



# The Rise of the Perfect Bundle

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**media**

## Consumers have increased the number of media/entertainment services subscriptions in their households...

Across the vast majority of the globe, over-the-top (OTT) providers (Tata Sky, Netflix, Amazon Prime, Cult Fit, Byjus etc.) and traditional Telecommunications and Media Service Providers are facing new demands from consumers to ensure their needs are being met. As a result of global lockdowns, consumers found themselves restricted to their homes; with no opportunity for post-work and school socializing, our smartphones, laptops, and television sets became our companions.

The emergence of popularity in media and entertainment services such as wellness, e-Health and e-Learning in the Indian market

## ...and with this set to continue, providers have the opportunity to provide an accessible, centralized all-in-one package personalized to their preferences

indicates **that consumers are embracing the wealth of choice available to them**, with gyms and homeschools all under one roof. However, managing multiple subscriptions across multiple providers has introduced a number of challenges for customers, and so **there's an opportunity for communication service providers (CSPs) to provide the 'perfect bundle'** where their customers can access all of their media and entertainment subscriptions in one place.

After all, with all aspects of our lives now under one roof, why shouldn't all of our media and entertainment subscriptions be too?

# Subscription rates have increased during the pandemic, with growth rates predicted to continue in the future

On average, surveyed Indian consumers have two media and entertainment subscriptions to satellite/cable TV, video, and music streaming services, while they have just one gaming, wellness & e-Health, e-Learning and Digital Media/Online Journalism subscription. However, for those who are using any of the services at the moment, around three fifths of consumers have added a video streaming service (62%), wellness and e-Health service (61%) or e-Learning service (59%) to their household since the start of the pandemic in March 2020. It's clear that as personal and professional lives collide,

our living spaces now not only act as our homes, but as our work-out zones and schools too. With consumers less likely to have added a satellite/cable service to their household (54%), do providers of the more traditional content viewing methods need to spice up their service offerings to compete to the same level as non-traditional content services?

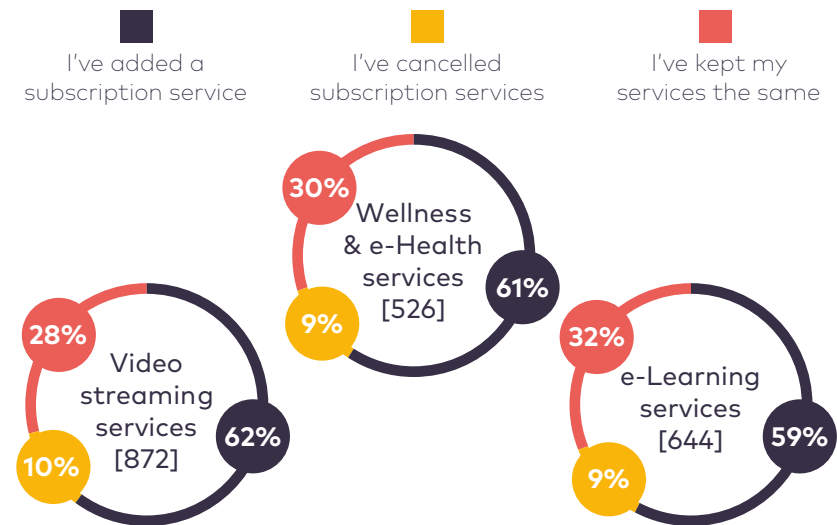


Fig. 1: Did you cancel or add any subscription services since the start of the pandemic in March 2020? – asked to consumers who currently use each subscription service (base in chart)

While life in six months' time may look more "normal" than it does today, these trends are set to stay, as just over three quarters (76%) of all surveyed consumers, whether they use that service or not at the moment, expect to add to their current subscriptions, the most likely being video streaming services, wellness and e-Health, and e-Learning services . Consumers have explored the vast array of content and services available to them, discovering that there are plenty of offerings which stretch beyond the satellite/cable and video streaming status-quo. Are streaming providers prepared for this to become the norm in the post-pandemic world?

While there are some subscription services that are clearly emerging in popularity, others are set to go unchanged, as satellite/cable (40%) is the most likely service to have remained the same since the pandemic, for those currently using this service.



**76%**  
of all surveyed  
consumers  
expect to add  
to their current  
subscriptions



Out with the old and in with the new; according to the EY "[Playing by new rules](#)" report, smart TVs are on trend to replace traditional television sets, and consumers are certainly making the most of the services available to view on them. Looking to future trends, could customers benefit from having their preferred streaming services in one, centralized place?

Amdocs believe that these newfound experiences will lead to a diverse partner ecosystem, providing consumers "optionality" of best-of-breed subscription offerings. This will still allow consumers to control key aspects such as subscription management, and user settings will be controlled centrally for an added level of privacy.

Each consumer will have their own idea of what their personalized bundle looks like, and that's the beauty of it; this solution will give consumers the control to design a streaming package that's unique to their viewing habits, and content preferences.







Customers are showing high levels of interest in a mega bundle comprising of content and communication services

So, we know that Indian customers are buying and viewing more varied content and would benefit from all of their subscriptions being in one place, where they can choose to game, watch TV, homeschool, or take part in fitness classes all under one package.

When thinking about the different types of bundles that would attract consumers, just under four fifths of respondents (79%) would be interested in a bundle of video streaming, entertainment, and communication services, followed by multiple video streaming services (73%), video streaming and communication services (72%).

The desire for the “perfect package” may come from the multitude of challenges facing consumers as they increase their uptake of subscription services.

Consumers with the highest number of subscriptions are more likely to face challenges related to a lack of content personalization across providers (65%), buying specific content items without subscribing to the service (65%), not having a bundled price when buying subscriptions from separate media and entertainment providers (64%) and searching for content (69%). With results showing that consumers are exploring a variety of subscription offerings, if this trend is set to stay, providers must find ways to make their customers’ lives easier.

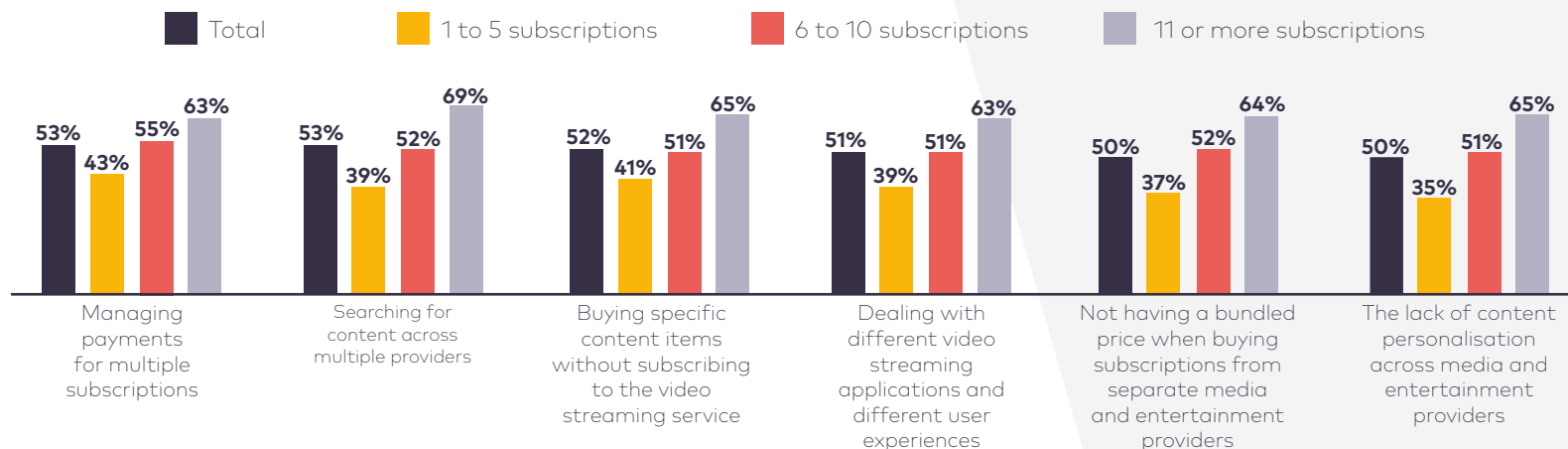


Fig. 2: Thinking about managing all of your media and entertainment subscriptions, to what extent do you find the following a challenge? – asked to all consumers (1,000), showing percentage of consumers who answered '4' or '5' on a scale of 1 to 5, where 1 is 'Not at all challenging' and 5 is "Extremely challenging"

Quality of content is a major loyalty driver – more than attractive prices.

Customers would surely think that access to all of their subscriptions in one place would be a costly investment, but it turns out that reasonable price options (38%) are less likely to be in consumers' top three most important factors than exclusive original content (43%). In fact, when asked what drives their loyalty to a media/entertainment provider of any kind, the most likely top three factor for just under three quarters is the quality of content (71%) compared to less than half who say price, or price options (45%).

71%  
Quality of content

>

45%  
Price or price options

Fig. 3: What drives your loyalty to a media/entertainment provider (including all live and on-demand streaming services, cable / satellite providers)? – asked to all consumers (1,000), showing combination of responses ranked first, second and third



The call for a bundle continues as most customers cite that they would prefer to create and pay for a content package that is limited to only content that they are interested in (versus paying more for access to the provider's entire library of content). This is most likely to be the case for consumers if they can pick the content that they can access compared to providers of the following subscription services picking what consumers have access to:

- **Video streaming services (69% compared to 21%)**
- **Satellite/cable (67% compared to 23%)**
- **Music streaming services (61% compared to 22%)**
- **Gaming (55% compared to 19%).**

It's therefore clear that customers are keen to see all of their content, picked by them, in one place.

Although price and price options appear to be less of a driving factor for consumers, it's likely to always remain a key driver of loyalty after the quality of the content being delivered. Sticking with the theme of cost, on average, Indian consumers are spending the most money per month on e-Learning services, gaming and wellness & e-Health. Although more expensive than other subscriptions, services that are clearly more niche have likely gained popularity as a result of the pandemic.

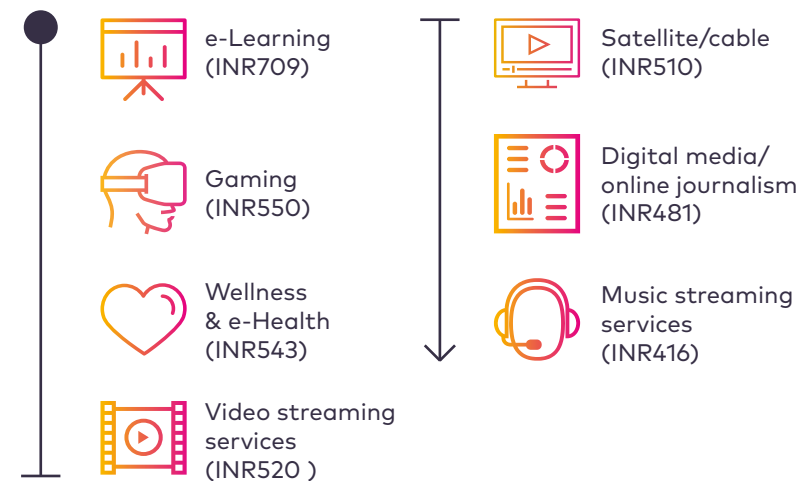



Fig. 4: Please estimate the total cost per month that your household is paying now for your household subscriptions - respondents only shown the services of which they have at least one subscription

A young man with short hair, wearing a grey sweater, is sitting on a balcony. He is looking out towards the sky, which is a mix of blue and white clouds. The balcony has a wooden railing. The image is partially obscured by white diagonal lines that separate it from the text on the right.

## Consumers are calling for a personalized content package... if they can choose the content

Customers also cite that if they could create a 'perfect' bundle of their subscriptions, they would be most likely to pay more to include on-demand binge-worthy TV series (56%), all games for one specific sporting team (49%), virtual classes/training (46%) or fitness classes with a "celebrity" trainer (45%). Some consumers may be keen to return to cricket matches and college, while others look to be making the most of the same experience with the added bonus of home comforts.



**56%**

would pay more for on-demand binge-worthy TV series



**49%**

would pay more for on-demand games for one specific sporting team



**46%**

would pay more for on-demand virtual classes/training



**45%**

would pay more for on-demand fitness classes with a "celebrity" trainer

Through global lockdowns, the pandemic forced much of the world to stay at home, however as the future starts to look bright, freedom is on the horizon. When asked how their live and on-demand consumption habits are set to change, compared to the last 12 months, over two thirds (69%) of consumers expect the overall time they spend on this to increase in the next 6 months from the current average of 14 hours per week.

While quality overrules cost, there is a clear opportunity for service providers to create and offer personalized bundles for their customers, at prices that reflect the quality of the content, giving customers the best of both worlds - flexible content options AND flexible prices, while solving their multitude of challenges.

Fig. 5: If you could create a 'perfect' bundle of your subscriptions, would you pay more to include any of the below, either live, on-demand, or both? – asked to all consumers (1,000)

# Personalized content bundles are gaining popularity, with cost taking a back seat to quality

With consumers embracing the vast array of media and entertainment options available to them beyond satellite/cable, there is an exciting opportunity in the space for providers to give customers the option to bundle their services. Eradicating a multitude of challenges, packaging subscriptions will allow for easier ways to manage multiple payments and to search for content, while benefiting from personalization across services.

When it comes to what's driving loyalty, as quality of content trumps price and

price options, service providers can share the content that their customers are interested in and want to view, from new games, wellbeing classes, and training courses. As a result of the global pandemic, Indian consumers found themselves confined to their homes, consuming more media and entertainment content than ever before. With the popularity of smart TVs emerging in the Indian markets, customers are clearly making plans to enjoy streaming content from the comfort of their homes; and what better way is there for them to do that than with a personalized bundle.

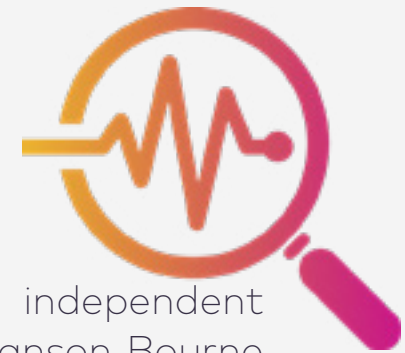


## Respondents were from the following Indian union territories:

Delhi	125	<b>Punjab</b>	<b>21</b>
<b>Maharashtra</b>	<b>100</b>	Haryana	19
Andhra Pradesh	91	<b>Rajasthan</b>	<b>16</b>
<b>Bihar</b>	<b>73</b>	Jharkhand	15
West Bengal	64	<b>Jammu and Kashmir</b>	<b>11</b>
<b>Karnataka</b>	<b>58</b>	Uttarakhand	10
Gujarat	56	<b>Arunachal Pradesh</b>	<b>6</b>
<b>Chandigarh</b>	<b>54</b>	Mizoram	3
Kerala	52	<b>Himachal Pradesh</b>	<b>2</b>
<b>Tamil Nadu</b>	<b>44</b>	Manipur	2
Uttar Pradesh	42	<b>Tripura</b>	<b>2</b>
<b>Goa</b>	<b>30</b>	Meghalaya	1
Assam	29	<b>Puducherry</b>	<b>1</b>
<b>Madhya Pradesh</b>	<b>27</b>		
Odisha	25		
<b>Chhattisgarh</b>	<b>21</b>	<b>Total</b>	<b>1000</b>

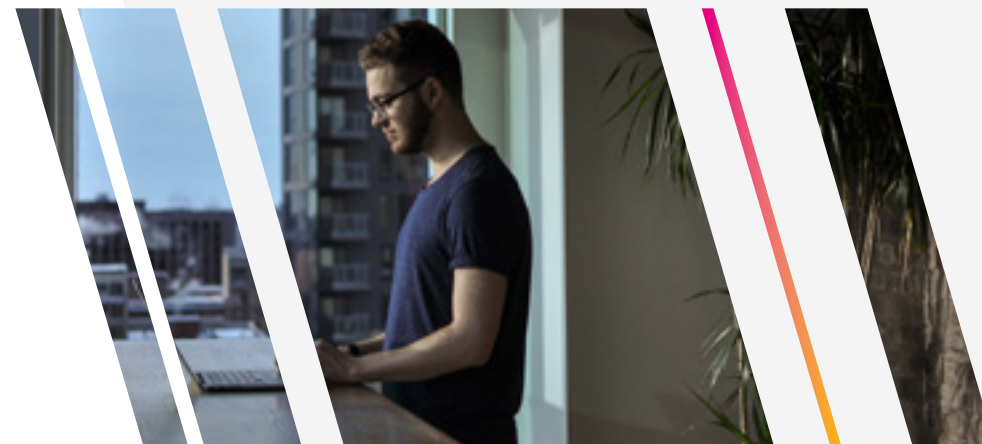
The interviews were undertaken using a rigorous multi-level screening process to ensure that only suitable candidates were given the opportunity to participate. Unless otherwise indicated, the results discussed are based on the total sample.

## Methodology



Amdocs commissioned independent market research specialist Vanson Bourne to undertake the research upon which this executive summary is based. A total of 1,000 consumers based in India were interviewed.

Respondents had to be consumers in India who have at least one subscription for any of the following: satellite/cable, video streaming services, music streaming services, gaming, wellness & e-Health, e-Learning, and digital media/online journalism.





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Amdocs' purpose is to enrich lives and progress society, using creativity and technology to build a better connected world. Amdocs and its 27,000 employees partner with the leading players in the communications and media industry, enabling next-generation experiences in 85 countries. Our cloud-native, open and dynamic portfolio of digital solutions, platforms and services brings greater choice, faster time to market and flexibility, to better meet the evolving needs of our customers as they drive growth, transform and take their business to the cloud. Listed on the NASDAQ Global Select Market, Amdocs had revenue of \$4.2 billion in fiscal 2020.

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