



American Digital Media Consumers

Movies, TV, and Music: Sentiments and behavior

Melissa O'Malley February 2, 2017

Diving into the mind of the Digital Media Consumer

Digital Media Consumer Insights Research 2016



Digital media consumers are growing as online marketplaces become more convenient, devices become more accessible, and storing and streaming content on one device becomes more reliable



Understanding that we are going through a commerce revolution, PayPal, in partnership with SuperData Research, conducted a global 10-market survey with approximately 10,000 consumers to examine how people consume digital media



This survey was designed to gain insight into consumers from 10 markets in 2 media segments:

- Movies/TV
- Music

Key Takeaways

Movies/TV:

- Mobile continues to be the media device of choice with 58% of US video consumers watching content on smartphones
- Over half of American viewers prefer Netflix over other platforms, and 75% of video content consumers pay for streaming channels versus 41% who purchase downloads
- Millennial cord cutters rely on services like Netflix for entertainment, so less than half cancel streaming subscriptions
- 72% of Americans most often pirate while there's still hype around a movie but before it is released on video

Music:

- 86% of music consumers listen on their smartphones, making it by far the most popular device
- 70% of older listeners download (versus 51% who pay to stream), while 60% of Millennials do (versus 63% who stream)

Payments:

- Ease of use and speed of processing drive payment method choice



Research Methodology

This study was conducted across 10 markets and 10,000 consumers globally.

Fieldwork



Sample, per market



Questionnaire



Table of contents

1. Movies/TV
2. Music
3. Payment Preferences

US consumers are most likely to watch Movie/TV content on mobile

Smartphones lead over runner-up tablets by a large margin, particularly among Millennials (66% vs. 52%)

58%

US movie and TV consumers who watch content on smartphones



©2016 PayPal Inc. Confidential and proprietary.

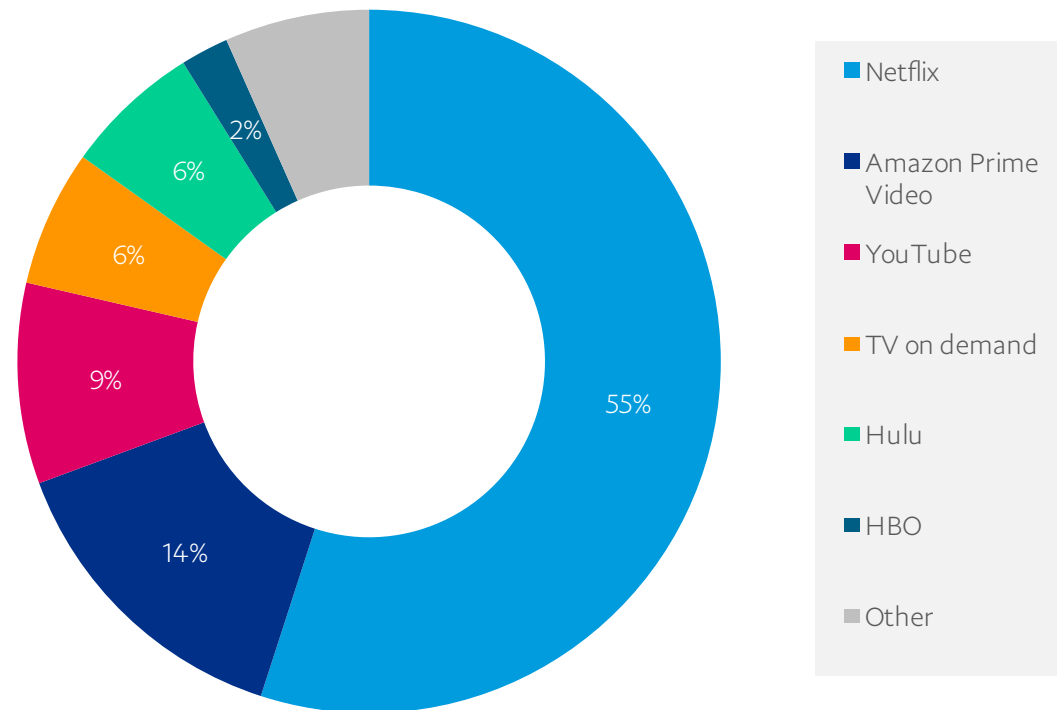
55% of US viewers are attracted to Netflix's wide catalogue of content

Amazon Prime subscriptions grow, leading 14% of US viewers to choose Prime Video most often

75% of video content consumers pay for streaming channels versus 41% who purchase downloads

- All the top preferred platforms except YouTube are subscription-focused services, with cord cutters pushing non-TV platforms

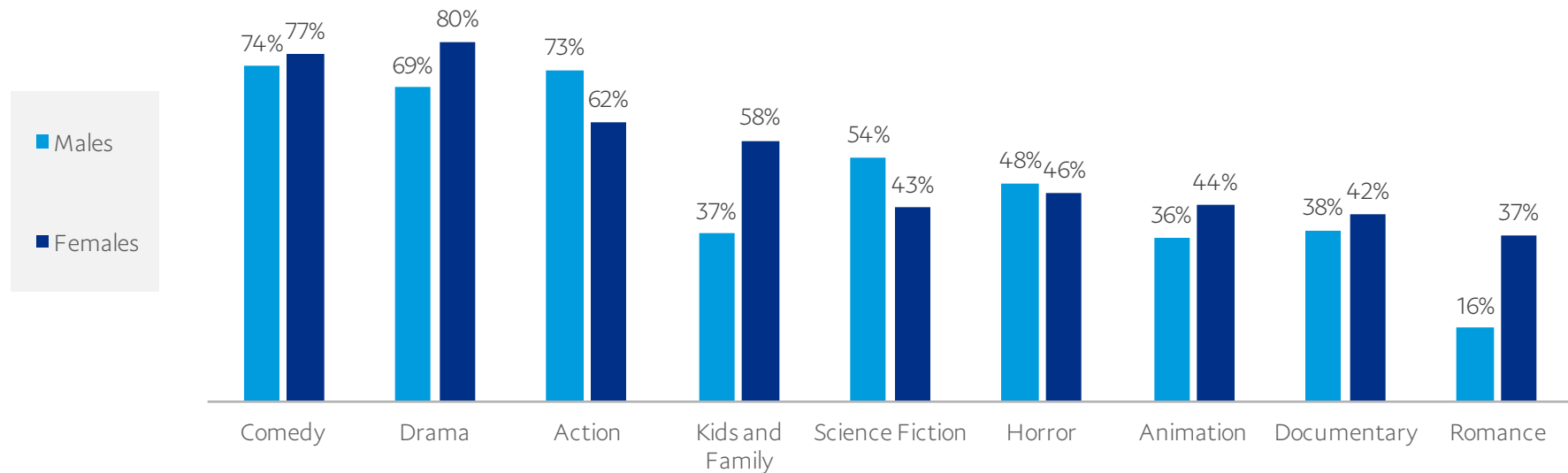
Platform preference among US viewers



Comedy tops the list for males (74%) but females prefer Drama (80%)

The largest discrepancies are with Family and Romance programming, favored roughly 2 to 1 by women

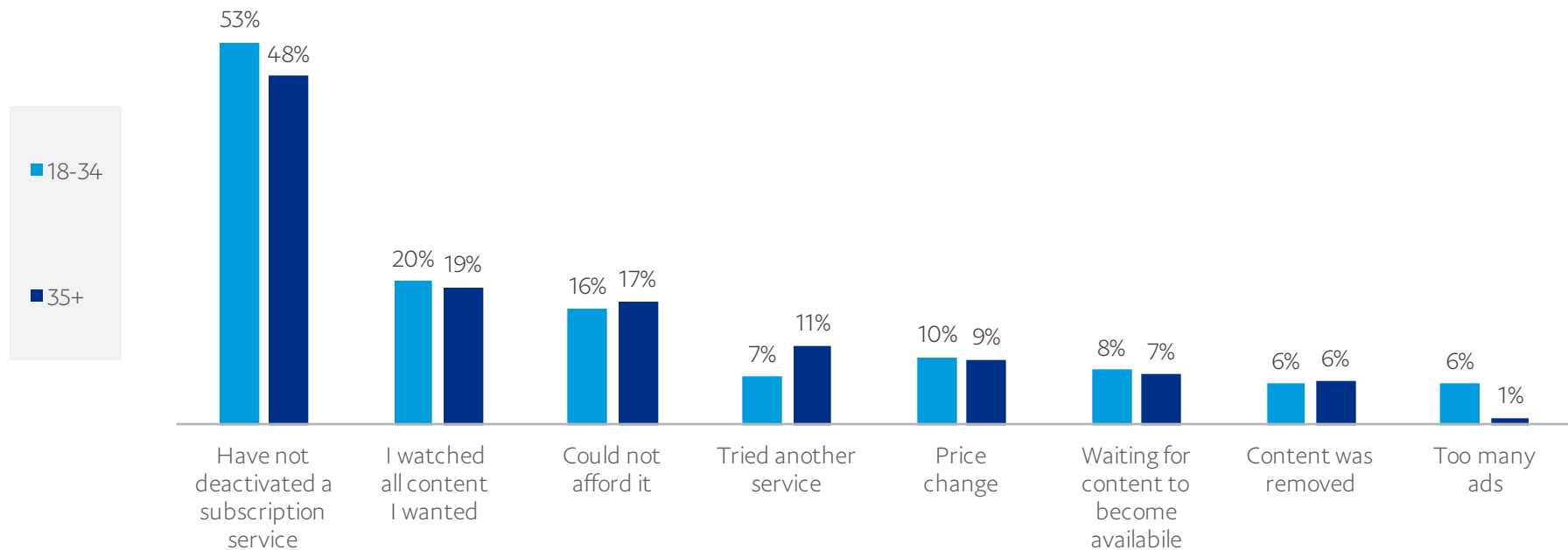
Movie/TV genres US viewers watch



Fewer Millennials end streaming subscriptions than viewers 35 and up

Millennial cord cutters rely on services like Netflix for entertainment, so less than half cancel streaming subscriptions

Why streaming consumers in the US cancel their subscription within 12 months

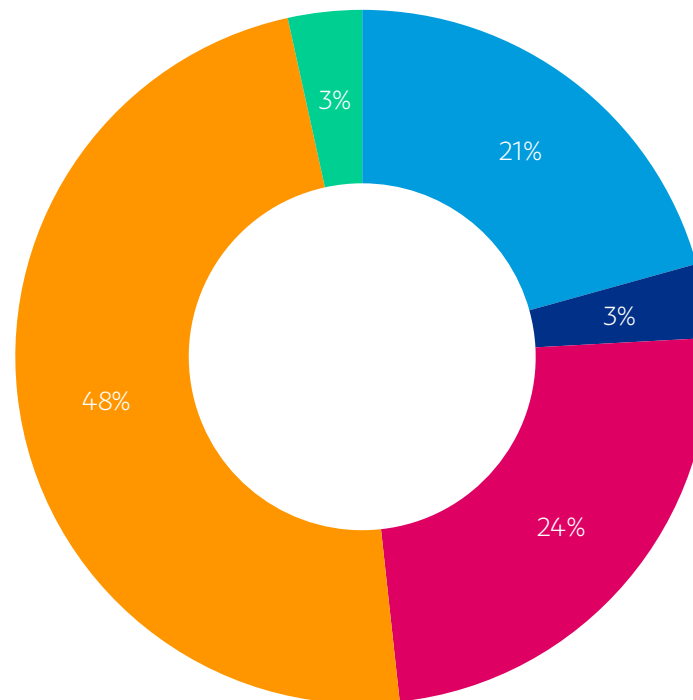
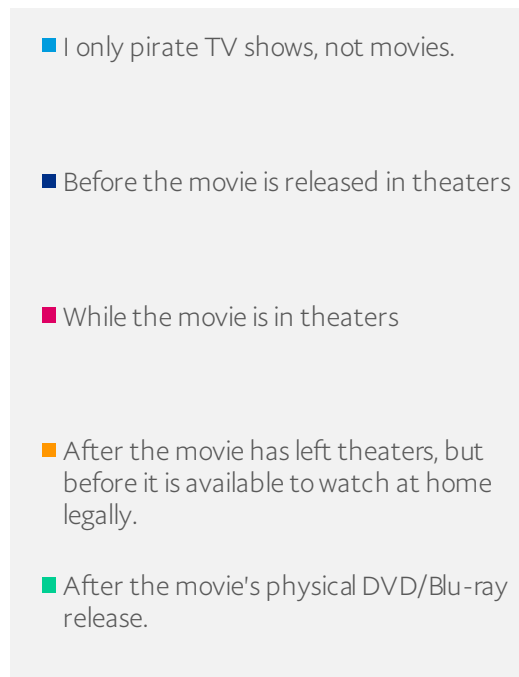


©2016 PayPal Inc. Confidential and proprietary.

Viewers who don't want to go to the theater are most likely to pirate

72% of Americans most often pirate while there's still hype around a movie but before it is released on video

Piracy behavior among US content movie viewers



Smartphones are by far the most popular device for music listening

Women overwhelmingly prefer mobile (90%), with only 18% listening on PC desktops versus 48% of men

86%

US music consumers who listen on smartphones



©2016 PayPal Inc. Confidential and proprietary.

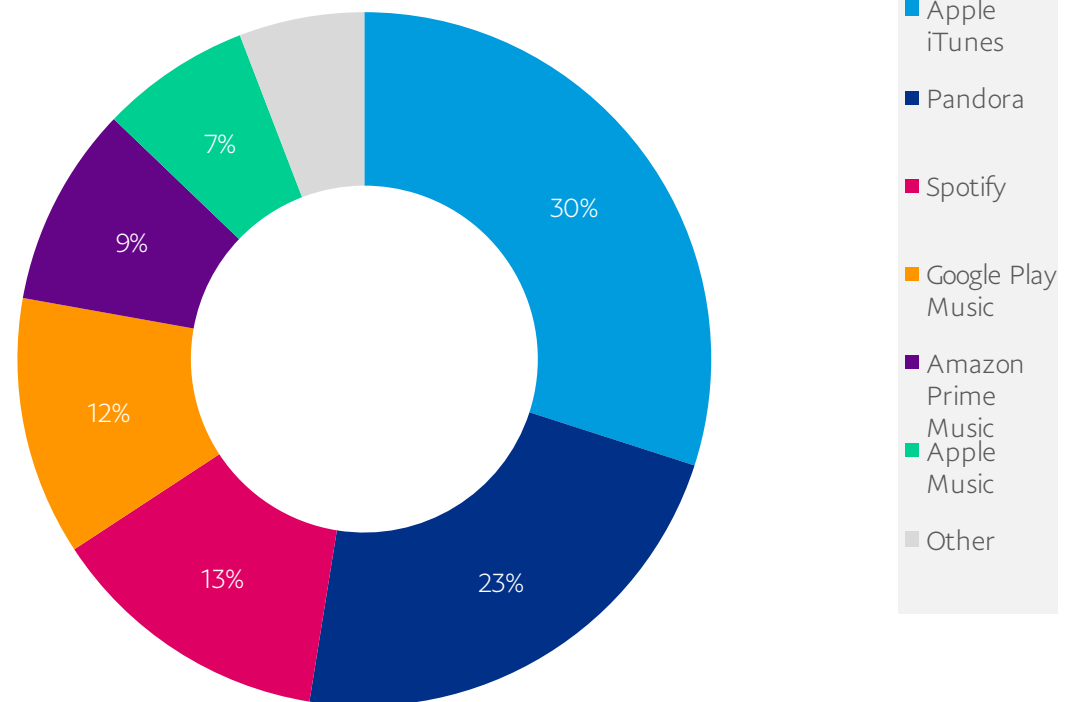
Music downloads are more popular than streams due to non-Millennials

70% of older listeners download (versus 51% who pay to stream), while 60% of Millennials do (versus 63% who stream)

Apple's foothold in the US makes iTunes the most popular place to purchase downloads

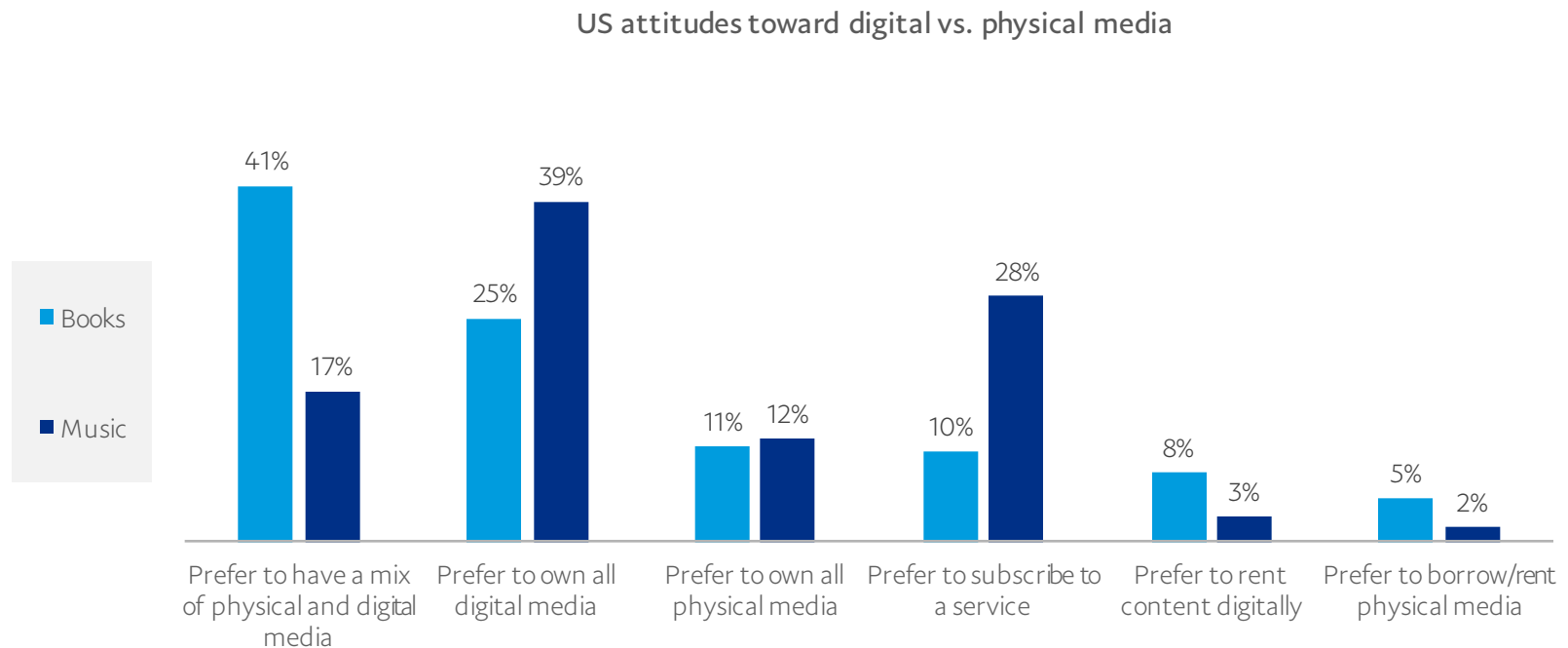
- Apple dominates music consumption, with 37% of listeners who prefer either iTunes or Apple Music (Apple's paid streaming platform)
- Pandora leads Spotify for streaming platform share
 - The website relies on American radio licensing laws, so it is only available in the US, New Zealand and Australia

Music platform preference among US music consumers



US music listeners are more likely to prefer digital over eBook readers

Music listeners are 56% more likely to prefer owning only digital content as opposed to a mix of physical and digital



Ease of use and speed of processing drive payment method choice

“Easy to use” was the overwhelming reason U.S. respondents cited for their preferred payment method across movie/TV downloads and streams (81 percent and 77 percent) as well as music downloads and streams (76 percent and 81 percent). Processing payments quickly was also noted as a strong consideration across categories.

Top reasons for selecting a preferred payment method

