



通訊事務管理局
COMMUNICATIONS
AUTHORITY

**Public Consultation Exercise for
the Renewal of
the Domestic Pay Television
Programme Service Licence of
PCCW Media Limited
1 - 30 November 2013**



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December 2014

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

PCCW Media Limited

**Communications Authority
December 2014**

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Chapter 1. Introduction

Application for Renewal of Licence

The domestic pay television programme service licence (“Licence”) of PCCW Media Limited (“PCCW Media”) granted under the Broadcasting Ordinance (Cap.562) (“BO”) runs from 26 September 2003 to 25 September 2015 (both dates inclusive). In September 2013, PCCW Media submitted an application for renewal of the Licence (hereinafter referred to as the “licence renewal application”). In accordance with the BO and the established practice for processing licence renewal applications, the Communications Authority (“CA”) conducted a comprehensive assessment of the performance of PCCW Media during the period from September 2003 to August 2014 and made recommendations to the Chief Executive in Council (“CE in C”) on the licence renewal application.

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 in November 2013 to gauge public views on the performance of PCCW Media through various channels. The CA had given careful consideration to the feedback collected from the community in assessing the performance of PCCW Media against the various statutory requirements as well as requirements under licence conditions and codes of practice and the investment commitments of PCCW Media 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 PCCW Media for their participation, and all the individuals and organisations 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

Mechanism of Collecting Public Opinions

The public consultation exercise was held from 1 to 30 November 2013. The consultation was widely publicised by the CA through different means, including broadcast/publication of announcements on television and radio and on the websites of the CA and the licensee, as well as on other websites and in newspapers. To raise public concern and facilitate members of the public to express their opinions, the CA issued an information booklet containing a summary of the licensee's service, complaints records, the licensee's investment plans and the regulatory requirements for domestic pay television programme service ("pay TV") licensees. Such information was also uploaded onto the CA's website.

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

(a) Opinion Survey

The CA commissioned an independent survey company to conduct an opinion survey from February to July 2014 on subscribing households of PCCW Media's pay TV service. Public views were collected by interviews with 1,510 subscribing households using a random sampling methodology.

(b) Public Hearings

The CA conducted two public hearings, one on Hong Kong Island and the other in Kowloon. A total of 146 members of the public attended the public hearings, and 24 of them spoke at the hearings.

(c) Written Submissions

Members of the public were invited to express their views via mail, fax or email. A total of 98 written submissions were received from different organisations and individuals.

Statistics of the Public Consultation Exercise

Public Hearings

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

Date	Number of Attendees
14 November 2013	73
22 November 2013	73
	Total: 146

Written Submissions

4. The CA received a total of 98 written submissions (including 5 late submissions) from members of the public in the public consultation exercise. Statistics on the types and modes of written submissions are as follows –

		Number of Submissions
Types of Written Submissions	Organisations	2
	Individuals	96
		Total: 98

		Number of Submissions
Modes of Written Submissions	By email	53
	By post	22
	By fax	12
	Telephone calls recorded in writing	3
	By hand	8
		Total: 98

5. After consolidating the 98 written submissions, the CA found that –

- (a) while most submissions were submitted with names of the members of the public concerned, there were 5 anonymous written submissions; and
- (b) there were 2 written submissions made in the name of organisations.

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

Opinion Survey

6. The CA also commissioned an independent survey company to conduct an opinion survey to gauge opinions of subscribing households on PCCW Media’s pay TV service. 1,510 subscribing households were successfully interviewed and the overall response rate was 65.9%. The executive summary of the opinion survey is at **Appendix** and has been uploaded onto the CA’s website.

Chapter 3. Reporting Principles

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 an opinion survey to gauge views of subscribing households on PCCW Media’s pay TV service. 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 views received by the CA were quite diverse in format and content. 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 an opinion survey, the CA did not attempt to analyse the other views collected in a quantitative manner because the views collected in the public hearings and the written submissions were diverse in format and content. It would be difficult to treat those views in a standardised way and to quantify them. In addition, views expressed by both the minority and the majority are considered to be equally important. Therefore, this report seeks to reflect 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 were categorised as follows –

- (a) views which were received during the opinion survey 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 individuals and organisations.

3. Views collected during the public consultation exercise may at times be repetitive. The CA has consolidated similar views to make the report reader-friendly.

Chapter 4. The Public Views Collected

Part 1: Quantitative Analysis of Data of the Public Opinion Survey

1. Objectives, Scope and Research Method

1.1 Following the established practice, the CA commissioned an independent survey company to conduct an opinion survey to collect views of subscribing households on PCCW Media's pay TV service, including standard, quality and diversity of programmes.

1.2 After consulting the Census and Statistics Department, public views were collected by interviews with subscribing households of PCCW Media's pay TV service using a random sampling methodology. The fieldwork was conducted by the independent survey company between February and July 2014. A total of 1,510 respondents aged 15 or above were successfully interviewed, achieving an overall response rate of 65.9%. Where appropriate, the findings of the opinion survey are compared with those of a similar survey conducted in 2007.

1.3 The executive summary of the opinion survey is at **Appendix** and is also available on the CA's website (<http://www.coms-auth.hk>).

2. Major Survey Findings

Major findings of the survey are summarised below.

2.1 Viewing Habits of PCCW Media Viewers

- Viewers usually watched PCCW Media's pay TV service from 8:00 p.m. to 10:59 p.m. The average time spent on watching PCCW Media's pay TV service per day was 2 hours.

- Sports (65%), news/information (62%) and movie/drama (51%) were the most frequently watched PCCW Media's programmes.

2.2 Purpose of Watching PCCW Media's pay TV service

- Viewers watched PCCW Media's pay TV service mainly for watching programmes exclusively broadcast on it (49%), seeking a greater variety of programme types (42%), obtaining information (36%) and watching live broadcasts (35%).

2.3 Programme Variety

- 78% of the respondents were satisfied with programme variety, while 6% were dissatisfied.
- 79% of the respondents considered that the types of programmes offered by PCCW Media were sufficient. 9% considered it insufficient.

2.4 Programme Quality

- 76% of the respondents were satisfied with the programme quality of PCCW Media, while 6% expressed dissatisfaction.

2.5 Reception Quality

- 75% of the respondents considered the reception quality satisfactory. 11% expressed dissatisfaction.

2.6 Current Programme Standards and Protection of Children

- Over 94% of the respondents stated that they had not encountered offensive materials on PCCW Media's pay TV service, while a small proportion of the respondents stated that they had encountered offensive materials in programmes (5%) or advertisements (2%).
- 88% 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 PCCW Media's pay TV service, and 51% of them accompanied their children to watch PCCW Media's pay TV service 5 times or more a week.
- 77% of those who were aged 18 or above were aware of the locking device provided by PCCW Media to its subscribers. Among those who had used the locking device, 96% considered it effective in preventing children from watching adult materials. 98% considered it user-friendly.

2.7 Customer Services

- Various aspects of PCCW Media's customer services were considered satisfactory by viewers who had used the related services, except for "renewal of contracts" (58% satisfied versus 24% dissatisfied) and "purchasing of new channels or promotion of new services (61% satisfied versus 20% dissatisfied) where the responses were diverse.

2.8 Overall Satisfaction

- 65% of the respondents were satisfied with PCCW Media, whereas 18% were dissatisfied and 16% found it average.

Part 2: Comments Collected from Public Hearings and Written Submissions from Individuals and Organisations

1. Programme Diversity

- 1.1 PCCW Media had provided diverse programme genres, including news, movies, dramas, documentaries, sports and infotainment programmes. The overall performance of PCCW Media was satisfactory or acceptable.
- 1.2 PCCW Media should provide more diversified programmes and channels including education programmes, programmes for family viewing, children's programmes, variety shows, information programmes, current affairs programmes, programmes improving civic qualities and moral values, dramas, comedies and horseracing programmes, more locally produced or self-produced channels and science/new technology channels.
- 1.3 While there were suggestions that PCCW Media should broadcast more locally produced programmes for the development of local talents and production companies, some suggested importing different types of programmes from other places, e.g. Japan, Korea, Singapore, United States and Europe.
- 1.4 There was a lack of programmes catering for the interests and needs of the hearing impaired.
- 1.5 PCCW Media should launch a channel featuring re-run programmes.
- 1.6 PCCW Media should not broadcast gourmet programmes and travelogues which encourage a luxurious lifestyle and adult programmes.

- 1.7 The self-produced channels (e.g. now Hong Kong Channel) should not carry imported dramas.
- 1.8 Sports programmes of PCCW Media were pre-dominated by soccer and golf. The licensee should increase the amount and variety of sports programmes to include volleyball, Davis Cup, World Games and Sportaccord Combat Games. There were also suggestions that the licensee should cover the Winter Olympics and provide more extensive coverage of La Liga (Spanish football league) matches.
- 1.9 PCCW Media should provide public access channels for the benefit of the ethnic minorities, underprivileged, religious groups and educational organisations free of charge.
- 1.10 There were too many repeat programmes on now Mango Channel.
- 1.11 The “now Select” on-demand service should feature more leisure and entertainment programmes.
- 1.12 PCCW Media should provide more opportunities for the public to express their views, and more creative programmes which were not available for viewing on other pay TV services.

2. Programme Quality

- 2.1 The programmes of PCCW Media were of good quality.
- 2.2 The quality of news channel and movie channels was satisfactory.
- 2.3 now Business News Channel and now News Channel were of high quality and provided useful information. However, there were also opinions that the news programmes were produced in a sloppy manner and repeated too frequently.

- 2.4 “Chef’s Corner” was produced in a professional and earnest manner.
- 2.5 The extensive coverage of local soccer matches on Channel 634 should be commended.
- 2.6 Interactive features of PCCW Media’s programmes were satisfactory and user-friendly. PCCW Media should continue to explore, develop and provide more interactive features for viewers.
- 2.7 Programmes were broadcast on now Hong Kong Channel after they had been broadcast on now 101. Some considered that the quality of now Hong Kong Channel had been deteriorating since it became a complimentary channel.
- 2.8 The performance of some news anchors was not satisfactory.
- 2.9 The Chinese sports commentators were unprofessional and talked too much.
- 2.10 The quality of PCCW Media’s sports channels (e.g. now 621 and now 625) was not satisfactory as they could not provide Chinese translation of the names of the teams participating in soccer matches.
- 2.11 There were suggestions that the names of participating players of ATP tennis matches should be shown on the platform of the now Select service to facilitate viewers to make an informed choice and that the ATP tennis matches shown on now 636 Channel should be broadcast in their entirety.
- 2.12 Soccer matches broadcast at late night should be repeated on the following day to cater for viewers who could not stay up late.

2.13 PCCW Media should take up its social responsibility and provide quality programmes which could contribute to the healthy development of the society.

3. Programme Standards

3.1 Programme hosts were not impartial.

3.2 The programmes and advertisements on real property were untrue, misleading and exaggerated.

3.3 Hosts and news anchors often made pronunciation mistakes.

4. Subtitling / Sign Language

4.1 Subtitles and sign language service should be provided in news programmes at least once a day for the benefit of the hearing impaired.

4.2 Sign language service and summary captions should be provided during the broadcast of breaking news and announcements of public importance, e.g. Chief Executive's Policy Address, Budget Speech and Q&A sessions in Legislative Council meetings.

4.3 Subtitles should be provided on all channels for the convenience of the audience.

4.4 Typos in subtitles should be avoided. The CA should consider imposing more regulation on the accuracy of subtitles.

4.5 Presentation of subtitling on now 511 Channel (Animax) should be improved.

5. High Definition Television Service

- 5.1 PCCW Media should provide more high definition (“HD”) channels/programmes. Specifically, some considered that the following acquired channels should be broadcast in HD format –
- (a) NHK Premium
 - (b) FOX Crime
 - (c) now Baogu Movies (Channel 133)
 - (d) Celestial Movies (Channel 147)
 - (e) Channel M (Channel 526)
- 5.2 There were suggestions that PCCW Media should broadcast its self-produced channels in HD format. Others commented that the picture quality of its self-produced channels should be upgraded to at least standard definition (“SD”) format.
- 5.3 Super HD channels should be made available to residents of tenement buildings.
- 5.4 The distinction between HD channels and Super HD channels was not clear.
- 5.5 The quality of HD channels and Super HD channels provided by PCCW Media was poor. In the case of Super HD channels, the quality was even worse than that of HD channels currently provided by free TV stations.
- 5.6 There was dissatisfaction that PCCW Media changed the transmission of now Hong Kong Channel from HD to SD format without informing viewers of such an arrangement.
- 5.7 PCCW Media should transmit the channels provided by TVB Network Vision Limited (i.e. Channels 801-811) in HD format.

5.8 The quality of some PCCW Media's channels was below SD standard.

6. Reception Quality

6.1 Concerns were expressed over the poor broadband network service provided by PCCW Limited to customers on Lantau Island, which had affected the reception of PCCW Media's pay TV service in the same district. Viewers had to pay the same amount of service fees as those in urban areas for a sub-standard service. PCCW Media should make improvement in this aspect.

6.2 The audio and visual quality of PCCW Media's SD channels was worse than those provided by free TV stations.

6.3 There were too many programmes broadcast in 4:3 aspect ratio instead of 16:9 widescreen.

6.4 The reception quality of PCCW Media's channels and now Select services was not satisfactory. The video and audio signals were not synchronised.

6.5 The quality of the old set-top box provided by PCCW Media was poor. It did not enable viewers to adjust the aspect ratio of the screen.

6.6 PCCW Media should upgrade its service and use multi-channel audio techniques, e.g. 5.1 system.

6.7 The remote control unit of PCCW Media was slow in response and not user-friendly.

7. Sales Practices

7.1 There were dissatisfactions over deceptive sales practices of PCCW Media, which were related to coercing customers to pay for the service which they did not want; imposing

unreasonably long contract periods; misleading customers to believe that if they did not install pay TV service, they would not be able to receive free TV service as well; and presenting misleading and untruthful information to entice customers to sign up contracts.

- 7.2 Concerns were expressed over unauthorised sales activities of PCCW Media. Some respondents alleged that PCCW Media's salespersons gained access to customers' premises under the pretext of technical inspection.
- 7.3 The attitude of PCCW Media's promotional staff was poor.
- 7.4 There were dissatisfactions over on-street promotional activities in areas such as subways, entrances of MTR stations and residential buildings, which caused nuisance to members of the public.
- 7.5 The CA should require PCCW Media to put in place codes of practice on sales conducts to protect consumer rights. The CA should also impose additional licence conditions on PCCW Media to regulate its sales practices.

8. **Customer Services**

- 8.1 The overall quality of customer services provided by PCCW Media was satisfactory.
- 8.2 The customer service hotline was not user-friendly. Customers needed to wait for almost an hour to reach a customer service representative.
- 8.3 The customer service officers were not attentive to customer's needs. For example, when a customer showed interests in watching volleyball games, the officer would encourage the customer to subscribe to Barclays Premier League ("BPL") channels because PCCW Media was not providing any channel dedicated to volleyball matches.

- 8.4 There were dissatisfactions that customers were not allowed to change their service plan within the contract period.
- 8.5 PCCW Media should provide simple and convenient means for customers to terminate their service.
- 8.6 A respondent was dissatisfied that when he signed a new contract to replace the contract under the name of his family member, he had been double-charged by PCCW Media.
- 8.7 PCCW Media hired credit agencies to collect overdue payments from customers despite that they had informed PCCW Media of the termination of service.
- 8.8 Customers needed to contact sales staff for channel information and very often, the staff would take the opportunity to entice customers to acquire additional services.

9. Subscription Fees

- 9.1 The subscription fee of PCCW Media's service was too high. PCCW Media should reduce the subscription fee to make its pay TV service more affordable.
- 9.2 There were comments that PCCW Media attempted to recoup its cost in acquiring the exclusive broadcasting rights of BPL by raising the subscription fee of the sports package.
- 9.3 There was dissatisfaction that PCCW Media often increased its subscription fees when soccer seasons began.
- 9.4 There was dissatisfaction with the increase of subscription fees every time a contract was renewed despite that the subscribed channels remained unchanged.
- 9.5 PCCW Media should provide concessionary rates to the elderly.

- 9.6 The subscription fee charged by PCCW Media was discriminatory against long-term subscribers and residents of private housing.
- 9.7 PCCW Media should enhance the publicity of discounts for bundled services (e.g. broadband, mobile phone and TV).
- 9.8 When PCCW Media lost the broadcasting right for BPL in 2010, it did not reduce the tariff of the BPL channels. However, when it regained the broadcasting right in 2013, additional fees were charged for the same BPL channels.
- 9.9 There were concerns that after PCCW Media had ceased to provide its channels on an a-la-carte basis, customers were forced to pay a high price for a package of channels that they would not otherwise acquire.
- 9.10 Customers were unable to subscribe to Star Sports and Fox Sports only as they were bundled with other sports channels.
- 9.11 PCCW Media should allow customers to subscribe to channels covering major sports events on a per-event basis, particularly for those lasting for a short period of time (e.g. Cricket the Ashes or Rugby World Cup).
- 9.12 TVB News (Channel 805) should be provided free of charge as it was identical to another digital channel provided by a free TV station.

10. Advertising

- 10.1 There were too many advertisements broadcast on PCCW Media's pay TV service.
- 10.2 PCCW Media should be required to broadcast more announcements in the public interest.

10.3 PCCW Media should not advertise its service on the acquired channels provided on its service.

10.4 PCCW Media should improve its advertising standards.

11. Other Matters

11.1 PCCW Media performed well in branding and marketing.

11.2 PCCW Media's licence should be renewed as its pay TV service had provided viewers with more programme choices.

11.3 PCCW Media should not continue its pay TV service. PCCW Media's acquisition of the exclusive broadcasting right of certain international sports events deprived non-PCCW Media subscribers of the right to watch these events on free-to-air TV. Following the grant of free TV licence to its affiliated company, HK Television Entertainment Company Limited ("HKTVE"), PCCW Media should carry international sports events on the free TV service of HKTVE to give members of the public more choices.

11.4 As HKTVE was closely associated with PCCW Media, the renewal of PCCW Media's pay TV licence would affect fair competition in the television broadcasting market.

11.5 The CA should impose terms and conditions to protect consumer rights when it discussed licence renewal with PCCW Media.

11.6 Given PCCW Media's dominant position in Hong Kong's media market, its pay TV licence should not be renewed so as to avoid giving rise to cross-media ownership and competition concerns.

- 11.7 There were concerns over the programme supply arrangement between PCCW Media and its free TV affiliate. Supply of programme materials to its free TV affiliate by PCCW Media would prejudice the programme diversity and choices available to the pay TV audience.
- 11.8 PCCW Media had transferred some of the programmes originally broadcast on now Hong Kong Channel to now 101 Channel which required extra charge.
- 11.9 PCCW Media should enhance the publicity of its “now Player” service among English viewers.
- 11.10 PCCW Media should extend its video recording service to include more pay TV channels.
- 11.11 PCCW Media should notify subscribers in advance of the programmes available on its premium sports channels.
- 11.12 Programmes should be made available for reception on mobile phone platform.
- 11.13 PCCW Media should pay attention to grooming talents to be programme hosts.
- 11.14 The CA should take note of broadcasting licensees’ abuse of editorial freedom.
- 11.15 Public hearings should be organised in the New Territories in addition to Hong Kong Island and Kowloon.
- 11.16 The Government was not earnest in taking into account the public views received in the decision-making process and this led to a waste of resources.

Chapter 5. Follow-up Actions

The CA is the independent statutory regulator of broadcasting and telecommunications services in Hong Kong. One of its major responsibilities is to enforce the provisions in 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. The CA therefore attaches great importance to public views on the performance of PCCW Media in conducting the licence renewal exercise.

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, the provision of subtitling for programmes, etc. These public concerns are within the scope of the licence renewal exercise. Having carefully considered the views received, the CA has drawn up its recommendations in relation to the licence renewal application of PCCW Media for submission to the CE in C for consideration. The public views collected during the public consultation exercise have also been submitted to the CE in C for reference.

3. The CA is aware of public concerns over the sales practices and customer service of, and billing and contractual disputes with, the pay TV licensees. The CA has conveyed to PCCW Media such concerns in the context of the licence renewal exercise. We note that PCCW Media takes the public views and concerns seriously and agrees to put in place measures to improve its sales activities and customer services.

4. Quite a number of comments and suggestions are about the licensee's editorial and commercial decisions on specific programmes/advertisements, subscription fees and packaging of channels. These public concerns are outside the scope of the licence renewal exercise. The CA has nevertheless conveyed these views to PCCW

Media for reference.

5. The CA is committed to upholding and respecting the editorial independence and creativity of broadcasters as well as the freedom of expression. The CA will not interfere with the editorial decisions, programme scheduling and day-to-day operation of the broadcasters. The editorial responsibility lies with the broadcasters themselves. Under the complaint-driven approach, the codes of practices promulgated by the CA serve as guidelines on proper content standards for the industry. The CA handles public complaints about broadcasting programme contents in accordance with the relevant statutory provisions. Also, the existing regime under the BO does not regulate the business model and packaging of a licensee. Licensees can freely decide on their business model and packaging including the level of subscription fees. The same regulatory approach applies in the case of PCCW Media's licence renewal application. Nonetheless, the CA recognises the importance the public attaches to these issues and has conveyed them to PCCW Media for reference and follow-up actions.

6. Last but not least, the CA would like to thank PCCW Media for its participation, and all the individuals and organisations who have given their views in the consultation exercise.

**Opinion Survey on the Domestic Pay Television
Programme Service of PCCW Media Limited**

~ Executive Summary ~

Prepared for

Communications Authority

By

Consumer Search Hong Kong Limited

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A. SURVEY BACKGROUND AND OBJECTIVES

1. In September 2013, PCCW Media Limited (PCCW Media) submitted an application for the renewal of its domestic pay television programme service licence granted under the Broadcasting Ordinance (Cap. 562), which will expire after 25 September 2015. The Communications Authority commissioned Consumer Search Hong Kong Limited to conduct an opinion survey (Opinion Survey) on the domestic pay television programme service (pay TV service) of PCCW Media to gauge public views on the licensee's service, which was carried out from February to July 2014.
2. Where appropriate and available, findings of the Opinion Survey were compared with those of the Broadcasting Services Survey conducted in 2007 (Survey 2007), 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, while the coverage of the Opinion Survey focused on the subscribers of now TV and their satisfaction with PCCW Media's performance. With the difference in the scope of the surveys, figures related to Survey 2007 are presented for reference only.
3. The primary objectives of the Opinion Survey are as follows:
 - (a) to gauge opinions of PCCW Media viewers on general issues relating to the pay TV service of PCCW Media in Hong Kong;
 - (b) to assess whether the current conditions in the pay TV licence of PCCW Media 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;
 - (c) to assess the quality of the pay TV service of PCCW Media and identify areas for improvement; and
 - (d) to assess the perceptions of viewers of the level of acceptability of the pay TV service of PCCW Media.

B. SAMPLE COVERAGE AND TARGET RESPONDENTS

4. A random sample of PCCW Media subscribing households was taken from the list of subscribers maintained by PCCW Media. From each sampled household, one member of age 15 or above who had continuously watched PCCW Media's pay TV programmes, under the brand name of "**now TV**", for 30 minutes or above in three months prior to the Opinion Survey, was randomly selected for interview.
5. A total of 1 510 persons of age 15 or above were successfully enumerated between February and July 2014 via face-to-face or telephone interviews¹. 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 ²	95% Confidence Interval
Overall satisfaction with now TV	65.2%	1.9%	(62.8%, 67.6%)
Proportion of respondents who had watched now TV in the month prior to the Opinion Survey	99.9%	0.1%	(99.7%, 100.0%)

C. FIELDWORK PERIOD AND RESPONSE RATE

6. Fieldwork was conducted between 21 February 2014 and 7 July 2014, with a response rate of 65.9%.

¹ A number of target respondents had expressed difficulties in receiving face-to-face interviews and telephone interviews were conducted instead.

² Coefficient of variation is obtained by expressing the standard error as a percentage of the estimate to which it refers.

D. SURVEY FINDINGS

7. This executive summary contains the key findings of the Opinion Survey on the Domestic Pay Television Programme Service of PCCW Media Limited in 2014. Where appropriate and available, the findings of the Opinion Survey were compared with those of the Survey 2007³, in particular for areas on (i) viewing habit; (ii) offensive materials; and (iii) locking devices.
8. For findings on questions which respondents may give multiple answers, percentage figures could add up to more than 100%.

1. VIEWING HABITS OF PCCW MEDIA SUBSCRIBING HOUSEHOLDS

1.1. Usage of Television Programme Services⁴

9. Among those who aged 15 or above and had continuously watched now TV for 30 minutes or above in the three months prior to the Opinion Survey (the “now TV viewers”),
 - (a) 97.8% had access to free TV services of Asia Television Limited and Television Broadcasts Limited (versus 99.1% of all households in Survey 2007);
 - (b) 39.6% and 26.2% had access to the pay TV services of Hong Kong Cable Television Limited and TVB Network Vision Limited respectively (versus 45.0% (for all pay TV services) in Survey 2007); and
 - (c) 7.3% had access to other TV services, e.g. satellite TV (versus 18.1% in Survey 2007).
10. now TV viewers spent an average of 3.1 hours watching TV programmes per day (2.9 hours during weekdays, and 3.7 hours during weekends).

³ Please note the difference in the scope of the Opinion Survey and Survey 2007 in paragraph 2 above.

⁴ Including all TV programmes and advertisements, but excluding all recorded programmes, VCDs, DVDs, programmes on mobile phones and the Internet.

1.2. Usage of PCCW Media's now TV

11. 71.0% of the now TV viewers watched now TV on a daily basis (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 13.0% watched now TV between one day a month and two days a week (i.e. watched “occasionally”) (versus 30.2% in Survey 2007).
- (a) Among those (71.0%) who watched now TV every day, the average time spent on watching now TV was 2.4 hours per day (2.1 hours during weekdays and 3.2 hours during weekends).
 - (b) For those (98.8%) who watched now TV at least once in a week, the average time spent on watching now TV was 2.0 hours per day (1.8 hours during weekdays and 2.8 hours during weekends).
 - (c) For those (99.9%) who watched now TV at least once in a month (the “viewers”), the average time spent on watching now TV was 2.0 hours per day (1.8 hours during weekdays and 2.8 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).
12. Viewers normally watched now TV in the following time slots –
- (a) 51.3% in the hour from 9:00 pm to 9:59 pm;
 - (b) 50.4% in the hour from 10:00 pm to 10:59 pm; and
 - (c) 43.2% in the hour from 8:00 pm to 8:59 pm.
13. Viewers watched now TV mainly for “programmes exclusively broadcast on now TV” (49.4%); “a greater variety of programme types” (42.4%); “obtaining information such as news, financial, weather and traffic reports, etc.” (35.8%); “more live programmes” (35.3%); “attractive programme contents” (25.6%); “suitable broadcast schedule” (17.8%) and “accompanying others to watch” (7.8%).
14. The most frequently watched now TV channels were now 621⁵(41.0%), followed by now News (38.3%) and STAR Chinese Movies HD (14.6%).

⁵ A sports channel.

15. Sports programmes (65.2%), news/information programmes (62.1%) and movie/drama (50.7%) were the types of now TV programmes that viewers watched most often. These were followed by travel/documentary programmes (30.4%) and entertainment/leisure programmes (23.9%).
16. 77.4% of the viewers claimed that they were the decision makers in choosing which now TV channel/ now Select service to watch for most of the time. “My family members choose it for most of the time” (12.1%) followed at a distance.
17. 81.2% of the viewers watched now TV’s high definition television (“HDTV”) programmes at least once a week. 39.0% watched HDTV programmes on a daily basis. Only 5.2% did not watch any HDTV programmes.
18. 58.8% of the viewers watched now TV’s foreign productions more often than local productions. 20.8% watched local productions more often, while 19.6% had no specific preference between foreign and local productions.
19. 31.3% of the now TV viewers watched now TV via the Internet or mobile apps provided by now TV. Among them,
 - (a) 91.2% used mobile apps provided by now TV; and
 - (b) 62.4% claimed that they did so at least once a week and 8.7%, on a daily basis.

1.3. Views on Watching now TV with Family Members Aged 15 or Below

20. Among those who had watched now TV for at least once in a month, 23.3% claimed having children aged 15 or below in the households. Among them, 69.9% had children aged 15 or below watching now TV at least once a month.
21. Among those (16.3% of all viewers) who had children aged 15 or below watching now TV at least once a month,
 - (a) 87.8% claimed that parents or other family members aged 18 or above had accompanied their children to watch now TV in the month prior to the Opinion Survey. 51.0% of them claimed that they had accompanied their children to watch now TV five times or more in a week; and

- (b) the usual watching time slot was in the hours from 7:00 pm to 9:59 pm.

2. VIEWS ON PROGRAMME AND ADVERTISING CONTENTS

Programme Types

22. Overall speaking, 78.8% of the viewers considered the types of programmes offered by now TV sufficient in quantity and 9.3% considered them insufficient. 7.0% found that there were too many types of programmes. 4.9% had no comment.
- (a) The perceived sufficiency of the following types of programmes was quite high. They were adult programmes (99.3%), financial information programmes (97.6%), children's programmes (97.3%), quiz and game shows (97.2%), news (97.1%), health and domestic programmes (96.8%), educational programmes (96.6%), science, nature and wildlife programmes (96.3%), arts and culture programmes (96.1%), talk shows (95.7%), sports programmes (95.2%), current affairs programmes (94.9%), food programmes (94.7%), travel, customs and history programmes (94.7%), and music programmes (94.1%).
- (b) When asked specifically about the programme types that were insufficient in quantity, 40.3% of the viewers provided at least one programme type that they considered insufficient in quantity. The top five programme types were movie (9.4%), drama (9.2%), music programmes (5.2%), travel, customs and history programmes (4.8%), and current affairs programmes (4.1%).
- (c) When asked specifically about the programme types that were excessive in quantity, 17.8% of the viewers had selected at least one programme type that they considered excessive in quantity. The top three programme types were movie (3.8%), drama (2.4%), and food programmes (2.1%).
23. 78.0% of the viewers considered that the level of programme variety was satisfactory and 13.1% found it average. 5.9% expressed dissatisfaction. 3.0% had no comment.

24. 70.1% of the viewers stated that their satisfaction level on the programme variety had not changed when compared to one year prior to the Opinion Survey. 20.9% claimed that their satisfaction was higher than a year prior to the Opinion Survey and 9.0% claimed the opposite.
- (a) Those (20.9%) who claimed that their satisfaction level was higher than a year prior to the Opinion Survey mainly because “there were more programme types in general” (24.0%) and “there were more programme types in sports programmes (23.1%)”.
 - (b) Those (9.0%) who claimed that their satisfaction level was lower than a year prior to the Opinion Survey mainly because “there were fewer programme types in general” (38.6%) and “there were fewer programme types in movie/ drama” (12.6%).

Programme Quality

25. 76.0% of the viewers claimed that the level of programme quality of now TV was satisfactory and 16.9% found it average. 5.6% expressed dissatisfaction and 1.5% had no comment.
- (a) Among those (5.6%) who were dissatisfied with the programme quality,
 - (i) the main reasons of dissatisfaction were due to “outdated programme contents” (42.3%) and “unattractive programme content” (36.2%);
 - (ii) the programme types that viewers considered unsatisfactory in terms of quality were movie (53.9%), sports (26.7%) and drama (25.6%); and
 - (iii) they suggested that the programme quality could be improved by “providing up-to-date programme contents” (23.9%) and “more local productions” (15.5%).
26. 72.3% of the viewers stated that their satisfaction level on programme quality had not changed when compared to one year prior to the Opinion Survey. 17.5% claimed that their satisfaction level was higher than a year prior to the Opinion Survey while 10.2% found it lower.

- (a) Those (17.5%) who claimed that their satisfaction was higher than a year prior to the Opinion Survey because the perceived quality of programme contents had improved. Specifically, the major areas of improvement included “higher quality of programme contents or more attractive contents in general” (19.4%), “able to satisfy personal needs or interests” (9.2%), “up-to-date programme contents” (5.0%), “better programme hosts” (3.9%) and “current affairs programmes were neutral and unbiased” (2.2%).
- (b) Those (10.2%) who claimed that their satisfaction was lower than a year prior to the Opinion Survey because the perceived quality of programme contents had dropped. Specifically, the major areas of dissatisfaction included “lower quality of programme contents or boring contents” (16.2%), “quality of programme hosts not up to expectation” (3.1%) and “outdated programme contents” (2.9%).

Sufficiency of HDTV Programmes

27. 57.4% of the viewers considered that the HDTV programmes provided by now TV were sufficient in quantity and 26.2% found it insufficient. 1.0% considered that there were too many of them. 15.5% had no comments.

Offensive Materials

28. Viewers (i.e. those who had watched now TV in the month prior to the Opinion Survey) were asked whether they had encountered offensive materials in programme contents or advertising contents broadcast on now TV, and the findings are summarised below.

- (a) 94.8% of viewers (versus 77.1% of pay TV viewers in Survey 2007) claimed that they did not encounter any offensive programme materials when watching now TV. Only 5.2% (versus 22.9% in Survey 2007) did.
- (b) Among those (5.2%) who had encountered offensive programme materials,
 - (i) the offensive programme materials encountered were mainly related to “partial views, biased contents” (43.2%), “biased towards a certain community or organisation”

- (21.1%, versus 16.7% in Survey 2007), “promotion of products / services in programmes” (15.6%), “violence” (13.3%, versus 40.2% in Survey 2007), “disgusting scenes/ horror” (12.9%, versus “horror”, 37.7% and “disgusting scenes/ plots”, 21.8% in Survey 2007) and “bad language” (11.1%, versus “crude language”, 33.1% in Survey 2007);
- (ii) viewers encountered offensive programme materials most recently on now News (Channel 332) (47.8%), followed distantly by now Business News (Channel 333) (15.1%) and FOX Movies Premium HD (Channel 117) (10.6%). These rates appear to be correlated to the viewership of different now TV channels;
 - (iii) the top three programme types which viewers claimed that they had encountered offensive programme materials were news programmes (36.0%), movies (23.5%) and current affairs programmes (21.3%); and
 - (iv) 38.3% considered the frequency of offensive materials that they had encountered acceptable, while the remaining 61.7% found it too high.
- (c) 98.1% of viewers did not encounter offensive advertising materials (versus 90.5% in Survey 2007). Only 1.9% did (versus 9.5% in Survey 2007).
- (i) The offensive advertising materials encountered by viewers were mainly related to “misleading contents” (35.7%, versus “misleading factual materials”, 42.9% in Survey 2007).
 - (ii) Among those (1.9%) who had encountered offensive advertising materials, 28.0% considered the frequency of such materials acceptable, while the remaining 72.0% found it too high.

3. VIEWS ON THE QUALITY OF RECEPTION

29. 96.9% of the now TV viewers (i.e. those who had continuously watched now TV for 30 minutes or above in the three months prior to the Opinion Survey) received now TV via decoders. The remaining 2.4% received now TV via “Eye Multimedia Services Device” and

other means of delivery (e.g. now Player, the mobile app of now TV). 84.3% of the now TV viewers were able to access now TV's HDTV channels.

30. A majority of viewers (i.e. those had watched now TV for at least once in a month) found the reception quality in general (74.6%), audio quality (88.4% for HDTV and 82.7% for standard definition television ("SDTV")) and visual quality (87.0% for HDTV and 73.4% for SDTV) satisfactory. About 10% found it average (13.8% on reception quality, 6.5% and 9.3% on audio quality for HDTV and SDTV respectively, and 6.0% and 13.0% on visual quality for HDTV and SDTV respectively) or dissatisfactory (11.3% on reception quality, 3.2% and 5.1% on audio quality for HDTV and SDTV respectively, and 5.0% and 10.5% on visual quality for HDTV and SDTV respectively). Only a few had no comment (0.3% on reception quality, 1.9% and 2.8% on audio quality for HDTV and SDTV respectively, and 2.0% and 3.1% on visual quality for HDTV and SDTV respectively).
31. 63.9% of the viewers claimed that they had encountered reception problems when watching now TV. Among them,
- (a) 64.4% had encountered reception problems in the three months prior to the Opinion Survey; and
 - (b) the reception problems encountered were mainly related to "no signals" (57.0%) and "screen lagging/ freezing/ beyond the margins" (47.4%).
32. 5.3% of the viewers claimed that they had encountered problems on the reception of other telecommunication services after installing now TV. Among them,
- (a) 47.4% had encountered such problems within one month, and 21.8% between one month and within three months prior to the Opinion Survey; and
 - (b) the major problems were related to "inability to receive other TV programmes" (47.6%) and "poor reception of other TV programmes" (20.9%).

4. VIEWS ON THE LOCKING DEVICE

33. 76.6% of the viewers aged 18 or above were aware of the locking device for pay TV service provided by now TV (versus 65.0% of those aged 15 or above in Survey 2007).

- (a) Among those (76.6%) who were aware of the locking device, 71.8% claimed that they knew how to use the device and 23.7% of them claimed that they had used the device.
- (b) Among those (12.9% of all viewers aged 18 or above) who had used the locking device,
 - (i) 96.1% considered it effective in preventing children from watching adult materials (versus 69.9% in Survey 2007). 3.9% found it not effective (versus 20.4% in Survey 2007); and
 - (ii) 98.0% considered it user-friendly and 97.8% had not encountered any malfunctions when using the device.

For those (3.9%) who considered the device not effective, they suggested using more complicated passwords.

34. Among those who were not aware of (23.4% of all viewers aged 18 or above), or did not know how to use the locking device (21.6% of all viewers aged 18 or above), 45.7% remarked that this function should be promoted by now TV by “broadcasting promotional messages”. This was followed by “to be explained by salesperson” (15.1%) and “providing information in the user manual” (13.4%).

5. VIEWS ON CUSTOMER SERVICE

35. 34.0% of now TV viewers had experienced the customer services provided by now TV in the three months prior to the Opinion Survey.

- (a) Among those (34.0%) who had used now TV’s customer services, 83.1% had experienced the 24-hour customer service hotline for lodging complaints or for other matters. Among them,
 - (i) 69.0% considered it satisfactory and 14.3% found it average. 16.4% expressed dissatisfaction; and
 - (ii) “reducing the waiting time” (51.8%) was the key area for further improvement suggested by respondents (16.4%)

who considered the 24-hour customer service hotline dissatisfactory.

- (b) Among those (34.0%) who had used the customer services provided by now TV, the majority of them had experienced “making a request for on-site inspection and repair services” (61.2%), followed by “making enquiry or request for information” (41.5%), “renewal of contracts” (29.0%) and “purchasing of new channels or promotion of new services” (22.3%).
- (i) Among those (20.8% of all now TV viewers) who had experienced “making a request for on-site inspection and repair services”, 83.0% considered it satisfactory and 9.1% found it average. 7.6% expressed dissatisfaction and 0.3% had no comment.
- (ii) Among those (14.1% of all now TV viewers) who had experienced “making enquiry or request for information”, 78.9% considered it satisfactory and 9.9% found it average. 10.3% expressed dissatisfaction and 1.0% had no comment.
- (iii) Among those (9.9% of all now TV viewers) who had experienced “renewal of contracts”, 57.6% considered it satisfactory and 18.1% found it average. 23.6% expressed dissatisfaction and 0.6% had no comment.
- (iv) Among those (7.6% of all now TV viewers) who had experienced “purchasing of new channels or promotion of new services”, 60.6% considered it satisfactory and 16.0% found it average. 20.0% expressed dissatisfaction and 3.3% had no comment.

Generally speaking, the various aspects of now TV’s customer service were considered satisfactory by viewers who had experienced the related services, except for “renewal of contracts” (57.6% satisfied and 23.6% dissatisfied) and “purchasing of new channels or promotion of new services” (60.6% satisfied and 20.0% dissatisfied) where the response was diverse.

6. OVERALL SATISFACTION WITH PCCW MEDIA'S PAY TV SERVICE

36. 65.2% of the now TV viewers considered the pay TV service of PCCW Media satisfactory and 16.4% found it average. 17.5% expressed dissatisfaction. 0.9% had no comment.
37. Among those (17.5%) who expressed dissatisfaction with the pay TV service of PCCW Media, the main reasons were “high subscription fee” (69.4%), “poor customer services or insufficient technical support” (13.2%) and “low programme quality or insufficient programme types” (12.7%).

They suggested that PCCW Media should –

- (a) lower its subscription fee (57.0%);
- (b) offer programmes with better quality or more varieties (16.0%);
and
- (c) enhance the quality of customer service such as expediting the problem handling procedures or responses to customer hotlines (12.7%).