

eMarketer Releases New Outlook on SVOD Landscape

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The ever-expanding US subscription video space is ripe with monetization potential for content owners and platforms.

"Earning the consumer's hard-won cash and attracting brand marketers into the digital space will pit TV networks, program distributors, tech firms and social media companies against each other as never before," said Paul Verna, eMarketer analyst and author of the latest report, "[US Subscription Video Landscape 2018: Key Players and Monetization Models](#)."

The subscription video space has grown fiercely competitive.

Led by Netflix, Amazon and Hulu, the top US subscription video services generated close to \$15 billion in monthly fees alone in 2017. This figure did not include advertising revenues.

US Subscription Video Services Revenue Estimates, 2017

	Subscribers (millions)	Average monthly cost ⁽¹⁾	Annual cost ⁽³⁾	Annual subscription revenues (millions) ⁽³⁾
Netflix	52.8	\$10.99 ⁽²⁾	\$131.88	\$6,153.0 ⁽⁴⁾
Amazon	26.0	\$8.99	\$107.88	\$2,804.9
Hulu	17.0	\$9.99 ⁽²⁾	\$119.88	\$2,038.0
HBO Now	5.0	\$14.99	\$179.88	\$899.4
Showtime	2.5	\$10.99	\$131.88	\$329.7
CBS All Access	2.5	\$7.99 ⁽²⁾	\$95.88	\$239.7
Sling TV	2.2	\$30.00 ⁽²⁾	\$360.00	\$796.3
Starz	2.0	\$8.99	\$107.88	\$215.8
YouTube Red	1.5	\$9.99	\$119.88	\$179.8
DirectTV Now	1.0	\$52.50 ⁽²⁾	\$630.00	\$630.0
Hulu with Live TV	0.5	\$40.00	\$480.00	\$216.0
PlayStation Vue	0.4	\$57.50 ⁽²⁾	\$690.00	\$276.0
YouTube TV	0.3	\$40.00	\$480.00	\$144.0
fuboTV	0.1	\$31.50 ⁽²⁾	\$378.00	\$37.8
Total	-	-	-	\$14,960.4

Note: excludes advertising revenue; (1) cost does not take into account trial periods, introductory offers, special promotions, or pricing plans for longer than one month; (2) average cost of different pricing plans; (3) eMarketer calculations; (4) company reports

Source: company reports; eMarketer calculations, March 29, 2018

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And not only are TV networks vying against each other, as they've done since the golden age of television, but companies from a wide spectrum of industries—from telecommunications to social media to technology to retail—are also determined to compete.

Competition comes as consumers increasingly move away from traditional pay TV and toward digital streaming services. Factors driving that migration include cord-cutting, the high cost of cable and satellite contracts and a seemingly universal desire to avoid ads.

These and other trends have created a virtuous cycle that has benefited the digital video industry. Streaming services have built large and growing audiences, and are monetizing them through combinations of subscriptions and advertising. Those revenue streams are expected to increase in the next few years as disruption continues to roil the media landscape.

In a new episode of eMarketer's "Behind the Numbers" podcast, listen in as we break down the numbers for the SVOD market.