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DTC: 46.2 Million Converter Boxes Sold Under Coupon Program

By Greg Tarr -- TWICE, December 1, 2009

Dallas - Approximately 46.2 million digital-to-analog converter boxes shipped during the period of the government-subsidized TV converter-box coupon program, according to a study released Monday by [Digital Tech Consulting](#) (DTC).

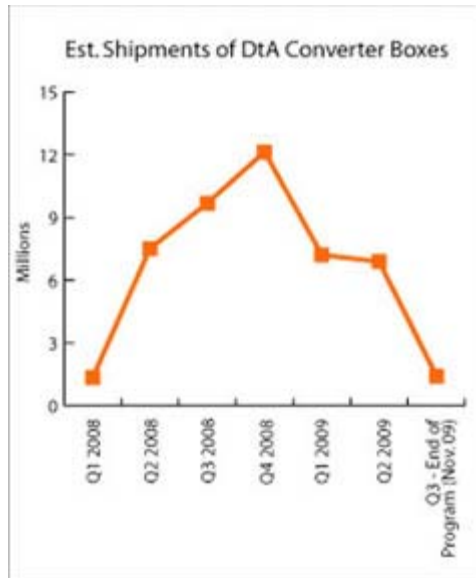
The National Telecommunications and Information Administration (NTIA) program, which recently saw the last eligible coupon expire, generated more than \$2.5 billion in retail revenue, according to DTC.

The one-time opportunity generated much-needed cash during recessionary conditions that otherwise would have kept many consumers out of stores.

"They may have not been high-margin sales, but manufacturers and retailers received a welcomed boost from the converter-box market," stated Myra Moore, DTS president.

To replace the lost revenue from the low-margined converter boxes, DTC suggested retailers could push stripped-down portable DVD players, many of which are retailing in the \$50 to \$80 range.

Another candidate comes in the form of new small "tea cup" LCD TVs with 7-inch and 9-inch screens and internal ATSC tuners. Some incorporate DVD players.



"The research firm pointed out that most TV-only models hover in the \$100 range but as the holiday selling season reaches its end, off-brand sets will probably be heavily discounted and perhaps star as loss leaders in the big-box stores," Moore said.

As for the converter-box category, DTC said the market will never see the sales volume of the last 18 months, but limited sales will continue for a couple of years. DTC estimated that there will likely be another 2 million units shipped in the next few years.

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