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
Now in its 8th 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!
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

- 35% Loyalists
- 20% Nevers
- 1% Returners
- 2% Increaser Intenders
- 2% Increasers
- 29% Cutters
- 4% Shavers
- 4% Shaver Intenders
- 2% Cutter Intenders
- 2% Regretters
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.
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.
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

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.

<table>
<thead>
<tr>
<th>Total Pop</th>
<th>Corded* Only</th>
<th>Stackers</th>
<th>Cordless*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Avg. Monthly Expenditure</strong></td>
<td>$95.40</td>
<td>$119.00</td>
<td>$126.30</td>
</tr>
</tbody>
</table>

*Household only subscribes to cable, satellite or fiber optic TV service
^Household does not subscribe to cable, satellite or fiber optic service

2022 November Cord Evolution
Base: Cord Cutters; Which one of the following is the most important reason why you cut or plan to cut?
Base: Total Population; Q39: How much in total do you estimate your household spends on TV & video content each month?
Viewing habits

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

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Choices

Consumers have more options than ever to customize their viewing
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.
Flexibility

Consumers like the flexibility that streaming services offer
Asking consumers to select from a list of benefits that they 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

- Easier to catch up on shows / watch on my schedule: 44%
- Large selection of TV shows, movies, and videos: 43%
- It is cost effective / cost less: 42%
- Exclusive TV shows, movies, videos I want to watch: 42%
- It is convenient - I can watch anywhere on any device: 41%
- Makes it easier to binge watch shows: 40%

### Cord Benefits

- Can turn on the TV and go to whatever channel I want: 35%
- Bundle my TV service with other services: 31%
- All the channels I want are all in one place: 30%
- Ability to watch shows when they air live: 27%
- DVR service so I can record my shows: 25%
- Ability to skip ads when I watch via my DVR: 19%
Streaming is a gateway

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

<table>
<thead>
<tr>
<th>Service</th>
<th>Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netflix</td>
<td>58%</td>
</tr>
<tr>
<td>Prime Video</td>
<td>47%</td>
</tr>
<tr>
<td>YouTube</td>
<td>37%</td>
</tr>
<tr>
<td>Disney+</td>
<td>31%</td>
</tr>
<tr>
<td>HBO Max (commercial-free)</td>
<td>21%</td>
</tr>
</tbody>
</table>

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2022 November Cord Evolution
Base: Corded & Streaming (Age 18+), Streaming services used in the past 12 months
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
Thanks for reading!

To see the full report and unlock access to the Cord Evolution Study, please contact info.ms@mrisimmons.com