

# Public Consultation Exercise on the Renewal of the Domestic Pay Television Programme Service Licence of Hong Kong Cable Television Limited



Dec 2016



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**Report on the  
Public Consultation Exercise  
for the Renewal of the  
Domestic Pay Television Programme  
Service Licence**

**Hong Kong Cable Television Limited**

**Communications Authority  
December 2016**

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## **Chapter 1. Introduction**

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### **Application for Renewal of Licence**

The existing domestic pay television programme (“pay TV”) service licence of Hong Kong Cable Television Limited (“HKCTV”) granted under the Broadcasting Ordinance (Cap.562) (“BO”) runs from 1 June 2005 to 31 May 2017 (both dates inclusive). HKCTV submitted an application to the Communications Authority (“CA”) for renewal of its pay TV service licence on 29 May 2015 (hereinafter referred to as the “licence renewal application”). In accordance with the BO and the established practice for processing licence renewal applications, the CA conducted a comprehensive assessment of the performance of HKCTV since June 2005 and made recommendations to the Chief Executive in Council (“CE in C”) on the licence renewal application in April 2016.

### **Public Consultation Exercise**

2. The CA attaches great importance to public views. In line with past practices, the CA conducted a one-month public consultation exercise between 22 July 2015 and 21 August 2015 to gauge public views on the performance of HKCTV through various channels. The CA has given careful consideration to the public views collected and assessed the performance of HKCTV against the various statutory requirements as well as requirements under licence conditions and codes of practice and the investment commitments of HKCTV in making recommendations to the CE in C.

### **Full Report on the Public Consultation Exercise**

3. This report sets out the salient points of the views collected in the public consultation exercise and explains the methodology used to consolidate views.

4. We would like to thank HKCTV for its participation, and all the individuals and groups who have expressed their views in the public consultation exercise. The written submissions have been uploaded onto the CA website (<http://www.coms-auth.hk>) for public information. If you have any enquiries about the consultation exercise and this report, please contact us through the following channels –

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## **Chapter 2. The Public Consultation Exercise**

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### **Mechanism of Collecting Public Opinions**

The public consultation exercise was conducted during the period from 22 July 2015 to 21 August 2015. The consultation was widely publicised through different means, including broadcast/publication of announcements on television and radio and at the websites of the CA and the licensee, as well as on other websites and in newspapers. To facilitate the public to give their views on different areas of the performance of the licensee, the CA issued an information booklet summarising the licensee's service, complaints records, investment plan and the regulatory requirements for pay TV service licensees. Such information was also uploaded onto the CA's website for reference of the public.

2. The CA collected public views through the following channels –

(a) Opinion Surveys

The CA commissioned an independent survey company to conduct (i) an opinion survey on the pay TV service of HKCTV ("Pay TV Survey") and (ii) an opinion survey on the service termination practices adopted by HKCTV ("Service Termination Survey"). For the Pay TV Survey, household interviews were conducted from September 2015 to January 2016 with 1,603 subscribing households of HKCTV using a random sampling methodology. As for the Service Termination Survey, telephone interviews were conducted with 401 respondents who had the experience of terminating the pay TV service of HKCTV using a random sampling methodology.

(b) Public Hearings

The CA conducted two public hearings, one on Hong Kong Island and the other in Kowloon. 163 members of the public attended the public hearings and 40 of them spoke at the hearings.

(c) Written Submissions

Members of the public were invited to express their views via mail, fax or email. 104 written submissions from different groups and individuals were received.

### **Statistics of the Public Consultation Exercise**

#### Public Hearings

3. The CA conducted two public hearings during the public consultation exercise as follows –

<b>Date</b>	<b>Number of Attendees</b>
28 July 2015	81
13 August 2015	82
<b>Total:</b>	<b>163</b>

#### Written Submissions

4. The CA received a total of 104 written submissions (including 4 late submissions) from members of the public during the public consultation exercise. Statistics on the types and modes of written submissions are as follows –

		<b>Number of Submissions</b>
Types of Written Submissions	Groups	14
	Individuals	90
Total:		104

		<b>Number of Submissions</b>
Modes of Written Submissions	By email	56
	By post	28
	By fax	15
	Telephone calls recorded in writing	2
	By hand	3
Total:		104

5. After consolidating the 104 written submissions, the CA found that –

- (a) while most submissions were submitted with the names of the members of the public concerned, there were 2 anonymous written submissions; and
- (b) there were 14 written submissions made in the name of groups.

The written submissions have been uploaded onto the CA's website.

### Opinion Surveys

6. The CA commissioned an independent survey company to conduct the Pay TV Survey and Service Termination Survey to gauge public views on the pay TV service provided by HKCTV. For the Pay TV Survey, a total of 1,603 subscribing households were successfully interviewed and the overall response rate was 65.1%. As for the Service Termination Survey, a total of 401 respondents were successfully interviewed and the response rate was 96.9%. The executive summaries



of the two opinion surveys are at **Appendixes I** and **II** respectively and have been uploaded onto the CA's website.

## **Chapter 3. Reporting Principles**

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The CA has compiled the report having regard to the following principles –

**(a) To record public views in an objective, comprehensive and systematic manner**

The CA commissioned an independent survey company to conduct two opinion surveys to gauge public views on the pay TV service of HKCTV. The CA also encouraged the public to freely express their views on the licensee's service at the public hearings and through written submissions. The CA has given careful consideration to all views collected and consolidated them in an objective, comprehensive and systematic manner.

**(b) To accord equal weight to all views received**

Apart from conducting the opinion surveys, the CA did not attempt to analyse the other views collected in a quantitative manner because the views collected at the public hearings and the written submissions were quite diverse in format and content. It would be difficult to treat those views in a standardised way and to quantify them. In addition, the CA accords equal weight to views expressed by both the minority and the majority. Therefore, the report places emphasis on reflecting opinions received in a comprehensive manner.

**(c) To keep the identity of opinion providers confidential**

This report respects the source of each and every opinion. The names and contact information of opinion providers are kept confidential for privacy reasons.

2. To facilitate easy reading, the public views are categorised as follows –

- (a) views which were received from the opinion surveys conducted by the independent survey company commissioned by the CA. The survey company has analysed the data collected and compiled the major findings (as reflected in Part 1 of Chapter 4 of this report); and
- (b) views which were submitted to the CA during the public consultation exercise (as reflected in Part 2 of Chapter 4 of this report). These include –
  - (i) views expressed at the public hearings; and
  - (ii) written submissions from various groups and individuals.

3. Views collected from the above channels may at times be repetitive. The CA has consolidated similar views for easy reference of the public.

## **Chapter 4. The Public Views Collected**

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### **Part 1: Quantitative Analysis of Data of the Public Opinion Surveys**

#### 1. Objectives, Scope and Research Method

1.1 To gauge public views on the pay TV service provided by HKCTV, the CA commissioned an independent survey company to conduct the Pay TV Survey and the Service Termination Survey in consultation with the Census and Statistics Department.

1.2 For the Pay TV Survey, the main objective is to gauge the views of the subscribing households of HKCTV on HKCTV's pay TV service, including the standard, quality and diversity of HKCTV's programmes. Public views were collected by interviews<sup>1</sup> with members of the subscribing households of HKCTV using a random sampling methodology. The fieldwork was conducted by the survey company between September 2015 and January 2016. A total of 1,603 respondents aged 15 or above were successfully interviewed, achieving an overall response rate of 65.1%. Where appropriate and applicable, the findings of the Pay TV Survey are compared with those of similar surveys conducted in 2003 and 2007.

1.3 As for the Service Termination Survey, the main objective is to collect public views on the service termination practices adopted by HKCTV for its pay TV service. The survey employs a probability sampling method among the households that have installed residential telephone lines in Hong Kong. Views of the respondents, i.e. persons aged 18 or above who had terminated HKCTV's pay TV service in the five years prior to the Service Termination Survey, were collected by way of telephone interview. A total of 401 respondents were successfully interviewed by the survey company between September 2015 and January 2016, achieving an overall response rate of 96.9%.

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<sup>1</sup> The sampled respondents may opt to complete the questionnaires through face-to-face interview, telephone, online survey and mail.

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1.4 The executive summaries of the two opinion surveys are at **Appendixes I and II** and are also available on the CA's website (<http://www.coms-auth.hk>).

## 2. Major Survey Findings

Major findings of the surveys are summarised below.

### (A) Pay TV Survey

#### 2.1 Viewing Habits of HKCTV Viewers

- Viewers usually watched HKCTV's pay TV service from 9:00 p.m. to 9:59 p.m. The average time spent on watching HKCTV's pay TV service per day was 1.8 hours.
- News and information (70%), Entertainment (39%) and Movies (39%) were the most frequently watched HKCTV's programmes.

#### 2.2 Purpose of Watching HKCTV's Pay TV Service

- Viewers watched HKCTV's pay TV service mainly for obtaining information such as news, weather, financial and traffic reports, etc. (51%), viewing a greater variety of programme types (34%), watching programmes exclusively broadcast on its service (26%) and attractive programme contents (23%).

#### 2.3 Programme Variety

- 66% of the respondents considered that the types of programmes offered by HKCTV were sufficient. 22% considered them insufficient.

- 68% of the respondents were satisfied with the programme variety of HKCTV's pay TV service, while 12% were dissatisfied.

#### 2.4 Programme Quality

- 68% of the respondents were satisfied with the programme quality of HKCTV's pay TV service, while 12% expressed dissatisfaction.

#### 2.5 Reception Quality

- 72% of the respondents considered the reception quality satisfactory. 16% expressed dissatisfaction.

#### 2.6 Current Programme Standards and Protection of Children

- Over 95% of the respondents stated that they had not encountered offensive materials on HKCTV's pay TV service, while a small proportion of the respondents stated that they had encountered offensive materials in programmes (5%) or advertisements (2%).
- 80% of those who had children aged 15 or below stated that parents or other family members aged 18 or above had accompanied their children to watch HKCTV's pay TV service, and 45% of them accompanied their children to watch HKCTV's pay TV service five times or more a week.
- 56% of those who were aged 18 or above were aware of the locking device provided by HKCTV's pay TV service to its subscribers. Among those who had used the locking device, 92% considered it effective in preventing children from watching adult materials. 98% considered it user-friendly.

## 2.7

### Customer Services

- Among those who had experienced the service termination process (4.5% of the respondents), 54% encountered difficulties during the process. The major difficulties were as follows –
  - (a) “hotlines were always busy/customers were subject to lengthy waits” (51%);
  - (b) “request for service termination could only be submitted within the designated notification period” (35%);
  - (c) “required to submit the service termination form to designated places/via designated means” (33%);
  - (d) “unable to obtain the service termination form”(31%); and
  - (e) “request for service termination was ignored/the request for service termination was made difficult” (30%).
  
- Among those who had experienced the service termination process (4.5% of the respondents), 54% were dissatisfied<sup>2</sup>. 41% considered the service termination process satisfactory and 4% found it average. 2% had no comment. Among those who expressed dissatisfaction with the service termination process of HKCTV, the reasons were as follows –
  - (a) “the process was too complicated” (60%),

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<sup>2</sup> A dissatisfaction level as high as over 40% is considered abnormal as per the advice of the survey company. From past observations, consumer survey would generally show a level of customer dissatisfaction with services or products from 5% to 15%.

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- (b) “response from HKCTV was considered slow, or it was felt that HKCTV procrastinated the process on purpose” (60%); and
  - (c) “the process was too long” (50%).
- Responses were divided in respect of other customer services provided by HKCTV, viz. “renewal of contract” (44% satisfied versus 38% dissatisfied), “customer service hotline” (56% satisfied versus 31% dissatisfied), “making enquiry or request for information” (60% satisfied versus 23% dissatisfied) and “repair and technical support” (71% satisfied versus 18% dissatisfied).

## 2.8 Overall Satisfaction

- 52% of the respondents were satisfied with HKCTV’s pay TV service, whereas 31% were dissatisfied and 14% found it average. Among those who expressed dissatisfaction with HKCTV’s pay TV service, the reasons were as follows –
  - (a) high subscription fee (79%);
  - (b) insufficient programme types (34%);
  - (c) poor customer services or insufficient technical support (30%); and
  - (d) low programme quality (27%).



**(B) Service Termination Survey**

2.9 Difficulties Encountered during Termination of HKCTV's Pay TV Service

- 46% of respondents encountered difficulties during the service termination process. The major difficulties were as follows –
  - (a) “hotlines were always busy/customers were subject to lengthy waits” (49%);
  - (b) “the request for service termination was ignored/the request was made difficult” (31%);
  - (c) “no response/delayed response after submission of service termination form” (17%);
  - (d) “customers required to return the decoder to designate places within a designated timeline” (12%); and
  - (e) “required to submit the service termination form to designated places/via designated means” (9%)

2.10 Reasons of dissatisfaction with the termination process of HKCTV

- 44% of the respondents were dissatisfied with the service termination process, whereas 40% considered it satisfactory. 15% found it average.
- Among those who expressed dissatisfaction with the service termination process of HKCTV, the reasons were as follows –
  - (a) “the process was too complicated” (46%),

- (b) “the process was too long” (34%); and
- (c) “response from HKCTV was considered slow, or it was felt that HKCTV procrastinated the process on purpose” (33%).

2.11 While the data of the Pay TV Survey and the Service Termination Survey was gathered from different respondents and by different data collection methods, it is noted that the findings of the two surveys on various aspects of the service termination process of HKCTV (viz. major reasons of dissatisfaction and major difficulties encountered) are largely consistent, though the percentage for specific reasons/difficulties encountered may vary.

## **Part 2: Comments Collected from Public Hearings and Written Submissions from Groups and Individuals**

### **1. Programme Diversity**

- 1.1 Programmes acquired by HKCTV were diversified and informative.
- 1.2 HKCTV had broadcast too many Korean drama series and should acquire drama series from other countries.
- 1.3 Sports programmes of HKCTV focussed primarily on soccer, basketball and golf. They should cover other sports such as tennis, martial arts, lacrosse, equestrian and rowing.
- 1.4 Programmes of HKCTV were predominated by travelogues, feng shui and supernatural matters. HKCTV should provide more diversified programmes including variety shows, cultural programmes, current affairs programmes, major sports events, and programmes on environment, science, inspiring anecdotes and local affairs.
- 1.5 HKCTV should broadcast more self-produced programmes to cater for the needs of audience. It should provide a minimum amount of programmes for children, young persons and senior citizens each week.
- 1.6 There were too many outdated and repeat programmes in the basic package offered by HKCTV. Subscribers needed to pay extra fees for watching programmes of better quality.
- 1.7 There were frequent re-runs of movies of the 1980s and 1990s on the movie channels. HKCTV should reduce the amount of re-runs and provide a greater variety of movies. It was suggested that a channel which was designated to broadcast classic movies should be clearly labelled as such.

1.8 HKCTV should introduce a channel featuring self-produced dramas.

1.9 HKCTV should provide more extensive coverage of 2016 UEFA European Championship matches, as opposed to 2012 Olympic Games and 2014 FIFA World Cup.

## **2. Programme Quality**

2.1 While HKCTV's basic package comprised a large number of channels, many of them were of average quality and boring. HKCTV should provide more choices, programmes of better quality and value-added service to subscribers.

2.2 HKCTV's programmes were of good quality and high production standard. Commendable programmes included "I Cook Therefore I Am", cookery programmes hosted by Maria Cordero, "Money Café", "China Report", "News Lancet" and programmes on National Geographic Channel and Animal Planet. "News General" (新聞通識) promoted knowledge of science and technology as well as humanities. "Property Outlook" was enjoyable and popular among the middle-class. "Health and Fitness" contained useful information about health and medicine.

2.3 HKCTV provided round-the-clock news so that viewers could have access to the latest news and information across the world.

2.4 HKCTV's news programmes provided more in-depth coverage and analysis of Mainland affairs, which were not available on free television ("free TV") services. However, there were also views that 24-hour news reports were no longer appealing to viewers. HKCTV's news reports lacked international perspectives and did not follow up on the headlines after midnight.

- 2.5 News channels should livecast all important press conferences and briefings and provide first-hand information on important news.
- 2.6 The overall quality of HKCTV's sports programmes deteriorated because HKCTV was reluctant to invest in such programmes (especially soccer) over the past decade.
- 2.7 The quality of HKCTV's programmes on the 2014 Asian Games was not satisfactory. There were views that HKCTV should not acquire the exclusive broadcast rights of the Asian Games and deprive non-HKCTV subscribers of their right to watch these events on other platforms.
- 2.8 Guests of financial programmes should be given more time to express their views on topical issues. Viewers would like to listen to the opinions of the guests rather than those of the hosts.
- 2.9 The quality of Korean dramas was good and attracted viewers to stay tuned.
- 2.10 HKCTV's entertainment programmes varied widely in quality. Some were dissatisfied that HKCTV's entertainment programmes were political.
- 2.11 HKCTV had reduced broadcasting self-produced entertainment programmes. There were concerns that the i-CABLE group might reduce the resources allocated for providing new programmes for pay television ("pay TV") service and use the resources for launching a new free TV service.
- 2.12 Horse racing programmes on Channel 18 should not be regarded as self-produced programmes as most footages were obtained from the Hong Kong Jockey Club without live interviews and filming at the racecourses. The hosts did not

give live commentaries and were not professional horse racing commentators.

- 2.13 Travelogues should focus on local custom and folklore rather than lifestyle and shopping.
- 2.14 Programme hosts of “Wall Street Express” spoke superfluously and were unprofessional.

### **3. Programme Standards**

- 3.1 Some of HKCTV’s programmes contained increasingly pornographic elements which were in breach of the relevant broadcast standards.
- 3.2 HKCTV should not broadcast movies which depicted and promoted gambling (e.g. “God of Gamblers”, “God of Gamblers II”, “All for the Winner”) as these would have adverse impact on children.
- 3.3 The use of foul language in the acquired programmes had an adverse effect on children.
- 3.4 Some children’s programmes were produced more than ten years ago. As the content of these children’s programmes was outdated, it might exert a negative impact on the development of children.
- 3.5 Talk shows should not induce young students to participate in anti-government protests.
- 3.6 In “Unbelievable-Soul Hunter”, feng shui masters led viewers to reportedly haunted locations to experience the paranormal activities. At the same time, they warned viewers not to attempt the dangerous activities. Mere warning to viewers was inadequate and it was irresponsible for HKCTV to put viewers at large at risk.

- 3.7 Programmes relating to astrology, fortune-telling and the supernatural (e.g. “Unbelievable-Soul Hunter”, “Fortune Tips”, “Fortune Tips of Property”, “Fortune Tips (Mid Year of Sheep 2015)”, “Fortune Tips (Years of the Sheep 2015)”, “Fung Shui Lecture of Master So”, “First Criminal-Arrest”) promoted superstition and exerted a negative impact on members of the public. Some opined that these programmes amounted to indirect advertising for the astrologists and feng shui masters.
- 3.8 There were views commending HKCTV’s news reports which provided up-to-date, accurate and unbiased information to viewers. For example, reports on the Occupy Movement were presented in a professional manner without showing signs of self-censorship. However, there were also opinions that the news reports of HKCTV were inaccurate and biased. In particular, reporters were allowed to express their own political stances and viewpoints on the affairs in the Mainland. The footages and statistics used in the Mainland news were misleading and superficial.
- 3.9 News anchors often made pronunciation mistakes in late news.
- 3.10 Hosts of financial programmes should declare their commercial interest and relationship with financial institutions to avoid conflict of interest.

#### **4. Programme Scheduling**

- 4.1 News reports, which were re-run every half an hour, failed to provide up-to-date analysis of news events. There were suggestions that HKCTV should broadcast live news programmes twice a day. Some were dissatisfied with the frequency and broadcast time of “China Report”.

- 4.2 Drama Channel (including the high definition (“HD”) version) should broadcast first-run dramas in the morning and re-run the same programmes in the afternoon and evening. It was also suggested that dramas should be broadcast from 9:30 p.m. to 10:30 p.m. on weekdays.
- 4.3 It was suggested that Entertainment Channel (including the HD version) should start to broadcast at 6 a.m. each day. Locally produced programmes (e.g. “Tasty Bureau” and “Entertainment H.O.T.”) and first-run travelogues should be scheduled to broadcast on weekdays.
- 4.4 Children Channel should broadcast more first-run animations. It was suggested that animations should be broadcast in the afternoon on weekdays, and in the morning and afternoon on weekends.
- 4.5 The number and frequency of repeat programmes on Discovery Channel and National Geographic Channel were disappointing.
- 4.6 Live broadcast of horse races in Hong Kong, Macau, Singapore and Malaysia four days a week were considered excessive. Frequent broadcast of horseracing odds encouraged illegal bookmaking.
- 4.7 The duration of news reports (except main news bulletins) should at least be 60 minutes in order to provide an extensive coverage of current affairs. It was suggested that more feature reports should be broadcast on weekends.
- 4.8 HKCTV should cover more popular sports (e.g. tracks, soccer and basketball) and niche sports (e.g. rugby, equestrian and competitions at academic and community level) in CABLE No. 1 Channel and i-CABLE Sports Channel. A 25-minute sports news bulletin should be broadcast four times per day.



- 4.9 The re-runs of international sports events (e.g. European Leagues) were scheduled to be broadcast in two timeslots, viz. from 2:00 a.m. to 3:00 a.m. and from 6:00 a.m. to 7:00 a.m. It was suggested that the broadcast of the re-runs should be rescheduled to 8:00 p.m. or later to cater for the needs of sports fans.
- 4.10 Entertainment Channel, Drama Channel and CABLE No. 1 Channel should broadcast more independent local productions, arts and culture programmes, and programmes produced by Silence TV and Taoist TV.
- 4.11 Some expressed dissatisfaction that the gourmet programme “Tasty Bureau” was only broadcast on Mondays, Wednesdays and Fridays. There were also comments that titles of the gourmet programmes from Taiwan and Japan were confusingly similar to each other.
- 4.12 News and financial programmes broadcast on CABLE No.1 Channel were considered excessive. The channel should broadcast more entertainment programmes.

## **5. Subtitling / Sign Language**

- 5.1 The subtitles and voice dubbing in foreign programmes failed to convey the meaning accurately.
- 5.2 In news reports, typos in subtitles were not acceptable. The CA should take a serious view on the accuracy of subtitles and follow up with HKCTV on this matter.
- 5.3 Chinese subtitles should be provided on foreign channels (e.g. Al-Jazeera and Channel News Asia). It was suggested that in the news bulletins and breaking news, a five-to-ten-minute delay of broadcast should be allowed for a broadcaster to add subtitles to major news headlines.

5.4 The CA should impose a new provision in the renewed licence to require HKCTV to provide sign language interpretation for all programmes for the benefit of the hearing impaired.

## **6. High Definition Television Service**

6.1 HKCTV should revamp its existing channel line-up to reduce the demand for and burden of bandwidth and to provide more HD channels for viewers. Specifically, some considered that the following channels should be broadcast in HD format –

- (a) i-CABLE Finance Info Channel (Channel 8);
- (b) i-CABLE News Channel (Channel 9);
- (c) news and information channels (Channels 207 – 210);
- (d) acquired channels (e.g. music channels); and
- (e) Channel 18.

6.2 HKCTV should provide more HD channels and programmes over the next five years, with priority being accorded to locally produced channels and programmes.

6.3 There was dissatisfaction that HKCTV changed the transmission of Channels 28 and 37 from HD to standard-definition (“SD”) format without prior notification to viewers.

## **7. Investment Plan**

7.1 There were comments that HKCTV should be required to ensure that adequate investment would be made in staffing resources and in acquiring the broadcasts rights of major international sports events. On the other hand, some considered that HKCTV should enhance programme variety by making balanced investment in different types of programmes instead of focusing solely on sports programmes.

## **8. Reception Quality**

- 8.1 Some were dissatisfied with frequent service failure. The quality of set-top boxes provided by HKCTV was not satisfactory.
- 8.2 The reception quality of HKCTV's channels through the multichannel multipoint distribution system (MMDS) was not satisfactory, particularly during rainy days.
- 8.3 Testing of signals should only be conducted in late hours when there was no live broadcast of important sports events.
- 8.4 HKCTV should keep the sound volume of HD programmes and SD programmes at the same level.
- 8.5 There was interference with the reception of broadband service of HKCTV after installing pay TV service of the same company.
- 8.6 After residents of the premises terminated their subscription of HKCTV's pay TV service served by drop cables, HKCTV failed to re-connect the drop cables to the communal aerial broadcast distribution system of the building. This would adversely affect the reception of Radio Television Hong Kong ("RTHK")'s digital terrestrial television ("DTT") channels, satellite television channels and closed circuit television by residents served by the drop cables.

## **9. Customer Services**

### (a) Termination of Services

- 9.1 It was difficult for customers to terminate HKCTV's pay TV service. Specifically –
- 9.1.1 Customers could not complete all the necessary procedures required for terminating the service of

HKCTV within 30 to 60 days as required by HKCTV and had to make at least seven phone calls to successfully make the termination request.

9.1.2 It was very laborious to obtain and submit the specialised termination form. Customers could obtain the specialised termination form only by calling the hotline, which was always busy and the waiting time was long. Customers were required to submit the specified forms via designated means.

9.1.3 HKCTV procrastinated the service termination process, resulting in customers having to pay additional monthly fees.

9.1.4 Some were dissatisfied that they had been charged additional monthly fee, or their subscriptions were renewed without proper authorisation, even after they had requested for termination of service.

9.1.5 Customers were required to return the decoders to designated places within a stipulated deadline. HKCTV should employ its staff to collect decoders from customers.

9.2 Customers were required to pay unreasonably high penalty fees for late return of decoders to HKCTV. They were charged additional penalty fees when decoders were found damaged or were returned without all the accompanying accessories.

9.3 HKCTV hired debt collectors to recover overdue payment from customers despite that they had informed HKCTV of termination of service. It was suggested that HKCTV should take legal action against customers through small claim tribunal.

9.4 HKCTV should provide simple and convenient means for customers to terminate its service. There were suggestions that the CA should provide one-stop service on its website for HKCTV's customers to make termination request.

9.5 Some cited the incident in 2014 where a customer assaulted the staff of HKCTV because he was not able to terminate HKCTV's service and suggested that HKCTV should improve its service termination practices. It was also suggested that a new provision should be included in the renewed licence of HKCTV for the CA to impose sanctions on HKCTV if HKCTV procrastinated the service termination process.

(b) Other Issues

9.6 HKCTV's customer hotline was often unmanned. On average, customers needed to wait for 30 minutes to reach a customer representative. HKCTV should make improvement in this aspect.

9.7 HKCTV did not keep its customers adequately informed of the latest offers until the customers requested for service termination.

9.8 Given the limited number of retail shops, HKCTV should explore alternative means to improve the overall quality of its customer service.

9.9 Some were dissatisfied that technicians did not turn up for maintenance appointments.

9.10 The CA should monitor the overall quality of HKCTV's customer service to ensure that the licensee would respond to the complaints and comments of subscribers in a timely manner.

## **10. Sales Practices**

- 10.1 Quite a number of respondents expressed concerns over unauthorised sales activities and deceptive sales practices of HKCTV. It was alleged that there were incidents in which the salesmen door stepped and took advantage of elderly persons under the pretext of installation of Personal Emergency Link Service.
- 10.2 There was dissatisfaction with on-street promotional activities of HKCTV in public areas and residential buildings, which caused nuisance to members of the public.
- 10.3 The CA should regulate unscrupulous or harassing practices adopted by HKCTV in sales activities to protect the interest of existing and potential subscribers. The CA should take this into account when considering the licence renewal application of HKCTV.

## **11. Subscription Fees**

- 11.1 The subscription fee of HKCTV's pay TV service was too high having regard to the overall quality of its programmes; the loss of its exclusive broadcast rights of major sports events; and the additional revenues it obtained from programme sponsorship. HKCTV should reduce the subscription fee to make its pay TV service more affordable.
- 11.2 HKCTV had recouped its cost in acquiring the broadcast rights of English Premier League ("EPL") by raising its subscription fees. However, when it lost the broadcast rights of EPL, it had not reduced the subscription fees.
- 11.3 HKCTV refused to offer short-term contracts (e.g. one-month, six-month or one-year contracts) to customers. Customers were therefore compelled to sign a two-year contract totalling \$6,700 for watching the FIFA World Cup matches which lasted only for one month.

- 11.4 Some were dissatisfied that HKCTV charged new subscribers a lower subscription fee which was unfair to existing subscribers.
- 11.5 There was dissatisfaction that subscribers had to pay additional subscription fees for HD programmes.
- 11.6 The low-income households living in public housing were deprived of the opportunity to enjoy HKCTV's service because they could not afford the high subscription fee. HKCTV should provide concessionary rates to the elderly and the recipients of Comprehensive Social Security Assistance.

## **12. Advertising**

- 12.1 Too many advertisements were broadcast on HKCTV's pay TV service. The duration of commercial break was too long when compared to that of free TV service.
- 12.2 Financial programmes must not be sponsored to avoid conflict of interest.
- 12.3 Advertisements on financial derivatives and other complex investment products (e.g. covered warrants and products with default risk) should be prohibited to avoid investors being misled.
- 12.4 Except for direct retransmission channels, the aggregate advertising time for HKCTV's service should not exceed six minutes per clock hour. Advertisements should be broadcast every 18 minutes for programmes and every 24 minutes for movies.

### **13. Other Matters**

#### (a) Broadcasting Rights

- 13.1 HKCTV acquired the exclusive broadcast rights for all media (including free TV and pay TV) for 2012 Olympic Games so that free TV stations could not broadcast the programmes concerned. This deprived Hong Kong people of the right to watch the Olympic Games for free.
- 13.2 Some pointed out that instead of offering to sell the broadcast rights of 2012 Olympic Games to free TV stations, HKCTV bundled those rights with advertising and promotional content in its offer. This unreasonable request caused the negotiation between HKCTV and free TV stations to come to a deadlock. The commercial interest of HKCTV had overridden public interest.
- 13.3 Some urged the Government to purchase the broadcast rights of international sports events so that viewers could be given more choices to enjoy sports programmes of better quality. The Government should also consider imposing a new condition in the renewed licence of HKCTV to ensure that the public could watch major international sports events through live broadcast free of charge.

#### (b) Regulatory Issues

- 13.4 The CA's complaint-driven approach reflected a lenient application of the regulatory requirements. The CA should impose heavier sanctions on HKCTV for breaching the regulatory requirement to achieve a deterrent effect.
- 13.5 The CA should handle complaints against free TV and pay TV operators in accordance with the same set of parameters.



- 13.6 As HKCTV sustained operating loss for a considerable period of time, concerns were expressed over the company's viability and competitiveness in the pay TV market. The CA should take this into account when considering the licence renewal application of HKCTV.
- 13.7 HKCTV carried fewer satellite television channels than other pay TV operators. The CA should include a "must-carry" condition in the renewal licence to require HKCTV to re-transmit satellite television channels originated from Hong Kong, Macau and Pearl River Delta.
- 13.8 The Government should conduct a full-fledged review on the broadcasting legislation and policies to ensure that they kept abreast of the times.

(c) Other Comments

- 13.9 To ensure that HKCTV's subscribers residing in buildings that have communal aerial broadcast distribution system would be able to receive RTHK's three DTT channels, HKCTV should work out the technical issues and administrative arrangements, and bear the necessary costs required for the interconnection works.
- 13.10 With the advent of digital technology, HKCTV should extend its network coverage to the buildings that were currently not within its network, including tenement buildings and remote village houses.
- 13.11 HKCTV's pay TV licence should be renewed as it provided satisfactory service to its customers. The renewal would enable the viewing public to benefit from wider choices of programmes.

- 13.12 HKCTV’s pay TV licence should not be renewed. The Government should help transfer the accounts of existing subscribers of HKCTV to other pay TV operators and assist HKCTV in repositioning itself as a new telecommunications operator.
- 13.13 Programmes should be made available for reception on mobile platform.
- 13.14 Video clips of international news should be made available on HKCTV’s website.
- 13.15 HKCTV had planned to introduce a new video-on-demand service for its subscribers to watch programmes at their convenience for years, but the plan still had not materialised.
- 13.16 HKCTV should introduce a “viewer panel” and conduct opinion surveys to collect views from subscribers to enhance its programme quality. To increase its competitiveness in the pay TV industry, HKCTV should formulate new strategies to attract young viewers.
- 13.17 With a good financial standing, HKCTV should provide more channels, including some for free, to fully utilise the bandwidth of HKCTV’s optical fibre system.
- 13.18 The poor financial results of HKCTV reflected its unsatisfactory operating practices. It neglected the development of new media and was adamant in maintaining the existing standard of customer services. This would have a negative impact on the commercial viability of HKCTV.
- 13.19 HKCTV’s channels carried two-digit or three-digit channel numbers. Some suspected that HKCTV overstated the number of channels it offered so as to comply with the licence conditions.

- 13.20 The management of HKCTV owed its customers an explanation as to why the company had lost the exclusive broadcast rights of Bundesliga.
- 13.21 Customers found the terms of HKCTV's billing statement vague and confusing. The CA should monitor HKCTV's operation to make sure that it would not overcharge customers and would list all prices clearly.
- 13.22 The CA should impose terms and conditions to protect consumers' interest when it discussed licence renewal with HKCTV.
- 13.23 Some were confused about the disappeared service "CABLE DIY" of HKCTV.
- 13.24 More discounts and offers (e.g. supermarket coupons) should be provided by HKCTV to attract new subscribers.
- 13.25 Dubbings should be provided for acquired movies on hd HMC Channel to facilitate the viewers' understanding of the content.
- 13.26 Subscribers should be allowed to use different sets of passwords for hd245 Channel and adult channels.
- 13.27 HKCTV should explain to customers in detail the procedures and charge for replacing HD decoders.
- 13.28 Electronic programme guides should be provided for RTHK programmes.

## Chapter 5. Follow-up Actions

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As an independent statutory regulator of broadcasting and telecommunications services in Hong Kong, one of the major responsibilities of the CA is to enforce the licensing and regulatory regime so as to ensure that the services provided by broadcasting licensees live up to standards and expectations of the community. Pay TV service primarily targets the local community and is intended and available for reception by the public on payment of a subscription fee. The CA attaches great importance to public views on the performance of HKCTV when assessing the licence renewal application of the licensee.

2. In the consultation exercise, members of the public expressed their opinions on a wide range of topics such as programme variety and quality, content regulation, provision of subtitling and sign language for programmes, etc, which fall within the scope of the licence renewal exercise. The CA had carefully considered the views received when drawing up its recommendations on the licence renewal application of HKCTV for submission to the CE in C for consideration<sup>3</sup>. The public views collected during the public consultation exercise had also been submitted to the CE in C for reference.

3. The CA is aware of public concerns over certain aspects of customer services (especially with regard to service termination) and sales activities of HKCTV. The CA has conveyed to HKCTV such concerns in the context of the licence renewal exercise. We note that HKCTV takes the matter seriously and has committed to improving its customer services and sales activities by implementing a series of measures to address public concerns.

4. The CA notes that quite a number of comments and suggestions are about the licensee's editorial and commercial decisions with respect to specific programmes/advertisements, scheduling of programmes, subscription fees and packaging of channels. The CA respects and upholds the freedom of expression and the editorial independence and creativity of broadcasters. The CA considers that

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<sup>3</sup> The CA's recommendations were submitted in April 2016.

editorial responsibility lies with the broadcasters, and it does not interfere with the editorial decisions, programme scheduling and day-to-day operation of the broadcasters. Under the complaint-driven approach, the codes of practices promulgated by the CA serve as guidelines on the proper content standards for the industry. The CA handles public complaints about programme contents in accordance with relevant statutory provisions. Also, the existing regime under the BO does not regulate the business model and packaging of channels of a licensee. Licensees can freely decide on their business model and packaging of channels including the level of subscription fees. The same regulatory approach applies to HKCTV. Nonetheless, the CA recognises the importance the public attaches to these issues and has conveyed comments and suggestions on such issues to HKCTV for reference and follow-up actions.

5. Last but not least, the CA would like to thank HKCTV for its participation, and all the individuals and groups who have given their views during the public consultation exercise.

**Opinion Survey on the  
Domestic Pay Television Programme Service of  
Hong Kong Cable Television Limited**

**~ Executive Summary ~**

Prepared for

**Communications Authority**

By

**Consumer Search Hong Kong Limited (CSG)**

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## **A. SURVEY BACKGROUND AND OBJECTIVES**

1. The domestic pay television programme service (“pay TV”) licence of Hong Kong Cable Television Limited (“HKCTV”) will expire after 31 May 2017. As part of HKCTV’s licence renewal exercise, the Communications Authority commissioned Consumer Search Hong Kong Limited to conduct an opinion survey to gauge opinions of HKCTV’s viewers on general issues relating to HKCTV’s pay TV service (“HKCTV’s service”) in Hong Kong.
2. The primary objectives of the survey are as follows:
  - (a) to gauge opinions of HKCTV’s viewers on general issues relating to HKCTV’s service in Hong Kong;
  - (b) to assess the quality of HKCTV’s service and identify areas for improvement;
  - (c) to assess whether the current conditions in HKCTV’s licence are adequate to meet the changing circumstances, and whether the provisions in the respective codes of practice are generally in line with the aspirations and expectations of local viewers; and
  - (d) to assess the perceptions of viewers of the level of acceptability of HKCTV’s service.



## B. SAMPLE COVERAGE AND TARGET RESPONDENTS

3. A random sample of HKCTV’s subscribing households was taken from the list of subscribers maintained by HKCTV. Household visits were made to the sampled households, and from each sampled household, one member of age 15 or above who had continuously watched HKCTV’s pay TV programmes, under the brand name of “CableTV”, for 30 minutes or above in three months prior to the survey would be randomly selected for an interview. The sampled respondents could opt to complete the questionnaires through face-to-face interviews, telephone, online survey and mail. Questionnaires completed by different means (including self-completed questionnaires via online or by mail) were all subject to independent quality assurance process to verify the eligibility of the respondents. Quality checks had also been conducted by various methods (e.g. on-site revisits, telephone back-checks and audio recordings on completed cases if deemed appropriate) to ensure the quality of the information collected via different completion methods.
4. A total of 1 603 persons of age 15 or above were successfully enumerated between September 2015 and January 2016. The sample size achieved would generally produce survey findings with acceptable levels of precision. The following cases had been taken for illustration purposes:

*Table 1 : Reliability of survey findings*

Variable	Sample Estimate	Coefficient of Variation <sup>1</sup>	95% Confidence Interval
Proportion of respondents who were very satisfied/satisfied with HKCTV’s service	52.0%	2.4%	(49.6%, 54.5%)
Proportion of respondents who had watched HKCTV’s service in the month prior to the survey	97.5%	0.4%	(96.8%, 98.3%)

## C. FIELDWORK PERIOD AND RESPONSE RATE

5. Fieldwork was conducted between 10 September 2015 and 28 January 2016, with an overall response rate of 65.1%.

<sup>1</sup> Coefficient of variation is obtained by expressing the standard error as a percentage of the estimate to which it refers.

## **D. SURVEY FINDINGS**

6. This executive summary contains the research findings of the survey on HKCTV's service in 2015. Where appropriate and available, the findings of the survey are compared with those of the Broadcasting Services Survey conducted in 2007 ("Survey 2007") and the survey on the pay TV service of HKCTV in 2003 ("Survey 2003")<sup>2</sup>.
7. For findings on questions which respondents may give multiple answers, percentage figures could add up to more than 100%.

### **1. VIEWING HABITS OF HKCTV'S SUBSCRIBING HOUSEHOLDS**

#### **1.1. Access to Television Programme Services<sup>3</sup>**

8. Among those who aged 15 or above and had continuously watched HKCTV's service for 30 minutes or above in the three months prior to the survey (the "viewers"),
  - (a) 98.5% had access to free TV services of Asia Television Limited and Television Broadcasts Limited (versus 99.1% in Survey 2007);
  - (b) 33.7% and 16.1% had access to the pay TV services of PCCW Media Limited (branded "nowTV") and TVB Network Vision Limited respectively (versus 45.0% for all pay TV services in Survey 2007); and
  - (c) 5.5% had access to other television programme services, e.g. service provided by Phoenix Satellite Television Company Limited (versus 18.1% in Survey 2007).
9. Viewers spent an average of 3.1 hours watching television programmes per day (3.0 hours during weekdays, and 3.4 hours during weekends) (versus 3.7 hours per day during weekdays, and 4.0 hours per day during weekends in Survey 2003).

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<sup>2</sup> Where appropriate and available, findings of the survey were compared with those of Survey 2007 and Survey 2003, in particular for areas concerning viewing habits, offensive materials and locking devices. Readers are reminded that the findings in Survey 2007 covered viewers of all pay TV services (including those who had watched any pay TV programmes at home, restaurants, pubs or other places) and their satisfaction with pay TV programmes as a whole, and the findings in Survey 2003 covered opinions from viewers from aged 12 or above who have watched HKCTV's programmes in the three months prior to Survey 2003, while the coverage of this survey focused on subscribing household members of HKCTV aged 15 or above, and the majority of the questions cover respondents who have watched HKCTV's programmes in the past month prior to the survey. With the difference in the scope of the surveys, figures related to Survey 2007 and Survey 2003 are presented for reference only.

<sup>3</sup> Including all TV programmes and advertisements, but excluding all recorded programmes, VCDs, DVDs, programmes on mobile phones and the Internet.

## 1.2. Use of HKCTV's Service

10. 61.3% of the viewers watched HKCTV's service everyday (versus 49.5% of pay TV viewers in Survey 2007). 16.0% did so between three and six days a week (i.e. watched "often") (versus 18.0% in Survey 2007) and 20.2% watched HKCTV's service between one day a month and two days a week (i.e. watched "occasionally") (versus 30.2% in Survey 2007).
  - (a) Among those (61.3%) who watched HKCTV's service every day, the average time spent on watching HKCTV's service was 2.3 hours per day (2.2 hours during weekdays and 2.6 hours during weekends).
  - (b) For those (93.4%) who watched HKCTV's service at least once in a week, the average time spent on watching HKCTV's service was 1.8 hours per day (1.7 hours during weekdays and 2.1 hours during weekends).
  - (c) For those (97.5%) who watched HKCTV's service at least once in a month, the average time spent on watching HKCTV's service was 1.8 hours per day (1.7 hours during weekdays and 2.1 hours during weekends) (versus 1.7 hours per day, 1.5 hours per day during weekdays and 2.1 hours per day during weekends in Survey 2007; and 1.8 hours per day during weekdays and 2.1 hours per day during weekends in Survey 2003).
11. Viewers usually watched HKCTV's service from 8:00 pm to 10:59 pm, specifically –
  - (a) 63.1% in the hour from 9:00 pm to 9:59 pm;
  - (b) 62.3% in the hour from 8:00 pm to 8:59 pm; and
  - (c) 51.5% in the hour from 10:00 pm to 10:59 pm.
12. Viewers watched HKCTV's service mainly for "obtaining information such as news, weather, financial and traffic reports, etc." (51.0%); "a greater variety of programme types" (34.2%); "programmes exclusively broadcast on HKCTV's service" (26.2%); "attractive programme contents" (22.7%); and "programmes are broadcast at a convenient time" (20.8%).
13. The most frequently watched HKCTV's channels were i-CABLE News Channel (Channel 9) (54.8%), followed by Movie 1 (Channel 41) (25.2%) and i-CABLE Finance Info Channel (Channel 8) (23.8%).
14. News and information (69.9%), entertainment (39.4%) and movies (39.2%) were the types of HKCTV's programmes that viewers watched most often. These were followed by sports (34.5%) and documentaries (22.2%).
15. 73.5% of the viewers claimed that they were the decision makers in choosing

which HKCTV's channel to watch for most of the time (versus 86.4% in Survey 2003). "My family members choose it for most of the time" (11.3%) followed at a distance (versus 5.7% in Survey 2003).

16. 46.1% of the viewers watched HKCTV's high definition television ("HDTV") programmes in the three months prior to the survey. Among those of them, 63.5% are "daily" viewers while 16.7% are "often" viewers and 19.8% are "occasional" viewers.
17. 44.3% of the viewers watched HKCTV's local productions more often than foreign productions. 36.8% watched foreign productions more often, while 17.6% had no specific preference between foreign and local productions.
18. 12.9% of the viewers watched HKCTV's service via the Internet or mobile apps provided by HKCTV. Among them,
  - (a) 82.5% used mobile apps provided by HKCTV; and
  - (b) 49.6% claimed that they did so at least once a week and 9.4% on a daily basis.

### **1.3. Views on Watching HKCTV's Service with Family Members Aged 15 or Below**

19. Among those who had watched HKCTV's service for at least once in a month, 22.5% claimed having children aged 15 or below in the households (versus 31.5% in Survey 2003). Among them, 56.5% had children aged 15 or below watching HKCTV's service at least once a month.
20. Among those (12.7% of all viewers) who had children aged 15 or below watching HKCTV's service at least once a month,

80.2% claimed that parents or other family members aged 18 or above had accompanied their children to watch HKCTV's service in the month prior to the survey. Among them,

  - (a) 44.8% claimed that they had accompanied their children to watch HKCTV's service five times or more in a week; and
  - (b) the usual watching time slots were in the hours from 7:00 pm to 8:59 pm and 4:00 pm to 4:59 pm, specifically -
    - 58.5% in the hour from 8:00 pm to 8:59 pm;
    - 50.5% in the hour from 7:00 pm to 7:59 pm; and
    - 32.8% in the hour from 4:00 pm to 4:59 pm.

## 2. VIEWS ON PROGRAMME AND ADVERTISING CONTENTS

### Programme Types

21. Overall speaking, 65.7% of the viewers considered the types of programmes offered by HKCTV “moderate” in quantity (versus 78.0% “sufficient” in Survey 2003) and 21.6% considered them “too few” (versus 4.0% “insufficient” in Survey 2003). 4.0% found the programme types “too many”. 8.8% had no comment (versus 1.7% in Survey 2003).
- (a) The perceived sufficiency of the following types of programmes was quite high. They were adult programmes (98.4%), children programmes (94.5%), international programmes (94.5%), documentary programmes (91.4%) and news and information programmes (90.4%).
  - (b) When asked specifically about the programme types that were insufficient in quantity, 46.9% of the viewers provided at least one programme type that they considered insufficient in quantity. The top three programme types were movies (18.4%), entertainment programmes (14.2%) and sports programmes (11.6%).
  - (c) When asked specifically about the programme types that were excessive in quantity, 16.5% of the viewers had selected at least one programme type that they considered excessive in quantity. The top three programme types were entertainment programmes (5.2%), news and information programmes (3.4%), and movies (3.2%).

The detailed breakdown of perceived sufficiency of programme types could be referred to Appendix.

22. 67.6% of the viewers considered that the level of programme variety was satisfactory and 15.9% found it average. 11.5% expressed dissatisfaction. 5.0% had no comment.
23. 76.7% of the viewers stated that their satisfaction level on the programme variety had not changed when compared to one year prior to the survey. 4.7% claimed that their satisfaction was higher than a year prior to the survey and 18.6% claimed the opposite.
- (a) Those (4.7%) who claimed that their satisfaction level was higher than a year prior to the survey was mainly because “there were more programme types in general” (35.7%).
  - (b) Those (18.6%) who claimed that their satisfaction level was lower than a year prior to the survey was mainly because “there were fewer programme types in sports programmes” (26.1%), “there were fewer programme types in general” (19.9%) and “there were too many repeat

programmes” (17.0%).

### **Programme Quality**

24. 68.3% of the viewers claimed that the level of programme quality of HKCTV was satisfactory (versus 51.5% in Survey 2003) and 17.8% found it average (versus 44.5% in Survey 2003). 12.1% expressed dissatisfaction (versus 3.1% in Survey 2003) and 1.7% had no comment (versus 0.9% in Survey 2003).

(a) Among those (12.1%) who were dissatisfied with the programme quality,

(i) the main reasons of dissatisfaction were “outdated programme contents” (47.1%), “unattractive programme contents” (44.1%) and “too many repeat programmes” (12.1%);

(ii) the programme types that viewers considered unsatisfactory in terms of quality were movies (56.5%), entertainment programmes (32.8%) and sports programmes (27.3%); and

(iii) they suggested that the programme quality could be improved by “providing up-to-date programme contents (e.g. new movies)” (30.5%), “introducing programmes / matches from other countries” (12.8%) and “having more local productions” (12.5%).

25. 78.5% of the viewers stated that their satisfaction level on programme quality had not changed when compared to one year prior to the survey. 5.5% claimed that their satisfaction level was higher than a year prior to the survey while 16.0% found it lower.

(a) Those (5.5%) who claimed that their satisfaction was higher than a year prior to the survey was because the perceived quality of programme contents had improved. Specifically, the major areas of improvement included “higher quality of news programmes” (24.6%), “higher quality of other programmes (e.g. dramas, live broadcast of matches)” (19.7%) and “attractive and diversified contents” (14.6%).

(b) Those (16.0%) who claimed that their satisfaction was lower than a year prior to the survey was because the perceived quality of programme contents had dropped. Specifically, the major areas of dissatisfaction included “unattractive programme contents or boring contents” (22.9%) and “outdated movies” (17.7%).

### **Sufficiency of HDTV Programmes**

26. 35.5% of the viewers considered that the HDTV programmes provided by HKCTV were “moderate” in quantity and 24.8% found it “too few”. 0.3% considered that there were too many of them. 39.4% had no comment.

## **Offensive Materials**

27. Viewers (i.e. those who had watched HKCTV's service in the month prior to the survey) were asked whether they had encountered offensive materials in programme contents or advertising contents broadcast on HKCTV, and the findings are summarised below.
- (a) 95.3% of viewers (versus 77.1% of pay TV viewers in Survey 2007; and 92.2% of HKCTV's viewers in Survey 2003) claimed that they did not encounter any offensive programme materials when watching HKCTV's service. Only 4.7% (versus 22.9% in Survey 2007; and 7.8% in Survey 2003) did.
  - (b) Among those (4.7%) who had encountered offensive programme materials,
    - (i) the offensive programme materials encountered were mainly related to "disgusting scenes / horror" (38.8%, versus 37.7% for "horror" and 21.8% for "disgusting scenes / plots" in Survey 2007; and 25.0% for "horrible scenes" in Survey 2003), "partial views, biased contents" (29.1%) and "biased towards a certain community or organisation" (19.9%, versus 16.7% in Survey 2007);
    - (ii) viewers encountered offensive programme materials most recently on Entertainment Channel (Channel 12) (26.9%), followed by i-CABLE News Channel (Channel 9) (24.3%) and Movie 2 (Channel 42) (13.9%). These rates appear to be correlated to the viewership of different HKCTV's channels; and
    - (iii) 43.3% considered the frequency of offensive materials that they had encountered acceptable, while the remaining 56.7% found it too high.
  - (c) 97.6% of viewers did not encounter offensive advertising materials (versus 90.5% in Survey 2007; and 90.2% in Survey 2003 on non-Preview channels). Only 2.4% did (versus 9.5% in Survey 2007; and 9.8% in Survey 2003 on non-Preview channels).
  - (d) Among those (2.4%) who had encountered offensive advertising materials,
    - (i) The offensive advertising materials encountered were mainly related to "misleading contents" (27.3%, versus 42.9% for "misleading factual materials" in Survey 2007).
    - (ii) 27.7% of the viewers considered the frequency of such materials acceptable, while the remaining 72.3% found it too high.

### 3. VIEWS ON THE QUALITY OF RECEPTION

28. 78.3% of viewers (i.e. those who had continuously watched HKCTV's service for 30 minutes or above in the three months prior to the survey) received HKCTV's service via decoders. 3.0% received HKCTV's service via other means of delivery and 18.7% were not sure about the method of reception. 60.3% of HKCTV's viewers reflected that they were able to access HKCTV's HDTV channels.
29. A majority of viewers (i.e. those who had watched HKCTV's service for at least once in a month) found the reception quality in general (71.8%), audio quality (81.8% for HDTV and 72.9% for standard definition television ("SDTV")) and visual quality (84.5% for HDTV and 67.1% for SDTV) satisfactory (versus 68.8% and 65.8% satisfied with audio and video quality respectively in Survey 2003). Others found it average (11.4% on reception quality, 8.6% and 10.1% on audio quality for HDTV and SDTV respectively, and 8.5% and 11.2% on visual quality for HDTV and SDTV respectively) (versus 26.5% and 26.8% on audio and video quality in Survey 2003) or dissatisfactory (15.8% on reception quality, 7.9% and 9.7% on audio quality for HDTV and SDTV respectively, and 5.3% and 14.1% on visual quality for HDTV and SDTV respectively) (versus 4.2% and 7.2% on audio and video quality in Survey 2003). Only a few had no comment (0.9% on reception quality, 1.7% and 7.4% on audio quality for HDTV and SDTV respectively, and 1.7% and 7.5% on visual quality for HDTV and SDTV respectively).
30. 59.8% of the viewers claimed that they had encountered reception problems when watching HKCTV's service. Among them,
- (a) 56.1% had encountered reception problems in the three months prior to the survey (i.e. 33.5% of the viewers, versus 61.7% for all viewers in Survey 2003); and
  - (b) the reception problems encountered were mainly related to "no signals" (67.8%) and "screen lagging / freezing / beyond the margins" (40.3%).
31. 8.5% of the viewers claimed that they had encountered problems on the reception of other telecommunication services after installing HKCTV's service. Among them,
- (a) 40.8% had encountered such problems within one month; and
  - (b) the major problems were related to "inability to receive free TV channels" (56.2%) and "poor reception of signals of other TV programmes" (21.1%).



#### **4. VIEWS ON THE LOCKING DEVICE**

32. 55.9% of the viewers aged 18 or above were aware of the locking device for HKCTV's service (versus 65.0% of those aged 15 or above in Survey 2007).
- (a) Among those (55.9%) who were aware of the locking device, 59.6% claimed that they knew how to use the device, and 23.3% of those who knew how to use claimed that they had used the device.
  - (b) Among those who had used the locking device (7.8% of all viewers aged 18 or above, versus 2.5% in Survey 2003),
    - (i) 92.1% considered it effective in preventing children from watching adult materials (versus 69.9% in Survey 2007 and 86.0% in Survey 2003). 7.9% found it not effective (versus 20.4% in Survey 2007 and 13.4% in Survey 2003); and
    - (ii) 98.3% considered it user-friendly and 92.8% had not encountered any malfunctions when using the device.
33. Among those who were not aware of (44.1% of all viewers aged 18 or above), or did not know how to use the locking device (22.6% of all viewers aged 18 or above), 50.1% remarked that this function should be promoted by HKCTV by "broadcasting promotional messages". This was followed by "to be explained by salesperson" (24.2%) and "providing information in the user manual" (18.9%).

#### **5. VIEWS ON CUSTOMER SERVICE**

34. 30.2% of viewers had experienced the customer services provided by HKCTV in the three months prior to the survey.
- (a) 93.8% had experienced with the customer service hotline (i.e. 28.3% of all HKCTV's viewers, versus 19.0% in Survey 2003). Among them,
    - (i) 56.3% considered it satisfactory and 12.7% found it average. 30.9% expressed dissatisfaction; and
    - (ii) "Reducing the waiting time" (67.3%), "to simplify the procedures of transferring to customer service staff" (66.3%) and "enhancing the problem solving skills of the customer service officers" (44.2%) were the key areas for further improvement as suggested by the viewers.

(b) The majority of them had experienced “repair and technical support services” (74.1%), followed by “renewal of contracts” (27.4%), “making enquiry or request for information” (17.3%) and “requesting for termination of HKCTV’s service” (14.6%).

(i) Among those (22.9% of all HKCTV’s viewers) who had experienced “repair and technical support services”, 70.8% considered it satisfactory and 11.1% found it average. 17.7% expressed dissatisfaction and 0.3% had no comment.

(ii) Among those (8.5% of all HKCTV’s viewers) who had experienced “renewal of contracts”, 43.7% considered it satisfactory and 15.5% found it average. 37.9% expressed dissatisfaction and 2.9% had no comment.

Among those (37.9%) who were dissatisfied with the renewal of contracts, it was suggested that

- more discounts should be provided (31.0%); and
- the attitude and problem solving abilities of the customer service staff should be improved (22.8%).

(iii) Among those (5.4% of all HKCTV’s viewers) who had experienced “making enquiry or request for information”, 60.3% considered it satisfactory and 15.3% found it average. 23.2% expressed dissatisfaction and 1.2% had no comment.

(iv) Among those (4.5% of all HKCTV’s viewers) who had experienced “requesting for termination of HKCTV’s service”,

- 40.8% considered it satisfactory and 3.6% found it average. 54.1% expressed dissatisfaction and 1.5% had no comment;
- “the process was too complicated” (59.7%), “response from HKCTV was considered slow, or it was felt that HKCTV procrastinated the process on purpose” (59.6%) and “the process was too long” (50.1%) were the major reasons suggested by viewers who were dissatisfied with the processing of the termination of HKCTV’s service;
- the major reason for termination of HKCTV’s service was related to “insufficient programme types (e.g. Barclays Premier League was no longer broadcast)” (38.4%), high service charges (20.9%) and low programme quality (15.5%);

- “telephone” (90.8%) was the major approach adopted by the viewers to terminate HKCTV’s service, followed by “through outlet” (7.1%), “by i-Cable subscribers online service centre” (6.7%), “by fax” (4.5%) and “by e-mail (4.2%)”; and
  - during the termination of HKCTV’s service, over half of the viewers (53.9%) have encountered difficulties, and the major types of difficulties encountered by these viewers are summarized as follows:
    - hotlines were always busy / customers were subject to lengthy waits (51.0%);
    - request for service termination could only be submitted within the designated notification period (34.9%);
    - required to submit the service termination form to designated places /via designated means (32.5%);
    - unable to obtain the service termination form (31.1%);
    - contracts not terminated or monthly fee still being charged after making the request for service termination (30.0%); and
    - request for service termination was being ignored / the request for service termination was made difficult (30.0%).
- (c) Among those (30.2%) who had used the customer services provided by HKCTV, 62.5% were satisfied with the customer services in general, and 14.1% found it average. 22.3% were dissatisfied with it and 1.2% had no comment.
- “Reducing the number of line transfers or direct communication with staff” (54.9%) was the key area for further improvement as suggested by the viewers.

## **6. OVERALL SATISFACTION WITH HKCTV'S SERVICE**

35. 52.0% of HKCTV's viewers considered HKCTV's service satisfactory and 14.2% found it average. 31.3% expressed dissatisfaction. 2.5% had no comment.
36. Among those (31.3%) who expressed dissatisfaction with HKCTV's service, the main reasons were "high subscription fee" (78.5%), "insufficient programme types" (33.7%), "poor customer services or insufficient technical support" (30.1%), "low programme quality" (27.1%) and "poor reception" (14.3%).

## **E. APPENDIX**

The perceived sufficiency of various types of programmes offered by HKCTV among all viewers is listed below:

	<u>Appropriate</u>	<u>Insufficient</u>	<u>Excessive</u>
Adult	98.4%	0.6%	0.9%
Children	94.5%	4.4%	1.1%
International	94.5%	4.0%	1.5%
Documentaries	91.4%	6.8%	1.8%
News and Information	90.4%	6.4%	3.4%
Sports	87.3%	11.6%	1.1%
Entertainment	81.4%	14.2%	5.2%
Movies	78.7%	18.4%	3.2%
None	0.2%	53.1%	83.4%

**Opinion Survey on the  
Service Termination Practices of  
Hong Kong Cable Television Limited**

**~ Executive Summary ~**

Prepared for

**Communications Authority**

By

**Consumer Search Hong Kong Limited (CSG)**

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## **A. SURVEY BACKGROUND AND OBJECTIVE**

1. The domestic pay television programme service (“pay TV”) licence of Hong Kong Cable Television Limited (“HKCTV”) will expire after 31 May 2017. As part of HKCTV’s licence renewal exercise, the Communications Authority commissioned Consumer Search Hong Kong Limited to conduct an opinion survey on the service termination practices of HKCTV (“Service Termination Survey”) to collect feedbacks of domestic households who had the experience of terminating HKCTV’s pay TV service (“HKCTV’s service”).
2. The objective of the Service Termination Survey is to gauge opinions of household respondents, who aged 18 and above and had the experience of terminating HKCTV’s service, on the service termination practices adopted by HKCTV.

## **B. SURVEY METHODOLOGY**

### **1. SAMPLE COVERAGE, TARGET RESPONDENTS AND DATA COLLECTION METHOD**

3. The survey covered all land-based households that were installed with residential telephone lines in Hong Kong. Within each eligible household (i.e. household that had the experience of terminating HKCTV’s service in the five years prior to the survey), views of the eligible household respondent (i.e. the household member who was responsible for the service termination)<sup>1</sup> were collected by way of telephone interviews.

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<sup>1</sup> The target respondent was a member of the eligible household that had experienced the service termination process. In some cases, an eligible respondent for the survey might not necessarily be a registered subscriber of HKCTV.



## 2. FIELDWORK PERIOD AND RESPONSE RATE

4. A total of 7 007 households were successfully enumerated between 29 September 2015 and 4 January 2016. Of which, 413 households were identified to have the experience of terminating HKCTV’s service in the five years prior to the survey. The overall response rate was 96.9%<sup>2</sup>. The sample size achieved would generally produce survey findings with acceptable levels of precision. The following cases had been taken for illustration purpose:

*Table 1. Reliability of survey findings*

Variable	Sample Estimate	Coefficient of Variation <sup>3</sup>	95% Confidence Interval
Proportion of households that had subscribed to at least one pay TV service	37.7%	1.6%	(36.5%, 38.9%)
Proportion of households that had encountered difficulties during the termination	46.3%	5.6%	(41.2%, 51.4%)

## 3. VALIDATION OF THE ELIGIBILITY OF HOUSEHOLD RESPONDENTS

5. To confirm the validity of the eligible household respondents (i.e. whether they genuinely had the experience of terminating HKCTV’s service), the following fact-based questions were asked in the questionnaire and analysed:
- subscribed service plan of HKCTV’s service;
  - approach used to handle the decoder after the termination of HKCTV’s service;
  - exact shop location to which the decoder was returned;
  - most frequently watched programme type of HKCTV; and
  - most frequently watched HKCTV’s channel.

<sup>2</sup> The response rate of 96.9% was calculated by dividing the number of successful telephone interviews by the total number of eligible telephone numbers selected, where the total number of eligible numbers selected included completed and partial interviews, and refusal cases among those identified eligible households (i.e. household that had the experience of terminating HKCTV’s service in the five years prior to the survey). Please refer to Appendix 1 for response rates calculated by other approaches.

<sup>3</sup> Coefficient of variation is obtained by expressing the standard error as a percentage of the estimate to which it refers.

6. Among the 413 successfully enumerated household respondents who claimed that they had the experience of terminating HKCTV’s service in the five years prior to the survey, it was observed that most of them (i.e. 401 household respondents or 97.1%) were able to provide concrete and relevant answers to at least two of the validation questions, with details summarised in the table below:

*Table 2. Number of validation questions with concrete and relevant answers provided*

<b>Number of validation questions with concrete and relevant answers provided</b>	<b>Number of household respondents</b>
0	3 (0.7%)
1	9 (2.2%)
2	43 (10.4%)
3	101 (24.5%)
4	147 (35.6%)
5	110 (26.6%)
<b>Total</b>	<b>413</b>

7. In order to increase the credibility of the survey findings, only the results of the 401 household respondents who were able to provide concrete and relevant answers to at least two of the validation questions were used in the survey analysis. For the remaining 12 household respondents who were unable to provide concrete and relevant answers to at least two of the validation questions, the results of these respondents were excluded in the data analysis.

## **C. SURVEY FINDINGS**

8. This executive summary contains the key findings of the survey. Unless otherwise specified, the quantitative analysis of data was based on the number of domestic households in Hong Kong (i.e.  $n = 6\,995$ ;  $N = 2\,430\,600$ ), or the number of domestic households who had the experience of terminating HKCTV's service within five years prior to survey (i.e.  $n = 401$ ;  $N = 134\,491$ ), where appropriate.

### **1. ACCESS TO HKCTV'S SERVICE**

9. 37.7% of households had subscribed to at least one pay TV service. Among those households who had subscribed to pay TV services, more than half claimed that their service providers were HKCTV (56.6%) and PCCW Media Limited (branded "nowTV") (54.9%). Other service providers included TVB Network Vision Limited (formerly "TVB Pay Vision Limited") (11.4%) and Hong Kong Broadband Network Limited (4.3%).

### **2. TERMINATION OF HKCTV'S SERVICE**

10. Among those households who had subscribed to HKCTV's service (56.6%), 57.7% had terminated / attempted to terminate HKCTV's service, in particular, 50.0% were no longer subscribers ("ex-subscribers") of HKCTV.
11. Among those households who had the experience of terminating HKCTV's service<sup>4</sup>, 55.0% had terminated / attempted to terminate the service for five years or more. 45.0% had such experience in service termination in the five years prior to the survey. The lapse of time between the service termination and the survey was set out below:
- (a) less than one year: 8.6%;
  - (b) one to less than two years: 10.4%;
  - (c) two to less than three years: 10.9%
  - (d) three to less than four years: 9.8%; and
  - (e) four to less than five years: 5.4%.

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<sup>4</sup> The households having the experience of terminating HKCTV's service included ex-subscribers and current subscribers.

12. For those who had the experience of terminating HKCTV's service in the five years prior to the survey, the key reasons for the service termination were highlighted as follows:
- (a) insufficient programme types (e.g. Barclays Premier League was no longer broadcast on HKCTV) (35.7%);
  - (b) high service charges (31.4%);
  - (c) the pay TV programmes were seldom watched (26.6%);
  - (d) poor programme quality / unattractive programme contents (21.2%);
  - (e) sufficient programme types of free TV and / or other pay TV services (10.8%); and
  - (f) technical reasons (e.g. poor reception quality / no network coverage after relocation) (6.6%).
13. 75.7% of the households who had the experience of terminating HKCTV's service in the five years prior to the survey terminated the service using telephone, followed by through retail outlets (17.1%), by fax (15.0%) and by mail (9.3%).

### **3. VIEWS ON SERVICE TERMINATION PRACTICES OF HKCTV**

14. 46.3% of the households who had terminated / attempted to terminate HKCTV's service in the five years prior to the survey had encountered difficulties during the service termination process. Of which, the major difficulties encountered were set out below:
- (a) hotlines were always busy / customers were subject to lengthy waits (49.2%);
  - (b) request for service termination was being ignored / the request for service termination was made difficult (31.3%);
  - (c) there was no response / delayed response from HKCTV after the submission of service termination form (17.4%);
  - (d) required to return the decoder to designated places within designated timeline (11.6%);
  - (e) required to submit the service termination form to designated places / via designated means (9.3%);
  - (f) contracts not terminated or monthly fee were still being charged after making the request for service termination (9.0%);

- (g) unable to obtain the service termination form (7.5%); and
- (h) request for service termination could only be submitted within the designated notification period (6.3%).

15. 43.6% of the households who had terminated / attempted to terminate HKCTV's service in the five years prior to the survey considered the service termination process dissatisfactory. 39.7% considered it satisfactory and 14.9% found it average. 1.8% had no comment.

Analysed by the lapse of time between the service termination and the survey and the encounter of difficulties in the service termination process<sup>5</sup>,

- (a) the dissatisfaction level among those who had terminated HKCTV's service in the two years prior to the survey (35.6%) was significantly lower than that of those who had terminated HKCTV's service for two or more but within five years prior to the survey (49.5%); and
- (b) those who had encountered difficulties were more likely to consider the service termination process dissatisfactory (82.6%), while those who had not encountered any difficulties in the service termination process were more likely to be satisfied with the process (65.2%).

16. Among those dissatisfied households (43.6%), the key reasons of dissatisfaction with the termination process of HKCTV's service were set out as follows:

- (a) the process was too complicated (46.4%);
- (b) the process was too long (33.8%);
- (c) response from HKCTV was considered slow, or it was felt that HKCTV procrastinated the process on purpose (33.4%);
- (d) hotlines were always busy / customers were subject to lengthy waits (13.6%);
- (e) request for service termination was being ignored / the request for service termination was made difficult (11.6%);
- (f) customer service / technical support was poor (10.9%);
- (g) request for service termination could only be submitted within the designated notification period (10.7%); and

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<sup>5</sup> Please refer to Appendix 2 for details.

- (h) the decoder was required to return to designated places within designated timeline (5.9%).
17. Among those satisfied households (39.7%), the key reasons of satisfaction with the termination process of HKCTV's service were set out below:
- (a) the process was smooth (48.4%);
  - (b) request for service termination was handled and / or followed up promptly or in a timely manner (29.2%);
  - (c) the procedure was simple and convenient (28.2%); and
  - (d) the attitude of staff was good / the explanations given by the staff were clear and easy to understand (7.7%).

## Appendix 1 Enumeration Results

The response rates by different definitions are summarised in the following table:

Table 3. *Response Rate of the Service Termination Survey*

Case outcome	Number of cases
(A) Successful interviews with eligible households	413
(B) Unsuccessful eligible cases	13
(B1) <i>Partial enumerated interviews with eligible households</i>	13
(B2) <i>Cancelled eligible cases</i>	0
(C) Unsuccessful cases with unknown eligibility	28 144
(C1) <i>Partial enumerated interviews with households with unknown eligibility</i>	59
(C2) <i>Non-contact</i>	13 906
(C3) <i>Refused</i>	14 179
(D) Ineligible cases	17 430
(D1) <i>Completed interviews with ineligible households</i>	6 594
(D2) <i>Non-working / disconnected numbers</i>	8 751
(D3) <i>Other invalid household numbers</i>	2 083
(D4) <i>Cancelled ineligible cases</i>	2
Total number of telephone numbers contacted (A+B+C+D)	46 000
Proportion of eligible cases among cases with known eligibility (e) = [(A)+(B)] / [(A)+(B)+(D)-(D2)]	4.7%
<b>Response rate 1 = (A) / [(A)+(B)+(C)]</b>	<b>1.4%</b>
<b>Response rate 2 = (A) / [(A)+(B)+e(C)]</b>	<b>23.7%</b>
<b>Response rate 3 (Overall response rate) = (A) / [(A)+(B)]</b>	<b>96.9%</b>

*Note: Of those 413 successful interviews, 401 household respondents were able to provide concrete and relevant answers to at least two of the validation questions. The remaining 12 non-validated household respondents (i.e. those who were unable to provide concrete and relevant answers to at least two of the validation questions) were excluded in the data analysis in order to increase the credibility of the survey findings.*

## Appendix 2 Overall Satisfaction with the Service Termination Process

Table 4. Analysis by the lapse of time between the service termination and the survey

Satisfaction level to the service termination process	Overall	Less than two years	Two to less than five years
Dissatisfied	43.6%	35.6% ▼	49.5% ▲
Average	14.9%	20.3%	11.0%
Satisfied	39.7%	43.1%	37.2%
No comment	1.8%	1.0%	2.4%

Note: “▲” denotes that a significantly higher percentage of response of the sub-group compared to the corresponding total, whereas “▼” denotes a significantly lower percentage of response of the sub-group compared to the corresponding total.

Table 5. Analysis by the encounter of difficulties in the service termination process

Satisfaction level to the service termination process	Overall	Encountered difficulties in the process	Did not encounter any difficulties in the process
Dissatisfied	43.6%	82.6% ▲	10.1%
Average	14.9%	7.4%	21.3%
Satisfied	39.7%	10.0%	65.2% ▲
No comment	1.8%	0.0%	3.3%

Note: “▲” denotes that a significantly higher percentage of response of the sub-group compared to the corresponding total.