

The Future of TV

A report on the state of OTT
in Southeast Asia.



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THE FUTURE OF TV IS HERE

From over-the-air to on-demand and everywhere

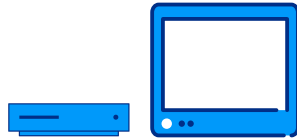
THEN

NOW

Before 1970s
Broadcast TV



1970s – 1990s
Cable / Satellite TV



2000s-2010
TV on demand



2010 – Present
TV Anywhere



When television arrived in homes more than 60 years ago, content was broadcast live at fixed times by a small number of players controlling access to the airwaves. Today, TV is rapidly evolving into a vast and diverse library of on-demand content, buoyed by the shift from analogue to digital delivery and a new class of internet-enabled devices.

In a revolution kicked off by over-the-top (OTT) digital set-top boxes connected to the public internet, new streaming players serve consumers directly, democratizing access to content through devices such as phones, laptops, tablets, and smart TVs. Viewers now access the content of their choosing from myriad sources — on-demand — disrupting the TV industry's "primetime" process to watch their favorite programs on any device, anywhere, anytime.

What is OTT anyway?

For the purpose of this report,

OTT is defined as a platform for watching professional video content over the internet. OTT provides users with the freedom to choose what they want to watch, when they want to watch, and on which device they want to watch the content.

60%

of the world's mobile phone video viewership will take place in Asia in 2023 versus 8% in North America

**Goodbye traditional TV.
Hello OTT.**

GOODBYE TRADITIONAL TV. HELLO OTT.

OTT is going mainstream in Southeast Asia

With 180 million viewers in Southeast Asia consuming 8 billion hours of OTT content over the internet every month, viewers are driving a transformation in the TV landscape. And with OTT penetration levels now averaging 31 percent in the region, that shift is only going to accelerate.

Furthermore, COVID will be a major driver of this acceleration: 57 percent of viewers in Southeast Asia are watching more OTT than before the pandemic and 39 percent intend to increase their OTT usage post-COVID.

Advertisers are eager to embrace this shift. With OTT, they can apply data to their massive TV campaigns in ways that are simply not possible with traditional linear TV. This report features tools and information to help shape successful campaigns that go beyond traditional TV.

GOODBYE TRADITIONAL TV. HELLO OTT.

OTT adoption is on the rise in Southeast Asia. Here's why.



Increasing connectivity

Better infrastructure and lower fees due to intense competition are increasing adoption of high-speed internet services. The cost of mobile data and broadband has declined by about 40 percent since 2018, making streaming more accessible while bringing more viewers online.^{1,2}



Rising Disposable Income

Steady economic growth in the region is producing a middle class more willing to spend on entertainment. 50 million new consumers will join the ranks of the middle class in Indonesia, Malaysia, the Philippines, Thailand, and Vietnam by 2022.³



Growth of ad-supported services

More OTT players in the region are offering free ad-supported video services to cater to the price sensitivity of Southeast Asian consumers and their greater tolerance for ads. By 2024, 74 percent of online video revenue in the region is expected to come from advertising.⁴



Greater content variety

Southeast Asian consumers are benefit from both popular international content and a growing library of high-quality regional and local content. OTT players are expected to spend nearly \$4 billion on local content by 2022.⁵

OTT in Southeast Asia, by the numbers



OTT IN SOUTHEAST ASIA, BY THE NUMBERS

How we conducted the survey

4,500+

consumers in Southeast Asia were asked about their media consumption habits.

2,400+

OTT viewers aged 16+ who have watched OTT in the last three months were included.

6

countries were covered across Southeast Asia, including Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

12 x

expert interviews were conducted with OTT players, media buyers, and partners in Southeast Asia.



OTT IN SOUTHEAST ASIA, BY THE NUMBERS

OTT is one of the fastest growing media channels in Southeast Asia

31%

average OTT penetration across Southeast Asia

180MM

OTT viewers in Southeast Asia

4%

forecasted CAGR of Southeast Asian online video revenue, from 2019-2024¹

Number of viewers and penetration, by country



¹ Campaign Asia, Online video revenue in APAC set to double over 5 years, 2019

OTT IN SOUTHEAST ASIA, BY THE NUMBERS

The pandemic-related boost is here to stay

More than half of OTT viewers indicated that they are spending more time on OTT compared to before the COVID-19 pandemic started. The momentum is likely to continue: 2 in 5 viewers expect to watch more OTT post-COVID. In Indonesia and Thailand, more than 4 in 5 expect to increase viewing time in the future.

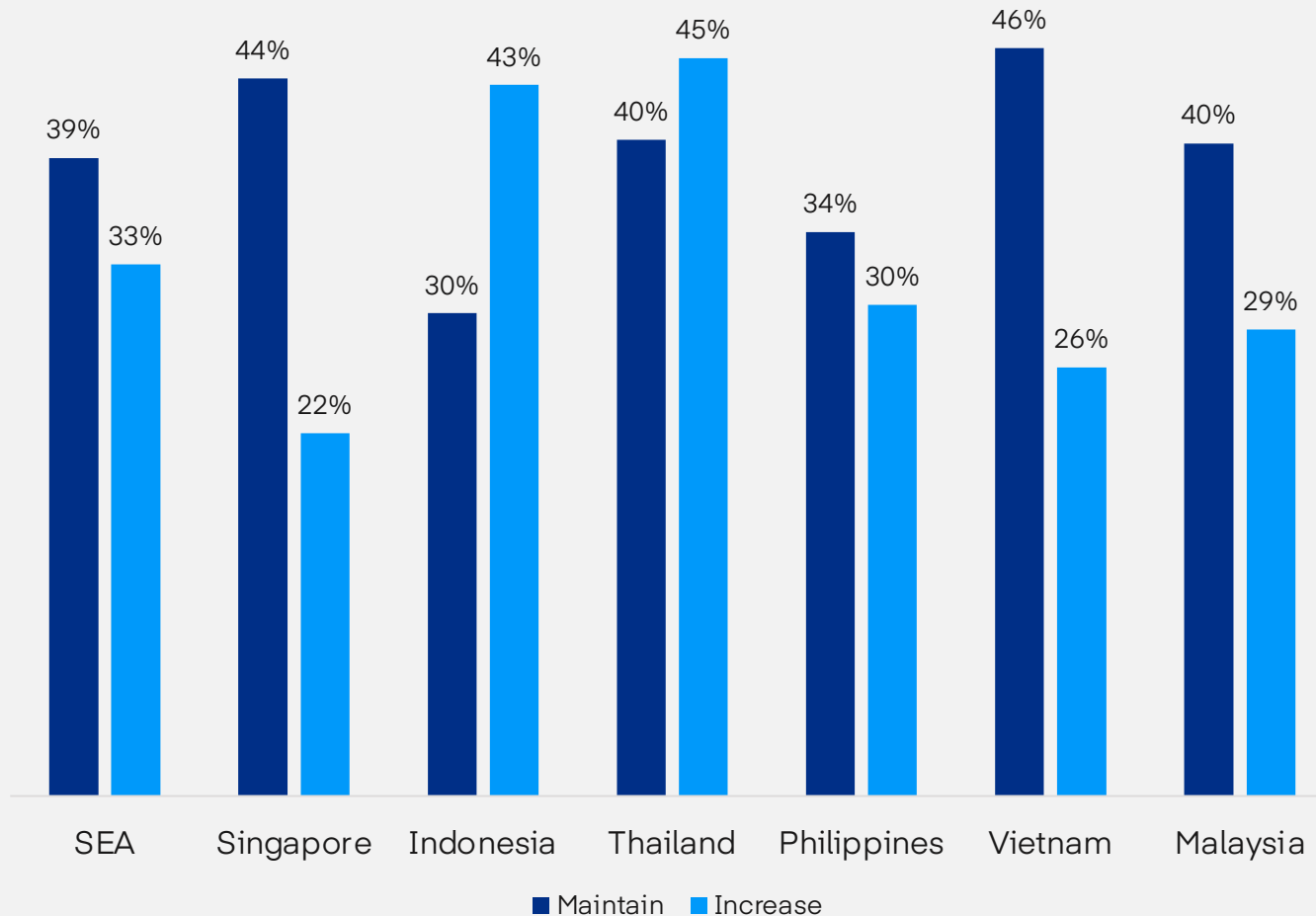
57%

of OTT viewers are watching more during the pandemic than before

72%

plan to maintain or increase OTT viewing in the future

Intention to maintain or increase OTT usage post-COVID



OTT IN SOUTHEAST ASIA, BY THE NUMBERS

Viewers are streaming more OTT video than ever

Regionally, four in five viewers watch one or more hours of content each day they tune in to OTT. One in five qualify as heavy users — watching more more than four hours per day.

Philippines leads the region in proportion of heavy users, where one in three viewers watches more than four hours daily.

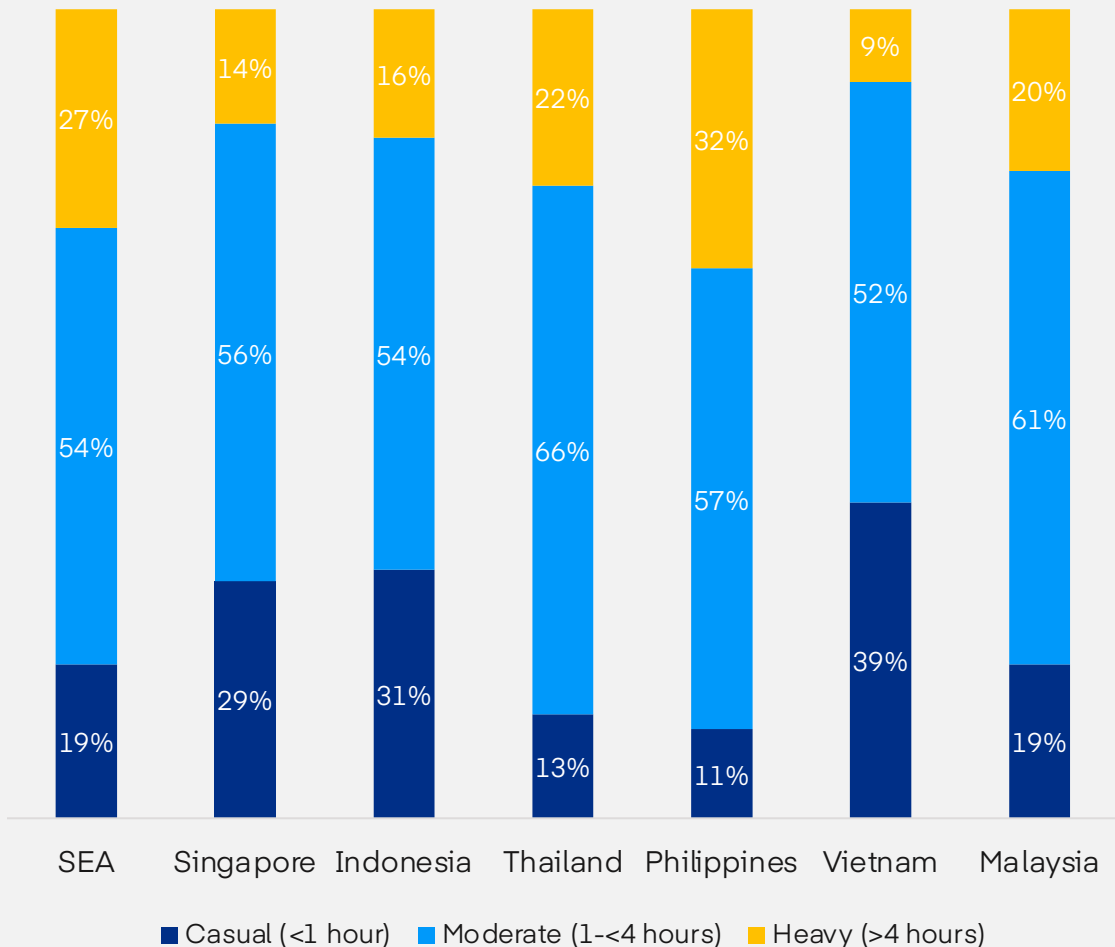
18%

of OTT users in the region are heavy users — watching more than four hours of OTT per day.

6.1

hours of OTT are watched by the average heavy user in Southeast Asia per day.

Viewer segments by OTT usage in a day



OTT IN SOUTHEAST ASIA, BY THE NUMBERS

Breaking consumption down by country

Across the region, in absolute terms, Indonesia consumes the most OTT content, watching almost three billion hours of OTT per a month.

The Philippines leads the region in usage (hours of OTT watched per day) with an average of 3.1 hours per viewer, while Thailand leads the region in frequency (days viewed per month), with the average Thai OTT viewer tuning in 19.4 days a month.

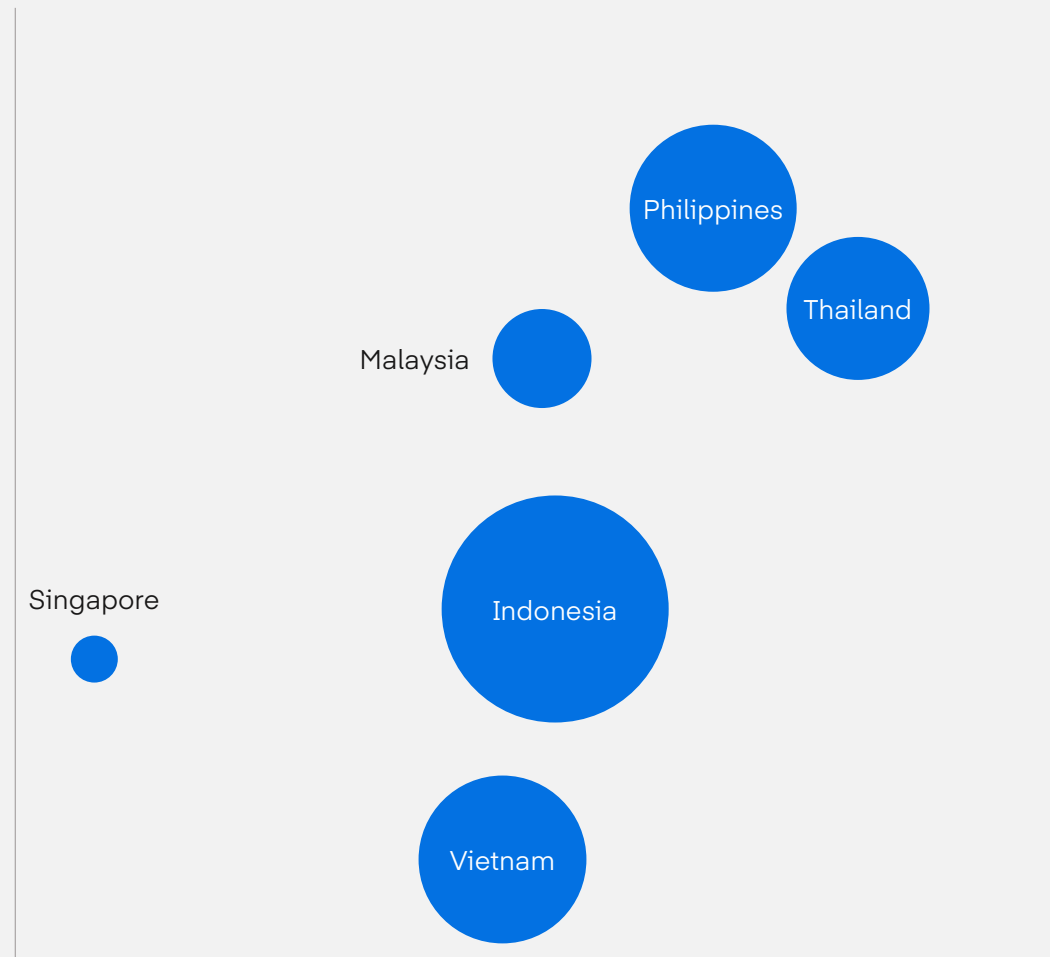
Due to their smaller population size, Singapore and Malaysia consume the fewest hours of OTT.

8 billion

hours of OTT are watched in a month in Southeast Asia.

The Trade Desk: Future of TV survey (Number of people using at least 1 OTT platform in P3M = 2400)

OTT consumption by market



Size of bubbles indicates the amount of hours of OTT consumed (millions)

OTT IN SOUTHEAST ASIA, BY THE NUMBERS

OTT consumption is beginning to rival traditional TV

On average, users log on to OTT platforms 17 days per month for 2.5 hours per day.

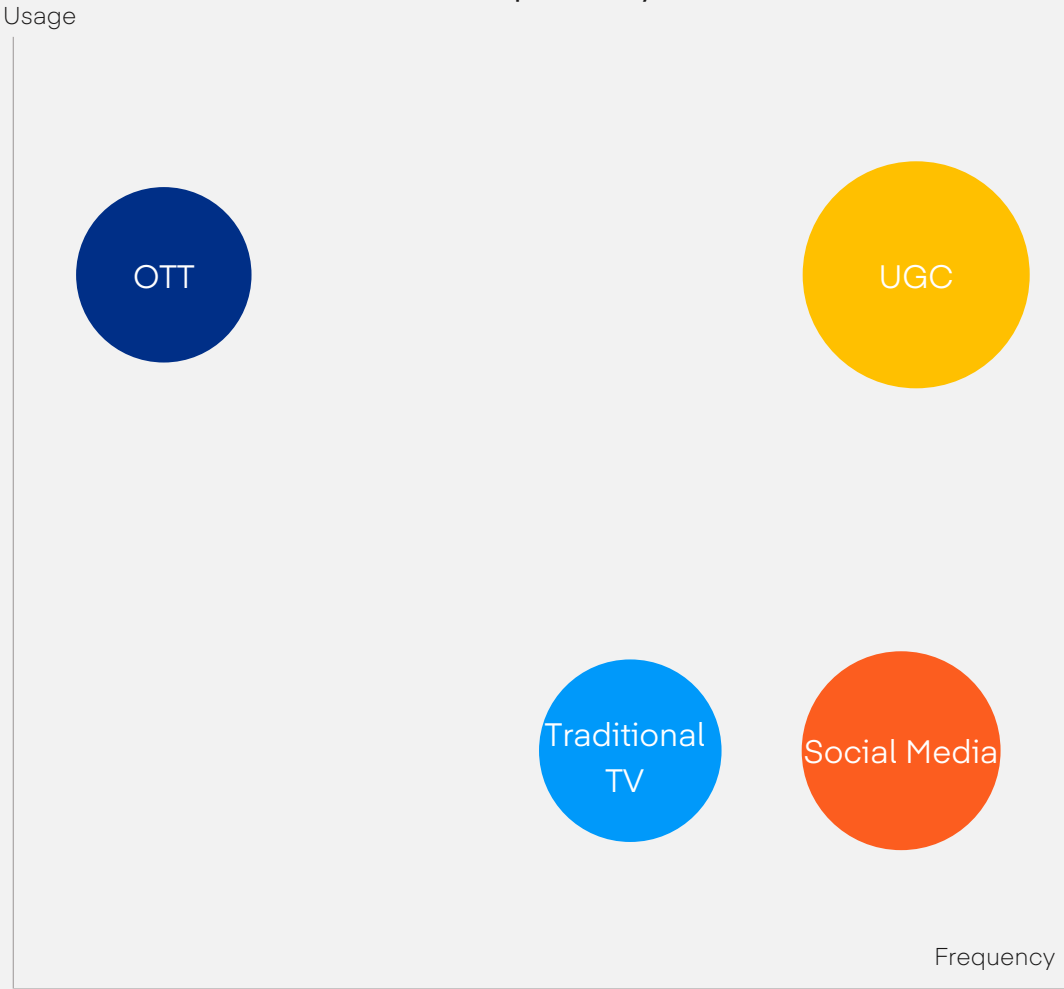
Among these viewers, monthly OTT consumption lags just 4% behind TV.

2.5 hours **17 days**

Average time spent viewing OTT per day in Southeast Asia

Average days OTT is viewed per month in Southeast Asia

Media consumption by channels



OTT IN SOUTHEAST ASIA, BY THE NUMBERS

OTT is disrupting TV primetime

OTT viewership peaks are bringing it into competition with traditional TV primetime. 70 percent of all OTT viewers prefer to tune in between 8PM to 12AM. The trend is especially pronounced in Malaysia.

Nearly one in five OTT viewers report that they haven't watched traditional TV at all in the three months prior to the survey.

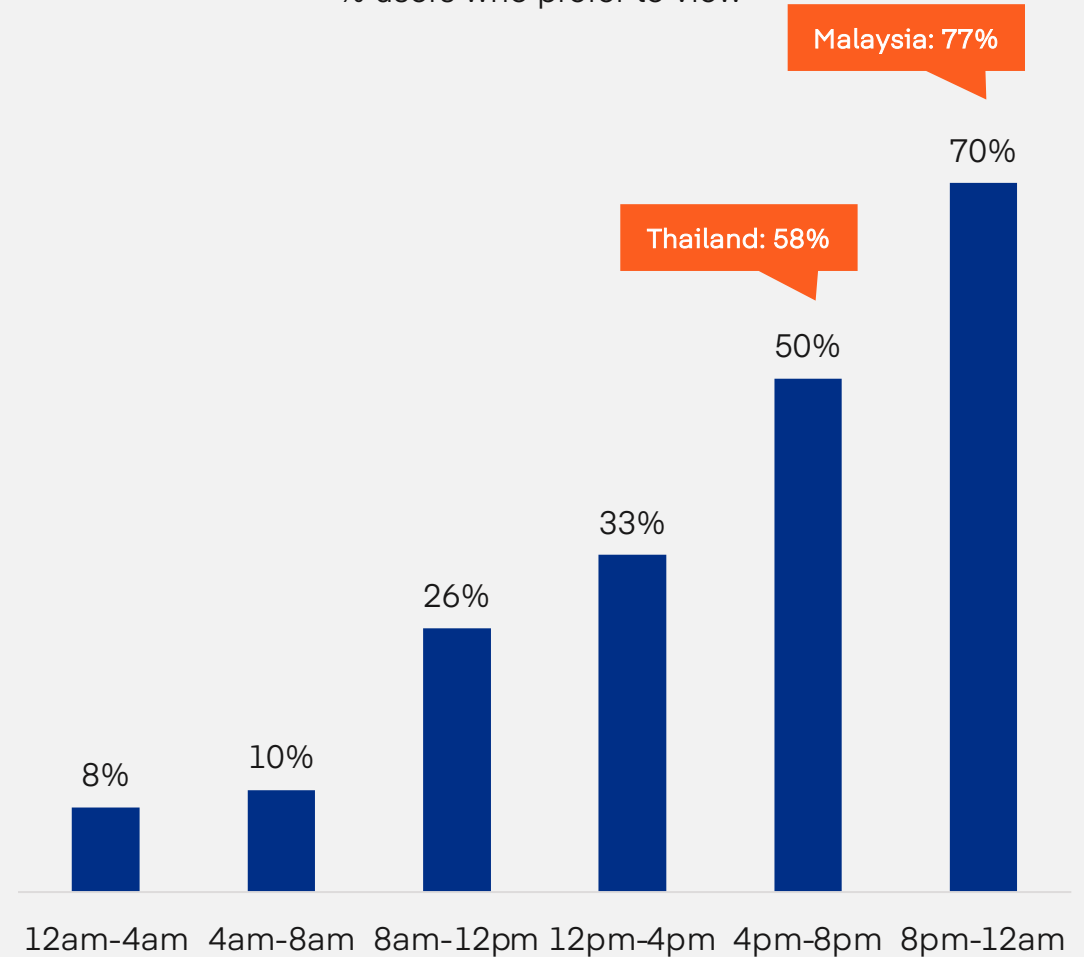
8–11pm **17%**

is the primetime slot for traditional TV¹.

of OTT viewers did not watch traditional TV at all in the past three months.

1. Nielsen, What time is really primetime, 2011
C5a/C5b. Common timeslots weekday/weekend; (Number of people using at least 1 OTT platform in P3M = 2400)

OTT viewership by time of day
% users who prefer to view



OTT IN SOUTHEAST ASIA, BY THE NUMBERS

Viewers' favorite programming is on OTT

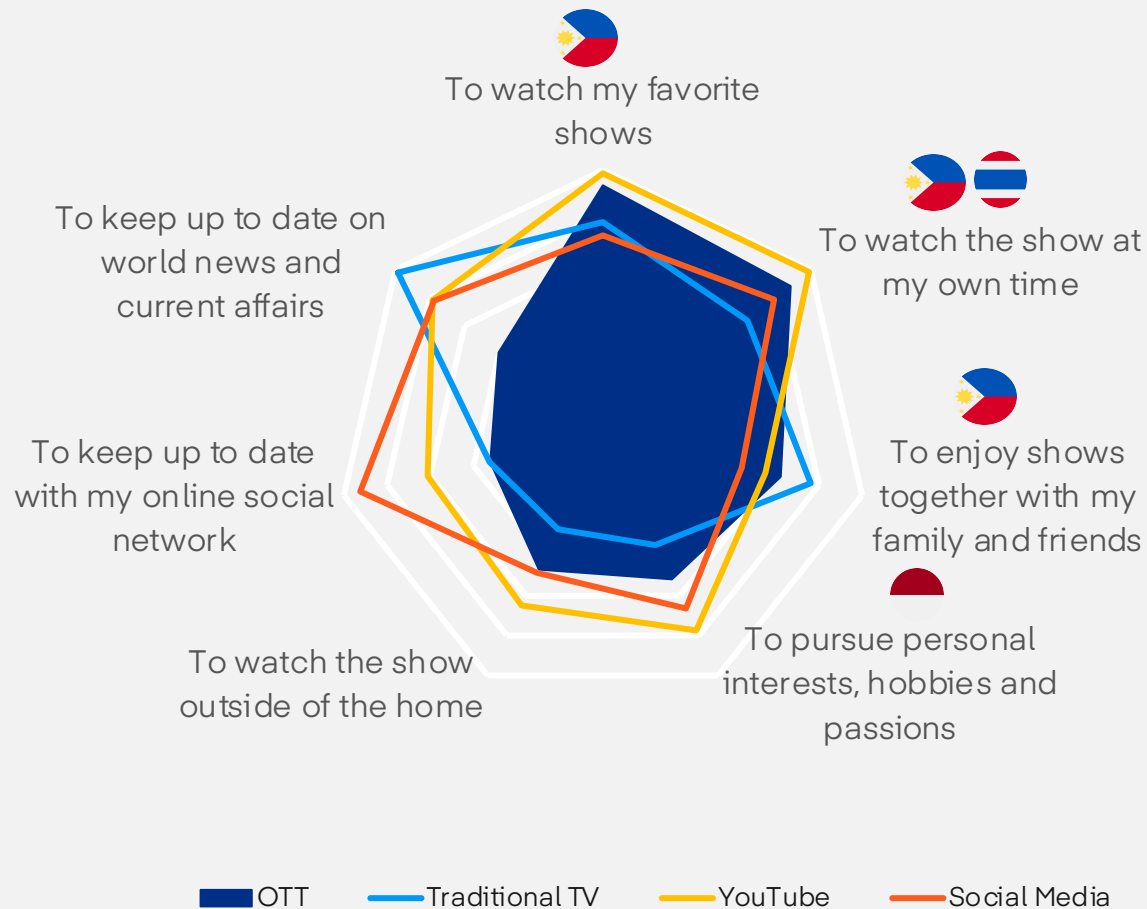
OTT viewers across Southeast Asia unanimously agree that the top draw of OTT platforms is that it offers their favorite content and control over when to watch.

But OTT also offers a social experience. This is the main differentiator of OTT from user-generated content platforms and is especially valued in the Philippines.

57%

of OTT viewers say their favorite content is on OTT.

Top reasons for watching OTT



The country flag indicates that this reason is among the market's top 3 and was rated at least 20pp more than the regional average

OTT IN SOUTHEAST ASIA, BY THE NUMBERS

Consumers embrace ads for free content

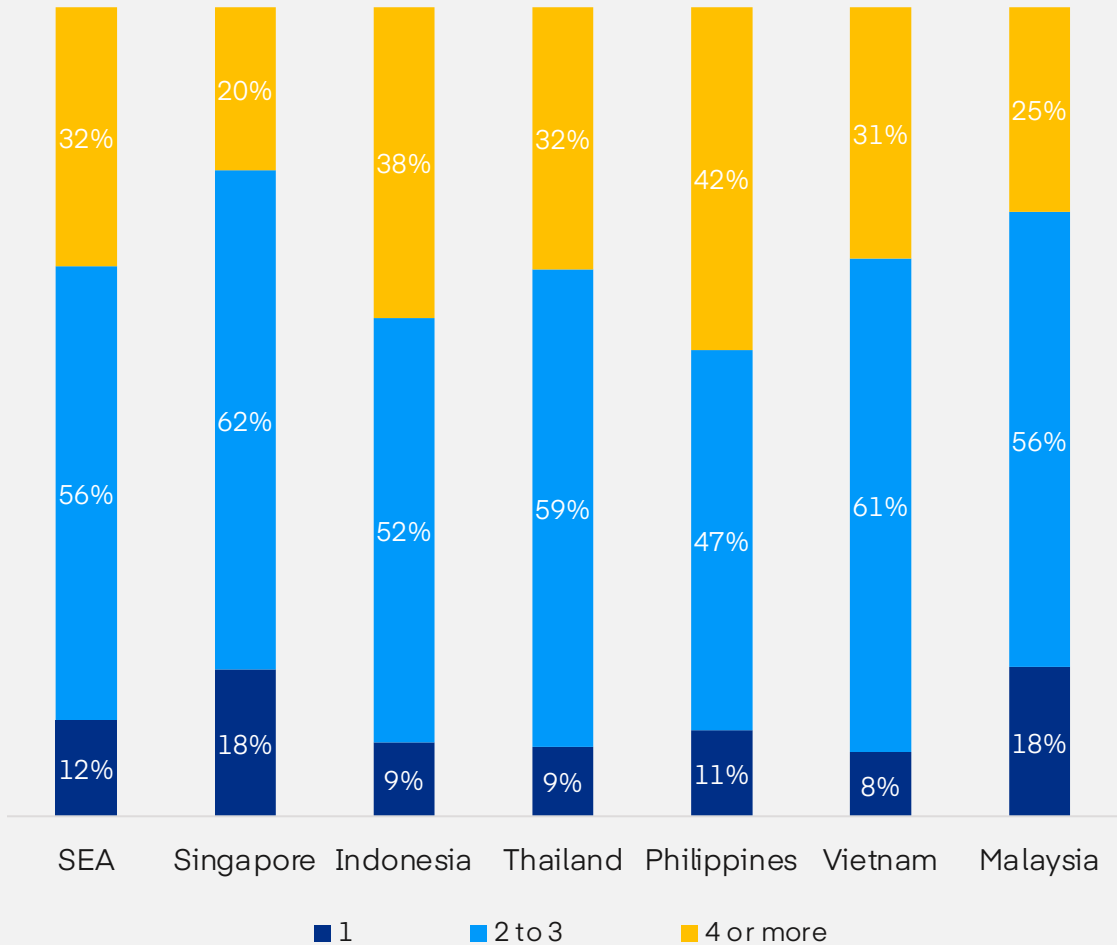
Roughly nine in ten OTT viewers in Southeast Asia will view ads in exchange for free content. Of those, 88 percent will accept two or more ads per hour of free content.

Some markets are especially ad tolerant: 38 percent of viewers in Indonesia and 42 percent in the Philippines will watch four or more ads for each hour of free content.

89%

of Southeast Asian OTT viewers are open to viewing ads in exchange for free content.

No. of acceptable ads in one hour of free content



OTT IN SOUTHEAST ASIA, BY THE NUMBERS

100M viewers use ad-supported OTT platforms

80 percent of OTT viewers use more than one OTT platform in Southeast Asia. While 92 percent of OTT viewers pay for their video content in the region, six in ten of those viewers also tune in to one or more ad-supported platforms. Examples of such platforms include Vidio in Indonesia, iWantTFC in the Philippines, FPT Play in Vietnam, True Digital in Thailand, and meWATCH in Singapore.

Across the six markets covered in this study, advertisers can potentially reach more than 100 million viewers in a brand-safe environment.

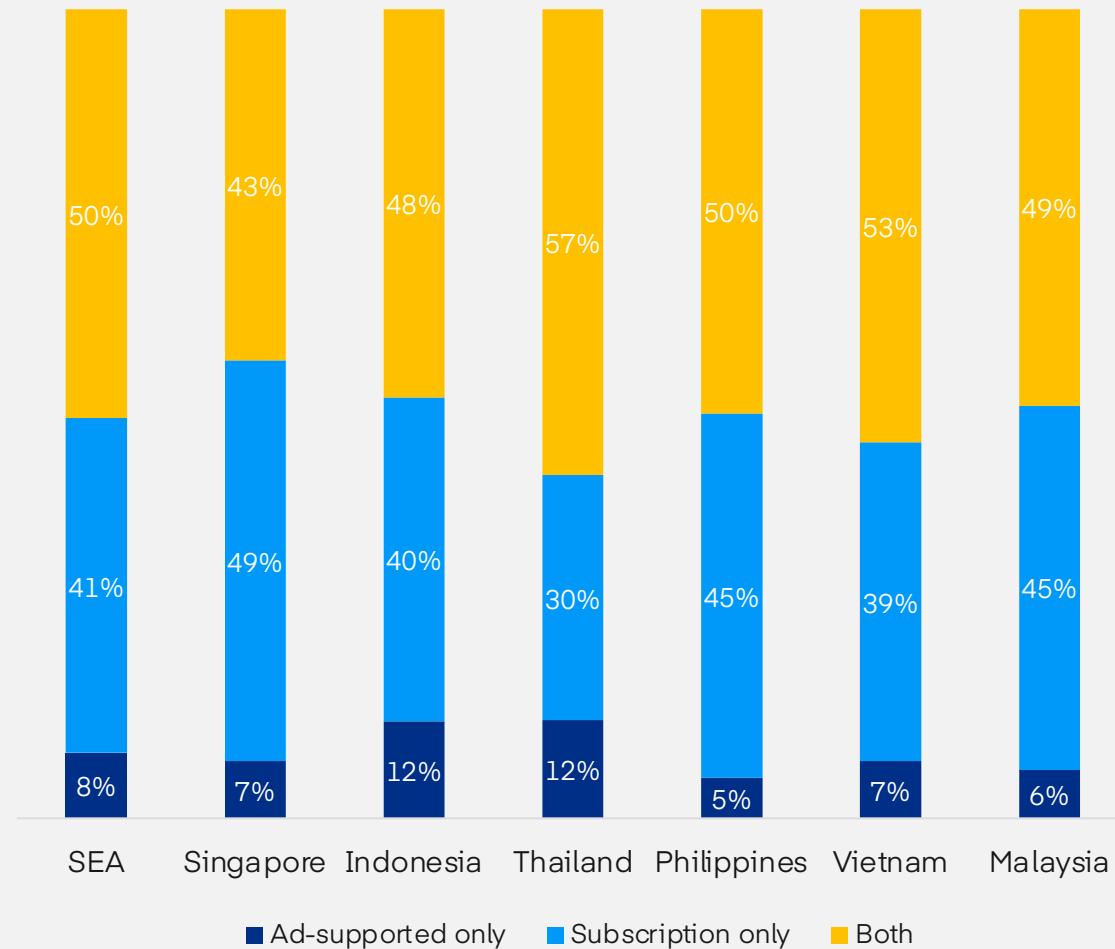
80%

of OTT viewers in the SEA use more than one OTT platform.

100 million

viewers are active on ad-supported platforms across the region.

Usage: ad supported vs subscription



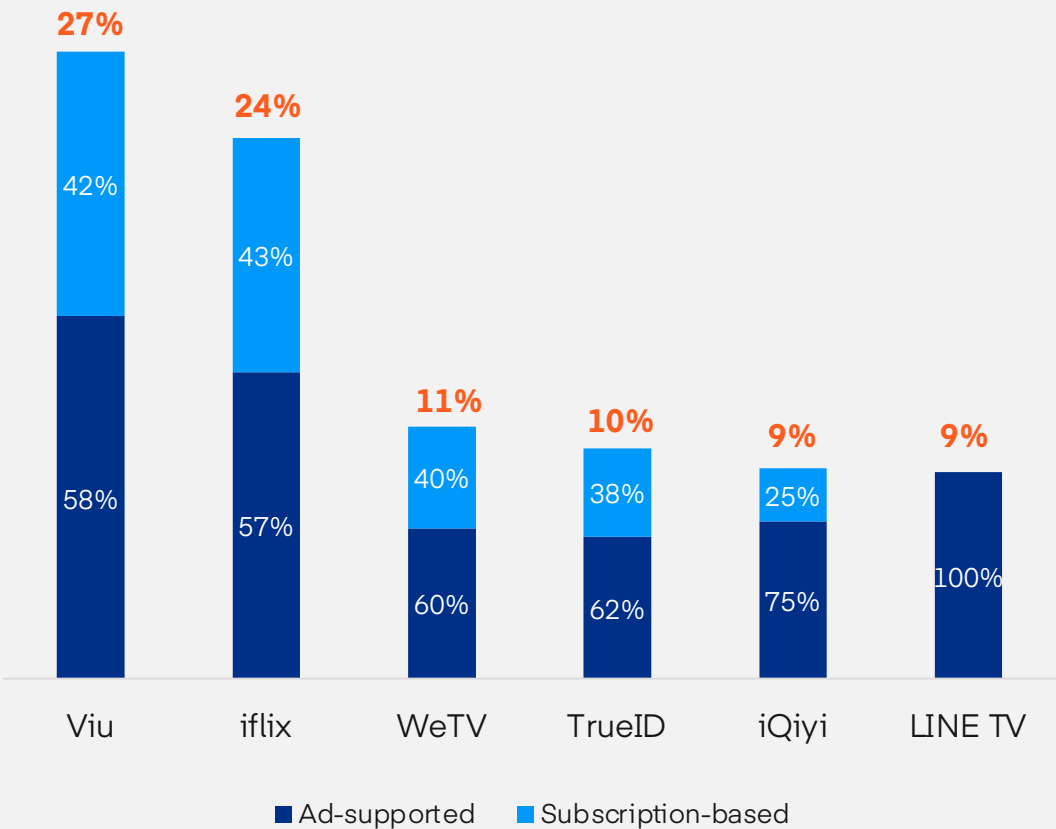
OTT IN SOUTHEAST ASIA, BY THE NUMBERS

Regional OTT players lead market share for ad-supported viewing

Regional players that offer both subscription-based and ad-supported viewing, like Viu and iflix, lead share of overall OTT viewing. This is followed by newer Chinese entrants like WeTV and iQiYi and rising local players like TrueID and LINE TV.

With top OTT players differing market by market, and given the region’s fragmented OTT landscape, advertisers typically need to work with more than one platform to maximize their reach.

Top OTT brands offering ad-supported viewing
(% share of all OTT viewers)

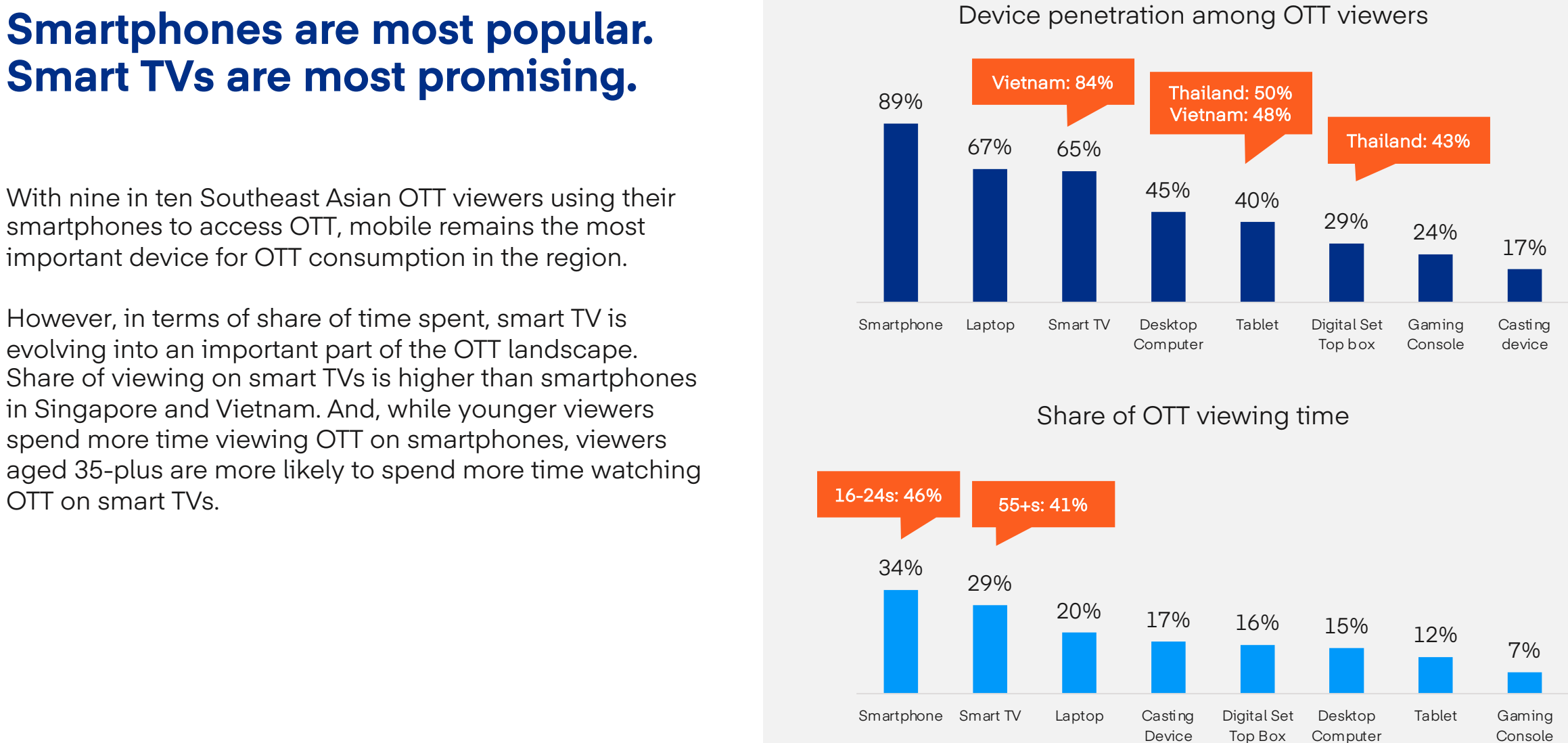


OTT IN SOUTHEAST ASIA, BY THE NUMBERS

Smartphones are most popular.
Smart TVs are most promising.

With nine in ten Southeast Asian OTT viewers using their smartphones to access OTT, mobile remains the most important device for OTT consumption in the region.

However, in terms of share of time spent, smart TV is evolving into an important part of the OTT landscape. Share of viewing on smart TVs is higher than smartphones in Singapore and Vietnam. And, while younger viewers spend more time viewing OTT on smartphones, viewers aged 35-plus are more likely to spend more time watching OTT on smart TVs.



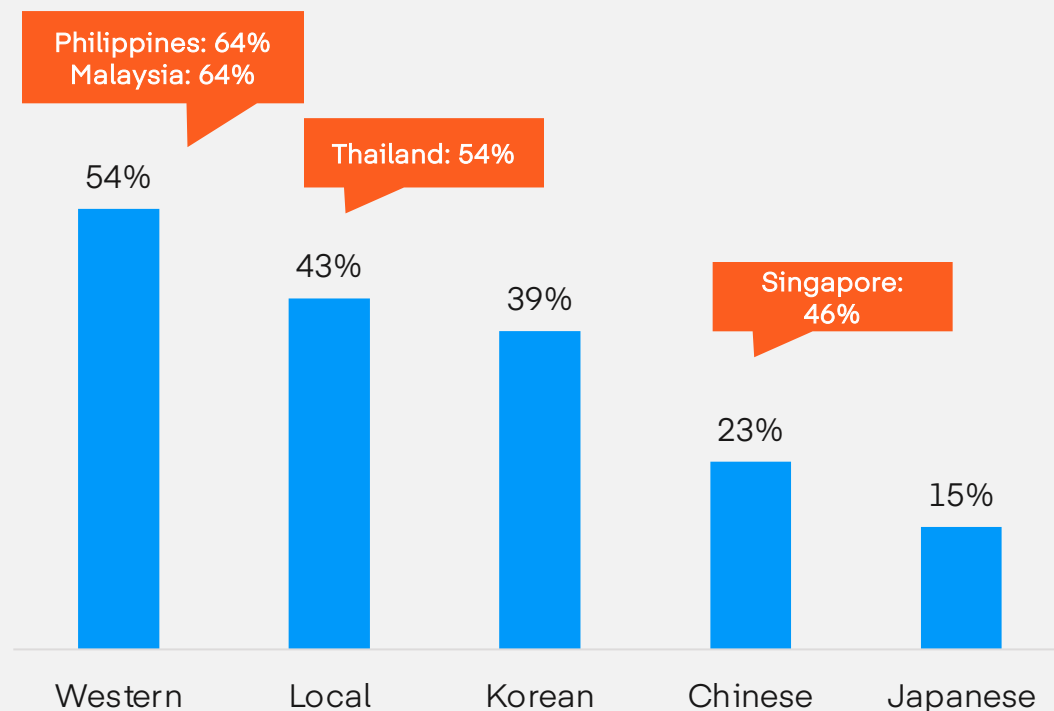
REGIONAL OVERVIEW

Local content drives OTT consumption

OTT viewers want more than imported Hollywood blockbusters. Local language content drives significant OTT usage, especially in markets like Thailand and Vietnam, where local content is more popular than western programming.

Imported Asian content from regional powerhouses like Korea also draws eyeballs: 39 percent of viewers report watching Korean content, while one in five tunes in for Chinese programming.

Content consumption by geographical origin
% of users who report watching



Key Takeaways



KEY TAKEAWAYS

The implications for brands and marketers are huge

Follow the eyeballs

Today, 180 million people are on OTT, spending a collective 8 billion hours on the platform. 31 million of them have stopped tuning into traditional TV at all, and OTT is stealing eyeballs during TV primetime. OTT is fast becoming a non-negotiable line in media plans.

Access coveted audience segments and demographics

OTT allows brands to reach across all genders, age groups, and income segments.

Focus on smartphones, with an eye on smart TV

Smartphones are the dominant way Southeast Asian viewers access OTT, but 80 percent watch OTT across multiple devices. Specifically, Smart TV has the second highest share of time spent on OTT, and is especially popular among older viewers (35+) and in Vietnam.

Reach audiences ready to engage with your advertising

Southeast Asian consumers embrace the exchange of ads for free content, and OTT viewers report high levels of interaction and recall.

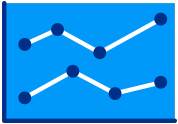
Tailor and track campaigns with data on ad preferences

Marketers should factor in different ad preferences and levels of tolerance across markets and make sure they aren't paying to reach the same viewers over and over. Ad and brand recall data can also help marketers benchmark the performance of campaigns.

KEY TAKEAWAYS

Work with The Trade Desk to make the most of the OTT opportunity

Access tools to reach more than 100 million Southeast Asian viewers using data-driven OTT buying.



Data-driven buying

Layer rich first- and third-party audience data on your media buys — including interests, demographics, contextual, content, geography, and more. Use our AI engine Koa™ to automatically optimize your campaigns toward your most valuable viewers.



Measure real world results

Tie your investment to real business results by measuring and attributing in-store visits and online and offline sales to ads on OTT. Or, take advantage of high viewability and completion rates to build and track brand awareness.



Real-time frequency capping

When buying OTT with The Trade Desk, you decide when, where, and how often your ads appear — in real time down to the minute, hour, day, or week. You can frequency cap across all channels, including OTT.



Premium inventory, within one platform

Advertise alongside premium inventory from top local and regional OTT platforms. Activate and manage all your OTT deals within one platform.



Brand safety

Complete brand safety without the need for third-party tools to manage and track.

About The Trade Desk and Kantar

The Trade Desk

Founded in 2009 by the pioneers of real-time bidding, The Trade Desk has become the fastest growing demand-side platform in the industry by offering agencies, aggregators, and their advertisers best-in-class technology to manage display, social, mobile, and video advertising campaigns. The Trade Desk empowers buyers at the campaign level with the most expressive bid capabilities in market, full-funnel attribution, and detailed reporting that gives you more insights into your audience, from initial impression to conversion. The Trade Desk maintains a pure buy-side focus, to deliver on branding and performance for clients worldwide.

Kantar

Kantar is the world's leading marketing data, insight and consultancy company, a part of WPP and with services employed by over half of the Fortune 500 companies in 100 countries. Our global team of consultants blend people expertise and industry experience to build solutions that help drive incremental growth for our clients. This document is developed in partnership with the Consulting Division, located in Singapore.



For more information, contact us at info@thetradedesk.com

Methodology

The data highlighted in this report comes from The Trade Desk platform, publicly available data and a custom customer survey. This report was commissioned by The Trade Desk and carried out by the market research company, Kantar. Kantar conducted a survey among 4,500 consumers, ages 16+ in the Philippines, Singapore, Malaysia, Vietnam, Thailand and Indonesia in September 2020.



For more information, contact us at info@thetradedesk.com