## Industry sees largest first quarter multichannel subscriptions to-date; online-only households expected to dominate growth in outlook

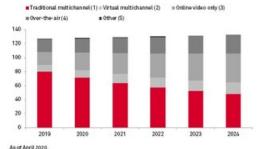
MONTEREY, Calif., May 15, 2020 /PRNewswire/ -- Initial speculation that TV-hungry, isolated viewers would at least temporarily stem cord cutting in the U.S. was dispelled with the industry's largest first quarter decline for traditional multichannel subscriptions (subs). At two million, it was both the biggest absolute and relative quarterly drop to-date.

Kagan, a media research group within S&P Global Market Intelligence, estimates it was the first quarterly decline for virtual multichannel alternatives. The broadband-delivered services collectively lost 261,000 subs or 2.8% to finish the guarter with 9.2 million subs. Gains from Hulu with Live TV and YouTube TV were erased by the declines from Sling TV and AT&T TV Now as well as Sony's decision to shutter PlayStation Vue in January.

In comparison, subscriptions to traditional cable, direct broadcast satellite (DBS) and telecommunications (telco) video services dropped 2.4% in the guarter.

The difficult start to the year underpins Kagan's updatedforecast for video market share in the U.S. The revised outlook found that mounting unemployment and the COVID-19 economic downturn only added to the already pervasive cord cutting forces. This fueled revised expectations for online-only households to surpass combined traditional and virtual multichannel subscribers in the projections.

## US household segmentation (M)



2019 2029 2021 2022 2026 2021 2022 2026 2026

(a) of April 2020.

(b) Fraditional multichannel household count excludes DBS overlap created by households taking multiple multichannel subscriptions. Includes cable, DBS, teleo and other multichannel platforms. Excludes commercial subscriptions and virtual multichannel subscriptions. Include households that allo access centime video (formerly OTT).

(2) Virtual multichannel plate called VSP, vMVPDs or virtual PayTV) characterized by unman agod broadband delevery of aggregated live, linear networks and or -demand context similar to a traditional virtual and traditional multichannel subscription, which is allocated to traditional multichannel subscription, which is allocated to traditional multichannel subscription, which is allocated to traditional multichannel subscription, Play on which is allocated to traditional multichannel subscription, Play which is allocated to traditional multichannel subscription, Play on which is allocated to traditional multichannel subscription in the play on which will be a subscription of the play of the

## Additional takeaways from Kagan's Updated U.S. Video Forecast:

- Home isolation should have stemmed multichannel defections, but the cruel irony of the interruption in programming and ensuing economic turmoil is expected to blunt the benefits. We forecast an 11% drop in traditional multichannel subscriptions in 2020, and penetrations of less than 56% at the end of the year.
- Virtual services have narrowed their cord cutter appeal and are expected to account for less than 10% of occupied households to reach nearly 11 million by year-end 2020.
- · The upward momentum of online-only households satisfying entertainment needs solely through a combination of free and subscription streaming services is expected to accelerate to 24.7 million by the end of 2020, accounting for more than 19% of occupied households.

## About S&P Global Market Intelligence

At S&P Global Market Intelligence, we know that not all information is important—some of it is vital. We integrate financial and industry data, research and news into tools that help clients track performance, generate alpha, identify investment ideas, understand competitive and industry dynamics, perform valuations and assess credit risk. Investment professionals, government agencies, corporations and universities globally can gain the intelligence essential to making business and financial decisions with conviction.

S&P Global Market Intelligence is a division of S&P Global (NYSE: SPGI). For more information, visitwww.spglobal.com.

**Media Contact** 

Amanda Oey S&P Global | Market Intelligence Tel: 212-438-1904 amanda.oey@spglobal.com



SOURCE S&P Global Market Intelligence

 $\frac{https://press.spglobal.com/2020-05-15-Industry-sees-largest-first-quarter-multichannel-subscriptions-to-date-online-only-households-expected-to-dominate-growth-in-outlook$