Fast & Personalized Channels Report

Forum Europeo TV **LUCCA**

16th JUNE 2022

DIPARTIMENTO
DI COMUNICAZIONE
E RICERCA SOCIALE

SAPIENZA
UNIVERSITÀ DI ROMA

ENGINEERING

Research Methodology

IPSOS survey

- Carried out between 24 and 27 May 2022
- Coordinated by Enzo Risso (scientific director of Ipsos and professor of Audience Studies, La Sapienza University)
- 800 Italian adults, segmented by sex, age and area of residence.

11 Stakeholder Interviews

Focus Group

- The research question is aimed at understanding the satisfaction rating of Fast channels and their user experience.

MAIN GOAL:

Investigate the potential of FAST channels
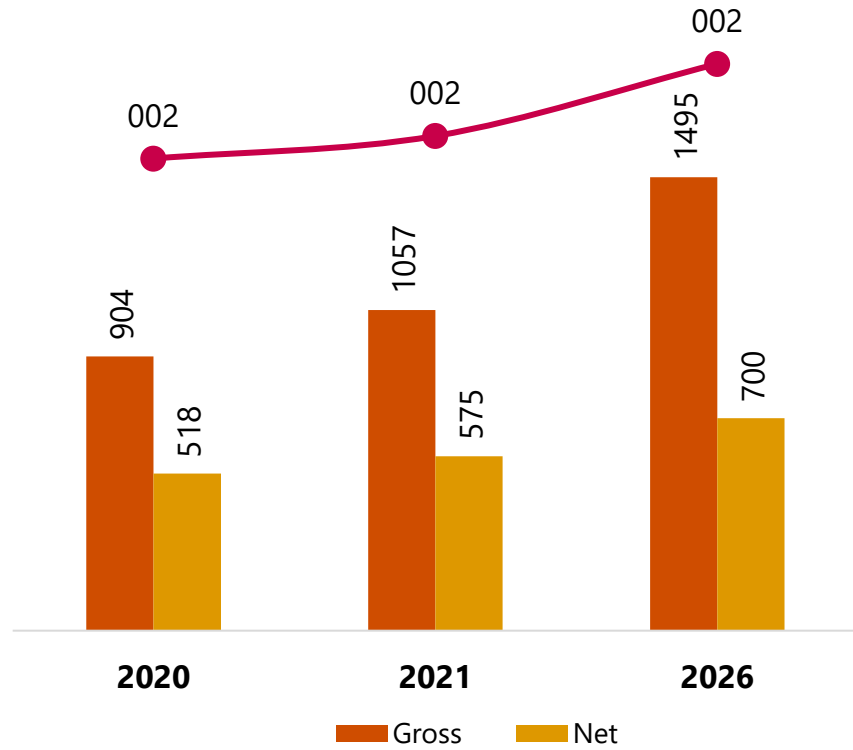
The Evolution of Online Streaming

FREE TV

PAY TV

VOD

SVOD   **TVOD**   **PVOD**   **AVOD**

The Growth Of Global Svod Services

Chart showing SVOD services growth with Gross and Net bars:

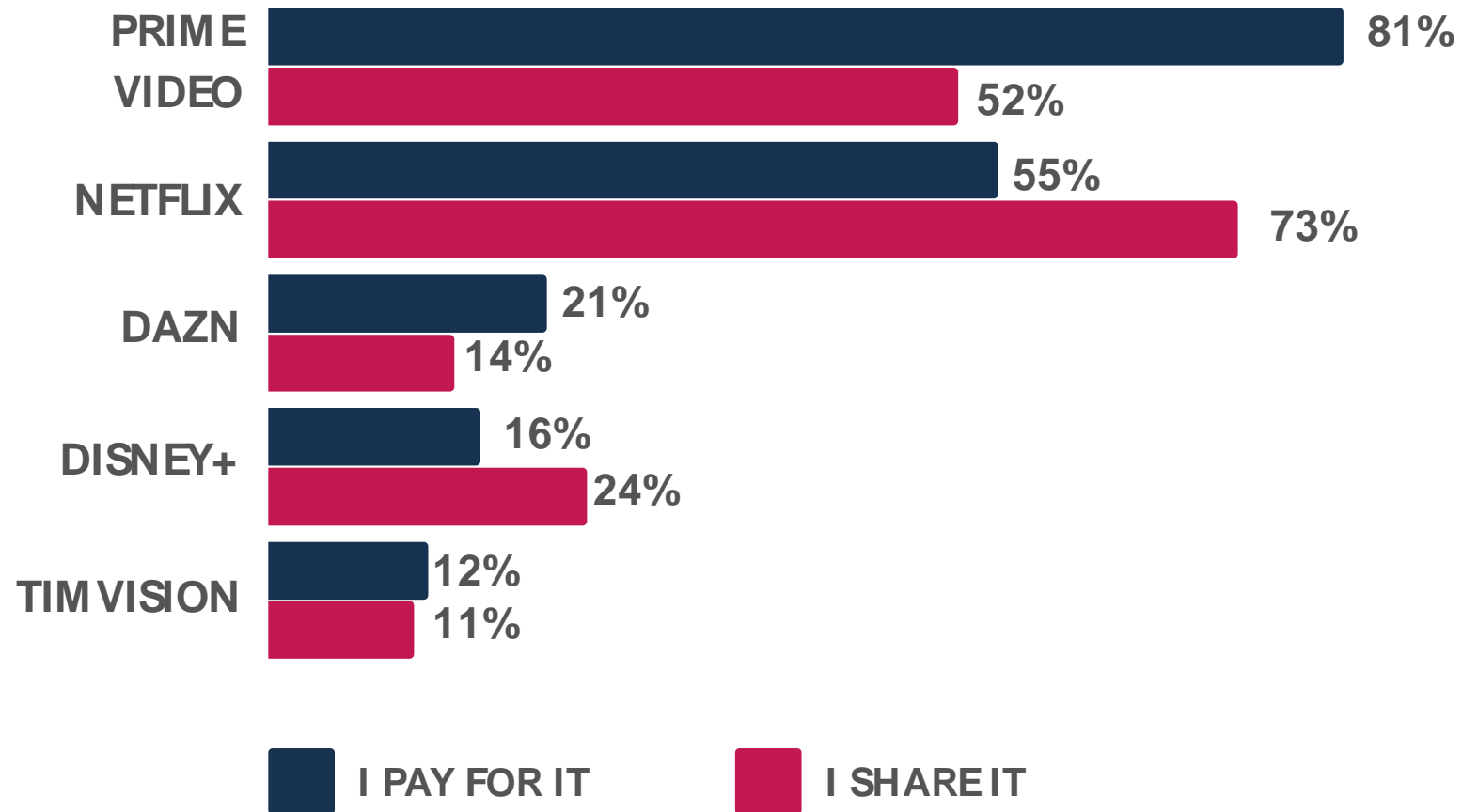| Year	002 (line)	Gross	Net
2020	002	904	518
2021	002	1057	575
2026	002	1495	700

Legend: Gross, Net

Source; Digital Tv research May 2021

In 2026 a 1.5B users global with an Avg 2.14 subscription per subs (5/7 Subscription in US and 3/5 in Europe)

Subscription Sharing / Italy

PRIME VIDEO
- 81%
- 52%

NETFLIX
- 55%
- 73%

DAZN
- 21%
- 14%

DISNEY+
- 16%
- 24%

TIM VISION
- 12%
- 11%

I PAY FOR IT   **I SHARE IT**

What online streaming services do you use?
Do you pay for them individually or do you share them with other people?

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Direct To Consumer Success Factors

Data

Library

CONTENT

Brand

Editorial Control

Perception of Advertising
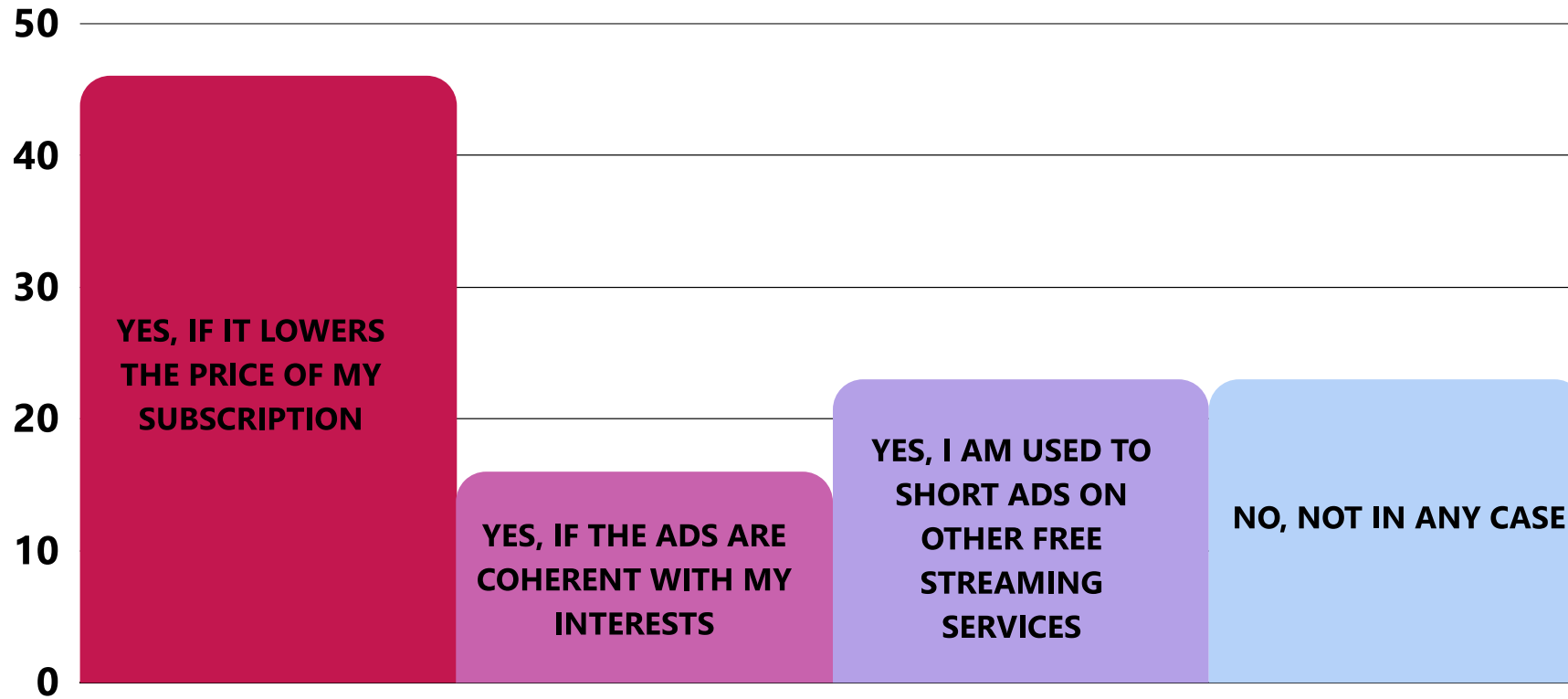
Would you accept a new online streaming service with ads?
More than one answer is possible

Chart axis values: 0, 10, 20, 30, 40, 50

Bars:
- YES, IF IT LOWERS THE PRICE OF MY SUBSCRIPTION
- YES, IF THE ADS ARE COHERENT WITH MY INTERESTS
- YES, I AM USED TO SHORT ADS ON OTHER FREE STREAMING SERVICES
- NO, NOT IN ANY CASE

Ipsos

FAST Channels
A DEFINITION

Born in 2014 with Pluto TV, they take us back to a **pre-streaming experience**, thanks to their **linear schedule** and **advertising breaks**.

This is all supported by **new technologies** that allow the **sustainability** of this business model.

Hundreds of free-to-watch linear channels
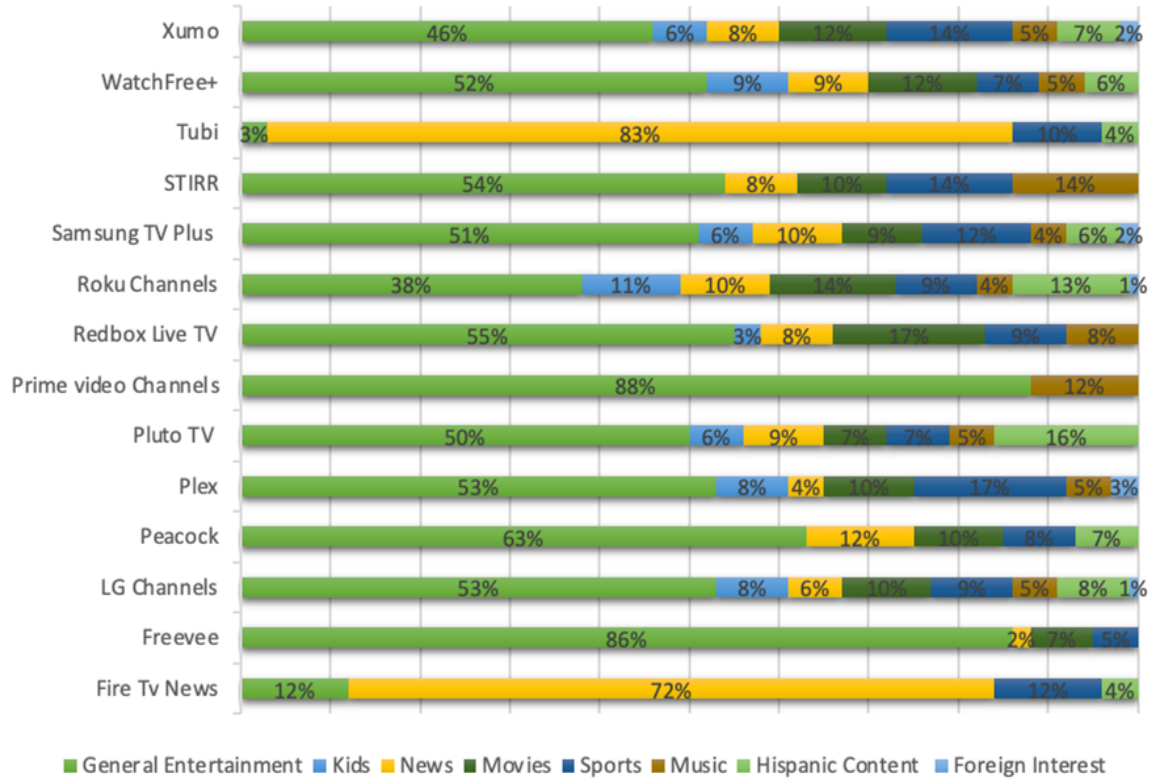
Players' Crowding In The Fast Market

U.S.

EUROPE

LATIN AMERICA

CANADA

= Common players

Source: Internal
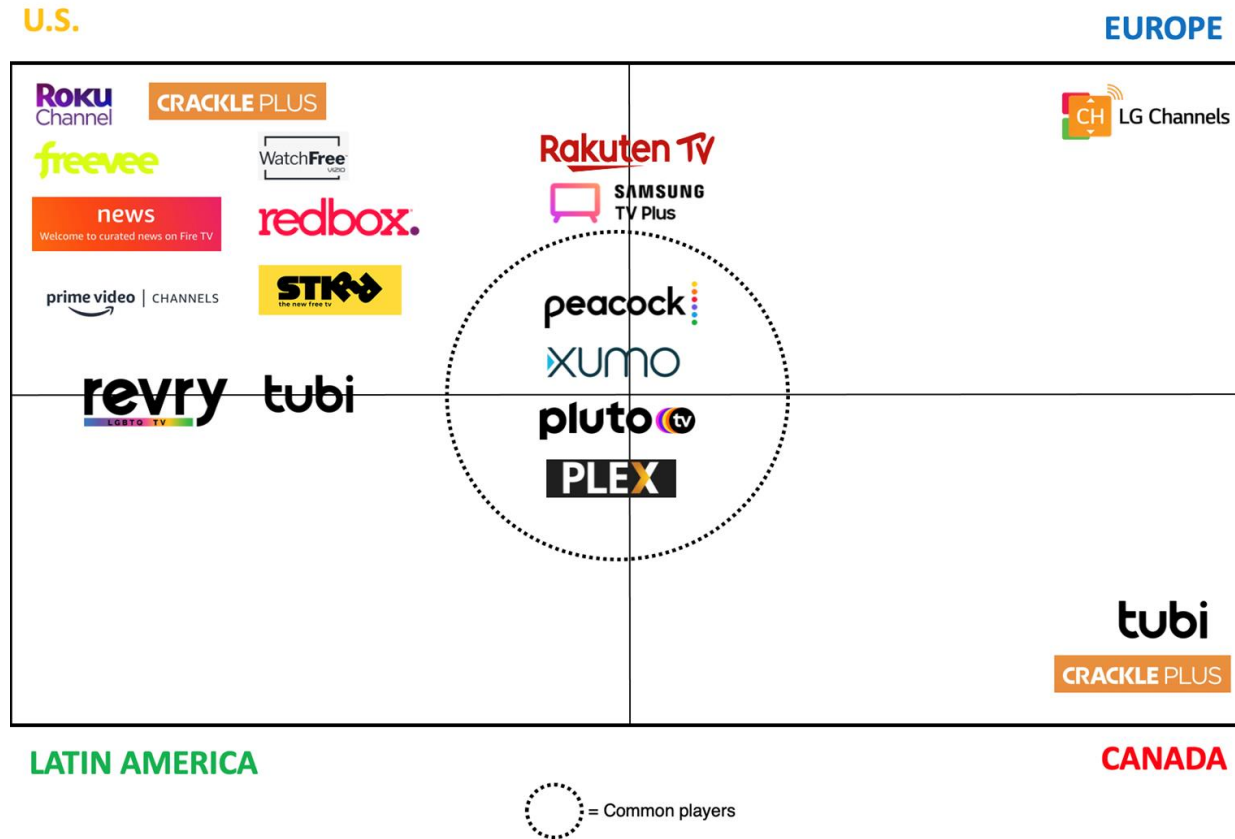
- **CONTENT OWNERS**
  Sell licensed channels and content

  - Sell individual channels

  - Sell licensed packages with multiple channels

- **PLATFORMS**
  aggregate and offer the service

  - Aggregate third party content (Samsung TV Plus, LG Channels, Plex)

  - Aggregate own content (Pluto TV, Rakuten TV)

Content Is King!

Global Players

	General Entertainment	Kids	News	Movies	Sports	Music	Hispanic Content	Foreign Interest
Xumo	46%	6%	8%	12%	14%	5%	7%	2%
WatchFree+	52%	9%	9%	12%	7%	5%	6%	
Tubi	3%		83%				10%	4%
STIRR	54%		8%	10%	14%	14%		
Samsung TV Plus	51%	6%	10%	9%	12%	4%	6%	2%
Roku Channels	38%	11%	10%	14%	9%	4%	13%	1%
Redbox Live TV	55%		3%	8%	17%	9%	8%	
Prime video Channels	88%					12%		
Pluto TV	50%	6%	9%	7%	7%	5%	16%	
Plex	53%	8%	4%	10%	17%	5%	3%	
Peacock	63%		12%	10%	8%	7%		
LG Channels	53%	8%	6%	10%	9%	5%	8%	1%
Freevee	86%			2%	7%	5%		
Fire Tv News	12%		72%		12%	4%		

Source: data "Life in the F.A.S.T. Lane" Amagi, 2021; graphic editing: internal

Possibility of creating **vertical thematic channels**, in order to **retain users**.

General Entertainment and **News** are the **most popular genres**.

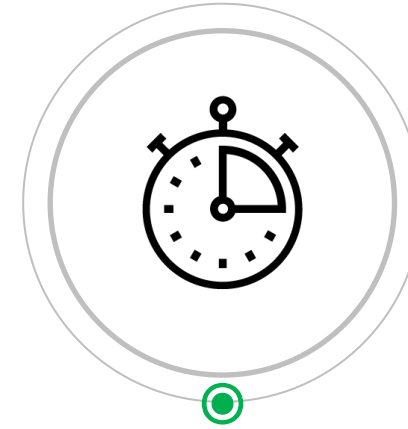Appealing to advertisers to reach targeted viewers

Monetization - Advertising
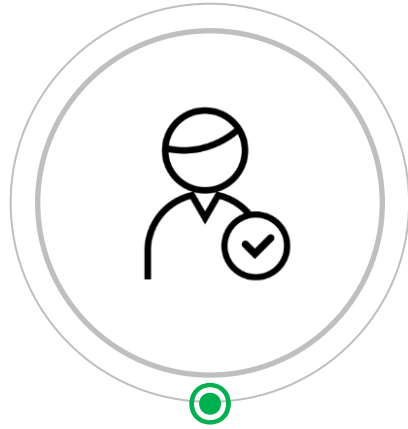
RIGHT PERSON

RIGHT MESSAGE
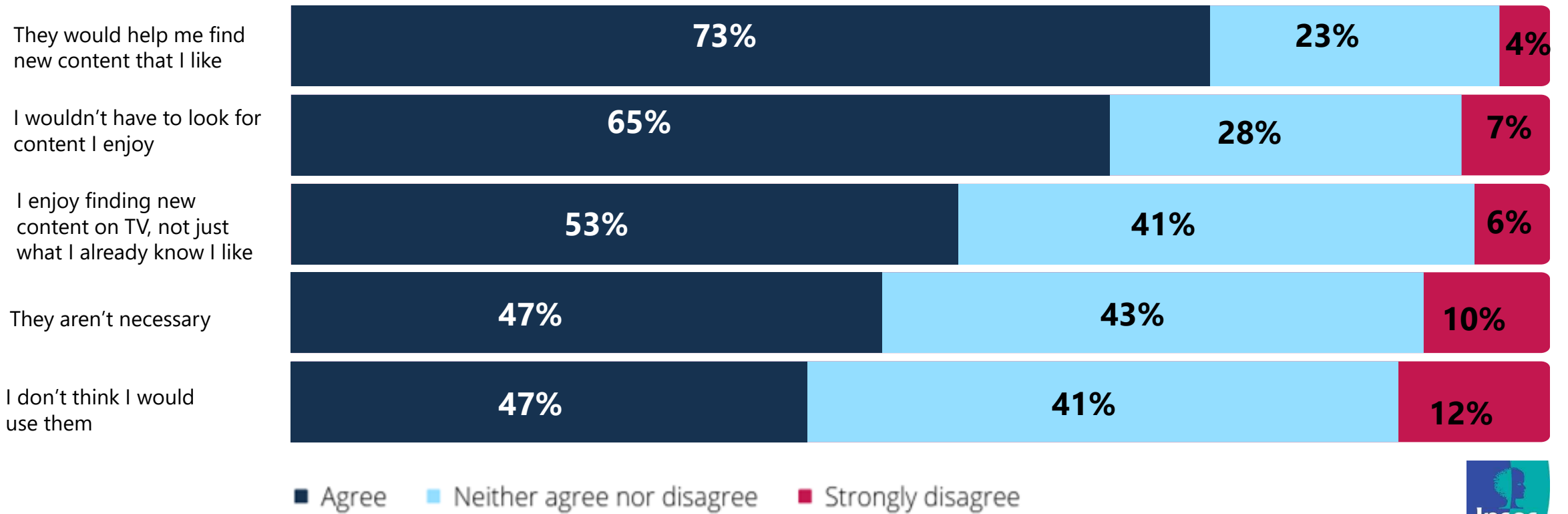
RIGHT TIME

PROGRAMMATIC

CPM
US 25$
vs
ITA 12/15$

Perception of Personalization

How would you feel about personalised online streaming channels, built starting from your preferences and viewing habits?

They would help me find new content that I like	73% · 23% · 4%	
I wouldn't have to look for content I enjoy	65% · 28% · 7%	
I enjoy finding new content on TV, not just what I already know I like	53% · 41% · 6%	
They aren't necessary	47% · 43% · 10%	
I don't think I would use them	47% · 41% · 12%	

■ Agree   ■ Neither agree nor disagree   ■ Strongly disagree

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Business Models

DTC CONTENT REPURPOSING	• **Media companies** (Paramount Global, Pluto TV) • **Non-media company** brands (GOT GAME, Red Bull)
CONTENT MONETIZATION	• **License fee** (usually annual sub-licence agreements). • **Revenue share**
BRANDED CONTENT	• **Integration** beyond traditional TV Ads (*Example Roku's "The Show Next Door", with Maker's Mark)*

Providers: A Hybrid Business Model

FAST CHANNELS PROVIDERS

SMART TV MANUFACTURERS

SAMSUNG TV Plus   LG

Hardware
manufacturers
+
Aggregators
Content owners
Publishers

HARDWARE AND MEDIA COMPANIES

a   R

Aggregators of
quality content
Focus on viewing
experience
Brand identity
Recognizable content

Devices: Platform Evolution

SET TOP BOX

ENABLER
AGGREGATOR

MOBILE DEVICES

ANYWHERE ANYTIME
LOWER QUALITY

SMART TV

AGGREGATOR
BACK TO REMOTE CONTROL

TV Screen Leading The Experience

What device do you use the most to watch online streaming services?

57%
TELEVISION

20%
SMARTPHONE

17%
LAPTOP

5%
TABLET

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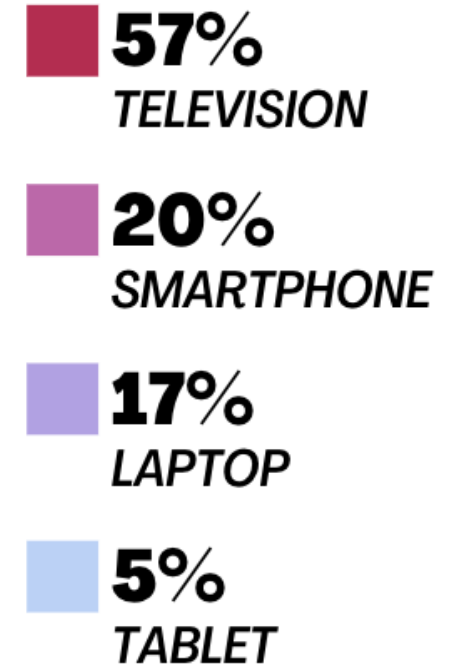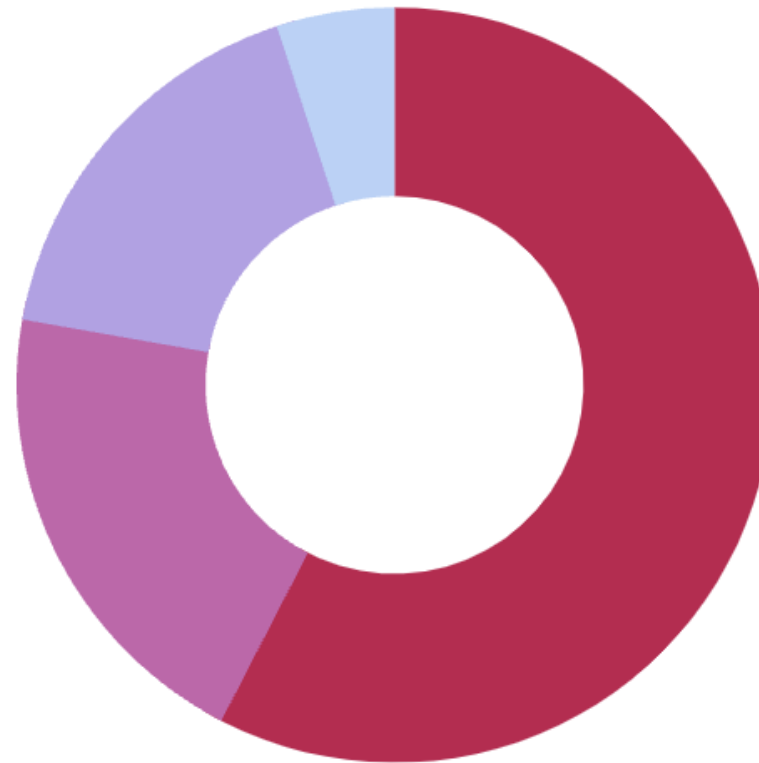
The Evolution Of Smart Tv In Italy

SMART TVs IN ITALY

Sep 2021	**15 mln** CTVs	**46%** Households penetration
Dec 2022 DVB-T2 SWITCH OVER	**18 mln** CTVs	**74%** Households penetration

Source: Auditel research, september 2021
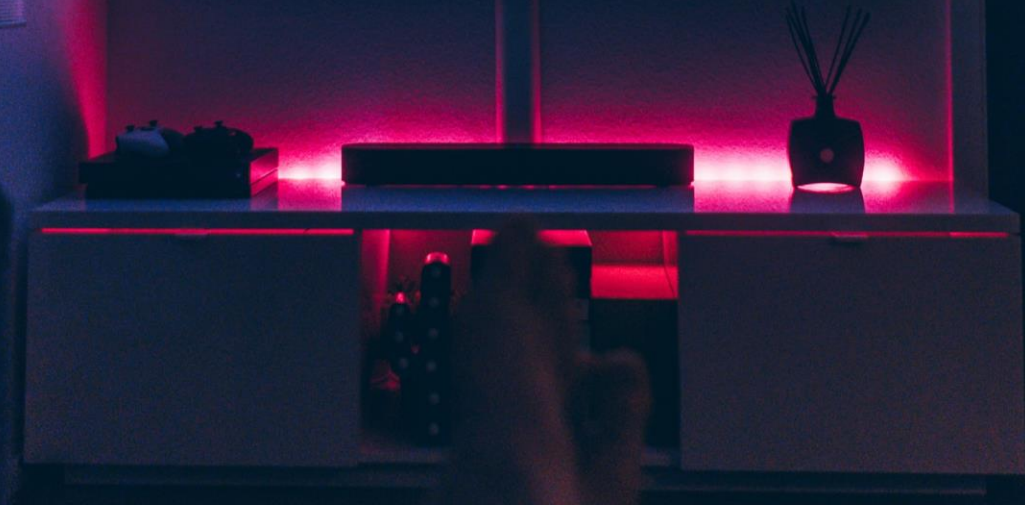
The Role of UX/UI

Each device has **its own UX**

influenced by **each individual UI**

EXPERIENCE CONSISTENCY

USER FRIENDLY

INTUITIVE INTERFACE

Engineering Competence Centers

Engineering Interactive is the Digital Experience Unit of Engineering Group.

The competence center is focused **on Customer Experience Design** approach in order to turn innovative scenarios into robust strategy and solutions.

Engineering Digital Solutions designs, builds and manages omnichannel and multimedia solutions.

The Competence center is specialized in developing hybrid and native multichannel applications dedicated to Consumer services.

METHOD • STRATEGY • CREATIVITY

DISCOVER

DRIVE

ENGINEERING INTERACTIVE FRAMEWORK

DESIGN

DEVELOP
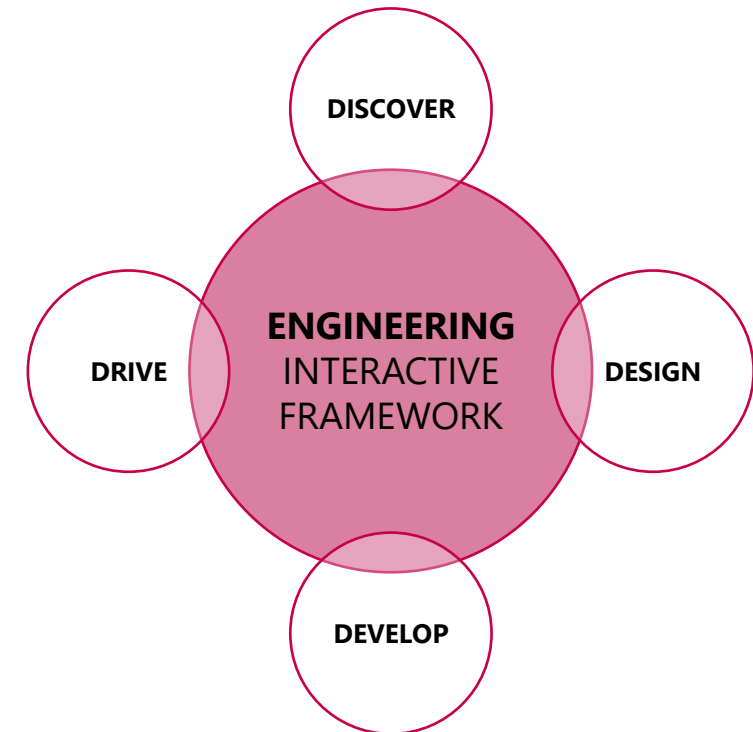
Technological Solutions
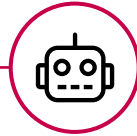
TECHNOLOGICAL SOLUTIONS

LIGHTER & CHEAPER SUPPLY CHAIN

| CONTENT | SCTE-35 MARKERS | AD SERVERS | CLIENT UX |
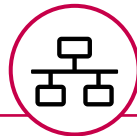
EVIDENCE AND MAIN FEATURES

| **LOW** MANAGEMENT COST | **LOW** INITIAL INVESTMENT | **ACCESS TO SMALL BROADCASTERS** |
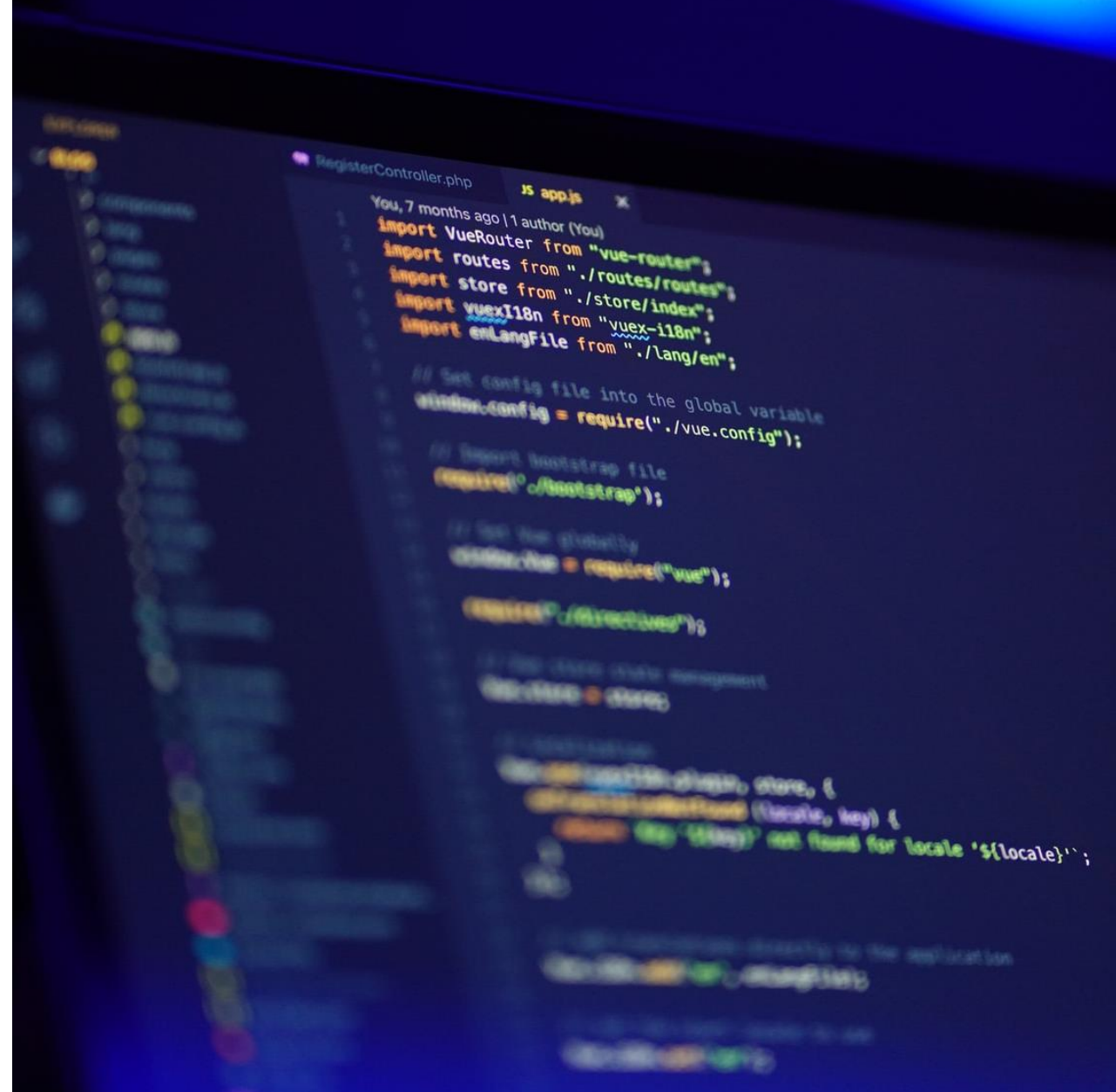
Technological Solutions

One-stop-shop for all your FAST needs
Evrideo

All flavors of personalization and automation
Content Wise

Accelerate your time to market
Harmonic

Personalized, measurable, interactive and effective
HyperTV (Connected Stories)

KEY FINDINGS

**CTV USER BASE
&
EXPERIENCE CONSISTENCY**

**PERSONALIZATION
&
LAY BACK EXPERIENCE**

FAST

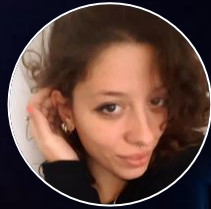**CPM VALUE
&
MARKETING + TARGETING**

Participants

Roberta Di Domenico

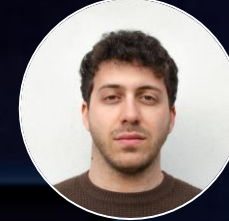robertadidomenico18@gmail.com

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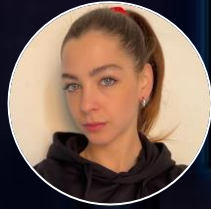
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Thanks!

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