



## Cable's \$45 solution

Wireless plans and pricing **Single line cost per month for...**

Provider	Brand	1 GB	2 GB	3 GB	Unlimited
Comcast	Xfinity Mobile	\$12	\$24	\$36	\$45
Charter	Spectrum Mobile	\$14	\$28	\$42	\$45

SOURCE: COMPANY DATA

**WHAT'S INTERESTING:** \$45 per month is the early rallying point for cable's move into the wireless business, with the nation's top two operators embracing that price point as the cost for unlimited data plans that compete with like-minded offerings from the Big 4 U.S. mobile service providers (AT&T, Sprint, T-Mobile and Verizon). Pricing plans from Comcast and Charter Communications appear to be designed to encourage power users to choose unlimited plans over by-the-gigabyte alternatives.

## Closing the Divide

U.S. families (in 000s) connected to the Internet via cable broadband adoption initiatives

2013	2014	2015	2016	2017	2018
220	350	500	750	1,250	1,500

SOURCE: NCTA: THE INTERNET & TELEVISION ASSOCIATION

**WHAT'S INTERESTING:** With more than 1.5 million low-income families connected to broadband via discounted plans, the cable industry is helping to close the "digital divide," the gap between broadband and non-broadband households. With everything from job applications to homework increasingly happening online, the industry's contribution has a lasting impact on opportunity available to millions of individuals.



## Talking Business

Comcast voice-service subscribers by quarter (000s)



	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
<b>Wireless</b>	25	169	380	577	780	1,008
<b>Landline</b>	11,659	11,565	11,552	11,498	11,482	11,447

SOURCE: COMCAST, BTIG RESEARCH, NEWS REPORTS

**WHAT'S INTERESTING:** It's early days, but the broad contours of cable's voice business can be seen in results from the top U.S. operator Comcast. The barely born wireless business is growing rapidly, while deterioration continues in the landline voice category. Neither trend is a revelation, but understanding how cable will participate in the next generation of voice services is essential for making decisions about investments, technology deployments and even career paths.

## U.S. Consumer Spending by Format

\$ in mil. for six months ended June 30

Sell-through	2017	2018	% chg.
Packaged goods	\$2,308.41	\$1,946.65	-15.7%
Packaged goods plus electronic sales	\$3,380.59	\$3,123.09	-7.6%

Rental	2017	2018	% chg.
Brick and mortar stores	\$207.11	\$169.59	-18.1%
Subscription to physical media	\$239.93	\$193.59	-19.3%
Kiosk	\$682.05	\$568.21	-16.7%

Digital	2017	2018	% chg.
Electronic sales	\$1,072.18	\$1,776.44	9.7%
VOD	\$1,088.56	\$1,073.08	-1.4%
Subscription streaming	\$4,722.71	\$6,129.92	29.8%

SOURCE: DIGITAL ENTERTAINMENT GROUP

**WHAT'S INTERESTING:** It's not hard to identify the sweet spot here: Subscription plans for video entertainment have rocketed past item-by-item rentals in terms of total consumer spending. This "Netflix-izing" of the entertainment ecosystem shows no sign of slowing, as revenue for the first half of 2018 was up nearly 30%. The other big takeaway is that consumers have waning interest in owning their media. The "sell-through" category, where consumers purchase rights to movies and shows via physical DVDs, is in serious decline. Bottom line: Cable companies may see lower VOD rental revenues in the short-term, but have big opportunities to participate in the subscription video upside over time.