

Talking Points

DirecTV: Fact or Fiction?

DirecTV is a marketing machine. Competitors must work hard to appear as affordable and feature-rich. But there are a lot of myths surrounding satellite service. The following clarifies some common misperceptions about DirecTV.

---- **Myth**

“Get DirecTV in up to four rooms for free!”

Reality

Each set-top box is \$4.99 per month. A four-TV home would pay almost \$20 per month, just to rent set-top boxes. What’s free? DirecTV will install cable jacks in up to four rooms, if not already present. The boxes themselves must be leased, and every television requires a set-top box. During certain promotional periods, DirecTV provides one standard box for free.

---- **Myth**

DirecTV discounts its packages \$29.99 per month and gives you Showtime and Starz free for three months.

Reality

Customers are required to submit rebate forms in order to receive discounts. Prices return to normal after one year. \$5 of the \$29 discount is tied to on-line marketing. Customers must maintain a valid email address with DirecTV and receive promotional spam. Showtime and Starz billing commences automatically in the fourth month at \$24. Customers are not able to remove these premium channels until then.

--- **Myth**

DirecTV is cheaper.

Reality

DirecTV’s Average Revenue Per User (ARPU) is \$80.35 per month, the highest among the leading subscription video providers. This revenue is generated by television service only. No data (Internet), no local voice, no long-distance revenue is included. Customers need to understand that satellite television is ultimately more expensive.

--- **Myth**

Customers can watch all football games on DirecTV.

Reality

The NFL Sunday Ticket is \$314.93 for the four-month football season.

---- **Myth**
The satellite is small and unobtrusive.

Reality
If the front of the customer's home faces south, the dish will be plainly visible from the street. It can't be hidden behind trees or shrubs. Who wants an ugly satellite dish on the front of the home?

---- **Myth**
DirecTV has free HD and DVR.

Reality
Only the upgrade to an HD receiver is "free." The customer must buy the basic box for \$99. DirecTV then upgrades that box to HD and charges \$10 per month for high-def signal. For both DVR and HD, the box is \$299. After a \$100 rebate, the customer ends up paying \$199 for a DVR / HD box. Then, the customer pays an additional \$19.98 per month to receive the services.

---- **Myth**
DirecTV has local programming.

Reality
DirecTV's definition of "local" is the closest broadcast station. DirecTV does not have true local content, such as high-school sports and small town community events.

---- **Myth**
DirecTV has the highest customer satisfaction ratings.

Reality
DirecTV reports nationally averaged scores, comparing itself to giant cable companies, such as Time Warner. In local studies, independent telcos outscore DirecTV on customer satisfaction.

What You Should Know About DirecTV

- DirecTV recovers its monthly discounts through start-up and add-on fees.
- All channels are digital. There is no analog tier.
- All televisions require a set-top box.
- The dish must have a clear view of the southern sky.
- Installation is free, but equipment is not.
- DirecTV is a giant national corporation with no local employees, business offices or tech support.
- DirecTV's music channels are supplied by Sirius satellite radio.
- DirecTV is available everywhere in the continental United States. Cable is not.
- DirecTV does not have true video on demand. It offers pay-per-view selections, which must be watched at scheduled times. To access on-demand content, an HD / DVR box must be connected to high-speed Internet.
- Although it has partnerships with several telcos, DirecTV does not sell high-speed Internet or voice service. Customers can purchase DirecTV in a triple play bundle from AT&T, for example, but not vice-versa.

Visit www.directv.com to see interactive features, such as “virtual personal assistants” and on-line price quotes. There are radical discounts, custom content, free services and outrageous claims of quality and customer satisfaction.