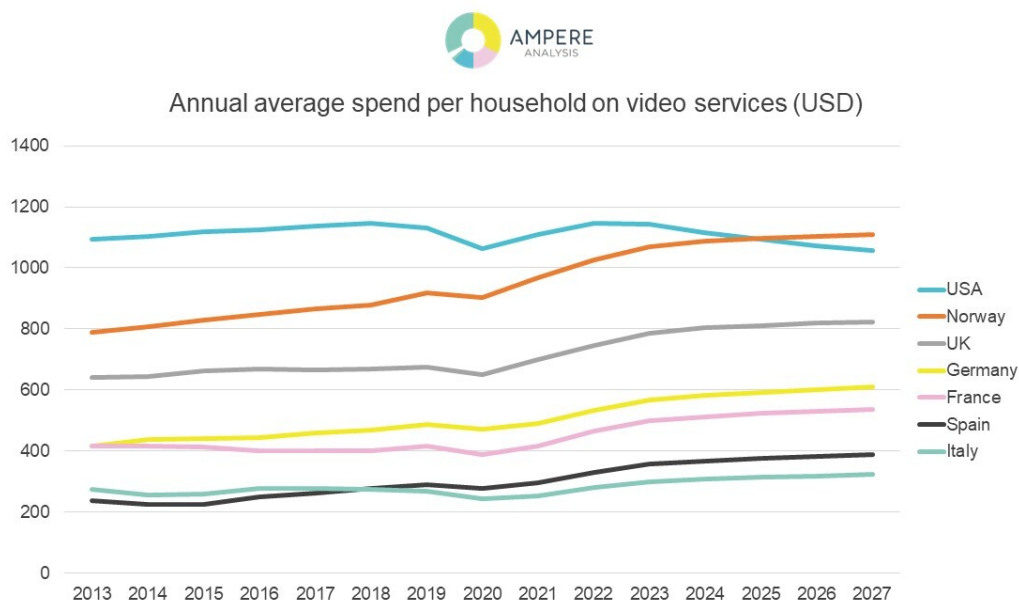


## US spend on video services to slump from 2023

Annual average household spend on film and TV likely to have peaked in 2022 at \$1150 per year. By 2027, US households are set to invest \$90 less annually on video services.

**London, 7th March 2023:** The average annual spend per US household on video services is set to fall by 8% by 2027 according to the latest research from Ampere Analysis.\* 2023 will become known as the year when per-household spending on subscription streaming (SVoD) services in the US could no longer compensate for the continued decline in pay TV and spend on video begins to shrink.



Source: Ampere Markets – Operators

Note: Covers spend on Pay TV, Subscription OTT, Public TV, Theatrical, Physical and Transactional Video services

### US spending to fall as consumers drop pay TV

Annual bills for video content peaked at \$1,146 per household in the US in 2022 with a post-pandemic bounce-back in theatrical expenditure and an 18% year-on-year increase in SVoD outlay to \$374 per household per year. 2023, however, will see US SVoD revenue growth slowing, hindered by market maturity and economic pressures. The added impact of cord-cutting will see yearly pay TV investment per average household fall below \$650 for the first time since 2006. The result is likely to be the beginning of a slow decline in annual average household expenditure on TV.

## **In Europe, household payments on video services continue to rise**

Meanwhile, in Western Europe, where the pay TV market is stable, increasing demand for SVoD services will drive an 11% increase in household expenditure on video by 2027. In fact, Norway's per household spend on video is set to overtake the US in 2025, the first Western market to do so. Norwegian homeowners will each be spending over 50 dollars more on video than US households by 2027, and almost \$300 more than the average UK home, and substantially more than those in Germany, France, Spain and Italy.

**Maria Dunleavey, Senior Analyst at Ampere Analysis, says:** "Spend on video has finally hit its limit for US households. As the US subscription OTT market edges closer to saturation point and demand for pay TV continues to fall, annual spend per household on video services has tipped into decline. By 2027, unless streaming services can sustain significant price inflation, US households will be investing almost 90 dollars less per year on video services. Recent moves from TV groups to focus on hybrid tiers and free ad-supported video services represent one approach to compensating for this downward pressure. By contrast, in Western Europe, pay TV expenditure is more stable and the expansion of SVoD continues to drive spend on video. For US groups, capitalising on this international growth is increasingly key given the pressures on domestic income."

## **Ends**

### **Note to Editors**

All \$ values quoted are USD

\*Spend on video covers spend on Pay TV, Subscription OTT, Theatrical, Public TV, Physical and Transactional Video services

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## About Ampere Analysis

Founded in January 2015, Ampere Analysis is a new breed of media analyst firm. The company's experienced team of sector-leading industry analysts specialises in sport, games, pay and multiscreen TV and next-generation content distribution. Our founders have more than 60 years combined experience of providing data, forecasts and consulting to the major film studios, telecoms and pay TV operators, technology companies, TV channel groups and investment banks. [www.ampereanalysis.com](http://www.ampereanalysis.com)

