

**NARRATIVE SUMMARY
OF CABLE TELEVISION NEEDS AND INTERESTS
WITHIN THE
VILLAGE OF OAK PARK
FRANCHISE AREA**

**By
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Executive Summary

Congruent with local cable franchise renewal proceedings, a consumer needs and interests ascertainment related to cable television was conducted in the Village of Oak Park franchise area. Part of the process to develop a needs assessment included a telephone survey of randomly called Oak Park residents. The findings presented in this report are based on telephone interviews conducted with a random sampling of 572 franchise area residents. Of those interviewed, 400 were cable subscribers and 172 were not cable subscribers. A random sample of 572 residents has a margin of error of ± 4 points. In other words, the Village can feel confident that if it were to repeat this study it would result in the same finding reported here within ± 4 points.

Based on the findings of that survey, which are presented in full in the attached narrative, we recommend the following issues be given consideration:

1. A key criticism of the cable company is related to the “cost” of cable services. Consumers reported cost issues as the key area that AT&T could change in order to improve their level of satisfaction (32%). Instead of focusing on the unlikely prospect of rate changes, the cable company could focus on the chief complaints among cable subscribers related to service issues. Key issues that were found to be significantly related to overall satisfaction with cable television and in turn speak to intrinsic value, i.e. cost, of cable service. These include: establishing better and more reliable picture quality, providing more programming options, communicating more effectively regarding rates and changes in programming, improving the interaction consumers are having with the cable installer, improving telephone response at the company’s call center and improving the quality of local, community programming. The negative impact that rising cable rates has on reported overall satisfaction with their cable service might be dampened if these key issues that also are impacting overall cable satisfaction are addressed. This is also an important area for the cable company to consider as

new, competing multichannel services, such as satellite cable services, DSL and on-demand viewing services (TiVo) become more prevalent in the marketplace.

2. Thirty-three percent (33%) of subscribers did indicate they had reception difficulties with at least one of the channels they received. These channels with reported reception problems were, most often, retransmitted local broadcast signals. This finding, coupled with the finding that carriage of local broadcast channels was “very important” or “important” to a majority of subscribers (90%), is an area the cable company could address.
3. Poor picture quality, requests for digital cable upgrades, as well as signal outages, an average of 3 per respondent, has resulted in over 31% of residents placing calls to the cable company to report the outage. Busy signals were reported by 32% of callers. While the customer service representative (CSR) that eventually answered the phone was assessed as friendly a majority of the time, he or she was not able to immediately resolve the reason for calling (outages and poor picture quality). Addressing picture quality and system reliability would interrupt this negative process. The picture quality of local channels will become an even more important issue over the next two years for AT&T Broadband as local stations transition to digital and begin to offer high definition pictures during prime time.¹
4. The installation process received low marks from residents and is an area where immediate changes could be made by the cable company. Available times for installation were rated “fair” or “poor” by 42% of respondents. This finding, coupled with low marks given to the installer in the areas of professionalism, ability to demonstrate product, the installers arrival time for the scheduled appointment and the ability to complete the job in the first visit, are more than likely the result of a desire to speed the roll-out of digital television services,

¹ November 2002 is the commercial broadcaster deadline for the transition to a digital over-the-air television system. The Chicago market has already completed its transition and over-the-air high definition digital programming is available in Oak Park. (www.fcc.gov) AT&T Broadband is currently taking applications for HD digital decoders which the company anticipates will provide two NBC and FOX affiliates, Showtime HD, HBO HD and Discovery Theater HD.

- including through the use of subcontractors. A review of how installers are trained is in order.
5. Another area that received low marks among respondents that should be addressed by the cable company is the manner in which the cable company communicates rate changes and programming changes. Respondents were asked where they received most of their information about cable television programming. The TV guide channel was ranked first, followed by the TV section of the daily newspaper, the interactive remote control, a cable guide provided by the cable company and the Sunday paper. These locations should be sought out by the cable company as a *reasonable* means for informing customers about changes in their cable service.
 6. Local access programming is of considerable importance in the Oak Park area with 43% indicating it was “very important” or “important” to receive access programming and over half of all subscribers (59%) indicating it was important that a portion of their bill should go to fund local public, education and government use of the channel. Viewership of government, education and public channels is also well established with 22% of subscribers reporting weekly viewership of government programming, 10% watching education access on a weekly basis and 9% watching public access on a weekly basis. Five percent of respondents indicated they had participated in access programming, but more importantly 22% said they desired to do so. The cable company should have a vested interest in improving the quality of access programming because it is currently one service it provides that is not provided by satellite television.
 7. Also of special concern is the moderate ratings received by all access channels in the areas of picture and sound quality. A technical review of these channels, as well as equipment enhancements, may be in order. Access programmers have an interest in improving picture and sound quality as they compete with adjacent channels making the transition to higher resolution digital video.

8. A majority of cable subscribers (71%) in the Village of Oak Park rate their overall cable television service as “excellent” or “good.” This finding is consistent with recent assessments of cable television service in the United States. Significant areas driving down overall satisfaction, which are detailed in later sections of this report, include installation and call center issues.

These findings are one component of the factors for the Village of Oak Park to consider as efforts to address local cable needs and interests during franchise renewal proceedings are made.

FINDINGS²

As part of cable television franchise renewal proceedings in the Village of Oak Park franchise area, a survey of Oak Park residents related to cable service was conducted among cable television subscribers and non-subscribers in the area to document needs and interests related to cable television service. The following narrative summary reports on the findings of that field research.

The findings are based on telephone interviews conducted with a random sampling of 572³ franchise area residents during August of 2002. Of those interviewed, 400 were cable subscribers and 172 were not. Statisticians have created a confidence rating in field survey research based on sample size. A sample size of 572 cable subscribers provides for a margin of error of ± 4 points. In other words, if this study were to be replicated among another random sample of franchise area residents, the Village of Oak Park can feel confident that these same findings would be repeated within ± 4 points of the scores reported in this study.

Also important to note during the reading of this narrative is that numbers were rounded off to the whole. As a result, when considering the total percentages related to any given response the numbers reported will fall between 99-101%.

Interviews with cable subscribers lasted, on average, seventeen minutes. The instruments used during field research were specifically designed to examine several areas of cable television services. These included, but are not limited to:

- Respondents' familiarity and experiences with AT&T Broadband.
- Reasons non-subscribers do not subscribe to cable service or left AT&T Broadband.
- Amount of the average monthly cable bill.
- Type of cable package subscribed to by respondents.
- Respondents' sources of information about cable programming.
- General level of satisfaction with AT&T Broadband.

² Percentages have been rounded off to the nearest whole number, therefore totals will fall between 99-101%.

³ A symbol of N will be used periodically throughout this report to denote total responses.

- Suggestions on how to improve services provided by AT&T Broadband.
- Quality of specific service features provided by AT&T Broadband.
- List of specific channels with poor picture quality or poor audio quality.
- Consumer ratings of installation procedures.
- Consumer ratings of communication experiences with AT&T Broadband, includes both telephone and office experiences.
- Consumer attitudes toward resolution of problems with AT&T Broadband.
- The number of cable outages and consumer experiences with restoration of services.
- Types of programming and services of interest to consumers.
- Consumers' opinions of government, education and public access programming currently offered.
- Quality of the picture and sound of access programming and evaluation of educational, informational and entertainment programming value.
- Consumer interest and experiences with access programming opportunities.
- Consumers' technology activity in other arenas and the amount and type of on-line use.
- Non-subscribers reasons for never or currently not subscribing to AT&T Broadband.
- Comparative data from the Village of Oak Park Community Survey to provide perspective on how it relates to local cable subscribers.

Research Methodology

A contracted telemarketing firm, National Data Questing, Inc. (NDQ), in Louisville Kentucky, conducted telephone interviews. NDQ has over 20 years of experience in social science research using telephone methodology. Calls were placed during a variety of times of day, during weekdays and weekends to ensure that all sets of lifestyles were represented in the data collected. NDQ utilized trained interviewers and a call back procedure to protect the reliability and validity of the data collected. Telephone numbers were selected using a random selection technique from area phone numbers. At least five callbacks were made to numbers without answers and to numbers with

answering machines or voice mail before these numbers were removed from the pool of potential respondents.

The survey instrument was designed by Dr. Book with consultation, assistance and approval by the Village of Oak Park and the Oak Park Telecommunications Commission.

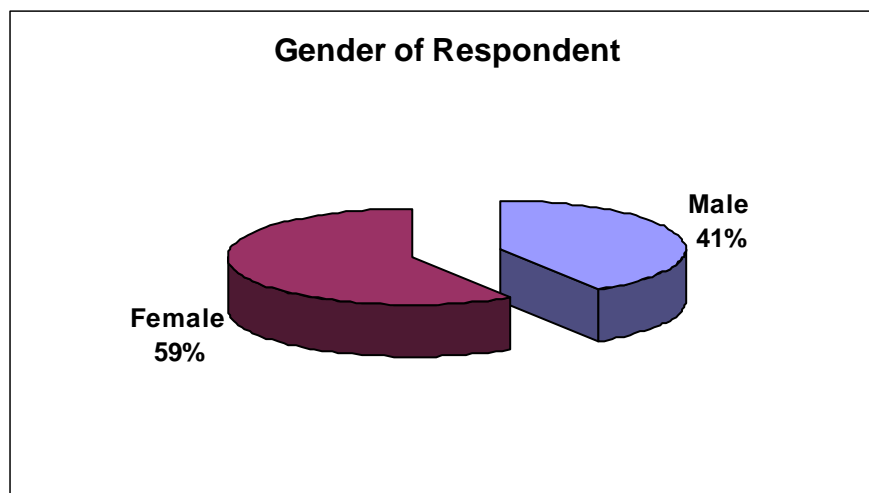
SUBSCRIBERS AND NON-SUBSCRIBERS STUDY

Sample Description

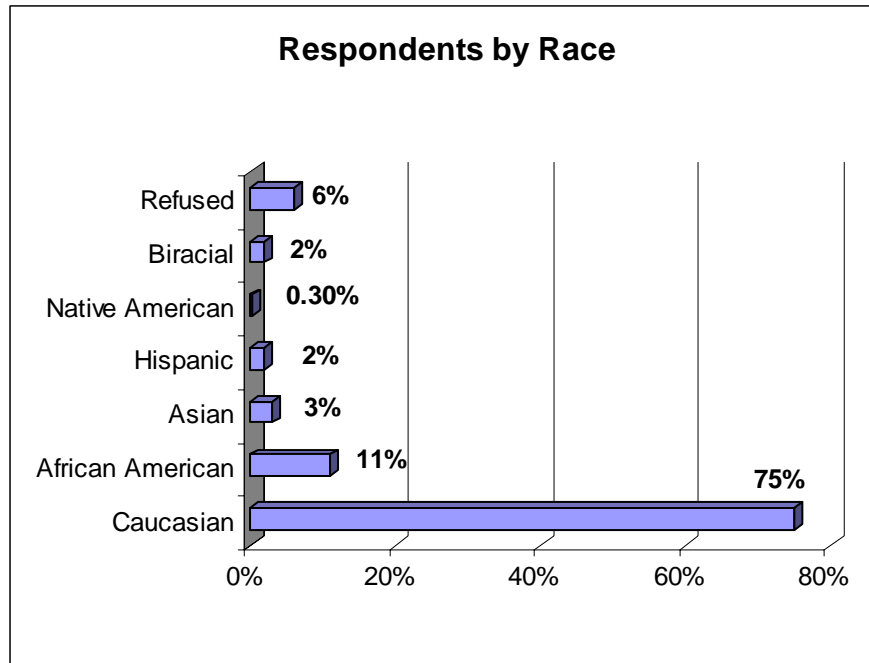
The sample consisted of 572 randomly selected franchise area residents. A screening question was used to ensure respondents only included those who made the decision as to whether the household subscribed to cable television service or shared equally in that decision. All respondents were also required to be 18 years or older.

The surveyed population was comprised of only residents of the Village of Oak Park.

The sample was not controlled for gender, but the final results were only slightly weighted toward women. Forty-one percent (41%) was male and 59% was female.



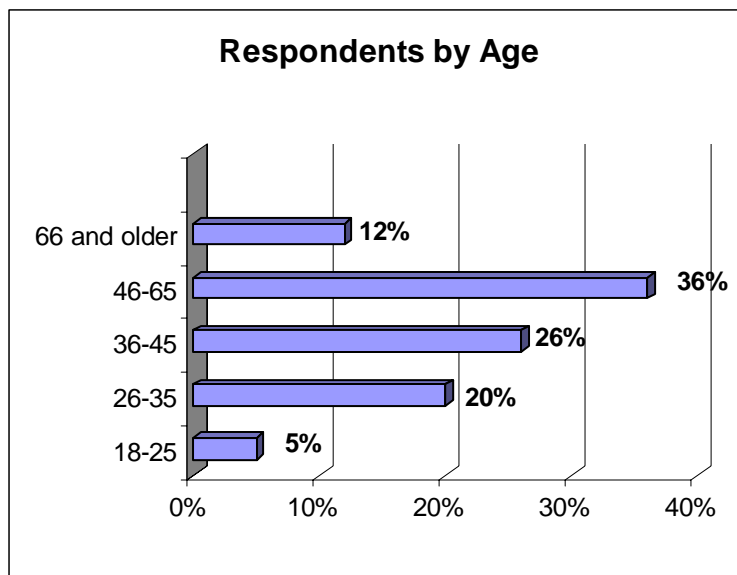
The majority of the respondents were white (75%). African Americans made up 11% of the sample. Three percent (3%) were Asian. Two percent (2%) were Hispanic. Less than one percent was Native American. Two percent (2%) identified themselves as biracial or other.



A majority of respondents own their home (73%) and have lived in their community for an average of 10 years.⁴ Just over a third (37%) of the respondents have children under the age of 18 living in their home.

The sample represented a wide range of ages. The largest reported age category (36.5%) of the sample fell in the mid-age range of 46-65. Younger and older respondents, however, were also well represented. Just over 5% of the sample was 25 or under; 20% were between 26 and 35, 26% between 36 and 45 years old and 12% were over 66.

⁴Analysis of Village homeowners indicated that they were significantly more likely than renters to subscribe to cable television, visit the Village's website and watch Village access programming.



The sample represented a diverse range of annual income levels with a tendency toward incomes above \$50,000. Five percent (5%) of the sample had an income of \$35,000 or less. Almost 13% had an income between \$35,000 and \$50,000. Just over 17% reported an annual income between \$50,000 and \$75,000. Just over 39% reported an income of over \$75,000. Eighteen percent (18%) of respondents refused to report their income.

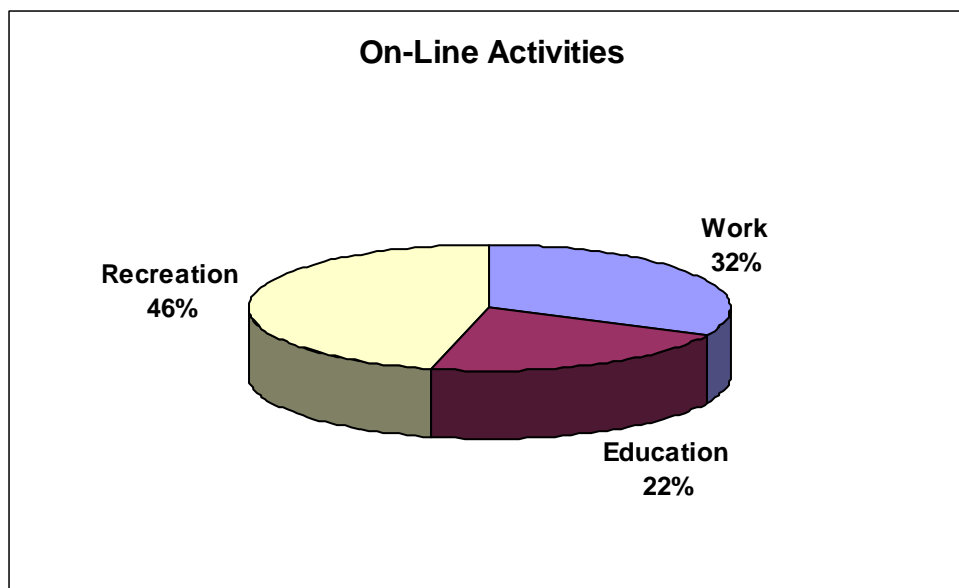
A significant number of survey respondents (83%) owned a computer.⁵ Most of those who owned computers had one computer in the home (mode), however the average number of computers per household was 2. Twenty-five percent (25%) had two computers and 11% reported owning three computers. The reported range of number of computers owned was between 1 and 9 computers per home.

Most of the computer owners (70%) subscribed to an on-line service. Respondents with on-line service reported spending an average of 2 hours on-line each day.⁶ However, the most common response (the mode) was 1 hour of on-line activity per day.

⁵ Ownership levels in the area are well above national averages. National penetration of PC's is at 61% and have held steady for nearly 24 months (www.ce.org, 2002). Consumer Electronic Association's Web site (CEMA).

⁶ The mean use of the Internet is congruent with national data that most users are on-line one hour a day (www.pewinternet.org).

Most of the reported on-line use was for recreational purposes. Respondents said they spent about 32% of their time on-line doing work tasks, 46% of their time doing recreational activities and 22% of their time doing educational activities.



Of those with an on-line service, 19% said they watch television and browsed the web at the same time on a daily basis. Another 6% said they did so weekly or occasionally. Over half (52%) said they never watched television and browsed the web at the same time.⁷

Non-subscribers of AT&T Broadband

Non-subscribers (N=172) were divided into those who had never subscribed to television services and those who had subscribed at one time, but no longer subscribed. Seventy percent (70%) of non-subscribers said they had never subscribed to cable television services in the community. Thirty percent (30%) said they had subscribed at one time, but were not currently subscribers of cable television service.

Those who had **never** subscribed to cable television (N=121) in the community indicated the primary reason for never subscribing to cable television (47%) was because they “Don’t want/Don’t watch television.” Less than a fifth (18%) said that they had never subscribed because of cost.

⁷ Browsing the web and watching TV at the same time demonstrates a high level of interactivity, which is of importance to information providers, such as the local access channel producers, as they plan new ways to communicate with the consumer.

Those who had previously subscribed to cable television services (N=51), but were not currently subscribing were most likely to say (top 3 responses) they discontinued service because of “cost” (37%), followed by a “service issue” (22%), and “I don’t watch TV that much” (6%).

Subscribers of AT&T Broadband Service

The majority of the sample (N=400) had subscribed to cable television at their current address for an average of 6.5 years.⁸ The range of reported responses was from 1-40.⁹

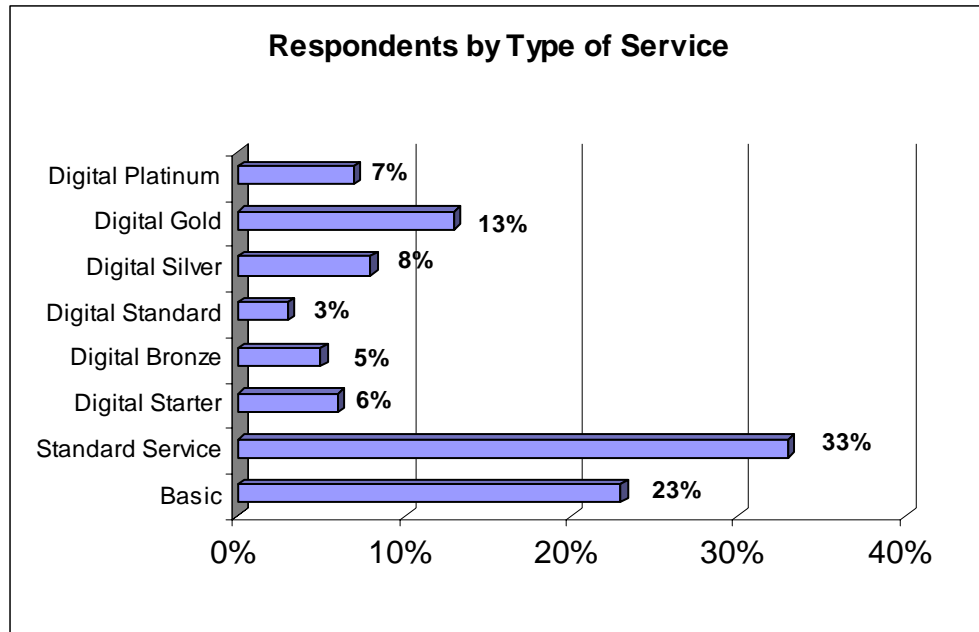
The most popular cable service package subscribed to by respondents was the “Standard Service” package. More than a third (33%) of subscribers have this package, which offers basic service and another tier of popular cable channels. Over forty percent (42.5%) subscribe to one of the digital cable packages¹⁰ and 23% subscribe to the “Basic” package, which includes over-the-air channels, very basic cable networks and access programming.¹¹ Another 30% of respondents indicated that they subscribed to AT&T Broadband’s cable modem service.

⁸ Recent subscribers were significantly more likely to have visited the cable office and indicate lower satisfaction levels with when the office was open.

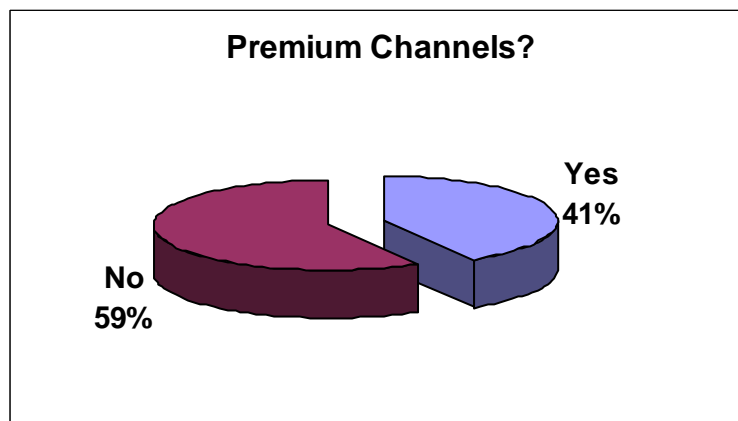
⁹ While some respondents indicated being long-term subscribers, the first cable franchise in Oak Park was awarded in 1979.

¹⁰ Further examination of respondents was conducted by type of service residents engaged the cable company to provide. Those residents that subscribe to digital cable service were significantly more likely than analog cable subscribers to have called the cable office, have premium channels and reported higher satisfaction with the cost of cable, number of channels available and the variety of cable television programming.

¹¹ We suspect that there was some respondent confusion related to this question. Because AT&T Broadband, and cable companies nationwide, commonly refer to their second level of service as basic. Nationally, under 10% of cable subscribers have the very basic package. *FCC Eighth Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*. January 14, 2002.



In addition to the Basic cable services, 41% of respondents subscribe to at least one of the premium channels offered.¹²



The average monthly cable bill is \$57.00. The most commonly reported cable bill (the mode) was \$35 a month with cable bills ranging from \$0 to \$138 a month.¹³

¹² This is somewhat lower than other areas of the United States where premium channel services are engaged in by 56% of subscribers. *FCC Eighth Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*. January 14, 2002.

¹³ This figure includes all cable services: television and cable modem.

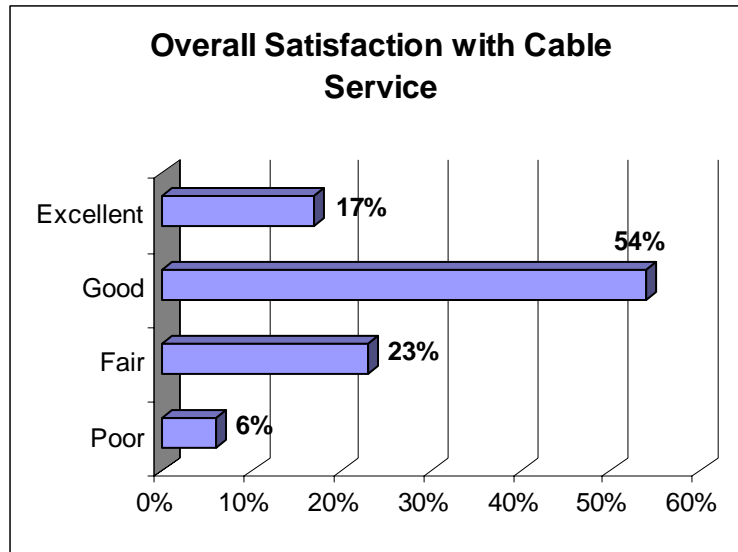
Average Monthly Cable Bill = \$57.00 per subscriber

Most respondents (the average) had two televisions connected to cable in their homes. The range of responses regarding number of television sets connected to cable in the home was from 1, to as many as 4 television sets, with the most common response being one.

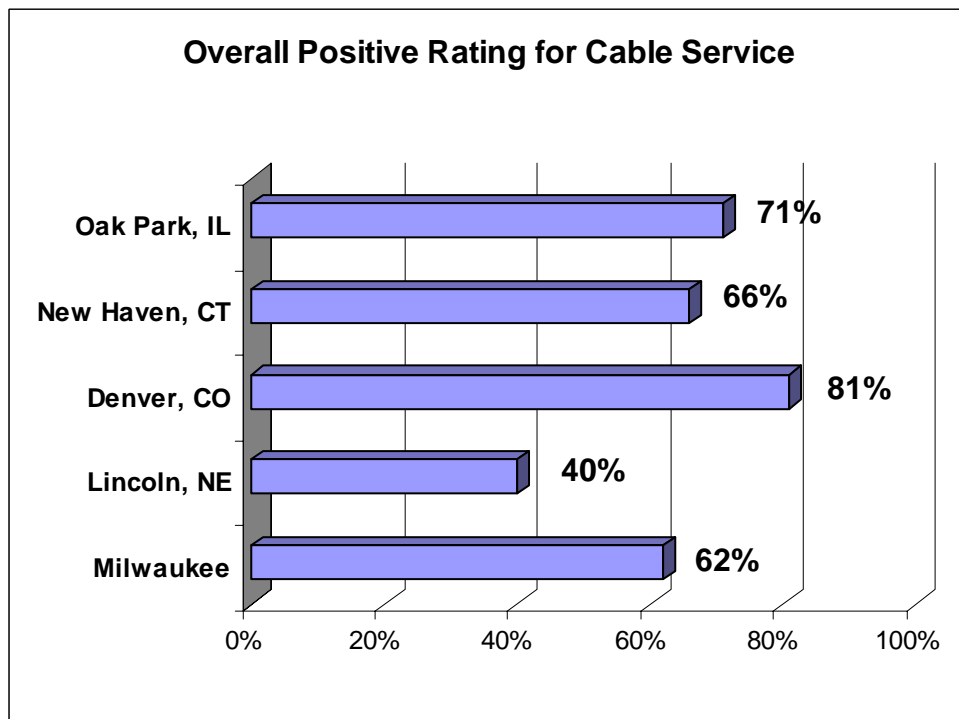
Most frequently, cable television subscribers (25.5%) reported receiving their cable television programming information from the TV Guide Channel (Channel 18). Other subscribers received programming information from the television section of the daily newspaper (16.5%), the TV Guide Magazine (10%), the television program book in the Sunday paper (9%), surfing the channels (7%) and the cable guide provided by the cable company (11%). Basic cable subscribers that reported subscribing to digital cable service indicated using their interactive remote control in order to find out information about cable programming (13%).

Overall Satisfaction

Almost a fourth (17%) of AT&T Broadband subscribers rated their cable television service overall as “excellent.” Another 54% rate the service as “good,” 23% rate the service as “fair” and 6% rate the service as “poor.” The following graph demonstrates the overall customer service rating.



To offer a comparison of the Village's ratings with other communities, the following chart demonstrates findings among selected communities¹⁴ in recent franchise renewals.



¹⁴ While not all similarly sized communities to the Village, the comparative data in this chart are other communities where the author of this study conducted the survey research regarding cable television service.

Respondents who did not rate AT&T Broadband service as “excellent” were asked if there was anything the company could do to improve their rating. Most often subscribers said the company's overall rating could be improved if **rates were lowered** (32%). They also suggested the company’s **customer service needs improvement** (9%), **better picture quality** (8%), **offer more/better channels** (6%) and have **fewer outages** (5%). Three percent (3%) indicated, “**they never answer the phone.**” Eleven percent (11%) of respondents said there was nothing they could do.

Service Features

Subscribers were asked to rate specific features of AT&T Broadband. They were asked about the picture and sound quality, the number of channels available, the variety of programming available, the price of cable subscription, the accuracy and convenience of their monthly cable bill.

The following chart details their responses to each of these questions on a scale from “poor” to “excellent”:

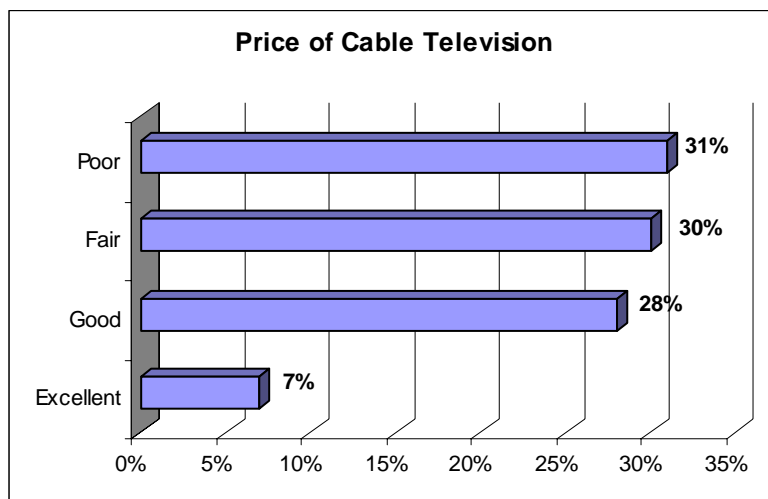
Service features	Excellent	Good	Fair	Poor	Don't Know
The picture quality	25%	56.5%	13.5%	4%	1%
The sound quality	24%	61%	12%	2%	1%
The number of channels available	25%	48%	21%	3%	2.5%
The variety of programming available	21%	50.5%	23%	5%	1%
The accuracy of your monthly cable bill	28%	53%	7%	3%	8.5%
Your ability to easily understand your cable bill.	22.5%	50.5%	13%	7%	7%

Just over 81% of interviewed cable subscribers rated picture quality “excellent” or “good.” Eighty-five percent (85%) of cable subscribers ranked sound quality “excellent” or “good.”

Seventy-three percent (73%) thought the number of channels available was “excellent” or “good.”¹⁵ Over 70% of respondents indicated that there was an “excellent” or “good” variety of programming.

Eighty-one percent (81%) of subscribers gave the accuracy of their bills an “excellent” or “good” rating. Seventy-three percent (73%) rated their ability to understand the cable bill as “excellent” or “good.”

Customer ratings of cable prices were significantly lower. Just over a quarter of subscribers (26%) rated the price of their cable subscription as “right amount” and sixty-eight percent (68%) rated the price as “too expensive.” It appears that 68% of subscribers are at least somewhat dissatisfied with current cable rates.¹⁶

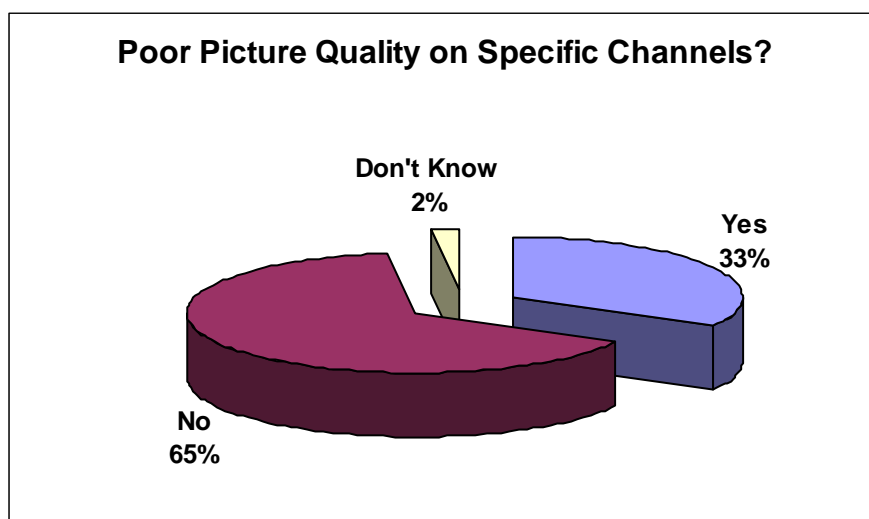


* 4% had no response.

¹⁵ The significant penetration of digital cable services in Oak Park (42%) is more than likely responsible for high satisfaction rates with number of channels and programming variety. Nationally, digital cable penetration (which can provide up to 280 channels of programming) rests at 23%. (www.ncta.com)

¹⁶ Customer dissatisfaction with cable prices are typical despite Oak Park having prices lower than the national average. According to the annual FCC cable rate report issued April 4, 2002, as of July 1, 2001, cable operators nationwide facing competition were charging, on average, \$34.93 for standard service while operators not facing competition were charging \$37.13. On July 1, 2001, as competitive and noncompetitive cable operators, respectively, charged 55.1 cents and 60.3 cents per channel. As of July 1, 2001, the competitive group averaged 60.9 channels and the noncompetitive group averaged 59.3 channels. The standard package rates in Oak Park on July 1, 2001 were \$1.36 below the national average for competitive carriers and \$3.56 less than non-competitive cable carriers. Oak Park’s rates were also less than the national average as measured by per channel costs. Oak Park subscribers had 3.1 more channels than cable operators in a competitive environment and 4.7 more than those in non-competitive markets.

Cable subscribers were asked if they had experienced “poor” picture quality or reception difficulty. Thirty-three percent (33%) responded “yes.” These individuals were asked about specific channels where they had experienced difficulties. The following were the top things mentioned: CBS (19%), local channels (13%), ABC (10%) and lower channels (8%). All of these mentions speak to the cable company’s pass through of the over-the-air networks available to the residents of Oak Park. Of concern is the finding that these are the most “important” channels to subscribers (90%), therefore every effort should be made to provide customers with picture clarity on these programs.



Fewer subscribers (12.5%) said they had experienced difficulties with “poor” audio quality or audio reception difficulties. Those who had experienced difficulties with audio reception most often indicated they had experienced difficulties with CBS (12%), NBC and ABC (8%) and “all channels” (8%).

Installation Issues

Respondents that indicated they had subscribed to cable television services at their current address within the last two years or had adopted digital cable were asked about the cable installation and service they received when cable company representatives visited their home (N=233 or 41% of sample). Subscribers were asked about the available times for installation or service, the arrival time of the technician, the

ability of the technician to explain and demonstrate subscribing options, and the professionalism of the technician.

<u>Installation Issue</u>	Excellent	Good	Fair	Poor	Don't Know
The available times for installation or service	14%	42%	21%	21%	3%
The arrival time of the service technician.	19%	42.5%	17%	17%	5%
The ability of the technician to explain your subscribing options.	15%	45%	18.5%	12%	10%
The ability of the technician to demonstrate how to use your cable service	22%	44%	18.5%	7%	8%
The professionalism of the technician.	24%	50%	18%	5%	3%
The ability of the technician to complete your request during their first visit.	26%	45%	15%	12%	2%

Cable television subscribers reported consistent levels of satisfaction across all areas of installation. All tested areas received “excellent” or “good” between 56% and 74% of the time. Two tested areas are worth noting as receiving slightly lower scores. The ability of the technician to complete requests during their first visit was described by (12%) as “poor” and another 15% described this feature as “fair.” Satisfaction with available times for installation was also slightly lower than other tested areas with almost 21% of respondents describing this feature as “poor” and 21% describing available times as “fair.” The ability of the technician to explain subscribing options was also slightly lower with just over 25% indicating “fair” or “poor.”

Communication with Cable Subscribers

Respondents were asked about how well AT&T Broadband communicated with them in specific service areas. The company scored highest on the friendliness of AT&T

Broadband employees (65% describing as “excellent” or “good”) and the weakest on the ability to inform customers regarding rate changes, with 42% rating this attribute “fair” or “poor.” Specific tested categories are included in the chart below:

<u>Communication Issues</u>	Excellent	Good	Fair	Poor	Don't Know	Had no problems
The ability of AT&T Broadband to explain and address billing questions.	9%	41%	17.5%	8%	10%	14%
The ability of AT&T Broadband to inform YOU regarding programming changes.	7%	36%	22%	17.5%	11%	6%
The ability of AT&T Broadband to inform YOU regarding rate changes.	8%	38%	25%	17%	8%	4%
The friendliness of AT&T Broadband's employees.	14%	51%	19%	4.5%	7%	4%
The ability of AT&T Broadband to resolve your problem.	9.5%	43%	23%	10%	3%	11%

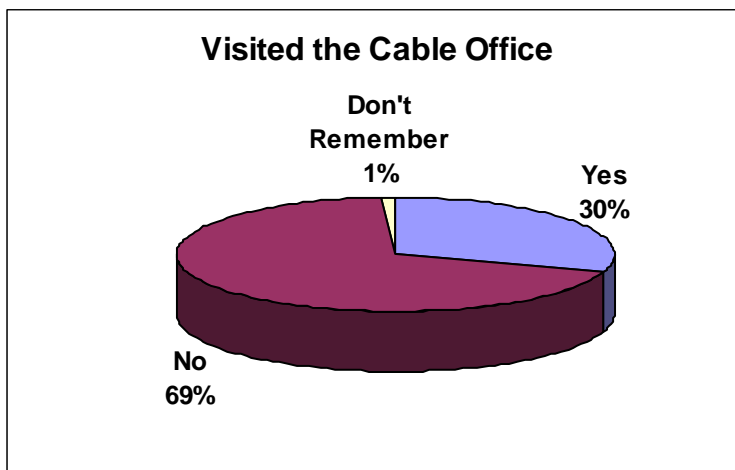
Half (50%) of respondents rated the ability of AT&T Broadband to explain and address billing questions as “excellent” or “good.” Fourteen percent (14%) reported never having had a “billing question.” Just over 25% rated this feature as “fair” or “poor.”

Less than half (43%) rated the ability of AT&T Broadband to inform them to programming changes as “excellent” or “good.” Over thirty-nine percent (39%) rated this area as “fair” or “poor.” The FCC customer service standard is for the cable company to give 30 days advance notice (in writing and through announcements on the cable system) to subscribers regarding changes in programming services, channel positions and rates.

Less than half (46%) of subscribers rated the ability of the cable company to inform them of rate changes as “excellent” or “good.” Over a third (42%) gave the company a “fair” or “poor” rating on communicating rate changes. Just over half (52.5%) rated the ability of AT&T Broadband to “resolve your problem” as “excellent” or “good.”

Visits to the Cable Office

Consumers were then asked if they had visited the AT&T Broadband office in Oak Park in the past two years. Most customers (69%) had not visited the office.



The thirty percent (30%) that said they had visited the office were asked about their reasons for visiting and their experience visiting the office.

The top reason reported for visiting the cable office was to “return or pick up equipment” (41%), followed by “to pay a cable bill” (34%), to “ask a billing question” (5%) and “cable outage and loss of signal” (2.5%).

A majority of subscribers reported a positive experience at the AT&T Broadband office in Oak Park. A majority (96%) thought the location of the office was “excellent” or “good” and 4.5% described the location as “fair” or “poor.”

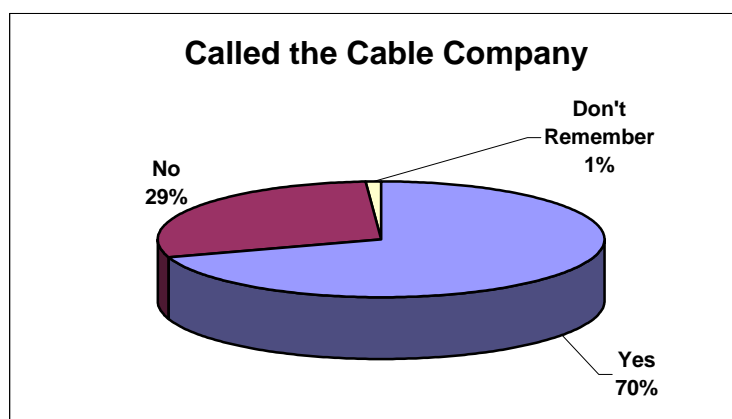
Eighty-four percent (84%) said the office hours were “excellent” or “good” and 15.5% described office hours as “fair” or “poor.”

Almost 71% rated the ability of the customer service representative to resolve the reason they visited as “excellent” or “good” and over 26% described ability to handle requests as “fair” or “poor.” This finding raises some concern. Over a fourth of subscribers visiting the cable office had a less than positive experience with the customer service representative’s ability to resolve the reason they visited the office.

Office visit service features	Excellent	Good	Fair	Poor
The location of AT&T BROADBAND's office?	41%	55%	2%	2.5%
The hours AT&T BROADBAND's office was open?	15%	69%	13%	2.5%
How your requests or questions were handled by AT&T BROADBAND?	24%	47%	19%	7.5%

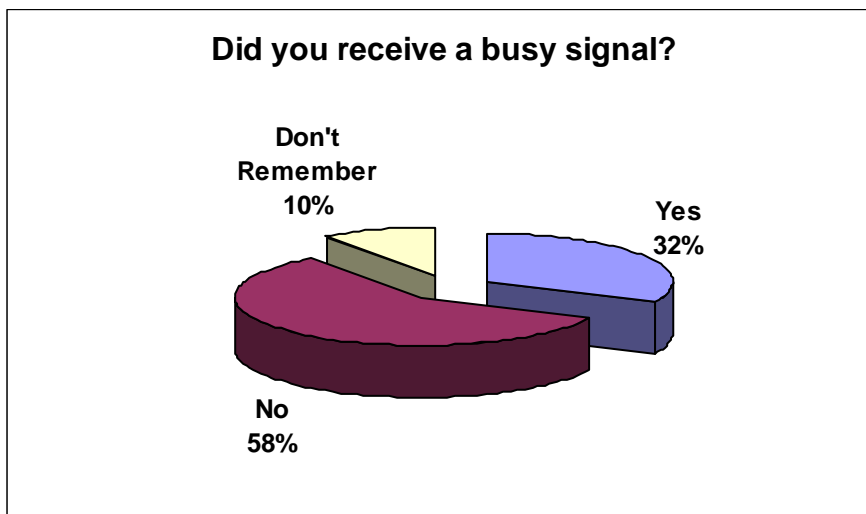
Calls to AT&T Broadband

Customers were then asked if they had called AT&T Broadband in the past two years. Seventy percent (70%) said they had called AT&T.



These respondents were asked the reason for their call. The most common reason for calling the cable company was to “report a cable outage” (31%), followed by to “change type of service” (14%), and to "ask billing questions" (12%). Another 13% had called to report a problem with their cable modem service.

Fifty-eight percent (58%) of those who had called AT&T Broadband in the past two years said they did not receive a busy signal. Thirty-two percent (32%) said they received a busy signal and 10% said they could not remember.



The FCC customer service standards related to busy signals, indicate that callers should not receive a busy signal “under normal operating conditions” greater than 3% of the time. While our findings indicate that AT&T Broadband is not likely compliant in this area, it is important to note that most of the calls placed were during “an outage.” The frequency of outages reported by respondents is 3 in the last two years experienced by 66.5% of cable subscribers. Adding to the importance of effective call center operations is the high penetration of digital subscribers in Oak Park (42.5%). Ordering an upgrade to digital cable required a call to the cable company, this coupled with the significant number of cable modem subscribers (30%) that called to order that service, probably added calls.

Forty percent (40%) of callers said an AT&T Broadband customer representative answered their calls within two minutes. Fifty percent (50%) said it took longer than two minutes to reach a customer representative and 10% could not remember how long the process took. Again, according to the data collected in this study, AT&T Broadband scores below the FCC benchmark in regard to hold and transfer time which stipulates a less than 30 second hold time and additional 30 second transfer time be met with 90% efficiency.

When callers reached a customer service representative (CSR), they said the representative was friendly, but was not necessarily able to resolve the problem they had. Seventy-four percent (74%) of callers rated the friendliness of the representative as “excellent” or “good.” Sixty percent (60%) rated the ability of the representative to

solve the problem as “excellent” or “good.” More than a third (38%) rated the ability of the representative to solve the problem as “fair” or “poor.”

Reported top reasons for calling were related to immediately irresolvable issues. Cable subscribers reported primarily called about outages (which typically take some amount of time to correct), charges on their bills and problems with cable modem service.

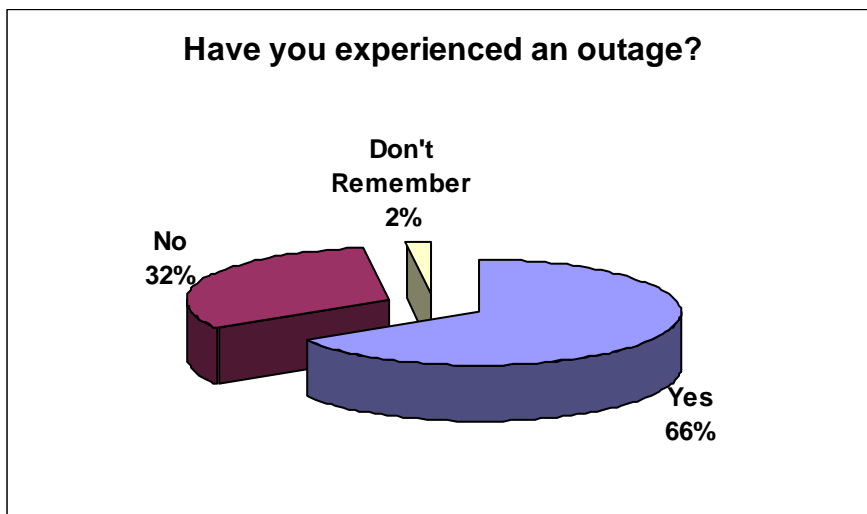
Survey respondents were asked how soon after they called to report the problem did the cable company begin to correct that problem. Thirty-three percent (33%) of respondents said the cable company began working on their problem “the day it was reported.” Over 17% said the cable company began working on the problem “the next business day.” Twenty-three percent (23%) reported the cable company began working on the problem “days later.” Nine percent (9%) said it was “about a week” and 2% said it was “about a month.” Four percent (4%) said the problem was “never resolved.”

The FCC benchmarks for customer service stipulate that the cable company must begin working on outages within 24 hours of problem notification and must begin service on other problems “the next business day after learning of them.”

Consumers said if they were not satisfied with the service provided by AT&T Broadband, and were unable to work out a resolution they would most often disconnect the service (27%). This response was followed by file a complaint with the Village Manager’s complaint process (13%) and subscribe to a competing cable television service (10%). Over 17% reported that they didn’t know what they would do if a problem arose with cable service.

Cable Signal Outages

Respondents were also asked a series of questions about their experiences with cable signal outages. Sixty-six percent (66%) said they had lost their cable signal for fifteen minutes or longer in the past two years when they still had electricity service. Subscribers reported an average of three (3) such outages in the past two years. Number of outages ranged from 1 to 20, with most respondents reporting two (2) outages.



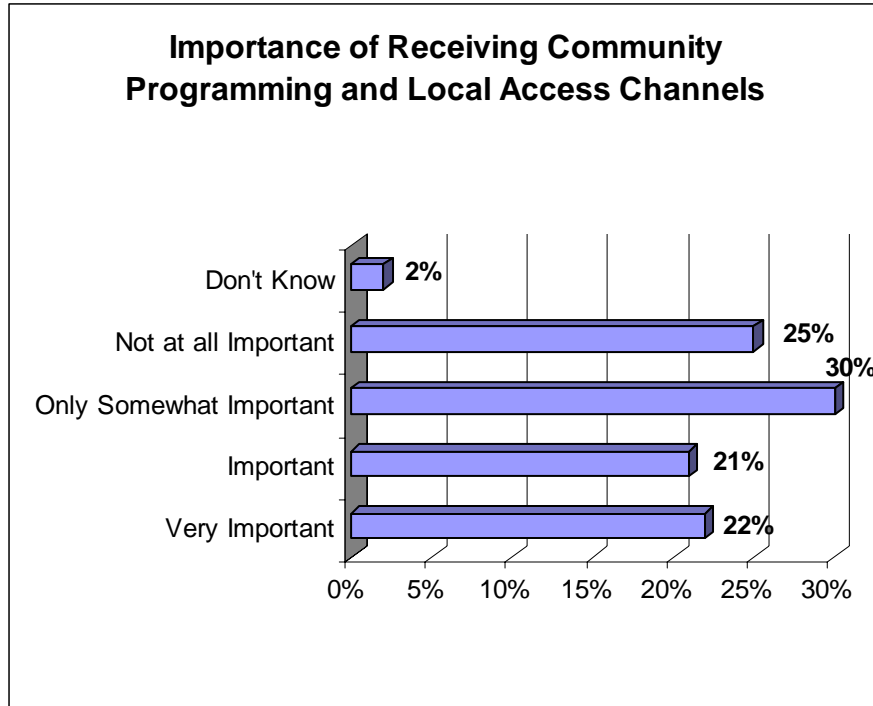
When their signal was interrupted, 71% of respondents said they called the cable company to report the problem. Most respondents were satisfied with the time it took AT&T to restore their service. Fifty-seven percent (57%) said they thought AT&T was “very responsive” or “responsive.” A third (34%) were not as satisfied and described AT&T as “somewhat responsive” or “not at all responsive.” FCC benchmarks for customer service require the cable company to begin to restore an outage within 24 hours of being notified.

Categories of Service

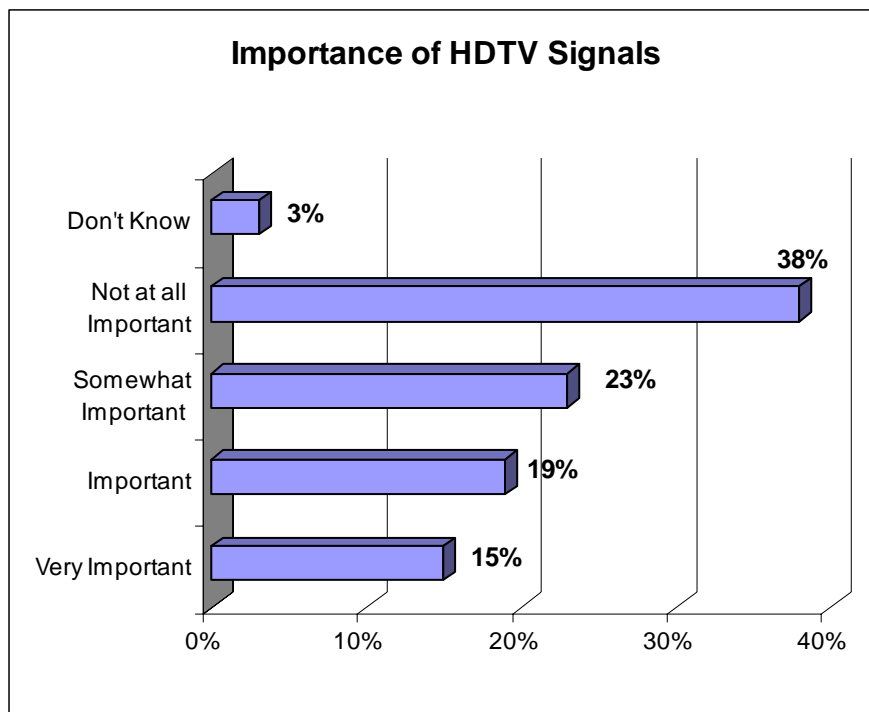
Cable subscribers were asked what channels, program types and services were important to them. Two of the tested categories of programming emerged as significant: the carriage of local over-the air broadcast signals and high speed Internet services.

Ninety percent (90%) said receiving local broadcast channels was “very important” or “important” to them.

The programming provided on VOP-TV channel 6, educational access channel 16 and public access channel 19, were described as “important” or “very important” by almost half of subscribers (43%).



Thirty-five percent (35%) said it was “very important” or “important” to them that AT&T Broadband make HDTV programs available to them. High definition television (HDTV) is still a relatively new concept and most consumers have not experienced the difference between standard definition and HDTV in a way to capture their future interest.



The following chart gives additional specifics on these questions.

<u>Services</u>	Local Broadcast Channels	Local Access Programs	HDTV	Access to Internet	Local Telephone Service
Very Important	74.5%	22%	15.5%	43.5%	8%
Important	15.5%	21%	19.5%	11%	12%
Somewhat Important, or	6%	30%	23%	11%	18%
Not at All Important	3.5%	25%	38.5%	33%	53%
Don't Know	1%	2%	3%	2%	9%

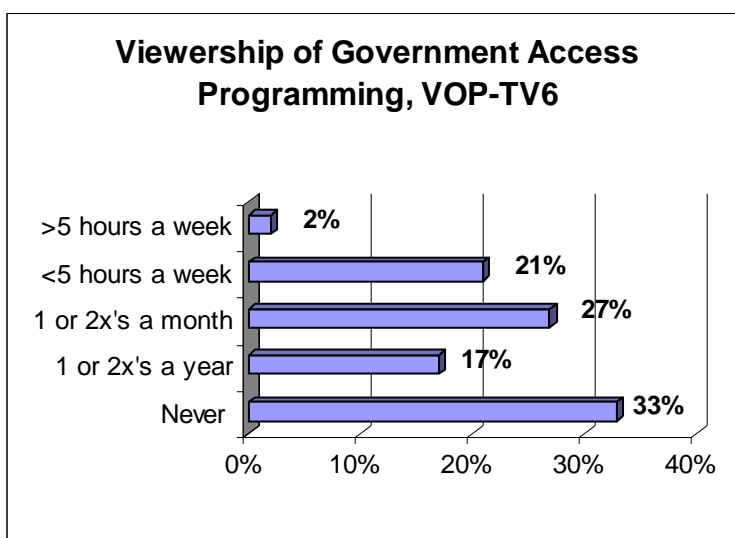
Over half of respondents (66%) said there was no additional types of programming that they would like to see added to AT&T Broadband. When considering the respondents who did want additions, their first responses included suggestions that AT&T Broadband offer the History Channel (10%) and more sports channels (2%).

Government, Education and Public Access Programming

Respondents were asked about their viewership and experience with community access programming in Oak Park.

VOP-TV6

Government access is viewed by 66% of cable subscribers in the Village. When measuring how frequently the programming is viewed, 2% of respondents reported that they watched more than five hours a week of VOP-TV6 and another 21% described themselves as weekly viewers who watched less than five hours a week. Twenty-seven percent (27%) reported watching the channel a couple of times a month and 17% indicated they watched the channel a couple of times a year. Thirty-three percent (33%) of respondents reported they never watched government access programming.



These numbers create a significant level of viewership for an access cable channel. By comparison, the Nickelodeon cable network is continually ranked as the top overall cable network with a rating of 1.4. In other words, at any given moment 1.4% of the 67 million households that watch cable television are tuned into the Nickelodeon network.¹⁷ VOP-TV6 attracts more than this number of viewers with 2% of the cable households in the tested franchise areas tested watching on a daily basis.

Respondents rated several aspects of VOP-TV6 including picture and sound quality and programming issues.

Most respondents were positive about the picture quality of the programming on channel 6. Fifty-eight percent (58%) said the channel's picture quality was "excellent" or

¹⁷ Umstead, R. (October 10, 2001). News Nets Soar in Ratings Tally. *Multichannel News*. www.tvinsite.com.

“good.” Important to note, over one third (40%) gave “fair” or “poor” marks to the picture quality.

Most respondents also gave similar ratings to channel 6’s sound quality; 56% rated sound quality as “excellent” or “good.” Forty-one percent (41%) rated the sound quality as “fair” or “poor.”

The programming performed highest on its informational value. Just over 81% giving programming’s informational value an “excellent” or “good” rating.

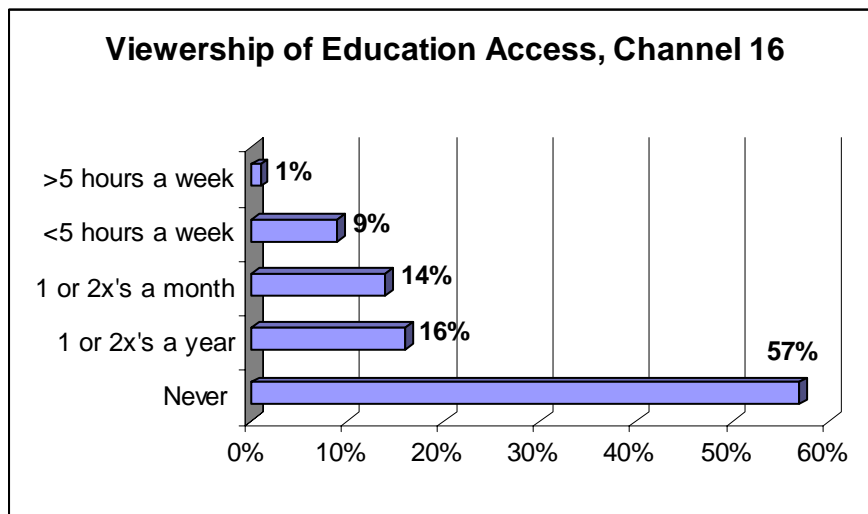
VOP-TV6	Excellent	Good	Fair	Poor	Don’t Know
Government Access picture quality	8%	50%	37%	3%	2.5%
Government Access sound quality	8%	48%	36%	5.5%	2.5%
Government Access programming’s entertainment value.	6.5%	35%	36%	14%	9%
Government Access programming’s informational value	15%	66%	14%	1.5%	4%

Respondents were asked if there was any additional programming they would like to see added to the VOP-TV6’s line-up. While most indicated “no” (73%), 5% did indicate they would like to see more community and local events coverage, another 4% indicated that they would like to see more local youth and high school sports coverage.

Educational Access, Channel 16

Forty-one percent of residents report watching Channel 16, educational access at least once or twice a year. Viewership is significantly related to whether a respondent had children in the home.

Just over 1% of respondents said they watched channel 16, educational access, more than five hours a week and another 9% described themselves as weekly viewers who watched less than five hours a week. Fourteen percent (14%) reported watching the channel a couple of times a month and 16% indicated they watched the channel a couple of times a year. Fifty-seven percent (57%) of respondents who were aware of the channel said they never watched access programming.



Respondents rated several aspects of channel 16 including picture and sound quality and programming issues.

Most respondents were positive about the picture quality of the programming on Channel 16. Just over 59% rated the channel's picture quality as "excellent" or "good." However, over one third (34%) gave "fair" or "poor" marks to the picture quality.

Most respondents also gave similar ratings to Channel 16's sound quality; 61% rated sound quality as "excellent" or "good." Thirty-one percent (31%) rated the sound quality as "fair" or "poor."

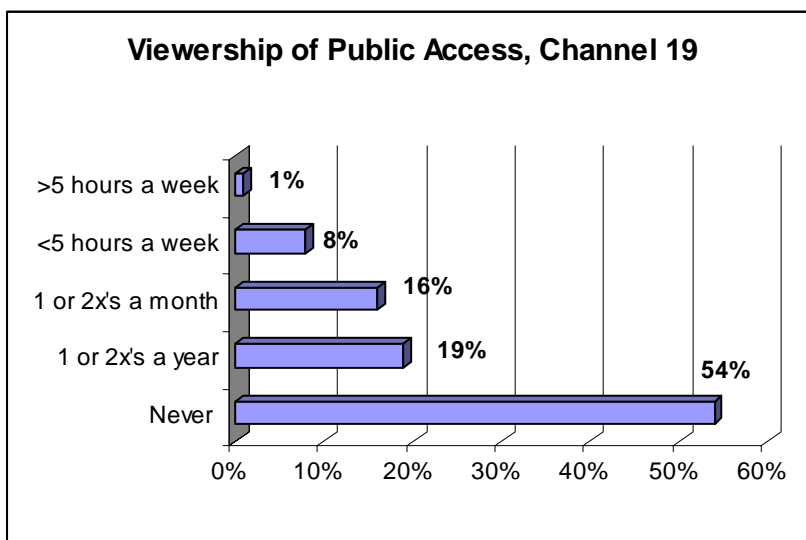
The programming performed highest on its informational value. Just under three-fourths (74.5%) gave the programming's informational value an "excellent" or "good" rating.

Educational Access, Channel 16	Excellent	Good	Fair	Poor	Don't Know
Educational Access, Channel 16 picture quality	9.0%	50.5%	30%	4.0%	7.0%
Educational Access, Channel 16 sound quality	9.0%	52.5%	26.0%	5.0%	8.0%
Educational Access, Channel 16 programming's informational value.	20%	54.5%	17.0%	2.0%	7.0%

Public Access, Channel 19

Another 45% of Village residents indicated that they at least occasionally watch public access channel 19. Just over 1% of respondents said they watched channel 19 more than five hours a week and another 8% described themselves as weekly viewers

who watched less than five hours a week. Sixteen percent (16%) reported watching the channel a couple of times a month and 19% indicated they watched the channel a couple of times a year. Fifty-four percent (54%) of respondents who were aware of the channel said they never watched access programming.



Respondents rated several aspects of channel 16 including picture and sound quality and programming issues.

Public Access, Channel 19	Excellent	Good	Fair	Poor	Don't Know
Public Access, Channel 19 picture quality	7.0%	56.0%	29.0%	7.0%	1.0%
Public Access, Channel 19 sound quality	4.0%	61.0%	29.0%	5.0%	1.0%
Public Access, Channel 19 programming's informational value.	11.0%	61.0%	22.5%	3.0%	3.0%
Public Access, Channel 19 programming's entertainment value.	4.0%	52.0%	37.0%	3.0%	4.0%

Respondents were given a list of access programming categories and asked if the franchise area needed more of, had the right amount of, or had too much of that type of programming. The chart that follows offers subscribers' responses:

Important to note is that the majority of subscribers' gave fairly low ratings to the category that the community had "too much of" any type of local programming. This suggests a level of interest in local programming.

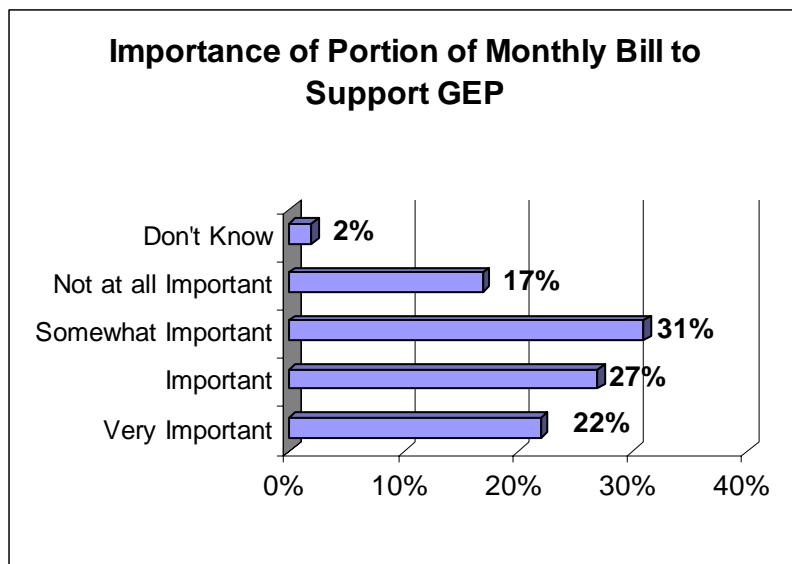
Subscribers were most likely to say the franchise area needed more local arts programming (35%), more educational programming (31%), more local children's programming (28%), more community or neighborhood news (25%), more minority focused programming (25%), and more sports programming (15%).

Access Programming	Needs more of	Has right amount	Has too much of	Don't Know
Minority focused programming.	25%	34%	3.5%	38%
Arts and culturally focused programming.	35.5%	34%	2%	28.5%
Religious programming	9%	43%	13%	35%
Educational programming.	31.5%	38%	1.5%	29%
Local business programming	15%	40%	7%	38.5%
Local government programming	9%	57%	6.5%	28%
Community or Neighborhood News.	25.5%	44%	3%	28%
Local sports programming.	15%	42.5%	10%	32%
Local Children's Programming	28%	32.5%	1.5%	38%

As a follow-up to this question, respondents were asked if there was any other type of local access programming they would like to see offered. While the majority said there wasn't (95%), five types of programming were mentioned by respondents: more about community events, local activities/sports, history programs, home improvements, and Spanish programs.

Importance of Local Programming

Almost half of all subscribers (49%) said it was very important or important to them that a part of their cable payments be used to support the local public, educational and governmental uses of the cable system. This finding coupled with the previous findings regarding desired types of programming is perhaps reflective of a desire for very local community issues not carried extensively, or at all, by the local over-the-air broadcasters located in neighboring Chicago. In other words, cable television's ability to provide access programming provides residents (cable subscribers) the only locally produced community programming in the area.



Five percent (5%) of respondents indicated that they had used the access studio or taken a part in an access program. Another 22% said they would be interested in taking part in an access program. This suggests a significant amount of potential growth for access programming in the coming years.

Cable Modem Services

Thirty percent (30%) of Oak Park residents with computers indicated that they currently subscribed to AT&T Broadband's cable modem service which currently costs about \$46 a month. In an effort to determine what needs these dual subscribers (TV and Modem) might have, a separate analysis of was conducted.

When testing cable modem subscribers by other areas tested in the survey, it was found that there were some differences. Several of these were anticipated, such as higher cable service bills and more likely to have placed a call to the cable company. However, other relationships are worth noting here. Cable modem subscribers reported higher levels of frustration with cable outages (losing two services, rather than one), local access programming was less important to this group of subscribers, as well as the pass through of local broadcast programming.

In the area of service, cable modem subscribers are more likely to report poor reception of audio on cable channels, rate the professionalism of the installer lower, rate

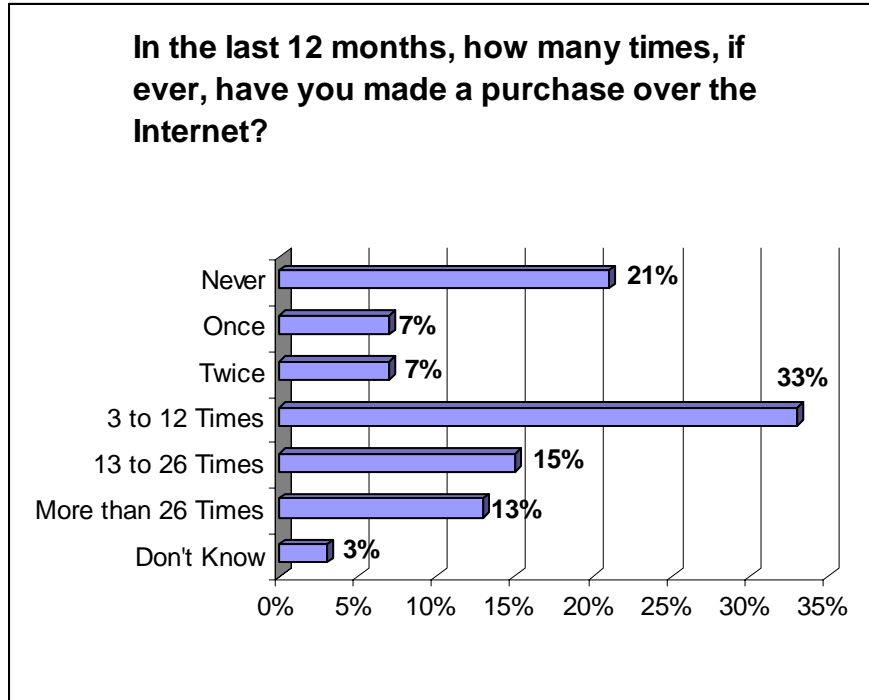
the friendliness of the customer service representative lower and be less satisfied with how their requests to the cable company were handled.

Village of Oak Park Community Survey

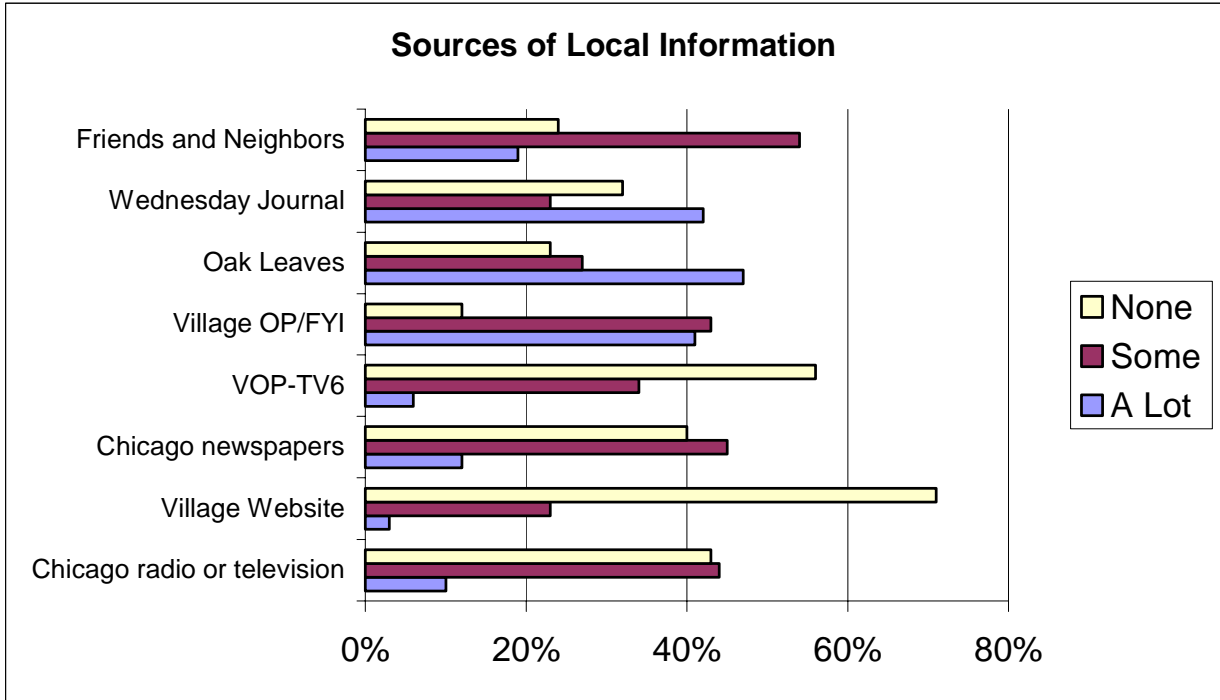
A series of questions that were previously asked in a community assessment conducted by Oak Park in 2000 were compared with data collected during the cable television needs assessment.

Community residents were asked about the quality of cable television service in the community assessment and 61% described that service as “good” or “excellent.” This study’s findings rate cable service among subscribers as higher (71%). Unlike this survey, the previous assessment posed the cable question to all community residents and it is likely that non-subscribers to AT&T Broadband rated the cable service lower, especially considering the findings of this study that found the most likely reason for disconnection of cable service was due to high prices or poor customer service.

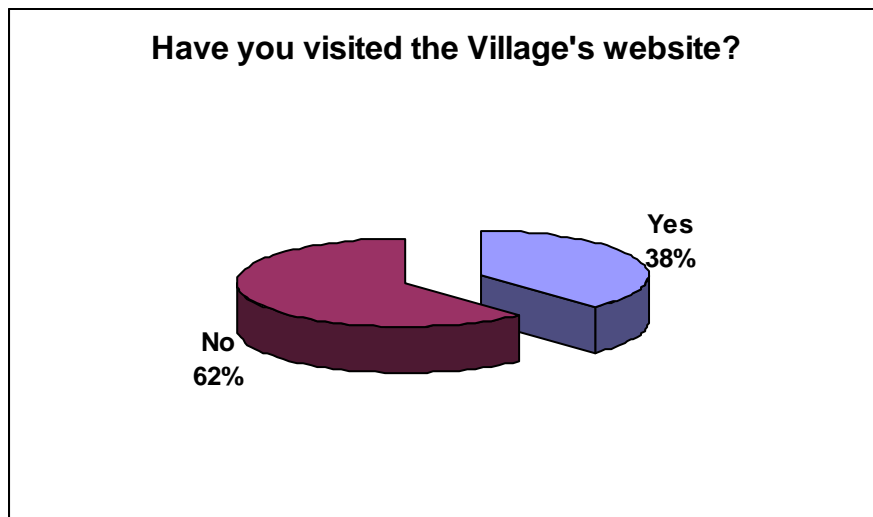
The previous community survey found that 56% of Village residents had made at least two purchases over the Internet in the last twelve months. This study found significant and increased shopping activity among computer owners with Internet connections with (75%) reporting purchases. Over thirteen percent indicated having purchased over 26 items, 15% reported purchasing 13-26 items over the Internet, 33% indicated having purchased between 3 and 12 items over the Internet, 7% purchased two items and 7% purchased one item. The 2000 community survey tested all residents and this assessment tested residents with computer and Internet connections in the home.



Respondents were also asked a series of questions about how much information they gathered information about the Village of Oak Park. Key sources measured included: friends and neighbors, *The Wednesday Journal*, *The Oak Leaves*, the Village's *OP/FYI Newsletter* and other Village mailings, *VOP-TV6*, Chicago newspapers, *The Village of Oak Park Internet Site* and Chicago radio or television. The scale utilized was a lot, some, none and don't know. The key sources of local information (respondent's indicated "a lot" of their information came from these sources) in the community are: *The Oak Leaves* (47%), *The Wednesday Journal* (42%), the Village newsletter and mailings (41%) and friends and neighbors (19%). These four key sources of local information are consistent with Oak Park's 2000 community survey.

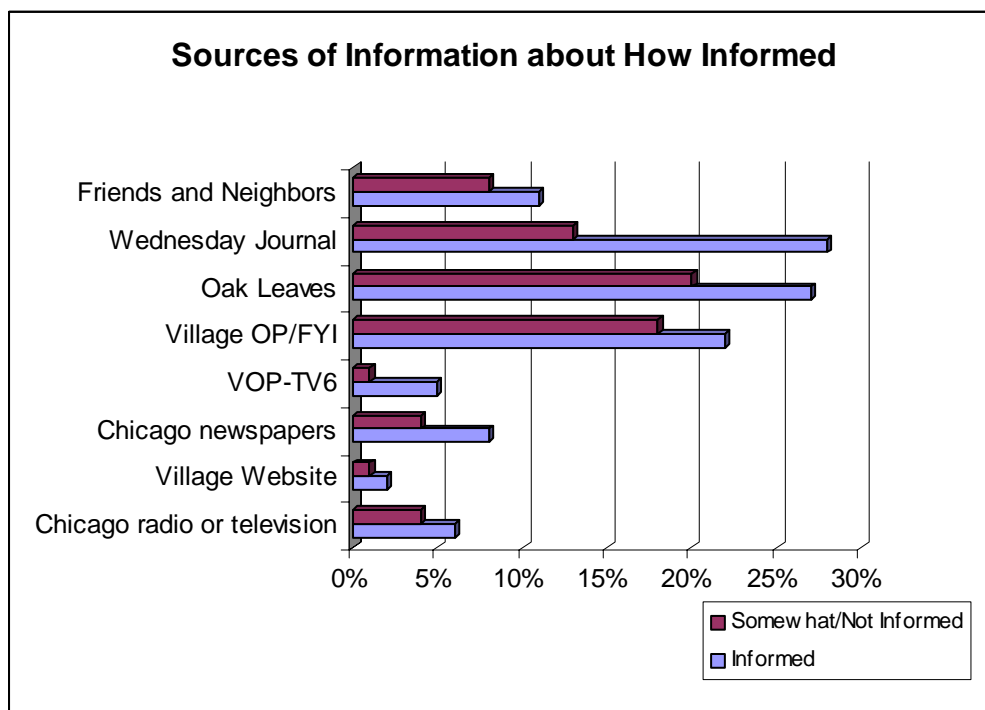


While just 3% indicated that they received “a lot” of information about the Village from its website, over 37% of respondents indicated they had visited the website. These findings were consistent with the Village’s 2000 Community Survey.



This survey also measured what information residents sought when visiting the Village’s website. Most residents indicated they gathered information about local civic meetings (11%), permit information (8%) and park and recreation activities (8%) and visitor’s information (7%).

To offer a lateral comparison with the 2000 Community Survey conducted by the Village, sources of information (the “a lot” category) were compared to how informed respondent’s felt that they were. Consistent in both surveys was that, sources that lead residents to feel informed tend to be: the local newspapers and friend and neighbors.



Significant Relationships with Subscribers’ Overall Cable Satisfaction

An analysis of variance (ANOVA) between subscribers' overall satisfaction with their cable television service and several specific measurements of cable television’s features was conducted in order to determine which features were significantly related to the overall ranking. The analysis of variance, commonly called ANOVA, allows researchers to examine whether a variable is significantly related to other variables. In this study, overall satisfaction was identified as the dependent variable and several independent variables were tested against overall satisfaction to determine if that relationship accounted for systematic variance within the study at a rate determined to be significant. Significance is considered at three levels: .01 (99% confidence), .05 (95% confidence) and .1 (90% confidence). If a score of (.00) is indicated it demonstrates a significant relationship that occurs beyond the 99% confidence range, therefore one would consider that relation with almost complete confidence. Several tested issues were

found to relate significantly to the respondent's overall satisfaction with cable television in the Village at the (.00) level. Several items tested at this level and are offered below.

Knowing the areas that most affect overall satisfaction with cable television, can help point the Village and AT&T toward improvements that can be made and subsequently have the greatest impact on the cable consumer's overall satisfaction.

The tested relationships are grouped in order of significance. When needed, a discussion of cross-tabulations is offered to create a picture of respondent's attitudes as related between the two significant issues.

Significantly Related to OVERALL Cable Television Satisfaction

<u>Issue</u>	<u>Level of Significance</u>
1. Cost of cable television.	.00
2. The reported picture quality.	.00
3. The reported sound quality.	.00
4. The number of available channels.	.00
5. The variety of cable programming	.00
6. The price of cable television.	.00
7. The "understandability" of the cable bill.	.00
8. How well the cable company communicates regarding rate changes.	.00
9. How well the cable company communicates regarding programming changes.	.00
10. The available times for installation.	.00
11. The arrival time of the installer.	.00
12. If reported calling the cable office.	.00
13. If received a busy signal when calling.	.00
14. If call answered within two minutes.	.00
15. The ability of the CSR to resolve issue.	.00
16. Importance of receiving local access channels.	.05
17. Importance that part of cable bill go to support access programming.	.10

The variables most significantly related to overall satisfaction can be thought of in terms of the traditional areas of concerns with cable television: cost, programming and service.

Cost

The reported high cost of cable television is to be a driving force in how well a customer ranks their overall cable television service.

Programming

Respondents rating in regard to the variety of programming and number of available channels was also significantly related to overall satisfaction (.00). The lower the variety of channels was rated, the lower the overall satisfaction with cable television and vice-versa.

The importance of receiving and supporting access programming was also found to be significantly related to overall satisfaction. This is consistent with nationwide trends regarding access programming. Even though a majority may not report a consistent pattern of heavy access viewing, the awareness that it exists and is available for viewing creates a significant positive relationship with overall cable television satisfaction.

Service Issues

Factors tested in the survey that dealt with the cable television operator's system performance and customer communications were analyzed for significant relationships with overall cable television satisfaction. Areas tested that were significantly related to overall satisfaction include: picture quality (.00), sound quality (.00), the ability of the cable company to communicate rate changes (.00) and programming changes (.00).

Also within the realm of service issues was the importance of interaction with the cable television company, either by phone or in person. Several issues tested related to overall satisfaction. During installation of cable service, the times available for installation (.00), the arrival time of the company's technician (.00), and the ability of the CSR to resolve problems (.00) all related significantly to overall satisfaction.

Calling the cable company also significantly related to overall satisfaction (.00) and several attributes of that phone call related as well. These included, most importantly whether the phone caller received a busy signal (.00), and the length of time on hold (.00).

Demographically, four variables were found to significantly relate to overall satisfaction, whether the respondent owned a personal computer (.00) and how much the respondent relied on

local information from friends and neighbors (.04). This finding leads to conclusion that the rumor mill about cable television in the Village may be less than positive.

Final Comments

When respondents were given a final opportunity to add any additional thoughts about their cable television service, a majority opted not to respond (55%), but a significant 45% did. Among those who did respond the three most frequent responses included over 13% that indicated they thought AT&T was doing a “good” job. Five percent indicated that they would like to see some competition, 4% took the time to again emphasize that cable costs too much and another 3% recommended AT&T lower the price of cable subscriptions.

E-Mail Comments

In order to provide residents with as many options as possible to share their needs and interests related to cable television service, a notice was placed in the Village newsletter that comments could be e-mailed to the Village at cabletv@oak-park.us. In all, 9 e-mails were sent over a five-week period between early August and September 10th. The 9 e-mails detailed interactions with AT&T Broadband that supported the findings of the telephone survey. These included comments related to:

- Poor installation practices, such as late arrival and misinformation.
- Slow or outages with high-speed Internet service.
- Concerns related to channel realignment that removed desirable channels from the analog service to the digital tier service.
- Concerns related to bandwidth allocation to digital channels v. Internet service and a request for HDTV.
- A request to have the capacity to block soft porn channels.

In addition to the e-mails, the Village received one phone call from a telephone survey respondent that had rated the cable television positively, then had a subsequent negative experience and was calling to request her positive rating be changed.

CONCLUSIONS AND RECOMMENDATIONS

As the Village of Oak Park enters into discussions regarding franchise renewal, based on the findings of this comprehensive needs and interests ascertainment among residents in the area, we recommend the following issues be given consideration:

1. A key criticism of the cable company is related to the “cost” of cable services. Consumers reported cost issues as the key area that AT&T could change in order to improve their level of satisfaction (32%). Instead of focusing on the unlikely prospect of rate changes, the cable company could focus on the chief complaints among cable subscribers related to service issues. Key issues that were found to be significantly related to overall satisfaction with cable television and in turn speak to intrinsic value, i.e. cost, of cable service. These include: establishing better and more reliable picture quality, providing more programming options, communicating more effectively regarding rates and changes in programming, improving the interaction consumers are having with the cable installer, improving telephone response at the company’s call center and improving the quality of local, community programming. The negative impact that rising cable rates has on reported overall satisfaction with their cable service might be dampened if these key issues that also are impacting overall cable satisfaction are addressed. This is also an important area for the cable company to consider as new, competing multichannel services, such as satellite cable services, DSL and on-demand viewing services (TiVo) become more prevalent in the marketplace.
2. Thirty-three percent (33%) of subscribers did indicate they had reception difficulties with at least one of the channels they received. These channels with reported reception problems were, most often, retransmitted local broadcast signals. This finding, coupled with the finding that carriage of local broadcast channels was “very important” or “important” to a majority of subscribers (90%), is an area the cable company could address.
3. Poor picture quality, requests for digital cable upgrades, as well as signal outages, an average of 3 per respondent, has resulted in over 31% of residents placing calls to the cable company to report the outage. Busy signals were reported by 32% of callers. While the customer service representative (CSR)

that eventually answered the phone was assessed as friendly a majority of the time, he or she was not able to immediately resolve the reason for calling (outages and poor picture quality). Addressing picture quality and system reliability would interrupt this negative process. The picture quality of local channels will become an even more important issue over the next two years for AT&T Broadband as local stations transition to digital and begin to offer high definition pictures during prime time.¹⁸

4. The installation process received low marks from residents and is an area where immediate changes could be made by the cable company. Available times for installation were rated “fair” or “poor” by 42% of respondents. This finding, coupled with low marks given to the installer in the areas of professionalism, ability to demonstrate product, the installers arrival time for the scheduled appointment and the ability to complete the job in the first visit, are more than likely the result of a desire to speed the roll-out of digital television services, including through the use of subcontractors. A review of how installers are trained is in order.

5. Another area that received low marks among respondents that should be addressed by the cable company is the manner in which the cable company communicates rate changes and programming changes. Respondents were asked where they received most of their information about cable television programming. The TV guide channel was ranked first, followed by the TV section of the daily newspaper, the interactive remote control, a cable guide provided by the cable company and the Sunday paper. These locations should be sought out by the cable company as a *reasonable* means for informing customers about changes in their cable service.

¹⁸ November 2002 is the commercial broadcaster deadline for the transition to a digital over-the-air television system. The Chicago market has already completed its transition and over-the-air high definition digital programming is available in Oak Park. (www.fcc.gov) AT&T Broadband is currently taking applications for HD digital decoders which the company anticipates will provide two NBC and FOX affiliates, Showtime HD, HBO HD and Discovery Theater HD.

6. Local access programming is of considerable importance in the Oak Park area with 43% indicating it was “very important” or “important” to receive access programming and over half of all subscribers (59%) indicating it was important that a portion of their bill should go to fund local public, education and government use of the channel. Viewership of government, education and public channels is also well established with 22% of subscribers reporting weekly viewership of government programming, 10% watching education access on a weekly basis and 9% watching public access on a weekly basis. Five percent of respondents indicated they had participated in access programming, but more importantly 22% said they desired to do so. The cable company should have a vested interest in improving the quality of access programming because it is currently one service it provides that is not provided by satellite television.
7. Also of special concern is the moderate ratings received by all access channels in the areas of picture and sound quality. A technical review of these channels, as well as equipment enhancements, may be in order. Access programmers have an interest in improving picture and sound quality as they compete with adjacent channels making the transition to higher resolution digital video.
8. A majority of cable subscribers (71%) in the Village of Oak Park rate their overall cable television service as “excellent” or “good.” This finding is consistent with recent assessments of cable television service in the United States. Significant areas driving down overall satisfaction, which are detailed in later sections of this report, include installation and call center issues.

These findings are one component of the factors for the Village of Oak Park to consider as efforts to address local cable needs and interests during franchise renewal proceedings are made.