

STREAMING IN FLUX – 3 KEY INSIGHTS

In May, DIRECTV Advertising worked with consumer insights platform Suzy to conduct virtual focus groups among US adults who subscribe to live and on-demand video services. Findings indicate that consumers of all ages are happy with how much control they have over their entertainment decisions and with so many available options, the state of streaming is in flux.

1 It's About Time

Across age demos, consumers report having access to at least one streaming video service via a promotional offer or free trial. Once a deal expires, deciding to retain the service is highly dependent on how much time a consumer spends with it. vMVPDs, which offer a wide variety of live content including news and sports, tend to see higher frequency of use than SVOD services. In May, viewers 25-54 spent twice as much time with DIRECTV streaming services each week on average than they did with Netflix¹.

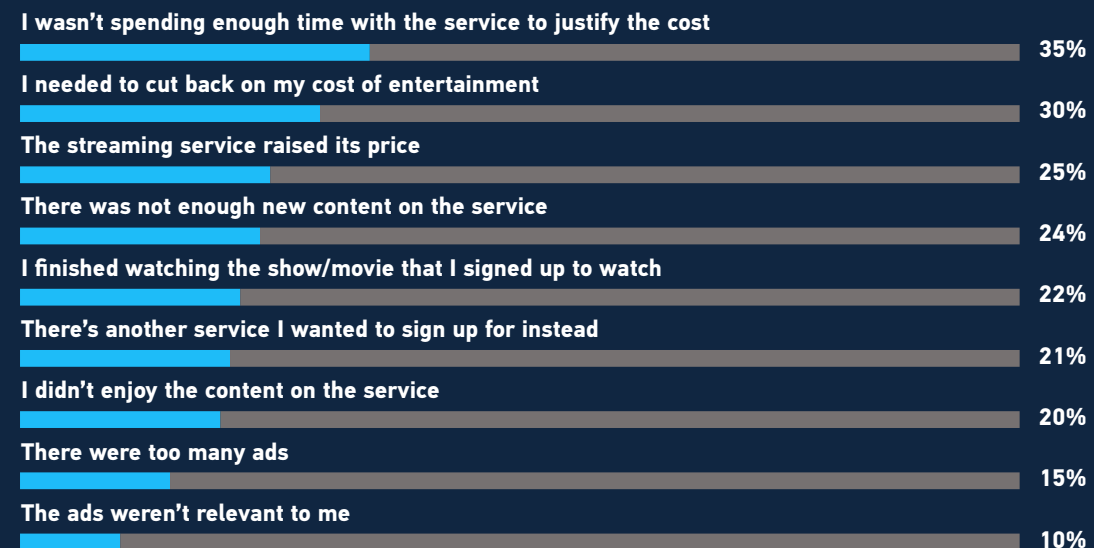
“I think my newest phone [gave us access to a streaming service] for a few months, so we tried that. We didn't continue it. I had [another service] for a few years, **but found we didn't really watch it enough to justify the cost.** I recently bought a year [of another service] so that the kids could finish watching [a series], and then within a week, they took it off of the platform. So that was kind of annoying.” – Gen X



2 A Slow Churn

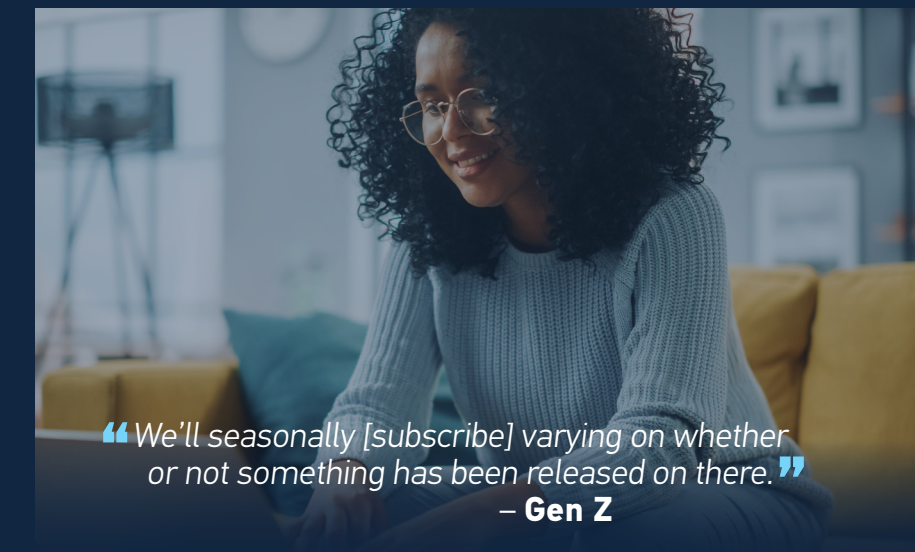
Just over 1 in 5 US adults canceled a streaming video service within the past three months. The leading reason they canceled is that they weren't spending enough time with that service. Beyond cost and affordability, lack of new content and having finished watching a show or movie on that service contribute to a consumer's decision to cancel. With consumers' time splintered across streaming video, they are taking careful consideration of what services they choose to add, retain, or cancel².

What are the top three reasons you canceled a streaming video service?



22%

canceled a subscription to a streaming video service in the past 3 months

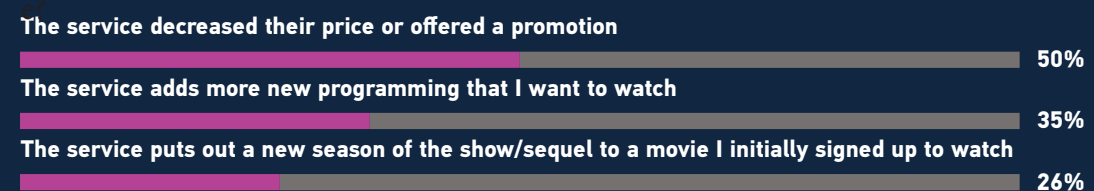


“We'll seasonally [subscribe] varying on whether or not something has been released on there.” – Gen Z

3 Future State of Streaming

Reduced cost of the service would make consumers who recently canceled most likely to resubscribe. Today's consumers are seeking affordable entertainment options, especially since so many opt in to introductory rates and offers. Consumers want affordable options in addition to new, and engaging content. A centralized hub where they can easily navigate across streaming video may be where they choose to invest their time and money in the future².

What are the top three reasons you would consider resubscribing?*



*Among consumers who cancelled within the past 3 months. Not all results reported; consumers selected up to 3 reasons.



“My cell phone service gave me [two streaming services] for free ... the last Black Friday sale we had, I picked up [another]. It was 50% off and I'm really getting my money's worth.” – Boomer