

## Streaming Services Spend Heavily on Marketing amid Pandemic

Competition is driving up ad spend

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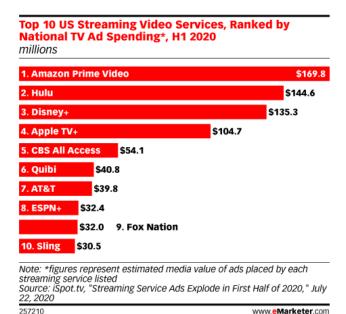


ost advertisers have pulled back their spending this year, but streaming services are marketing themselves as heavily as

In H1 2020, streaming services ran an estimated \$1 billion worth of TV advertising, according to TV ad measurement company iSpot.tv. For comparison, in H1 2019, streaming services ran \$328 million on TV ads. Between January and August 2020, video streaming services increased their TV ad spending more than any other category that iSpot.tv tracked.

Amazon was the largest ad spender, investing \$169.8 million on TV ads for Amazon Prime Video during H1 2020. Several other streaming services relied on TV house ads to promote themselves. Disney-owned networks like ABC, FX, and ESPN used billions of ad impressions to promote Disney+ and Hulu. And NBC used the same tactic for Peacock.





Netflix, which wasn't among the top 10 streaming services in terms of TV ad spending, pulled back its TV spending by 17.6% in H1 2020, compared with the same time frame a year ago, according to an iSpot.tv spokesperson. But Netflix is marketing itself in other ways. One tactic Netflix has tested is making certain movies and shows available for free. In August, Netflix offered about a dozen of its shows for free to nonsubscribers. While movies were wholly available, series were limited to a few episodes. Netflix is trying to use free content to hook in people who aren't already paying for the service.

Netflix is also using digital outlets like Facebook and YouTube to market itself. In H1 2020, Netflix had 6.2 billion video content views on YouTube and 4.7 billion on Facebook, which were up 50% and 54% year over year, respectively, according to digital video analytics company Tubular Labs. Among streaming services, Amazon Prime Video had the second-most video views on YouTube in H1, at 1.4 billion; Hulu came in second for Facebook, garnering 476 million views.

Streaming services are also using podcasts for marketing. In July, NBCUniversal was the largest podcast advertiser in the US, according to data from podcast analytics company Magellan AI cited by trade publication Inside Radio. Most of NBCU's podcast ad spending was used to promote its streaming service, Peacock. Other streamers



spending heavily on podcast ads included Quibi and Hulu, which were the sixth- and 12th-largest podcast ad spenders, respectively.

To learn more about the pandemic's impact on the streaming wars, eMarketer PRO subscribers can read our recent report:

Report by Ross Benes Oct 09, 2020

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