

**“We think we could be the winners with a lot of the great content that we have.”**

— *David Zaslav, CEO of Discovery Communications, speaking on CNBC's Squawk Box about the programmer's ability to remain competitive in an increasingly consolidated media marketplace.*



**NUMBER**

**2M+**

The number of subscribers to HBO Now, the premium programmer's standalone OTT service that debuted in April 2015. Time Warner CEO Jeff Bewkes also said that the company's stable of Turner networks have added nearly 2 million subs through new virtual MVPDs like Sling TV and DirecTV Now.



**BLOG: THE BAUMINATOR**

**Forecast: 8.4M UHD Blu-rays to Sell in '17**

THE MARKET FOR UHD BLU-RAY DISCS is in the nascent stage, and a new forecast seems to agree.

Futuresource Consulting predicted 8.4 million UHD Blu-ray Discs will be sold this year, equating to just 4% of global Blu-ray sales.

Prices for players are becoming more palatable. Sony Electronics, for example, recently set a \$300 price point for the UBP-X800 UHD Blu-ray Disc player, which will also support high dynamic range, Dolby Atmos and DTS:X audio.

The firm also noted that it has yet to see “significant traction” from UHD electronic sell-through even as a broader choice of titles in that format – from independents and major studios – emerge, but said that could change if major broadcast and telcos and other types of service providers latch on and begin to support and sell the format. A potential “game-changer” could emerge if Apple launches a 4K store, Futuresource said.

For now, streamed SVOD movies are the most commonly accessed source of 4K content, but Futuresource holds that UHD Blu-rays are poised to be the “crème de la crème” with respect to quality experience and film choice.

For more of this blog, please visit [broadcastingcable.com/Feb20](http://broadcastingcable.com/Feb20).



**Jeff Baumgartner**

**TECH TWEETS**

*“DIRECTV to Begin 4K Coverage of Fox Sports”*

— Phillip Swann (@SwanniOnTV), publisher of TV Predictions, referencing his report that the satellite TV giant and programmer were set to connect for a 4K broadcast of the California-Stanford men's college-basketball game last Friday (Feb. 17), and were set to follow up with a 4K simulcast of the March 1 Washington-UCLA matchup. Both mark significant steps in the evolution of 4K live sporting events.

*“Data Shows CDNs Are Losing Competitive Edge in US Mobile App Arena”*

— Dan Rayburn (@DanRayburn), EVP of StreamingMedia.com and principal analyst at Frost & Sullivan, citing a report from PacketZoom showing Amazon has a 40% CDN market share for mobile apps, “most likely due to its strong developer relationships.” Akamai still leads the larger CDN market, with a share of about 35.3%, but Rayburn said the numbers show that the mobile app market is shaping up differently from the commoditized CDN sector, and “is growing faster than anyone had predicted.”

**VIDEOPHILE**

**OTT VIDEO CHURN HOLDS STEADY**

THE OVERALL CHURN RATE FOR OTT video services in U.S. broadband homes has held steady over the past year at 19%, according to a new study from Parks Associates.

While roughly one in five homes have cancelled an OTT service within the past 12 months, about the same rate as at the end of 2015, top OTT providers such as Netflix, Amazon and Hulu have reduced their churn rates and have been matching each other with features such as the option to download portions of their respective libraries, Parks reported in its latest *OTT Video Market Tracker*.

Parks attributes a chunk of that OTT churn to consumer experimentation.

“These are not free trials, but instances where consumers are spending real money to try out new OTT services,” Brett Sappington, senior director of research at Parks, said. “One-third of households that currently subscribe to an OTT video service have cancelled one or more services in the past year, which shows that there is quite a bit of experimentation occurring right now.”

Subscribers also upped their OTT video spending from an average of \$3.71 per month in 2012 to \$7.95 last year, the study found. Meanwhile, spending on physical media purchases and rentals (like DVDs and Blu-ray Discs) declined from an average of \$15 per month to \$8 per month. Spending on digital transactional video also dropped, from an average of \$2.42 per month to \$1.42 per month.

— Jeff Baumgartner

**Subscribers Cancelling OTT Service in Past 12 Months**

