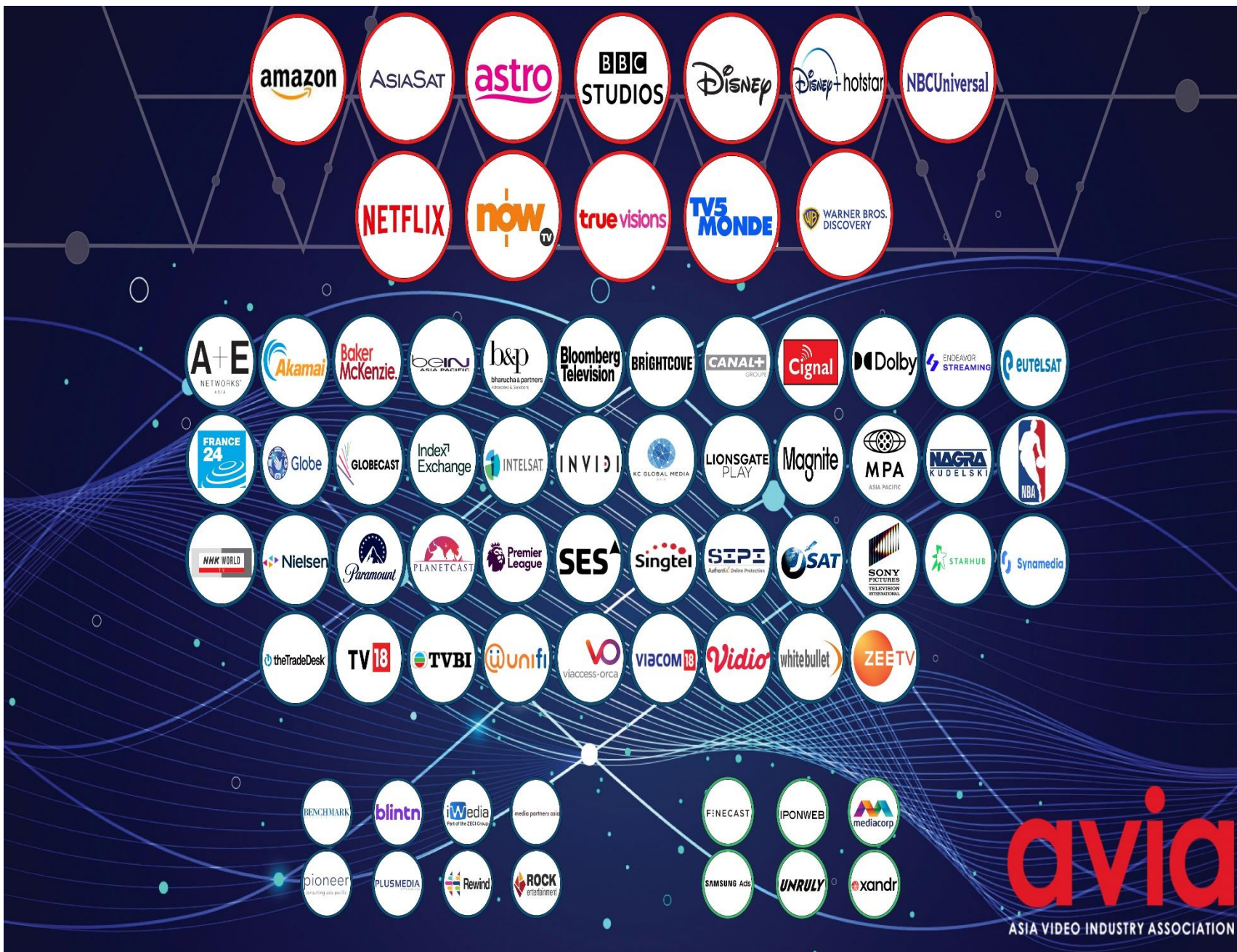


OTT Market Overview in Asia

Clare Bloomfield
CPO, AVIA
26 April 2023



AVIA:

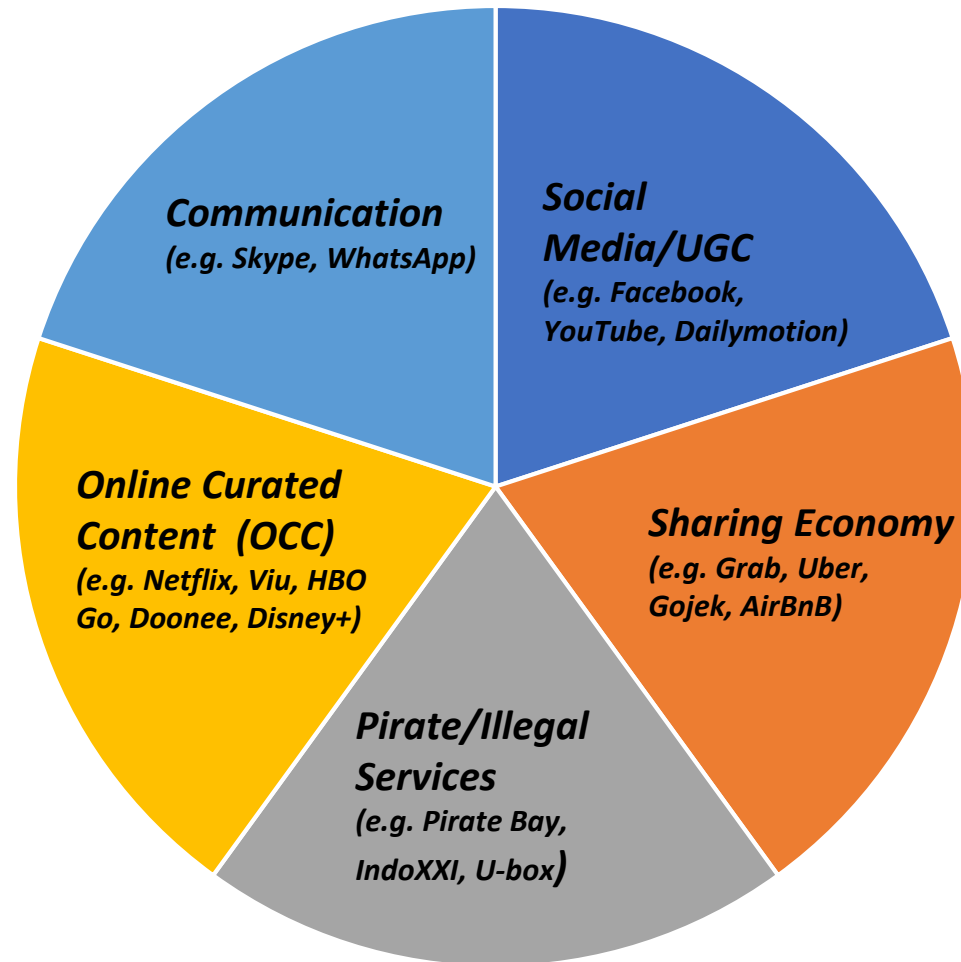
- Is a non-profit multicultural trade association with 70+ members doing business in Asia.
- Represents the industry that creates, packages, markets and distributes video content in Asia and its adjoining ecosystems.
- Covers all forms of professionally produced content and all means of delivery.
- Exists to make the video industry in Asia stronger, healthier, more vibrant, and to foster innovation to meet consumers' needs.

What is OTT?

The OTT Universe

Online Curated Content (OCC)

Often referred to as
Streaming or VOD or
inaccurately as just OTT



Examples of OCC Services in Asia

avia
ASIA VIDEO INDUSTRY ASSOCIATION

NETFLIX

Apple tv+

prime video

HBO GO



viu



Vidio



CATCHPLAY

WeTV

iQIYI iQ.com

MOLA TV



VISION

sooka

Technical contribution

OCC – Online Curated Content Services

- Curated Content from many countries
- **Copyright Protected**, so in-country creators get fully paid for their work
- **Personalised and consumer-centric**
- **Varied revenue sources** – subscriptions are important, but low-income consumers also like the freemium model and ad-funded services

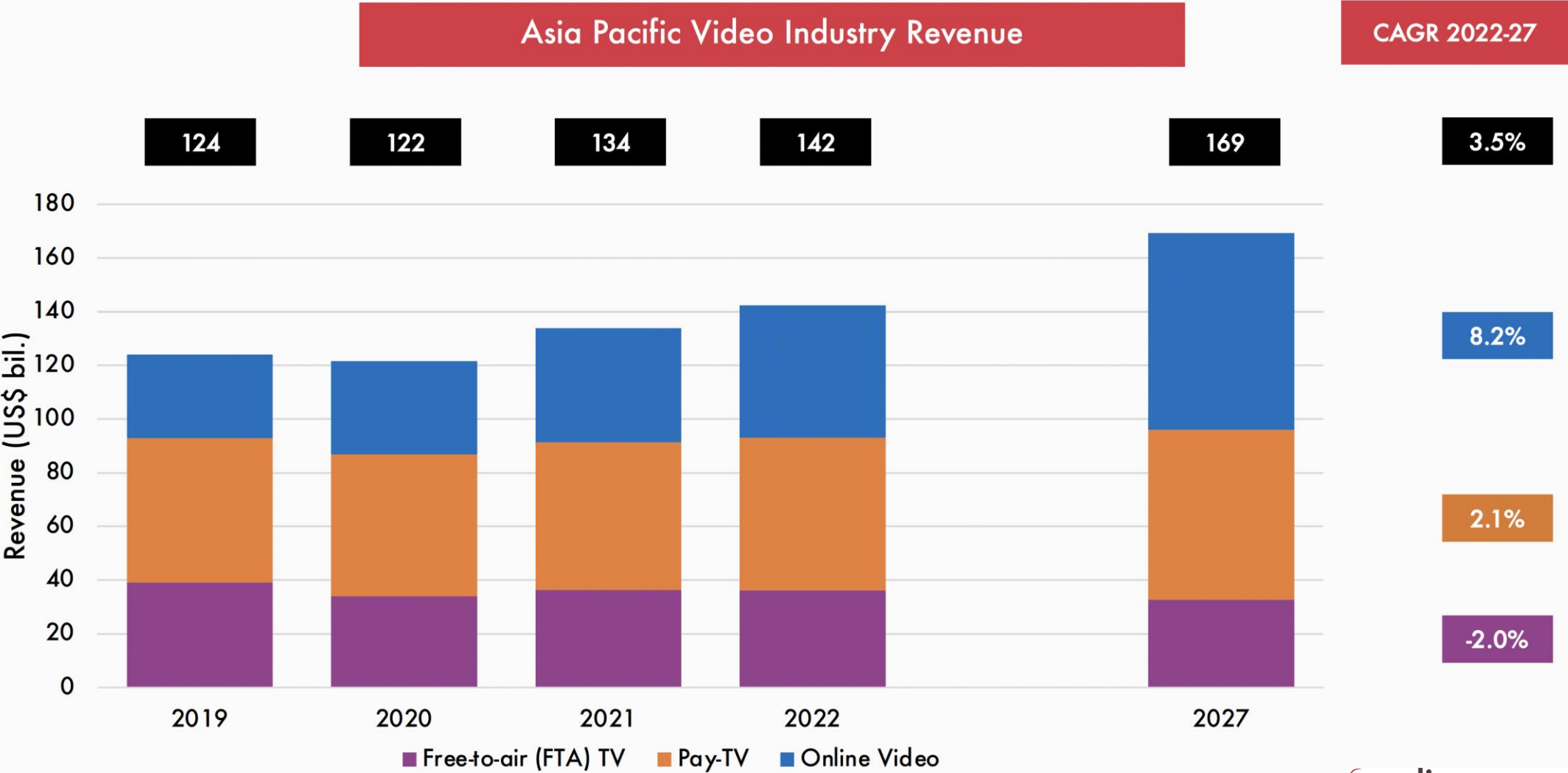


What do consumers prize?

- *Choice*
- *Convenience*
- *Family Control*
- *Varied Price Points*

Setting the Scene in Asia

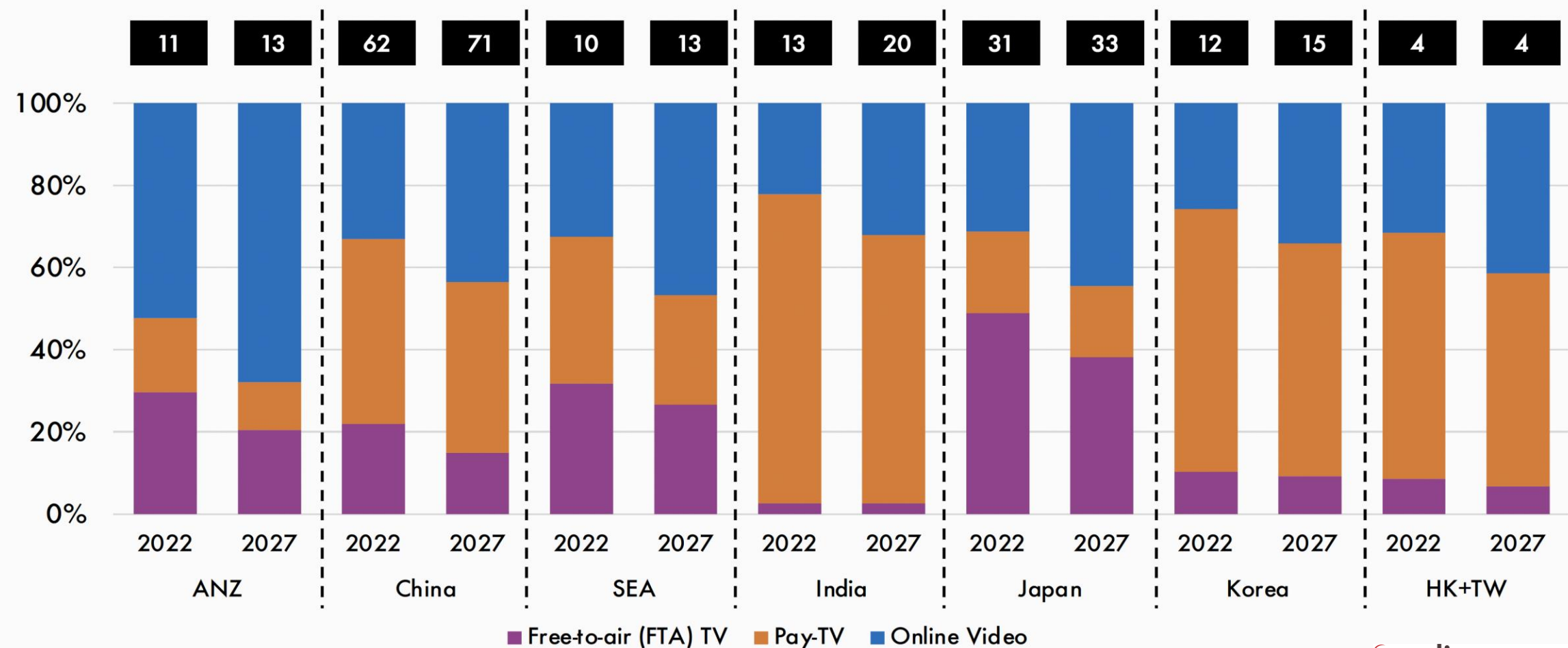
ONLINE DRIVES VIDEO INDUSTRY GROWTH



Source: Media Partners Asia

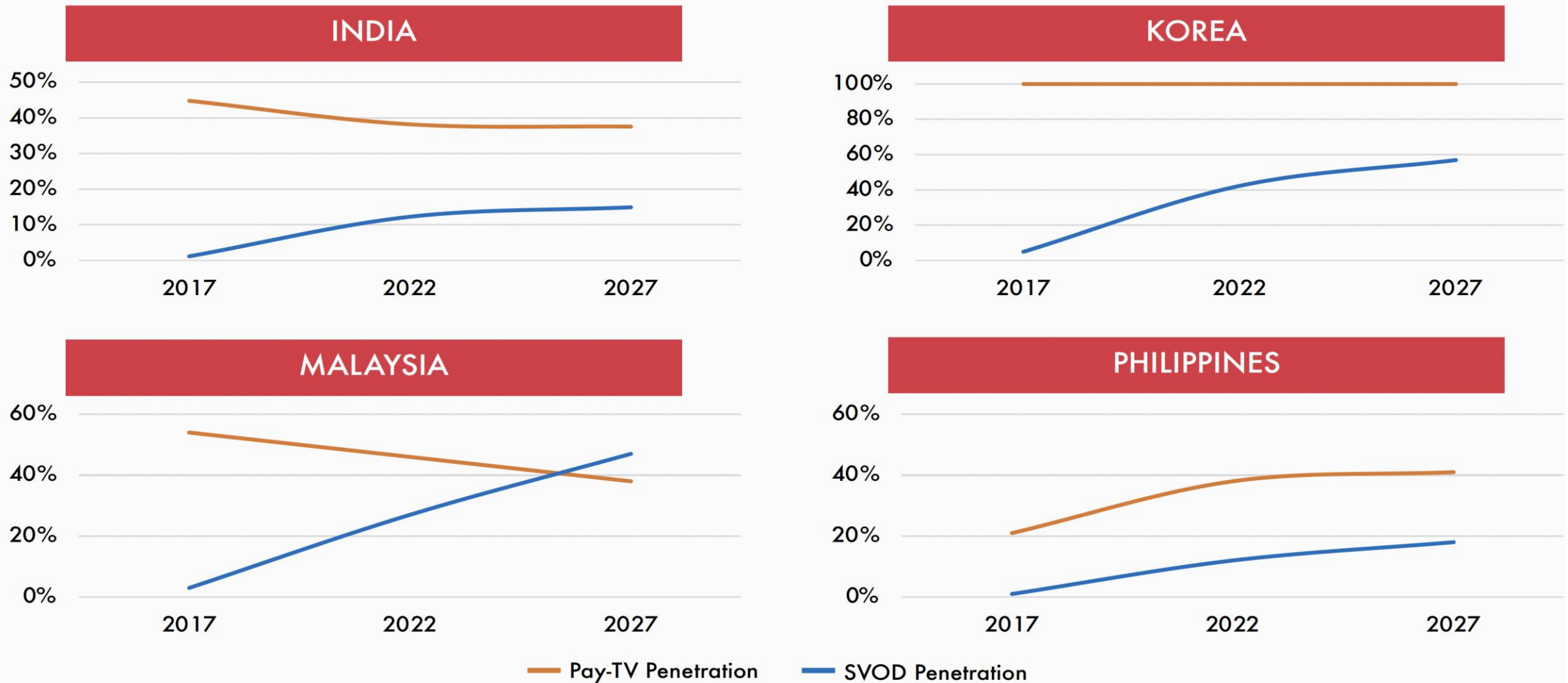
MARKET SIZE & SHARE: ONLINE VIDEO DRIVES GROWTH

Total Video Industry Revenue (US\$ bil.)



Source: Media Partners Asia

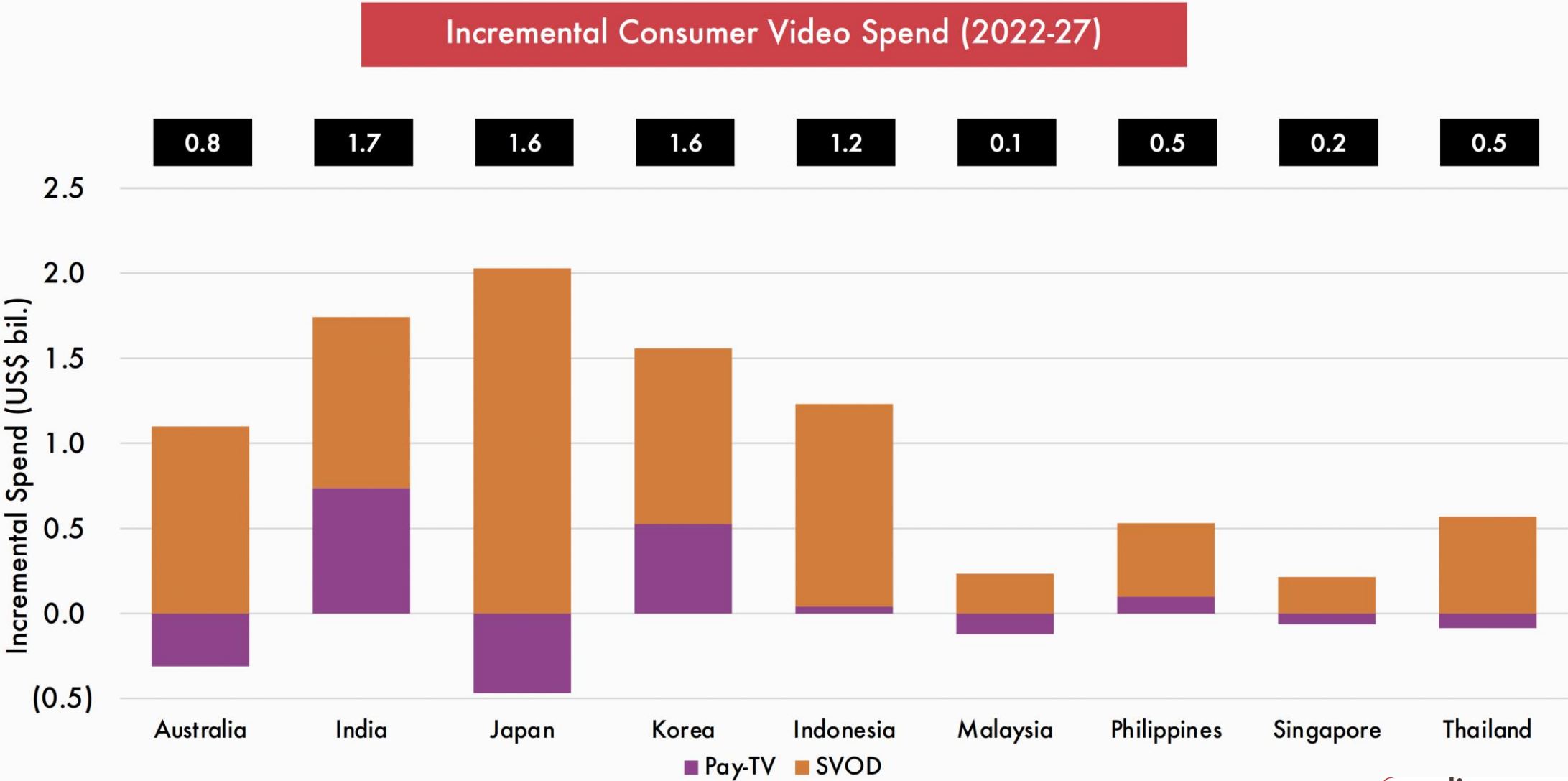
PAY-TV TO RIVAL (& COMPLEMENT) SVOD IN OTHER MARKETS



Note: Penetration measured as % of total households.
Source: Media Partners Asia

media partners asia

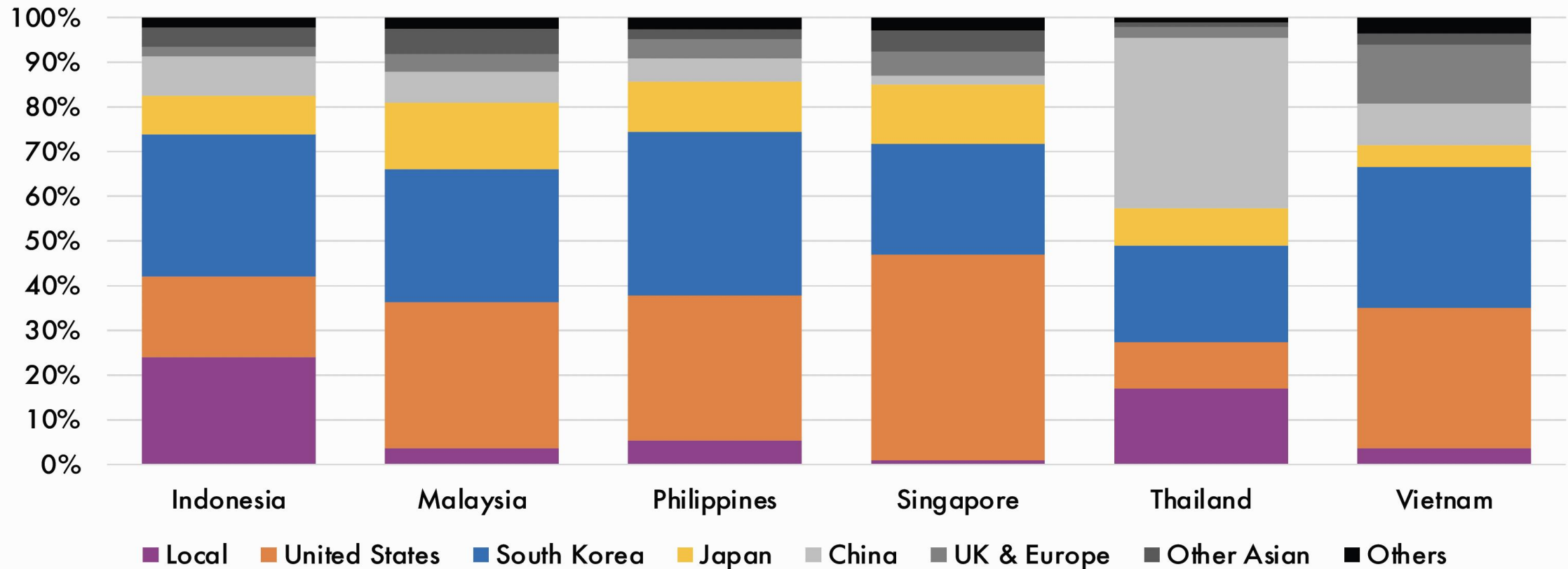
MONETIZATION: SVOD WILL CAPTURE BULK OF NEW REVENUES



Source: Media Partners Asia

SEA: US, KOREAN & JAPANESE CONTENT LEADS, LOCAL CONTENT IS NASCENT OR GROWING IN LARGE MARKETS

Premium Video Consumption by Content Origin (Jan-Aug 2022)



Source: AMPD Research

media partners asia

www.avia.org

Benefits for Local Economies

- Growing VOD services (both local and int'l) are investing heavily in quality local content to meet consumer desires.
- Global content spend on streaming services surpassed US\$220b in 2021 and the percentage of that spend which is on Asian content is growing exponentially, especially in Korea.
- Asian producers are benefitting from this trend.
- But the degree to which future benefits come to Asian markets will depend on each market's regulatory environment being one that encourages growth, investment in content, reduction of piracy and recognition that OCC content is different to other content options available online.
- A key part of the video production business model for OCC services is co-operation and partnership between international and local players in the creative industry.

OCC Services Enable Asian Content to Travel Globally



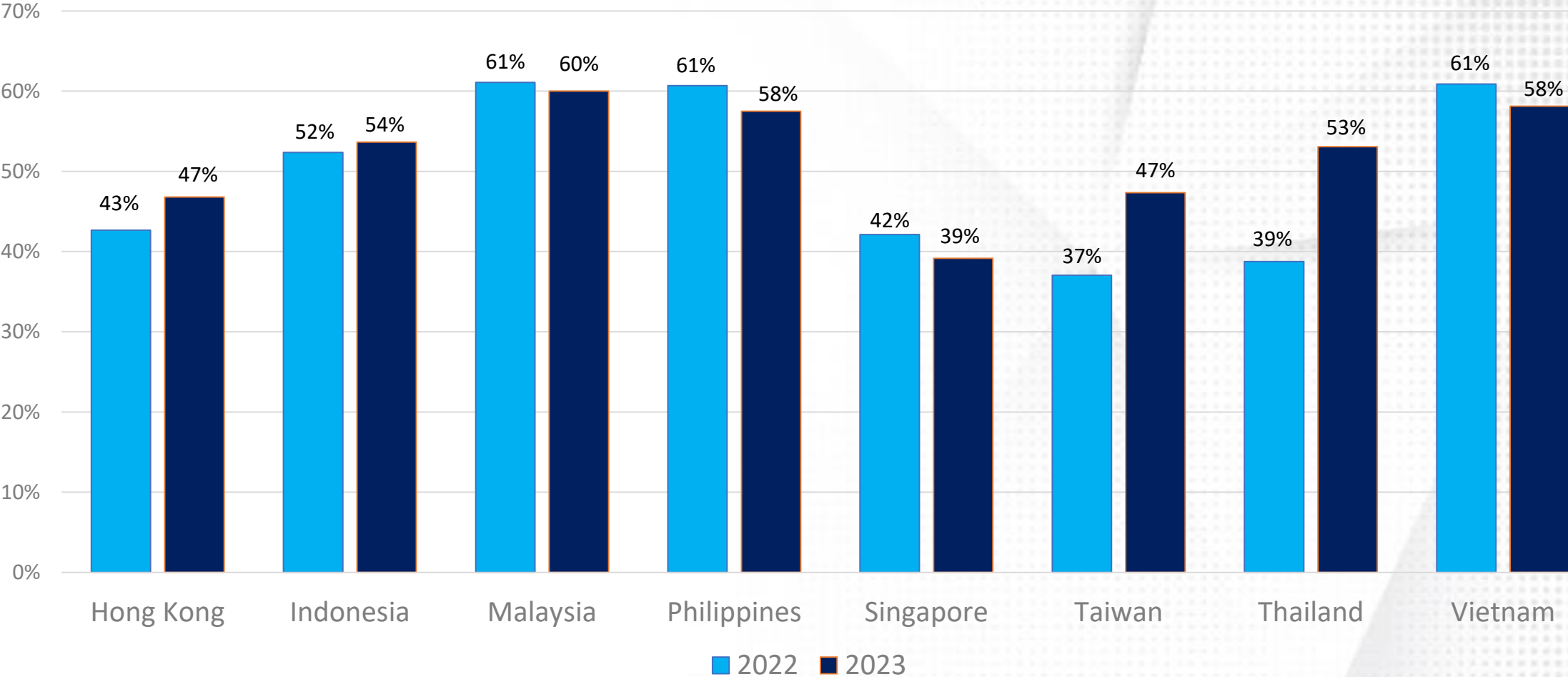
The Online Environment is a Cesspool

- Legitimate OCC services are struggling to make their way in a highly competitive environment.
- Among the strongest competitors they face are the illegal “piracy” syndicates. As broadband penetration grows, use of pirate services is growing very strongly.
- There is a clear societal interest in having consumers patronize curated online services rather than the pirate sites, which in addition to copyright theft, drag consumers into
 - Pornography
 - Gambling
 - Fraud, spyware and malware
- The piracy syndicates follow no rules, pay no taxes and have no ethics. Governments should recognize this competitive reality and facilitate growth of a responsible content ecosystem.

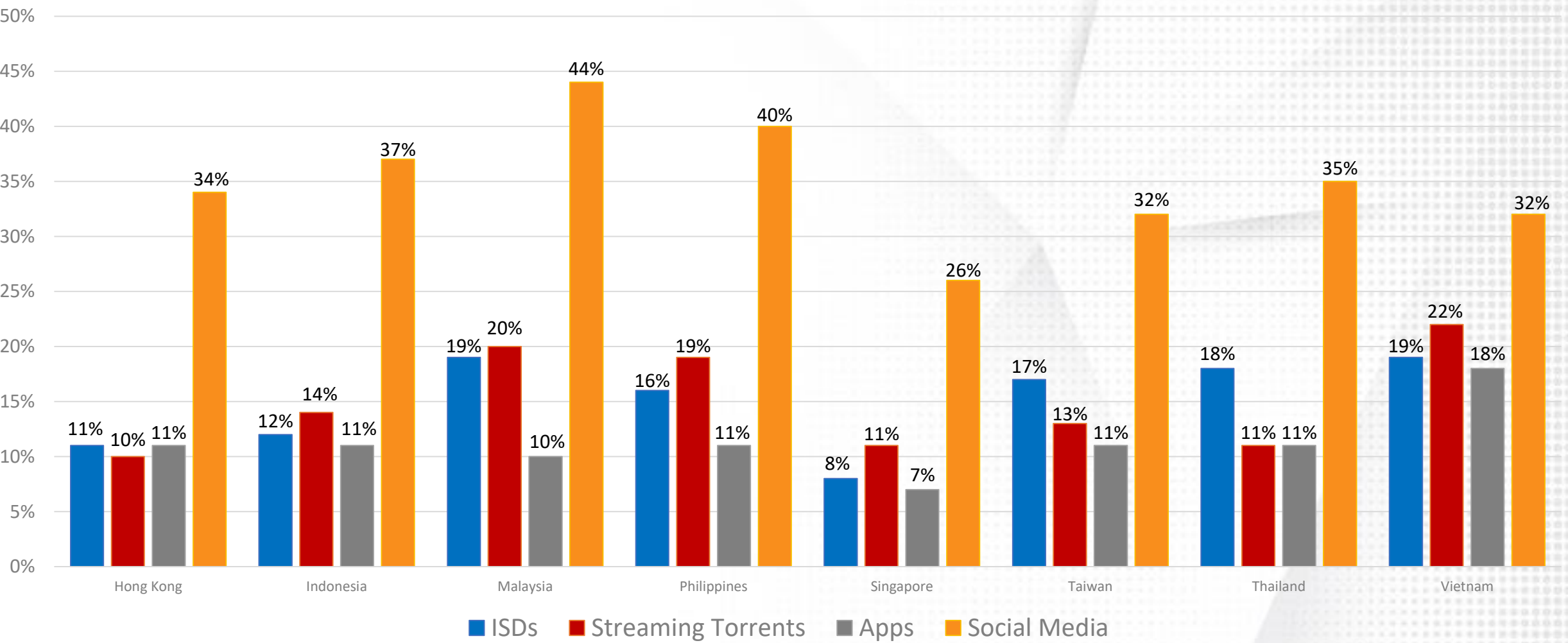
Market Research Study - methodology

- Fieldwork Conducted by online survey by YouGov 15-22 December 2022
- Sample of 10,197 people across 8 Markets
- Data weighted based on the national population in SG, ID
- Data weighted based on the online population in HK, MY, PH, TW, TH, VN

Incidence of Piracy

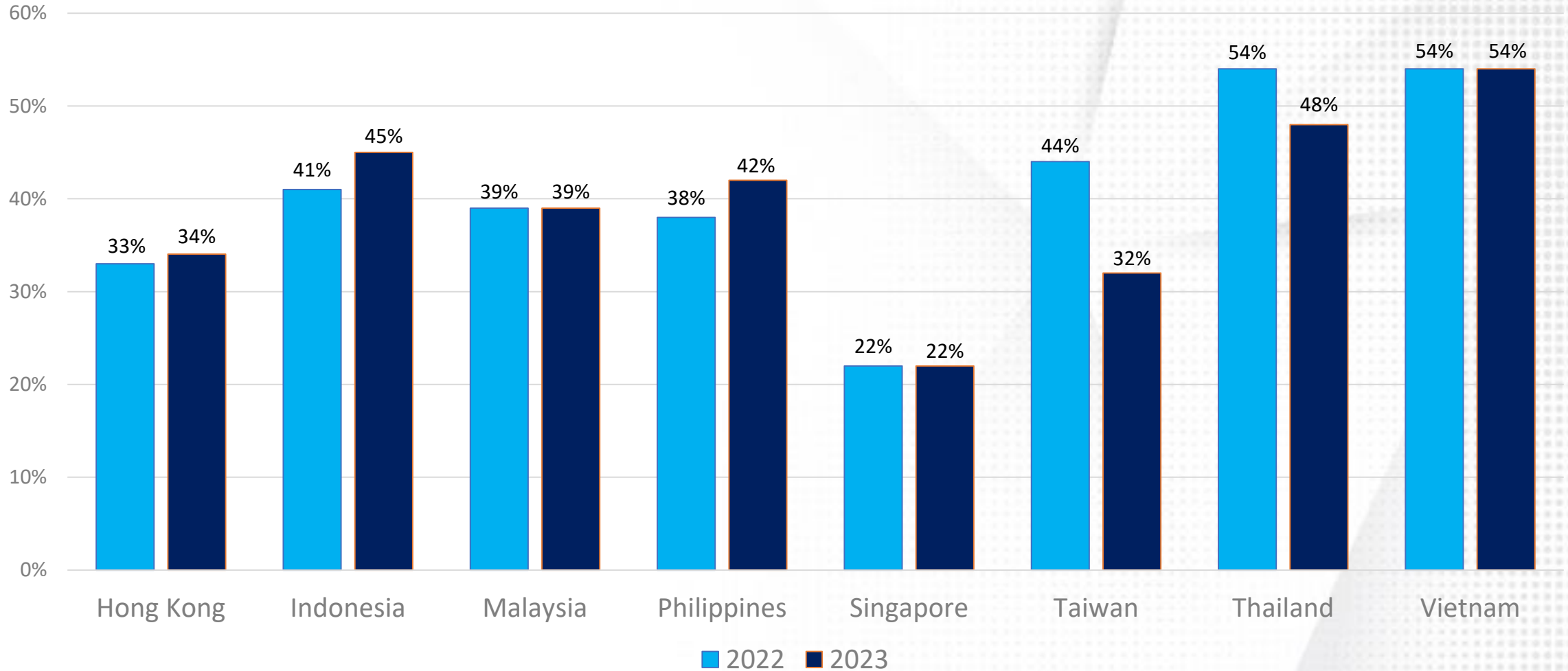


Forms of Piracy – Breakdown



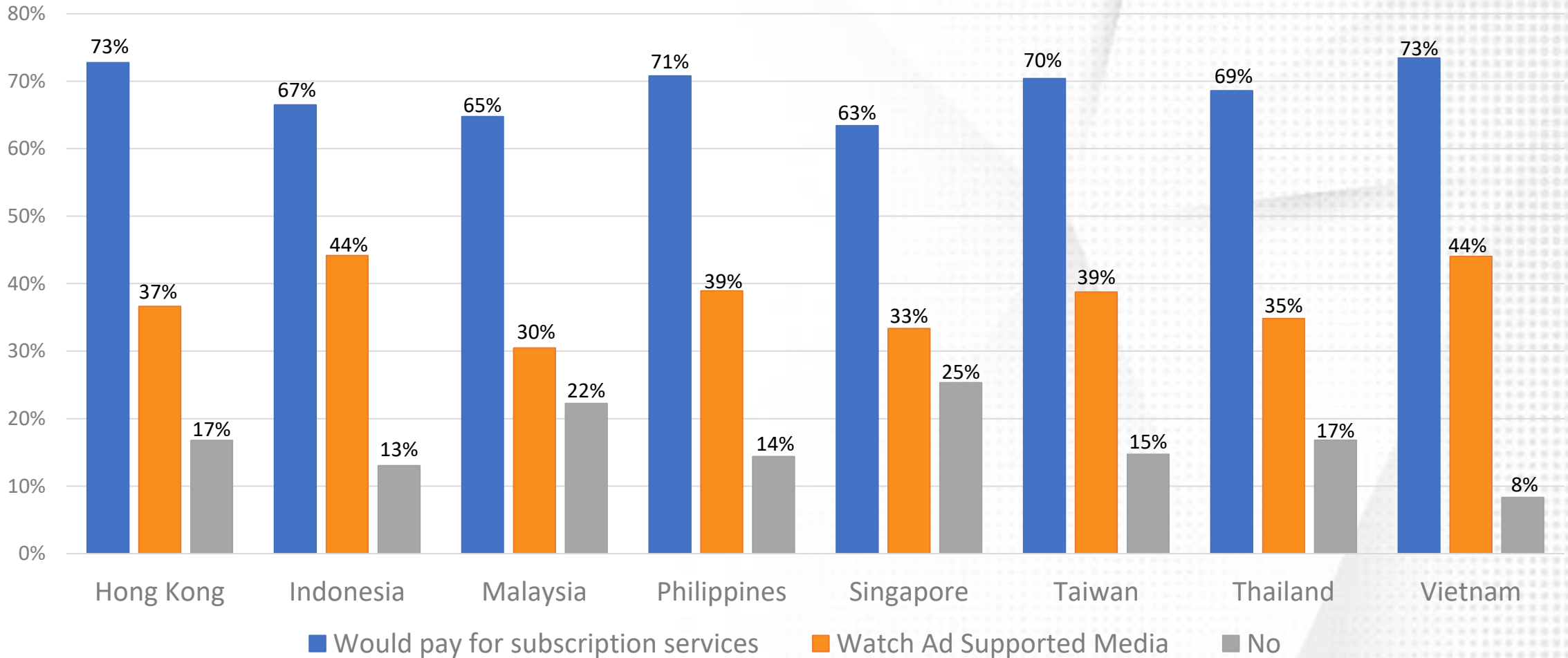
Cancelled Subscriptions due to Piracy

Among those who access piracy services

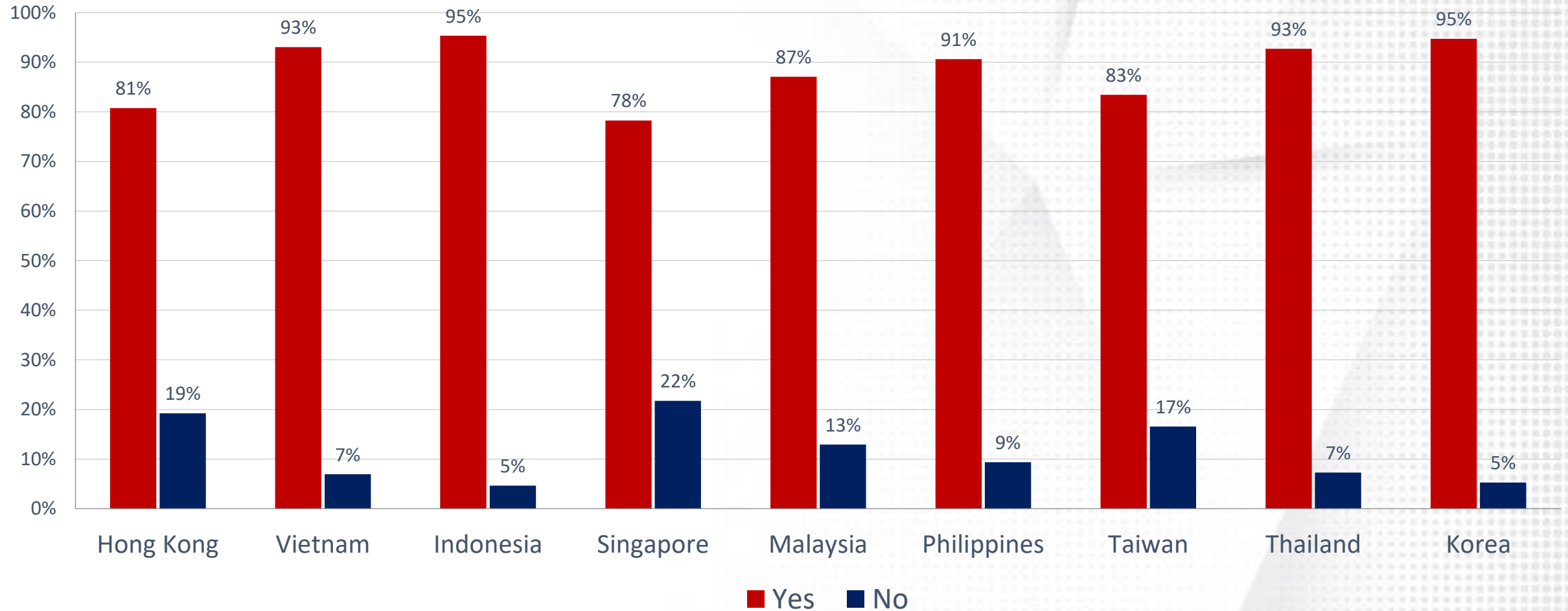


Propensity to Subscribe if no Piracy

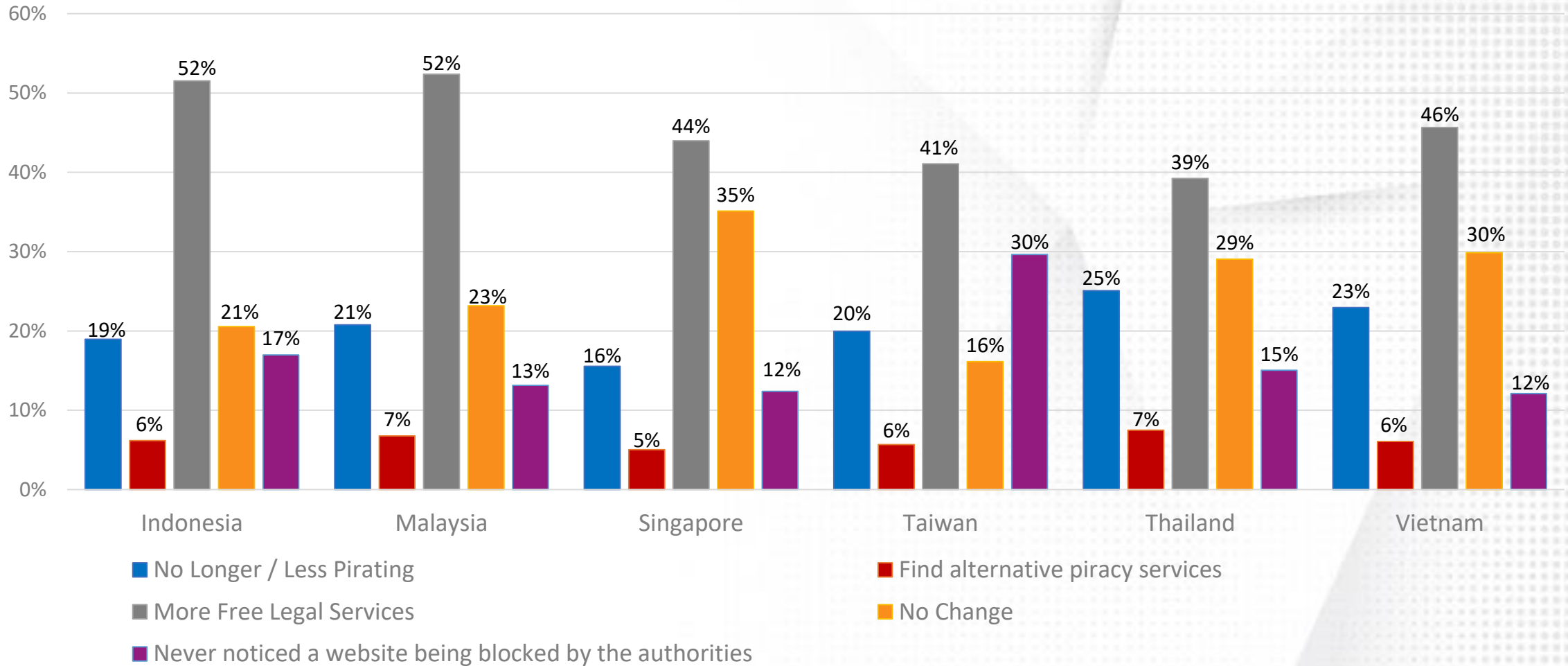
Among those who access piracy services



Does Online Piracy Have Negative Consequences?



Behaviour changes prompted by Site Blocking



The OCC Industry is a Responsible and Responsive Citizen

- OCC service operators are committed to ensuring that their platforms remain places where consumers can find the content they want, without socially destructive surroundings.
- They self-regulate, to make sure that consumers are comfortable in exploring their content options.
- In Asia, there are now two major OCC self-regulation codes in operation. One is in India and is unique to that very large market; the other is in ASEAN.

A GOVERNANCE FRAMEWORK FOR ONLINE CURATED CONTENT (OCC) SERVICES

avia

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SINGAPORE 569874 /

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CAUSEWAY BAY, HONG KONG

www.avia.org

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ASIA VIDEO INDUSTRY ASSOCIATION

OCC Governance Framework - Industry

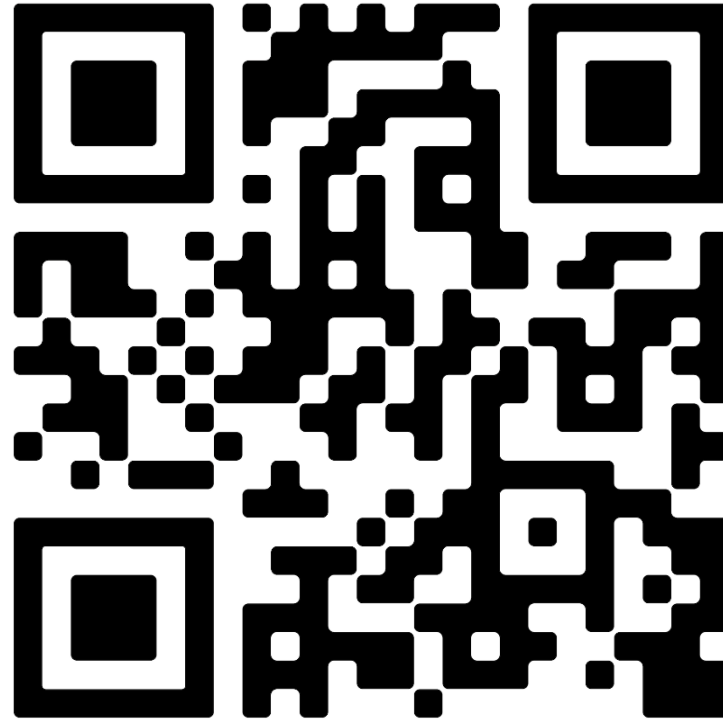
- Content Control
 - Safety by design/ parental controls
 - Programme ratings
 - Labelling of content categories
- Consumer Feedback
- Prohibited Content

OCC Governance Framework - Government

- Notification System
- Formal government/ industry consultations

Value of an Effective Governance Framework

- Clear statement of responsibility and accountability
- Set high standards for the OCC Industry
- Empower consumers
- Incentivises investment & value creation
- Platform for government and industry to shape positive outcomes
- Leads to discussion of suitability of legacy pay TV regulations

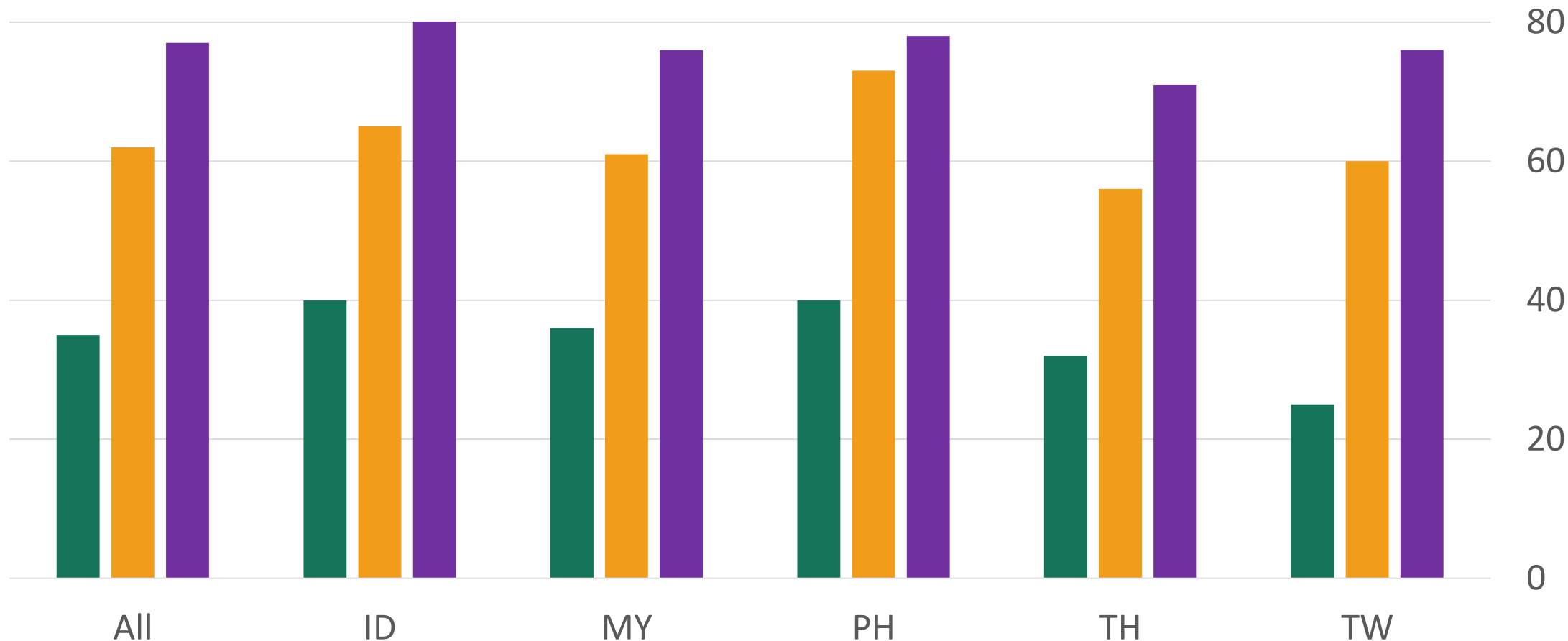


Responding to Consumer Sentiment

Market Research Study

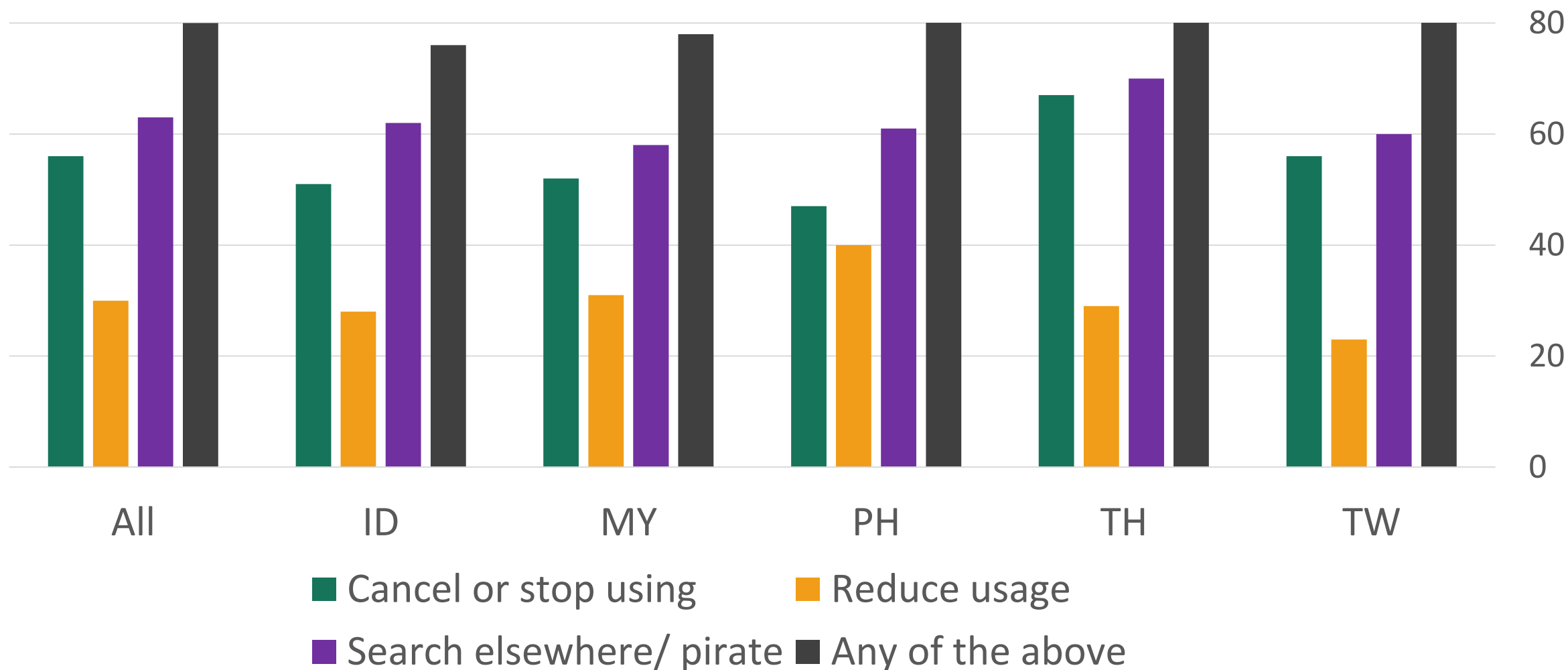
- Commissioned by AVIA
- Study conducted by YouGov Singapore Pte Ltd
- Fieldwork 15-20 October 2020
- Conducted in: Indonesia, Malaysia, Philippines, Taiwan & Thailand
- Sample size 7385, weighted and representative of online adult population in each market.

Which Features Matter to You?

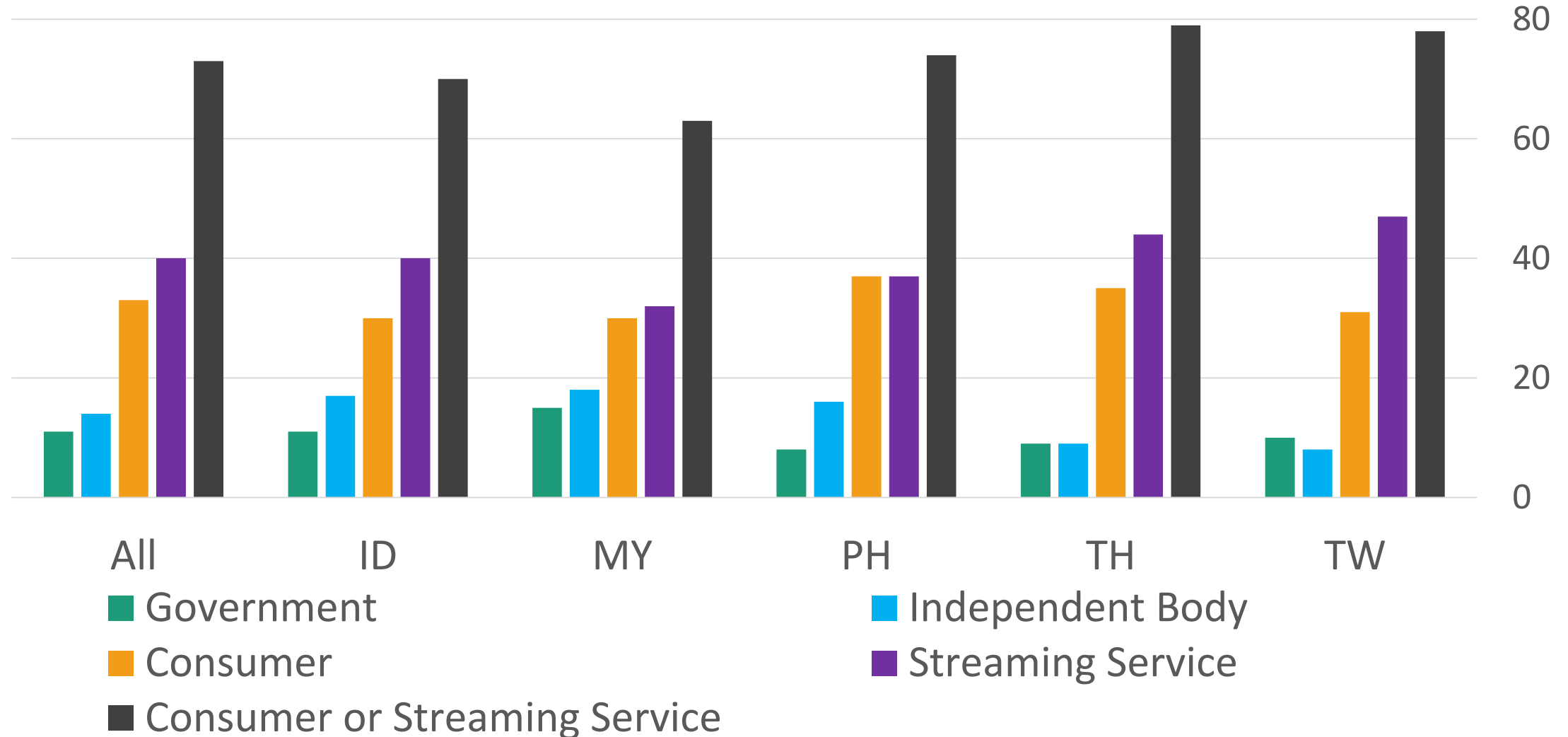


■ Customer care ■ Content ratings or advisories ■ Parental controls or content filters

Reaction to Government Censorship



Who Should Decide What Content is Suitable?



**Thank You & Any
Questions?**