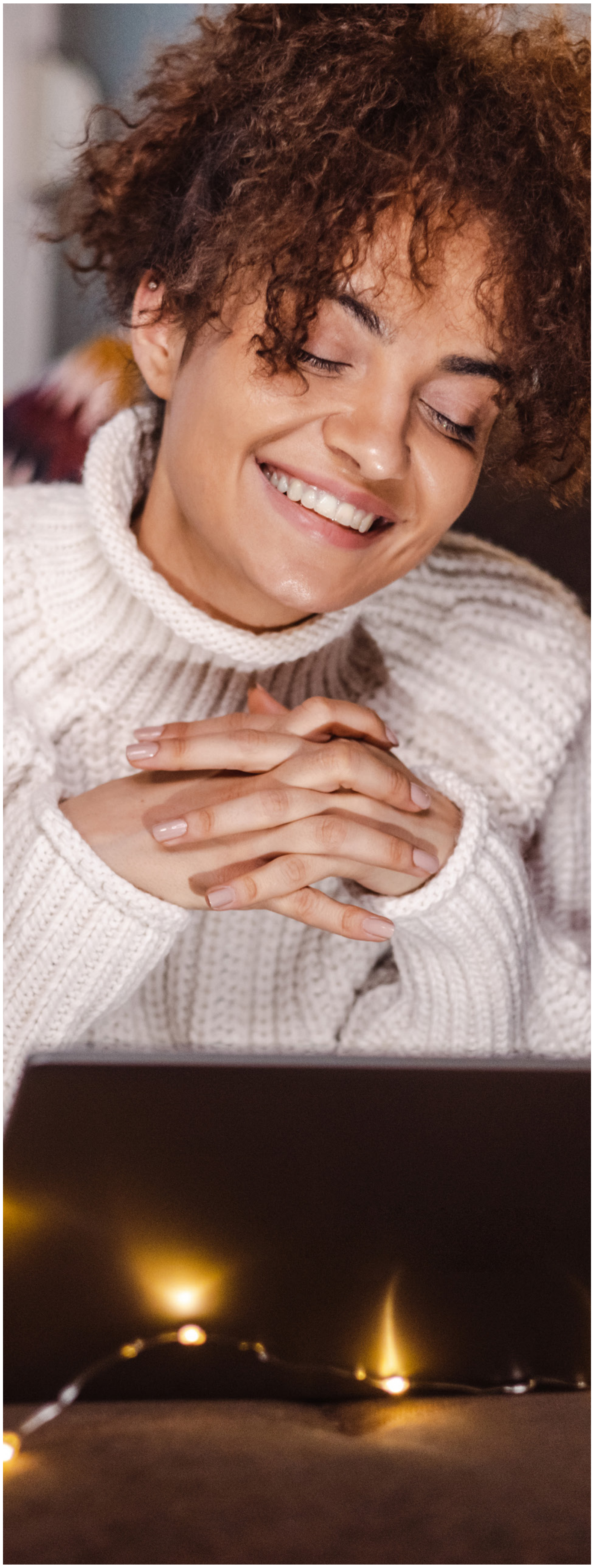
PMG

2024 HOLIDAY POV

Unwrap The Power of Streaming This Holiday Season



Introduction

As the 2024 holiday season approaches, streaming viewership has continued its upward trajectory, with notable shifts in platform dynamics and audience behaviors recorded throughout the year. Streaming has solidified its lead over traditional linear TV, as consumers shift toward on-demand, personalized content experiences. Nielsen and other research platforms report a continuous decline in broadcast and cable viewership, with streaming accounting for over 40% of total TV time in Q3 2024.

As consumers increasingly embrace streaming, advertisers recognize the power of Connected TV (CTV) to help them reach targeted audiences with engaging video ad content, especially during critical shopping periods like the holiday season. Last year, CTV ad spending surpassed $20 billion for the first time. And in 2024, that upward trend has continued, increasing at a rate 32% faster than total media, thanks to a 12% surge in ad spend, according to MNTN Research.

What's Driving Growth in Ad-Supported Streaming?

Viewership in 2024 has become more distributed as competition between platforms intensifies. No single platform monopolizes viewership, with consumers frequently subscribing to multiple services. Hulu, Netflix (ad-tier), and Peacock offer lower-cost, ad-supported plans that are becoming more popular during the holiday season when viewers may be more price-conscious. This distribution has pushed platforms to differentiate through exclusive content and unique ad offerings. As such, brands will focus on streaming platforms to reach and engage holiday shoppers this year.

Heading into Q4 2024, streaming viewership remains highly dynamic, with continued growth driven by evolving consumer behaviors, technological advancements, and diverse content offerings. As we approach the holiday season, several key trends are defining the streaming video landscape.

Live Streaming and Event Programming

Netflix and Amazon are experimenting with live streaming, offering real-time content inclusive of live sports, concerts, and award shows. So far, this strategy has been effective in attracting younger audiences and those interested in real-time experiences. More specifically, live sports have become a critical differentiator for streaming services in 2024. Amazon Prime Video's investment in NFL Thursday Night Football and Apple TV+'s partnership with Major League Baseball (MLB) have driven countless sports fans to cut the cord and rely on streaming for live games.

During the 2024 holiday season, the NFL will offer exciting streaming options for fans, particularly on Black Friday and Christmas Day. Amazon Prime Video will continue to stream Thursday Night Football games throughout the season, including the NFL Black Friday game on November 29, 2024, where the Kansas City Chiefs will host the Las Vegas Raiders at 3 p.m. ET. This is the second year the NFL has scheduled a Black Friday game, following the success of the inaugural event in 2023. This year's Black Friday matchup will be free on Amazon Prime Video, meaning that even non-subscribers can enjoy the game without a paywall.

Later this season, Netflix will stream two marquee NFL games as a part of its new exclusive partnership with the league. On December 25, 2024, viewers can catch Kansas City Chiefs vs. Pittsburgh Steelers followed by Baltimore Ravens vs. Houston Texans. This is part of a three-year deal between Netflix and the NFL, marking Netflix's first foray into live sports streaming. These games will be available globally to Netflix subscribers and are expected to attract a large audience, continuing the NFL's tradition of Christmas Day games.

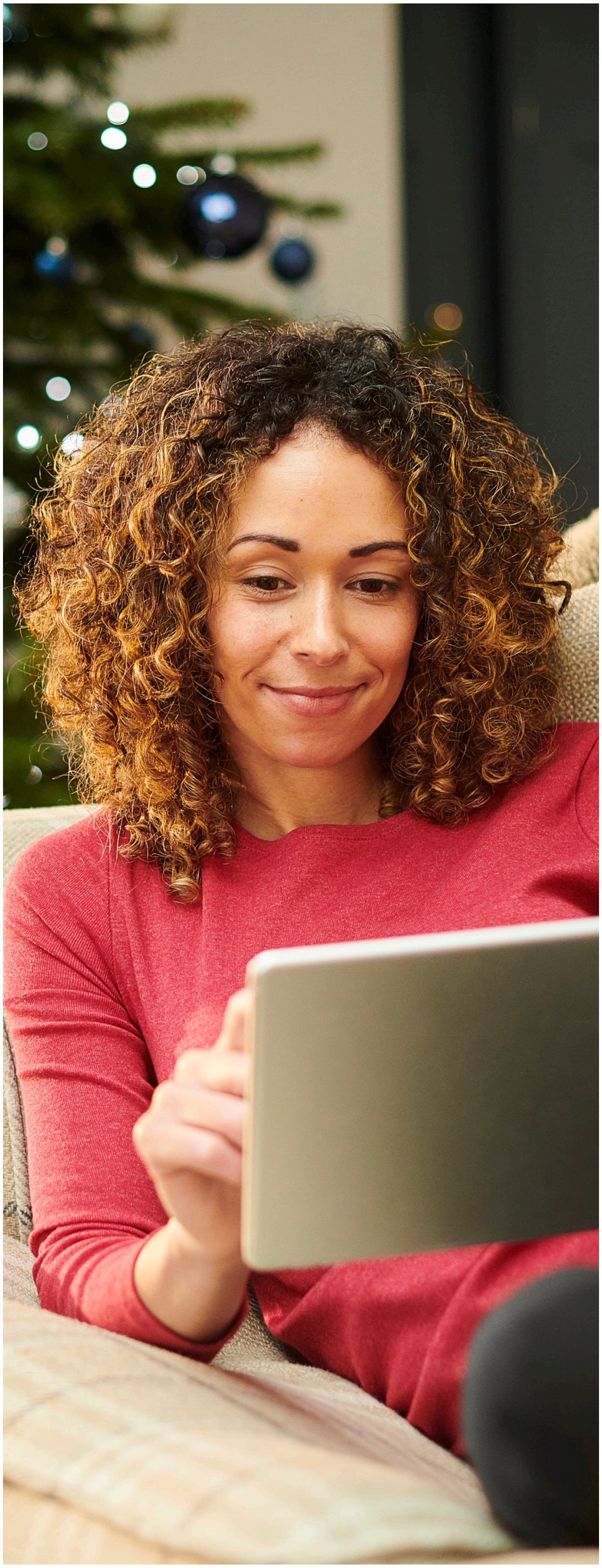
Increase in Holiday-Themed Content

Netflix, Disney+, and Amazon Prime Video are investing heavily in exclusive holiday movies, series, and specials. These titles often drive significant viewership during the festive period. Additionally, with families spending more time together, demand for family-friendly content spikes. Animated films, family comedies, and feel-good specials are top draws.

Content Binge-Watching

With an increase in the number of streaming services, viewer churn is a key challenge for media companies. Platforms employ strategies like personalized content, better user experiences, and exclusive releases to keep subscribers engaged and reduce churn rates. While binge-watching remains popular, many platforms have adopted a hybrid release strategy, where new episodes of major shows are released weekly.

This strategy, seen with series like *The Boys* on Prime Video, *House of the Dragon* on MAX, *Riply* on Netflix or *We Were the Lucky Ones* on Hulu, help platforms retain subscribers longer and build social buzz over time. Despite the shift, full-season drops remain highly attractive, especially for genres like true crime, limited series, and docuseries, which generate significant spikes in viewership over shorter periods.



User-Generated Content Integration

Platforms such as YouTube and Twitch are seeing a rise in holiday-themed live streams and interactive content, allowing viewers to engage with creators in real time. Streaming parties, cooking shows, and DIY holiday décor videos are popular. Some platforms are experimenting with AI-generated content, particularly in fields like animation, to test audience receptivity. This has sparked debate and innovation within the industry.

Localized Content for Global Audiences

Streaming services are focusing on culturally diverse holiday content to cater to global audiences, offering unique programming that aligns with regional holidays and celebrations beyond traditional Western themes. As North American markets near saturation, much of the growth in streaming viewership in 2024 has been driven by international markets, particularly in Asia, Latin America, and Africa. Additionally, platforms increasingly produce localized content in these regions, catering to specific languages, cultures, and regional preferences.

In parallel, AI and machine learning now play a larger role in curating personalized content recommendations. Platforms are leveraging viewer data to refine user interfaces and ensure audiences are served highly relevant content, driving more engagement and longer watch times.

So Where Do We Go From Here? Our Gifts to You, Un-Wrapped

As shoppers and streamers get into the holiday spirit earlier each year, marketers can find success by reaching these consumers where they are—often gathered around TVs, shopping online for deals while rewatching holiday favorites. For brands looking to break through this holiday season, PMG recommends the following considerations.

GO BEYOND THE :30-SECOND COMMERCIAL

Stand out from the crowd by sponsoring a holiday movie, holiday collections, or even a spot in the highly coveted NFL coverage. Isolating sports programming, games are streamed in front of paywalls, providing greater reach and visibility for brand partners.

TAP INTO CYBER WEEK

The Thanksgiving holiday weekend is the most-streamed period of the year. While consumers are hunting for online deals, they are also relaxing on the couch and spending time with family.

Did you know?

The Sunday between Black Friday and Cyber Monday is consistently one of the most-streamed days of the year. Despite often being neglected by a brand's media plans, this can be a key day for marketers to heavy-up.

TURN PASSIVE STREAMERS INTO ACTIVE SHOPPERS

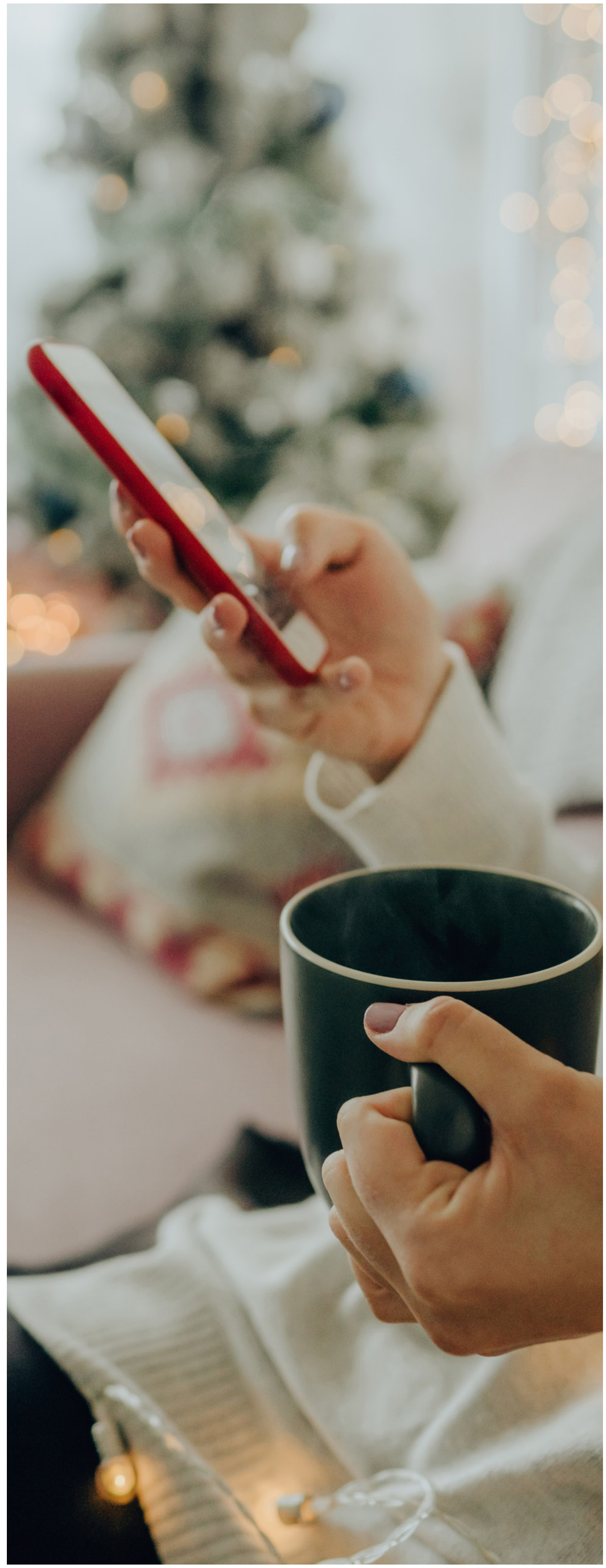
Action/pause ads, QR codes, shoppable carousels, and interactive units can seamlessly turn a viewer's streaming session into a shopping trip. Marketers can also shorten the path to purchase with marquee ads that promote deals, prompt research, and collect valuable insights on user engagement.

MOBILE AND STREAMING GO HAND IN HAND

While online shopping continues to grow, mobile commerce will outpace traditional online and physical retail in 2024. According to eMarketer, over half of online holiday sales will be made on a mobile device this year.

EXTEND THE HOLIDAY SPIRIT TO MAXIMIZE ADDITIONAL SALES

Keep advertising during Q5 (the period from December 26 through mid-January) to capture post-holiday shopping behaviors. For example, sponsoring a New Year, New You-themed playlist, or experience on Roku can capture attention and keep your brand in mind as viewers close out the holiday season.



Looking Ahead

The CTV landscape continues to evolve, so more insights and trends will emerge. These trends are shaping how consumers engage with streaming platforms during the festive season. Keeping an eye on them is essential for advertisers, publishers, and intermediaries as this enables them to quickly adapt strategies. At the same time, brands and agencies should not focus solely on CTV. Customers interact with digital content via multiple devices. Reaching them through an omnichannel approach is vital for successful campaign performance, especially for the holiday season. The ability to navigate this complex environment will be essential to standing out in a crowded market and driving meaningful results in the weeks to come.

About PMG

PMG is a global independent marketing services and technology company that seeks to inspire people and brands that anything is possible. Driven by shared success, PMG uses business strategy and transformation, creative, media, and insights, as well as its proprietary marketing intelligence platform Alli, to deliver Digital Made for Humans™. Our team is made up of over 900 employees globally, and our work for brands like Apple, Best Western Hotels & Resorts, CKE Restaurants, Experian, Intuit, Kohler, Nike, Sephora, Therabody, and Whole Foods runs across 85+ countries and has received top industry recognition from Cannes Lions to Adweek Media Plan of the Year.

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