Sara Lebow

Why more niche streaming services are popping up

Article

US streamers will see $66.23 billion in OTT subscription revenues this year, per our December 2023 forecast. Most of that money will come from the biggest players—Netflix, Disney+, Hulu, YouTube, and Paramount+—but over a third ($22.91 billion) will come from other streamers. This potential subscription and ad revenue are why brands like Chick-fil-A and the

Dallas Stars NHL team are launching their own streaming services. Here are the driving forces behind the growth of these niche platforms.

1. More platforms mean more streaming subscriptions

Half of US adults have between two and four streaming subscriptions, and 16% have five or more, according to October 2023 data from Dynata and TransUnion.

Boutique platforms like anime-focused Crunchyroll or horror hub Shudder offer niche content often at a lower cost than Netflix or Max. However, these platforms can be harder to scale due to their niche audiences. On ad-supported platforms (Crunchyroll has ads; Shudder does not), advertisers can target a tailored audience with a strong understanding of content placement.

2. Access to unavailable content

Disputes over sports streaming rights have left fans unable to watch their teams. The recent Disney and DirecTV blackoutleft US Open, NFL, and college football fans in the dark.

Ad-supported platforms like Victory+, launched by the Dallas Stars this summer, and similar ones from other NHL and NBA teams, allow fans to access regional broadcasts for specific teams, which could appeal to devoted fans.

For advertisers, platforms like Victory+ allow programmatic ads in what was a regional linear broadcast, Wim Sweldens, co-founder and CMO of streaming tech company Kiswe, told the Current.

3. Brands can control their image through streaming platforms and owned media

Companies like Lyft and Airbnb have produced their own shows, but Chick-fil-A could go further with a full streaming service, providing a new channel to promote brand equity.

Chick-fil-A's brand control is a pro, but it's unclear how the platform would drive revenues. The media could promote restaurant sales, but first, the chain would need to attract viewers. The same challenge could hinder subscription revenues if Chick-fil-A adopts that model.

4. Creators can now go D2C or OTT

Sports teams and media companies have teams helping get streaming platforms off the ground. But creators are launching their own platforms. Dropout from College Humor and 2nd Try from The Try Guys offer fans a way to subscribe to creator content directly.

Challenges with scaling niche channels persist, but partnerships with streaming tech companies allow creators to develop their own media platforms without negotiating major TV deals or splitting ad revenues with YouTube.

This was originally featured in the EMARKETER Daily newsletter. For more marketing insights, statistics, and trends, subscribe here.