

ShowMax reveals lessons from first year

Today, 19 August 2016, ShowMax celebrates one year of business, 10 million views and more than 700 years' worth of TV shows and movies. Now, it is also ready to share its lessons on video on demand (VOD) learnt over the past 12 months and from a survey of 1,000 people.



Barron Ernst, chief product officer for ShowMax, says: "It's been a busy year for our team and we have achieved a fair amount in that time. Enabling content downloads, setting up data usage caps, putting together a cash voucher system and implementing multiple user profiles are some of the tougher technical challenges we solved, with additional tweaks and upgrades taking place on an almost daily basis. On top of that, since the launch we have added support for AirPlay, Apple TV, Chromecast, the DStv Explora, and more smart TVs."

When do people watch?

According to their stats, the peak viewing time is between 6 and 11 in the evening, reaching an absolute peak at around 8pm. Interestingly, the busiest days aren't Friday or Saturday (date night isn't quite the killer function expected); instead they hit peak-couch-potato on Sundays.

How popular is internet TV in South Africa?

The survey suggests that subscription video on demand (SVOD) usage is set to rapidly accelerate in South Africa. Only 35% of those surveyed currently subscribe to an internet TV service but, when asked whether they plan to be using an internet TV service within the next six months, that number rose to 65% of the respondents.

Why do people subscribe?

The main reason that people report using SVOD services is to access a wider range of content (39%), followed by access to the latest content (22%), and value for money (16%). Interestingly, given what's known of the binge-watching global phenomenon, only 13% listed binge-watching as the main reason for using this type of service.

What do people prefer to use to watch SVOD?

There can be a marked difference between how people in different countries view video content. In some countries, the

majority watch on mobile devices, while in others there's a preference for "lean back" viewing on TVs and computers.

The survey suggests that in South Africa things appear to be split pretty much down the middle. The following are the answers to "which device(s) do you use to watch internet TV," by people currently subscribed to a service. Respondents were able to select more than one device, which is why the results come to more than 100%:

- 68% computer
- 63% tablet
- 37% smartphone
- 31% smart TV
- 7% Apple TV
- 6% other

What's most important in a service?

When asked what aspects of an internet TV service are most important, the following factors were all ranked as "very important," by 50% or more of the respondents.

- Good video quality (66%)
- Value for money (61%)
- Right payment options (55%)
- Available on right devices (54%)
- Product features (52%)
- International content (50%)

In a sense, the answers aren't surprising, but in the context of Africa they take on extra meaning. For example, the fact that video quality came out on top obviously highlights the importance of making sure your content delivery network is up to scratch, but given the fact that many users connect via mobile in less-than-optimal conditions, it also shows that a service needs to go even further to improve the user experience. In Showmax's case, that's why they've delivered solutions for offline viewing (downloads), dynamic streaming, bandwidth capping, and even less-obvious solutions like reducing picture file sizes when displaying content "movie posters" on mobile devices.

How many hours do people watch per week?

Is there a couch potato tendency among the group surveyed? It's difficult to do a direct comparison, but the results suggest that South Africans may indeed be ahead of the curve when it comes to how many hours are spent watching internet TV.

Ericsson published a [Consumer Lab report](#) in September 2015 that looked at viewing habits in multiple countries. This study found that on average, people watched 6.0 hours of streamed on-demand TV programmes, series and movies per week.

The respondents in South Africa who are subscribed to an internet TV service reported the following weekly viewing:

- less than 5 hours 26%
- 5 to 10 hours 44%
- 10 to 15 hours 17%
- 15 or more hours 11%
- don't know 2%

What's stopping people from subscribing?

What's the main reason holding people back from subscribing? The clear answer is the cost of internet access (40%) rather than a lack of understanding how to access the services (20%). 15% of people find normal TV easier to use.

Somewhat surprisingly, only 9% said that they don't subscribe because they can pirate the content illegally.

Where to from here?

Pulling all this together, Showmax's take on the state of the industry one year in is that the time is right for SVOD in Africa. Having said that, it's by no means an easy sell or an easy ride. They firmly believe that this isn't a game of one-size-fits-all, and that localising your service, content, and partnerships is key. Perhaps unsurprisingly, the cost and availability of decent internet connectivity is the biggest hurdle, but there are elegant solutions, some of which Showmax has already deployed and some of which are still in the works.

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