

media partners asia

FUTURE OF ONLINE VIDEO: Global & Local Perspectives

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AGENDA

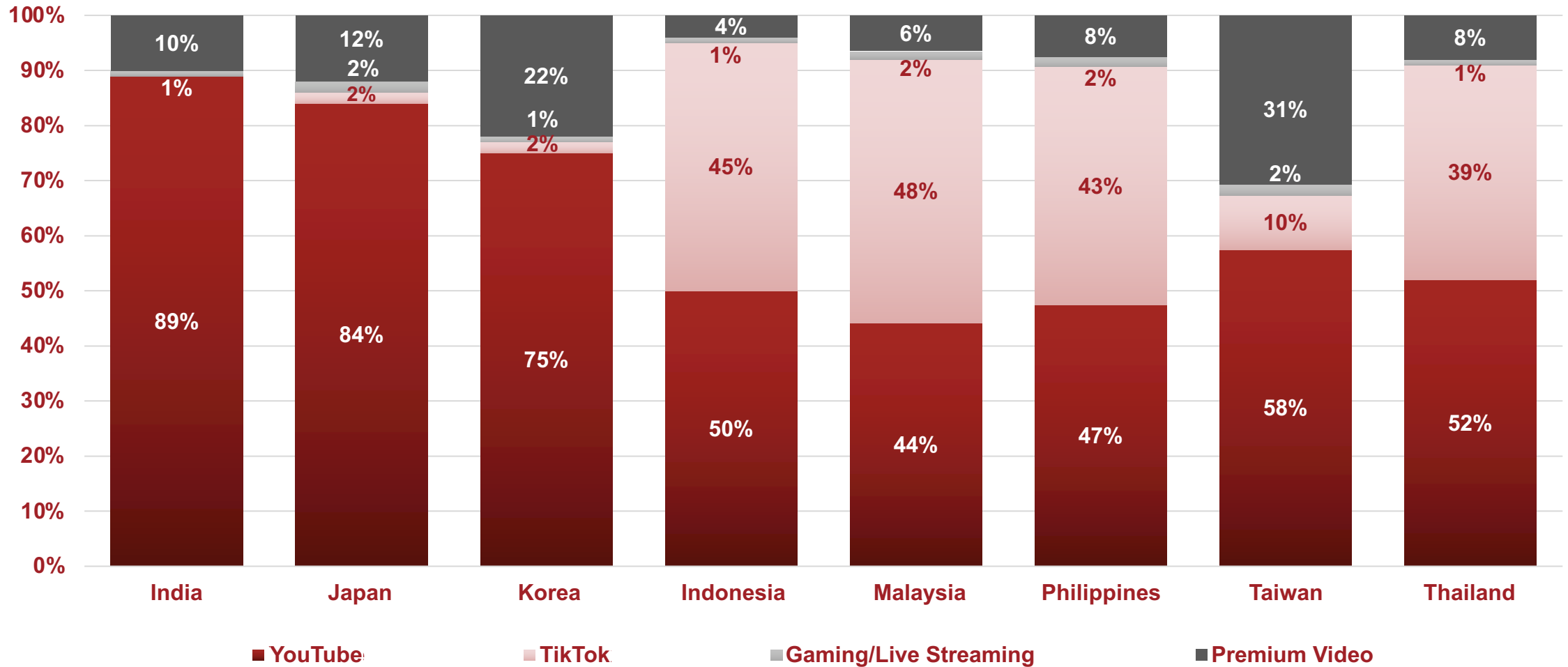
- 1 HOW ARE PEOPLE SPENDING THEIR TIME?**
- 2 THE SHAPE OF COMPETITION**
- 3 MONETIZATION IN ASIA PACIFIC**
- 4 MONETIZATION & GROWTH IN THE US**
- 5 KEY CONCLUSIONS**



1

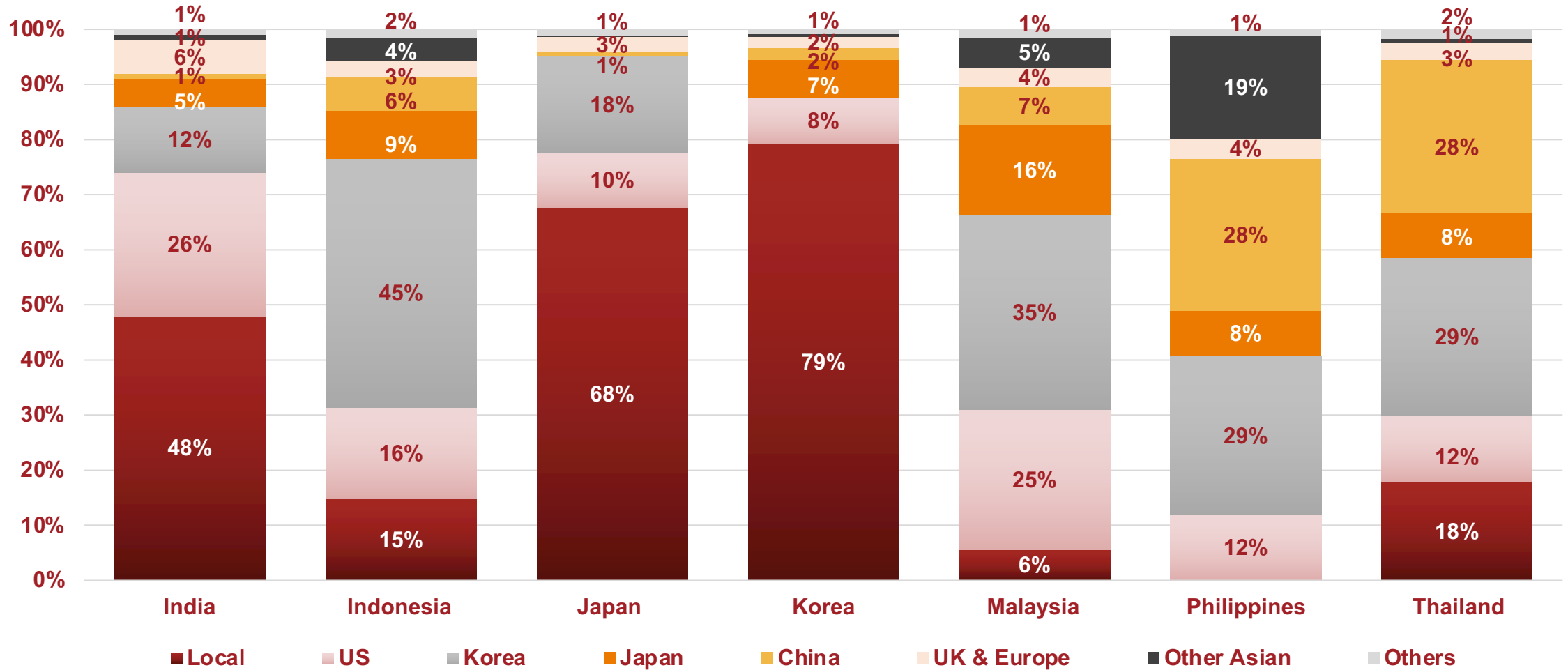
**HOW ARE PEOPLE
SPENDING THEIR
TIME?**

PREMIUM VOD IMPACTFUL IN KOREA, INDIA, JAPAN; TIKTOK RAMPANT IN SEA















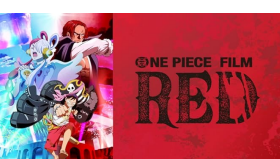







Note: Online Video Viewership Jan-Aug 2023.
Source: AMPD Research

LOCAL & ASIAN CONTENT LEAD VIEWERSHIP IN MOST MAJOR APAC MARKETS














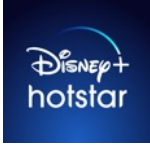


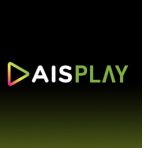



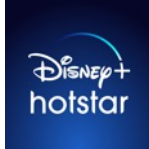



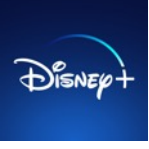


Note: Premium VOD Viewership by content origin Jan-Aug 2023.
Source: AMPD Research

KOREAN & LOCAL TITLES CONTINUE TO DRIVE CUSTOMER ENGAGEMENT & ACQUISITION

Japan	Indonesia	Taiwan	Thailand
 <p>Demon Slayer: Kimetsu No Yaiba Japan Anime Prime Video</p>	 <p>The Glory Korea Drama Netflix Original</p>	 <p>The Glory Korea Drama Netflix Original</p>	 <p>The Glory Korea Drama Netflix Original</p>
 <p>Oshi no Ko Japan Anime Prime Video</p>	 <p>Taxi Driver Part 1 Korea Thriller Viu</p>	 <p>Copycat Killer Taiwan Thriller Netflix Original</p>	 <p>Reborn Rich Korea Drama Viu Original</p>
 <p>Even If You Don't Do It Japan Drama TVer</p>	 <p>Open BO Indonesia Drama Vidio Original</p>	 <p>Chainsaw Man Japan Anime Netflix</p>	 <p>My School President Thai Drama Viu</p>
 <p>One Piece Film: Red Japan Anime Prime Video</p>	 <p>Doctor Cha Korea Comedy Netflix</p>	 <p>Wednesday US Fantasy Netflix Original</p>	 <p>Taxi Driver Part 1 Korea Thriller Viu</p>
 <p>Kazama Kimichika: Kyojo Zero Japan Drama TVer</p>	 <p>Imperfect The Series Indonesia Comedy WeTV Original</p>	 <p>Unchained Love China Drama iQIYI Original</p>	 <p>Moo 2 Thai Variety Netflix</p>

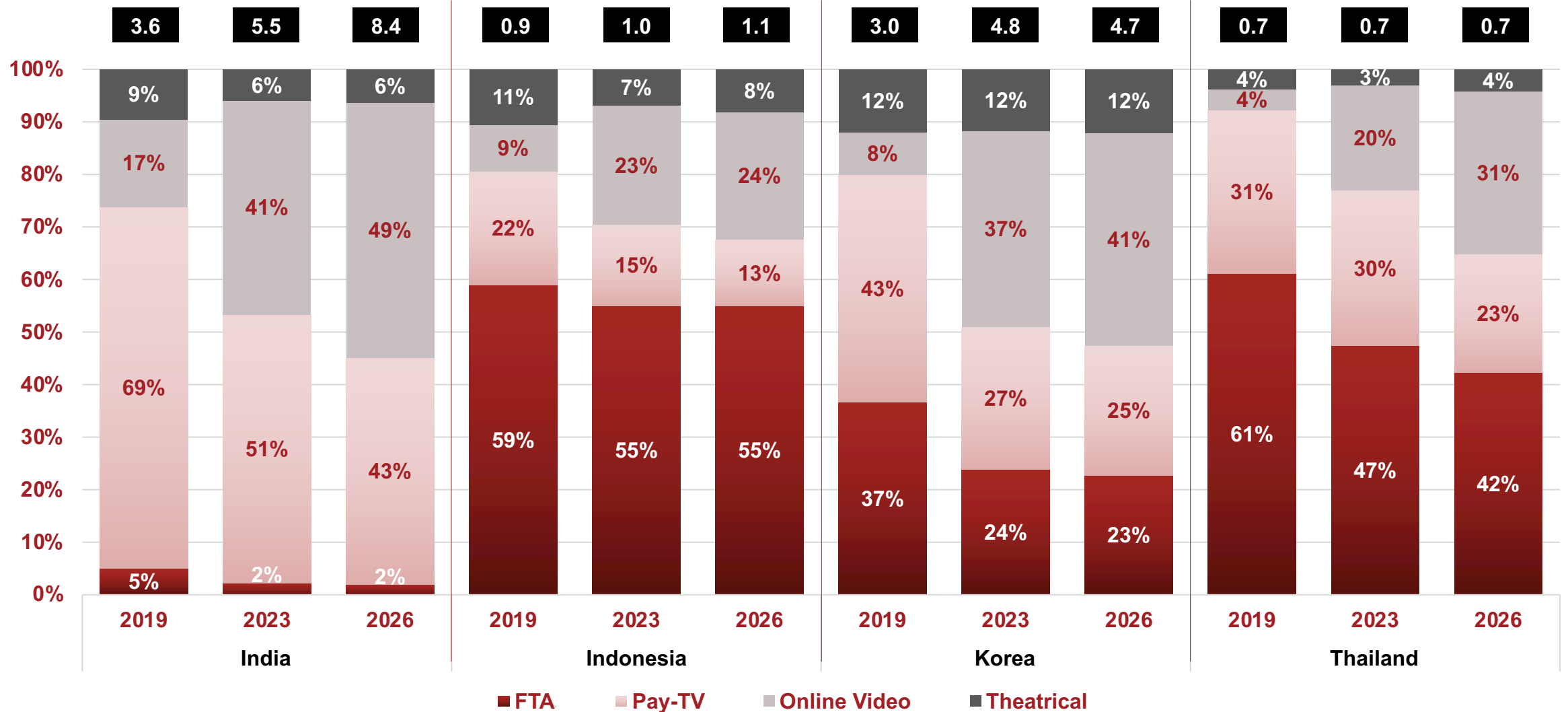
Note: Top titles are ranked by reach or unique users on aggregated platforms during 1H 2023.
Data excludes sports (i.e. baseball & soccer prominent in Japan, Indonesia & Thailand).
Source: AMPD Research

PLATFORMS WITH STRONG LOCAL, ASIAN CONTENT & SPORTS LEAD

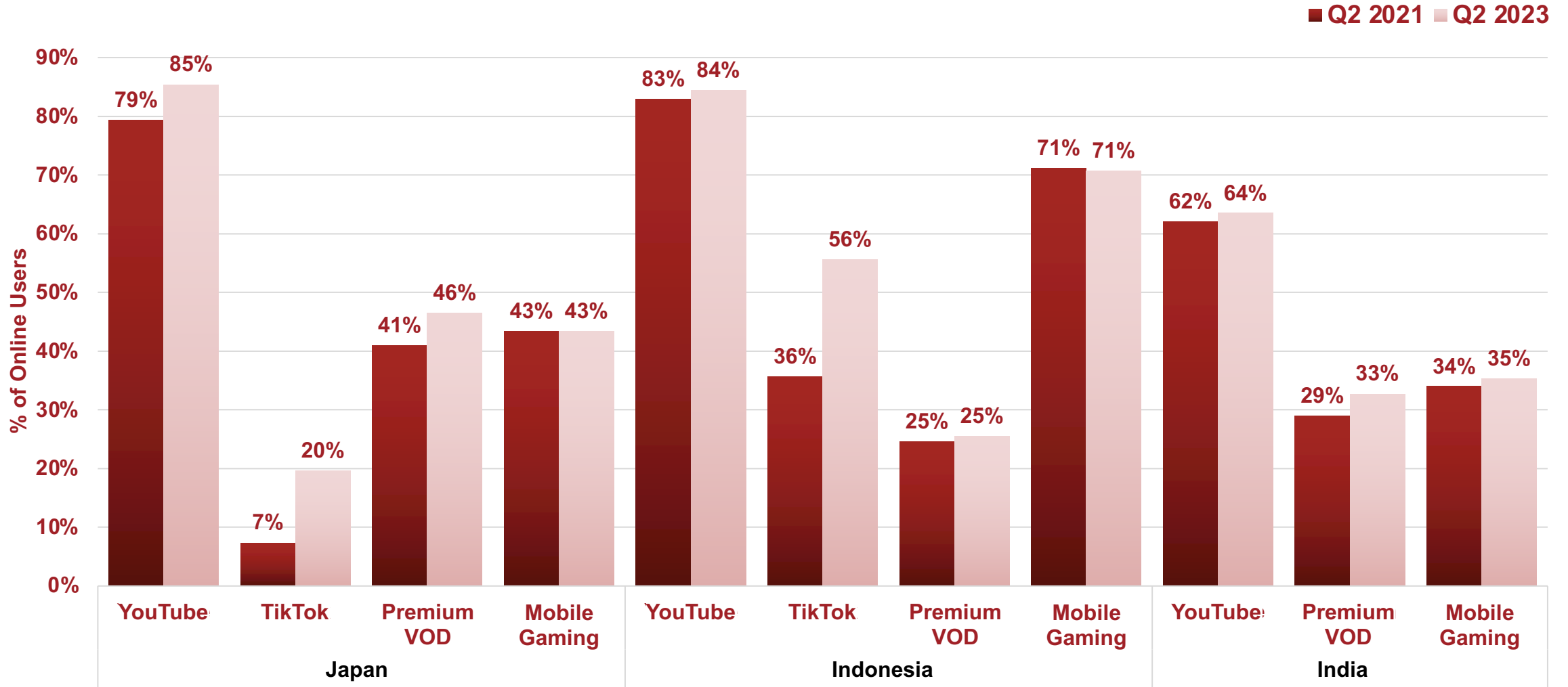
India	Indonesia	Korea	Malaysia	Thailand
 37%	 32%	 41%	 59%	 38%
 30%	 17%	 22%	 13%	 17%
 8%	 15%	 15%	 7%	 9%
 6%	 12%	 9%	 7%	 7%
 6%	 6%	 5%	 6%	 6%

Note: Analysis covers premium video streaming (ex-YouTube, TikTok, UGC/Social, Live/Game Streaming) in Jan-Sep 2023.
Source: AMPD Research

ONLINE VIDEO DRIVES CONTENT INVESTMENT



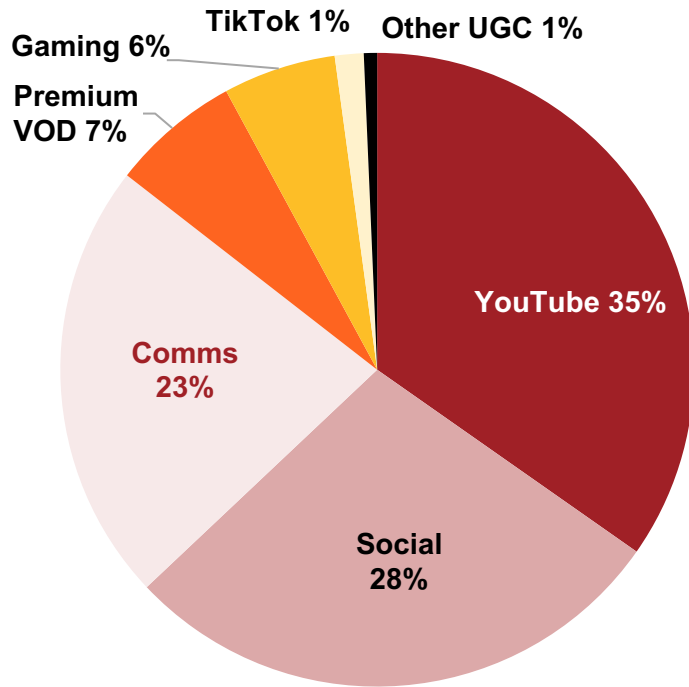
CONSUMERS HAVE GROWING ACCESS TO A VARIETY OF ONLINE ENTERTAINMENT OPTIONS



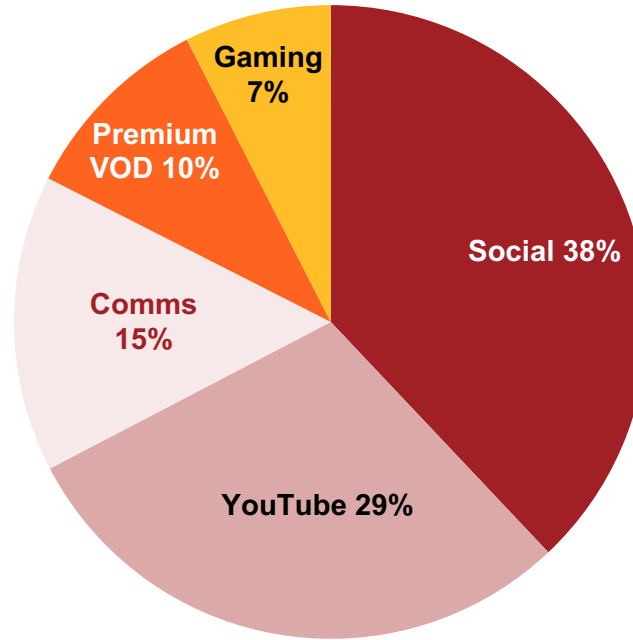
Note: Penetration of Online Users by Entertainment Platform, 2021 vs 2023
 Source: AMPD Research

PAID PREMIUM VOD USERS SPEND ~90% OF THEIR SCREENTIME WITH OTHER SERVICES

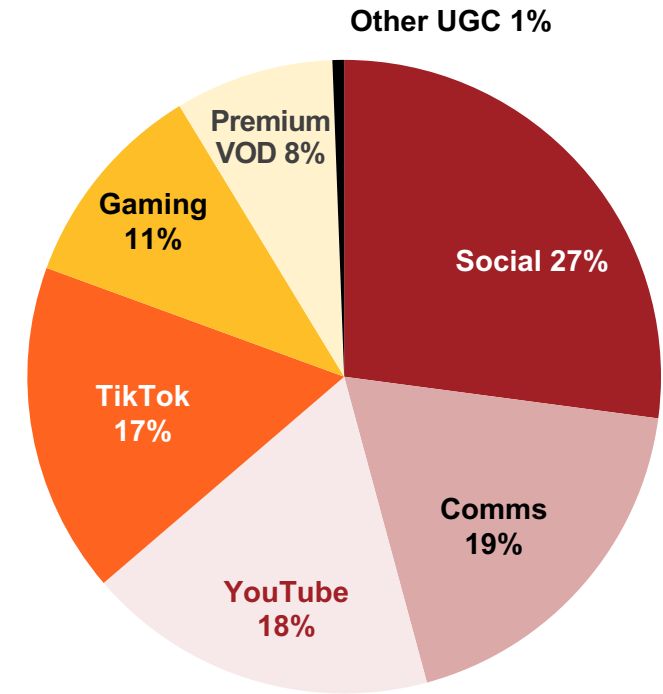
JAPAN
Paid Base: 30 mil.



INDIA
Paid Base: 35 mil.



INDONESIA
Paid Base: 8 mil.



Note: Share of Screen time, Paid VOD Users.
Source: AMPD Research

A large, bold, white number '2' is positioned on the left side of the image. The background is a dark red color with a complex digital pattern of lines, dots, and hexagons, suggesting a data center or network environment. The overall aesthetic is futuristic and technological.

2

THE SHAPE OF COMPETITION

MONETIZATION SCALE REFLECTS DIGITAL ENGAGEMENT IN APAC

Total US\$123B



Total US\$7B











Note: YouTube revenue shown separate from Google revenue. APAC Revenue by platform in 2023.
Source: Company Data, Media Partners Asia

COMPETITIVE INTENSITY ANCHORED TO PLAYERS WITH DIFFERENT MODELS

Global & Regional Players

SVOD & SVOD with Ads	UGC & Social Video	Freemium
    	   	  

Local Players

PRICE INCREASES ARE PREVALENT



New tiers with plan revision > Mobile, Standard & Premium

Indonesia

1mo +67-205%

Thailand

12mo +187%

Japan

1/12mo +33%

Korea

1/12mo +40%



India

1mo +67% **3mo +31%**



Indonesia

1mo +30%

Philippines

1mo +15%



Korea

1mo +14-15%



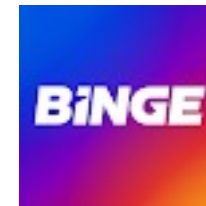
**AU HK NZ
SG TW TH**

1mo +15-47%



Indonesia

Diamond +25-32%



Australia

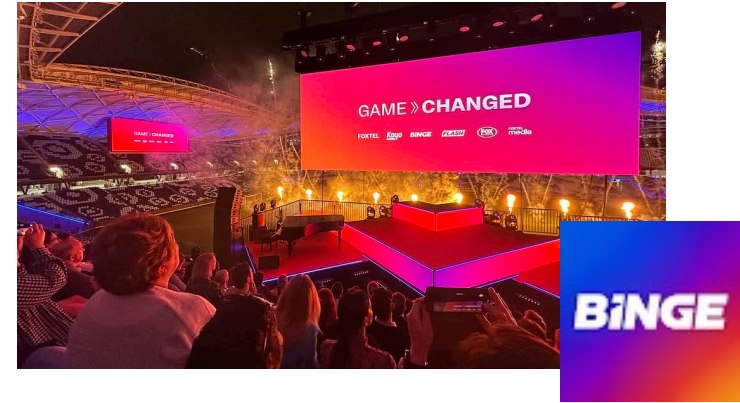
1mo +13-22%

ADVERTISING IS INCREASINGLY IMPORTANT

Jio IPL



Binge with Ads

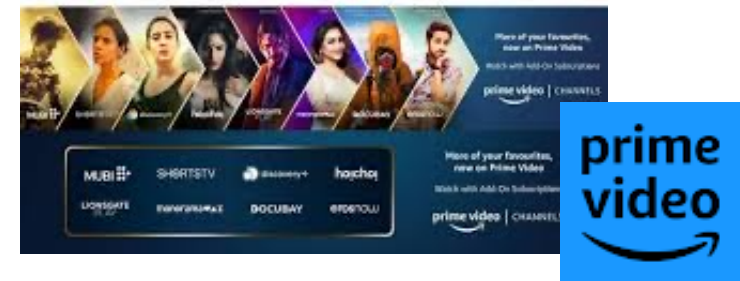


TVING with Ads



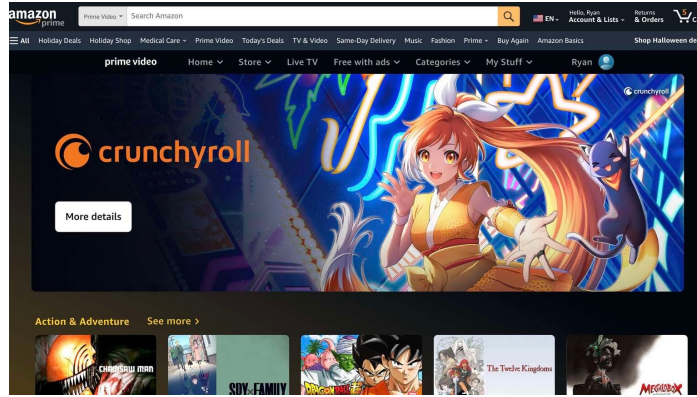
Prime Video India

prime video | CHANNELS

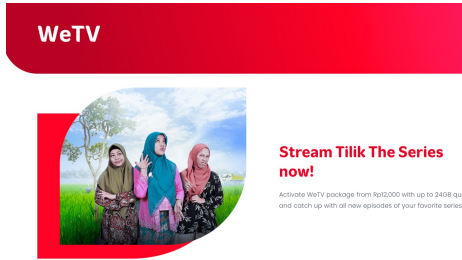


HOW COMPETITION WILL EVOLVE IN 2024 – APAC EX INDIA

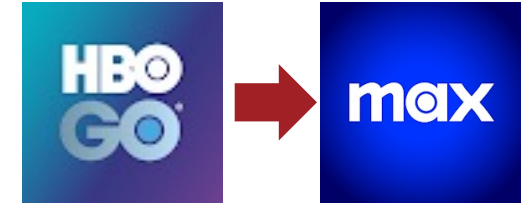
Prime Video Channels Expand beyond India



WeTV x Telkomsel deal



HBO Go > MAX launch at rational (~US\$5/mo) pricing



Wavve & TVing focus on reality, unscripted and other lower cost content



Foxtel Hubbl – combining free & paid content with simplified search & new UX similar to Sky Glass



HOW COMPETITION WILL EVOLVE IN 2024 – INDIA

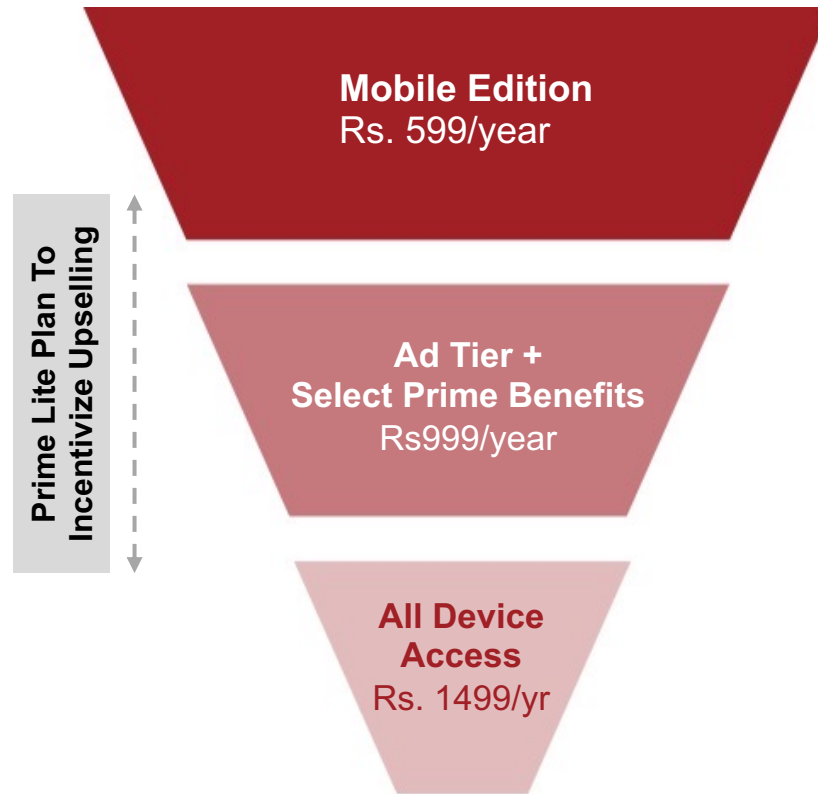
Jio Cinema



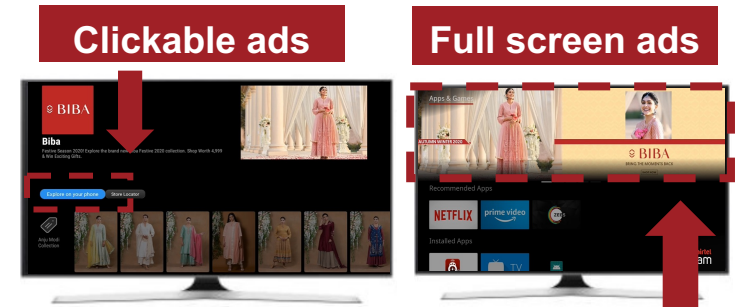
Free on mobile
Pay on CTV



Amazon Prime Video



Tata Play Binge



VS

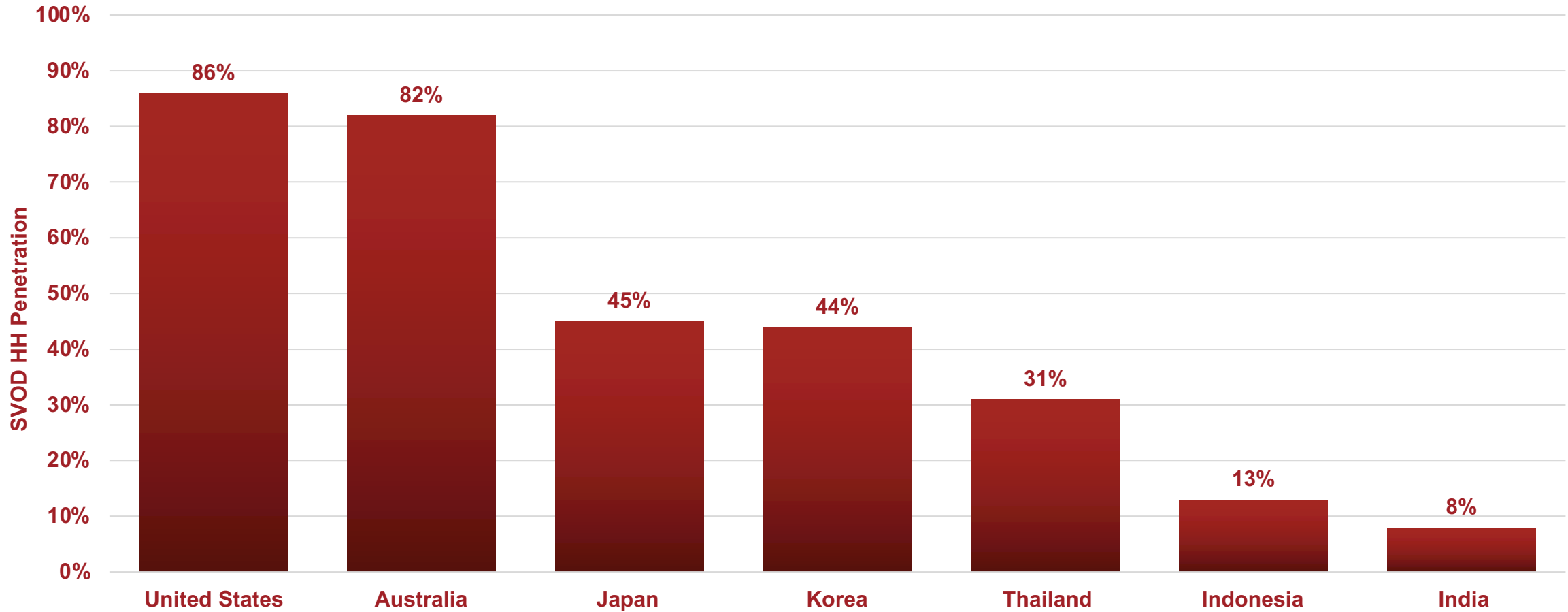




MONETIZATION IN ASIA PACIFIC

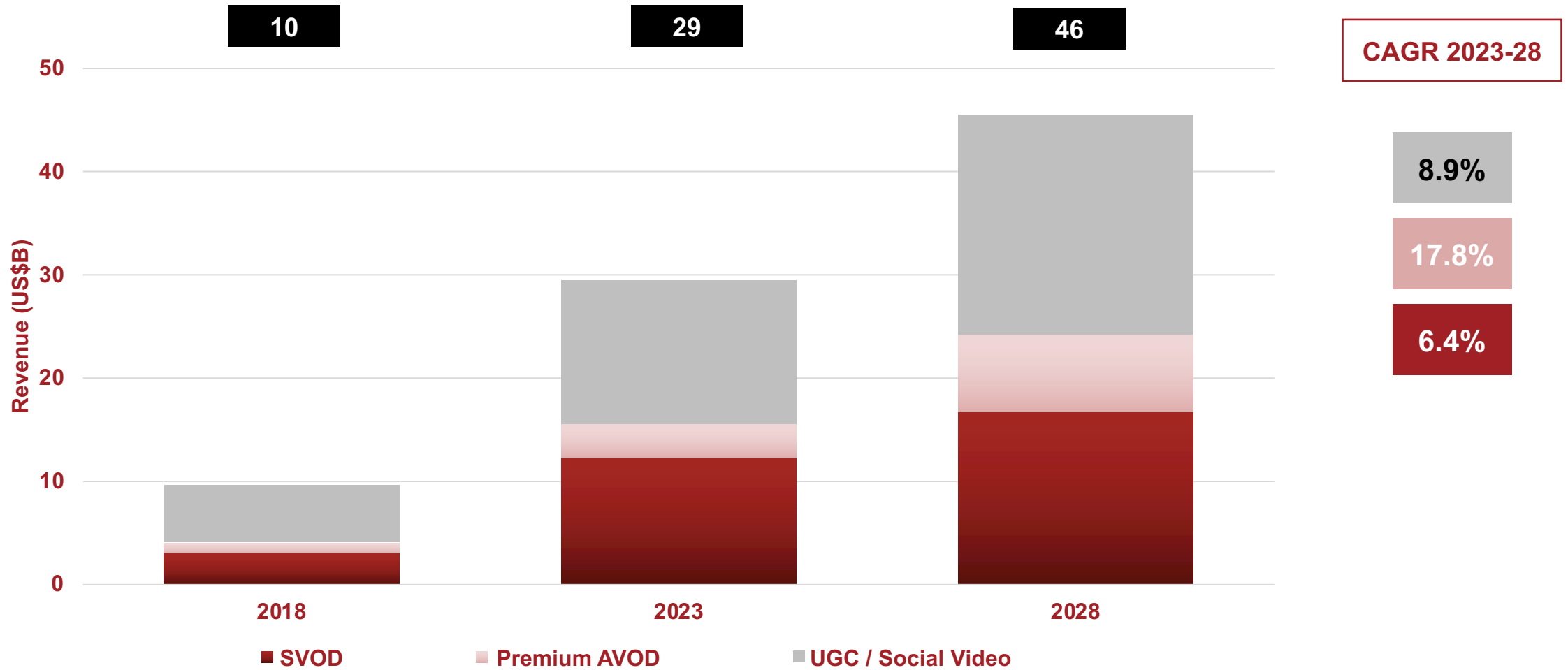


US, AUSTRALIAN SVOD MARKETS ARE MATURE; APAC HAS ROOM FOR GROWTH



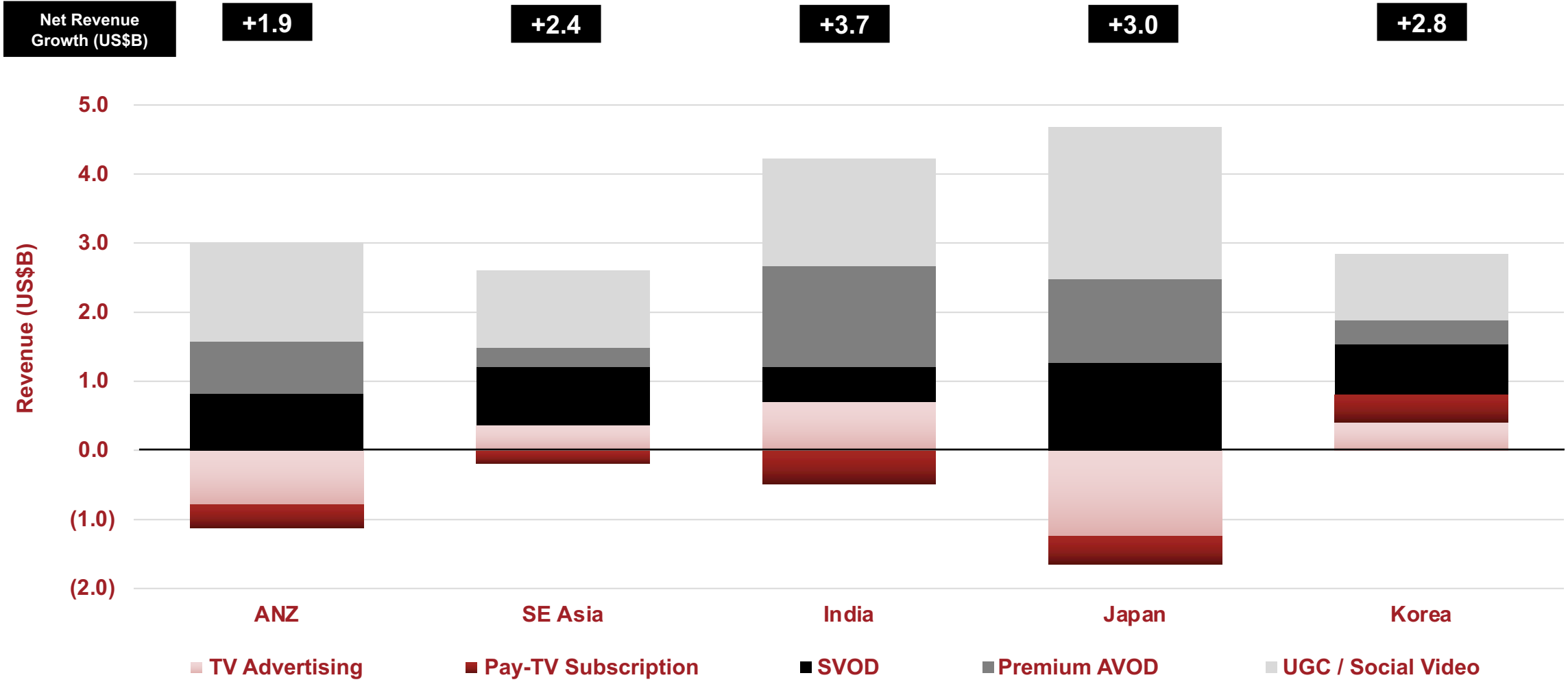
Note: Penetration defined as % of total HHs that pay for at least 1 SVOD subscription as of end-2023.
Source: AMPD Research

APAC EX-CHINA VIDEO INDUSTRY REVENUE



Note: Premium AVOD includes Advertising on SVOD where relevant.
 Source: Media Partners Asia





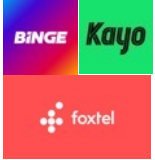












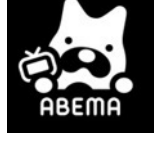
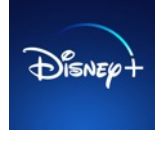

PREMIUM AVOD & UGC/SOCIAL VIDEO DRIVE NEW REVENUES



Note: Incremental Video Revenue Growth 2023-28.
 Source: Media Partners Asia

PREMIUM VOD IS SMALLER BUT SIZABLE WITH 5 PLAYERS CONTROLLING SHARE










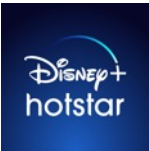






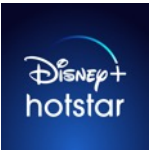



Revenue (US\$B)

	Australia 3.2B	Japan 5.8B	Korea 1.7B	India 1.7B
	 28%	 17%	 47%	 23%
	 16%	 15%	 13%	 21%
	 12%	 11%	 13%	 21%
	 9%	 7%	 6%	 18%
	 8%	 6%	 3%	 6%

Note: Premium VOD includes SVOD and Premium AVOD revenues in 2023.
Source: Media Partners Asia

PREMIUM VOD IS SMALLER BUT SIZABLE WITH 5 PLAYERS CONTROLLING SHARE

Revenue (US\$B)

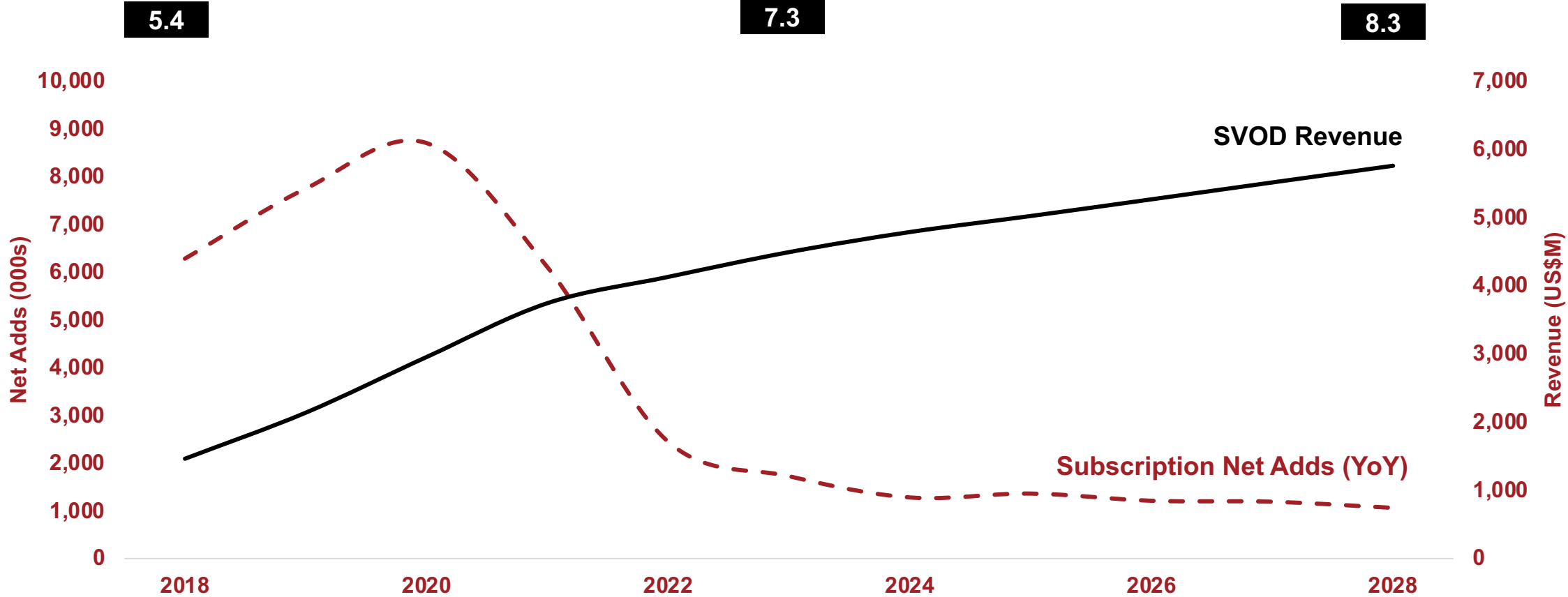
	Indonesia 0.5B	Malaysia 0.2B	Philippines 0.3B	Thailand 0.5B
	26%	 44%	 67%	 37%
	17%	 16%	 7%	 16%
	12%	 13%	 6%	 11%
	10%	 8%	 5%	 8%
	10%	 3%	 3%	 7%

Note: Premium VOD includes SVOD and Premium AVOD revenues in 2023.
Source: Media Partners Asia

SUBSCRIPTION GROWTH MATURES, ADS & PRICE INCREASES ARE KEY FOR FUTURE

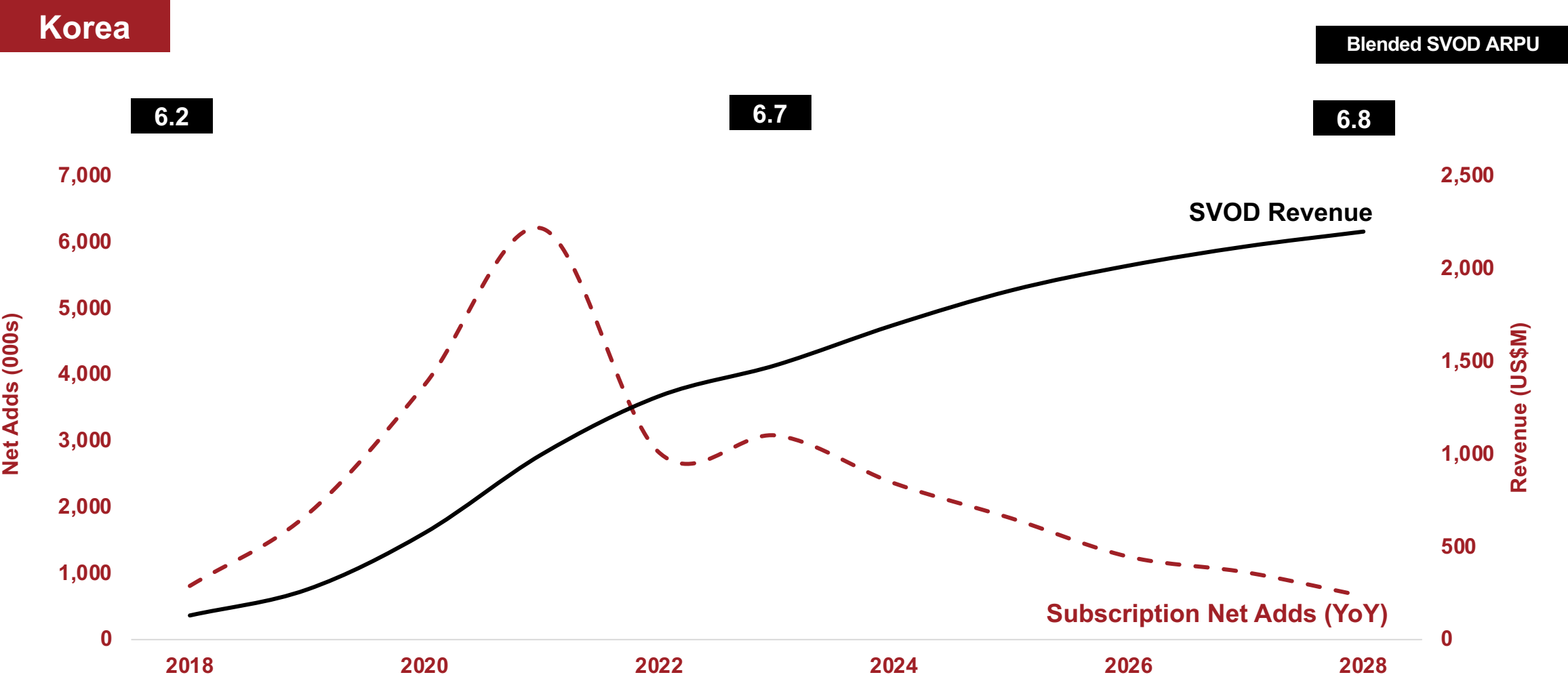
Japan

Blended SVOD ARPU



Source: Media Partners Asia

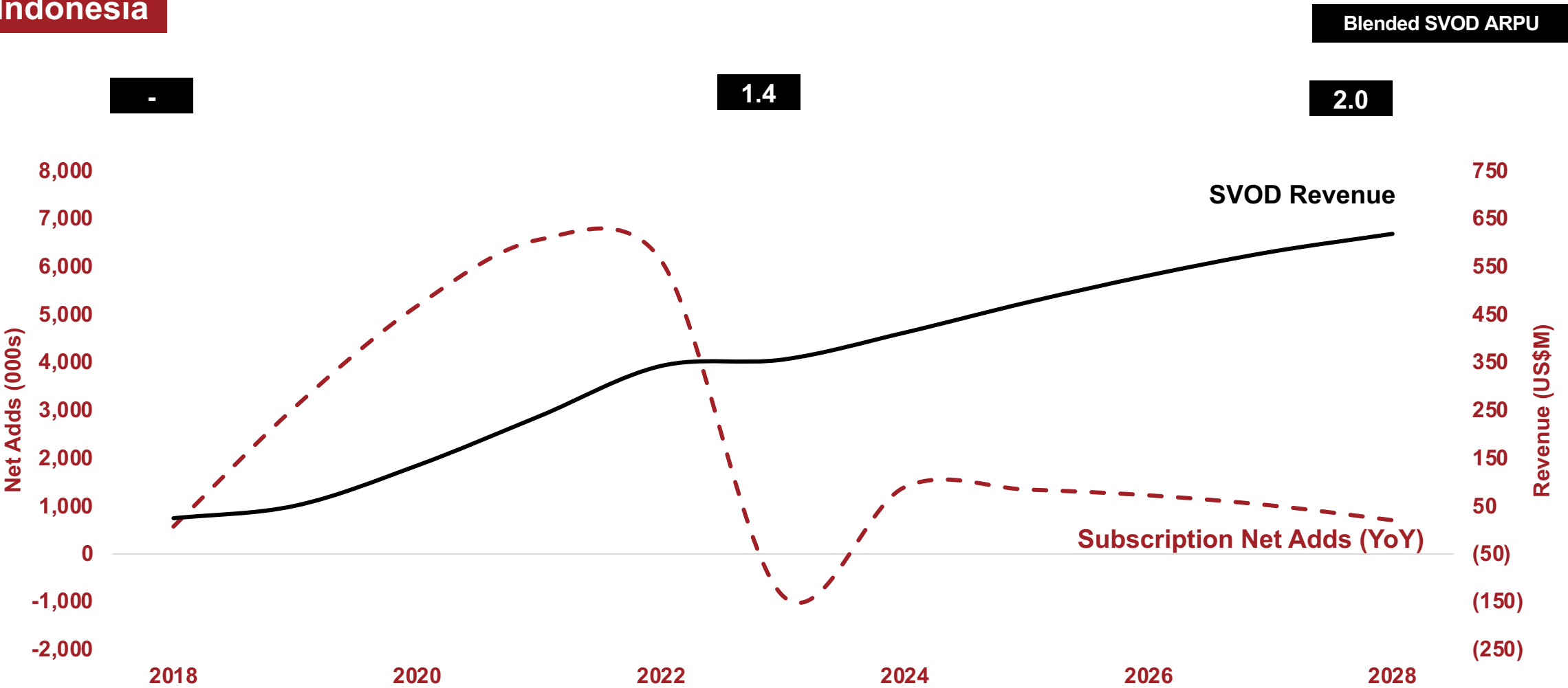
SUBSCRIPTION GROWTH MATURES, ADS & PRICE INCREASES ARE KEY FOR FUTURE



Source: Media Partners Asia

PRICE INCREASES AND RATIONALIZATION WILL DRIVE SUSTAINABILITY IN INDONESIA

Indonesia

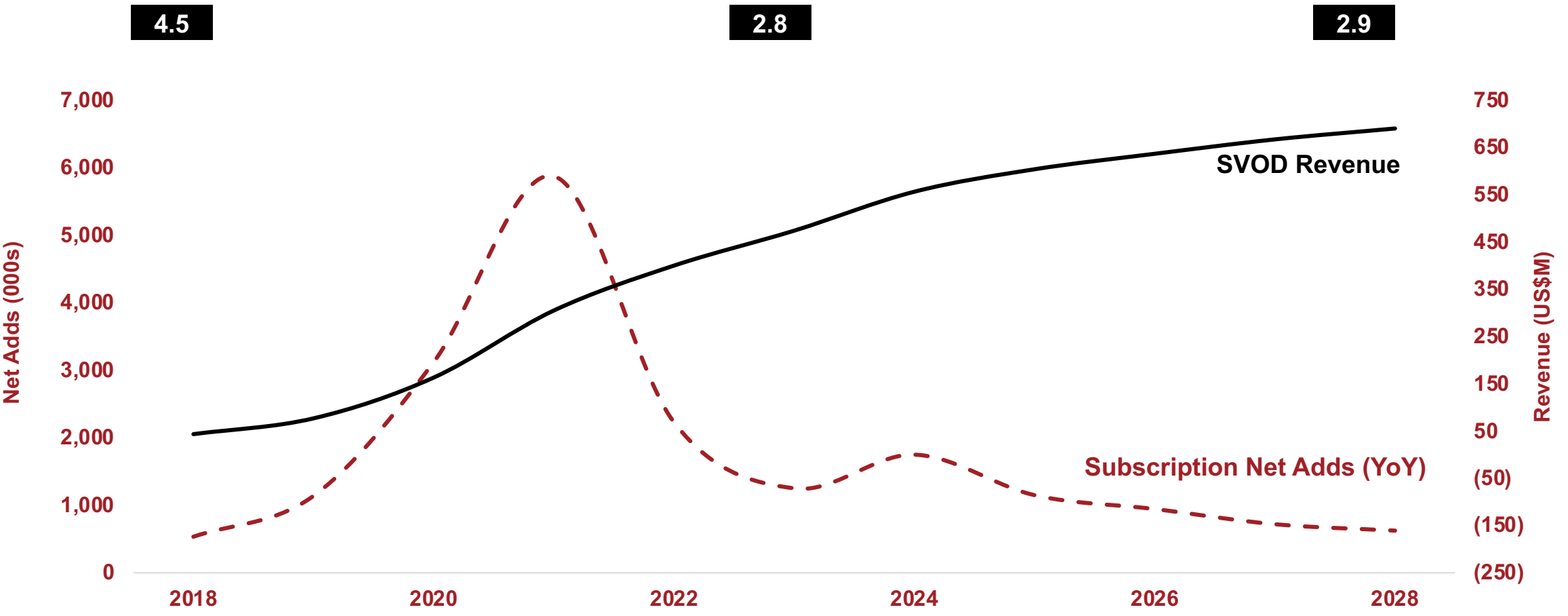


Source: Media Partners Asia

PRICE INCREASES AND RATIONALIZATION WILL DRIVE SUSTAINABILITY IN THAILAND

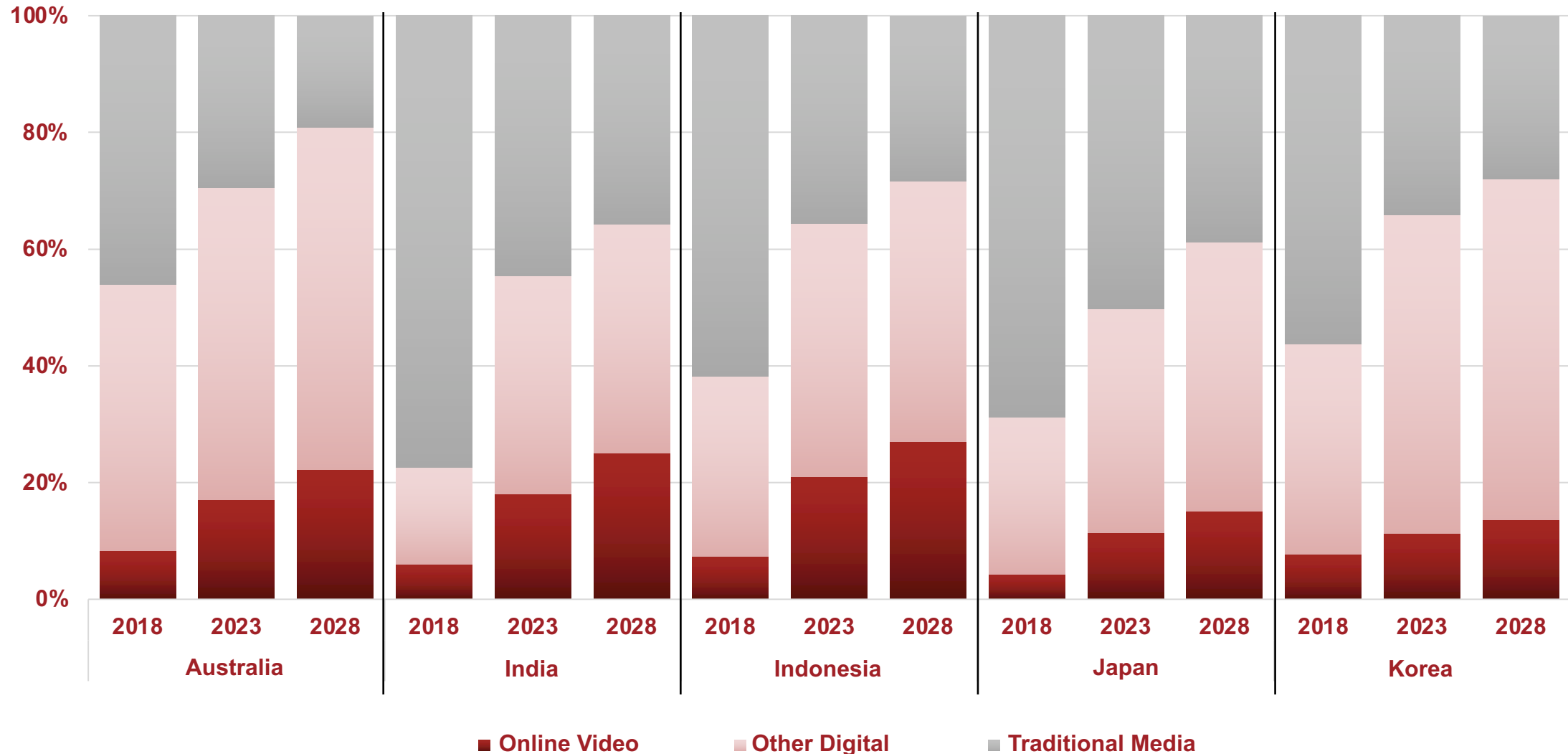
Thailand

Blended SVOD ARPU



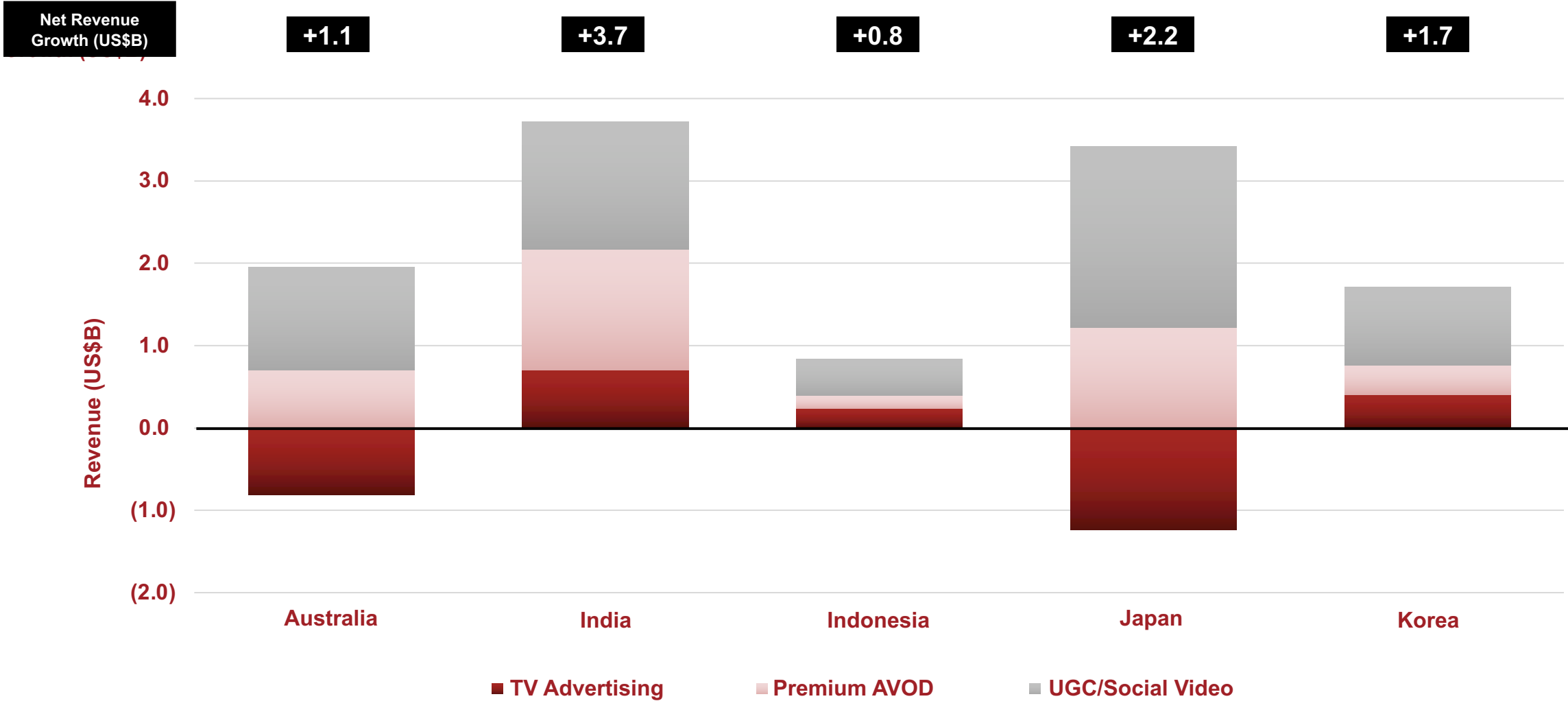
Source: Media Partners Asia

AD SPEND SHIFTING FROM TRADITIONAL MEDIA TO DIGITAL CHANNELS



Note: Share of advertising revenue.
Source: Media Partners Asia

PREMIUM AVOD IS A KEY GROWTH COMPONENT



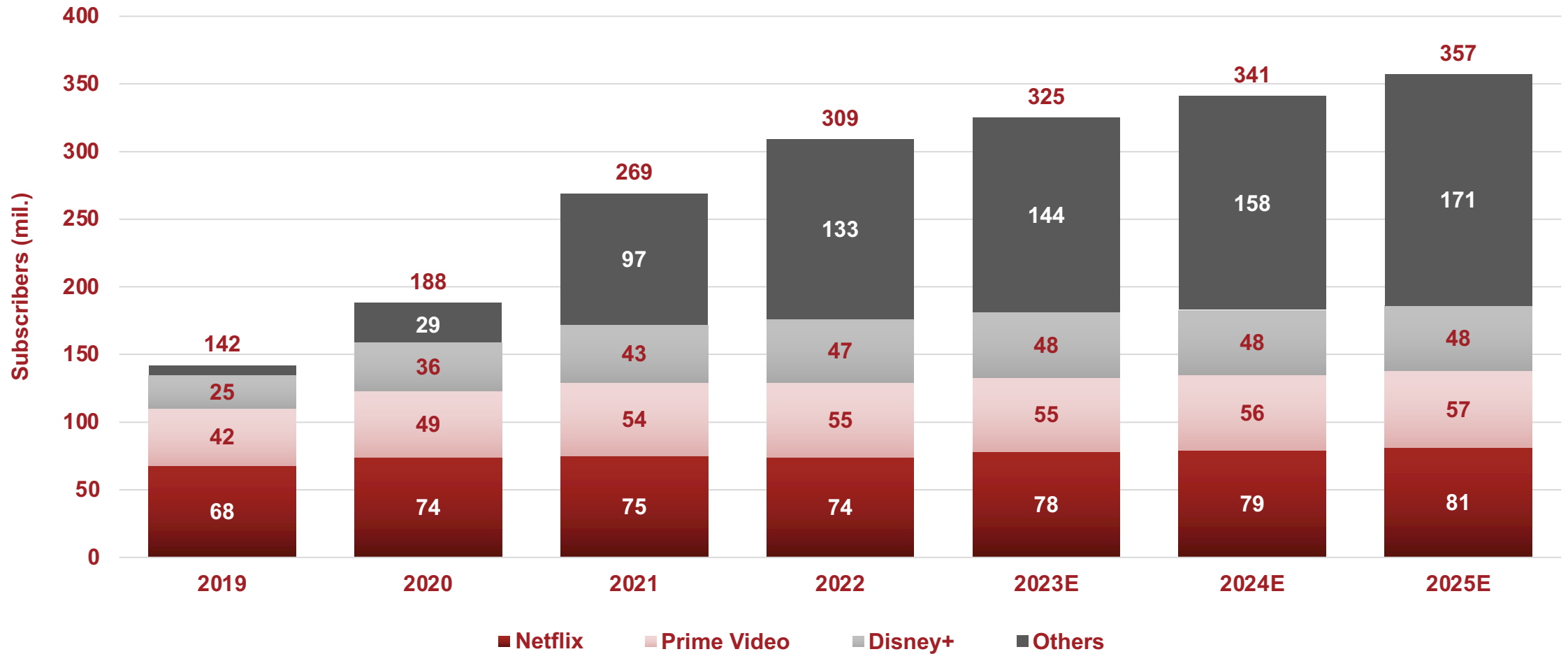
Note: Incremental Video Advertising Revenue Growth
 Source: Media Partners Asia

4

**MONETIZATION &
GROWTH IN THE US**



US DOMESTIC SVOD SUBSCRIBER GROWTH HAS STALLED, PRICE HIKES & AD TIERS ARE THE FUTURE



US SVOD – AD TIER PRICING



US\$6.99



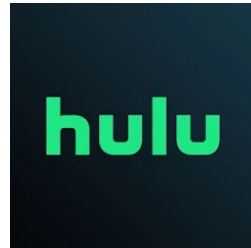
US\$5.99



US\$5.99



US\$6.99



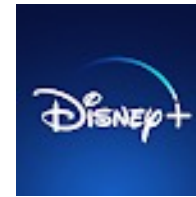
US\$7.99



US\$9.99



US\$8.99 (Video only)
US\$14.99 (All Prime)



US\$12.99
US\$9.99 (ex. ESPN+)

US SVOD – ADS & PRICE HIKES WILL BOOST ARPU

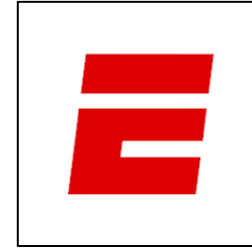
Blended ARPU increases over 2023-26



+10.50%



+9.90%



+6.00%



+5.00%

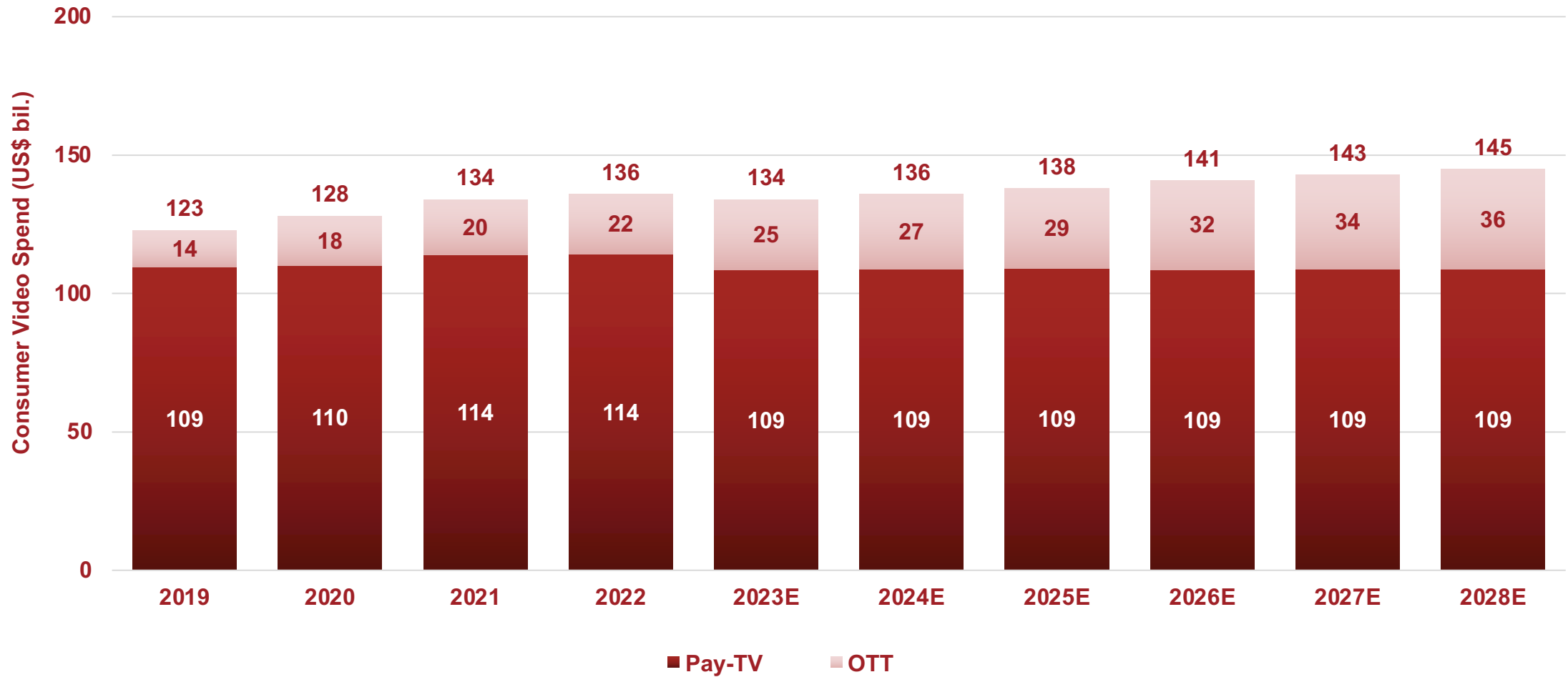


+4.50%



+4.00%

STREAMING WILL TAKE A LARGER SHARE OF THE PREMIUM VIDEO PIE



KEY CONCLUSIONS

- 1 Consumers have more online entertainment options and access than ever – daily engagement is split across YouTube, TikTok, premium VOD, gaming, social and more. Premium VOD is battling for engagement and monetization.
- 2 Advertising will help the premium VOD category monetize in key, high CPM markets, while D2C price increases across the board along with strategies to wider penetrate large emerging markets will be key.
- 3 Premium local content, led by Korean (dramas, movies and unscripted), Japanese (anime), Chinese and Indian content – drives engagement and travelability while the use cases across local content from Thailand and Indonesia is growing.
- 4 Sports is emerging as an important driver of OTT pricing power and customer growth in Korea, India, Japan, Australia and Indonesia.
- 5 As online video penetrates deeper, per unit content costs needs to be more rationalized with a focus on less volume and more quality and precision.
- 6 Premium VOD platforms will be cash generative and profitable – but typical margins will not exceed 20-30%.

ABOUT MEDIA PARTNERS ASIA



Established in 2001 and with offices in Singapore, India and Hong Kong, Media Partners Asia (MPA) is the leading independent provider of research, advisory and consulting solutions for APAC media & telecoms sectors. We provide clients with detailed reports across industry categories including proprietary models and forecasts. Our reports are widely used and sourced by companies for business planning, strategy and capital market transactions.

MPA consulting solutions help clients enter new markets, launch new products and acquire businesses with our team providing commercial DD, customised research and recommendations on local partnerships, leveraging our local networks. We also provide independent consultant (IC) industry analysis and benchmarking for equity and debt offerings, including IPOs for broadcasting, digital media and telecommunications companies in Asia Pacific.

Our offering includes AMPD, a research platform measuring consumer behaviour across the digital economy with passive measurement, underpinned by technology from partners Reality Mine. AMPD provides clients and uses with important use cases across Online Video, Connectivity, Content Creation & Production, and Advertising.

MPA also hosts the APOS Summit, the defining voice and global platform for the Asia Pacific media, entertainment and telecoms industry, which takes place every year in Bali, Indonesia.