Media & Advertising

The Outlook for Digital

This is an abbreviated versión of the deck presented at EMA's Digital Media Pipeline Event on 26th September.

For a full version of the slides please contact dan.cryan@ihsmarkit.com

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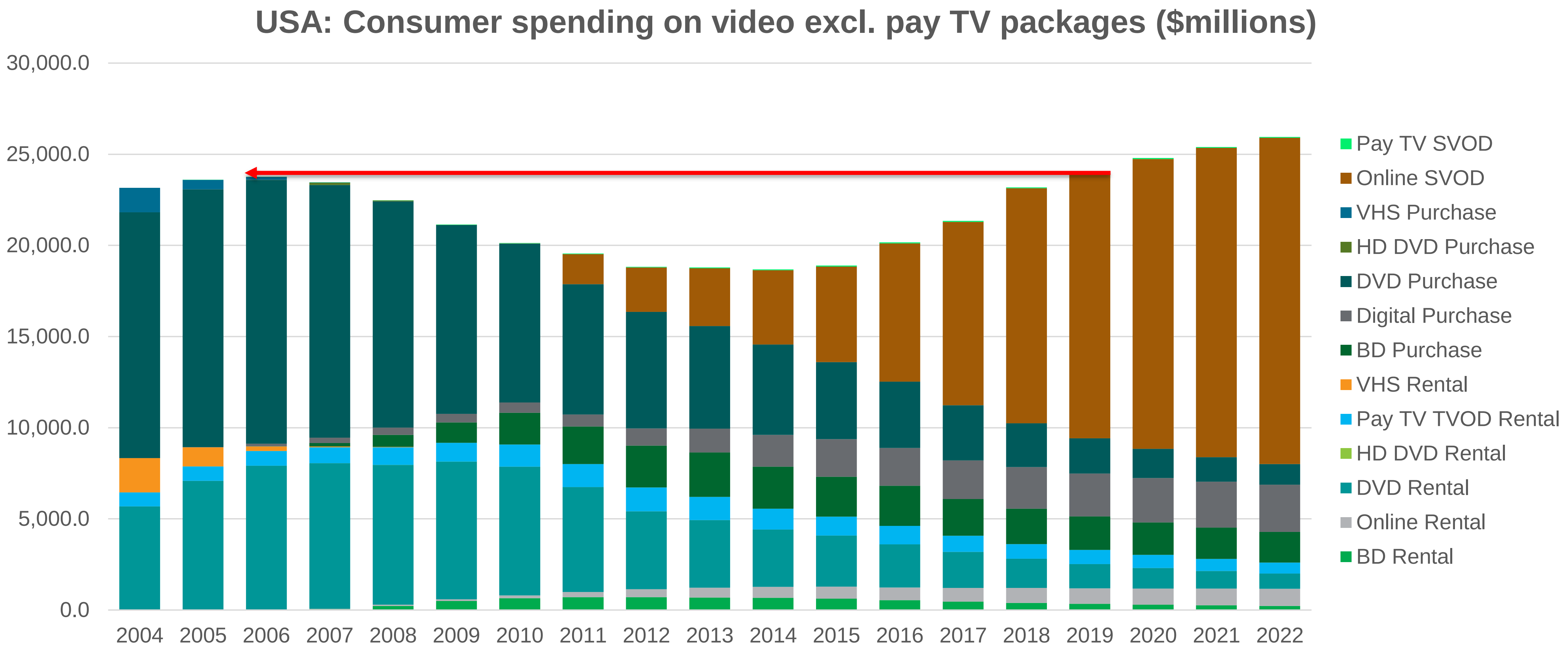
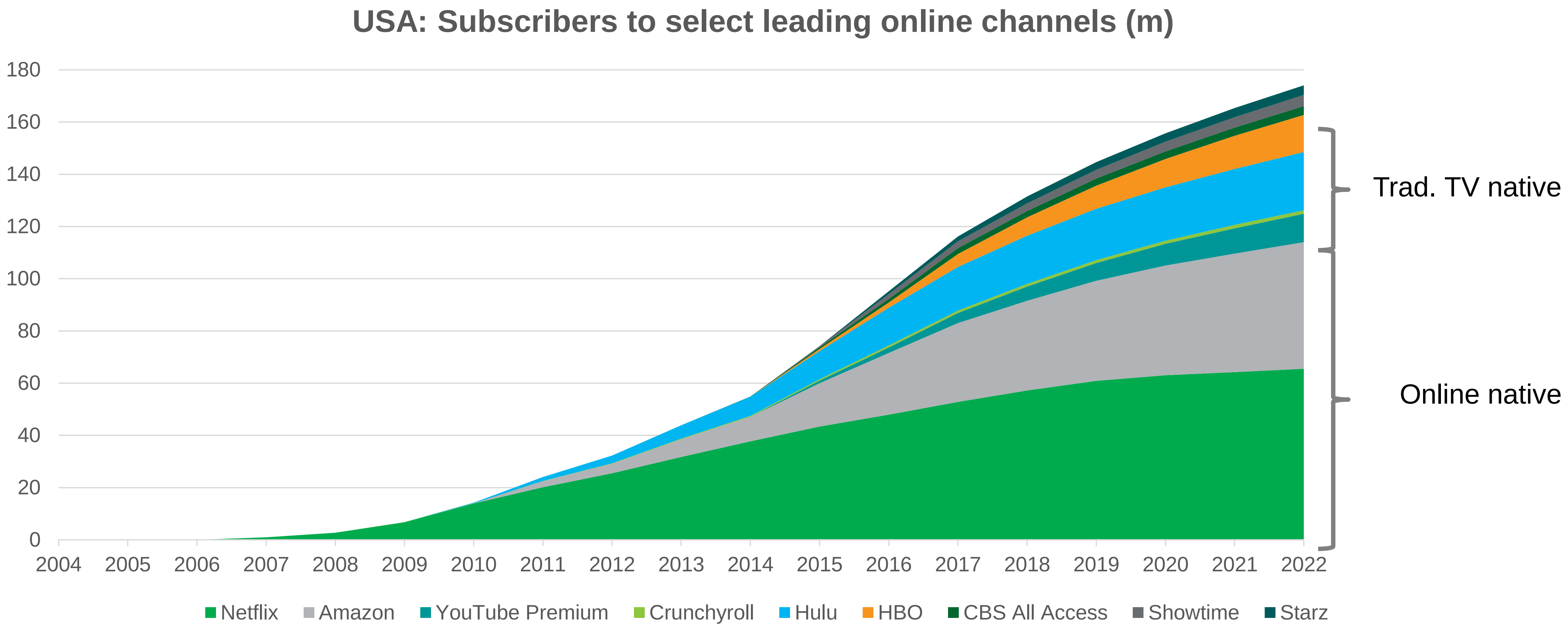
The combination of Home Entertainment + SVOD channels are on course to pass 2006’s Home Entertainment peak next year

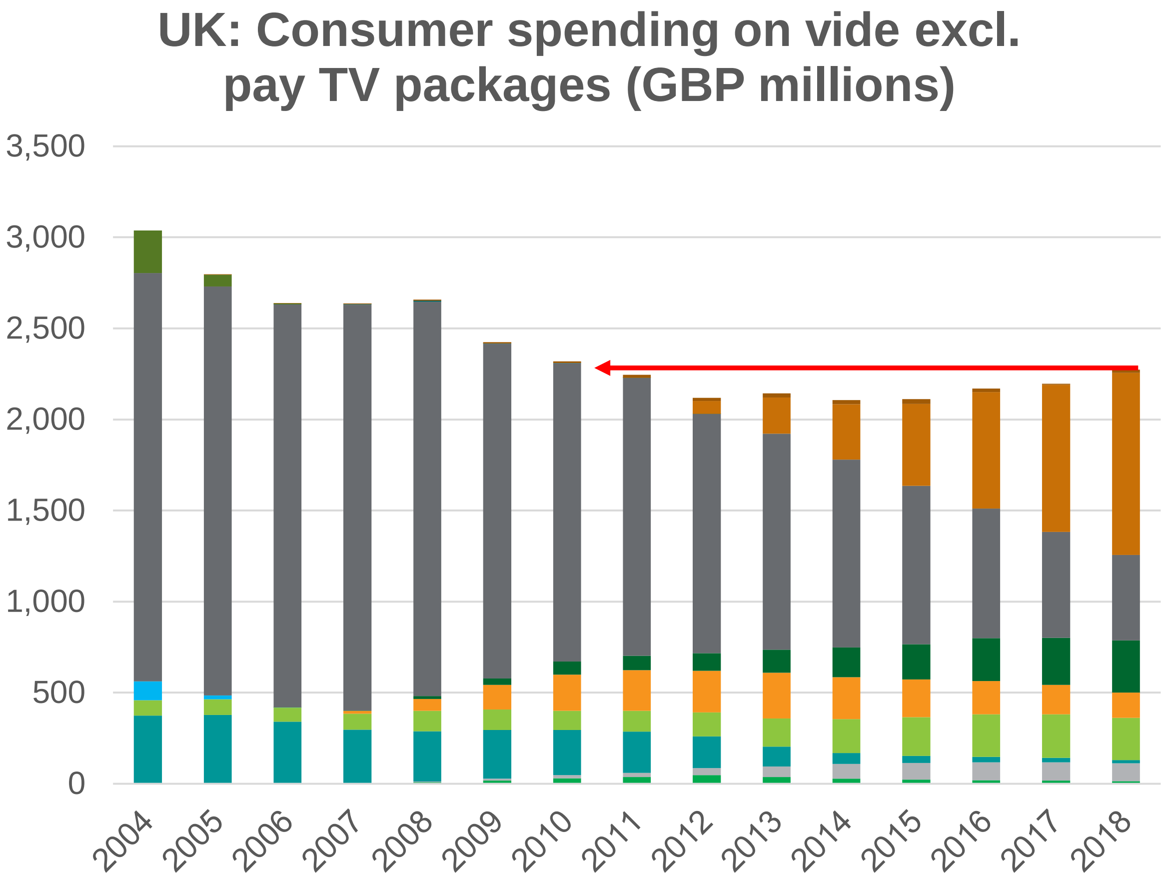


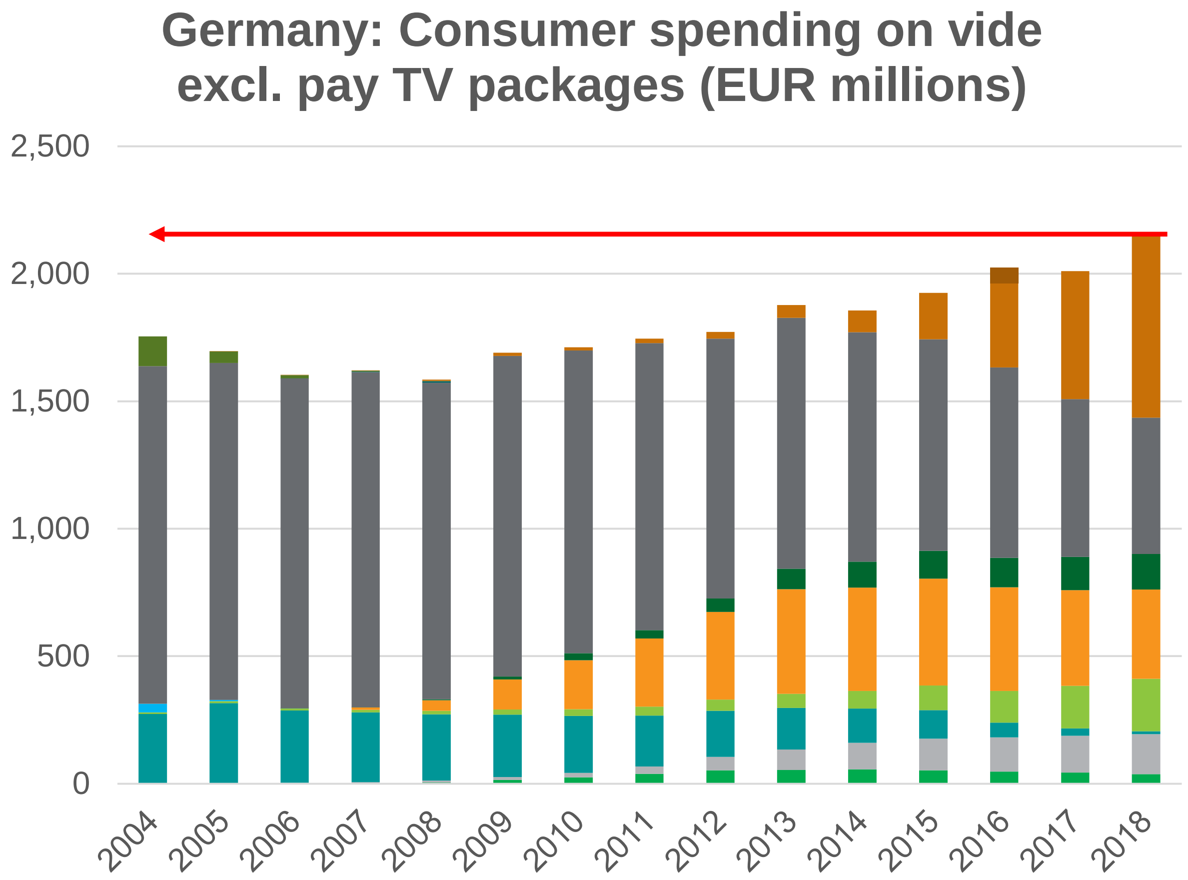
Note: Data excludes sport

Netflix and Amazon will continue to dominate US online subscription channels through 2021



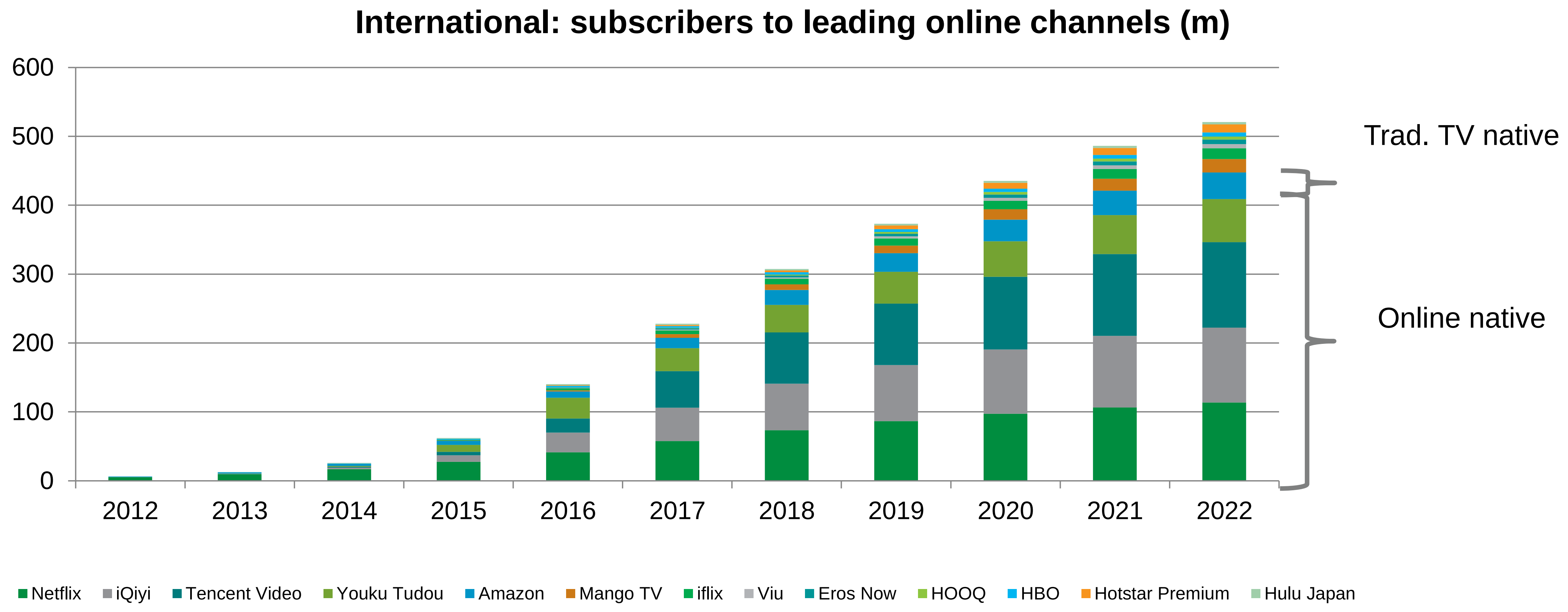
It’s a similar SVOD growth story in many European markets



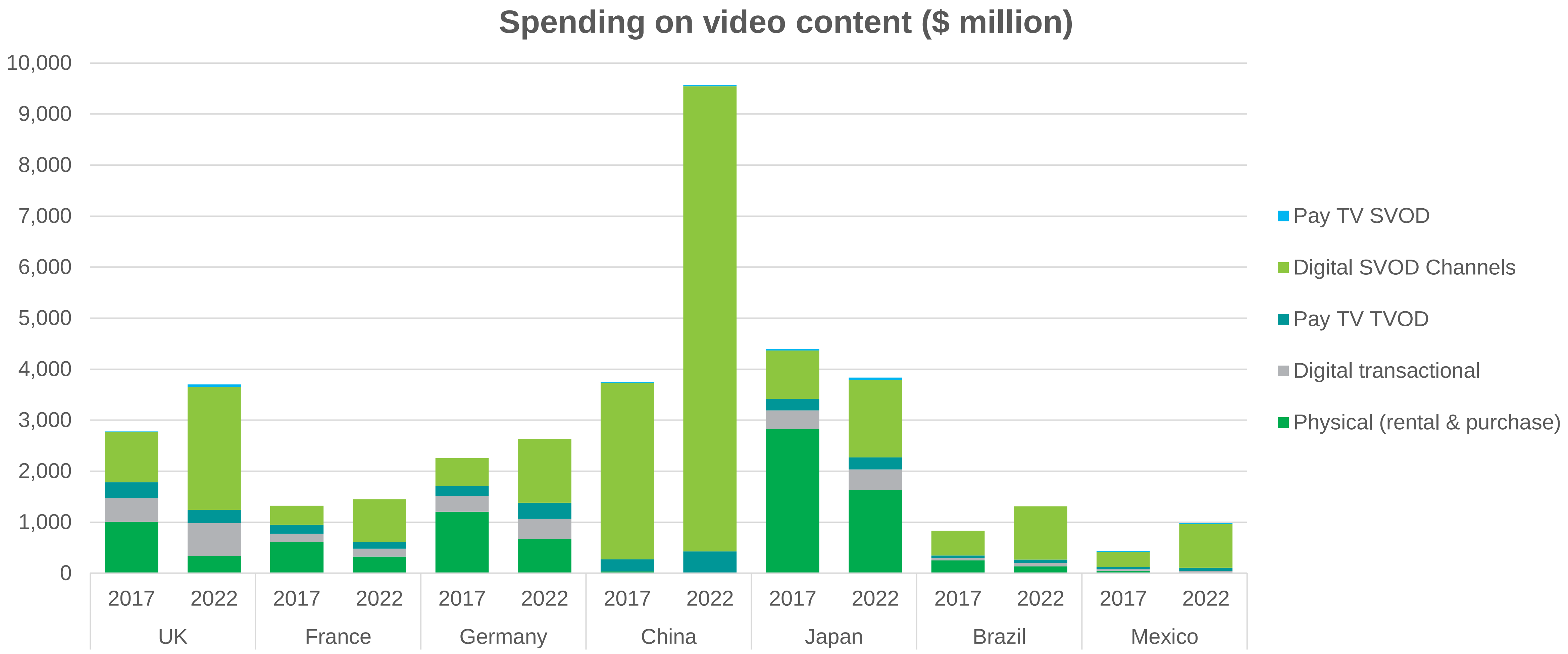


BD Rental · Online Rental · DVD Rental · Pay TV TVOD Rental · VHS Rental · BD Purchase
Digital Purchase · DVD Purchase · HD DVD Purchase · VHS Purchase · Online SVOD · Pay TV SVOD

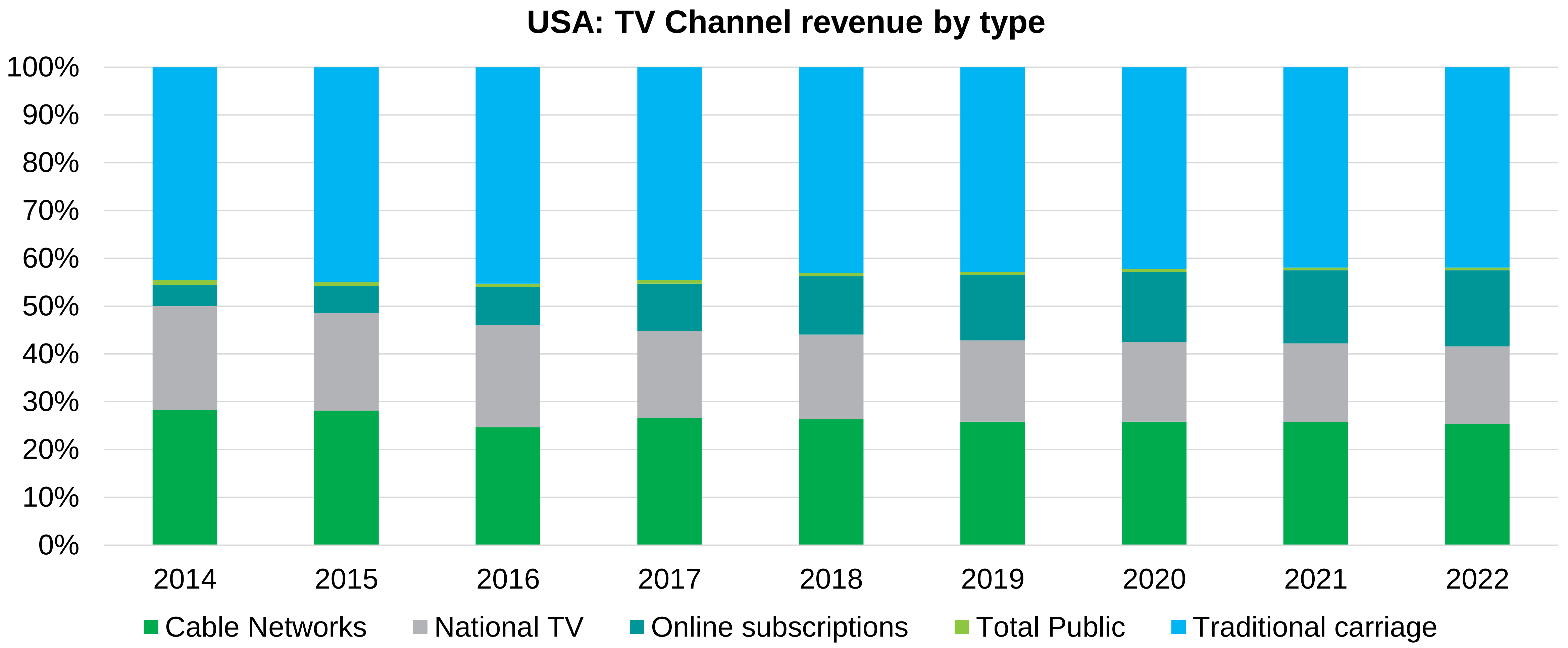
Netflix will continue to lead international subscription market, but regional players are growing strong particularly in Asia



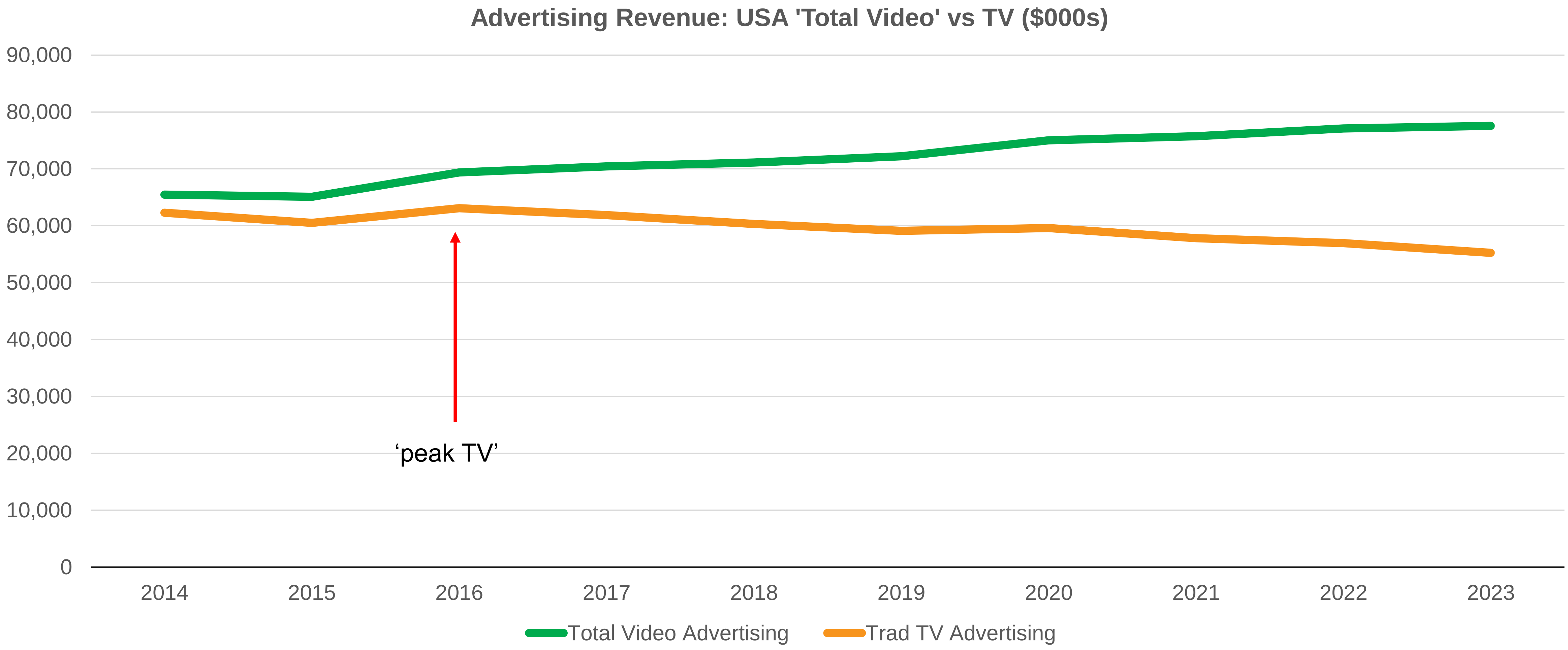
Internationally the picture is mixed, as the digital transition is progressing at different rates



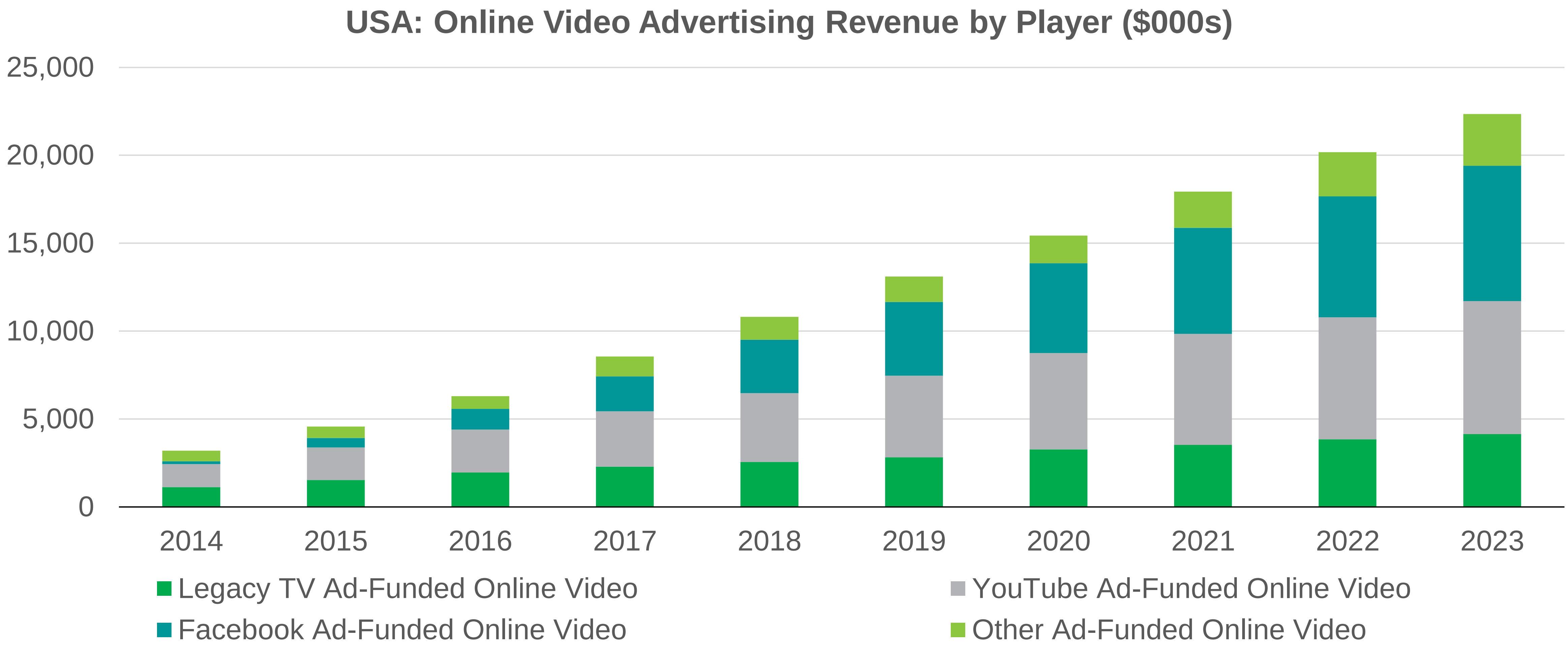
Online subscription channel revenue will be equivalent to broadcast network advertising revenue by 2022



Linear TV advertising is declining, but ‘total video’ advertising (TV + online video) is climbing to ever new heights

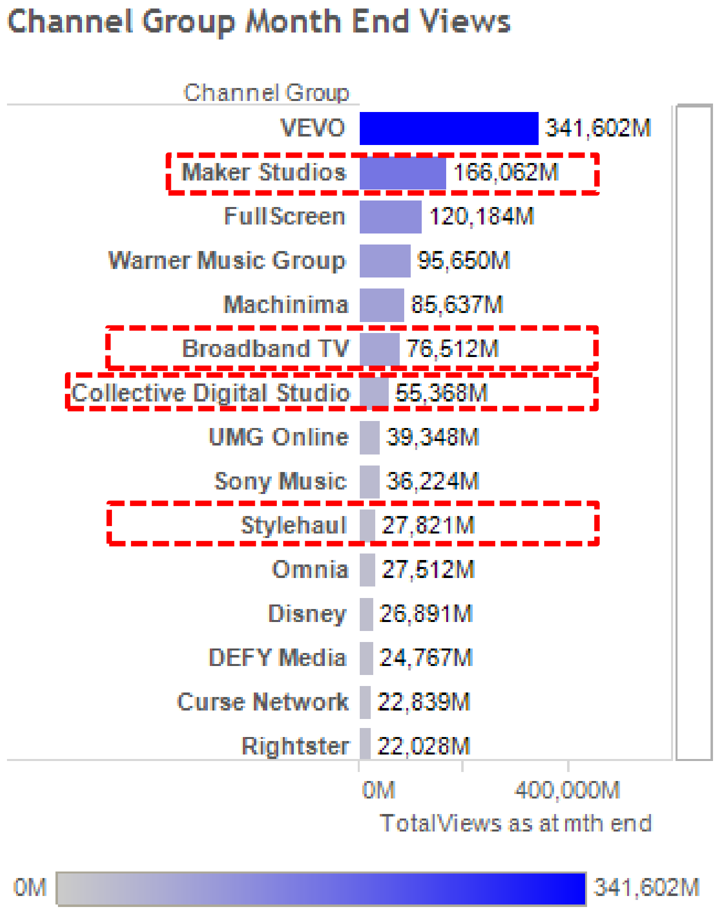


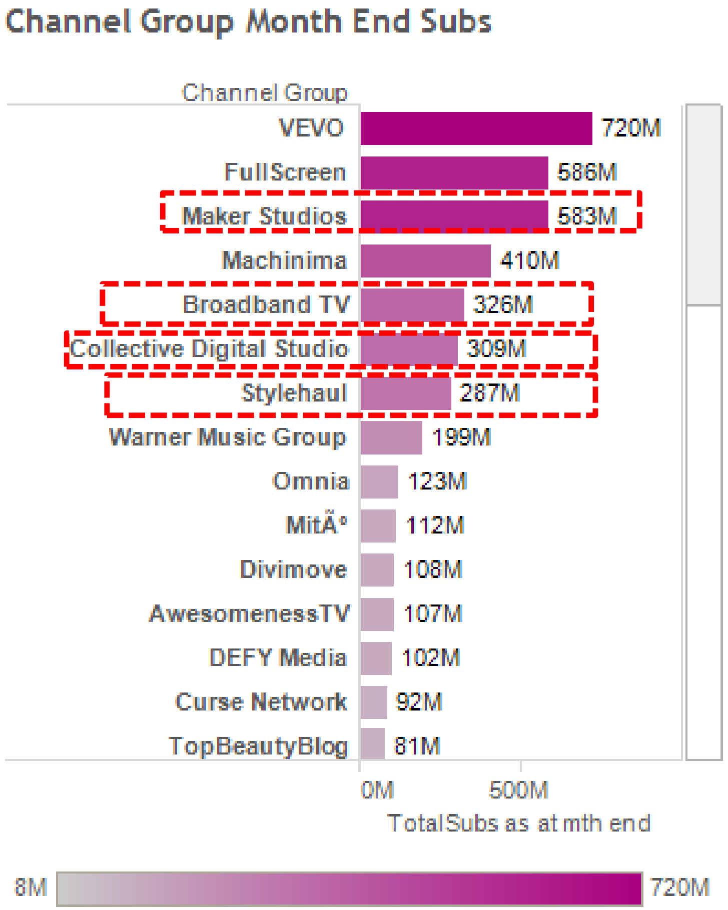
There is a fierce battle in online video as legacy TV competes with new players for both TV ad dollars and new spend from brands outside of TV

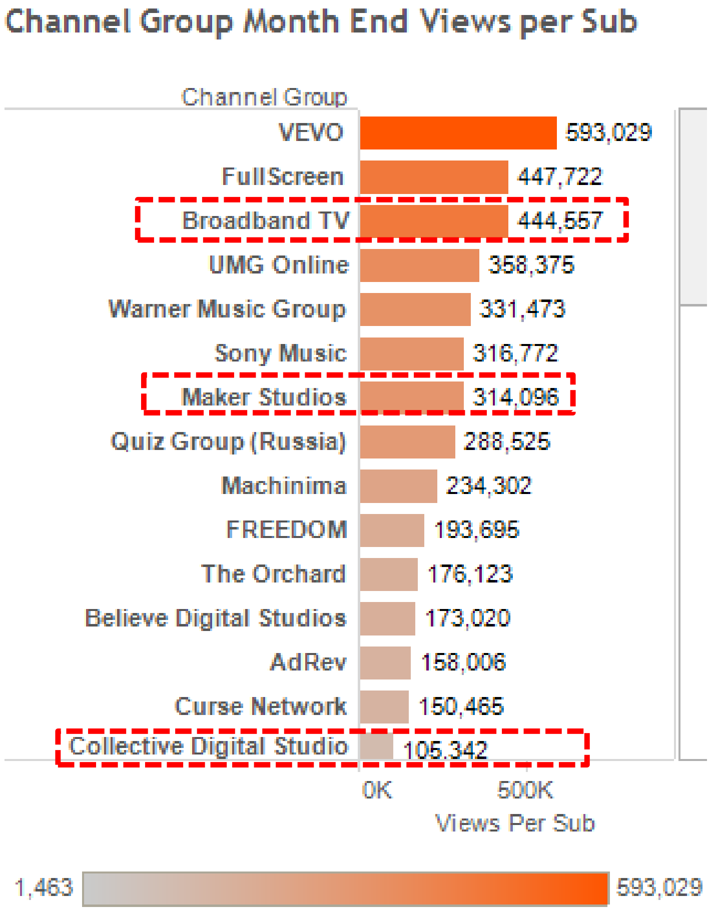


Broadcasters are diversifying, becoming some of the top aggregators on YouTube

Cumulative data to 12/2017

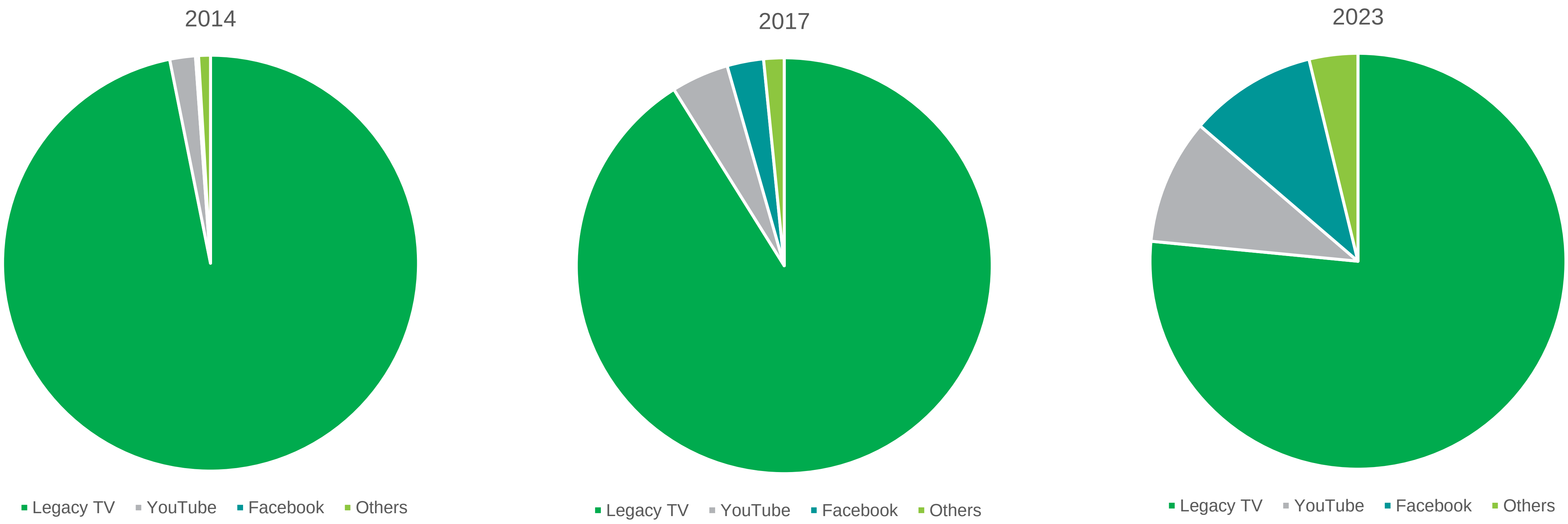




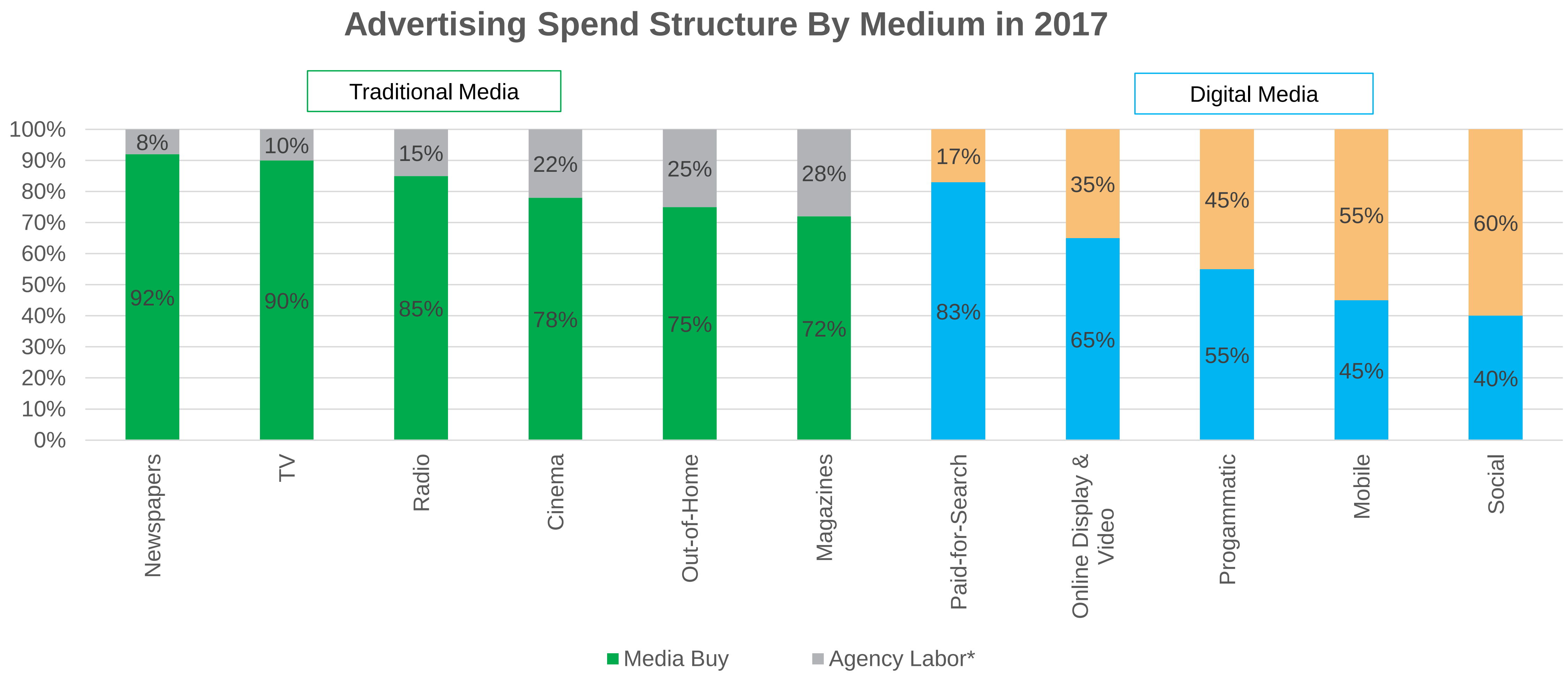


Ultimately, legacy TV will remain the first among many, but the glacial erosion of strength is unstoppable

Share of 'total video' advertising over time

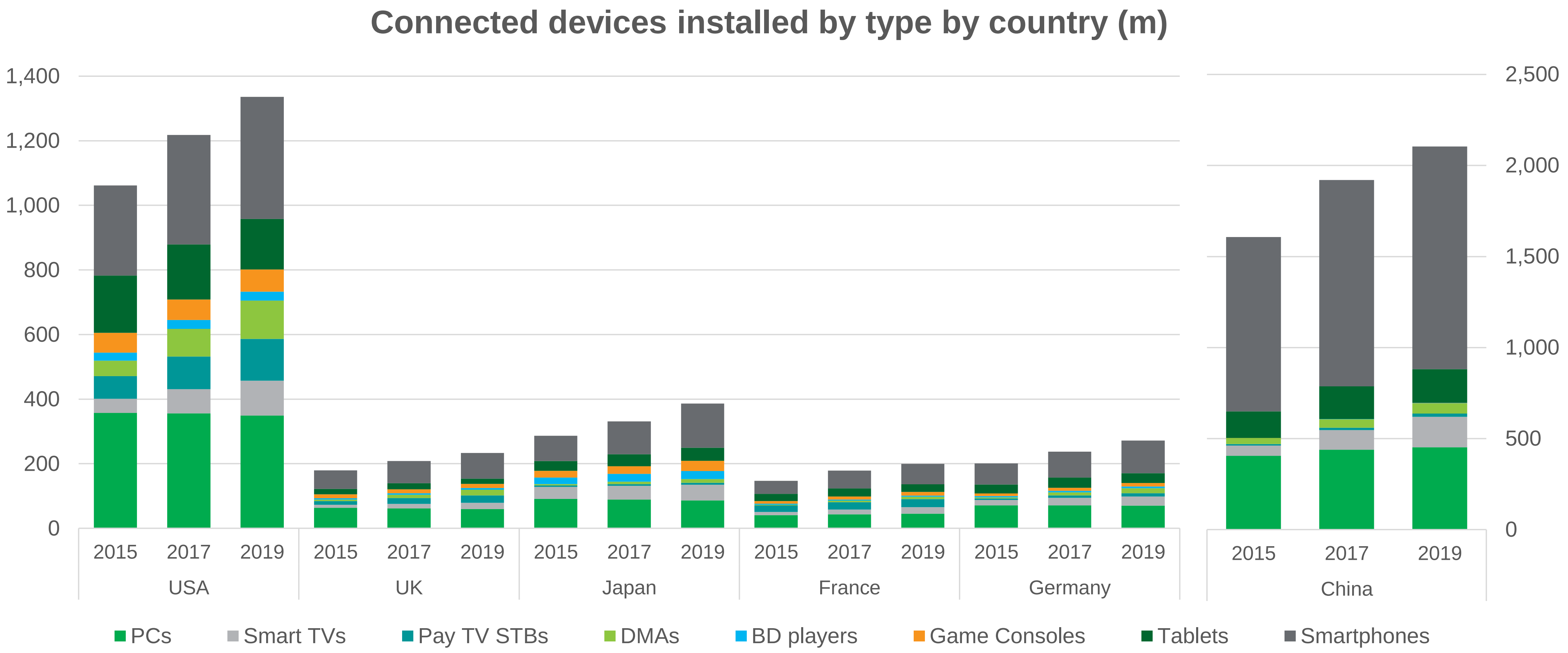


Data & analytics services are key part of digital ad value, and increasingly fuel a change of cost base in traditional media (e.g. addressable TV)

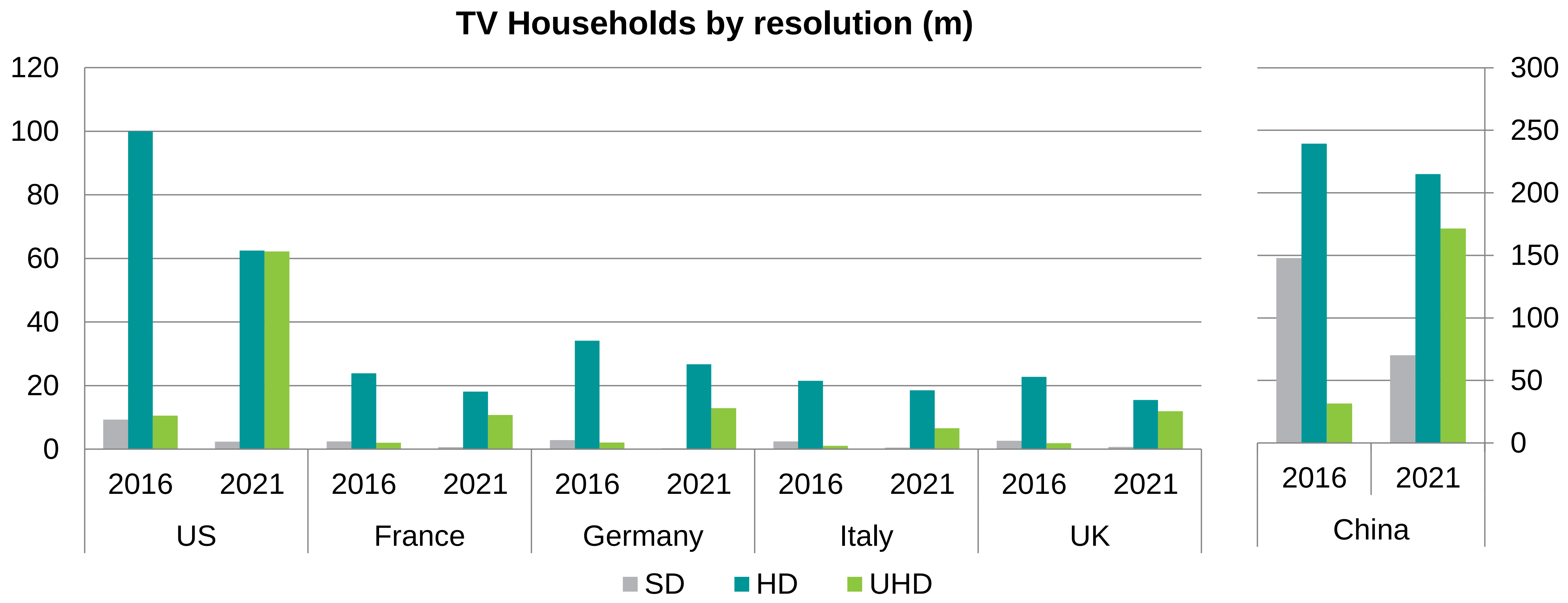


*all agency production & service costs including shoot, talent, creation, advisory, planning, measurement, optimization

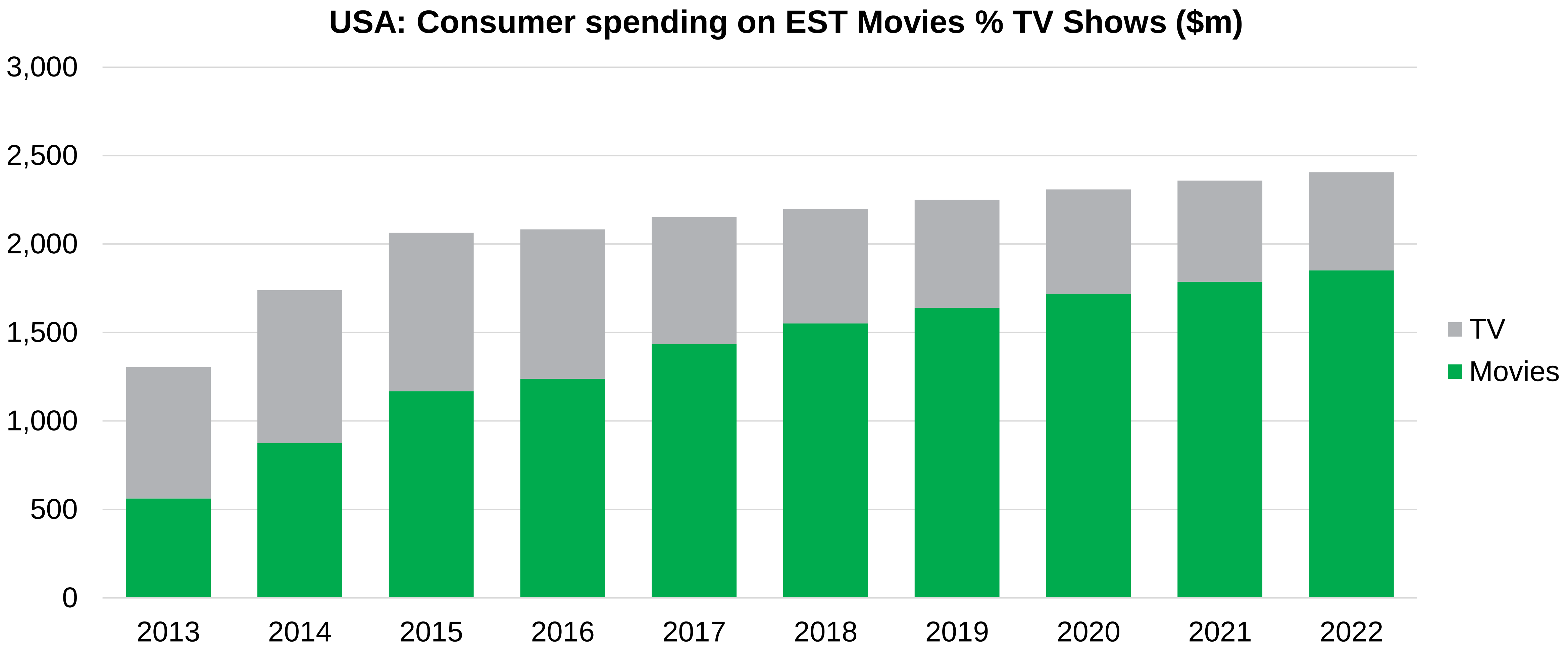
Growth in connected devices is coming from the living room, not the smartphone



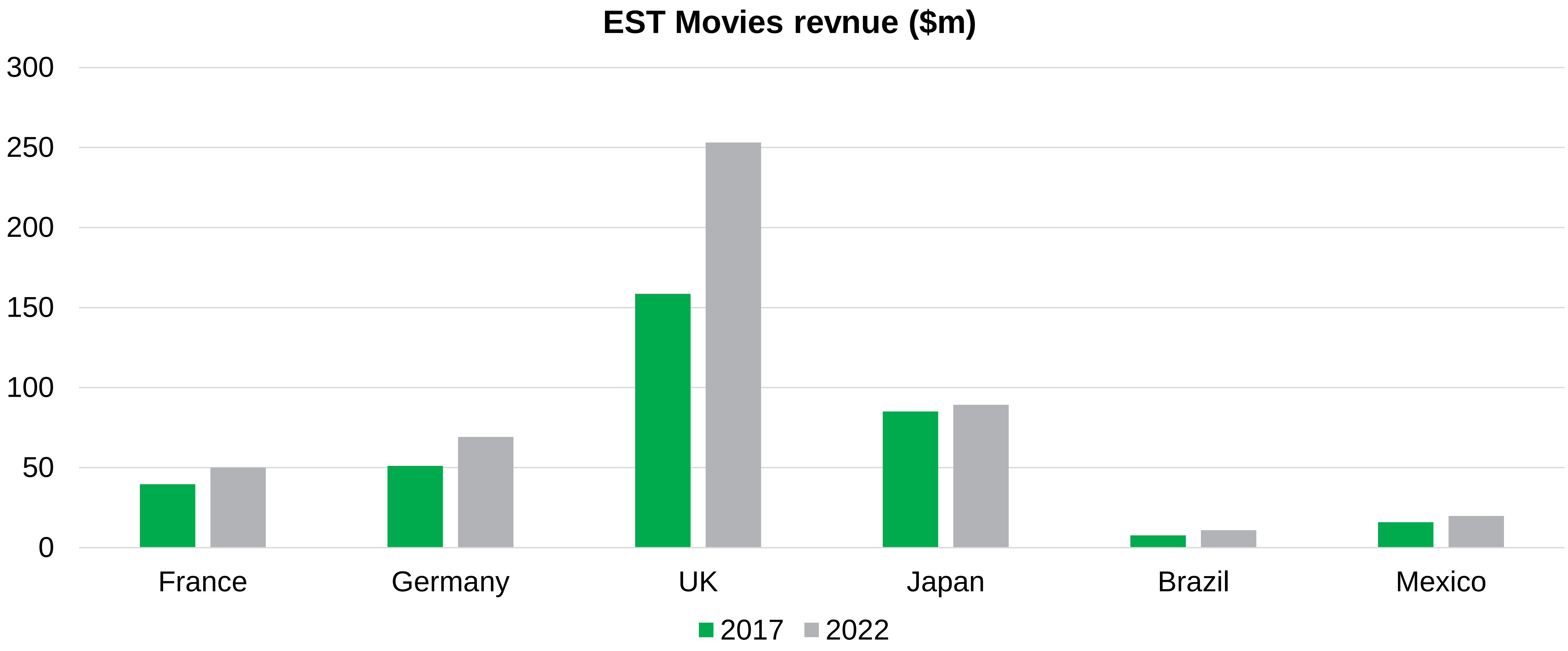
UHD TVs will be mainstream by 2021



Domestically EST growth is coming from movies, not TV content



Growth in international markets is uneven, and contingent on key service launches



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