



Wireless Minutes Clinch The Deal

Quadruple Play Of Bundled Phone, Television, Internet And Wireless Packages Set To Draw Large Number Of Americans, Says Ipsos-Insight

New York, NY, May 25, 2005 — The Quadruple Play strategy that adds wireless phone service to the phone, television, and Internet services bundle in American homes is set to steal a large portion of market share from existing “à la carte” providers. A new study by leading market research firm Ipsos-Insight shows that up to 31% of à la carte subscribers would switch from their current providers to an affordable Quadruple Play bundled offer with wireless minutes.

The study, conducted to measure the potential migration patterns with Triple Play and Quadruple Play offers coming on the market, shows that while still only a minority of Americans are ready to make the switch, they represent more than 80 million households.

Who Will Win the Race? And How?

According to the study, phone companies could get a 13% boost in market share over existing à la carte services with a Quadruple Play package that has 1,000 wireless minutes thrown into a \$149 Quadruple Play bundle. Cable TV rivals could come away with a more modest 10% lift and satellite companies with a mere 5%.

Data show that the term ‘VOIP’ costs market share for cable TV and satellite companies. For the same Quadruple Play package—promoted with traditional telephone service rather than ‘VOIP’—cable TV companies can expect 14% of the market to switch to their bundle. Phone companies might see 10% and satellite providers 7%, showing a shift away from phone companies and toward cable TV companies.

Some of the major cable TV providers have figured that out and as a compromise offer ‘digital phone’ or ‘digital voice’ instead of ‘VOIP’ in their Triple Play packages.

“The challenge is when the sales reps try to explain to Joe Consumer that he needs high-speed Internet access to get ‘digital phone’,” said Bartos. “If they are successful in selling the benefits, cable TV companies will take the lead.”

Cable TV and satellite companies have already started to forge partnerships with wireless carriers to compete on the Quadruple Play offering as we see with the recent deal between Time Warner Cable and Sprint.

“The convenience and discount of a bundled package with wireless minutes will appeal to many more Americans as marketing efforts really gear up and bundle discounts are competitive – the industry that makes the effort to win these customers first will have the early lead in an expanding market,” concluded Bartos.

Methodology

Data was gathered among 601 adults age 18+ using the Ipsos U.S. Online Panel between February 4 and 15, 2005.

To learn more about Ipsos-Insight's Cable, Media & Entertainment Practice, please visit:
www.ipsos-insight.com/industryfocus/cablemediaent/.



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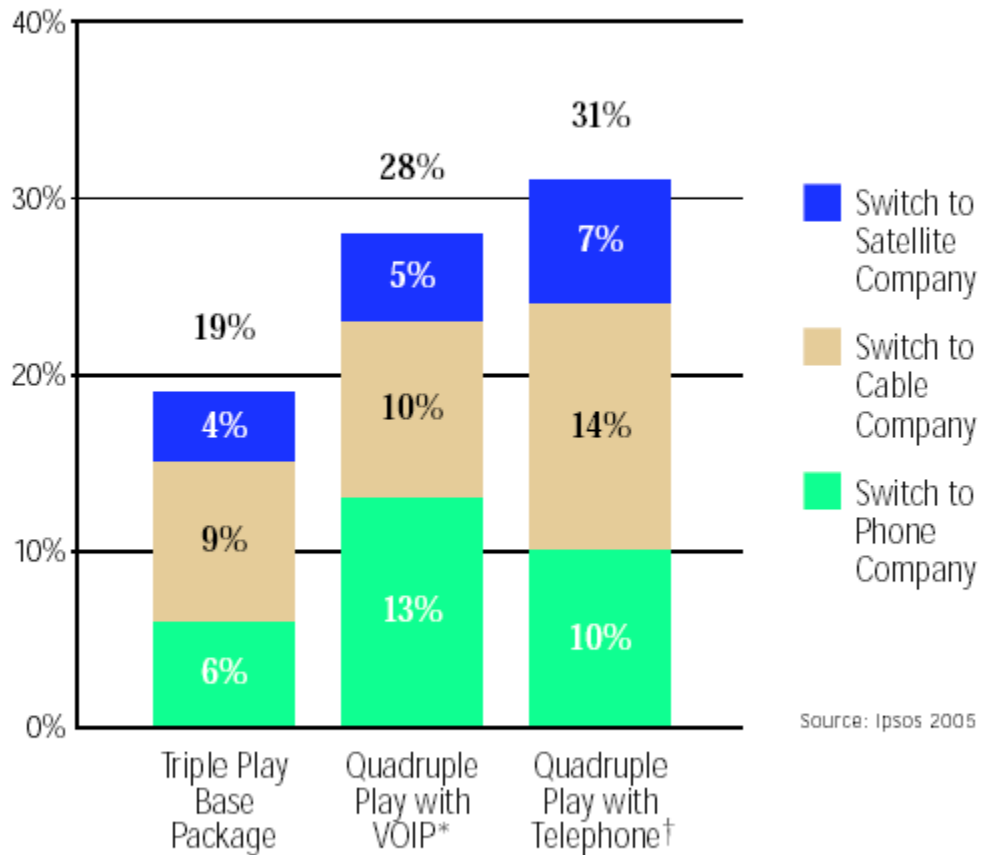
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Percent of American Households Who Will Switch to Bundled Offers



Source: Ipsos 2005

* Cable and satellite promote VOIP

† All providers promote traditional phone service

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