

Cord-Cutting: Trend vs. Myth

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Over-the-top solutions change video viewing habits

Consumers can't seem to get enough video, a passion fueled by video delivered "over-the-top" via the internet to a growing range of devices.

More internet-enabled devices are entering the home and being used in front of the TV, helping shift consumers' digital media habits significantly and perhaps permanently from the TV set to other screens.

eMarketer estimates that 158.1 million US internet users will download or stream video at least monthly via any device in 2011, representing 68.2% of web users. By 2015, 76% of internet users will be participating in this trend. But this doesn't mean they will be cutting the cord on their pay-TV service.

Despite surveys showing consumers expressed interest in cutting all pay-TV services, few households actually have done so, said Lisa E. Phillips, eMarketer senior analyst and author of the new report, "TV Video Viewing: Beyond Cord-Cutters." Cord shaving "downgrading an existing level of service" seems to be gathering some steam, however, and young adults may never sign up for cable or satellite service when they leave their parents' household.

Surveys tend to show moderate interest in cord-cutting among consumers, but very little action. Younger users are more likely to cut the cord, and the average age of internet-only households is lower than the overall average.

Adweek and Harris Poll found that the top reason for wanting to cut down on cable subscriptions was that viewers could watch what they wanted for free online.

But the reality is a bit more complicated—not all programs are easily available to stream for free, and there are often time constraints. Viewers who want to watch the latest episode of a series on the same night it airs on traditional television will typically not be able to view it online.

But consumers' TV viewing habits are shifting, especially in younger demographics.

Marketers must pay attention to where and how those consumers are watching video, said Phillips. They may represent a smaller audience, but they are very targetable online.

The full report, "TV Video Viewing: Beyond Cord-Cutters" also answers these key questions:

What is a television household today?

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What is the balance between TV and online video viewing?

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Who are the cord-cutters?

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How can marketers reach consumers effectively?

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