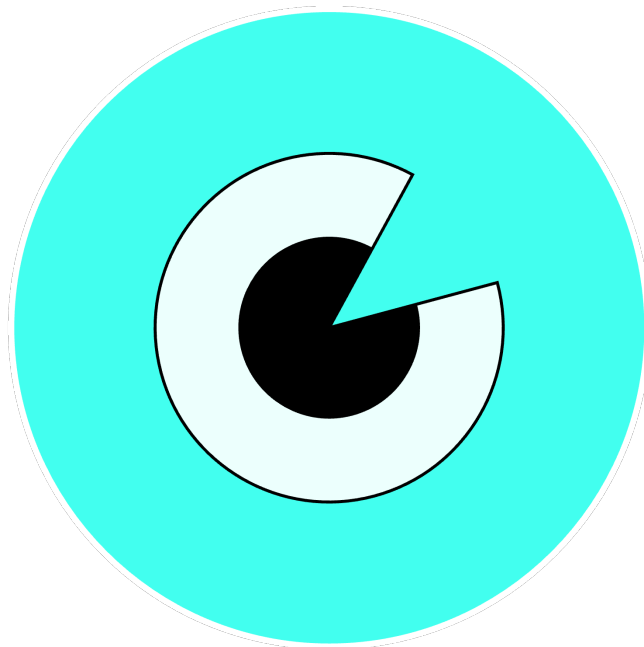


PCH CONSUMER INSIGHTS
presents

STREAMING IN FLUX

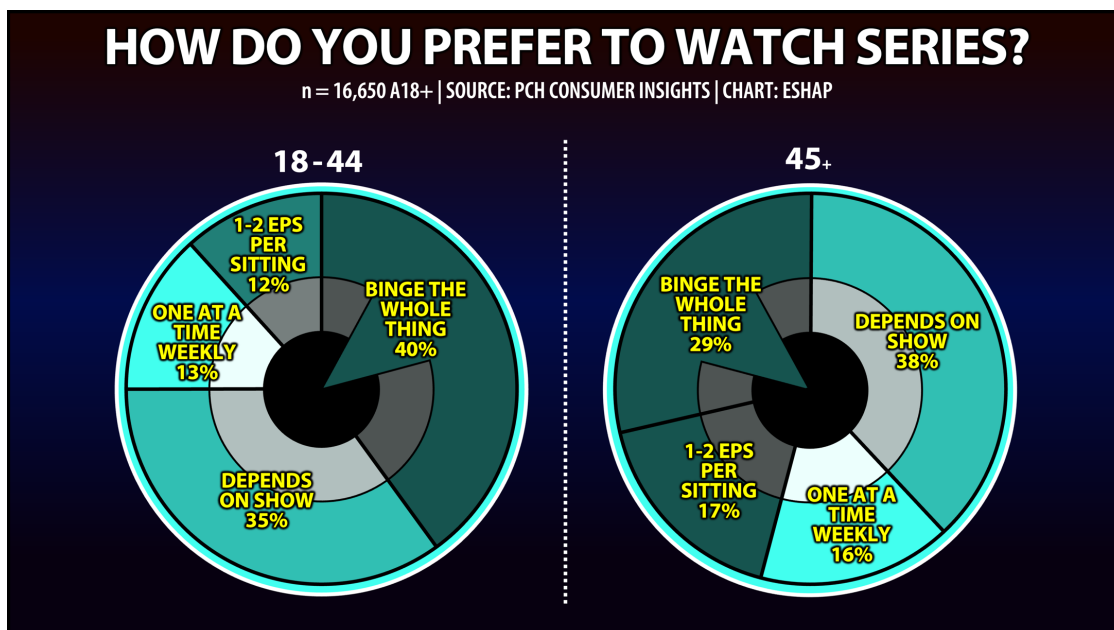


A STUDY OF AMERICAN MEDIA CONSUMERS
BY PUBLISHERS CLEARING HOUSE & EVAN SHAPIRO
BASED ON DATA FROM 16,650 US ADULTS 18+ | MARCH, 2023

Nearly four years deep into the Streaming Wars and emerging from post-lockdown subscription hangover, the state of streaming TV is best described as “in flux.” This is the story that emerged from our most recent survey of 16,650 Media consumers in February of 2023.

The streamers are reshaping their models, implementing ads, rethinking FREE, and shifting their KPIs from “scale” to “profit.” Consumers on the other hand are dealing with subscription fatigue, platform proliferation, walled garden mazes and choice paralysis. There has never been more content to consume in more varied places and under so many different economic models.

As a result, consumer streaming behavior is shifting rapidly -- and it is doing so somewhat differently at the far ends of the demographic spectrum.

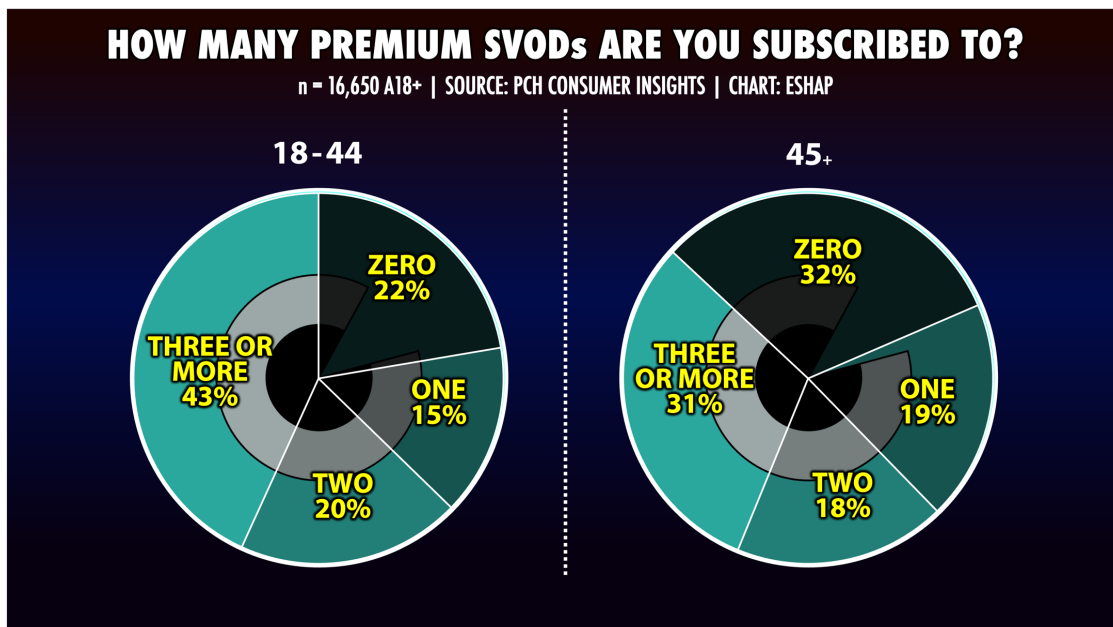


There is a substantial bifurcation of TV consumption along generational lines. Life experience – how we were raised to watch TV – still seems to influence how we consume TV now.

For those under 45, streaming culture – bingeing, cancelling after a binge, streaming content for free – are TV norms. Those of us over 45 -- raised on three channels, with shows that rolled out 22 episodes week by week -- maintain many of the habits we had when choice and viewer control were not so abundant.

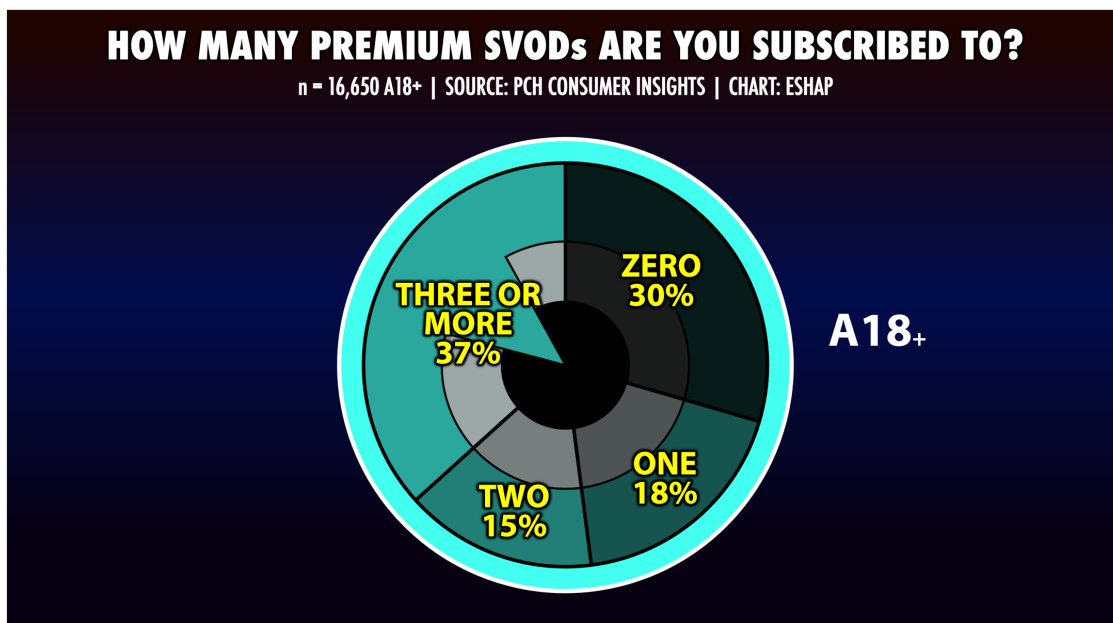
40% of viewers under 45 now say bingeing is their preferred way to watch series – no matter the show. Consumers older than 45 are most likely to choose their viewing method based on the show. These habits seem to correlate to the number of services each group has.

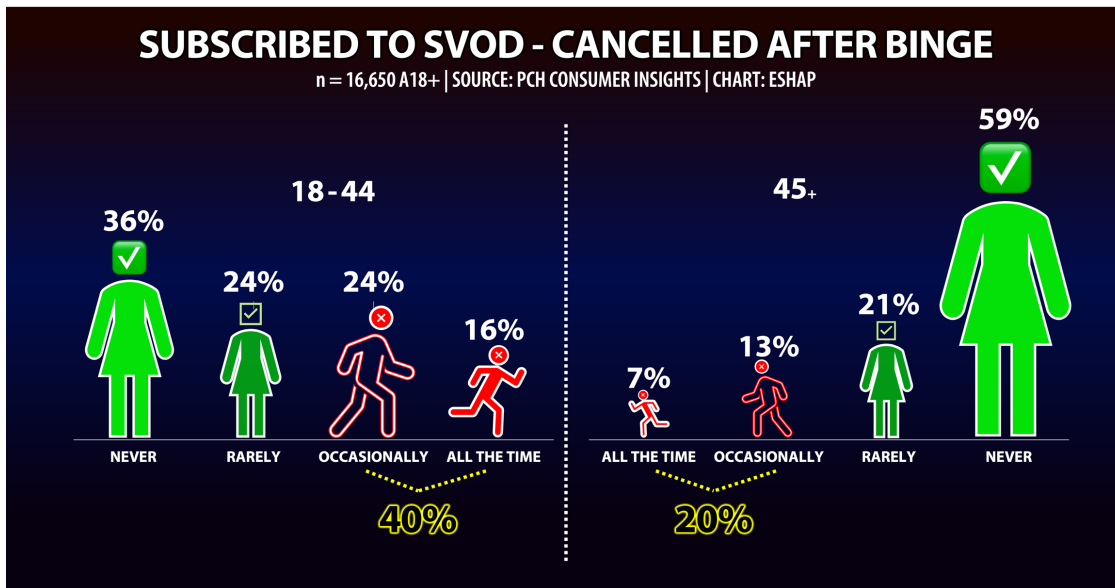
The younger a subscriber, the more services they subscribe to. [In our earlier study](#), we demonstrated that consumers were looking to cut back on subscriptions. For now, this seems to apply far more to those over 45.



43% of Americans under 45 have 3 or more streaming TV subscriptions, while more Americans over 45 have zero premium paid streaming services (32%) than have three (31%).

68% of consumers over 45 and 78% of those under 45 have one or more paid streaming services. Paying for streaming TV is now normal entertainment behavior at all ends of the demographic spectrum. However, as subscribers reconsider their self-made streaming bundles, concerning behaviors (for platforms) are also becoming mainstream.

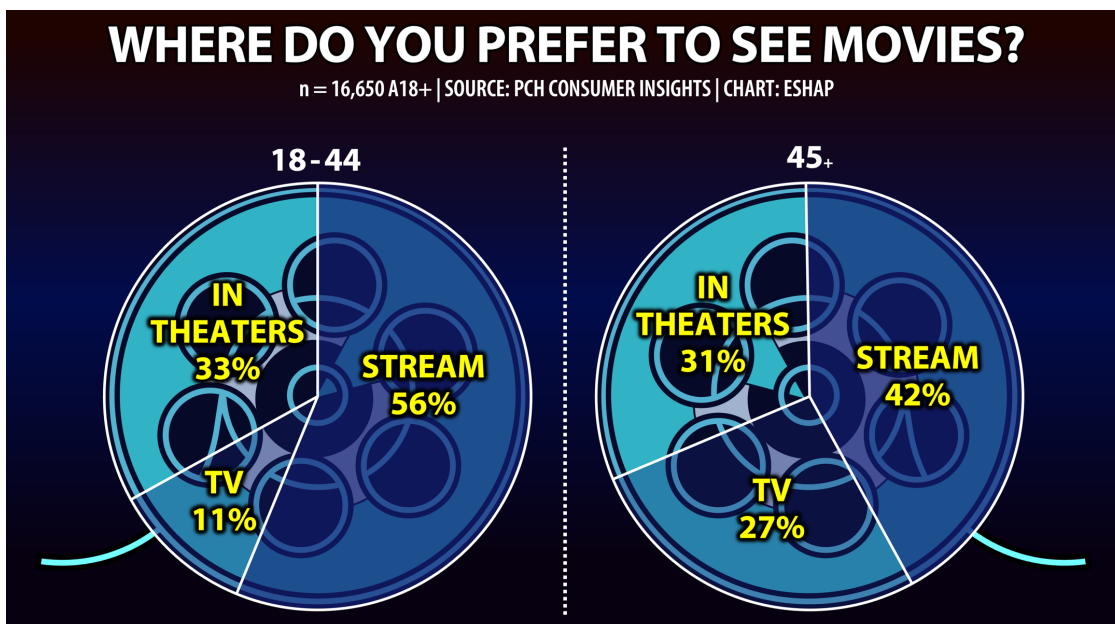




40% of streaming subscribers under the age of 45 say they occasionally or regularly sign up for a streaming service for a specific show or movie, watch that content, and cancel before the next billing cycle. Forty percent.

While that’s significantly higher than their counterparts over 45, more than a quarter of older Americans say they *also* participate in *serial churning*.

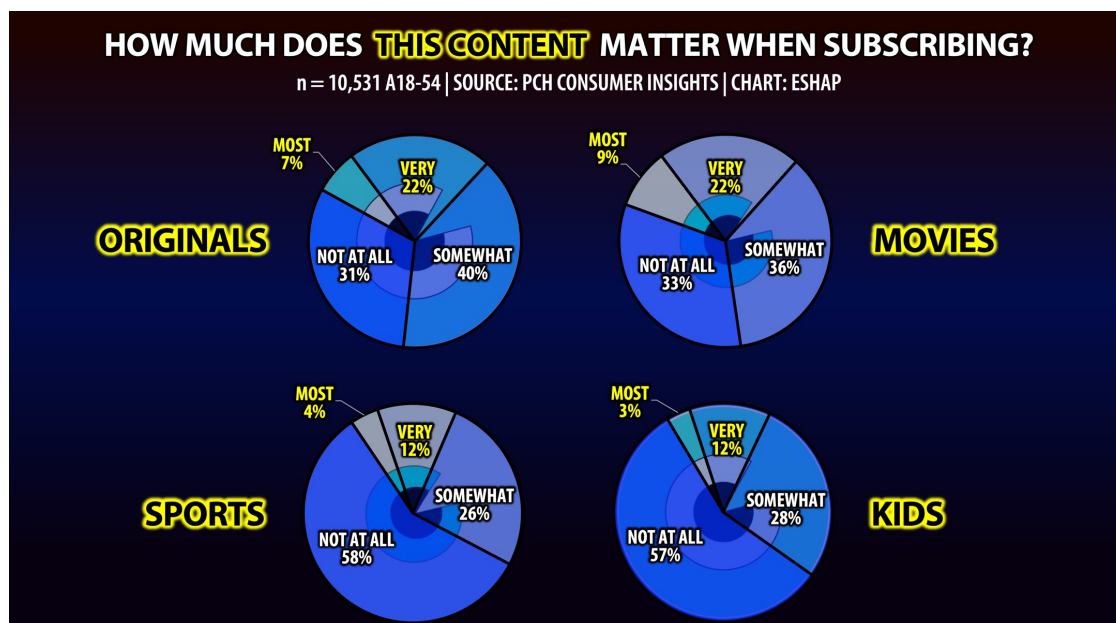
Streaming is now a vital part of nearly all Americans’ content diets. Yet, what viewers choose to watch, and where, differs greatly based on age.



Both ends of the age range go to the theaters with similar frequency. As we recently wrote in our last white paper [Americans At The Movies](#), this seems to demonstrate a ceiling for theatergoing of about one third of Americans.

However, more than half of younger consumers now prefer streaming – free, paid or illegal – for their movies. 42% of movie-lovers over 45 choose streaming first, yet more than one in four still prefer premium or basic TV for their film experiences.

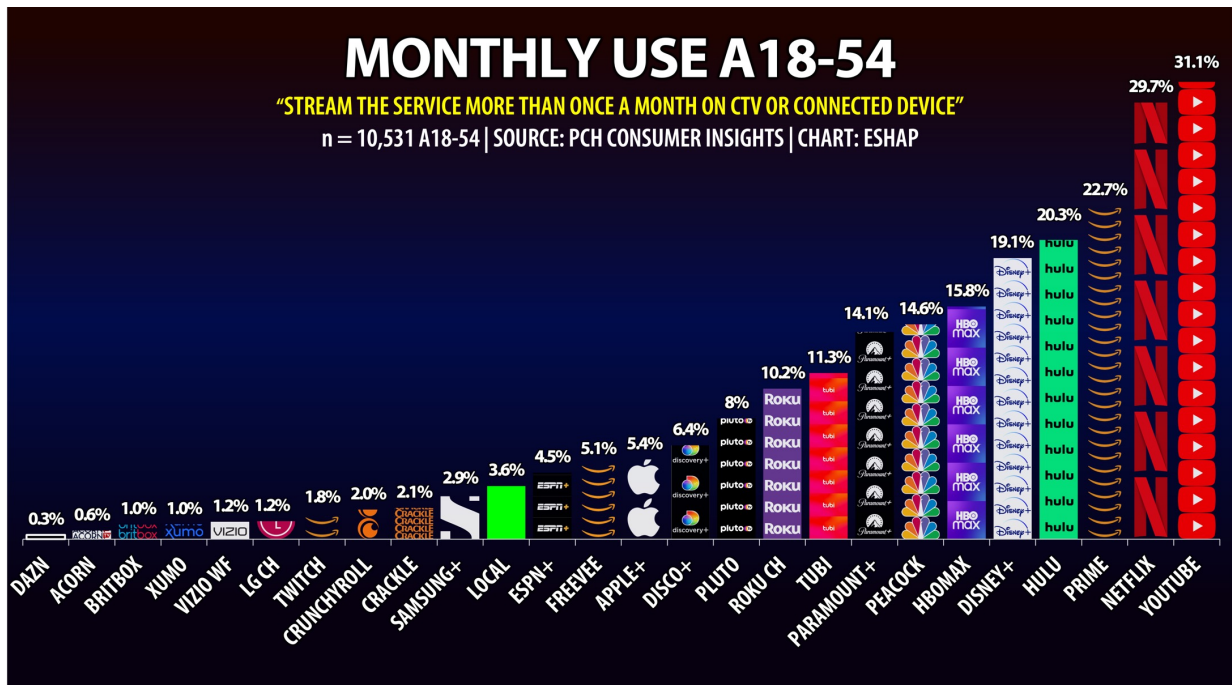
As we showed in *Americans At The Movies*, consumers value movie premieres and libraries highly when considering various subscription services -- but audiences do not live by movies alone.



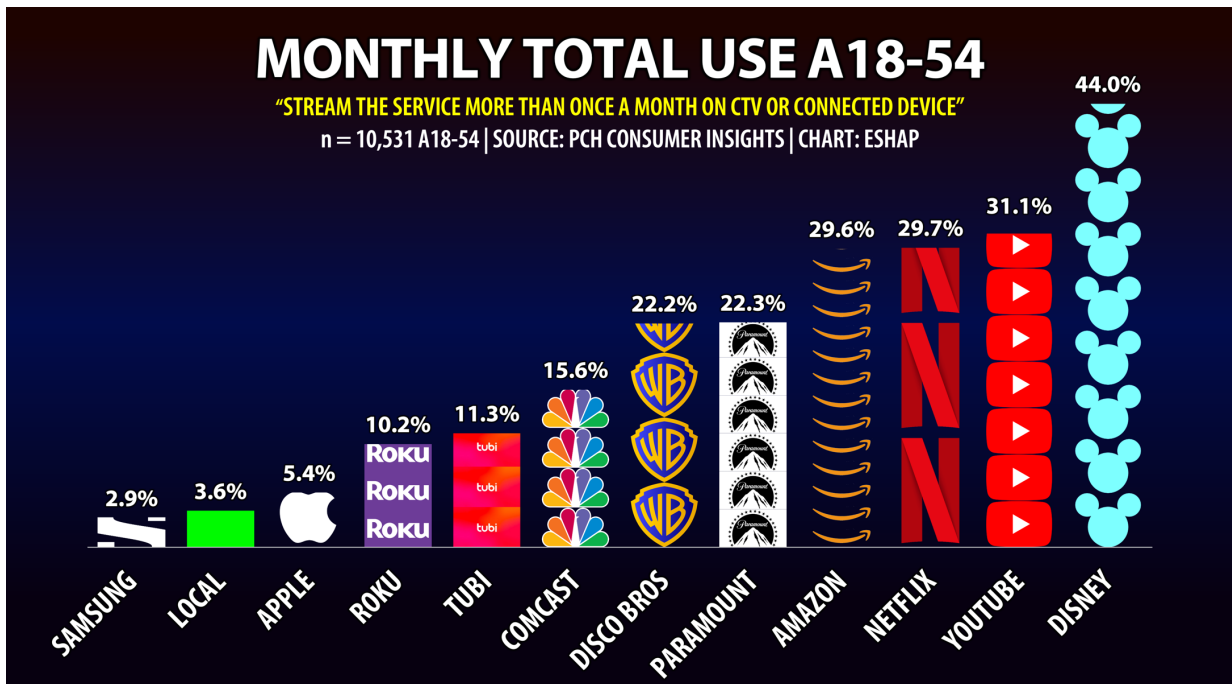
Movies are, in fact, the content genre subscribers value most based on *matters most or very much*. If you measure by consumers who say movies *matter somewhat, very, or most*, then original series/specials beat films by a nose. These two content genres clearly determine a large portion of subscription decisions.

But programmers would do well to note the 16% of subscribers who consider sports *most or very important*; and the 15% of homes who call kids programming the *most or very important* to their subscriptions and recall the data above about serial churners. Sports and family subscribers are quite likely more loyal to platforms where they get this content, whereas audiences for movies, series and specials appear to be more likely to binge and churn.

There has never been so much content to stream. As CTV streaming grows meteorically across countless platforms, consumers seem to be sampling a wide array of services – and again, tastes differ based on age.

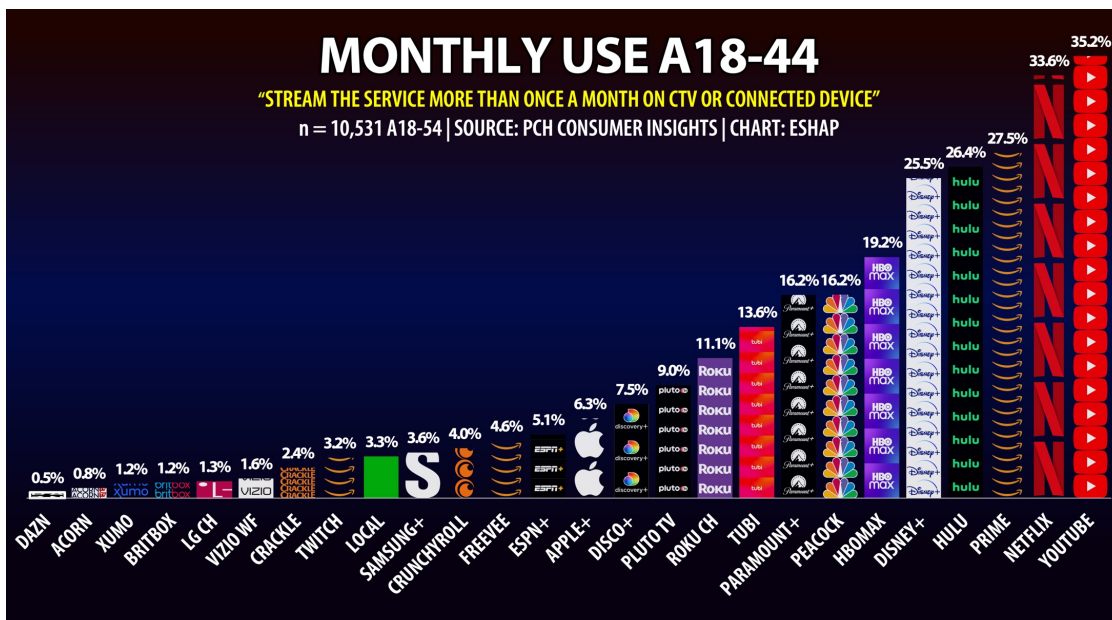


The dominant duo across all demos is YouTube and Netflix. But there is a power bloc clearly emerging at the top of the heap, especially when you combine the viewing of those programmers with multiple platforms.

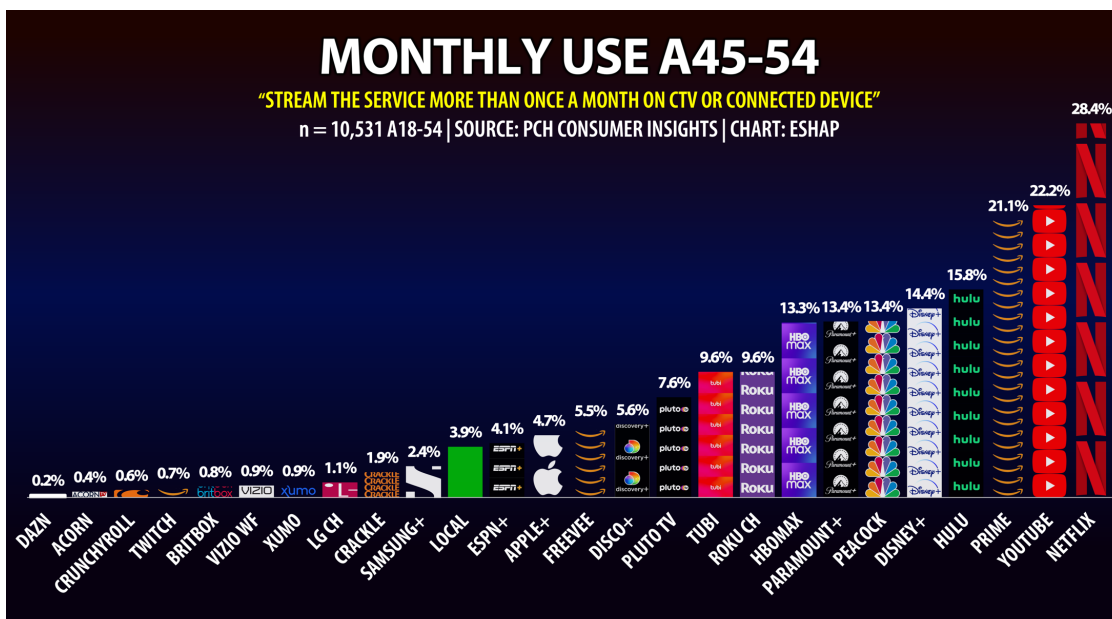


Hulu is a powerful force (especially with younger demos as you see below), and it helps the Disney combo climb to the top streaming spot among all streaming conglomerates, even Netflix and YouTube.

The merged Warner Brothers Discovery streaming services put them in the elite tier, right on Amazon's heels – even when Amazon adds FreeVe and Twitch. The combination Paramount+ and Pluto TV plants them among the streaming giants. Both these examples are also great case studies in the FAST-rising power of FREE with consumers.



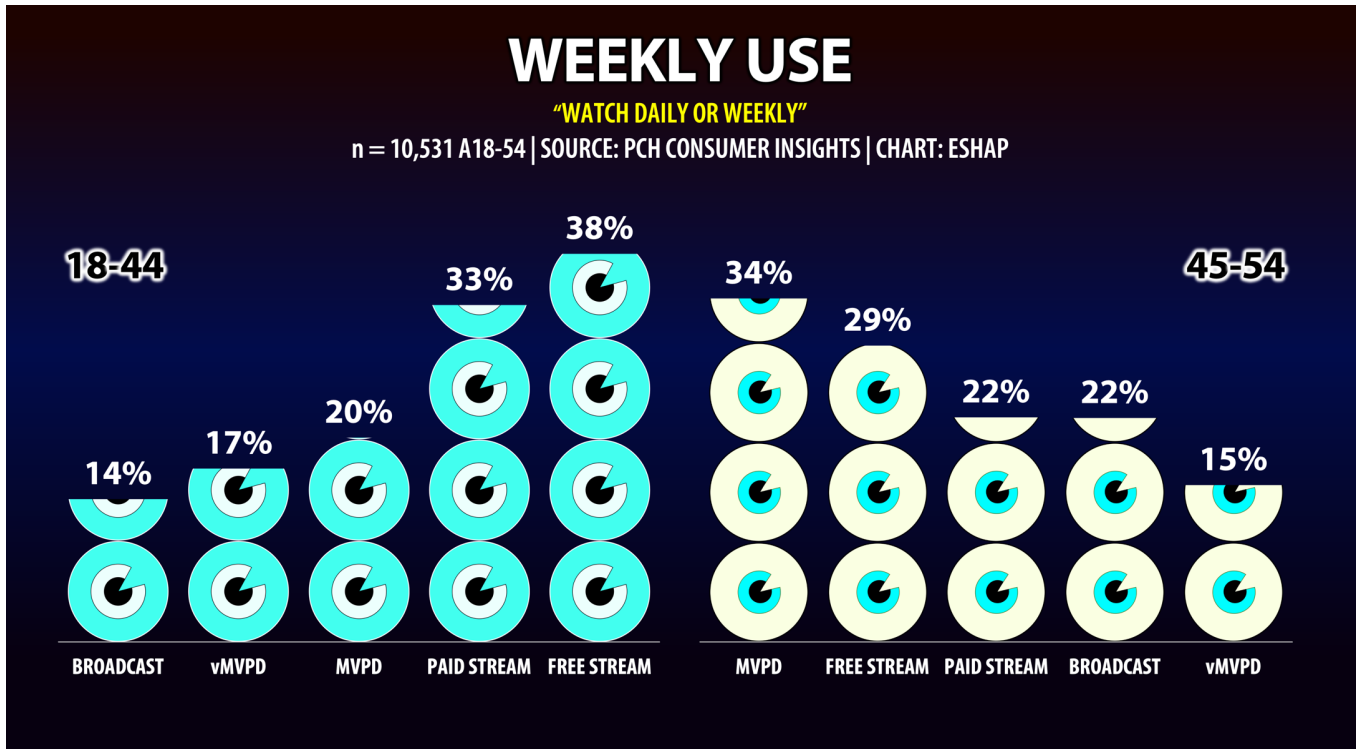
Most streamers perform better with younger consumers – especially those at the top. However, Tubi, Roku Channel, and Pluto TV appear to be reaching critical mass among younger viewers, joining YouTube in the mix of their free video diet, and all more popular than notable paid services like AppleTV+, ESPN+ and Discovery+.



And while overall streaming is less prevalent with older viewers, the sampling appears to be just as wide, although with a different prism of programming priorities.

Older viewers seem to show a slight preference for premium over free, giving the Disney/Hulu combination comparatively sizable attention and pushing Netflix ahead of YouTube. Again, free services come right behind major paid brands, with FreeVeve and Pluto TV greatly bolstering their parents' share of voice.

FREE is clearly a hot new offering on the streaming block, and while consumers may not be paying fees, they are paying attention.



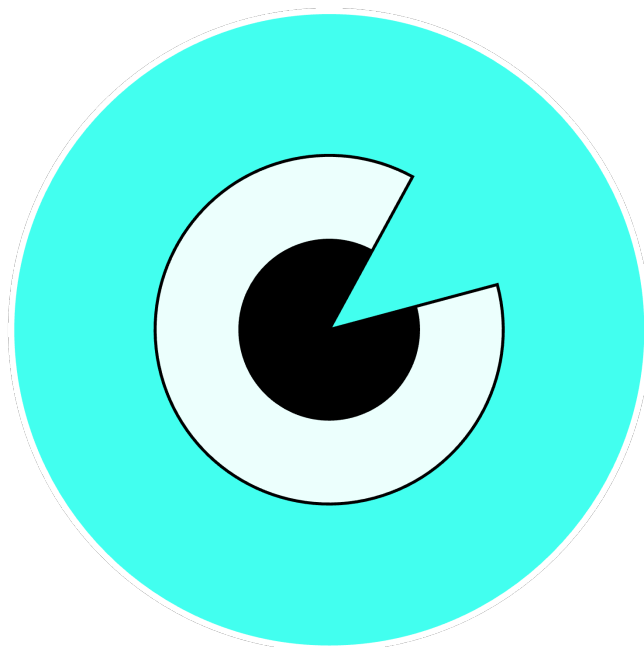
Free streaming is now the top TV choice with consumers under 45, and second only to Cable TV among viewers over 45. This is likely due in some part to the sheer proliferation of FAST and other free services in the past two years, as well as the culling of paid services during inflationary times. However, a good deal of the popularity of free streaming on connected TVs must be attributed to the massive pull of YouTube. The most used video platform on earth is quickly becoming the go-to channel on CTV for all ages.

Good old-fashioned Cable TV (and satellite) still score highest with the oldest among us, reinforcing their slim predilection for paid platforms over free. Interestingly, when virtual MVPD usage is factored in, paid streaming jumps to the top preference for those over and under 45. These vMVPD services – like YouTube TV, Hulu Live, Fubo and Sling – are becoming more and more important to the ecosystem daily.

As older consumers catch up to the cord cutting of their younger counterparts, and as more and more premium SVOD platforms take on advertising, the differences between these various forms of content consumption will continue to blur. This necessitates redefinitions in our industry to keep up with the changing nature of watching TV.

What this data does makes clear, though, is that subscribers are getting pickier, and nimbler in their leaps from one service to another. Bingeing has generated a growing wave serial churn, and the changing economics of entertainment have given consumers a vast content smorgasbord, which they are actively sampling.

It is also clear that older audiences and younger see their content consumption and platform choices quite differently – at least for now. To keep customers from serial churning, platforms and publishers should respond with pricing and packaging flexible enough to serve all ages.



METHODOLOGY

PCH Consumer Insights surveyed 17,456 American adults 18+, recruited from Publishers Clearing House's 22 million registered Audience Members, in February 2022. The total responses were then weighted to adjust for age and income to come in line with US Census data for the American population, resulting in the 16,650 respondents represented in the data above.

PCH CONSUMER INSIGHTS

Publishers Clearing House is one of Media's most iconic brands, and a top-ranked multi-category media property with a 100% logged-in audience of millions of registered users, each authenticated at an individual level. With uniquely engaging and interactive free-to-play chance-to-win content, PCH's signature experience delivers consumers who choose to provide accurate first-party data and information as they register and engage with the company. As a result, PCH has one of the largest authenticated audiences outside of the walled gardens, a foundation from which it can offer a variety of ways for publishers and advertisers to activate their identity and 1st party data for cookie-less targeting, buying, and measurement.

ESHAP/EVAN SHAPIRO

Evan Shapiro is a professor of media studies at New York University and Fordham University, an Emmy and Peabody Award winning producer, and leader of the change agency ESHAP. His ongoing insights on the evolution of Media have made him one of the most sought-after thinkers in the space and earned him the moniker of "the official cartographer of the Media Universe."

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