

Six in 10 streaming viewers will watch ads to save a few bucks

Article

The news: Contrary to the widely accepted view of ad intolerance, a mere 16%–17% of viewers express an inability to tolerate ads, per a study by Hub Entertainment Research.

On the other hand, roughly 49%–50% of viewers can put up with a certain level of advertising, per data from more than 3,000 U.S. consumers.

- **59% of consumers prefer to watch ads to save \$4–\$5 per month**, as opposed to 41% who would rather pay an additional \$4–\$5 to avoid ads. This preference has remained consistent across various Hub studies, highlighting consumers' inclination toward cost-saving options.
- Viewers praised newer streaming services like **Max, Disney+, and Netflix** for delivering a better ad experience compared with their competitors.

Why it matters: Viewers are willing to make compromises for their viewing preferences.

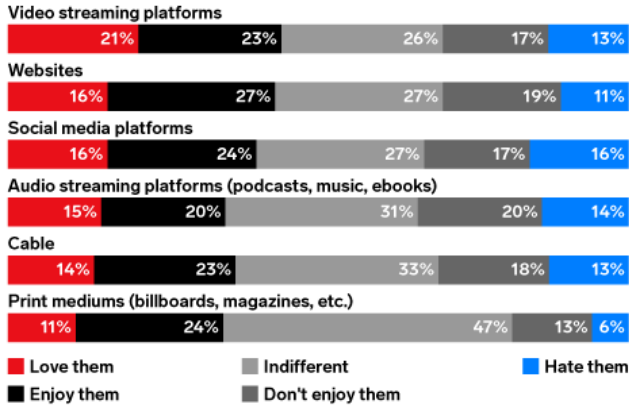
- Viewers are not rigid in their choices: Almost 40% preferred services with both ad-free and ad-supported tiers, showing a willingness to switch between options based on their needs.
- About 1 in 4 viewers reported switching tiers, indicating a healthy balance between the need for cost savings and the desire for ad-free viewing.

Our take: There's a long-standing myth that viewers strongly dislike ads, but this data suggests that advertising is a vital part of the streaming ecosystem that brings tangible benefits to consumers. And streaming services that offer both ad-supported and ad-free tiers will appeal to more consumers.

- While the idea of ad-supported streaming might have seemed unfavorable at first, the research suggests that consumers are more flexible than initially thought.
- The streaming landscape is evolving rapidly, and the rise of ad-supported streaming platforms is a testament to this. It's arguably a win-win situation: Viewers get to choose their preferred video tiers at a lower cost, while advertisers have more inventory they can purchase to reach consumers.

Attitudes Among US Adults Toward Advertisements on Select Platforms, Aug 2022

% of respondents



Note: ages 18-70; numbers may not add up to 100% due to rounding
 Source: quantilope, "US Streaming and Social Platforms Study 2022," Sep 22, 2022

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