</b> Don't know

A4 Still thinking about the last new TV you bought. Is it a **digital** television set? **DO NOT READ**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	Yes/digital
2	No
3	Don't know

**PROG NOTE: ASK IF DIGITAL TV SET IE CODE 1 IN A4. OTHERS GO TO A7**

A5 Do you receive any of the new free-to-air **high definition** digital channels on this TV set, such as One HD, 7Mate, Gem and ABC News24? **DO NOT READ**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	Yes/receive free-to-air HD channels
2	No
3	Don't know

A6 Is this the first **digital** TV set you have ever purchased? **DO NOT READ**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	Yes
2	No
3	Don't know

**PROG NOTE: ASK ALL INVOLVED AND PURCHASED LESS THAN ONE YEAR AGO IE CODE 1 IN A1 AND CODE 1 IN A2**

A7 How much did you pay for this new TV set? **DO NOT READ**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	Less than \$250
2	\$250–\$499
3	\$500–\$749
4	\$750– \$999
5	\$1,000–\$1,499
6	\$1,500–\$1,999
7	\$2,000–\$2,999
8	\$3,000 or more
9	Don't know

A8 What brand is this TV set? **DO NOT READ**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	Kogan
2	LG
3	Panasonic
4	Samsung
5	Sanyo
6	Sharp
7	Soniq
8	Sony
9	TCL
10	Toshiba
11	Vivo
12	Other ( <b>SPECIFY</b> )
13	Don't know

A9 Did you buy this TV to replace an existing TV set? **DO NOT READ**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	Yes/bought to replace existing TV
2	No
3	Don't know

**PROG NOTE: ASK IF BOUGHT TO REPLACE EXISTING TV IE CODE 1 IN A9. CODE 2-3 GO TO A12**

A10 What have you done with the old TV set? Have you...? **READ OUT**

**PROG NOTE:**  
**—SINGLE RESPONSE**  
**- RANDOMISE 1-6, THEN 7-8 LAST**

1	Kept it
2	Given it to family or friends
3	Given it to charity
4	Sold it
5	Put it in recycling or council collection
6	Thrown it away or taken it to the dump
7	Or, something else ( <b>SPECIFY</b> )
8	<b>DO NOT READ</b> Don't know

A11 How old was the TV set that you replaced? Was it...? **READ OUT**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	3 years old or less
2	4 to 5 years old
3	6 to 7 years old
4	8 to 9 years old
5	Or, 10 years old or more
6	<b>DO NOT READ</b> Don't know

**PROG NOTE: ASK IF INVOLVED AND PURCHASED MORE THAN ONE YEAR AGO IE CODE 2-6 IN A1 AND CODE 1 IN A2. OTHERS GO TO A15**

A12 If you were looking to purchase a new **digital** TV set today, which brand would you be **most likely** to buy?

**DO NOT READ**

**PROG NOTE:**  
**—SINGLE RESPONSE**  
**—CODE FRAME AS PER A8**

A13 And how much would you expect to spend on it? Would it most likely be...? **READ OUT**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	Less than \$250
2	\$250 to \$499
3	\$500 to \$749
4	\$750 to \$999
5	\$1,000 to \$1,499
6	\$1,500 to \$1,999
7	\$2,000 to \$2,999
8	Or, \$3,000 or more
9	<b>DO NOT READ</b> Don't know

A14 If you did buy a new **digital** television set today, how long would you expect to have it before you **needed** to replace it? Would it be...? **READ OUT**

**PROG NOTE:**  
**—SINGLE RESPONSE**

1	3 years or less
2	4 to 5 years
3	6 to 7 years
4	8 to 9 years
5	Or, 10 years or more
6	<b>DO NOT READ</b> Don't know

**PROG NOTE: ASK IF INVOLVED AND PURCHASED LESS THAN ONE YEAR AGO IE CODE 1 IN A1 AND CODE 1 IN A2. OTHERS GO TO A16**

A15 Thinking again about the **last** new TV set that you bought. How long do you think it will be before you need to replace this TV set? **READ OUT**

**PROG NOTE:  
—SINGLE RESPONSE**

1	3 years or less
2	4 to 5 years
3	6 to 7 years
4	8 to 9 years
5	Or, 10 years or more
6	<b>DO NOT READ</b> Don't know

**PROG NOTE: ASK IF 3 YEARS OR LESS, 4–5 YEARS OR 10 YEARS OR MORE IE CODE 1–2, 5 IN A14 OR A15. OTHERS GO TO A17**

A16 What do you think would be the **main** reason for needing to replace this television set in (**PROG IF CODE 1–2 IN A14/A15 INSERT RESPONSE FROM A14/A15 ELSE INSERT “10 years or more”**)? **PROBE FULLY**

**PROG NOTE:  
—OPEN TEXT FIELD**

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**PROG NOTE: ASK ALL INVOLVED IN PURCHASE IE CODE 1 IN A2**

A17 On a scale of 1 to 5 where 1 is **not at all** important and 5 is **extremely** important, how important would each of the following features be in your decision to upgrade or replace your TV set? Firstly....

**READ SCALE AS NECESSARY**

**PROG NOTE:  
—SINGLE RESPONSE REQUIRED PER ROW  
- RANDOMISE A–I**

		1—Not important at all	2	3	4	5—Extremely important	<b>DO NOT READ</b> Don't know
A	Being able to access more channels	1	2	3	4	5	6
B	Better picture or sound	1	2	3	4	5	6
C	High definition picture quality	1	2	3	4	5	6
D	A built-in electronic program guide	1	2	3	4	5	6
E	A parental lock function	1	2	3	4	5	6
F	A flat or a bigger screen	1	2	3	4	5	6
G	3D capabilities	1	2	3	4	5	6
H	The ability to access online content via the TV set	1	2	3	4	5	6
I	A built in program recorder in the TV set	1	2	3	4	5	6

A18 How many TV sets do you **currently** have in your household that still work and have been used in the last 6 months?

**DO NOT READ**

**PROG NOTE:**

**—SINGLE RESPONSE**

1	1
2	2
3	3
4	4
5	5 or more
6	Don't know

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