



Video Trends Report

Q1 2020





Introduction

TiVo seeks real consumer opinions to uncover key trends relevant to TV providers, digital publishers, advertisers and consumer electronics manufacturers for our survey, which is administered and examined biannually in this published report. We share genuine, unbiased perspectives and feedback from viewers to give video service providers and industry stakeholders insights for improving and enhancing the overall TV viewing experience for consumers. TiVo has conducted a quarterly or biannual survey since 2012, enabling us to monitor, track and identify key trends in viewing habits, in addition to compiling opinions about video providers, emerging technologies, connected devices, OTT apps and content discovery features, including personalized recommendations and search.

TiVo, part of Xperi Holding Corporation (NASDAQ: XPER), is a global leader in entertainment technology and audience insights. From the interactive program guide to the DVR, TiVo delivers innovative products and licensable technologies that revolutionize how people find content across a changing media landscape. TiVo enables the world's leading media and entertainment providers to deliver the ultimate entertainment experience. Explore the next generation of entertainment at tivo.com or follow us on Twitter [@tivo](https://twitter.com/tivo) or [@tivoforbusiness](https://twitter.com/tivoforbusiness). For more information about TiVo, visit business.tivo.com.

For more about this report, please contact getconnected@tivo.com.

Survey Methodology

Q1 2020 Survey Size
4,367

Geographic Regions
U.S., Canada

Age of Respondents
18+

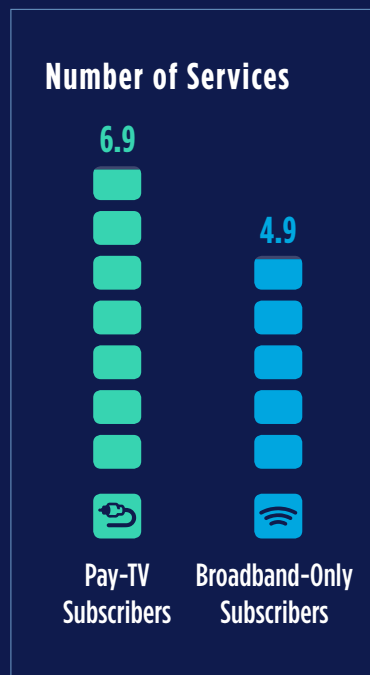
This survey was conducted in Q1 2020 by a leading third-party survey service; TiVo analyzed the results. TiVo conducts this survey and publishes a biannual report evaluating and analyzing key trends across the TV industry.





Lockdown

Even as the COVID-19 pandemic topples economies across the globe, streaming services are thriving. Quarantines and self-distancing have isolated people inside their own homes, leaving many in need of entertainment and glued to their television screens. While it's too early to tell exactly how much video trends have been impacted, it is clear that viewers are watching more video services across the board — from live TV to subscription streaming.



Early data analysis showed a 58 percent increase in viewership overall across the TiVo viewing population, just in the first week of major COVID-related lockdowns. In the same week, daily viewership of pandemic-related titles increased by 600 percent. News consumption is also on the rise. By the week of March 30th, households were watching two more hours of news per week than in the last week of February — notable, as there had already been a steady increase in news viewership since mid-December, attributed to the impeachment and election news cycle.

Simultaneously, streaming app viewership has risen higher than ever, with weekday viewing mirroring weekend viewing, and weekend viewing surpassing holiday averages. By the first week of April, on TiVo devices, Amazon weekend viewership had seen around an 80 percent increase compared to pre-COVID levels. HBO Go viewing increased by 80 percent, Hulu by 36 percent and Netflix by 33 percent over the same period.

The world may be on lockdown, but the vast video market is flying high.





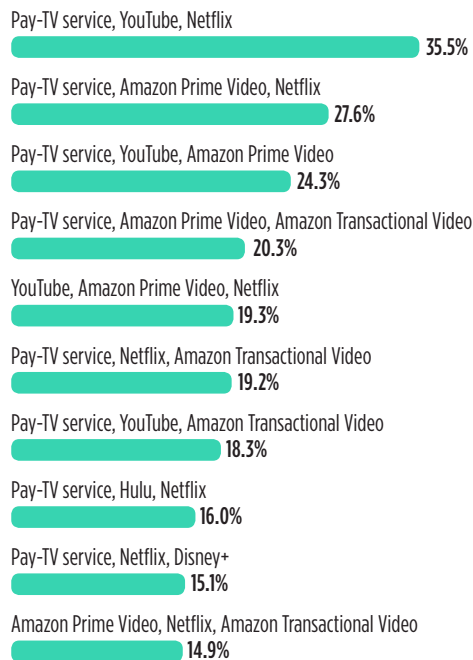
Top Service Bundles

As the vast video ecosystem continues to churn out more options, consumers choose video services in a wide variety of combinations. We analyzed the data to figure out which bundles were the most popular among viewers.

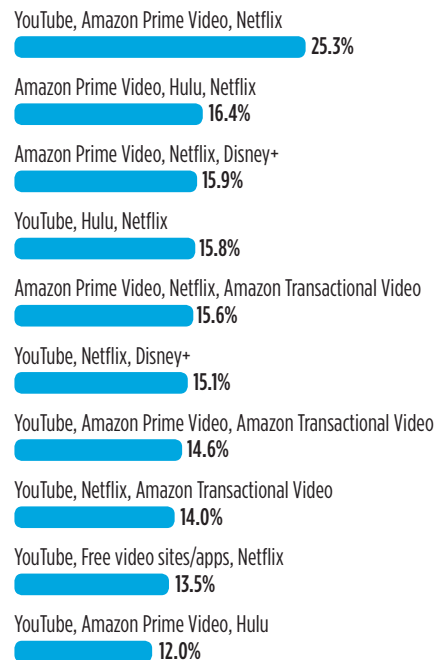
Top Service Bundles



**Pay-TV
Subscribers**



**Broadband-Only
Subscribers**



Percentage of respondents



How much do customers pay for their bundle of video services?



**Pay-TV
Subscribers**

**\$129
/month**



**Broadband-Only
Subscribers**

**\$44
/month**

**Average
\$113/month**



Satisfied or Very Satisfied with their video service



**Pay-TV
Subscribers**

64.6%



**Broadband-Only
Subscribers**

70.5%

**Average
64.9%**



As SVOD Giants Grow Ever Stronger, VMVPDs Struggle to Capitalize

In 2020, 74.6 percent of survey respondents reported using at least one subscription streaming on-demand service, up from 69.5 percent in 2019. As the number of people using subscription streaming (SVOD) and live streaming (vMVPD) services increases, the percentage of users who are “very satisfied” with these services is also rising.

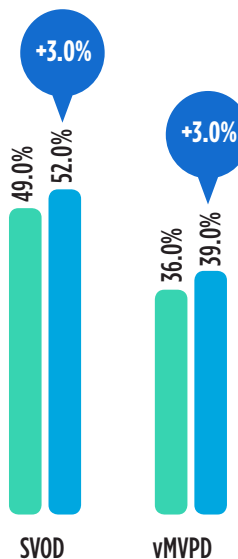
Meanwhile, live streaming (Virtual Multichannel Video Programming Distributor, aka vMVPD) services don't seem to be making similar gains. Hulu + Live TV and YouTube TV, once the strongest of the live streaming (vMVPD) services, are on the decline, decreasing by 2.5 percent and 4.5 percent, respectively year-over-year. Other live streaming services are either static or seeing slight increases or decreases. All are having trouble gaining ground in the subscription market.

i The majority of survey respondents cited cost (63.6%) and ease of access through multiple devices (56.9%) as key benefits of using a live streaming (vMVPD) service. Other key benefits noted by live streaming (vMVPD) users were access to live content through a guide (37.6%) and access to local content (32.1%).

Percentage of Very Satisfied Users

Percentage of respondents indicating they have this type of service

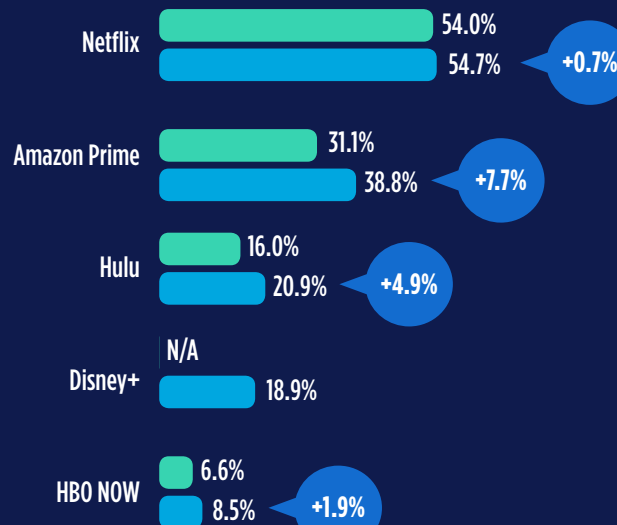
2019 2020



Percentage of Respondents That Use These SVOD Services

Percentage of respondents indicating they use at least one monthly subscription service

2019 2020





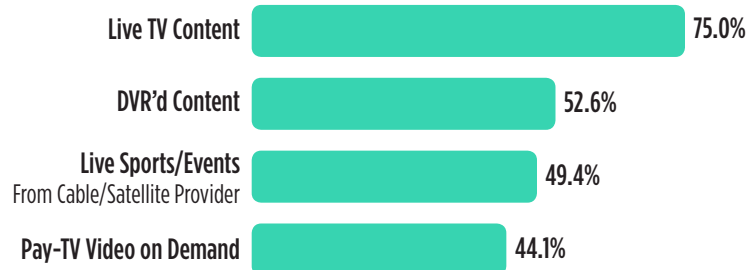
Live TV: Changing Behavior for a Changing World

While it's too early to tell how COVID-related lockdowns will impact consumer behavior over the long term, early data appears to show an uptick in live TV viewership, particularly as people tune into the news more frequently.

In the data below, reflecting pre-COVID analysis, consumer behavior trends indicated that, as SVOD viewership grows, live TV viewership continues its slow decline.

Pay-TV Subscribers Who Watch at Least 30 Minutes of Pay TV Per Day

Percentage of respondents with a pay-TV (cable/satellite) subscription





Local Content Continues to Be a Priority

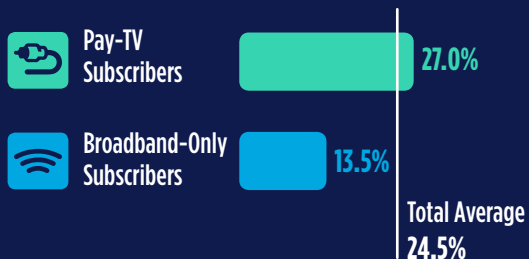
80.7% of respondents said local content is important.

Consider Viewing Local Content Important

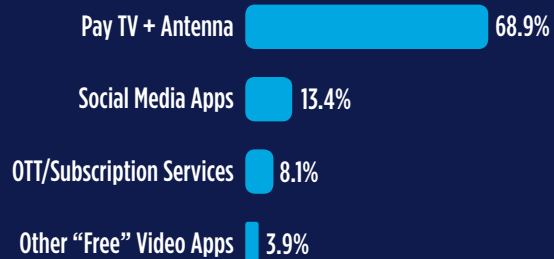
Percentage of respondents



Percentage of Daily Viewing Time Spent Watching Local Content



Preferred Medium for Watching Local Video Content





The Ways We Watch

When analyzing video trends, how consumers navigate their various services is just as important as what they're watching and how they consume the content.

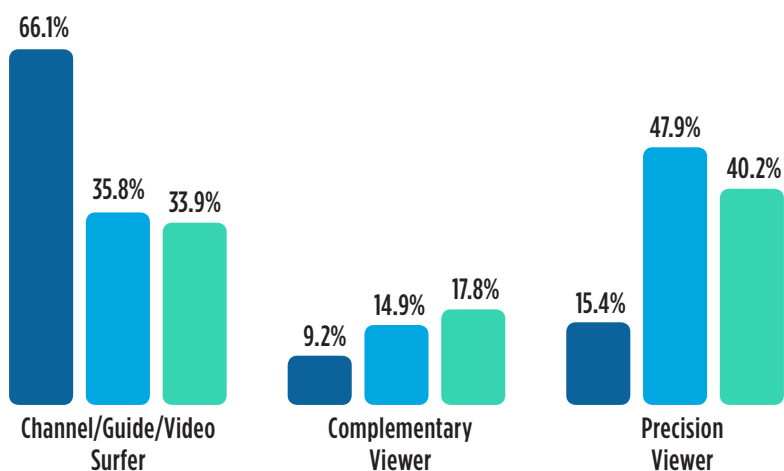
Surfers click through channels, apps or videos to see what catches their fancy.

Complementary Viewers watch videos while doing other activities — multitasking or using content as background noise. **Precision Viewers** already have a particular video or show in mind to search for and watch.

Types of Viewing Behavior

Percentage of respondents indicating they use the service type in question

■ Pay TV (Cable/Satellite) ■ Free Streaming Services ■ Subscription Streaming Services



7.3%

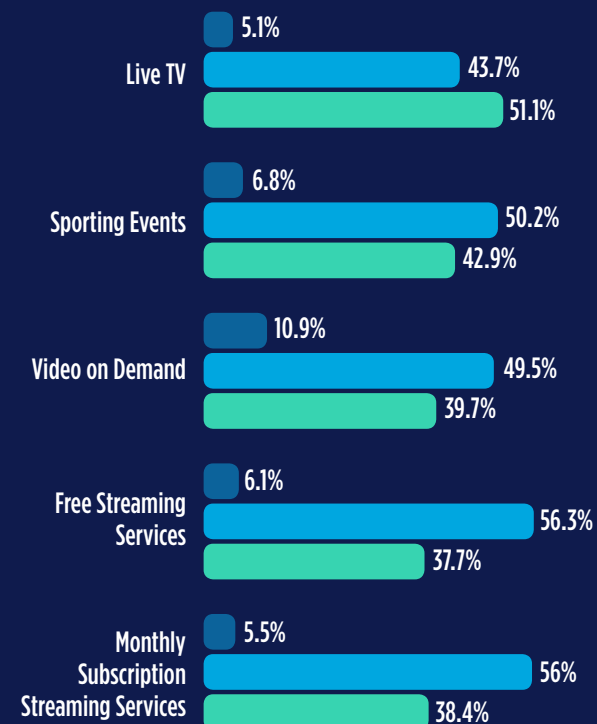
of subscription streaming service users describe themselves as "Recommendation Viewers," meaning they watch the content recommended to them by their subscription streaming service.

Viewers generally find it easy to find something they want to watch on all their video service options. The one exception is pay-TV video on demand, where 10.9 percent of viewers say it's "never easy" to find something they want to watch.

Ease of Use

Percentage of respondents indicating they use the service type in question

☹️ Never Easy 😊 Sometimes Easy 😄 Always Easy





Genres by Viewing Type

For the first time, we're categorizing genre preferences by pay-TV/live TV viewers vs. streaming viewers. In some cases, genre preferences vary greatly. For example, both news and sports appear to be more important to pay-TV/live TV viewers than to streaming viewers. Mainstays like comedy, drama, action and suspense continue to dominate the charts in both categories.

The “Age of COVID-19” is impacting genre preferences as well — and it's not just people watching more news. Since lockdowns began, viewers are watching more crime and comedy. And as families are stuck at home with their children, kids programming has skyrocketed — with a growth jump nearly twice as large as trends in other dominant genres. As social-distancing measures have shut down sporting events across the globe, live sports viewership has seen a clear drop-off, not reflected in these pre-COVID numbers. However, current numbers indicate that viewers are still watching a surprising amount of sports content – in the first 30 days of lockdown, “classic sports” content saw a 47 percent increase across the TiVo viewing population. Without live games to cheer on, it appears sports fans are content to watch reruns, highlight reels and commentary.



TV



Pay-TV / Live TV Content



Streaming Content

Percentage of total respondents



Movies



Pay-TV / Live TV Content



Streaming Content

Percentage of total respondents





Ads Aren't So Bad!

AVOD service adoption continues to be strong.

Believe it or not, people don't really mind ads. More than half of viewers of pay-TV/live TV, TV network apps and ad-supported (AVOD) streaming services report they don't mind ads or even like seeing ads when watching TV – especially if it supports free content. If the choice comes down to higher price or sticking with ads, most people choose the ads. More than half of survey respondents are not interested in paying more for ad-free content, while only 26.3 percent indicated that they would be willing to pay more in exchange for an ad-free experience. User satisfaction with AVOD is on the rise as well, increasing 10.8 percent year over year.

Like or Don't Mind Ads or Commercials When Watching TV

Percentage of respondents indicating they use this type of service to watch TV



Percentage of Very Satisfied AVOD Users

Percentage of respondents indicating they have this type of service



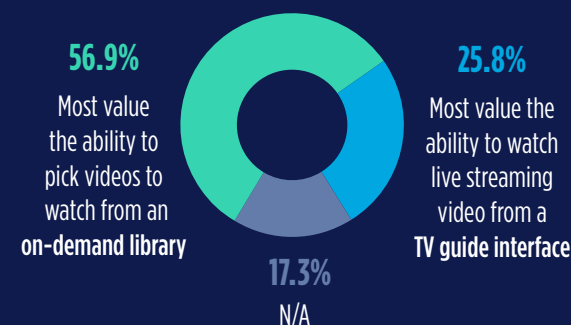
YouTube holds the lead when it comes to viewership stats for ad-supported streaming services, with more than half of viewers reporting they watch free streaming content on the platform. Free video from network sites or apps is a distant second, followed by Facebook Watch, Roku Channel, Pluto TV and Tubi TV.

AVOD Viewers Prefer TV Shows Over Movies

Percentage of AVOD users noted watching the following:



When asked what is most important to them when watching free AVOD video services:





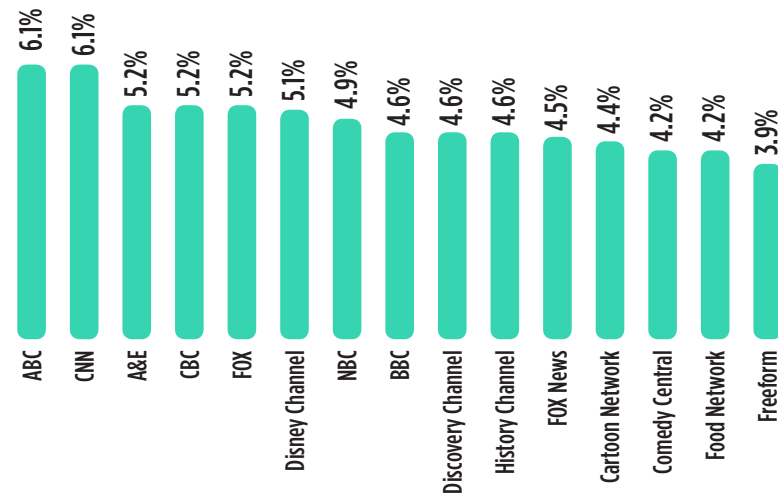
Traditional TV Networks Start Making Inroads Into the Streaming World

With this report, we've begun tracking the use of smart TV/streaming device apps. The ABC, CNN and A&E apps currently hold the top spots, signifying that traditional TV channels are starting to see some gains in pivoting their business to the streaming world. We look forward to tracking adoption trends in the months and years to come.



App Adoption: Smart TV / Primary Streaming Device

Percentage of total respondents





The Times They Are A-Churnin'

While 81.7 percent of respondents report using a cable/satellite service, 10.7 percent say they canceled their pay-TV/live TV provider in the last six months. The vast majority cited price as their reason for cutting pay TV.

While 12.7 percent of respondents said they plan to cut pay TV/live TV in the next six months, 87.3 percent plan to stay with their current pay-TV provider or are undecided about their plans in the next six months.

Reasons for Cutting Pay-TV Service

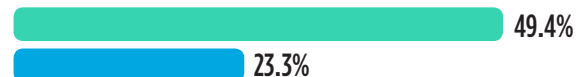
Percentage of respondents indicating they had cut their pay-TV provider in the last six months

2019 2020

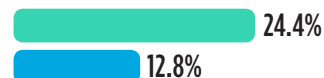
Price/Pay TV is Too Expensive




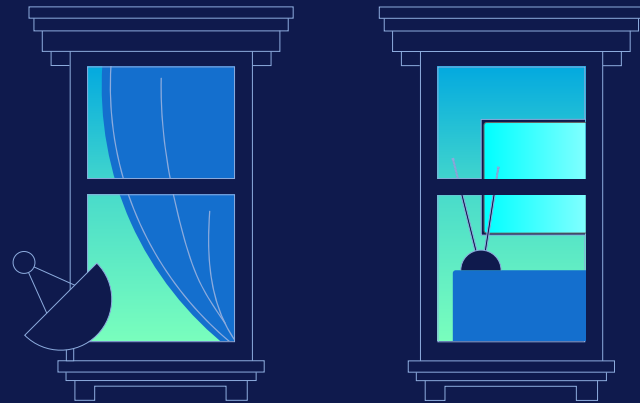
To Use (Only) an Internet Streaming Service (Netflix, Hulu, Amazon Prime Video, etc.)



To Use (Only) an Antenna for basic TV channels



 **5.8%**
say they will not watch live TV at all after cancelling their current pay-TV service.



Of those who plan to cut their current pay-TV service, the majority intend to find other ways to watch live TV. Here are some of their options:

What Are They Planning to Do for Live TV?

Percentage of respondents indicating they DO plan to change pay-TV/live TV providers in the next six months

Another (Different) Pay-TV Service DirecTV, Dish Network, Xfinity, FIOS, etc.



A Virtual Service Provider Sling TV, AT&T TV Now, YouTube TV, Hulu+Live TV, etc.

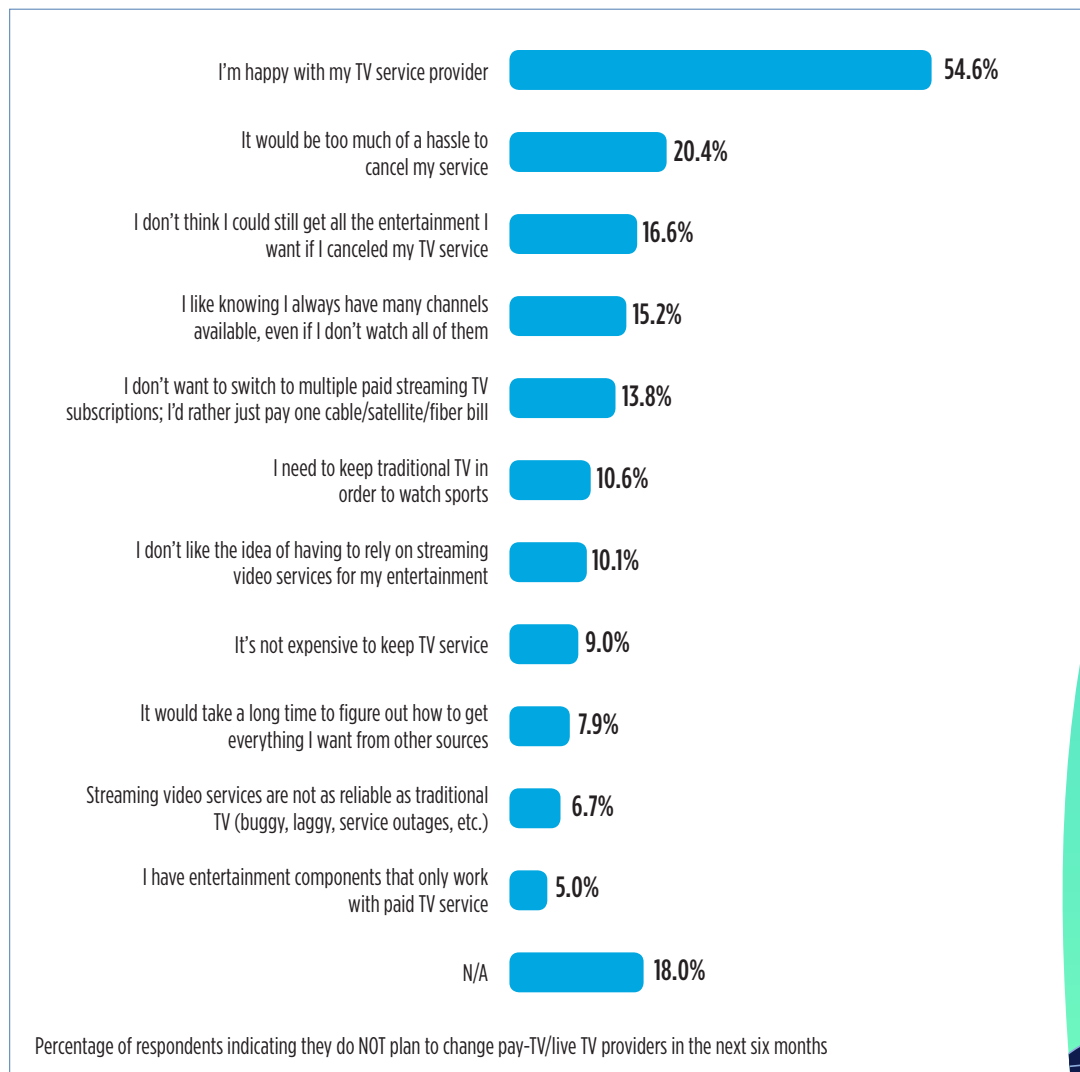


Antenna

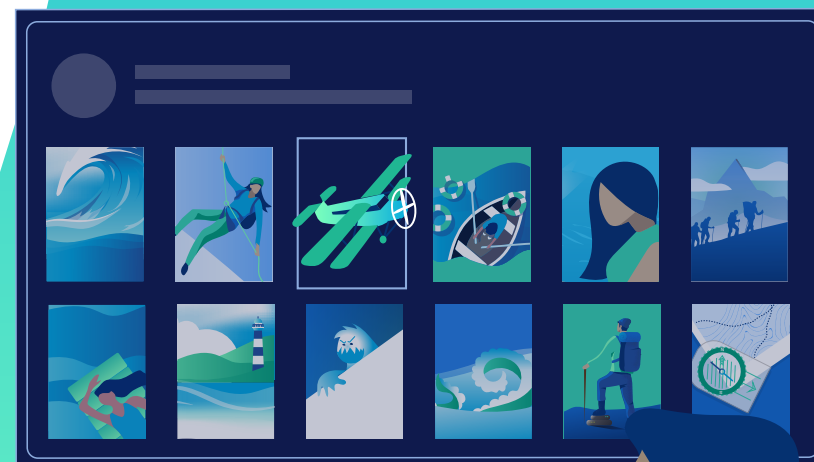




Pay-TV Loyalists Are Keeping Their Services for Many Reasons



43% of TiVo users noted using their TiVo DVR more during the pandemic.*



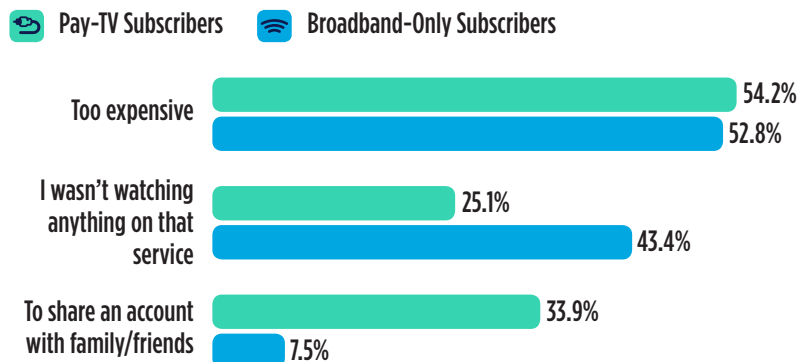


Churn Not Exclusive to Pay TV

11% of broadband-only users reported cutting a subscription streaming (SVOD) service within the last six months. For the same time frame, 21.6% of pay-TV subscribers reported cutting a similar service.

Reasons for Cutting Subscription Streaming (SVOD) Service

Percentage of respondents indicating they had cut/stopped subscribing to a streaming service within the last six months



Significantly more broadband-only users cancel because they aren't watching anything on their canceled subscription streaming service, while more pay-TV users cancel because they intend to share an account with family or friends. This reinforces the trend of cash-strapped pay-TV users making more decisions based on overall cost.



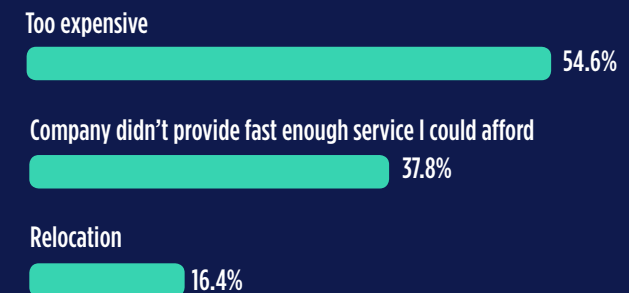
16% of TiVo users have added a new video subscription service in the past month.

85% of which were streaming services.*

12 percent of survey respondents reported cutting or switching their broadband internet service within the last six months. 54.6 percent said they cut or switched because broadband was too expensive, while 37.8 said their former service didn't provide fast enough internet for an affordable price.

Reasons for Cutting or Switching Broadband Internet Service

Percentage of respondents indicating they had cut/stopped subscribing to a broadband internet service within the last six months

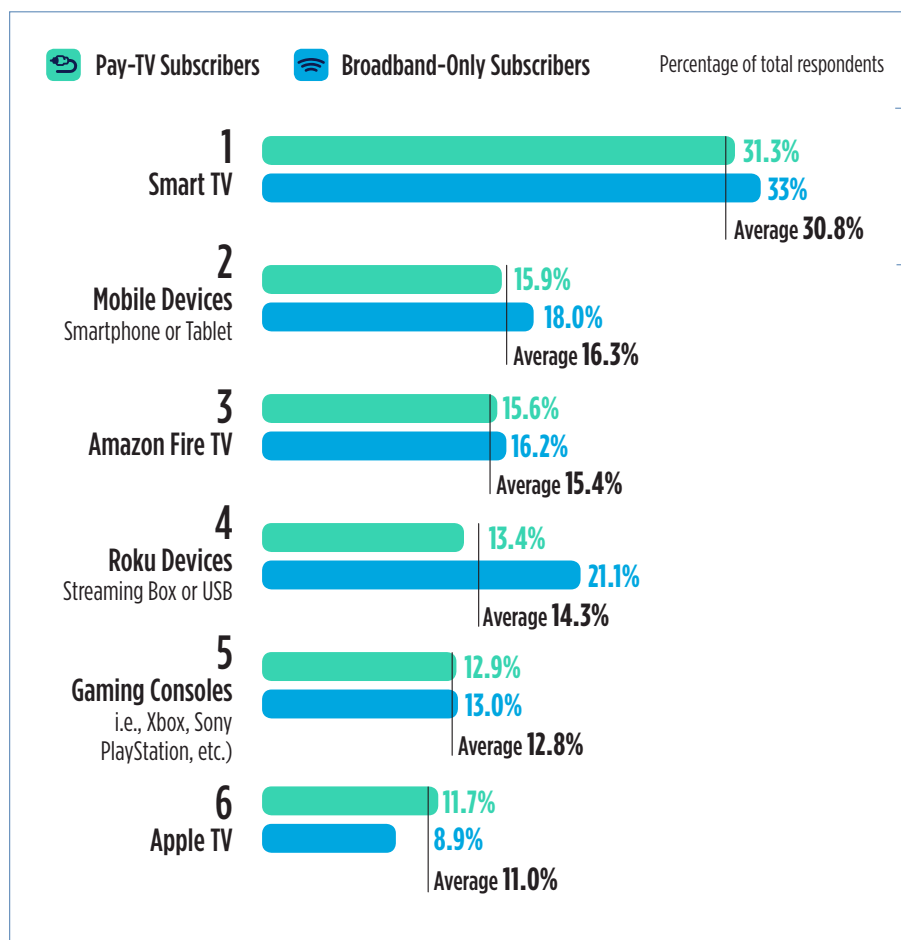
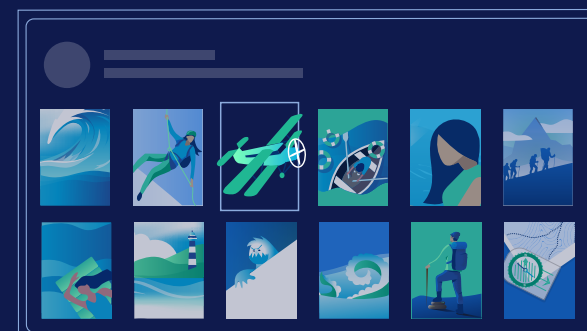


5% of TiVo users have removed or reduced a subscription service in the past month.*



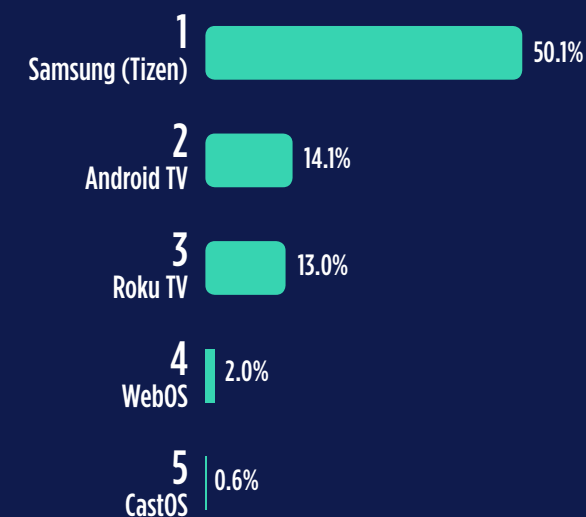
Top Streaming Devices Overall

Ranked by Popularity, Based on Usage Over the Last Six Months



Top 5 Smart TV Operating Systems

Percentage of respondents



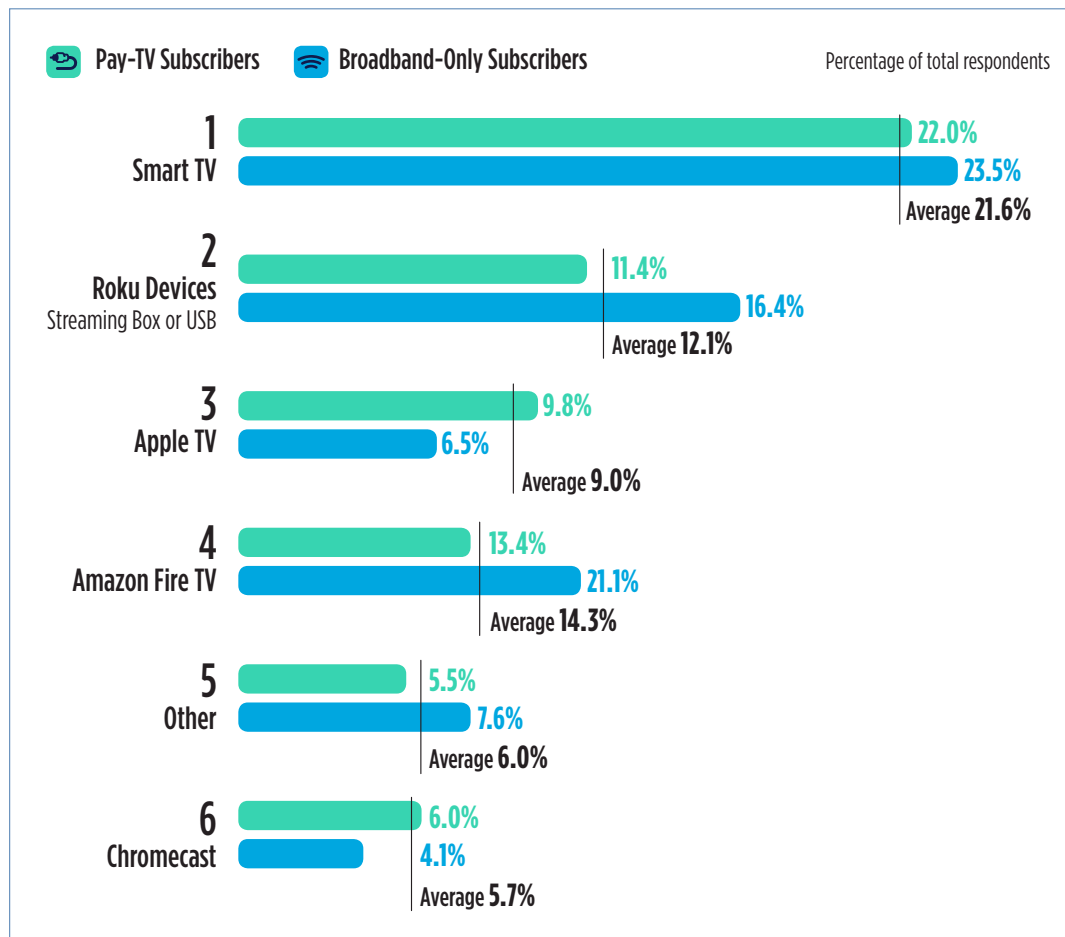
1 in 5

Smart TV owners doesn't know which OS they use.



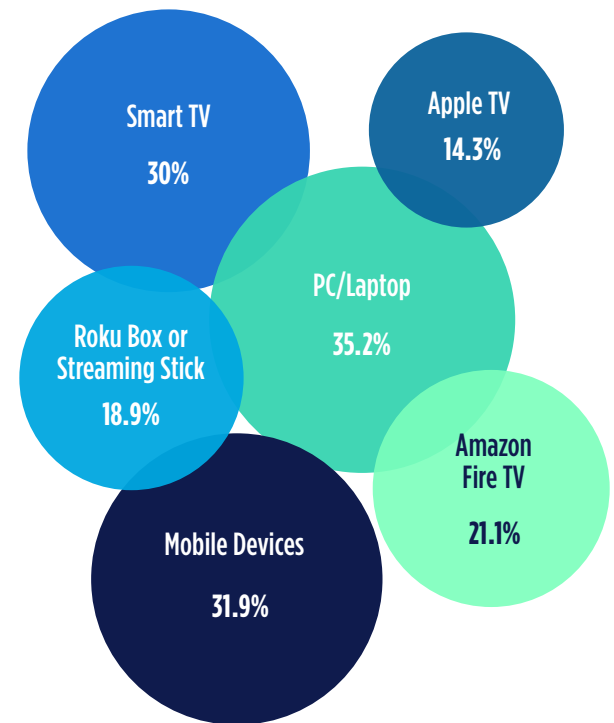
Top Streaming Devices for Primary Viewing

Ranked by Popularity



Users Sign Up to New Internet/Streaming Video Subscription Services Through a Variety of Devices

Percentage of respondents indicating they use at least one subscription streaming service



90.5%

The vast majority found signing up to be an easy process.

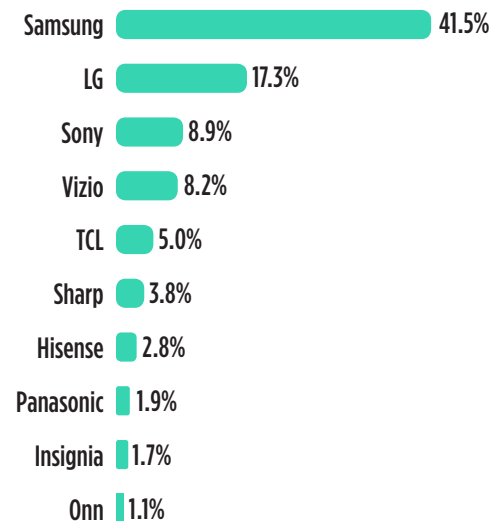


Smart TVs: Keeping the Quarantined Sane

One quarter of survey respondents say that they purchased a new smart TV in the last six months. Of those, 53.2 percent were replacing a non-smart TV, while 38.6 percent were upgrading from a different smart TV. Here are the brands they purchased:

Top 10 Smart TV Brands Recently Purchased

Percentage of respondents indicating they purchased a smart TV in the last 6 months

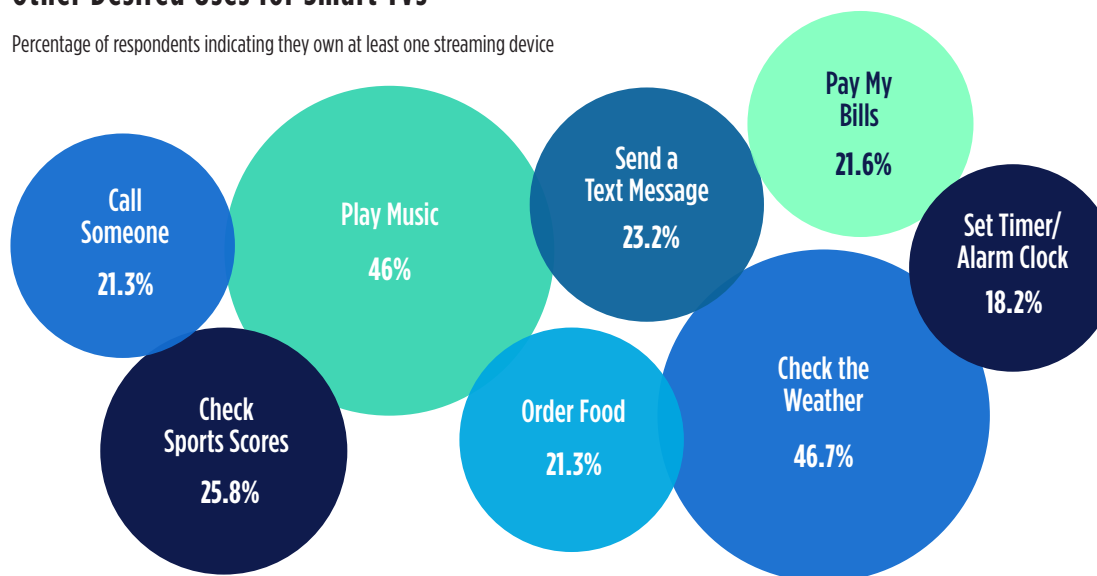


People pick particular smart TVs for a variety of reasons, including size (51.5%), price (46.6%) and image quality (46%).

22.9 percent of survey respondents chose their smart TV because it worked with other devices already in the home, while around 20 percent based their purchase on a smart TV operating system with more internet content. When asked which tasks they would like to perform via their TV set, on top of watching movies and TV shows, around 46 percent of respondents said they want to be able to play music and check the weather. Just over one quarter want to be able to check sports scores, while 23.2 percent want the ability to send a text message.

Other Desired Uses for Smart TVs

Percentage of respondents indicating they own at least one streaming device





Change Is Here for the Video Industry

Millions of North Americans quarantined in their homes are now turning to their various screens for entertainment and solace. As more services continue to offer an unprecedented amount of content, a variety of business models offering live TV and on-demand content will continue to thrive in parallel.


With this increased fragmentation, however, will also come the inevitable desire by consumers to have seamless experiences incorporating all video types into a personalized and efficient platform. While this report reflects very early and preliminary analysis, there's a good chance the video market is poised for more.






Isolation Breeds Desire ... for Better Content Discovery

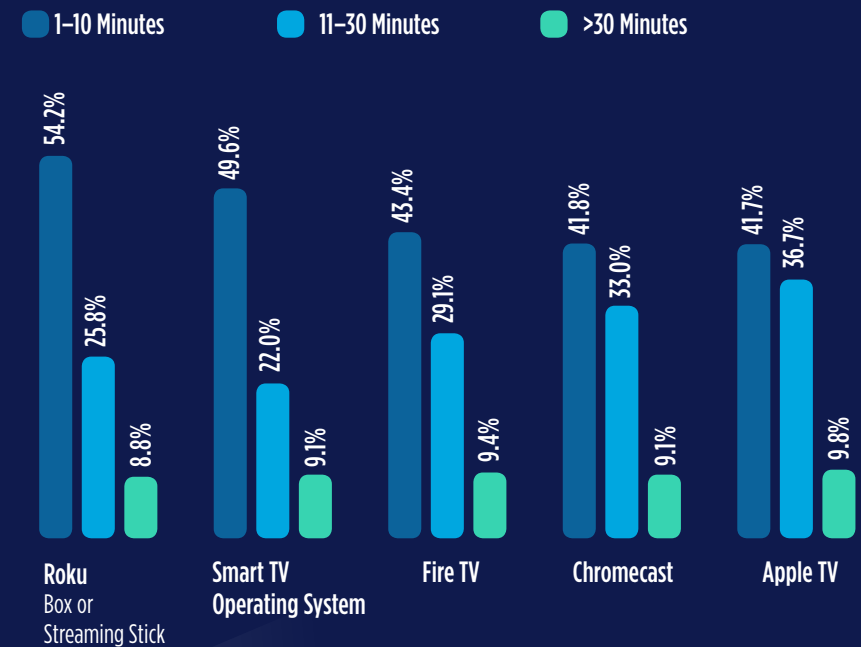
Since consumers are quarantined in their homes and watching vast amounts of TV, they're getting some quality time to assess what they like and don't like about their current technology. Though it may seem as if they have all the time in the world, there has never been more available content, and it can be overwhelming and frustrating navigating it all. Now, more than ever, consumers are likely to be amenable to better content discovery.

 **84.2%** of survey respondents are interested in the ability to view, browse and search all available content from every available source - from broadcast television to subscription streaming services - unified in a single experience or interface.

 **77.3%** of consumers are interested in the ability to pay for all of their video services from a single guide or interface, without having to go to websites, navigate apps, etc.

Average Time Needed to Find a TV Show or Movie to Stream

Percentage of respondents indicating they use the device / service in question



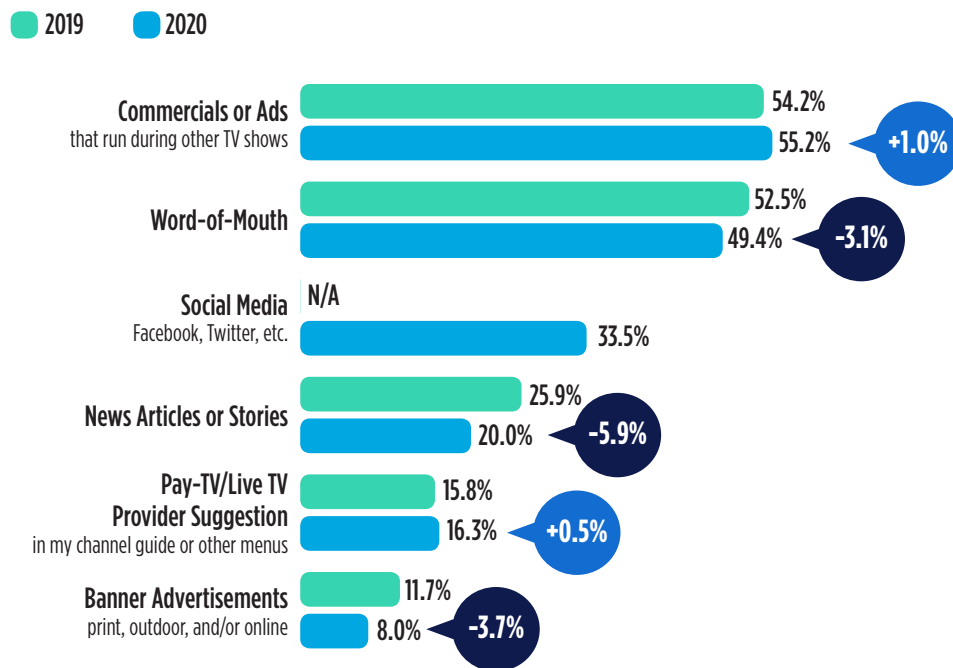


Discovering Content

There's so much content out there, and so many different ways to discover what you want to watch. After analyzing the data, we found that most viewers learn about new TV shows or movies through commercials (55.2%) or word-of-mouth suggestions (49.4%). Roughly one-third of respondents said they discover new TV shows or movies through social media.

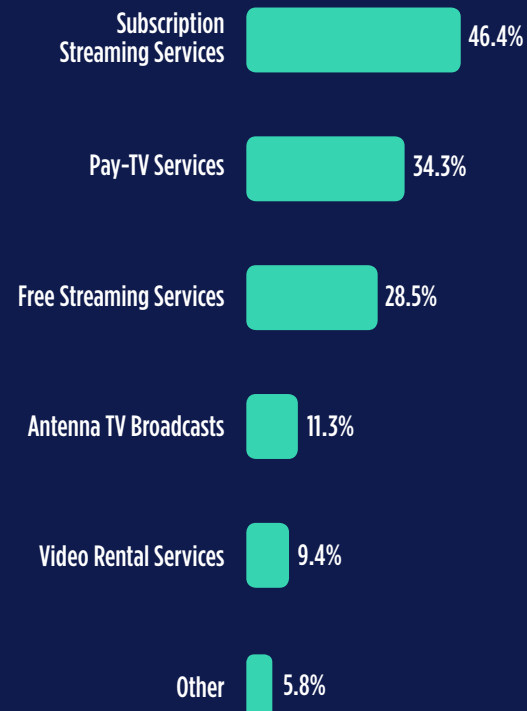
How Viewers Discover New Movies/TV Shows to Watch

Percentage of respondents indicating they use at least one monthly subscription service



Where Viewers Go to Find Something New to Watch

Percentage of total respondents





Recommendations Awareness Continues to Climb

The number of respondents aware that their internet or streaming service makes personalized content recommendations increased 8.8 percent since 2019. The number of survey respondents indicating awareness their pay-TV or live TV makes personalized recommendations increased by 4.6 percent over the same period.

Aware Their *Internet/Streaming Provider* Makes Personalized Recommendations

Percentage of respondents indicating they have an internet/streaming provider



Aware Their *Pay TV/Live TV Provider* Makes Personalized Recommendations

Percentage of respondents indicating they have a pay-TV/live TV provider



Recommendations drive engagement
40% of the time

We asked what percentage of the time viewers actually watch shows or movies recommended by their provider. Pay-TV viewers report watching recommendations 40.1 percent of the time. Streaming viewers report watching 39.3 percent of the time.



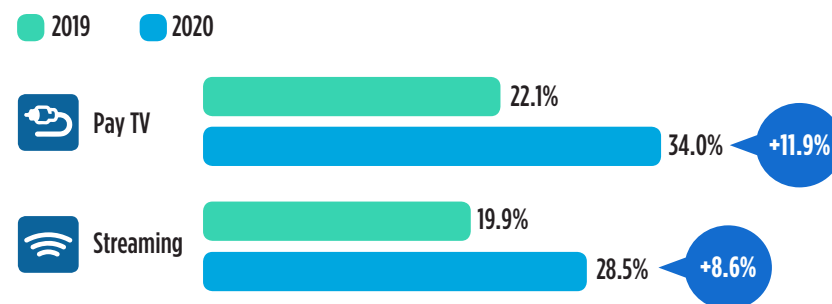


Consumer Confidence in Video Recommendations Is Growing

95.7 percent of respondents recommendations from their pay-TV provider are “sometimes” or “always” relevant, 9.8 percent higher than last year. Confidence in internet/streaming service recommendations also increased; 96.1 percent said that they believe streaming service recommendations to be “sometimes” or “always” accurate, a 4.8 percent increase year-over-year.

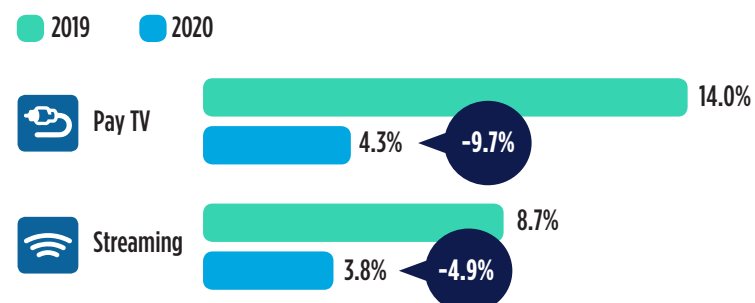
Recommended Content is “Always” Relevant

Percentage of respondents indicating they are aware their provider makes personalized recommendations



Recommended Content is “Never” Relevant

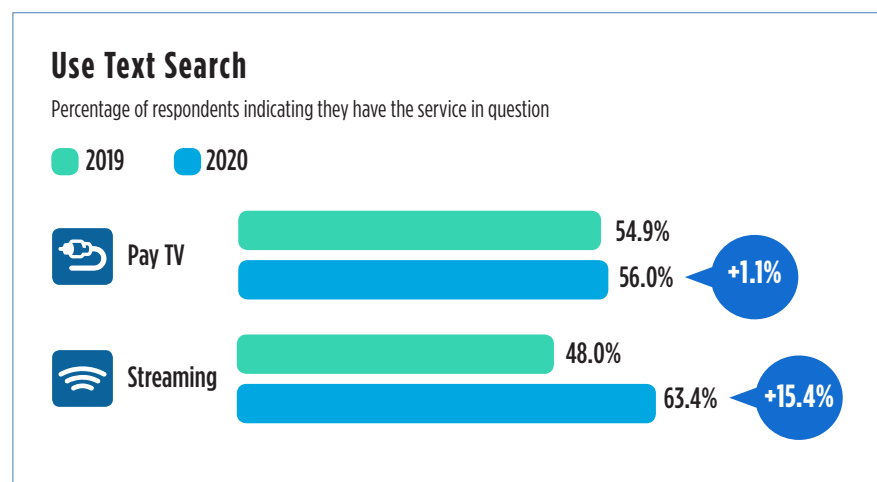
Percentage of respondents indicating they are aware their provider makes personalized recommendations



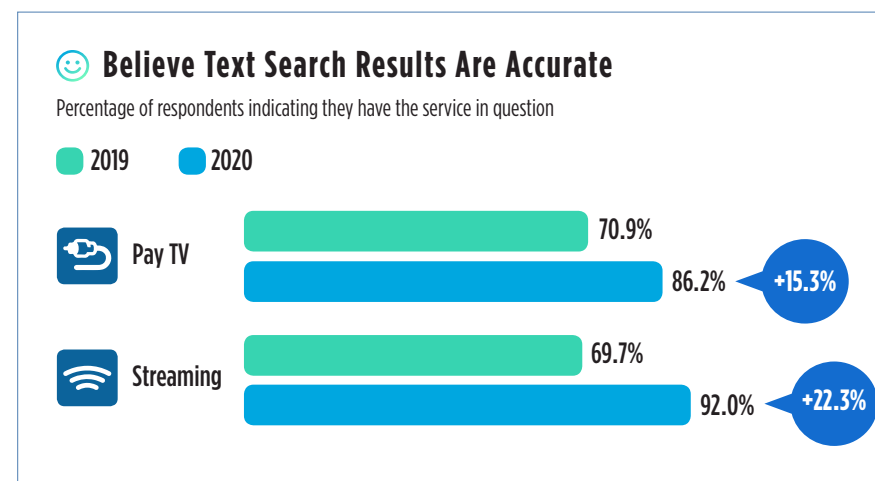


Text Search Use and Trust Increases

Just over half of respondents say they use text search with pay-TV services, holding steady year-over-year. However, the percentage of respondents using text search with streaming services increased 15.4 percent since 2019.



The vast majority of users trust text search with both pay-TV and streaming services. Since 2019, the number of respondents indicating their pay-TV text search results are accurate increased by 15.3 percent, while the same metric for streaming service text search results increased by 22.3 percent.



In the first week of lockdowns, we saw text search usage increase **33%** across the TiVo viewing population.*

*Internal TiVo viewership data sourced from various product platforms including Insight, Personalized Content Discovery, UX and TiVo+, March – April 2020



Voice Search Awareness and Usage Continues to Increase

Consumers are becoming increasingly comfortable with voice search, albeit slowly. Since 2019, the percentage of survey respondents indicating voice search was a gimmick with no real benefit decreased by 7.3 percent.

Have Access to Voice Search

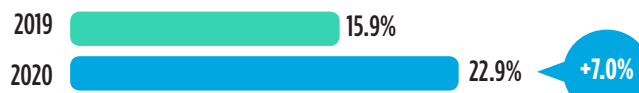
Percentage of total respondents*



*17.6% of survey respondents don't know if they have access to voice search through their current devices

Use Voice Search

Percentage of respondents indicating they have the service in question



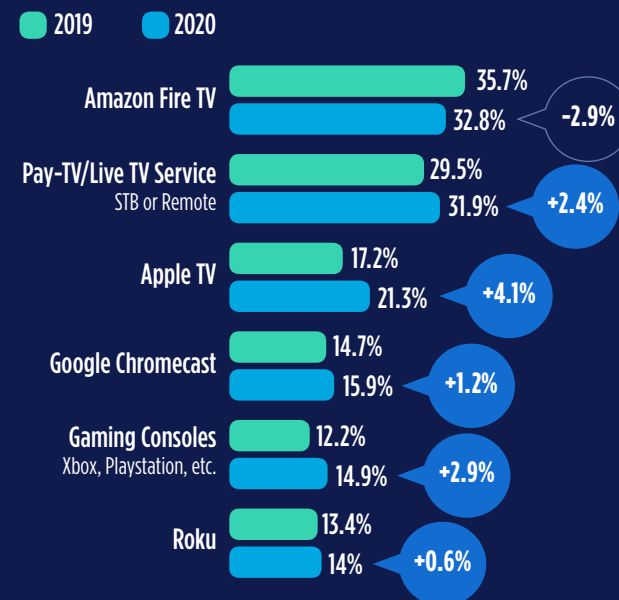
How Often Viewers Use Voice

Times used per week



Voice Search Usage (By Device)

Percentage of respondents indicating they use voice search



There's still much room for improvement with current voice search technology. Survey respondents said it takes them an average of 18.7 minutes to find something to watch using voice search; of respondents who said they aren't interested in using voice search, around 30 percent reported that they tried it, but didn't get the results they were looking for.



With time on their hands during the COVID lockdown, consumers may become more comfortable actively using their voice search technology. In the first week of broad lockdowns, we saw a 17% increase in voice commands across the TiVo viewing population.



Conclusion

As quarantined consumers remain trapped at home and glued to their screens, they're getting a long, hard look at both the limitations and flaws of their current technology. Their problem will not be running out of interesting content to watch, as video platforms are awash with endless options. Rather, forced to navigate between multiple video apps or services, consumers will increasingly struggle to discover and find the actual content they want quickly and easily.

In the end, forced viewership requires better technology. As the COVID-19 lockdown increases consumer demand for entertainment, the power of content discovery technology is more important than ever. From recommendations algorithms to voice and text search capabilities, the time to innovate and improve the consumer video experience is now.

