

By **John Barrett**, Director, Consumer Analytics; and **Yilan Jiang**, Manager of Consumer Research, Parks Associates

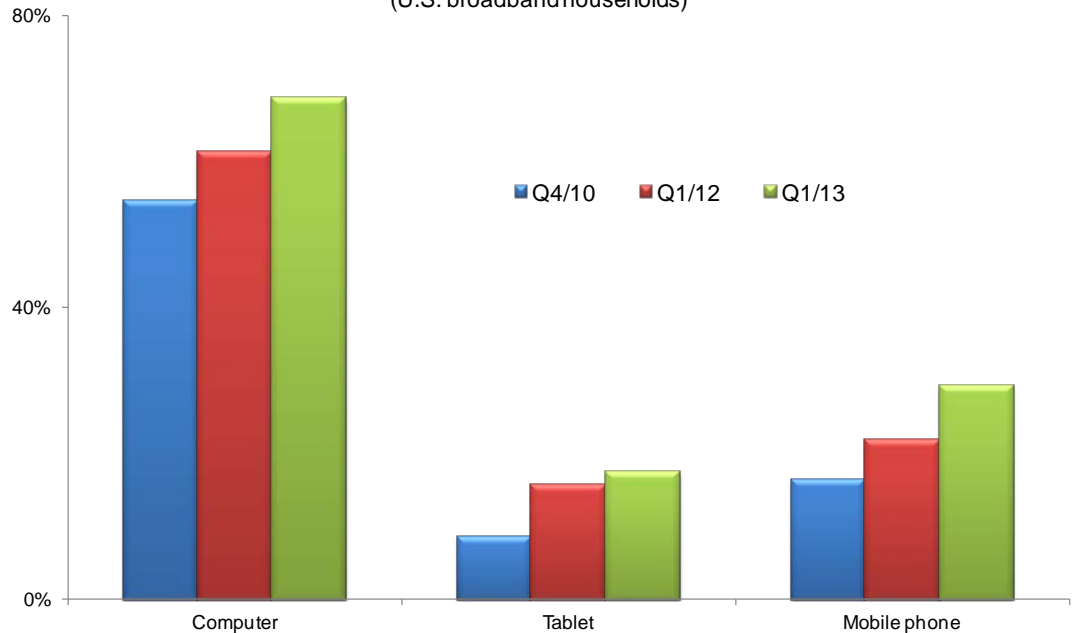
**SYNOPSIS**

*Video-on-Demand: The Road to Revenues* analyzes the obstacles to VOD revenue growth and status of the competition.

This consumer research project also identifies the strategies that will make VOD a success for pay-TV service providers.

**Use of Device for Video over Time**

"In the past 30 days, have you watched video on a..."  
 (U.S. broadband households)



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**ANALYST INSIGHT**

"A significant portion of the pay-TV population is unaware of available VOD services. Pay-TV providers need to educate their subscribers on the availability, cost, and use of pay-TV VOD offerings, through marketing initiatives and perhaps even free TVOD trials."

— **John Barrett**, Director, Consumer Analytics, Parks Associates

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- Previous Research**
- Key Findings**
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# Video-on-Demand: The Road to Revenues

Bottom Line Analysis

2Q 2013

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### Pay TV Services Overview

- Pay-TV Service Subscription (2011 - 2013)
- Pay-TV Service Subscription by Age (2011 - 2013)
- OTT Service Subscription (2012 - 2013)
- OTT Service Subscription by Age (Q1/13)
- Netflix Service Subscription (2012 vs. 2013)
- Reasons for Canceling Netflix Subscription (Q1/13)
- Pay-TV vs. Non Pay-TV Service Subscription (2012 - 2013)
- Previous Pay-TV Subscription Period (2012 - 2013)
- Pay-TV Service Subscription by Age (Q1/13)
- Cancelled Pay-TV Service in the Past 2 Years vs. OTT Service Subscription by Age (Q1/13)
- Pay-TV providers continue to expand VOD offerings
- Premium TV Services (2012-2013)
- Pay-TV Feature Usage (2010-2013)
- Use of Pay-TV Features (Q1/13)
- Premium Movie Channel Subscription (Q1/13)
- Average Monthly Cost of Home Services (2010 - 2013)
- Average Monthly Cost of Unbundled Pay-TV Service by Age (2012 vs. 2013)
- Monthly Cost of Bundled Home Services (2011 - 2013)

### Changes to Pay TV Services

- Pay-TV Subscription Trends (2010 - 2013)
- Likelihood of Upgrading Pay-TV for Expanded Free VOD Service (Q1/13)
- Reasons for Canceling Pay-TV Service (Q1/13)
- Reasons for Canceling Pay-TV by Time of Cancellation (Q1/13)
- Important Sources of Video if Pay-TV Service is Canceled (Q1/13)
- Re-Connectors (2012 vs. 2013)
- Reasons for Cancelling Pay-TV Service (2012 vs. 2013)

### Video Consumption

- Consumer Electronics Adoption (2009 - 2013)
- Use of Device for Video (2010 - 2013)
- Frequency Use of Device for Video (2010 - 2013)
- Video Consumption by Platform (2010 - 2013)



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- Video Consumption on Computers by Source (2011 - 2013)
- Internet Video Use (2011- 2013)

### Sources of Home Video

- Video Viewing Habits (2011 - 2013)
- VOD Availability/Awareness (Q1/13)
- SVOD Availability/Awareness by Premium Channel (Q1/13)
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- Movie Viewing Sources by Age (Q1/13)
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- Sources Used to Watch a TV Program at Home (Q1/13)
- Number of Sources Used to Watch a TV Program at Home (Q1/13)
- Top Sources Used to Watch TV Programs at Home (Q1/13)
- Pay-TV Subscribers: Top Choices for Home TV Viewing (Q1/13)
- Pay-TV Subscribers with VOD: Top Choices for Home TV Viewing (Q1/13)
- Premium Movie Channel Subscribers: Top Choices for Home TV Viewing (Q1/13)

### VOD Drivers & Inhibitors

- Motivations for VOD Use by Service (Q1/13)
- Reason to Watch Free Online TV Programs (Q1/13)
- Reasons for Watching Programs Online (Q1/13)
- Reasons for Not Watching TVOD (Q1/13)
- Reasons for Not Watching SVOD (Q1/13)
- Reasons for Not Considering TVOD as Alternative to FVOD (Q1/13)
- Reasons for Not Considering SVOD as Alternative to FVOD (Q1/13)
- Reasons for Not Watching Free On-Demand Programs (Q1/13)

### VOD Use

- Use of VOD Services (Q1/13)
- Number of Movies Viewed by OTT Services (Q1/13)
- Number of TV Shows Viewed by OTT Services (Q1/13)



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- Number of Episodes of TV Programs Viewed by Service (Q1/13)
- Descriptions of Programs Viewed by OTT Service (Q1/13)
- Time When On-Demand Programs are Viewed by Service (Q1/13)
- Alternatives Considered When Watching On-Demand Programs by Service (Q1/13)
- Online Alternatives Considered When Watching On-Demand Programs by Service (Q1/13)
- Reasons for Not Considering Paid VOD as Alternative by Online Video Service (Q1/13)
- Reasons for Not Considering SVOD as Alternative by Online Video Service (Q1/13)
- Premium Movie Channel Subscribers & FVOD: Considered Alternatives (Q1/13)
- Strongest Attributes of On-Demand Service by Service (Q1/13)
- Attribute Ratings by Online Video Service (Q1/13)
- Discovery of TVOD Programming (Q1/13)

### Increasing VOD Use & Revenues

- Pay-TV Subscribers with VOD: Expected Use of Hypothetical TVOD Services vs. Current Use (Q1/13)
- Pay-TV Subscribers: Expected Use of Hypothetical TVOD Services vs. Current Use (Q1/13)
- Preferred VOD Options: Cheaper VOD (Q1/13)
- Preferred VOD Options: Netflix vs. Alternatives (Q1/13)
- Potential Incentives to Watch TVOD Programs (Q1/13)
- Intention to Pay \$9.99/Month for New VOD Services (Q1/13)
- Intention to Pay \$9.99/Month for New VOD Services by Service Provider (Q1/13)
- Willingness to Pay Additional Fees for Netflix with Expanded Content (Q1/13)

### Additional Research from Parks Associates



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