

Cord cutters getting more company: Number of pay-TV subscribers drops

August 8 2019, by Rex Crum, The Mercury News



Credit: CC0 Public Domain

If you are one of the millions of Americans who has cut the cord from pay-TV services, you are about to have a lot more company in the coming years.

According to a new study by digital marketing research company eMarketer, the number of American households with traditional pay-TV such as [cable](#) or satellite television service will fall 4.2% this year, to 86.5 million. That is still more than twice the 40.2 million non-pay-TV households that eMarketer estimates will be in the country by the end of the year. However, the number of households without cable or satellite TV is expected to rise by 11.7% from 2018.

And that gap is only expected to get closer in the coming years.

The company said it believes there will be 72.7 million pay-TV households in the country by 2023, while non-pay-TV households will climb to 56.1 million in that same time span.

While the growth of internet-based TV services such as Netflix and Hulu, streaming TV packages from the likes of YouTube TV and Sling, and even upcoming options such as Disney+ has played a role in causing consumers to drop their cable and satellite-TV subscriptions, eMarketer said the pay-TV companies are also somewhat responsible for losing their subscribers.

One of the strategies of pay-TV providers to lure subscribers is by offering promotional deals such as a year or two of free premium channels such as HBO and Showtime, or free modem rentals. When those deals end, and monthly bills suddenly increase, customers are known for cancelling their services and switching to different providers with lower prices.

"Cable, satellite and telco operators are finding it difficult to turn a profit on some TV subscriptions," said eMarketer analyst Eric Haggstrom. "Their answer has been to raise prices across the board, and it seems that they are willing to lose customers rather than retain them with unprofitable deals."

©2019 The Mercury News (San Jose, Calif.)
Distributed by Tribune Content Agency, LLC.

Citation: Cord cutters getting more company: Number of pay-TV subscribers drops (2019, August 8) retrieved 24 April 2024 from <https://techxplore.com/news/2019-08-cord-cutters-company-pay-tv-subscribers.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.