

penthera

Latin America Video Streaming Behavior Survey

Q1 2021

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About the Latin America Video Streaming Behavior Survey

The annual Penthera Latin America Streaming Behavior Survey highlights changing attitudes and behaviors towards streaming and download technology across Latin America. We worked with an independent research company to query 1,200 people in each of the following countries: Mexico, Brazil, Colombia, and Argentina. Our sample included adults ages 18-50.





Introduction

OTT video is gaining serious steam in Latin America, as more viewers across the region cut the cord and watch online streaming video for their entertainment needs. Penthera's Latin American survey seeks to better understand the habits and frustrations of viewers towards video streaming, downloading, and advertising.

The growth of OTT continued in 2020, and the Coronavirus pandemic helped the shift to online video happen even faster in Latin America. "We believe that the pandemic merely accelerated trends around cord-cutting that we were already seeing," says Natalia Borges, EVP, Marketing at VIX, a subsidiary of Univision. "In LatAm, our audience has grown 4x."

"We now expect the number of subscription OTT video viewers in Latin America to grow by 27.5% this year to 117.2 million," says Matteo Ceurvets, Research Director, Latin America & Spain at eMarketer | Insider Intelligence. "That's a roughly 16-percentage-point increase from the 11.6% growth we previously anticipated in our September 2019 forecast. 2021 will also exhibit strong double-digit growth of 16.4% where we expect there to be 136.4 million viewers by year-end."

Of course, OTT growth is a global trend, but there is a lot that differentiates LatAm from other markets. For video providers, the growing popularity in the region will mean increasing competition, and understanding viewer behavior is crucial to success. Perhaps most notably, mobile dominates as the most popular way to watch content in Latin America. In our survey across Mexico, Brasil, Colombia, and Argentina, 90% of viewers say they watch on mobile with 56% citing it as their preferred viewing device over CTVs and PCs.

It's also important to understand the things that frustrate LatAm viewers. Experiential issues abound, and re-buffering is the most common frustration among viewers. At the same time, viewers in the region have little patience for streaming problems which can lead to high rates of stream abandonment. Our survey shows that 43% of viewers will wait out 2 buffers before they leave the stream, while 38% wait only 1 buffer before jumping ship.

Further, for viewers who watch ad-supported video on demand (AVOD) content, there are unique issues. In addition to viewing annoyances like repeated ads, 70% of our panelists across Latin America said they don't feel represented in the ads they see on streaming services, for a number of different reasons. This is a huge problem for advertisers spending money to reach these audiences, and it highlights an opportunity to improve the experience for Latin American viewers.

As OTT video gets a foothold in the region, streaming services, including more local offerings to the big global players, are going to want their share of the growth. The streaming wars are on their way to Latin America, and it's crucial for providers to understand what sets viewers in this region apart and to create an experience for them that will foster loyalty. Read our report to better understand where, why, and how consumers are watching OTT content, and gain valuable insight into how providers can solve user frustrations and gain an edge over the competition.

Highlights

How viewers feel about streaming

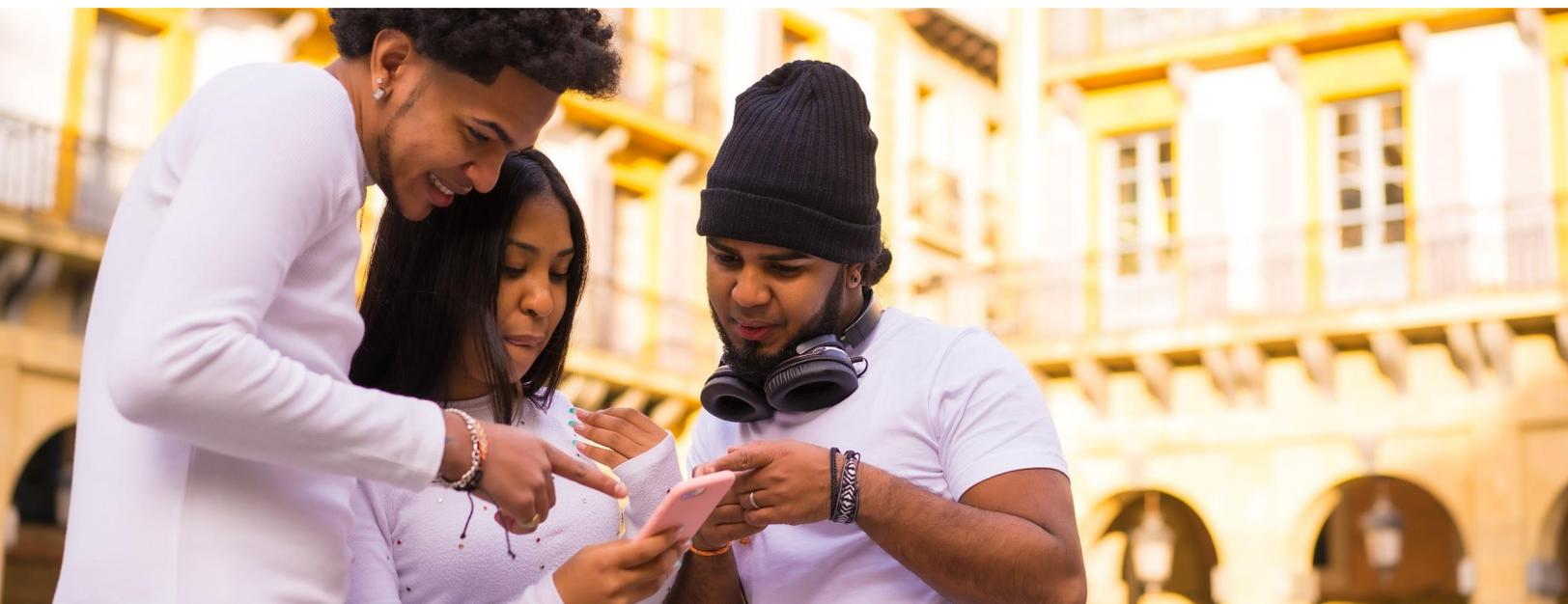
- Mobile is the most used video platform across all countries (90%), ahead of Connected TV (70%), and PC (65%).
- 56% of Latin American panelists said they prefer to watch on mobile, followed by Connected TV (22%), and PC (21%).
- Latin Americans overwhelmingly stream video from mobile apps at home (93%), followed by when they commute (28%) and when they're out and about (24%).

Attitudes about streaming frustrations

- 92% of Latin American viewers say they have experienced streaming frustrations.
- Re-buffering is the most frustrating streaming experience (58%), followed by videos taking too long to start-up (52%), and ads stalling (40%).
- 43% of Latin American viewers say they wait 2 buffers before they leave the stream, and 38% say they wait only 1 buffer.
- Latin Americans wait a long time for their mobile videos to load. 29% said they wait between 8-10 seconds on average and 29% said they wait even longer.
- 83% of Latin American panelists said they expect a streaming service to offer download functionality and 70% would pay extra for downloadable video.

Insights about download for advertising video on demand (AVOD)

- Latin American viewers said the most frustrating ad experience is when the same ad repeats (59%), too many ads (45%), and when the ad doesn't play or buffers (32%).
- Most Latin Americans said they don't feel represented in ads (70%).





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Survey Responses

Cross-platform insights

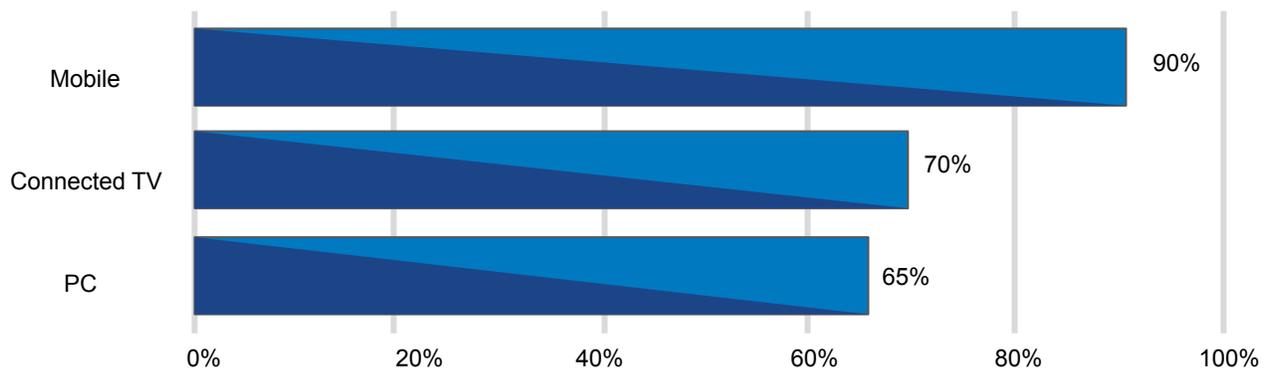
Most Latin American viewers watch across multiple devices, but mobile is the most used video platform across all the countries we surveyed. 90% of viewers use their smartphones and tablets to watch, ahead of both Connected TV (70%), and PC (65%). Companies that don't consider the mobile experience could fall back to those that prioritize that experience.

In fact, over half of our panelists (56%) said they prefer viewing video on mobile devices over other devices. Younger generations have the highest preference for mobile platforms, with 70% of 18-24 panelists reporting that they prefer mobile. This preference is reflected in time spent as well: Latin Americans are spending most of their time watching mobile video (44%) compared to ConnectedTV (31%), and PC (26%).

Even though mobile phones allow for content to be taken anywhere, viewers still enjoy watching video content on their phones and tablets while in their homes. In fact, 93% of our panelists said they stream mobile video at home, while 28% watch on mobile when they commute and 24% watch when they're out and about.

That explains why, when deciding on a subscription video service, the top factor to Latin American viewers is having a mobile app. 40% of our panelists said it's the most important consideration, ahead of ease of use (15%) and availability of movies and shows they like (12%). Further, 83% said they expect a service to offer download functionality and 70% would even pay extra for downloadable content. Ultimately, OTT providers need to consider all the platforms that viewers watch video on and how accessible that content is.

Platforms where Latin Americans watch video.



Key Insights

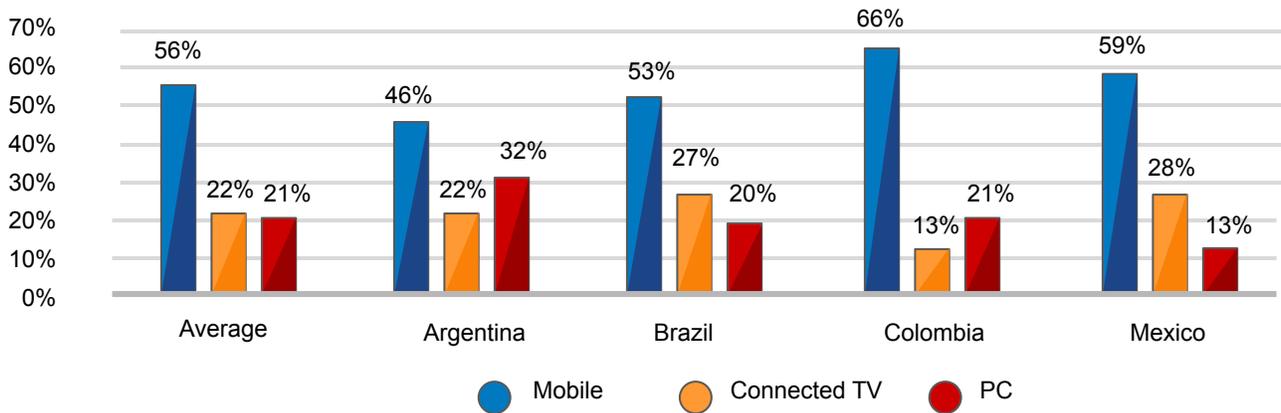
Overall:

- Mobile is the most used video platform across all countries (90%), ahead of Connected TV (70%), and PC (65%).
- Most Latin American panelists stream video daily less on PC (37%) than on mobile (55%) and CTV (60%).

Country breakdown:

- Panelists in Mexico had the highest percentage of mobile viewers with 95% watching content from their phones.
- Argentinians had the highest percentage of PC viewers at 77% and CTV at 73%.

Latin Americans' preferred platform for video viewing.



Key Insights

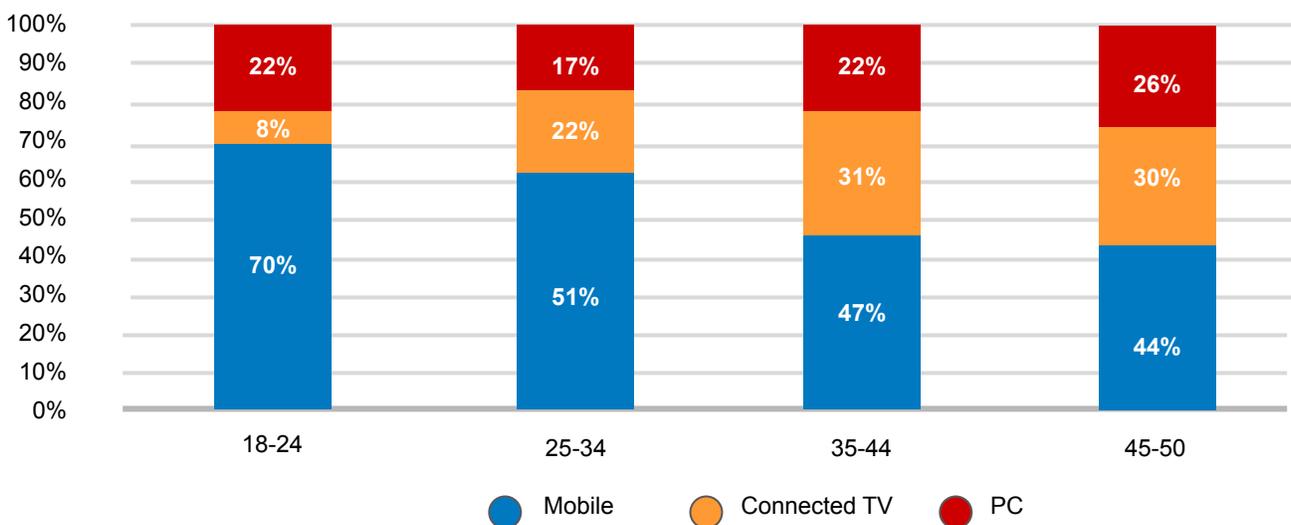
Overall:

- When asked about their preferred devices, 56% of Latin American viewers said they prefer mobile, followed by ConnectedTV (22%), and PC (21%).
- Younger generations have the highest preference for mobile platforms. 70% of 18-24 panelists report that they prefer mobile.

Country breakdown:

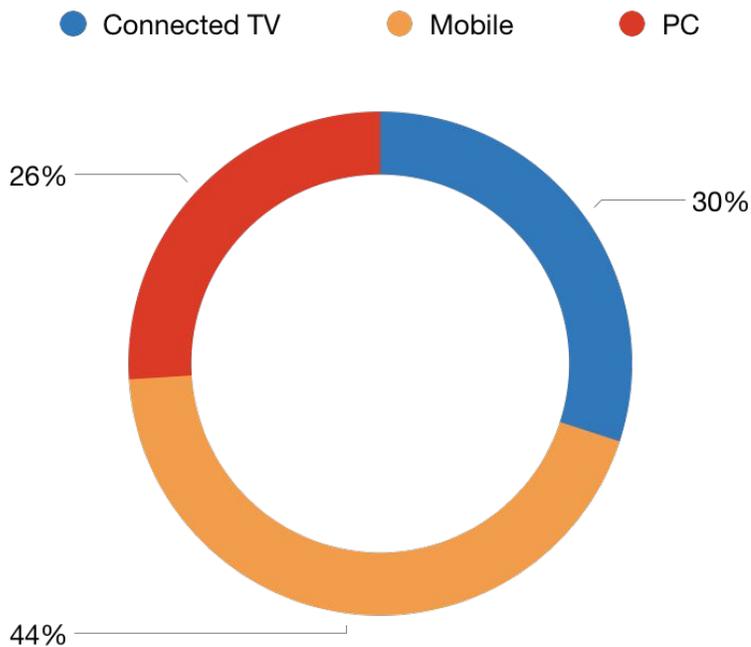
- Colombia had the highest percentage of viewers who said they favored mobile at 66%, followed by Mexico at 59%.
- Argentina had the highest percentage of panelists who said they favored PC 32%.

Age breakdown: Latin Americans' preferred platform for video viewing.



56% of Latin American viewers say mobile is their preferred viewing device,, followed by Connected TV (22%), and PC (21%).

Percentage of video viewing time over the course of a week on mobile, connected tv, and PCs.



Key Insights

Overall:

- Latin Americans are spending most of their time watching mobile video (44%) compared to ConnectedTV (31%), and PC (26%).

Country breakdown:

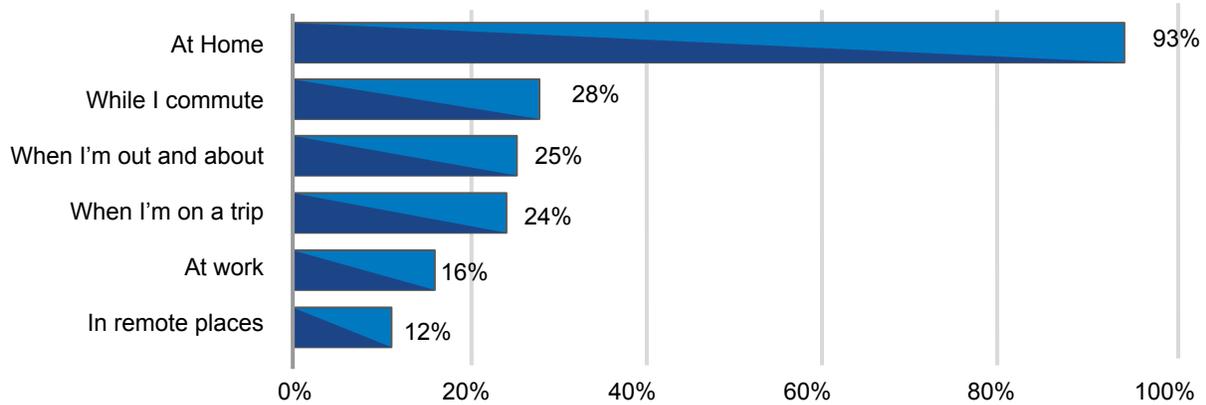
- Colombian viewers have the highest percentage of those reporting to watch mobile video (47%).
- Brazilians have the highest percentage of those reporting that they watch ConnectedTV (34%).

Mobile Viewing in Latin America

“Compared with more developed markets like North America or Europe, internet uptake came relatively later in Latin America due to high data costs. As a result, many first-time users in the region came online as social media, ecommerce and digital video began taking off—and many did so primarily through a mobile phone,” says Matteo Ceurvels.

“As local players are forced to compete against the likes of Netflix, it’s especially important that they provide their customers with the best user experience possible—especially on mobile devices. Companies that continue to design and perfect a mobile-first viewing experience will undoubtedly reap the benefits of a loyal customer base that is eager to consume the myriad of content offerings available to them.”

Where Latin Americans stream video on mobile apps.



Key Insights

Overall:

- Viewers in Latin America overwhelmingly stream video from mobile apps at home (93%), followed by when they commute (28%) and when they're out and about (24%).

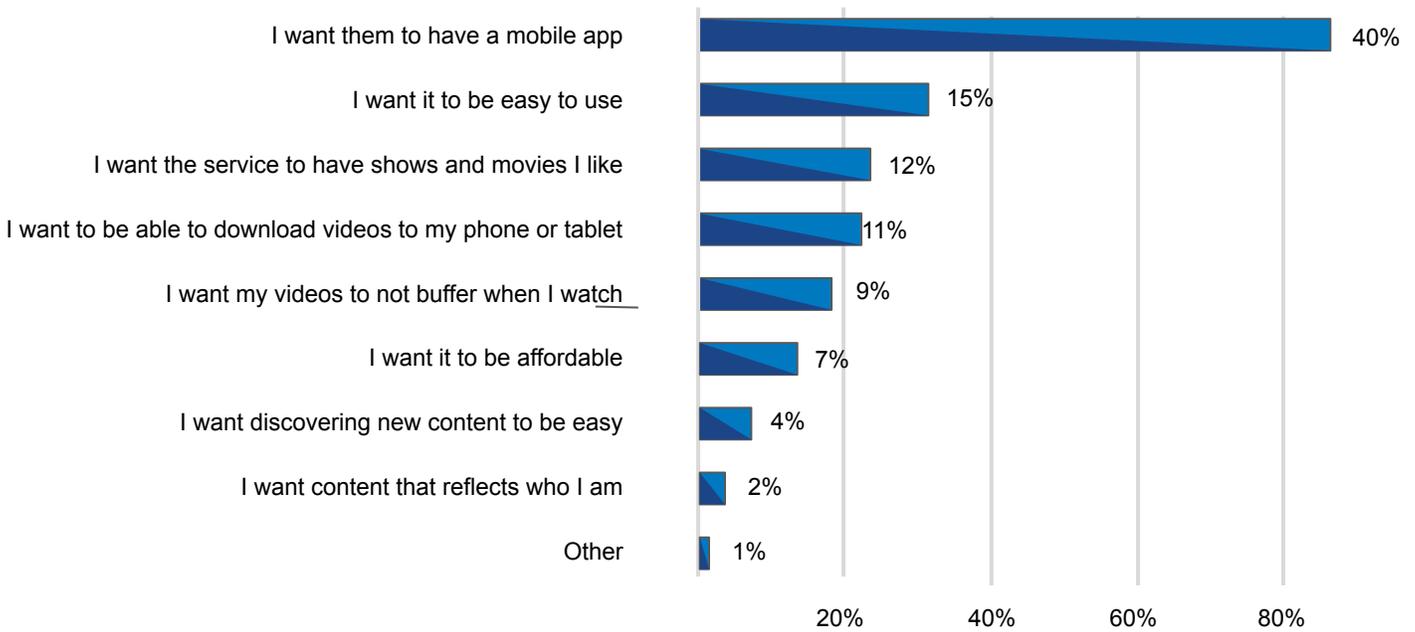
Country breakdown:

- 95% of Mexicans and Colombian said they watch content from home.
- Mexico and Argentina had the highest rate of people who watch when they commute, at 29%.

93% of viewers in Latin America stream video from mobile apps while at home. 28% stream when they commute and 24% stream when they're out and about.



Top factors Latin Americans consider when deciding on a subscription service.



Key Insights

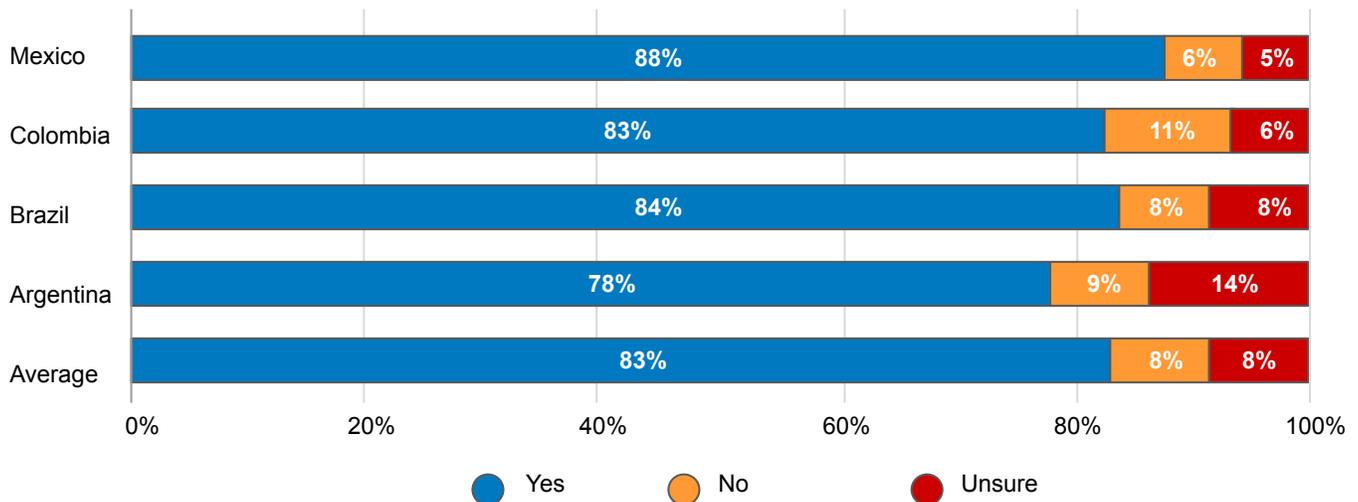
Overall:

- When deciding on a subscription service, the top three things that viewers look for are a mobile app (40%), ease of use (15%), and the movies and shows they like (12%).

Country breakdown:

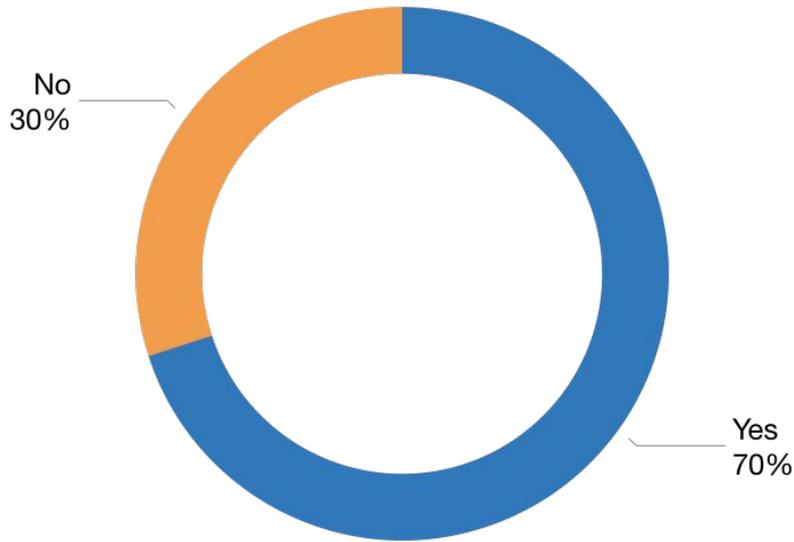
- Having a mobile app was most important to Colombian (43%) and Mexican (43%) viewers.
- Of all 4 countries surveyed, affordability is most important to Argentinians (10%).

Do Latin Americans expect streaming services to include a download feature.



83% of viewers said they expect a streaming service to offer download functionality.

Would Latin Americans pay extra for download functionality.



Key Insights

Overall:

- 70% of Latin American viewers said they would pay extra for a video platform to offer downloadable video.

Country breakdown:

- 73% of Colombians and Brazilians said they would expect a video platform to offer downloadable video.

70% of Latin American viewers said they would pay extra for a video platform to offer downloadable video.



Streaming frustrations

Streaming frustrations are high in Latin America, and our survey reveals a direct connection between poor experiences and issues like stream abandonment and churn. 92% of our panelists say they have encountered problems when watching. The most common issue is re-buffering and 58% say they've been frustrated by it, followed by the video taking too long to start-up (52%), and the ads stalling (40%).

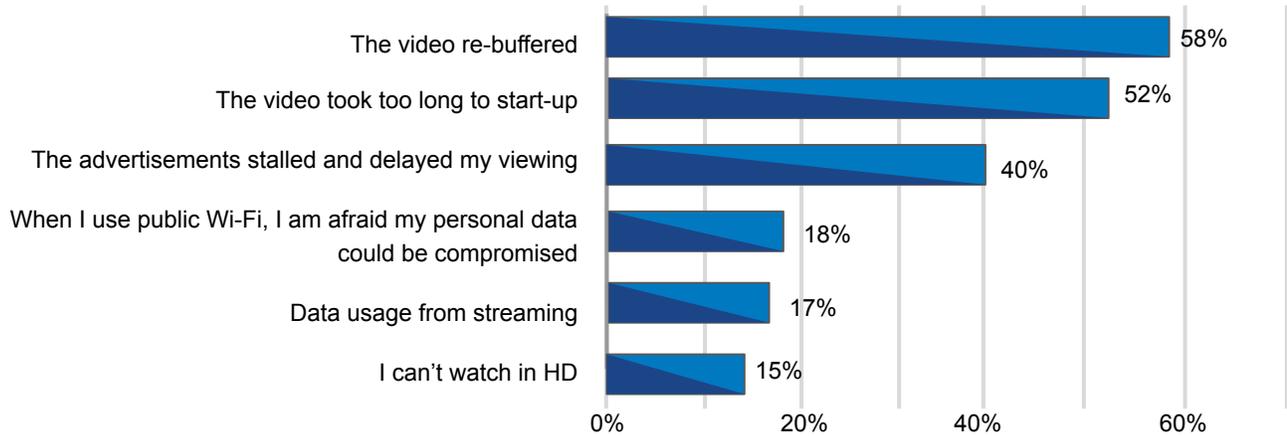
When they encounter re-buffering, Latin American viewers are likely to abandon the stream. 43% of Latin American panelists say they wait 2 buffers before they leave the stream—38% say they wait only 1 buffer before they leave the stream. This high rate of abandonment demonstrates the need for video providers in the region to ensure their viewers have a smooth experience.

Yet currently, Latin American viewers are experiencing frequent delays and interruptions, especially on their preferred viewing device, mobile. 29% of our panelists said they wait between 8-10 seconds for their videos to load on mobile on average, and a different 29% said they are waiting even longer. This likely explains why so many viewers in our survey said they'd pay extra for downloadable content, which removes these startup delays and other issues like re-buffering.

In addition to experiential issues, Latin American viewers care a lot about cost. When asked their primary reason for cancelling a subscription to a video service, 53% cited cost. Secondary reasons included a service not having enough of their favorite movies and episodes (47%), lack of programming (32%), and finding another video provider they liked better (30%).



Frustrations Latin Americans have had when streaming.



Key Insights

Overall:

- 92% of Latin Americans say they have experienced streaming frustrations.
- For Latin American viewers, re-buffering is the most frustrating streaming experience (58%), followed by the video taking too long to start-up (52%), and the ads stalling (40%).
- Younger generations are more worried about advertisements stalling than older generations.
- Older generations are more likely to say they have not experienced streaming frustrations.

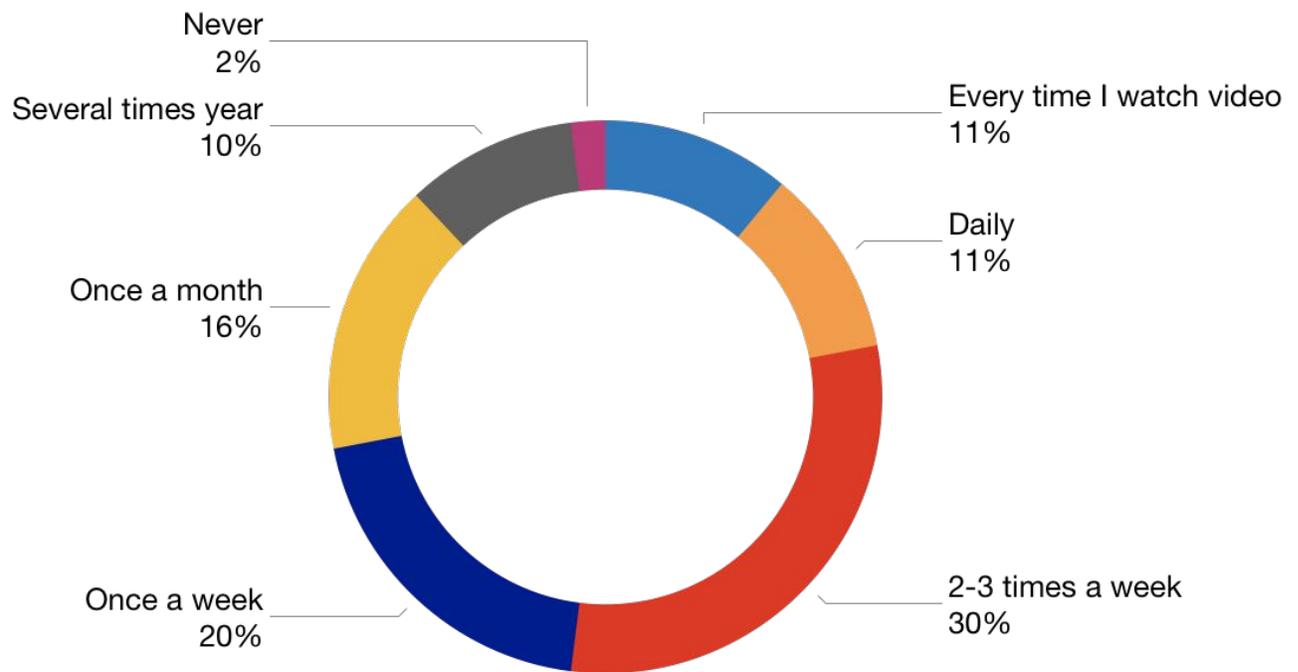
Country breakdown:

- Colombia had the highest percentage of viewers who reported being frustrated by re-buffering (65%) followed by Mexico (62%).
- Mexican and Argentinian viewers were most likely to report frustration from data usage while streaming (22%).

92% of Latin American viewers say they have experienced streaming frustrations.



How often Latin Americans experience frustrations.



Key Insights

Overall:

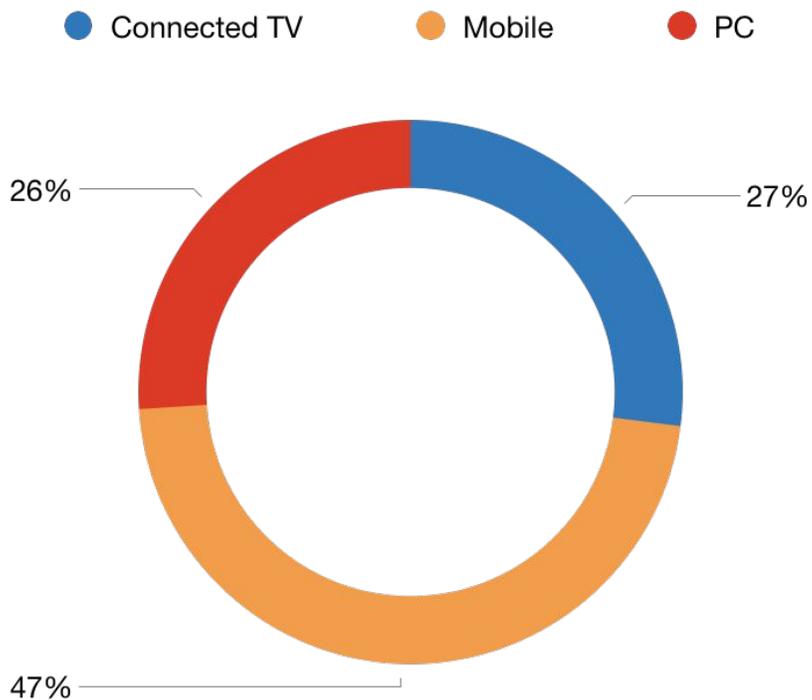
- 98% of viewers say they have encountered streaming frustrations.
- Viewers in Latin America are most likely to report experiencing streaming frustrations 2-3 times a week (30%) followed by once a week (20%).

Country breakdown:

- Mexico has the highest percentage of people reporting that they experience streaming frustrations 2-3 times a week (35%) followed by Colombia (33%)
- Argentina has the highest percentage of people reporting daily streaming frustrations at 13%.

30% of viewers in Latin America experience streaming frustrations 2-3 times a week and 20% experience them once a week.

Platform where Latin Americans experience the most frustrations.



Key Insights

Overall:

- Most viewers report frustrations while watching on their mobile devices (47%), followed by Connected TV (27%), and their PCs (26%).

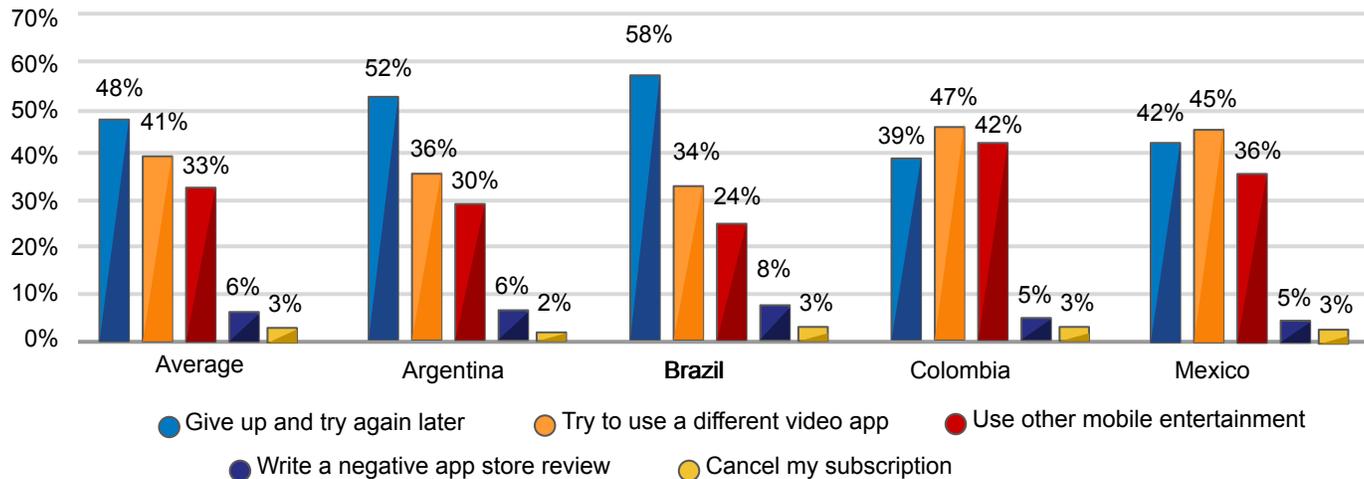
Country breakdown:

- Viewers in Mexico have the most issues with mobile video with more than half (52%) saying it's where they experience the most frustration.

43% of Latin Americans say they wait 2 buffers before they leave the stream and 38% say they wait only 1 buffer.



How Latin Americans react to frustrating video experiences.



Key Insights

Overall:

- When they experience streaming frustrations, Latin American viewers are most likely to give up and try again later (48%), use a different video app (41%), or use other mobile entertainment (33%).

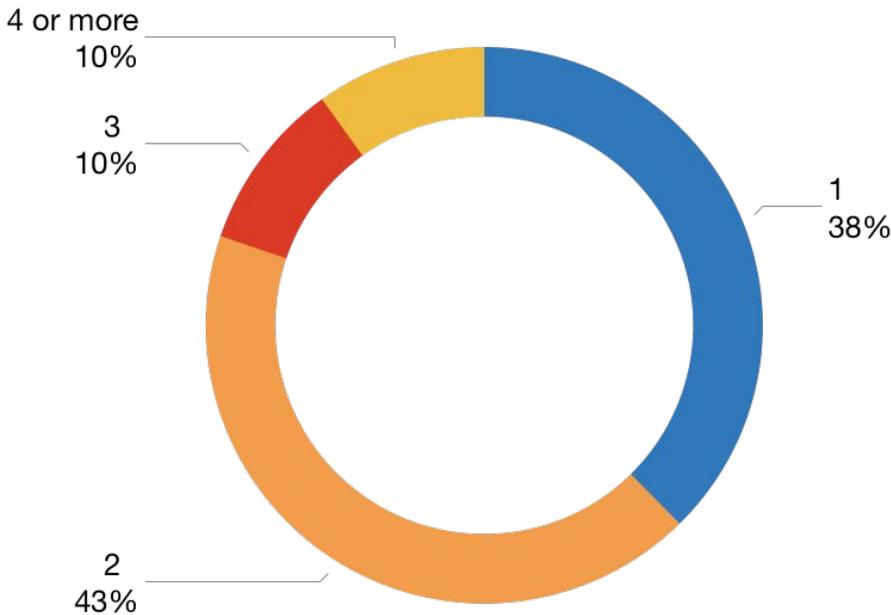
Country breakdown:

- Those in Brazil are most likely to give and try again later (58%) followed by Argentinians (52%).
- Brazilians are the most likely group to write a negative app store review (8%).
- Colombia has the highest percentage of viewers who say they would use a different video app (47%) or different mobile entertainment (42%).

When they experience streaming frustrations, nearly half of Latin American viewers give up and try again later (48%), while 41% will use a different video app



How many times a video buffers before Latin Americans leave the stream.



Key Insights

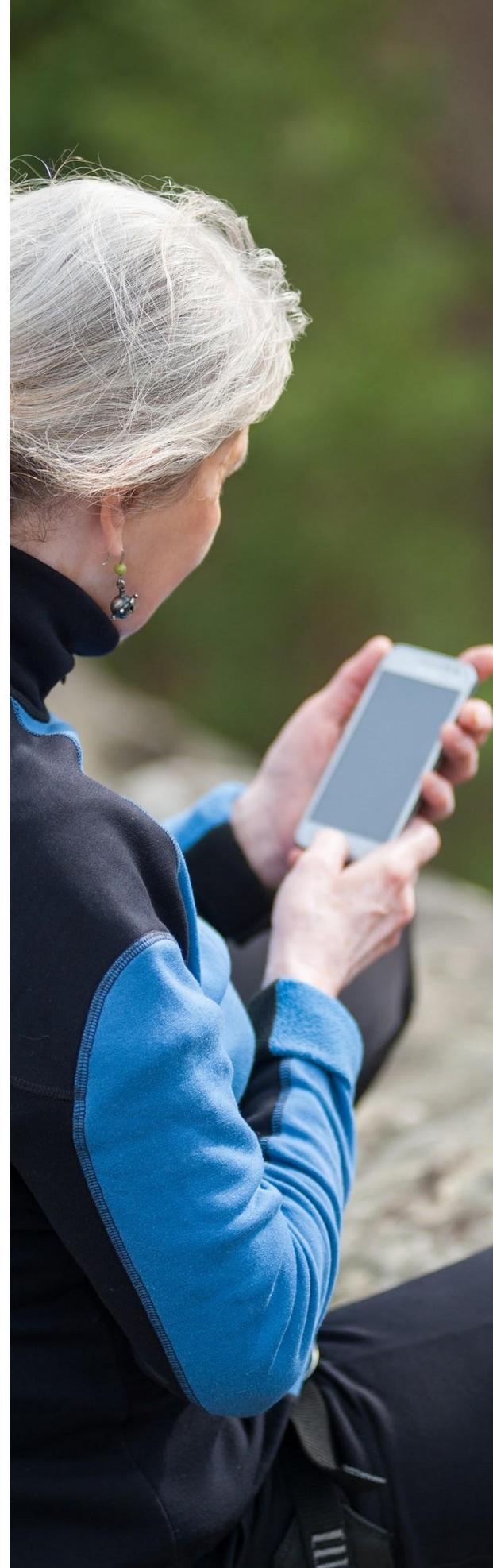
Overall:

- 43% of Latin American viewers say they wait 2 buffers before they leave the stream.
- 38% say they wait only 1 buffer before they leave the stream.

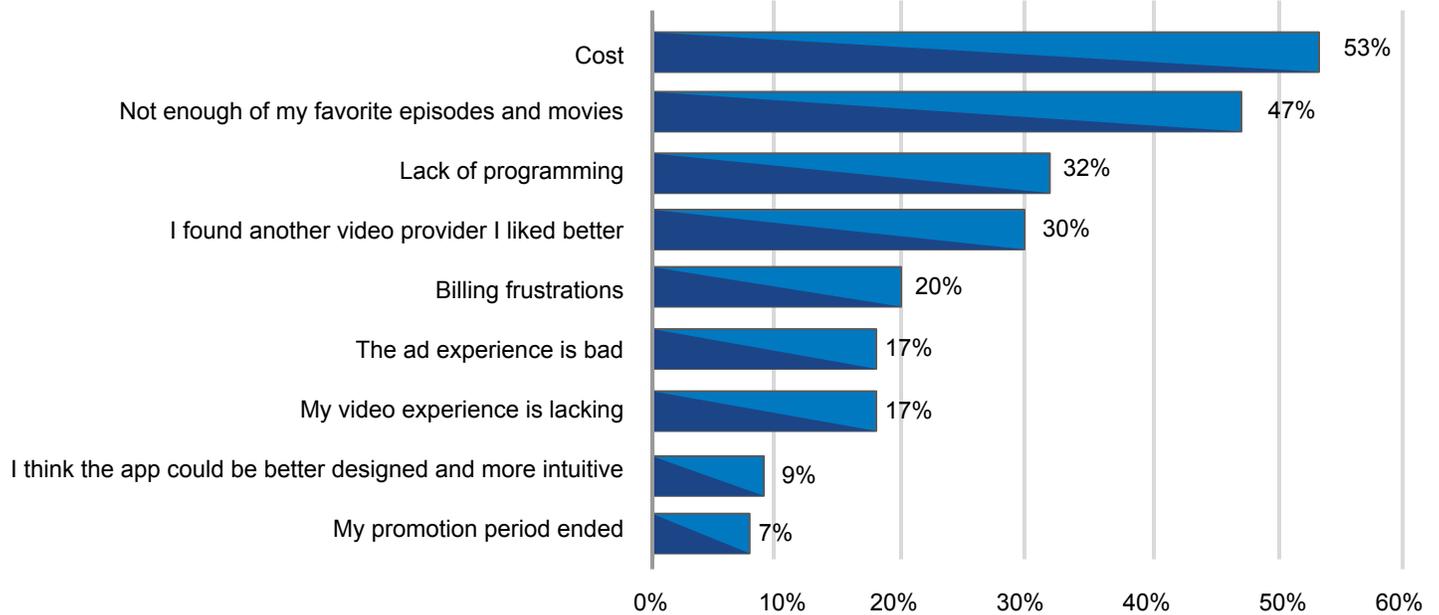
Country breakdown:

- 45% of Colombians say they will wait no more than 2 buffers before they leave the stream.
- Brazilians were the most patient with 13% saying they would be willing to wait 4 or more buffers before they leave the stream.

43% of Latin American viewers say they wait 2 buffers before they leave the stream and 38% say they wait only 1 buffer before they leave the stream.



Why Latin Americans cancel their video subscription.



Key Insights

Overall:

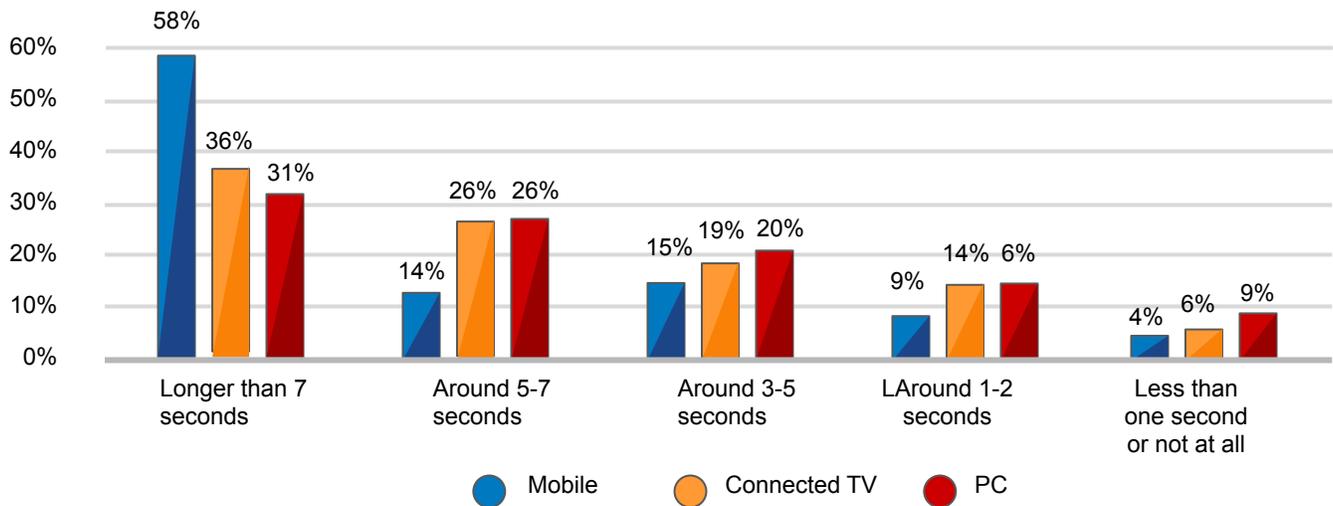
- Latin American viewers said their primary reasons they cancel their subscription to a video service are cost (53%), not enough of their favorite movies and episodes (47%), lack of programming (32%), and they found another video provider they liked better (30%).

Country breakdown:

- 58% of Mexican viewers said the primary reason they cancel their subscription to a video service is that there is not enough of their favorite movies and episodes.
- 63% of Argentinians said cost was the primary reason they cancel their subscription video service

Over half of Latin American viewers say the primary reasons they cancel their subscription to a video service is cost (53%).

How long Latin Americans wait for their videos to load



Key Insights

Overall:

- Between Mobile, Connected TV, and PC, Connected TV has the best load times, but not by much. 31% say they wait for their video to load more than 7 seconds, and 26% say they wait between 5 and 7 seconds.
- Latin American viewers experience long wait times for their mobile videos to load, 29% said they wait between 8-10 seconds and 29% said they are waiting longer.

Country breakdown:

- 31% of Colombian mobile viewers said they are waiting longer than 10 seconds.
- PC video viewers in Latin America are also waiting a long time for their video to start up. 36% say they are waiting more than 7 seconds and 26% say they are waiting between 5 and 7 seconds.
- 39% of Colombian viewers said they wait more than 7 seconds for their video to load.
- 34% of Colombians say they have waited more than 7 seconds.

29% of Latin American viewers say they wait between 8-10 seconds for videos to load on mobile, and 29% said they wait even longer.



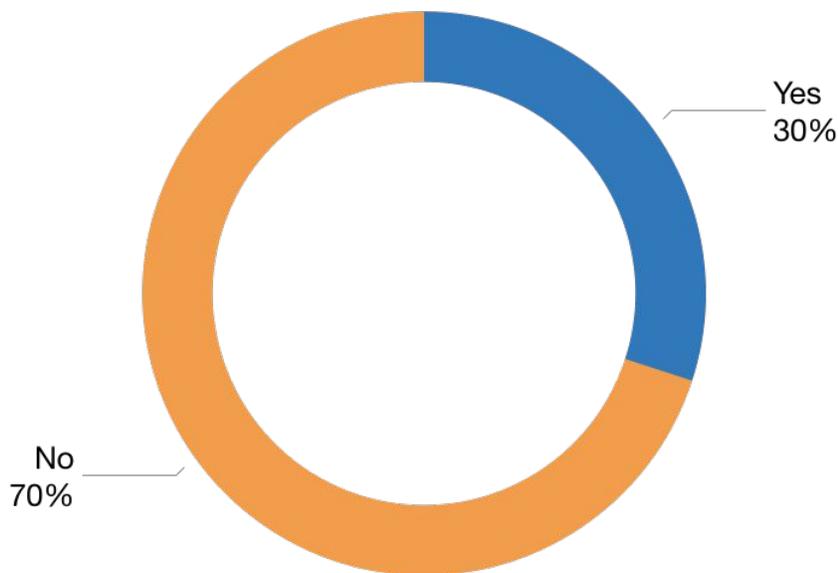
Advertising video on demand (AVOD)

Viewers around the world appreciate being able to access video content for free or at a reduced cost, in exchange for watching ads, and Latin America is no exception. Yet, our panelists expressed unique frustrations with the video ad experience.

Latin American viewers in our survey said the most frustrating ad experience is when the same ad repeats, with 59% citing it as a pain point. Other frustration included being served too many ads (45%) and the ad not playing or buffering (32%). For providers of ad-supported video on demand, these issues highlight the importance of creating not only a good viewing experience, but an ad experience that matches.

Further, another enormous issue faced by viewers of ad-supported video in Latin America is ad relevance. A large majority (70%) of our panelists said they don't feel represented in ads. Common issues are that products being sold often aren't local and ads are sometimes just a translated version of its English counterpart. If ad viewers don't connect with the ads they see, then advertisers are wasting their money in the region and missing a huge opportunity to connect with engaged viewers.

Do Latin Americans feel represented in ads:



Key Insights

Overall:

- Most Latin American viewers say they don't feel represented in ads (70%).

Country breakdown:

- Argentina has the highest percentage of people who said they don't feel represented in ads (77%).

Representation in Latin America

70% of Latin American viewers say they don't feel represented in ads.

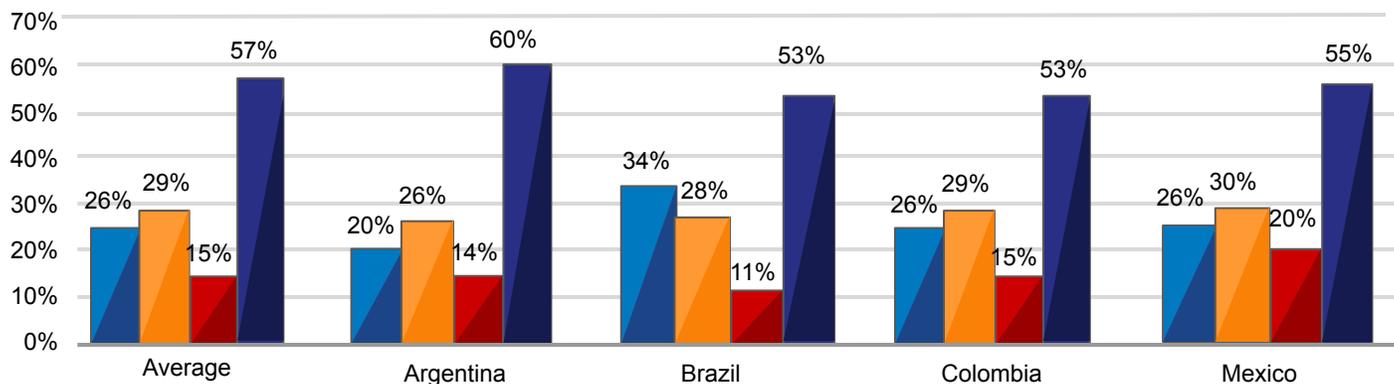
Latin America is one of the most unequal regions in the world. Despite having broken with its colonial past with Spain and Portugal nearly two centuries ago, there continues to be a notable lack of diversity and representation plaguing the region's advertising industry to this day. While brands have made a concerted effort to increase their representation of Black, Indigenous, and people of color (BIPOC)—and breakaway from the traditional portrayal of gender roles—in their marketing collateral, a large percentage of consumers still do not feel represented by the ads they see.

As consumers in Latin America become more attuned to brand purpose and messaging in this digital age, it is paramount that companies accurately portray and reflect the local communities they plan to target—all while fully celebrating and embracing diversity in every marketing campaign they execute.

- Matteo Ceurvels (Research Director, Latin America & Spain at eMarketer | Insider Intelligence)



Why Latin Americans perceive that they are not represented.:



- Language, my native language isn't used enough or it is a combination of spanish or portuguese and english.
- The ad is a translated version of its english counterpart.
- Many of the actors in ads are not latino.
- The products they are selling are not local.

Key Insights

Overall:

- Most Latin American viewers said they don't feel represented because the products being sold aren't local (57%), followed by the ad is a translated version of it's English counterpart (29%).

Country breakdown:

- Argentina has the highest percentage of viewers who said they didn't feel represented because the products being sold weren't local (66%)



Conclusion

Streaming video is seeing a massive surge in Latin America. Though limited access to broadband internet has been a hurdle in the past, the last few years have seen much improvement¹ and as a consequence, OTT adoption has grown. Cord cutting is increasingly popular, and OTTs in the region are seeing growth of new users and time spent viewing. The 2020 pandemic boosted viewership further, and streaming services like Vix saw both new and returning customers watching more. “We’ve seen watch time of returning users grow almost double during the pandemic. New user watch time is up 50%,” says Richard Hull, President of VIX.

The adoption of streaming video is especially high on mobile devices. Viewers in Latin America are not only watching on their phones in high numbers, but more than half say they prefer to watch on mobile over computers or connected TVs. No matter what device type they’re watching on, though, viewers expect a smooth experience.

Despite improvements to network infrastructure, experiential problems remain for consumers wanting to watch OTT content. They are frequently frustrated by interruptions like re-buffering, which leads to high rates of stream abandonment, and long load time, with 59% waiting 8-10 seconds or longer.

That’s why downloadable content is not only popular in Latin America, but expected. When viewers download videos, they can avoid the delays, interruptions, and quality problems that often occur when streaming. 83% of viewers say they expect any given streaming service to include a download feature in their offering.

This is good news for providers of streaming video who are currently in or looking to expand to the Latin American market. Ensuring a good experience can be difficult when many factors are outside of your control, including issues that occur in the last mile of video delivery. Yet technology that can solve these issues, whether download or other enhanced streaming features, can help providers take control and let their viewers watch without frustrating. Those that do will get an edge over the growing OTT competition in Latin America and across the globe.



Citations

1. GSMA, Mobile Internet Connectivity 2020 Latin America Factsheet

About Penthera

Penthera is a global SaaS company that offers a suite of streaming solutions to OTT providers to improve the video experience for their users. Our technology helps eliminate last-mile streaming issues, such as buffering and low video quality, to reduce stream abandonment and churn.

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Natalia Borges, Executive Vice President, Marketing
VIX (a subsidiary of Univision)