# More Video Streaming Options Won't Change Consumer Behavior

## Average number of VOD subscriptions is holding steady

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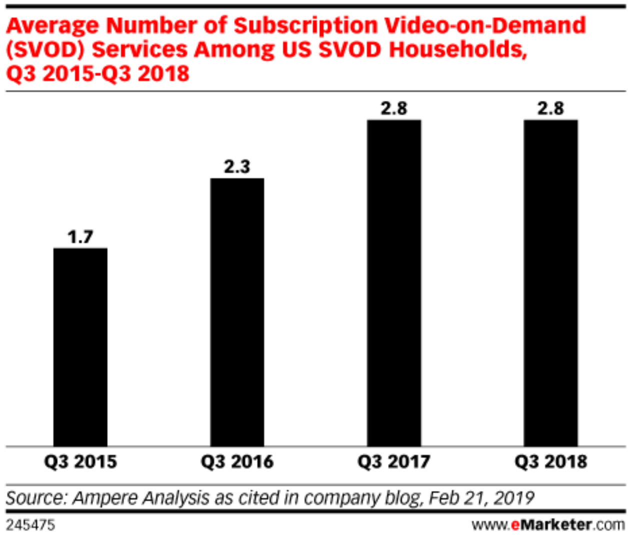
Many Americans believe they will use more subscription services in the future. But when it comes to video streaming, more options doesn't mean consumers will drastically increase the number of services they're willing to pay for.

The dominant players in the field—Netflix, Amazon Prime Video and Hulu—are already pushing people's spending limits. But consumer behavior is not expected to change meaningfully, with data showing that the average number of subscription video-on-demand (SVOD) services among US SVOD households held steady at 2.8 between Q3 2017 and Q3 2018, according to an Ampere Analysis study.




Furthermore, because it’s fairly easy for customers to cancel their subscriptions without being charged penalty fees, content providers are likely to see higher churn, with people dipping in and out of their subscriptions and trying new services as they become available.

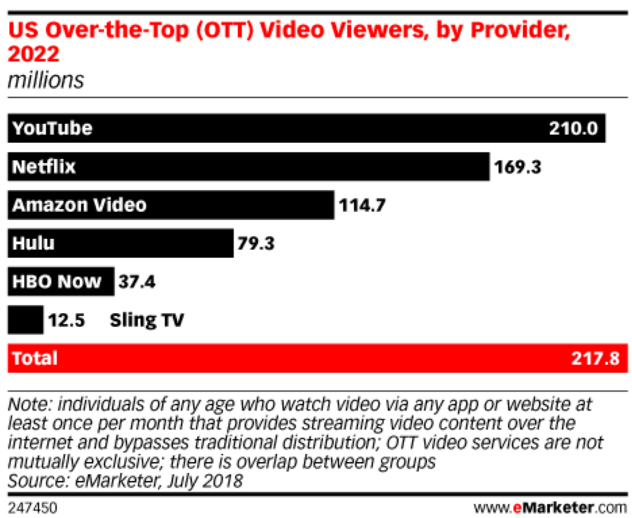
“As new services enter the market, they will likely entice consumers with free trials and aggressive introductory prices,” said Paul Verna, eMarketer's vice president of multimedia. “However, the long-term success of these services will depend more on customer retention than acquisition. A loyal customer who stays subscribed is unquestionably more valuable than one who jumps from one service to another.”

Consumers will likely be more selective about how they spend their money on subscriptions, with services already setting their prices competitively. Disney+, Disney’s streaming service launching in November 2019, will be priced at $6.99 monthly when it first rolls out, or customers can pay $69.99 for the year.

In January, Hulu dropped its ad-supported plan from a monthly price of $7.99 to $5.99. And the recent announcement that Disney has gained operational control of Hulu potentially makes that deal even better for customers. In turn, if Disney can increase subscriptions to Hulu and offer Disney+ in a discounted bundle, it may grow its audience for the new service.

“In this upcoming period of unprecedented competition in the SVOD space, pricing will become an increasingly important factor in why users choose one service over another,” Verna said. “That means even established players like Netflix and HBO Now, which have never lowered their subscription fees, will need to consider reductions.”

That said, while the average number of subscription services won’t change drastically for consumers in the near future, the subscriber bases for incumbent services remain strong. We estimate that subscription over-the-top (OTT) viewers will continue to grow through the end of our forecast period in 2022, reaching 197.7 million. By then, individual services will hit the following viewer thresholds: Netflix at 169.3 million, Amazon Prime Video at 114.7 million, and Hulu at 79.3 million.




Those figures represent substantial growth vs. the totals from 2019, with well above 10 million more people in every case. For further analysis on what the success of subscription-based platforms means for advertising monetization, read our report "**US Subscription Video Landscape 2019: Bracing for an Onslaught of New Services**."