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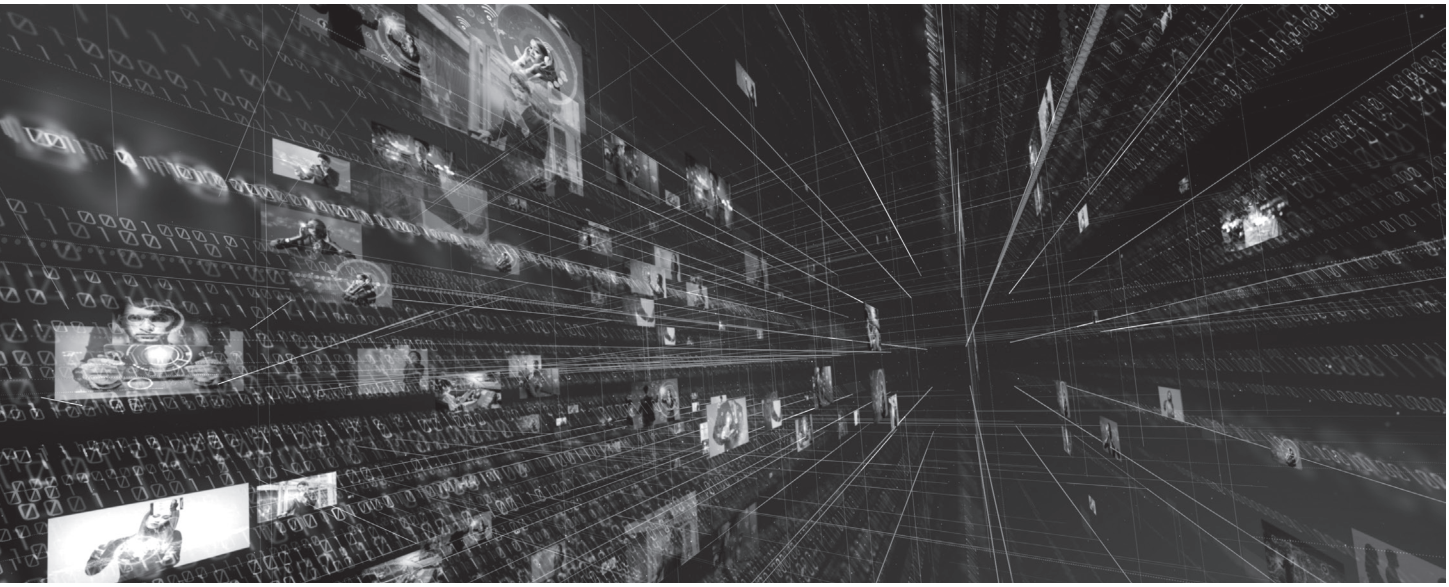

PREPARING FOR OPPORTUNITIES, COMPLICATIONS IN THE POST-PANDEMIC STREAMING SPACE

By Darcy Antonellis, Head of Amdocs Media, CEO, Vubiquity

COVID-19 has provided a blueprint for what the in-home entertainment market will look like in 2021. Expect continued intense competition along with brand new experiences for consumers enabled by prominent partnerships. Providing consumers the option to bundle connectivity with digital offerings that resonated during the pandemic can change the market. Acknowledging the above complexities, tools that enable consumers to manage their digital lives and construct an ideal experience are fundamentally valuable.

In 2021, the OTT market will be primarily shaped by the consumer response to COVID-19 and their experiences throughout the pandemic. They tried new services, subscribed to different entry models and better understood what worked for them. Recent research from Amdocs Media indicated that roughly 30 percent of U.S. consumers tried a new media subscription service during this "time of trials."

Going forward, expect continued intense competition for subscriber acquisition and, most importantly, retention. In addition to more original content to keep consumers happy, we're seeing new approaches like live virtual concerts from Spotify, and Amazon Music bringing musicians front and center with fans through a partnership with Twitch. Apple introduced bundled subscriptions for various offerings, while others like Microsoft refined their gaming portfolios with partnerships and cloud-based services. We'll likely see more expansive bundles in 2021.

OTT consumption has accelerated not just within the media and entertainment space but also across various digital consumer services. For example, during the early days of COVID-19, our research found that nearly a third of consumers took advantage of new online food or grocery services. Roughly 18 percent tried online gaming for

***Darcy** serves as head of Amdocs Media and CEO of Vubiquity. Prior to joining Vubiquity, Darcy was president of technical operations and CTO at Warner Bros. Entertainment Inc. Before joining Warner Bros., as an executive at CBS, Darcy's responsibilities included management of the network's operations in New York and for the CBS News Bureau in Washington, D.C. dantonellis@vubiquity.com @VUBIQUITY* the first time. Financially, we also found (pre-pandemic) that approximately 27 percent of surveyed consumers spend more than $100 a month on media and entertainment subscription services.

As the overall environment becomes more complex, tools that enable consumers to manage a growing variety of services (heavily steeped in digital subscriptions and physical goods) in one centralized spot is where service providers can differentiate. The focus must be on making things easier, more accessible and visible for consumers.

DIVERSE BUNDLES AND THE IMPORTANCE OF PARTNERSHIPS

In many cases, the traditional service provider triple-play offerings have expanded to include an optional mix of big-name partners that give subscribers more freedom to go a-la-carte and have SVOD programming aligned to their favorite brands. This "optionality" to bundle connectivity with digital entertainment and consumer services has provided success for some well-executed CSP strategies around the globe.

For OTT, media and entertainment players, there's no reason to expect bundled incentives, free trials and new series originals will not continue into 2021. For example, in digital commerce, non-media digital and physical goods, COVID-19 has changed the consumer mindset to getting what they want without leaving the house.

This brings an opportunity to work closely with service providers to bundle popular services during COVID-19, like online gaming, delivery services, remote work options, and eLearning. Partnerships will be a critical aspect to bring these new, bundled options to life. ⊞