2020 VALUE OF VIDEO REPORT

THE CONSUMER STRIKES BACK

grabyo

FOREWORD

2020 is the year the streaming wars will reshape the video industry.

This report aims to serve as a barometer for consumer spending and forecasts as we head into a disruptive year for broadcasters, content owners and publishers. Building on our successful 2019 Video Trends Series, we have extended the scope of our 2020 survey to 13,000 consumers across the UK, United States, France, Germany, Italy, Spain, Brazil, Argentina, Japan, Thailand and Australia.

As consumer behaviour shifts towards online platforms and streaming becomes the most popular channel for video consumption, this report examines what this means for the industry, the impact on prevailing business models and how consumers view the future of TV. We explore which video services consumers pay for and how much they spend. We ask consumers how they expect spending habits to change and why such changes should occur. We profile different consumer segments across the global video industry and identify which consumers are most likely to change the way they pay for video services.

The 'death of TV' has been proclaimed for some time and yet TV remains the dominant platform for video viewing. Yet there are many types of TV and the boundaries between traditional TV services and online streaming are starting to blur. YouTube users watched 250 million hours of video every day on TV screens last year, up 39% on the previous year.

The online video market is about to get much more competitive. This means greater availability of content, more platforms and more flexible price points for consumers. 2020 is also the year in which free-to-air services make the jump from TV to OTT, shifting the conversation about streaming from paid subscriptions to a broader proposition set - with consumer choice and value at the heart of this debate.

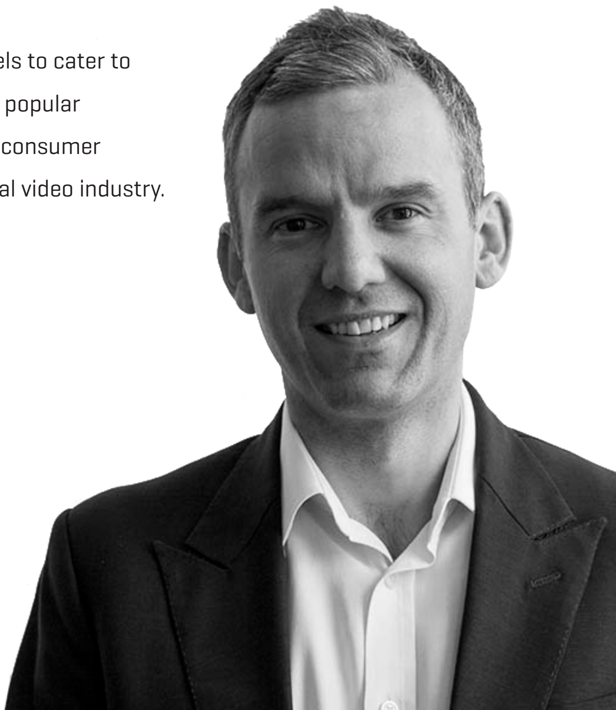
Major new services will launch this year including HBO MAX and Peacock (NBC Universal) in the US, while Disney+ joins Britbox in competing with Netflix in the UK. Asian markets are slightly behind the global adoption curve, yet local services are beginning to thrive, such as LINE TV in Thailand. Asia is an important growth market for Amazon Prime Video and Netflix, with $4/month mobile-only subscriptions now available to Netflix customers in India and Malaysia.

Online streaming and OTT services have conditioned consumers to reassess how they value video and TV.   This report explores the reasons for this change in perspective, and why the internet has redefined what it takes to deliver a successful video content experience.

Linear TV broadcasters and cable providers will need to rethink their business models to cater to consumer expectations. Our 2019 report showed that online streaming is the most popular platform for video consumption. This new report examines how this translates into consumer spending patterns and how this could impact the underlying economics of the global video industry.

We hope you enjoy the report. You can find our contact details at the back if you want to get in touch and discuss our findings.

It's time for the consumer to strike back.



Gareth Capon

CEO - Grabyo

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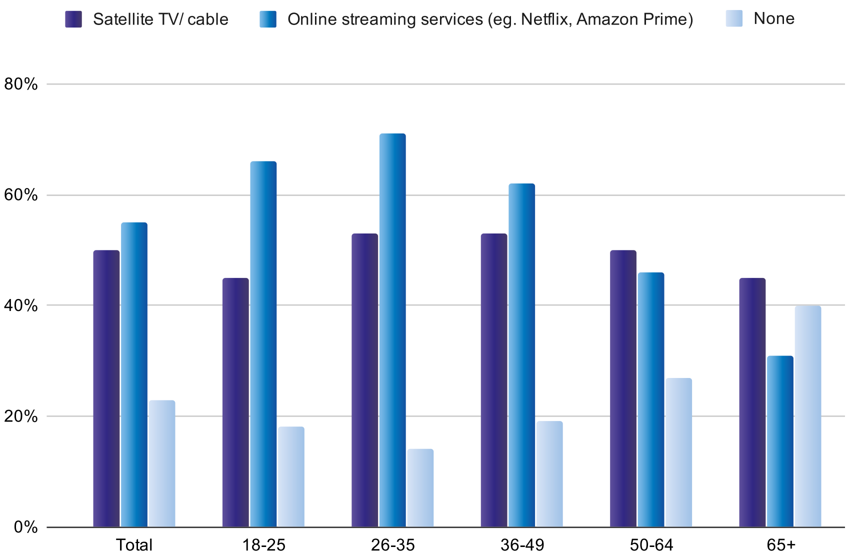
THE GLOBAL VIDEO INDUSTRY TODAY

Which video services do global consumers pay for?



Consumption habits have rapidly shifted to online and digital platforms over the past year.

The adoption of online streaming has increased to 55% across the 11 markets in this study.

Streaming is more popular than pay-TV at 50% of consumers in 2020.

How do pay-TV customers rate the value of TV services?

33% Very good

43% Good

16% Neutral

6% Poor

How do online streaming customers rate the value of streaming services?

44% Very good

43% Good

11% Neutral

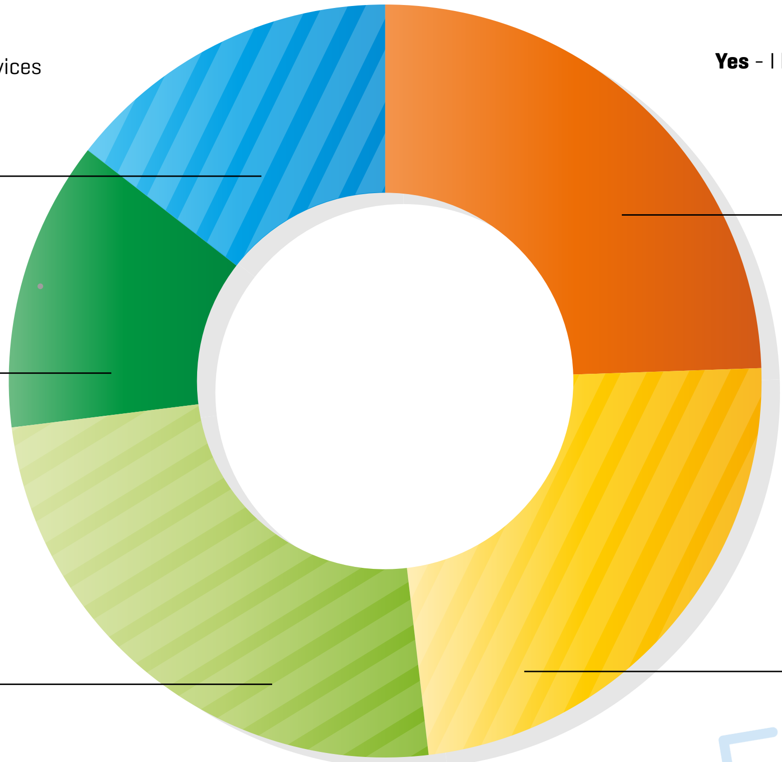
1% Poor

Pay-TV customers receive a wide array of programming and channels from their mid-to-high high price pay-TV subscription. 77% of pay-TV customers feel they get good value from a pay-TV subscription.

Online streaming customers pay a low monthly fee and can choose from a wide range of services. Streaming appeals to consumers who require more flexibility in the way they access video. 88% of streaming customers say they get good value from these services.

THE GLOBAL VIDEO INDUSTRY TOMORROW

Are global consumers planning to pay for online video services exclusively in the future?*



Within five years, almost 75% of customers will be cord-nevers or will have cut the cord. Pay-TV providers and broadcasters must adapt fast to keep aligned to shifting consumer expectations.

Why did/do video services customers want to cut the cord, and only pay for online services?

26% of video services customers say the **number one reason is price.** 36% of video customers rank ***affordability*** in the top three reasons to cut the cord.

Almost one in five customers say they **prefer the flexibility that online services offer.** They want to watch at a time that suits them.

30% of global streaming customers pay for ***2 or 3 services.***

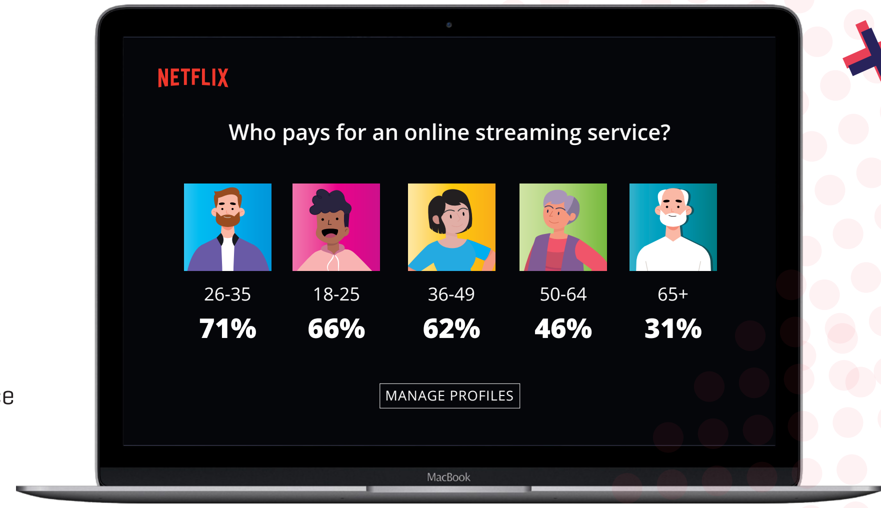
Devices matter to consumers. 32% say that device flexibility is a top three reason to cut the cord.

* Data presented is only consumers who currently pay for a TV or video service or plan to in the future

PROFILE OF AN ONLINE STREAMING CUSTOMER

Smartphones are the most popular device for online streaming with **57% consumer adoption in 2020.**

The most significant shift in device consumption in the last 12 months is Smart-TV viewing. More than **58% of global streaming customers watch on a TV**, and another 30% watching on a streaming device connected to a television set.

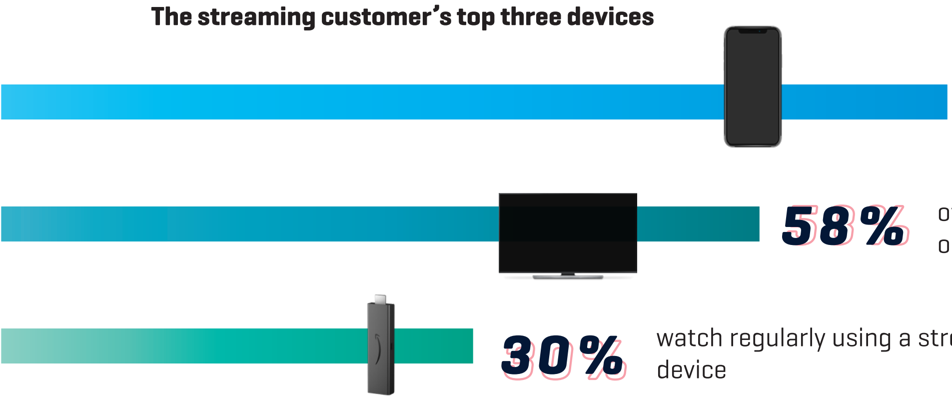


71% of consumers who pay for an online streaming service **buy directly from the provider**

45% of online streaming customers rate their streaming services as very good value for money

31% of buy through their satellite TV/ cable provider as part of a subscription

The streaming customer's top three devices



65% of streaming customers watch video regularly on a smartphone

58% of streaming customers watch video on a Smart TV regularly

30% watch regularly using a streaming device

The rapid growth in streaming video consumption on TV-sets blurs the lines between online streaming and traditional TV and will be a key factor in the ongoing change in consumer behavior.

Almost three-quarters of online streaming customers buy the service direct from the streaming provider and 45% of them rank the service as "very good value." The option to watch streaming video on a TV, from a service purchased from the provider, with high-perceived value is the **biggest threat to the traditional TV industry.**

Nearly half of customers pay for multiple streaming services, with just 31% paying via a traditional satellite provider or MVPD.

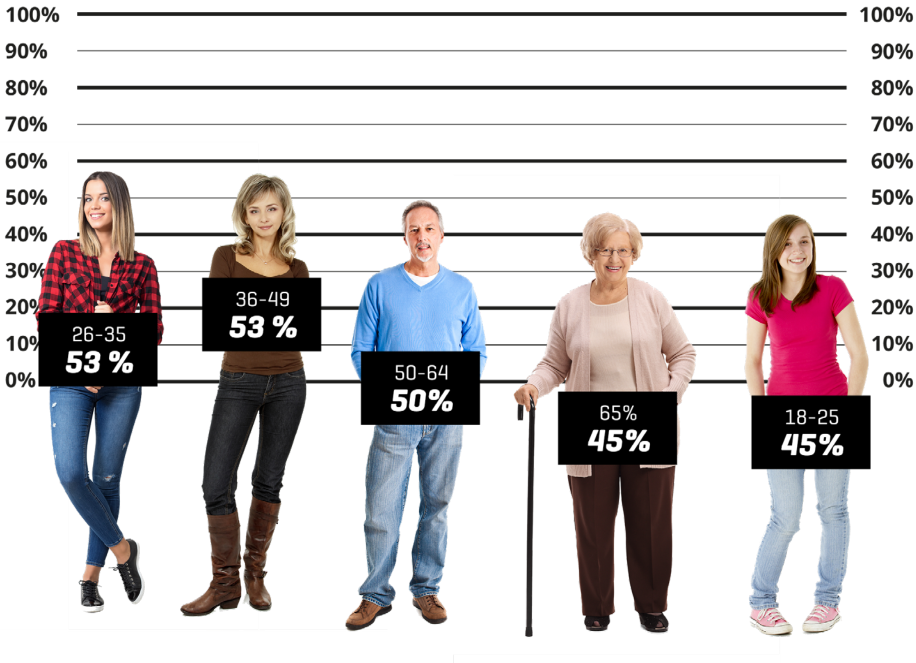
Pay-TV will have to fight the streaming wars on multiple fronts, including competitions from technology companies such as Amazon and Apple whose primary interest in video content is to support a different business model - selling iPhones or Amazon Prime subscriptions. The pay-TV business model will have to adapt quickly to survive.

PROFILE OF A PAY-TV CUSTOMER

The subscription rate for pay-TV is **50% globally** in the markets covered.

The perceived value of pay-TV is lower than online streaming, with 33% rating the service as "very good value" for money.

Around 95% of respondents could not rank a specific reason that would stop them cutting the cord.



33% of pay-TV customers rate their service as very good value **for money**

43% of pay-TV customers rate their service as good value for money

The pay-TV customer's top 3 devices

58% of pay-TV customers watch video regularly on a smartphone

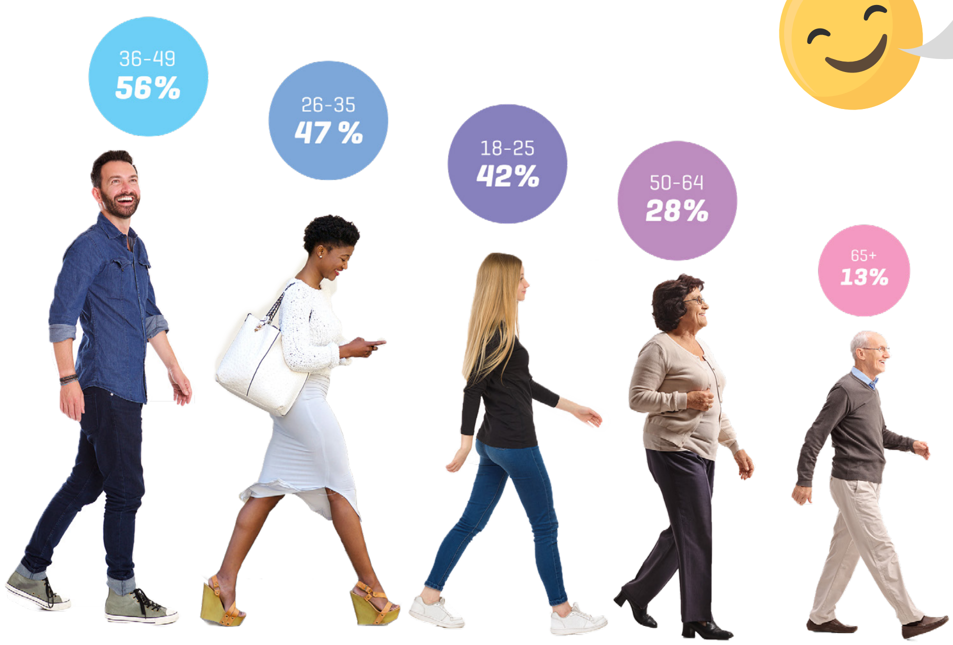
53% of pay-TV customers watch video on a Smart TV regularly

29% watch regularly using a streaming device

Broadcasters have recognised the change in audience behaviour and are adapting to the digital shift in viewing by offering TV services across multiple devices using online streaming. Some networks have launched dedicated streaming services with more flexible payment options as an alternartive to traditional pay-TV subscriptions. Disney+ is the most high-profile switch from a network focusing on carriage-deals and pay-TVtowards streaming. HBO Max and NBC's free-streaming service Peacock are set to follow this year. Other leading broadcasters such as Sky and CBS offer dedicated streaming services for pay-TV subscribers to address this challenge. **Most dedicated pay-TV streaming services do not offer the full complement of content** - the full ESPN portfolio is not yet available on Disney+ for example - highlighting the challenges of moving from pay-TV to a pureplay direct-to-consumer offering.

PROFILE OF A CORD CUTTER

What do we know about cord-cutters and those planning to cut the cord?



Almost half of cord-cutters and planned cord-cutters think their online streaming services are **very good value for money**

Around **25%** of planned cord-cutters rate the value for money of pay-TV services **as neutral to very poor**

Why cut the cord?

45% of cord cutters switched because online services are more affordable

Around 1/3 of planned cord-cutters want to switch for the flexibility to watch when they want

Both segments rate device availability as important and expect to see content on every platform

61% of planned cord-cutters watch video on online video services daily.

65% of cord-cutters do the same.

The cord-cutters have a strong affinity to online streaming.

45% of the group switched to streaming because these services are more affordable.

Cord-cutters regularly use social media to find new content to watch and indicate less interest in content recommendations within a specific service.

Content discovery is a key benefit when using online platforms to watch video. Using algorithms these platforms are able to make targeted recommendations, which keep users on the platform.

Social media platforms use these same types of algorithms, which are now indirectly acting as recommendation engines for video content, promoting new shows on streaming platforms and TV.

DIGITAL VIDEO IN THE SPORTS INDUSTRY

Today, major broadcasters and pay-TV providers hold most of the world's premium sporting rights and consumers have limited choice in where, or how, to watch.

44% of global sports fans don't pay for traditional pay-TV services.

This means almost half of the potential sports audience is locked out of viewing many major sporting events. This lack of access reduces audience reach and can impact rates for sports participation, as seen with the decline of cricket in the UK, with younger demographic groups being least likely to watch linear pay-TV.

More than one-quarter of fans who have a pay-TV subscription plan to cut the cord within the next five years, a clear incentive for rights holders to explore direct-to-consumer streaming models to offer greater flexibility and choice for fans.

54% of global sports fans with a pay-TV subscription plan to cut the cord within five years

58%
watch sports on online streaming platforms

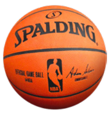
Which sports do sports fans want to watch on online streaming platforms?

69%
want to watch Soccer/ Football

44%
want to watch Tennis

38%
want to watch Motorsports

35%
want to watch Boxing

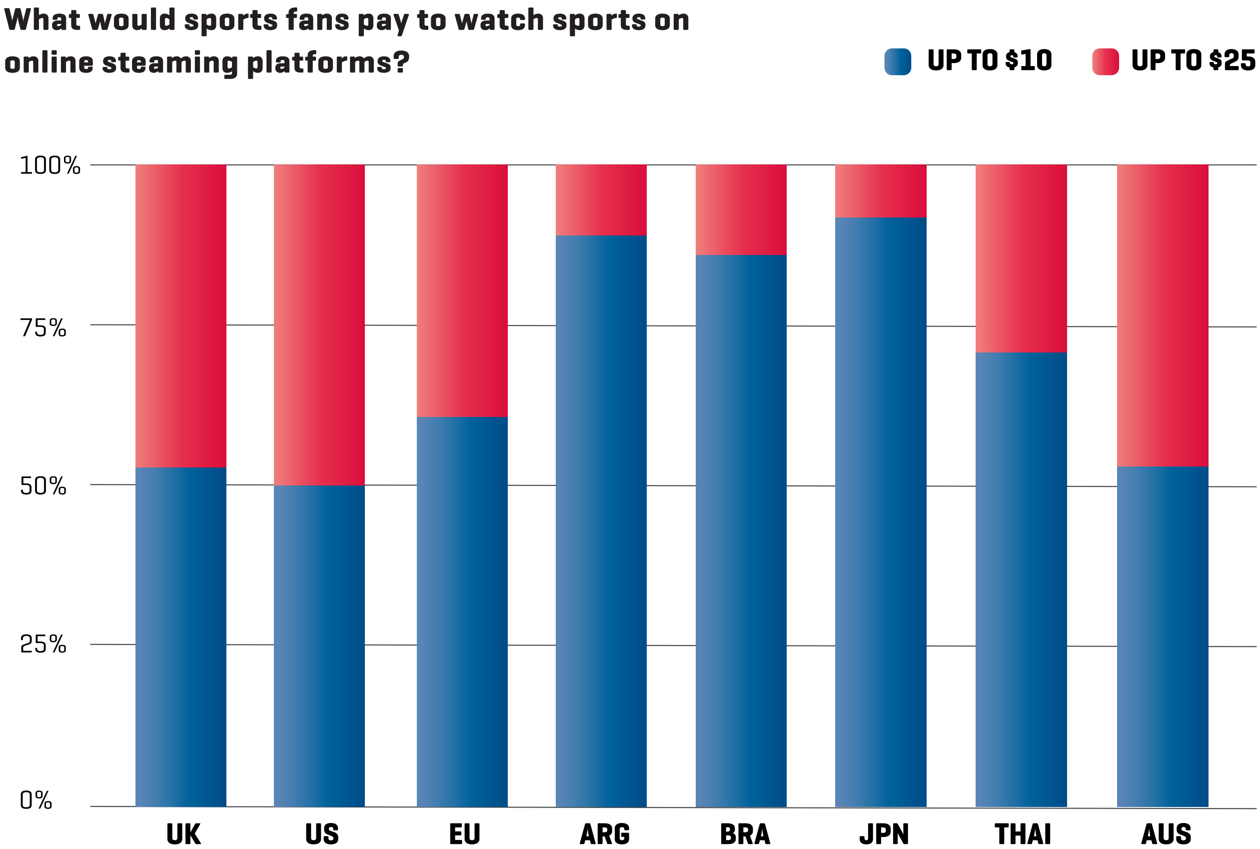


38%
want to watch Basketball

The challenge for sports rights holders moving to the direct-to-consumer streaming model is the complexity of the existing media rights environment and the pricing expectations of fans. The consistent message from consumers in all markets we studied was that **fans want to pay about $10 per month for a sports subscription online.**

This model is in stark contrast to traditional sports broadcast deals, with billions of dollars committed up front and income for the sport guaranteed. Rights holders are not then responsible for monetising the rights investment. As the move away from pay-TV services accelerates, more pressure will be put on broadcasters to protect margins which may have a knock on impact to the value of sports media rights. As sport retains a unique ability to aggregate millions, sometimes billions, of consumers to watch an event live at the same time, **this remains a vital element of protecting the value of sport in the video ecosystem.**

DIGITAL VIDEO IN THE SPORTS INDUSTRY



The majority of global consumers are willing to **pay up to $10 per month to watch sports online.** In more mature streaming markets such as the U.S and UK, consumers value streaming more highly and are willing to pay more. Given the high cost of pay-TV subscriptions to access sports in these markets it is likely that they will support a higher price ceiling for sports streaming services.

Sports-focused streaming services such as DAZN offer a low monthly subscription price and have **scaled successfully**, but others such as FuboTV and Kayo are less aggressively priced which may restrict mass market adoption. DAZN's business model has led to rapid growth for the platform in Europe, Asia and the Americas, which could be a glimpse into the future of sports video.

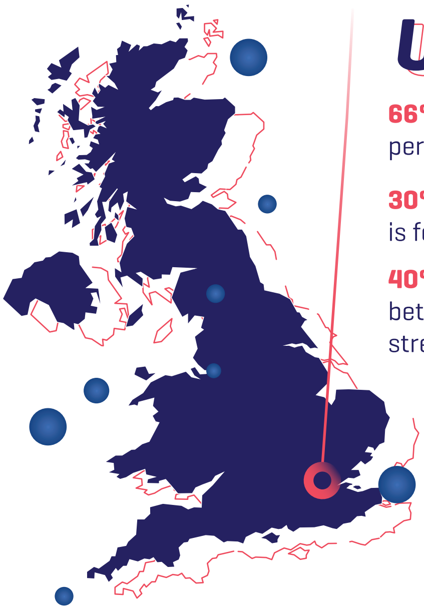
For a leading rights holder such as the English Premier League or the National Football League (NFL) to generate increased global revenues from a direct-to-consumer model, **scale matters**.

Correctly timing the decision to move from selling exclusive media rights packages to pay-TV broadcasters, with security of income through the rights cycle, to selling streaming services direct to fans **may be the most important decision for major sports in the next decade.** This may also lead to European rights holders moving to the US model where media rights can be bought exclusively for ten years or more, contrasting the three year rights cycle in the English Premier League and UEFA Champions League.

Shorter cycles restrict the level of investment in new markets and as sports look to globalise, a longer-term partner with **a strong investment vision** may become the norm.

The debate is whether pay-TV broadcasters continue to dominate this market or whether new entrants such as DAZN or tech platforms such as Amazon Prime use long-term exclusivity rights to enter one of the major global domestic markets.

THE GLOBAL VIDEO INDUSTRY BREAKDOWN

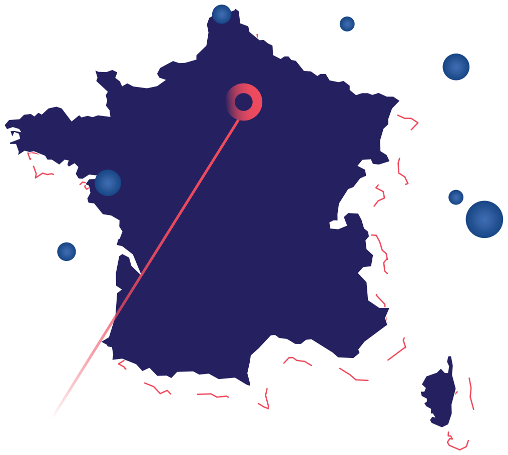


UK

66% of UK consumers spend up to £20 per month on video services

30% of UK consumers report all video spend is for streaming

40% of UK consumers are willing to pay between £11-£35 per month for online streaming services

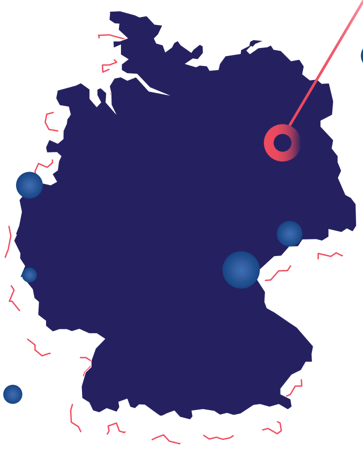


FRANCE

73% of French consumers spend up to €20 per month on video services

41% of French consumers report more than half of video spend is for streaming

92% of French consumers are willing to pay up to €25 per month for online streaming services

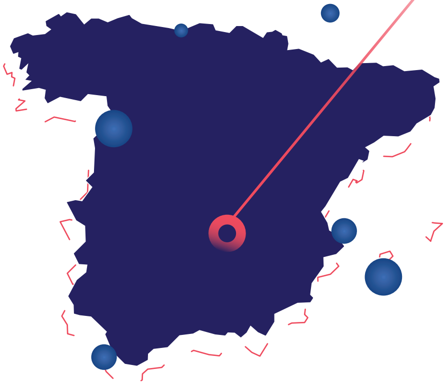


GERMANY

75% of German consumers spend up to €20 per month on video services

35% of German consumers report more than half of video spend is for streaming

91% of German consumers are willing to pay up to €25 per month for online streaming services



SPAIN

64% of Spanish consumers spend up to €20 per month on video services

39% of Spanish consumers report more than half of video spend is for streaming

87% of Spanish consumers are willing to pay up to €25 per month for online streaming services

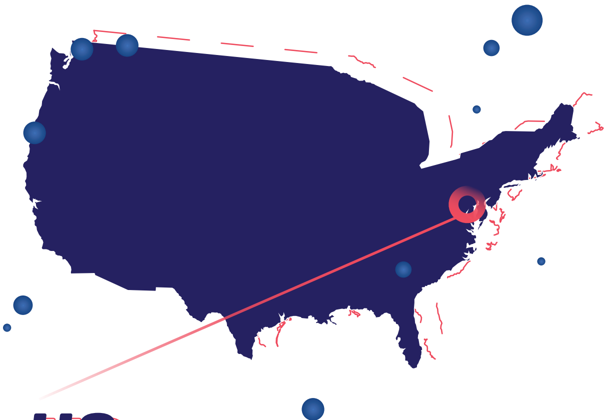
ITALY

64% of Italian consumers spend up to €20 per month on video services

42% of Italian consumers report more than half of video spend is for streaming

87% of Italian consumers are willing to pay up to €25 per month for online streaming services

THE GLOBAL VIDEO INDUSTRY BREAKDOWN

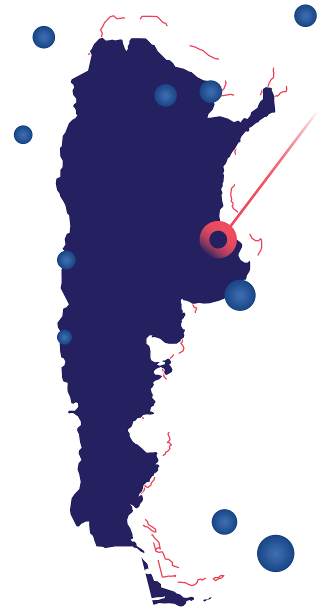


US

55% of US consumers spend under $20 per month on video services

30% of US consumers report all video spend is for streaming

47% of US consumers are willing to pay between $11-$35 per month for online streaming services



ARGENTINA

62% of Argentinian consumers spend between USD $8 - $24 per month on video services

23% of Argentinian consumers report over half of video spend is for online services

49% of Argentinian consumers are willing to pay up to around USD $7 per month for online streaming services

BRAZIL

50% of Brazilian consumers spend between USD $6 - $22 per month on video services

37% of Brazilian consumers report over half of video spend is for streaming

44% of Brazilian consumers are willing to pay between USD $5 - $9 per month for online streaming services

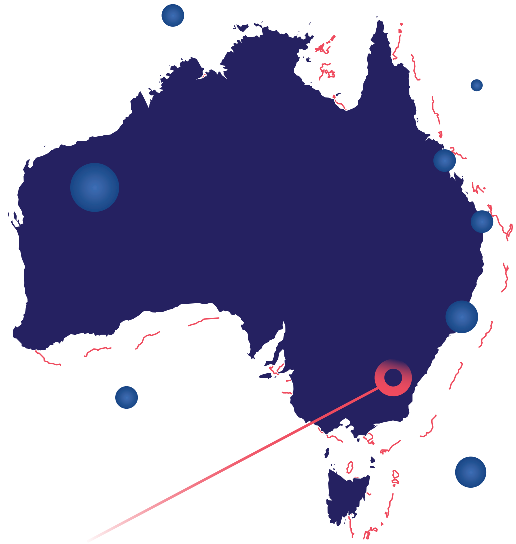
THE GLOBAL VIDEO INDUSTRY BREAKDOWN

THAILAND

83% of Thai consumers spend up to USD $30 per month on video services

41% of Thai consumers report half or more of video spend is for streaming

47% of Thai consumers are willing to pay between USD $6 - $20 per month for online streaming services



AUSTRALIA

49% of Australian consumers spend up to A$20 per month on video services

40% of Australian consumers report all video spend is for streaming

46% of Australian consumers are willing to pay between A$11 - A$29 per month for online streaming services

JAPAN

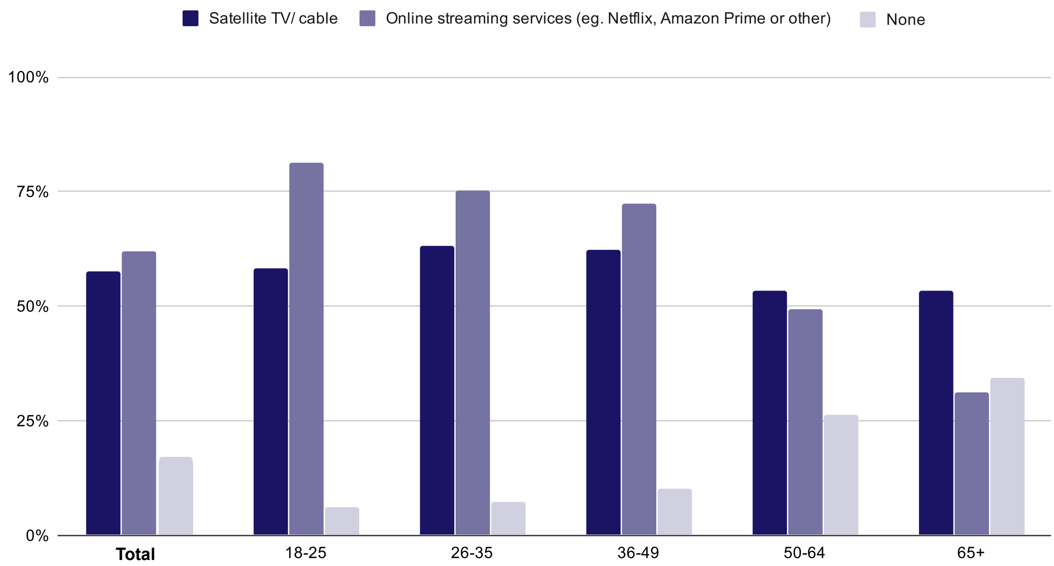
33% of Japanese consumers spend up to USD $10 per month on video services

50% of Japanese consumers report half or more of video spend is for streaming

75% of Japanese consumers are willing to pay up to USD $5 per month for online streaming services

UNITED KINGDOM

Which video services do UK consumers pay for?



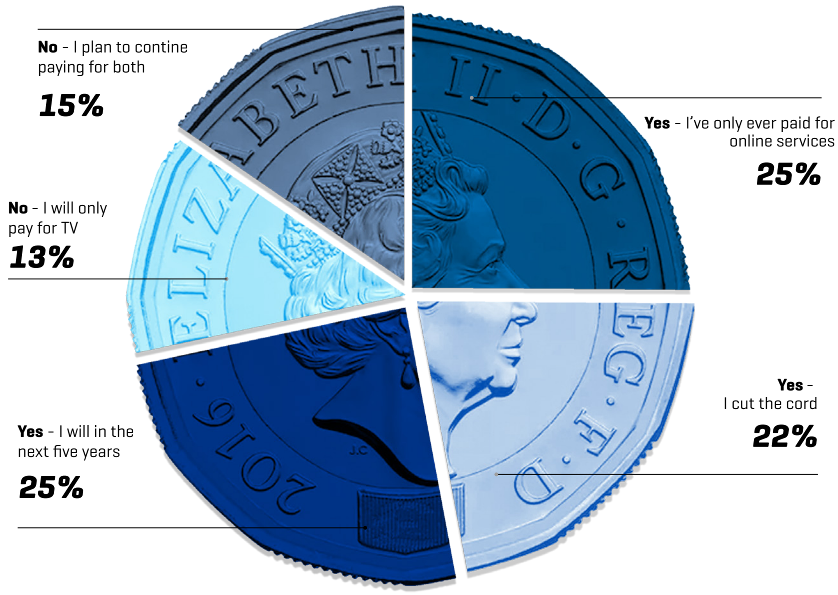
In the UK, there has been **growth in online video subscriptions** across all age segments under 65 since our 2019 Video Trends Reports.

23% more 50-64 year olds and 18% more 36-49s now pay for an online video service.

Are UK consumers planning to pay for online video services exclusively in the future?*

Within the next five years, **pay-TV will represent just 30% of UK consumers** that pay for a video or TV service.

The UK streaming wars really begin in 2020. The likes of Britbox, Disney+ and Apple TV+ will be competing with Netflix and Amazon Prime for streaming customers.



Which online streaming services do UK consumers pay for?

71% Netflix

44% Amazon Prime

16% NowTV

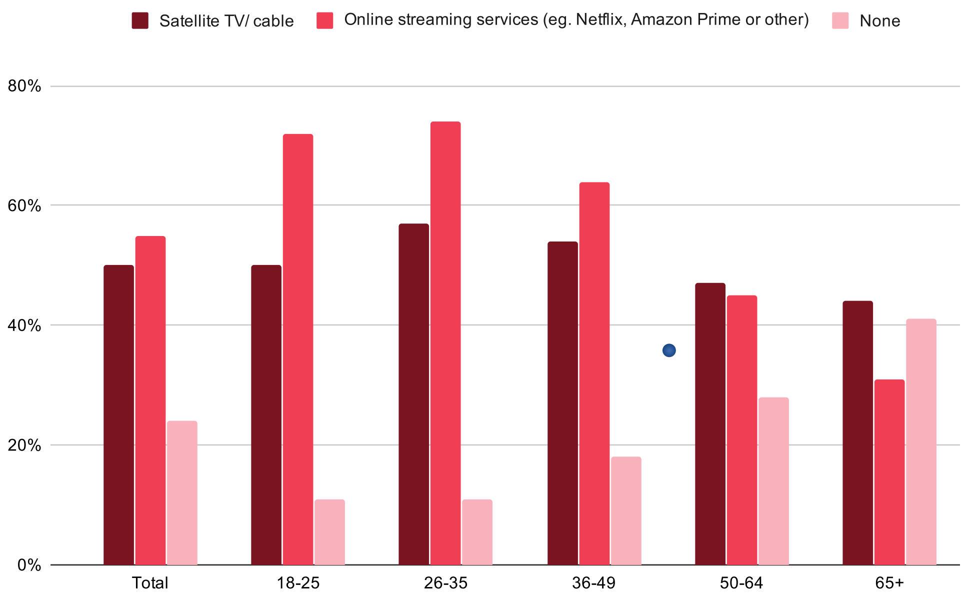
63% of UK pay-TV customers also pay for an online streaming service

13% plan to subscribe to Disney+

** Data presented is only UK consumers who currently pay for a TV or video service or plan to in the future*

EUROPE's BIG FOUR GERMANY, SPAIN, ITALY & FRANCE

Which video services do European consumers pay for?



The online video industry across Europe is highly segmented with local pay-TV and streaming services in each country.

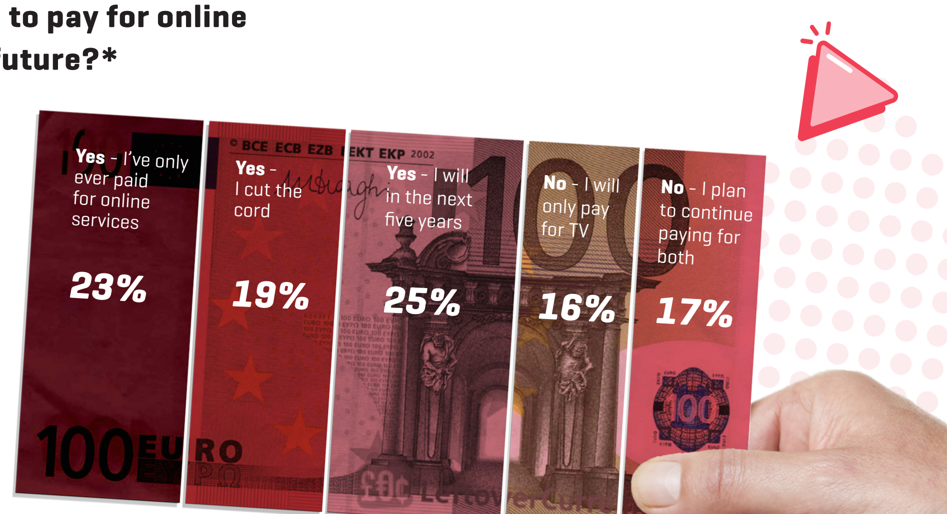
Europe has seen growth in online video subscriptions across all segments from our 2019 study.

89% of under-35s in Europe pay for video services with 74% of this segment subscribing to online streaming.

Are Europe's consumers planning to pay for online video services exclusively in the future?*

The traditional pay-TV market will come under threat across Europe in the next five years, with **only 32% of consumers expecting to subscribe to pay-TV services by 2025.**

The competition between international and local online services will drive an increase in quality, flexibility and choice as more consumers switch to online streaming subscriptions.



** Data presented is only European consumers who currently pay for a TV or video service or plan to in the future*

Which localized streaming services do European consumers pay for?

14% myCANAL

32% Movistar+

22% Sky Go

16% Sky Go

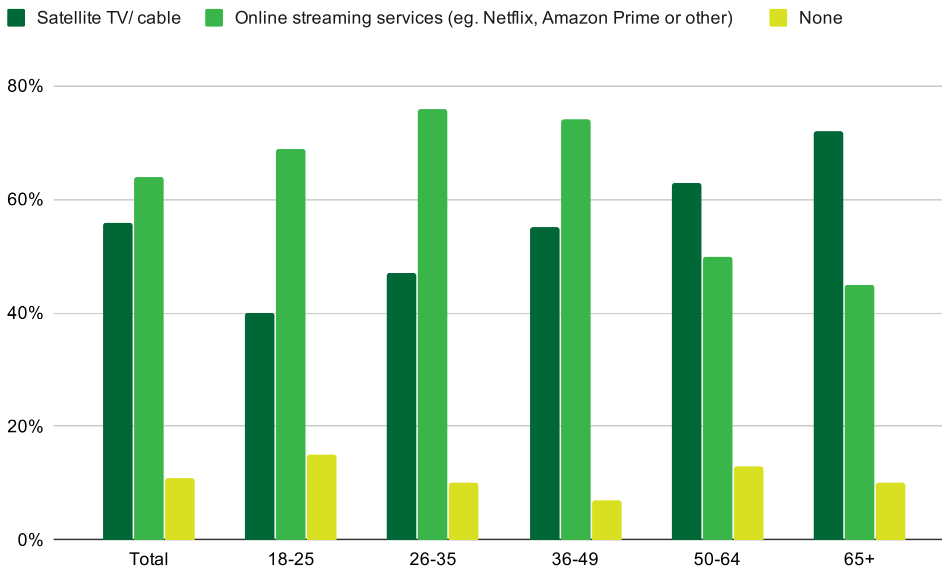
Across all four markets, **54%** pay for Netflix, **40%** pay for Amazon Prime Video.

THE GLOBAL VIDEO INDUSTRY
UNITED STATES

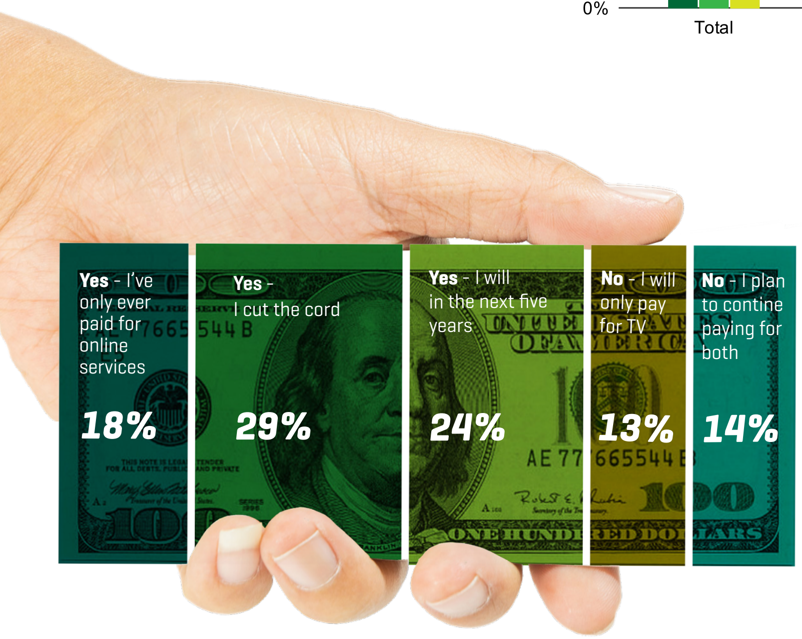
Which video services do American consumers pay for?

In the US, streaming continues to grow rapidly in all age groups with a **23% growth in online video subscriptions** since our 2019 report.

Overall, 10% more US consumers pay for any type of video service since 2019, this has effectively **halved the amount of non-paying video consumers.**



Are American consumers planning to pay for online video services exclusively in the future?*



* Data presented is only US consumers who currently pay for a TV or video service or plan to in the future

Almost three-quarters of US consumers that currently pay for TV or streaming services expect to switch to streaming only within the next five years.

With Disney+, Apple TV+ and the incoming HBO Max and Peacock from NBC Universal entering a competitive market, the US will be the bellwether for the global streaming wars.

Which online streaming services do Americans pay for?

66% Netflix

42% Amazon Prime

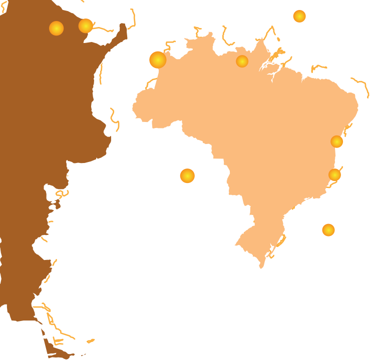
36% Hulu

24% Disney

15% plan to subscribe to HBO Max.

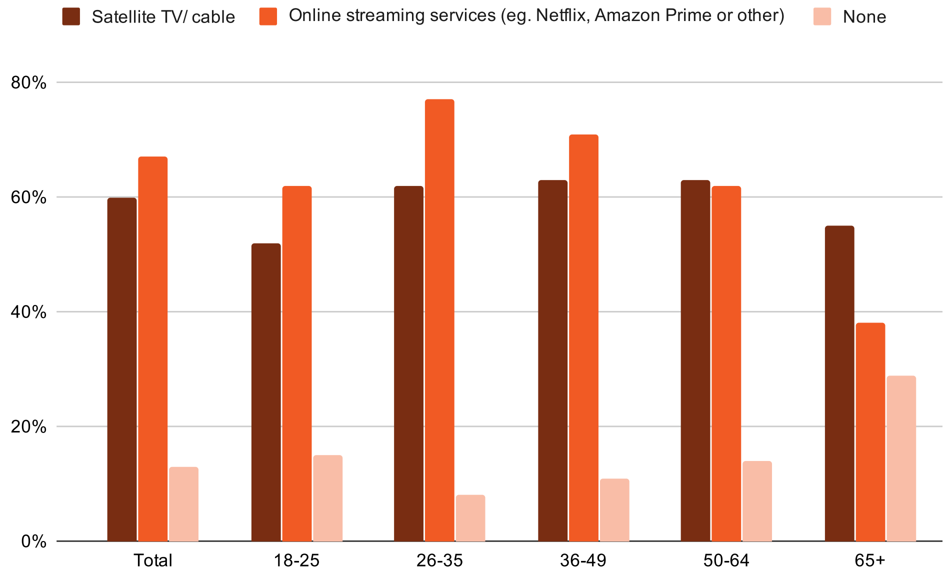
47% pay for one or two streaming services.

54% of US cable customers also pay for a streaming service.



LATIN AMERICA - BRAZIL AND ARGENTINA

Which video services do LATAM consumers pay for?



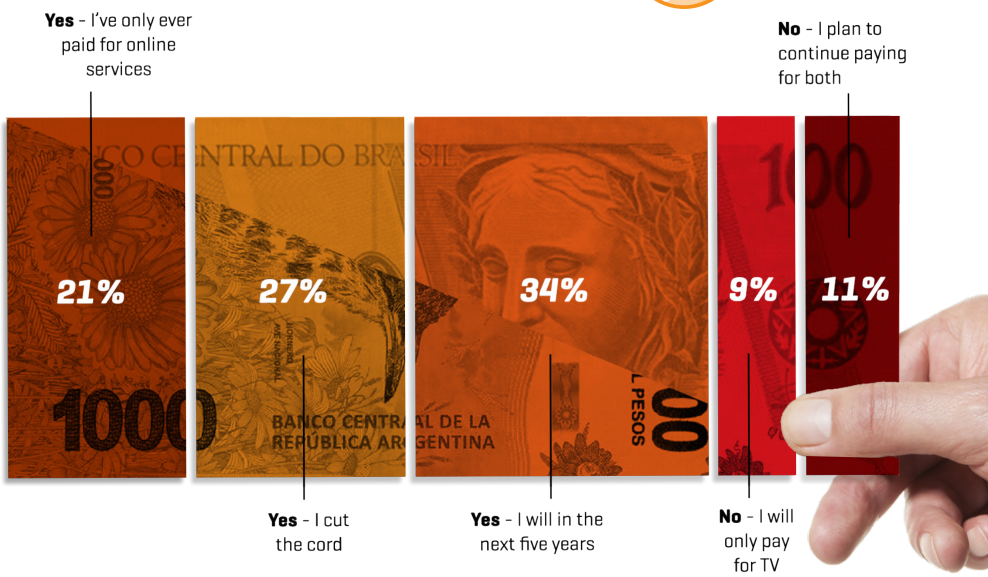
With an historically strong pay-TV market, the **rapid growth of online streaming** is even more impressive in Latin America.

67% of all video customers in Brazil and Argentina subscribe to an online streaming service, which rises to **70% adoption for the under-35s.**

Are LATAM consumers planning to pay for online video services exclusively in the future?*

Almost **80% of LATAM consumers expect to make the switch** to online video services only in the next five years, among the highest forecast adoption rate in all markets.

Challenges remain with the availability of local content and the suitability of internet infrastructure. Potential solutions in network upgrades, such as the rollout of 5G, remain uncertain.



** Data presented is only LATAM consumers who currently pay for a TV or video service or plan to in the future*

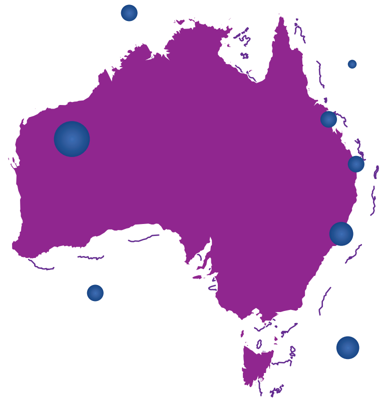
Which localized streaming services do LATAM consumers pay for?

flow **24%** Cablevision Flow

globoplay **21%** Globoplay

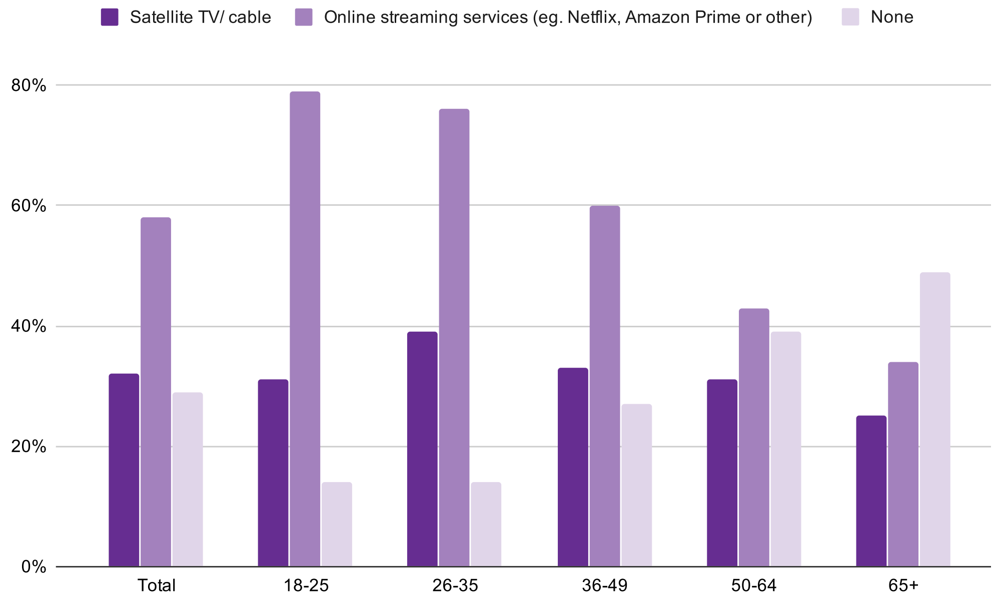
25% of consumers in both countries pay for at least two online streaming services

Across both markets, **81%** pay for Netflix, and **16%** pay for Amazon Prime Video.



THE GLOBAL VIDEO INDUSTRY
AUSTRALIA

Which video services do Australian consumers pay for?



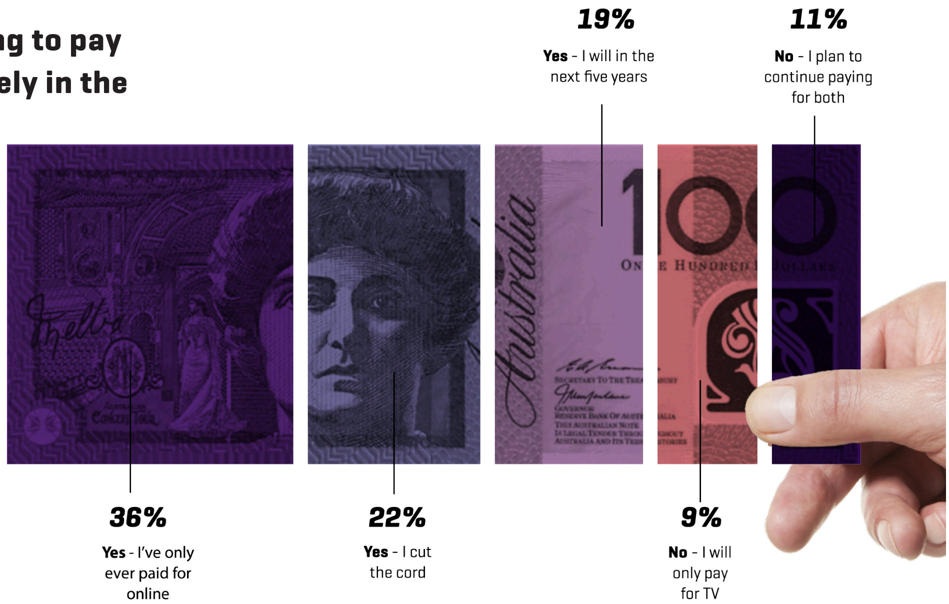
Online streaming subscriptions have grown in all age demographics across Australia since our 2019 report. Overall, **streaming subscriptions are up 12%.**

Pay-TV subs have slightly decreased as consumers move to streaming. **Almost a third less over 65s subscribe to pay-TV in 2020.**

Are Australian consumers planning to pay for online video services exclusively in the future?*

Local streaming services in Australia have been popular with consumers and are growing at about the same rate as major international platforms.

More than **57% of consumers have already stopped paying for satellite or cable.** 76% of video customers in Australia plan to move to online streaming exclusively by 2025, with 85% adoption in the 18-25 age group.



** Data presented is only Australian consumers who currently pay for a TV or video service or plan to in the future*

Which online streaming services do Australian consumers pay for?

78% Netflix

22% Stan

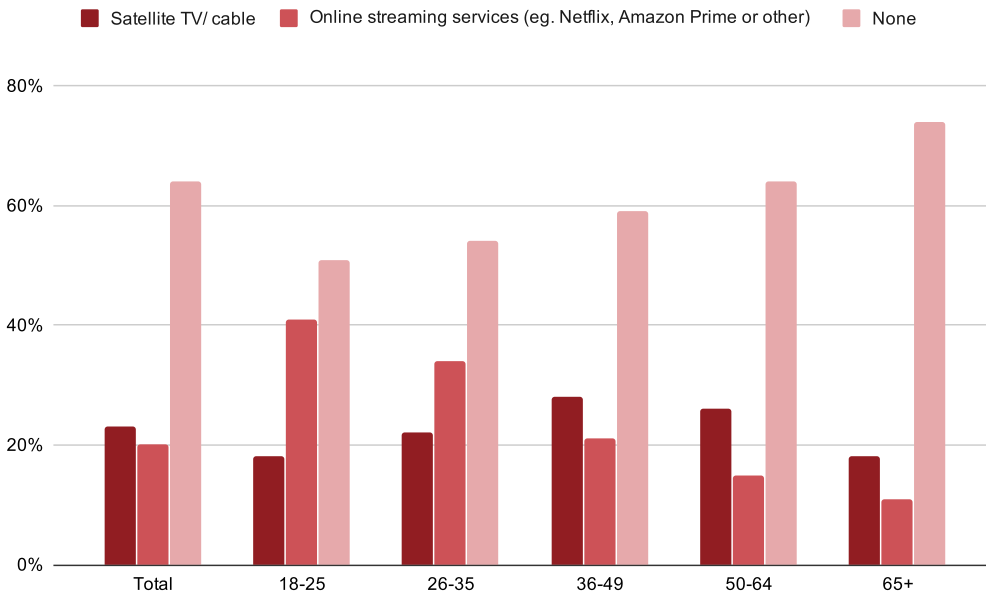
18% Foxtel Now

17% Disney+

14% Amazon Prime

25% of consumers in Australia pay for two or three online streaming services

Which video services do Japanese consumers pay for?



Japan shows markedly different characteristics to the other countries in the study with **free-to-air (FTA) TV services dominating the market.**

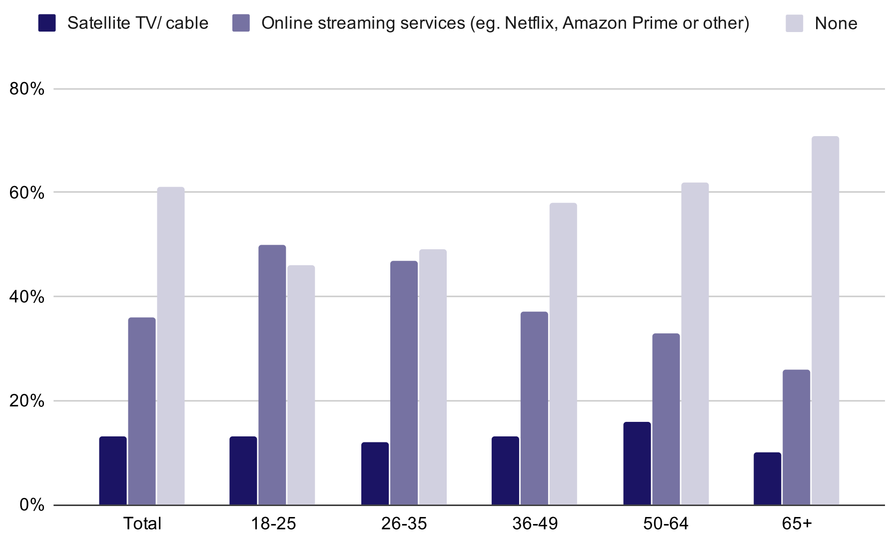
Streaming services are just beginning to take a foothold in the country with **20% of under-35s** paying for an online video subscription.

Which video services will Japanese customers pay for in five years?*

In the next five years **the Japanese online streaming market is set to evolve quickly.**

More than 36% of Japanese consumers expect to take an online subscription in the next five years, a **80% increase on 2020.**

Japan is the only country in the study where Netflix has a lower adoption rate than Amazon Prime Video.



** Data presented is only Japanese consumers who currently pay for a TV or video service or plan to in the future*

Which online streaming services do Japanese consumers pay for?

34% Amazon Prime

13% Netflix

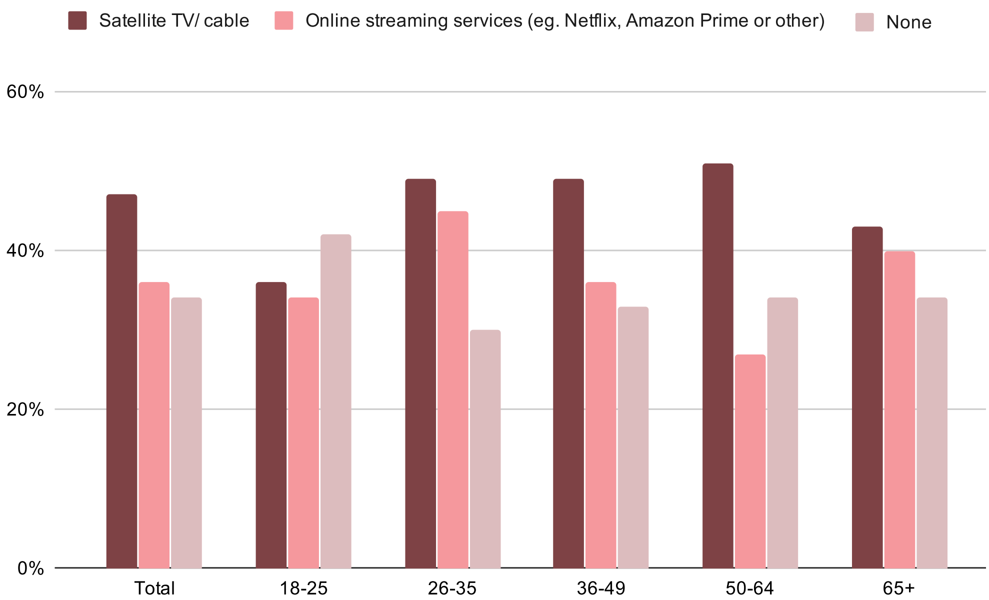
8% DAZN

8% Abema TV

28% of consumers in Japan pay for at least one online streaming service

THE GLOBAL VIDEO INDUSTRY
THAILAND

Which video services do Thai consumers pay for?



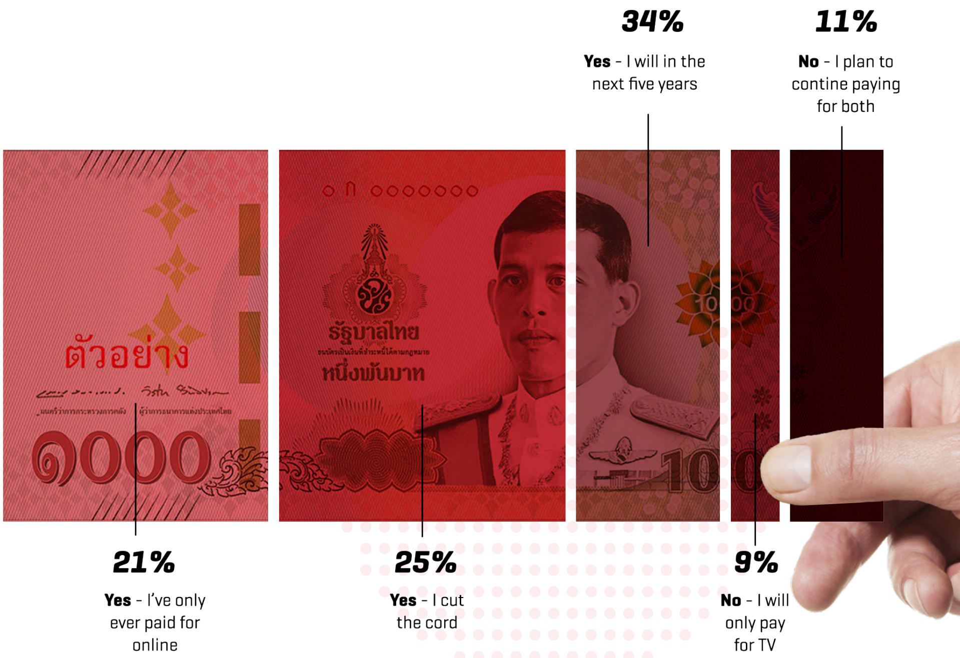
The Thai video market is dominated by pay-TV operators with 47% adoption. The variance in uptake between age-groups is lower in Thailand, with **36% of under-25s and 43% of over-65s paying for a cable or satellite subscription.**

High pay-TV adoption rates have not reduced demand for online video, with streaming subscriptions at 36% penetration.

Are Thai consumers planning to pay for online video services exclusively in the future?*

Cord-cutting is a major consideration for Thai consumers, as local services such as LINE TV and Doonee begin to achieve adoption at scale.

82% of video customers in Thailand plan to move to **online streaming exclusively** within 5 years. The highest rate in all markets studied.



** Data presented is only Thai consumers who currently pay for a TV or video service or plan to in the future*

Which online streaming services do Thai consumers pay for?

71% Netflix

41% Line TV

14% Amazon Prime

34% of consumers in Thailand pay for more than one online streaming service

WHAT THE EXPERTS SAY

Ally Pitfield
Head of Media Services, UK&I
Nielsen Sports & Entertainment

"The 2020 report demonstrates the key drivers behind consumer purchase intent and this year, we're seeing the evolution of consumer viewing habits and their willingness to adapt in an ever-changing fragmented landscape. How broadcasters, regardless of type, react - this will be exciting to watch as the playing field continues to shift.

Control of payment and personalisation of content are key selling points of streaming providers, so delivering engaging content, frequently, tied with ease of access will be key to increasing the number and age demographic of cord cutters, as the results show the older demos are less likely to cut the cord, but how long will this last?

The other key factor for the industry will be the subscription fatigue, the point at which traditional broadcasters believe the bubble will burst for these new players. This is a tipping point for the younger generation who are more susceptible to swapping and shifting their habits across multiple platforms. At what point and at what cost will we see a definitive behaviour change to the limit of platforms held at any one time?"

Barry Flanigan
Chief Product Officer
Copa90

"The report highlights that sport in particular is bigger than ever. It retains a unique ability to aggregate millions of consumers to watch an event live at the same time, emphasising the value of sports content in the video ecosystem. Rights owners now have opportunities to reach global audiences and build new fan bases on a scale that simply wasn't possible previously. However the platforms and brands that fans choose to consume their sport through are in a real state of flux. That has a knock-on effect on the potential value of media rights. There are two big question for rights owners and broadcasters over the next few years. Firstly will declining viewership on traditional linear TV have a knock-on effect on the amount that broadcasters are willing to pay? There are already some signs of saturation. And secondly will any drop in the value of in-market TV rights be compensated by an increase in value from new packages, designed to tempt in the streaming tech giants such as Amazon, where younger fans are increasingly spending more of their time?

Given that the new tech players are still adopting a "test & learn" approach to rights acquisition it's still too early to say how this will play out. But all players in the market need to pay attention to the need to innovate the fan experience based on a deep understanding of how sports fans consume not just the live events themselves but the world of fan culture around the sports they love."

Jamie Hindhaugh
COO
BT Sport

"Recognising the proliferation of viewers' consumption trends BT has worked hard to reach more consumers than ever before by launching on multiple devices and platforms, with new flexible services such as BT Sport Ultimate, BT Sport Monthly Pass and a refreshed BT TV, offering popular OTT services in one place. Such diversification is likely to be the watchword for broadcasters and rights owners in the coming months and years."

SUMMARY

Through this report, we aimed to set a barometer for how the streaming wars will impact the video industry.

The audience demands that broadcasters and publishers continue to innovate. Consumers want to be able to stream whichever content they want on any device, at any time, over the internet. They want lower prices, with greater flexibility and the opportunity to choose how and when they wish to pay.

The global penetration of online streaming has reached 55% of consumers, surpassing pay-TV adoption at 50%. What's more, almost three-quarters of global video customers plan to stop paying for pay-TV services within five years. Cord-cutting is real and it's accelerating. Traditional pay-TV providers in the U.S. lost more than 6 million customers in 2019, a 7% year-over-year decline and the highest ever decline in subscribers in a single year.*

74% of global consumers who pay for video will use online streaming exclusively by 2025.

Technology and the internet has impacted so many areas of daily life. Saving time, cost and resources to consumers and businesses. Price, affordability and access are major considerations for consumers as we head into the streaming wars.

Netflix, Amazon Prime, Apple TV+and Disney+ have set their monthly price points low, increasing the perception of value for streaming. The combination of low price, a flexible business model and widespread device availability is attractive, particularly when compared with the inflexibility and lock-ins for traditional pay-TV.

Of the global consumers who plan to stop paying for pay-TV, or have already cut the cord, 26% reported that price was the most important factor.

Consumers are looking to spend smaller amounts on multiple services tailored to their interests. Across all markets, consumers indicate there is a perceived ceiling on monthly payments which translates to up to four or five online video subscriptions if the current pricing trends continue. **The response from the pay-TV industry is now starting to pick up momentum**. The Entertainment vertical will be the first to go as Netflix and Amazon Prime have redefined the category. Bigger budgets mean higher quality productions, but it is flexible access and binge-viewing that have driven the biggest change in behaviour. Disney+, HBO Max and Peacock are some examples of a response to this new normality for TV.

There is also a decoupling of TV between live and non-live, with sports, news and live entertainment shows now dominating the traditional linear TV schedules. However, whilst Disney+, HBO Max and Peacock may have captured most of the headlines, even sports broadcasters are beginning to change. UK broadcaster BT Sport announced in Feb 2020 that it would offer its pay-TV subscription packages on a flexible basis, with options to add or remove packages of channels at any time. Part pay-TV, part OTT but most importantly consumer-centric and a reflection of the demands of consumers in this new decade.

We have also seen a **rapid growth in online streaming subscriptions across older demographic groups**. Since our 2019 study, online video subscriptions have grown 63% in the 65+ age group. In the UK, online video services have grown 15% in the 65+ segment since 2019. In Italy, this jumps to a massive 81% increase amongst the over 65s in the past year. **Streaming is in demand across every age group**.

Consumption habits across age demographics are beginning to align. As streaming becomes more accessible, more popular and more frequently used these services will need to cater to all ages and interests to continue to scale. So what does this mean for broadcasters, rights holders and publishers? It means **more rapid transformation is needed**. Correctly timing the decision to move to a subscription-based streaming model, either free or paid or both will be critical to survival in the future video ecosystem.

Consumers are striking back, now it's time for the TV industry to respond.

Source: Moffet Nathanson (Feb 2020)

ABOUT GRABYO

Grabyo is the leading cloud video production, editing and distribution platform. Grabyo's lightweight, powerful services is the future of broadcast – equipping partners with the tools to manage agile video distribution strategies across all major digital, OTT and social platforms.

Delivered as a SaaS platform and accessed through a web browser, Grabyo is trusted by major publishers and rights holders across the world. The platform has strategic partnerships across OTT, social media and broadcast including Twitter, Facebook, YouTube, Instagram and Snap. in 2019, Grabyo partners created over 650,000 clips and 16,500 live broadcasts, generating more than 12 billion video views.

To find out how Grabyo can help you action the results of this report, get in touch with us at:

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