RESEARCH

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Pay TV and OTT video in developed Asia–Pacific: trends and forecasts 2019–2024

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About this report

This report provides:

- forecasts for the number of pay-TV households and services, the number of premium OTT video users, 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 OTT;[1] operator OTT and third-party OTT are split by category of OTT video service – linear channels, linear events, TVoD (rental), TVoD (ownership) and SVoD
- forecasts for four countries and the developed Asia–Pacific (DVAP) region as a whole.

WHO SHOULD READ THIS REPORT

- **Product and strategy managers** within pay-TV providers and operators who require market sizing for business planning purposes, as well as an overview of the key trends that are affecting the market.
- **Business development managers** within vendors of video solutions who need to assess the size of the opportunity for their products or services.
- **Financial analysts** who need to understand the dynamics and the size of the pay-TV market and its interaction with OTT video services.

DataHub

Our forecasts are refined throughout the year. This report presents the results at the time of publication and will continue to give useful background information about key drivers. However, we recommend that you always use the Analysys Mason DataHub to view the latest data associated with this report.

GEOGRAPHICAL COVERAGE

Regions modelled:

- Developed Asia–Pacific (DVAP)

Countries modelled individually:

- Australia
- Japan
- New Zealand
- South Korea

KEY METRICS

- Pay-TV households and connections
- OTT video users
- Retail revenue (spend)
- ASPU

Pay-TV is split by the following access technologies:

- cable (analogue and digital, CATV)
- IPTV
- pay digital terrestrial TV (DTT)
- satellite (DTH)
- operator OTT[1]
- third-party (non-operator) OTT

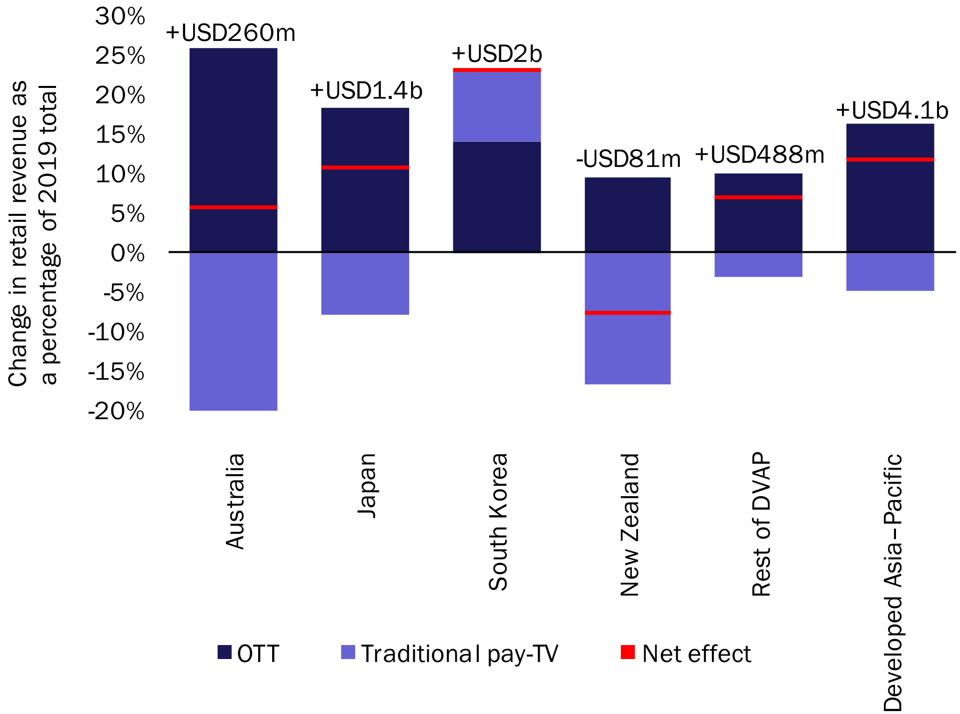
OTT video is split as follows:

- linear – channels (paid-for and free)
- linear – events
- TVoD (rental and ownership)
- SVoD (paid-for and free)

[1] The full definition of the term ‘operator OTT’ is articulated in the appendix at the end of this report. In short, 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.

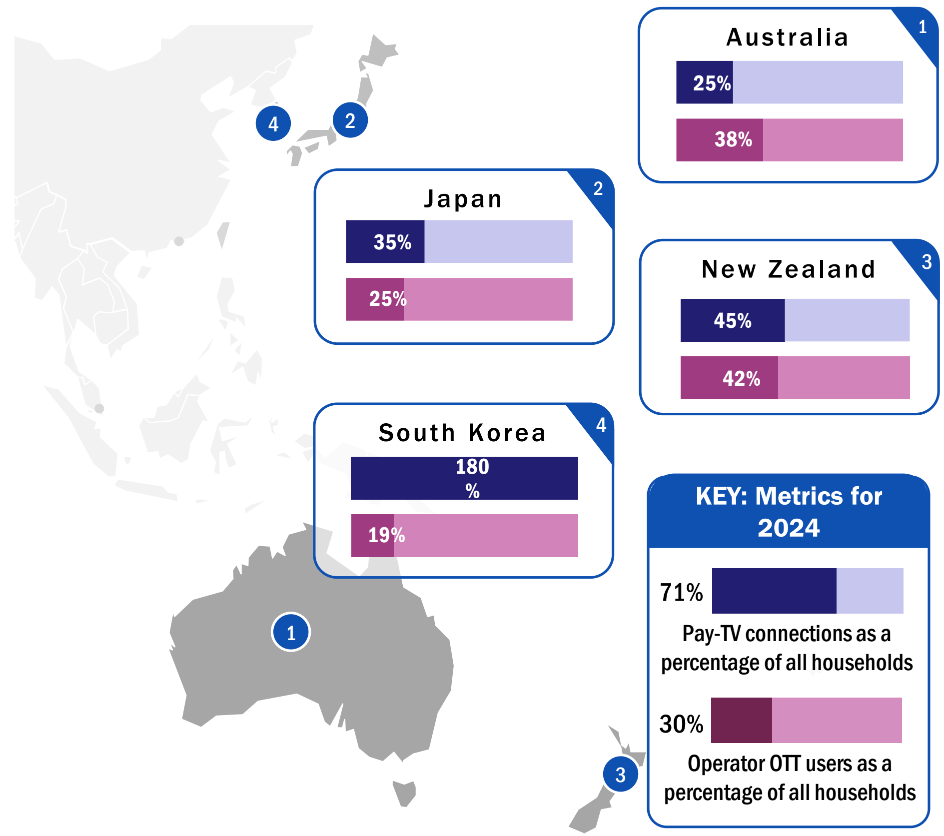
Geographical coverage: traditional pay-TV revenue will decline in all markets aside from South Korea

Figure 2: Contribution of traditional pay TV and OTT video to the total change in retail revenue in developed Asia–Pacific, 2019–2024



Source: Analysys Mason

Figure 3: Household penetration of pay TV and the population penetration of operator OTT by country, developed Asia–Pacific, 2024



Source: Analysys Mason

Japan: several strong third-party competitors are starting to overtake the early lead of operator OTT services

The OTT video market in developed Asia–Pacific as a whole is dominated by Japan. Until recently, three significant OTT players competed for primacy in Japan, two of which were operators. NTT DoCoMo (dTV) and SoftBank (Sports Navi) offered aggressive discounts for telecoms customers. Discounts were so heavy that SoftBank struggled to monetise Sports Navi; in early 2018 this led the operator to close down the service and pass its significant sports rights to international OTT player DAZN. Netflix was the third significant provider in the market. More recently, Amazon Prime has been gaining subscribers rapidly.

Linear services are doing reasonably well in Japan. DAZN passed 1 million subscribers in May 2019. dTV Channels, launched by NTT in 2017, has been growing slowly but lacks sports content.

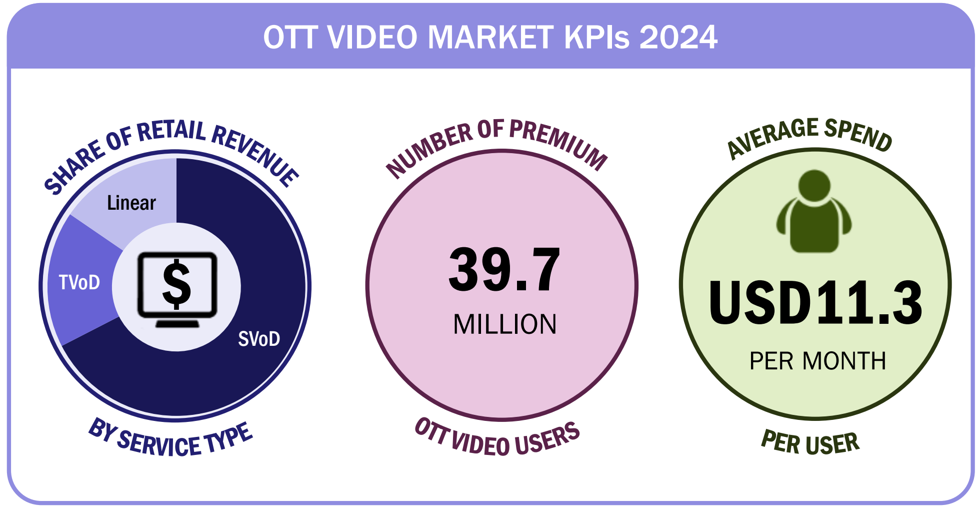
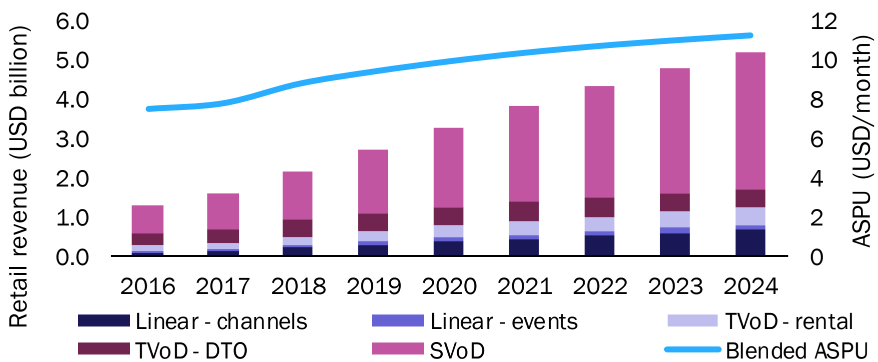
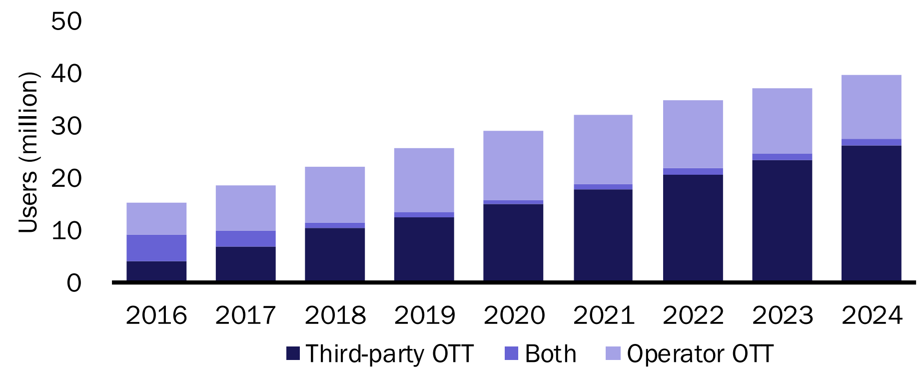


Figure 16: Retail revenue by OTT video service type, and ASPU, Japan, 2016–2024



Source: Analysys Mason

Figure 17: Number of users by service type, Japan, 2016–2024



Source: Analysys Mason

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About the authors

Martin Scott (Principal Analyst) co-ordinates Analysys Mason's research initiatives related to media and TV. He manages the *Video Strategies* research programme. Martin has held numerous positions within Analysys Mason during the last 10 years, including heading the company's Consumer Services, Data and Regional Markets practices. He also launched Analysys Mason's *Connected Consumer Survey* and *Consumer Smartphone Usage* series of research. His primary areas of specialisation include telco TV strategy, OTT video and media, consumer smartphone usage, the bundling and pricing of multi-play services, including quadruple-play bundling, customer satisfaction and consumer-facing marketing strategy. He also specialises in statistics, surveys and the analysis of primary research.

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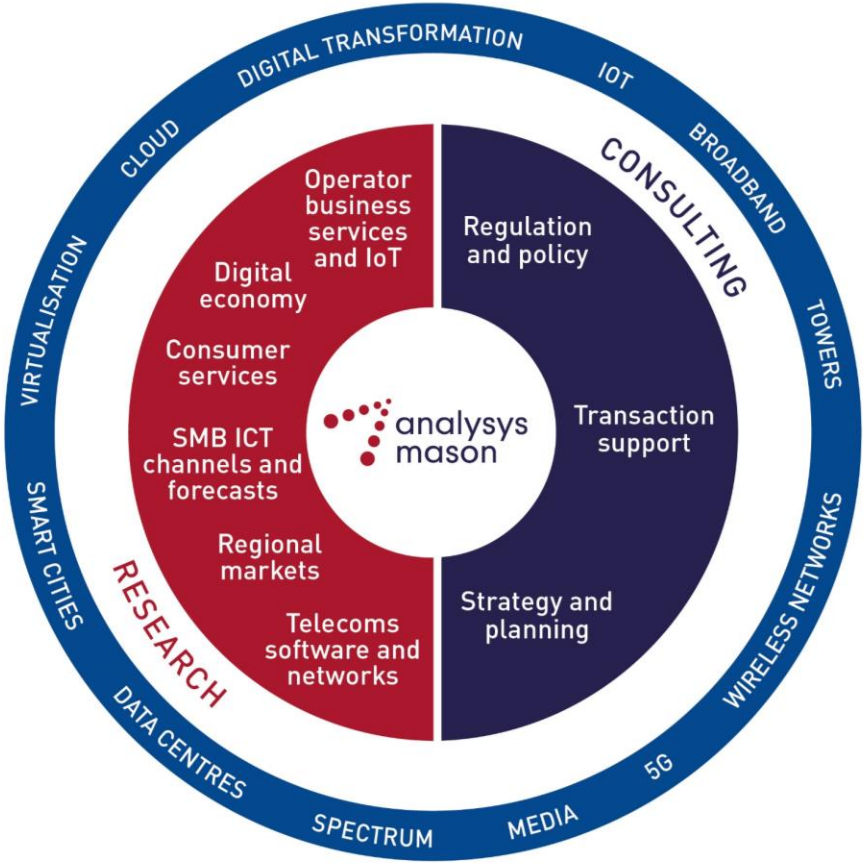

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