

Navigating COVID-19 Special Report

Practical Solutions for Thriving in an Altered Attention Economy



Special Report



An Altered Attention Economy

Today, billions of people around the world are currently in lockdown increasingly sharing, commenting on, streaming, and researching TV shows. This report provides a glimpse into the largest dataset of global TV audience behaviors as well as roadmaps for thriving during and beyond the pandemic for OTTs, broadcasters, distributors, producers, and marketers.

We, at Parrot Analytics, acknowledge the undeniable uncertainty and complex challenges facing us all, and feel compelled to step up to pursue our mission of unlocking the magic of content and to sustain the global TV industry. Thus, in this special report, we share our data, insights, and solutions gleaned from measuring demand for content and quantifying the attention economy to start a conversation. We offer our roadmaps for navigating this crisis. And, we invite industry leaders to unite and collaborate with us in solving this unprecedented problem.

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Executive Summary

“ The planetary pandemic has forever altered the attention economy. Now more than ever, we are committed to our mission of connecting content creators and consumers. In collaboration with leading TV executives, we proudly share our data-driven trends, insights, and solutions to guide the industry through these turbulent times. ”



– Wared Seger CEO/ Founder Parrot Analytics

Changing Industry Dynamics

- What are the challenges facing various segments of the TV industry?
- What qualities have created opportunity under stay-at-home measures?
- What can the industry do to thrive moving forward?

COVID-19's Impact: Trends & Insights

- How have content preferences changed in-light of COVID-19?
- Which platforms have had the greatest uplift during lockdowns?

Industry Predicaments & Solutions

In these sections, we provide our data-driven roadmaps for various segments of the TV industry.



OTT Solutions: Sustain Subscriber Growth

- Should a platform adjust titles' release schedules?
- Which titles should be acquired to drive subscriber acquisition and/or retention?

Broadcaster Solutions: Fill Programming Holes

- Should holes in schedules be filled with reruns of the missing content or replaced with different content?
- How to prioritize replacement content options?

Distributor Solutions: Leverage Libraries

- How to prioritize titles and markets given shifting demand for content?
- How to identify the optimal platforms to which to sell content?

Producer Solutions: Adapt to Audience Needs

- How to prioritize and potentially adjust content to meet audiences' needs during lockdowns and beyond?
- How to surface new formats that will be key during and after the production shutdowns?

Marketer Solutions: Activate Audiences

- How to reallocate budgets to most effectively reach audiences?
- How to locate key audiences & taste clusters?

Executive Deep Dive: How the TV Industry Looks Ahead

- What do producers predict audiences want in the “new normal”?
- How do broadcasters and OTTs plan to continue to adapt to restricted productions?
- How do distributors continue to effectively sell their content?

Changing Industry Dynamics & the Attention Economy

COVID-19 is a global pandemic that has affected everyone in the TV industry, but it has not affected everyone equally.



The global lockdowns, forcing everyone to be home, have led to increased content consumption (viewership, ratings, etc.). Yet, this increased consumption has been accompanied by the unique challenges of satisfying audiences while production of key tentpoles has been halted and delayed. Broadcasters and cable (Pay-TV) have additional hurdles compared to OTTs. They must also cope with reduced ad revenue within the industry, making their ability to optimize their airing schedules and to fill content gaps even more crucial.

Nonetheless, OTTs and Broadcasters alike are looking to solve their challenges by acquiring and producing virus-proof content.

Meanwhile, distributors have an opportunity to revisit and leverage their reserve of content. They can offer unique packages of titles that will allow platforms and channels to retain their viewers and subscribers. Producers are challenged with finding innovative ideas and formats as well as adapting existing ideas to new restrictions placed during and post-lockdown.

Simultaneously marketers are left searching for fragmented and dispersed audiences, recalculating and holding on allocating budget.

The pandemic has by all metrics caused upheavals in the attention economy, altering the course of many companies including media titans. **Amidst all of the uncertainty and chaos, we look to evidence across billions of data points to validate strategies that reduce risk and deliver growth.**

Immediate Consequences vs. Aftermath

Audience behaviors during lockdown are likely to differ from those in the future when intervention measures are relaxed or removed.

In the immediate future, OTTs benefit from the first-rate talent and IP they have assembled in pursuit of victory within the “Streaming Wars”. Under stay-at-home orders, OTTs are gaining subscribers due to consumers heightened perceived value of their catalog offerings. Matthew Ball has keenly highlighted what **our data validates, COVID-19 has plummeted what was a skyrocketing cost of customer acquisition**. This is exciting for platforms launching mid-pandemic such as Quibi, HBOMax, and Peacock. Yet, as time stretches on, OTTs may lose subscribers whose free trials end or who churn due to the recession. After the lockdown, the demand for content may be even more important as out-of-home activities will pose greater competition.

In the short-term, Pay TV has similarly seen an uplift in viewership and ratings. Yet, as industry analyst Rich Greenfield points out, **this bump has been underwhelming**. Greenfield is not alone; many analysts expect networks to feel more repercussions due to their losses of advertising, their reliance on live TV, and their **battle for a digitally oriented key audience: those between 18-24**. When consumers are faced with hard choices, COVID-19’s impact long-term may accelerate cord-cutting, contributing to Pay TV’s decline. However, broadcasters can avoid this by capitalizing on audiences who are tuning in now.

Distributors and producers of content are simultaneously seeing opportunities and challenges.

“ The major production setbacks caused by the pandemic will not only increase the value of finished program catalogs, but will undoubtedly trigger the creation of a new, virus-proof, genres and innovative formats where digital and physical reality get blurred. ”



– Michael Iskas, Global President at Storylab, a producer and distributor of content

To his point, format innovation is essential not only during the shutdowns, but also in the aftermath.

What qualities have created opportunity under stay-at-home measures?

There are a few characteristics of SVODs that have been advantageous during the lockdowns.

Size of Catalog The lockdown conditions have temporarily increased the value of all content, making it easier to reach the threshold of demand needed to acquire a customer. Thus, the larger the catalog the greater the likelihood of customer acquisition at the moment.

Supply of Originals The lockdown conditions have temporarily increased the value of all content, making it easier to reach the threshold of demand needed to acquire a customer. Thus, the larger the catalog the greater the likelihood of customer acquisition at the moment.

Flexible Viewing With families, roommates, and others forced to share living spaces, SVOD content availability on multiple screens is an advantage. The flexibility to watch on TVs, laptops, and phones allows consumers to watch their preferred content wherever they want and with whomever they want.

Ad Free Declining revenue from advertising poses a unique challenge at the moment; many companies have cut their marketing teams, frozen budgets, and are limited in ad-production capabilities. Thus, SVOD's diminished reliance on ad-revenue is beneficial.

Consider Netflix, its large catalog, supply of **diverse original** content, flexible availability and lack of ad-reliance **allow it to thrive in this moment**. The crisis has also temporarily reverted Netflix to an earlier phase in OTT **life-cycles**, in which total demand for content dictates subscriber growth and retention.

Netflix is not alone, Disney+ also exhibits similar qualities. Although it has a limited supply of **originals**, its flexible access, ad-free platform, and large catalog of premium children's and family-friendly IP support its ability to thrive. **Amazon Prime Video** and **Hulu** are also well positioned with large catalogs, many originals, and flexible viewership.

For Pay-TV, channels with large catalogs of family-friendly content, such as Discovery and Disney, are fulfilling increased demand from kids who are home due to school closures. Other broadcasters which are experiencing holes in programming are employing repeats or flashbacks of favorite episodes, searching for foreign acquisitions, and considering moving exclusive content from their OTT platforms back onto linear.

The key for producers and distributors is therefore to capitalize on this need for a larger catalog and greater supply of originals. They can solve the pains of an aching industry with innovative content that fulfills and attracts the audiences that platforms, networks, and

marketers are seeking to find.

What can the industry do to thrive moving forward?

In the midst of uncertainty, data allows decision-makers to be agile.

COVID-19's effects on the global TV industry have likely just begun to unfold. As new consequences emerge, the industry will need to adapt swiftly by combining the art of storytelling with the science of human behavior

Read on to discover insights into the current impacts of COVID-19, as well as our data-driven roadmaps to a thriving TV industry.

Key Takeaways From the COVID-19 Special Report

01 New challenges come with new opportunities. Our data allows executives to be agile in finding and adapting to these changes.

02 Audience content preferences have shifted due to COVID-19, these include a desire for original content, especially content that fills holes left by cancellations or delays.

03 OTTs have an opportunity for growth due to increased streaming volume, but in order to prevent churn they must optimize their release schedules and content acquisitions.

04 Broadcasters are challenged with holes in programming schedules, but can adapt by reinvigorating fandoms and finding replacement titles that will attract target audiences.

05 Distributors should optimize their content packages for broadcasters and OTTs in need.

06 Producers despite shutdowns, can be resilient by prioritizing projects that fulfill audiences' shifting demand and finding new formats to create fresh content.

07 Marketers may need to pivot their channel spends, but can find ways to maximize their audience reach and tap into emerging preferences.

08 Executives are rapidly adapting their programming to changes in audience habits, and developing effective content offerings for buyers.

COVID-19's Impact: Trends & Insights

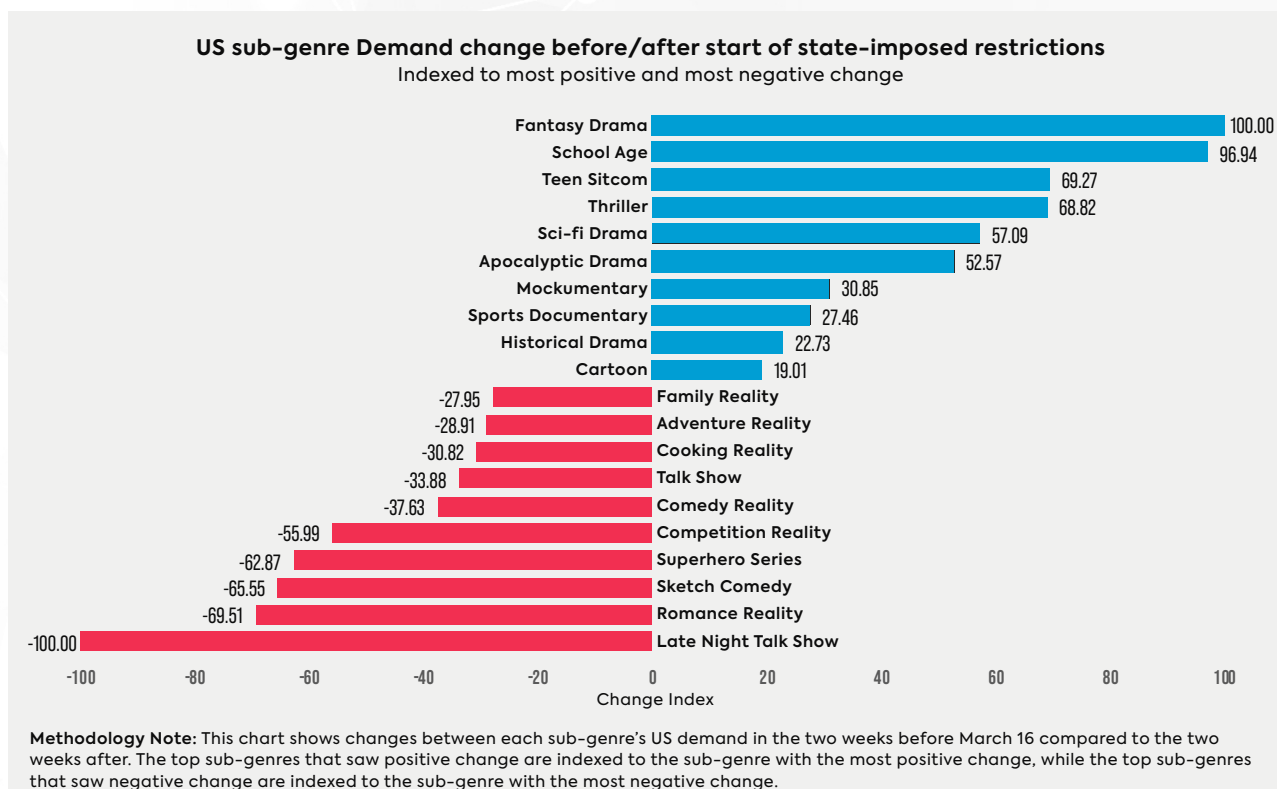
In this section, we examine the current impacts of COVID-19 on the attention economy, including changes in demand for content and platforms.

“Viewers want to be able to sit back and smile and to laugh and I think that’s important to do. People get enough of the horrors of the world from the news.”



– Tom Brisley, Creative Director, Arrow Media and Co-Founder of Arrow

How have content preferences changed in light of COVID-19?



Content climbing in demand

- **Family Content:** Families are home watching TV together, causing a climb in demand for **school age**, **teen sitcom**, and **cartoons**.
- **“Escapist” Dramas:** Audiences are demanding **fantasy**, **historical**, and **sci-fi** dramas that remove them from the here-and-now.
- **Darker Draws:** Audiences are also embracing the chaos and stress via **apocalyptic dramas** and **thrillers**.
- **Familiar Favorites:** Audiences are taking the opportunity to binge their favorite **older multi-season series** with lots of episodes during the lockdowns.



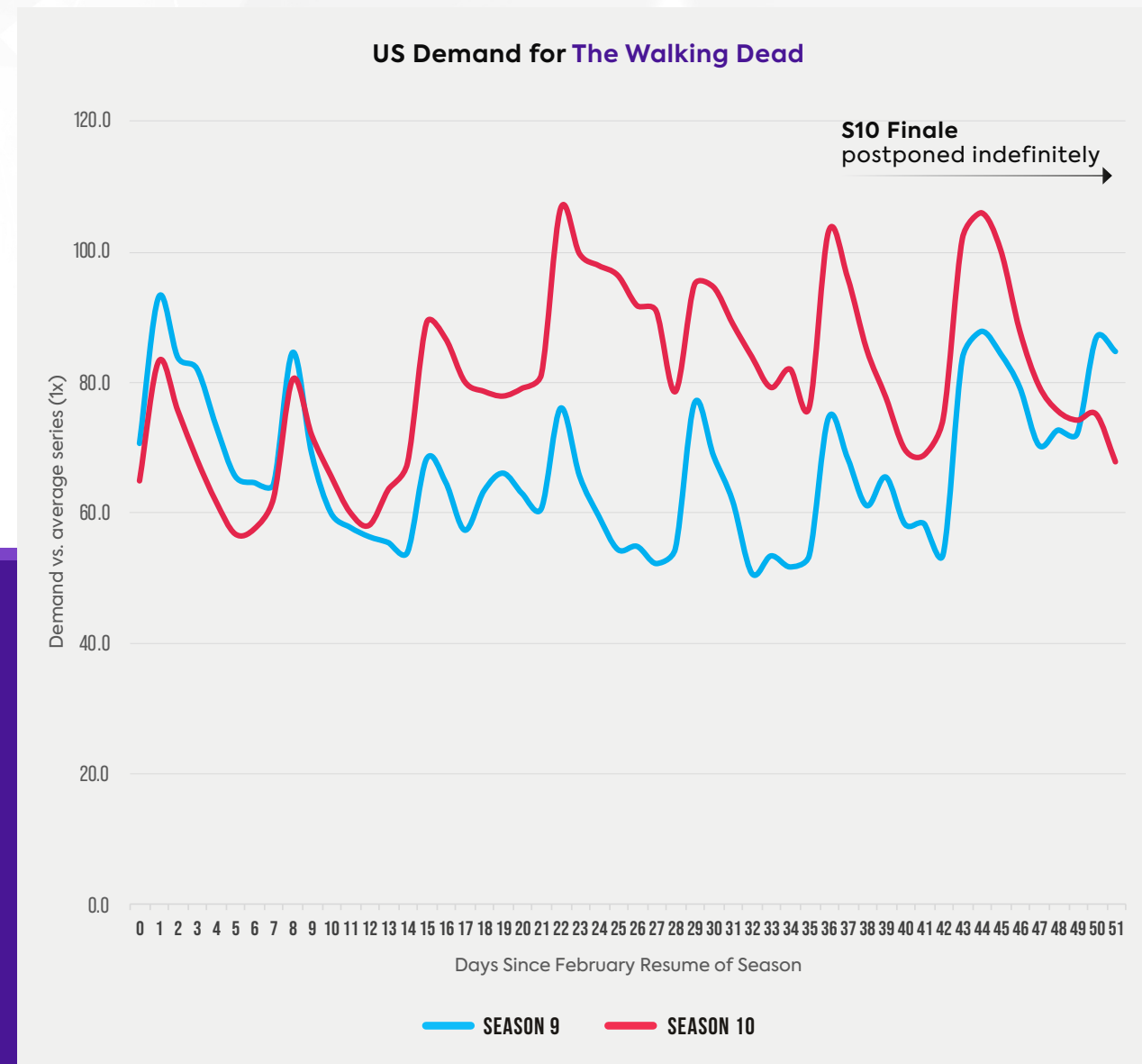
Content declining in demand

- **Impacted Productions:** Talk shows, late night talk shows, sketch comedy, and superhero series see declines due to disrupted filming. **Saturday Night Live** and **The Flash**, for example, had to stop releasing new episodes mid-season.
- **Reality Series:** From **romance reality** to **cooking reality**, demand for reality declines despite lacking production restrictions, perhaps due to increasing preferences for escapism.

Case studies



Preferences Boost Series Success

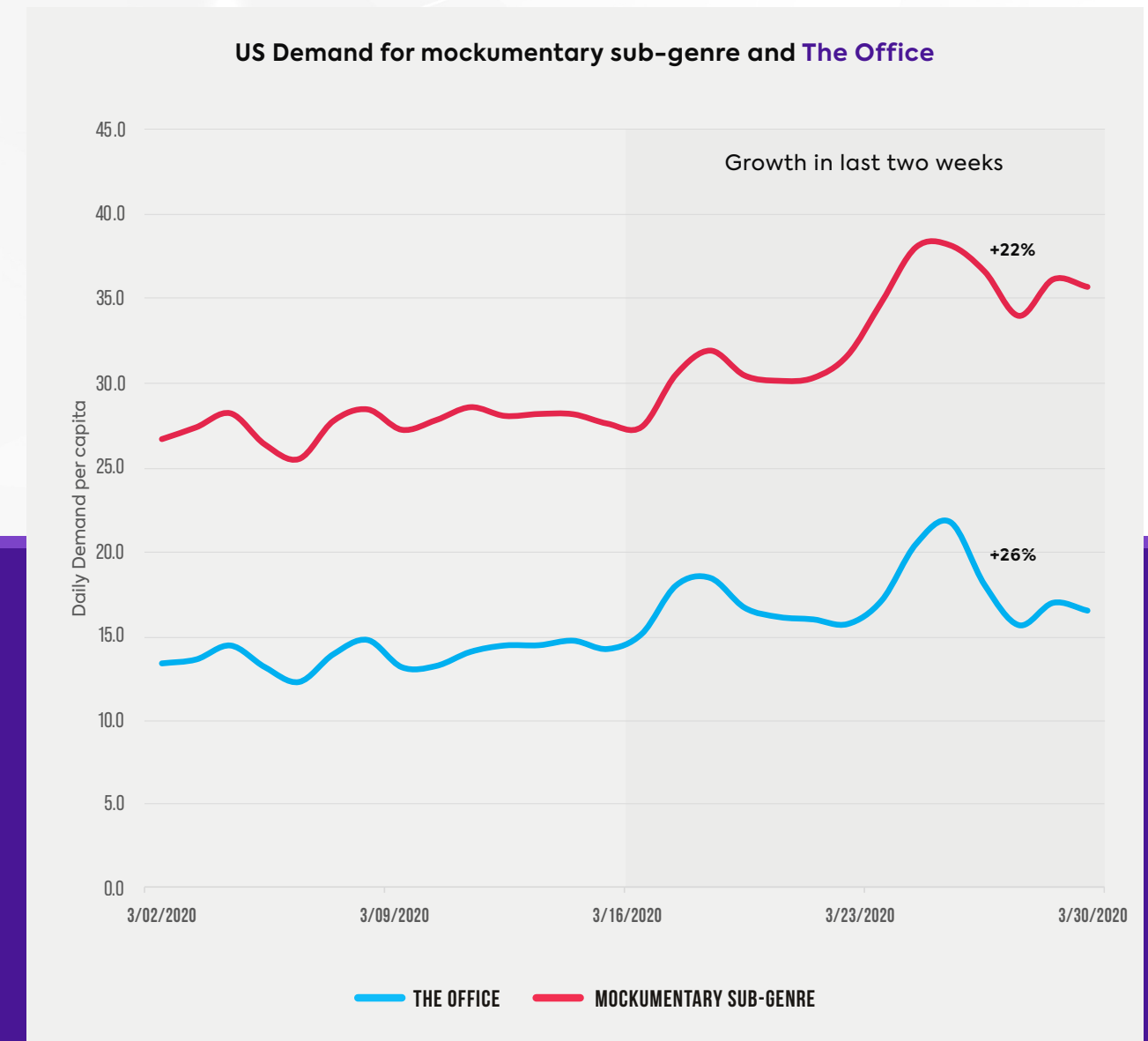


In the chart above, comparing the recent and previous season of **The Walking Dead**, demand for this season was last season's equivalent 12 days after mid-season premiere. From this point, the season saw elevated demand until the finale episode was postponed due to production delays.

Case studies



Fans Flock to Familiar Favorites

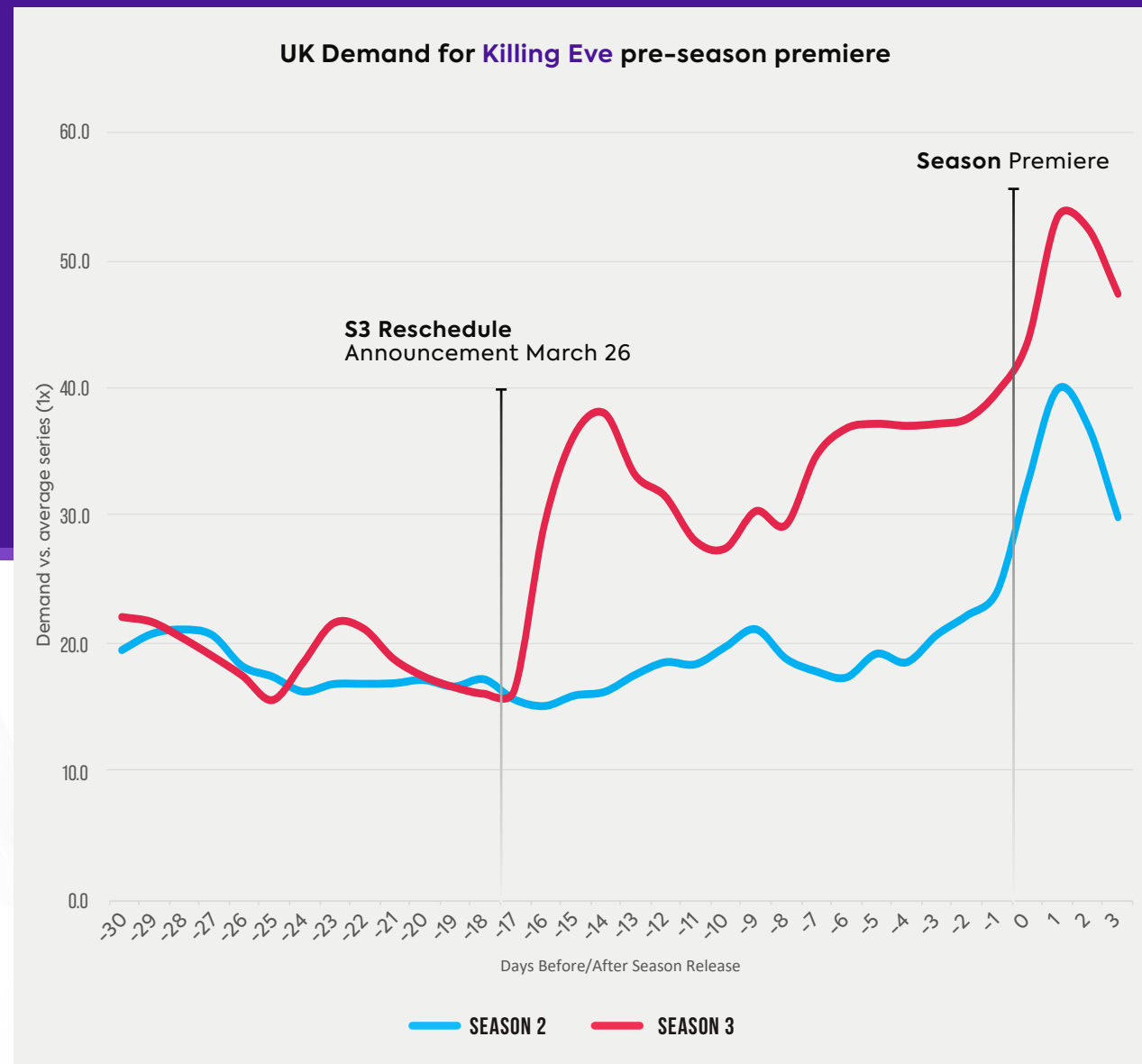


The Office saw a 26% bump in demand during March and drove the entire mockumentary sub-genre higher. People are using this time at home to rewatch old favorites or catch up on old classics they never had time for previously. This example shows the value of a large and bingeable library of episodes that provide audiences with hours of content.

Case studies



Act Early, Feed Hungry Audiences

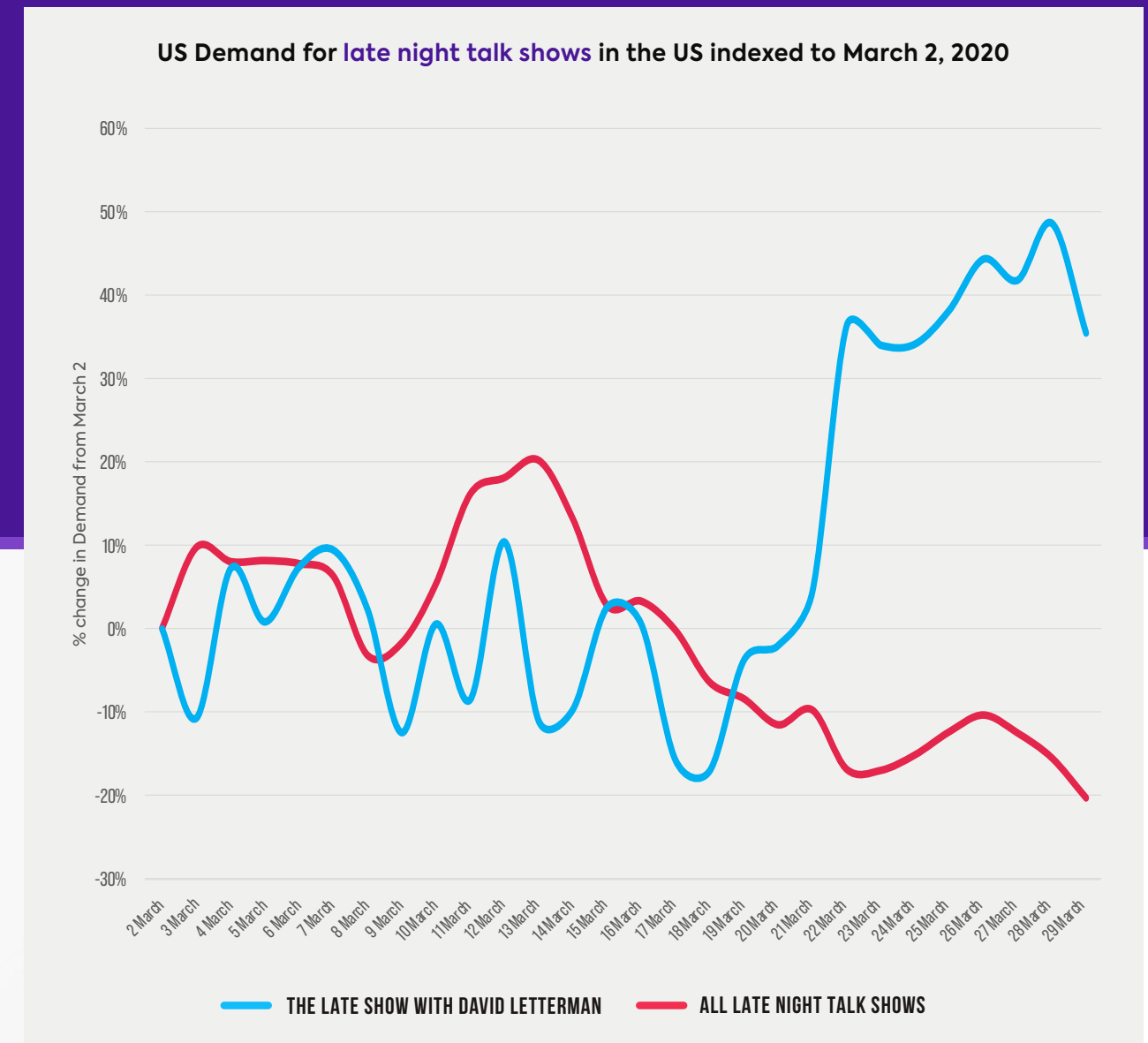


Killing Eve's demand in the lead up to the season 3 premiere paralleled that of season 2 until the announcement that the release would be brought forward in response to the COVID-19 crisis. Releasing a new series or season can benefit from current increased interest from audiences hungry for new content.

Case studies



Replacements Work Well

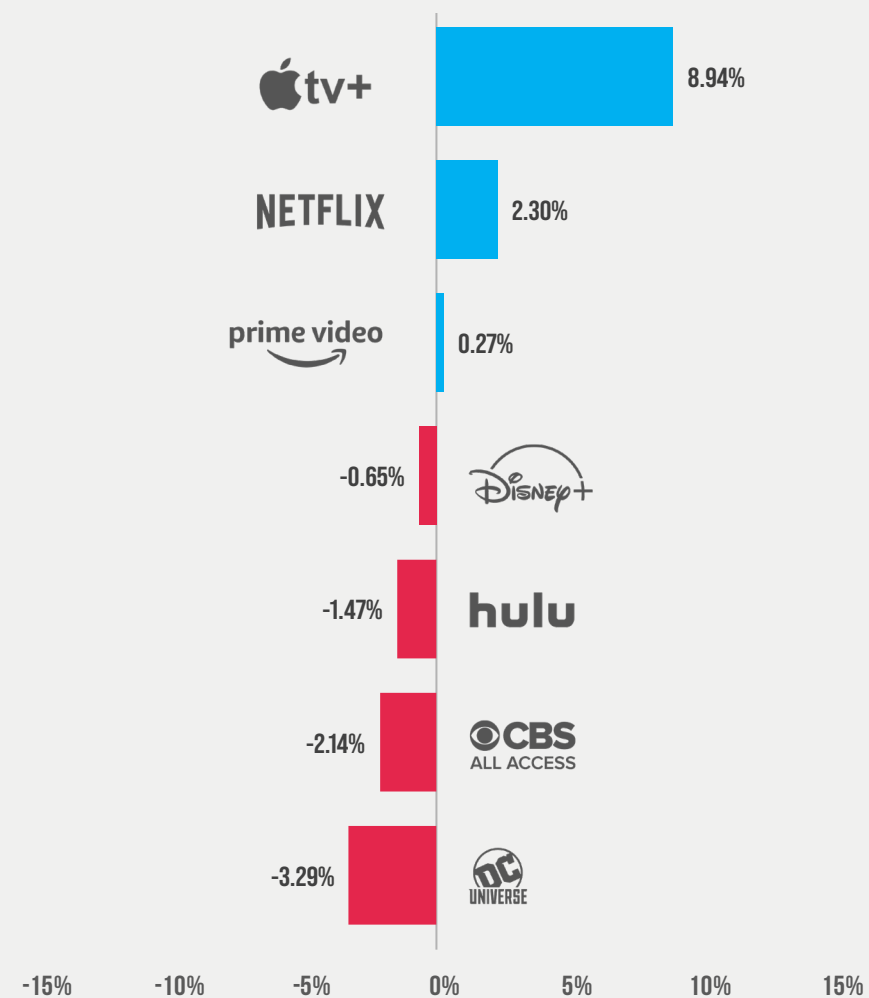


Despite not airing new episodes since 2015, demand for **The Late Show with David Letterman** is up 40%, in stark contrast to the rest of the late night talk show sub-genre. There is a clear advantage to legacy content in that production cannot be disrupted. Audiences are willing to view older series to fill the gap left by production restrictions.

Which platforms have had the greatest uplift during the lockdowns?

As SVODs seem poised to gain from the lockdowns, we examined how demand for content on major OTT platforms has shifted.

Change in US Demand share for on-platform shows before/after March 16, 2020



Methodology Note: This chart shows the difference between each platform's demand share for its available content in the US in the two weeks before March 16 compared to the two weeks after. Demand for content on a platform varies by market and depends on which shows are owned or licensed by that platform in a given market. Demand share is share of demand among these selected SVOD platforms.

David and Goliath Both Win

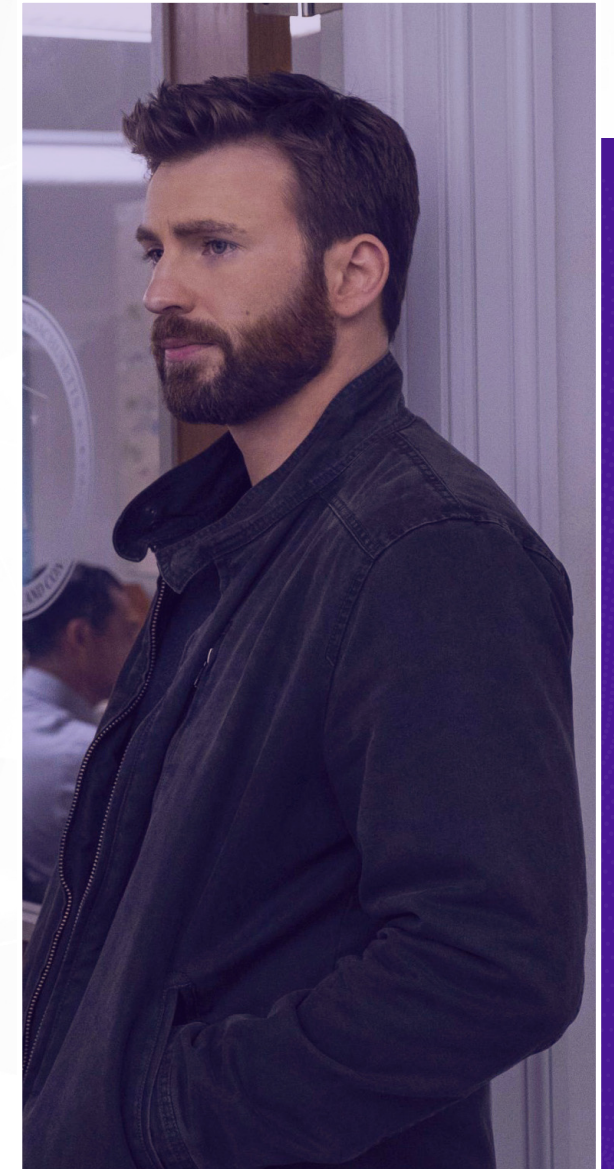
Netflix: Although starting from a dominant position, the SVOD has been able to grow its demand share by 2.3% in this period at the expense of most other platforms. This is a continuation of the trend we have seen, with particularly strong growth for the platform since the beginning of this year.

Apple TV+: This platform is a recent entrant to the market and has a smaller catalog of entirely digital original shows. Despite this it has managed to grow its share 9% in this time, without the benefit of opportunely timed releases. Its latest release in this time frame was **Amazing Stories**, which is on a weekly release schedule.

Lessons for other streamers looking to launch (i.e., Quibi, Peacock, HBOMax):

- Audiences want original content, and will have increased perceived value of new catalogs.
- Episodic releases help maintain audience engagement and extends the ROI on original content.

For more on release strategies, see Release Strategies Guide to 2020 (Ep 1 | Ep 2)



OTT Solutions: Sustain Subscriber Growth

In this section, Parrot Analytics examines key considerations for OTTs evaluating their libraries. This roadmap reveals how to decide whether to adjust scheduled releases of titles, as well as how to decide which titles to license.



“We have not changed the release dates of any titles and are continuing to launch new films and TV shows as we had scheduled to do before this horrid pandemic took hold.”

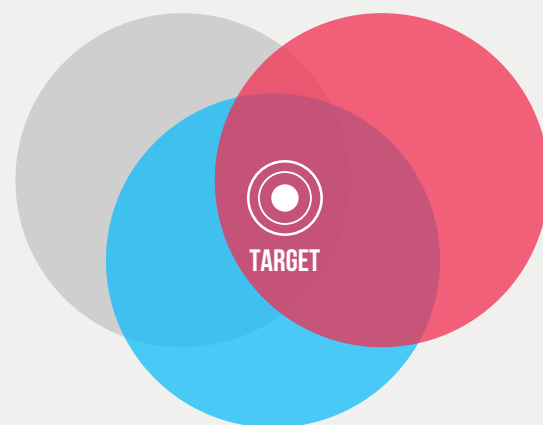


- Netflix Spokesperson

OTT library analysis

1. Trends in content preferences

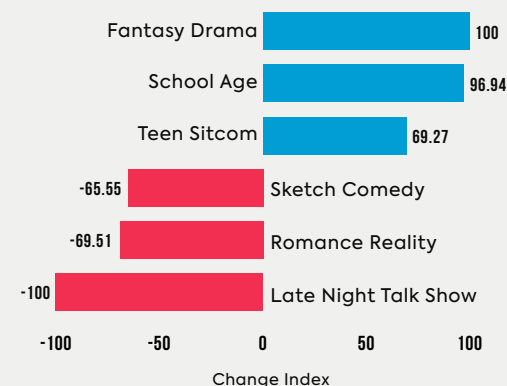
2. On vs. off platform taste clusters



3. Platform saturation by genre

1 Trends in content preferences

US sub-genre demand change
Indexed to most positive and most negative change



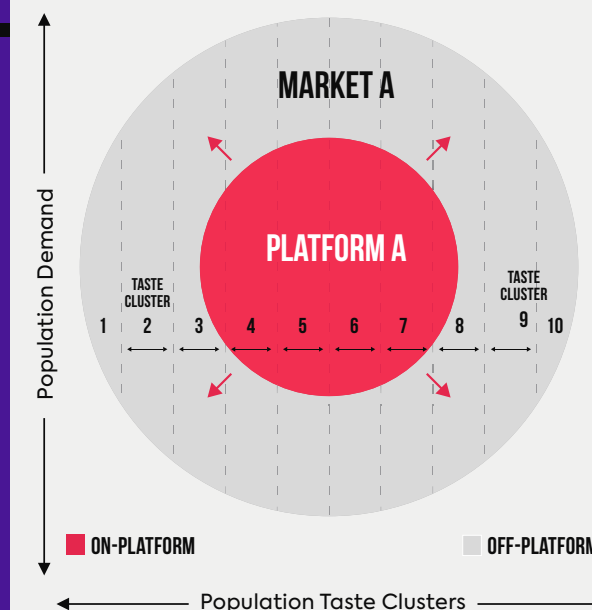
Acquire vs. retain subscribers:

(Chart 2) Platforms must evaluate whether titles fulfill the preferences of existing subscribers or those yet to be acquired. Depending on an OTT's goals, they may choose to prioritize a title that targets retention or to prioritize a title that targets acquisition.

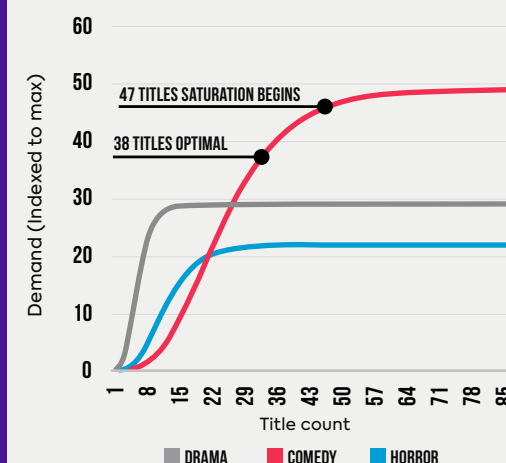
Capture shifting preferences:

(Chart 1) - By examining trends in content preferences, OTTs can prioritize speeding up releases or acquiring titles that may appeal to audiences' shifting needs.

Genomic taste clustering



3 Platform A series count saturation by genre



Ensure audiences are satisfied, but not overloaded:

(Chart 3) - Saturation is another term for diminishing marginal returns. Based on past data, OTTs can derive an optimal point or a point of saturation. To ensure audiences are not overwhelmed, OTTs should evaluate if there is headroom before speeding up releases or acquiring titles. Otherwise, due to genre saturation, titles may underperform.

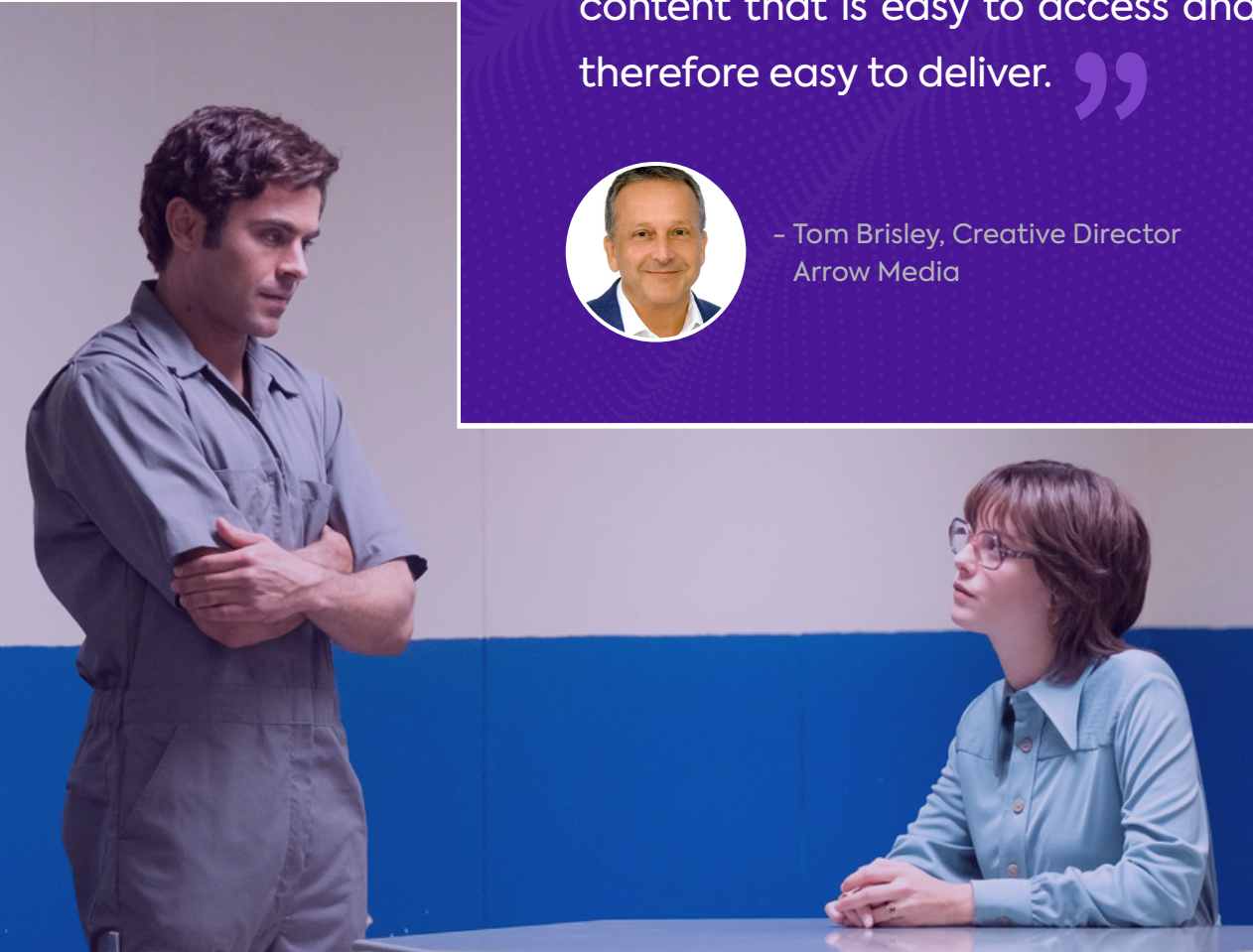
Broadcaster Solutions: Fill Programming Holes

In this section, we uncover how broadcasters can decide whether reruns will best maintain viewership and if not, we reveal how to prioritize potential replacement titles.

“What broadcasters need now is content that can deliver quickly, but we’re almost through that. In the medium term, broadcasters will need archived or user-generated content that is easy to access and therefore easy to deliver.”



– Tom Brisley, Creative Director
Arrow Media



To rerun or replace titles?

Evaluating a title’s fandom and longevity reveals which shows are candidates for reruns versus replacements. The stronger the fandom and greater the longevity, the higher likelihood a rerun will be successful. On the other hand, if the title has lower fandom and longevity this indicates replacement is the best option.

	HIGH FANDOM	LOW FANDOM
HIGH LONGEVITY	Reruns make sense	Current show has high longevity but less devoted fans may be open to replacement. Decision on rerun or replacement will likely be cost driven
LOW LONGEVITY	Try to find new content that appeases superfans or get creative and find ways to revitalize low longevity show	Fill gap with a replacement show

Longevity measures how consistent the demand for a title has held up over time. Fandom measures how active the fans of a title are in expressing demand. A higher fandom represents a more dedicated, and possibly niche fanbase.

Leveraging demand and affinity to optimize content acquisition for title replacement

SERIES	Demand Index	Replaced Title Affinity Index	Channel Affinity Index	Demand Per Dollar	Prioritization Value
TITLE 1	100	100	51	0.75	65
TITLE 2	91	79	48	1.03	77
TITLE 3	67	81	100	1.20	97
TITLE 4	58	46	74	1.18	68

How to find the best replacement?

Using demand as well as affinity (i.e. audience consumption history and preferences), broadcasters can find a title that best appeals to both the target audience of the replaced content as well the target audience of the channel as a whole. Finally, they can prioritize according to cost and total demand.

Distributor Solutions: Leverage Libraries

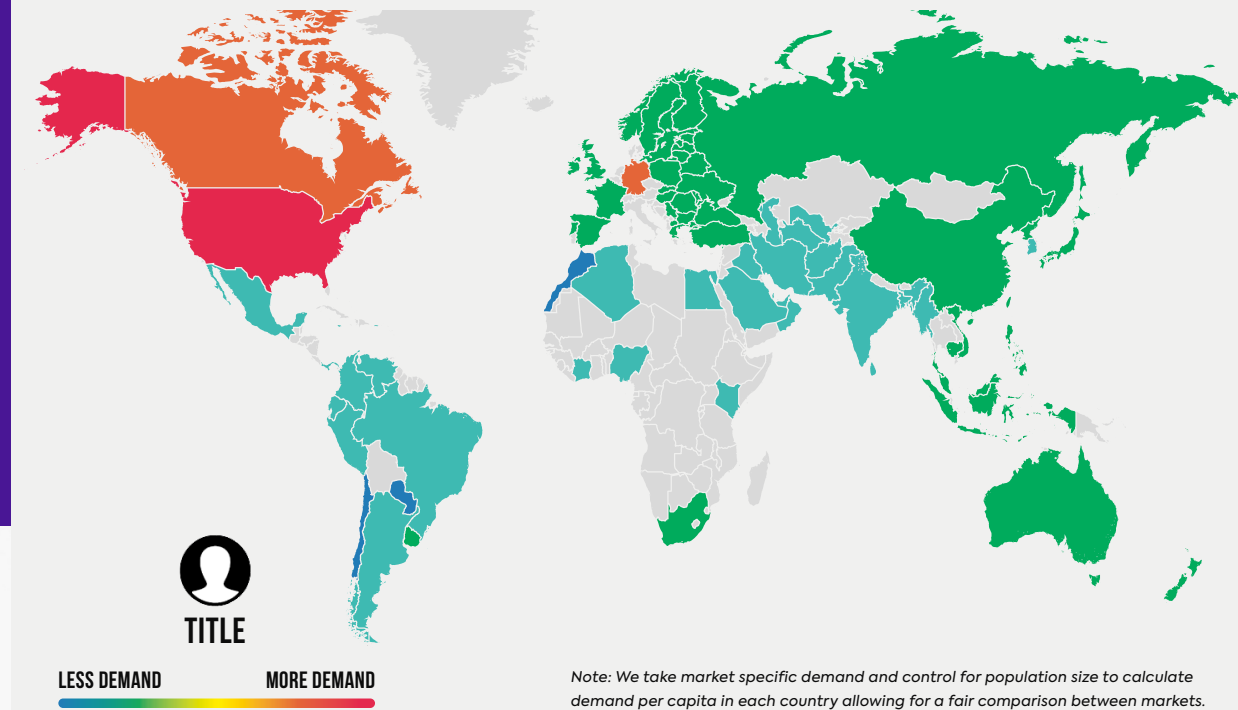
In this section, we demonstrate how distributors can most effectively sell their content. They can first surface the value of their titles across markets and then find the best platform or channel.



“ We’re creating collections to help our buyers navigate our catalog – providing a curated way to access high volume daytime treats, for example, or primetime premium shows. ”

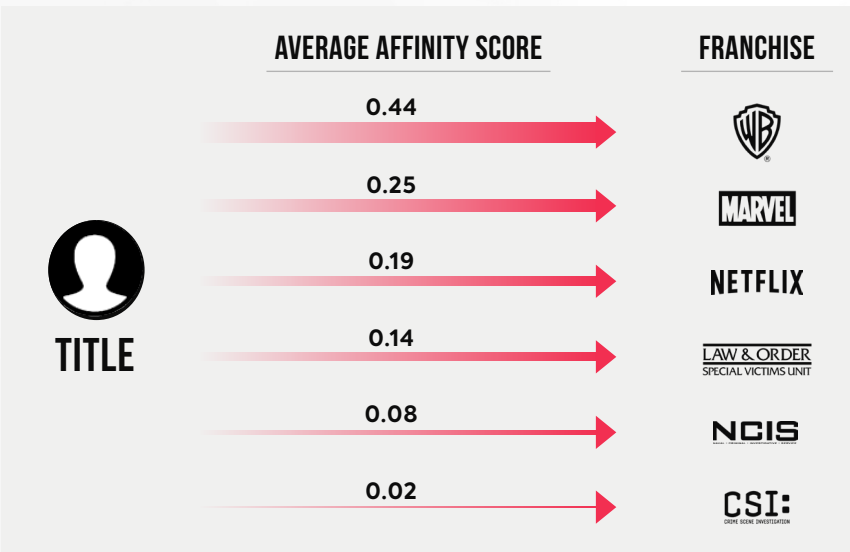


- Emmanuelle Namiech CEO at Passion Distribution



Where in the world is my content in demand?

Platforms and broadcasters are looking internationally to acquire the content their audiences are demanding. By comparing demand for titles around the world distributors can prioritize markets for each of their titles.



Which platforms and channels should I target?

Once key markets are identified, distributors can use audience demand history to reveal which platforms or channels a title has the greatest affinity to. Thus distributors can determine the buyers that would benefit most from their titles.

Producers Solutions: Adapt to Audience Needs



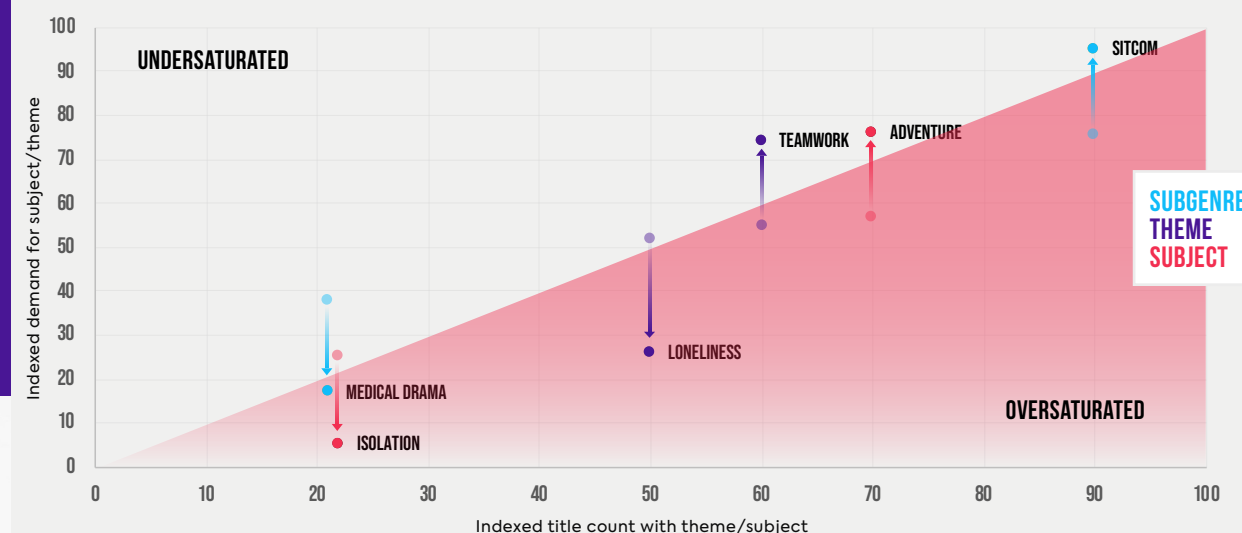
In this section, we show how to identify audiences' shifting demand for content during the pandemic and outline how to get ahead of channel and platform needs by identifying international formats ripe for adaptation.

“ I think it has impacted most in the same way, we can't produce content outside of our homes. We're really focusing on the development of new projects that can be produced within quarantines such as archive-based content, animations, etc ”



– Josh Wilson founder of Wilson Worldwide

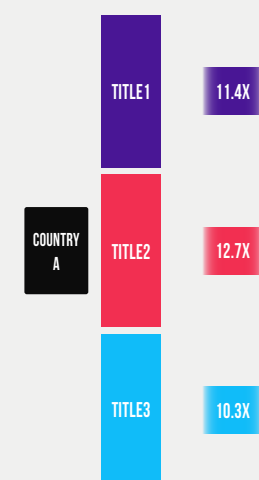
Shifts in demand for themes, subjects and sub-genres from pre-lockdown to lockdown



Finding gaps and opportunities

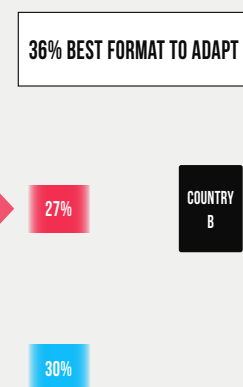
Producers can prioritize titles or adjust titles in editing to emphasize undersaturated **themes**, **subjects**, and **sub-genres** within local and international markets. Once filming restarts, producers can also use these whitespaces to prioritize which productions to resume first.

SIMILAR HIGH DEMAND
TITLES FROM COUNTRY A



vs. market average title demand

AND THEIR TRAVELABILITY
TO COUNTRY B



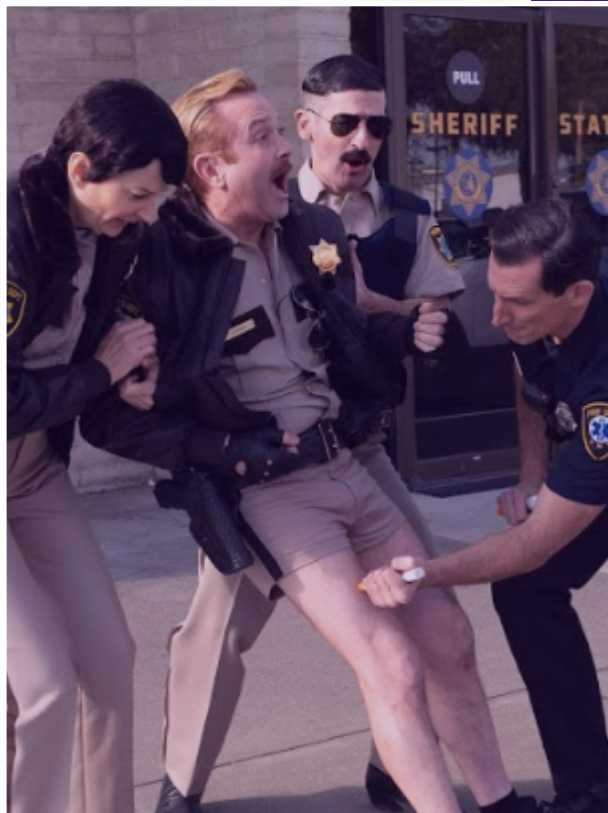
Travelability to Country B

Finding key formats

Producers can examine which **formats** are likely to become hits by evaluating international titles not only by local demand but also by travelability to the producer's market. Once filming can resume or if the format is producible under lockdown, producers can serve a local version creating a new audience favorite.

Marketer Solutions: Activate Audiences

In this section, we reveal how to identify which channels will most effectively reach and activate audiences under lockdown conditions and beyond.

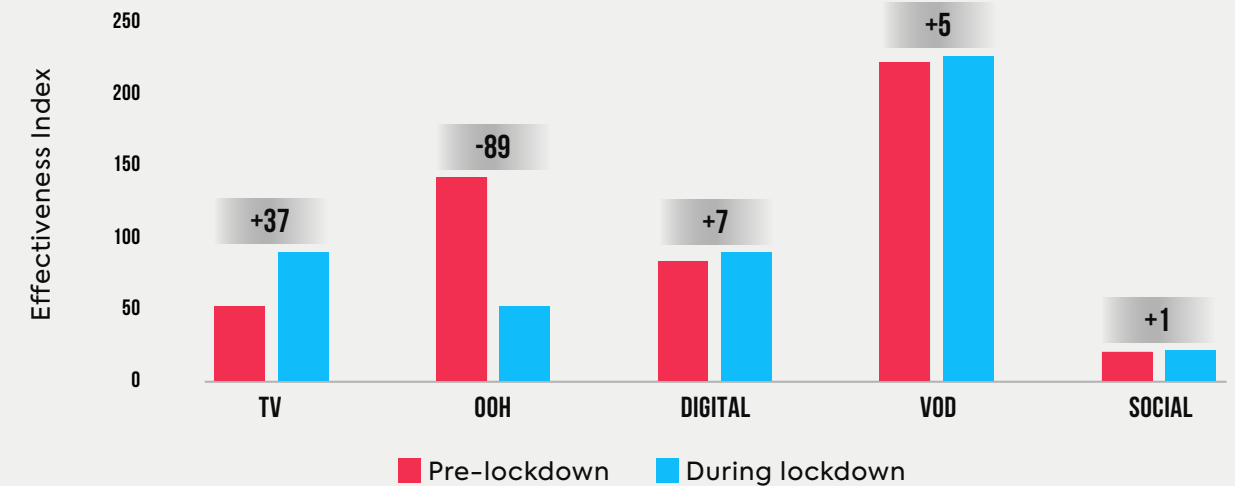


“We’re not putting all of our development resources into short-term, knee-jerk reactions. We are looking at the long-term goal, focusing on bigger picture projects”



– Tom Brisley, Creative Director, Arrow Media & Co-Founder of Arrow

Effectiveness of each channel for a title, before and during lockdown



Optimal tools for reach

Marketers are faced with questions like if no-one is commuting, are Out-Of-Home (OOH) methods still effective? Is it best to focus on performance marketing? Econometric modeling of campaigns during lockdown and afterwards can reveal how each channel now impacts demand. Marketers can then optimize spend to reach the maximum audience for their budget.



Activating emerging audiences

The pandemic has created an ideal time to attract viewers via a new show. To attract the widest possible audience, marketers can tap into taste clusters, which are audience preferences for existing content and/or brands. By analyzing the existing as well as emerging taste clusters, marketers can apply consumer behavior to prioritize the **best audiences to reach**.

Exclusive Extended Edition

Now with

Executive Deep Dive: How the TV Industry Looks Ahead



Tom Brisley
Creative Director/Co-founder
Arrow Media/Arrow



Emmanuelle Namiech
CEO
Passion Distribution



Alejandro Rojas
Director of Applied Analytics
Parrot Analytics

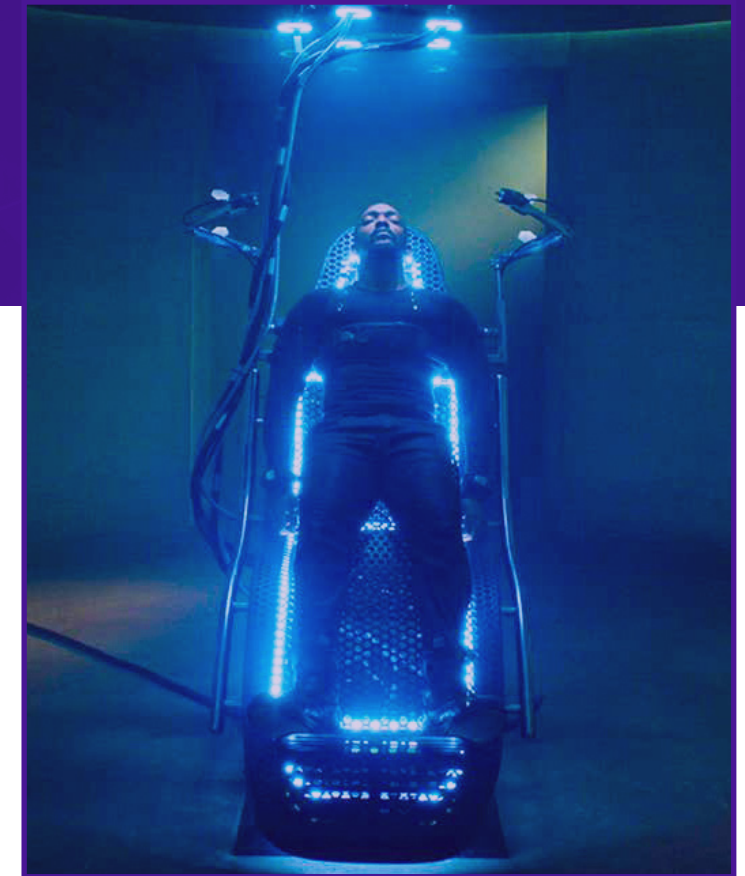


Steve Langdon
Partnerships Director, EMEA
Parrot Analytics



Josh Wilson
Founder
Wilson Worldwide

As part of our comprehensive report on Navigating COVID-19, TV executives tell Parrot Analytics how they are planning the year ahead after initial disruptions from the pandemic. In this section, Parrot Analytics uses data to investigate predictions from executives and provide recommendations along the way.



TV executives are turning their attention to what business will look like beyond this year's lockdown now that many have initiated creative short-term solutions to keep afloat during the outbreak. Executives from Arrow Media, Passion Distribution, and Wilson Worldwide Productions tell Parrot Analytics that their focus is shifting from immediate challenges such as setting up staff remotely and tailoring content to fill gaps in broadcasters' schedules, to mid to long-term strategies for their titles.

How are executives planning for the ongoing impacts of COVID-19?

“It’s the unknown that we have to plan for,” says Tom Brisley, creative director at **See No Evil** production house Arrow Media and co-founder of Arrow. “We’ve done our immediate stuff and have been relatively successful in winning business, but we’re now looking to that medium-term between June to August.”

For most in the industry, the summer months are likely to mark the first time production companies can start filming again and also the first time audiences are eased out of lockdown. But there’s also uncertainty in how much freedom will be allowed during this time. As a result, most companies are going to need additional strategic planning. We at

Parrot Analytics believe that researching TV audience behavior trends is a good place to start for the unknown.

While there are ongoing tactical adaptations being made across the entire content lifecycle, Steve Langdon, Director of EMEA Partnerships at Parrot Analytics states, “The key strategic change for all sectors of the TV industry is to focus on defining effective content offerings for audiences and buyers by understanding any new, or newly disrupted, trends.”

What does it mean to have an effective content offering?

Parrot Analytics collaborated with executives to reveal audience trends and best strategies for maintaining audience attention in the upcoming summer and fall of 2020.

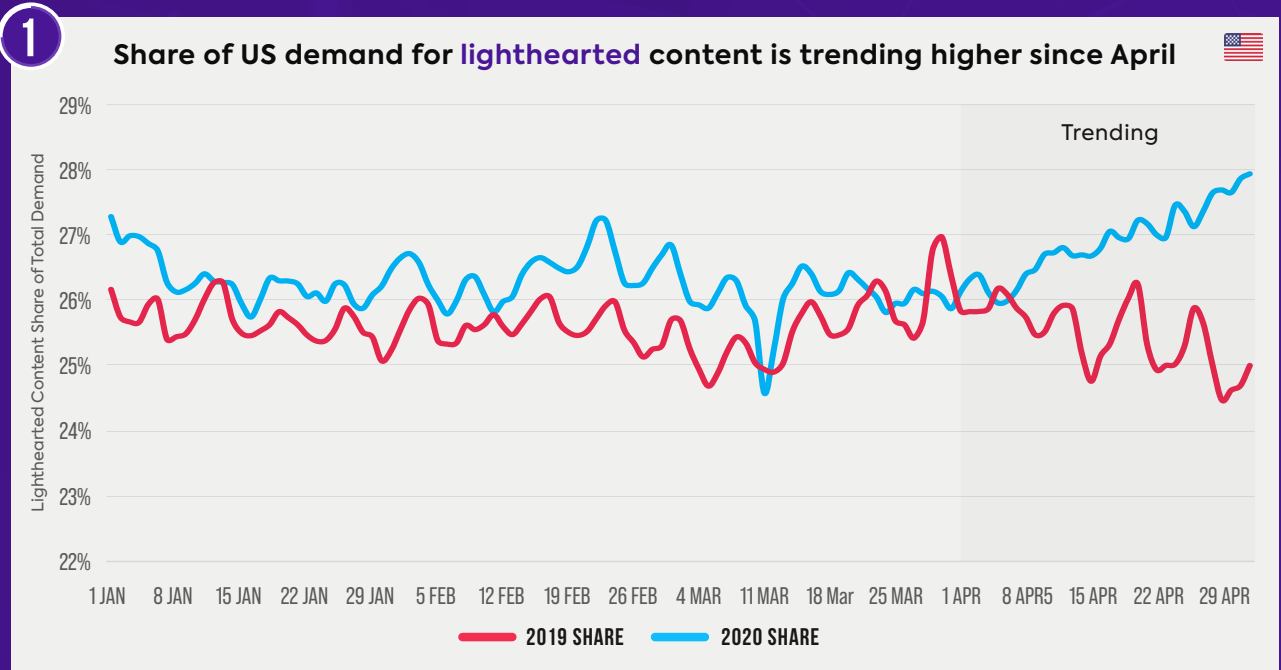
What do producers predict audiences want in the “new normal”?

As they prepare for the “new normal”, executives from production companies share that they expect audiences to continue to need entertaining and engrossing content. At the heart of their strategies, they predict it is best to serve audiences content that provides a temporary emotional relief or allows them to escape to a surreal or other time and place in the world. So, we provided the data to test these predictions.

Summertime Lightheartedness & Comfort Blankets.

For Arrow Media, providing a strategic content offering means turning its attention to more lighthearted content. “There’s a real opportunity now to deliver – for June, July, August – programming that’s a little bit more uplifting or entertaining. I think that’s what commissioners are looking for at the moment; they want viewers to be able to sit back and smile and to laugh and I think that’s important to do. People get enough of the horrors of the world from the news. So this is a way to offer them something different,” says Tom Brisley.

Our data supports his intuition. We found that the demand share for uplifting and lighthearted content began steadily increasing since April 2020, has hit a multi-year high, and now continues to trend upward.



As opposed to the downward trend in April 2019, we see an upward movement in demand in 2020.



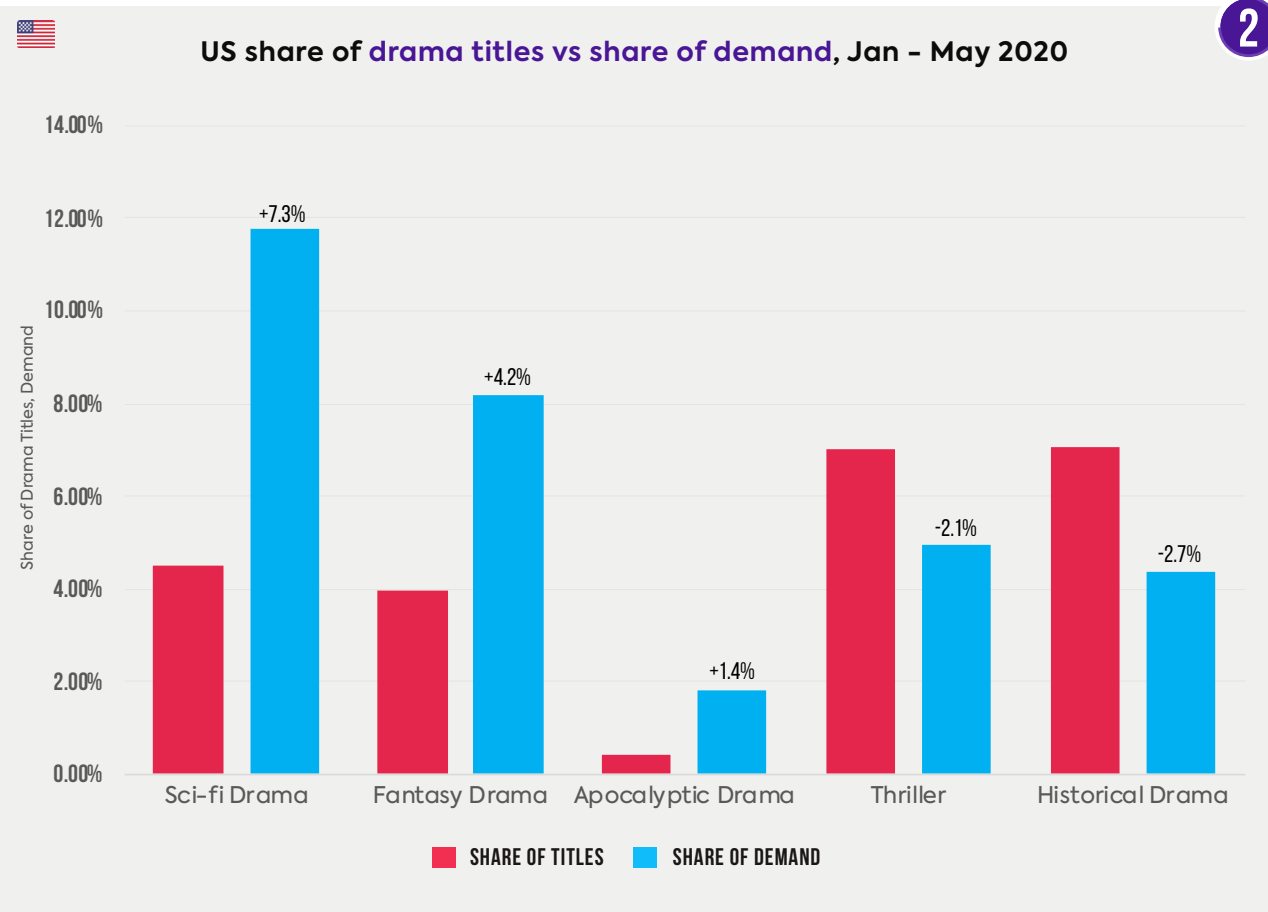
Dramatic Opportunities to Escape

While Brisley predicts that uplifting audiences is an important goal, other executives share that they predict there are other, more dramatic, opportunities for helping audiences escape challenging realities.

Wilson Worldwide, which typically focuses on human interest stories with titles such as **Mission Mudder**, is currently working on developing two scripted drama series. One of these titles is **False Impressions**, based on the book by Jeffrey Archer. This mystery, crime, thriller drama is set in 9/11 within the world of art. “We have pivoted to a degree to be genre inclusive.” shares Josh Wilson, founder of Wilson Worldwide. **Our data suggests this strategy is useful.**

But what sub-genres of drama are most likely to break through the clutter?

In the US, we find that the opportunities are larger for new sci-fi, fantasy, and apocalyptic dramas. These offer the greatest chance that a show will grab currently-underserved clusters of audiences.



Although each of these sub-genres rose in the aftermath of lockdown measures in the US, we can see that the size of opportunity varies across these spaces. Sci-fi dramas and fantasy dramas have more room for new titles, while thrillers and historical dramas appear to be a bit oversupplied. Titles in the latter sub-genres may face tough competition for audiences’ attention. But that does not mean they cannot break through or are not potentially more cost-efficient. Another important element for producers may be the degree to which scripts are adaptable to restrictions, including the ability to eliminate large crowd scenes.

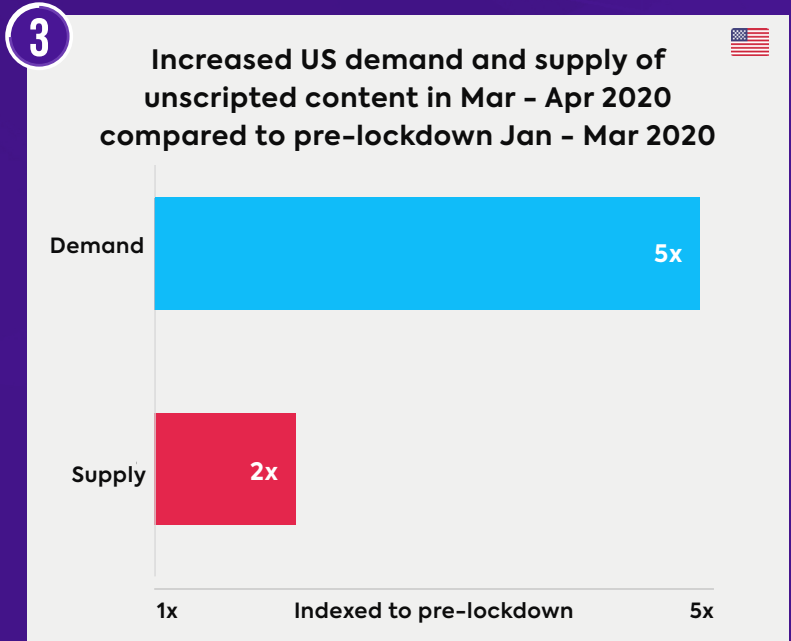
Archival Footage: Nostalgia & Perspective

Dramas are not the only series that provide audiences escape, unscripted content allows audiences to escape into a pre-pandemic world or be absorbed by the stories and lives of others. Executives at both Wilson Worldwide and Arrow Media remarked that their access to archive footage has allowed them to adapt quickly and thrive in the midst of the pandemic.

Arrow Media, which focuses on factual and non-fiction content, exemplified this success when it was recently commissioned by Disney+ to deliver the animal parks documentary **Magic of Disney’s Animal Kingdom**. Co-founder of Arrow and creative director of Arrow Media, Tom Brisley explained, “We have a lot of user-generated content and a lot of archived content and can make whole programs out of these.”

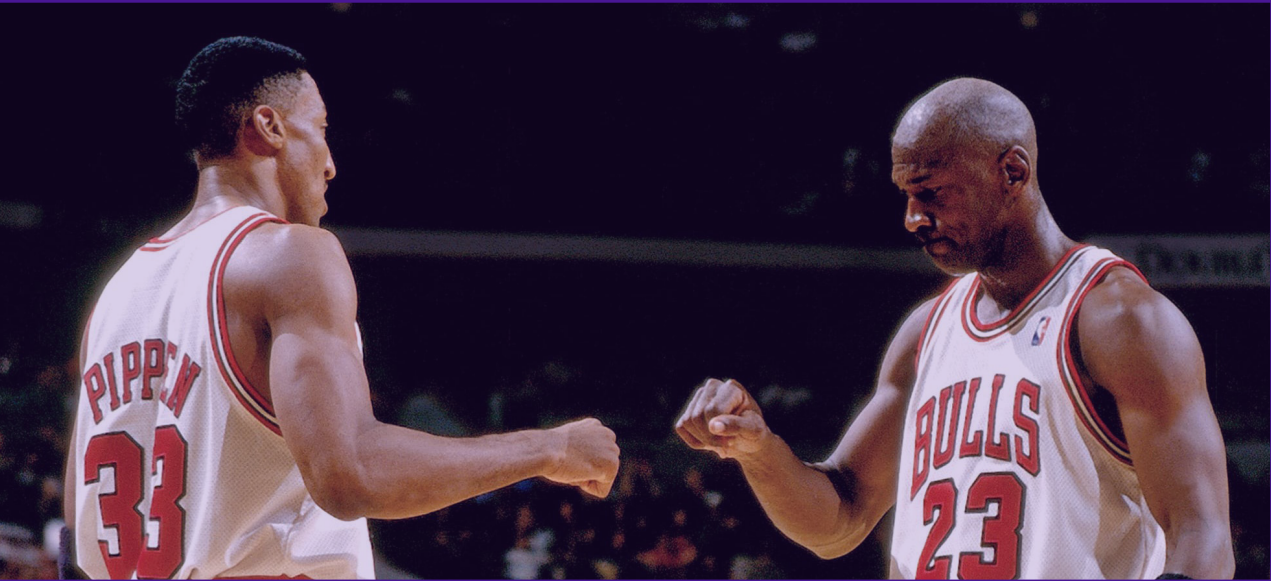
Unscripted content has been easy to produce in lockdown and highly in-demand.

Our data reveals that in the US, the supply of new unscripted (i.e., factual and documentaries) shows released in COVID-19 lockdowns has doubled compared to earlier this year, yet the demand has nearly quintupled in March to April 2020 as compared to January to March 2020.



In other words, unscripted content including genres such as factual and documentary are breaking through the clutter and fulfilling audiences needs. Case in point, new unscripted series accounted for one third (1/3) of the US demand for all new series since mid-March. These genres have headroom for even greater supply.

One of the breakout hits of the pandemic, ESPN’s **The Last Dance**, relies largely on archival footage, revealing how successful this type of content can become with quarantined audiences.



How do broadcasters and OTTs plan to continue to adapt to restricted productions?

While producers focus on COVID-19's ongoing impacts on audience's taste preferences, broadcasters and OTTs focus on content that will keep their viewers and subscriber numbers increasing — even as quarantine fatigue settles in.

What are starved sports fans watching?

The content gaps left by LIVE sports and related programming in the wake of social distancing measures are a major hurdle for broadcasters to overcome. EMEA Partnerships Director at Parrot Analytics, Steve Langdon shares, "Without LIVE sports, broadcasters and platforms need to strategically reframe their value

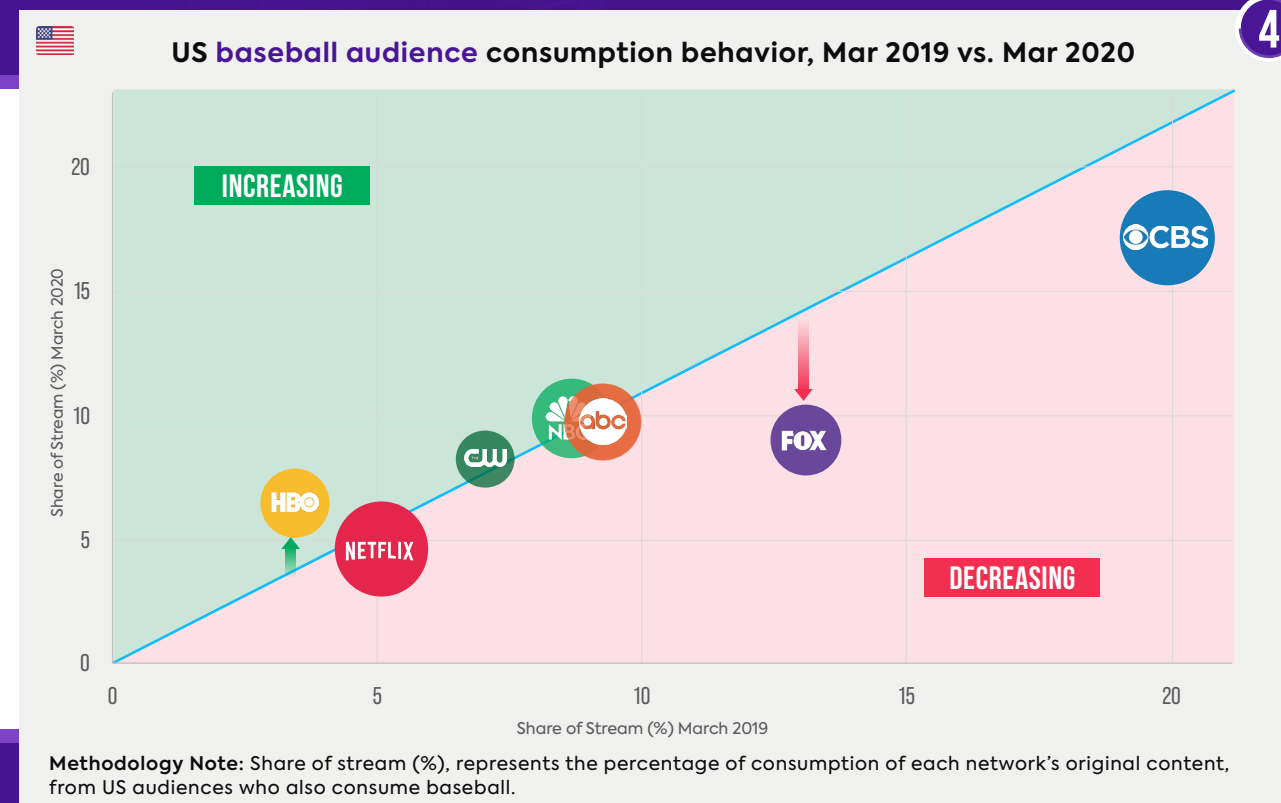
proposition to subscribers/viewers in summer and fall."

While the NBA and NHL were able to play the vast majority of their regular seasons, Major League Baseball has had its season entirely derailed by COVID-19. The MLB is trying to start its 2020 season in early July, but there are no guarantees about when America's pastime will return to ballparks or the airwaves.

The Loss of Sport Halo Effects

Where are baseball fans consuming content today?

Our data reveals that the loss of sports content not only has led to lost viewers due to gaps in programming, but also due to the loss of the halo effect of sports. Without sports programming to draw them, these audiences are spending less time on these broadcasters' non-sports content.



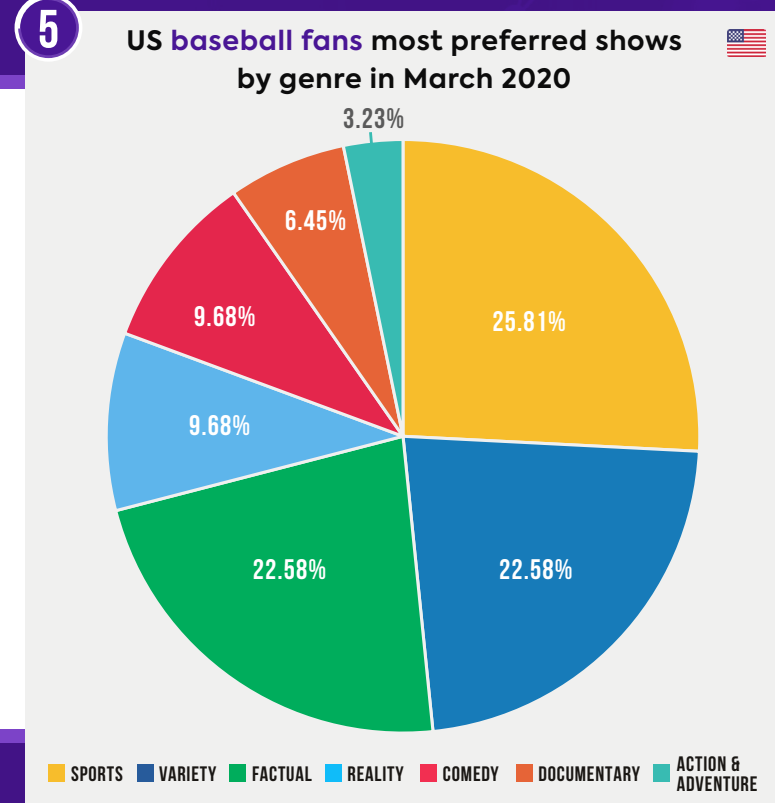
We reveal baseball audiences have decreased their streaming of content originating on FOX and CBS in 2020 as compared to 2019. FOX, which airs Major League Baseball (MLB), appears to be the most impacted, losing 5% of this audience. Yet, we see an increase in HBO and the CW likely due to shows like *Last Week Tonight with John Oliver* on HBO and *All American* on the CW.

But how can broadcasters repackage their value proposition for these audiences?

In order to maintain baseball fans' attention, broadcasters can market and highlight their other content offerings that align with fans' preferences.

Baseball Fans are Live Content Fans

We took the 30 shows that had above average popularity with baseball fans (an above average share of baseball fans follow this show) as well as above average specificity to baseball fans (the proportion of baseball fans to total followers of this show). Below we reveal the genre breakdown of these shows that appeal to baseball fans the most:



Our data reveals that in addition to other sports, baseball audiences show the most interest in:

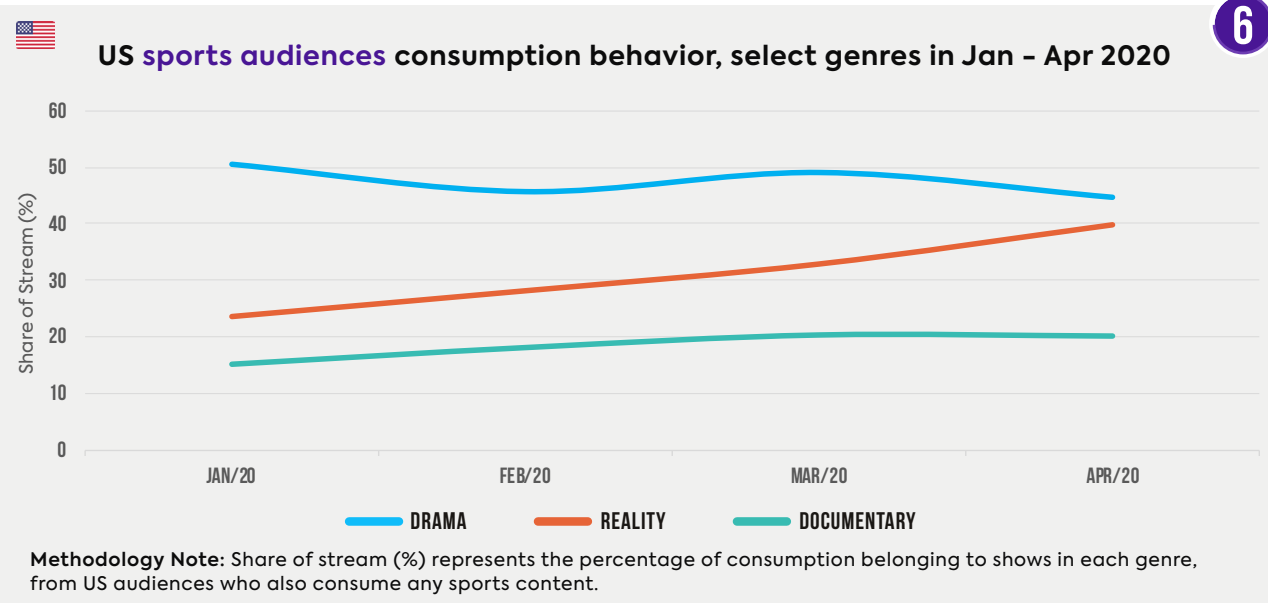
1. Variety content such as *Saturday Night Live*, *Jeopardy*, *Jimmy Kimmel Live*
2. Factual content such as *Anderson Cooper 360* and *All in with Chris Hayes*

Yet, not a single drama was among their top 30.

This could be good news for broadcasters. Shows such as **The Late Show with Stephen Colbert** and **Jimmy Kimmel Live** which have adapted during lockdowns are likely keeping baseball audiences tuning in to broadcasters’ channels. However, OTT platforms and other channels may have an opportunity to appeal to this audiences’ preferences by creating other timely “LIVE” content featuring athletes.

More Than Just Baseball...

Additionally, these tastes are not necessarily unique to baseball fans. We measured the share of stream by genre across all sports audiences. Reality’s share of stream is up dramatically since the beginning of the year (+68%) and documentary to a lesser extent (+31%). This indicates both of these genres could be areas of opportunity to appeal to sports audiences more generally if challenges with LIVE sports continue into the year.



Where are opportunities for tentpoles in animation?

While OTTs and Broadcasters both aim to create “hit” shows , **OTTs depend even more greatly upon them to sustain growth**. Looking ahead, OTTs may be faced with production delays while aiming to surface their next tentpole in order to continue acquiring and retaining subscribers.

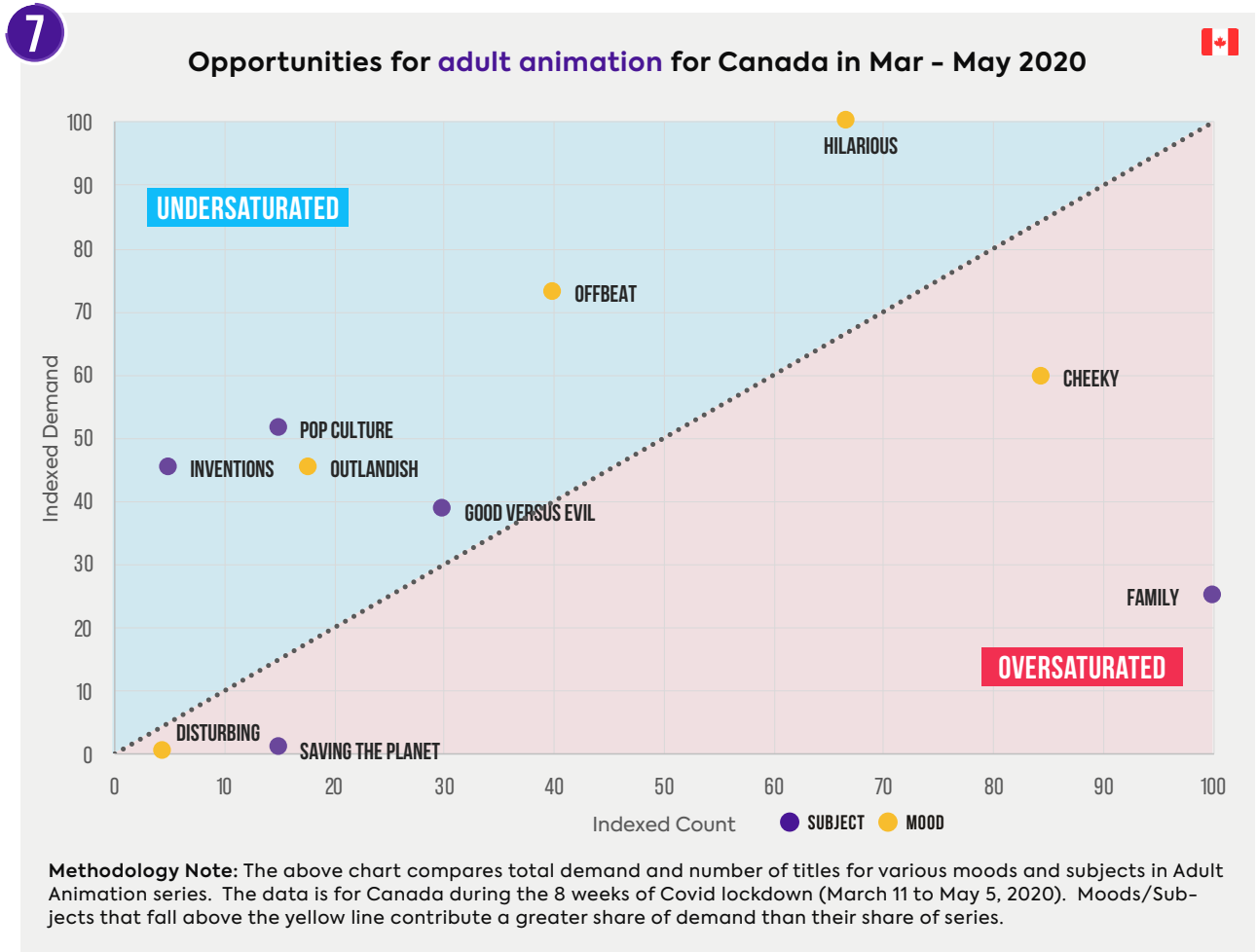
One restriction-resilient genre is animation, which has become a focal point for production companies. Josh Wilson founder of Wilson Worldwide shares that, “We’re really focusing on the development of new projects that can be produced within quarantine – such as archive-based content, animations, etc.”

How can OTTs increase the chance that their animated series will become a tentpole?

We can reveal overlooked opportunities. For instance, Canadian adult animation audiences are



resonating with highly entertaining subjects and moods such as offbeat, hilarious, pop-culture, and invention related content.



While series about classic good versus evil or with outlandish tones are good opportunities for the next tentpole, audiences may be unlikely to notice or desire a new cheeky series or one that focuses on family.

How do distributors continue to effectively sell their content?

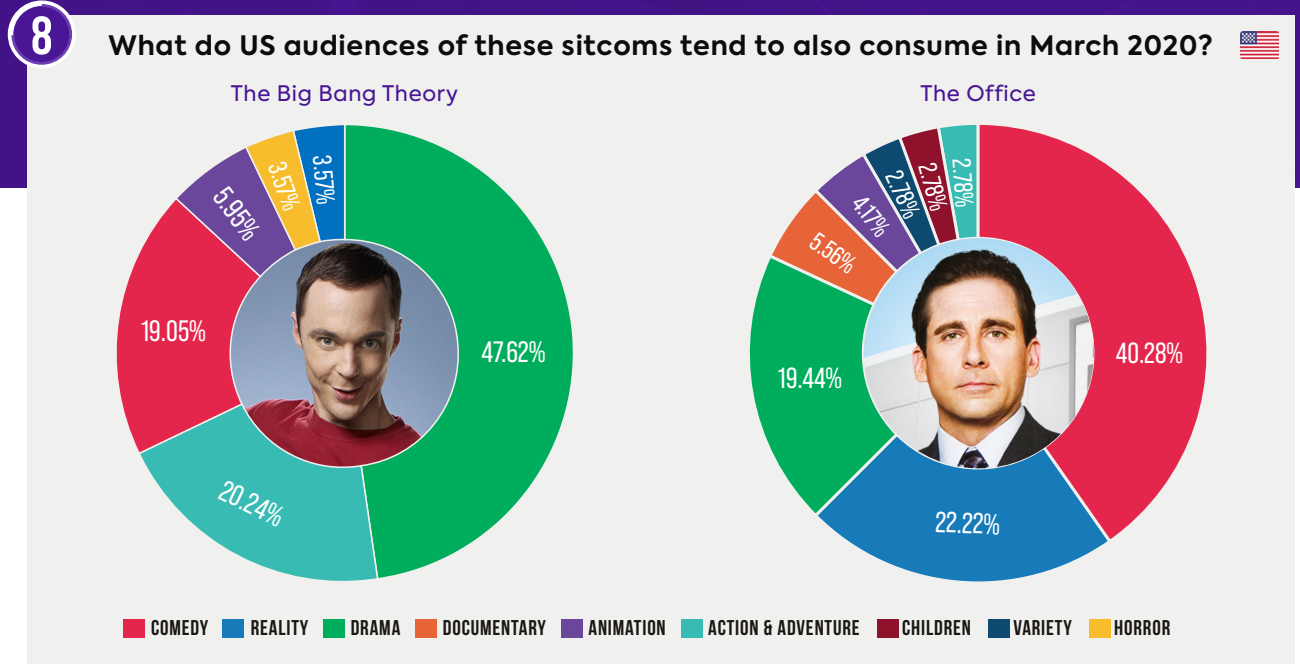
Similar to producers, broadcasters, and OTTs who are looking ahead to keep up with the ongoing outcomes of COVID-19 on audience preferences, distributors are adapting and quickly finding opportunities to package their content for buyers virtually.

Passion Distribution, the distributor behind **#Trump: How Social Media Changed the Presidency**, was one of a list of distributors to create a 'pop-up' virtual showcase in response to the disruption of TV markets such as MIPTV this spring. "Buyers could access all our new content online, screen trailers and completed shows, wherever available," says CEO Emmanuelle Namiech.

As the lockdown was introduced, Passion created curated collections from its catalog to help buyers navigate its content. As Alejandro Rojas Director of Applied Analytics at Parrot Analytics has stated, "Disruptions in consumer behavior

have been prevalent for some time. As we have already seen, changes in habits accelerated by COVID-19 are making it even more relevant to adapt your programming rapidly. A pop-up virtual showcase seems like a sensible solution to attend this need. But it's certainly not the only one. Networks should leverage off-platforms datasets to understand where audiences are migrating to be able to react quickly to change. For example, baseball audiences that FOX once attracted are now looking for live entertainment and news options from other networks such as NBC and CNN. Discerning where audiences head after their favorite content is now more important than ever."

As an example of how to effectively package content in which the whole is greater than the sum of the parts, we compared two of the past year's most talked about acquisitions – **The Big Bang Theory** and **The Office**. Superficially, both are the same: widely popular, concluded, US-made sitcoms. However, **analyzing their affinity** with other shows reveals that they share audiences with two completely different types of content.



The relative importance of comedy and drama for audiences of these two series is flipped. More specifically:

- **The Office** fans tend to go on to watch other comedies.
- **The Big Bang Theory** fans tend toward drama.
- Reality series are the second largest high-affinity preference for audiences of **The Office**.
- For **The Big Bang Theory** audience, the second largest high-affinity preference is action and adventure series.

"Using this information a company can double up on their strategy, taking two shows that on paper look like they attract the same viewers, but in actuality diverge to separate audience segments," says Steve Langdon.

Trending upwards: a hopeful future

We, at Parrot Analytics, are optimistic. As we continue to monitor trends in the industry and extract insights, we reveal actions that can keep the magic alive and keep the industry healthy. With billions of data points, we are more zealous than ever to continue connecting content creators, distributors, platforms, and consumers — not only for audiences who need the comfort, but for the many jobs the entertainment industry provides.

Brisley says: "I'm hoping we'll be back to regular content and regular delivery from September onwards. If not, then Arrow Media is prepared for it, because our systems now can cope with remote interviews, using archive, using B roll instead of film etc. So we're well equipped for survival in the future."

“The lockdown may be eased this summer, but ultimately we’ll still have to use social distancing measures.” says Wilson. “We just have to be creative about how we get a lot of things done and adapt to our environment both commercially and creatively.”

Namiech tells Parrot Analytics that if the impact from the pandemic continues to affect business or stretches on to affect other markets, such as MIPCOM, then Passion will continue to work with virtual markets. The pop-up market, “has enabled us to mitigate the possible downside of a market being cancelled, but it also helped us to increase and refine our digital capability.”

While there are certainly challenges ahead, we are hopeful that together we can learn and adapt to not only survive but thrive in a post-COVID-19 world.



Methodological Considerations

Chart 1 shows the daily share of US demand expressed for uplifting and lighthearted sub-genres in January 1 to April 30, 2019 vs. 2020. These sub-genres include sitcoms, family comedies, cartoons.

Chart 2 shows 5 drama subgenres and looks at their share of drama titles compared to their share of drama demand in the period from January 1 to May 8, 2020.

Chart 3 shows the increase in the number of and total demand for unscripted series that premiered in the seven weeks following lockdown (March 11 to April 28, 2020), indexed to the seven weeks prior (January 23 to March 10, 2020). The time periods compared were chosen based on the WHO pandemic announcement of March 11th, 2020, after which US stay-at-home orders began to come into force.

Chart 4 shows the online consumption of TV content in the US from baseball fans. This is captured at a show level and then aggregated to a platform level. Y-Axis is share of streams in March 2020, X-Axis is share of streams in March 2019. Size of bubble represents number of series.

Chart 5

- We harvested the profiles of 50k users on Twitter who follow the Major League Baseball on Twitter in order to find out what these people follow. We aggregated the data to find out what is the most followed TV content among our audience sample.
- We defined most popular series among baseball fans as those having an above average percentage of baseball fans who follow this content on Twitter AND an above average affinity index. Affinity Index indicates how specific this content is to our sample. It is equal to the number of people from our sample who follow a TV content divided by the count of followers for this content on Twitter.
- We showed the breakdown of the most popular series among baseball fans by genre in the pie graph.

Chart 6 this data uses Parrot’s Proprietary P2P consumption dataset looking at what people who stream sports content online also watch in the US. The time frame is January 1 to April 20, 2020. The count of streams are aggregated by genre tag of content. N.B. Shows can be categorized as more than one genre so the sum of shares may add to more than 100%.

Chart 7 compares total demand and number of titles for various moods and subjects in Adult Animation series. The data is for Canada during the 8 weeks of COVID-19 lockdown (March 11 to May 5, 2020). Moods/Subjects that fall above the yellow line contribute a greater share of demand than their share of series. For ease of reading, the values are indexed within the mood and subject dataset

Chart 8 takes the top 50% highest affinity shows to each series as of May 3, 2020 and breaks down by genre.

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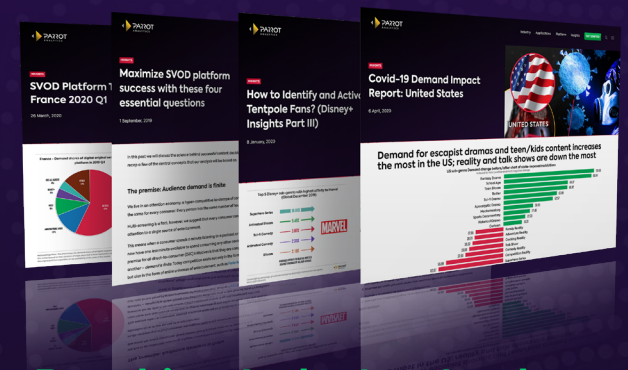
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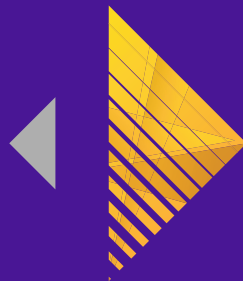


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