



Telecommunication Purchasing Trends Among Apartment Dwellers

By Amy Cravens ■ *In-Stat/MDR*

Apartments account for nearly 20 percent of US households. From a residential communications service delivery perspective, this is a significant portion of the US residential market. The apartment market, or MDU, however, is unique from single-family residences in many aspects, from property ownership to service delivery, and thus demands a unique approach.

One unique aspect is the geographic placement of many of these properties. Cities throughout the world tend to show fairly high concentrations of MDUs, as land in these urban environments tend to expensive and high-density buildings are the most economical building construct. Thus looking at the MDU there is a unique geographic focus on the urban environment, whereas single-family homes tend to be more suburban and rural in location.

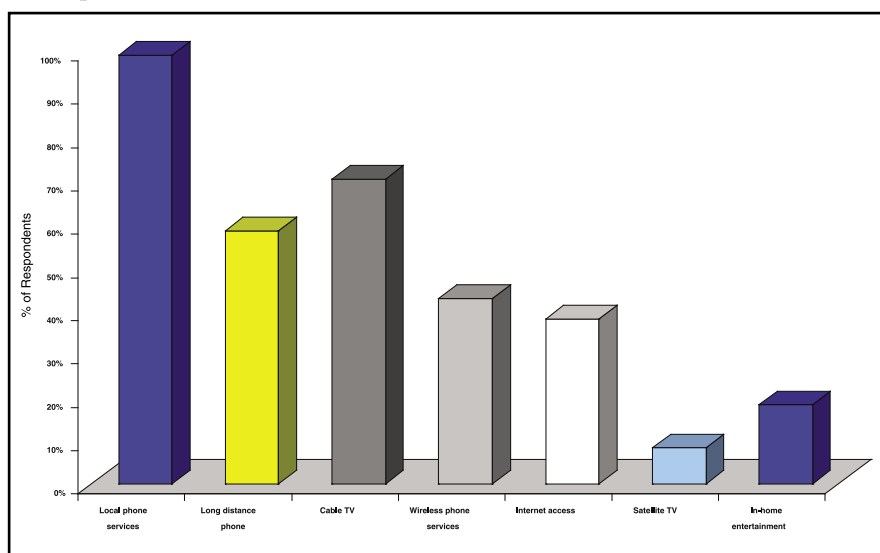
The audience in MDUs also often differs from the single-family market. MDU residents tend to be younger (except in the instance of retirement communities), with a high concentration of college students and young professionals. It is also this demographic that is associated with heavy Internet usage and as strong adopters of new technologies. The MDU resident also, however, typically has less disposable income versus the average single-family resident, making it important for providers to demonstrate the value of their service offering to potential subscribers. While this differentiation is not necessarily as prominent in regions that are almost exclusively MDU (such as in certain parts of Asia), it is very much the case in regions with a mix of MDU and single-family properties, such as

the US suburban market.

In-Stat/MDR recently conducted a large residential communications survey, which provided some insights into the unique nature of MDU residents and their communications services purchasing trends. The survey was conducted through a series of structured

apartment building with five or fewer apartments, apartment building with more than five apartments. From this data, In-Stat/MDR was able to isolate those responses from apartment residing respondents. The following conclusions are based on the survey findings.

Figure 1. Apartment Dweller Communications Purchasing Trends-Rate if Service Subscription



Source: *In-Stat/MDR, 05/04*

telephone interviews with consumers across the US regarding their expected telecommunication service usage for 2004 and in future years. Qualified respondents had to be a minimum of 18 years of age. In-Stat/MDR had a total of 1,000 completed individual interviews. The telecom adoption research was collected in April 2004.

Respondents were asked to classify their place of residence, including detached single family home, attached single family home, mobile home,

Survey respondents were asked about the use of a variety of communications services, including local phone service, long distance, cable TV, satellite TV, wireless phone services, Internet access, and in-home entertainment. According to survey results, apartment dwellers tended to have a slightly lower usage rate of most communications services compared to the total respondent base. The category with the largest differential was Satellite TV, followed by Internet access (50 percent of total

