

BATTLE ROYALE

2023: WAVE 3

How viewers prioritize entertainment in the subscription economy

APR
2023



hub10 YEARS
ENTERTAINMENT RESEARCH

EXCERPT OF FINDINGS



Bloomberg

We're Drowning in Subscriptions

Netflix, Amazon Prime, Spotify, Sephora, 7-Eleven, Panera, phew! If it feels as if your membership fees are ballooning, you aren't wrong.



March 2023

72%

of consumers feel there are too many subscriptions

*Bango "Subscription Wars" Survey
November 2022*

Across categories,
consumers are up to their
ears in subscriptions



**This means companies
are investing more to
create bundles that
extend beyond video to
things like gaming...**

engadget

Halo veteran Joseph Staten is making a AAA game for Netflix

Former Halo scribe Joseph Staten has joined Netflix's burgeoning gaming division. On Monday, Staten tweeted that he will serve as the creative director on a new AAA game and original intellectual property from the streaming giant.

On Monday, Staten said the game he's working on at Netflix would be a "multiplatform" release. To date, the company's gaming strategy has primarily centered around obtaining mobile publishing rights to respected indie titles. Funding the development of a multiplatform AAA game is significantly more ambitious and, it should be noted, risky.

April 2023



...or social media

yahoo!finance

Verizon adds Snapchat+ to +play, now with more than 30 services available

Verizon today announced that Snapchat+, Snap, Inc.'s premium subscription service, will be available on +play – along with an exclusive offer for three months of access, on us. +play is the first-of-its-kind subscription hub from Verizon to shop for, manage and save on your favorite content subscriptions.

April 2023



**...or even beyond
entertainment itself to
offer bundles with the
maximum value and
utility**



Amazon Fire on building an entertainment hub users want

Amazon Fire TV is working to build a home entertainment hub that caters to users needs both for aggregation and discovery, but also beyond TV.

Matt Hill, head of Fire TV device monetization, says that Amazon didn't get into the smart TV market to steal share, but rather to respond to customer pain points and find ways to address individual customer problems. And once customers are aggregated, themes start to emerge, he said. One of the things people crave is simplicity, according to Hill.

April 2023



In the future, the most successful companies will be those that simplify as much of the consumer experience as possible



“You have to think about the battle of the bundles that’s happening right now inside the devices that we all carry around. And you have to think about your IP across all elements of the consumer experience: video, audio, social, gaming, commerce, free, paid, B2B and B2C. This is the true way to satisfy the consumers you’re trying to reach on an ongoing basis.”

Evan Shapiro, ESHAP

MIPTV Media Masterminds, April 2023

In this report, we...

- **Trend:** how many entertainment sources the average household uses
- **Prioritize:** identify which sources are “must have” sources – the ones consumers can’t do without
- **“Build your own Bundle”:** identify individual services – live TV, streaming, gaming, audio, communication, and more – consumers are most interested in bundling together
- **Optimize:** segmentation analysis to identify bundles with the greatest appeal to specific groups of consumers





WE SURVEYED 3,000 CONSUMERS

- Age 18-74
- Household decision-maker/shares in decisions on entertainment
- Have broadband access
- U.S. census balanced
- Data collection completed in March 2023





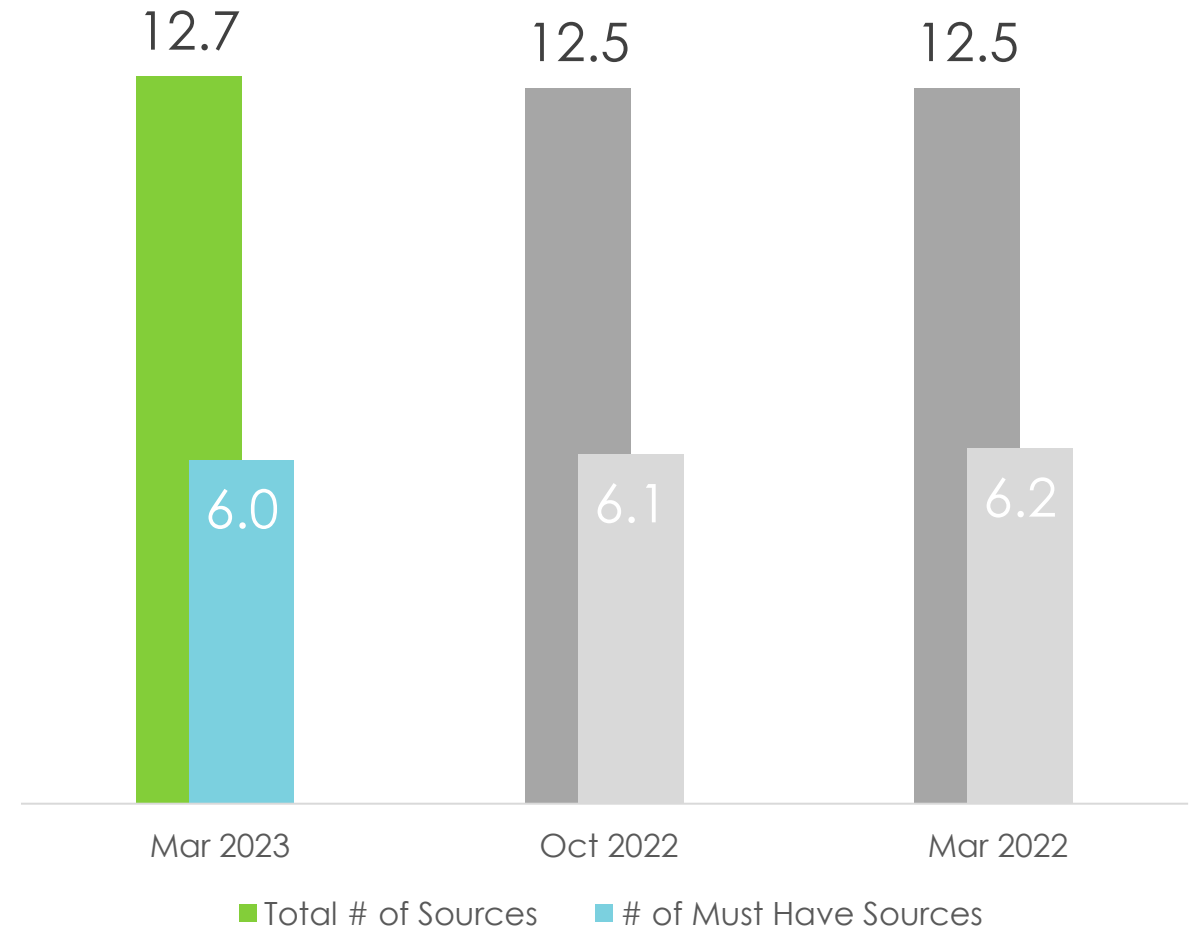
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KEY FINDINGS

ONLY ABOUT HALF OF CONSUMERS' ENTERTAINMENT SOURCES ARE CONSIDERED "MUST HAVE"



...and the number of sources, and number of must haves, have been remarkably stable over three waves of research.

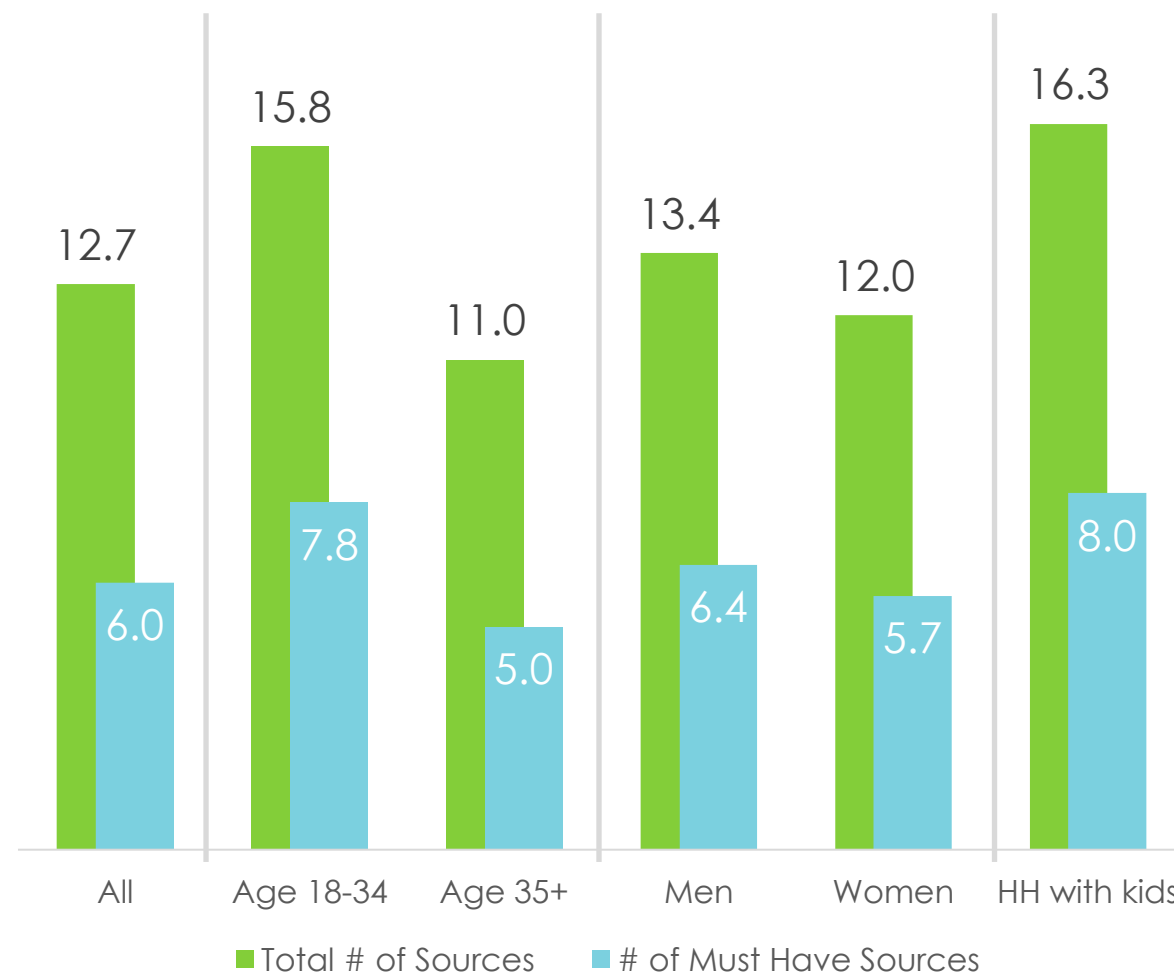


SOME SEGMENTS USE MUCH MORE ENTERTAINMENT THAN OTHERS



Younger consumers use more than older ones, men more than women, and families with kids use among the most.

But the ratio of about 50% “must haves” is consistent across them all



COMPLEXITY IS A MAJOR LIMITATION ON ACQUISITION OF NEW ENTERTAINMENT SOURCES



With historic inflation one might expect budget to be the biggest barrier to adding new sources of content.

But just as many say they're limited by how many they can use, even if they can afford more

% somewhat/strongly agree:

"There's a limit to the number of sources of entertainment I need, even if I can afford to have them all"



"Budget is the main factor determining the number of entertainment sources in the household"



■ Mar 2023
■ Oct 2022
■ Mar 2022

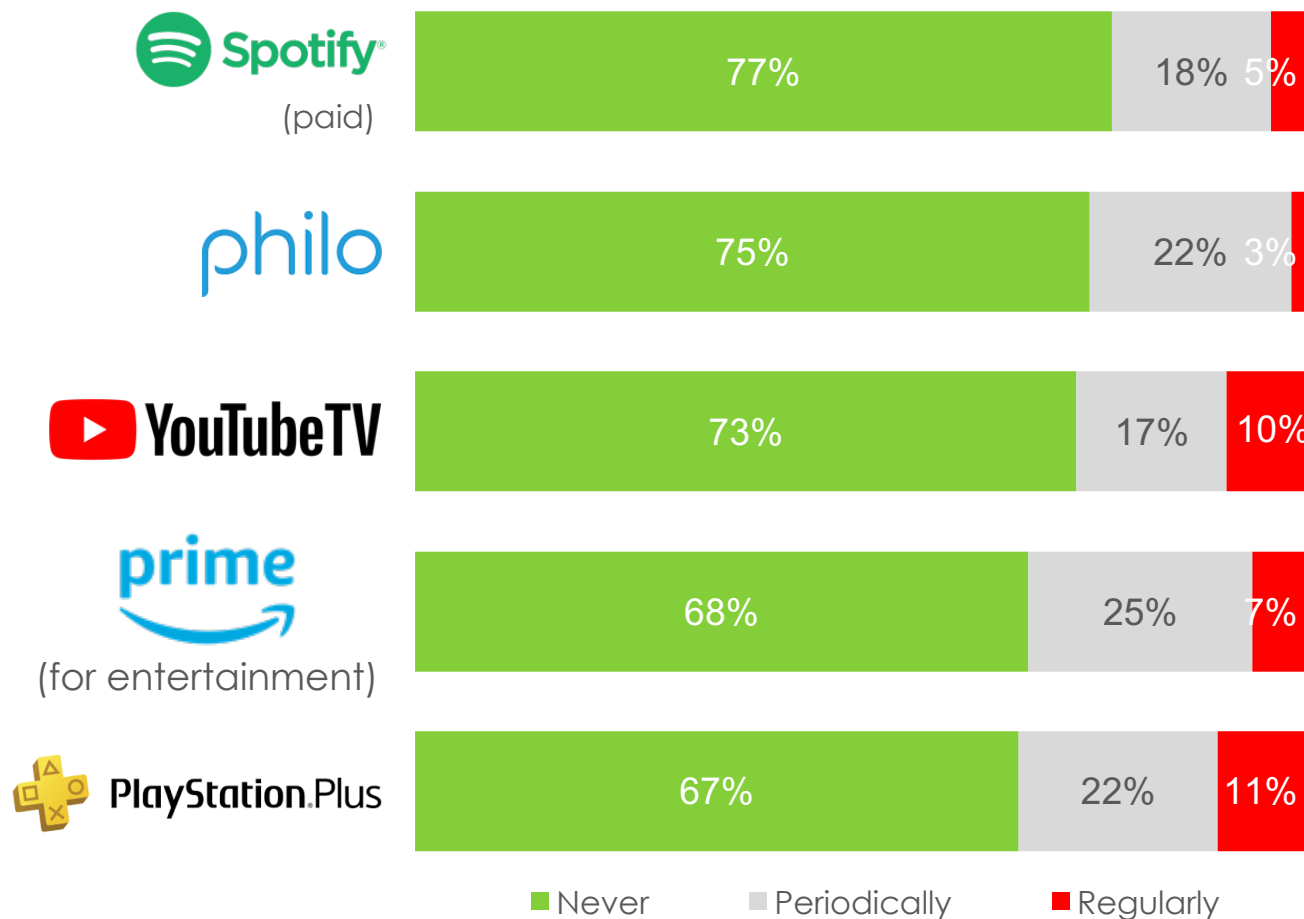
THE BIGGEST PLATFORMS ARE NOT NECESSARILY THE “STICKIEST”



Premium Spotify users are the most likely to say they “never” think about cancelling their plan.

But platforms with relatively small numbers of users (like Philo or PS Plus) also make the top 5

How often do you think about cancelling?
Top 5 “Never think about cancelling”

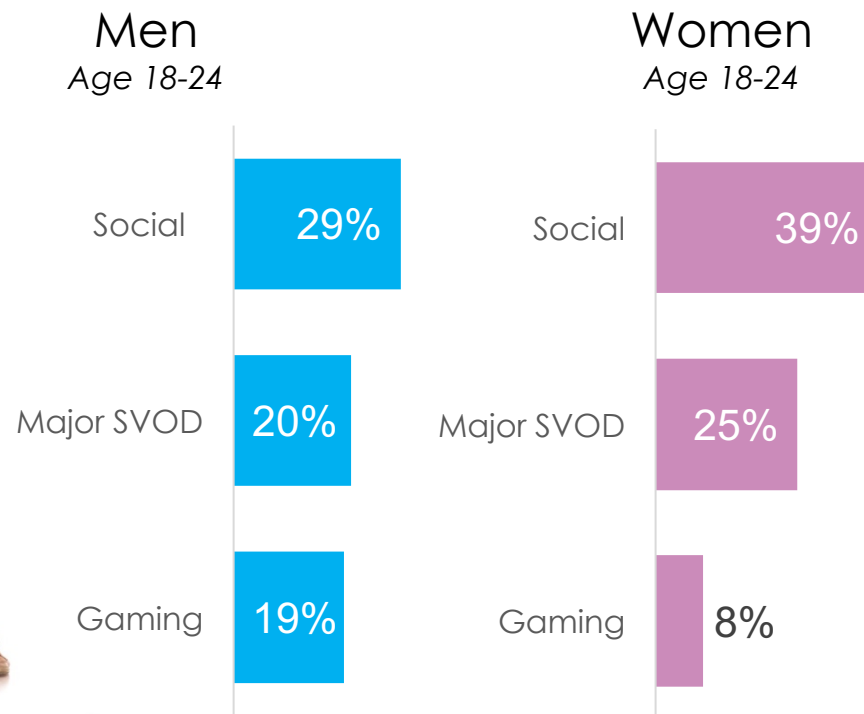


AMONG YOUNG CONSUMERS, PLATFORMS LIKE TIKTOK OR YOUTUBE COMPETE DIRECTLY WITH TV



Among Gen Z consumers (both men and women), social media content is a first choice for entertainment -- even when they have as much as an hour available to spend

What's your first choice when you have...
one hour to spend?



QUESTIONS?

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