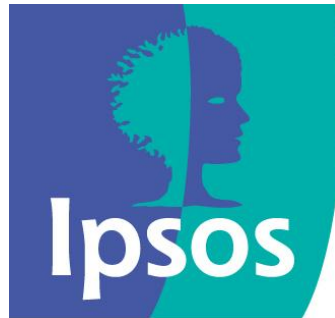


Are Viewers Pulling the Plug on Cable and Satellite?

One Quarter of Prime-Time Viewers Aged 18-49 Have Cut Back on TV Service Subscriptions

Public Release Date: Tuesday, January 28, 2014, 6:00 AM EST



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New York, NY – The television industry has witnessed a shakeup in recent years with TV viewers' quick adoption of new viewing platforms and the gradually declining levels of cable and satellite subscription services. Some have expressed concerns about how TV service subscription rates are changing and whether this will affect the current business model. However, a recent TV Dailies poll conducted by Ipsos MediaCT surveying prime-time viewers' subscription service behavior suggests the industry should not be worrying just yet.

Key findings show that 64% of prime-time viewers aged 18-49 are what the study calls **Cord Lovers** – meaning they have maintained or added to their cable or satellite services in the past six months. However, 27% were found to be **Cord Shavers**, who had cut back on the level of services in the past six months, while 2% had cancelled completely. Only 7% of those sampled had not had a cable or satellite subscription at all in the past six months. And surprisingly, online services are not the ones reaping the benefits.

“There is a common misconception that the rampant popularity of online services such as Netflix, Hulu or iTunes is driving the cancellation of TV services, however, our research finds this may not be the case at all,” says Gavin Bridge, Director with Ipsos MediaCT. “In contrast, our studies find that these services are often used as complementary to the TV viewing experience, with Cord Lovers the most likely to download or stream via iTunes.”

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Results from the study indicate that those who have cut back on the level of TV subscription services in the past six months were also the most likely group to have cut back on paid online streaming service within the last six months. This indicates that this behavior may be a part of a broader effort on behalf of this group to decrease their financial spend on entertainment across the board. Similarly, those without any TV service subscription may have a financial implication to their behavior based on their comparative household income, as they had the highest overall streaming activity, but were the least likely to download shows from paid websites.

Despite this, the battle to re-engage Cord Cutters with traditional TV subscription services continues to rage on, with TV providers focusing their efforts solely on this group, a move not all experts agree with.

“The real opportunity for TV providers lies in those who do not have a subscription and those who are cutting back their subscription levels,” adds Bridge. “In the future I expect we may see companies offering à la carte cable, or other more affordable packages to win over these groups. Now is a critical time for providers to act pre-emptively if they want to win over new customers and hold on to their viewers.”

These are some of the findings of Ipsos MediaCT's TV Dailies study conducted October 21-27, 2013. They are based on a national online sample of 2,015 adults aged 18-49 who view prime-time TV (between 8pm and 11pm EST/PST and between 7pm and 10pm Central) at least twice a week and do not work in any sensitive industries.



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