



# digital TV research

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**July 2018**

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<b>Digital TV Research publication schedule for 2018</b>			
	<b>Title</b>	<b>Publication</b>	<b>Price</b>
1	<a href="#">Sub-Saharan Africa Pay TV Forecasts</a>	January	£1200/€1440/\$1560
2	<a href="#">Middle East &amp; North Africa Pay TV Forecasts</a>	January	£1200/€1440/\$1560
3	<a href="#">Asia Pacific Pay TV Forecasts</a>	April	£1200/€1440/\$1560
4	<a href="#">Latin America Pay TV Forecasts</a>	March	£1200/€1440/\$1560
5	<a href="#">North America Pay TV Forecasts</a>	March	£500/€600/\$650
6	<a href="#">Eastern Europe Pay TV Forecasts</a>	March	£1200/€1440/\$1560
7	<a href="#">Western Europe Pay TV Forecasts</a>	March	£1200/€1440/\$1560
8	<a href="#">Global Pay TV Subscriber Forecasts</a>	April	£1500/€1800/\$1950
9	<a href="#">Global Pay TV Revenue Forecasts</a>	April	£1500/€1800/\$1950
10	<a href="#">Global Pay TV Operator Forecasts</a>	April	£1500/€1800/\$1950
11	<a href="#">Pay TV Subscriber Prospects</a>	May	£800/€960/\$1040
12	<a href="#">Pay TV Revenue Prospects</a>	May	£800/€960/\$1040
13	<a href="#">vMVPD and D2C TV Forecasts</a>	May	£900/€1080/\$1170
14	<a href="#">Netflix Forecasts</a>	May	£700/€840/\$910
15	<b>Sub-Saharan Africa OTT TV &amp; Video Forecasts</b>	August	£1000/€1200/\$1300
16	<b>Middle East &amp; North Africa OTT TV &amp; Video Forecasts</b>	August	£1000/€1200/\$1300
17	<b>Asia Pacific OTT TV &amp; Video Forecasts</b>	September	£1000/€1200/\$1300
18	<b>Latin America OTT TV &amp; Video Forecasts</b>	September	£1000/€1200/\$1300
19	<b>North America OTT TV &amp; Video Forecasts</b>	September	£500/€600/\$650
20	<b>Eastern Europe OTT TV &amp; Video Forecasts</b>	October	£1000/€1200/\$1300
21	<b>Western Europe OTT TV &amp; Video Forecasts</b>	October	£1000/€1200/\$1300
22	<b>Global OTT TV &amp; Video Forecasts</b>	October	£1800/€2160/\$2340
23	<b>Global SVOD Forecasts</b>	November	£1500/€1800/\$1950
24	<b>OTT TV &amp; Video Prospects</b>	November	£1000/€1200/\$1300
25	<b>SVOD Prospects</b>	December	£900/€1080/\$1170

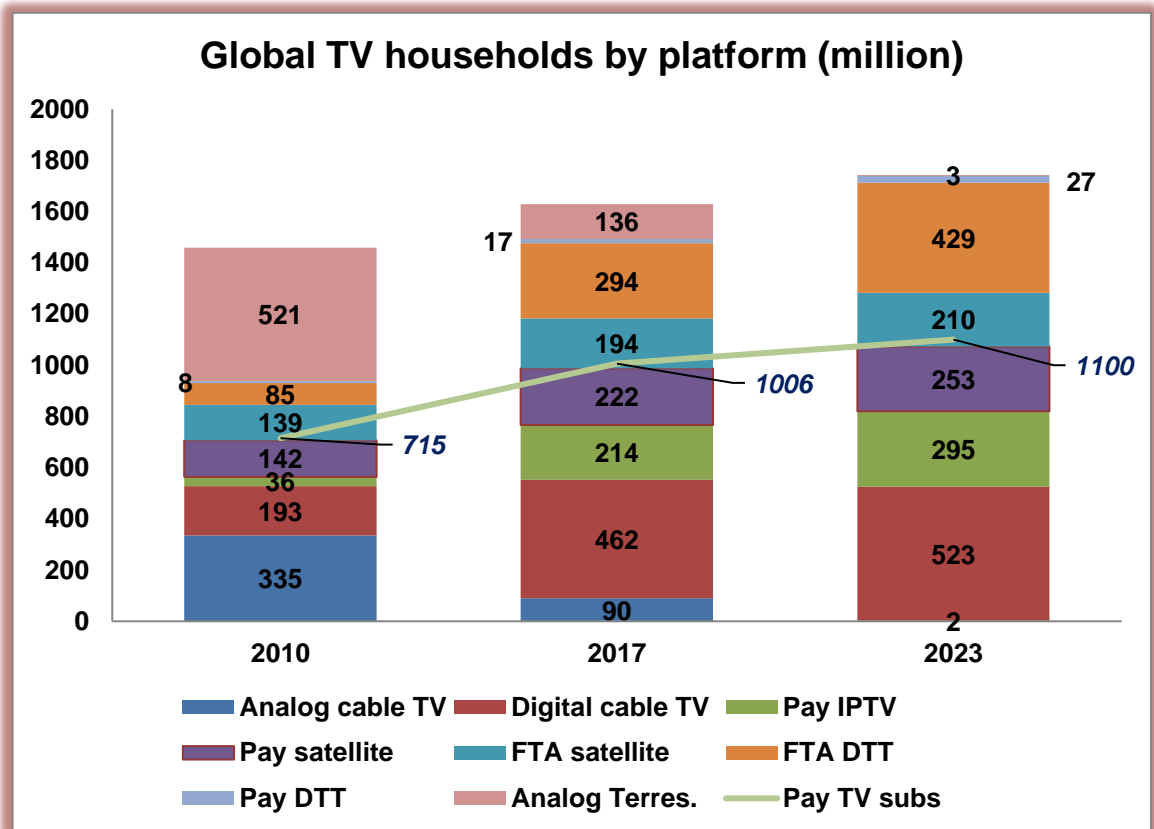
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## Global pay TV to gain 95 million subscribers

Digital TV Research forecasts 95 million additional pay TV subscribers between 2017 and 2023 to take the global total to 1.10 billion. Based on forecasts for 138 countries, the number of pay TV subscribers passed 1 billion in 2017.



[The Global Pay TV Subscriber Forecasts report](#) concludes that IPTV will win most of the additional subscribers - or 81 million. IPTV will overtake pay satellite TV subs in 2018.

Simon Murray, Principal Analyst at Digital TV Research, said: “Some operators, such as Telefonica in Spain, are encouraging subscribers to convert to IPTV from other platforms. IPTV/broadband subs are more lucrative than satellite TV ones.”

Satellite TV will grow by 31 million subs and pay DTT by 10 million. Digital cable TV will add at 61 million subs between 2017 and 2023, but analog cable TV will lose 88 million subs – meaning a net loss for cable.

There were still 90 million analog cable TV subscribers by end-2017. Although this figure is down from 335 million in 2010, it still represents a major hurdle for pay TV operators to convert.

It is not all gloom as there will be 525 million cable TV subs (both analog and digital) by 2023, similar to the 528 million recorded in 2010.

Murray added: “It’s no secret that pay TV subscriber numbers are falling in North America. We forecast 92 million pay TV subs in the region by 2023; down by 20 million from 112 million in the peak year of 2012.”

The number of pay TV subscribers was flat in Latin America in 2017. Fewer than 5 million more pay TV subscribers are expected between 2017 and 2023 – bringing its total to almost 76 million.

Eastern Europe will lose 2.4 million subscribers between 2017 and 2023 – down by 2.9% to 79 million. This is more to do with poor economic conditions than cord-cutting. Eastern Europe also has a legacy of low-paying analog cable TV subscribers to convert to digital. 2017 was the peak year for the region. The 2017 total included 20 million analog cable subscribers.

Western Europe will still gain subscribers between 2017 and 2023. Although this only represents a 2.6% increase, it means nearly 3 million more subs to take the total to 106 million.

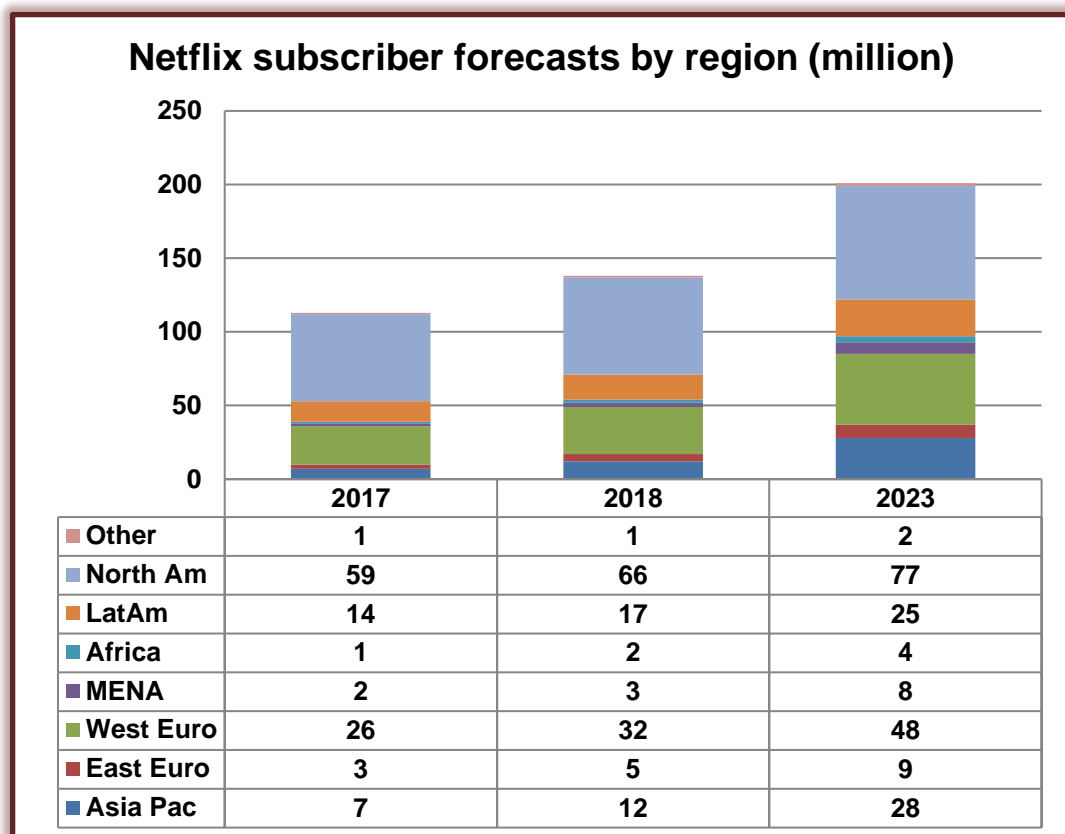
Sub-Saharan Africa will climb by 74% between 2017 and 2023 to 41 million pay TV subscribers. In the Middle East and North Africa, the number of pay TV homes will increase by 4.5 million between 2017 and 2023 to 21 million.

The Asia Pacific pay TV sector is vibrant, with subscribers up by 78 million over the next five years to 686 million.

China will continue to supply about a third of the world’s pay TV subscribers, with 375 million expected by end-2023. India will bring in another 16% of the total by 2023 – or 180 million. China and India will together provide half the world’s pay TV subscribers by 2023.

## Netflix to reach 201 million subscribers by 2023

Digital TV Research forecasts that Netflix will have 201 million streaming subscribers by 2023, up by 82% from 111 million at end-2017. About 28 million subscribers will be added in 2018 – making it the largest growth year ever. Lower growth is expected after 2018, according to [the Netflix Forecasts report](#).

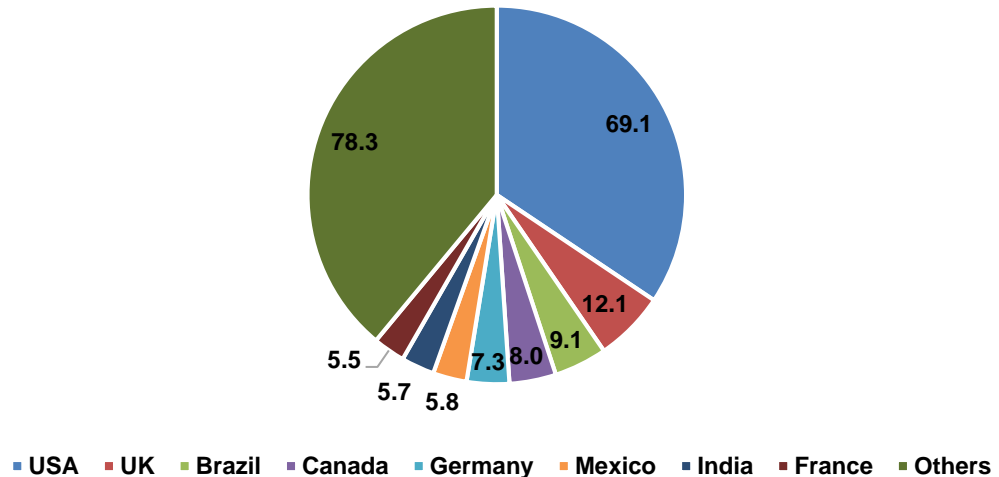


Source: Digital TV Research.

North America and Western Europe will together supply 62% of Netflix's total subscriber base by 2023 – still dominant, but down from 76% in 2017. Asia Pacific will boast fast growth by taking 14% of the 2023 total. This represents 28 million subs; quadruple the 2017 figure.

Simon Murray, Principal Analyst at Digital TV Research, said: "These forecasts are a lot higher than the last edition of this report. Similar to many other analysts, we underestimated the fast take-up in international markets."

### Split of Netflix subscribers by country in 2023 (million)



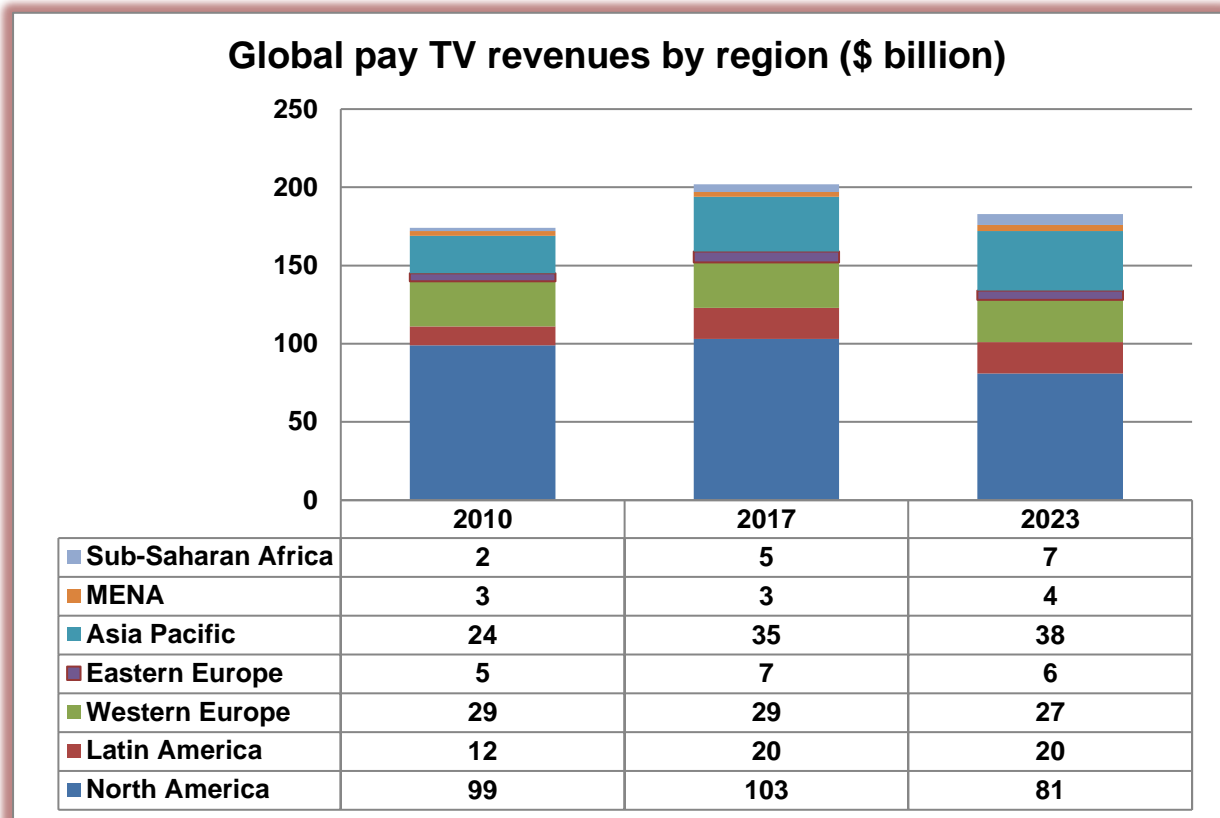
Source: Digital TV Research.

The top five countries will supply 53% of Netflix's subs by 2023; down from 69% in 2017. Although the number of international subs overtook US ones in 2017, the US will still contribute 44% of subscribers by 2023 – and will add 16 million subs between 2017 and 2023.

Streaming subscription revenues for Netflix will climb by 155% from \$11.3 billion in 2017 to \$28.8 billion in 2023. The top five countries will generate revenues of \$16 billion in 2023 – or 56% of Netflix's global subscription revenues. The US will contribute \$11.2 billion, with four other countries above \$1 billion.

## Global pay TV revenues to fall by 11%

Global pay TV revenues peaked in 2016 at \$205 billion. Revenues will fall by 11% to \$183 billion in 2023, despite the number of pay TV subscribers rising by 9%. Revenues per subscriber are declining as more homes convert to bundles.



*Source: Digital TV Research Ltd*

Simon Murray, Principal Analyst at Digital TV Research, said: “North American revenues will fall by a huge \$22 billion between 2017 and 2023. The global decline will be \$19 billion, so the other regions will grow overall. Western Europe will lose \$2 billion but Asia Pacific will record a \$3 billion increase.”

[The Global Pay TV Revenue Forecasts report](#) estimates that eight of the top 10 countries will lose pay TV revenues between 2017 and 2023. Revenues will decline in 47 of the 138 countries covered in the report between 2017 and 2023.

Twelve countries will lose more than 10% of their revenues. US pay TV revenues peaked in 2015, at \$102 billion. A \$27 billion decline is forecast between 2015 and 2023 to take its total down to \$75 billion.



China will gain nearly \$1 billion in pay TV revenues between 2017 and 2023 to bring its total to \$13 billion - still a long way behind the US. India will provide the largest increase in pay TV revenues at \$1.6 billion. Revenues will more than double for six countries between 2017 and 2023. Eight of the top 10 fast-growth nations by percentage increase will be in Africa.

Satellite TV and digital cable TV revenues will continue to be similar. Satellite TV revenues were \$83 billion in 2017; falling to \$77 billion by 2023. Digital cable TV will supply \$76 billion in 2023; down from \$85 billion in 2017. Analog cable TV still accounted for \$7 billion in 2017.

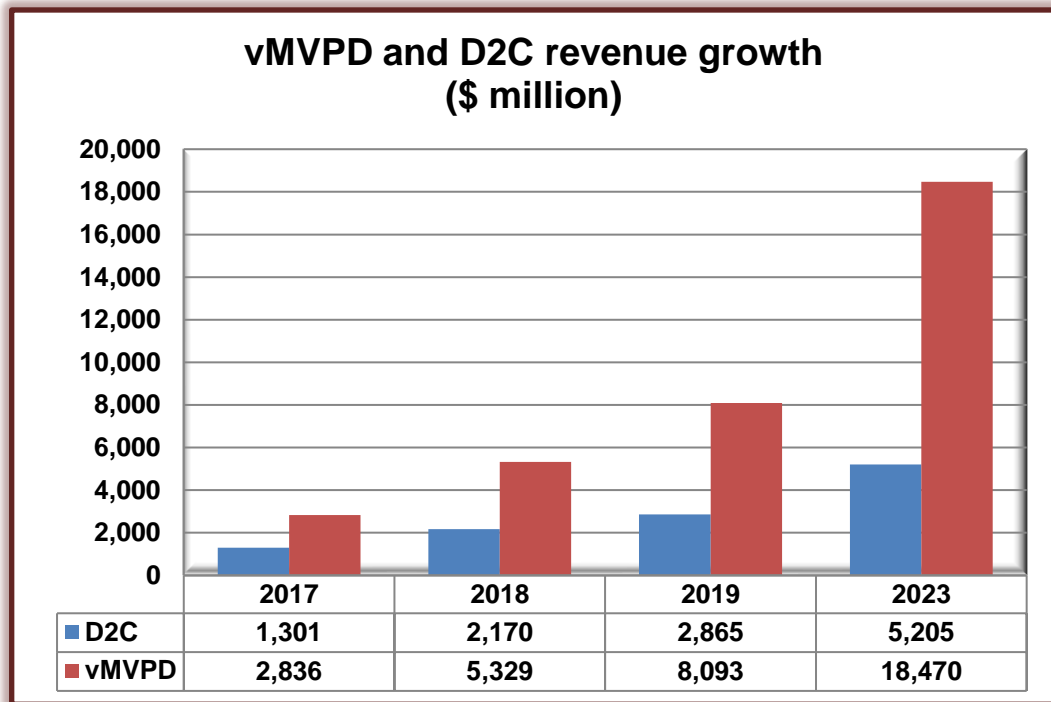
IPTV is the pay TV revenue winner, with revenues increasing from \$25 billion in 2017 to \$27 billion in 2023.

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## vMVPD and D2C revenues to rocket eightfold

vMVPD and D2C revenues will reach \$24 billion by 2023 - eight times the \$3 billion recorded in 2017, according to the [vMVPD and D2C TV Forecasts](#) report.



*Source: Digital TV Research*

vMVPD will overshadow D2C with its revenues more than triple the D2C total by 2023 in the 17 countries covered in the report. vMVPD and D2C are not mutually exclusive. Many vMVPD platforms provide access to D2C platforms for an additional fee.

The US will supply \$12.34 billion in vMVPD revenues by 2023 – or two-thirds of the total. The only other country to earn more than \$1 billion by 2023 will be the UK.

Simon Murray, Principal Analyst at Digital TV Research, said: “We forecast 77 million vMVPD subscribers by 2023, up from 21 million at end-2017. The US will contribute 28 million to the 2023 total, with India supplying 16 million.”

Digital TV Research forecasts 44 million D2C subscribers by 2023; up from 14 million at end-2017. The US will account for 25 million D2C subs by 2023.



<b>Different types of SVOD platforms</b>	
<b>vMVPD</b>	<i>Virtual multichannel video programming distributor. A platform that provides linear channels and on-demand content from multiple sources. Standalone subscription platform.</i>
<b>Direct-to-consumer</b>	<i>Where a single content owner provides a subscription platform straight to the home.</i>
<b>Aggregator</b>	<i>Where an operator provides its pay TV subs with access to a choice of SVOD platforms without charging a subscription. Popular in Latin America. Sometimes offer D2C platforms cheaper than elsewhere</i>
<b>On-demand</b>	<i>No linear channels – just on-demand titles. Therefore, no threat to traditional pay TV operators. Examples include Netflix.</i>
<b>Source: Digital TV Research</b>	

## Top 10 pay TV operators to lose \$20 billion

Despite adding 84 million subscribers between 2017 and 2023, subscription and PPV revenues for the world's top 517 pay TV operators will fall by \$18 billion to \$183 billion. From the total, 29 pay TV operators earned more than \$1 billion in revenues in 2017, but this total will drop to 25 by 2023.

About \$20 billion of the revenue losses will fall to the top 10 players; bringing their total down to \$87 billion. The pay TV revenue share for the top 10 operators will fall from 53% in 2017 to 48% in 2023.

All of the top 10 operators in 2017 will lose revenues over the next five years. In fact, 168 of the 517 operators (32%) covered in [the Global Pay TV Operator Forecasts report](#) will lose subscription and PPV revenues between 2017 and 2023.

Top 10 operators by revenues (\$ million)					
Operator	Country	2017	Operator	Country	2023
1 AT&T (total)	USA	30,740	1 AT&T (total)	USA	23,577
2 Comcast (total)	USA	20,017	2 Comcast (total)	USA	15,433
3 Charter merged (total cable)	USA	15,589	3 Charter merged (total cable)	USA	11,942
4 DISH Network (satellite)	USA	12,310	4 DISH Network (satellite)	USA	10,381
5 China Radio & TV (total)	China	8,562	5 China Radio & TV (total)	China	7,405
6 BSkyB (satellite)	UK	5,258	6 BSkyB (satellite)	UK	4,613
7 Verizon Fios (IPTV)	USA	3,857	7 China Telecom (IPTV)	China	3,753
8 Cox (total)	USA	3,691	8 Sky (satellite)	Brazil	3,662
9 Sky (satellite)	Brazil	3,586	9 Verizon Fios (IPTV)	USA	3,268
10 Altice USA (total cable)	USA	3,190	10 Cox (total)	USA	2,829

Source: Digital TV Research

Simon Murray, Principal Analyst at Digital TV Research, said: "The good news is that 15 operators will add more than \$100 million between 2017 and 2023, with China Telecom up by \$1.4 billion. However, five operators, including four from the US, will lose more than \$1 billion in revenues. Seven of the top 10 losers will be in the US."

Pay TV subscriptions for 517 operators with 747 platforms [132 digital cable, 126 analog cable, 286 satellite, 137 IPTV and 66 DTT] across 135 countries covered in the report will increase from a collective 880 million in 2017 to 967 million by 2023. These operators took 87% of the 1,006 million global subscribers by end-2017, with this level expected to inch up to 88% of the 1,100 million total by 2023.

## Western Europe pay TV subs up, revenues down

Western European pay TV will gain subscribers between 2017 and 2023. Although this only represents a 2.6% increase, [the Western Europe Pay TV Forecasts report](#) estimates nearly 3 million more subs to take the total to 106 million.

Simon Murray, Principal Analyst at Digital TV Research, said: “Much of the pay TV subscriber growth will come from countries with traditionally low pay TV penetration. More than half of the region’s next additions will come from Italy [up by 960,000 between 2017 and 2023] and Spain [up by 716,000]. Germany will add 913,000 subscribers.”

Murray continued: “However, subscriber numbers will fall for six of the 18 countries covered in the report. The UK will be the worst affected, although it will only lose 234,000 subs between 2017 and 2023.”

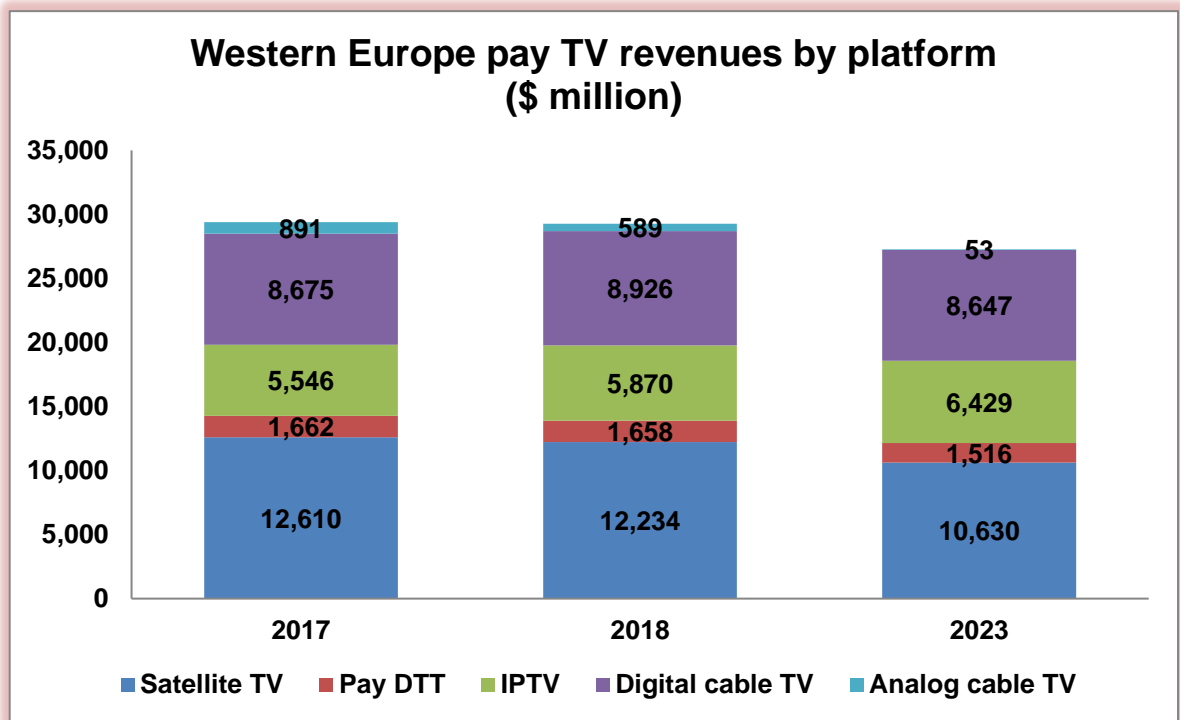
IPTV is gaining share at the expense of the other pay TV platforms; having overtaken satellite TV in 2015. IPTV will add 8 million subscribers between 2017 and 2023 but pay satellite TV will lose more than 2 million.

Some telcos (especially Telefonica in Spain and Canal Plus in France) are actively moving their satellite TV subs to more lucrative broadband bundles. Spain and France will both lose 1 million pay satellite TV subs between 2017 and 2023. Sky will soon offer its full satellite TV line-up online. Some satellite TV subs are expected to convert to the online platform; resulting in 691,000 fewer pay satellite TV subs in the UK between 2017 and 2023.

Despite subscriptions increasing, pay TV revenues will fall – by \$2.11 billion between 2017 and 2023 to \$27.27 billion.

Revenues will fall in all but three of the 18 countries covered in the report. The UK will lose \$628 million over this period, although it will remain the most lucrative pay TV market by 2023. Regardless of having the most pay TV subs by some distance, Germany’s pay TV revenues will remain a lot lower than the UK – at \$3.61 billion by 2023. Italy will overtake Germany in 2023.

Satellite TV will remain the highest-earning pay TV platform, but its revenues will fall every year from 2011 – and will decline by \$2 billion between 2017 and 2023. Mirroring its subscriber increases, IPTV revenues will climb by 16% between 2017 and 2023 to \$6.43 billion – or up by \$883 million. Cable TV revenues peaked in 2010. Cable TV will lose \$866 million between 2017 and 2023.



*Source: Digital TV Research Ltd*

Western Europe's top three operators will account for 39% of the region's pay TV subscribers by 2023. The same companies will take 50% of pay TV revenues.

Liberty Global has been the largest international pay TV operator in Europe for some time. However, Sky is closing the gap. By 2023, Liberty Global will have 17.89 million subscribers (including all of Ziggo) compared with Sky's 14.86 million (satellite TV only). Third-placed Vodafone will have 8.85 million subscribers (excluding the Netherlands' Ziggo). Vodafone may acquire at least some of Liberty Global's European assets.

Sky will remain the pay TV revenue leader by some distance, with \$8.49 billion from its satellite TV operations in 2023. Liberty Global will contribute a further \$3.91 billion and Vodafone \$1.21 billion.



<b>Digital TV Research publication schedule for 2017</b>		
<b>Title</b>	<b>Publication</b>	<b>Price</b>
<a href="#"><u>Sub-Saharan Africa OTT TV &amp; Video Forecasts</u></a>	<i>July</i>	£1000/€1200/\$1300
<a href="#"><u>Middle East &amp; North Africa OTT TV &amp; Video Forecasts</u></a>	<i>July</i>	£1000/€1200/\$1300
<a href="#"><u>Asia Pacific OTT TV &amp; Video Forecasts</u></a>	<i>August</i>	£1000/€1200/\$1300
<a href="#"><u>Latin America OTT TV &amp; Video Forecasts</u></a>	<i>August</i>	£1000/€1200/\$1300
<a href="#"><u>North America OTT TV &amp; Video Forecasts</u></a>	<i>September</i>	£600/€720/\$780
<a href="#"><u>Eastern Europe OTT TV &amp; Video Forecasts</u></a>	<i>September</i>	£1000/€1200/\$1300
<a href="#"><u>Western Europe OTT TV &amp; Video Forecasts</u></a>	<i>October</i>	£1000/€1200/\$1300
<a href="#"><u>Global OTT TV &amp; Video Forecasts</u></a>	<i>October</i>	£1800/€2160/\$2340
<a href="#"><u>Global AVOD Forecasts</u></a>	<i>October</i>	£1000/€1200/\$1300
<a href="#"><u>Global SVOD Forecasts</u></a>	<i>October</i>	£1500/€1800/\$1950
<a href="#"><u>Online TV Piracy Forecasts</u></a>	<i>November</i>	£1200/€1440/\$1560
<a href="#"><u>SVOD Digest</u></a>	<i>November</i>	£500/€600/\$650
<a href="#"><u>OTT &amp; Pay TV Forecasts</u></a>	<i>December</i>	£1500/€1800/\$1950

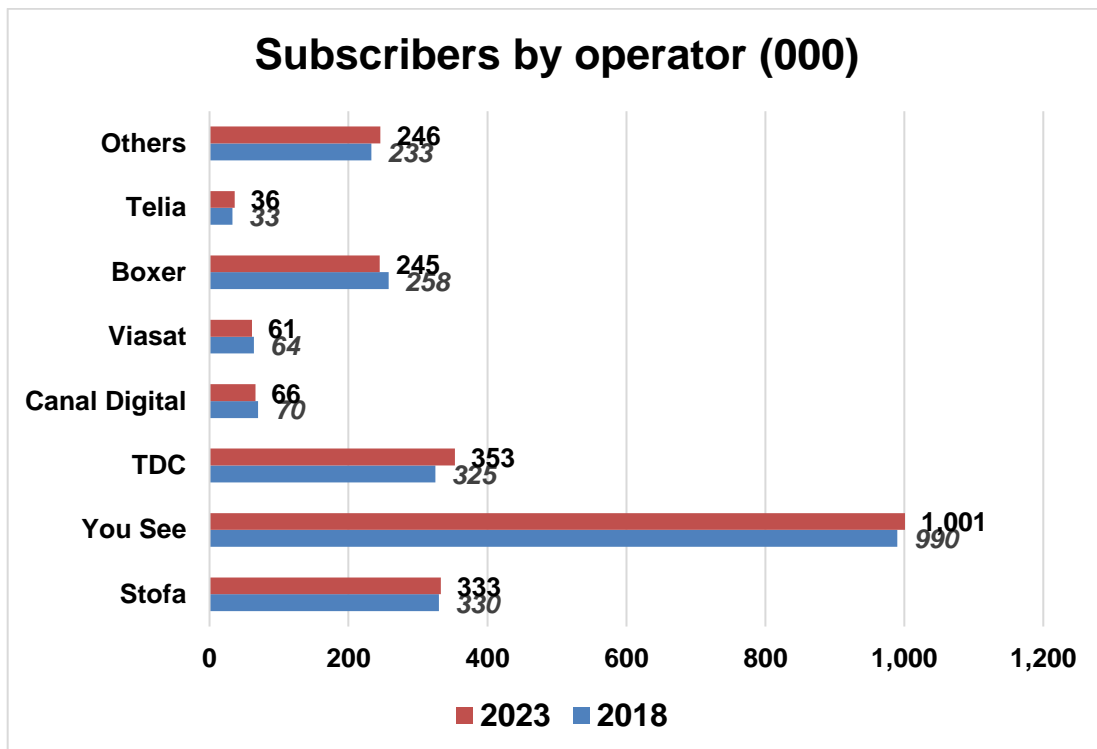
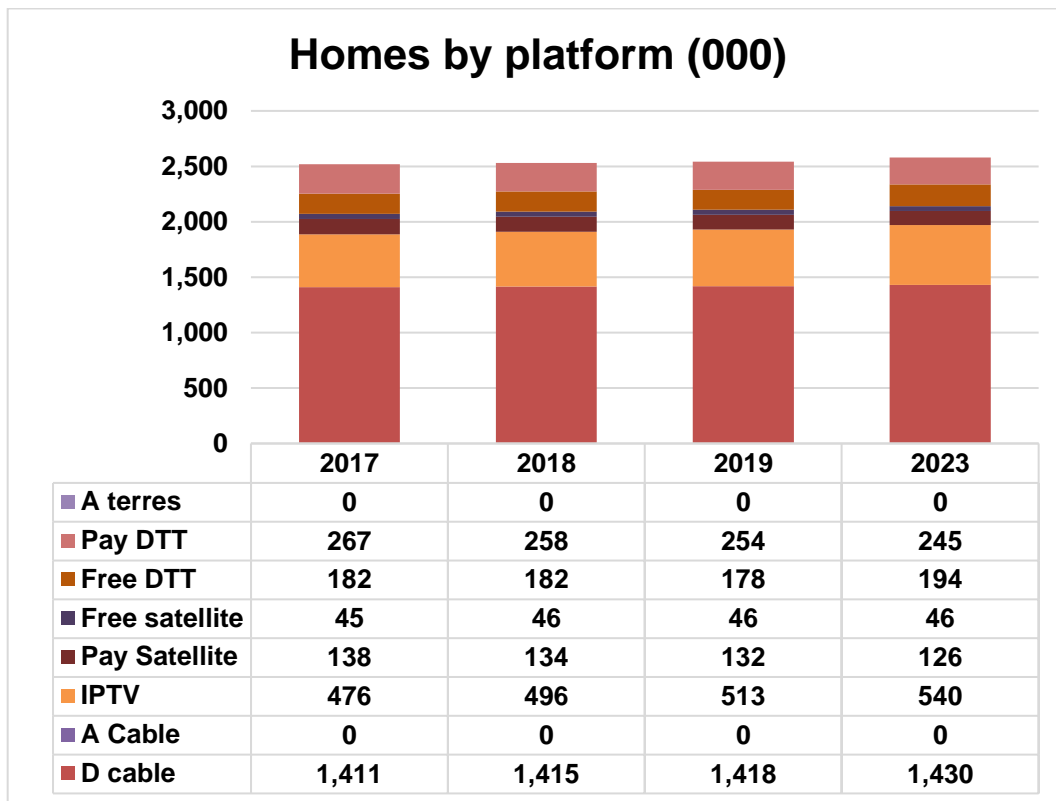
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## Denmark pay TV subscriber prospects



## Denmark pay TV revenue prospects

