

Quantifying the Content Rollercoaster of 2020

Macro Viewership Trends Across the VODs (AVOD, SVOD & TVOD)

September 2020

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Quantifying the Content Rollercoaster of 2020



Capturing (and retaining) viewer attention

A desire for home entertainment is driving viewership gains and accelerating the migration to streaming



Fostering sign-up & maximize engagement

Content remains king
and must deliver value



The Great Re-Bundling

The most common
bundles include Netflix,
Amazon, Hulu & Disney+

AVOD & TVOD
supplement it

NEED TO
KNOW

12

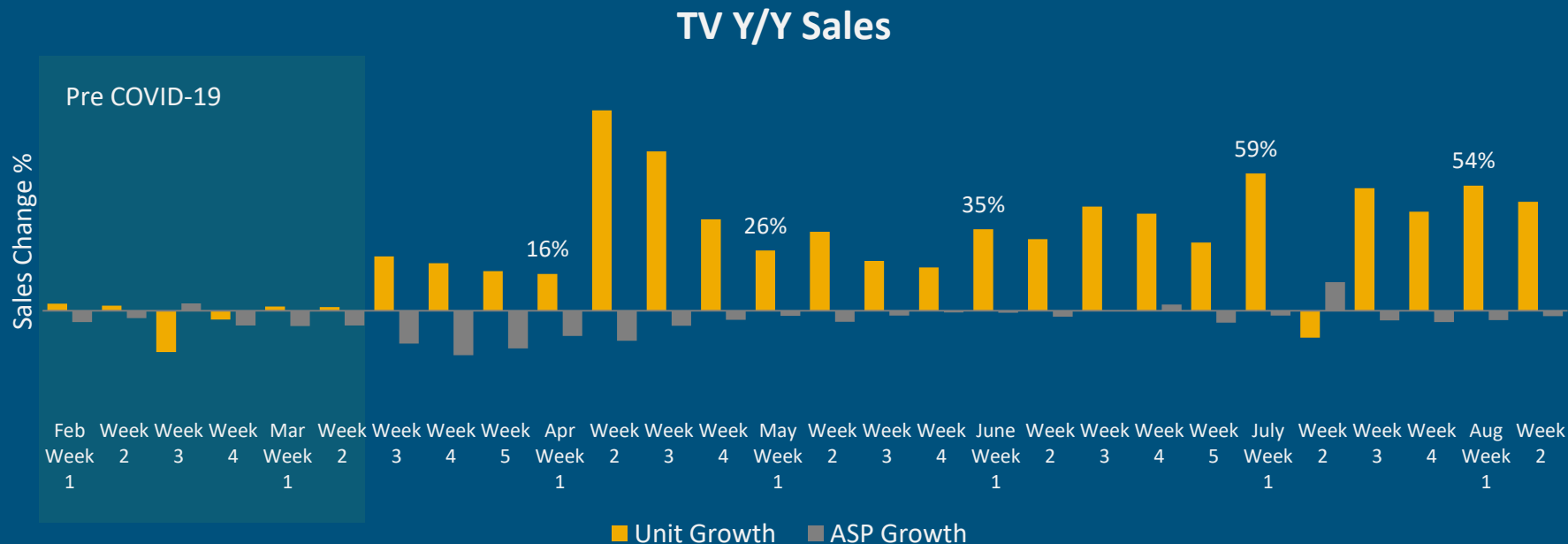
The background of the entire image is a dense, close-up shot of numerous rolls of white toilet paper. The rolls are arranged in a somewhat chaotic but repetitive pattern, filling the frame. The lighting is soft, highlighting the texture of the paper and the circular centers of the rolls.

TV Became Essential During COVID-19



TV sales have been up since the start of the pandemic

Gaming, streaming/DVD/BD player attachment, home office needs and pulled forward purchasing have been driving sales



Source: NPD Retail Tracking Service

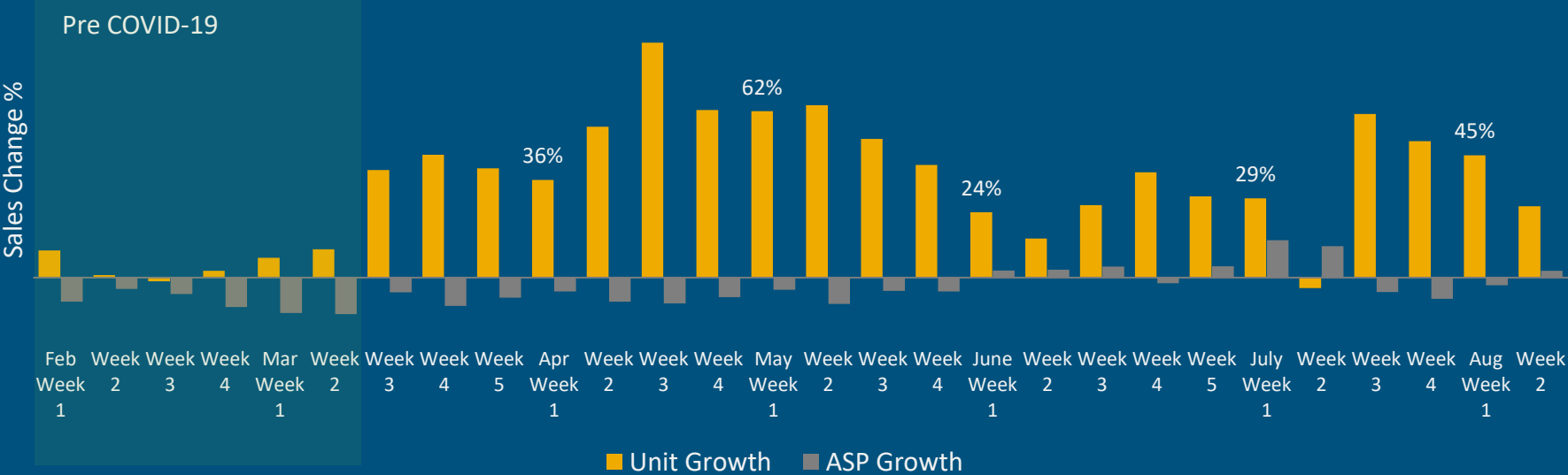


Stay-at-home Orders Accelerated the Migration to Streaming

2

Streaming players sales have also grown during stay-at-home orders

Streaming Media Player Y/Y Sales



Source: NPD Retail Tracking Service, Excludes Fire TV

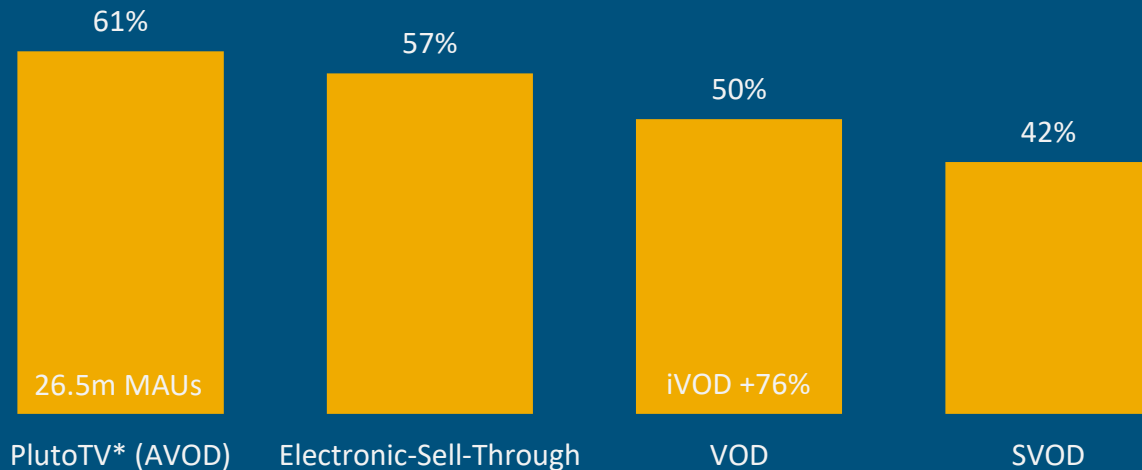
Content consumption is
peaking

3

Q2 Y/Y growth in free, transactional & subscription video video was staggering

The '20-'21 mission: retain the audience

Digital Video Growth Q2 '20 vs. Q2 '19



Source: DEG

*ViacomCBS Earnings Report, domestic monthly active users

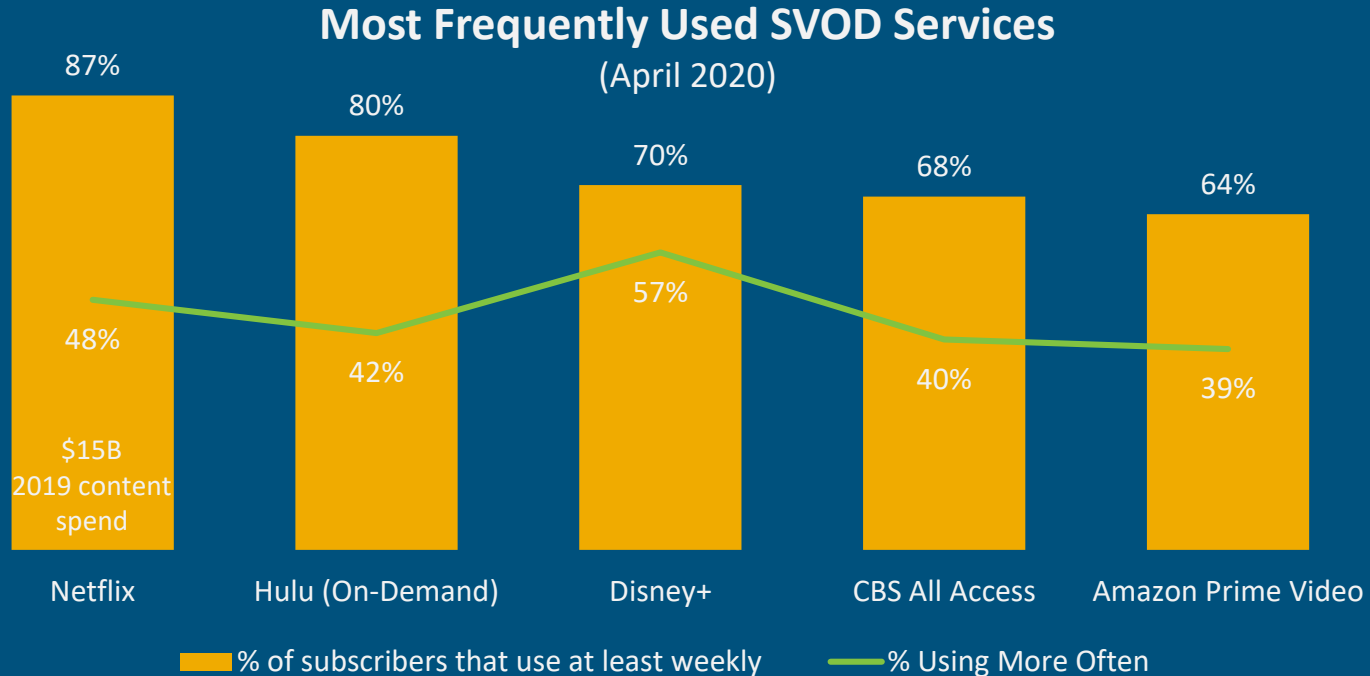
**Used the Most,
Gained the Most**



4

Services used the most frequently are gaining the most ground

Netflix, Hulu, Disney+, CBS All Access, and Amazon Prime Video drive the greatest engagement



Source: TV Switching Study



Disney's Doing it Right

5

Disney+ engagement is driven by the right movies being available, exclusive content, affordability, and the lack of ads

Disney+: Top 10 Reasons Subscribed or Using it More

(April 2020)



Source: TV Switching Study

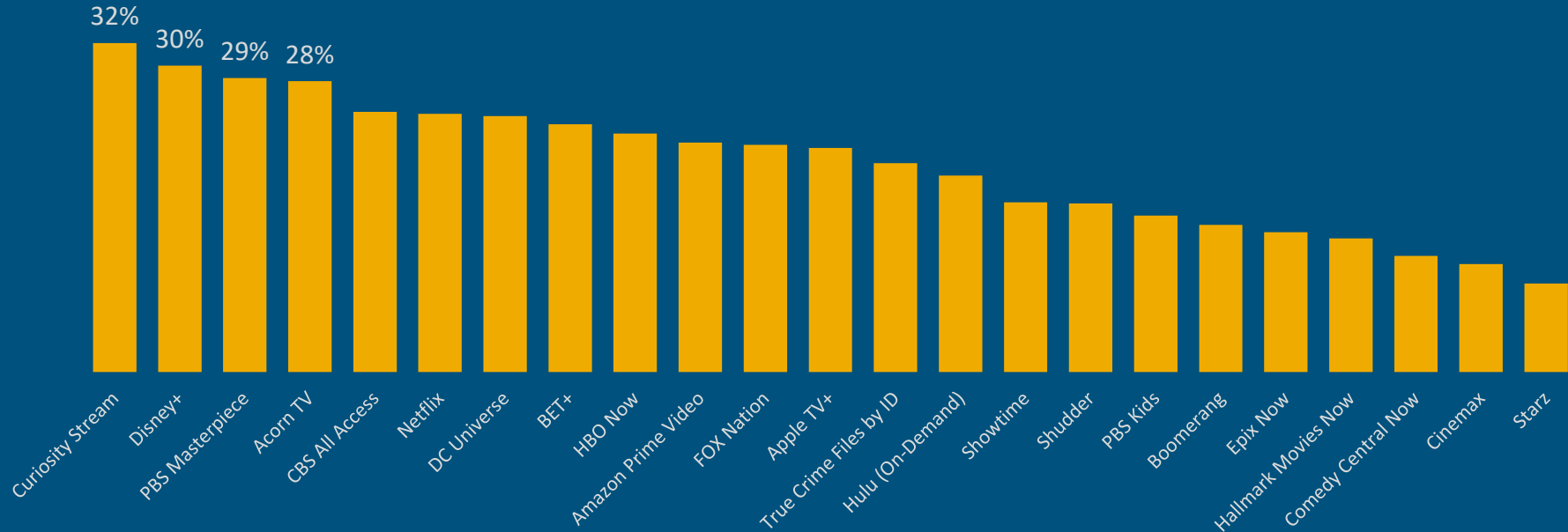
Content is King

6



Exclusive content drives engagement for up to 1/3 of SVOD Users

Subscribed or Watch More Because “Content Not Available Another Way”
(April 2020)



Source: TV Switching Study
Among those who subscribed in the past year or increased engagement



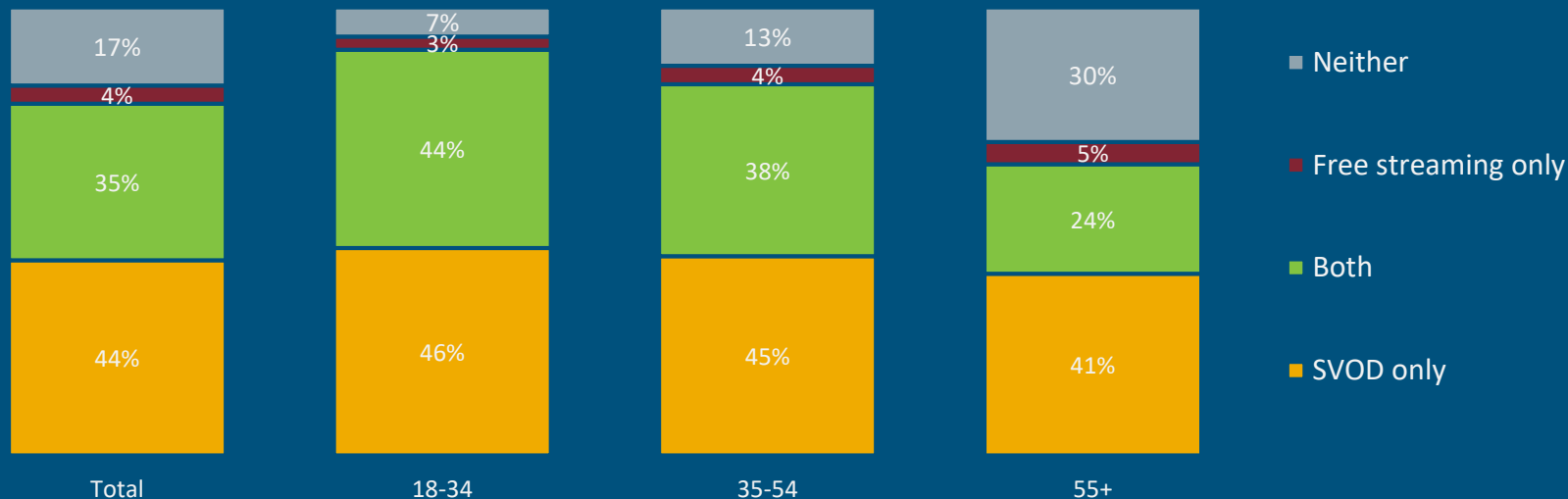
**AVOD is a
Supplemental
Viewing Source**

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Free streaming video is supplemental to subscription services viewers use

Nearly all (90%) of viewers age 18-34 use subscription or free streaming service

Subscription & free streaming overlap (April 2020)



Source: The TV Switching Study

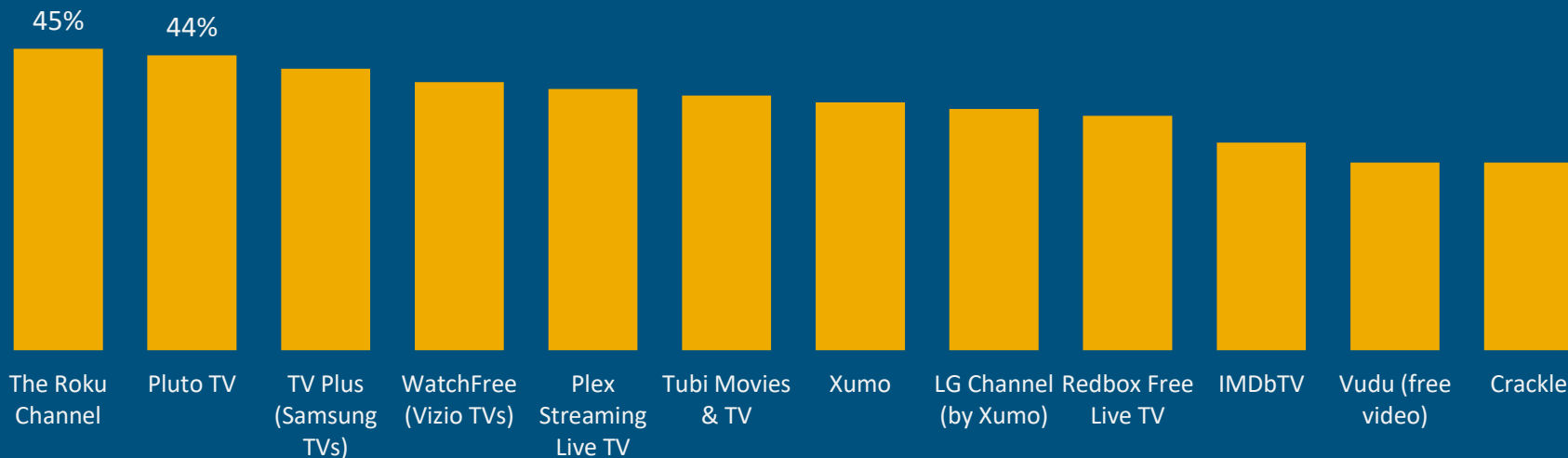
Some Do Better

8



The Roku Channel and Pluto TV generate the highest rate of weekly usage

% of Past Year User Base that Uses Service Weekly (April 2020)



Source: TV Switching Study

The Prowess of Free

9

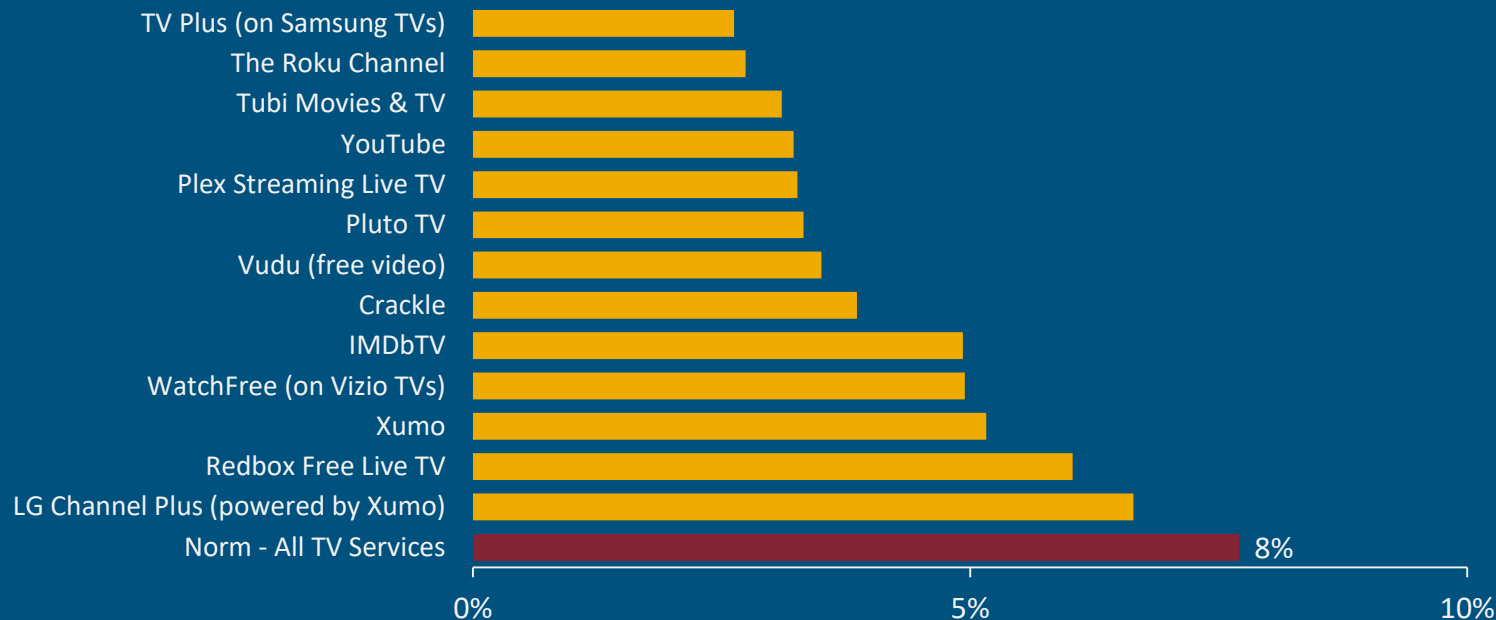


All free streaming services have churn risk that is below the norm

Top reasons for churn: Too many ads (23%), able to get content another way (22%), other services offer better content (21%)

AVOD Services Likely to Stop Using Next 12-Months

(April 2020, as a % of users)



Source: TV Switching Study
Norm includes all 79 TV services measured



The Dream Bundle

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The average AVOD/SVOD bundle has 5.8 services

YouTube - Roku Channel - Pluto TV – Netflix – Prime – Hulu - Disney+

Avg. # AVOD/SVOD Services

April 2020 – Among Each User Group

AVOD Services Used Weekly

YouTube
The Roku Channel
Pluto TV

2.7

5.8

4.1

SVOD Services Used Weekly

Netflix
Prime Video
Hulu
Disney+

AVOD

AVOD/SVOD

SVOD

Source: TV Switching Study

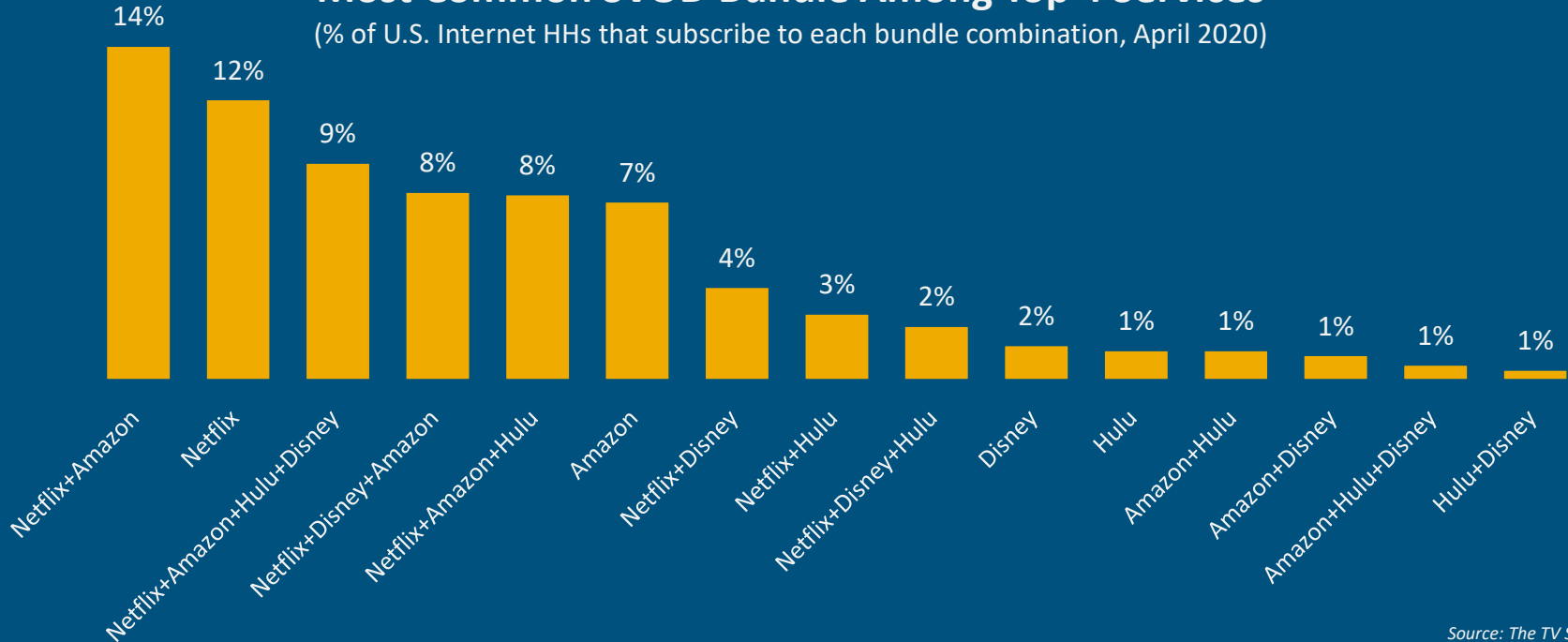
* Callouts based on % ranking of weekly active users

Netflix is part of the five most common SVOD bundles

Notably, the third most common bundle includes all of the top four SVOD services and it is the MOST common among consumers age 18-34

Most Common SVOD Bundle Among Top 4 Services

(% of U.S. Internet HHs that subscribe to each bundle combination, April 2020)



Source: The TV Switching Study



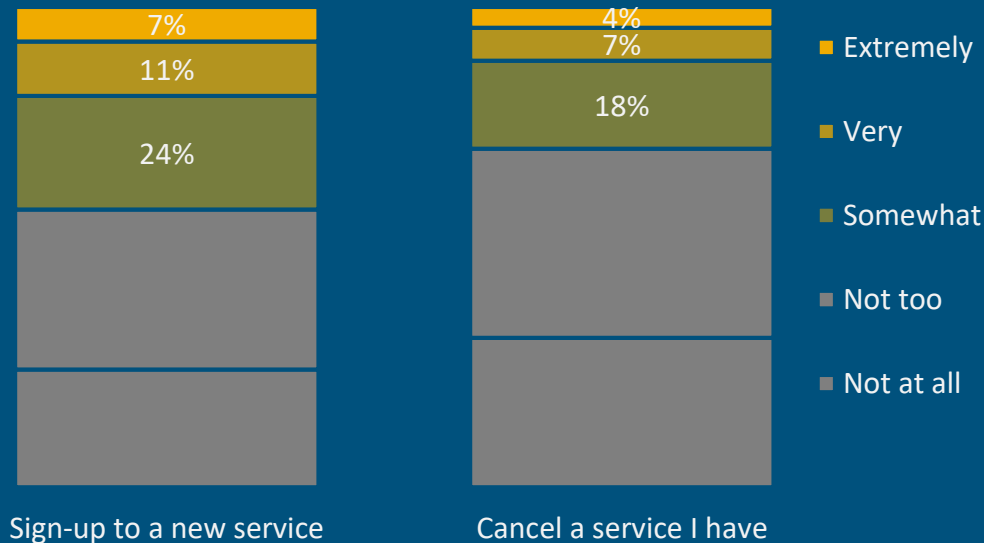
Change is The
New Norm

12

42% of viewers have intentions to subscribe to or start using a new TV service

Fewer, 29% are likely to cancel or stop using a service they currently have


Next 12 Month Likelihood (April 2020)



Source: TV Switching Study

QUESTIONS?

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