

Despite ratings drop, Olympics boosts Comcast in 3Q

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This June 11, 2013, file photo, shows the Comcast Corp. logo during The Cable Show 2013 convention in Washington. Comcast reports financial results Wednesday, Oct. 26, 2016. Comcast's marriage with NBCUniversal foreshadows what can come from the kind of "vertical integration" that AT&T and Time Warner are attempting. There are potential marketplace and consumer harms, but also benefits to advertisers and subscribers. (AP Photo/Susan Walsh, File)

Comcast's profit rose 12 percent in the July-September quarter thanks to the Olympics and the first third-quarter gains in video subscribers in a decade.

NBCUniversal CEO Steve Burke has said that the company made over \$250 million in Rio as ad sales rose, even though Olympics ratings fell 16 percent in prime time on NBC from the London Olympics. Ratings were down 9 percent if viewers watching on NBCUniversal's cable channels and digital were added.

The cable giant has been winning back video subscribers despite an overall drop in the number of people who pay for traditional TV. There has also been a trend toward smaller audiences, even for big sporting events like NFL football and the Olympics.

It credits that to customer-service improvements and its fancy X1 cable box, which the company says helps retain customers. Subscribers who have X1 tend to spend more on DVRs and pay-per-view. Some 45 percent of Comcast's video households have X1 now. Analysts also say it has been winning customers from some competitors like Dish and AT&T's U-verse TV service, since the telecom giant is now focused on DirecTV instead.

In the third quarter, Comcast added 32,000 video customers, compared with a 48,000 loss a year ago—the first third-quarter gain since 2006. It gained 330,000 internet customers, compared with 320,000 a year ago. Phone customer additions fell to 2,000 from 17,000.



In this July 23, 2015, file photo, a pedestrian walks past the Comcast building in Rockefeller Center, in New York. Comcast reports financial results Wednesday, Oct. 26, 2016. Comcast's marriage with NBCUniversal foreshadows what can come from the kind of "vertical integration" that AT&T and Time Warner are attempting. There are potential marketplace and consumer harms, but also benefits to advertisers and subscribers. (AP Photo/Mary Altaffer, File)

The Olympics broadcast in August gave a big boost to NBC and the company's cable networks. Revenue rose 57 percent to \$3.09 billion in the broadcast unit, which is NBC and Spanish-language Telemundo, and gained 22 percent to \$2.94 billion at the cable-networks division, which includes MSNBC, Bravo and USA Network.

Revenue fell 8 percent in the movies division, which raked in cash last summer with the blockbusters "Jurassic World" and "Minions."

Overall, Comcast net income climbed to \$2.24 billion from \$2 billion in the same period a year ago. Revenue increased 14 percent to \$21.32 billion.

Its Class A shares fell \$1, or 1.6 percent, to \$63.52 in morning trading Wednesday. Its shares are up 2 percent over the past year.

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