

Global Audience Demand for Digital Original Series

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Introduction

Global content demand



Parrot Analytics is a technology and data science company that measures global demand for television content.

Consumers express their demand for content through various “demand expression platforms” including:

- ▶ Video Streaming Platforms
- ▶ Social Media Platforms
- ▶ Photo Sharing Platforms
- ▶ Blogging & Microblogging Platforms
- ▶ Fan & Critic Rating Platforms
- ▶ Wikis & Informational Sites
- ▶ Peer-to-Peer Protocols
- ▶ File-Sharing Platforms

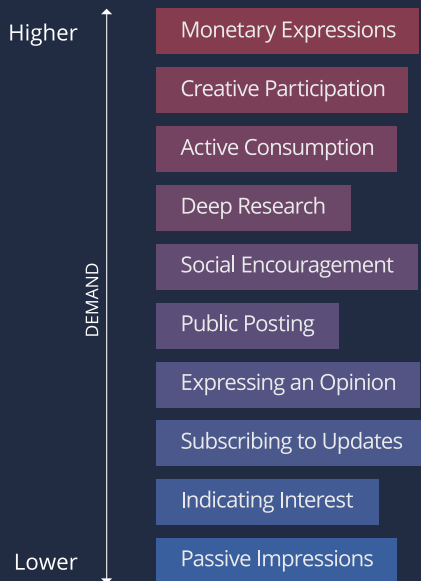
Harnessing the power of cutting-edge artificial intelligence and hundreds of billions of data points across the various demand expression platforms, **Parrot Analytics** is able to combine the different methods consumers use to express their demand for content into the industry’s first and only cross-platform **Global Demand Measurement**.

Introduction

Global content demand measurement

Industry-first: *DemandRank™*

Parrot Analytics captures cross-platform audience demand for content around the world. Audience demand reflects the desire, engagement and viewership, weighted by importance; so a stream/download is a higher expression of demand than a passive impression or a comment.



Global Demand Measurement

To solve the industry's measurement challenge with the rapid proliferation of content distribution platforms and unprecedented levels of consumer fragmentation, **Parrot Analytics** has developed the world's first and only cross-platform, country-specific and real-time content **Demand Measurement** system, where **Demand Expressions™** are one of the components.

Demand Expressions™

Total audience demand being expressed for a title, within a market.

Characteristics of *Demand Expressions™*:

- ▶ They measure actual, expressed demand. **Parrot Analytics** does not use panel data.
- ▶ They encompass demand expressed by audiences from a multitude of sources, weighted by importance.
- ▶ There is no ceiling to how many **Demand Expressions™** a title can generate in a market.

Introduction


The rise of digital content

No one can deny that we have entered the digital age of television content. From user-created viral videos on YouTube to award-winning, big-budget series, the internet is increasingly becoming the place to find the most popular content. This summer's biggest hit, the 80s-inspired *Stranger Things*, did not air on traditional TV, yet was a cultural phenomenon, and stalwarts such as *House of Cards* continue to earn Emmy nominations into their fourth seasons. The digital revolution is not limited to the United States: with Netflix expanding to nearly every market at the beginning of the year, it has gained millions of international subscribers. Local SVOD platforms have also appeared around the world, aiming to get into this rapidly-growing market.

The growth of digital original content is not slowing down, either. Both Netflix and Amazon Video have resolved to increase their spending on creating new content, and Netflix has stated that it wants half its catalogue to be their own original content within the next few years. This increased volume may be good for consumers, but competitors continue to struggle with a basic problem: **Quantitatively, how well are these shows doing?** Since SVOD platforms do not release their viewership numbers, metrics such as **Parrot Analytics' Demand Expressions™** must be used to be able to empirically determine how these digital original series measure up.

SVOD Platform Availability





To gain an understanding of the global state of the five major SVOD platforms, the share of demand for each platform is found both globally and regionally.

Global Overview

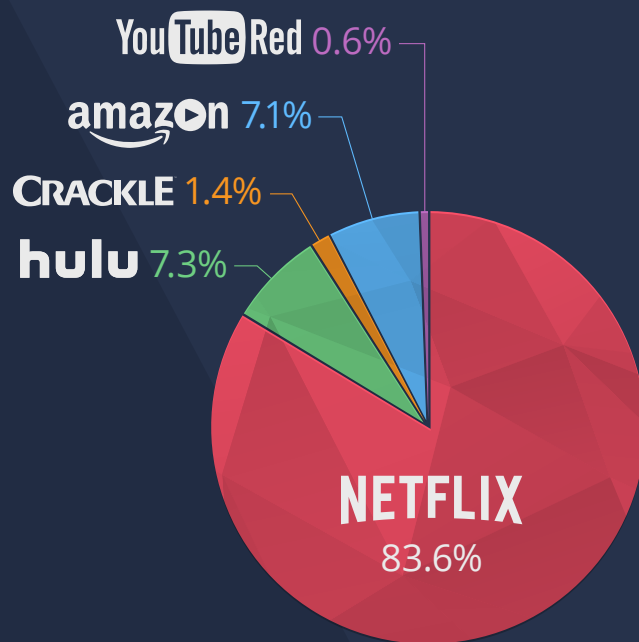
Global demand share

Netflix and dramas dominate worldwide demand

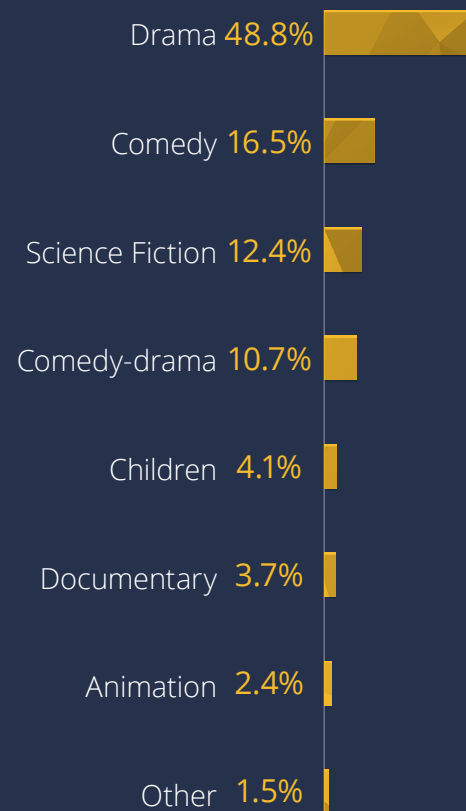
To quantitatively explore how well SVOD platforms and content are doing around the world, the total percentage of demand from the digital originals on each major SVOD platform was found for 2016. With the largest catalogue and worldwide penetration, **Netflix dominates with over 80% of all demand for original series**. Though Hulu is only present in two markets, its series have the second-largest share of demand with 7.3%; Amazon, in five markets, is close with 7.1%. Crackle and YouTube Red may be available in more markets but they have fewer original series than the larger platforms and so account for only 2% of all global demand.

Breaking down demand by genre instead of by platform reveals other global trends. **Dramas, the genre with the most entries, have nearly half of all demand**. Comedies have a third of the demand of dramas and are the second-most popular type of original series. The hybrid between the two, comedy-drama, contains well-known titles such as Netflix's *Orange is the New Black* and Amazon's *Transparent*, but only account for about 10% of demand. However, the few science fiction titles, led by *Stranger Things*, have over 12% of demand, while other niche genres like documentaries and children's content have less than 5% each.

Global Demand Share



Global Genre Share

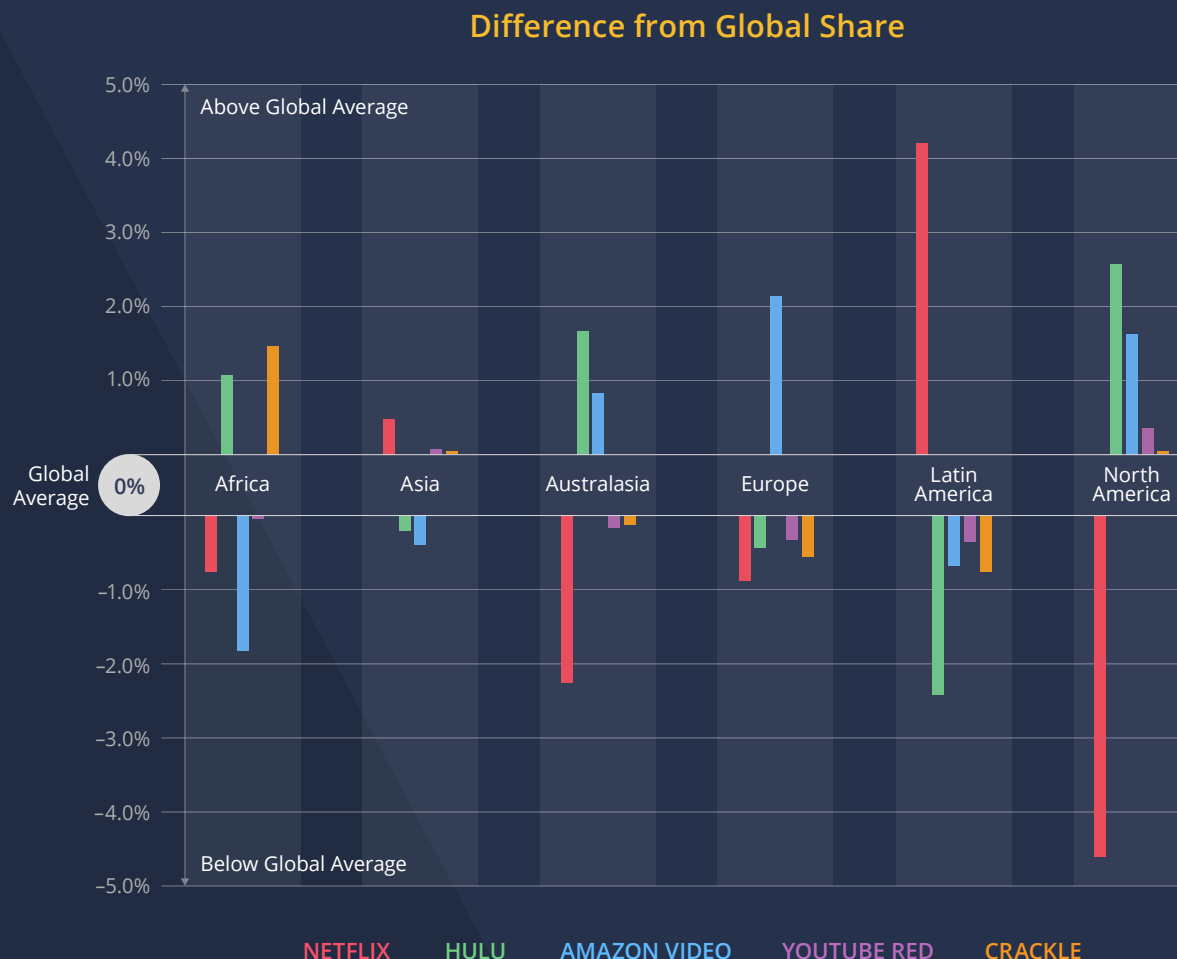


Regional demand share

Latin America has most demand for Netflix,
but other platforms challenge Netflix in North America

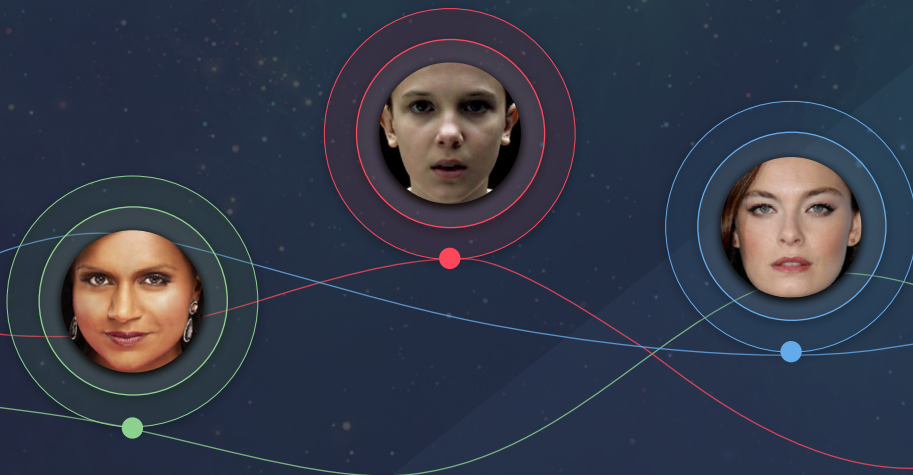
Next, the share of demand for the SVOD platforms in each region was found. Because the results were similar to the global shares, with Netflix dominating about 80% of the demand, the regional differences in platform share were plotted instead. For example, Amazon Video has 2.2% greater share of demand in Europe than it does globally, at the expense of about 0.5% lower share for the other platforms.

With this analysis, the platforms that have unusually high or low demand can be determined per region. In Africa, only Netflix and YouTube Red are present; however, those platforms and Amazon Video have below-average demand while Hulu and Crackle have more than the global share. The platform shares in Asia are most similar to the global distribution, likely because the populous countries in the region account for more of the world's demand than the other continents. Though Netflix, Crackle, and YouTube Red are available in Australia (the largest market in Australasia), the other two platforms have above-average demand. **The only region where Netflix over-indexes is Latin America**, where it has a relatively large 4.2% more demand than the global share. In contrast, Netflix has 4.6% less demand than the global share in North America, where it competes with the other four platforms.



The top digital original series and top shows on each platform are found in one market from each region, and the median demand of all shows on the platform compared.

SVOD Content by Market



Africa: South Africa

Netflix most in-demand in South Africa

In South Africa, as in many markets, the most popular digital original series are from Netflix. Breakout hit *Stranger Things* has more than twice the median demand of the second-most in-demand title, *Marvel's Luke Cage*. Netflix's flagship shows follow, though *House of Cards* has about 30% less demand than *Orange Is the New Black*. *Jessica Jones* has not aired new episodes this year, yet is the fifth most-popular series, perhaps due to the high demand for its fellow Marvel show *Luke Cage*.

With all five of the top shows and none of the other platforms available in South Africa, it is no surprise that Netflix has the highest median demand. Amazon Video, led by the alternate history title *The Man in the High Castle*, has less than half of Netflix's demand.

Though Crackle has few titles, its shows come third overall with Martin Freeman's *StartUp* leading the pack. Hulu's larger catalogue has less demand overall even though their top show, *The Mindy Project*, originally aired on broadcast television, has the second-highest demand of the top shows on each platform. YouTube Red has only about 10% of Netflix's demand in South Africa.

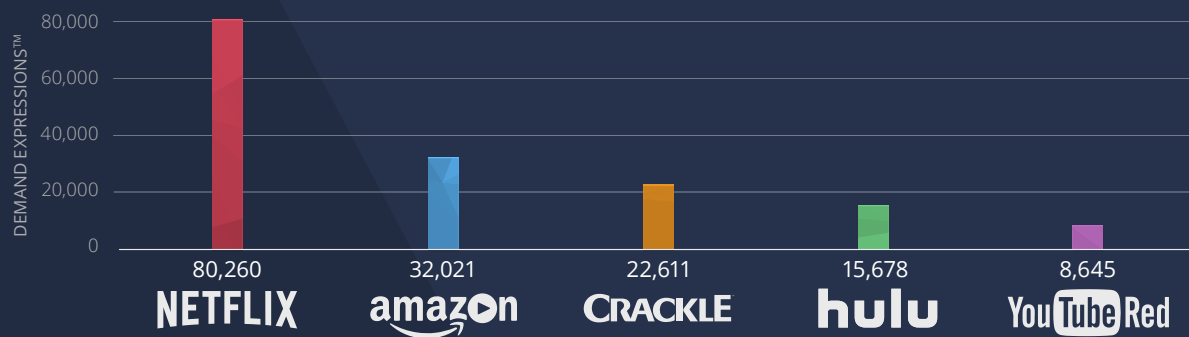
Top Digital Original Series

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	5,130,098	NETFLIX
<i>Marvel's Luke Cage</i>	2,044,918	NETFLIX
<i>Orange Is the New Black</i>	1,291,716	NETFLIX
<i>House Of Cards</i>	892,761	NETFLIX
<i>Marvel's Jessica Jones</i>	705,853	NETFLIX

Top Show on Platform

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	5,130,098	NETFLIX
<i>The Mindy Project</i>	528,990	HULU
<i>The Man in the High Castle</i>	335,642	AMAZON VIDEO
<i>StartUp</i>	176,571	CRACKLE
<i>Lazer Team</i>	27,456	YOUTUBE RED

Median Demand for SVOD Platforms



Demand Expressions™: Total audience demand being expressed for a title, within a market.

Asia: Malaysia

High demand for Marvel series in Malaysia

Netflix also dominates in Malaysia. *Stranger Things* is the most in-demand digital series, followed by Marvel's *Luke Cage*. All the other originals have less than half of the demand of these two series. *House of Cards* is the oldest title on the list and comes in third, while *Orange is the New Black*, unusually, does not appear among the top series. Instead, **all of Marvel's Netflix titles rank highly, indicating that these superhero-focused shows are quite popular in Malaysia.**

Netflix has the highest median demand in Malaysia out of these five SVOD platforms, though it does have competition from local platforms such as iFlix. In a distant second place is Amazon Video, whose most popular series is the detective show *Bosch*.

Crackle and YouTube Red both have about half as much demand as Amazon, though Crackle is unavailable while YouTube Red's originals can be purchased on Google Play. For the titles on these platforms, it appears that legal availability has little impact on their popularity. Despite the fact that *The Mindy Project* has over four times more demand than the top titles on Amazon, Crackle, or YouTube Red, the extremely low demand for the rest of Hulu's titles mean that the platform is last by median demand.

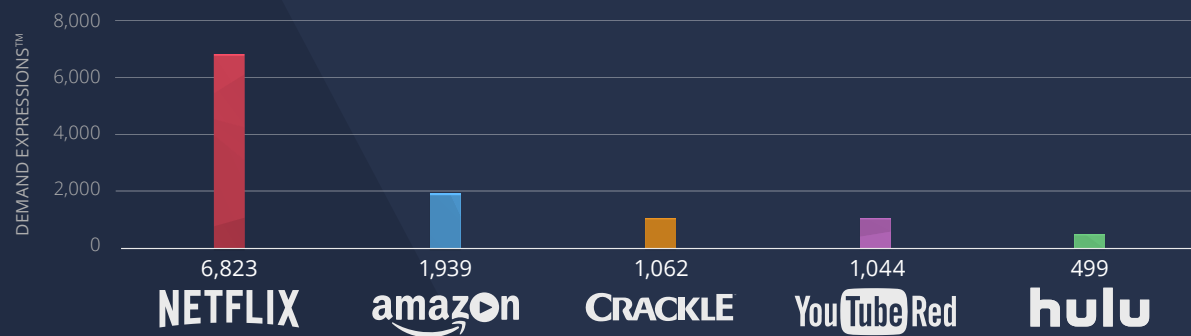
Top Digital Original Series

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	1,336,737	NETFLIX
<i>Marvel's Luke Cage</i>	963,389	NETFLIX
<i>House Of Cards</i>	473,774	NETFLIX
<i>Marvel's Jessica Jones</i>	437,958	NETFLIX
<i>Marvel's Daredevil</i>	379,434	NETFLIX

Top Show on Platform

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	1,336,737	NETFLIX
<i>The Mindy Project</i>	218,377	HULU
<i>Bosch</i>	53,656	AMAZON VIDEO
<i>StartUp</i>	24,815	CRACKLE
<i>Escape the Night</i>	19,269	YOUTUBE RED

Median Demand for SVOD Platforms



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Australasia: New Zealand

New Netflix titles most popular in New Zealand

While the top digital original series are all from Netflix, there is only one clear winner for the New Zealand market: **The most popular show, *Stranger Things*, has over four times as much demand as the other series.** This represents the largest lead by a top show seen in the six markets examined in this report. Along with *Luke Cage* and *Easy*, which were both released in late September, most of the popular digital original series in New Zealand are recent titles. Old favorites *House of Cards* and *Orange is the New Black*, however, still appear among the top five.

Led by megahit *Stranger Things* (which has ten times more demand than the top shows on other platforms), Netflix easily has the highest median demand of these platforms. The top shows on Amazon and Hulu both deal with alternate histories, but though *11.22.63* has more demand than *The Man in the High Castle*, Amazon's entire catalogue has more than twice the median demand than Hulu's catalogue.

In contrast to the two previous markets, Crackle comes in fourth place though *StartUp* is still the top show. New Zealand is one of the few markets where YouTube Red is available as a subscription, yet it is last in terms of overall demand.

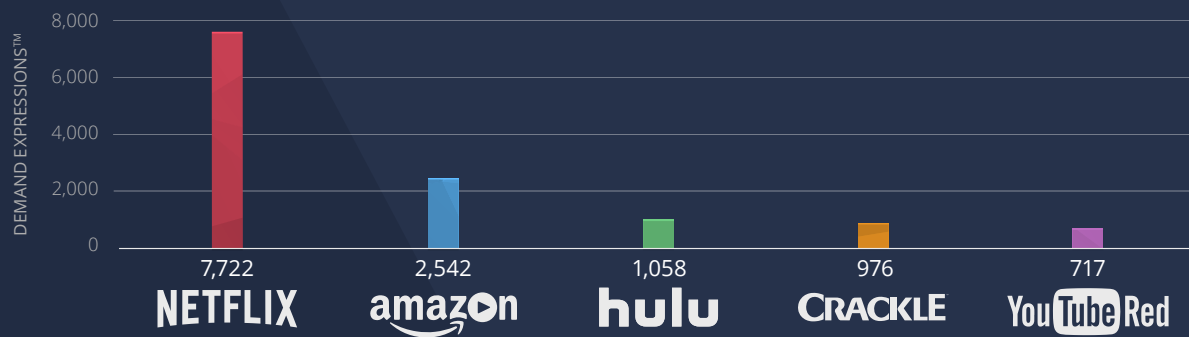
Top Digital Original Series

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	589,993	NETFLIX
<i>Marvel's Luke Cage</i>	139,266	NETFLIX
<i>Orange is the New Black</i>	106,157	NETFLIX
<i>Easy</i>	81,911	NETFLIX
<i>House Of Cards</i>	74,719	NETFLIX

Top Show on Platform

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	589,993	NETFLIX
<i>11.22.63</i>	46,074	HULU
<i>The Man in the High Castle</i>	41,301	AMAZON VIDEO
<i>StartUp</i>	10,256	CRACKLE
<i>Lazer Team</i>	2,302	YOUTUBE RED

Median Demand for SVOD Platforms



Demand Expressions™: Total audience demand being expressed for a title, within a market.

Europe: The Netherlands

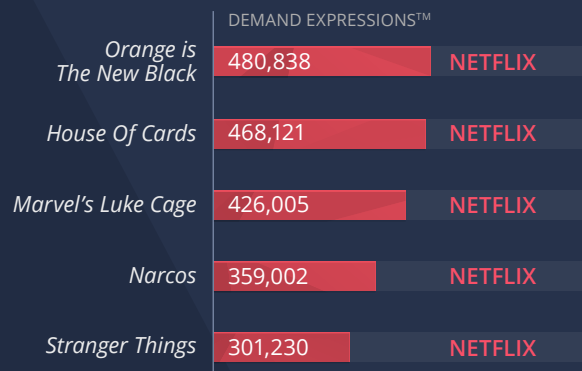
Older titles still on top in the Netherlands

As is typical, the top five digital original series in the Netherlands are all from Netflix, but the composition of these shows is notably different. The **veteran titles *Orange is the New Black* and *House of Cards* top the list**, both with about the same amount of demand. In contrast to the vast differences between the top titles and the rest in the other markets, the third-most popular series in the Netherlands, *Luke Cage*, only has 9% less demand than the leaders. The top digital original in the five other countries is *Stranger Things*, but here it ranks fifth.

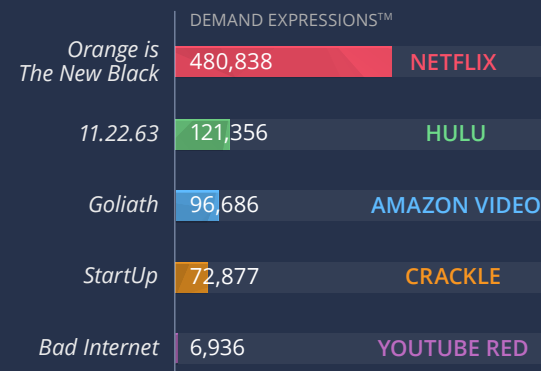
The overall popularity of the platforms is not as unusual. Netflix still dominates with nearly four times more median demand than Amazon Video. Despite the fact that it is not available in the Netherlands, people in this market are up-to-date on Amazon's shows as the most popular show on the platform, *Goliath*, was only released on October 14th.

Though the top show on YouTube Red, *Bad Internet*, has only a tenth of the demand of Crackle's *StartUp*, overall YouTube Red's series do much better in the Netherlands. Crackle and Hulu have a very low median demand, indicating that most of the titles on these platforms must be virtually unknown in this market.

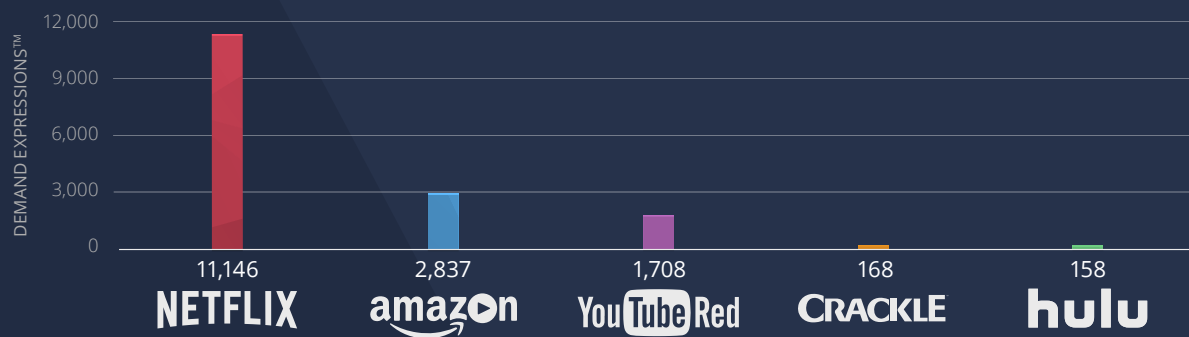
Top Digital Original Series



Top Show on Platform



Median Demand for SVOD Platforms



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Latin America: Argentina

Amazon Video not far behind in Argentina

While both Crackle and YouTube Red are available in Argentina, Netflix still dominates. *Stranger Things* has twice as much demand as the second-most popular series, *Luke Cage*. *House of Cards* has only 5% less demand than *Luke Cage*, while fellow veteran *Orange is the New Black* has 30% less demand. Another Marvel series, *Jessica Jones*, is fifth by popularity, likely bolstered by the high demand for its recurring character, *Luke Cage*.

Though Netflix's *Stranger Things* has over seven times more demand than the top shows on the other platforms, **Netflix only has 1.7 times more median demand than Amazon Video**. This difference is the smallest out of the six markets examined in this report, even though Amazon is not available in Argentina. Its most popular series, Woody Allen's *Crisis in Six Scenes*, has about the same level of demand as Hulu's *11.22.63*.

However, Hulu along with Crackle and YouTube Red have less than 10% of Amazon's demand. These results indicate that Amazon Video's catalogue is unusually strong in Argentina relative to the other platforms.

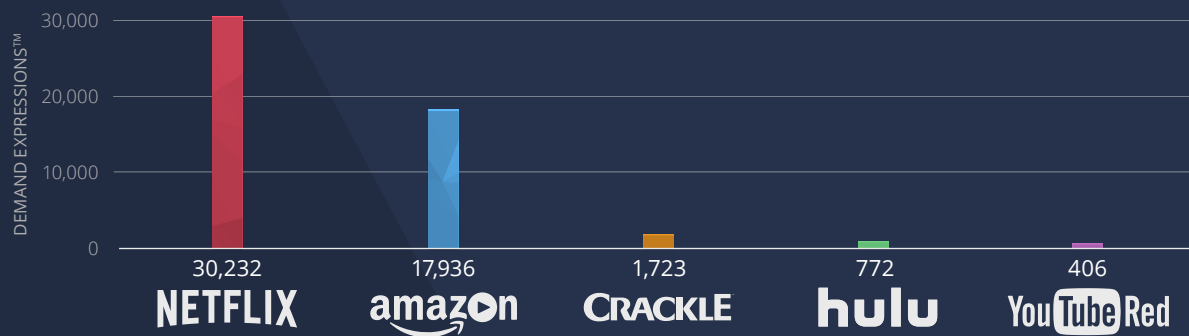
Top Digital Original Series

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	2,419,912	NETFLIX
<i>Marvel's Luke Cage</i>	1,195,010	NETFLIX
<i>House Of Cards</i>	1,128,493	NETFLIX
<i>Orange Is The New Black</i>	785,301	NETFLIX
<i>Marvel's Jessica Jones</i>	610,897	NETFLIX

Top Show on Platform

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	2,419,912	NETFLIX
<i>11.22.63</i>	319,915	HULU
<i>Crisis In Six Scenes</i>	300,795	AMAZON VIDEO
<i>StartUp</i>	170,604	CRACKLE
<i>Escape The Night</i>	1,667	YOUTUBE RED

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North America: Canada

Hulu enters the top titles in Canada

Though Netflix is still the top platform, it faces more competition in Canada. *Stranger Things* is yet again the most popular digital original series, followed by the old *Orange is the New Black* and the new *Luke Cage*. However, **the fourth most in-demand series is from Hulu.**

The Mindy Project may have less than half the demand of *Luke Cage* but it has 8% more demand than *House of Cards*. Due to Canada's geographical and cultural similarity to the United States, it makes sense that titles from other, US-only SVOD platforms have more demand here than in the other five markets.

Netflix has the highest median demand, followed by Amazon Video, as is the case in all six markets. However, in Canada the other platforms do better relative to these frontrunners. Hulu has the lowest median demand (despite *The Mindy Project's* presence in the top five), but its demand is only 6.7 times less than Netflix's demand. This difference is significantly smaller than the differences between Netflix and the lowest-demand platform in the other markets, suggesting that all five platforms have a fair amount of demand in Canada.

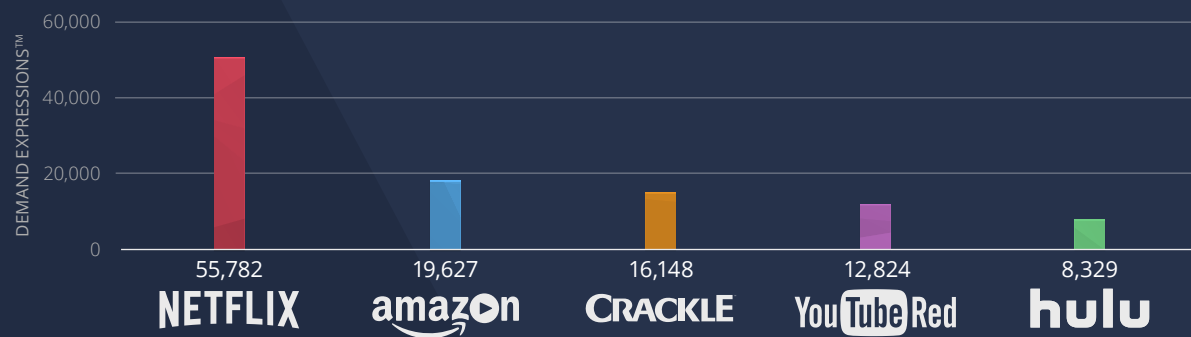
Top Digital Original Series

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	3,552,124	NETFLIX
<i>Orange Is The New Black</i>	1,484,567	NETFLIX
<i>Marvel's Luke Cage</i>	1,219,987	NETFLIX
<i>The Mindy Project</i>	543,530	HULU
<i>House Of Cards</i>	499,207	NETFLIX

Top Show on Platform

	DEMAND EXPRESSIONS™	
<i>Stranger Things</i>	3,552,124	NETFLIX
<i>The Mindy Project</i>	543,530	HULU
<i>The Man in the High Castle</i>	283,327	AMAZON VIDEO
<i>StartUp</i>	114,332	CRACKLE
<i>Escape The Night</i>	24,795	YOUTUBE RED

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About the Author

Parrot Analytics

Parrot Analytics is a data science company that empowers media companies, brands and agencies to understand global audience demand for television content. Wielding the world's largest audience behavior data sets, the company has developed the world's only global cross-platform, country-specific audience demand measurement system.

Parrot Analytics captures an unprecedented spectrum of actual audience behavior including video streaming consumption, social media, blogging platforms, file-sharing and peer-to-peer consumption spanning 249 countries. This enables media companies, for the very first time, to understand audience demand for content across all content distribution platforms in all markets around the world.

For more information visit www.parrotanalytics.com

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