

TV DECONSTRUCTED: LATEST FINDINGS FROM THE DASH STUDY

Full Year 2022

The ARF Universe Study of Device and Account Sharing (DASH) is a nationally projectable enumeration study of consumer behavior in TV and digital media. DASH records in detail how US households connect to and consume TV, use digital devices, and interact with and share streaming media and ecommerce accounts. DASH is a syndicated study supported by multiple licensees, many of them competitors. Pooling resources enables a project that is much higher quality and more widely acceptable than any study conducted individually.

Fielded in partnership with NORC at the University of Chicago, a premier polling firm, DASH addresses the acute need for an unbiased standard in TV universe sizing. The digitization and fragmentation of TV, the proliferation of streaming services and video-enabled mobile devices, and rapid shifts in consumer behavior have complicated measurement and attribution, in turn roiling advertising and TV economics. Big data

streams from set-top boxes and smart TVs allow deep and nearly instantaneous examination of viewership, but introduce new limitations and biases into what is already a massively complex situation.

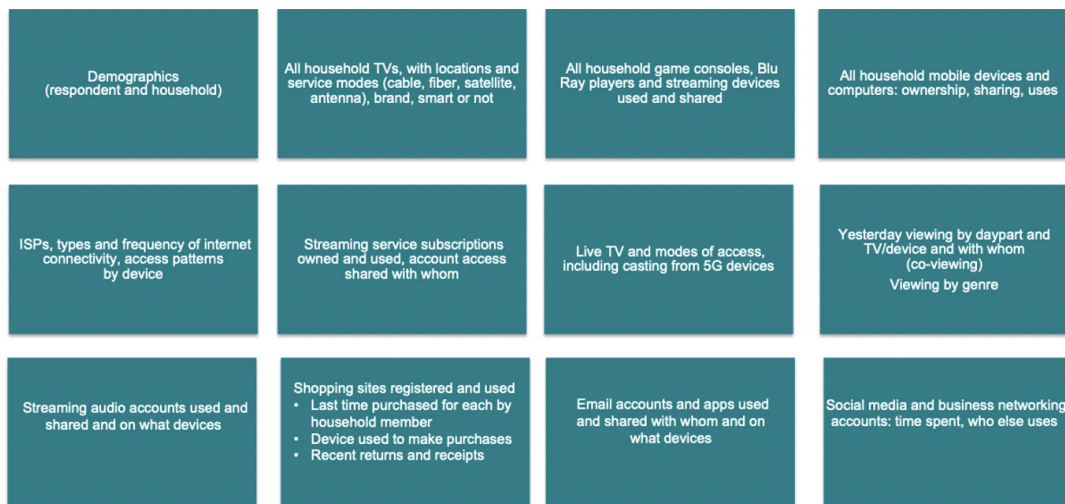
Major measurement, media and identity companies use DASH data to calibrate their big data sets and to model household demographics and persons' viewing. A highly granular, direct survey study, DASH mimics many of the signals that measurement companies collect electronically, allowing users to model data not contained in those big data sets.

Launched successfully in 2021, DASH is now conducted annually, in two waves. This past fall, the ARF reported findings from the first wave. This report covers the full year 2022. We are pleased to report that the study methodology is proving robust, and the trends seen so far are logical.

Methodology & Content

DASH 2022 comprises a national probability sample of 10,302 persons, ages 18 and over. Data was collected online, face to face and by phone to achieve balanced representation and to allow for an analysis of interviewing modes. A complete description of methods, as well as sample composition and response rate analysis, is available on request.

The chart below illustrates the broad content of the study. Granularity makes DASH a uniquely robust source of signals for modelers. For example, the study gathers, for each television and device in the household, *who owns it, who uses it, what it's used for, and what its usage was yesterday*.



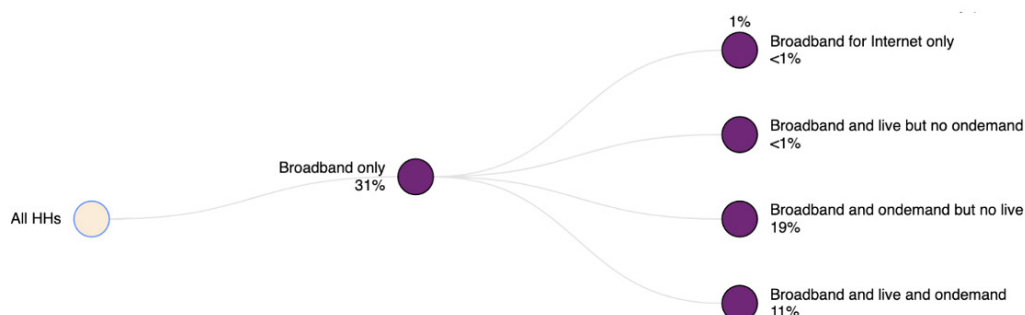
Importantly, DASH creates an opportunity to standardize measures of coverage bias across the industry. Many companies have access to a limited number of TV datasets, such as Vizio and one or two MVPDs, or to transactional data from a set of ecommerce sites, which generally does not include the biggest players, like Amazon. DASH is a comprehensive source — a full view of the universe — to help users understand the differences in behavior across these channels and make corrections for the limited coverage.

Several additional signals were added in 2022 to help demographic and viewer assignment, including frequency of viewing by genre, ad-supported and premium streaming subscription levels within major “hybrid” offers (like HBO Max) and more precise ways of isolating vMVPDs.

Findings

Broadband is up, and Pay TV down, but it's not just consumers who are divided.

Pay TV penetration fell from 59% of all US households to 56%. Penetration of broadband only households, including those with virtual MVPDs, rose concomitantly, from 25% to 31%.

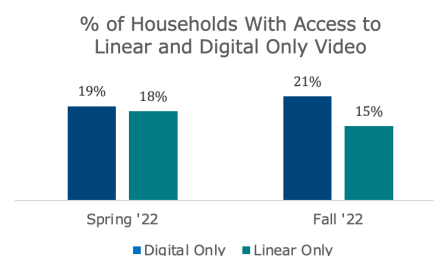


One of the most heavily debated issues in the industry today is the size of the broadband only, pay and antenna universes. While comprehensive in-home observation is likely to produce the most accurate results, the DASH 2022 survey produced data that spoke logically to this issue.

Estimates of broadband only (BBO) penetration range widely, from 20% to the more than 40%. The higher end of the range can be attributed to less than rigorous survey research, but the lower end belies a deep debate in the industry: how to categorize virtual MVPDs such as Hulu + Live TV and YouTube TV, which use a broadband signal, but, like traditional pay TV, charge monthly fees for live TV reception. Typically, vMVPDs have been categorized as broadband, rather than pay TV, yielding BBO estimates in the neighborhood of 30%. Broadcasters would prefer to see virtual MVPDs categorized with their traditional counterparts.

Using the prevailing convention, DASH 2022 estimated BBO at 31%, but that figure can be easily deconstructed in our data set. More than a third of BBO households (11 p.p.) had access to linear television through a vMVPD. Move that 11% into pay TV and the BBO estimate is 20%. DASH enables that flexibility with precision.

This debate is likely to get even more significant. There are in fact two dimensions to TV reception: the signal received (linear, digital, both) and the means of receiving it (antenna, pay and broadband). The data on linear and digital shown to the right reflect a fairly significant shift from linear to digital just from the Spring Wave to the Fall Wave.



On a separate but related note, the ARF is advocating for a gradual migration away from “TV households” (meaning households with at least one TV set) to “TV-accessible households” as the basis for TV measurement. The reason is simple: broadband access and mobile devices mean consumers no longer need a television set to watch TV. In fact, about 4% of US households consume TV (and plenty of it) without owning a single TV set. A measurement scheme that leaves out this growing segment risks underrepresenting viewership.

Churn goes both ways, but BBO comes out ahead of traditional pay TV.

The DASH 2022 sample contained 3,141 respondents who also participated in the 2021 survey. This longitudinal sample allows us to observe shifts in household subscriptions from a unified base.

The chart below depicts those shifts. Each column heading (DASH 2021) represents the base of the rows (DASH 2022) below it. Among households with pay TV in 2021, 76% remained pay TV households in 2022, while 20% dropped pay in 2022 and shifted to broadband only (BBO). Conversely 18% of the households that were BBO in 2021 picked up a pay subscription in 2022. While those percentages are close, pay TV in 2021 had a much bigger base than broadband only. Broadband only penetration increased by a net 6 points, coming mostly from households that dropped pay TV.

More than a third of antenna only households (36%) switched to pay or broadband, but, not surprisingly, very few households switched from broadband or pay to antenna only.

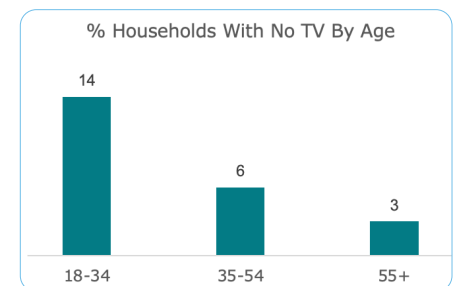
	2021		
	Pay	BBO	Antenna
2022	Pay	76%	18%
	BBO	20%	76%
	Antenna	4%	6%

Using the longitudinal sample, we estimate that 13.4% of all households cut the cord between 2021 and 2022, while 13.1% adopted BBO.

Households without TV sets are an emerging force in media consumption and measurement.

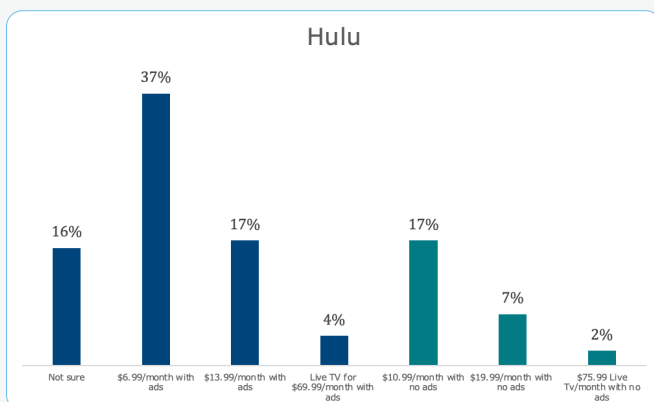
Five percent of households do not have a television set, but that does not mean they are “off the grid.” In fact, the majority, or roughly 4% of US households, have broadband access and consume TV on devices through streaming services and virtual MVPDs. Roughly half are streaming only, while the other half receive linear TV through vMVPDs.

This dynamic is driven by young adults who are more likely to use their devices for streaming. Fourteen percent of households headed by an 18-34 year old have no TV set. The skew is even more pronounced for the young and singles: 39% of 18-24 year-olds living alone just use devices to access TV.

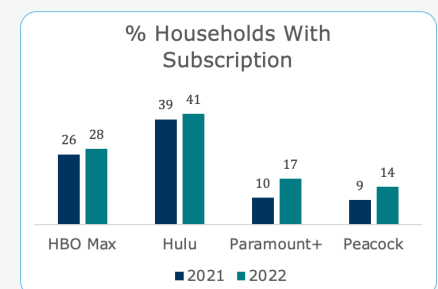


Tiers for Fears: Streaming diversifies to include premium and ad-supported offers.

In our last report, we tracked the small changes in logical directions among SVOD services: typically the big got a little smaller and the small got a little bigger. The exception was Paramount+, which grew from 10% to 17% year-over-year, likely based on the promotion of *1883*.



In 2022, however, as “pandemic viewing” abated, advertising audiences shrank, and streaming profitability (or the lack thereof) became clearer, the dynamic to watch was the introduction of AVOD tiers to what had been exclusively SVOD offers. A battery was added to DASH in the second wave of 2022 to track the emergence of “hybrid” streaming offers. The table on the left shows the distribution across SVOD and AVOD subscription tiers for one of the major hybrid services, Hulu, tracked in 2022.



Consumers build portfolios of streaming services, but Netflix remains a “core holding.”

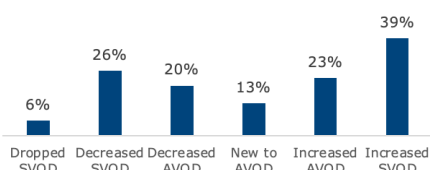
More than three-quarters of US TVA households have two or more streaming services, and half have four or more. Despite the proliferation of choices, Netflix has remained at the core of most streaming portfolios. The matrix below represents the penetration and co-usage of selected streaming services. As the third column of data shows (under “Netflix”), most people who subscribe to Netflix have stuck with Netflix even as their streaming portfolios have expanded to include other major services. Not surprisingly, newer services like Paramount+ tend to draw subscribers from the ranks of current streamers. Streaming is habit-forming: people who subscribe to one service are more likely to subscribe to any other service. This effect can be seen by comparing the overall penetration rate for each service, in the second column of the matrix, with the rates shown in the pairwise cells to the right, which tend to be higher.

Streaming Services	% of US TVA HHS	% of subscribers to each service who also subscribe to this service					
		Netflix	Disney+	Amazon Prime	Paramount+	Hulu	Peacock
Netflix	65%	--	53%	72%	23%	56%	18%
Disney+	39%	89%	--	81%	32%	71%	23%
Amazon	57%	82%	55%	--	26%	56%	19%
Paramount+	17%	86%	71%	87%	--	74%	38%
Hulu	41%	89%	67%	79%	31%	--	24%
Peacock	14%	86%	66%	82%	48%	73%	--

The rise in AVOD (ad-supported) streaming has added a new dimension to a category that was once almost entirely subscription-based and ad-free. The table to the right shows the distribution of households by number of streaming services and by SVOD only, AVOD only and a mix of both types. Most households with fewer than four services are all SVOD. However, as the number of streaming services increases in a household, the likelier it is that the household has added AVOD services to its portfolio. Among households with five or more services, 69% have both SVOD and AVOD services, while 31% remain steadfastly ad-free.

Number of Services	% of Total TVA HHS	All SVOD	All AVOD	Mix
1	11%	76%	24%	--
2	13%	63%	8%	29%
3	12%	56%	5%	39%
4	12%	50%	3%	47%
5+	39%	31%	1%	69%

% Of Households Increasing and Decreasing AVOD/SVOD



The longitudinal sample in DASH 2022 gives us a topline look into SVOD/AVOD switching. As the chart on the left shows, 32% of households cut back partially or entirely on premium streaming services, while 36% increased their participation in ad-supported streaming and 39% increased the number of SVOD services.

In TV sets as in real estate, it’s location, location, location.

DASH maps the brand and location of every TV set in the household. DASH data shows that there are logical differences in demographics and usage among the viewers of TV sets in different rooms. TV sets in living and media rooms are more likely to be co-viewed, while those in bedrooms are likely to have viewers from specific generations of the family.

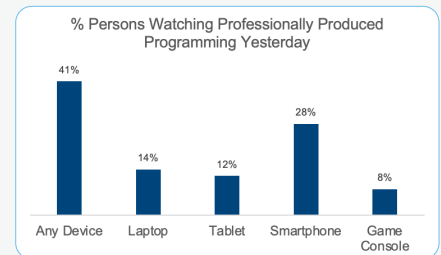
Location Across All Sets of the Brand	Living Room	Media Room	Master or Primary Bedroom	Other Bedroom	Den	Kitchen	Playroom	Garage
Brand A	36%	1%	23%	21%	2%	1%	3%	2%
Brand B	23%	4%	25%	16%	5%	7%	3%	2%
Brand C	29%	2%	25%	18%	4%	4%	1%	1%

The location effect extends to TV brands. The table shows three small brands of television sets. These TVs are more likely to be placed in bedrooms and secondary rooms, while the major brands are more likely to show up in living rooms, media rooms and dens.

Location dynamics matter, especially as TV manufacturers build out FAST networks and sell their own ACR data for measurement. The location of their sets impacts the quality of viewing and likelihood of coviewing.

In our last DASH report, we showed that most households with a smart TV capturing ACR data have at least one other brand of TV set in the home, which means there is viewing in the household not represented in the ACR data. But why stop at TV sets?

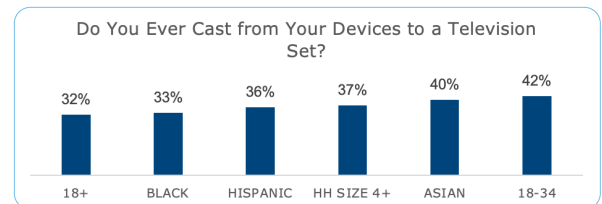
This figure depicts yesterday viewing of professionally produced programming on devices. The levels of device viewing are significant. Further, DASH data shows that the demographics of device viewers differ from those of TV set viewers as well. These dynamics further dilute the “representativeness” of ACR streams and make calibration with a reference standard like DASH essential.



Mobile devices emerge as TV signal sources, not just receivers.

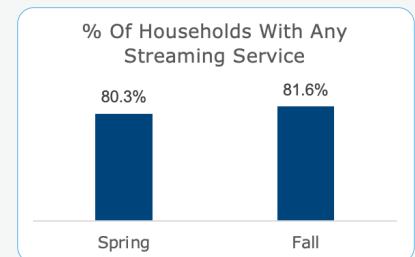
With the advent of 5G, there was interest in the community as to whether people are casting from their mobile phones to their TV sets, possibly as an inexpensive form of access to TV. The chart summarizes responses to a general question (“ever cast...?”), but the levels were surprisingly high, suggesting that this dynamic is worth digging into more deeply in the future.

Young people and Asians are more likely than their counterparts to cast from their mobile devices to TV sets. This finding is consistent with other DASH data on the use of digital media, ecommerce and mobile devices that shows similar levels of tech savviness.



Streaming penetration continued to rise, even as the pandemic abated.

Finally, all of the data presented in this report have been full year 2021 or 2022, but DASH sheds light on dynamics within years, not just between them. As noted earlier, the DASH study is conducted in two waves, Spring and Fall, which allow subscribers to look at intra-year differences among rapidly changing parameters, such as streaming, and also to pin more precisely the dates of measurement on controversial issues, such as BBO penetration. The figure to the right shows the growth in streaming service penetration from the Spring to the Fall of 2022 in households with at least one streaming service. These small, but logical, changes are typical throughout the critical media parameters in the DASH study.



If you are interested in learning more about the DASH study, please contact [Paul Donato](#) or [Jim Meyer](#) or drop us a line at DASH@thearf.org.

You can also visit the [DASH website](#) for more.