



Subscription Fatigue is Changing the Movie Streaming Industry

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A good portion of Netflix users don't pay for the service, according to analysts from [MoffettNathanson](#). In fact, 14% of users say they use the login of a friend or family member outside their own household, while 27% claims to use a Netflix subscription paid for by someone within their home. This *might* have been a contributing factor to the company's [\\$26 billion drop in market value](#) in July 2019, but it also likely coincides with an even larger theme in the space as a whole: killer competition and [a losing battle](#) for some of Netflix's most prized content.

WarnerMedia's new streaming service, HBO Max, and Disney's Disney+, both intend to regain their original content to showcase on their own platforms. Netflix, too, [has invested heavily](#) in its original content to stake its own claim in the industry, but experts say the lack of cross-platform content sharing isn't sustainable in the long term.

"There will not be a shortage of more companies trying to get into the streaming pie, but over time, there's just no way they can all survive — it's just virtually impossible," said Jed Corenthal, chief marketing officer at [Phenix](#), a real-time streaming solution.

With so many streaming subscriptions available, paying for every single one just to get the content you want seems like a hefty task — not only financially but also in terms of finding time. For users, the overwhelming amount of options is causing an aversion and impatience to sifting through countless apps to find exactly what they're looking for. According to a [Deloitte study](#), nearly 48% of users say it's hard to find content across an array of platforms, and almost half say the amount of content makes it hard to choose what to watch.

People don't really want to spend time deciding where to get their entertainment, let alone sink money into a service that only has a handful of shows that really pique their interest. It might be exhausting now, but it also has a ripple effect in terms of resorting to [piracy](#) — and innovation.

How the Streaming Landscape is Innovating

Take Plex, which is essentially a server that allows users to consolidate and organize their media into one place. According to Plex CEO [Keith Valory](#), the service is a solution to the fatigue. Valory says it also takes "[cord cutting](#)" to another level, with live TV and DVR capabilities. "We're kind of putting control back in the hands of the user in this age where you're just getting hit with a plethora of different apps and experiences...and all of those are different," Valory said. "Trying to remember where things are is kind of a pain."

The caveat, however, is that because Plex's servers are moderated by users, some [reports](#) have indicated that this means a lot of the commercial content is likely pirated. Valory says that Plex does not condone piracy, and that the company has a team dedicated to removing content in violation of its copyright and take-down provisions. "We do everything we can to ensure the system is not used for that," Valory said. "Again, there are so many ways to get great content into your life and into Plex without resorting to those means, whether it's recording or buying the content or taking advantage of the content our partners are delivering."

But the need to obtain content in a quicker, more efficient (and less costly) manner has not only been a hassle for users, it's also placed a burden on filmmakers. It's estimated that the film industry [lost \\$37.5 billion](#) in 2018 to piracy. Michael Kureth, a tech and entertainment professional, says torrenting (or pirating) "impacts and discourages a lot of filmmakers to not even pursue or make a film or try to distribute it."

As more and more Netflix-esque sites crop up, and as consumers become even more burdened by the options, Kureth says it's going to become important to do something different in the coming years. Kureth says his patent-pending concept, [Cinedapt](#), which uses machine learning to tailor movies to users and employs anti-piracy features, is an attempt to help filmmakers innovate while also combating piracy.

Although it can be [invasive](#) and sometimes [discriminatory](#), artificial intelligence is changing the way we interact with certain types of media. [Companies like Netflix](#), Spotify, Plex, and [Facebook](#) use artificial intelligence to personalize a user's experience or tailor ads to a specific person. It's difficult to say whether customized movies are the answer to the current subscription fatigue and underlying piracy issues, but further platform separation isn't helping those problems.

Users Might Not Be the Only Ones Sharing

Using a family member's login is a popular option for gaming the system, but it's costing companies like Netflix, Hulu, and Amazon [hundreds of millions](#) of dollars. And those companies will eventually have to compromise.

Speaking specifically about the upcoming [Disney+](#), Valory said, "It doesn't make sense from an economic to only distribute that content through that app." Rather, he thinks these companies will need to find other ways to distribute their own content. "You can think of it as cooperation — yes, they're competing with some of the other providers in the space, but they also need to, kind of, cooperate. And my guess is they'll share content and continue to make the same deals they've been making for years to make that content available to people again."

In fact, we may be seeing that happen already: Perhaps in response to market demands, Disney [has already announced](#) a Disney+, Hulu, and ESPN+ bundle for a total of \$13 per month. Whether others follow suit is to be determined, and we plan to keep you updated with the evolving nature of the streaming space.