

The age of AVOD is coming

Article

Even though ad-supported streaming video predates subscription-focused streaming, much of the conversation around streaming services has focused on the latter, thanks to the rapid rise of Netflix. Indeed, more than 90% of OTT video service users will watch content via a subscription service at least monthly in 2022.

With the launch of its own ad-supported tier this fall, Netflix has helped usher in the next phase of the streaming conversation, which will focus on AVOD.

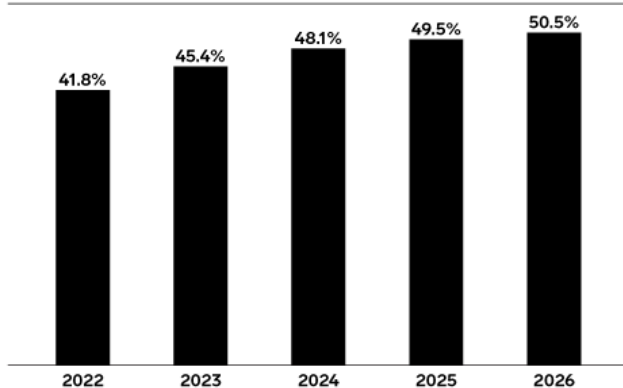
- We project over half of the US population will be watching content from at least one ad-supported streaming service monthly by 2026, up from 41.8% in 2022. More than half of all

US internet users—50.7%, to be exact—will be watching content via AVOD services by 2023. That figure will rise to 55.8% by 2026.

- Just like with subscription OTT, AVOD viewers seem to be using multiple AVOD services at a time rather than limiting themselves to a single offering: The Roku Channel, Tubi, and Pluto TV will each have over 50 million viewers in 2022.
- AVOD user growth will be driven largely by newer entrants to the space offering a hybrid model, such as Netflix or Disney+, rather than by purely ad-supported existing services such as Tubi or Pluto TV.
- Of the totally free AVOD services we forecast, only The Roku Channel will be watched at least monthly by more than 25% of OTT video service viewers, but we expect its user base to grow just 12.0% total over the next four years; during that time, its market share among AVOD viewers is expected to shrink, to 41.2% by 2026.
- While Tubi’s user growth is expected to be slightly healthier percentagewise, rising 16.0% between 2022 and 2026, it will also lose AVOD market share during that time, sliding from 37.2% to 34.8%.
- Pluto TV will also follow the above trend, adding 9.6 million viewers over the next four years but losing AVOD market share, sliding to 36.2% by 2026.
- By comparison, 50.8% of OTT video service users will watch content on Hulu at least once per month this year.

US Ad-Supported Video-on-Demand (AVOD) Penetration, 2022-2026

% of population



Note: individuals of any age who watch videos at least once per month (via app or website) on an ad-supported platform that primarily offers professionally produced content; examples include Hulu, Peacock, Pluto TV, The Roku Channel, and Tubi; viewers of Disney+'s and Netflix's ad-supported tiers will be included as these options are rolled out; excludes services like Twitch and YouTube; AVOD services are not mutually exclusive; there is overlap between groups

Source: eMarketer, Sep 2022

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Report by Max Willens Nov 30, 2022

Video Users 2022

