

# Why Netflix wants you to watch an extra screen

March 16 2016, by Marc C-Scott, Victoria University



Credit: cottonbro studio from Pexels

Netflix <u>announced</u> last month that it will launch a second screen experience within its app, allowing subscribers to view additional information related to the program they are watching.



This functionality will be available to those who use their portable devices to <u>cast</u> content to their television screens via devices such as Roku, Apple TV or Chromecast. The information presented on the second screen will include cast member information and additional program information.

But some of Australia's free-to-air (FTA) broadcasters have already tried to incorporate a second screen experience, and all have failed. So will this Netflix second screen experience work in an Australian marketplace?

## The failed experience

The three commercial FTA broadcasters associated with second screen experience apps are Seven with Fango, Nine with Jump-in and Ten with Zeebox, which later became Beamly. Each made attempts to engage further with the viewing audience of a program through <u>social</u> interaction.

### Fango

Fango was <u>launched</u> in November 2011 as a <u>joint venture</u> between Seven and Yahoo!7.

The free application allowed people to let their friends know what they were watching, chat about shows and see what other people were saying about them online.

A little over six months later Fango had <u>reached</u> half-a-million downloads. But despite the high number of downloads, in 2012 Fango was <u>reported</u> to have only 500 to 600 active users daily.



Seven <u>announced</u> in late 2014 that it would retire Fango and integrate the social interaction into the Plus7 app. This allowed users to view catch-up video and utilise social interaction within a single app, which now includes live broadcast streams.

## Beamly

In 2012 Ten offered offered a service that started as Zeebox, a joint venture with the UK company of the same name.

Two years later the app was rebranded globally to Beamly. It was described as "a second screen app that's about before, during and after a TV show". Zeebox was only about the "experience during a show".

Despite the changes, the following year the Australian arm of Beamly went into <u>voluntary receivership</u>. Network Ten, like Seven, announced that elements on Beamly would be integrated into TenPlay.

## Jump-in

Jump-in launched in 2012 as an app <u>that promised to combine</u> "the power of Nine and ninemsn with the impact of social media".

In 2014, Mark Britt, CEO of Nine Entertainment's digital arm, Mi9, took aim at commercial rivals, arguing that:

You build community around great shows well before and well after they go to air. I think they (Ten and Seven) are too hesitant and I think they are missing the opportunity.

But Jump-in has only recently been <u>rebranded</u> as 9Now. Part of the change was to hold onto the heritage and brand awareness associated



with the Nine network. The new service has also integrated the new live streaming by Nine, which has had regional broadcasters raise concerns.

#### Are Australians second screen users?

The failures of these second screen apps could be perceived as Australians not being multi-task viewers. But recent statistics show a different picture.

The 2015 <u>Deloitte Media Consumer Survey</u> showed that 85% of Australians "multi-task while watching the home TV", a growth of 6% from the previous year.

But the report also noted that of those viewers engaging with a second screen, only 25% were "engaged in activities" that related to the program they were watching.

In Australia it is reported that 2.7 million people have Netflix. This is a little more than 10% of the population, an impressive uptake, but only a small part of the overall Netflix consumer base.

Netflix is now a global media distributor with almost <u>75 million</u> <u>subscribers</u>, including almost 45 million <u>in the United States</u>.

A US study, <u>The Changing TV Experience</u> by the <u>Interactive Advertising</u> <u>Bureau</u>, shows a different use of the second screen by Americans in comparison to Australians. The report says 78% of US adults who watch TV use another device while watching TV, mostly a smartphone.

The top activities completed on a smartphone while watching television were browsing the internet (71%) and reading and posting on social media unrelated to the show being watched (58%).



Using email, instant messaging or texting friends about the show was fourth on the list (54%). Searching for information about a show, movie or actor was seventh (49%).

In comparison, those who used a tablet while watching TV listed searching for information about show, movie or actor at seventh (43%). Using email, instant messaging or texting friends about the show was tenth (37%).

So clearly a US audience uses a second screen differently to Australians. But previous attempts at second screen apps by American TV broadcasters have failed too. It's been argued that there was no market for a second screen app in the sense that it could generate "sizeable revenues" for broadcasters.

#### Is there a market in Australia?

The Australian FTA broadcasters' lack of success in the second screen experience could have been due to the disconnect and lack of integration between the content and the apps.

The recent changes by the commercial broadcasters have been to integrate their programming and social interaction within a single app. But this differs from the Netflix approach as it requires FTA television viewers to consciously start an interaction with an app on the second screen.

The Netflix's second screen experience will only start when a user casts content to a connected device. Therefore the user is already engaged with Netflix and using the corresponding app on the second screen.

If Netflix can have more success than that of Australia's FTA broadcasters, then we may see a further extension of the second screen



experience.

The potential addition, yet to be announced, is a shop-while-you-watch concept. Netflix's second screen service creates the possibility for target-specific marketing directly related to the program being viewed.

In addition to the supplementary content for the viewer, this will open an additional revenue stream for Netflix. This could present as an interesting case study for Australian FTA broadcasters for their future advertising business models, which appear to not be as successful as they once were.

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