

Research Report

Executive Summary

The television content landscape has become much more diverse than it was as little as 5 years ago. Streaming devices like Apple TV, Amazon Fire TV and Roku are showing free content from services such as YouTube and low cost content from services like Netflix, Hulu and Amazon. These have become a much more affordable alternative to traditional paid television services like cable and satellite television.

Due to the increase in popularity of streaming television, cable and satellite television subscribers are cutting the cord, (cord cutters) and getting rid of their costly subscriptions. Also, there are millennials that are not subscribing to cable or satellite (cord never's) when they move into their own place. We have conducted a study to understand the TV viewing habits and satisfaction of cord cutters and cord never's and get the following research questions answered.

- 1) How are former and non-cable subscribers getting and viewing their television content?
- 2) How satisfied are they with their current television experience?

Findings.

- 95% of the non-cable / satellite subscriber audience are cord cutters and cord cutters tend to watch more hours of television each week than cord never's.
- 95% of this audience gets television content from a streaming device and 77% from an HD antenna. 97% of HD antenna users also have a streaming device.
- Netflix is the most popular streaming service, followed by Amazon and YouTube.
- Television is the most popular viewing device at 86%, with computers and laptops at 33% as a secondary device for viewing content.
- 82% of this audience is very satisfied with their current television experience, but those that aren't satisfied find antennas difficult and unreliable.

Key Recommendations

- Focus on the much larger cord cutter audience as they watch more television than cord never's.
- Bundle streaming apps into a single subscription. Let users pick the apps they want.
- Create a seamless television experience for users across all of their viewing devices.
- Antennas are unreliable, so explore possible ways to improve the antenna experience.
- Conduct further research that is specific to cord cutters.

Reason for conducting user research

More and more cable and satellite television subscribers are cutting the cord and removing these services from their television line up. Much of this is driven by cost and other more affordable options being available to them.

Research overview

- To understand how cord cutters (former cable and satellite television subscribers) and cord never's (people who have never subscribed to cable or satellite television), are getting television and video content.
- To learn how satisfied these users are with their current television viewing experience.

Hypotheses

- This audience's TV set up is an HD antenna for live television and a streaming device like Apple TV or a Roku for apps like Netflix and Hulu. *Validated.*
- This audience gets much of their streaming content from services like Netflix and Hulu. *Partially validated as Netflix is the most popular amongst streamers, where Hulu was below 50%.*

Methodology

- Existing Research provided by the TiVo research team
- Survey (conducted with survey monkey). Sample size for the survey was 42 people
- User Interviews

Recruitment

Cord cutters and cord never's can be any segment of the population. For our survey, we recruited participants via social media websites like LinkedIn, Facebook and Twitter, then sent them to a survey page hosted by Survey Monkey. The screener for the survey asked users if they currently subscribe to cable or satellite television. Users who answered no were then sent to the survey.

Sample

OTA (Over the air) users, also known as antenna users

Streamers - People who get their content from streaming devices like Apple TV, Amazon Fire, Roku or another streaming device and are subscribed to a streaming service like Netflix or Hulu.

People who do not have a television and watch TV on a desktop computer / laptop, tablet or mobile device like a smartphone.

Data Analysis

The data was analyzed by looking for similar patterns amongst the existing research, survey and interviews. Several patterns were identified and are listed below.

- Most of the non-cable / satellite subscriber audience are cord cutters
- Cord cutters tend to watch more hours of television each week than cord never's
- The vast majority of this audience gets television content from a combination of an HD antenna and a streaming device like Apple TV, Roku or Amazon Fire. Those that get their content from just one of these content sources are a small percentage of this audience.
- For streaming content services, Netflix is the most popular source, followed by Amazon and YouTube.
- Television is the most popular viewing device by far for this audience, followed by desktop / laptop computer, tablet then mobile devices.
- When it comes to satisfaction, this audience is very satisfied with their current television experience.

Findings

- Cord cutters are the vast majority of this audience
- Users are willing to pay for content and enjoy the freedom that streaming from different content providers has to offer.

- Users mostly watch content on a television, but use devices like laptops and tablets as a secondary device.
- Users who are not satisfied tend to want more content options, especially sports.
- Antenna television is an acceptable option because it is free, but it isn't ideal as it is not always reliable.

Recommendations

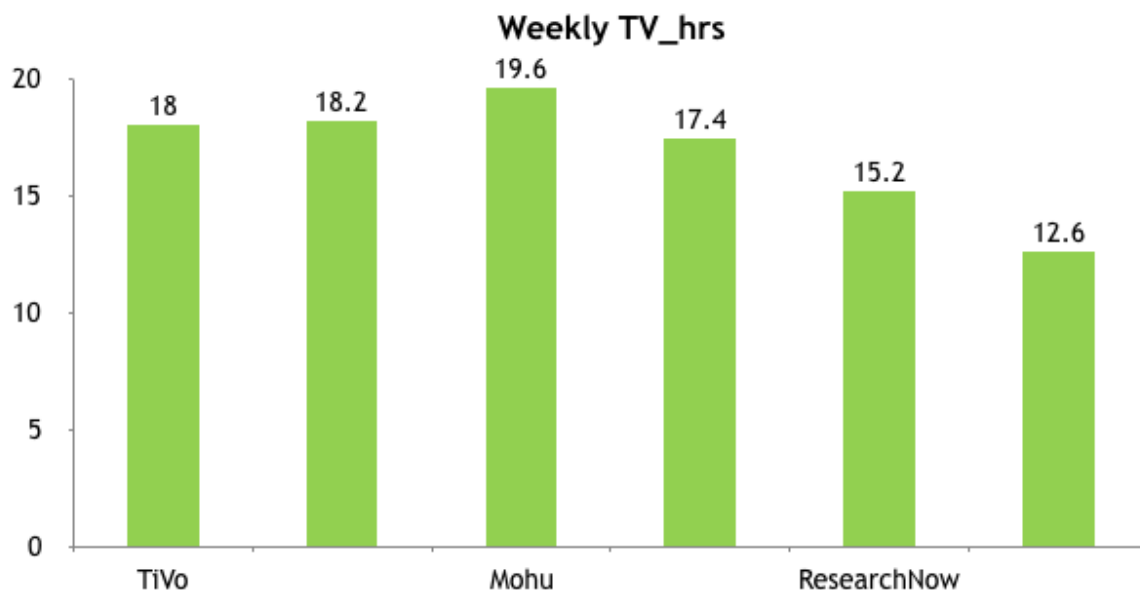
- Any new products or services by TiVo should focus on the cord cutter audience as they are a much larger part of this audience and tend to watch more television than cord never's
- As users are subscribing to multiple apps, TiVo should explore ways to bundle apps into one subscription, but let users pick the apps they want.
- Users are using multiple devices, so TiVo should look at ways to create a seamless and connected television experience for users across all of their viewing devices.
- Antennas are unreliable, so explore possible ways to improve the antenna experience and make it much more reliable and easier for users

User survey

For our user survey, we asked the following questions and posted the results below their respective question.

1) Have you ever had a cable or satellite TV subscription?

95% of respondents to this question answered yes, so cord cutters make up the vast majority of this non-subscriber audience.



2) How much television do cord cutters watch each week compared to cord never's?

According to Moho and ResearchNow, cord cutters generally watch more television on a weekly basis than cord never's, but with TiVo users it is almost the same. As most of our non-subscriber audience are former paid television subscribers, then it makes sense that this segment is more interested in television as a form of entertainment than those who never paid for television. As TiVo products are in the \$300 to \$400 range plus service fees, cord never's with TiVo's probably watch more TV than other cord never's, because of the amount of money they have invested in a TiVo product.

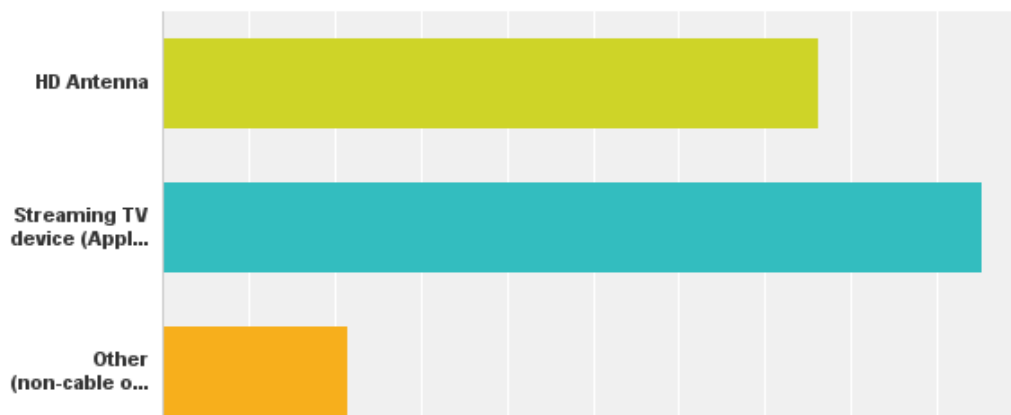
3) Where does this audience mostly get their TV content from?

95% of our survey respondents have a streaming device like Apple TV, Roku and Amazon Fire and 76% get TV from an HD antenna.

Streaming devices are very popular with HD antenna users as 97% of HD antenna users also have a streaming device to supplement their television experience.

Q3 Where do you currently get TV content from? Check all that apply.

Answered: 42 Skipped: 0



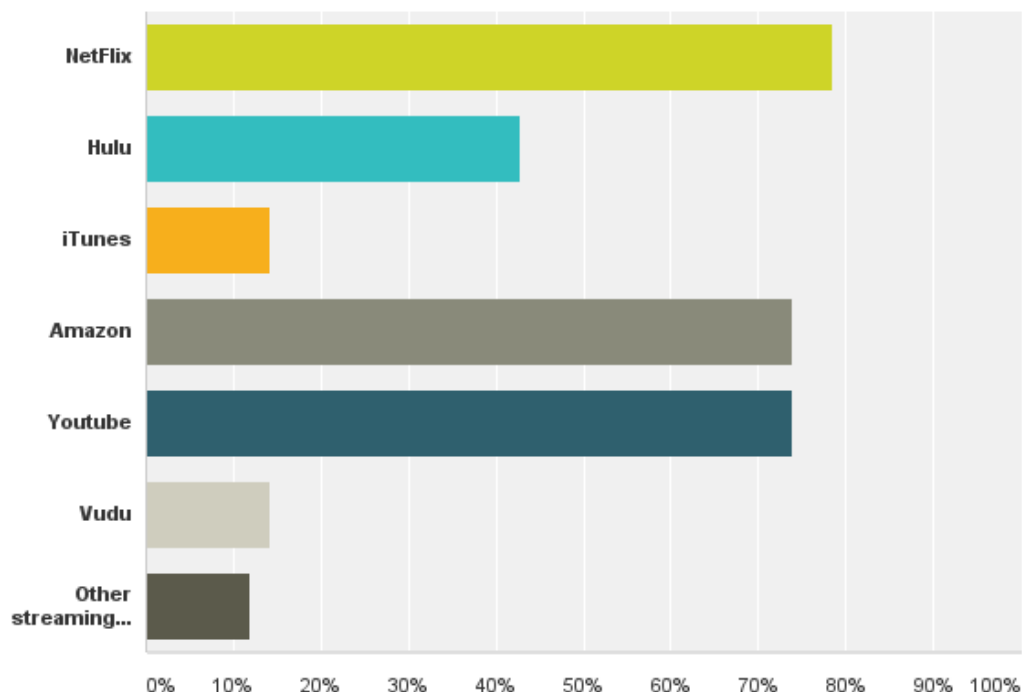
	HD Antenna	Streaming TV device (Apple TV, Amazon Fire TV, Roku, Chromecast, etc)	Other (non-cable or satellite service)	Total
Q3: HD Antenna (A)	100.00% 32	96.88% 31	21.88% 7	170.73% 70
Q3: Streaming TV device (Apple TV, Amazon Fire TV, Roku, Chromecast, etc) (B)	77.50% 31	100.00% 40	20.00% 8	192.68% 79
Total Respondents	32	40	8	41

4) What are the most popular streaming services?

Netflix is the popular with 78% of survey respondents having a subscription. User interviews also confirmed that Netflix was how some cord never's without televisions consumed their television content. This is because Netflix is available online for those with desktop / laptop computers and also as an app that is viewable on a tablet and mobile device for both IOS and Android users. Followed by Netflix is Amazon and YouTube at 72% as the next most popular services. As a free content provider YouTube being so high is not surprising, but further investigation would need to be done to understand why Amazon is so high. It maybe that Amazon offers free movies and shows as part of their Prime membership? Hulu came in low at 42%. Further research would need to be conducted, but it maybe because Hulu shows a lot of free HD antenna shows, so users may not be interested in paying for this subscription. Another point the data validates is that users don't just stream from one service either. They stream from multiple subscription and non subscription apps, so this shows that they are willing to pay for lots of content. This model puts users in charge of their content choices, and they can purchase subscriptions individually and turn them off when needed. This offers more freedom and users are not forced into purchasing a bundle which is what cable companies generally force their subscribers to do.

Q5 Do you stream content from any of the following? Check all that apply.

Answered: 42 Skipped: 0



5) What hardware devices does this audience consume content on?

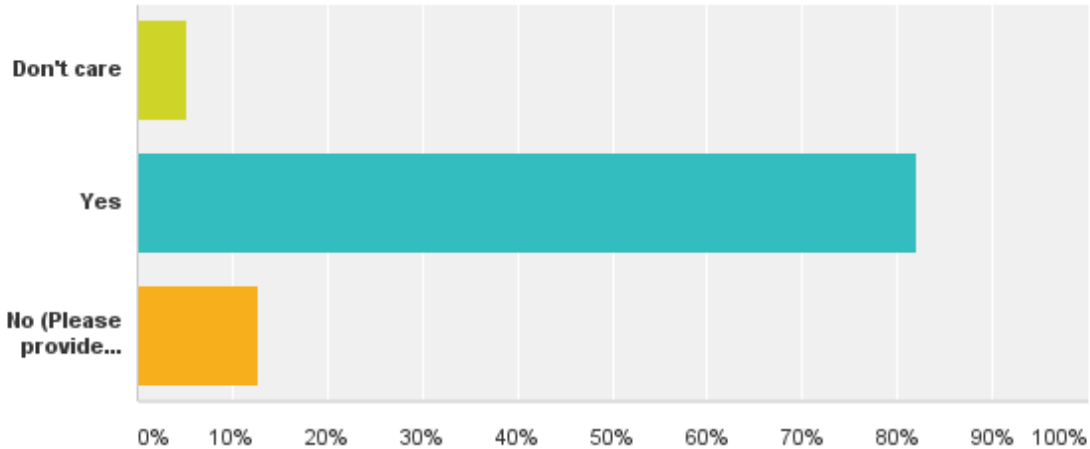
86% of respondents used television as their primary viewing device, with a desktop / laptop computer at 33% as their secondary device. Tablet and mobile devices are mainly used as a 3rd device at 23%. Only 10% of users used a desktop / laptop computer as their primary viewing device. The data suggests that when users are at home, they will use a TV to watch content, but will also watch content on their computer. Further investigation would need to be done to understand the use cases for these devices when viewing TV. Laptops and tablet devices are portable, so are ideal for viewing content outside of the home. The most likely reason for them not replacing the TV is the smaller screen sizes on these devices, so users probably feel they don't get the best viewing experience on them, hence them being secondary devices.

	1	2	3	4	N/A	Total	Score
Television	85.71% 36	9.52% 4	2.38% 1	2.38% 1	0.00% 0	42	3.79
Desktop Computer / Laptop	9.52% 4	33.33% 14	14.29% 6	9.52% 4	33.33% 14	42	2.64
Tablet (iPad, Samsung Galaxy, etc)	2.38% 1	14.29% 6	23.81% 10	14.29% 6	45.24% 19	42	2.09
Mobile Device (Smartphone, iPod, etc)	2.38% 1	11.90% 5	23.81% 10	16.67% 7	45.24% 19	42	2.00

6) Users satisfaction with their current television viewing experience

82% of our survey respondents said they were satisfied with their current television set up. 12% of our survey respondents weren't satisfied. Comments for both are listed below, but the majority of comments are from respondents who are not satisfied with their current experience. These user comments were provided from our survey and existing research. These comments provide opportunities to learn more about the issues related to this experience and areas that can be improved upon.

Q6 Are you satisfied with your current content options?



Users comment's:

- *I would like to get streaming content that is primarily sports related, but with DVR capability, like a TiVo.*
- *Would like better streaming options for network/cable tv stations. NOT more subscription services associated with individual networks like CBS current scheme.*
- *I'm almost satisfied. If Sling TV had the Discovery Channel, I would be satisfied.*
- *Need more sports options.*
- *I have more freedom but haven't actually saved any money.*
- *Miss some cable shows, but can supplement via Apple TV, Netflix, Amazon Prime and Hulu Plus.*
- *I can watch tv & do not have to pay a big monthly bill for programs I never watch.*
- *I generally get everything I want to watch. I sometimes miss college football games on ESPN and Fox Sports 1, but most games I want to watch are on broadcast TV.*
- *HD signal is great. Not paying > 80 for cable.*
- *Over-the-air isn't that great; it's marginally adequate.*
- *I can watch tv & do not have to pay a big monthly bill.... for programs I never watch.*
- *Occasionally we'll have spotty reception, seems to correlate with bad weather.*
- *Reception is almost always excellent, zero cost, all local channels available.*

Interview with a Cord Never

We also conducted an interview with a cord never and came away with the following findings.

Our participant Tien does not have a television. Her device set up at home is a computer monitor, a Mac laptop, an iPad and an iPhone. Tien uses all these devices to watch content which primarily comes from the Netflix app. Her primary device for viewing content is her laptop and most of her content comes from Netflix. She does occasionally watch YouTube, but does so mostly for tutorial videos that are related to her job. Tien's schedule doesn't allow her to watch much TV, but she is mostly satisfied with her TV experience. Netflix gives her plenty of content to watch. She has very few issues with bandwidth and quality, because she has a top tier internet service package. However there are aspects of the live television experience that Tien misses. This includes having the ability to channel surf and being able to watch award shows live, like the Oscars.

Appendix

User interview plan and guide

Interview plan

User interviews were conducted at TiVo. Interview subjects were cord never's. As less is known about this group and the survey was answered overwhelmingly by cord cutters, the focus was to learn more about the cord never's viewing habits.

User research goals

- To find out how cord cutters (former cable subscribers) and cord nevers get and view television content
- Find out how satisfied cord cutters and cord never's are with their current experience?

User research questions

- 1) *How does this audience get their television content?*
- 2) *Does this audience have a streaming device like Apple TV or Roku?*

- 3) *How are users who don't have a television getting their content and what devices are they watching tv?*
- 4) *What streaming services does this audience subscribe to and prefer?*
- 5) *What do cord cutters miss about the cable experience?*
- 6) *What don't users like about their current TV experience?*
- 7) *Do these users prefer HD Antenna television or streaming television apps?*
- 8) *Why do cord cutters cut the cord?*

Hypotheses

- This audience's TV set up is an HD Antenna for live television and a streaming device like Apple TV or a Roku. - *Validated by the survey*
- This audience gets much of their streaming content from services like Netflix and Hulu.
- Cord cutters cut the cord to save money and they feel they don't get value for money from cable companies. *Validated by the survey and interview*

Interview questions

- *Are you a cord cutter or a cord never?*
- *Can you describe your current television set up?*
- *Do you have a DVR or recording device for live television shows?*
- *How much television or video content do you watch in a week?*
- *What other devices do you watch television or videos on?'*
- *What devices do you watch the most TV / video on?*
- *What streaming services are you subscribed too?*
- *What kind of website video content do you watch*
- *Why did you cut the cord? (cord cutters only)*
- *What do you miss about your cable experience? (cord cutters only)*
- *What do you prefer watching the most, live television or content from streaming services?*

User survey screener and questions

Survey screener

- *Do you currently have a cable or satellite TV subscription?*

Users who answered no to this question were directed to the survey. Users who replied yes, were taken to an exit screen.

Survey questions

- *Have you ever had a cable or satellite TV subscription?*
- *Where do you currently get TV content from? Check all that apply.*
 - HD Antenna
 - Streaming device,
 - Other
- *Which of the following devices do you primarily use to watch content on?*
 - Television
 - Desktop / laptop computer
 - Tablet (iPad, Samsung Galaxy, etc).
 - Mobile (smartphone, iPod)
- *Do you stream content from any of the following? Check all that apply.*
 - Netflix
 - Hulu
 - iTunes
 - Amazon
 - YouTube
 - VUDU
 - Other streaming service or services (please comment which services).
- *Are you satisfied with your current content options?*
 - Don't care
 - Yes
 - No (Please provide additional information)