



THE BEST BUNDLE

In a world with more standalone options than ever, what's the role of the TV bundle?

APR
2023



hub **10** YEARS
ENTERTAINMENT RESEARCH

EXCERPT OF FINDINGS



Last year, Netflix announced its first loss of subscribers in North America since 2011. At the time, we wondered if this was a harbinger of more challenging growth conditions for TV in general.

It turns out that it was: across the board, providers need to attract and especially keep subscribers, without massive budgets for flashy originals

Media's Annus Horribilis: Investors Batter Shares of Disney, Netflix, WB Discovery, Amazon and More in 2022



VARIETY



At the same time, there are signs that consumers' insatiable appetite for more streaming has finally plateaued: consumers are being more picky about which platforms they add, and are quicker to cancel providers they aren't using enough (even if they can still afford to keep them)

THE WALL STREET JOURNAL.

People Are Sick and Tired of All Their Subscriptions

Consumers are rethinking their relationship to subscriptions—and so are companies

For two straight quarters, cancellations have outpaced new subscriptions for digital memberships, food-of-the-month clubs and a host of other purchases, according to personal finance app Rocket Money. Streaming services have been particularly impacted, with cancellations for [Netflix](#), Hulu and HBO Max and others up 49% in 2022 from the previous year, according to subscriber-measurement firm Antenna. About a third of respondents to a December Credit Karma survey said their biggest financial mistake last year was paying for services they never used.

April 12, 2023

This year's Best Bundle study looks at how consumers choose and use providers in this new TV environment

- Is the economy dampening demand for TV subscriptions?
- How will a reduction in production of new shows influence behavior?
- With more platforms to choose from than ever, what makes one stand out from the others?





WE SURVEYED 1,603 TV CONSUMERS

- Age 16-74
- Watch at least one hour of TV per week
- Have broadband at home
- U.S. census balanced
- Survey fielded March 28th to April 4th, 2023





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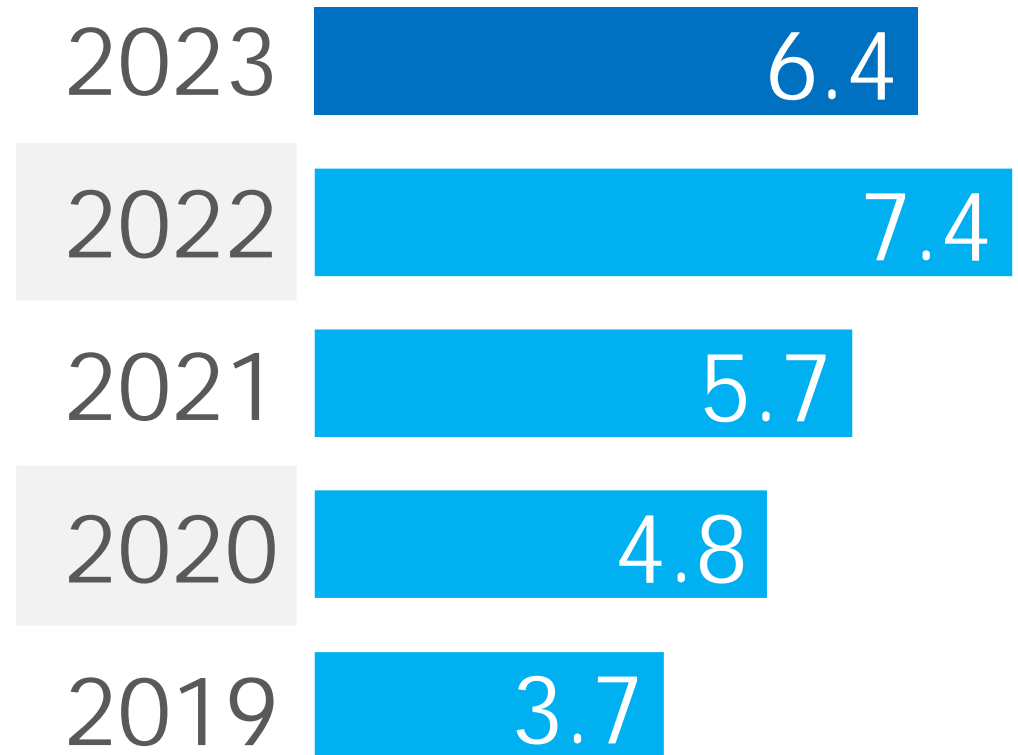
KEY FINDINGS



HAVE VIEWERS HIT PEAK SUBSCRIPTIONS?

For the first time, the average number of TV sources used by each respondent declined year-over-year

Avg. number of TV sources used by each viewer

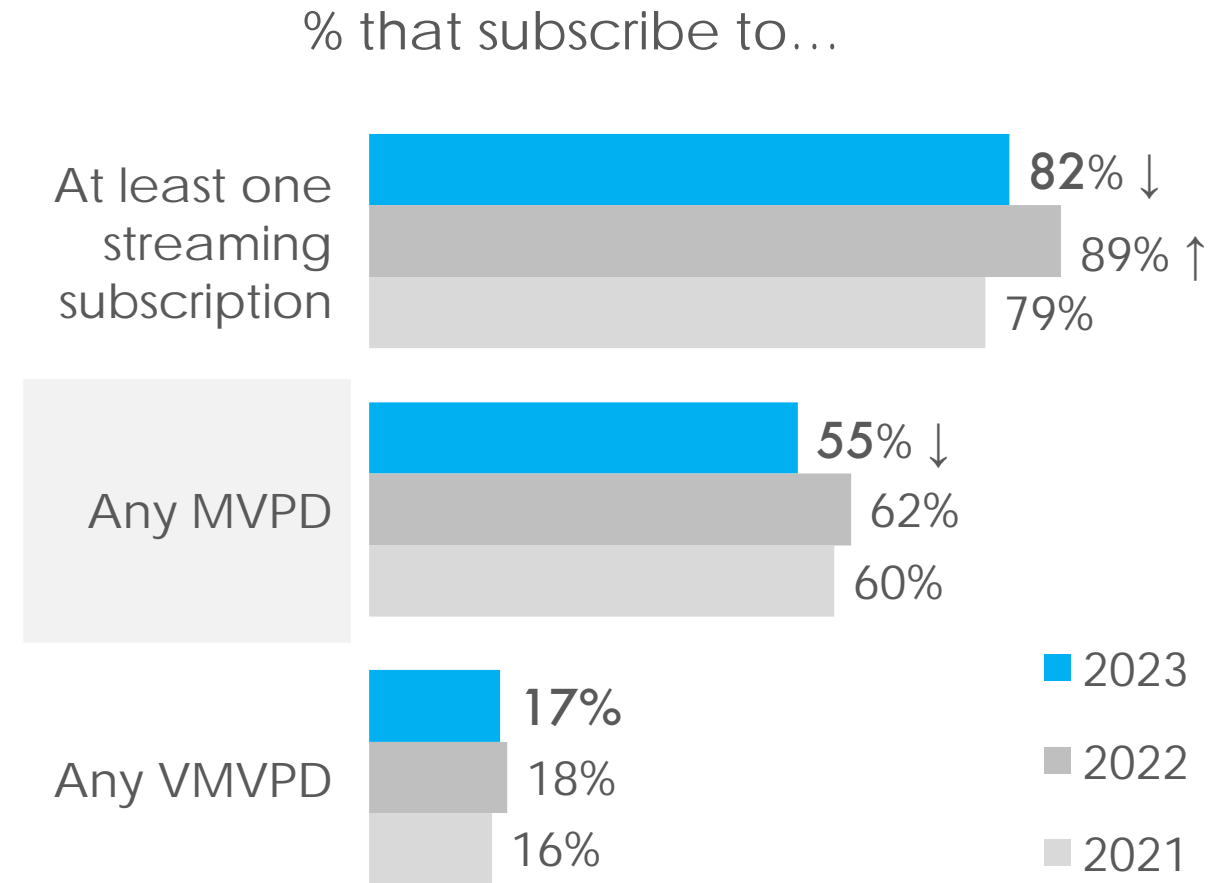


Note: calculation includes MVPD, VMVPD, SVOD, DTC, AVOD, FASTs, OTA and transactional



THE PERCENT OF RESPONDENTS WITH AN MVPD BUNDLE DROPPED TO 55%

While use of streaming TV platforms has remained about the same as 2021



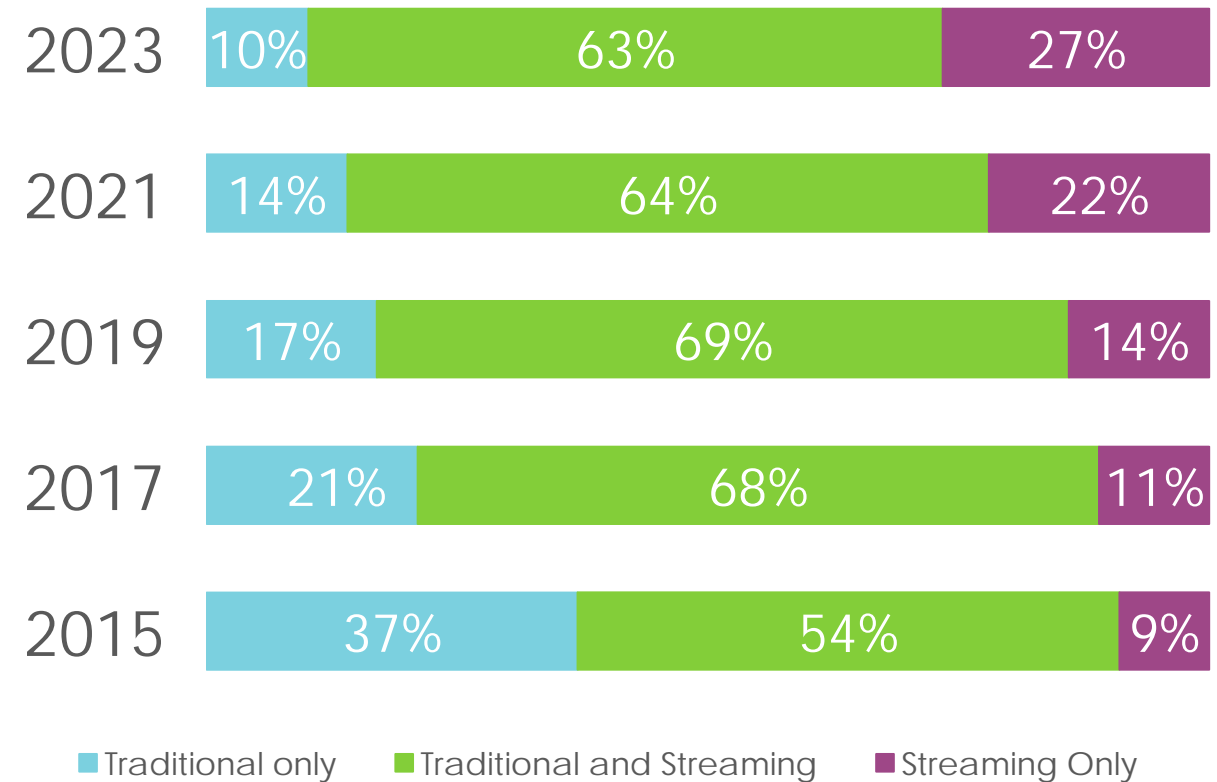
↑/↓ = significantly higher/lower than previous year

THE NUMBER OF VIEWERS WHO ARE "STREAMING ONLY" CONTINUES TO RISE – BUT...



...the biggest segment of viewers is still those who use a combination of traditional and streaming TV sources

Which TV services do you subscribe to?



Traditional: MVPD or over-the-air

Streaming: SVOD, AVOD, direct-to-consumer, virtual MVPD, FAST, transactional

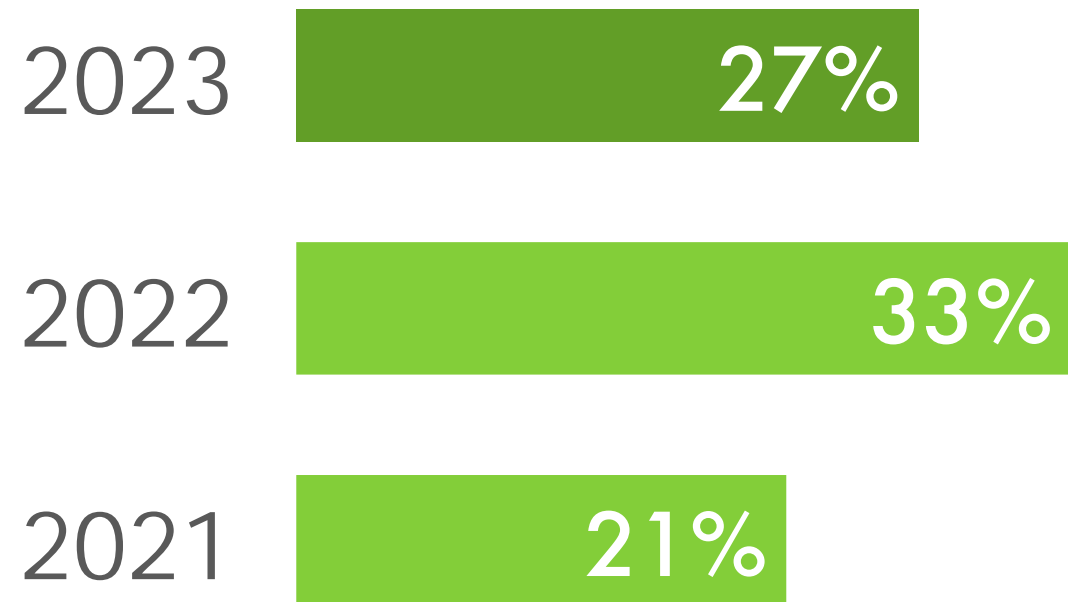
...AND FEWER VIEWERS EXPECT TO SIGN UP FOR A NEW TV PLATFORM IN THE NEXT SIX MONTHS



27% of viewers intend to add a subscription – higher than 2021, but down one fifth from 2022

Do you expect to sign up for any new TV subscriptions in the next six months?

% "Yes"

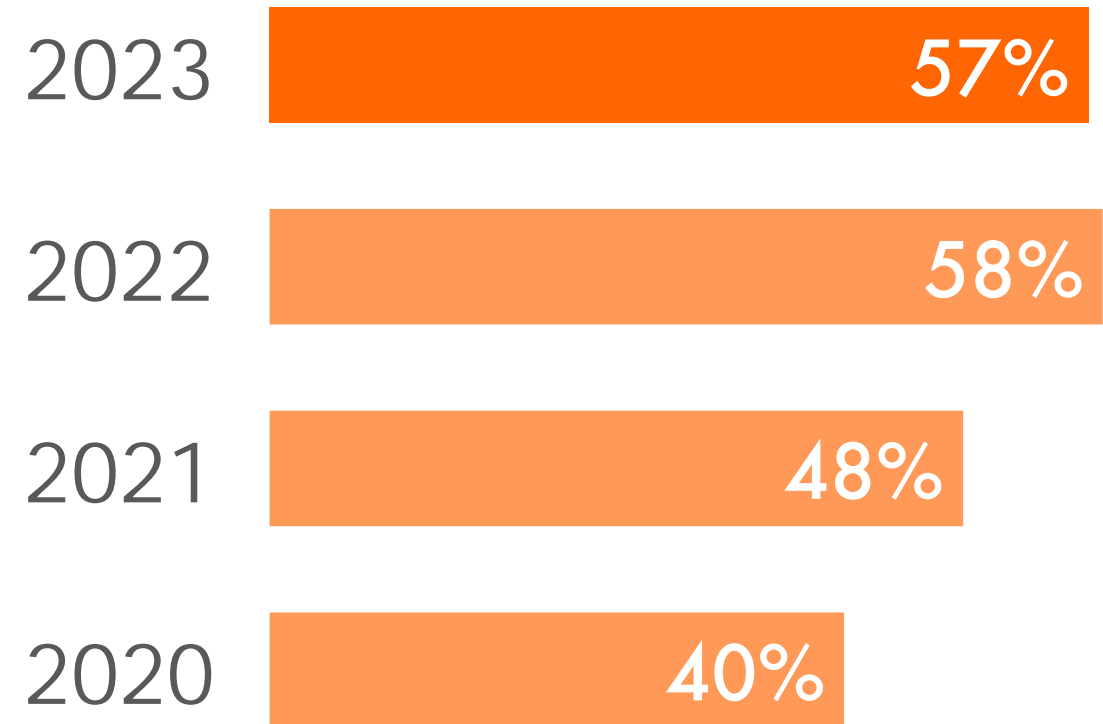




USE OF FASTS IS *NOT* DECLINING

The majority of viewers say they've used at least one free-with-ads TV platform (the same number as in 2022)

Do you watch any free ad-supported TV (FAST) platforms?



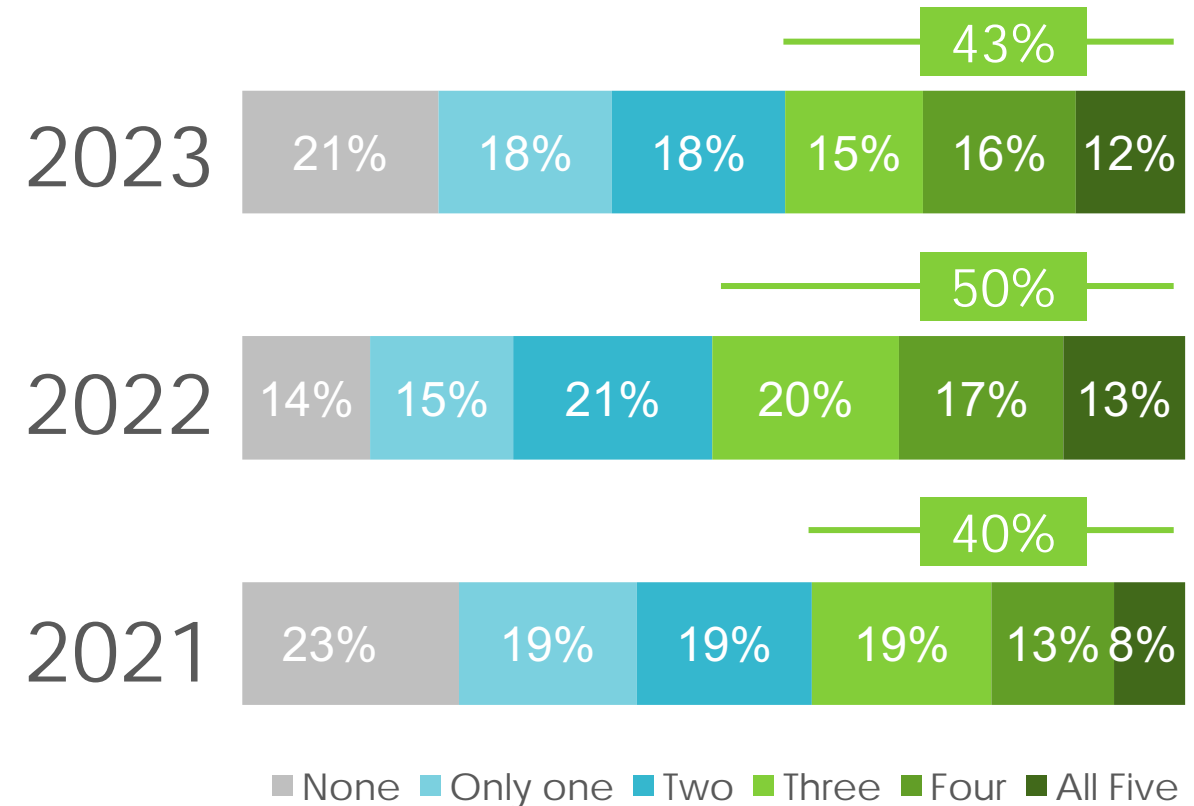


VIEWERS ARE STILL STACKING SVODS...

...but they're not stacking them quite as high: only 43% are using three or more of the biggest SVODs (down from 50% last year)

How many of the "Big 5" SVODS do you use?

"Big 5": Netflix, Hulu, Amazon, HBO Max, Disney +



↑/↓ = significantly higher/lower than previous year

A hand is raised in the foreground, palm facing forward, with fingers slightly spread. The hand is wearing a watch with a dark, textured strap. The background is dark and out of focus, showing bokeh lights and the silhouettes of other people in a dimly lit room.

QUESTIONS?

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