

# STREAMING VIDEO WARS

---

FEBRUARY 2020  
PRESENTED BY TIM ANNONI





A GROUPM PROPRIETARY SOLUTION TO UNDERSTAND RELEVANT  
MARKET DYNAMICS

## Research set-up & objectives

---



## SET-UP OF THE RESEARCH

---

- ✓ CAWI interviews with high quality standards on data collection
- ✓ Solid sample size of 700 people for thorough in-depth analysis
- ✓ Representative for the Belgian population 18-59
- ✓ Strict weighting procedures (language, gender, age, region, social groups & education level)
- ✓ Two interview waves to understand market dynamics:
  - March 2020 (just before COVID-19)
  - December 2020 (2<sup>nd</sup> Lock down)

## TWO KEY RESEARCH OBJECTIVES

---

1. Could we speak about a COVID-19 effect on the (paid) streaming video behaviour of the Belgian population?
2. What market dynamics can be observed due to the new competition (paid): who are the winners and the losers ?



# DETAILED RESULT OVERVIEW

---





A GROUPM PROPRIETARY SOLUTION TO UNDERSTAND RELEVANT  
MARKET DYNAMICS

## Results and key learnings

---



# STREAMING VIDEO ON THE RISE

---

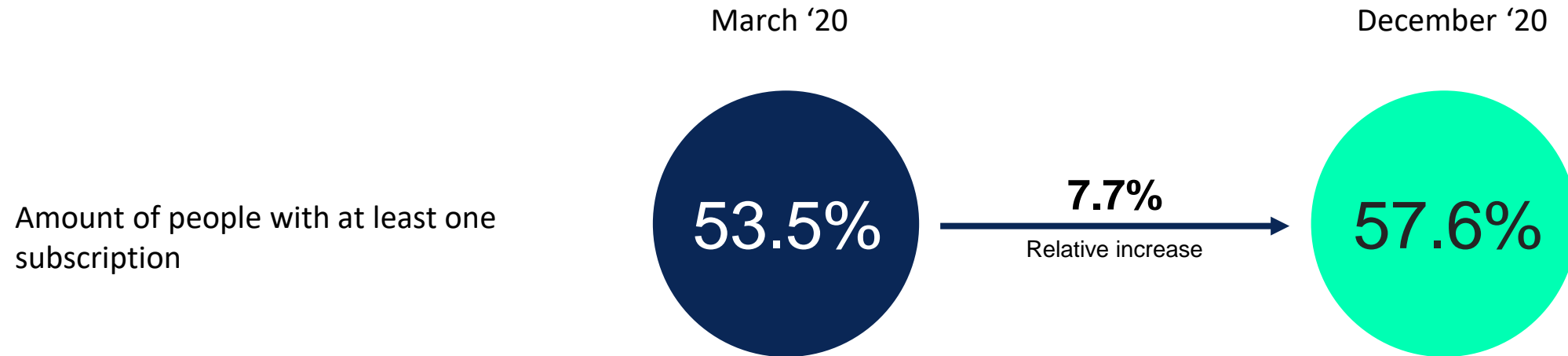
The paid streaming services boom



58% OF BELGIANS NOW HAVE AT LEAST ONE PAID STREAMING SUBSCRIPTION

## STREAMING SUBSCRIPTION BASE INCREASES WITH 8%

---





# INCREASED FAMILIARITY FOR PAID STREAMING PLATFORMS

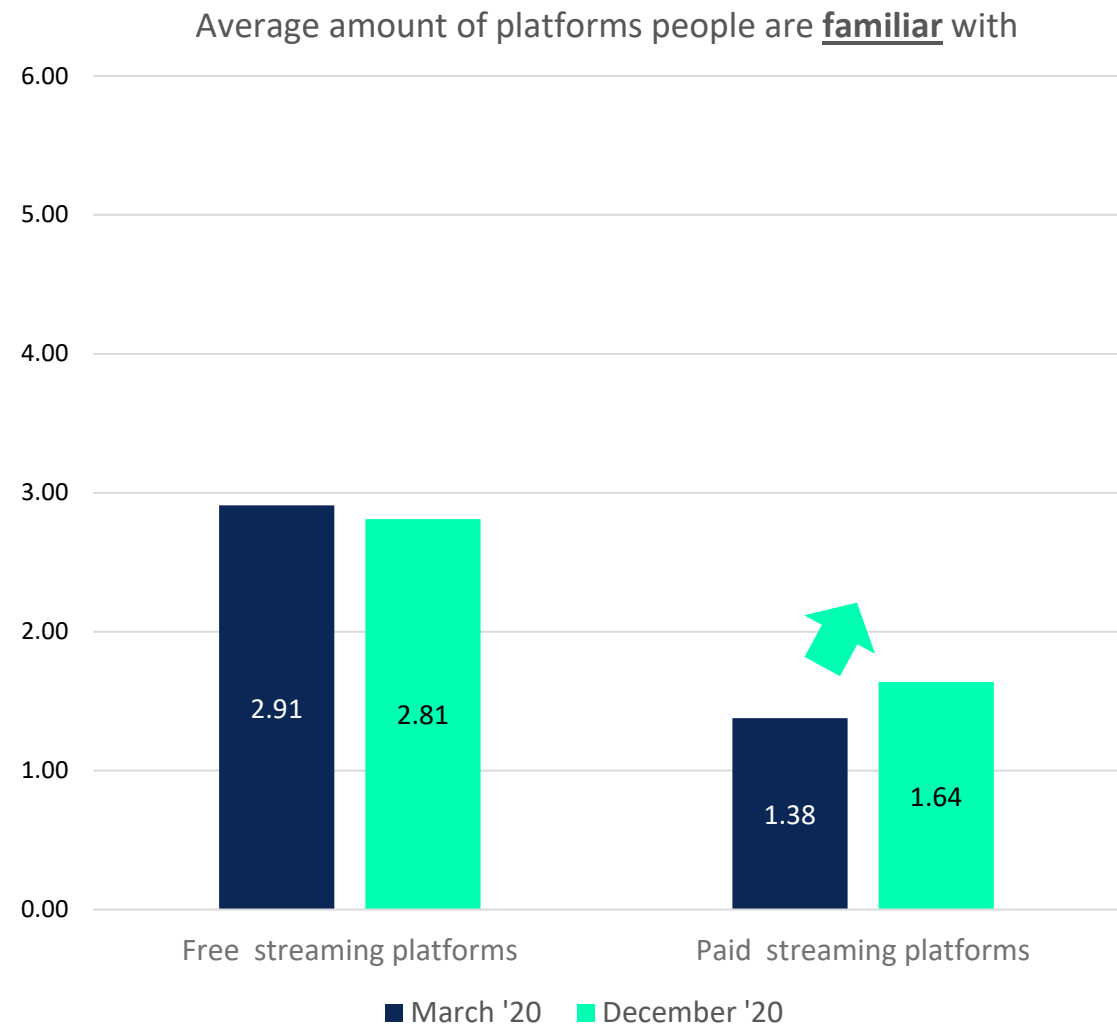
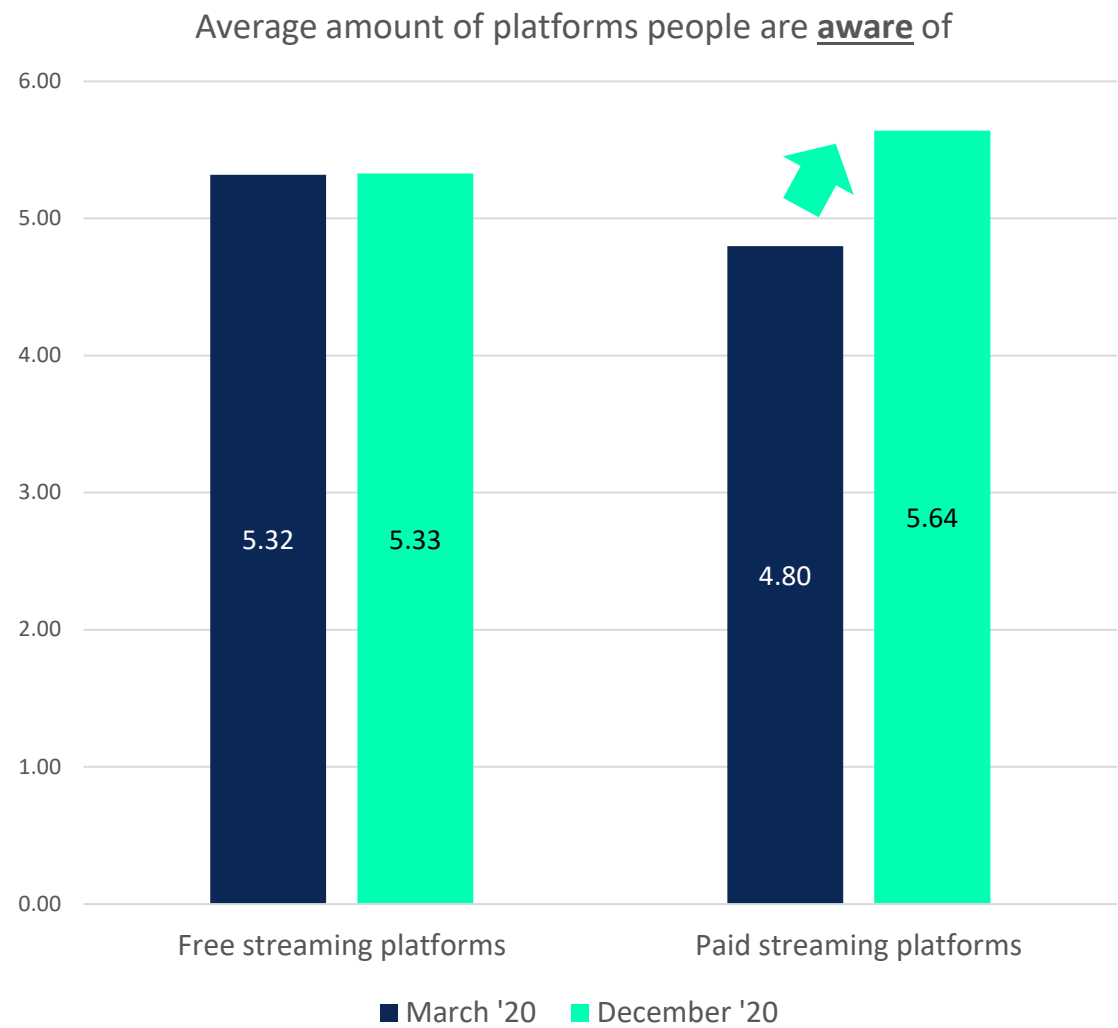
---

Paid services slowly close awareness gap  
with free services



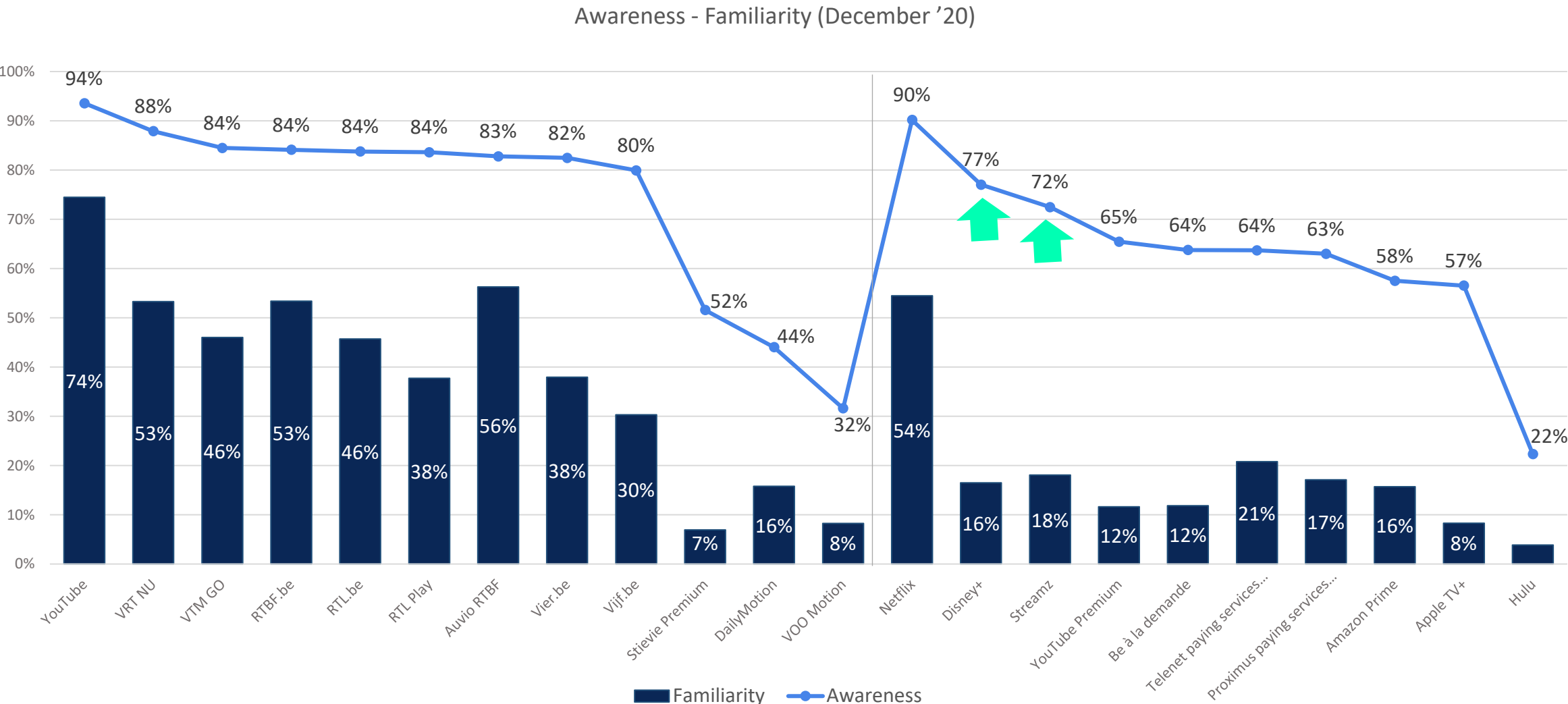
INTEREST IN PAID SERVICES IS ON THE RISE

# AVERAGE NUMBER OF PAID PLATFORMS KNOWN INCREASES



FREE SERVICES BEST KNOWN, BUT PAID SERVICES SLOWLY CLOSE THE GAP

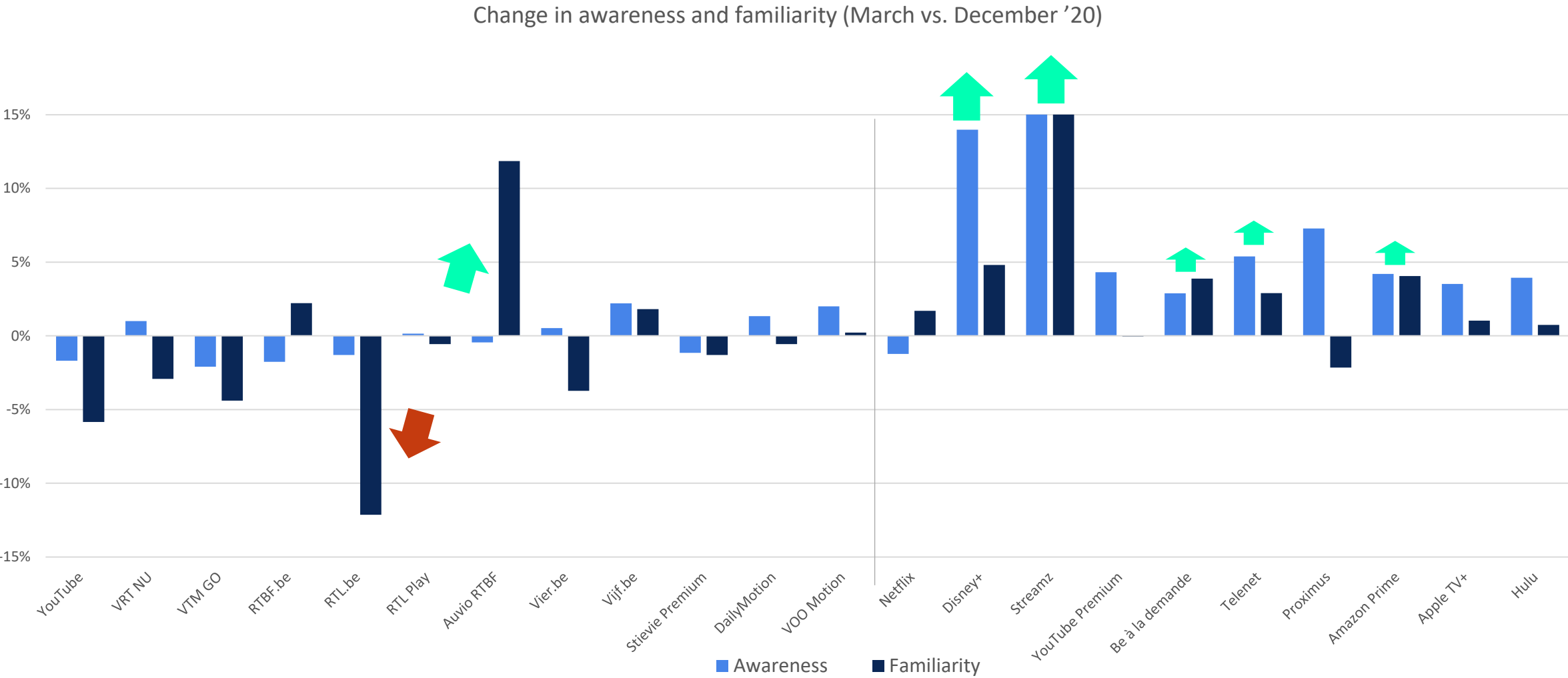
# NEWCOMERS CONQUER SHARE OF MIND BUT STILL MISS FAMILIARITY



\*Data is only based on numbers from the region where the platform is active (National or Regional)

LAUNCH OF NEW PAID SERVICES CAUGHT THE ATTENTION

# STREAMZ AND DISNEY+ STRONGEST AWARENESS INCREASE



\*Data is only based on numbers from the region where the platform is active (National or Regional)

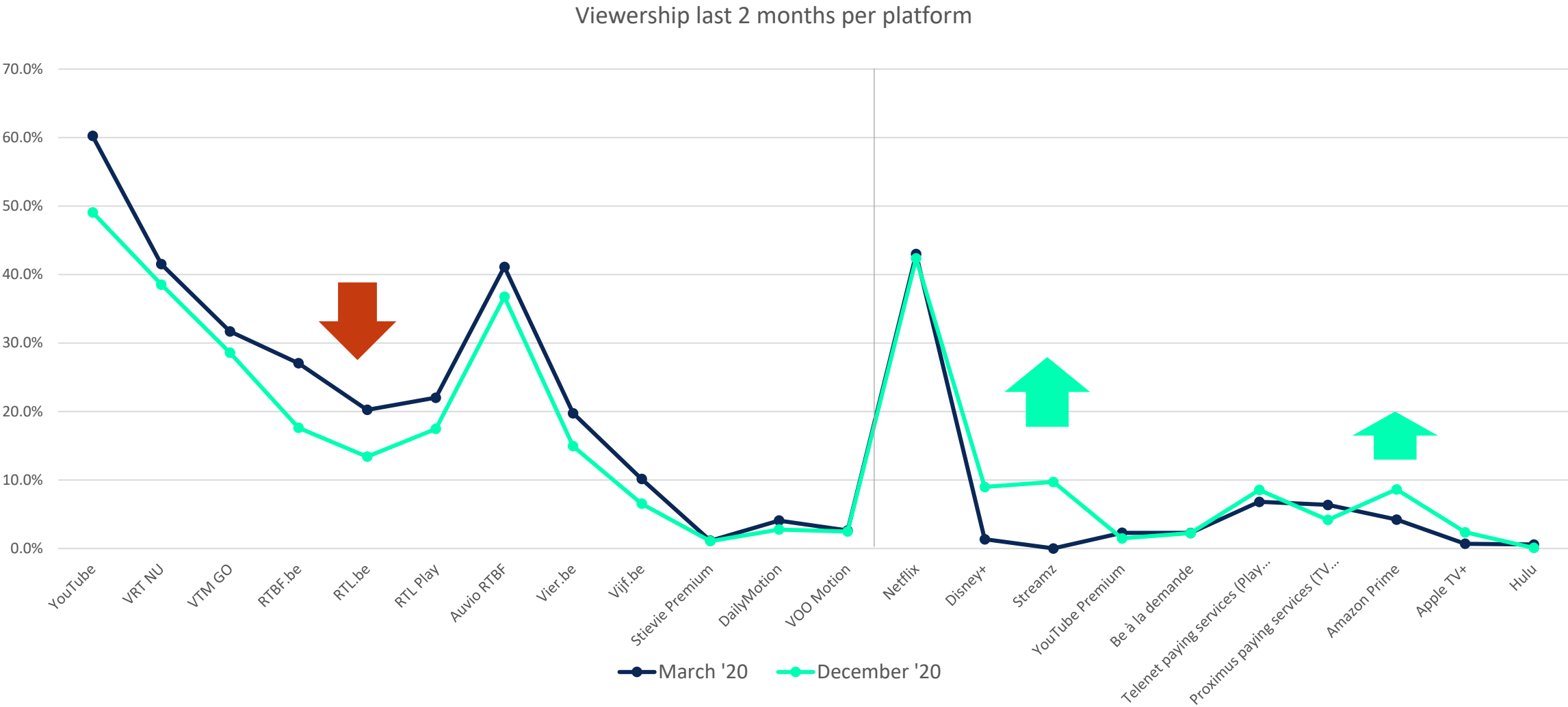
# PAID NEWCOMERS GAIN GROUND FREE VERSUS PAID SWITCH

Streamz and Disney+ leave their mark  
Amazon Prime also grows in their slipstream



NEW PAID STREAMING SERVICES ATTRACT NEW VIEWERS

# STREAMING CONSUMPTION SHIFTS CAUSED BY THE PAID NEWCOMERS

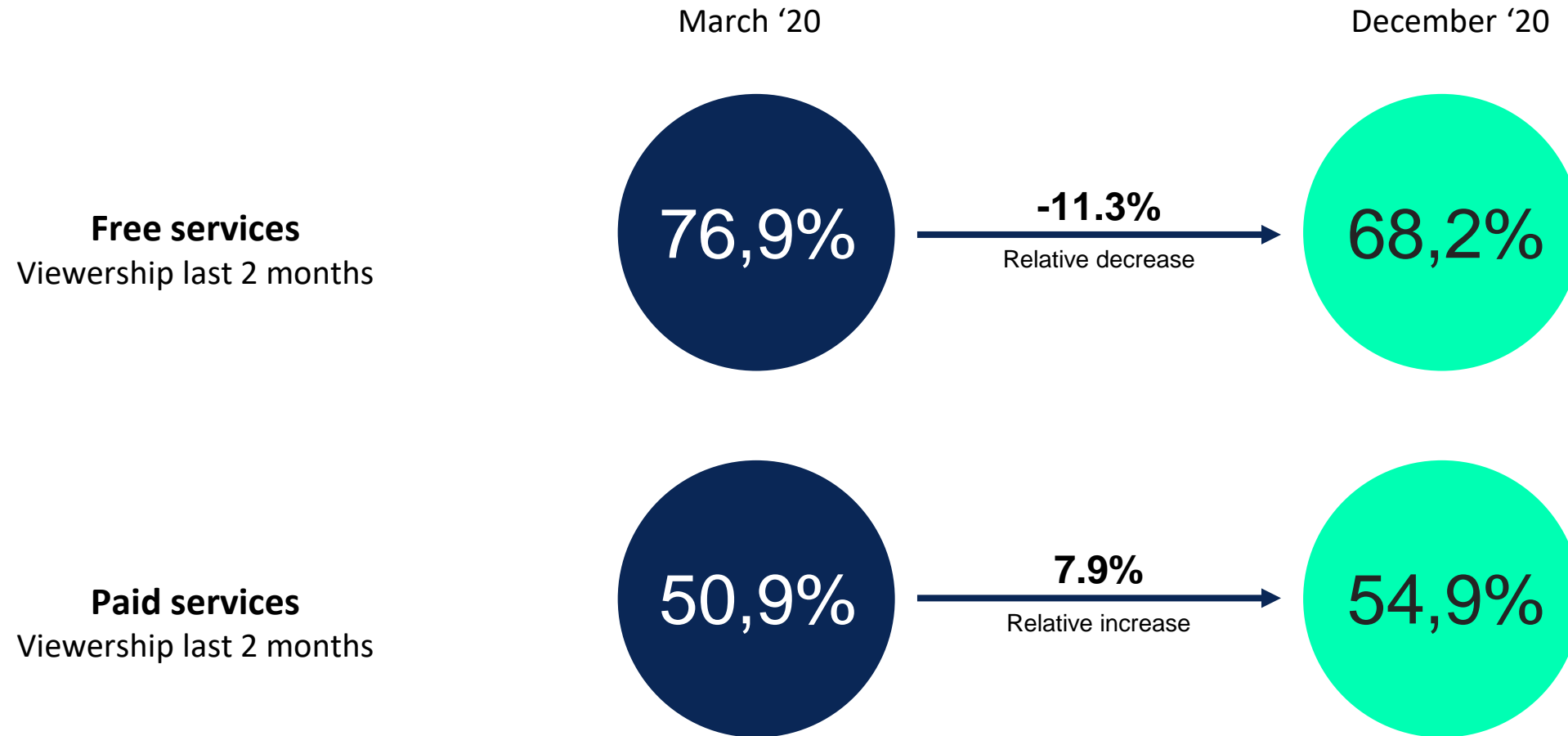


\*Q: Which of the following video streaming services, either free or paying, did you watch in the last 2 months?

\*\* Data is only based on numbers from the region where the platform is active (National or Regional)

SHIFT IN VIEWERSHIP PATTERN ACROSS THE STREAMING LANDSCAPE

## THE PAID SERVICES WIN TO THE DETRIMENT OF FREE SERVICES



# THE SUBSCRIPTION BATTLE WINNERS AND LOSERS

---

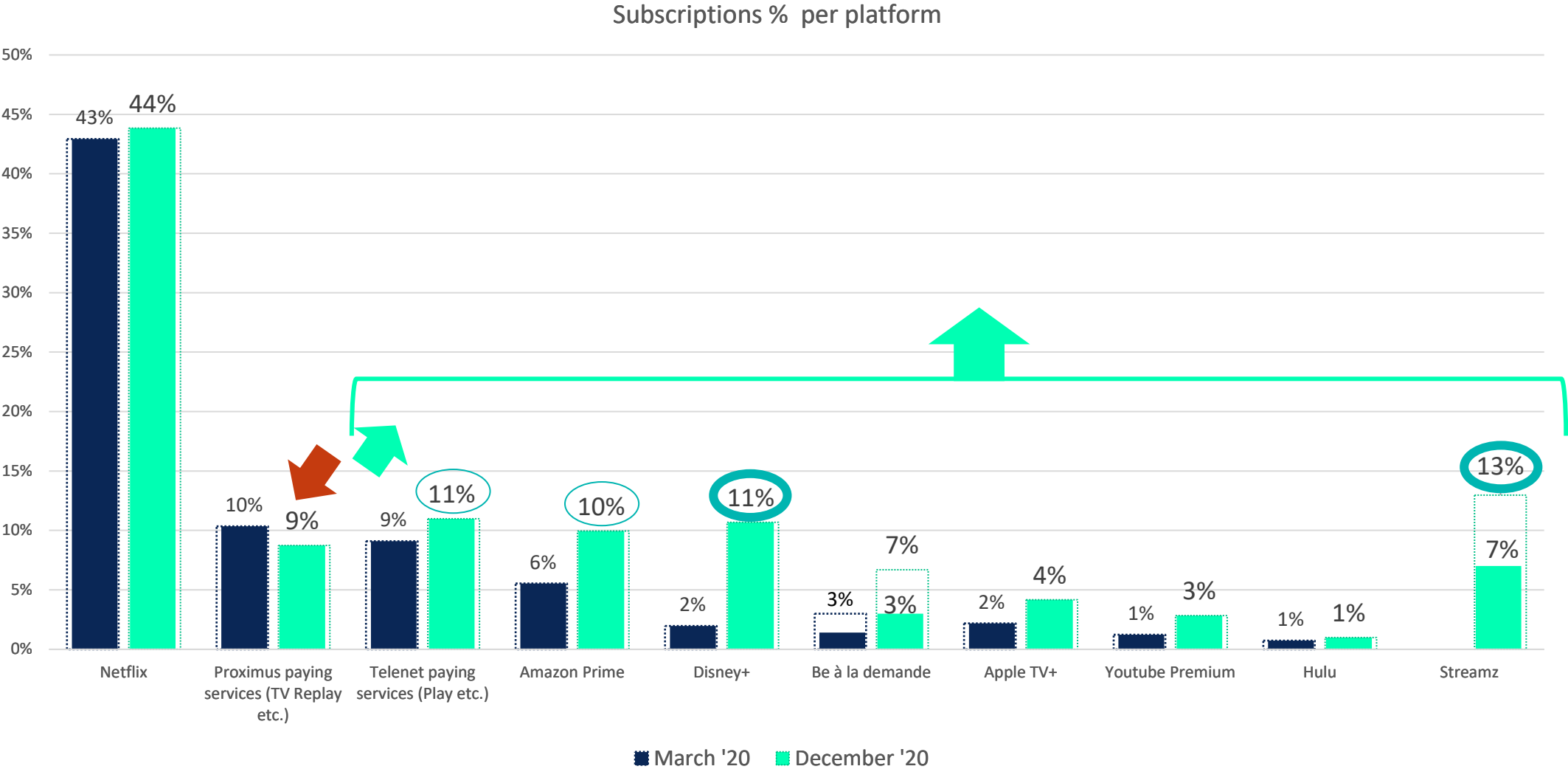
The newcomers live up to their promise





NETFLIX STAYS DOMINANT PLAYER IN THE PAID ARENA

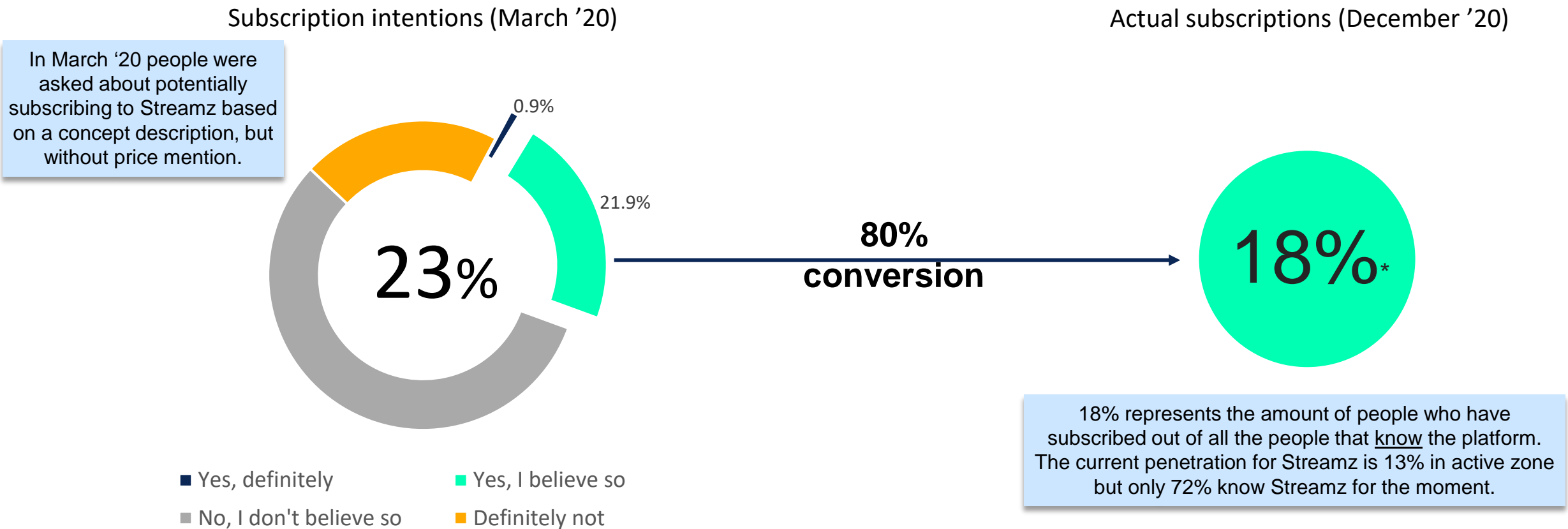
NEWCOMERS PASS THE 10% BAR; MOST OF THE REST IN SLIPSTREAM



\*Dotted line indicates subscriptions based on active region only (National or Regional)

MEASURED INTEREST IN MARCH FOR STREAMZ CLOSE TO CURRENT SUCCESS

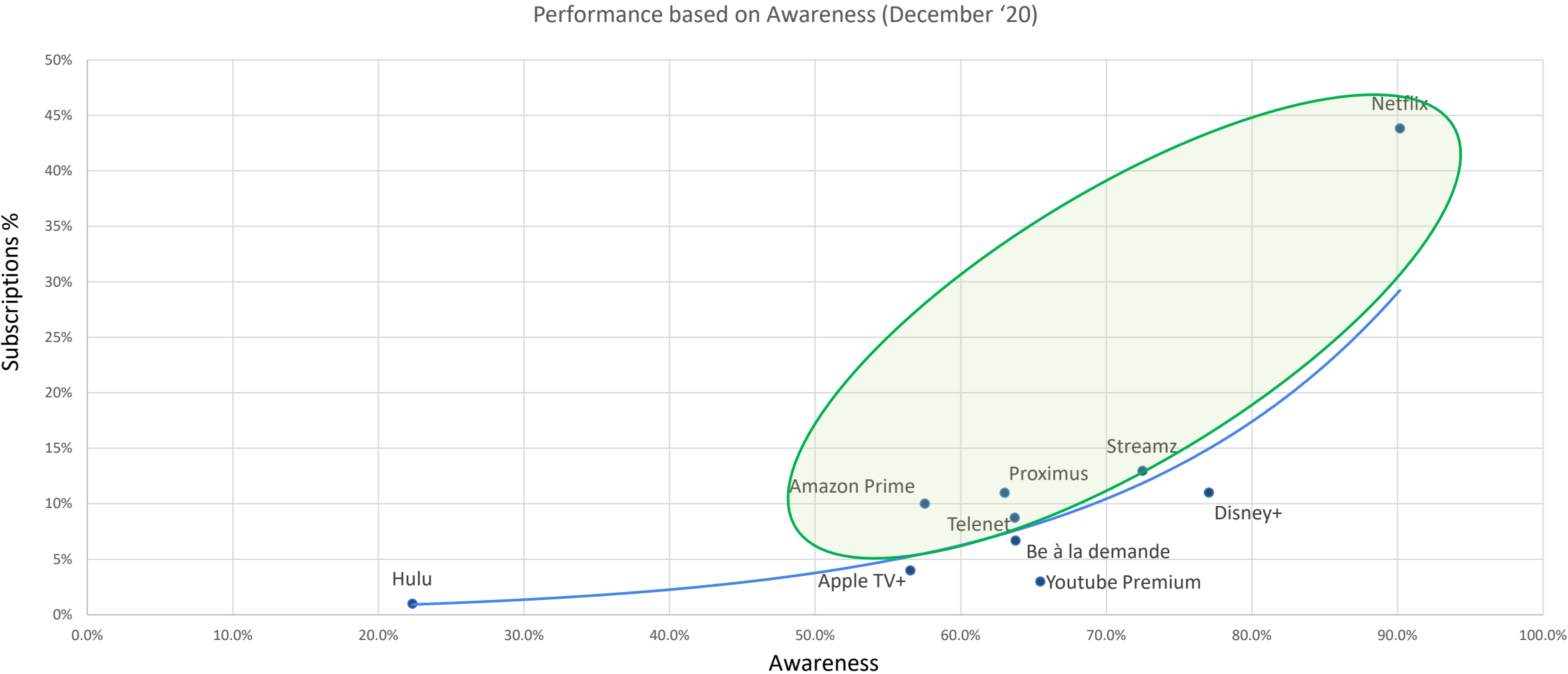
# DECLARED INTEREST FOR STREAMZ BECOMES A REALITY



\*Only based on people who are aware on the platform

DISNEY+ AND YOUTUBE ROARING NAMES MUCH BROADER THAN PAID STREAMING CONNOTATION

# NETFLIX, PXM & AMAZON CONVERT BEST AWARENESS TO SUBSCRIPTIONS



\*Data is only based on numbers from the region where the platform is active (National or Regional)

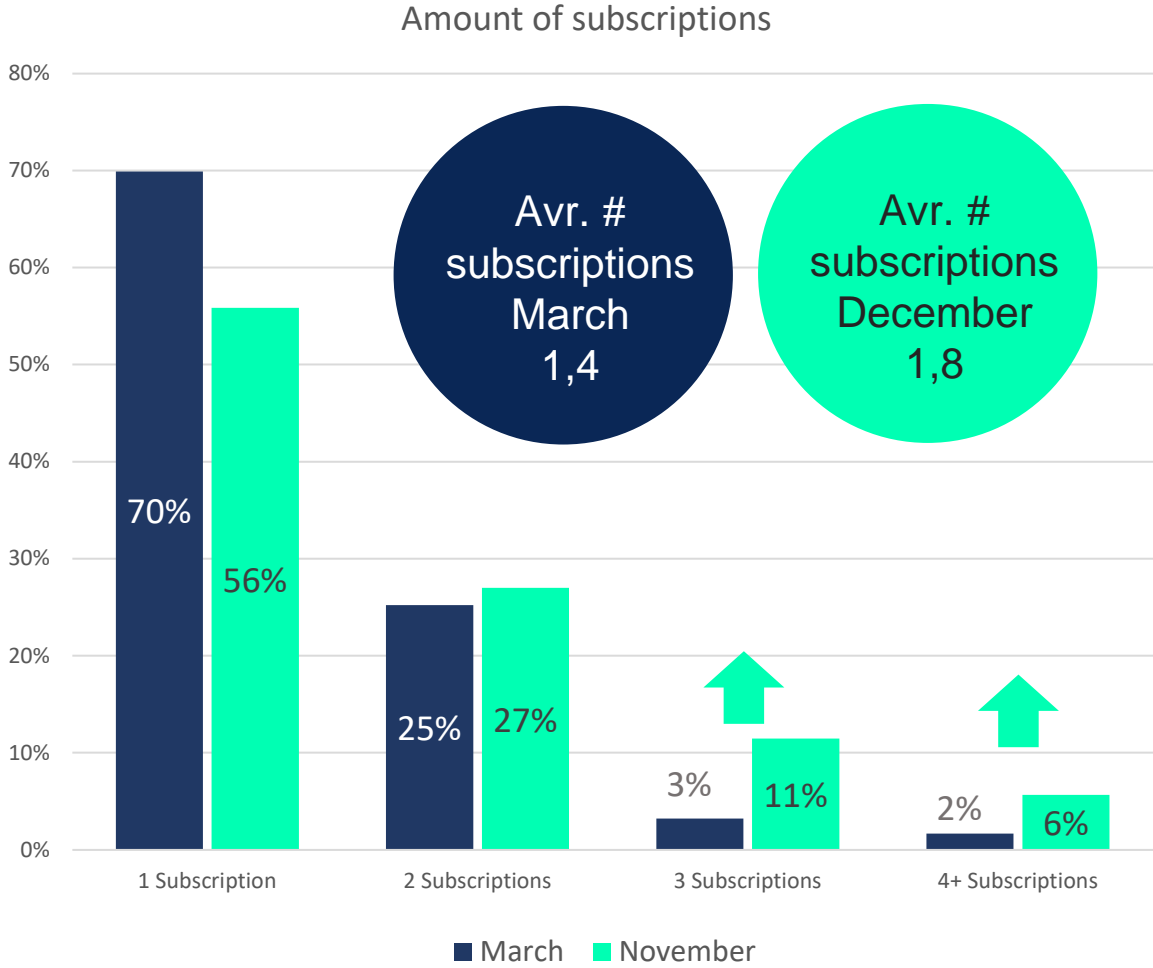
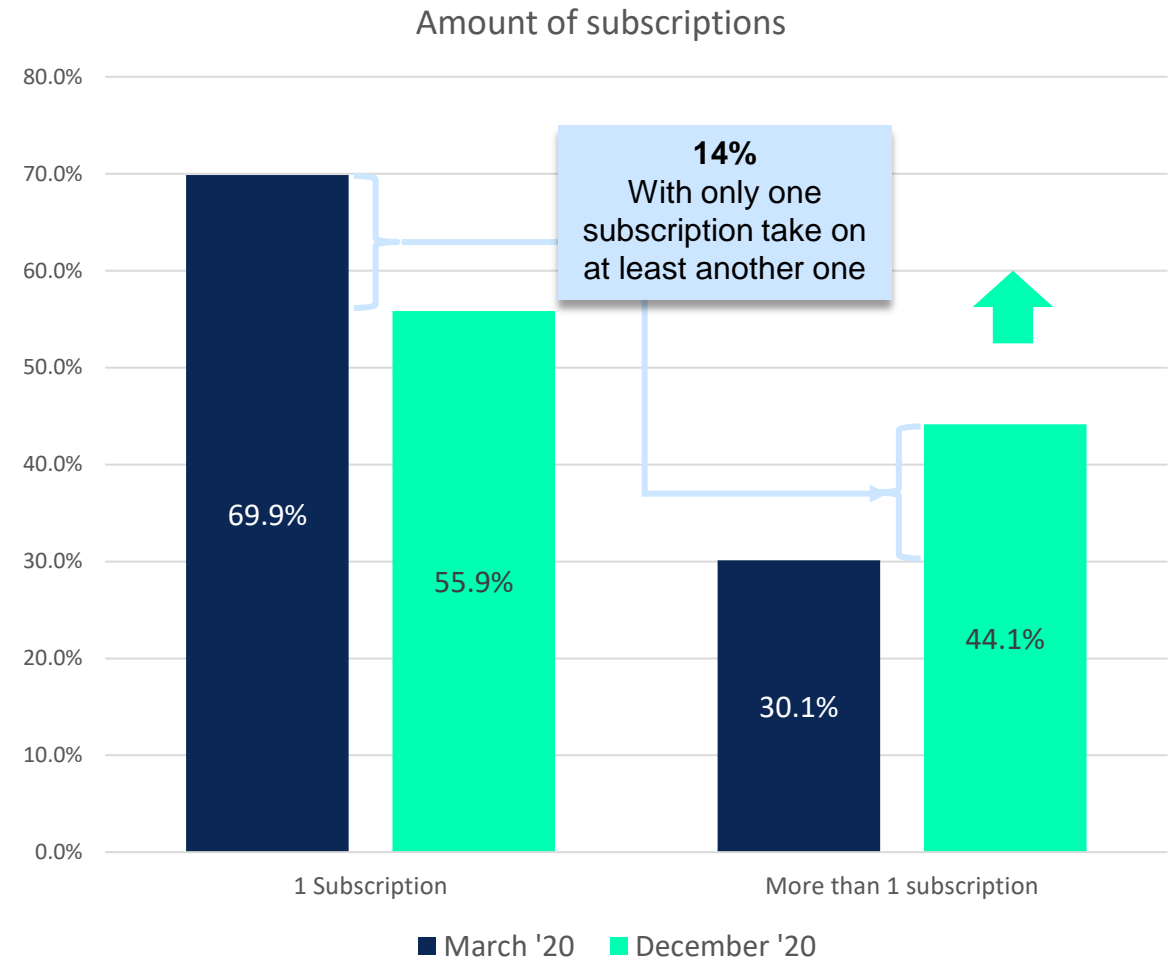
# MULTI SUBSCRIPTION THE CONSUMER TRAP

Number of subscriptions is increasing due to fragmentation of 'offering'



FRAGMENTATION OF OFFER PUSHES NUMBER OF SUBSCRIPTIONS

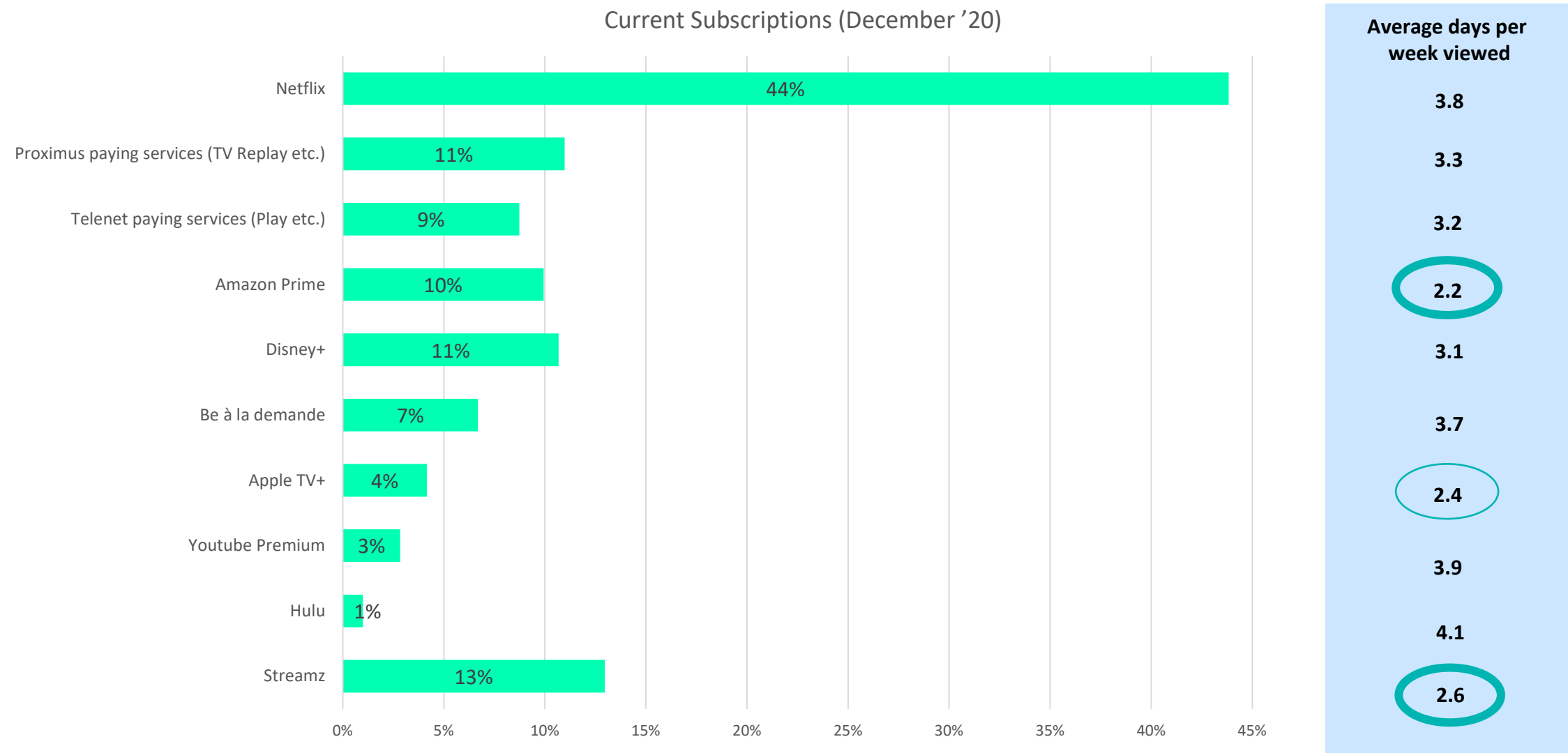
# AVERAGE NUMBER OF SUBSCRIPTIONS IS CLEARLY INCREASING



\*Only accounts people who are subscribed to at least one streaming platform

AVERAGE (MATHEMATICAL) OF 3,2 DAYS PER WEEK VIEWING FOR PAID STREAMING PLATFORMS

# STREAMZ & AMAZON PRIME UNDERPERFORM IN VIEWING FREQUENCY



\*Q: How often do you watch television via video streaming (website or app) or via VOD (viewing on demand)?

\*\* Data is only based on numbers from the region where the platform is active (National or Regional)

# A LOYALTY AFFAIR WINNING THE HEARTS

Are catalogues of streaming services interesting  
enough to retain customers?

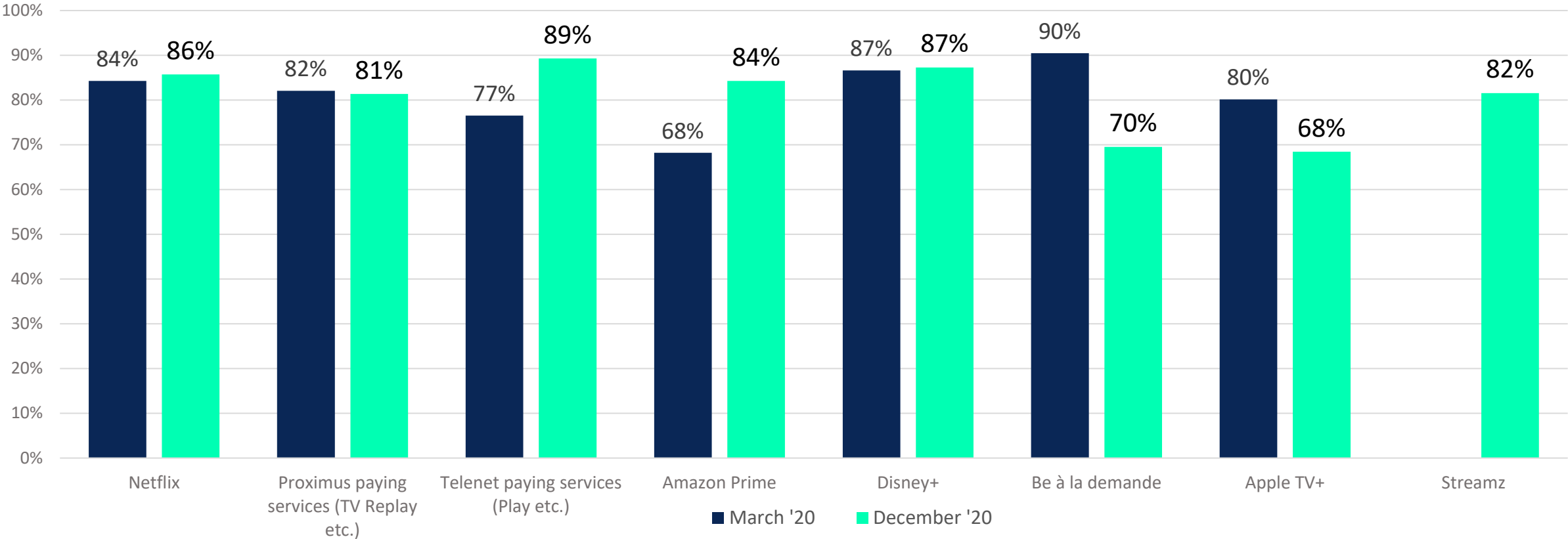


SUCCESSFUL PAID STREAMING SERVICES INCREASE THEIR LOYALTY

# AVERAGE LOYALTY REACHES 83%

# of Subscribers	44%	9%	11%	10%	11%	7%	4%	13%
------------------	-----	----	-----	-----	-----	----	----	-----

Customer loyalty among different streaming platforms



\*Q: For which of the following streaming platforms do you consider ending your subscription within the next 6 months?

\*\*Only contains people who are currently subscribed



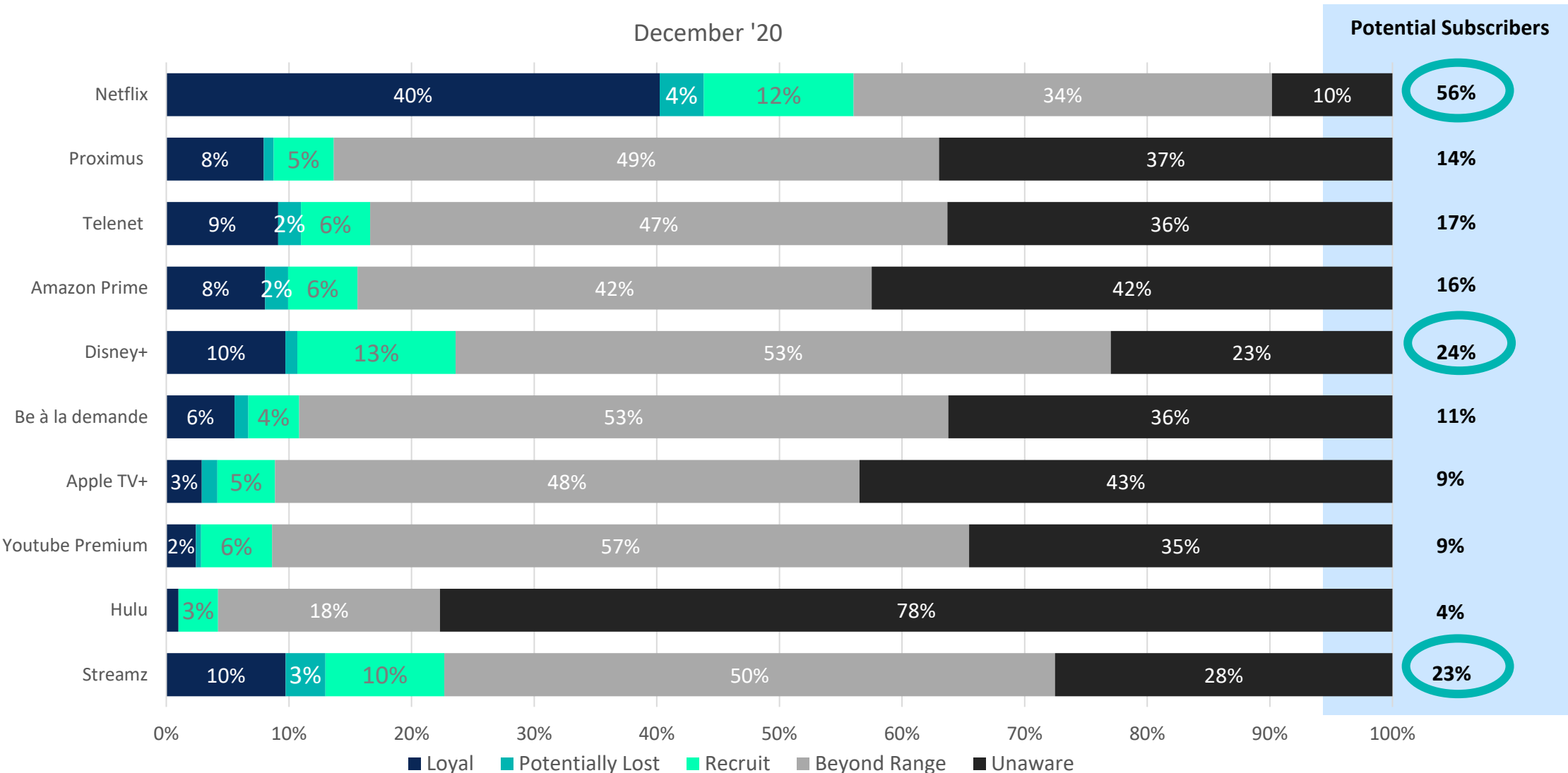
# A HARSH BATTLE IN A GROWING MARKET

The paid streaming market still has a big growth potential, but the cards are not played yet



WILL CHURN INCREASE OR WILL AVR. NUMBER OF SUBSCRIPTIONS GROW

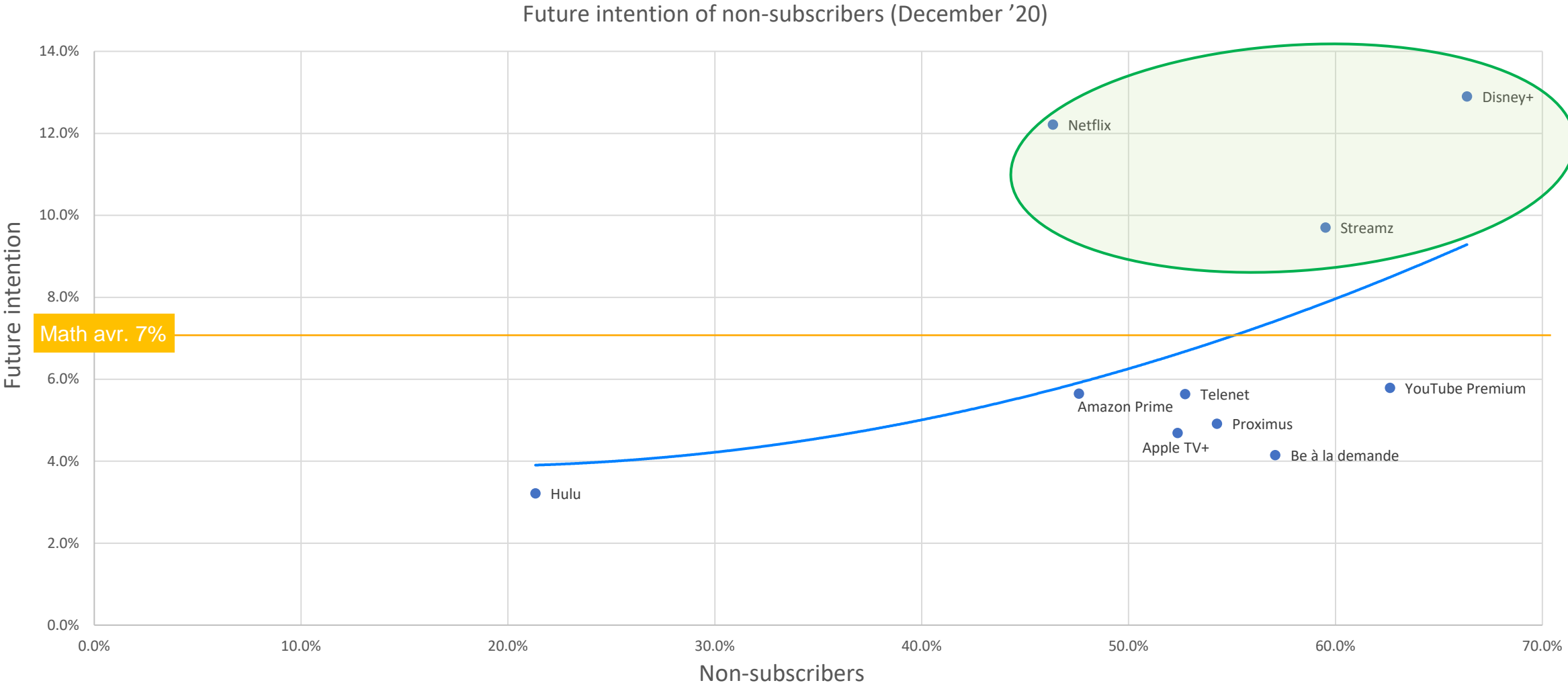
# NETFLIX STAYS DOMINANT BUT NEWCOMERS CHALLENGE POSITION



\*Data is only based on numbers from the region where the platform is active (National or Regional)

RECRUITMENT POTENTIAL AMONG NON-SUBSCRIBERS (MATH) AVERAGES 7%

# NETFLIX, DISNEY+ AND STREAMZ TOP LISTED IN EVOKED SET

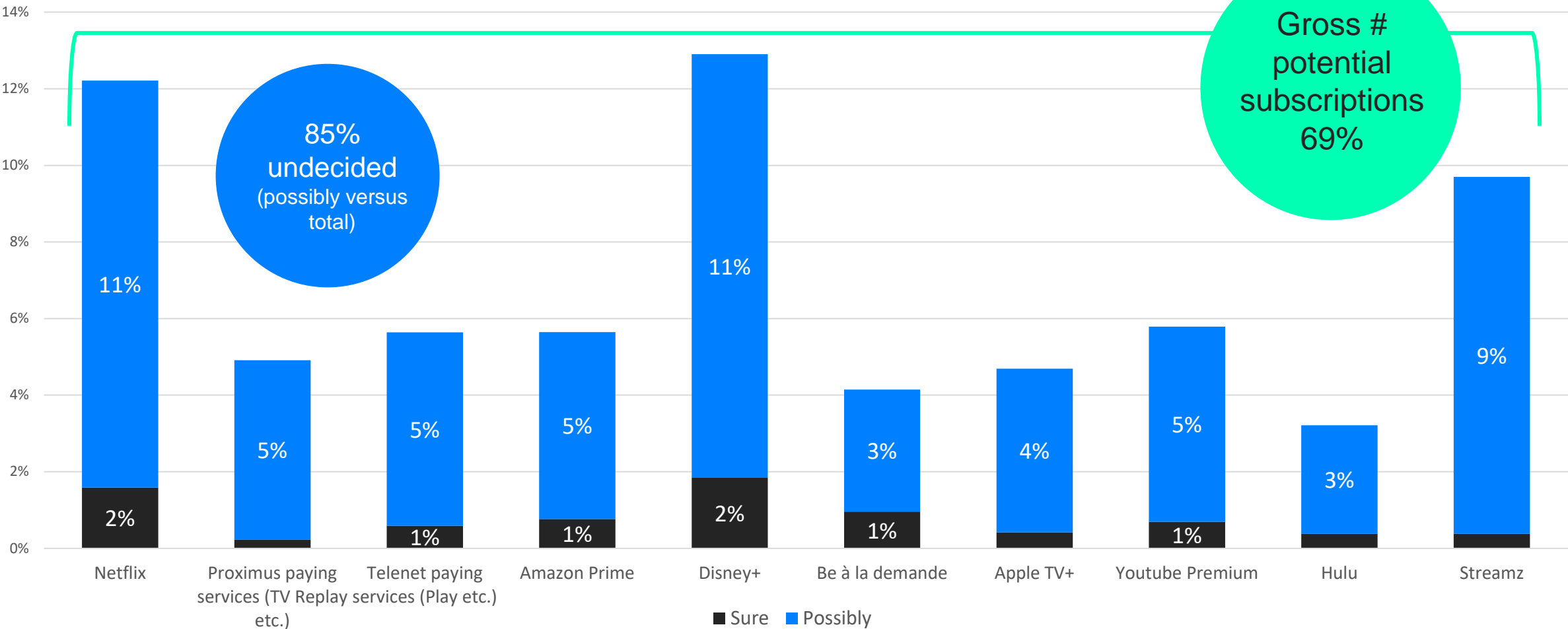


\*Q: For which of the following streaming services would you consider subscribing in the future?  
\*Data is only based on numbers from the region where the platform is active (National or Regional)

THE GROSS PENETRATION OF POTENTIAL SUBSCRIPTIONS EQUALS 69%

# CURRENT TOP 3 IN POLE POSITION BUT STILL HUGE % UNDECIDED

Intentions per platform (December '20)

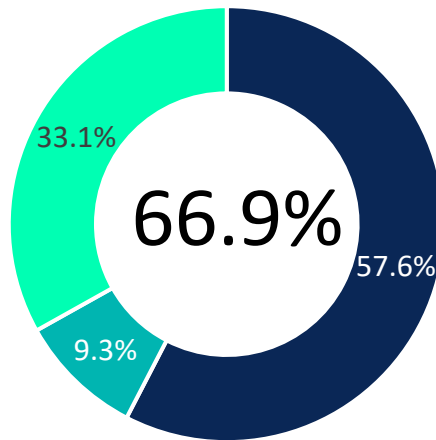


\*Q: For which of the following streaming services would you consider subscribing in the future?  
\*Data is only based on numbers from the region where the platform is active (National or Regional)

MARKET POTENTIAL OF SUBSCRIBERS ESTIMATED AT 67%

## THE SUBSCRIPTION MARKET WILL GROW WITH 17%

Net potential subscriptions (December '20)



■ Current subscribers ■ Potential new subscribers ■ Non-subscribers

+17% increase subscribers

+48% potential increase subscriptions

→ 60% estimated conversion

Net subscribers' growth is 17%, or 9 percent points increase compared to current situation, this is 58% current subscribers

Gross subscriptions' estimated growth of 48% confirming the high undecided percentage (85%) and thus harsh battle for the viewer

Based on a current average subscription level of 1.8/HH we estimate a conversion of only 60% of the potential subscriptions increase (69% gross subscriptions)

# MAIN TAKE OUTS OF THIS SURVEY

In the end the consumer has the final decision  
Will the local offer be able to compete with the global players?



# CONCLUSIONS

---

- 1 Paid streaming subscriptions on the rise**  
58% of Belgians 18-59 declare having a subscription with a paid streaming platform; a rise of 8% December compared to March.
- 2 Paid platforms increased awareness**  
Newcomers conquer share of mind, but still miss familiarity. Disney+ and Streamz pass the 70% awareness bar, but stay under the 20% familiarity score.
- 3 Shift in streaming consumption**  
Results show, to a certain degree, a shift from free streaming services to the subscription-based services between March and December 2020. Paid streaming viewership increases with 8% and free streaming viewership decreases with 11%.
- 4 Newcomers do not miss their entrance**  
Streamz and Disney+ pass the bar of 10% subscriptions with respectively 13% (on active region) and 11% with most of the other paid platforms in their slipstream. A battle between Proximus and Telenet becomes visible.
- 5 Multi subscription evolution**  
The average number of subscriptions is rising from 1.4 to 1.8. Platform loyalty is 83%. Streamz and Amazon prime still have some catching up to do on weekly viewing frequency. They underperform, with resp. 2.6 and 2.2 days per week viewing, whilst the average is 3.2.
- 6 Paid streaming market is booming**  
The subscription market will grow with 9 % points, bringing the total percentage of subscribers to 67%. Netflix, Disney+ and Streamz are in pole position to recruit (resp. 13%, 12% and 10%). More than 85% is still undecided. We calculated that only 60% of the potential subscriptions (intention to eventually take a subscription in the future) will be really converted.