



# 20

**AT HOME VIDEO TRENDS**



# 20



**UNITED KINGDOM**

grabyo

# FOREWORD

The beginning of 2020 marked a period of significant change for the UK video industry. As consumption habits began to shift in favour of online and mobile video, the streaming wars had begun.

Disney+ joined Britbox, NowTV, Apple TV+ and other streaming services in competing with the giants of Netflix and Amazon Prime Video. All hoping to capture a share of the UK streaming market, which is still growing at an expanding rate, these services have invested heavily in new content to expand their offering.

Fast-forward to March and daily life as we know it completely changed. The COVID-19 health pandemic forced everyone in the UK to stay at home in order to be safe. With out-of-home entertainment unavailable, use of in-home entertainment, including watching TV, streaming video and online gaming, soared. Consumers are now watching more video than ever before, with increased time at home creating more demand for a wider range of services and channels to meet their needs.

This report explores how this radical change in the lives of consumers has affected the video industry. We surveyed over 2,000 consumers from across the UK to find out how they have been buying and watching video since March 2020. The report compares these findings with data collected from over 2,000 UK consumers in January 2020 to analyse how spending habits and attitudes towards video viewing have changed during the lockdown.

We will discuss the competitive online streaming market and find out if the increase in subscriptions across the UK market will remain. Social isolation has given consumers more time to try new streaming services, and decide which ones they like.

The report examines the impact on the pay-TV market. Our Value of Video report, released earlier this year, predicted a sharp decrease in the amount of UK pay-TV subscribers in the next five years. In that report, consumers indicated that linear pay-TV will drop to just 30% of the paid video market by 2025. This research shows how UK consumer perspectives have changed with so much more time spent at home.

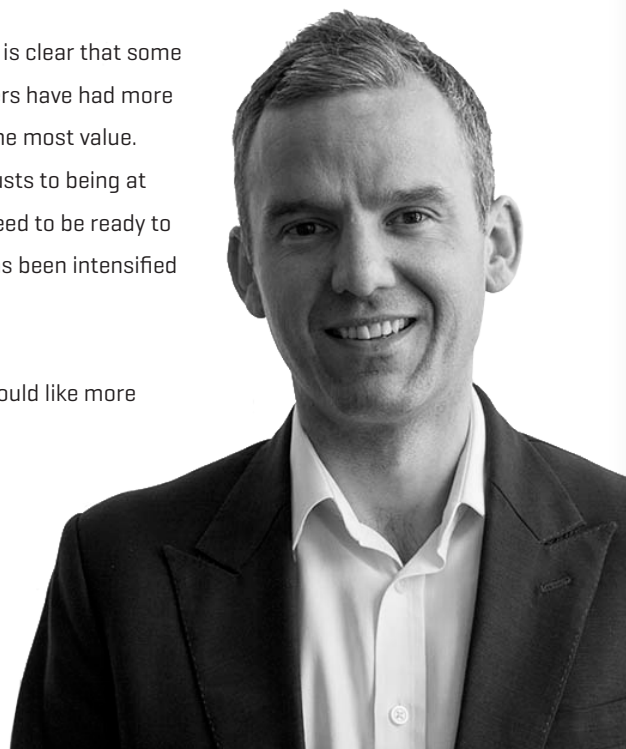
We also explore how lockdown has impacted the use of devices to watch video, and whether those who don't pay for video are still using the same channels and services as before. The success of live premium sports on free-to-air TV in the UK has been something that could not have been forecast at the start of this year.

The long-lasting impacts of the pandemic for consumers are not yet known, but it is clear that some of the changes impacting the media industry are unlikely to be reversed. Consumers have had more time to weigh their options and discover exactly which video services offer them the most value. Video providers have had to shift to new video production models as everyone adjusts to being at home. Linear broadcasters, media publishers and online streaming services will need to be ready to react to these changes or risk losing consumers for good. The war for attention has been intensified by COVID-19 and shifts in behaviour look set to continue beyond the pandemic.

We hope you enjoy the report. You can find our contact details at the back if you would like more information or to discuss our findings.

Stay safe everyone.

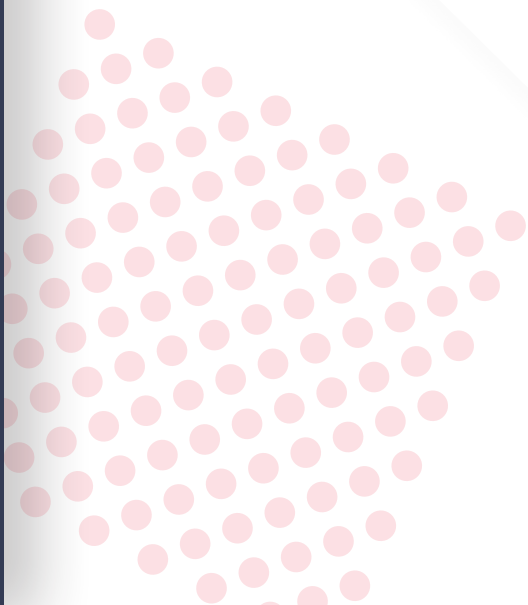
Gareth Capon  
**CEO - Grabyo**



# CONTENTS

- 1. PAY-TV VS STREAMING**
- 2. ONLINE STREAMING SURGE**
- 3-4. LOCKDOWN'S LASTING EFFECT?**
- 5. CORD CUTTING AND THE FUTURE**
- 6. THE MULTI-PLATFORM ERA**
- 7. THE FUTURE OF SPORTS CONTENT**
- 8. SUMMARY**
- 9. ABOUT GRABYO**

CONTENTS

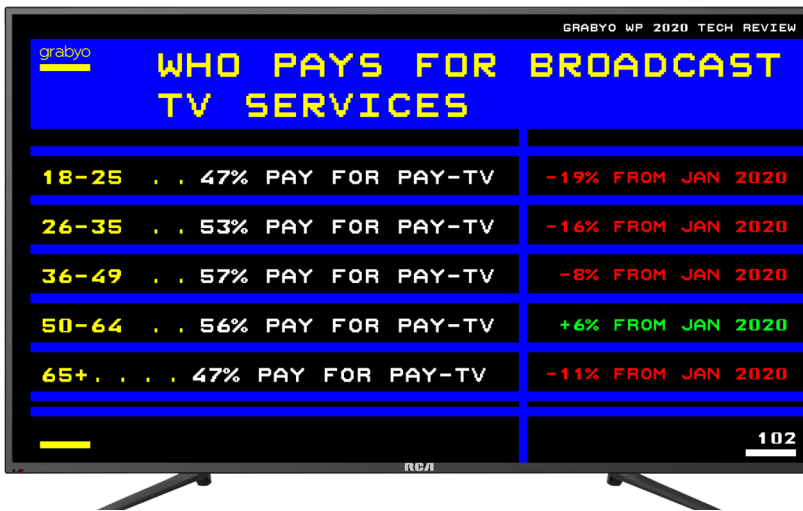


# PAY TV VS STREAMING

OFCOM reported that broadcast TV viewing in June 2020 was higher than in the previous two years\*, while the average UK consumer has been spending a quarter of each day online\*\*.

This has enabled consumers to closely evaluate their video subscriptions, and many have opted to cancel their pay-TV subscriptions and spend more on streaming.

**During social isolation, which media services are consumers paying for?**



## PAY-TV SERVICES

**53%**

**-9% FROM JAN 2020**

## ONLINE STREAMING SERVICES

**65%**

**+7% FROM JAN 2020**



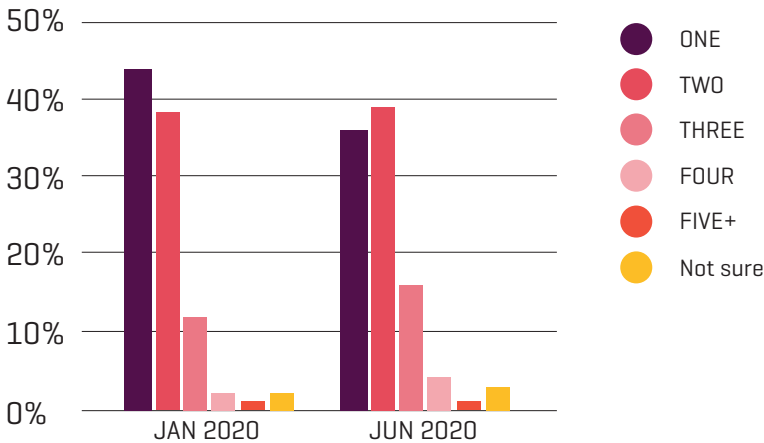
**Lockdown has accelerated the adoption of online streaming services in the UK market.** Video subscriptions are beginning to align across all age demographics, with pay-TV subscriptions falling in almost every age group. Consumers are now looking for video services that are more accessible, more flexible, and cost less per month. The long term economic impacts of the pandemic on consumer spending power in the UK may be a key driver of a shift to lower priced, more flexible streaming services.

**18% of UK consumers do not pay for a video service**

# ONLINE STREAMING SURGE

As online streaming gains widespread adoption in the UK market, consumer purchasing habits are beginning to evolve.

## How many streaming services do UK consumers pay for?



In January, 50% of UK video customers paid for two or three streaming services. In June, this has risen by 14%.

Customers with four or more subscriptions have increased by 100% since January, whereas the number of consumers with only one subscription has fallen by 18%. With more time at home, consumers have been able to test new platforms and discover more content.

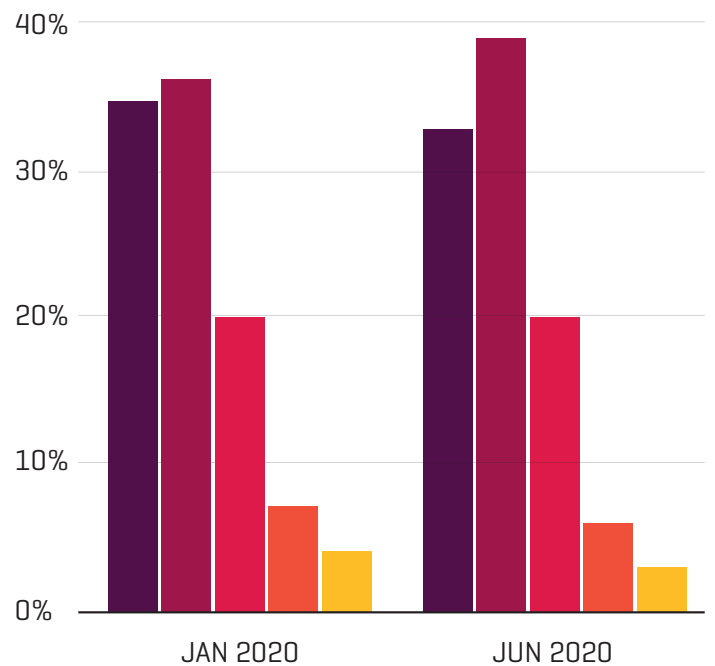
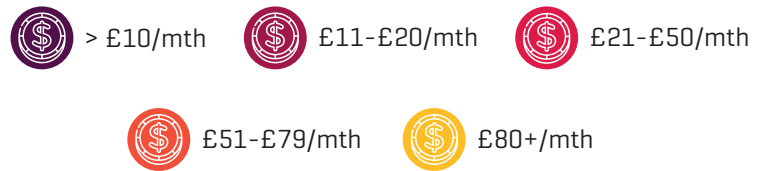
With a 9% decrease in linear pay-TV subscriptions, the launch of Disney+ and new content across other platforms, **UK consumers are shifting their video spend across a wider range of more affordable streaming services.**

## How much do UK consumers spend on online streaming?

**72% of the UK's streaming customers spend up to £20 per month on video subscriptions,** which equates to two or three video services.

Broadcasters are competing with online streaming platforms to capture a UK market share and be one of the 2-3 video services that consumers are willing to pay for each month.

However, with 20% of streaming customers spending between £21-£50 **there is evidence of a strong willingness to pay more for video services and content.** As total spend reaches £50 per month for consumers it becomes comparable to traditional pay-TV subscriptions, and as respondents have indicated that lower price is a key factor in choosing streaming services over pay-TV, so we can expect growth to slow beyond these levels.





# LOCKDOWN'S LASTING EFFECTS



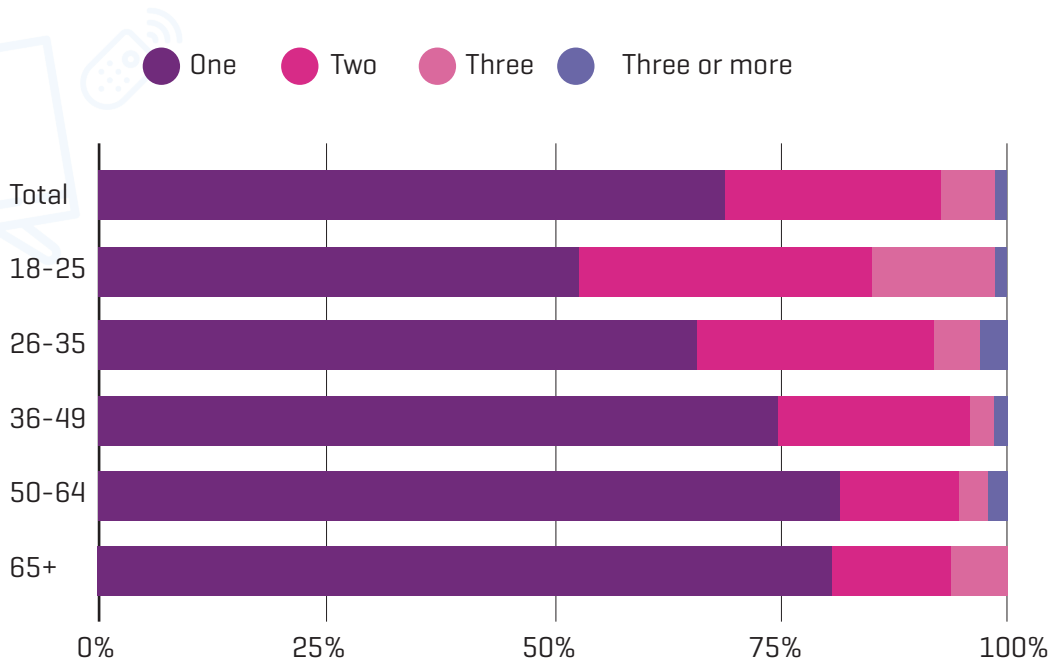
Around 1/3 of paying UK video customers have subscribed to at least one additional online streaming service since March 2020

82% of UK consumers report that they pay for video services. 1/3 of these video customers state they have purchased additional streaming services since March 2020.

69% of these new subscribers have added one additional streaming service, 24% added two, and 7% have subscribed to three or more additional streaming services since lockdown began. Taking the average UK price of a standard subscription at £8.00 per month, and applying these findings to the latest ONS\* data for the UK's population of adults (18+), the results indicate that **UK consumers have increased spending by more than £100m per month on streaming** since the start of the pandemic, **which equates to an uplift of over 25%**.



## How many additional streaming subscriptions do UK video customers have?



The price points and flexibility of streaming services suit younger consumers, who have a greater desire to access video across multiple devices.

**This demand for availability of content on all devices is now more commonplace for older consumers** too, as awareness increases of the convenience and flexibility of streaming.

## Why have UK video customers subscribed to additional streaming services?

46%



More time at home to watch

43%



For family entertainment

23%



Recommendation of friends

20%



Was planning to anyway



# LOCKDOWN'S LASTING EFFECTS

Which streaming platforms do UK consumers currently pay for?

76%

+7% since Jan 2020

NETFLIX

56%

+27% since Jan 2020

prime video

17%

+13% since Jan 2020

sky go

15%

-6% since Jan 2020

NOW TV

3%

+50% since Jan 2020

britbox



**44% more UK consumers subscribed to Disney+ by June 2020 than were predicted in the data from Grabby's January 2020 survey.** In January, 13% of video customers planned to subscribe to Disney+ upon its UK launch in March. Today, 23% of UK video customers pay for the service.

Amazon Prime Video's acquisition of live sporting rights has enabled it to capture a large portion of sports fans with a pent up demand for live content. The UK launch of Disney+ benefitted from consumers having more time at home, with an increased need for family entertainment. Overall, **UK video customers have shown an increased appetite for online streaming and are willing to pay to use additional services.**

Will these additional subscriptions last?



53%

of UK consumers say they do not share online video subscriptions with friends or family

80%

of UK streaming customers plan to keep the same amount of subscriptions moving forward

19%

of UK streaming customers plan to cancel some of their streaming subscriptions

1%

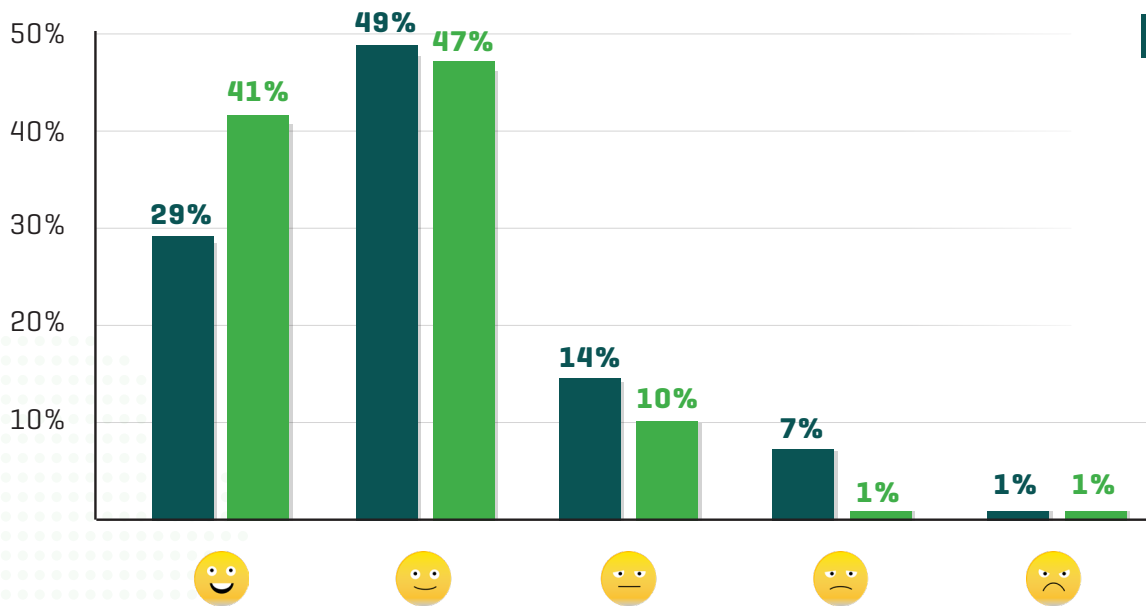
of UK streaming customers plan to cancel all of their streaming subscriptions



# CORD CUTTING AND THE FUTURE

Social isolation measures in the UK have shifted consumer spending habits on video subscriptions towards streaming, but how has it changed the perception of value in the video market? Consumer attitudes towards the value of pay-TV and streaming services are arguably as important as current spending behaviours, and will shape the UK video market in 2020 and beyond.

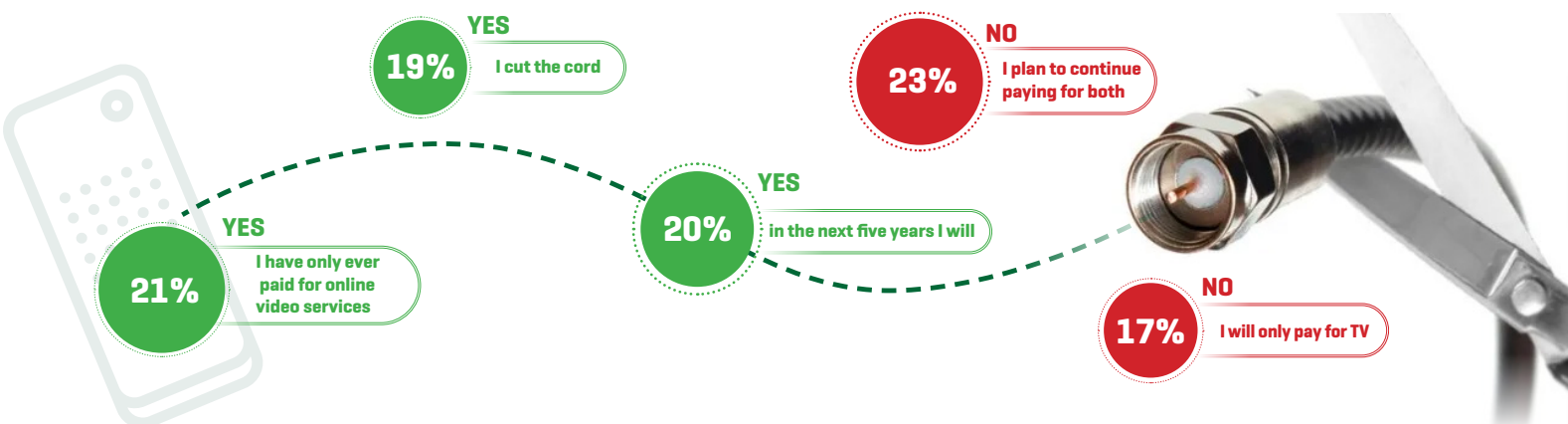
How do UK consumers rate the value of pay-TV and online streaming subscriptions?



■ Online streaming services  
■ Pay-TV



Are UK consumers planning to pay for online video services exclusively in the future?\*



During lockdown, **attitudes towards cord-cutting in the UK have shifted towards a multi-platform model.** In January 2020, 15% of paying video customers planned to pay for both TV and streaming. Today, this has increased to 24% of customers. These new findings indicate that pay-TV will retain a 40% market share in five years'

time, which has increased from a forecast of just 26% in Grabyo's January survey. However, as consumers begin spending less time at home when social isolation restrictions are lifted, **attitudes may change as flexibility and accessibility become priorities again.**





# THE MULTI PLATFORM ERA

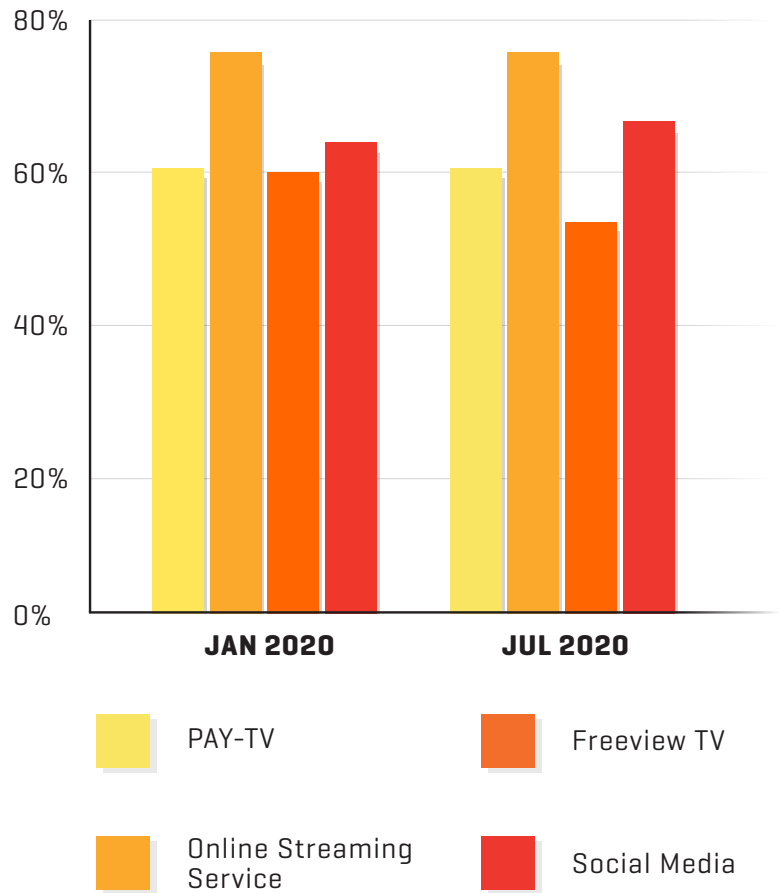
## Which platforms are UK consumers regularly using to watch video?

A 2020 report from We Are Social\* found that more than 50% of the world's population is now on social media. This is significant for the media industry as these platforms are transitioning from purely networking to entertainment destinations.

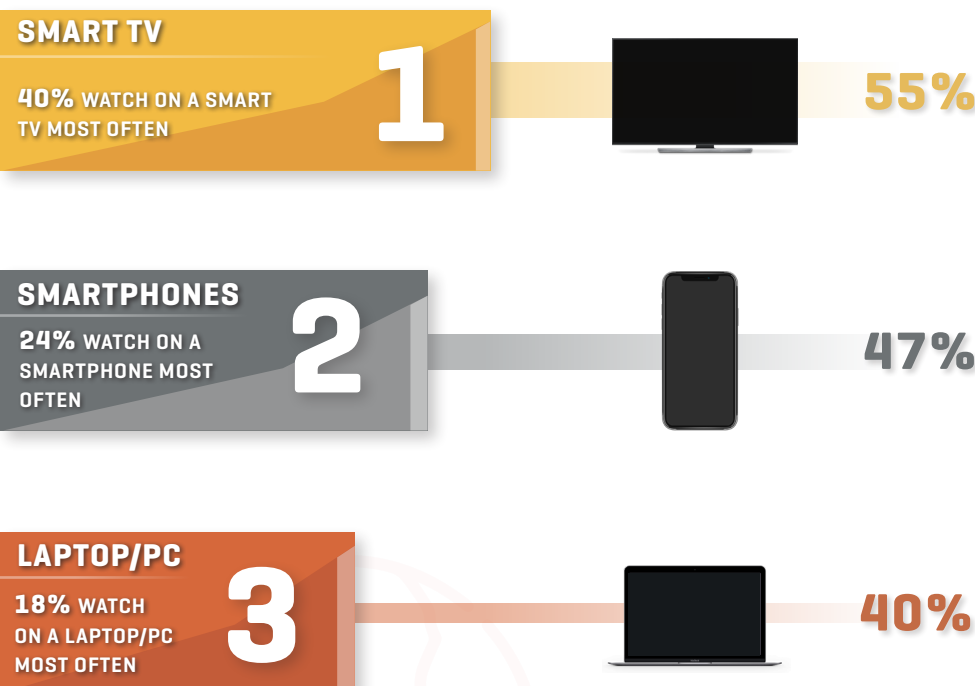
**Consumers who want free access to video are turning away from free-to-air linear TV and are using social platforms** to watch clips, interactive content series and live streams. This trend is particularly strong for younger age groups [under 34 years old], who now spend more time watching video on YouTube than traditional TV\*\*.

During lockdown in the UK, many broadcasters and publishers have taken to experimenting with live social video formats. Consumers have engaged with these broadcasts and their interactive elements, dictating more of what they see on screen.

**This type of viewing experience is now heading into the mainstream.**



## Which devices do UK consumers use to watch video?



- 4<sup>TH</sup>** **34% watch video using a tablet** - 13% of those watch on a tablet most often
- 5<sup>TH</sup>** **27% watch video using a streaming device** - 25% of those watch on a streaming device most often
- 6<sup>TH</sup>** **26% watch video using a set-top box** - 36% of those watch on a set-top box most often
- 7<sup>TH</sup>** **23% watch video using a traditional TV (not internet-connected)** - 24% of those watch on a traditional TV most often
- 8<sup>TH</sup>** **15% watch video using a games console** - 16% of those watch on a games console most often

\*We Are Social 'Digital 2020: July Global Statshot Report', July 2020

\*\* OFCOM '2020 Media Nations', July 2020



# THE FUTURE OF SPORTS CONTENT

The absence of live sport in the summer of 2020 has resulted in **huge pent up demand for live action**. To help sports get back to a wider audience, consumers have been given the chance to access live sport for free, on a wider range of platforms than ever before. This included English Premier League matches broadcast live at 3PM on

a Saturday afternoon **for the first time in its history**. 77% of sports fans watch content regularly on online streaming platforms, with 68% watching regularly on pay-TV services and 66% watching regularly on social media.

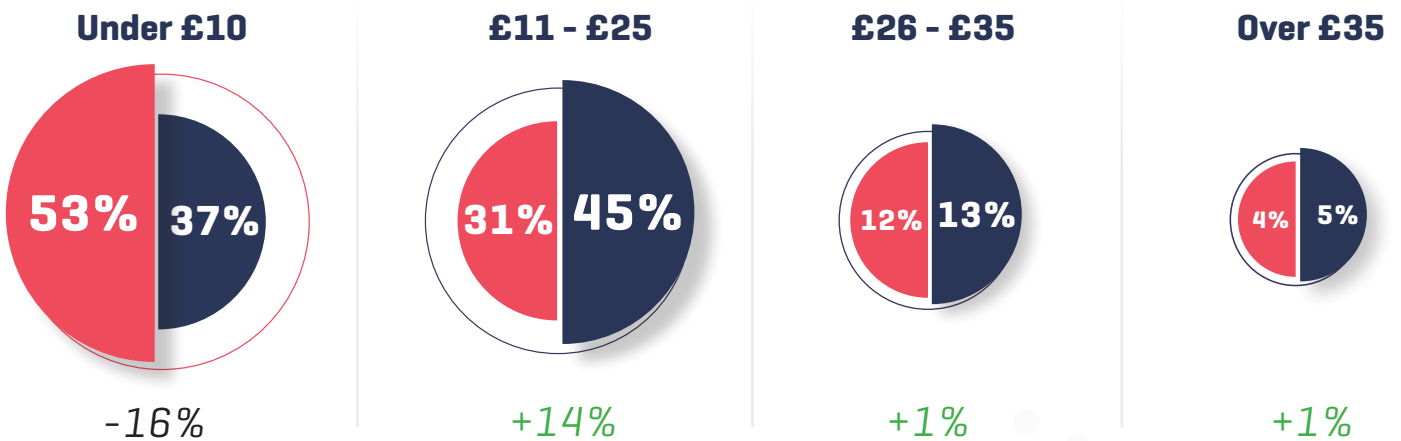
With increased online consumption during lockdown, including live sport, **fans are now more receptive to streaming sports online**.

**Would UK sports fans pay to watch sport exclusively on online streaming platforms for the rest of the year?**



January 2020  
July 2020

**How much would UK sports fans pay to watch sport on online streaming platforms per month?**



Sports fans have been convinced of the value of online streaming platforms during social isolation. **63% of sports fans would now be willing to spend over £10 per month on an online streaming service that carries live sports and highlights (VOD)**. Sports streaming platforms such as DAZN already offer this type of service in certain global markets, with DAZN achieving 950% year-on-year growth in 2019. However, standalone sports streaming services have struggled in the UK

with Eleven Sports pulling out of the UK market this year. **There is a huge opportunity for broadcasters and rights holders to launch a dedicated streaming service for sports fans who want to watch online**. BT Sport has moved in this direction, following the evolution of NowTV from Sky to offer a stand-alone sports streaming service. Offering this flexibility, and a reduced cost per month, opens up a much larger market of customers that have moved away from linear TV.

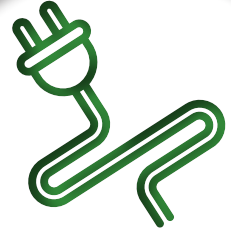
# SUMMARY

## +20%

Streaming subscriptions have grown over 20% for consumers over 50 years old



Over 1/3 of paying video customers purchased at least one new streaming service



Attitudes towards cord-cutting have skewed slightly in favour of linear broadcasters



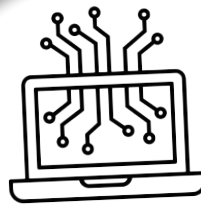
This report has found a decrease in the amount of Freeview TV audiences and an increase in social video viewing



The reception to new social video formats has been positive and likely to encourage media companies to continue drawing audiences to their social platforms



New social experiences have been most prevalent in the sports industry



Now is the time for sports broadcasters to move towards a streaming distribution model



New consumption habits have caused a shift in attitudes towards watching sports on digital platforms



With rapid growth in streaming adoption in older consumers, the risk to audience share is now lower for sports broadcasters to move to streaming

Streaming may not completely take over the video market in the next five years, but lockdown has shown that it will be a part of every consumer's video viewing experience, whether they are staying at home or not.



# ABOUT GRABYO

Grabyo is the leading cloud video platform. Grabyo's lightweight services are the future of broadcast - equipping partners with the tools to manage agile video distribution strategies across all major digital, OTT and social platforms.

Delivered as a SaaS platform and accessed through a web browser, Grabyo is trusted by major publishers and rights holders across the world. The platform has strategic partnerships across OTT, social media and broadcast including Twitter, Facebook, YouTube, Instagram, Twitch and Snap. In 2019, Grabyo partners created over 650,000 clips and 16,500 live broadcasts, generating more than 12 billion video views.

To find out how Grabyo can help you action the results of this report, get in touch with us at [hello@grabyo.com](mailto:hello@grabyo.com).

To learn more about the report, or for press enquiries, please contact [scott@grabyo.com](mailto:scott@grabyo.com)

A FEW CONTRIBUTORS FROM:

## #TEAMGRABYO



**GARETH  
CAPON**

CEO



**AARON  
DUCKMANTON**

Global Head of  
Marketing



**SCOTT  
LUNN**

Global PR &  
Communications Manager



**SAMUEL  
KIRSCHSTEIN**

Lead Graphic  
Designer



**EMILY  
WILFORD**

Marketing Manager



**HARRY  
MACEY**

Head of Sales EMEA





grabyo



# THE FUTURE OF SPORTS CONTENT

The absence of live sport in the summer of 2020 has resulted in **huge pent up demand for live action**. To help sports get back to a wider audience, consumers have been given the chance to access live sport for free, on a wider range of platforms than ever before. This included English Premier League matches broadcast live at 3PM on

a Saturday afternoon **for the first time in its history**. 77% of sports fans watch sport regularly on online streaming platforms, with 68% watching regularly on pay-TV services and 66% watching regularly on social media.

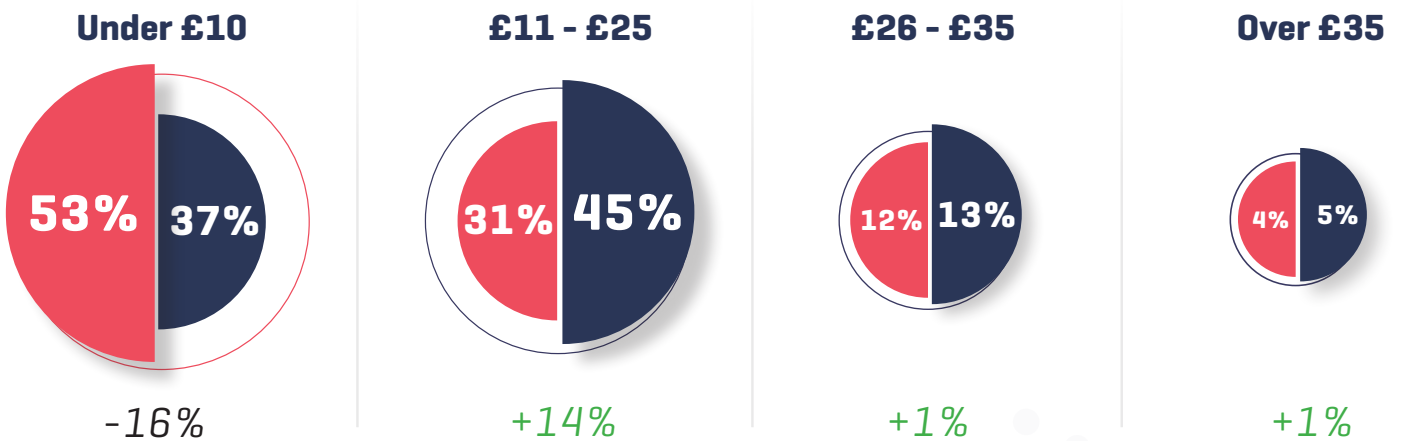
With increased online consumption during lockdown, including live sport, **fans are now more receptive to streaming sports online**.

**Would UK sports fans pay to watch sport exclusively on online streaming platforms for the rest of the year?**



January 2020  
July 2020

**How much would UK sports fans pay to watch sport on online streaming platforms per month?**



Sports fans have been convinced of the value of online streaming platforms during social isolation. **63% of sports fans would now be willing to spend over £10 per month on an online streaming service that carries live sports and highlights (VOD)**. Sports streaming platforms such as DAZN already offer this type of service in certain global markets, with DAZN achieving 950% year-on-year growth in 2019. However, standalone sports streaming services have struggled in the UK

with Eleven Sports pulling out of the UK market this year. **There is a huge opportunity for broadcasters and rights holders to launch a dedicated streaming service for sports fans who want to watch online**. BT Sport has moved in this direction, following the evolution of NowTV from Sky to offer a stand-alone sports streaming service. Offering this flexibility, and a reduced cost per month, opens up a much larger market of customers that have moved away from linear TV.



# THE FUTURE OF SPORTS CONTENT

The absence of live sport in the summer of 2020 has resulted in **huge pent up demand for live action**. To help sports get back to a wider audience, consumers have been given the chance to access live sport for free, on a wider range of platforms than ever before. This included English Premier League matches broadcast live at 3PM on

a Saturday afternoon **for the first time in its history**. 77% of sports fans watch sport regularly on online streaming platforms, with 68% watching regularly on pay-TV services and 66% watching regularly on social media.

With increased online consumption during lockdown, including live sport, **fans are now more receptive to streaming sports online**.

**Would UK sports fans pay to watch sport exclusively on online streaming platforms for the rest of the year?**



How much would UK sports fans pay to watch sport on online streaming platforms per month?

- January 2020
- July 2020

Sports fans have been convinced of the value of online streaming platforms during social isolation. **63% of sports fans would now be willing to spend over £10 per month on an online streaming service that carries live sports and highlights (VOD)**. Sports streaming platforms such as DAZN already offer this type of service in certain global markets, with DAZN achieving 950% year-on-year growth in 2019. However, standalone sports streaming services have struggled in the UK

with Eleven Sports pulling out of the UK market this year. **There is a huge opportunity for broadcasters and rights holders to launch a dedicated streaming service for sports fans who want to watch online**. BT Sport has moved in this direction, following the evolution of NowTV from Sky to offer a stand-alone sports streaming service. Offering this flexibility, and a reduced cost per month, opens up a much larger market of customers that have moved away from linear TV.