

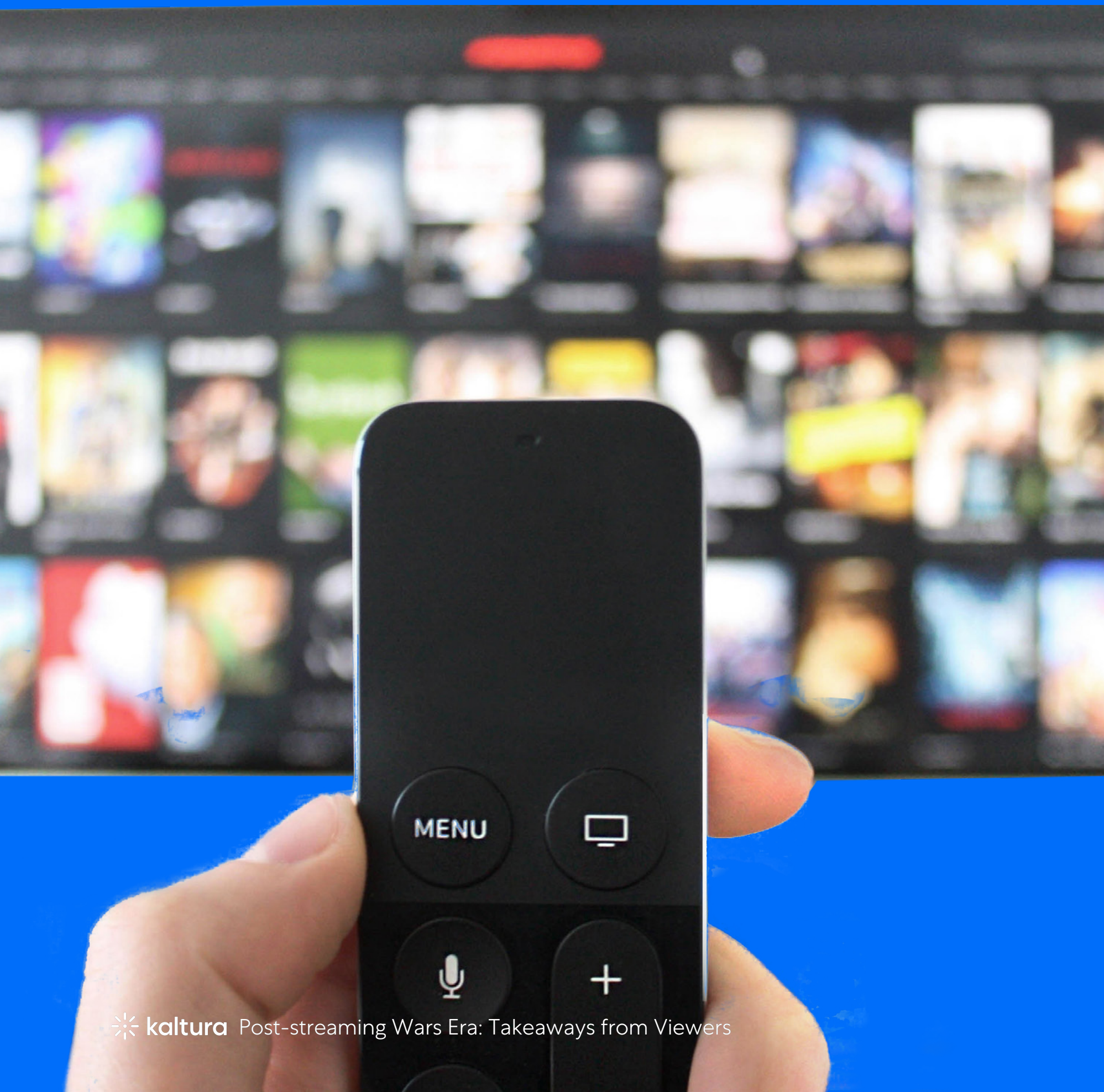


Post-Streaming Wars Era: Takeaways From Viewers

July 2021



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Introduction and Key Findings



Introduction

Deloitte commented in its *Future of TV and Media Landscape 2030* report, that:

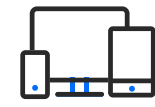
“We see digital platform companies as the major disruptors in the future TV and video market. By contrast, broadcasters and content producers face the greatest pressure for change.”

But what should this change look like, and how can both consumers and content providers meet this challenge? As an industry-leading Cloud TV Platform, this is the question that we looked to answer with our latest survey. By commissioning Global Surveyz, we spoke to 500 people between the ages of 20 and 45, evenly split in gender from the United States, United Kingdom, India, and Brazil. We asked them to share insights about their viewing habits, from the way they consume content, to the content services they use, how much they spend, and the frustrations they experience.

The results shine a light on the way that today’s users interact with media, and suggest that the streaming wars may well be over, and what users really want is a consolidated way to find relevant and accessible content, and that to stay ahead, content providers and TV operators need to look for ways to facilitate this experience.



Consumers are looking for super aggregation services



Multi-device is more important than ever

70% of viewers are using 2 or 3 devices to watch content, and 10% are using more than 6! Consumer behavior differs between countries. For example, in Brazil 85% of respondents leverage smart TVs, while in India mobile is more popular than the other country's surveyed – 39% vs. 24% in the US. One thing carries across all geographies, platforms need to be able to seamlessly address the use of multiple device types, as 57% of respondents say this is their most important feature.



Not only that, but the types of content that viewers watch are also broad

VOD becomes as popular as live TV, with 32% choosing the on-demand option on average. Live TV is the most popular (33%), with only one percent above live linear viewing, and this number rising to 42% and 44% in India and Brazil. Interestingly, 17% of respondents also choose to keep their own content library or downloads, and 46% of respondents commented that an important feature of watching content is having dedicated applications outside of TV. It's clear that consumers aren't willing to choose a single winner, and want to keep their options open.



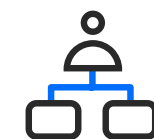
These solutions still need to be feature rich

Users are expecting feature variety, and this can't be ignored when aggregating content. 61% want to be able to continue watching easily from where they left off, 54% of users want to be able to find new content fast, and 57% want multi-device ease of use. Other important features included having live TV and premium options, the ability to pause live TV, to have different user profile options, and the ability to combine content from different sources.



Content sources vary, and there is no single content King

It's no surprise that Netflix is the most popular selection among global streaming services, but it's by no means the only player, or even the winning choice across the board. In India for example, YouTube is the most popular at 66%, and Netflix comes in third. Traditional TV still has a large share of the market, as much as 60% in Brazil, and a substantial 36% and 27% of the share in the UK and the US respectively. If you're still looking for a winner to the streaming wars, you're likely to be disappointed. The real winners will be able to leverage all sources across the board.



Users are looking for solutions to make multiple content services simpler

On average, 74% of consumers are paying for 2 or more content streaming services. In the US, the numbers are even more extreme, with 10% of users paying for over 5 different content services each month. Users would love to make this simpler, with 79% saying they would like a single consolidated bill across all of their providers, and 73% expressing frustration over needing to browse multiple sources to find their content. In fact, finding content is a frustrating activity for 60% of respondents, despite more than half using service provider recommendations.



Appealing to today's users clearly needs a wide approach

Operators should be leveraging super-aggregation. With so much diversity in user preferences, from content sources, to the types of content watched, and the devices used – operators need to think broadly to appeal to the masses. Cloud TV services that rely on super-aggregation can provide consumers with one well-priced service to enjoy all of their Pay TV and favorite OTT applications in one place, offering a single consistent experience for live, on-demand, premium, and more.

Viewing Habits



The TV screen is still #1, despite the popularity of mobile

Even with the popularity of new devices for watching content, the television, soon to be celebrating 100 years, is still the number one device, indicated by 62% of survey respondents as their primary choice.

The mobile screen lags far behind, being selected as the primary device for viewing by less than a quarter of respondents.

But viewer preferences differ across geographies. In India, the mobile screen is as important as the TV screen, and much more popular overall - 39% in India vs. 24% in the US and 33% in Brazil. This could be attributed to the large segment of mobile-first consumers in India.

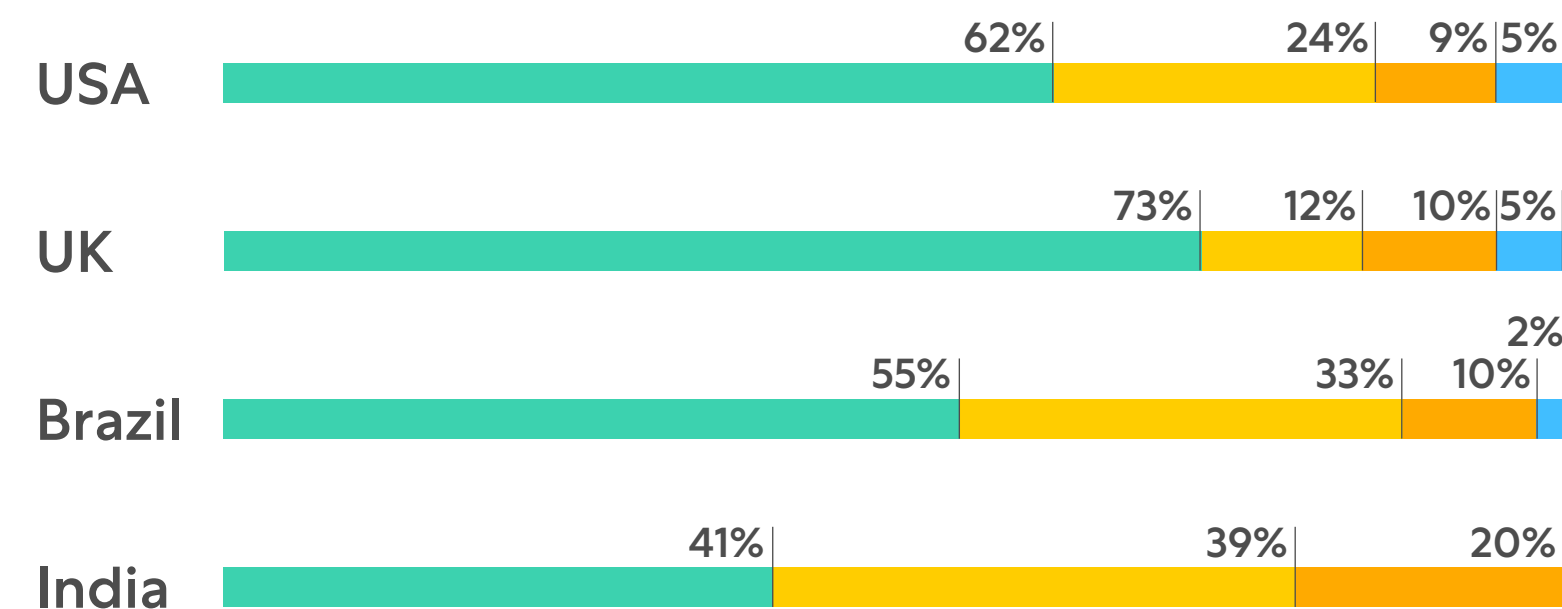
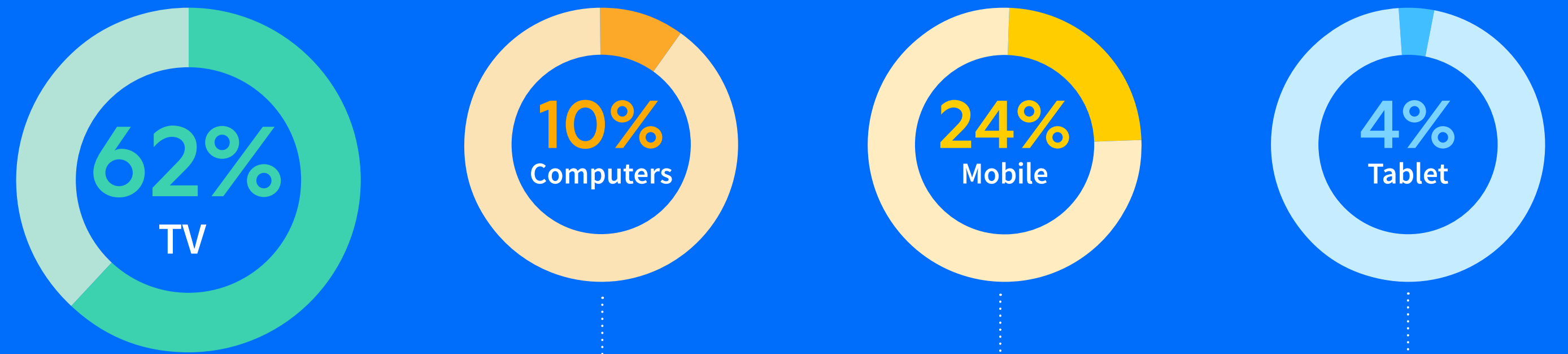


Figure 2 Most Popular Devices for Watching Entertainment Content by Country

Figure 1

Most Popular Devices for Watching Entertainment Content



VOD became as equally popular as live linear TV viewing, downloads are still very much alive

VOD popularity is catching up. While previously, the TV viewing was dominated by live linear content, today consumers allocate almost the same time to watch VOD.

In the age of high broadband proliferation with plethora of streaming services and options available to viewers, you would expect the VOD and live TV to completely dominate our viewing habits. Surprisingly, nearly a fifth of the consumers still maintain their own downloaded content libraries.

This changes between countries. In the UK there is a stronger preference for VOD over live TV, while in Brazil, more than 25% of viewers have their own libraries of downloads, compared to only 10% utilizing VOD.

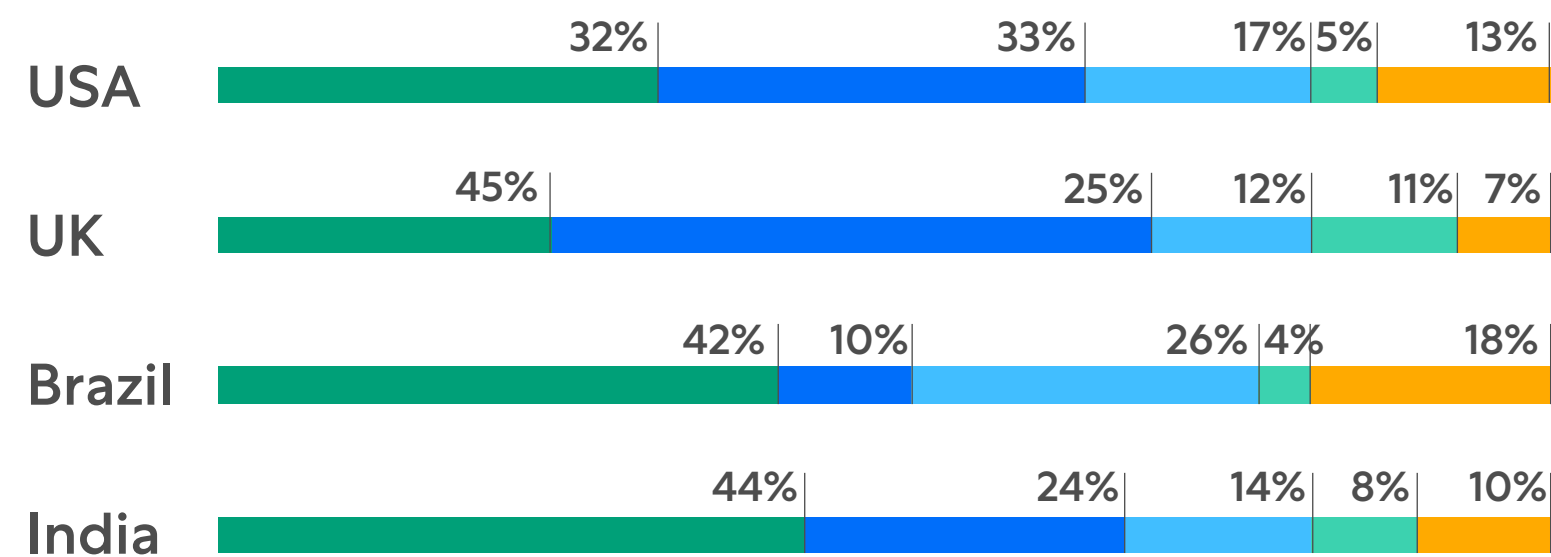


Figure 4 Content Types for Watching on TV by Country

Figure 3

Content Types Watched on TV

7%

Restart live TV (Catch-up)

33%

Live TV

12%

Other

16%

My library/
Downloads

32%

VOD



Most consumers use at least 2-3 devices

70% of respondents are using 2-3 devices to watch content, globally. Variety of devices and support for those devices is clearly important. Many new devices are now being used to watch content since the days where TV was our only option. Consequently, only 18% of the respondents indicated to use a single device.

When looking at breakdown by country, the differences in Cloud TV market maturity may explain why 26% of respondents in India are using one device vs. only 16% in the US.

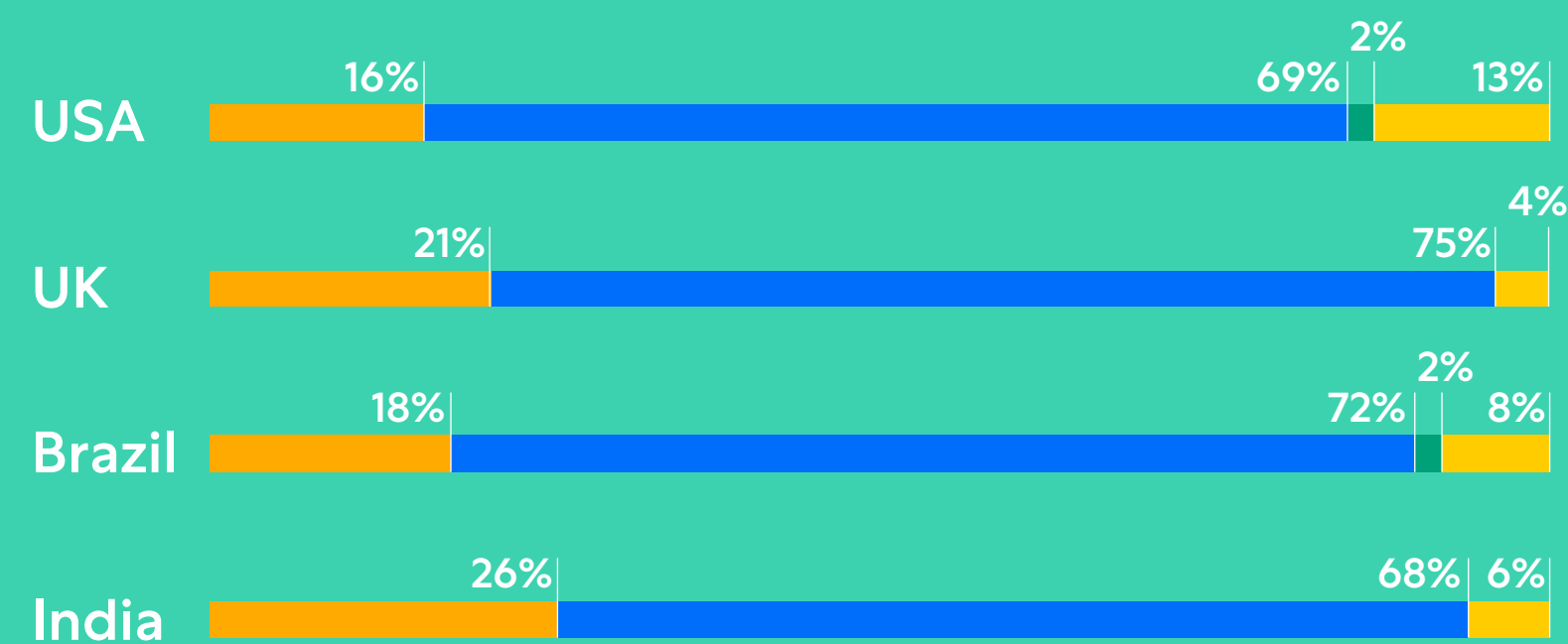
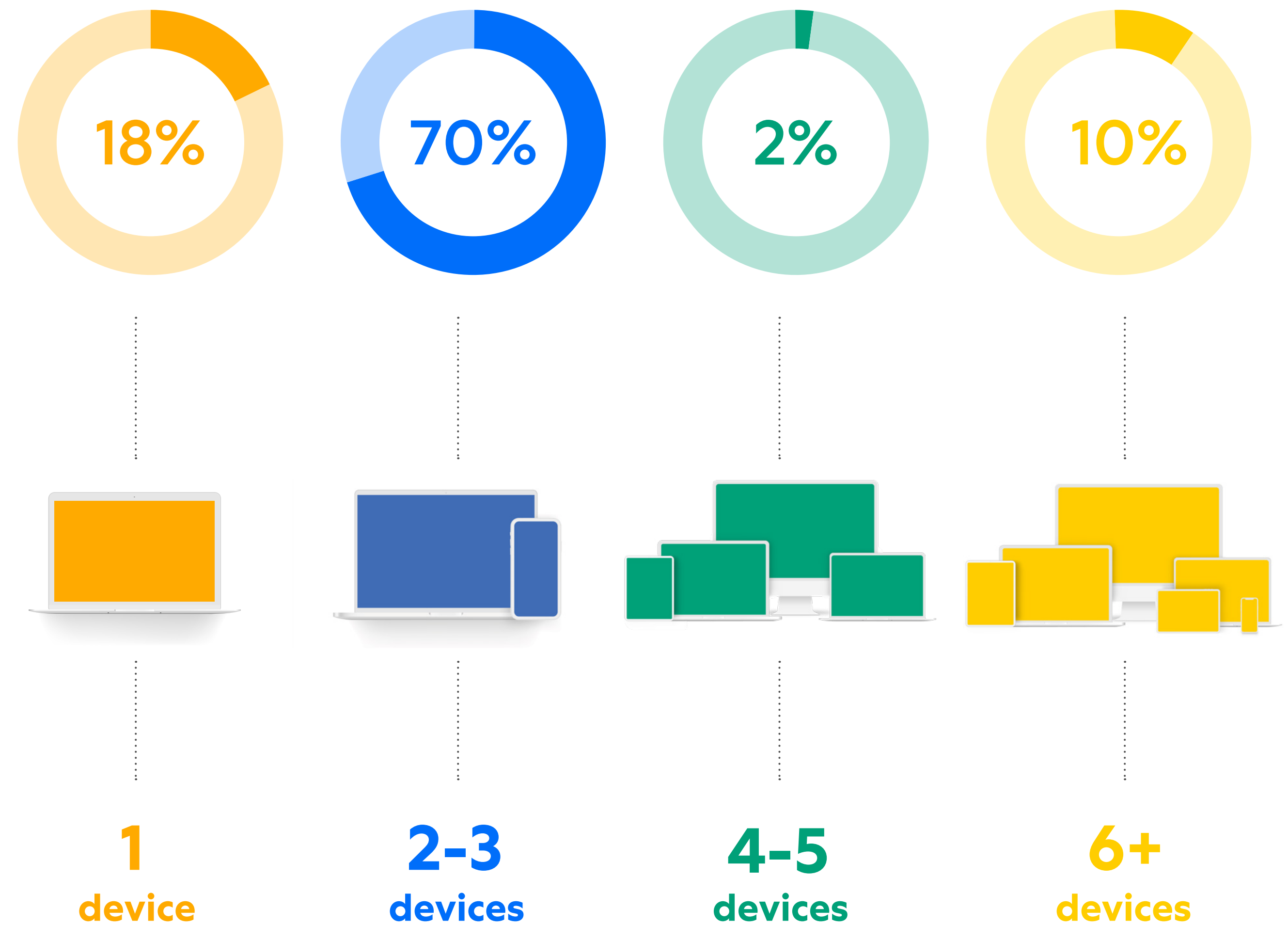


Figure 6 Number of Devices Used for Watching Content by Country

Figure 5

Number of Devices Used for Watching Content



Smart TVs are the most popular way to watch content on the big screen

Smart TV popularity (38%) bypassed the set-top-boxes usage (25%), and indicated as the number one way for users to watch content.

The popularity of smart TVs becomes even more significant when zooming in on geographies, representing the primary choice of 85% of the respondents in Brazil, opposed to less than 30% in US. Over 30% of Americans use a streamer as the primary method to watch TV, and this can be attributed to the popularity of Roku and FireTV devices in the region.

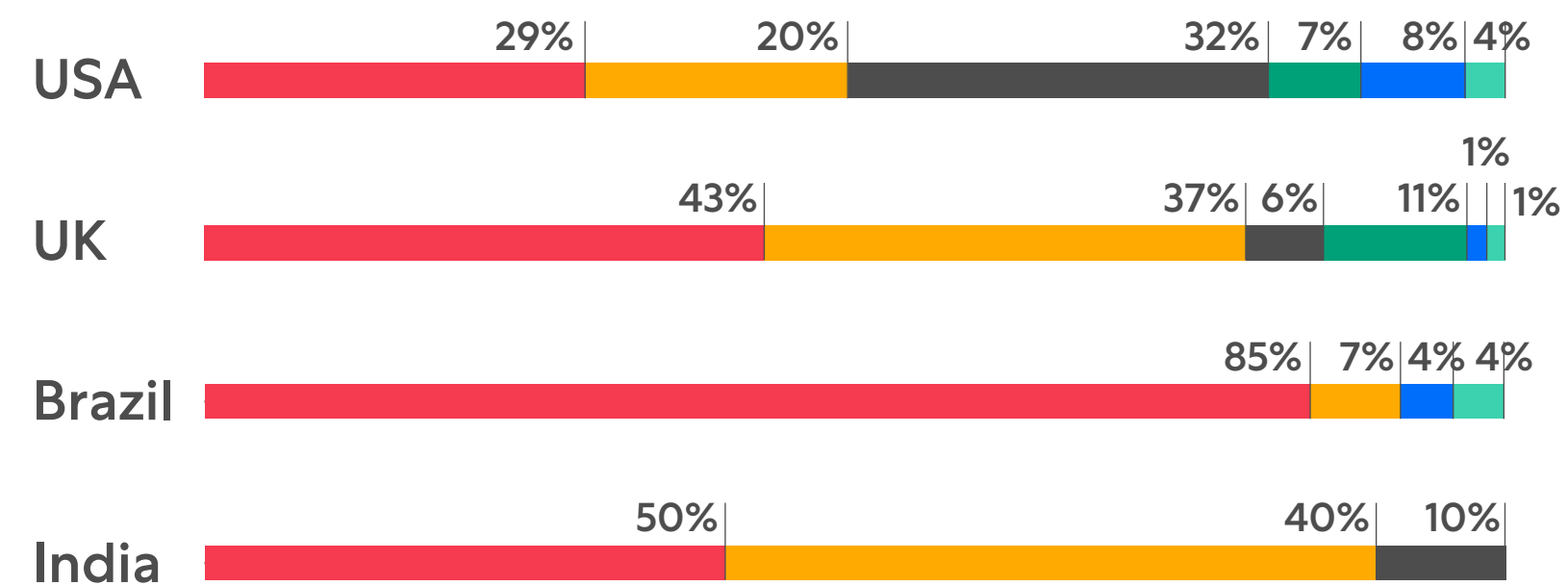
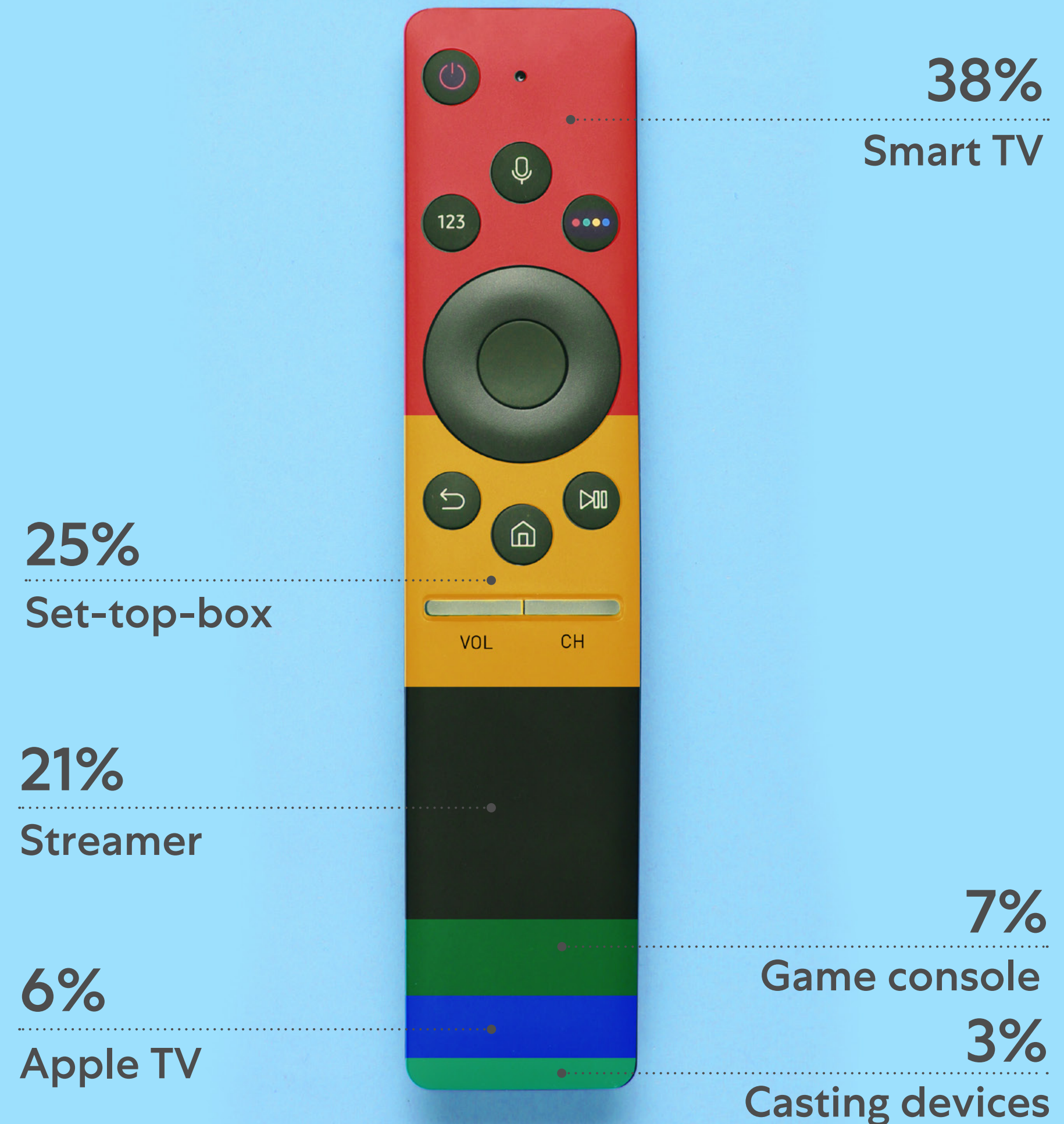


Figure 8 How People Watch Content on their TV by Country

Figure 7

How People Watch Content on their TV

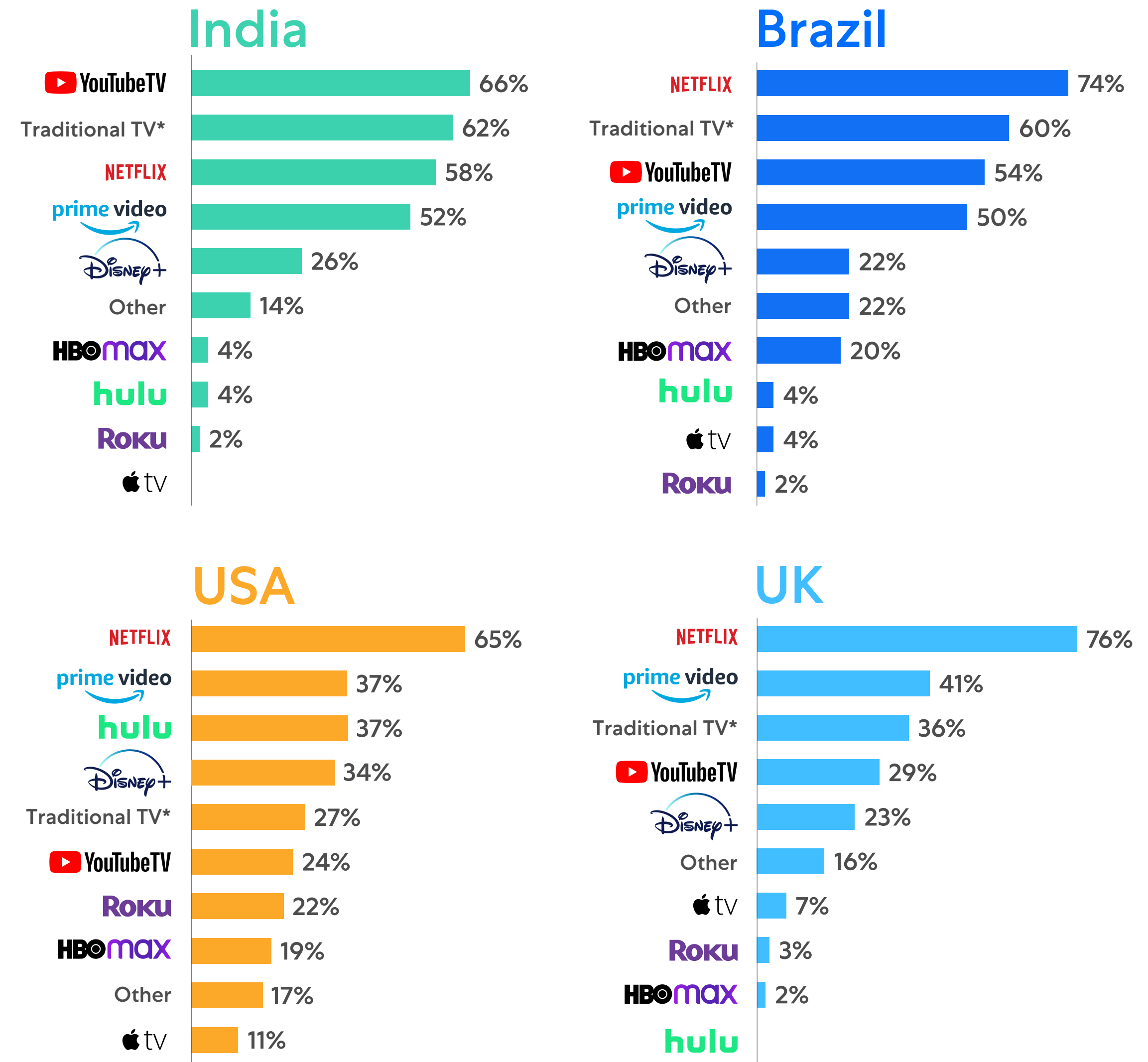


Not only Netflix-streaming wars likely to have multiple winners

Netflix's global dominance has been well established, as the service crossed the 200 million subscribers' milestone earlier this year. However, it's not a top choice across the board, showing that the streaming wars are likely to have multiple winners. The preferences vary between countries. In emerging markets such as Brazil and India traditional TV plays an important role with over 60% of respondents indicating it as their go-to destination for content. YouTube (66%) is the king of streaming in India, with Netflix (58%) lagging behind at third place, while the situation in Brazil is exactly the opposite. The real winners will be operators and content providers that can provide a way to aggregate all of these, and whatever comes next.

Figure 9

Most Watched Streaming Services by Country



* Traditional TV refers to a TV package from a local cable/ satellite TV service provider or TV service from the network provider

Over 60% of consumers use 3 or more streaming services

The number of streaming services being used continues to grow, with 62% of consumers indicating using 3 or more services simultaneously.

American consumer is the most "streaming-savvy" user, with over fifth of the respondents maintaining over 5 different streaming services. Brazil and UK demonstrate a more conservative approach, but still show the adoption of 4 or more services at a time.

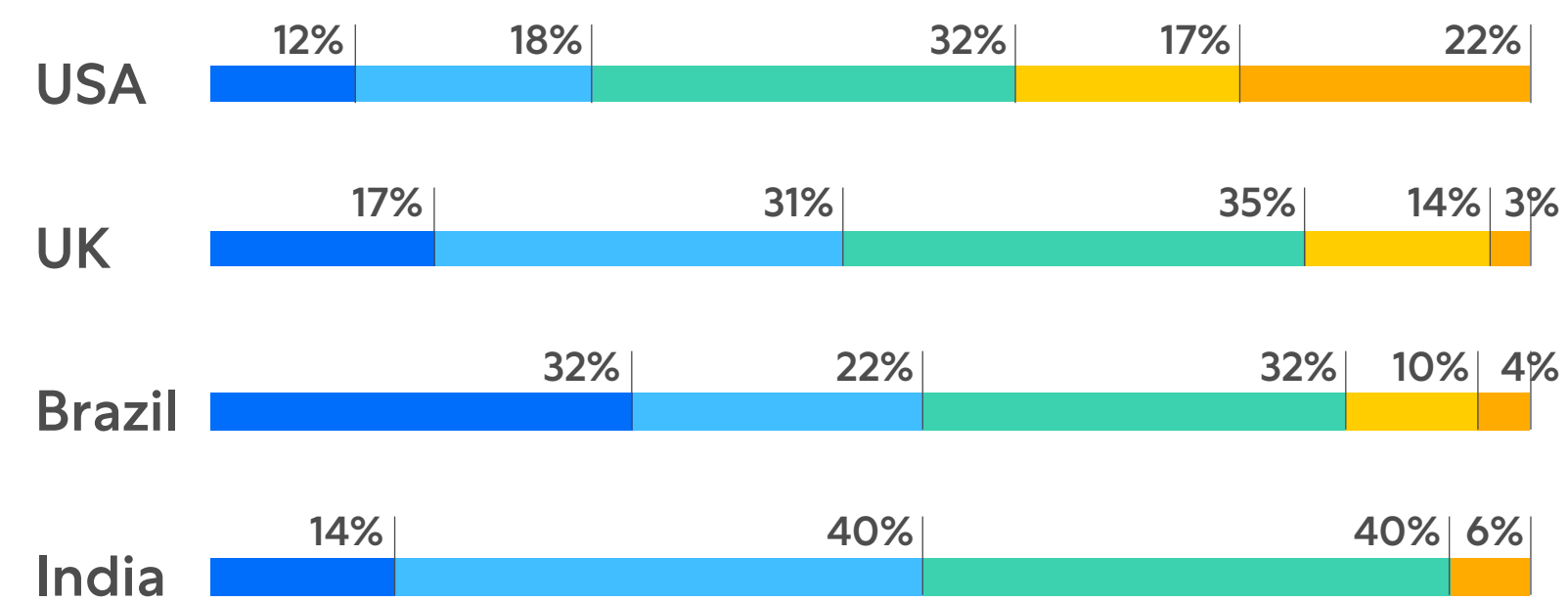
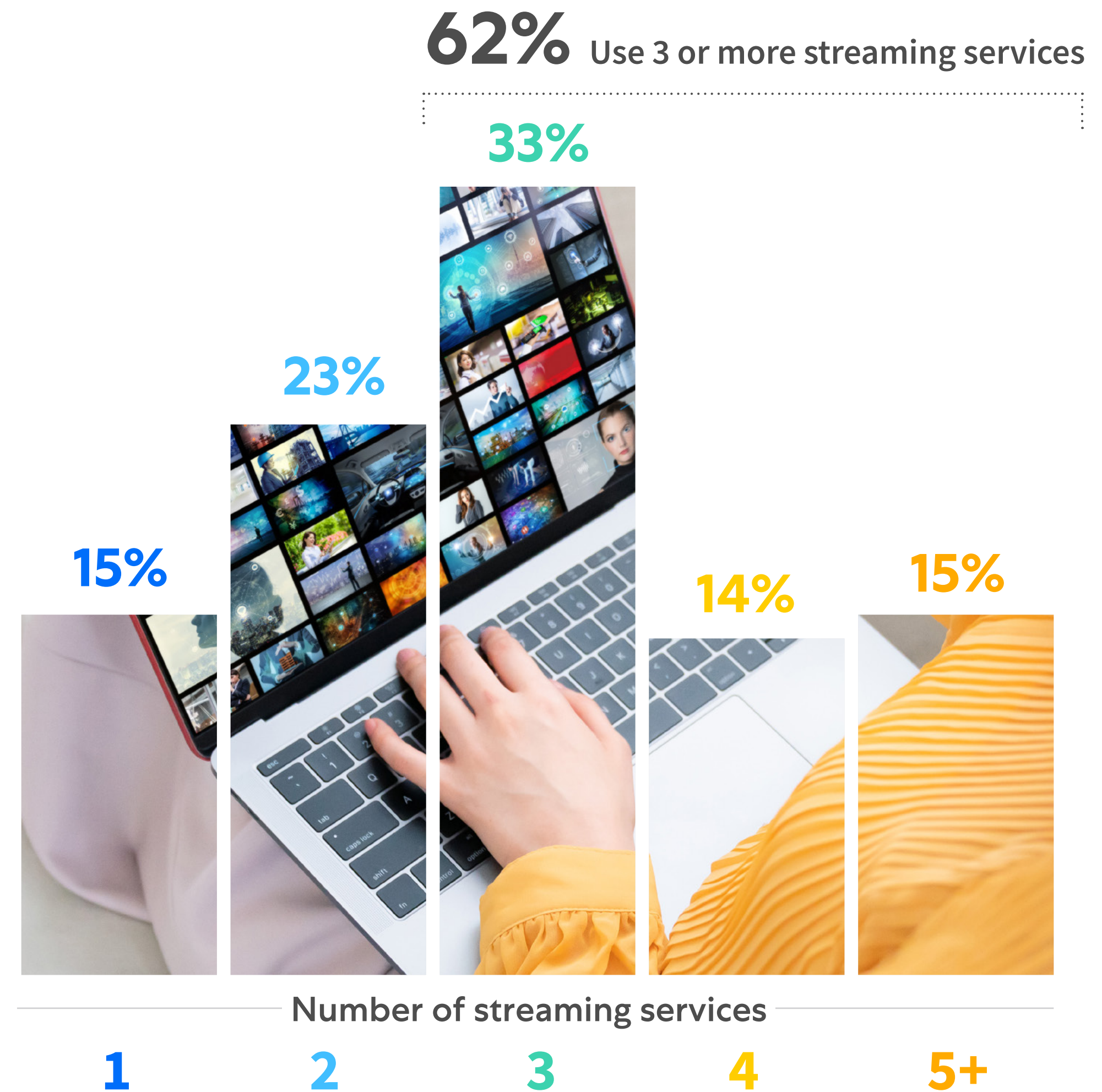


Figure 11 Usage of Multiple Streaming Services by Country

Figure 10

Usage of Multiple Streaming Services



73% of viewers spend more than 3-5 hours a day watching content

20% of consumers watch over 6 hours a day, while 3 to 5 hours represents the most common consumption amount.

73% of respondents are watching more than 3 hours per day, while only 4% are watching less than 1 hour a day.

Figure 12

Time Spent Watching Content

23% 1-2 Hours

15% 6-10 Hours

5% 10+ Hours

4% less than 1 Hour

53% 3-5 Hours



Viewers will watch more content if their service operators will improve discovery & recommendations capabilities

We have asked survey respondents what are their top sources for learning about new content to watch (Figure 13). TV viewing is hugely social. The top answers are social media channels (67%), and friends and family (65%). However, over half of viewers also rely on recommendations from the service provider such as “Netflix recommends” (57%).

When asked what will most likely lead to watching more content in 2021 compared to 2020 (Figure 14), most (72%) selected better content recommendations. This was followed by more content to select from (68%) and faster content discovery (67%). This shows that while viewers are largely getting their recommendations from friends and family, they are frustrated by the results for content discovery that are provided by the service providers.

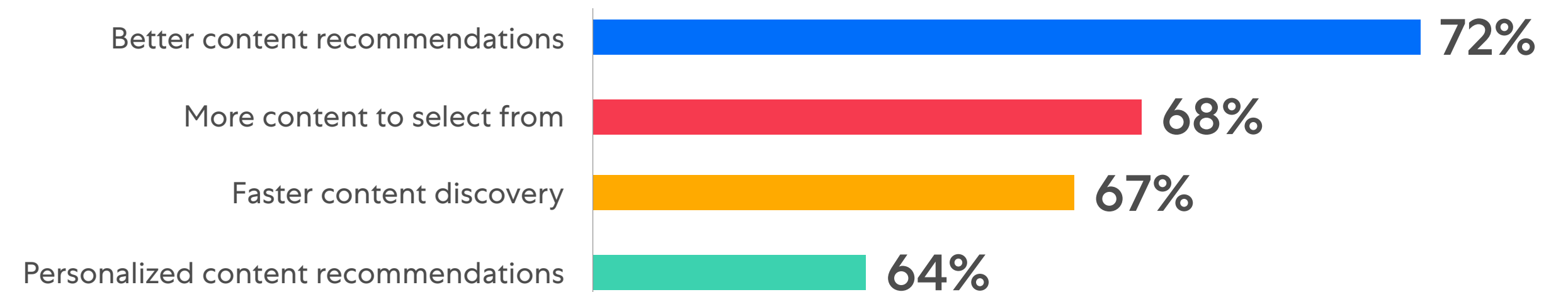
Figure 13

Top Sources for Finding New Content



Figure 14

Drivers for Increased Content Consumption in 2021 (compared to 2020)



Features, Frustrations & Impact on Consumption



Consumers put emphasis on having streaming apps within their TV service feature set

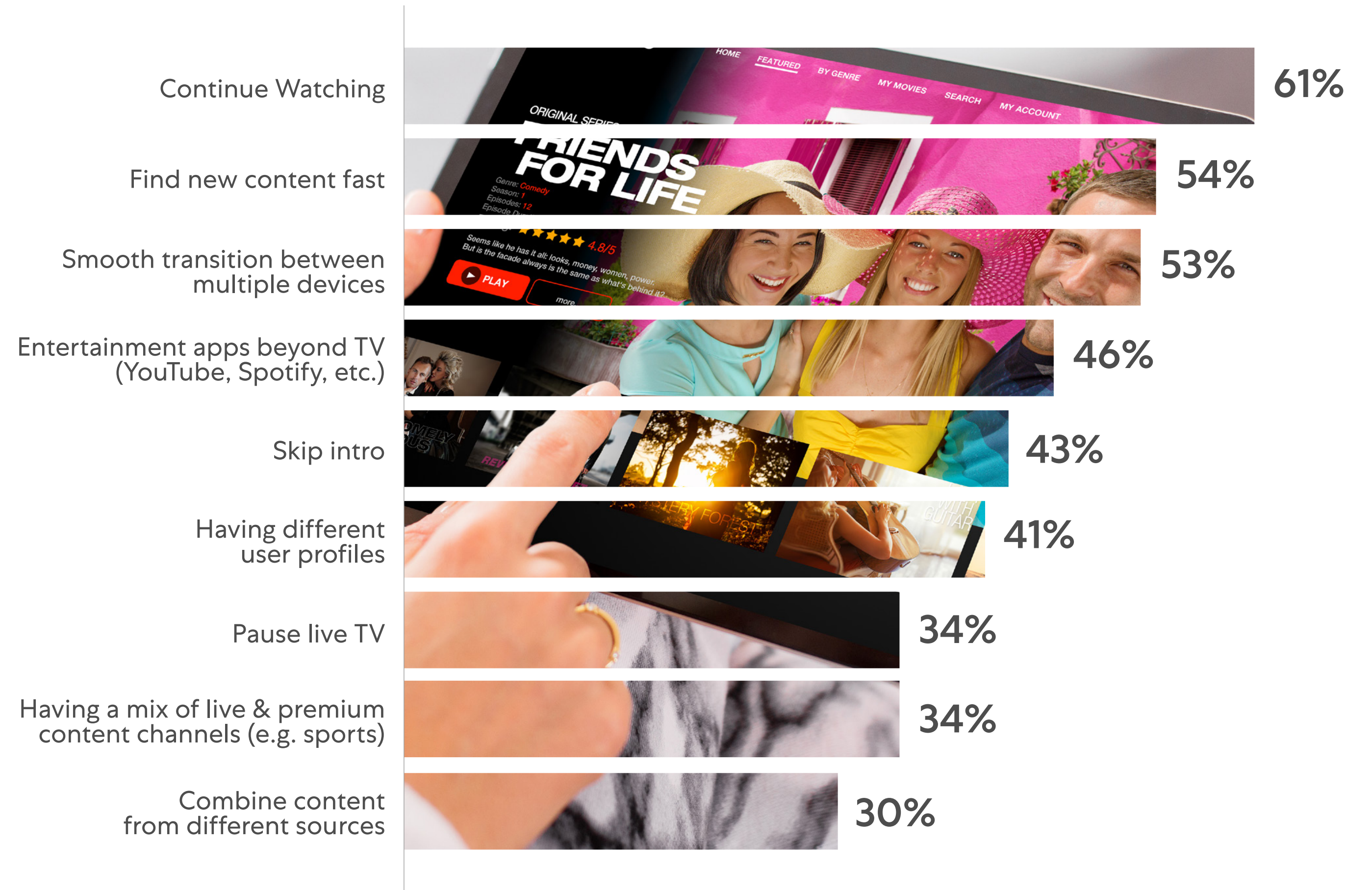
Consumers are expecting their services to offer advanced user experiences and feature breadth. Multiple features considered to be important, and as a Cloud TV service operator- you can't miss any of them.

Nearly half of respondents indicated that they put importance on additional entertainment apps outside of their TVs.

61% of survey respondents selected “continue watching” (the ability to continue watching from the same spot) as the most important feature. This was followed by quick content discovery (54%) and smooth transition between different devices (53%).

Figure 15

Most Important Features for Watching Content



Over 80% of consumers feel frustrated with content discovery

63% of respondents indicated they feel frustrated occasionally when finding new content, with nearly 20% feeling frustrated quite often or even most of the time. Only 17% said they never feel frustrated.

This aligns with the previously outlined findings in (page 17, figure 15), of fast content discovery being the second most important feature.

Figure 16

Content Discovery - Pains of Finding New Content

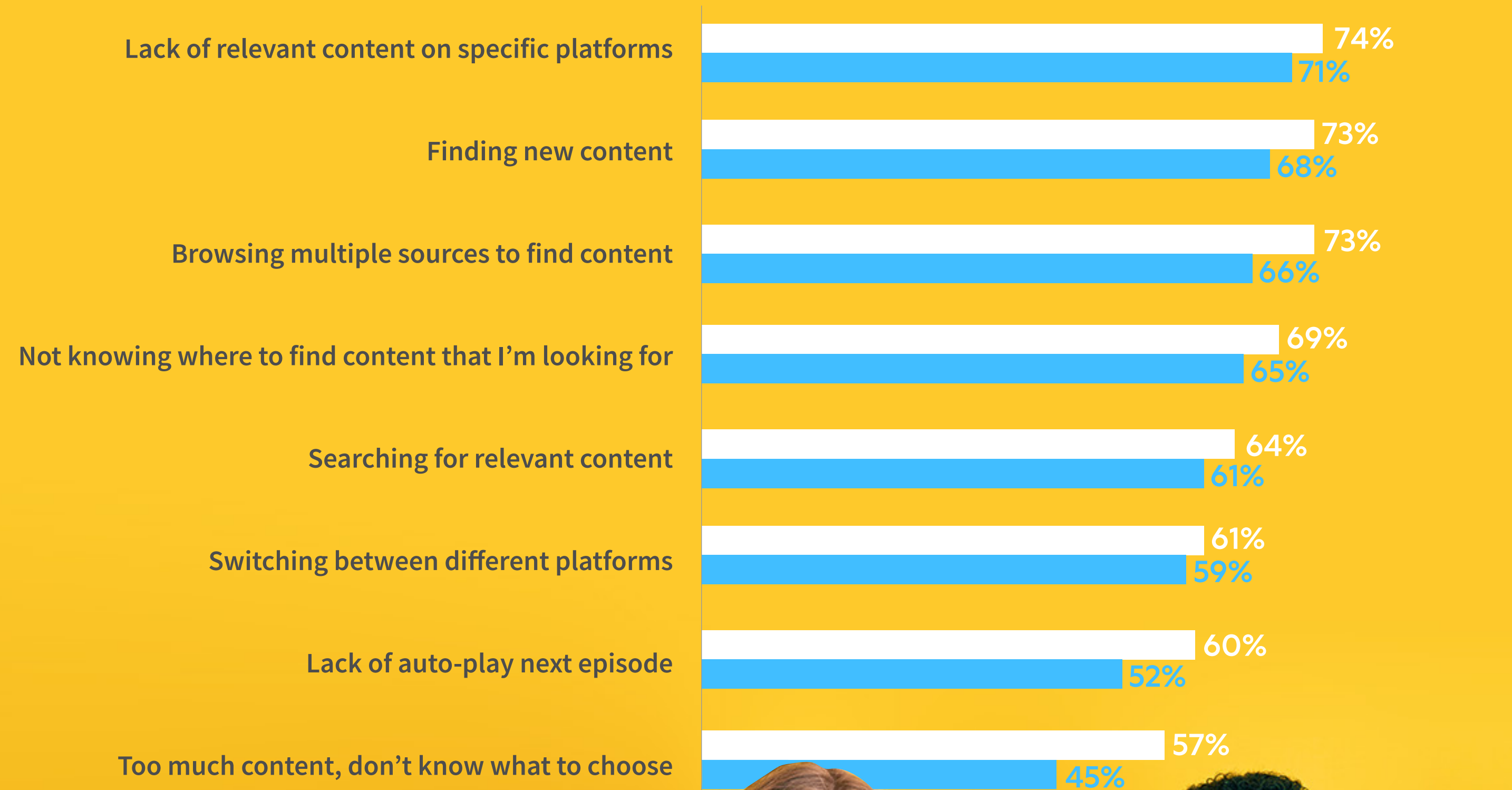


The need to browse multiple sources is amongst the top reasons for frustration

The need to browse multiple sources is as equally frustrating as finding new content to watch (73%). Only 1% below the top rated issue – lack of relevant content. 7 out of 10 also don't know where to find the content that they are looking for.

Figure 17

Frustrations in Watching Content



■ Female

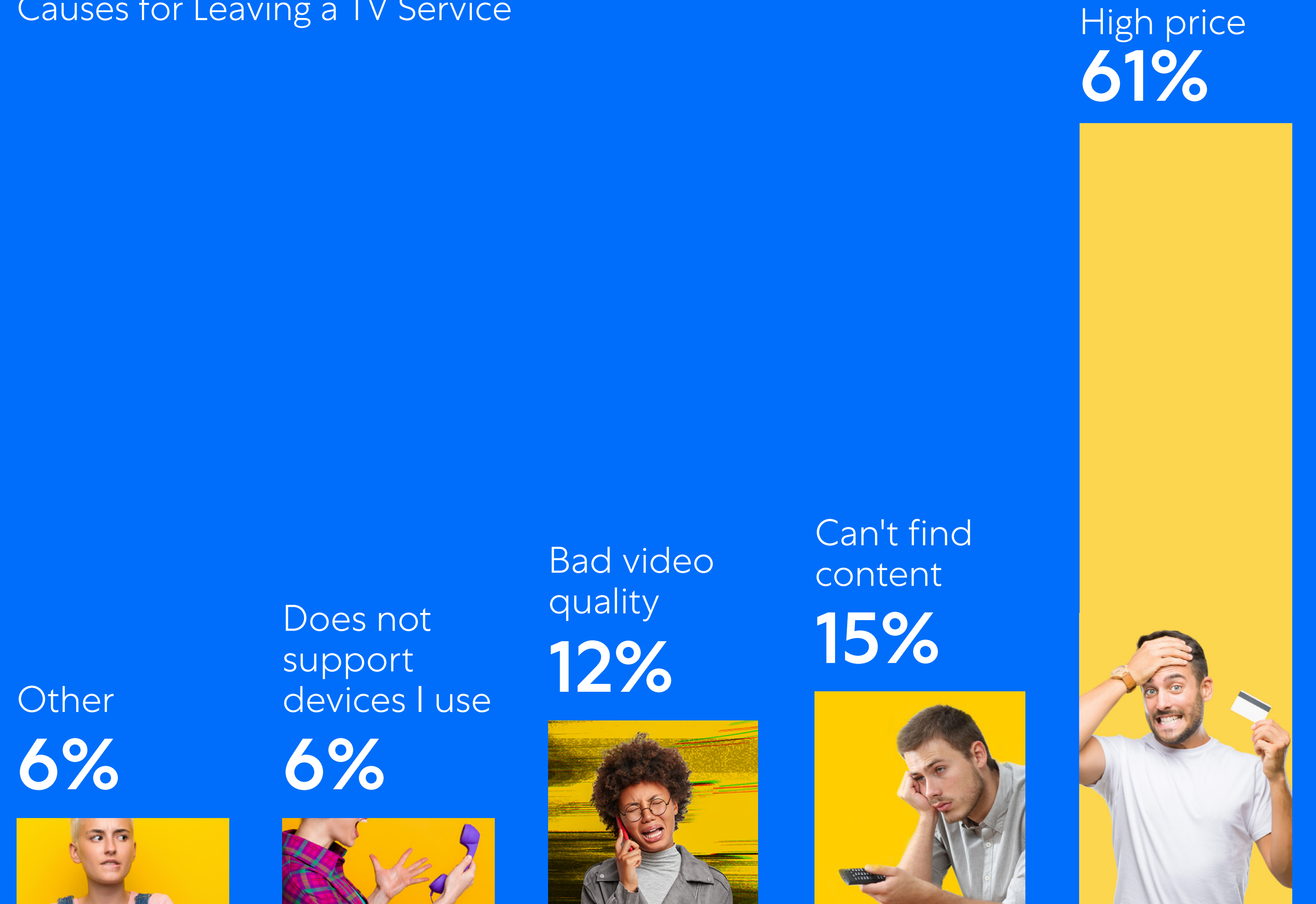
■ Male

Content discovery is the second rated reason for leaving a TV service

While costs represent the primary reason for TV service abandonment (61%), content discovery is now the number two reason for consumers' churn.

Figure 18

Causes for Leaving a TV Service



Services Billing



74% of consumers are paying for 2 or more services

74% of consumers are paying for 2 or more content services. From the 93% who are paying the bill, just 19% are paying for a single service, and only 7% are not paying.

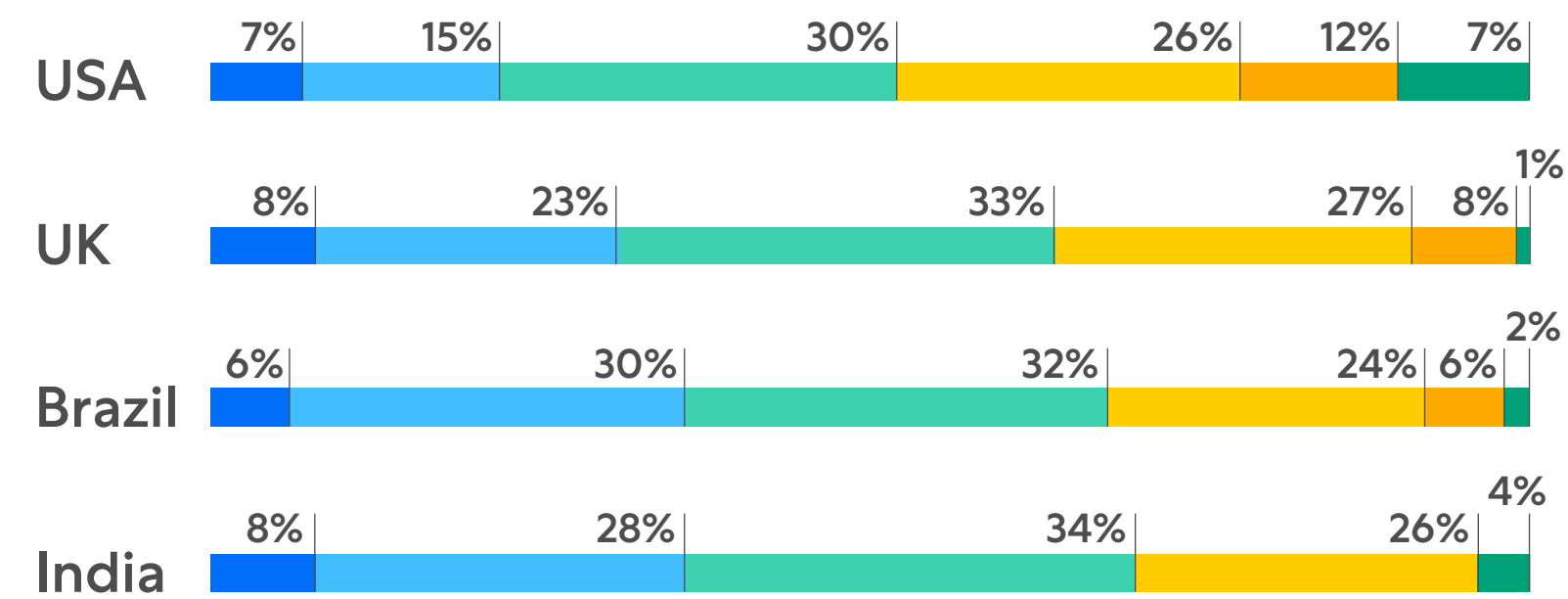


Figure 20 Number of Paid Content Providers by Country

Figure 19

Number of Paid Content Providers



So how much are users paying for their services?

At the extreme, 12% of survey respondents are paying less than 10 US dollars per month and 18% paying over 80 US dollars per month for content services.

There are expected differences between geographies, due to economic climates and variances.

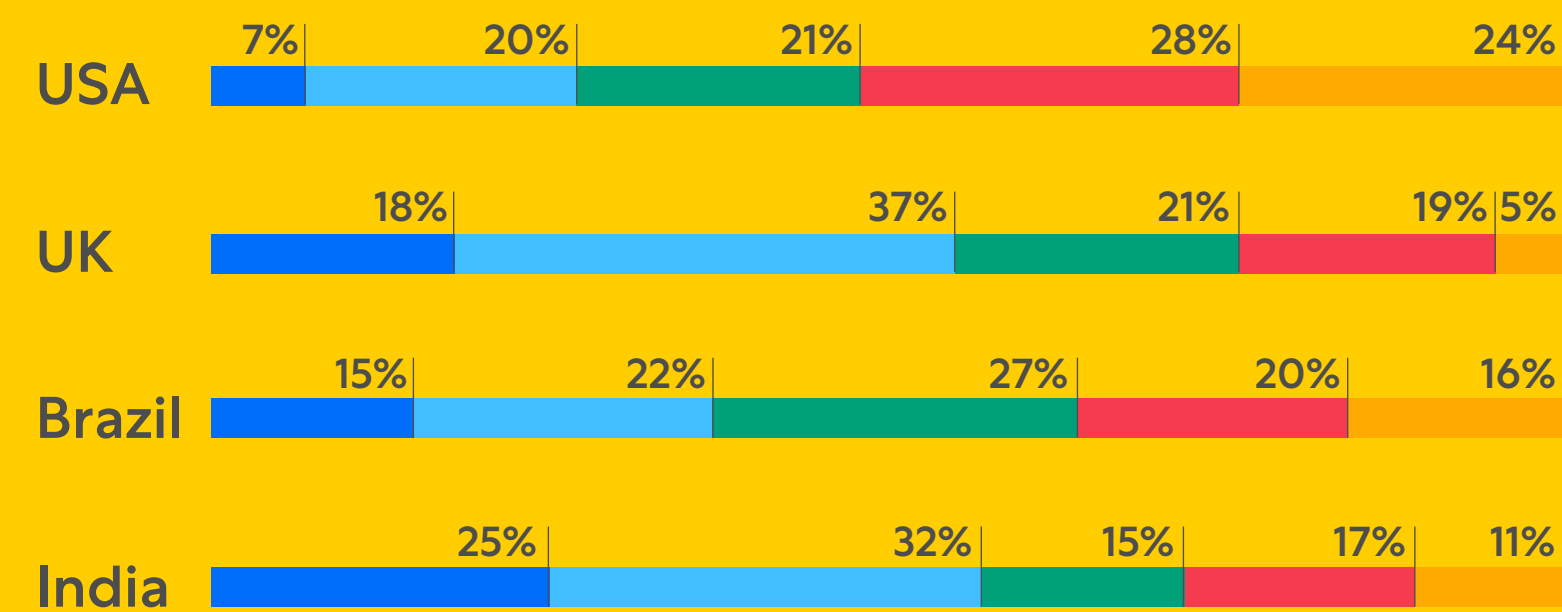
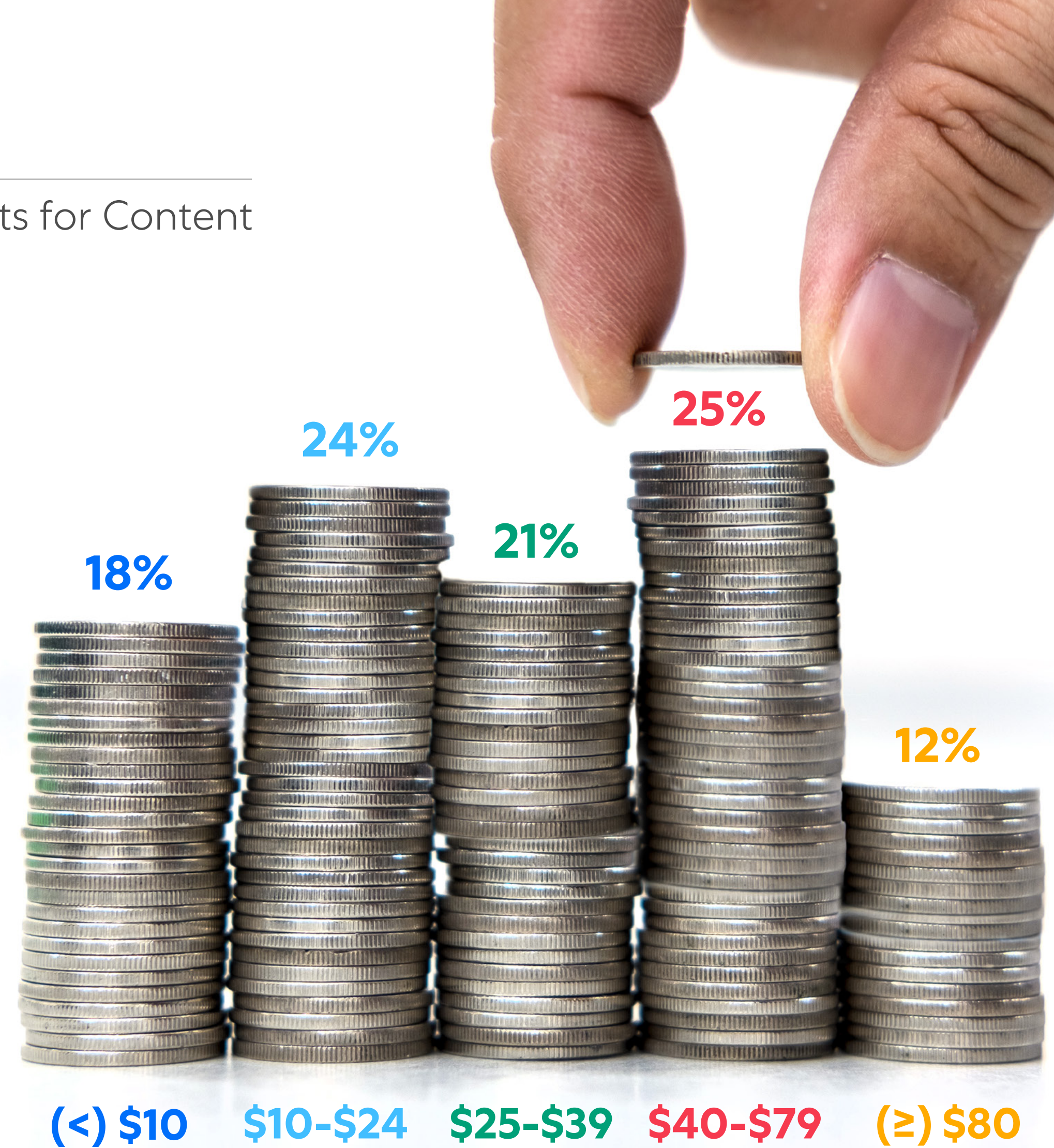


Figure 22 Total Costs for Content by Country

Figure 21

Total Costs for Content

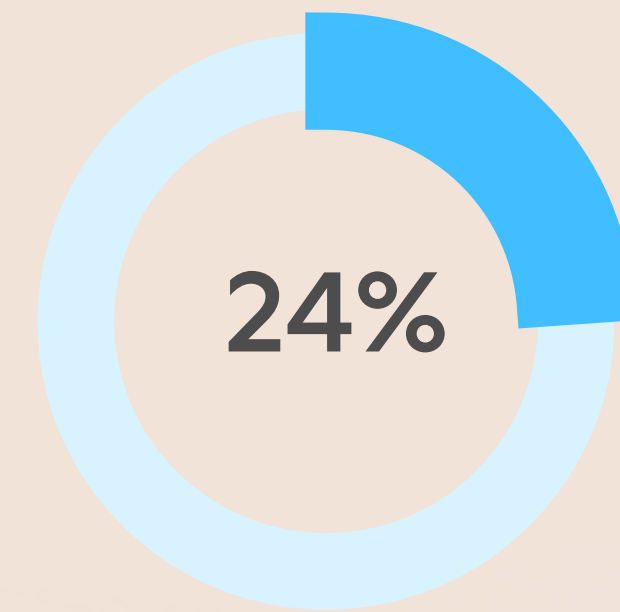


Consumers are getting their money's worth as streaming became the new TV

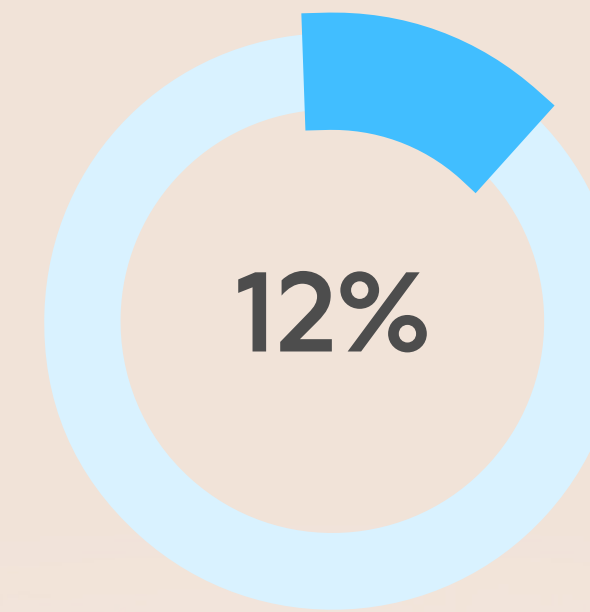
64% of survey respondents indicated they are getting their money's worth, and 24% feel they are overpaying. Despite the economical differences, and cost coming out as the top frustration, people still feel that they are happy with their spend. This can be attributed to the on-going consumer migration to lower-priced streaming services, away from the more expensive traditional Pay TV packages. This suggests that service operators have an opportunity to introduce value for their subscribers by blending in streaming services within their offers and modernizing their TV services to meet consumer expectations.

Figure 23

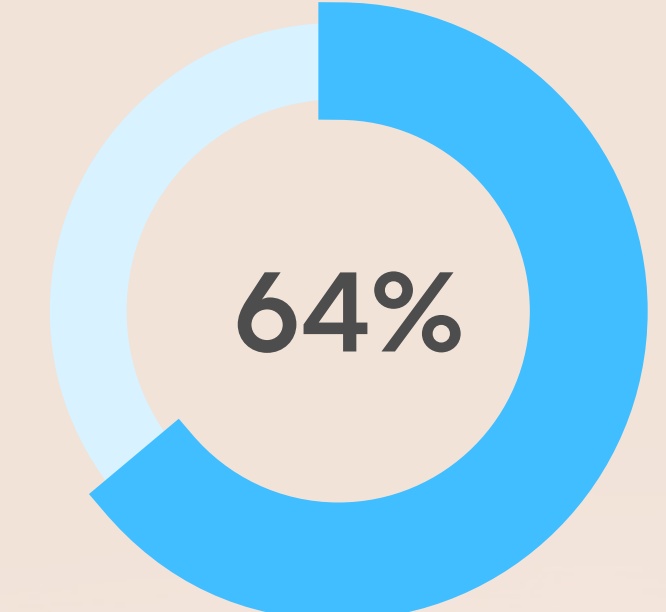
Are Viewers Getting their Money's Worth?



Paying too much



Paying less than expected



OK; I'm getting my money's worth



79% of consumers would like to have one bill for their Pay TV & streaming apps

As seen on page 22, 74% are paying for 2 or more content services. With that in mind, it should come as little surprise that 79% prefer to have a single bill for all their content providers.

Figure 24

Single vs. Multiple Bill per Month

Do you prefer to have a single bill for all your content providers?

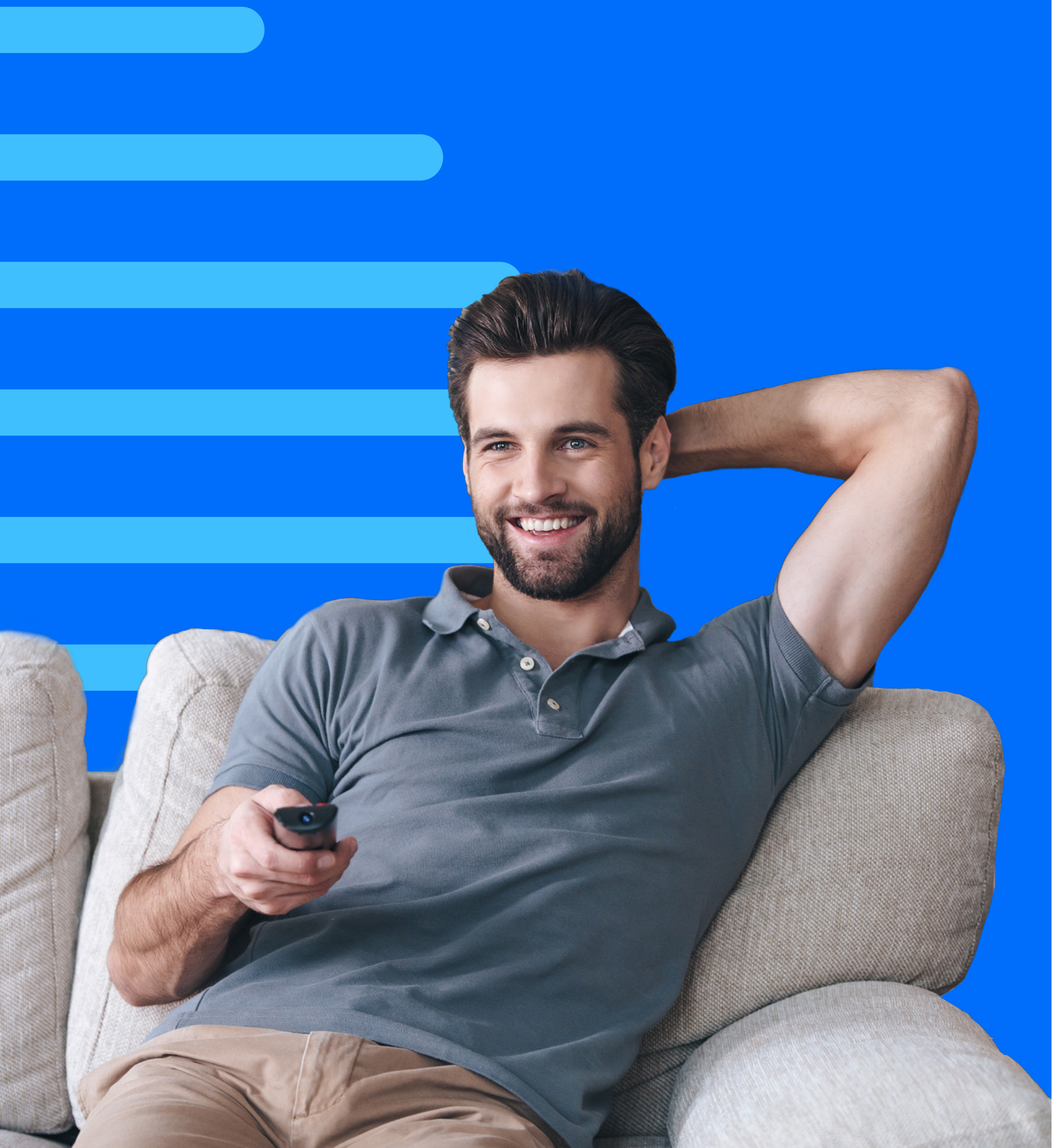


Methodology

This report is based on a research conducted by a third-party survey service provider, commissioned by Kaltura. During Q1 2021, 500 people were surveyed between ages 20 to 45, from United States, United Kingdom, India, and Brazil. The sample consists of 53% female respondents and 47% male respondents.



About Kaltura



Kaltura's mission is to power any video experience for any organization. Kaltura is the video experience cloud, powering communication, collaboration, learning and entertainment. Kaltura's products are used by over 1,000 global enterprises, media companies, service providers and educational institutions, engaging more than a hundred million viewers at home, at work, and at school. Kaltura's Media and Telecom business unit helps telcos and content owners make the transition to a full-fledged Cloud TV service that satisfies the exacting demands of today's TV viewers. The Kaltura TV Platform features personalized multi-screen access to linear, VOD and time-shifted TV as well as third-party content. It combines advanced monetization options with the ability to scale to millions of viewers anywhere in the world. The adaptability and agility of the Kaltura TV Platform means that companies can experiment with new products and features, analyze performance, and react quickly to changes in viewing behavior in order to optimize engagement and better achieve business goals. For more information visit www.kaltura.com.



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