



Pay-TV services worldwide: trends and forecasts 2020– 2025



Martin Scott, Rémy Giraud, Alex Boisot and Jakub
Konieczny

About this report

This report provides:

- forecasts for the number of pay-TV households and services, their retail revenue (spend) and average spend per user (ASPU)
- forecasts split by pay-TV platform: cable (analogue and digital), IPTV, pay DTT, satellite and operator OTT¹
- forecasts for eight regions worldwide.

WHO SHOULD READ THIS REPORT

- Product and strategy managers within pay-TV providers and operators.
- Business development managers within vendors of video solutions.
- Financial analysts that need to understand the dynamics and the size of the pay-TV market and its interaction with OTT video services.



This report presents commentary on the data available at the time of writing. However, we constantly refine and refresh our data, so please visit the Analysys Mason DataHub to view the latest data associated with this report.



GEOGRAPHICAL COVERAGE

- Western Europe (WE)
- Central and Eastern Europe (CEE)
- Middle East and North Africa (MENA)
- Sub-Saharan Africa (SSA)
- Emerging Asia–Pacific (EMAP)
- Developed Asia–Pacific (DVAP)
- North America (NA)
- Latin America (LATAM)
- Worldwide

KEY METRICS

- Pay-TV households and connections
 - Retail revenue (spend)
 - ASPU
- All of the above split by the following access technologies:
- cable (analogue and digital, CATV)
 - IPTV
 - pay digital terrestrial TV (DTT)
 - satellite (DTH)
 - operator OTT¹



¹ This term refers to OTT video services offered by telecoms operators and also by pay-TV providers that have previously provided traditional pay-TV services.

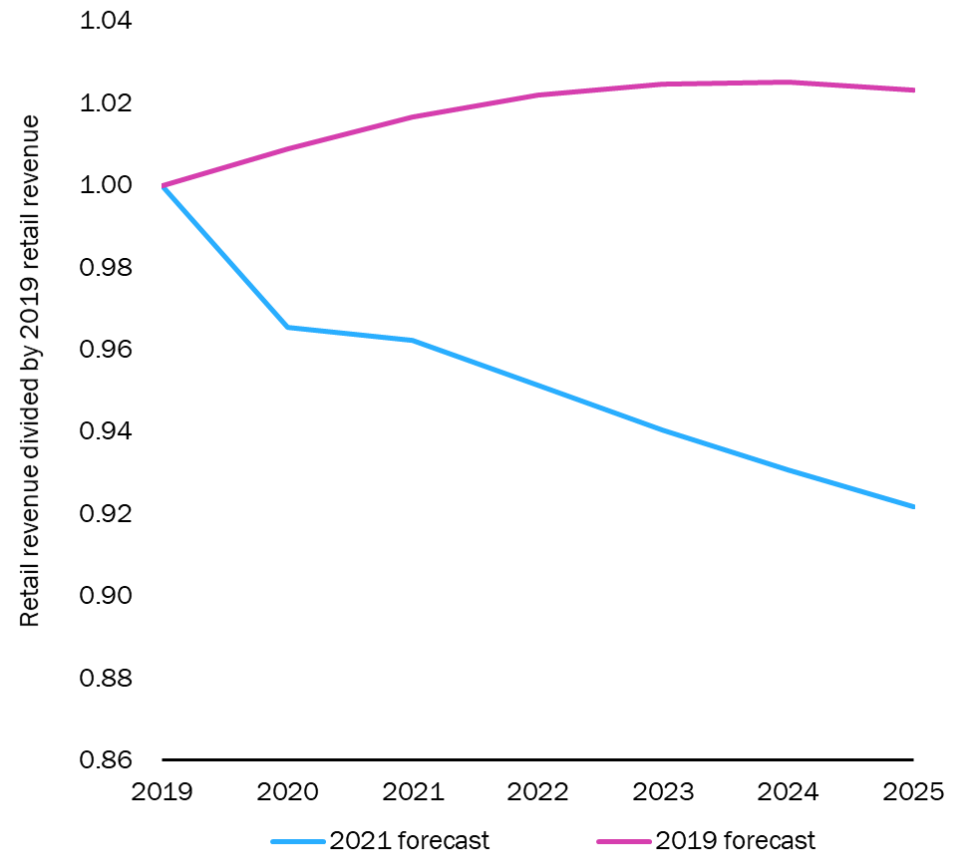
Worldwide: the COVID-19 pandemic has accelerated the worldwide decline of operators' pay-TV and OTT video revenue

The number of traditional pay-TV subscribers was more stable in 2020 than one might expect, given the COVID-19 pandemic. Lockdowns, quarantines and movement control orders did not significantly change the rate of growth of traditional pay-TV connections in 2020 – the total number of connections grew by 5 million to 1.209 billion that year – despite the major disruption to sports-related broadcasts in 2Q 2020. However, the disruption to sports content did affect retail revenue for traditional pay-TV services (ASPU fell by 3.5% year-on-year in 2020) and operator OTT services (the number of users only grew by 6% year-on-year).

Though consumption of video content surged while consumers were confined to their homes, operators had to contend with intensifying competition from third-party OTT services in 2020, notably Disney+, whose take-up exceeded expectations. The world now also faces a period of economic recession and constrained consumer spending. It is therefore likely that cord-cutting¹ will increase in 2021 and beyond.

Figure 1 compares our forecast from 2019 with our 2021 view and clearly shows the short-term and long-term impact of the pandemic (and other market developments) on the prospects for TV retail revenue. Operators' responses to the acceleration of cord-cutting and cord-shaving¹ must be to increase the flexibility of their propositions and to establish a way of working with OTT partners to aggregate their services within or alongside traditional pay-TV services if they are to mitigate the worst revenue losses.

Figure 1: Forecast for retail revenue for operator TV and video services before and after COVID-19 pandemic (1.00 = 2019 levels), 2019–2025

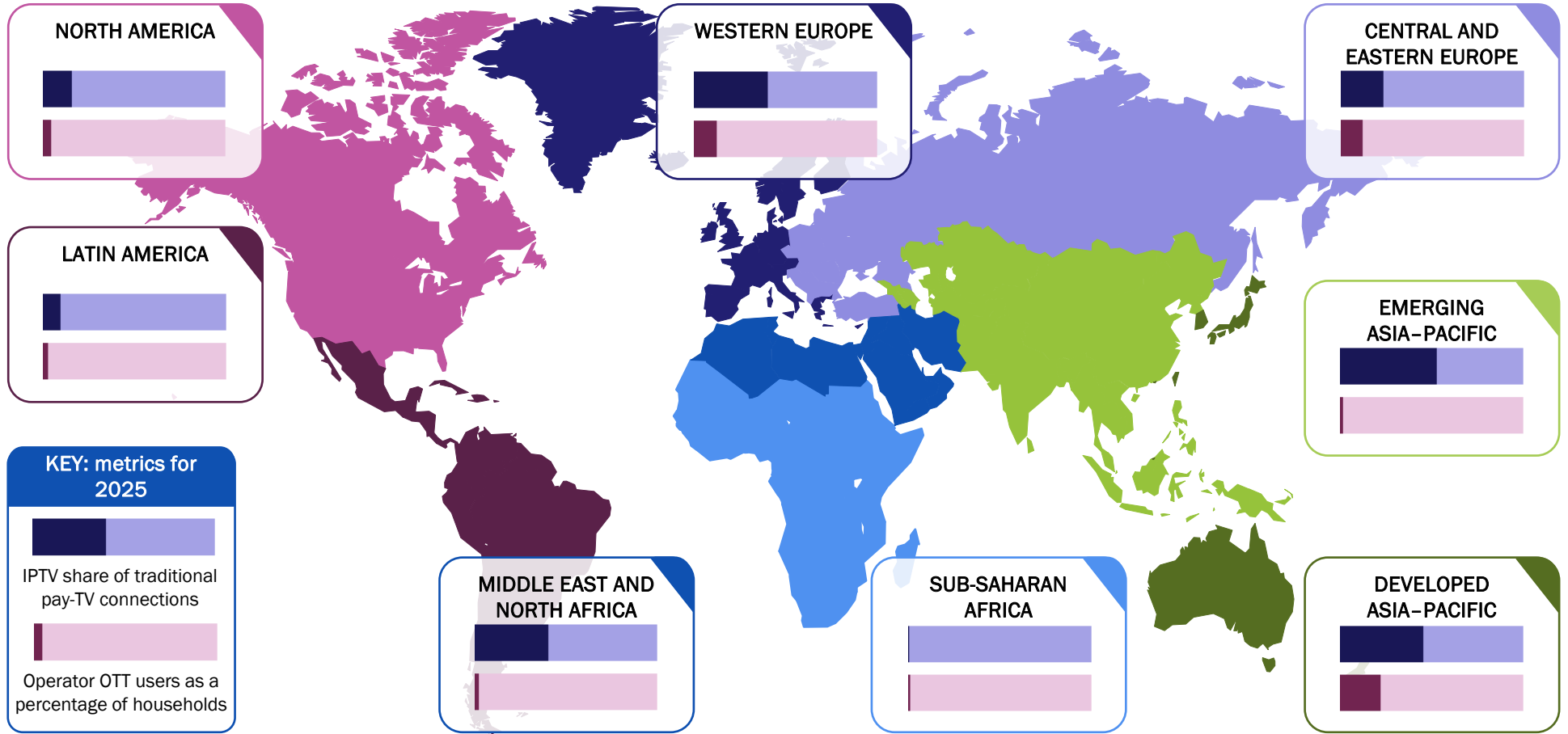


Source: Analysys Mason

¹ Cord-cutting is the process of cancelling a traditional pay-TV subscription to use OTT services; cord-shaving is when a traditional pay-TV subscriber reduces (but does not completely cut) their spend on traditional pay-TV services in order to fund OTT services.

Worldwide: emerging Asia–Pacific will have the highest IPTV share of traditional pay-TV connections of all regions in 2025, largely due to China

Figure 2: IPTV share of traditional pay-TV connections and the number of operator OTT users as a percentage of the number of households, worldwide by region, 2025¹



Source: Analysys Mason

¹ For a full list of countries modelled as part of each region, please see the accompanying data annex.



Worldwide forecasts and regional comparison

Regional trends

Forecast methodology and assumptions

About the authors and Analysys Mason

About the authors [1/2]



Martin Scott (Principal Analyst) heads Analysys Mason's research initiatives related to media and TV. He manages the *Video, Gaming and Entertainment* research programme. Martin has held numerous positions within Analysys Mason during the last 16 years, including heading the company's Consumer Services, Data and Regional Markets practices. He also launched Analysys Mason's *Connected Consumer Survey* series of research. His primary areas of specialisation include telecoms TV strategy, OTT video and media, consumer behaviour, customer satisfaction and consumer-facing marketing strategy. He also specialises in statistics, surveys and the analysis of primary research. Martin worked in the British civil service before joining Analysys Mason. He has a Master's degree in Mathematics from Oxford University.



Rémy Giraud (Senior Analyst) is the lead analyst for Analysys Mason's *European Telecoms Market Matrix* and *Americas* research programmes. As a member of the regional markets research team in London, Rémy has worked extensively on the *European Core Forecasts*, *European Country Reports* and *Video, Gaming and Entertainment* research programmes. He has also gained experience in managing Analysys Mason's interactive database, DataHub. Rémy holds a BSc in Economics from the London School of Economics (LSE), and an MSc in Risk and Finance from EDHEC Business School.



Alex Boisot (Analyst) is a member of the *Regional Markets* research team in London, contributing primarily to the *Telecoms Market Matrix*, *European Country Reports*, *European Core Forecasts*, *Middle East and Africa* and *Video, Gaming and Entertainment* research programmes. Alex holds a BA in Philosophy, Politics and Economics from the University of East Anglia. He conducted research on the impact of telecoms technologies on modern societies during his studies, writing his dissertation on e-government and e-democracy. He has also worked on the development of a mobile game aiming to teach users the basic principles of physics.

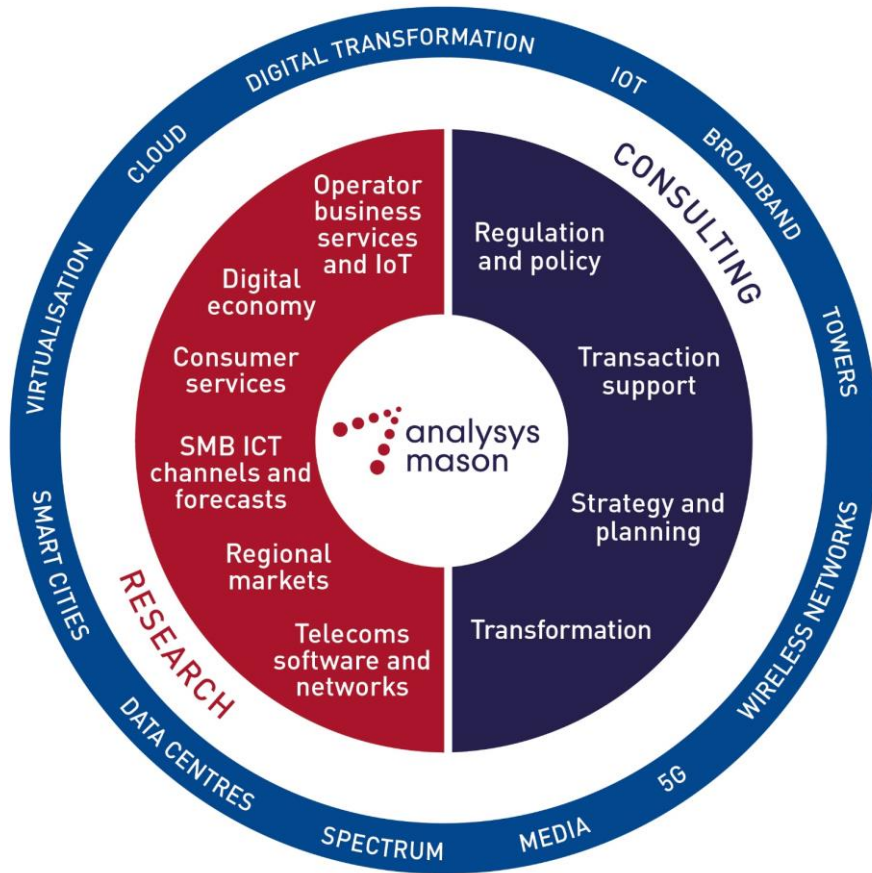
About the authors [2/2]



Jakub Konieczny (Analyst) is a member of the regional markets research team in London, contributing mainly to the *Telecoms Market Matrix*, *European Country Reports* and *Global Telecoms Data* research programmes. Jakub holds a BEng in petroleum engineering from the University of Aberdeen.

Analysys Mason’s consulting and research are uniquely positioned

Analysys Mason’s consulting services and research portfolio



Consulting

We deliver tangible benefits to clients across the telecoms industry:

- communications and digital service providers, vendors, financial and strategic investors, private equity and infrastructure funds, governments, regulators, broadcasters and service and content providers

Our sector specialists understand the distinct local challenges facing clients, in addition to the wider effects of global forces.

We are future-focused and help clients understand the challenges and opportunities new technology brings.





Research

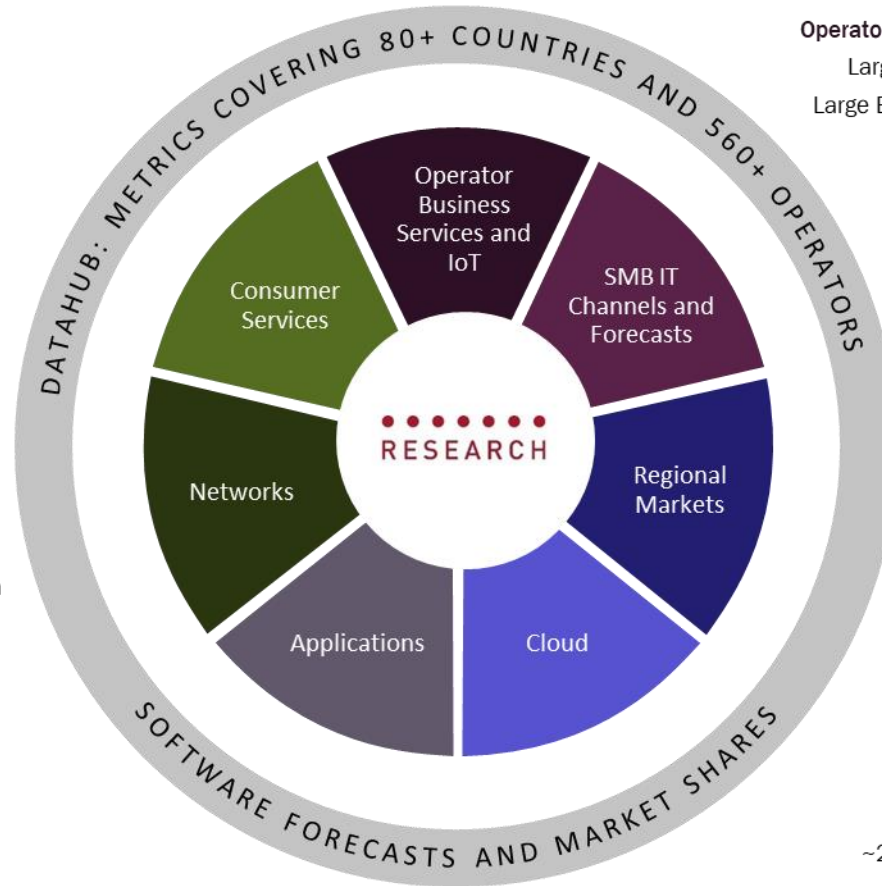
Our dedicated team of analysts track and forecast the different services accessed by consumers and enterprises.


We offer detailed insight into the software, infrastructure and technology delivering those services.


Clients benefit from regular and timely intelligence, and direct access to analysts.

Research from Analysys Mason


- 
Consumer Services programmes
 Fixed Broadband Services
 Mobile Services
 Fixed-Mobile Convergence
 Smart Devices
 Future Comms
 Video, Gaming and Entertainment
 Digital Services
- 
Networks programmes
 Next-Generation Wireless Networks
 Wireless Infrastructure
 Fibre Infrastructure
 Operator Investment Strategies
- 
Applications programmes
 Network Automation and Orchestration
 Customer Engagement
 Monetisation Platforms
 Digital Experience
 Automated Assurance
 Service Design and Orchestration
- 
Cloud programmes
 Cloud Infrastructure Strategies
 Data, AI and Development Platforms
 Media Platforms



- 
Operator Business Services and IoT programmes
 Large Enterprise Voice and Data Connectivity
 Large Enterprise Emerging Service Opportunities
 SME Strategies
 IoT and M2M Services
 IoT Platforms and Technology

- 
SMB IT Channels and Forecasts programmes
 Cyber Security

- 
Regional Markets programmes
 Global Telecoms Data
 Americas
 Asia-Pacific
 Middle East and Africa
 European Core Forecasts
 European Telecoms Market Matrix
 European Country Reports

- 
DataHub
 ~2800 forecast and 280+ historical metrics
 Regional results and worldwide totals
 Operator historical data

analysismason.com/services/research

Consulting from Analysys Mason



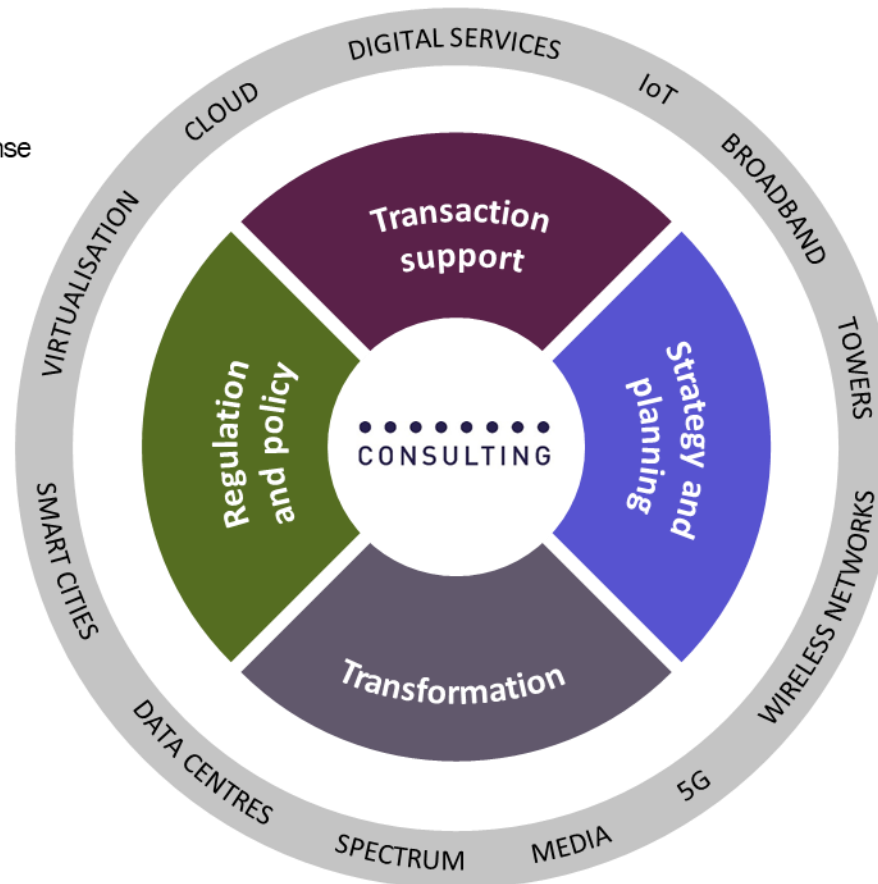
Regulation and policy

- Policy development and response
- Ex-ante market reviews, remedies, costing...
- Universal Service Obligation (USO)
- Scarce resources: radio spectrum management, auction support, numbering...
- Ex-post / abuse of dominance
- Postal sector



Transformation

- Transformation programmes
- Assurance
- Implementation
- Delivery



Transaction support



- Commercial and technical due diligence, buy-side and sell-side
- Initial public offerings (IPOs)
- Financial valuation
- Debt financing
- Lending technical advisory
- Opportunity scouting
- Business plan review

Strategy and planning



- Commercial expertise
- Technology optimisation
- New digital frontiers

analysismason.com/services/consulting

PUBLISHED BY ANALYSYS MASON LIMITED IN MAY 2021

Analysys Mason Limited. Registered in England and Wales with company number 05177472. Registered office: North West Wing Bush House, Aldwych, London, England, WC2B 4PJ.

We have used reasonable care and skill to prepare this publication and are not responsible for any errors or omissions, or for the results obtained from the use of this publication. The opinions expressed are those of the authors only. All information is provided “as is”, with no guarantee of completeness or accuracy, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. In no event will we be liable to you or any third party for any decision made or action taken in reliance on the information, including but not limited to investment decisions, or for any loss (including consequential, special or similar losses), even if advised of the possibility of such losses.

We reserve the rights to all intellectual property in this publication. This publication, or any part of it, may not be reproduced, redistributed or republished without our prior written consent, nor may any reference be made to Analysys Mason in a regulatory statement or prospectus on the basis of this publication without our prior written consent.

© Analysys Mason Limited and/or its group companies 2021.