



Consumer Trends: Cord Cutting on the Rise

The trend of viewing less live TV has accelerated. Among millennials (18-34 year olds), TV usage has been falling four percent a year since 2012 to only 66% viewing any live TV.

Byron Media has been tracking TV viewing patterns and found the delivery of media Over The Top (OTT) via the Internet is accounting for a significant and increasing share of total viewing. It has become the content provider of choice for many consumers.



Another key factor is streaming video on demand (SVOD) which offers unrestricted access to programming for a subscription fee. These two technologies combined are shaking up the world of media and entertainment. Consumers are embracing the idea of anytime, anywhere access to content.

While live TV viewing is experiencing this downward trend, data reveals that overall video watching has shown a consistent and marked uptick:

- 34% of viewers watch more video online than live TV.
- 75% of viewers watch streamed content several times a week.
- 77% of viewers watch scheduled broadcast TV several times a week.

Dr. Morse comments: "An indication of how much the digital landscape has changed is that in 2000 Netflix was offered to Blockbuster for what today seems like a ridiculously low price of 50 million dollars. Just a decade later it was Blockbuster that filed for bankruptcy. Currently, Netflix has 70 million subscribers worldwide."

The trend is especially clear when you consider that:

- There was a 22% drop in young adults (generally in the 20-39 age range) watching TV in primetime between 2011 and 2015.
- Overall live TV usage fell 11% between 2011 and 2015.
- The median age of the live TV audience is now 50 years old.
- 13% have smart TV's which natively stream apps like Netflix.
- 13% have a multimedia device like Apple TV.

But it is still important to remember that traditional TV viewers average 141 hours per month compared to the 14.5 hours watching video on mobile devices and PC's.

As viewers demand an increasing library of content and the ability to watch it at their convenience, SVOD gives consumers access to all the episodes in a season, allowing them to set their viewing schedule and pace.

consumers access to all the episodes in a season, allowing them to set their viewing schedule and pace. Bingeing also allows them to stay engaged in the series. 34% of those who pay for SVOD prefer that all episodes be available at once.

New technologies have also helped increase viewing time:

- DVR viewers spent 14 hours 20 minutes watching time-shifted TV, up from 13 hours 12 minutes just one year ago.
- Original content on OTT and SVOD give content producers more distribution options. Netflix uses highly popular programming such as *Orange is the New Black* and *House of Cards* to attract and engage subscribers.

Dr. Morse notes that “monetizing content is no longer solely decided by Nielsen ratings.” SVOD has a subscription model where subs pay for what they use. Even traditional ad driven content has had to get creative. Viacom (MTV, Comedy Central, Nickelodeon) indicates that 30% of its ad deals are non-Nielsen data based.

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Whether it's audience measurement, distribution or ad sales, marketing/promotion, multi-platform, or program content and scheduling, Byron Media has made the bottom-line difference for companies.

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