



NEWS RELEASE

Ad-Based Video on Demand (AVOD) Services Increase to 32%, TiVo® Video Trends Report Finds

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- Number of Video Services Used by Consumers Continues to Climb
- Consumers continue to prioritize video entertainment, while seeking ways to save money

SAN JOSE, Calif.--(BUSINESS WIRE)-- Research released today from **TiVo**, a wholly owned subsidiary of entertainment technology company **Xperi Inc.** (NYSE: XPER), finds that the average number of video services used by consumers is approaching double-digits for the first time in history, up to an average of 9.86 video services from 8.8 a year ago. According to the TiVo Video Trends Report, contributing to the rise is an increase in adoption of ad-supported video on demand (AVOD) services, also referred to as free ad-supported streaming TV (FAST); AVOD services account for 32% of the overall share of video services used by consumers in 2022, compared to 26% in Q4 2021; and the average consumer is now using three ad-based video on demand services.

While consumers' willingness to pay for ad-free programming has been an advantage to subscription streaming services in recent years, that trend is now giving way to increased adoption of ad-supported video fueled by a proliferation of free content services or introduction of subscription tiers, according to the report. At the same time, a rich-content first experience remains a priority when it comes to discretionary spending. In fact, 7 in 10 of respondents said their video entertainment spending is a moderate to high priority. Despite inflation and financial pressures, only 25% of respondents reported reducing their entertainment spending. Three in 10 consumers surveyed said they had purchased a smart TV between Q4 2021 and Q2 2022.

According to Michael Goodman, Director, TV & Media Strategies, Strategy Analytics, "The results in the TiVo Video Trends Report highlight that while video entertainment remains a priority for the vast majority of consumers, FAST services allow consumers to stretch their entertainment dollar. Giving them additional entertainment options at no additional cost." Goodman added, "In uncertain economic times this financial flexibility is much appreciated by consumers."

“Entertainment, and specifically video content, is very much a priority for consumers, but if they can get it at a lower-cost, or free, consumers are demonstrating a growing tolerance for more ads as part of the content they consume,” said Walt Horstman, senior vice president, Monetization, TiVo, a part of Xperi, Inc.

Additional TiVo Video Trend Report Highlights

- Hopping around: 8 in 10 consumers said they wish their paid service offered an ad-supported free option, but a quarter (24.3%) of AVOD users admitted to only spending three months watching a new AVOD service until moving onto a new option. Moreover, pay-TV subscribers admitted to hopping between AVOD services at more than twice the rate of broadband-only users.
- Too many options: Finding what consumers want to watch continues to be the number-one pain point for the vast majority, as services and content proliferate. Voice control is more popular than ever, with three-quarters (74%) of respondents who have access to voice search technology using it to help find content faster.
- In the neighborhood: 59% of survey respondents consider local content to be important or very important, with local weather (68%), news (65%) and sports (36%) topping their list of tune-in priorities. Pay-TV subscribers spend a quarter (24.6%) of their viewing time on local content, while broadband-only subscribers spend 16.2% of their viewing time watching local content.
- Cord-cutters come back: 25% of pay-TV subscribers are reported “Pay-TV Revivers” who once cut the cord and resubscribed. TiVo’s research team points out that pay-TV continues to have a significantly lower churn rate than subscription video on demand (SVOD).

Find more information from the latest Video Trends Report [here](#).

Methodology

Since 2012, TiVo has surveyed consumers to uncover key trends relevant to TV providers, digital publishers, advertisers and consumer electronics manufacturers. The latest TiVo Video Trends Report surveyed 4,503 adults 18 and older living in the US and Canada during the second quarter of 2022 (3,505 US, 998 Canada). In addition to identifying and analyzing key trends in viewing habits, the TiVo Video Trends Report provides insight to consumer opinions regarding Subscription Video on Demand (SVOD), Transactional Video on Demand (TVOD) and Advertising-Based Video on Demand (AVOD) providers, emerging technologies, connected devices, over-the-top (OTT) apps and content discovery features, including personalized recommendations and search.

About TiVo

TiVo brings entertainment together, making it easy to find, watch and enjoy. TiVo serves up the best movies, shows and videos from across live TV, on-demand, streaming services and countless apps, helping people to watch on their terms. For studios, networks and advertisers, TiVo delivers a passionate group of watchers to increase

viewership and engagement across all screens. For more information, visit www.tivo.com.

About Xperi Inc.

Xperi invents, develops, and delivers technologies that enable extraordinary experiences. Xperi technologies, delivered via its brands and partnerships (DTS®, HD Radio™, IMAX® Enhanced, TiVo®), and by its startup, Perceive, make entertainment more entertaining, and smart devices smarter. Xperi technologies are integrated into billions of consumer devices, media platforms, and semiconductors worldwide, driving increased value for partners, customers and consumers. For more information, visit www.xperi.com.

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