digital TV research

July 2015

Table of contents:

Editor: Simon Murray

Tel: +44 20 8248 5051

Free newsletter published: 12 times/year

info@digitaltvresearch.com

www.digitaltvresearch.com

Digital TV Research latest publication schedule

2015	
Americas OTT TV & Video Forecasts	*July*
Eastern Europe, Middle East & Africa OTT TV & Video Forecasts	*July*
Western Europe OTT TV & Video Forecasts	*July*
Asia Pacific OTT TV & Video Forecasts	*July*
Global OTT TV & Video Forecasts	*June*
Digital TV World Databook	*June*
Global Satellite TV Forecasts	*May*
Digital TV World Revenue Forecasts	*May*
Digital TV World Household Forecasts	*May*
Digital TV Western Europe Forecasts	*April*
Digital TV Eastern Europe Forecasts	*April*
Digital TV North America Forecasts	*March*
Digital TV Latin America Forecasts	*March*
Digital TV Asia Pacific Forecasts	*March*
Digital TV Middle East & North Africa Forecasts	*February*
Digital TV Sub-Saharan Africa Forecasts	*January*
2014	
Multiscreen TV & Video Forecasts	*November*
European Pay TV Operator Forecasts	*October*
Connected TV Forecasts	*September*
TV Advertising Forecasts	*August*

FOR MORE INFORMATION CONTACT:

simon@digitaltvresearch.com

https://www.digitaltvresearch.com/products

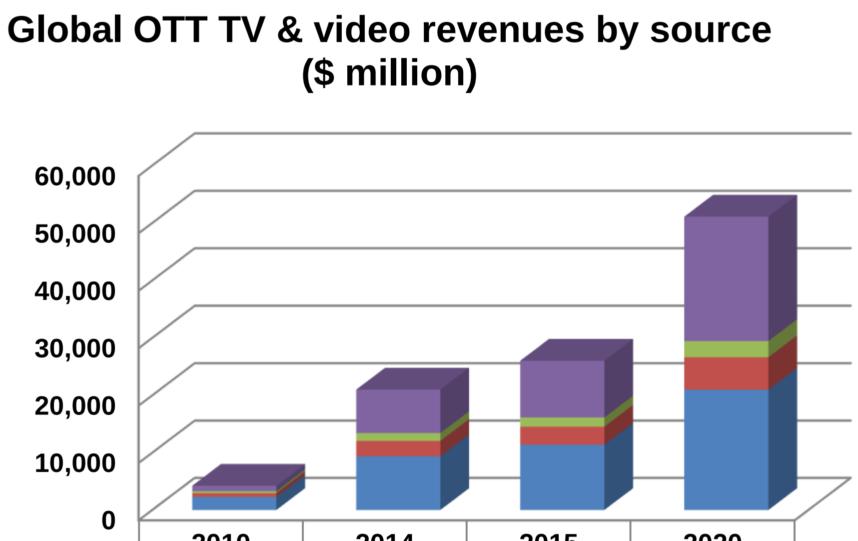
July 2015

digital TV research

OTT TV & video revenues to rocket to $51 billion

Global OTT TV and video revenues [covering 64 countries] will reach $51.1 billion in 2020; a massive increase from the $4.2 billion recorded in 2010 and the $26.0 billion expected in 2015.

According to the **Global OTT TV & Video Forecasts** report from Digital TV Research, the US will remain the dominant territory - with OTT TV and video revenues rising by $16.6 billion between 2010 and 2020 to $19.1 billion. China's OTT TV and video revenues will rocket from just $40 million in 2010 to $2,815 million in 2020 – to push China up to fourth place in the world rankings. OTT revenues will exceed $1 billion in 11 countries by 2020.



	2010	2014	2015	2020
Subscription	958	7,574	9,890	21,648
Rental/PPV	345	1,374	1,600	2,824
DTO	633	2,680	3,144	5,648
Advertising	2,290	9,371	11,394	20,977

Source: Digital TV Research

SVOD will become the largest revenue source in 2020, overtaking OTT advertising. SVOD will add $14 billion between 2014 and 2020, with advertising on OTT sites up by nearly $12 billion.

The report forecasts 249 million SVOD [subscription video on demand] homes by 2020, up from 20 million in 2010 and an expected 117 million by end-2015. The US will contribute 70 million SVOD homes to the 2020 total.

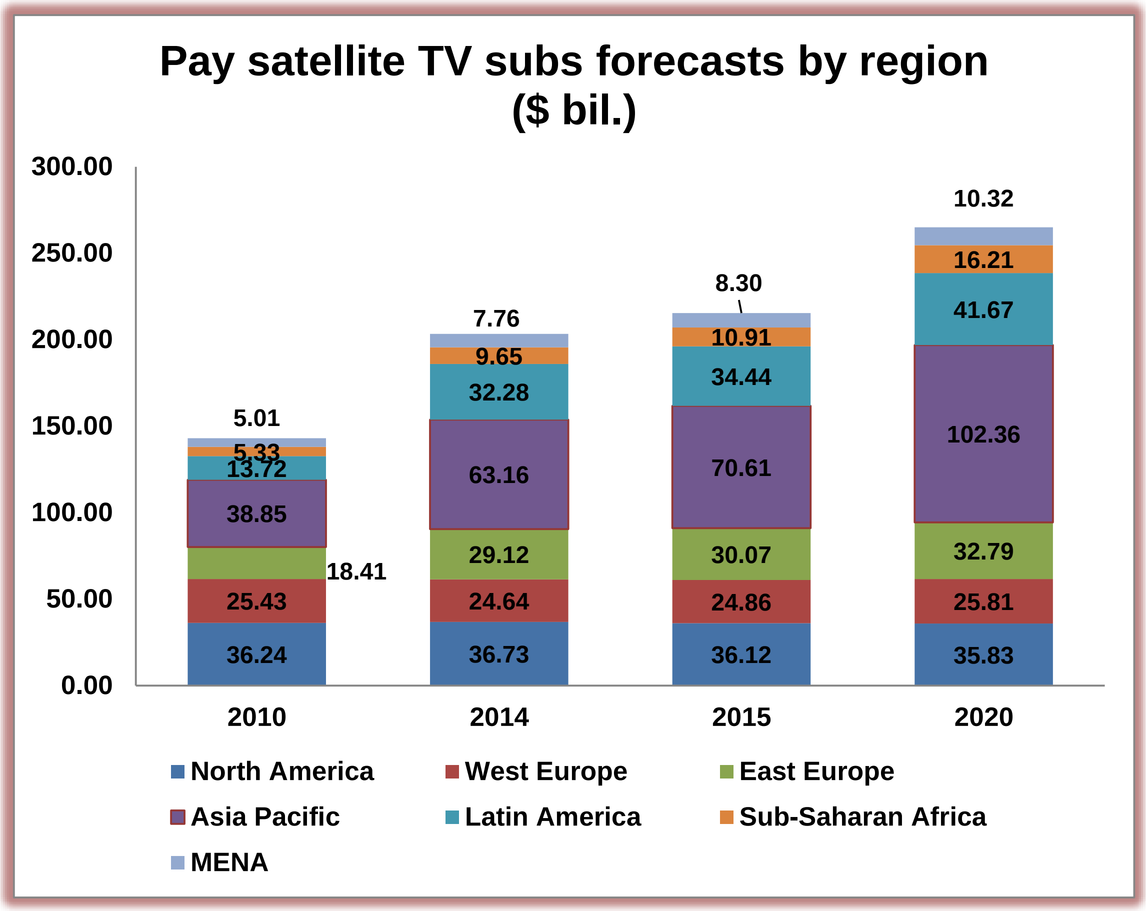
SVOD revenues will soar from $1.0 billion in 2010 to $7.6 billion in 2014 and onto $21.6 billion in 2020. The US generated SVOD revenues of $753 million in 2010. Its revenues will climb by 765% to $6,516 million in 2020.

Simon Murray, Principal Analyst at Digital TV Research, said: “SVOD has developed even faster than we expected in our last edition a year ago. Some of this growth was spurred by Netflix’s aim to establish operations in 200 countries by end-2016. Not only has the launch of Netflix boosted each market, but the anticipation of its launch has galvanized local players into action - creating a whirlwind of promotional activity.”

Netflix’s international operations are growing fast. Digital TV Research expects its international paying subscribers to grow to 26.36 million by end-2015. We also expect that its US paying SVOD subs will reach 43.54 million by end-2015, giving a global total of 69.90 million.

Emerging markets drive satellite TV momentum

The number of pay satellite TV [DBS or DTH] homes will reach 265 million by 2020, up from 203 million at end-2014 and 143 million at end-2010, according to a new report from Digital TV Research.



Covering 138 countries, [the **Global Satellite TV Forecasts** report] estimates that India will continue to lead the sector, with 66.9 million pay satellite TV subs in 2020, followed by the US with 34.1 million. Russia (18.5 million) and Brazil (15.3 million) will take third and fourth places respectively. These four countries will account for just over half the global total by 2020.

From the 61.6 million pay satellite TV subscribers to be added between 2014 and 2020, India will provide 23.5 million, Indonesia 5.0 million, Brazil 3.4 million and Russia 2.7 million. The pay satellite TV subs total will more than double in 41 countries. However, pay satellite TV subscriber totals will fall in 17 countries between 2014 and 2020 as subs convert to other platforms.

Pay satellite TV penetration reached 13.1% of TV households at end-2014, and will climb to 15.6% by 2020. Penetration will exceed 25% of TV households in 27 countries by 2020, up from 11 in 2010.

July 2015

Global satellite TV revenues will reach $94.8 billion in 2020, up from $88.4 billion in 2014 and $71.8 billion in 2010. Satellite TV revenues will overtake total cable TV revenues in 2015.

Asia Pacific and Sub-Saharan Africa will show strong satellite TV revenue growth. However, revenues will fall in Western Europe and North America. The US will remain satellite TV market leader by revenues, although its share of the global total will fall from 44.8% in 2014 ($39.6 billion) to 41.3% in 2020 ($39.2 billion). Brazil will be second in revenue terms by 2020 ($6.8 billion); having overtaken the UK in 2013.

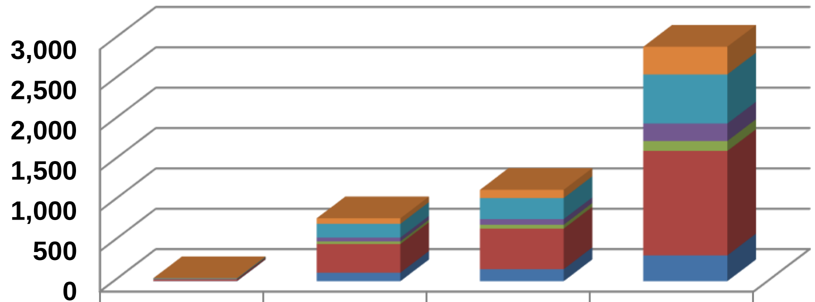
India will add the most satellite TV revenues ($2.5 billion, moving from tenth to fifth place) between 2014 and 2020, with Nigeria increasing by $437 million and Indonesia $414 million. Revenues will more than double in 41 countries.

However, revenues will fall in Canada by $805 million, the US by $421 million and France $232 million. Revenues will fall or be flat in 38 countries. Much of this is due to greater competition forcing satellite TV platforms to offer cheaper packages which will lead to lower ARPUs. Furthermore, low-cost satellite TV packages are making a significant impact in several countries.

Latin America OTT TV & video ready for take-off

OTT TV and video revenues in Latin America [for 13 countries] will reach $2.91 billion in 2020; up from only $37 million in 2010 and the $1.13 billion expected in 2015, according to a new report from Digital TV Research. From the $2,126 million in revenues to be added between 2014 and 2020, Brazil will contribute $938 million and Mexico $437 million.

OTT TV & video revenues by country ($ million)



	2010	2014	2015	2020
Others	2	68	102	343
Mexico	9	171	261	608
Colombia	1	47	70	217
Chile	2	32	47	123
Brazil	20	356	503	1,294
Argentina	3	105	149	320

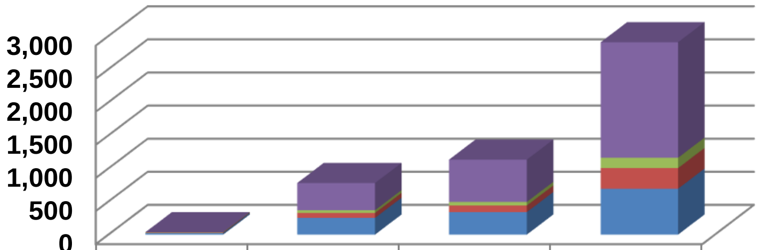
Source: Digital TV Research

Simon Murray, Principal Analyst at Digital TV Research, said: “SVOD will remain the region’s largest OTT revenue source; contributing $1,745 million by 2020 – up from next to nothing in 2010. Pan-regional services such as Netflix, Clarovideo and Movistar are making an impact and are adding a competitive edge to the SVOD sector.”

The **Americas OTT TV & Video Forecasts** report estimates 24.05 million SVOD (subscription video on demand) homes by 2020, up from 10,000 in 2010 and an expected 9.84 million by end-2015. From the 17.38 million SVOD home additions between 2014 and 2020, Brazil will supply 7.24 million and Mexico 3.32 million. Colombia will overtake Argentina to take third place in 2016.

July 2015

OTT TV & video revenues by source ($ million)



	2010	2014	2015	2020
Subscription	0	411	639	1,745
Rental/PPV	5	41	54	156
DTO	8	74	99	312
Advertising	23	253	340	693

Source: Digital TV Research

By 2020, 15.9% of the region’s TV households will subscribe to a SVOD package, up from only 4.8% by end-2014. Puerto Rico (22.5%) and Chile (20.0%) will have the highest penetration by 2020.

digital TV research

Digital TV Research publication schedule for 2015	
Digital TV Sub-Saharan Africa Forecasts	*January*
Digital TV Middle East & North Africa Forecasts	*February*
Digital TV Asia Pacific Forecasts	*March*
Digital TV Latin America Forecasts	*March*
Digital TV North America Forecasts	*March*
Digital TV Eastern Europe Forecasts	*April*
Digital TV Western Europe Forecasts	*April*
Digital TV World Household Forecasts	*May*
Digital TV World Revenue Forecasts	*May*
Global Satellite TV Forecasts	*May*
Digital TV World Databook	*June*
Global OTT TV & Video Forecasts	*June*
Americas OTT TV & Video Forecasts	*July*
Western Europe OTT TV & Video Forecasts	*July*
Asia Pacific OTT TV & Video Forecasts	*July*
Eastern Europe, Middle East & Africa OTT TV & Video Forecasts	*July*
Connected TV Forecasts	*September*
Asia Pacific Pay TV Operator Forecasts	*October*
Western Europe Pay TV Operator Forecasts	*October*
Eastern Europe, Middle East & Africa Pay TV Operator Forecasts	*October*
Global Pay TV Operator Forecasts	*November*
Global SVOD Forecasts (*including Netflix forecasts by country*)	*December*

PLEASE CLICK HERE FOR MORE INFORMATION ON OUR LATEST PUBLICATIONS

If you want to learn more about an annual subscription - which gives you access to all of our data as well as a substantial discount – please contact lydia@digitaltvresearch.com

July 2015

Netflix paying SVOD subscribers by country at December 2015 (000)	
USA	43,541
International total	26,360
Argentina	*764*
Australia	*350*
Austria	*236*
Belgium	*300*
Brazil	*3,338*
Canada	*3,950*
Chile	*390*
Colombia	*810*
Denmark	*713*
Finland	*668*
France	*1,150*
Germany	*1,208*
Ireland	*330*
Italy	*150*
Japan	*275*
Luxembourg	*38*
Mexico	*1,980*
Netherlands	*1,600*
New Zealand	*175*
Norway	*668*
Other Latin America	*420*
Portugal	*60*
Spain	*150*
Sweden	*1,463*
Switzerland	*236*
UK	*4,942*
Source: Digital TV Research estimates	

digital TV research

UK Digital TV Data

Platform universe (000)

	2010	2011	2012	2013	2014	Jun-15
TV households	26,224	26,201	26,452	26,197	26,130	26,109
Digital satellite	11,012	11,509	11,462	11,429	10,997	10,946
Digital cable	3,997	3,822	4,029	4,137	4,037	3,919
Digital terrestrial	18,376	20,075	19,633	19,327	18,888	18,871
Total digital	24,574	25,711	26,452	26,197	26,130	59,845
Analog cable	25	0	0	0	0	0
Analog satellite	108	0	0	0	0	0
Analog terrestrial	1,557	490	0	0	0	0
Total analog	1,690	490	0	0	0	0

Source: BARB

Sky UK & Ireland operational results (000)

	Dec-12	Dec-13	Dec-14	Mar-15
Retail	10,742	11,330	11,750	11,877
Wholesale	3,751	3,624	4,080	4,077
Total customers	**14,493**	**14,954**	**15,830**	**15,954**
Paid-for products	29,513	33,307	36,555	37,315
Monthly ARPU	£45	£46	£47	£47
Churn	10.4%	10.8%	9.2%	10.1%

Source: Sky

Virgin Media operating highlights

	2010	2011	2012	2013	2014	1Q15
TV subscribers (000)	3,779	3,763	3,796	3,750	3,760	3,749
DVR subscribers (000)	*1,280*					
TiVo subscribers (000)		*435*	*1,332*	*2,000*	*2,500*	
Broadband subs (000)	4,011	4,103	4,272	4,376	4,537	4,564
Telephony subs (000)	4,162	4,133	4,179	4,136	4,217	4,224
Double-play subs (000)	1,103	1,070	20.5%	18.5%	17.6%	
Triple-play subs (000)	3,024	3,062	64.9%	65.7%	65.9%	
Quad-play subs (000)				16.3%	17.0%	
Cable RGUs (000)	11,952	11,999	12,247	12,262	12,514	12,537
Cable customers (000)	4,800	4,806	4,894	4,909	5,017	5,026
Cable products per customer	2.49	2.50	2.50	2.50	2.49	2.49
Monthly ARPU* (£)	£47.51	£47.85	£48.87	£48.21	£49.36	£48.73

***For final quarter of year. Across TV, broadband and telephony**

Source: Virgin Media

July 2015

UK Digital TV Data

BT TV installed base (000)

Dec-10	545
Dec-11	679
Dec-12	770
Dec-13	956
Dec-14	1,090
Mar-15	1,140

Source: BT

TalkTalk operating data (000)

	Broadband subs	TV subs
Dec-12	3,840	80
Dec-13	4,035	732
Dec-14	4,236	1,332
Mar-15	4,283	1,414

Source: TalkTalk

BBC i-player requests by device (million)

	Mobile	Tablets	Com-puters	Games consoles	TV operators	Others	Total
2011	104	39	1,292	110	307	59	1,911
2012	249	193	1,289	120	312	148	2,311
2013	472	524	1,331	118	365	267	3,076
2014	660	802	1,092	115	426	360	3,455

Source: BBC

digital TV research

Portugal Digital TV Data

Split of gross subscribers by platform (000)

	2010	2011	2012	2013	2014	1Q15
Cable subs	1,428	1,438	1,456	1,401	1,367	1,360
of which digital	*1,064*	*1,137*	*1,084*	*1,050*	*1,085*	
Satellite TV	639	667	660	612	601	604
FTTH TV subs	143	263	394	473	627	671
DSL subs	523	567	612	686	756	759
Total subs	**2,733**	**2,936**	**3,122**	**3,171**	**3,350**	**3,394**
Household penetration (%)	*47.5*	*50.1*	*52.8*	*53.5*	*56.5*	*57.3*
Standalone ARPU €			29.1	28.8	31.4	36.0
Double-play subs			498	483	397	393
Triple-play subs			1,788	1,987	2,402	2,485
Source: Anacom						

Share of pay TV subscribers by operator (%)

	2010	2011	2012	2013	2014	1Q15
Zon/Nos	57.3	53.3	50.2	47.0	44.0	43.8
Optimus	1.1	1.2	1.2	0.8		
PT	30.4	35.5	39.2	41.5	42.2	41.9
Vodafone	0.7	1.2	1.4	3.5	7.5	8.3
Cabovisao	9.5	8.7	7.8	7.1	6.2	6.0
Other	1.0	0.1	0.3	0.2	0.2	0.2
Source: Anacom						

NOS Portuguese consumer operational data (000)

	2013	2014	1Q15
Unique fixed subs	1,178	1,107	1,109
Satellite	300	289	290
Cable/IPTV	1,149	1,103	1,105
Total TV	*1,449*	*1,391*	*1,396*
Fixed broadband	846	904	936
Fixed voice	1,320	1,277	1,290
Mobile	2,617	2,974	3,050
RGUs	7,213	6,546	6,672
3P, 4P & 5P subs	66.7%	72.3%	74.1%
2P subs	18.5%	16.3%	15.8%
IRIS subs	425	668	715
Blended ARPU (€)	36.4	39.8	41.5
Source: NOS			

digital TV research

Portugal Digital TV Data

Cabovisao operational data (000)

	2011	2012	2013	2014	1Q15
Homes passed	906	906	908	910	910
Cable TV subs	256	245	224	209	202
Broadband subs	162	159	156	149	146
Telephony subs	251	243	223	207	201
Triple-play subs	154	147	135	131	129
Customers	264	255	237	219	212
RGUs	669	648	603	565	549
ARPU €	36.9	34.9	34.6	34.1	34.6

Source: Altice

Portugal Telecom TV subs growth (000)

	Total	Pay TV market share	Residential	Triple-play
4Q10	830	30.4%	775	
4Q11	1,042	35.5%	972	
4Q12	1,223	39.2%	1,135	833
4Q13	1,315	41.4%	1,157	952
4Q14	1,412		1,231	951

Source: Portugal Telecom