AMPD RESEARCH
BY MEDIA PARTNERS ASIA

AUSTRALIA ONLINE VIDEO

CONSUMER INSIGHTS & ANALYTICS

NOVEMBER 2021

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DECODING ONLINE VIDEO IN AUSTRALIA

NAVIGATION

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METHODOLOGY

This report leverages data from the AMPD platform owned and operated by Media Partners Asia (MPA):

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 iOS and Android mobile and PC devices in Australia between January to September 2021 with a sample size of more than 3,000 users sourced from our in-market research partner RoyMorgan.

The data is anonymized and conforms to data privacy legislation in Australia. AMPD Vision® was used by MPA to provide a granular view of streaming content consumption across key VOD services on mobile devices. Data from AMPD Vision® and MPA informs key metrics reported.

KEY HIGHLIGHTS

Total consumption across measured AVOD, SVOD, BVOD and live streaming platforms reached 76 bil. minutes for the January to September 2021 period. The AMPD platform measured all consumption across iOS and Android mobile and PC devices for the period. YouTube is the leader with 61% of streaming minutes and 64 mil. monthly active users. TikTok has 8% share. Premium video continues to grow, reaching 20 bil. minutes and accounting for 26% of total consumption. SVOD had 69% share of premium video consumption with BVOD at 31%.

Within the SVOD market, 6 players account for the bulk of consumption: (1) Netflix (38%); (2) Stan (18%); (3) Disney+ (16%); (4) Foxtel OTT services (9%, including Binge and Kayo); and Amazon Prime Video (9%).

SVOD paying subscribers reached 19.4 mil. at end-Sept. 2021 with the average household subscribing to 3.5 services. Five players had 87% share of subs with Netflix at 33%; Amazon Prime Video and Disney+ almost level at 15% each; Stan at 13%; and Foxtel (Kayo, Binge & Foxtel Go/Now) at 11%, led by Kayo with 6%. The SVOD market is maturing at 60% household penetration. New entrants after 2022-23, including HBO and NBCUniversal, will need to steal market share from incumbents and potentially adopt freemium models with strong local partnerships in order to make an impact.

US-originated content continues to drive SVOD consumption. Original and acquired US comedy and dramas were the key drivers of Netflix consumption in the measured period, accounting for ~80% of demand. The addition of Star general entertainment content, along with the popularity of Marvel's original series, has boosted Disney+ consumption in 2021. Acquired US and UK dramas drive Prime Video consumption. Among the measured platforms, Prime Video received the highest share of movie consumption. Facing strong competition for first-run US and UK content, Stan has doubled down on local originals and sports.

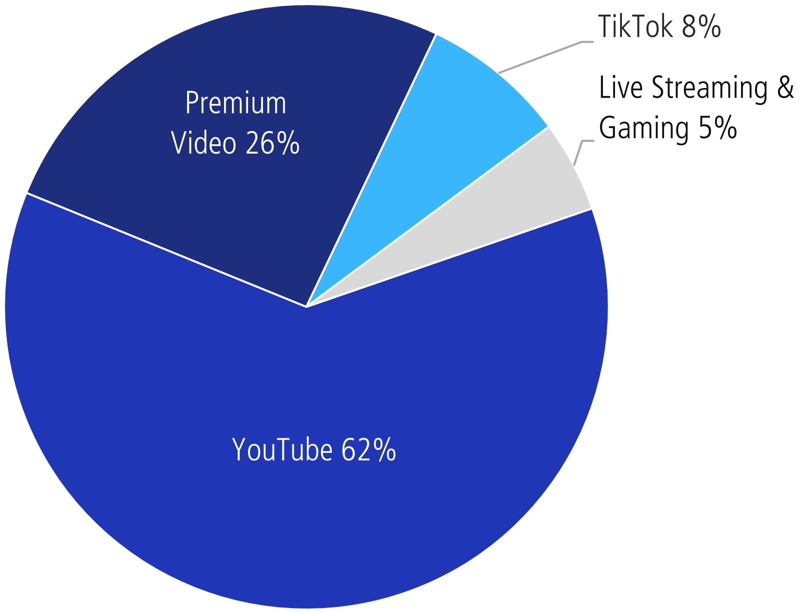
The Australian VOD audience is evenly split between male and female with the 35-49 age group the largest segment, making up 24% of VOD users. Netflix is used by all age groups, with those under 35 driving a bulk of consumption, while Amazon Prime Video appeals to more mature audiences. Disney+ users skewed female and younger.

Sports SVOD base growing. SVOD sports subscribers continue to grow, reaching 2.7 mil. subs led by Kayo with 1.2 mil. subs and Optus Sport at 1.1 mil. The upcoming Premier League rights is critical for incumbent Optus with stiff competition expected from Amazon Prime Video, Paramount+ and Stan Sport.

YOUTUBE DOMINATES CONSUMPTION; TIKTOK & PREMIUM VIDEO GROWING

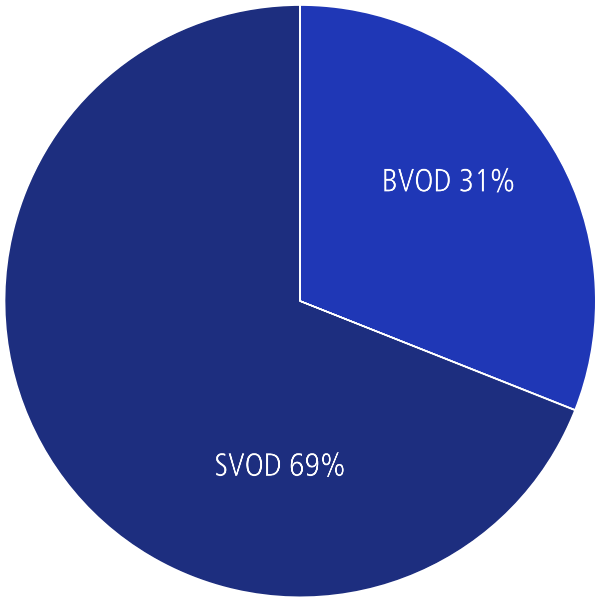
SHARE OF TOTAL STREAMING MINUTES (JAN-SEP 2021)

TOTAL MINUTES STREAMED: 76 BIL.



SHARE OF PREMIUM VIDEO STREAMING MINUTES (JAN-SEP 2021)

TOTAL MINUTES STREAMED: 20 BIL.

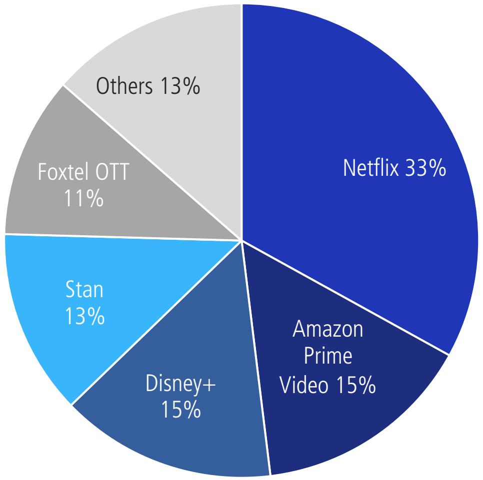


Source: AMPD Research, Jan-Sep 2021

NETFLIX LEADS SVOD WHILE COMPETITION FOR SUBSCRIBERS & ENGAGEMENT HEATS UP

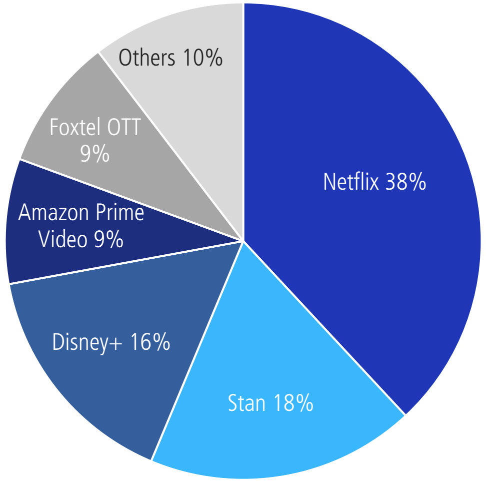
SHARE OF SVOD SUBSCRIBERS (Q3 2021)

TOTAL SUBS: 19.4 MIL.



SHARE OF SHARE OF SVOD STREAMING MINUTES (JAN-SEP 2021)

TOTAL MINUTES STREAMED : 13 BIL.



Note: (1) Foxtel OTT subs include Kayo, Binge and Foxtel Now; consumption includes Kayo & Binge . (2) Others include Apple TV+, beIN Sports Connect, Hayu, Optus Sport, Paramount+ and other niche entertainment & sports apps.

Source: AMPD Research, Jan-Sep 2021

- Australia had 19.4 mil. SVOD subscriptions at end-Q3 2021, representing 60% household penetration based on an average number of 3.5 SVOD services subscribed per household. The market is maturing.
- **Netflix** commands a third of all SVOD subscriptions and 38% of SVOD consumption. A deep library of US original and acquired English language comedy and drama series is a key draw for Australians.
- **Disney+** captures 15% of SVOD subs and 16% of SVOD category consumption. The launch of the Star tile in February has boosted Disney's consumer proposition with the introduction of GE series and movies from Fox, ABC and others.
- **Amazon Prime Video** is growing rapidly with 15% share of the SVOD base though under-indexing on consumption. Subscriptions are linked to Amazon's free shipping service. Prime's library of acquired US and UK dramas, procedural series and movies drive consumption.
- **Nine Entertainment's** local GE & sports SVOD service **Stan** has 13% of SVOD subs and 18% of category consumption. Stan maintains important output deals with ViacomCBS and NBCU while original content is a key differentiator. **Stan Sport** has exclusive rights to the Champions League and Rugby Championship. ~15% of Stan subs have taken up Stan Sport, which is offered as a A$10 add-on.
- **Foxtel's** OTT services (Kayo, Binge and Foxtel Now) have grown rapidly for a 11% SVOD subs share. **Kayo's** SVOD base reached 1.2 mil. at end-Sept and the platform is Australia's largest sports SVOD platform with streaming rights to ~50 sports and 13 live channels. Prominent rights include the NRL and AFL. **Binge** has output deals with NBCU and HBO. HBO titles are a key draw. Kayo and Binge capture 9% of SVOD streaming minutes.

ABOUT MEDIA PARTNERS ASIA

Media Partners Asia (MPA) is the leading independent provider of research, advisory and consulting services across media, telecoms, sports and entertainment industries in Asia Pacific. 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 hosts the APOS Summit, the defining voice and global platform for the Asia Pacific media & telecoms industry.

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