



PwC: Nopea digitalisoituminen ohjaa viihde- ja mediateollisuutta

LIITE

- Additional key statistics from PwC's *Global Entertainment and Media Outlook 2013-2017*
- Additional notable segment statistics and tipping points

Additional key statistics from PwC's *Global Entertainment and Media Outlook 2013-2017*:

- ***Mobile broadband will be a key driving force***
Growth in E&M revenues will be driven by digital services enabled through both fixed and increasingly mobile broadband. Household broadband penetration globally is forecast to increase by 11 percentage points to 51% in 2017. However, that growth will be dwarfed by growth in mobile broadband, whose penetration will rise by 31 percentage points from 2012 to 2017 to reach 54%.
- ***Consumer spending on E&M: traditional media will dominate in the near term***
There is a clear and ongoing challenge in converting digital consumption into digital revenues. The 9% of overall consumer E&M spend on digital content in 2012 will rise to just 16% of total spend even by 2017.
- ***Consumer E&M content spend will increasingly shift to digital formats***
Consumer spending on E&M content is continuing to shift away from items that would traditionally be physical purchases—such as boxed video games, DVDs and music CDs—and which have traditionally represented the majority of the market. Indeed, in 2008 spending on physical constituted 88% of total spending, which has dropped to 73% today and which will continue falling as consumers become more accustomed to purchasing digital media and become more digitally advanced. By 2017, physical purchases will represent just 53% of spend.
- ***Growth in advertising E&M spend: Internet and video games set the pace***
Within the E&M sector as a whole, Internet advertising will be the fastest-growing segment, with a 13.1% CAGR during the forecast period. The segment is currently worth US\$100.2 billion and set to reach US\$185.4 billion by 2017. Video games at a 6.5% CAGR and TV advertising at a 5.3% CAGR are also showing strong growth.
- ***In advertising spend, China will overtake Japan in 2016***
In terms of the largest markets for advertising spend, China will surpass Japan to become the second-largest market in 2016 as the Japanese advertising market matures and begins showing less room for growth.



Additional notable segment statistics and tipping points

- Online TV advertising revenues will triple between 2012 and 2017, but will remain a fraction of traditional TV revenues. In Japan and South Korea, online TV advertising will, on average, more than double every year until 2017. Such aggressive growth will see Japan become the third largest market for online TV advertising globally, behind only the US and the UK. South Korea's emergence will see it move up to number eight.
- The US will still dominate global TV advertising revenues, accounting for 39% of the global total in 2017, which is only a modest drop from 2012's 39.4%. But the fastest rates of growth will be in other markets, including Kenya (16% CAGR), Indonesia (15% CAGR), India (12% CAGR), Nigeria (11% CAGR) and Brazil (10% CAGR).
- In out-of-home advertising there will be double-digit CAGR growth in two countries—India (11% CAGR) and Brazil (10% CAGR), fuelled by a trend towards urbanisation and investment in transport infrastructure.
- Mobile will be the fastest-growing video games sector over the next five years, with revenues increasing from US\$8.8 billion in 2012 to US\$14.4 billion in 2017 by a CAGR of 10% as an increasing number of consumers turn to smartphones for entertainment.
- Revenues from the worldwide physical-home-video market – sales and rentals of DVDs and Blu-ray – will be worth less than box office for the first time in 2014. In 2014 the physical home video market worldwide will be worth US\$36 billion compared to worldwide box office of US\$38 billion.
- Consumer spend on console games will increase by a CAGR of 5% from US\$24.9 billion in 2012 to US\$31.2 billion in 2017 as new consoles reignite interest in console gaming. This growth will lead to North America overtaking Western Europe to regain its number one position for console sales in 2014.
- The online video advertising market boomed in 2012, with an increase in the annual revenue of approximately US\$1 billion, representing year-on-year growth of 33%. This growth is set to continue over the forecast period with revenues reaching US\$12 billion in 2017, boosted by 26% CAGR.
- Live music is continuing to grow, with sales of tickets and sponsorship forecast to generate revenues of US\$30.9 billion in 2017, up from US\$26.5 billion in 2012, a CAGR of 3%. This growth will more than offset continued decline in recorded-music revenues.