Take-up of Television Services

General Public Survey Commissioned by ComReg

Presentation Format

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- Findings
  - Subscribers
    - Provider and Services Used
    - Switching Behaviour
    - Digital TV Services
  - Non-Subscribers

Introduction

Research Objectives

- The main objectives of the survey are:
  - To identify the type of service accessed by households (i.e. subscribers vs. non-subscribers) and the service provider used.
  - Subscribers
    - To identify the reasons for subscribing
    - To evaluate the incidence of and the reasons for switching
    - To assess the take up of Digital TV and DTV services.
  - Non-Subscribers
    - To understand the barriers to subscribing to Pay TV
    - To assess the likelihood of subscribing to Pay TV in the future.
- A similar survey was published by ComReg in March 2003 (ComReg 03/29e). Whilst, the latest report covers many of the same areas, it includes some new questions in the area of the take up of Digital TV, use of DTV services and switching patterns; it does not address issues such as consumer complaints and quality of service.

Research Methodology

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- 1,122 CATI (Computer Assisted Telephone Interviewing) interviews conducted with the head of the household
- Quotas applied on region, social class and on known take-up of pay TV/non-pay TV households as of the end of June 2003

Region	*Population Quota Applied Per Region (based on CSO data)*	*Number of Interviewees Per Region*
Dublin	32%	362
Rest of Leinster	25%	278
Munster	26%	296
Connaught/Ulster	17%	186

- Different questions put to subscribers (longer interview) and non-subscribers
- Fieldwork took place in July/August, 2003.

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Findings

Summary Profile

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Slides 8

- 66% of households subscribe to Pay TV via cable, satellite and MMDS aerial
- 35% of these households receive Pay TV via cable
- A minority (3%) subscribe to two pay TV service providers.

Slide 9 &10

- Subscribers to Pay TV have a higher representation in Dublin. Thirty nine percent of all subscribers live in the Dublin regio while only 12% live in the Connaught region
- Subscriber households tend to be larger in number (62% of all households having more than 3 people) and are more likely have children
- Non-subscriber households tend to be relatively older (40% of non-subscribers were over 55 years) and of the lower socio economic groups (50% are in the DE or F social group).

Slide 11

- On average, respondents spent 2.5 hours per day watching television. Those between the ages 15-24 reported to watch th most TV, viewing on average 3.2 hours per day
- There was **not** a significant difference between subscribers (2.6 hrs/day) and non-subscribers (2.3 hrs/day) in terms of the average number of hours watched per day.

Slide 12

- The average number of television sets per household was 2.1 sets. Non subscribers tend to have less TVs on average (1. TVs).

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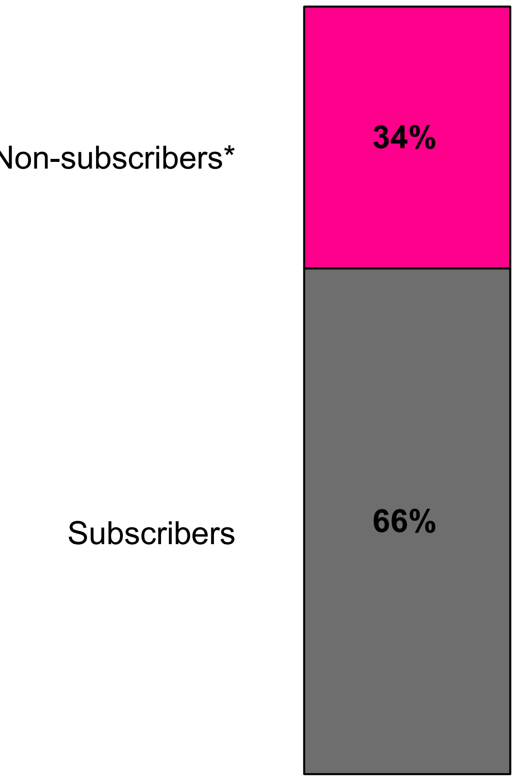
Q: Do you or does anyone in your household pay a fee or subscription to receive UK or other channels via one of these three options: cable or satellite or MMDS aerial?

Base: All Respondents: 1,122

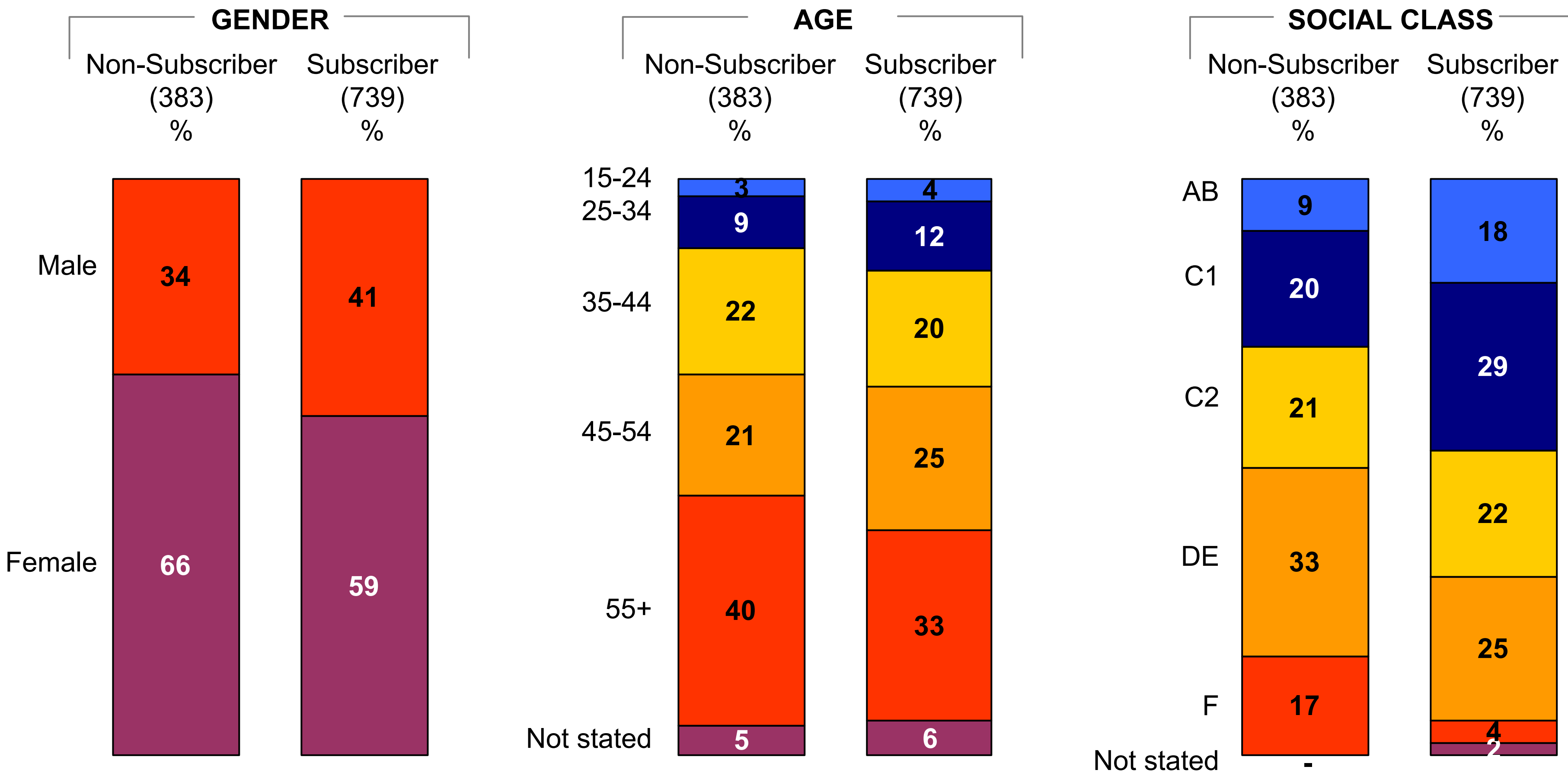


Cable connection	35%
Satellite dish	23%
MMDS aerial	8%

2 in 3 of all respondents subscribe to Pay TV

Subscriber Profile

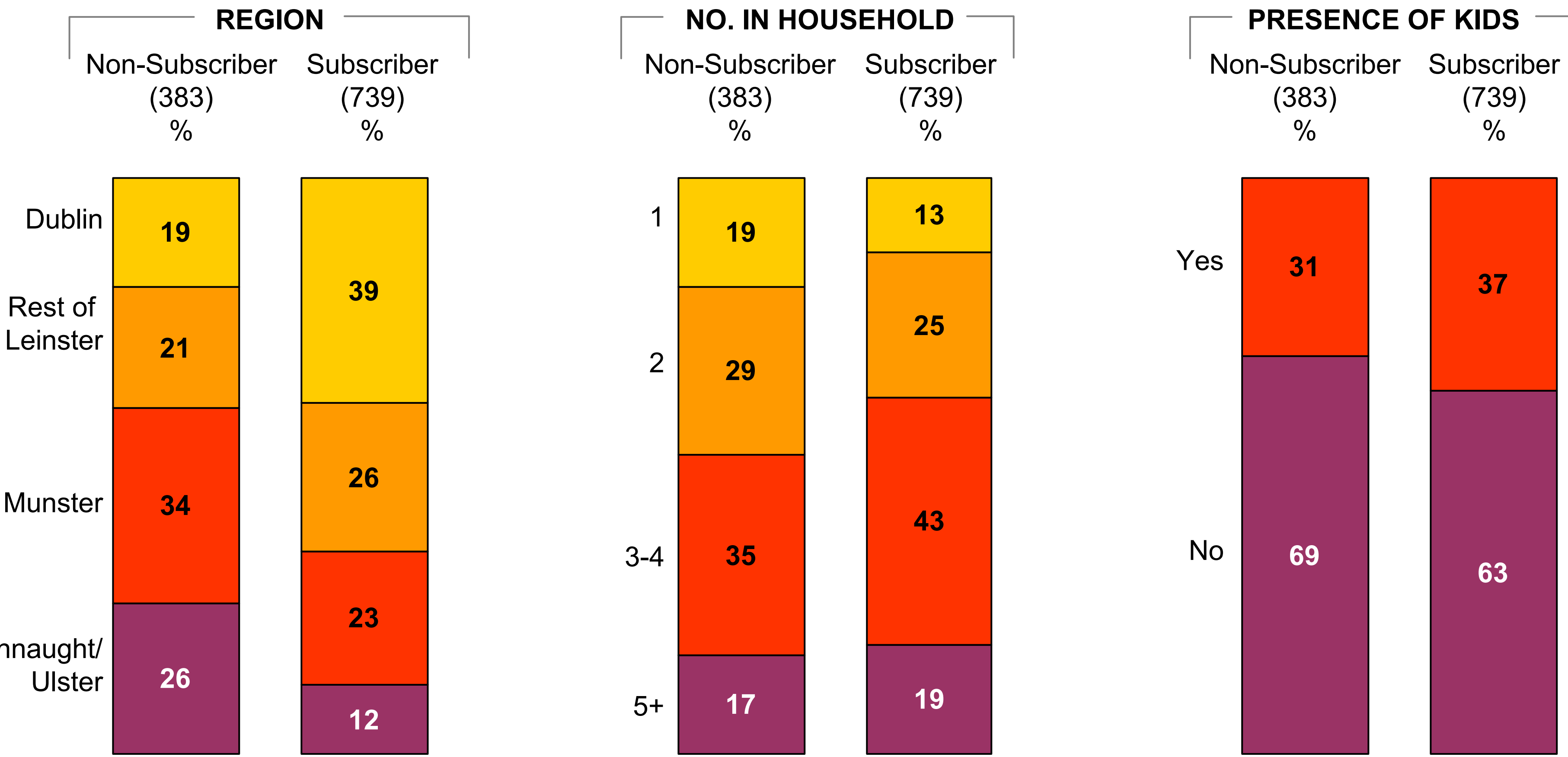
Base: All Respondents: 1,122



Subscribers tend to be younger and more affluent

Subscriber Profile

Base: All Respondents: 1,122

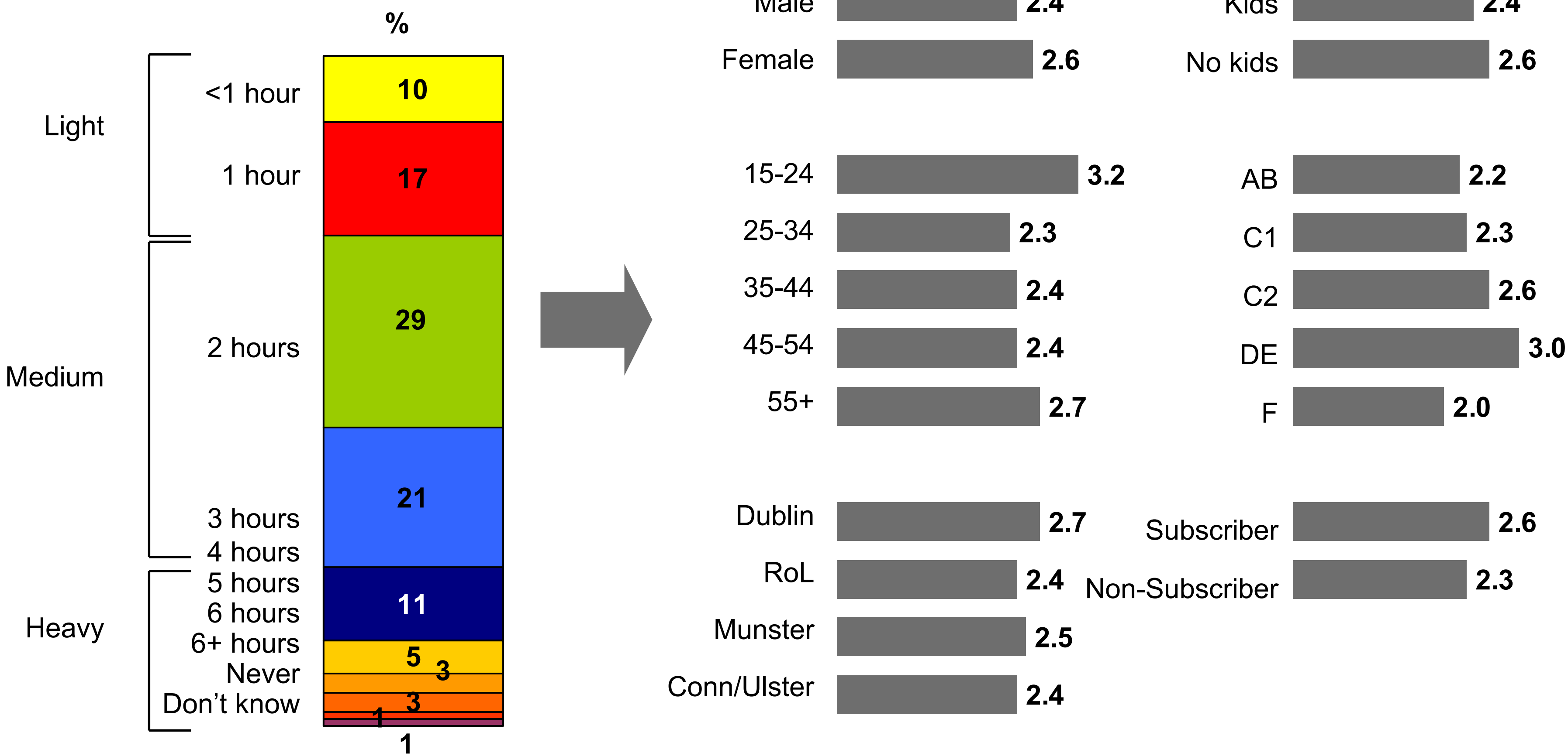


Subscriber households tend to be larger in number and more likely to have children

Q: On average how many hours do you spend watching TV per day?

Base: All Respondents: 1,122

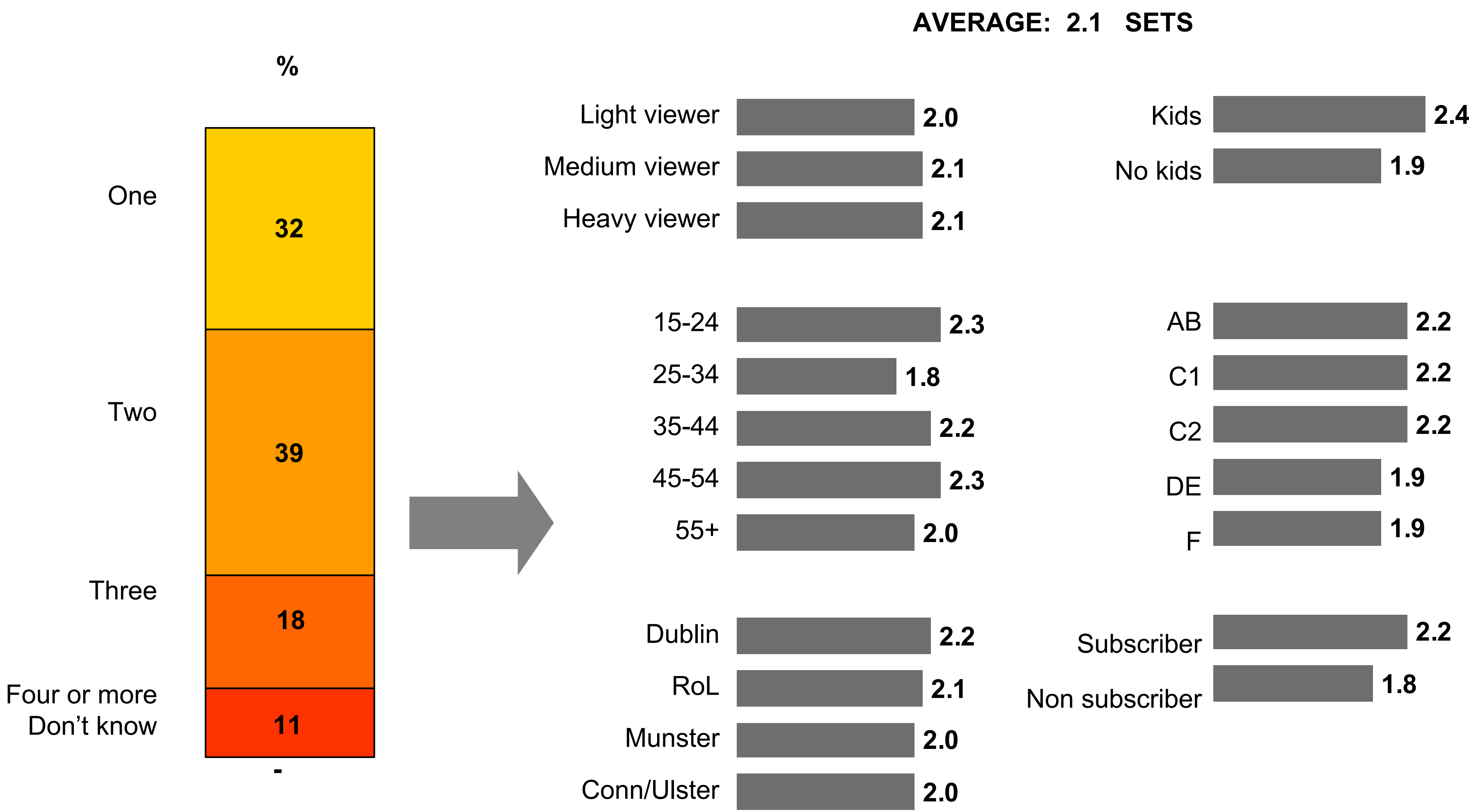
AVERAGE: 2.5 HOURS/DAY



On average, those who pay for TV services reported to watch marginally more television

Q: How many TV sets do you have in your household?

Base: All Respondents: 1,122



68% of those surveyed reported to have two or more TV sets

Subscribers

Summary - subscribers

Slide 15

- Of all Pay TV households, just over half (53%) receive services via cable, 35% via satellite and the remainder (13%) via MMDS
- 6% of subscribers receive Pay TV via BSkyB satellite and cable and 2% receive Pay TV via BSkyB satellite and MMDS.

Slide 16-18

- 16% of all BSkyB's subscribers reported to have joined in the past year (vs. 5% for ntl and 6% for Chorus).
- Approximately 75% of cable/MMDS subscribers have been with their provider for 4+ years
- The majority (83%) of all subscribers have never used Pay Per View (PPV), however at some point 35% of BSkyB's subscribers have used PPV. "Sporting events" rather than "movies" tend to be more popular among respondents.

Q: Which provider or providers do you currently subscribe to?

Base: All Subscribers: 739

	Total (739) %	Chorus (178) %	ntl (319) %	Sky (251) %
Cable connection	53	69	87	6
Satellite dish	35	2	6	100
MMDS aerial	13	31	13	2

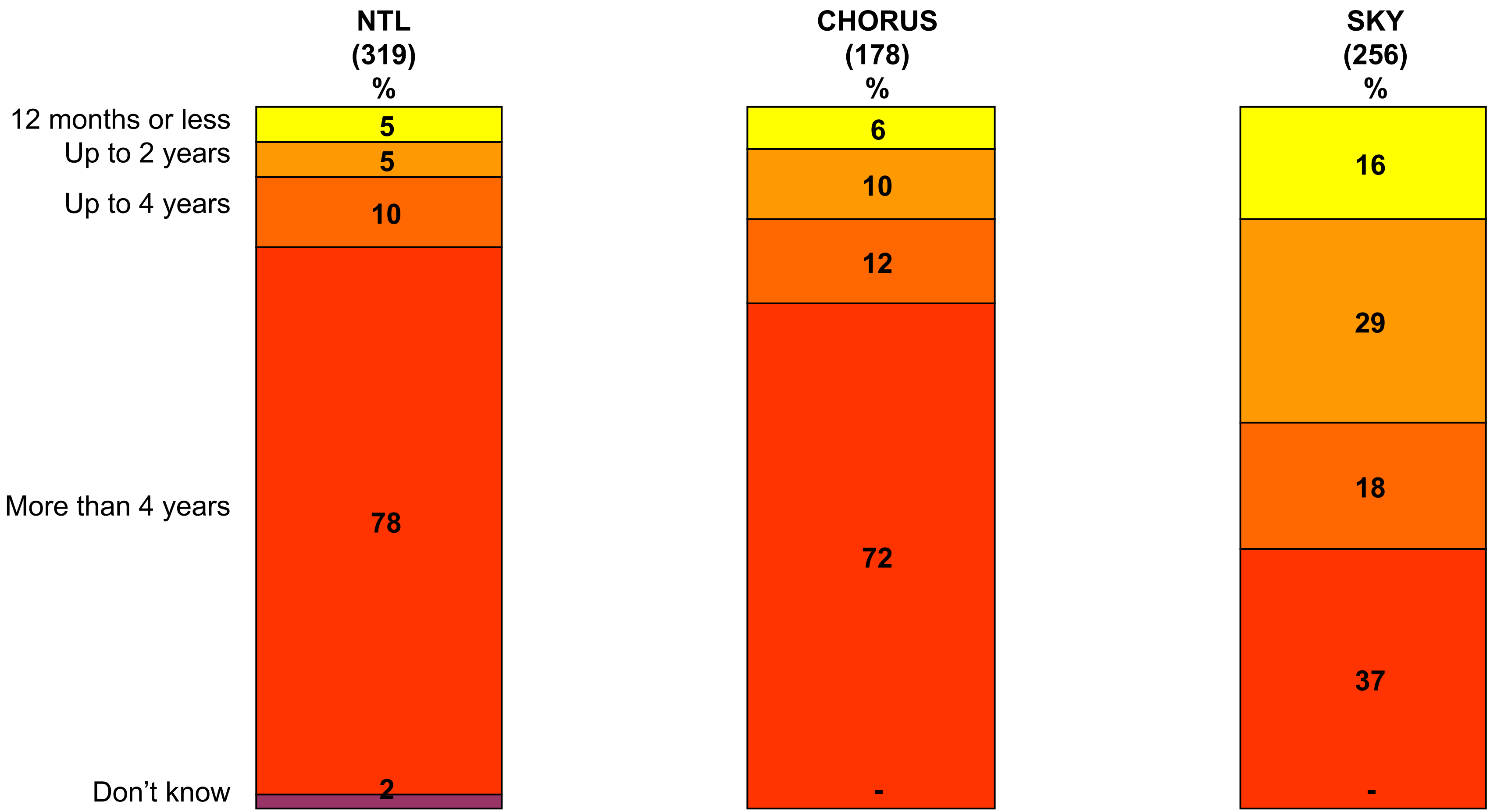
6% of subscribers receive Pay TV via BSkyB *and* cable

2% of subscribers receive Pay TV via BSkyB satellite *and* MMDS

Cable connection, followed by satellite is the most common means of receiving Pay TV

Q: How long have you been with your Pay TV service provider?

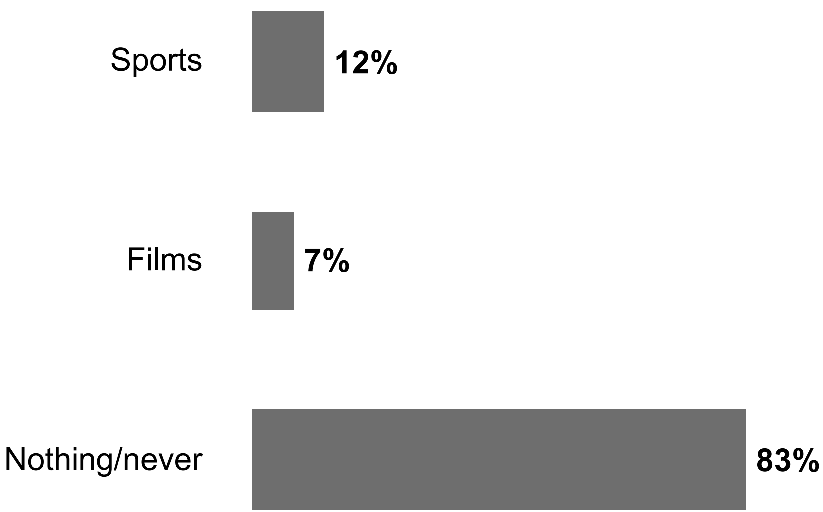
Base: All Subscribers: 739



Over 70% of cable & MMDS subscribers have been with their Pay TV provider for more than four years

Q: Have you ever watched anything on a pay per view basis in your own home?

Base: All Subscribers: 739



	ntl (319) %	Chorus (178) %	Sky (251) %
Sports	6	7	24
Films	3	3	18
Nothing/never	91	91	65

7% have watched both sports & films on PPV

Most people who have used pay per view services have done so via satellite

Q: Have you ever watched anything on a pay per view basis in your own home?
Q: How often would you do this?
Base: All Those Who Have Watched: 123

Multiple answers provided in some cases

	Films (54) %	**Sports** (86) %
More than once a week	2	3
Once a week	4	8
Less often than once a week	26	21
Hardly ever	69	66

The use of pay per view services remains infrequent

Switching Behaviour

Summary - switching behaviour

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- Over 9 in 10 of all subscribers have **not** switched their service provider in the past two years. The primary reason for not doing so, is because they are happy with the current service provided.

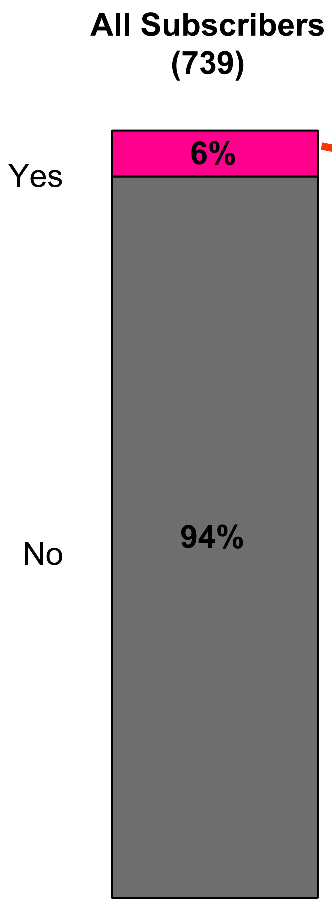
- Of the 6% of those who had switched, the main reason for doing so was a greater number of channels or better customer service.

Slide 22

- 30% of those who had not switched had not done so for “other” reasons. These included examples such as; “about to move house”, “no one has sold the idea well enough” and “only been with them for a short time, give them a chance to improve”

- 1 in 3 of those non-subscribers, said “nothing” would encourage them to change their minds. 14% state that a less expensive option would make Pay TV more attractive.

Q: What were your main reasons for switching suppliers?
Q: have you switched pay TV service provider in the past two years?
Base: All Subscribers: 739



MAIN REASONS FOR SWITCHING
*** RAW NUMBERS - 41 ***

Wide range of channels in general	10
Better customer service	6
Better picture/sound/reception	5
Individual issue with existing provider	5
Provided better value for money	5
Football/sports channel	4
Moved house	3
Recommended from family/friend	2
Previous provider did not offer digital	2
Other	4

In the past two years, few subscribers reported to have switched service provider

: Have you considered switching from your existing service provider in
e last two years?
: Then why haven't you switched to another service provider?
: Why haven't you considered changing your Pay TV service supplier?
ase: All who have not switched: 692

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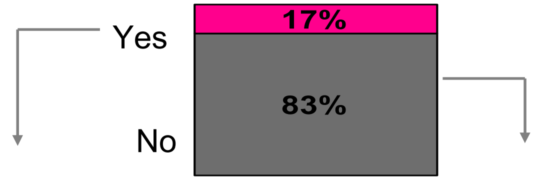
Multiple answers provided in some cases



Mentions 3%+	Reasons for not switching (%)	Reasons for not considering switching (%)
	(114)	(578)
Too expensive to change	7	1
Too lazy/no time	13	4
No other service provider available	16	10
Too much hassle	4	1
Happy with current service	13	49
No interest/not bothered	6	11
Not interested much in TV	3	4
Others not as good	3	2
May consider changing in future	2	-
Unaware of alternative/no information	2	4
Satellite only available/do not want dish on my house	1	-
Have enough TV channels	1	1
Other	30	9
Don't know	5	8

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The majority of subscribers have not switched provider, mainly because they are happy with their current service

Digital TV Services

Summary – digital services

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Slide 25-27

- 39% of Pay TV households subscribe to digital TV services with almost a third of these having signed up within the past year.

Slide 28

- Key factors cited for subscribing to digital TV services, are a “wider range of services” (27%) “football/sports channels” (21%) and a “good deal/special offer received” (10%)

Slide 29-30

- 57% of all digital subscribers have **not** used *any* interactive digital services. However, 57% of 15-34 year olds **had** used *at least one* interactive digital TV service

- Pay Per View (28%) and games (18%) are the most commonly used interactive services, with the presence of kids and younger age groups being a key driver (47% of 15-34 year olds had used “Pay Per View”). However 50% of those who had used “Pay Per View” did so “hardly ever”.

Slide 31

- Barriers to upgrading to digital include a “lack of interest”, “satisfaction with the current service” and the “cost of the digital service”.

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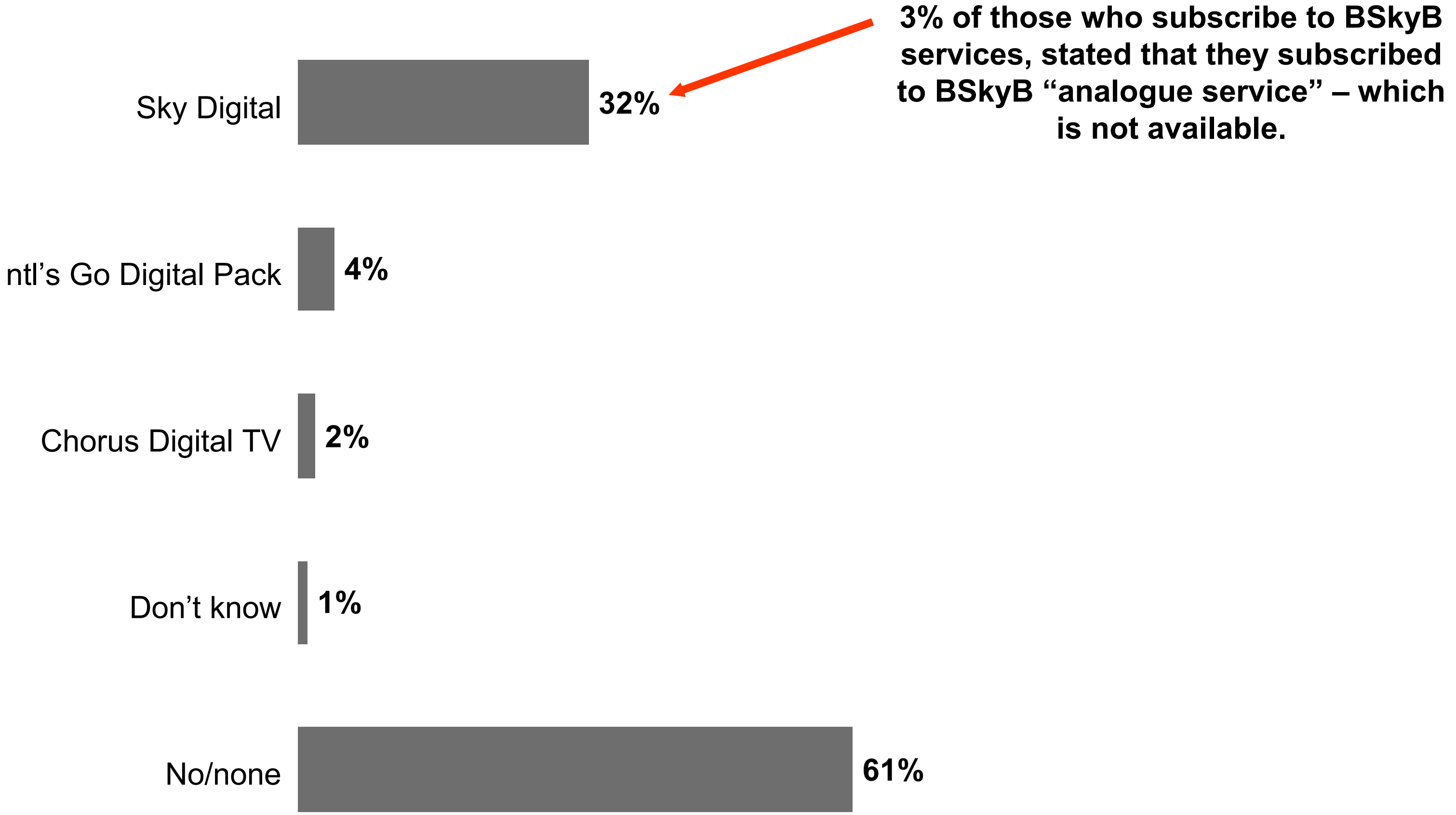
Q: Do you subscribe to any digital TV services at all? If so to which services?

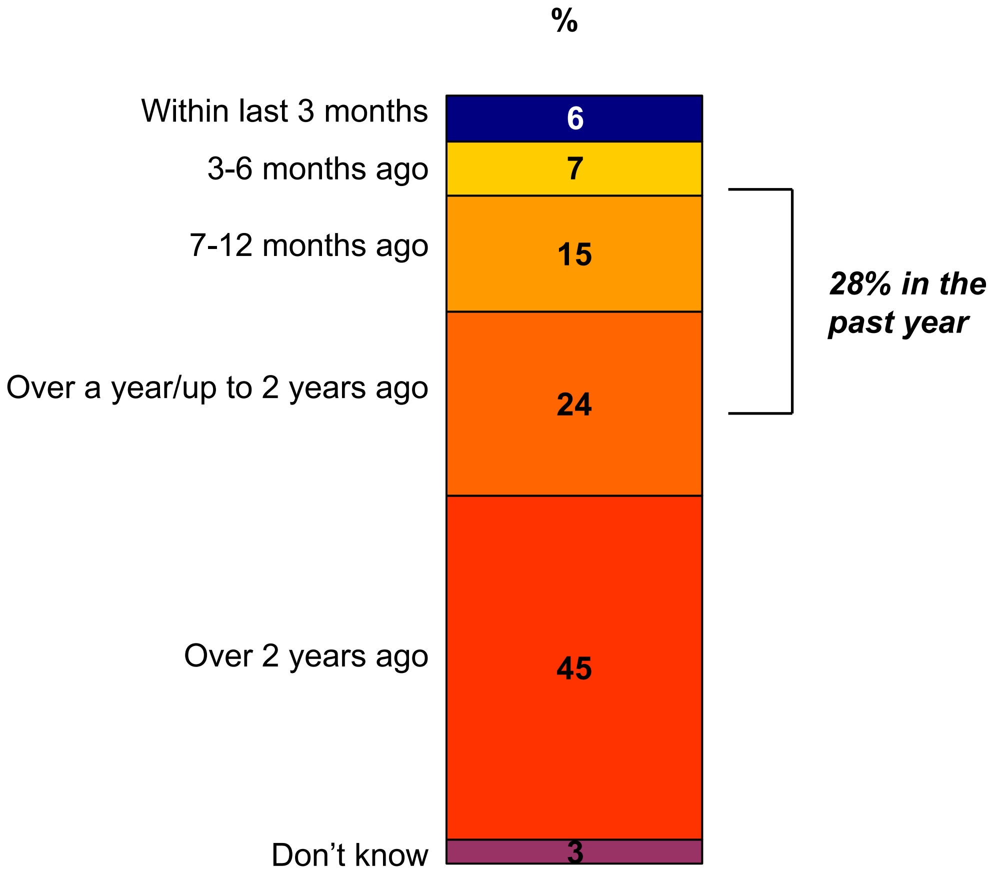
Base: All Pay TV Subscribers: 739



The majority of digital subscribers, subscribe to BSkyB digital

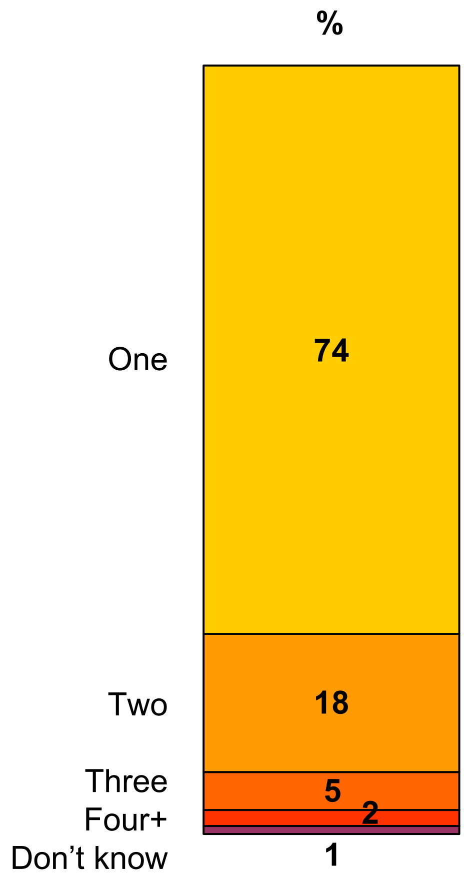
Q: When did you first subscribe to digital?

Base: All Digital Subscribers: 279



45% of digital subscribers have had digital TV subscription for more than two years

Q: How many of your televisions are connected to digital?
Base: All Digital Subscribers: 279



Depending on the platform, an additional digital subscription may entail a marginal increase in the fee or the full cost of the initial subscription.

3 in 4 subscribers only have access to digital TV on one TV set

Q: What were your main reasons for switching to digital?

Base: All Digital Subscribers: 279

MENTIONS 3%+.

Multiple answers provided in some cases

	Total	15-34	35-44	45-54	55+	Kids	No Kids
		(53)	(54)	(90)	(67)	(142)	(137)
		%	%	%	%	%	%
Wider range of services in general	27%	32	31	22	25	30	23
Football/sports channel	21%	26	17	22	18	20	22
Better picture quality	10%	6	9	8	16	6	13
Good deal/special offer	10%	8	6	14	7	7	12
Better reception	8%	17	4	6	4	7	8
Analogue service/shutting down/automatic	6%	4	4	9	6	6	7
Only digital service available from operator	3%	8	-	1	4	4	1
Movie channels	3%	-	2	2	4	3	2
Other	23%	2	37	20	19	23	22
Don't know	6%	4	9	4	9	6	7

Content is the major driver for switching to digital services

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Q: Have you ever used any of the following digital TV services
n your own home?

Base: All Digital Subscribers: 279

47% of 15-24 year olds have used PPV

Multiple answers provided in some cases

		Male	**Fe-male**	**15-34**	**35-44**	**45-54**	**55+**	**Kids**	**N K**
		(128)	(151)	(53)	(54)	(90)	(67)	(142)	(1
		%	%	%	%	%	%	%	%
Pay per view	**28%**	29	28	47	20	28	19	37	20
Played games	**18%**	14	21	28	26	17	6	30	5
Participated in interactive question polls	**7%**	5	9	8	11	4	9	7	7
Participated in interactive advertising	**4%**	2	5	8	4	2	1	4	4
Email	**3%**	3	3	6	4	2	1	4	1
obile phone service – ordering ring tone	**2%**	-	3	-	6	2	-	4	-
Gambling	**1%**	-	2	-	2	1	-	2	-
None of these	**57%**	61	54	43	50	63	69	47	68

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More than half of digital subscribers state that they have never used an "interactive" service

Q: Have you ever used any of the following digital TV services
n your own home?
Q: How often would you avail of this digital TV service?
Base: All using Interactive TV services in own home: 119

Multiple answers provided in some cases *** RAW NUMBERS ***

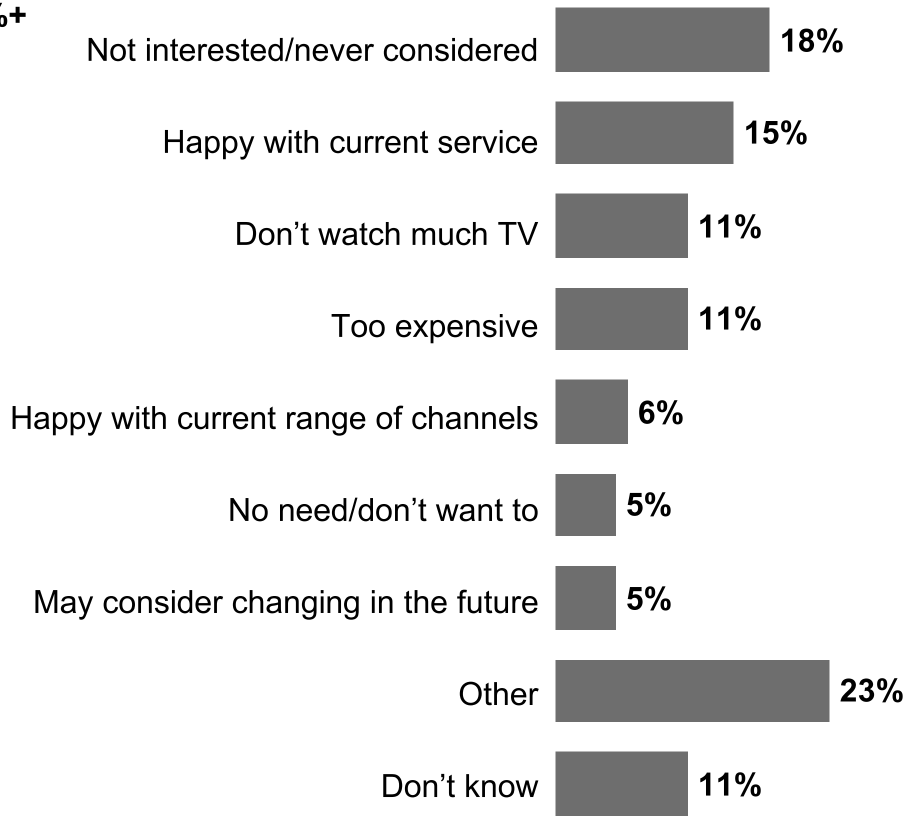
	Pay Per View	Played Games	Participated in interactive question polls	Participated in interactive Advertising	Email
More than once a week	6	11	1	1	1
Once a week	4	6	3	2	1
Less often than once a week	17	8	2	-	1
Hardly ever	50	21	12	7	3
Never	1	-	1	1	1
Don't know	1	3	1	-	1

The use of interactive services with digital TV remains relatively infrequent

Q: Why have you not switched to digital services?

Base: All Non-Digital TV Subscribers: 434

MENTIONS 3%+



The main reasons for not switching to digital are a lack of interest, happy with current service and cost

Non-Subscribers

Summary - Non-Subscribers

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Slide 35

- 34% of households reported not to pay a subscription fee for TV services. Of those not subscribing to Pay TV services, 14% had subscribed to Pay TV some time in the past.

Slide 36

- The main reason reported for no longer subscribing to Pay TV was that they were “no longer interested” (16%). Having “moved house” (12%) or the service being “too expensive” (12%) were the next most common reasons for no longer subscribing.

Slide 37

- Of those households that had never subscribed to Pay TV the main reason reported, was satisfaction with their current range of channels (41%)

- 42% of those households that had never subscribed to Pay TV services, “never considered it” or “did not watch TV much”

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Summary - Non-Subscribers (cont')

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Slide 38

- 70% of those households, who currently do not subscribe to Pay TV, reported that they were "fairly unlikely" or "very unlikely" to subscribe in the future.

Slide 39

- Non subscribers between the ages of 25-34 years and heavy viewers are more likely to subscribe to Pay TV in the future.

Slide 40

- Of those respondents that were "fairly likely" to subscribe to Pay TV in the future 33% believe that a "less expensive option" and "sports" (20%) would be the main attractions to subscribing .

- 33% of households who currently do not subscribe to pay TV believe that "nothing/nothing in particular" would encourage them to subscribe. Most of which were "very unlikely" to change their minds in the future

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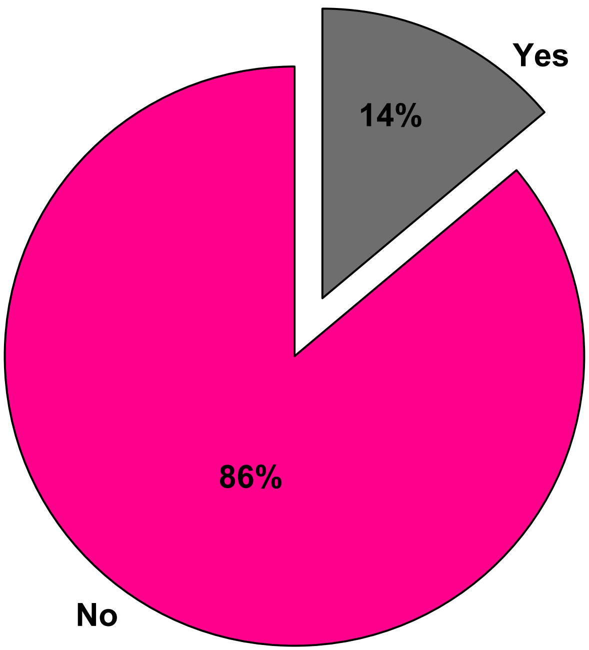
Q: Have you ever paid to receive TV services or channels via a satellite dish or cable or MMDS aerial in the past?
Q: Which service provider did you use?
Base: All Non-Subscribers: 383



Service Provider Used

	%
BSkyB	36
Chorus	26
ntl	21
Other	2
Don't know	15

Note: Small sample sizes
Base=53 Respondents

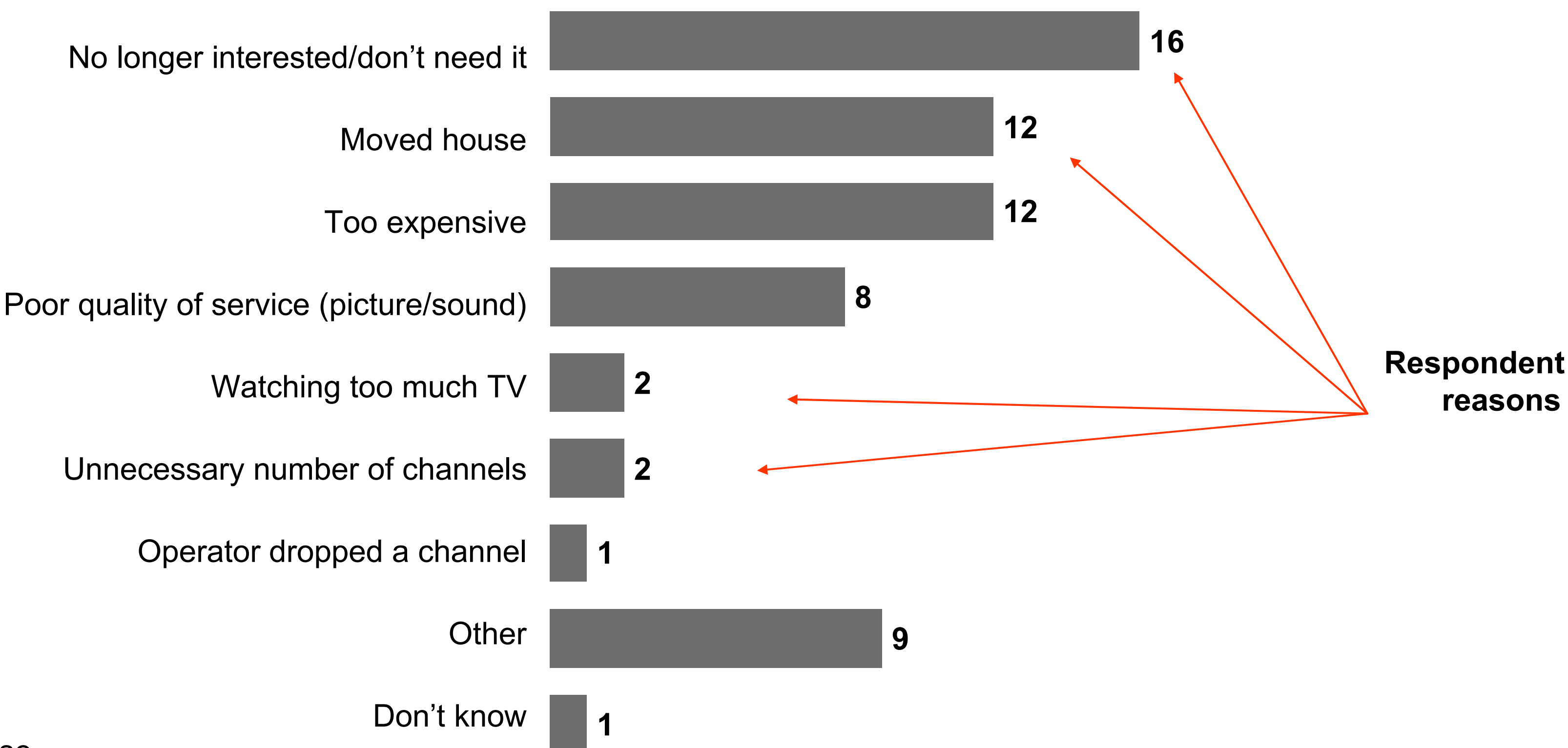
The majority of non subscribers have never tried Pay TV

Q: Why did you decide to stop subscribing to the service?

Base: All Previously Subscribing To Satellite/Cable/MMDS: 53*

RAW NO. OF MENTIONS

Multiple answers provided in some cases



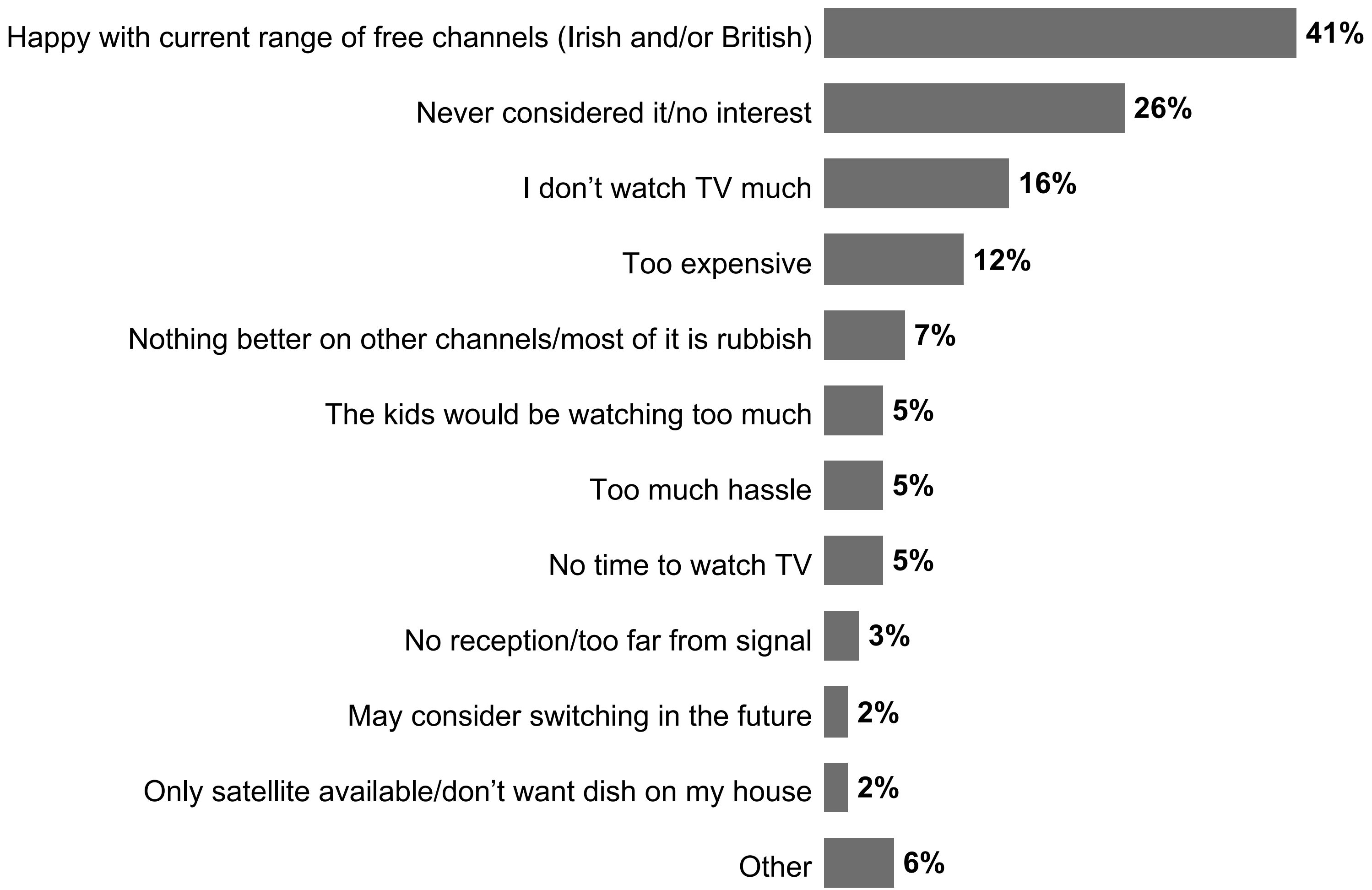
Note: Small base

The main reasons for *no longer* subscribing to Pay TV services, are more respondent led

Q: Why have you never subscribed to such services?

Base: All Who Have Never Subscribed: 330

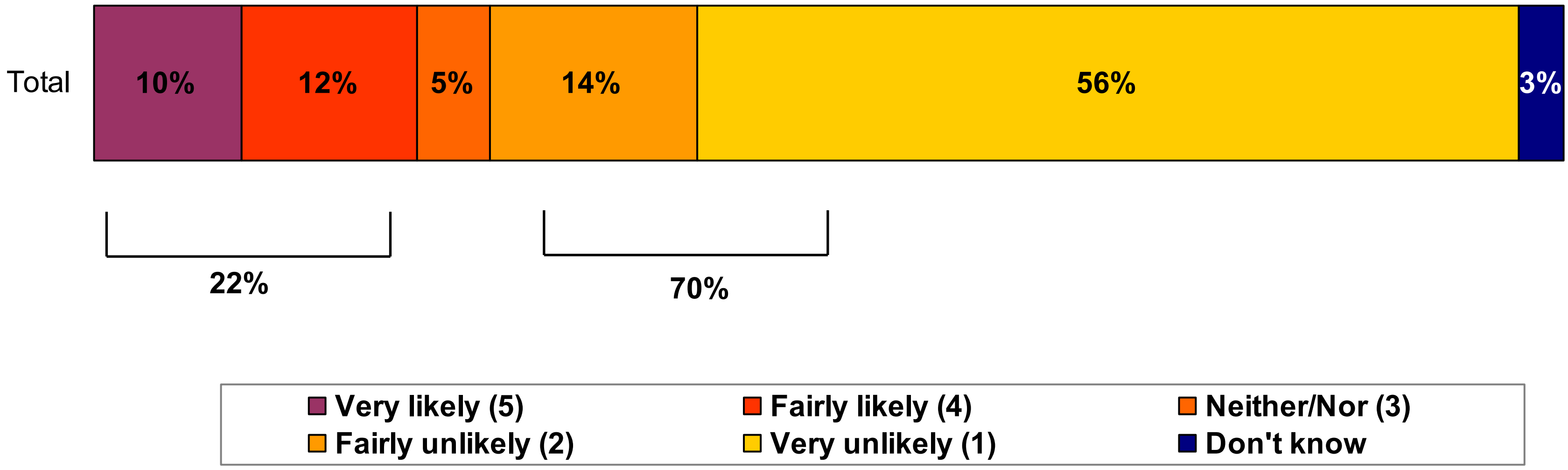
Multiple answers provided in some cases



The primary reason for *never* subscribing to Pay TV is satisfaction with current content

Q: How likely are you to subscribe to satellite / cable /MMDS in the future?

Base: All Non-Subscribers: 383



70% of those not currently subscribing to Pay TV reported that it is *unlikely* that they would do so in the future

Q: How likely are you to subscribe to satellite/ cable/MMDS in the future?

Base: All Non-Subscribers: 383

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AGE	
15 – 24*	2.2
25 – 34*	2.9
35 – 44	2.1
45 – 54	2.0
55+	1.8

REGION	
Dublin	2.0
RoL	2.1
Munster	2.1
Conn/Ulster	1.9

SOCIAL CLASS	
AB	2.3
C1	2.0
C2	2.0
DE	2.0
F	2.0

For respondents between the ages of 25-34, the average score on a scale from 1 to 5 (where 1 is very unlikely and 5 is very likely) was 2.9 i.e. on balance respondents between the ages of 25-34 are neither likely or unlikely to subscribe to TV services in the future

PRESENCE OF KIDS	
Yes	2.2
No	1.9

RESPONDENT VIEWING TYPE	
Light	1.7
Medium	2.1
Heavy*	2.4

* Note: Small base

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Younger people and heavy viewers are more likely to subscribe to Pay TV in the future

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Q: What factors if any, would encourage you to subscribe to TV services via satellite, cable or MMDS aerial?

(Base: All Non-Subscribers:383)

Multiple answers provided in some cases

20% of those who were fairly unlikely to subscribe, stated that sport would encourage them to change their mind

	MENTIONS 3%+	Very Likely (38)* %	Fairly Likely (45)* %	Fairly Unlikely (55) %	Very Unlikely (215) %
Less expensive options	14%	13	33	20	7
Sports	9%	11	20	15	5
Choice/variety of channels	7%	18	20	2	3
Better programmes/quality quality of programmes	6%	18	7	4	3
Movies	4%	5	11	4	2
Nothing/ nothing in particular	33%	13	11	27	45
Don't know	18%	11	4	20	22
Other	18%	35	23	22	13

Note: Small base

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One in three free-to-air households believe that *nothing* would encourage them to subscribe to Pay TV

End of Presentation

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