

GLOBAL VIDEO ENTERTAINMENT TRENDS IN 2020

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COVID-19 – ACCELERATING INTERNATIONAL DIGITAL VIDEO CHANGE BEYOND LOCKDOWN

| Accelerating wider OTT service uptake & usage, as consumer spend evolves



| Diversification of viewing across different business models

- Transactional, SVoD, BVoD, AVoD
- Discovery of new genres/services/platforms
- New users, across wider demographics



| Stimulating alternative release strategies, production & working practices

| Proof of broadband network resilience & increased familiarity of device capabilities



| All leading to diversification, fragmentation – but also service prioritisation

SVoD VIEWING BIGGEST WINNER IN LOCKDOWN, TV ALSO RESOLUTE OUTSIDE USA



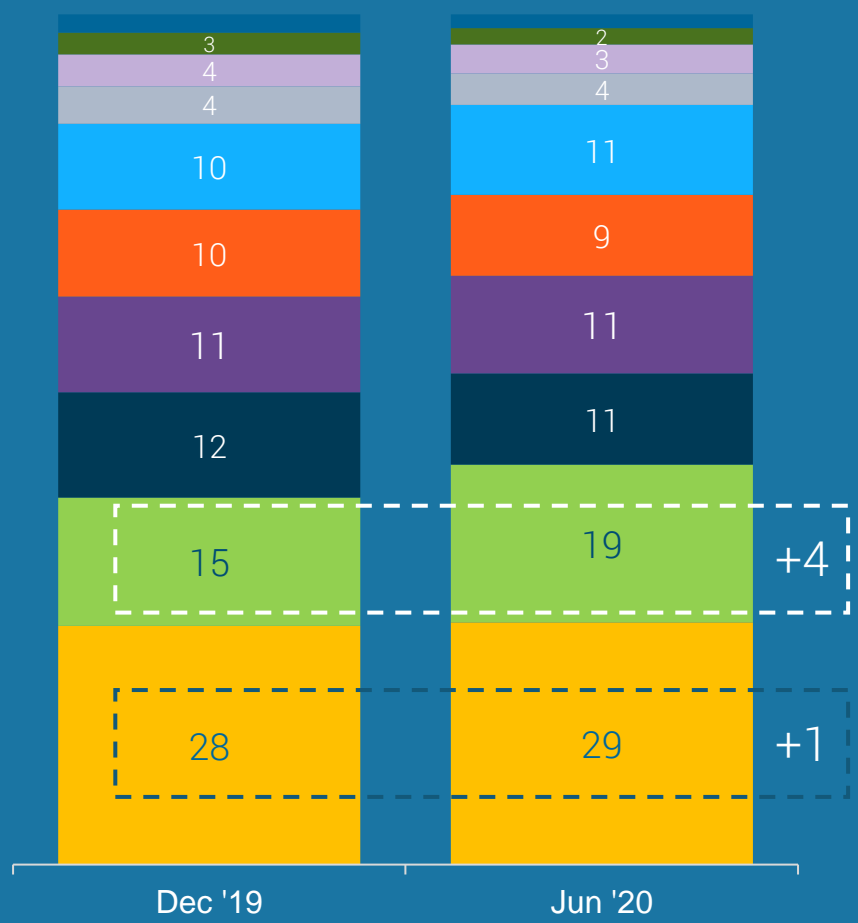
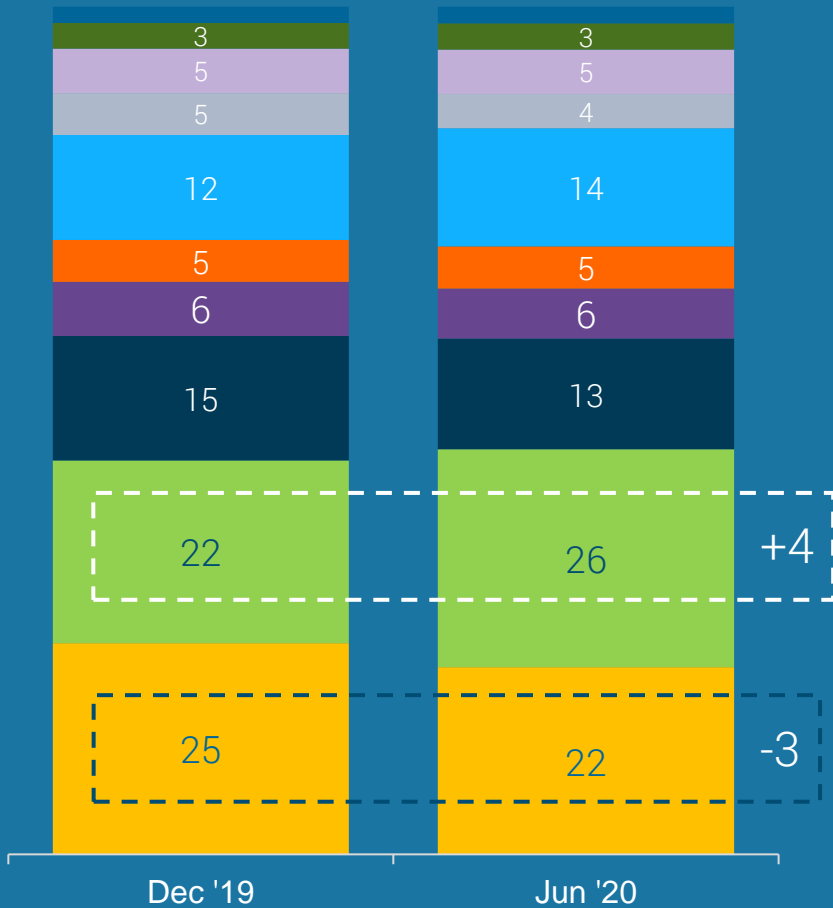
100 Hours of Personal Video Viewing
Breakdown of All Respondents



Total USA OTT Viewing: 55%
(49% Dec '19)

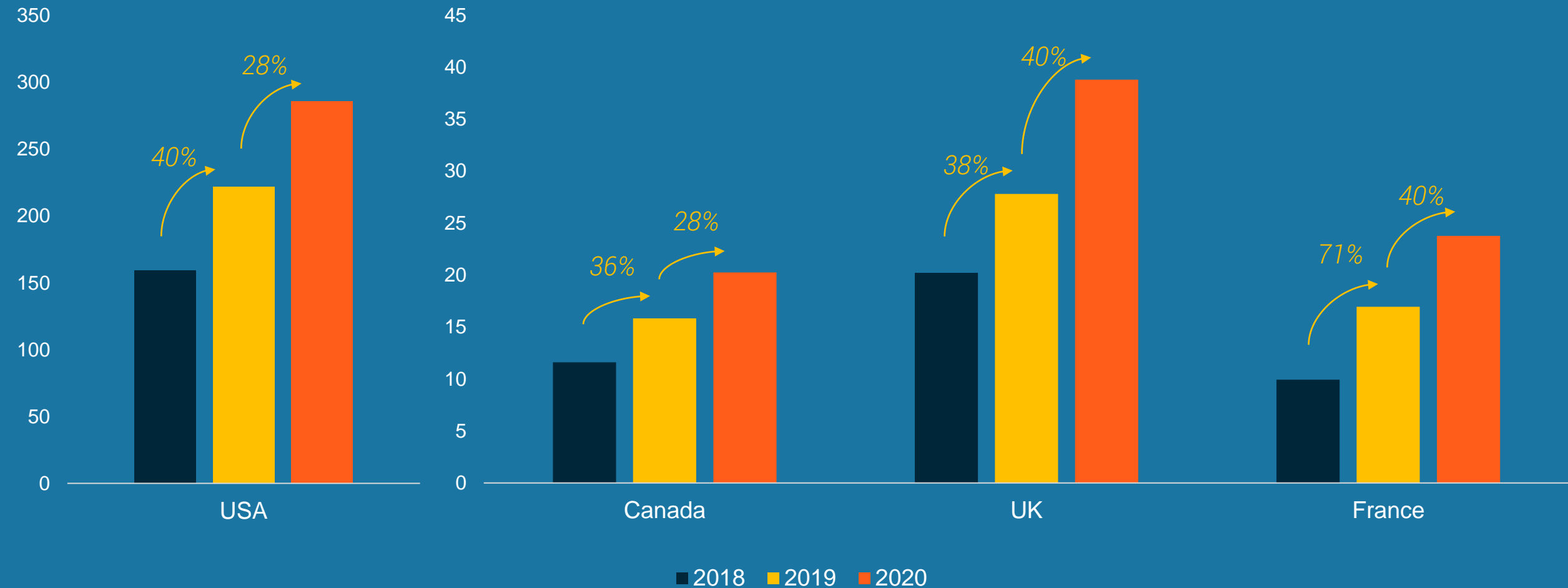
Total UK OTT Viewing: 46%
(44% Dec '19)

- Free Live TV
- SVoD
- Live Pay TV
- Recorded/from DVR
- On-demand / Catch-up TV
- YouTube etc
- DVD/Blu-ray
- Social Media Videos
- Transactional Digital
- File-sharing / pirated



STRONG SVoD MOMENTUM IN 2019 CONTINUES INTO 2020

SVoD Subscriptions (M): 2018 - 2020



Note: Excludes vMVPD services

NEW SVoD SERVICES DRIVE SERVICE STACKING, AS NETFLIX STRENGTHENS



New services aren't the major driver of SVoD HH growth users, ~90% of Disney+ users are already typically Netflix users internationally = increase in service stackers

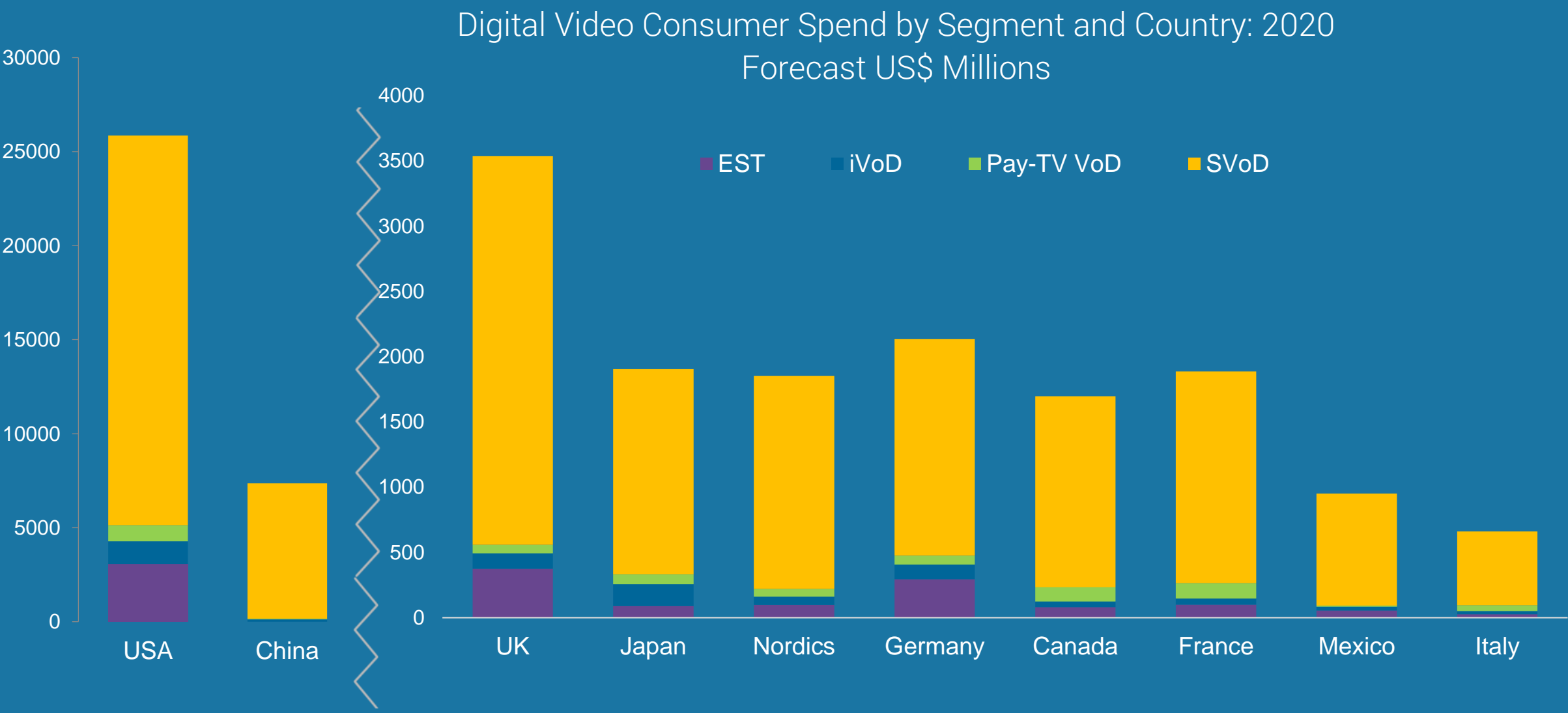
Netflix reputation & loyalty enhanced during lockdown: Viewing hours up, satisfaction with originals up, churn down, just 2-3% expect to churn in H2 20

NETFLIX



Disney+ uptake strong in all markets – almost half of all subs are outside of USA, but threat of churn in H2 2020

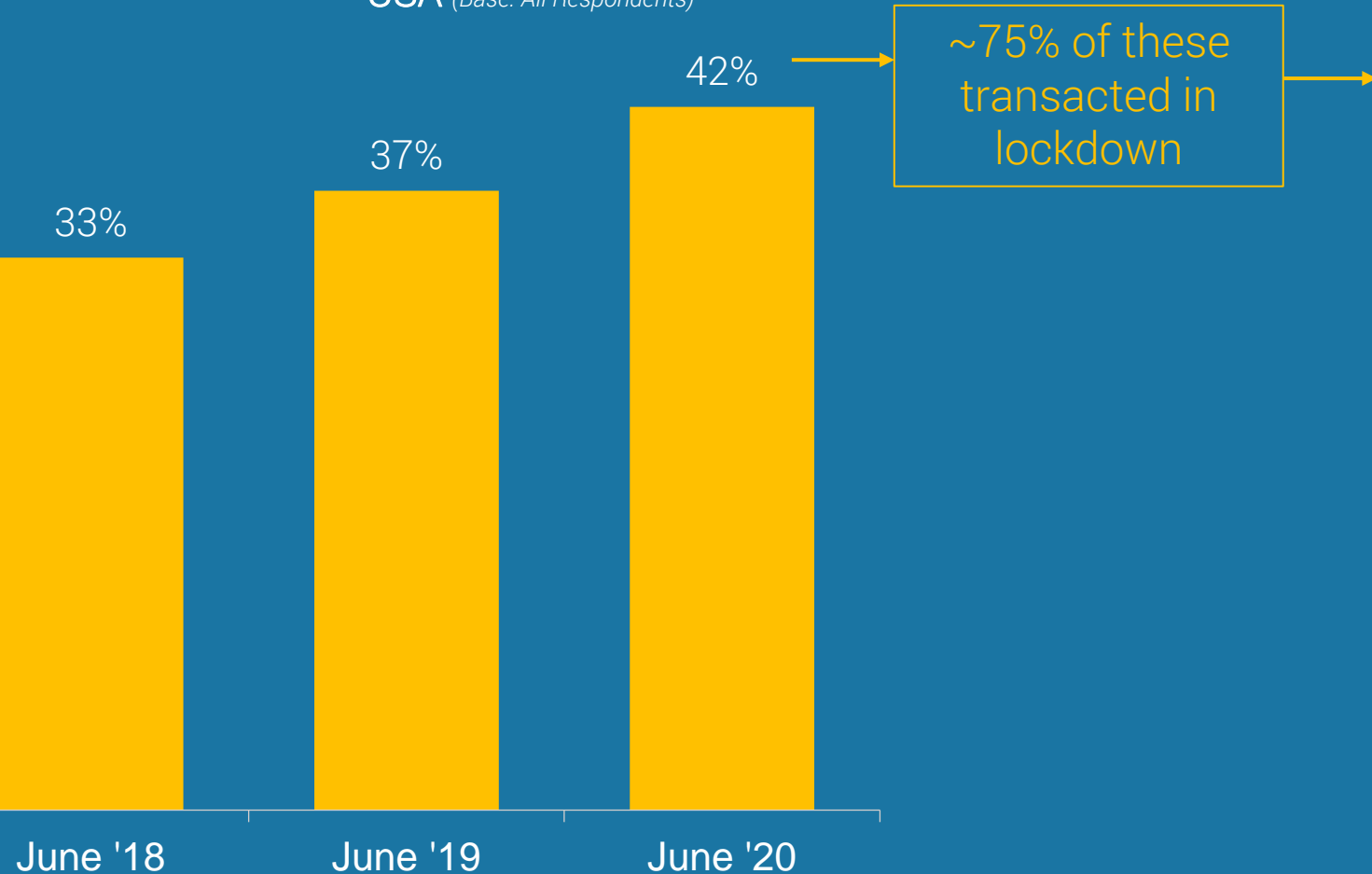
TRANSACTIONAL TAKES HIGHEST PROPORTION OF TOTAL DIGITAL VIDEO IN GERMANY & US



INCREASE IN DIGITAL TRANSACTORS DRIVEN BY LAPSED USERS

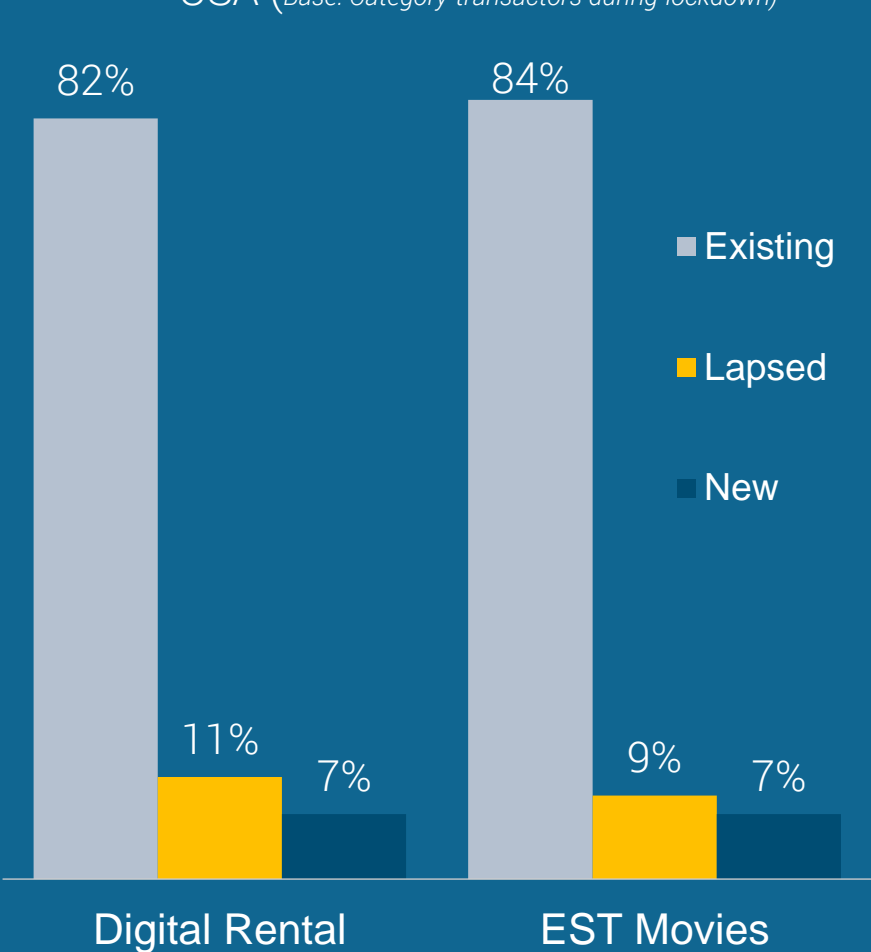
Any Digital Video Transactor Uptake (in previous 12 months):

USA (Base: All Respondents)



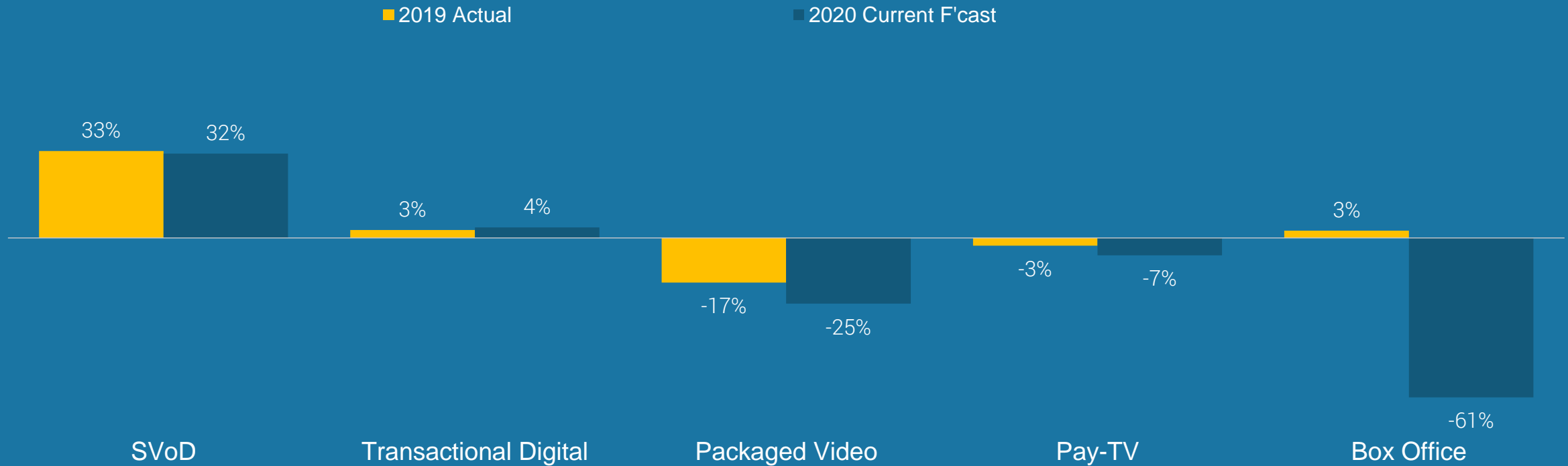
Digital Transactor Breakdown by User Type:

USA (Base: Category transactors during lockdown)



A MIXED GLOBAL OUTLOOK FOR VIDEO CONSUMER SPEND

YoY Change in Global Consumer Spend by Sector



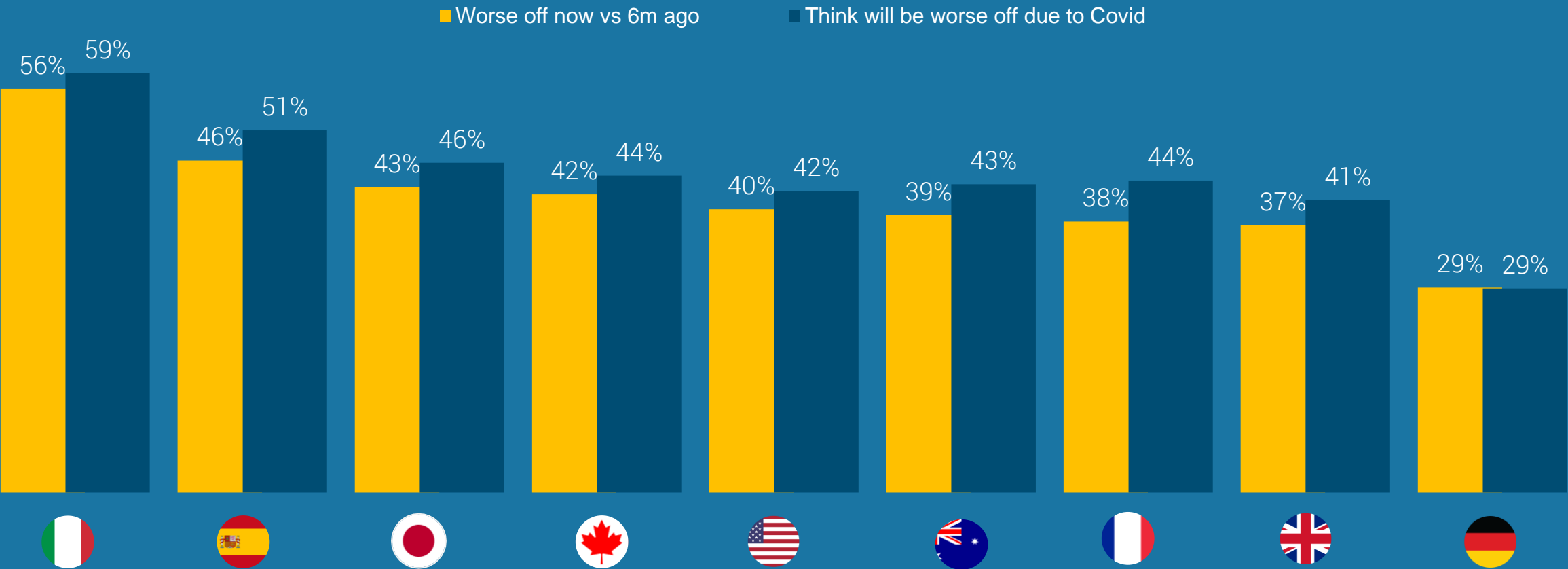
Booming H1 in SVoD & transactional countered by challenging H2 (slate), but Covid set to boost longer term forecast

Country differences driven by how established market is, headroom of further new users, financial impact, local infection rate/measures etc

ITALIANS FEEL MOST FINANCIALLY IMPACTED BY COVID – GERMANS LEAST

% of Total Respondents who say they are somewhat or Significantly Worse off Financially

Base: All Respondents



WHAT NEXT FOR VIDEO SECTORS?



SVoD: Core services to drive robustness & revenues into 2021
Service surfing & super aggregation to increase



Transactional Digital: H2 '20 will largely offset H1 gains, but new & lapsed users provide reason for optimism



Box Office: Uncertainty prevails into H2 2020. Slow, steady return to near normality



Pay-TV: Revenue hit harder than subs globally, Covid brings existing challenges in focus



AVoD: Becoming part of mainstream viewing mix in USA, International growth next



Thank You!

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The Futuresource Focus

EQUIPMENT

- | TV Displays
- | Set-Top Boxes
- | Blu-ray & DVD
- | Home Audio
- | Media Streamers
- | Games Consoles
- | Tablets
- | Smartphones
- | Wireless Speakers
- | VPAs
- | Headphones
- | Cameras
- | Wearables
- | VR/AR Headsets
- | Home Appliances
- | Home Theatre

DELIVERY

- | Broadcast
- | Broadband
- | Mobile
- | Optical Disc
- | Laptop/PCs
- | Pro Audio
- | Pro LCD Displays
- | Pro LED Displays
- | Projectors
- | Collaboration Tech
- | Signal Distribution
- | PCs in Education

CONTENT

- | Video
- | TV
- | Music
- | Games
- | Education
- | eBooks
- | Social
- | Interactive Whiteboards
- | Broadcast Equipment
- | Photo Equipment
- | Automotive Tech
- | Data Storage
- | Smart Home

- | Full service end-to-end research capabilities
- | Global market coverage based on informed local expertise
- | Delivering excellence for over 30 years
- | Leading-edge data delivery and analysis
- | Unrivalled client list, maintained through client-centred service approach

What we Do – The Futuresource Approach



Media & Technology – Covered End to End

