

Are the likes of Netflix and Hulu to blame for customers' cutting their cable services? If one takes the results in a US-based survey, it could either be so... or not, depending on how one reads the numbers.

A study by The Diffusion Group (TDG) claims the number of Netflix subscribers planning to either downgrade or outright cancel their cable TV services is up-- from 16% in 2010 to 32% in 2011.

However, the majority of those thinking of downgrading or cutting their services (around 50%) cite "the need to save money" as their primary reason-- recent economic woes proving to be a strong incentive.

So, are online services truly to blame for the gradual fall in cable TV? Trefis disagrees with that statement, saying it "still can not be a substitute for TV"-- a statement one can apply to other similar services over here in Europe.

However, one has to keep in mind Netflix's numbers show strong growth for 2010, particularly as the company plans to offer its services across the pond as well as on a variety of devices-from smartphones to STBs and game consoles. Ultimately, though, Trefis concludes Netflix's (and cable TV's) future growth lies in whether it can actually substitute current TV services.

Go TDG: Proclivity to Downgrade PayTV Services Increasing among Netflix Streamers

What's Making TV Viewers Cut the Cable Cord?

Written by Marco Attard 21. 06. 2011

Go Report on Cord Cutting Unfairly Points Finger at Netflix (Trefis)