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Winning the Streaming Wars 2.0

SPORT AND ENTERTAINMENT STREAMING TRENDS

INSIGHTS REPORT | SEPTEMBER 2021

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The streaming market continues to expand, providing more content to Australians, but has it reached critical mass and are Australians willing to pay for another streaming service?

The 2021 edition of 'Winning the Streaming Wars' provides insights into which services are on top and what this means for the consumer.

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STREAMING SERVICE ENGAGEMENT

02.
SPENDING HABITS

03.
SUBSCRIBER RETENTION

04.
CONSUMER SEGMENTS

METHODOLOGY AND REPORTING NOTES

Methodology

For the second year Gemba conducted a study focussing on the streaming category within Australia

Using a nationally representative sample, this study aims to provide an overview of the streaming category and analyse different types of consumers

A total of n=941 respondents were collected via the survey, this compares to n=929 collected in 2020

Research Notes

- Survey was conducted from 1 September – 6 September 2021
- Data has been post-weighted to ABS age and gender proportions and is representative of the Australian population.
- The maximum margin of error on a sample of n=941 is +/- 4% at the 95% confidence interval
- This research was conducted in compliance with ISO-20252

Streaming is continuing to grow.

More options are resulting in more choice and an increase in subscriptions per person.

MORE AUSTRALIANS ARE SUBSCRIBING

85% of Australians have access to at least one paid subscription or streaming service (sport or entertainment), up from 80% in 2020

THE NUMBER OF SUBSCRIPTIONS IS INCREASING

On average Australians currently are subscribed to 3.6 services, which is well above what was observed in 2020 with 2.9 subscriptions per person

2/3 AUSTRALIANS WOULDN'T REDUCE THEIR SPEND

63% of Australians can be defined at 'Set and Forget' consumers and are unlikely to change their monthly spend on streaming services

THE MAJORITY OF CONSUMERS DON'T CANCEL

70% of Australians will hold a streaming service for 6 months or more, the challenge is getting them to sign up

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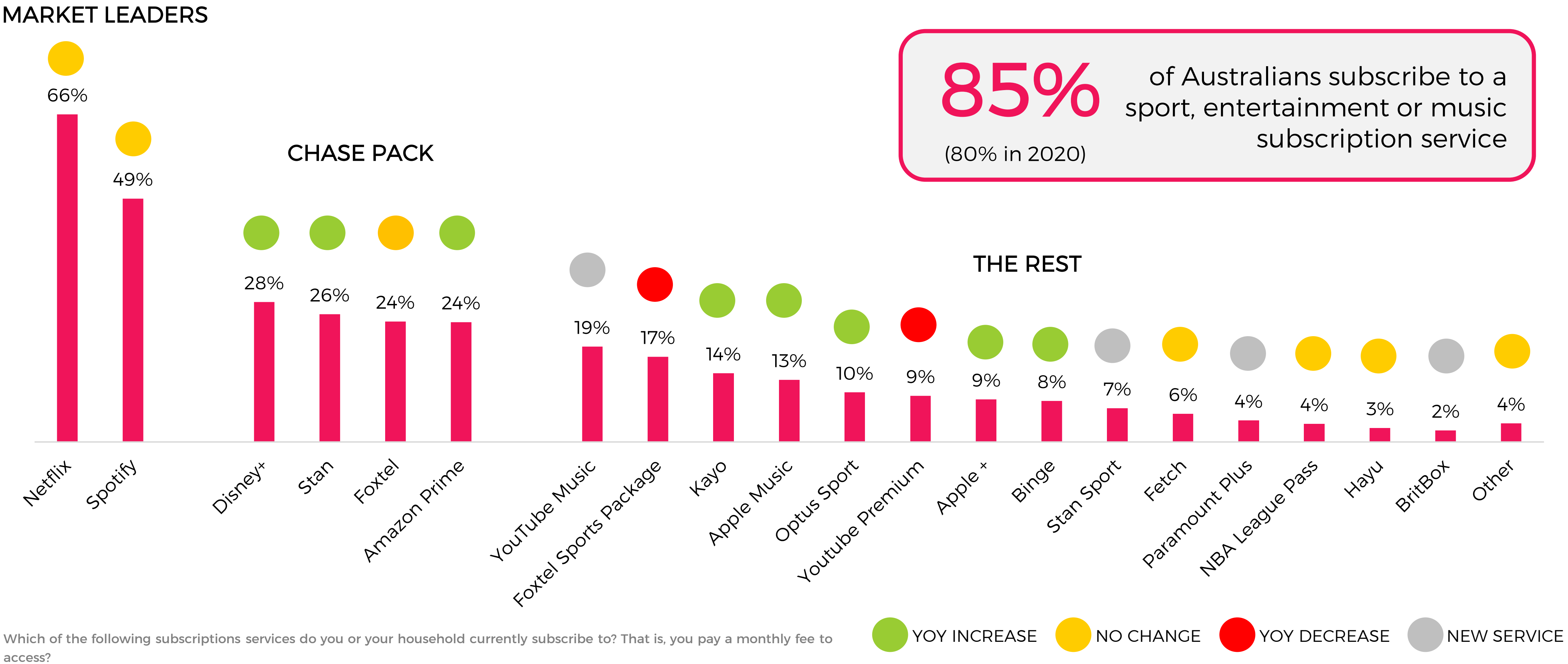
01

STREAMING SERVICE ENGAGEMENT

More Australians are subscribed to a streaming service than ever before, with many services continuing to grow their user base

ENGAGEMENT | MARKET PENETRATION OF STREAMING PLATFORMS (SEPTEMBER 2021)



85% of Australians subscribe to a sport, entertainment or music subscription service

(80% in 2020)

Which of the following subscriptions services do you or your household currently subscribe to? That is, you pay a monthly fee to access?
Base n=941

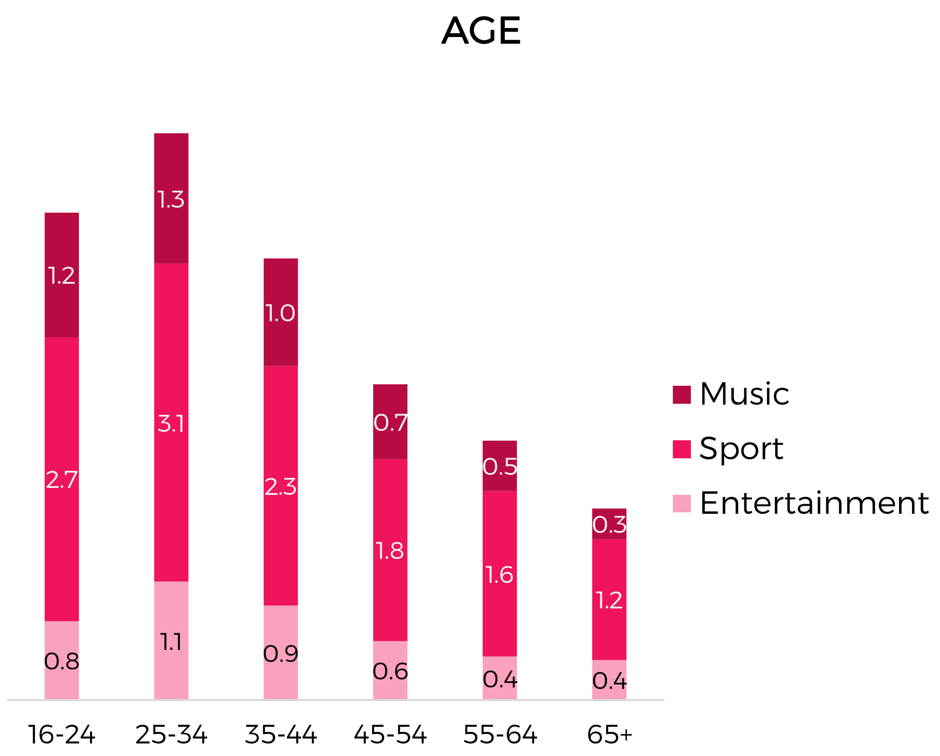
On average Australians will be subscribed to between three and four different subscriptions, higher among younger and female audiences

ENGAGEMENT | NUMBER OF SUBSCRIPTIONS HELD ON AVERAGE

AVERAGE NUMBER OF SUBSCRIPTIONS

3.6

(2020 – 2.9)



Which of the following subscriptions services do you or your household currently subscribe to? That is, you pay a monthly fee to access?
Base: Total (n=941), Male (n=410), Female (n=531)

Australians can’t live without Spotify and Netflix, while other sport and entertainment services work hard for consumer preference

ENGAGEMENT | WHAT SERVICES WE CANT LIVE WITHOUT

	TOTAL POP	AFL FANS	FOOTBALL FANS	TV / MOVIE FANS	LIVE MUSIC FANS
#1	Netflix	Netflix	Netflix	Netflix	Netflix
#2	Spotify	Spotify	Spotify	Spotify	Spotify
#3	foxtel	foxtel	prime	foxtel	foxtel
#4	Disney+	prime	foxtel	prime	Disney+
#5	prime	Kayo	OPTUS SPORT	Disney+	prime
#6	Stan.	Disney+	Disney+	Stan.	Stan.
Average number of subs	3.6	4.2	4.4	4.6	4.7

If you could only keep a subscription to 3 platforms, which 3 would they be they be? Please type 1 into the box that is your most preferred platform and 3 into the third most preferred platform as number 3
Base n=941

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SPEND HABITS

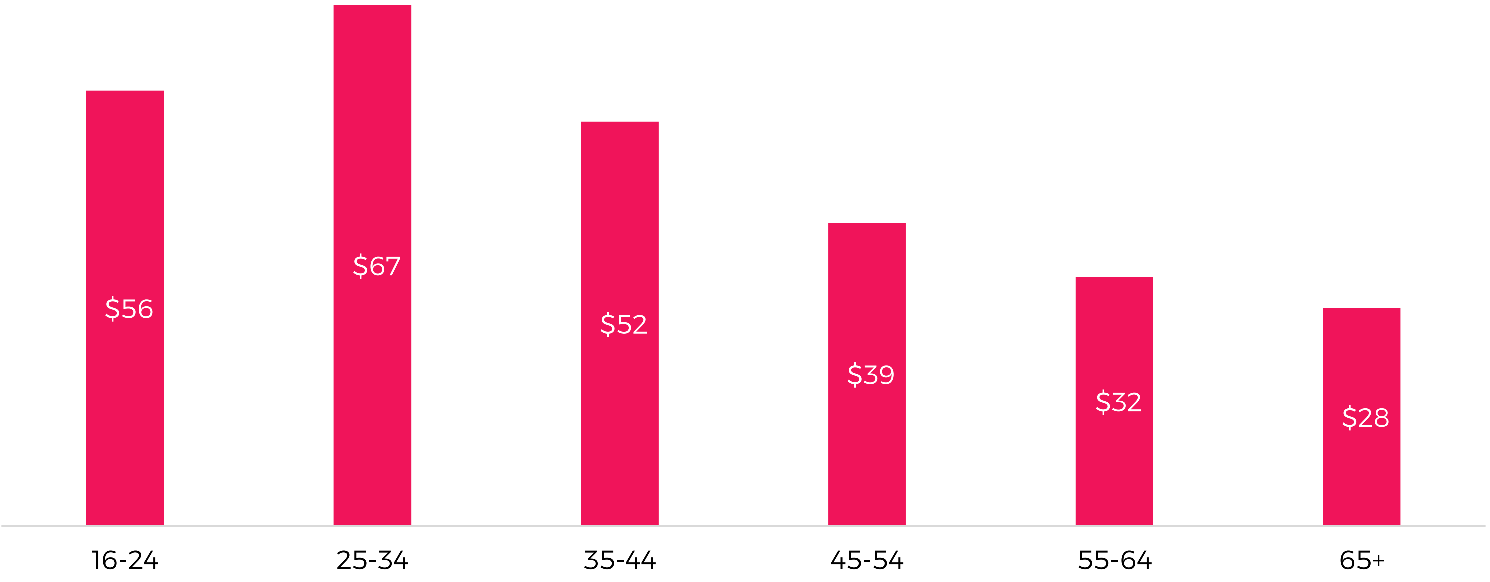
Australians spend approximately $45.90 per month on streaming services – highest among 25-34 year old's

SPENDING HABITS | AVERAGE AMOUNT SPENT ON MONTHLY SUBSCRIPTIONS

AVERAGE MONTHLY SPEND ON SUBSCRIPTIONS

$45.90

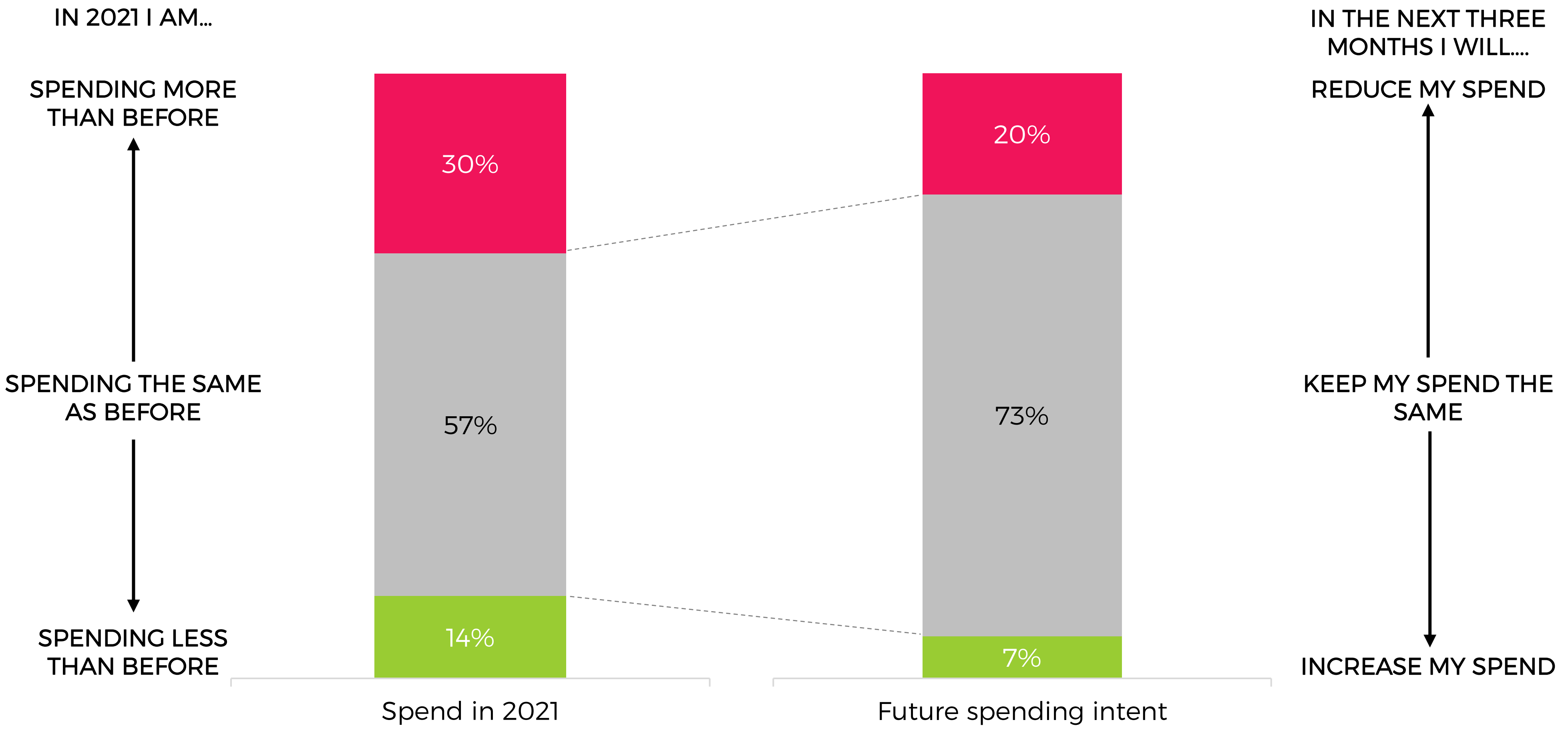
MONTHLY SPEND BY AGE



Which of the following subscriptions services do you or your household currently subscribe to? That is, you pay a monthly fee to access?
Base: Total (n=941), 16-24 (n=136), 25-34 (n=161), 35-44 (n=172), 45-54 (n=130), 55-64 (n=141), 65+ (n=201)

A third of Australians believe they are spending more than they have before, though the majority have no intent to reduce this

SPENDING HABITS | ATTITUDE TOWARDS INCREASED SUBSCRIPTION SPEND



Your monthly Sport and Entertainment spend is approximately $X. Is that more, less or the same than you would have anticipated?
Thinking about the next 3 months, do you intend to increase, keep the same, or decrease this monthly amount?
Base: Currently have a paid subscription (n=766)

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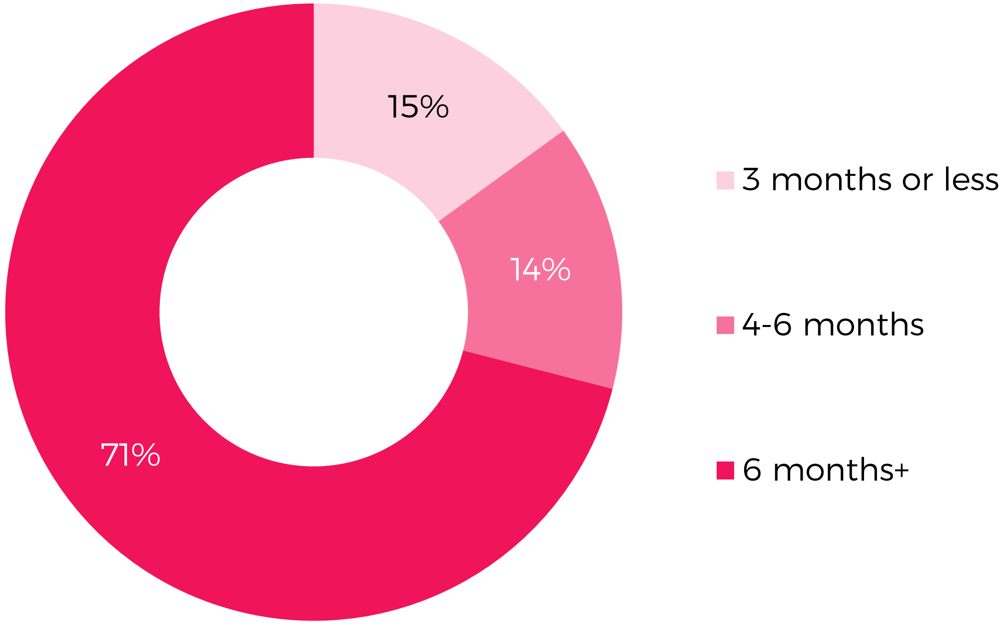
SUBSCRIBER
RETENTION

Seven out of ten Australians retain a subscription beyond six months

SUBSCRIBER RETENTION | LENGTH OF SUBSCRIPTION

TYPICAL LENGTH OF SUBSCRIPTION



REASONS FOR LEAVING A SERVICE WITHIN 6 MONTHS

1. It costs too much – 52%
2. I only subscribed to watch a specific event, show or sport – 41%
3. There is a lack of content – 30%

Thinking about your own subscription behaviour for the sport and entertainment content services that you pay for, how many months in a year would you on average subscribe to each platform?
Base: Currently have a paid subscription (n=766)

Netflix has the highest level of retention, with Disney+, Amazon Prime and Kayo also retaining three quarters of their subscribers

SUBSCRIBER RETENTION | RETENTION RATES BY SERVICE

The **Retention Rate** represents the proportion of people who are currently subscribed to a service relative to those who have claimed to ever been subscribed

Which of the following subscriptions services do you or your household currently subscribe to? That is, you pay a monthly fee to access?
Which of the following subscriptions services have you subscribed to previously but not currently?
Base n=941

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CONSUMER SEGMENTS

Consumers fit into one of four segments, with 85% of these currently engaged with the streaming category

CONSUMER SEGMENTS

Non-subscribers

15% of the market

- 70% of this audience is 50+
- Lower levels of passion for TV, movies and sport

Churn and burn

17% of the market

- Average spend - $50
- Average no. of subs - 4
- Churn is significantly higher among women

Set and forget

63% of the market

- Average spend - $41.40
- Average no. of subs – 3.3
- Male audience is more likely to set and forget

Give me more

5% of the market

- Average spend - $84.80
- Average no. of subs – 6.8
- 62% of this segment is aged 25 to 44

Gemba specialises in delivering insights that can inform how broadcaster and brands maximise the value of streaming services

GEMBA'S CORE SERVICE OFFER FOR RIGHTS HOLDERS, BRANDS AND BROADCASTERS

Sport and Entertainment Fan Insights

Understanding how Australians participate and engage in sport & entertainment

Broadcast and OTT Strategy

Market sizing, valuation, go-to-market and negotiation strategy for sports broadcast rights (traditional and direct to consumer)

Fan Data Services

Customer data strategy, data management, data-driven digital marketing and commercialisation

Broadcast and Sponsorship Effectiveness

Measurement of broadcast and sponsorship effectiveness for rightsholders

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