



New Cord-Cutting Data Finds Cable Companies Under Threat of Disruption from Streaming Services

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SEATTLE--(BUSINESS WIRE)--Dec. 11, 2014-- The way Americans pay for TV programs is undergoing a massive shift. Independent data released today from [Marchex](#), a mobile advertising technology company, finds that Americans are looking to “shave” or “cut the cord” with cable providers in order to stream their favorite shows over the Internet.

To understand at scale what kinds of TV services Americans are willing to pay for, Marchex used its [Call Analytics platform](#), which has processed anonymous data from 1.1 million consumer phone calls placed to leading cable providers in 2014 across the U.S. Marchex’s technology further analyzed a subset of 500 randomly selected phone calls and found:

- Nearly 26% of new customers asked for Internet service only, as opposed to 22% who asked for only cable. This suggests that more consumers are interested in an a la carte pay TV model, in which the Internet provides the gateway to content and channels without costly bundling.
- Nearly 40% of consumers asked providers about paying for specific channels, which strongly suggests that consumers want more freedom and flexibility to cherry pick content.
- Of those consumers, nearly half, 47%, wanted premium programming, such as Showtime, Starz or HBO. The top premium channel requested was HBO.
- When it comes to sports networks, five times as many consumers in the study asked for ESPN compared to those asking for Fox Sports – 20% vs. 4%.
- The category of sports is critical, and ESPN leads the way. Sports matches remain a huge ratings draw, leaving fans largely unable to cut the cord.

“Cable companies are coming face-to-face with the threat of disruption. Our data shows that providers need to start addressing pressing consumer demands; otherwise, they risk losing real market share when people decide to cut the cord for good,” said Chen Zhao, Director of Analytics for the Marchex Institute, the data and insights team at Marchex.

The findings appear in a white paper released today entitled “[Cutting the Cord: How Cable Companies Can Turn an Impending Threat into a Market Opportunity](#),” and is the latest in the Institute’s Industry Trend Series, which spotlights data in a particular business vertical.

In the paper, Marchex data analysts note that consumers are incentivized to sign up for cable when a provider offers discounts or tacks on additional features. On the flip side, consumers **failed** to sign up when providers insisted on locking down three-year contracts.

The paper outlines various ways in which cable providers should respond to this shifting consumer landscape. It also noted that the balance of power that providers have enjoyed for decades is coming to an end.

“While the vast majority of consumers today remain traditional cable subscribers, industry data and Marchex’s findings confirm that the cable industry is a legacy model under threat of new and disruptive services,” the paper states. “Change is crucial to its future success.”

To download the white paper, please visit http://www.marchex.com/institute/cable_cord_cutting.

About Marchex

[Marchex](#) is a mobile advertising technology company. The company provides a suite of products and services for businesses that depend on consumer phone calls to drive sales. Marchex’s mobile advertising platform delivers new customer phone calls to businesses, while its technology analyzes the data in these calls to help maximize ad campaign results. Marchex disrupts traditional advertising models by giving businesses full transparency into their ad campaign performance and charging them based on new customer acquisition.

Please visit www.marchex.com or [@marchex](#) on Twitter to learn more.

Source: Marchex

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