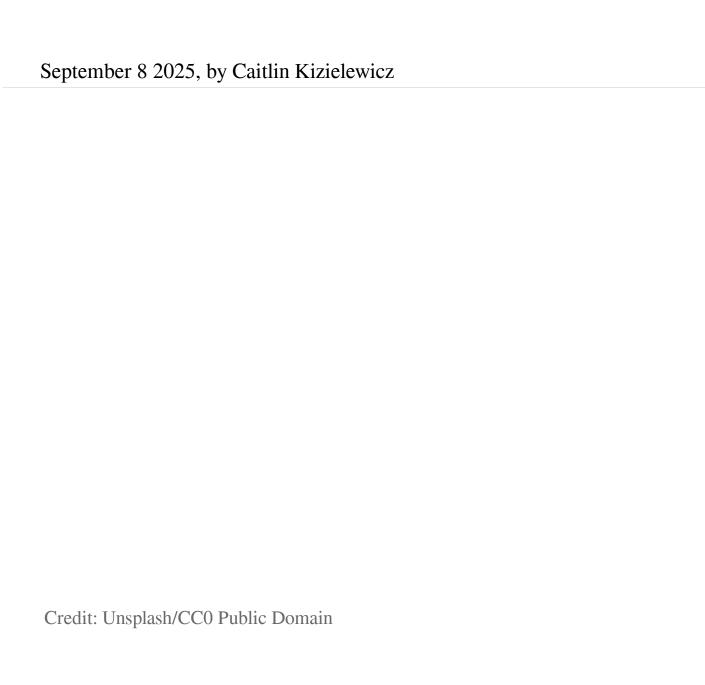
## Streaming video-on-demand episodes gradually boosts consumers' searches, subscription rates



The market for video-on-demand platforms has grown rapidly in the last decade, with nearly 90% of U.S. households subscribing to a service, and

most subscribers having four or more platforms. In this context, and as more than a third of U.S. subscribers cancel their subscriptions within short periods, retaining subscribers and maximizing engagement have become crucial to the industry.

In a new study, researchers examined how the release strategy of shows—gradually or all at once—influences users' engagement and subscription rates at a video-on-demand platform. The study found that each approach has its merits, but that gradually releasing shows boosts consumers' searches, triggering substantially higher subscription rates.

The study was conducted by researchers at Carnegie Mellon University, Universidade Católica Portuguesa, and the University of Texas. It is <a href="mailto:published">published</a> in *Marketing Science*.

"Although releasing all episodes at once attracts more consumers to the platform when shows premiere, a gradual release schedule fosters more engagement with the platform and exploration of the platform's content," explains Pedro Ferreira, professor of information systems at Carnegie Mellon's Heinz College, who coauthored the study.

In 2013, Netflix disrupted the television industry by releasing all episodes of the first season of "House of Cards" simultaneously, sparking a widespread trend of releasing entire seasons of TV shows at once. But by 2022, gradual-release schedules had regained popularity. In this study, researchers partnered with a large multinational telecommunications company to implement a randomized field trial in which users were exposed to either a gradual-release schedule or an all-at-once release schedule.

The study featured two five-week segments, manipulating the release schedule of four popular TV shows ("Big Little Lies," "The Muppets," "The Young Pope," and "Unforgettable"). Sixty thousand study

participants (with an average age of 49) were randomly divided into two stages: In the first stage, content was released gradually; in the second stage, all content was available immediately. Participants received different weekly text messages notifying them about the shows available.

Each release strategy had its own merits, the study concluded. Participants in the gradual-release group were 48% more likely to continue using the program than were participants in the all-at-once release group. The effectiveness of each release strategy depended on the viewing preferences of consumers. Although most users benefited from the gradual-release schedule, its impact diminished for extreme binge watchers.

Moreover, participants in the gradual-release group were 1.7% more likely to continue their <u>subscriptions</u> than were participants in the all-at-once release group. Again, gradual releases lowered subscription retention among users with strong binge-watching behaviors.

Platforms can retain subscribers using a gradual-release strategy for exclusive content, suggest the authors. This strategy encourages more visits to the platform as users return to watch new episodes. During their visits, subscribers may discover new content that they enjoy, leading them to visit after watching the exclusive content that initially brought them to the platform. By visiting the platform more frequently, <a href="mailto:subscribers">subscribers</a> are also exposed to more recommendations, which can drive further engagement.

"Our findings highlight the importance of release strategies as a lever for content distributors who want to maximize platform success," says Miguel Godinho de Matos, professor of information systems and management at Universidade Católica Portuguesa, who coauthored the study.

"They also help explain why content distributors are returning to gradual-release schedules, diverging from the all-at-once strategy popularized by Netflix in 2013," adds Samir Mamadehussene, assistant professor of marketing at the University of Texas's Naveen Jindal School of Management, who coauthored the study.

Among the study's limitations, the authors note that they evaluated consumers' engagement and subscription behavior over a relatively short period, which restricted their ability to predict the sustained effects of the gradual-release strategy. In addition, the study was carried out with just one streaming platform.

**More information:** Miguel Godinho de Matos et al, When Less Is More: Content Strategies for Subscription Video on Demand, *Marketing Science* (2025). DOI: 10.1287/mksc.2023.0106

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