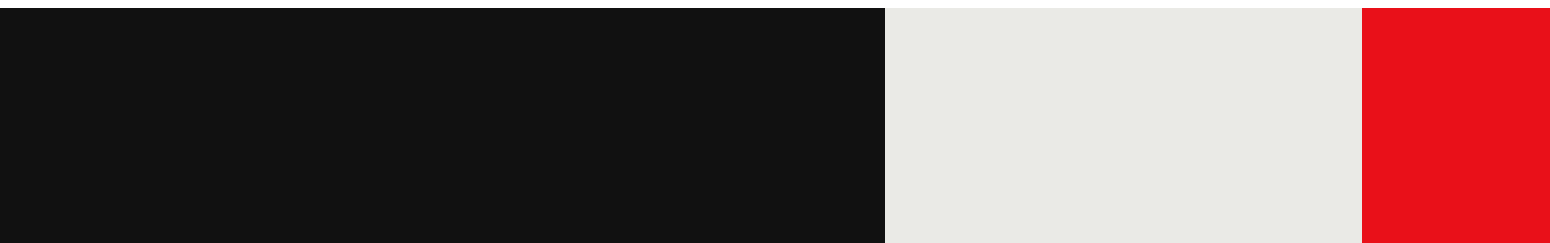



How user behavior is changing on social media and digital video in the UK

Article



While overall social network user numbers are rising slowly in the UK, there's much greater movement in terms of the platforms being used. Advertisers will always chase eyeballs, but they want engagement beyond just reach. So platforms that draw users in for longer periods at a time, like TikTok, stand to fare better than others.

The platform dynamic is changing. And Facebook's utter dominance is dwindling. Gen Z, which is driving almost all the growth in social network users, is most populous on Instagram, TikTok, and Snapchat. This is leading to a more even spread of users overall across platforms. The Meta double play of Facebook and Instagram will continue to top the charts, but TikTok, in particular, is hot on their tracks.

Most platforms are reaching their user ceiling. Established platforms like Instagram are seeing a slowdown in user growth, but newer entrants are also approaching some form of equilibrium. For example, the hypergrowth witnessed by TikTok in recent years will be replaced by much more modest gains—single digits this year, slowing further thereafter. Even among Gen Z, TikTok appears to have lost a little of its luster—or else it's about to reach a ceiling—with user gains of around just 100,000 per year from 2025 onward.

Engagement is becoming a key consideration. Targeted reach is powerful, especially if there's evidence of high engagement on top of that. And this is where TikTok leads the pack. Not only are its users in highly curated environments (predicated by its algorithm) that will appeal to specific brands, but they're also spending more time with the platform compared with users of any other major social network we track.

Adult TikTok users will spend an average of 58 minutes per day with the platform this year. And we expect that to reach the 1-hour mark next year. By comparison, Facebook users will spend just 43 minutes per day with the platform this year, and that number will fall further next year.

Social will account for almost a quarter of total media ad spend in 2023. Social network ad spending will rise by 11.4% this year, versus 10.2% in 2022.

Report by Bill Fisher Jan 30, 2023

UK Social Media Outlook 2023



Digital video subscriptions are coming under pressure

Between January and July 2022, only Disney+ saw an increase in unique audience among the leading UK subscription video-on-demand (SVOD) mobile apps, according to UKOM and Ipsos iris.

Leading UK Subscription Video-on-Demand (SVOD) Mobile Apps, Ranked by Unique Audience, Jan 2022 & July 2022

millions and % change

	Jan 2022	July 2022	% change
Netflix	13.6	12.7	-6.6%
Amazon Prime Video	6.9	6.5	-5.2%
Disney+	3.6	4.6	28.7%
Now TV	1.5	1.2	-16.0%
BT Sport	1.3	0.6	-57.7%
Apple TV	1.0	0.5	-48.5%
Discovery+	0.4	0.4	-18.8%
BritBox	0.3	0.3	-12.1%
Total	21.0	20.1	-4.3%

Note: ages 15+ using desktop/laptop, smartphone, or tablet device(s) in that month
Source: UKOM and Ipsos iris, "Digital Market Overview July 2022," Sep 21, 2022

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The number of UK households that paid for at least one subscription fell by 937,000 between January and September 2022, according to Kantar Worldpanel data cited by The Guardian.

With inflation at a 40-year high—10.1% in September, according to the Office for National Statistics—consumers are clearly feeling the pinch, and even precious SVOD services are coming under pressure.

This is accelerating the ad-supported VOD (AVOD) market. Netflix has already introduced an ad-supported tier in the UK. Disney+ will follow closely behind, with a similar option likely in early 2023. Meanwhile, the TV manufacturers that have skin in this game have been reporting increasing engagement with ad-supported options—though their findings might be considered somewhat self-serving.

An LG Ads Solutions survey in October 2022 found that 14% of UK internet users were considering adding more free ad-supported services to their connected TV (CTV) viewing habits, versus 25% who were planning to remove an SVOD service.

Samsung, meanwhile, reported last year that its free ad-supported streaming TV (FAST) service had seen 100% growth in viewership worldwide. The company didn't release its foundational viewership data, however, illustrating the point that this figure might be somewhat boosterish.

Digital video advertising is consequently in good health. There may be more trouble ahead for the UK's ad industry as economic issues continue to mount, but the video space is still growing.

Report by Bill Fisher Nov 07, 2022

UK Digital Video Advertising Landscape



