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Insights

Digital Media Trends Survey, 16th Edition

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About Deloitte's **Digital Media Trends Survey**

- This is the Digital Media Trends, 16th edition, conducted by Deloitte's Technology, Media and Telecommunications (TMT) practice.
- The survey provides insight into how people in the US, ages 14 and above, are interacting with myriad entertainment and media options—including streaming video, gaming, and social media.
- The US survey was fielded by an independent research firm in December 2021 and employed an online methodology among 2,000 US consumers. All data is weighted back to the most recent Census data to give a representative view of consumer sentiment and behaviors.
- The survey was also fielded in the UK (n=1002), Germany (n=1002), Brazil (n=1000), and Japan (n=1000) in December 2021 and January 2022. All data from the global markets is weighted to be nationally representative.
- For meaningful changes, we look for differences in year-over-year tracking and generations of at least five percentage points.

Generation Z
BORN 1997–2007

Age range 14–25

Millennials
BORN 1983–1996

Age range 26–39

Generation X
BORN 1966–1982

Age range 40–56

Boomers
BORN 1947–1965

Age range 57–75

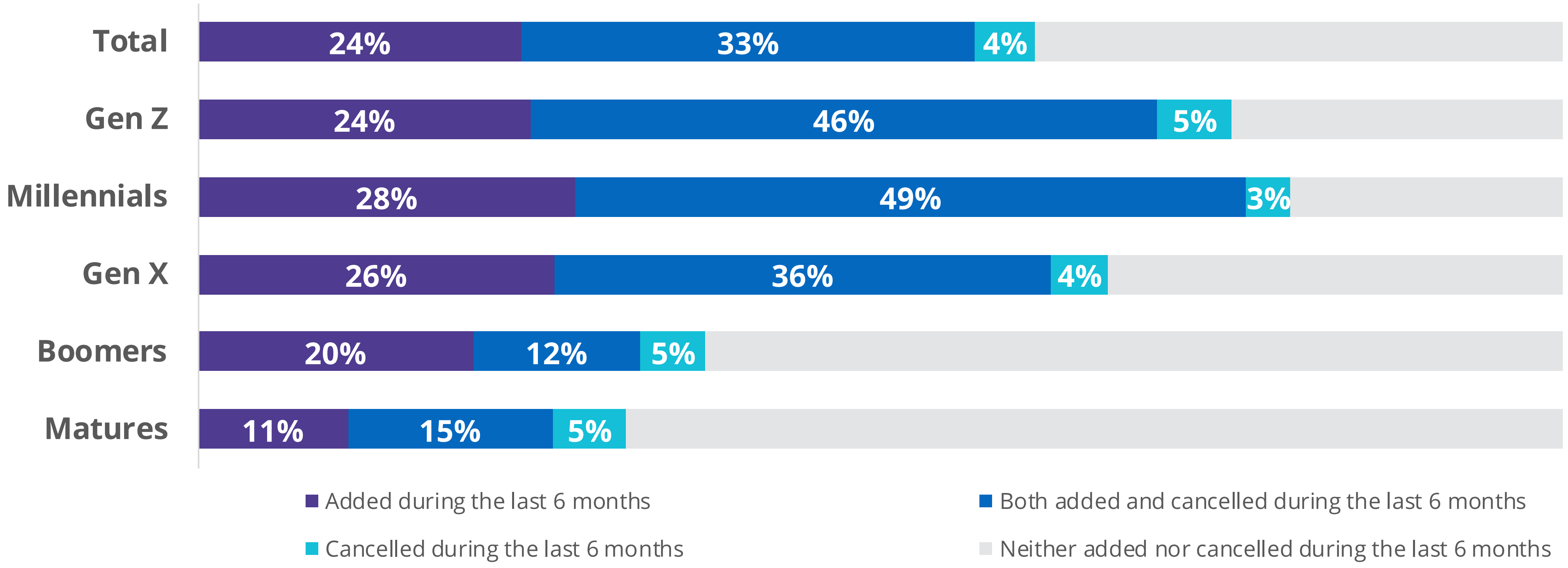
Matures
BORN 1946 AND PRIOR

Age range 76+

Younger generations are driving churn for paid streaming video services

Churn for paid streaming video services remains high in the US—especially among younger generations

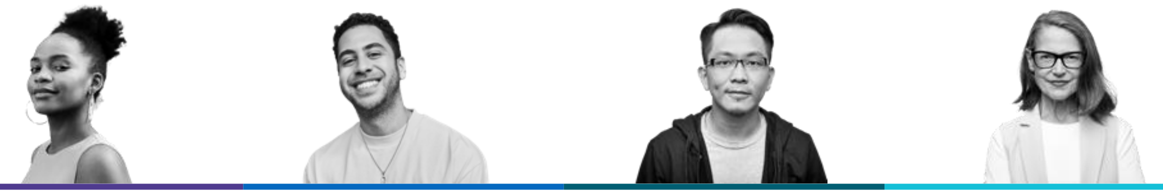
Changes to paid streaming video services (% US consumers)



N (All US consumers) = 2000
Source: Digital media trends, 16th edition (March 2022).

In all the countries, churn is higher among younger generations

Churn of paid streaming video services in the last six months (% consumers)

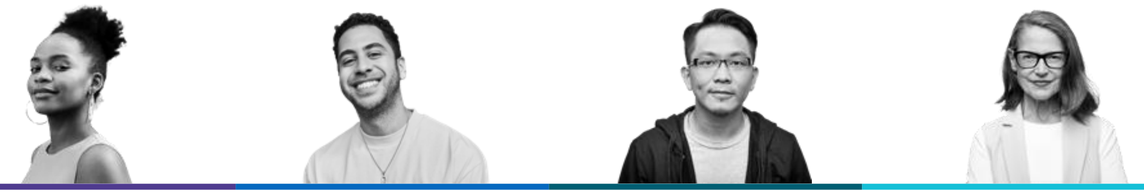


	All consumers	Generation Z	Millennials	Generation X	Boomers + Matures
US	37%	51	52	40	17
Brazil	38%	42	46	35	28
Germany	32%	55	54	28	13
UK	30%	50	44	25	13
Japan	19%	29	28	20	12

N (All US consumers) = 2000; (All Brazil consumers) = 1000; (All Germany consumers) = 1002; (All UK consumers) = 1002; (All Japan consumers) = 1000
Source: Digital media trends, 16th edition (March 2022).

Younger generations are also prone to canceling and then resubscribing

Cancels and then renews paid streaming video service within the last 12 months (% consumers)



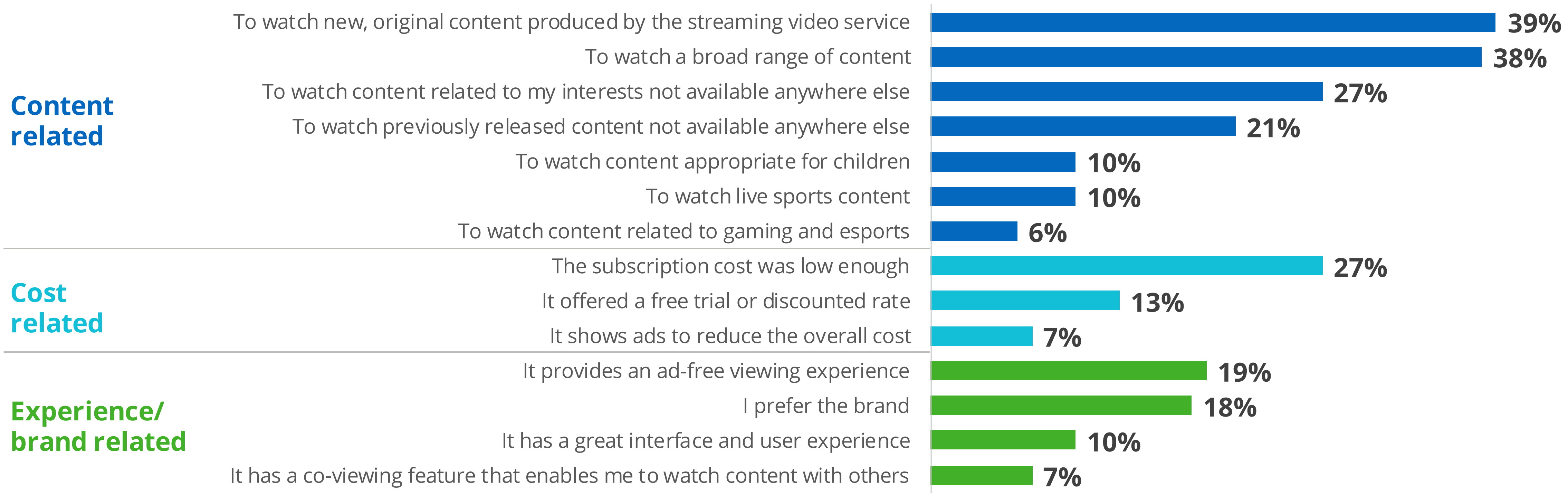
	All consumers	Generation Z	Millennials	Generation X	Boomers + Matures
US	25%	35	38	28	7
Brazil	33%	42	39	31	21
UK	23%	44	33	23	6
Germany	19%	38	34	16	6
Japan	12%	24	20	11	4

N (All US consumers) = 2000; (All Brazil consumers) = 1000; (All UK consumers) = 1002; (All Germany consumers) = 1002; (All Japan consumers) = 1000
Source: Digital media trends, 16th edition (March 2022).

Chasing content and managing costs drive SVOD churn—and fuel frustrations

In the US, access to content is driving subscriptions more strongly than cost and user experience

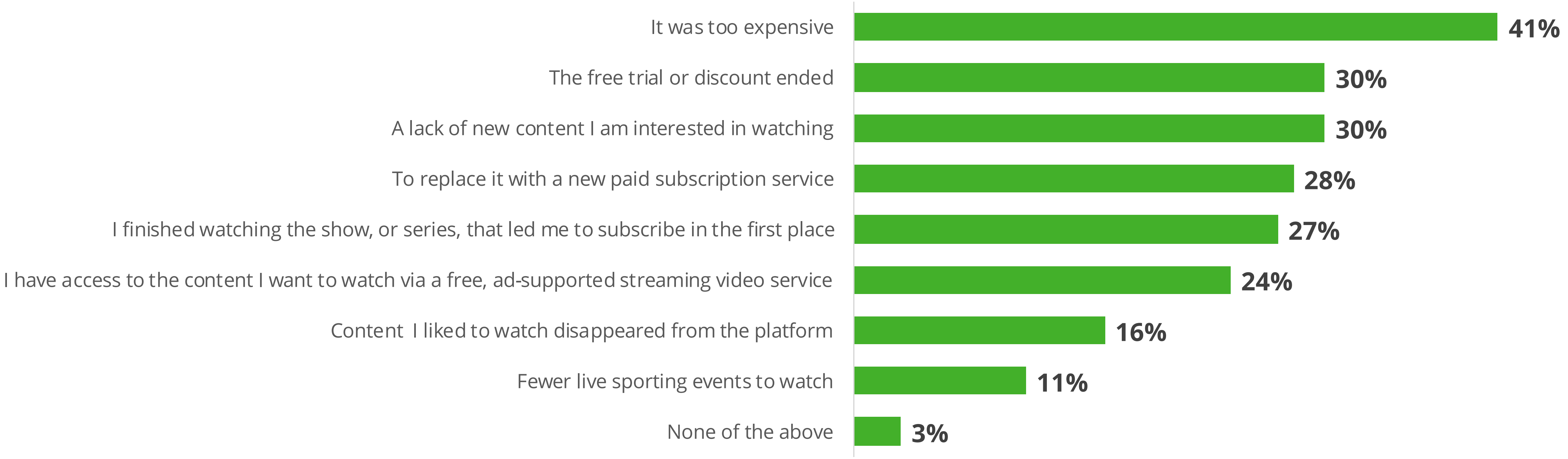
Top 3 reasons consumers subscribe to a paid streaming video service (% US SVOD subscribers)



N (US consumers who subscribe to a paid video streaming service) = 1777
Source: Digital media trends, 16th edition (March 2022).

Price increases and lack of new content are why US consumers cancel

Top 3 reasons consumers cancel a paid streaming video service (% US subscribers who cancelled)



N (US Consumers who cancelled a streaming video service) = 309
Source: Digital media trends, 16th edition (March 2022).

In the US, frustration with streaming video services is high and increasing

Percent of US consumers who agree with the following statements

	DMT 15	DMT 15 Fall Pulse	DMT 16
I get frustrated when content I wanted to watch is **no longer available** on my streaming video services	66	59	71
I get frustrated when streaming video services **make it difficult to cancel** my subscription	-	52	63
I find it **harder to find** the content I want to watch when content is spread across multiple streaming video services	52	50	57
I get frustrated that I **must have multiple subscriptions** to services to access the streaming video content I want to watch	53	50	57
I get frustrated when **content recommendations** on video streaming services are not relevant to me	49	47	55
If I **can't find something to watch** on a streaming video service within a few minutes, I tend to abandon the search	50	48	51

N (All US consumers) = 2000
Source: Digital media trends, 16th edition (March 2022).

N (All US consumers) = 1102
Source: Digital Media Trends survey, 15th Edition (COVID-19 Fall pulse survey, October 2021)

N (All US consumers) = 2009
Source: Digital Media Trends survey, 15th Edition (February 2021)

How can SVOD providers **retain subscribers?**

Across the countries we surveyed, more than half would favor an ad-supported streaming video service

Consumer preference for a new streaming video service model (% consumers)

	US	UK	Germany	Brazil	Japan
12 minutes of ads per hour / no monthly fee	34	44	41	34	55
Six minutes of ads per hour / monthly fee ($6/£5/€6/R$20/750 Yen)	25	17	21	26	15
No ad / monthly fee ($12/£10/€12/R$40/1,500 Yen)	41	39	38	40	30

N (All US consumers) = 2000; (All UK consumers) = 1002; (All Germany consumers) = 1002; (All Brazil consumers) = 1000; (All Japan consumers) = 1000
Source: Digital media trends, 16th edition (March 2022).

Annual subscriptions and ad-supported options might convince some global consumers to stay

Reduced cost options that might keep consumers from cancelling streaming video services (% consumers)

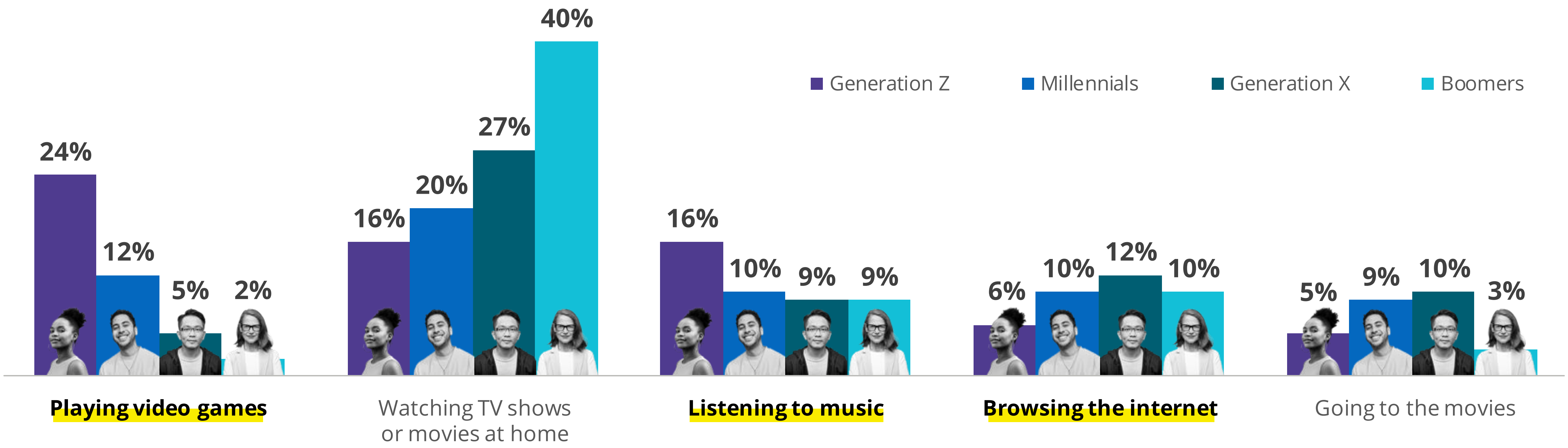
	US	UK	Germany	Brazil	Japan
No ads or restrictions on what I can watch but requires an annual 12-month subscription	24	21	22	36	19
12 minutes of ads per hour but no restrictions on what I can watch	18	11	10	16	12
No ads but must wait 45 days after release date to watch premium TV shows and movies	12	14	10	13	13
No ads and no access to live sports, but can watch games and highlights the next day	9	10	10	11	5
None of these options would convince me to keep the subscription	37	44	48	24	51

N (All US consumers) = 2000; (All UK consumers) = 1002; (All Germany consumers) = 1002; (All Brazil consumers) = 1000; (All Japan consumers) = 1000
Source: Digital media trends, 16th edition (March 2022).

Younger generations trend towards **social and interactive entertainment**

Entertainment preferences for Gen Z in the US have shifted to gaming over watching videos

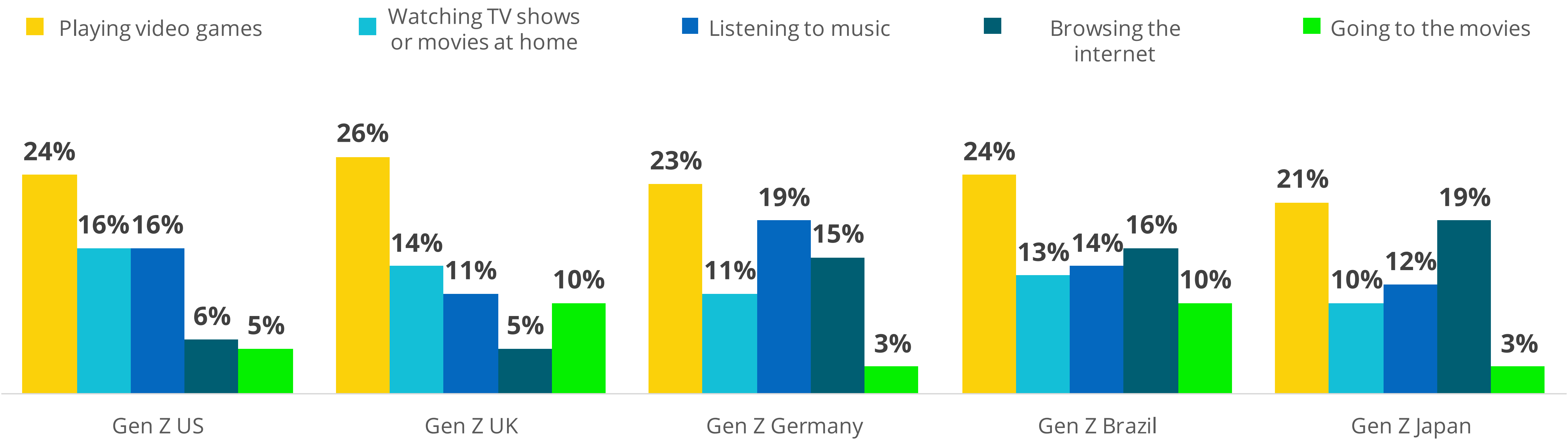
Most preferred entertainment activity (% US consumers)



N (All US consumers) = 2000
Source: Digital media trends, 16th edition (March 2022).

Across the countries we surveyed, Gen Z also ranks gaming as their favorite entertainment activity

Most preferred entertainment activity (% consumers)



N (US Gen Z consumers) = 365; (UK Gen Z consumers) = 172; (DEU Gen Z consumers) = 154; (BRA Gen Z consumers) = 209; (JPN Gen Z consumers) = 132
Source: Digital media trends, 16th edition (March 2022).

Across the countries we surveyed, people engage with social media for many kinds of activities

Top 3 most frequent activities on social media platforms (% consumers)

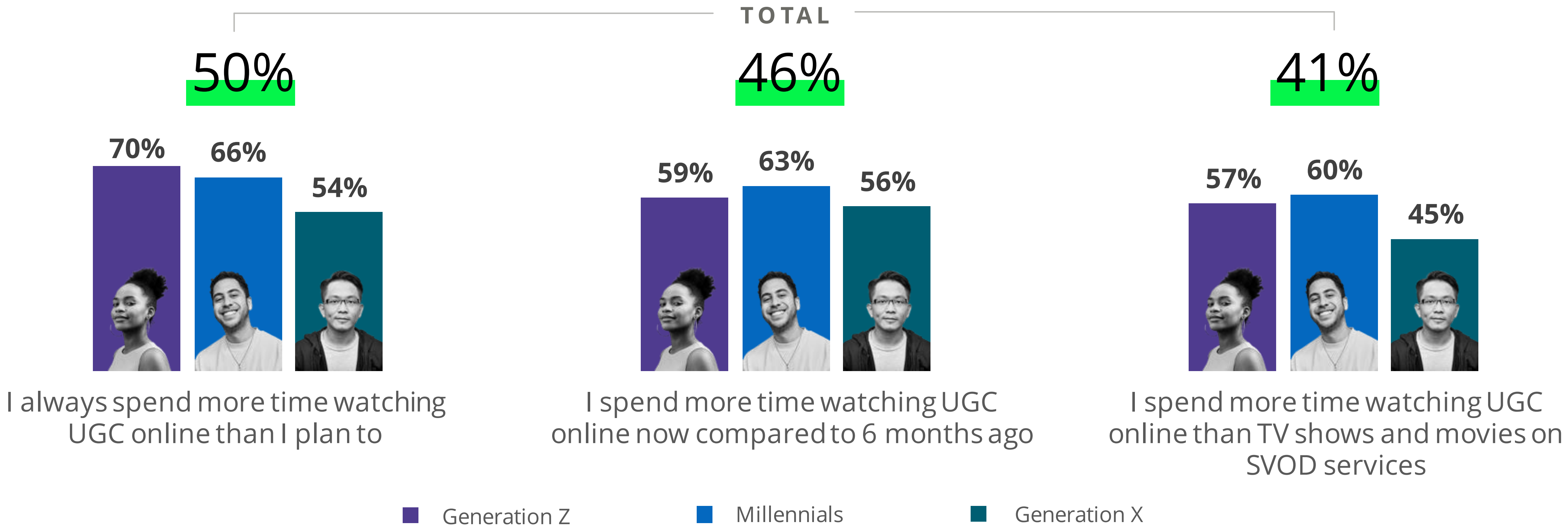
	US	UK	Germany	Brazil	Japan
Read or watch news	27	26	41	44	52
Listen to music	28	28	26	41	29
Watch TV shows and movies	23	20	16	36	30
Shop	17	16	15	32	39
Play video games	22	19	16	25	15
Watch sports	13	12	8	15	11

Note: Respondents were shown more response options that are not listed here.
N (All US consumers) = 2000; (All UK consumers) = 1002; (All Germany consumers) = 1002; (All Brazil consumers) = 1000; (All Japan consumers) = 1000
Source: Digital media trends, 16th edition (March 2022).

User-generated content
captivates social media users

In the US, younger generations are spending more time watching user-generated content (UGC)

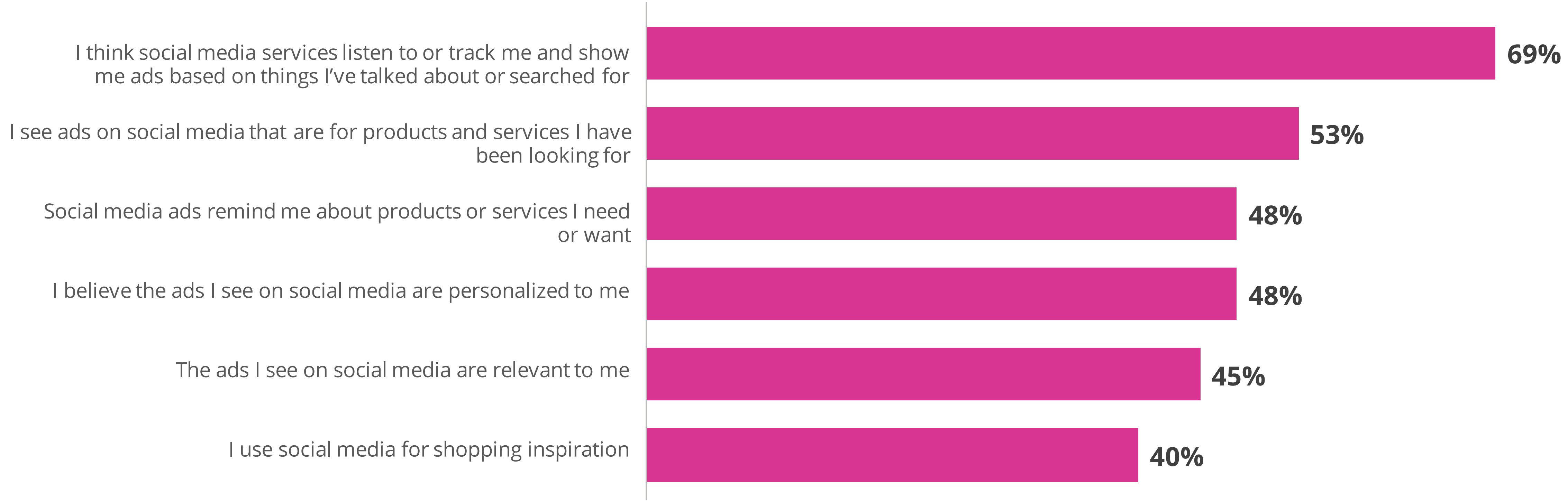
Percentage of US consumers who agree with the following statements



N (All US consumers) = 2000
Source: Digital media trends, 16th edition (March 2022).

In the US, nearly half find value in targeted advertising on social media

Percentage of US consumers who agree with the following statements



N (All US consumers) = 2000
Source: Digital media trends, 16th edition (March 2022).

In the US, many people follow influencers online, especially the younger generations

7 in 10 people

Follow online influencers

8 IN 10 PEOPLE

FOLLOW ONLINE INFLUENCERS

Generation Z **Millennials** **Generation X**

N (All US consumers) = 2000
Source: Digital media trends, 16th edition (March 2022).

For many in the US, following influencers results in product discovery, purchasing, and community building

Top 3 activities resulting from following influencers (% US consumers)

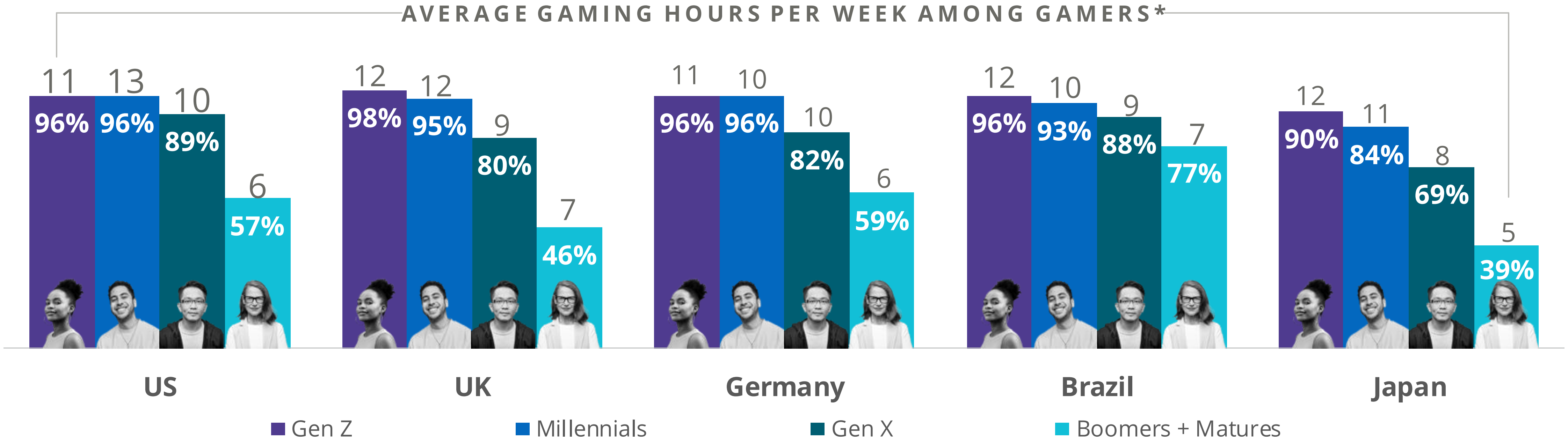
	All US consumers	Generation Z	Millennials	Generation X	Boomers	Matures
Discovered new products or services	24%	30	32	29	13	7
Bought a product or service they were promoting	18%	26	27	20	8	2
Found a community of likeminded individuals	17%	25	25	17	9	1
Followed other influencers or watched content they recommended	17%	27	25	21	5	1
Started following brands they advertise on their platform	15%	23	23	16	4	3
Made changes to my lifestyle or habits	15%	22	25	17	4	2
Changed my mind about an important topic or issue	14%	20	22	17	4	3
I don't follow any influencers online	30%	11	11	25	56	70
None of these	17%	19	13	15	22	21

N (All US consumers) = 2000
Source: Digital media trends, 16th edition (March 2022).

Gaming in the digital realm provides real-world comfort

In the countries we surveyed, nearly all in the younger generations are gamers

Consumers who play video games (% consumers)



N (All US consumers) = 2000; (All UK consumers) = 1002; (All Germany consumers) = 1002; (All Brazil consumers) = 1000; (All Japan consumers) = 1000
*Among only those who are occasional or frequent gamers (defined as those who play more than "Never" across multiple devices asked about)
Source: Digital media trends, 16th edition (March 2022).

Many consumers play games on different devices daily

Gaming on the following devices (% consumers who own each respective device)

At least once a day	US	UK	Germany	Brazil	Japan	Global	GLOBAL Men	GLOBAL Women
Mobile Device (Smartphone or Tablet)	55	47	43	60	45	51	52	50
Console (Gaming console or Portable gaming device)	47	46	37	49	41	45	53	36
PC (Laptop or Desktop)	35	26	27	40	20	30	36	25

N (Global consumers who own each type of device), (Smartphone or Tablet) = 5824; (Gaming consoles or Portable gaming device) = 3338; (Laptop or Desktop) = 5554
Source: Digital media trends, 16th edition (March 2022).

Across the countries we surveyed, gaming supports social and emotional needs and takes time away from other entertainment

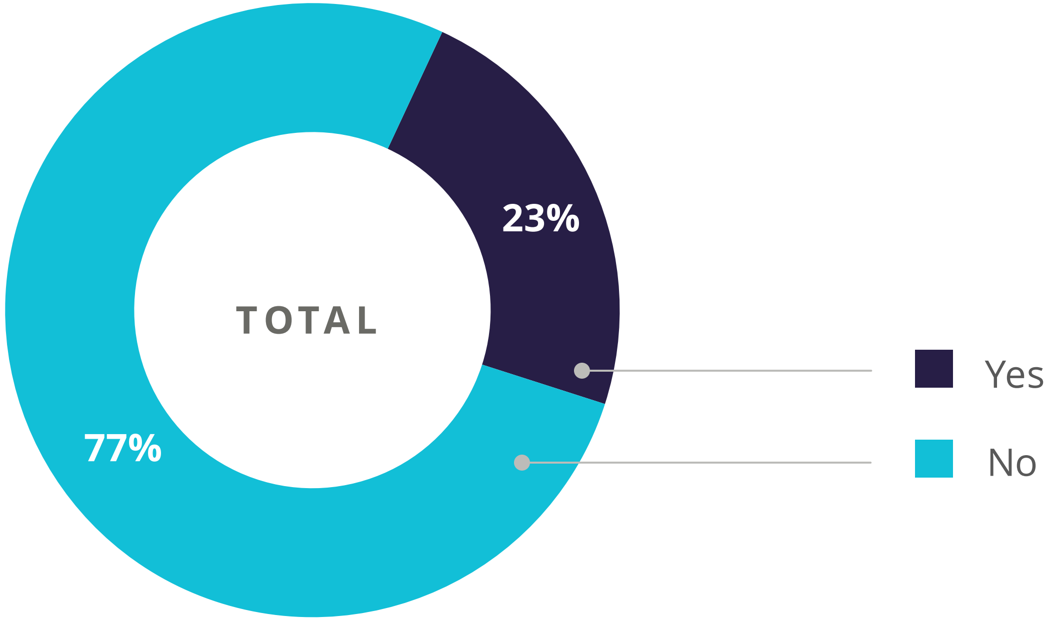
Gamers who agree with the following statements (% gamers)

	US	UK	Germany	Brazil	Japan
Playing video games helps me to relax	78	74	69	84	53
Personalizing my game character or avatar helps me to express myself	61	54	43	69	39
Video games have helped me get through a difficult time	59	57	40	73	33
Playing video games helps me stay connected to other people	53	52	38	69	35
I often discover new music while I'm playing video games	51	50	35	71	41
Making connections with others while playing video games is important to me	48	50	39	61	31
Video games have taken time away from my other entertainment activities	49	55	35	45	44

N (US gamers) = 1624; (UK gamers) = 749; (Germany gamers) = 783; (Brazil gamers) = 884; (Japan gamers) = 627
Source: Digital media trends, 16th edition (March 2022).

In the US, younger gamers are engaging with live in-game events

Gamers who have attended a live in-game event (% US gamers)

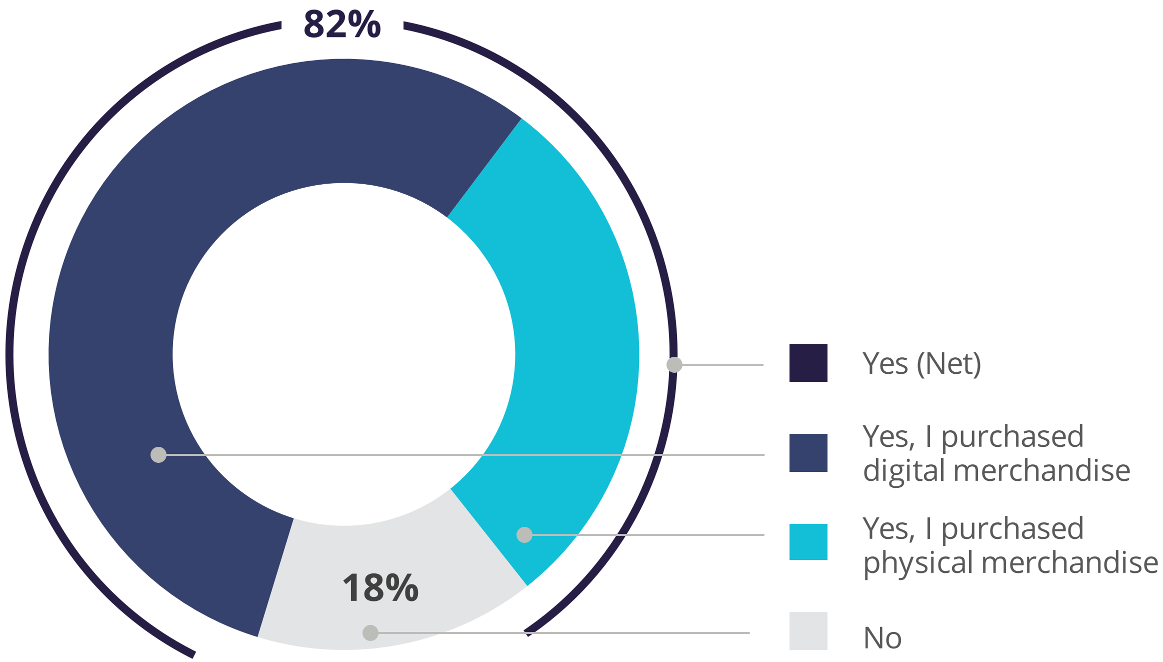


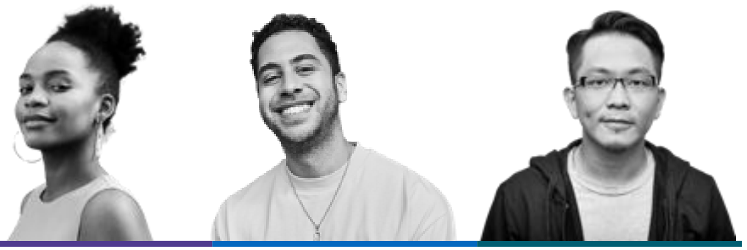
Generation Z	Millennials	Generation X
29	34	23
71	66	77

N (US gamers) = 1624
Source: Digital media trends, 16th edition (March 2022).

Gamers engaged in live in-game events are spending money for merchandise

% of US gamers making purchases in a live in-game event





TOTAL	Generation Z	Millennials	Generation X
82	64	88	92
65	47	71	76
34	27	39	35
18	36	12	8

N (US gamers who attended a live event inside a video game) = 373
Source: Digital media trends, 16th edition (March 2022).

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Thank you.