

# *Can cable survive the threat of streaming services?*

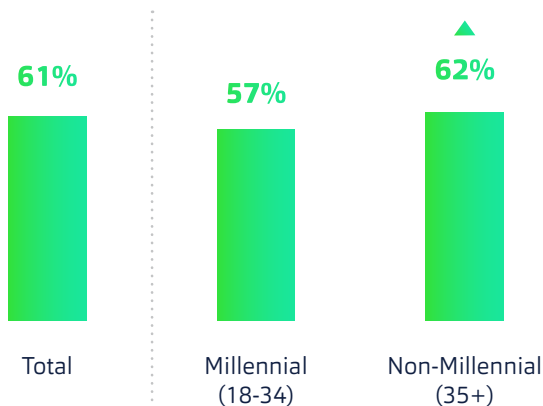
2017 MEDIA CONSUMPTION STUDY



# Can cable survive the threat of streaming services?

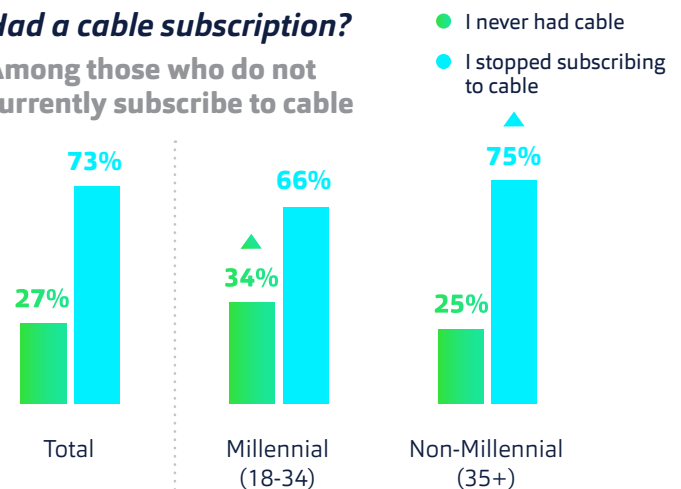
Despite the fact that a large share of Americans (61%) still have cable in their households, there has been a steady decline in subscriptions over the past several years. Cord cutting has reached a record pace. Over the last five years, nearly 8 million US households have abandoned traditional pay TV or eschewed signing up entirely, according to Wall Street research firm, MoffettNathanson.<sup>1</sup> At this point, 8% of current cable subscribers are planning to cut the cord in the next year.<sup>2</sup> This trend is further exacerbated by the fact that millennials are subscribing to cable at lower rates, compared to previous generations. Currently, only 57% of millennials say they have cable in their households and of those who do not, more than a third (34%) said they never had it.

## Have cable in Household (%)



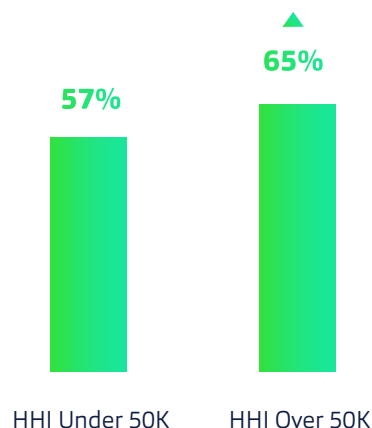
## Had a cable subscription?

Among those who do not currently subscribe to cable



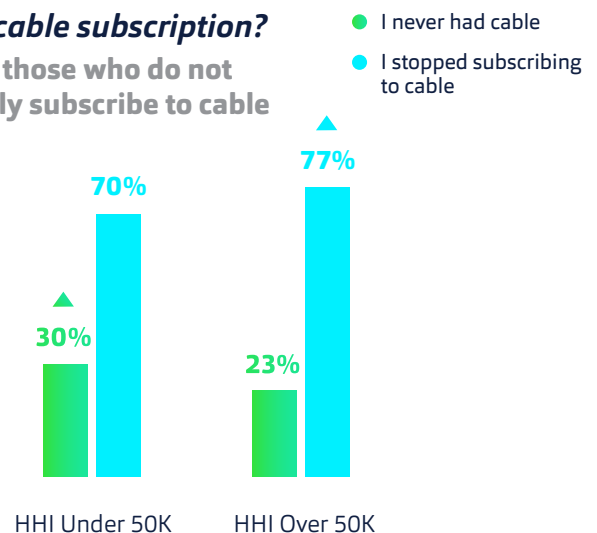
Unsurprisingly, wealthier households have higher rates of cable subscriptions. Also, consumers from wealthier households who do not currently have cable, are more likely to have cut the cord.

## Have cable in Household (%)



## Had a cable subscription?

Among those who do not currently subscribe to cable



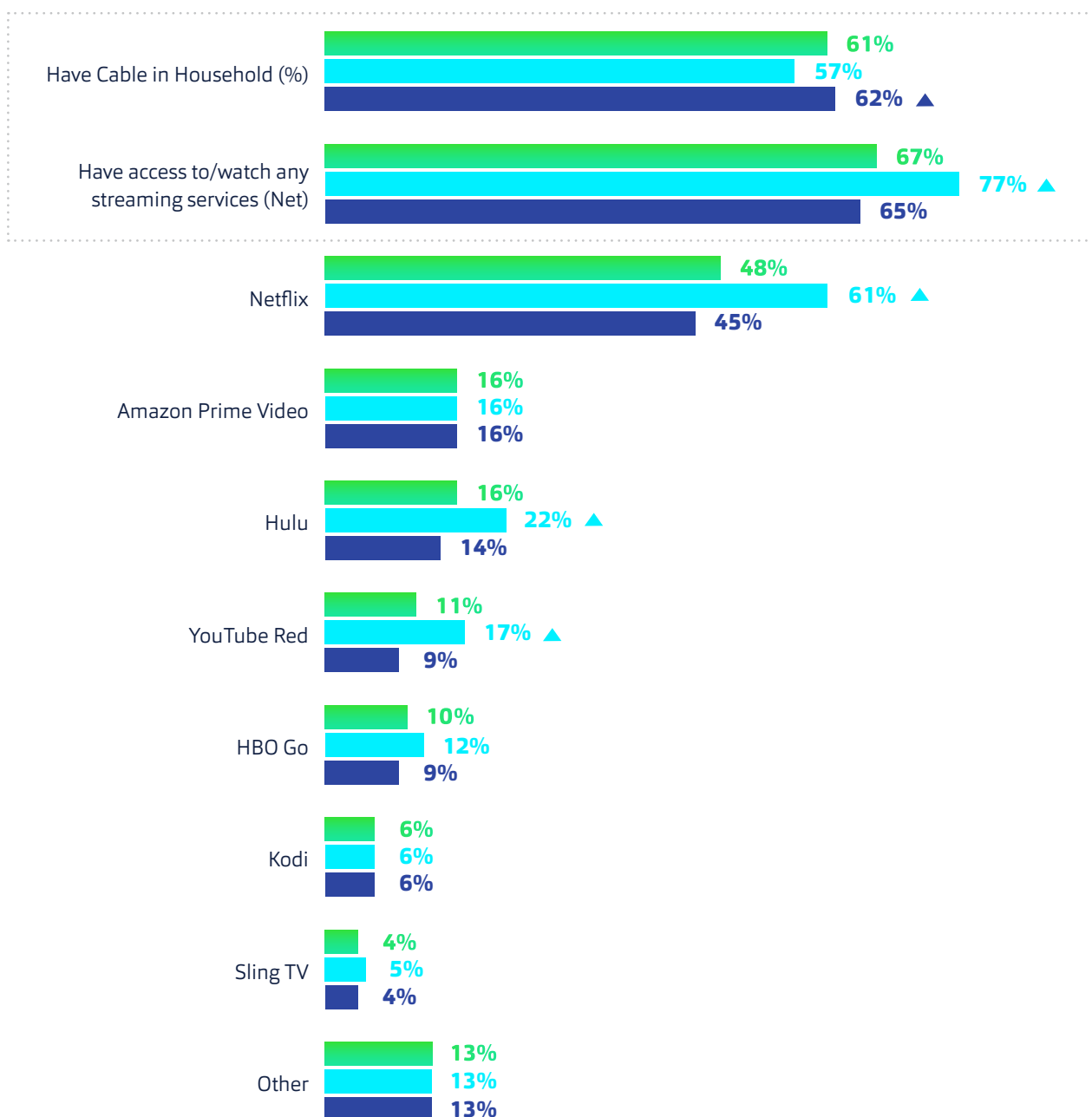
1 WSJ. "As Streaming Services Amp Up, Not all TV Channels Make the Cut", May 14, 2017  
<https://www.wsj.com/articles/as-streaming-services-amp-up-not-all-tv-channels-make-the-cut-1494766801>

2 Fluent, "Marketing to the Heartland: Media Consumption Trends." 2017 [Download report here](#)

Overall, access to video streaming services in the US has surpassed cable subscriptions. This is especially true for the millennial audience. More than 3 out of 4 millennials have access to some form of streaming service and are more likely to subscribe to Netflix than they are to have cable in their household. Hulu and YouTube Red are also significantly more popular with younger viewers.

## Video Sources

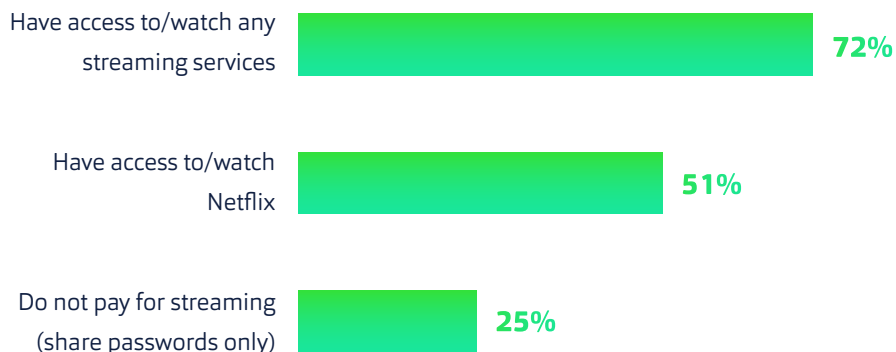
- Total US
- Millennials (18-34)
- Non-Millennials (35+)



Video streaming is not always a replacement for cable—it is a supplement. Nearly 3 in 4 (72%) Americans who have cable also have access to/watch a video streaming service, and half of consumers who have cable also have access to/watch video on Netflix.

However, having access to a streaming service doesn't necessarily mean subscribing. A quarter (25%) of cable owners who watch streaming video do not pay for the service. Instead, they share passwords with friends and family.

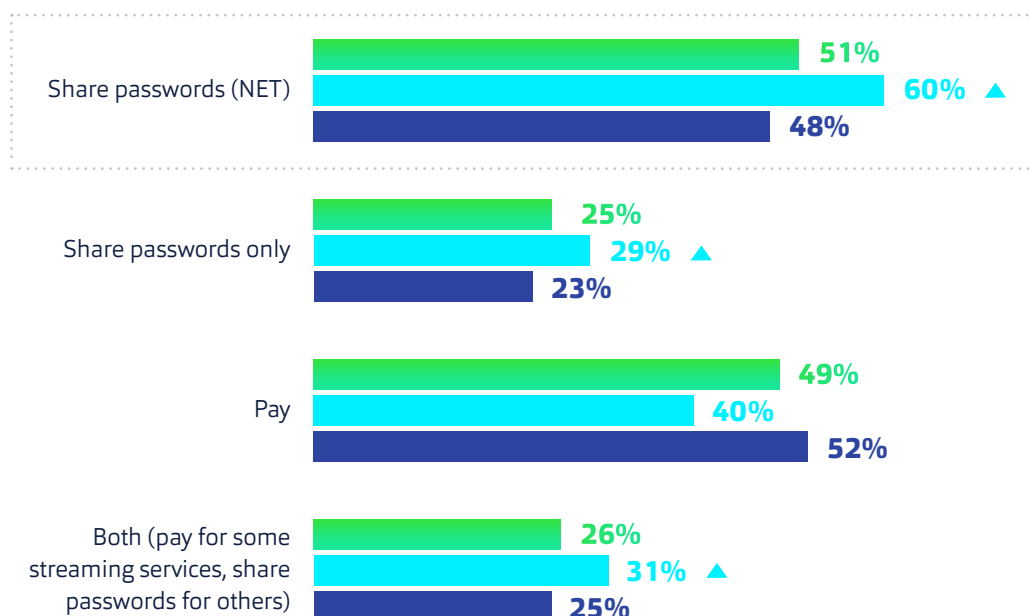
### Viewing Behaviors Among Those Who Have Cable in Household



While the majority of Americans (67%) have access to/watch at least one video streaming service, many take advantage of the ability to share passwords with friends and family. This is especially true for millennials: 60% of younger viewers share streaming service passwords.

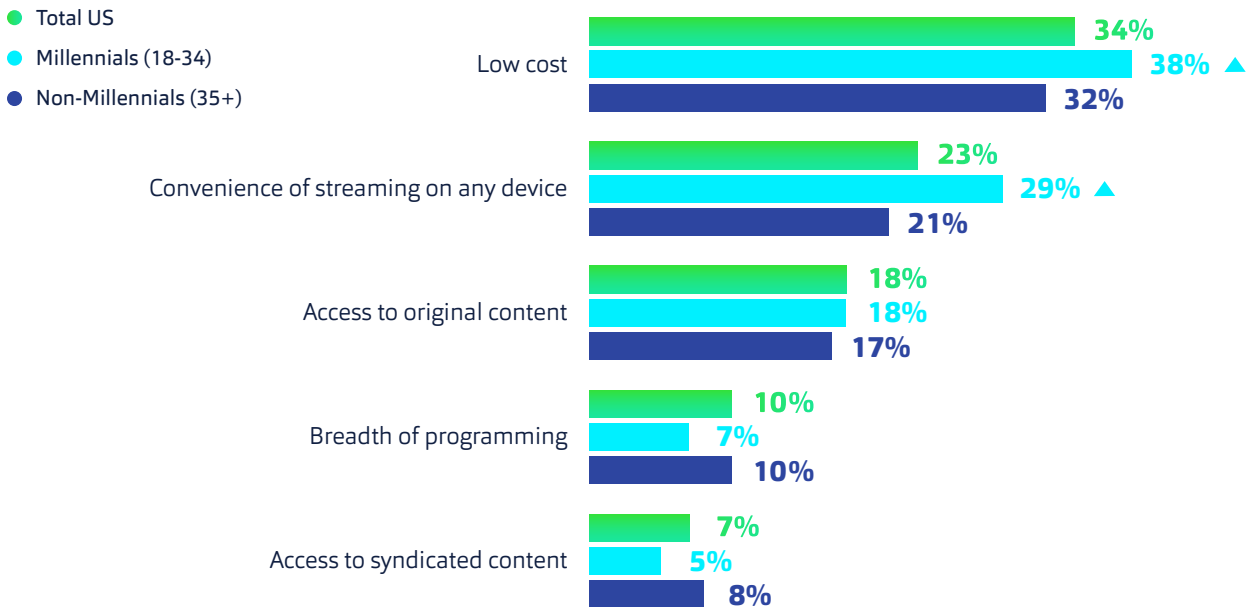
### Paying for Subscription Services

- Total US
- Millennials (18-34)
- Non-Millennials (35+)



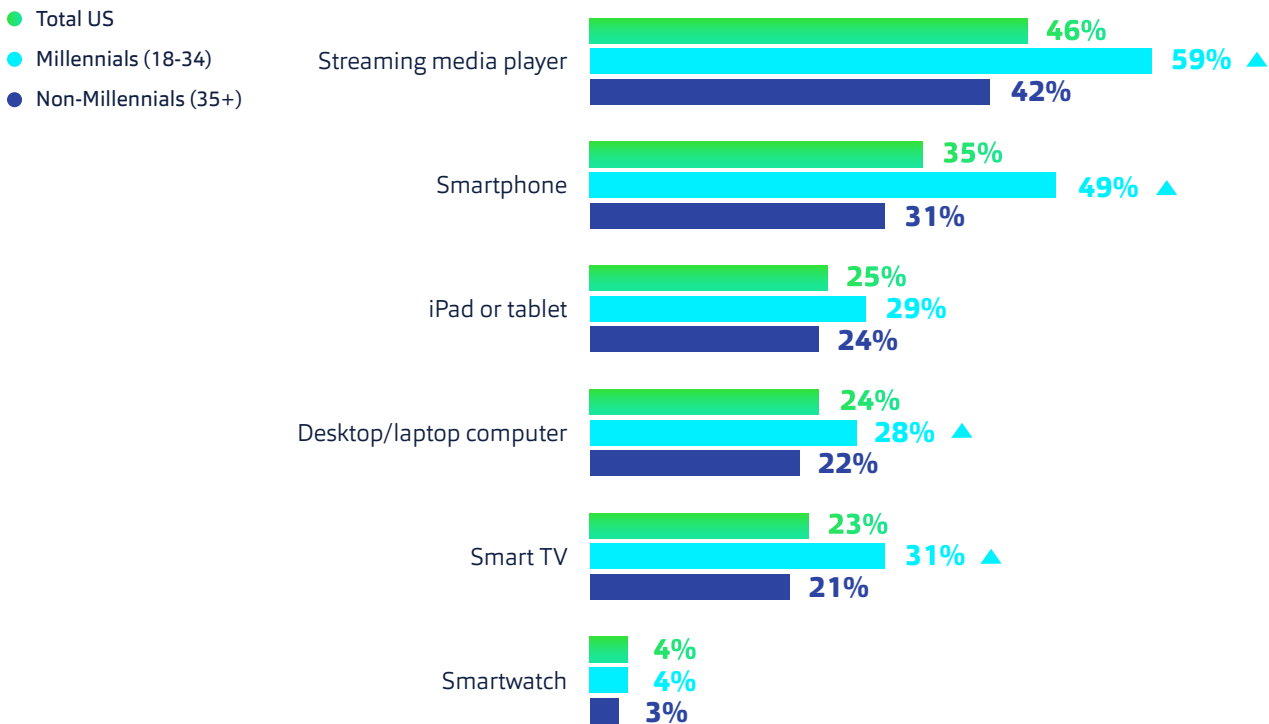
Despite the emphasis placed by many OTT (over-the-top content) brands on their original content, low cost is what drives most consumers to sign up for streaming services followed by the convenience of being able to stream content on any device. Low cost and multi-device streaming capabilities are especially appealing to millennials.

### Main Reasons for Signing Up for Streaming Services



It is fitting that the benefit of streaming across platforms is top of mind for millennials; this group is more likely to stream video content on their smartphones, laptops, streaming devices and smart TVs.

### Devices Used for Streaming Video Content

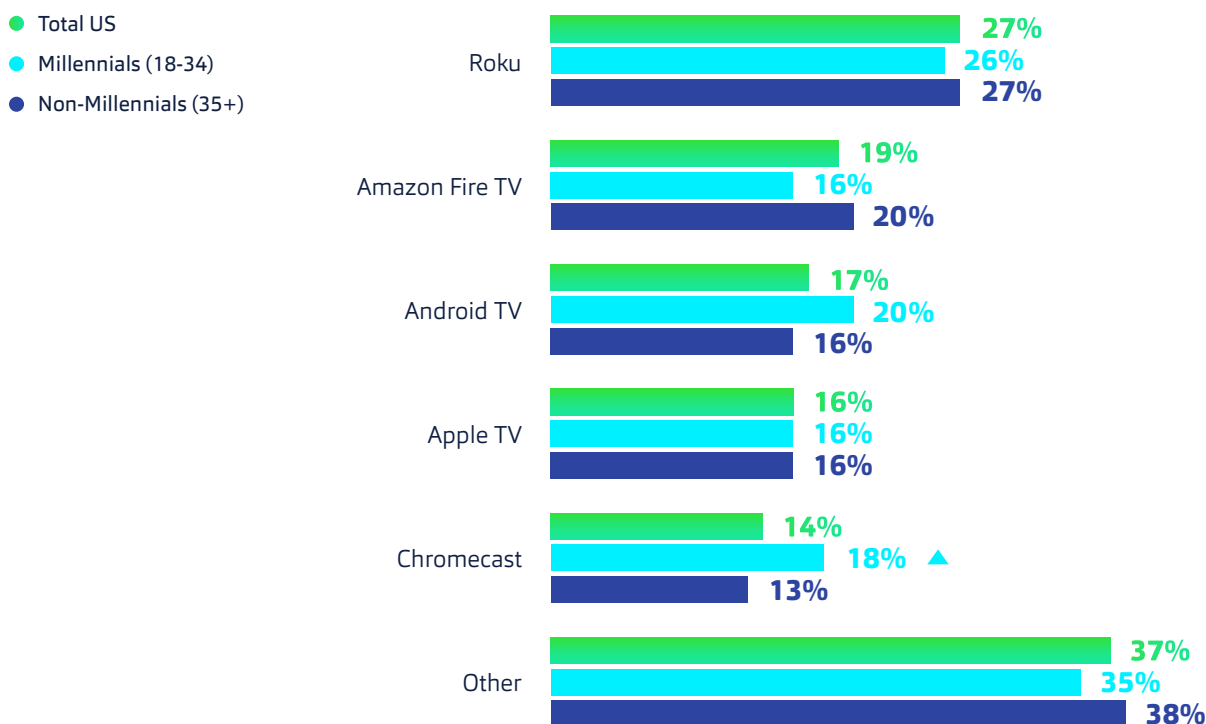




Roku and Amazon Fire TV are currently the most prevalent streaming devices, closely followed by Apple and Android TV. Chromecast devices are more popular with the younger audiences.

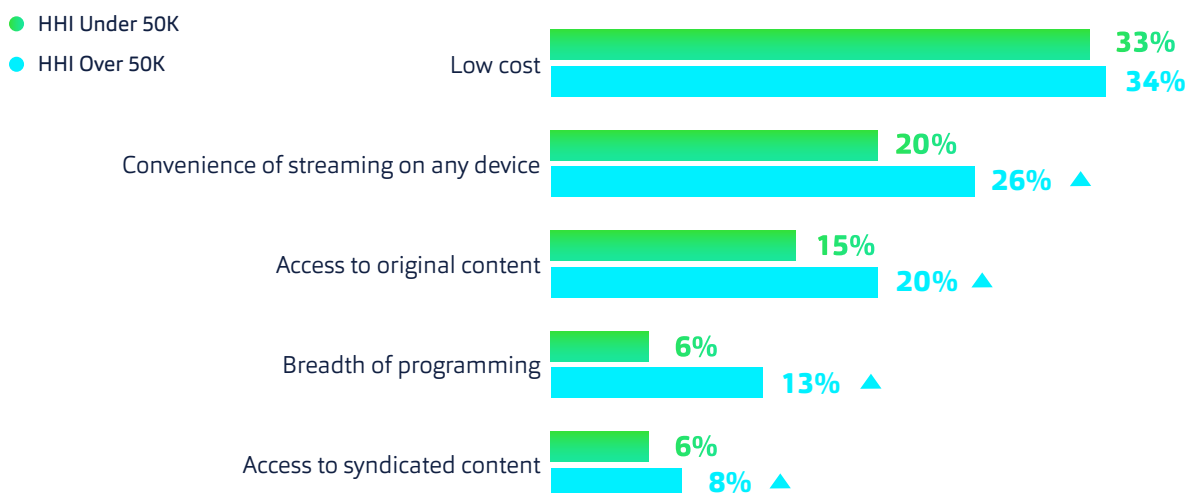
## Streaming Media Player Used

Among those who use streaming devices



While low cost is the top reason for subscribing for all Americans, consumers living in middle class and higher income households are more likely to sign up for streaming services because of convenience of streaming across devices, access to original and syndicated content, as well as breadth of programming.

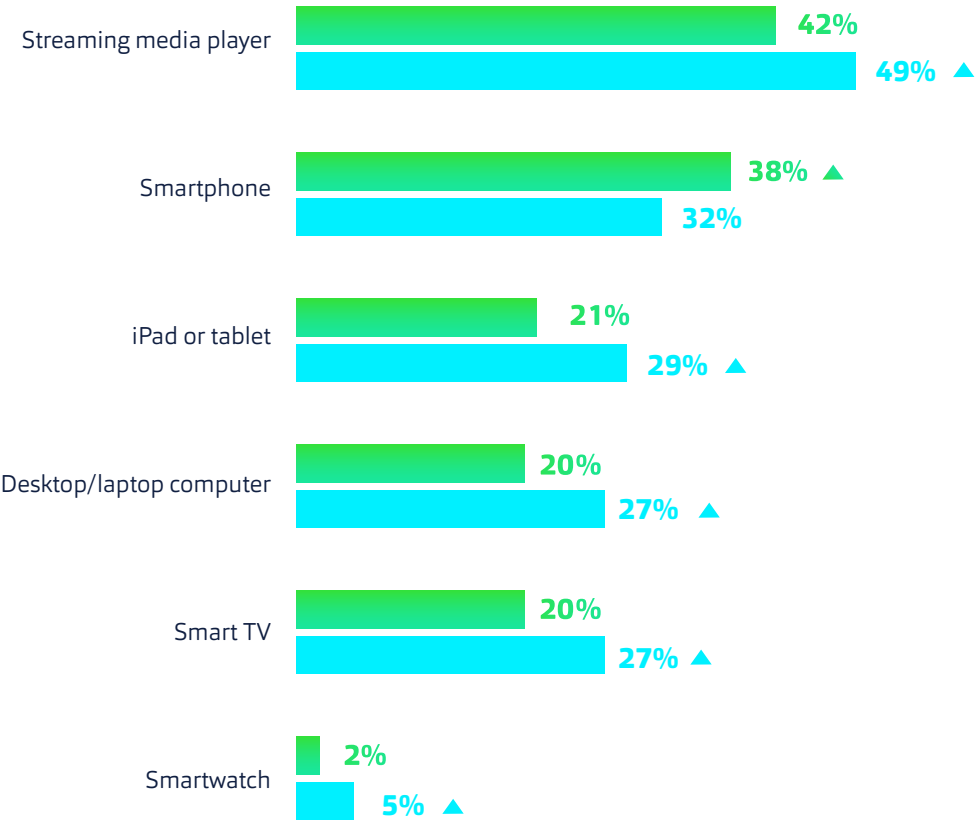
## Main Reasons for Signing Up for Streaming Services



Higher income households tend to be more connected, and therefore are more likely to stream content across several devices. On the other hand, consumers from lower income households are more likely to stream on their smartphones.

Devices Used to Stream Video Content

- HHI Under 50K
- HHI Over 50K

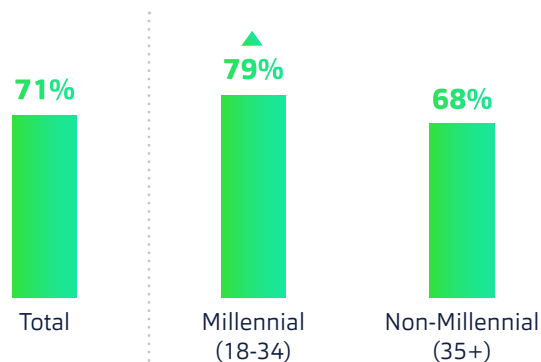


# Streaming Video Behaviors

While the original content isn't the primary reason for signing up for streaming services, consumers do indulge in it. Nearly three quarters (71%) of Americans who have access to a video streaming service watch original content, with millennials being more likely to watch original content than older generations.

## **Watch original content created specifically for the streaming service**

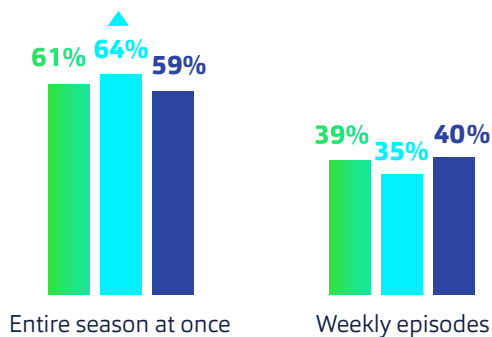
**Among those who have access to any streaming services**



Most Americans (61%) prefer binging on many episodes at once versus waiting for weekly episodes, and this preference is even more pronounced among millennials.

## **Preferred Method of Viewing TV Shows**

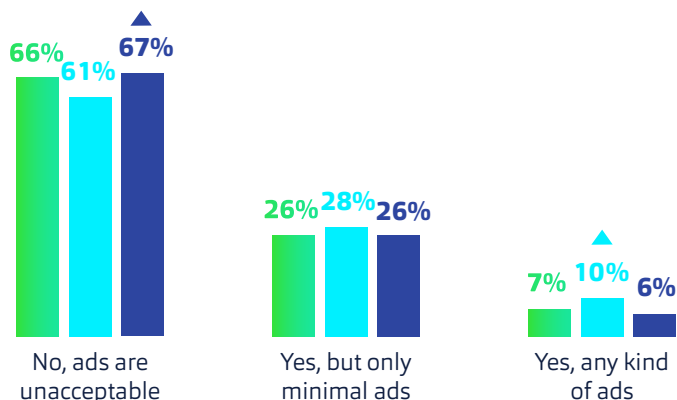
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Millennials are a lot more accepting of the fact that streaming services need to make money, sometimes through ads, even if they already charge a subscription fee. Non-millennials are more resistant to the idea of any ads on the platform. Very few consumers are willing to pay more to avoid ads. Millennials have resigned themselves to watching the ads, while older generations are less willing to subscribe to such a service altogether.

## **Do you believe it is OK for streaming services to show ads even though they are already charging a subscription fee?**

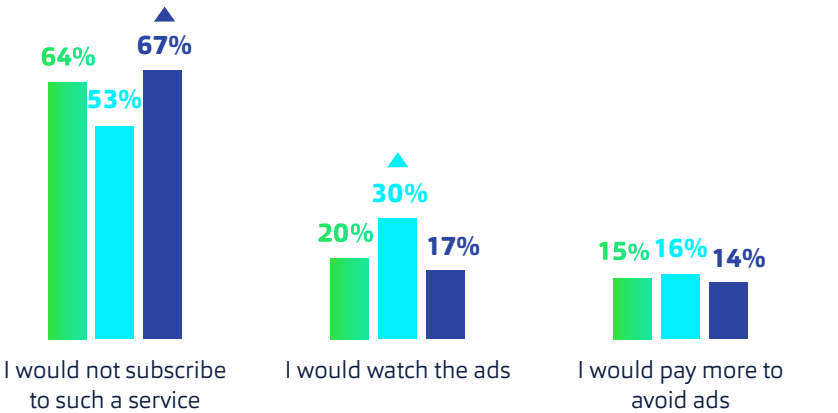
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**Would you be willing to pay more for a video streaming service to avoid ads?**  
 Among all respondents, irrespective of whether they already stream video

- Total US
- Millennials (18-34)
- Non-Millennials (35+)



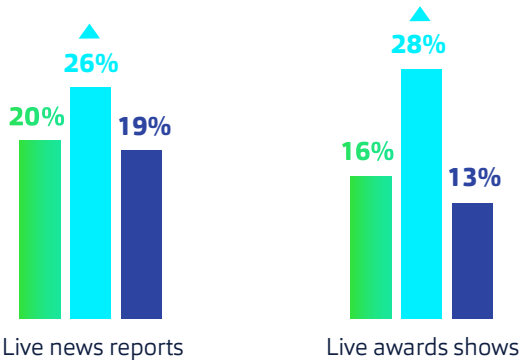
About 1 in 4 Americans (23%) would pay for a streaming service that would allow them to watch sports on any device. Millennials are more keen on such a streaming option; nearly a third (31%) said they would subscribe. The sport preferences also vary across generations. Millennials are more interested in basketball and soccer, while the older crowd is more likely to pay for football and baseball. If a streaming service could choose just one sport to stream, football would have to be it.

	Total US	Millennial (18-34)	Non-Millennial (35+)
<b>Streaming Sports</b>			
Would subscribe to a streaming service that allowed you to watch live sports on any device	23%	31% ▲	21%
<b>Which of the following sports would you pay to watch as part of a streaming service</b>			
Football	74%	64%	77% ▲
Basketball	49%	53% ▲	47%
Baseball	32%	27%	34% ▲
Soccer	17%	25% ▲	14%
Hockey	14%	12%	14%
Other	25%	23%	25%

About 2 in 10 Americans are interested in a subscription service that would enable them to stream live news reports and live awards shows, although this interest trails behind streaming sports. Once again, millennials are the most viable target for such streaming services, as they exhibit a lot more enthusiasm for these emerging services.

**Would be willing to subscribe to a streaming service that allowed them to watch...**

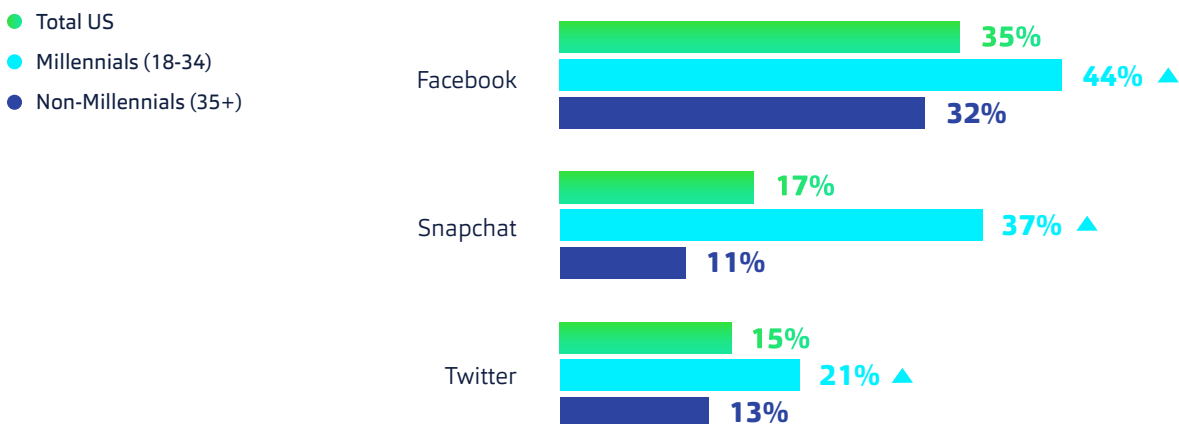
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The leading social media platforms have announced plans to offer streaming content in the near future. When we asked Americans how likely they are to watch streaming video on these platforms, Facebook came out ahead of Twitter and Snapchat. This is not surprising, as Facebook boasts much higher usage rates. While millennials are more receptive of the idea of streaming video through social platforms, they are notably more enthusiastic about streaming video through Snapchat, compared to older generations.

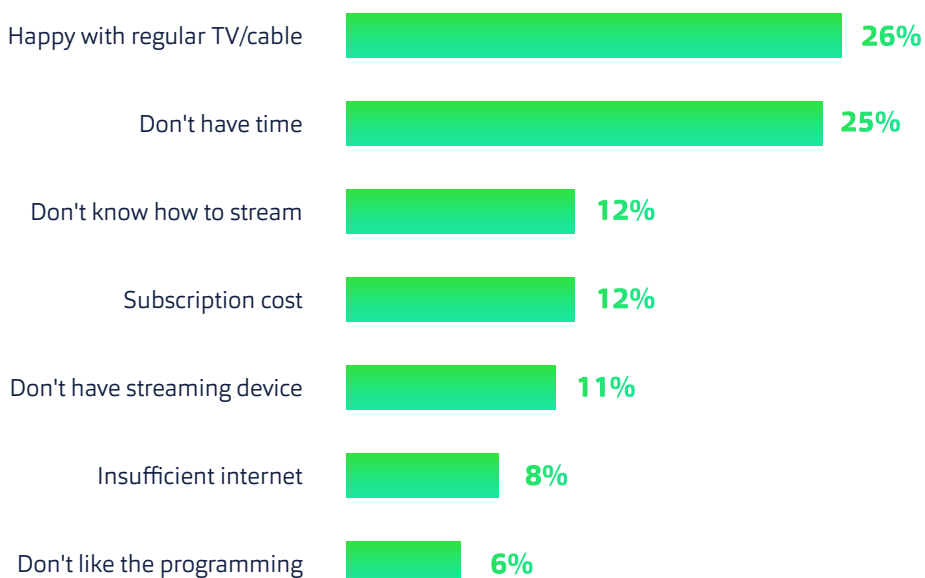
## How likely are you to watch streaming video on each platform, once its offered?

Very/somewhat likely



Among US consumers who do not currently have access to any streaming services, the main reasons are contentment with current entertainment options and not enough time.

## Main Reasons for NOT Streaming any Video Content



# Methodology

Fluent's Streaming Services survey was conducted online within the United States by Fluent, LLC on May 9, 2017 among 2,267 US consumers (aged 18 and up). Due to rounding, percentages may not always add up to 100%. Fluent's proprietary ad serving technology includes a real-time survey module that was used to facilitate the data collection for this study. Respondents were randomly selected and data was weighted to US Census 2010 population distribution.

<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>



## ABOUT FLUENT

Fluent, LLC, a cogint company (Nasdaq: COGT), is an industry leader in people-based digital marketing and customer acquisition, serving over 500 leading consumer brands and direct marketers. Leveraging a massive reservoir of proprietary audience data, as well as millions of real-time survey interactions with consumers every day, Fluent enables advertisers to more effectively target and acquire their most valuable customers, with precision, at a massive scale. The company is headquartered in New York City. For more information visit [www.fluentco.com](http://www.fluentco.com).

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