TABLE II.

DESCRIPTIVE STATISTIC: FULL SAMPLE: N = 2079

Variable	Mean	Max	Min	Std
Demographic Variables				
ADIR	66.28	210.00	1.00	51.08
MDHINC	16108.60	28987.00	7897.00	3206.51
PERPHH	2.70	3.85	2.00	0.18
POPDEN	311.48	6103.85	1.28	608.71
Price-quantity-channel variables				
PB	16.31	30.00	4.95	3.08
PP	9.57	20.50	3.32	1.44
NTIER	3.39	10.00	1.00	1.72
QB	10880.33	342940.00	10.00	25997.67
QP	8628.84	889889.00	4.00	30495.46
TSATC	16.43	42.00	1.00	7.11
System characteristics				
CCT	26.05	209.00	1.00	37.41
CHCAP	38.15	120.00	12.00	12.80
CSIZE	249474.41	2111023.89	59.00	437065.39
HOMESP	18237.47	724600.00	40.00	47395.43
MSO	271.83	1223.00	1.00	401.64
SIZE	3164675.10	15128952.84	59.00	5247796.80
Affiliation variables				
BAFFIL	1.26	8.00	0.00	2.29
PAFFIL	0.11	2.00	0.00	0.44

and the number of systems the operator owns locally (CCT), where the definition of *locally* is carefully considered. *Locally* is defined as a regional cluster. A regional cluster is a group of cable systems—all owned by the same owner—that are close to each other but far from all other systems owned by this owner. Every owner's systems are partitioned into regional clusters of systems.[8]

Measures of the operator's regional size are likely to reflect the true source of technological economies of scale cost savings. Operators who own geographically adjacent franchises accrue a variety of technological cost savings that are not available to operators who own geographically distant franchises. For example, operators who own adjacent or nearby franchises often consolidate overhead expenses such as administrative office work and service crews, while operators who own geographically distant systems cannot employ these cost savings practices. Also, operators who specialize in specific geo-

8. Neighboring systems are identified using distance data from a private marketing firm. Appendix 1 describes the construction of the regional clusters.