

Fast Facts



What you need to know about new & emerging trends, platforms or technology

Advertising, Accelerated

An Update on 15 Streaming Trends That Are Impacting Marketing Plans





Adoption of ad-supported streaming is accelerating.

In January 2023, VAB released [‘Setting the Stage’](#) which identified **15 trends in streaming** that would impact marketing plans. What we didn’t realize is the impact that report would have on the marketplace, becoming our most **popular report of all-time!**

Due to its popularity, we thought we would **revisit the trends we identified a year ago**, determining which are still relevant and which may have slowed in 2024.

Stocked with fresh data, this report clearly illustrates how many of our predictions not only remain true but have **accelerated in the past year.**

An Update on 15 Streaming Trends That Are Impacting Marketing Plans



- ▶ As video consumption continues to evolve and advertising opportunities in video streaming accelerate, VAB revisited the 15 streaming trends that we identified last year in our [‘Setting the Stage’](#) report and updated them with the latest research and insights so marketers can continue to make informed decisions for their marketing plans.

1

Cord cutting among traditional pay-TV HHS continues

2

Over half of all adults are now ‘cordless’

3

More adults across all ages are shifting towards streaming

4

Consumers’ wider definition of ‘TV’ has remained consistent

5

Streaming accounts for over one-third of total TV viewing

6

Audiences increasingly prefer ad-supported streaming options

7

More connected TV HHS watch ad-supported services than ad-free

8

Ad-supported streaming reaches eight out of every ten streamers

9

Multiscreen TV platforms have increased scale in ad-supported streaming

10

FAST has achieved meaningful scale as a streaming platform

11

Average time spent with ad-supported streaming has doubled

12

Multicultural audiences account for around half of key age demos

13

Marketers are increasingly adopting ‘audience-based buying’

14

Marketers continue to explore more modern measurement solutions

15

Many marketers focus on ‘outcomes’ metrics that drive growth

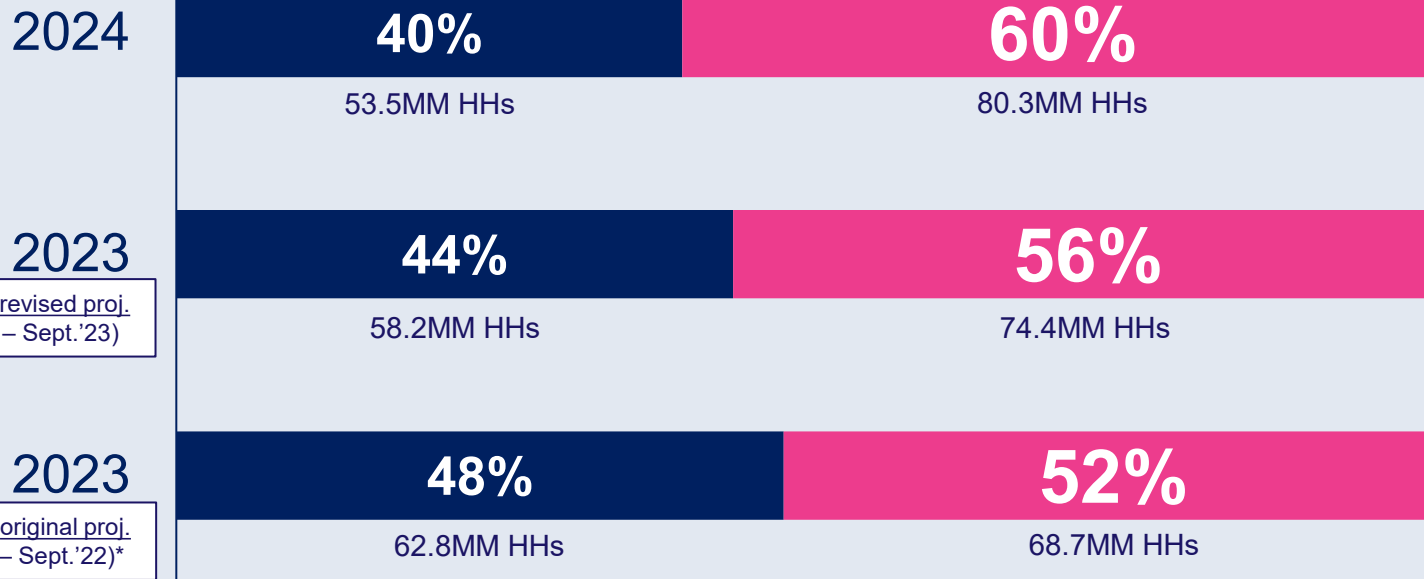
[click through the appropriate box if you would like to be brought directly to the corresponding trend](#)

1

Cord cutting continues among traditional pay-TV households as non-pay TV households are projected to grow to 80 million homes this year

Share of U.S. Pay TV vs. Non-Pay TV Households

■ Pay-TV HHs ■ Non-Pay TV HHs



Source: eMarketer, *Pay TV Households & Viewers, US, 9/20/23*, & **US Pay TV vs. Non-Pay-TV Households – 2018-2026, 9/22*. Note: Pay TV households are those with a subscription to traditional pay TV services excludes IPTV and pure-play online video services (e.g., YouTube TV, Hulu Live TV, FuboTV, Sling TV, etc.). Non-Pay-TV households are those that have cancelled their subscription to or have never had pay TV services.

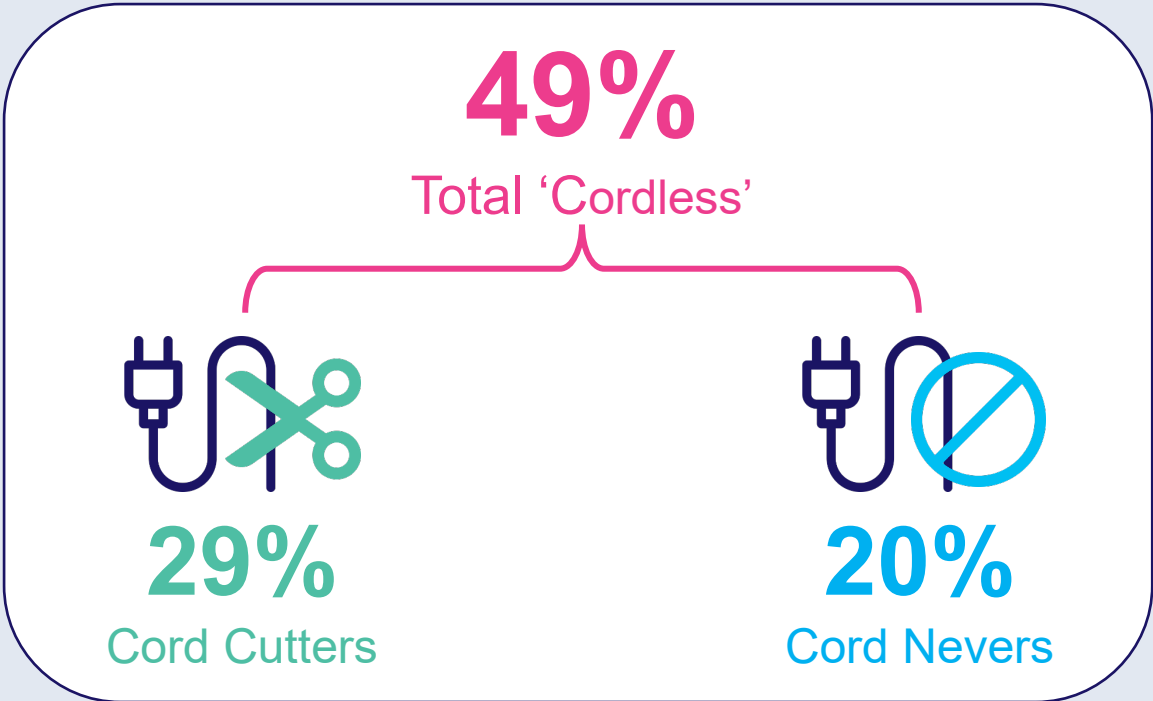


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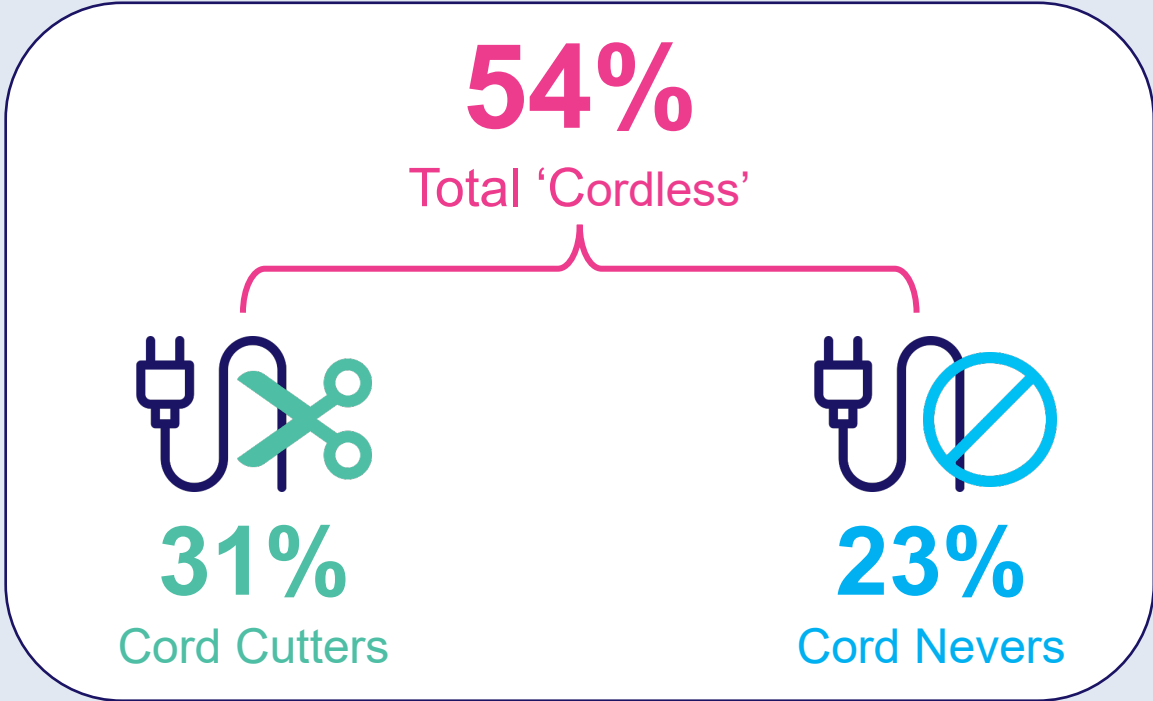
Over half of all adults are now ‘cordless,’ which makes video streaming a necessity for incremental reach within video campaigns

% of adults 18+ who are ‘Cord Cutters’ or ‘Cord Nevers’

November 2022



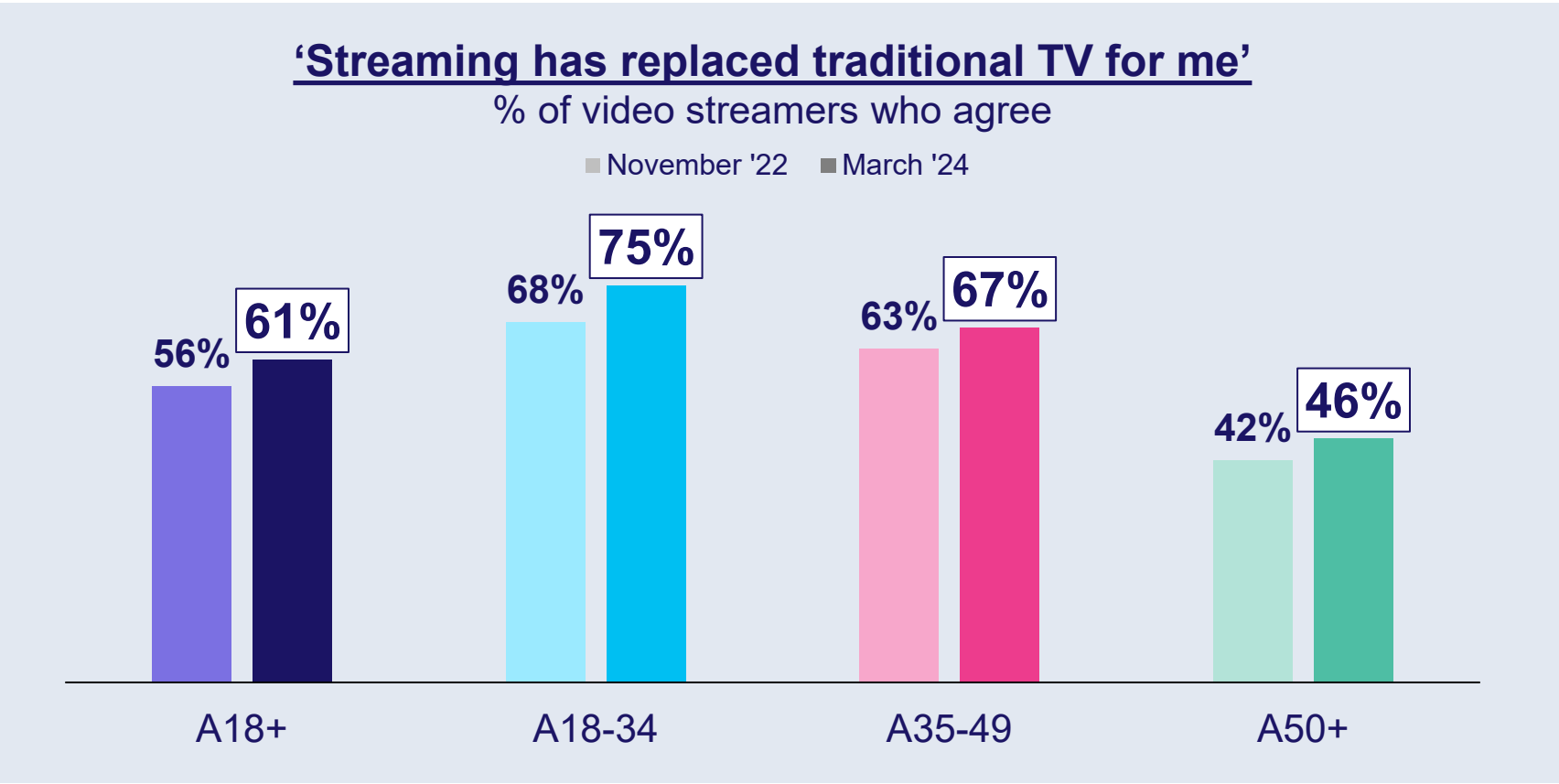
March 2024



Source: VAB analysis of MRI-Simmons Cord Evolution Study, November 2022 & March 2024, A18+. ‘Cord Cutters’: no pay-TV; cancelled it, ‘Cord Nevers’: no pay-TV; never had it.

3

More adults across all age groups are shifting towards streaming as a replacement for accessing their favorite long-form programming



Source: VAB analysis of MRI-Simmons November 2022 & March 2024 Cord Evolution Study, A18+. Base = 'Streamed in the past 12 months'.

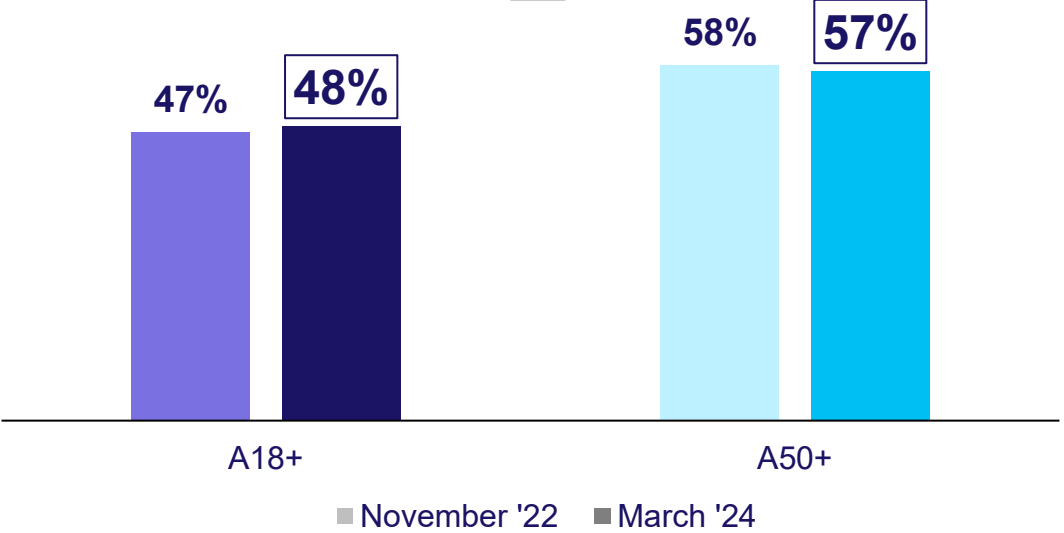
4

Consumers' wider definition of TV – which includes streaming across devices - has remained consistent, while the TV set still dominates

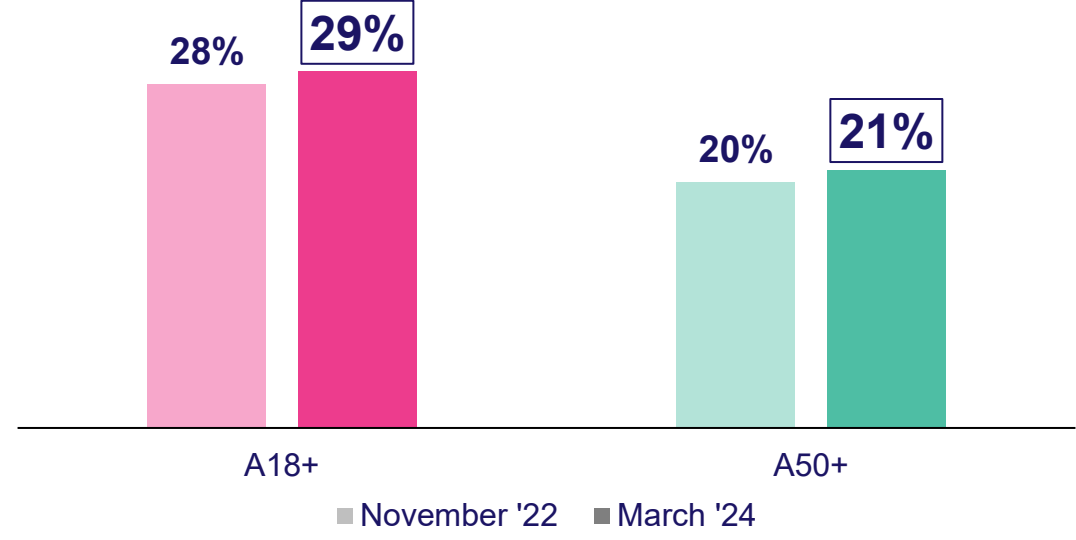
How do you personally define TV?

% of video streamers who agree

'Anything I can watch on my TV set whether it's via streaming or cable, satellite, fiber optic'



'Anything I can watch on any device'

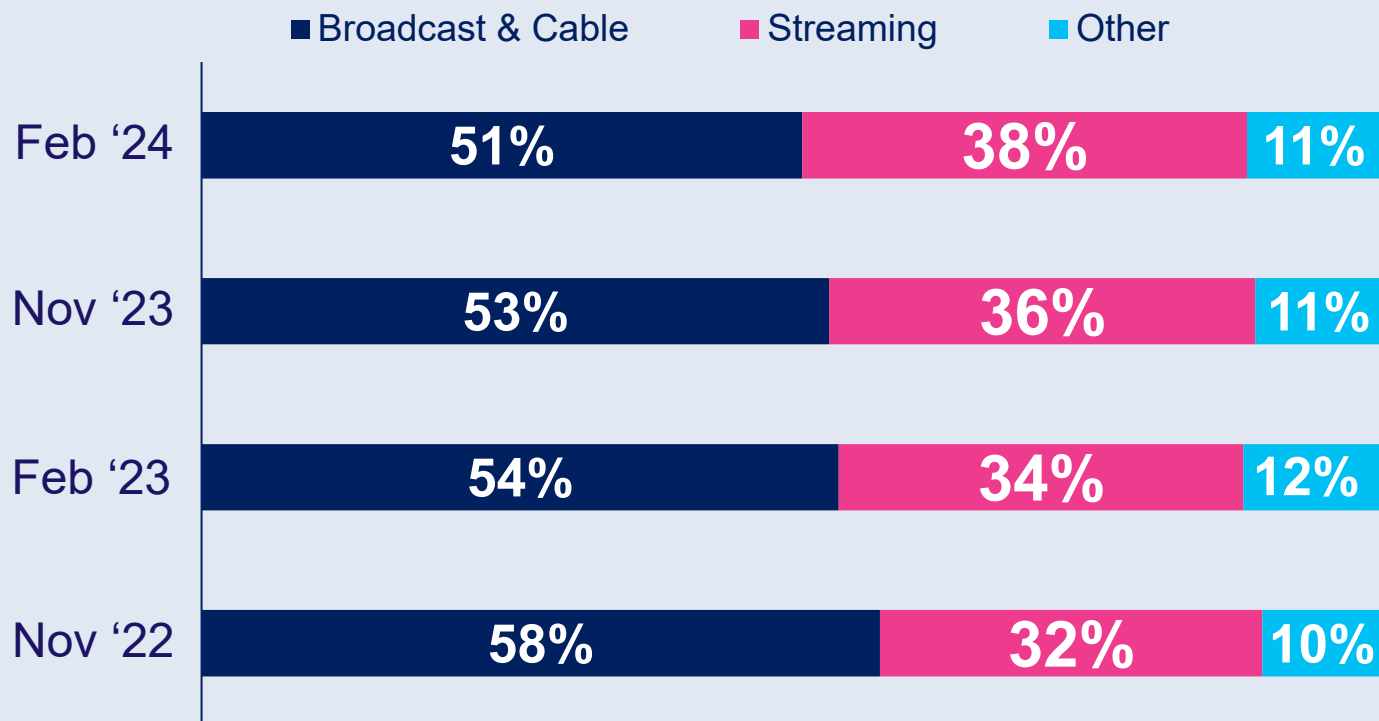


Source: VAB analysis of MRI-Simmons November 2022 & March 2024 Cord Evolution Study, A18+. Base = 'Streamed in the past 12 months.'

5

Streaming accounts for over one-third of total time with TV as both exclusive and library content continues to shift to these platforms

Share of Monthly Time Spent With TV



Source: VAB analysis of Nielsen, 'The Gauge', November 2022, February 2023, November 2023 & February 2024, Total Day, P2+, 'Other' includes all other TV including all other tuning (unmeasured sources), unmeasured video on demand (VOD), audio streaming, gaming and other device (DVD playback) use. **Note: Due to a methodical change, Gauge data for November 2022 has been updated compared to the VAB 'Setting the Stage' report released in 2023.**

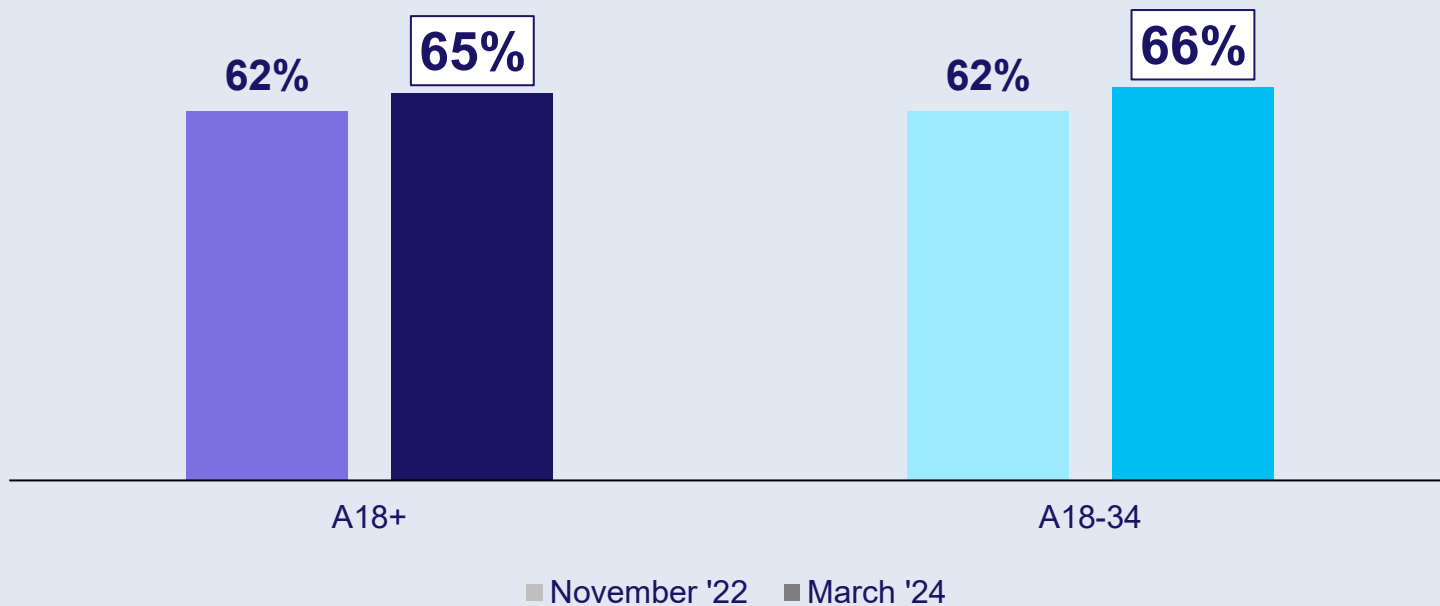


6

Two-thirds of audiences prefer ad-supported services and tiers due to the cost benefit and value exchange of ads in streaming



'I prefer streaming free video content with ads / commercials instead of paying for a subscription without ads / commercials'
% of video streamers that agree



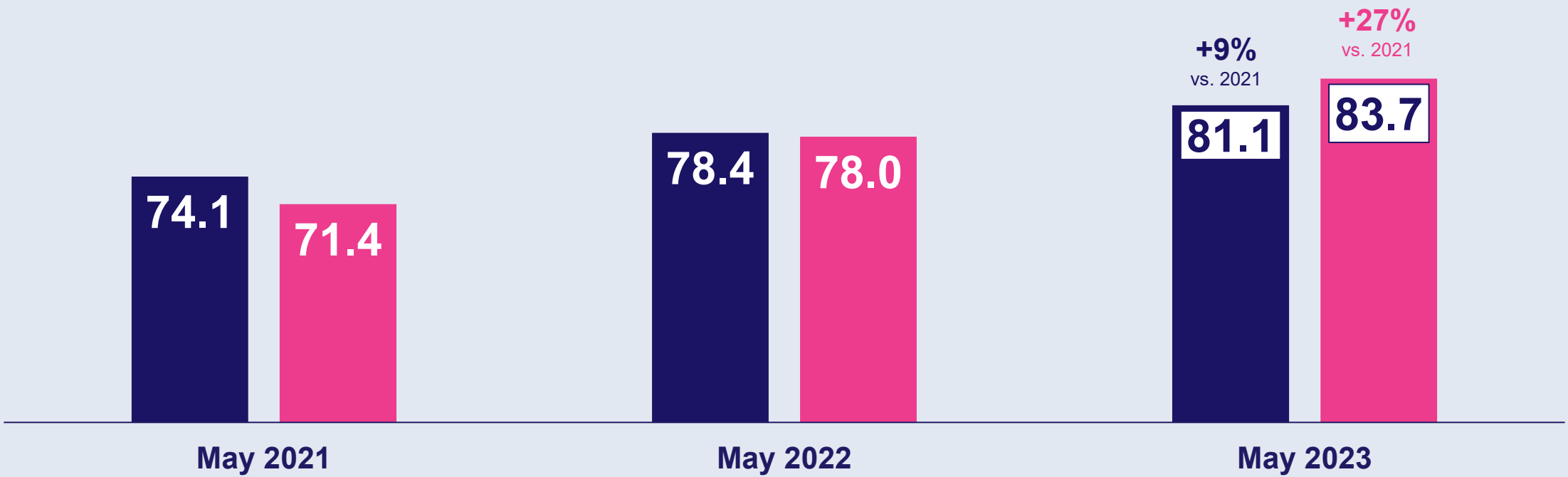
Source: VAB analysis of MRI-Simmons November 2022 & March 2024 Cord Evolution Study, A18+. 'I prefer streaming free video content with ads/commercials instead of paying for a subscription without ads/commercials' (strongly / somewhat agree). Base = 'Streamed in the past 12 months'.

7 With increased options, there are now more CTV HHs that watch ad-supported streaming than those that subscribe to paid, ad-free services

Connected TV Households by Streaming Type

Households in millions

■ Non Ad-Supported Services ■ Ad-Supported Services



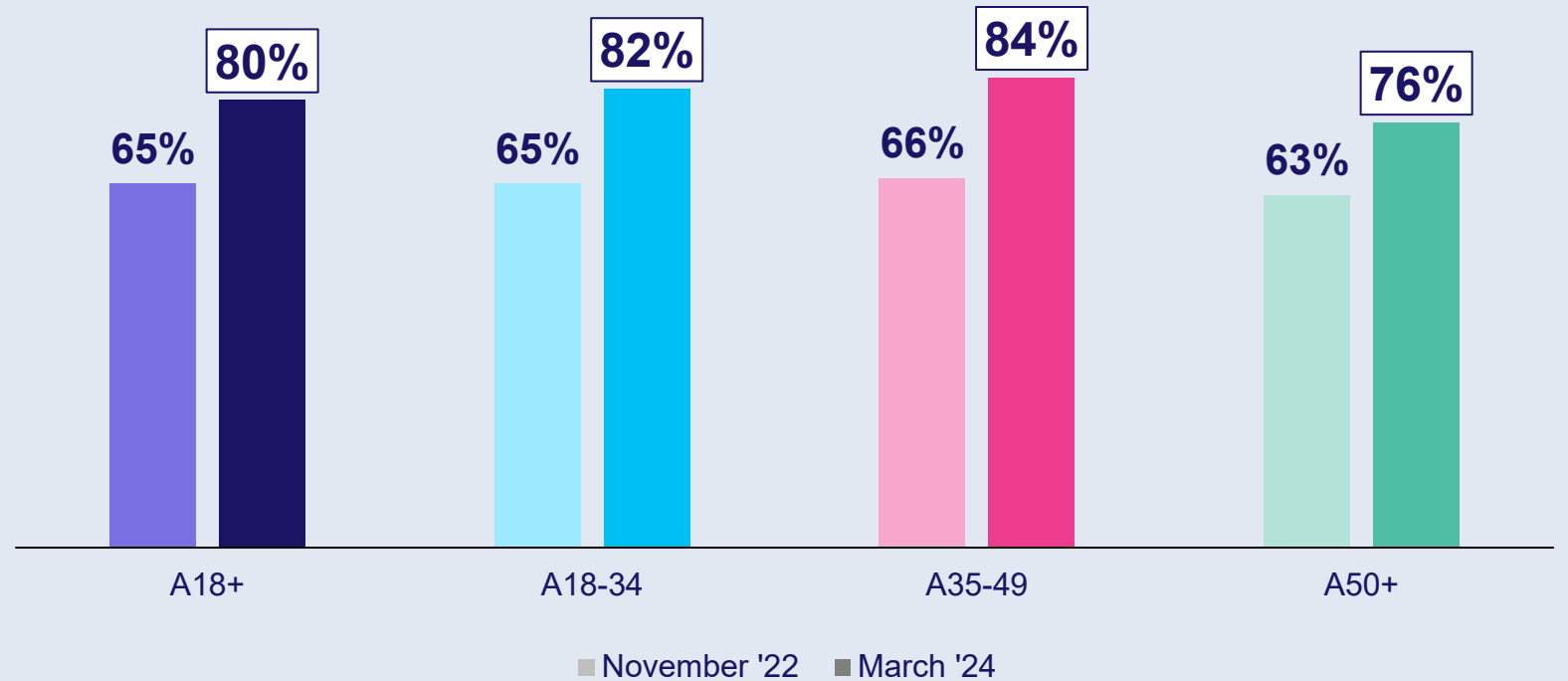
Source: Comscore, *State of Streaming*, 2023. Comscore CTV Intelligence, CTV devices, U.S.

8

Through organic platform growth and the launch of new ad tiers, ad-supported streaming now reaches eight out of ten streaming adults



% of streamers who use at least one ad-supported streaming service



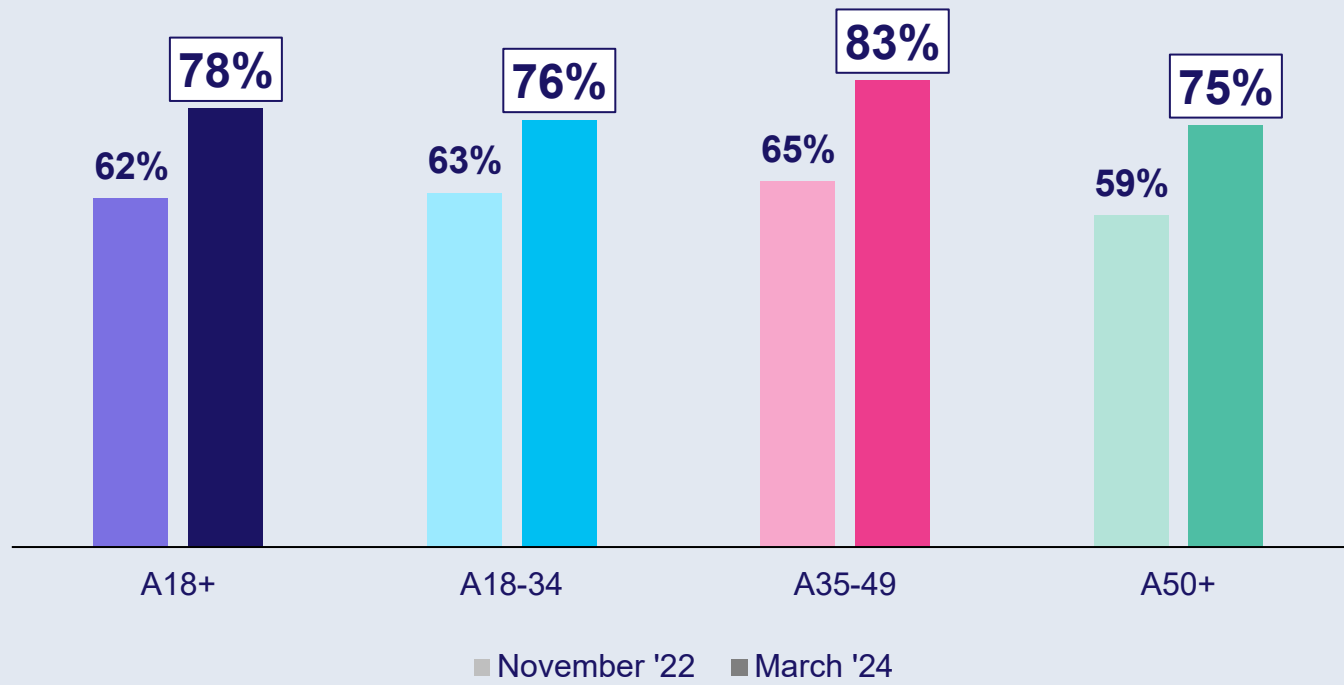
Source: VAB analysis of MRI-Simmons November 2022 & March 2024 Cord Evolution Study, A18+. Base = 'streamed in the past 12 months'. November '22: reflects % of streamers who have used any of the following streaming services in the past 12 months: Crackle, Crunchyroll (limited commercial subscription), Discovery + (limited commercial subscription), Hulu (limited commercial subscription), PARAMOUNT + (LIMITED COMMERCIAL SUBSCRIPTION), Peacock (limited commercial subscription), IMDb TV, Local Now OR PARAMOUNT + (LIMITED COMMERCIAL SUBSCRIPTION), Peacock (limited commercial subscription), Pluto TV, redbox, Roku Channel, Samsung TV Plus, Tubi TV, Vudu, Xumo. March '24: reflects % of streamers who have used any of the following streaming services in the past 12 months: Crackle, Crunchyroll (free), Tubi, Discovery+ (with ads/commercials), Disney+ (with ads/commercials), Freevee (formerly IMDb TV), Max (with ads/commercials), Hulu (with ads/commercials) NET, LG Channels, Local Now App, Paramount+ (with ads/commercials), Peacock (with ads/commercials), Pluto TV, redbox, Roku Channel, Samsung TV Plus, Vudu)

9

Multiscreen TV platforms have almost full penetration collectively within ad-supported streaming since all major services now have an ad tier



% of streamers who have used a network TV app or ad-supported streaming service owned by a multiscreen TV company*

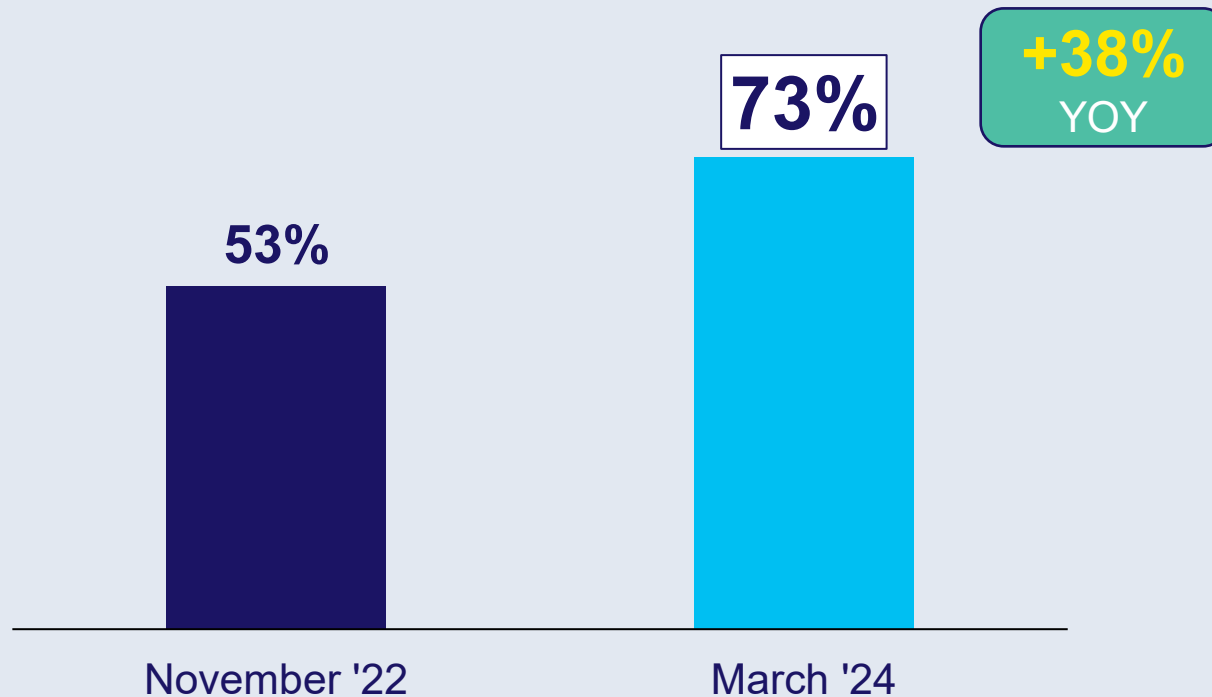


Source: VAB analysis of MRI-Simmons November 2022 & March 2024 Cord Evolution Study, A18+. Base = 'streamed in the past 12 months'. *March '24: Based on respondents who watched any of the following ad-supported streaming services in the last 12 months: ABC App, AMC App, Bravo App, CBS App, Discovery+ (with ads/commercials), ESPN+, Max (with ads/commercials), Hulu (with ads/commercials) NET, Paramount+ (with ads/commercials), Peacock (with ads/commercials), Pluto TV, Tubi, TVOne, VICE TV, Hallmark TV, Disney+ (with ads/commercials), FOX Sports, NBC App, NFL+ Nov 22: *Based on respondents who watched any of the following ad-supported streaming services in the last 12 months: ABC App, AMC App, Bravo App, CBS App, Discovery+ (Limited Commercial Subscription), ESPN+, HBO Max (Limited Commercial Subscription), Hulu (Limited Commercial Subscription), Paramount+ Essential (Limited Commercial Subscription), Peacock Premium (Limited Commercial Subscription), Pluto TV, Tubi TV, TV One, Vice TV, Hallmark TV.

10

FAST viewership has achieved meaningful scale as audiences grow and advertising opportunities increase

% of U.S. adult 18+ streamers that watch FAST
(Free Ad-supported Streaming TV) services



+22%

more FAST Channels
available in the U.S. YoY*

(Feb '24: 1,959 vs. Dec '22: 1,610)

Source: VAB analysis of MRI-Simmons November 2022 & March 2024 Cord Evolution Study, A18+. Base = 'streamed in the past 12 months'. March '24: Used any FAST services in the past 12 months: (includes, but not limited to, services like Peacock, Roku Channel, Tubi, Freevee, Pluto TV, Samsung TV Plus, Xumo, Local Now, Bloomberg Originals, MotorTrend, NBC News Now, Plex, PopcornFlix). November '22: Used any FAST services in the past 12 months: (includes, but not limited to, services like Peacock, Roku Channel, Tubi, Freevee, Pluto TV, Samsung TV Plus, Xumo, Local Now). *VAB Analysis of The FASTMaster, 'There are 1,959 FAST Channels in the U.S.', 2/15/24 & 'There Are Now 1,995 FAST Channels', 12/22/23.

11

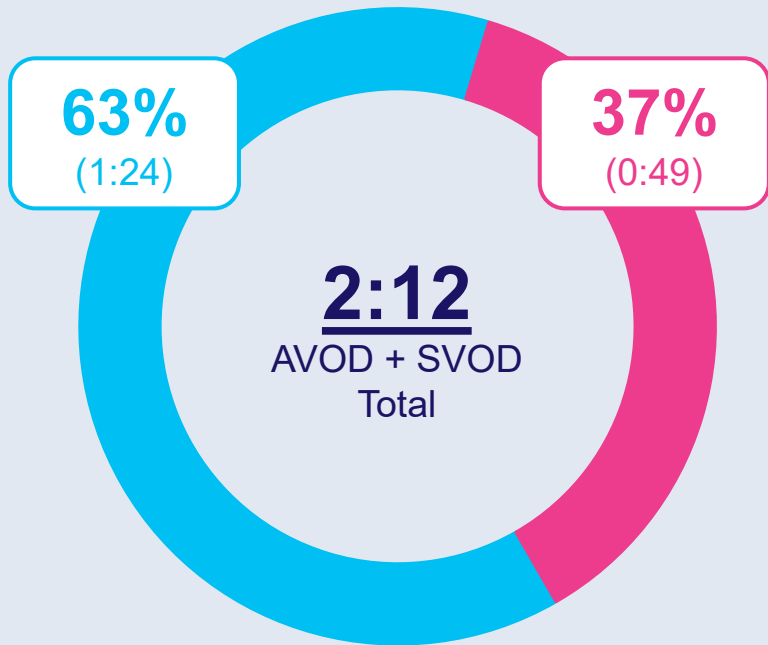
Time spent with ad-supported platforms has more than doubled in less than two years as consumers increasingly shift towards these services

Daily Time Spent With Streaming by Service Type

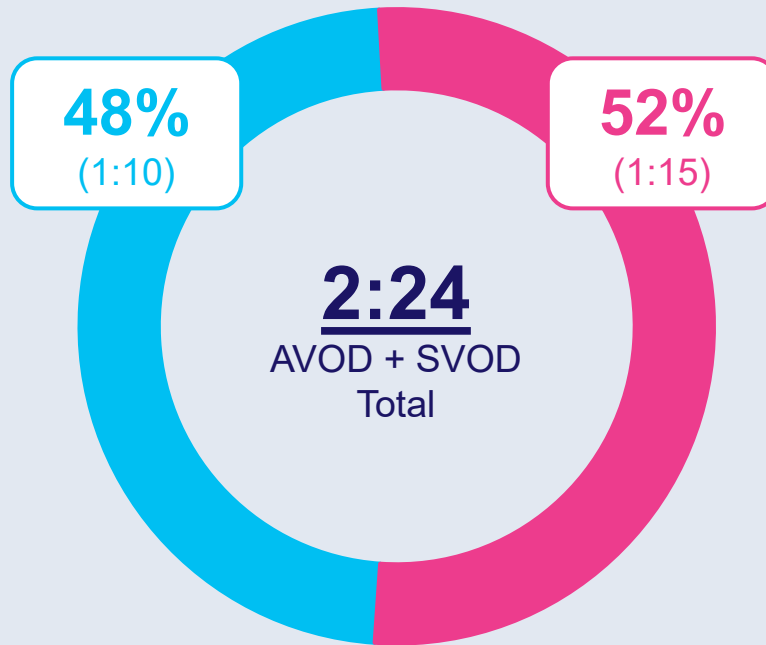
By % Share and Time Spent in HH:MM

■ SVOD ■ AVOD / FAST / vMVPD

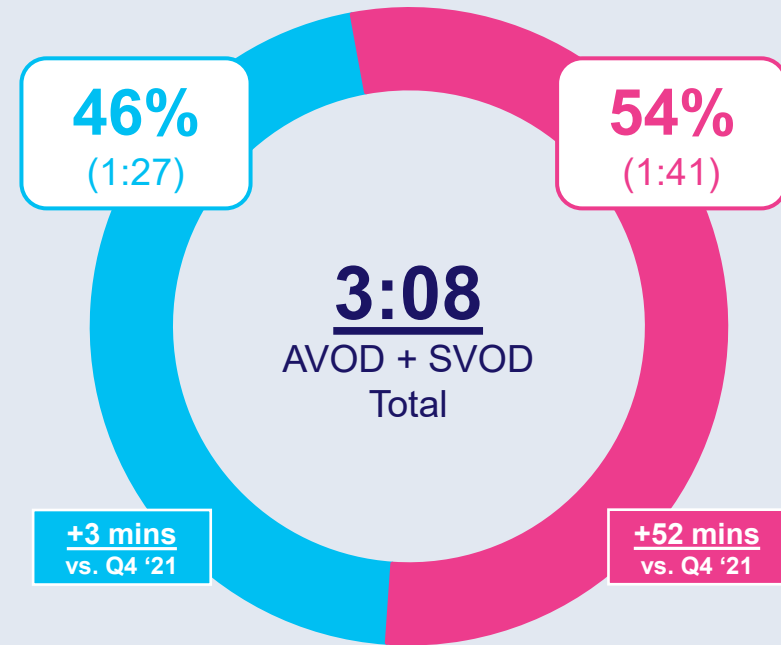
Q4 2021



Q2 2022



Q2 2023



Source: VAB analysis of TiVo Video Trends Report, Q2 2022 & Q2 2023. Base: P18+.

12

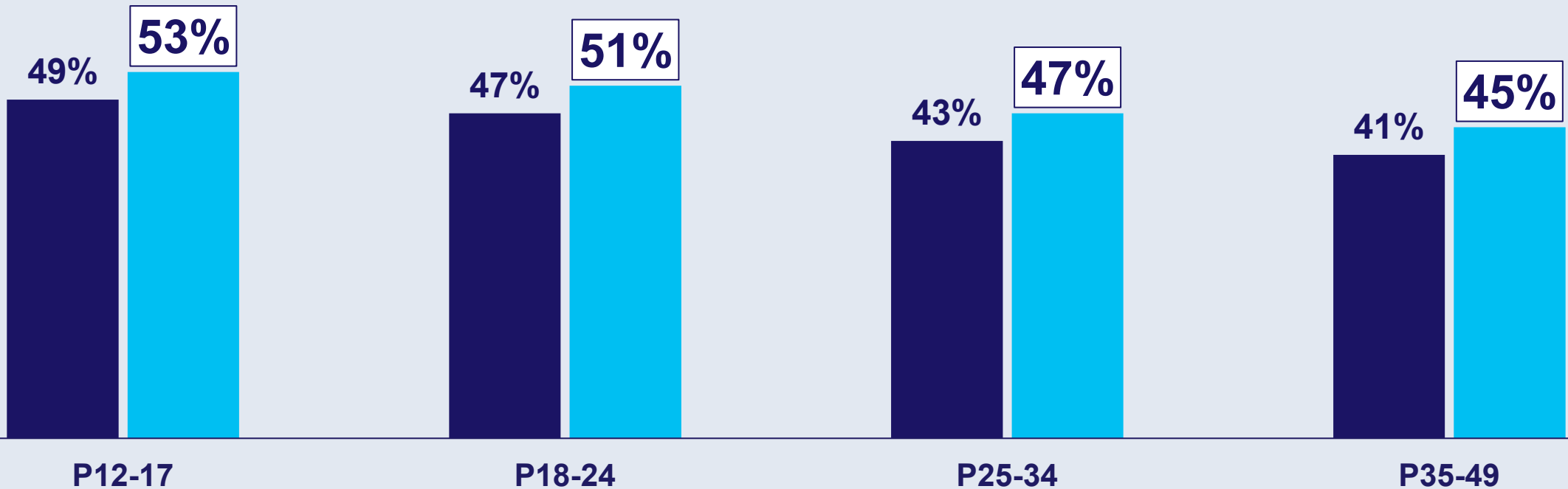
Approximately half of key age demos are comprised of multicultural consumers, underscoring their importance to streaming TV plans

Multicultural Audiences

% of U.S. TV Population by Age

■ 2018/2019*

■ 2023/2024*

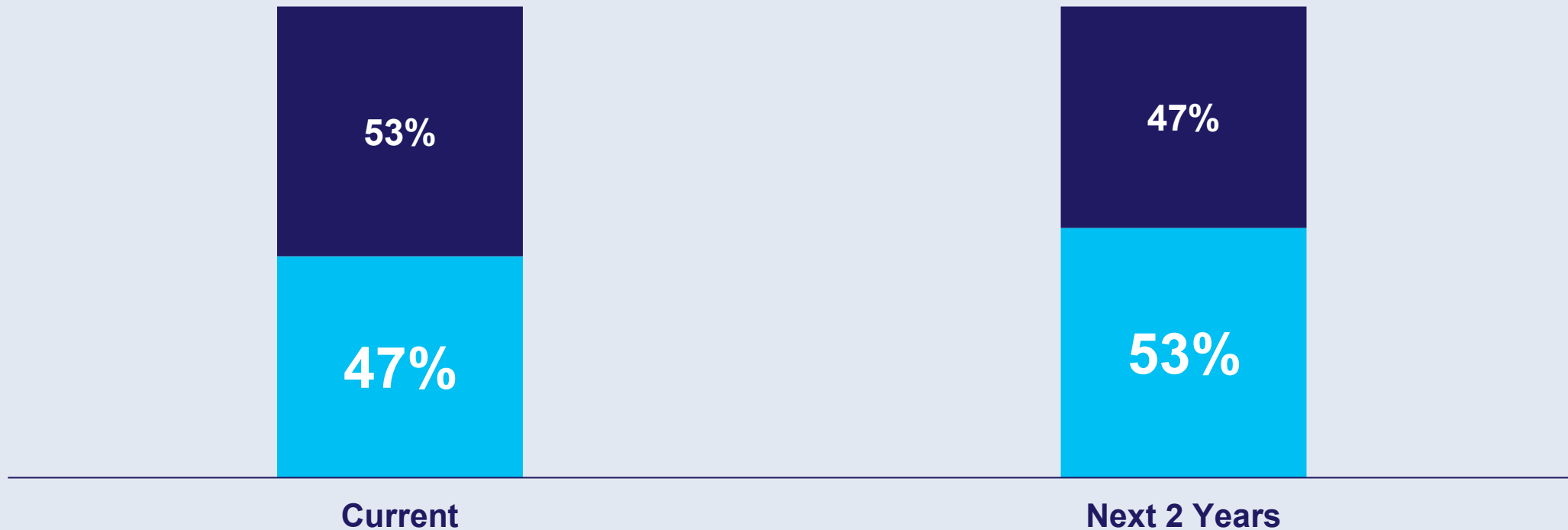


Source: VAB analysis of Nielsen NPower, Universe Estimate, UE and Sample Information Report. *Reflects 2018-2019 & 2023-2024 Broadcast Seasons. Multicultural Audiences represent Hispanic, Non-Hispanic Black, Non-Hispanic Asian/Pacific Islander, Non-Hispanic American Indian/Alaska Native and Non-Hispanic Other.

Marketers are increasingly adopting 'audience-based TV buying' to optimize ad investment against their best customer prospects

% of Demographic TV Buying vs. Audience-Based TV Buying

■ Demographic/content-based buying ■ Audience-based buying



Source: Advertiser Perceptions, *TV Measurement Report*, 2023. Q: What percentage of your [company's/main client's] TV buys are currently activated via audience-based buying versus traditional demographic/content buying? What do you anticipate those percentages will be in the next 2 years? Base: Total Respondents

14

Nearly two-thirds of marketers will use modern measurement solutions to more accurately count audiences reached across video platforms



62%

of advertisers are likely to use alternative currencies in the next 12 months

Source: Advertiser Perceptions, *TV Measurement Report*, 2023. Q: Did your [company/main client] use alternative currencies, outside of Nielsen, for its TV buy transactions in the past 12 months? Base: Total Respondents. Likely = 'very' or 'somewhat.'

15

Beyond audience counts, many marketers also continue to look at video campaign ‘outcomes’ metrics that drive business growth

According to publishers, the following metrics are most important to advertisers in measuring converged TV:



86%

Online Outcomes

(sales, registrations, app downloads, etc.)



57%

Offline Outcomes

(in-store traffic, sales, etc.)



43%

Incremental Reach

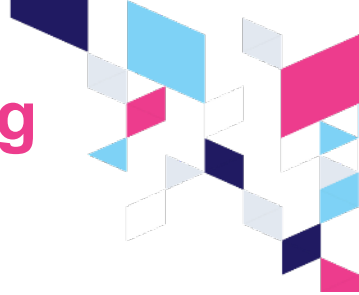


29%

Brand Lift

Source: Innovid, *The Future of Converged TV*, February 2023. Advertisers could pick ‘up to 3’ in determining the metrics that are most important to them.

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Key Marketer Takeaways

Ad-supported streaming is accelerating as more opportunities are created across platforms.

- ▶ More audiences are migrating to ad-supported streaming as exclusive, original and library content shifts over to these platforms and new services, FAST channels and advertising tiers continue to launch and build scale
- ▶ Audiences increasingly prefer ad-supported streaming options compared to paid, ad-free platforms due to the cost benefits and their acceptance of the value exchange
- ▶ Ad-supported streaming now reaches eight out of every ten streamers with multiscreen TV platforms collectively providing near complete coverage of this universe
- ▶ Average daily time spent with ad-supported streaming by adults has more than doubled in less than two years
- ▶ Marketers are increasingly adopting 'audience-based TV buying' and modern measurement solutions to optimize ad investment towards their best customer prospects

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VAB plays a dual role in the video advertising industry. We are leading the change to bring about a more innovative and transparent marketplace. We also provide the insights and thought leadership that enables marketers to develop business-driving marketing strategies.

Drawing on our marketing expertise, we **simplify** the complexities in our industry and **discover** new insights that **transform** the way marketers look at their media strategy.



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