North America Pay TV Forecasts

Table of Contents

Published in March 2017, this 68-page PDF and excel report combines two of last year's reports: Digital TV North America Forecasts and the North America Pay TV Operator Forecasts in one convenient place. The report comes in four parts:

- Executive summary and regional forecasts, with handy comparison tables to reveal the best growth prospects;
- Regional forecasts summary from 2010 to 2022 by platform, by household penetration, by pay TV subscribers and by pay TV revenues;
- Country profiles for Canada and USA;
- Detailed forecasts for Canada and the US.

For more information, please click here or contact
lydia@digitaltvresearch.com

Forecasts for the following:

Country	Forecasts	No of ops	Platform forecasts
Canada	*	9	Rogers; Videotron; Cogeco; Shaw Communications; Shaw Direct; Bell TV; MTS; Telus; Max TV
USA	*	16	Comcast; Charter; Time Warner Cable; Brighthouse; Cox; Altice; Cablevision; Suddenlink; Mediacom; Cable One; Wide Open West; U-Verse; DirecTV; Fios TV; DISH Network; Frontier

digital TV research

SAMPLE: Canada pay TV briefing

- Although Canada is losing pay TV subscribers, its problems are not as severe as its neighbor to the South. **Pay TV penetration** peaked in [redacted]. However, the number of pay TV subscribers will [redacted] level. There will be [redacted] in 2010.

- Nearly [redacted] TV households still received **analog signals** by end-2016, and the last analog cable home will [redacted]. However, analog terrestrial switch-off took place as far back as 2012.

Main assumptions behind the forecasts
• The number of satellite TV subscribers is falling as operators encourage these homes to convert to their IPTV platforms.
• The number of IPTV subscribers [redacted].
• Digital cable TV penetration will [redacted].
• Pay TV revenues will drop by [redacted].
• ARPUs will fall due to the government's mandate of a cheap basic offer and due to competition.
• The C$ lost value against the US$ in 2015 and 2016
Source: Digital TV Research

- **Pay TV revenues** will fall from a peak of [redacted] as TV ARPUs decrease due to greater competition between the pay TV operators, falling pay TV penetration and the conversion of subscribers to bundles [these homes pay more for a bundle, but the proportion of this payment dedicated to TV is a lot lower than for a standalone TV subscriber].

- The number of digital cable TV households will [redacted] between 2016 and 2022.

- Having peaked in [redacted] in 2022.

- However, IPTV subscriptions will continue to rise, [redacted]. IPTV is picking up some conversions from analog cable subs and also from satellite TV, especially as Bell is actively encouraging its satellite TV subs to convert to its IPTV platform.

Pay TV subscriber growth (000)							
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**Jun 16**
Households	13,731	13,864	13,961	14,187	14,510	14,703	
TV households	13,593	13,725	13,821	13,946	14,002	13,630	
Pay TV subscribers	**11,743**	**11,843**	**11,729**	**11,747**	**11,590**	**11,572**	**11,444**
Pay TV/TV households	92%	93%	93%	93%	93%	92%	
HDTV households	1,291	1,783	2,461	2,794	77.3%	82.6%	
DVR penetration	34%	30%	29%	43%	54.1%	60.2%	
Source: TVB, Numeris							

Pay TV subscriber growth (000)						
	2010	**2011**	**2012**	**2013**	**2014**	**2015**
Cable subscribers	7,874	7,862	7,701	7,445	7,062	6,707
Satellite TV subs	2,862	2,877	2,826	2,691	2,559	2,375
IPTV subs	420	657	1,003	1,382	1,784	2,165
Pay TV subscribers	**11,156**	**11,397**	**11,529**	**11,517**	**11,405**	**11,247**
Pay TV penetration	***84.5%***	***82.6%***	***82.8%***	***82.0%***	***80.3%***	***78.5%***
ARPU C$/month						
Cable	57.51	59.36	58.72	59.39	60.11	61.40
IPTV	47.38	49.88	58.78	64.65	67.61	65.72
Satellite TV	70.70	73.53	72.84	74.69	76.63	77.30
Average	**60.54**	**62.51**	**62.24**	**63.60**	**64.93**	**65.62**
Source: CRTC. Note: Each year ends in August						

According to the CRTC, 78.5% of the 14.2 million TV households subscribed to **pay TV platforms** by August 2015 – down from 84.5% in 2010. About 282,000 pay TV subs were lost in the three years to August 2015.

Cable lost 355,000 subscribers in the year to August 2015, and pay satellite TV dropped by 184,000 subs. However, IPTV subs increased by 381,000 to make up some of the shortfall.

- **Control of the Canadian TV sector** is concentrated within a handful of local companies. Shaw and Rogers account for more than half the cable subscribers. Videotron and Cogeco together take another third. More concentration took place in January 2016 when content producer and distributor Corus acquired Shaw Media for $2.65 billion.

- Most operators have (reluctantly) introduced **a la carte pricing structure** for subscribers over the last two years, following the government's edict in October 2013. In March 2016, regulator CRTC insisted that the basic package cost no more than C$25/month, with subs allowed to choose additional channels on an a la carte or bundle basis.

Annual TV subscriber changes by major operator						
(000)	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Bell TV	+84	+52	+122	+99	+95	+7
Rogers Cable	-8	-83	-87	-103	-128	-76
Shaw Communications*					-102	-94
Videotron	+50	-7	-30	-43	-45	-45
Telus TV	+195	+169	+137	+101	+89	+44
Shaw Direct*					-32	-21
Cogeco*	+3	-15	-28	-38	-32	-26
Source: Digital TV Research. * Year to August.						

Rogers Cable operational highlights							
(000)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Homes Passed	3,708	3,754	3,810	3,978	4,068	4,153	4,241
Basic cable TV subs	2,305	2,297	2,214	2,127	2,024	1,896	1,820
of which digital subs	*1,733*	*1,777*	*1,768*	*1,789*	*1,781*	*1,896*	*1,820*
Digital share of basic subs (%)	*75%*	*77%*	*80%*	*84%*	*88%*	*100%*	*100%*
Internet subs	1,686	1,793	1,864	1,961	2,011	2,048	2,145
Telephony subs	1,003	1,052	1,074	1,153	1,150	1,090	1,094
RGUs	4,994	5,142	5,152	5,241	5,185	5,034	5,059
Source: Rogers							

- Operating mainly in the East, Rogers had 1.82 million basic TV subscribers by end-2016; down by nearly half a million subs since 2010 – and despite passing half a million more homes. Analog cable TV ceased in January 2015. Its broadband service offers speeds up to 1Gbps. Rogers will launch a network based on Comcast's X1 technology in early 2018.

Shaw Communications consumer operational highlights				
(000)	**2014**	**2015**	**2016**	**Nov 16**
RGUs	5,590	5,376	5,206	5,176
Basic cable TV subs	1,867	1,765	1,671	1,658
Internet subs	1,762	1,772	1,787	1,805
Telephony subs	1,111	1,027	957	939
Satellite customers	850	812	791	775
Note: year to end-August				
Source: Shaw				

- Mainly serving the Western provinces, Shaw had 1.66 million basic residential cable TV subscribers by November 2016. Similar to Rogers, overall cable TV subs numbers are falling. Ahead of Rogers, Shaw is already rolling out its BlueSky TV network based on Comcast's X1 technology. Shaw also runs 19 pay TV channels. Corus acquired Shaw Media for $2.65 billion.

- Providing 550 channels (of which 220 are HD), Shaw Direct had 775,000 satellite TV subscribers by November 2016 – also falling.

Videotron operational highlights							
(000)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Homes passed	2,612	2,657	2,701	2,743	2,777	2,806	2,839
Digital TV subs	1,220	1,398	1,481	1,527	1,554	1,571	1,587
Analog TV subs	592	464	374	298	229	166	104
Total TV subs	***1,812***	***1,862***	***1,855***	***1,825***	***1,782***	***1,737***	***1,691***
Internet subs	1,268	1,360	1,444	1,506	1,538	1,568	1,613
Telephony subs	1,145	1,246	1,316	1,349	1,349	1,316	1,253
Wireless lines	136	291	404	504	633	769	894
OTT subs					178	258	315
RGUs	4,361	4,758	5,019	5,184	5,479	5,648	5,765
Cable TV ARPU (C$)	44.22	46.27	48.35	49.44	49.71		
Total ARPU (C$)	95.73	103.28	111.57	118.03	125.16	135.68	144.86
Source: Videotron							

- Quebec-based **Videotron** had 1.69 million cable TV subscribers by end-2016; down by 171,000 subs since 2011. Digital cable subs are climbing. Offering quad-play bundles, the operator launched a 200Mbps broadband service over its DOCSIS 3.0 network in May 2012. Videotron is owned by Quebecor Media, which also controls TVA, the largest French-language producer and broadcaster in Canada.

Cogeco Connexion Canadian operational highlights								
(000)	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**Nov 16**
RGUs	1,792	1,897	1,969	1,980	1,946	1,927	1,914	1,931
Basic TV subs	875	878	863	835	797	765	739	741
of which digital TV subs	*559*	*678*	*772*	*781*	*797*	*765*	*739*	*741*
Broadband subs	559	601	635	661	680	705	734	749
Telephony subs	358	418	471	484	469	457	441	441
Note: year to end-August								
Source: Cogeco								

- Ontario and Quebec-based **Cogeco Connexion** had 741,000 TV subscribers at November 2016, all digital. However, the total has been falling since 2011. The company has upgraded most of its network to DOCSIS 3.0, offering broadband speeds of up to 250Mbps as well as TiVo (with Netflix integrated) since October 2014. However, Cogeco stopped marketing its experimental IPTV network in mid-2014. Cogeco is the only large cable operator not to offer mobile.

Bell TV operational highlights							
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Satellite TV subs (000)	2,007	2,018	1,908	1,831	1,709	1,555	1,407
IPTV subs (000)	13	86	248	658	934	1,183	1,338
Of which Fibe	*13*	*86*	*248*	*479*	*701*		*1,338*
Total TV subs (000)	**2,020**	**2,104**	**2,156**	**2,489**	**2,643**	**2,738**	**2,745**
ARPU (C$/month)	73.49	74.56	60.00*				
Source: Bell Canada Enterprises. *** Fibe TV only. IPTV includes Fibe and Bell Aliant (from 2013)**							

- **Bell TV** had 2.75 million TV subscribers by end-2016, nearly flat year-on-year. Bell is deliberately trying to **convert its satellite subscribers** to its more lucrative broadband networks. Launched in September 2010, Bell had 1.34 million IPTV subs by end-2016. The company hopes to pass 8.4 million premises with its fiber network by end-2017. Bell Fibe TV started a standalone OTT platform in early 2017.

- Bell acquired broadcaster CTVglobemedia in April 2011, giving it control of 29 pay TV channels. Bell has exclusive Canadian rights to HBO premium content. Netflix is available to Fibe subscribers despite Bell running the rival Crave.

IPTV subscribers by operator (000)							
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Telus TV subs	314	509	678	815	916	1,005	1,059
MTS TV subscribers	90	95	97	105	108	106	
MTS TV ARPU (C$)	*53.71*	*62.38*	*66.92*	*66.58*	*65.04*		
Max TV subscribers	86	94	97	101	105	103	110
Source: MTS, Sasktel, Telus							

- Canada had 2.71 million paying IPTV subs at end-2016. **IPTV** is shaking up the pay TV sector, with four main operators (Manitoba Telecom Services (Acquired by Bell in early 2017. Offers Netflix and Crave), SaskTel (Max, started in 2002), Bell TV (Fibe TV) and Telus TV (Optik TV, with Netflix and Crave both options). Telus also has satellite TV subs in Alberta and British Columbia.

- **Netflix** launched the Canadian version of its OTT subscription service in September 2010, with 5.2 million subscribers six years later. The Canadian operation became profitable after less than two years of trading. Netflix is available to MTS, Cogeco, Bell Fibe and Telus Optik TV subscribers.

- To counter Netflix, Rogers and Shaw launched the **shomi** SVOD platform in November 2014 – to existing Rogers and Shaw subscribers. However, the platform closed two years later. Shomi was reported to have 900,000 subscribers.

- To counter both Netflix and shomi, Bell Media launched SVOD platform **CraveTV**. Launched in December 2014, the service was also available to Eastlink, Telus and Bell Aliant subscribers – but not to non-subscribers to any of these operators. However, this changed in January 2016 when the service became available nationally, with Shaw subs gaining access in March 2016.

Residential subscribers by internet download speeds (%)						
	2010	**2011**	**2012**	**2013**	**2014**	**2015**
Up to 256kbps	0.3	0.4	0.3	0.3	0.2	0.0
300-1400kbps	5.8	4.3	2.6	2.7	1.9	1.0
1.5-4Mbps	24.2	24.6	18.2	7.3	3.7	2.9
5-9Mbps	45.3	45.6	41.3	32.8	26.9	23.4
10-15Mbps	22.4	15.6	10.1	25.6	25.6	24.1
16Mbps+	2.0	9.5	27.2	31.4	41.7	48.6
Total subs (000)	***10,375***	***10,672***	***10,992***	***11,251***	***11,631***	
Source: CRTC						

- With DTT launched in 2003, **analog switch-off** took place in August 2011 for the main cities, with the rest of the country following in August 2012. Canada deploys the ATSC standard.

Canada pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total households (000)													
TV households (000)													
Digital cable subs (000)													
Analog cable subs (000)													
Pay IPTV subscribers (000)													
Pay digital Sat TV subs (000)													
Digital free Sat TV HH (000)													
Analog Satellite TV HH (000)													
Analog terrestrial HH (000)													
Primary FTA DTT HH (000)													
Primary Pay DTT HH (000)													
Digital homes (000)													
Analog homes (000)													
Pay TV subscribers (000)													
Total DTT homes (000)													
Digital cable subs/TV HH													
Analog cable subs/TV HH													
Pay IPTV subs/TV HH													
Pay Satellite TV/TV HH													
Digital free Sat TV/TV HH													
Analog Satellite TV/TV HH													
Analog terrestrial/TVHH													
Primary FTA DTT/TV HH													
Primary pay DTT/TV HH													
TVHH/Total HH													
Digital/TV HH													
Analog/TV HH													
Pay TV Subs/TV HH													
Total DTT homes/TVHH													
Stand-alone dig cab subs (000)													
Dual-play digital cable subs (000)													
Triple-play digital cable subs (000)													
Stand-alone pay IPTV subs (000)													
Dual-play pay IPTV subs (000)													
Triple-play pay IPTV subs (000)													

Canada pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues (US$ million)													
Stand-alone digl cable revs													
Dual-play dig cable TV revs													
Triple-play dig cable TV revs													
Digital cable TV subs revs													
Dig cab 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													
Satellite TV subs revs													
Sat TV on-demand revenues													
Satellite TV revenues													
DTT subscription revs													
DTT on-demand revenues													
DTT revenues													
Subscription revenues													
On-demand revenues													
Total revenues													
Average Revenue Per User (ARPU - US$)													
Stand-alone dig cable subs													
Dual-play dig cable TV subs													
Triple-play dig cab TV subs													
Ave dig cable (subs & VOD)													
Analog cable TV subs													
Stand-alone IPTV subs													
Dual-play IPTV subs													
Triple-play IPTV subs													
Ave IPTV (subs and VOD)													
Pay Satellite TV (subs)													
Pay Sat TV (subs and PPV)													
Pay DTT (subs)													
Pay DTT (subs and PPV)													
Average monthly ARPU													

Canada pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pay TV subscribers by operator (000)													
Rogers (digital cable)													
Rogers (analog cable)													
Rogers (total)													
Videotron (digital cable)													
Videotron (analog cable)													
Videotron (total)													
Cogeco (digital cable)													
Cogeco (analog cable)													
Cogeco (total)													
Shaw Comms (digital cable)													
Shaw Comms (analog cable)													
Shaw Direct (satellite)													
Shaw (total)													
Bell TV (satellite)													
Bell TV (IPTV)													
MTS (IPTV)													
Bell TV (total)													
Telus TV (IPTV)													
Telus TV (satellite)													
Telus TV (total)													
Max TV (IPTV)													
Others													

Canada pay TV forecasts	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Share of pay TV subs by operator %													
Rogers (digital cable)													
Rogers (analog cable)													
Rogers (total)													
Videotron (digital cable)													
Videotron (analog cable)													
Videotron (total)													
Cogeco (digital cable)													
Cogeco (analog cable)													
Cogeco (total)													
Shaw Comms (digital cable)													
Shaw Comms (analog cable)													
Shaw Direct (satellite)													
Shaw (total)													
Bell TV (satellite)													
Bell TV (IPTV)													
MTS (IPTV)													
Bell TV (total)													
Telus TV (IPTV)													
Telus TV (satellite)													
Telus TV (total)													
Max TV (IPTV)													
Others													

Canada pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Subscription & VOD revenues (US$ million)													
Rogers (digital cable)													
Rogers (analog cable)													
Rogers (total)													
Videotron (digital cable)													
Videotron (analog cable)													
Videotron (total)													
Cogeco (digital cable)													
Cogeco (analog cable)													
Cogeco (total)													
Shaw Comms (digital cable)													
Shaw Comms (analog cable)													
Shaw Direct (satellite)													
Shaw (total)													
Bell TV (satellite)													
Bell TV (IPTV)													
MTS (IPTV)													
Bell TV (total)													
Telus TV (IPTV)													
Telus TV (satellite)													
Telus TV (total)													
Max TV (IPTV)													
Others													

digital TV research

Canada pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Share of pay TV revenues by operator %													
Rogers (digital cable)													
Rogers (analog cable)													
Rogers (total)													
Videotron (digital cable)													
Videotron (analog cable)													
Videotron (total)													
Cogeco (digital cable)													
Cogeco (analog cable)													
Cogeco (total)													
Shaw Comms (digital cable)													
Shaw Comms (analog cable)													
Shaw Direct (satellite)													
Shaw (total)													
Bell TV (satellite)													
Bell TV (IPTV)													
MTS (IPTV)													
Bell TV (total)													
Telus TV (IPTV)													
Telus TV (satellite)													
Telus TV (total)													
Max TV (IPTV)													
Others													
Average Revenue Per User (ARPU - US$)													
Rogers (digital cable)													
Rogers (analog cable)													
Videotron (digital cable)													
Videotron (analog cable)													
Cogeco (digital cable)													
Cogeco (analog cable)													
Shaw Comms (digital cable)													
Shaw Comms (analog cable)													
Shaw Direct (satellite)													
Bell TV (satellite)													
Bell TV (IPTV)													
MTS (IPTV)													
Telus TV (IPTV)													
Telus TV (satellite)													
Max TV (IPTV)													
Source: digital TV research													

Digital TV Research publication schedule for 2017			
	Title	*Publication*	Price
1	Sub-Saharan Africa Pay TV Forecasts	*January*	£1200/€1440/$1560
2	Middle East & North Africa Pay TV Forecasts	*February*	£1200/€1440/$1560
3	Asia Pacific Pay TV Forecasts	*March*	£1200/€1440/$1560
4	Latin America Pay TV Forecasts	*March*	£1200/€1440/$1560
5	North America Pay TV Forecasts	*April*	£750/€900/$975
6	Eastern Europe Pay TV Forecasts	*April*	£1200/€1440/$1560
7	Western Europe Pay TV Forecasts	*May*	£1200/€1440/$1560
8	Global Pay TV Subscriber Forecasts	*May*	£1800/€2160/$2340
9	Global Pay TV Revenue Forecasts	*June*	£1800/€2160/$2340
10	Global Pay TV Operator Forecasts	*June*	£1800/€2160/$2340
11	Global Pay TV Subscriber Databook	*July*	£900/€1080/$1170
12	Global Pay TV Revenue Databook	*July*	£900/€1080/$1170
13	Global Pay TV Operator Databook	*July*	£900/€1080/$1170
14	Sub-Saharan Africa OTT TV & Video Forecasts	*August*	£1200/€1440/$1560
15	Middle East & North Africa OTT TV & Video Forecasts	*August*	£1200/€1440/$1560
16	Asia Pacific OTT TV & Video Forecasts	*September*	£1200/€1440/$1560
17	Latin America OTT TV & Video Forecasts	*September*	£1200/€1440/$1560
18	North America OTT TV & Video Forecasts	*October*	£750/€900/$975
19	Eastern Europe OTT TV & Video Forecasts	*October*	£1200/€1440/$1560
20	Western Europe OTT TV & Video Forecasts	*November*	£1200/€1440/$1560
21	Global OTT TV & Video Forecasts	*November*	£1800/€2160/$2340
22	Global SVOD Forecasts	*December*	£1800/€2160/$2340
23	Global OTT TV & Video Databook	*December*	£900/€1080/$1170
24	Global SVOD Databook	*December*	£900/€1080/$1170

Please note that the regional Pay TV reports (1-7 above) contain the content from last year's Digital TV series and the Pay TV Operator series – so two reports in one for 2017. Likewise, the regional OTT reports (14-20 above) contain the content from 2016's OTT series as well as the content from 2016's SVOD series.

PLEASE CLICK HERE FOR MORE INFORMATION ON OUR LATEST PUBLICATIONS

PLEASE CLICK HERE TO ACCESS OUR CORPORATE BROCHURE

Discounts are available for multiple report purchases.

Please contact lydia@digitaltvresearch.com

digital TV research

Digital TV Research publication schedule for 2016

Title	*Publication Date*	Price
Digital TV Eastern Europe Forecasts	*April*	£900/$1350/€1125
Digital TV Western Europe Forecasts	*April*	£900/$1350/€1125
Digital TV World Household Forecasts	*April*	£1300/$1950/€1625
Digital TV World Revenue Forecasts	*May*	£1300/$1950/€1625
Digital TV World Databook	*May*	£800/$1200/€1000
Middle East & Africa OTT TV & Video Forecasts	*May*	£900/$1350/€1125
Asia Pacific OTT TV & Video Forecasts	*June*	£900/$1350/€1125
Latin America OTT TV & Video Forecasts	*June*	£900/$1350/€1125
North America OTT TV & Video Forecasts	*June*	£500/$750/€625
Eastern Europe OTT TV & Video Forecasts	*July*	£900/$1350/€1125
Western Europe OTT TV & Video Forecasts	*July*	£900/$1350/€1125
Global OTT TV & Video Forecasts	*July*	£1500/$2250/€1875
Eastern Europe Pay TV Operator Forecasts	*September*	£900/$1350/€1125
Western Europe Pay TV Operator Forecasts	*September*	£900/$1350/€1125
Global Pay TV Operator Forecasts	*October*	£1500/$2250/€1875
Middle East & Africa SVOD Forecasts	*October*	£900/$1350/€1125
Asia Pacific SVOD Forecasts	*October*	£900/$1350/€1125
Latin America SVOD Forecasts	*November*	£900/$1350/€1125
North America SVOD Forecasts	*November*	£500/$750/€625
Eastern Europe SVOD Forecasts	*November*	£900/$1350/€1125
Western Europe SVOD Forecasts	*December*	£900/$1350/€1125
Global SVOD Forecasts	*December*	£1500/$2250/€1875

PLEASE CLICK HERE FOR MORE INFORMATION ON OUR LATEST PUBLICATIONS

PLEASE CLICK HERE TO ACCESS OUR CORPORATE BROCHURE

digital TV research