

Fast Facts



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

Staying Current on Streaming

The Latest on Connected TV Consumer Behaviors

June 2024



Six Current Trends on Connected TV Consumer Behaviors

1

Many viewers are turning to streaming as their **'go-to' first platform** for video consumption



2

The **TV home screen** is a growing source for **content discovery**



3

Consumers are more likely to adopt **free streaming services & ad-supported tiers** than ad-free options



4

As **subscriber churn rises**, more consumers are replacing subscriptions with ad-supported services



5

Bundling services together is aiding in acquiring and retaining streaming subscribers



6

Interactive CTV ads are creating significant engagement across categories



Click through a box above to be brought directly to the appropriate section

1

Many viewers are turning to streaming as their **'go-to' first platform** for video consumption



Streaming TV has now become the 'default' source for many viewers when they want to watch their favorite video content, even for older adults

% of adults who say streaming TV is their default source for viewing TV / video content

84%
A18-29

79%
A30-44

71%
A45-60

51%
A61+

Source: Variety VIP+. Adtaxi, Variety Intelligence Platform Analysis.

Video viewing is growing more on Connected TV than mobile or desktop, driven by a preference for larger screens and enhanced experiences

Average Time Spent per Day with Digital Video, by Device
Hrs:mins



2:07

Connected TV
(+140% vs. 2019)



1:22

Mobile Devices
(+82% vs. 2019)



0:22

Desktop / Laptop
(+22% vs. 2019)

Source: EMARKETER Forecast, February 2024. Note: Ages 18+; includes all time spent with online video activities; includes viewing via any device; includes time spent with video via social networks. Time spent with each medium includes multitasking; for example, 1 hour of multitasking on a mobile phone while watching TV is counted as 1 hour for mobile phone and 1 hour for TV. Figures are rounded to the nearest minute. Estimates of average time spent with media are based on the total US adult population according to the US Census Bureau 2010 release, not the number of users of each medium. Estimates are based on the analysis of estimates from other research firms, consumer media consumption trends, device adoption trends, company reports, primary research, and interviews.

The streaming experience fuels greater engagement as watching a single episode initially often leads to an extended viewing session

Time Spent Streaming in a Single Sitting

% of respondents

56%

1-3 Hours

40%

3+ Hours

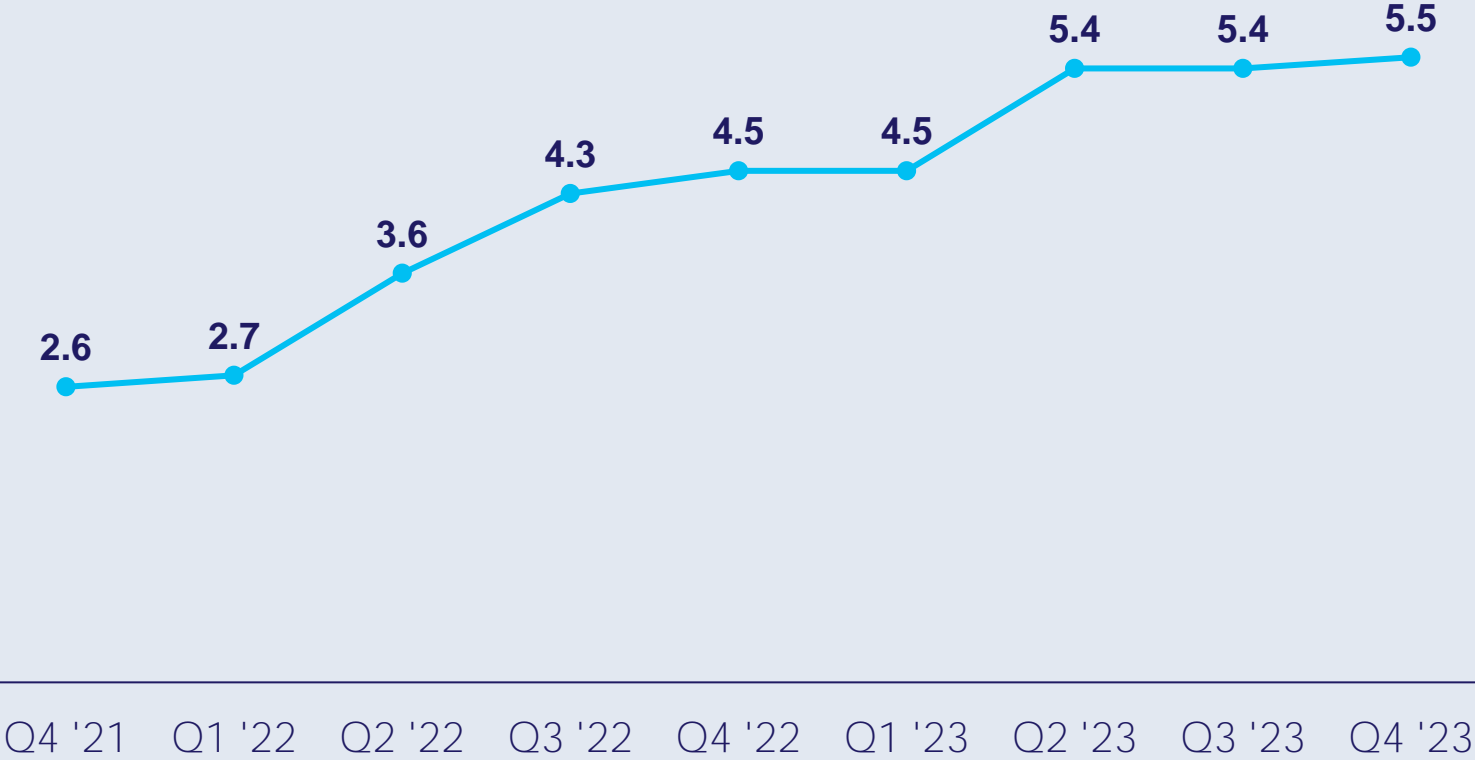


Source: Tubi, *The Stream 2024: Streaming Insights for Marketers*. Based on a survey of 2,503 a18+ who stream video at least 1 hour a week, conducted by The Harris Poll on behalf of Tubi from 12/22/23 - 1/5/24.

The number of connected TV apps used has doubled in the past two years, however app usage has plateaued recently signifying a limit to adoption



Average Number of Native Apps Used per Connected TV



Source: Inscope, TV Market Trends Report, Q4 2023. Inscope Panel, Base: Inscope TVs with at least one minute of app viewing. Streaming includes viewership on vMVPDs. Gaming console viewing is not included in these calculations.

2

The **TV home screen** is a growing source for content discovery

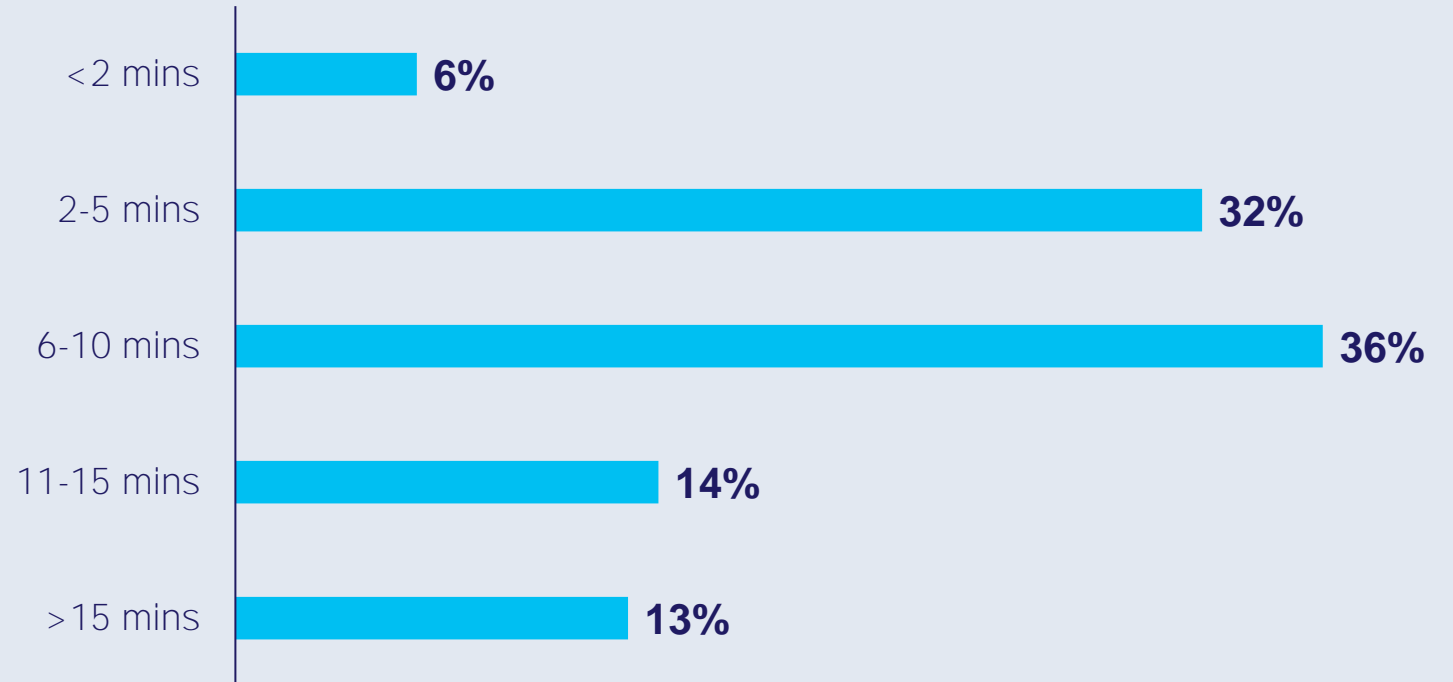


Viewers often spend over six minutes searching for new content on TV, indicating a significant time investment in the discovery process

63%

of viewers are spending
6+ minutes searching
for new content

When looking for something new to watch, how long do you typically spend searching?



Source: Comcast, *Content Discovery in a Multiscreen TV World*, 2024. Comcast Advertising survey conducted through Cint in December 2023. U.S. N=1,500. Qualifying criteria: adults 18+ who searched for or watched something new in the past three months? Data refers to time spent searching for content on linear TV or streaming platforms.

With so many streaming offerings, viewers are often searching multiple apps or services to find content, highlighting a fragmented experience

Thinking about your experience when searching for something new to watch, which statement most accurately describes your experience?

44%

'I have to **search multiple apps or services** to find the content I want'

28%

'I can **easily search using my device** and find what I want to watch'

22%

'Everything **I want to watch is in one place** (e.g., a single app, device, service)'

6%

'It's **hard to find the content I want** so I opt to watch or do something else'

Source: Comcast, *Content Discovery in a Multiscreen TV World*, 2024. Comcast Advertising survey conducted through Cint in December 2023. U.S. N=1,500. Qualifying criteria: adults 18+ who searched for or watched something new in the past three months?

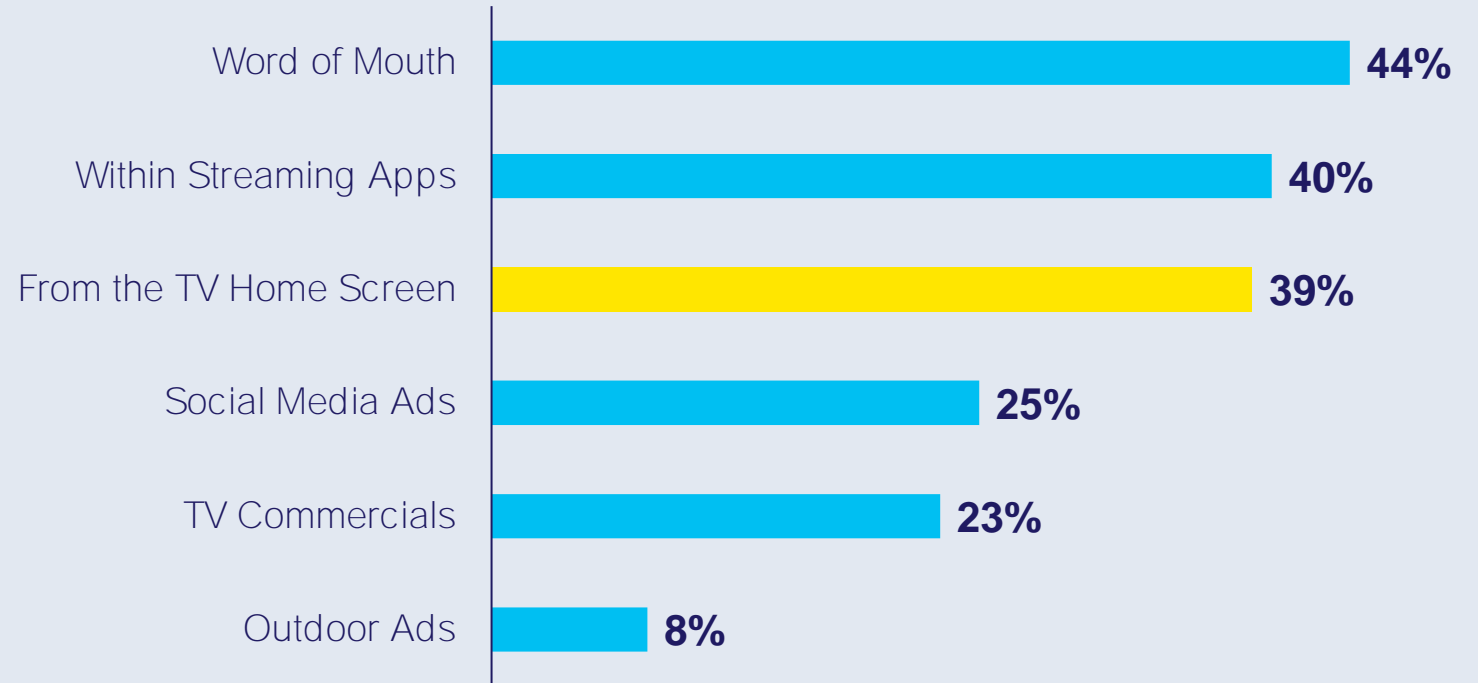
COMCAST
ADVERTISING

Viewers are using their TV's built-in home screens for content discovery, offering marketers the opportunity to connect within the native interface

2 in 5

CTV users rely on **the TV home screen** for content recommendations as the starting point for viewing

Top Content Recommendation Sources*



Source: LG Ad Solutions, *The Big Shift: Wave III, 2024*. *Note: Aided choices.

3

Consumers are now more likely to adopt **free streaming services & ad-supported tiers** than ad-free options

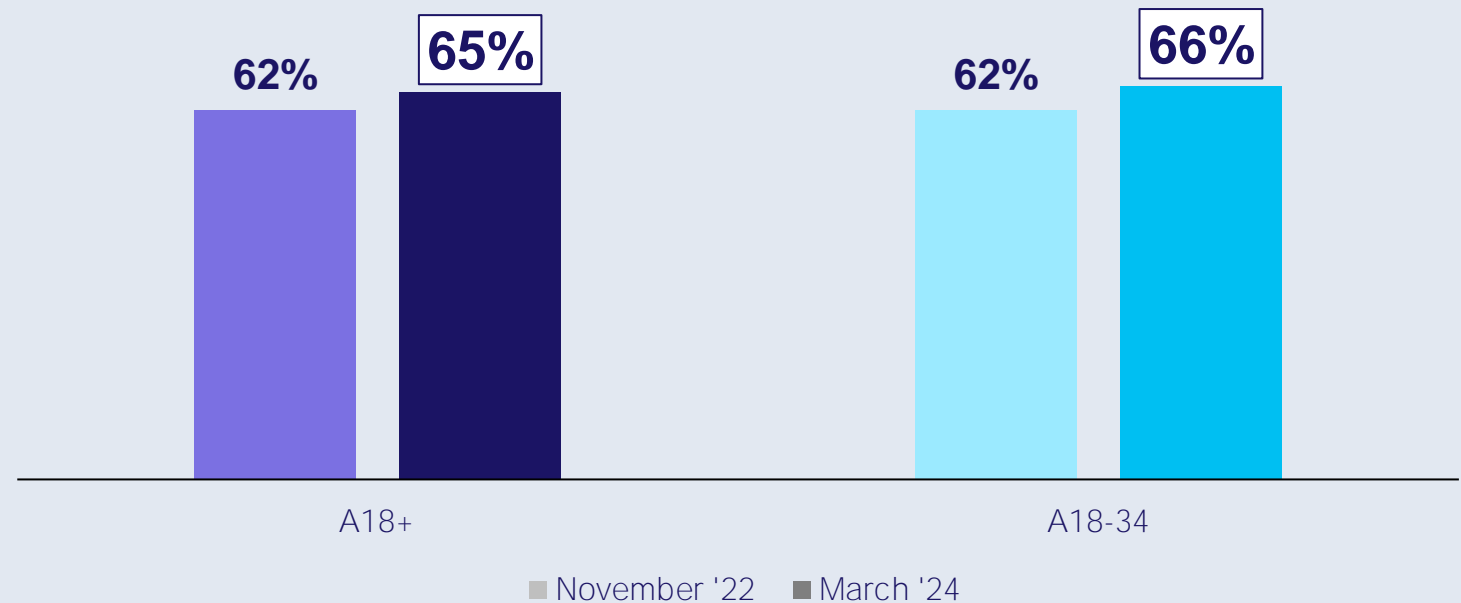


Two-thirds of audiences prefer ad-supported services and tiers due to the cost benefit and value exchange of ads in streaming



'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'. Download VAB's ['Advertising Accelerated'](#) to learn more.

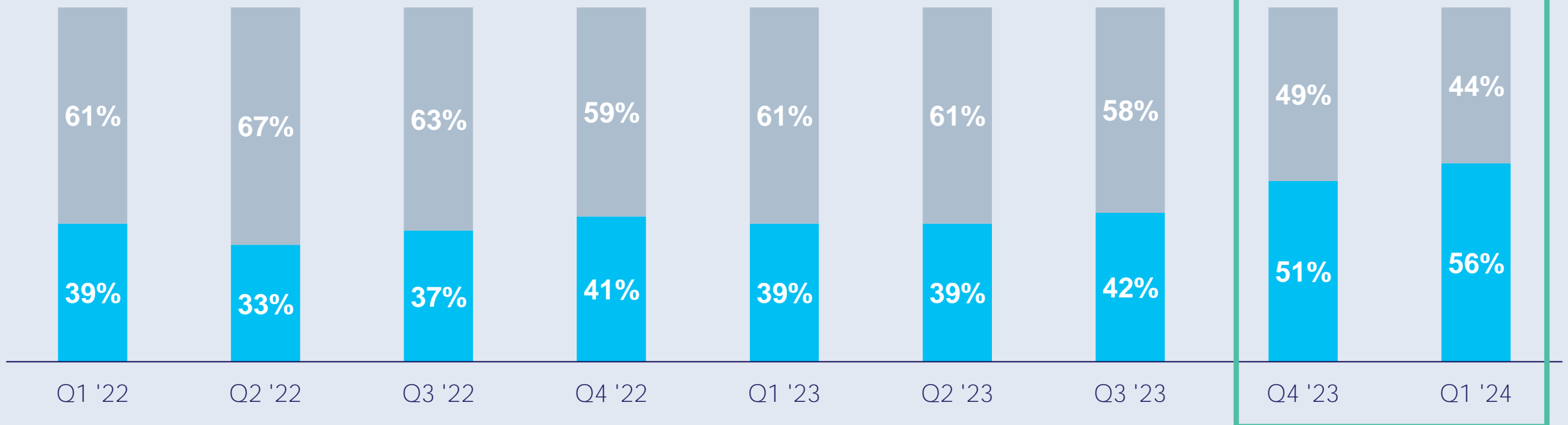
MRI | SIMMONS

Most new subscriptions are for ad-supported tiers now, reflecting a shift in consumer preference towards cost-saving options with ads

Select SVOD Gross Adds

Ad-Free vs. Ad-Supported

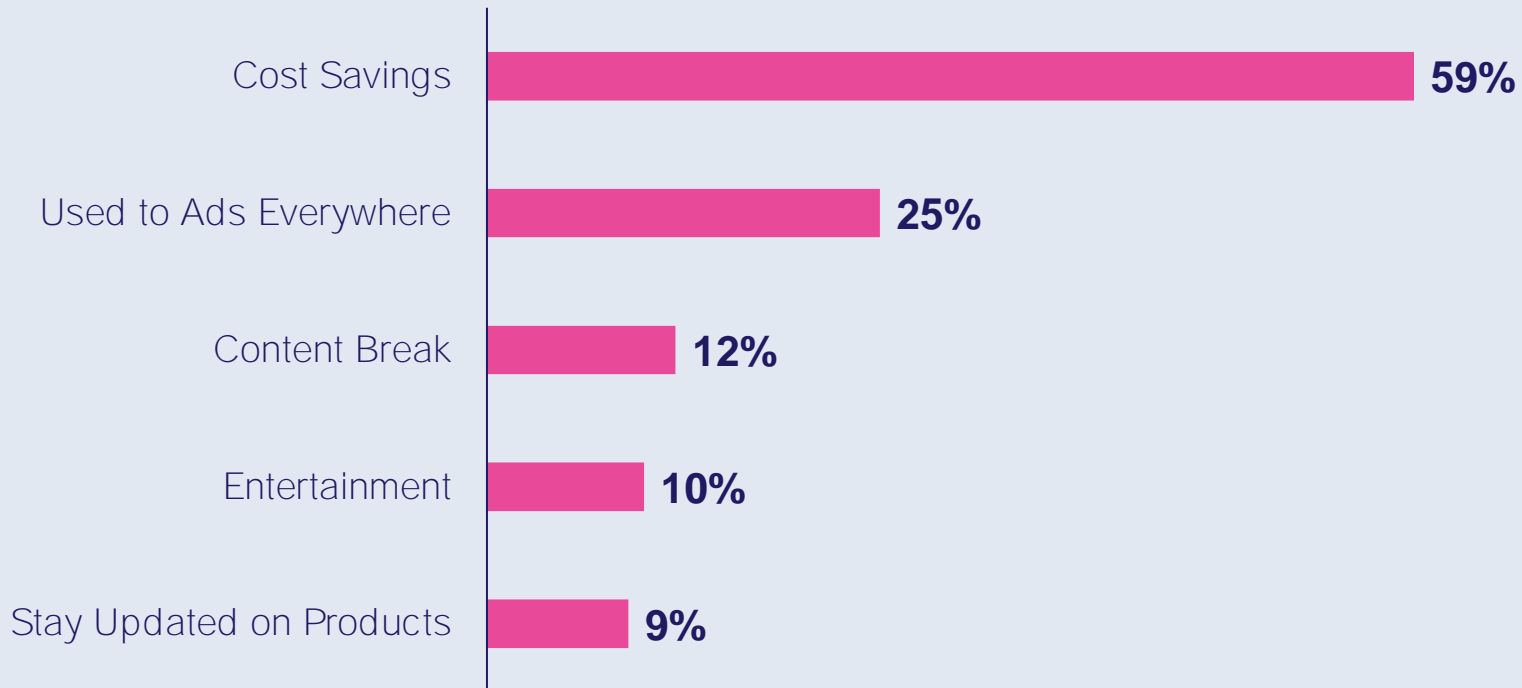
■ Ad-Supported ■ Ad-Free



Source: Antenna. U.S. only. Excludes free tiers, MVPD + Telco Distribution, and select Bundles. Services include AMC+, Apple TV+, BET+, Discovery+, Disney+, Hulu, Max, Netflix, Paramount+, Peacock and Starz. AMC+ does not include Direct distribution.

In addition to cost savings, consumers are OK with ad-supported tiers because they are used to seeing ads everywhere else online and offline

What are some reasons you would opt for a lower-cost ad-supported tier?



Source: DISQO, *Ad-Supported Streaming TV: Optimizing brand experience in the fast-evolving streaming landscape, 2024*. Based on survey of 17,788 U.S. adults from DISQO's first-party audience, between 12/28/23 – 12/30/23. Q: What are some reasons you would opt for a lower-cost ad-supported tier?

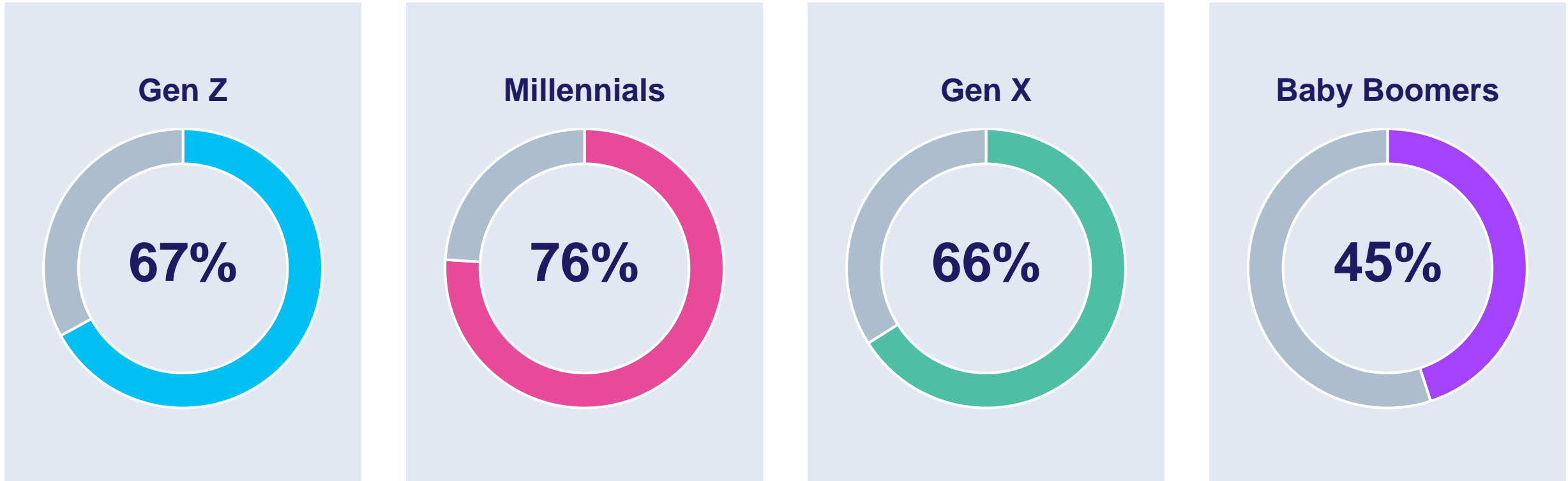
4

As **subscriber churn rises**, more consumers are replacing subscriptions with ad-supported services



Churn is often driven by 'subscription cycling,' where viewers sign up for a specific show and cancel once it ends

% of U.S. adults planning to subscription cycle in the next 6 months



Source: Samba TV, *The State of Viewership: H2 2023*, U.S. 'Subscription cycling' refers to the trend of people signing up for a subscription video on demand (SVOD) service to watch a specific program, then canceling the subscription once the program ends and signing up for another.



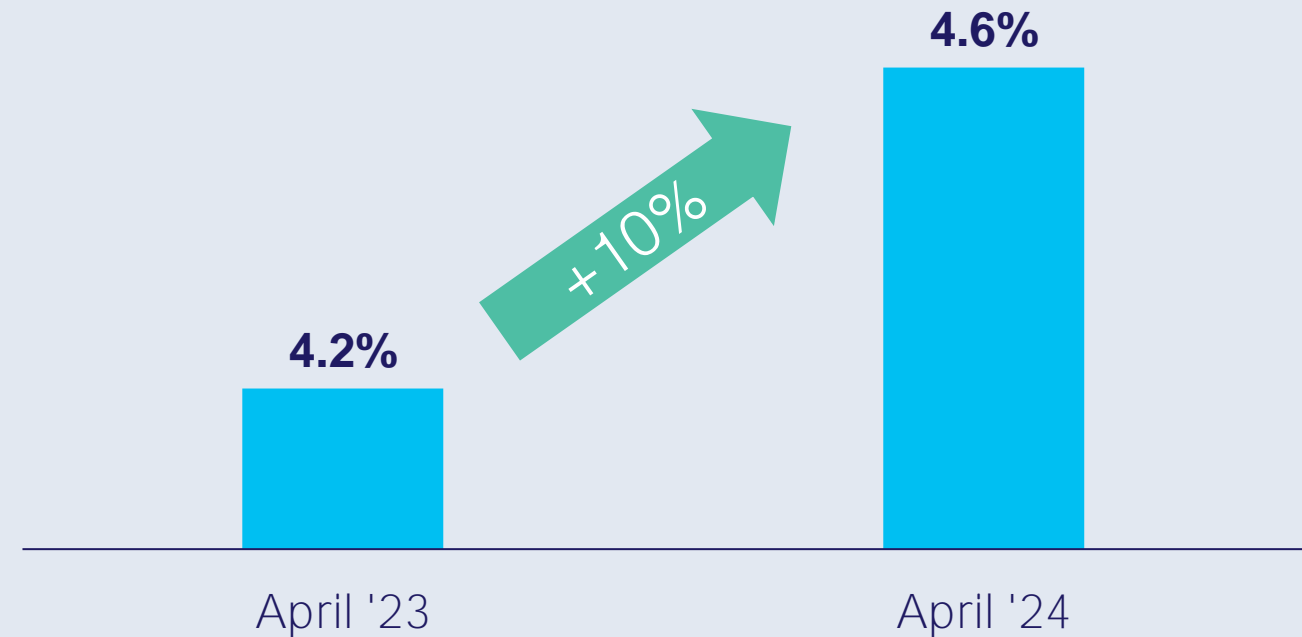
Economic concerns have driven over half of viewers to cancel a streaming subscription in the past year, contributing to rising churn

52%

say that economic concerns have caused them to **cancel a streaming subscription** in the last 12 months (+14% YoY)

SVOD Industry Average Churn YoY*

based on average service

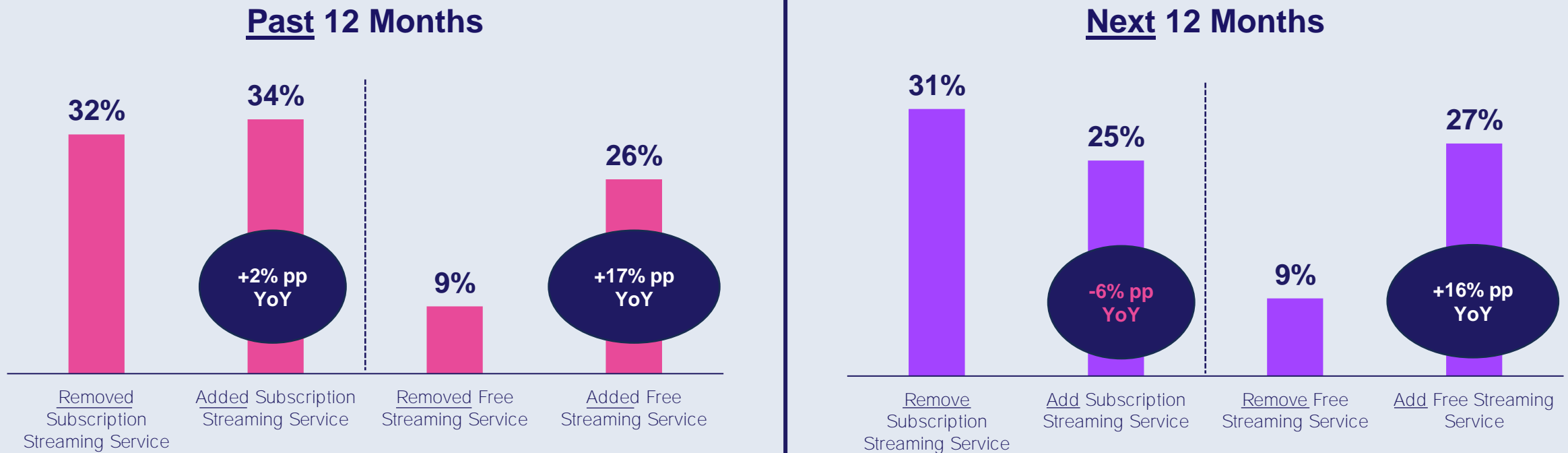


Source: LG Ad Solutions, *The Big Shift: Wave III*, 2024. *Antenna. Chart by ESHAP.

LG Ad Solutions

More viewers are replacing paid subscriptions with free services, reflecting a growing preference for cost-effective options

Change in Subscription / Free Streaming Services



Source: LG Ad Solutions, *The Big Shift: Wave III*, 2024. PP = percentage point.

LG Ad Solutions

5

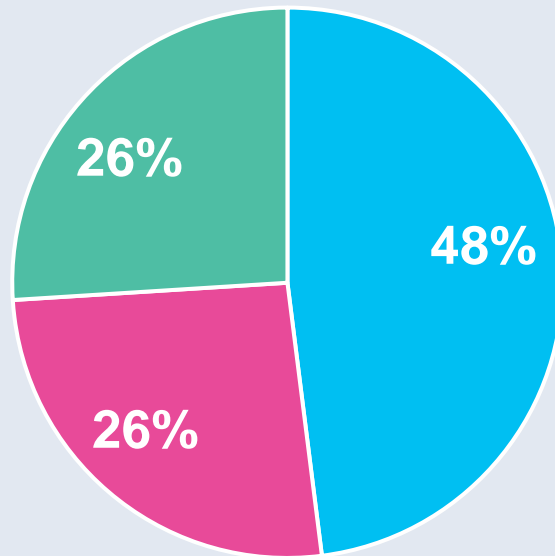
Bundling services together is aiding in acquiring and retaining streaming subscribers



Three-quarters of viewers watch streaming through bundles or packages, indicating a trend toward more selection and value

How do you prefer to receive your channels?

- Small Bundles (e.g., ESPN+, Disney+, Hulu, etc.)
- Packages (e.g., Through providers like Comcast, Verizon, etc.)
- Individual (À la carte)

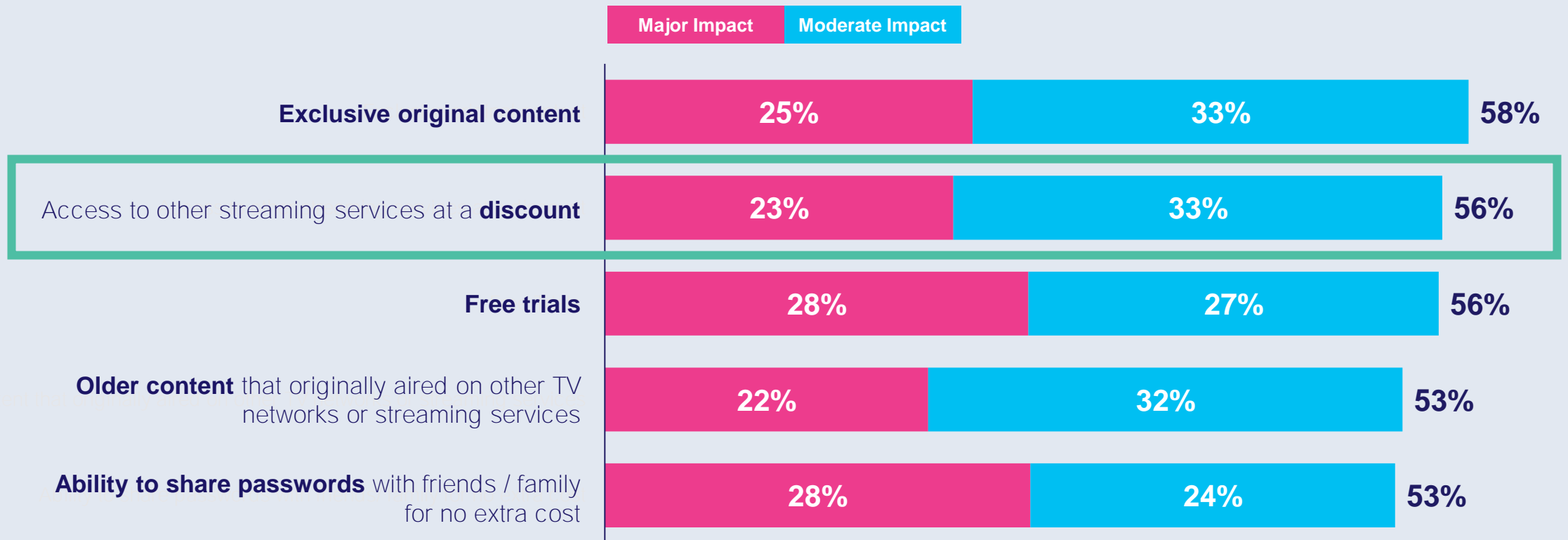


Source: DISQO, *Ad-Supported Streaming TV: Optimizing brand experience in the fast-evolving streaming landscape*, 2024. Based on survey of 17,788 U.S. adults from DISQO's first-party audience, between 12/28/23 – 12/30/23.

Bundling multiple streaming services at a discount can entice most consumers to consider subscribing to that bundle

How much would each of the following impact the likelihood of you subscribing to a streaming service?

% of respondents, sorted by top 2 box



Source: VAB custom research fielded by Hub Entertainment Research as part of the 2023 *Best Bundle* report. Data sourced from Hub's survey of 1,603 TV consumers, ages 16-74 who meet the following criteria: watch at least one hour of TV / week, have broadband access. U.S. census balanced Data collected March 2023. Q: How much would each of the following items impact the likelihood of you subscribing to a streaming service? Respondents who answered 'major impact' or 'moderate impact'. 'Major impact' and 'moderate impact' might not add up to top 2 box total due to rounding. Download VAB's [Recipe for Success](#) to learn more.

The introduction of non-TV elements, like retail benefits, into a bundle can also motivate users to continue subscribing to a streaming service

Which of the following incentives, if any, would motivate you to continue subscribing to a streaming service?

% of total respondents



Free access to other, **non-TV benefits**
(e.g., Walmart+, Amazon Prime)

37%



Access to other streaming services
at a **discount**

33%



Ability to switch to a lower-priced **ad-supported tier** or see even more ads for a lower cost

26%



Exclusive benefits for premium
subscribers or frequent users of a service

25%



Ability to watch **live sporting events**

25%

Source: VAB custom research fielded by Hub Entertainment Research as part of the 2023 *Best Bundle* report. Data sourced from Hub's survey of 1,603 TV consumers, ages 16-74 who meet the following criteria: watch at least one hour of TV / week, have broadband access. Data collected early February 2023. Q: Which of the following incentives, if any, would motivate you to continue subscribing to a streaming service? Download VAB's '[Recipe for Success](#)' to learn more.

6





Interactive CTV ads are creating significant engagement across categories



Consumers are inherently curious and motivated to act after engaging with an interactive ad

% of P16+ who have taken the following actions after seeing a specific type of interactive shoppable ad

% of respondents Total (rank 1-3)

Click to Receive Info to Your Email / Device 	Explorable Ads* 	'Click to Buy' Ads 	QR Codes 
67% Have interacted	62% Have interacted	58% Have interacted	36% Have interacted
27% Used a search engine to look up more information	28% Used a search engine to look up more information	18% Used a search engine to look up more information	13% Visited a website for a product/service to learn more
24% Visited a website for a product/service to learn more	26% Saved information for future reference	17% Purchased a product they saw advertised	13% Downloaded an app they saw on screen
23% Used a coupon or offer they received from the ad	22% Visited a website for a product/service to learn more	17% Visited a brands social media page to learn more	12% Used a search engine to look up more information

Source: VAB custom research fielded by Hub Entertainment Research as part of the 2023 *Monetization of Video* report. Data sourced from Hub's survey of 1,602 TV consumers, ages 16-74 who meet the following criteria: watch at least one hour of TV / week, have broadband access. U.S. census balanced. Data collected June 2023. Q: Which of the following actions have you taken after seeing the following types of ads? *Ads that let you browse different video clips, product types, or information screens. Download VAB's ['Recipe for Success'](#) to learn more.

As viewers spend more time with ad-supported content, it is important for marketers to note the effectiveness and engagement of interactive ads



3.39%

Engagement Rate

Interactive CTV ads **deliver 7x the engagement** of standard video ads



92 seconds

Consumers spend an average of an **additional 92 seconds engaging** with interactive CTV ads vs. standard pre-roll

Interactive ads greatly enhance brand awareness, ad recall and purchase intent across various categories, especially among high-income viewers

Interactive Ad Viewer Impact, by Category

Category:
Outdoor Living



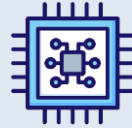
Audience: A40+ HHs with an income of \$75K+

Brand Awareness **+38%**

Purchase Intent **+48%**

Brand Consideration **+46%**

Category:
Electronics



Audience: Males 25-54

Brand Awareness **+18%**

Ad Recall **+135%**

Category:
Pharma



Audience: HHs with an income of \$100K+

Brand Awareness **+23%**

Ad Recall **+46%**

Category:
Energy



Audience: HHs with an income of \$100K+

Brand Awareness **+11%**

Ad Recall **+182%**

It is important for marketers to adopt appealing ad experiences, as people don't inherently mind ads - they mind bad ones

“There was always this notion that people don't like ads. I don't think that's true. **People don't like bad advertising or a bad advertising experience.**”

Rita Ferro, President of Global
Advertising, The Walt Disney Company
(New York Times, 5/26/24)

Key Marketer Takeaways

- ▶ Streaming TV has become the go-to choice for video consumption, with many preferring larger screens and enhanced viewing experiences via their CTV
- ▶ Viewers are increasingly relying on their TV home screen to discover new content which creates additional opportunities for marketers to connect with consumers on the TV set, outside of programming
- ▶ Consumers are now favoring free, ad-supported streaming services and tiers over fully paid subscriptions, driven by cost-saving benefits and the widespread acceptance of ads
- ▶ Interactive CTV ads create a more **'lean-in'** experience which drives higher engagement, brand awareness and purchase intent across categories

Creators

Jason Wiese

SVP, Director of Strategic Insights
jasonw@thevab.com

Leah Montner-Dixon

Director, Audience & Behavioral Insights
leahm@thevab.com

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Recipe for Success
Six Key Ingredients for Stirring Growth in Streaming



Advertising, Accelerated
An Update on 15 Streaming Trends That Are Impacting Marketing Plans



Left to Your Own Devices
The Latest on Multiplatform Video Consumption – June 2024



Laugh, Cry, Share, Buy
How TV & Streaming Influences Gen Z More Than Leading Social Platforms



Shortening the Path to Purchase
How New Opportunities in Shoppable TV are Igniting Viewer Engagement & Brand Performance



The Consumer Connection
Understanding the Effect of Quality Across Media Platforms

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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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