The video streaming industry has reached a tipping point.
Watch anything good lately?

Of course, you have. How could you not? The amount of video programming today is staggering—and growing. As of February 2022, Gracenote, a Nielsen company, listed more than 817,000 unique program titles across U.S. traditional TV and streaming services, with many of those titles featuring hundreds of individual episodes and chapters. Back in December 2019, there were just over 646,000 unique program titles.

While many of those titles form the bedrock of the traditional TV universe, more recent content, especially during the past two years, has been developed for over-the-top (OTT) release across the growing expanse of streaming services. And as choice proliferates, consumers will increasingly rely on content platforms and services to provide them with the content they’re most interested in.

Percentage of titles available across linear TV and streaming services
As of February 2022

<table>
<thead>
<tr>
<th>Program example</th>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>SVOD exclusively</td>
<td>Stranger Things Netflix</td>
</tr>
<tr>
<td>SVOD non-exclusively</td>
<td>Friends HBO Max and syndicated TV</td>
</tr>
<tr>
<td>Free ad-supported VOD services</td>
<td>Revenge The Roku Channel</td>
</tr>
<tr>
<td>Transactional VOD services</td>
<td>Yellowstone Amazon, Apple TV and Google Play</td>
</tr>
<tr>
<td>Linear TV exclusively</td>
<td>Wheel of Fortune (current season) ABC</td>
</tr>
<tr>
<td>Linear TV non-exclusively</td>
<td>Blue Bloods CBS and many OTT platforms</td>
</tr>
</tbody>
</table>

Note: Percentages do not sum to 100% because the titles are not mutually exclusive
SVOD—Subscription video on demand
Source: Gracenote Global Video Data

The significant shift in how consumers engage with video content has forever altered TV viewing, and the groundswell of OTT platforms and content to engage streaming-hungry consumers highlights two critical takeaways:

1. Consumers have spoken, and streaming is here to stay
2. The explosion of new platforms, services and channels has become dizzying to consumers, and there is no blueprint for companies to secure their long-term loyalty or their own business growth
Tracking the impact of connectivity on media consumption

The near ubiquity of internet connectivity has exponentially fragmented the media landscape, providing consumers with seemingly countless ways to satiate their hunger for content. In the fall of last year, more than 81% of U.S. homes had at least one TV-connected device, up from 72% back in 2019. That connectivity, combined with the hundreds of direct-to-consumer options that offer everything from high-profile movies to DIY and adventure to sports programming, has transformed how we use our TVs. Late last year, Americans 2 and older spent 32% of their total TV time with TV-connected devices (68% with traditional TV). Among kids 2-17, the percentage was a whopping 64%.

To keep pace with consumer behavior, streaming-first mindsets have become table stakes for content creators and distributors. Many traditional TV companies, such as Discovery and HBO, have already pivoted by earmarking some—or even all—of their new content for their own streaming services. That’s a significant shift from where streaming started: online subscription-based distribution as an alternative to traditional video rentals.

Audiences couldn’t be happier with the growing expanse. Last year, Americans watched nearly 15 million years’ worth of streaming video content, and streaming providers are steadily increasing their share of consumers’ total TV time. In February of this year, content from streaming platforms accounted for just under 29% of consumers’ total time with TV, ahead of broadcast programming (26.4%) for the fourth straight month.

But despite the significant growth of the streaming industry, consumers’ media appetites are bigger than just one option can satiate, especially with respect to genres like news and sports, which command significant audiences across live TV. Despite the growing choice of viewing options, the television set remains the dominant device for reach, but the phrase “watching TV” means much more than it has historically.

Today, television sets are simply becoming giant screens—a means of engaging with any and all content, including audio. In fact, smart TVs are as popular for streaming music as smart speakers.

Devices consumers use for their paid audio streaming services

<table>
<thead>
<tr>
<th>Device Type</th>
<th>Usage Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone</td>
<td>80%</td>
</tr>
<tr>
<td>Smart speaker (e.g., Amazon Alexa, Google Home, Echo, etc.)</td>
<td>41%</td>
</tr>
<tr>
<td>Smart TV</td>
<td>41%</td>
</tr>
<tr>
<td>Computer</td>
<td>39%</td>
</tr>
<tr>
<td>Internet connected device (e.g., Roku, Apple TV, Chromecast, Amazon Fire TV, etc.)</td>
<td>37%</td>
</tr>
<tr>
<td>Tablet</td>
<td>31%</td>
</tr>
<tr>
<td>Connected car system</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Nielsen streaming media consumer survey

* Any device that enables internet access (e.g., connected gaming consoles, connected DVD players, Roku)
In addition to reaching the biggest audience, TV also drives the most engagement across our media options, as the average adult spends 4 hours and 49 minutes watching TV each day—and we still spend more than twice the amount of time watching traditional live programming than content we access through our connected devices, especially with the return of live sports after a tough 2020. Between January and September of last year, 98% of the most viewed broadcast programs were sports, and 72% were across cable programs, engaging consumers for a total of more than 189.5 billion minutes.

**Average daily time with media**

**Hours:minutes Q4 2021**

<table>
<thead>
<tr>
<th></th>
<th>Live TV</th>
<th>Time-shifted TV</th>
<th>TV-connected devices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total use of TV</td>
<td>2:53</td>
<td>0:34</td>
<td>1:22</td>
</tr>
</tbody>
</table>

**4:49**

**Source:** Nielsen National TV Panel

**Americans spend more than 2x as much time with live TV as they do with content they access through connected devices**

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2 Nielsen national TV measurement
Tracking the explosion—and impact—of streaming choice

It's difficult to imagine a successful streaming service not offering a wide variety of choice, but today's offerings are vast and varied. That growth and variety has enticed consumers to forego living with just one or two options, especially as emerging platforms continue placing big bets on high-profile content intended to attract new audiences.

72% of Americans say “I love my user experience with video streaming services”

Across age groups, consumers 35-49 spend the most money on streaming services, as 24% pay for five or more. Furthermore, consumers aren’t simply replacing their traditional TV options with OTT options. In many cases, consumers continue to add to their media options when content appeals to them. They do this to a degree, largely because of cost: 56% of survey respondents say cost is the primary reason why they don’t subscribe to more services.

Notably, the adoration among consumers isn’t specific to a particular age group or other demographic: it’s universal. In fact, only one in 20 say they have negative feelings about their streaming experiences, and more than two-thirds (69%) say they didn’t cancel any services in the past year. While streaming adoption and usage certainly increased during the height of the pandemic, consumers’ ongoing interest in adding to their existing services validates a permanent shift in media preference.

And audiences are eating it up—even when cost is a factor. In fact, a recent custom survey found that 93% of Americans plan to either increase their paid streaming services or make no change to their existing plans. While reflective of those we surveyed, this data stands somewhat opposed to market expectations by many, such as Deloitte, of significant churn as the streaming wars escalate.

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Bundling is the streaming future that consumers want

Streaming appetites aside, the amount of time in any given day is fixed, and the increasingly vast landscape has many consumers feeling maxed out and unsure where to find the content they’re most interested in.

While cost always plays a role in any decision to add or subtract services, the abundance of choice has survey respondents feeling overwhelmed by too many options as well. Nearly half (50%) say that the increase in options makes it challenging to find what they’re looking for, which represents another consideration for companies seeking to acquire new customers.

The frustration has many wishing for streaming content bundles, somewhat of a pivot from the days when many digital-first consumers were on a pilgrimage to cut the cord from the bundled content offered by cable and satellite services. Today, 64% have hopes for streaming bundles, while only 9% blatantly disagree that there’s a need for bundled services.

64% of viewers say they wish there was a bundled video streaming service that would allow them to choose as few or as many video streaming services that they wanted, more like channels

46% of viewers say it’s harder to find the video streaming content that they want to watch because there are too many streaming services available to consumers

The struggle to find content is real, and the complexities are increasing as media companies seek to optimize consumer experiences. A notable example is how NBCUniversal leveraged its various consumer endpoints, including Peacock, for the 2021 Summer Olympic Games in Tokyo and the 2022 Winter Olympic Games in Beijing. When consumer feedback indicated that the streaming experience during the 2021 Summer Olympics was confusing, NBCUniversal changed its tactics. The revised streaming strategy dramatically simplified consumers’ ability to find the content they wanted during the 2022 Winter Olympics.

2021 Summer Olympics in Tokyo
Live streaming
• Peacock: Gymnastics, track & field, men’s basketball and some exclusive studio programming during the Summer games, with basketball exclusive to paid tiers
• NBCsports.com: broadcast primetime and other events, but access required a pay TV login

Replay streaming
• Peacock, NBCOlympics.com and the NBC Sports app

2022 Winter Olympics in Beijing
Live streaming
• Peacock

Replay streaming
• Peacock
There is growing industry awareness that consumers are feeling overwhelmed, and providers are starting to respond. While many efforts have largely focused on allowing audiences to add select services to existing packages (e.g., add Showtime to a range of OTT services), select companies have bundled traditional and streaming offerings, such as Xfinity and Apple TV. Verizon will soon join, as its announced +play platform involves partnerships with Netflix, Peloton, Disney+ and other streamers. The service will allow customers to discover, purchase and manage some of their favorite subscriptions—at no additional cost.

But bundling is just one way to help consumers find what they’re looking for. With so much content available, streaming services can do much more to personalize the content discovery experience and drive deeper viewer engagement with video content.

Making it easy for audiences to find new content they’ll love is key. That way viewers don’t get stuck aimlessly scrolling or reverting to half-watching a stale, yet familiar choice and disengaging. Applying hyper-detailed video descriptors to content catalogs can help here, as they crystallize the storylines and context that make up the essence of a show or movie. This data enables nuanced discovery paths and offers fresh and relevant program recommendations that are aligned with a viewer’s individual tastes and viewing history.

Recommendations and suggestions can certainly play a role in content discovery, but they don’t do enough to make video content—which is very visual—stand out. In the streaming realm, the video carousel is the storefront. Visitors aren’t logging in to read. They’re logging in for visual experiences. And that’s where personalized images can enhance a platform’s visual merchandising.

Let’s say a new release becomes available and a platform does its best to push it to viewers, but it only uses one representative image. That image may not appeal to every potential audience member. But if the platform uses different images to appeal to different viewers, the video carousel quickly becomes a personalized storefront that elevates the customer experience.

Source: Gracenote Personalized Imagery
Content is a key differentiator

In addition to struggling to find what they’re looking for, consumers are increasingly seeking content they identify with—content that reflects who they are. And for many, that means seeking content outside of the biggest channels.

Share of screen ranking by platform for identity groups

<table>
<thead>
<tr>
<th>Platform</th>
<th>White</th>
<th>Men</th>
<th>Women</th>
<th>Hispanic/Latinx</th>
<th>Black</th>
<th>LGBTQ</th>
<th>MENA</th>
<th>East Asian</th>
<th>South Asian</th>
<th>Southeast Asian</th>
<th>Native Americans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcast</td>
<td>59.5%</td>
<td>56.3%</td>
<td>43.7%</td>
<td>22.1%</td>
<td>21.0%</td>
<td>3.1%</td>
<td>2.4%</td>
<td>2.0%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Cable</td>
<td>79.6%</td>
<td>56.5%</td>
<td>43.5%</td>
<td>13.3%</td>
<td>7.6%</td>
<td>3.6%</td>
<td>3.5%</td>
<td>1.4%</td>
<td>1.1%</td>
<td>0.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>SVOD</td>
<td>75.1%</td>
<td>57.4%</td>
<td>42.6%</td>
<td>17.9%</td>
<td>8.5%</td>
<td>4.0%</td>
<td>2.8%</td>
<td>2.1%</td>
<td>1.5%</td>
<td>0.7%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: Gracenote Inclusion Analytics, 2020-2021 TV season

Across the streaming landscape, streaming video on-demand (SVOD) options remain the biggest draw, but ad-supported video-on-demand (AVOD), multichannel video programming distributors (MVPDs) and virtual MVPDs (vMVPDs) accounted for a combined 36% of total streaming minutes between July and December 2021.

Percent of streaming minutes
July-December 2021

- Total SVOD: 53%
- Total AVOD: 25%
- Total MVPD/vMVPD: 10%

Note: “Other” categories, which sum to 12%, not included
AVOD includes YouTube and YouTube TV
Source: Nielsen Streaming Platform Ratings

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vMVPDs, which allow consumers to access an array of VOD streaming content, live broadcast programming and cable sources, have become increasingly popular as consumers tap into digital channels to access new content options. Over the past three years, vMVPD adoption has grown from 7.1% of all TV households to 12.5% with YouTube TV, Hulu+ Live, DirecTV Stream and Sling TV driving much of the growth.

vMVPD adoption is rising

Ad-supported streaming options are also attracting more diverse audiences than traditional TV and SVOD options. For example, Pluto TV, an ad-supported video service owned by Paramount (formerly ViacomCBS), attracts about twice as many Black viewers as traditional linear TV (36% vs. 17%). Similarly, Black audiences account for 39% of Tubi’s viewership (Tubi is an ad-supported streamer owned by FOX).

**Ad-supported VOD platforms are engaging diverse audiences**

Note: Race/ethnicity breakdown based on mutually exclusive breaks
Source: Nielsen, National TV Panel and Streaming Meter Homes, share of total weighted streaming minutes (weighted), P2+, Total Day, June 2021

The percentage of homes with YouTube TV, the vMVPD with the highest household penetration, has grown by more than 160% since 2020

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Nielsen Television Panel Household Characteristics
The bottom line

Today's media landscape is a treasure trove of options for consumers, and the volume of streaming content continues to expand as platforms add more content. With an audience-first mindset, the media industry can help consumers find what they're looking for and use what they know about their evolving viewing behaviors to keep them engaged. And as consumers engage with new ad-supported options, marketers can leverage TV and streaming-specific segments to ensure they're reaching and engaging with their desired audiences. Additionally, buyers and sellers can tap into streaming-rich media planning tools to identify the incremental reach that streaming audiences bring to cross-platform campaigns to understand the full picture of who they are targeting.

The audience will steer the future of the streaming landscape, and the media industry can help consumers in their media journeys by leveraging data to ensure they never get lost along the way.

Sources

- Gracenote Global Video Data
- Gracenote Inclusion Analytics
- Gracenote Personalized Imagery
- Nielsen National TV measurement
- Nielsen NPOWER
- Nielsen Streaming Content Ratings
- Nielsen Streaming Platform Ratings

Streaming Media Consumer Survey

The Nielsen Streaming Media Consumer Survey was conducted in English-only from Dec. 14, 2021-Jan. 6, 2022, via an online survey. It was based on a representative sample of 1,394 U.S. adults 18+ who currently use streaming video and/or audio services.

About Nielsen

Nielsen shapes the world's media and content as a global leader in audience measurement, data and analytics. Through our understanding of people and their behaviors across all channels and platforms, we empower our clients with independent and actionable intelligence so they can connect and engage with their audiences—now and into the future.

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