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MPA: VIDEO CONTENT INVESTMENT ACROSS INDIA, KOREA & SOUTHEAST ASIA GREW 21% IN 2021 AND IS FORECAST TO INCREASE BY 15% IN 2022

Media Partners Asia publishes the 2022 edition of Asia Video Content Dynamics, tracking video content investment, production and consumption across seven major markets

Total industry investment surged an estimated 21% to US\$10.4 billion in 2021

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2022 is expected to generate gains in investment, up a projected 15% to US\$12.0 billion.

(SINGAPORE, AUGUST 4, 2022) Video content budgets across India, Korea and Southeast Asia climbed 21% in 2021 to reach US\$10.4 billion and are forecast to grow 15% to US\$12.0 billion in 2022, according to the latest edition of Asia Video Content Dynamics, published by Media Partners Asia (MPA). This report tracks video content consumption, content investment, and production costs in seven key Asian markets: India, Indonesia, South Korea, Malaysia, the Philippines, Thailand and Vietnam. Verticals include free-to-air (FTA), pay-TV, online video and film with analysis of key players and the production value chain.

Video industry content investment surged an estimated 21% to US\$10.4 billion in 2021 as key operators replenished content pipelines after the initial waves of covid depleted programming inventories in 2020. All content verticals except theatrical generated strong gains. Film costs contracted 2% as pandemic restrictions delayed releases in many markets. Korea and India were the largest content investment markets with a combined US\$7.4 billion; other markets reached US\$400-900 million each. Pay-TV was the largest vertical with 46% of total industry content investment, which reflects well-developed pay-TV markets in India and Korea. OTT content was the fastest growing vertical, up 83% Y/Y to become the second largest vertical with 26% of industry investment. Korea and India generated particularly strong OTT investment growth, while Thailand and Indonesia contributed significantly. FTA ranked third with 25% of the total.

2022 is expected to generate further strong gains in content investment, up a projected 15% to US\$12.0 billion. India and Korea will drive the bulk of the increase, but all markets and all verticals are expected to grow. Online video will grow the most – by nearly US\$700 million – while film will be the fastest growing – up nearly 140% as theaters screen fresh movies.

Commenting on the findings of the report, MPA Vice President Stephen Laslocky said:

“Inflation, particularly with online originals, is clearly a factor driving-up content costs. Online video operators, broadcasters, and producers need to see that higher budgets translate into more premium viewing experiences; otherwise, the cost increases will not be sustainable. Internationally successful programs remain the content licensing Holy Grail which thus far, only Korean dramas and some anime as well as US and UK content have sustainably achieved. Some Thai content has succeeded outside of Thailand. Quality production values, strong

storylines with a focus on younger online demographics will be the building blocks of future investment strategies.

The expanding online video sector has been a boon to independent producers. Profit margins have stabilized at 10% or more across much of the region. More can be done to bolster independent producers including additional compensation for original concepts, commensurate rewards for breakout successes and expanded use of pipeline deals (which allows producers to more reliably recoup overheads). In exchange, producers need to be transparent with production costs. Commissioners need to be willing and able to audit costs.”

Key Verticals

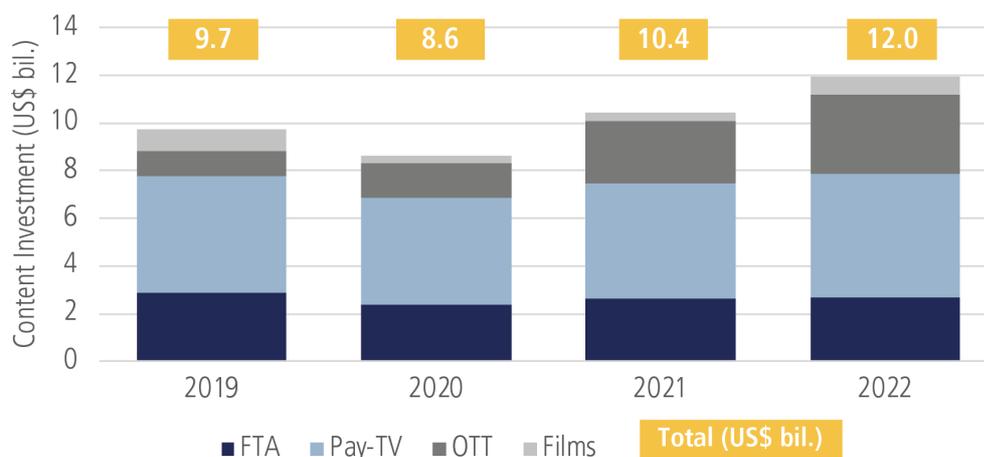
TV ratings continue to decline in measured markets. The declines reflect structural changes as viewers transition to online video. Going forward, online viewership will further erode TV ratings. The growth of online video has continued into 2022. Video consumption remains heavily skewed toward the UGC platforms with their share of video consumed ranging from 82% in Korea to 95% in Vietnam. While YouTube remains the leader, TikTok is driving the growth in Southeast Asia. Premium video, both AVOD and SVOD, captures the majority of the balance.

TV and online video consumption patterns are diverging. On TV, drama is generally the most watched genre while variety, including reality, often ranks #2. Movies, kids, and news can be significant drivers of viewership and sports can over-index with top rating TV programs. Viewership of some key TV genres is transitioning to YouTube, where they generate significant classified consumption.

Meanwhile with premium online video, approximately 90% of consumption is series, the bulk of which is drama, while movies generate about 10% of viewership. Dramas account for nearly all top titles. Ex-India, variety consumption is largely driven by acquired Korean programming.

Box office revenues, admissions and releases all fared poorly in 2021. The silver lining is that delayed tentpoles have performed well in 2022. Some markets, such as India and Indonesia, are expected to fully recover. In other markets, a return to pre-covid may take until 2023. Elsewhere, prospects may be marginally but permanently impaired.

Video Content Investment, Measured Markets



Note: Reflects 7 markets including India, Indonesia, South Korea, Malaysia, Philippines, Thailand and Vietnam
Source: Media Partners Asia



ABOUT ASIA VIDEO CONTENT DYNAMICS 2022

This report tracks video content consumption, content investment and demand, and production costs in seven key Asian markets: India, Indonesia, South Korea, Malaysia, the Philippines, Thailand and Vietnam. Verticals include free-to-air (FTA), pay-TV, online video and film with analysis of key players and the production value chain.

ABOUT MEDIA PARTNERS ASIA

Media Partners Asia (MPA), established in 2001, is a leading independent provider of advisory, consulting and research services, focusing on media and telecoms in Asia Pacific and the Middle East. MPA also operates AMPD, launched in 2019. AMPD measures digital activity in 13 global markets using proprietary software, focused on video, content, advertising and connectivity sectors with detailed consumer and content insights. MPA provides due diligence for domestic and international M&A and investment activity in APAC while also operating as an IC (Independent Consultant) for IPOs of media and telecoms companies. MPA hosts and operates APOS, the leading annual summit for Asia's TMT industry.

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