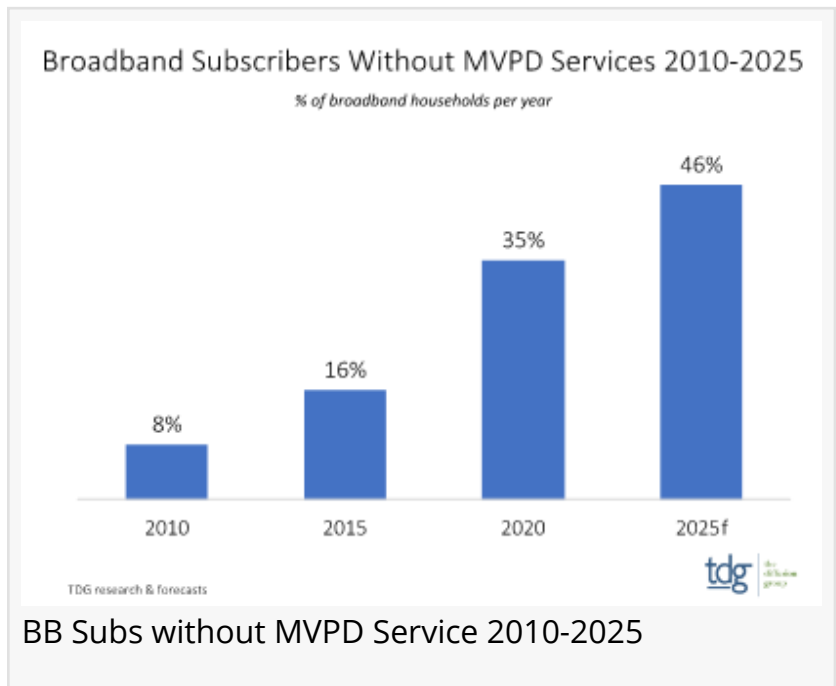


# TDG: One-Fourth of U.S. Households Subscribe to Broadband But Not Pay-TV

*BBOs to reach 54 million by year-end 2025*

LOS ANGELES, CA, UNITED STATES, October 20, 2021 /EINPresswire.com/ -- A new analysis by TDG—a division of Screen Engine/ASI—finds that the number of U.S. households subscribing to a broadband service but not a pay-TV service will grow from 38 million in 2020 to 54 million in 2025, up 42% in the five-year period.

“By 2025, nine-in-ten U.S. households will use residential broadband, of which roughly half will use a pay-TV service from a legacy or virtual MVPD,” said Paul Hockenbury, veteran industry researcher and TDG senior analyst. “The space between the two—so-called broadband-only or BBO customers—offers video creators and distributors lucrative growth opportunities.”



BB Subs without MVPD Service 2010-2025

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*Paul Hockenbury*

Early last decade, TDG predicted that streaming would incrementally chip away at pay-TV’s dominance, at first impacting viewing time, then subscriptions. This has in fact transpired.

In 2010, only 8% of U.S. broadband households lived MVPD-free, with streaming video considered no more than a nice supplement to the 500-channel universe of pay-TV. By 2015, the rate doubled to 16%, then doubled again to 35% in 2020. This trend will continue through the decade,

with a tipping point occurring no later than 2026, after which a majority of U.S. broadband households will be MVPD-free.

“A decade ago,” adds Hockenbury, “the BBO segment was comprised almost exclusively of

bleeding-edge adopters; those defined by a fascination with new products and services and a pocketbook to fund their experiments. Today, the BBO segment is largely defined by early-mainstream dispositions: buying only when the price has come down, the technology has peer-demonstrated benefits, and plenty of support is available.”

Hockenbury highlights other insights from TDG’s new research.

- Just because they live without an MVPD service does not mean they are not regular TV viewers.

- o BBOs spend 28 hours each week watching TV, roughly 10% less than broadband households that subscribe to a legacy or virtual pay-TV service (BBPTVs).

- Without a pay-TV service in the home, consumers regularly must turn to non-MVPD content sources, including streaming and OTA.

- o Roughly 60% of BBO TV time is spent watching streaming video, 50% greater than their counterparts, with SVOD by far the TV content source used most often.

- o Netflix, Amazon Prime Video, and Hulu are the three most popular SVOD apps among BBOs, as they are among their counterparts. However, in

- each case BBOs are more likely than BBPTVs to use the app, especially Hulu (51% vs. 41%).

- o Two-thirds of BBOs watch free ad-supported streaming video on TV, with YouTube by far the dominant service, used by 76%, twice its next-closest competitor, Pluto, used by 36%.

- o More than one-third of BBOs use a terrestrial TV antenna, among which OTA content is viewed 12 hours each week.

“Innovative MSOs recognized years ago that it was just a matter of time before BBOs comprised a majority of their customers,” says Michael Greeson, TDG President and co-author of the new report. “While a strategic inevitability, only recently, however, has this segment rose to the level of tactical priority.”

TDG’s new report, [The Rise of MVPD-Free Households](#), examines the emergence and evolution of broadband-only households in the U.S., examining key trends such as the continuing decline of legacy pay-TV subscriptions, the inability of virtual MVPDs to make up the difference, and the evolution of the broadband-only video household. As well, the report features new TDG consumer research on the demographics, psychographics, technographics, and video-graphics of this important segment. For more information about the report, or any of TDG’s ongoing industry and consumer research, please contact Laura Allen .

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