

# Why more folks aren't cutting the cord on cable TV

Switching from cable and satellite TV to streaming services is more difficult than most people expected.

By [John Ewoldt](#) Star Tribune

OCTOBER 18, 2016 — 8:35AM

MATT ROURKE &#X2022; ASSOCIATED PRESSThe “cord cutting” phenomenon isn’t growing as quickly

John Brillhart started a company to help people cut the cord from cable and satellite providers. He thought he’d found a perfect niche as TV habits changed.

Now, two years later, Brillhart is surprised things aren’t going better for his Fridley company, Cable Alternatives. “I thought we’d be twice the size we are,” he said.

TV viewing is in decline, but the so-called “cord cutting” phenomenon isn’t growing as quickly as predicted. Cable TV firms, which provide TV to two out of three U.S. homes, are losing only about 1 percent of customers a year to internet streaming services, which were expected to be a serious threat to all forms of pay TV.

Turns out that it takes a triggering event to get people to make the cut from cable or satellite, such as a bill that exceeds a family’s budget, a service cutoff due to an unpaid bill or a terrible customer service experience.

“Most people consider the hassle of cord cutting to be too great,” said George John, professor of marketing at the University of Minnesota’s Carlson School of Management.

That may be because canceling cable or satellite service is rarely easy or quick. You could encounter an aggressive company rep who keeps sweetening the pot to prevent losing you as a customer. If you have to return set-top boxes and modems, you could find yourself standing in line. And then there’s the learning curve for new antennas, streaming devices and remotes.

## How to lower your cable bill

- Know the competitors’ deals and promotions and use them as leverage when negotiating, even if the deals are for new subscribers.
- Hold out for a discounted rate of 12 to 24 months, not three to six months.
- If you want to keep a landline, consider Ooma Telo VoIP phone service. It costs about \$100 to \$140 for the unit and \$5 a month and is available at Amazon, Best Buy and costco.com.

- Try [billfixers.com](http://billfixers.com) or [billcutterz.com](http://billcutterz.com) to help you negotiate a lower rate. The cost of the service is about half of what they save you for one year.
- Check with Cable Alternatives for antenna installation, streaming tutorials/setup and landline and internet options ([cablealternatives.com](http://cablealternatives.com), 763-571-1037). For antenna installs only: Enhanced Home Technology ([ehtmn.com](http://ehtmn.com), 763-262-0202, serving the western and northwestern Twin Cities suburbs).

Chris Marpe of Fridley said she and her family considered cutting the cord but decided against it. Instead, she negotiated a lower price of \$180 a month for Comcast high-speed internet, cable, DVR rental and phone service.

“I like the easy access of turning on the TV instead of going to Hulu or Sling,” she said. She also likes recording shows on the DVR. “It’s much faster to pull them up on the DVR than on Netflix,” she said.

Telecommunications companies such as Comcast and CenturyLink also have made switching more onerous with bundling. Brillhart said many consumers mistakenly think if they drop cable, they have to change internet providers, too. They can drop any or all of the services (internet, cable, phone), but the unbundled price is likely to rise. Still, Brillhart said, subscribers can usually ask for a lower promotional rate within 90 days, and he does the negotiating at the customer’s request.

### **Costs vs. complaints**

When Nancy Garcia and her daughter Angie of Roseville cut the cord this year, Nancy was nervous. “I’ve had cable since it first came out,” she said. “This was a big change.”

Angie encouraged her to switch after they both complained about paying more than \$100 a month for TV access but rarely finding anything they wanted to watch.

Brillhart added a TV antenna to their roof, faster internet speed for streaming and monthly Netflix service, cutting their bill by more than 50 percent. “I wish we would have done it sooner,” Nancy said.

But cutting the cord has upfront costs. Twin Cities area cord cutters can pay \$300 to \$700 for the cost of the antenna and roof installation before they add in monthly costs for streaming or new devices. Although the initial expenses usually are offset within eight to 24 months, that leaves some consumers wary of making the change.

“A lot of people who cut the cord don’t want to pay \$700 for a rooftop antenna and installation,” said Gary Uecke of Lifestyle Electronics in Chanhassen. “They see a \$7 indoor antenna at Menards and don’t realize how difficult antenna installation on a roof can be. It’s an art.”

## **Options for sports fans**

Rich Halvorsen of Plymouth cut the cord a couple of years ago, got an antenna and subscribed to Hulu and Netflix. But when he realized he couldn't watch some programs live — especially sports — he went back to cable. “Not being able to watch the Twins was tough,” he said. He's back to Comcast, but still not happy. “I would love not to give Comcast a dime, but I'm between a rock and a hard place,” he said.

Some sports fans can get their fix, including the Twins, with PlayStation Vue subscriptions for about \$30 to \$45 a month. Available in the Twin Cities area since March, it includes Fox Sports North, Fox Sports Network and several ESPN channels. But the packages still aren't as comprehensive as Comcast's sports offerings.

Executives at Comcast, which is the leading provider of cable TV and internet service in the Twin Cities area, say the company has made significant investments to improve its products and customer service.

“We're on a mission to make customer service our Number 1 product,” said Jeff Freyer, Comcast's regional vice president for the Twin Cities area. More than 300 additional customer service reps have been hired in St. Paul in 2016, and most calls are now answered in less than 30 seconds, he said.

Comcast's chief rival, CenturyLink, is adding TV service called Prism TV in the Twin Cities area. Competition is always welcome news for consumers, but CenturyLink's expansion has been bumpy. The Better Business Bureau of Minnesota has logged 1,150 complaints against CenturyLink in Minnesota since 2015, compared with 450 for Comcast, 300 for DirecTV and 170 for the Dish Network.

Asked about the complaints, CenturyLink spokeswoman Molly Clemen said in an e-mail, “We are committed to providing the best quality experience and will continue to work to meet and exceed our customers' expectations in our markets.” The company also offers a 30-day money-back guarantee if a new customer completes an online form.

Brillhart estimates the average consumer can save \$1,200 a year by switching from a pay TV service to on-air antenna reception and a streaming device. Even so, he's not optimistic that the future holds a way to make cord cutting simpler.

“Cord cutting is very individualized,” he said. “What works for you to cut the cord may not work for your neighbor.”

<http://www.startribune.com/why-folks-aren-t-cutting-the-cord-on-cable-tv/397326141/>

Star Tribune

# Telecom Under the (Madam) President

A Clinton administration could get tougher on mergers, campaign ad disclosure

10/24/2016 8:00 AM Eastern

By: [John Eggerton](#)

*Democratic presidential candidate Hillary Clinton*

## TakeAway

**A Clinton administration would likely continue policies targeted at broadband, and could be harder on mergers.**

WASHINGTON — With Donald Trump’s Republican presidential campaign limping into the final stretch, kneecapped by multiple allegations of sexual misconduct and claims of conspiracy and election fraud, it is looking increasingly like Democrat Hillary Clinton’s administration will be the one putting the new stamp on communications policy.

Clinton championed network neutrality as secretary of state; strong network neutrality rules as a U.S. senator from New York; is on the record as supporting municipal broadband buildouts; and has talked the same talk as President Obama about the importance of universal broadband access.

### ***MERGER HAWK?***

Clinton could be tougher on mergers than the Obama Federal Communications Commission and Justice Department, which allowed the Comcast-NBCUniversal, DirecTV-AT&T and Charter Communications-Time Warner Cable (and Bright House Networks) mergers, though not without conditions that Republicans branded onerous.

In an October 2015 interview with Website qz.com, Clinton said she would beef up antitrust enforcement at DOJ and the Federal Trade Commission: “I will direct more resources to hire aggressive regulators who will conduct in-depth industry research to better understand the link between market

consolidation and stagnating incomes. Ultimately, this will foster a change in corporate culture that restores competition to the marketplace.”

The first woman president would have a number of like candidates for the FCC chairmanship, though the honor of first woman to chair the commission has already been taken by Mignon Clyburn in the interim between Julius Genachowski and Tom Wheeler.

According to various sources, Susan Ness and Karen Kornbluh could be in the running for FCC chairman under Clinton. If the post does not go to a woman, Blair Levin — a former top FCC official and architect of the National Broadband Plan and its spectrum auction — is another name that has surfaced more than once over the years for that job.

It is not yet clear who would be working on the telecom transition team: Wheeler was a key figure on Obama’s team.

One Democratic source who spoke on background said Ed Meier, who worked on tech issues for the campaign and is on the team, could take a lead role. Levin could also lend a hand and John Podesta, Clinton’s campaign chairman, would almost certainly have input.

On the FCC front, Ness is a former commissioner who has made no secret of her willingness to step into the breach, according to various industry sources. Kornbluh also has a resume that dovetails nicely with the job.

Kornbluh — Ambassador Kornbluh at that — is currently executive vice president for external affairs at Nielsen, but before that she was ambassador to the Organisation for Economic Co-operation and Development under President Obama and served as his policy director when he was a senator. She also has a connection to the Clintons, having served in legislative affairs during Bill Clinton’s administration while at Treasury.

A Clinton administration would at least threaten some of the new money that has come into the political ad market since the U.S. Supreme Court allowed corporations and unions to fund more of those ads. Back in July, she released

a video promising to put campaign finance reform at the top of her political agenda and proposed a constitutional amendment overturning the court's *Citizens United* decision within the first 30 days of her administration. She also pledged to push for better disclosure of campaign funding.

### ***BROADBAND POLICY***

Clinton talked up broadband access and connection as secretary of state in a speech about global information access, which she likened to freedom of assembly. At least one public-interest group did not like the sound of her take on trying to shut down terrorist recruiting online.

She got a thumbs-down (actually a “frowny face”) in a 2016 voter guide from 'net activist group Free Press for this 2015 interview answer on fighting terrorism: “We have to deny them online space. And this is complicated. You’re going to hear all of the usual complaints, you know, freedom of speech, etc. But if we truly are in a war against terrorism and we are truly looking for ways to shut off their funding, shut off the flow of foreign fighters, then we’ve got to shut off their means of communicating.”

Free Press also points out that Clinton in 2015 wrote an op-ed piece in support of the FCC’s pre-emption of state laws limiting municipal broadband buildouts. But with a court reversing the FCC’s pre-emptions in Tennessee and North Carolina, and the Obama administration deciding not to appeal that decision, that effort would likely have to come through funding and championing municipal buildouts in states not trying to block them.

<http://www.multichannel.com/telecom-under-madame-president/408604>

Multichannel News

# Comcast Ready to Join Sub Gain Club

Top cable operator could find itself in the black by year-end 10/24/2016 8:00 AM Eastern

By: [Mike Farrell](#)

Comcast is expected to reverse the trend of video customer losses in the third quarter, with analysts predicting it will end the year in positive territory, the first time the nation's largest cable operator has flirted with that milestone in about a decade.

Comcast has been on track to finish the year with more video customers than it started with, adding 58,000 TV subscribers in the first quarter and losing just 4,000 in the second.

Positive growth has been a trend in the past year for the big cable operators. Charter Communications did it in 2015 with 11,000 video additions, as did Time Warner Cable (purchased by Charter in May 2016) with 32,000 additions. For both, it was the first year of positive video customer growth in more than a decade.

## ***Q3 NUMBERS THIS WEEK***

Now Comcast, which has toyed with full-year video subscriber growth in the past, is expected to join the party. Comcast has turned in several recent quarters in the black, but it hasn't had a full-year of growth on the video side since 2006, when it posted a gain of about 100,000 customers.

That should change this year, according to several analysts, starting with the third quarter. Comcast is scheduled to release Q3 financial results on Oct. 26.

Comcast might stand alone on the video growth podium this year: most analysts predict Charter will have a small video subscriber loss in 2016 — ranging from 32,000 to 65,000 — as it integrates TWC.

Altice USA, which purchased Suddenlink Communications and Cablevision Systems in the past 12 months, has improved losses but isn't expected to enter positive territory just yet.

For Comcast, the growth estimates for the year range from about 50,000 subscribers from Credit Suisse media analyst Omar Sheikh to 130,000 from Morgan Stanley media analyst Ben Swinburne.

Pivotal Research Group CEO Jeff Wlodarczak estimated in a September research note that Comcast would report flat third-quarter video customer growth, rallying to end the year with 109,000 more video subscribers than the year before.

With companies the size of Comcast, a loss of 30,000 customers, a gain of 30,000 customers or no growth at all is basically a rounding error, Wlodarczak said, although positive growth should help with investor sentiment.

Comcast has been working hard to reduce video customer losses for about five years — it first spoke of efforts to reduce video churn in 2011.

### ***OPERATIONAL GAINS***

During that time, Comcast has made big strides to improve the video customer experience, whether it be pushing for full-season stacking rights for shows or launching its state-of-the-art X1 platform, currently available in about 40% of its homes with the goal to be in 50% by the end of the year.

X1 has been a differentiator, offering an elegant user interface coupled with greater functionality and features. Last week, the company added to those features, including a "Team Reminder," which notifies customers of live games, pre- and post-game shows and other programming featuring their favorite sports team.



Wlodarczak said that X1 has been a factor in video customer improvements, but he added that the competition has helped, too.

“Yes, the churn benefits of X1 help,” Wlodarczak said. “It also helps that AT&T is focused on marketing DirecTV and Comcast can lever their best-in-class data product to get consumers to sign up for video services.”

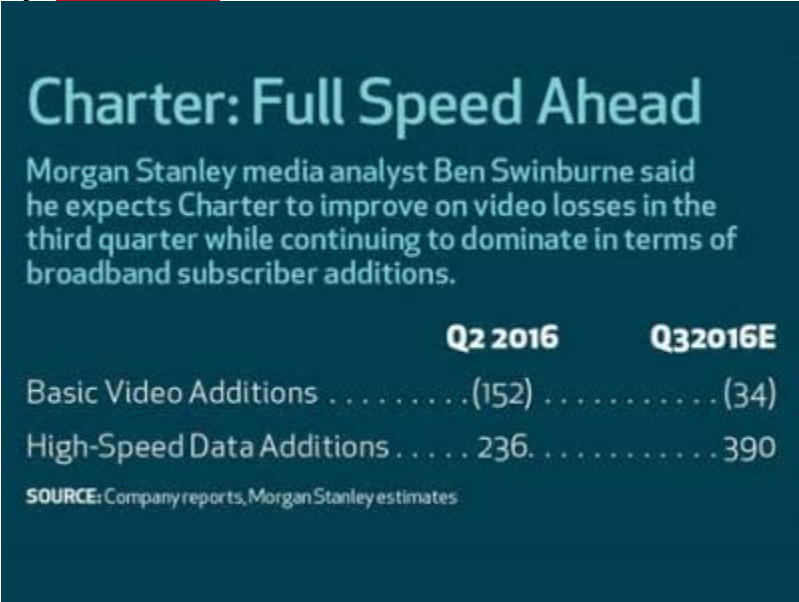
<http://www.multichannel.com/comcast-ready-join-sub-gain-club/408605>

Multichannel News

# Cable Extends Its Reign Into Q3

MSOs continue to outperform in pay TV as satellite loses more subs 10/31/2016 8:00 AM Eastern

By: [Mike Farrell](#)



## TakeAway

**Led by a strong performance by Comcast, cable operators appear to be poised for strong third-quarter financial results.**

Cable operators appear poised for a strong third quarter on the heels of Comcast’s stronger-than-expected results, with satellite TV continuing to slide.

Comcast outpaced most analysts’ expectations by adding 32,000 basic video subscribers in the third quarter — its best Q3 showing in a decade and well above consensus estimates of about 1,000 customer additions.

The performance helped to solidify what many analysts who follow the sector have been saying for a while: Cable is king, for now.

Comcast's performance in light of a declining overall pay TV customer base shows cable is taking back market share. According to MoffettNathanson principal and senior analyst Craig Moffett, that performance was largely driven by the success of its X1 platform — now available in 45% of its footprint — and continued strength in broadband. Comcast added 330,000 broadband customers in the third quarter, its best Q3 performance in eight years.

### ***CHARTER, ALTICE ON DECK***

While other operators aren't expected to fare quite as well, they are expected to show improvement on both the video and broadband front.

Charter Communications and Altice USA, parent of the former Cablevision Systems and Suddenlink Communications, are expected to release their Q3 results on Nov. 3 and Nov. 10, respectively, the latter as part of Altice N.V.

Analysts generally expect marginal video-subscriber losses for Charter — ranging from about 20,000 to 30,000 customers — but with momentum building later in the year.

The same holds true for Altice USA. Pivotal Research Group CEO and senior media & communications analyst Jeff Wlodarczak expects strong cash-flow growth from the U.S. cable unit, fueled by cost efficiencies, a \$5-per-month price hike for data service at Suddenlink and continued cost-cutting by the Optimum (formerly Cablevision) operations.

Wlodarczak estimated that revenue-generating units, a combination of voice, data and video customers, will decline by 25,000 for Suddenlink and by about 30,000 for Optimum.

At Charter, Morgan Stanley media analyst Ben Swinburne expects more churn as customers roll off of legacy TWC promotional pricing, leading to a loss of about 34,000 video customers in Q3.

Charter will add about 390,000 broadband customers in the quarter, well above the prior period gain of 236,000 subscribers.

Charter continues to integrate Time Warner Cable and Bright House Networks operations — the deal closed in May — and Swinburne believes that after a slight early hiccup, a strong growth trajectory should continue. “We continue to believe Charter shares offer investors a rare levered equity growth story, particularly given the visibility into that growth and capital allocation for a company of its size,” he wrote.

Swinburne said recent results — in the second quarter, video losses improved to 152,000 from 170,000 in the year-earlier period, and revenue and cash flow grew by 6.6% and 9%, respectively — reaffirms his view that Charter “can successfully implement the strategy it has proven out over the last four years on its now-larger footprint.”

Overall, cable should have a good quarter on the subscriber front. Swinburne estimated that MSOs should collectively lose about 20,000 video subscribers, amended from the 52,000 he predicted earlier when he believed Comcast would lose 8,000 customers in Q3.

If cable is to be the king for the period, though, Telsey Advisory Group media analyst Tom Eagan pegs Dish Network as a pauper.

### ***DOWN ON DISH NETWORK***

Dish is coming off a string of subscriber losses — it shed 28,000 in the first quarter and 281,000 in Q2 — and the third quarter is expected to be no different. Eagan expects Dish to shed about 125,000 customers in the third quarter, ending the period with 13.3 million subscribers.

“Dish’s business model is proving increasingly unsustainable,” Eagan wrote in a research note. While cash flow will likely increase 20% for the year, that is due more to easy comparisons with 2015. Even Sling TV, which is expected to end the year with about 700,000 customers, according to Eagan and has been the main focus of the company, could be impacted by AT&T’s over-the-top offering, DirecTV Now. AT&T said it plans to launch DirecTV Now in November at \$35 per month for more than 100 channels. Sling TV sells at \$20 per month for more than 25 channels.

Swinburne was equally down on Dish's prospects — he predicted it would lose about 155,000 subscribers in Q3 and estimated it would shed between 650,000 and 660,000 subscribers per year through 2019, partially offset by average annual gains of 240,000 to 245,000 customers for Sling TV.

“We expect these trends to continue over the medium-term, particularly given cable's investment in its product and the likely launch of new offerings in 4Q16 (DirecTV Now) and 1H17 (Hulu),” Swinburne wrote.

<http://www.multichannel.com/cable-extends-its-reign-q3/408761>

Multichannel News

## Trade Journal Links

<http://www.multichannel.com/news/fcc/centurylink-fcc-rate-cuts-could-be-crippling/408770>

<http://www.multichannel.com/news/telco-tv/study-41-satellite-tv-cable-customers-plan-cut-scale-back-service/408777>

<http://www.multichannel.com/news/telco-tv/study-41-satellite-tv-cable-customers-plan-cut-scale-back-service/408777>

<http://www.multichannel.com/news/finance/it-s-official-centurylink-buy-level-3-communications/408769>

<http://www.multichannel.com/news/people/choroser-named-vp-regulatory-comcast/408711>

<http://www.multichannel.com/news/distribution/apple-unveils-tv-app/408708>

<http://www.multichannel.com/news/content/divided-fcc-adopts-tough-broadband-privacy-regs/408700>

<http://www.multichannel.com/news/finance/comcast-adds-32k-video-subs-q3/408670>

<http://www.multichannel.com/comcast-sues-over-nashville-pole-law/408688>

<http://www.multichannel.com/news/content/nbcu-s-burke-healthy-skepticism-ott-will-draw-subs-millions/408680>

<http://www.multichannel.com/blog/i-was-saying/digital-divide-persists-largely-due-price-ntia-finds/408621>

<http://www.multichannel.com/news/congress/top-pallone-aide-stumps-strong-fcc-privacy-rules/408630>

<http://www.multichannel.com/nielsen-launching-out-home-ratings/408624>

<http://www.multichannel.com/comcast-ready-join-sub-gain-club/408605>

<http://www.multichannel.com/news/content/comcast-launches-new-tech-unit/408589>

<http://www.multichannel.com/news/content/youtube-signs-cbs-ott-service/408543>

<http://www.multichannel.com/news/courts/comcast-sued-over-tv-fees-line-item/408528>

<http://www.multichannel.com/news/content/next-tv-summit-2016-welcome-golden-age-distribution/408529>

<http://www.multichannel.com/news/advanced-advertising/vudu-intros-free-ad-based-ott-option/408515>

<http://www.multichannel.com/news/content/comcast-adds-x1-features-based-customer-feedback/408498>

<http://www.multichannel.com/blog/mcn-guest-blog/monetizing-smart-home/408422>

<http://www.multichannel.com/news/national-regulation/ovation-decries-palace-intrigue-fcc-set-top-process/408487>

<http://www.multichannel.com/news/national-regulation/votes-still-pending-set-tops-bds-fcc/408407>

<http://www.multichannel.com/news/fcc/fcc-cable-op-average-retrans-payments-5-million/408386>

<http://www.multichannel.com/news/policy/democratic-senators-reps-warn-bds-proposal-impact/408389>

<http://www.multichannel.com/news/distribution/comcast-blames-recent-outage-hardware-issue/408370>

<http://www.multichannel.com/news/content/comcast-expands-x1-sports-app-features/408374>

<http://www.multichannel.com/blog/i-was-saying/what-we-watch-where-we-watch-it/408376>

<http://www.multichannel.com/news/ott/study-ott-penetration-falls-prices-rise/408272>

<http://www.multichannel.com/news/cable-operators/comcast-wont-authenticate-sub-new-starz-app/404340>

<http://www.multichannel.com/vertically-challenged/408312>

<http://www.multichannel.com/news/sports/pwc-live-streaming-helps-drive-sports-rights-increases/408321>

[https://www.washingtonpost.com/news/the-switch/wp/2016/10/24/michael-bloombergs-plan-to-get-cities-ready-for-self-driving-cars/?mc\\_cid=4fca447aea&mc\\_eid=0847e8060d](https://www.washingtonpost.com/news/the-switch/wp/2016/10/24/michael-bloombergs-plan-to-get-cities-ready-for-self-driving-cars/?mc_cid=4fca447aea&mc_eid=0847e8060d)

[http://www.broadcastingcable.com/news/washington/microsoft-has-issues-fcc-set-top-proposal/160564?mc\\_cid=4fca447aea&mc\\_eid=0847e8060d](http://www.broadcastingcable.com/news/washington/microsoft-has-issues-fcc-set-top-proposal/160564?mc_cid=4fca447aea&mc_eid=0847e8060d)

[https://morningconsult.com/2016/10/20/fight-over-fcc-privacy-rule-ramps-up-ahead-of-vote/?mc\\_cid=4fca447aea&mc\\_eid=0847e8060d](https://morningconsult.com/2016/10/20/fight-over-fcc-privacy-rule-ramps-up-ahead-of-vote/?mc_cid=4fca447aea&mc_eid=0847e8060d)

[http://arstechnica.com/information-technology/2016/10/after-setback-fcc-chairman-keeps-pushing-set-top-box-and-privacy-rules/?mc\\_cid=4fca447aea&mc\\_eid=0847e8060d](http://arstechnica.com/information-technology/2016/10/after-setback-fcc-chairman-keeps-pushing-set-top-box-and-privacy-rules/?mc_cid=4fca447aea&mc_eid=0847e8060d)