How can content streaming be a better consumer experience?

By Nitesh Singh, issued by Stone

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Although streaming has opened a new way for people to access content, the experience has become unwieldy, unfriendly, and expensive. In our recent Accenture survey of 6,000 consumers in North America, South America, Europe, South Africa, and Asia Pacific, participant responses point to three significant issues that are eroding the streaming experience.

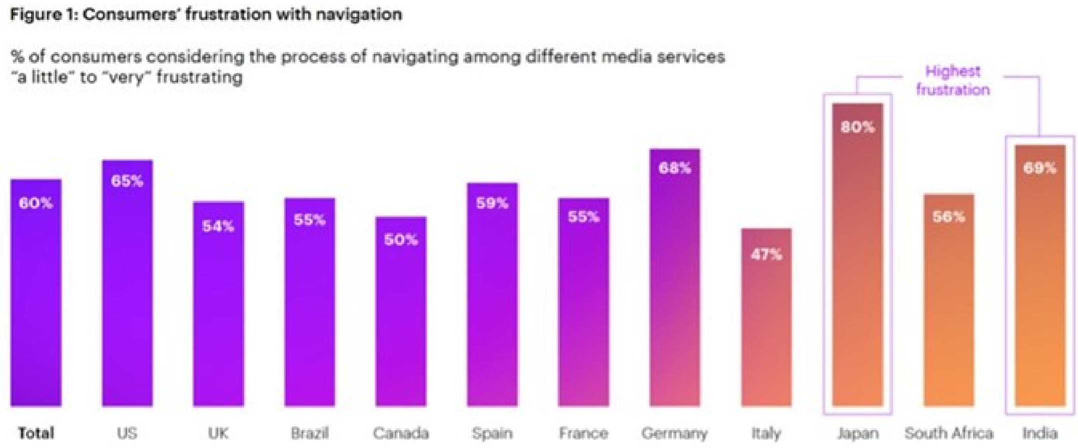
It's Saturday night, and a family is excited to settle in on the couch with a good movie – only to find it frustratingly difficult to search the content available across their four streaming providers. They spend ten minutes jumping back and forth across providers (only to be disappointed), and the recommendations the family has received for 'movies you might like' are laughingly off base and of no help. The entire experience reminds everyone how little of the content they're paying for across these providers they watch or are interested in – and, in turn, how much money they're wasting.

Does that sound familiar? It does to many consumers, who increasingly are getting turned off by the current streaming experience. They are hungry for something different and better.

Three issues consumers have with the current streaming experience

Although streaming has opened a new way for people to access content, the experience has become unwieldy, unfriendly, and expensive. In our recent Accenture survey of 6,000 consumers in North America, South America, Europe, South Africa, and Asia Pacific, participant responses point to three significant issues that are eroding the streaming experience:

1. *Getting caught in the 'rabbit holes':* Growth in streaming services has created complexity, with 60% of consumers finding the process of navigating among them 'a little' to 'very' frustrating. 58% of consumers think using a cross-service search engine is more convenient than going directly to a service and choosing something to watch, and 67% said such tools are an excellent way to find the desired content. However, the more services consumers use, the more frustrated they get.



2. *Encountering inefficient bundles:* Consumers are approaching their upper limit on spending for streaming services, with 33% saying they will 'somewhat' or 'greatly' decrease spend in the next 12 months. It is due to a lack of interest in new spending and services, brand loyalty, and a widening price-value mismatch. 63% of consumers agree that it's too expensive to pay for the entertainment subscriptions they want, and 62% said entertainment would be cheaper because of services such as Netflix.

3. *Algorithms remained scattered across providers:* Consumers want to take their profile from one service to another to personalise content and let a video-on-demand service know more about them to make recommendations more relevant. Services could provide better recommendations by allowing them to choose genres, basing suggestions on popularity, or using what family or friends are watching.

It is time to give consumers greater control over the experience. They want to navigate the rabbit holes more easily, have more choice in service to pay for only what they want, and 'talk back' to the algorithm to help it better recommend content. In other words, they seek to inject the 'I' more meaningfully into the streaming experience.

A new industry structure emerges

Aggregators are increasingly crucial in resolving customer frustrations and helping realise the cord-cutting vision's payoff. Early versions are being assembled, although it is too early to call the winners. According to our survey, any current streaming ecosystem players, SVODs, access devices, connected TVs, internet onramps and consumer apps, and traditional cable operators could become an aggregator. Consumers are looking for innovation and improvement in this space. They are looking for a company to develop new and better ideas for delivering content to them in a way that makes their lives easier and their viewing experience more enjoyable.

It is also hard to say how many aggregators will exist. Still, platform economics and discovery challenges are pushing the world toward a small number of aggregators that can extract attractive rents from partner apps, subscriber fees, and premium CPMs while amortising largely fixed operating costs. In the interim, one can expect mini bundles to form that offer engaging audiences for ad targeting or pay higher subscriber fees for premium content, services, or exclusive brands. However, with distribution secured on a broad-based aggregator, focusing on content types and audience niches provides an opportunity to improve the economics of the business.

As aggregators battle to own the 'Time Spent' of consumers, we can expect future evolutions to aspire to be the onramps for any digital consumer experience. There may be more bundle offers of SVOD and AVOD streaming services, music services, digital books and podcast apps, video games, virtual fitness, food delivery, commerce, and even productivity tools. As Time Spent expands to include the metaverse, aggregators can be enablers and caretakers of digital identity, entitlements, security, currency, etc. This battle to be the home of a consumer's streaming experience may be the first skirmish in the broader struggle to own a consumer's every adventure.

The road ahead for aggregators and the aggregated

There is no doubt aggregation is coming. Consumers want it, and the industry needs it.

Aggregators must prioritise partnering with distribution partners to gain ubiquity on devices and fellow streamers that want to be distributed through them. They must also focus on the ease of connecting and simplifying the process of bolting on a new partner service to help consumers easily explore, discover, and experience the masses.

Provide convenience, better personalisation, compelling ways to spend time, and possible pricing efficiencies to attract and retain consumers. The to-do list for a streamer opting to ride inside an aggregator differs from that of an individual streaming service. Streamers must follow the Law of Gravity, which requires them to stand out, be essential, and make everyone want them. They must also provide unique and compelling content and strike a deal to be the exclusive content provider in a category.

Finally, trust and security must rule as consumers increasingly put their lives in their hands. All players must take steps to position the business for the aggregated future, regardless of which route they choose.

ABOUT THE AUTHOR

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