

# 2022 Streaming Consumers: THE GREAT NEGOTIATION

## SVOD IS NOW CHASING AVOD:

New SVOD-to-AVOD paid plans are expected to alienate consumers, who are used to getting this content without ads, and often shared for free.

Disney's option is essentially a rate hike. Users pay the same but with ads, or pay ~40% more to not see ads.

72% of Netflix subscribers aren't interested in an ad-supported option.<sup>1</sup>

**If price can't convince users to convert, what will?  
Further crackdowns on account/password sharing.**

### Predictions:

**NETFLIX, THEN DISNEY+ WILL LIMIT ACCOUNT SHARING**  
*within 6 months of launching ad supported, forcing subscription.*

**SVODs WILL FACE CUSTOMER CHURN**  
*72% of Netflix subscribers aren't interested in ad-supported option*

**SVOD INVENTORY CPMS WILL DRASTICALLY INCREASE** *and the price per user will be passed along to advertisers*

## ADVERTISER IMPACT: SVOD » AVOD TIER

- **Ad budgets** aren't ready to support the influx of high priced inventory<sup>2</sup>
- Users forced into paid ad-supported subscriptions may be **less receptive to ads**, reducing brand impact
- **Demo scale and reach** impacts: SVOD password sharing peaks with 18-34 year olds, and they don't want to pay for ads

### STREAMERS UNDER 35:

**48%** share SVOD streaming passwords  
*(vs 30% of 36+)<sup>3</sup>*

**20%** more likely to prioritize no ads for their paid services<sup>4</sup>

### What price will streamers support? FREE.

Free with ads is a winning combo, and at Tubi, we're seeing that reflected in our growth numbers with viewership up 34% YoY.<sup>5</sup> This year, more streamers will continue to discover and enjoy totally free AVODs with large libraries of content, optimized user experiences, and low ad loads.

**The great streaming consumer negotiation has begun. And we're here for it.  
Tubi. Stream free.**

<sup>1</sup> Based on subscribers polled - The Streamable, July 2022

<sup>2</sup> AuditStar, Cortex "Media Inflation Outlook", July 2022

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<sup>3,4</sup> Qualtrics study (n=2,000), Q1 2022

<sup>5</sup> <https://investor.foxcorporation.com/>