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

April 2015

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Commentary

Now in its thirteenth year of publication, The Battle for the Canadian Couch Potato: Bundling, TV, Internet, Telephone, Wireless (159 pages) contains analysis of product offers (including price comparisons), strategy, and subscriber/financial performance metrics by Company & Market. In addition to Convergence analysis, sources include company interviews, annual/quarterly reports & presentations, CRTC, Industry & Statistics Canada. Please see Table of Contents for what is included in this Report:

Led by Bell & Telus, we forecast Telcos’ Canadian TV market share at 21.5% YE2015 (YE is year-end), up from 18.5% YE2014, whereas Cable had 61.2% and Satellite 20.3% YE2014 (Cable & Satellite saw significant TV subscriber loss in 2014) and we forecast 59.4% and 19.1% YE2015. We estimate 2014 Canadian Cable, Satellite, Telco TV access provider subscription revenue grew 2% to $9.1 billion. At YE2014, we estimate 57% of Canadian TV subscribers had PVR and 76% HD.

We estimate 2014 saw a decline of 95,000 Canadian TV subscribers, 2013 saw a decline of 13,000 TV subs, and we forecast a TV subscriber decline of 97,000 for 2015. 2007-2011 annual Canadian TV subscriber additions averaged 220,000.

As illustrated in our Canadian Non-TV Subscriber Household Model, 2012 saw the start of the rise in Non-TV subscriber households. As of YE2014 we estimate 3.09 million Canadian households (21.6% of households) did not have a traditional linear TV subscription with a Cable, Satellite, or Telco TV access provider, up from 2.85 million (20.1% of Canadian households) YE2013, and forecast 3.33 million (23% of Canadian households) YE2015. 2013 saw 163,000, 2014 240,000, and we forecast 242,000 2015 Non-TV subscriber household additions.

2014 Canadian residential broadband sub additions were we estimate 408,000 & revenue grew 8% to $6.4 billion. The Telcos continue to add more subscribers per annum than Cable, slightly reducing Cable’s market share lead (we forecast a 1% drop in Cable market share versus the Telcos, 2014-2017).
2014 Canadian Telco residential wireline telephone line loss we estimate was 7%, and we forecast 7% for 2015. We estimate Canadian wireless-only households at 27.5% YE2014 and forecast 31% YE2015. Despite its lack of subscriber growth, Cable represented 41.5% of residential wireline telephone subs YE2014 up from 40% YE2013, and we forecast 43% YE2015.

We forecast Canadian wireless new entrants will have 6.6% of the market by YE2015, up from 5.8% year-end 2014. We forecast 2015 Canadian wireless service (weighted) ARPU will grow 1.3% in 2015, 2014 saw 2.3% growth. We forecast Canadian wireless subscriber smartphone penetration at 76% YE2015 up from 70% YE2014.