

# The Tipping Point for Cord Cutters

5 trends explaining the growth in Cordless  
Americans and other insights from the MRI-Simmons  
**Cord Evolution Study**

January 2023





## Introduction

Now in its 8<sup>th</sup> year, MRI-Simmons' **Cord Evolution Study** originally set out to track the then-emerging phenomenon of "cord cutting." This year's study saw a milestone: for the first time, the number of cordless Americans surpassed the number of corded.

This is no longer a niche trend just for leading-edge consumers – it is a firmly mainstream phenomenon embraced not only by TV viewers, but also service providers and content creators who are hard at work claiming ground in the streaming space.

In this complimentary summary report, you'll learn 5 reasons why many consumers have cut their TV cord, plus insights into their viewing habits and some of their attitudes around consuming TV & video content.

There's much more in our comprehensive client report, available to Cord Evolution Study subscribers. [Click here to learn how to access the report and the full Cord Evolution Study!](#)

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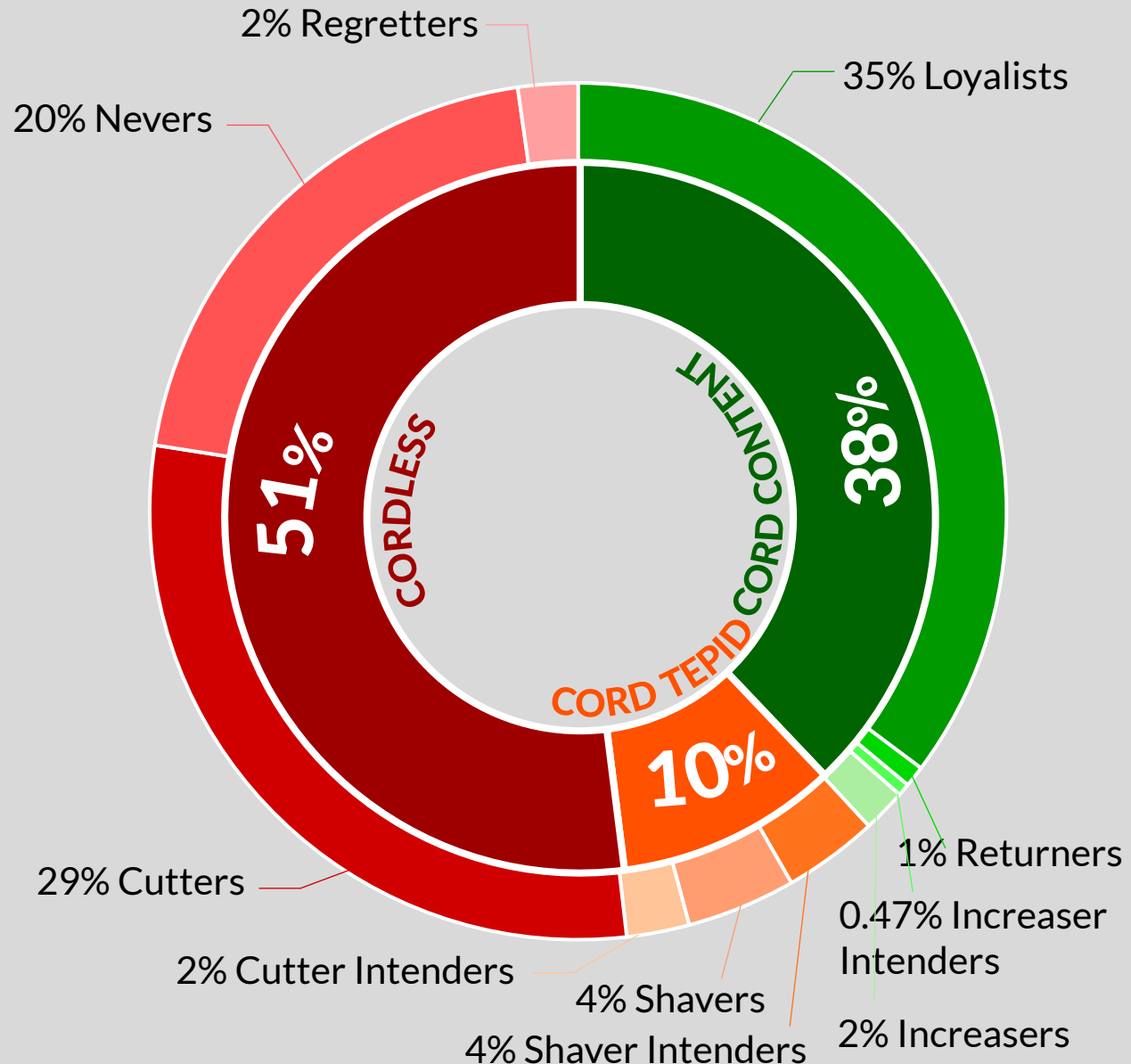
## Cord Consumer Groups

For a bit of background, MRI-Simmons' Cord Evolution Study identifies 3 primary cord consumer groups:

- **Cord Content:** those who are happy with their TV cord
- **Cord Tepid:** those who have just shaved, intend to shave, or even cut services
- **Cordless:** those without a TV Cord altogether

Within these 3 larger groups, there are 10 striations:

Cord Content	Cord Loyalists
	Cord Returners
	Cord Increaser Intenders
	Cord Increasers
Cord Tepid	Cord Shaver Intenders
	Cord Shavers
	Cord Cutter Intenders
Cordless	Cord Cutters
	Cord Nevers
	Cord Cutting Regretters





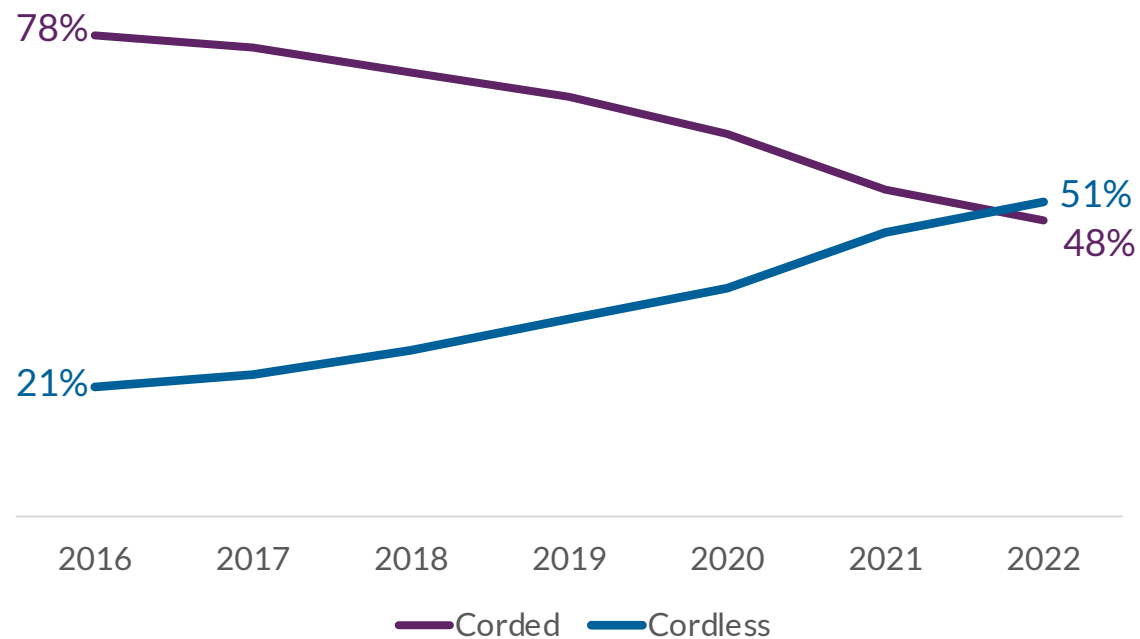


## Cord Consumer Groups

The news from the latest 2022 Cord Evolution data is the fact that **cordless** have surpassed **corded**.

Overall Corded Americans, which include those in the Cord Tepid group, have **declined -39% since 2016**, proving that Americans continue cutting the cord at a rapid rate year over year.

On the next page, we'll start digging into the 5 key reasons this shift is happening.





1

# Price

The high cost of conventional TV packages (often in the low 3-figures monthly) has long been a major driver of cord-cutting adoption since we first started tracking this trend 8 years ago



## 1

## Price

While it's not necessarily a bargain to cut the cord – the cost of all those streaming services can add up quickly - consumers still cite cost cutting as a main reason for their choice to go cordless.

Among the most important drivers for cord cutters making the switch, 31% mention price as a factor, and all others mention watching shows on streaming or elsewhere.

### Most important reasons for cutting:

- 38% I am watching via streaming services instead
  - 21% My TV package was too expensive
  - 10% I wanted to cut down on overall expenses
  - 10% I don't need TV service to watch the shows I want
  - 8% I subscribe to a streaming TV package
- } *Cost-focused reasons*

Further, the average monthly expenditures for cordless Americans is considerably lower than their corded counterparts. 44% of cordless Americans spend less than \$50 per month, compared to only 14% of corded-only.

	Total Pop	Corded* Only	Stackers	Cordless^
Avg. Monthly Expenditure	\$95.40	\$119.00	\$126.30	\$68.10





2

# Viewing habits

Americans spend more time streaming  
on-demand content than watching live TV

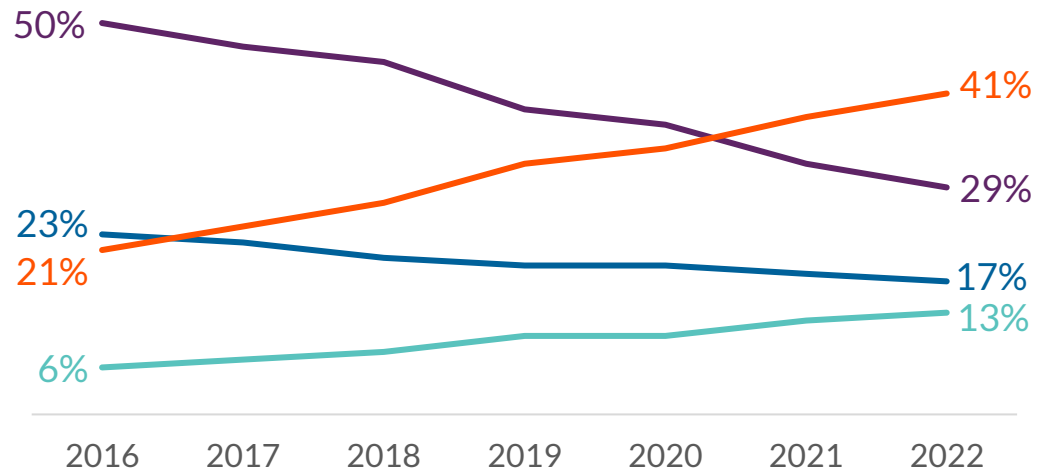


## 2

## Viewing Habits

To understand how viewers consume TV shows, we ask what percentage of their time is spent watching content via cable/satellite service vs, streaming, and if that content is live or time-shifted.

The overwhelming trend is toward streaming options: time-shifted streaming now has the biggest chunk of viewers' time by far. Live streaming is also making inroads, underscoring consumers' interest in internet-based content platforms - and those platforms offering exclusive live sports and other live-first events.



— Time-shifted streaming — Live traditional cord — Time-shifted DVR/VOD — Live streaming

2022 November Cord Evolution

Base: Total Population

Q40b: Thinking about the ways you can watch TV shows, please indicate, in %, the amount of time you spend watching TV in each of the following ways in a typical week. If you do not watch in a particular way, please enter '0'.





3

# Choices

Consumers have more options than ever  
to customize their viewing



## 3

## Choices

Paid streaming services aren't the only alternatives. Consumers can also choose to view FAST (Free Ad-supported Streaming Television) channels and OTA (over-the-air) broadcasts, which have relatively low barriers to entry.

56%

of Americans have viewed **FAST programming** in the past 12 months

- 23% more likely to be **Black/African American**
- 22% more likely to be **aged 18-34**
- 14% more likely to **never have been married**

26%

of Americans access **OTA programming**

- 26% more likely to be **aged 18-34**
- 16% more likely to be **Hispanic**

So much choice enables consumers to piece together the services that align with their budget, content needs, and device usage.





4

# Flexibility

Consumers like the flexibility that streaming services offer



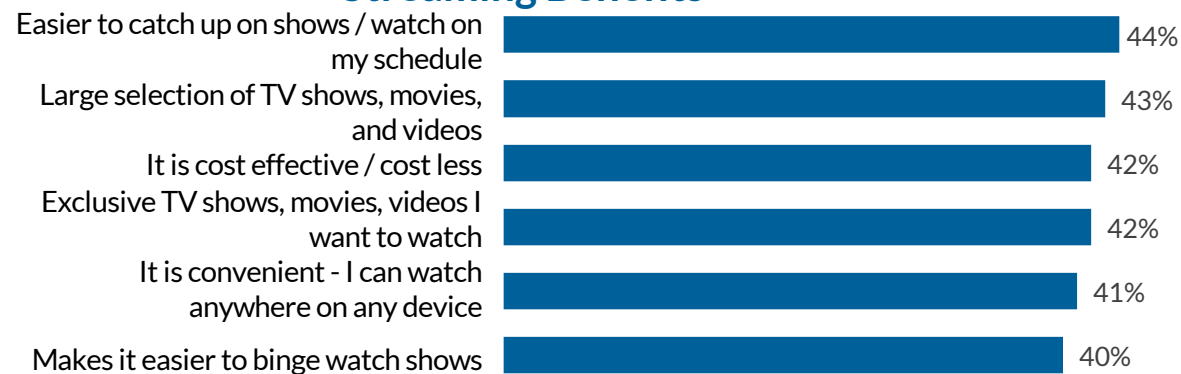


## 4

## Flexibility

Asked to select from a list of benefits that consumers get out of streaming services, options focused on flexibility rose to the top, while Corded Americans highlight traditional TV's "turn on and watch" simplicity.

## Streaming Benefits



## Cord Benefits





5

# Streaming is a gateway

By stacking streaming services on top of their traditional TV, many corded consumers have a foot out the door already



5

## Streaming is a gateway

Among the 48% of Americans that still have the cord, a majority “stack” at least one streaming service on top of their traditional TV package.

**75%**

**of traditional TV\* households also stream**

These services were once foreign to long-time cord user, but are now an essential part of their routines. As a result, many consumers already subscribe to the services that would replace their cord.

Cutting the cord no longer means less access to the content viewers want.

### Top streaming services among “stackers”

Netflix	58%
Prime Video	47%
YouTube	37%
Disney+	31%
HBO Max (commercial-free subscription)	21%

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Base: Corded & Streaming (Age 18+), Streaming services used in the past 12 months

\*Household subscribes to cable, satellite or fiber optic TV service

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## What's in the study

- ✓ **NEW: FAST Services used in the past 12 months**
- ✓ 10 Cord groups based on past 6-month and next 6-month behavior
- ✓ Reasons for "Cordiness" – *deep dive follow-up questions asked among Cord Groups*
- ✓ Hours spent watching TV/video
- ✓ TV Everywhere App measurement
- ✓ Past 12-month measurement of streaming services/apps (175+ entities)
- ✓ HH subscribers vs borrow services
- ✓ Streaming TV Package use (vMVPD)
- ✓ Type of content watched P30 days on streaming services
- ✓ Genre of shows stream
- ✓ Type of sports stream
- ✓ Benefits of streaming & attitudes towards streaming/streaming services
- ✓ Reasons why a non-streamer
- ✓ Premium channel exclusive original series watch
- ✓ Streaming exclusive original series watch
- ✓ General TV Attitudes
- ✓ Detailed genres of TV shows watch
- ✓ Total TV expenditure
- ✓ Share of Clock – Media, Ways watch TV, & Devices
- ✓ Deep-dive into binge viewing

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Want to see  
the full report? Contact  
[info.ms@mrismmons.com](mailto:info.ms@mrismmons.com)  
for access!



Thanks for reading!

To see the full report  
and unlock access to the  
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