



**Qualitative Research Report of Findings
To Communicorp – DTT Multiplex
For Cable Subscribers Focus Group
Conducted April 15th and 16th Online
Prepared by
focusgroupsonline.ie
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Introduction

The following sets out the key finding from the focus group conducted across two full days April 15th and 16th 2008

Methodology

The Asynchronous (non-real time) methodology was used to facilitate the depth of information required to meet the research objectives. This enabled geographically dispersed participants to contribute fully to the discussion through affording them greater flexibility to participate at times that suited them. They were required to participate at least 3 times each day. Many participated at least 5 times each day.

Question “masking” was employed in key areas throughout the research period; this to elicit their candid opinions by ensuring that participants respond to questions in a way that they could not see (or be influenced) by others responses, until they had responded.

The focus group was moderated fully over the two day period from 7am to 6pm each day.

Client Access - Client was presented with “two way mirror” access to the research discussion via a dedicated login and password so that live access was available during the full research period at clients’ discretion.

Research Objectives

The primary research objectives were to uncover attitudes to existing service, programming and pricing offerings from Cable and Satellite operators in a way that reveals potential commercial opportunities for Communicorp in the provision of a DTT Multiplex service.

Focus Group Profile:

- 16 Participants with main responsibility for household expenditure/ key influencer
- Gender: 8 Males and 8 Females
- Age Profile: 23 – 53
- Social Class: BCIC2
- Most participants had at least 2 TV’s, some 3 and one with 7 in the home
- Participants had been with their service provider in the main for between 3 and 8 years

Key Findings

Awareness of Analogue Switch-Off

Most participants lacked any real knowledge about “Analogue Switch-off” but some volunteered reasonable estimates as to what it might be.

*Not sure about this, I think maybe it relates to the fact that NTL are looking at switching off the Analogue signal into houses and moving everyone to Digital, which would be terrible, because although I have a digital box, I watch the analogue in the other room. i don't particualry feel I should pay an extra how ever much per month for another digital box, nor do i want to. **Dublin Male 28***

*I believe the end of analogue signaling is near!! see more on the UK tv about than in Ireland but all tv will be digital in the near future...i could not tell you if its this year or in 5 years the switch off happens!! **Dublin Male 31***

It is likely that a significant communications campaign to build awareness of this will be required well in advance of the due date

Radio Stations via Television

Offering radio via television was seen as lacking inherent value that could be presented to the market as a price offering.

*I think they're an added bonus but would not want to pay extra for them
Although Radio 5 live was valued by one participant for “commentary on most Premier League football matches which is good if the game is not being played live..”.*

Dublin Male 24

Attitudes towards Existing Television Service Provider - Service

Participants had some difficulty expressing positive sentiments towards their Television Service Provider – mainly Chorus NTL (one participant with South Coast TV)

There is substantial dissatisfaction evident with the service they get from Chorus NTL.

Poor customer service was cited in particular

If something goes wrong with the service, customer service of NTL is shocking..awful...totally clueless...in addition of you have more than one service keep an eye on your bills!! prone to overcharging!! **Dublin Male 31**

Poor transmission/ reception was frequently mentioned as an irritant to customers who find it slow to switch channel and crashes completely on occasion

The main thing for me is how slow it is to change channel, for someone who enjoys channel surfing this is really annoying. When you go digital, you assume everything will be quicker, but when you change channel on NTL digital, there is approx a 1 sec lag, which is a lot if you're flicking, very irritating.

Also, I find my NTL seems to crash a lot, which does drive me nuts, just seems to hang ever now and then, which can be very frustrating. Switch it on and off, and its fine.

The remote control working angle is terrible, if you are not directly in front of the TV it doesn't work. Seems simple, but very irritating. **Dublin Male 28**

Complex pricing and billing system irritates some who have multiple services including broadband from Chorus NTL

hate the way the pricing structure works i.e. always seems more complicated (& more expensive) than it should be - the billing never seems clear or transparent .

Dublin Female 44

Overly Aggressive Marketing techniques

One development which particularly annoys me and it has become worse since UPC took over the business is the cold calls trying to sell me broadband..homephone line etc..told them not to call ...but they continue to.. **Dublin Male 31**

Attitudes towards Existing Television Service Provider – Channels

Most felt that they have many channels available to them that are unnecessary and they don't watch or value

*... Even though you may have hundreds of channels you will still end up watching the same ten or 15 all the time. I think as well they are expensive and getting increasingly so and pay per view for sports events really annoys me as i think we pay plenty enough as it is. **Meath Male 37***

*We were previously with sky, but found we had a lot of channels that we never used to watch. The so called 'junk channels' as we called them in our household. Then we looked at the amount we were paying and thought that sky as a package wasnt worth the monies we were paying for it.. We shopped around and thought NTL s basic package was quite reasonable in price and had the channels such as utv, bbc one, bbc two, c4, rte 1 and rte 2 that we wanted. These are the channels that are most watched in our house alongside sky news. **Dublin Male 26***

*I wish there was a way of just removing certain channels cos I hate having to scroll through so many, there should be a better layout on screen for selecting channels bar memorising the channel number or scrolling browse. (or maybe there is and I just don't know it :)) **Dublin Female 38***

There were a number of channels that were mentioned in particular as having little or no value, namely the American News Channels, Discovery Channel derivatives, and Shopping Channels

Attitudes towards Existing Television Service Provider – Channels

Most Valued Programmes

Participants were invited to create their own ideal package of Channels. While the following is not statistically representative it was notable that certain Channels featured particularly strongly. This list shows the 24 programmes voted for most frequently by 15 participants in the focus group

Station	Total Score
CHANNEL 4	12
RTE 2	11
Rte 1	9
BBC1	10
BBC2	9
Sky Movies	8
Sky Sport 1	9
ITV/UTV	9
Discovery	9
E4	8
Sky News	9
Setanta	6
Sky Sport 2	6
Nick Junior	5
Paramount Comedy 1	5
Living	7
Nickelodeon	5
Cbeebies	4
BBC3	4
Disney	4
MTV	5
TG4	3
tv3	4

Attitudes towards Existing Television Service Provider – Value

While some were reasonably happy with the value they feel Chorus NTL offers, others demonstrated less satisfaction with the value they get.

The value equation they used was linked substantially with the channels they feel they are paying for and don't want.

for me its the price, i would like to be able to have less channels for less money. I hate the way there are about 70 channels that we would never watch in a fit and we are paying for them. Dublin Female 38

It used to be good value for money but the price has gone up and I don't believe the level of service or choice has increased equally Dublin Male 24

the constant price increases that seem to happen every couple of months for my subscription Dublin Male 31

One single affordable sports package- stop the constant price increases of €2- get rid of some of the rubbish channels if it would make it cheaper Cork Male 32

I don't feel that its particularly good value for money. We have contemplated getting rid of it and living with our free to air satellite dish. However have not got round to doing anything yet. The kids really would miss Nick Jr and Cbeebies so I guess that's stopping us. Dublin Female 38

The basic package from NTL seems reasonable value for money, but adding Movies or Sports is way too expensive so it can't be good value. If I could be far more selective, I'd also drop more than half the channels that I do get, so you do get the feeling that you are paying for channels you don't want. Dublin Male 28

Market Value Perceptions - Duopoly Limiting Consumer Value

There are indications that the market is suffering from monopolistic / duopolistic behaviour where consumer price expectations are that Chorus NTL and Sky are essentially the same. It suggests there is a market opportunity for another provider to present a competitive differentiation

Amanda 04/15/2008 07:54 AM

well, I think it s expensive, but it does compare about the same as SKY **Wicklow**
Female 36

Perceptions of Sky

Seen as an attractive proposition for sports fanatics albeit expensive.

Sky is clearly leading the market in terms of technological innovation which a number of Cable subscribers (mainly male) find attractive.

Some of my work colleagues have the Sky TV service . The main thing which I hear being said is that having interactivity is great especially while watching live sport . Also one or two of them have HD TV's & they say that the reception on the Sky HD broadcasts is fabulous. Galway Male 38

The Sky Plus feature appears to hold particular appeal but most claimed they'd hope their existing provider would deliver it rather than having to move. Concern about extra charges, further installation costs and box costs were cited as barriers to switching to Sky.

I quite like the sound of sky plus where you can record programmes and freeze them. HD I think is just a gimmick, how clear do you need the picture to be ?! I don't know much about interactive TV except for choosing what news screen you want to watch etc but it seems ok
Wicklow Female 36

*I don't think i'd switch providers for those features.
HD is not much good to me, not got a HD tv.
Sky Plus/Tivo type thing would be great, but i wouldn't move to sky for it. Dublin Male 28*

Sky is perceived as offering too many channels

I don't really know anything about Sky except that they offer more channels than we wish to have. Cork Female 48

I think about a huge money making corporation that charges excessive amount to watch football, other sports, films. They are impressive with Sky + boxes etc being very useful. Only thing is price is too high Dublin Male 40

Market Opportunity

There is a general sense that people are beginning to question the value they get for their services and will switch to a more reasonable price and package proposition – some had evaluated their offering previously and switched from Sky. They could be encouraged to do it again.

Price for many is a key determinant of choice and hence in a limited market presents a real opportunity for Communicorp

The price proposition would naturally need to be linked with a Channel mix proposition that the market feels is sufficiently attractive for their needs.

Well i mentioned earlier that i was with sky for several years up to last year. They do offer the best range of channels and their introductory offers are great, but personally i don't want all the channels they offer in their variety mixes, i know they have an offer where you can take up to 2,4, or 6 mixes for a set fee, but there are channels we watch in all 6 and about 400 other channels we would be paying for that we would never watch so i would rather pick the channels than have to take the entire package. As i said, earlier they seem to offer the best choice of channels but their prices are too high and their customer service is appalling

Clare Female 33

- the price would be the main one-if the network could convince me that i am paying for the channels i want and not a lot extra for a load of rubbish i would be convinced to switch

32

Cork Male

I'd highlight that you won't be paying for channels you would never watch

Dublin Male 28

firstly, I would like to be able to choose the channels I want in my package, I would like to be able to watch a movie on the movie channel and be billed for that movie only, and the same with sporting events. I would also like it to be cheaper than I am paying being that I am only receiving the channels I watch

Female 36

Wicklow

If we were to look at a new provider it would be based on price alone. **Dublin Female 38**

the main decision(why we chose NTL) came to the price. NTL was cheapest at the time and also that there didn't need to be any satellite installed.

Dublin Female 23

Market Opportunities – Additional

Sky's Requirement for a Landline is a barrier for some and potentially an increasing issue as mobile communications impact on landline take-up

at the time the main reason i went with chorus was because with them i did not have to get a land line into my house which i would have had to do with sky. I did not want another bill as i already had a company mobile which i could use. This was the main factor as i had a look at a couple of subscribers and chorus were the only ones i did not need a land line

Cork Male 32

Apartment Complex Rules and Restrictions present an opportunity and challenge to build deals with Property Management companies in charge of such complexes.

I gave serious consideration to Sky and would probably have chosen them if it was an option but within the apartment complex I live in you are not allowed Satellite dishes so that ruled them out...

Dublin Male 31

Critical Service Expectations

Installation time is a critical area – customer acquisition can hinge on delivery time People's expectations are that installation of a Television service should be done in days not weeks. When faced with a choice between Sky or Chorus NTL, a provider may be selected purely on speed of installation

I was with SKY in my previous house and I went with NTL this time because SKY wanted us to wait for 6 weeks for installation.

Wicklow Female 36

Summary

Insights gleaned from this focus group indicate that there is a potential market opportunity for Communicorp's DTT Multiplex to attract existing Chorus NTL customers to its' services.

At one important level, it appears that there is a strong service based proposition that would be attractive to potential customers where Chorus NTL (UPC) evidently fails to deliver to customers and at the very least is still suffering from negative association from a number of years ago.

There appears to be a market that is price sensitive and will consider alternatives to reduce their monthly subscription. This market would likely not consider Sky as they see that service as too expensive and offering irrelevant channels.

This market is looking for channels that they'll watch, and don't want to pay for the unnecessary channels they feel they are currently paying for.

Dave Hanley