

Seeking profitability, streamers increase subscription prices

Article

Streaming services were busy increasing subscription prices. It has become more expensive to avoid advertising, which is swaying more viewers to put up with ads.

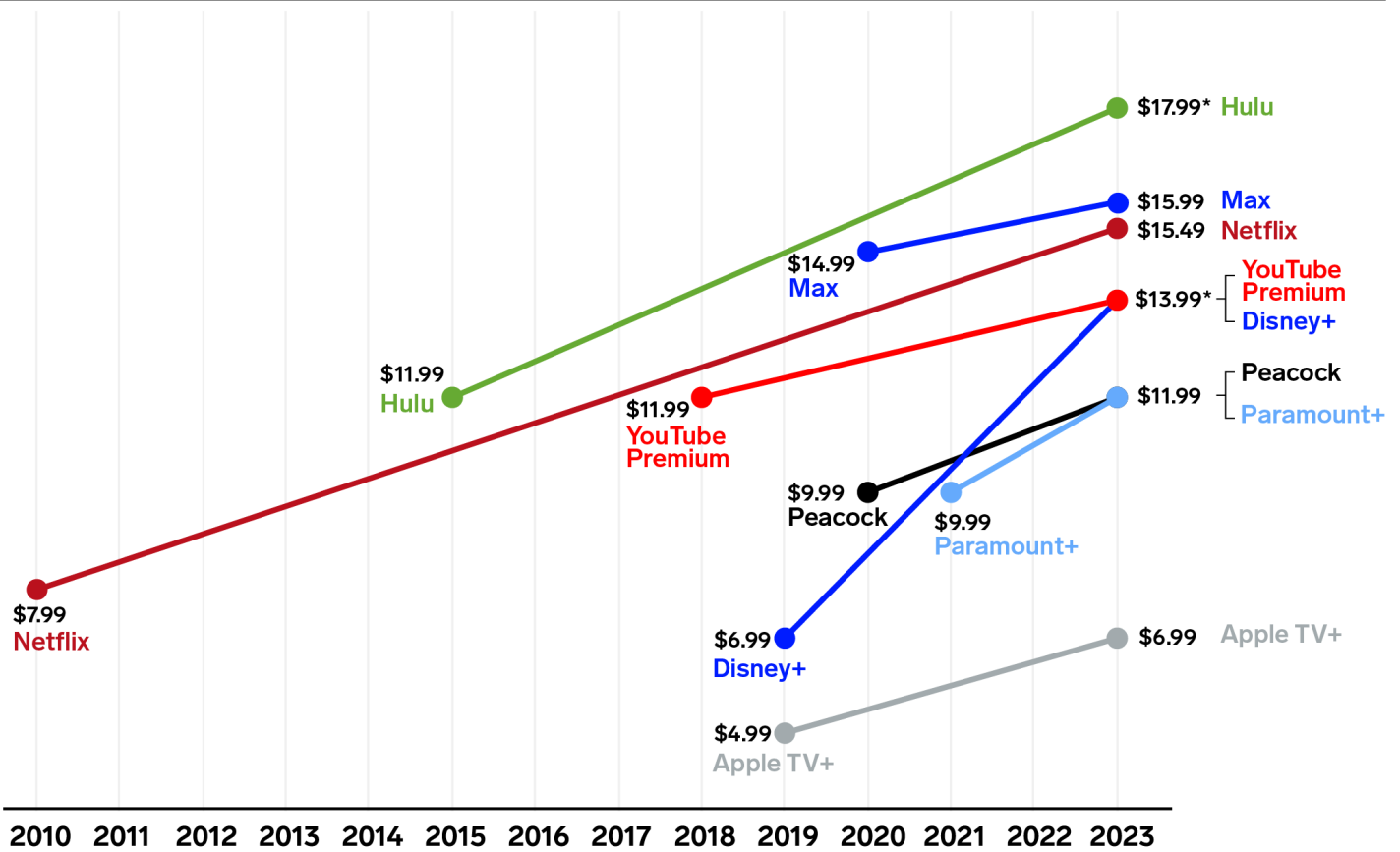
- **Most streaming services increased subscription prices this year.** Ad-free tiers of major streaming services increased by about 25% in the last year, according to The Wall Street

Journal.

- **Increased subscription prices contributed to more consumers choosing cheaper advertising tiers.** In June 2023, one-fourth of all subscription video sign-ups were ad-supported, up from nearly one-fifth in 2021, according to Antenna.
- **Advertising plans bring in more revenues per user than ad-free plans, which make them attractive to streaming services seeking profitability.** One way to incentivize advertising sign-ups is to expand the price difference between ad-free and ad-supported plans. Netflix accomplished this by eliminating its cheapest ad-free tier in July.
- **More price increases are likely to come.** After comparing streaming services' viewership market share with their average subscription prices, Bernstein Research concluded that Netflix, Hulu, and Peacock have the most room to increase prices.

Rise in Ad-Free US Subscription Video Prices From Launch Year to Present

US dollars, 2010-2023



Note: ad-free pricing; *Hulu and Disney+ prices as of October 2023

Source: company and media reports; Insider Intelligence | eMarketer research, Aug 2023

350547

Insider Intelligence | eMarketer

Report by Ross Benes Sep 26, 2023

Digital Video Forecast and Trends Q3 2023

