



## How the Pandemic Has Impacted Global Entertainment Viewing

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As the global pandemic wears on, TV and streaming consumption is way up, said Adam Cunningham, chief global strategist of Allied Global Marketing during Promax's virtual session on Thursday.

That might be an obvious conclusion, but what do those much higher numbers mean for entertainment brands both now and in the future?

Stay-at-home orders have meant that almost 80% of on-the-go Millennials (those born between 1981 and 1996) and 72% of Gen Zers (those born in 1997 until today) have found their lives significantly changed compared to 37% of Boomers (those born between 1946 and 1964).

Still, all of those groups are finding their on-air and online consumption greatly increased, with many groups subscribing to more than one streaming service, such as Netflix, Hulu, Amazon Prime Video and Disney+. In fact, Netflix accounts for one-third of daily video consumption among teens, with YouTube close behind at 31%. And services like TikTok are on the rise.

"The trend of subscribing to multiple streaming services already was accelerating pre pandemic, and it's accelerated quite a bit now," Cunningham

said, noting that one quarter of people under the age of 55 said they expected to add a new service during this time. The question after the pandemic is how many of these new subscribers will hold on to their new subscriptions.

That streamers are surging is made clear by the numbers: last week, Disney+ announced that it had cleared 50 million subscriptions globally, while Netflix's stock price cleared \$427 a share, a new high for the streamer.

And it's not just streaming that is seeing an uptick. Due to people's desire to be more informed, linear television is up 20% across the globe and up 26% in the U.S, with more people tuning in to both local and national news. In the U.S., at least half of the population is turning to social media for information about the pandemic.

While online and on-air consumption has increased, some consumption of digital media has decreased. Most significantly, podcast listening has dropped 10% since many people stopped commuting, either in their own cars or on public transportation.

"That's likely because the behavior chain has been broken," said Cunningham.

Content studios, such as Universal, are trying out new models of movie distribution since movie theaters have had to close. They are making new releases, such as Emma or Trolls World Tour, available on demand, in general, for \$20 each, but Allied Global's research found that consumers are more responsive to a fee closer to \$6. How movies will be released in the post-pandemic future is an interesting question, especially considering that streaming already was putting a lot of pressure on the traditional theatrical model.

In terms of how to leverage this data, Cunningham recommended that marketers use this downtime to their advantage. First, it's a good time to reach out to new audiences because cost per thousands (CPMs) are cheap right now and audiences are largely captive.

It's also a good time to develop new products and extensions. For example, media companies can create watch parties for viewing apps so audiences can watch favorite programming with friends and family.

Finally, said Cunningham, "this is the time to test because even if you are wrong, you are testing at a lower failure rate."

"We cannot assume the post-pandemic world is going to be the same as the pre-pandemic world," said Cunningham. "There were a lot of things that were accelerating pre-pandemic and a lot of things that were on the decline. The pandemic has accelerated both trajectories."