

2020 Broadband Market Predictions

Streaming video, managed Wi-Fi, bulk internet, smart-home technology and skinny TV bundles are five hot items that will impact the MDU broadband market in 2020.

By Bryan J. Rader / *UpStream Network*

Watching CNBC excessively during the holidays, I was amazed at how many “experts” had predictions about the economy, tariffs, the price of oil or interest rates.

One expert after another used historical data or a new study to outline a specific trend. I wish I had DVR-ed the same shows a year ago to see how accurate these talking heads were about 2019. Probably not so much.

But here I am doing the same thing for 2020 in the broadband industry, and I’m not even on CNBC! I won’t use fancy charts, graphs or proprietary data to summarize my findings. Rather, I will use the best data collection process there is – listening to our customers, peers, and competitors – about what is happening in the MDU market across the industry. This is the basis for my predictions.

Over the past year, I attended a dozen trade shows and conferences, and enjoyed hundreds of presentations from broadband industry leaders. Though it may be hard to capture all their views, here are five key trends to watch in 2020.

Streaming wars will confuse everyone. “Honey, where is the remote?” is going to be replaced with, “Honey, what streaming service was that show on that we were binging last weekend?” Yes, the streaming wars are worse than the cola wars; MDU service-provider customers are often the early adopters for new entertainment products. But how can they keep up with this war? It was difficult enough when it was Hulu, Netflix and Amazon Prime. But now there are Apple TV+, Disney+, Peacock, HBO Max and AT&T TV and so many others launching this year. Do you like watching “Friends” reruns? Great – please let me know where they are.

The streaming wars are going to lead to a lot of confused internet subscribers searching for new content. “Isn’t Reese

Witherspoon starring in a new movie? Do you know where I can find it?” Service providers’ help desk specialists are at risk of becoming TV guide consultants. All this streaming, though, will lead to two outcomes: more bandwidth consumption and the use of navigation tools such as Roku or Chromecast. Providers must be prepared.

“Why Fi? Because everyone else is doing it.” In-unit Wi-Fi and communitywide Wi-Fi will become much more important this year. Fewer and fewer residents are plugging into wall jacks for their devices today. Everything is about the router and whether it can support using a laptop on the balcony. Smart-apartment owners are already installing more managed Wi-Fi networks in their communities, and they are covering the common areas where they just spent millions of dollars installing golf simulators, rock climbing walls, and espresso machines in lounge rooms.

Time to bulk up. Bulk internet is going to become a more common technology amenity in all types of multifamily housing in 2020. It has expanded throughout the condo and homeowners association market over the past several years, and into student housing. But now it appears in senior housing, luxury urban apartments, and even affordable housing (low-to moderate-income housing). This is a great opportunity for the independents to fill the void left by large cablecos that still think bulk video is necessary to have bulk internet. Expect hundreds of thousands of new MDU units to go from retail marketplaces to bulk internet as their primary provider.

Smart home is still trying to find a home. Smart-home companies have been touting their new cool applications for years, and they’ve struggled to get past the very early adopters. Residents will use it only if it’s easy and free. And it must address what they care most about – door locks, security,

safety and saving money. Otherwise, why bother? I remember a long time ago when the pizza people were selling ordering pizza through TV. Maybe a cool application, but residents didn't do it. I still believe the smart home is going to be an important part of the broadband industry. Companies have done a very good job building useful platforms for property management companies. I hope in 2020 we see some of their consumer applications appeal to residents. I'd also like to see them partner with ISPs to add more value to their services. Maybe one smart-home concept could help residents find "Friends" episodes for streaming!

Skinny TV is a fat opportunity.

Most experts, including those on CNBC, believe that traditional TV is dead, especially among millennials and Gen-Zers. I still believe the market is strong but requires packaging the right offer for a specific audience. In

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the MDU market, students don't want a 200-channel programming package, and they don't know what a whole-home DVR is. But they do like getting sports channels, especially college football and basketball games. Why not give them what they want? Other communities are looking for "broadcast only" solutions, in which digital off-air channels can be offered to all residents at no charge. Yes, we've come full circle from the 1970s, when that's *all* these buildings offered. Service providers should be prepared to take advantage of this trend in 2020 and build custom packages for each unique

market segment.

In summary, I don't have 20/20 vision, but I do have a 2020 vision. I hope you and your companies see the same trends I do and can benefit from them in the coming year. Now back to CNBC.

For more 2020 predictions, see p. 38. ❖

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