



The Battle for the American Couch Potato: Bundling, Television Internet, Telephone, Wireless

April 2019

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Commentary

Now in its 17th year of publication, **The Battle for the American Couch Potato: Bundling, TV, Internet, Telephone, Wireless** (91 pages) contains analysis of product offers (including prices), strategy, and subscriber/financial performance metrics (including forecasts) **by Company & Market**. In addition to Convergence analysis, sources include company interviews, annual/quarterly reports & presentations, US Census.

Commentary, please see Table of Contents for what is included in this Report:

We estimate 2018 US Cable, Satellite, Telco TV access (not including OTT) revenue declined 3% to \$103.4 billion and forecast \$X billion (hence ARPU should grow X%) for 2019 & \$X billion for 2021. We forecast Cable, Satellite, Telco will have X%, X%, X% of US TV subscribers YE2019. We estimate X% DVR and X% HD penetration YE2019.

We estimate 2018 saw a decline of 4.013 million US TV subscribers, 2017 a decline of 3.661 million, and we forecast a decline of X million TV subs for 2019 and X million for 2021; hence the US TV subscriber base will decline X% in 2019, up from X% in 2018, we forecast X% on average for 2020-2021.

As illustrated in our US Cord Cutter/ Never Household Model, 2010 saw the start of the rise in cord cutter/ never households. As of YE2018 we estimate X million US households (30% of HHs) did not have a traditional TV subscription with a Cable, Satellite, or Telco TV access provider, up from X million (26.2% of HHs) YE2017, and we forecast X million (X% of HHs) YE2019, and X million (X% of HHs) YE2021. 2017 saw 4.57 million, 2018 4.92 million, and we forecast X million 2019 and X million 2021 cord cutter/ never household additions.

We estimate 2.85 million US residential broadband subscribers were added in 2018 and revenue grew 7% to \$61.6 billion; we forecast X million additions and \$X billion for 2019, and X million residential subscriber additions in both 2020 & 2021. Residential broadband subs first surpassed TV subs in 2017.

Cable continues to add the lion's share of residential broadband subs (Telco has lost residential broadband subs every year since 2015). CenturyLink & Frontier were responsible for the majority of 2018 Telco broadband losses; we forecast they will contribute the majority of losses in 2019 as well.

2018 Telco US residential wireline telephone line loss was we estimate X%; we forecast X% losses / annum through 2021. We estimate wireless-only households at X% YE2018 and forecast X% YE2019 and X% YE2021. We project Cable will represent X% of US residential wireline telephone subs YE2020.

2018 saw the four largest carriers add 20 million US wireless subscribers and we forecast X million for 2019. 2018 saw further declines in weighted US wireless service ARPU and a small decline in wireless service revenue; we forecast a similar ARPU decline and flat service revenue growth for 2019.