"[X1] is a platform that can go deeper into other profitable segments. So we'll look to ways to extend that X1 into more broadband focused segments over time."

— Dave Watson, Comcast Cable CEO, on how the MSO is looking for ways to extend its X1 video platform beyond subscribers of double- or triple-play service packages.

NUMBER

59%

Share of the estimated 1.2 billion U.S. broadband connections that will be powered by fiber in 2025, according to a prediction made by Broadband Forum and Point Topic.

VOICES: ITERATIONS

AT&T Scales Back Ambition For DirecTV Now

Daniel Frankel

"THIS IS FOR THE FIRST TIME 100-plus premium channels — not the junk nobody wants — purely over the top, a mobile-centric platform, for $35 a month."

And soon, it might be the last time.

This was AT&T chairman and CEO Randall Stephenson describing the promise of DirecTV Now just 27 months ago, as the telecom launched what would become one of the video business' fastest-growing subscription over-the-top products.

AT&T, which was about to follow its acquisition of satellite-TV company DirecTV by gobbling up Time Warner Inc. — and lobbying for the Trump Administration's corporate tax cuts in the process — was telling consumers they really could have it all for less. Or maybe not "all of it," but most of the pay TV ecosystem, anyway, for less than half the price of a traditional linear package.

Two years later, with DirecTV Now on the cusp of 2 million users and about to claim supremacy in the virtual pay TV market, AT&T paused to look at its bottom line. How could it possibly be losing money by offering a bundle that easily costs it $50 a month per user in content-licensing fees by selling it for $10 a less on promotion to at least 500,000 customers?

For AT&T, the vMVPD thrill ride ended in the fourth quarter, when it cut those 500,000 customers off, and DirecTV Now lost 267,000 users, about 14% of its base. And now things are about to get really dark, with the operator making good on a promise made in December to trim back DirecTV Now's bundle and up its price.

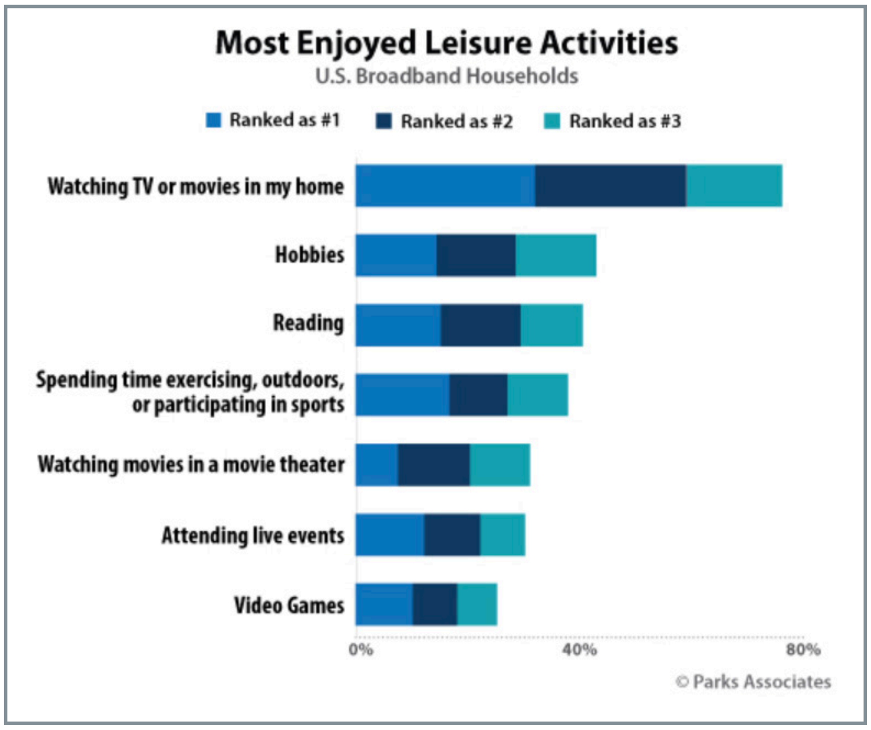
For more from this blog, go to broadcastingcable.com/March18.

VIDEOPHILE

Parks: 55% of Broadband Homes Say Watching TV Is Their Top Leisure Activity

SOME GOOD NEWS for a video industry worried that social media, video gaming and — gasp! — reading might overtake TV as America's favorite pastime.

A new Parks Associates survey of U.S. broadband users found that 52% now watch video on a connected TV. Perhaps even more reassuring, 55% identified TV watching as either their first- or second-favorite leisure time activity.



It was in the top three choices for at least 80% of respondents. No other leisure time activity even came close.

Notably, Parks also found that 19% of U.S. broadband consumers subscribe to at least one of the major subscription video-on-demand services: Netflix, Amazon's Prime Video and Hulu. The figure actually seems low to us, but Parks said it's up significantly over the 13% reported in 2017.

A more troubling find in Parks' 360 View: Digital Media and Connected Consumers report : Consumers polled watched about 25.7 hours of video a week, on average, according to the survey. That's down from 29.5 hours per week in 2016. — *Daniel Frankel*