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# The Battle for the North American (US/Canada) Couch Potato: Bundling, Television Internet, Telephone, Wireless

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# Contents

## Commentary

**Now in its 18th year of publication, The Battle for the North American (US/Canada) Couch Potato: Bundling, TV, Internet, Telephone, Wireless** (215 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, CRTC, Innovation & Statistics Canada, US Census.

**US Commentary (Canadian Commentary follows), please see Table of Contents for what is included in this Report:**

Our forecasts assume the coronavirus will not be as major a disruptive force beyond 2020.

We estimate 2019 US Cable, Satellite, Telco TV access revenue declined 3% to $100.4 billion and forecast a decline of X% to $X billion in 2020 (hence ARPU should grow X%) and a decline of X% in 2022 to $X billion. We forecast Cable, Satellite (includes DirecTV/AT&T TV & Dish), Telco will have X%, X%, X% of US TV subscribers YE2020. We estimate X% DVR and X% HD penetration YE2020.

We estimate 2019 saw a decline of 6.358 million US TV subscribers, 2018 a decline of 4.034 million, and we forecast a decline of X million TV subs in 2020 & X million in 2022; hence US TV subscribers declined by 7.1% in 2019, 4.3% in 2018, and we forecast X% in 2020, X% in 2021 and X% in 2022.

As illustrated in our US Cord Cutter/Never Household Model, as of YE2019 we estimate X million US households (36.1% of HHs) did not have a TV subscription with a Cable, Satellite, or Telco TV access provider, up from X million (30.6% of HHs) YE2018, and we forecast X million (X% of HHs) YE2020, and X million (X% of HHs) YE2022. 2019 saw 7.21 million, 2018 5.94 million, and we forecast X million 2020 and X million 2022 cord cutter/never household additions.

Extending out forecasts to YE2025 from YE2019, demonstrates a decline of more than X% of US TV subscribers, over X% of annual TV access revenue, and more than a X of cord cutter/never households.

We estimate 2.74 million US residential broadband subscribers were added in 2019 and revenue grew 8% to $66.7 billion; we forecast X million additions and $X billion for 2020, and X million additions on average 2021-2022. Residential broadband subs surpassed TV subs in 2017. We forecast 2022 residential broadband access revenue will X with 2022 TV access revenue.

Cable continues to add the lion's share of residential broadband subs (Telco has lost residential broadband subs every year since 2015). AT&T, CenturyLink & Frontier were responsible for the majority of 2019 Telco broadband losses; we forecast they will contribute the X of losses in 2020 as well.

We estimate 2019 Telco residential wireline telephone line loss was X%, we forecast X% for 2020, whereas we estimate 2019 Cable loss was X% and we forecast X% for 2020. We project Cable will represent X% of US residential wireline telephone subs YE2020. We estimate wireless-only households at X% YE2019 and forecast X% YE2020 and X% YE2022.

Although the four largest carriers weighted wireless service ARPU declined again 2019, wireless service revenue growth was positive. We forecast X ARPU decline and X service revenue growth for 2020.

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

Our forecasts assume the coronavirus will not be as major a disruptive force beyond 2020.

We estimate 2019 Canadian Cable, Telco, Satellite TV access revenue declined 2% to $8.38 billion & forecast a X% decline to $X billion (hence ARPU should grow by X%) in 2020 and a X% decline to $X billion in 2022. We forecast Cable, Telco, Satellite will have X%, X%, X% of Canadian TV subs YE2020. We estimate X% PVR and X% HD penetration YE2020.

We estimate (Bell & Telus no longer include Telus Satellite TV subscribers) 2019 saw a decline of 283,000 Canadian TV subscribers, 2018 a decline of 262,000 TV subscribers, and we forecast a decline of X in 2020 and X in 2022. Canadian TV subscribers declined/annum by on average 2.5% in 2018 & 2019, we forecast on average X%/annum decline 2020-2022.

As illustrated in our Canadian Cord Cutter/Never Household Model, as of YE2019 we estimate X million Canadian households (32.5% of HHs) did not have a TV subscription with a Cable, Satellite, or Telco TV access provider, up from X million (30% of HHs) YE2018, and we forecast X million (X% of HHs) YE2020 and X million (X% of HHs) YE2022. 2019 saw 420,000, 2018 400,000, and we forecast X 2020 and X 2022 cord cutter/never household additions.

Canadian TV subscribers and access revenue are currently not seeing as steep a rate of decline as the US but this could change in the medium term- dependent on new, or expanded, OTT offers in Canada.

2019 Canadian residential broadband subscriber additions we estimate were 455,000, the highest additions in over a decade, and revenue grew 7% to $9.3 billion; we forecast X additions and $X billion for 2020, and X/annum additions 2021-2022. Canadian residential broadband revenue first exceeded TV revenue in 2018, Canadian residential broadband subs surpassed TV subs in 2015. Although Cable continues to lead on residential broadband market share, Telco well exceeded Cable on additions in 2018 & 2019 and we forecast Telco will continue to exceed Cable on additions through X.

Canadian residential wireline telephone lines declined we estimate X% in 2019 and we forecast X% for 2020 and 2021, and X% for 2022. We forecast Cable will represent X% of residential wireline telephone subs YE2020; Cable's market share growth has gone X. Wireless-only household penetration continues to see strong growth, we estimate half of Canadian households no longer have a landline, and we forecast X% YE2022.

With the introduction of unlimited wireless plans by the Incumbents, the Government's price reduction mandate, as well as Fizz and Freedom, we expect Incumbent ARPU pressure to continue. We estimate 2019 Canadian wireless service (weighted) ARPU declined by .8%, and forecast a decline of X% for 2020, X% in 2021, and just better than X for 2022. We estimate X million Canadian wireless subscribers were added in 2019, however if deactivations were added back in, 2019 like 2018 represents the largest annual wireless subscriber additions Canada has seen since 2011.