The Impact of the COVID-19 Pandemic on Subscription Video-On-Demand Services

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Abstract

Globally, the video streaming services market is valued at over $42 billion and is projected to grow significantly past this amount (*Video Streaming Market Size, Share & Growth Report*). With the emergence of the COVID-19 pandemic, which placed much of the United States into lockdown throughout 2020, video streaming platforms have seen apparent developments in their performances. In this study, we discover the changes in the competitive landscape and market share allocation of the SVOD industry correlated to the virus outbreak. In an industry analysis, we report on four prominent platforms, Netflix, Amazon Prime Video, Hulu, and Disney+, to effectively display the workings of their market. In measuring the alleged impact, we compiled data related to these streaming services' revenue, market share, subscriber count, and original content success. We include data from before and after the outbreak, extending from 2018 to 2020. Our results demonstrate that COVID-19 has catalyzed growth in the already expanding SVOD market. In terms of our four indicators, each observed service has experienced consistent growth in almost every respect. With revenue, all services raised their earnings since the pandemic's start. This holds true in terms of subscriber count for each platform. Original content success, which is measured by social media impressions, has increased for all platforms aside from Amazon Prime Video. Our data regarding market share compare these services to one another. Overall, all four services encompass the majority of the market share in the SVOD industry. This being said, we find that two services, Disney+ and Netflix, have outperformed their competition after COVID-19's eruption. Therefore, these two platforms retained better competitive advantages and maintained incontrovertible dominance in terms of market share allocation.

Introduction

With the rise of services like Netflix and Hulu, streaming video content has become part of the ritual of our everyday lives. These Subscription Video on Demand, or SVOD, services have altered the landscape of the video entertainment industry. As of September 2020, approximately 78% of US households use an SVOD service from one or more major providers including Netflix, Amazon Prime Video, and Hulu. This percentage had increased by nearly ten points from the 69% of US households that were SVOD consumers in 2018. Furthermore, 55% of the aforementioned households subscribe to more than one of these services ("78% of U.S. Households Have an SVOD Service" 1). The rising ubiquity of SVOD services is clear. In addition to Netflix, Amazon Prime Video, and Hulu, other notable sites include HBO Max, YouTube Red, and Disney Plus. The prominence of these services represents a new way by which the population consumes their entertainment.

While many forms of online content streaming exist, like music streaming platforms such as Spotify, the SVOD category focuses solely on video streaming. Traditionally, many households have relied on cable television for video entertainment. SVOD services offer a modern alternative, making them a disruptive force in the television and cable industry. The predictions are striking: "video-on-demand will soon become mainstream in all population groups" ("The future of the TV and video landscape by 2030" 11). This fact demonstrates the persistent relevance of video streaming services and content. Although 96.5% of Americans have a television in their home, the number of people who would find it difficult to give up their TV is decreasing. Only about one-third of Americans would find this action "very hard." This has been a noticeable reduction over the past fifteen years (Perrin 1). The rise of SVODs may play a role in this apparent declining dependence on traditional television. A rising number of households have eliminated traditional cable television from their media consumption altogether, relying solely on video streaming services for video entertainment in a trend known as cord-cutting. Many Americans have shown a willingness to replace cable television with digital media platforms. It is estimated that "traditional cable TV will lose over 6 million U.S. subscriber households in 2020 who make the switch to a streaming video platform" (Holzhauer 1). Cord-cutting has greatly accelerated in the last decade, a clear demonstration of the growing preference among American consumers to use streaming services as their main vehicle for video consumption.

Furthermore, the sheer number of streaming services has increased, resulting in a greater choice variety for households to select from. Colloquially, this phenomenon has come to be known as the streaming wars. Consumers may choose any one SVOD service or a combination of many. Research indicates that consumers like this variety. In response to questions, "specifically about the abundance of options in the streaming space today, consumers say they're happy, fulfilled and excited" ("Video streaming shakeup: Survey of consumer attitudes and preferences" 4). Considering these trends in the SVOD market, there remains a large issue of understanding the impact of the COVID-19 pandemic on these services. Since this global outbreak is new and ongoing, it is unclear how major video streaming platforms have been affected. Our research case aims to uncover these effects, thus bringing clarity to the industry.

As established, SVOD platforms are relevant in the video entertainment industry. However, due to the emergence of the COVID-19 pandemic, streaming services may have experienced positive or negative effects. This area is limited in research, mostly as a result of the fact the pandemic is still ongoing. The overall cases of COVID-19 in the United States have exceeded 13 million, thus displaying the severity of the issue. In this paper, we will gauge the impact of the COVID-19 pandemic on SVODs. We will analyze the change in the competitive landscape and market share allocation in this segment of the entertainment industry. In measuring this impact, we will analyze revenue, subscriber count, market share, and original content data. We theorize that, as a result of the COVID-19 pandemic, video streaming services will see growth in their financial health in terms of the aforementioned variables. To elaborate, we hypothesize increased revenues, original content success, and subscriber counts for the observed services. Also, we expect those four services to dominate the market share of the SVOD industry as a result of the COVID-19 pandemic.

Literature Review

Many research articles on video streaming services focus on demographic data regarding subscribers. This is important in determining what segments of the population typically utilize SVODs. Larry Downes (2019) outlines the video media consumption of four different age groups by established generation. These generations, including Baby Boomers, Generation X, Millennials, and Generation Z all display distinct preferences. Per Downes's analysis, Baby Boomers tend to favor traditional media sources like cable television. Generation X sees little difference in media sources. Younger generations such as Millennials and Generation Z actively utilize SVODs. They are comfortable combining diverse media sources (Downes). This article provides insight into the typical user of all streaming services. It reveals that younger age groups are usually more likely to stream content on SVOD platforms. This concept is expanded on in other research. For example, Pew Research Center (2017) uses survey analysis to identify the media habits of certain age groups. They discover that about six in ten young adults (61%), categorized as those aged 18 to 29, claim the primary way by which they watch television is through streaming services ("61% Of Young Adults in U.S. Watch Mainly

Streaming TV.”). Conversely, only 31% favor cable television. In this same research, Pew finds that in terms of gender, men are more likely to use video streaming services over women. Jeff Ewing (2019) of Forbes outlines the typical user demographics of specific streaming services, not just the industry. In this article, three major streaming services, Netflix, Hulu, and Amazon Prime Video, are analyzed. Overall, Netflix users skew younger. Many have incomes of over $100,000 per year. Amazon Prime Video users tend to be a bit older, around 55 years of age. Finally, Hulu users are younger and less wealthy than those of the other two services (Ewing). Based on this established research, we can conclude SVOD customers tend to be younger. This is important when analyzing COVID-19’s impact on video streaming platforms. For example, Richard Fry and Amanda Barroso (2020) researched the employment status of age groups in this pandemic. Through an analysis of the Current Population Survey (CPS) from the U.S. Census Bureau, they find that almost three in ten (28%) young adults are not working or in school (Fry). Research has shown that this increase in daily leisure time leads to increased consumption of entertainment sources. Since video streaming services are a source of entertainment for American consumers, we expect to see a tangible increase in their usage as a result of this pandemic. In 2020, Pew Research Center has found that as a result of lockdown policies in the United States, consumption of the internet and entertainment has surged (Vogels). Therefore, with an increase in leisure time, which has resulted from the pandemic, consumers, especially young people, look to entertainment as a way to occupy the time. With this, we expect to see an elevation in the usage of video streaming platforms.

While all SVODs provide content from a variety of media sources, what makes them stand out is their in-house, self-produced, original content. Existing research indicates that original content on SVODs is the number one factor that drives consumers to subscribe. The

Harvard Business Review, using data collected from their research on original content and SVODs, found that more than anything else, original content is what drives subscriptions. (Prince 13). SVODs offer much content that one could watch on cable, but original content is what makes them unique. Therefore, original content drives new subscriptions and renewals. It is for this reason that the original content that was released and available during the COVID-19 pandemic will be used to compare the successes of various streaming services. As raw data on the viewership numbers of original content is hard to come by, we have found that the best way to determine original content success during the pandemic is through social media impressions. This way, we can analyze how the national zeitgeist reacted to certain pieces of original content, and which, if any, shows or movies made an impact on our collective minds. Since research has demonstrated that premium original content is integral to an SVOD service's success, we would expect those sites that released popular programs during the pandemic to have increased consumption and viewership.

The importance of mental health has become even more prevalent since the dawn of COVID-19. Experts project the pandemic has negatively impacted over half the population's mental wellbeing. Self's 2020 Mental Health and Personal Spending Report shows that SVOD platforms play a key role in improving the population's mental status. TV and streaming services are reported to be the most popular form of indirect mental care people practice in assisting their condition ("Mental Health and Personal Finance Statistics: Self Financial."). Since streaming services serve as a popular indirect form of self-care, this presents an opportunity for SVOD platforms to capture some of the portions of people's finances meant for health spending. Also, almost 25% of students have experienced anxiety directly attributed to this pandemic (Khan).

Based on these previous findings, the dependency on video streaming services for mental health solace should only drive to increase the usage of SVODs.

We intend to maintain the most relevant factors in our competitive analysis of the SVOD industry that are in line with the current body of research. Revenue, market share, and the number of subscribers have been consistently used as metrics in prior research to analyze the health of and competition among streaming services. By keeping our analysis metrics in line with other relevant research, the outcomes of our study will serve to advance this body of research into the new global landscape changed by COVID-19.

To focus our scope, and in keeping with common research practice in this area, we selected four major streaming services to analyze in solving our research question. Based on an analysis of existing research, we know that Netflix, Hulu, Amazon Prime, and Disney+ are at the heart of the SVOD service market (Rose et al 3). Informed by our analysis of existing research in this space, we intend to discover how the COVID-19 pandemic has impacted the competitive landscape and market share allocation of Netflix, Hulu, Amazon Prime Video, and Disney+ in the United States.

Methods

Through a comparative industry analysis of the video streaming sector, we tracked four prominent SVOD services. Our sample consists of data regarding Netflix, Amazon Prime Video, Hulu, and Disney+. Analyzing the hypothesized effects of the pandemic on these services provides a clear image of the impact on the whole SVOD market in the United States. Therefore, this sample serves as a strong representation of the larger population of streaming services.

As a strategy to measure COVID-19’s potential impact, we selected four indicators we believe efficiently display these results. First, we collected revenue data from the observed streaming services. This metric effectively outlines the success of an SVOD platform. Prior research indicates the pricing of streaming websites is an influential aspect of the competitive landscape. Generally, streaming services, regardless of their level of originally produced content, can compete with other streaming services by lowering the price of their subscription-based services (Cho 3). Thus, we utilize revenue data in our analysis. Revenue data outlines the individual performance of video streaming platforms. We also use market share calculations of the whole industry to compare the performance of the four services to each other. Market share is integral in measuring the success or failures of these media sources in the coronavirus pandemic. A report from Consulting.us states that due to the pandemic, the overall size of the SVOD market has grown from 73% of American consumers paying for a streaming service to 80% (Covid-19 Accelerates Video Streaming Subscriptions and Cancellations, 4). We aim to discover which platforms have taken hold of this increase in the market. It is critical to note here that the Walt Disney Corporation owns both Disney+ and Hulu. Due to this, their revenue data and market share allocations are consolidated. Therefore, we present Disney+ and Hulu's financial data together. However, these two services are differentiated from one another with our last two indicators. Our third input is the number of subscribers per video streaming website. This is important to measure because, since the beginning of the COVID-19 pandemic, the average number of SVOD subscriptions per household has increased by 10% (Rose et al 2). Finally, our study tracks the original content success for each of the four services to gauge the changes in the competitive landscape of the SVOD market during this ongoing pandemic.

The time period of our research extends from 2018 to 2020 data. In general, we collected data on Netflix, Hulu, and Amazon Prime Video from 2018 to 2020 to the extent available. Since Disney+ launched in late 2019, we collected data from 2019 to 2020. In analyzing our data, we observe the competitive positions of the services before and after the disruptive pandemic. Since official lockdowns started at the end of the first quarter of 2020 (Schumaker), data from 2018 and 2019 depict the status of video streaming before the outbreak, and 2020 data reflects the alleged impact.

First, we collected quarterly revenue data. Annual revenue data was calculated using the sum of the quarters. The data was organized into three sections: Netflix, Amazon Prime Video, and Disney owned services (Disney+ and Hulu). This data was extracted from the official SEC quarterly earnings reports released by these companies, and cross-referenced with Statista reports. Amazon Prime Video has not released their 2020 Quarter 4 earnings report yet, so this was omitted from the dataset. Finally, the percent change was calculated between each quarter and each observed year. Refer to Tables 1-6 for revenue data.

To gain a more holistic understanding of the SVOD industry, we examined market share data for Amazon Prime, Netflix, and Disney. In this data, both Hulu and Disney+ information both fall under the Disney category as the company owns both platforms. IBIS World provided a very in-depth report on the SVOD industry, including historical market share data going back to 2015. We chose to examine the information from 2018 to 2020 to provide a view of market share in the streaming industry before and after COVID-19. Refer to Table 7 for market share data.

To collect data on the number of subscribers to each respective SVOD, we had to take a varied approach. Since Hulu and Disney+ are both owned by Disney, we were able to collect quarterly subscriber numbers from their quarterly SEC 10-Q filings for 2020. These filings provided the number of subscribers for Hulu's SVOD-only service for all quarters in 2019 and 2020, and subscriber data for Disney+ for all quarters in 2020. Before 2019, Disney did not have a controlling share in Hulu, and quarterly subscriber data was not accessible. A Statista report provided Hulu's 2018 end of year subscriber data. Before the fiscal year 2020, Disney+ had not yet launched, meaning there was no subscriber data to access. Netflix also releases its subscriber numbers quarterly in the SEC 10-Q filings. However, we sought data only on US subscribers, which we accessed through Statista research. Finally, we had to take a nuanced approach with Prime Video. Since Amazon Prime Video is included with all Prime memberships, but not used by all Prime members, we sought to find data on only users of the Prime Video SVOD service. We again turned to Statista data, which allowed us to access the number of actual users of Prime Video, however, this data is only released annually. Since the fiscal year 2020 has concluded for Disney, but not for Netflix and Prime Video, our last data point for Netflix is 2020's third quarter. Due to the unavailability of 2020 Prime Video subscriber data, we have opted to use a conservative estimate for 2020 from Market.US, a reliable market research firm. We calculated the quarterly percent change for all applicable firms. Refer to Tables 8-14 for subscriber data.

We found the best way to determine original content success was through social media impressions on Twitter. Impressions are the number of social media users that in some way interact with a post related to a certain topic. With this, we can determine which original content on which service had the most impact on the nation before and after COVID-19's outbreak. We analyzed content annually from 2019 to 2020. Due to the fact Disney+ launched in late 2019, we only included data from 2020. In terms of data collection, we first determined the top five shows and movies from each SVOD during each year. We used news sites such as the *New York Times*, any Emmy nominations, and the respective SVOD's trending page to determine which shows were most popular in a given period. The market research firm "Hashtagify" provided the total Twitter impressions for each original program in the appropriate time frame. Finally, we calculated the total social media impressions per year on each SVOD platform. Refer to Tables 15-18 for original content impression data.

Data Tables *Revenue:*

Netflix Revenue (in millions)	2018	2019	2020
Q1	$3,700.86	$4,520.99	$5,767.69
Q2	$3,907.27	$4,923.12	$6,148.29
Q3	$3,999.37	$5,244.91	$6,435.64
Q4	$4,186.84	$5,467.43	$6,572.00
Annual Revenue	$15,794.34	$20,156.45	$24,923.62
Annual Percent Change		27.62%	23.65%

Table 1

Prime Video Revenue(in millions)	2018	2019	2020
Q1	$3,102.00	$4,342.00	$5,556.00
Q2	$3,408.00	$4,676.00	$6,018.00
Q3	$3,698.00	$4,957.00	$6,572.00
Q4	$3,960.00	$5,235.00	N/A
Annual Revenue	$14,168.00	$19,210.00	N/A
Annual Percent Change		35.59%	N/A

Table 2

Disney Owned SVOD Revenue; Hulu, Disney+ (in millions)			
	2018	2019	2020
Q1	$931.00	$918.00	$3,987.00
Q2	$831.00	$955.00	$4,123.00
Q3	$827.00	$3,858.00	$3,969.00
Q4	$899.00	$3,428.00	$4,853.00
Annual Revenue	$3,488.00	$9,159.00	$16,932.00
Annual Percent Change		162.59%	84.87%

Table 3

Revenue Percent Change:

Netflix Revenue (Quarterly Percent Change)			
	2018	2019	2020
Q1-Q2	5.58%	8.89%	6.60%
Q2-Q3	2.36%	6.54%	4.67%
Q3-Q4	4.69%	4.24%	2.12%
Q4-Next Year Q1	7.98%	5.49%	N/A

Table 4

Prime Video Revenue (Quarterly Percent Change)			
	2018	2019	2020
Q1-Q2	9.86%	7.69%	8.32%
Q2-Q3	8.51%	6.01%	9.21%
Q3-Q4	7.08%	5.61%	N/A
Q4-Next Year Q1	9.65%	6.13%	N/A

Table 5

Disney Owned SVODs; Hulu, Disney+ Revenue(Quarterly Percent Change)			
	2018	2019	2020
Q1-Q2	-10.74%	4.03%	3.41%
Q2-Q3	-0.48%	303.98%	-3.74%
Q3-Q4	8.71%	-11.15%	22.27%
Q4-Next Year Q1	2.11%	16.13%	N/A

Table 6

Market Share:

Table 7

SVOD Market Share Allocations				
	Netflix	Amazon Prime	Disney	Other
2018	28.50%	7.30%	6.80%	20.30%
2019	27.40%	7.90%	14.10%	21.80%
2020	27.60%	8.20%	18.60%	21.80%

Subscriber Count:

Netflix Subscribers (in millions)			
	2018	2019	2020 YTD
Q1	55.09	60.23	69.97
Q2	55.96	60.1	72.9
Q3	56.96	60.62	73.08
Q4	58.49	61.04	-
Annual Percent Change		4.36%	19.72%

Table 8

Prime Video Subscribers (in millions)			
	2018	2019	2020 Est
Annual Subscribers	50.23	53.3	56
Annual Percent Change		6.11%	5.07%

Table 9

Disney+ Subscribers (in millions)			
	2018	2019	2020 YTD
Q1	-	-	26.5
Q2	-	-	33.5
Q3	-	-	57.5
Q4	-	-	73.7
Annual Percent Change		-	-

Table 10

Hulu Subscribers (in millions)			
	2018	2019	2020 YTD
Q1	-	21.1	27.2
Q2	-	23.2	28.8
Q3	-	25.7	32.1
Q4	21.4	25.6	32.5
Annual Percent Change		19.63%	26.95%

Table 11

Subscriber Count Percent Change:

Netflix (Quarterly Percent Change)			
	2018	2019	2020 YTD
Q1-Q2	1.58%	-0.22%	4.19%
Q2-Q3	1.79%	0.87%	0.25%
Q3-Q4	2.69%	0.69%	-
Q4-Next Year Q1	2.97%	14.63%	-

Table 12

Disney+ (Quarterly Percent Change)			
	2018	2019	2020 YTD
Q1-Q2	-	-	26.42%
Q2-Q3	-	-	71.64%
Q3-Q4	-	-	28.17%
Q4-Next Year Q1	-	-	-

Table 13

Hulu (Quarterly Percent Change)			
	2018	2019	2020 YTD
Q1-Q2	-	9.95%	5.88%
Q2-Q3	-	10.78%	11.46%
Q3-Q4	-	-0.39%	1.25%
Q4-Next Year Q1	-1.40%	6.25%	-

Table 14

Original Content Success:

Netflix Impressions			
2019		2020	
Russian Doll	157,300	Tiger King	43.1 million
Bojack Horseman	1.3 million	The Last Dance	20.6 million
Tuca and Bertie	776,000	Ratched	1.9 million
The Crown	80.7 Million	The Umbrella Academy	10.3 million
Mindhunter	20.5 million	Queen's Gambit	55.5 million
Total:	101.4 million	Total:	131.4 million

Table 15

Amazon Prime Video Impressions			
2019		2020	
Marvelous Mrs. Maisel	958,700	The Boys, S2	26 million
Fleabag	1.8 million	Bosch	2.5 million
The Boys, S1	45 million	Looking for Alaska	13,600
The Man in the High Castle	51,300	What the Constitution Means To Me	878,300
The Expanse	12.2 million	Borat 2	7.6 million
Total:	60 million	Total:	36.9 million

Table 16

Hulu Impressions			
2019		2020	
The Act	116,500	Fargo	5.1 million
Handmaid's Tale	5.4 million	Mrs. America	1.9 million
Pen15	65,700	Little Fires Everywhere	2.5 million
Catch-22	923,000	Future Man	239,600
Castle Rock	349,100	Killin Eve	10.8 million
Total:	6.8 million	Total:	20.5 million

Table 17

Disney+ Impressions	
2020	
The Mandalorian	3.9 billion
Mulan (live action)	42.2 million
Hamilton	50.2 Million
Black is King	365,800
Disney Insider	562,300
Total:	3.994 billion

Table 18

Results

Overall, the key research findings resulting from our compiled dataset provides insights we anticipated, as well as some unexpected trends. Starting with our revenue data, on an annual level, Netflix, Amazon Prime Video, and the Disney owned services have experienced consistent increases in their total revenue since 2018. For each platform, this increase is usually around $5 billion per year. Although Amazon has not released their fourth-quarter data for 2020, its first three quarters have outperformed any previous year's. Despite this, the annual percent change in revenue for these platforms has surprisingly decreased since 2018. Our quarterly revenue data provide insight more specific to the coronavirus pandemic. Since lockdowns started in the first quarter of 2020, we expected increases in revenue from the first to the second quarter. This theory was upheld with Netflix and Prime Video. Netflix saw a rise in revenue of 6.6% from Q1 2020 to Q2 2020, which is 1% over the previous period's increase. Prime Video's revenue increase from 2020's Q1 to Q2 was 8.32%, which is over a 2% increase from the prior period. The Disney owned SVODs present different results. In the fourth quarter of 2019 to Q1 2020, its revenue increased by 16.13%. However, from Q1 2020 to Q2 2020, the rate of change in earnings decreased to 3.41%. This represents almost a 13% decrease in revenue growth. Refer to Figures 1 to 3 for revenue results.

Our market share data from 2018 to 2020 helps to understand the state of and changes in the SVOD industry. The data shows Netflix as the strongest player, holding a generally static percentage of around 27-29% for three years. No other streaming companies broke 20%. While Netflix is a streaming giant, the trend did not exhibit any major growth. Conversely, Disney moved from 6.8% to 18.6% between 2018 and 2020 This is almost a 300% increase in market share. We attribute this significant growth to the launch of the streaming platform Disney+.

Before this launch in late 2019, Disney's SVOD market share came from Hulu. Amazon Prime Video grew less than a percent every year, starting with 7.3% and ending with 8.2%. Prime Video did gain market share, but with its already relatively small portion of the market paired with its slow growth, it is hard to say if it will continue to be a strong player in the future of streaming. Refer to Figures 4 to 6 for market share results.

Looking at the results on subscriber data, we do see that the pandemic boosted subscriber count as we anticipated. Netflix and Hulu experienced a drastic increase in the percent change of subscribers from 2019 to 2020. Netflix realized a subscriber growth of 4.36% from 2018 to 2019. From 2019 to the third quarter of 2020, their year over year subscriber growth was 19.72%. Hulu went from 19.63% subscriber growth from 2018 to 2019, to 26.95% growth from 2019-2020. Amazon Prime Video experienced 6.11% growth from 2018 to 2019 and has not yet released 2020 data. Based on the conservative estimate we used, Prime Video will experience at least a 5.07% increase, but we anticipate the actual growth could likely be much higher. Disney+ has no year over year data, as 2020 was their first fiscal year. However, their growth from quarter one to quarter four of 2020 was incredible, at 178.11%. The other streaming services that released quarterly subscriber numbers also experienced abnormally strong quarterly growth after quarter-four 2019, though none as extreme as the growth Disney+ experienced. This strong quarterly growth coincides with the onset of the COVID-19 pandemic and subsequent lockdowns, as we expected to see. Refer to Figures 7 to 10 for subscriber count results.

Regarding original content success, we found the results to both confirm and defy our expectations. As anticipated, Netflix's original content dominated the market both in 2019 and during the pandemic. Titles like *The Crown* and *Mindhunte*r, having 80.7million and 20.5 million Twitter impressions respectively, made Netflix 2019's most successful SVOD in terms of social media impressions. During the pandemic, Netflix was also very successful with the original content we tracked. Its impressions totaled 131.4 million. Massive hits like *Tiger King* and *Queen's Gambit* helped deliver these results. However, one surprise we encountered was the massive impact Disney+ has had on the competitive landscape during the pandemic. Their offerings of titles like *The Mandalorian* and *Mulan*, among others, had over 3.9 billion Twitter impressions in 2020. While Hulu saw a large increase from 2019's impressions of 6.8 million to 20.5 million in 2020, their content does not generate as much success as Disney+ or Netflix. Amazon Prime Video was the only streaming service with decreased impressions from 2019 to 2020. They fell from 60 to 36.9 million social media impressions. Refer to Figures 11 and 12.

Figures *Revenue:*

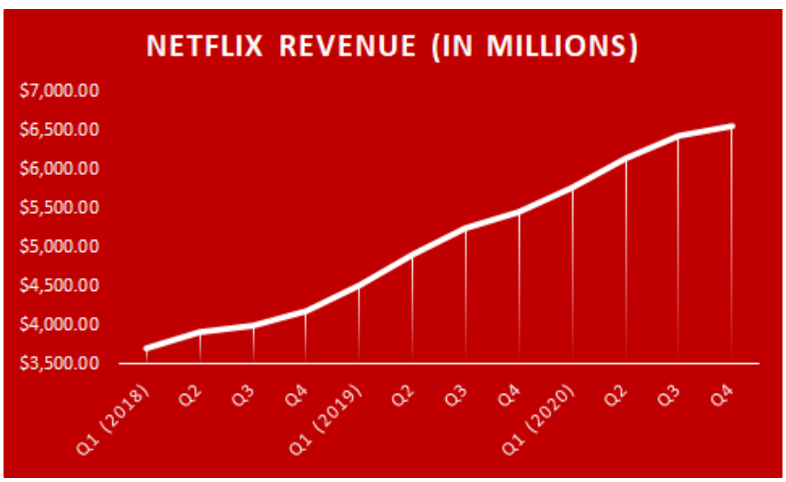


Figure 1

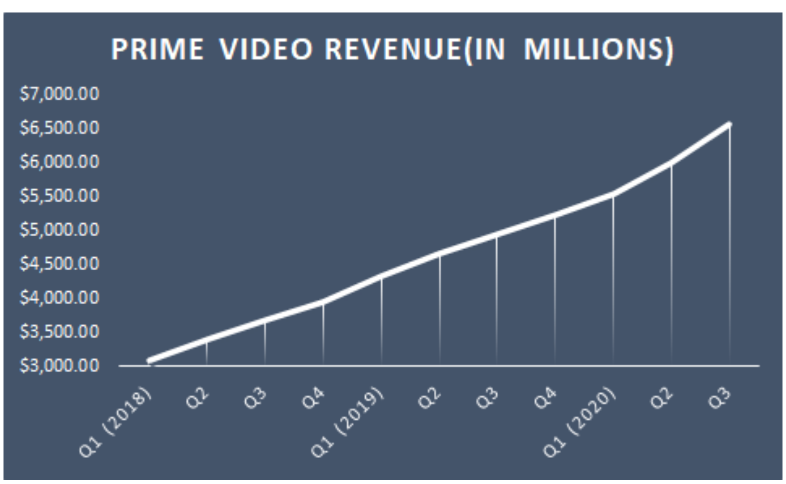


Figure 2

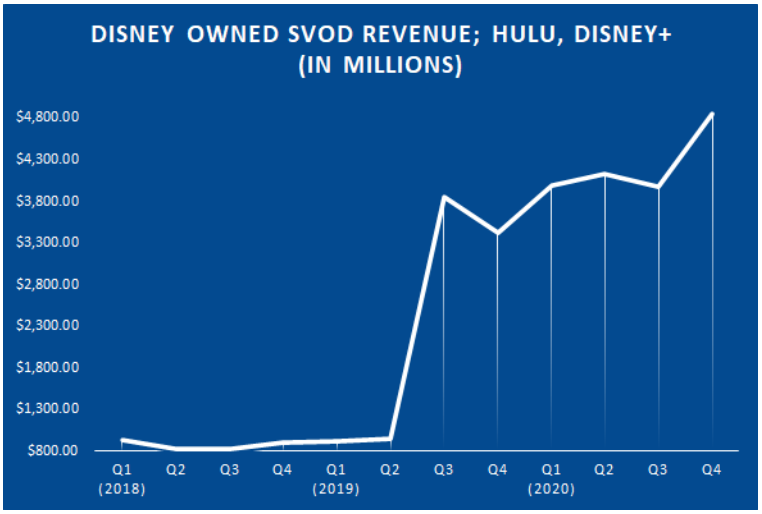
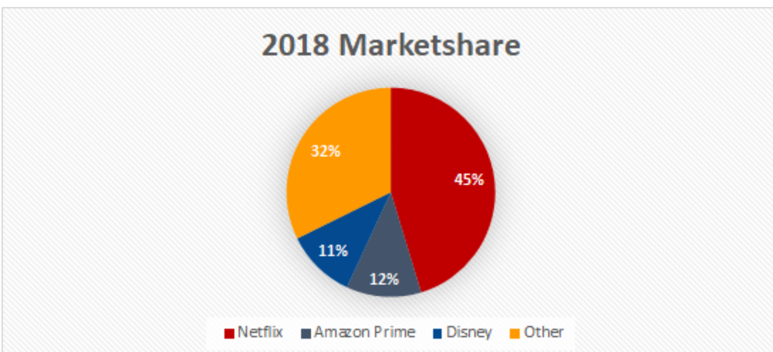


Figure 3

Market Share:



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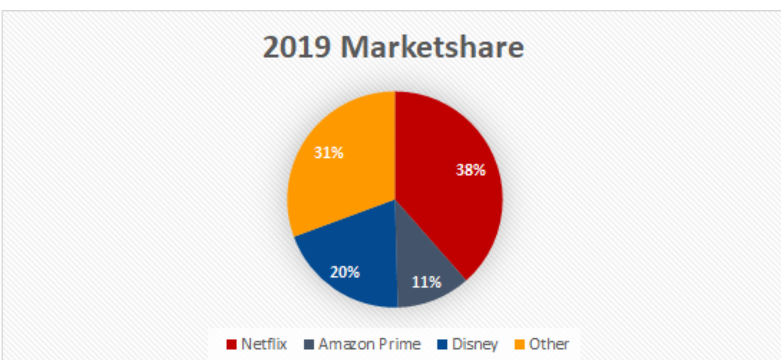

Figure 5

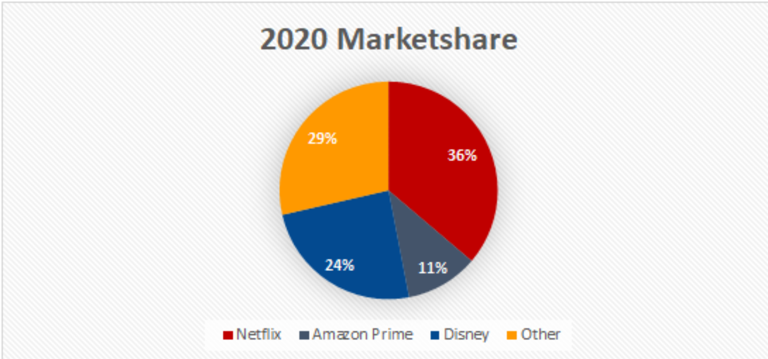

Figure 6

Subscriber Count:

Figure 7

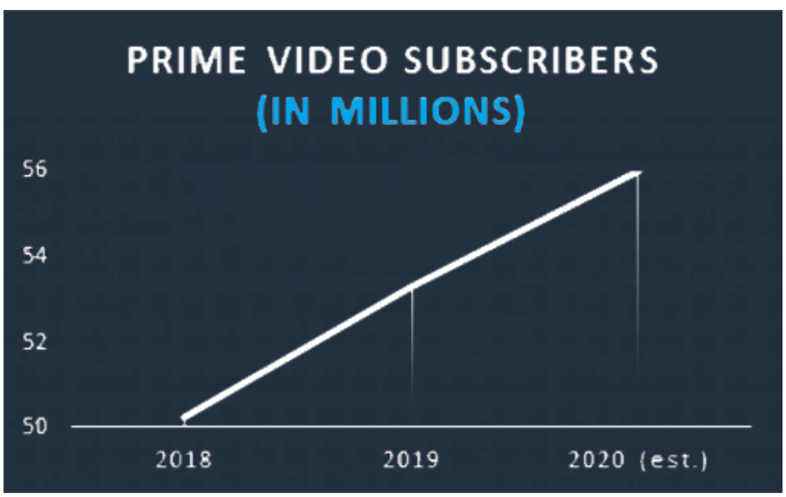

Figure 8

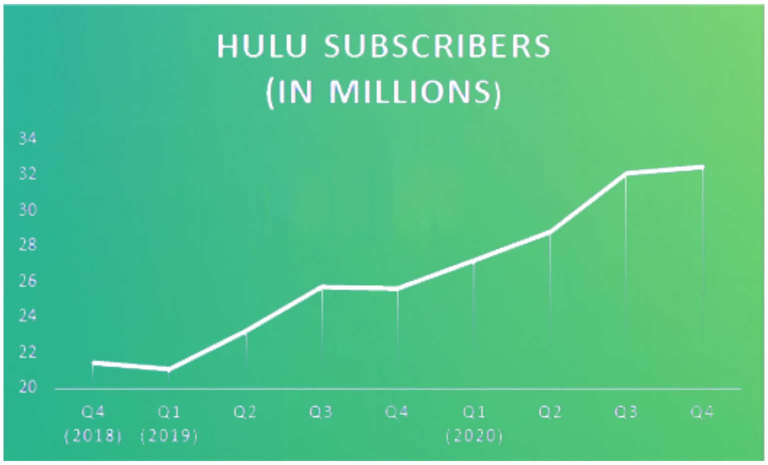

Figure 9

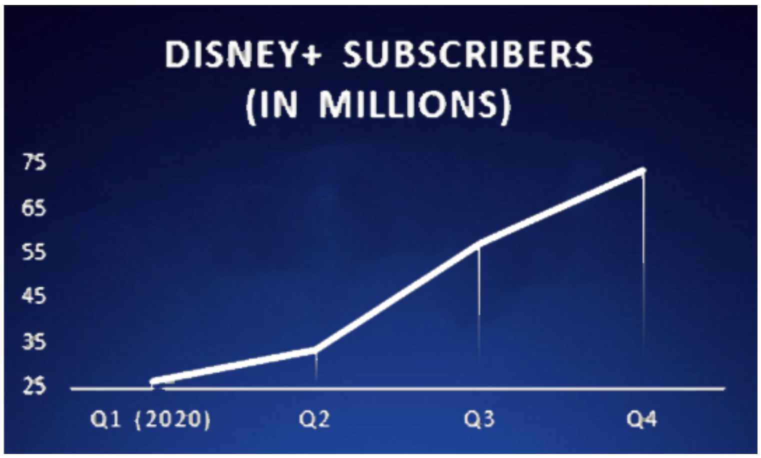

Figure 10

Original Content Success:

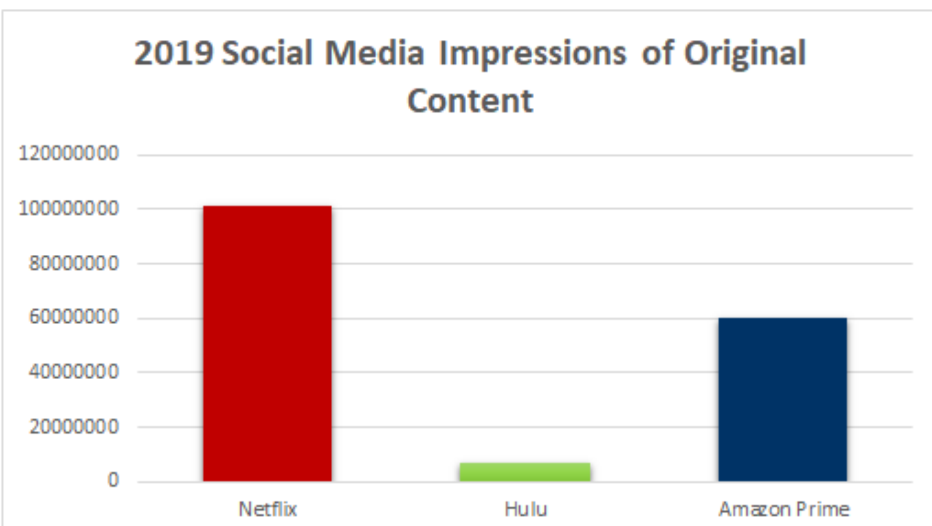

Figure 11

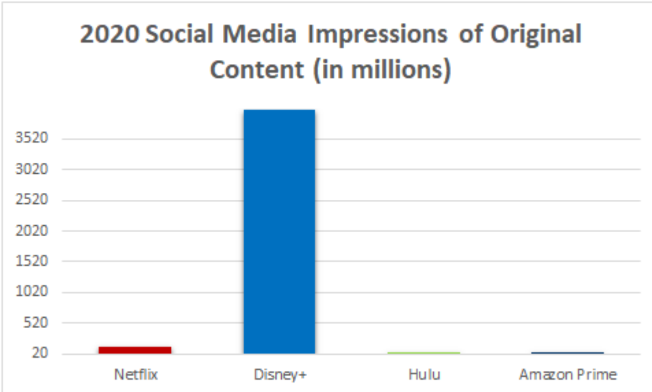

Figure 12

Note: The magnitude of the Disney+ social media impressions was so great it left Hulu and Prime Video impressions almost negligible in any attempt at visual comparison via graph.

Discussion & Interpretation

Overall, our collected data revealed meaningful trends in the video streaming services sector. Also, we discovered a fair image of how the COVID-19 pandemic has affected the industry. While we cannot definitively say that the pandemic has caused changes in the market, we can determine the correlation between the virus's outbreak and developments in the SVOD industry. In terms of the competitive landscape of video streaming services, three indicators display this correlation. First, our revenue data demonstrated that all services have seen an increase in their earnings since the start of the pandemic. This indicates the platforms have strengthened their financial health since the outbreak of COVID-19. At the same time, many established services like Netflix have been increasing their revenue at a decreasing rate. However, Disney owned services have seen exponential revenue growth. We find this is due to the recent debut of Disney+ because its revenue spike coincides with the service's introduction. We assess that Disney+ finds success in consumers as it is the newest option. The novelty attached to this service, coupled with the pandemic, has created growth in popularity. Our subscriber and original content data effectively reinforce this same trend.

In terms of subscriber count, in 2020 alone, Disney+ has surpassed Netflix. This places Netflix and Disney+ ahead of Hulu and Amazon Prime Video. The pandemic has correlated to subscriber growth in all services, but mostly with Netflix and Disney+. With original content success, Netflix and Disney+ outperformed Hulu and Prime Video during the pandemic. Though, it cannot be said that Disney+ has overtaken Netflix in terms of original content success, as they only have one good year under their belt. Netflix has a history of proven success in terms of original content. The question for the future is whether Disney+ can maintain and repeat their success in releasing original content.

We find that, individually, all observed video streaming platforms have exhibited growth before and after the pandemic. In essence, COVID-19 has catalyzed what was already happening in the SVOD market. As mentioned before, many consumers have opted to utilize video streaming services over cable television. As a result, the video streaming industry has been consistently expanding. COVID-19's outbreak has reinforced this growth for the observed services. The pandemic has not correlated to drastic changes in the industry, but steady growth for all. Despite this, Netflix and Disney+ have still gained the most traction compared to their competitors during this COVID-19 pandemic.

The market share allocation of the SVOD industry displays the dominance of Netflix and Disney+ well. With only Hulu, Disney's SVOD market share was 6.8%. As of 2020, Disney's share has increased to 18.6%. Therefore, the addition of Disney+ contributed to growth in market share. Netflix has perpetually maintained the largest share in this market. Based on these findings, we determine that Netflix and Disney+ have benefited most from the pandemic. While there is constant growth in the video streaming market, the pandemic has mostly catalyzed growth for these two particular services.

This finding is consistent with previous research we have utilized in this study. For example, prior research indicates that Netflix users skew younger. We anticipated an overall growth in streaming service use during the pandemic, because many young adults saw an increase in daily leisure time. This leisure time is increasingly spent using video streaming platforms. Therefore, younger people had more opportunity in the pandemic to stream video content. Netflix has potentially upheld its dominance in the market during the pandemic due to its young demographic. Also, existing research dictates that original content success is integral to a platform's success. Original content drives subscriber growth, which contributes to increased revenue. During the pandemic, Netflix and Disney+ experienced the highest original content success in the whole industry. Netflix retains the highest recorded revenues compared to its competitors. Disney+ has the fastest revenue growth. These two services boast the two largest subscriber counts. Therefore, their original content places them ahead of their competitors. All in all, COVID-19 has contributed to the otherwise growing SVOD market, but Netflix and Disney+ have seen the most success in the time of the pandemic.

Conclusions & Implications

This study has displayed the developments in the Subscription Video-On-Demand industry in the shadow of the coronavirus pandemic. The handling of COVID-19 remains an ongoing issue in the United States. The virus has affected many aspects of everyday life, as well as components of the economy and business world. The uncertainty brought upon by this outbreak must be alleviated. This paper contributes positively to understanding the pandemic because it clarifies the effect this event has had on four major companies within the video streaming services sector. Efforts to reduce uncertainty in this area help overall society. While our findings dictate that video streaming has experienced consistent expansion since its introduction, COVID-19 has catalyzed this growth. We find that two particular services, Netflix and Disney+, have seen the most growth as it relates to the pandemic. Therefore, their business model was most resilient at the time of the pandemic. With this, other video streaming platforms may observe the structure of Netflix and Disney+ for strategic guidance. This research outlines the characteristics of those companies with competitive advantages and market share dominance in the industry. In turn, management in these SVOD companies can use that information to make actionable decisions relating to their operations, especially when dealing with COVID-19.

While aiding management in their decision making helps those internal to an organization, our research also helps those external. The companies we tracked in this paper are either publicly traded themselves or belong to a publicly traded corporation. Therefore, investors can use this research case to understand the financial health of various video streaming platforms directly after the outbreak of coronavirus. This analysis of the changes in the financial positioning of SVODs can provide a roadmap for investment decisions.

Recommendations & Limitations

This research paper is limited by the recent and ongoing nature of the COVID-19 pandemic. While data before the pandemic was easily accessible, not every observed platform has released full 2020 data. In further research, we would recommend utilizing complete 2020 data to reinforce the findings of this study, as well as include any data for 2021 and beyond. This will further emphasize the impact of COVID-19 on the video streaming services sector. Further research should explore the long-term impact of the pandemic. This paper gauges the immediate effects of COVID-19. Also, we would recommend including more indicators in measuring this impact. Due to the novelty of the outbreak, we omitted certain metrics related to SVODs. For example, there is no data available yet regarding the potential original content drought of streaming platforms. Once data is released on metrics such as a content drought, further research can display an increasingly comprehensive view of video streaming services after the pandemic.

Before the pandemic, the SVOD industry was already in the midst of change. Some industry analysts even pictured a shakeup in the competition, as Netflix was experiencing a slip in their hold of the market (Vlassis 2). However, the pandemic has spurred an expansion of the market at incredible speed, making competition between SVODs less intense. Due to increased leisure time as a result of lockdowns, there are more video streaming consumers to capture. The question remains, however, of whether or not these customers will stick around. Moving forward, it will be incredibly important for each service to focus its strategy on retaining these customers. The pool of potential subscribers is sure to shrink with the eventual subsiding of cases and stay at home orders. We recommend further research into those platforms that can retain their new subscribers. The objective of each SVOD will be to fight to keep the market share they picked up during the pandemic (Rose et al 2). Inevitably, there will be winners and losers in the industry, and the revenue of those services that lose subscribers may be impacted for some time to come.

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