

The Streaming Index



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Samsung Ads is offering an in-depth view into streaming trends and motivations to help TV app publishers succeed in acquiring and retaining audiences.

Introduction

The TV app marketer needs actionable audience data to motivate viewers.

The stakes are high in 2022 for **TV app marketers** — those whose mission is to persuade audiences to download, subscribe, and open an app. It's no secret that competition is fierce and that the lockdown peak of TV usage is unlikely to be repeated. As a result, data-driven marketing is increasingly critical to achieve audience acquisition (and retention) efficiently.

Major corporations have bet their brands on the success of their streaming ventures. More than one hundred billion dollars was spent on content last year. Streaming has consolidated the distribution channels of television, movies, games, and some general consumer apps. It is a source of direct revenue in the form of subscriptions, and indirect revenue in the form of ads.

Yet with so much riding on the TV app marketer, **data to address their challenges has lagged.** Most TV app marketers have access to their own user data, but they lack a view of overall trends in the ecosystem. And even where such broadly-scoped data sources exist, those data sets are limited to a subscription-only view, and omit AVOD apps — about half the ecosystem.

Finally, such **marketing data must be actionable.** It should not only indicate where there are opportunities to grow; it should lead to activation opportunities through targeting; and to the ongoing measurement of success.

In an effort to help make the streaming ecosystem stronger and more successful, **Samsung Ads is for the first time publishing metrics** from its U.S. Smart TV footprint — the largest data set of its kind, based on tens of millions of TVs and over ten billion streaming viewing decisions.

The analysis focuses on Q4, 2021, zeroing in on U.S. benchmarks that provide needed perspective to a TV app marketer: **audience growth, new users, retention, and churn.** The analysis serves as a companion to Samsung Ads' Audience Advisor for Streaming, which provides metrics at an app-specific level, to comprise an expanded marketing toolkit for TV app marketers.

**For the first time,
Samsung Ads is
publishing analysis on
what drives audience
growth, new users,
retention, and churn.**

Summary

The streaming ecosystem has established itself as the focal point for TV viewing, both culturally and economically. Content generation continues at a furious pace. But time spent per TV is leveling off (1 hour 52 minutes in Q4 2021 compared to the pandemic peak of 1 hour and 54 minutes in Q4 2020), as is the organic addition of new users. This means TV app marketers need rich audience insights to focus on targeted acquisition and to start the long game of audience retention and loyalty.

A few metrics stand out from the analysis:



The future for TV apps looks robust.

88% of respondents intend to use TV apps more or at the same level, and only 12% intend to cut back.



In any given month, nearly a third of TV app audiences (32%) are new to the app.

Audiences are clearly still in exploration and discovery mode.



Audiences are pickier than ever about bestowing loyalty.

Churn remains high, at 50% on average, and growing.



Streaming is significantly more reliant on brand awareness than linear.

Streaming audiences use 3.8 apps per quarter compared to much higher numbers in linear (10-30 networks used per quarter per household, depending on the source) thanks to linear channel surfing. Brand and awareness building is key to making an app into a destination. The surfing happens once the viewer is inside the app.



Content and user experience rule.

In choosing a TV app, audiences value new, unique, and frequently updated content. They value ease-of-use, personalized recommendations, and app accessibility through pre-installation on a Smart TV.



Retention is likely to be the next frontier.

Total audience numbers are a combination of New Users + Retention - Churn. Audience acquisition is intuitive to marketers. Understanding and identifying the Churn risk, and the Retention opportunity, is likely to require a new mindset. It's also likely to define the next wave of success for TV app marketers.

Methodology

Metrics

For this analysis, the universe is TV apps on Samsung Ads' 45 million opted-in U.S. Smart TVs.

- Included are ad-free subscription-based (SVOD) apps and ad-supported (AVOD) apps.
- Excluded are: apps with an exclusively transaction-based business model (TVOD); apps focusing on a specific sport that was not in session for the entire quarter; and apps that fell below a minimum threshold to provide meaningful results.

The analysis focuses on four metrics, each calculated based on the monthly average for Q4 2021 — with comparisons to Q4 2020:

Audience growth	New user	Retention	Churn
The year-over-year change in audiences for TV apps; Time spent on TV apps per day per TV; average unique apps used per quarter per TV.	The percentage of active TV app users in a given month who have not used that app in the previous year.	The percentage of active TV app users in a given month who have used the app for two consecutive months.	The count of users who used the app four months ago but have not returned for three month's divided by the current month total active users.

We supplemented behavioral insights on Samsung Smart TVs with an attitudinal survey to shed light on motivations. One thousand owners of Samsung Smart TVs in the U.S., who are also streamers, were surveyed in Q4 2021.

App types: Tiers and SVOD/AVOD

The marketing opportunities for large TV apps are different from those with smaller audiences; and different for TV apps with subscription-based (SVOD) business models compared to those which are ad-supported (AVOD).

To differentiate between these apps, we have divided TV apps into three “tiers”:

- **Tier 1:** the top 20% of apps based on average monthly user count
- **Tier 2:** the next 20% of apps based on average monthly user count
- **Tier 3:** the 60% of apps with the smallest average monthly user count

In addition, we distinguish between TV apps' business models:

- **SVOD (Subscription video on demand):** Viewership of video content through a service that requires a paid subscription. Often this model does not have advertising, and funding is secured through subscription fees.
- **AVOD (Ad-supported video on demand):** Viewership of video content through a service that requires no, or a reduced paid subscription, and is instead funded by advertising.

Chapter 01

Audience growth



Audience growth

Why it matters

Growth in the streaming audience indicates the overall health of the streaming market — based on the increase in overall streamers and the amount of streaming they are doing. For a TV app marketer, it's the growth level of the overall market momentum they can expect to benefit from (or be hurt by) by participating in this ecosystem.

Definition

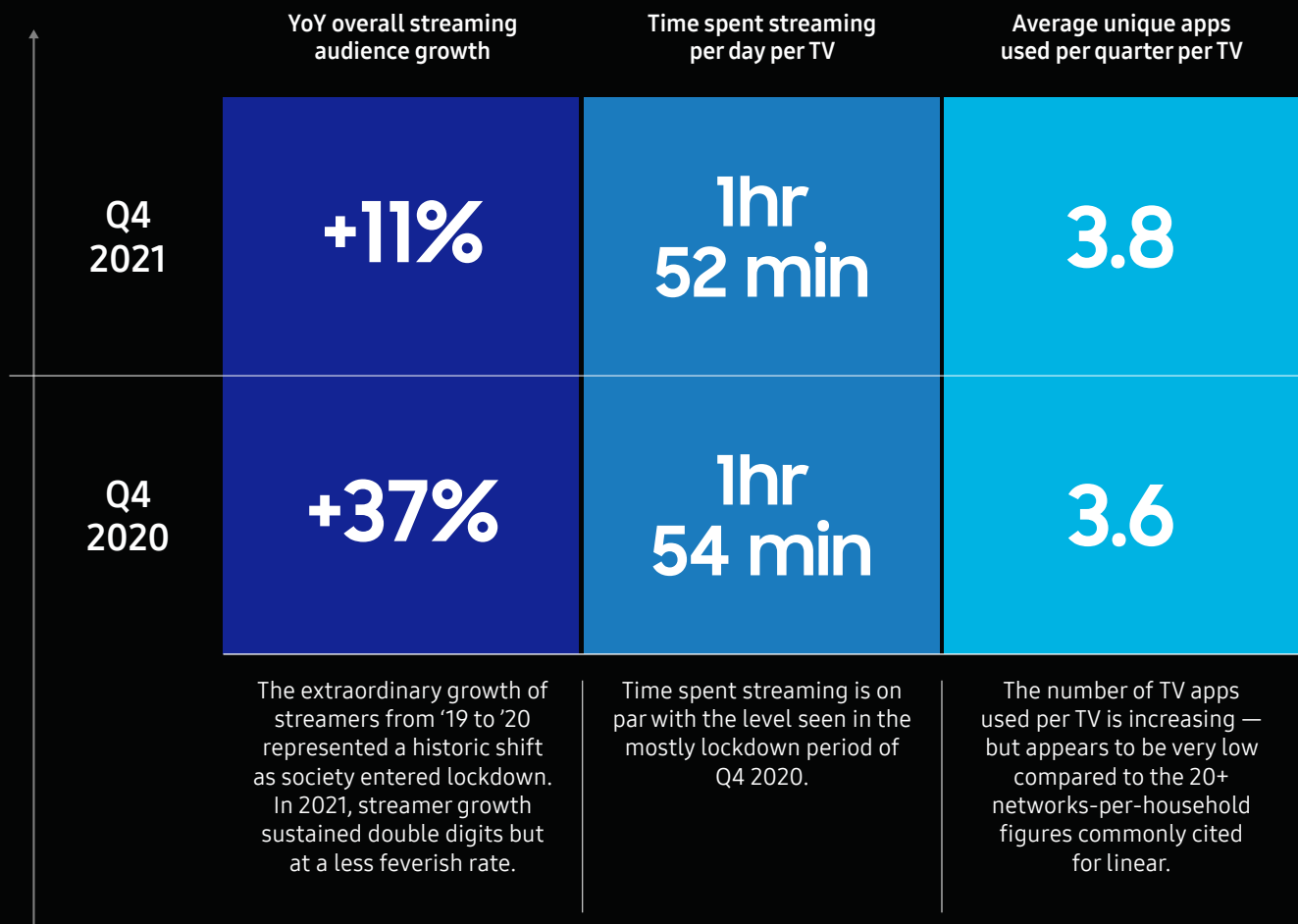
Audience Growth Percentage:

The growth in active users of TV apps in the current period compared to the same period last year.

$$[\text{Current streamer} / \text{Last year's streamer}] - 1 = \text{Audience Growth Percentage}$$



By the numbers

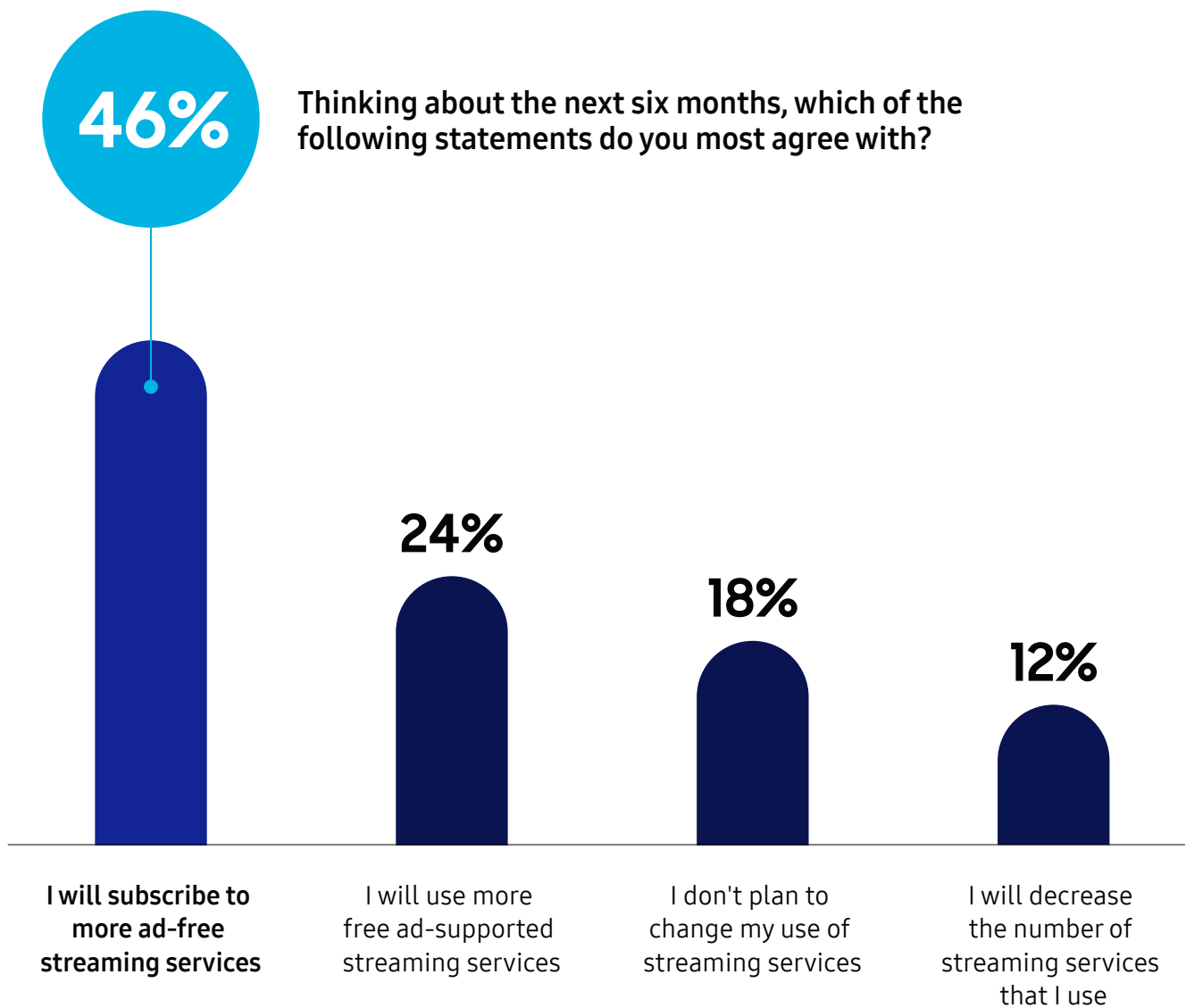


Source: Samsung Proprietary ACR – active TVs with 1-hour minimum total viewing per month. Streaming is viewership in Smart Hub TV AVOD and SVOD apps meeting a minimum threshold based on monthly user count and usage time.

Audience growth

The audience speaks

The future of streaming appears to be robust. 46% of respondents intend to subscribe more, 24% intend to use more ad-supported TV apps, 12% intend to cut back on apps used, and 18% plan to make no change in their use of streaming services.



Chapter 02

New users



New users

Why it matters

New audiences are the growth engine for TV apps. A high percentage of new users indicate a strong inflow of acquired customers.

Definition

New User Percentage:

The percentage of active TV app users in a given month who have not used that app in the previous year.



$$\text{First-time users} / \text{All users} = \text{New User Percentage}$$

By the numbers

Universe

New user percentage

What it means for TV App marketers



Nearly a third of the average TV app's audience is new to the app—a high rate of users discovering and sampling. Still, the momentum for discovery is slowing somewhat, indicating a need for data-driven strategies for audience acquisition.



The relatively low New User Percentage indicates a high base and the need to focus on minimizing churn and maximizing retention to build the total audience.



Robust New User Percentage shows a high level of trial. Tier 2 messaging should focus on differentiated content and features to stand out.



Robust New User Percentage shows a high level of trial. Tier 3 messaging should laser in on niche users / microtargeting.



The change in New User Percentage is in line with the market but relatively low compared to ad-supported services. The focus should mimic Tier 1 by minimizing churn and maximizing retention.



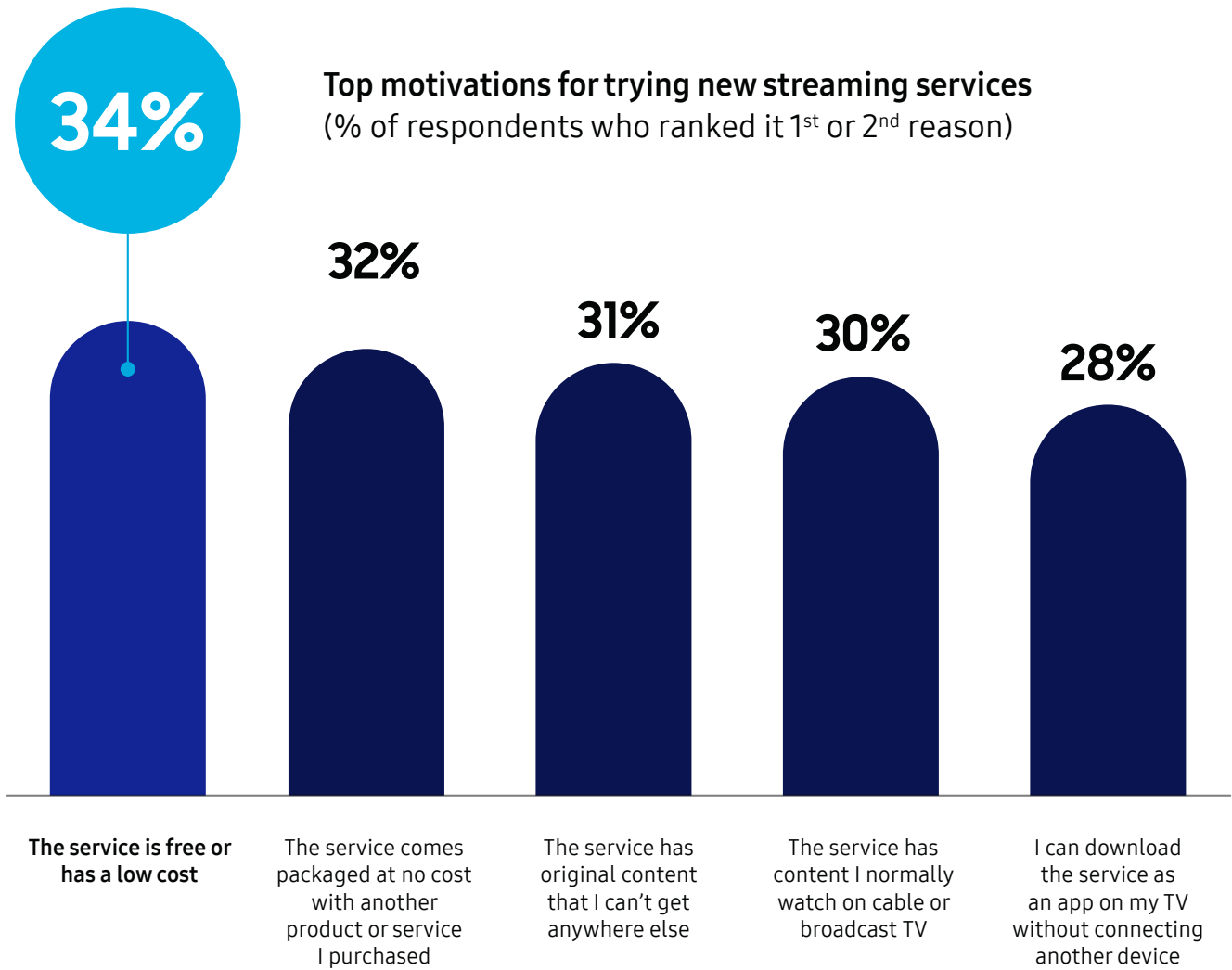
New User Percentage remains robust, showing a high level of trial. Focus should mimic Tier 2 / Tier 3 strategies: messaging differentiated content and features, and microtargeting.

Source: Samsung Proprietary ACR – active TVs with 1-hour minimum total viewing per month. Streaming is viewership in Smart Hub TV AVOD and SVOD apps meeting a minimum threshold based on monthly user count and usage time.

New users

The audience speaks

Why do viewers try new streaming services? With the number of choices streamers have, it's no surprise that cost (34%) is becoming a top factor. Close behind are: receiving the app bundled with other services and the desirability of the content offered. In addition, users are interested in accessing their cable and broadcast content in the on-demand format of streaming (30%).



Chapter 03

Retention



Retention

Why it matters

User retention is a key indicator of audience stability and a consistent value proposition. A high percentage of retained users indicates an app’s ability to establish a base of loyal users. As the streaming market matures, retention may become a critical metric.

Definition

Retained User Percentage:

The percentage of users who have used the app for the past two consecutive months.

$$\frac{\text{Consecutive month users}}{\text{All users in that month}} = \text{Retained User Percentage}$$

By the numbers

Universe

Retained user percentage

What it means for TV App marketers



Retention inching upwards indicates a slowly maturing market.



Larger apps are retaining more than half of their user base. Messaging light and medium users can boost even higher.



Relatively strong. Many apps in this Tier include subscription plans, a competitive zone requiring frequency of messaging.



Lower barriers to entry in this mostly ad-supported Tier requires super-serving a highly targeted audience to drive and maintain awareness.



Depth of content is paying dividends in Retention. Matching content preferences to medium and light users can drive continued growth.



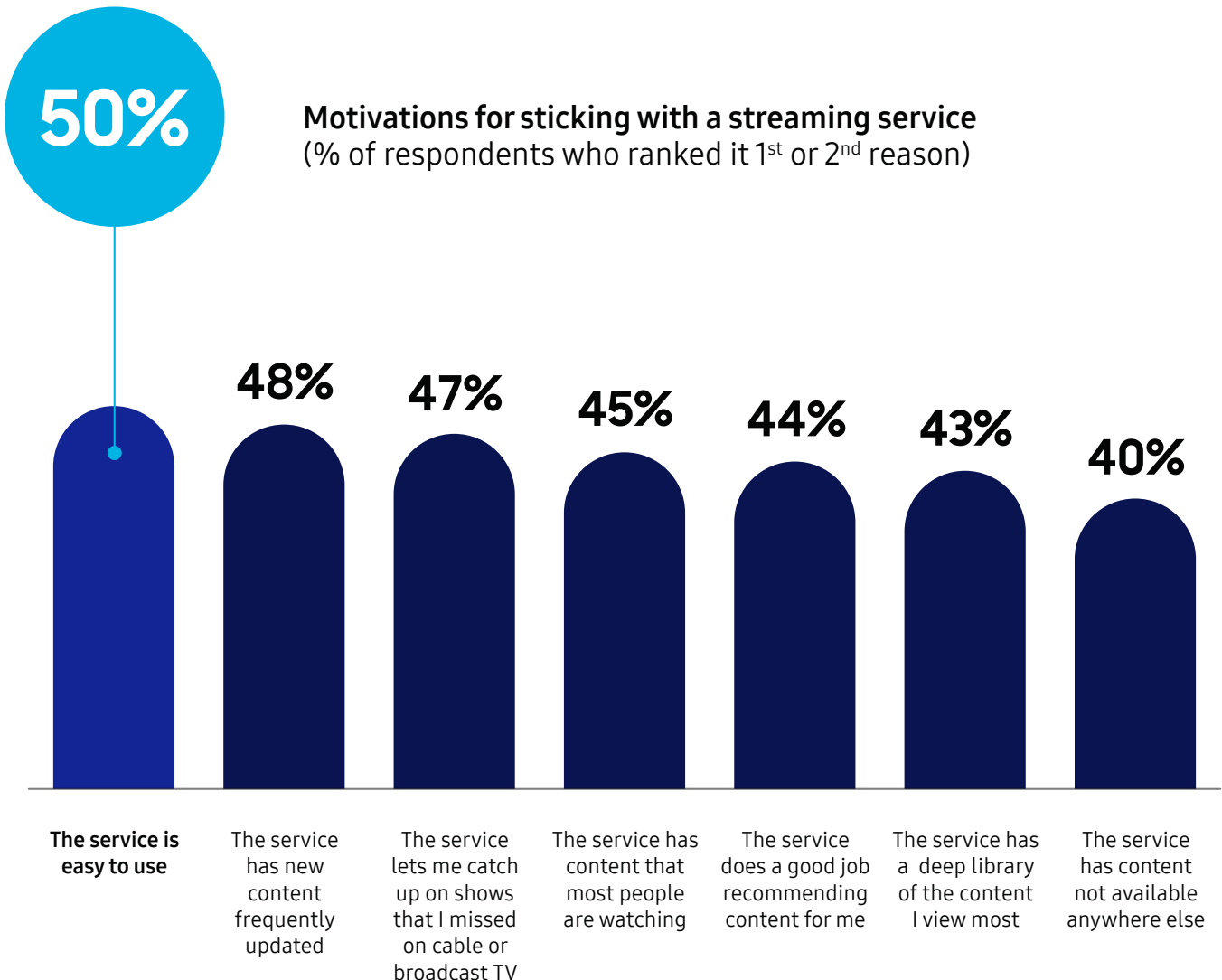
Retention is on the lower side as AVOD apps build an audience. Sustaining media will increase win-backs.

Retention



The audience speaks

What is motivating viewers to stick with a streaming service? In short, user experience, content, and buzz. Ease of use and useful recommendations are important. Frequently updated content and having content available that was missed live are key factors. Finally, users value “content that most people are watching” – indicating that the proverbial water cooler or buzz factor remains critical.



Source: Q4 2021 Attitudinal survey of 1,000 Samsung Smart TV users 18+ in the U.S. who are also streamers.

Chapter 04

Churn



Churn

Why it matters

Churn indicates the outflow of users who have tried a TV app and not returned. It is an indicator of users who have permanently moved on. Users tend not to return after a three-month lapse.

Definition

Churned User Percentage:

The count of users who used the app four months ago but have not returned for three months, divided by the current month total active users.

$$\text{Non-returning users from 4 months ago} / \text{All current month users} = \text{Churned User Percentage}$$

By the numbers

Universe

Churned user percentage

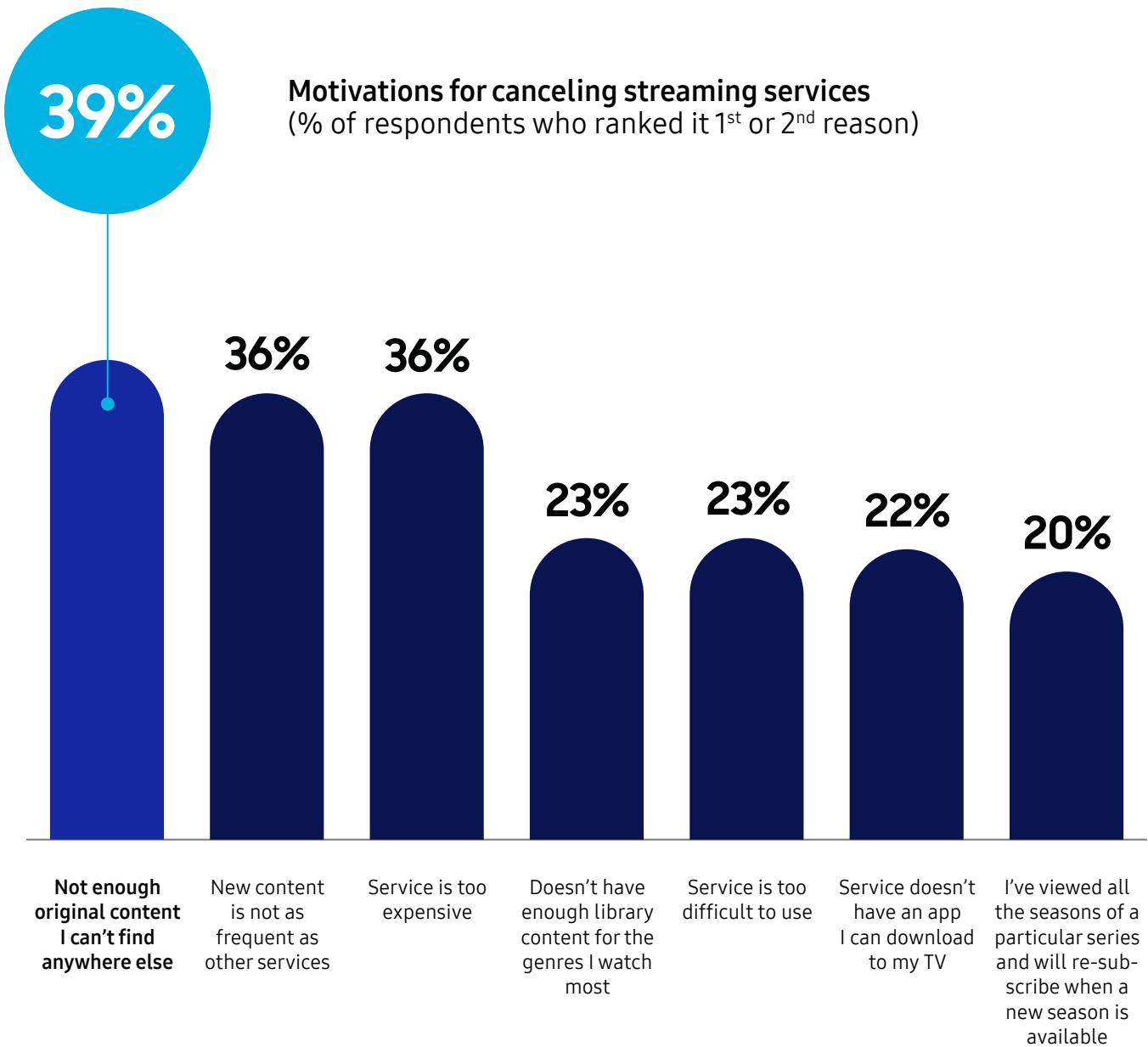
What it means for TV App marketers

All	Q4 2020	 45.9	Users are clearly checking out new apps and moving on – at a high rate.
	Q4 2021	 50.0	
Tier 1	Q4 2020	 17.3	Although Churn is relatively low in Tier 1, users are more likely to change allegiance than they were a year ago.
	Q4 2021	 19.4	
Tier 2	Q4 2020	 29.7	The challenge of gunning for the top tier is evident in the growth in Churn for Tier 2, as audiences sift through many options. Creating a bedrock by communicating to Heavy and Medium users will bolster Tier 2 leadership positions.
	Q4 2021	 34.5	
Tier 3	Q4 2020	 60.7	While Churn in this tier is increasing at the lowest rate, the absolute level is high. Win-back strategies targeted to niche audiences are absolutely essential.
	Q4 2021	 65.6	
SVOD	Q4 2020	 29.7	While at a lower absolute level, Churn is building in SVOD as competition intensifies.
	Q4 2021	 36.1	
AVOD	Q4 2020	 48.9	A relatively high Churn rate shows AVOD users are finding value requiring sustaining media and win-back campaigns targeted to samplers.
	Q4 2021	 52.8	

Churn

The audience speaks

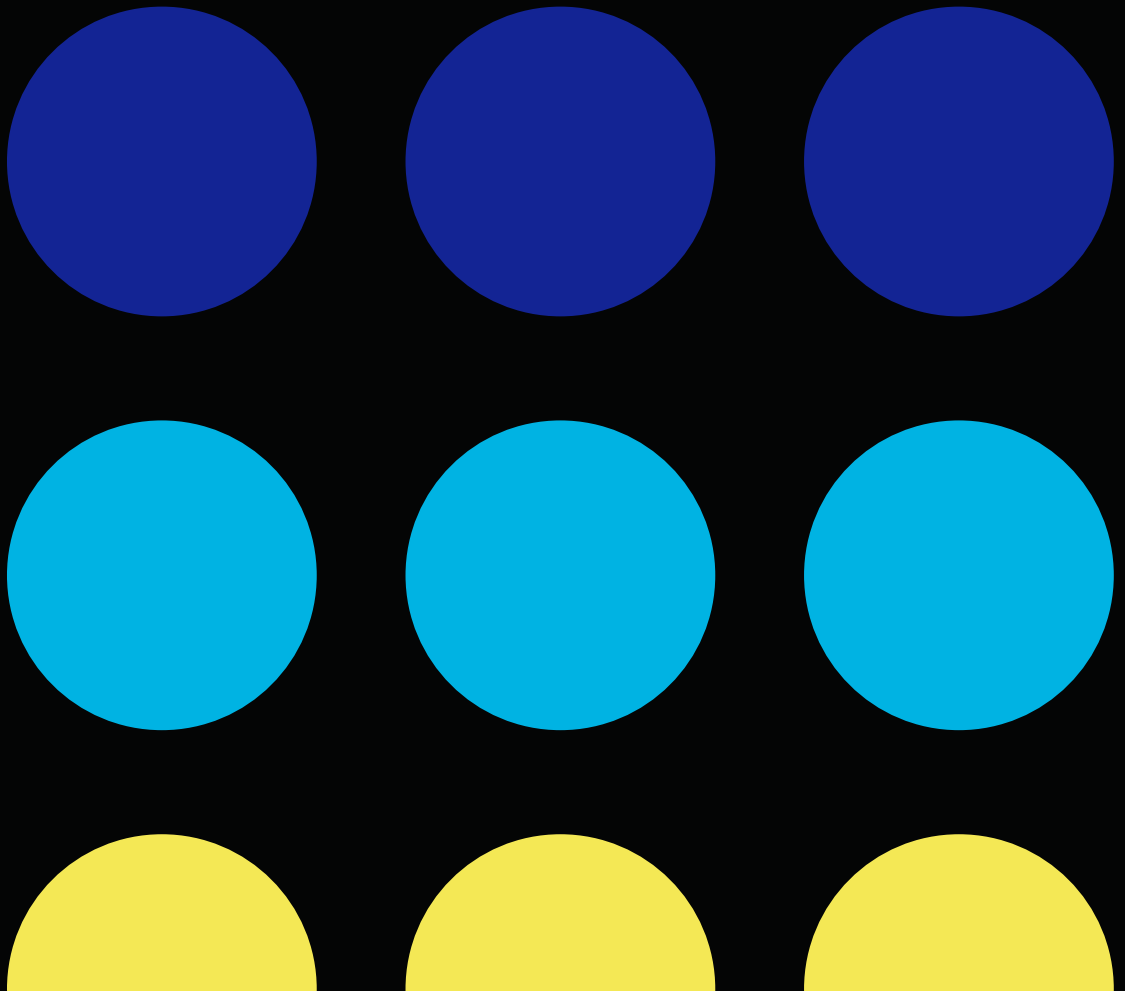
Why do viewers give up on TV apps? Content is at the top of the list. 39% of respondents say they churn based on a lack of original content. 36% point to a lack of fresh content. Cost is a factor too — audiences appear to be weighing the value of unique content vs. the fees.



Source: Q4 2021 Attitudinal survey of 1,000 Samsung Smart TV users 18+ in the U.S. who are also streamers.

Chapter 05

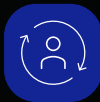
3 actions to take



Actions to take

As TV app marketers look to their 2022 goals, they want an up-to-date toolkit that reflects the evolving streaming environment. In 2021, Samsung Ads supported over 500 campaigns with insights, activation, and measurement focused on acquiring and retaining a TV app audience. Emerging from this work, Samsung Ads has launched an insights capability, Audience Advisor for Streaming, and below shares key best practices for TV app marketers.

1 Zero in on the audience you can influence



Understand your mix of new vs. returning users.

How many are cycling in and out?



Understand who your churned users were before they lapsed.

Did they simply sample the app and never make it past authentication? Or did they lapse despite using your app multiple times?



Understand your light / medium / heavy users.

Where do you benchmark vs. your Tier?



Understand your composition of samplers who only open your app once and then bounce.

Without communication, this group shows low retention. How can you get them to repeat visit?

2 Set up target groups based on real data focused on your KPI



Acquisition campaign:

Target new users, new users modeled audience, samplers



Premiere /Finale:

Target new users, light users, samplers, churned users



Retention campaign:

Target new users, light users, samplers



Win-back campaign:

Target samplers, churned users

3 Track impact over time and adjust tactics



Is the mix of new and retained users growing and churned users shrinking?



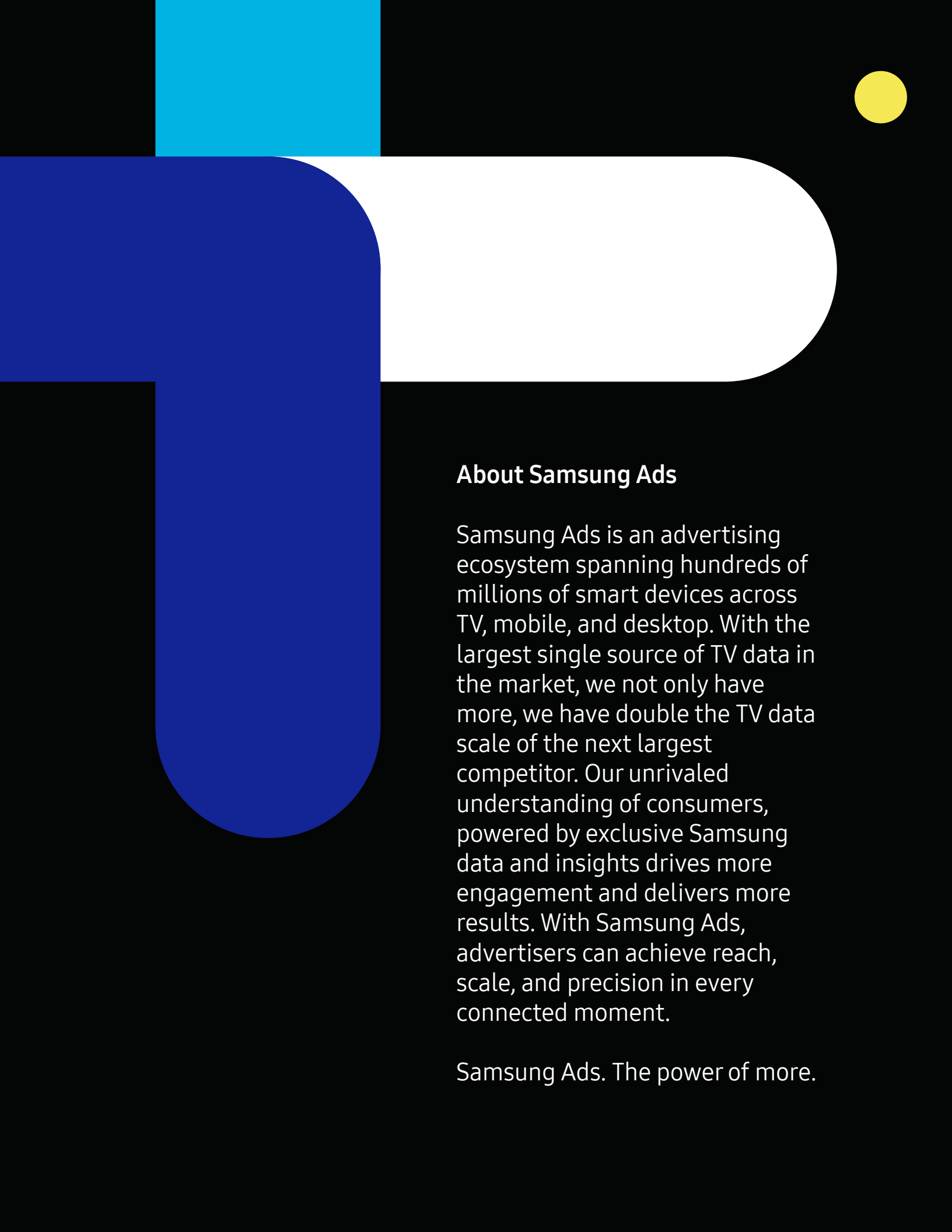
Are samplers decreasing as a percentage of your total audience, and converting to retained users?



Are you converting light users to medium users and medium users to heavy users? Are you increasing your retained user percentage?



Identify the target segments that show the strongest conversion and lift, and adjust media weight accordingly.



About Samsung Ads

Samsung Ads is an advertising ecosystem spanning hundreds of millions of smart devices across TV, mobile, and desktop. With the largest single source of TV data in the market, we not only have more, we have double the TV data scale of the next largest competitor. Our unrivaled understanding of consumers, powered by exclusive Samsung data and insights drives more engagement and delivers more results. With Samsung Ads, advertisers can achieve reach, scale, and precision in every connected moment.

Samsung Ads. The power of more.

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