



August 29, 2008

Mrs. Catherine Lazorko
Town Information Officer
Town of Chapel Hill
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27516

Dear Catherine:

Time Warner Cable recently contracted Highline Research to conduct a customer satisfaction survey for subscribers within the Town of Chapel Hill. Subscriber satisfaction was measured in the following categories:

- level of cable service
- ratings of cable television reception
- problems with cable service in the last year
- quality of service from 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

The results are in for your review. A copy will be sent to Roger Stancil under separate cover. Once you return from vacation, I will call you to set up a meeting to review the survey with you and Roger. If you have specific areas you want us to address, please advise so I can be prepared at the time of our meeting.

Sincerely,

A handwritten signature in black ink that reads 'Cindy Ray Keene'.

Cindy Ray Keene
Public Affairs Manager

Cc: Roger Stancil, Town of Chapel Hill
Brad Phillips, TWC

Enclosures

**Chapel Hill
Customer Survey**

August 2008

Prepared by
Highline Research Group
for:

Time Warner Cable

BACKGROUND

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, NC. All respondents were heads of household, and equal proportions of males and females were interviewed. Interviewing was conducted August 4-7, 2006 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 $\pm 6\%$.

In the tables that follow, results from the current study are compared with those from a similar study conducted in May 2006. Significant differences between the two studies are noted with up-arrow (\uparrow) or down-arrow (\downarrow) symbols.

KEY FINDINGS

Chapel Hill Customer Survey August 2008

Level of Cable Service

- Respondents were most likely to have digital cable (53%), while 20% had standard service and 20% had basic service. (Seven percent of the respondents didn't know their level of service.)
- One in five respondents (20%) said they subscribed to premium channels.

Ratings of Cable TV Reception

- Almost eight out of 10 respondents (77%) rated their cable TV reception as either excellent (31%) or good (46%). About 14% rated it as average, 5% as fair, and 3% as poor.

Problems With Cable Service in the Last Year

- Approximately 55% of the respondents said they had experienced problems with their cable service in the last year, which was up significantly from 43% in 2006. Among those reporting problems, the most common problems mentioned were outages (50%), poor reception (26%), and other technical problems (21%). In addition, the incidence of converter problems (14%) increased significantly since 2006.
- Two-thirds of those who had experienced problems (67%) said the problems had been resolved to their satisfaction. The percentage saying that their problems were not resolved to their satisfaction (31%) represents a significant increase over the 2006 figure.

Method of Contacting Time Warner Cable

- Customers overwhelmingly said that their usual method of contacting Time Warner Cable was by phone (88%).
- Almost eight out of ten subscribers (79%) stated that they found Time Warner Cable's contact information to be readily available.

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

- About 62% of the respondents said they had tried to contact Time Warner Cable in the last year regarding a service issue or a change in their service. This was up significantly from the 44% who had tried to do so in 2006.

- Those who had tried to contact the cable company in the last year rated three aspects of the service they received, and the ratings were all significantly lower than those of 2006. The courtesy of office personnel was rated highest, with an average rating of 3.94 on a 5-point rating scale. How easily they were able to get through by phone received an average rating of 2.72 (below the midpoint on the scale), while the ability to get problems resolved the first time, over the phone averaged a 3.13 rating, slightly above the midpoint.
- Looking at percentages instead of average ratings, the courtesy of office personnel received excellent or good ratings from 76% of the respondents. About six out of ten respondents (59%) gave excellent/good ratings to the ability to resolve problems the first time, but the ease of getting through by phone received only 35% excellent/good ratings (a significant decrease from 2006), while receiving 44% fair/poor ratings (a significant increase from 2006).

Service from Installers or Technicians in the Last Year

- Almost half of the respondents (47%) 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 in the last year rated six aspects of the service they received. The average ratings for all six aspects (ranging from 3.39 to 4.35) were above the midpoint of the rating scale, and ratings for all but one aspect were similar to what they were in 2006.
- Rated highest were the courtesy of the service person (4.35) and the service person being careful and respectful of their property (4.32). These were followed by how competently services were performed (3.93), the service person arriving when he or she was supposed to (3.92), the service being performed properly the first time (3.79), and appointments being arranged at convenient times (3.39, down significantly from 3.90 in 2006). All of the service aspects received excellent or good ratings from a solid majority (from 62% to 92%) of those who evaluated them.

Ratings of Basic Tier Service

- About two-thirds (66%) of the subscribers rated Time Warner Cable's basic tier service as excellent or good, with 20% rating it as excellent and 46% rating it as good. About 14% rated it as average, 7% as fair, and 7% as poor.

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

- The large majority of respondents (83%) felt that Time Warner Cable provided an adequate and easy-to-read bill.

DETAILED FINDINGS

Level of Cable Service

Level of Service	Subscribers	
	2008 (n=300) %	2006 (n=300) %
Basic	20	25
Standard	20↓	29
Digital cable	53↑	36
Don't know	7	10
Subscribe to Premium Channels		
Yes	20	21

↑ *Significantly higher than previous results.*

↓ *Significantly lower than previous results.*

Respondents were most likely to have digital cable (53%), while 20% had standard service and 20% had basic service. Seven percent of the respondents said they didn't know their level of service. The percentage of subscribers having digital cable represents a significant increase over 2006, while the percentage having standard cable is a significant decrease.

Similar to 2006, one in five respondents (20%) said they subscribed to premium channels.

Males were significantly more likely than females to say they subscribed to digital cable, while females were significantly more likely than males to say they subscribed to standard service. As would be expected, digital cable subscribers were significantly more likely than those with basic or standard service to say they subscribed to premium channels.

Ratings of Cable TV Reception

Rating	Subscribers	
	2008 (n=300) %	2006 (n=300) %
Excellent	31	38
Good	46	40
Average	14	14
Fair	5	3
Poor	3	2
Don't know	1	2

Almost eight out of 10 respondents (77%) rated their cable TV reception as either excellent (31%) or good (46%). About 14% rated it as average, 5% as fair, and 3% as poor. These results are statistically similar to what they were in 2006.

Problems With Cable Service in the Last Year

Experienced Problems in Last Year	Subscribers	
	2008 (n=300) %	2006 (n=300) %
Yes	55↑	43
Problems Experienced*	(n=165)	(n=129)
Cable goes out/Outages	50	54
Poor reception/picture quality	26	36
Other technical problems	21	19
Converter problems	14↑	5
Problems with customer service	1	3
Billing problems	1	2
Hard to get through on phone	2	2
Pay-per-view/On-demand problems	0	1
Installer/Tech late for appointment	2	0
Other	10	12
Don't know	4	3
Problems Resolved to Satisfaction**	(n=165)	(n=129)
Yes	67	76
No	31↑	19
Don't know	2	5

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

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

↑ Significantly higher than previous results.

↓ Significantly lower than previous results.

Approximately 55% of the respondents said they had experienced problems with their cable service in the last year, which was a significant increase over 2006. Those with digital cable were significantly more likely to have experienced problems than were those with basic or standard service, which may explain the increase in the percentage of customers experiencing problems, because the percentage of digital subscribers increased significantly since 2006, as mentioned earlier.

Among those who had experienced problems, the most common problems mentioned were outages (50%), poor reception or picture quality (26%), and other technical problems (21%). All of these are similar to the percentages mentioning them in 2006.

The incidence of converter problems increased significantly since 2006, with 14% of those with any problems mentioning converter problems in this survey, compared with just 5% in 2006. Again, this may be due to the increased percentage of digital cable subscribers in the current survey, as digital subscribers were significantly more likely than standard cable subscribers to have cited converter problems.

Two-thirds (67%) of those who had experienced problems said the problems had been resolved to their satisfaction. The percentage saying that their problems were not resolved to their satisfaction (31%) represents a significant increase over the corresponding percentage in 2006 (19%). Digital subscribers were significantly more likely than those with standard service to say that problems had not been resolved to their satisfaction.

Method of Contacting Time Warner Cable

Usual Method of Contacting Time Warner Cable	Subscribers	
	2008 (n=300) %	2006 (n=300) %
Phone	88	NA
E-mail	4	NA
In person/At cable office	4	NA
Other	1	NA
Don't know	2	NA
Do not contact them	6	NA
Find Time Warner Cable's Contact Information To be Readily Available		
Yes	79	NA
No	15	NA
Don't know	6	NA

In a new question to this year's survey, customers overwhelmingly said that their usual method of contacting Time Warner Cable was by phone (88%). Approximately 4% generally used e-mail to contact the company, while another 4% tended to go to the cable office in person. Approximately 6% said that they do not contact the cable company.

Digital cable subscribers were significantly more likely than other subscribers to contact the company by phone, while both basic and standard cable subscribers were significantly more likely than digital subscribers to say that they do not contact the cable company.

Almost eight out of ten subscribers (79%) stated that they found Time Warner Cable's contact information to be readily available. Approximately 15% stated that they did not, while 6% didn't know.

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

Have Tried to Contact in the Last Year	Subscribers	
	2008 (n=300) %	2006 (n=300) %
Yes	62↑	44
No	35↓	52
Don't know	3	4

↑ *Significantly higher than previous results.*

↓ *Significantly lower than previous results.*

About 62% of the respondents said they had tried to contact Time Warner Cable in the last year regarding a service issue or a change in their service. This was a significant increase over the 44% who had tried to do so in 2006.

Digital cable subscribers were significantly more likely to have tried to contact the company than were those with basic or standard cable service.

Ratings of Aspects of Last Contact With Time Warner Cable*

Aspect of Service	Average Rating**		2008 Ratings	
	2008 (n=187)	2006 (n=133)	Excellent/Good %	Fair/Poor %
Courtesy of office personnel	3.94↓	4.23	76	11
How easily able to get through by phone	2.72↓	3.73	35↓	44↑
Ability to get problem resolved the first time, over the phone	3.13↓	3.65	59	32↑

*Among those with contact in the last year.

**Based on a 1-5 scale, where 1=poor, 2=fair, 3=average, 4=good, and 5=excellent.

↑ Significantly higher than previous results.

↓ Significantly lower than previous results.

Those who had tried to contact the cable company in the last year were asked to rate three aspects of the service they received, and the ratings were all significantly lower than those of 2006. The courtesy of office personnel continued to be rated highest, with its average rating of 3.94 being fairly high on the 5-point rating scale. How easily they were able to get through by phone received an average rating of 2.72 (below the midpoint on the scale), while the ability to get problems resolved the first time, over the phone averaged a 3.13 rating, slightly above the midpoint.

Looking at percentages instead of average ratings, the courtesy of office personnel received excellent or good ratings from 76% of the respondents. About six out of ten respondents (59%) gave excellent/good ratings to the ability to resolve problems the first time, but the ease of getting through by phone received only 35% excellent/good ratings (a significant decrease from 2006), while receiving 44% fair/poor ratings (a significant increase from 2006).

Females were significantly more likely than males to rate problems being resolved the first time as excellent.

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

Had Installer/Tech Visit in Last Year	Subscribers	
	2008 (n=300) %	2006 (n=300) %
Yes	47	45
No	52	53
Don't know	1	2

Almost half of the respondents (47%) said they had had a Time Warner Cable installer or technician visit their home in the last year.

Digital subscribers were significantly more likely than their counterparts to have had an installer/technician visit in the last year.

Ratings of Service in the Home*

Aspect of Service	Average Rating**		2008 Ratings	
	2008 (n=141)	2006 (n=135)	Excellent/Good %	Fair/Poor %
Courtesy of service person	4.35	4.35	92	4
Service person being careful and respectful of property	4.32	4.26	91	8
Service person arriving when supposed to	3.92	4.09	77	13
How competently services were performed	3.93	4.02	73	11
Arranging an appointment at a convenient time	3.39↓	3.90	62	27↑
Performing the service properly the first time	3.79	3.77	71	19

*Among those with an installer/tech visit in the last year.

**Based on a 1-5 scale, where 1=poor, 2=fair, 3=average, 4=good, and 5=excellent.

↑ Significantly higher than previous results.

↓ Significantly lower than previous results.

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 (ranging from 3.39 to 4.35) were above the midpoint of the rating scale, and ratings for all but one aspect were similar to what they were in 2006.

Rated highest were the courtesy of the service person (average rating of 4.35) and the service person being careful and respectful of their property (4.32). These were followed by how competently services were performed (3.93), the service person arriving when he or she was supposed to (3.92), the service being performed properly the first time (3.79), and appointments being arranged at convenient times (3.39, down significantly from 3.90 in 2006). All of the service aspects received excellent or good ratings from a solid majority (from 62% to 92%) of those who evaluated them. However, the percent rating arranging a convenient time as fair/poor increased significantly since 2006.

Standard cable subscribers were significantly more likely than those with digital cable service to have given excellent ratings to arranging a convenient appointment time and to the service person arriving when he or she was supposed to.

Ratings of Basic Tier Service

Rating	Subscribers	
	2008 (n=300) %	2006 (n=300) %
Excellent	20	21
Good	46	47
Average	14	16
Fair	7	3
Poor	7	5
Don't know	6	8

About two-thirds (66%) of the subscribers rated Time Warner Cable's basic tier service as excellent or good, with 20% rating it as excellent and 46% rating it as good. About 14% rated it as average, 7% as fair, and 7% as poor. Six percent of the respondents said they didn't know how to rate it. These ratings are all similar to what they were in 2006.

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

Provides Adequate, Easy-to-Read Bill	Subscribers	
	2008 (n=300) %	2006 (n=300) %
Yes	83	85
No	9	6
Don't know	8	9

As in the previous survey, the large majority of respondents (83%) felt that Time Warner Cable provided an adequate and easy-to-read bill.

