



Will Amazon's (NASDAQ:AMZN) Streaming TV Service Be a Threat to Cable Companies?

Description

Amazon.com ([NASDAQ:AMZN](#)) announced this past week that it would be launching a service in Canada that it hopes will appeal to cord cutters. It would give consumers an opportunity to view channels online and could, at least in part, replace a conventional cable subscription.

Subscribers to its Prime Video service will be able to purchase 13 channels, which would have options for live and on-demand viewing. **Corus Entertainment** ([TSX:CJR.B](#)) has also introduced STACKTV, which will be available for Amazon Prime subscribers as well, featuring many popular channels that Corus owns.

This will certainly give consumers more options to choose from, but it's questionable whether these new services will be enough to drive people from **Netflix** or their cable companies, for those that haven't ditched their local providers just yet. Since Netflix has done such a good job of [growing](#) its brand and seeing significant sales growth over the years that other companies have started to trying to wrestle market share away from them.

Why content is key

Rogers and **Shaw** tried the launch of Shomi, which promised to give consumers more options as well. However, the project ended up failing, as its content failed to make the service much of a hit. And ultimately, content is what it comes down to. The new services from Corus and Amazon will have to compete with the likes of not only Netflix but the new streaming service that's coming from **Disney** as well.

With the competition becoming fiercer for online streaming, it's also becoming a lot more segregated. And ironically, the one place where consumers can have the most complete and comprehensive options is if they were to return to cable.

What all of these services all still lack are any live sporting events, and with Rogers and **BCE** owning

the key sports networks in the country, there's not going to be a real alternative that doesn't involve one of the big players in the industry.

There is an opportunity for Corus, however, to make a big splash. Shaw is no longer a major shareholder of the company, which likely gives Corus a bit more freedom in offering more online options. If the company could come together with Rogers or BCE, there could be significant potential there to come up with a complete solution similar to what U.S. subscribers get with Sling TV.

Bottom line

For Amazon and Corus, I don't expect that this new venture will be all that successful. There's too much competition here, and without a more innovative solution, it'll be hard to win over customers from other services. This simply appears to be a way for Amazon to try and convince customers to sign up for its Prime service.

Corus, however, has much more [potential](#) since it owns some valuable content that it could turn into a very competitive product if it could get another big company on board.

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