Magid

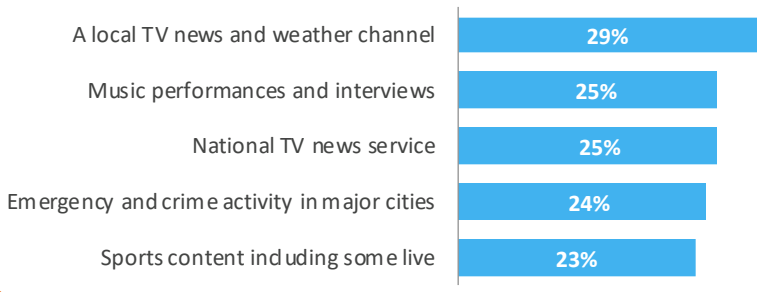
[THE CONSUMER IMPACT OF COVID-19]

INSIGHTS FOR THE WEEK OF MAY 18, 2020

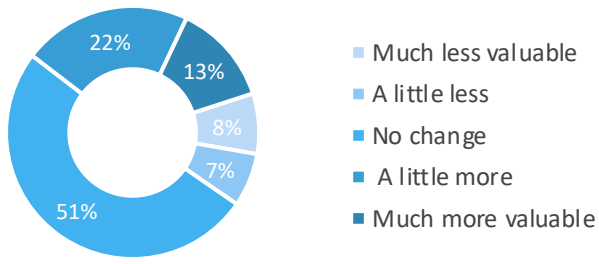
1 PEOPLE LOVE SVODs NOW. WHAT IF THEY HAD LIVE CONTENT?

Interest in "live" goes far beyond sports. Given the interest we see in the addition of various live 24-hour "channels" to streaming services, this represents both a significant opportunity for major SVOD and AVOD players, and an equally significant vulnerability for MVPDs and networks.

INTERESTED (4+5) IN A LIVE 24-HOUR "CHANNEL" ON SVOD



IMPACT OF LIVE CHANNELS ON SVOD'S PERCEIVED VALUE (IF INCLUDED)



WHAT WE'RE SOLVING FOR OUR CLIENTS:

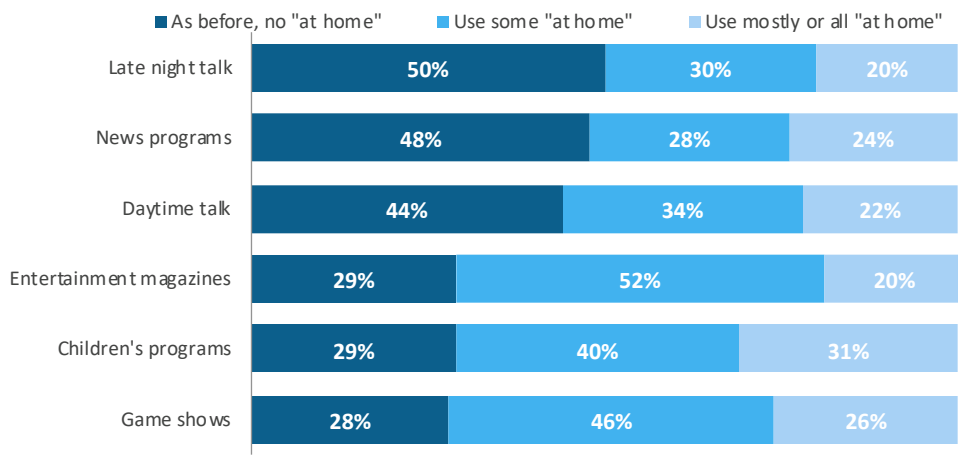
- What can traditional linear TV distributors do to defend their primacy as providers of live programming?
- What's the play for challenger distribution brands?
- What is the ideal live strategy for each SVOD or AVOD to gain subscribers and reduce churn?

2 WHAT CRISIS-ALTERED TV CONTENT TELLS US ABOUT THE FUTURE OF SUCCESSFUL TV PROGRAMMING

Consumers like the "home-produced" programming we've seen during the COVID-19 crisis with 50% of consumers finding on-air talent more authentic and real when programs are produced this way. Many consumers, particularly those in the younger half of the core ad buying demo, want this kind of programming treatment sustained post-crisis - across multiple genres. This tells us a lot about the lack of perceived authenticity in programming pre-crisis and provides clues about how programming should evolve for positive results post-crisis.

DESIRED FUTURE OF TV SHOWS PRESENTED FROM HOME

(Among those watching/noticing home production in that genre)



WHAT WE'RE SOLVING FOR OUR CLIENTS :

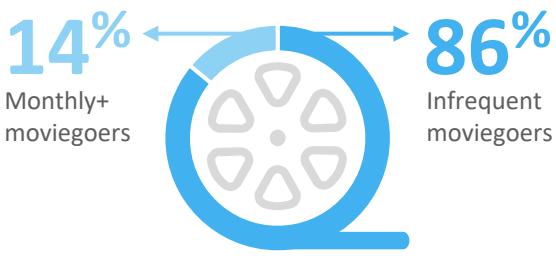
- How can producers evolve their work to meet the clear desire for fresh programming approaches while taking advantage of the cost savings of newly desired production values?
- For what specific IP do different production approaches best fit (for the audience, for the creative, for sponsor engagement, etc.), and to what degree?
- How should news, talk, magazine, and game shows innovate to deliver against new post-crisis production ideals?

3 SEGMENTING NEW-RELEASE MOVIE AUDIENCES FOR MAXIMUM REVENUE

Sure, frequent moviegoers have an interest in watching newly released movies at home. Since they still like going to the theater, their desire to stay home is relatively muted. Infrequent moviegoers, on the other hand, aren't *jonesing* for the theater but do show a strong interest to rent new releases at home. In fact, they like it so much they're willing to pay a steep price for the privilege. With interest in purchasing "opening night" promotions at home, there seems to be a potential new revenue opportunity emerging around new releases.

FREQUENCY OF MOVIEGOERS

(Pre-COVID-19, ages 13+)



NUMBER OF PEOPLE IN THE US 13+ WHO ARE LIKELY TO RENT A NEWLY RELEASED MOVIE AT HOME IN MILLIONS

	Infrequent Moviegoers	Monthly+ Moviegoers
$19.95	**68.0M**	**13.2M**
$29.95	**63.2M**	**13.2M**

OPTIONS TO MAKE HOME MOVIE EXPERIENCE MORE FUN

20% » Ordering special take-out or delivery food to match the movie (such as a themed pizza)
13% » Playing online mini-games in the theme of the movie
13% » Online "watch parties" (private or public) where you can see and interact virtually with others while watching the movie
13% » Exclusive "opening night" merchandise specific to the movie
13% » Live drawings that award movie merchandise to the winners

41% of the total sample chose at least 1 of those top 5 items as something that would make home movies more fun

WHAT WE'RE SOLVING FOR OUR CLIENTS :

- What co-promotions and other ancillary business arrangements could further boost revenue and consumer uptake at home?
- Can the home release pricing for premieres be especially aggressive, to create a new high-value window before wider release at more typical electronic sell-through pricing?
- What is the new optimal windowing and pricing strategy for movie releases? How does this differ by genre and title?

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