



Providing market intelligence for more than 30 years

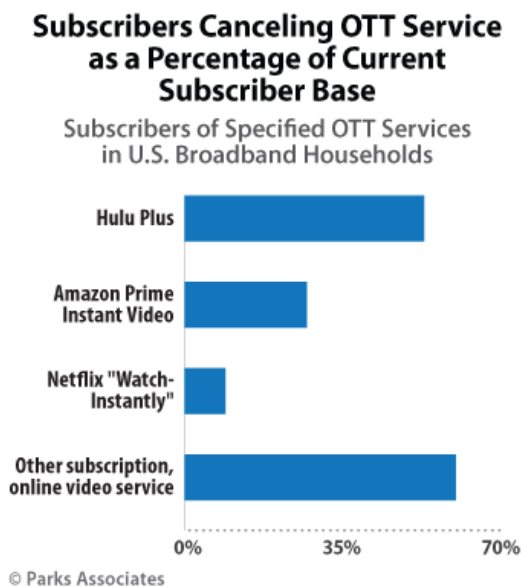
THURSDAY, JULY 30, 2015

OTT Subscriber Annual Churn Rates for Netflix, Hulu Plus, and Amazon Prime Users show consumers are testing new video services

Share This

Parks Associates' *OTT Video Market Tracker* reveals high churn rates for many OTT video subscriber services. In the past 12 months, 4% of U.S. broadband households have cancelled their Netflix service, representing nearly 9% of Netflix's current subscriber base. By comparison, 7% have cancelled their Hulu Plus subscription within the past 12 months, a figure that represents approximately one-half of Hulu Plus's current subscriber base.

As a group, smaller OTT video services have extremely high churn rates as well. Seven percent of U.S. broadband households subscribe to an online video service other than Hulu, Amazon Instant Video, or Netflix. The number of people cancelling one or more of these services over the past year represents 60% of those who subscribe currently.



"Through the *OTT Video Market Tracker* service, we are tracking the details and trends of over 75 OTT video services active in the U.S. market along with another dozen or so services planning to enter the market within the next few months," said **Brett Sappington**, Director, Research, Parks Associates. "The high churn rate for many of these services suggests that consumers are holding onto their Netflix account while experimenting with the wide variety of other video subscription options."

"Consumers will go where necessary to get the video content that they want," said **Glenn Hower**, Research Analyst, Parks Associates. "These video services are relatively low cost, so consumers can easily experiment with different services to find the ones that best suit their interests. At the same time, they can quickly consume the most interesting content within a service and move on."

Currently, 85% of U.S. broadband households subscribe to a pay-TV service, and 59% of U.S. broadband households access an OTT video subscription. Of those who use OTT video, just under 50% use two or more services.

"To shed a number of subscribers equal to half or more of your current subscriber base is a huge problem," Sappington said. "Customer acquisition costs for an OTT subscription service are relatively low, particularly compared to pay TV, but OTT video services will eventually have to capture and retain their customer bases over time in order to survive in the long term."

For more information about *OTT Video Market Tracker* and related research, contact sales@parksassociates.com. To schedule an interview with an analyst or to request specific data, please contact Holly Sprague at hsprague@gmail.com.

About Parks Associates: Parks Associates is an internationally recognized market research and consulting company specializing in emerging consumer technology products and services. Founded in 1986, Parks Associates creates research capital for companies ranging from Fortune 500 to small start-ups through market reports, primary studies, consumer research, custom research, workshops, executive conferences, and annual service subscriptions.

The company's expertise includes the Internet of Things (IoT), digital media and platforms, entertainment and gaming, home networks, Internet and television services, digital health, mobile applications and services, support services, consumer apps, advanced advertising, consumer electronics, energy management, and home control systems and security.

Each year, Parks Associates hosts industry webcasts, the CONNECTIONS™ Conference Series, Smart Energy Summit: Engaging the Consumer, and Connected Health Summit: Engaging Consumers.

<http://www.parksassociates.com>

Share This