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Disney+ Stumbles, Yet Still Tops All Telecom Companies in Customer Satisfaction; Netflix's Luster Wearing Off, ACSI Data Show

ANN ARBOR, Mich., (June 8, 2021) – When COVID-19 forced Americans to stay home, many turned to streaming, taking solace in their ability to binge-watch entertainment of all shapes and sizes. But it was only a matter of time before fatigue set in.

After a steady mark last year, customer satisfaction with video streaming tumbles 2.6% to a score of 74 (on a scale of 0 to 100), according to the <u>American Customer Satisfaction Index</u> (ACSI®) Telecommunications Study 2020-2021. While consumers still prefer streaming above all other telecom industries, its stranglehold on the segment is slipping as its lead over the next closest industry shrinks to just 3 points.

Of the five telecom industries covered in this study – subscription television service, internet service providers (ISPs), landline phone service, video-on-demand service, and video streaming service – subscription TV and landline phones are the only two to enjoy year-over-year gains.

"With folks resigned to stay at home for the better part of a year and a half, the heavy strain on telecommunications was inevitable," says David VanAmburg, Managing Director at the ACSI. "The large consumption of bandwidth for internet services and countless hours spent streaming videos and movies were sure to impact satisfaction. And it turns out that streaming has taken the biggest hit of all."

Disney+'s lead declines, while Netflix is now middle of the road

Video streaming remains the customer satisfaction leader among telecom industries despite its current decline. However, its advantage over subscription TV shrinks from 12 to 9 points.

Following a strong debut last year, Disney+ comes back down to earth. It still outpaces its competitors in video streaming – and across all five telecom categories – but customer satisfaction diminishes 3% to an ACSI score of 78.

Microsoft Store moves into second place after climbing 1% to 77, followed by Amazon's Twitch, up 1% to 76.

Netflix's fall from grace continues for a second year. The once-upon-a-time frontrunner plummets 4% to a score of 75, tying it with four others: Hulu (down 3%), HBO (up 1%), newcomer HBO Max, and YouTube TV (unchanged).

The group of smaller streaming services loses half of last year's gain, dropping 3% to the industry average of 74. Four other companies also meet the average: Amazon Prime Video (down 3%), Apple TV App (down 4%), Google Play (unchanged), and Starz (down 1%).

CBS All Access (down 3%) and Comcast's Vudu (up 1%) are next at 73, followed by Apple TV+ (down 3%), AT&T TV NOW (unchanged), Showtime (up 1%), and DISH Network's Sling TV (up 1%) – all at 72. Comcast's Peacock debuts near the bottom of the industry with a score of 71.

Crackle sits at the bottom of the industry once again, unmoved at an ACSI score of 68.

U-verse and Xfinity make big strides as subscription TV inches forward

Following a 3.2% bump last year, customer satisfaction with subscription TV service climbs again, up 1.6% to an ACSI score of 65.

Fiber-optic providers lead the way. AT&T's U-verse TV takes the top spot after soaring 6% to 74. Verizon Fios is next, up 1% to 71.

Satellite providers DIRECTV (up 3%) and DISH Network (up 2%) share third place with Comcast's Xfinity at 66. The latter continues its momentum from the previous year, gaining 5%.

The remaining companies all score below the industry average of 65. Charter Communications' Spectrum climbs 5% to 64, just ahead of Frontier Communications, which skyrockets 9% to 63. The group of smaller subscription TV providers and Cox both remain unchanged at 62, while Altice's Optimum tumbles 5% to 60.

The bottom two companies fall below 60. Mediacom slides 2% to 59, while Altice's Suddenlink stays in last place with a steady score of 56.

Verizon Fios falters and AT&T Internet takes advantage in ISP industry

Customer satisfaction with ISPs is unchanged at an ACSI score of 65.

Verizon Fios stumbles, dropping 3% to 71. It now shares first place with AT&T Internet, which rises 4% year over year.

Comcast's Xfinity comes in second place following a 2% jump to 67. Cox (up 3%) and Charter Communications' Spectrum (unchanged) tie at 63.

The group of smaller ISPs (down 3%) and Lumen Technologies' CenturyLink (down 2%) both

sink to 62. Windstream remains stable at 61, while Mediacom (up 2%) and Altice's Optimum (down 8%) each score 60.

Two ISPs occupy the bottom of the industry with scores in the 50s. Frontier Communications increases 4% to 57, while Altice's Suddenlink slumps into last place, dropping 4% to 55.

TP-Link has slight edge for in-home Wi-Fi quality; Verizon Fios and AT&T Internet not far behind

Verizon Fios and AT&T Internet lead all ISPs in Wi-Fi quality with scores of 74 each. Comcast's Xfinity is close by at 73, followed by Cox at 71.

Charter Communications' Spectrum posts a quality score of 69, followed by Mediacom at 68. Lumen Technologies' CenturyLink, Altice's Optimum, and Windstream all score 67, while Altice's Suddenlink comes in at 66. Frontier Communications finishes last at 63.

Among third-party Wi-Fi equipment, TP-Link sets the pace with a Wi-Fi quality score of 75. Netgear and ASUS are next at 73, followed by LinkSys at 72.

Once again, customers using third-party Wi-Fi equipment are by and large more satisfied than those relying on ISP-provided equipment. While ISP and third-party customers are equally satisfied with the security of their Wi-Fi connection (ACSI scores of 74), third-party equipment ranks higher for range of service, multiple device connections, avoiding service loss, upload/download speed, service restart, and price paid.

Video-on-demand service loses ground

Customer satisfaction with the video-on-demand services of major cable, satellite, and fiber-optic subscription TV providers slides 1.5% to an ACSI score of 67.

AT&T's U-verse TV holds the top spot despite slipping 1% to 73. Comcast's Xfinity improves 4% to 71, good for a second-place tie with Verizon Fios (unchanged).

DISH Network and DIRECTV each score 69. The former slips 3%, while the latter remains unchanged.

Cox climbs 2% to 67, and three companies score 66 each: Frontier Communications (up 3%), Altice's Optimum (up 2%), and Charter Communications' Spectrum (down 3%).

The group of smaller video-on-demand services finishes in last place after dropping 2% to 63.

AT&T soars to the lead among landline phone providers

Customer satisfaction with landline phone service inches up 1.4% to an ACSI score of 71.

AT&T rises 4% to 75, becoming the new industry leader. In second place, Verizon is steady at 74, followed by Vonage (down 3% to 72).

The group of smaller landline providers dips 1% to 70, while Altice's Optimum jumps 4% to meet them. Charter Communications' Spectrum (up 1%) and Comcast's Xfinity (down 1%) tie at 69, followed by Cox, which climbs 3% to an ACSI score of 68. Windstream (up 6%) is next at 67.

At the bottom of the industry, Lumen Technologies' CenturyLink is steady at 65, while Frontier Communications (up 5%) and Altice's Suddenlink (down 5%) share last place at 62 apiece.

The <u>ACSI Telecommunications Study 2020-2021</u> is based on interviews with 37,907 customers, chosen at random and contacted via email between April 1, 2020, and March 29, 2021. Follow the ACSI on <u>LinkedIn</u> and Twitter at @theACSI.

AMERICAN CUSTOMER SATISFACTION INDEX: TELECOMMUNICATIONS 2020-2021

VIDEO STREAMING, VIDEO-ON-DEMAND STUMBLE AMID PANDEMIC PRESSURE, WHILE SUBSCRIPTION TV POSTS ACSI GAIN*





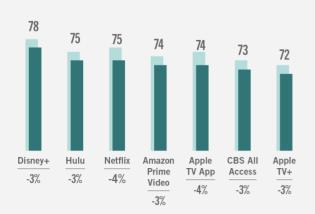


Video Streaming Service -2.6% Video-on-Demand Service -1.5% Subscription TV Service +1.6%

*Results based on interviews conducted from April 2020 to March 2021.

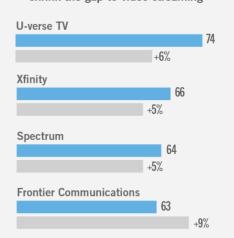
VIDEO STREAMING:

Leader Disney+ posts satisfaction minus as 7 services fall 3% or more



SUBSCRIPTION TV:

Big ACSI gains for 4 providers help shrink the gap to video streaming



BINGE-WORTHY OR CRINGE-WORTHY?

Declining customer experience benchmarks for video streaming programming

Quality of original programming	-3%	74
Variety of TV shows by category	-3%	74
Availability of past season's TV shows	-3%	73
Number of movies	-3%	73
Number of TV shows	-4%	73
Variety of movies by category	-4%	73
Availability of current season's TV shows	-3% 71	
Availability of new movie titles	1% 70	



0-100 Scale

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The <u>American Customer Satisfaction Index</u> (ACSI®) has been a national economic indicator for 25 years. It measures and analyzes customer satisfaction with more than 400 companies in 46 industries and 10 economic sectors, including various services of federal and local government agencies. Reported on a scale of 0 to 100, scores are based on data from interviews with roughly 500,000 customers annually. For more information, visit <u>www.theacsi.org</u>.

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