

NETFLIX AND CHILL...WITH ADS

The rise of Netflix Standard With Ads.



As the third anniversary of **Netflix's Standard With Ads tier** approaches, it's an opportune moment to take stock of where it stands in the video ecosystem. One thing is certain: according to [Hub's TV Churn Tracker](#), the ad-supported plan has been an **unqualified hit with viewers**.

In our latest Q2 report, **42% of Netflix subscribers say they have Standard With Ads** — triple the proportion from just two years ago.

Other [sources are reporting similar trends](#). In 2024, twice as many new Netflix subs opted for ads compared with 2022.

At times like this, it can be informative to look back at our hot takes on Netflix Standard With Ads in early and mid-2023 according to a Hub report.

In January 2023, we were cautiously optimistic as we noted:

Netflix Standard With Ads is intended to grow the subscriber base by attracting non-subs. But results so far don't provide solid evidence that growth will be sufficient to offset revenue lost from existing subs trading down.

We also pointed out reasons to think the "trade-down" effect might be limited, given Netflix's early reporting that Standard With Ads uptake was modest.

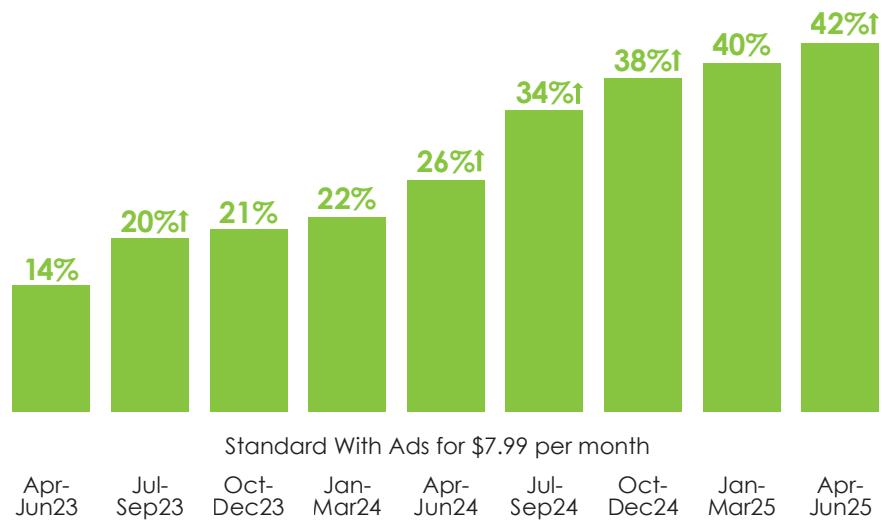
By July 2023, the picture was shifting.

Both Disney+ and Netflix were seeing success with their ad-supported offerings. As we put it then:

Even if Disney+ and Netflix didn't launch home runs with their ad tiers, they've been solid hits. In a market where just keeping subs is tough, Netflix added to its North American base, while Disney grew revenue without sparking subscriber backlash. Count both as wins.

NETFLIX STANDARD WITH ADS HAS SHOWN CONSISTENT GROWTH

Among Netflix subscribers who know which Netflix plan they have*



Source: Hub TV Churn Tracker, April 2023-June 2025

Two years later, we can say it confidently: **Standard With Ads has been a victory for Netflix.**

So, let's dive deeper into [Hub's TV Churn Tracker](#) and [TV Advertising: Fact vs. Fiction](#) to profile Netflix's ad-supported audience — and see how they differ from their ad-free counterparts. Below are eight findings worth noting.

Who Are Netflix's Standard With Ads Subscribers?

1. They are skewing a bit older.

Currently, **two-thirds of Netflix Standard With Ads subscribers are age 35+.** That older skew has accelerated over the past year.

2. They're less upscale than ad-free subscribers.

In an entirely predictable finding, Netflix **ad-free subscribers have significantly**

higher incomes than other TV viewers, and particularly, are **more upscale than Netflix Standard With Ads subs.** Notably, 39% of Netflix ad-free subscribers earn over \$100K — compared to just 28% of those on the ad-supported tier.

3. They're increasingly more likely to be cord-cutters and cord-nevers.

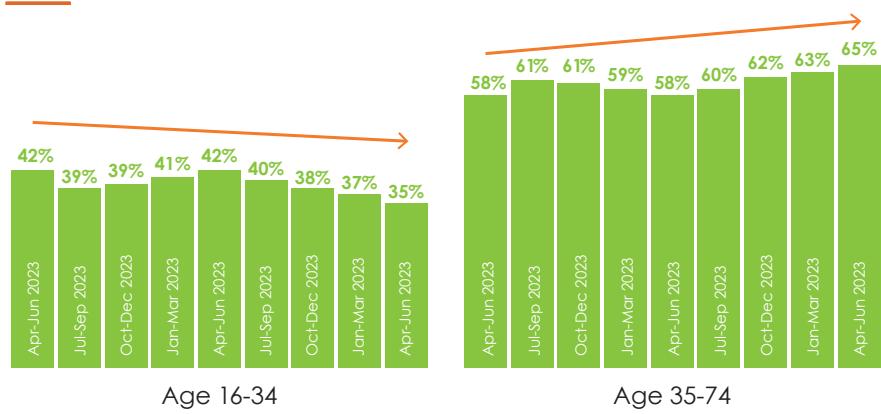
In May 2023, **28% of Netflix Standard With Ads subscribers lacked an MVPD or vMVPD subscription;** by **May 2025, that number rose to 34%.** With their lower-income profile, many seem to be treating the ad-supported tier as a substitute for costlier multichannel services.

4. They choose savings over ad avoidance — but not universally.

In the [Hub TV Advertising: Fact vs. Fiction](#) study, we asked about attitudes toward TV advertising overall, and followed up with a question about [balancing ad avoidance](#) with opting in for ads to save money. For many viewers, with subscription costs on the rise, it's worth considering accepting ads for lower fees.

While the ad-free Netflix subs are more likely to say they can't tolerate ads, the percentages of ad intolerants aren't that high in either group. And although the Netflix Standard With Ads group is **overwhelmingly more likely to say they'd prefer saving money to avoiding ads, only one in five of them would rather avoid ads.**

NETFLIX STANDARD WITH ADS HAS DEVELOPED AN OLDER SKEW



Source: Hub TV Churn Tracker, April 2023-June 2025

Table 1 displays differences between viewers who have a Netflix Standard With Ads and viewers who have an ad-free Netflix Subscription on attitudes toward advertising

Table 1	Ads	Ads-free
I can't tolerate them	8%	13% [▲]
I'd rather avoid ads	21%	52% [▲]
I'd rather save money	79% [▲]	48% [▲]

[▲]significantly greater at 95% confidence

Source: Hub TV Advertising: Fact vs. Fiction, May, 2025 (Base: U.S. Consumers age 14-74)

5. They're more likely to be the ones paying.

Across all the major streaming services, Netflix Standard With Ads subscribers are more likely than ad-free Netflix subs to be the one who pays for the monthly subscription. Although the ad-supported subs aren't as likely as Netflix ad-free subs to have 6+ TV services (43% among ad-supported vs. 48% among ad-free), both are more likely to be heavy subscribers than consumers who don't have Netflix.

So, with all those subscriptions they pay for themselves, and generally lower incomes, it's no wonder the Netflix ad-supported subs are looking for ways to shave monthly TV costs.

Table 2 displays differences between viewers who have a Netflix Standard With Ads and viewers who have an ad-free Netflix Subscription on paying for video subscriptions themselves

6. They curate subscriptions with purpose.

Both groups of Netflix subs are more likely than other TV viewers to add and cancel services in a typical month. But the Netflix Standard With Ads subscribers are more intentional about curating their subscriptions.

Table 2	Ads	Ads-free
	78% [▲]	65%
	76% [▲]	67%
	75% [▲]	72%
	69% [▲]	64%
	68% [▲]	61%
	67% [▲]	63%
	71% [▲]	63%
	70% [▲]	65%

*among subscribers to each service

[▲]significantly greater at 95% confidence

Source: Hub TV Churn Tracker, Q2, 2025 (Base: U.S. Consumers age 16-74)

Among the ad-supported Netflix subs, **15% review their TV subscriptions and bundles every month** and consider making changes, compared to only 10% of those with ad-free Netflix.

And as bargain-hunters, the ad-supported Netflix subs are substantially more aware of the lower-cost ad-supported tiers for all the major streaming services.

Table 3 displays differences between viewers who have a Netflix Standard With Ads and viewers who have an ad-free Netflix Subscription on awareness of ad-supported tiers

7. They think AVODs do ads best.

Among Netflix Standard With Ads subscribers, they **overwhelmingly consider ad-supported streaming services to be the best at presenting ads.** Among the ad-free Netflix subs there's no consensus whether AVOD or MVPDs or vMVPDs are best at presenting ads.

Table 4 displays differences between viewers who have a Netflix Standard With Ads and viewers who have an ad-free Netflix Subscription on “Which of these does the best job when it comes to the ads you see during a show?”

Table 3	Ads	Ads-free
NETFLIX	83% [▲]	61%
hulu	76% [▲]	66%
peacock	60% [▲]	53%
Disney+	59% [▲]	49%
Paramount+	56% [▲]	49%
HBOmax	48% [▲]	40%

[▲]significantly greater at 95% confidence

Source: Hub TV Advertising: Fact vs. Fiction, May, 2025 (Base: U.S. Consumers age 14-74)

Table 4	Ads	Ads-free
AVOD	70% [▲]	40%
vMVPD	27%	43% [▲]
MVPD	15%	40% [▲]
FAST	13%	20%

*among users, last viewing occasion

[▲]significantly greater at 95% confidence

Source: Hub TV Advertising: Fact vs. Fiction, May, 2025 (Base: U.S. Consumers age 14-74)

8. Most are willing to spend more, even while watching costs.

Netflix ad-supported viewers like TV and subscribe to a large number of services, but that doesn't mean they're inflexible. **A solid 58% say they'd "be willing to spend more on TV subscriptions if it means reducing other entertainment costs"** — just slightly behind the 65% of ad-free subs.

What It Means for Netflix

Already the streaming giant, Netflix is **well-positioned for revenue growth**. Two years ago, our outlook on Netflix's ad-supported tier was cautiously optimistic. In hindsight, that was underselling it.

Through 2024, Netflix has kept growing subs in North America and globally. **Nearly half of new sign-ups are choosing Standard With Ads**. ARPU did dip in 2023 as the lower-priced tier gained traction — but as ad sales scaled, ARPU rebounded almost to 2022 levels. From a revenue perspective the future looks bright, even in an overall environment of slow growth for video streamers.

The bottom line: **Netflix's ad-supported rollout has been a win-win — fueling Netflix's growth while giving consumers a lower-cost option in a pricey subscription market.**

And more broadly, the success of Netflix and Amazon Prime Video with ad tiers offers perhaps the strongest signal yet that the future of streaming will look a lot like TV's past: ad-supported, at scale.

SUBSCRIBE
to HubIntel.Substack.com

