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What media planners need to know about where people are watching TV

Article

Media planners should be paying attention to both digital and linear TV, but attention is obviously moving toward the former. When preparing for upfronts, keep in mind that ads are almost everywhere now, which means an expanding menu of options.

US time spent with media will inch up 0.9% this year to 12 hours and 39 minutes (12:39), per our February 2024 forecast.

- Growth is coming from digital. Time spent with digital video in particular will be up 5.7% this year to total 3 hours and 50 minutes (3:50).
- Time spent with linear TV will be down 3.7% from 2023, totalling 2 hours and 55 minutes (2:55).
- That means TV advertisers should be focusing on digital formats, but they shouldn't abandon linear completely.

Subscription OTT video is becoming a bigger part of people's media diet. High use on platforms like Netflix and Hulu are contributing to the 1 hour and 49 minutes (1:49) that people will spend watching subscription OTT this year, per our forecast. Both of those platforms now have ads, as do other large players like Amazon Prime Video, Max, and Disney+.

"These platforms are intensifying the efforts to attract more users into their platform with their original content or exclusive content," said our forecasting analyst Jasmin Ellis.

Netflix will have a particularly strong showing this year. Its 173.7 million US viewers will average an hour and three minutes (1:03) per day on the platform this year, per our September 2023 and February 2024 forecasts.

Despite an increasingly crowded field, Netflix is the subscription OTT platform to beat when it comes to viewership and time spent. That's one of the reasons its password-sharing crackdown was so effective in driving new signups last year.

"If other platforms were to do the same and not come out with more affordable options it would be a lot harder to be successful," said Ellis. Disney+ and Hulu are reportedly planning to crack down on password-sharing this year, and they may run into trouble with consumers who don't see the platforms as need-to-have.

Netflix has also been smart not to overload viewers on its cheaper tier with ads. Ad loads are still short right now compared to linear TV, and binge-watchers get an ad-free episode after every few episodes. But if Netflix and other platforms boost ad loads to increase revenues, time spent could take a hit from frustrated viewers logging off.

Amid streaming's success, linear TV is still relevant. Time spent is in decline, and that trend won't change. But the drop-off is happening slower than our forecasts initially anticipated due to viewing habits of people 35 and older, many of whom haven't yet cut cords, said Ellis.

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