

The KANTAR logo is displayed in a bold, white, sans-serif font. The letter 'K' is uniquely styled with a vertical yellow bar on its left side. The background of the slide is dark blue with a glowing, wavy pattern of light blue and red dots and lines that create a sense of motion and data flow.

KANTAR

Which Home Entertainment Trends Are Here To Stay?

BASE / DEGI Spotlight Session 1
16th June 2021

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Worldpanel Division

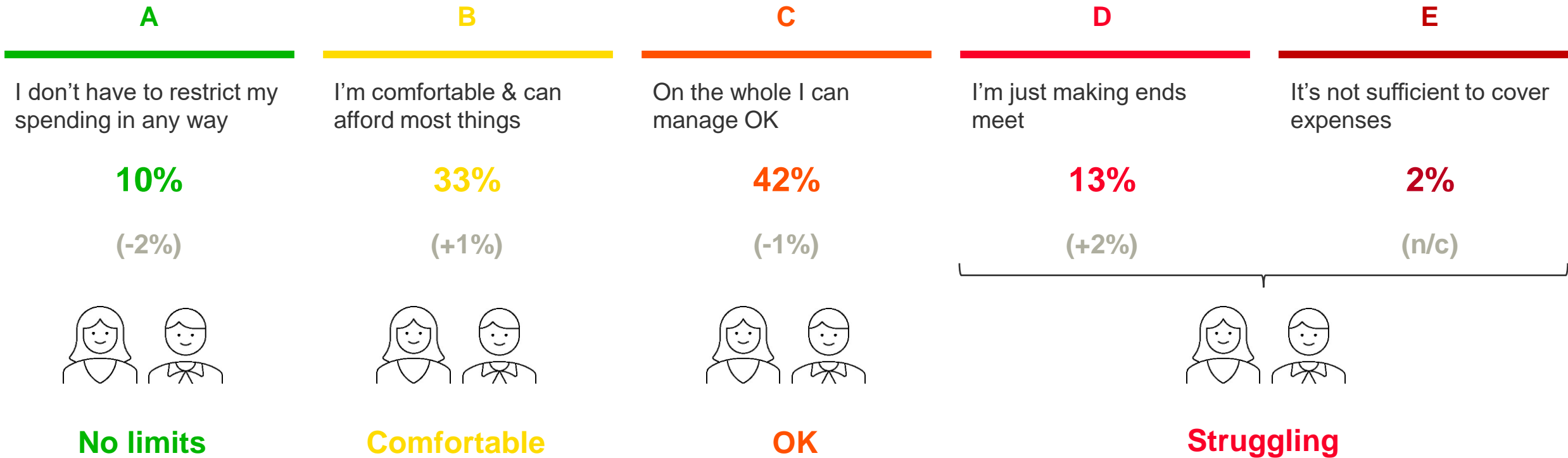
Kantar Worldpanel – Who we are

Kantar's Worldpanel division operate some of the largest continuous consumer panels in the world

Our panel of **15,000 GB** Entertainment individuals provides us with a robust picture of the Entertainment market, how and why your consumers behave the way they do and the insights you need in order to win.

Individual financial outlooks have not shifted dramatically since May 2020

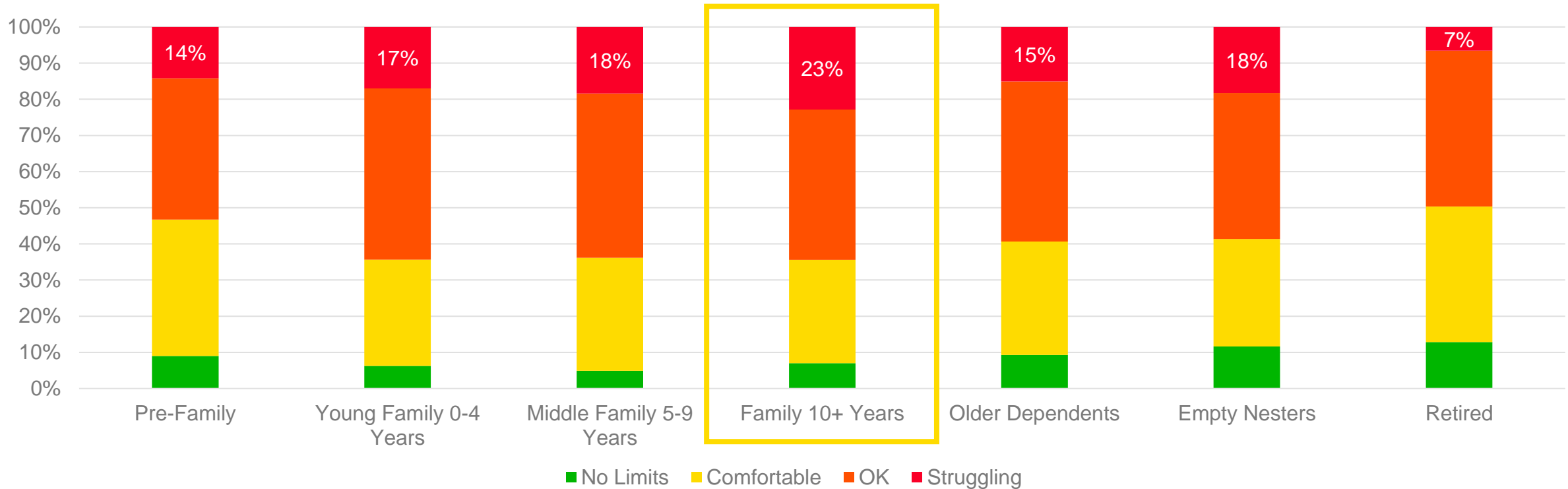
The direction of travel is however towards tighter budgets



Financial pressure peaks with those with the most mouths to feed

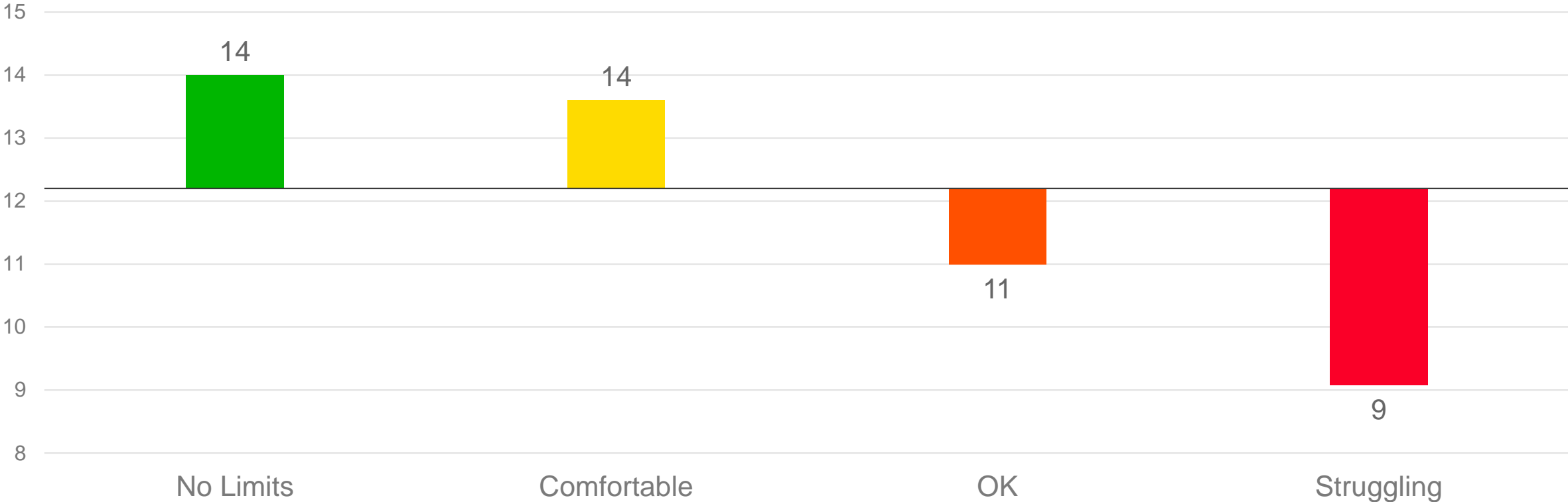
Older shoppers are most comfortable with their situation

Take Home FMCG – % households in each lifestage falling into our financial groups



Those with tighter budgets had to manage spend more carefully in 2020

Take Home FMCG – Growth in spend by shopper group (£%)



Value is all about context

How will shoppers weigh up cost against factors like experience and convenience when presented with different routes to the same content?



Experience



Convenience

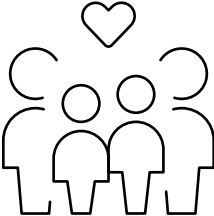


Value for Money

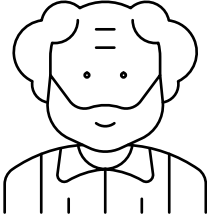
Families find the most value in cinema and claim they will return soon after they re-open



Pre-Family



Family



Post or Non-Family

The cinema is the best way to watch a new film

ix. 104

ix. 109

ix. 96

I will be returning to the cinema as soon as they re-open

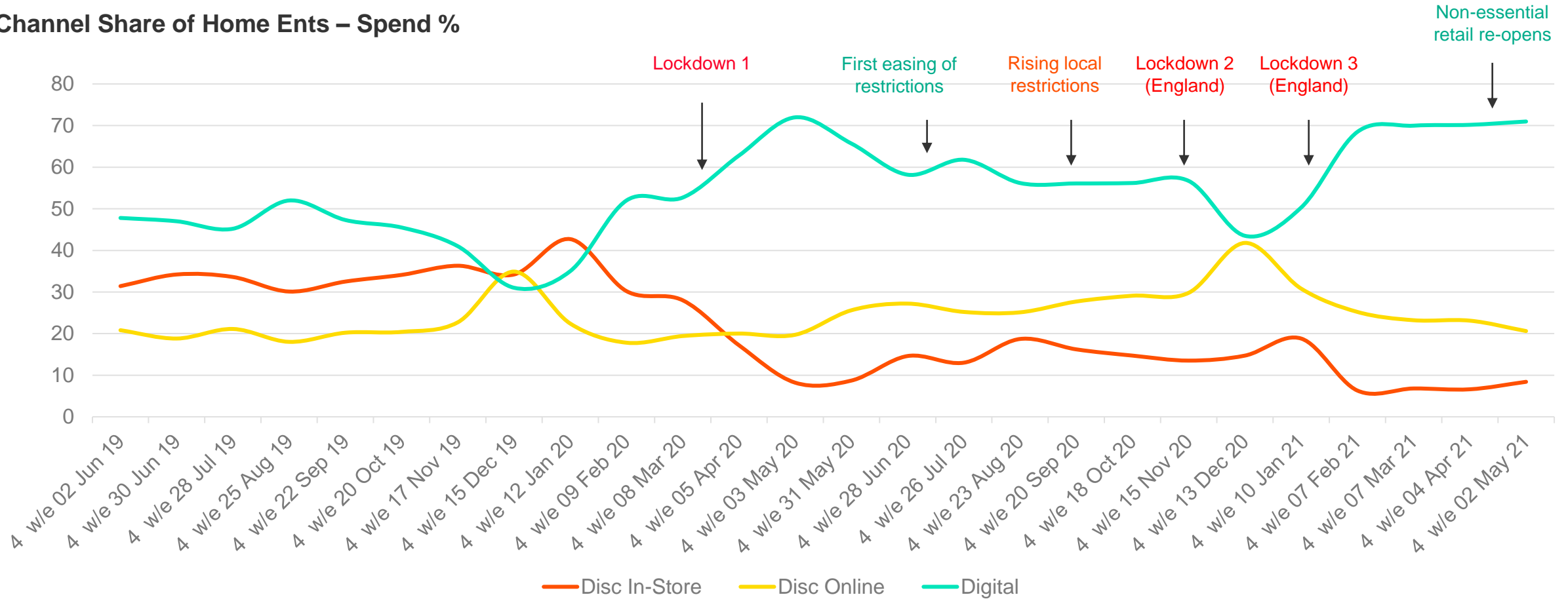
ix. 120

ix. 115

ix. 88

Digital has retained its high share of the transactional Home Ent market, even as restrictions ease

Channel Share of Home Ents – Spend %



In-store purchases haven't all simply switched online, highlighting the importance of this channel for the category, especially for older shoppers

Contribution to Home Ent Growth/Decline – 52 w/e 2nd May 2021 vs 2020 – Spend %



Lockdown has been potentially transformative for Families and younger lifestages, who have happily embraced digital



Pre-Family



Family



Post or Non-Family

Lockdown encouraged me to buy entertainment that I didn't used to buy previously

ix. 139

ix. 142

ix. 69

I think my shopping habits around film/TV will change permanently due to lockdown

ix. 120

ix. 148

ix. 79

If I want to buy a film to keep, I'd rather have a physical copy over a digital copy

ix. 90

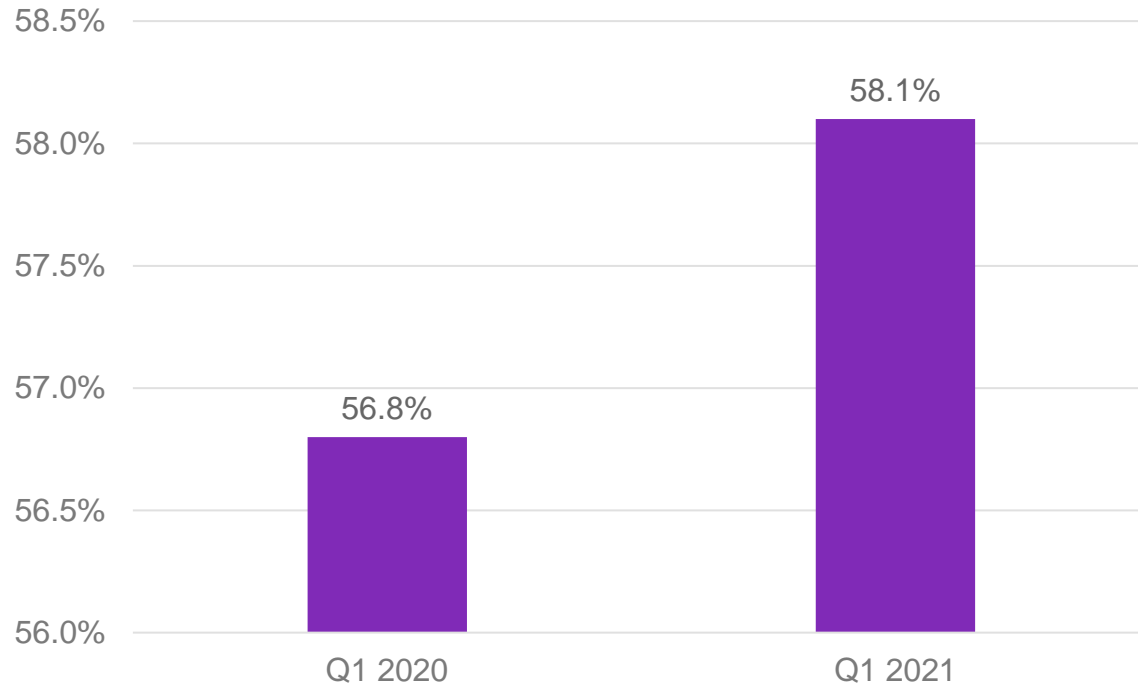
ix. 93

ix. 106

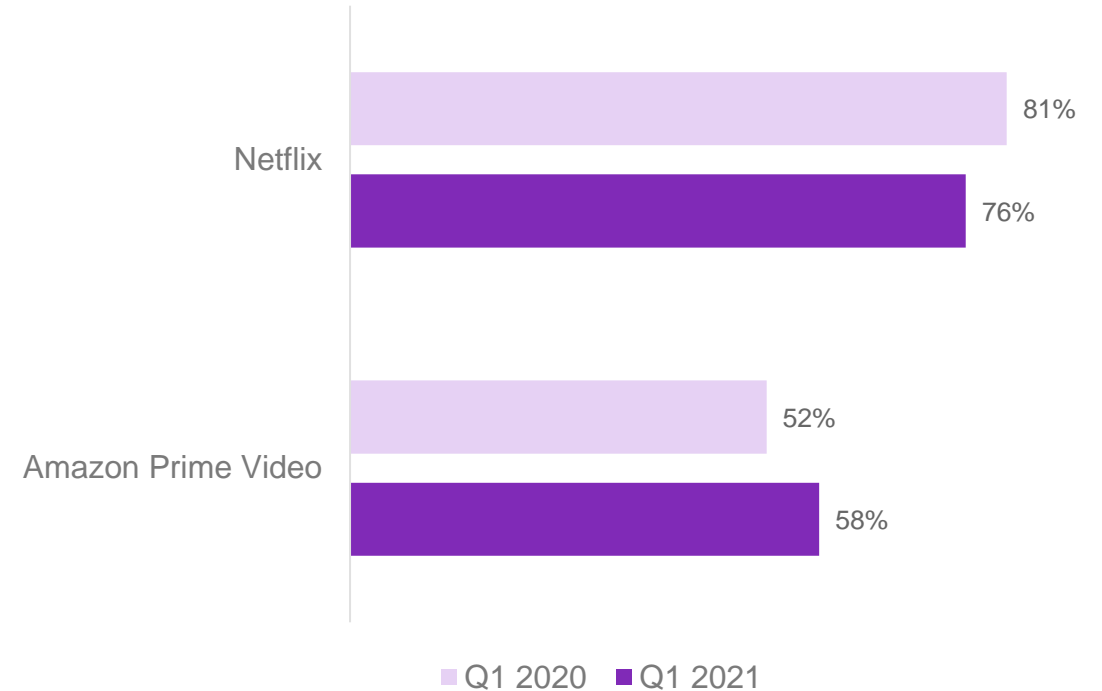
SVOD subscriptions jumped in Q1 2020 and have since grown slowly

Over 58% of GB HHs have access to at least one service

SVOD - % of GB HHs with Subscription



% Video Subscribers – Netflix vs Amazon Prime Video



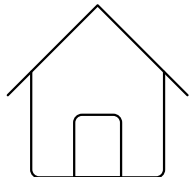
Amazon have benefited from an increase in Prime subs, with an additional 3m HH signing up over the past year



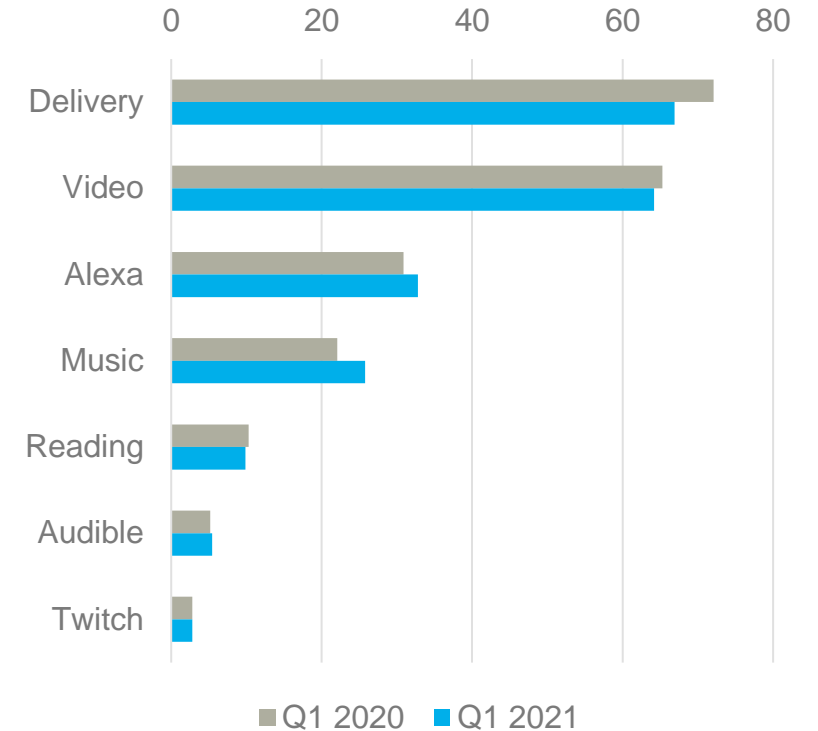
55% (+10pts)

of GB HHs are signed up to Amazon Prime

+3m new households versus Q1 2020



% Prime Subs Using Service



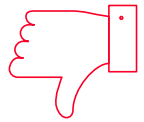
For the majority, keeping track of their subscriptions isn't a priority

2.3 subscriptions on average

“I review the number of film/TV subscriptions I own regularly”



24% Agree



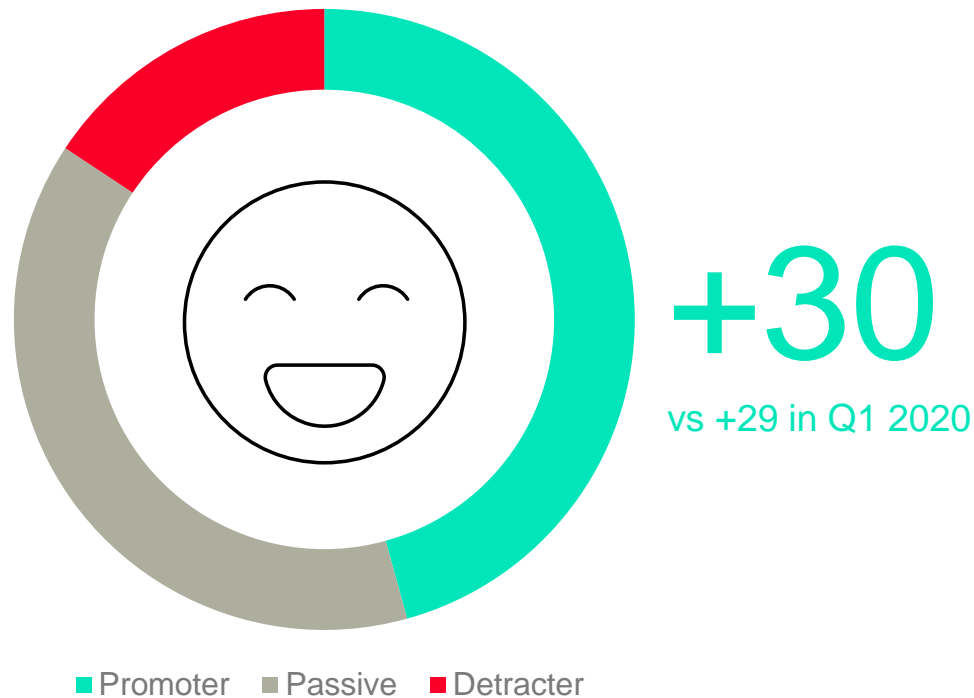
44% Disagree



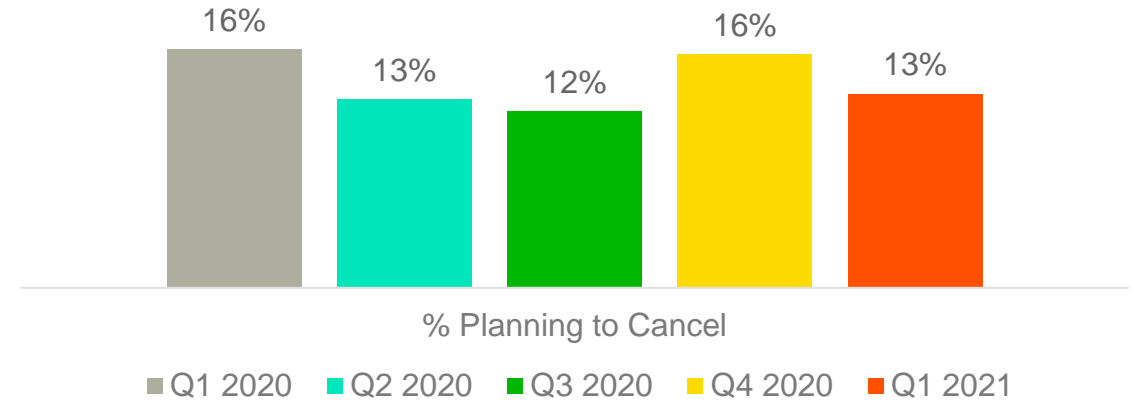
Overall, SVOD subscribers are happy with their subscriptions

Which in turn means fewer are planning on cancelling

NPS Average – Q1 2021



Planned Cancellations – Subscriber %



Actual Cancellations Conversion %

27% **31%**

Summary

Families and Pre-Families have embraced digital formats

These groups expect to stick to their new lockdown habits

But how can Home Ents continue to be the #1 choice, particularly for families, when cinemas fully re-open?

In-Store retail is essential to win back spend from older age groups

Attracting these shoppers back into store is vital; these shoppers have disengaged rather than switch to online and digital

SVOD subscriptions grew throughout 2020 even as restrictions eased

Market buoyed by the wider popularity of Amazon Prime, although conversion into the Prime Video service remained consistently high

The high satisfaction rate and low cancellation intention means any major reduction in subscribers unlikely

Thank you

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