

Bundled Communications Services - UK - March 2019

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“Consumers are moving towards streaming services to access content, which will concern pay TV providers as it is impacting their revenue. Also, with 4K content accounting for a larger part of people’s viewing, they are requiring faster internet connections; 5G and the next generation of fibre broadband are likely to address this demand.”
– Zach Emmanuel, Consumer Technology Analyst

This report looks at the following areas:

- **Media hungry consumers now driven by broadband speeds and not landlines**
- **Pay TV suffers amid thriving video streaming platforms**

The increasing need from consumers to have a fast internet connection is driving more installations of superfast connections and pushing fibre-to-the-premises (FFTP) projects. With more and more content being available in Ultra HD or 4K, viewers need faster broadband speeds to keep up.

Meanwhile, fixed voice call minutes continue to drop massively, suggesting consumers no longer see the value of a home phone ahead of a smartphone. Whilst providers will continue to install a fixed line and charge line rental regardless of actual use, this trend could impact them because fewer people will pay for landline calls.

With 5G upcoming, there could become a section of younger tech-savvy customers who rely on a 5G mobile hotspot in the future instead of fixed broadband. This younger generation is the least likely to use a landline, so they will be able to save money by avoiding any line rental costs, whilst still getting very fast internet speeds.

Additionally, pay TV revenue dropped in 2017 for the first time in recent history, suggesting consumers are favouring streaming platforms. Mintel’s consumer research shows that people who have both pay TV and Netflix/Amazon Prime Video use the latter platform more often.

Instead of competing with the streaming services, the pay TV providers are working with them by offering the likes of Netflix on the pay TV’s set top boxes – in an effort to retain customers.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Broadband connections continue to rise steadily
Voice call minutes continue to drop massively

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Market stable but TV revenue drops

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