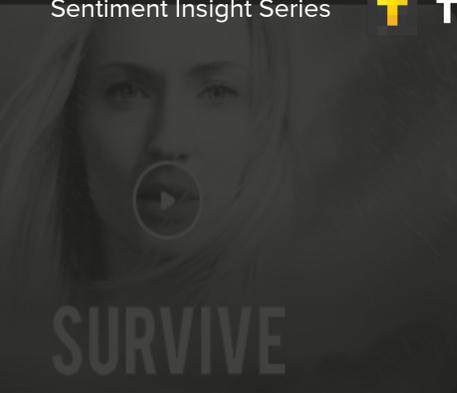
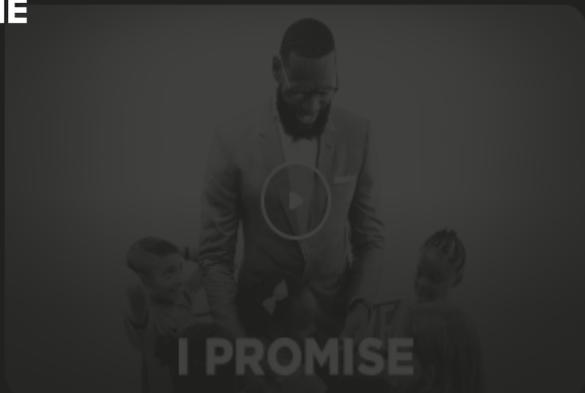


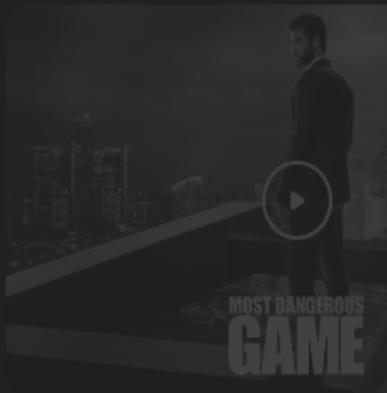
Sentiment Insight Series

 TV TIME


SURVIVE

Survive


I PROMISE

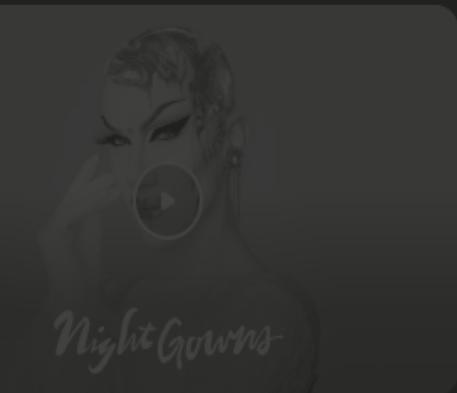

MOST DANGEROUS
GAME

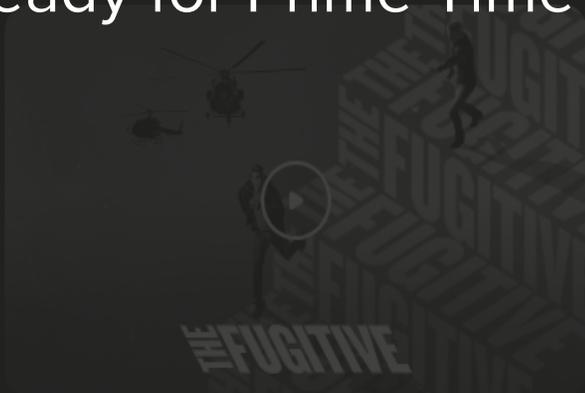
Most Dangerous

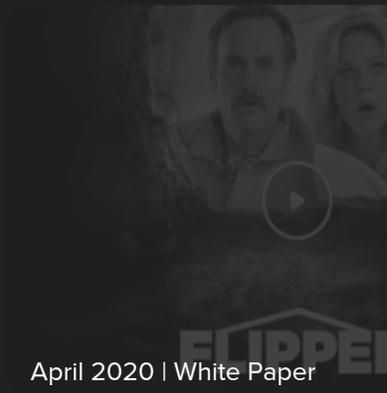
The Quest of Quibi



Is Paid Short-Form Streaming Ready for Prime Time?


Night Gowns


THE FUGITIVE


FLIPPER

April 2020 | White Paper

With mobile video consumption exploding, Whip Media Group set out to explore if the market is ready for a new paid streaming service that can capitalize on the popularity of short-form video content.

■ Introduction

With mobile video consumption exploding, Whip Media Group set out to explore if the market is ready for a new paid streaming service that can capitalize on the popularity of short-form video content. While YouTube has hit over 2 billion users and rising social media platform TikTok has more than 500 million active users, both are free and not packaged or marketed as a streaming service. Others have tried to offer a more professionally packaged service and not succeeded, most notably Verizon Go90.

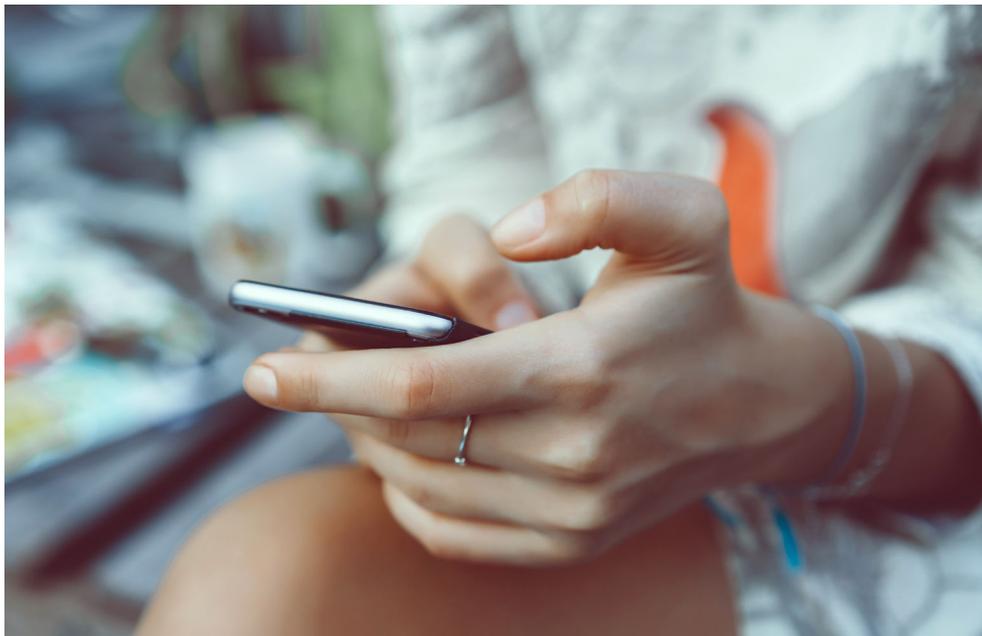
Quibi, which stands for “quick bites,” is a new short-form content platform set to launch April 6th. The company is led by longtime Hollywood executive Jeffrey Katzenberg and former eBay CEO Meg Whitman.

Quibi will enter the market with a much different approach than its predecessors and current short-form rivals. First, the service will prioritize the smartphone as the primary viewing experience, with content optimized for that device. Second, it will showcase talent-centric content which will include “movies in chapters” (longer, scripted stories broken into chapters that are between seven and 10 minutes long), as well as unscripted shows, documentaries and daily hits of news/entertainment/inspiration. And finally, it will be packaged as a paid service with pricing based on ads/no ads subscription tiers.

Based on Quibi’s strategy, age and lifestyle may play a role in both who finds the service attractive and their willingness to pay. Mobile usage and video consumption trend higher among younger consumers. These factors are likely to influence the degree of interest for this first-of-its-kind streaming platform across Generation Z (22 and under), Millennials (23-38) and Generation X (39-54).

The market for new streaming services is already crowded. Although Quibi is a unique service without direct competitors, as a paid service it will compete for share-of-wallet and share-of-mind. While consumers are willing to pay for multiple streaming services, their willingness to pay only goes so far. With so many streaming choices available, it could be a challenging time for new entrants.

With the onset of the streaming wars, the entertainment industry is spending on content at an unprecedented pace. Quibi is projected to spend more than a billion and a half dollars to create a new viewing experience category. As such, it's critical that streaming service providers understand how to best capitalize on that investment and offer the right content choices that are right for their platform. In the case of Quibi, what is going to captivate the audience and drive subscriptions? Is it the short-form format or mobile experience? The variety of programming or the A-list talent?



■ About This Study

During the period of February 28 to March 6, 2020, TV Time, a Whip Media Company, conducted a US-based study that leverages TV Time's global community of more than 13 million connected users of its TV & movie tracking platform. We set out to take an early pulse on market interest in and perceptions of Quibi. We also explored how likely consumers are to subscribe to another streaming service and potential motivations to subscribe to Quibi specifically.

The results revealed that, once people understand the Quibi offering, they're substantially more likely to subscribe. And interestingly, it is not the short format or mobile experience that people are drawn to most, but rather the variety of programming and the A-list talent. It's all about the content.

The following findings are based on 4,185 respondents who are active users of the TV Time app in the US. This sample has been balanced using industry standard techniques to resolve modest demographic variances between the TV Time sample and the projected population. Results have been therefore weighted (balanced) to reflect US general population gender and age (13-54).

NOTE: Please be aware that this survey was fielded prior to the outbreak of the Coronavirus and social isolation. More recent research has indicated that TV consumption is increasing and viewing behavior is changing. This research can be found on the Whip Media website [here](#) or visit www.whipmedia.com. Additionally, the COVID-19 pandemic is creating economic insecurity, which may influence what entertainment options consumers deem essential to their household.

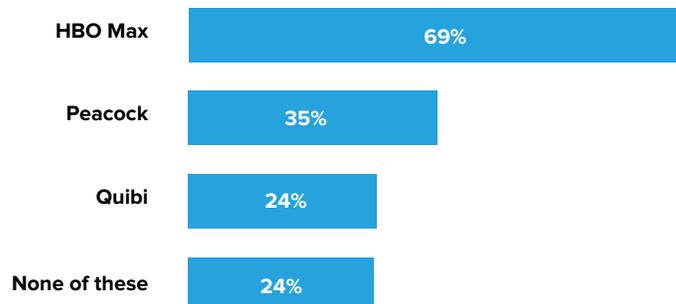
■ Key Findings

Consumers currently subscribe to an average of four paid streaming services and indicate they are likely to subscribe to one additional paid service in the coming year, according to the results of the study. This suggests that, while there is still room for growth, it is a crowded market and people are approaching their maximum number of streaming subscriptions.

Awareness plays a critical role in the decision-making process of selecting a new service.

In this study, nearly one-quarter (24%) of respondents indicated they had heard of Quibi. While this was understandably lower than the other more prominent forthcoming services, it was up from 5% in a similar survey TV Time fielded in September of 2019. Clearly awareness of Quibi is beginning to emerge.

Which of these forthcoming streaming services have you heard of (fielded Feb/Mar2020)? Select all you are aware of:



Beyond awareness, the study revealed that consumer intent to subscribe to these three services varied substantially. Likely/Very Likely to subscribe ranged from a high of 24% for HBO Max, an established brand with premium content, to a low of 3% for Quibi.

Based on what you know about the following services right now, how likely are you to subscribe to each?

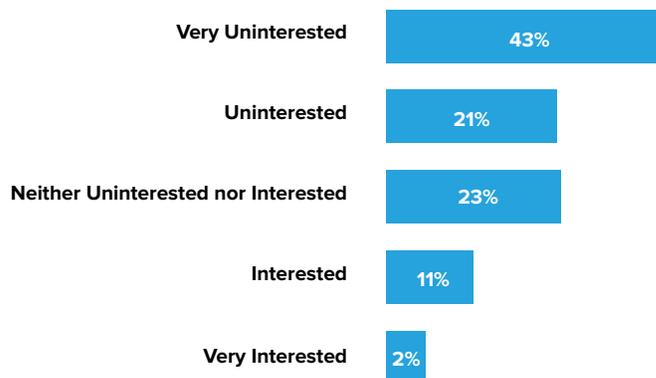
	HBO Max	Peacock	Quibi
Very Unlikely	34%	52%	60%
Unlikely	19%	17%	16%
Neither Unlikely nor Likely	23%	22%	21%
Likely	14%	7%	2%
Very Likely	10%	3%	1%

Later in the survey, participants were provided with a description of the Quibi service, including the short-form format, mobile viewing experience, key talent involved, and variety of content. They were then asked again how interested they would be in subscribing to that type of service.

After providing the Quibi service description, the results were dramatic. The level of Interested/Very Interested to subscribe to Quibi jumped to 13%. **Once participants knew what the service was about, they were four times more likely to subscribe** (recall, the unaided level of interest was only 3%). Additionally, the percent who said they were Very Uninterested declined substantially from 60% before the service was described to 43% after. This could imply that as the industry attention builds leading up to the launch and beyond, and clarity around the value of the Quibi service is better understood, the platform could expect to see high growth.

Quibi is an upcoming video provider, designed for viewing content on a phone in 10 minutes or less. It will have a variety of shows, genres and talent, including Idris Elba, Kristen Bell, Chrissy Teigen, Steph Curry, 50 Cent, and Steven Spielberg.

How interested are you in subscribing to this kind of service?



In addition to measuring intent to subscribe, it is important to examine aspects of the innovative service that could be drivers of interest. Since Quibi is a first-of-its-kind streaming platform, it is worth understanding the degree to which factors such as the unique mobile-viewing experience might influence adoption of the service, especially from a Generational perspective.

When people were asked what might motivate them to sign up for the new streaming service, among Total Respondents and perhaps not surprisingly, **the top response was Genuine Curiosity (26%)**. Beyond that, **Variety of Content (23%) and Talent (23%) were the most often cited factors**. Clearly the content and talent on the platform will be a critical component to its success.

Which of the following aspects of Quibi might motivate you to subscribe to the service?

(By Total and Age Group)	Total Respondents	Gen X	Millennials	Gen Z
Genuine curiosity	26%	20%	29%	30%
The variety of content	23%	17%	23%	33%
The talent	23%	20%	28%	22%
The short-form format	14%	10%	18%	14%
The mobile viewing experience	13%	8%	13%	22%

Interestingly, while the Mobile Viewing Experience and Short-form Format are key points of market differentiation for Quibi, these may not be sufficient drivers of interest in and of themselves to capture everyone.

From a generational perspective, drivers of interest diverge significantly. **Millennials and Gen Z, who are much higher users of mobile and online video, are measurably more curious about the service than Gen X. With respect to the Mobile Viewing Experience, Gen Z (22%) was an astounding 175% more likely to indicate it was an important factor than Gen X (8%).** Gen Z grew up in a mobile world always knowing how to pinch, zoom and swipe, and it's strongly reflected in where they want to view content. And while Variety of Content appealed to all generational segments, the importance was amplified among the Gen Z crowd (33%). **Talent also motivates interest in the service, especially among Millennials (28%).** Quibi's strategy to offer content with A-list talent will go far with this audience.



While consumers will pay for multiple streaming services, they're becoming weary of paying for too many services.

Quibi has announced it will offer both an ad-supported and fully-paid subscription model, and consumers were asked which they would prefer - either \$5/month with ads or the \$8/month without ads. **A slight majority of respondents (57%) chose the cheaper ad-supported model versus 43% for the more expensive ad-free option.**

It's not surprising that a substantial segment of the total population preferred a lower price point. One of the biggest complaints viewers currently have with the broadening choice of streaming services is the increasingly high cost of managing multiple subscriptions. Subscribing to every new platform simply isn't feasible, so viewers may be content to watch a few commercials if it lowers their overall monthly outlay.

Quibi has said it will offer two subscription models. If you were to subscribe to Quibi, which would you be most likely to choose?

(By Total and Age Group)	Total Respondents	Gen X	Millennials	Gen Z
\$5/mo with ads	57%	64%	56%	49%
\$8/mo no ads	43%	36%	44%	51%

When you analyze the data from a generational perspective, **Gen Z is more willing to pay for the higher priced subscription tier.** This generation is accustomed to skipping ads altogether with just a click, using premium streaming services that don't support ads, and operating in a sharing economy whereby friends and family are paying for their content. By contrast Gen X, which doesn't consume as much online video and is used to the traditional broadcast advertising model, is more inclined to pay for the ad-supported subscription tier.



Implications

Viewers have an appetite for multiple streaming services and short-form content is on the rise, especially among Gen Z. This is likely to continue with the changing TV viewing behavior brought on by the coronavirus and the longer-term impact on the entertainment industry at large; all of which serve to benefit the streaming service providers.

Some consumers may try Quibi because they're curious. But for short-form content to gain traction as a paid service, the broader market needs to first understand what type of content will be available and the unique value that a new streaming service will provide. **As we see in the instance of Quibi, when people understand the offering, their intent to subscribe jumps by a factor of 4.**

Interestingly, the survey suggests that it's the variety of content and the A-list talent that will drive intent to subscribe. Once again, content is king. And with the cost of content and talent rising at an unprecedented pace, it's critical to understand how consumers are engaging in order to make smarter content choices and investment strategies. This is not to suggest that Quibi's short-form format and mobile delivery channel will not be of interest; it just may not capture everyone. As we've noted, the mobile viewing experience is a strong motivational pull for Gen Z and the lower end of the Millennial segment.

As a paid service, consumers are still split between wanting a pure subscription vs. ad-supported model. But this too varies by generation. Gen Z has grown accustomed to skipping ads and viewing content on premium streaming services. They don't want ads; they expect transparency and trust. Gen X on the other hand, which grew up with the traditional advertising model, are more accepting of ads.

With so many choices and the consumer in more control than ever over what they want to watch, the glue that is likely to bind Quibi to the paid subscriber will be the content. And if the company doesn't get it right, the curious consumer can cancel the service in 2-clicks.

ABOUT TV TIME

TV Time, a Whip Media Group brand, is the world's largest TV and movie tracking app for consumers. Every day, nearly a million people use TV Time to keep track of the shows and movies they're watching, discover what to watch next and engage in a global community of more than 13 million registered fans.

ABOUT WHIP MEDIA GROUP

Whip Media Group's products, including Mediamorph, TV Time and TheTVDB, offer a data-driven integrated cloud solution that empowers the world's leading entertainment organizations to intelligently acquire, distribute and monetize their content. Together, our companies track billions of consumer actions and financial transactions that accelerate innovation for buyers and sellers of content, in real-time.

For more information, visit whipmedia.com

