

***Can you find that show I didn't
know I wanted to watch?***
How tech will transform content
discovery

Consumer
Intelligence Series
November 2017



Entertainment and media companies have long competed on two dimensions: content and distribution. To thrive in today's increasingly competitive, crowded, slow-growth marketplace, however, they must focus on a third dimension: *user experience*.

This industry shift favors the consumer, forcing content providers, media distributors, and tech companies to improve the discovery, personalization, and “stickiness” of their content. Flooded by options from an ever-growing library of video content, consumers are struggling to find what they want. Add in a rapidly growing, fragmented marketplace of distribution platforms, and we're left with a consumer that's overwhelmed, and “A” content that's left undiscovered and unwatched.

The preeminent goal for companies today is threefold:

1. Draw in as many consumers as possible — and keep them satisfied and engaged for as long as possible.
2. Justify the increasing cost of making and acquiring content.
3. Deliver ROI/impact for advertisers and brands.

The ability to harness new technologies is essential: AI, metadata, and machine learning are set to revolutionize content discovery as we know it. But first, a look at what's working — and what's not.





Survey design

Through PwC's ongoing Consumer Intelligence Series, we gain directional insights on consumer attitudes and behaviors in the rapidly changing technology and media landscape. In this installment, we delve into consumer attitudes and experiences with the discovery of media content.

We surveyed a representative sample of 1,000* respondents, ages 18–64. The survey was conducted by a leading global research firm from July 7, 2017 to July 21, 2017.

Questions we focused on:

- *Is digital discovery of video still hard for consumers?*
- *How/when/where do consumers discover content?*
- *How does the discovery of video content compare to the discovery of finding other types of media?*
- *Are consumers overwhelmed or overjoyed by choice?*
- *How influential is social media in the discovery of content?*
- *How influential are streaming services in the discovery of content?*
- *How can personalized recommendations be improved?*

*n=1000

US resident (50% male; 50% female) / Age 18–64 (50% 18–34; 50% 35–64) / Census ethnicity (16% Hispanic, 13% African American, 71% All other) / Must have internet access in the home. Post-fielding, data was weighted to represent a gen-pop, online consumer universe.

The relentless — often fruitless — search for content

With fresh content unveiled every second, consumers are cycling through their watch list quickly, regularly looking for new video to view. At least half of consumers (55%) find themselves looking for a new TV show or movie to watch at least once per week; 83%, a few times per month.

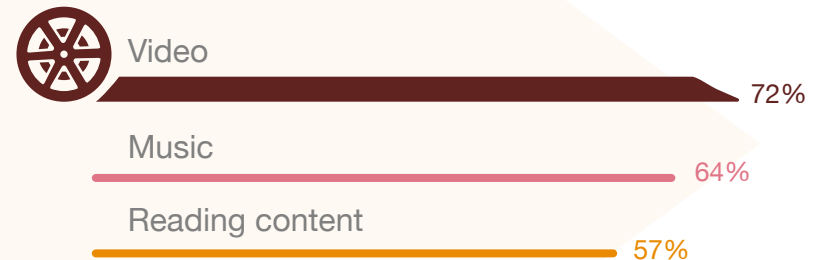
Compared to just a year ago, the majority of consumers are watching more video, and nearly half at a higher cost. When compared to other types of media, the difference is significant:

55%

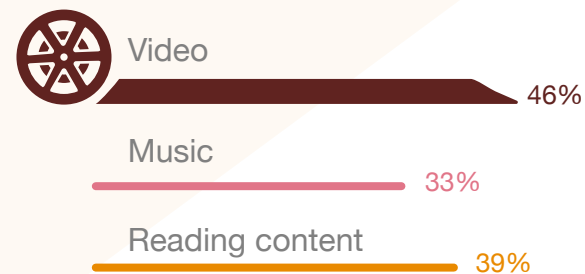
of consumers look for a new TV show/movie to watch at least once per week

Consuming more content; willing to pay more for it

I am consuming more...than I was a year ago



I am paying for more...than I was a year ago



Base: Those who look for new...video, books, music—Q8a-8c. Please tell us how much you agree or disagree with the following statements about...video, books, music. Top 2 box.

Often, consumers don't know what they want to watch before sitting down, and they frequently discover content freely without any previous knowledge or recommendations from people they know:



Viewing behavior isn't always deliberate: Consumers frequently search for something new and unfamiliar

What percentage of your viewing time would you say is spent...?

Watching video content I previously heard about

Discovering new video content to watch freely

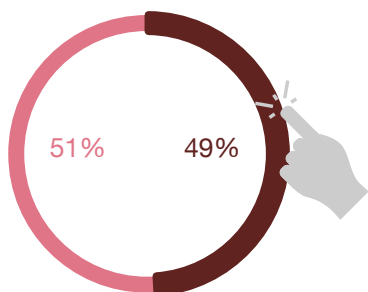
Rewatching something I've already seen

Watching something new

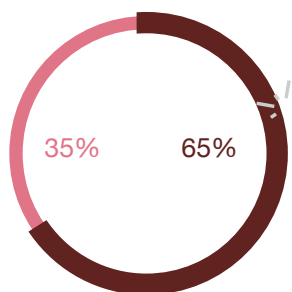
Going straight for a piece of content I already knew I wanted to watch

Browsing because I don't know what I want to watch

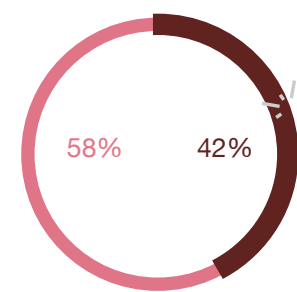
Aware vs unfamiliar



Repeat vs new



Deliberate vs chance



Base: Total—Q11-Q13. When you sit down to watch something, what percentage of the time would you say you...?

For the majority of consumers, trying to find that special something to watch has proven challenging — and annoying. Nearly two-thirds (62%) of consumers agree that they often struggle to find something to watch, despite there being many choices available to them.

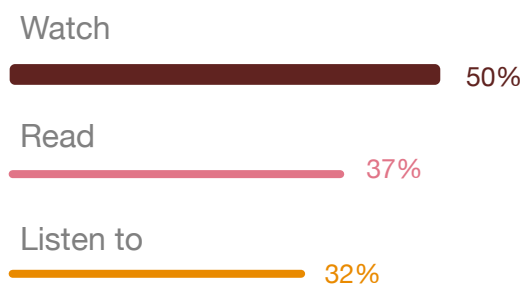
Not only are consumers frustrated with the current content-discovery process, but the actual levels of frustration are illuminating. While new music and reading material available arguably rivals the levels of new video, consumers are **significantly more frustrated** when searching for video.

*If after only a few minutes a consumer can't figure out what to put on, **one in every five** will resort to rewatching something they've already seen*



The struggle is real: hunting for video much more frustrating

It's frustrating searching for something to...



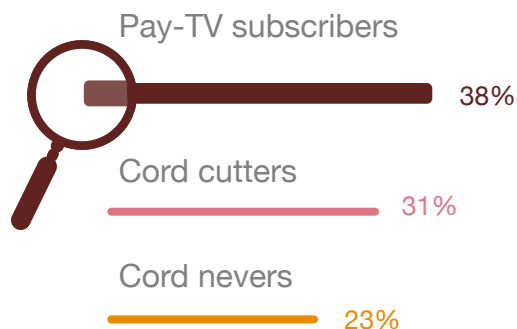
Base: Those who look for new...video, books, music—Q8a-8c. Please tell us how much you agree or disagree with the following statements about...video, books, music. Top 2 box.

Could cutting the cord lead to less enjoyment and more frustration?

The massive and ever-growing repository of content affects all consumers, but none more so than cord cutters or those who've never had pay TV. While current pay-TV subscribers also agree there's too much content available, they are more likely to enjoy the *search* for content and less likely to be frustrated by it than consumers who only stream.

Pay-TV subscribers less frustrated than their streaming-only counterparts

"I enjoy searching for new video content to watch."



Base: Those who look for new video—Q8c. Please tell us how much you agree or disagree with the following statements about video (TV, movies, online videos, etc.) Top 2 box.

Frustration with finding something to watch is most evident among cord nevers:

74%

agree that "despite there being a lot of choices available to me, I often struggle to find something to watch."

61%

agree that "searching for something to watch is frustrating."

Today's world of instant streaming and on-demand viewing can be disjointed, confusing, and cumbersome. Thus, it's possible pay-TV subscribers are less frustrated because they are presented with less choices from the start.

Consumers also told us that the traditional channel guide is inherently effortless, making the search experience more relaxing — especially when someone is unsure of what to watch.

***“When I don’t know
what I want to watch,***

there’s nothing like having that flexibility
to just turn on the TV and sift through the
channel guide...discover something new...
watch a rerun...or see a live game.
It’s mindless and easy.”

- Cord cutter, female, age 29

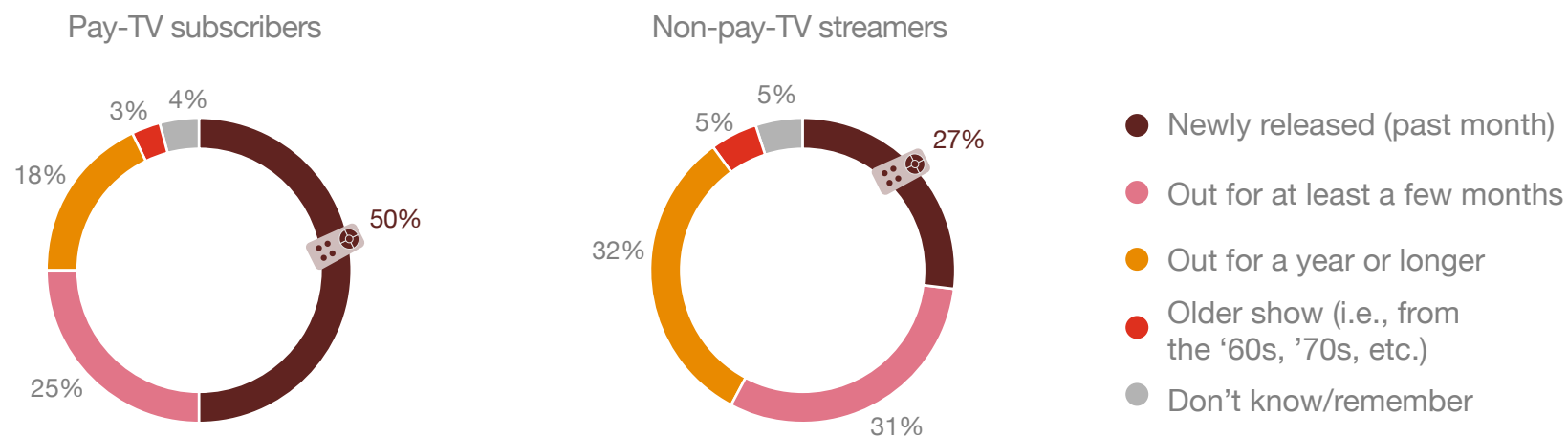
Our data also suggests that content has a *longer shelf life* among consumers who rely exclusively on streaming: Pay-TV subscribers favor shows released recently, while non-pay-TV streamers choose shows dispersed across several

months or even years. The pool of content from which to choose diminishes for pay-TV subscribers if they're focused only on recent releases, which could help lessen frustration and raise enjoyment around content discovery.



Pay-TV subscribers tend to watch newer shows; streamers go way back

Thinking of a new TV show you watched recently, when was the show released?



Base: Those who have looked for a new TV show to watch—Q17. When was this TV show released?

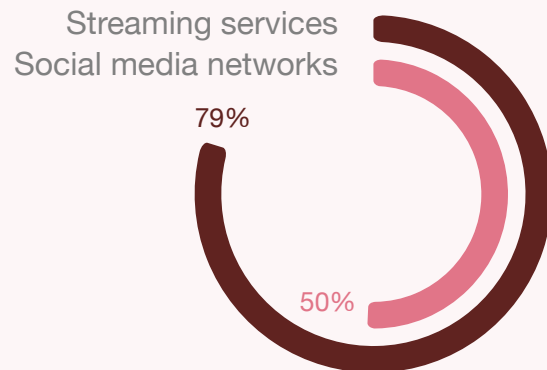
Content curation: What works?

79% of all consumers (including pay-TV subscribers) — and a whopping 90% of those under 30 — agree that streaming services play a huge role in their discovery of new video content.

In fact, this significantly exceeds the influence of social media on the content discovery process:

Consumers turn to streaming services for content discovery

“...play a huge role in my discovery of new video content.”



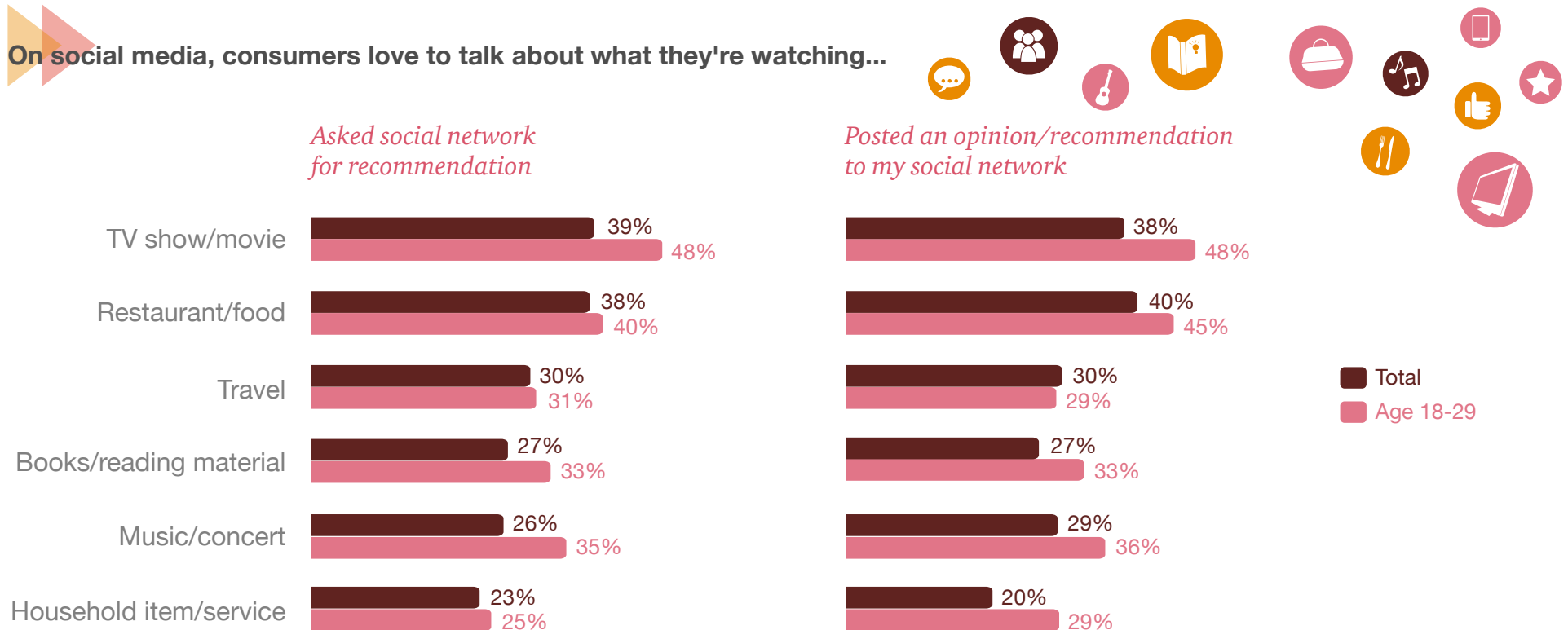
Base: Those who look for new video—Q8c. Please tell us how much you agree or disagree with the following statements about video (TV, movies, online videos, etc.) Top 2 box.

90%

of consumers under 30 say that streaming services play a huge role in their discovery of new video content

It's little surprise that social media *does* help promote *awareness* of TV shows and movies—led by those under age 30, consumers say they often turn to social media to ask for recommendations and to voice their own opinions, more so about video content than other topics such as music, books, food, and travel.

On social media, consumers love to talk about what they're watching...

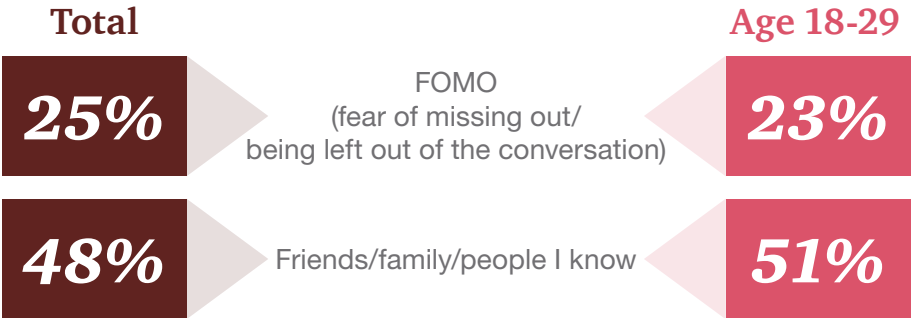


Base: Total—Q7. Have you ever posted to a social media network about the following topics, either to ask for or give an opinion/recommendation?

However, our survey found that although consumers frequently discuss video with/on their social networks, they don't necessarily choose what to watch based on those discussions. Less than half (48%) of respondents said they are influenced by what their friends and family watch, while only 25% said their viewing habits are largely driven by FOMO (fear of missing out or being left out of the conversation).

...but all talk doesn't translate to how they discover new shows

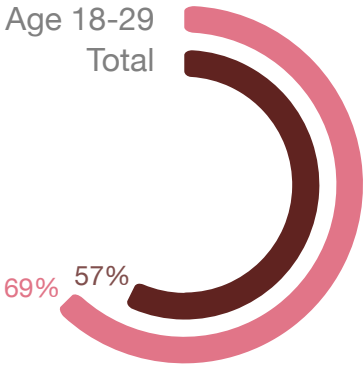
What I watch is largely driven by...



Base: Those who look for new video—Q8c. Please tell us how much you agree or disagree with the following statements about video (TV, movies, online videos, etc.) Top 2 box.

Perhaps consumers like to *be* the TV trendsetter rather than follow the trend:

I like being the first one among my friends/family to start a new TV show



Success in recommending video personalized to *each individual consumer* is the holy grail of content discovery. As it stands today, however, “Top picks for me” falls short.

Missed opportunities for personalization

“Which of the following has the biggest influence on what you watch?”

Pay-TV subscribers

- 1 Previous knowledge on the topic, i.e., a book you read was turned into a TV series
- 2 Channel surfing
- 3 An advertisement
- 4 A recommendation from someone I know, either directly or on social media
- 5 The “Popular” list on my favorite streaming service
- 6 **The “Top picks for me” tab on my favorite streaming service**

Non-pay-TV streamers

- 1 The “Popular” list on my favorite streaming service
- 2 The “Recently released” tab on my favorite streaming service
- 3 A recommendation from someone I know, either directly or on social media
- 4 **The “Top picks for me” tab on my favorite streaming service**
- 5 Previous knowledge on the topic, i.e., a book you read was turned into a TV series
- 6 Channel surfing

Base: Total—Q16. Below are various ways one can learn/hear about a new piece of video content. We want to understand which has the biggest impact on how you typically discover what to watch. From the list below, please rank the reasons that influence what you watch, from most influential to least influential.



“Top picks for me” not yet top of mind

“Top picks for me” was also notably lower on the list of places a consumer will first look when they’re unsure of what to watch—which, as observed, is nearly half (42%) of all viewing sessions.

“For those times you sit down to watch something without knowing exactly what you want to see, what is usually the first thing you do to figure it out?”

Pay-TV subscribers

- 1 Channel surf/browse through channel guide
- 2 Browse the “Recently released” tab on my favorite streaming service
- 3 Browse the “Popular” list on my favorite streaming service
- 4 Check what's unwatched on my DVR/TiVo
- 5 **The “Top picks for me” tab on my favorite streaming service**

Non-pay-TV streamers

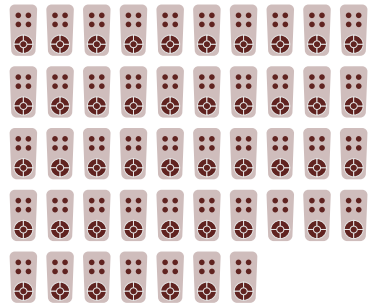
- 1 Browse the “Recently released” tab on my favorite streaming service
- 2 Consult the list of shows I've been meaning to watch and pick one
- 3 Browse the “Popular” list on my favorite streaming service
- 4 **The “Top picks for me” tab on my favorite streaming service**
- 5 Go on social media to ask for a recommendation

Base: Total—Q14. For those times you sit down to watch something without knowing exactly what you want to see, what is usually the first thing you do to figure it out?

It's evident that *browsing* has become a primary means of content discovery. For years, ensuring a smooth, easy search function was paramount. And while that is still important, search assumes the consumer *knows* exactly what they're looking for. The reality is they often don't know.

Aimlessly browsing is a primary way consumers find content

Thinking of a new TV show you watched recently, why did you choose to watch it?



47%
I came across it while browsing for something to watch and thought I'd like it.

- 44%** The commercials/advertisements for it made it look really good.
- 32%** I read a great review of it and thought I'd like it.
- 27%** It was recommended to me based on another show I previously watched.
- 23%** People I know wouldn't stop talking about it.

Base: Those who have looked for a new TV show to watch—Q20. Why did you decide to start watching this particular TV show?



“But why should I watch what you’re recommending to me?”

79% of consumers surveyed said they have watched a TV show or movie based **solely** on the recommendation of a content service. Nearly all (90%) liked what was recommended to them. However, personalized recommendations aren’t a go-to source for consumers quite yet. A closer look reveals why:

73%

*believe their **friends and family** know them better than their streaming service.*

60%

believe personalized recommendations reflect shows the service is trying to promote, not necessarily shows they think they’ll like.

56%

agree that it’s hard to tell if they’ll like what’s being recommended to them, particularly because they don’t know how others with similar taste felt.

37%

don’t want to waste their time on starting a new show they might not like; they find these recommendations too risky.

Base: Total—Q27. Please tell us how much you agree or disagree with the following statements about recommendations from streaming services. Top 2 box.

80%

*of consumers admit that what they choose to watch is largely driven by their **mood** on any given day*

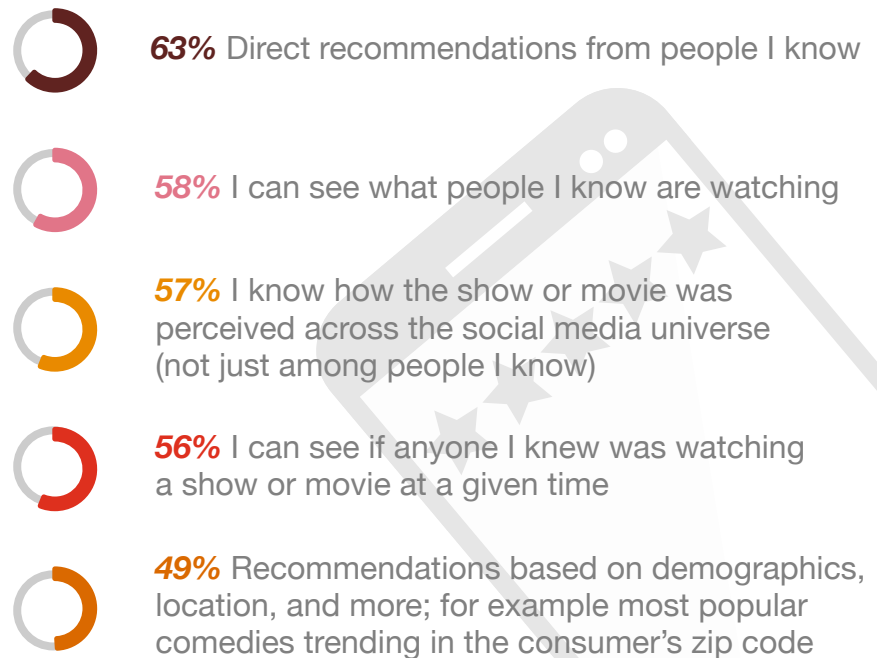


Win their trust! Consumers want more clarity, context, the “why” behind the recommendation

What can a service offer that would make a consumer more likely to watch personalized recommendations?



Least likely reasons are related to a consumer's social circle:



Base: Total—Q28. Would the following make you more likely to watch a show/movie recommended to you by a streaming service?

Man + machine: The discovery model of tomorrow

What started as minor annoyance with traditional cable packages has morphed into consumer frustration with today's ever-expanding video ecosystem. Companies continue to create more content, introduce new distribution platforms, and fight for subscribers and attention, all the while creating more fragmentation and making it harder for the consumer to find something to watch.

We've moved beyond search and recommendation to the need for personalized content that can help attract, retain, and satisfy the consumer. Hence, the ability to adapt AI and utilize data has become a driving concern for any company working with video. The best solutions will pair man with machine to help content publishers and providers stay competitive and audiences dialed in to the content they care about most.

The hunt for video content can be classified as



Discovery: When you don't know what to watch and someone (or something) recommends a new show to you that you might like but didn't know existed.



Search: When you know what you want to watch, but can't find it because the content is fractured across so many different platforms or because the search tools in the app are poor or frustrating.

To perfect either scenario, it's essential to **prioritize and harness metadata**.

There's no doubt that the strategy to leverage metadata works; however, execution can be tricky. Much like with regular data, metadata is relatively easy to gather but hard to structure, and even harder to correctly interpret and come up with an appropriate action plan. A smart investment in metadata would drive beyond mere content creation to a full action plan that targets new content at consumers who would want to know about it.

Here's how technology can help

Content generation: Creative thinking and messaging are aspects that would fundamentally need human input, but this type of work can also be done using AI — both for content from a marketing standpoint as well as video content development.

Content curation: Gather, organize and present content related to a particular theme or topic.

Content selection for commercialization: Content chosen by algorithm prediction.

Content archives/classification: Machine/deep learning methods to cluster new and unknown content in predefined groups.

Content distribution: Using consumer insights from analytics, content creators can look to maximize their return by optimizing their release strategies across platforms.

Content audience targeting: During post-production testing and early marketing efforts, content distributors can use analytics and AI to really understand the DNA of the product and who the target audience is.

Get personal

Providers should take a crawl, walk, run model towards enhancing content curation and personalization.

Crawl: Include editorial context around what shows they recommend; for example, if there is a nationwide eclipse one day, show space-related movies. Use an editorial team to make the content relevant on a mass social scale. Also, apply time-based logic and other social cues that work well on a general basis for the population. If it's 8pm on Friday, push movies, but not if it's 9am on a weekday, as they are less likely to be viewed.

Walk: Create profiles about their users. Each viewer should have a separate profile they log into. Profiles should be tracking what people watch during each time of day. Pull in other details about the user, for example, by tying into other big data sources. Develop a recommendation engine that can offer suggestions not just based on what the person viewed, but on everything the providers know about that person and similar profiles.

Run: Bake in full AI to get to full personalization. To do this right, the providers will need to understand the DNA of each piece of content. Just because the person watched a comedy yesterday does not mean they will want another comedy recommended. Instead, do trending analysis across all items they are watching to see commonalities (for example, a certain director, favorite actor, style in how the show is shot, type of comedy, sub-sub-sub-genre, etc.) Only then will recommendations be truly personalized and spot on.

Here's what consumers have told us

They are begging to discover new, great content on their own.

87% of respondents say they regularly pick a TV show or movie to watch that they hadn't heard of previously.

Patience has dwindled. 74% of respondents know within a few seconds if they'll like a piece of content.

Cutting the cord doesn't always translate to cutting frustration.

Pay-TV subscribers are less frustrated than cord cutters and cord nevers with the content discovery process. They are also more likely to enjoy the search for new video content.

Much of today's "quality" content goes undiscovered. 69% of respondents say they feel like they keep hearing about/seeing the same shows over and over again.

Browsing is a key (often overlooked) component of content discovery.

Consumers spend, on average, 42% of their time browsing through content because they don't know what they want to watch.

Streaming services are powerful discovery engines. 90% of consumers under 30 agree that streaming services play a huge role in their discovery of new video content.

Social media promotes content awareness, but doesn't always excel in driving viewership. Consumers find out about new video content regularly from people they know; however, the viewing behavior of their social network does not have a profound effect on their own. 57% of respondents said they enjoy the influence wielded by being the first one among their friends and family to start watching a new show.

Personalized recommendations are not top-of-mind and often not trusted. 60% of respondents believe personalized recommendations reflect shows the service is trying to promote, not necessarily shows they think they'll like.

Here's what we recommend

More is less, less is more. As the amount of content proliferates faster than consumers can keep track of, they need intelligent tools that can act like a trusted friend, advising them on what they should watch so they don't waste their time. When searching for something online, very rarely does a consumer scroll past the first page. The same thinking can be applied here; content distributors need to remove the friction of discovering shows, by using smarter algorithms so that one to five relevant, highly-targeted choices are presented to the consumer. Only then will content curation and the discovery model of the future align.

Content producers/owners will then need to figure out how to make their content pop to the top of the “search”/curation in this. To make this all happen, everyone must work together — tech companies need to work hand-in-hand with distributors and content providers, and so on.

It's time to expand upon “if you liked that show, you'll like this show.”

Consumer preferences are influenced by experiences beyond the SVOD service or set top box such as websites visited, clips watched, social platforms browsed, articles read. To progress, the recommendation engine of tomorrow should aim to analyze a consumer's behavior from all points, not just what shows they watched last week.

How are you feeling today? 80% of consumers told us that what they choose to watch is largely driven by their mood on any given day. It's important to understand how your audience feels today, but also how they might feel tomorrow.

Personalization is nothing if not adaptive and intuitive. Ask your consumers how they're feeling, or why they visited your service today. Did they have a bad day at work and are looking for something funny to watch? Or perhaps they feel energized and want to discover a new show that they can then brag to their friends about. Whatever it is, a smart content management system will take this into account while simultaneously helping you capture the untapped value of your entire library.

Don't just tell me “what.” Tell my “why.” Consumers are smart. They know when they're being pushed content that is not in their best interest. Today's audience wants to understand the “why” behind the what. They are more likely to trust what you recommend if the suggestion comes with an explanation. Why does the show have a high rating? What are critics saying? How likely am I to enjoy this show? How did others like me rate it? 37% of respondents say they don't want to waste their time on starting a new show they might not like, and they find personalized recommendations too risky. Help consumers make the decision for themselves.

Expand the search function beyond just your platform. Content is getting disaggregated across so many different OTT apps and services that people don't know where to go to watch what they want to see. Platforms should be created with embedded deep searching across ALL apps, beyond just the one being used, so people can easily find the show they want to watch.

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