

DirecTV Q4 growth: a red alert for cable rivals

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Analysts:

Stewart Schley
Matt Stump

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Issue: DirecTV had its best quarter for subscriber growth since early 2005, adding 301,000 new customers during the last three months of 2008 as it seemingly defied a bruising recession.

Background: DirecTV's mantra — deliver a better “TV experience” than rival providers — is achieving strong traction as customers flock to what many perceive as a superior HDTV offering and attractive promotional rates for new customers. Also of note: With nearly half of all subscribers taking HD and/or DVR services, DirecTV is far ahead of most cable companies in penetration of advanced digital video services.

Implications: DirecTV's growth illustrates how important perceptions of television and video service quality and offerings remain, even in the bundled-product environment that dominates wireline telecommunications. To fight back, cable providers must not only fortify and invigorate their own video offerings, but continue to drive home messages about fundamental reliability, signal quality, channel breadth and advanced service elements of the video offering.

ABOUT THE AUTHORS

Stewart Schley, Sr. Director, Industry Intelligence
stewarts@onetouchintelligence.com

Stewart has been reporting on and writing about the cable television and media industries for more than 25 years, for publications and organizations including *Multichannel News*, *Cable World*, *CED Magazine* and Paul Kagan Associates. He has founded and served as editor of several national business magazines and is the author of the book *Fast Forward: Video on Demand and the Future of Television*; the editor of the book *Definitive Broadband*; and a co-author of *Broadband Planet*, published in 2004 by Cisco Press. He joined One Touch Intelligence as Senior Director of Communications Intelligence in September, 2007.

Matt Stump, Sr. Vice President, Industry Intelligence
matts@onetouchintelligence.com

Matt Stump has been analyzing the media and entertainment industries for 29 years. He served as a reporter and editor for *Broadcasting*, *Cable World*, *On Demand* and *Multichannel News* magazines from 1980–2006. He joined One Touch Intelligence as VP, Communications Industry Intelligence in May 2006, and developed the ONETRAK® service that launched in October 2006. He monitors the competitive media and entertainment landscape on a daily basis for OTI and serves as primary writer for the company's TELCOTRAK service. Stump is a frequent moderator at industry events and has been quoted in major national newspaper and broadcast outlets.

ABOUT DBSTRAK

DBSTRAK is a comprehensive intelligence service that allows companies to make informed decisions based on thorough monitoring, reporting and analysis of the business activities of DirecTV and DISH Network.

DBSTRAK is produced by the One Touch Intelligence team of industry analysts who have been conducting research and writing about the satellite television industry since its inception. Including a weekly news bulletin, a detailed analytical monthly report, selected news alerts and optional analyst briefings, the service offers a single point of reference for critical business intelligence about a major competitive category.

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One Touch Intelligence, LLC
6312 South Fiddlers Green Circle
Suite 240 East
Greenwood Village, CO 80111
USA

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