GroupM – Belgian Video Streaming Monitor

Introduction and background

Interview method : Online survey
Sample size : 1.400 respondents
Universe : Belgium 18-59 y.o.
Period : April 2022, week 13 and 17
Weighting : region, language, gender, age, social groups, educational level & urbanisation

Editions
- Wave 1 : March 2020 (n=700)
- Wave 2 : December 2020 (n=700)
- Wave 3 : September 2021 (n=700)
- Wave 4 : April 2022 (n=1.400)

As of wave 4, we increased the sample size to fully capture the increased market dynamics. We also doubled the observation periods to smoothen out the recency questions. If an offer is limited to a region, it is indicated with (N) or (S) and thus filtered (=language).

It is undeniable that the video streaming has entered our lives and is here to stay.

Given its highly dynamic character, we monitor the evolution every 6 months. Diverse factors explain movements :

- General adoption curve (CAGR index)
- Seasonality of viewing behaviour
- Viewing modes (web, app, smart tv …)
- New market entrants
- AVOD offer from SVOD players
- External factors (Covid, war Ukraine …)

These factors make up the complexity and unpredictability of the video streaming market. That is why GroupM wishes to provide a clear overview of these trends in Belgium, next to iMEC's Digimeter, which is only focused on the North of the country.

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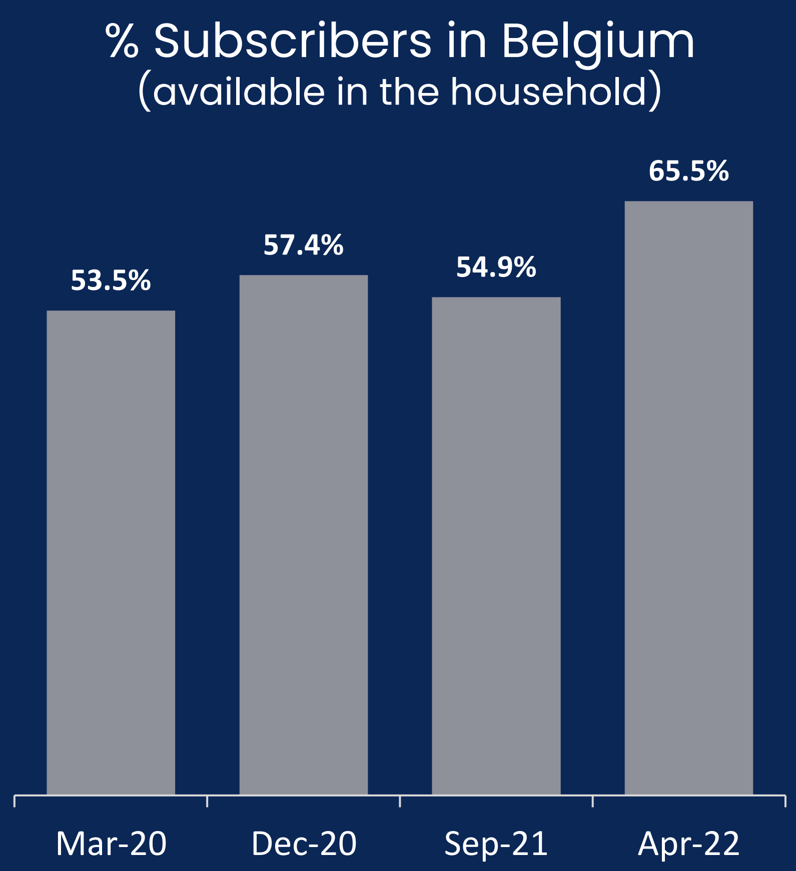
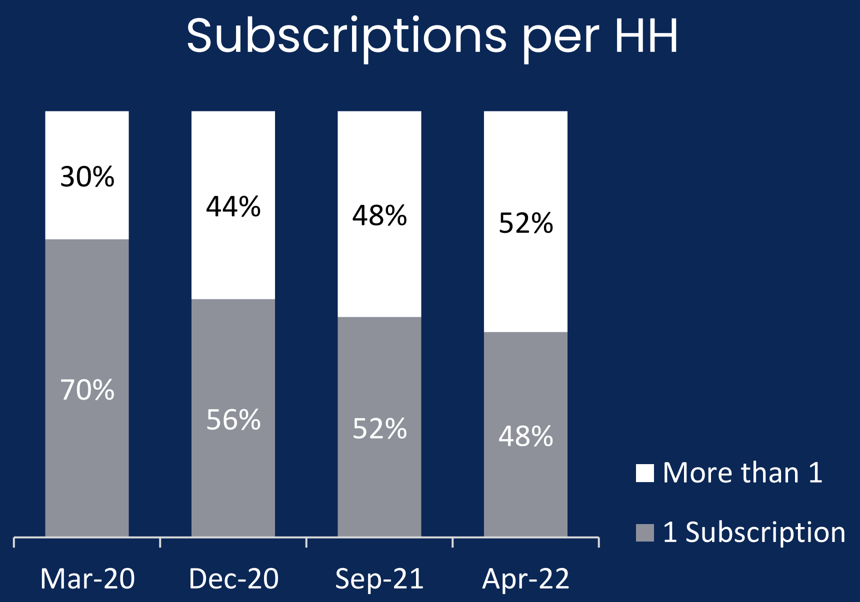
Total subscription evolution



SVOD market reaches an all time high with 65.5% penetration
After a difficult spell in September '21, the SVOD market has regained great traction. The increase in April '22 is primarily driven by the South.

For the first time, there are more households with multiple subscriptions (52%) than with only one.

As a result, the average amount of subscriptions increases from 1,81 to 1,95.



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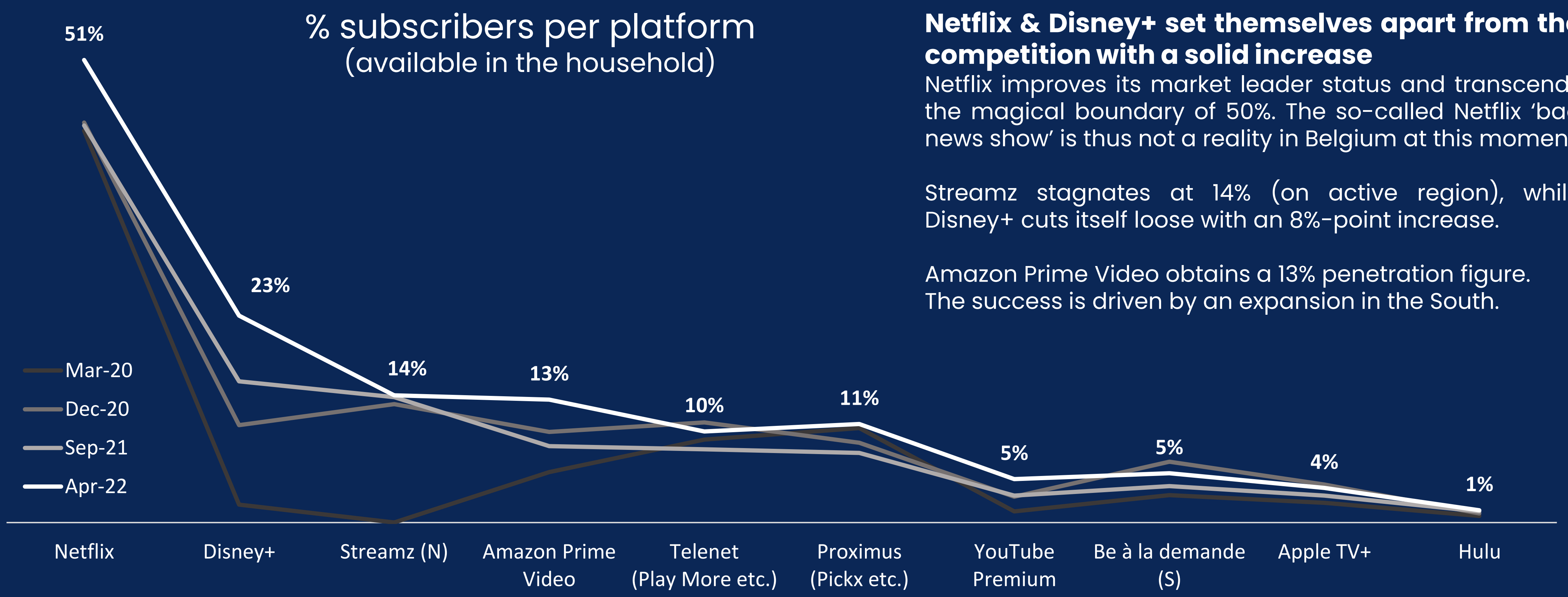
Evolution per streaming platform



Netflix & Disney+ set themselves apart from the competition with a solid increase
Netflix improves its market leader status and transcends the magical boundary of 50%. The so-called Netflix 'bad news show' is thus not a reality in Belgium at this moment.

Streamz stagnates at 14% (on active region), while Disney+ cuts itself loose with an 8%-point increase.

Amazon Prime Video obtains a 13% penetration figure. The success is driven by an expansion in the South.

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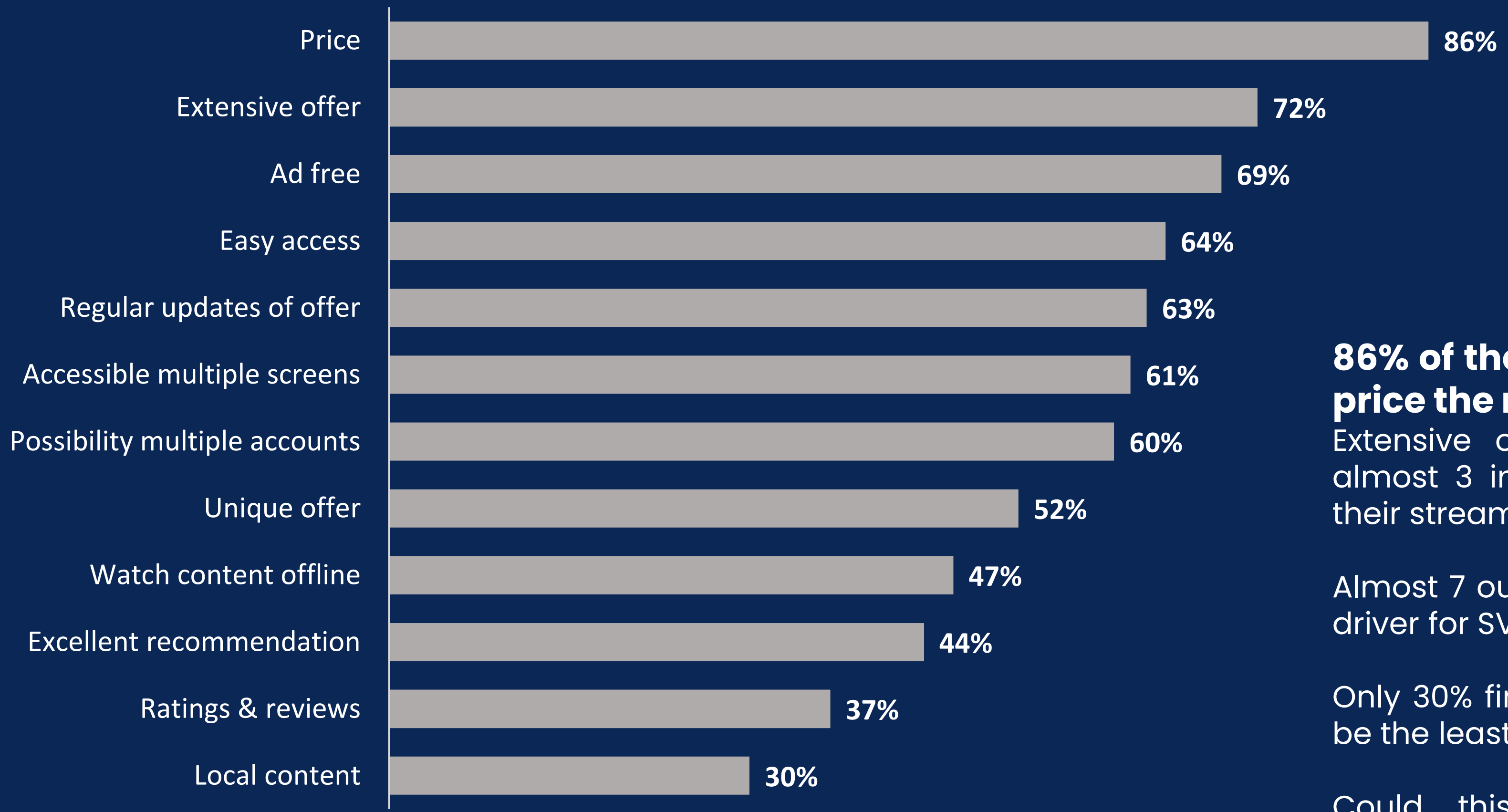
Streaming platform drivers



86% of the Belgian streaming subscribers find price the most important
Extensive offer is the second most mentioned, as almost 3 in 4 take this into account when choosing their streaming subscription.

Almost 7 out of 10 declare the ad free proposition as a driver for SVOD.

Only 30% find local content important which seems to be the least relevant driver influencing platform choice.

Could this explain the continuous rise of the international players and the stagnation of Streamz?

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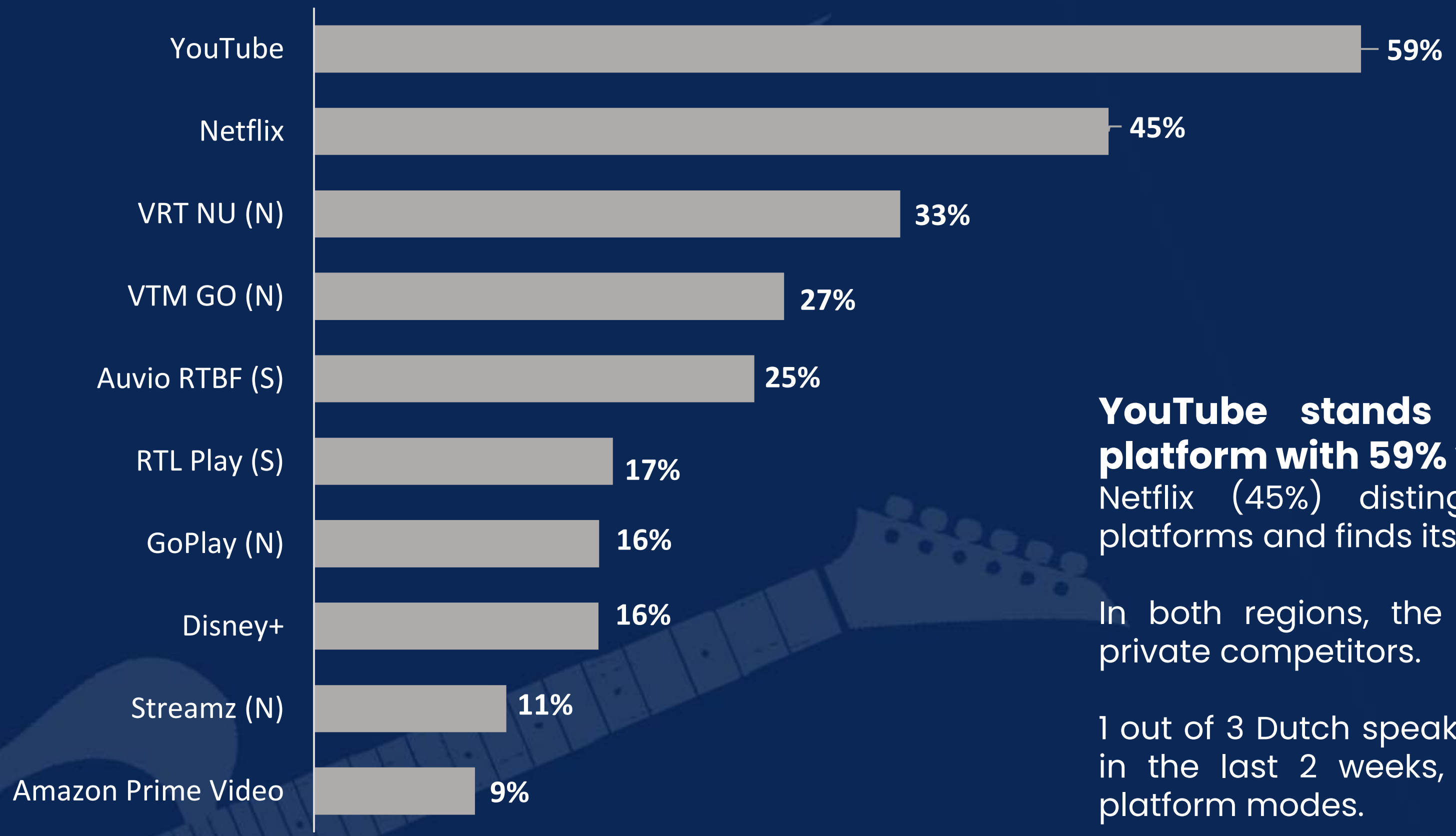
Only accounts people who are currently subscribed to at least one streaming platform

Top 10 viewership



YouTube stands out as the most watched platform with 59% viewers in the last 2 weeks
Netflix (45%) distinguishes itself from other SVOD platforms and finds itself above all BVOD players.

In both regions, the public BVOD offer precedes their private competitors.

1 out of 3 Dutch speaking declared having viewed VRT NU in the last 2 weeks, partially pushed by its increased platform modes.

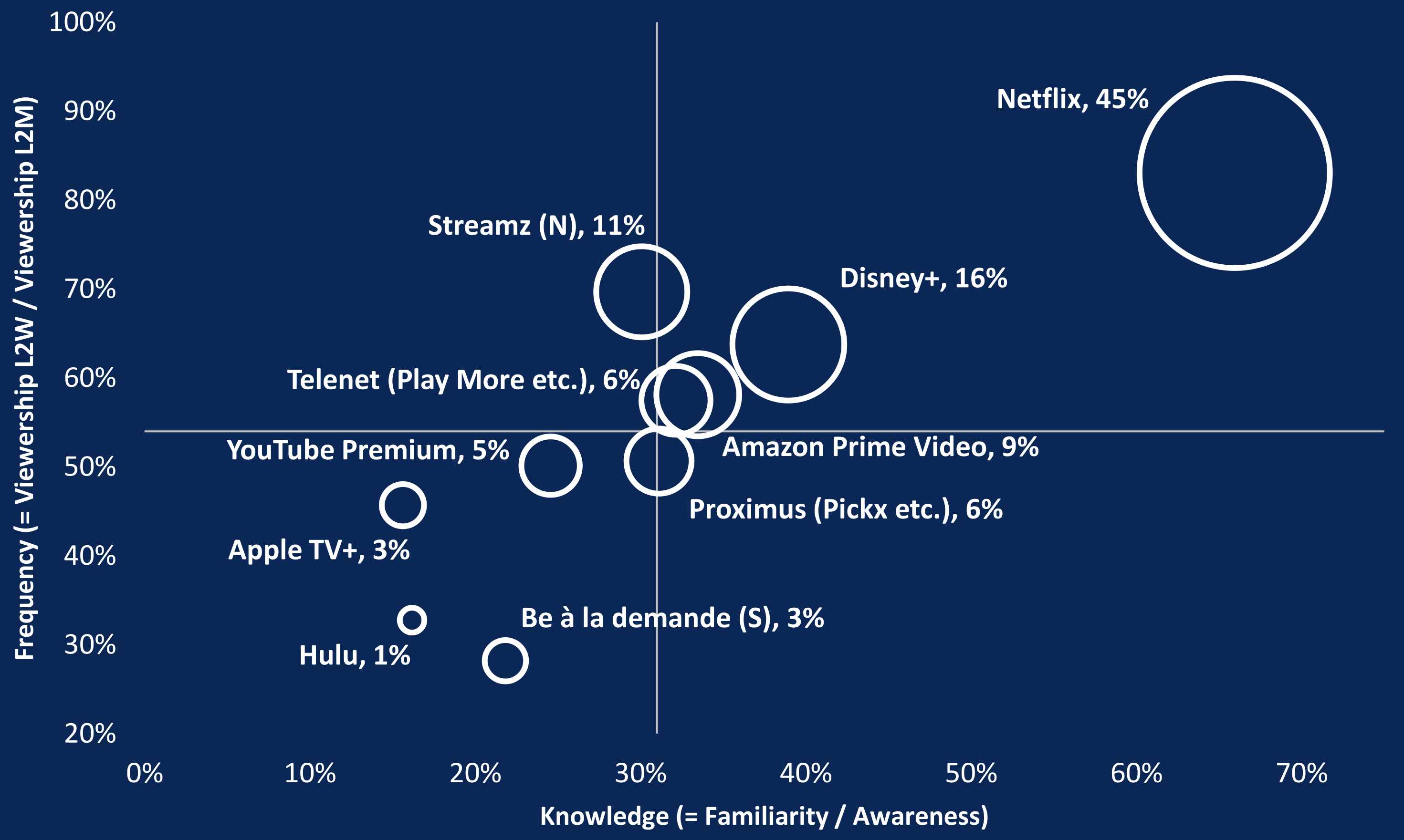
Platform performance SVOD

Netflix remains standout player in the SVOD market
Netflix separates itself from the competition. 66% of people who know the platform, are familiar with it. On top of that, they have the most loyal viewing audience.

Disney+ & Streamz compete for 2nd position. In terms of frequency index, Streamz out-performs Disney+ (70% vs. 64%). However, Disney+ has a better knowledge index (39% vs. 30%).

Telenet and Amazon Prime video find themselves just above the SVOD average, both in terms of knowledge as in frequency.

Bubble size = Viewership L2W



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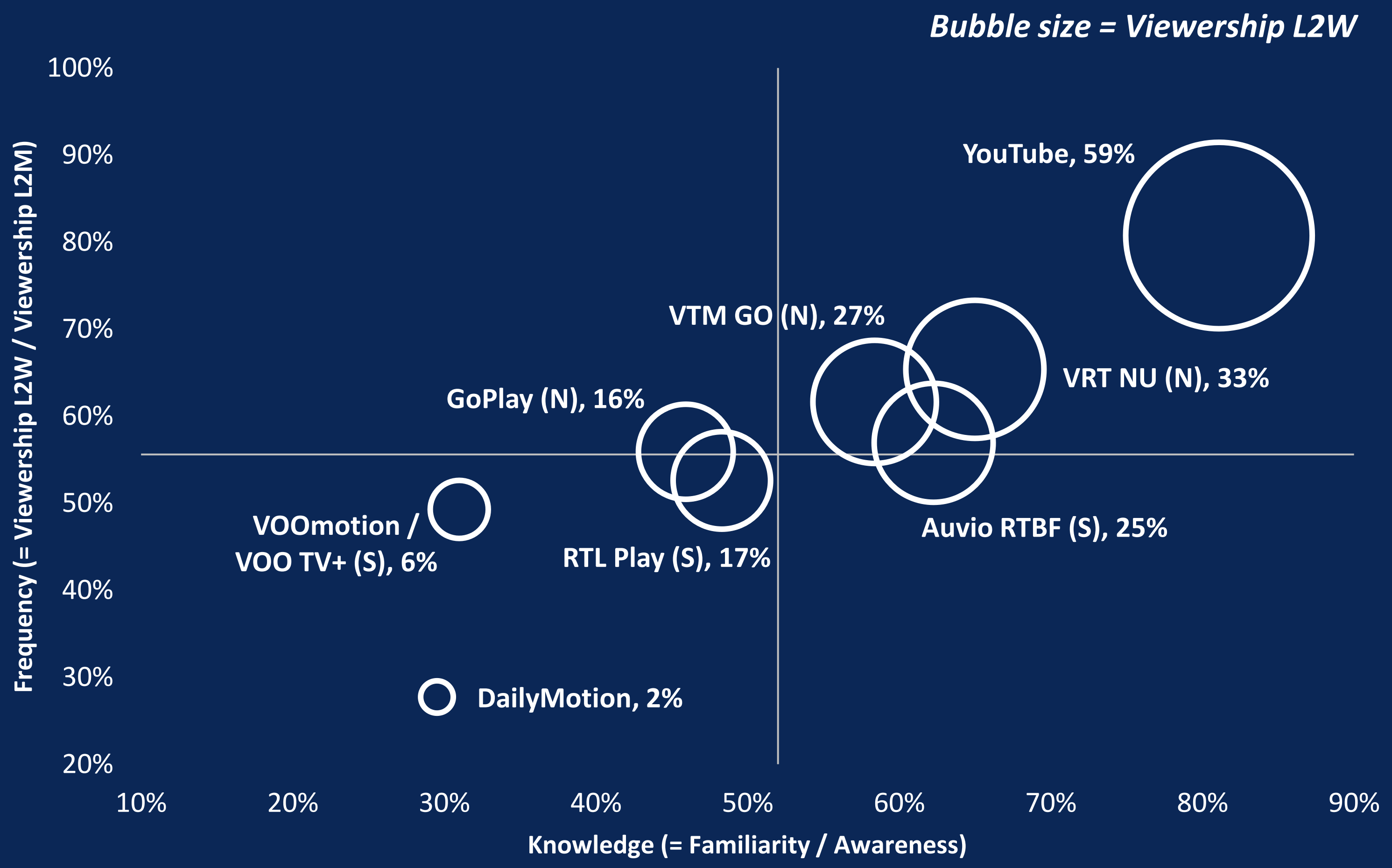
Platform performance BVOD

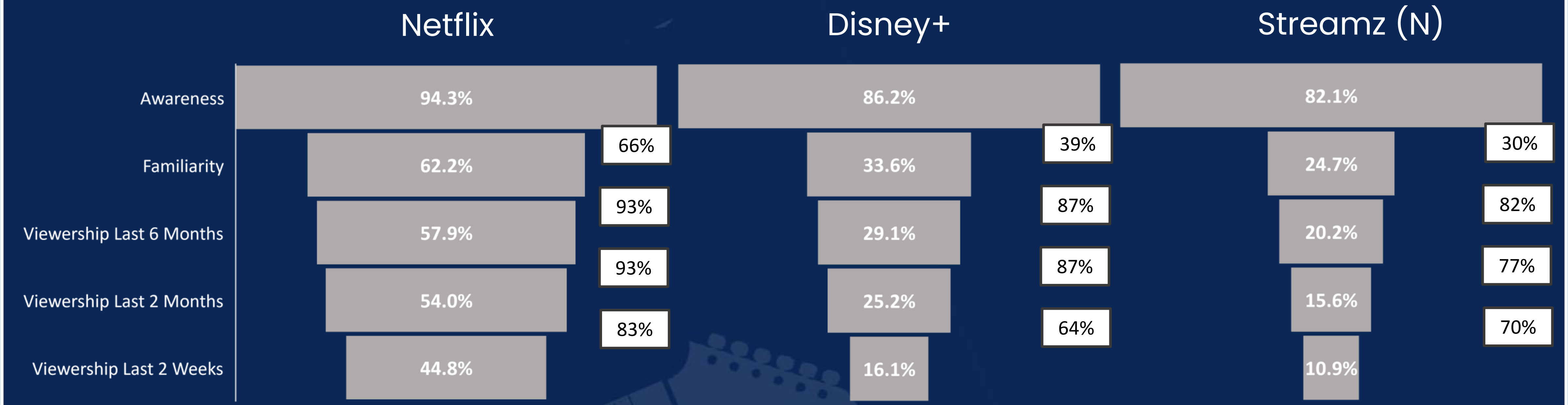
YouTube leads the dance in the free streaming arena
YouTube shows its success with a staggering frequency and knowledge index of 81%.

VRT NU comes in second place, right 'above' VTM GO and Auvio RTBF. Is this the effect of the 'turbulent' times in which we live?

BVOD platforms in the North perform better on the frequency index. Are platforms in the South decreasing in viewing frequency due to the rapid growth of SVOD?



Top 3 SVOD – Brand Funnel



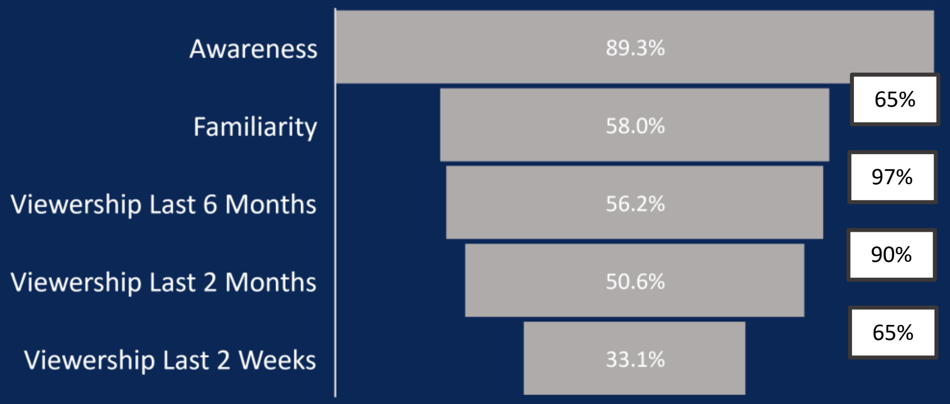
Netflix top performer of the top 3 platforms in terms of the brand funnel
Disney+ and Streamz lack conversion of awareness to familiarity (respectively 39% and 30%).

Disney+ achieves better conversion along the funnel compared to Streamz, with the exception of viewership last 2 weeks.

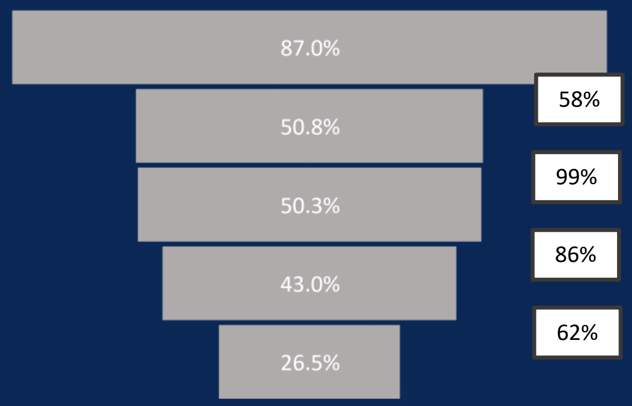
Streamz outperforms Disney+ in last part of the brand funnel. 70% of last 2 months viewers also watched in last 2 weeks, compared to only 64% for Disney+.

Top 5 BVOD – Brand Funnel

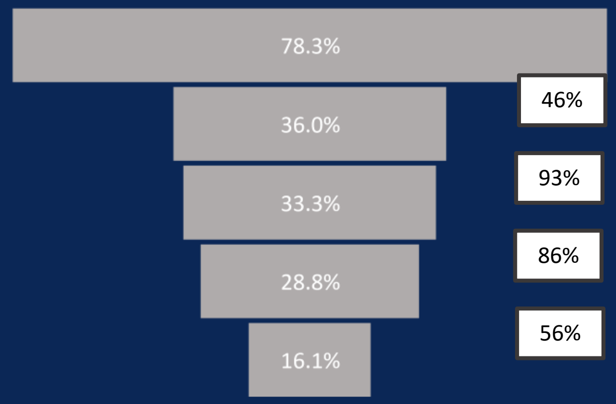
VRT NU (N)



VTM GO (N)



GoPlay (N)

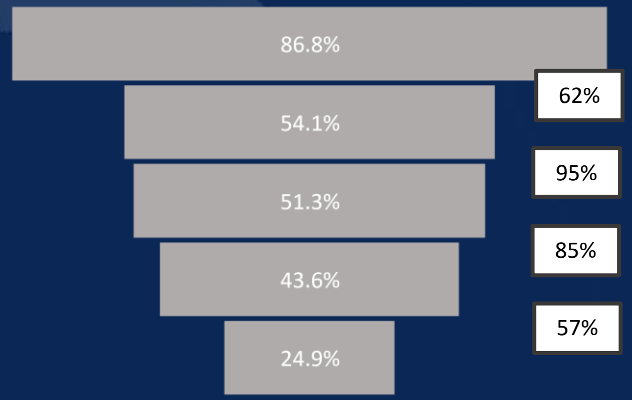


Compared to other BVOD platforms VRT NU masters its brand funnel the best

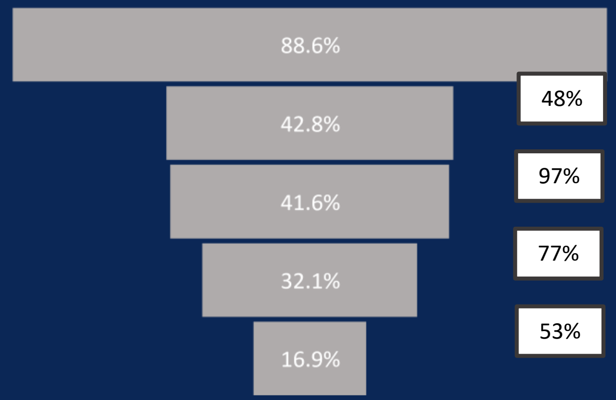
VRT NU outperforms other platforms in terms of the different brand KPI's. In the South, Auvio does it almost as good.

GoPlay still struggles on familiarity to get the brand funnel fuelled. Same observation for RTL Play.

Auvio RTBF (S)



RTL Play (S)



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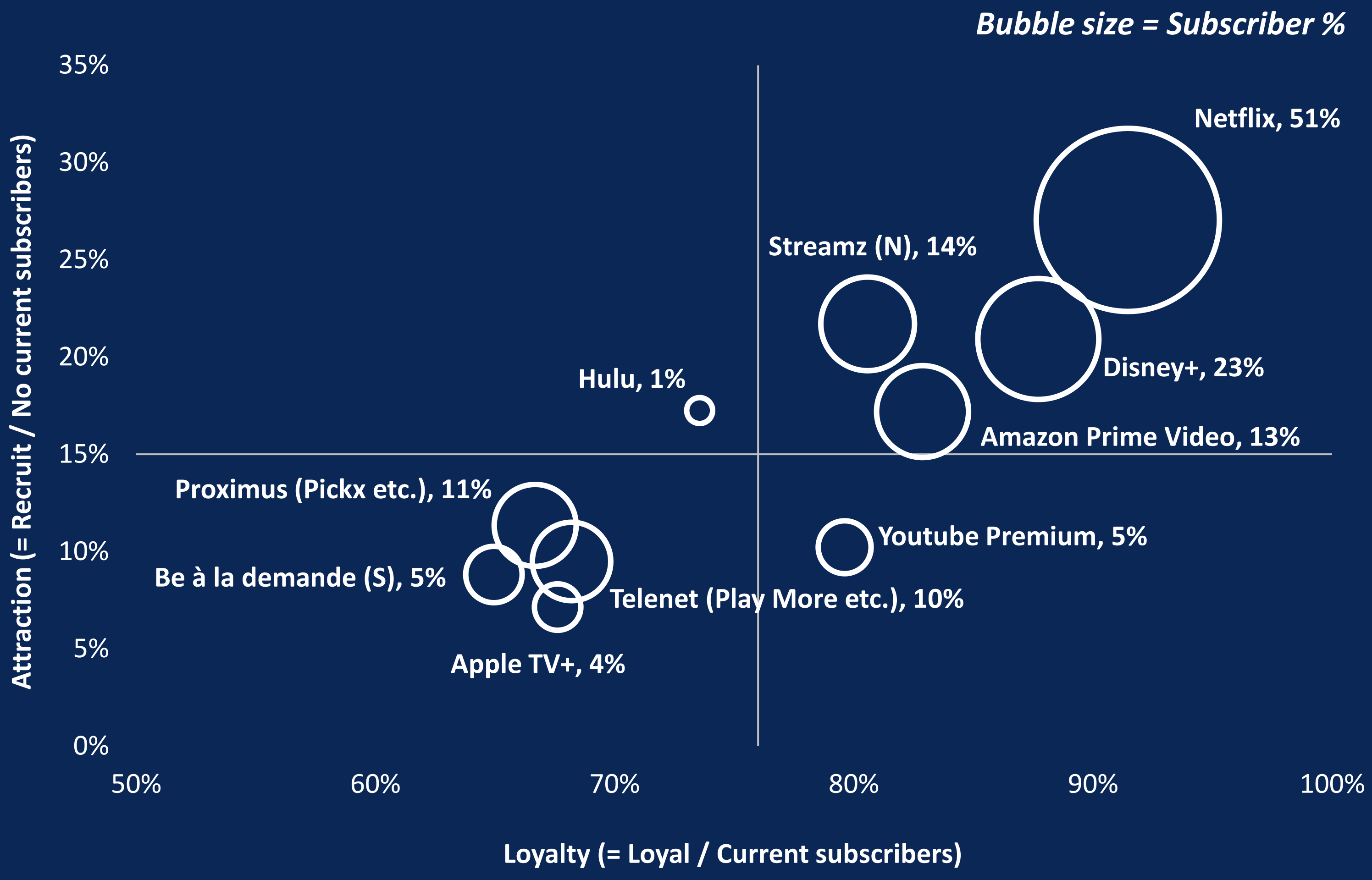
Future intention SVOD

Future market potential shows room for platforms to grow
Netflix is in best position to improve as the subscribers are most loyal (91%) and attraction index (27%) is highest.

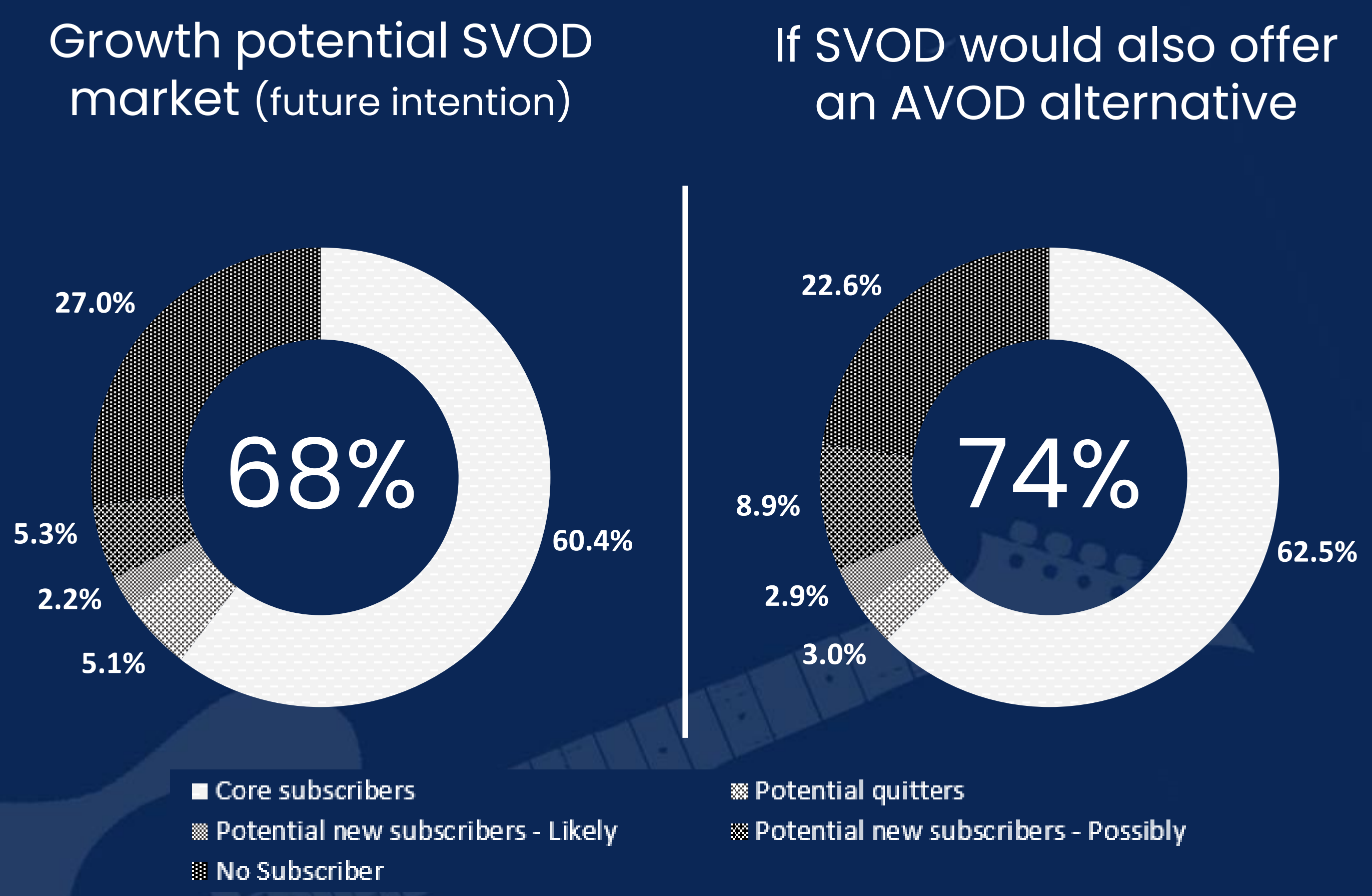
Streamz, Disney+ and Amazon are in close competition in the top right quadrant, fighting for attraction amongst non-subscribers. Disney+ shows highest loyalty however.

Note that 85% of future movements are undecided, meaning anything is still possible.



Data is only based on people who know the platform

Future market potential SVOD



SVOD net growth potential of 2.4%- points, flirting with 70%
7.5% declares to potentially subscribe to a paying platform in the future. 5.1% indicates potentially stopping their current subscription.

SVOD offering an AVOD introduction increases market potential with 6.4%- points
Introduction of AVOD would mean 40% of potential quitters would change to an AVOD offer instead.

Next to that, AVOD would increase amount of (possible) newcomers in the streaming landscape with 58%.

Around 1 in 3 current subscribers would consider switching from their current SVOD to an AVOD subscription.

Will the introduction of AVOD accelerate streaming growth In the future?

You will find out in our next measurement!

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Management Summary

1. **SVOD landscape thrives and reaches an all time high**
   Amount of Belgians with at least one subscription has evolved from 53.5% two years ago to 65.5% today. More than half of the subscribers possess multiple subscriptions. The average number of subscriptions per household today is 1,95.
2. **Netflix strengthens top platform status in SVOD category**
   With more than 1 in 2 Belgians subscribed, Netflix confirms its success. Disney+ increases subscriptions to 23%. The demand for extensive offers at low prices seem to be the driving forces. When focusing on the Dutch speaking population, Streamz stagnates at 14%. A large local content offer seems to be less of a driver.
3. **YouTube and Netflix top the viewership ranking**
   In general, BVOD reaches a broader audience than it SVOD counterpart, with the exception of Netflix. In both regions, the public BVOD offer precedes their private competitors. VRT NU is the best performing BVOD platform. But the absolute number 1 in the ranking is YouTube.
4. **SVOD future is bright, but subscribers still need to make up their choice**
   The SVOD market predicted net growth is 2.4%-points, increasing the current market from 65.5% to 68% subscribers. Netflix unlocks key to growth by combining top loyalty, with highest attraction index. Note that 85% of future subscription choices are still undecided. The future battle will be fierce between the top 4 SVOD platforms.
5. **SVOD platforms offering an AVOD offer will benefit market dynamics**
   Introduction of a cheaper formula with commercial breaks (partial Advertising funded Video on Demand) pushes future market potential with a net growth of 6.4%-points. 4.3% are new recruits and 2.1% are people that otherwise would stop their paid subscription without this alternative.