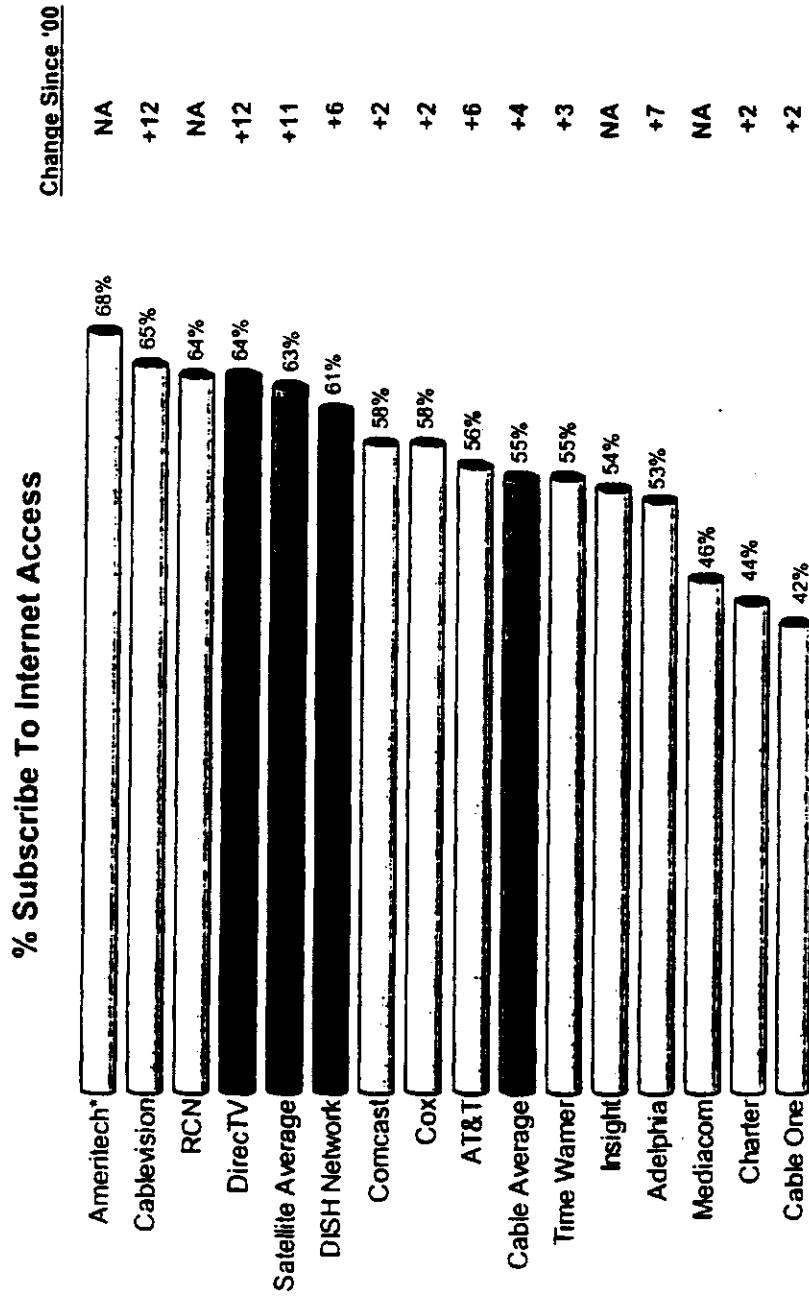


# DETAILED FINDINGS

\* Internet Usage



# More Than Half Of Cable Users And Almost Two-Thirds Of Satellite Users Have Internet Access.

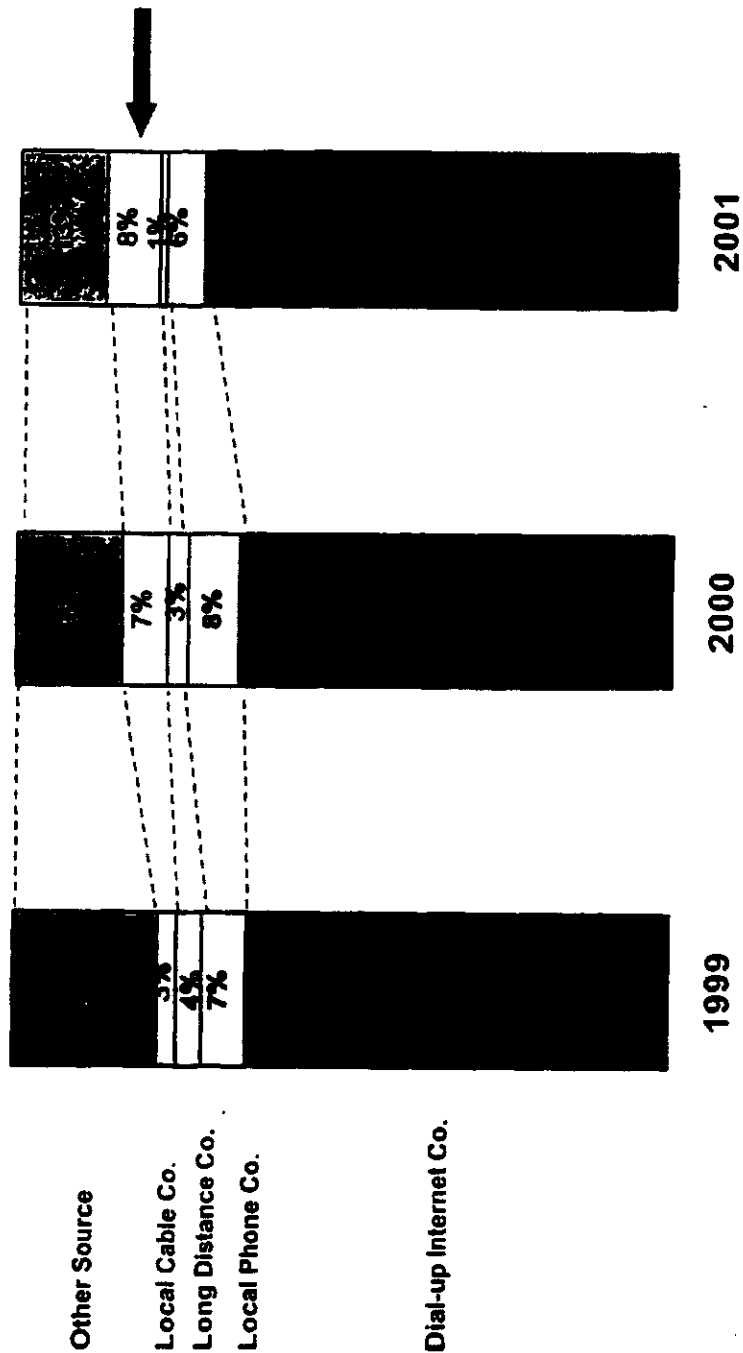


\* = ameritech cable provided by Ameritech

Source: 2001 JDP&A Cable/Satellite CSI Studies

# On Average, 8% Of Cable Households Subscribe To High-Speed Access From Their Cable Company, Rising Slightly From Their Previous Levels Of Penetration (7%).

% Source of Internet Access: Cable HH



# Cable Modem Users Have Higher Household Incomes, Live In Larger Households And Live In Suburban Regions More Often Than Dial-up Internet Households.

Cable Modem Vs. Dial-up Internet Connection Demographic Differences

|                              | Cable Modem Households | Dial-up Connection Households | % Diff. Cable Modem vs. Dial-up Modem |
|------------------------------|------------------------|-------------------------------|---------------------------------------|
| <b>Age</b>                   |                        |                               |                                       |
| Under 35                     | 24%                    | 21%                           |                                       |
| 35-54                        | 52%                    | 50%                           |                                       |
| 55+                          | 24%                    | 29%                           |                                       |
| <b>Education</b>             |                        |                               |                                       |
| High School or less          | 32%                    | 36%                           |                                       |
| College+                     | 68%                    | 76%                           |                                       |
| <b>Income (In HH)</b>        |                        |                               |                                       |
| Less than \$35,000           | 21%                    | 29%                           |                                       |
| \$35K to \$50K               | 11%                    | 20%                           |                                       |
| \$50K or more                | 68%                    | 51%                           |                                       |
| <b>Mean per year (000's)</b> | \$73.7                 | \$58.1                        |                                       |
| <b>Household Size</b>        |                        |                               |                                       |
| One                          | 16%                    | 18%                           |                                       |
| Two                          | 32%                    | 34%                           |                                       |
| Three+                       | 50%                    | 47%                           |                                       |
| <b>Residential Location</b>  |                        |                               |                                       |
| Urban                        | 20%                    | 21%                           |                                       |
| Suburban                     | 65%                    | 54%                           |                                       |
| Rural                        | 15%                    | 25%                           |                                       |



# Cable Modem Users Are Significantly More Satisfied With Their Cable Companies Than Subscribers That Use A Dial-up Internet Connection.

Cable Modem Vs. Dial-up Internet Connection Satisfaction Index Among Cable Households

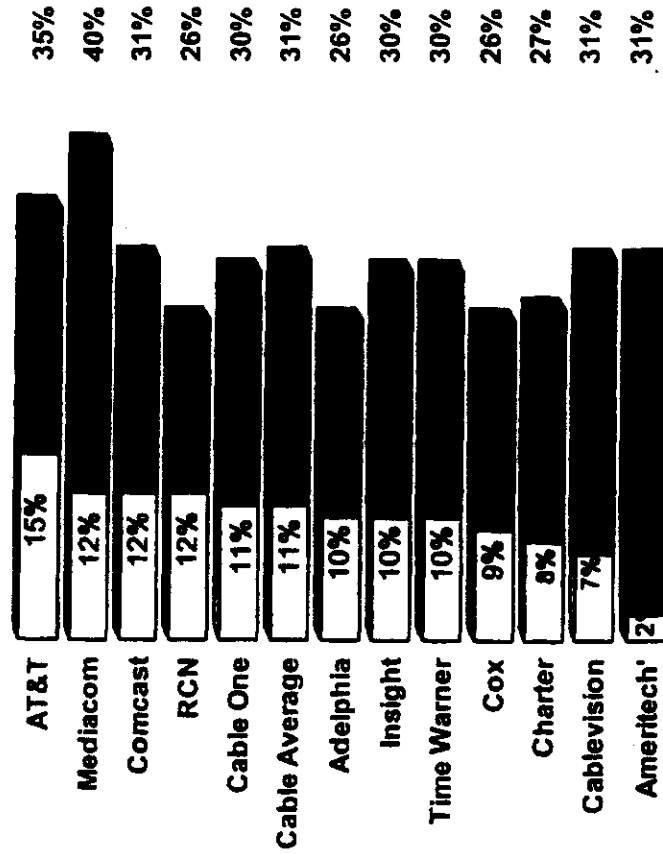
|   | Cable Modem | Traditional Internet Connection | Difference |
|---|-------------|---------------------------------|------------|
| <b>OVERALL</b>                              | <b>100</b>  | <b>94</b>                       |            |
| <i>Cost of Service</i>                      | <b>99</b>   | <b>94</b>                       |            |
| <i>Credibility/Billing</i>                  | <b>101</b>  | <b>94</b>                       |            |
| <i>Program Offerings</i>                    | <b>101</b>  | <b>95</b>                       |            |
| <i>Equipment &amp; Service Capabilities</i> | <b>103</b>  | <b>94</b>                       |            |
| <i>Customer Service</i>                     | <b>97</b>   | <b>95</b>                       |            |
| <i>Reception Quality</i>                    | <b>100</b>  | <b>91</b>                       |            |

= Statistically significant above DIAL-UP INTERNET PROVIDER at 95% confidence level  
 \* = Statistically significant below DIAL-UP INTERNET PROVIDER at 95% confidence level



# On Average, One In Four Cable Users Is Interested In Subscribing To Cable Internet Access Within The Next 12 Months.

**% Extremely/Very/Somewhat Likely To Subscribe To Internet Access With Local Cable Company:  
Next 12 Months If High-Speed Access Offered\*\***



□ Extremely/Very ■ Somewhat

\* = americast cable provided by Ameritech

\*\* Among those households with dial-up internet service only

Source: 2001 JDP&A Cable/Satellite CSI Studies



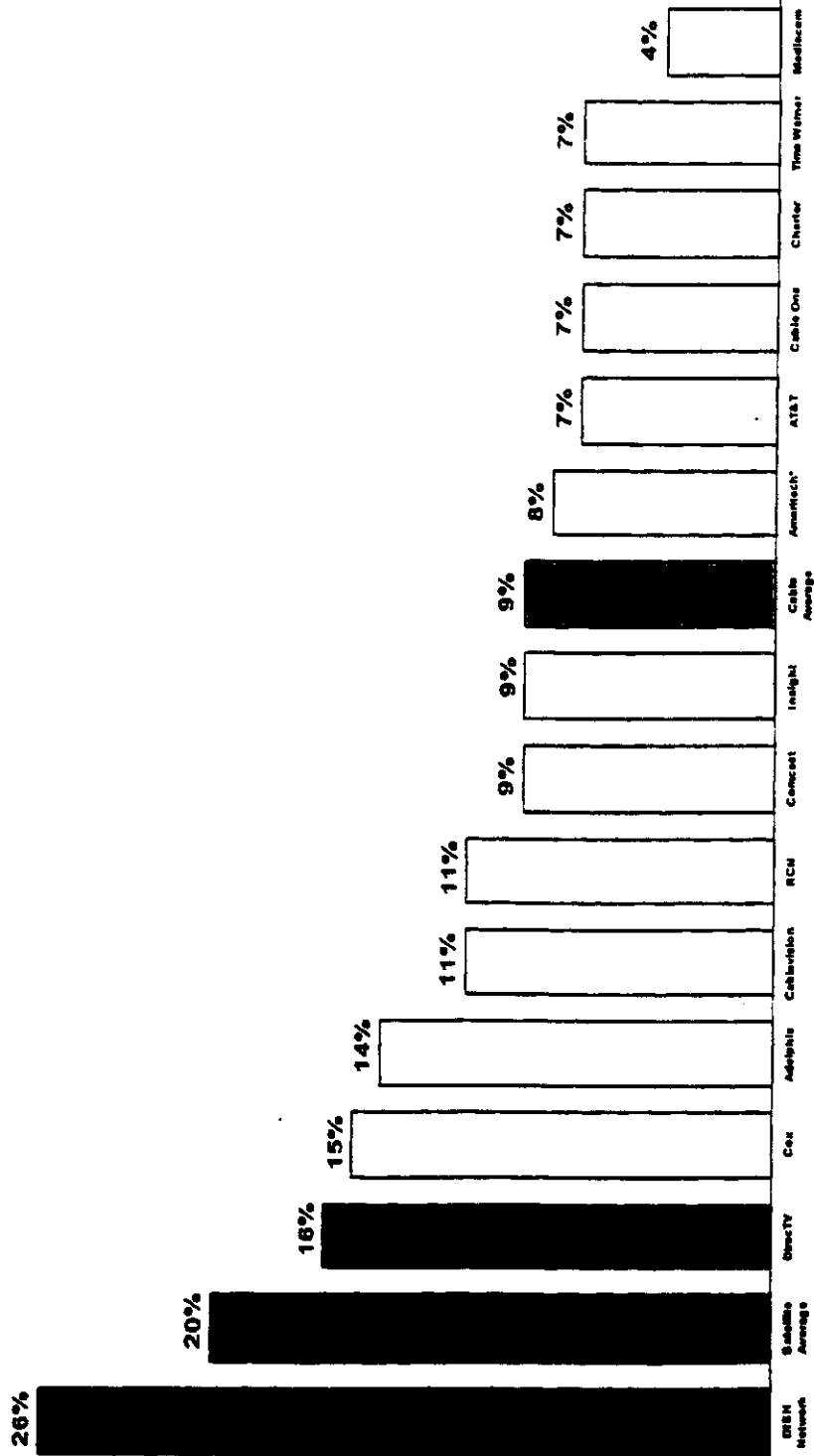
# DETAILED FINDINGS

\*: Web-Based Customer Service Issues



# On Average Twice As Many Satellite Users Report Visiting Their Providers Website As Do Cable Users.

% With Internet Access Who Have Visited Their Satellite/Cable Providers Website In Past 6 Months:



\* = americasat cable provided by Ameritech

■ Satellite Service Providers  
□ Cable Service Providers

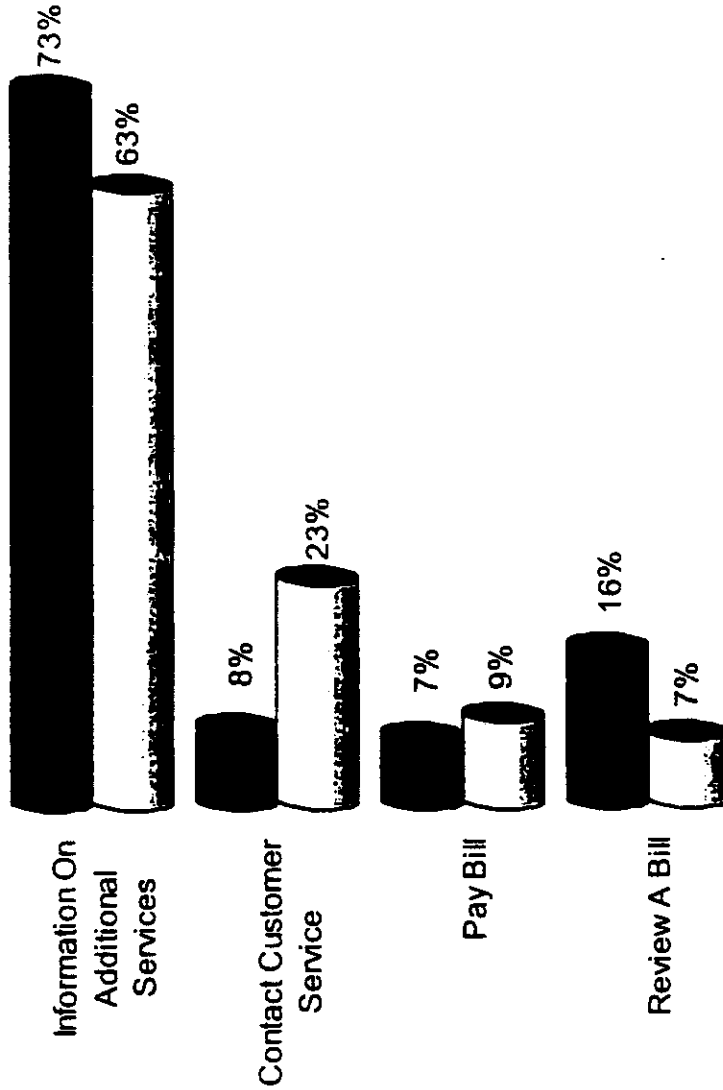
Source: 2001 JDP & A Cable/Satellite CSI Studies





# Information On Additional Services Is The Reason For Three-Quarters Of The Visits To Both Cable And Satellite Carrier Websites.

% Reasons For Visiting Cable/Satellite Provider Website\*



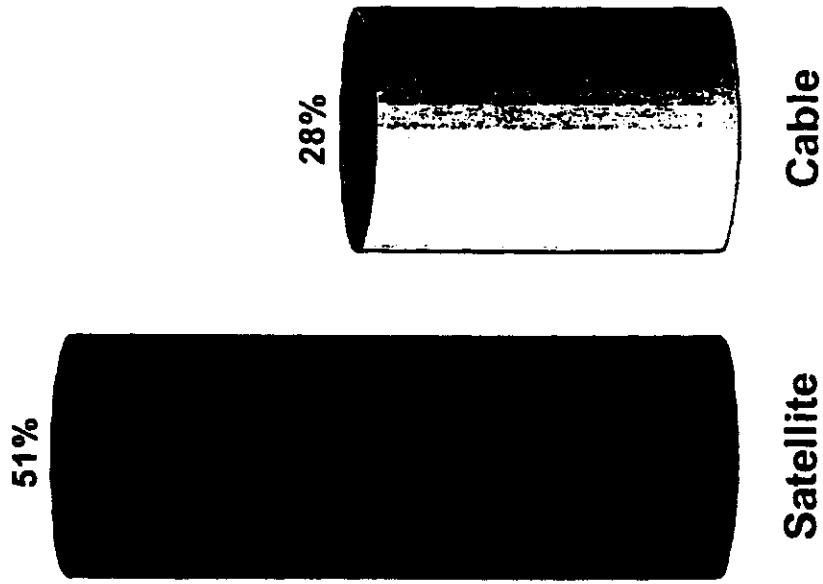
■ Satellite Service Providers  
□ Cable Service Providers

\* Among those who visited Cable/Satellite TV provider's website in past 6 months.



# Customers That Visited Their Satellite Providers Website Are Much Happier With The Site Than Cable Customers Are With Their Cable Provider's Site.

% "Top 3 Box" Satisfaction With Satellite/Cable Providers Website:



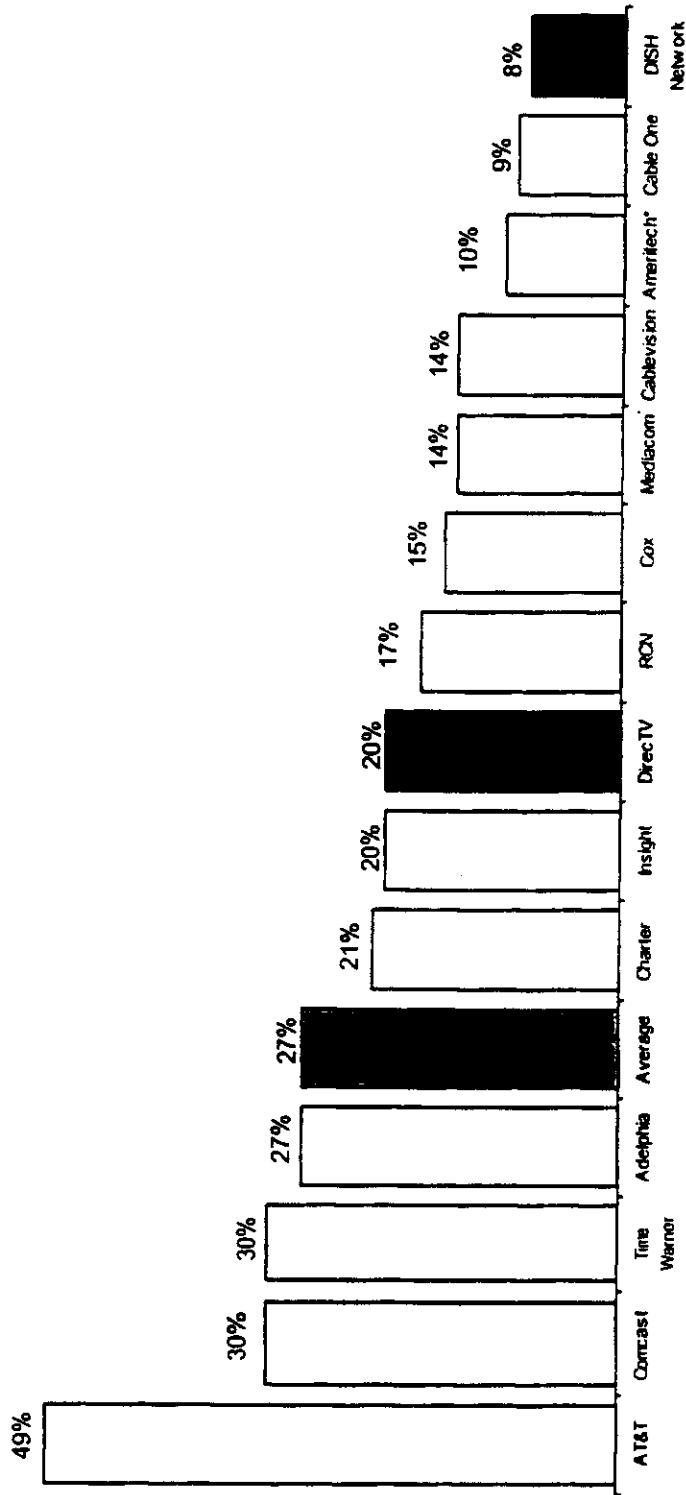
# DETAILED FINDINGS

\* Impact Of Merger Activity



# Almost One-Half Of AT&T Cable/Broadband Customers Are Aware Of Mergers Affecting Their Cable Company...

% Of HHs Who Report Being Aware Of Cable/Satellite Provider Experiencing A Merger:



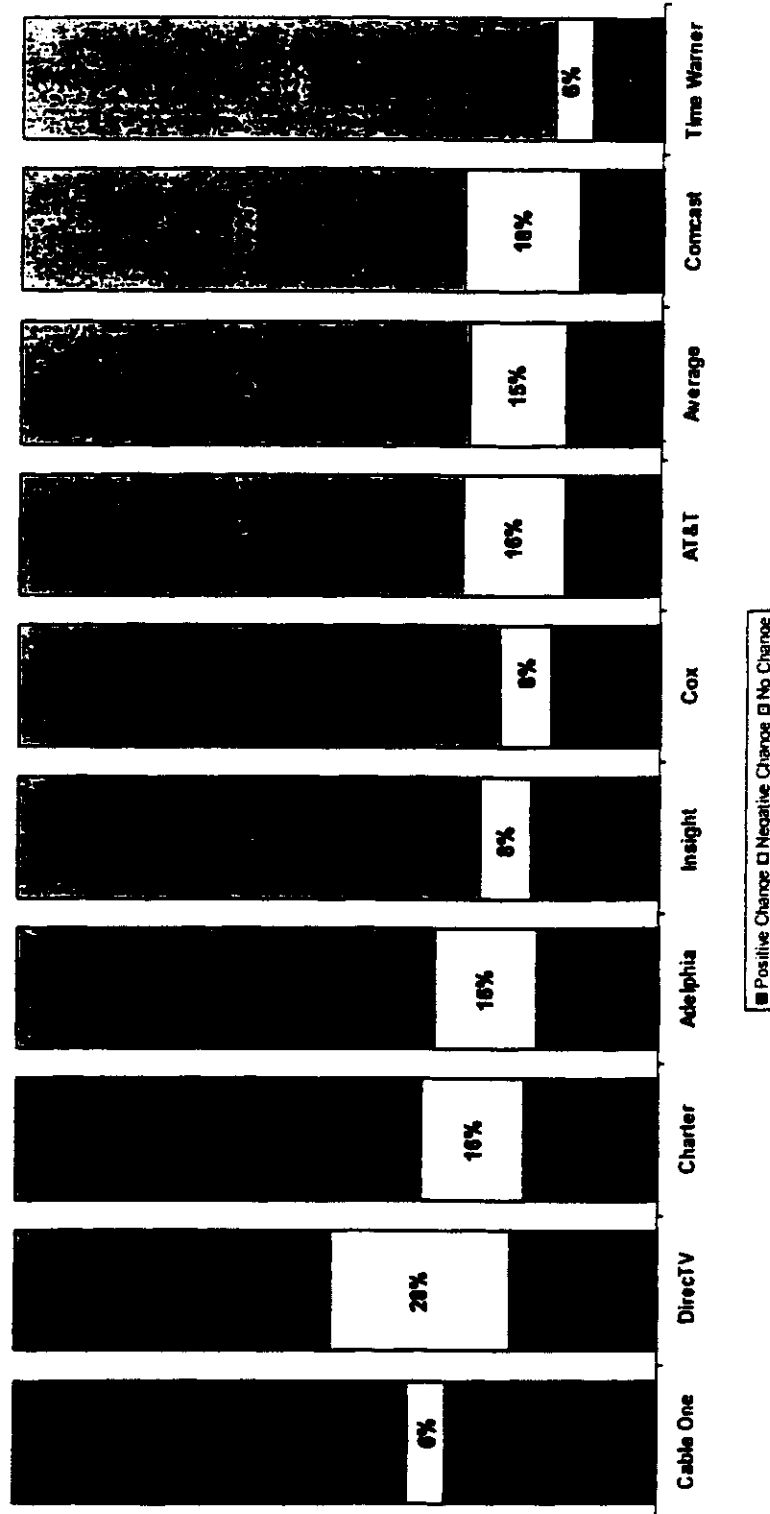
\* = americast cable provided by Ameritech

Source: 2001 JDP&A Cable/Satellite CSI Studies



**...More Than One Half Of DirecTV Household Report Experiencing Some Type Of Change In Their Service, Positive Or Negative, The Highest Level Of Any Company.**

**% Change In Cable/Satellite Service As A Result Of Merger\***



\* Excluded: Cable One and DISH Network due to insufficient sample size



# Appendix

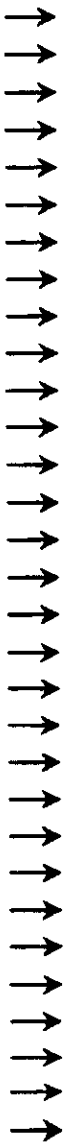


**Customer Satisfaction  
Measurement Process**



# The J.D. Power And Associates Customer Satisfaction Index Is Developed From A Three Step Methodology

## Battery Of Customer Satisfaction Questions



**1. Factor Analysis**

### *Data Reduction*



### Factors / Dimensions Of Satisfaction

- Cost Of Service • Credibility/Billing • Program Offerings
- Equipment & Service Capabilities • Customer Service • Reception Quality



**2. Regression Analysis**

*Establish Importance Of Factors Relative To Overall Satisfaction*



**3. Assemble Index**

*Combine Weights & Factor Scores Of Respondents*



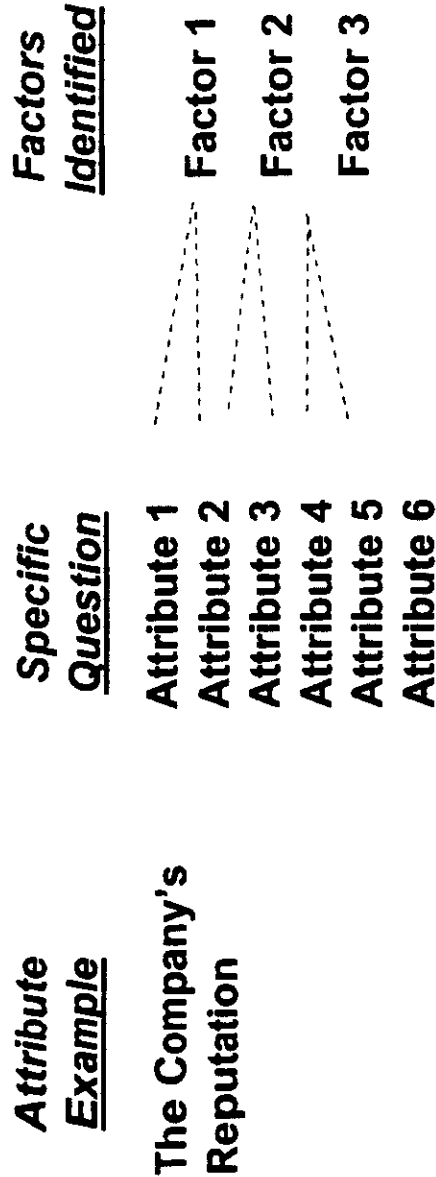
**INDEX**





## Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated

### Step 1. Factor Analysis



- :: Respondents answer a battery of specific satisfaction attribute questions measuring satisfaction level
- :: Like attributes then are grouped into unique factors or dimensions using a technique called factor analysis



# Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated

## Step 2. Calculating Attribute Scores

### Attribute 1

"Company's Reputation"

Outstanding = 10

9

8

7

6

Average = 5

4

3

2

Unacceptable = 1

← ----- Respondent's Score



\*: Respondent's answer is converted into a numeric value



## Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated

### Step 2. Calculating Attribute Scores

**Respondents attribute score for attribute 1:** 9  
**Mean score of all respondents for attribute 1:** 7.8  
**Standard Deviation:** 1.5  
**Scaling Factor:** 20

Calculation of respondent's attribute 1 score:

$$\frac{9 - 7.8}{1.5} \times 20 + 100 = 116$$

- \*: Each respondent's score for a given attribute is then averaged together
- \*: The Standard Deviation is computed
- \*: A Scaling Factor is determined
- \*: Respondent's score for that attribute is calculated



# Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated

## Step 3. Regression Analysis

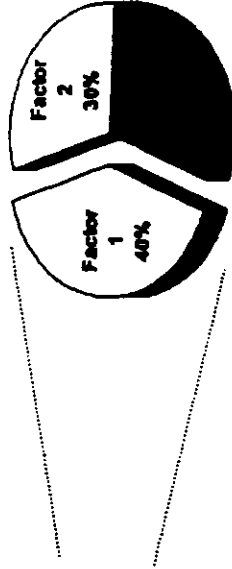
### Attribute Weights

- Attribute 1 weight 20%
- Attribute 2 weight 30%
- Attribute 3 weight 50%



Derived From Factor Analysis

### Factor Weights



- \* Attribute weights are derived from Factor Analysis
- \* Using a technique called Regression Analysis, the impact of each factor of satisfaction is calculated
- \* Those factors which have the most impact are the greatest "discriminators" of overall satisfaction and are expressed as a % of overall satisfaction



## Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated

### Step 4. Calculating Factor Scores

|   | <u>Attribute Score</u> | <u>Attribute Weight</u> |                  |
|---|------------------------|-------------------------|------------------|
| Calculation Of Respondent's Attribute 1 | $\frac{9 - 7.8}{1.5}$  | $\times 20 + 100 = 116$ | $\times .2 = 23$ |

|   |                       |                         |                  |
|---|-----------------------|-------------------------|------------------|
| Calculation Of Respondent's Attribute 2 | $\frac{7 - 6.9}{1.2}$ | $\times 20 + 100 = 102$ | $\times .3 = 30$ |
|---|-----------------------|-------------------------|------------------|

|   |                       |                         |                  |
|---|-----------------------|-------------------------|------------------|
| Calculation Of Respondent's Attribute 2 | $\frac{8 - 7.5}{1.1}$ | $\times 20 + 100 = 109$ | $\times .5 = 55$ |
|---|-----------------------|-------------------------|------------------|

**Respondent's  
Factor Score**

108

- ⊛ Index scores are then calculated for each attribute in that factor
- ⊛ Attribute weights are applied
- ⊛ Attribute index score are multiplied by the weights and a respondent's factor score is derived



**Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated**

**Step 5. Calculating The Overall Satisfaction Index**

| Factor | Weight | Factor | Weight | Factor | Weight | Overall Satisfaction Score |   |     |   |     |   |     |
|--------|--------|--------|--------|--------|--------|----------------------------|---|-----|---|-----|---|-----|
| 1      | 1      | 2      | 2      | 3      | 3      |                            |   |     |   |     |   |     |
| (106   | X      | .3)    | +      | (105   | X      | .4)                        | + | (96 | X | .3) | = | 103 |

\* An overall satisfaction index score is then calculated by applying the respective factor weight to each respondent's factor score



# The J.D. Power And Associates Approach For Analyzing Customer Satisfaction Is To Examine The Three Levels Of Measurements Built Into The Index

1.

## INDEX

Examine Overall Index Score Relative To Competition

### Factors / Dimensions Of Satisfaction

- Cost Of Service • Credibility/Billing • Program Offerings
- Equipment & Service Capabilities • Customer Service • Reception Quality

2.

Examine Factor Scores And Importance Of Factors Relative To Overall Satisfaction

↓ ↓

### Question Answers Converted To Attribute Index Scores

↓ ↓

3.

For Each Factor, Examine Attribute Index Scores (Which Add To The Respondents' Factor Score)



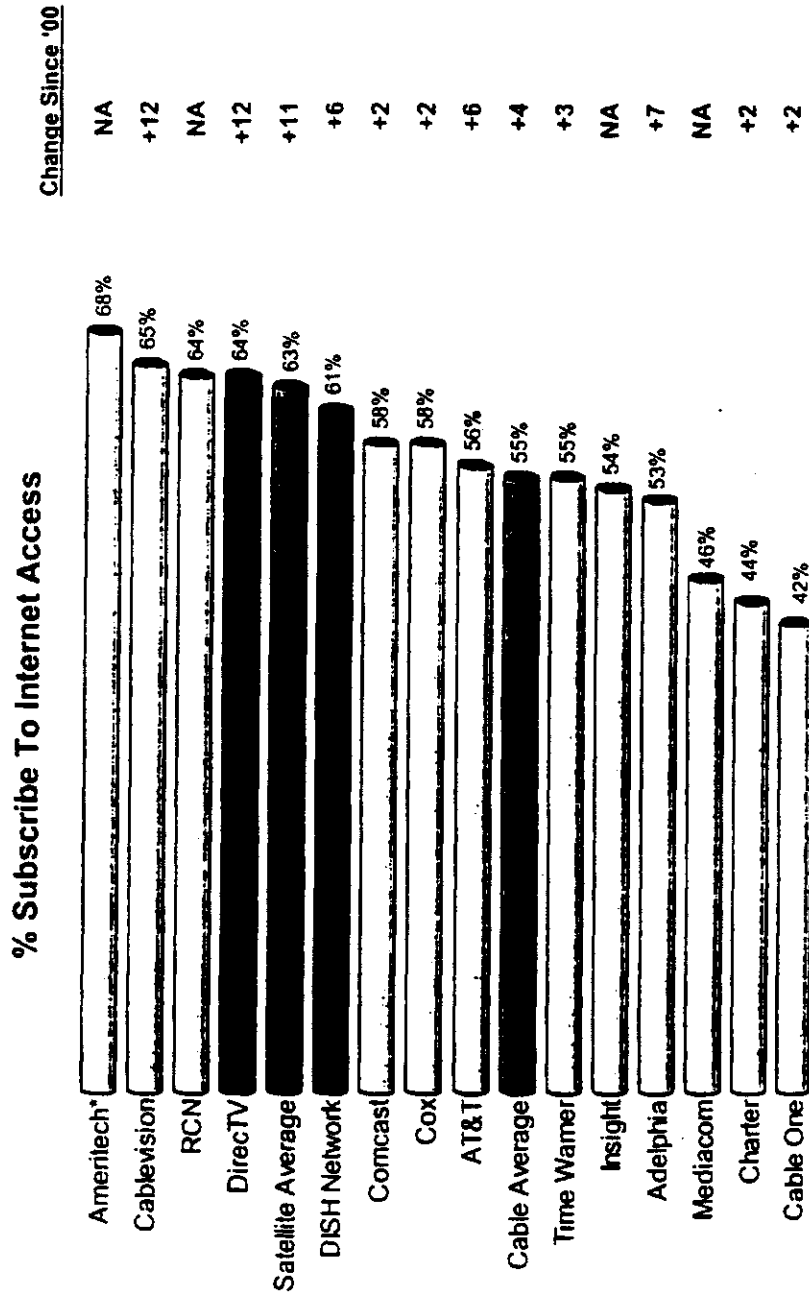
# DETAILED FINDINGS

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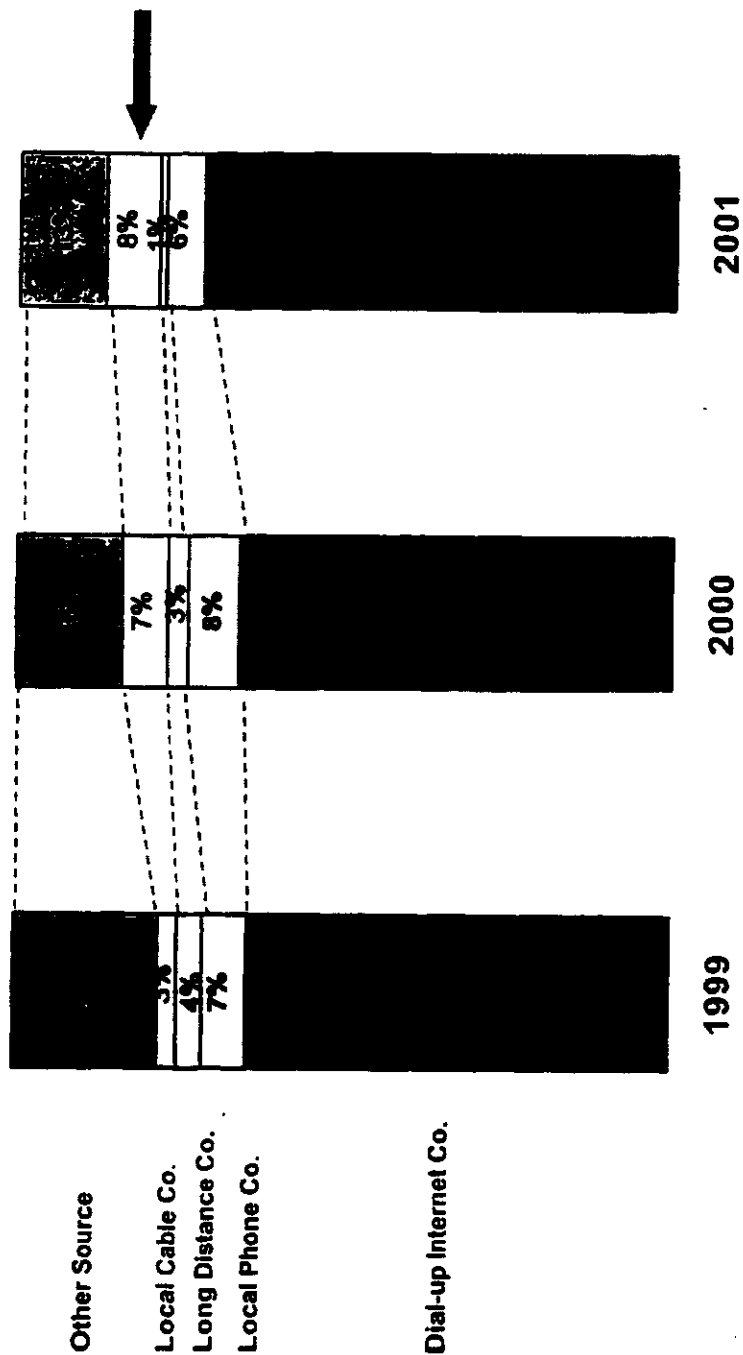


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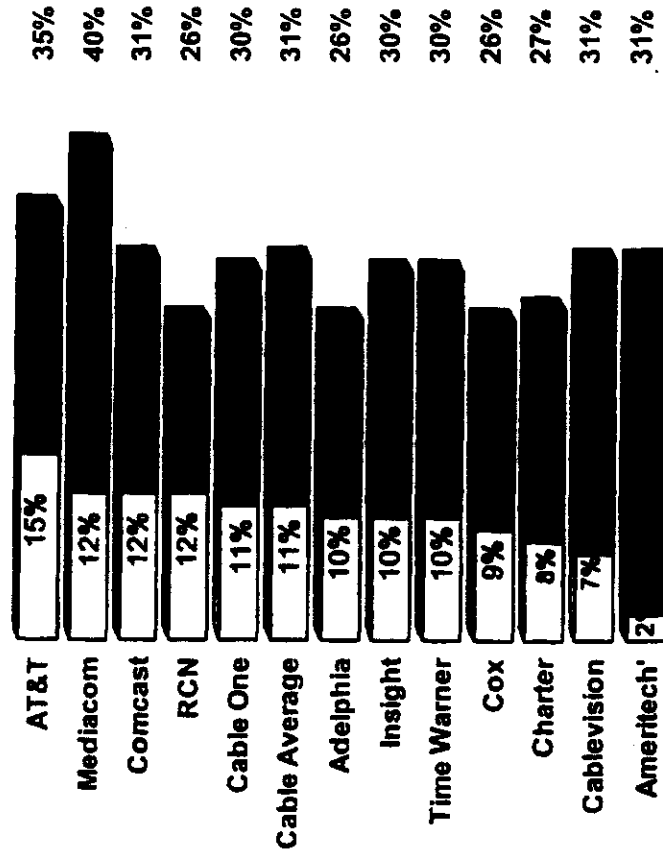
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| <i>Program Offerings</i>                    | <b>101</b>  | <b>95</b>                       |            |
| <i>Equipment &amp; Service Capabilities</i> | <b>103</b>  | <b>94</b>                       |            |
| <i>Customer Service</i>                     | <b>97</b>   | <b>95</b>                       |            |
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= Statistically significant above DIAL-UP INTERNET PROVIDER at 95% confidence level  
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# On Average, One In Four Cable Users Is Interested In Subscribing To Cable Internet Access Within The Next 12 Months.

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□ Extremely/Very ■ Somewhat

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\*\* Among those households with dial-up internet service only

Source: 2001 JDP&A Cable/Satellite CSI Studies



# DETAILED FINDINGS

\*: Web-Based Customer Service Issues



# On Average Twice As Many Satellite Users Report Visiting Their Providers Website As Do Cable Users.

% With Internet Access Who Have Visited Their Satellite/Cable Providers Website In Past 6 Months:



■ Satellite Service Providers  
□ Cable Service Providers

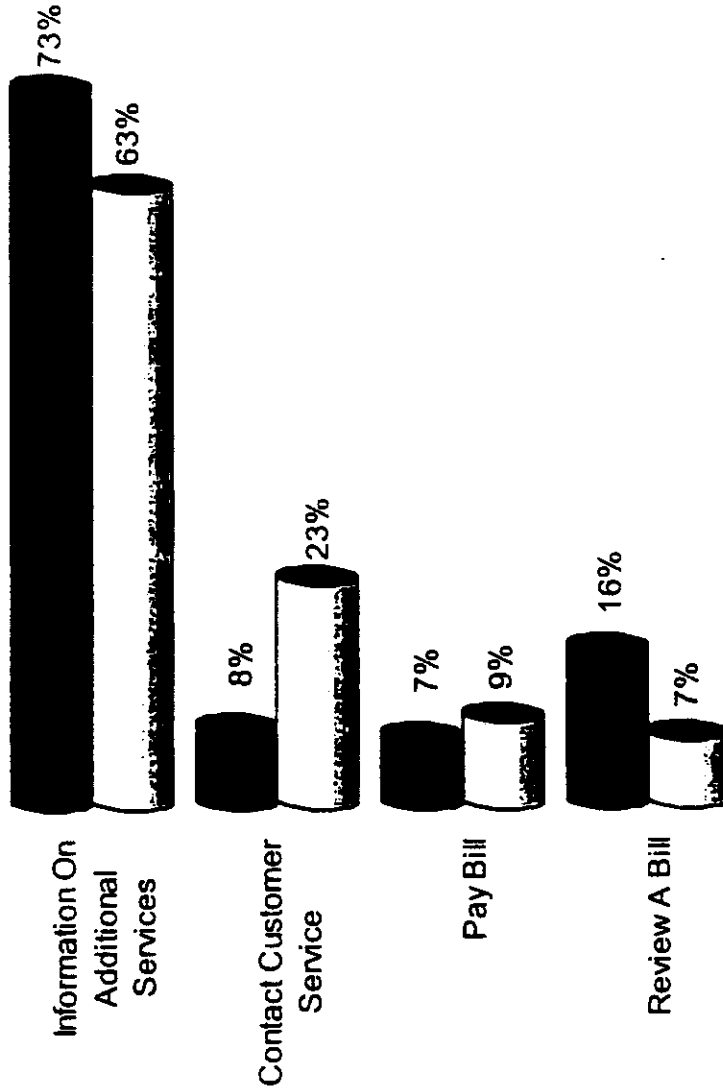


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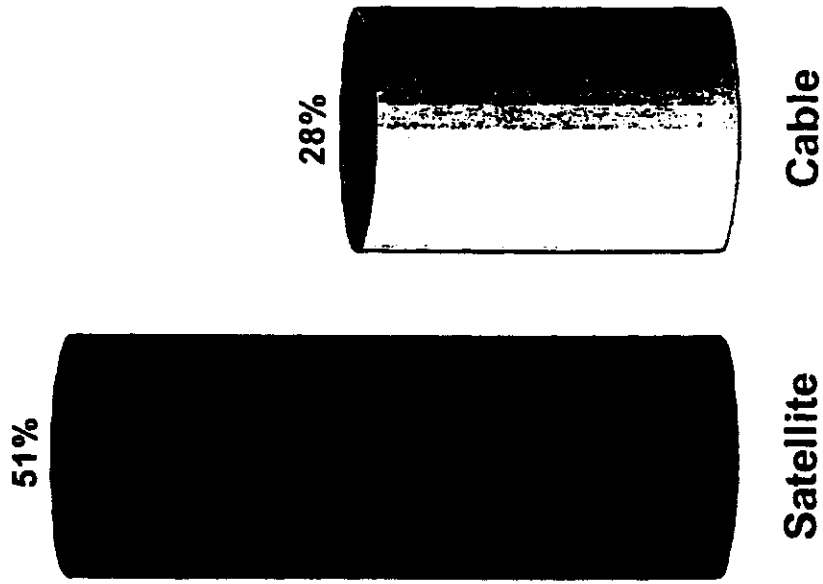
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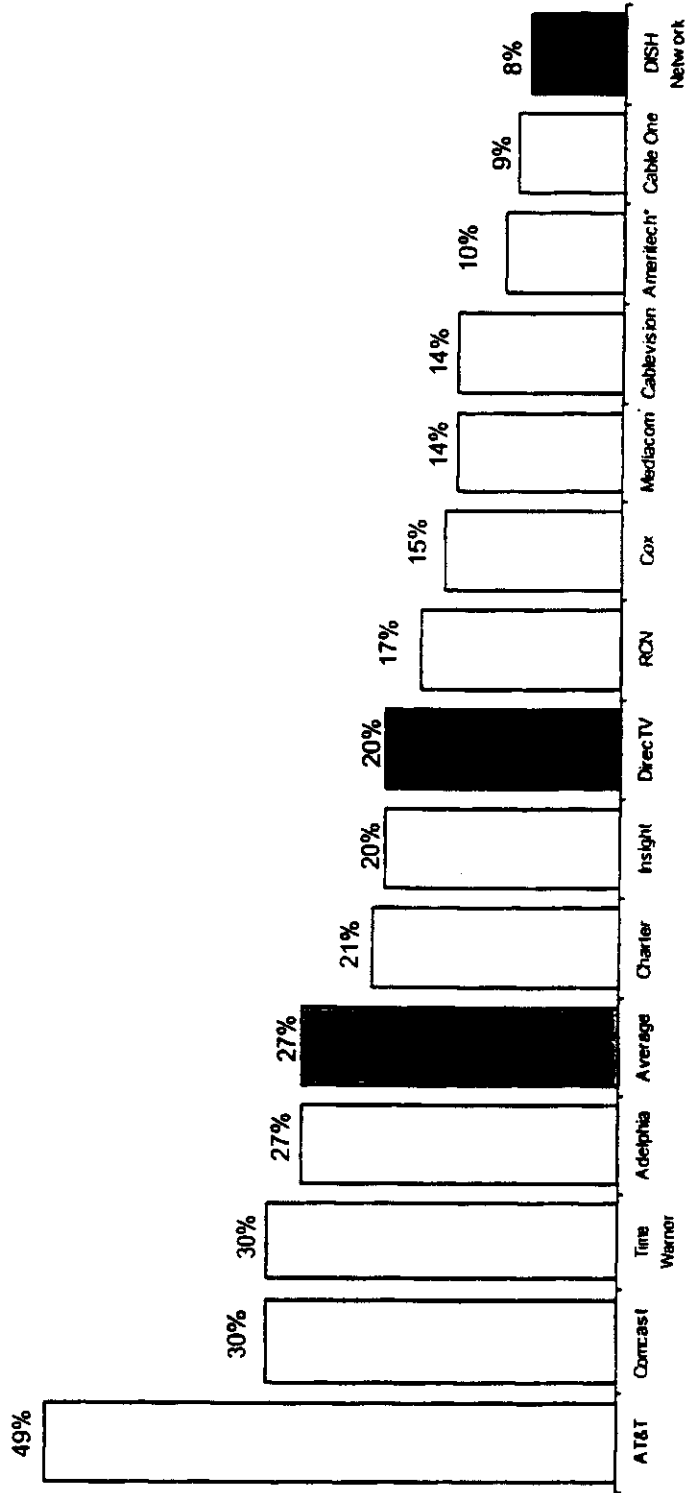
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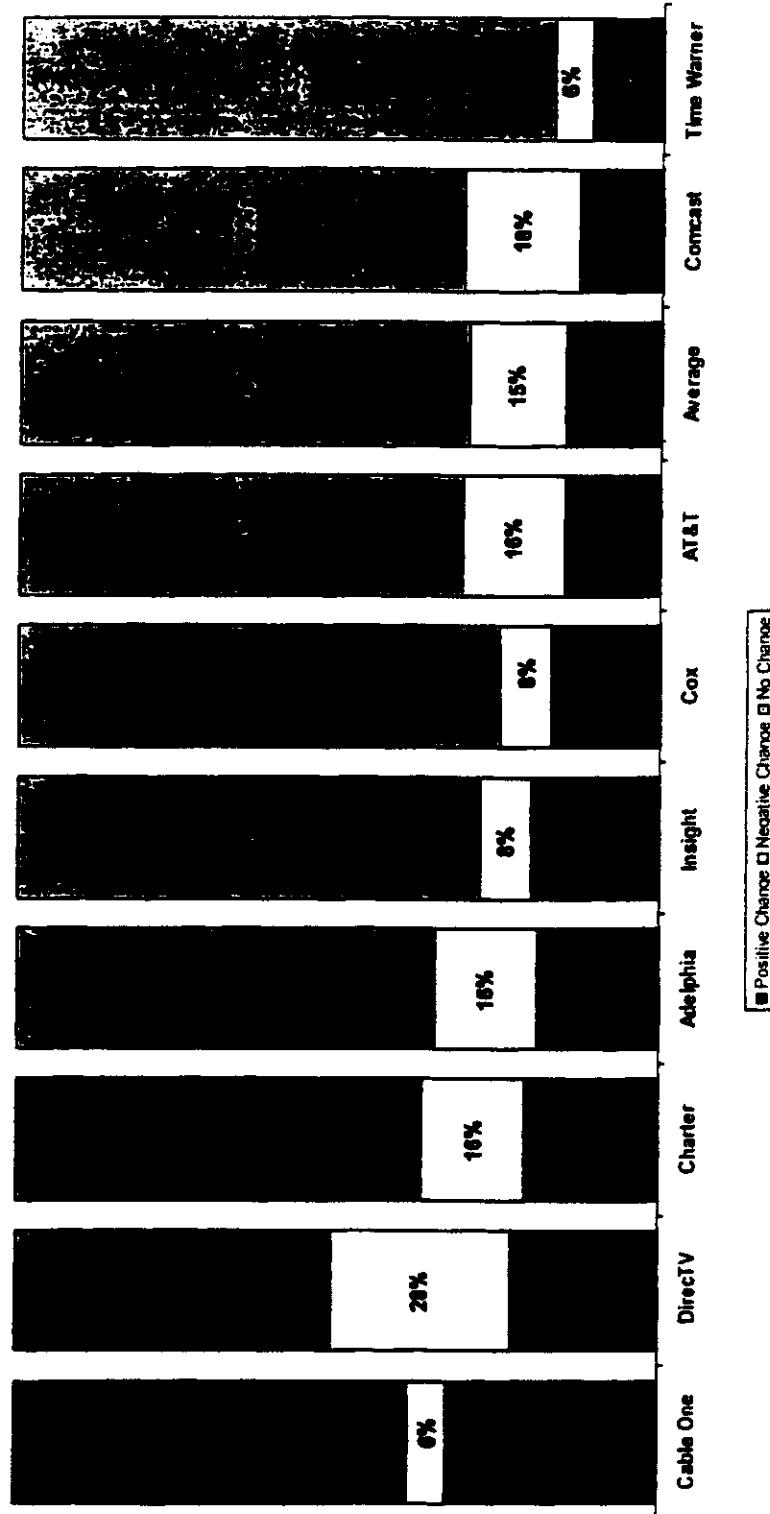
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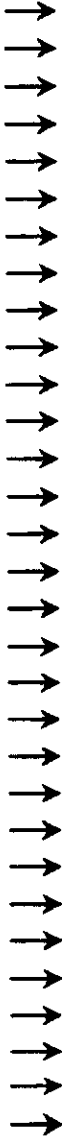


**Customer Satisfaction  
Measurement Process**



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**1. Factor Analysis**

*Data Reduction*



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**3. Assemble Index**

*Combine Weights & Factor Scores Of Respondents*

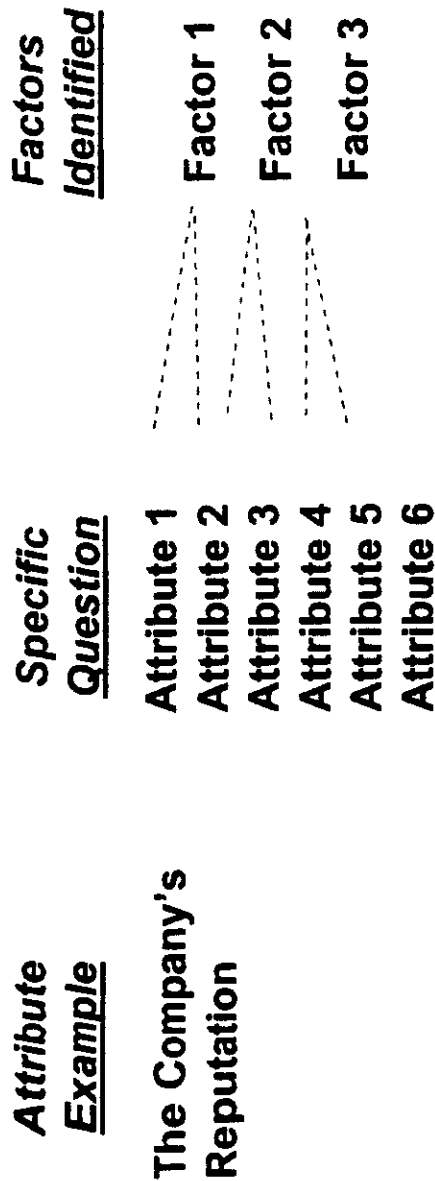


INDEX



## Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated

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← ----- Respondent's Score



∴ Respondent's answer is converted into a numeric value



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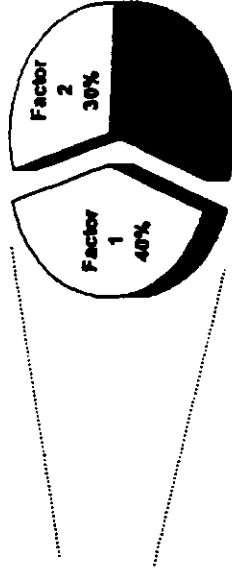
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- Attribute 1 weight 20%
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Derived From Factor Analysis

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- \* Attribute weights are derived from Factor Analysis
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## Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated

### Step 4. Calculating Factor Scores

|   | <u>Attribute Score</u> | <u>Attribute Weight</u> |                  |
|---|------------------------|-------------------------|------------------|
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|   |                       |                         |                  |
|---|-----------------------|-------------------------|------------------|
| Calculation Of Respondent's Attribute 2 | $\frac{7 - 6.9}{1.2}$ | $\times 20 + 100 = 102$ | $\times .3 = 30$ |
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|   |                       |                         |                  |
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| Calculation Of Respondent's Attribute 2 | $\frac{8 - 7.5}{1.1}$ | $\times 20 + 100 = 109$ | $\times .5 = 55$ |
|---|-----------------------|-------------------------|------------------|

**Respondent's  
Factor Score**

108

- ⊛ Index scores are then calculated for each attribute in that factor
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- ⊛ Attribute index score are multiplied by the weights and a respondent's factor score is derived



**Example Of How The J.D. Power And Associates' Customer Satisfaction Index Is Calculated**

**Step 5. Calculating The Overall Satisfaction Index**

| Factor | Weight | Factor | Weight | Factor | Weight | Overall Satisfaction Score |   |     |   |     |   |     |
|--------|--------|--------|--------|--------|--------|----------------------------|---|-----|---|-----|---|-----|
| 1      | 1      | 2      | 2      | 3      | 3      |                            |   |     |   |     |   |     |
| (106   | X      | .3)    | +      | (105   | X      | .4)                        | + | (96 | X | .3) | = | 103 |

\* An overall satisfaction index score is then calculated by applying the respective factor weight to each respondent's factor score



