

Global Entertainment & Media Outlook 2021 – 2025

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01

Perspectives from the 2021 Entertainment & Media outlook

E&M industry continues
to stand strong & forges a
new future



E&M industry stands strong & forges a new future

Global Entertainment & Media Outlook perspectives

The common driving force is changes in customer behavior – propelled by deep-seated megatrends, newly acquired habits, and the forcing function of the pandemic


01

Shift from universe to metaverse (a more open, multi-brand environment built around consumers)

02

User-generated content creators tapping into vast new audiences

03

Personalization of content for segmented focus engagements

04

Non-fungible tokens (NFTs) represent a notable innovation in the ability of creators to go directly to customers. A robust market for NFTs has now sprung up among collectors and speculators.

05

Regulators taking on Big Tech and data privacy

06

Box office revenues shifting to streaming platforms

Altering Dynamics

Overlaid on these, continuing advances in technology, and in the delivery and distribution of content, are creating new tensions and altering the complex dynamics and relationships between consumers and providers, between creators and producers, between producers and distributors, between advertisers and publishers, between governments and companies, between the giant global platforms and everybody else

Power shifts: Altering the dynamics of the E&M industry

Global Entertainment & Media Outlook perspectives

Macro shifts: Powered by disruption

Habits accrued over restricted periods will remain embedded.

Rising digitization includes a move towards digital products and online sales, the relentless rise of streaming, the growing influence of social gaming and user-generated content, growth of music and VR, video and audio formats, etc.

Sector shifts: Ads and access boom; consumer spending recovers

People streamed shows, read e-books, worked from home, exercised at home and held cocktail hours over Zoom. This shift online meant, broadly speaking, that e-commerce boomed. Internet access was up \$14 billion and accounted for 34.1% of all spending. The combination of more devices, higher speeds and more activity fueled remarkable growth in total data consumption. OTT is the future with global CAGR of 10% to 2025

General shift: Creators and youth will be served

Younger consumers simply have little awareness of – or interest in – traditional media. On the flipside, the platforms pitched toward young people, or that facilitate lightly-produced authentic content, boomed. Young creators are flocking to Tiktok and Roblox. Across the board, creators are also striving to claw back more control and agency from employers, publishers and distributors

Location shift: Meeting consumers where they are

Service providers are now focusing on how to meet consumers where they are and at their preferred time. Audio content providers are diversifying their offers to become marketplaces where customers can browse for various topics of their choice like comedy, politics, etc. Gaming is the gateway for younger consumers

Regulatory shifts: The pushback on platforms

During the pandemic, FAANGS' e-commerce, digital advertising and time online boomed. Pressure has intensified to create a more level playing field on which local and offline-oriented businesses can compete with the giants. Governments have proposed new media laws. Consumers' growing societal awareness accelerated demand for safe digital spaces and diversity & inclusion

02

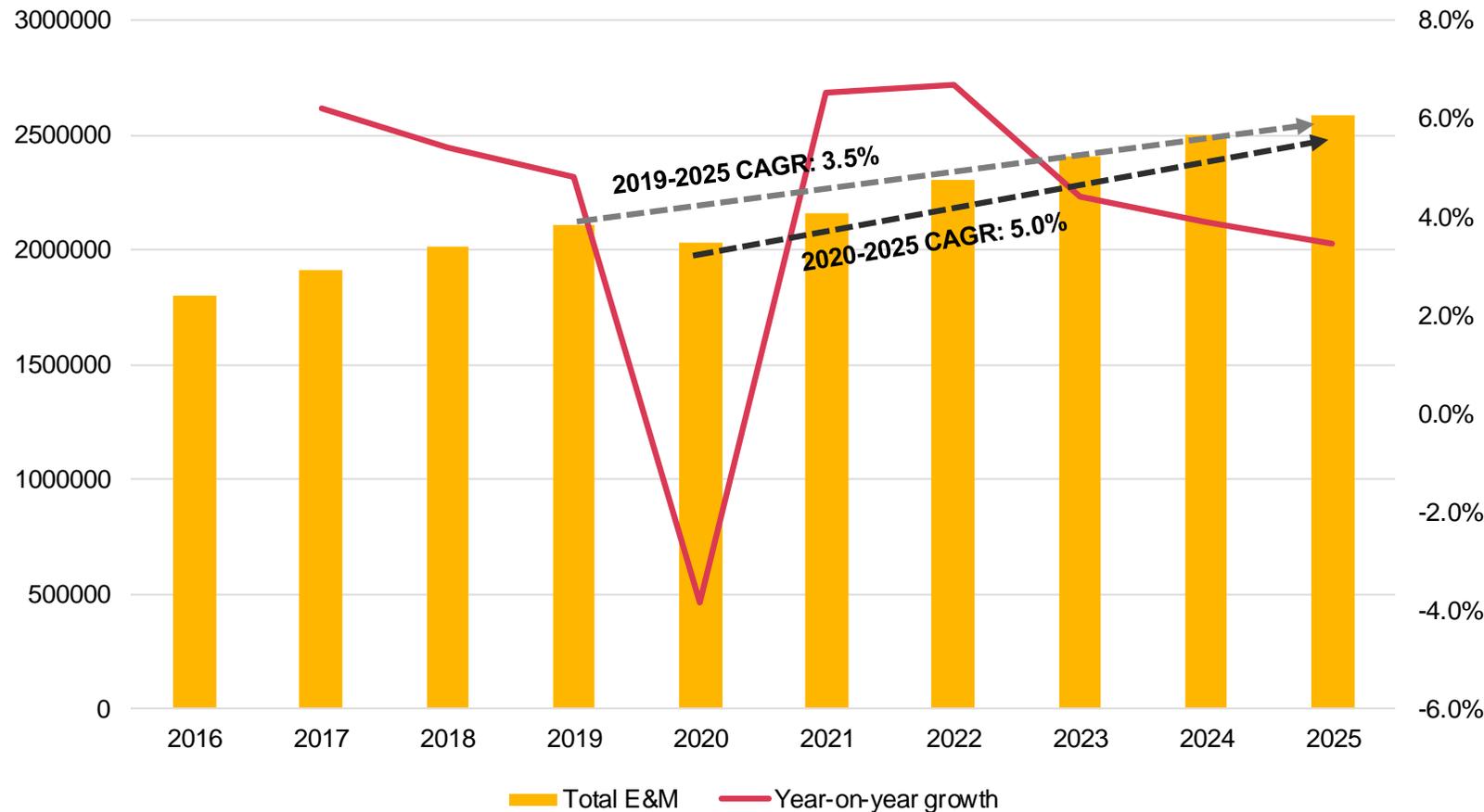
Overview – Global Entertainment & Media macro trends

Global summary and
macro trends



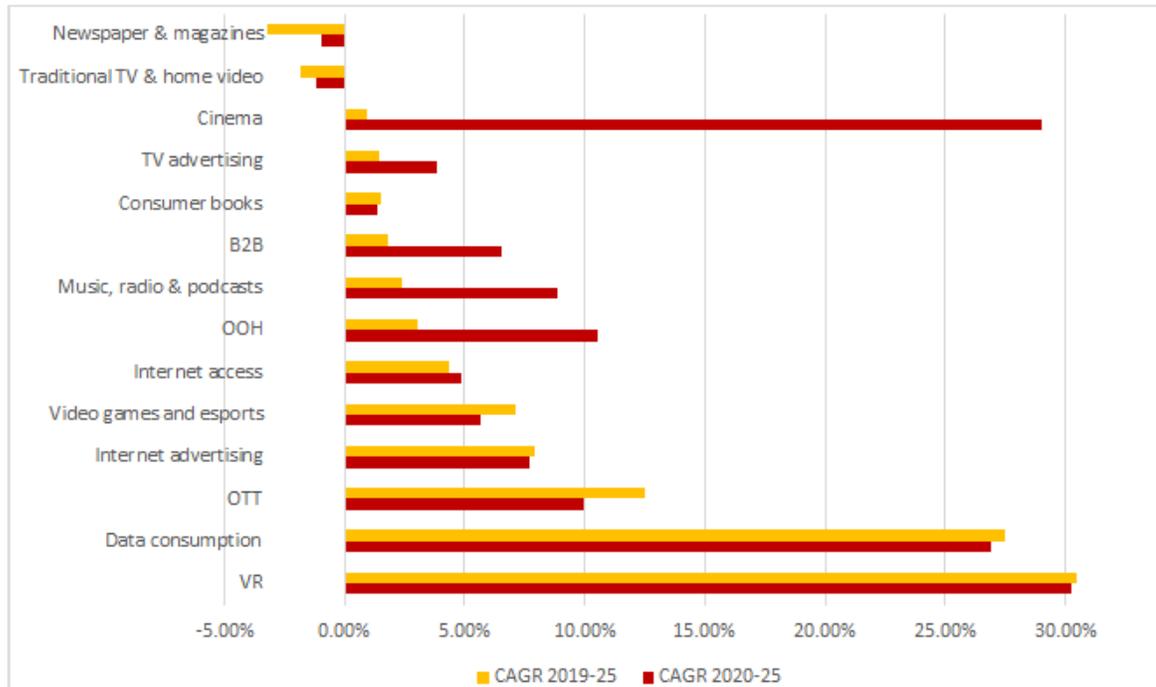
Total Global E&M revenue in 2020 was impacted by **-3.8%** on 2019 levels i.e., from US\$2.1trn to US\$2.0trn

Total global E&M revenue and year-on-year growth (%), 2016-2025 (US\$ Mn) - Growth proves deceptive as 2020 distorts the picture



Global revenue - Growth by segments

Virtual Reality (VR)-will see the strongest growth to 2025 out of all 14 segments



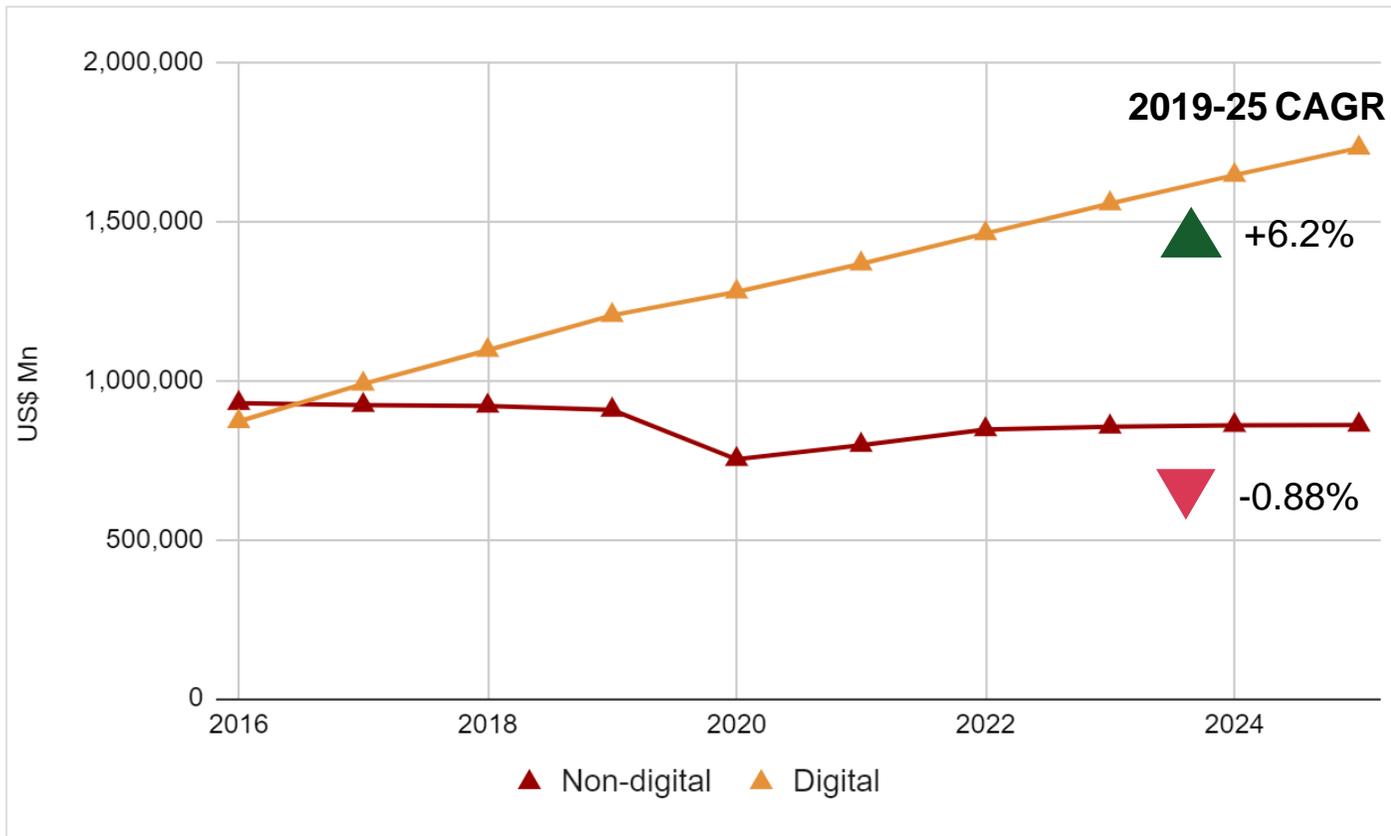
- VR continued to grow to US\$1.8bn, a 31.7% increase on 2019. To reach US\$6.9bn at 30.3% CAGR 2020-25
- Cinema – 29.1% high CAGR 2020-25. Back on pre-Covid levels by 2024
- Newspaper and Magazines (-1%) and Traditional TV and Home Video (-1.2%) are the only segments to show negative CAGR 2020-25
- Combined consumer and advertising revenue will grow more than a 3.0% CAGR 2020-25 across the globe, with Japan the lowest and India has the highest growth forecast to 2025*.

*Excluding access

Segments	VR	Data consumption	OTT	Internet advertising	Video games and esports	Internet access	OOH	Music, radio & podcasts	B2B	Consumer books	TV advertising	Cinema	Traditional TV & home video	Newspaper & magazines
CAGR 2020-25	30.3%	26.9%	10.0%	7.7%	5.7%	4.9%	10.6%	8.9%	6.5%	1.4%	3.8%	29.1%	-1.2%	-1.0%
CAGR 2019-25	30.5%	27.5%	12.5%	7.9%	7.1%	4.4%	3.1%	2.4%	1.8%	1.5%	1.5%	0.9%	-1.9%	-3.2%

The domination of digital revenues in the industry expands and is set to grow further

Total global E&M revenues and CAGRs, digital vs. non-digital



Macro shifts powered by Disruption in E&M Industry

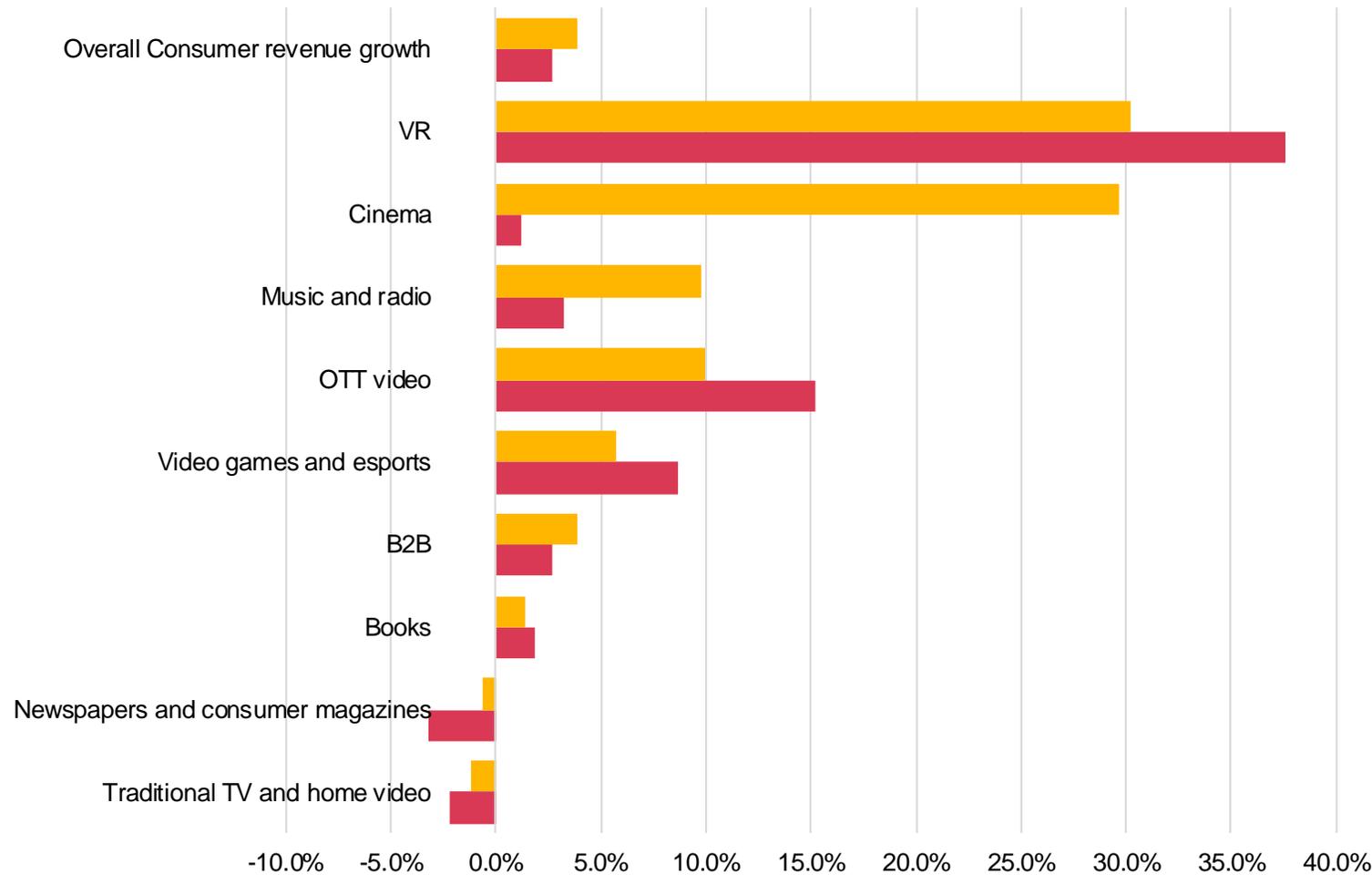
Migration to digital consumption

- Consumers stayed home, venues shut down, use of in-home digital services soared
- Box office revenues fell 71% in 2020
Netflix attracted a record 37 million net additional subscribers
- Internet access and data becoming a lifeline and a form of utility

*Internet access is a part of Consumer Digital revenues



Consumer revenue - Growth by segments: Overall growth for consumer revenue will be at 3.9 % (2020-2025)



- OTT revenue to grow by 10% in 2020-25 CAGR. TVOD and SVOD, more than US\$12.0bn was added to the market in 2020
- Music & radio to grow at 9.8% in 2020-25 CAGR
- Growth in video games and e-sports will be driven by e-sports, which is projected to be growing at a CAGR of 17.3% during 2020-25



E&M additional megatrends

1

TV Advertising - Global TV Advertising revenue will grow at a CAGR of 1.47% from 2019-25. OTT has been a major competitor to advertising dollars

2

OTT Platform - With the COVID-19 pandemic forcing reduced cinema capacity, movie providers have turned to a form of TVOD, premium video-on-demand (PVOD), to fulfill their title launch schedules

3

Cinema - For both social and demographic reasons, the cinema sector will rely heavily on a younger audience during the forecast period. The China market will reach US\$11 bn by 2025 and the US market is expected to bounce back. Both will remain the dominant markets

4

Out of Home - The global OOH market fell by -27.4% (US\$10.1bn) in 2020. Rebound is expected to be almost equally as steep, at 20.4%. In the ten years between 2016 and 2025, DOOH will have grown its share of the global OOH market from 26.8% to 44.0%

5

Music, Radio and Podcast - Radio share - 71.1% of total Music, Radio and Podcast advertising revenue in 2025. The US – dominant contributor (56%) to radio advertising revenues in 2020. Music segment in 2021 - 40% growth. Podcast segment's contribution - from 3% in 2019 to 6.9% in 2025



03

Segment review – Spotlight on India



New age segments like internet advertising, OTT, video games etc. are the leading double digit growth contributors in India

Share of E&M revenue (%) by segments: Global vs. India 2020 and 2025

E&M Segments	Global - 2020	Global - 2025	India - 2020	India - 2025	India 2020-25 CAGR
Traditional TV and home video	11%	8%	30%	27%	8.69%
Internet access	34%	34%	23%	24%	11.87%
TV advertising	7%	7%	14%	12%	7.60%
Internet advertising	17%	19%	5%	7%	18.83%
Newspaper and consumer magazine	7%	6%	11%	7%	1.82%
Video games and esports	7%	7%	5%	6%	16.53%
OTT video	3%	4%	4%	5%	17.47%
Cinema	1%	2%	1%	3%	38.38%
Business-to-business	7%	8%	3%	3%	12.95%
Music, radio and podcasts	4%	5%	2%	3%	19.11%
Consumer books	3%	3%	3%	2%	4.79%
Out-of-home advertising	1%	2%	1%	1%	9.95%

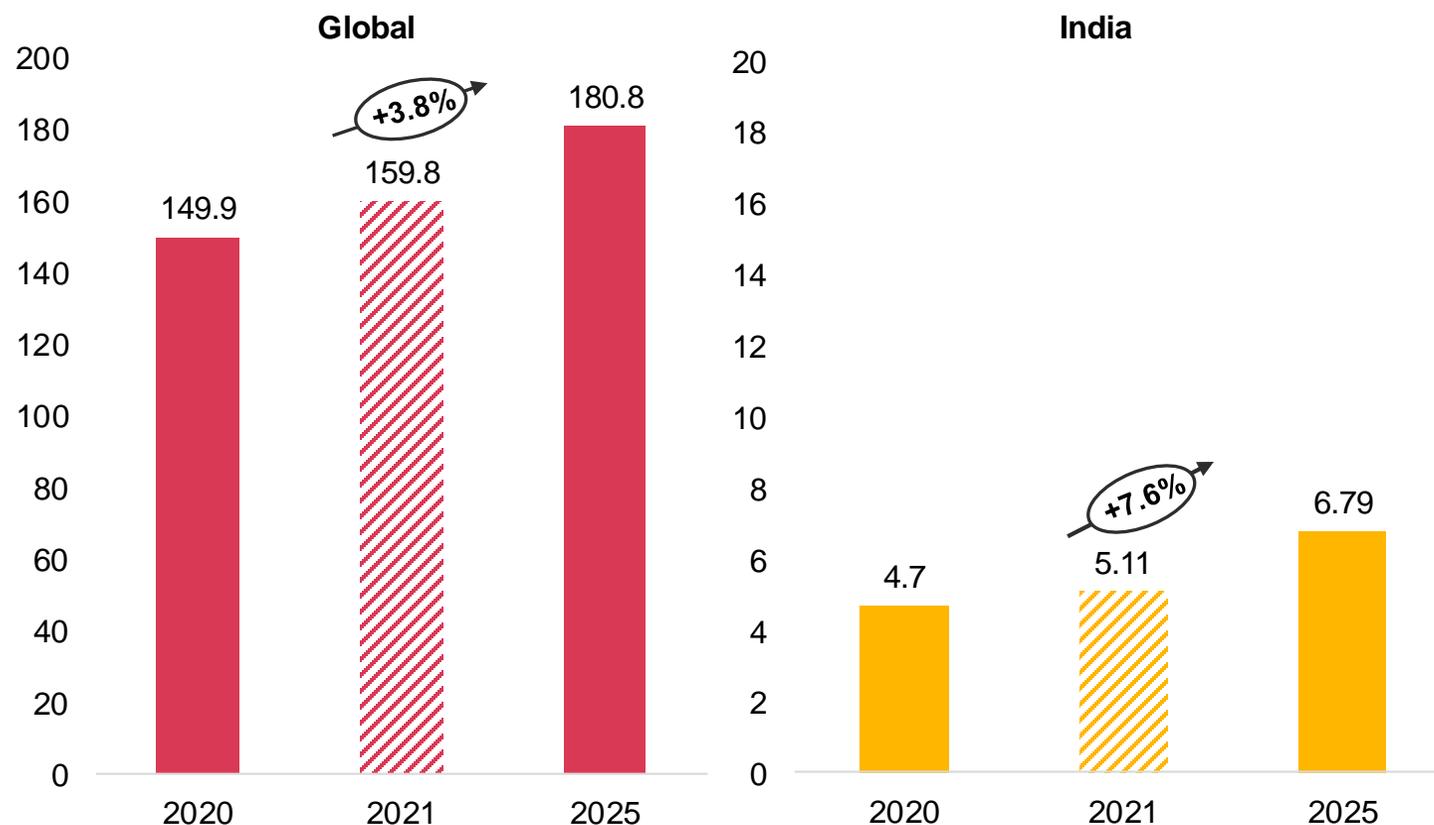
Key growth trends

- Top 4 segments with over 10% revenue share in 2020:
 - Traditional TV & home video, Internet access, TV advertising and newspaper and consumer magazine
- Traditional major revenue generating segments – Degrowth CAGR 2020-25
 - Traditional TV & home video, TV advertising, newspaper & consumer magazine
- Fastest growing segments as per CAGR 2020-25
 - Segments like OTT, internet advertising, video games & esports & internet access all with double digit growth in India. Cinema being an exception growth driver due to lower base of 2019

Note: 2020 is the latest available data. 2021-2025 values are forecast projections | *Basis Selected segments. **Source:** PwC Global Entertainment & Media Outlook 2021-2025, www.pwc.com/outlook *Excludes VR and Data consumption

TV advertising to remain one of the largest revenue contributing segment with growth rate of 2x of the global average

Global TV advertising revenue vs. India revenues (US\$bn) growth, 2020-25



TV advertising - US\$6.79bn by 2025

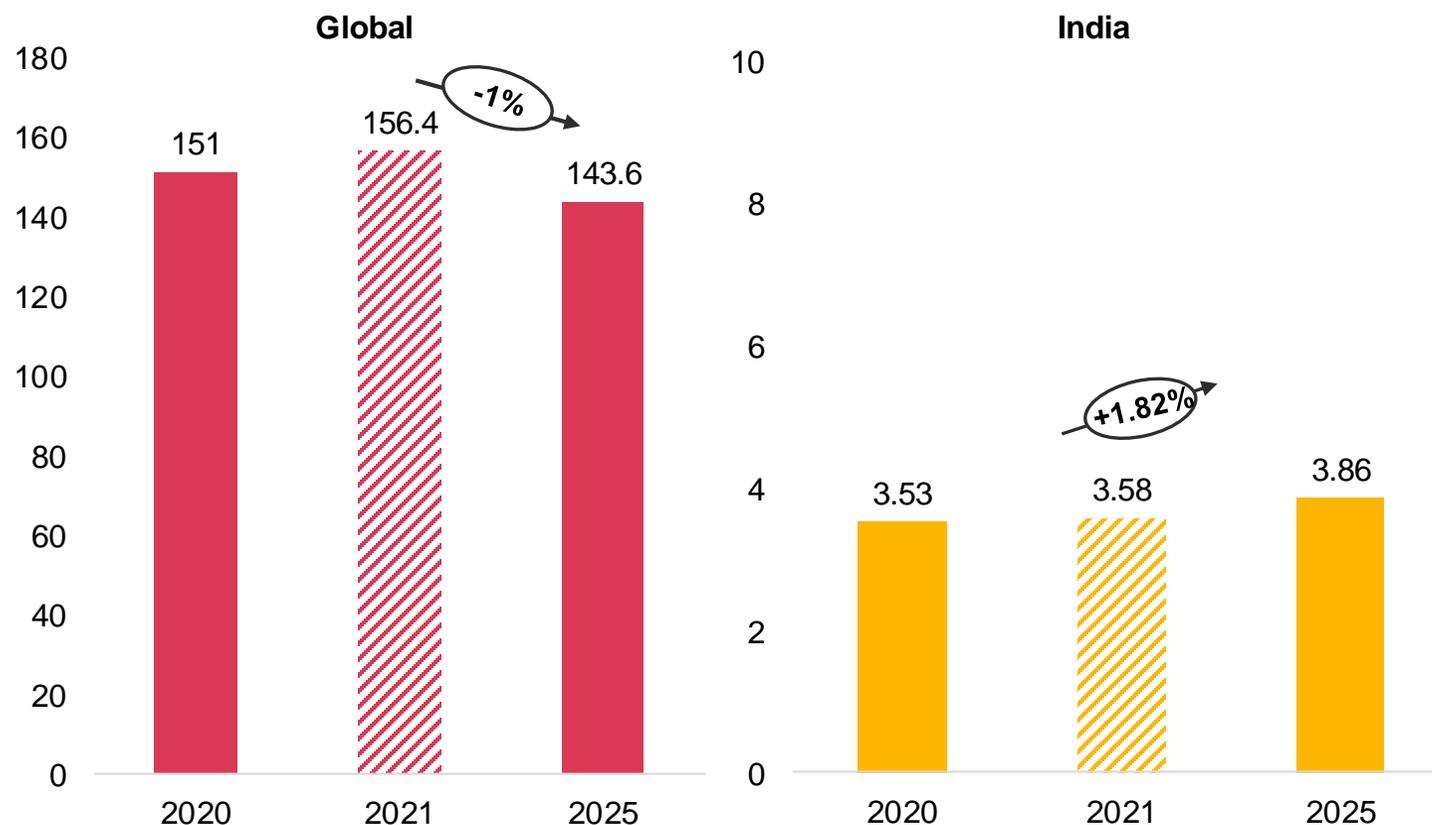
- TV advertising to grow at 8.6% in 2021
 - Multilingual country - diversified regional channels & content keeps the momentum
- Set to become the fourth-largest market globally
 - TV viewing grew at 6.9% in 2020 and have crossed over 210mn households now
 - A potential for 90mn households are yet to own TV sets out of total 300mn households in India
 - Economy growing rapidly
 - Regional channels and rural growth
- Multichannel advertising - 92% of the total TV advertising market in 2025

Note: 2020 is the latest available data. 2021-2025 values are forecast projections

Source: PwC Global Entertainment & Media Outlook 2021-2025, www.pwc.com/outlook | BARC

Newspaper and consumer magazine revenue is expected to decline, -1% CAGR globally but +1.82% CAGR for India

Newspaper and consumer magazines segment revenue 2020-2025: Global vs. India (US\$bn)



Note: 2020 is the latest available data. 2021-2025 values are forecast projections. Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding.

Source: PwC Global Entertainment & Media Outlook 2021-2025, www.pwc.com/outlook

Global Entertainment & Media Outlook: 2021-2025

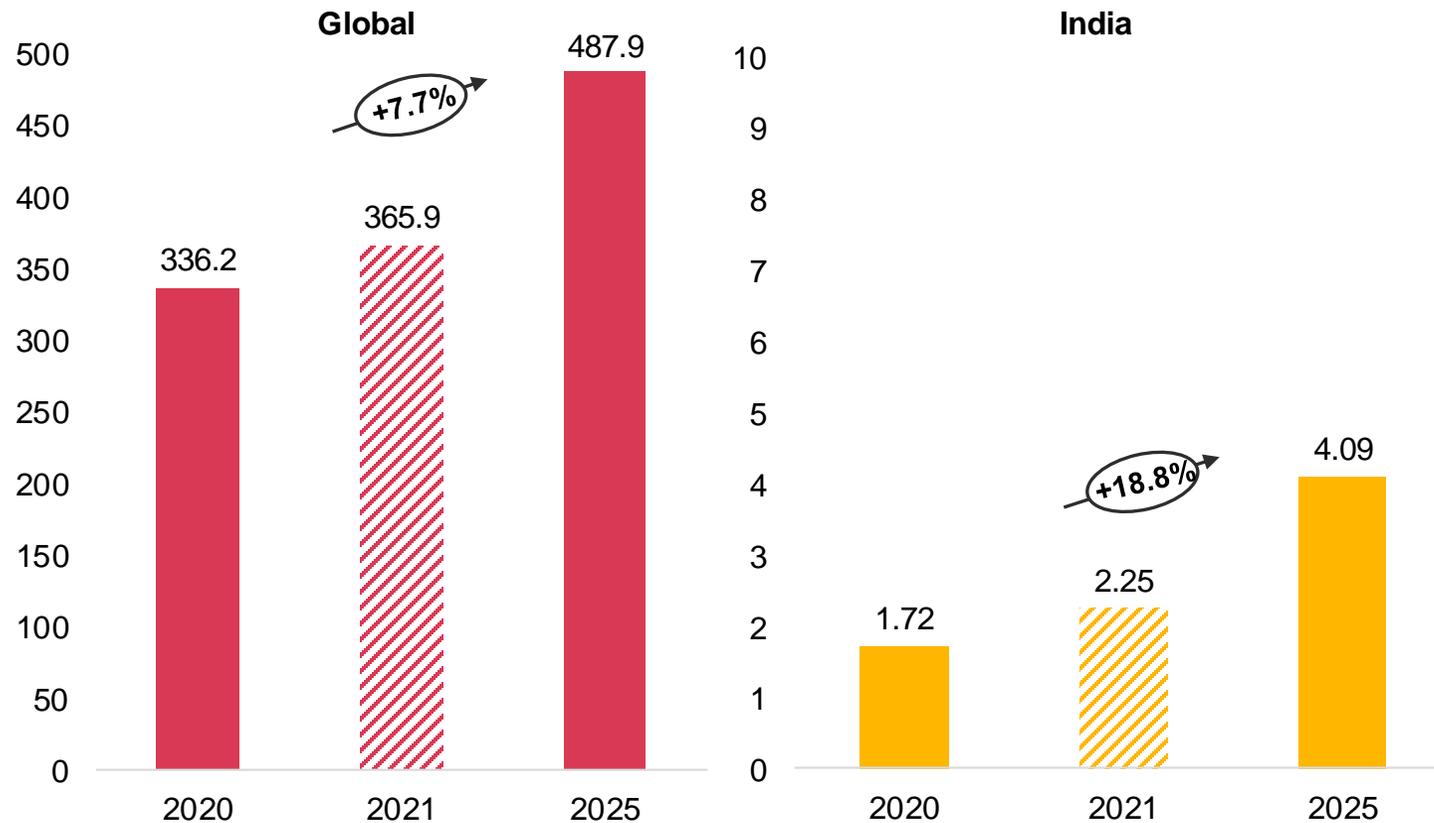
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Newspaper advertising - US\$3.86bn by 2025

- Newspaper and consumer magazine - Growth at 1.5% in 2021
- Print Newspaper:
 - Circulation - Rise to US\$1bn at 0.62% & advertising revenue to US\$2.1bn at 1.28% CAGR 2020-25 respectively
- Digital Newspaper:
 - Circulation - Rise to US\$186mn at 12.8% & advertising revenue to US\$273mn at 7.18% CAGR 2020-25 respectively
- Traditional newspapers –
 - Investing in their own digital services
 - Monetize through a hybrid of subscriptions and ad-based models
 - Digitization will bring more transparency in audience measurement, personalization of content targeting and delivery, accurate tracking of revenues & subscriptions

Internet advertising segment will continue its growth trajectory

Internet advertising market 2020-2025 (US\$bn)



Internet advertising - US\$4.09bn by 2025

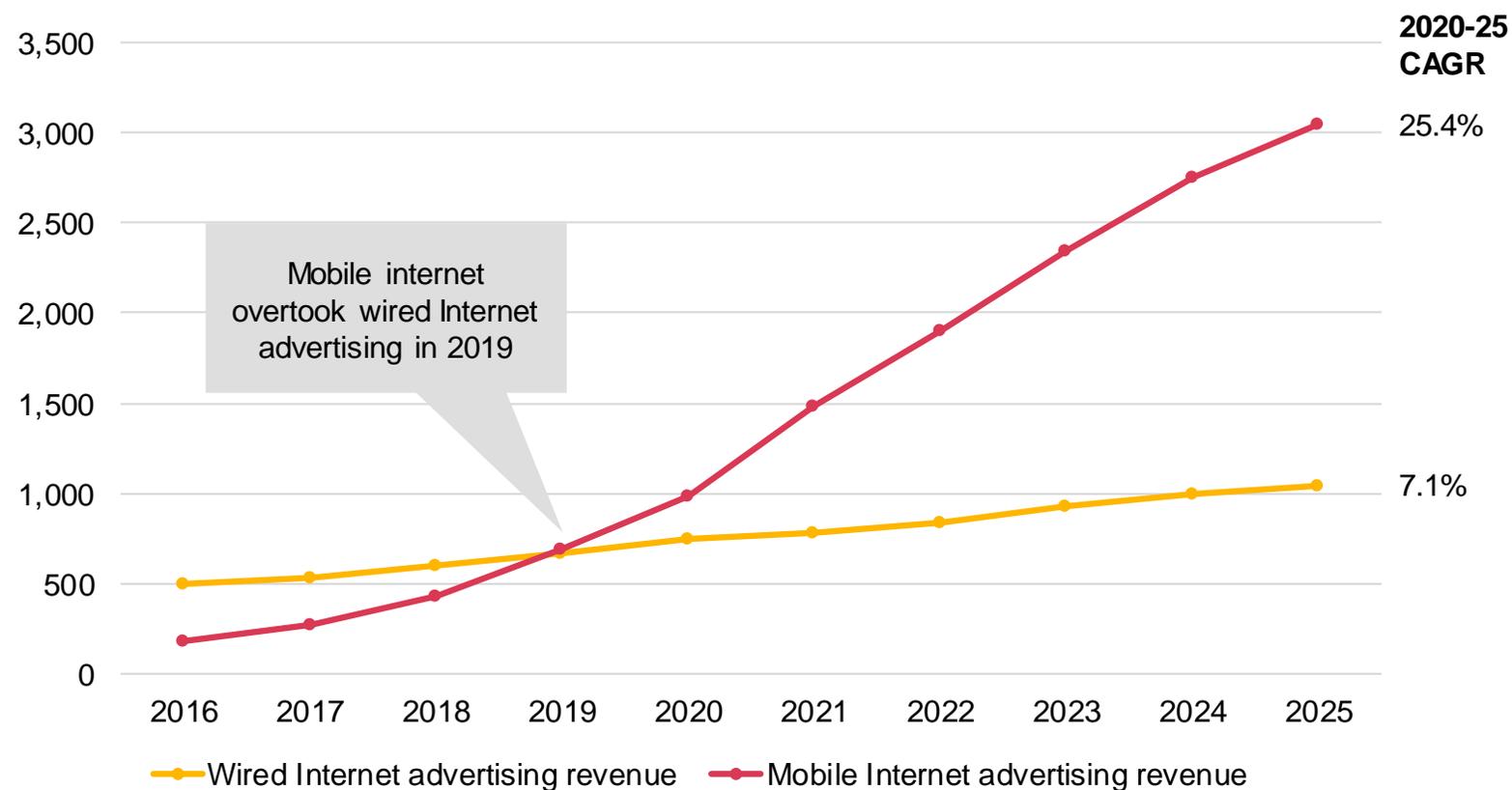
- India - Fastest growing Internet advertising market in the world
- Internet advertising – Growth rate at 31% in 2021 – USD 2.25 Billion revenue (2021)
- All segments seeing revenue increase
 - Growth in mobile internet advertising revenue the highest with 25.4% CAGR 2020-25 to reach US\$3.04bn by 2025
- By 2020 total revenue from Internet advertising in India had almost tripled, as compared to 2016, reaching just over US\$1.7bn
- Rural internet users (227mn) surpassed over metropolitan cities (205mn) in 2020. The number of internet users is likely to reach 900mn by 2025

Note: 2020 is the latest available data. 2021-2025 values are forecast projections. Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding.

Source: PwC Global Entertainment & Media Outlook 2021-2025; www.pwc.com/outlook; I IAMA I IAMA I-Kantar Cube report

... with Mobile continue to be the biggest driver of growth

India mobile display Internet advertising revenue vs. total wired Internet advertising, 2016-2025 (US\$mn)



Mobile Internet subscriptions are highest in the world after China

- Mobile Internet subscriptions have risen from 328mn in 2016 to 583mn in 2020 which is only 42% of penetration. Will reach to 870mn by 2025
- This will facilitate the growth of mobile based business models driving subscription and advertising revenues
- By 2025 mobile ad revenue is expected to make up 74.4% of total revenue

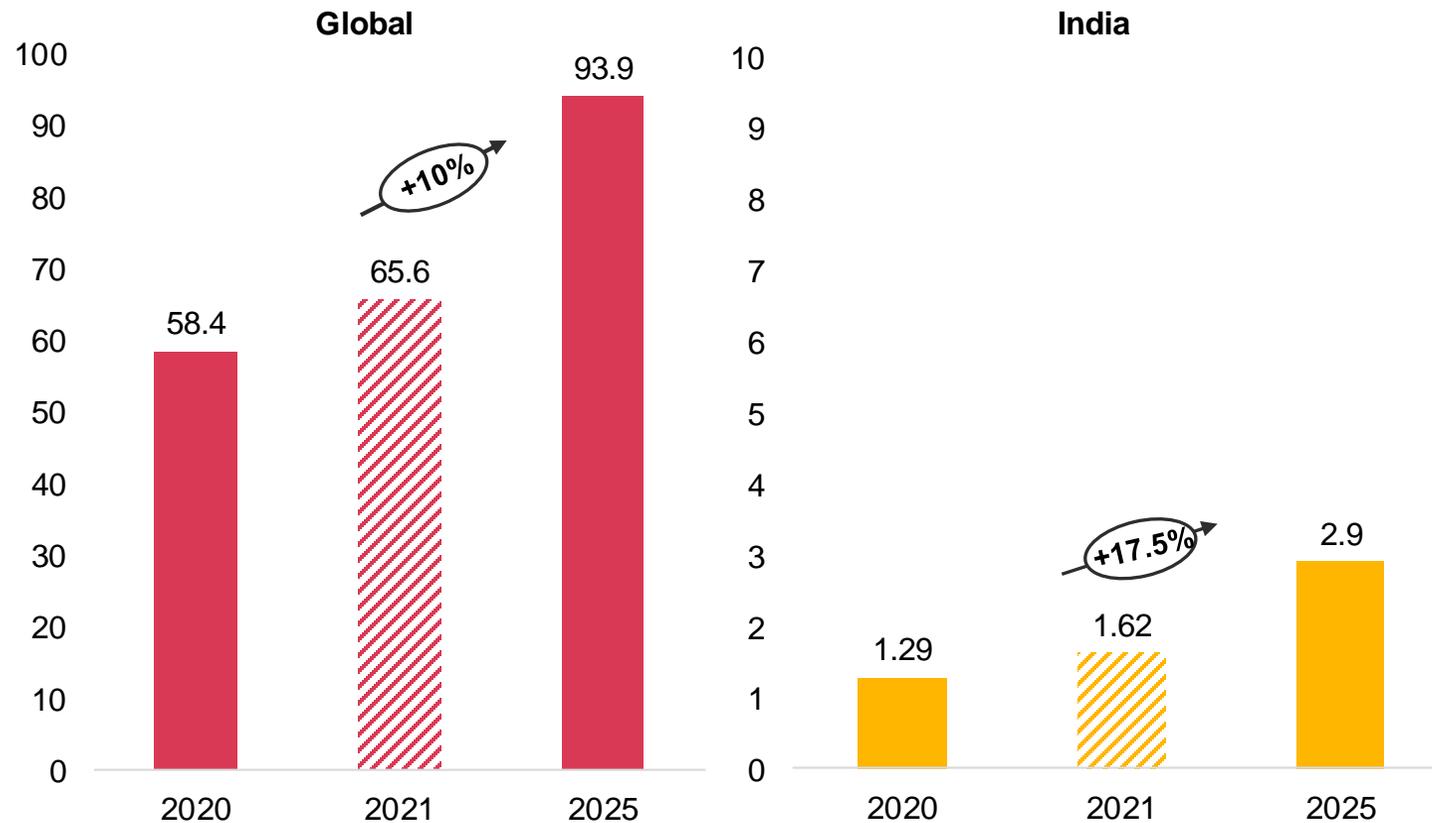


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Source: PwC Global Entertainment & Media Outlook 2021-2025, www.pwc.com/outlook

OTT video will continue to be amongst the highest growing segments

Global OTT video revenue vs. India revenues (US\$bn) growth 2020-25



OTT video - US\$2.9bn by 2025

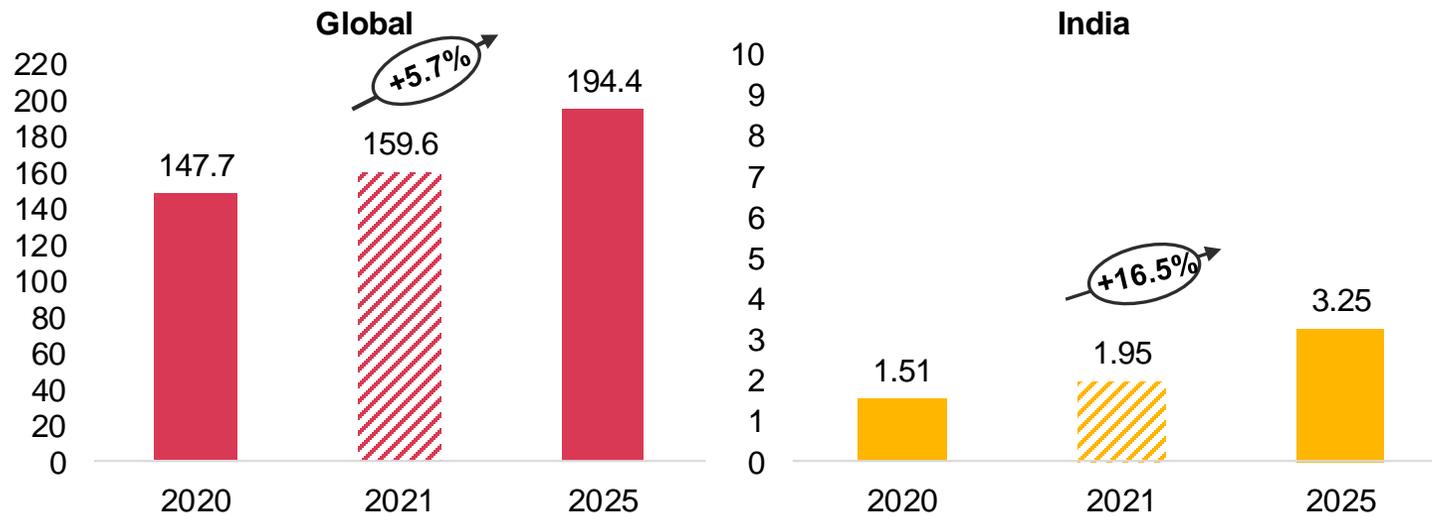
- By 2025 India's VOD market will be US\$2.9bn, up from US\$1.3bn in 2020 (growing at 17.5% CAGR)
- The third-largest VOD market in Asia Pacific after China & Japan (2025)
- Around 40 OTT players and tough competition between the global big players is growing all-time high
- Regional and quality of content driving growth
- SVOD - 18.3% CAGR from 2020 to 2025, growing from US\$1.2bn to US\$2.7bn
- India contains a vast technological divide between rural and urban populations, the transactional market is likewise fragmented
- TVOD takes market share of only 9.9% of total VOD and is forecast to decline to just 6.7% by 2025. One reason being the consumers have transitioned from analogue to SVOD first

Note: 2020 is the latest available data. 2021-2025 values are forecast projections. Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding.

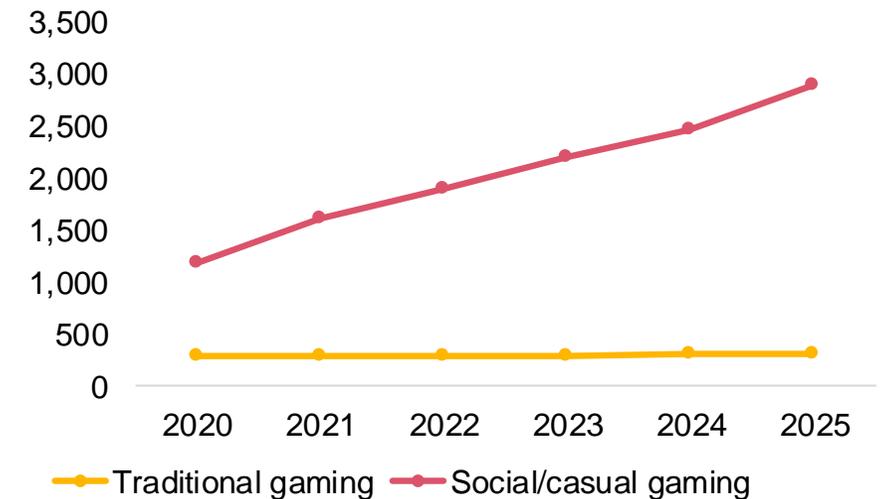
Source: PwC Global Entertainment & Media Outlook 2021-2025, www.pwc.com/outlook

Video games and esports market in India continues to enjoy exceptional growth with enormous potential

Video games & esports segment revenue 2020-2025 (US\$bn)



Traditional gaming vs Social/casual gaming segment revenue 2020-2025 (US\$ Mn)



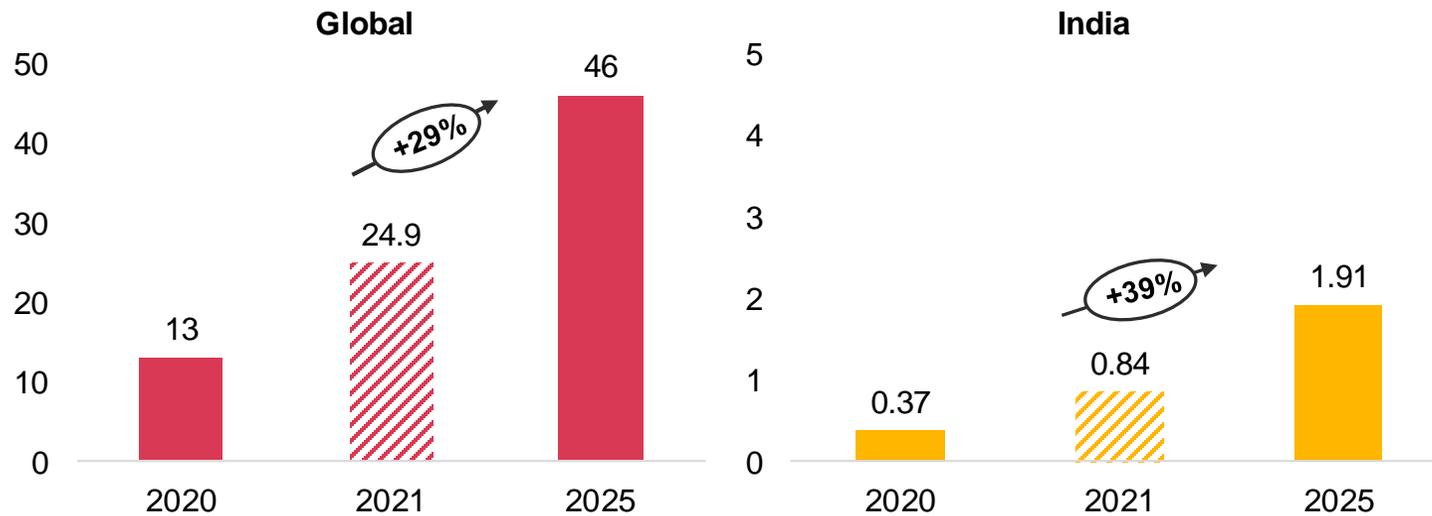
- India's video games & esports segment is growing at ~3 times the global average - smartphone penetration, better mobile infrastructure, inexpensive data and younger population are the main growth drivers
- India's esports market is small, but will rise at a 31.6% CAGR 2020-25
- India's gaming market is dominated by the social/casual category, accounting for 77.4% of all video games and esports revenue in 2020. By 2025, this segment will account for 88.5% of the total market and be worth US\$2.9bn. Decreased social interaction is pushing younger population to explore gaming more and more

Note: 2020 is the latest available data. 2021-2025 values are forecast projections. Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding.

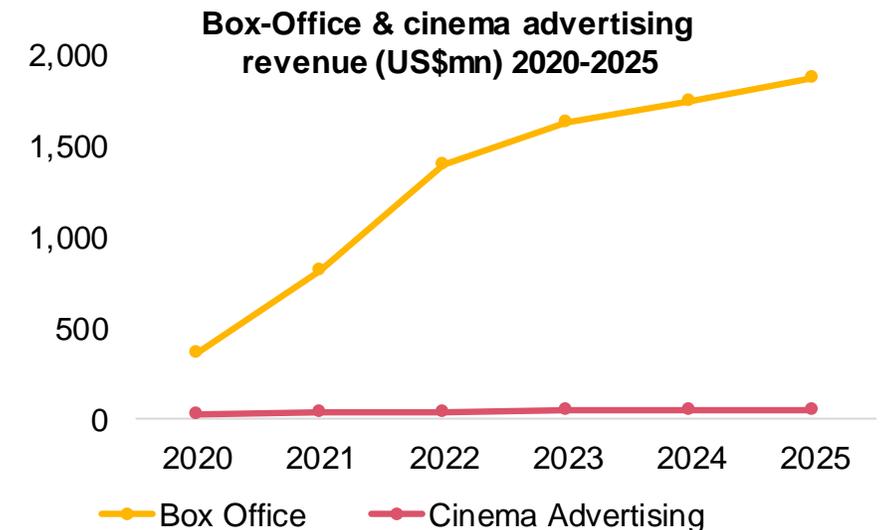
Source: PwC Global Entertainment & Media Outlook 2021-2025, www.pwc.com/outlook

Cinema: Box-office collections plunged to US\$356mn (2020) and is expected to recover at 39% CAGR during 2020-2025

Cinema segment revenue (US\$bn) 2020-2025



India segments share in % growth



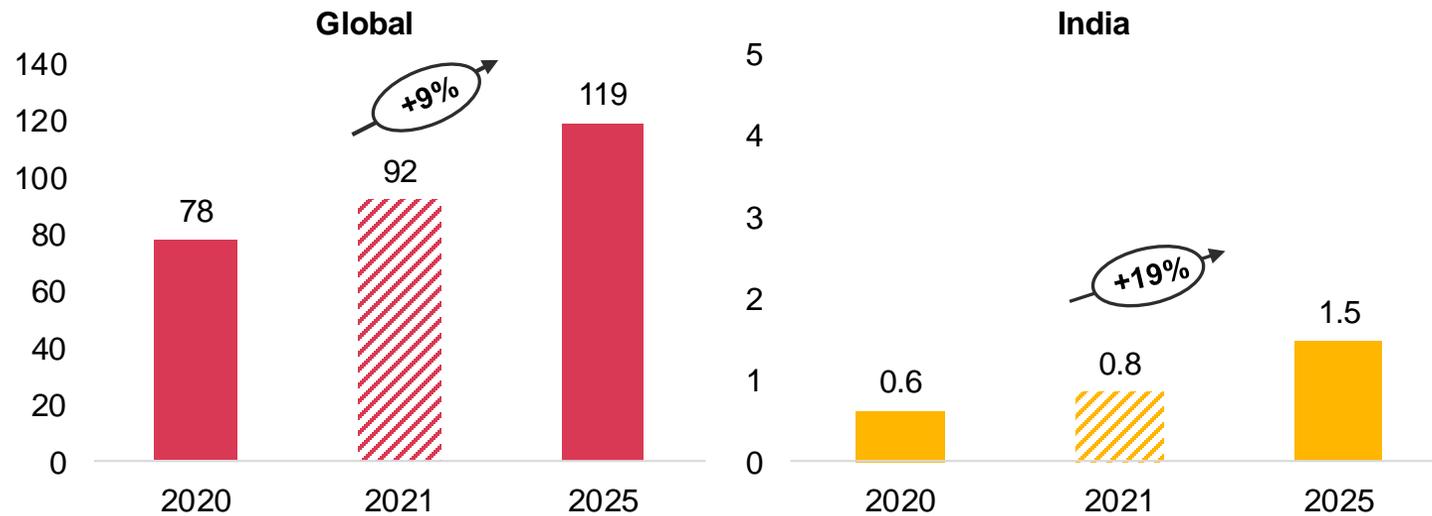
- Cinema was amongst the worst hit segment due to Covid-19 and lockdowns witnessing 75% degrowth in 2020. The segment will bounce back in 2021 with 123% growth. It will be back to pre-Covid levels by mid of 2023 in India
- Older single-screen theatres, which used to dominate the market, have been in decline for some time. COVID-19 has accelerated this process: 1,500 such venues are likely to close in 2021. They are being superseded by modern multiplexes, often incorporated within shopping malls
- With an ease out in lockdowns and increased vaccination, people would want to go out and socialize more for entertainment

Note: 2020 is the latest available data. 2021-2025 values are forecast projections. Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding.

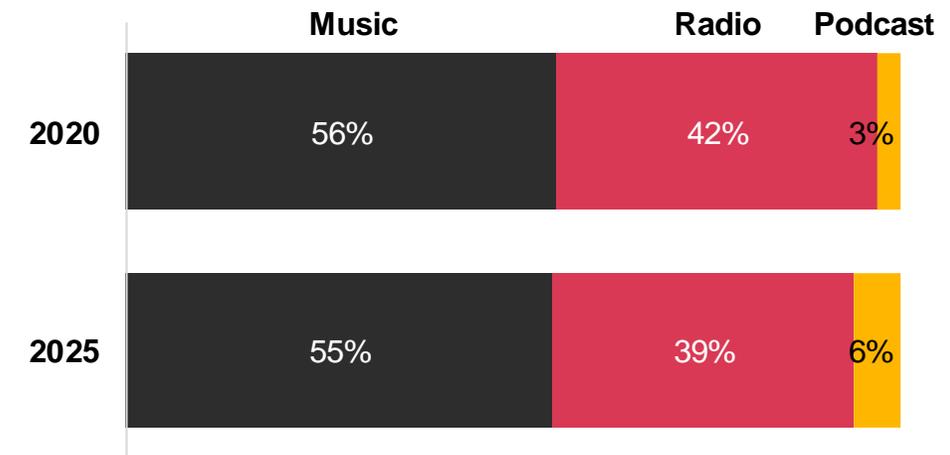
Source: PwC Global Entertainment & Media Outlook 2021-2025, www.pwc.com/outlook

Music, radio and podcasts total revenue to touch US\$1.48bn in 2025, at a 19.1% CAGR

Music, radio and podcasts segment revenue (US\$bn) 2020-2025



India segments share in % growth



- India's market slipped in 2020 to US\$621mn, as the COVID-19 pandemic stripped almost US\$70mn from the live music sector. This was because, cinema being a complimentary segment was also adversely hit
- Recorded music business powered by a streaming market, grows steadily. Total revenue is expected to lift to almost US\$1.5bn in 2025, increasing at a 19.1% CAGR

- India's radio market (entirely advertising revenue), declined 44.1% from US\$465mn in 2019 to US\$260mn in 2020. Expected to reach US\$580mn in 2025 at a 17.4% CAGR and to reach pre covid levels by late 2022
- Podcast listening continues to gain in popularity India. The segment will grow at 41% CAGR in the forecast period. One of the key driver for growth will be the social audio platforms

Note: 2020 is the latest available data. 2021-2025 values are forecast projections. Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding.

Source: PwC Global Entertainment & Media Outlook 2021-2025, www.pwc.com/outlook

PwC India perspective – summary

01

India will continue to be the fastest growing E&M market in the world with 10.75% 2020-25 CAGR to reach US\$55.4bn with the global average of 5% 2020-25 CAGR

04

New age segments like internet advertising, OTT, gaming, digital music and podcast etc. will experience the highest growth due to the increased interest level of growing audiences, platform owners & advertisers

02

Internet advertising is the fastest growing segment and will have a double growth than the global average. However, the revenue base will still be less than 1% of the global average till 2025. Thus, a massive growth potential will still be left to tap

05

Cinema witnessed 75% degrowth in 2020 and was the most affected segment. With lockdowns easing and vaccinations drive growing, the segment is predicted to bounce back in 2021 with 123% growth and would recover to its pre-Covid peak by mid 2023.

03

TV advertising and consumer segments will remain the most revenue generating segments by volume till 2025 despite global internet advertising share crossing over 50% in 2020 and forecasted to be 61% by 2025



Thank you

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Data classification: DC1 (Internal)

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Methodology

- A base line of historic data was collected from publicly available information including from trade associations and government agencies.
- In addition to this, interviews with relevant associations, regulators and leading players have been conducted to gather insights and estimates not available in the public domain.
- This year, we've delayed publication of the Outlook to get a clearer view of the pandemic's impacts. And we'd like to make highlight that while our projections are robust, their future accuracy could clearly be affected by the continued rapid changes related to the pandemic, including policy responses from the Government.
- The data was sourced from both primary and secondary research from a variety of sources.
- The segment definitions: [Segment definitions](#)
- A total of 53 countries are represented within this year's Outlook covering a list of 14 segments covered as below:
 - Traditional TV and home video
 - OTT video
 - VR
 - Data consumption
 - TV advertising
 - Internet access
 - Newspapers and consumer magazines
 - OOH
 - Business-to-business
 - Video games and esports
 - Cinema
 - Music, radio and podcasts
 - Books
 - Internet advertising
- All revenues are estimated in US dollars. The 2020 exchange rates have been applied to all historic and future years to eliminate fluctuating currencies. (1\$ = 74.5 INR)

