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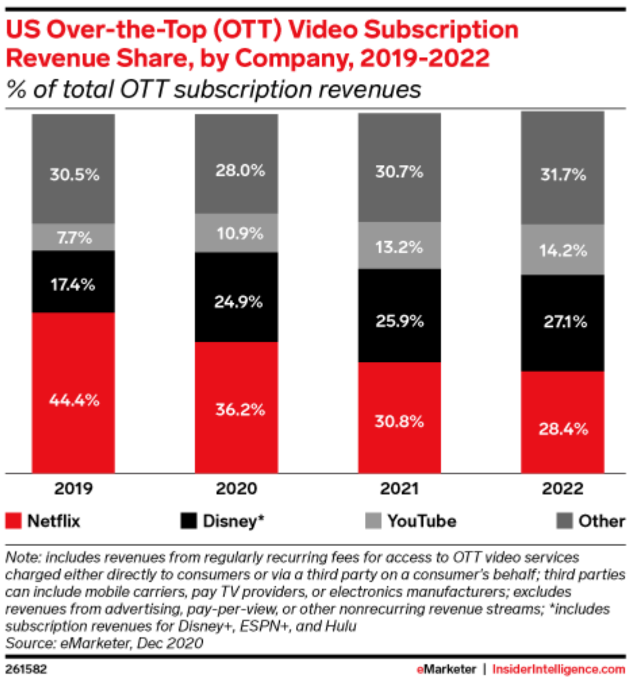
Netflix receives the most US OTT subscription revenues

Article

As more viewers leave traditional TV packages for streaming alternatives, there is a heightened interest in how much money is being spent on video subscriptions and which companies are benefiting from changes in consumer viewing patterns. In December 2020, we forecast video subscription revenues for the first time, in what will become an ongoing series of estimates. We define video subscription revenues to include revenues from regularly recurring fees for access to video services. This includes revenues from digital video and pay TV services; it excludes revenues from advertising and pay-per-view.

When we break out US OTT subscription revenues by company, Netflix, Disney, and YouTube are the largest recipients. (Our number for Disney combines revenues for Disney+, ESPN+, and Hulu.) In 2021, just under a third (30.8%) of all US OTT subscription revenues will go to Netflix. Disney will account for about one-fourth (25.9%) of OTT subscription revenues, and YouTube will account for 13.2%.



Netflix's share of total OTT subscription revenues is declining, but that's due to increased competition and a growing market, not to a decline in Netflix's subscriber base. Netflix had a banner year in 2020 and continued to add subscribers in North America even though it has become saturated in that market. We expect Netflix's US subscription revenues to increase to $11.76 billion in 2021, up from $10.64 billion in 2020.

YouTube and Disney, the next-largest companies in terms of OTT subscription revenues, receive subscription fees in numerous ways. Unlike Netflix, YouTube and Disney each operate a virtual multichannel video programming distributor, or vMVPD (YouTube TV and Hulu + Live TV, respectively), which is significantly more expensive than an on-demand streamer like Netflix. Even though vMVPD subscribers remain low compared with the most popular streaming products, the high fees of vMVPDs have a big impact on these companies' subscription revenues.

To learn more about how OTT continues to soar, Insider Intelligence subscribers can read our recent report:

Report by Ross Benes Mar 02, 2021

US Subscription Video Revenues 2021