

Cord-Cutting Accelerates as OTT Video Keeps Growing

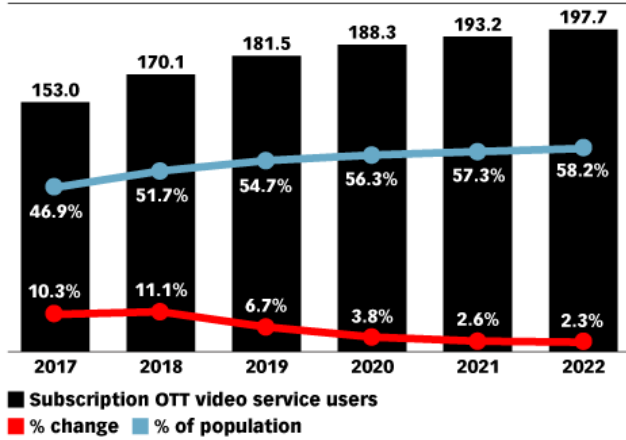
Article

It's no longer news that US consumers are ditching traditional TV in favor of over-the-top (OTT) video services like Netflix. But, according to our latest forecast, that rate is accelerating.

We expect **the number of US cord-cutters**—adults who have ever cancelled a pay TV service and continue without it—to climb by 32.8% this year to 33.0 million. Meanwhile, the number

of subscription OTT video service viewers will rise to 170.1 million, equating to 51.7% of the US population.

US Subscription Over-the-Top (OTT) Video Service Users and Penetration, 2017-2022
 millions, % change and % of population



Note: individuals of any age who watch video via any app or website at least once per month that provides paid subscription access to streaming video content over the internet and bypasses traditional distribution; examples include Amazon Video, HBO Now, Hulu, Netflix, Sling TV and YouTube Red
 Source: eMarketer, July 2018
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In an effort to retain customers, traditional TV providers are turning to a tried-and-true tactic: service bundling. In fact, many cable, satellite and telecom companies now offer packages that include TV, internet and phone services as well as an OTT video subscription for a single, reduced price.

So far, most of the pay TV-OTT partnerships have focused on Netflix, likely because it is the leading OTT service in the US. This year, we expect 86.8% of US subscription OTT video services to watch Netflix at least once per month.

These new service bundles are still in the early stages, so it's too soon to tell whether they will be effective in reducing subscriber churn. What's more, the growing popularity of linear OTT services, like Sling TV and Hulu with Live TV, are likely to complicate matters further, as they offer digital access to traditional TV programming often for a lower monthly cost.

In a special two-part “Behind the Numbers” conversation, eMarketer analysts and forecasters dig into the latest forecasts and discuss the factors that are changing the ways consumers watch video.

For more on the state of the US subscription OTT video market and how it is affecting the pay TV landscape, PRO subscribers can read eMarketer's latest report.

PRO subscribers also have access to our latest forecast for US pay TV, subscription OTT video service and connected TV users. Metrics include:

- Pay TV viewers and households
- Cord-cutters and cord-cutter households
- Subscription OTT video viewers and households, including Amazon Prime Video, HBO Now, Hulu and Netflix
- Connected TV viewers and households, including Amazon Fire TV, Apple TV, Google Chromecast and Roku
- Linear OTT viewers and households, including Sling TV and Hulu with Live TV

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