

Peacock Reported 10 Million Sign-Ups, but Marketers Should Keep an Eye on Time Spent

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During its recent earnings call, Comcast said that NBCUniversal's new streaming service Peacock reached 10 million sign-ups since its soft launch in April this year.

Connected TV User Penetration, by Device

US, 2020, % of connected TV users

Amazon Fire TV

35.1%

Apple TV

12.2%

Blu-ray player

13.0%

Connected game console

33.9%

Google Chromecast

15.8%

Roku

46.9%

Smart TV

56.6%

Source: eMarketer, February 2020

www.eMarketer.com

Despite being a relative latecomer, Peacock appears to have gathered a sizable foothold in the increasingly competitive streaming market. (HBO Max *reportedly* reached 4.1 million subscribers in one month after its May 2020 launch.) While Peacock's user numbers sound impressive, the more important metric we will be watching is users' engagement with the platform's content in the coming months.

The initial uptake is likely attributable to the service's low—and in some cases, free—costs, although access to major connected TV (CTV) platforms remains a challenge to its future growth. The service was available for free to Comcast and Cox subscribers in April, with an optional ad-free tier available for \$5 a month (compared with Netflix's standard plan at \$12.99 and HBO Max at \$14.99).

But as Peacock begins its full rollout this month to non-Comcast subscribers—which includes a free tier with limited content, an ad-

supported tier for \$5 a month, and an ad-free tier at \$10 a month— access to the app remains a challenge. The service is still not yet available on the most popular CTV platforms, Roku and Amazon Fire, which account for 46.9% and 35.1% of CTV users, respectively, per our estimates. CTV devices capture a significant share of streaming video consumption, so this presents a major challenge to Peacock's future.

But for marketers, the time spent with the service is the key metric to monitor, rather than Peacock's subscriber numbers. Quibi, for example, drew **concerns** from advertisers after it was reported that the service was receiving very little usage, despite attracting over 4.5 million downloads in the first few months of its launch.

With Peacock's relatively low-priced and free tiers, a high number of sign-ups and relatively low degrees of churn should be expected. But a large base of subscribers does not immediately translate to higher usage or higher reach. Peacock will need to maintain a steady supply of engaging content to keep users active on the platform and to keep advertisers interested over the next several months.