

This month we took a look at consumer reported reasons for changing Pay TV service providers. Understanding the drivers of churn can impact business retention strategies.

Our results showed that 3% of households reported that they plan to cancel their Pay TV services in the next three months. 8% plan to switch providers. Price is the major reason for considering canceling service (37% of respondents) as well as switching providers (36% of respondents).

It is Centris' view that defending market share will become increasingly difficult for Pay TV providers with increased levels of competition and new Over the Top (OTT) viewing options. Enhanced pricing and bundling strategies, as well as effective use of elasticity programs, will need to be deployed to successfully compete.

The results were obtained from Centris' Flow Share Tracking Study. The program results in over 7,000 completed internet interviews per month or 84,000 per year.

As always, we appreciate your comments and suggestions.

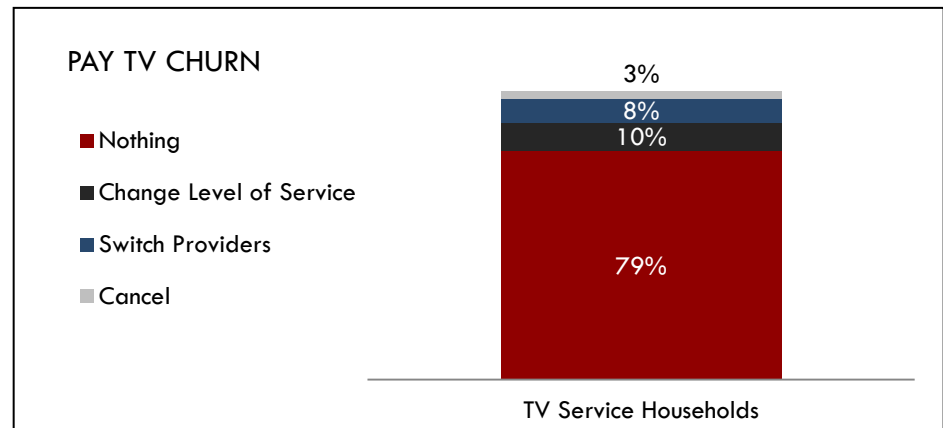
Regards,

The Centris Team

© CENTRIS 2012

RESEARCH NOTE | 1.31.2012

PAY TV CHURN DYNAMICS



REASONS FOR CONSIDERING DROPPING PAY TV SERVICE

3% OF HOUSEHOLDS ARE LIKELY TO CANCEL THEIR TV SERVICE IN THE NEXT 3 MONTHS

REASONS FOR CONSIDERING DROPPING PAY TV SERVICE OTHER THAN MOVING:

Price	37%
Don't need don't use	21%
State of the economy	15%
Obtain video content through the Internet	10%
Quality of service	8%
Billing issues	7%

REASONS FOR CONSIDERING SWITCHING TV PROVIDERS

8% OF TV SERVICE HOUSEHOLDS ARE LIKELY TO SWITCH PROVIDERS IN THE NEXT 3 MONTHS

REASONS FOR CONSIDERING SWITCHING TV SERVICE OTHER THAN MOVING:

Price	36%
Promotional deal	24%
Quality of service	21%
Enhanced/Additional services	10%
Billing issues	6%
State of the economy	3%