



CEPS 05-Oct-2016

OTT Streaming Services:

Consumer behaviour and policy implications

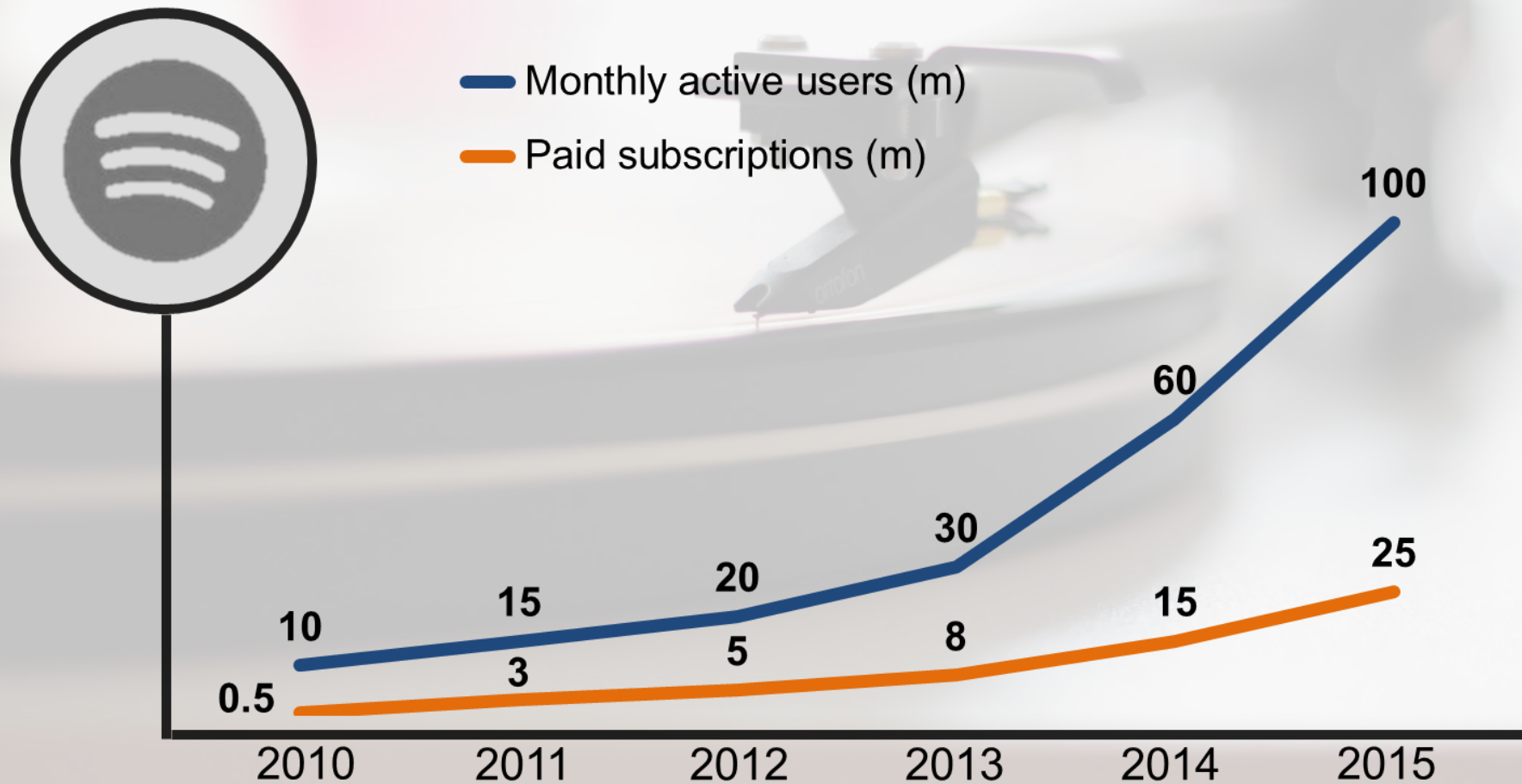
Dr René Arnold
Dr Anna Schneider

Stream on

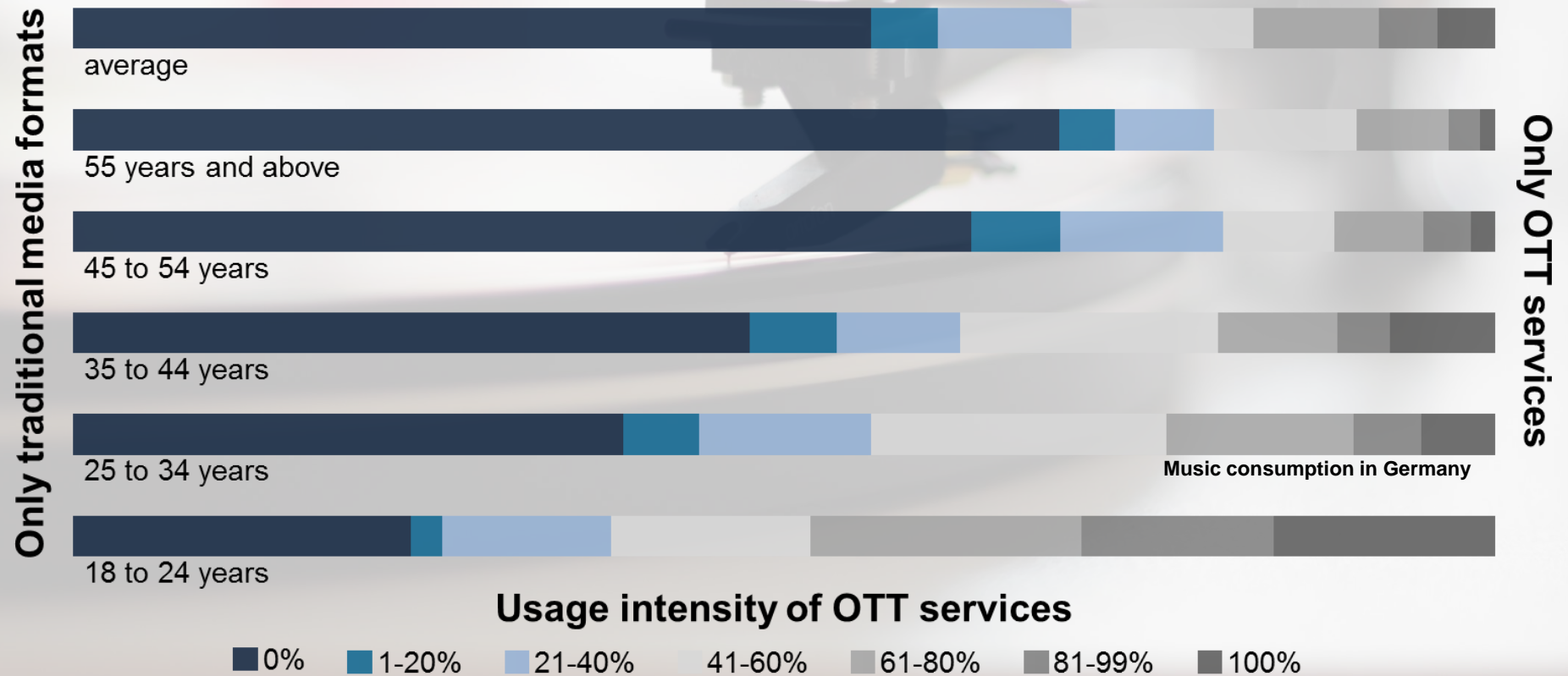
62%

have not listened to a CD
in the past 6 months

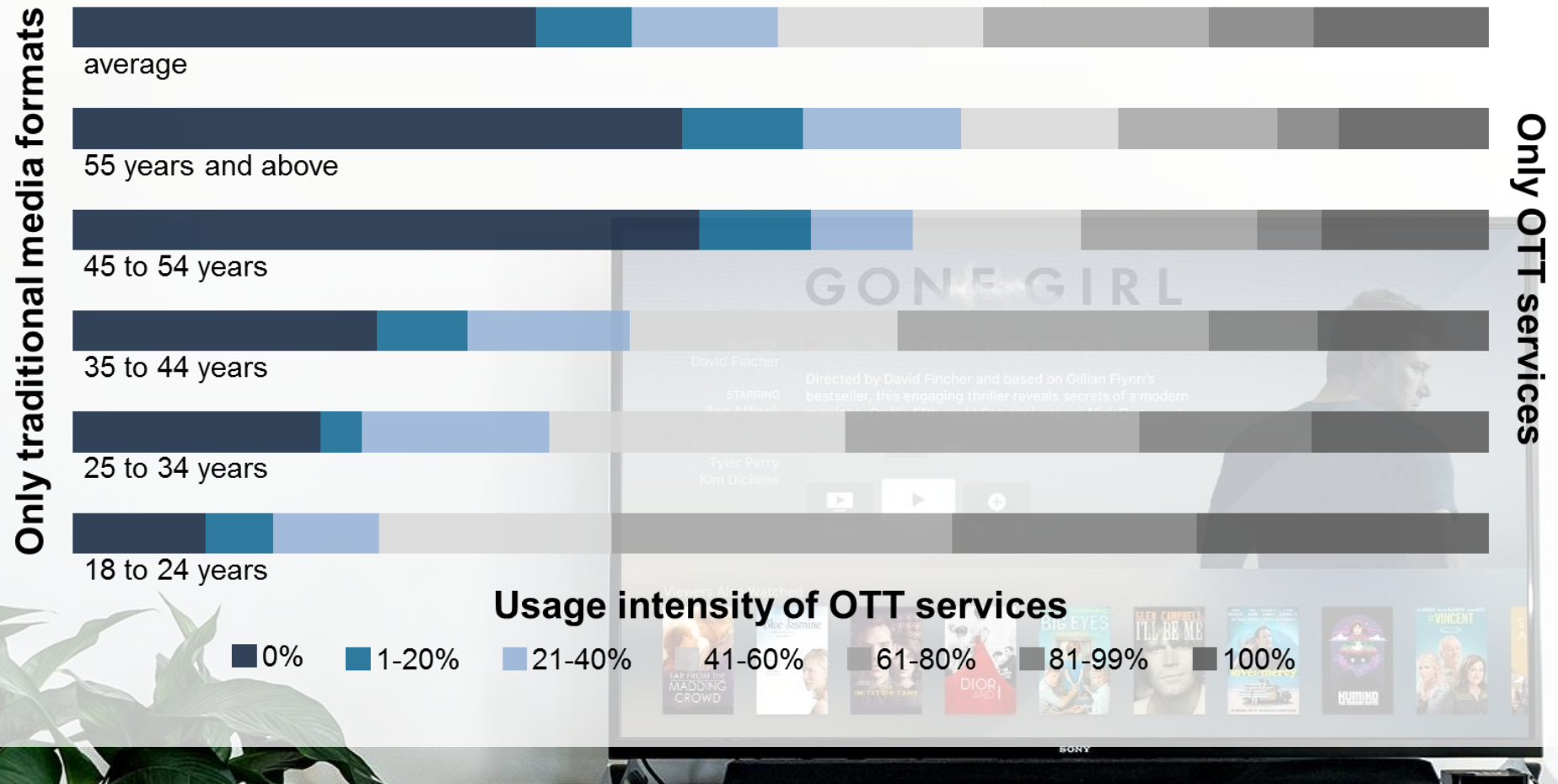
Stream on



Music Streaming by Age



Video Streaming by Age



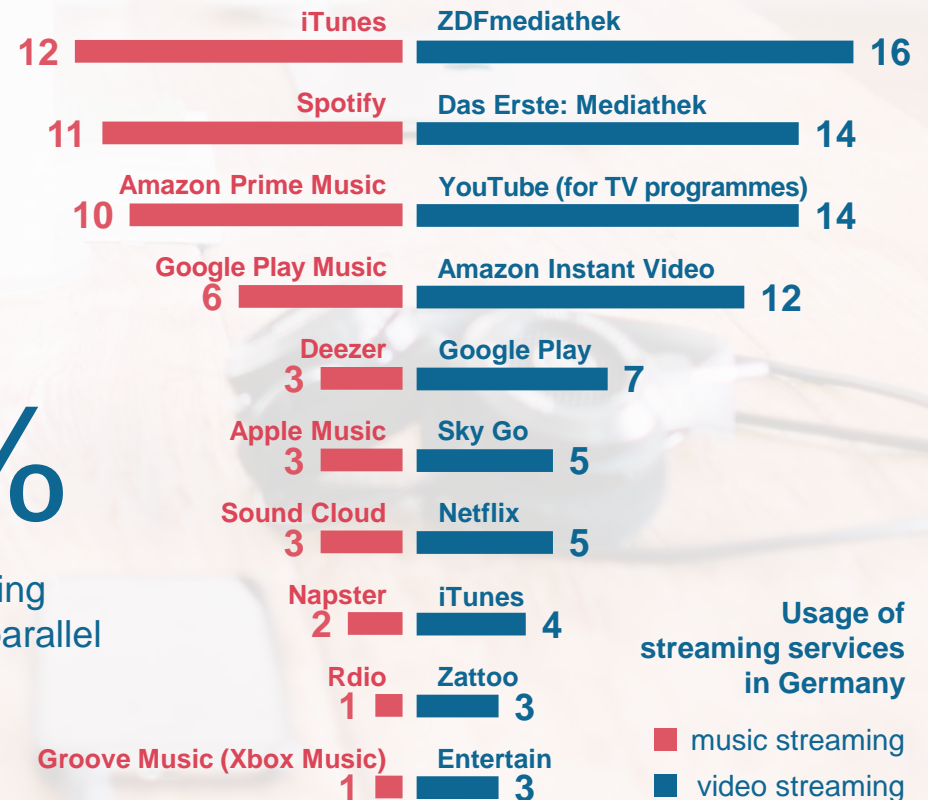
Referring to the German population (with video consumption). Source: Representative online survey N = 1,000; WIK calculations.

Fighting for Users

14% 30%

use 3 or more streaming services for music in parallel

use 3 or more streaming services for video in parallel



Content Drives High-Speed Broadband Take-up

*OTT streaming services
Usage intensity*

$$f \begin{matrix} \text{---} & ++ & +++ & ++ & ++ & + \end{matrix} \begin{matrix} (\text{age, university, LTE plan, } >16\text{Mbit/s at home, new mobile plan, new at-home plan}) \end{matrix}$$

Data regarding regression: Linear OLS-Regression, n=829; R²=.253; Adj. R²=.247; F=46.305. All independent variables are statistically significant (p<.010).
How to read this figure: the usage intensity of OTT streaming services, i.e. the share of OTT streaming services used, decreases with the respondent's age. It increases, however, if the respondent has got a university education, an LTE plan, more than 16 Mbit/s bandwidth at home, or if a new mobile plan with more high-speed data allowance and a new plan for at-home Internet access has been purchased within the last two years.

To achieve Digital Agenda goals,
we need policies in support of
content distribution and consumption.

Freedom of Choice and Passion...

“Somehow music doesn’t feel the same anymore [...] because there is no limit to it anymore.” (Lianne, 20)

“With the arrival of the Internet, you were suddenly able to access anything you wanted, so if something was not as good as expected, it didn’t really matter.” (Lorenz, 23)

“Streaming could replace traditional TV for about half of what I watch, because I want to see the news live and the public broadcasters’ regional coverage.” (Kerstin, 46)

“The way you watch a series today, it’s much more like reading a book than anything else. I can read a chapter a day, or two, or even the whole book, and there is nobody to say, ‘ah no, you’ll have to wait a week before you can carry on’.” (Tom, 27)

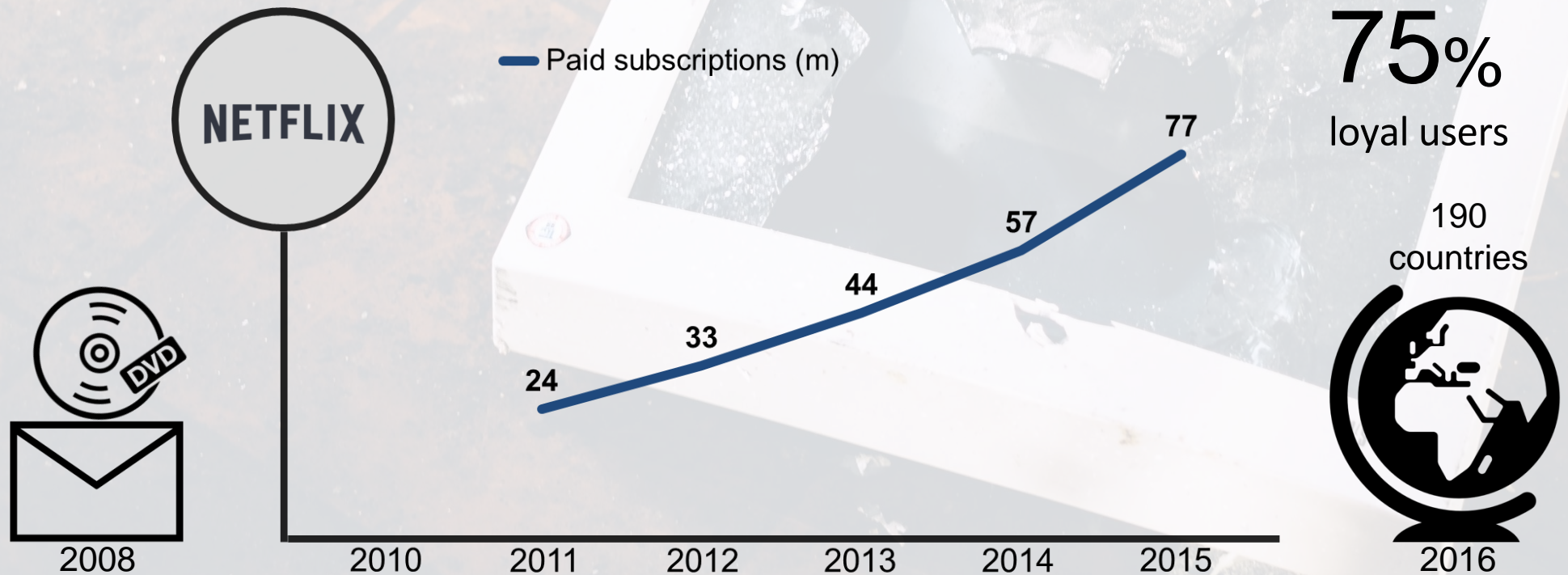


Destroy and Disrupt



Destroy and Disrupt

Netflix as a prime example





A Look Forward – Policy Implications

- Policy has to reflect fundamental changes in media consumption
- Support content distribution to promote broadband take-up
- Regulation cannot compensate for outdated business models
- Smart support for digital transformation instead of protectionism

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About this study:

The results presented here are part of WIK Discussion Paper No. 409. The full Discussion Paper can be purchased for 7.00 Euro from Ute Schwab (u.schwab@wik.org or +49 (0)2224 / 92 25 41). The Discussion Paper is only available in German.

The online survey for this study with a representative sample of 1,027 consumers in Germany (age 18+) was conducted between 30th November 2015 and 7th December 2015 by the international market research institute YouGov. The results were weighted to draw representative conclusions for the German population (age 18+). Additionally, 28 qualitative interviews were conducted in April and May 2016.

About WIK:

Founded in 1982, WIK (Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste) in Bad Honnef, Germany offers consultancy for public and private clients around the world. Its focus is on the telecommunication, Internet, post and energy sectors giving advice on policy, regulatory and strategic issues. More information is available at: www.wik.org.

About Fresenius University of Applied Sciences:

Founded in 1848 by Carl Remigius Fresenius, and with its roots in the Fresenius Chemical Laboratory, the Fresenius University of Applied Sciences can look back on over 168 years of privately funded educational tradition in Germany. True to the intent of its founder, it combines teaching, research, and practical application.

More information is available at: <http://www.hs-fresenius.de/en>.