Cable, DBS & Telcos: Competing for Customers 2010

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 sluggish new housing market, and increasing opportunities for consumers to receive video from alternate sources, the multi-channel video industry added over 2 million subscribers in 2009. In 2009, cable's top ten operators saw a cumulative net loss of nearly 1.3 million cable TV subscribers (about 400,000 more net losses than in 2008), but added 7 million new revenue-generating units from digital cable, high-speed Internet, and telephone services. During 2009, DBS providers acquired nearly 7.4 million new subscribers and, after customer churn, had a net gain of 1.36 million subscribers for the year. The top telephone companies in the U.S. also had 4.93 million subscribers to landline video services at the end of 2009, with 1.96 million adding Telco TV service during the year.

This eighth 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
- Understand the role that the economy and "bundled" services play

Methodology & Coverage Areas

In March/April 2010, 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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