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S.O.S.

STATE OF STREAMING

2026 REPORT



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S.O.S. State of Streaming

This **S.O.S. State of Streaming Inaugural Annual Report** provides an in-depth look at the ongoing transformation of the video services landscape as the market continues to evolve from traditional pay TV to digital and streaming-based models.

The analysis captures key moments of industry transition, exploring how shifting consumer preferences, new business models, and emerging technologies are redefining the video experience and industry.

Drawing on Parks Associates' longitudinal survey data from 8,000 U.S. broadband households, the report offers a detailed view of adoption trends, engagement patterns, and the factors influencing loyalty and churn.

Thank you to Parks Associates
Future of Video Advisory Board



Thank you to **OTT.X** and **The.Desk.net** for the distribution and media partnerships.



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Elevation through Aggregation

Streaming has matured from fragmented services to curated ecosystems. Aggregation simplifies discovery, enhances convenience, and builds stronger customer loyalty, while helping providers balance content variety with user-friendly access.

Featured By:



Convergence of Content, Commerce, and Community

Streaming is evolving beyond entertainment. Platforms now integrate shoppable content, social interaction, and community features, creating new revenue streams while deepening consumer engagement and shifting behaviors.

Featured By:



Value vs. Cost: For the Love of Ads

Ad-supported tiers are reshaping subscription dynamics. Consumers weigh affordability against premium access, increasingly choosing ad-backed models that balance budget-conscious needs with continued access to expansive streaming libraries.

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Broadband Wars & Demand for Streaming

Competition is intensifying in broadband between fixed and wireless providers. MSPs are both enhancing their own IPTV strategies while working with streaming providers to become a cornerstone of the new home services bundle.

Featured By:



Sports and Live Content as Growth Engines

Live sports, concerts, and events remain powerful differentiators. Exclusive rights deals and live interactivity are transforming the viewer experience and subscriber acquisition strategies, particularly among younger demographics who expect real-time, social-connected experiences.

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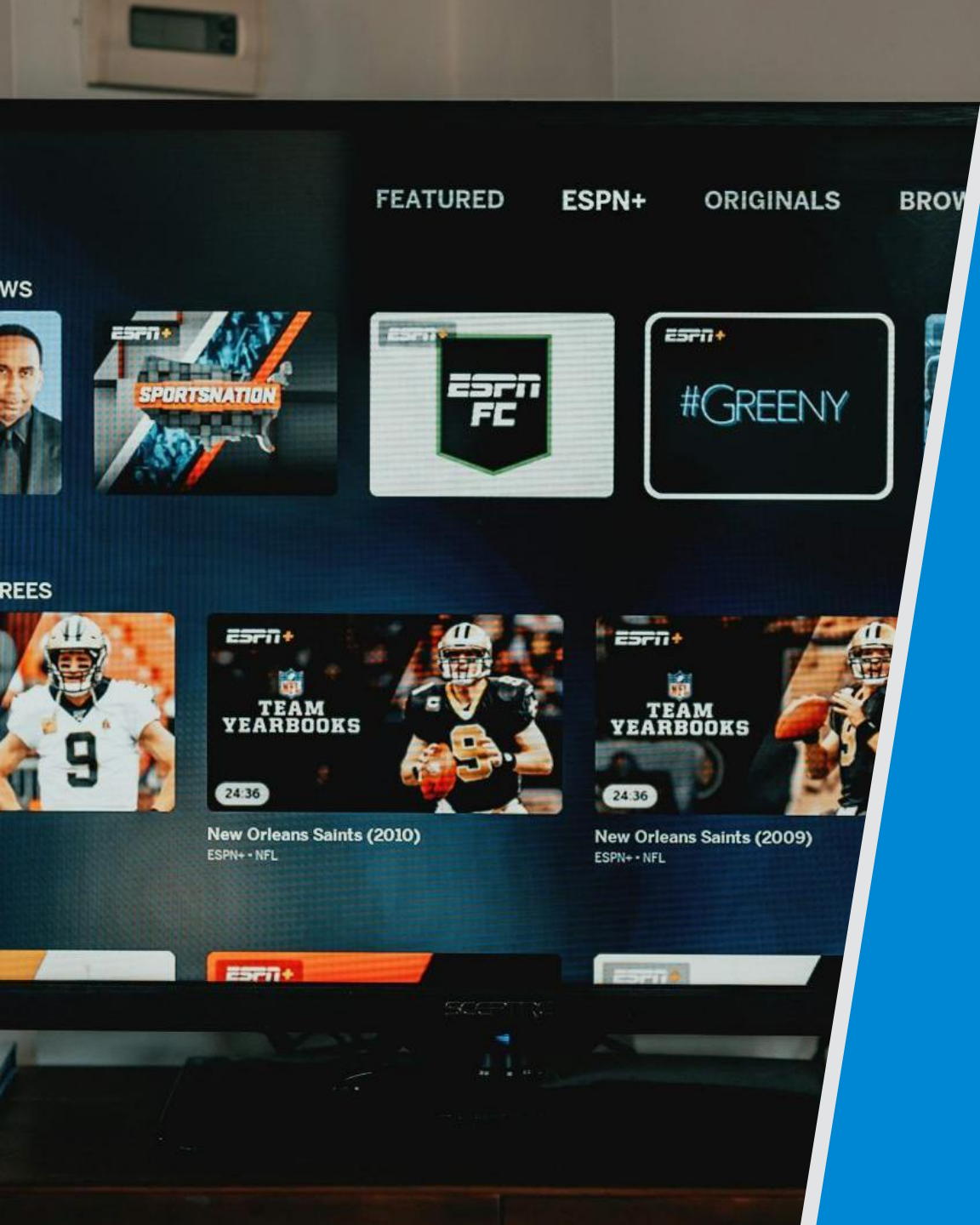


Consumers Drive the Future of Video

The future of video entertainment will be defined by consumer choice – in what types of content they watch and where they spend their dollars. The future favors players who adapt to changing consumer behaviors and leverage intelligence across the entire value chain while maintain consumer trust.

Featured By:





MARKET EVOLUTION

Video distribution has shifted dramatically, driven by technology innovation, evolving consumer habits, and new business models. The industry began with broadcast TV, where networks like ABC and CBS delivered free, ad-supported programming that defined the mass-market television experience.

The rise of traditional pay-TV through cable, telco, and satellite operators marked the peak of bundled video. Providers such as Comcast and DIRECTV expanded channel lineups under subscription models, generating strong revenues but creating consumer frustration over cost and lack of choice.

Broadband adoption enabled the next phase: streaming TV over-the-top. vMVPDs like Philo, YouTube TV and Sling TV replicated the live bundle online, appealing to cord-

cutters and younger viewers seeking flexibility across devices.

The most disruptive shift has been the surge of direct-to-consumer OTT services. Netflix, Disney+, and HBO Max popularized subscription streaming, while Pluto TV and Tubi scaled free ad-supported TV (FAST). Transactional options through platforms like Prime Video and Apple TV further expanded consumer choice.

Today, the ecosystem is highly fragmented, with households navigating a mix of subscription, ad-based, and transactional services. The industry continues to evolve toward flexibility, personalization, and hybrid monetization as providers compete to capture and retain audiences, and build profitable businesses suited for evolving viewer behaviors.

Video Services Ecosystem

Content Type	Over-the-Air Live/Linear	Traditional Pay TV Live/Linear	Streaming TV Live/Linear		Standalone (D2C) OTT Video Services Live/Linear and On-Demand Content		
Delivery Method	Broadcast	Managed Networks		Over-the-Top Video			
Provider Type	TV Stations, Broadcast Groups	Cablecos, Telcos, Satellite	From ISPs	From vMVPDs	Media Conglomerates, Tech Giants, Streaming Platforms, Studios, Sports Leagues, and other Rights Holders, Independent Services		
Business Model	Advertising	Subscription	Subscription		Subscription/Ad-Based	Free Ad-Based	Transactional
Service Examples	ABC	Altice	Xfinity NOW TV	YouTube TV	Netflix	Pluto TV	Prime Video
	CBS	Comcast Xfinity	Spectrum TV App	Hulu + Live TV	Hulu	Tubi	YouTube
	FOX	Cox	Sparklight TV	Sling TV	Prime Video	The Roku Channel	Apple TV app
	NBC	DIRECTV	Breezline TV Online	Fubo	Disney+	The Roku Channel	Fandango On Demand
	PBS	DISH	TDS TV+	Philo	Paramount+	XUMO Play	Google TV app
	CW	Verizon Fios TV	Fiberoptics+	Frndly TV	HBO Max	LG Channels	Plex
				DIRECTV	Peacock	Vix	Row8
					ESPN+	Sling Freestream	

Defining Pay-TV Service

Pay TV = a paid subscription to a television service that includes a bundle of live/linear channels. It may also include on-demand and transactional content

The market includes service from traditional pay-TV players such as cablecos, telcos, and satellite companies; and vMVPD players, companies that deliver streaming TV over-the-top.

Companies support a variety of access methods, including:

- Set-top boxes connected to televisions
- TV Everywhere (TVE) apps from participating channels
- Streaming TV apps or websites that allow customers to view channels on a mix of devices

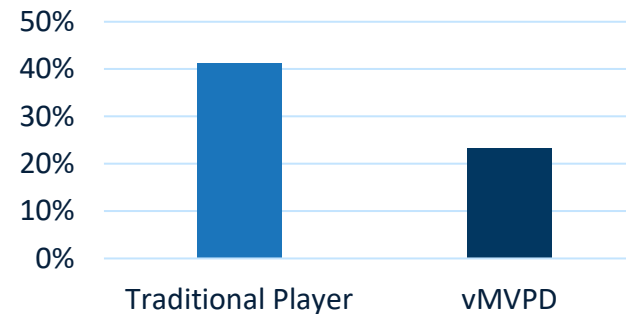
Market segments differ:

- **Legacy Pay-TV** is specifically delivered via set-top boxes (STBs) from traditional players. It is a subset of Traditional Pay-TV – services delivered from traditional players via delivery to STBs, as well as to those players’ own branded apps on consumer devices.
- **Streaming TV** is composed of both services from vMVPDs and from internet service providers. DIRECTV Stream and Sling TV are categorized as vMVPDs for the purpose of this research as their content is delivered over-the-top of other providers’ networks.

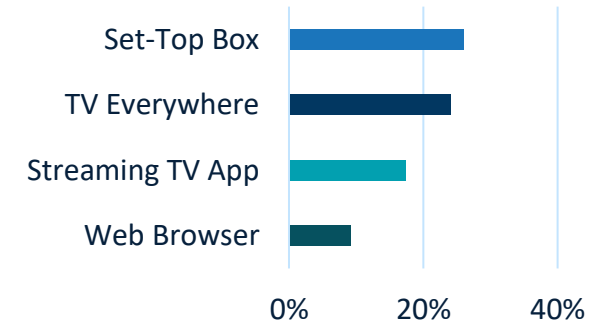
Cord-cutters at one point subscribed to a traditional player’s service, while cord-nevers have not.

Categories of Pay-TV Adoption

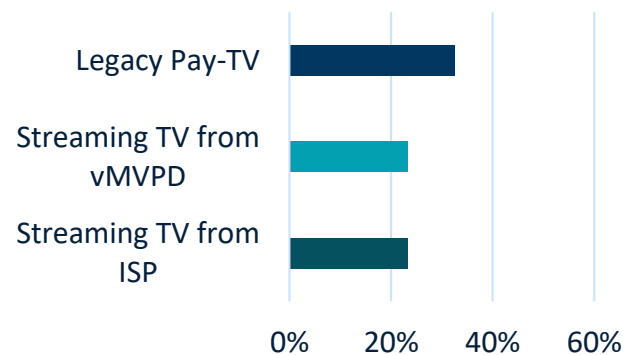
By Player Type



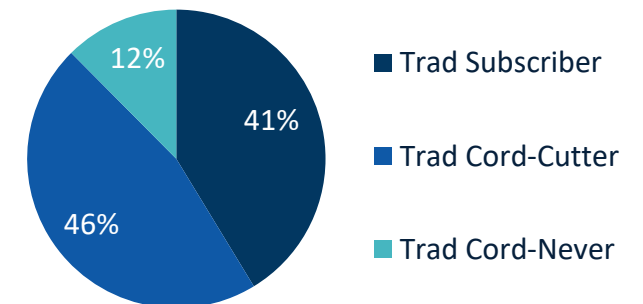
By Access Method



By Market Segment



By Current Subscriber Status



By Player Type

Traditional players still dominate Pay-TV adoption, but vMVPDs represent a growing share as consumers move to streaming delivery

- **Traditional Player (41%):** These are the legacy providers (cable, satellite, telcos) delivering TV via set-top boxes or their own apps.
- **vMVPD (23%):** Virtual multichannel video programming distributors like Hulu + Live TV, Philo, and Sling TV that stream linear TV over the internet.

By Access Method

While STBs remain the primary access point, app-based streaming access is significant and rising, showing how digital/mobile platforms are now central to Pay-TV experiences.

- **Set-Top Box (26%):** Still the most common method of access.
- **TV Everywhere apps (24%):** Apps tied to networks, accessible with Pay-TV credentials.
- **Streaming TV Apps (17%):** Dedicated apps from Pay-TV or vMVPD services that allow direct streaming.
- **Web Browser (9%):** Least common, used mainly for convenience viewing.

By Market Segment

The market is now fragmented, with legacy Pay-TV still sizable but streaming TV (from both vMVPDs and ISPs) making up nearly half of total Pay-TV adoption.

- **Legacy Pay-TV (33%):** Customers receiving service via set-top boxes from traditional providers.
- **Streaming TV from vMVPD (23%):** Internet-delivered TV bundles from services like Philo, Sling TV or DIRECTV Stream.
- **Streaming TV from ISP (23%):** Bundles delivered by ISPs (Comcast, Verizon, etc.) via streaming platform

By Current Subscriber Status

The largest group is **cord-cutters**, highlighting the ongoing decline of traditional Pay-TV. Cord-nevers are a smaller share, but they represent the **future consumer base** who may never adopt legacy TV models.

- **Traditional Subscriber (41%):** Still actively paying for legacy Pay TV.
- **Traditional Cord-Cutter (46%):** Previously subscribed to legacy Pay TV but have dropped it in favor of alternatives.
- **Traditional Cord-Never (12%):** Never subscribed to traditional Pay TV.

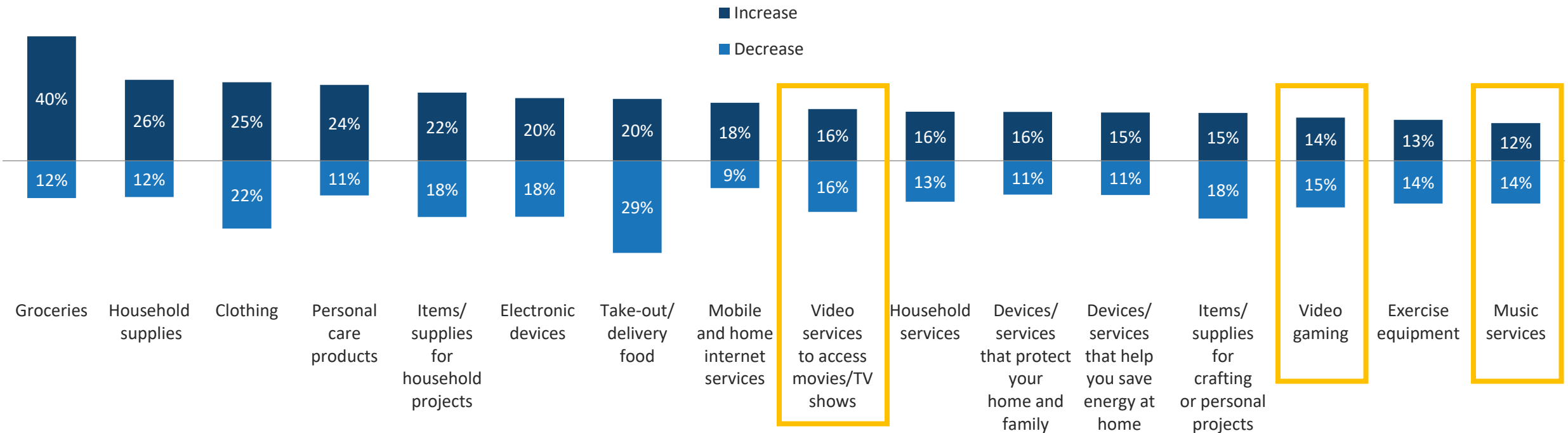
Households cut back on nice-to-haves while expect higher spending on essentials.

Spending increases remain concentrated in essential goods: 40% of households expect higher grocery expenditures and 26% expect increases in spending on household supplies. Households are looking to cut back on nonessential categories such as take-out food and spending on hobbies.

Households are split on spending expectations for digital and entertainment services including video, gaming, and music. An equal portion of households expect to cut spending versus increase spending – indicating stable, but cautious engagement.

Overall, the data reveal a shift toward essential goods and selective value-driven spending amid economic pressure.

Expectations on Household Spending over the Next 6 Months



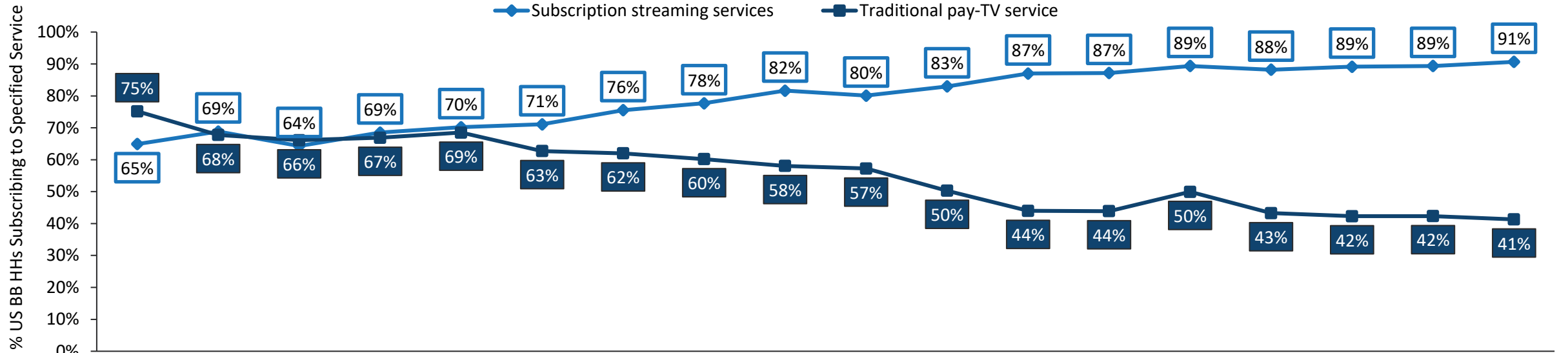
Among All Internet HHs

Subscription streaming service adoption expands to 91% of U.S. internet households; traditional pay-TV subscriptions decline to 41%.

The ongoing shift from legacy pay TV to online video platforms underscores a sustained migration from services operating over managed video networks to those operating over unmanaged video networks. Advertising dollars are rapidly following audiences, migrating from traditional broadcast and cable into digital video ecosystems where targeting, measurement, and interactivity redefine effectiveness.

This transformation has fragmented viewership and shifted power away from networks and traditional distributors toward platforms that control data, attention, and engagement, marking the full-scale reinvention of television as a digital-first, ad-optimized marketplace.

Penetration of Traditional Pay TV vs. Subscription Streaming Services



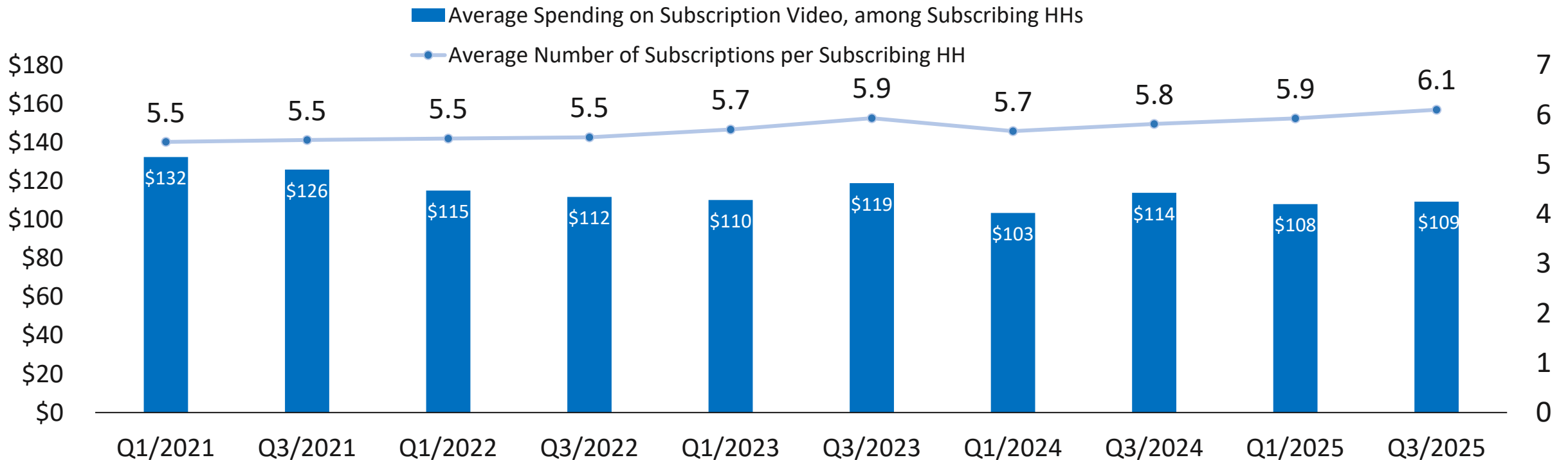
Q1/2017 (n=5,158, ±1.36%) Q3/2017 (n=5,009, ±1.38%) Q1/2018 (n=5,011, ±1.38%) Q3/2018 (n=5,011, ±1.38%) Q1/2019 (n=5,004, ±1.39%) Q3/2019 (n=5,028, ±1.38%) Q1/2020 (n=5,017, ±1.38%) Q3/2020 (n=5,000, ±1.39%) Q1/2021 (n=5,016, ±1.38%) Q3/2021 (n=5,015, ±1.38%) Q1/2022 (n=5,002, ±1.39%) Q3/2022 (n=5,008, ±1.39%) Q1/2023 (N=5,008, ±1.39%) Q3/2023 (N=8,003, ±1.1%) Q1/2024 (N=8,004, ±1.1%) Q3/2024 (N=8,004, ±1.1%) Q1/2025 (N=8,000, ±1.1%) Q3/2025 (N=8,009, ±1.1%)

The video service subscription market generates \$147B in revenue in the US.

93% of US internet households pay for at least one TV or video subscription (cable, satellite, IPTV, vMVPD, or SVOD), and these households have, on average, 6.1 video services across all these service types.

These households spend on average \$109 across all of those subscriptions for a total Subscription Video Service Economy of \$147B in the US. This does not include advertising revenues or transactional revenues generated by video downloads or rentals.

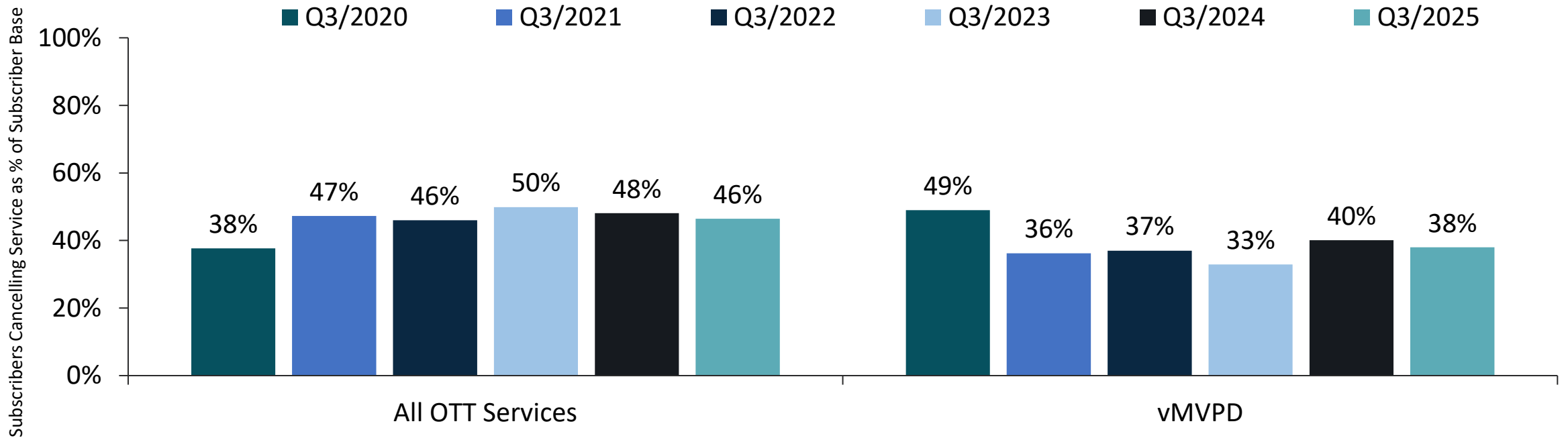
Subscription Video Service Market Economy



Churn is the new normal, with annualized churn rates of greater than 30% across streaming video.

vMVPD services show lower churn (more stable subscriptions) due to the enduring appeal of live sports and bundled offerings. Streaming (OTT/SVOD) services have higher churn rates, but overall volatility is easing as ad-supported tiers and bundles are helping to reduce cancellations. This indicates a structural shift toward rotation and re-subscription—consumers are not abandoning services entirely but cycling through them based on content availability and perceived value. Additionally, the top eight SVODs have churn rates below the industry average, with Netflix and Prime Video both in the single-digits.

Trends in OTT Video Subscriber Churn

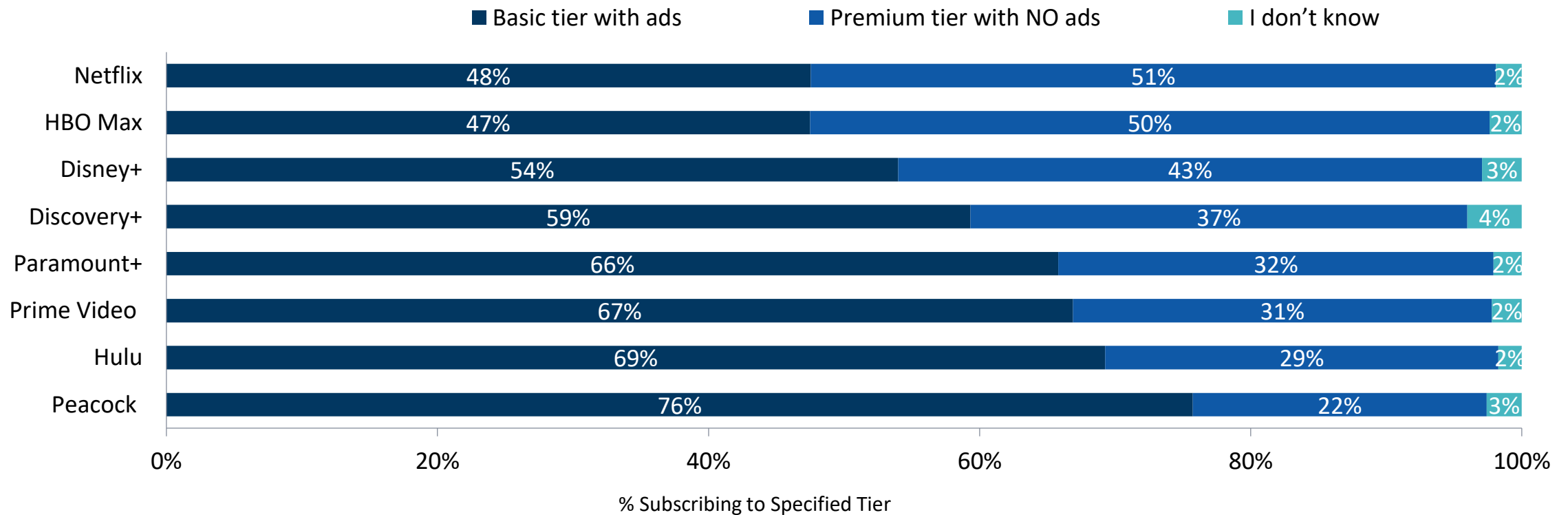


Ad-supported plans have become the default consumer choice.

Most of the leading SVOD services – except Apple TV+ – operate under a hybrid model, offering both ad-free and ad-supported plans to viewers. Now, 69% of US internet households use at least one ad-based tier across the leading 8 SAVOD (Subscription Ad-based Video Services).

Across all major SVOD services, ad-supported tiers have gained significant traction. Peacock and Hulu, which launched day one with ad-supported plans, lead with ~70%+ ad-plan users. Prime Video is benefiting from migrating its entire user base to its ad-supported tier when it launched and requiring subscribers to upgrade to the premium tier if they don't want ads. Netflix, Disney+ and HBO MAX all added an ad-supported tier but made it voluntary for subscribers to choose this tier. **The adoption of ad-supported tiers democratizes access while sustaining ARPU through ad yield. Ad-tier normalization signals a long-term hybrid revenue model.**

SVOD Subscription Tier: Ad-Based vs. Premium



Among US Internet HHs Subscribing to Specified Service

Annual Release: Top 10 SVODs by Subscribers

	2020	2021	2022	2023	2024	2025
1.	NETFLIX	NETFLIX	prime video	prime video	prime video	NETFLIX
2.	prime video	prime video	NETFLIX	NETFLIX	NETFLIX	prime video
3.	hulu	Disney+	hulu	hulu	Disney+	hulu
4.	Disney+	hulu	Disney+	Disney+	hulu	Disney+
5.	ESPN+	HBOmax	HBOmax	max	peacock	peacock
6.	HBOmax	ESPN+	ESPN+	Paramount+	max	Paramount+
7.	Apple TV+	Paramount+	Paramount+	ESPN+	Paramount+	HBOmax
8.	CBS ALL ACCESS	Apple TV+	Apple TV+	peacock	Apple TV+	Apple TV+
9.	SHOWTIME	STARZ	peacock	Apple TV+	ESPN+	YouTube Premium
10.	STARZ	SHOWTIME	STARZ	YouTube Premium	YouTube Premium	ESPN+

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Elevation through Aggregation

The television and video landscape is undergoing significant transformation. Average monthly household spending on video subscriptions in the U.S. among all Internet households has declined from \$124 peak during the pandemic in 2021 to \$101 in 2025, reflecting cost-conscious consumer behavior, the erosion of traditional pay TV, and plateauing growth in subscription video-on-demand (SVOD).

Virtual multichannel providers (vMVPDs) face similar pressure as households scrutinize value and optimize their entertainment mix. **Amid this reshuffling, Philo stands out as a nimble, budget-friendly alternative, targeting consumers who want entertainment-oriented live and on-demand content without the higher costs of sports or local channels.**

With 1.3 million subscribers and \$450 million in revenue in 2024, Philo is positioned to expand its footprint by leaning into innovative monetization and differentiated offerings.

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Elevation Through Aggregation: A Deeper Look

Streaming has matured from fragmented services to curated ecosystems.

Aggregation simplifies discovery, enhances convenience, and builds stronger customer loyalty, while helping providers balance content variety with user-friendly access.

Featured by:

The logo for Philo, featuring the word "philo" in a bold, lowercase, sans-serif font.

Streaming TV has entered a new phase of maturity, as the streaming market moves from a fragmented collection of standalone apps into more curated ecosystems where aggregation is key to value creation. For consumers, the shift has been significant.

Despite higher costs than many standalone subscriptions, consumers still find strong value in these services. The number one reason cited for switching away from traditional pay-TV remains cost: legacy services were too expensive. Meanwhile, vMVPDs are outperforming traditional pay-TV in customer satisfaction, posting higher Net Promoter Scores and experiencing churn rates below the streaming industry average. This improved user experience reflects investments in cleaner interfaces, smarter recommendations, and expanded content offerings.

To maintain engagement, providers are branching out well beyond live channel lineups. Free ad-supported streaming television (FAST) channels have emerged as a critical complement, offering a low-barrier entry point for consumers while generating new advertising revenue streams. Bundling has also become central to strategy: many services now package premium SVOD offerings alongside core channel lineups to deliver convenience and reduce consumer fatigue.

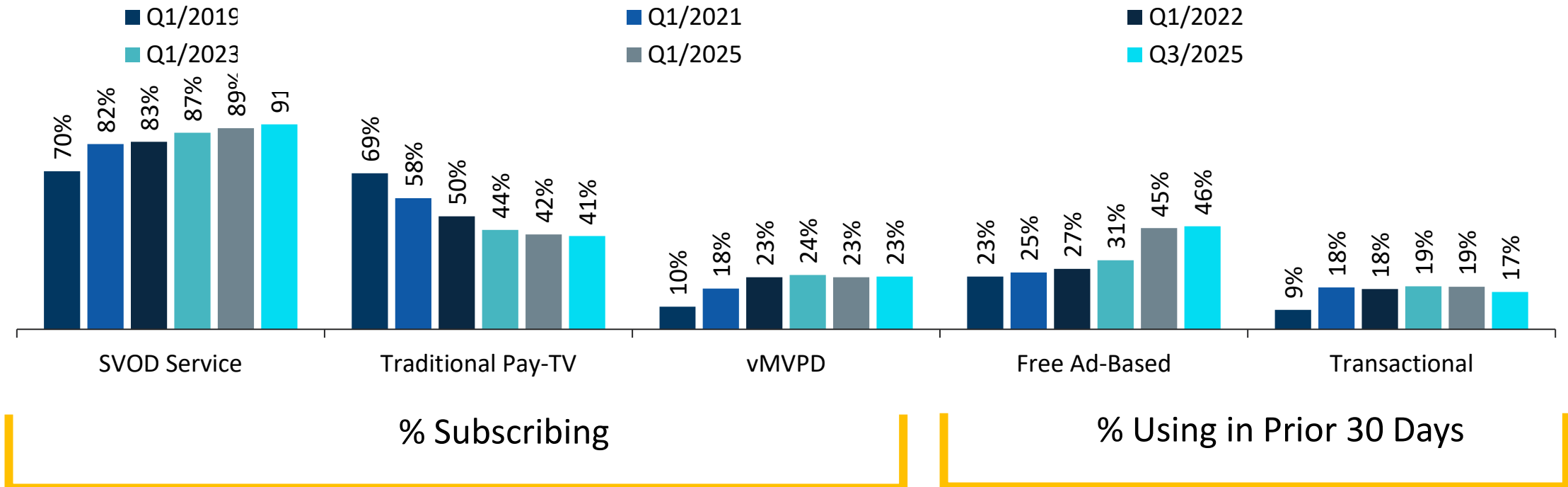
For providers, aggregation is about building sustainable hybrid business models. By combining subscription, ad-supported, and bundled experiences into cohesive offerings, streaming platforms can retain viewers, deepen loyalty, and create new opportunities for advertisers.

OTT video use is growing across all business models, signaling a hybrid future.

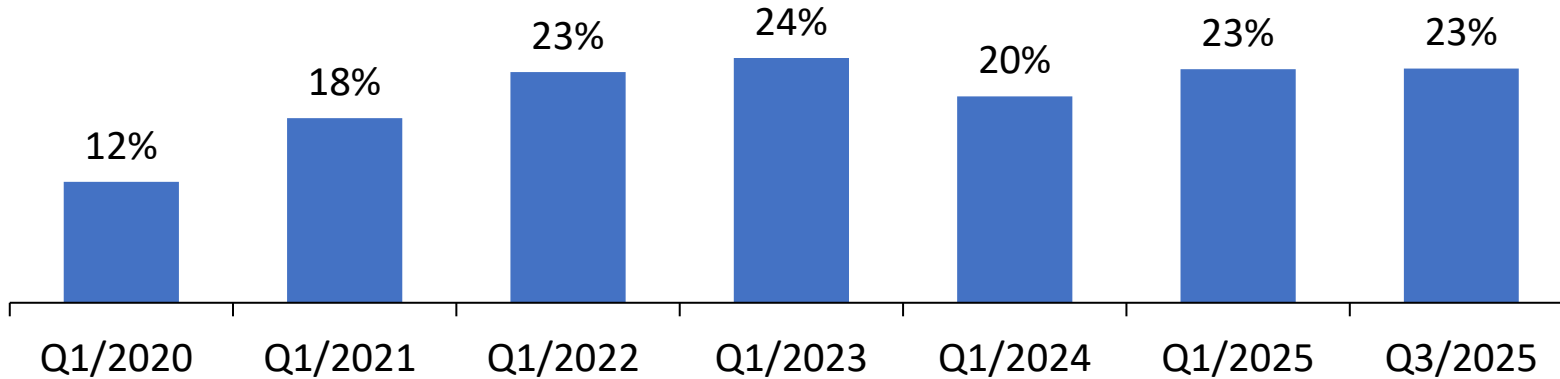
Subscriptions still lead, but ad-supported and free-with-purchase services are gaining momentum. Audiences are highly adaptable, moving between paid and ad-supported tiers based on value and affordability. Advertising is now a cornerstone, helping platforms lower costs while delivering premium content. The right bundles that combine subscription strength with ad-supported flexibility will drive loyalty and long-term growth.

Consolidation across providers will reshape the competitive landscape, with fewer but stronger bundles emerging. At the same time, **new FCC rules could bring shifts** in how streaming services package, price, and present content to consumers.

Use of OTT Video Services in Past 30 days, by Business Model

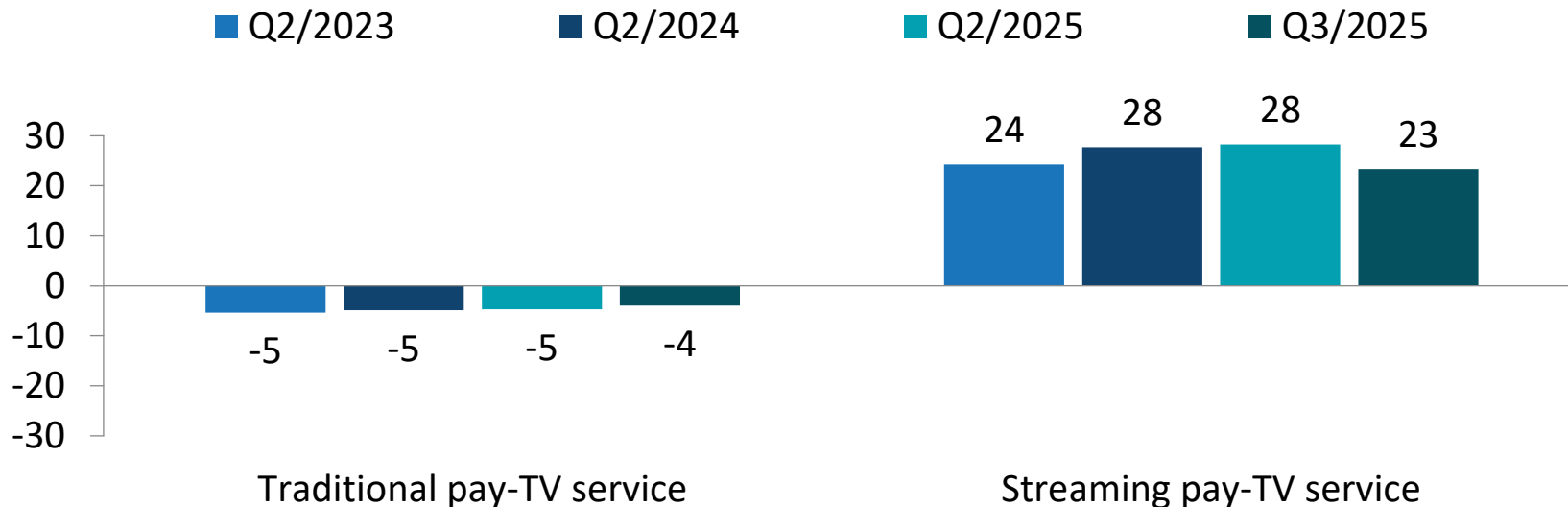


vMVPD Service Subscription



23% of US Internet households, or 28M households now subscribe to a vMVPD service, up from 12% adoption in 2020.

Net Promoter Scores by Sector



Consumer Fatigue is Rising

Lower NPS scores show households are less satisfied with streaming value, costs, and content fragmentation.

Opportunity to Differentiate on Simplicity vMVPDs can position themselves as the “one-stop shop” for live TV plus streaming access, offering aggregation and convenience in a market where OTT feels fragmented.

Churn Management is Critical

Falling loyalty signals churn risk. Service providers must invest in better user experiences, hybrid ad-supported tiers, and strategic bundles with broadband or devices to retain customers.

US Internet households spend ~\$103/month on subscription video, representing ~\$147B in spending.

Shift Away from Traditional Pay-TV

The greatest losses in spending after a spike during the pandemic have occurred in traditional pay-TV, where spending is shrinking, showing consumers prefer flexibility and new TV options.

SVOD Resilience

Despite competition and subscription fatigue, SVOD spending remain stable, accounting for the bulk of spend.

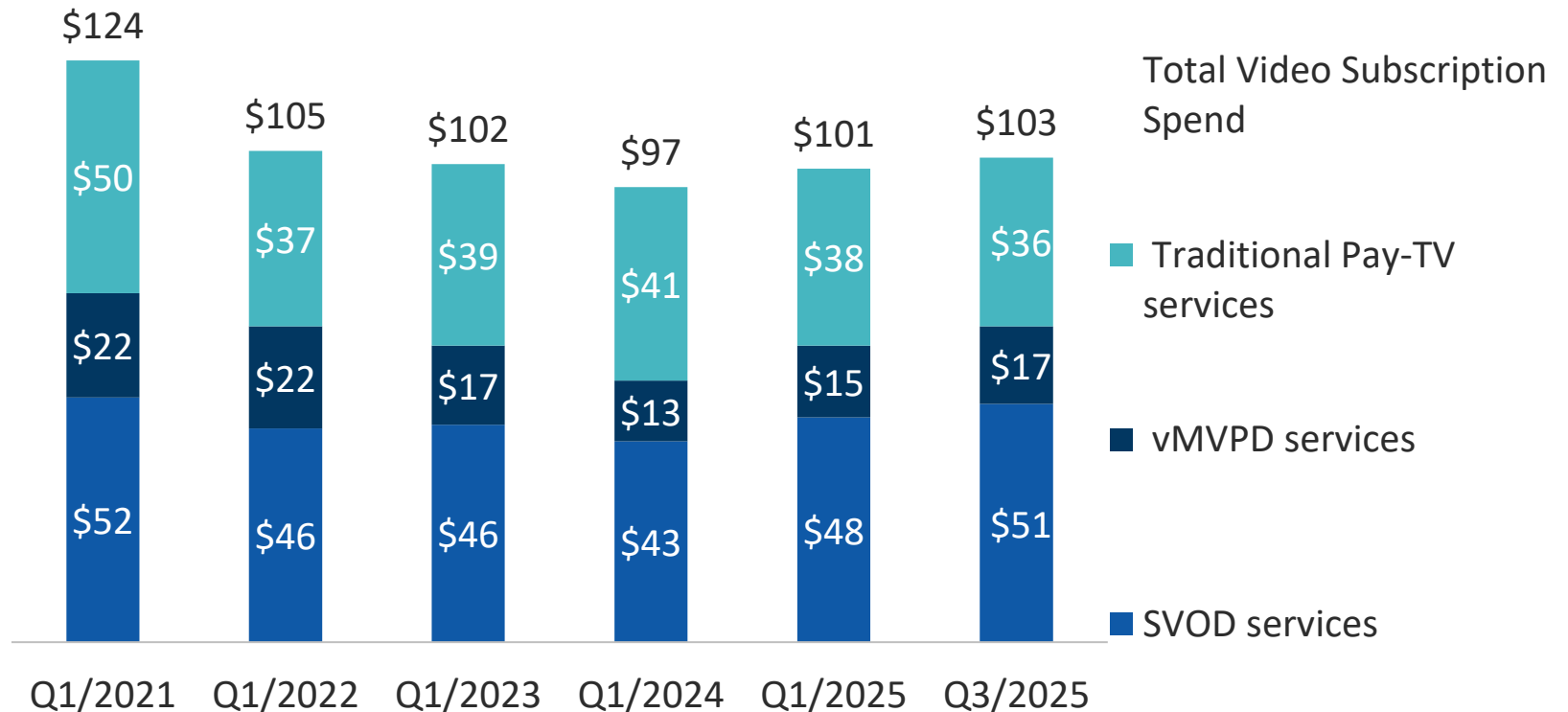
Flattening Spend

The stabilization in 2025 (\$103) after declines suggests households have reached a new baseline for video spending.

Cost-Conscious Choices

Consumers are optimizing their streaming mix, possibly rotating subscriptions or cutting redundant services to manage costs.

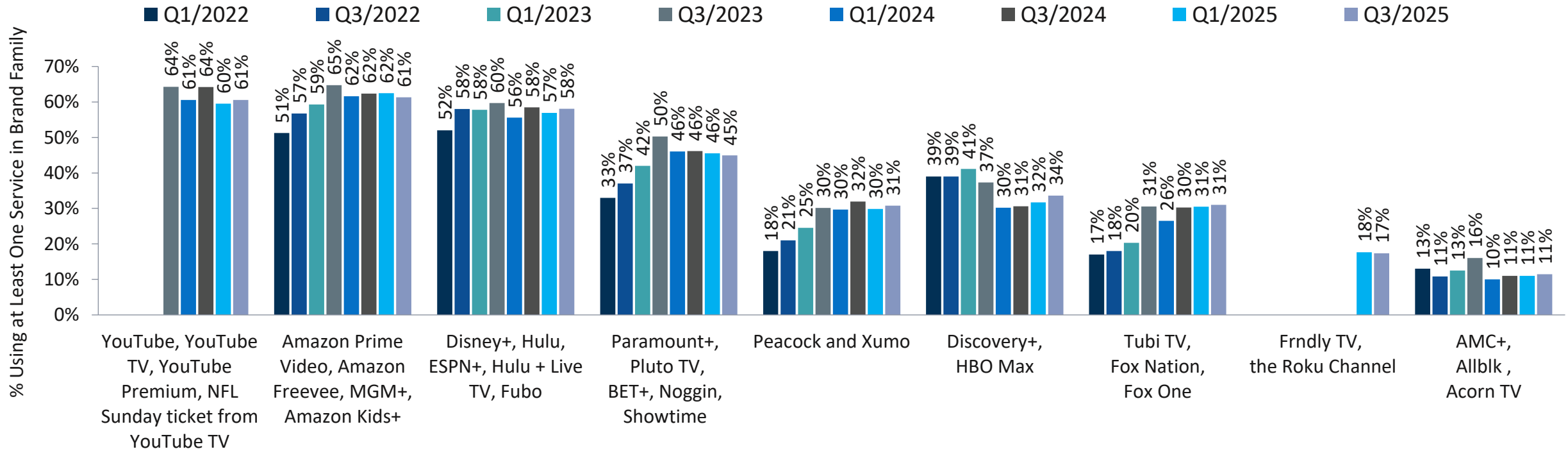
Average Spending on Subscription TV and Video Services Per US Internet Household



A new hybrid marketplace is emerging for viewers and advertisers alike.

Leading players are stitching together different business models: premium SVOD for loyal subscribers, FAST channels for casual, ad-supported viewing, and vMVPDs for live TV holdouts creating a new streaming landscape where households juggle multiple services and advertisers chase fragmented but valuable audiences. **Philo** recently joined this trend by bundling the ad-supported tiers of HBO Max and Discovery+ into its Core package, raising the price from \$28 to \$33/month, thereby deepening its hybrid strategy. Philo also offers a selection of free, standalone channels accessible without a paid subscription and previously integrated AMC+ content directly within its platform, giving subscribers access to AMC Networks’ premium shows alongside its core channel lineup.

Streaming Video Service Use by Parent Companies



Consumers value free ad-based options as part of their viewing mix.

Free matters

With 62% of FAST/AVOD viewers choosing free OTT because there's no fee, video service providers and platforms should consider ad-supported or promotional bundles to address cost-sensitive viewers.

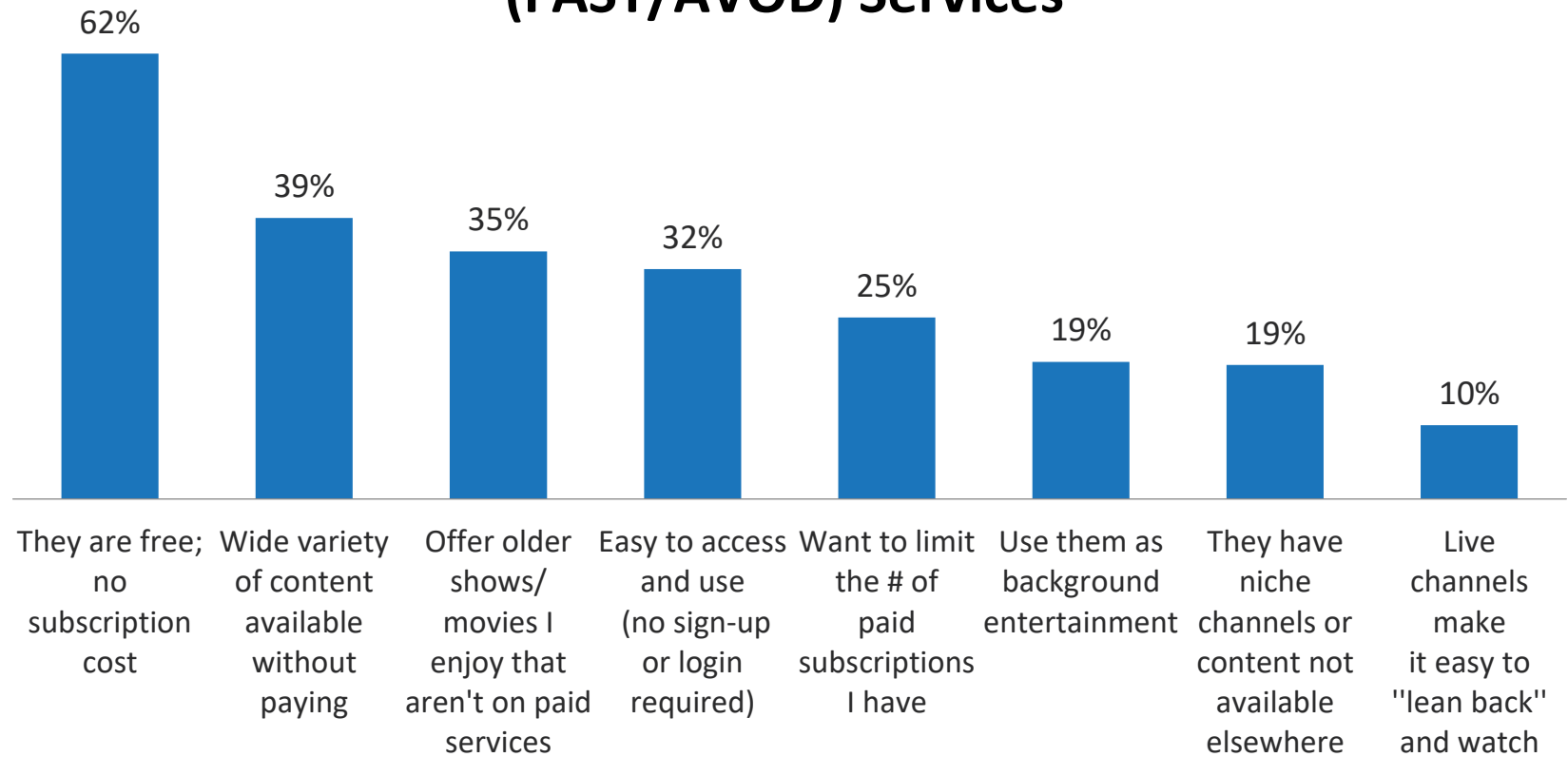
Content drives choice

39% watch free channels because of the variety of content available and 35% enjoy access to older shows and movies, reinforcing the value of exclusive channels and programming in vMVPD offerings.

Ease of viewing is paramount

32% like that free services are easy to use and one in five watch them as background entertainment, helping "pass the time." vMVPDs that offer free channels serve a variety of viewer needs by selves as the go-to for premium, must-watch live content.

Reasons for Watching Free, Ad-based Streaming (FAST/AVOD) Services



Among Free Ad-Based OTT Users, n=1,599, ±2.45% |

Our ultimate goal is to provide a unified and as seamless as possible experience for users. We realize that success depends on meeting people where they are—which is why we've combined the best of linear, free ad-supported, and premium SVODs into the Philo experience.



Reed Barker
Head of Ads, Philo

Our partnerships with premium SVODs—first by integrating AMC+'s library into Philo last year, and now by adding included access to HBO Max and discovery+—are clear examples of our strategy in action. We take the same approach we always have: letting customer behavior guide us and expanding thoughtfully to meet their viewing needs. It's about quality and value—bringing in partners and content that truly enhance the experience and drive retention, while keeping prices fair. Our goal is to continue building the best entertainment value in streaming and maintaining the seamless experience our customers expect from Philo.



Mike Keyserling
COO, Philo

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Data driven.
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Value vs. Cost: For the Love of Ads

In the early days of streaming, services prioritized building subscriber bases by offering lower price points, ad-free programming, and heavy investment into original content. Today, streaming providers face mounting pressure from rising production, licensing, and distribution costs, as well as increasing demand from investors to demonstrate financial returns. This is coupled with consumers cutting back by canceling subscriptions or switching to ad-supported or free services.

Companies today must not only invest in content but do so while generating profit – a constant challenge. **Advertising is critical to the profitability of entertainment content and video services.**

Free ad-supported services and ad-supported tiers of subscription services are changing the cost/value dynamic.

Consumers weigh affordability against premium access, increasingly choosing ad-backed models that balance budget-conscious needs with continued access to expansive streaming libraries.

How we watch—and pay for—TV has fundamentally changed.

Viewers once paid for bundled channels; now they're trading attention for value, accepting ads in exchange for access to premium streaming content.

Advertising is the cornerstone of the TV business model.

As smart TVs and connected platforms take control of the viewing experience, targeted advertising delivers new revenue opportunities.

Featured by:



Advertising plays a crucial role in today's streaming ecosystem by enabling service providers and CTV platforms to diversify revenue beyond subscriptions and reach profitability through ad-supported tiers. It provides advertisers with access to highly engaged audiences in broadcast-style environments while leveraging digital precision for personalized targeting. Moreover, innovations like AI-powered, interactive, and shoppable ads are transforming advertising into a key differentiator that enhances viewer engagement and drives measurable value.

As smart TVs become the dominant connected TV device, present in 68% of U.S. internet households, the TV business is shifting toward maximizing ad exposure through control of the TV operating system. With platforms like Tizen, Roku OS, and Fire OS powering 65% of households, OS vendors now serve as key gatekeepers, determining app placement, data collection, and advertising opportunities.

The rise of addressable home-screen ads transforms the TV interface itself into premium ad real estate, allowing targeted campaigns at the first point of engagement and driving new competition for ad dollars between device makers and content providers.

As service providers continue to raise prices to ensure long-term stability and profitability, advertising is critical to keeping the price/value equation in balance for viewers, who have more options than ever to spend their leisure time on alternative digital activities (e.g., social, gaming).

Ad-supported tiers dominate as streaming strategies evolve.

Hybrid strategies gain traction

Major platforms like Hulu, Amazon Prime Video, and Paramount+ see two-thirds or more of their users choosing ad-supported options, balancing affordability with advertiser revenue.

Premium ad-free faces pressure

Services like Apple+ must maintain their value perception without offering a more accessible option with ads.

Netflix's partnership with Amazon accelerates its ad-tier growth by leveraging Amazon's massive advertiser network, signaling its evolution into a multi-revenue global media brand.

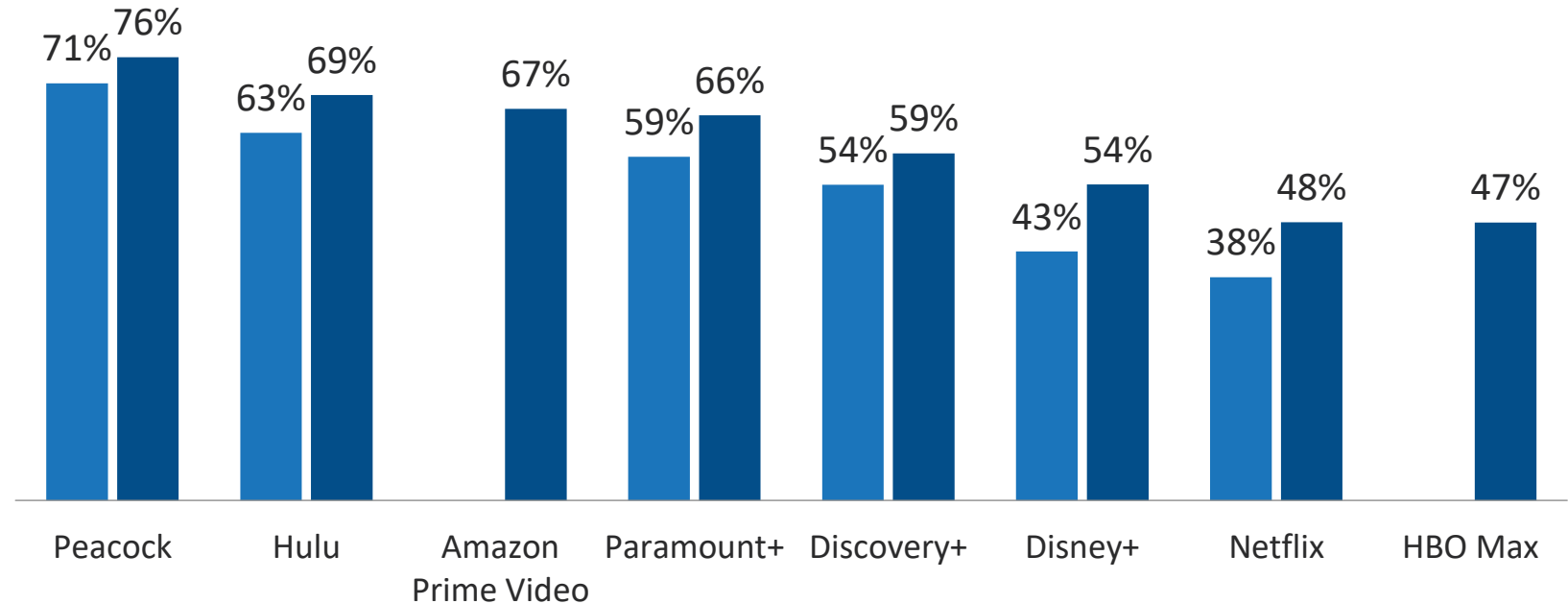
Meanwhile, Amazon strengthens its role as the central hub for streaming ad buying—linking retail, data, and media—to deliver measurable, personalized advertising that redefines how brands connect with viewers across platforms.

% of Subscriber Base on Ads Tier for Major SVOD Services

Among Subscribers to Specified Services

■ Q3/2023

■ Q3/2025

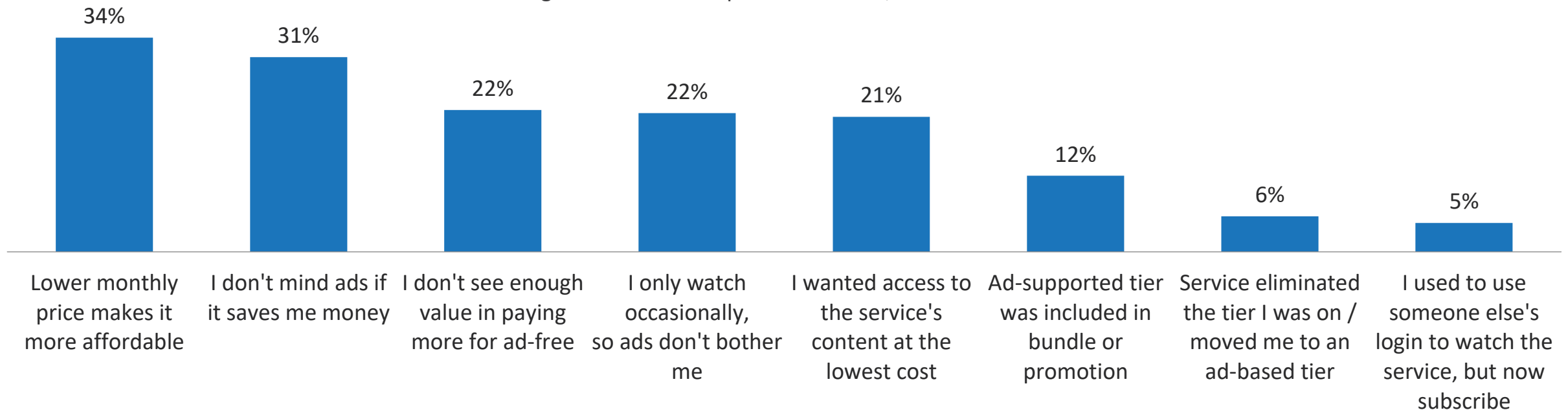


Affordability drives ad-supported streaming and provides an alternative to cancellation.

On Average, US internet households subscribe to 5-6 SVOD services, which has seen only slight uptick in the past 4 years, after a dramatic rise in the number of SVOD subscription per household during the pandemic. Rising service pricing, plus overall strain on household budgets from inflation, has slowed service adoption. Ad-supported tiers help ward off cancellations while services simultaneously rise prices, enabling viewers to continue to access the content they want, but at a more affordable price. Only small segments of subscription ad-based viewers report being forced onto an ad-tier, indicating that cost-conscious viewing, not promotional tactics, underpins ad-tier adoption.

Reasons for Choosing Basic SVOD Tier with Ads

Among Subscribers to Top SVOD Services, on the Ad-Tier Plan



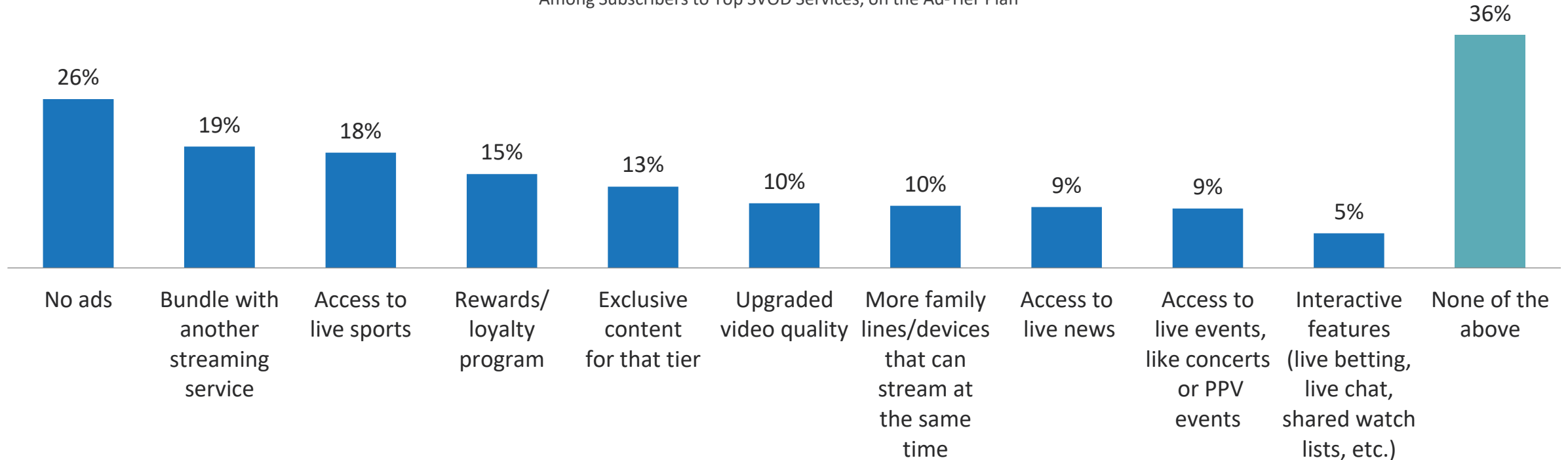
A third of ad-tier subscribers are fully satisfied with their service; but many could be convinced to upgrade for more value.

Removing ads is attractive, but only if the price is right. \$10 is a typical price differential between with-ads and ad-free tiers, though differences vary by service. Bundling helps the economics of subscribing – an ad-free tier makes more sense if additional services are bundled in for the cost.

Access to live sports is another differentiator that clearly provides value for the money.

Drivers for Upgrading from Ad-based to a Premium Tier for \$10 more/Month

Among Subscribers to Top SVOD Services, on the Ad-Tier Plan



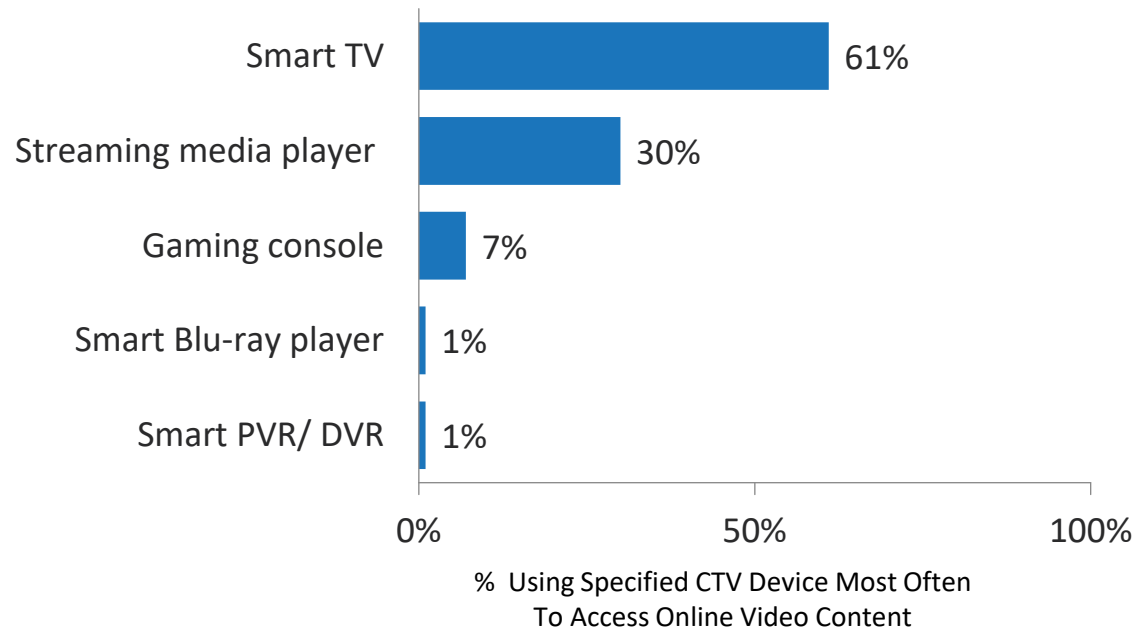
Smart TVs are the primary CTV device, and a growing ad platform.

TV operating system vendors are the gatekeepers of the connected TV experience, controlling which apps and services are available and how they are positioned on the device. They also collect and monetize user data through advertising and third-party sales. A newer trend is addressable advertising on the home screen itself, which shifts this space into high-value ad inventory.

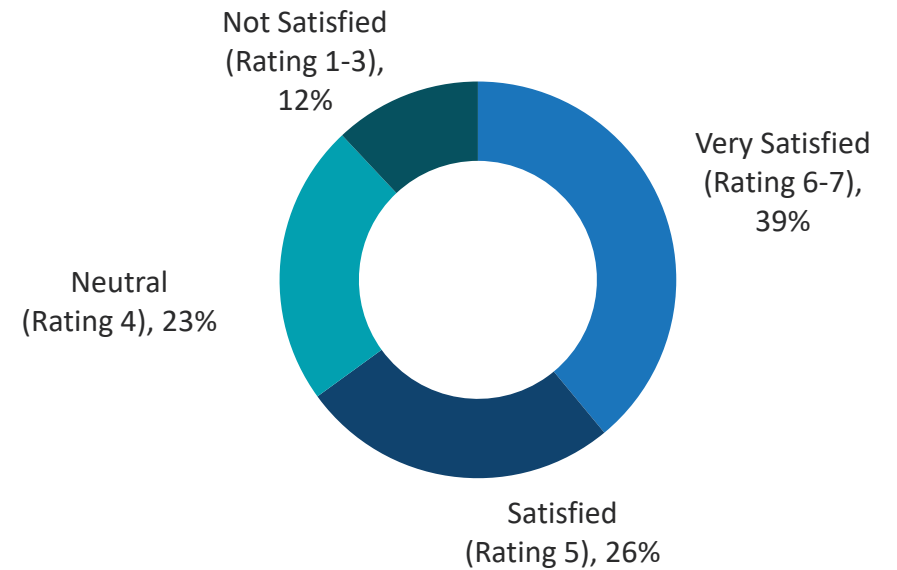
By delivering ads tailored to viewers' interests at the first point of engagement, OS vendors strengthen their position in the market and increase competition with service providers for consumer attention and ad dollars. So far, consumers are tolerant of the ad experience on TVs, with 65% saying they are satisfied with the amount and placement of advertising around the navigation screen, and just 12% actively dissatisfied.

Primary Streaming Video Device

Among US Internet HHs with at Least One CTV Device



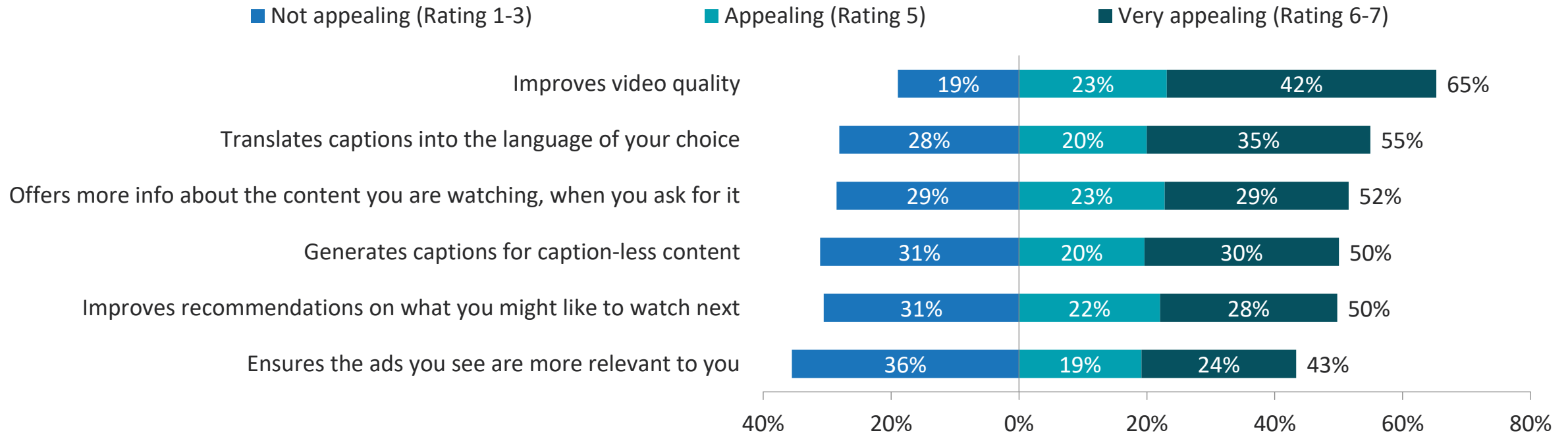
Satisfaction Ads on Smart TVs



Viewers are widely open to AI to enhance the viewing experience including relevant ads.

This type of “invisible AI” that works behind the scenes is table stakes and generally agreeable to consumers. New applications can go further in improving the viewing experience, with translated content and captions and additional information provided for the content. Personalization in the form of recommendations and more relevant ads – while ranking lower relative to other viewing-based AI applications, still rate in the top half of all AI applications tested.

Appeal of AI Applications to Enhance the Viewing Experience





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For over 50 years, InterDigital has designed and developed foundational technologies that enable us to connect, experience, and impact the world like never before. InterDigital's research and innovation is at the heart of the world's most advanced wireless, video, and AI-powered products.



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STATE OF
STREAMING

▶ **Sports & Live
Content as
Growth Engines**

FEATURED BY:

 **SKREENS**



Sports & Live Content as Growth Engines

The sports-streaming market is rapidly evolving as younger generations drive a shift from passive watching to active participation. Fans expect immersive, interactive experiences blending live stats, social engagement, personalized highlights, and AR/VR elements. These digital-native viewers favor mobile, multiview, and customizable experiences over traditional broadcasts.

This evolution redefines sports consumption while expanding monetization through engagement-driven insights.

Interactivity is the next frontier—transforming sports viewing into an integrated, participatory ecosystem that captures younger audiences and fuels new growth opportunities.

Skreens sits at the intersection of live-sports streaming, cloud-video personalization, and experiential monetization, helping operators turn interactive, multiview demand into deeper engagement and revenue growth.



Sports & Live Content as Growth Engines: A Deeper Look

Interactivity has become the cornerstone of sports engagement, transforming passive viewership into an immersive, data-driven, and emotionally connected experience.

Success will hinge on balancing exclusive content and accessibility to deliver seamless, value-rich experiences across multiple platforms that sustain audience loyalty.

Featured by:



The global sports streaming market is transforming as younger, digitally native audiences demand more personalized and interactive experiences. These viewers expect engagement that mirrors gaming and social media, incorporating real-time statistics, social chat, alternate camera angles, augmented and virtual reality features, and prediction games. Such interactivity turns sports into participatory experiences that build emotional connection and long-term engagement.

For younger fans, the excitement extends beyond the live event. They value community through live commentary, fantasy integrations, influencer content, and personalized highlights. Mobile-first and multiview formats enable them to combine social media and video streams seamlessly, offering flexibility and control that traditional broadcasting cannot match.

This shift toward interactive, streaming-first delivery is redefining sports broadcasting economics. Leagues and teams are moving away from traditional rights deals toward direct-to-consumer subscriptions, pay-per-view models, and exclusive digital offerings. Streaming platforms such as Amazon Prime Video and Apple TV+ are investing heavily in live sports to attract and retain younger audiences. Yet as content fragments across services, consumers face higher costs and more complex access models.

Streaming also expands visibility for emerging sports such as esports, surfing, and rugby, helping brands to connect with hard-to-reach but passionate communities. Interactivity is now the standard for engagement, reshaping the sports experience into a dynamic, data-driven form of entertainment.

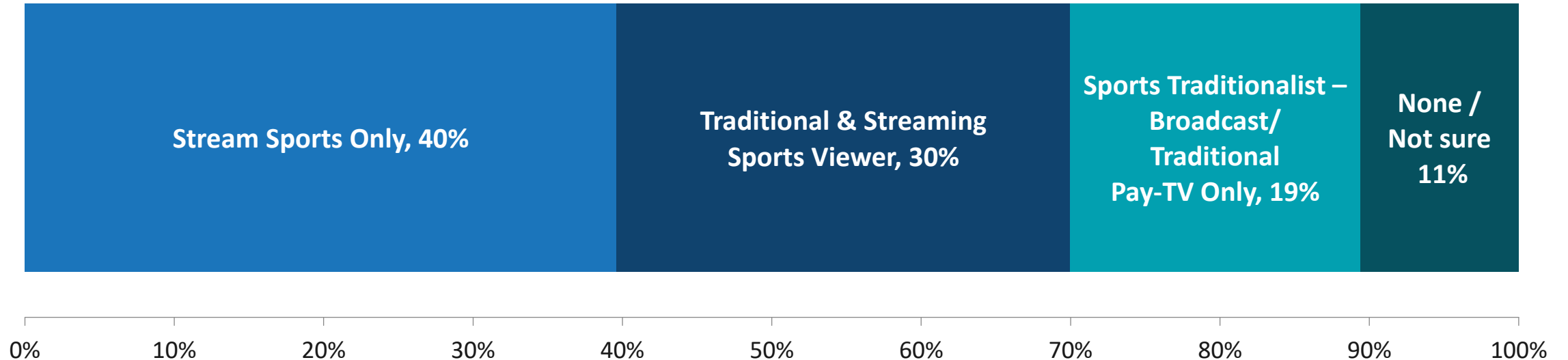
Streaming is the foundation for the evolution of sports broadcasting.

As traditional pay-TV services continue to shed subscribers, streaming video services have created new revenue opportunities for sports leagues and streaming services, and new ways for fans to interact with their favorite team/sport.

40% of sports viewers only watch sports via streaming services, including through streaming pay-TV/vMVPDs. The majority of sports viewers watch sports via at least some broadcast or traditional pay-TV option. As games migrate to streaming services, the Sports Traditionalist, who ONLY watches via broadcast or traditional pay-TV, accounts for a smaller share of the sports viewing segment.

Method of Accessing Sports Video Content

Among Consumers in US Internet Households Who Personally Watch Sports

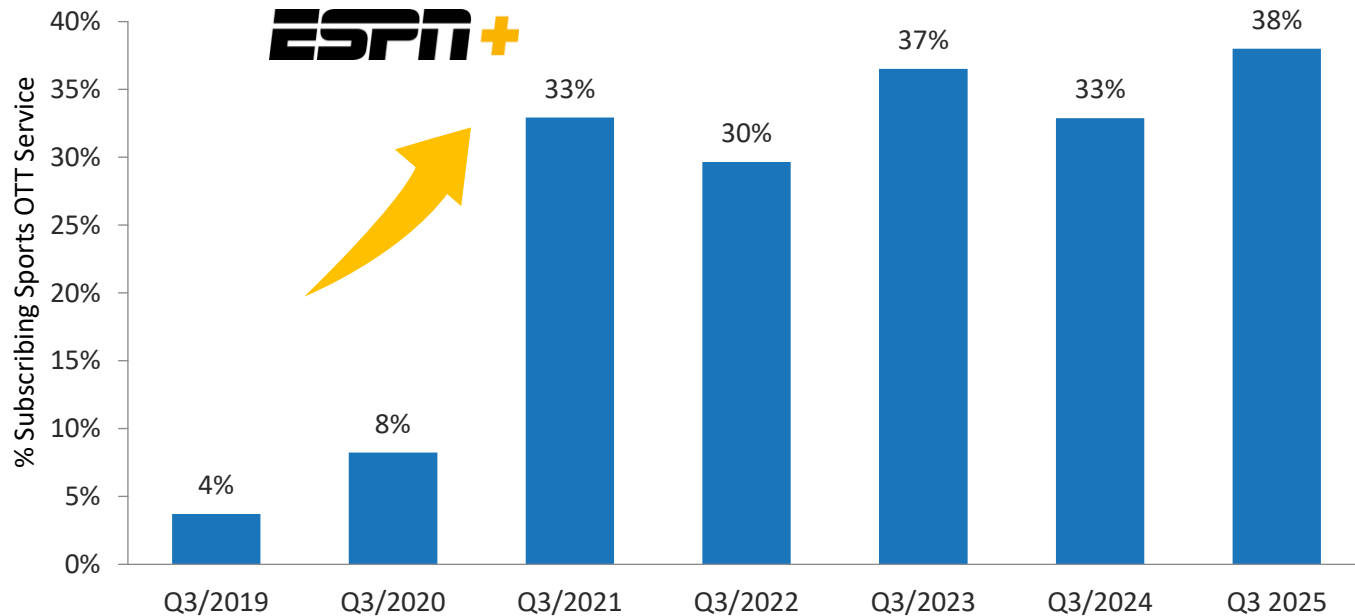


38% of US internet households subscribe to a sports-specific streaming service.

Streaming makes sports more accessible to fans worldwide, whether it's on a mobile device, smart TV, or laptop. This allows fans to watch events on their own schedule or even while on the go, without being tied to a specific broadcast time. Buoyed by rights fees from streaming services, NFL TV revenue swelled to approximately \$12.3 billion annually in the 2024/25 season. D2C sports app subscribers are broadly satisfied with their services, earning Net Promoter Scores (NPS) in line with general streamers like Prime Video, Disney+, and YouTube TV. The NBA has the most satisfied subscribers among D2C streaming sports services.

Two-thirds (67%) of streaming sport service subscribers maintained their subscription after the season ended. Of those that cancelled, 53% said they were very likely to re-subscribe. Given this positive impact leagues will continue to find new ways to distribute games on these platforms.

Sports-Specific D2C Service Subscriptions Overall



Sport-Specific D2C Services Tested:

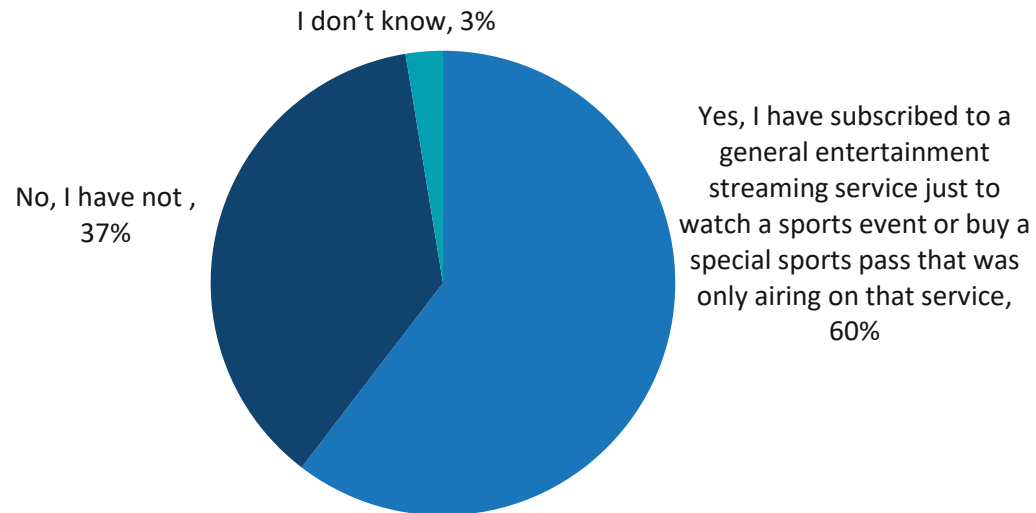


Live sporting events drive new subscribers to SVOD services.

Sixty percent of sports viewers have subscribed to a general streaming service (e.g., Peacock, Apple TV+) to watch a sporting event or buy a league pass that was only available on that service. Equally important, services are retaining the majority of those subscribers (63%) after the sporting event or season was over.

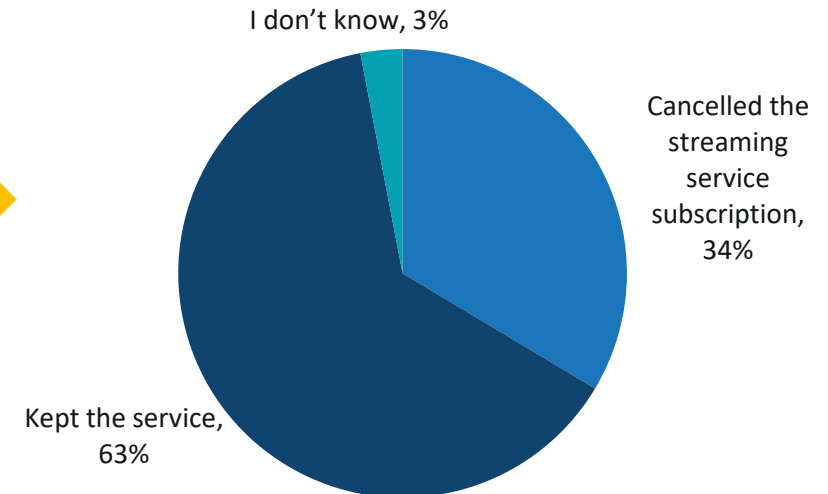
Sports rights have never been so disaggregated. With sports proven to bring in new viewers to major streaming services, and streaming providers cutting costs on their own original productions, the competition for sports rights – and a fragmented sports fan experience – is likely the new normal. Sports fragmentation is a top fan frustration, but a strong driver for SVOD subscriptions.

Subscription to Streaming Services or Purchase of Sports Pass Exclusively Services



Among D2C Sports Service Subscribers, n=1,316, ±2.7

Post-Season Actions Regarding Sports Streaming Subscriptions



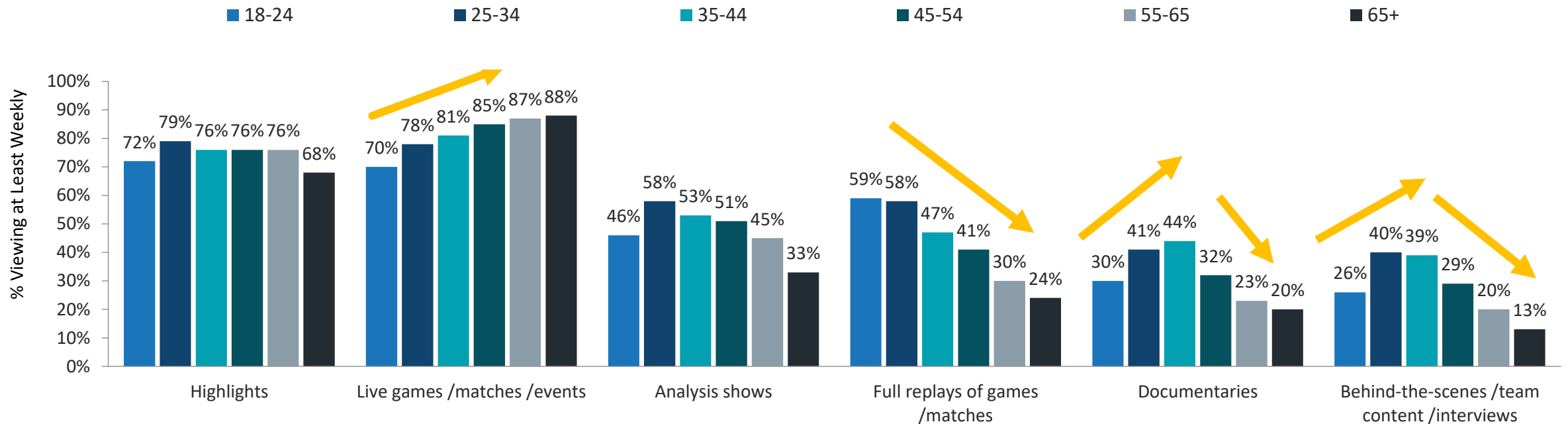
Among D2C Sports Service Subscribers, n=795, ±3.48

Sports leagues, networks, and services are challenged to engage the youngest viewers.

Leagues need to innovate to engage younger viewers. Live games draw older viewers; middle-aged viewers are prime targets for original content. The youngest sports viewers consume highlights like other age segments but are less likely to catch the game in real-time.

These younger viewers prefer to have more control over when they watch games. As such, they are more likely to watch replays of games/matches that better align with their schedule. Interactive tools that mimic the mobile/social experience with chatting, polls, quizzes, and even sports betting test far better with younger consumers and will be critical to attracting younger viewers into the live experience.

Sports Formats Viewed Weekly, by Age



Among Sports Viewers in Specified Age Groups

The path to interactivity flows through younger sports viewers.

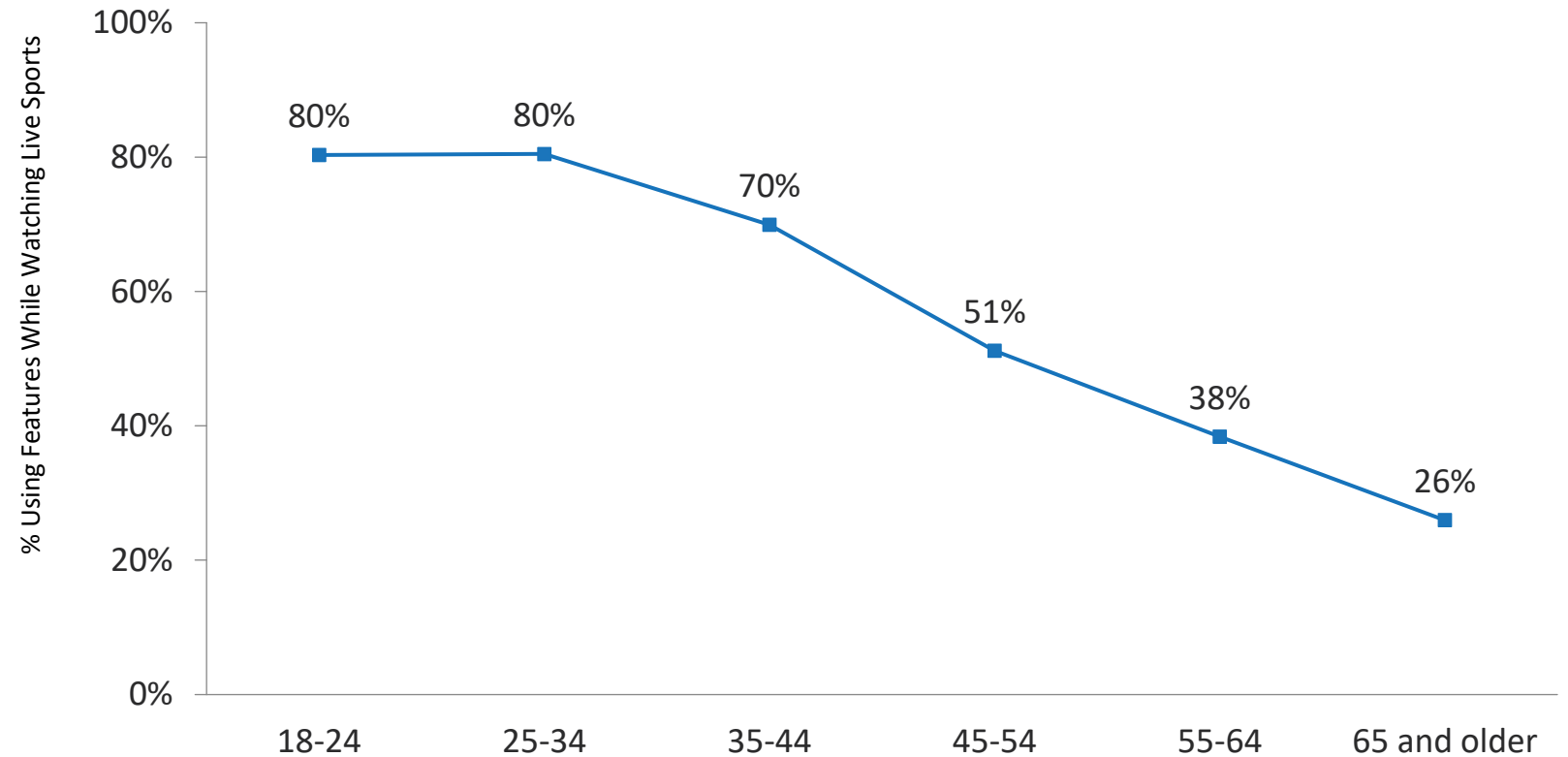
80% of sports viewers ages 18-34 have used interactive features.

The younger generation represents a huge opportunity for sports to evolve into a more engaging, interactive experience.

From immersive experiences like augmented reality to in-game betting, live stats, and fan-driven content, sports can become more than just a passive viewing experience—they can become an ongoing, participatory event that draws fans deeper into the action.

This shift also opens up major opportunities for data collection. As fans engage with content, sports leagues and brands can gather valuable insights on preferences, behaviors, and viewing pattern.

Interactivity Engagement While Watching Live Sports by Age



Sports fans are eager for enhanced experiences.

Niche fan bases are top targets

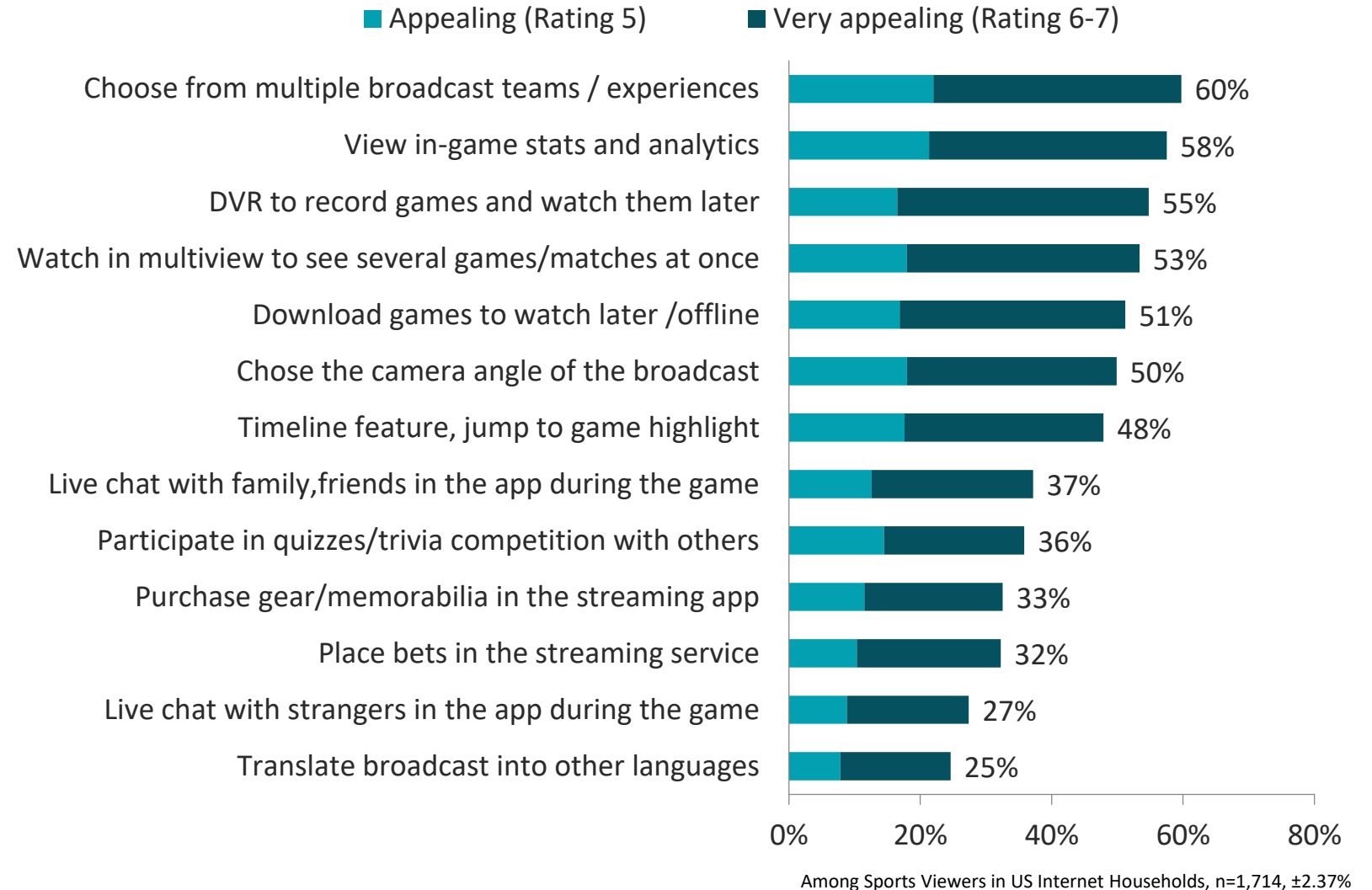
Viewers of less-mainstream sports (in the US) show readiness for interactivity. For instance, 83% of Cricket fans and 80% of Rugby fans have engaged in at least one interactive service feature, and niche sports fans are far more likely than American football fans to place bets on sports.

Betting presents a strong opportunity for revenue growth for niche sports, which don't typically have the same revenue streams or viewership as the major sports do. Leagues and sports streaming apps with smaller fan bases in the US can be proving grounds for more innovative interactive features and opportune partners for interactive technology vendors.

Multiview and alternative broadcasts are training fans to expect personalized experiences

Alternative broadcast teams give consumers choice to watch a game with personalities that speak to their language, generation, and humor. Build-your-own-Multiview, like that offered by Comcast, powered by Skreens technology, puts viewers in the producer's chair, pulling in the channels / feeds they want when they want it. Providers can build on this foundation to connect these personalized experiences with hyper-targeted ads.

Appeal of Interactive Sports Features



Skreens



The future of live video experiences for content owners and service providers



Linear



Preset Multiview



User-Defined Multiviews
with Ad Insertion



One-to-One Agentic AI Personalized

**TRADITIONAL
BROADCAST**



**SKREENS
TESSERA™**
(Deployed today)



**SKREENS
NEXORA™**
(First Mover Opportunity)

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▶ **Convergence of
Content, Commerce,
and Community**

FEATURED BY:

adeiaTM





Convergence of Content, Commerce, and Community

The TV landscape is rapidly evolving as **connected TV (CTV)** transforms from a passive entertainment medium into an **interactive, commerce-driven platform**. With streaming dominating video consumption, services increasingly rely on **ad-supported tiers** to stay profitable—but traditional ad models no longer meet digital expectations.

Interactive and shoppable TV builds on how audiences already engage with **social and mobile video**, where nearly **80% of users interact** with content and **one in five make purchases** through social platforms. Video platforms like **Roku, YouTube, and Fubo** are leading with **shoppable ads, clickable overlays, and voice-enabled interactivity**, allowing viewers to buy or learn more directly from the screen.

As the industry solves challenges around **privacy, fragmentation, and user experience**, CTV is poised to become a **powerful commerce engine**, merging entertainment, engagement, and retail into one seamless experience.

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Convergence of Content, Commerce, and Community

Connected TV is transforming advertising to active engagement, merging content, commerce, and community into a single experience.

CTV is poised to become the ultimate transaction platform, where every screen touch, voice command, or click connects directly to commerce.

Featured by:

The logo for Adeia, featuring the word "adeia" in a lowercase, rounded, purple font. A small trademark symbol (TM) is located at the bottom right of the letter "a".

Consumers are ready for the next era of television. Parks Associates reports that 82% of U.S. households encounter ads in streaming video today, and nearly 80% of social video users engage with the content they view—19% even making purchases directly through social platforms. These habits signal a powerful shift toward interactive, transactional viewing. Streaming services can and must go further than replicating traditional TV content and advertising formats.

Innovations like Roku’s Action Ads, YouTube’s interactive overlays, and Fubo’s gamified formats already let viewers click, learn, or shop without leaving the screen. About 8% of CTV households have purchased through their TV, and more than half say they would likely buy or explore products tied to shows or ads.

Modern viewers also multitask, using phones and tablets while watching TV. This creates opportunities for dual-screen commerce, where companion apps, QR codes, and notifications extend engagement. Meanwhile, voice remotes and AI assistants introduce hands-free search and purchasing, deepening interaction.

CTV’s future extends beyond entertainment: it’s connecting to social media, gaming, smart home, and health ecosystems, positioning the television as a digital command center for engagement and shopping alike.

The evolution of CTV is about turning attention into action, using first-party data and connected-home intelligence to deliver personalized, frictionless commerce. In this emerging landscape, television becomes far more than a screen—it becomes an interactive marketplace woven into daily life.

Online and mobile platforms have transformed how consumers shop.

The mobile phone, which is now the dominant ecommerce platform, is more than a tool for shopping—it allows consumers to discover, interact with, and purchase from brands anytime, anywhere. With apps, social media, mobile payments, and targeted ads, phones are at the center of the customer journey, offering brands direct access to their audience in a way that's never been possible before. This level of connectivity makes mobile devices an essential platform for driving brand engagement and shaping the future of commerce. It has also reset consumer expectations for the journey from advertising through purchase and delivery.

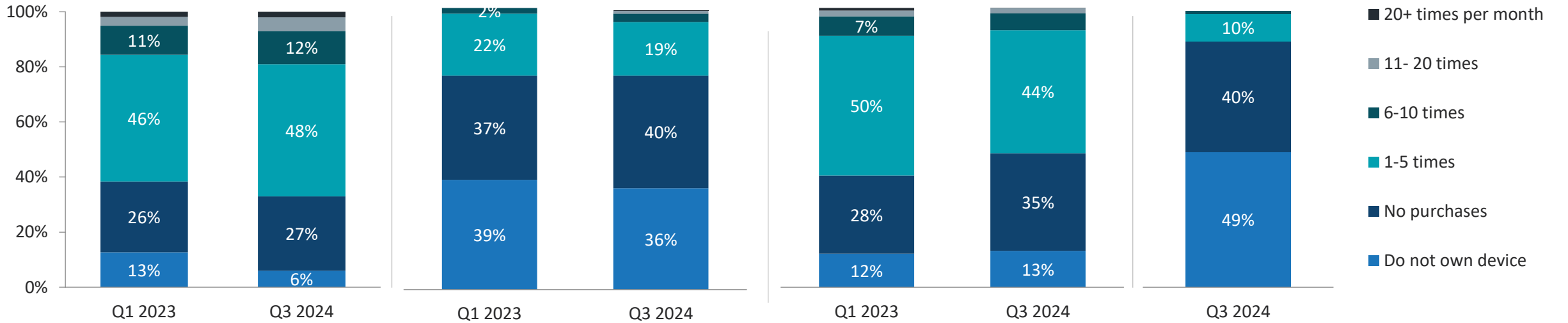
Frequency of Purchasing Goods Online by Platform

Mobile Phone

Tablet

Computer

Smart Display



Mobile		Tablet		Computer		Smart Display	Average Times / Month
Q1 2023	Q3 2024	Q1 2023	Q3 2024	Q1 2023	Q3 2024	Q1 2023	Timeframe
5.6	5.8	3.4	4.1	4.0	4.1	3.5	Shoppers on Platform
4.0	4.1	1.4	1.5	2.8	2.5	.8	All Platform Owners
3.5	3.9	0.8	1	2.5	2.2	.4	All Internet HHs

Social video *is* interactive video.

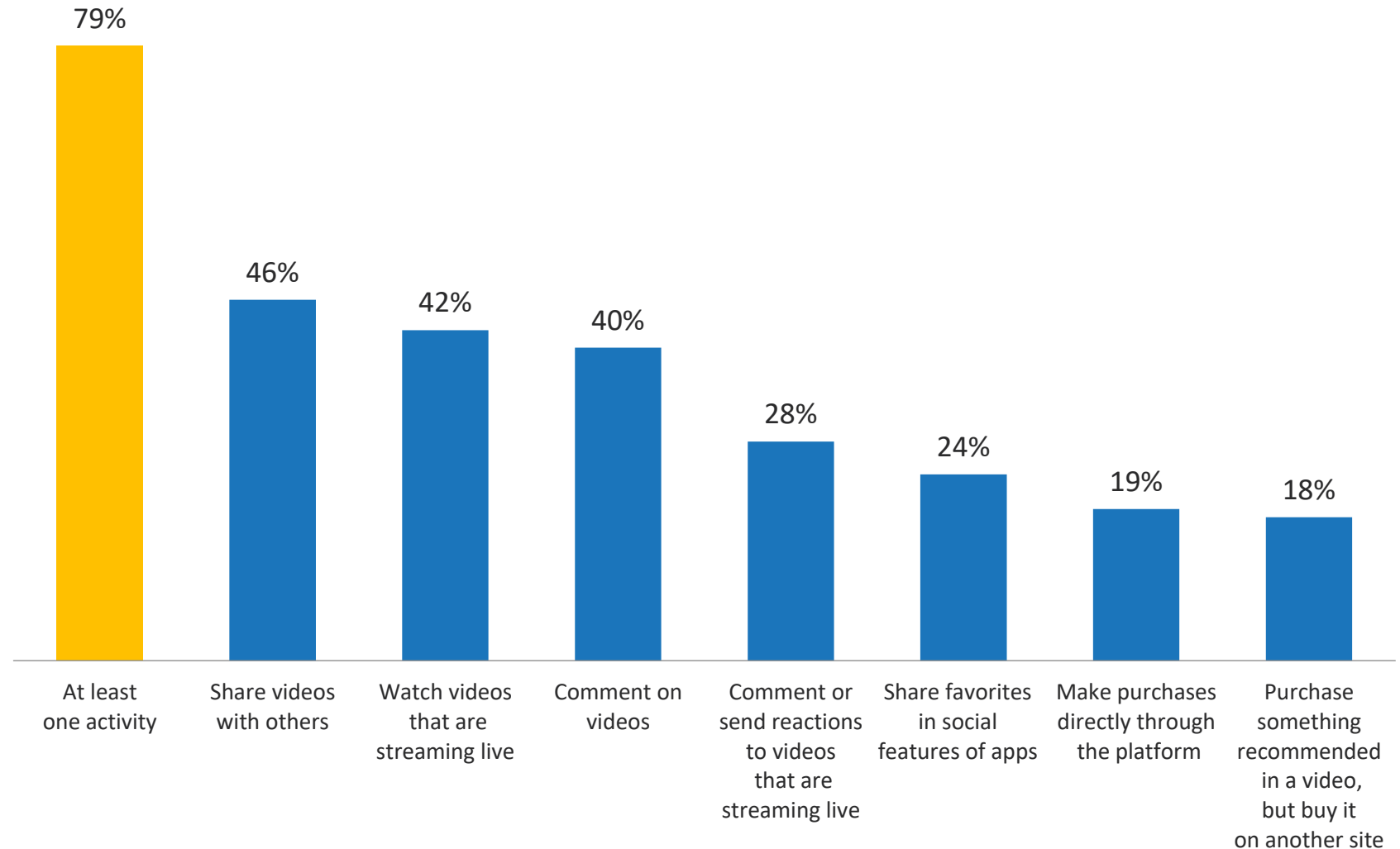
The vast majority (79%) of those using social video are engaged and interact with it. This includes 46% of households that share videos, 40% that comment on videos, and 19% that make purchases through the platform.

- Users age 25-44 are slightly more likely to engage with interactive social video features.
- Users of Snapchat and TikTok are somewhat more likely to engage with interactive social video features than users of YouTube.
- One-third of respondents have created and posted a video over the last 6 months.

Social video content is personalized, and people easily connect with it. TV service providers, broadcasters, and platforms have lost eyeballs, attention, and revenue to these interactive platforms.

Service providers should build on consumers' expectations of interactivity to engage and retain them in the CTV environment, and expand the transactional services offered.

Interactive Social Video Features

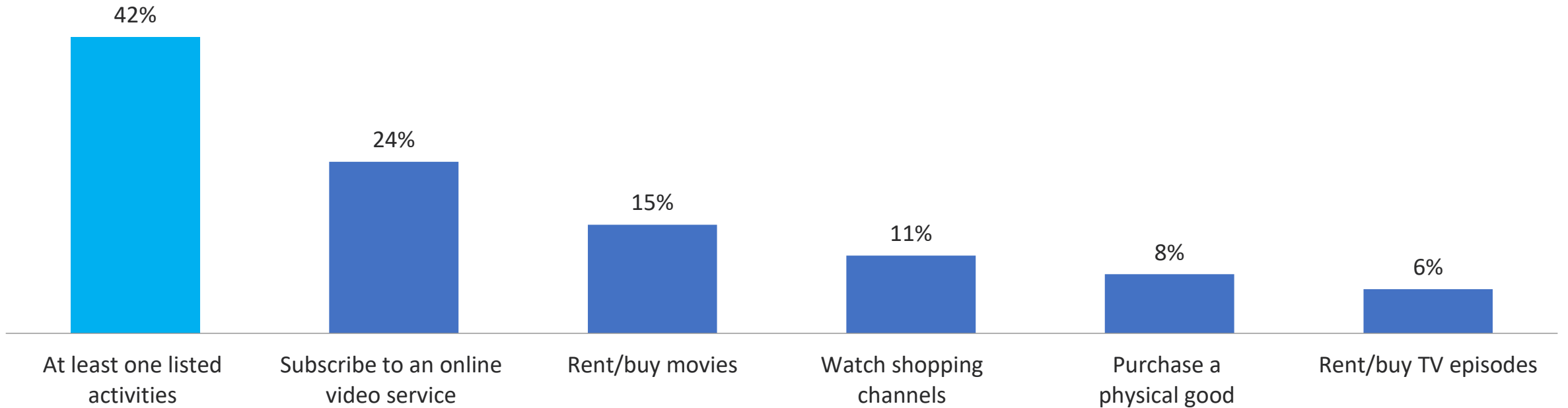


Consumers are becoming more comfortable making purchases through the TV.

Over 40% of CTV device owners have made a purchase through their CTV platforms. The most common activities are digital purchases for video services and content, but the foundation of transactional behavior, credit card storage, and billing relationships has been set. The market is primed for transactional applications. Service providers and brands can build on these activities and expand the range of transactional services offered.

T-commerce Activities Performed via CTV Platform

% Performing Activity in Prior 30 Days



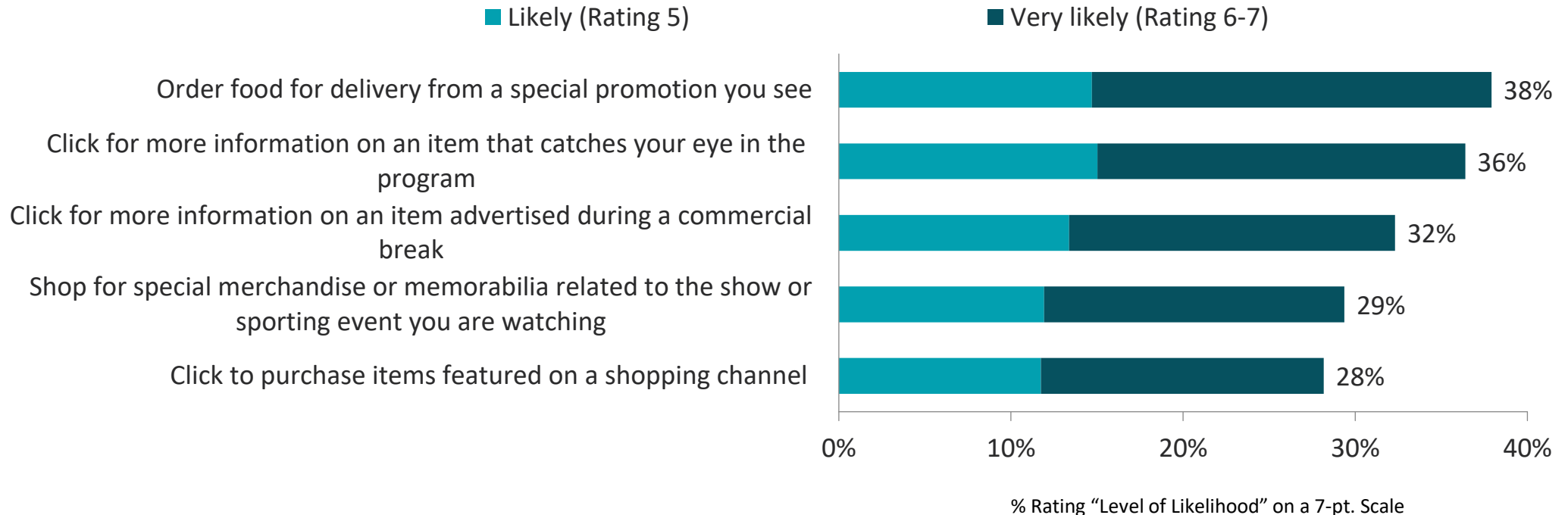
Among the 76% of Households Owning a CTV Device (Smart TV/ Streaming Media Player/ Streaming Video Soundbar)

From watching to buying, interactive TV seamlessly blends commerce with content.

Interactive TV platforms are developing more robust ecommerce features, bridging the gap between brands and content. This shift will create new, dynamic experiences that are highly personalized, allowing viewers to shop directly from what they’re watching in real-time. Parks Associates research also finds that heavy users of social video are also more likely to find interactive TV and T-commerce features appealing. The convenience and familiarity of browsing, shopping, and interacting on a big screen will drive adoption, especially as these experiences become more personalized and immersive.

That said, Privacy and data security are concerns. Households with children are particularly likely to be concerned about others purchasing without their permission. Robust security protocols must be integrated into the software, services, hardware, and every step of the process to ensure data security. This includes encryption, authentication measures, and compliance with privacy standards to ensure user trust and safeguard sensitive information.

Likelihood of Using Interactive TV Features & T-Commerce

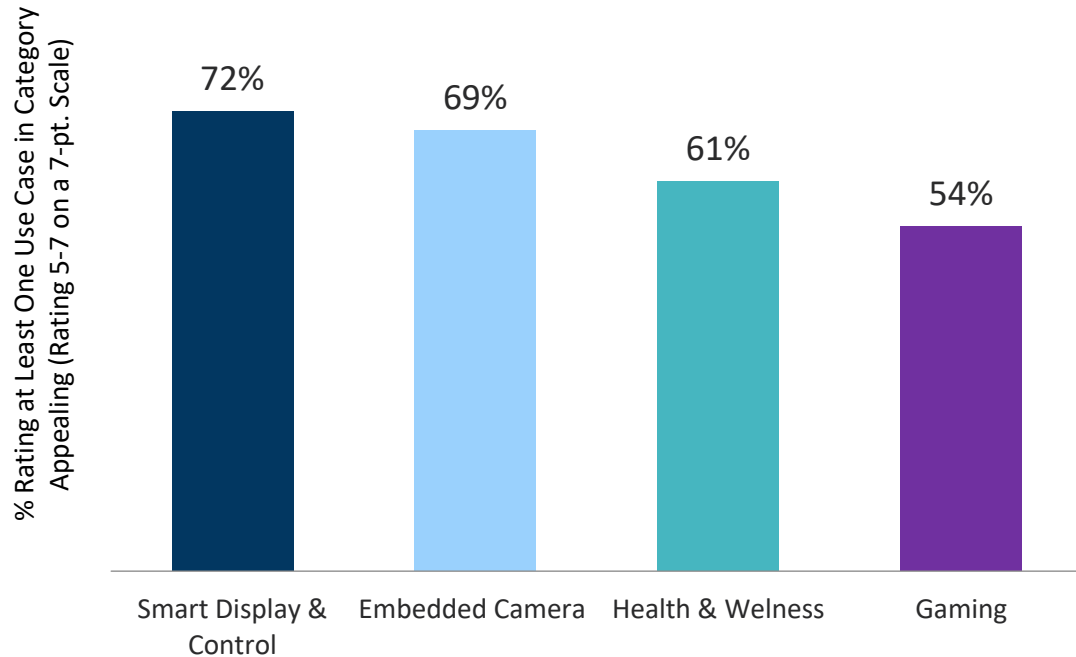


Connected TVs are transforming into home lifestyle and management hubs.

As the largest smart display in the home, connected TVs can be far more multifunctional than they are today. Parks Associates tested 19 unique use cases across four broad categories that represent an expansion of CTV platforms beyond its core as a streaming video display screen. Users are most interested in smart display and control capabilities, with 72% selecting at least one tested use case as appealing.

There is also high interest in embedded camera concepts, though specific use cases diverged widely in appeal. Gaming appeals to a select segment of consumers. Enabling applications and services beyond streaming video presents TV OS platform vendors and TV OEMs an opportunity to differentiate themselves.

Next-Generation CTV Use Cases:



Top 5 Next-Gen CTV Features

by Willingness to Pay More for Feature in Next Smart TV



See video from video doorbells, cameras, security system on TV



View video feed from embedded camera in the TV to check-in on home, kids, pets when away



Video call with friends and family



High refresh rate for smooth motion in fast-paced games



Control smart home devices from the TV (lights on/off, thermostat, unlock doors, etc.)



COMPLIMENTARY WHITE PAPER

Interactive & Shoppable TV: Next Wave of CTV Revenues

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adeia[™] **Better Ideas.
Better Entertainment.**



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STATE OF STREAMING

► Broadband Wars & Demand for Streaming

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Broadband Wars & Demand for Streaming

The central role of streaming has reshaped household expectations, driving a shift away from legacy service bundles toward flexible packages that include value-added services (VAS) and deliver a more personalized entertainment experience. Households that pair traditional connectivity with streaming and other VAS offerings report higher satisfaction and stronger engagement.

For ISPs, streaming has become the anchor of modern broadband: future growth depends on building integrated service packages that enhance entertainment, smart home functionality, and connected living.

Broadpeak enables streaming platforms and broadband service providers to stream at scale with a compelling experience while maximizing their revenue.



Broadband Wars & Demand for Streaming: A Deeper Look

Streaming has become the anchor of the connected home, driving upgrades as consumers seek faster, more reliable internet for seamless entertainment.

Households now expect simple, bundled service packages that combine connectivity, streaming, and added features into one convenient, high-value experience.

Featured by:



Streaming entertainment continues to drive home internet upgrades, as consumers expect fast, reliable connections that deliver seamless access to on-demand video. Streaming TV and movies have become the cornerstone of household connectivity consumption, shaping expectations for quality, convenience, and value. Consumers increasingly seek simplicity in managing their digital lives—preferring service bundles that combine internet, streaming, and other value-added services (VAS) under a single bill.

These integrated packages offer ease of management, perceived cost savings, and a better overall experience. Households receiving both traditional and VAS offerings report the highest satisfaction, reflecting the appeal of flexible, bundled options that deliver entertainment and functionality in one place. Streaming video stands out as the most universally valued service, resonating across all demographics and household types. Even as advanced offerings like smart home solutions and home networking gain traction, streaming remains the anchor that drives demand for faster, more reliable broadband.

For internet service providers (ISPs), the message is clear: consumers now equate value with integration and simplicity. Offering standalone internet or traditional bundles no longer meets expectations for convenience or perceived worth. Success in the modern broadband market depends on delivering cohesive service packages that blend streaming, connectivity, and lifestyle features into a single, streamlined experience that feels effortless, valuable, and built for how people live and watch today.

Network convergence & 5G home internet shake up the competitive landscape.

Fiber Expands Reach

Fiber adoption continues to climb year-over-year, reflecting consumer demand for faster, more reliable connectivity.

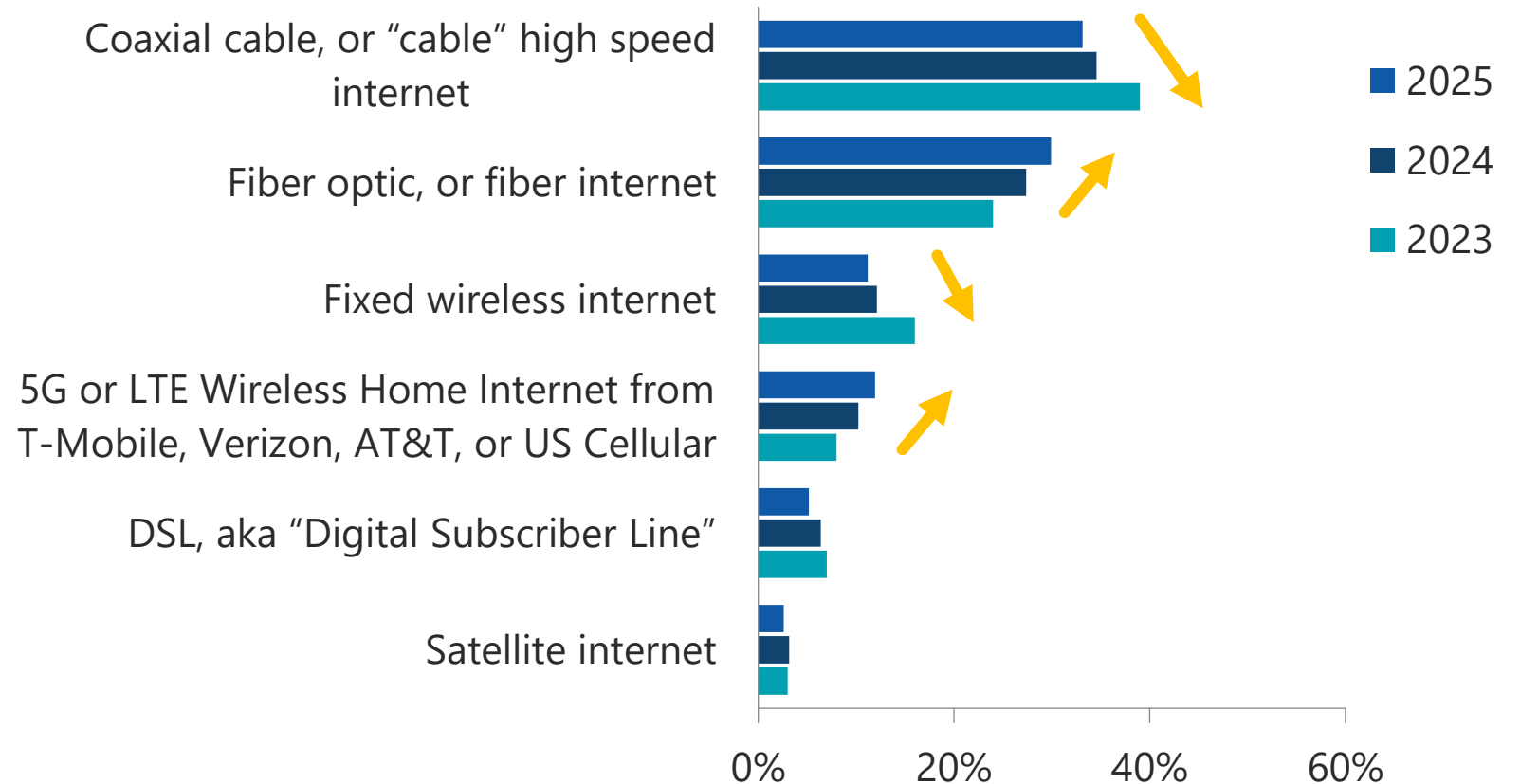
Wireless Gains Momentum

Fixed wireless and 5G home internet services are steadily growing, driven by mobile carriers expanding their broadband offerings. At the same time, internet service providers like Comcast and Charter Spectrum are growing their Mobile offerings and increasingly bundling home internet and mobile services together.

Competition Intensifies

As 5G and fiber challenge cable's dominance, providers must differentiate through customer service, reliability and bundled service strategies.

Internet Access Method Among US Home Internet Households

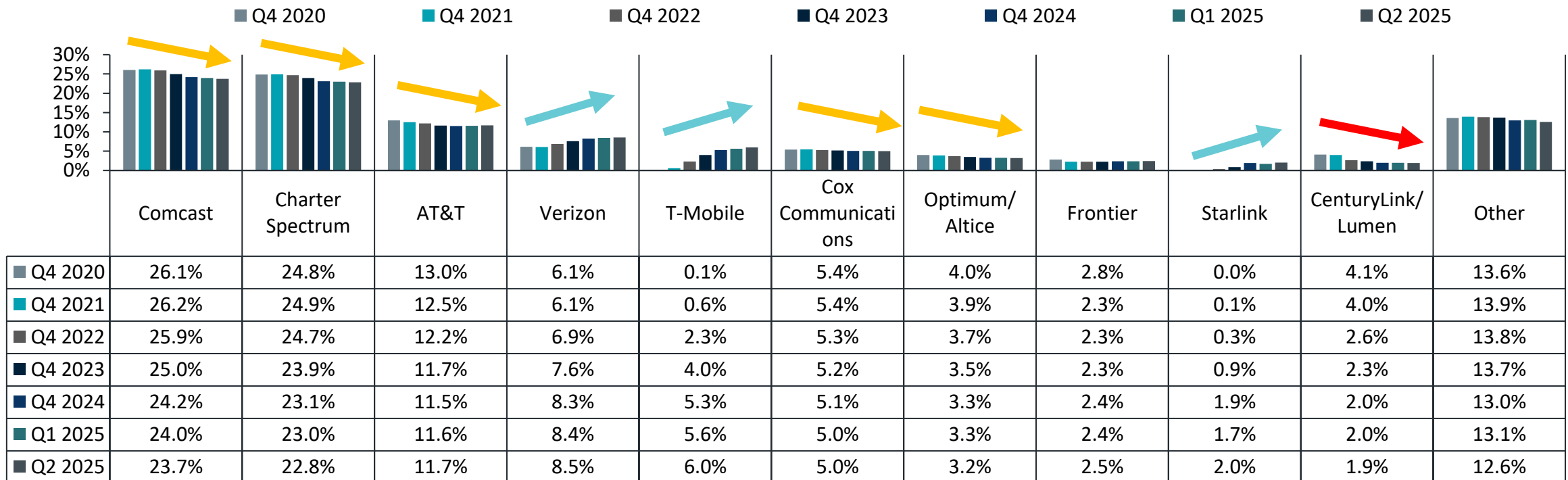


5G home internet and satellite internet offers are shaking up the competitive landscape.

The U.S. home services market is undergoing a major transformation, with telcos, new market entrants, and evolving consumer preferences reshaping the competitive landscape. The major players are shifting as new and once-niche entrants rise into the top 10 residential home internet provider list.

Verizon, T-Mobile, Starlink growth comes at expense of Cablecos. in Q2 2025, Starlink placed as the ninth largest residential ISP in the US market for the first time.

Market Share of Top Ten Residential Home Internet Providers

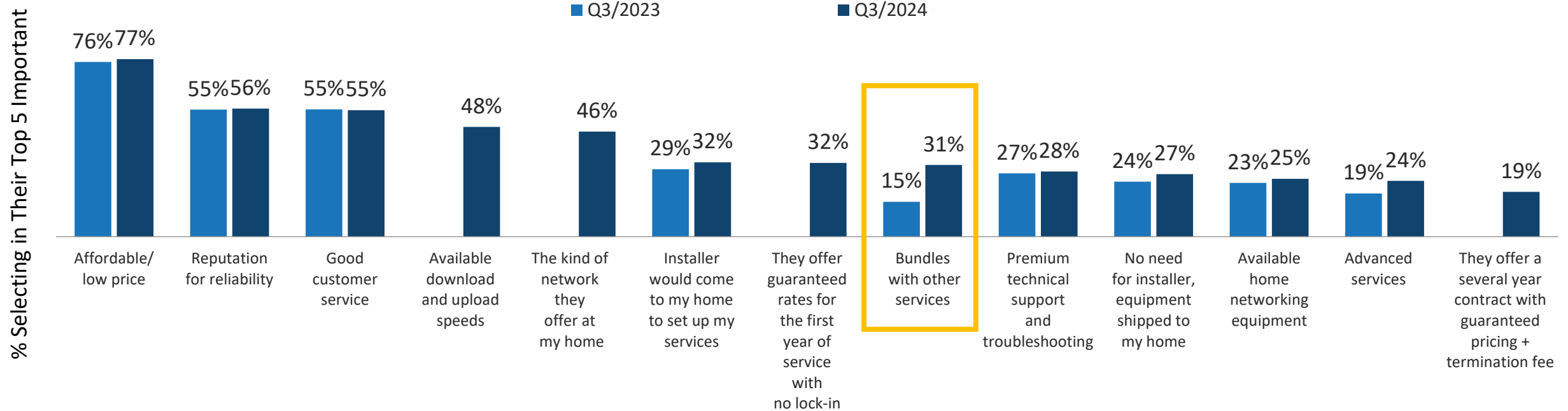


Service bundling is critical to acquiring new home internet customers.

A race to the bottom on price drives interest among ISPs in offering new services. Affordability and reliability remain the top factors influencing consumers' choice of broadband providers. Interest in value-added offerings such as bundled services, guaranteed rates, and advanced features has increased, indicating that consumers are more willing to consider premium options when they provide clear convenience or added value.

The growing appeal of bundles and guaranteed-rate plans reflects a desire for simplicity and predictable costs in an increasingly competitive market. Consistent interest in good customer service and installation support highlights the continued importance of trust, reliability, and a seamless setup experience when choosing a provider.

Top Factors Influencing Decisions on Switching Providers



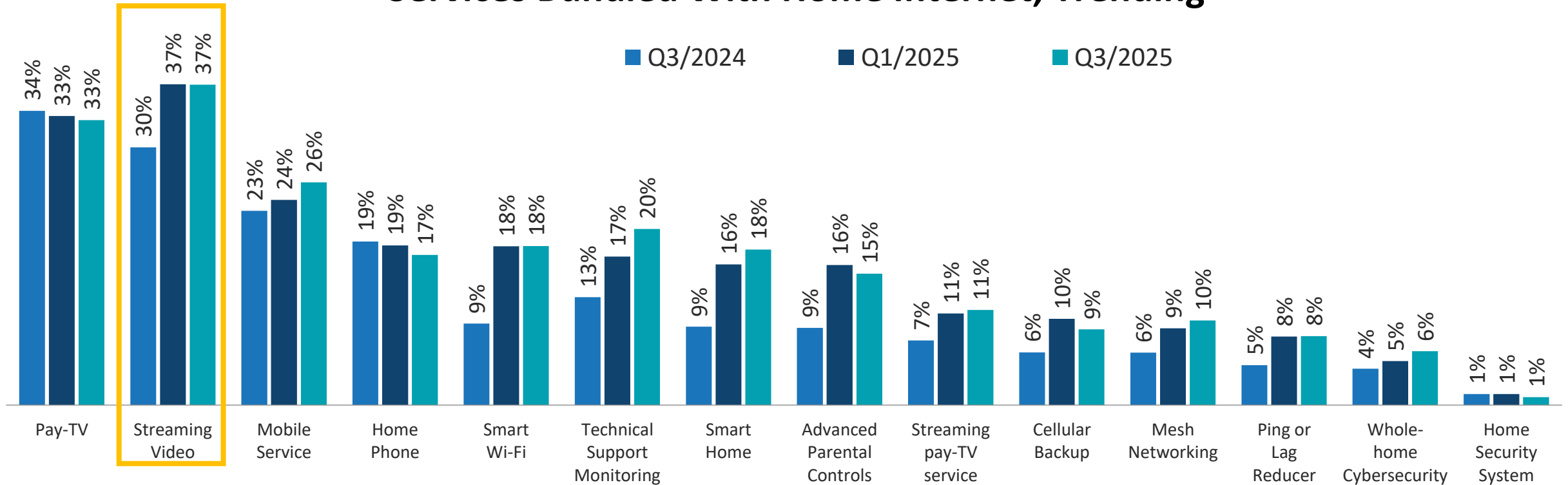
Among Home Internet HHs

Streaming video is now the top bundled service with home internet.

Pay-TV is no longer the top service bundled with home internet – streaming video add-ons have taken the top spot. 40% of broadband households now bundle a streaming video subscription with their home internet service, making it the clear anchor of the new home services bundle.

Services tied to technical support, Wi-Fi performance, and smart home devices show steady momentum, reflecting consumer demand for reliability and ease of use. In contrast, advanced offerings such as whole-home cybersecurity and ping/lag reduction remain niche, signaling the need for stronger consumer education.

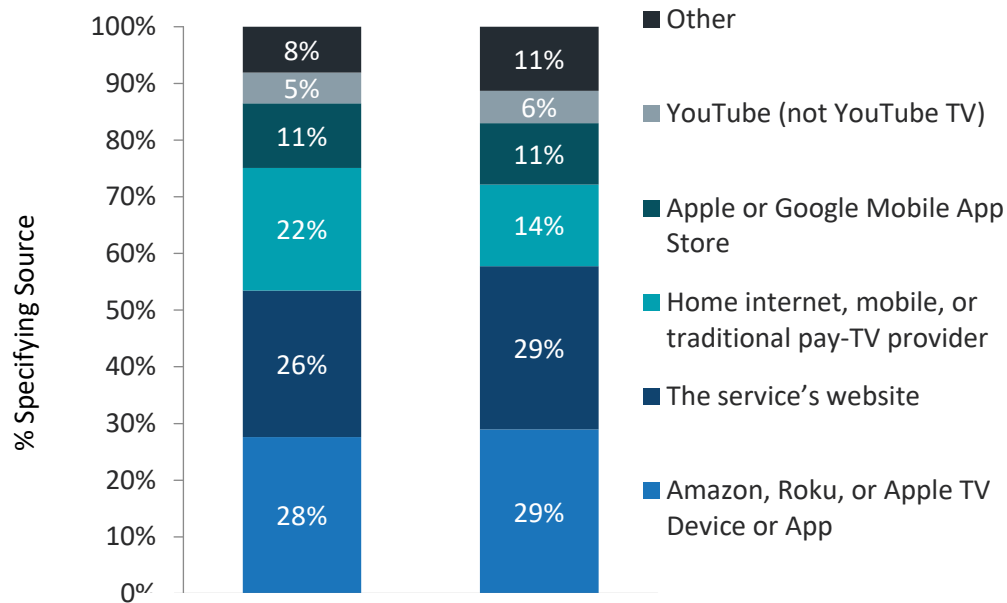
Services Bundled With Home Internet, Trending



ISPs are becoming an increasingly important channel for streaming service subscriptions.

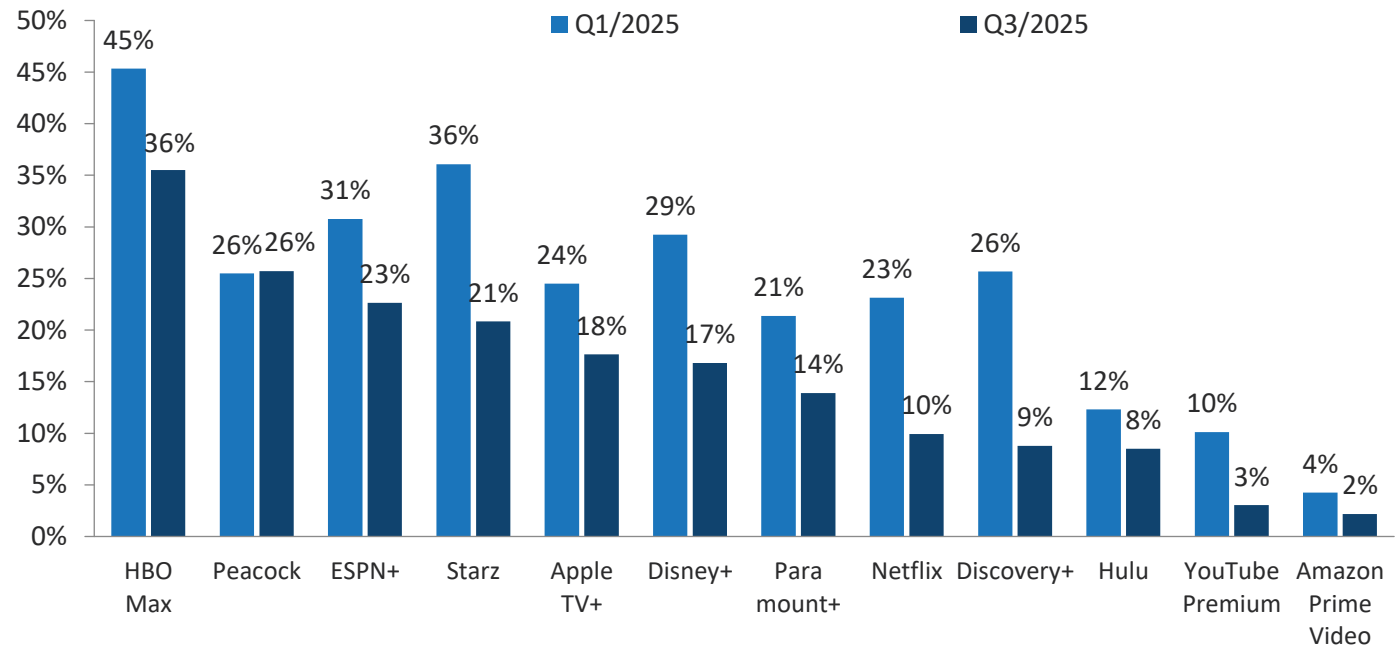
Home internet and traditional pay-TV providers remain a major entry point for streaming subscriptions, accounting for a significant share across both quarters. Their bundled offers and integrated billing simplify sign-ups and enhance consumer convenience, helping streaming services expand reach. As competition intensifies, partnerships with ISPs will be crucial for driving subscriber acquisition and retention.

Video Subscription Source



Among OTT Subscribers Those Know Their Video Subscription Source in Specified Groups |

% of Subscription from Service Provider



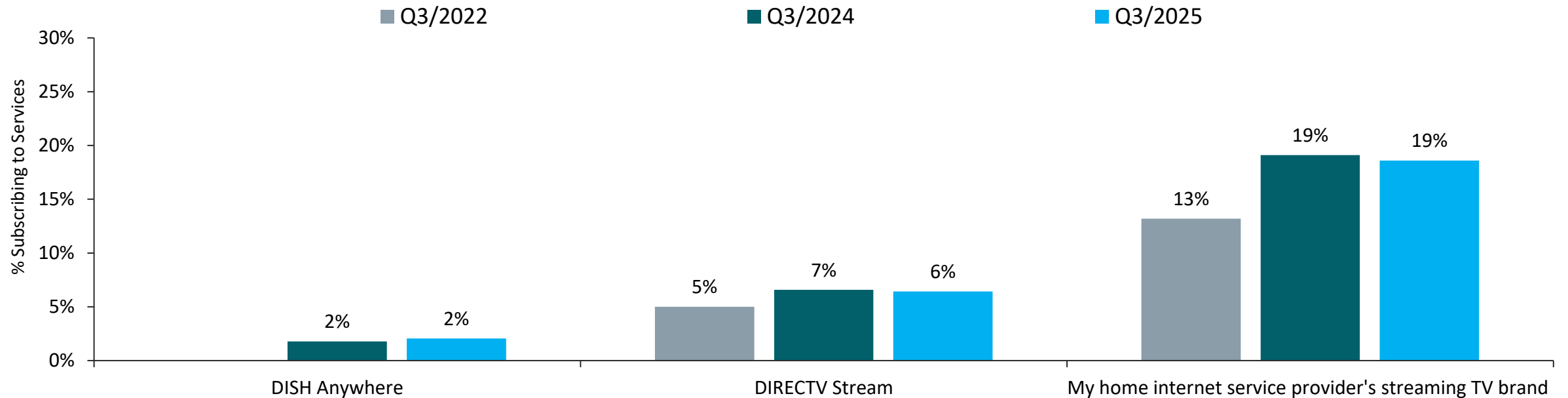
Among Specified OTT Subscribers

Home internet providers maintain strong footing in the streaming tv market.

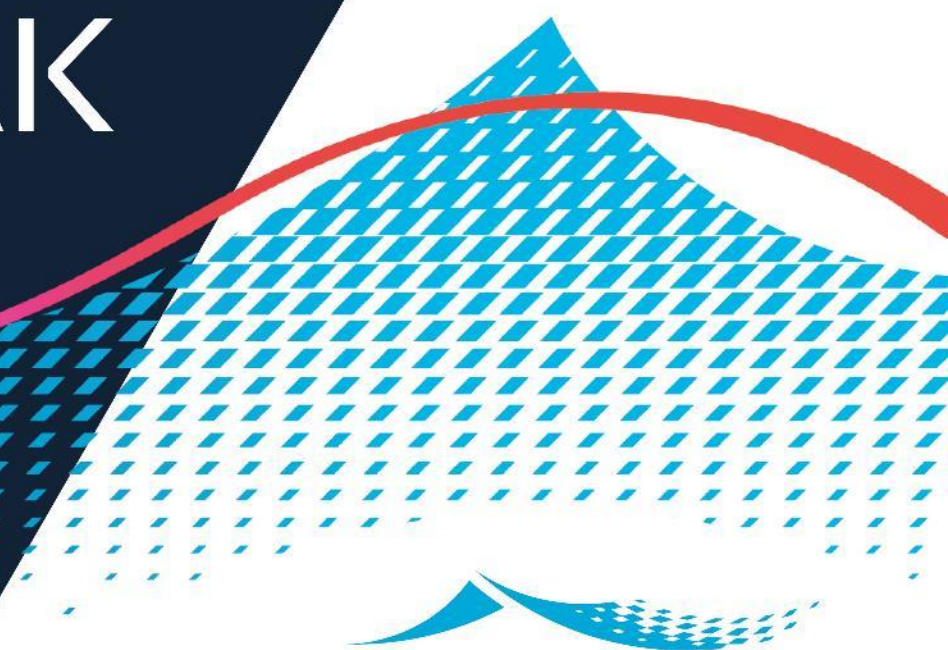
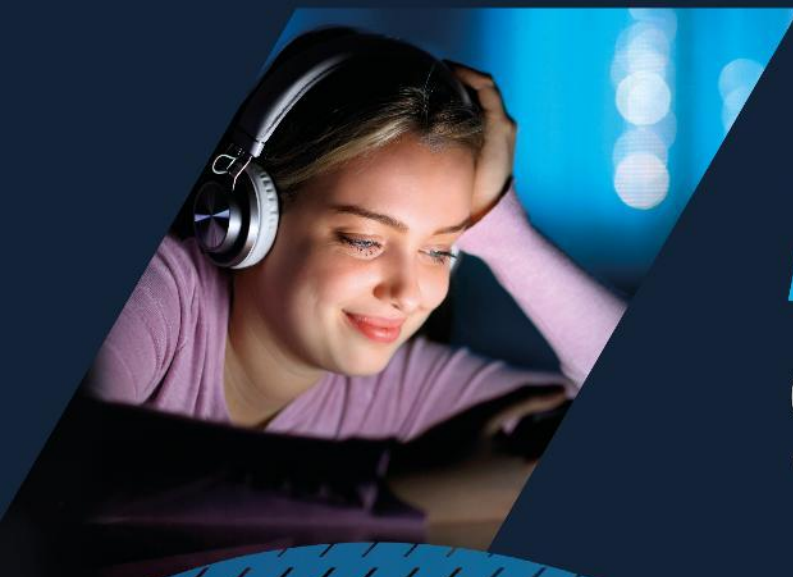
Traditional pay-TV providers have switched video delivery strategies to IPTV offerings. Home internet service providers' streaming TV brands continue to hold a significant share in the streaming TV space, rivaling (as a group) major vMVPD players like YouTube TV and Hulu + Live TV. Consumers want convenience and simplicity. IPTV platforms that aggregate streaming apps (e.g., Netflix, Disney+, FAST channels) into a unified interface could regain value for pay-TV.

These integrated offerings simplify access and billing for consumers, strengthening customer retention. IPTV platform providers like Broadpeak help operators meet customers' expectations for advanced video services. As the market matures, these providers are well-positioned to leverage their existing broadband relationships to drive streaming adoption.

IPTV Offerings as Share of Streaming TV Market



LIVE STREAMING AT ITS PEAK



broadpeak

www.broadpeak.tv

Photo credits: shutterstock : © fizkes, © Antonio Guillem, © Ground Picture

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STATE OF
STREAMING

▶ **Consumers Drive
the Future of Video**

FEATURED BY:

slīngTM





Consumers Drive the Future of Video

Consumers are redefining the future of video through their demand for flexibility, personalization, and choice. They expect seamless access to content across multiple platforms including TVs, computers, smartphones, and tablets, on their own schedules and terms.

This multi-platform environment empowers viewers to curate their entertainment experience, combining live, on-demand, and streaming options from a wide range of providers. As the lines between traditional and digital viewing continue to blur, consumers increasingly control how, when, and where they watch.

Sling TV is well positioned in this evolving market, offering accessible, flexible, and affordable streaming options that align with the modern viewer's expectations.

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Viewers now set the rules of engagement, shaping the video landscape through every click, subscription, and screen.

The future of video belongs to **services that follow the viewer**—adapting to habits, matching their pace, and earning their attention.

Featured by:

The Sling logo features the word "sling" in a bold, lowercase, sans-serif font. Above the letter 'i' are three curved lines that resemble a signal or broadcast icon. A small trademark symbol (TM) is located at the bottom right of the letter 'g'.

Consumers are driving the future of video by demanding greater choice in how they engage, pay, and access content. The industry has already moved beyond the long-term pay-TV contract model, empowering viewers to decide what they want to watch and when they want to watch it through on-demand platforms. This transformation underscores a fundamental shift. Choice is no longer a luxury, it is an expectation.

As viewing options expand, audiences are selecting services that best fit their lifestyles, valuing access to live sports, local news, and the convenience of finding everything in one place. Pay TV and streaming services each fulfill distinct needs, offering bundled access, familiar interfaces, and premium entertainment without the complexity of juggling multiple subscriptions.

The next phase of evolution focuses on how consumers pay for and access their entertainment. Models such as skinny bundles and short-term passes, like those offered by Sling TV, give viewers more flexibility to align spending with their habits. Ad-supported tiers further reflect this desire for control, allowing consumers to trade between cost and convenience. Flexibility, affordability, and personalization now drive decision-making, with households tailoring video experiences around their unique needs.

Ultimately, the future of video lies in listening to the consumer. Viewers expect seamless, multi-platform experiences that deliver value on their terms—across traditional and digital ecosystems alike. Providers that embrace this shift toward flexibility and choice will not only retain engagement but also position themselves to lead in a video marketplace defined by the empowered viewer.

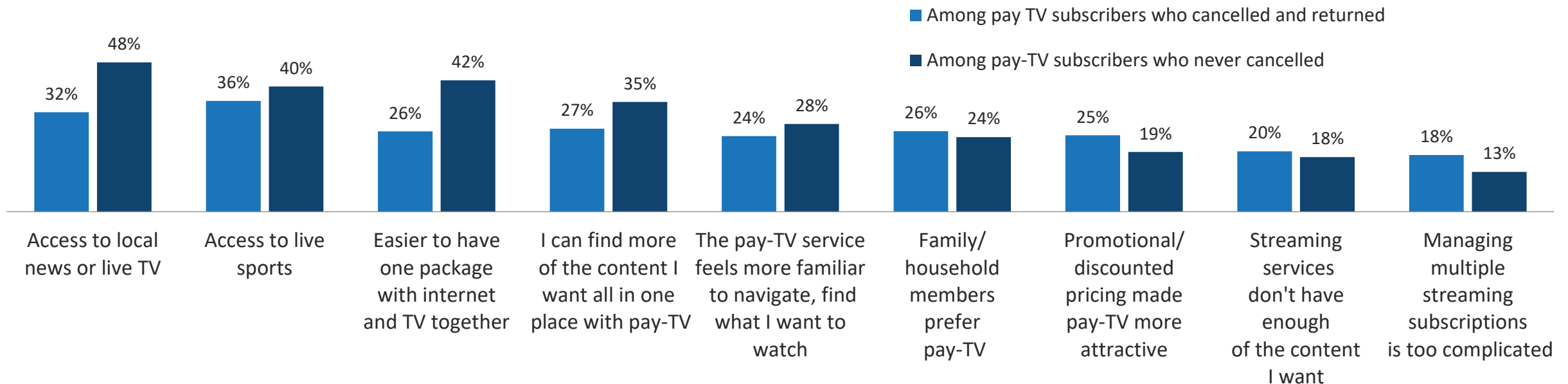
Fragmented viewing pushes consumers towards aggregators.

Live and local content keeps pay TV relevant, and the increasing fragmentation of sports rights are driving some subscribers back to pay-TV. More than half of sports viewers report missing 3 or more live sports events in the past 12 months due to lack of access to the video service with the sports rights. Nearly half of long-term subscribers (48%) cite access to local news or live TV as a top reason for keeping their service, highlighting pay TV’s enduring value compared to streaming.

Among those who cancelled and resubscribed, 40% say live sports access drew them back, underscoring sports’ powerful role in retention. Convenience also matters—42% of loyal subscribers appreciate having internet and TV bundled together, reinforcing pay TV’s advantage in simplicity and integration.

Main Reasons for Subscribing to Pay TV Services

Among Pay TV Subscribers in Specified Groups



Consumers look for value for their money and maximum flexibility.

Lower-cost options drive retention

A lower price with advertising is the top incentive for keeping subscribers, and 20% of cancellers would stay for price-guarantees, highlighting ongoing price sensitivity in the market.

Pause and return flexibility matters

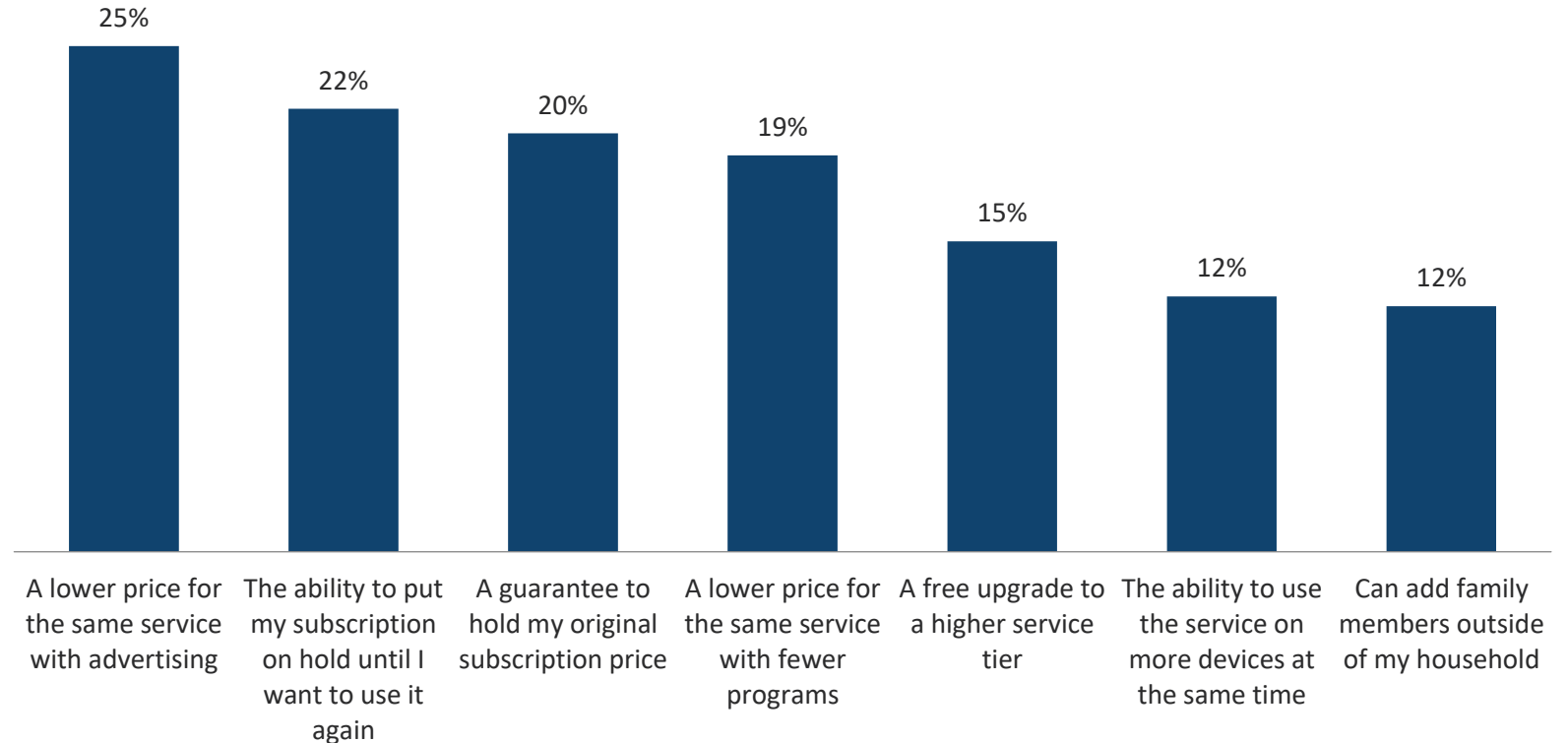
Over one in five consumers value the ability to put subscriptions on hold until they want to use them again, underscoring the appeal of flexible plans.

TV is transforming toward true consumer control. With short-term passes and flexible subscriptions, viewers can jump into Sling to watch their favorite games, then pause or pay only when they want—putting choice completely in their hands. This flexibility breaks the old model of rigid, year-round contracts that limited access and freedom.

Sling’s approach reflects the next evolution of television, where consumers decide not just what they watch, but when and how they watch it. As the market shifts, platforms that empower viewers with flexible access will define the next era of video engagement.

Drivers to Reduce OTT Service Cancellation

% of streaming service cancellers who would have remained with specified offering



Among Internet HHs Cancelling at Least One OTT Service in the Past 12 Months |

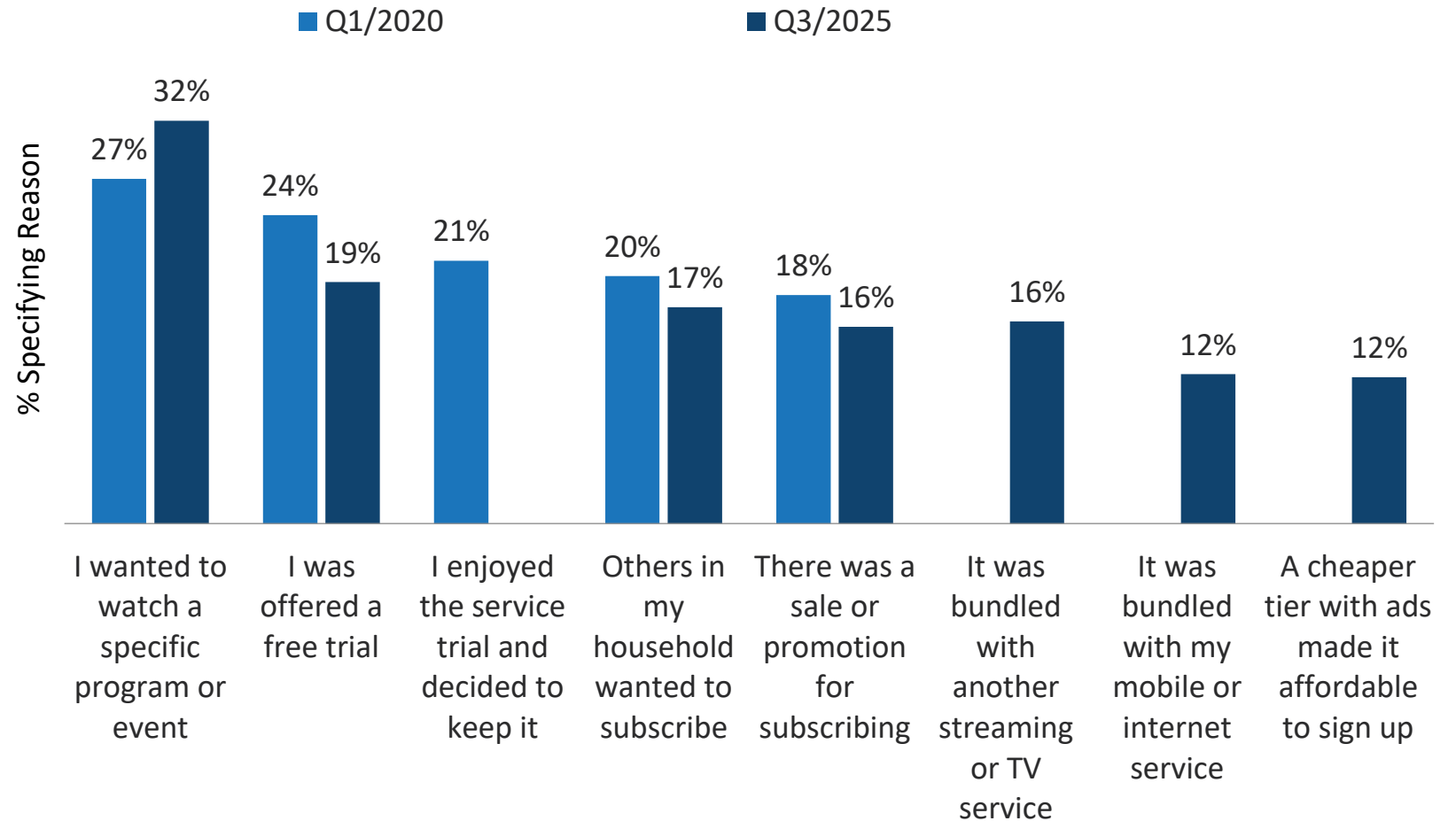
Services must deliver choice for consumers and emphasize value, variety, and must-have content in a fragmented streaming market.

Content remains the top driver for new subscriptions
More consumers in 2025 (32%) say they signed up to watch a specific program or event, showing that exclusive or must-see content continues to fuel growth.

Free trials and promotions lose impact
Fewer subscribers report being motivated by free trials or discounts compared to 2020, signaling that promotional offers are becoming less effective in attracting long-term users.

Bundles and affordability gain traction
Bundling with mobile or internet services and the rise of ad-supported tiers highlight growing consumer demand for affordable, integrated subscription options.

Reason for Subscribing to OTT Services



Among OTT Subscribers

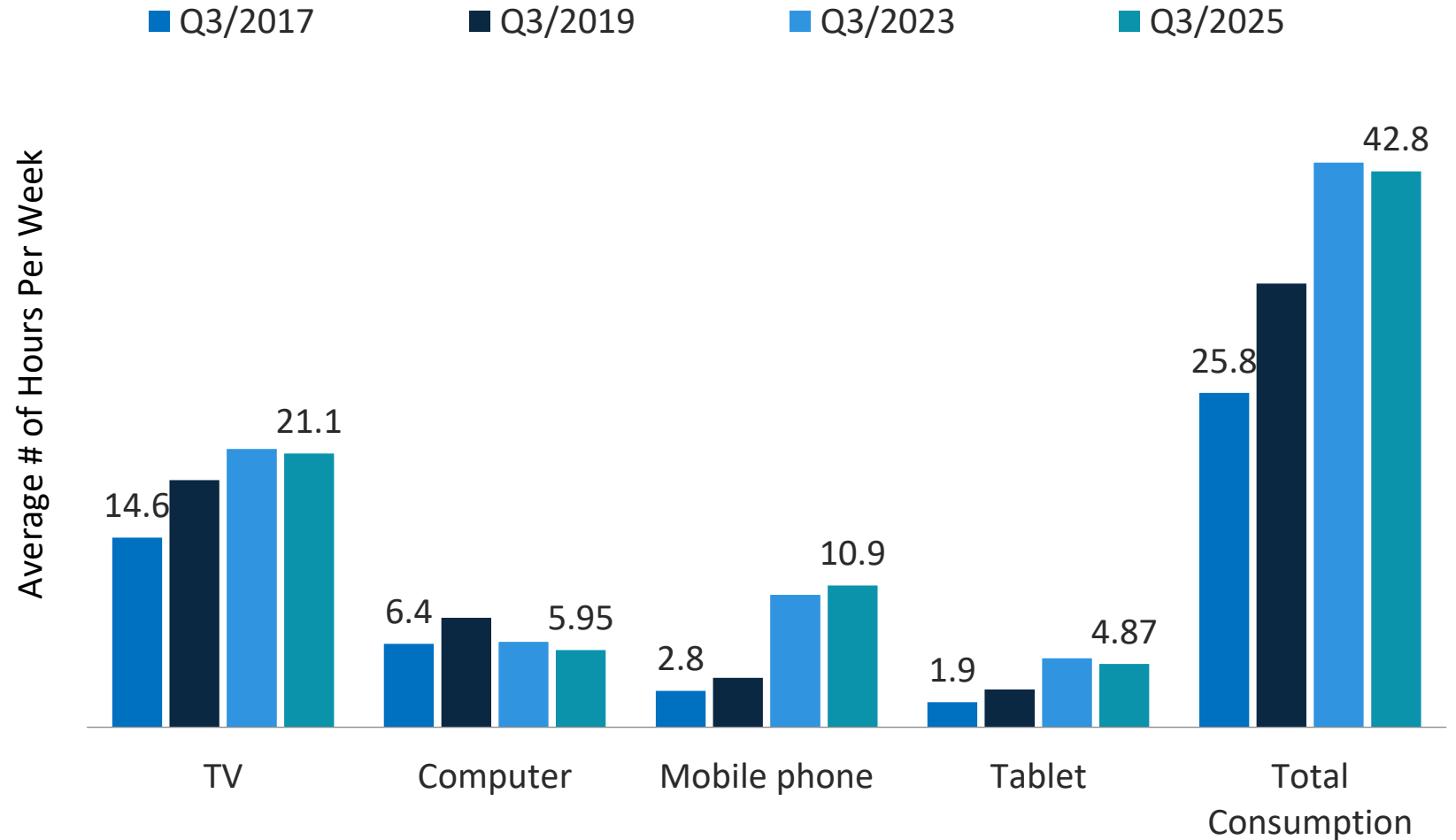
Future strategy must be attuned to multi-platform viewing.

Video consumption has expanded across multiple platforms between 2017 and 2024, reflecting our evolution into an omni-platform viewing society. While viewing on the TV remains dominant—rising from 14.6 to 21.1 average hours per week—the most dramatic growth has occurred on mobile phones, which nearly quadrupled from 2.8 to 10.9 hours.

Mobile has become as important as TV, not only because of its accessibility but also its interactivity. This shift is shaping consumer expectations for more personalized, shorter-form, and interactive content experiences.

As audiences increasingly divide their viewing time across TVs, computers, mobile devices, and tablets, content owners, service providers, and platforms must adapt their strategies to succeed in a truly multi-platform world—optimizing for engagement, relevance, and flexibility across every screen.

Total Weekly Average Video Consumption by Platforms

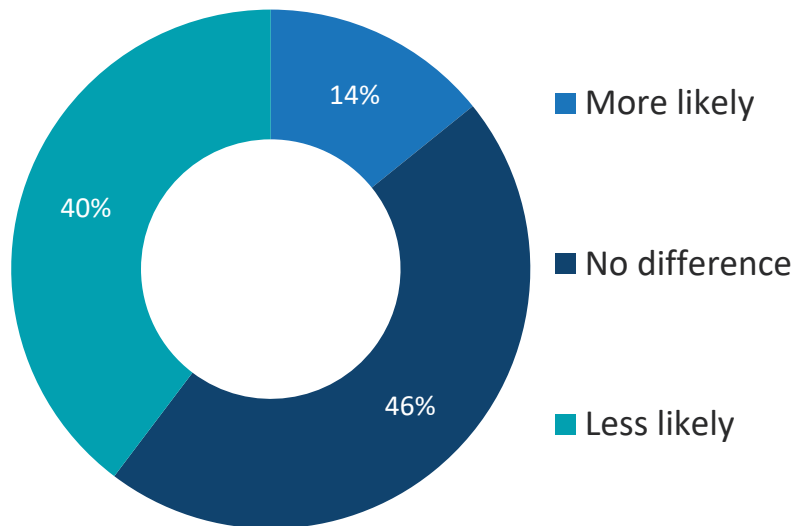


Consumers seek authenticity over AI.

Consumers have wide-ranging concerns about AI: its substitution for human creativity and an expected impact on human capabilities is a common theme. Consumers are hesitant to support AI-generated content. 40% say they are less likely to watch AI-created content. While AI tools may be valuable in the production and post-production processes, highlighting content as AI-powered, enabled, or created may do more harm than good.

Notably, those using generative AI apps today are far more interested in watching AI-generated content, with Galaxy AI and Apple Intelligence users leading the way. This indicates that as more consumers begin to use generative AI apps for personal or professional use, they may become more open to watching AI-generated content from their favorite content providers.

Impact of AI-Creation on Likelihood to Watch Content



Why are AI tools it “unethical and wrong”?”



“It is using technology and bypassing your own words, thoughts, ideas and letting AI do the work. It removes all creativity, originality and legitimacy.”

“Using work other people have done without paying them first or even telling them you are using it.”

“It brings misinformation and lies in the news.”

“It's taking over tasks that should be performed by people”

“It plagiarizes It’s bad for the environment It steals jobs”

“As a former educator I have seen students use AI to write their essays and do their homework for them. They have ceased to think on their own.”



AI innovations create new revenue opportunities and reduce operational costs.

Enhanced content value drives monetization

AI tools that improve video quality, generate captions, and enable multilingual translation expand accessibility and engagement, boosting audience reach and ad potential.

Smarter automation cuts support costs

Automated troubleshooting, content detection, and parental control features reduce customer service demands and operational overhead.

Personalization increases retention and upsell potential

AI-driven recommendations and interactive features like 360-degree viewing deepen user engagement, supporting higher subscription tiers and longer customer lifetimes.

For the streaming industry, generative AI is both an innovation engine (personalization, efficiency, new formats) and a reputation risk if handled poorly. Success will come from quietly embedding AI into the viewing experience and driving ever more intelligent operations and monetization while being transparent and cautious about overt AI-generated content.

Top Tested AI-Powered Entertainment Use Cases



Detects fake videos or images in the content you watch on TV or social media



Improves video quality



Helps you troubleshoot technical problems with a device or app



Detects if AI was used to make an image or video



Translates captions into the language of your choice



Offers more info about the content you are watching, when you ask for it



Generates captions for caption-less content



Improves recommendations on what you might like to watch next



Enables different camera angles, including 360-degree viewing



Detects a child's presence and automatically switches devices/apps to kid mode



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freestream

Drama. Action. Suspense.
600+ Channels – all free.



Free DVR
Record up to 10 hours on us.



Rewards
Win cash and prizes for watching free TV.



Favorite Channels
Mark your favorites for easy access.

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