

Research Results: The Audience of Tomorrow

Amdocs

February 2019

Who did we interview?

2500 TV, film or video watching consumers were interviewed between October and November 2018, split in the following ways...

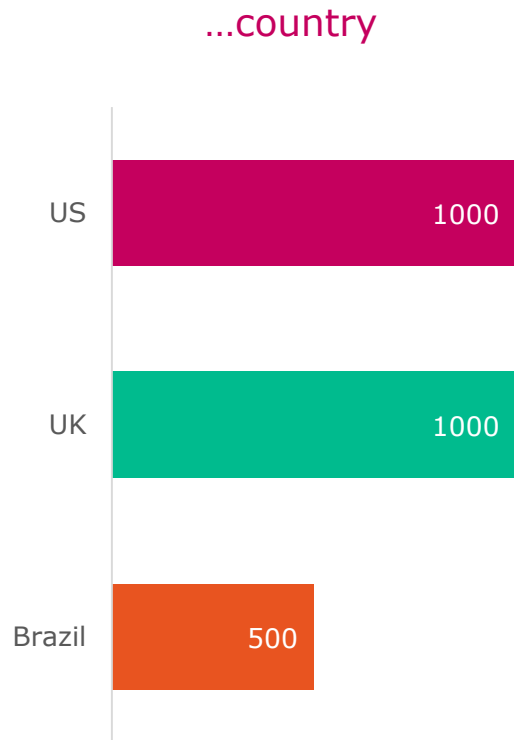


Figure D1: Analysis of respondent country, showing data for all respondents (2500)

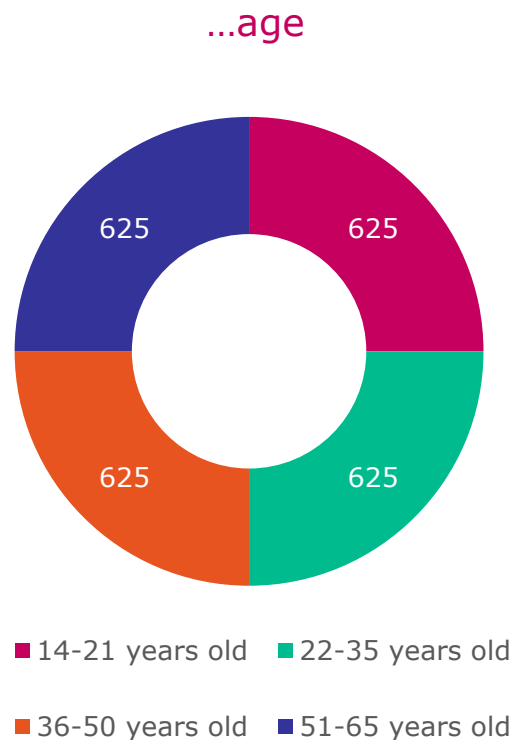


Figure D2: "What is your age?", asked to all respondents (2500)

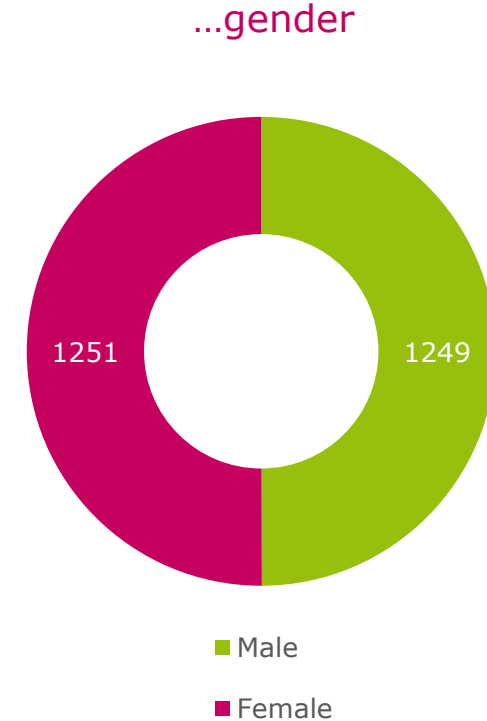


Figure D3: "What is your gender?", asked to all respondents (2500)

Four areas of interest:

- 1: Using subscription TV, movie and video services
- 2: Searching for the perfect video content bundle
- 3: Dealing with consumers' personal data
- 4: Are consumers always adverse to adverts?

1: Using subscription TV, movie and video services

TV, movie and video subscription services being used

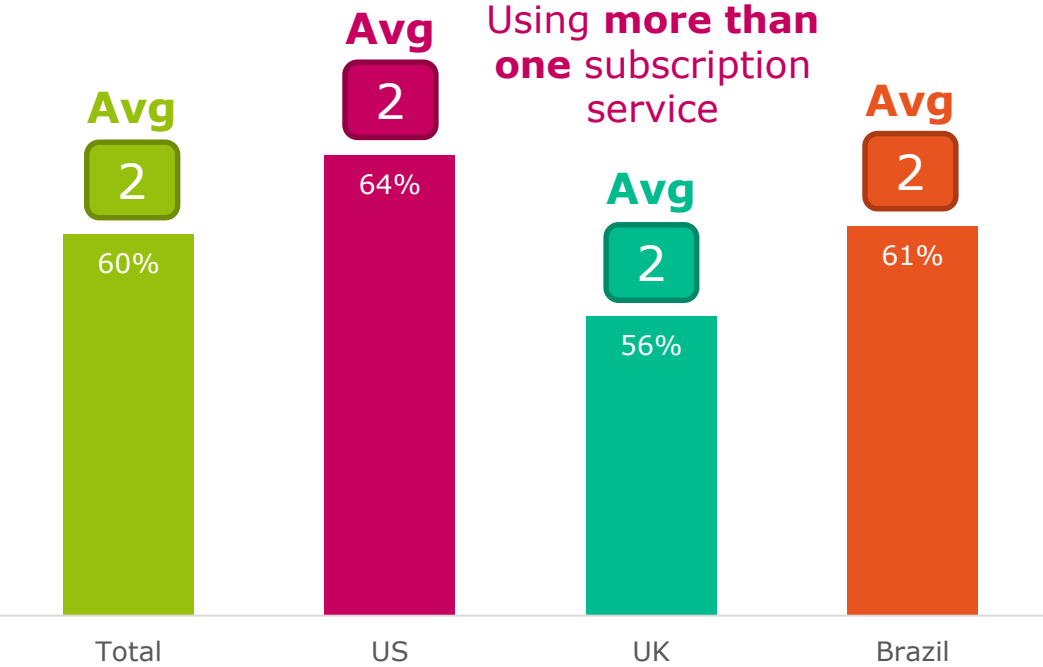


Figure 1: Analysis of the percentage of respondents who currently use two or more subscription TV, movie and video content services in their household, and the average number used. Split by respondent country. Asked to all respondents (2500)

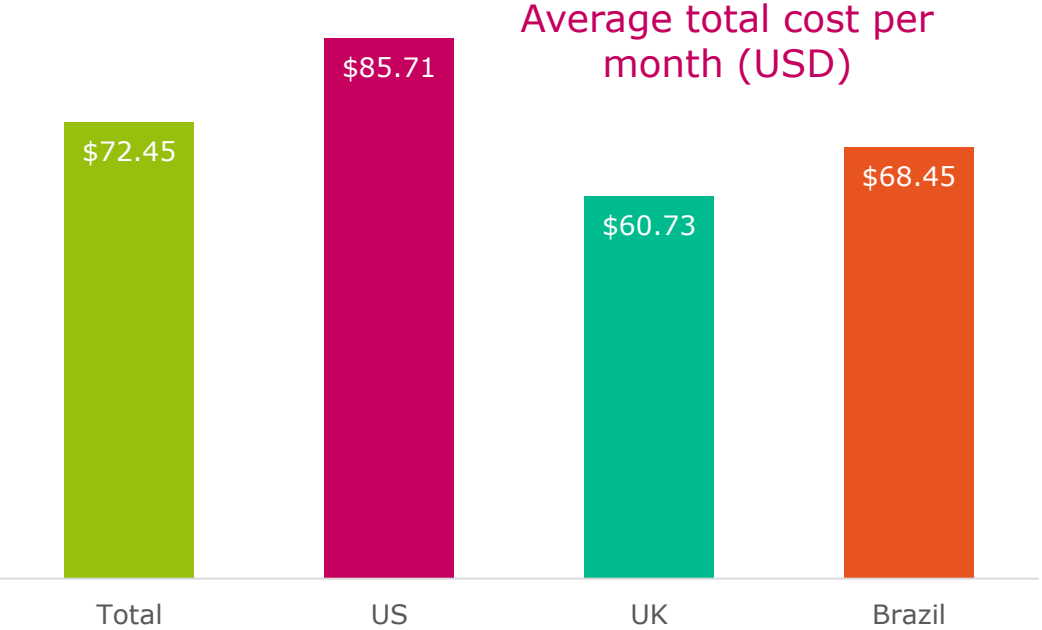


Figure 2: Analysis of the average estimated total cost per month that respondents' households pay for all TV, movie and video content services (USD). Split by respondent country. Asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)

The majority (60%) of surveyed consumers are using at least two TV, movie and video subscription services in their household, with two different subscription services being used, on average. Over half are using at least two different subscription services in all three of the countries surveyed in, but it's most likely to be true in the US, where around two thirds (64%) are using multiple services (fig. 1)

On average, this is costing respondents' households \$72.45 USD per month, and again, the US comes out on top here – they are spending \$85.71 USD each month on their TV, movie and video subscription services (fig. 2) – it's a high expense, but one that consumers have to pay if they want to get access to all of their favorite content

Subscription services being used, by respondent age

It's those aged 22-35 years old who are the most likely (73%) to say that they use multiple subscription TV and video services in their household, and this is true across all countries interviewed in (US = 76%, Brazil = 72%, UK = 70%)

Those in the oldest age bracket (51-65 years old) are the least likely (44%) to say this, and generally speaking there is a trend where older consumers tend to be less likely to be using more than one subscription service

Using more than one subscription service

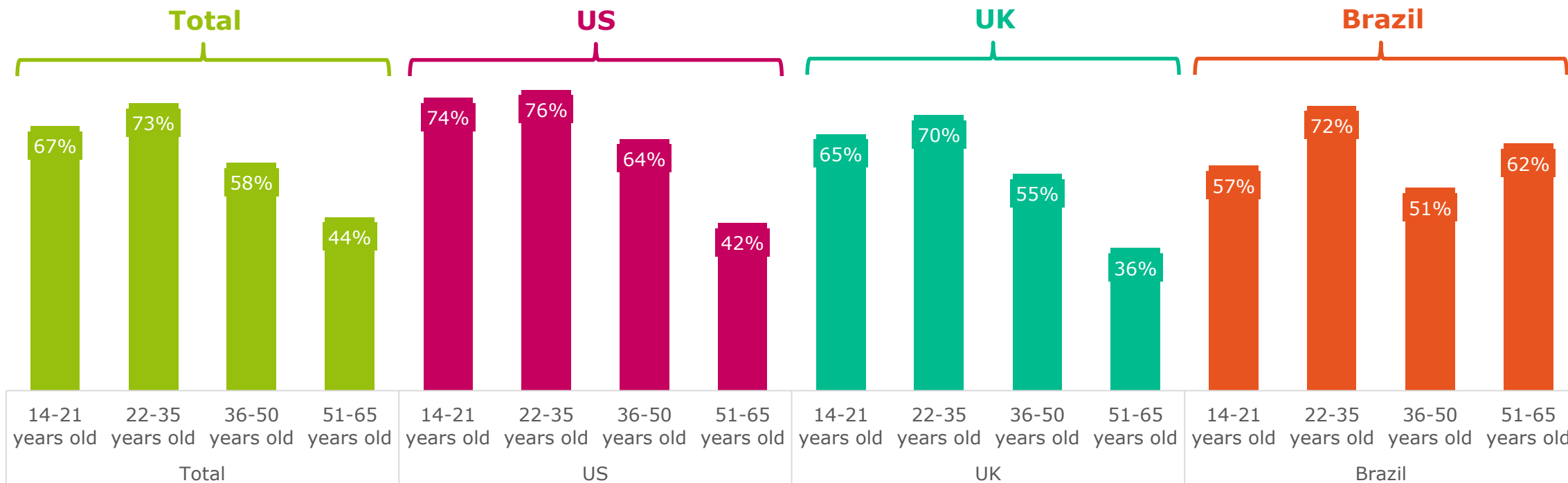


Figure 3: Analysis of the percentage of respondents who currently use two or more subscription TV, movie and video content services in their household number used. Split by respondent country and respondent age. Asked to all respondents (2500)

Using subscription services but not personally paying for them

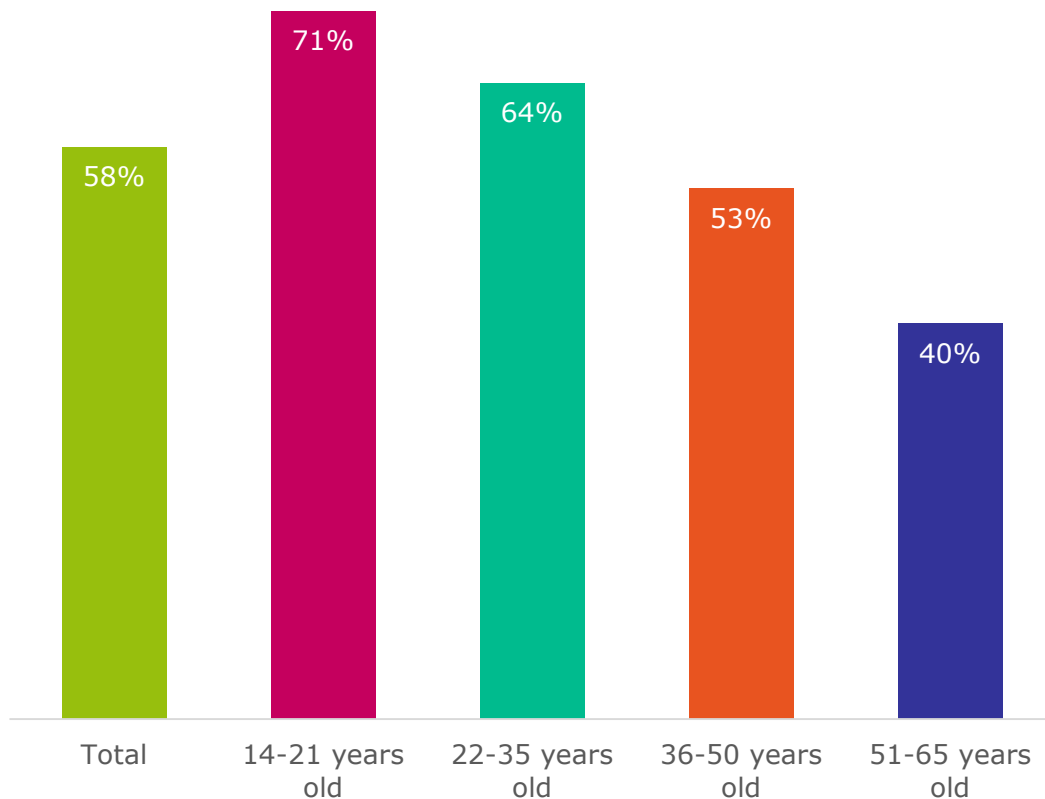


Figure 4: Analysis of the percentage of respondents using at least one subscription TV, movie and video content service in their household that they do not pay for themselves. Split by respondent age. Asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)

Around six in ten (58%) of those using at least one subscription service admit that there's at least one that they do not pay for personally

It's not surprising to see that the younger respondents are much more likely to be using subscription services that they do not personally pay for – over seven in ten (71%) of those aged 14-21 years old admit that this is the case for at least one service

But even for those in the oldest age bracket (51-65 years old), two fifths (40%) say that they use subscription services that they are not paying for themselves – it's likely that those in the middle two age bands (22-35 and 36-50 years old) are footing the bill more often than not, either for their children or their parents

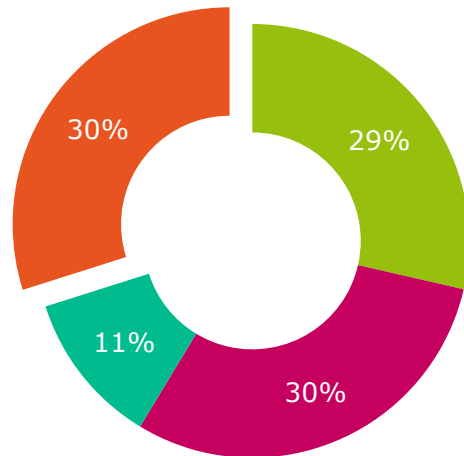
It's clear that with so much exciting video content available, many see sharing log-ins as a necessity if they are to get access to all of the content they want to see

So, are consumers actually getting access to all of the content that they want to see?

Missing out on content

Despite the amount that consumers are paying for TV and video subscription services (fig. 1), seven in ten (70%) subscribers are still not getting access to all the content that they want to see via these. In fact, 29% say that there is still plenty of content that they want but do not have access to, highlighting the incompleteness of many subscription services (fig. 4)

When looking at this by country, respondents from Brazil (75%) are the most likely to say that there is still some content that they do not have access to (fig. 5). But even in the US, where they are spending the most on subscription video and TV and are the most likely to have access to multiple subscription services (fig. 1, 2), over two thirds (68%) are not able to watch everything that they want to



- Yes – there is still plenty of content that I want, but don't get access to
- Yes – there is still some content that I want but don't get access to
- Yes – but just one or two TV shows/films
- No – what we pay for gets us everything that we want to watch

Figure 5: "Considering how much your household pays, are there any TV shows/films that you want to see, but these subscription services still don't give you access to?", asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)

"Yes – there is still at least some content that I don't get access to"



Figure 6: Analysis of the percentage of respondents who do not have access to all TV shows/films that they want to see via their subscription services despite what their household pays. Split by respondent country. Asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)

Missing out on content, by respondent age

“Yes – there is still at least some content that I don’t get access to”

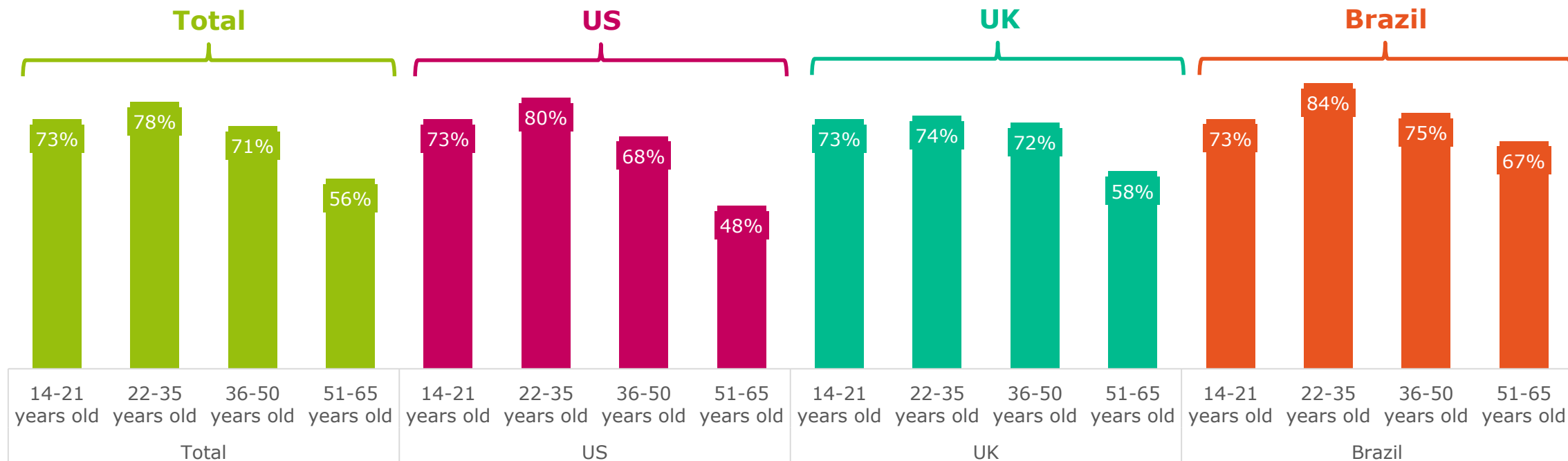


Figure 7: Analysis of the percentage of respondents who do not have access to all TV shows/films that they want to see via their subscription services despite what their household pays. Split by respondent country and respondent age. Asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)

Respondents aged 22-35 years old are the most likely (78%) to say that despite what they pay for subscription services, there is still at least some content that they want to see but cannot because they do not have access to it. This is true across Brazil (84%), the US (80%), and the UK (74%)

For each country it tends to be the younger generations who are more likely to say that they are still not getting access to all of the content that they want – this doesn’t necessarily mean that they have access to less content, but may instead indicate that these age bands have an appetite for a wider range of content, something that subscription service providers will need to have in mind when trying to cater to them

Missing out on content, split by number of services used

Those who have access to more subscription services are more likely to say that they're still missing out on some content

Surprisingly, it is those who currently have access to four or more subscription services in their household who are the most likely (82%) to still be missing out on at least some content

It's an interesting trend – perhaps it is those who have access to a greater number of services who also have the greatest appetite and demand for TV and video, while those who only use/have access to a single subscription service are more 'basic' viewers and therefore easier to satisfy

Which providers of TV and video content are consumers more likely to blame for not having enough content for them?

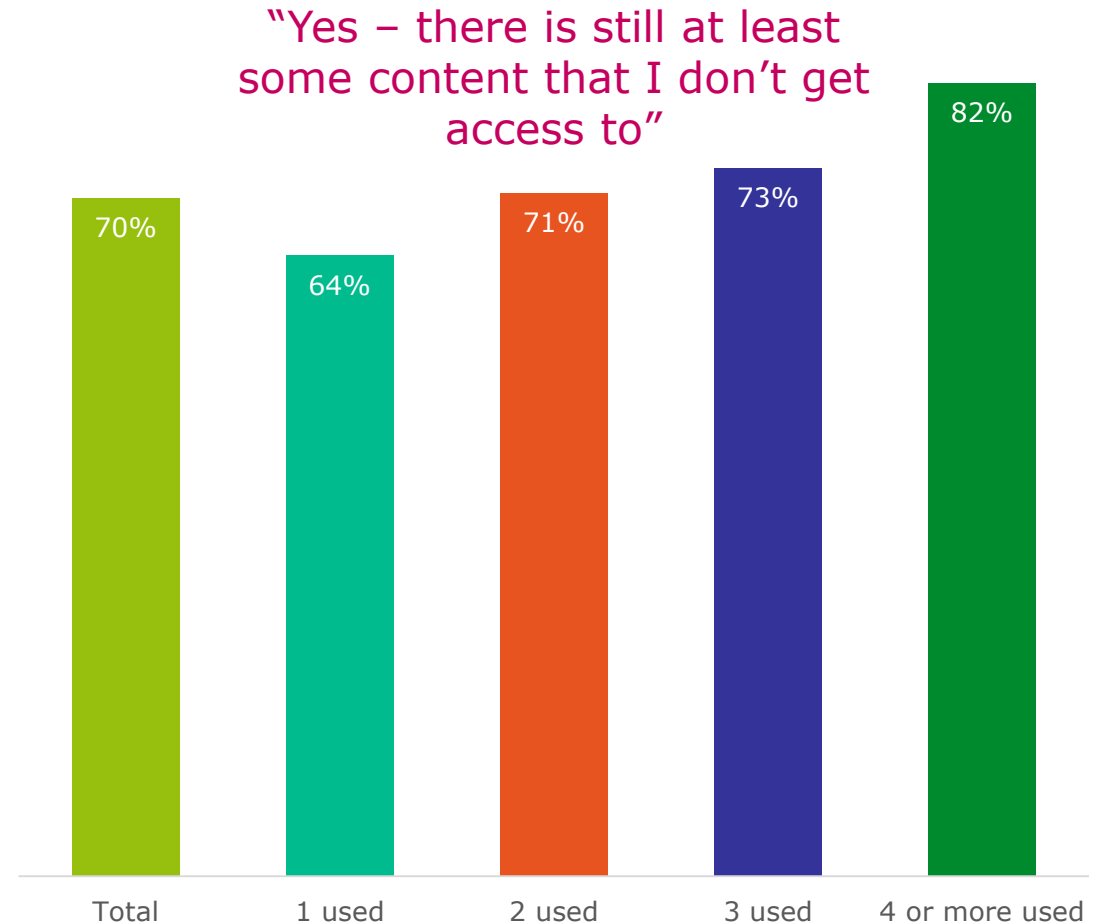


Figure 8: Analysis of the percentage of respondents who do not have access to all TV shows/films that they want to see via their subscription services despite what their household pays. Split by number of subscription services used. Asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)

The subscription services that are not providing desired content

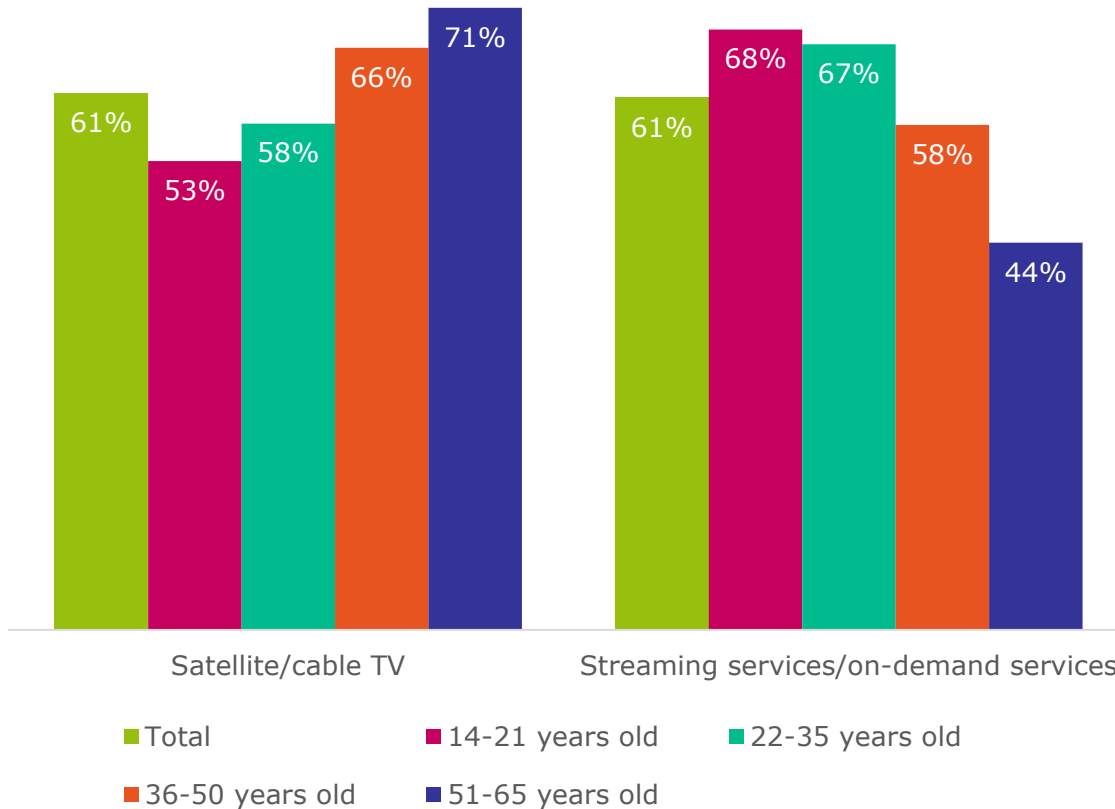


Figure 9: “You have stated that there is at least some content that you want to see but don’t currently have access to via subscription services. Which of the following providers are not including all of the content that you want?”, *split by respondent age, asked to respondents whose subscription services do not give them access to all TV shows/films that they want to see (1609)*

There’s not a clear standout overall in terms of where consumers are more likely to say that content is missing

Over three in five of those whose subscription services do not give them access to all TV shows/films that they want to see blame satellite/cable TV (61%) for not including all of the content that they want – the same proportion as for streaming/on-demand services (61%)

There are clear trends by respondent age though. Younger respondents are much more likely to demand more from the streaming/on-demand services that they use, saying that they do not give them access to all the content that they want (14-21 years old = 68% vs. 51-65 years old = 44%). A similar (but opposite) pattern is clear for satellite/cable TV

What this seems to illustrate is that younger consumers have a stronger affiliation with streaming/on-demand services – they would be more likely to want to view content on this platform if possible

What exactly might drive consumer loyalty toward a media or entertainment provider?

Loyalty to media and entertainment providers

Around nine in ten (89%) respondents report that certain factors will drive them to be loyal to a media or entertainment provider

The two standout factors are price and variety-based – half or more would place reasonable pricing (54%) and/or a wider variety of content (50%) in their top three drivers of loyalty here. The top two answers may not be surprising, but they do highlight that it's just as important as ever for media/entertainment providers to be getting the basics right. Without these, consumer interest will always be limited. And yet, with many consumers spending a lot but not getting all the content they want (fig. 1, 5) – it seems that most face a 'one or the other' scenario.

Elsewhere, over three in ten (31%) place ability to view content on any device in their top three, and around one in five do so for higher quality content options (e.g. 4K) (21%) and/or original content options (19%).

Beyond the top two loyalty drivers, it's these 'nice to have' features that can really help to differentiate a media/entertainment provider from competition.

Do drivers of loyalty vary dependent on the age of consumers?

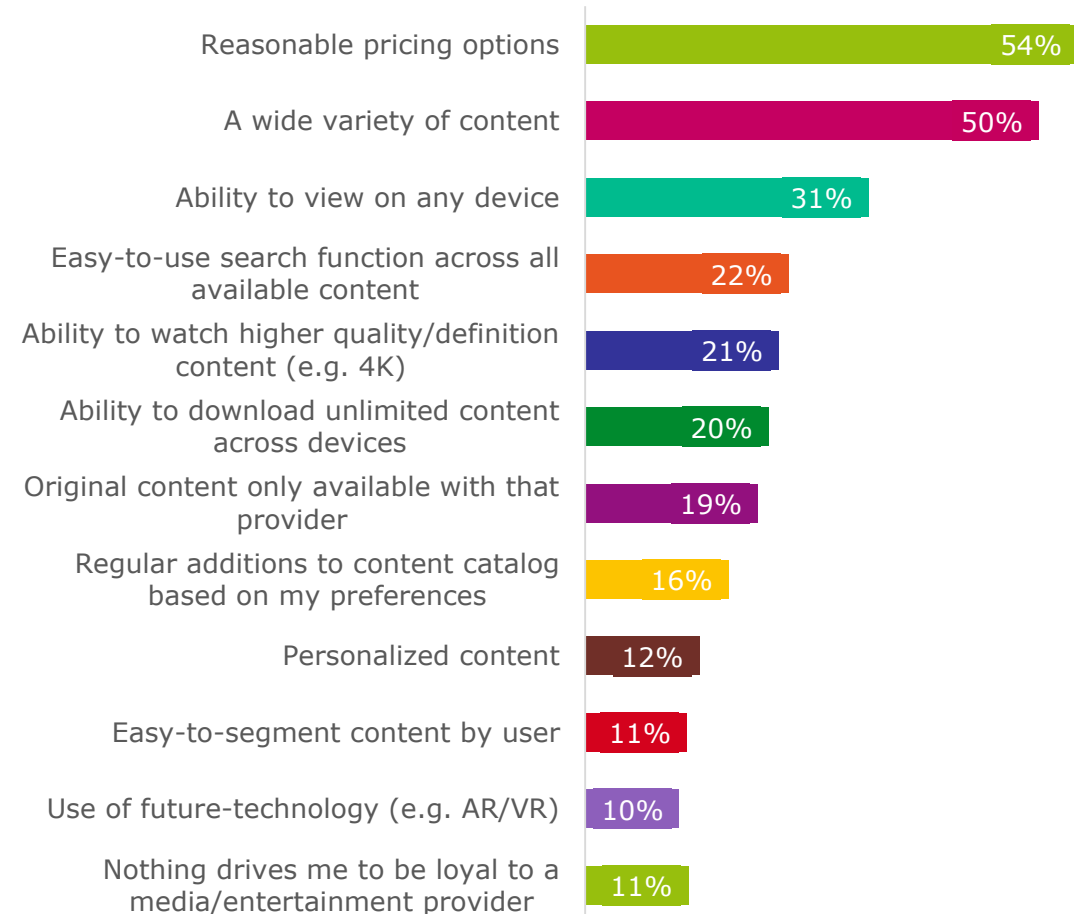


Figure 10: "What drives your loyalty to a media/entertainment provider (including all live and on-demand streaming services, cable and satellite providers)?"
Combination of responses ranked first, second and third, asked to all respondents (2500)

Loyalty drivers, by respondent age

When looking at the drivers of loyalty split by respondent age, there are a few notable differences. Reasonable pricing options, having a wide variety of content, and including easy-to-use search functionality are all examples that tend to be more likely to drive loyalty in older surveyed consumers. It suggests that it could be difficult for providers to target and appeal to all age groups simultaneously

There are also a number of examples that look to have a bigger appeal for younger generations. For example, use of future-technology (e.g. AR or VR) is in the top three for only 4% of 51-65 year olds, but is over three times as likely (14%) to be in the top three drivers for those aged 22-35 years old – it’s definitely a feature that could carry serious weight for consumers when deciding on a provider in the future

Top 3 loyalty drivers

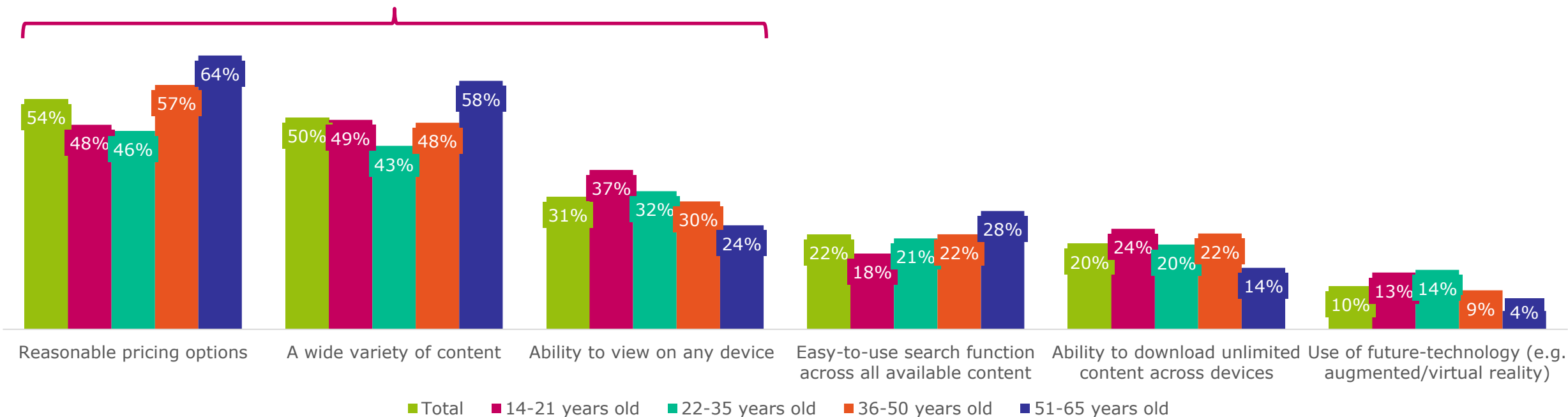


Figure 11: Analysis of the percentage of respondents who place the above features in their top three drivers of loyalty to a media/entertainment provider. Split by respondent age. Asked to all respondents (2500)

2: Searching for the perfect video content bundle

The cost of getting a 'perfect' bundle

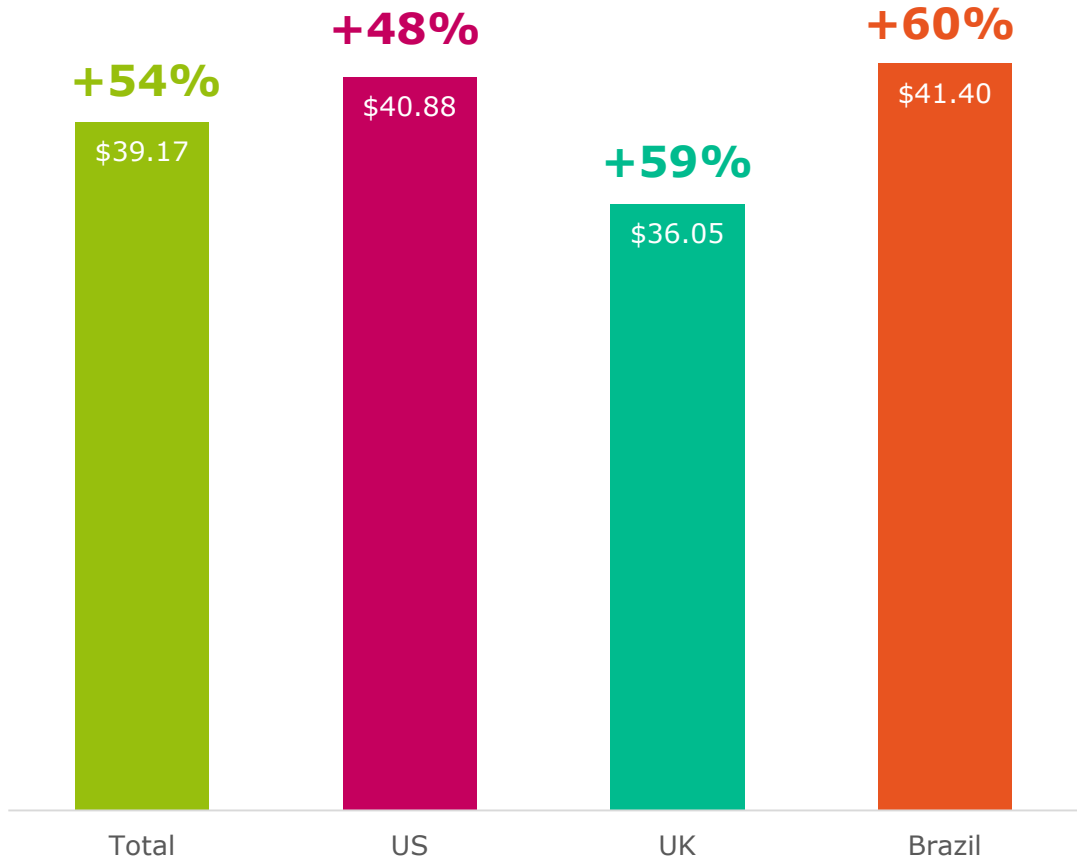


Figure 12: Analysis of the average extra cost that respondents estimate that their household would need to pay per month to get a perfect content bundle of TV, movies and video (USD). Split by respondent country. Asked to respondents whose subscription services do not give them access to all TV shows/films that they want to see (1609)

It would cost an additional \$39.17 USD, on average, to get to a 'perfect' bundle which included all desired content...

...according to those respondents whose current subscription services do not give them access to all of the content that they want. This is 54% on top of what is currently being paid for subscription services, on average

In the US, where they are currently spending the most on subscription services (fig. 2), this estimate still exceeds \$40 USD

Brazil is where respondents expect that they would need to pay the highest extra cost (\$41.40 USD) – this could be reflective of Brazil also being where respondents are the most likely to say that they are missing out on content through their current subscriptions (fig. 6)

Again, based on these extra cost estimations it's clear that many consumers' current subscriptions are some way off from delivering all of the content that they want

How could consumers fill these content gaps that exist in their current subscription service bundles?

Willingness to embrace a 'pay-per-show' model

Three in five (60%) surveyed consumers would be open to using a 'pay-per-show' model to get immediate access (first public broadcast) to their favorite TV shows and video content – over half agree to this for all three countries surveyed, but it is particularly true in Brazil, where approaching eight in ten (77%) would be open to this (fig. 13). We know that it's also Brazil where the greatest proportion say that they are missing out on content currently (fig. 6), so 'pay-per-show' might be an attractive option for filling those gaps

There is also a relatively strong relationship between respondents' age and their openness to this – younger respondents are more likely to be willing to consume content in this way (14-21 years old = 67%, 51-65 years old = 43%) (fig. 14). Perhaps this is further indication of how attitudes are changing over time and something that more might be open to in the future

"I would be willing to 'pay-per-show' for first public broadcast access"



Figure 13: Analysis of the percentage of respondents who would be willing to pay for immediate access (first public broadcast) to their favorite TV shows/films on a 'pay-per-show' basis. Split by respondent country. Asked to all respondents (2500)

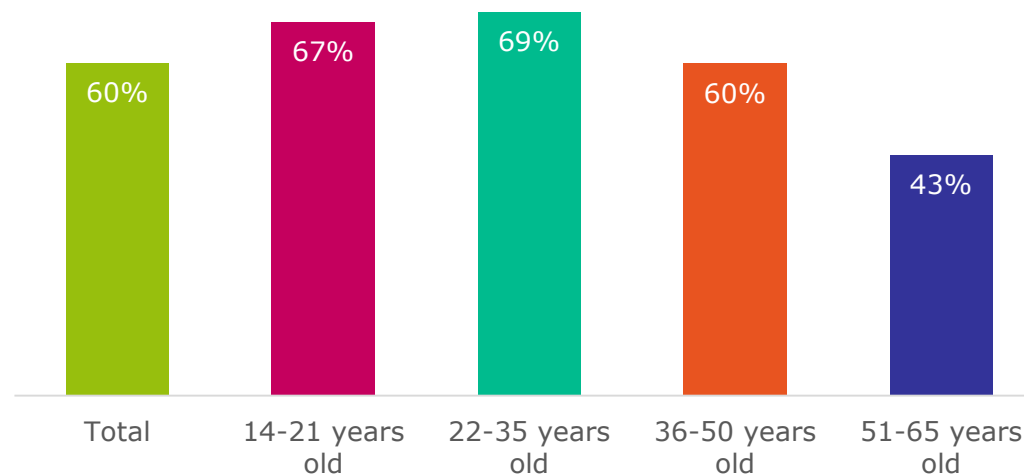


Figure 14: Analysis of the percentage of respondents who would be willing to pay for immediate access (first public broadcast) to their favorite TV shows/films on a 'pay-per-show' basis. Split by respondent age. Asked to all respondents (2500)

The price of 'pay-per-show'

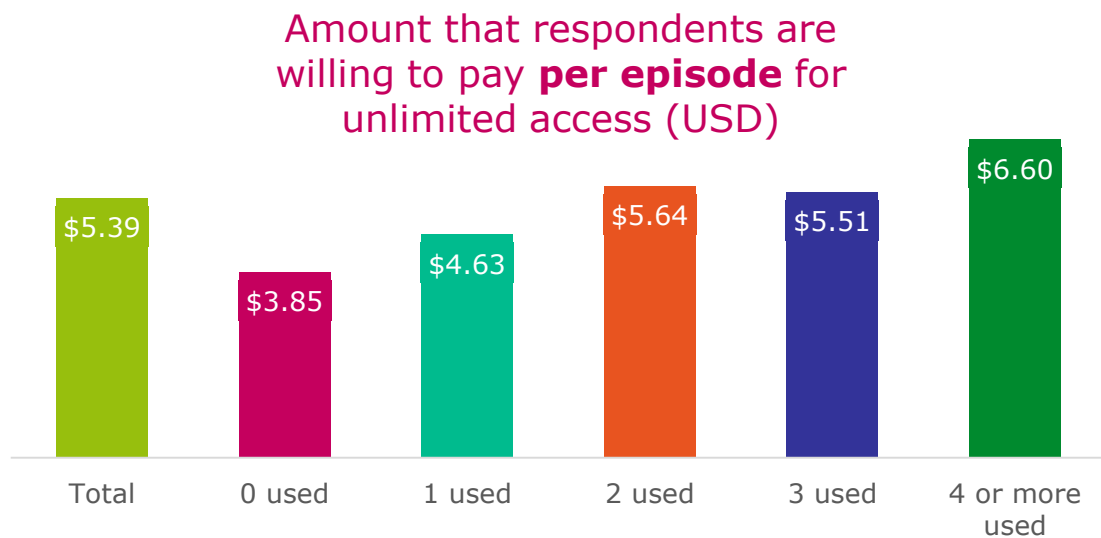


Figure 15: Analysis of the average amount that respondents would be willing to pay per episode of a show for unlimited access to one specific episode (USD). Split by number of subscription services used. Asked of respondents who would be willing to pay for immediate access to the first public broadcast of their favorite TV shows/films on a 'pay-per-show' basis (1494)

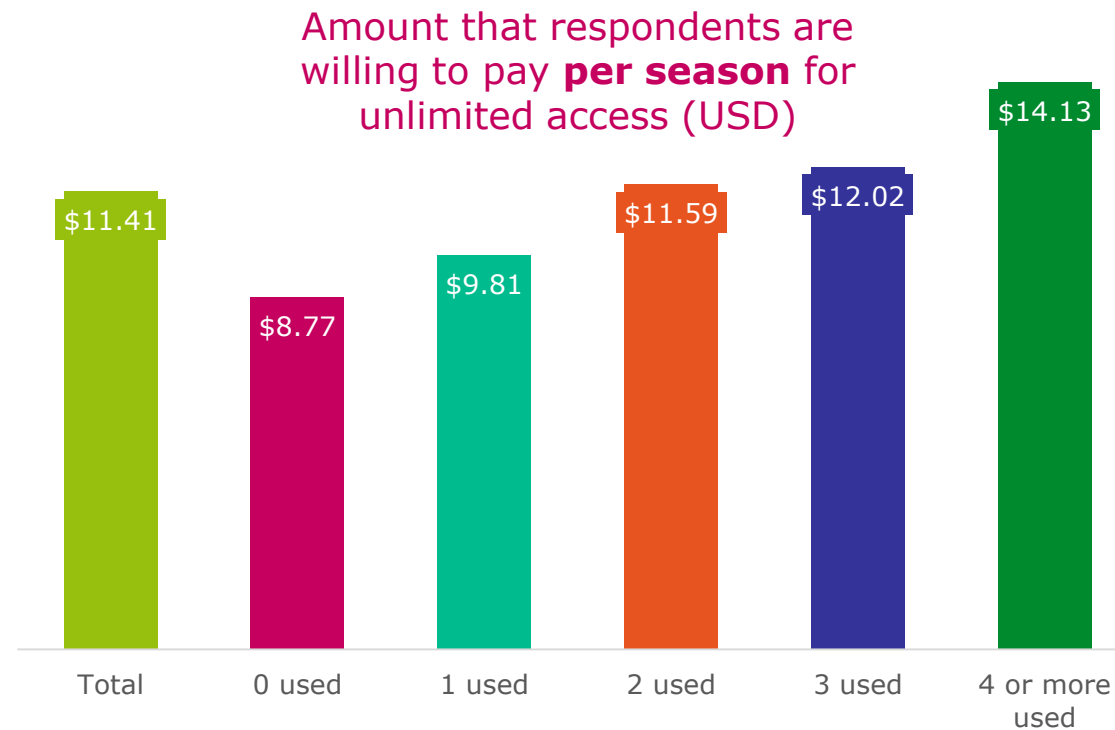


Figure 16: Analysis of the average amount that respondents would be willing to pay per season of a show for unlimited access to an entire season (USD). Split by number of subscription services used. Asked of respondents who would be willing to pay for immediate access to the first public broadcast of their favorite TV shows/films on a 'pay-per-show' basis (1494)

On average, those who would be willing to 'pay-per-show' for immediate access to the first public broadcast of their favorite TV shows/films would be willing to pay \$5.39 USD per episode for unlimited access (fig. 15). For unlimited access to an entire season, respondents would be willing to pay \$11.41 USD, on average (fig. 16)

As consumers are being faced with high total bills for their video subscription services (fig. 1), it could be an appealing option for them to be able to handpick only the individual shows that they are interested in and pay much smaller figures on a per show basis as a way of complementing their existing bundles

Adding content to the 'perfect' bundle

The vast majority (86%) of respondents would want to include a binge-worthy TV series in their perfect video content bundle, and around two thirds (65%) would pay extra to include this. Most would also want to have live concerts/events (74%) and/or all games for a specific sporting team (70%) included – with around half (50% and 51% respectively) willing to pay extra for it (fig. 17)

In terms of whether the preference would be for live or on-demand content, it very much depends on the context and the type of content. For a binge-worthy TV series, the preference would be far more likely to be on-demand and when looking at all games for a specific sports team, the preference swings the other way, with live coverage being the clear favourite. It's very important that providers are able to cater to consumers' demands and preferences in this way in order to keep customers satisfied

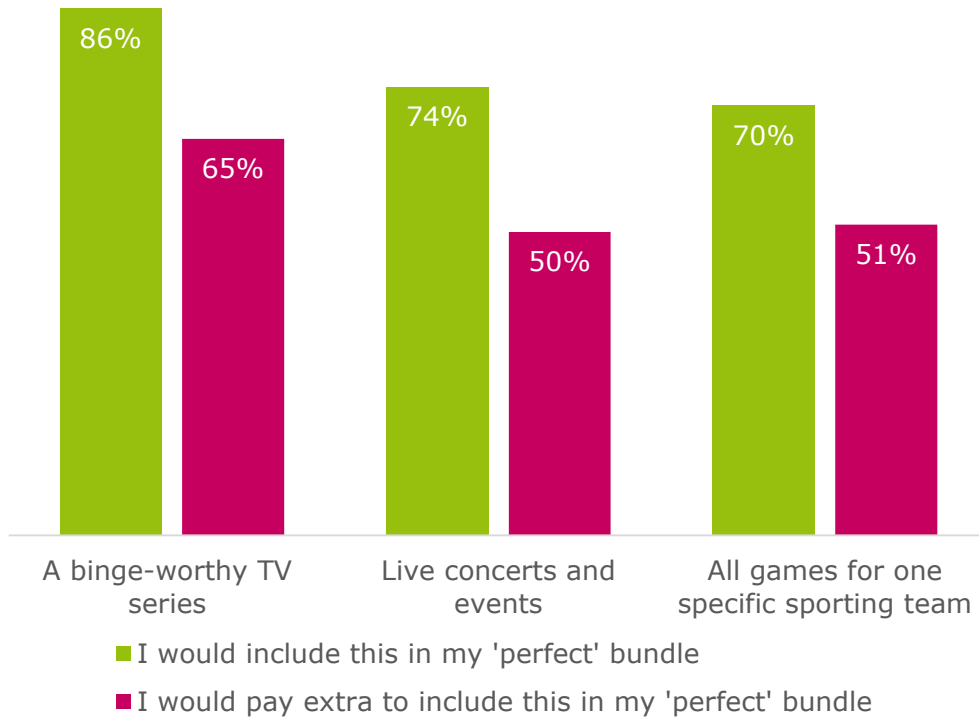


Figure 17: Analysis of the percentage of respondents who would include/pay extra to include different types of content in their 'perfect' bundle. Asked to all respondents (2500)

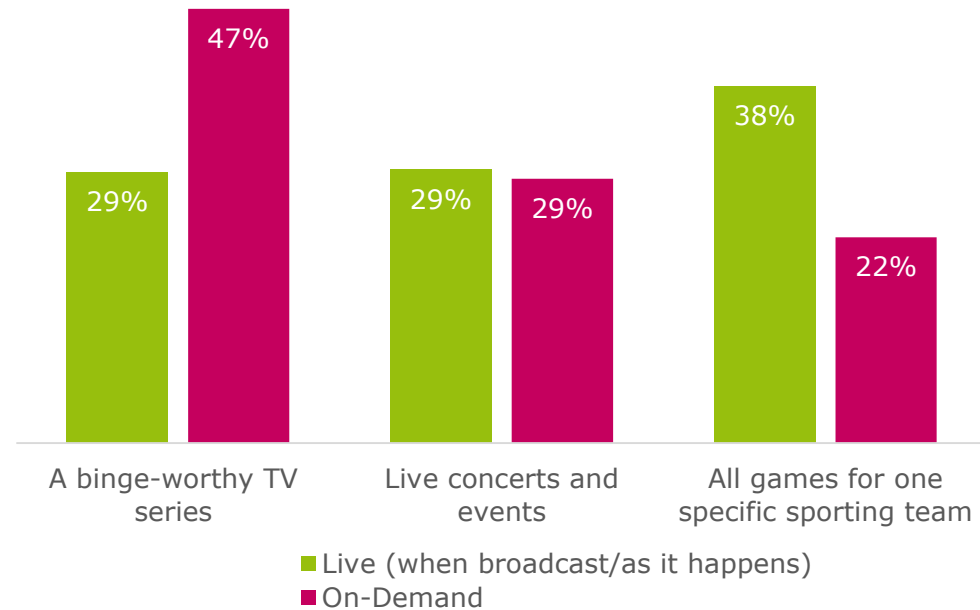


Figure 18: Analysis of the percentage of respondents who would want different types of content in their 'perfect' bundle to be live or on-demand. Asked to all respondents (2500)

Adding content to the 'perfect' bundle, by respondent age

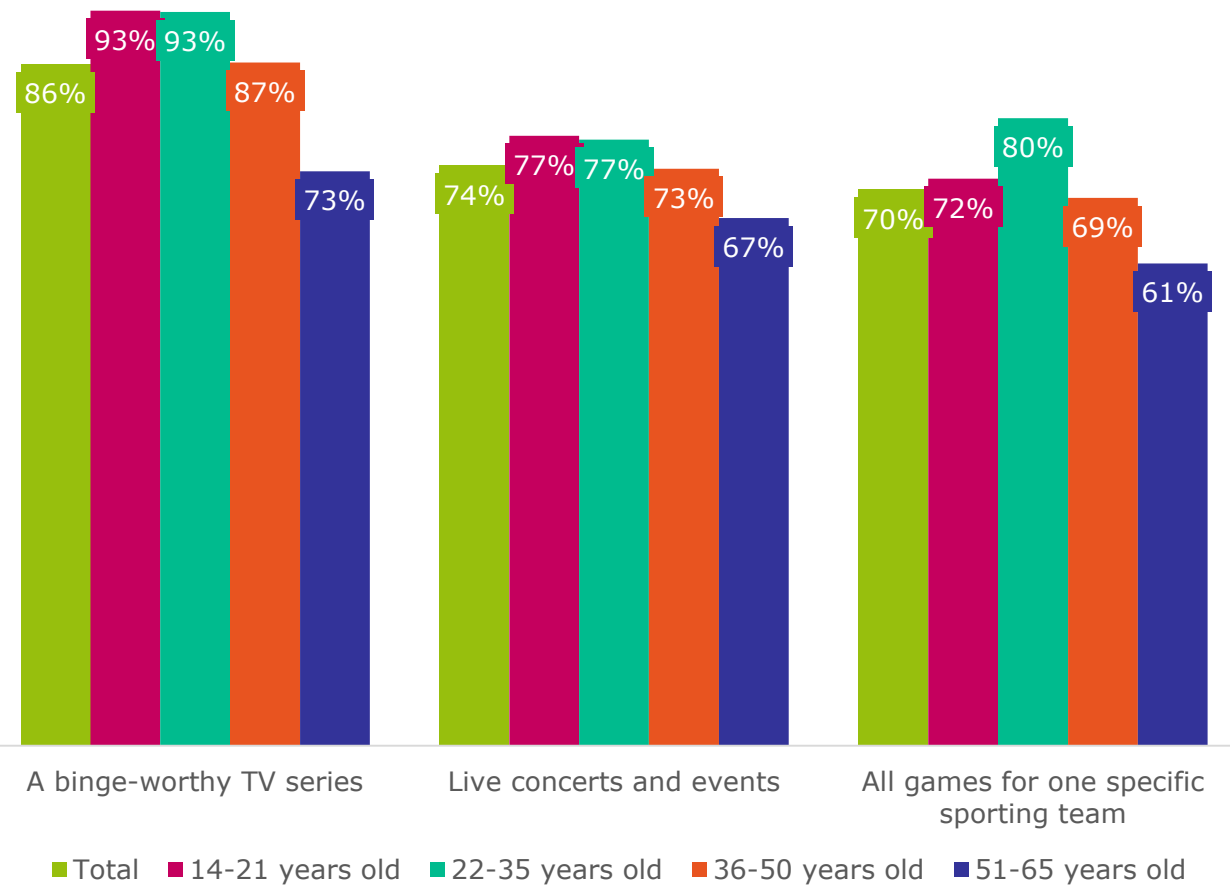


Figure 19: Analysis of the percentage of respondents who would include different types of content in their 'perfect' bundle. Split by respondent age. Asked to all respondents (2500)

Those aged 14-21 (93%) and 22-35 years old (93%) are the most likely to want to include a binge-worthy TV series in their 'perfect' bundle

In all three examples, those aged 51-65 years old are the least likely to want to include them in their 'perfect' bundle
When looking at including all games for a specific sporting team, it is those aged 22-35 years old who are the most likely (80%) to want this added to their bundle
We know that younger respondents are the more likely to be saying that they do not currently have access to everything that they want to see (fig. 7), so perhaps this is why they tend to have a greater desire for adding these three to their 'perfect' bundle
Generally speaking these are all additions that the majority would want added to their video subscription services if it were possible, so it's important that providers can meet this demand

What do consumers think about adding 'special features' to their perfect bundle of video content?

Adding special features to create the 'perfect' bundle (i)

The majority (64%) of respondents would be interested in adding special features or extra content to their perfect bundle

The most common feature that respondents would consider including is access to deleted scenes/blooper reels (30%), while around a quarter would include access to different versions of the same content (e.g. theatrical versions) (25%) and/or extra camera angles/views of scenes (21%)

A similar proportion (23%) would also want to add access to augmented reality (AR) or virtual reality (VR) content, and/or the option to change the direction of what they are watching (21%)

There is a pretty considerable appetite for being able to add special features to content bundles and this includes a couple of more 'future-looking' examples. Providers who could integrate these kind of options into their offerings could have valuable differentiators on their side when trying to secure customers in this busy and competitive market

How does this vary depending on respondents' age and number of subscriptions used?

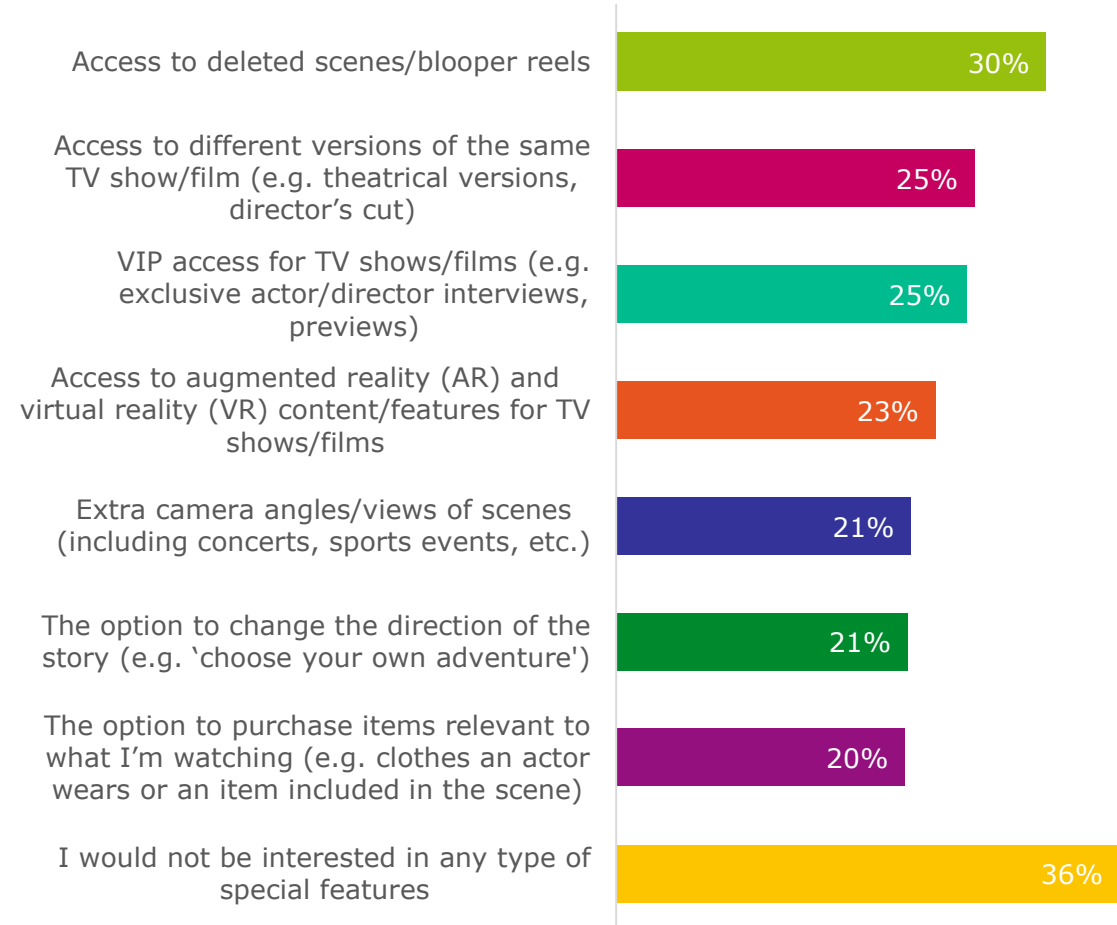


Figure 20: "If you were able to create your 'perfect' bundle, which of the following special features or content would you consider including?", asked to all respondents (2500)

Adding special features to create the 'perfect' bundle (ii)

If they were to create a 'perfect' bundle, only four in ten (40%) of the respondents who do not currently have access to any subscription services would be interested in adding special features to their perfect bundle, but there is a clear upward trend for respondents with access to more subscription services. Over four in five (82%) of those who use four or more would be interested in adding special features (fig. 21) There is also a definite age-based trend – only 40% of those aged 51-65 years old would value this, while the majority (79%) of those in the youngest age band would be interested (fig. 22)

It seems that it's not something that would appeal to everyone, but some demographic groups would definitely value this from their subscription service provider. Younger age groups in particular seem to appreciate the concept, so it's perhaps something that will see higher demand over time

"I would be interested in adding special features to my 'perfect' bundle"

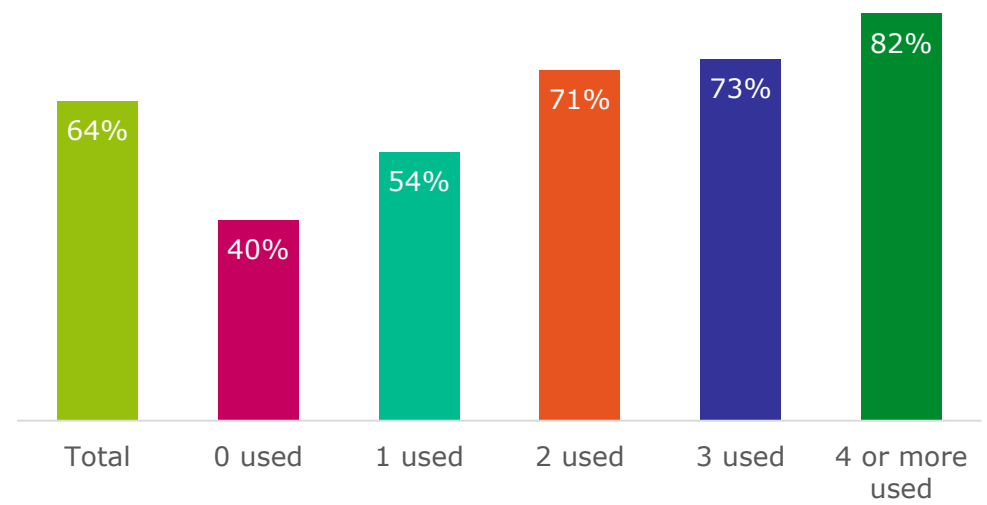


Figure 21: Analysis of the percentage of respondents who would be interested in adding special features or content to their 'perfect' bundle. Split by number of subscription services used. Asked to all respondents (2500)

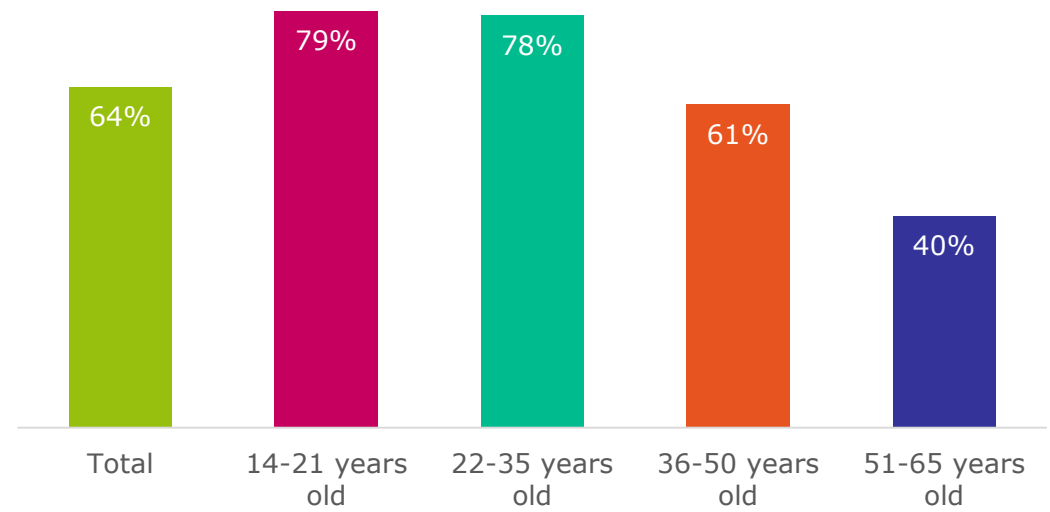
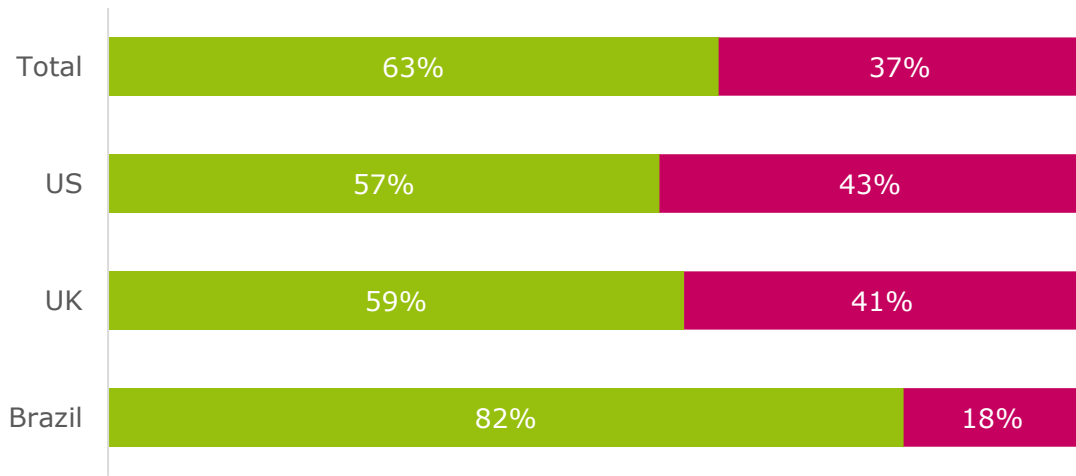


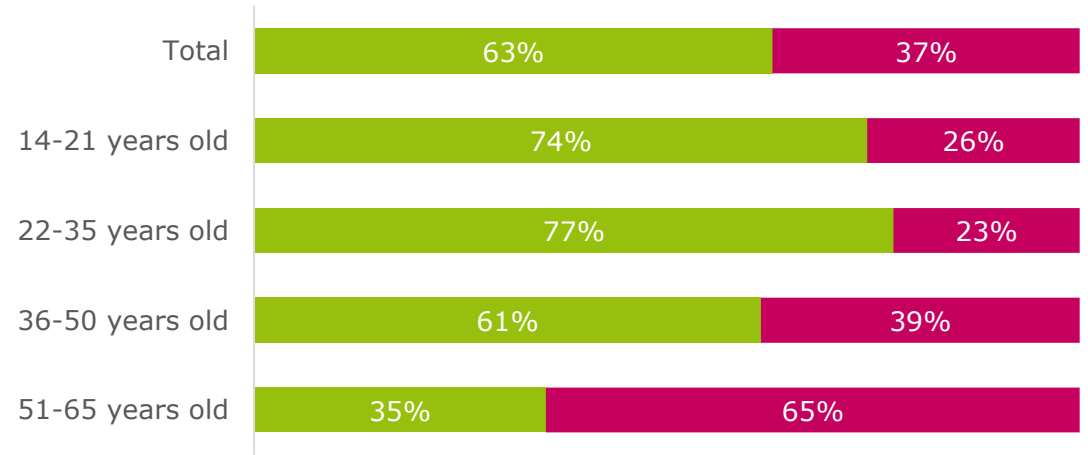
Figure 22: Analysis of the percentage of respondents who would be interested in adding special features or content to their 'perfect' bundle. Split by respondent age. Asked to all respondents (2500)

To own or not to own? (i)



- Yes – I want to be able to own and use my favorite content however I see fit (e.g. download and watch offline)
- No – I am happy to have access without actually owning content

Figure 23: “Would you value being able to download and own content that you have access to, instead of just viewing it as part of your subscription TV, movie and video content services?”, split by respondent country, asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)



- Yes – I want to be able to own and use my favorite content however I see fit (e.g. download and watch offline)
- No – I am happy to have access without actually owning content

Figure 24: “Would you value being able to download and own content that you have access to, instead of just viewing it as part of your subscription TV, movie and video content services?”, split by respondent age, asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)

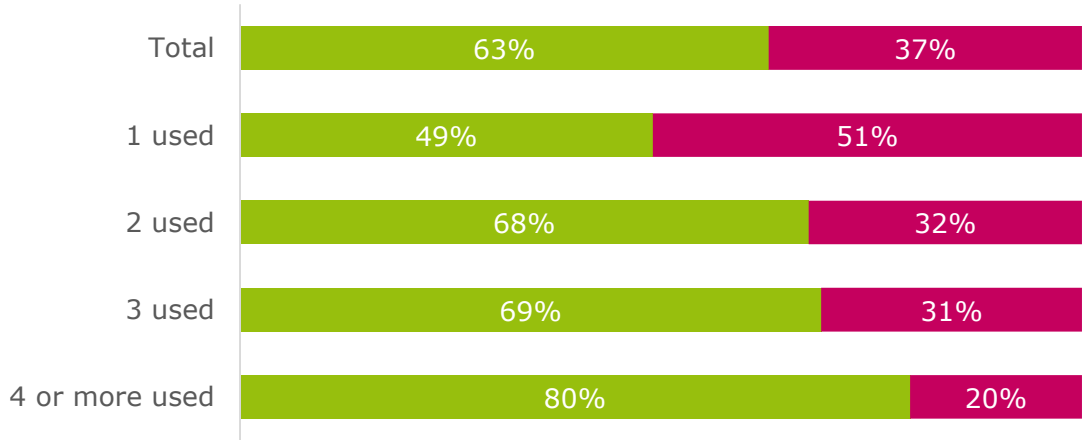
For those who currently use at least one subscription service for video content, the preference – if they had the choice – would be to actually own content (63%), rather than just having access to it (37%). This is true of all countries, with Brazil a standout – 82% would rather own content than just have access to it (fig. 23)

In terms of respondent age, it’s the younger generations who are more likely to say that they would rather own content. Over three quarters (77%) of those aged 22-35 years old say that this is the case, while only around one in three (35%) of those aged 51-65 years old say this (fig. 24) – it’s perhaps a little unexpected, but it could be that if there was a price implication for owning vs. just accessing content then there may have been a different outcome here

To own or not to own? (ii)

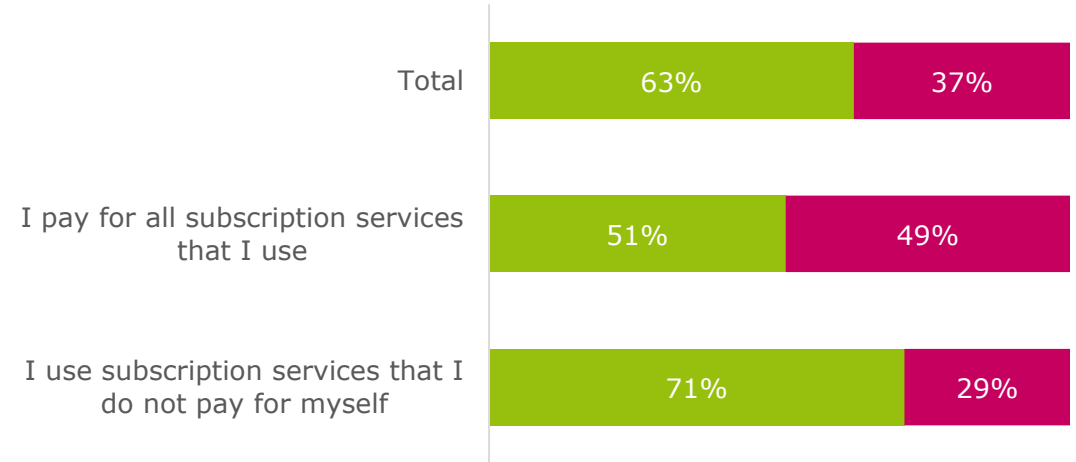
When it comes to the number of different subscription services being used, it is those who use more who are more likely to want to actually own content. For those only using one subscription service, the preference is actually slightly in favour of having access but not owning (51%), but for those who use four or more services, four in five (80%) would prefer to own content and use it as they see fit (fig. 25)

There's also a clear difference in view between those who do and do not pay for all the subscription services that they use – those who use services that they do not personally pay for are much more likely (71% vs. 51%) to want to own content themselves (fig. 26)



- Yes – I want to be able to own and use my favorite content however I see fit (e.g. download and watch offline)
- No – I am happy to have access without actually owning content

Figure 25: "Would you value being able to download and own content that you have access to, instead of just viewing it as part of your subscription TV, movie and video content services?", split by number of subscription services used, asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)



- Yes – I want to be able to own and use my favorite content however I see fit (e.g. download and watch offline)
- No – I am happy to have access without actually owning content

Figure 26: "Would you value being able to download and own content that you have access to, instead of just viewing it as part of your subscription TV, movie and video content services?", split by whether respondents use any subscription services that they do not personally pay for, asked to respondents who currently use at least one subscription TV, movie or video content service in their household (2295)

Number of views required to justify ownership

If they were to own content, respondents say that they would need to watch that content three times, on average, to justify ownership (fig. 27)

This view is relatively consistent regardless of respondents' age – the age band where the fewest views are required to justify ownership is 14-21 years old, where the average is two views (fig. 28)

With owning content the preference for most respondents (fig. 23, 24, 25, 26) but multiple views being required to justify ownership, it seems that most respondents plan to, or would like to be able to watch content multiple times

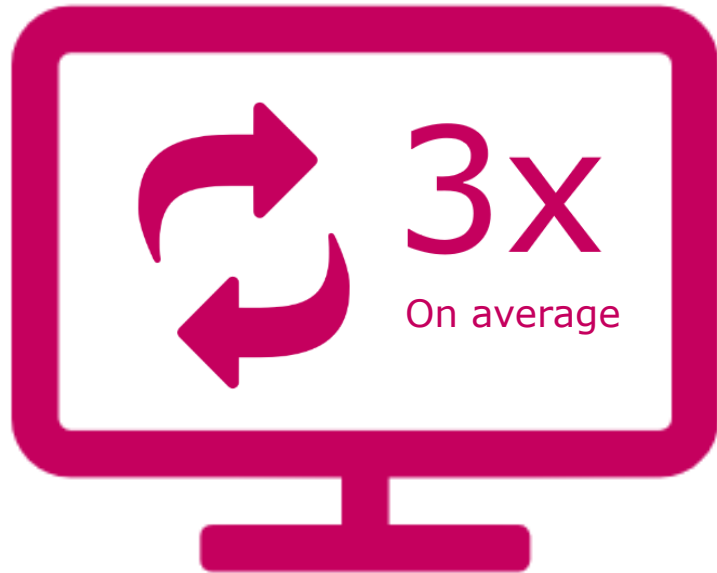


Figure 27: Analysis of the average number of times that respondents would need to view content to justify owning it. Asked to respondents who want to be able to own and use their favorite content however they see fit (1441)

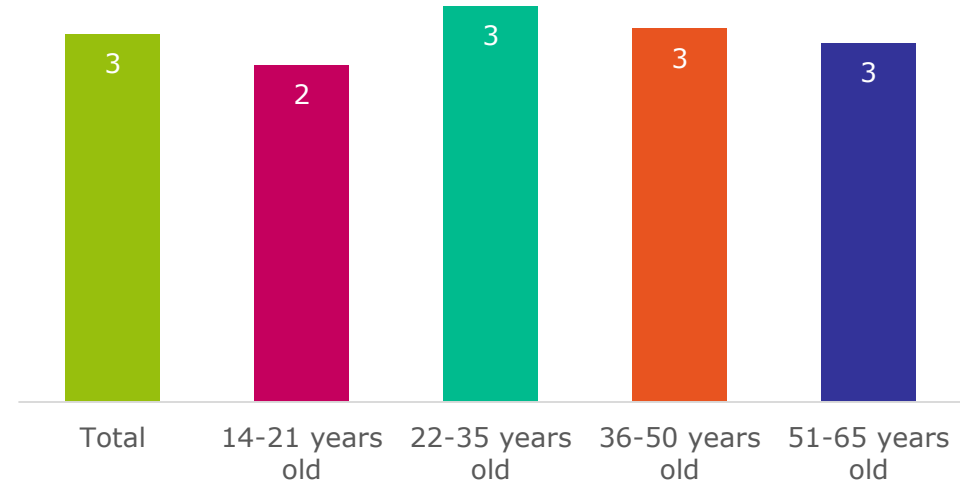


Figure 28: Analysis of the average number of times that respondents would need to view content to justify owning it. Split by respondent age. Asked to respondents who want to be able to own and use their favorite content however they see fit (1441)

The demand for all-inclusive bundles

I would rather pay for a single, all-inclusive bundle of video content with everything that I want, **rather than have several different subscription services**

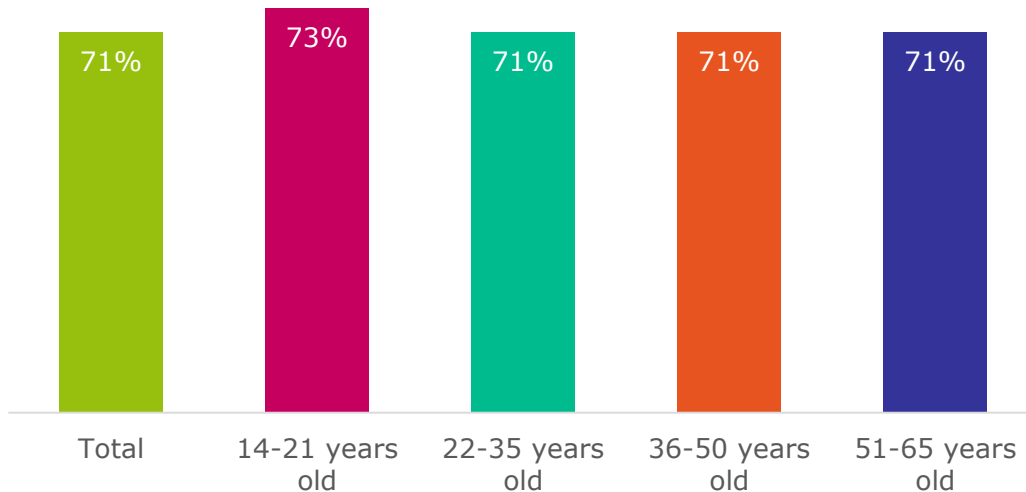


Figure 29: Analysis of the percentage of respondents who agree with the above statement. Asked to all respondents (2500)

If there was a service provider that **offered all my desired content, I would switch to that provider**

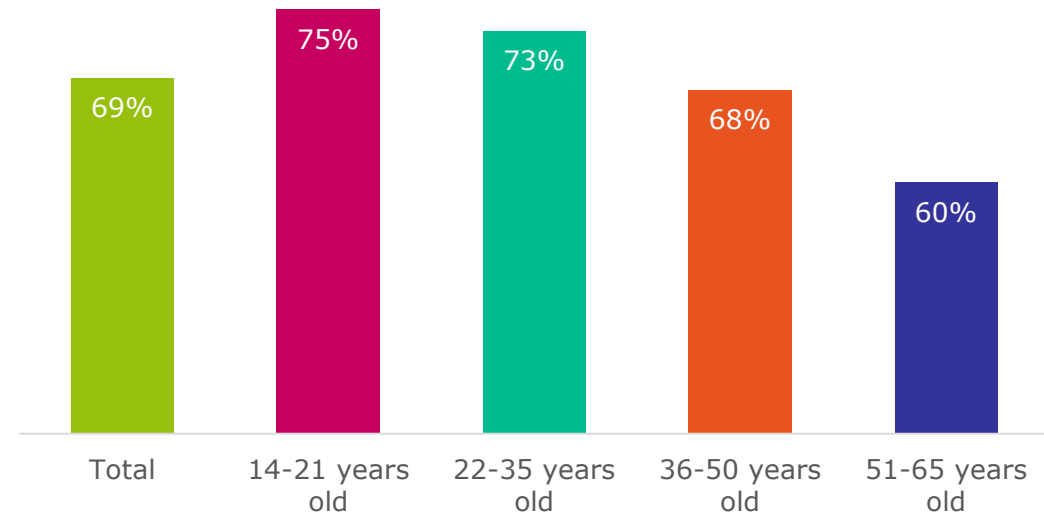


Figure 30: Analysis of the percentage of respondents who agree with the above statement. Asked to all respondents (2500)

Despite respondents' openness to 'pay-per-show' models (fig. 13, 14), there is still an enormous demand for a bundle that has it all. Over seven in ten (71%) would rather pay for a single, all-inclusive bundle of video content rather than have several different services in place (fig. 29) (which we know is the reality for many currently (fig. 1)). This attitude is very much consistent regardless of the age of respondents (fig. 29)

Alongside this, a similar proportion (69%) agree that if there was a service provider that could offer absolutely all the content that they were interested in, they would switch to that provider. This attitude is one that younger respondents tend to be more likely to agree with (14-21 years old = 75%, 51-65 years old = 60%) (fig. 30) – a subscription service provider who can bring this all to the table will be extremely attractive to consumers, but it's a big ask, considering that everyone's ideal bundle will be slightly different

TV shows that consumers cannot live without

In terms of the shows that surveyed consumers 'could not live without', Game of Thrones comes out on top. Of those who have seen this show, approaching one in five (16%) say that they can't live without it (fig. 31)

The popularity of big-budget TV shows like this cannot be understated, and the impact that their availability might have on a media provider's popularity could be huge. It will be interesting to see how the launch of the final season of Game of Thrones in 2019 influences consumers' use of the HBO Go platform, or others that offer access to this content

Elsewhere, around two in three (66%) respondents agree that their perfect bundle would include at least one news channel so that they have immediate access to news updates (fig. 32) – this highlights another area that could swing favour towards a certain bundle. Providers aiming to put together a package would ideally need to give their customers at least the option of paying to include these popular shows and content types

I have watched and could not live without...

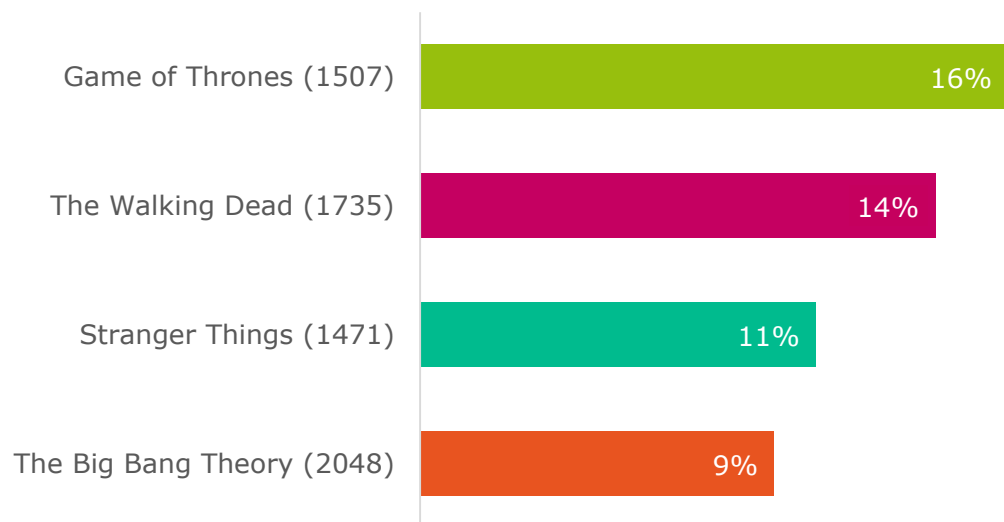


Figure 31: Analysis of the percentage of respondents who have watched the above TV shows and 'couldn't live without' them. Asked to all respondents, only showing the TV shows that they have seen (base number for each TV show in brackets)

66%
agree

My 'perfect bundle' would include at least one news channel so that I get immediate access to news content

Figure 32: Analysis of the percentage of respondents who agree that their 'perfect bundle' would include at least one news channel so that they get immediate access to news content. Asked to all respondents (2500)

Subscription services where consumers' favorite TV shows are found

I watched my favorite TV show from the last 12 months on...

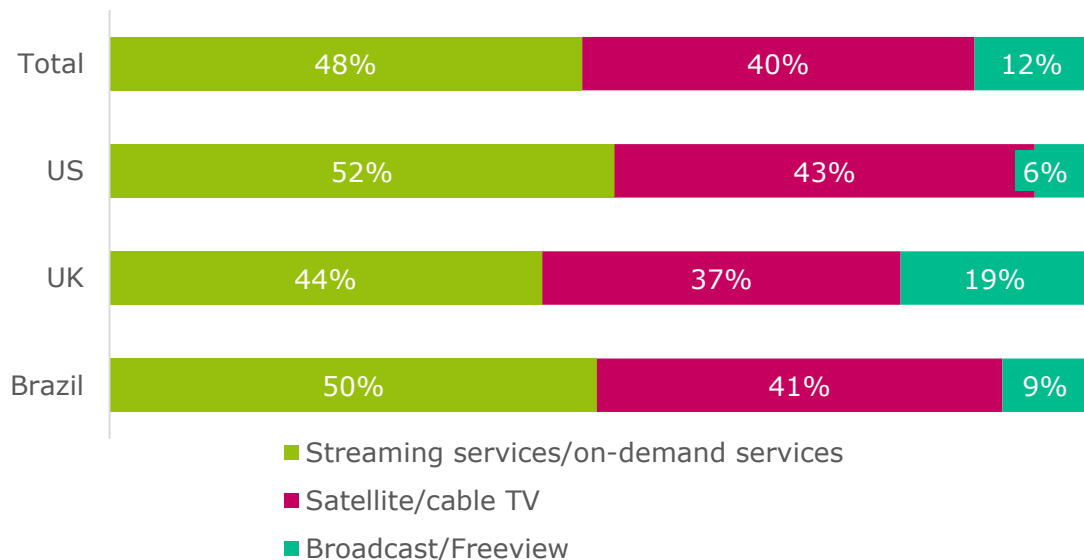


Figure 33: "Thinking about your favorite TV show from the last 12 months, what video service did you watch this on?", split by respondent country, asked to all respondents (2500)

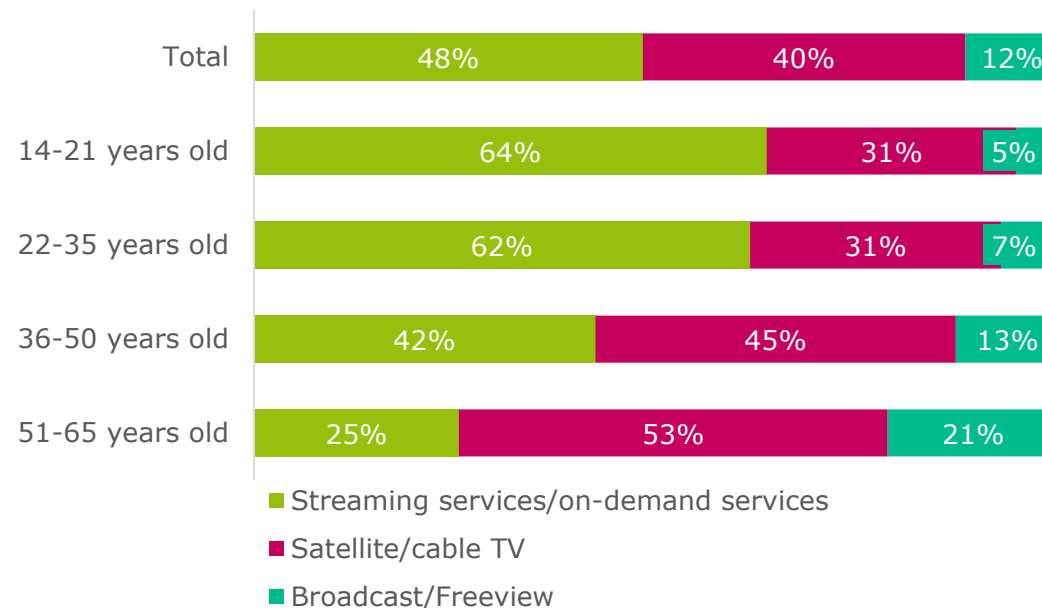


Figure 34: "Thinking about your favorite TV show from the last 12 months, what video service did you watch this on?", split by respondent age, asked to all respondents (2500)

It is most likely (48%) that respondents will have watched their favorite show in the last 12 months via a streaming/on-demand service, followed by cable/satellite (40%). This preference is true across all three countries interviewed in (fig. 33)

However, this varies significantly by respondent age – around two thirds (64%) of those aged 14-21 years old watched their favorite show of the last 12 months via a streaming/on-demand platform, while this is only true for one in four (25%) aged 51-65 (fig. 34)

It will be interesting to see how this develops over time, but it seems likely that the impact of streaming/on-demand platforms is only set to rise

3: Dealing with consumers' personal data

Trusting companies to look after personal data

Only around one in ten (13%) respondents say that they had complete trust in companies to look after their personal data five years ago. Instead, eight in ten (80%) had less-than-complete trust in companies to do this when thinking back five years, including around one in four (23%) who actually highlighted that they had no trust whatsoever in companies to take care of their data (fig. 35)

It tends to be older respondents who are less comfortable with companies looking after their personal data – around one in five (19%) 14-21 year olds had no trust in companies five years ago, while over a third (34%) of those aged 51-65 years old say this (fig. 36). Realistically this could be swayed by the older respondents having much more (and much more valuable) data at stake

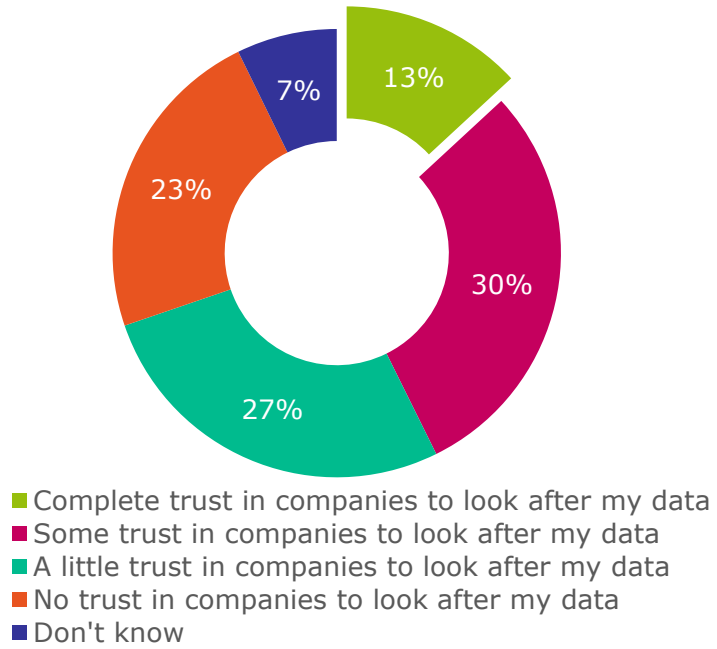


Figure 35: "Thinking back to five years ago, how comfortable did you feel about companies having access to your personal data?", asked to all respondents (2500)

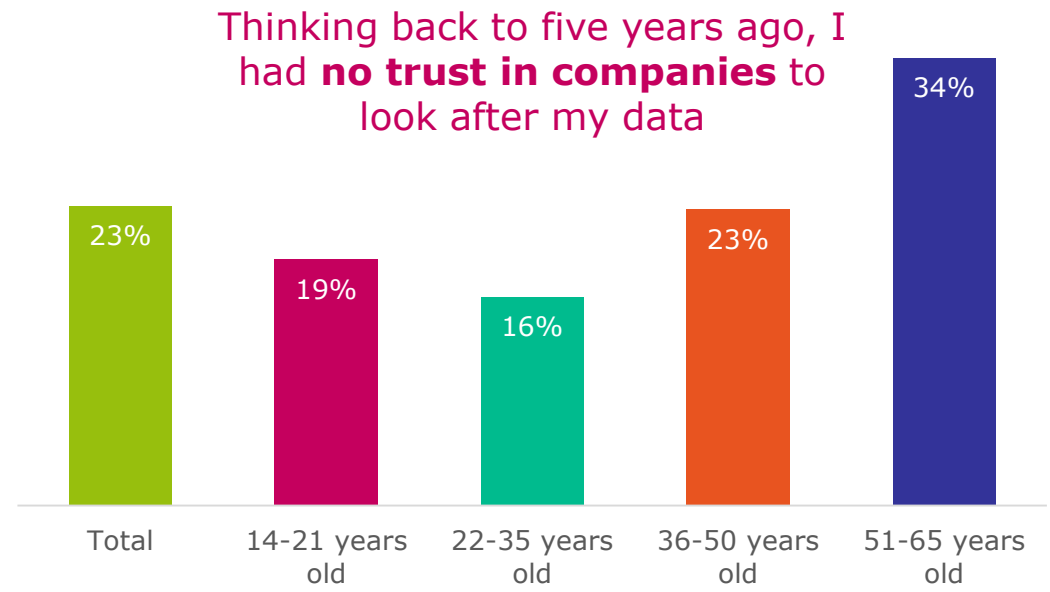
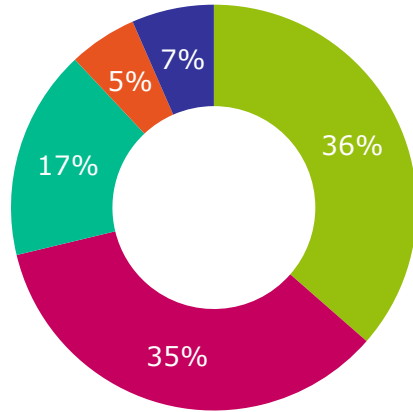


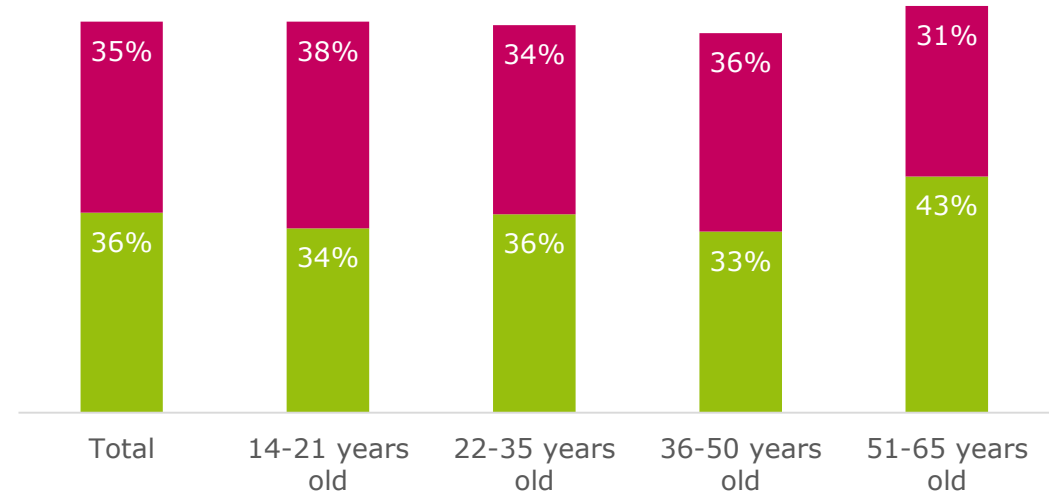
Figure 36: Analysis of the percentage of respondents who had no trust in companies to look after their data when thinking back five years. Split by respondent age. Asked to all respondents (2500)

Changes in trust over time



- I feel much more skeptical about companies having access to my personal data
- I feel slightly more skeptical about companies having access to my personal data
- My attitude has not changed as a result of recent personal data scandals
- I feel that companies are now using data more responsibly
- Don't know

Figure 37: "How have personal data scandals in the news in the last couple of years (e.g. the Cambridge Analytica/Facebook scandal) changed the way that you feel about allowing companies to have access to your personal data?", asked to all respondents (2500)



- I feel slightly more skeptical about companies having access to my personal data
- I feel much more skeptical about companies having access to my personal data

Figure 38: Analysis of the percentage of respondents who had no trust in companies to look after their data when thinking back five years. Split by respondent age. Asked to all respondents (2500)

Over time, this trust is only declining – the majority (71%) of respondents admit that recent data scandals (e.g. Facebook and Cambridge Analytica) have resulted in them being even more skeptical about companies having access to their personal data (fig. 37)

When looking at this by respondent age it's relatively consistent for all age bands, but those aged 51-65 years old are the most likely (43%) to say that newsworthy personal data scandals have made them feel much more skeptical about companies accessing their data (fig. 38)

Exchanging personal data for a 'better' bundle

Despite the clear lack of trust that many consumers have around companies handling their personal data (fig. 35, 37), around three fifths (59%) would still be willing to exchange their personal data for improvements to their video content bundles (fig. 39) – it's a mindset that's particularly true of younger respondents, with over seven in ten (71%) aged 22-35 years old saying that they would do this, compared to 42% of those aged 51-65 years old (fig. 40)

A third (33%) would exchange their personal data for their current bundle at a lower price, and many would trade it for access to more video content that they cannot currently access (27%) and/or fewer ads while consuming video content (21%) (fig. 39)

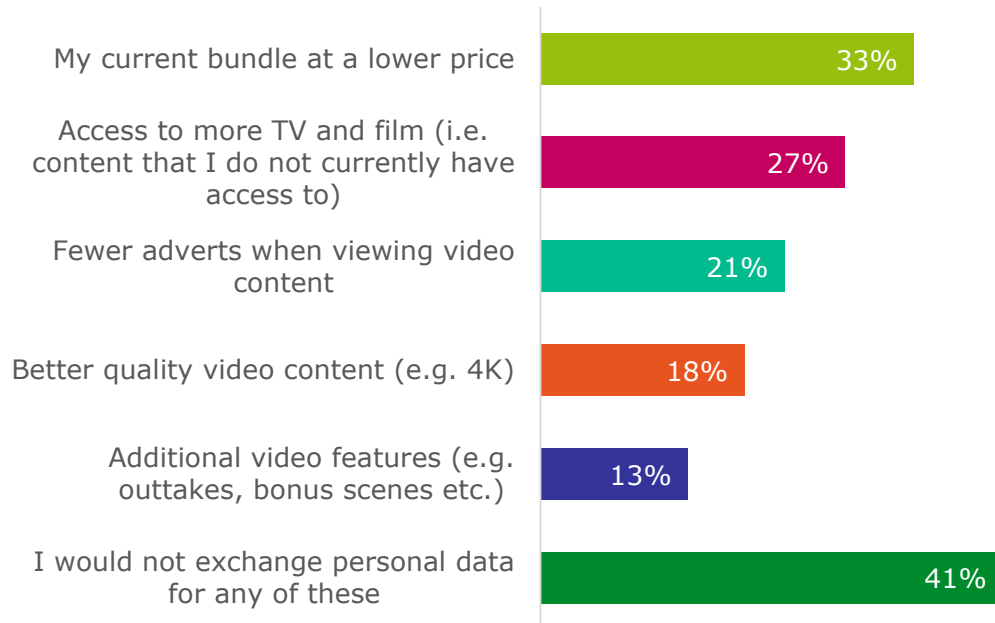


Figure 39: "Which of the following would you be willing to exchange your personal data for specifically?", asked to all respondents (2500)

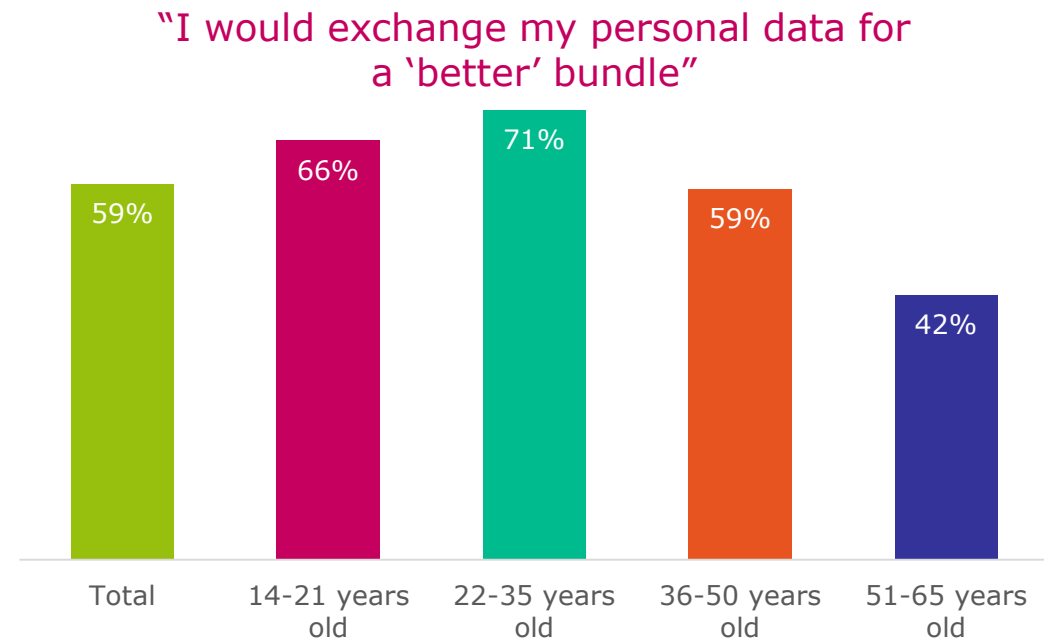


Figure 40: Analysis of the percentage of respondents who would exchange their personal data for a 'better' bundle. Split by respondent age. Asked to all respondents (2500)

Exchanging personal data for a 'better' bundle, by respondent age

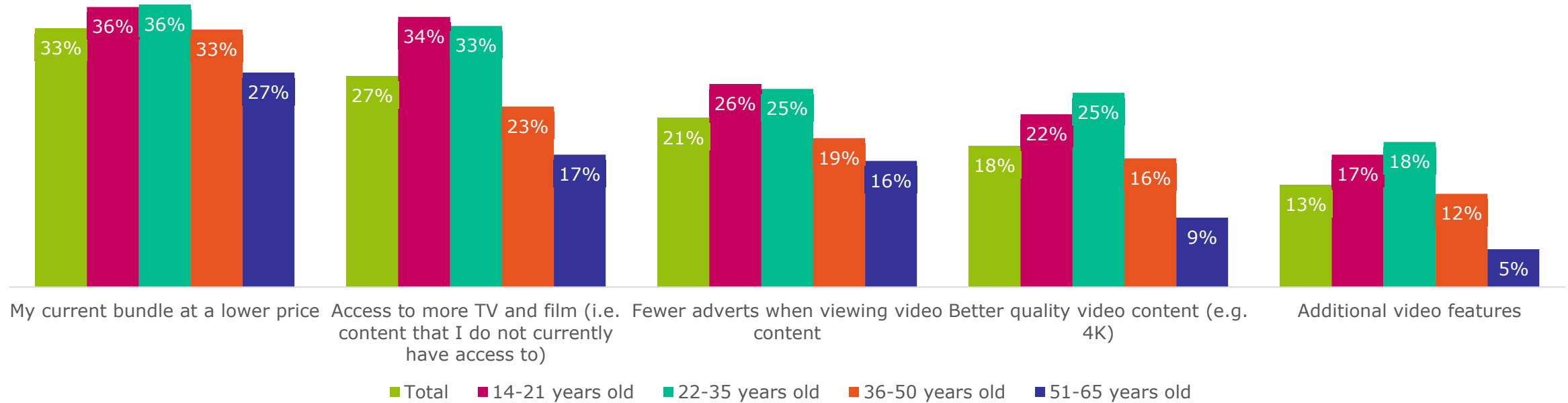


Figure 41: Analysis of the percentage of respondents who would be willing to exchange their personal data for each of the above features. Split by respondent age. Asked to all respondents (2500)

As shown on the previous slide, it's the younger consumers who tend to be more open to exchanging personal data for a better video content bundle (fig. 40) and this is something that is true across all of the specific features included above (fig. 41)

For a few examples the age divide is particularly sizeable: around a fifth (17%) of those aged 14-21 years old would exchange their personal data for additional video features (vs. only 5% of those aged 51-65 years old) and a quarter (25%) of those aged 22-35 years old would offer companies their personal data for better quality video (vs. only 9% of those aged 51-65 years old) (fig. 41)

Exchanging personal data for a 'better' bundle, by services used

When looking at exchanging personal data for a better bundle by number of subscriptions that consumers have access to, a trend is clear again – those with access to the most subscription services are the most likely (4 or more used = 77%) to be willing to exchange their personal data for improvements to their bundle (fig. 42)

For those with access to four or more subscription services, the thing that they're most likely (42%) to exchange their personal data for is access to more TV and film content (fig. 43). We know that these respondents are also the most likely to say that their current subscriptions do not give them access to all the content that they want to see (fig. 8), so this is perhaps not too surprising – they are likely to have enthusiasm for any option that might get them a better all-round video consumption experience

"I would exchange my personal data for a 'better' bundle"

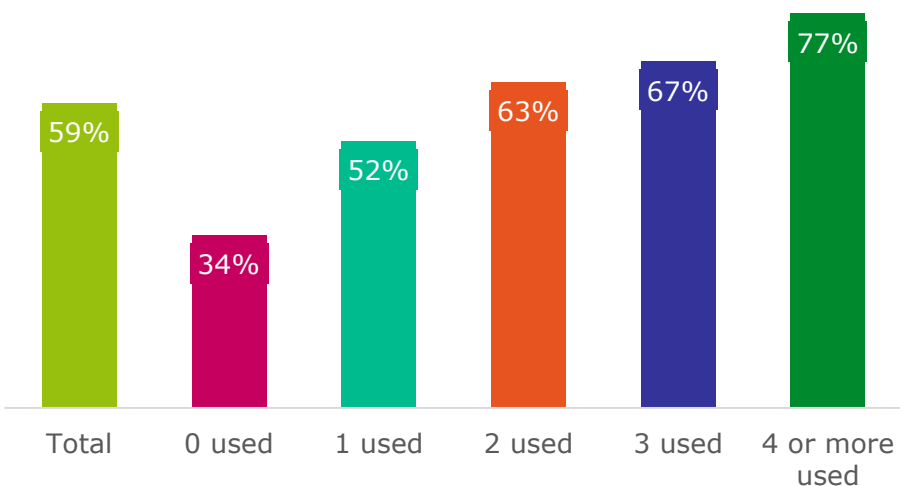


Figure 42: Analysis of the percentage of respondents who would exchange their personal data for a 'better' bundle. Split by number of subscription services used. Asked to all respondents (2500)

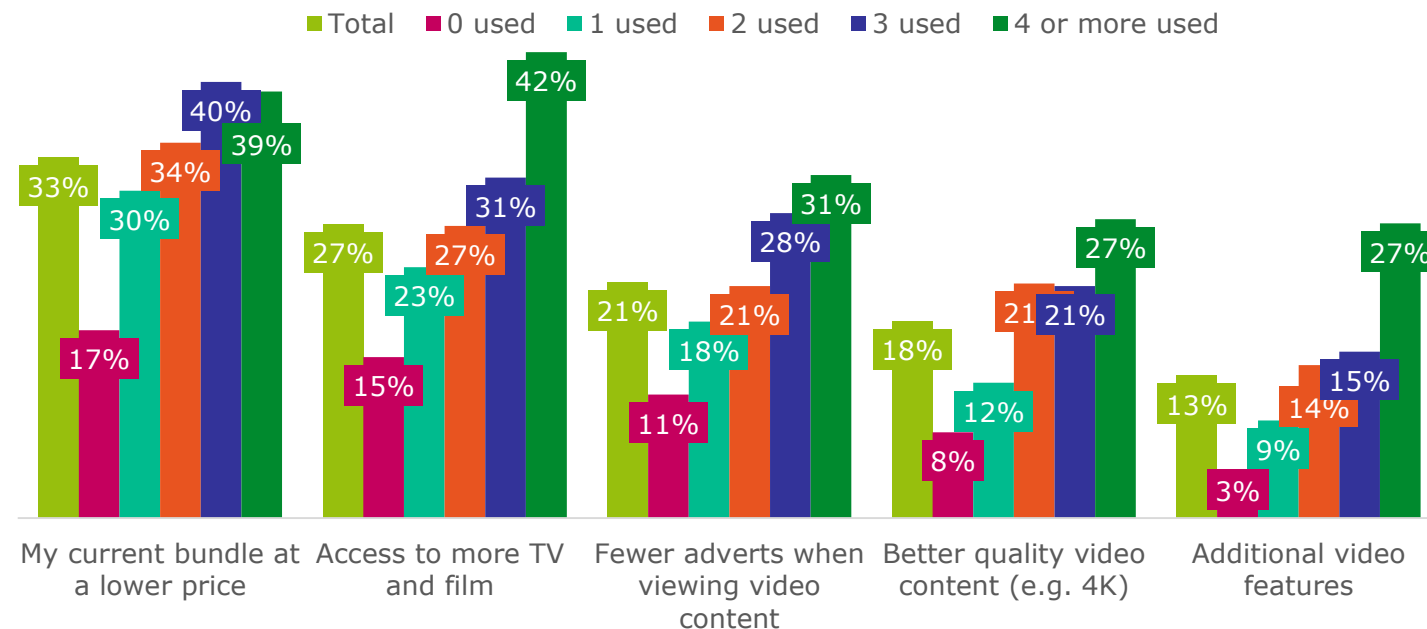


Figure 43: Analysis of the percentage of respondents who would be willing to exchange their personal data for each of the above features. Split by number of subscription services used. Asked to all respondents (2500)

Which providers are trusted more with personal data?

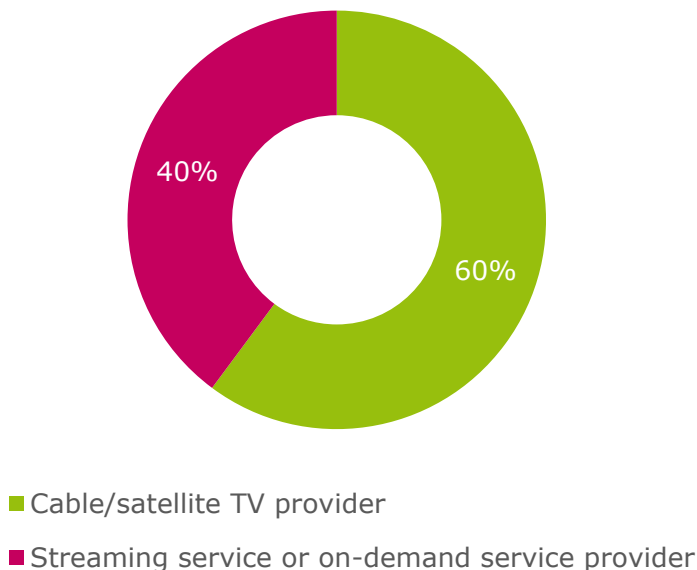


Figure 44: "Hypothetically, who would you be more willing to trust with your personal data: A cable/satellite TV provider or a streaming service/on-demand service provider?", asked to all respondents (2500)

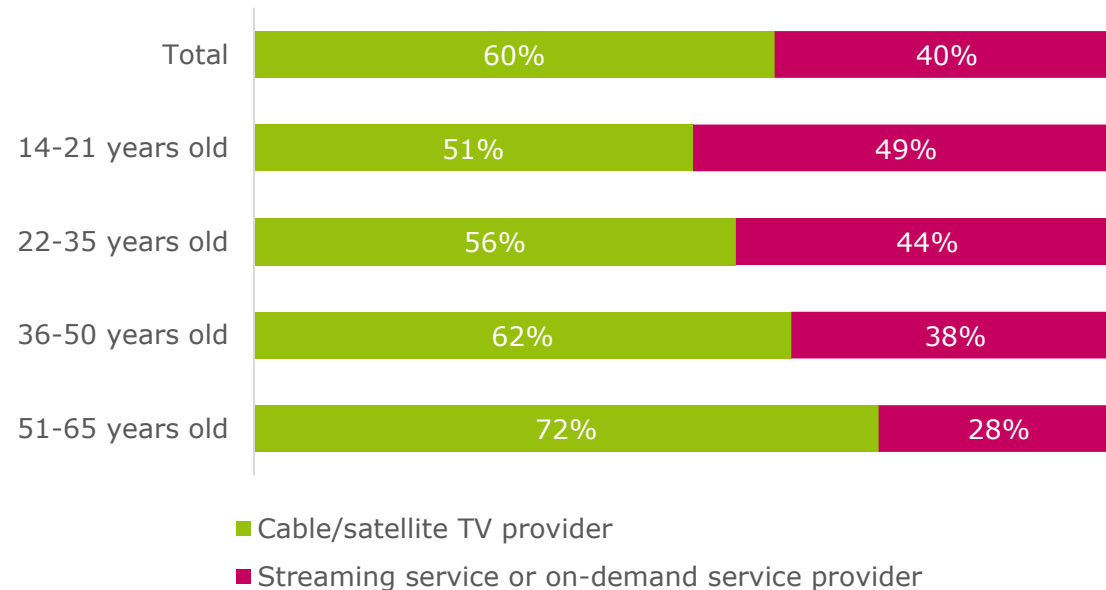


Figure 45: "Hypothetically, who would you be more willing to trust with your personal data: A cable/satellite TV provider or a streaming service/on-demand service provider?", split by respondent age, asked to all respondents (2500)

Six in ten (60%) surveyed consumers say that they would be more willing to trust a cable/satellite TV provider with their personal data – they are ahead of streaming/on-demand service providers (40%) in this regard, but not by much (fig. 44)

Cable/satellite TV providers have the edge for every age band captured, but when viewing this by age, there is a definite trend wherein the older consumers are more likely to trust the more traditional cable/satellite TV providers (51-65 years old = 72%) (fig. 45)

With newer streaming/on-demand providers proving to be a disruptive influence in this industry, it's crucial that cable/satellite TV providers are able to maintain this edge in terms of consumer trust. This can be a key differentiator for them

In terms of why consumers tend to trust one ahead of the other, there are no standout reasons (fig. 46, 47), but it's likely that the reputation built over time is an important aspect for the more traditional cable/satellite providers, particularly with older consumers

Reasons for trusting providers with personal data

A cable/satellite TV provider



Figure 46: "Why would you trust this provider more with your personal data?", asked to respondents who would be more willing to trust a cable/satellite TV provider with their personal data (1504)

A streaming/on-demand service provider

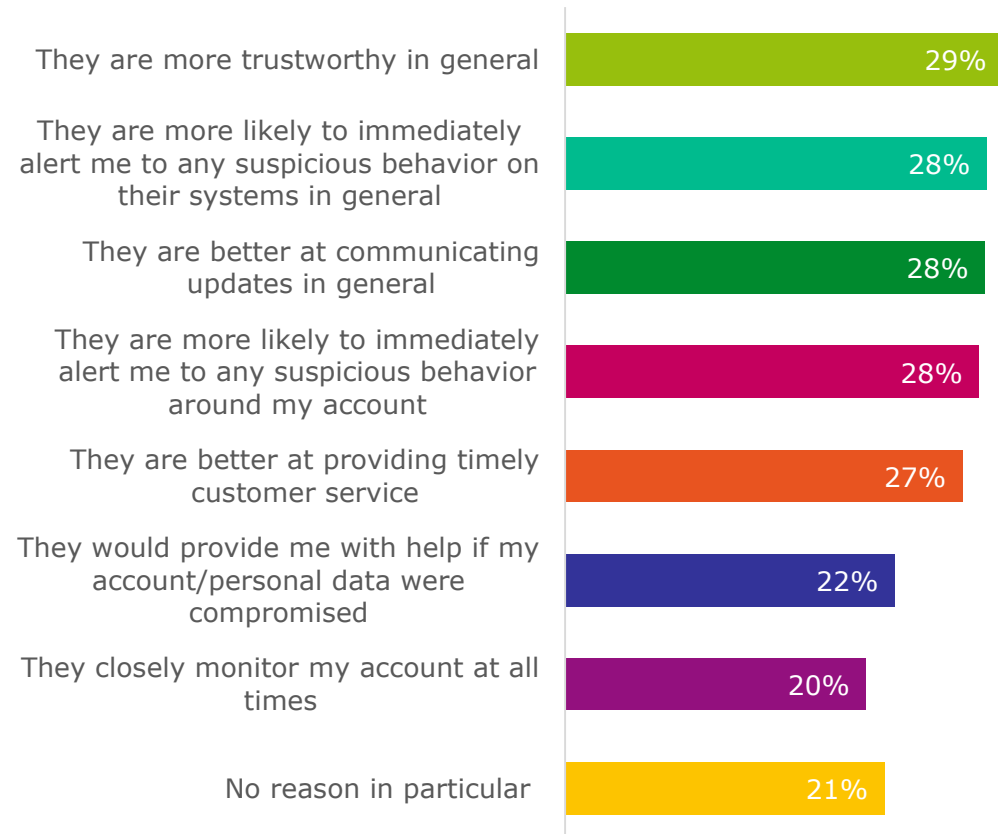


Figure 47: "Why would you trust this provider more with your personal data?", asked to respondents who would be more willing to trust a streaming service or on-demand service provider with their personal data (996)

Reasons for trusting providers with personal data, combined

Approaching one in five (16%) respondents trusts cable/satellite TV providers more with personal data but doesn't have a particular reasons for doing so, and the same proportion (16%) say that they are more trustworthy in general

Compare this to streaming/on-demand service providers, where only around one in ten (12%) say that they see these providers as being more trustworthy in general

It may be because cable/satellite TV providers have been around for longer – brand confidence is higher simply because they are older, more established businesses

Reasons for trusting a **cable/satellite TV provider** more

Reasons for trusting a **streaming/on-demand service provider** more

Figure 48: Analysis of the reasons why respondents would trust a cable/satellite TV provider or a streaming service/on-demand service provider more with their personal data. Asked to all respondents (2500)



4: Are consumers always adverse to adverts?

Reasons for accepting more advertising content

The majority (73%) of surveyed consumers would be open to accepting more advertising content in certain circumstances. Approaching half (46%) would accept more adverts if it meant a cheaper TV service, and around a quarter would if they could select the length and frequency (27%) and/or the time that they saw them (25%) (fig. 49)

Again, age has a big influence on the average consumer's attitude – the youngest consumers are much more likely to accept this advertising trade-off compared to the oldest age band (14-21 years old = 81%, 51-65 years old = 54%) (fig. 50)

This may be an indication of how more traditional advertising models could change in the future. If video content providers could offer more flexibility when it comes to adverts, consumers may be more willing to accept them and it may somehow be a way of boosting the potential of advertising revenue

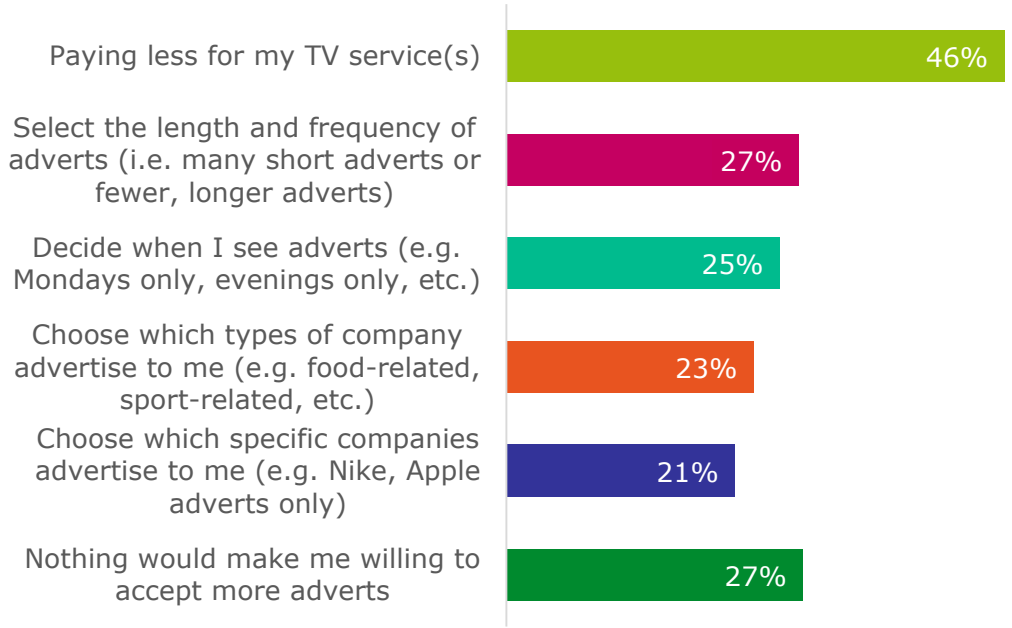


Figure 49: "What would encourage you to accept more advertising content in your TV/video content?", asked to all respondents (2500)

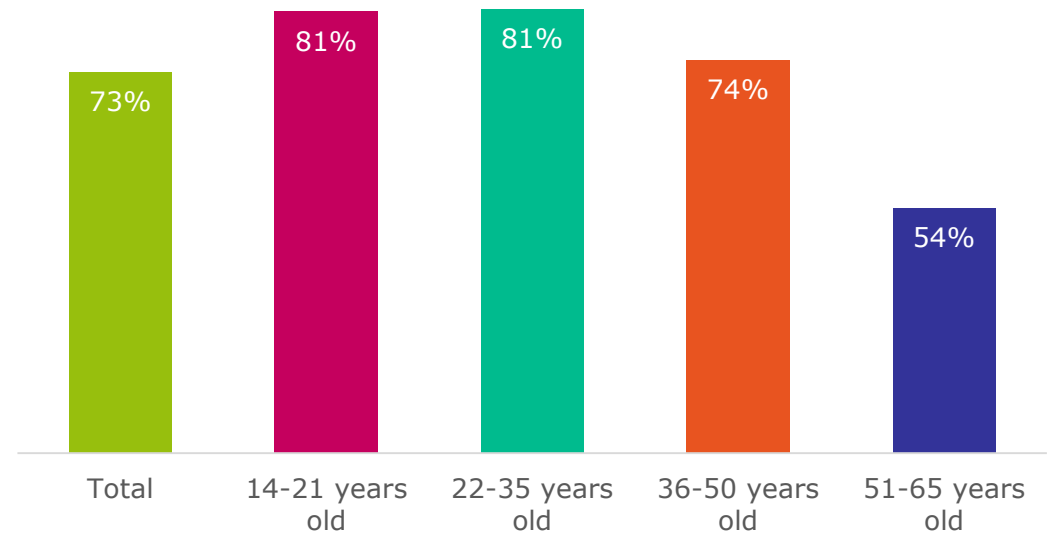


Figure 50: Analysis of the percentage of respondents who would be willing to accept more advertising content in their TV/video content under certain circumstances. Split by respondent age. Asked to all respondents (2500)

Other advertising preferences

"I would be **more open to adverts** if I could **customize products/industries** advertised to me"

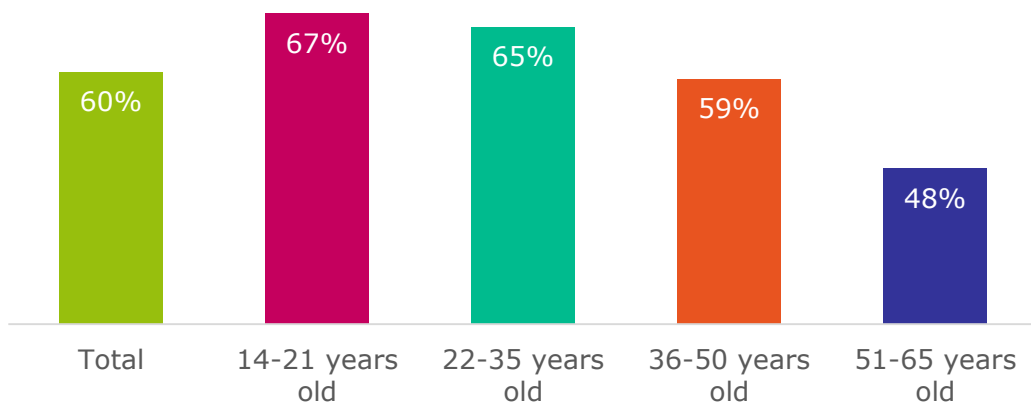


Figure 51: Analysis of the percentage of respondents who agree that they would be more open to seeing adverts if they could customize the types of products and industries that were advertised to them. Split by respondent age. Asked to all respondents (2500)

"I would be open to **more personalized and relevant** adverts"

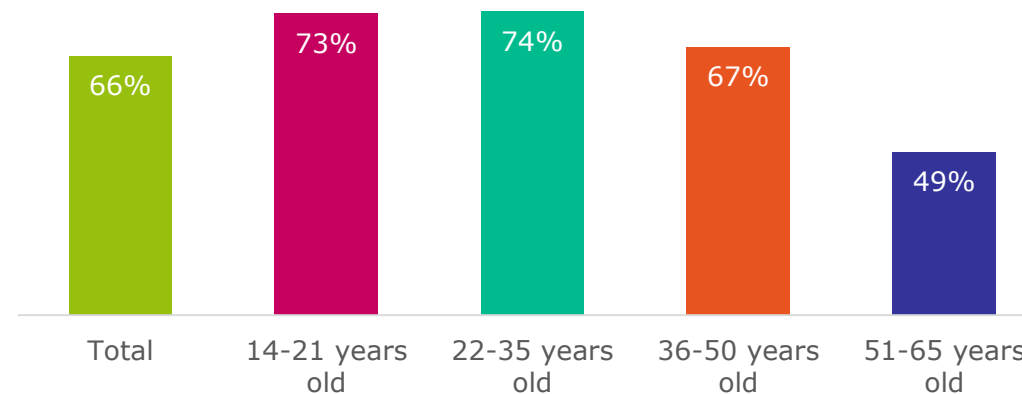


Figure 52: Analysis of the percentage of respondents who would be open to getting more personalized and relevant adverts. Split by respondent age. Asked to all respondents (2500)

Elsewhere, six in ten (60%) respondents say they would be more open to adverts if they could customize the products and industries being advertised to them (fig. 51), while around two thirds (66%) would be open to more personalized and relevant adverts (fig. 52)

In both of these cases we again see a big variance by respondent age. Those in the younger age bands are far more open to these more modern and innovative approaches to advertising (14-21 years old = 67% and 73% respectively) (fig. 51, 52)

It's clear that the future of advertising needs to move away from traditional models. Those subscription service providers who can embrace this may be met with less resistance (and potentially higher revenue as a result), particularly as millennial and gen X consumers start using and paying for more video subscription services

Engaging with advertising via AR/VR

As well as embracing the idea of more flexible, relevant and customizable adverts (fig. 49, 51, 52), half (50%) also agree that if they saw an advert for a product that they liked, they would be interested in using augmented reality (AR) or virtual reality (VR) to view that product and find out more (fig. 53)

This idea has greatest appeal for those aged 22-35 years old, where 60% would be interested in this – almost double the proportion for those aged 51-65 years old (34%) (fig. 53). Again, what is evident here is that there's a lot of room for advertisers to start utilising newer approaches in order to potentially get better consumer engagement

50%
agree

If I saw an advert for a product I liked, I would be interested in **using AR or VR** to view that product

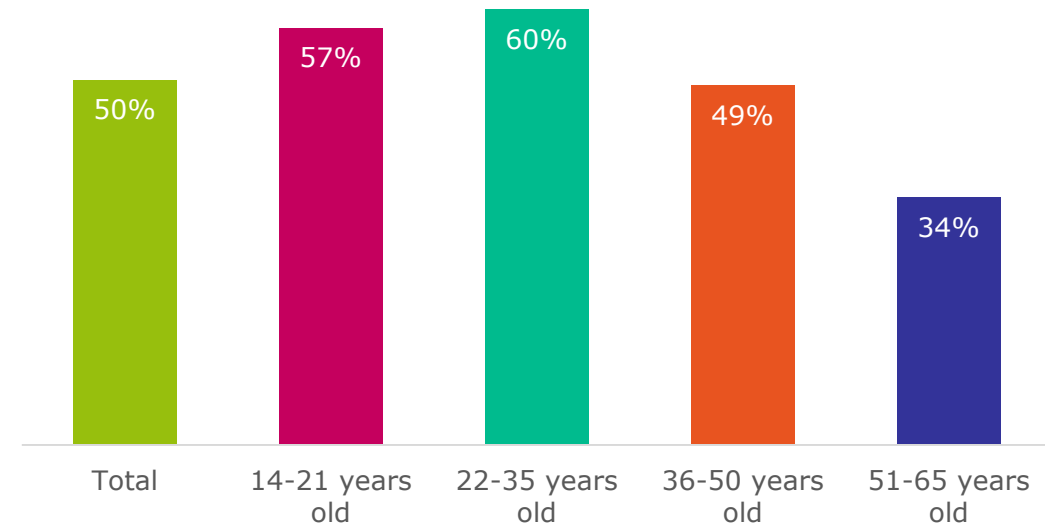


Figure 53: Analysis of the percentage of respondents who agree that if they saw an advert on TV for a product that they liked, they would be interested in being able to use AR or VR to view that product. Split by respondent age. Asked to all respondents (2500)

In summary...

- Six in ten (60%) surveyed consumers are using at least two TV, movie and/or video subscription services in their household and, on average, this is costing them \$72.45 USD
 - Of those using at least one subscription service, over half (58%) admit that there's at least one that they do not pay for personally
- But despite most having a lot of access to video content already, seven in ten (70%) respondents say that there is still at least some content that they want to see but their current bundle of subscriptions does not give them access to
 - For these respondents, it is expected that it would cost an additional \$39.17 USD, on average, to get to a 'perfect' bundle which included all desired content
- Six in ten (60%) surveyed consumers would be open to using a 'pay-per-show' model to get immediate access (first public broadcast) to their favorite TV shows and video content...
 - On average, those who would be willing to 'pay-per-show' for immediate access to the first public broadcast of their favorite TV shows/films would be willing to pay \$5.39 USD per episode and \$11.41 per season for unlimited access
- When considering their 'perfect' bundle, the vast majority (86%) of respondents would want to include a binge-worthy TV series, and most would want to include live concerts/events (74%) and/or all games for a specific sporting team (70%)
 - Around two in three (66%) respondents agree that their perfect bundle would include at least one news channel so that they had immediate access to news updates
 - The majority (64%) would also be interested in adding special features or extra content to their perfect bundle
- Over seven in ten (71%) would rather pay for a single, all-inclusive bundle of video content rather than have several different services in place and a similar proportion (69%) agree that if there was a service provider that could offer absolutely all the content that they were interested in, they would switch to that provider
- Around nine in ten (89%) respondents report that certain factors will drive them to be loyal to a media or entertainment provider
- It is most likely (48%) that respondents will have watched their favorite show in the last 12 months via a streaming/on-demand service, followed by cable/satellite (40%)

In summary...

- Thinking back five years, only a minority (13%) of respondents indicate that they had complete trust in companies with access to their data to look after it...
 - ...Since then, however, personal data scandals (e.g. Facebook/Cambridge Analytica) have heightened this lack of trust. The majority (71%) now feel even more skeptical about companies having access to their personal data
- However, despite this, around three fifths (59%) would be willing to exchange their personal data if it meant that they would get a 'better' bundle
 - A third (33%) would exchange their personal data for their current bundle at a lower price, and many would trade it for access to more video content (that they cannot currently access) (27%) and/or fewer ads while consuming video content (21%)
- When it comes to who is trusted more out of cable/satellite TV providers and streaming/on-demand providers, six in ten (60%) surveyed consumers say that they would be more willing to trust a cable/satellite TV provider with their personal data
- Looking at openness to advertising, around three quarters (73%) of surveyed consumers would be open to accepting more advertising content in certain circumstances
 - Approaching half (46%) would accept more adverts if it meant a cheaper TV service, and around a quarter would if they could select the length and frequency (27%) and/or the time that they saw them (25%)
- On top of this, three fifths (60%) of respondents say that they would be more open to adverts if they could customize the products and industries being advertised to them
 - And around two thirds (66%) would be open to more personalized and relevant adverts
- Half (50%) agree that they would be interested in using augmented reality (AR) or virtual reality (VR) to view a product in more detail after seeing an advert for it

Amdocs consumer research results

Hotwire and Amdocs
Research results

December 2018