



Global Entertainment & Media Outlook

2018–2022

Perspectives: 2018 Outlook report summary

Trending now: convergence, connections and trust



So what's trending now? Convergence, connections and trust

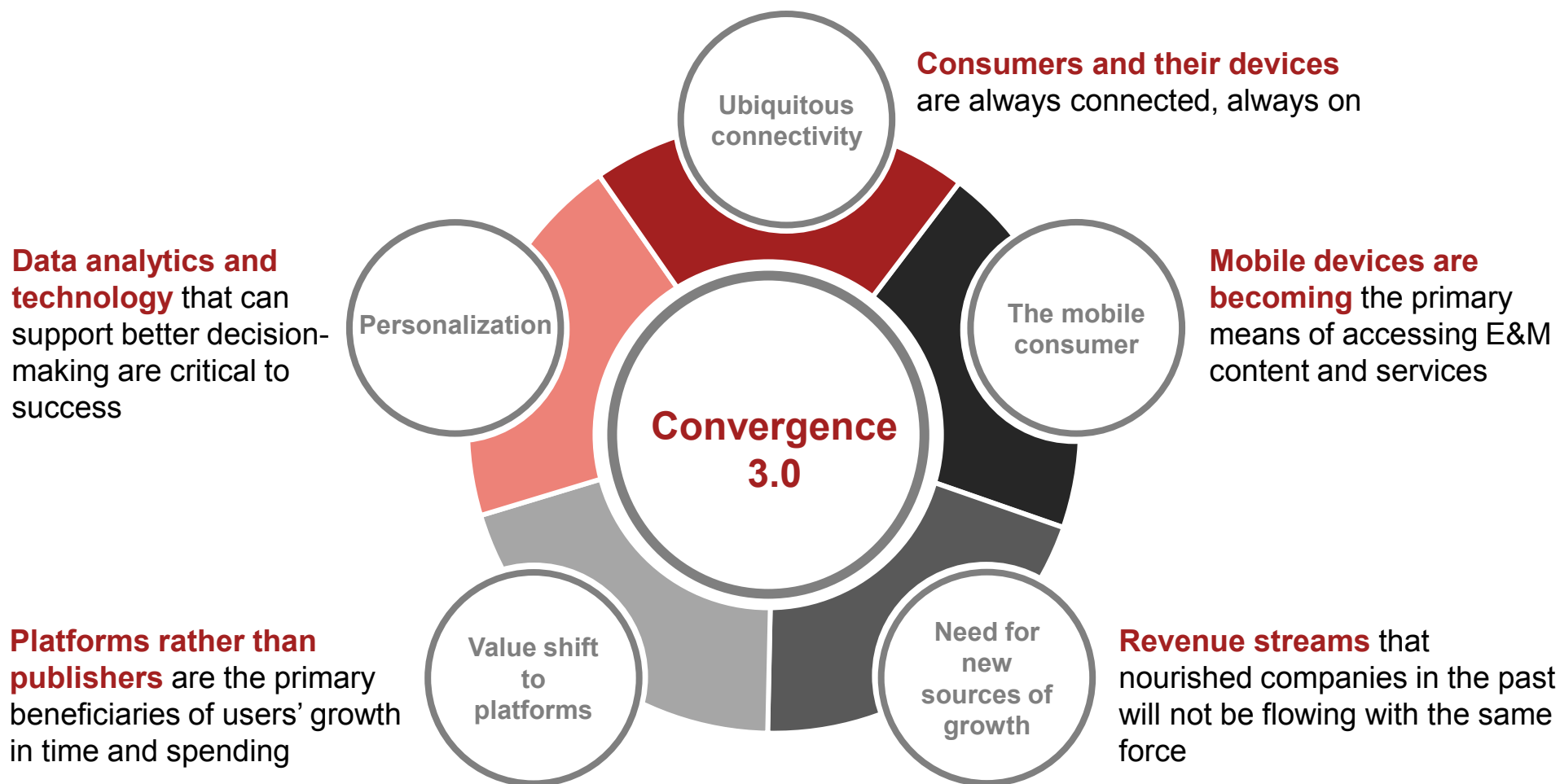
Global Entertainment & Media Outlook perspectives

- The media system is experiencing a third wave of **convergence**. Call it Convergence 3.0. Companies that hail from different starting points are aiming at business models that revolve around comprehensive direct-to-consumer relationships
- As they transform, E&M players are building up and leveraging their **connections** with users, partners and other stakeholders to develop new revenue streams
- The growing power of technology and importance of data is pushing **trust** to an even more central focus. Strong capabilities to build trust with users, improve value exchange and drive transparency while ensuring safeguards and protection are vital differentiators for E&M businesses



Convergence 3.0: A handful of factors combine, creating the momentum behind this new wave of convergence

Drivers of convergence



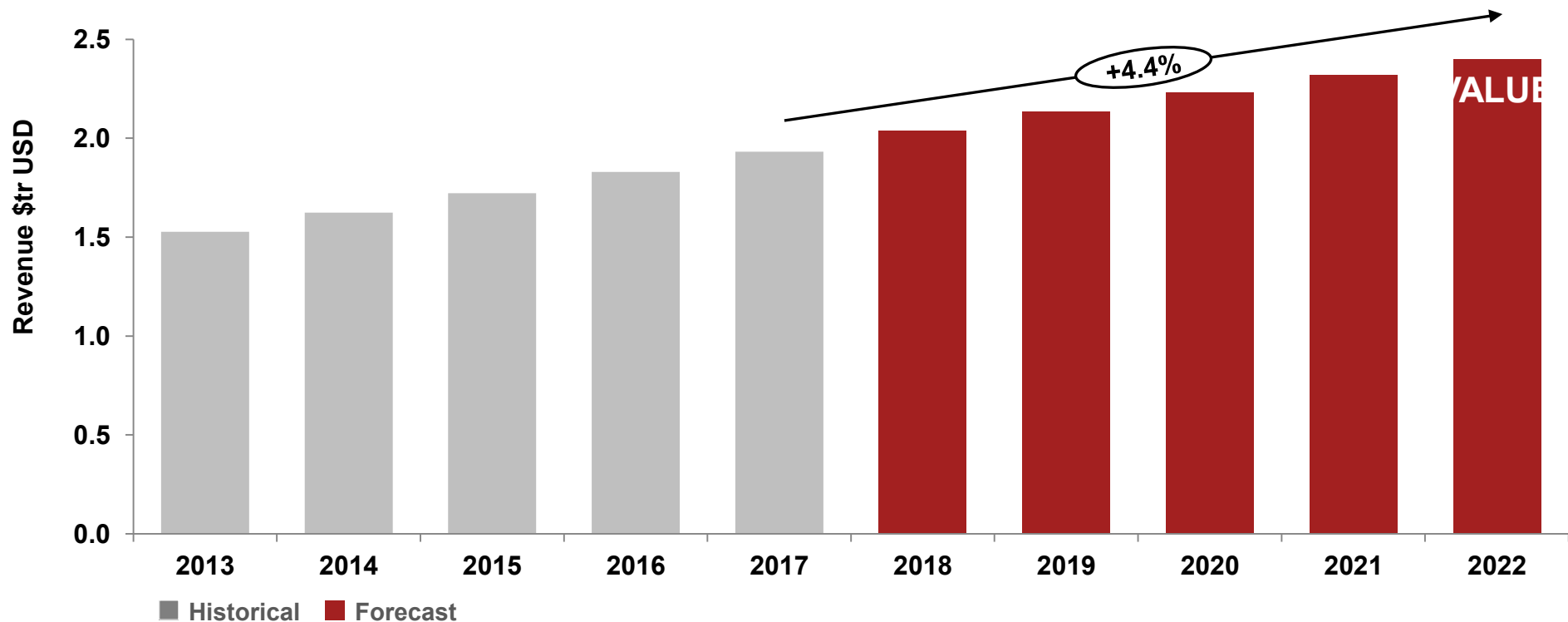
Overview: Global E&M macro trends

Global summary and macro trends



The Global E&M industry is growing at a pace close to its historical rates - even amid significant disruption....

Global E&M revenue and nominal growth forecast for next 5 years*



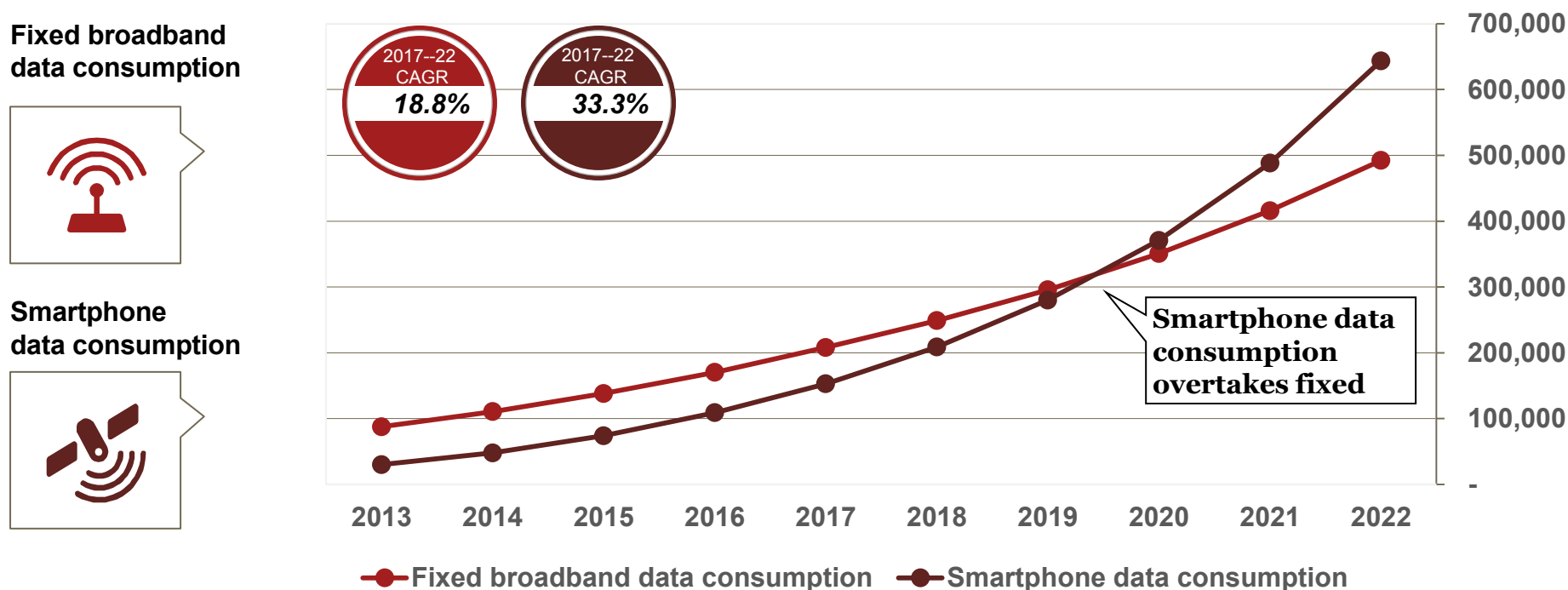
*... and a dizzying array of different trends at the **segment** and **territory levels**, an accumulation of near-infinite micro stories*

Source: PwC Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook

Note: All figures are reported in nominal terms reflecting actual spending transactions and therefore include the effects of inflation

And final pieces fall into place for a mobile-first world, with the symbolic tipping point occurring in 2020

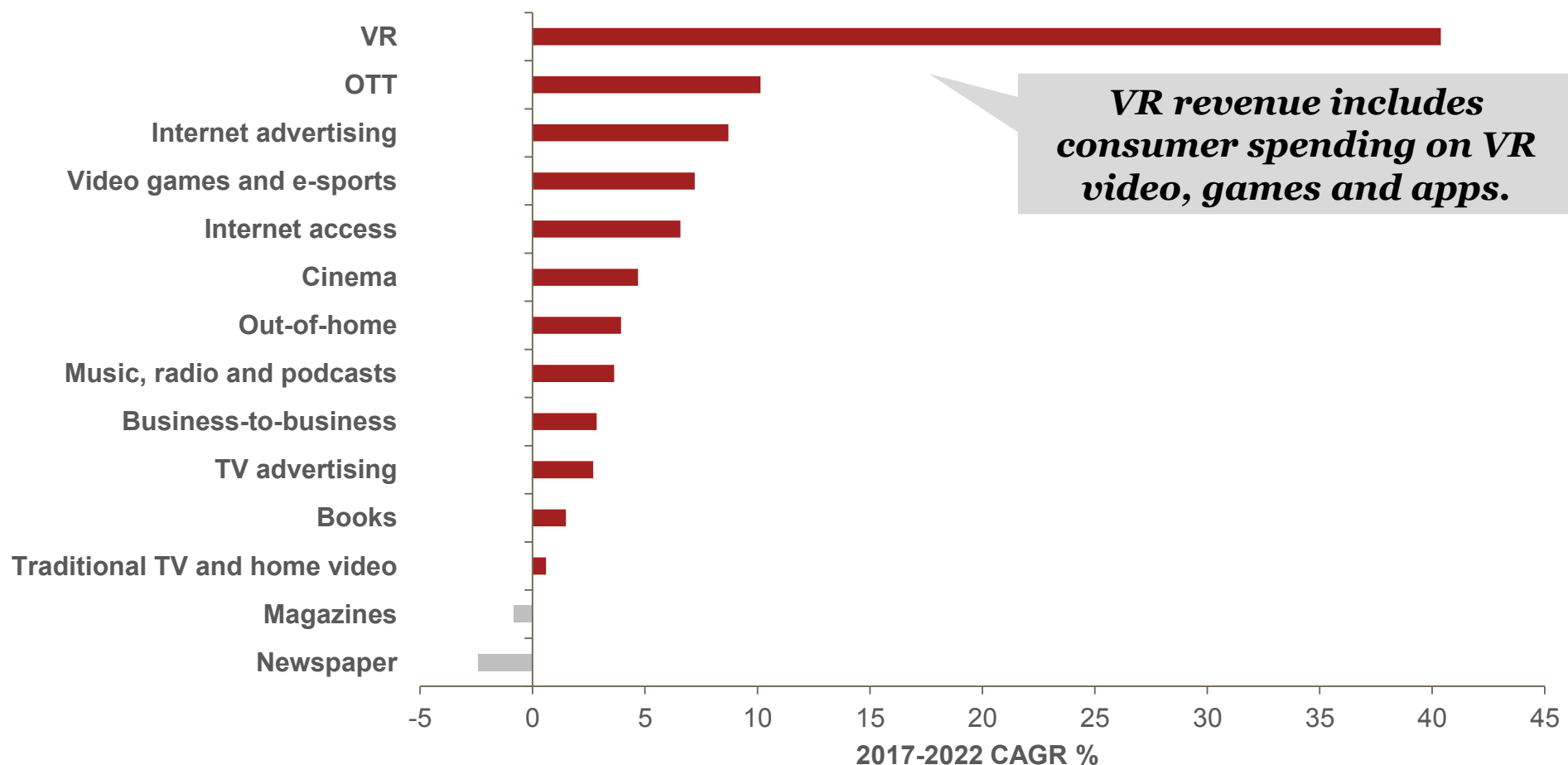
Global fixed broadband vs. smartphone data consumption (billion MB)



India achieved this tipping point in 2016 itself; Smartphone data consumption growing at a CAGR of 90.4% for 2017 - 2022

Looking across segments, the fastest growth will be in digitally driven segments, with virtual reality leading the way

Segment CAGR 2017 - 2022



Source: PwC Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook

In terms of individual segment market size, Internet access again tops the chart with the largest % of global E&M revenue

Share of E&M 2017 revenue by segment

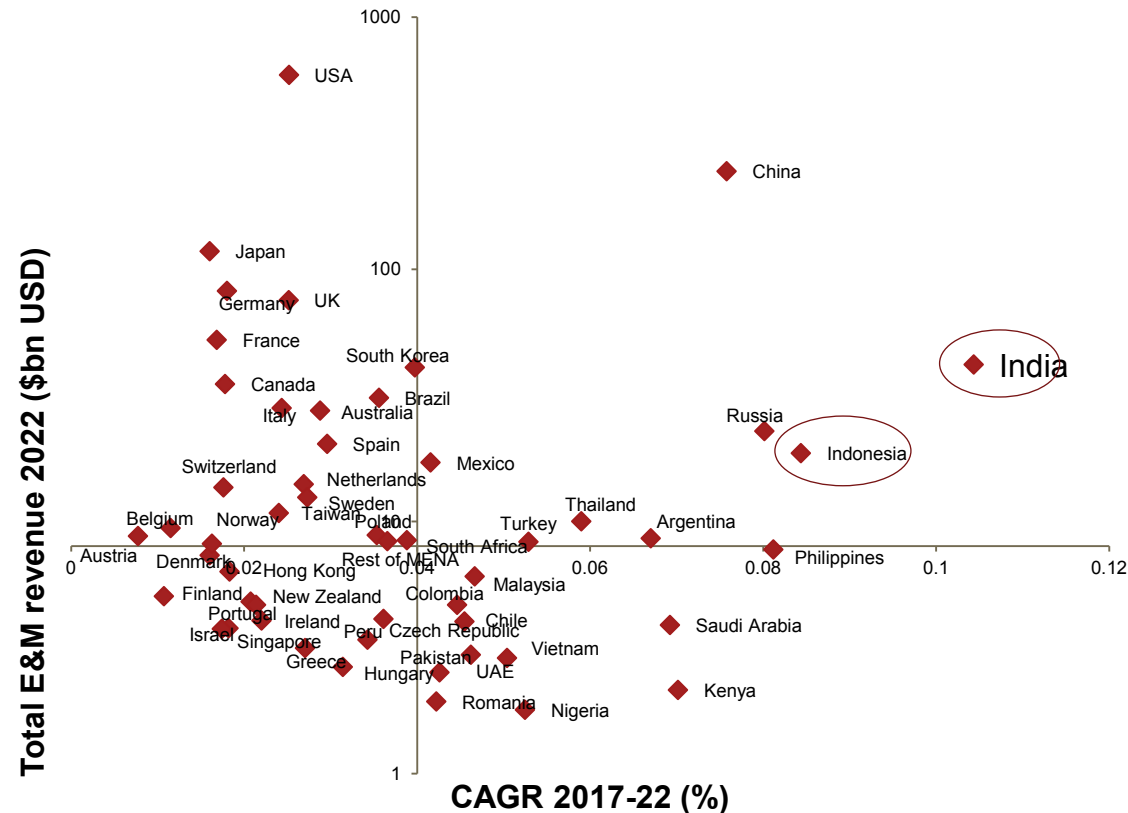
Segment	2016	2017	2018 forecast
Internet access	25.5%	26.2%	26.8%
Traditional TV and home video	13.6%	13.0%	12.3%
Internet advertising	9.9%	11.1%	11.9%
Business-to-business	9.6%	9.4%	9.1%
TV advertising	8.8%	8.3%	8.1%
Newspaper	6.4%	5.9%	5.5%
Books	6.0%	5.8%	5.6%
Video games and e-sports	4.9%	5.2%	5.5%
Music, radio and podcasts	4.8%	4.7%	4.7%
Magazines	4.8%	4.6%	4.3%
Cinema	2.1%	2.1%	2.1%
Out-of-home	1.9%	1.8%	1.8%
OTT	1.6%	1.8%	1.9%
VR	0.0%	0.2%	0.4%

Note: 2017 is the latest available data. 2018-2022 values are forecast projections

Source: PwC Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook

Looking across territories, there are relatively few markets that are both large and fast growing

Quadrant of total E&M revenue (excluding Internet access)



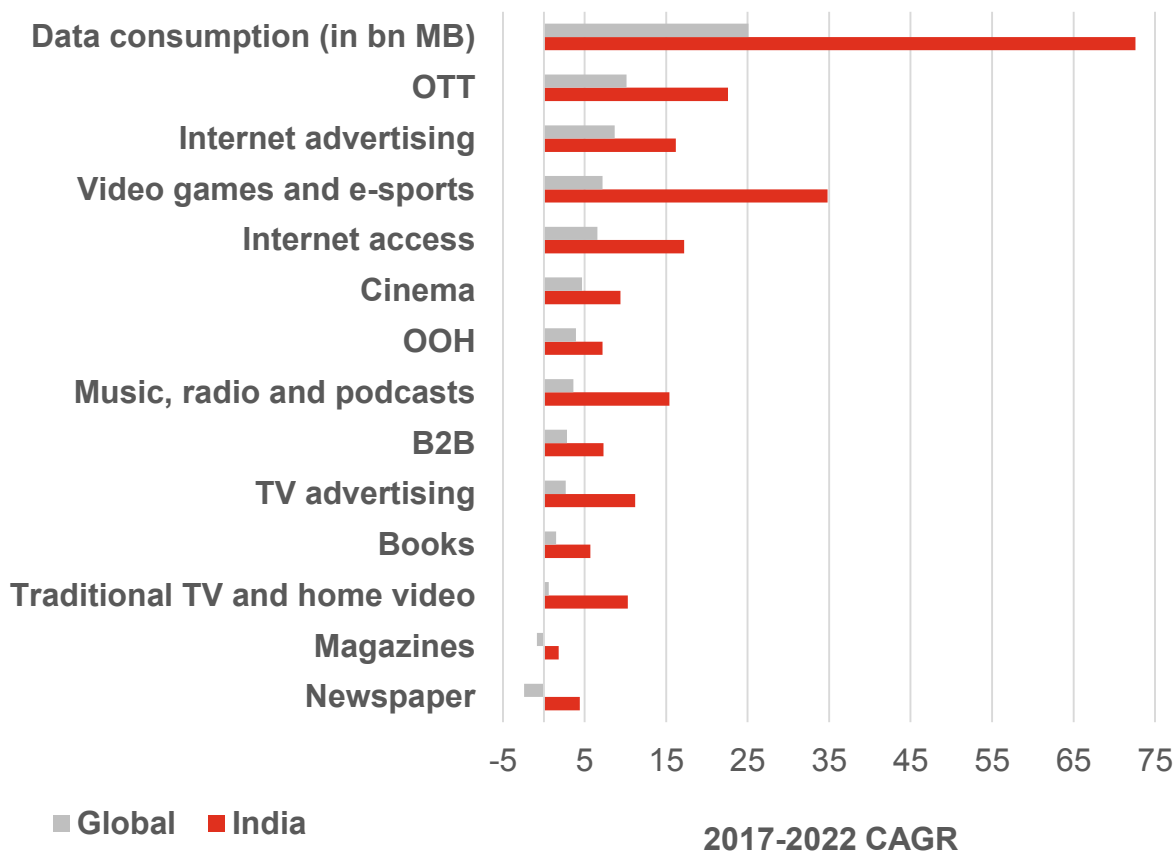
Key takeaways

- India is the fastest growing market (excluding internet access)
- The distribution of markets is indicative of the increasing difficulty of finding lucrative investment opportunities in the global media market
- Conditions in territories like China, India, Russia and Indonesia create unique challenges for investors

The effect of Internet access revenue is more apparent in the fastest growing E&M territories

All segments in India are growing faster than Global; India one of the fastest growing territories at a CAGR of 11.7% through 2022

E&M segment CAGR 2017-2022: Global, India

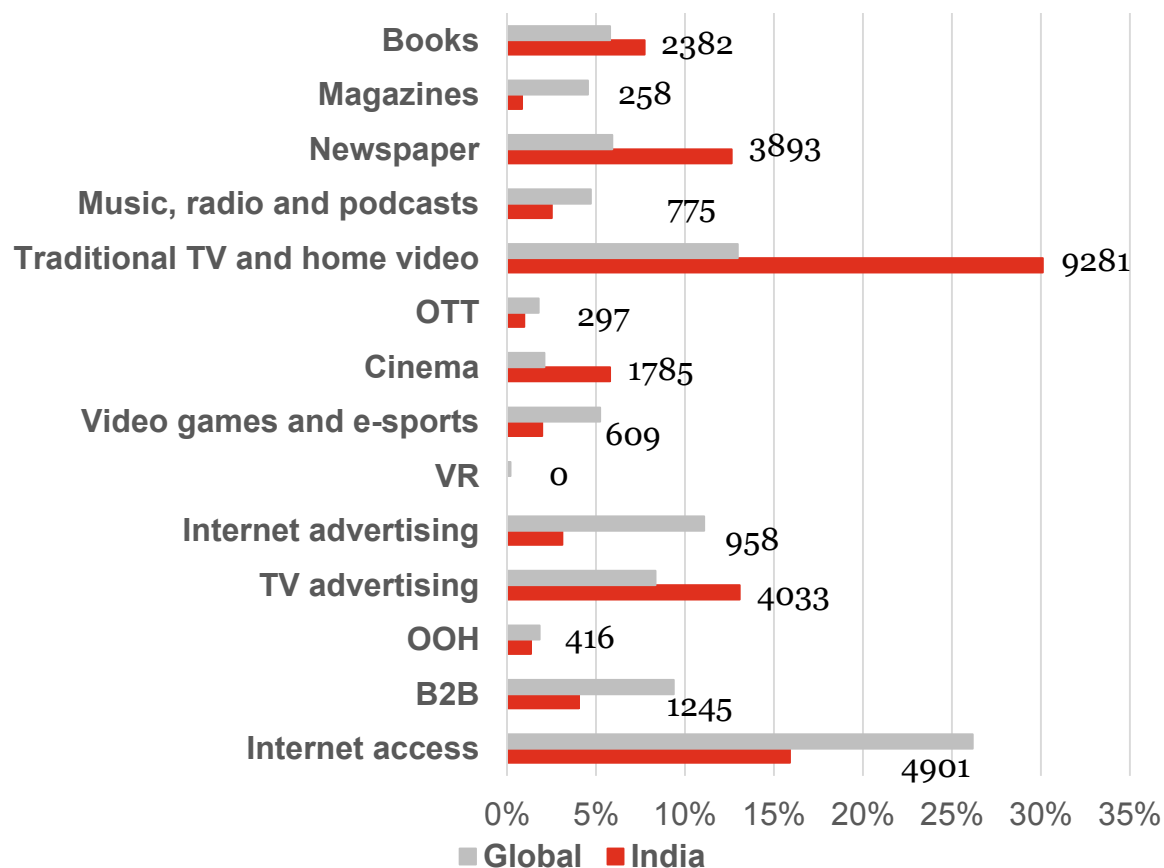


Key takeaways

- *Fastest growing segments in India are Data Consumption (non-revenue), OTT and Internet Advertising*
- *Newspapers in India continue to showcase positive growth over the Outlook period as opposed to Global*
- *E-sports is a promising sub-segment with a high CAGR of 56.6% over the Outlook period*

Traditional TV and video continues to hold the largest share in Indian E&M market in terms of revenue

2017 E&M market share by segment: Global, India (% , USD mn)



Key takeaways

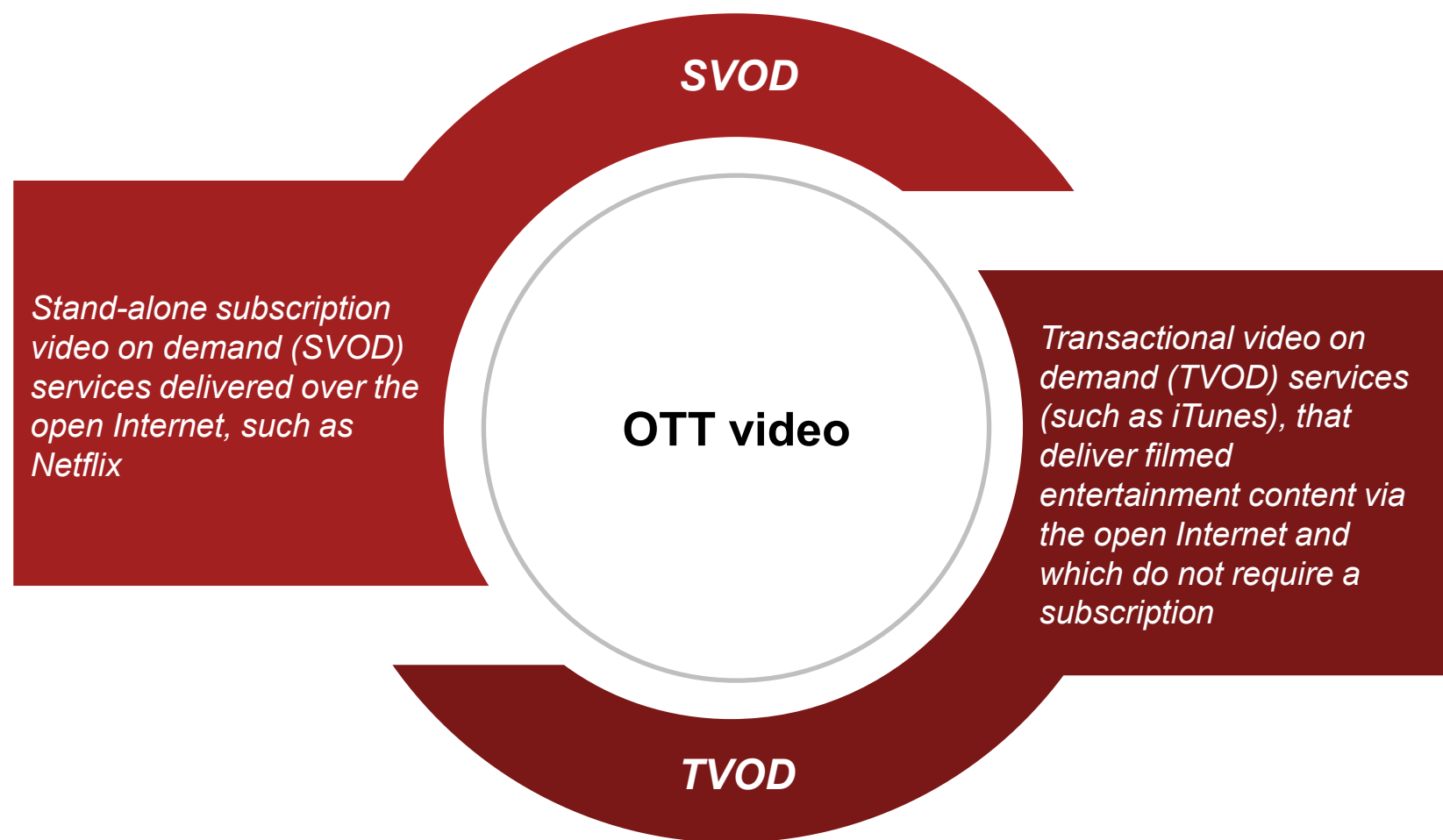
- While OTT happens to be one of the fastest growing segments, Traditional TV and home video will still hold the largest share of the Indian E&M market throughout the Outlook period
- India will be amongst top 10 Video games countries with respect to revenue by 2022

Segment Insights





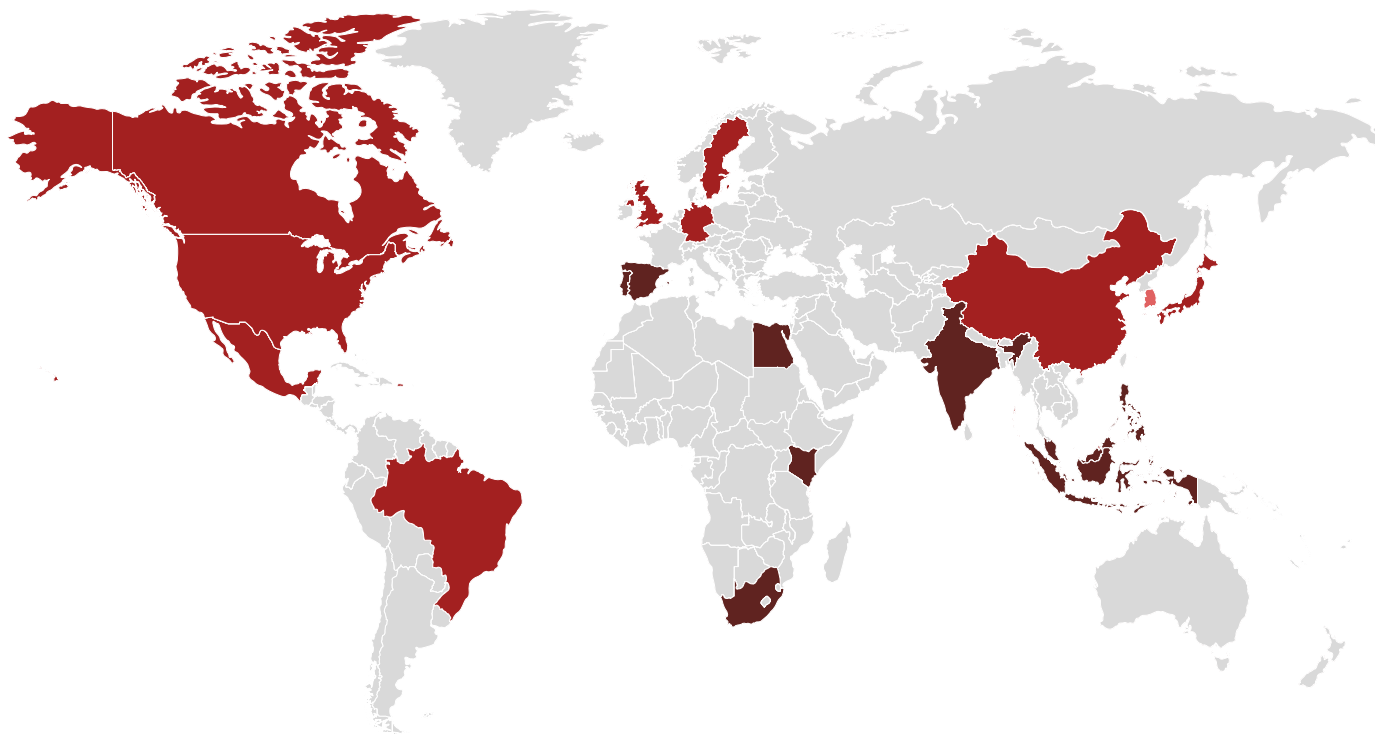
OTT video comprises consumer spending on video accessed via an over-the-top /streaming service





India will be amongst Top 10 highest CAGR SVOD countries

SVOD top countries by 2017 revenue and growth 2017-2022



Top 10 SVOD countries 2017

US	Germany
China	Sweden
Japan	South Korea
UK	Brazil
Canada	Mexico

Top 10 countries with highest SVOD CAGR 2017-2022

Indonesia	Malaysia
Philippines	Egypt
India	South Africa
Kenya	Portugal
South Korea	Spain

Countries on both lists

South Korea

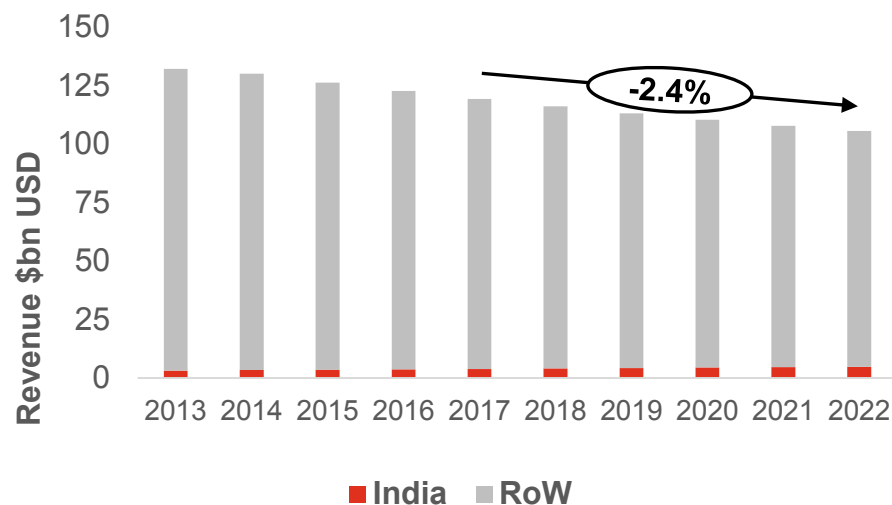
- Top 10 SVOD countries by revenue 2017
- Top 10 SVOD countries by CAGR 2017-2022
- Countries on both lists

Source: PwC Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook

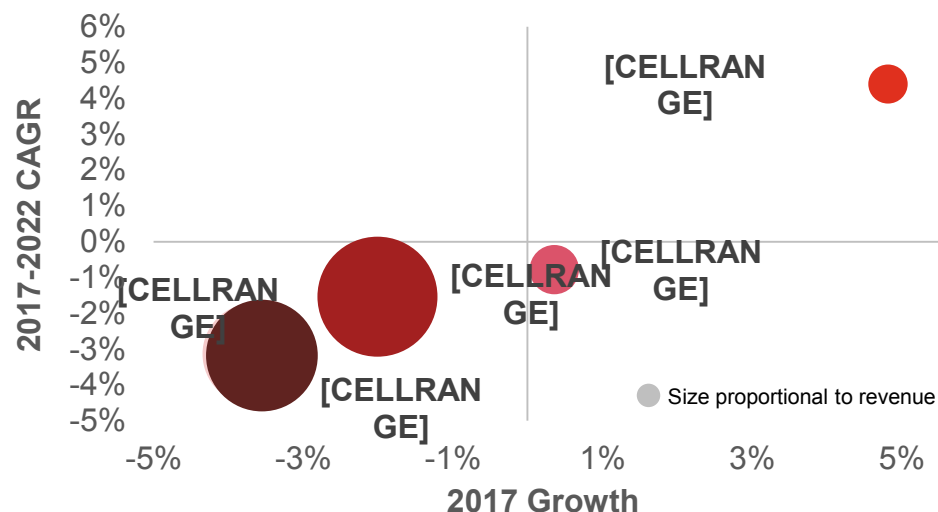


While global newspaper revenue will continue to decline at -2.4% CAGR through 2022, India showcases positive growth

Segment revenue 2013-2022: Global, India



Regional revenue and growth: 2017 global revenue \$119bn USD



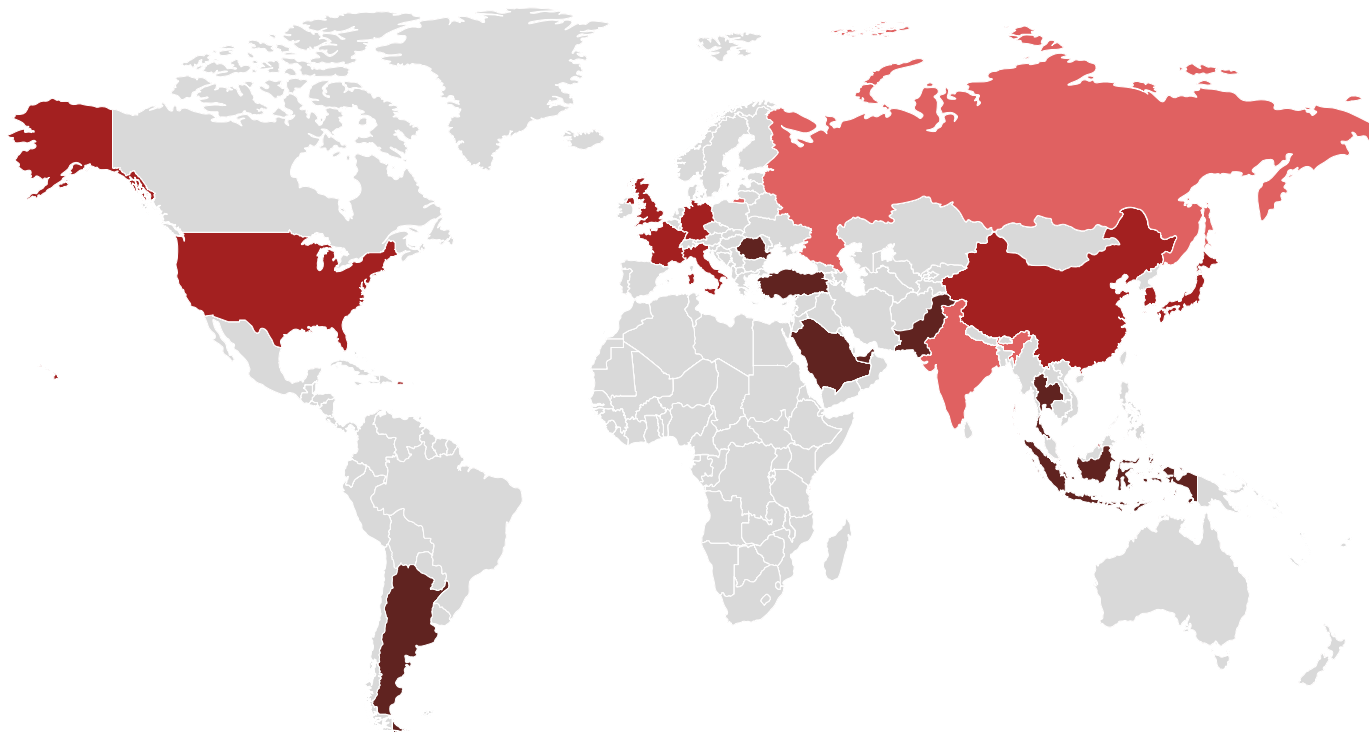
- The global news industry continues to respond to the ongoing product devaluation, despite overall consumption growth
- Globally, future shrinkage is expected to improve slightly, as digital monetization improves, resulting in -2.4% CAGR

- Indian newspaper revenue to grow at 4.4% CAGR
- Expanding literacy rates, rural economic growth, successful coverage in regional news titles and ongoing low cover prices are all driving the popularity of print in India



India in Top 10 video games territories with respect to CAGR as well as revenue by 2022

Video games top countries by 2022 revenue and growth 2017-2022



Top 10 video game countries by revenue 2022

China	Germany
US	France
Japan	Russia
South Korea	Italy
UK	India

Top 10 countries with highest video game CAGR 2017-2022

India	Thailand
Turkey	Argentina
Pakistan	Saudi Arabia
UAE	Russia
Indonesia	Romania

Countries on both lists

India	Russia
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- Top 10 video games countries by revenue 2017
- Top 10 video games countries by CAGR 2017-2022
- Countries on both lists

Source: PwC Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook

Thank You

pwc.com/outlook

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