

Streaming-First Consumers Erode Cable TV's Dominance

Almost as many people now use streaming as their chief means of viewing video as use cable

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Steaming services seem to be building up a head of steam in the US.

New figures from [Raymond James](#) reveal that 31% of internet users polled in November named a streaming service like Netflix or Hulu as their primary method of consuming video content.

That was up from just 24% about a year ago. It was also a scant few percentage points behind the 35% who named cable as their chief means of watching video.

Primary TV/Digital Video Service Used by US Internet Users, Nov 2017

% of respondents

Cable provider (e.g., Comcast, Charter Spectrum, Cox, Time Warner Cable, Altice)

35%

Streaming service (e.g., Netflix, Amazon, Hulu, Sling TV)

31%

Satellite (e.g., Dish, DirecTV)

17%

Phone company (e.g., AT&T U-verse, Verizon FiOS, Frontier, CenturyLink)

10%

Other

7%

Note: ages 18+

Source: Raymond James, "Video Killed the Video Star: November 2017 Media Survey," Nov 28, 2017

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But Raymond James also concluded that consumers are not really eliminating their cable subscriptions as much as "cord-shaving," or reducing their cable packages to so-called skinny bundles that offer fewer channels at a reduced price.

Among the top reasons given by those who retained cable packages for traditional TV service were access to broadcast TV channels, sports content and premium channels.

On the other end, streaming's success can pretty much be summed up in one word—Netflix. Over three-quarters (76%) of respondents named Netflix as one of the services they would pay for if they had to choose just three, based on their current budget.

Netflix's strategy of picking up the back catalogs of content studios at cut-rate prices is long gone, now that it's demonstrated that even decades-old content can still have value in the digital era.

But the company's pivot to creating its own original content appears to be working. According to data from [RBC Capital Markets](#), 58% of Netflix subscribers surveyed in November said the company's original content influenced their decision to sign up.

Netflix appears to be doubling down on its originals strategy. In its Q3 earnings call, the company said it planned to spend \$8 billion on content in 2018, hoping to increase the share of that type of material to half of its overall content library.

