COMPEREMEDIA
A MINTEL COMPANY

2021

# Telecom & Media Trends





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# Wireless Comes Home

Carriers will rapidly expand fixed wireless availability, driving better residential connectivity to both remote and more densely populated areas, heightening competition for incumbent ISPs and accelerating satellite TV declines.

MINTEL TREND DRIVER – TECHNOLOGY

**Finding solutions through technology in the physical and digital worlds.** How consumers use technology for entertainment, convenience, and connection underpins changes in the telecom and media spaces.



## What's happening in 2021?

COVID-19 elevated the need for internet connectivity and exposed gaps in internet access across Canada and the US. In response, carriers accelerated fixed wireless deployments to reach rural communities and other underserved areas—a trend that will continue in 2021. Fixed wireless options are also emerging in metropolitan and suburban areas, fueling competition with incumbent internet providers.

In 2021 fixed wireless will become a viable option for thousands, if not millions, of consumers across Canada and the US. In addition to more 4G LTE deployments, 2021 will usher in meaningful 5G fixed wireless deployments in the US. Verizon's 5G Home will grow beyond its initially scant footprint, while T-Mobile and AT&T will likely launch 5G fixed wireless during the year. Additionally, US Cellular plans to test 5G fixed wireless in 2021.

## Fixed wireless expansion brings connectivity and competition

New fixed wireless services will offer a connectivity solution for many households in Canada and the US that historically have had slow, spotty, and/or overpriced internet options available. Plus, many of these households will gain access to a valuable double-play bundle that pairs fixed wireless with streaming live TV services, such as those offered by AT&T (AT&T TV/AT&T TV Now) and T-Mobile (TVision). As a result, some rural dwellers will have their first viable pay-TV alternative to satellite TV, which will accelerate satellite TV defections.

Fixed wireless providers will also compete in more densely populated areas, with 5G speeds at compelling price points that could undercut the incumbent providers. At the right price, 5G fixed wireless could drive many long-time cable internet subscribers to switch.

**42 million**
**people in the US do not have access to broadband***

**157 million**
**people in the US have a slow or unreliable internet connection****




**of rural households in Canada have access to 50/10 Mbps internet*****

Source: *BroadbandNow, FCC Reports Broadband Unavailable to 21.3 Million Americans, BroadbandNow Study Indicates 42 Million Do Not Have Access, 02/03/2020
**Microsoft: Microsoft Airband: An annual update on connecting rural America, 03/05/2020
***Government of Canada, High-Speed Access for All: Canada's Connectivity Strategy

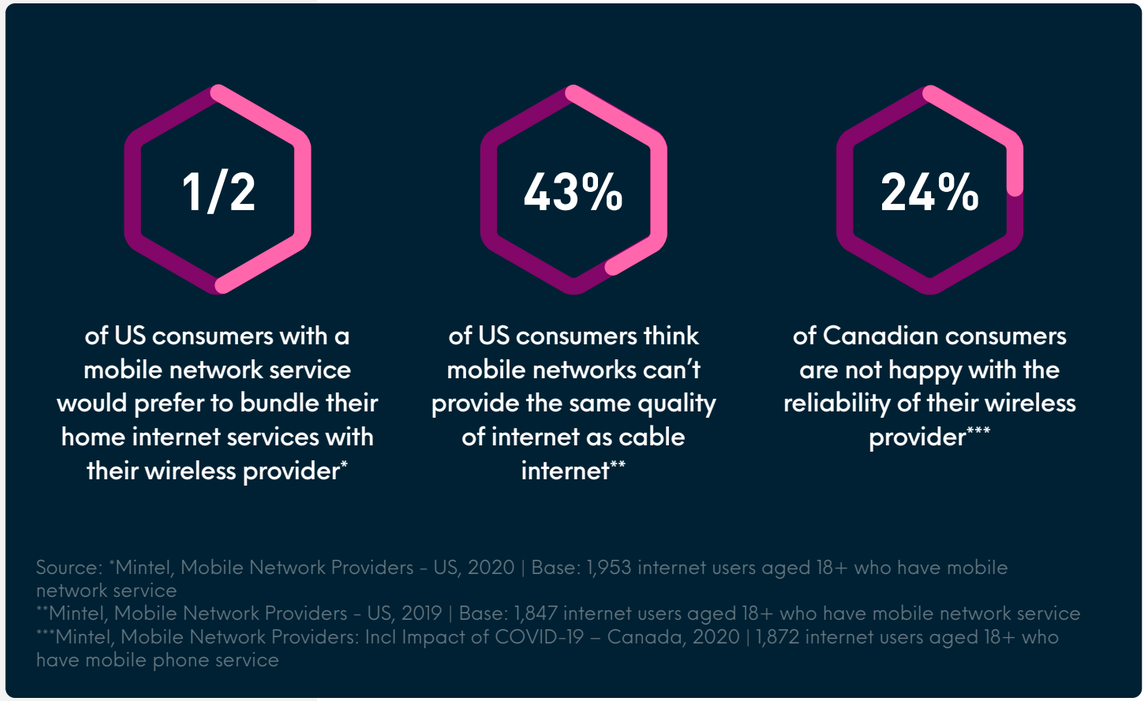
# All-wireless bundles offer convenience and value, but carriers will have to win over skeptics

We anticipate carriers will offer a "Total Wireless" bundle where mobility and internet are treated as one service. Many consumers will embrace the simplicity of a single price point for all of their connectivity needs.

All-wireless bundles will need to feature bundled savings, and lead with the lowest price point available in order to avoid sticker shock. Carriers may need to show how much more the consumer would pay if they purchased services from different providers.

Some consumers will be skeptical of the reliability of cellular-only connectivity. Cable providers may be able to make a convincing argument against bundling mobile and fixed wireless services by tapping into consumers' doubts about the quality of internet they would receive from their cellular provider.

Additionally, some consumers will be wary of being without a "backup": most households can fall back on their wireless service if their home internet goes out, and vice versa. This is particularly important when so many households are working or schooling from home.




# Fixed wireless enables new lifestyles

With COVID-19 forcing many businesses to embrace working from home and driving education online, households have more flexibility than ever before to work or take classes from wherever they want. Some of this newfound flexibility will persist, even as the pandemic fades.

However, people can take advantage of workplace flexibility only if they have the connectivity to do so. By bringing quality internet to more remote areas, wireless providers enable consumers to spend more time at their cottages or vacation homes, where they may have had poor connectivity in the past.

## Many providers have already made commitments to cover more communities with fixed wireless




The Canadian government announced a $1.7B Universal Broadband Fund, adding greater fuel to the expansion of both wireline and fixed wireless internet access.

The Canadian government's Universal Broadband Fund is already pushing greater connectivity into rural/underserved areas. For example, Bell and Xplornet have announced significant expansion of their fixed wireless investments.

Source: www.ic.gc.ca/eic/site/139.nsf/eng/h_00006.html




In 2020, T-Mobile raised the stakes on fixed wireless by announcing expansion into 450 cities and towns. The announcement came on the heels of AT&T's decision to stop selling DSL to new customers.

Source: Mintel social media monitoring

Both Bell Canada and Verizon Fios tested broadband + wireless bundles in 2020, but have not yet extended such bundles to include fixed wireless




Bell Fibe Internet + 10GB Mobile Plan




Verizon Fios Home Internet + One Line of Start Unlimited Wireless

Source: Comperemedia Direct

## What's Next

If carriers can solve the problem of high-band 5G wireless penetrating walls, consumers soon may no longer require a separate residential internet connection--fixed wireless or otherwise. If they can access a strong 5G signal from within their homes, and simply connect all of their in-home devices to 5G cellular connections, then they could simply choose the right data plan for their household and skip the bundling altogether.

# License and Entertainment, Please

A changing streaming landscape, paired with production delays caused by COVID-19, will drive greater experimentation with licensing, paywalls, and theatrical windows.

MINTEL TREND DRIVER – EXPERIENCES

**Seeking and discovering stimulation.** Telecom and media providers were crucial in meeting the needs of consumers in this new reality, and they will build richer, multi-dimensional virtual experiences in 2021 that satisfy consumers' desire for adventure, play, nostalgia, and more.



## What's happening in 2021?

As Comperemedia predicted in our 2020 Telecom & Media Trends, free, ad-supported streaming television services (FASTS*) grew tremendously in 2020; by end of the year, top FASTS reported between 20 – 40 million monthly active users. With significant audience sizes and big media parent companies, FASTS are now able to license compelling content from networks and streaming video on demand services (SVODs)—a practice that will grow with FASTS' increasing value in 2021.

Streamers already license content from one another, but we anticipate an uptick in this activity in 2021, as some streaming services will need to supplement a smaller library of new releases caused by pandemic-induced production delays. Both FASTS and SVODs will look to licensing to bring on fresh content and keep customers engaged.

Many theatrical releases originally slated for 2020 and 2021 will debut on streaming platforms—HBO Max set the stage for this when it announced it would release 17 new Warner Bros. films on its service and in theaters the same day in 2021. More streaming platforms will follow until consumers feel safe to visit theaters again—even then, there will be some lasting changes to how films are released.

SVODs will also experiment with new sampling approaches within their own platforms and in partnership with FASTS, in order to attract new customers without spoiling the big releases coming direct to streaming.

*Acronym credit to TVREV Co-founder Alan Wolk

## Most consumers will accept the comings and goings of content, because ideas of ownership have shifted in the digital age

Millennials and Gen Z are least likely to be bothered by content coming and going from platforms over time since they have a different idea of ownership than older generations. As Mintel explores in the consumer trend "Ownership Evolution," the focus on owning physical items has diminished, driven by sustainability, mobility, and the circular economy. Expectations of ownership have shifted away from permanence to temporary, and will likely extend to the temporary access of some content on a streaming service. Most consumers recognize the value they get in the all-you-can-eat model, even if they can't fully control what's on that buffet.

For others, streamers can ward off frustration about disappearing content by giving fans plenty of notice when a show is expected to leave and letting them know where it's going. For example, Netflix was forthcoming about the fate of The Office, notifying fans on social media 18 months ahead of the show's departure for Peacock TV. Netflix subscribers will still be sad to see the series go, but at least they know where they can find it, and they can't blame Netflix for springing the news on them.

**63%**

of US consumers subscribe to a streaming video service (while only **10%** buy or rent digital video)*

**58%**

of Canadian consumers subscribe to an SVOD**

Source: *Mintel, Digital Video: Incl Impact of COVID-19 - US - July 2020 | Base: 2,000 internet users aged 18+
**Mintel, Subscription Media - Canada - March 2020 | Base: 2,000 internet users aged 18+

## Streamers must come across as content custodians, not pirates

There are limits to what consumers will stand for in licensing and content ownership. In 2020, Apple TV+ gained control of the Charlie Brown holiday specials. Apple enabled consumers to stream each title on its service for free on certain dates and times, but it had effectively stolen an important cultural tradition from families who are used to enjoying these classic titles at no extra cost over network TV. This was particularly troubling because, even if "free" on certain dates, Apple TV+ requires a reliable internet connection in order to stream. As such, it was stripping a series of holiday traditions from households with limited access, such as minority communities and rural dwellers.

Consumers were having none of this, resulting in Apple walking back its original plans and making the titles available also on PBS - which is free to everyone over the air, or online.




Source: Comperemedia Direct

## If positioned well, streamers can get maximum mileage out of older titles coming to their platforms

Each streamer has an opportunity to bring a fresh approach to its licensed content based on how it decides to promote and position that content to its audiences. By bringing on "new" content and renewing excitement and buzz around it, streaming platforms can tap into consumers' drive for exciting experiences.

Streamers can reinvigorate audiences around classics within older content libraries. Some licensed content will have that nostalgia factor, with which streamers can re-engage established fans and also build interest among younger viewers who experience a sense of nostalgia for bygone eras they haven't lived through.

Not only can marketers tap nostalgia to drive interest in newly licensed content, but they can also curate content into innovative groupings that enable new audiences to discover older titles, or offer a fresh way of looking at something they've already seen.

## Licensing content to FASTS opens up a variety of opportunities for engagement and advertising




On social media each week, Pluto TV invites followers to vote for their favorite film among four curated options, promising to play the winning title on one of its channels on Friday night.
The approach drives tune-in at a specific time, which could boost the value of ads running during the winning film.

Source: Mintel social media monitoring [10/01/20 – 11/30/20] as of 12/08/2020




Maybe the most surprising licensing deal to come out of 2020 was the Netflix exclusive Narcos coming to Pluto TV. The show, owned by Gaumont International Television, was one of Netflix's most popular exclusive titles.
When GIT licensed Narcos to Pluto TV, the transaction also included a sponsor: T-Mobile. Licensing deals with FASTS open up both ad insertion and sponsorship opportunities.

Source: Mintel/Pathmatics [10/01/20 – 11/30/20] as of 12/08/2020

# Providers will experiment with new sampling approaches

2020 saw the "free trial" approach wane among premium SVODs, as Disney+, Netflix, and HBO Max removed their trials. Others are likely to follow suit in 2021, with more big films launching straight to streaming, and FASTS offering ad-supported sampling options. Streamers could get creative with sampling, potentially gamifying it, to drive subscriptions.




Netflix removed its trials shortly after announcing "Netflix Watch Free," a selection of originals made available to consumers in front of its paywall. Netflix has also experimented with a weekend-long "StreamFest" of free viewing in India, an approach it could bring to other markets in 2021.

Source: Netflix




In late 2020, ViacomCBS-owned Pluto TV announced a new Showtime sampler channel on its platform. Here, ViacomCBS found synergies between its streaming services in an attempt to drive the channel's viewers to a paid Showtime subscription.

Source: Mintel ePerformance/eDataSource




Early on in the pandemic in 2020, Sling TV experimented with free content during certain times of day as part of its daily "happy hours."

Source: Mintel ePerformance/eDataSource

## HBO Max leads the charge with slate of 2021 simultaneous theatrical and streaming releases

On Christmas Day 2020, HBO Max launched Wonder Woman 1984 on its service at no extra charge to subscribers, the same day it launched in theaters. This kicked off a series of 18 Warner Bros. film releases straight to HBO Max.

New releases on SVOD in 2021 are likely to be even more meaningful to consumers than ever, since there won't be as many of them, and most will continue to be without the cinema alternative. SVODs will carefully plan each direct-to-streaming release to drive maximum appeal, complete with longer lead-up marketing and related activations to give consumers something exciting to look forward to.




Source: Mintel/Pathmatics [10/02/20 – 12/07/20] as of 12/08/20

Source: Mintel/Pathmatics [10/02/20 – 12/07/20] as of 12/08/20

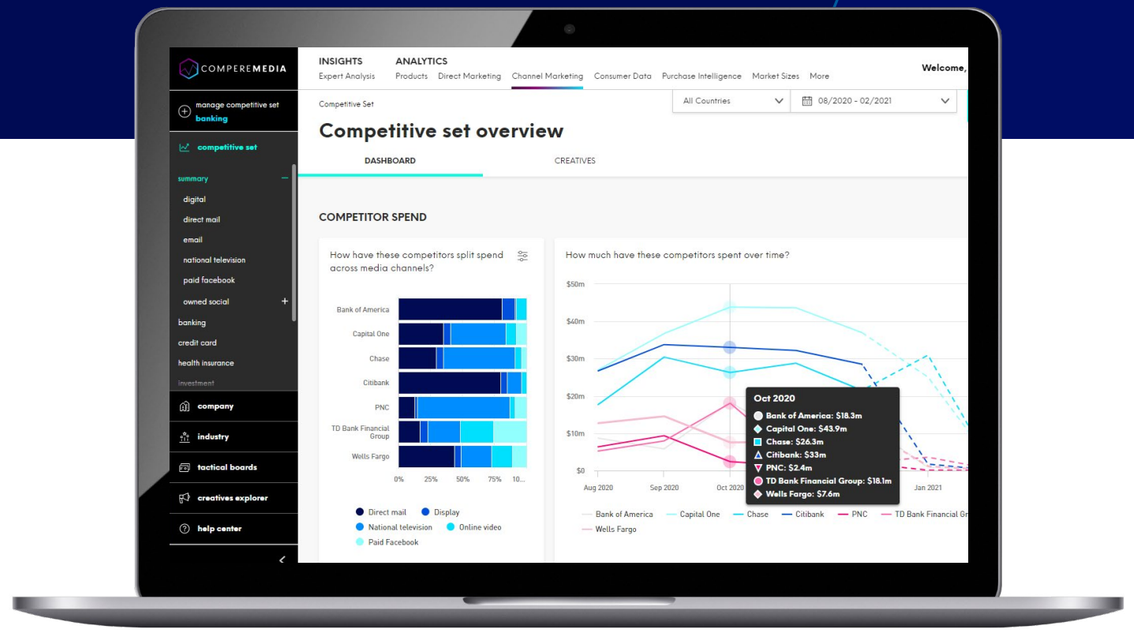
## What's Next

Hopefully by late 2021, streaming services will again be able to indulge subscribers with a steady stream of original content again, as they were used to doing pre-pandemic. However, the pandemic is likely to leave the relationship between theaters and streaming services permanently changed. Content is likely to come to streaming services sooner, post-theatrical release, and rules about industry awards and theatrical requirements will likely end altogether.

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# Multidimensional Engagement

A wide variety of streaming media providers will embrace new collaborations that integrate storytelling across their platforms. They will work together to implement new in-platform features and second screen engagements that enable rich, multi-dimensional experiences, especially those that pertain to gaming and sports betting.




## MINTEL TREND DRIVER – EXPERIENCES

**Seeking and discovering stimulation.** Telecom and media providers were crucial in meeting the needs of consumers in this new reality, and they will build richer, multi-dimensional virtual experiences in 2021 that satisfy consumers' desire for adventure, play, nostalgia, and more.

## What's happening in 2021?

Consumers will continue to rely primarily on virtual experiences for a significant portion of 2021, as COVID-19 vaccines are distributed, making it important for video providers to collaborate on experiences that will engage their subscribers across multiple touchpoints.

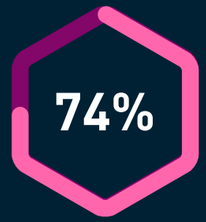
Cross-platform storytelling is highly enriching for fans. Providers will help subscribers have the most engaging and satisfying experiences with their content by directing them elsewhere in their platforms or to partners to enjoy added dimensions, such as related or spin-off content. Using the second screen will be particularly advantageous so the viewer can remain within the streaming platform even while they explore outside of it. And, if streamers direct their viewers elsewhere, it makes sense to direct the user to a trusted partner, which will return the favor.

We anticipate an explosion of new features and relationships that enable better cross-platform experiences in 2021, with three key areas particularly ripe for video providers to enrich multimedia experiences: improved second screen incorporations, gaming collaborations, and sports betting integration.

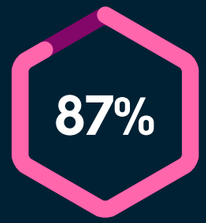
We may even start to see some of the fruits of 5G innovationboost virtual experiences for consumers by late 2021.

## Consumers embrace the second screen – streamers will finally embrace it, too

The great majority of streamers engage with a second screen while watching TV. The second screen is a key entry point for consumers to engage with the content they're watching on TV from different angles. This activity is particularly pronounced among 18-34 year-olds.




**of US internet and TV subscribers said they like to use other devices while watching TV**




**of 18-34-year-old US internet and TV subscribers in this age group said they use a second screen while watching TV**

Source: Mintel, Pay TV and Bundled Communication Services - US, 2019 | Base: 1,563 internet users aged 18+ who have non-dial-up home internet and who pay for live TV

## Sports betting is primed to enhance the sports viewing experience via the second screen

People especially love using their mobile devices while watching sports. **One in three** US sports fans checks email or social media while watching sporting events.* About **two-thirds** (67%) of Canadian consumers who follow sports multitask with another device while watching sports; this percentage jumps to **79%** among the 18-34-year-old cohort.**

The immediate opportunity for the second screen to enhance the sports viewing experience in 2021 is for networks and streaming live TV providers to integrate mobile sports betting. Real-time betting may be further down the road (think 2022 and beyond), but there are opportunities to engage sports viewers with betting platforms during major events.

> **With more states legalizing betting and consumer sentiment improving, betting is becoming more integrated into mainstream sports content. It's a safe bet that the sports betting industry will continue to experience sustained growth in the future.^**

**Colin O'Brien,** Sports Analyst, Mintel

Source:
*Mintel, Marketing to Sports Fans - US, 2017; Base: 1,701 internet users aged 18+
**Mintel, Sports Media Consumers - Canada, 2020; Base: 1,374 internet users aged 18+ who follow sports

^Mintel, Sports Betting: Incl Impact of COVID-19 - US, 2020

## The stage is set for exciting sports betting integrations in 2021

FuboTV partnered with FanDuel starting in 2019, making FanDuel the official sportsbook, daily fantasy sports, horse racing, and online casino partner of the service. FuboTV CEO David Gandler noted the company's strategy was not yet "fleshed out" but called betting "an area of increasing interest."

Source: Legalsportsbetting.com, "FuboTV CEO: 'Enhance The Viewing Experience With Wagering'"

In September 2020, ESPN inked deals with both Caesars Entertainment and DraftKings. The agreement with Caesars deepens the relationship with ESPN as its odds provider, while DraftKings will become ESPN's exclusive daily fantasy sports provider and will power integrations across all ESPN content.

Source: ESPN Press Room, "ESPN Enters into Co-Exclusive Agreements with Caesars Entertainment and DraftKings"




Multiple networks have looked to free-to-play experiences to drive engagement. For instance, NBC Sports runs a variety of free "pick 'em" games via its NBC Sports Predictor. Fox Sports's Super 6 enables viewers to guess the outcome of six upcoming football games in an attempt to win the $1 million jackpot or other prizes.

Source: Mintel ePerformance/eDataSource [07/01/20 – 11/30/20] as of 12/08/20

## Social viewing features introduced in 2020 will evolve in 2021

2020 saw an initial wave of co-viewing features sweep across streaming video services. Social viewing features became table stakes, whether built into the platform or facilitated through a third party, as consumers sought out virtual options for socializing during the pandemic. Many of these capabilities, however, lacked sophistication and felt more like a slapdash response to an immediate need for consumers to socialize virtually. Expect 2021 to bring the evolution of these features, as providers invest in new, improved ways to enable shared virtual experiences.

One way that social viewing is likely to evolve is with viewing through virtual worlds. By working with game developers, streaming video providers could help build virtual viewing parties that take place in virtual worlds, a la Fortnite's screenings of Christopher Nolan films, on Party Royale Island.

**44%** of US SVOD users said they wouldlike to stream video with family and friends over long distances

Source: Mintel, Digital Video: Incl Impact of COVID-19 – US, July 2020; Base: 1,250 internet users aged 18+ who use an SVoD streaming service

# Partnerships with game developers will grow with better AR and VR capabilities coming with 5G

Already, the virtual worlds of popular games are enhancing consumers' experiences with popular content and artists.




"Animal Crossing" has also been a game ripe for creating engaging virtual worlds that tie into other content. For instance, Netflix launched an Enola Holmes Animal Crossing Island shortly after it released its original series "Enola Holmes." This is another way to extend streaming content into a social experience.

Source: Mintel social media monitoring [01/01/20 – 11/30/20] as of 12/08/20



In addition to the Nolan movie viewings within Fortnite, Epic Games hosted virtual concerts, offering incredible perspectives for the virtual viewer while keeping music front and center.

This is a prime example of music and gaming coming together to offer an experience that adds the capabilities of the virtual world to make a social viewing experience exponentially more exciting.

Source: Mintel social media monitoring [01/01/20 – 11/30/20] as of 12/08/20

## Providers will make it more convenient for customers to get from their content to related media

The "shoppable TV" capabilities that advertisers are starting to use on digital video platforms can also be used to direct consumers from streaming video content to related, value-added content.

Hulu and NBCU are using QR codes for second screen users to get easily from an ad or shoppable content to purchase.

Comcast is using commands via its voice remote to direct customers to special offers.* Voice remotes and smart speaker integration offer obvious opportunities to drive viewers to related podcasts, wagering, and other content.




HBO Max is one of the few streamers that alerts subscribers in-platform of podcasts related to some of its popular series, like this one for The Cost of Winning. HBO Max could also direct viewers to related content with QR codes or voice search integrations.

## What's Next

**This trend will evolve with technology, since better tech will enable smoother integrations and more enticing experiences in the years ahead. 5G, especially, should unlock exciting experiences on mobile devices where consumers can interact with media and one another in near-real time, and excessive data requirements for augmented and virtual experiences become a non-issue. 5G will also enhance sports betting by enabling live bets with its low latency.**

# The Embedded Advantage

In 2021, hardware purchases are no longer complete without the subscription services that enhance their value, and service providers will look to new hardware integrations to capture larger audiences and greater engagement. These integrations will be important as manufacturers move toward hardware-as-service.

MINTEL TREND DRIVER – VALUE

**Finding tangible and measurable benefits from investments.** New approaches to bundling will enable greater convenience and savings for consumers while streaming providers will get creative in how they prove value with fewer new releases to go around.



## What's happening in 2021?

Every year, tech and telecom companies expand their ecosystems of products and services, in hopes of embedding the customer so deeply into their worlds that they won't leave. In 2021, it will become fundamental for hardware manufacturers to bundle one or more subscription services with their hardware—either in-house or through partnerships.

As such, we expect more service providers to forge exclusive partnerships with hardware manufacturers in 2021. These partnerships will help providers put their services in front of specific audiences by embedding into that ecosystem. Enhancements and conveniences only available for subscribers of said ecosystem will entice users to engage there.

Apple is leading the way with Apple One, but other major tech companies will make their services much more valuable through deeper integrations with one another and with the hardware itself. Research and development of 5G capabilities in 2021 will help direct the future of these ecosystems, and we expect these major players to, at the very least, tease some of these new capabilities during the year.

Hardware, when offered in monthly installments and bundled with services, can itself become a subscription. Mobile carriers have figured this out, and we anticipate more hardware manufacturers to move inthis direction in 2021 and beyond.

## For streamers, availability on popular hardware platforms is table stakes

In 2020, several streamers experienced firsthand how their absence from a particular platform could be particularly detrimental. NBCU's Peacock TV launched without availability on Amazon Fire TV or Roku, the **two most popular streaming devices** (aside from connected TVs).* Ultimately, NBCU had to leverage its NBC content to finally get Peacock TV on Roku.

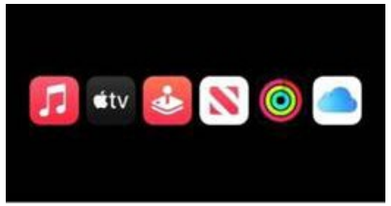
AT&T faced similar difficulties with HBO Max, which launched without Roku or Amazon devices. HBO Max was able to reach an agreement with Amazon, and also eventually reached a deal with Roku in Dec. 2020. Due in part to its lengthy absence on these popular platforms, however, only **23%** of HBO subscribers activated HBO Max by Q3 2020, despite the fact that the upgrade offers more content at no extra charge.**

Source:
*Tivo Video Trends Report Q1 2020
**AT&T Q3 2020 Earnings

> **In the coming era, consumer technology and entertainment choices will be interdependent of each other and dominated by the ecosystem in which they are embedded... Accordingly, choice of the streaming service will partly be determined and sometimes shaped by its compatibility with the other devices/services that are also connected to [an] IoT system.^**

**Dr. Behice Ece Ilhan,** Futurist and Senior Trend Strategist, Mintel

^Comperemedia Bolder Thinking Blog, "[Part 3] Competitive Strategies: What is next for Netflix?," Dec. 2019




In 2021, we expect big experiences from Apple enabled by the integrated hardware and cross-service features that bring its new Apple One bundles to life. Apple One bundles bring together Apple Music, Apple TV+, Apple Arcade, iCloud, Apple News+, and Apple Fitness+ in three different permutations.

While not every service rolled into these bundles is particularly compelling on its own, each can become much more interesting through integration. For example, Apple Fitness+ integrates the customer's personal health metrics from Apple Watch, as well as music from Apple Music, enabling the customer to have a truly customized and seamless workout experience.

Source: Comperemedia Omni [11/01/20 – 12/8/20] as of 12/09/20

## Apple laid a foundation for exciting integrations with the launch of its Apple One bundles in 2020

## Google's new Chromecast and Google TV will help embed its streaming services more deeply in its ecosystem




Google made a leap forward in 2020 with its new Chromecast with Google TV. Significantly, Google TV improves upon its predecessor Android TV with new features that will make the latest Chromecast, as well as Google TV-powered smart TVs, more compelling. For instance, the platform provides an ultra-convenient experience for discovering and bookmarking content, plus the new Chromecast now has a voice remote.

This device is critical for enhancing the streaming experience, and is particularly beneficial for anyone utilizing the Google ecosystem, since it neatly integrates with Google Home devices, as well. If Google can take this approach even further, enabling more than convenience, by offering unique, memorable experiences by integrating its services and hardware, its entire portfolio of products becomes more attractive.

This could motivate more consumers to choose Chromecast, which currently lags behind Amazon Fire, Roku and Apple TV, with only 5.7% of streamers using it for their primary viewing.*

*Tivo Video Trends Report, Q1 2020
Source: Mintel ePerformance/eDataSource [09/01/20 – 11/30/20] as of 12/09/20

## MVPDs have tried to compete in the platform wars, but most haven't been particularly successful

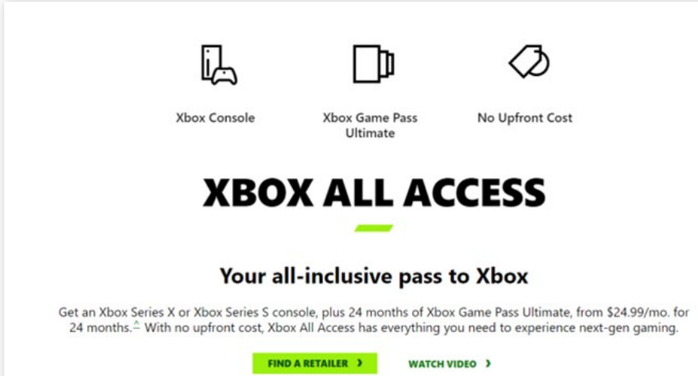
Many MVPDs developed their own streaming devices in an effort to bring more value to their internet customers. These include Verizon's Stream TV, Comcast's Xfinity Flex, and Bell Canada's Bell Streamer. Comcast has been the most successful with its set-top box, but it has managed to deploy only one million of its set-top boxes, despite giving them away for free to its internet subscribers (of which, it has more than 26 million).* Each deployment helps it drive awareness of its primary streaming service Peacock TV, and can also help drive users of its other services, XUMO, FandangoNow, and Vudu.




With its impressive streaming video portfolio, Comcast, however, is reportedly setting its sights beyond its own customers. The WSJ reported that Comcast was in talks with Walmart to manufacture TV sets that would include the Xfinity X1 interface—the same operating system powering Xfinity Flex devices.**

Source: *Comcast press release, 05/14/20
**Wsj.com, "Comcast, Walmart in Talks to Develop and Distribute Smart TVs," 11/03/20

## Hardware-as-a-service becomes more commonplace




There are many tech behemoths racing toward the ultimate hardware and software bundles, including Amazon, Microsoft, and Sony. Already, Microsoft's Xbox All Access option bundles the monthly installment for the Xbox X or S series console with Xbox Game Pass Ultimate, at no extra cost up front. Microsoft could continue building on this approach by partnering with other service providers for bundling and/or collaborative experiences best served on Xbox.

## What's Next

**Right now, most streaming services exist pretty seamlessly across many different hardware ecosystems, and consumers aren't penalized for accessing via one ecosystem or another. However, in the future we may see closer partnerships between services like Netflix and a specific streaming platform, wherein subscribers would have an enhanced experience when they selected the partner platform. In fact, we may even see some hardware platforms like Roku or TiVo purchased by a major streamer or vice versa. Ultimately, we anticipate that manufacturers will start offering hardware as a subscription, similar to Microsoft's approach with Xbox All Access, where both the device monthly installment (or lease fee), as well as services, are tied into one monthly charge.**

While thorough, the research and expertise shared here are not exhaustive. If you're curious about how telecom and media marketing will adapt and evolve over the next 12 months and how your business should plan for the future, we have the answers.

If you're a Mintel Comperemedia client, log in to your account for the full insight and analysis on our 2021 Trends, including what brands must consider when thinking strategically over the next few years.

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