



discovery+: 55k titles and counting

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discovery+ makes a content-rich debut

Event: Beyond bearing the imprint of its established television brands, Discovery Inc.'s direct-to-consumer video service stands out in an increasingly crowded category on the measure of sheer volume.

Background: Our just-completed analysis shows Discovery lit up the server array on Jan. 4 with more than 55,000 discrete episodes, immediately vaulting discovery+ into the higher echelons of the modern DTC streaming category. Although some well-known series (Discovery Channel's "House Hunters," TLC's "Say Yes to the Dress") are thinly represented for the moment, the overall offering presents a seemingly bottomless assortment of content, most of it coming from Discovery's own television networks.

Implications: The "go-big" approach tells us Discovery strategists are convinced that deep content reservoirs are a requisite for competing in streaming's big leagues with the likes of Netflix (51,000 total TV episodes) or Hulu (91,000). Conversely, the contrast with niche providers is startling: Apple TV+, for example, currently has only around 280 available programs. If Discovery's theorem is correct, and the name of the game is depth, it suggests there are daunting entry hurdles facing other aspirants whose catalogs may pale by comparison.

discovery+ comes out of the gates with 55,000 total pieces of content from a collection of Discovery associated networks, A+E associated content, BBC networks, and Group Nine Media (a company partially owned by Discovery).

The \$4.99/mo subscription service (\$6.99 without commercials) offers up a large swath of content from major Discovery networks like Food Network, HGTV, Discovery Channel, and TLC. Along with the content libraries from smaller Discovery properties and A+E

networks, discovery+ is shaping itself to be a one-stop-shop for unscripted television content.

The overall range compares favorably to some of the modern-era streaming video kingpins like Amazon Prime Video, which towers above all with more than 120,000 TV shows (excluding feature films). Here are approximate totals from other leading providers, drawn from our VODTRAK® census. (Note: P3 refers to our late 2020/early 2021 Period 3 audit.)

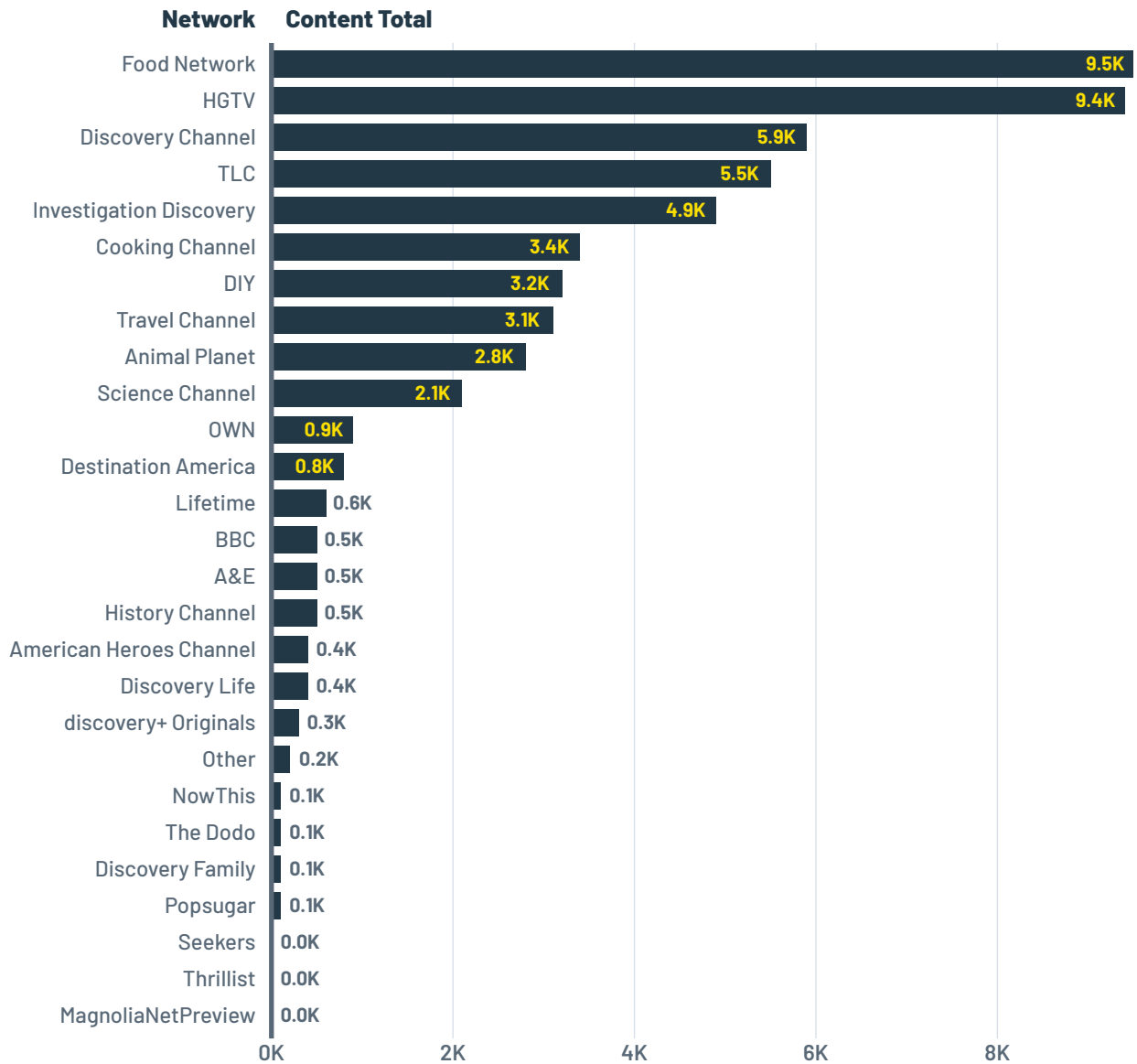
Total unique TV episodes by provider

	P3 2019	P3 2020
Netflix	56,000	51,000
Amazon Prime Video	136,000	122,000
Hulu SVOD	97,000	91,000
Disney+	8,000	11,600
Peacock	—	22,800
HBO Max	—	16,000

Source: VODTRAK® from One Touch Intelligence

Looking at content provided by Discovery's own brands, Food Network rises up as the No. 1 contributor by volume, accounting for close to 9,500 discrete episodes. HGTV is close behind.

discovery+ content by network



Source: VODTRAK® from One Touch Intelligence

Of course, volume is only one part of the value proposition. Discovery is twinning the content depth attribute with a determined slate of original programming that will appear exclusively on the streaming service. In this regard, Discovery lines up with a theory we've heard articulated recently by other mainstream video providers – that original programming is a requisite for drawing in customers, whereas a long tail of programming is necessary to guard against defections and keep churn at tolerable levels. "The customer acquisition game is an originals game. The customer retention game... is a library game," said John Stankey, the CEO of WarnerMedia parent AT&T, in recent comments to investors and analysts.

On this front, discovery+ launched with nearly 350 original programs for 250 hours of total original programming. This puts discovery+ – at launch – at 25% of Discovery's expected goal of 1,000 hours of original programming in the first year – no easy feat given complications around program production caused by the health pandemic. Still, discovery+ – and every other participant – has a long way to go before it comes within striking distance of

streaming's original content king, Netflix, which clocks in with nearly 16,000 original titles per our most recent P3 audit. The next-closest provider, Amazon Prime Video, has 2,300 original titles.

Like NBCU, which recently forklifted all episodes of the U.S. sitcom "The Office" to its new Peacock service, Discovery is banking partly on the appeal of well-known series that have attracted scaled audiences via their originating television networks. Included with discovery+ are full seasons of popular Discovery titles like "30 Minute Meals," "Deadliest Catch," "Cake Boss," and "Diners, Drive-ins, & Dives." discovery+ also offers a small number of episodes from popular A+E titles like "Pawn Stars" and "American Pickers."

However, despite the large content offerings, discovery+ is missing certain tent pole titles such as "Chopped," "House Hunters," and "Say Yes to the Dress" which are all currently unavailable on demand. As a result, at least for now, devotees of "The Dress" can satisfy their appetite more fully on Comcast's Xfinity VOD service (roughly 450 episodes) than on discovery+.

discovery+ signature series census

Approx. no. of episodes available from...

PROGRAM	AMAZON	HULU	NETFLIX	PHILO	XFINITY TV	DISCOVERY+
House Hunters	0	100	0	200	1,200	0
Chopped	0	200	0	200	600	0
Say Yes to the Dress	0	64	0	200	450	0

Source: VODTRAK® from One Touch Intelligence

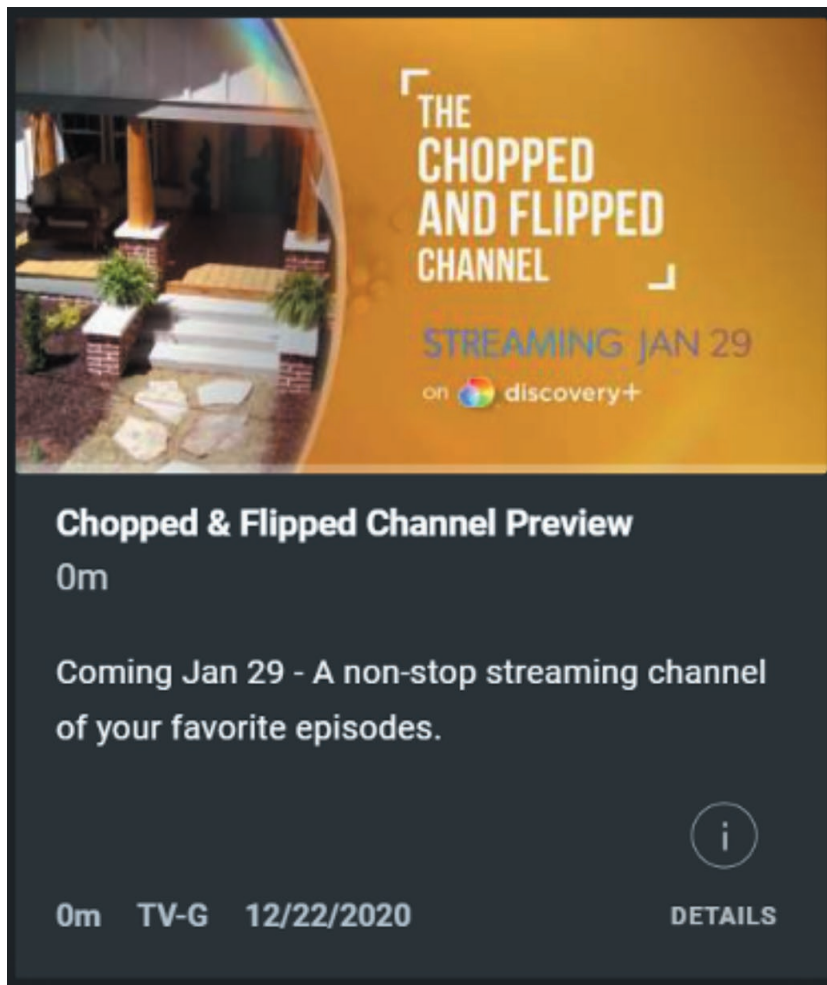
The early absence of some of these signature shows has been noted by some fans who have commented on bulletin boards they had anticipated being able to select from a larger bank of familiar originals.

"I'm all for consumer choice and cutting the cord, but I was hoping that by doing so, I'd have access to the same if not a better selection on the standalone app," one self-professed "House Hunters" fan wrote recently on the Reddit comment board.

Still, we also picked up some positive commentary on a plan expressed by Discovery to build entire linear channels around some of its franchise series. The "Chopped and Flipped" channel, for example, launched Jan. 29.

"This service will become a lot more useful when they debut their 'channels.' I could see myself turning on something like the House Hunters Channel as background noise during the day," commented one Reddit user.

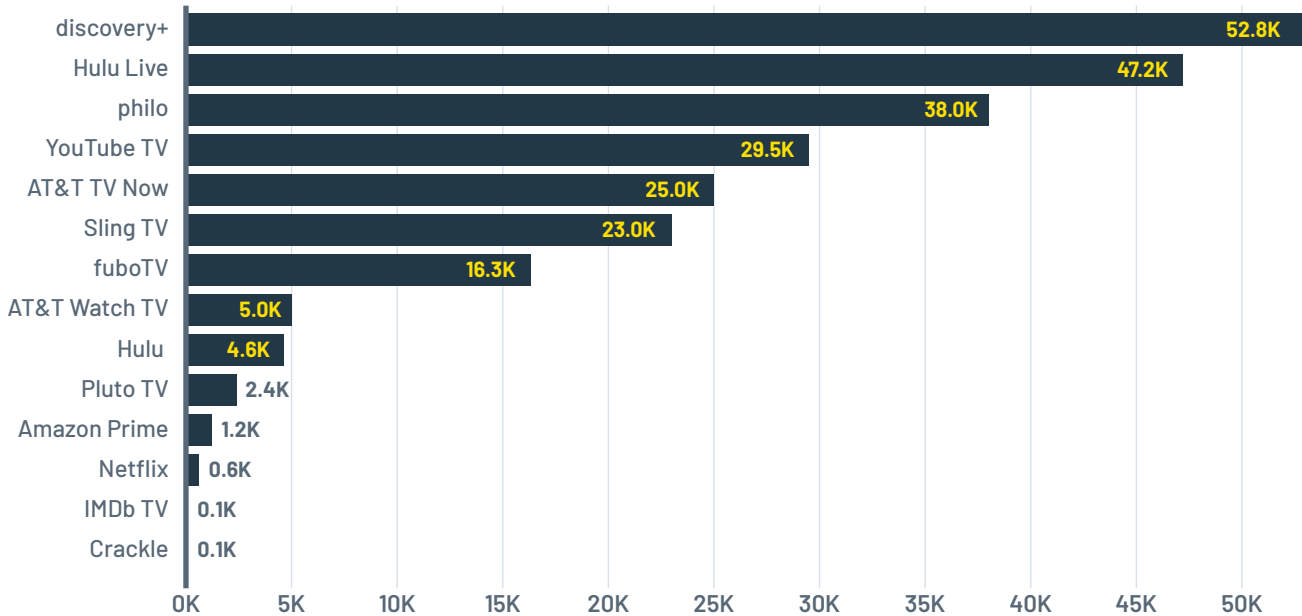
Another commentator seemed to nicely sum up the broader reaction: "Look, you can complain about the various holes in the catalog, but overall, absolutely no service has anywhere near the size of this catalog, and the price is extremely low. While I don't want to watch MUCH of the catalog, I still think that it's a tremendous value."



Non-stop: discovery+ is building entire "channels" around tentpole series like "Chopped." Image: discovery+.

Discovery-branded content by provider

No. of Discovery TV programs available by platform



Source: VODTRAK® from One Touch Intelligence

discovery+ versus other streaming services

While Discovery has never been shy about sharing content with traditional distributors, the company has ensured that the largest single repository of Discovery content comes from discovery+.

The new service houses near 6,000 more Discovery titles than Hulu Live, the next closest distribution platform in terms of Discovery-branded content. As we go further down the list, the delta between content on discovery+ and other distributors becomes more extreme. For example, fuboTV provides access to roughly 16,000 episodes of Discovery content, nearly 37,000 fewer titles than discovery+.

A closer look at one SVOD provider, Hulu, underscores the balancing act that's at work between third-party licensing and direct-to-consumer exhibition.

In November 2018 Discovery announced a wide-ranging licensing arrangement with Hulu that brought a mix of both live/linear network feeds and a significant amount of on-demand title availability to the Disney-owned streaming service. According

to our audits, there were some 4,600 Discovery-branded TV episodes available on demand during P3 to Hulu subscribers from Discovery brands including Animal Planet, Discovery, Food Network, HGTV, OWN, TLC and TRVL Channel. Subscribers to Hulu's Live TV service have access to significantly more titles, owing partly to the inclusion of Discovery's linear channels in these accounts.

Nearly 5,000 Discovery branded titles from Hulu represents a plentiful amount of content, but it pales in comparison the bank of nearly 53,000 Discovery titles now available on the newly launched discovery+. Thus, Discovery's approach to playing both sides of the growing digital video space – licensed content and DTC-delivered – underscores that programmers have more than one lever to pull as they assemble their own digital video offerings. Programmers that prove they can deftly manage the interplay between these two elements may have a good chance to preserve business based on content licensing, without damaging the appeal of their own services.

discovery+ vs. Discovery TVE

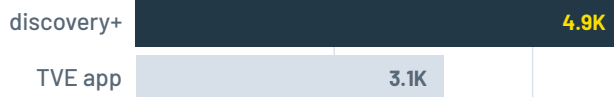
Food Network



Discovery Channel



Investigation Discovery



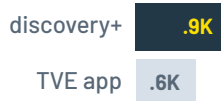
Animal Planet



Travel Channel



OWN



2K 4K 6K 8K 10K

Source: VODTRAK® from One Touch Intelligence

TVE analysis

One other area where discovery+ does see some competition is within Discovery's own array of TV Everywhere sites (see table above.) For example, in our most recent P3 2020 audits, we found that the Food Network TVE site has more Food Network Content than discovery+. Both the Animal Planet and Discovery Channel TVE sites have similar content counts to those that are found on discovery+.

It will be interesting to keep an eye on these TVE counts, considering that most customers who maintain subscriptions to a MVPD or vMVPD will

be able to access Discovery content from both the provider's On Demand service and from the Discovery TVE sites.

For example, the analysis on p. 8 shows that customers of Comcast's Xfinity TV service have access to many (but not all) of the shows attainable via a discovery+ account. Here again, we see solid reasoning behind the strategy of emphasizing new, exclusive programming, plus the novel linear channels built around iconic programs. Both are ways to imbue discovery+ with value-added attributes not available elsewhere.

Discovery free VOD title comparisons

CONTENT LICENSOR	APPROX. NO. OF TITLES AVAILABLE VIA...		
	DISCOVERY+	VERIZON FIOS	XFINITY TV
A+E	1,500	8,000	8,300
BBC	500	50	150
Discovery	53,000	20,000	46,000
Nine Media	300	0	0
Total	55,300	28,050	54,450

Source: One Touch Intelligence analysis of provider data

Whether Discovery will continue to support large offerings on its TVE sites and on their traditional distribution partners, or instead may elect to usher users to discovery+, will be an interesting theme to keep an eye on over the next year.

For now, however, the comparison of discovery+ with other mainstream SVOD services shows the new service quickly has vaulted to the forefront in terms of programming depth by taking advantage of a sweeping collection of content rights.

Programming range alone isn't the sole differentiator, however. discovery+ also stands out on the strength of popular original titles and the plan to build channels around them; a unique focus on delivering unscripted television content; a user interface that has drawn critical praise; and the broader luster associated with the parent company's international brand. As a result, even in a crowded "streaming wars" environment, it stands out as a force to be reckoned with from day one.

About the analysts

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Andrew Fortier is an experienced data analyst, developer and author who probes the inner workings of the modern media business (and beyond) to surface and interpret datasets tied to content offerings, pricing, and other critical business metrics.

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