# Cable, DBS & Telcos: Competing for Customers 2011

With over 87% of households in the United States subscribing to some type of multi-channel video service, the industry has more subscribers than ever before. Despite a persistently sluggish housing market, and increasing opportunities for Consumers to receive video from alternate sources, the multi-channel video industry added nearly a half a million subscribers over the past year. Over the year from the end of 1Q 2010 to the end of 1Q 2011, cable's top ten operators saw a cumulative net loss of nearly 1.79 million cable TV subscribers (about 400,000 more net losses than in the prior year), but added nearly 6 million new revenue-generating units from digital cable, high-speed Internet, and telephone services. Despite losses in basic cable subscribers, DBS providers acquired nearly 7.15 million gross new subscribers and, after customer churn, had a net gain of 601,000 subscribers for the year. The top telephone companies in the U.S. also had 6.87 million subscribers to landline video services at the end of 1Q 2011, with 1.68 million adding Telco TV service during the past year.

This ninth 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 consumers' perceptions of the providers
- Help companies better understand the current multi-channel video marketplace, and why consumers have adopted or disconnected core video services
- Help companies better understand the factors that contribute to consumers' decisions to switch video providers and who is most "at risk" and why
- Understand the importance of various programming genres and services
- Understand the role that the economy and "bundled" services play

## Methodology & Coverage Areas

In April/May 2011, LRG fielded a survey questionnaire via telephone interviews with 1,500 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 US.

Questions/issues that the survey addresses includes:

- What are the different characteristics of current cable, telco TV, 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, telco TV, or DBS.
- How do current consumer opinions of cable, telco TV, and DBS compare to last year?

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