



OTT Market in Taiwan and Success Strategy



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November 16, 2022

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Taiwan OTT Association www.taiwanott.org
Chairman



LiTV Taiwan Inc. www.litv.tv
Founder, CEO & Chairman



TiVo Inc. (USA) www.tivo.com
General Manager and Senior VP, TiVo Technology
February, 1998 ~ August, 2004



Silicon Graphics Inc. (USA)
VP of Engineering, Entry Workstation
April, 1986 ~ February, 1998

UCLA, MSEE
National Taiwan University, BSEE

Taiwan Background



Taiwan background data & information

Taiwan 2022		
Area (km**2)		36,197
Populations		23,198,133
Total households		9,014,700
Average persons per household		2.57
GDP (nominal) per capita (USD)		\$ 35,510
Cable Hosueholds	(June, 2022)	4,693,685 52%
MOD (IPTV) Households	(Oct. 2022)	2,049,605 23%
Mobile accounts	(Sept. 2022)	29,872,838
Fixed Broadband accounts	(June, 2022)	6,470,766 72%





Total Available Market of Taiwan

Paid TV



+

Advertisement



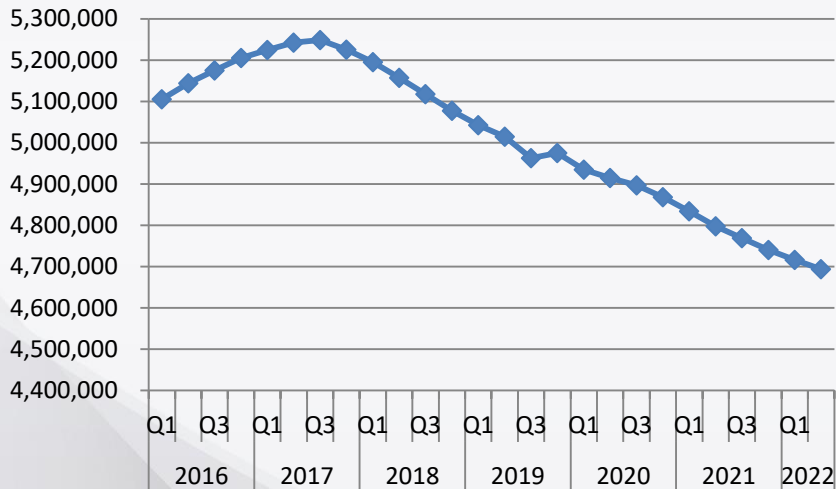
- Taiwan : 9.0 million households
- Cable : 4.7 million households
- IPTV : 2.0 million households
- OTT service is ramping up rapidly

- In Taiwan, total Ad revenue is US\$2.6B/yr
- Digital ad is US\$1.7B/yr (> 67% of total ad)
- **CTV ad** is the next big thing



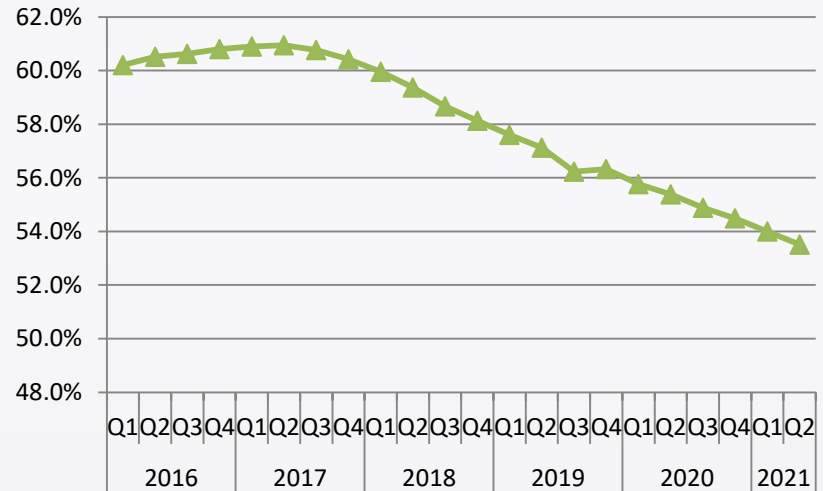
Taiwan Cable's Cord-Cutting

Cable (Households)



Data source : www.ncc.gov.tw

Household Ratio For Cable

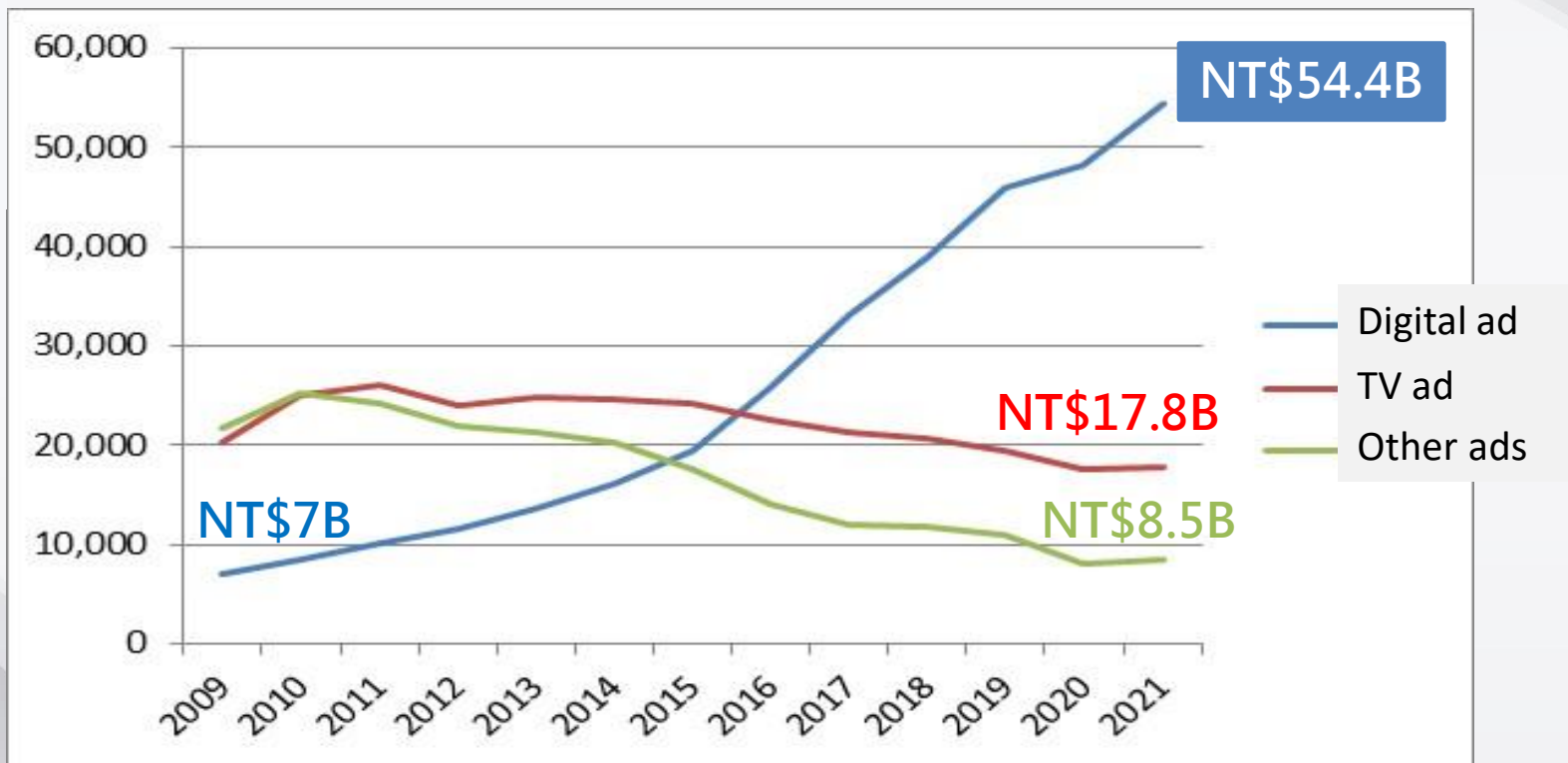


Cable Cord Cutting due to :
Illegal piracy
ISD
CHT MOD
YouTube + OTT



Taiwan TV ad & digital ads landscape

































Units:
TWD (NT\$)



Data Source : <https://maatapei.org>

OTT in Taiwan

OTT Operators in Taiwan

OTT in Taiwan				
Foreign OTT		Domestic OTT		
Global	Chinese	Local Independents	Telco Owned	Media Companies
				
				
				
				
				
				
				
				
				

Taiwan OTT Association

Video Platform

Independent OTT

LiTV線上影視



KKTV



CATCHPLAY



麥卡貝



巴哈姆特
動漫瘋



歡樂看



GagaOOLaLa



香港商
砌路者



LINE



Media OTT

四季 線上影視



Vidol



ELTA OTT



快點 TV



Ad Agency

安納特



群邑集團



TelCo OTT

Hami Video



friDay Video



My Video



Set-top Box

便當



雷爵



Music Platform

Music OTT

kkbox



friDay
音樂



My
Music





Taiwan OTT Comparison

Different Content Types, Different Business Models

Services	Content type													
		LiTV	KKTV	LINE TV	Catchplay	巴哈姆特	Netflix	Disney+	三立Vidol	民視4gtv	愛爾達	遠傳	台哥大	中華電信
VOD	Drama	●	●	●	○		●	●	◎	○	◎	●	●	●
	Variety Show	●	○	○			●	●	◎	○	○	◎	○	
	Movie	●	○	○	●		●	●	○	○		●	●	●
	Anime	●	●	◎		●	●	●		○		●	●	●
	Children	●	◎				●	●					●	●
	US Drama						●	●					◎	●
Channel	Linear Channel	●							○	●	◎	○	○	●
	Volume	400台 (含 VOD channel)							2台	90台	22台	6台	6台	80台
	VOD頻道	●												
Devices & Pricing	TV devices	●	○	○	○	○	●	●		◎	◎	○	○	○
	AVOD	Drama Variety Show	few	free	few	free			Drama Variety Show	free	few	Drama	Drama	few
	SVOD pricing	\$150	\$149		\$199	\$100	\$270 †	\$270			不能單買	\$199	\$250	\$199
	Channel Pricing	\$268							\$169	\$168	\$169	free	free	\$168
AVOD / FAST	OTT	●	●	●	●	●	#	#	●	●	●	●	●	●
	CTV	●	●	#	#	●	#	#		●		#	#	

● Large volume
● Deployed

◎ Average volume
Plan to deploy soon

○ Small Volume



Taiwan Cable · MOD & OTT

	Cable				Telco
Companies	中嘉 CNS	凱擘/台固 Kbro	大大寬頻 TBC	台數科 Top MSO	中華電信 CHT MOD
OTT Partners	LiTV friDay CatchPlay HBO Go KKTv	Disney+ myVideo Line TV HBO Go	LiTV friDay myVideo HBO Go	LiTV Line TV HBO Go	Netflix Hami KKTv

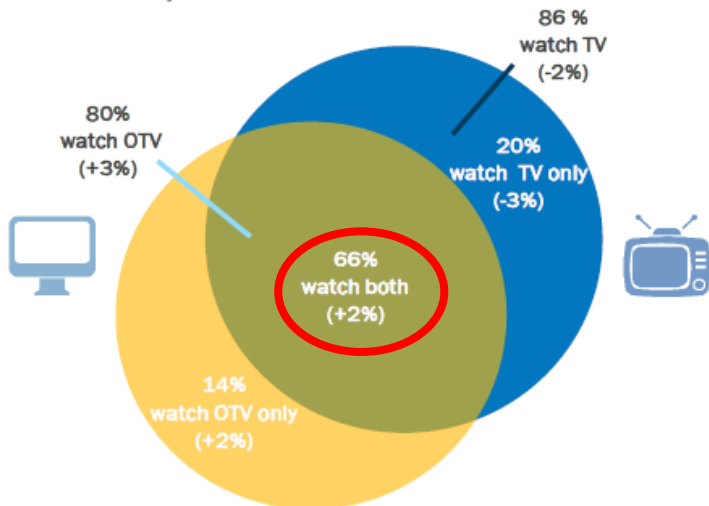
Top five Cable MSO and CHT's MOD
are all partnering with OTT companies



Taiwan OTV & TV coverage

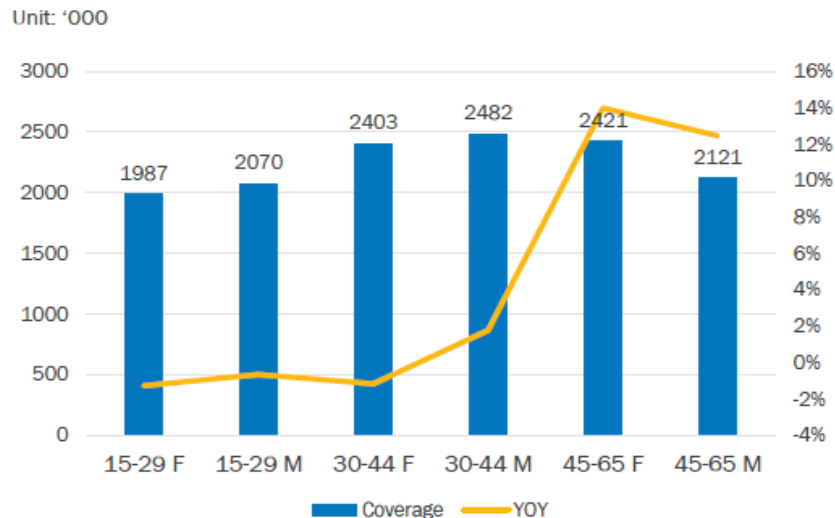
Multi-screen viewers account for 66%. Mainly viewers of OTV are ages between 30+ and has rapidly increased in elder age groups.

TV/OTV VIEWING BEHAVIOR



Base: people aged 12-65 years
Source : Nielsen MI & LI Taiwan 2018 & 2019
TV population= P1D TV viewers
OTV population= Current viewer

OTV AUDIENCE BY GROUP



Base: Internet users aged 12-65 years.
Source: Nielsen MI & LI Taiwan 2019 .

- 68% of LiTV AVOD users are still watching cable TV.
- 61% of paid LiTV subscribers are still watching cable TV.

Strategy for OTT



OTT Business Model

SVOD	Subscription VOD	Movie , Drama, Variety shows
AVOD	Advertising VOD	Drama, Variety shows
Linear channel	Paid or Free	News, Drama, Variety Shows, Movie

Most of Taiwan OTT operators are using

SVOD : Movies, exclusive Drama

AVOD : Drama

SVOD + AVOD : Hybrid business model



OTT Business Model – is moving toward **AVOD**

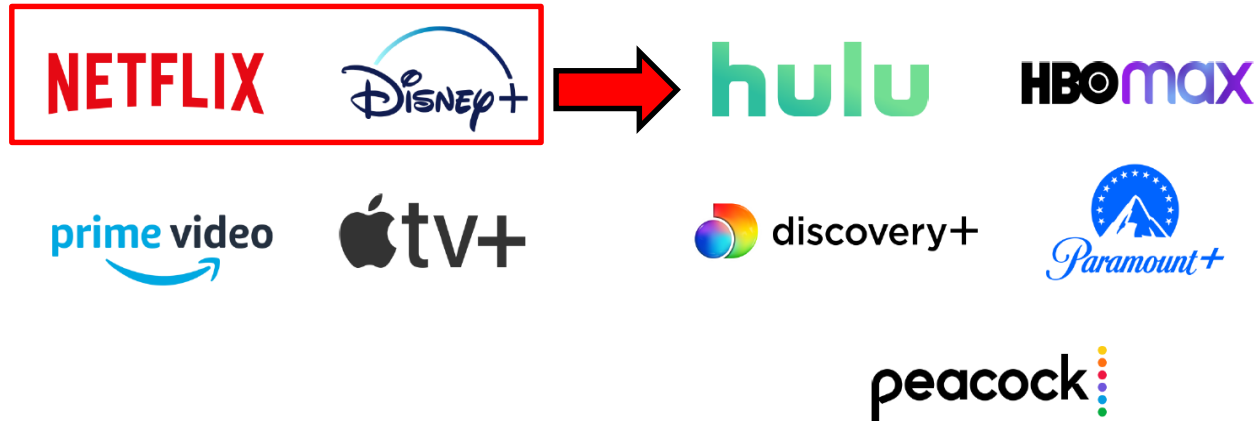
TOP OTT Providers

SVOD

訂閱式隨選視訊服務

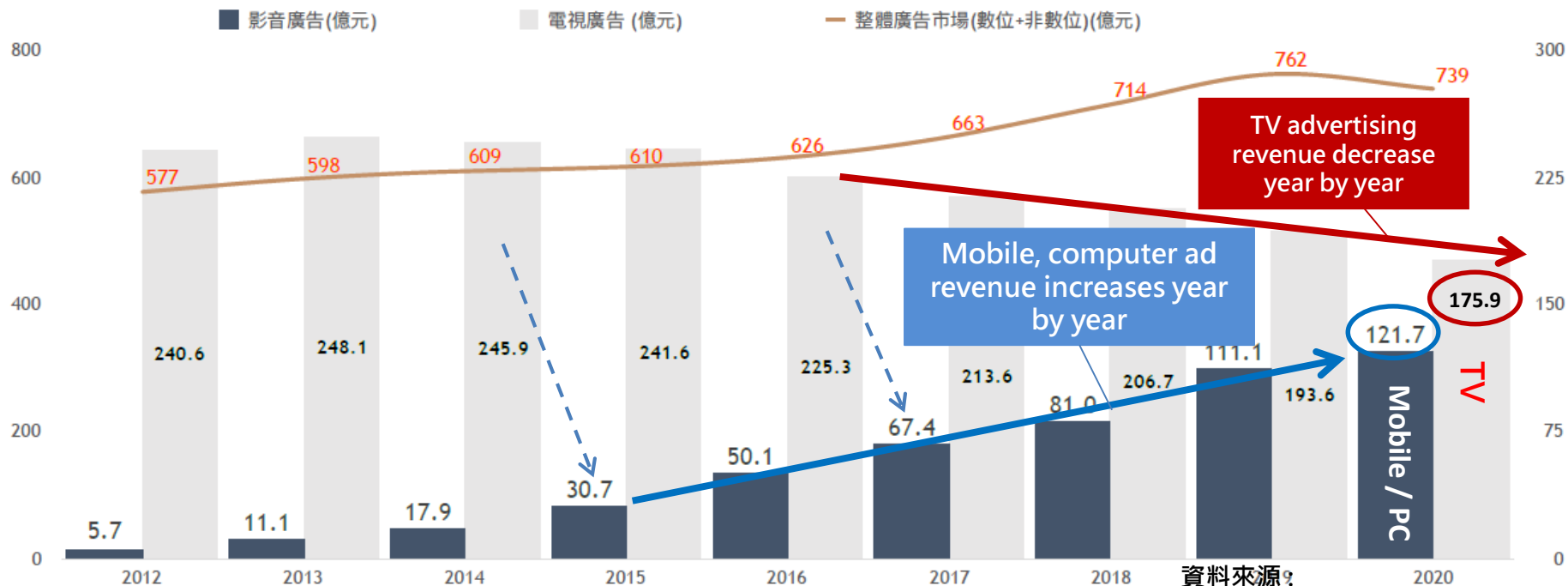
SVOD + AVOD

訂閱式隨選視訊服務+廣告隨選視訊服務



Slide from theTradeDesk

2011 – 2020 Traditional TV ad vs. Digital Ad in Taiwan



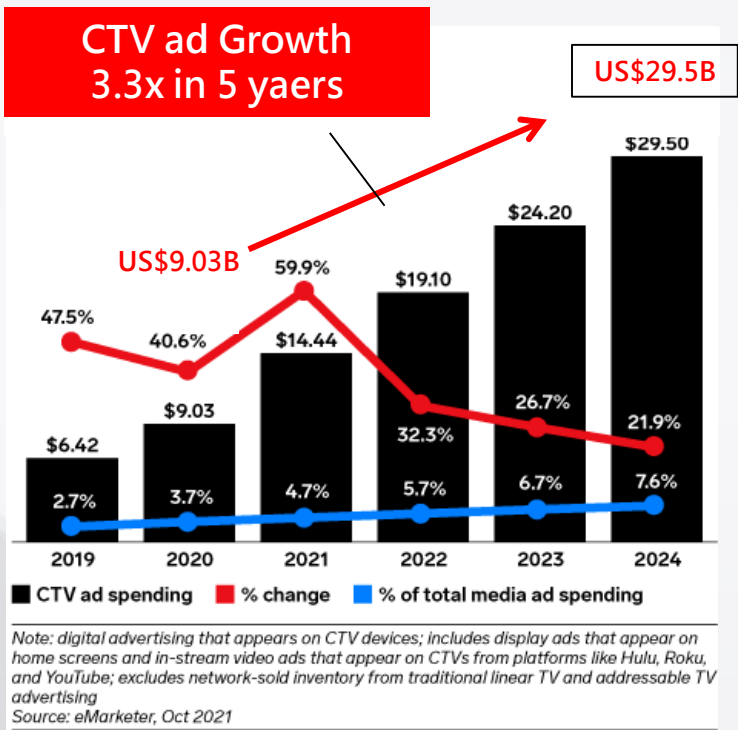
資料來源：台灣數位媒體 應用暨行銷協會

※數位影音廣告自2012年納入調查項目。

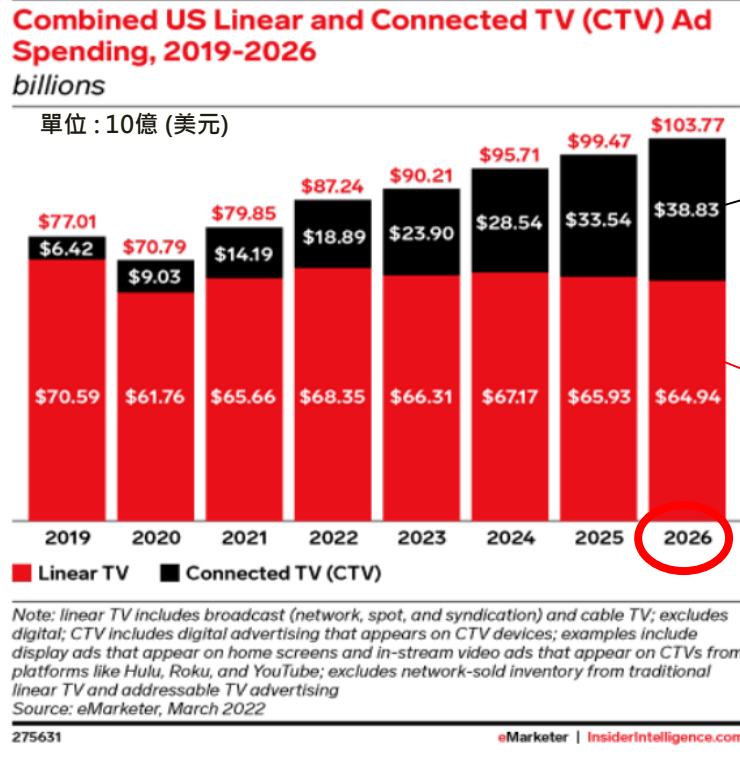
非數位媒體廣告量資料來源：尼爾森媒體廣告監測服務(AIS)



CTV ad market is growing significantly USA



270286 eMarketer | InsiderIntelligence.com
<https://www.insiderintelligence.com/content/us-ctv-advertising-will-approach-60-growth-by-year-end>



CTV Ad 37.4% ↗

Traditional TV Ad 62.5% ↘

275631 eMarketer | InsiderIntelligence.com

YouTube is pushing CTV Ad

廣告 第 1/2 則 · 0:38

是不是超方便

- lightning
- type-C
- 可自由調整線的長度
- 2個輸出口
- 無線充電
iPhone 12/13可磁吸充電

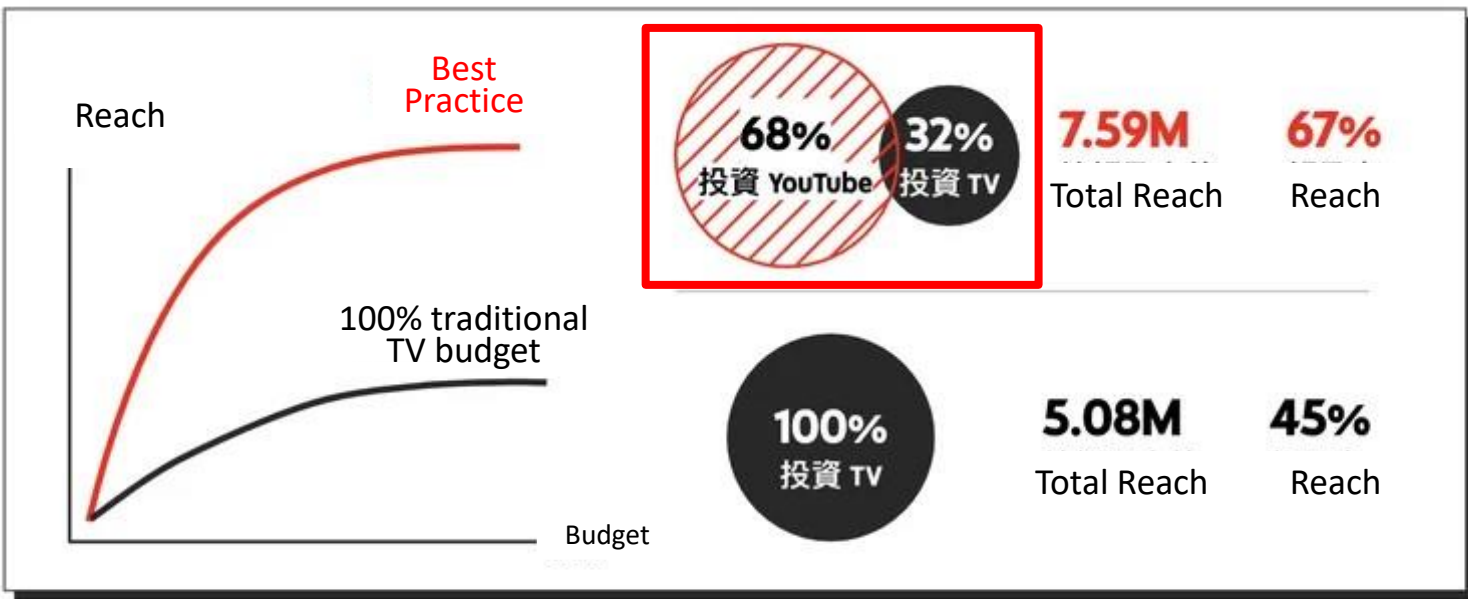
限時免運再八折
www.moztech.cc/collections/%E5...

Send to phone Skip ▶



YouTube is pushing CTV Ad

YouTube : Traditional TV = 68% : 32%



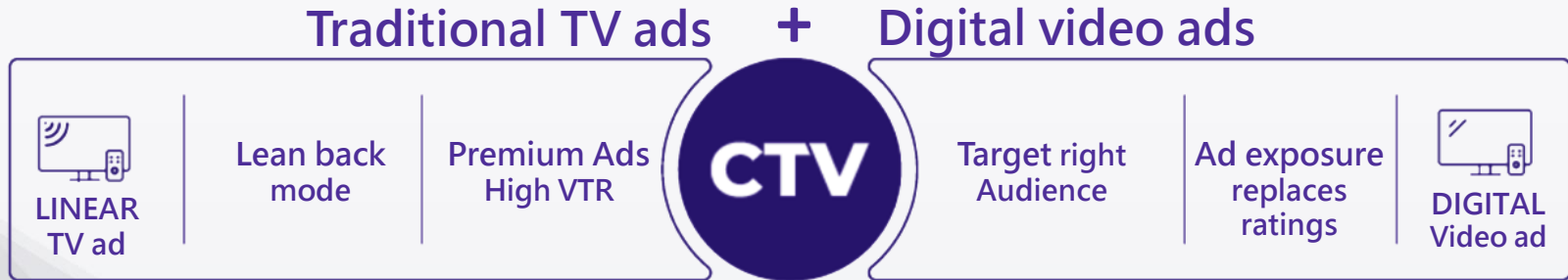


The advantage of CTV Ad

Trough CTV **Household Graph** data

CTV ads can precisely target right audience

CTV ads can re-target audience through different devices



Viewers see **different CTV ads** when watching the same program



The largest domestic OTT in Taiwan



LiTV Taiwan Inc. - Two Business Groups



LiTV - OTT Service

400 TV channels and 60,000 hrs VOD
Supports CTV, mobile, PC, car vehicle
over **8 million** OTT users per month



LiAD - Ad service

Alliance with 100+ media companies
Covers CTV, OTT and OTV
Ad across - devices, media, platform, data
Reach over **16 million** consumers per month



LiTV OTT

The largest domestic OTT in Taiwan

- Linear Channel :
- * > 400 channels
 - * Users use EPG to select programs in VOD-channels
 - * with CTV ad enabled
- Video-on-Demand :
- * > 60K hours content
 - * support AVOD、SVOD、TVOD
- Devices supported :
- * PC、Mobile / Tablet、Car
 - * OTT STB、Smart TV、Cable STB
- Members :
- * AVOD : MAU 8 millions
- Digital Ads :
- * Mobile/Tablet、PC、Outdoor
 - * CTV ad (OTT & Cable)
 - * reach > 16 millions users/ month

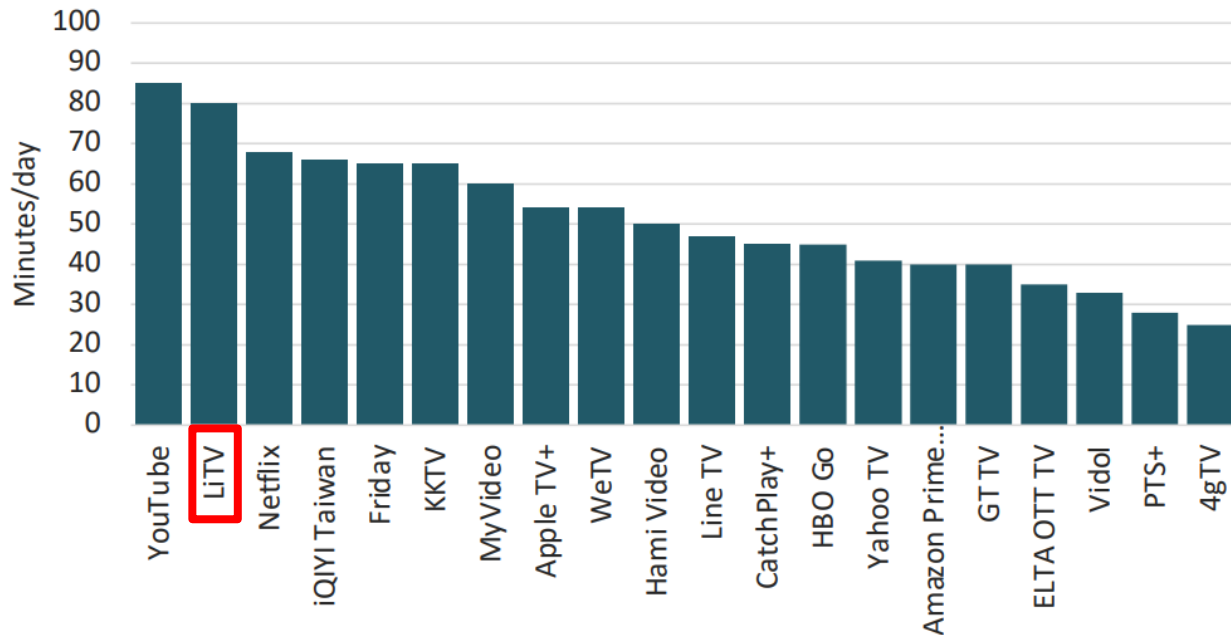


Two 2019 Goggle Play Awards



YOUTUBE, LITV, NETFLIX LEAD DAILY USER ENGAGEMENT

AVERAGE DAILY TIME SPENT BY PLATFORM



- Taiwanese VOD users spent the longest time daily on YouTube, with the average user streaming 85 minutes per day in Q2 2021.
- Among SVOD / freemium platforms, average daily time spent on LiTV was the highest with 80 minutes, supported by strong consumption of its linear channel content, especially news, infotainment, and kids during the COVID period.
- Average daily time spent on other platforms: Netflix (68 min.), iQIYI Taiwan (66 min.), Friday (65 min.), KKTV (65 min.), and MyVideo (60 min.).
- Vidol, PTS+, and 4gTV had the lowest average times at 33, 28 & 25 minutes, respectively.

LiTV CTV

excellent TV watch experience



Smart TV



OTT STB



Cable STB

SONY SHARP

SAMSUNG SAMPO 聲寶

Panasonic PHILIPS

CHIMEI 奇美家電 TATUNG 大同 MI

BenQ LG AOC

More.....

chromecast NVIDIA SHIELD

RockTek BANDOTT popIn Aladdin 航創科技 Robelf

Ergotech 人因科技 彩虹奇機 HAKO mini 金將科技 SING IT 唱出新聲

SKYWORTH 创维 LYNALINK GPD technology group Official Licensee

Calibre MI InFocus JHY ASUKA CAR Entertainment System

More.....

TBC 台灣數位光訊科技集團 TRINITECH OPTICAL PLATFORM

Home+ 中嘉

dmg 大大寬頻 | 大豐有線電視

新彰 數位有線電視

TWT 天外天數位有線電視 ICDS 聯維寶福

More.....



Powered by LiTV



The advantage of CTV Ad

Can target audience's **City, Gender, Age, Interest**

Businessman



Engineer



Student



Traditional TV viewers watch the same TV ads
CTV viewers watch **different** CTV ads



CTV ad - advanced ad technology

Live / FAST Channel ▶

- SSAI live channel
- Play-out channel
- VOD-channel



◀ Barker Channel

AVOD inventory ▶





SSAI – Server-Side Ad Insertion

SSAI

TV News

Advertisement

TV News

TV News channel



Original TV Ad



Dynamic placement

CTV SSAI AD



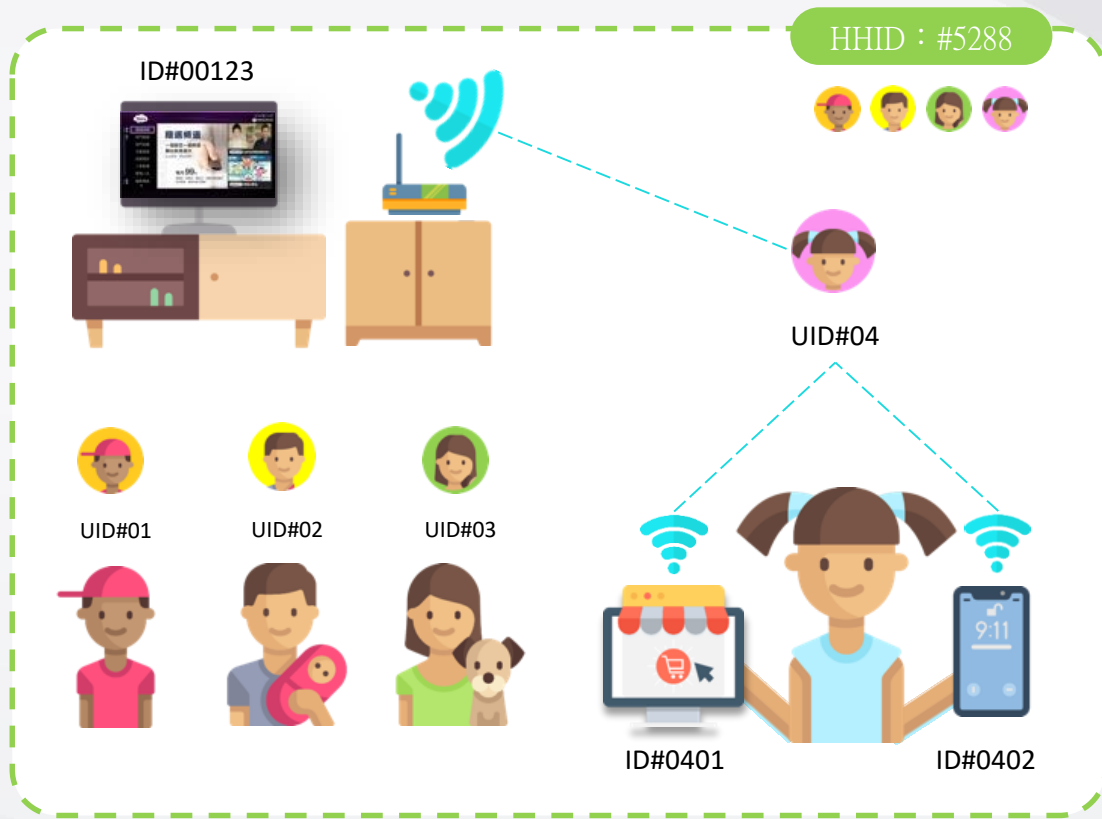
LiTV
TV News channel





CTV ad : support household data

- Support **Household profile**
 - Know family members
 - Know their devices
 - Know family members' interests
- CTV ad
 - With target audience enabled
 - With ad frequency cap supported
 - Can send re-target ad to members' personal devices



illegal piracy in Taiwan



Piracy - The biggest challenge for OTT

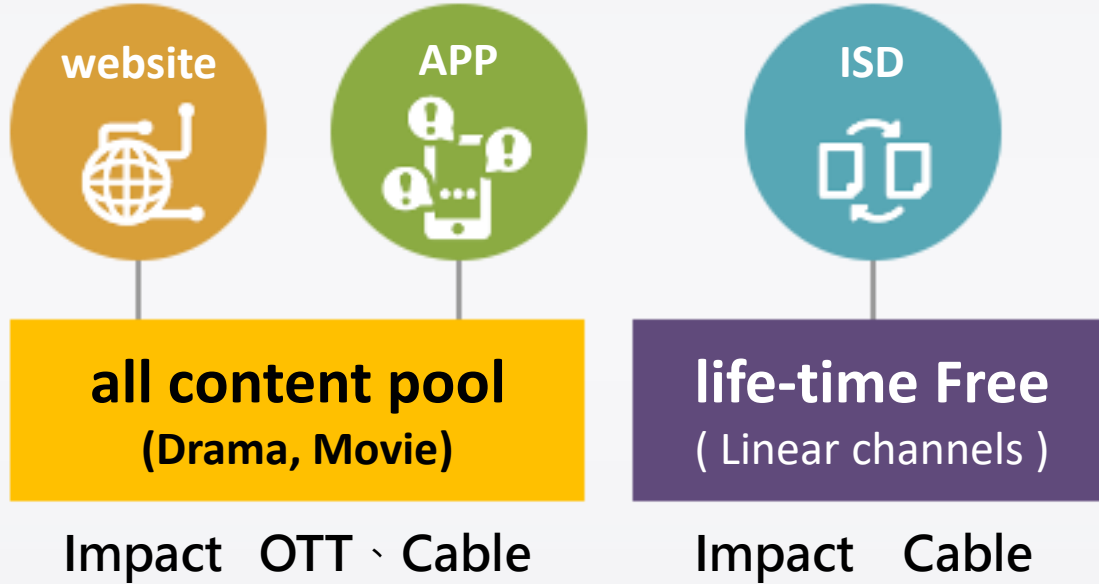
- **illegal piracy content**

- Website · App · ISD

- **illegal piracy content signal source**

- Using content links from **YouTube** · **Dailymotion**
- International server sites with local CDN
- **Free cloud storage** (the most popular way now)

Piracy - The killer of OTT business



Illegal piracies do not bear **content** and **CDN** cost

Big business loss due to illegal piracy

以用戶調查進行侵權估算

4G戶數 (2,642萬戶)
X
行動上網比例 (90%)
X
線上影音使用比例 (91.1%)
X
未付費比例 (77.9%)
X
盜版網站/APP使用比例 (79.9%)
X
OTT平均月費 (NTD 175)
X
12個月



營業損失
新台幣
283億元/年

US\$9.5B/yr

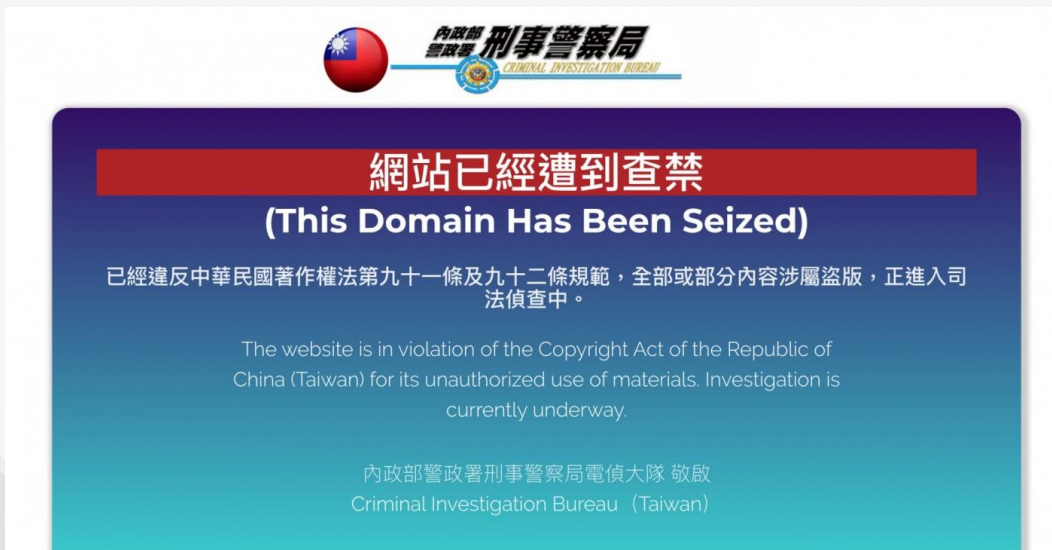
年度	2018Q3	資料來源：NCC
4G戶數(戶)	26,421,183	

年度	2018Q3	資料來源：
行動上網比例	90%	資策會服創所(2018.10)
線上影音使用比例	91.1%	
未付費比例	77.9%	
盜版網站/APP使用比例	79.9%	

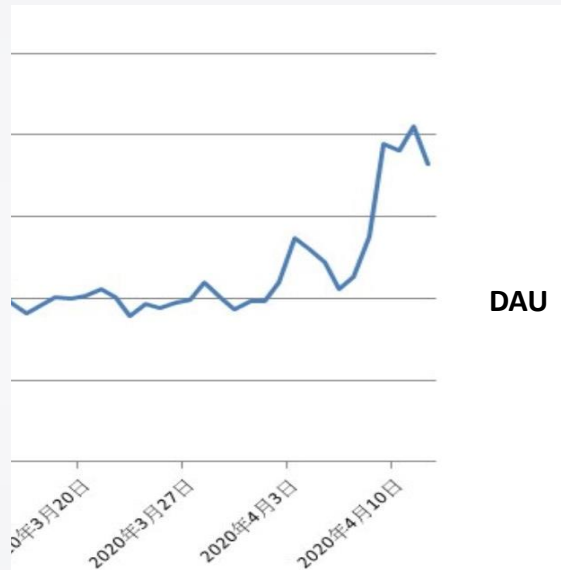
OTT廠商	服務項目	月費(元)	OTT 平均月費 175元
ELTA OTT 影視	Live歡樂餐	129	
愛奇藝	黃金VIP會員	166	
LiTV	豪華組合餐	199	
friDay影音	自動續租型	199	
myVideo	豪華月租型	199	
KKTV	KKBOX Prime	199	
四季線上影音	豪華頻道餐	168	

資料來源：各公司

Example : piracy – Maple (8maple.ru)



April 8, 2020



Crack down Effects : CDN bandwidth +35%

DAU +100%

Daily new paid subscribers +300%



Actions to Fight Back Piracy in Taiwan

Due to freedom of speech : Taiwan has no site blocking

IWL : Block piracy sites' ad revenue

BSMI : Block ISD hardware sales

Copyright Law : Article 87-1-8

BSMI : Bureau of Standards, Metrology and Inspection
ISD : Illicit Streaming Devices (set-top box)

第87條

有下列情形之一者，除本法另有規定外，視為侵害著作權或製版權：

八、明知他人公開播送或公開傳輸之著作侵害著作財產權，意圖供公眾透過網路接觸該等著作，有下列情形之一而受有利益者：

- (一) 提供公眾使用匯集該等著作網路位址之電腦程式。
- (二) 指導、協助或預設路徑供公眾使用前目之電腦程式。
- (三) 製造、輸入或銷售載有第一目之電腦程式之設備或器材。

前項第七款、第八款之行為人，採取廣告或其他積極措施，教唆、誘使、煽惑、說服公眾利用者，為具備該款之意圖。



Copyright Law Article 87-1-8 2019-5-3

Article 87

Any of the following circumstances, except as otherwise provided under this Act, shall be deemed an infringement of copyright or plate rights:

8. Knowing that the works broadcast or transmitted publicly by another person infringe economic rights, with the intent to provide the public to access such works by the Internet, acting as follows, and to receive benefit there from:
 - (1) To provide the public with computer programs which have aggregated the Internet Protocol Addresses of such works.
 - (2) To direct, assist or preset paths to the public for using computer programs in the preceding item.
 - (3) To manufacture, import or sell equipment or devices preloaded with the computer programs of the first item.

A person who undertakes the actions set out in subparagraphs 7 or 8 above shall be deemed to have "intent" pursuant to that subparagraph when the advertising or other active measures employed by the person instigates, solicits, incites, or persuades the public to use the computer program or other technology provided by that person for the purpose of infringing upon the economic rights of others.



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