UNDERSTANDING THE Global Streaming Wars
There Are More Consumer Choices Than Ever Before

Streaming has caused a unique challenge for advertisers as viewing has fragmented across content creators, aggregators, platforms, and devices.
Only 17% of people in the world streamed content IN 2015

58% of people in the world will likely stream content BY 2025

Source: eMarketer, 2022 (US)
Consumption is at an All Time High

Not only has video consumption been growing, but the shift from linear to digital has been rapidly increasing.

Source: CWI Average Time Spent Watching, 48 Markets, 2023
Which has Driven the Global Expansion of Major Players over the past 5 years

- **Apple+** Launches November 1st. Is it Worth it? [FORBES](https://www.forbes.com)
- NBCUniversal’s streaming service Peacock officially launches tomorrow [TECHCRUNCH](https://techcrunch.com)
- HBO Max Launches Outside the US in 39 new territories [THE VERGE](https://www.theverge.com)
- Disney+ Launches in the US Today with Expectations to Reach Most Global Markets Within Two Years [DISNEY PRESS RELEASE](https://www.disney.com)
- Paramount+ to Launch in the US and LATAM with Plans for International Distribution Later in 2021 [ADWEEK](https://www.adweek.com)
While the Way We Are Watching is Changing Globally, it is Not Changing the Same Everywhere.
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Because the market has reached near full saturation, there is limited room for additional growth.

As more competitive services are introduced, the EU is accelerating its pace of streaming adoption.

Because mobile adoption in the region is so high, streaming is highly accessible near full saturation.

Streaming adoption is declining particularly because of economic limitations and streaming access.

Because of mobile access & adoption, LATM is one of the fastest growing regions for streaming services.

Because the market has reached near full saturation, there is limited room for additional growth.
Major players have had to pull back their expansion plans because of these considerations.

Why HBO Max May Already Have Lost the International Streaming Race

Patrick Frater

2/15/22

Netflix lets advertisers take their money back after missing viewership targets

Tim Peterson

2/15/22

BECAUSE OF THESE CONSIDERATIONS,
Because of NBCUniversal’s global business operations,
We have a deep understanding of the various market factors impacting streaming growth.

01
Local Market Factors

02
Advertiser Needs

03
Content Considerations
Proliferation of Streaming Competition
As services expand internationally, markets are becoming saturated in competitive streaming platforms

Available Video Streaming Services in Market

- NA, EU + AU, JP: 34-45
- APAC, LATAM: 15-24
- MEA: 7-14

Fixed HH Incomes & Subscription Sign-Ups
Costs of (multiple) subscriptions can account for a percentage of monthly HH incomes

Amounts Spent on Video Streaming Services

- <$15/MONTH: 55% China, 40% Russia, 36% Brazil
- $46-61+/MONTH: 15% Australia, 21% US

International Connectivity Access
32% of people who are within range of a mobile broadband network remain offline due to economic and educational barriers

- 95% Worldwide internet coverage
- 32% Worldwide population not using internet

Source: 1. Statista, World Map of Video Streaming, 2022 2.) Morning Consult, Distribution of Money Spent on Video Streaming Services, 2022 3.) The International Telecommunication Union (ITU), Global Connectivity Report, 2022
**02. ADVERTISER NEEDS**

In Addition To Market-By-Market Challenges Impacting Streaming Behavior, Advertisers & Agencies Also Have Specific Needs For Streaming Access

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**Centralized Solutions**

- **65%** of marketing organizations in the US and Europe now “fully” or “partially” centralized.¹

Marketers are looking for centralized access to global inventory, yet the landscape is fragmented. Marketers have to work with multiple organizations for international presence.

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**Premium Streaming Inventory at Scale**

- **64%** Global marketers expect ad budgets to increase.²

There is not enough premium global streaming inventory available to meet this growing demand.

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**Programmatic Buying Models**

- **45%** of ad budgets are shifting to CTV.²

Though advertisers prefer to buy media programmatically, growth is expected to slow due to limitations globally.

While programmatic made up 84% of worldwide digital ad spend in 2022, it is forecasted to grow **Only 2pp** by 2025.³

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**Standardized Measurement**

Global marketers want to understand cross-platform reach, but most don’t have a simple solution to do so.

- **62%** Of marketers globally use multiple measurement solutions for cross-media measurement.²

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While advertisers are chasing streaming audiences, audiences are chasing after the most *premium content*

Historically, the two main drivers of new streaming subscription sign-ups have been:

- **Live Sports**
- **Robust Library**
Streaming Sports Attract New Subscribers And Viewers More Than Any Other Content Type

63% Of Global Sports fans would consider paying – or paying more than they already do for streaming subscriptions to access live sports

53% of Sports fans pay for streaming video services to access sports content in 2022

79% of consumers across 14 markets would stream sports exclusively on online platforms if it was possible

Sources: Verizon Media, Deloitte, Forbes
The Fierce Competition for Sports Rights has driven a 79% YOY Growth in 2022 for Subscription OTT Services

Sports streaming competition is exploding globally and sports rights spending by subscription OTT is likely to reach $8.5B worldwide (2023)

Sports OTT Streamers By Region

**NORTH AMERICA**
- Apple TV
- beIN Sports
- DAZN
- Delimeter
- Digital TV Research
- Disney
- Eleven Sports
- FloSports
- Fox
- Globe Newswire
- iQIYI
- Mint
- Mola
- OnlyTech
- Optus Sports
- Paramount
- Premier Sports Asia
- Shahid
- Sky
- Sports Business
- Star
- StarTimes
- Starz
- Telecom Talk
- Tencent
- The Economic Times
- ViaPlay
- WBD
- Willow TV
- YouTube
- YuppTV

**LATAM**
- Amazon Prime Video
- DAZN
- FloSports
- Fox Sports
- Max
- Prime Video
- Prime Video Sports
- Sky Sports
- Star
- Supercopa
- Tigo Sports
- YuppTV

**EUROPE**
- Amazon Prime Video
- DAZN
- FloSports
- Fox Sports
- Max
- Sky Sports
- Star
- Supercopa
- Tigo Sports
- YuppTV

**AFRICA / MIDDLE EAST**
- beIN Sports
- DAZN
- FloSports
- StarTimes
- ViaPlay
- YuppTV

**APAC**
- beIN Sports
- DAZN
- FloSports
- StarTimes
- ViaPlay
- YuppTV

However, Sports Subscription Loyalty is Fickle

While sports content drives new subscribers to platforms, it is not indicative of long-term loyalty.

37%

Of global sports fans would cancel a live streaming subscription based on better sports coverage

-3.8M

Disney+ Hotstar lost 3.8M Indian and Southeast Asian subscribers in Q4’22 after losing the sports rights to the Indian Premier League (IPL)

Source: Verizon Media, Business Insider
While sports content attracts a large amount of new subscribers, what retains subscriptions is a robust library of premium content.
03. CONTENT CONSIDERATIONS

Exclusivity and Diversity are the Most Attractive Factors to Global Streamers

49% Of global streamers prefer services that offer exclusive content not available elsewhere

46% Consider a large and diverse collection of video content as a prime factor for choosing a subscription service

20% Of global streamers say that the ability to watch content in multiple languages is a top choice factor

Source: GoodFirms, “The Global Streaming Services Are Surging High: Top Reasons and Trends,” 2022
03. CONTENT CONSIDERATIONS

Global Streamers are Engaging with a Wide Range of Genres

In a recent NBCU global study, we found that the genres streamers are most engaging with (outside of sports) are:

- Films/Movies
- Comedy
- Current Affairs/News

Streamers are seeking out subscriptions that allow them to access a variety of different content genres supporting the position that robust and premium libraries are central to streaming adoption.

Source: Global Web Index, NBCUniversal Co-Lab Survey, 16 Countries, Q3 2022

Global Streamers Preferred Content Genres

<table>
<thead>
<tr>
<th>Genre</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Game/Quiz Show</td>
<td>25%</td>
</tr>
<tr>
<td>Talk Shows</td>
<td>28%</td>
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<tr>
<td>Competition</td>
<td>29%</td>
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<td>Reality</td>
<td>33%</td>
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<tr>
<td>Documentaries</td>
<td>39%</td>
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<tr>
<td>Drama</td>
<td>45%</td>
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<tr>
<td>Entertainment/Variety</td>
<td>46%</td>
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<tr>
<td>Sports</td>
<td>48%</td>
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<tr>
<td>Comedy</td>
<td>49%</td>
</tr>
<tr>
<td>News / Current Affairs</td>
<td>53%</td>
</tr>
<tr>
<td>Films/Movies</td>
<td>65%</td>
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</tbody>
</table>
As global audiences become more familiar with streaming and seek out on-demand content,

How will categories be impacted by a shift to streaming?
How Will NBCU’s Approach Impact Different Categories?

**Luxury**

Luxury paid advertising has been predominately print and outdoor media.

As consumer attitudes and behaviors change, and the next generation of buyers come forward, media strategies should adapt to meet people where they are.

- **12%** increase in luxury audiences’ use of streaming services since 2019


**Auto**

Auto brands are uniquely positioned to enter content seamlessly. Streaming allows for dynamic targeting, messaging in tune with the potential buyer’s needs, and placement potential to heighten relevancy - all through data - to engage potential buyers, in-market buyers, and current owners alike.

- **+43%** lift in brand opinion for auto brand integrations in NBCU content


**Retail**

Retailers continuously look for efficient ways to collapse the purchase funnel. Streaming offers retailers the brand building power of premium video content combined with the targeting capabilities and shoppable CTAs of digital platforms, making it the ideal environment to drive both brand and performance.

- **21%** more likely to purchase a product advertised on a streaming service they like


**Travel**

When we watch characters in Movies and TV, we put ourselves in their place and look at a destination through their eyes. It can catapult a destination from low on a traveler’s wander list to ‘We Must Go There Now’ status.

- **64%** have been inspired to travel to a destination after seeing it on a TV show, the news, or a movie

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Sources: 1. MRI; 2. NBCU Ad Performance – Auto: Results from 47 US Campaigns; 3. MRI; 4. American Express
4 Key Takeaways

As a global content creator, distributor and streaming provider, NBCUniversal is uniquely positioned to assess the global streaming landscape and its current challenges

01. Streaming behaviors and access look different around the world

02. Advertisers are pushing for easier centralized access

03. Diverse and exclusive content ensures subscriber loyalty

04. The growing shift to streaming will have categorical impact on businesses
Thank You

QUESTIONS? PLEASE CONTACT:
Lindsay Orosco; Vice President, Client Strategy

KEY CONTRIBUTORS:
Rosie Nisanyan; Sr Manager, Client Strategy
Ben Cohen; Sr Manager, Client Strategy
Alex Stern; Manager, Client Strategy

DESIGNED BY:
Alliana Semjen

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