

LIVE STREAMED VS FREELY STREAMED CONTENT'S EFFECT ON THE
ENGAGEMENT OF VIEWERS

Matthew Cheung

30 October 2019

Abstract: The streaming industry is a large, and still growing, space. With that, the question comes: what makes one streaming platform better from another.

This proposal presents the possibility of live streamed content engaging audiences more than freely streamed content. To do so, data will be collected through an online experiment in which two groups of people will watch a piece of content live vs. freely. The watch time, user review, and merch sales will be measured to test the audience's engagement.

LIVE STREAMED VS FREELY STREAMED CONTENT'S EFFECT ON THE ENGAGEMENT OF VIEWERS

Introduction:

We are currently in the streaming age of entertainment with industry leaders such as Netflix and Amazon amassing millions of subscribers and new services such as Apple, Disney, and Quibi launching their own platforms. Cable TV subscriptions are dropping and streaming subscriptions are on the rise.¹ As more companies develop their platforms, the question becomes: how will streaming services differentiate themselves and compete with the already established platforms? One of the methods that has taken off in the past couple of years is live streaming. The most notable live streaming platforms, such as Twitch, Mixer, and YouTube Live, have hundreds of thousands of viewers tuning in to live content simultaneously. Rather than the individualized method of watching freely streamed content on platforms like Netflix, live content opens up possibilities for interactivity between viewer and content and a stronger connectivity between viewers. In my research, I will study the difference in audience engagement between live streamed content and freely streamed content. Specifically, how does the watch time, viewer's review of the content, and the audience's willingness to buy merchandise differ between live and freely streamed content?

Background/Related Work and Motivation:

Over the summer and fall of 2019, many companies began announcing their own streaming services. For example, Quibi, founded by Jeff Katzenberg and Meg Whitman, raised a billion dollars, Apple TV+ signed with creative heads such as Steven Spielberg and Oprah

¹ 1. Wheeler Winston Dixon, "The Moving Platform," in *Movies, Media, and Instant Access* (n.p.: UP of Kentucky, 2013), <https://www.jstor.org/stable/j.ctt2jcs6f.6>.

Winfrey, and Disney announced their on service with original shows. As more and more established competition arose, I began to ask, what makes a streaming service unique?

Given how new these streaming services are and the confidentiality of the companies' collected data, the studies comparing data between live and freely watched content is scarce. Most foundational work that has been done analyzes the successes and failures of the already established services. Netflix does have its own page dedicated to research, however, most of it is based on the technology of streaming rather than the content itself.

From the research and news I have read, the data and trends suggest that live streaming may have some inherent strengths over freely watched content. In an article written on October of 2019 in the Los Angeles Times, Meredith Blake and Yvonne Villareal criticize the binge watching consequence of streaming services that allow you to watch content freely. They find that the period of time that the show is relevant and the retention of the information in the show is lower than content that is released weekly². Comparatively, live-streamed content can only be watched in limited spans, but studies have not looked at this aspect yet.

In addition, streaming sites have come out with multiple ways of making their content interactive for viewers. For example, the implementation of chat systems, choose your own adventure shows, and the integration of sharing to social media directly from the content. Specifically, new companies such as Quibi have experimented with how the orientation of a phone can become a tool for viewers to switch perspectives³, Dick Clark Productions, the team

² Meredith Blake and Yvonne Villareal, "Are These the End Times for Binge Culture?," *Los Angeles Times*, accessed October 16, 2019, <https://www.latimes.com/entertainment-arts/tv/story/2019-10-10/streaming-wars-binge-culture-netflix-model>.

³ Marina Diaz, interview by the author, October 28, 2019.

behind the American Music Awards, have toyed with live voting on their streaming site⁴, and Netflix recently released their own choose your own adventure show, *Bandersnatch*. However, while these companies do claim that this interactiveness will increase viewer engagement, their quantitative data is not publicly released. With the trends in new interactive features on streaming sites, it would seem that live streamed content would produce higher engagement from audiences. Through my study, I can formulate data into proper research affirming these claims. Not only will I study the engagement of the viewers in the content, but I will also look at how this content can lead to higher sales from a business perspective.

Method:

The method for my research will be in a three step process. The first is the production of a streamable piece of content, the second will be the airing of content and collection of data, and the last will be an analysis of the data.

Data on three different factors will be collected: the watch time of users, viewer's review of the content (based on a five-star rating system), and the amount of merchandise sales. This is not all the data that will be collected, but it is the majority of what will be analyzed. Other factors such as location of viewers, age range of viewers, and what site viewers were directed from will all be taken into account as well. These three metrics will allow me to provide analysis on three different perspectives: the artists' perspective, the audience's perspective, and the businesses' perspective. User watch time will allow artists to view how their content is being watched with both streaming methods. The viewer's review will allow audiences to rate their experience with

⁴ Michael Nieporent and Jeremey Lowe, interview by the author, October 7, 2019.

both methods. Lastly, the amount of merchandise sales using both methods will allow businesses to see which method is more beneficial.

To collect data, people will be randomly split into two groups: one that can freely watch the content (control group) and a live-watching group. The control group will have two weeks to watch the content whenever they want and however many times they want. On the other hand, the live-watching group will have to tune in at a specific time and can only watch the content a single time. During the live stream, viewers will be able to interact with one another, ask the artist questions, and share to their social media accounts. The content will be an originally produced concert that is displayed online. Data will be collected through Mixpanel. Both groups will be able to buy the artist's merchandise directly through the website. After the concert has been watched, the viewer will then be prompted to fill out a survey. The survey will contain an overall review (out of five stars), what they enjoyed most about the concert, what they least enjoyed, and why or why not merchandise was purchased.

Expected Results:

Due to the inherent interactiveness of live streamed content, I expect the live streamed content to outperform the freely streamed content in all three categories. Live streamed content includes the audience because the artist of the content is creating at the same time the audience is watching. Additionally, extra functions like chat systems allow the content and audience to interact directly.

Companies have already been pouring their efforts into creating more interactive content: “passive viewing experiences are no longer deemed sufficient by audiences.”⁵ This recent

⁵ Business Matters, "The unstoppable rise of interactive live streaming," *Business Matters*, January 29, 2019, accessed November 20, 2019, <https://www.bmmagazine.co.uk/business/the-unstoppable-rise-of-interactive-live-streaming/>.

demand for interactive content and the rise of companies willing to do so, points to a higher potential for live streamed content to be more engaging than freely-streamed content.

From this research, two tangible products will also be produced. Firstly, is the content itself. This will be in the form of a virtual, online concert from an upcoming artist. The second will be software on a website that allows people to view, chat, and buy merchandise.

Conclusion:

Interactive content is on the rise in the streaming industry. Live streaming is one of the methods to give audiences interactive content. In this, I propose to examine the differences in audience engagement between a piece of content that is freely streamed vs. a piece of content that is live streamed. To collect data, I will run an experiment in which an audience is randomly split into two groups. One will be able to freely stream the content, and one will be played live to an audience. From this experiment, I will collect data and analyze the watch time, user review, and merchandise sales, which will cover the perspectives of the artist, audience, and business.

With the rise of streaming, now is the perfect time to research the benefits of different methods of displaying content. Not only will this help businesses, but the research will also help audiences and artists get content that they want.

Bibliography

- Bennett, Lucy. "Researching Online Fandom." *Cinema Journal* 52, no. 4 (Summer 2013): 129-34. <https://www.jstor.org/stable/43653153>.
- Blake, Meredith, and Yvonne Villareal. "Are These the End Times for Binge Culture?" *Los Angeles Times*. Accessed October 16, 2019. <https://www.latimes.com/entertainment-arts/tv/story/2019-10-10/streaming-wars-binge-culture-netflix-model>.
- Business Matters. "The unstoppable rise of interactive live streaming." *Business Matters*, January 29, 2019. Accessed November 20, 2019. <https://www.bmmagazine.co.uk/business/the-unstoppable-rise-of-interactive-live-streaming/>.
- Diaz, Marina. Interview by the author. October 28, 2019.
- Dixon, Wheeler Winston. "The Moving Platform." In *Movies, Media, and Instant Access*, 101-28. N.p.: UP of Kentucky, 2013. <https://www.jstor.org/stable/j.ctt2jcs6f.6>.
- Islam, Gazi. "Virtual Speakers, Virtual Audiences: Agency, Audience and Constraint in an Online Chat Community." *Dialectical Anthropology* 30, no. 1/2 (2006): 71-89. <https://www.jstor.org/stable/29790755>.
- Lee, Wendy. "Why Netflix isn't worried about the streaming wars." *Los Angeles Times*, October 9, 2019. Accessed October 16, 2019. <https://www.latimes.com/entertainment-arts/business/story/2019-10-09/can-netflix-maintain-dominance-over-new-streaming-services>.
- Netflix Technology Blog. "Data Science and the Art of Producing Entertainment at Netflix." *The Netflix Technology Blog*. Entry posted March 26, 2018. Accessed October 16, 2019. <https://medium.com/netflix-techblog/studio-production-data-science-646ee2cc21a1>.
- Nieparent, Michael, and Jeremy Lowe. Interview by the author. October 7, 2019.
- Pallotta, Frank. "Short clips, big risk: This mysterious startup wants to turn streaming on its head." *CNN*, October 11, 2019. Accessed October 16, 2019. <https://www.cnn.com/2019/10/03/business/quibi-whitman-katzenberg-risk-takers/index.html>.

Sherman, Ivory, Tai Yellin, and Allie Schmitz. "Pick the best streaming service for you, from Disney+ to Netflix." CNN. Last modified November 10, 2019. Accessed November 20, 2019.

<https://www.cnn.com/interactive/business/streaming-services-compared/index.html>.

Taylor, T. L. *Twitch and the Rise of Game Live Streaming*. N.p.: Princeton UP, 2018.

<https://www.jstor.org/stable/j.ctvc77jqw.10>.

Timeline:

December - February 2019: Producing a piece of content for experiment

March 2019: Display content and collect data

April 2019 - May 2019: Analysis and write up of data

Budget:

Production fees (cameras, locations, lighting equipment, and sound equipment): \$2500

Website fees (\$30/month): \$180

Marketing fees (to get people interested in joining): \$320

Total: \$3000