

PRESS RELEASE

27th April 2015

Cord-cutting very limited in Western Europe

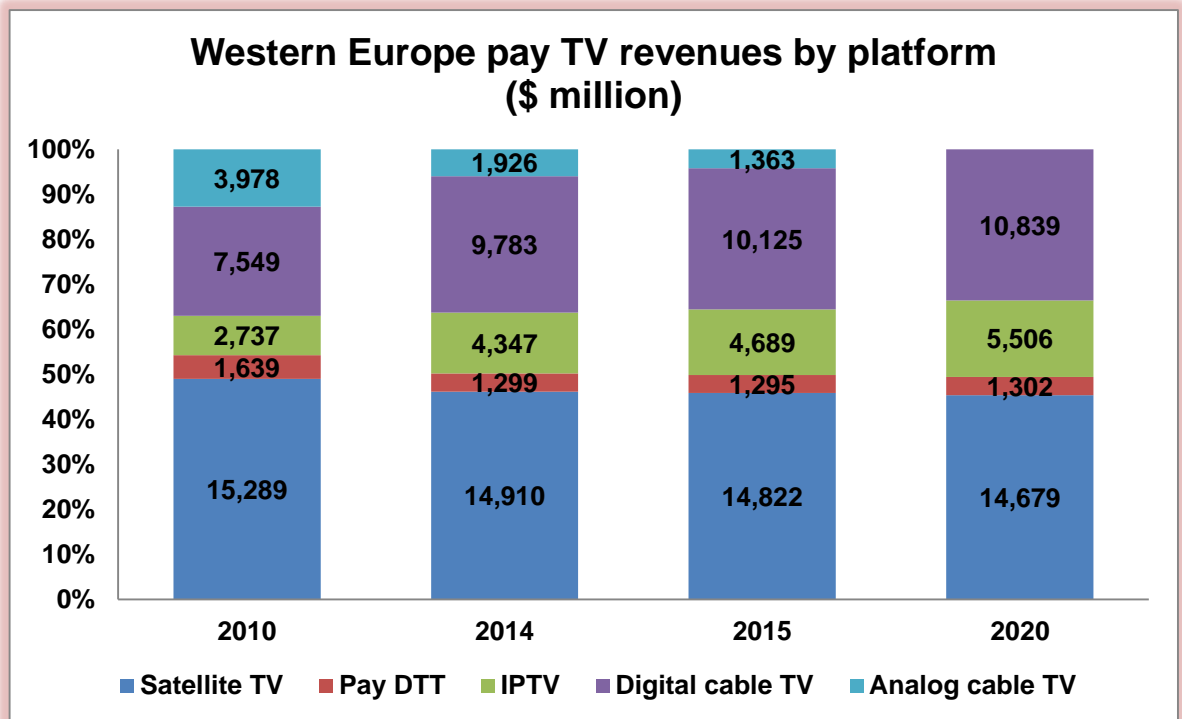
Despite signs of market maturity, cord-cutting is not expected to make much of an impact in Western Europe, according to a new report from Digital TV Research. The [Digital TV Western Europe Forecasts](#) report (which covers 18 countries) states that pay TV penetration is expected to grow from 56.7% at end-2014 to 60.4% in 2020.

In fact, the number of pay TV subscribers will climb by 2.57 million in 2015 to 99.00 million (up from 92.86 million in 2010) as Western Europe begins to shrug off the recession.

Pay TV subscriptions will only increase by 8.38 million (up by 8.7%) between 2014 and 2020 to 104.81 million. However, the number of digital pay TV subscribers will climb by 23.1% (nearly 20 million), with analog cable subs falling from 11.31 million in 2014 to zero by 2019.

Paying IPTV subscriber numbers will overtake pay satellite TV ones in 2015. IPTV subscriptions will climb by 8.6 million (up by 37%) between 2014 and 2020 compared with 1.2 million additions for pay satellite TV (up by 5%) and 0.3 million for pay DTT (up by 6%). Digital cable subs will increase by nearly 10 million (up by 30%) over the same period.

Simon Murray, Principal Analyst at Digital TV Research, said: “Despite the number of pay TV homes increasing, pay TV revenues will remain flat at around \$32 billion. ARPU is falling in most countries and on most platforms. The pay TV arena is becoming more competitive as newer platforms (especially IPTV ones – but also including OTT/SVOD) launch. Greater competition means cheaper channel packages. Bundling increases overall ARPU for operators, but leads to lower TV ARPU.”



Source: Digital TV Research Ltd

Satellite TV will remain the most lucrative pay TV platform, but its revenues will fall every year from 2011 – despite subs numbers rising.

Cable TV revenues peaked in 2012. Cable will lose \$1 billion (down by 8.6%) between 2013 and 2020 – although subscriber numbers will also fall (by 6.1%). However, IPTV revenues will climb by 26.7% between 2014 and 2020 to \$5.51 billion (with subscriber numbers up by 37.1%).

The UK (\$7,574 million) will still be the most lucrative pay TV market by 2020. Despite having the most pay TV subs by some distance, Germany’s pay TV revenues will be a lot lower than the UK – at \$4,460 million. In fact, France and Italy will not be too far behind Germany despite having fewer pay TV subs.

For more information [on the Digital TV Western Europe Forecasts report](#), please contact:

Simon Murray,
simon@digitaltvresearch.com,
 Tel: +44 20 8248 5051