

Innovative Systems 2022 Rural Video & Broadband Market Research Results

Report of Findings
February 25, 2022



About Us

Serving the Communications Industry
for Nearly 25 Years

eLation™ OSS/BSS Services

Billing
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InnoStream™ MG-TV Video Services

IPTV Middleware – T-40 Transcoder-Encoder
Hosted Live Streaming
200+ Systems in North America

APMax™ Voice Services

Hosted Voice Solutions
SIP Phone Provisioning and Management
Software
820 APMAX Systems Deployed in North
America



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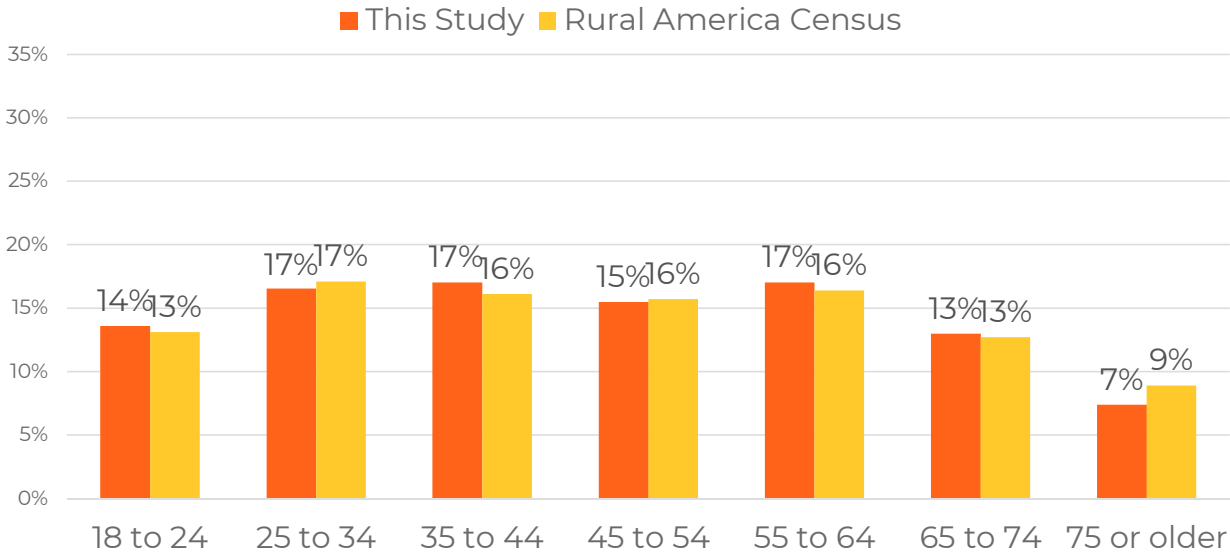
Methodology

1. These findings are based on online surveys administered in January and February 2022.
2. Primary objectives are to understand satisfaction and usage trends of rural broadband and video consumers.
3. In total, 840 rural US residents participated (MoE +/- 3.4%). A leading research panel company provided the sample.
4. The survey instruments were written by Pivot with input, collaboration, and additional questions provided by Innovative Systems.

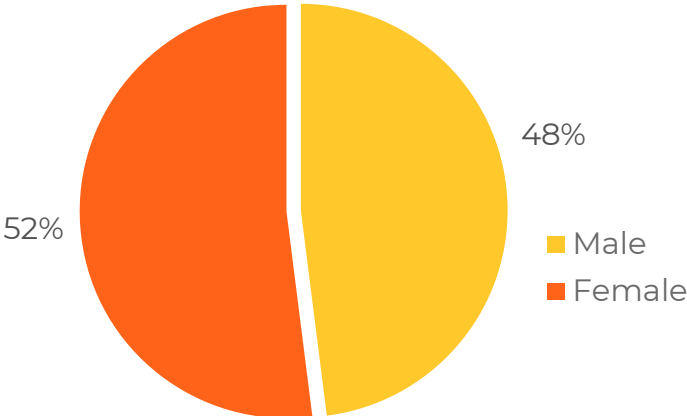


Demographics

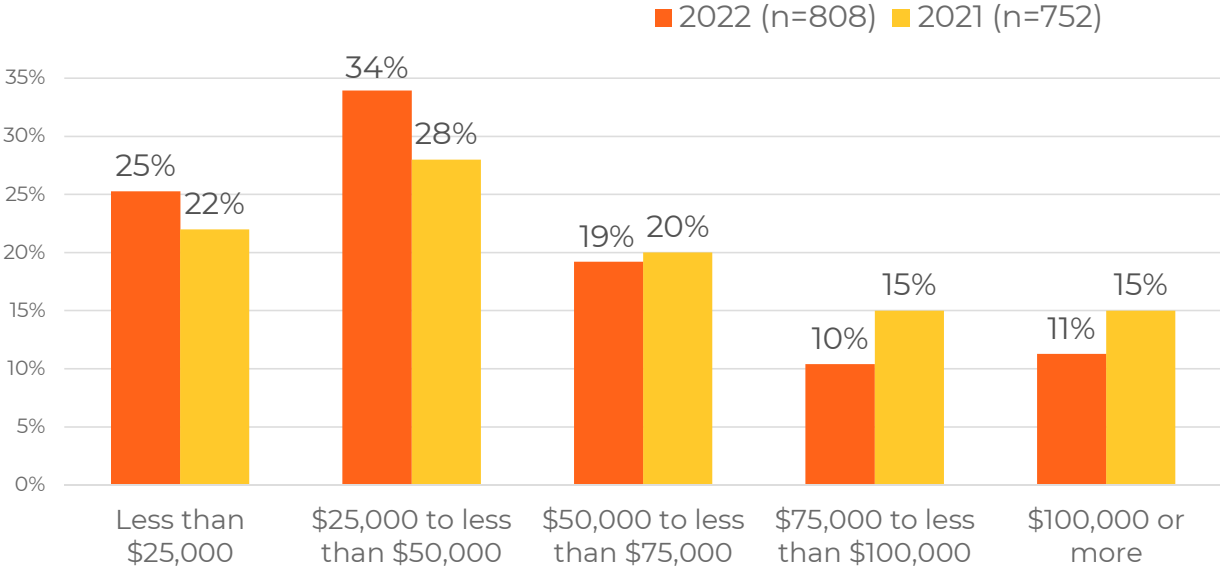
Age Group – Compared to Rural America



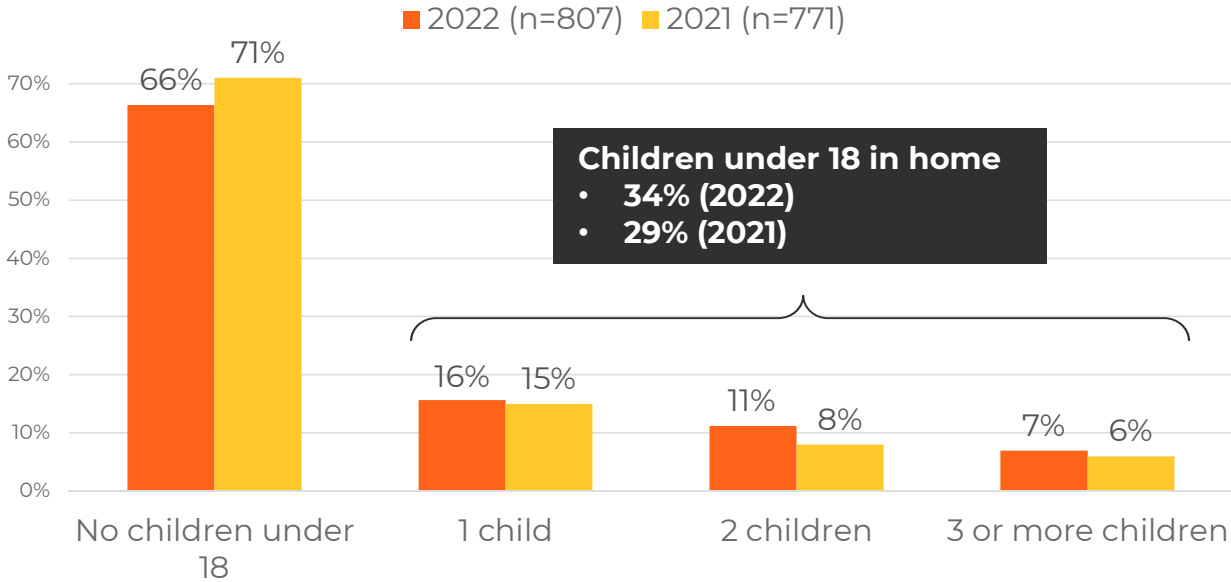
Gender



Annual Household Income



Children Living in Home

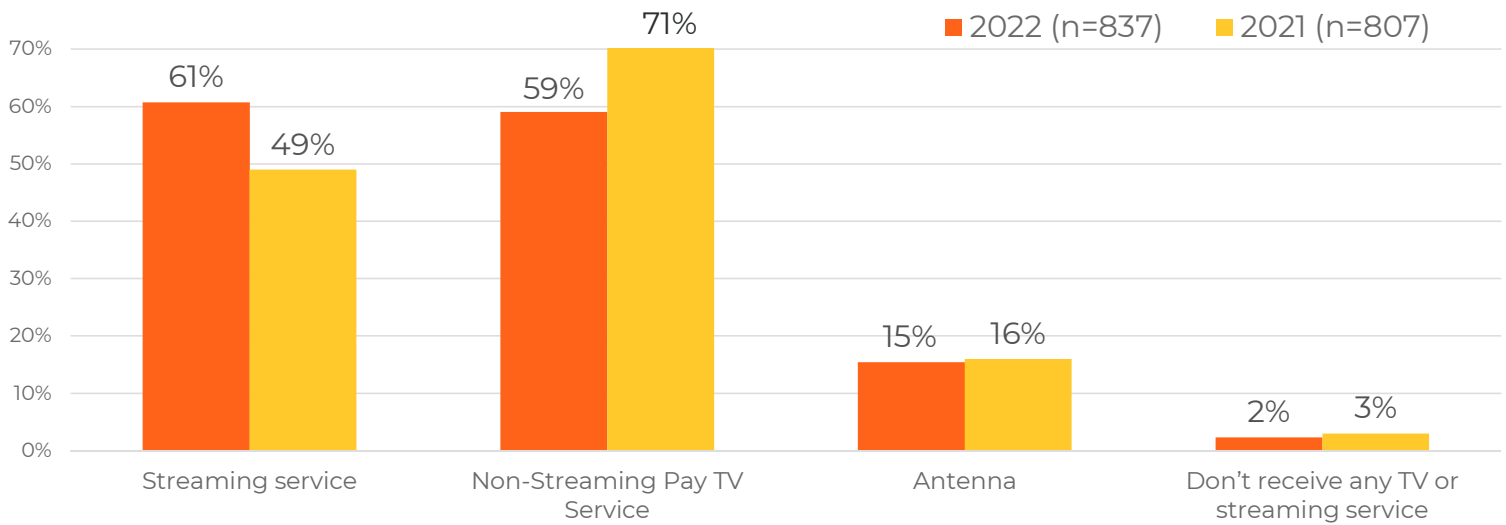


Video

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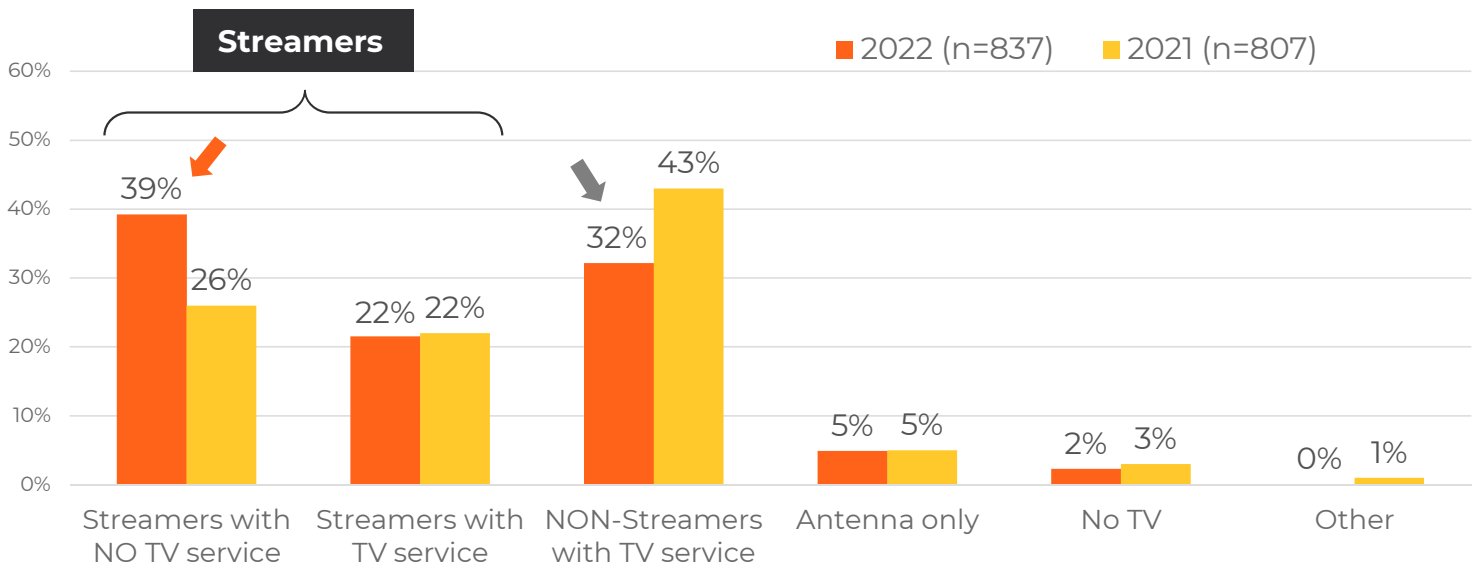
How Are You Receiving TV Service?

Q4. Which of the following describes how you receive television service in your home? *Check all that apply.*



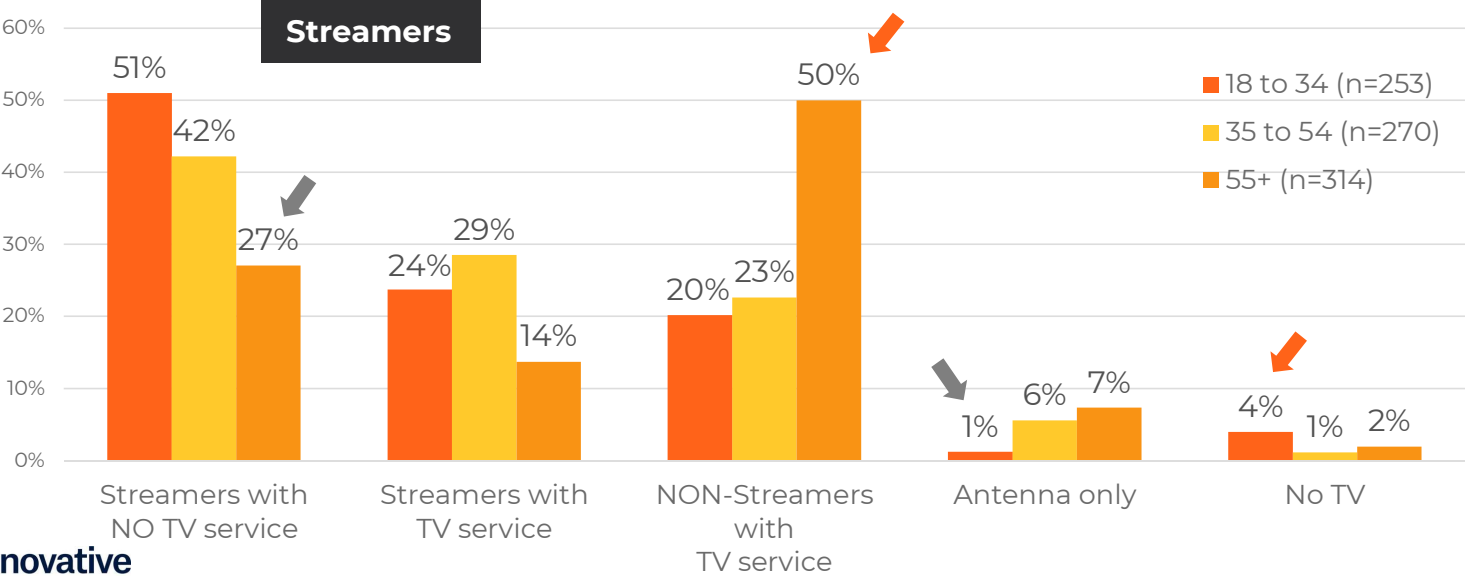
Streamers

Q4. Which of the following describes how you receive television service in your home?



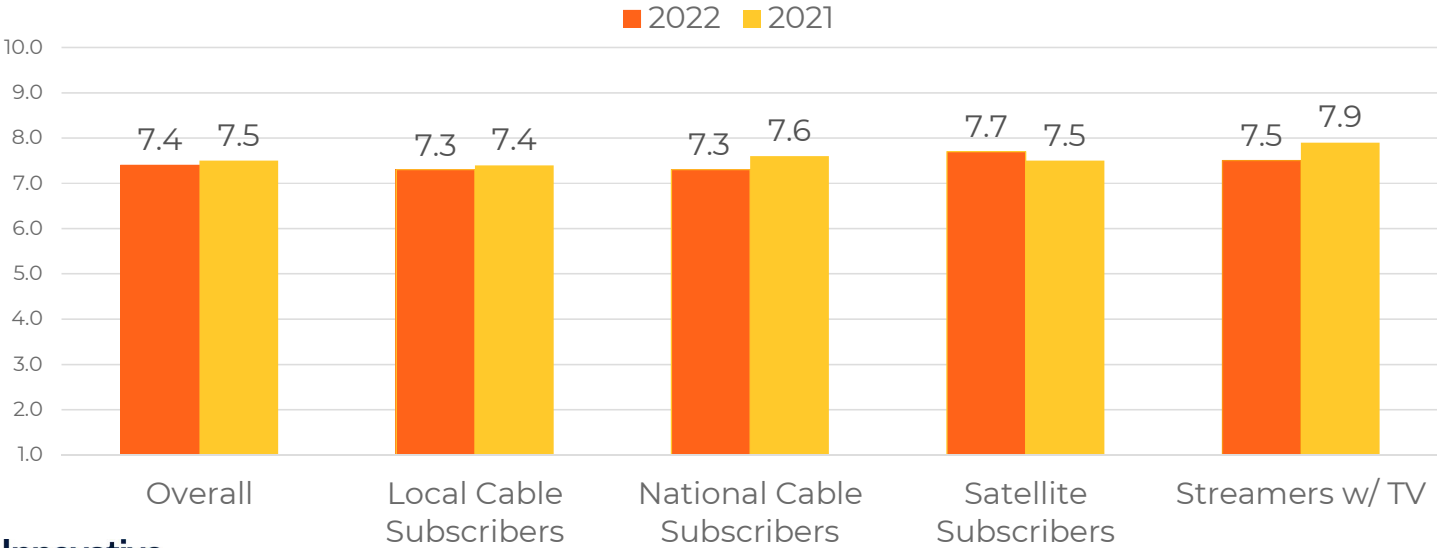
Streamers by Age Group

Q4. Which of the following describes how you receive television service in your home?



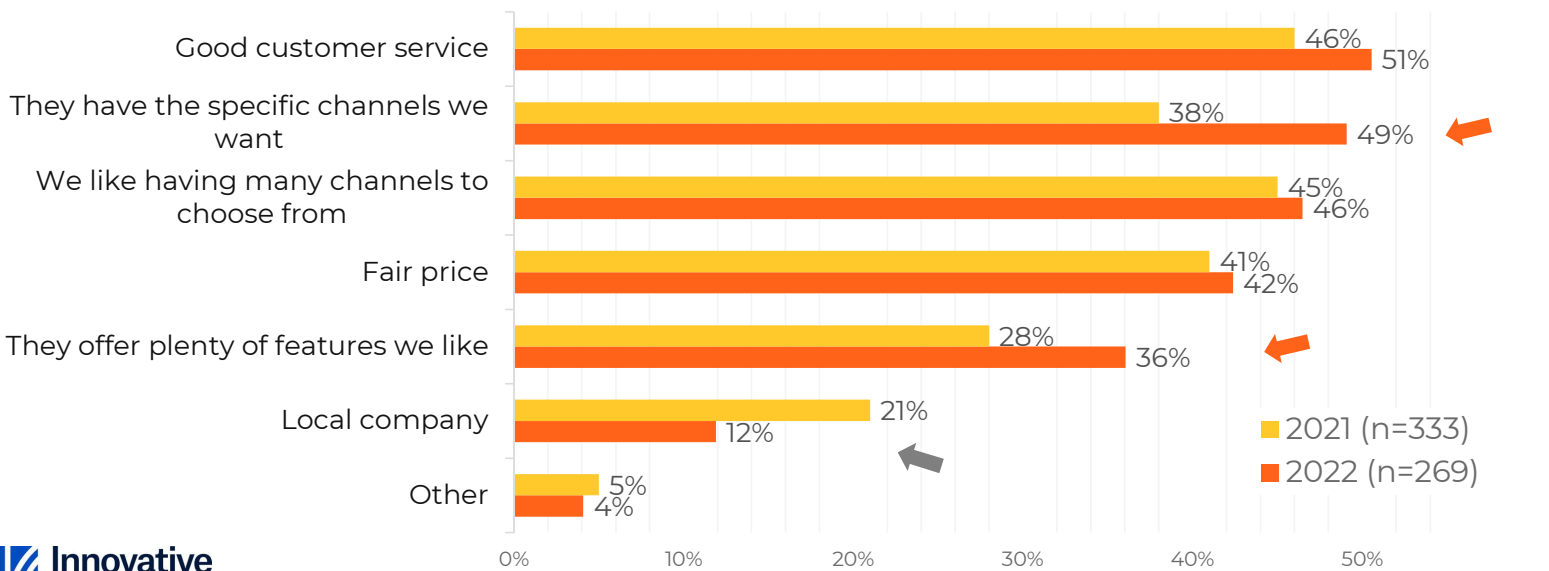
Satisfaction with TV Provider

Q5A. Please rate your overall satisfaction with your television provider. (n=450) Shown are mean scores based on a 1 to 10 scale where 1 equals Completely dissatisfied, and 10 equals Completely satisfied.



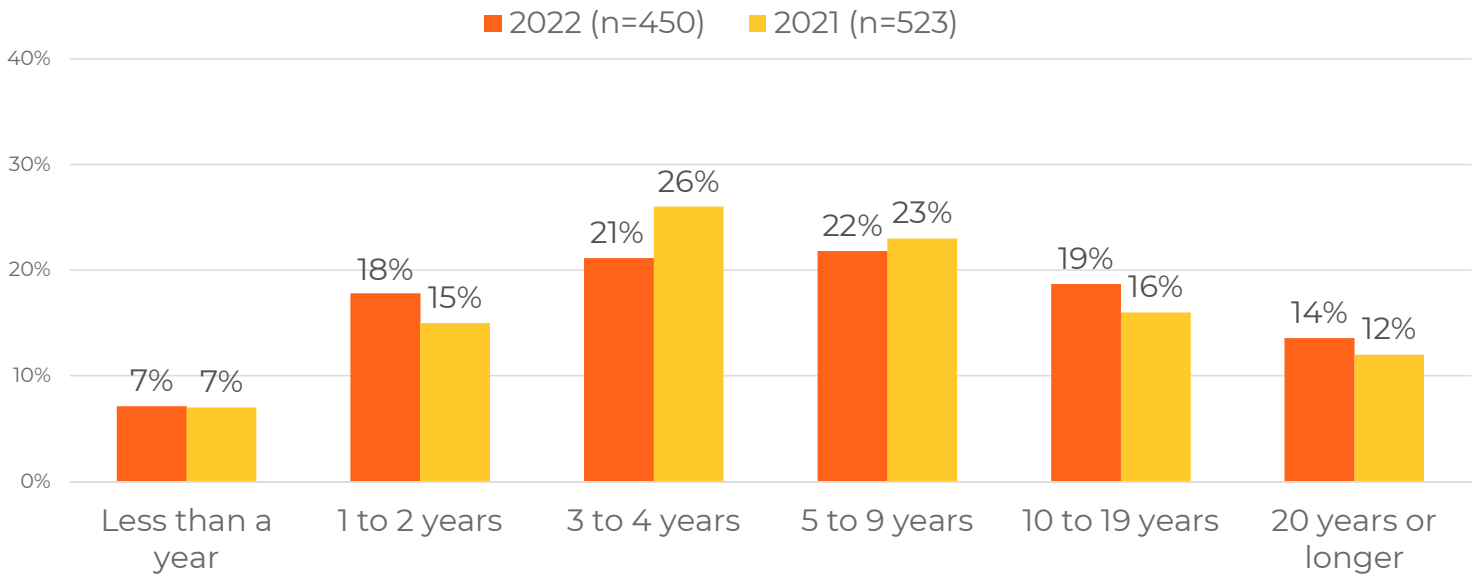
Drivers of High TV Satisfaction

Q5B. What has the greatest influence on your satisfaction? Check all that apply (Asked of those who gave a rating of 8, 9, or 10 on TV Satisfaction.)



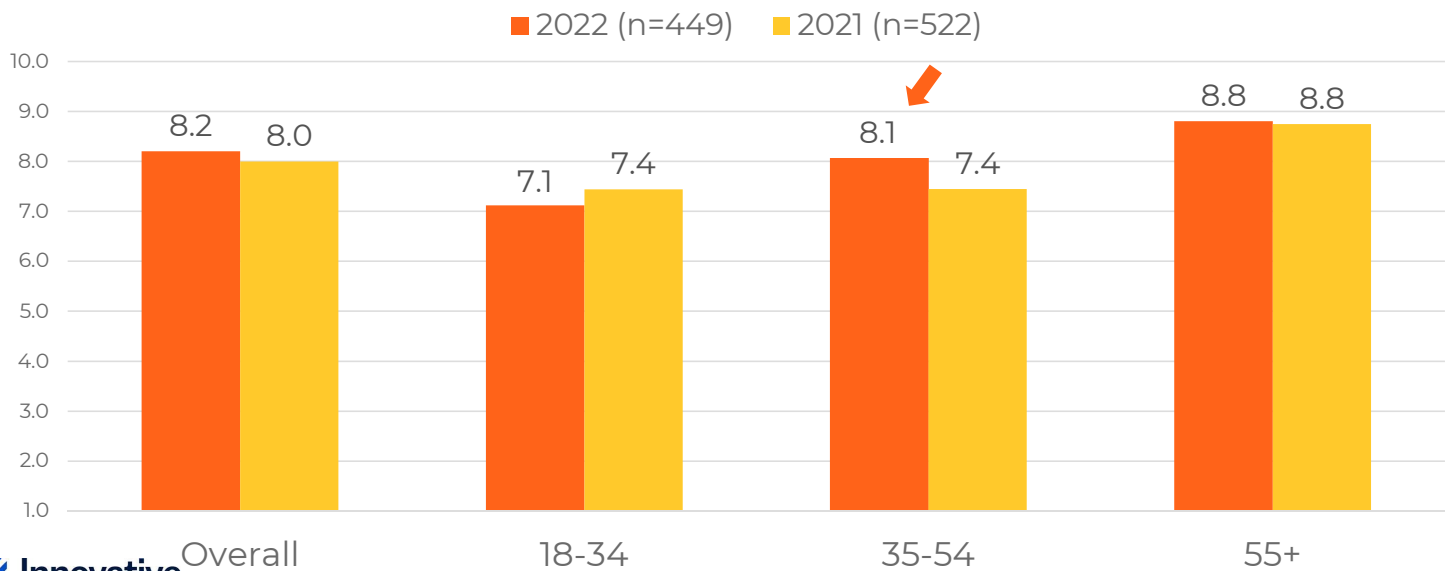
Tenure

Q6. How long have you had service from your current TV provider?



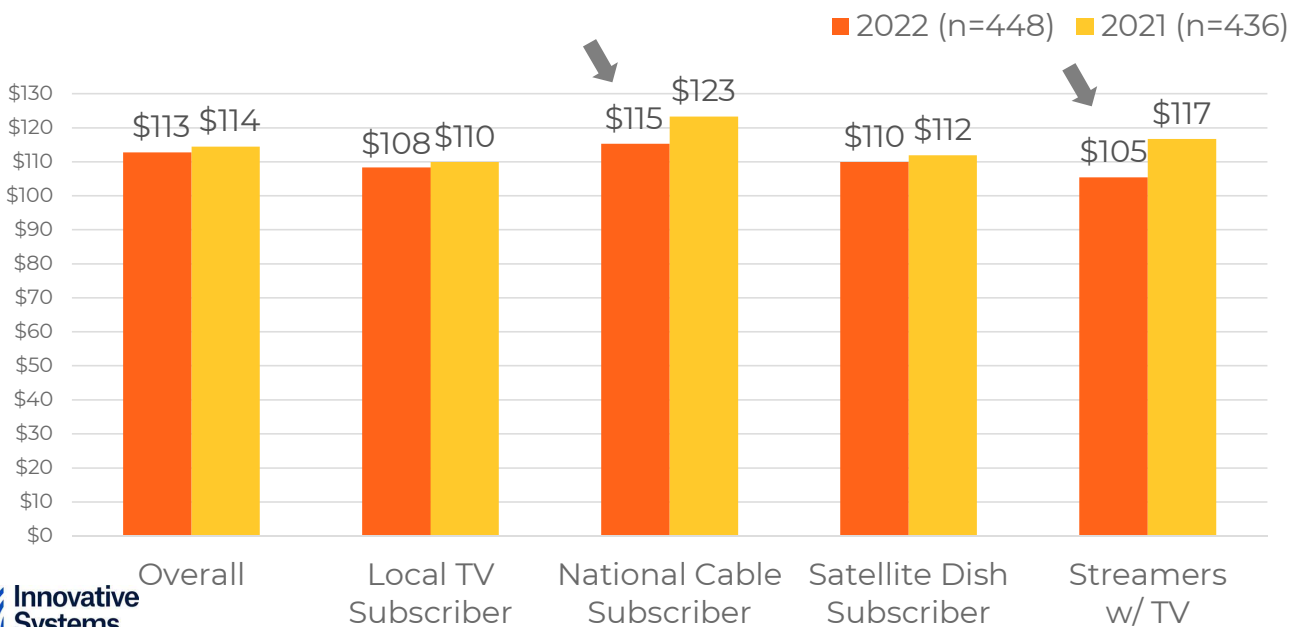
The Importance of Local Programming

Q9. How important is it for your household to have channels with local news, weather and sports? (n=449) *Shown are mean scores based on a 1 to 10 scale where 1 equals Not at all important, and 10 equals Very important.*



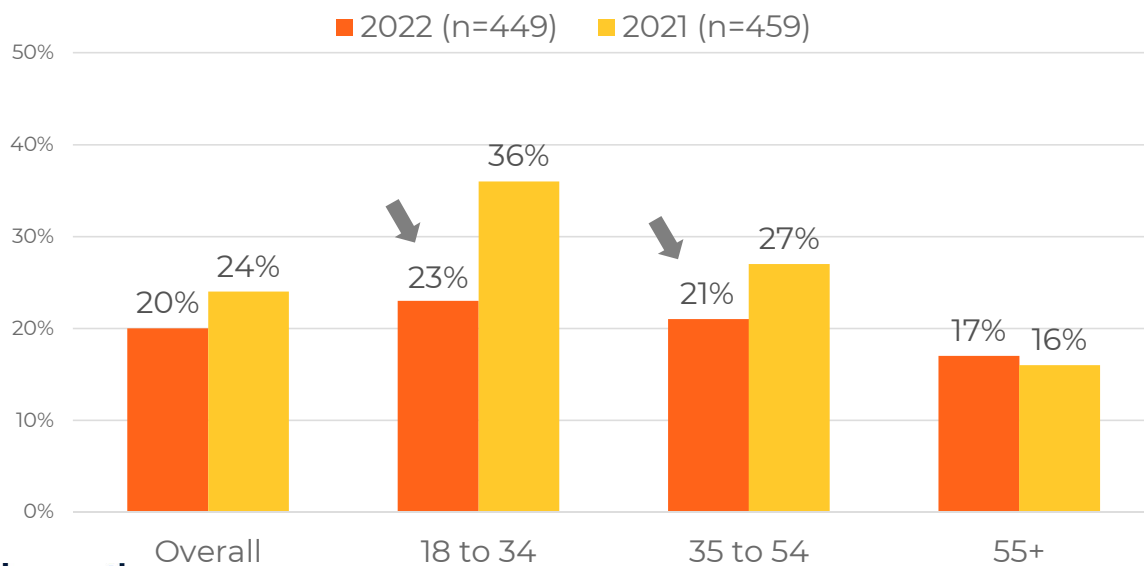
Average Monthly Spend on TV

Q10. How much is your monthly television bill, NOT including any streaming services such as Netflix, Amazon Prime, Hulu, etc.?



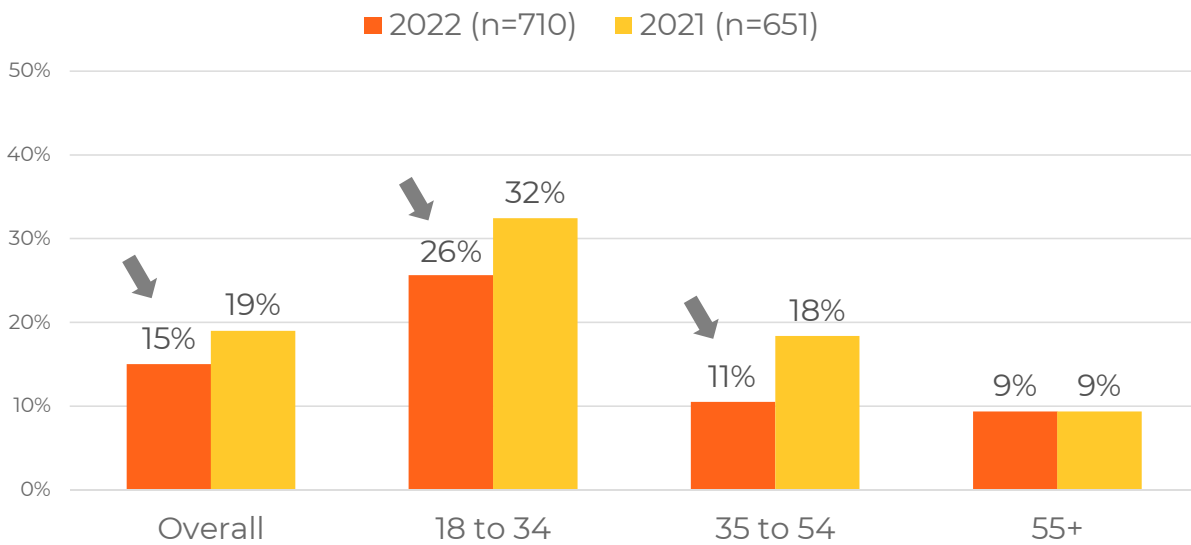
Average Percent of Household Sports Watching

Q11. Approximately what percentage of your household's television viewing is sporting events? (open numeric; n=449) *Shown is the average percent of sports watching in the household*



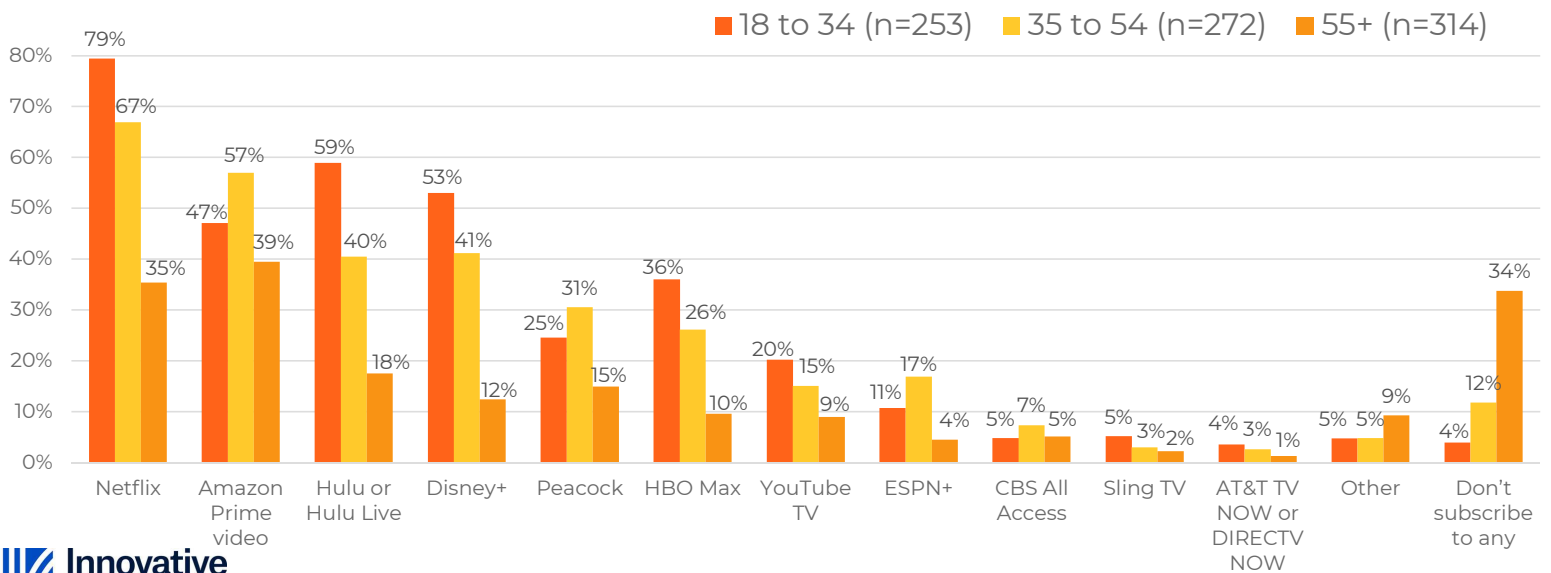
Non-Antenna Users: Can You Get Enough Channels?

Q12B. If you were to use an antenna, do you think you would get enough channels to meet the TV viewing needs of your household? (n=710) *Percentage indicates those answering "Yes"*



Most Popular Streaming Services — by Age Group

Q13. Which of the following streaming services, if any, do you subscribe to? *Check all that apply.*



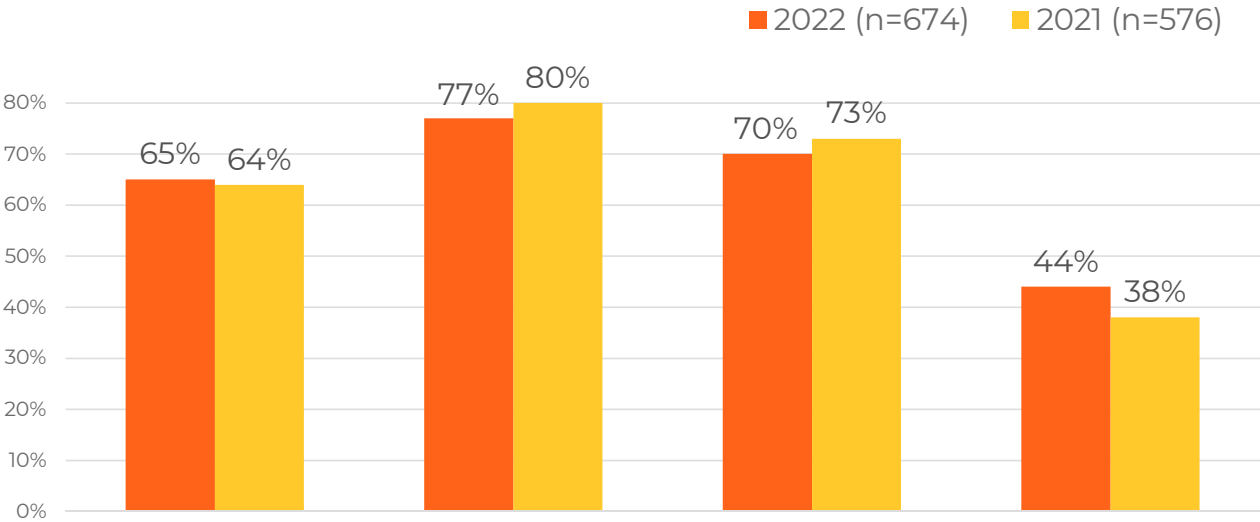
Average Monthly Spend on Streaming

Q16. Approximately how much per month, in total, do you spend on streaming services? (n=684)



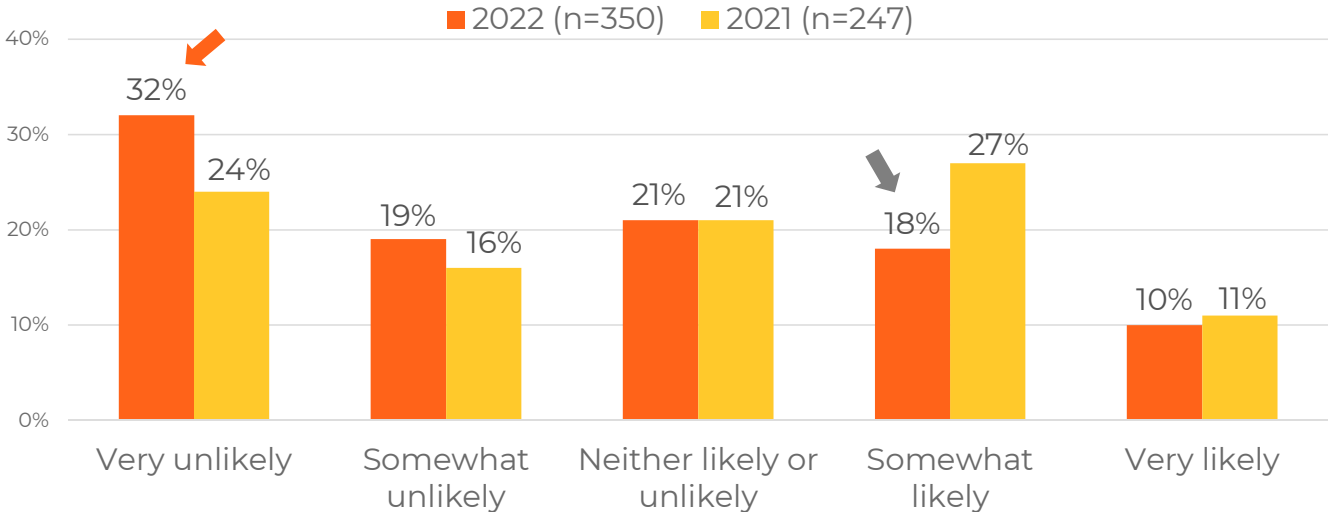
Use of Mobile Device for Streaming

Q17. Does your household ever stream video or watch live television programs on a mobile device, such as a laptop, iPad or smartphone? (n=674) *Percentage indicates those answering "Yes"*



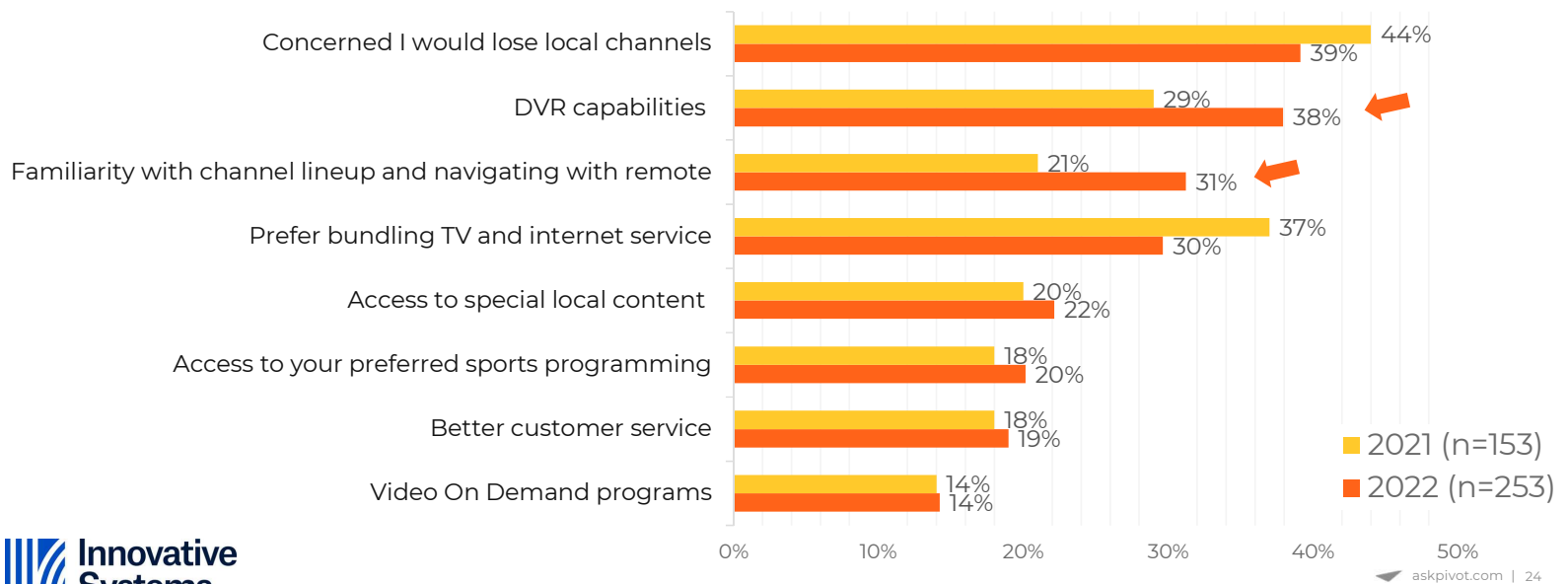
Likelihood to Switch to Streaming Only

Q18. Within the next 12 months, how likely are you to drop your current TV provider and receive ONLY streaming services?



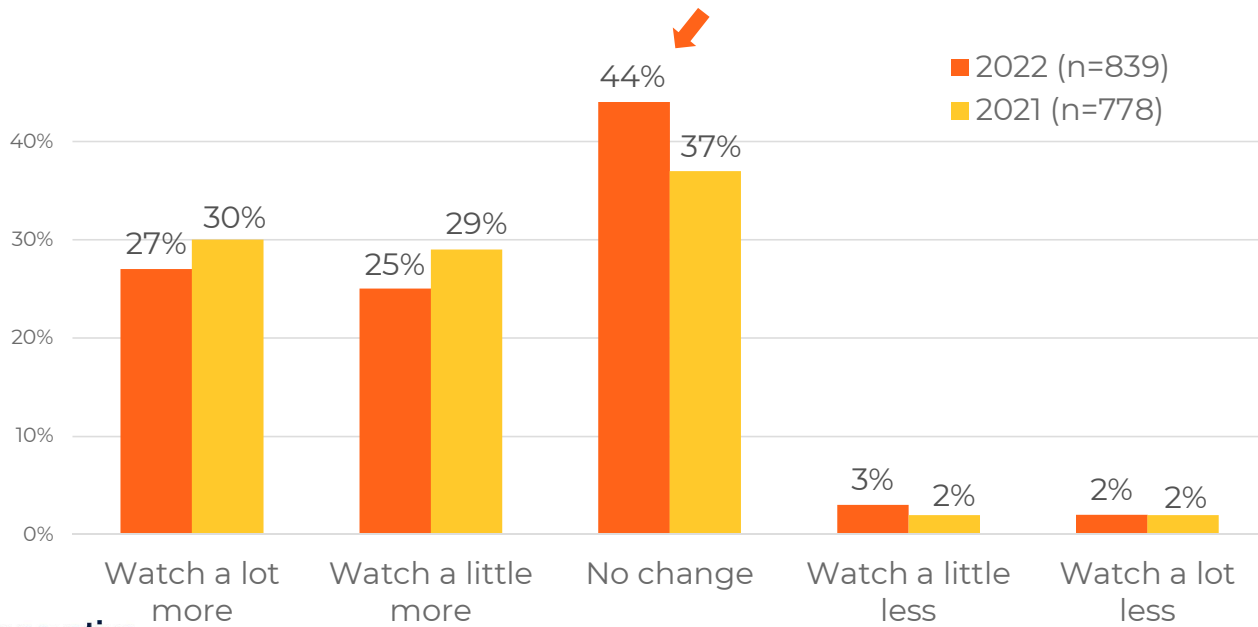
Top Reasons for Staying With TV Provider

Q19. What are the top reasons you would prefer to keep your current TV provider instead of switching to streaming only? Please select up to three..



Affects of Pandemic on TV Viewing Habits

Q20. How has the pandemic affected your TV and video watching?

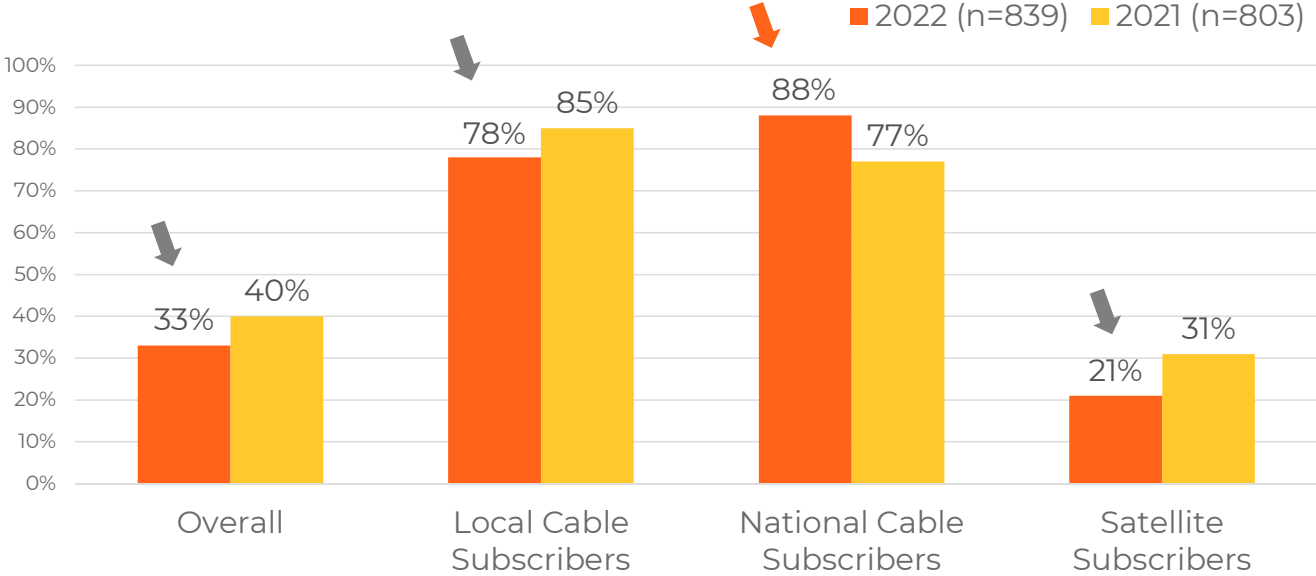


Broadband

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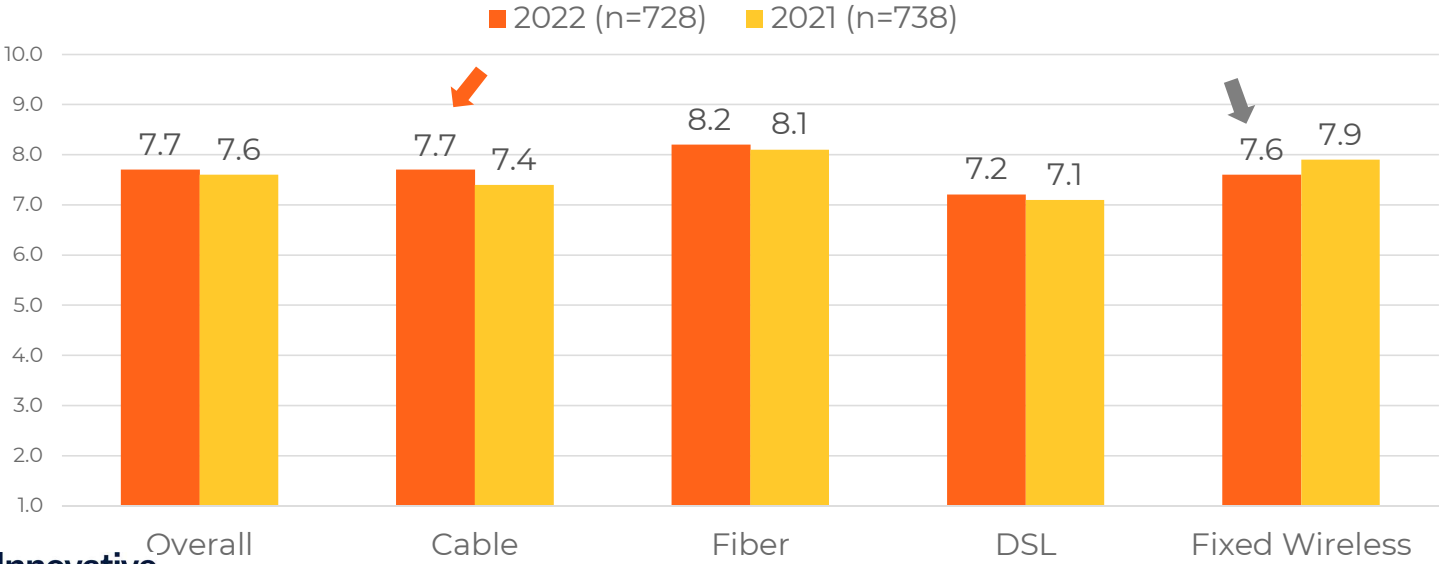
Bundle Internet and TV Services

Q21. For internet service, do you use the same company you use for TV service? *Shown is the percentage answering "yes"*



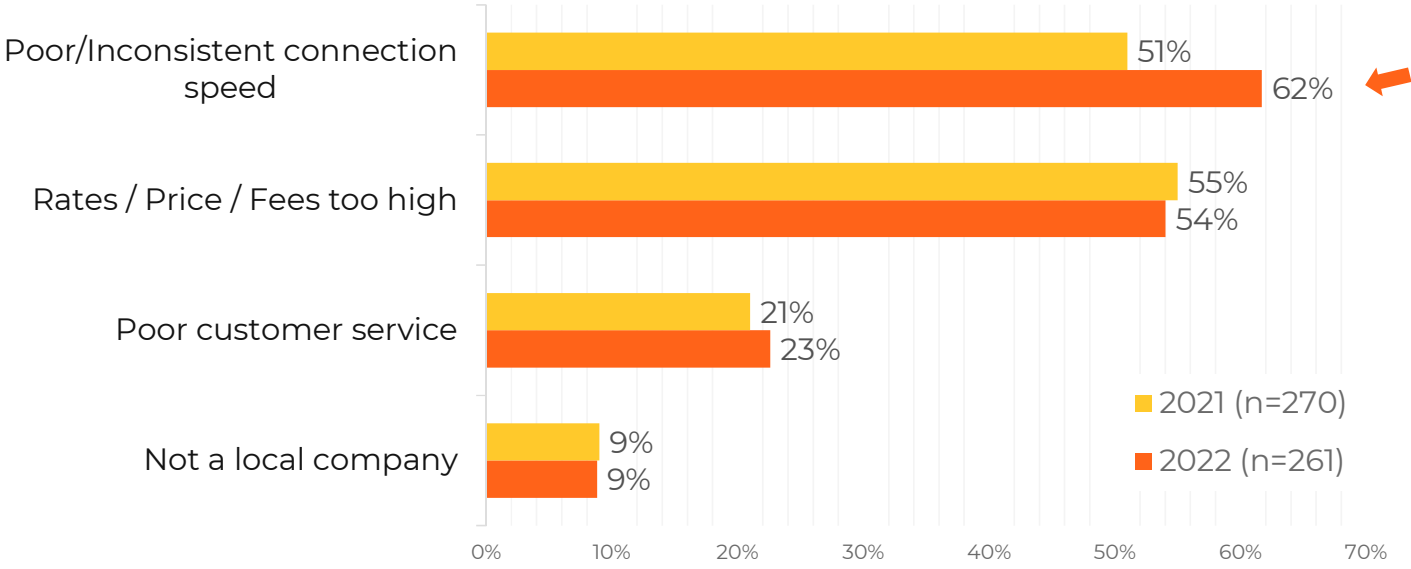
Satisfaction with Internet Provider

Q23A. Please rate your overall satisfaction with your internet provider. Shown are mean scores based on a 1 to 10 scale where 1 equals Completely dissatisfied, and 10 equals Completely satisfied.



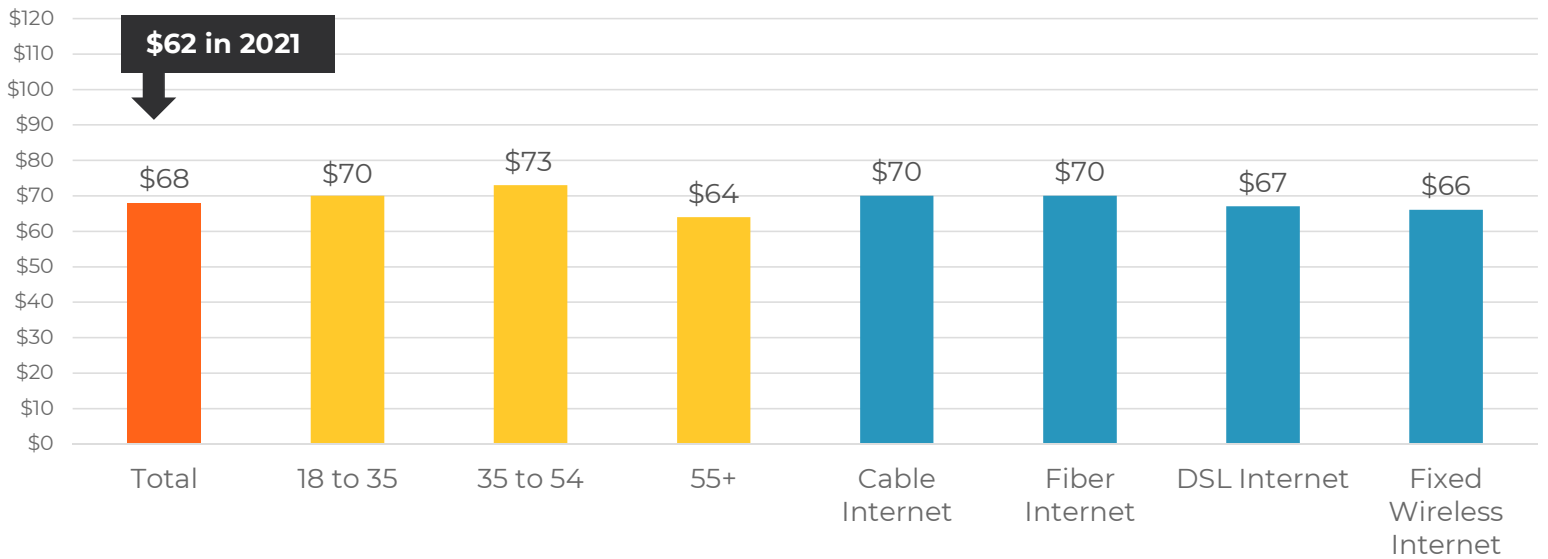
Drivers of Low Internet Satisfaction

Q23C. What keeps you from giving a higher rating? *Check all that apply*
(Asked of those who gave a rating of 7 or lower on Internet Satisfaction.)



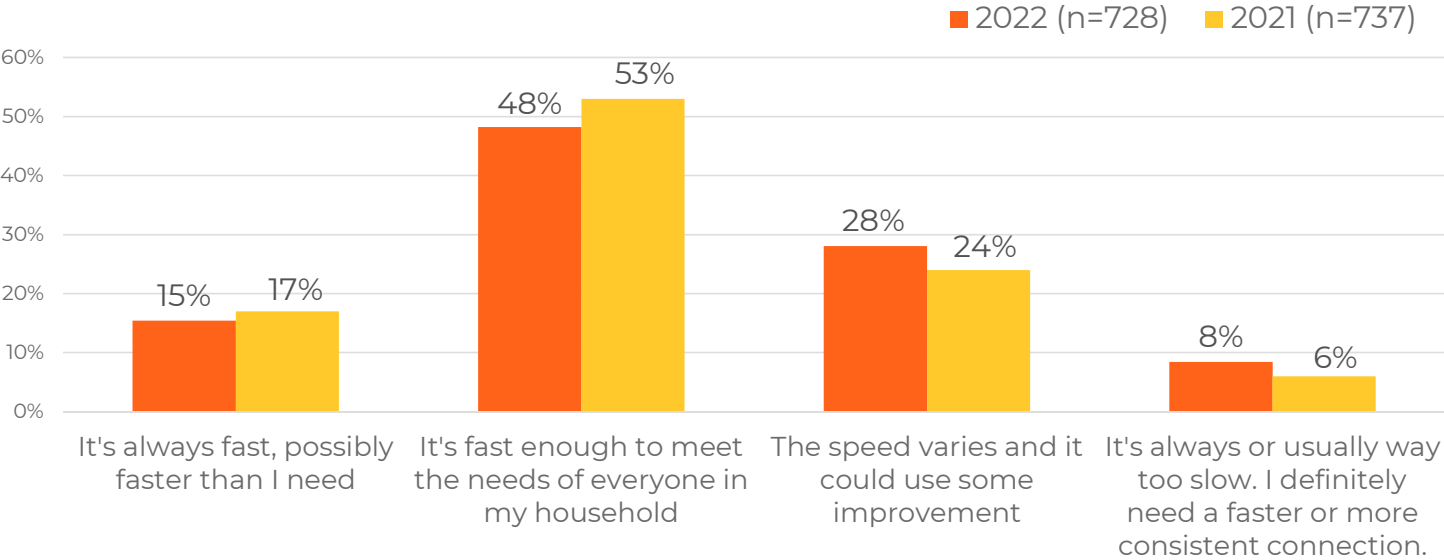
Average Current Spend on Internet Alone

Q25. What is the approximate amount you're paying per month for just your internet service? (n=346)



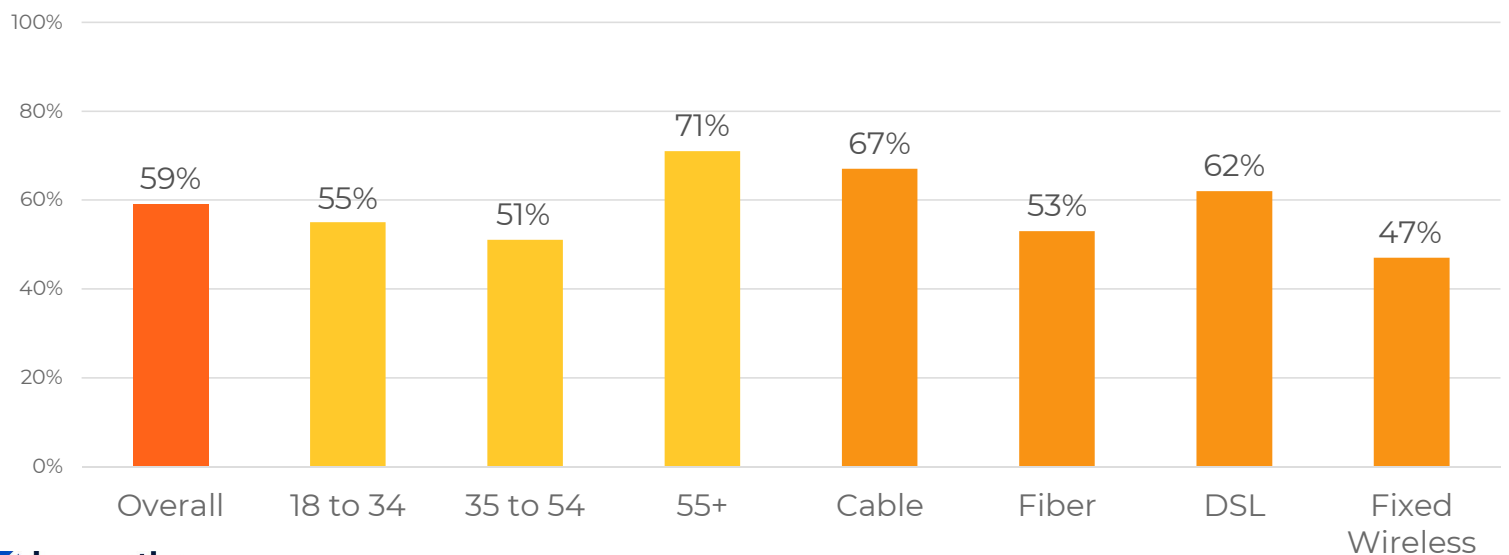
Opinions of Home Internet Speed

Q26. Which one of the following best describes your opinion about your home internet speed?



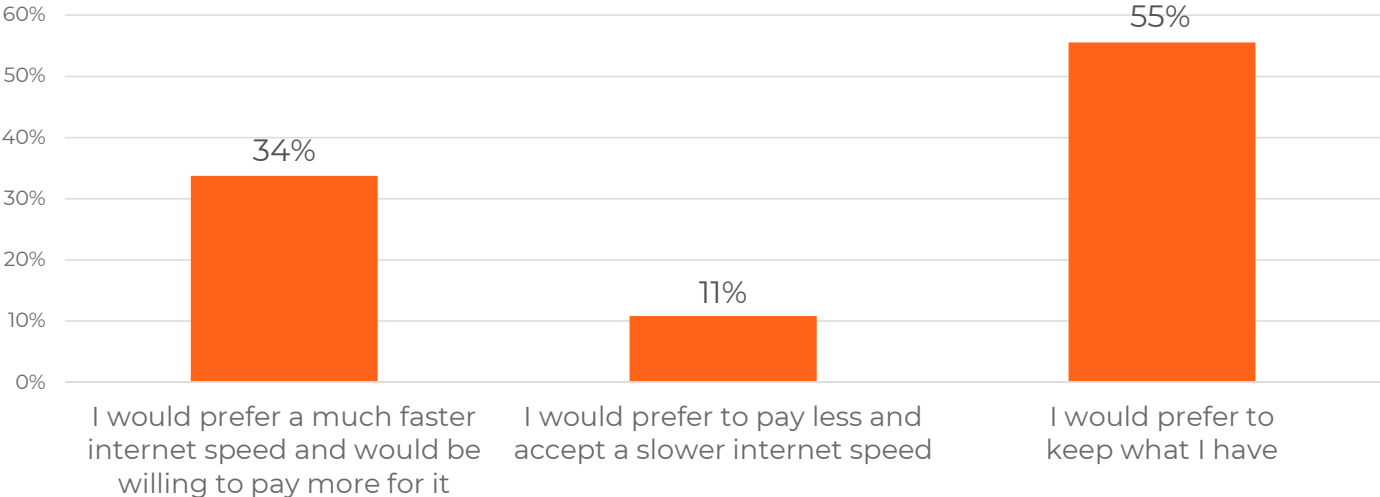
Aware that Faster Speeds are Available

Q27. That you know of, are there internet speeds available to you that are faster than the speed you are getting now, whether from your current provider or a different one? *Percentage indicates those answering "Yes"*



Preference for Faster Speed or Lower Price

Q28. Compared to what you're paying for internet now, which of the following would you prefer for your household? (n=685)



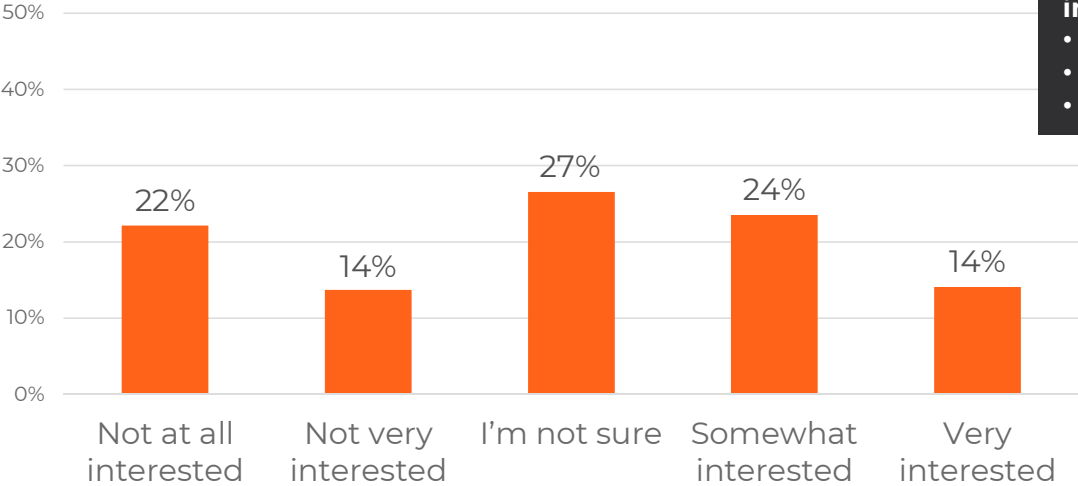
Amount Willing to Spend for Faster Internet

Q29. How much are you willing to pay per month (in total) for internet service that is much faster than you're getting now? (n=220)



Interest in a Free Trial

Q30. How interested would you be in a free trial of a faster internet speed for one month to see how it impacts your online experience? (n=497)



Somewhat + very interested by age:

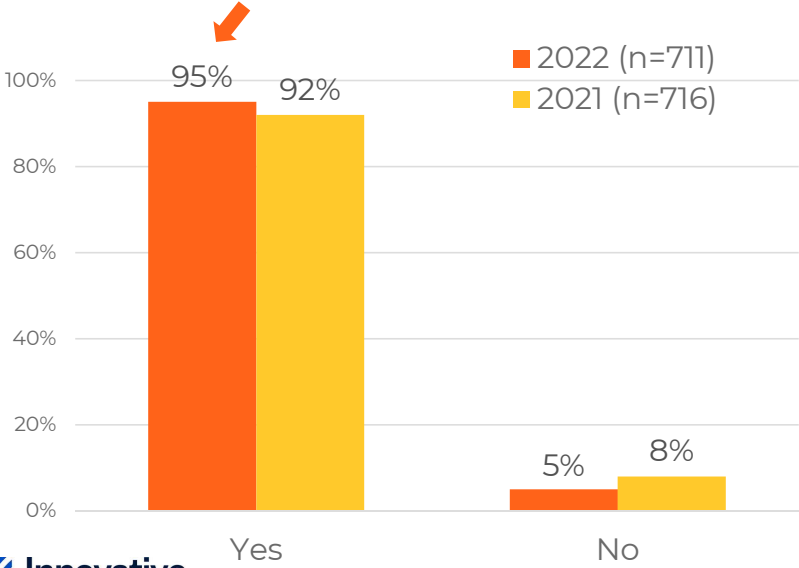
- 38% of 18 to 34
- 46% of 35 to 54
- 35% of 55+

Wi-Fi

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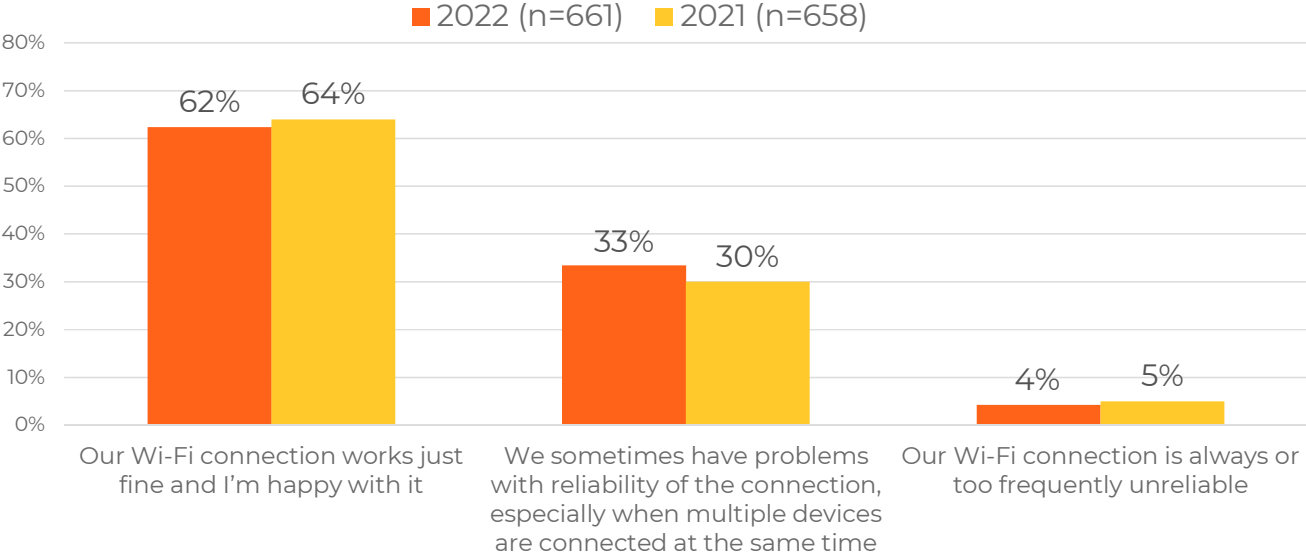
Wi-Fi in the Home

Q31. Do you have Wi-Fi in your home? (i.e., you connect to the internet wirelessly using a wireless router placed somewhere in your home.)



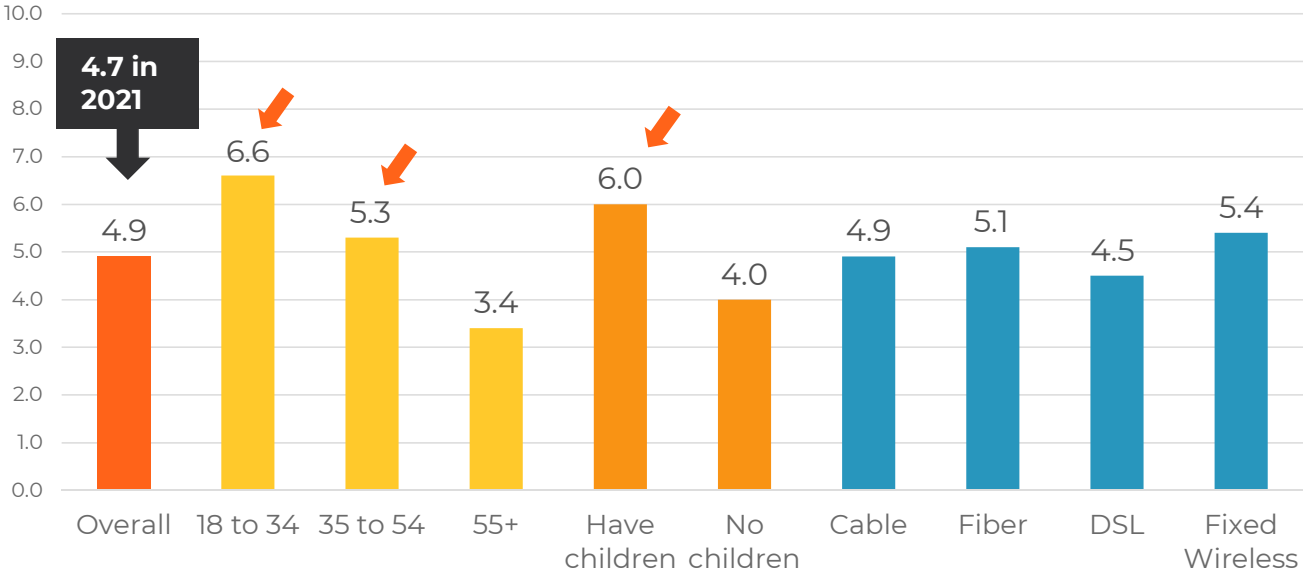
Opinions on Wi-Fi Experience

Q32. Which one of the following best describes your Wi-Fi experience at home?



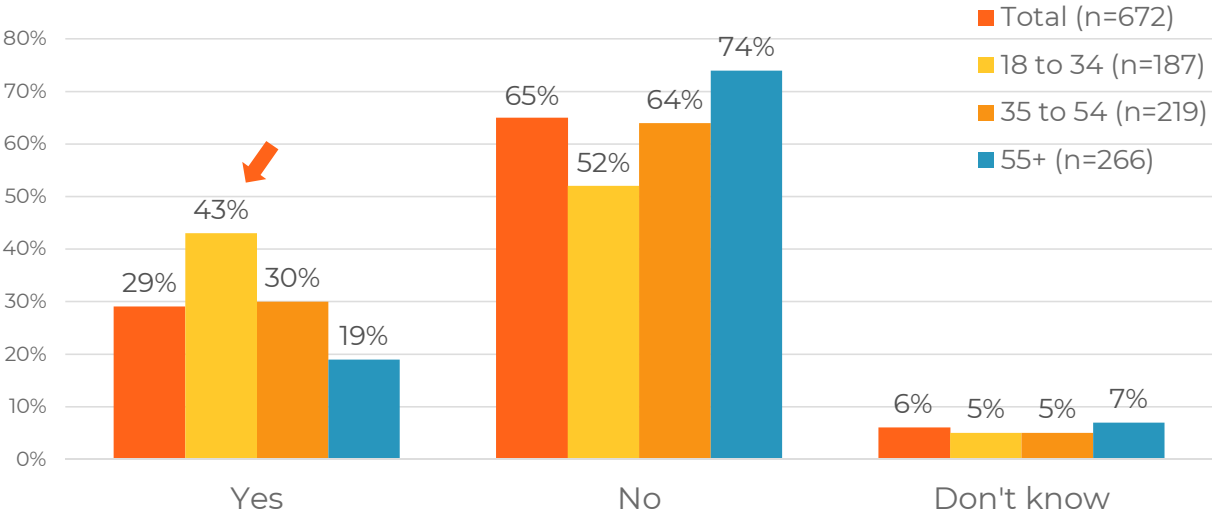
Number of Devices Connected at the Same Time

Q33. On a typical day, up to how many devices might be using your home internet at the same time? (n=668)



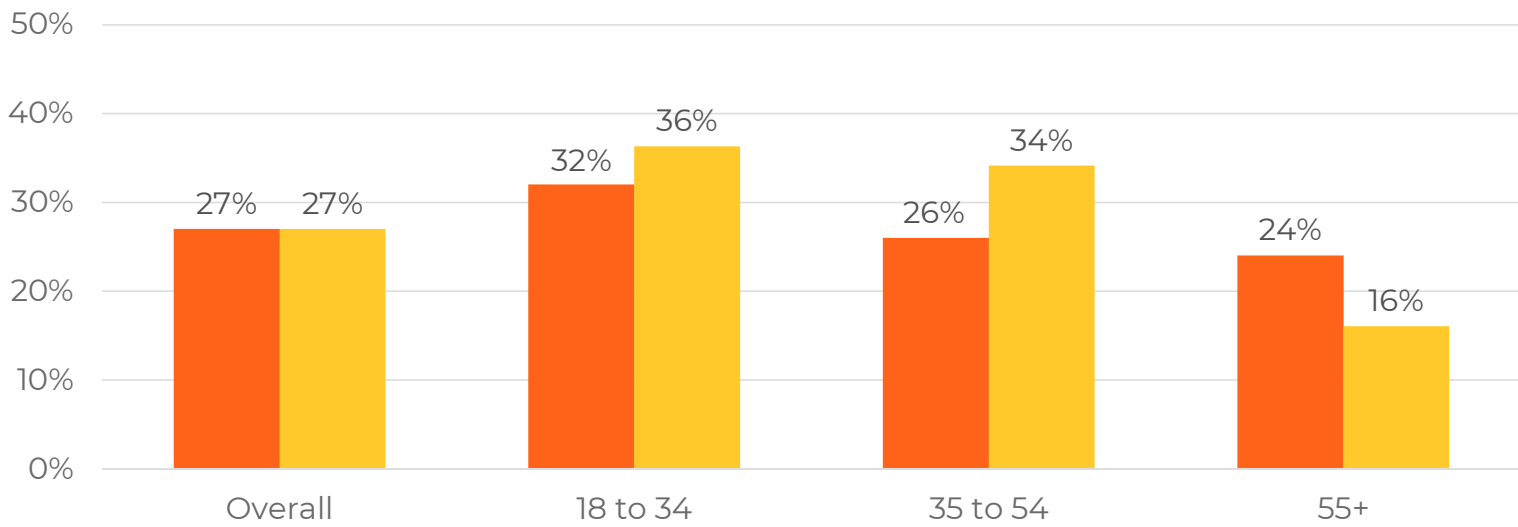
Use of Mobile App to Control Wi-Fi

Q34. Are you or anyone in your household using a mobile app on your smartphone or tablet to control or manage your Wi-Fi connection or home network?



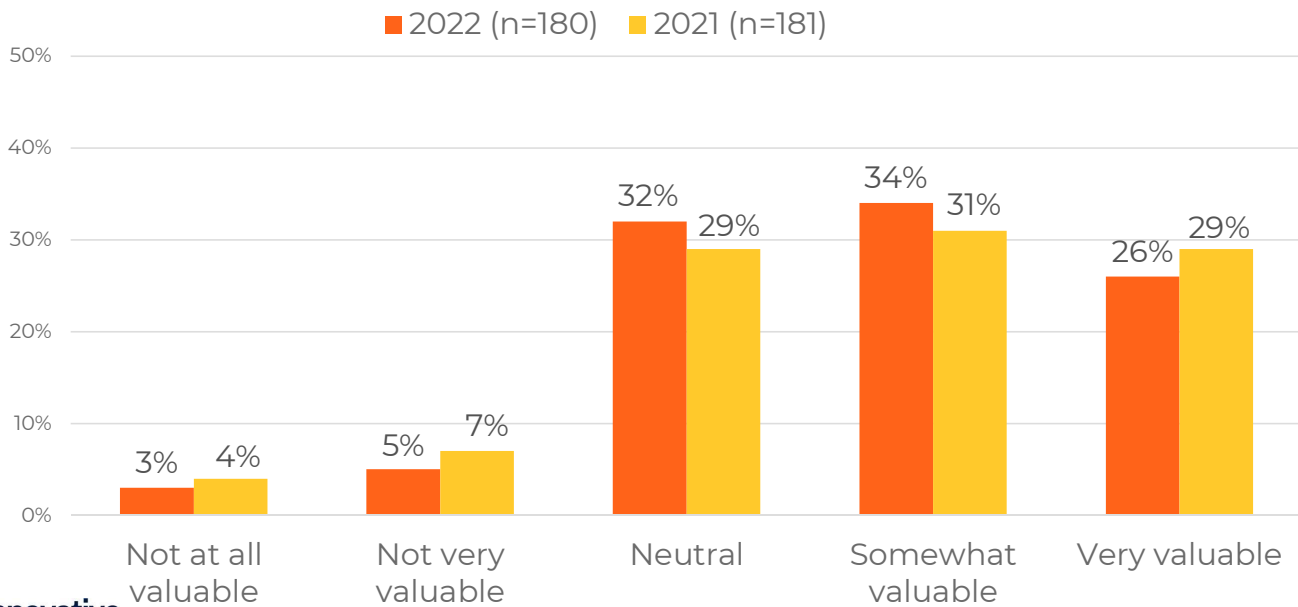
Subscribe to Managed Wi-Fi Service?

Q35A. Do you currently subscribe to a managed home Wi-Fi service? (n=672)
Percentage represents those answering "Yes"



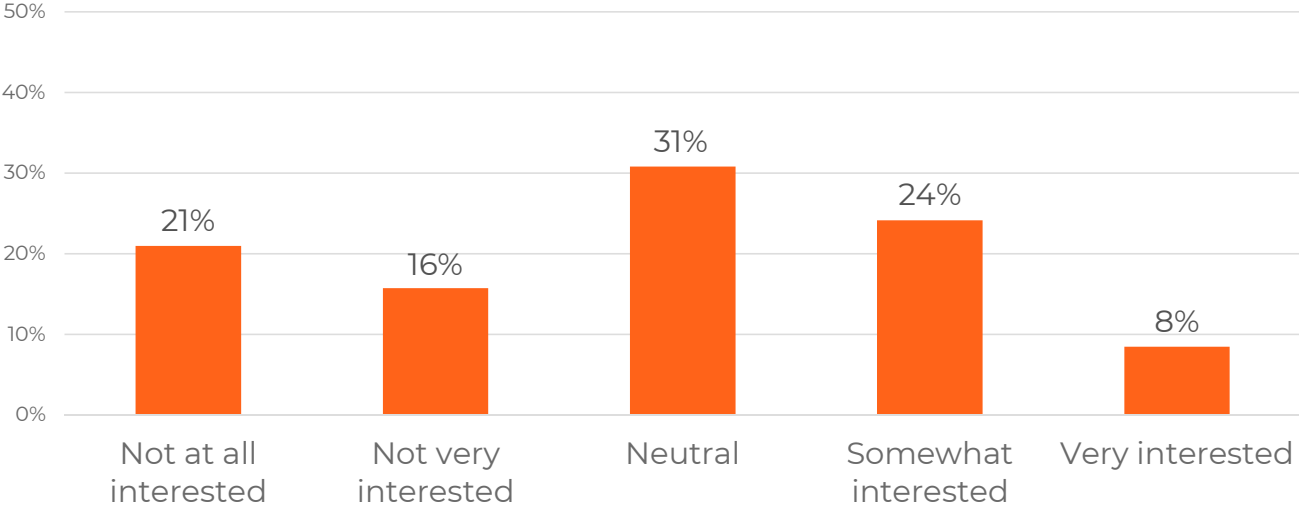
Value of Managed Wi-Fi

Q36. How would you describe the value of this service in improving the quality of your internet?



Interest in Managed Wi-Fi

Q36. How interested would you be in a managed Wi-Fi service that provides unlimited technical support whenever you need to troubleshoot your devices, set up new devices and manage your Wi-Fi router? (n=344)

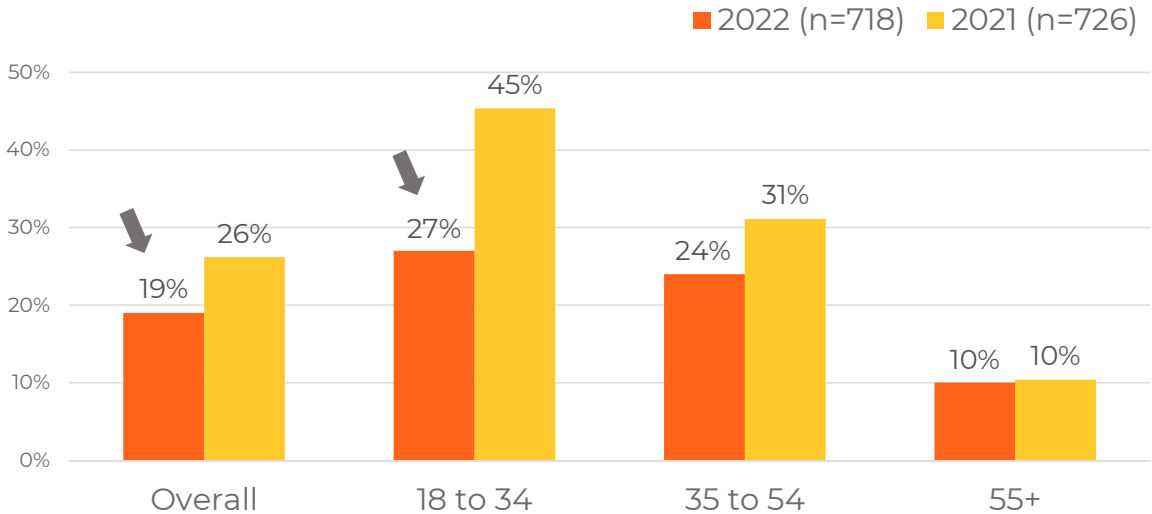


Pandemic Response

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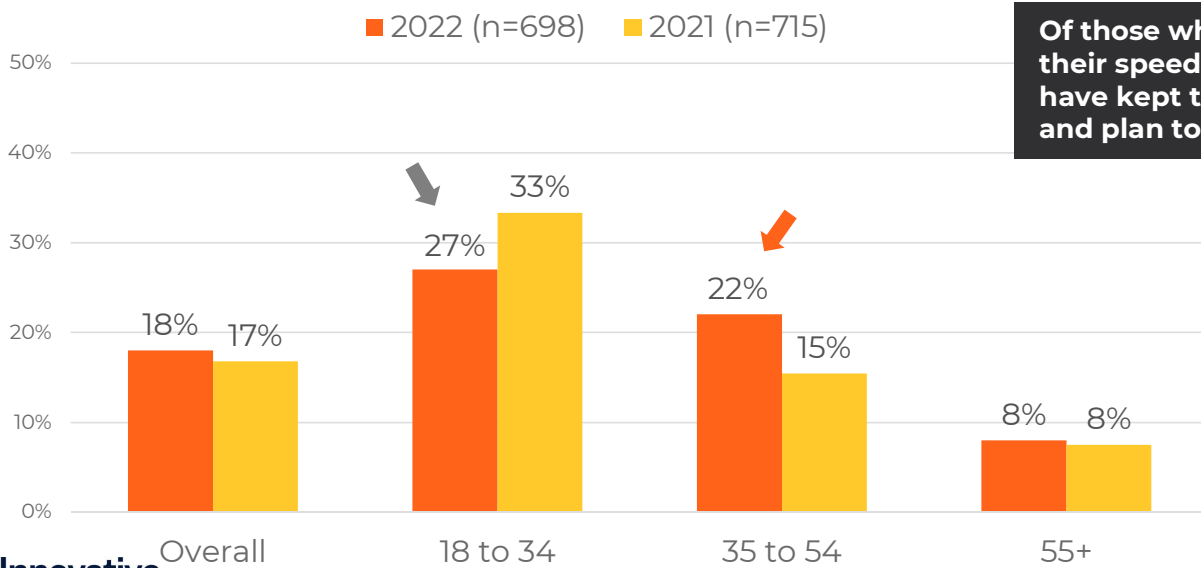
Household Member Working from Home Now

Q38. Does someone in your household work from home who did not prior to the pandemic? (n=718)
Percentage represents those answering "Yes"



Did Rural Customers Increase their Speeds?

Q39A. Has your household paid extra to increase/upgrade your internet speed since the pandemic began? (n=698) *Percentage represents those answering "Yes"*



Of those who have increased their speeds, 76% say they have kept the speed increase and plan to keep it.


Key Findings

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Key Findings — Video

- Rural households are **streaming more** than they were in 2021 (61% vs 49%)
- A **top driver of high TV satisfaction** is *having the specific channels we want*, and good customer service.
- **Local programming** is important to rural consumers across all demographics.
- **Average monthly spend** on TV from local video operators is still below market value compared to national cable and satellite providers.
- Streaming services with **greatest subscriber gains** are Peacock and HBO Max, each going from 12% to 23%.
- Respondents are **still watching more TV and video** due to the pandemic, whether a lot more (27%) or a little more (25%).



Key Findings — Broadband

- **78% of those who have a video service with their local provider** are also using their internet service.
- **Internet satisfaction** is again **highest with fiber customers**, followed by cable, and fixed wireless internet.
- The **top cause of low satisfaction is poor or inconsistent connection speed** (62%, up from 51%).
- About one-third of all respondents said they would **prefer a much faster internet speed** and would be willing to pay for it. The average monthly amount they're willing to pay is \$91.
- Same as in 2021, 60% of **respondents with managed Wi-Fi** believe the service is somewhat or very valuable.



Thank you!

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