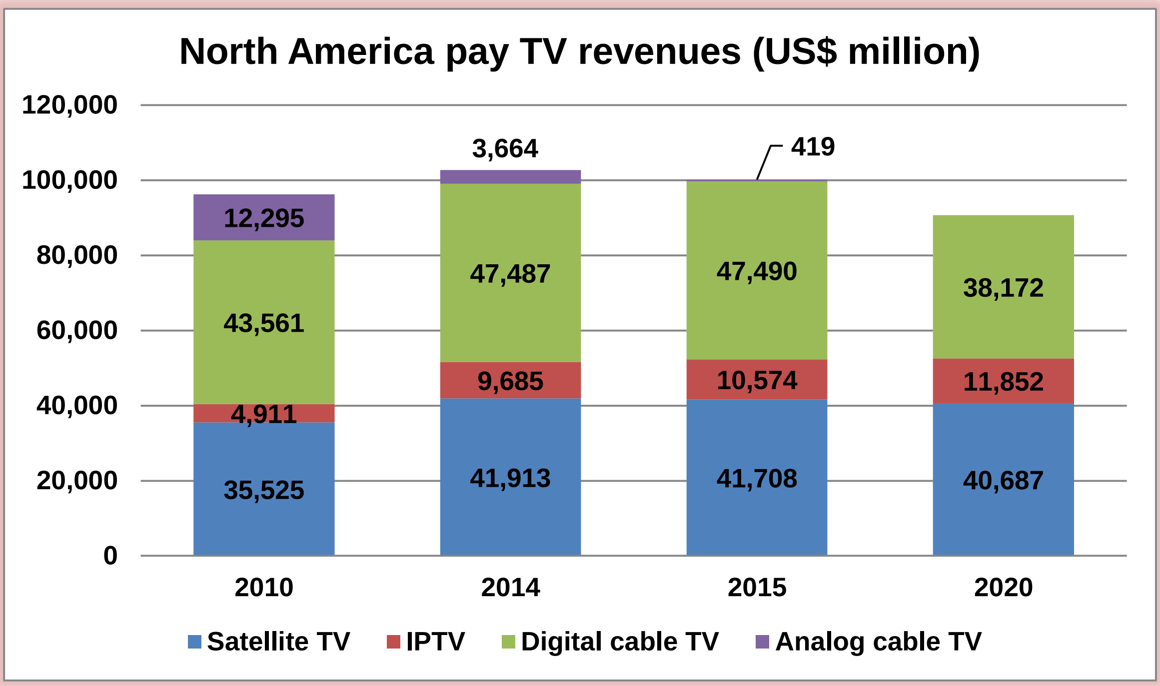
Traditional pay TV revenues to fall by $12 billion in North America

Pay TV revenues [subscriptions and on-demand] in North America peaked in 2013 at $102.86 billion, according to a new report from Digital TV Research. The latest edition of the **Digital TV North America report** forecasts that revenues will fall by 11.7% or $12.04 billion between 2014 and 2020 to $90.71 billion in 2020.



Source: Digital TV Research

Cable revenues in Canada and the US will decline by $12.98 billion - $3.66 billion less from analog cable and $9.32 billion lower for digital cable. Satellite TV will lose a further $1.23 billion, but IPTV will climb by $2.17 billion.

There were 67.8 million cable TV subs in 2010, of which 17.5 million were analog, but this total will fall to 56.6 million by 2020.

Satellite TV will overtake cable to become the largest pay TV platform earner in 2019. However, satellite TV revenues will fall by $1.2 billion between 2014 and 2020 - to $40.69 billion.

Although there has been a recent slowdown in subscriber growth, the number of homes paying for IPTV will climb by 23% between 2014 and 2020 to reach 18.05 million – or to 13.5% of TV households.

The number of traditional pay TV subs will remain flat at 110 million. However, pay TV penetration will drop from 86.7% in 2010 to 82.6% by 2020 as the number of TV households climbs. The number of homes not paying for TV services will increase from 18.9 million in 2010 to 26.3 million in 2020.

OTT will paint a much brighter picture. Digital TV Research forecasts that OTT revenues will reach $10.39 billion in 2020, up from $6.85 billion in 2014 and $2.02 billion in 2010. These figure do not include advertising revenues for the OTT players.

Simon Murray, Principal Analyst at Digital TV Research, said: “We do not see the OTT revenues coming solely at the expense of traditional pay TV. Most of the revenues will come from existing pay TV subscribers.”

The number of SVOD subscribers will reach 66.85 million in 2020, up from 50.62 million in 2014 and 16.68 million in 2010. SVOD revenues will reach $6.91 billion in 2020, up by $2 billion on 2014.

Download-to-own revenues will almost double between 2014 and 2020 to $2.47 billion in 2020, with a similar story for rental revenues ($1.01 billion in 2020).

For more information on **the Digital TV North America Forecasts report**, *please contact:*

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Digital TV North America

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Published in March 2015, this electronically-delivered report comes in two parts:

- A PDF file providing punchy narrative and succinct analysis in the Executive Summary and a digital TV briefing for Canada and the US.
- An excel workbook providing detailed forecasts from 2010 to 2020 for Canada and the US as well as handy comparative tables for the region *(please see next page for line-by-line detail of what is included in the forecasts for each country)*.

New for this edition: We have added analysis and forecasts for OTT – SVOD, download-to-own and online rental.

Forecasts (2010-2020) contain the following detail for each country:

SPLIT OF HOUSEHOLDS BY PLATFORM		
Total households	TV households	
Digital cable subs	Analog cable subs	Pay IPTV subscribers
Pay digital DTH subscribers	Digital free DTH households	Analog DTH Households
Analog terrestrial households		
Primary FTA DTT households	Primary Pay DTT households	Total DTT households
Digital homes	Analog homes	Pay TV subscribers
HOUSEHOLD PENETRATION BY PLATFORM		
Digital cable subs/TV HH %	Analog cable subs/TV HH %	Pay IPTV subs/TV HH %
Pay DTH/TV HH %	Digital free DTH/TV HH %	Analog DTH/TV HH %
Analog terrestrial/TVHH %	Primary FTA DTT/TV HH %	Primary pay DTT/TV HH %
Digital/TV HH %	Analog/TV HH %	Pay TV Subs/TV HH %
TV HH/Total households %	Total DTT homes/TVHH	
BUNDLING		
Stand-alone digital cable subs	*Dual-play digital cable subs*	*Triple-play digital cable subs*
Stand-alone pay IPTV subs	*Dual-play pay IPTV subs*	*Triple-play pay IPTV subs*
Stand-alone digital cable revs	*Dual-play digital cable TV revenues*	*Triple-play digital cable TV revenues*
PAY TV REVENUES		
Digital cable TV subs revenues	Digital cable TV on-demand revs	Digital cable TV revenues
Analog cable TV subs revs	Cable TV revenues	
Stand-alone IPTV revenues	*Dual-play IPTV revenues*	*Triple-play IPTV revenues*
IPTV subscription revenues	IPTV on-demand revenues	IPTV revenues
DTH subscription revenues	DTH on-demand revenues	DTH revenues
DTT subscription revs	DTT on-demand revenues	DTT revenues
Subscription revenues	On-demand revenues	Total revenues
AVERAGE REVENUE PER USER (US$)		
Stand-alone digital cable subs	*Dual-play digital cable TV subs*	*Triple-play digital cable TV subs*
Average digital cable (subs & VOD)	Analog cable TV subs	
Stand-alone IPARPU TV subs	*Dual-play IPTV subs*	*Triple-play IPTV subs*
Average IPTV (subs and VOD)		
Pay DTH (subs)	Pay DTH (subs and PPV)	
Pay DTT (subs)	Pay DTT (subs and PPV)	
Average monthly ARPU		
OTT/ONLINE TV & VIDEO		
Fixed broadband households	Online video households	Online SVOD households
DTO video revenues	Online rental revenues	SVOD revenues
Online video revenues		