

TV's crucial fall season will struggle to overcome changing viewing habits

Article

The news: Changing viewing habits across age demographics will present a challenge to broadcasters and streaming services going into the **fall 2021 TV season**.

More on this: After the amount of new content and ad spending on TV slowed in 2020, networks are putting their best foot forward this fall to fight for viewer and advertiser attention, and to see which pandemic trends will stick around.

Key stats: According to new data from **Variety Intelligence Platform's "The Demographic Divide"** report, network TV viewership is still within the purview of older generations, but time spent with entertainment overall goes up among younger cohorts.

- According to survey findings, viewers ages 60 and up said they **spend 29% of their time with entertainment watching network TV**. On the other hand, viewers ages 45–59, 30–44, and 15–29 said network TV makes up 20%, 11%, and 8% of their entertainment time, respectively.
- Viewers ages 60 and up said they spend only 14% of their entertainment time with streaming services, but those ages 15–29 said they spend 22% of their entertainment time with streaming.

Network TV's opportunity: TV's weekly episode release format may never die, and the sentiment is consistent among all age groups.

- Even though 57% of viewers ages 15–29 said they prefer that streaming services release all episodes of a series at once, only 27% felt that network TV channels should follow the same model when releasing content on their respective streaming services.
- But even streamers are making viewers wait for the next episode. **Disney+** proved with **"The Mandalorian"** and its various **Marvel** shows that while full-season dumps are popular, it's easier to create a cultural event out of weekly releases.

The challenge: The coast isn't clear for streaming services either, as newer competitors, or those without highly popular programs, may have a hard time gaining subscribers due to pricing concerns and service oversaturation.

- Some 66% of respondents ages 15–29, 64% of those 30–59, and 59% of those 60 and older said they are now paying more attention to how much they spend on streaming services.
- Half of viewers ages 15–44 said they've been cutting services more frequently than usual due to the higher amount of available services.

What this means: Trends from the pandemic are stickier than broadcasters hoped, but losing the streaming wars doesn't mean that they are out of the game.

- Broadcasters can still sell the rights to their most-watched shows to the winning streaming services. **Netflix** paid as much as \$100 million to keep **"Friends"** on its platform through 2019 before being outbid by **HBO** in 2020. (HBO parent WarnerMedia paid between \$400 million and \$500 million for those rights.)

- But TV's downward trend is clear: We estimate that US TV ad spending will make up 23.1% of total media ad spend in 2021 but will drop to 16.6% by 2025, as connected TV adoption increases and streaming services continue to eclipse traditional TV.