

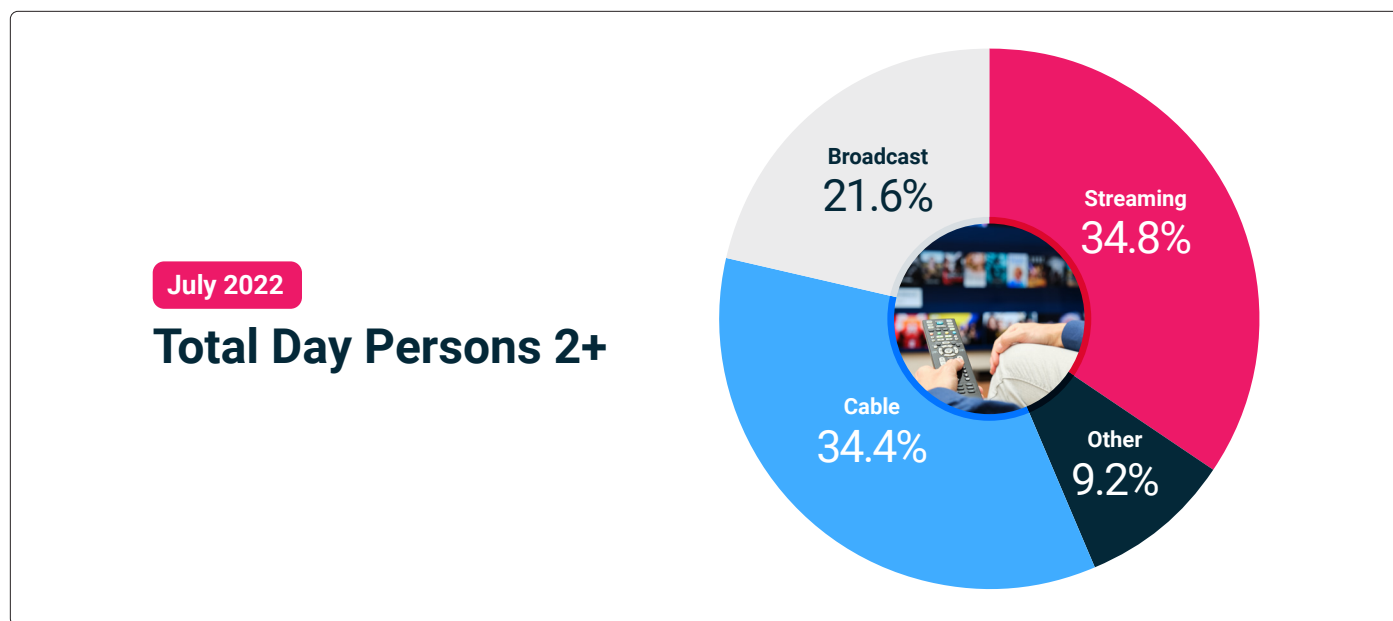
The Streaming Platforms Landscape



A Research Report by Odyssey Studios
FEBRUARY 2023

There's no argument about the power of streaming platforms. In mid-2022, streaming claimed the largest share of content watched by American households for the very first time with 35% of that share compared to cable's 34%. Those in the know were ready. This came after four months of consecutive viewership highs for streamers compared to dropping numbers for traditional broadcast and cable.

Summer 2022: Streaming Tops Cable for the First Time



Source: <https://www.nielsen.com/insights/2022/streaming-claims-largest-piece-of-tv-viewing-pie-in-july/>

That kind of performance considers all of the available platforms. Digging in a little deeper, the picture gets more complicated. The abundance of streaming services means competitors are churning out fresh content daily. Many consumers now juggle multiple subscriptions to catch their favorites or trending content on social media.

This can make it challenging to pinpoint what drives consumers from one piece of content to the next. How do consumers decide where to focus their attention? Perhaps more importantly for brands, what does this mean for digital marketers and content distribution strategies?

At Odyssey Studios, we wanted to know the answers, so we crunched the numbers to get an idea of what consumers are watching, streaming services to watch, and practical applications of all of that information. Let's dive into the streaming platforms landscape and what this means from an opportunity standpoint.

Streaming at a Glance

In the short-term, streaming services will continue competing for consumer attention, even if they're fleeting. In the long-term, that can mean unprecedented reach for brands seeking to take advantage of this diverse landscape.

As we talk about this landscape, we must first learn how to differentiate streaming platforms from the rest of the content providers out there.

Here's a cheat sheet:

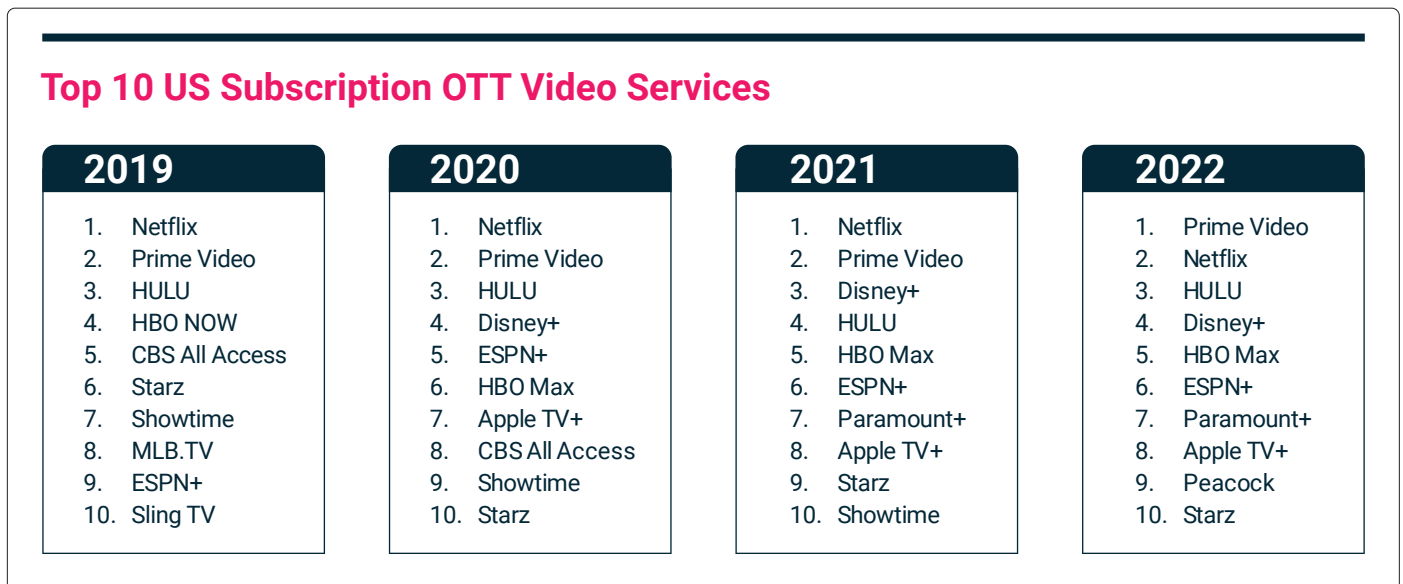
- **Connected TV (CTV) devices** refer to any device connected to the internet “out of the box” for the purpose of watching content. This includes Smart TVs, Chromecast, and gaming consoles.
- **Over-the-top (OTT) streaming** refers to content that comes to the consumer over the internet without the need for a cable provider. Netflix, Amazon Prime Video (or more simply, Prime Video), and Hulu are all subscription-based OTT services.
 - **Subscription video on demand (SVOD)** gives subscribers access to both original and syndicated content on platforms whenever they want, or “on demand.” Netflix is the most obvious example of an SVOD service.
 - **Ad-supported video-on-demand (AVOD)** uses ad revenue to bring down the costs of content to consumers. YouTube (free) and Hulu’s ad-supported plans (lower fees) are good examples of this.
- **Free ad-supported streaming television (FAST)** like Pluto TV and Tubi refers to subscription-free services that act as a host for TV and digital programming. The experience is similar to that of old cable programming without the monthly fees.
- **Multichannel video programming distributors (MVPDs)** offer live programming and broadcasting options. Underneath this umbrella, a virtual MVPD, or vMVPD, includes streaming options within their service. Sling TV is a good example of that.
- **Aggregation** is an attempt to bundle services under a broader umbrella. Aggregators offer a way to keep existing services rather than choosing which to let go of, often at a lower cost. The largest aggregation platform in the United States is The Roku Channel inside of Roku.

How all of these services interact and perform is a key component in understanding the potential to reach consumers in new, more targeted ways.

How Are People Watching?

There will always be a market for syndicated content like reruns of popular television series and beloved films. There is also a growing demand for original, high-quality programming that meets a diverse set of interests. That’s where much of the online buzz comes from, and that’s the untapped resource for marketers seeking to reach audiences with branded content.

Despite a downturn over the last few years, Netflix remains at the top of the heap when it comes to total global subscription numbers. Among households that subscribe to streaming services, 78% of them include Netflix among their favorite content options. If you look at the growth of SVODs in the United States alone, however, competitors like Amazon Prime Video have gained more ground.



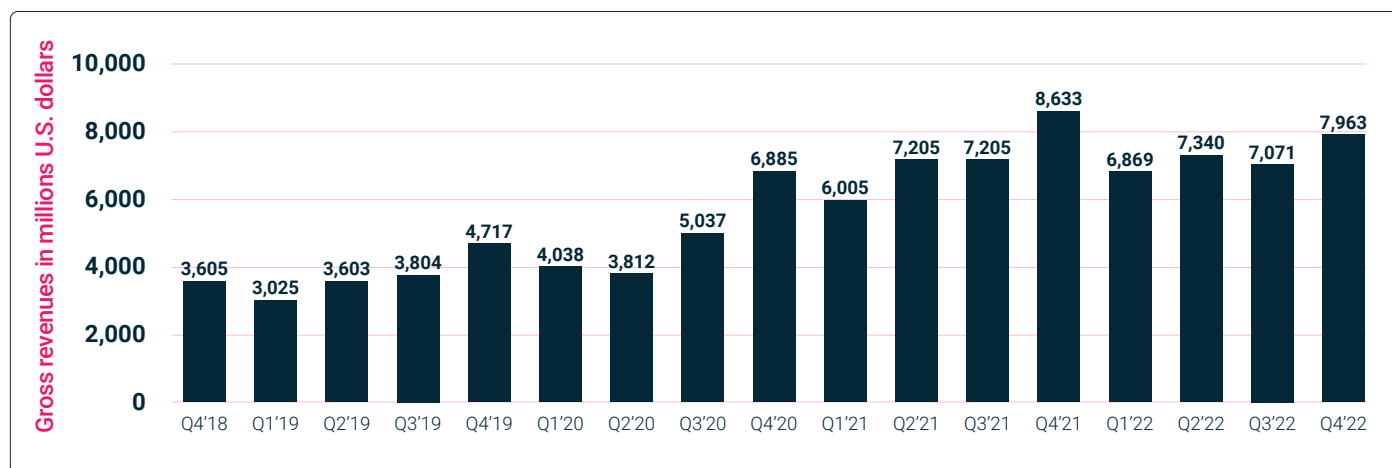
Source: <http://www.parksassociates.com/blog/article/12022022#:~:text=Prime%20Video%20Takes%20Top%20Spot,Surpassing%20Long%2Dtime%20Leader%20Netflix>

For the first time ever, Prime Video surpassed Netflix in the number of paid subscriptions in U.S. households. According to marketing research firm [Parks Associates](#), as of December 2022, the top subscription services in the U.S. are:

- Prime Video
- Netflix
- Hulu
- Disney+
- HBO Max
- ESPN+
- Paramount+
- Apple TV+
- Peacock
- Starz

It's important to note a big piece missing in this list: YouTube. The video sharing platform of today looks quite a bit different from its origin story. Since its purchase by Google, it has expanded from a social media entity to a paid subscription option (YouTube Premium) for consumers who want their content ad-free.

Over 2.5 billion users watch content on YouTube every month in both a paid and ad-supported capacity. Advertising revenues at YouTube were over 7 billion in the third quarter of 2022. While this represents a 2 percent decrease over the last calendar year, this is still an unprecedented reach. It'd be foolish to disregard a platform with that large of a built-in audience.



Source: <https://www.statista.com/statistics/289657/youtube-global-quarterly-advertising-revenues/>

YouTube TV, an over-the-top MVPD service, continues to grow alongside its parent company. The service offers live streams of broadcast programming and a roster of cable channels that include CBS, FOX, and specialized channels that fall under the Turner Broadcasting System. This is all impressive influence for a company that started as a platform for amateur content creators.

What Are People Watching?

As far as what consumers are watching, it's important to consider one key factor before launching into discussions about whether they like true crime over comedy. Subscribers are most likely to consider cost above anything else. Consumers are generally overwhelmed by the options, so it makes sense that a sudden price hike or perceived value would top the list of priorities when push comes to shove.

From there, consumers want the following out of their streaming services:

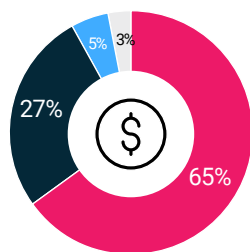
- **Specific Content:** From their favorite TV shows to movies they're interested in, the majority of consumers are looking for specific content out of their streaming services.
- **Ad-Free Options:** Consumers feel like they have too much choice, but they still want some autonomy over whether their streamer will include ads or not.
- **Original Programming:** High-quality, original content remains an important driver in subscriber revenue. This may not be great news for aggregators.

Cost and content are key for those deciding to keep streaming services

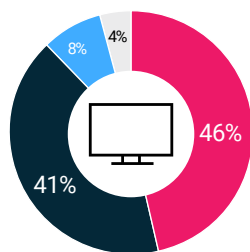
How important, if at all, are each of the following in your decision to subscribe to a streaming service?

% Among Streaming Service Users

■ Very important ■ Somewhat important
■ Not very important ■ Not at all important

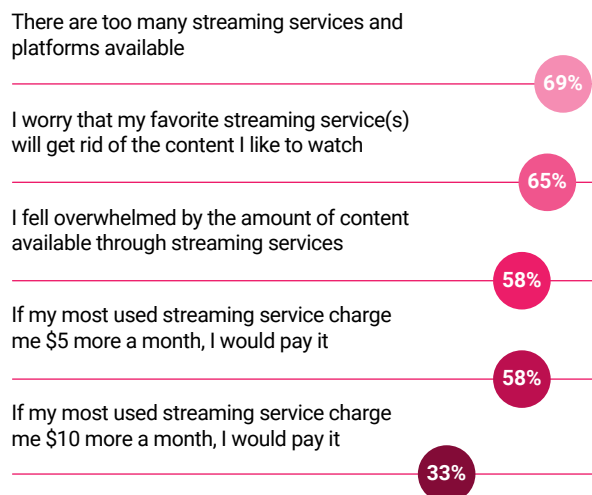


The monthly or annual cost



If they have specific shows or movies available

Percentage of streaming service users who *strongly* or *somewhat* agree with the following



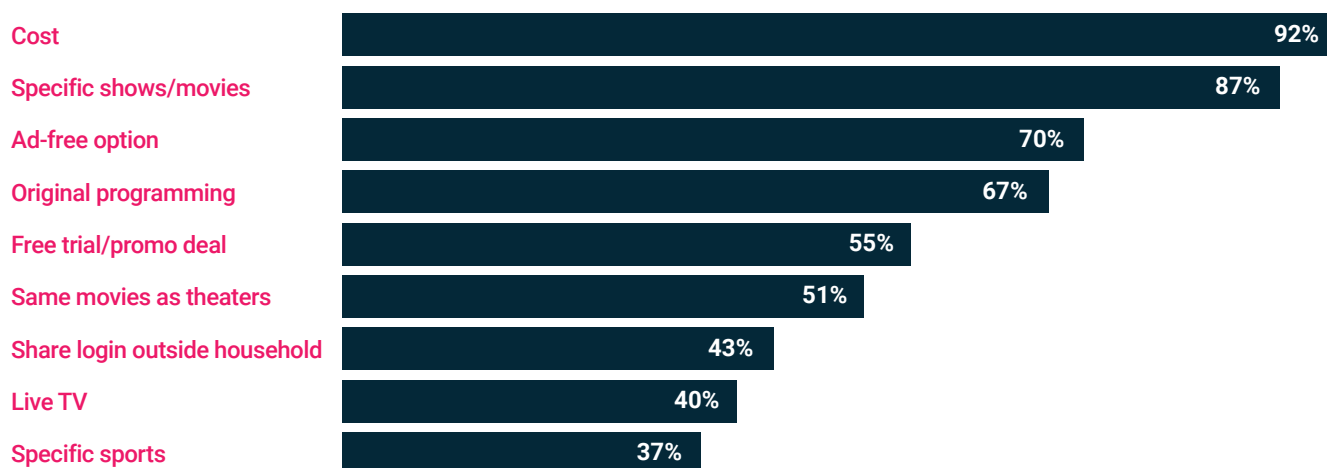
Ipsos Source: NPR/Ipsos Poll conducted September 9-11, 2022 | Base: All respondents (n = 1,031); Streaming service users (n = 765)

Source: <https://www.ipsos.com/en-us/news-polls/cost-and-content-are-key-for-those-deciding-to-keep-or-drop-streaming-services>

From there, a smaller number of polled consumers want perks like shared log-ins, promo deals, live TV, and specific sports as part of their package deals. It's fair to say overall that people are accessing media with a mix of premium and ad-supported subscriptions. The opportunity is there for brands to reach consumers that care about a curated experience, as it does seem they are choosy about where they get their money's worth.

9 in 10 streaming users say cost is an important factor in deciding whether to subscribe

Share of streaming users who said each consideration was important:



Source: <https://www.npr.org/2022/10/28/1130669763/what-do-users-want-from-their-tv-streaming-a-new-npr-ipsos-poll-has-some-answers>

It's important that any ad attempts consider how consumers are watching. People want flexibility in how they consume their content. Platforms available via apps to allow for mobile or viewing on-the-go are more likely to succeed.

For the big streaming services, it is then more cost-effective to provide content that doesn't target a niche market. Specialized creators may have trouble then breaking out within these large markets. For them, original content may be best suited for niche providers like Curiosity Stream for documentary-style content or MUBI for independent films.

In the travel space, branded content may do well as standalone offerings within travel or lifestyle programming spaces. These niche platforms may be more accessible to smaller creators as channels look to meet the industry minimum of 200 hours of content.

There is no one-size-fits-all strategy for distribution of original content. One brand's audience may be on social media. Another may live within the streaming space. Market research matters.

Now What?

Understanding how to promote and distribute content involves knowing your target audience and providing them with opportunities that aren't disruptive to their viewing experience. Consumers

are looking for high value. How you provide that value depends on what you want from that consumer when all is said and done.

As you look to market to a target audience, consider a strategy tree with key questions like:

- What does your target audience consume regularly when it comes to fresh content?
- What is it that you want to communicate to your targeted audience?
- What can you leverage to your audience, e.g. brand recognition, information-sharing, or an existing audience base?
- How much control do you want over your content, from the creative side to marketing?
- How will your strategy grow and change as the streaming landscape inevitably changes?

From there, three key areas to consider include:

- **Access:** How will consumers access the content? Self-publishing with the big names in streaming services often requires large budgets with potential limits on content that may hamper small creators. FAST and AVOD options are contenders for companies seeking an outlet for brand-supported content.
- **Awareness:** Consider how the content will be promoted to your audience. Multi-pronged promotion efforts that use SEO, direct marketing campaigns, PPC, or brand partnerships can dramatically improve your reach. A third-party may be supportive in amplifying content with targeted delivery to consumers.
- **Engagement:** Once the content is out there, what's the goal as far as how you'd like consumers to engage with that content? Is the content primed for wider distribution, or is the goal more simple, like brand awareness? Consider whether sponsored placements are an option for a wider reach.

This is all just a primer on an ever-changing but exciting landscape that only continues to expand as far as access and range of content. How a brand uses this information should be driven by market research. The good news is, once that's done, the options are vast as far as how to reach those consumers. Flexibility is key if streaming platforms are to be a long-term strategy, but the potential is huge for those willing to navigate the field to their advantage.

About Odyssey Studios

Odyssey is a content studio for brands interested in reaching tourism consumers. We produce and amplify compelling travel and lifestyle content for film, television, and digital media. We collaborate with brands to get content in front of target audiences, with distribution strategies that keep changing landscapes in mind. Whether it's streaming platforms, social media, or relevant websites, we stay on trend to extend the life of a piece of content.

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