

# We Were on a Break!

Cord-cutters are starting to boomerang back to traditional pay TV after finding that over-the-top services are no less expensive.

By Bryan J. Rader / *UpStream Network*

**T**wenty years ago, on the set of NBC’s hit show “Friends,” Ross famously said to Rachel, “We were on a break!” He was referring to a bad decision he made in having a one-night stand after an argument with Rachel. Many pay-TV customers are beginning to scream the same message: “Hey, pay TV, I am on a break!”

Every day, more people stand up and brag about how they finally broke off their relationships with pay TV. “I made my digital box move out,” they say. “The relationship is over. Should have done this a long time ago.”

“I’m free!” they announce.

Now, others are pondering the same move. “Maybe I should get rid of it, too. I’d save money. I pay for things I don’t want. Time to dump it.” The breakup has gained momentum. It’s much easier to play the field, meet new people, start dating again.

You’ve seen the numbers. DIRECTV and Dish announce a half million fewer customers per quarter. Comcast calls it a good reporting period when it loses only 100,000 TV subscribers. New Haven, Connecticut, has 100,000 people. That’s like disconnecting an entire city! Add in Altice, Cox, Charter and others – it’s like closing up shop in the entire state of Delaware! What’s next – Texas?

It seems as though no one stays together anymore. After their breakups, many customers join a host of dating sites: Netflix, Hulu, Playstation Vue, ESPN Plus, Sling TV. They try different services (some free for seven days) with no commitment. I’ve even heard many of them say, “I’m not in a committed relationship anymore. I keep my Saturday nights open. I’m not part of a couple.” Is YouTube Live the new plus-one?

These breakups have opened up a “playing the field” mentality for pay-TV customers throughout the industry. Chromecast, Apple TV and Roku have become the best platforms for speed-dating content sites.

Consumers are happy to pay \$14 for Netflix, \$8 for Hulu Plus, \$10 for HBO Now, \$7 for CBS All Access, \$5 for ESPN Plus, \$25 for Sling ... hey, wait a minute, this is starting to add up. What began as getting rid of the “old ball and chain” has become a much more expensive endeavor. “Dating is actually pretty expensive,” many pay-TV customers are saying. “I have to get my car cleaned, buy a new outfit, pick up flowers, make reservations at very nice restaurants. I’m tapped out.” Post-breakups are hard.

## THE GRASS ISN’T ANY GREENER

This is where we are in the pay-TV life cycle. The grass isn’t always greener on the other side for all customers. After Ross and Rachel split, he realized that he really wanted her back. So the courtship began anew.

Many traditional TV viewers are doing the same thing. “It wasn’t worth it. I kept adding more streaming services to build my own bundle. Now I am actually paying more than before!” And for many of these streamers, the make-up process with pay TV begins again.

Service providers have to be ready for this situation. Even though many users have dropped traditional pay TV for good, some will likely boomerang back into the market as candidates who realized breaking up was a bad idea.

The big guys are already seeing this and preparing ways to win back those who left. “Hey, come back,” they say. “I promise to be a better listener, not leave dishes in the sink and do my own laundry. Just come back.” And a lot of them are.

Multifamily providers should be prepared for the makeup opportunities. After all, Ross and Rachel survived the break. Maybe we can, too! ❖

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