Streaming Video Heads Back to the Future

May 2022
With a saturated market, people are using more SVOD services

The penetration of SVOD services is flat
% OF RESPONDENTS WHO HAVE AT LEAST ONE SVOD SUBSCRIPTION AMONG ALL RESPONDENTS

Users added ~0.6 subscriptions to their collections...
THE AVERAGE NUMBER OF SVOD SUBSCRIPTIONS AMONG RESPONDENTS WHO HAVE AT LEAST ONE SVOD SUBSCRIPTION

...a trend seen across cohorts, not just among the heaviest users
% OF RESPONDENTS BY NUMBER OF SVOD SUBSCRIPTIONS AMONG RESPONDENTS WHO HAVE AT LEAST ONE SVOD SUBSCRIPTION

Note: SVOD = subscription video on demand.
SVOD growth is in the second tier

% OF RESPONDENTS WITH A SUBSCRIPTION AMONG ALL RESPONDENTS

The top five SVOD services

Netflix 69
Amazon Prime Video 65
Hulu 46
Disney+ 41
HBO Max 33
Apple TV+ 17
Peacock 15
Paramount+ 13
Discovery+ 11

Contenders

YouTube Premium 7
Showtime 7
Starzplay 4
AMC 3
BritBox 2
Shudder 2

The long tail

2021–2022 change in penetration (percentage points)

Netflix -1
Amazon Prime Video +5
Hulu +5
Disney+ +13
HBO Max +6
Apple TV+ +9
Peacock +6
Paramount+ +6
Discovery+ +1
YouTube Premium +2
Showtime +1
Starzplay +2
AMC +1
BritBox +1
Shudder +1
BET+ +1
Acorn TV 0


Note: SVOD = subscription video on demand.
Churn is about three times higher for smaller SVOD services than for the top five—and it’s rising

THE AVERAGE % OF SERVICE SUBSCRIBERS WHO INTEND TO CANCEL THEIR SUBSCRIPTION

% OF SUBSCRIBERS WHO INTEND TO CANCEL THEIR SUBSCRIPTION

The top five SVOD services

Netflix Amazon Prime Video Hulu Disney+ HBO Max Apple TV+ Peacock Paramount+ Discovery+ YouTube Premium Showtime

2021–2022 change in churn intention (percentage points)

+6 or more
+3–5
+/−2
−3–5

2021–2022 change in churn intention (percentage points)

+6 or more
+3–5
+/−2
−3–5

~3x higher churn rate

Top five SVOD services

Other non-sports SVOD services

Note: Bar totals are rounded and may not reflect the sum of rounded subtotals. SVOD = subscription video on demand.
AVOD and FAST penetration has risen year over year, but the proportion of usage is flat

Note: AVOD = advertising-based video on demand; FAST = free advertising-supported TV; SVOD = subscription video on demand. |

<table>
<thead>
<tr>
<th>The penetration of AVOD and FAST services is up ~30% versus 2021</th>
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<tbody>
<tr>
<td>% of respondents who use at least one AVOD/FAST service among all respondents</td>
</tr>
<tr>
<td>2021</td>
</tr>
<tr>
<td>34%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>AVOD and FAST usage per person remained flat in 2022</th>
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<tr>
<td>The average number of AVOD/FAST services used among respondents who use at least one AVOD/FAST service</td>
</tr>
<tr>
<td>2021</td>
</tr>
<tr>
<td>2.3</td>
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<table>
<thead>
<tr>
<th>The AVOD and FAST share of streaming hours per person is flat versus 2021</th>
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<tr>
<td>% of streaming hours spent by service type among respondents who use at least one AVOD/FAST service and SVOD</td>
</tr>
<tr>
<td>2021</td>
</tr>
<tr>
<td>AVOD/FAST</td>
</tr>
<tr>
<td>SVOD</td>
</tr>
</tbody>
</table>
AVOD and FAST services account for about 20% of the average user’s streaming hours, regardless of the number of hours consumed.

% OF STREAMING HOURS SPENT BY SERVICE TYPE AMONG RESPONDENTS WHO USE AT LEAST ONE AVOD/FAST SERVICE AND SVOD

<table>
<thead>
<tr>
<th>Service Type</th>
<th>All respondents</th>
<th>&lt;3 hours</th>
<th>3–6 hours</th>
<th>6–12 hours</th>
<th>12–24 hours</th>
<th>24–48 hours</th>
<th>&gt;48 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>SVOD</td>
<td>738</td>
<td>136</td>
<td>166</td>
<td>189</td>
<td>155</td>
<td>65</td>
<td>27</td>
</tr>
<tr>
<td>AVOD/FAST</td>
<td>20</td>
<td>23</td>
<td>21</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>33</td>
</tr>
</tbody>
</table>

Note: AVOD = advertising-based video on demand; FAST = free advertising-supported TV; SVOD = subscription video on demand.
AVOD and FAST services are incremental: users watch more hours of video rather than shift away from SVOD or linear TV

MVPD subscribers (share of hours by service type)
HOURS SPENT WEEKLY CONSUMING VIDEO BY PLATFORM AMONG THOSE WITH AN MVPD SUBSCRIPTION

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Respondents not using an AVOD/FAST service</th>
<th>Respondents using at least one AVOD/FAST service</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVOD/FAST</td>
<td>27.0</td>
<td>30.7</td>
</tr>
<tr>
<td>SVOD</td>
<td>11.9</td>
<td>12.1</td>
</tr>
<tr>
<td>Linear</td>
<td>15.1</td>
<td>15.4</td>
</tr>
</tbody>
</table>

Cable cutters and nevers (share of hours by service type)
HOURS SPENT WEEKLY CONSUMING VIDEO BY PLATFORM AMONG THOSE WITHOUT AN MVPD SUBSCRIPTION

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Respondents not using an AVOD/FAST service</th>
<th>Respondents using at least one AVOD/FAST service</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVOD/FAST</td>
<td>15.3</td>
<td>18.1</td>
</tr>
<tr>
<td>SVOD</td>
<td>15.3</td>
<td>14.6</td>
</tr>
</tbody>
</table>

AVOD/FAST penetration

- Respondents not using an AVOD/FAST service: 37%
- Respondents using at least one AVOD/FAST service: 46%

Note: Bar totals are rounded and may not reflect the sum of rounded subtotals. AVOD = advertising-based video on demand; FAST = free advertising-supported TV; MVPD = multichannel video-programming distributor; SVOD = subscription video on demand.
Streamers like both on-demand and scheduled programming

% OF RESPONDENTS WHO AGREE WITH STATEMENTS AMONG ALL RESPONDENTS

I like being able to choose the specific show I watch when I turn on the TV

Strongly agree

Agree

I like when a TV channel or streaming service has scheduled programming that I can tune into

Strongly agree

Agree

I often struggle to decide what TV show or movie to watch when I open a streaming service

Strongly agree

Agree

I wish the streaming service could choose a show or movie for me instead of me having to decide what to watch

Strongly agree

Agree

On services with on-demand and scheduled programming, users spend about one-third of their time watching scheduled content

% OF TIME SPENT WATCHING VIDEO ON DEMAND VERSUS LIVE CONTENT ON PLATFORMS THAT OFFER BOTH

On demand

Scheduled

AVOD and FAST penetration does not correlate with the number of SVOD subscriptions, suggesting AVOD and FAST are not replacements for SVOD.


Note: AVOD = advertising-based video on demand; FAST = free advertising-supported TV; SVOD = subscription video on demand.