

High-Level Summary

Paid Video Streaming

Executive Summary



As the lines start to blur between ad supported streaming and subscription video on demand, and companies begin to crack down on password sharing, consumer behavior regarding paid streaming services in Canada is expected to change. Last summer, Numeris conducted an online survey asking respondents about paying for video streaming services in their household.

Here are some key findings:

1

72% of respondents were in a household that pays for at least one video streaming service. Respondents in households with children, in households with three or more members and with higher household incomes were more likely to have a paid video streaming service.

2

Most respondents with paid streaming in their household had at least two paid video streaming services (60%).

3

About half of respondents with paid video streaming paid \$25 or more per month on video streaming.

4

Only 34% of respondents with paid video streaming said they share access outside of their households.

5

14% of respondents said they had canceled a video streaming service in the past year, 56% of them said they canceled because they weren't using the service enough.

6

Just over half of respondents (56%) reported their household pays for an Amazon Prime subscription, and 84% of them said they use Amazon Prime to stream TV and movies on Prime Video.



Background Overview

- Netflix has announced multiple changes to its services recently including the addition of an ad-supported tier and a restriction on password sharing
- Additionally, many media outlets are predicting an increase in adoption of Ad-supported Video on Demand (AVOD) services
- There are many sources in the market (including VAM) that report on how many people are accessing paid video streaming services, however there is less information available on who's paying for these services and what's driving subscriptions and cancellations
- The goal of this survey was to fill in some of these gaps to understand potential changes in audience behaviour as the media landscape continues to evolve in Canada
- This report focuses on paid video services



Survey Methodology

- Partnered with EKOS using their Probit panel.
 - Probit is a probability-based panel assembled using a random digit dialing (RDD) process for sampling from a blended land-line and cell-phone frame, which provides full coverage of Canadians with telephone access. The distribution of the recruitment process is meant to mirror the actual population in Canada (as defined by Statistics Canada). As such, our panel of more than 100,000 members can be considered representative of the general public in Canada.
- The online survey was administered in both English and French and asked respondents about the audio and video streaming services they pay for in their household.
- 1036 adult respondents from across Canada completed the survey in July 2022.
- Note that this survey was limited to Canadians who are online.





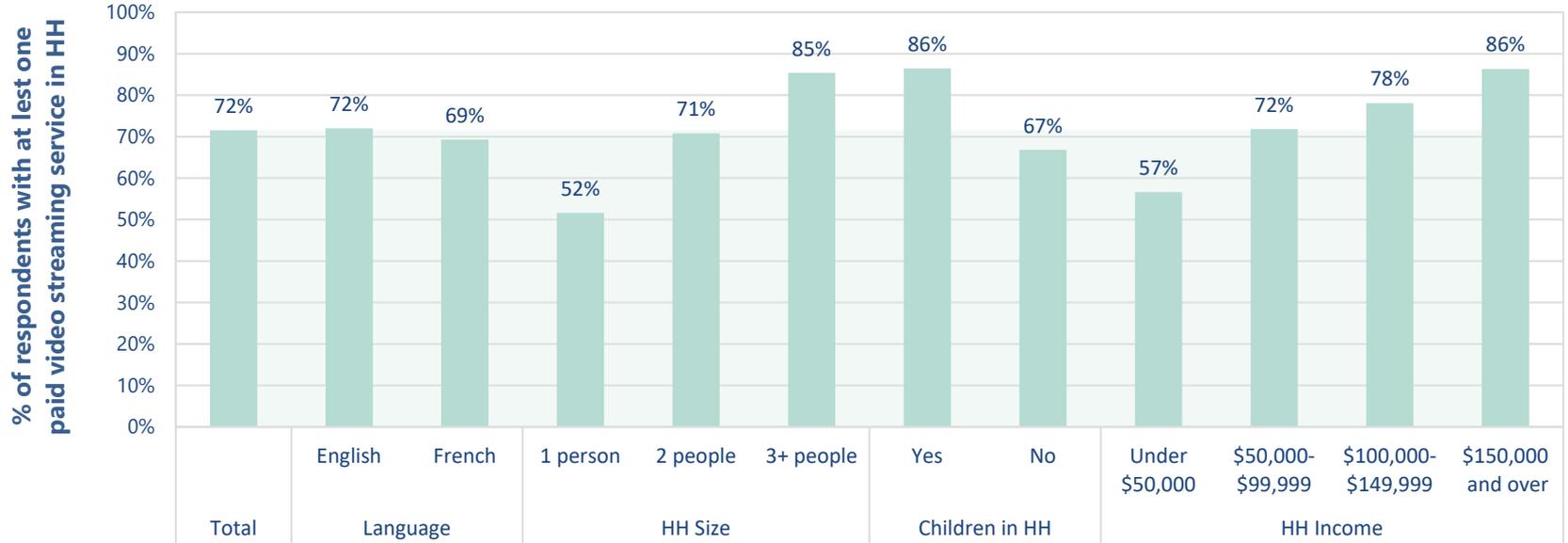
measurement

Paying for Video Streaming



Paid Video Streaming in Household

Respondents in a household that pays for at least one video streaming service

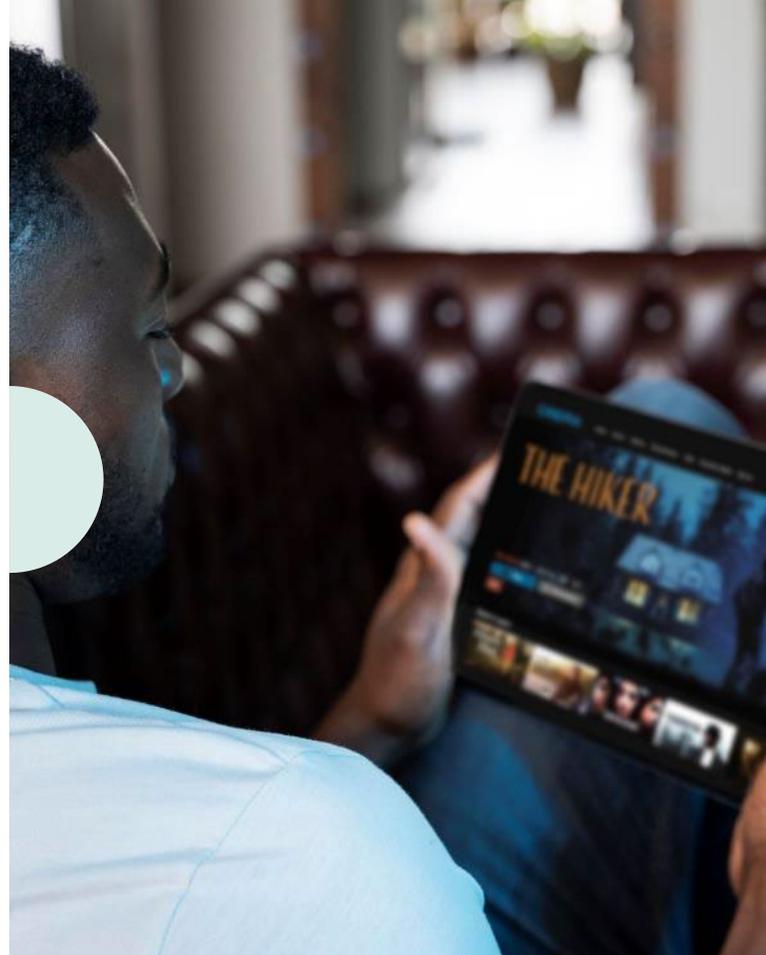


Base: All Respondents



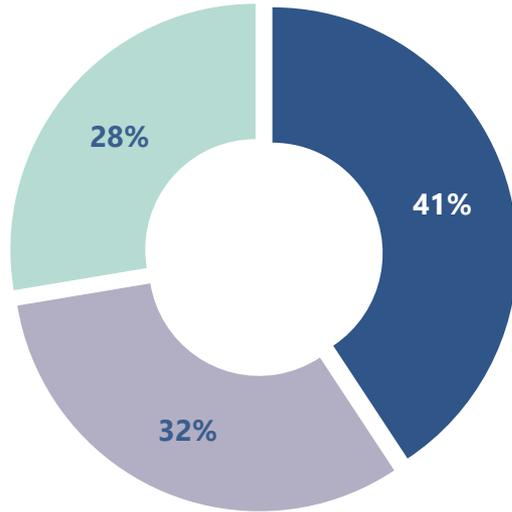
Paid Video Streaming in Household, cont.

- 7 in 10 respondents said that they or their household paid for a subscription to at least one video streaming service
- Respondents in households with more people, with children and higher incomes were more likely to have a paid video streaming service
- Respondents in one person households and with household incomes under \$50,000 were less likely to have a paid video streaming service
- French speaking respondents were also less likely to be in a household that pays for video streaming



Number of paid video streaming services in household

■ One ■ Two ■ Three or more



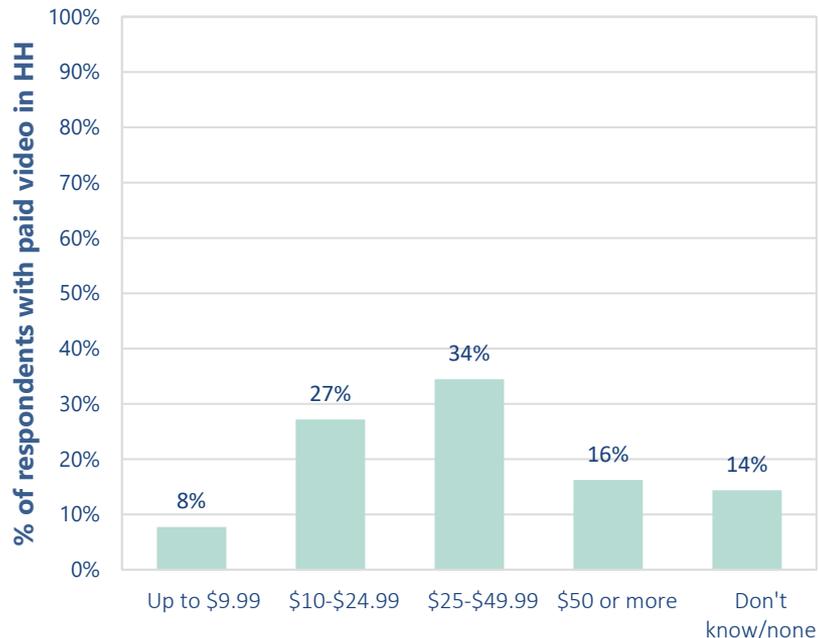
Base: All Respondents with paid video streaming in household

Number of Video Streaming Services

- Most respondents were in households that paid for at least two video streaming services
- And just over a quarter were in households that paid for three or more video streaming services



Monthly cost of video streaming services in household



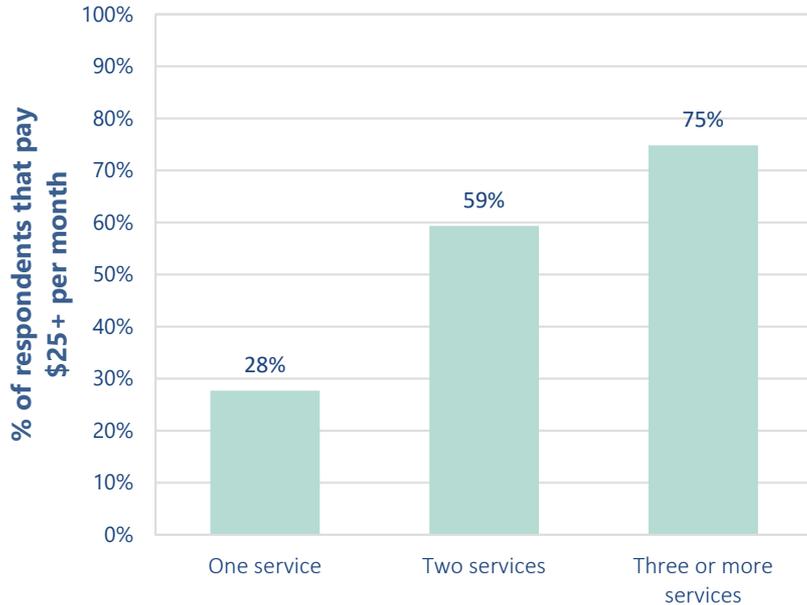
Base: Respondents in households that pay for video streaming

Monthly Cost of Paid Video

- Most respondents reported that their household spent less than \$50 a month on video streaming
- However roughly a third reported spending between \$25-\$50
- More respondents reported spending more than \$50 a month than less than \$10 a month
- This is likely due to the cost of many services' basic plans increasing



Portion paying \$25+/month by number of services in household



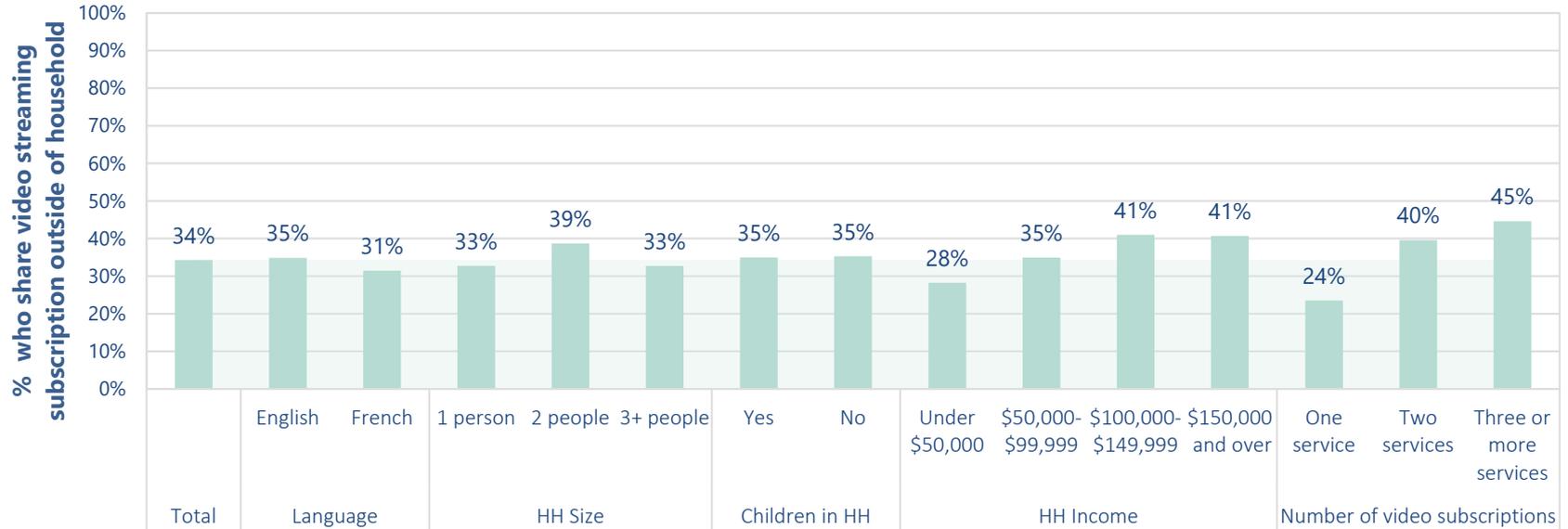
Monthly Cost of Paid Video, cont.

- As expected, households that are subscribed to more services are more likely to be paying \$25 or more a month on video streaming, which could be due to subscribing to more services or more expensive services
- Still, a quarter of those with only one video streaming service report they are paying \$25 or more a month, suggesting they are subscribing to more expensive services



Shared Video Subscriptions

Portion of respondents with video streaming that share access outside of household

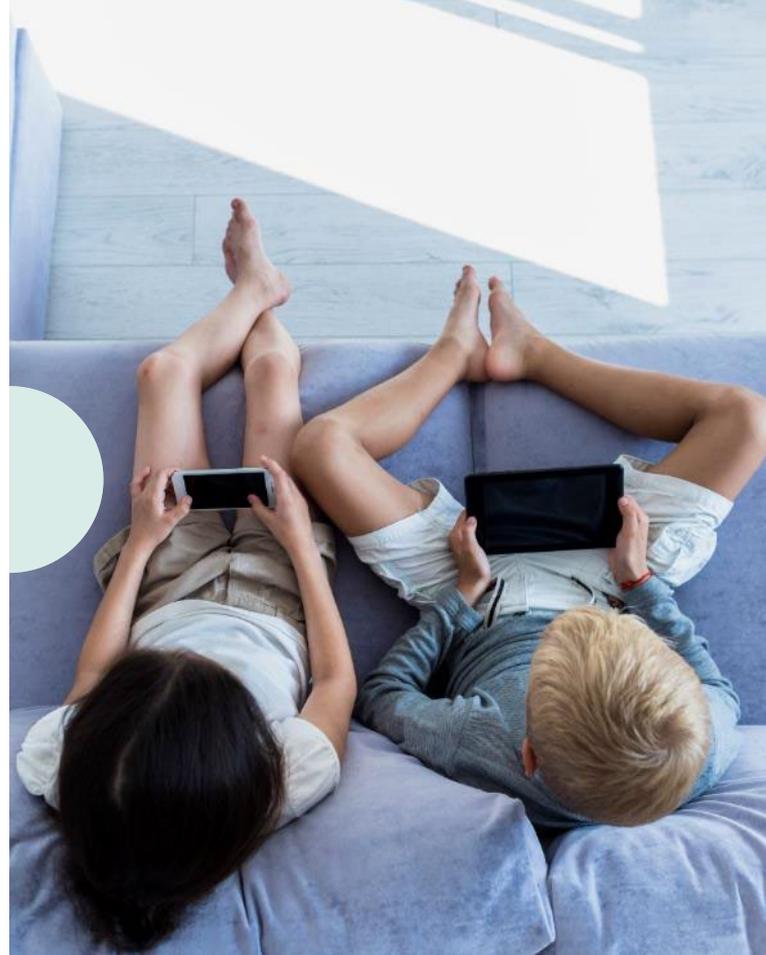


Base: Respondents in households that pay for video streaming



Shared Video Subscriptions, cont.

- Roughly a third of respondents reported sharing access to their paid video streaming service with others outside of their household.
- This is fairly consistent across multiple demographics, however how many services are in the household appears to be connected to whether the household shares their subscription
 - Only 24% of those in households with one video subscription share access with others
 - However 45% of those in households with three or more subscriptions share access with others

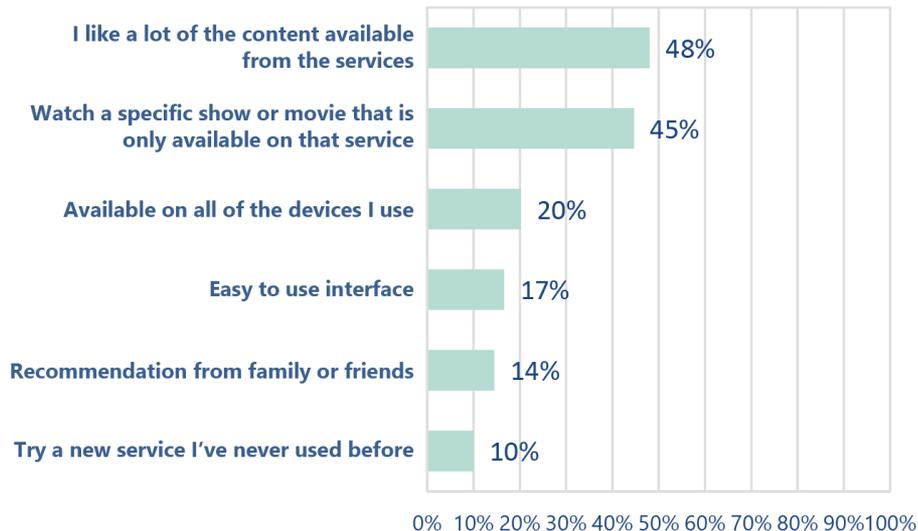




- Content was the top reason respondents said they subscribed to a video streaming service
- Other reasons weren't nearly as popular

Reasons to Subscribe

Top reasons for subscribing to a streaming service



Base: Respondents in households that pay for video streaming

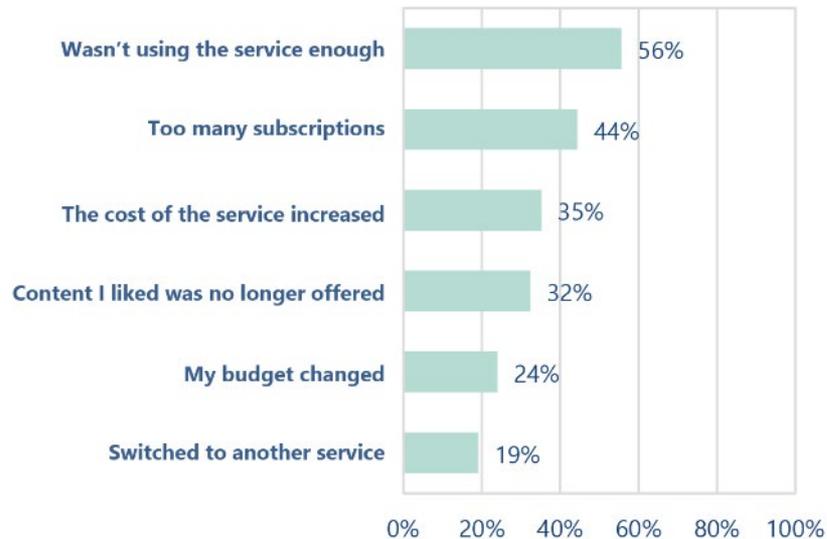




- Only 14% of respondents said they had canceled a video streaming service in the past year
- Just over half of those respondents said that not using the service enough contributed to why they canceled
- Reasons for canceling were much more varied compared to reasons for subscribing

Reasons to Cancel

Top reasons for canceling a streaming service



Base: Respondents who had canceled a video streaming service in the past year



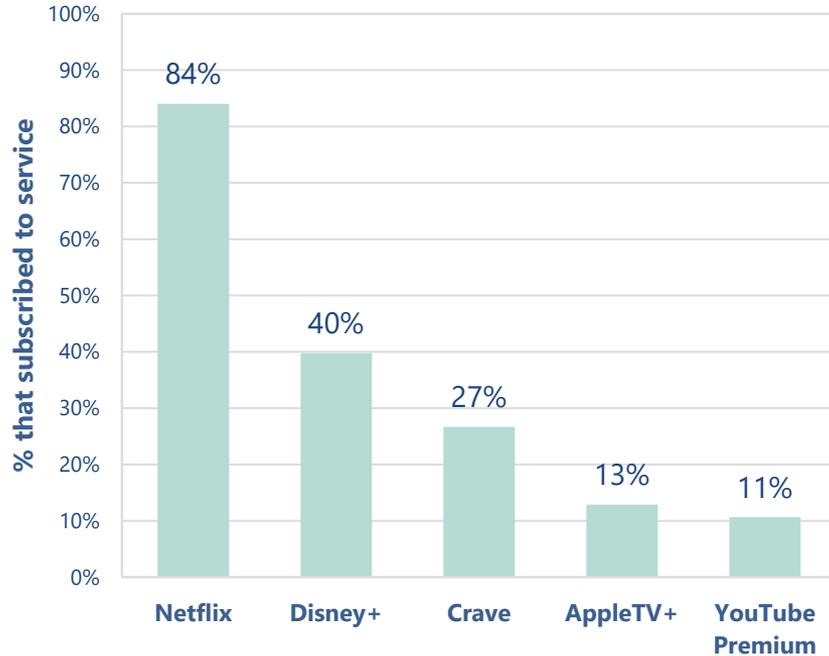


measurement

Video Streaming Services



Top Video Streaming Services



Base: Respondents in households that pay for video streaming

Top Paid Streaming Services



- Netflix is the most popular service among respondents with paid video streaming
- The next most popular service is Disney+ which is only half as popular as Netflix



Amazon Prime Subscriptions

Household pays for an Amazon Prime subscription

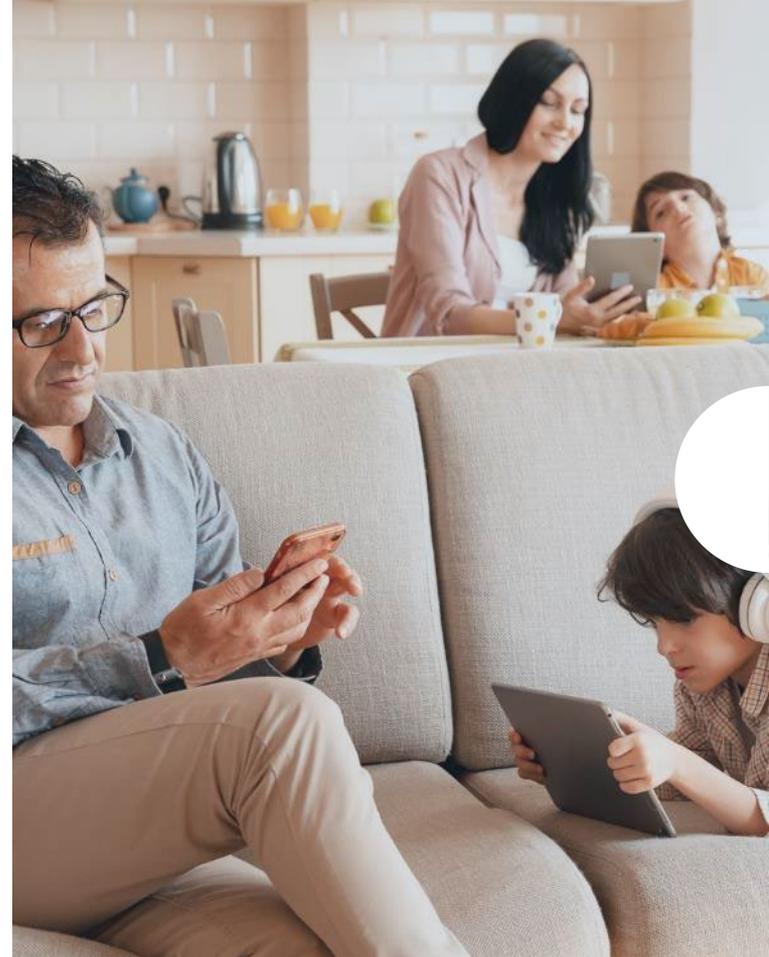


Base: All Respondents



Amazon Prime Subscriptions, cont.

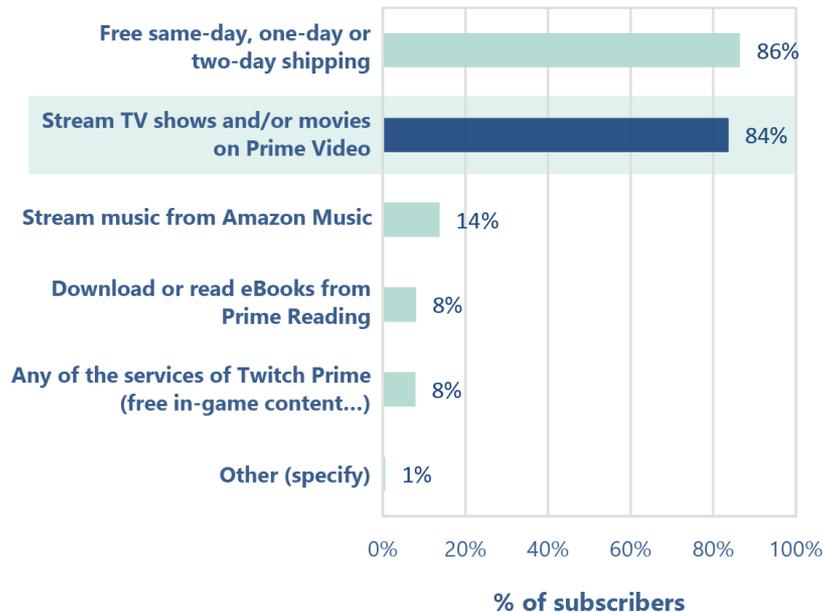
- Just over half of respondents reported that their household paid for an Amazon Prime subscription
- Respondents in larger households, households with children and households with larger incomes were more likely to subscribe to Amazon Prime
- French speaking respondents were less likely to be in households that subscribe to Amazon Prime, as were respondents that lived alone and with household incomes under \$50,000
- Amazon Prime offers subscribers many benefits including free and quick shipping from the Amazon store along with access to Amazon's various media properties such as video, music, video gaming and ebooks.





- The most popular benefit subscribers reported using was free, quick shipping
- Most subscribers also reported using Prime Video to watch TV shows or movies
- The rest of the benefits of Amazon Prime are not nearly as popular

Amazon Prime Benefits Used By Respondents



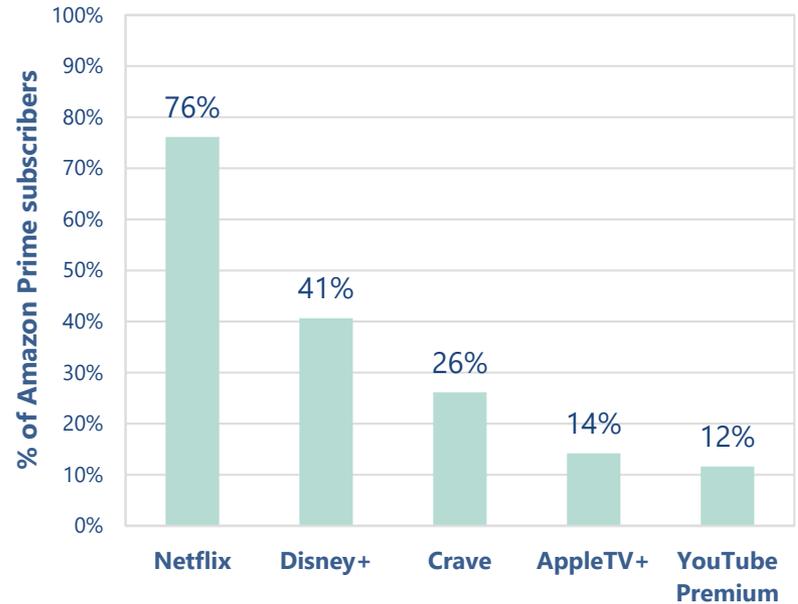
Base: All Respondents who have an Amazon Prime subscription paid for by their household



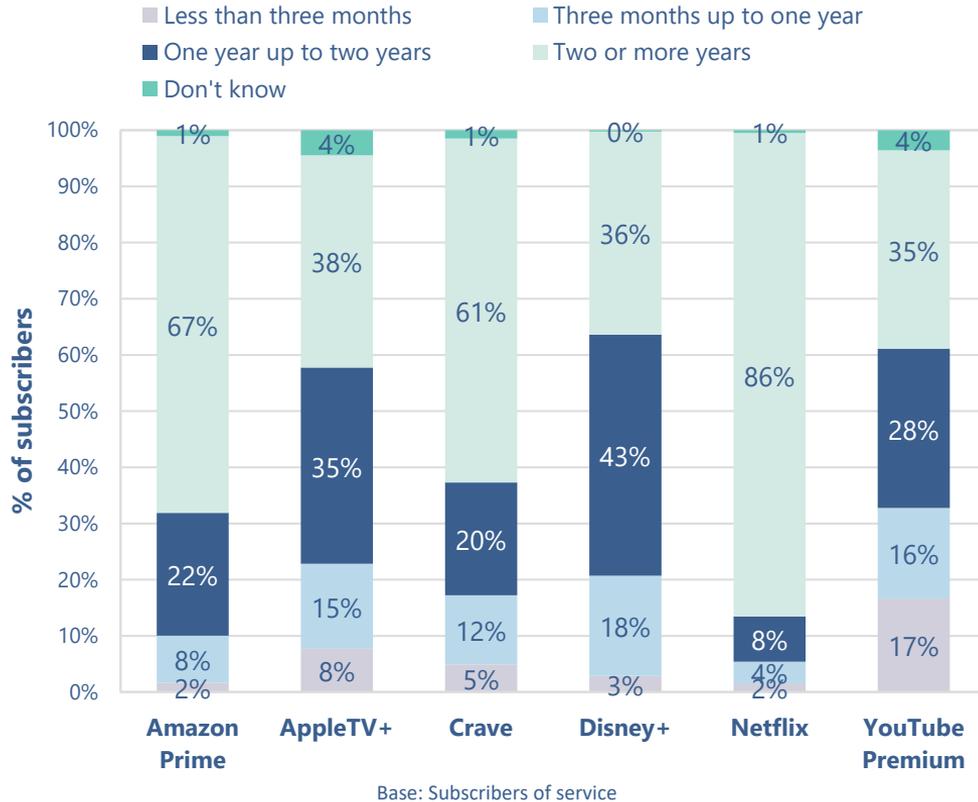


- 86% of Amazon Prime subscribers also pay for at least one video streaming service
- The most popular services among Prime subscribers are similar to the top services among all paid video streaming subscribers

Other Streaming Services used by Amazon Prime Subscribers



Length of Time Subscribed



- Amazon Prime, Crave and Netflix subscribers are more likely to report having been subscribed to their respective services for two or more years, suggesting more loyalty in their subscriber base
- However Disney+ and AppleTV+ subscribers were more likely to have been subscribed for less than two years, this could be due to being relatively new services available (both launched in Q4 2019)
- Roughly a third of YouTube Premium subscribers have been subscribed for less than one year, which could indicate that YouTube Premium experiences more churn in its subscriber base

