

J.D. POWER

TMT Insight

January 2021

New Streaming Services Cut into Netflix's Market Share, While "The Mandalorian" Drives Disney+ Viewership

- *Viewers increased their streaming subscriptions to an average of four streaming providers in December 2020 from three streaming providers in April 2020*
- *The average monthly household spend on all streaming services increased commensurately to \$47 from \$38*
- *While Netflix remains the largest streaming brand, five of the next six-largest streaming providers all made market share gains since April 2020*
- *"The Mandalorian" was the most-watched show on streaming sites in December 2020*

The streaming wars have intensified, and even as the newest players entered the fray, the entire industry faces some stiff competition: the outside world.

When J.D. Power last conducted a streaming pulse study, the bulk of the country was in the throes of stay-at-home orders due to the COVID-19 pandemic. Since those early spring days, the pandemic has ebbed and flowed, and while some states are still encouraging their residents to stay indoors, others have at least partially opened up the entertainment offerings in the form of restaurant dining, live sporting events and more.

Also, within the past six months, two new streaming services with major titles to their credit—NBCUniversal's Peacock and Time Warner's HBO Max—have been launched, creating new challengers for the industry's legacy platforms.

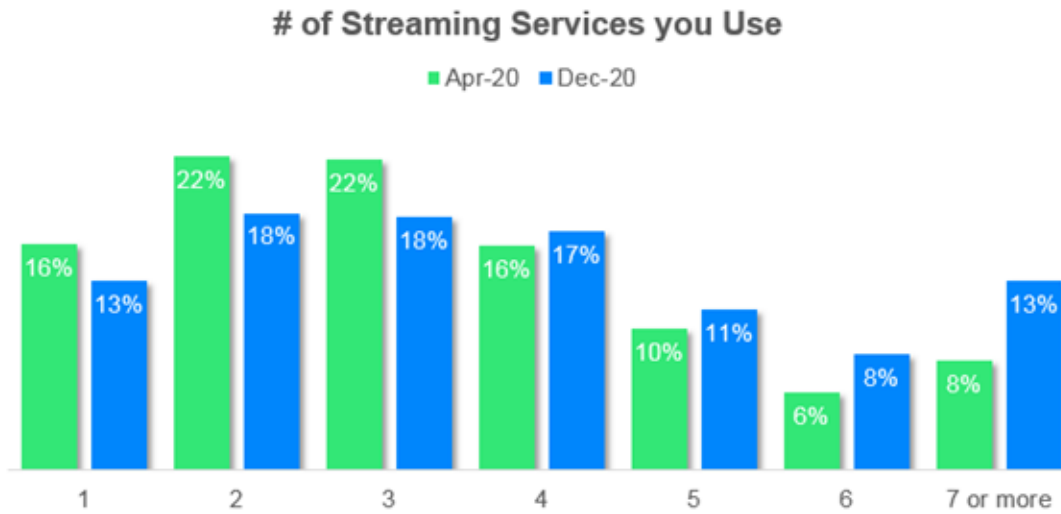
In an effort to get a sense to how the streaming landscape has changed in the face of these developments, J.D. Power has conducted a follow-up pulse survey of 1,745 U.S. adults, delving into their viewing preferences, usability challenges and future plans for using these subscription-based services. Following are the key findings.

The New Kids on the Block

The utopia cord cutters once envisioned—an ultra-low television bill with boundless a la carte options to choose from—might not quite be the reality they perceived. While streaming undoubtedly offers a treasure trove of content, users are paying for the privilege of watching their favorites on-demand at

the push of a button. Whether it's further acceptance of streaming or the emergence of new platforms, users have added more services to their portfolios in the last six months.

Half of respondents said that their household now subscribes to four or more streaming services. In April, that figure was 39%. In fact, 13% said they use as many as seven or more services. The average number of streaming subscriptions is four, up from three in April. That has caused the average monthly expenditure of streaming services to increase from \$38 in April to \$47 in December 2020.



How much per month are you paying for all your streaming services combined?



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Netflix is Still King, But Others Eye the Throne

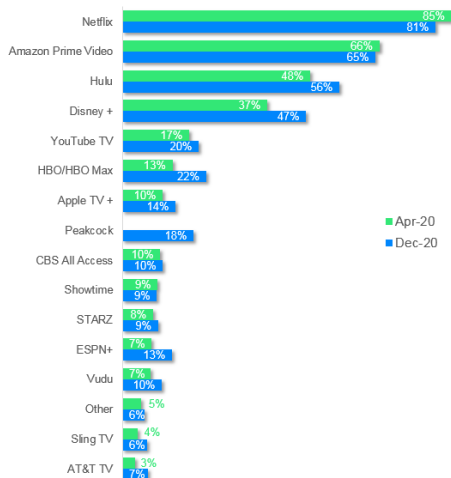
In the eyes of respondents, Netflix is still the gold standard of streaming services. More than three-fourths (81%) of respondents said they subscribe to Netflix, the most of any service. Netflix has only 0.10 streaming problems per hour cited by users, the least of any service.

That said, for Netflix's competitors, there is reason for optimism. Netflix's market share declined four percentage points since April (85%), while five of its next six-closest competitors all picked up ground. Amazon Prime Video ranked second at 65% (down from 66% in April), followed by Hulu at 56% (up from

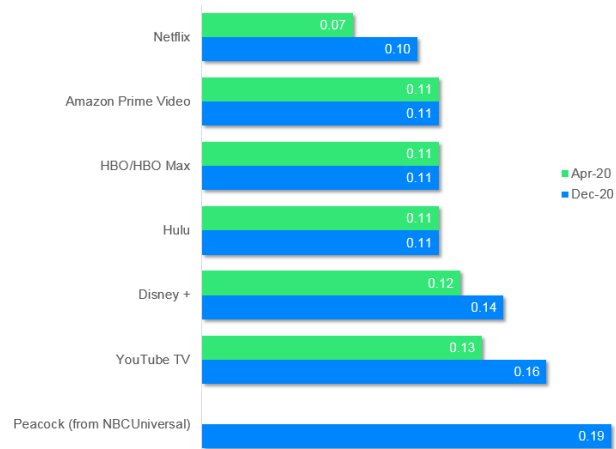
48%), Disney+ at 47% (up from 37%), YouTube TV at 20% (up from 17%), HBO/HBO Max at 22% (up from 13%) and Apple TV at 14% (up from 10%). Peacock, at 18%, had no presence in April.

Despite the warm glow Peacock is sure to be feeling from the initial market share it captured, it has to be concerned with reports of glitches on the platform. Peacock ranked highest among streaming services in problems per hour watched (0.19).

Which streaming services do you subscribe to or have access to?



Streaming problems per hour watched

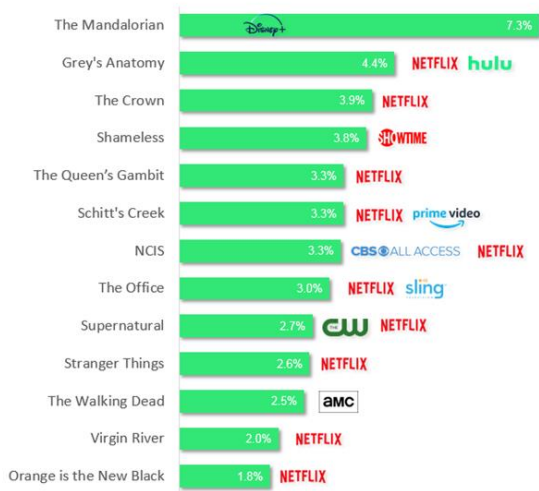


“This is the Way”

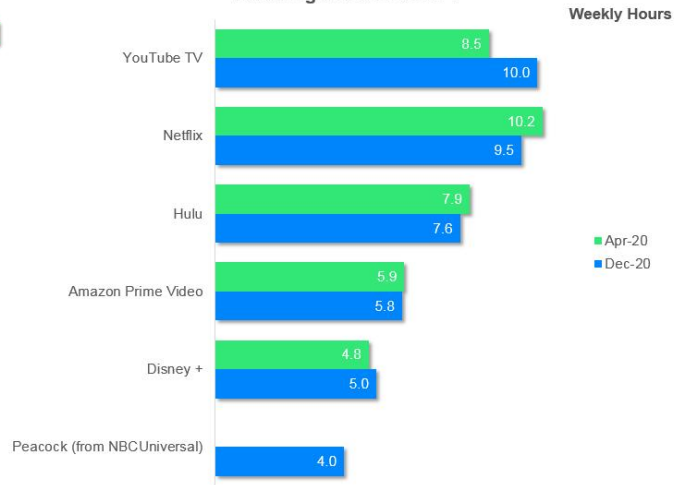
The planet-hopping adventures of the galaxy’s most unlikely quasi-father-son duo—Din Djarin and Grogu—are a hit with audiences, as “The Mandalorian” was the most-watched show in December (7.3%). The live-action Star Wars series, whose second season ran from Oct. 30 to Dec. 18, was Disney+’s only representative among the top shows. Grey’s Anatomy (Netflix, Hulu), The Crow (Netflix), Shameless (Showtime) and The Queen’s Gambit (Netflix) rounded out the top five.

“The Mandalorian” helped Disney+ build some momentum on user time spent on their platform. Users spent 5.0 hours per week on Disney+, up from 4.8 in April (when the show was in hiatus). The only other streaming service that gained time spent was YouTube TV, which saw the biggest increase of 1.5 hours (10.0 hours from 8.5 hours). Netflix had the biggest decline from the spring, 0.7 hours, (9.5 hours from 10.2 hours).

What content have you watched most recently?
Please write in your top 3 shows in the last month



In the past 7 days, how much time have you spent watching content on ... ?



Methodology

This J.D. Power TMT Insight is based a survey of 1,745 U.S. adults from Dec. 16-19, 2020.

Find out More

This J.D. Power TMT Insight was authored by Ian Greenblatt, managing director of TMT Intelligence at J.D. Power. Please contact us at the numbers below to connect with Mr. Greenblatt, or to learn more about the underlying research.

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