

# Online TV

An exploration of online TV behaviors, and  
the streaming services driving the industry

INSIGHT REPORT 2019

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## Introduction

GlobalWebIndex Insight reports take a deep-dive into the crucial topics of the industry. This report delves into the impact of online services on the TV industry and examines how consumers are integrating online into their TV viewing habits.

We answer questions like:

- What demographics and markets are the most likely to be engaging with different forms of online TV and how often?
- What devices are the most important to online TV viewing and how are smartphones impacting engagement habits?
- What online TV/film services are winning the battle in the OTT market and are viewers willing to pay for this content?
- What is subscription choice fatigue and how is this phenomenon impacting the SVoD industry?
- What is the future of online TV and can social networks become TV platforms?

# Key Insights

**Online forms of TV are capturing nearly 40% of daily TV time.** That's up from just 26% back in 2013 and accounts for 1 hour and 17 minutes, compared to almost 2 hours spent on broadcast TV. Online has some way to go until it becomes a true challenger to broadcast TV globally, but for some markets and demographics, the gap is quickly narrowing, and the general direction of the shift is clear.

**Digital consumers don't choose one form of TV over another.** Rather, the vast majority choose to watch a combination of broadcast and online TV. Almost 90% of those who watch TV catch-up or TV subscription services say they also watch broadcast TV weekly. Online TV might be taking some viewing time away from broadcast, but for now, online and broadcast are complements not substitutes in the life of the digital consumer.

**The number of devices used to watch online TV is growing.** Today's online consumers own an average of three different devices and they watch TV (in any form) on an average of 2.5. In the battle of mobiles versus computers, it's now the former that is the most popular for watching TV content, but the difference between the two devices is still very narrow. We expect 5G to drive the prominence of mobiles for video viewing further though.

**Netflix takes the lion's share of the global streaming industry.** It is used by 4 in 10 internet users globally and is the leading streaming service in Europe, Latin America and North America. But with a global expansion comes fierce competition from local players, particularly in the likes of iQiyi in China and Hotstar in India.

**Netflix has a larger paying user-base than Amazon, but Amazon users share their accounts less.** When it comes to paid-for users from different age groups, both services enjoy a relatively stable trend, with the oldest demographic - 55-64s - being most likely to use a paid-for account. In terms of account sharing, a substantial 61% share their accounts on Netflix, compared to 47% of Amazon users.

**The plethora of streaming services available is causing subscription choice fatigue.** Watching platform-exclusive titles from each streaming service means that consumers are faced with a bunch of monthly fees that they lose track of and feel anxious about. The overwhelming choice of exclusive content from so many places is causing subscription streaming services to fail in what they promised to consumers in the first place - the convenience of having unlimited access to all content on a single platform.

**TV behaviors are shifting - from the TV set, to online, to social media.** TV could easily transfer to the platforms that are so ingrained in our lives and that we already use to consume video content. With 6 in 10 online adults outside China watching a video or a live stream on the major social media platforms, it won't be long until online TV fully penetrates the social space, and sports coverage proves one of the most fruitful routes for that to happen.

Online TV

# Engagement with Online TV

## The Rise of Online TV

As we cover in our Device flagship [report](#), the time people spend consuming digital media is only increasing with no prospect of a saturation point anytime soon. Globally, **time spent online has reached an average of 6 hours and 49 minutes per day** on computers, tablets, laptops and mobiles combined. This is around half an hour longer than the time internet users were devoting three years ago and is somewhat driven by the growing time spent watching online TV.

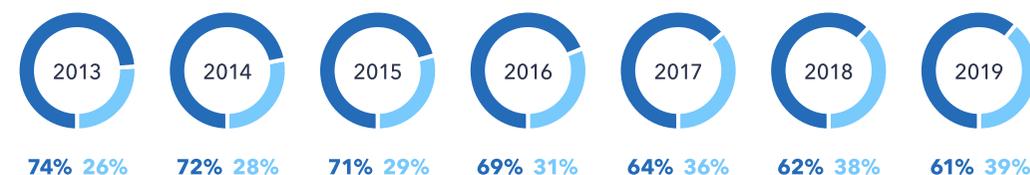
Back in 2012 online TV was still relatively nascent: Netflix had just been made available in the Americas and a handful of European markets, and broadcast firmly dominated daily TV viewing. Fast forward to 2019 and the picture has changed significantly: cords are being cut while streaming services are thriving. Netflix and Amazon Prime Video are now available across the world and **online adults are engaging with an average of 3 video streaming platforms every month**. As a result, time devoted to online forms of TV continues to rise, **now capturing 39% of total daily TV time, up from 26% in 2013**. This accounts for 1 hour and 17 minutes spent on average per day, compared to almost 2 hours spent on broadcast TV. Online has some way to go until it becomes a true challenger to broadcast TV globally, but for some markets and demographics, the gap is quickly narrowing, and the general direction of the shift is clear.

### Time Spent Watching TV: Linear vs. Online

Average time spent in h:mm each day on...



### Share of time spent on linear vs online TV



The average digital consumer spends 1h 17m a day watching online forms of TV, but broadcast TV remains resilient.



**Question:** On an average day, how long do you spend watching online television/streaming? | On an average day, how long do you spend watching television?

**Source:** GlobalWebIndex Q1 2019 **Base:** 114,973 Internet Users aged 16-64

## The Rise of Online TV

All age groups and world regions are now devoting much longer to online forms of TV than they were in 2013, but there is some variation worth noting here. 25-34s are spending the most time streaming (1h 33m) and they've also seen the highest increase for this activity (40 minutes).

However, **our youngest demographic - 16-24s - spend the most time on online TV relative to traditional TV, with nearly half of their viewing being online.** These young consumers came of age in a time when it was normal to access content and services whenever and wherever they pleased. And they've come to expect the same for their favorite TV shows. **If current patterns continue, we're likely to see the youngest age group spending longer watching online than linear TV by the end of 2019.**

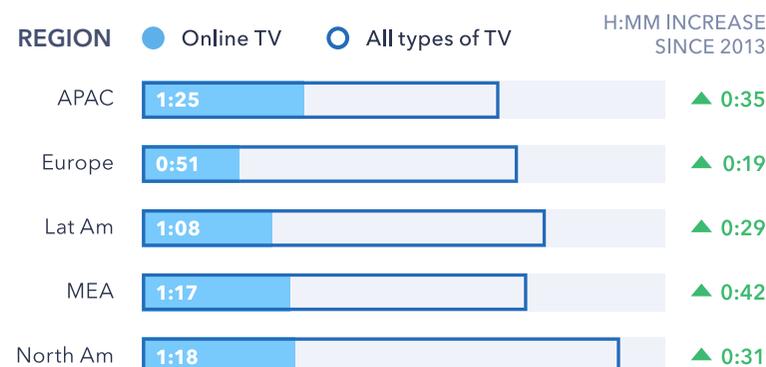
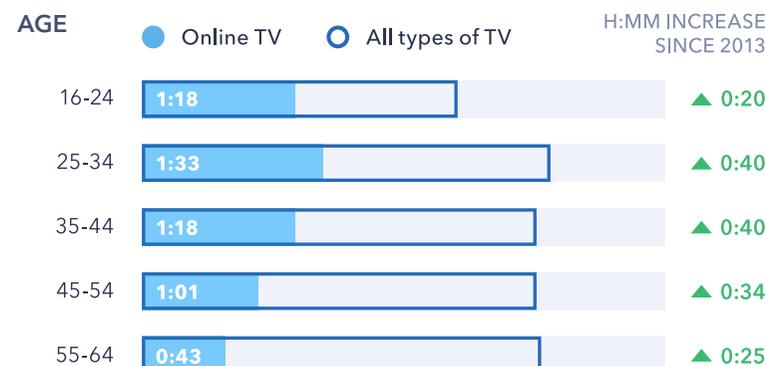
When we take a regional perspective, Asia Pacific is where people devote the most of their TV viewing to online forms (46%), but MEA is the region that has seen highest growth since 2013 (42 minutes). **The gap between online and linear is much narrower in APAC than in other regions.**

Broadcast TV is slightly less ingrained in media portfolios in APAC, and online populations in many of its fast-growth markets skew younger. It's also partly down to a number of local SVoD services being very popular in some markets. In China, for example, we see particularly high rates of engagement with local providers like iQiyi (72%) and YouKu & Tudou (64%), which we cover in more detail later in the report.

It won't be long until 16-24s are spending longer watching online TV than linear TV.

### Time Spent Watching Online TV/Streaming

Average time spent in h:mm each day watching online TV



**Question:** On an average day, how long do you spend watching online television/streaming?

**Source:** GlobalWebIndex Q1 2019 **Base:** 114,973 Internet Users aged 16-64

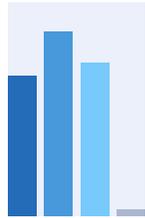
# Types & Frequency of TV Watched

## Frequency of Watching TV

% who watch the following types of TV

- Every day or nearly every day
- Once a week – 4/5 times a week
- Once a month – 2/3 times a month
- Less than once a month – never

62% 82% 68% 3%



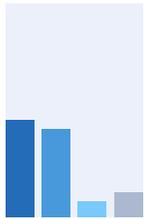
Watch any type of TV

12% 42% 12% 35%



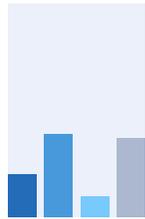
Watch a TV channel's catch-up/on-demand service

43% 39% 7% 11%



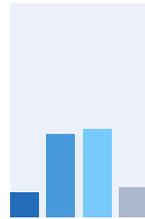
Watch live television on a TV channel

19% 37% 9% 35%



Watch subscription services such as Netflix

11% 37% 39% 13%



Watch shows that you have recorded from TV

Despite online forms of TV rising in popularity, globally, we still see a significant attachment to traditional broadcast TV. **This is the form of television most frequently watched, with 43% saying they do so every day or nearly every day.** This is a much higher proportion than the 19% watching subscription services like Netflix and the 12% watching TV catch-up or on-demand services.

However, when we look at less frequent viewing – between once a week and 4/5 times a week – **catch-up/on-demand TV (42%) is more popular than both live TV (39%) and subscription services (37%).** This means that on-demand is not consumers' first choice in their busy day-to-days, but it's a more convenient option when it comes to downloading a program and watching it at the user's leisure.

It's not that digital consumers choose one form of TV over another though. Time spent on TV every day has increased by around 20 minutes since 2013 and the vast majority of internet users choose to watch a combination of both, which is why the "death of broadcast" is still a myth. **Almost 90% of those who watch TV catch-up or TV subscription services say they also watch broadcast TV weekly,** with 44% doing so on a daily basis. Online TV might be taking some viewing time away from broadcast, but for now, online and broadcast are complements not substitutes in the life of the digital consumer.

The growth of online TV is complementing broadcast TV, not cannibalizing it.

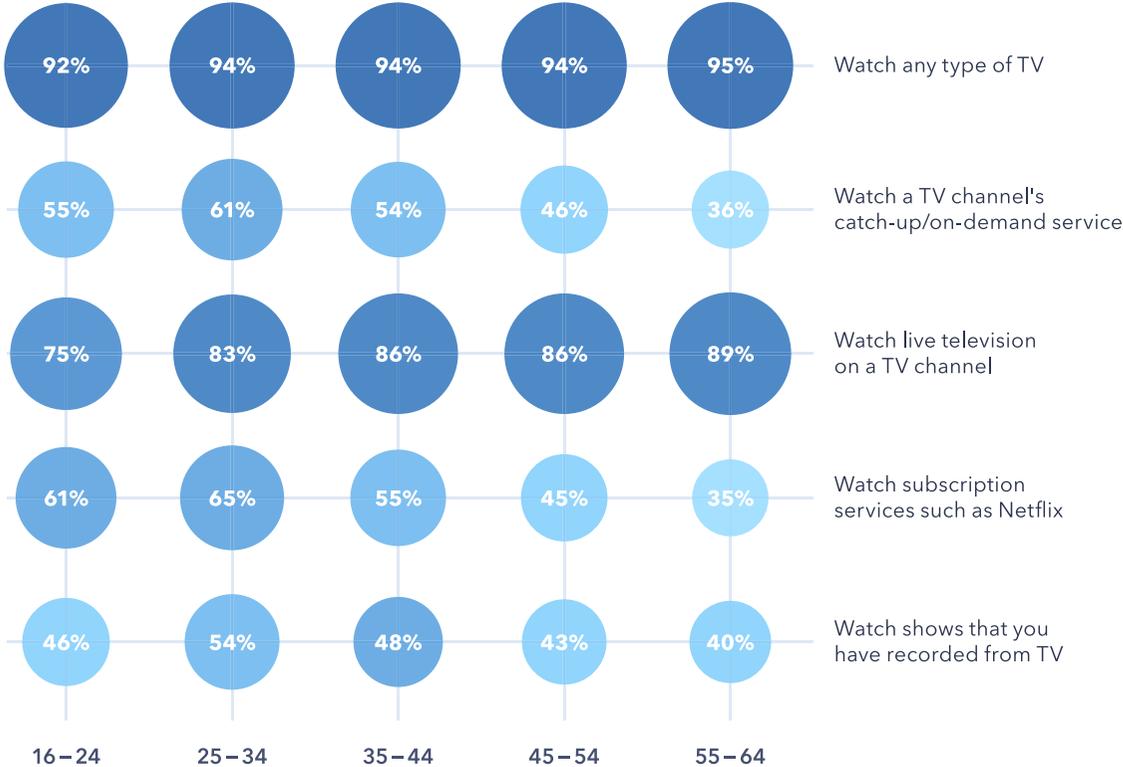


**Question:** How often do you watch the following types of TV?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 63,218 Internet Users aged 16-64

# Types of TV Watched

## Types of TV Watched by Age

% who watch the following types of TV at least once a week



Striking differences emerge when we look at what types of TV different age groups watch. Generally, older people are slightly more likely to engage with TV regardless of the form. When it comes to broadcast TV, **all age groups remain more likely to be watching it each week, but the difference with online TV is particularly narrow for 16-24s.**

The gap between live TV and subscription services for this age group is only 14 percentage points, compared to a considerable 54 points for 55-64s. While linear TV remains truly ingrained in the media portfolios of older consumers, as we mentioned earlier, it might not be long until the youngest internet users are engaging with online forms of TV more than they are with broadcast.

**But online TV services are not solely the reserve of younger consumers.** The fact that over a third of our oldest respondents say they engage with both on a weekly basis means online forms of watching are making a true headway into media habits, and we're only likely to see this growing in the future.



**Question:** How often do you watch the following types of TV?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 63,218 Internet Users aged 16-64

# Market Insights: Online TV Engagement



\* Please note that these countries weren't tracked in 2013



**Question:** How often do you watch the following types of TV? | On an average day, how long do you spend watching online television/streaming?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 114,973 Internet Users aged 16-64

## Market Insights: Online TV Engagement



**Daily online viewing time has increased in 29 out of the 32 markets we tracked back in 2013.** Russia, Italy and the Netherlands emerge as the only countries where time spent watching online TV has remained relatively stable in that period at roughly 40-45 minutes. The highest increase (52 minutes) is in South Africa, where users devote over an hour to online watching and where they are equally divided between on-demand and subscription services.

Unsurprisingly, **internet users in fast-growth markets like China devote the most time to online TV services, while mature countries like Japan and France are still very much committed to traditional forms of TV.** However, the UK has replaced China in the top spot for watching a TV channel's catch-up or on-demand service, with nearly 7 in 10 doing this at least weekly. This is not surprising considering that all the major UK broadcasters now offer on-demand services. The great success of BBC iPlayer, watched by over half of internet users in the UK, as well as services like ITV Hub (33%) and All4 (28%) are driving engagement.

**Countries in the Americas are the ultimate leaders in watching subscription services like Netflix on at least a weekly basis.** Mexico (83%) is topping the charts here with some distance from the second-most engaged country - Brazil (78%). Netflix's home market - the U.S. - is also in the top five markets with 68% of online adults here watching it each month.

**Online adults in the UK are most enthusiastic about watching on-demand services.**

Online TV

# Online TV Devices

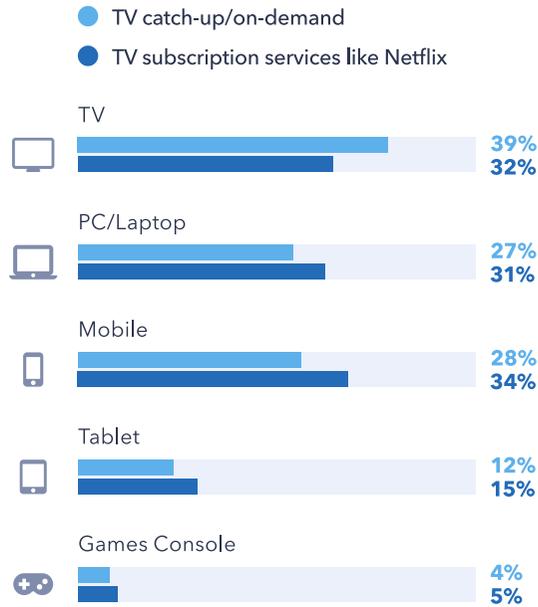
# Devices Used to Watch Online TV

Today's online consumers own an average of three different devices and they typically watch TV (in any form) on 2.5 of those. In the last decade or so, TV viewing has spread from the TV set to mobiles, tablets, PCs and laptops, and it's becoming ever-easier to consume video content on multiple screens. At the end of 2016, for example, Netflix offered its users the chance to download some of its series and films, as many TVOD services have also done, facilitating on-the-go viewing.

The 25-34 age group have the largest portfolio of devices they use to watch TV (2.8 on average), while 55-64s are watching across an average of 1.9. Globally, thanks to many of the on-demand services having apps on connected TVs, the TV set remains the most popular device for watching these. On the other hand, **the mobile is the device of choice for watching subscription services**, though TV sets here are a close second.

## Online TV Devices

% who watched these types of TV on the following devices



The average digital consumer today watches TV on three different devices.

In the battle of mobiles versus computers, it's now the former that is the most popular for watching online TV, but the difference between the two devices is still very narrow. This varies strongly by region though.

**Mobiles are the top choice only in APAC for watching subscription services**, and this is also likely to become the case in LatAm in the near future. However, in Europe and North America computers hold an eight-percentage point lead over mobiles. The picture looks similar when it comes to TVoD: mobiles are most prominent in APAC, while the biggest gap in favor of PCs is in Europe.

Although the figures for watching online TV on tablets and games consoles are quite low, this is largely down to their lower ownership rates relative to other more popular devices. **Among those who actually use these devices to access the web, it's 28% and 22% who watch subscription services on tablets and consoles, respectively.** This means that one of the main use-cases of these devices is indeed watching online TV. For tablets, this is especially the case in APAC (32%), while MEA, North America and APAC post the same figures for games consoles (28%).



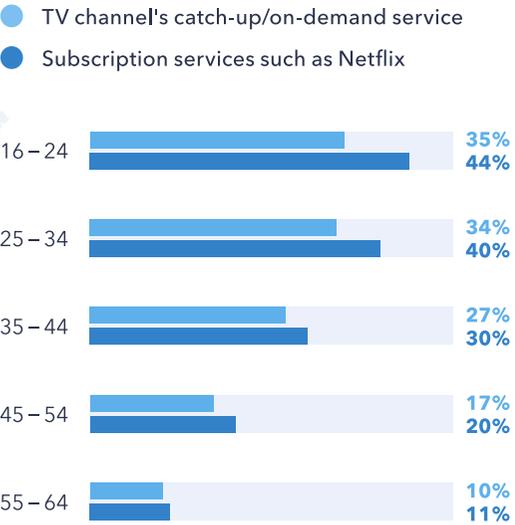
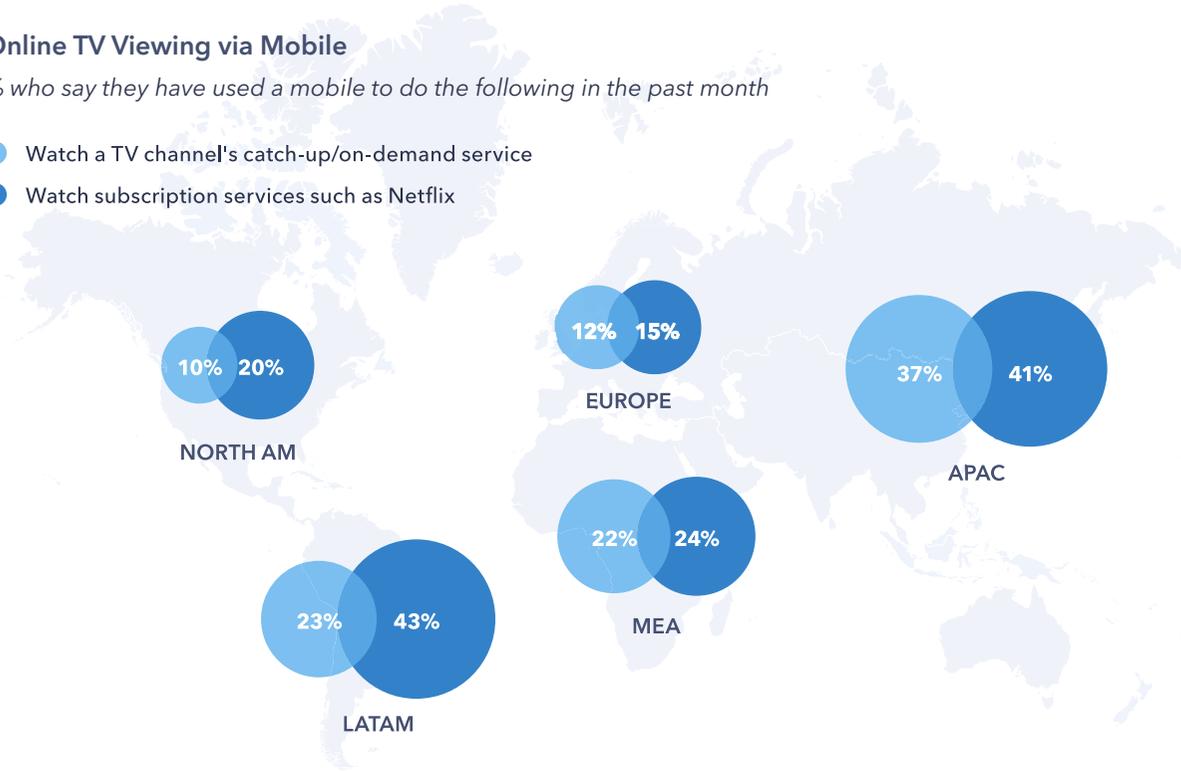
**Question:** In the past month, which devices have you used to do the following?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 63,218 Internet Users aged 16-64

# Mobile TV Viewing

## Online TV Viewing via Mobile

% who say they have used a mobile to do the following in the past month

- Watch a TV channel's catch-up/on-demand service
- Watch subscription services such as Netflix



There are a few developments that have contributed to a rise in mobile viewing. Mobile connections have continuously improved, streaming services are offering the chance to download series and films, and wireless carriers are providing unlimited data bundles so customers can stream online content without it eating into their data allowances.

The arrival of 5G connectivity technology, which many are comparing to a new industrial revolution, is also among developments facilitating video streaming on the mobile, if not the most important one at the moment. **Featuring a speed 10 or 20 times faster than 4G, the technology will inevitably be a game-changer for the digital video market**, and media and entertainment companies will be the ones to reap the most benefits. In fact, the

average monthly traffic per 5G subscriber is **projected** to grow from 11.7GB in 2019 to 84.4GB per month in 2028, when video will account for 90% of all 5G traffic.

**The younger the internet user, the more likely they are to be watching on-demand or subscription services via a mobile.** 44% of 16-24s watch subscription services like Netflix on their mobiles, compared to just 11% of the oldest age group.



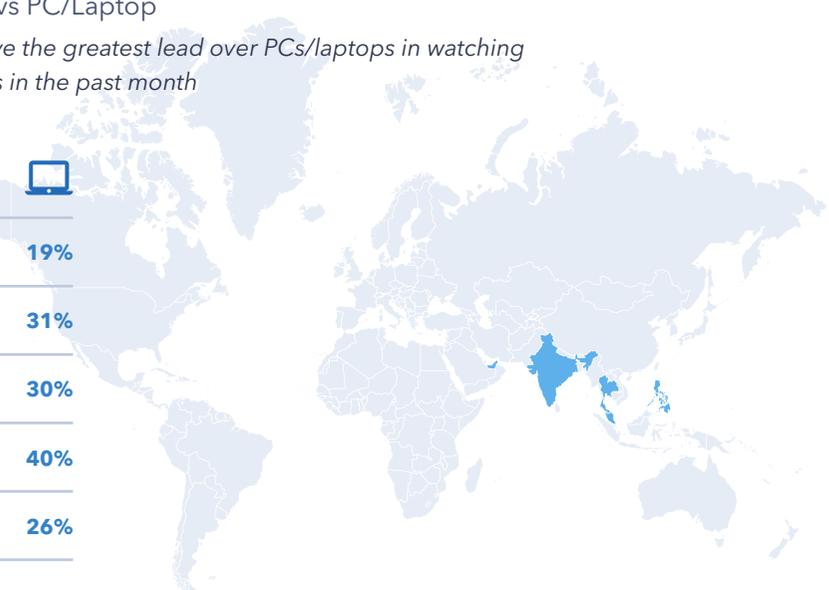
**Question:** In the past month, which devices have you used to do the following?  
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# Mobile Viewing

## Online TV Viewing | Mobile vs PC/Laptop

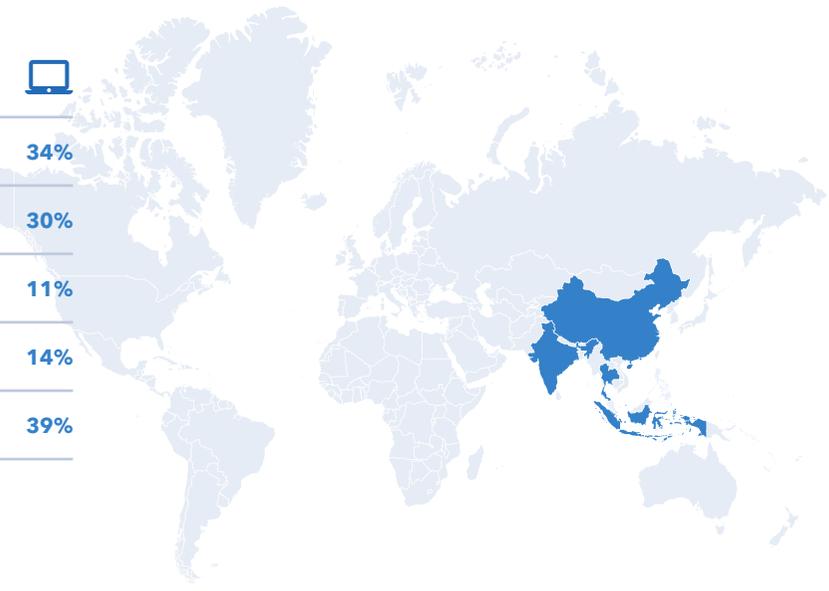
Top 5 markets where mobiles have the greatest lead over PCs/laptops in watching on-demand/subscription services in the past month

### TV CATCH-UP/ ON-DEMAND



	Mobile	PC/Laptop
Thailand	31%	19%
India	39%	31%
UAE	38%	30%
Philippines	48%	40%
Malaysia	33%	26%

### SUBSCRIPTION SERVICES



	Mobile	PC/Laptop
China	46%	34%
Indonesia	42%	30%
Hong Kong	18%	11%
Thailand	21%	14%
India	45%	39%

**Internet users in Latin America and APAC have adopted the mobile for online TV viewing the most.** This is a result of their relatively young online population, the centrality of mobiles in daily lives, as well as the popularity of online TV services. Figures are even higher in China, where 56% of online adults have watched a subscription service in the past month via mobile. Consumers here are accustomed to using their mobiles for virtually everything, while as we're going to see later in the report, home-grown streaming services have become hugely popular.

In fact, we see the largest gaps between mobiles and PCs being in countries from the APAC region for both subscription services and TVoD. **This means that even though the mobile is widely used in Latin America for online TV watching, it is not as dominant a device for this activity.** For example, 45% of internet users in Mexico watch subscription services on their phones, which is closely followed by 42% who do so via computers.



**Question:** In the past month, which devices have you used to do the following?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 63,218 Internet Users aged 16-64

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## Netflix to Enter the Mobile Gaming Space



The lines between different types of entertainment are getting blurred and mobile sits at the center of this. Netflix recently **announced** at the E3 gaming conference that it is entering the mobile gaming market by producing a game based on its popular series "*Stranger Things*". This comes as part of Netflix's push to take a piece of the video game industry more broadly after it announced the launch of "*Stranger Things 3: The Game*" and strategy game "*The Dark Crystal: Age of Resistance Tactics*" for consoles and PCs later in 2019.

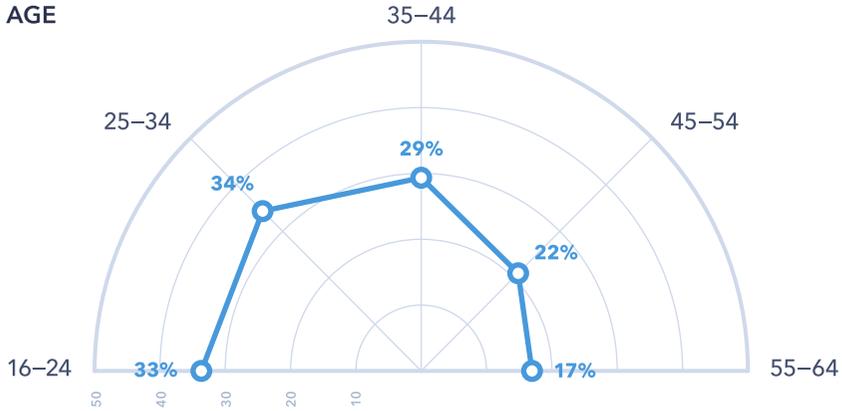
Making a mobile game is aimed at opening up new revenue streams by reaching more people and driving further engagement with the service. With its combination of AR features and location tools resembling the likes of "Pokemon Go", the game will likely achieve a similar success as the show itself, as fans will be able to experience the "**Upside Down**" in a virtual reality setting.

# Content Casting

## Mobile Content Casters

% of internet users who have watched content on a TV by mirroring or casting it via their phone in the past month

 **29% OF INTERNET USERS WATCHED CONTENT BY MIRRORING OR CASTING**



## GENDER

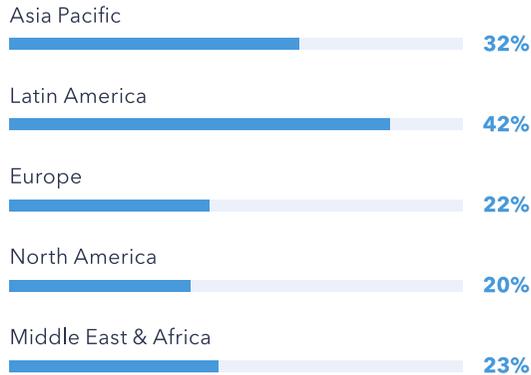


31%



28%

## REGION



Mobile content casters are 61% more likely than average to own a TV streaming stick.

As we saw earlier, with their paralleled flexibility, mobile phones are slowly becoming central to consumers' TV viewing habits. However, the smaller screen can't compare to the large TV screen for facilitating group viewing and creating the same sense of immersion. This gives rise to a new way of watching TV, namely **casting** content to the TV set using a mobile device.

Today, **29% of internet users have watched content on a TV by mirroring or casting it via their phone in the past month.** This activity is quite popular among all age groups, but younger internet users see the most engagement here. As with mobile viewing, Latin America again emerges as the top region, with **46% of mobile content casters watching subscription services at least weekly.**

These users are also early adopters of new technology, with 63% of them saying having the latest technological products is very important to them. But despite 36% of this audience saying they're constantly connected online, **they still spend more time watching traditional (1h 56m) than online TV (1h 34m).** This is yet another confirmation that even for the highly connected consumers that use their phones to cast content, broadcast TV is still holding its own.



**Question:** Which of these have you done on your mobile in the last month?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 139,397 Internet Users aged 16-64

Online TV

# The Global OTT Market

# Global vs. Local SVoD Services

## Global vs. Local SVoD Services

% who have used the following services in the last month

### APAC

**36%**  iQiyi <sup>1</sup>

 Used the most in China (**72%**)

**32%**  YOUKU <sup>1</sup>

 Used the most in China (**64%**)

**29%**  NETFLIX

 Used the most in Philippines (**71%**)

**27%**  Google Play

 Used the most in Vietnam (**70%**)

**23%**  Tencent <sup>2</sup>

 Used the most in China (**46%**)

### EUROPE

**39%**  NETFLIX

 Used the most in Ireland (**69%**)

**20%**  Google Play

 Used the most in Turkey (**42%**)

**15%**  prime video

 Used the most in Austria (**40%**)

**11%**  VK <sup>3</sup>

 Used the most in Russia (**49%**)

**8%**  ivi.ru <sup>3</sup>

 Used the most in Russia (**35%**)

### LATIN AMERICA

**81%**  NETFLIX

 Used the most in Mexico (**85%**)

**35%**  Google Play

 Used the most in Argentina (**43%**)

**18%**  Claro video

 Used the most in Mexico (**32%**)

**13%**  prime video

 Used the most in Mexico (**20%**)

**13%**  HBO GO <sup>4</sup>

 Used the most in Argentina (**15%**)

### MIDDLE EAST & AFRICA

**46%**  Google Play

 Used the most in Egypt/KSA (**47%**)

**43%**  NETFLIX

 Used the most in South Africa (**54%**)

**28%**  شاهد <sup>5</sup>

 Used the most in Saudi Arabia (**45%**)

**17%**  iTunes

 Used the most in UAE (**22%**)

**15%**  prime video

 Used the most in UAE (**20%**)

### NORTH AMERICA

**67%**  NETFLIX

 Used the most in U.S.A. (**68%**)

**31%**  prime video

 Used the most in U.S.A. (**33%**)

**28%**  hulu <sup>6</sup>

 Used the most in U.S.A. (**32%**)

**11%**  Google Play

 Used the most in U.S.A. (**11%**)

**8%**  iTunes

 Used the most in U.S.A. (**13%**)

- 1 China and Taiwan Only
- 2 China Only
- 3 Russia Only
- 4 Argentina, Brazil, Colombia, Mexico and USA Only
- 5 Egypt, KSA & UAE Only
- 6 Japan and USA Only



**Question:** In the last month, which of these services have you used to watch/download TV shows, films or videos?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 114,973 Internet Users aged 16-64

## Global vs. Local OTT Services

**Netflix is used by 4 in 10 internet users globally and is the leading streaming service in three world regions** – Europe, LatAm and North America. It's especially dominant in Latin America where it holds a 46-percentage point lead over the second-most prominent platform – Google Play.

**This is largely down to the usage of Netflix in Mexico, where 85% of online adults use it every month.** In fact, out of the 41 markets in which we track named video streaming engagement, Mexico emerges as the country with the highest usage of Netflix, followed by Argentina (80%).

Since Netflix's international subscriber base surpassed its U.S. subscriber base two years ago, the international market became central to Netflix's subscriber growth journey. In the beginning of this year, **Netflix** added 9.6 million paid streaming subscriptions, with just 1.74 million being derived from its home country. Due to its lower average revenue per user (ARPU), **Mexico is now one of the countries where Netflix invests the most in order to maintain its subscriber growth levels.** And although being in the bottom ten countries when it comes to ARPU, it was the only market that saw a steady increase over the past three years.

Global players like Netflix face fierce competition from local giants like Hotstar in India and iQiyi in China.

**But with a global expansion comes fierce competition from local players, and the need for culturally-relevant content available in local languages.** And this is another area where Netflix holds a big advantage relative to its competitors. The streaming service is not only reshaping how we view culture via shows like *Tidying up with Marie Kondo*, showcasing Japanese culture, but also has an impact on movie culture and our media consumption behaviors more broadly. Terms like binge-watching only came to light when the platform started releasing all episodes of its originals simultaneously.

But despite Netflix's efforts for creating a new way of experiencing entertainment on-demand, **it still has to contend with the original content push of local media companies, especially in places like India and China.**

India's streaming market is one of the biggest and fastest growing in the world, and at the same time, one of the most resistant to penetration from global players. The country's video market is valued at over \$700 million and is **expected** to grow to \$2.4 billion in value by 2023, with the over-the-top (OTT) industry **projected** to be with the highest growth rate. **Disney-owned Hotstar is the dominant player here, used by 66% of internet users, while Netflix remains behind at 56%.** The platform recently broke global records, numbering 100 million active users in a single day during the India vs Pakistan match in the Cricket World Cup 2019 on 16 June. The key to Hotstar success lies in a skillful combination of TV shows, movies and sports, both local and international.

## Global vs. Local OTT Services

One challenge that it may face in the near future though stems from the fact that the platform doesn't produce original shows yet, waiting for "an opportunity to tell a story that has not been told before or create a format that no one has explored before" as CEO Ajit Mohan **puts** it. And with the new Disney streaming service coming by the end of the year, it remains unknown whether there would be one consolidated streaming service or two competing ones.

China is another example of a market with its own SVoD landscape. Subscriptions here are **expected** to reach 305 million by the end of 2019, almost double the U.S.'s figure. However, due to heavily discounted prices on already low price tags, the total revenue will remain below half of that in the U.S. The country's unique landscape is pulling down the influence of global players in the whole APAC region. **Although Netflix is used by 71% in the Philippines, it only has 29% industry share in the region.** This is primarily down to local players like iQiyi and YouKu & Tudou dominating in China, used by 72% and 64%, respectively. The former has reportedly **spent** \$3.13 billion on content in

2018, nearly matching the total content spend of China's top six broadcaster groups, including the national TV broadcaster CCTV. With its exclusive content now accounting for around 10%, the platform is well-poised to resist competition from the likes of Youku and Tencent Video.

But even in **European markets like the UK and France, country-specific services prove very competitive against global names.**

The continuing importance of linear TV here means that the familiarity of national TV channels offering free 'catch-up' or on-demand services online gives them an edge over global players like Netflix. MYTF1 in France still holds a lead over Netflix (44% vs 41%). The joint venture of BBC Studios and ITV plc, BritBox, is one example of linear broadcasters having to collaborate against the new streaming threat posed by Netflix, Amazon Prime Video, and soon Apple and Disney. However, predominantly featuring British dramas like Inspector Morse and Midsomer Murders, the service hasn't enjoyed much success in the U.S. so far with only 500,000 subscribers, compared to Netflix's 139 million.

• TREND IN ACTION •

## A New Form of Video Streaming on the Horizon



Having raised **\$1 billion** from investors like Disney and Warner Media, mobile-only subscription video service Quibi is launching in April 2020, and is about to shake up the video streaming industry. Quibi will offer snackable 10-minute episodes content from producers like Steven Spielberg, creating premium original specifically for mobile viewing. Quibi will be monetized via non-skippable pre-roll ads and monthly subscription fees.

Many associate this venture with other failed short-form video apps like Go90, but there are several reasons why Quibi might not follow the same trajectory. First, as mentioned above, the company has backing from the big players in the industry which makes it easier for Quibi to access valuable resources. Second, as mobile video viewing continues to rise it will feature high-end premium content specifically designed for both horizontal and vertical video formats, which will be very well placed in a landscape of rising engagement with mobile video viewing. But the question remains - how much more monthly subscriptions can users accommodate, and would they sacrifice their Netflix account to enjoy short videos on the mobile?

Online TV

# The Rise of Subscription Choice Fatigue

## The Rise of Subscription Choice Fatigue

As we covered so far, there has been an explosion of new streaming services coming on the market in the past few years, with no prospect of saturation. With a lower subscription fee than most already existing streaming platforms, **Disney+ is expected to make headway in North America in November this year.** The service will feature big budget Star Wars, Marvel and Pixar movies together with Fox's legacy content.

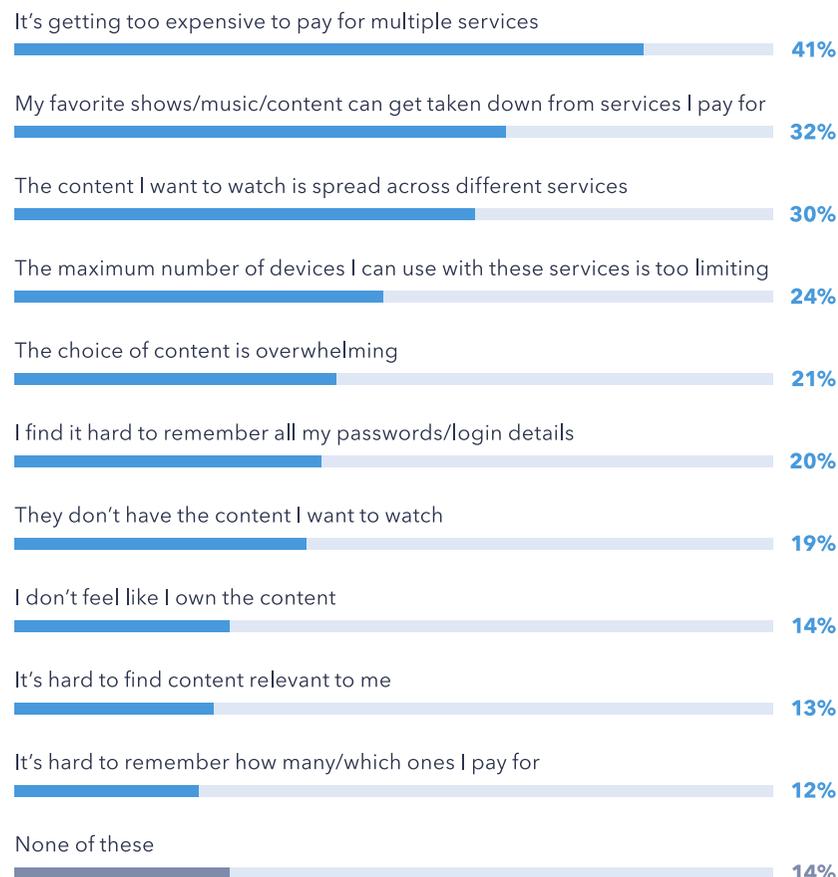
Meanwhile, **rival company - Apple TV Plus - is planning to debut in late 2019 as well,** offering content exclusively produced for the company like Steven Spielberg's *Amazing Stories* and a new Oprah Winfrey-led TV show. Unlike Disney+ though, Apple's service will launch in at least 100 locations straightaway giving it a big competitive advantage.

The simultaneous landing of so many new streaming services would impact both the OTT industry as a whole, as well as the individual consumer. On an industry level, **there will be a growing investment in producing original shows** as a response to the increasing migration of licensed content like the end of Netflix's Marvel shows. For example, Netflix **reports** that 85% of its £19 billion content investment will be on originals, while Amazon **aims** for \$6 billion. It's clear that **customer acquisition won't be an easy feat and content plays a vital role here, but so does distribution.**

On a consumer level, **the plethora of options available results in a state of 'choice fatigue'**, whereby consumers feel negative psychological, emotional, and behavioral effects of having too many options to choose from. Watching platform-exclusive titles from each streaming service means that consumers are faced with a bunch of monthly fees that they lose track of and feel anxious about.

### Reasons for Frustration with Subscription Services

*% of films/TV subscribers in the U.S. and the UK who say they find the following frustrating about subscription services*



**Question:** Thinking specifically about entertainment (music, movies, gaming, or books), what do you find frustrating about subscription services?  
**Source:** GlobalWebIndex April 2019 **Base:** 881 Film/TV Subscribers in the U.S.A. and 1,102 Film/TV Subscribers in the UK aged 16-64

## The Rise of Subscription Choice Fatigue

**35%** OF FILM/TV SUBSCRIBERS IN THE U.S. AND THE UK WOULDN'T PAY FOR ANOTHER ENTERTAINMENT SUBSCRIPTION SERVICE



In a special survey we ran in April this year, we found that more than **4 in 10 film/TV subscribers in the U.S. and UK enjoy having access to exclusive content and to have all the content in one place in the services they use.**

This means that the overwhelming choice of content from so many places is causing subscription streaming services to fail in what they **promised** to consumers in the first place - the convenience of having unlimited access to all content on a single platform.

And this is ultimately resulting in some companies already feeling the costs of the fatigue. The most prominent frustration film/TV subscribers list about the services they use is the fact that **it's getting too expensive to pay for multiple services (41% said that)**. This has a similar impact in both the U.S. and the UK, and it's especially prevalent among Gen Z (45%), millennials (45%) and men (42%).

Content pullbacks, like Disney removing its shows from Netflix, are also a major frustration among subscribers, **3 in 10 of whom say the possibility of their favorite content being taken down from services they pay for is a source of annoyance.** This is something that impacts Gen Z the most, with 47% of them saying it, compared to only 18% of baby boomers.

All these frustrations are directly linked to high churn rates. The ratio of those that have paid for a film or TV subscription in the past 6 months (50%) to those that have cancelled one (13%) is still quite high, compared to other categories like book subscriptions where the ratio is much lower. And although **it's still a small minority of film/TV subscribers (11%) who say they would cancel a subscription so that they can start another one**, with that many services coming in late 2019 and 2020, it's not going to be long until the video streaming industry sees more cancellations than subscriptions.

Online TV

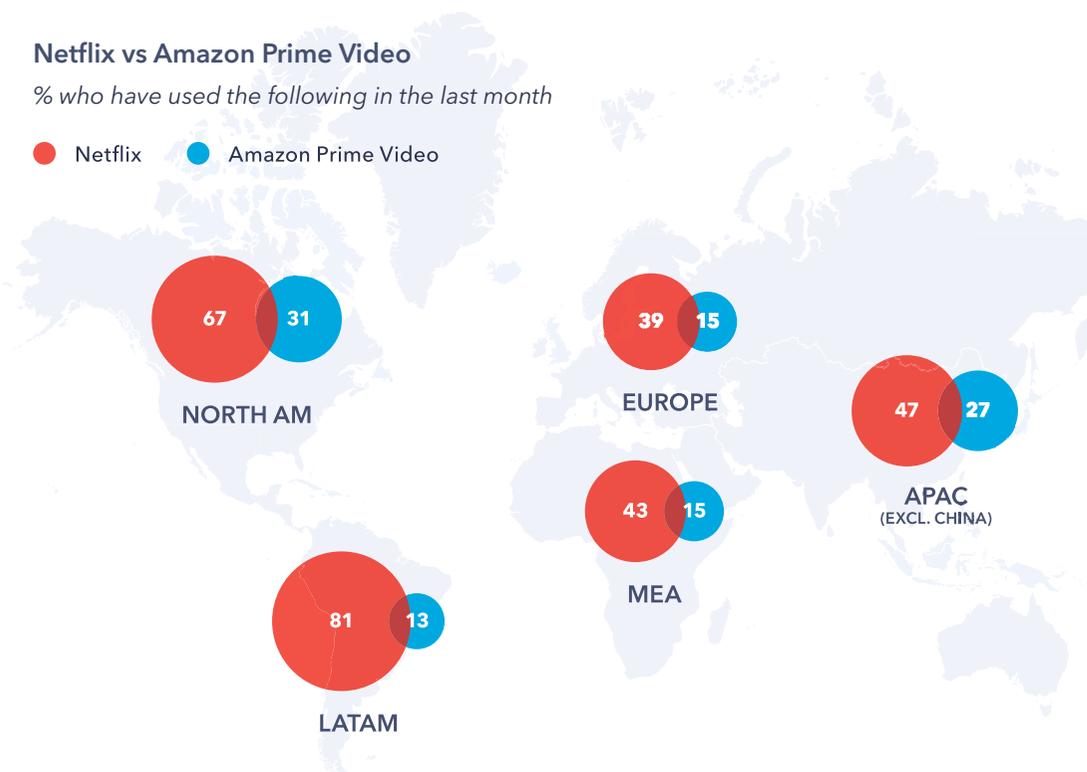
# Netflix vs. Amazon Prime Video

# Netflix vs Amazon Prime Video Around the World

## Netflix vs Amazon Prime Video

% who have used the following in the last month

● Netflix ● Amazon Prime Video



## NETFLIX

GLOBAL	40%
Mexico	85%
Argentina	80%
Brazil	80%
Colombia	72%
Philippines	71%
Ireland	69%
USA	68%
New Zealand	66%
Denmark	66%
Canada	64%

## prime video

GLOBAL	16%
India	47%
Austria	40%
Germany	35%
USA	33%
Italy	30%
UK	28%
Spain	24%
Japan	22%
Mexico	20%
UAE	20%

Netflix and Amazon Prime Video might now be head-to-head in international markets, but Amazon will need to retain its focus on customer acquisition if it wants to rival Netflix in any major way. According to our data, **there are more than twice as many internet users on Netflix each month as there are on Amazon Prime Video.**

As we mentioned earlier, **Netflix has a firm hold on the Americas**, while Amazon has **made a strong impact in India**, where it **enjoys** 15 million Prime subscribers, or more than 10% of its subscribers globally. Amazon's popularity in India is why we see the company having a relatively big share in APAC more generally at 27%, compared to 31% in its home region - North America. The platform continues to strengthen its position in the region by releasing 14 titles over 14 days in English and Hindi for the annual Prime Day in India starting July 1.



**Question:** In the last month, which of these services have you used to watch/download TV shows, films or videos? Please think about any sort of TV, video or film content that you have watched, streamed, downloaded or accessed in any other way.

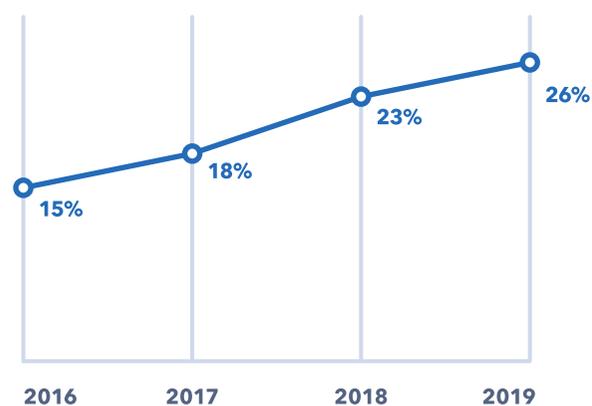
**Source:** GlobalWebIndex Q1 2019 **Base:** 63,218 Internet Users aged 16-64

# Paying for Streaming

## Paying for a Movie/TV Streaming Service

- % who say they pay for a movie/TV streaming service each month
- % of users who are payers

### OVER TIME



### AGE

16-24	25%	35%
25-34	30%	42%
35-44	27%	38%
45-54	24%	34%
55-64	18%	25%

### GENDER

Male	26%	39%
Female	25%	38%

### REGION

Asia Pacific	26%	39%
Europe	21%	32%
LatAm	36%	55%
Middle East & Africa	16%	24%
North America	35%	54%

One of the main problems faced by service providers, especially in the age of choice fatigue is convincing users to pay for membership. While 65% of internet users report watching a subscription service at least monthly, **just 26% have actually paid to do so in the past month**. However, we can see that **this figure has grown by 11 percentage points since 2016** and this trend will likely continue.

Just as they are the biggest users of subscription services, **25-34s are the most likely to be paying for them as well** – but it's still only 3 in 10 users who are doing so.

The Americas really stand out here: as well as being the most likely to pay for a subscription service, online adults here also have the highest ratio of payers to users, with more than half of users paying for the service. In contrast, MEA scores the lowest ratio of payers to users and is also the least likely to be paying for a TV/film streaming service each month (16%).



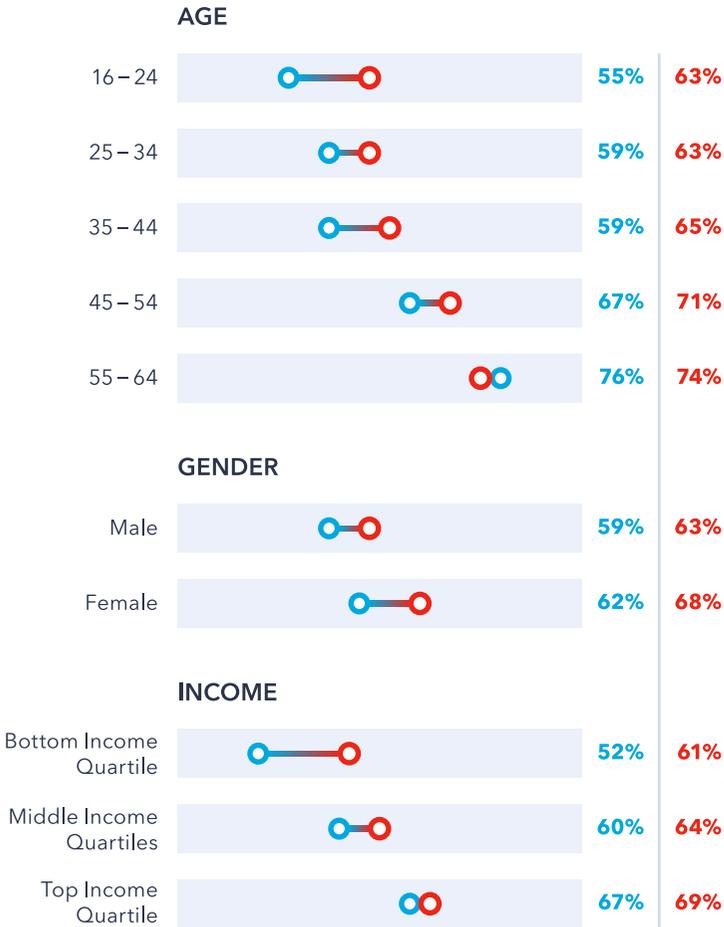
**Question:** In the last month, which of these streaming services have you paid for?

**Source:** GlobalWebIndex Q1 2019 **Base:** 63,218 Internet Users aged 16-64

# Netflix vs Amazon Prime Video: Free & Paid-For Accounts

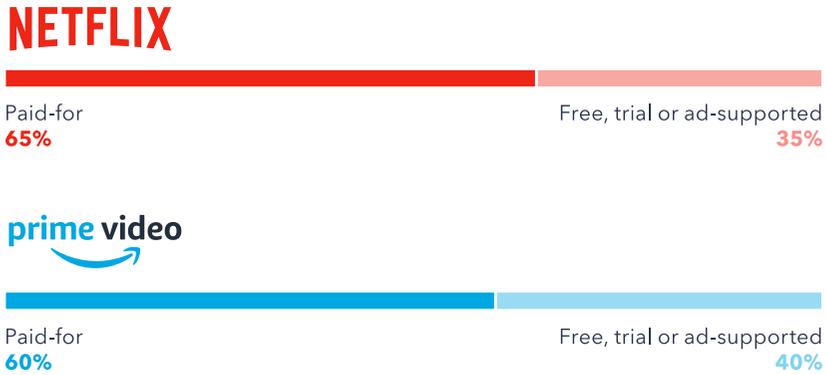
## Netflix vs Amazon: Paid-for Users

% of users who say they use a paid-for Netflix or Prime Video account



## Free vs Paid-For Accounts

% of Netflix and Prime Video users who have the following type of account



Account sharing, free trials and usage of ad-supported accounts are all reasons behind the discrepancy between the rates of people using and paying for subscription services like Netflix. Indeed, **if we look at Netflix and Amazon users, it's 65% and 60% respectively, who are using an account they pay for**, and these figures don't go much higher even for those in the top income quartile.

When it comes to paid-for users from different age groups, both services enjoy a relatively stable trend, with the oldest demographic - 55-64s - being most likely to use a paid-for account. This is also the only group that has slightly more Amazon paid-for users than those who pay for Netflix. When it comes to gender though, **Netflix has a higher proportion of paying users from both males and females.**

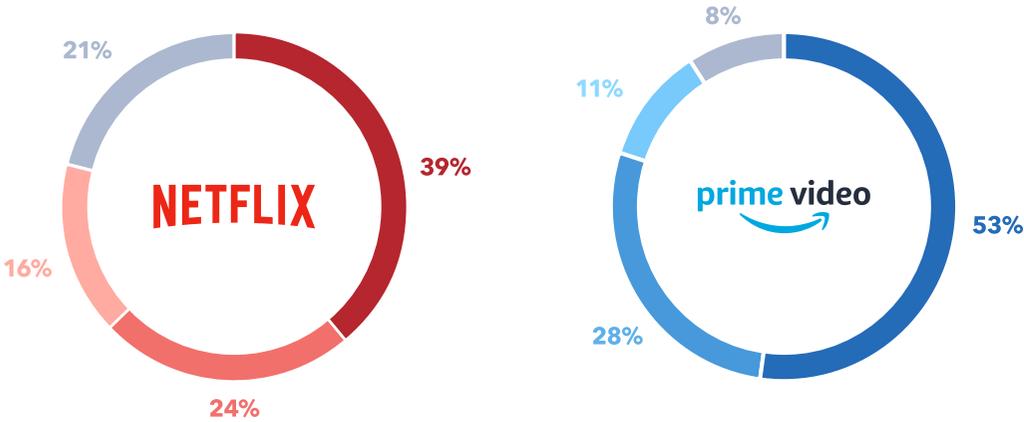


**Question:** For each of these services, could you tell us which type of account you use?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 30,399 Netflix Users and 12,257 Amazon Prime Video Users aged 16-64

# Netflix vs Amazon Prime Video: Account Sharing

## Account Sharing on Netflix & Amazon Prime Video

% of users who say the following about their Netflix or Amazon Prime Video account



- I am the only user of this account
- 1 other uses this account
- 2 other people use this account
- 3+ other people use this account

- I am the only user of this account
- 1 other uses this account
- 2 other people use this account
- 3+ other people use this account

The lower share of people paying for Amazon could be due to the fact that streaming is not Amazon’s main offering and even without paying, consumers can use the platform to purchase items. On top of that, Amazon Prime offers a six-month free trial for students, and also **launched** an ad-supported video streaming on its Hollywood website IMDb earlier this year, now **rebranded** to IMBd TV. Amazon’s new ad-supported offering has been a success in the U.S. so far, and the company is **planning** to add thousands of new titles to the platform, as well as an expansion to Europe by the end of 2019.

**But although Netflix has a larger paying user-base than Amazon, users of the former tend to share their accounts at a higher rate.** 61% share their accounts on Netflix, compared to 47% of Amazon users. The difference is also staggering when we look at people that share it with at least three others. Although this might mean less direct revenue for Netflix, it does help to expand the service’s reach and allows for it to become ingrained in more consumers’ lives.



**Question:** For each of these services, could you tell us how many people use/share your account?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 30,399 Netflix Users and 12,257 Amazon Prime Video Users aged 16-64

Online TV

# Where is Online TV Heading?

# The Potential of TV on Social Media

## Social Video Viewing\*

% of internet users outside China who have watched a video on Facebook, Instagram, Twitter or Snapchat in the last month



Social media has developed in recent years from a place to keep up with friends and family, to a fully-fledged multi-media entertainment hub. Social networks' newsfeeds are now saturated with **videos**, and combined with the rise of live streaming, it's not surprising that more resources are being poured into video across the social media industry.

After successfully growing its mobile ad revenue, Facebook **realized** that the next wave of growth was in video and decided to place it "at the heart of all of its services". New functions like a new video tab and live video started emerging. In efforts to generate more interest in its Watch platform, Facebook is **launching** a new program – referred to as 'Facebook Match' – from which it will fund and license new shows.

Soon afterwards other social networks followed suit. **Twitter** reports that video is its fastest-growing advertising tool at the moment, with 1.2 billion video views each day, or a double growth in the past year alone. Fierce competition led **Pinterest** to also enter the social video space by testing out a video tab feature. Elsewhere, newly emerging platforms like Firework and TikTok are great examples of how music, TV, film and sports are all moving under the social media umbrella, opening up new revenue streams for all parties.

Today, **6 in 10 online adults outside China have watched a video or a live stream on Facebook, Twitter, Snapchat or Instagram in the past month.** With this figure rising to above 75% in Latin America and MEA, it's certainly not hard to see how TV could easily transfer over to the platforms that are so ingrained in our lives, and that we already use to consume so much video content.

Social TV is not going to seriously impact broadcast TV or online TV in the near future, but there are clear signs that TV behaviors are shifting – from the TV set, to online, to social. **With 3 in 10 social video viewers using social media to watch or follow sports events, sports coverage is certainly a fruitful route for that to happen.**

For the foreseeable future, social media's role is likely to be to complement rather than replace traditional broadcasters, though many will be mindful of the power of social platforms to push content to viewers at scale. **With a shift to social TV will come a new set of opportunities for marketers and the promise of increased reach, huge swathes of data and more refined targeting is sure to seduce many.**

\* Social video viewers are defined as internet users outside China who have done either of the following:

- Watched a video on Facebook
- Watched something on Facebook Live
- Watched a video clip on Instagram
- Viewed a Live Story on Snapchat
- Viewed a User Story on Snapchat
- Watched a video on Twitter.



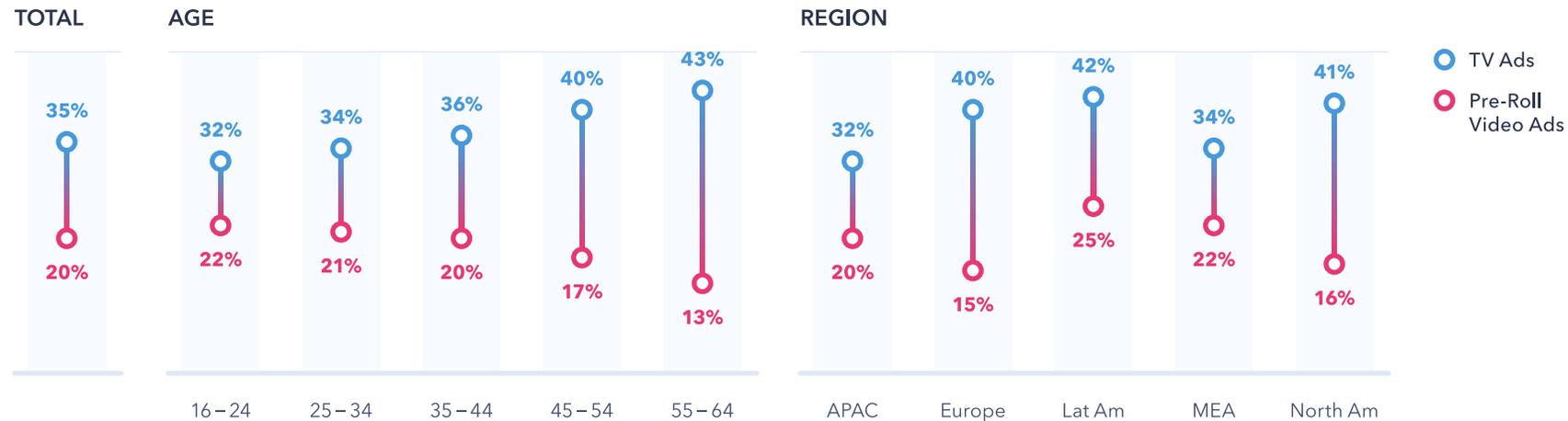
**Question:** Which of these have you done in the last month on Facebook, Instagram, Snapchat, Twitter?

**Source:** GlobalWebIndex Q1 2019 **Base:** 58,777 Social Video Viewers outside China aged 16-64

# The Outlook for TV Advertising

## TV Ads vs Pre-Roll Video Ads

% who say they discover new brands or products via the following



## The TV advertising ecosystem needs to evolve to compete with digital alternatives.

Despite the changing TV landscape, one thing that has managed to stand its ground is TV advertising. Across the various forms of advertising we track, TV ads are one of the most effective ways of raising brand awareness among digital consumers. Unlike search and online ads, **it provides a common frame of reference for brand discovery because of its ability to bring together mass audiences in inherently public ways.**

**Internet users are in fact nearly twice as likely to discover a brand via a TV ad than a pre-roll video ad (often seen before a TV show).** Age is a big factor here and the effectiveness of TV ads rises notably in line with age, while the opposite is true for pre-roll video ads. But across *all* ages, the former offers marketers a much wider reach than the latter.

For the younger age groups, the difference in effectiveness is much narrower. There is only an 11-percentage-point difference in the number discovering brands via TV ads and pre-roll video ads for 16-24s, for example, compared to a 30-percentage-point difference for 55-64s. **As TV behaviors continue to shift online, this difference is likely to narrow even further.**

We see a similar trend in regions characterized by fast-growth markets like MEA and APAC, where video ads are only 12 percentage points behind traditional TV ads for brand discovery, while the gap in places like Europe and North America is 25 percentage points in favor of linear TV advertising.



**Question:** How do you typically find out about new brands and products?  
**Source:** GlobalWebIndex Q1 2019 **Base:** 139,397 Internet Users aged 16-64

## The Outlook for TV Advertising



But as digital channels are increasingly taking an overwhelming part of our daily lives, it becomes harder and harder for traditional TV advertising to retain its competitive edge. **As well as digital ads being a much cheaper alternative, they offer an evolving level of targeting and precise attribution.**

TV ads, on the other hand, are usually confined to the TV channels in which a show has been secured, and TV networks have been scrambling to find ways to compete in the targeting arena.

In fact, according to [eMarketer](#), global digital ad spend will grow by 18% in 2019 to \$333 billion, or in other words, **the ad market will be evenly split between digital and traditional for the first time.** The TV advertising ecosystem needs to evolve to compete with these digital alternatives. The beginning of this evolution is the birth of data-driven audience targeting and addressable advertising.

But we shouldn't forget that online consumers today are multi-device users and they use these devices simultaneously, rather than in isolation. With second-screening now being almost universal, online adults are spending more and more time on search and social media while watching TV. In fact, **63% say the use social media while watching TV, and 37% search for products to buy.** This means that complementing traditional TV advertising with digital and social video could be the best way to achieve a wider and more targeted reach as well as take advantage of cross-channel data.

• TREND IN ACTION •

## The Rise of Data-Driven TV Advertising



As online adults are increasingly spending more time on ad-free streaming services like Netflix, traditional TV networks are facing challenges to justify the high prices associated with TV ads and this is where addressable advertising came to light. [eMarketer](#) expects that addressable TV ad spending in the U.S. will increase from \$2 billion in 2018 to \$3.4 billion in 2020. By utilizing big data, TV companies are now able to make messages more relevant to a target demographic and ultimately prove that personalization doesn't have to rely on digital mediums by default.

Combining set-up box data with online browsing data, provided by Google for example, would mean that companies can see what people search for online after they've seen a particular ad on the TV. And this could be a complete game-changer for the TV advertising industry more broadly. It would mean that targeted ads will reach less people, which will decrease the scale and make TV advertising more affordable, ultimately leading to people seeing brands that they would normally only see on social networks.

And although this would certainly take some time, we are already seeing a lot of movement in this space. For example, data service company Live Ramp recently [acquired](#) ad measurement firm Data Plus Math. This was a strategic move aimed at strengthening LiveRamp's position in the targeted TV advertising space by integrating Data Plus Math's product to provide brands with a better omnichannel measurement strategy.

All figures in this report are drawn from **GlobalWebIndex's online research among internet users aged 16-64**. Please note that we only interview respondents aged 16-64 and our figures are representative of the **online** populations of each market, not its total population.

## OUR RESEARCH

Each year, GlobalWebIndex interviews over 575,000 internet users aged 16-64 across 46 markets. Respondents complete an **online questionnaire** that asks them a wide range of questions about their lives, lifestyles and digital behaviors.

**We source these respondents in partnership with a number of industry-leading panel providers.**

Each respondent who takes a GlobalWebIndex survey is assigned a unique and persistent identifier regardless of the site/panel to which they belong and **no respondent can participate in our survey more than once a year** (with the exception of internet users in Egypt, Saudi Arabia and the UAE, where respondents are allowed to complete the survey at 6-month intervals).

## OUR QUOTAS

To ensure that **our research is reflective of the online population in each market**, we set appropriate **quotas on age, gender, and education** - meaning that we interview representative numbers of men vs women, of 16-24s, 25-34s, 35-44s, 45-54s and 55-64s, and of people with secondary vs tertiary education.

To do this, we conduct research across a range of international and national sources, including the World Bank, the ITU, the International Labour Organization, the CIA Factbook, Eurostat, the US Bureau of Labor Statistics as well as a range of national statistics sources, government departments and other credible and robust third-party sources.

This research is also used to calculate the 'weight' of each respondent; that is, approximately how many people (of the same gender, age, and educational attainment) are represented by their responses.

## MOBILE SURVEY RESPONDENTS

**From Q1 2017 on, GlobalWebIndex has offered our Core survey on mobile.** This allows us to survey internet users who prefer using a mobile or are mobile-only (who use a mobile to get online but do not use or own any other device). Mobile respondents complete a shorter version of our Core survey, answering 50 questions, all carefully adapted to be compatible with mobile screens.

**Please note that the sample sizes presented in the charts throughout this report may differ** as some will include both mobile and PC/laptop/tablet respondents and others will include **only** respondents who completed GWI's Core survey via PC/laptop/tablet. For more details on our methodology for mobile surveys and the questions asked to mobile respondents, please download this **document**.

## GLOBALWEBINDEX SAMPLE SIZE BY MARKET

This report draws insights from GlobalWebIndex's Q1 2019 waves of research across 45 countries, with a global sample of 139,397 respondents.

Argentina	1,573	Netherlands	1,324
Australia	4,038	New Zealand	1,280
Austria	1,289	Nigeria	1,099
Belgium	1,274	Philippines	1,664
Brazil	2,366	Poland	1,850
Canada	2,274	Portugal	1,292
China	15,350	Romania	1,318
Colombia	1,314	Russia	2,157
Denmark	1,264	Saudi Arabia	1,413
Egypt	1,770	Singapore	2,718
France	5,035	South Africa	1,508
Germany	5,055	South Korea	1,287
Ghana	990	Spain	5,070
Hong Kong	1,829	Sweden	1,302
India	7,587	Switzerland	1,289
Indonesia	1,939	Taiwan	1,790
Ireland	1,260	Thailand	1,602
Italy	5,185	Turkey	1,513
Japan	1,804	UAE	1,727
Kenya	1,024	UK	10,102
Malaysia	1,536	USA	25,092
Mexico	2,633	Vietnam	1,573
Morocco	1,038		

## ACROSS GLOBALWEBINDEX'S MARKETS

GlobalWebIndex's research focuses exclusively on the internet population and because internet penetration rates can vary significantly between countries (from a high of 90%+ in parts of Europe to lows of c.20% in parts of APAC), the nature of our samples is impacted accordingly.

Where a market has a high internet penetration rate, its online population will be relatively similar to its total population and hence we will see good representation across all age, gender and education breaks. This is typically the case across North America, Western Europe and parts of Asia Pacific such as Japan, Australia and New Zealand. Where a market has a medium to low internet penetration, its online population can be very different to its total population; broadly speaking, the **lower the country's overall internet penetration rate, the more likely it is that its internet users will be young, urban, affluent and educated.** This is the case throughout much of LatAm, MEA and Asia Pacific.

This table provides GlobalWebIndex forecasts on internet penetration (defined as the number of internet users per 100 people) in 2019. This forecasted data is based upon the latest internet penetration estimates from the International Telecommunication Union (ITU) for each market that GlobalWebIndex conducts online research in.

## GLOBALWEBINDEX VERSUS ITU FIGURES

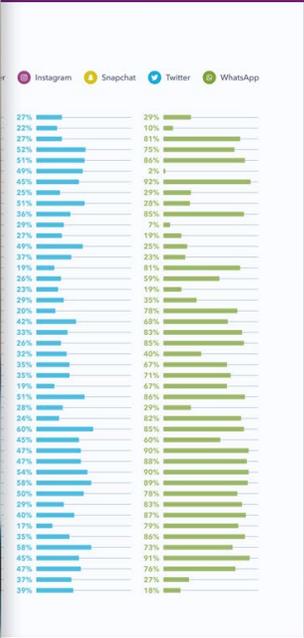
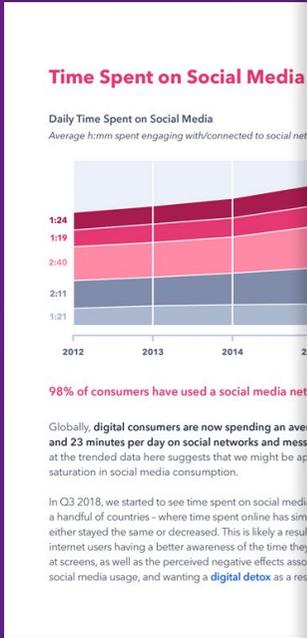
As GlobalWebIndex's Core Research is conducted among 16-64 year-olds, we supplement the internet penetration forecasts for a country's total population (reproduced above) with internet penetration forecasts for 16-64s specifically.

Forecasts for 16-64s will be higher than our forecasts for total population, since 16-64s are the most likely age groups to be using the internet.

## Internet Penetration Rates

GlobalWebIndex's Forecasts for 2019 based on 2017 ITU data

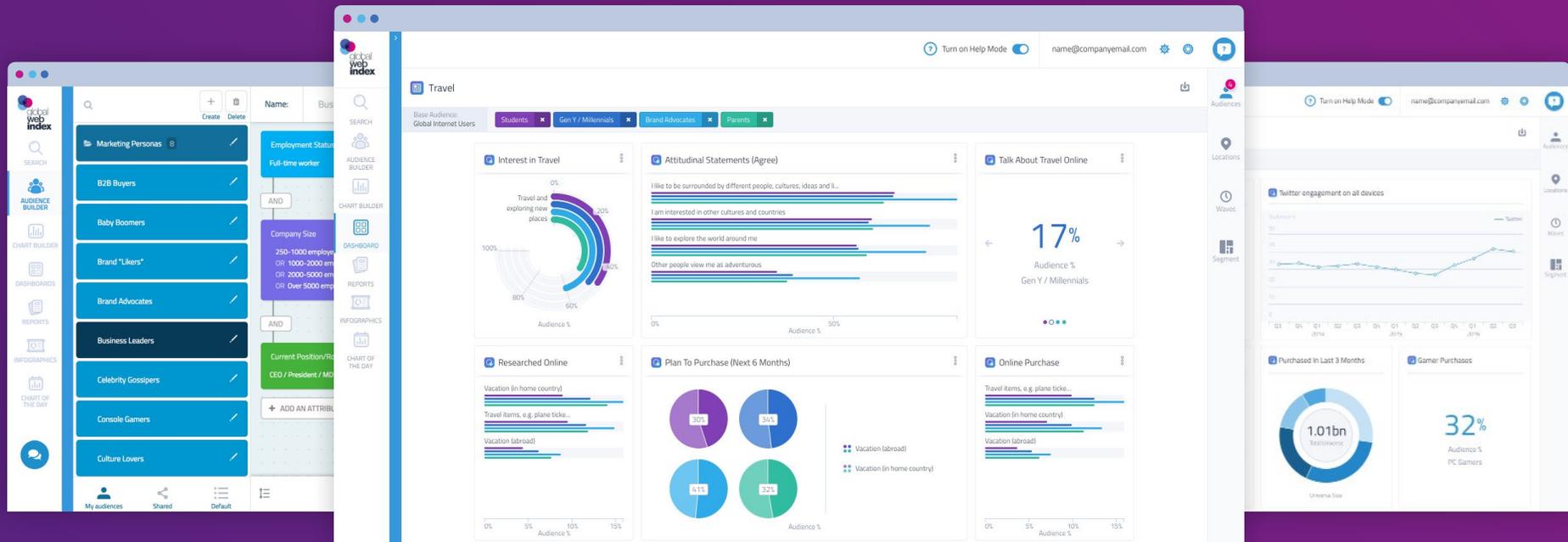
Argentina	78%	Indonesia	39%	Russia	80%
Australia	88%	Ireland	87%	Saudi Arabia	83%
Austria	88%	Italy	62%	Singapore	85%
Belgium	89%	Japan	92%	South Africa	62%
Brazil	71%	Kenya	43%	South Korea	95%
Canada	94%	Malaysia	83%	Spain	87%
China	59%	Mexico	69%	Sweden	96%
Colombia	66%	Morocco	69%	Switzerland	96%
Denmark	97%	Netherlands	93%	Taiwan	83%
Egypt	54%	New Zealand	93%	Thailand	58%
France	85%	Nigeria	36%	Turkey	71%
Germany	88%	Philippines	64%	UAE	95%
Ghana	48%	Poland	79%	UK	96%
Hong Kong	91%	Portugal	78%	USA	80%
India	42%	Romania	72%	Vietnam	55%



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