

## Video Streaming Services and Podcasts Continue Rapid Growth

Consumers' desire for on-demand content drives migration away from traditional linear TV.

By Michael A. Kashmer / *Digital Broadband Programming Consultant*

**I**s traditional TV becoming obsolete? The video entertainment industry grew rapidly this past year and shows no sign of slowing down. Hardly a day goes by without a major announcement from one or more of the top industry players. But most of this growth is in the streaming and podcast platforms as traditional broadcast and cable TV subscribers continue to migrate to newer streaming services.

Modern consumers have the luxury to seek, install and pay for programs they're truly interested in. With every video or podcast they stream, they change the entertainment landscape.

### **VIEWERS DESIRE OLD AND NEW CONTENT**

Video productions of traditional broadcast and online broadband TV programs are growing at an unprecedented rate. New video applications and better production space have given rise to dozens of new video production companies focused on providing new programs broadcast on traditional TV platforms and online.

Some new networks that offer services on linear TV and online platforms are loaded with broadcast and cable TV "retired" shows. This includes reruns and old shows that are brought back and updated with fresh, new productions. Familiar show titles remain as well. One new network that has received praise for its offbeat choices is Pop TV (formerly Prevue), which is available on AT&T's DIRECTV NOW and other platforms. It airs two critically acclaimed comedies aimed at a young demographic, "Florida Girls" and "Schitt's Creek."

Today's viewing practices reflect the public's desire for recognizable titles, familiar actors and well-worn plot lines – aka "nostalgia TV." For viewers who find contemporary shows such as HBO's "The Deuce" and "Game of Thrones" too violent and sexually explicit, nostalgia TV offers a comforting alternative. Reruns of "Golden Girls" or "Friends" on broadcast and basic cable networks are irresistible for many.

### **AN ADVERTISING PARADIGM SHIFT**

Today, with people of all ages talking about their favorite podcasts and video streaming platforms, the TV viewing audience is split in so many pieces that ratings services scramble to keep up. This change is driving the advertising business bonkers – and there's no hope of returning to the good old days. In 2019, the battle is for a smaller slice of the pie.

Not too long ago, motion-picture marketers said that "big" movies required elaborate promotional campaigns. A three-year

Streaming options satisfy the public's desire for nostalgia TV (think "Friends" reruns) as well as exciting new content not found anywhere else.

promotional window was not unusual for these blockbusters-to-be.

The tide has turned. The new wisdom is that drawn-out marketing campaigns no longer are necessary. What prompted this shift?

The huge tentpole films that can make or break a studio's budget are increasingly part of franchises – think “Godzilla,” “The Avengers” and “Aquaman.” The new thinking is that these films need promotion for only a few months. That's because the last “Aquaman,” for example, is still fresh in the minds of potential movie fans.

A July 20 New York Times article by Brooks Barnes explains that society has become on-demand – people today don't like to wait for much of anything. Streaming services such as Netflix, Spotify and Hulu, among others, capitalize on this trend by providing viewers with digital sources to learn about new movie releases. This has made traditional TV advertisements virtually obsolete.

A whole generation has learned to skip marketing messages. These viewers thirst for new and exciting content and are on the lookout for signs of the first movie trailer. These smaller but smartly timed digital ads directly target the key demographic audience for the film. Everyone wants to be first to see what makes this latest franchise installment hotter than the last one.

### STREAMING MEDIA PLAYERS USE RISES

A recent study from IoT market research firm Parks Associates reports that streaming media has reshaped how U.S. consumers, particularly those with a broadband connection, interact with entertainment content and services. According to the study, 39 percent of U.S. broadband households own a streaming media player, a 1 percent increase since 2018. This indicates ownership has flattened, although purchase intentions are higher for 2019 compared with previous years. Roku and Amazon's Fire TV control almost 70 percent of the installed base. Consumers expect to pay between \$17 and \$27 for video streaming per month. The optimal price point is \$21. Meanwhile, most cable subscribers pay \$51 to \$150 per month.

Netflix is nearing saturation in the United States and needs to add new subscribers overseas if it ever hopes to see profitability. I don't think Netflix will acquire another streaming service at an inflated price. It's already king of the hill. Rather than licensing content to program providers such as Netflix, rival video rights platforms are holding on to their top content for themselves. This means local streaming services such as Malaysian-based Iflix (focused on Southeast Asia and the Middle East) and BritBox (a joint venture between BBC, ITV and Channel 4) are gaining traction.

Cinema revenue is expected to decrease in the international market, just as it has in the U.S. market. Movie theater revenue fell 50 percent from 2014 to 2018 in the United States.

### PODCASTING OFFERS USER BENEFITS

Podcasting has been a revelation for many people who like to listen to radio

or watch videos but want to access the content whenever and wherever they want.

There's a podcast for every interest imaginable – from true crime to comedy to long-form interviews – and most are available to download for free in podcast apps on computers and mobile devices.

Other podcast features that make them compelling are quirky hosts and ideas and viewpoints that may be slightly out of the mainstream.

As the podcasting platform offers more thoughtful, entertaining and informational programs, more people will want to see and hear what others are talking about. ❖

---

*Mike Kashmer has worked in cable TV for more than 30 years in distribution, finance and programming. His experience includes network startups and foreign-language programming. Reach Mike at [mikeshashmer@aol.com](mailto:mikeshashmer@aol.com).*

The Leading Broadband Event for Multi-Housing, Commercial Properties, and Communities

**Broadband Communities Magazine** *Congratulates*

 **CenturyLink™**

**For becoming an Enhanced Gold Sponsor at the 2020 Broadband Communities Summit**

For more information on CenturyLink, visit [www.centurylink.com/mdu](http://www.centurylink.com/mdu).  
You are cordially invited to come see CenturyLink at the upcoming

 **April 27 – 30, 2020**  
**HOUSTON, TX**  
Marriott Marquis Houston

To Exhibit or Sponsor contact: Irene G. Prescott  
[irene@bbcmag.com](mailto:irene@bbcmag.com) | 505-867-3299

For other inquiries:  
877-588-1649 | [www.bbcmag.com](http://www.bbcmag.com)

