

July 6, 2021

MPA REPORT: ONLINE VIDEO STREAMING MINUTES IN SOUTH KOREA REACHED 169 BIL. IN Q2 2021; SVOD PLATFORMS CAPTURE 13%, LED BY NETFLIX, WAVVE & TVING

Key Highlights

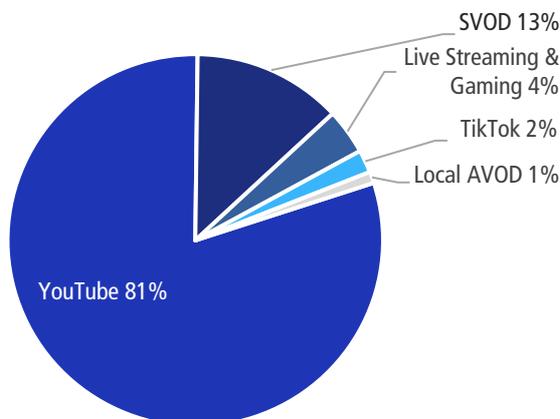
- YouTube leads online video streaming in South Korea, capturing 81% of total minutes streamed in Q2 2021. K-Pop is a major driving force.
- SVOD platforms accounted for 13% of total streaming, led by Netflix, Wavve and TVING.
- Net Promoter Scores (NPS) were led by Netflix and YouTube, while local platforms lag. Watcha Play, TVING and Wavve had a positive NPS.

(SINGAPORE, July 6, 2021) South Koreans streamed 169 billion minutes worth of online video in Q2 2021, according to the first of a series of quarterly reports from Media Partners Asia (MPA) measuring the Korean streaming economy. The report, titled *South Korea Online Video Consumer Insights & Analytics*, leverages MPA’s proprietary **AMPD Research Platform** to measure and analyse streaming media consumption across key VOD services on mobile devices.

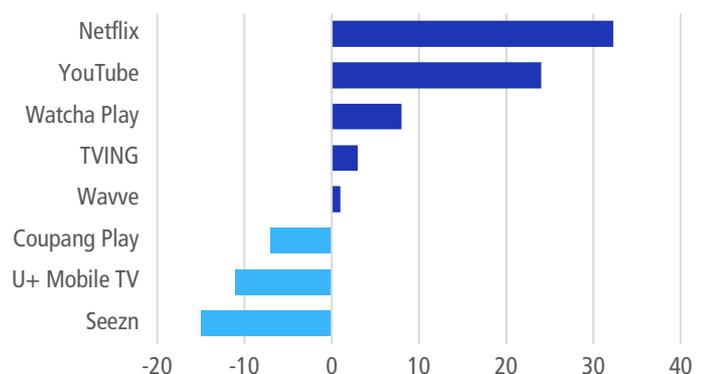
The report indicates that the SVOD online video reached 10 million cumulative SVOD subscribers at the end of the Q2 2021 period with Netflix, Wavve and TVing commanding an aggregate 80% share. More competition and category expansion is on its way with the launch of Disney+ in Q4 2021. Commenting on the inaugural report’s findings, MPA Executive Director Vivek Couto said:

“YouTube and Netflix have a strong lead in AVOD and SVOD segments respectively, while local SVODs led by Wavve, TVING and Coupang Play are gaining consumption. Online video content investment will top US\$1 billion in CY 2020 with the majority directed towards driving customer acquisition and retention. Netflix remains the largest investor and more than half of Netflix’s streamed minutes in Q2 2021 was driven by Korean content, which it also monetizes beyond Korea to grow its business globally.”

SHARE OF TOTAL STREAMING MINUTES (Q2 2021)



NET PROMOTER SCORES¹ (Q2 2021)



Source: AMPD Research, Q2 2021

¹ Net Promoter Score (NPS) is a widely used tool to gauge customer loyalty and as a proxy for customer satisfaction. The NPS is calculated on a scale of 0 - 10 in response to the question: “How likely is it that you would recommend to a friend or colleague?”. Scores of 0 - 6 are considered “detractors”, 7 - 8 are “passives” and 9 - 10 are classified as “promoters”. The final Net Promoter Score is calculated by subtracting the percentage of customers who are “Detractors” from the percentage of customers who are “Promoters.”

Global streaming majors Netflix and YouTube emerged leaders in a measure of customer satisfaction among paying VOD users using Net Promoter Scores. Watcha Play, TVING and Wavve were awarded positive scores.

The report also found that **YouTube** is an unequivocal leader in online video, capturing over 4 out of every 5 minutes streamed in South Korea. K-Pop is a major force, with official music videos and performances leading traffic, along with user-generated 'fan-cam' footage which are widely shared. **TikTok**, which is eating into YouTube's share in much of Southeast Asia, has yet to take off in South Korea, with Gen Z opting for local live streaming platform AfreecaTV.

SVOD platforms form the second-largest segment, contributing 13% of total streaming minutes in Q2 2021. Key players include:

- **Netflix** is the SVOD leader in Korea, with 5% share of total streaming minutes. Acquired Korean dramas, including titles from Netflix's output deals with Studio Dragon and JTBC Studios, have been a hit across age and gender demographics in Korea.
- **Wavve**, owned by SKT and the three major terrestrial broadcasters (KBS, SBS & MBC), leverages FTA, original and Hollywood content, driving 4% of total video streaming. Select SBS dramas and Wavve originals were breakout hits in Q2, driving significant consumption.
- **TVING**, with 2% share of total video streaming, enjoyed an uptick in consumption from its exclusive streaming broadcast of Euro 2020 matches and inclusion in Naver's Plus Membership.
- E-commerce major Coupang-owned **Coupang Play**'s Korean variety and dramas have started to build strong user engagement within 6 months of launch. Subscription to the platform is bundled with Coupang's e-commerce delivery membership.
- **Watcha Play**, leveraging medium and longtail Korean, Japanese and Hollywood content, commands a smaller but loyal user base. Hollywood movies and series, including key HBO shows, are a key draw on the platform.

AVOD, livestreaming and game streaming platforms drove 5% of consumption, led by Twitch and AfreecaTV, both popular among young, male audiences for game and e-sports streaming.

About This Report & Methodology

This report, entitled *South Korea Online Video Consumer Insights & Analytics* leverages MPA's proprietary AMPD Research Platform to evaluate consumer behavior and usage patterns across VOD media services in South Korea. The report includes analysis and profiles of 11 unique OTT video platforms focusing on paying subscribers, monthly active users, streaming minutes, average daily time spent, viewer profiles and demographics. The platforms are YouTube, Netflix, Wavve, TVING, Watcha Play, Coupang Play, Afreeca TV, Naver TV, Kakao TV, U+ Mobile TV and Seezn. Title-level analysis, including country of origin and genre split, and viewership by age and gender demographics are provided for Netflix. Title-level analysis for other SVOD platforms such as Wavve and TVING, will be included in future reports. The report will be updated quarterly. MPA also releases studies using the AMPD Research Platform that feature other APAC regions and markets such as Southeast Asia, Australia, Japan and Taiwan.

Two key tools were used to conduct research and frame analysis: **(1) Passive Measurement.** The AMPD Vision® platform uses a permission-based panel of consumers who consent to the collection of their session-based activity. For this report, the platform passively measured real consumption on all android mobile devices in Korea in Q2 2021 with a sample size of 1,500+. The data reported is anonymized and conforms to data privacy legislation in Korea; and **(2) Consumer Survey.** MPA used the results of a Consumer Survey, which serves as a VOD Profiling Study conducted in Korea. Data is collected through an interactive online survey with local partners Hankook Research. The survey was conducted among internet users aged 15 years and above who use both mobile and / or home broadband. The samples are sourced using AMPD Research's proprietary online panels, pre-screened for actual VOD consumption. A sample size of 5,013 respondents completed a structured survey of mostly closed-end questions. Data from the Consumer Survey informs metrics reported in Section III of this study.

About Media Partners Asia (MPA)

Media Partners Asia (MPA) is the leading independent provider of research, advisory and consulting services across media, telecoms, sports and entertainment industries in the Asia Pacific and the Middle East. We provide customized research with strategic recommendations to help clients launch new products & services, enter new markets, as well as acquire and sell businesses. MPA reports are used and sourced by local, regional and global companies for strategic planning and equity & debt transactions. We also offer dedicated primary research through subsidiary AMPD Research to measure consumer behaviour across the digital economy, including online video and gaming. MPA also hosts the APOS Summit, the defining voice for the Asia Pacific media and telecoms industry.

For more details, visit www.media-partners-asia.com

About AMPD Research (AMPD)

AMPD Research is a leading media insights specialist, measuring and decoding consumer behaviour across the digital economy, including online video. AMPD has built a series of digital measurement panels using groundbreaking passive metering technology developed by UK technology firm, RealityMine. With passive measurement panels deployed across 10 markets globally, AMPD provides its clients with an unparalleled view into digital consumption habits across video, gaming, audio streaming, and e-commerce on smart devices and computers. As living room device consumption matures across many developing markets, the AMPD and RealityMine partnership is piloting new technology that will measure the total digital entertainment ecosystem by adding the measurement of smart TVs and set-top boxes in 2021.

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