

# Mobile shapes how video, wireless providers evolve

May 19 2015, by Anick Jesdanun

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Video is going mobile, and leading TV providers are trying to adapt.

AT&T, for instance, is buying satellite TV provider DirecTV so it can offer packages that marry wireless and wired Internet access with traditional and online [video](#). Verizon is buying AOL for technology to improve advertising on mobile devices. And Comcast tried—unsuccessfully—to get bigger, in part to compete better with online video services such as Netflix and Hulu.

Here's a look at what those three companies are doing:

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## AT&T

If AT&T's \$48.5 billion bid to buy DirecTV goes through this summer, AT&T would become the No. 1 provider of traditional TV services. AT&T's U-verse video service is already in 6 million households in 21 states. DirecTV's 20 million households nationwide would give AT&T 26 million video customers in the U.S.

Cable companies now sell packages of video, Internet and phone services through wires to your home. AT&T wants to add a fourth, wireless, to the bundle in the 21 U-verse states. Elsewhere, it would be able to package satellite TV with wireless.

More importantly, AT&T would be able to offer more flexibility in how customers watch video. All cable companies have been embracing TV Everywhere—websites and mobile apps for watching movies and TV shows on the go. But it's a choppy experience. Providers don't have the right to offer certain channels on mobile. Some channels work only with some devices.

AT&T says it already has some rights to bring video to mobile. But in other cases, it needs new contracts with TV channels providing the shows. Having DirecTV would give AT&T more bargaining power and would let it deepen relationships with content providers as video transitions to mobile over the next several years.

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## VERIZON

Verizon's \$4.4 billion bid for AOL is largely about advertising and mobile video. Verizon already offers traditional TV services to 6 million households through FiOS. Having AOL wouldn't increase that, but would give the country's biggest wireless carrier more video it can distribute to its phone subscribers.

More importantly, Verizon would have advertising technology from AOL to boost revenue. Although people are using their phones more for video, wireless carriers haven't seen a corresponding increase in revenue because of price competition. With AOL, Verizon has a better chance of getting additional revenue from advertisers instead.

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## COMCAST

Comcast, currently the nation's leading TV provider with 22 million households, wanted to buy Time Warner Cable, which has 11 million households. It abandoned the \$45 billion bid, though, after federal regulators objected over worries about a larger company's ability to undermine online video providers.

But the core of the deal was less about providing mobile video than helping Comcast compete. As people increasingly turn to online services and drop traditional TV channels, Comcast wanted to get bigger so that it could negotiate better deals to carry the channels on its cable lineup. That could have translated into more flexibility for TV Everywhere services on phones.

Comcast still remains primarily a home service provider. It has been improving technology in the home, such as a remote that responds to your voice.

Comcast began diversifying years ago, namely with its purchase of NBCUniversal. Instead of just selling dumb pipes, Comcast was able to make money from content, too. As NBCUniversal channels expand their offerings on [mobile](#), Comcast benefits whether the viewer gets the channels through Comcast, AT&T or Dish.

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