



THE SHOW   
MUST GO ON

**MRG Conference**





2020

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VODYSSEY

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# WHO CAME ALONG



V O D Y S S E L Y

Designed and executed by  
d.fferentology/IAB UK with cross-industry  
collaboration

N=2,000 Nat rep study in the UK and US

UK Ethnographic study and workshops





# V2 : AN EXPLORATION

- 1 Mapping the SVOD landscape in 2020
- 2 Consumer usage, attitudes and language
- 3 Commercial opportunities

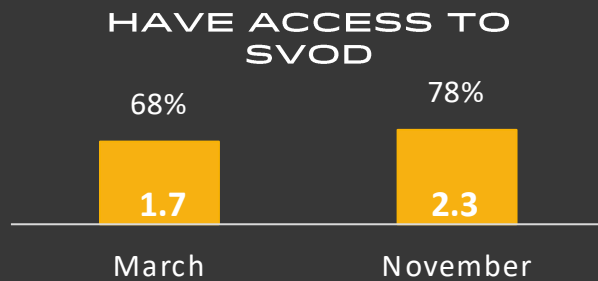
CHAPTER

# 1

## THE 2020 LANDSCAPE



# PENETRATION DRIVEN BY THE TITANS OF THE SVOD UNIVERSE



**73%** Have access to SVOD (March)  
**2.6** = Avg number of platform access

Q Which, if any, of the following paid subscription video-on-demand TV services does your household have access to? Base: Total sample UK (2,000) US (2,000).  
 Base: SVOD Subscribers - UK (1,281), US (1,402), Nov UK (2,240) SIZE OF PLANET IN PROPORTION TO LEVEL OF ACCESS

BRITBOX

APPLE TV+

DISNEY+

NETFLIX

AMAZON PRIME VIDEO

NOW TV

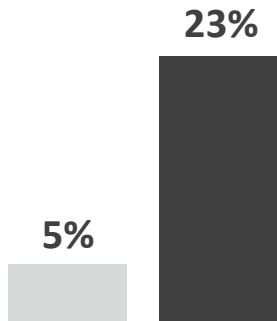
YT PREMIUM

HULU

# THERE IS STILL HEADROOM

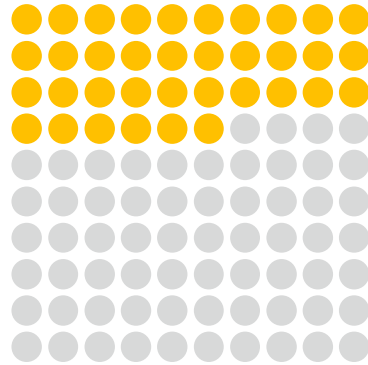
Whilst the majority will most likely stick with their current number of SVOD services the appetite for new SVOD services is still strong. Original creators that are new to each market this year are anticipated to do well.

US



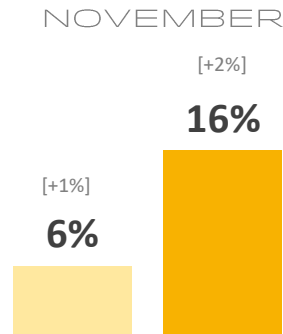
■ Anticipate number of SVOD services to decrease  
■ Anticipate number of SVOD services to increase

HBOmax



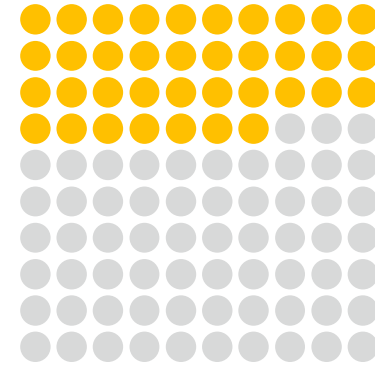
**36%**  
ARE LIKELY TO  
SUBSCRIBE THIS YEAR

UK



■ Anticipate number of SVOD services to decrease  
■ Anticipate number of SVOD services to increase

Disney+

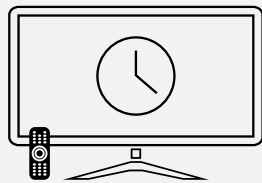


**37%**  
ARE LIKELY TO  
SUBSCRIBE THIS YEAR

Q Do you anticipate any changes to the number of paid subscription services in your household in the next 12 months?  
Q We are now going to show you some other paid subscription video-on-demand services that are currently available or will be available in the market very soon. How likely are you to consider subscribing to the following brands in the next 12 months? Base: Total sample UK (2,000), US (2,000) Base: November UK Total (2,240)

# LIVE TV REMAINS THE 'GO TO' IN THE UK BUT SVOD IS ON THE RISE

In the US and the younger cohort, there are almost as many people who now turn to SVOD first then do Live TV. This is being driven by unique and likeable content.



Always go first to Live TV



Always go first on SVOD

	Always go first to Live TV	Always go first on SVOD
UK	39% [-2%]	17% [+1%]
16-34 YEAR OLDS	15% [-1%]	28%
35+ YEAR OLDS	51% [-2%]	11% [+1%]
USA	31%	21%

The proportion of those picking Live TV first is significantly higher than SVOD, with just under two fifths of the total UK population claiming to always go first to Live/linear TV when deciding what to watch.

### WHY SVOD IS GO TO SERVICE:

*"easier to use, they aren't interrupted by ads and they have a wide variety of series to watch"*



CONVENIENCE/  
EASE OF USE

### WHY LIVE TV IS GO TO SERVICE:

*"...gives me the up-to-date news and weather, locally"*



ACCESS TO LIVE  
SERVICES



© JHarryH

CHAPTER

# 2

THE  
CONSUMER  
VIEW

V O D Y S S E Y



# SVOD SERVICES INFLUENCE THE VIEWING LEXICON

## Daniel

Age: 40

Profession: Surveillance monitoring

Children: Aged under 10

Connected TV access: Smart TV

VOD viewing: Heavy

*“If someone rang me up now and asked me what I was doing I would say I am watching Netflix, not TV”*

Due to their shift patterns, Daniel and his wife rarely get the chance to watch TV together, so he mostly watches alone.

When speaking about Netflix, it isn't strictly TV but it can be “on the TV” - the physical TV set. If someone was to ask him what he was doing he would say I am watching “Netflix” rather than “TV”.



# DIFFERENT MODES OF SVOD CONSUMPTION

## SHALLOW:

LOW ATTENTION/PASSIVE/SECONDARY/MULTI-SCREEN

*“My flatmate and I don’t sit down together to watch TV often. I mean, if we do, it is just to catch up and eat while watching TV but we don’t sit down to watch something”*

Cameron, ethno participant

## DEEP

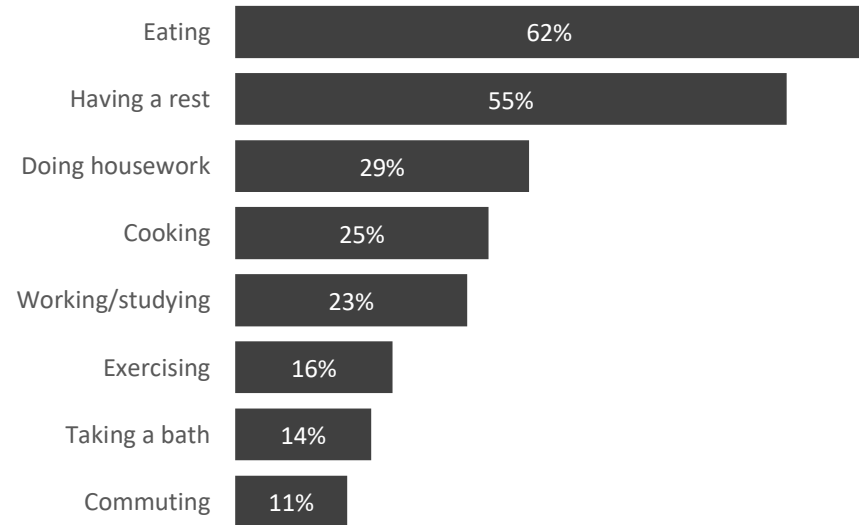
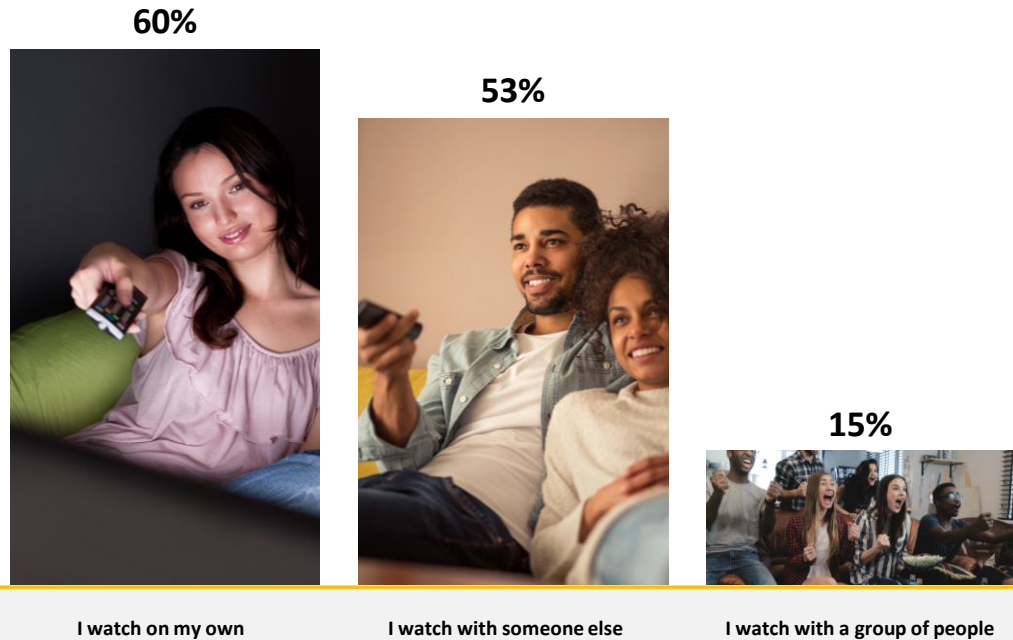
ACTIVE/DELIBERATE/ATV

*“When I sit down to watch something in the living room, I just want to focus with no distractions”*

Tanvisha, ethno participant

# SVOD VIEWING IS SOLUS, SHARED AND OFTEN PASSIVE

SVOD although primarily viewed in solus it is frequently viewed with other people and often done in combination with other activities, suggesting viewing is not that different from other TV formats.



Q10b When you watch something on a paid subscription video-on-demand platform, do you usually watch on your own or do you have someone else watching with you?  
 Base: UK Respondents with access to SVOD (1,374) Q Do you ever do any of the following activities whilst simultaneously watching something on a subscription video-on-demand service? Base: UK Respondents with access to SVOD (1,374)



CHAPTER

# 3

## THE COMMERCIAL OPPORTUNITY

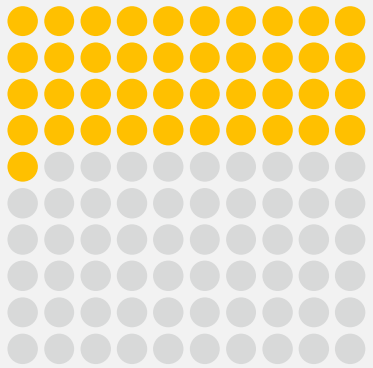


# SVOD AD ACCEPTANCE REMAINS CHALLENGING

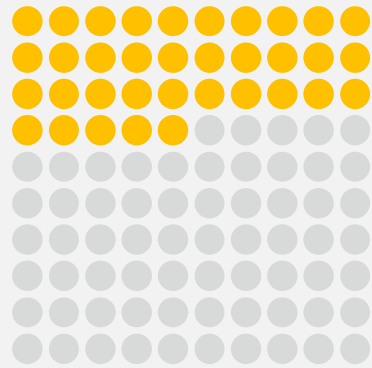
4 in 10 subscribers don't consider advertising or sponsorship on SVOD services acceptable.

Younger subscribers are a little more open to ads and sponsorship as are those with just a single subscription.

I would not consider any advertising or sponsorship on these services acceptable



**41%**  
OF TOTAL  
UK POPULATION



**35%**  
OF 16-24 YEAR OLDS

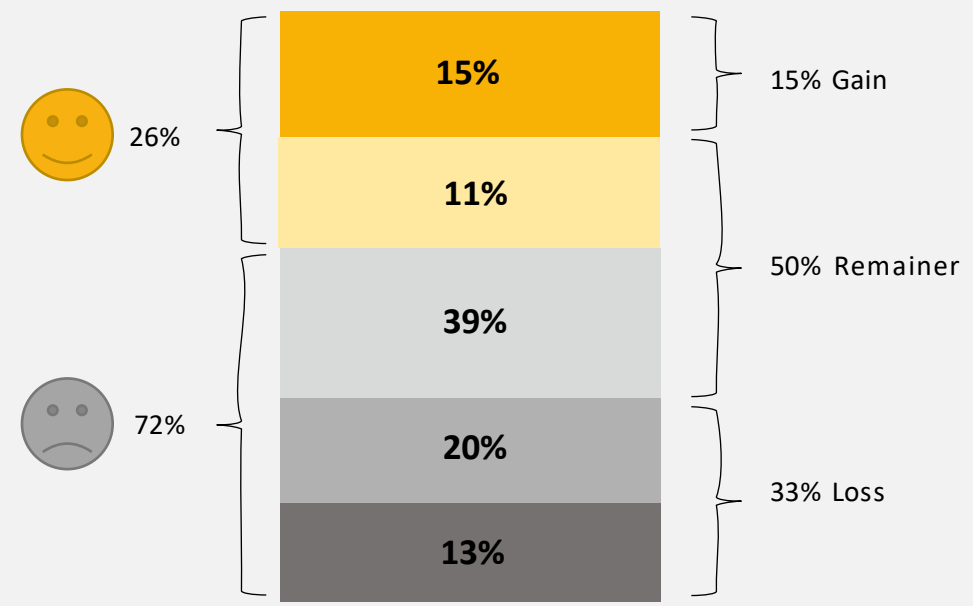


# RISKS OF INTRODUCING ADS TO NETFLIX OUTWEIGH POTENTIAL REWARD

The inclusion of ads to Netflix would at best displease subscribers and at worst make them go elsewhere. Dependent in part on the stickiness of content – unique and exclusive content may minimize churn but it’s a big risk.

- I would upgrade my package to premium to continue receiving ad-free experience, even if it meant paying more
- I would keep my current subscription and accept / enjoy the ads
- I would keep my current subscription though not happy / put up with ads
- I would switch to another paid subscription video on demand service if they offered ad-free packages to avoid paying more
- I would cancel my subscription

Likely action if Netflix started showing advertising  
(ASSUMES OPTION TO UPGRADE IS AVAILABLE)



NETFLIX

Q Imagine SVOD SERVICE started showing advertising to their users. Imagine they also offer a premium/ad-free subscription plan. Which of the following actions, if any, would you take?  
Base: SVOD subscribers UK – Netflix (965)

# IT'S CLEAR PEOPLE ARE RELUCTANT TO SPEND MORE ON SVOD SERVICES

- It is starkly clear that the majority of respondents are not open to paying more for SVOD services. A free AVOD service, however, does appeal, showing that it is not the content that is putting people off but instead, the financial commitment.



86%

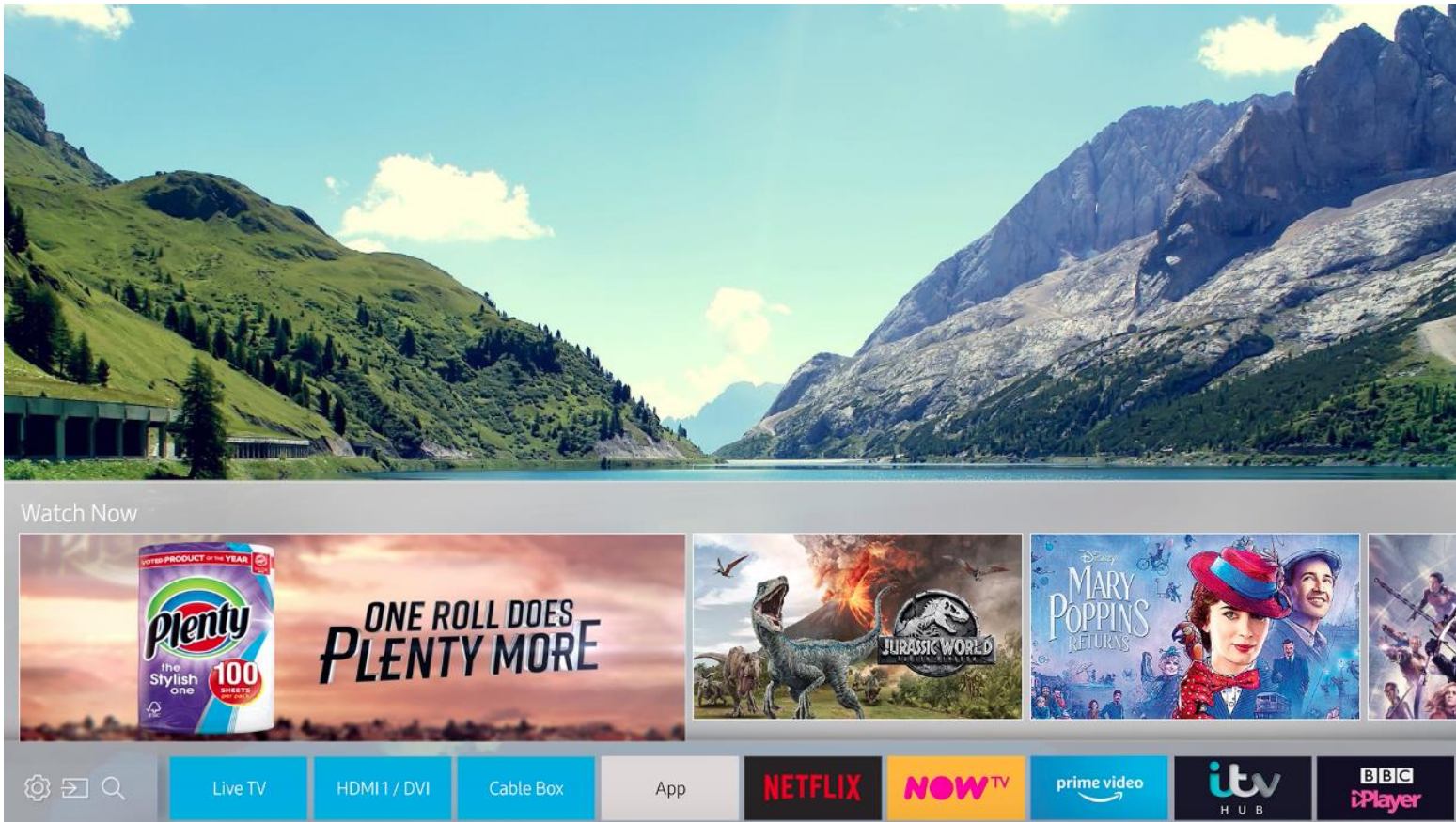
I AM PAYING ENOUGH MONEY ALREADY ON  
SUBSCRIPTION VIDEO-ON-DEMAND SERVICE(S) AND  
WOULD NOT CONSIDER PAYING ANYMORE



76%

I WOULD CONSIDER HAVING A NEW VIDEO ON  
DEMAND SERVICE WHICH IS FREE WITH ADVERTS

# ULTIMATELY VIEWERS SEEK AN UNINTERRUPTED VIEWING EXPERIENCE



For CTV, consumers mostly want a passive viewing experience that doesn't require the mental effort of making a decision or physical effort of picking up the remote.

*"I like that it fits in well with the environment that it came into"*

Consumer workshop participant



# 'NATIVE' (PP) THE MOST UNINTRUSIVE

42  
%

...don't mind if SVOD services like Netflix show consumer brands or products within their shows

*"Product placement is the best type of advertising because it is subliminal"*  
Male, Smart TV

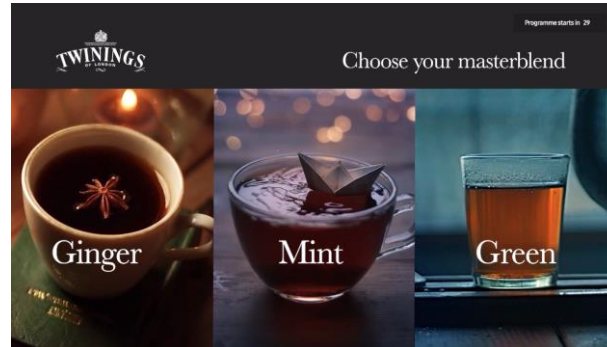


Q Please can you rate to what extent you agree or disagree with each of those statements – "I don't mind if the paid subscription video-on-demand services like Netflix show consumer brands or products within their shows. Base: UK SVOD subscribers (1,281)

# OPPORTUNITIES WITHIN AVOD



Relevance



Device



Binge watching

“I enjoy when it is very relevant to the programme I am watching [...] so anything that’s based on the content that I’m watching I’d pretty much be interested in”

Consumer workshop participant

“Let’s say I am watching a series at home on TV, if I am on a break at work I can continue watching it on my phone”

Cameron, ethno participant

The architecture of VOD platforms has created a culture of acceptable ‘binge’ watching by encouraging people to click ‘Next Episode’. This creates an opportunity for a **buildable ad experience**.

THANK  
YOU





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