

## Over-estimate the DVR, under-estimate the cost

There has been a short-term over-estimation of the impact of Digital Viewing Recorders (DVR) and a long-term under-estimation, and that seems to be the general feeling around the world.



By [Gordon Patterson](#) 30 Jan 2006

Here in SA the initial take up of DVRs has been superb and already over 10 000 have been installed. The estimate to March 2006 is 17 000 and with more stock this could exceed 30 000. Given the sell-out situation, this is remarkable.

Globally, agencies, clients and indeed media owners have been trying to better understand the real impact of the technology:

Television viewing increases despite intensified discernment.

Ad noting has dropped between 17 - 20% depending on the category.

The longer you have a DVR the more you skip adverts.

Ads are not completely avoided - they still cut through in time-sensitive programming (news, sport etc).

Financially in the US industry experts estimate that the advent of PVR / DVR will cost the industry between \$3 - 5 billion by 2010. The question is obviously who will get this? Within the US they are expecting the penetration to increase from 8% of homes currently to 40% by 2010.

But what can we expect here in SA? The local take-up is small in the greater scheme of things... but it will have a growing impact in the more affluent segments.

Clients and their agencies need to start looking at ways to weave commercial messaging into content. DVRs/PVRs will not just affect DSTV - all stations will be affected.

When TV sets come standard with this technology it will become a significant worry for advertisers. This might not be far away. As soon as critical mass is achieved it will affect rating targets - they'll need to increase. Reach against higher LSM segments will be harder and "wear out" will become an issue.

### ABOUT GORDON PATTERSON

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