



## MEDIA ALERT

### Television Audiences are Embracing Alternative Viewing at Increased Speeds, According to PwC US

#### *TV Competing With Film More Than Ever, A Wake-Up Call for All Content Creators, Distributors, and Advertisers*

**WHAT:** As consumers have been rethinking how they access video content in the last year, the dynamics of consumption are changing according to a new PwC US report titled, "Feeling the Effects of the Videoquake: Changes in how we consume video content," an update to a 2013 survey on the same topic. Expectations of programming are higher and there is now an abundance of higher-quality programming. A survey of 1,000 participants in the U.S., combined with focus groups and online/social listening, reveals that as increasing amounts of people subscribe to direct-to-consumer online streaming services, on-demand and alternative forms of TV, they are moving away from the bundle.

In this era of rapid innovation and change, traditional cable and satellite providers have found themselves at a crossroads. It is still standard for older Americans, while streaming services are additive. But when it comes to millennials, data shows that alternatives are slowly chipping away at cable – aka **cord cutting or cord shaving**. Among viewers age 18-24, cable subscriptions dropped to 71 percent this year, down from 77 percent in 2013. Furthermore, when asked if consumers saw themselves subscribing to cable ten years from now, 42 percent answered "yes" in comparison to 91 percent in a year from now and 61 percent five years from now. Consumers' biggest frustration with cable is paying for channels they don't use or want. In fact, 41 percent of survey respondents said they'd prefer **a la carte channel packages** they could put together themselves. Despite the challenges, cable still retains a number of strengths including live programming, the sports market, new discovery and content curation.

**WHY:** Among key consumer findings on the changes in video consumption:

**The rise in alternative viewing – emerging players continue to lead the charge.** Once disparaged by traditional distributors for breaking the mold, emerging players have not only proven that video content can be reliably delivered over the web and mobile, but have also proven that consumers are eager to embrace it.

- Traditional incumbents are not sitting idly by as many have announced standalone streaming services and alternative offerings.

**Video content is rivaling cinema.** This competition has made better content a necessity as each channel tries to justify its viewership around a few key shows, using them to lure viewers in and then heavily market the rest of the lineup while viewers are watching those headline shows.

- Seventy-three percent of viewers say that, increasingly, watching TV is often as good as going to the movies.

**Binge watching is socially acceptable – and encouraged.** The couch potato is now a couch octopus. While binge viewing is a huge trend, it's not an entirely isolating experience. "Marathon viewings" are popular events for friends to gather together for a shared indulgence.

- According to the survey, regardless of the show, patterns in the pace at which people binge were consistent; roughly 50 percent of viewers finished a season (up to 22 episodes) in one week.

- The social conversation is taking place both in-person and online as the **second screen** is an increasingly integral part of the viewing experience. Sixty-two percent of consumers said they “always,” “sometimes” or “usually use their mobile devices” while they’re watching TV.

In this period of change, content providers, distributors and other key industry areas will have to transform and modify business objectives, including:

- **Focus on quality content** and then allow time for the content to find its audience.
- **Capture current viewing patterns** through audience measurement metrics.
- **Use live programming and combine live second screen experiences** to traditional programming to drive consumer engagement.
- **Deliver second screen experiences tied to programming** to harness social interactions about content to drive engagement and viewership.
- **Focus on content curation and discovery** to help consumers find content relevant to them.
- **Spotlight branding** to drive content discovery and enhance customer loyalty.

**WHO:** Members of PwC’s entertainment, media and communications (EMC) practice are available to discuss the report findings and share further insight on the implications for companies.

**CONTACT:** For a full copy of the report and/or to arrange a briefing with a PwC representative, please contact:  
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