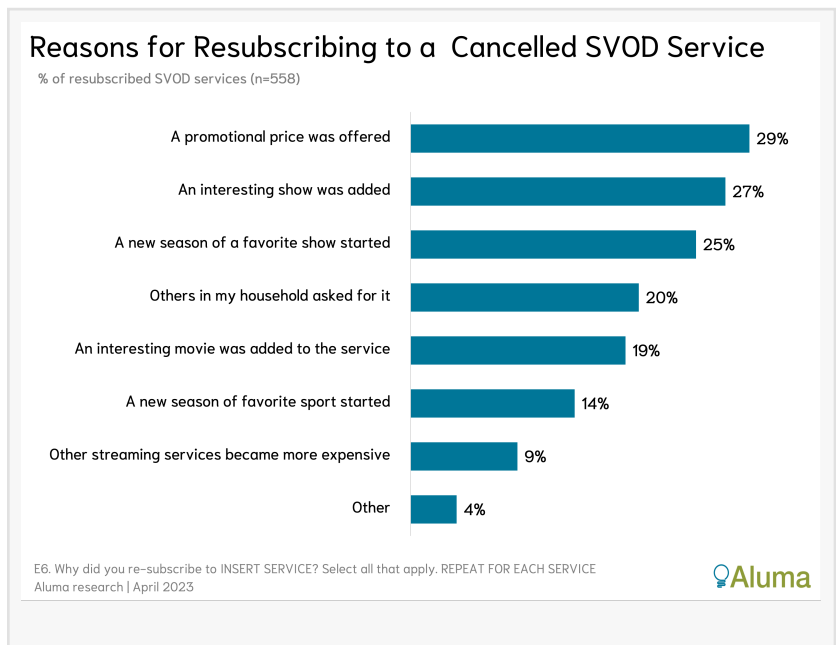


In the Last Year, 20% of SVOD Buyers Resubscribed to a Service They'd Previously Cancelled

90% returned within a year of service termination, attracted primarily by discounts and new content.

FORT COLLINS, CO, US, September 19, 2023 /EINPresswire.com/ -- Price discounts and new shows are the most potent tools SVOD providers such as Netflix, MAX, and Disney+ have to lure former customers back. This according to "Quantifying App Hopping Behaviors among US Adults", a two-report series just released by CTV research firm, [Aluma Insights](#).



“Because someone cancels a streaming video service doesn’t necessarily mean they didn’t enjoy it or they won’t return,” said [Michael Greeson](#), founder and principal analyst at Aluma. “The question is what ‘hot buttons’ most encourage cancellers to reenroll.”

While no one reason explains why a majority of churners return to a previous service, two themes rise from the research. Cancellers are most likely to return if a better deal is offered (e.g., one year of service for 50% off list price) or when new content is added (e.g., an interesting new show or season of a tentpole series is launched). More than one-fourth of Resubscribers said these were the key reasons they returned to a service.

The fact new and returning shows are almost as important in driving reenrollment as cost of service is an important insight. Subscription services that invest in new originals or securing the latest hit TV series or movie will fare better in attracting return subscribers. Those leaning more into low-value library content from third-parties will be less successful.

Due to the wave of revenue optimization measures that began in second quarter 2022, content budgets for streaming video services are under severe pressure. “With investors holding executive’s feet to the fire about spending,” adds Greeson, “the impetus behind the decade-long gravy train of streaming content is drying up, even as the Hollywood strikes continue and the



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Michael Greeson, founder of Aluma Insights

realities of market saturation set in.”

As the effects of these cutbacks become apparent to SVOD viewers, they will be exacerbated by the torrid pace of retail price increases. Less content at higher prices is a formula for even higher churn rates and speaks to the importance of properly tuned resubscription strategies.

“Keep in mind the horizon for resubscription is relatively short,” added Greeson. “Only 11% of recent resubscriptions occur a year or more after cancellation. Responding quickly and persistently during the early months after cancellation can make a meaningful difference in resubscription rates, especially if the key

motivators of cost and content are addressed head on.”

About Aluma's Research

Earlier this year, Aluma surveyed 2,000 US adult SVOD users about recent cancellations and additions they made for their household, with a particular emphasis on app hopping—that is, regularly adding and cancelling services versus staying with them more than a few months. The study quantifies the penetration and use of more than 40 SVOD services, as well as how often and why specific services were added or cancelled in the last year.

About Aluma Insights

Aluma provides research-based strategic insights to video creators, aggregators, and OEMs looking to master the connected TV ecosystem. To inquire further about Aluma’s services, please contact us at info@alumainsights.com.

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