

## Pay-TV could lose 1 million customers this quarter, analyst says

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Pay-TV operators could lose 1 million subscribers this quarter, a Wall Street analyst says.

John Hodulik, telecom analyst at UBS, projected the bleak period for cable-TV, satellite-TV, and telecoms in a widely reported research note earlier this month. Other analysts also are warning of a sharper trend away from pay-TV services, with consumers looking to internet streaming services because of the constantly escalating cost of big-channel bundles that can cost \$100 a month.

Such a setback would follow a dismal first quarter, when pay-TV operators lost more than 700,000 subscribers, or several times more than the losses in the first quarter of last year. "The Cable Industry Can No Longer Deny the Cord Cutting Threat," the trade publication DSLReports.com warned in an article in May.

Comcast - in a rarity for pay-TV operators - added 42,000 Xfinity TV subscribers as the Philadelphia company said that improved customer [service](#) and its cloud-based interactive X1 set-top box stemmed the customer slide.

But Comcast CEO Brian Roberts said in an interview that aired on Bloomberg TV last week that cord-cutting - or the shift away from cable-TV - is "happening. We have seen it coming." It was an unusually blunt admission for the Comcast boss.

Comcast is the nation's largest cable-TV operator. In recent years, the company has diversified its revenue with a fast-growing high-speed internet business, Xfinity Internet, and entertainment through Comcast-owned NBCUniversal.

Dan Cryan, a senior director at the research firm IHS Markit, said that Comcast seems to be discounting its Xfinity TV service to prop up the business in the face of threats from Netflix, Hulu, Sling, and other streaming services. "Comcast is being very aggressive around keeping its TV subscriber numbers," he said.

Colin Dixon, an nScreenMedia analyst, said that pay-TV operators are stuck in a vicious cycle of constantly escalating pay-TV bills while streaming options are becoming more popular with consumers.

"Before, we did not have many alternatives, but now we are awash in content," Dixon said. People are watching one or two shows a day on Netflix. "This is coming right out of TV viewing."

Comcast has said that its programming costs for television content on the channels offered through Xfinity TV are expected to increase about 13 percent this year. The sources of this inflationary pressure are sports and broadcast television, industry insiders say.

The second quarter, ending on June 30, is typically the worst period for pay-TV operators partly because of college students coming home for the summer and canceling their services.

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