

Dish Network may scrap HD-only packages

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Analysts:

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Issue: Under pressure from program networks, Dish Network may eliminate its HD-only channel packages later this summer, according to recent reports.

Background: Dish Network's TurboHD trio of packages launched in early 2008 as a seemingly innovative answer to DirecTV's HD-fueled subscriber growth, among other influences. In attempting to appeal to a growing population of customers with HD TV sets, Dish Network created the multichannel video industry's first collection of subscription video packages to feature purely HD feeds, and no standard-resolution channels.

Implications: The likely elimination of the TurboHD packages suggests relatively few subscribers are willing to make the trade-off Dish Network offered: inexpensive packages that sacrifice a plentitude of standard-resolution channels for up to 70 national HD channels and pay-per-view options. We believe the packages had narrow appeal from the start, partly because they contradicted a clear consumer preference for connections of multiple TV sets in the home in an era when a majority of homes have at least one non-HD set. A second important obstacle appears to be reticence of major programmers to forsake distribution of their primary SD feeds.

ABOUT THE AUTHORS

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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.

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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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