

ATTACHMENT 3

July 10, 2001

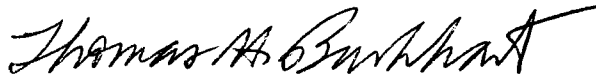
Mr. W. Calvin Horton
Town Manager
Town of Chapel Hill
306 N. Columbia Street
Chapel Hill, NC 27516

Dear Mr. Horton:

Attached is the final report for the Chapel Hill Subscriber Survey that we have recently completed for Time Warner Cable.

Should you have any questions or concerns regarding this information, please contact Virginia Yopp at Time Warner Cable.

Sincerely yours,



Thomas H. Burkhardt
Senior Vice President

cc: Randy Fraser
Virginia Yopp

Attachment

**Chapel Hill
Customer Survey**

June 2001

Prepared by
Highline Research Group
for:

Time Warner Cable

BACKGROUND

9

Objectives

In order to satisfy a franchise requirement to evaluate subscriber satisfaction, Time Warner Cable commissioned this survey of its subscribers in Chapel Hill, NC. Specific areas of inquiry in the survey were as follows:

- Level of cable service
- Ratings of cable TV reception
- Problems with cable service in the last year
- Quality of service from the cable office
- Quality of service in the home from installers and technicians
- Ratings of basic tier service
- Time Warner Cable providing an adequate and easy-to-read bill

Methodology

Telephone interviews were conducted with 300 randomly selected subscribers of Time Warner Cable in Chapel Hill. All respondents were heads of household, and equal proportions of males and females were interviewed. Interviewing was conducted from June 20-23, 2001 by Aspen Media and Market Research, an independent marketing research company in Boulder, CO.

Results were tabulated and analyzed using standard statistical criteria. All tests for significant differences were conducted at a 95% confidence level (i.e., in 95 out of 100 replications of this survey, these same results would occur due to factors other than chance). The margin of error for this survey is $\pm 6\%$.

KEY FINDINGS

Chapel Hill Customer Survey June 2001

Level of Cable Service

- More than seven out of 10 respondents (73%) had either standard (41%) or basic (32%) service. Seven percent had Ulticom service, and 16% had digital cable.
- Only about one in five respondents (19%) said they subscribed to premium channels.

Ratings of Cable TV Reception

- More than three out of four respondents (76%) rated their cable TV reception as either excellent (24%) or good (52%). Fifteen percent rated it as average, 5% as fair, and 3% as poor.

Problems With Cable Service in the Last Year

- Approximately 45% of the respondents said they had experienced problems with their cable service in the last year. Among those reporting problems, the most common problems mentioned were outages (46%), poor reception or picture quality (29%), other technical problems (16%), converter problems (14%), and problems with customer service (8%).
- Close to two-thirds of those who had experienced problems (65%) said the problems had been resolved to their satisfaction.

Contact in the Last Year Regarding Service Issues or Changes in Service

- A slight majority of respondents (51%) said they had tried to contact Time Warner Cable in the last year regarding a service issue or a change in their service.
- Those who had tried to contact the cable company in the last year rated three aspects of the service they received. The courtesy of office personnel was rated highest, with an average rating of 3.81 that was well above the midpoint of the 5-point rating scale. The other two aspects received ratings that were basically “average”—how easily they were able to get through by phone (3.05) and the ability to get problems resolved the first time, over the phone (2.95).
- Looking at percentages instead of average ratings, the courtesy of office personnel received excellent or good ratings from 71% of the respondents, while 45% of the respondents gave excellent or good ratings to each of the other two aspects.

Service From Installers or Technicians in the Last Year

- A slight majority of the respondents (51%) said they had had a Time Warner Cable installer or technician visit their home in the last year.
- Those who had had an installer or technician visit rated six aspects of the service they received. The average ratings for all six aspects were well above the midpoint of the rating scale, ranging from 3.80 to 4.36. Rated highest were the service person being careful and respectful of their property (4.36) and the courtesy of the service person (4.32). These were followed by how competently services were performed (4.07), the service being performed properly the first time (3.95), the service person arriving when he or she was supposed to (3.81), and appointments being arranged at convenient times (3.80). All of the service aspects received excellent or good ratings from more than two-thirds (68% to 89%) of those who evaluated them.

Ratings of Basic Tier Service

- About six out of 10 respondents (59%) rated Time Warner Cable's basic tier service as either excellent (16%) or good (43%). Another 22% rated it as average, 9% as fair, and 4% as poor.

Time Warner Cable Providing an Adequate and Easy-to-Read Bill

- The vast majority of respondents (84%) felt that Time Warner Cable provided an adequate and easy-to-read bill.

DETAILED FINDINGS**Level of Cable Service**

Level of Service	Subscribers (n=300) %
Basic	32
Standard	41
Ulticom service	7
Digital cable	16
Don't know	5
Subscribe to Premium Channels	
Yes	19
No	81

More than seven out of 10 respondents (73%) had either standard (41%) or basic (32%) service. Seven percent had Ulticom service, and 16% had digital cable.

Only about one in five respondents (19%) said they subscribed to premium channels.

Men were significantly more likely than women to have said they subscribed to digital cable. As would be expected, digital cable subscribers were significantly more likely than those with other levels of service to say they subscribed to premium channels.

13

Ratings of Cable TV Reception

Rating	Subscribers (n=300) %
Excellent	24
Good	52
Average	15
Fair	5
Poor	3
Don't know	1

More than three out of four respondents (76%) rated their cable TV reception as either excellent (24%) or good (52%). Fifteen percent rated it as average, 5% as fair, and 3% as poor.

Problems With Cable Service in the Last Year

Experienced Problems in Last Year	Subscribers (n=300) %
Yes	45
Problems Experienced*	(n=134)
Cable goes out/Outages	46
Poor reception/picture quality	29
Other technical problems	16
Converter problems	14
Problems with customer service	8
Billing problems	4
Installer/Tech late for appointment	2
Hard to get through on phone	2
Other	6
Problems Resolved to Satisfaction**	(n=134)
Yes	65
No	32
Don't know	3

*Among those who had experienced problems in the last year. Multiple responses allowed.

**Among those who had experienced problems in the last year.

Approximately 45% of the respondents said they had experienced problems with their cable service in the last year. Groups that were significantly more likely to have experienced problems included those with standard, Ulticom, and digital service (compared to those with basic-only service) and those with premium channels (vs. those not having premiums).

Among those who had experienced problems, the most common problems mentioned were outages (46%), poor reception or picture quality (29%), other technical problems (16%), converter problems (14%), and problems with customer service (8%). Other problems, which were mentioned by 4% or fewer of the respondents, can be seen in the table above.

Close to two-thirds of those who had experienced problems (65%) said the problems had been resolved to their satisfaction.

Contact in the Last Year Regarding Service Issues or Changes in Service

Have Tried to Contact in the Last Year	Subscribers (n=300) %
Yes	51
No	48
Don't know	1

A slight majority of respondents (51%) said they had tried to contact Time Warner Cable in the last year regarding a service issue or a change in their service.

Digital cable subscribers were significantly more likely than those with basic service to have tried to contact the company in the last year.

Ratings of Aspects of Last Contact With Time Warner Cable*

Aspect of Service	Those With Contact in the Last Year (n=154)			
	Excellent/Good %	Average %	Fair/Poor %	Average Rating*
Courtesy of office personnel	71	16	10	3.81
How easily able to get through by phone	45	18	34	3.05
Ability to get problem resolved the first time, over the phone	45	15	36	2.95

**Based on a 1-5 scale, where 1=poor, 2=fair, 3=average, 4=good, and 5=excellent. Responses of "don't know" are not shown in the table.*

Those who had tried to contact the cable company in the last year were asked to rate three aspects of the service they received. The courtesy of office personnel was rated highest, with its average rating of 3.81 being well above the midpoint of the 5-point rating scale. The other two aspects received ratings that were basically "average"—how easily they were able to get through by phone (3.05) and the ability to get problems resolved the first time, over the phone (2.95).

Looking at percentages instead of average ratings, the courtesy of office personnel received excellent or good ratings from 71% of the respondents, while not quite half of the respondents (45%) gave excellent or good ratings to each of the other two aspects.

(17)

Visits to the Home by Installers or Technicians in the Last Year

Had Installer/Tech Visit in Last Year	Subscribers (n=300) %
Yes	51
No	48
Don't know	1

A slight majority of the respondents (51%) said they had had a Time Warner Cable installer or technician visit their home in the last year.

Those with standard service and digital cable were significantly more likely than those with basic service to have had an installer/technician visit in the last year.

Ratings of Service in the Home

Aspect of Service	Those With Installer/Tech Visit in Last Year (n=154)			
	Excellent/Good %	Average %	Fair/Poor %	Average Rating*
Service person being careful and respectful of property	89	7	3	4.36
Courtesy of service person	86	6	5	4.32
How competently services were performed	78	9	9	4.07
Performing the service properly the first time	76	7	16	3.95
Service person arriving when supposed to	68	16	12	3.81
Arranging an appointment at a convenient time	69	14	15	3.80

**Based on a 1-5 scale, where 1=poor, 2=fair, 3=average, 4=good, and 5=excellent. Responses of "don't know" are not shown in the table.*

Those who had had an installer or technician visit in the last year rated six aspects of the service they received. The average ratings for all six aspects were well above the midpoint of the rating scale, ranging from 3.80 to 4.36. Rated highest were the service person being careful and respectful of their property (4.36) and the courtesy of the service person (4.32). These were followed by how competently services were performed (4.07), the service being performed properly the first time (3.95), the service person arriving when he or she was supposed to (3.81), and appointments being arranged at convenient times (3.80). All of the service aspects received excellent or good ratings from more than two-thirds (68% to 89%) of those who evaluated them.

Those with Ulticom service were significantly more likely than those with other levels of service to have given excellent ratings to the service person arriving on time.

Ratings of Basic Tier Service

Rating	Subscribers (n=300) %
Excellent	16
Good	43
Average	22
Fair	9
Poor	4
Don't know	6

About six out of 10 respondents (59%) rated Time Warner Cable's basic tier service as either excellent (16%) or good (43%). Another 22% rated basic service as average, 9% as fair, and 4% as poor.

Time Warner Cable Providing an Adequate and Easy-to-Read Bill

Provides Adequate, Easy-to-Read Bill	Subscribers (n=300) %
Yes	84
No	7
Don't know	9

The vast majority of respondents (84%) felt that Time Warner Cable provided an adequate and easy-to-read bill.