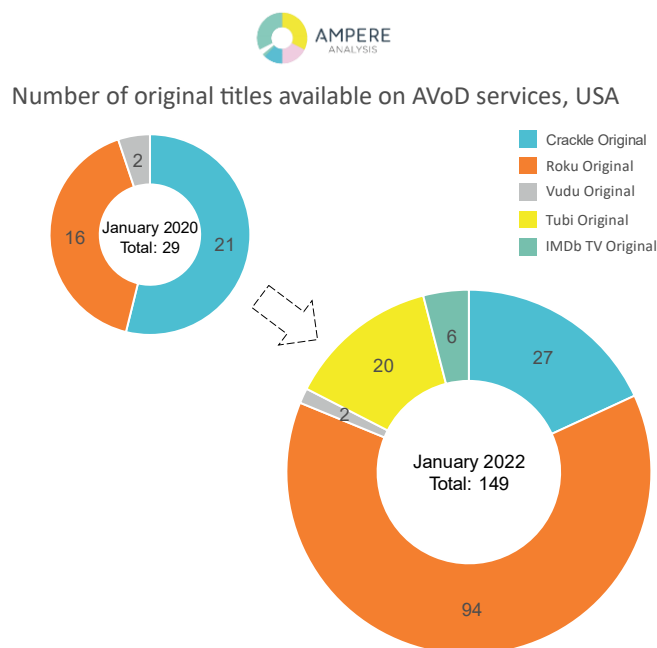


## AVoD investment in originals and exclusives key for growth

*Exclusivity is key to differentiate services in a growing market – and it attracts consumers seeking cheaper content*

**London, 20<sup>th</sup> April 2022:** Major Advertising-funded Video on Demand (AVoD) platforms have joined the original content goldrush, with groups such as Roku, Tubi and IMDb TV collectively releasing over 100 brand new original titles in the last two years. A new report from Ampere Analysis also finds that the US AVoD services with the highest investment in original content have also seen the largest growth in usage. Tubi, which has launched 20 original titles, has seen monthly usage grow by 164%, by Ampere’s estimates, between Q3 2020 and Q3 2021.

The increasing investment in original content mirrors the moves from subscription streamers, allowing providers to add exclusive content to their catalogues amidst a backdrop of a shrinking pool of licensable content as the major studios bring content in-house for their SVoD services. And catalogue exclusivity has proved crucial in such a competitive market; AVoD services with higher volumes of exclusive content benefit from greater usage.



Source: Ampere Analytics–AVoD & Catch-up

## **AVoD originals cannot compete with titles from larger SVoD services**

But AVoD platforms can't match the billions of dollars spent by the leading SVoD players in the creation of original content. AVoD services are smaller in scale, and the advertising business model will struggle to justify the sorts of multimillion dollars per-hour content investments which the leading Subscription VoD players have applied to new flagship titles. However, according to Ampere's analysts, one fundamental calculation for investing in original content remains true for both service types: As platforms expand globally, original content investments scale well. Investing in originals is a consistent way to offer exclusive content worldwide without incurring additional licensing costs in each market.

Additionally, while AVoD originals do not yet provide enough of a draw to pull viewers away from larger SVoD platforms entirely, they do differentiate services within the increasingly fragmented AVoD market, and offer a reason for viewers to choose one service over another.

## **AVoD strategies vary**

In the early stages of original programming, strategies between AVoD platforms vary. Roku has invested more extensively in original-branded content, in part because of its acquisitions of Quibi's content assets and its focus on low-cost-per-hour content. Of the six most popular AVoD platforms in the USA, Pluto TV is the only one not to have invested meaningfully in original programming – although it is in a position to take advantage of the programming slate of its parent company – Paramount – and outside the US has become the temporary home for hit Paramount originals such as Star Trek: Discovery.

**Joseph Hall, Analyst at Ampere Analysis** says: “Despite AVoD originals not having an impact in the wider streaming market – largely limited by their current lack of reach – AVoD platforms should not stop their investment. Our analysis shows that the AVoD platforms with the highest growth in use since Q3 2020 are those with the most released or announced original programming.”

Ends

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**About Ampere Analysis**

Founded in January 2015, Ampere Analysis is a new breed of media analyst firm. The company's experienced team of sector-leading industry analysts specialises in pay and multiscreen TV and next generation content distribution. Our founders have more than 60 years' combined experience of providing data, forecasts and consulting to the major film studios, telecoms and pay TV operators, technology companies, TV channel groups and investment banks. [www.ampereanalysis.com](http://www.ampereanalysis.com)