

Cable, DBS, & Telcos: Competing for Customers

2008



With over 86% of households in the United States subscribing to some type of multi-channel video service, and telephone companies extending the availability of landline video services, the multi-channel video marketplace has become more competitive than ever before. In 2007, cable's top ten operators saw a cumulative net loss of about 475,000 cable TV subscribers, but added about 12.75 million new revenue generating units from digital cable, high-speed Internet, and telephone services. During 2007, DBS providers acquired nearly 7.3 million new subscribers, yet DBS also saw about 5.8 million subscribers disconnect their services, resulting in a net gain of over 1.5 million for the year. The top telephone companies in the U.S. also had over 1.2 million subscribers to landline video services at the end of 2007, with nearly 1 million adding service during the year.

This sixth annual LRG study follows up on prior consumer research to investigate the current multi-channel video universe with an emphasis on consumers and their likelihood to switch providers, as well as downgrade or upgrade existing services in the coming year.

Objectives:

- Assess the current landscape of multi-channel video in the US and perceptions of the providers
- Help companies better understand the factors that contribute to consumers' decisions to switch video providers
- Understand the consumers who are most "at risk" and why
- Understand why consumers have chosen to get, or downgrade from services like digital cable and premium movie services, and identify those who are most likely to change their current levels of video service
- Understand the importance of various programming services
- Understand the interest in getting tiered programming packages

Methodology & Coverage Areas

In March/April 2008, LRG fielded a survey questionnaire via telephone interviews with 1,600 adults age 18+ from throughout the continental United States. The random sample of respondents was distributed and weighted to best reflect the demographic and geographic make-up of the U.S.

Questions/issues that the survey addresses includes:

- What are the different characteristics of current cable and DBS subscribers?
- Who has disconnected or downgraded services in the past year, and who might be next?
- Why have consumers disconnected, downgraded or added services?
- Why might consumers disconnected, downgraded or added services in the future?
- What programming is most popular, and how does programming impact the decision to get either cable or DBS.
- How do current consumer opinions of cable and DBS compare to last year?

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