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
Global Fieldwork: Sept 2016
US fieldwork: Sept 2016

15 minute questionnaire

Sample, per market
10 markets
Sample of c.1000 in US, UK, Russia, Poland, Japan, Germany, UAE, France, Spain, and Italy.

Respondents recruited from online panels

Pay for digital content online*

Questionnaire
Screening
Transaction & Spend: Past 3 Months
Digital goods sentiments & spending habits
Drivers, barriers and attitudes for digital goods purchases
Payment preferences & piracy habits

*Digital content includes streaming subscriptions and paid downloads for music, movies and TV series

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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
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
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.
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:

- Have not deactivated a subscription service: 53% (18-34), 48% (35+)
- I watched all content I wanted: 20% (18-34), 19% (35+)
- Could not afford it: 16% (18-34), 17% (35+)
- Tried another service: 7% (18-34), 11% (35+)
- Price change: 10% (18-34), 9% (35+)
- Waiting for content to become available: 8% (18-34), 7% (35+)
- Content was removed: 6% (18-34), 6% (35+)
- Too many ads: 6% (18-34), 1% (35+)
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.

- I only pirate TV shows, not movies.
- Before the movie is released in theaters
- While the movie is in theaters
- After the movie has left theaters, but before it is available to watch at home legally.
- After the movie's physical DVD/Blu-ray release.
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.
Music platform preference among US music consumers

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 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)
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 media.

US attitudes toward digital vs. physical media

- Prefer to have a mix of physical and digital media: Books 41%, Music 17%
- Prefer to own all digital media: Books 25%, Music 39%
- Prefer to own all physical media: Books 11%, Music 12%
- Prefer to subscribe to a service: Books 10%, Music 28%
- Prefer to rent content digitally: Books 8%, Music 3%
- Prefer to borrow/rent physical media: Books 5%, Music 2%
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.

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