

Innovative Systems 8th Annual Rural Video and Broadband Industry Study

Report of Findings
2023



About Us



Serving the Communications Industry
for Nearly 25 Years

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North America



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Methodology

1. These findings are based on online surveys administered in January 2023.
2. Primary objectives are to understand satisfaction and usage trends of rural broadband and video consumers.
3. In total, 841 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.



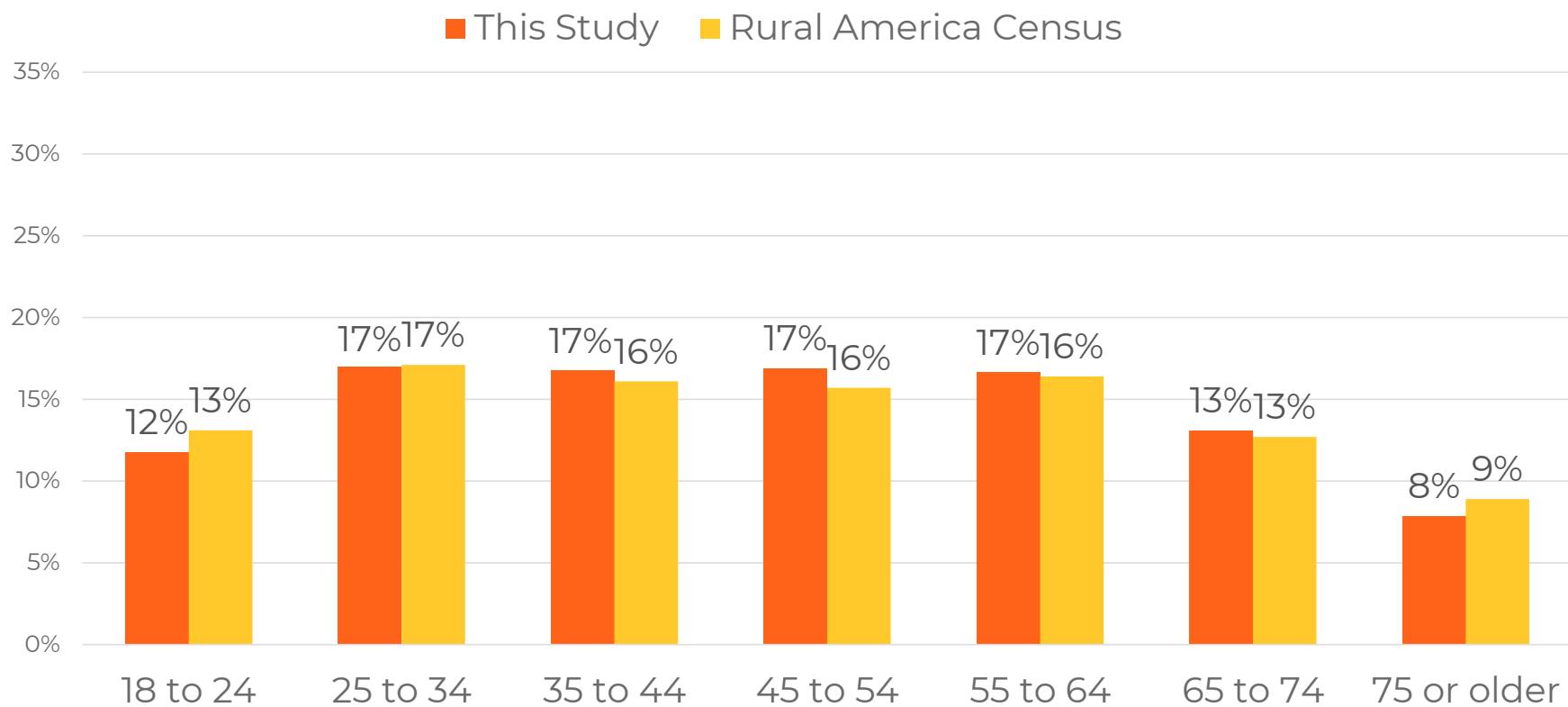
Statistically Significant Differences



When you see an orange or grey arrow in a chart next to a number, it means the number is, statistically speaking, significantly higher or lower than one or more corresponding numbers in the same chart.

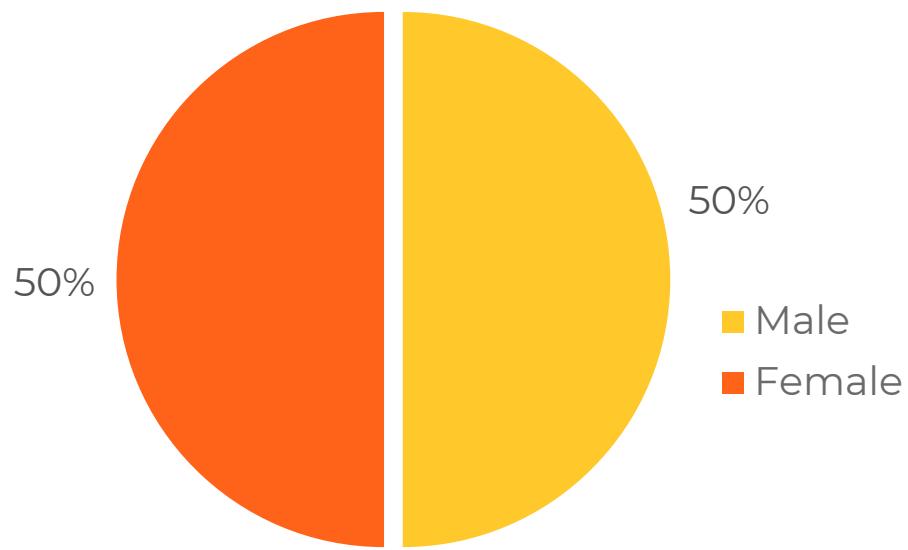
It passes the industry standard statistical difference test at the 95% confidence level. Meaning, if this study were repeated with separate but similar groups of respondents, we would expect that number to be higher, 95 times out of 100.

Age Group – Compared to Rural America



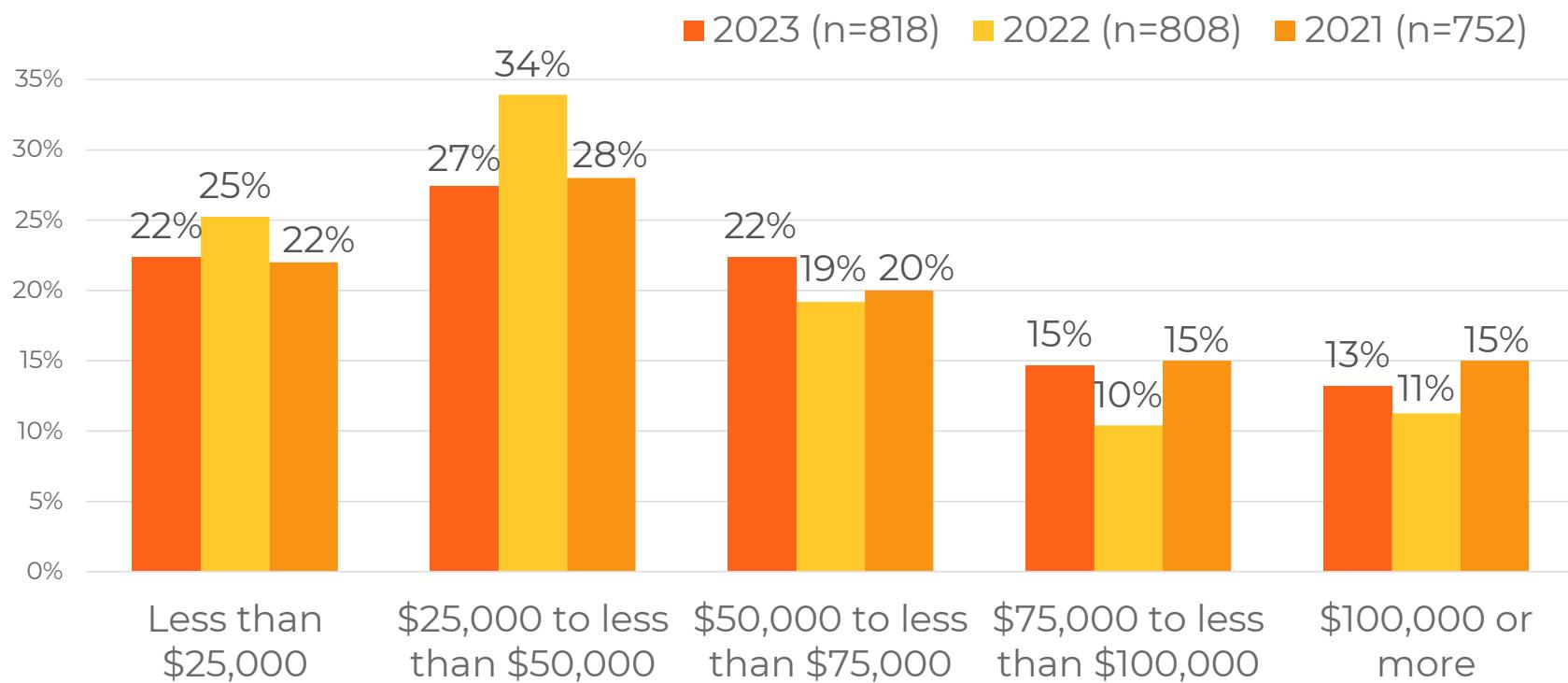
Gender

2023



In 2022 Study:
52% Female
48% Male

Annual Household Income



Video

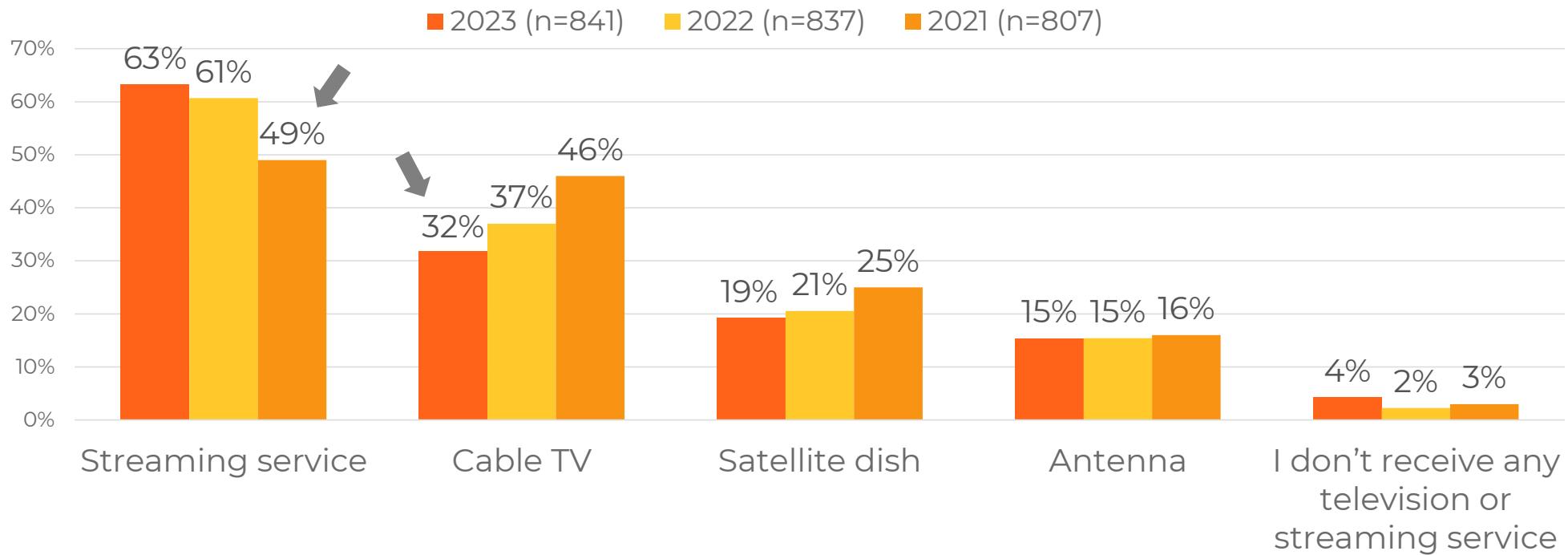
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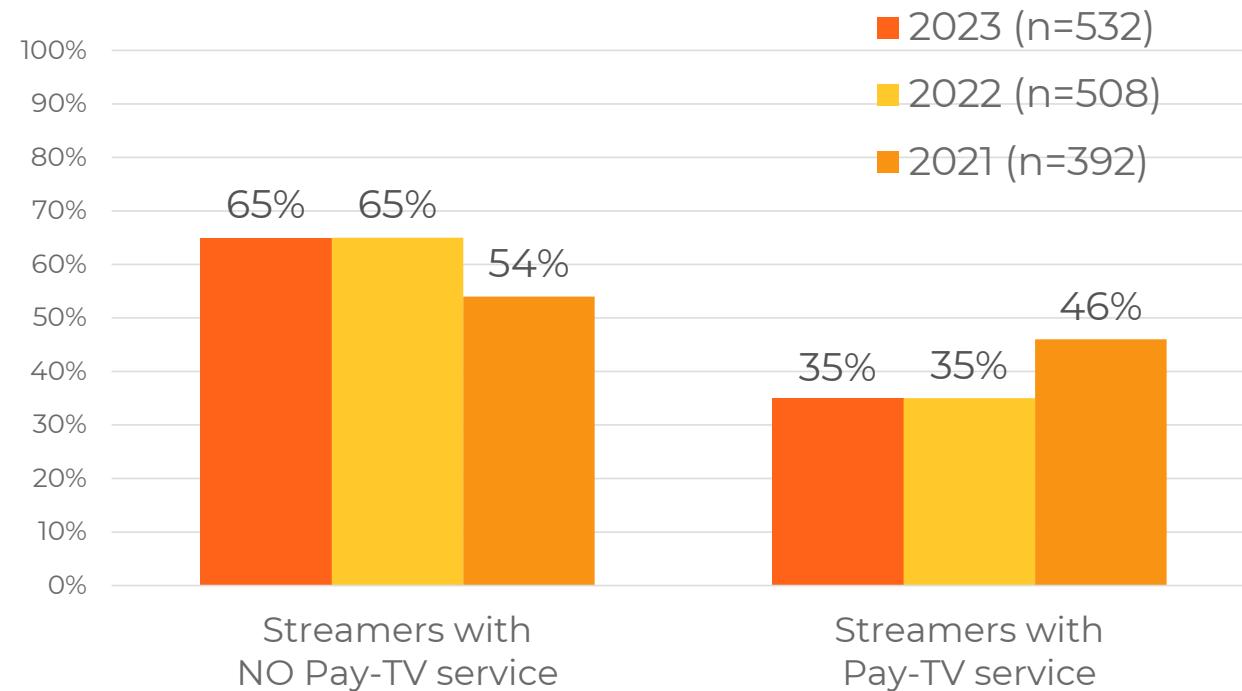
How Are You Receiving TV Service?

Q4. Which of the following describes how you receive television service in your home? (n=841)
Check all that apply.



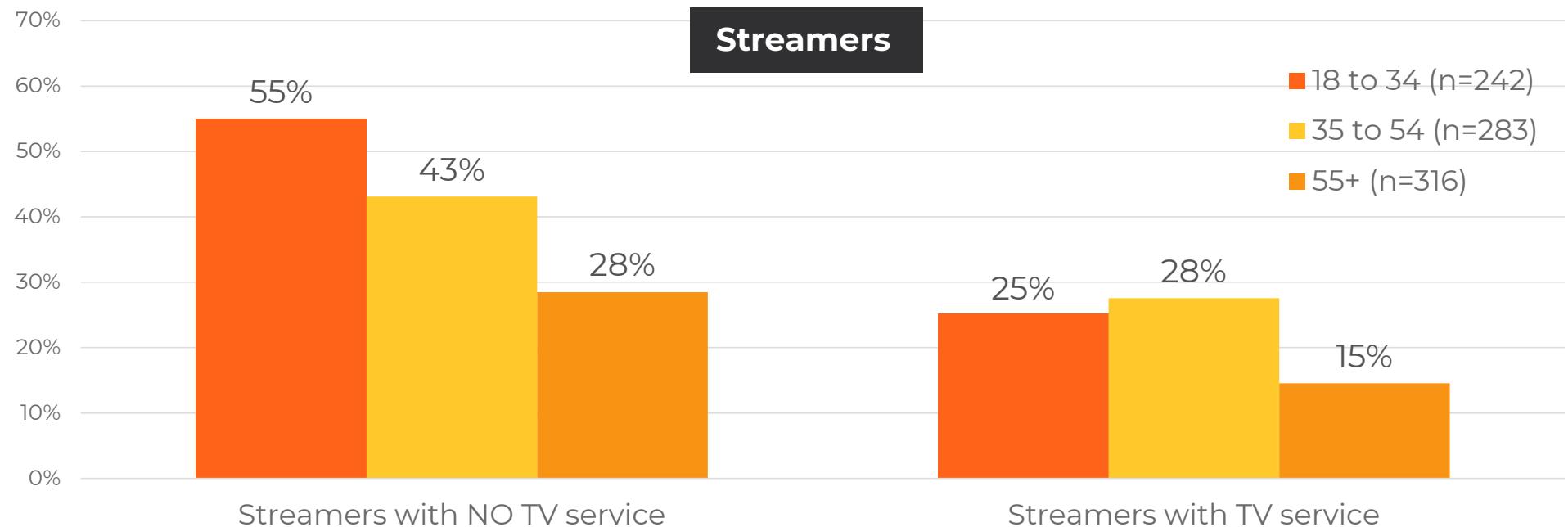
Streamers with/without Pay-TV

Q4. Which of the following describes how you receive television service in your home? (shown are video consumption behaviors by streamers only)



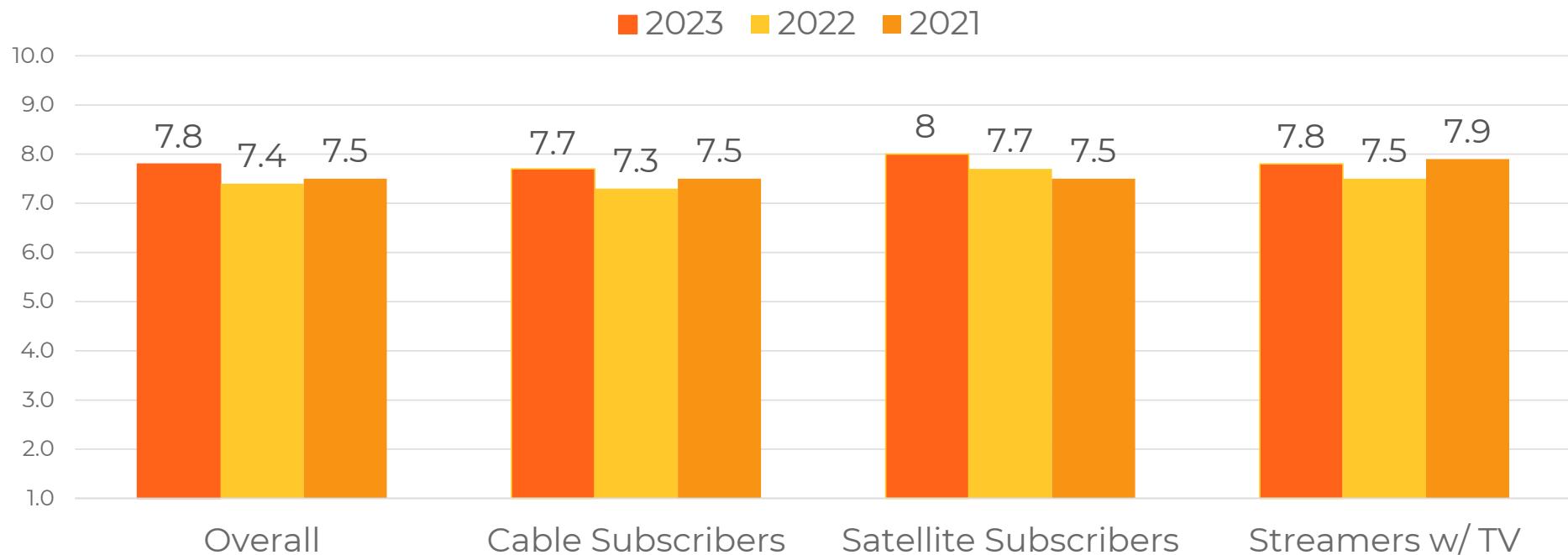
Streamers by Age Group

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



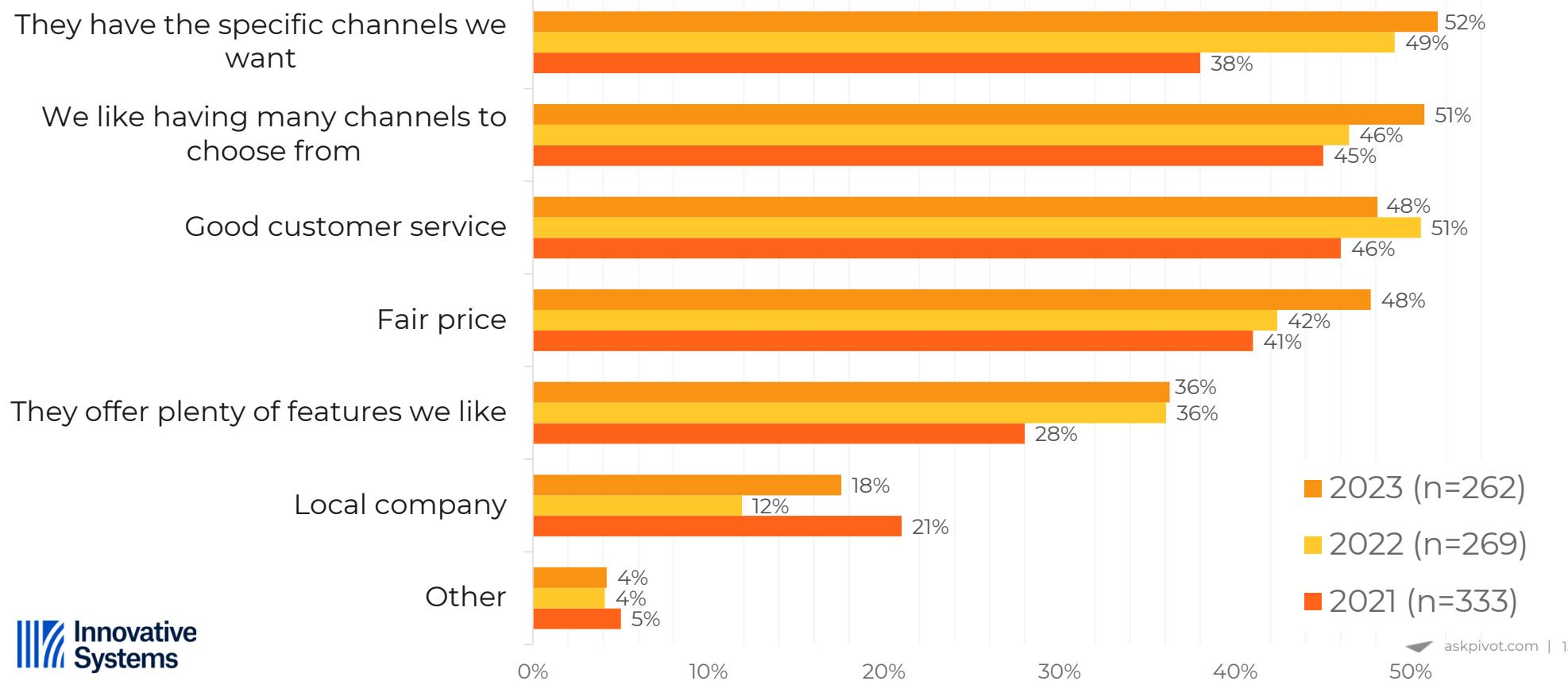
Satisfaction with TV Provider

Q5A. Please rate your overall satisfaction with your television provider. (n=415) Shown are mean ratings based on a 1 to 10 scale where 1 equals Completely dissatisfied, and 10 equals Completely satisfied.



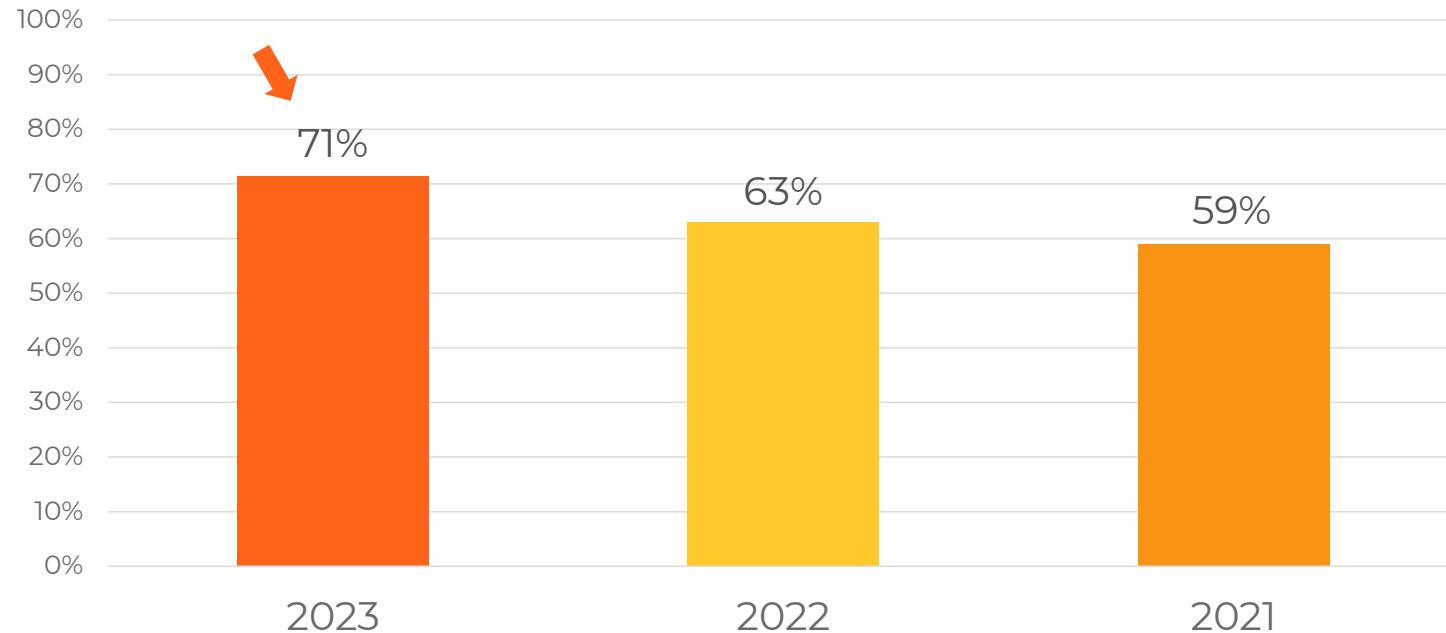
Drivers of High TV Satisfaction

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.)



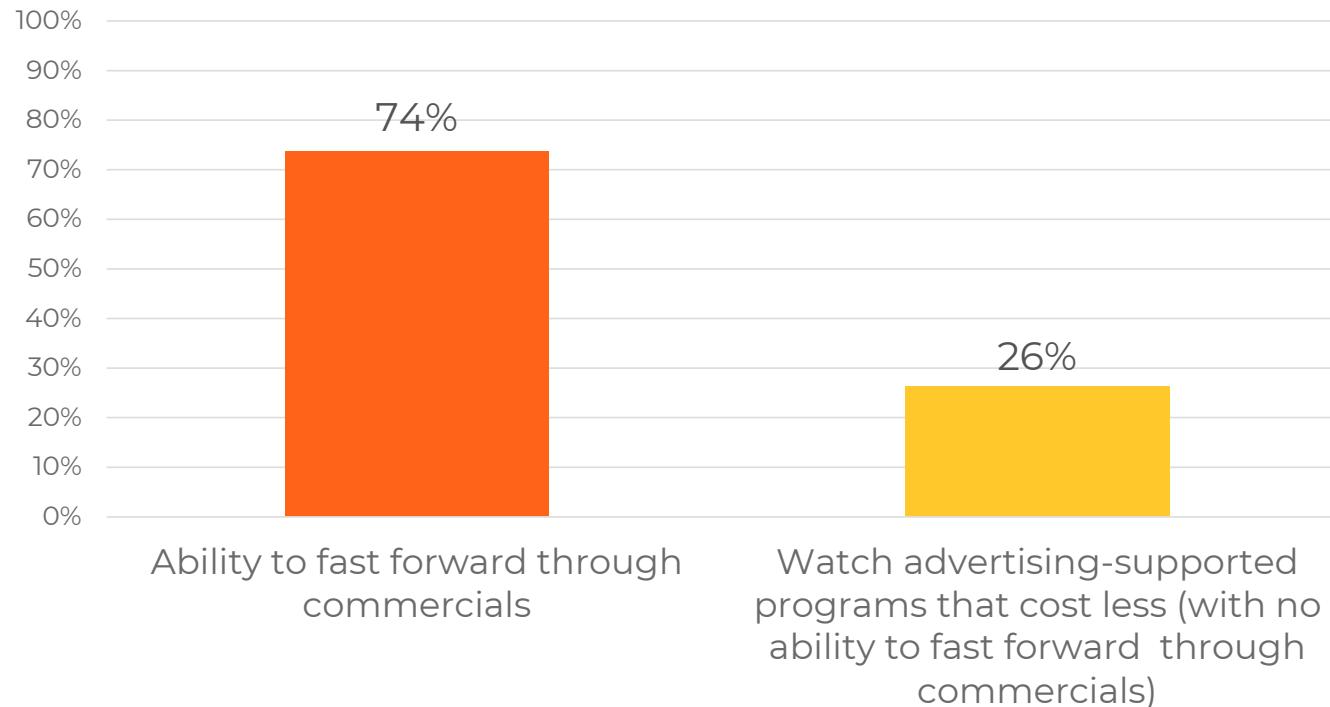
The Ability to Record Show (DVR or other)

Q8A. Do you currently have Digital Video Recording (DVR) or the ability to record TV programs? (n=402)
Percentage indicates those answering “Yes”



Ability to Skip Commercials vs Lower Cost

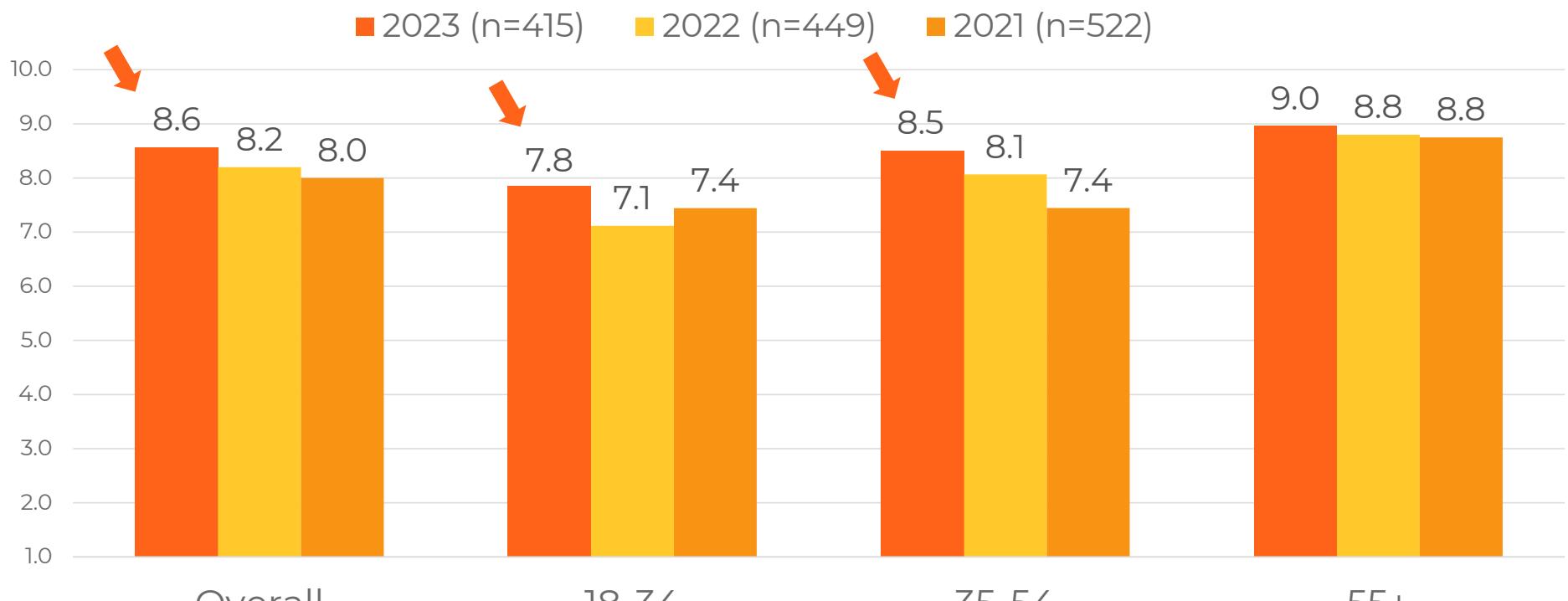
Q8B. Which one of the following do you / would you prefer? (n=412)



**New
question
for 2023!**

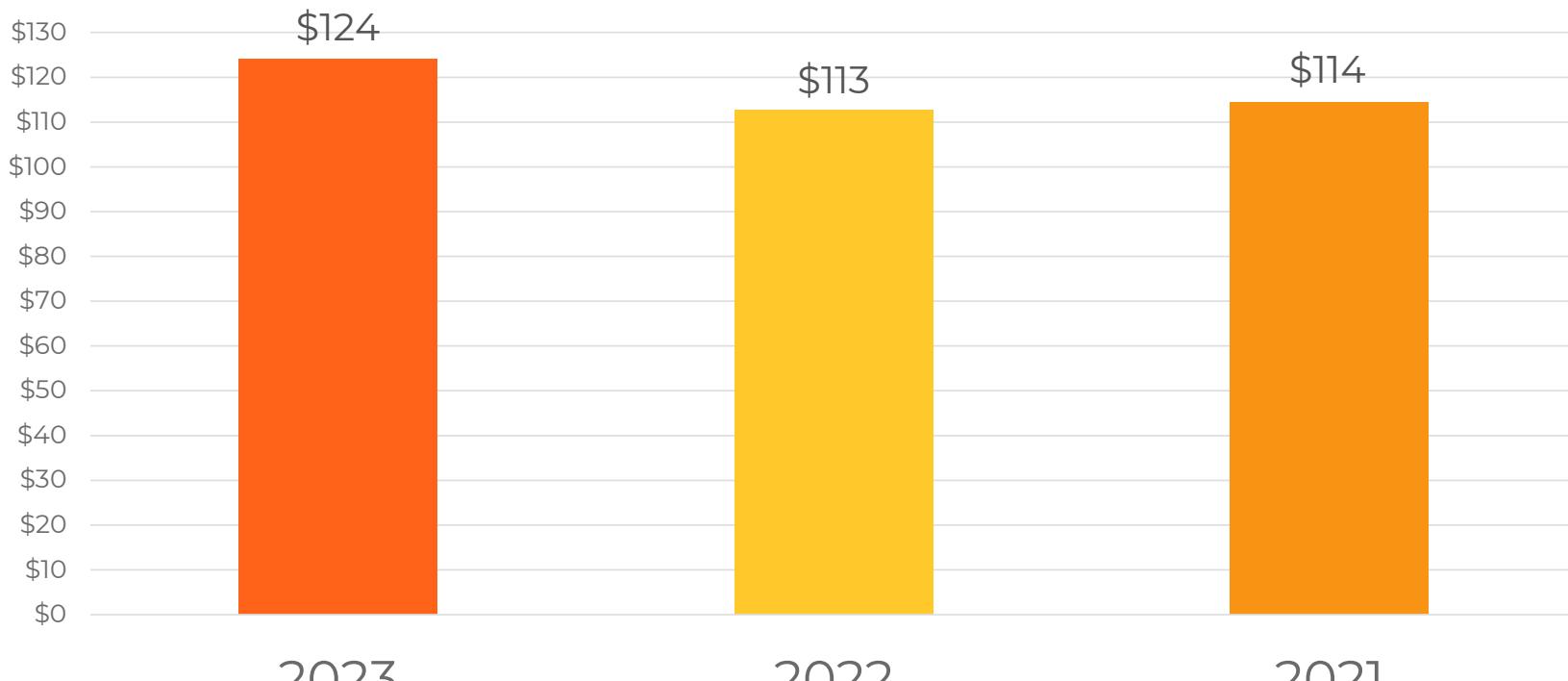
The Importance of Local Programming

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



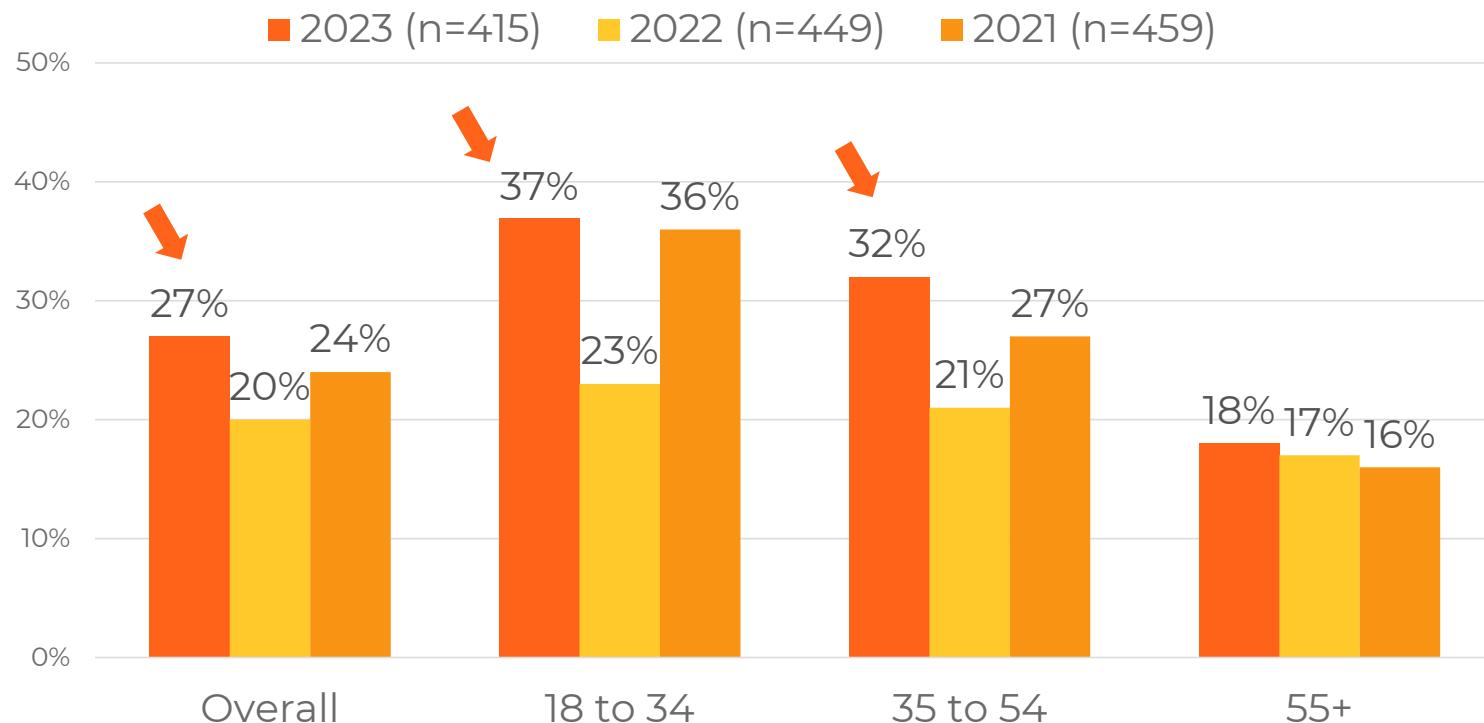
Average Monthly Spend on TV

Q10. How much is your monthly television bill, NOT including any streaming services such as Netflix, Amazon Prime, Hulu, etc.? (n=412)



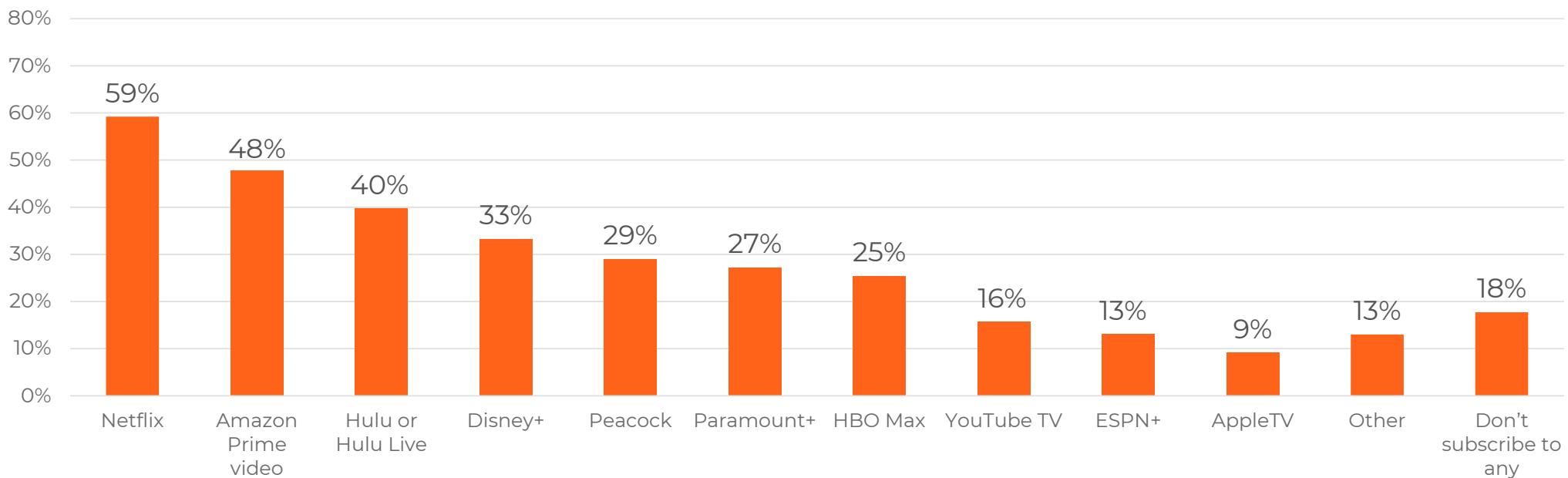
Average Percent of Household Sports Watching

Q11. Approximately what percentage of your household's television viewing is sporting events? (open numeric; n=415) *Shown is the average percent of sports watching in the household*



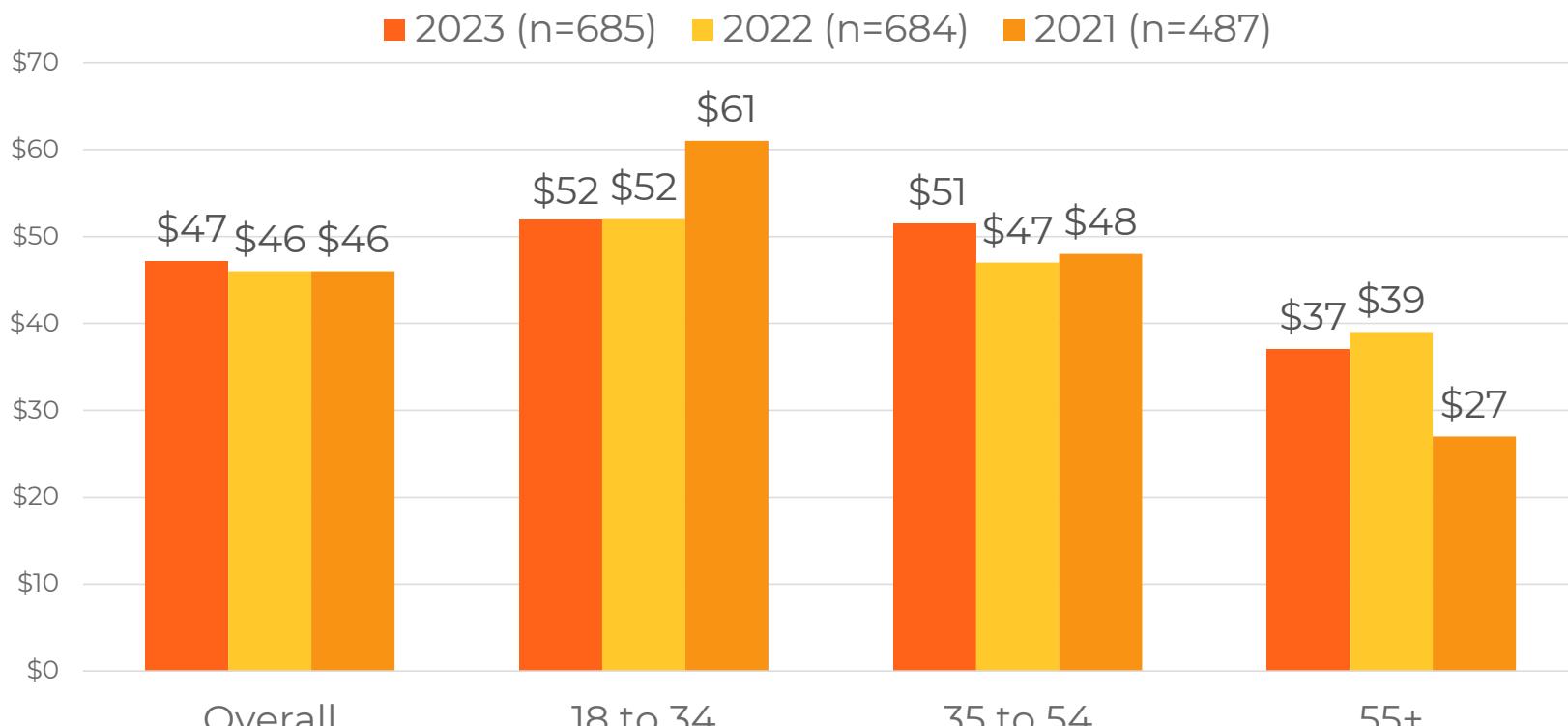
Most Popular Streaming Services

Q13. Which of the following streaming services, if any, do you subscribe to? (n=841) *Check all that apply.*



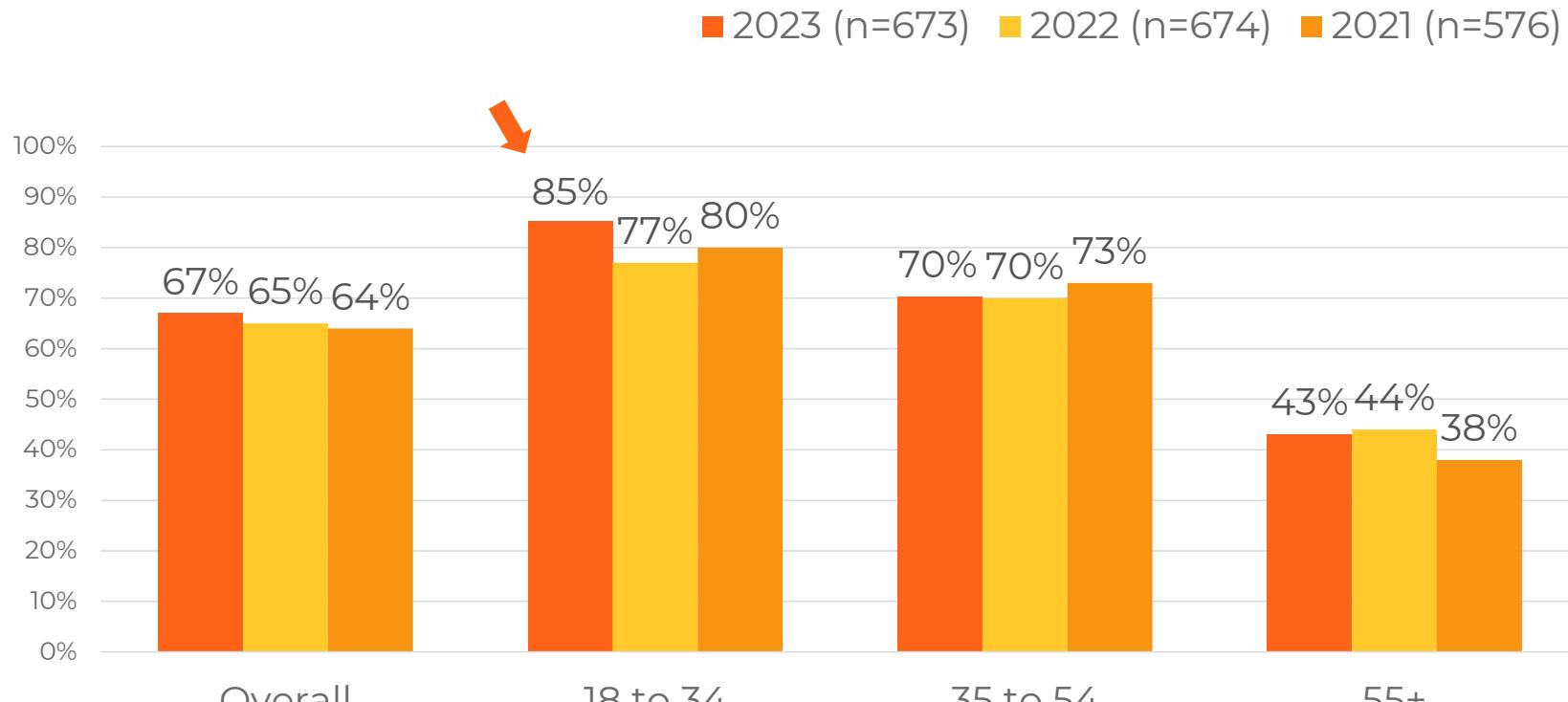
Average Monthly Spend on Streaming

Q16. Approximately how much per month, in total, do you spend on streaming services? (n=685)



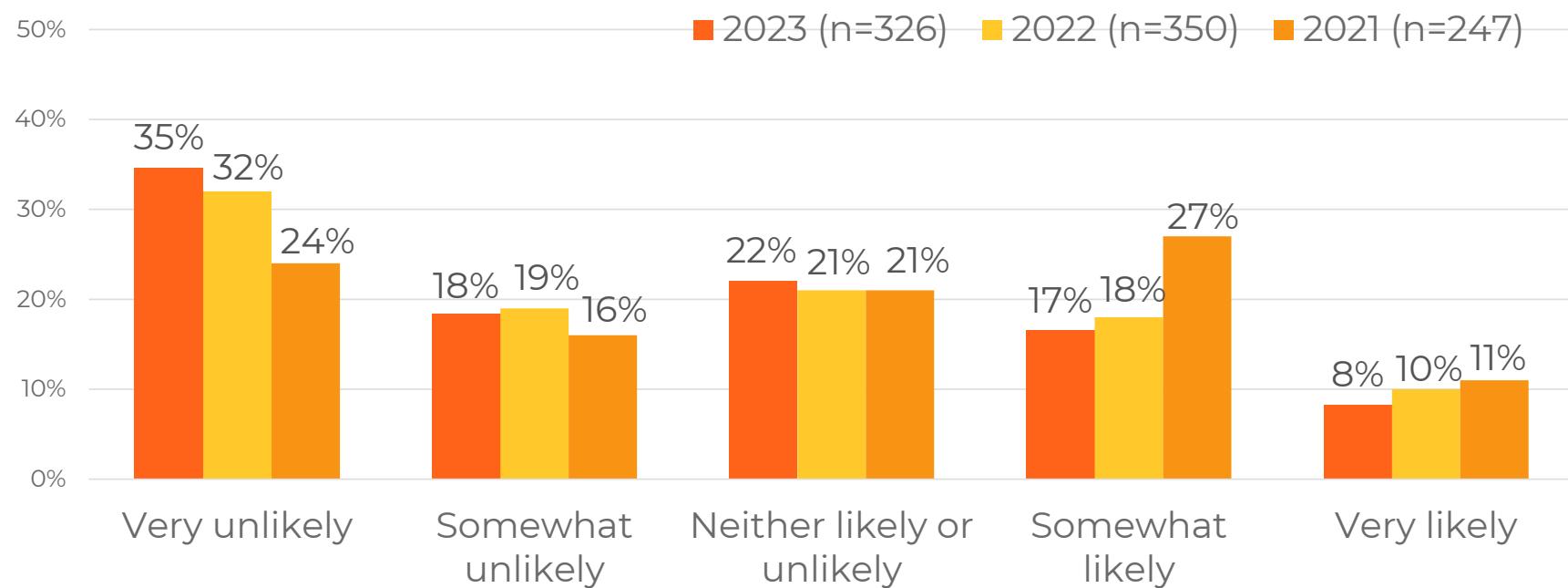
Use of Mobile Device for Streaming

Q17. Does your household ever stream video or watch live television programs on a mobile device, such as a laptop, iPad or smartphone? (n=673) *Percentage indicates those answering “Yes”*



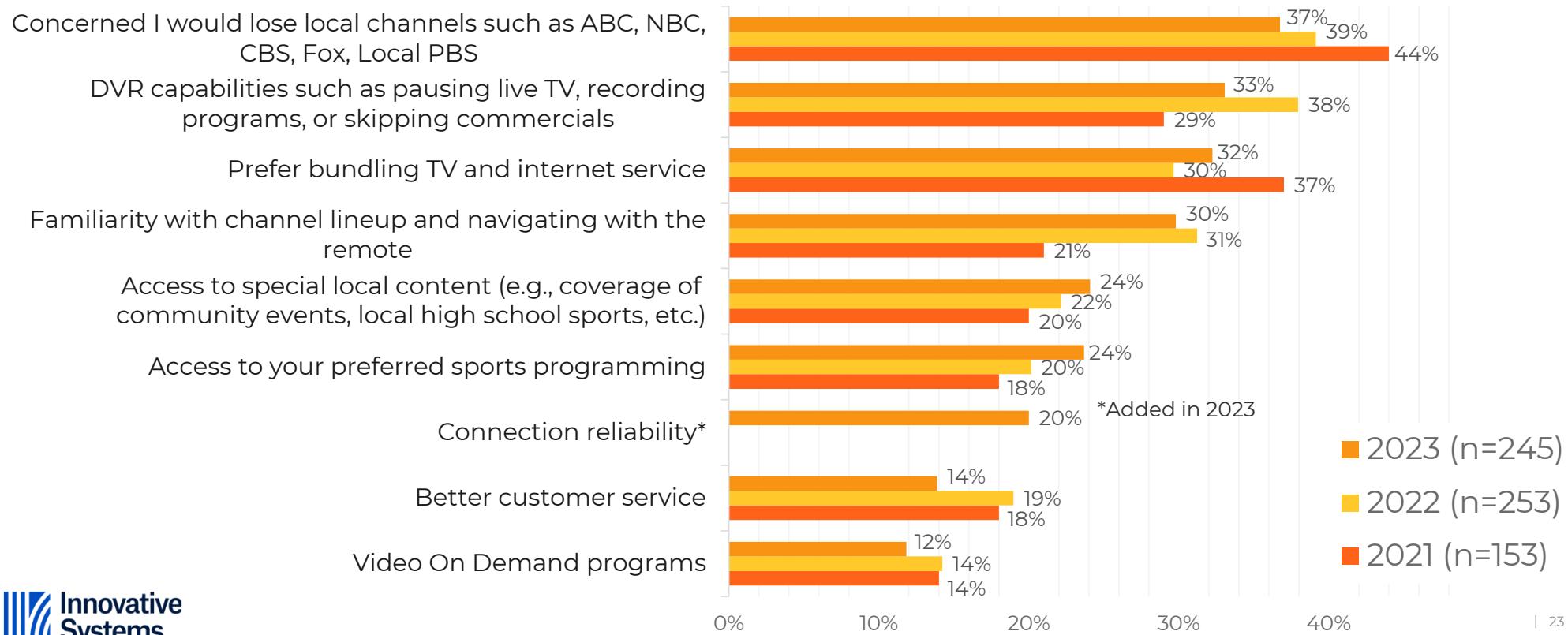
Likelihood to Switch to Streaming Only

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..



Broadband

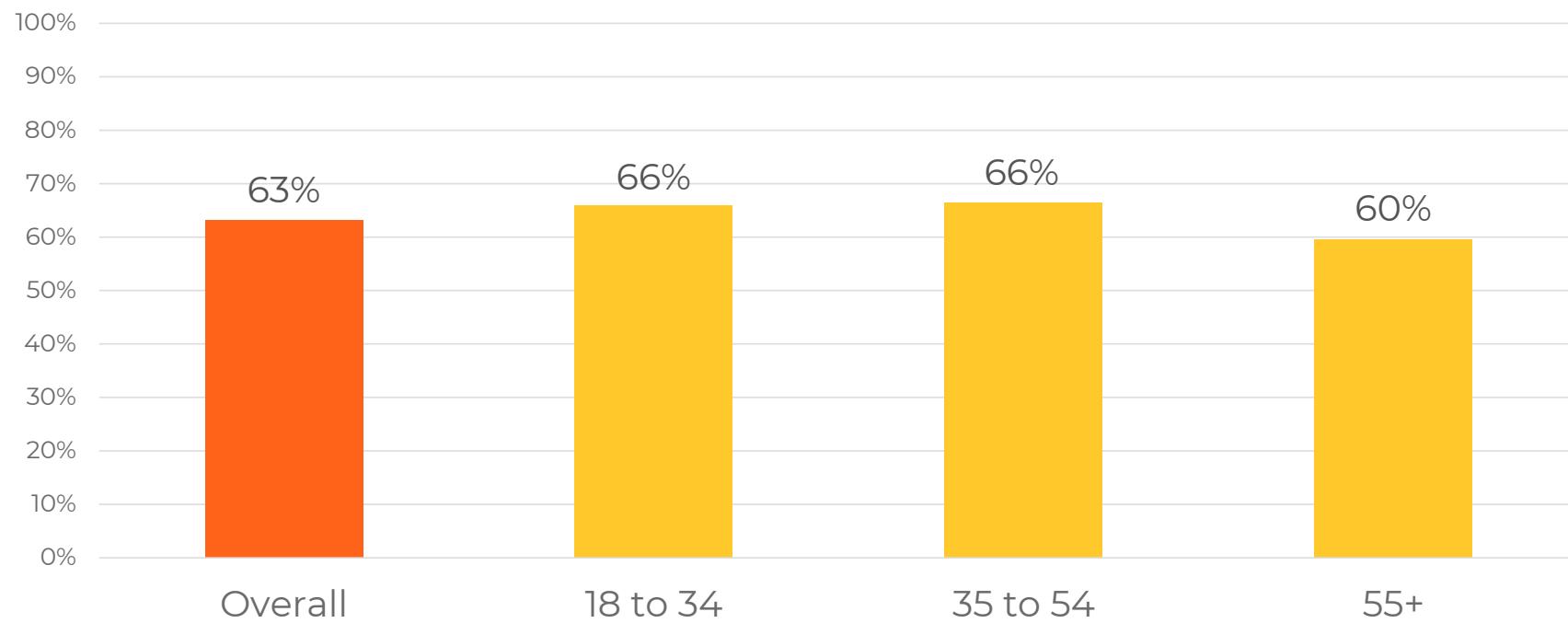
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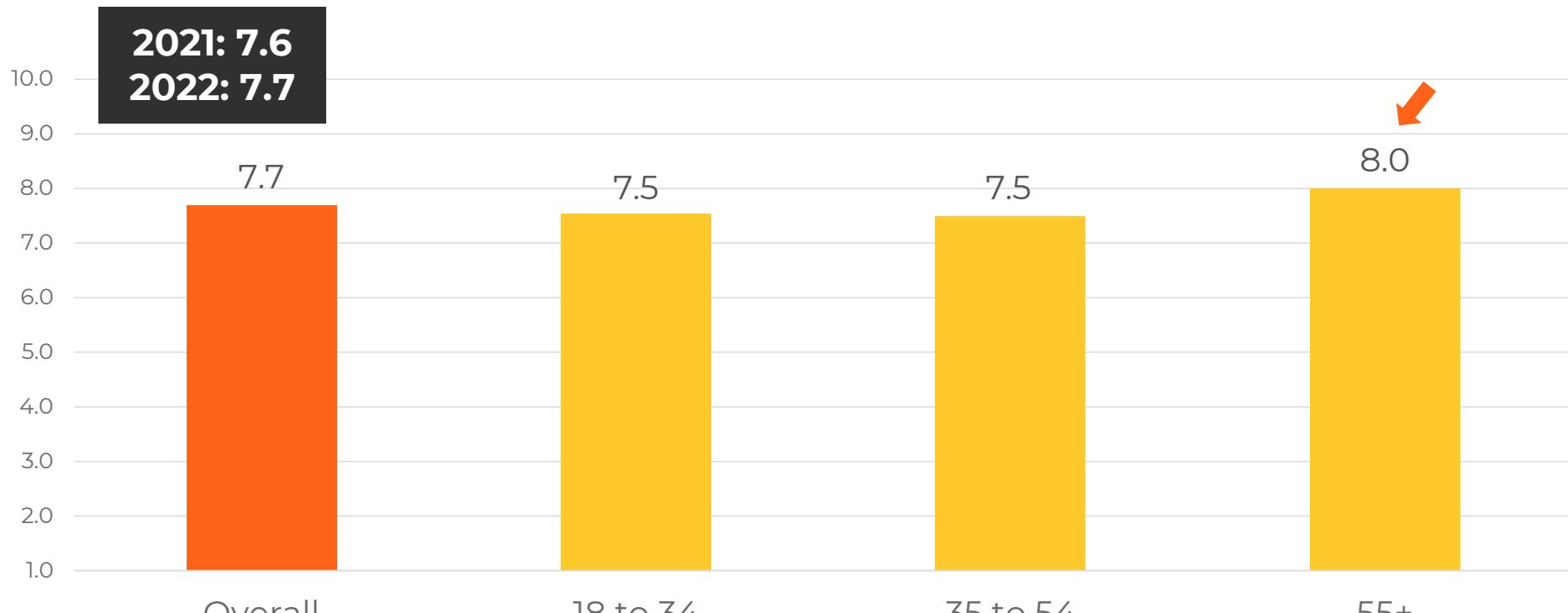
Bundle Internet and TV Services

Q20. Is your home internet service provided by the same company that provides your TV service? (asked only of pay-TV users; n=415) *Shown is the percentage answering “yes”*



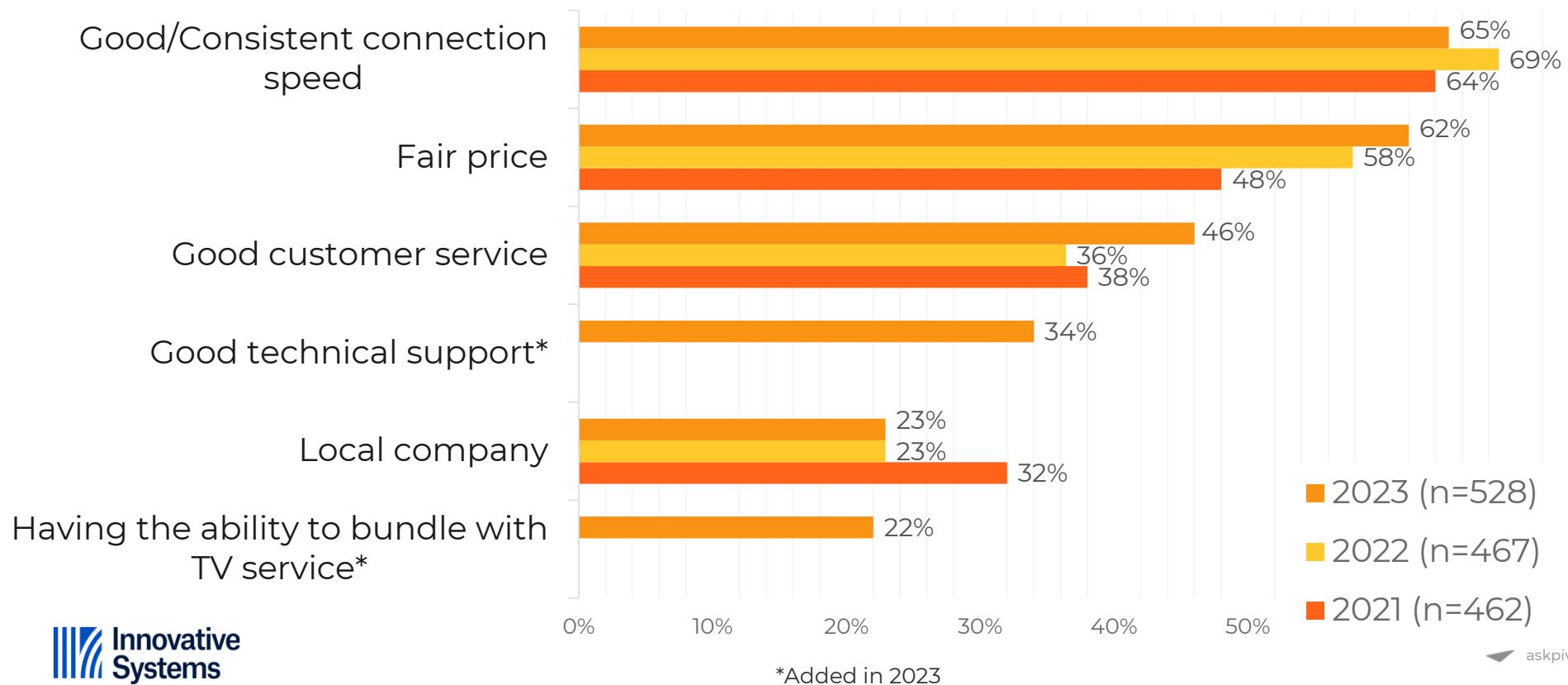
Satisfaction with Internet Provider

Q21A. Please rate your overall satisfaction with your internet provider. (n=841) Shown are mean scores based on a 1 to 10 scale where 1 equals Completely dissatisfied, and 10 equals Completely satisfied.



Drivers of High Internet Satisfaction

Q21B. What has the greatest influence on your satisfaction with your internet provider? *Check all that apply*
(Asked of those who gave a rating of 8, 9, or 10 on Internet Satisfaction.)



Drivers of High Internet Satisfaction — by Age Group

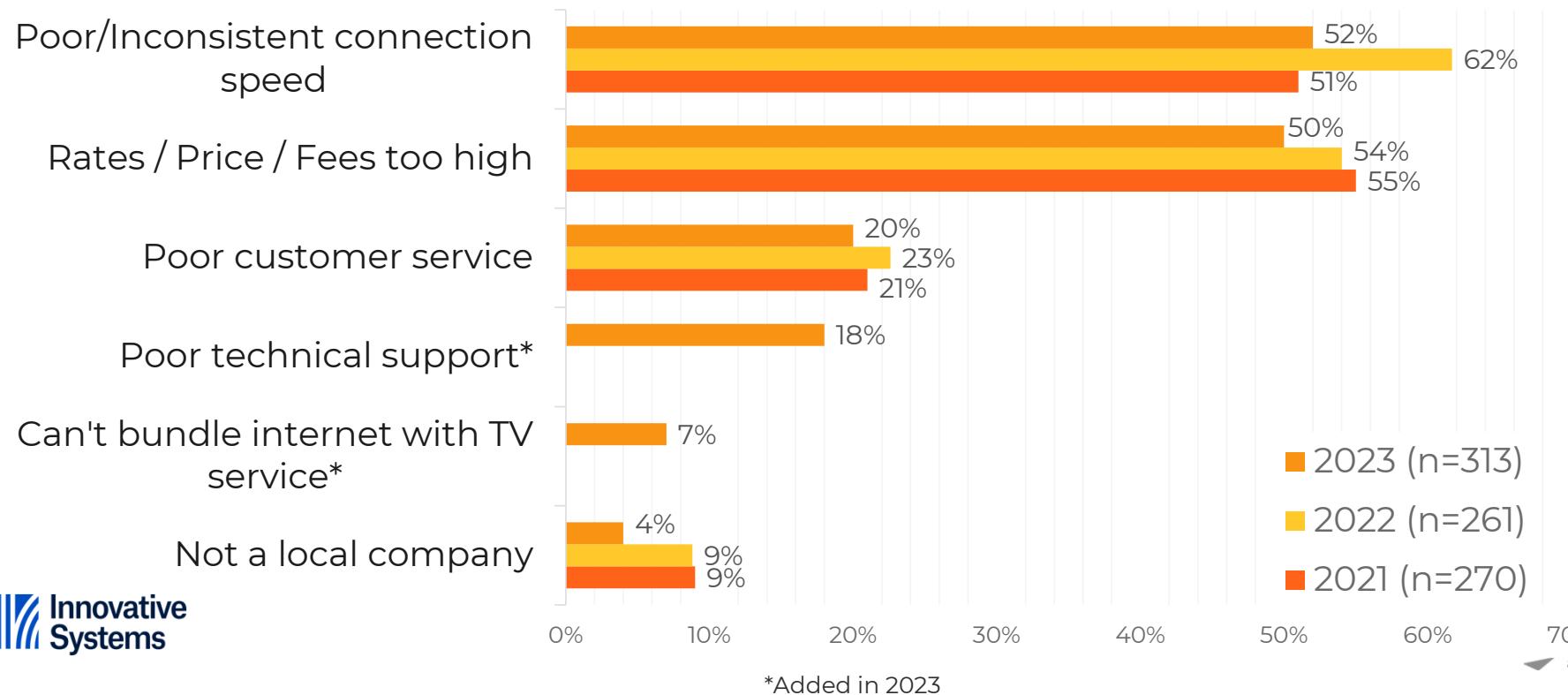
Q21B. What has the greatest influence on your satisfaction? *Check all that apply*
(Asked of those who gave a rating of 8, 9, or 10 on Internet Satisfaction.)

| | Total | 18 to 34 | 35 to 54 | 55+ |
|----------------------------------------------|-------|----------|----------|-----|
| Total Answering: | 528 | 137 | 167 | 224 |
| Good / Consistent connection speed | 65% | 61% | 68% | 65% |
| Fair price | 62% | 72% | 61% | 55% |
| Good customer service | 46% | 50% | 46% | 44% |
| Good technical support | 34% | 42% | 29% | 32% |
| Local company | 23% | 25% | 21% | 23% |
| Having the ability to bundle with TV service | 22% | 16% | 21% | 25% |
| Other | 2% | 3% | 2% | 2% |

*Cells shaded yellow are significantly higher; cells shaded orange are significantly lower.

Drivers of Low Internet Satisfaction

Q21C. 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.)



Drivers of Low Internet Satisfaction — by Age Group

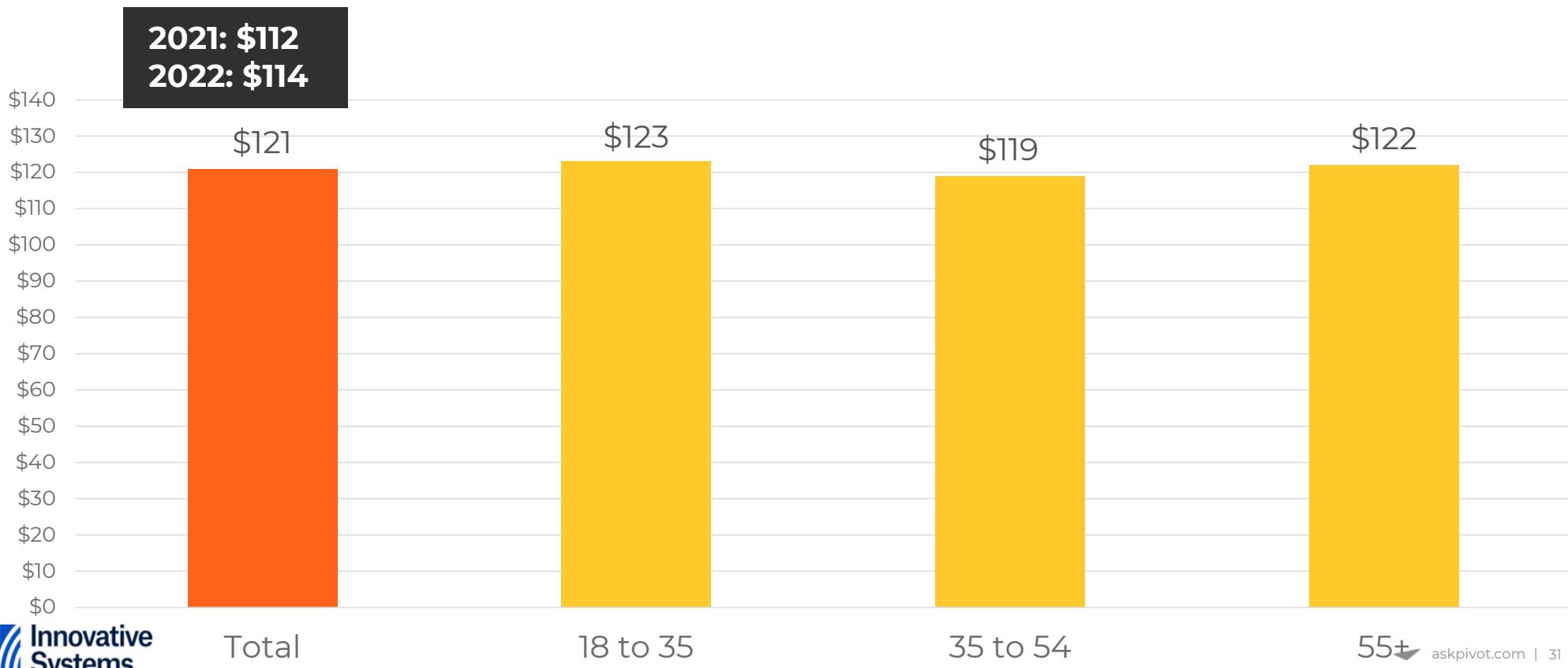
Q21C. What keeps you from giving a higher rating? *Check all that apply*
(Asked of those who gave a rating of 7 or lower on Internet Satisfaction.)

| | Total | 18 to 34 | 35 to 54 | 55+ |
|---------------------------------------|-------|----------|----------|-----|
| Total Answering: | 313 | 105 | 116 | 92 |
| Poor / Inconsistent connection speed | 52% | 54% | 47% | 58% |
| Rates / Price / Fees too high | 50% | 42% | 51% | 60% |
| Poor customer service | 20% | 18% | 25% | 15% |
| Poor technical support | 18% | 19% | 15% | 21% |
| Can't bundle internet with TV service | 7% | 8% | 8% | 4% |
| Not a local company | 4% | 7% | 3% | 3% |
| Other | 7% | 3% | 6% | 12% |

*Cells shaded yellow are significantly higher; cells shaded orange are significantly lower.

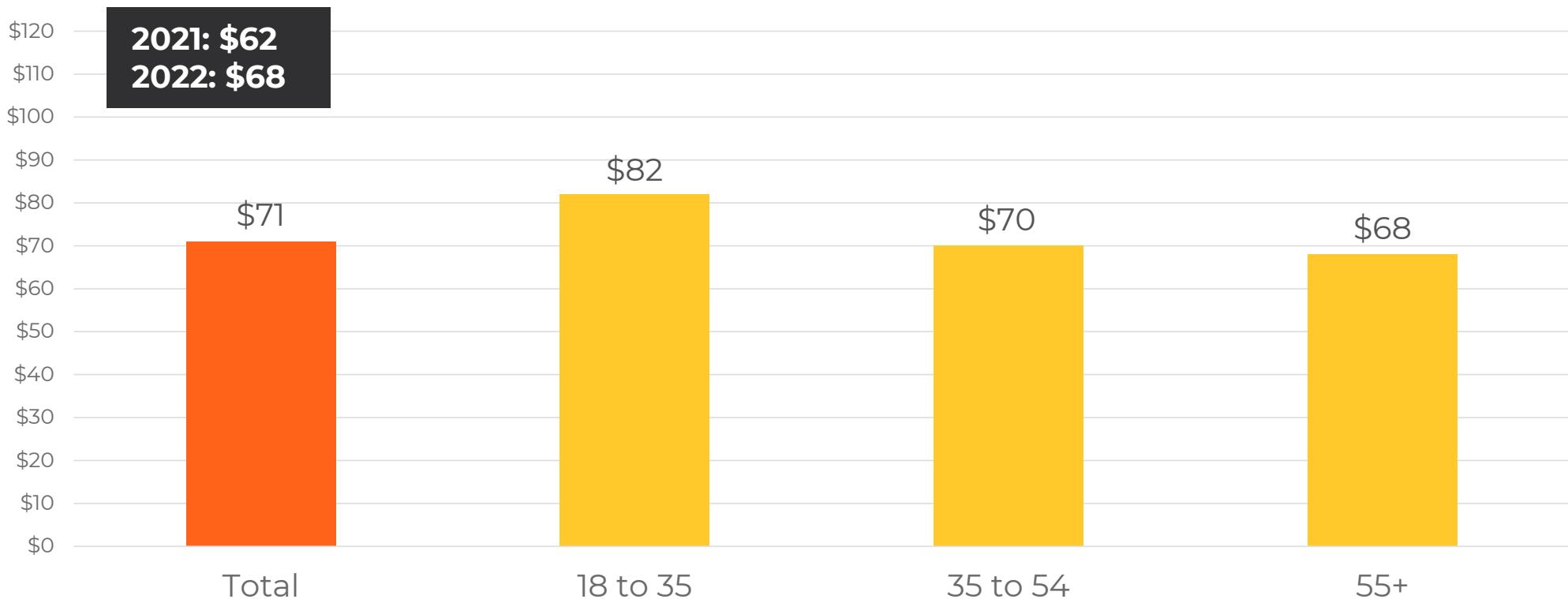
Average Current Spend on Internet and TV Bundle

Q22. What is the approximate amount you're paying per month for your TV and internet service bundle? (n=239)



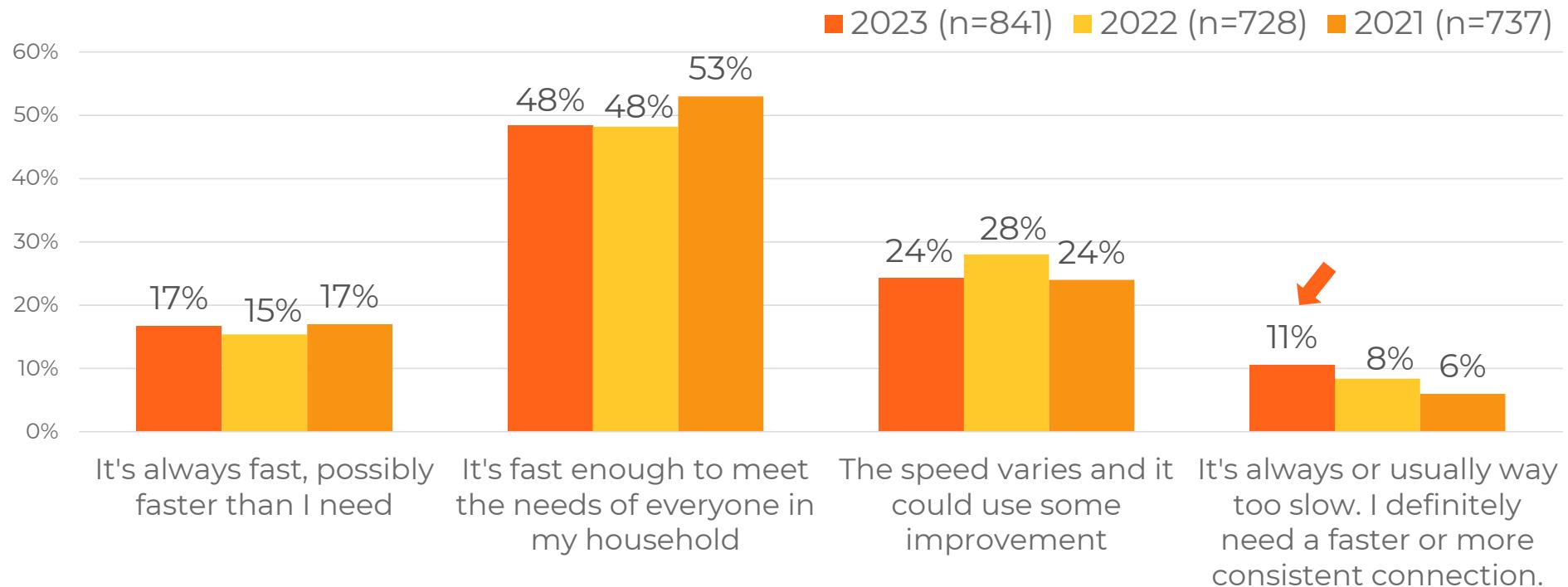
Average Current Spend on Internet Alone

Q23. What is the approximate amount you're paying per month for just your internet service? (n=138)



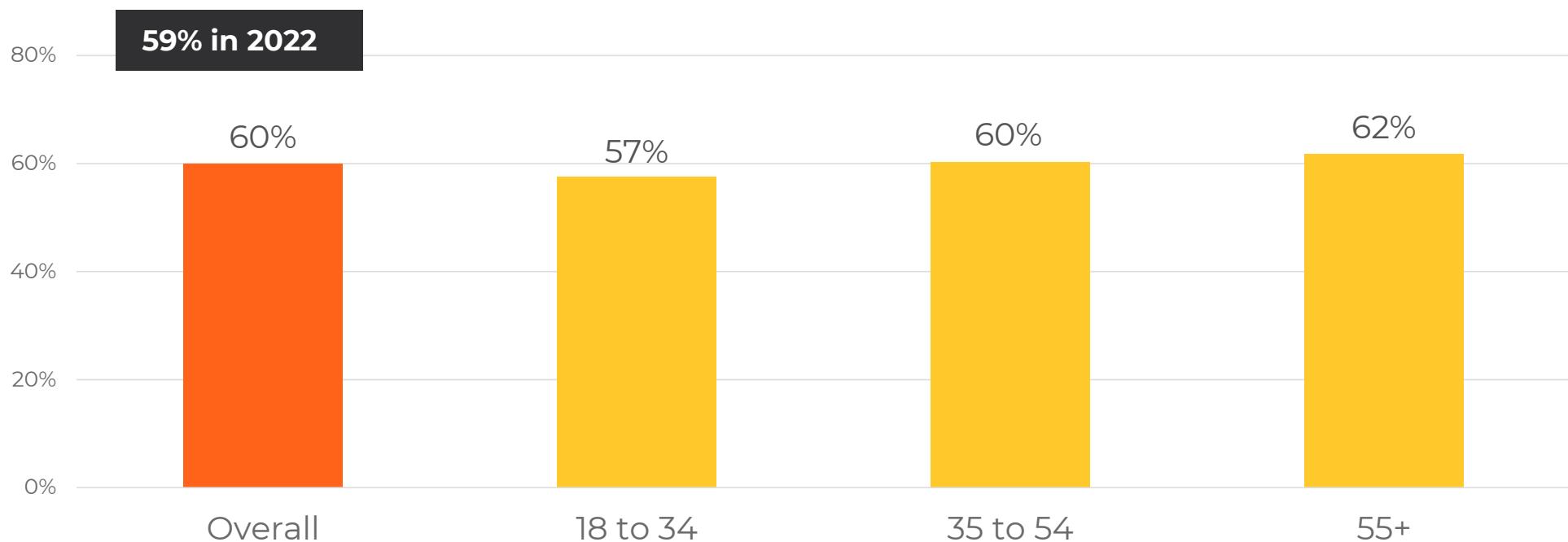
Opinions of Home Internet Speed

Q24. Which one of the following best describes your opinion about your home internet speed?



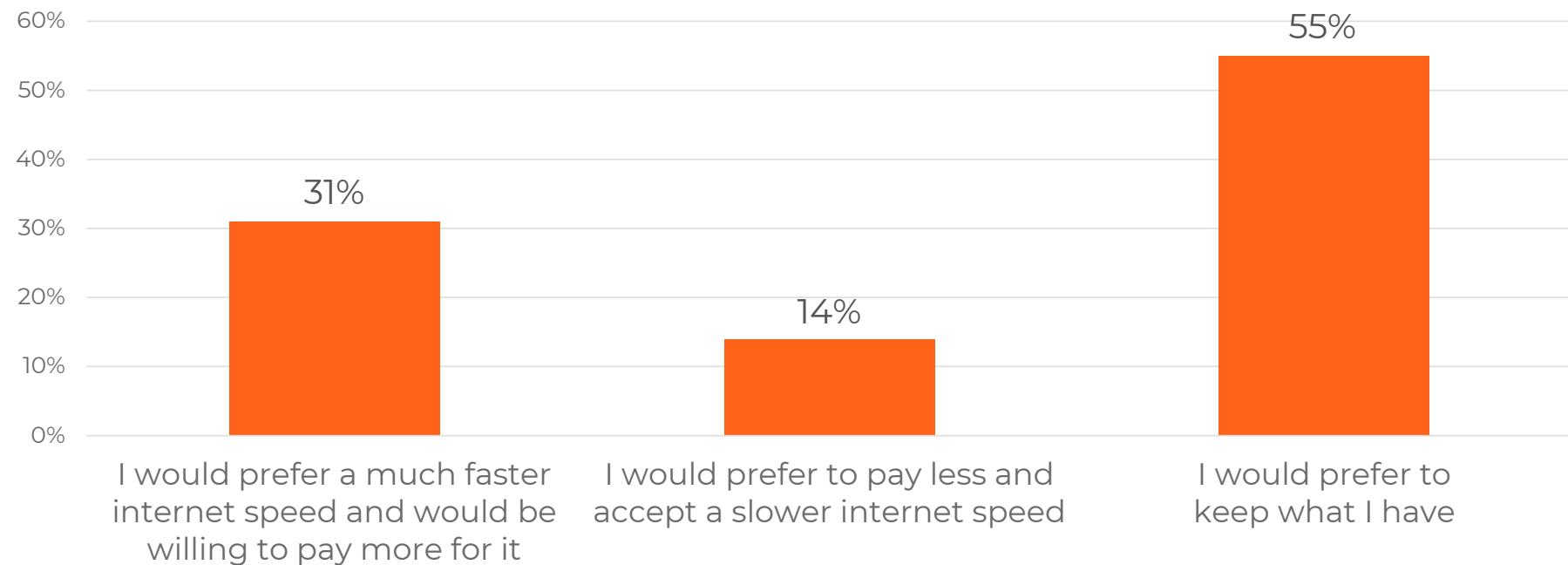
Aware that Faster Speeds are Available

Q25. 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”*



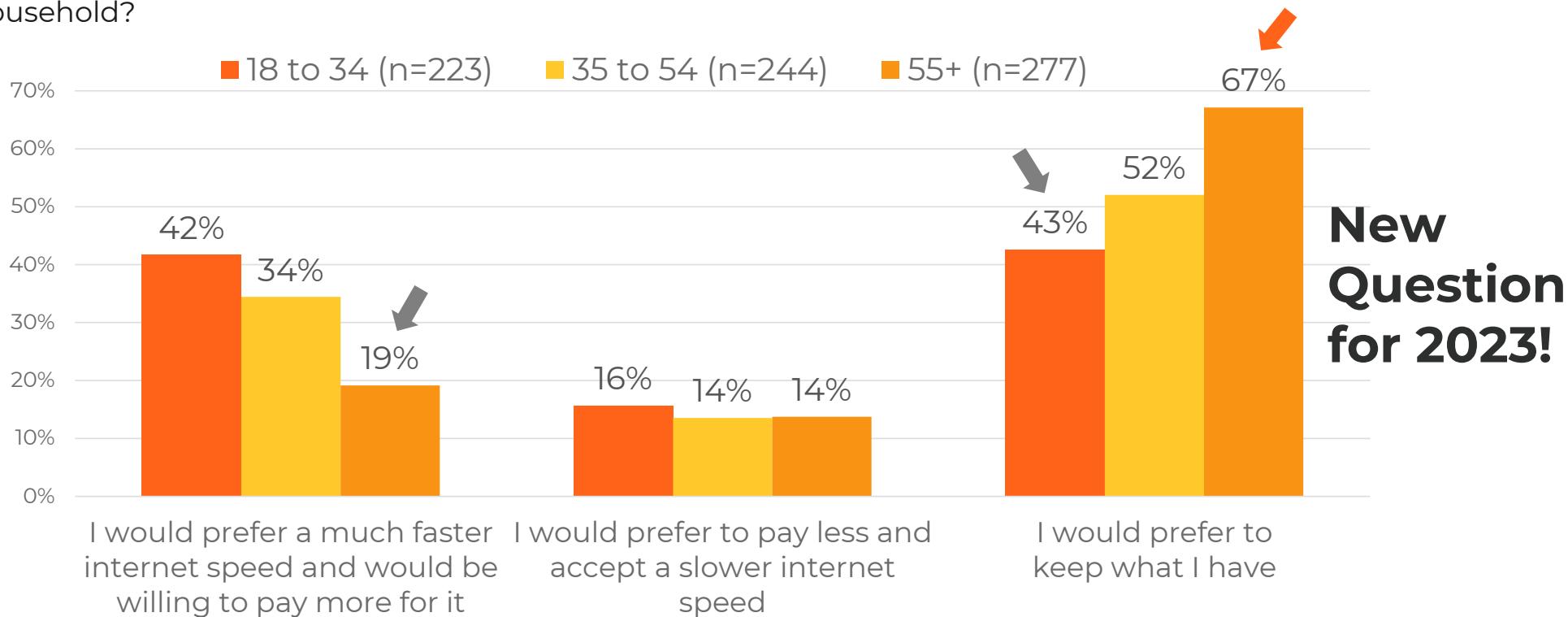
Preference for Faster Speed or Lower Price

Q26. Compared to what you're paying for internet now, which of the following would you prefer for your household? (n=744)



Preference for Faster Speed or Lower Price — by Age Group

Q26. Compared to what you're paying for internet now, which of the following would you prefer for your household?



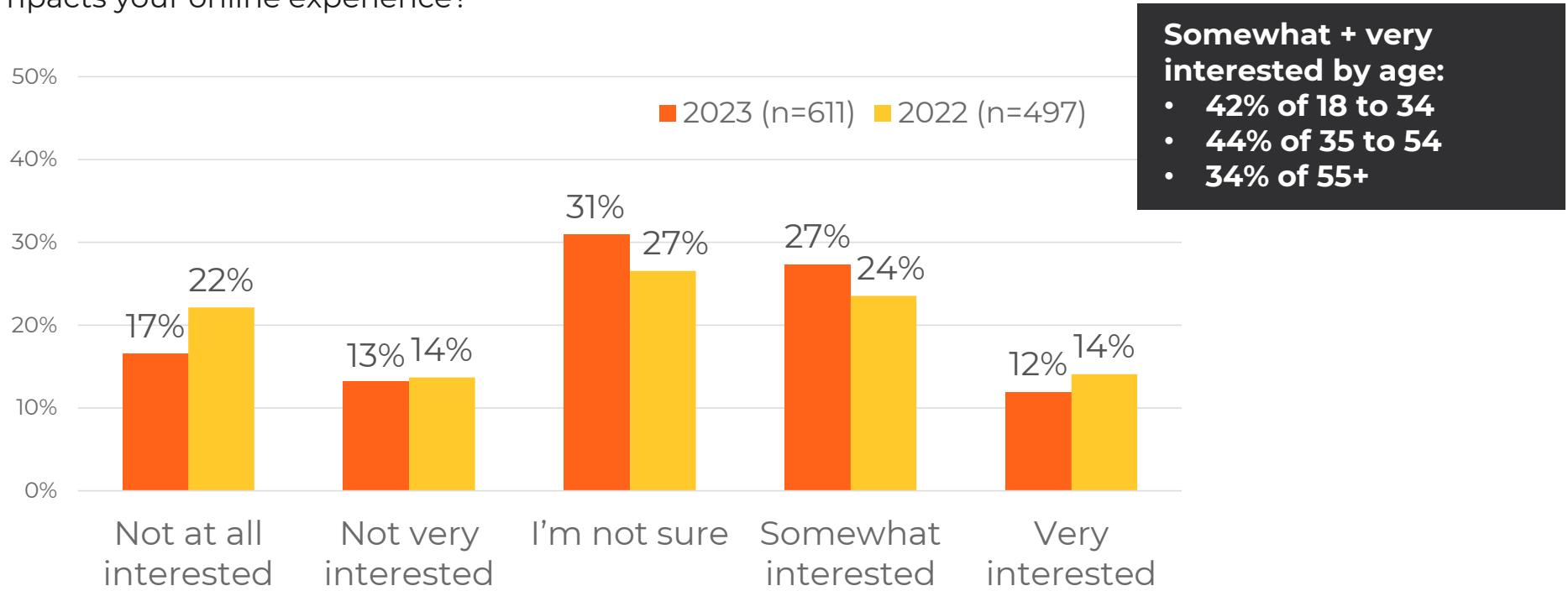
Amount Willing to Spend for Faster Internet

Q27. How much are you willing to pay per month (in total) for internet service that is much faster than you're getting now? (n=225)



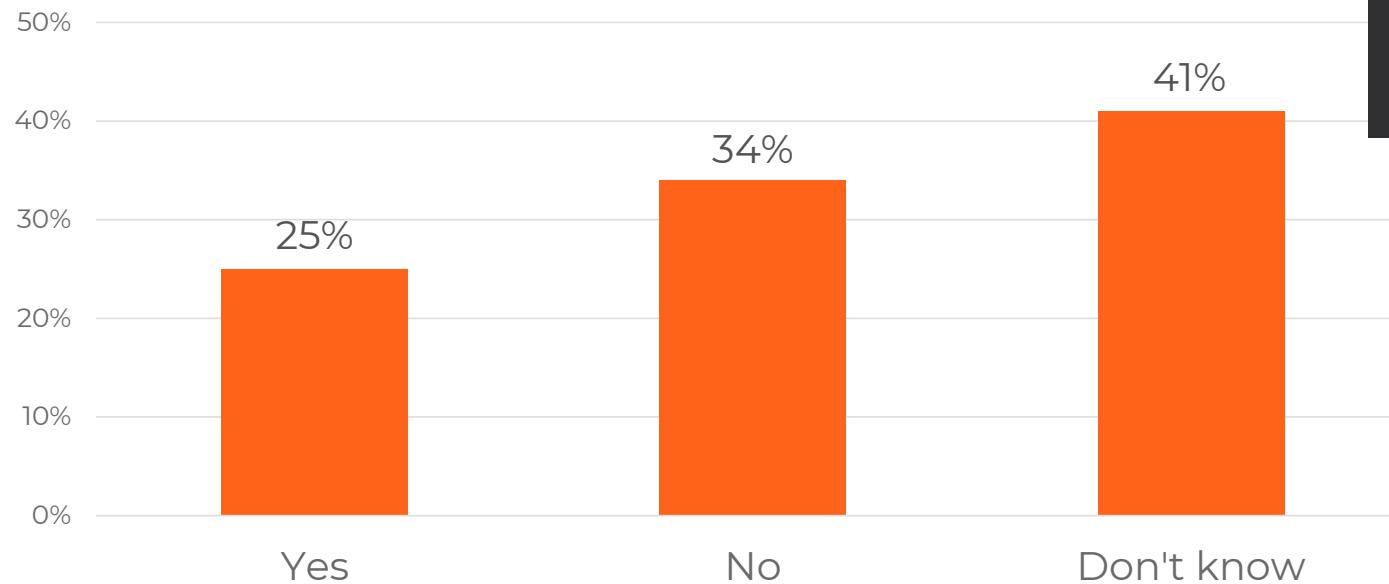
Interest in a Free Trial

Q28A. 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?



Interest in Paying for Faster Speeds

Q28B. If you experienced significantly faster internet speed during the free trial, would you be willing to pay more than you are currently paying to keep it? (n=429)

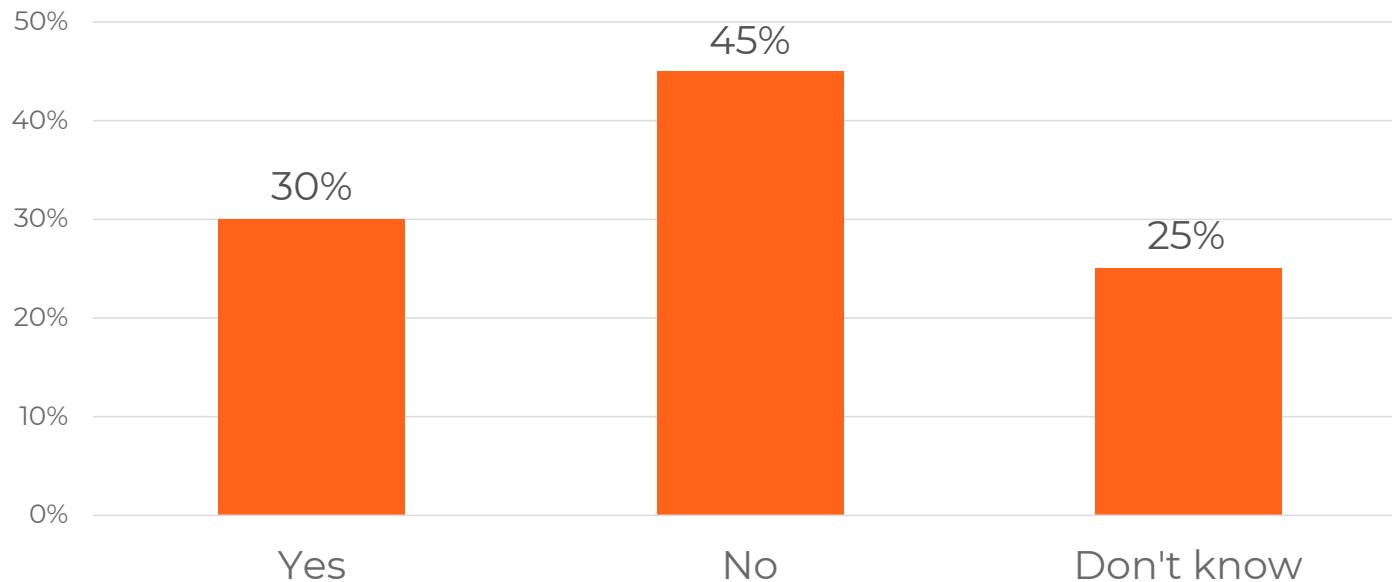


“Yes” by Age Group:
• 33% of 18 to 34
• 31% of 35 to 54
• 14% of 55+

**New Question
for 2023!**

Have Fiber Internet Connection

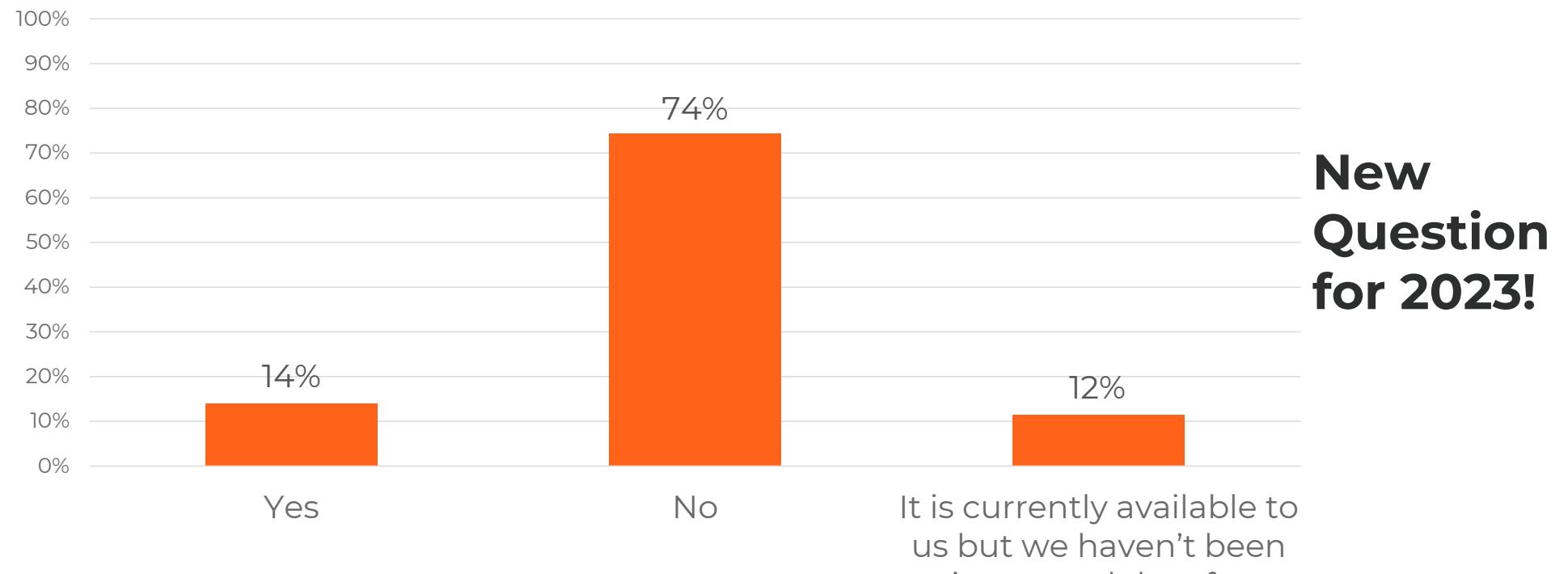
Q29A. Is your home internet service delivered via fiber optic connection? (n=841)



**New Question
for 2023!**

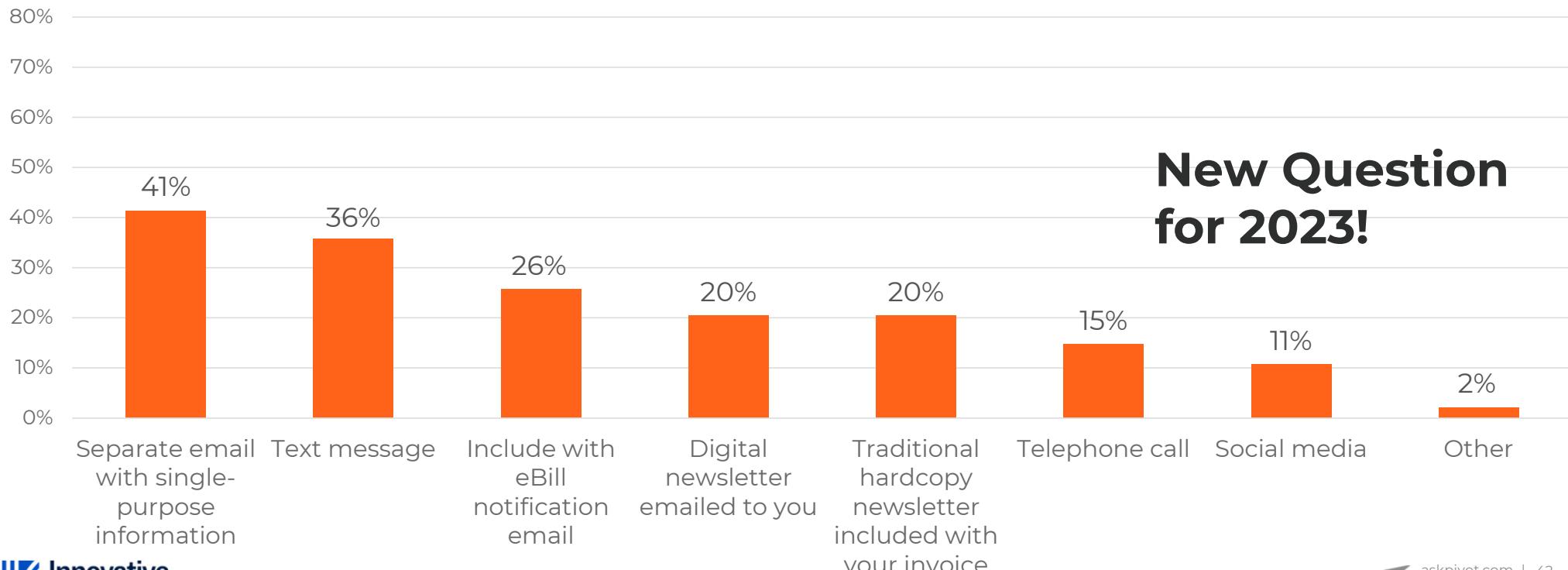
Received Notification of Fiber Availability

Q29B. Have you received, or do you recall seeing or hearing, any notification that fiber internet is coming to your area? (n=590)



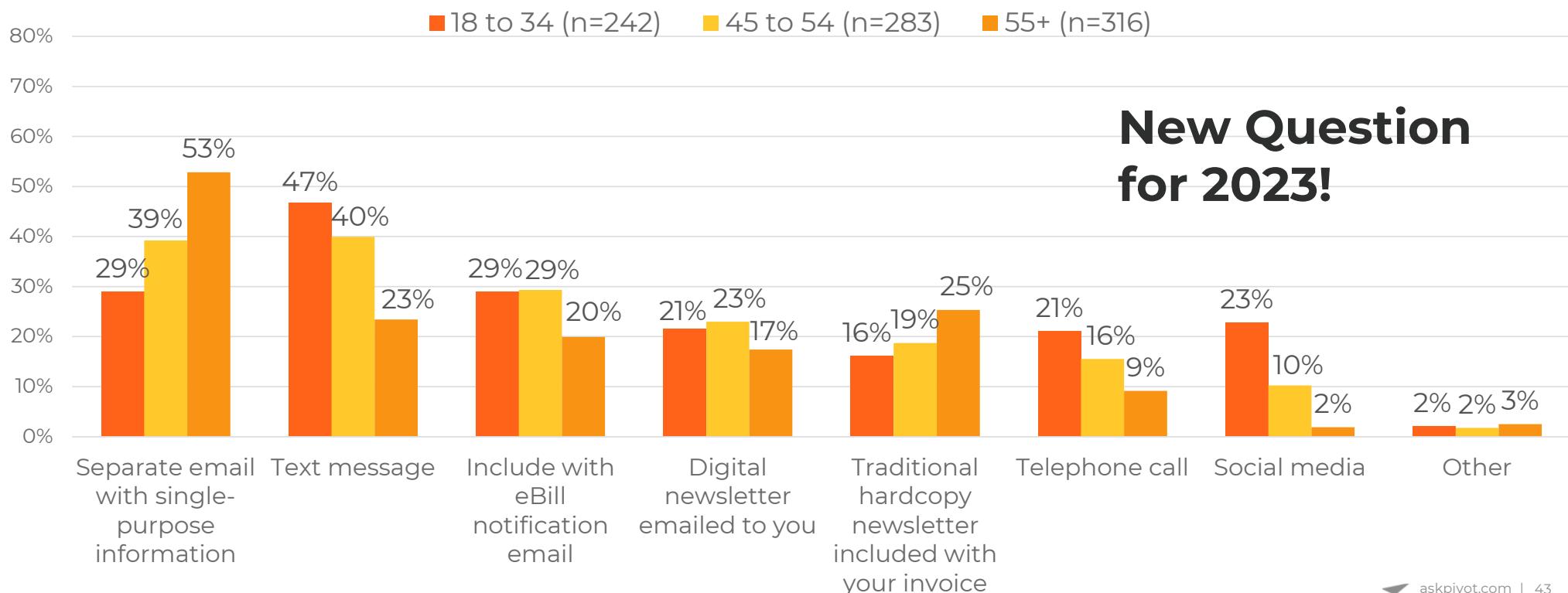
Preferred Method of Product/Service Notifications

Q39. If your internet provider announces a new product/service or new information about existing products/services, how do you prefer to be notified? (n=841) *Check all that apply.*



Preferred Method of Product/Service Notifications – by Age Group

Q39. If your internet provider announces a new product/service or new information about existing products/services, how do you prefer to be notified? (n=841) *Check all that apply.*



Wi-Fi

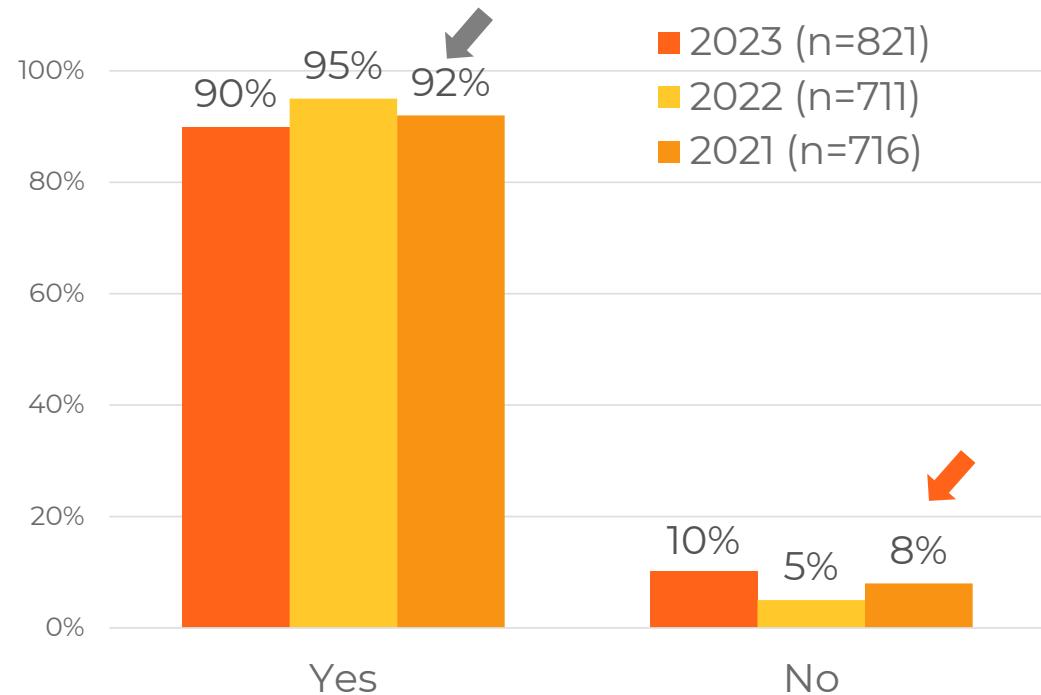
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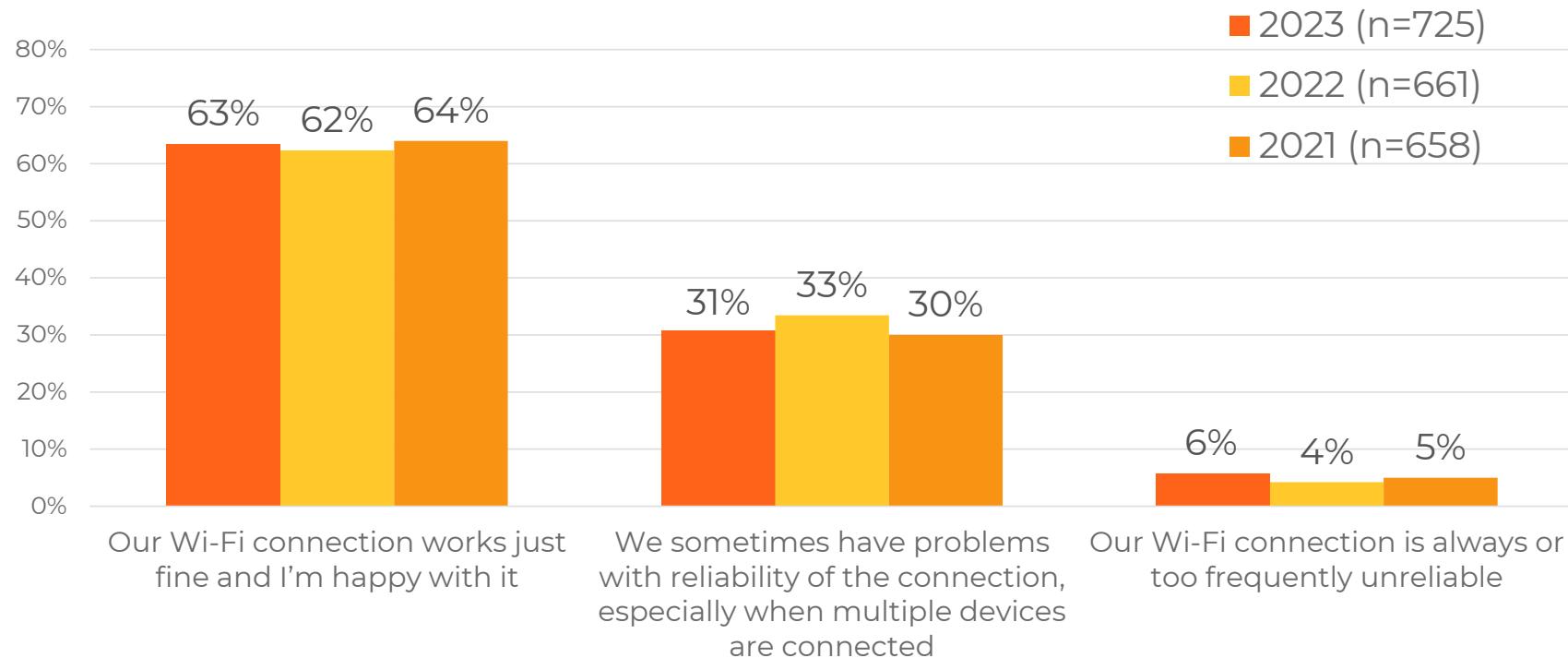
Wi-Fi in the Home

Q30. 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.)



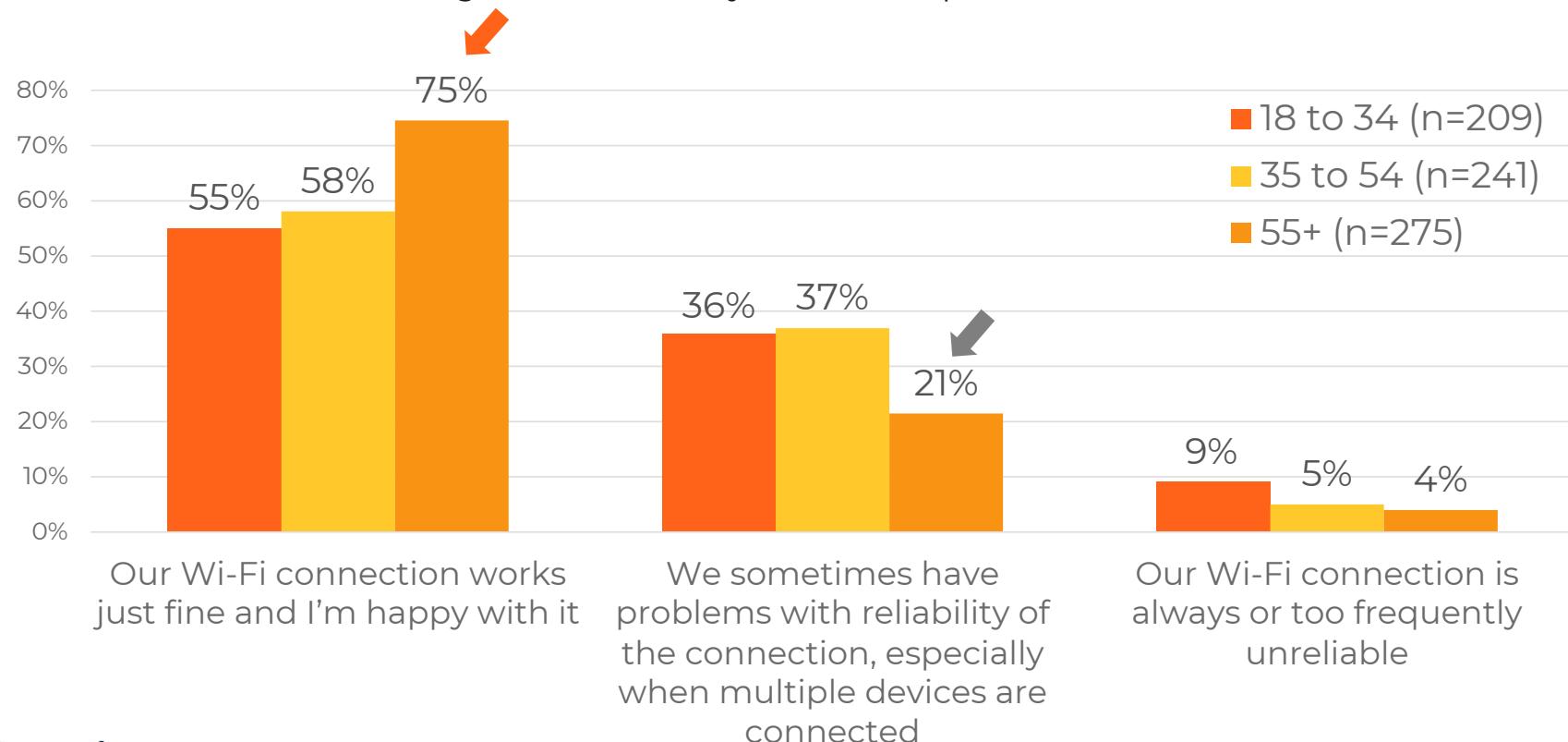
Opinions on Wi-Fi Experience

Q31. Which one of the following best describes your Wi-Fi experience at home?



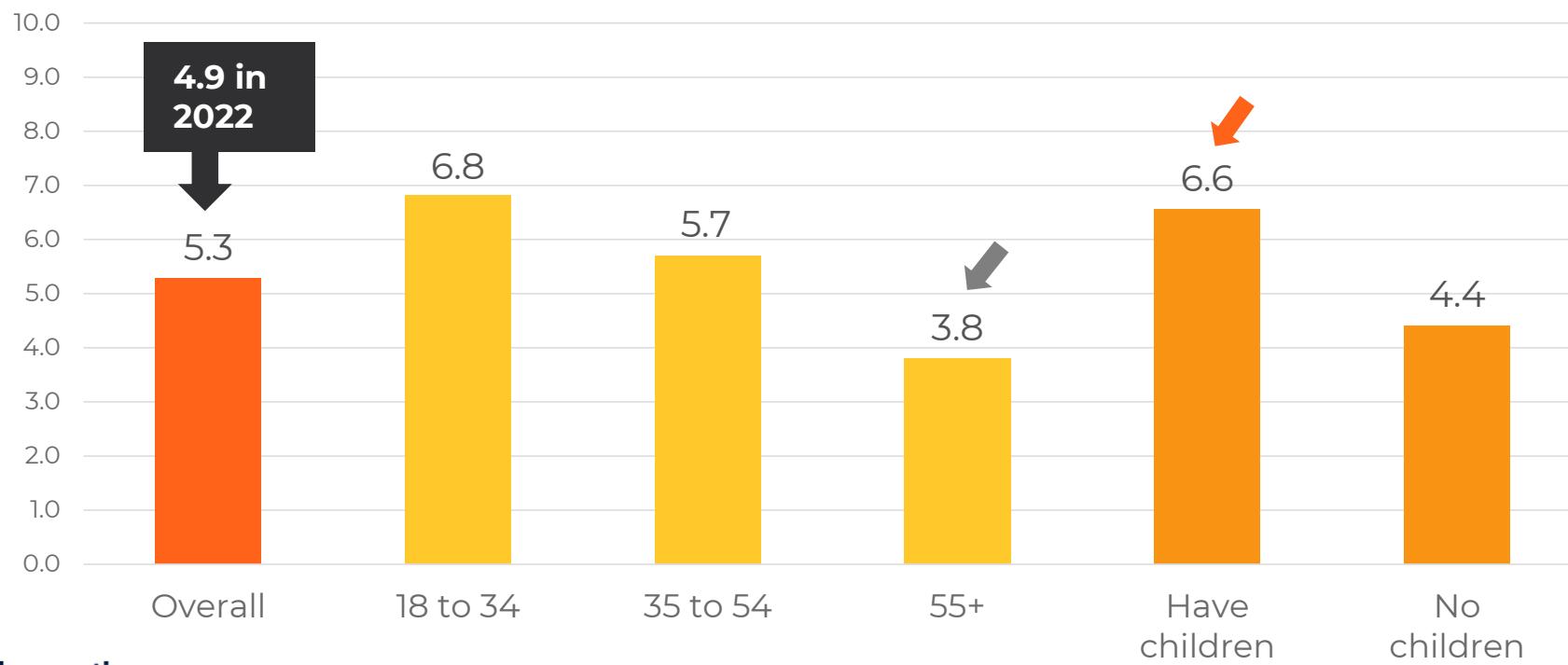
Opinions on Wi-Fi Experience — by Age Group

Q31. Which one of the following best describes your Wi-Fi experience at home?



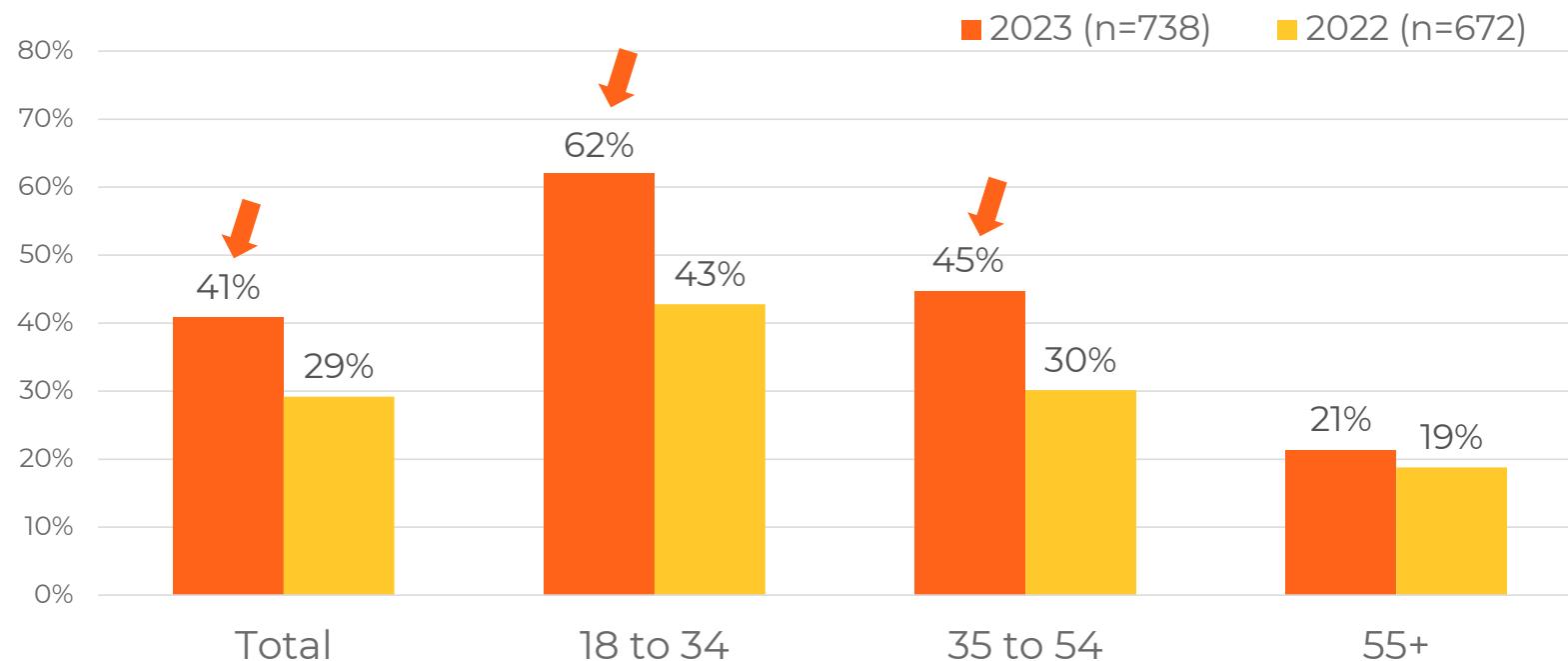
Number of Devices Connected at the Same Time

Q32. On a typical day, up to how many devices might be using your home internet at the same time (i.e., accessing the same Wi-Fi connection)? (n=730)



Use of Mobile App to Control Wi-Fi

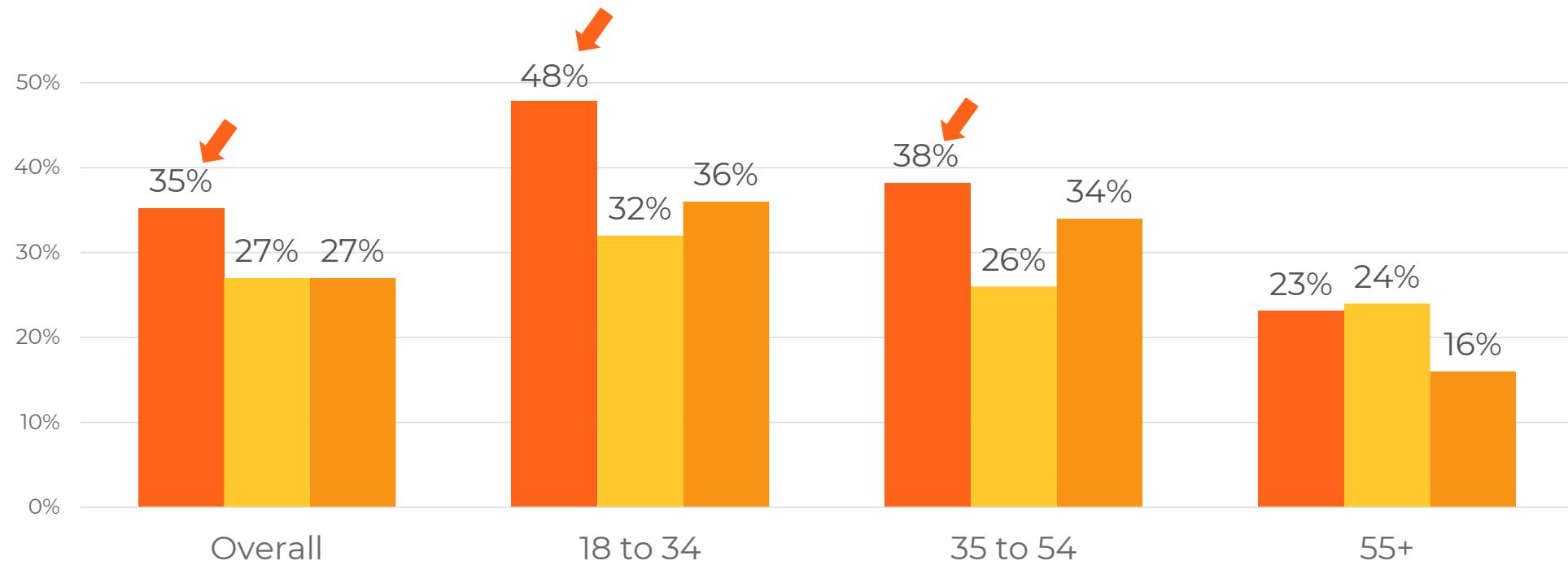
Q33. Are you or anyone in your household using a mobile app on your smartphone or tablet to control or manage your Wi-Fi connection or home network? *Percentage represents those answering “Yes”*



Subscribe to Managed Wi-Fi Service?

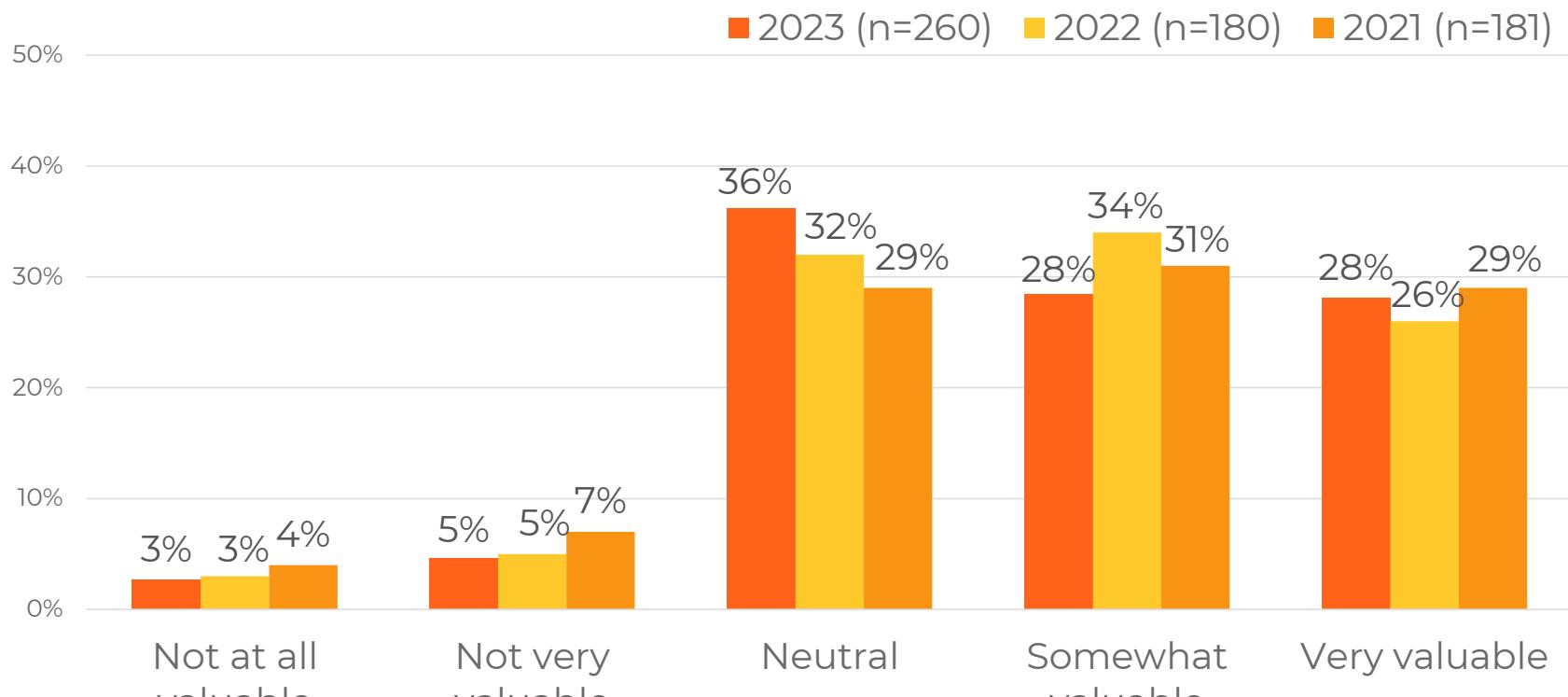
Q34A. Do you currently subscribe to a managed home Wi-Fi service?

Percentage represents those answering “Yes”



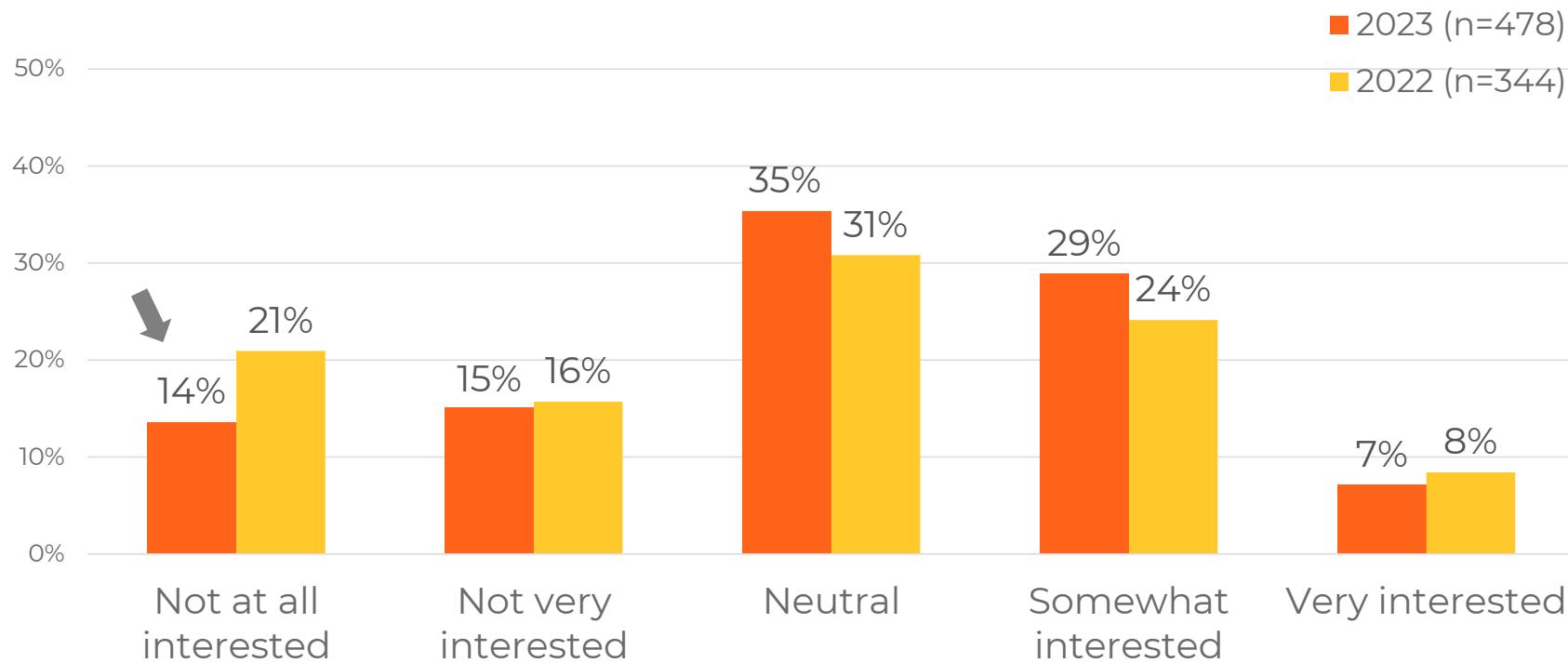
Value of Managed Wi-Fi

Q35. 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=478)



Work From Home

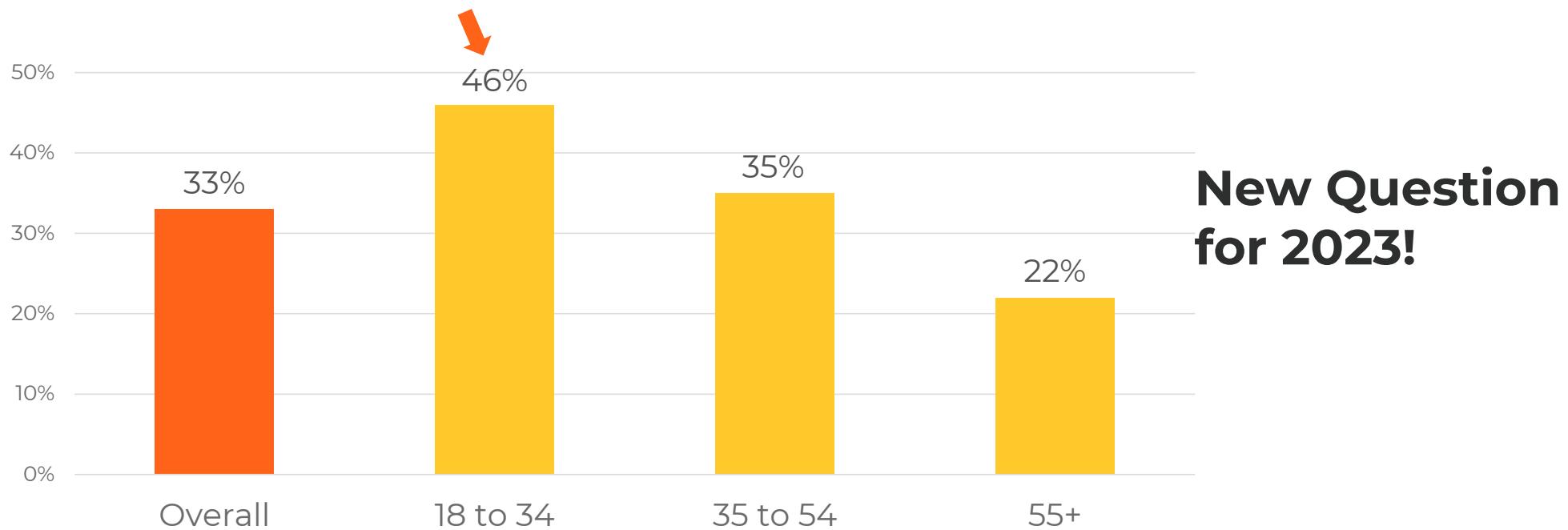
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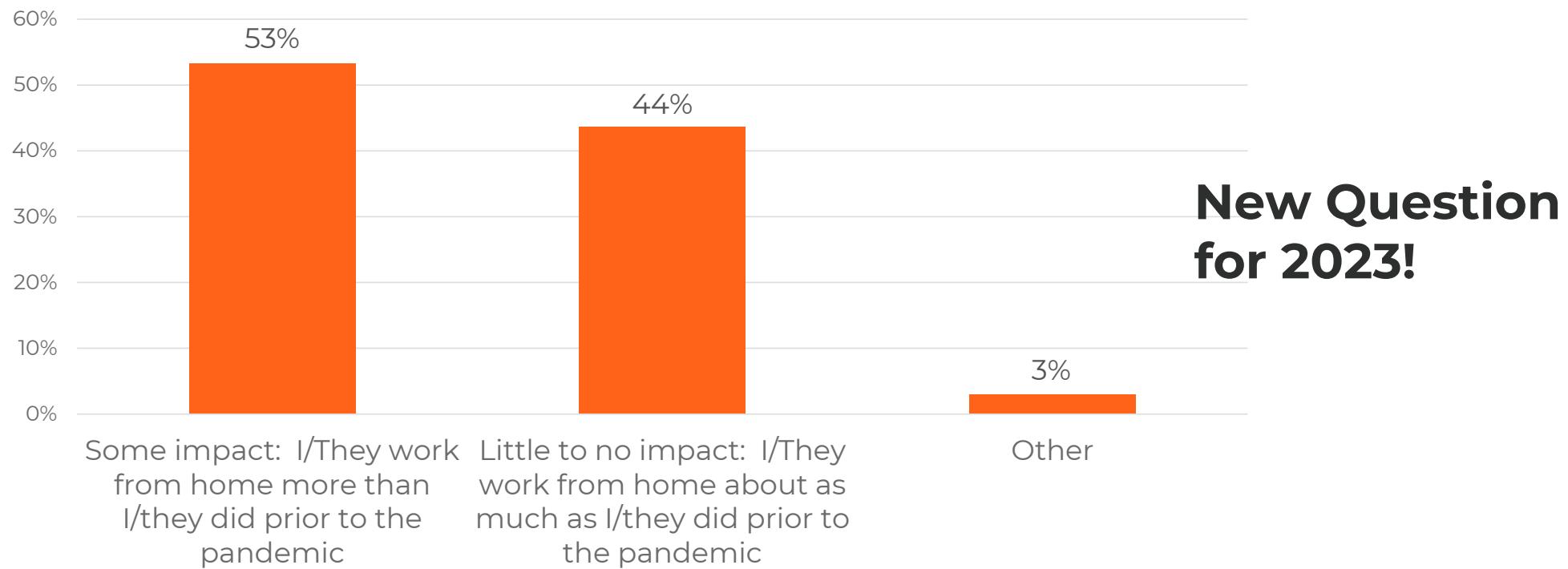
Household Member Works Mostly from Home

Q37A. Do you or does someone in your household work from home, either full time or some of the time? (n=821) Percentage represents those answering "Yes"



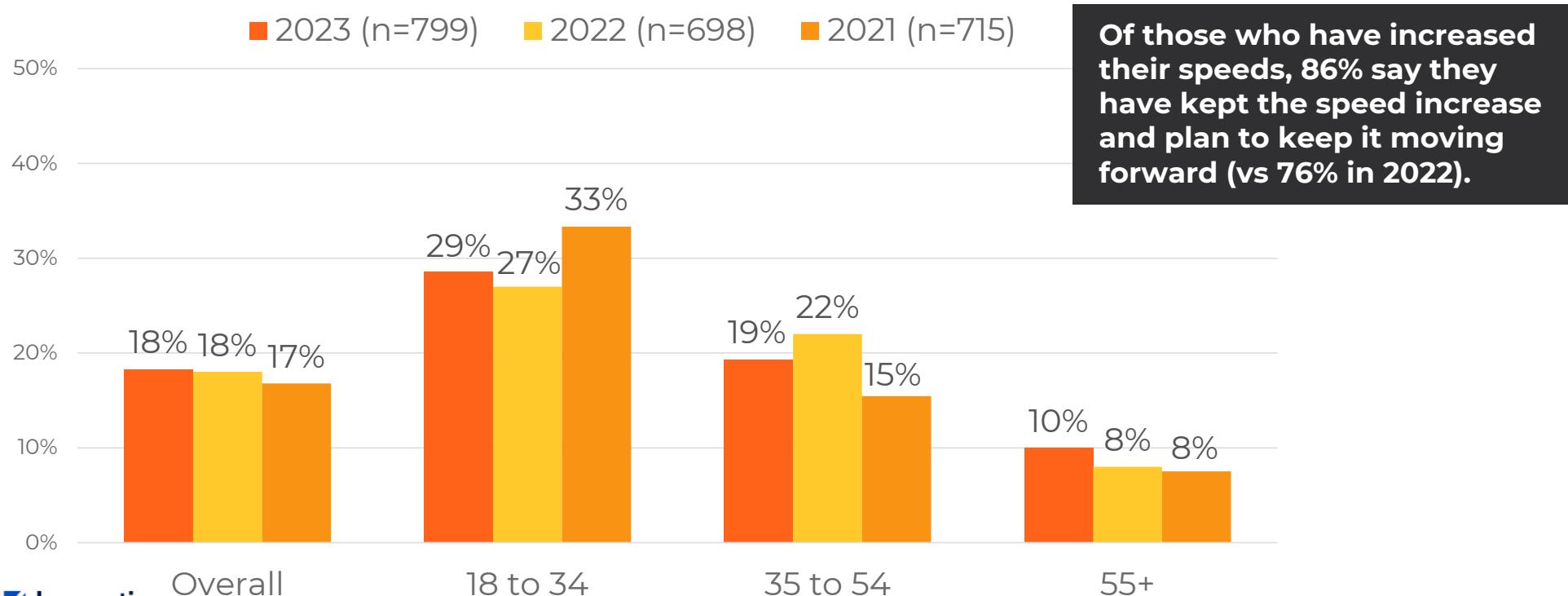
Impact of Pandemic on Working from Home

Q37B. Which best describes the impact of the pandemic on how much you/they work from home? (n=270)



Did Rural Customers Increase their Speeds?

Q38A. Since the time the pandemic began, has your household paid extra to increase/upgrade your internet speed? (n=799) *Percentage represents those answering “Yes”*



Of those who have increased their speeds, 86% say they have kept the speed increase and plan to keep it moving forward (vs 76% in 2022).

Key Findings

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Key Findings — Video

- The percentage of streaming households in rural America **has not changed significantly** over the past year (63% vs 61% in 2022). (Q4)
- **Top drivers of high TV satisfaction** continue to be: *having the specific channels we want* (52%), and *having many channels to choose from* (51%). (Q5B)
- **The top reason for low TV satisfaction** continues to be *rates/prices* (80%). Those aged 35+ are significantly more likely than younger ages to complain about high rates/prices. (Q5C)
- **The ability to record TV programs has increased** in popularity (63% to 71%). (Q8A)
- Nearly three quarters (74%) said they **prefer having the ability to fast forward through commercials**, rather than watch advertising-supported programs that cost less (with no ability to fast forward through commercials). (Q8B)



Key Findings — Video

- **Local programming has risen in importance** from a rating of 8.2 to 8.6. (Q9)
- **Average monthly spend** on TV has increased overall from \$113 to \$124. The increase is attributed more to the younger and older age groups than to those aged 35-54. (Q10)
- **Both monthly streaming spend and streaming as a percentage of all household TV watching** have remained statistically the same as one year ago, and across all age groups. (Q15/Q16)
- The percentage who **stream using mobile** devices has increased among those under age 35, from 77% to 85%. (Q17)



Key Findings — Broadband

- Overall, 63% **bundle internet and TV**, with no significant difference by age group. The average monthly spend on their bundle is \$121, up from \$114. (Q20/Q22)
- **The average internet satisfaction** rating is significantly higher among those 55 and older (8.0 vs 7.5). (Q21A)
- **Top drivers of high internet satisfaction** continue to be: *Good/Consistent connection speed* (65%), and *fair price* (62%). (Q21B)
- The **top causes of low satisfaction** are again *poor or inconsistent connection speed* (52%, down from 62%), and *rates/prices too high* (50%). (Q21C)
- As in the 2022 study, nearly 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 \$84**, down from \$91 a year ago. (Q26/Q27)
- Overall, 56% with managed Wi-Fi believe the service is somewhat or very valuable, down slightly (from 60%). (Q35)



Thank you!

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