

**Cable Television Community Needs and Interests Assessment
Fort Collins, Colorado**

**By
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CABLE TELEVISION COMMUNITY NEEDS AND INTERESTS SURVEY

Executive Summary

In an effort to ascertain community needs and interests related to cable television service provided by Comcast in Fort Collins, Colorado, a written survey was mailed and distributed to a random sample of 3000 households in November 2003. Of those, N=420¹ were returned for a response rate of 14%. All of the returned surveys were coded and analyzed. A sample size of 420 provides the City a margin of error of ± 5 points.

Based on the responses provided by residents of Fort Collins, the following key issues related to cable television emerged.

1. While a majority of residents rated the cable television service they receive positively, when considering the overall positive performance rating of 59% against other studies, Fort Collins residents rated cable television performance slightly lower. In written responses, the bulk of criticism with overall cable service was the “cost” of those services. In part, this is due to the lack of a very basic cable package being offered to residents. The need for such a package was repetitively mentioned in open-ended comments.
2. Additional criticisms were voiced related to cost and channel offerings. The cable company may have moved some of the desired analog channels into the digital tier. Several analog customers reported “missing” their cable networks that may have moved to the digital tier. In other words, customers are paying a certain price for analog cable service, but may have lost some of the desired channels to the digital tier offering. Additionally, when testing a series of service issues, cost, variety of programming and quality of cable programming were the service areas that received the lowest marks. The cable company may want to consider the negative impact that rising cable rates has on reported overall satisfaction with Comcast’s cable service and how aggressive the possible transition of some analog consumers to the digital offering should be. This is also an important area for the cable company to consider

¹ The letter N will be used to represent total number of respondents.

as competing multichannel services, such as Direct Broadcast Satellite (“DBS”), become more prevalent in the marketplace. In Fort Collins, 6% of respondents not subscribing to cable television had chosen a satellite dish. While this percentage is lower than the national average related to satellite television, it does suggest a trend of leaving cable television services for more programming variety at a perceived more affordable price.²

3. Concerns related to costs were amplified in ratings related to high-speed Internet service. Considering personal computer penetration of (74%)³ and the significant number of those with PCs who have more than one in the home (42%), the efficient provision of high-speed data services in Fort Collins is critical. Currently, 19% of those with PCs have installed an additional phone line for Internet access, and the speed of that Internet connection was a significant complaint, followed by system reliability. The cable company should consider the information gathered during this assessment that clearly states that high-speed Internet access is a desired service that customers are willing to pay for in Fort Collins. In fact, 2% of cable subscribers indicated they would subscribe later this year, and another 19% indicated they would likely subscribe if the terms were right. As the cable company is able to provide more services to the consumer, the value of a cable subscription increases and could positively impact the perceived “value” of cable television and may reduce complaints regarding costs of cable services.
4. Respondents reported dissatisfaction with telephone support by the cable company, and this is a concern that should be addressed by Comcast. Telephone hold times and the ability to reach the cable company by telephone were key areas of expressed dissatisfaction by cable television subscribers. The City might consider establishing a level of required service regarding telephone availability with customer credits mandated for not meeting those standards.

² www.sbca.org. Satellite Broadcasting and Communications Association. April 2002. An estimated 20 million households, or 19% of all American homes, subscribe to satellite dish services.

³Nationwide 61% of Americans have personal computers and that number has remained flat for the last 24 months. (www.ce.org).

5. Viewership of the local government access channel (Channel 27) was high with 72% of subscribers reporting at least occasional viewership of the Channel. Of those viewers, 11% watch monthly, 19% watch weekly and 1% watch daily. More importantly, viewership of government access was significantly related to overall satisfaction with cable television service. The categories of local programming which subscribers indicated were of high interest included local news and events, citizen issues/panels, volunteer opportunities, local sports and local art and culture. Educational access viewership was also strong with 60% of respondent subscribers being occasional viewers of Channel 10 (Poudre School District) and 56% sometimes watching CSU's Channel 25. As DBS service provides local broadcast signals, Comcast's ability to carry educational and governmental access programming will be a category of programming that separates cable from its competition. Understanding the value that local subscribers place on access programming and enhancing access operations in the community seems like a logical competitive step.

6. Twelve areas of franchise renewal considerations were tested among cable subscribers. Respondents were asked to rank the tested issues as of high, medium or low importance during franchise renewal discussions. The highest ranking issues were related to signal quality, customer service, a very basic cable package (fewer channels at a lower cost) and more choices of channels in other cable package offerings. Just behind these four issues were high-speed Internet access for schools, libraries and non-profits and a system upgrade. All twelve areas are of considerable importance when combining high and medium rankings. Respondents appeared to consider all tested issues to be of high or medium importance for the City in renewal discussions with the cable company.

The following offers descriptive data from the survey administered in Fort Collins and explains each of the above-mentioned key conclusions in more detail.

Narrative Summary of Findings

The City of Fort Collins conducted a community needs and interests assessment related to cable services in the City as part of the cable franchise renewal process. This narrative summary reports on the findings of that field research.⁴

Findings presented in this report are based on randomly mailed surveys to 3000 community households in November 2003. Respondents were given until December 5, 2003 to complete and return the survey.

Of the 3000 mailed surveys, 420 were returned for a total response rate of 14%. A sample of 420 provides a margin of error of ± 5 points. This margin of error lets the reader know that if this random study of residential attitudes about cable television service were replicated in the City, the newly collected data would fall within ± 5 points of the findings reported in this narrative.

The survey instrument was designed to test community cable needs and interests and asked City residents to respond to a series of 23 questions related to a variety of cable service issues. Cable issues fell into four categories: customer satisfaction with various levels of service (specifically television and cable modem), cable television programming, service provided by the cable company and priorities to consider during franchise renewal. Also included in this assessment were questions related to the City's government access channel (Channel 27) and educational access channels (Channels 10 and 25).

At the close of the survey, respondents were asked in an open-ended question if there was anything else they would like to add about the cable company's service, and 39% (N=163) responded with additional thoughts.

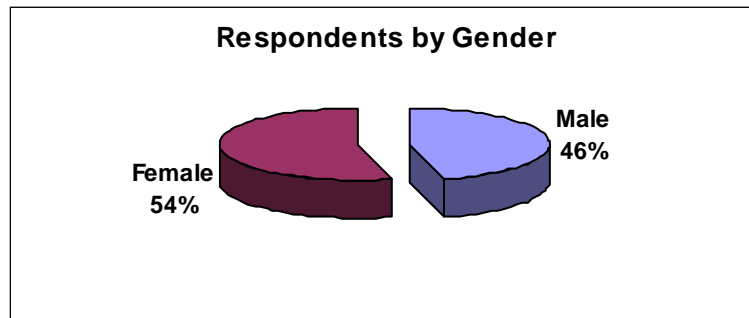
This strong response rate and rate of survey completion, including open-ended comments, suggests a high level of interest in cable television service among residents and a desire to express needs and interests related to cable television service in the City.

⁴ Figures rounded to whole numbers are used in this report so that column totals will not always equal 100%, but rather fall between 99-101%.

Demographics

Before launching into a summary of the findings, the reader would benefit from an understanding of who responded to the survey.

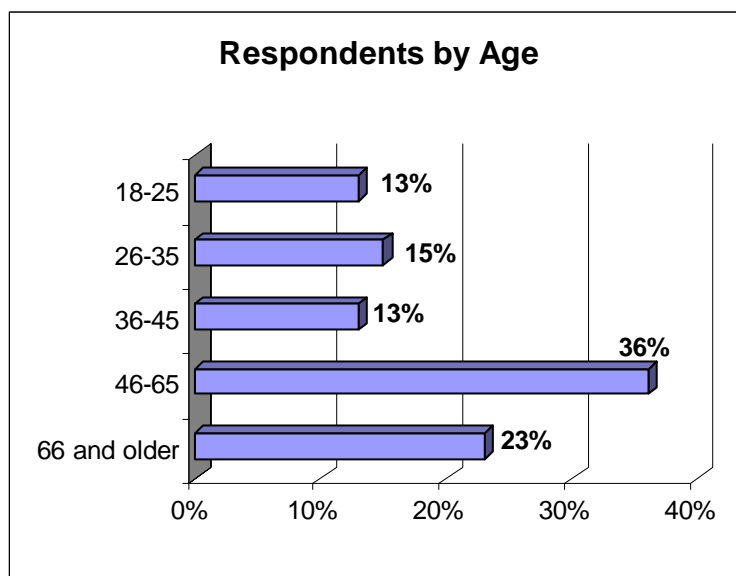
Respondents were more likely female than male, with 54% of the respondents being female and 46% being male.



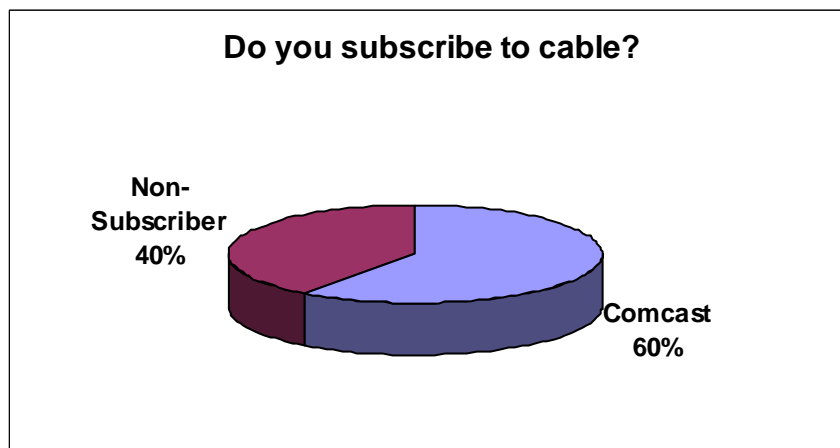
Seventy-six percent (76%) lived in a single-family home, and 24% reported living in a multi-family residence.

A majority (80%) reported not having children under 18 living at home. Nine percent (9%) reported having one child under the age of 18 in the home, and another 9% reported having two children in the home under the age of 18. Additionally, 2% reported having three children under the age of 18 in the home.

Respondents to the survey were also asked to indicate their age. The most common response related to age was 46-65 years old with 36% of respondents indicating this as their age range. Twenty-three percent (23%) were 66 years and older. Fifteen percent (15%) reported being between 26 and 35 years old. Thirteen percent (13%) reported being 36-45, and another 13% were between 18 and 25 years old.



Sixty percent (60%) of respondents currently subscribe to Comcast cable television, and 40% of respondents described themselves as non-subscribers.⁵



Non-Subscribers of Cable Television Service

Residents who indicated that they did not currently subscribe to cable television were asked why they were not currently subscribing to cable television service from Comcast. The most frequent reason residents gave for not subscribing to cable was because the service cost too

⁵ A cable penetration of 60% is comparable to the national average. Sixty-seven percent (67%) of Americans currently subscribe to cable service. FCC. *Ninth Report on Multichannel Services*. December 31, 2002.

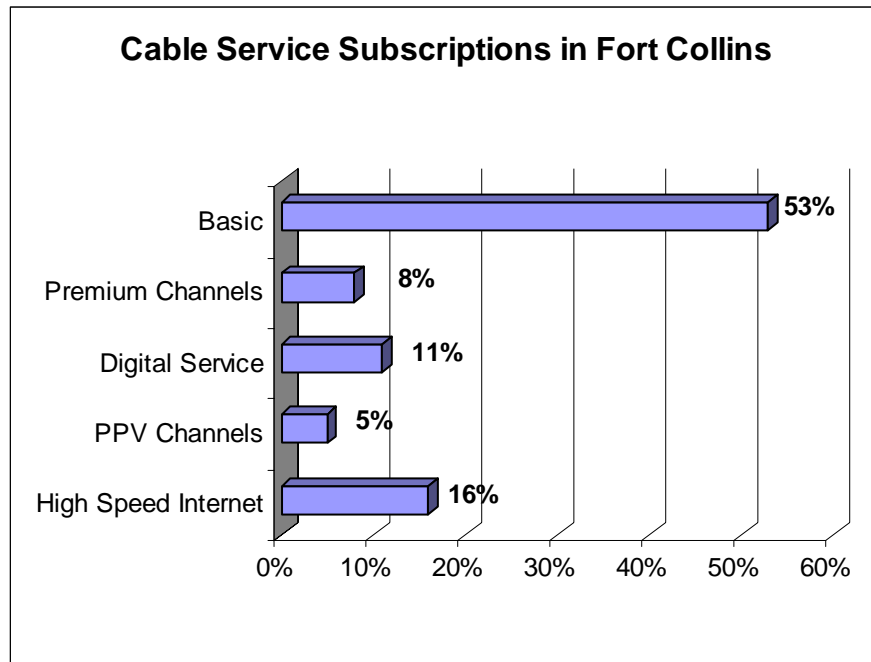
much (25%). Of the remaining respondents who did not subscribe to cable television, 6% reported having satellite television services. Seven percent (7%) of non-subscribers indicated their decision not to subscribe was based on a lack of choice among cable providers. Reasons for never subscribing to cable television included not wanting cable television (8%) and watching little or no television (7%).

Fort Collins residents were allowed to indicate if there were “other” reasons for not subscribing to cable television and were asked to identify those reasons. Six percent (6%) cited other reasons, and the most frequent response was poor quality programming, followed by the lack of a very basic cable package.

Cable Television Subscribers

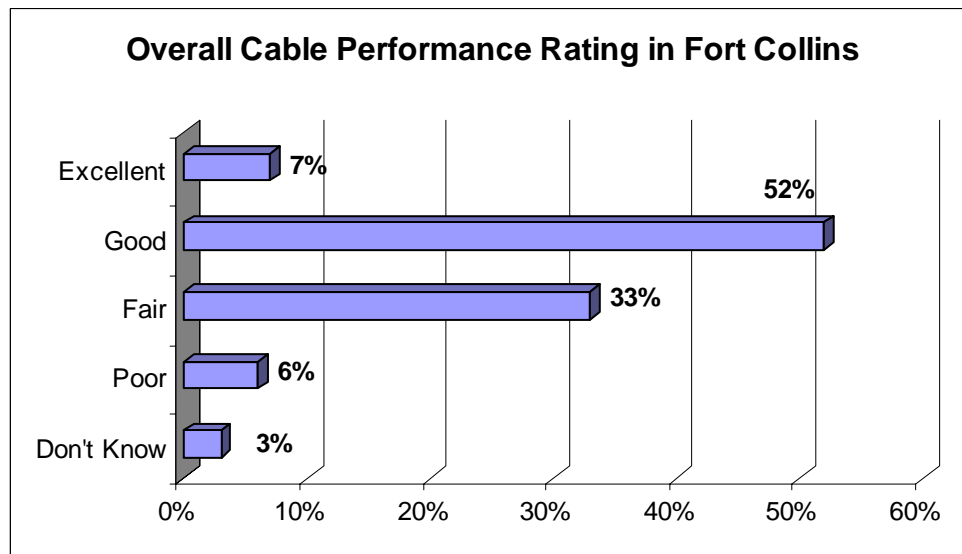
Cable television subscribers (60%/N=252) were asked to describe the level of service they currently receive from Comcast. The most commonly reported level of service was the “basic” package with 53% of subscribers indicating this was the level of service they received. Eleven percent (11%) reported receiving digital cable services. Eight percent (8%) subscribe to premium channels, and 5% have used pay-per-view channels.

Sixteen percent (16%) of respondents indicated that they subscribed to high-speed Internet service. Not all of the high-speed Internet subscribers subscribed to cable television services.



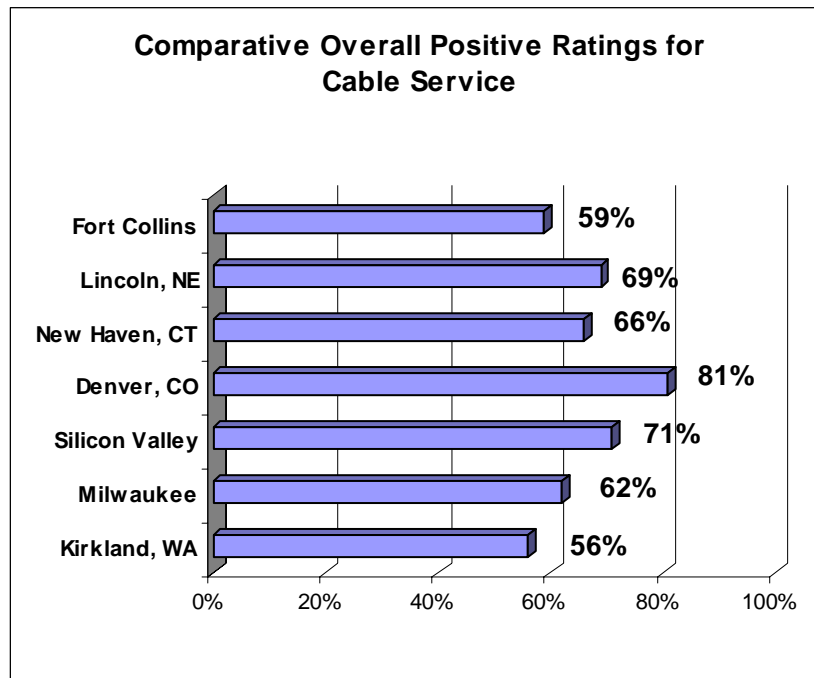
Overall Satisfaction with Cable Service

When asked to rate Comcast's overall performance, a majority (59%) said that it was "excellent" or "good." However, a significant number (39%) rated the overall performance as "fair" or "poor."



The following chart demonstrates how the community of Fort Collins ranks against some other cities around the country in terms of ratings of overall cable service during community needs assessments. While the scales did not use all of the same categories, three measurements were the same, “excellent,” “good” and “poor.”

Fort Collins cable customers were less likely to describe their cable service as excellent or good. They are also less likely to describe their cable service as poor. In other words, Fort Collins residents are likely to indicate a moderate score when evaluating overall cable television services.



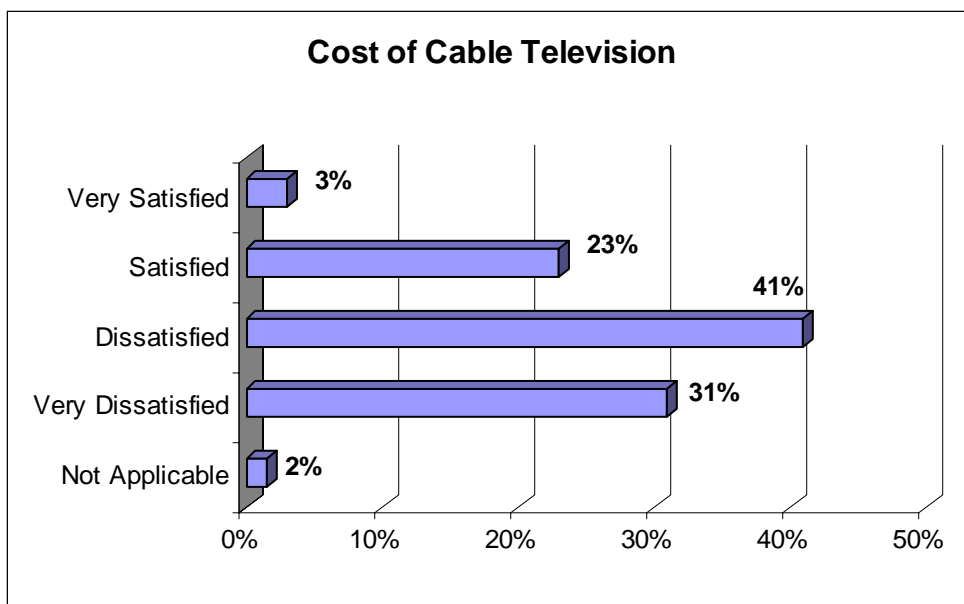
Forty-seven percent (47%) of respondents said that they would like to see programs added to their service. When asked what type of additional programming they would like to receive, the top responses included the History Channel, ESPN/Sports, Sci-Fi, Home and Garden (HGTV) and movies.

Customer Service

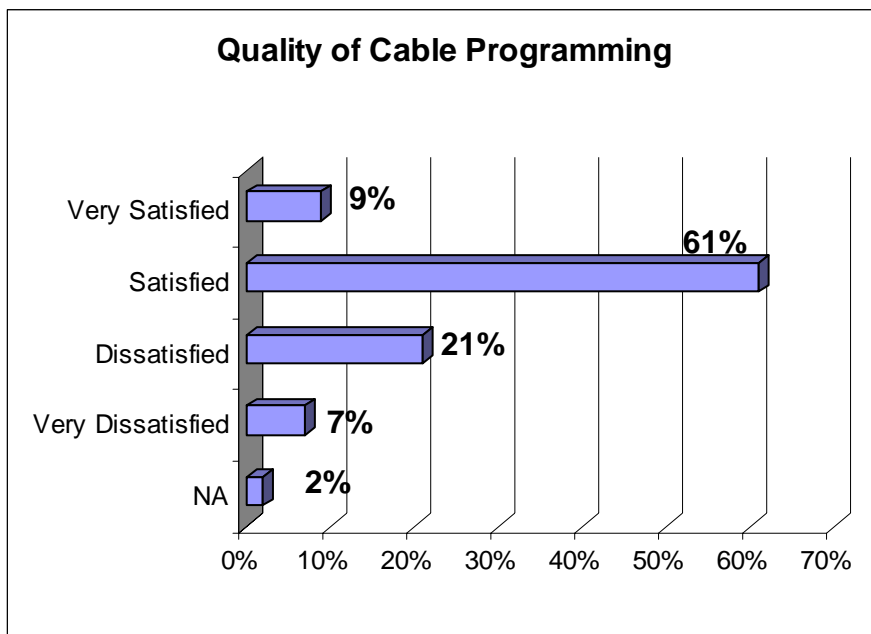
A series of 15 questions were posed related to customer service in regard to picture and sound quality, programming, cost of cable, communication with the cable company, outages,

customer service personnel and promptness and expertise of service technicians. Respondents were asked to indicate their level of satisfaction on a 4-point scale from “very satisfied” to “very dissatisfied.” They were also provided with the option of responding “not applicable.” Special attention was paid to service issues that received a greater than 10% response in the “very dissatisfied” column and tested issues that received a greater than 20% “very dissatisfied” and “dissatisfied” combined score.

The tested area that received the lowest marks was related to the cost of cable television services with 72% reporting being “dissatisfied” or “very dissatisfied.”

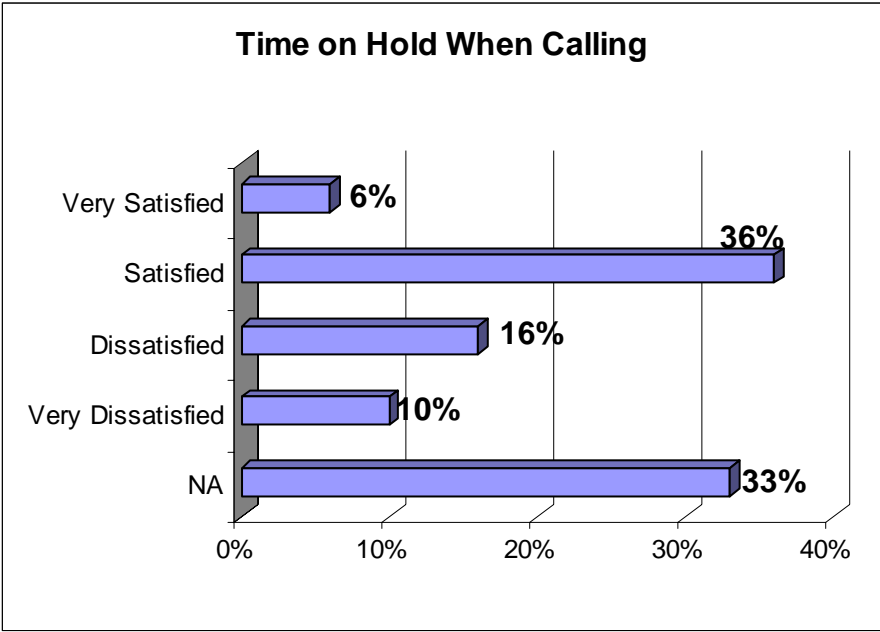


Dissatisfaction with cost was coupled with lower ratings for the variety of available cable programming and quality of cable television programming. These issues, coupled with open-ended comments that related to the lack of a very basic cable package offering, reflected many cable customers frustrations about cable television in Fort Collins.



Additionally, some of the more desired niche cable networks appear to have been moved to the digital tier. Because digital cable typically costs more than analog cable, many customers in Fort Collins with analog service are articulating a level of dissatisfaction with current pricing and channel availability.

Beyond issues of cost, another area of significant dissatisfaction included telephone customer service provided by the cable company in Fort Collins, with 22% of respondents reporting dissatisfaction with the ability to reach the cable company by phone. Another 26% of cable subscribers reported dissatisfaction with telephone hold times.



Tested areas receiving the most positive scores from Fort Collins subscribers included picture and sound quality with over 90% being “very satisfied” or “satisfied.” Billing accuracy and ease of understanding the bill also received positive ratings, both 84%.

The following table provides the results from respondents on the customer service questions pertaining to cable services:

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Not Applicable
Quality of the picture	28%	62%	8%	2%	1%
Quality of the sound	28%	66%	4%	1%	1%
Quality of cable programs	9%	61%	21%	7%	2%
Variety of cable programming	10%	52%	29%	6%	3%
Cost of cable TV service	3%	23%	41%	31%	2%
Information provided about changes in your service	10%	61%	12%	5%	12%
Making monthly bill understandable	13%	71%	6%	3%	8%
The accuracy of your monthly bill	16%	68%	7%	1%	8%
Ability to contact by phone	8%	45%	13%	9%	25%
Time on hold if contacting by phone	6%	36%	16%	10%	33%
Ability to restore service when an outage occurs	7%	47%	14%	4%	28%
Response to service requests	8%	45%	11%	4%	33%
Friendliness and courtesy of customer service personnel	16%	58%	4%	2%	20%
Promptness and expertise of service technicians	11%	47%	10%	4%	28%
Bringing disputes to a fair resolution	4%	26%	3%	4%	63%
Other(N=25) 6% <u>Have not buried cable; problem solved without a repair call</u>	1%	--	2%	--	3%

Cable customers were asked to describe the most important characteristics of good customer service in an open-ended response. The top four characteristics mentioned included: cost (51%), good service (6%), picture quality (6%) and programming quality (4%).

Computer Use and Online Access

A significant number of respondents (cable subscribers and non-subscribers), 74%, said that they had at least one personal computer in their home, and 88% of those owners said that they subscribe to an Internet service. Of those with computers, 58% have one computer in the home, 25% have two computers and 10% have three computers.

Forty-four percent (44%) of Fort Collins residents with Internet service use the phone line as their primary access to the Internet. An equal number, 44%, are using a cable modem, and 11% indicated using DSL. Of those accessing the Internet using dial-up, 19% indicated having a second phone line for Internet access.

Eight questions on customer service issues related to Internet service providers were posed. When considering combined “dissatisfied” and “very dissatisfied” scores, customers were most dissatisfied with the Internet service rates (40%), followed by the speed of the Internet connection (23%) and the system reliability (disconnect) (19%). The following table summarizes the results from respondents on the customer service questions pertaining to Internet services:

Service Issue	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	Not Applicable
Speed of on-line connection	24%	49%	22%	1%	4%
Internet service rates	16%	40%	29%	11%	5%
Billing practices	16%	63%	12%	2%	7%
System access (busy signals)	19%	51%	8%	2%	19%
Ease of use	23%	64%	7%	1%	4%
System reliability (disconnect)	16%	61%	15%	4%	5%
Customer Service Reps' knowledge and courteousness	19%	43%	9%	2%	28%
Installation technicians' ability and courteousness	20%	38%	3%	2%	38%

Sixteen percent (16%) of computer owners in Fort Collins subscribe to Comcast's high-speed Internet access. Of those who do not subscribe to high-speed Internet services from Comcast, 2% plan to subscribe within the next 6 to 12 months. Another 19% reported that they

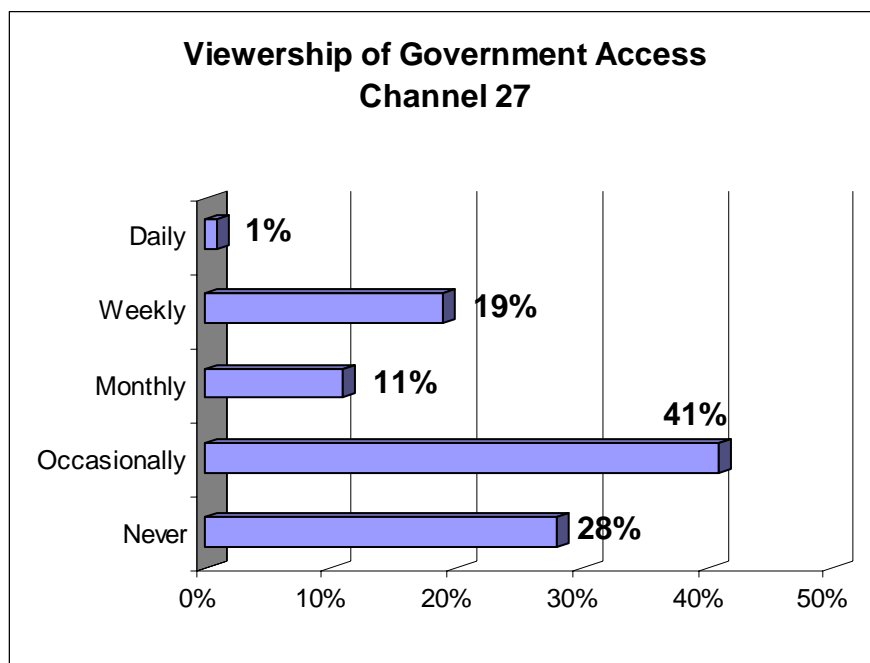
would eventually subscribe if the terms are acceptable. Forty-two percent (42%) said that they do not plan to subscribe, and another 15% were undecided.

For those who do not subscribe, the cost being too high (17%) was the most frequent reason mentioned, followed by “satisfied with another Internet service provider” (8%), “do not need that fast a speed for Internet service” (5%) and “not available” (5%). Two percent (2%) reported that they “have not looked into the specifics of subscribing with Comcast.”

Education and Government Access Programming

Three main access channels are available to Fort Collins residents: the City government access channel (Channel 27), an educational access channel operated by Poudre School District (Channel 10) and Colorado State University’s educational access channel (Channel 25). Each of the channels was tested for frequency of viewership.

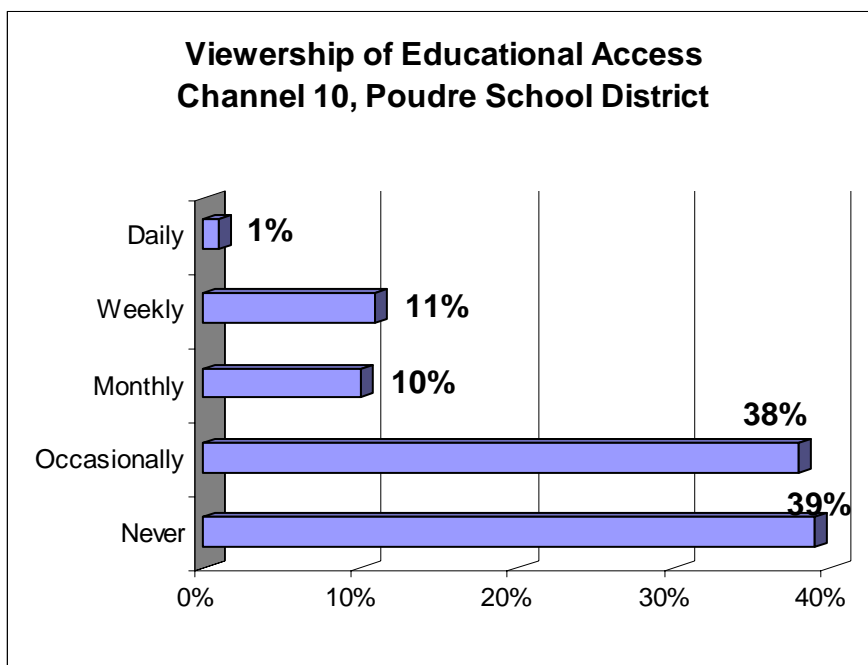
A majority of residents (72%) are at least occasional viewers of the Fort Collins government access channel. Of those who watch the channel, 1% watch the channel on a daily basis, and 19% watch it at least once a week. Another 11% said that they watch monthly. Forty-one percent (41%) reported watching occasionally. Twenty-eight percent (28%) never watch Channel 27.



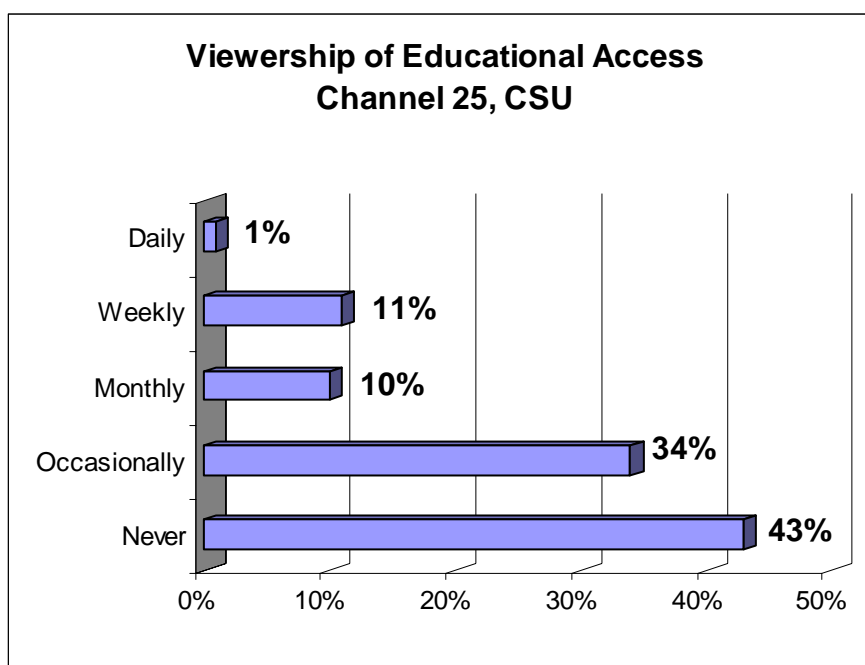
The viewership of nine specific programs that are cablecast on Channel 27 was evaluated. The most frequently watched programming included City Council coverage, special forums and special event coverage, Planning and Zoning Board meetings and the *Showcase Fort Collins* and *City at a Glance* programs.

Respondents were asked if they have an interest in additional programming being offered on Channel 27, and 11% indicated that they do. The most frequently mentioned categories of new programming included local news and events, citizen issues/panel discussions, non-profit and volunteer information, local sports and local art and culture.

Sixty percent (60%) of residents are at least occasional viewers of the Poudre School District’s Channel 10. Of those who watch the channel, 1% watch the channel on a daily basis, and 11% watch it at least once a week. Another 10% said that they watch monthly. Thirty-eight percent (38%) reported watching occasionally. Thirty-nine percent (39%) never watch the Channel.



Fifty-six percent (56%) of residents are at least occasional viewers of CSU’s Channel 25. Of those who watch the channel, 1% watch the channel on a daily basis, and 11% watch it at least once a week. Another 10% said that they watch monthly. Thirty-four percent (34%) reported watching occasionally. Forty-three percent (43%) never watch Channel 25.



When asked what their level of support would be for a portion of their monthly cable bill (usually \$0.50 to \$1.00) being used to support education and government programming, 6% indicated their support was high, and 20% indicated a medium level of support.

To offer further perspective to this question, Fort Collins respondents who indicated that they watched the City's government channel also indicated a high level of support for funding.⁶ Additionally, when asked why they watched local access programming, the most frequent response was to obtain local/City information.

Franchise Renewal Priorities

When considering the renewal of the cable franchise in Fort Collins, respondents indicated that signal quality, customer service, offering a very basic cable package and improving the current variety of cable package/channel offerings were high priorities. Respondents also ranked high-speed Internet access for schools and a system upgrade to expand the number of channels and services were of high importance. The following table shows the specific percentages for each category:

⁶ This finding is in line with previous studies that have found consumers desire only to pay for the channels on the cable system that they watch (Book, C. Cable Television Franchising, 2002. Presented to the National Association of Broadcasters. Las Vegas, NV.).

Renewal Issues	High	Medium	Low
Customer service	67%	27%	6%
Signal quality	68%	22%	10%
Community (local) programming	28%	49%	24%
System upgrade to expand number of channels and/or types of service	42%	37%	21%
High speed Internet for schools, libraries, etc.	46%	38%	16%
Improved technologies (i.e. high definition TV, converters, digital capabilities, etc.)	30%	42%	27%
Fiber optic networks (connections/equipment for the City, schools, etc.)	30%	44%	25%
Basic package with fewer channels and lower cost	59%	22%	19%
More choices on what channels included in package offerings	59%	28%	13%
Public Access policies, facilities*	19%	47%	33%
Wait time for hookup - established neighborhoods	27%	47%	26%
Wait time for hookup – new housing	20%	46%	34%

*Public Access is intended to provide a forum for the public to create and transmit non-commercial programming and information that would not otherwise be cablecast.

While residents do value community programming, of larger concern is that the cable company provide a clean signal, good customer service, a more basic package and more choices in package offerings. All of the listed issues are areas that could be addressed by Comcast.

Additional Comments

When asked to provide any final comments about cable service in Fort Collins, 39% of respondents used additional space provided at the end of the survey to do so. Just over 35% of those making comments indicated that cable television services were too expensive. This was

followed by 14% of respondents indicating that more competition was needed in the marketplace. Another 13% indicated a desire for a very basic cable package to be offered in Fort Collins. Poor customer service was cited in 10% of open-ended comments. Three (3%) reported being pleased with cable television service.

Conclusions

Subscribers to Comcast report mostly positive levels of consumer satisfaction. When asked to rate Comcast's overall performance, a slight majority (59%) said that it was "excellent" or "good." However, 33% of respondents rated the overall performance as "fair." An additional 6% described the service as "poor." Subscribers who were less than positive about overall cable service did offer the City suggestions or information as to how to improve cable television service.

The following highlights areas that emerged during the residential survey. Comcast may want to consider addressing the other concerns that have also been identified by the survey.

1. While a majority of residents rated the cable television service they receive positively, when considering the overall positive performance rating of 59% against other studies, Fort Collins residents rated cable television performance slightly lower. In written responses, the bulk of criticism with overall cable service was the "cost" of those services. In part, this is due to the lack of a very basic cable package being offered to residents. The need for such a package was repetitively mentioned in open-ended comments.
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the lowest marks. The cable company may want to consider the negative impact that rising cable rates has on reported overall satisfaction with Comcast's cable service and how aggressive the possible transition of some analog consumers to the digital offering should be. This is also an important area for the cable company to consider as competing multichannel services, such as DBS, become more prevalent in the marketplace. In Fort Collins, 6% of respondents not subscribing to cable television had chosen a satellite dish. While this percentage is lower than the national average related to satellite television, it does suggest a trend of leaving cable television services for more programming variety at a perceived more affordable price.⁷

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The above concluding remarks are not meant to be a comprehensive reflection of all of the needs assessment findings, but rather are part of the analysis. Data and information presented in other sections of this report may also be of value to the City as it moves forward with the franchise renewal process.