

YouTube TV subscribers jumped nearly 50% in a year thanks to Sunday Ticket

Article

The news: YouTube TV is Google's fastest-growing product, according to data from Google's internal product tracker **Magic Eye** that was [obtained by Insider](#).

- The digital pay TV service grew 48% from October 2022 to last month and boasts a high retention rate, with only 8% of accounts lapsing.

Football's effect: YouTube TV's strong growth is largely owed to **NFL Sunday Ticket**, rights to which the company acquired in a [\\$2.5 billion deal last December](#).

- There have been signs that YouTube TV has been booming for some time. Cable and pay TV subscriptions declined significantly in Q2 2023, but [YouTube TV was an outlier](#), gaining 300,000 subscribers during a quarter that coincided with the start of the football season, per Nielsen.
- But the “fastest-growing” product also had a lot of room to grow. YouTube TV will reach **15.8 million subscribers** this year (its main Pay TV competitor, **Hulu + Live TV**, trails at 11.4 million), per our [September forecast](#). By 2027, it will reach 20.9 million.
- That's well below the [38 million US households](#) that still pay for a cable service, though the rise of cord-cutting will likely cause more consumers to seek out digital pay TV services.

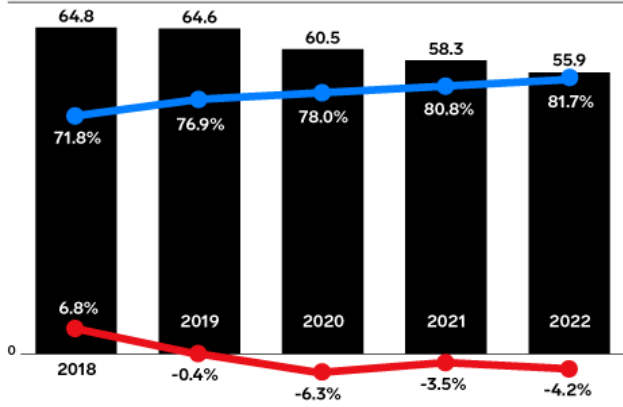
The long game: YouTube is paying a hefty fee for the rights to broadcast Sunday Ticket, and it [cranked up the price soon after](#) in order to show investors that it can make returns on the steep investment. But the streaming rights are also an attempt to establish long-term viewers for when the scale tips in favor of digital channels.

- Under YouTube, NFL Sunday Ticket now costs a whopping \$449 for non-YouTube TV subscribers, or \$174 for access to the second half of the season. But those who pay YouTube TV's \$72.99 monthly subscription can get it for \$349, incentivizing consumers to subscribe despite the higher yearly cost of the pay TV service.
- To justify that pricing and attract advertisers, YouTube has launched a number of [viewing formats and perks](#) for Sunday Ticket. Those changes appear to be paying off, but strong growth could also indicate that viewers are unwilling to lose access to games rather than excitement for joining the service.

Our take: YouTube's Sunday Ticket offering is costly and diminished by the [fractured state of NFL rights](#), which are now spread across multiple streaming services and linear TV networks.

- Still, YouTube TV's growth is a direct result of Sunday Ticket, and the service will give YouTube a crucial advantage over time as more viewers cut the cord.

US Linear Addressable TV Households, 2018-2022
 millions, % change, and % of total pay TV households



■ Linear addressable TV households
 ■ % change ■ % of total pay TV households

Note: addressable TV households are those with a subscription to traditional pay TV services and a set-top box that allows for addressable TV advertising; includes targeted TV ads delivered on a home-by-home basis via cable and satellite boxes; includes video-on-demand (VOD); excludes connected TV (CTV), smart TV, and OTT
 Source: eMarketer, May 2022

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