

Cutting the cord: As prices go up, here's how you can still save money streaming

January 14 2020, by Mike Snider



Credit: CC0 Public Domain

For years, cutting the pay-TV cord has been seen as a way to save money—you don't pay for channels you don't watch and are free from long-term contracts.

But in reality, the landscape and benefits constantly change as content shifts between providers and new streaming players emerge. The latest development: higher prices.

All of the main live TV streaming services—such as AT&T TV Now (formerly DirecTV Now), fubo TV, Hulu + Live TV, Sling TV, and YouTube TV—have seen [price increases](#) within the last year.

Among the most recent moves, Sling TV announced a \$5 increase to its monthly subscriptions two weeks ago. And earlier in December, Hulu raised the monthly price for its Live TV [service](#), which has more than 60 channels, by \$10 monthly.

Providing all of the channels and content viewers want comes at a cost. The high price of programming led Sony to decide to shutter its Playstation Vue live TV service, which had operated for five years, at the end of this month.

Rising prices mean you are likely going to pay about \$50 or more for a service to stream live TV including the most popular channels such as Fox News, MSNBC, CNN and ESPN.

So can you really save by opting to cut the cord?

That depends on what you want to watch and how you price it out.

Broadband and beyond

Let's break down the costs. To cut the cord, first, you need broadband internet service, although some make do with ultimate wireless plans allowing them to stream on mobile devices.

Most U.S. homes (82%) already have broadband, paying about \$67

monthly for the connection, according to Leichtman Research Group. That's a lot cheaper than the \$109.60 that the research firm says pay-TV subscribers pay monthly. But that's not the end of your costs; you still have to pay for the content you stream.

If you are a pay-TV customer currently paying as much as \$100 monthly—not counting your broadband costs—and opt to cut the pay-TV cord, you could likely save money.

You could save as much as \$360 a year relying on an antenna, YouTube and free advertising-supported streaming services such as the Roku Channel, Pluto TV, Tubi, Crackle and Xumo, which collectively offer live news and thousands of movies and TV episodes. The movie offerings aren't first-run, but a sampling includes "The China Syndrome" (Crackle), "Zodiac" (Pluto TV), "The Dark Knight" (Roku Channel) , "A.I. Artificial Intelligence" (tubi), and "Cloverfield" (Xumo)

However, if that lineup doesn't suffice and you decide to pay for content, be choosy or you could quickly rack up streaming charges of up to \$200 monthly.

Savings: \$60 or more, if you keep to subscribing to only a few services, such as Netflix, Hulu on demand and one premium network such HBO or Showtime.

Streaming live TV: What does it cost?

If you prefer something more like a cable service with local TV channels and major cable networks, most services such as AT&T TV Now, fubo TV, Hulu + Live TV, and YouTube TV carry some local channels in most markets. And Sling TV, which carries only Fox or NBC channels, has an affiliate in several markets, too.

To maintain that \$50 or so of savings from dropping pay-TV, choose YouTube TV (\$49.99 monthly). Each of the others costs a bit more and AT&T TV Now starts at \$65 monthly but includes HBO.

A note: Before subscribing, you want to check with your internet provider. If you get your internet and TV from the same company, as most customers do, dropping your TV service could result in a higher monthly cost for broadband, too. A very recent development: Verizon Fios customers can now change their pay TV and broadband service without penalty, regardless of any previous contract.

If savings isn't the main goal, you can pay \$80 monthly for AT&T TV Now's Max package with 60-plus channels, HBO and Cinemax. Each of the other services lets you add additional channels including premium networks for an additional fee.

Sometimes, the decision of whether to stream is made for you. If you live somewhere with subpar broadband service, you may not be able to rely on streaming. YouTube TV recommends 7 Mbps for one HD stream and 13 Mbps to do so with other devices on your home network.

My sister and her family in Kansas pay \$127 for Dish Network and \$35 for internet that delivers only 2.2 Mbps. For them, cutting the cord is dicey because streaming quality will likely suffer.

My parents do stream ESPN+ but their broadband speeds top out at 10 Mbps—another case where streaming multiple devices at one time could lead to quality issues. That—and the ease of use of a remote and programming guide—keeps them tethered to Dish Network, too, at \$110 monthly for TV, broadband and home phone.

Co-workers and friends pay from \$50 to \$235 monthly for various pay-TV, broadband and streaming content packages.

But what about news and sports?

Live news and sports, especially, can throw a curve into your plans to cut the cord—and to cut costs.

For a full menu of live news and sports (to watch local teams) AT&T TV Now, Hulu + Live TV, and YouTube TV all have local networks, Fox News, CNN and MSNBC and several sports channels including ESPN, FS1, FS2 and some regional sports networks. Fubo TV compares favorably for news and sports—it has more than 40 channels that carry sports—but does not have ESPN and also recently lost some regional sports networks.

But streaming isn't a solution for all everyone. For instance, Washington, D.C., and Baltimore area fans of the Washington Nationals and Baltimore Orioles cannot stream most of the games locally, so a traditional pay TV service is required. Even an MLB.TV subscription won't solve that problem because local live broadcasts are blacked out, an issue that can hit fans of other sports teams across the U.S.

Where I live in northern Virginia, that means a broadband/TV bundle from Cox Cable (\$69.99 and up monthly) or Verizon Fios (\$89.99 and up monthly). For pay TV alone, there's satellite service from DirecTV (\$60 and up) or Dish Network (\$70 and up). Those prices are before any additional fees or taxes.

If you don't need live sports or news, you may be satisfied with on-demand services such as Netflix, Amazon, Hulu, HBO, and Showtime. There's also Philo (\$20 monthly), which has 58 channels including AMC, BBC America, Comedy Central, Discovery Channel, Food Network and HGTV.

Savings: \$45 or more, if you swapped a pay-TV package of \$100 or so

for a broadband-delivered service of \$50 to \$55.

Tips to cut your streaming bill

Most likely, you will want a combination of on-demand content from a service like Netflix or Disney+ and some live channels. That can easily push your monthly bill above \$100.

So how do you save any money?

Learn to game the system. Drop a service when there's nothing vital on there for you—remember, you did not sign a long-term contract. So you can save on monthly fees by dropping a service once you have watched the content you want and re-up when you want to watch again.

Streaming providers have begun to expect this behavior. The Disney-controlled Hulu told subscribers in November that if its price increase for live TV hurt their pocketbook, to "switch to one of Hulu's less expensive on-demand plans" when a sports season ends or a TV series takes a break.

The practice is "becoming increasingly commonplace among subscribers," wrote Rich Greenfield, tech/media/telecom analyst for LightShed Partners, in a blog post. But it was "nice to see Disney management embracing change vs. fighting it, even if it hurts their legacy, highly-profitable assets."

Providers should expect that, fubo TV co-founder and CEO David Gandler told U.S. TODAY. "I don't believe people will maintain all these services 12 months a year," he said. "They will be in and out of these things."

You can learn to make money-saving moves. For instance, if you are a fan of "The Walking Dead," rather than pay for live TV service you could wait until the end of the season this spring and then subscribe to Philo for one month. Or perhaps binge the entire season during Philo's free seven-day trial for new members. Or you could wait until the latest season lands on Netflix or another service you already subscribe to.

If you don't need every news or sports [channel](#), you could get the CBS All Access app, which has the CBSN news channel and your local CBS network. Or subscribe to Sling TV's Orange package (\$30 monthly after \$20 the first month), which has ESPN, ESPN 2, and CNN, or Sling Blue package (\$30 monthly after \$20 the first month) to get CNN, Fox News and MSNBC.

Scale it all back. Again, an antenna could be an alternative for some who want to watch local TV channels for local news and sports.

They say sharing is caring. Of course, many of you already use passwords shared with you by family and friends. Many services allow two or three viewers at the same time. So if your daughter or son or parents pay for a service, see if you can piggyback.

Consumers expect to spend about \$5 more each month for content, but that doesn't mean they will be loyal to a service, says Todd Supplee, entertainment and media partner at PricewaterhouseCoopers US. The consulting firm surveyed 2,016 U.S. adults aged 18 to 59 with annual household incomes above \$40,000 conducted in October 2019 and found they spend an average of \$76 monthly on video content.

Some homes—even those with pay-TV service—may have five to 10 streaming subscriptions and say they are likely to add more, PwC found. More than half (56%) also said they would terminate an existing service to try a new one.

"As the larger studios enter the streaming market with the power of their catalog, the competition will heat up, and consumers will hop services as the content changes," Supplee said.

(c)2020 U.S. Today,
Distributed by Tribune Content Agency, LLC.

Citation: Cutting the cord: As prices go up, here's how you can still save money streaming (2020, January 14) retrieved 10 April 2024 from <https://techxplore.com/news/2020-01-cord-prices-money-streaming.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.