



## NEWS RELEASE

# TiVo's Video Trends Report Unveils Consumer Increase in Content Consumption While Amount of Video Services Decrease

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- The number of video services used by consumers has declined slightly over the past 6 months as the adoption of ad-supported video increases
- SVOD churn remains considerable as consumers are becoming more agile in juggling their entertainment needs

SAN JOSE, Calif.--(BUSINESS WIRE)-- Research released today from TiVo Platform Technologies LLC (**TiVo**), a wholly owned subsidiary of entertainment technology company **Xperi Inc.** (NYSE: XPER), found an emerging shift in entertainment consumption that is changing how consumers view entertainment spend and usage. The average number of streaming services used by consumers decreased from 11.6 in Q4 2022 to 10.9 in Q2 2023, followed by a decrease in consumer spending from an average of \$189 a month to \$170 over the last six months. While consumers are undoubtedly reconsidering their spending habits, this change has shown growth in consumer video consumption; the report saw a jump from 4.4 hours a day in video consumption in Q4 2022 to 4.7 hours per day.

When looking at how respondents spent their time watching video, the report found that ad-supported video on demand (AVOD) and free ad-supported streaming TV (FAST) consumption increased considerably from Q4 2022. This increase in AVOD/FAST is a reflection of consumer budget constraints and major subscription video on demand (SVOD) companies offering lower-cost services that generate higher ad revenue. This new SVOD/AVOD hybrid structure allows users to consolidate their subscriptions, cut costs and still watch the same or more amount of content. With less disposable income available among consumers, the demand for flexibility in entertainment choices has surged in response to the evolving preferences in entertainment over the recent years.

As entertainment consumption rises, content discovery continues to be a pain point for many consumers. When trying to select a movie or show, 82% of consumers are prone to browsing before making a final selection - with

over 60% use multiple apps in their pursuit.

“Consumers know what they want in a video service and are adjusting their entertainment habits to fit their needs – whether that be cancelling their SVOD subscriptions or reviving their cable,” said Scott Maddux, VP of global content strategy and business at Xperi. “As we continue to see this shift in consumer behavior it’s essential that entertainment providers focus on solving consumer content discovery issues to help consumers who are juggling their entertainment needs get back to what’s important, enjoying entertainment.”

## Additional TiVo Video Trend Report Highlights

- **TV is King:** In competition with other devices like smartphones, tablets, and computers, TV remains the preferred choice by more than 3x other types of devices for watching video. Although, preference for watching on TV is slipping, with only 63.7% currently reporting a preference for watching content on this device – compared to 73.4% in Q2 2022. The drop appears driven primarily by pay TV subscribers.
- **Word of Mouth Leads Discovery:** When it comes to discovery methods, the percentage of those who find out about new TV shows or movies from commercials has declined 6% year-over-year. In comparison, word of mouth and recommendations from friends remain as strong as ever, inching out commercials as the most common method of discovery in the spring of 2023.
- **Local Content Remains Important:** While virtual multichannel video programming distributor (vMVPD) continues to be a top competitor to pay TV, 28% of people who cut the cord later decided to resubscribe to traditional TV to solve their need to watch sports, live events and local programming. Of all time spent watching video, 22.6% was spent watching different types of local content.

## Trends To Watch

As the entertainment industry continues to grow and shift, Xperi is noting the following trends as ones to watch:

- **In-Car Media Consumption on the Rise:** Of those who watch video in the car, over 80% do so at least a few times a month, with 49.8% saying they do so to pass the time while waiting for something. The introduction of larger in-cabin screens in vehicles marks a pivotal moment in the evolution of in-car entertainment, allowing consumers to easily access and enjoy video content within the car.
- **Subscription Seasonality Spikes:** As consumers become more agile in managing their entertainment needs, a rise in cord reviving or adjusting subscriptions based on when live events or show premiers launch may increase in popularity. The report found that one of the top reasons consumers signed up for a SVOD service in the last six months was because it had one specific show or movie they wanted to watch (31.9%).
- **Smart TV Brand Loyalty Will Remain Strong:** As the use of smart TVs continues to increase, so will smart TV brand loyalty. A trend emerging from the report shows that only 1.6% of respondents with three or more

smart TVs in their home have three different brands.

Find more information from the latest Q2 2023 Video Trends Report [here](#).

Additionally, TiVo is an expert in video trends and TV viewership data. TiVo TV Viewership Data includes second-by-second level data captured from set-top-boxes within households across all 210 DMAs in the U.S. The data reflects both live or time-shifted viewership information which is the cornerstone of TiVo's expertise in TV data processing. Find more information about TiVo's Viewership Data [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 4,518 adults 18 and older living in the U.S. and Canada during the second quarter of 2023 (3507 US, 1101 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. We serve 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 targets a passionate group of watchers to increase viewership and engagement across all screens. TiVo is a wholly-owned subsidiary of Xperi Inc. Go to [tivo.com](https://tivo.com) and enjoy watching.

## About Xperi Inc.

Xperi invents, develops, and delivers technologies that enable extraordinary experiences. Xperi technologies, delivered via its brands (DTS®, HD Radio™, TiVo®), and by its startup, Perceive, and IMAX Enhanced, an IMAX and DTS partnership, have been integrated into billions of consumer devices and media platforms worldwide, powering smart devices, connected cars and entertainment experiences. Xperi has created a unified ecosystem that reaches highly engaged consumers driving increased value for partners, customers, and consumers.

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