

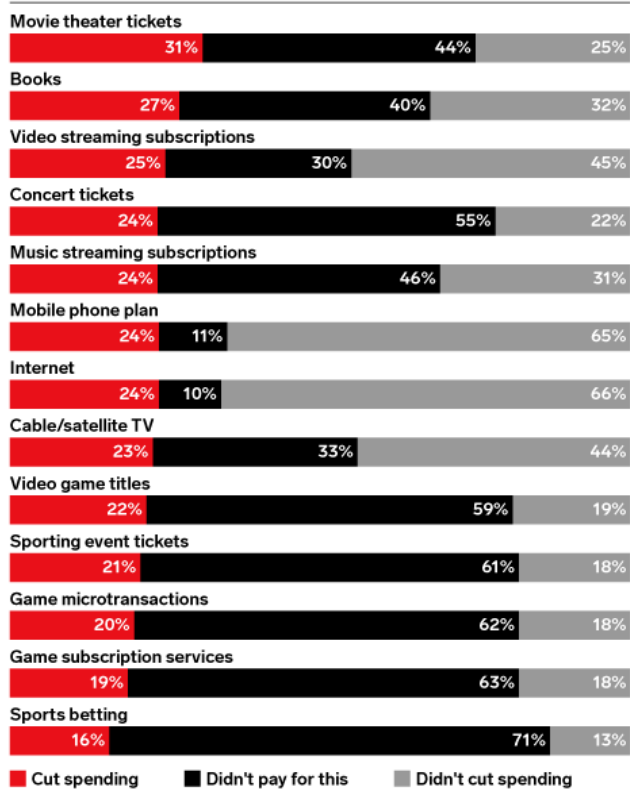
Streaming services get booted as inflation squeezes Americans' entertainment budgets

Article

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A quarter of US adults recently cut their spending on video streaming subscriptions due to inflation, per a Morning Consult survey. Slightly less cut back on music streaming subscriptions (24%) and cable or satellite TV (23%). Across all entertainment categories studied, more adults either didn't pull back or didn't pay for the product or service in the first place.

Entertainment US Adults Have Cut Back on due to Inflation, by Category, March 2023
 % of respondents



Note: ages 18+; in the past 12 months; cut spending means they either spent less on or stopped paying for each category entirely; numbers may not add up to 100% due to rounding
 Source: Morning Consult, April 11, 2023

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Beyond the chart: To cater to inflation-squeezed consumers (and boost revenues), streaming platforms like Disney+ and Netflix have introduced cheaper, ad-supported tiers. And it seems to be working, at least for Netflix. At the upfronts last week, Netflix said a quarter of **new subscribers were signing up for the ad-supported tier** in areas where it's available.

Meanwhile, Disney+ reported a subscriber loss for the second quarter in a row in its Q2 2023, and it hasn't given a recent update on its ad-supported subscription numbers. Even so, CEO

Bob Iger said in the earnings call that Disney hopes the offering will help the streaming business reach profitability.

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Methodology: Data is from the April 2023 Morning Consult survey. 2,200 US adults ages 18+ were surveyed online during March 24-26, 2023. The data were weighted to approximate a target sample of adults based on age, gender, race, educational attainment, region, gender by age, and race by educational attainment. Results have a margin of error of +/-2 percentage points.