

AT&T sheds more lucrative wireless customers in 1Q

April 26 2017, by Tali Arbel



In this Monday, Oct. 24, 2016, file photo, the AT&T logo is positioned above one of its retail stores, in New York. AT&T Inc. reports earnings Tuesday, April 25, 2017. (AP Photo/Mark Lennihan, File)

AT&T Inc. on Tuesday said it lost more of its most lucrative wireless customers during the first three months of the year as the country's biggest mobile carriers try to lure customers from each other with offers of unlimited data plans.

Most people already have a cellphone, and the four major wireless carriers have launched the unlimited plans and other features in a bid to poach customers from their rivals.

AT&T acquired DirecTV in 2015 and is in the process of buying Time Warner, home to the CNN, TBS and HBO networks and a movie studio, to help it expand beyond its traditional business lines. More mergers are expected in the wireless industry, with the Trump administration thought to view them more favorably than regulators during the Obama administration.

The Dallas-based telecoms and entertainment giant unlinked its unlimited plan from a DirecTV subscription in February, a few days after Verizon announced its plan. Sprint and T-Mobile have had theirs for a while.

AT&T CEO Randall Stephenson said Tuesday that the company's response to the return of unlimited plans "was probably a little slow," but that the company's network capacity positioned it well to offer the popular plans.

AT&T said that it shed 348,000 cellphone customers who get a bill each month in the first quarter; Verizon last week reported that it lost 289,000. Verizon introduced unlimited plans during the quarter because it was alarmed at how many customers it was losing.

T-Mobile, which has been cleaning up in the past couple [years](#), added 798,000.

AT&T reported Tuesday that the average amount it gets from such customers' service plans also ticked lower, to \$58.09 a month from \$59.53 a year earlier. The company also said that customers are holding on to their phones longer, pressuring equipment sales.

AT&T did add 282,000 prepaid customers, who pay less.

It lost 233,000 video customers, however, a deeper loss than the year before. Those are DirecTV and AT&T cable customers. AT&T added 115,000 home internet customers, more than a year ago.

Overall, the Dallas company reported first-quarter earnings of \$3.47 billion, or 56 cents per share, down from \$3.8 billion, or 61 cents, the year before.

Stripping out merger costs, per-share profit came to 74 cents, meeting Wall Street expectations.

Revenue fell 3 percent to \$39.37 billion, short of Street forecasts. Twenty analysts surveyed by Zacks expected \$40.66 billion.

AT&T shares were unchanged in after-hours trading. They closed the regular trading day Tuesday down 8 cents to \$39.94 and are down 6 percent in 2017. The Standard & Poor's 500 index has increased nearly 7 percent.

© 2017 The Associated Press. All rights reserved.

Citation: AT&T sheds more lucrative wireless customers in 1Q (2017, April 26) retrieved 24 April 2024 from <https://phys.org/news/2017-04-att-lucrative-wireless-customers-1q.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.