



IABM Industry Update

海外市場動向

Peter White, CEO, IABM

Peter Bruce, APAC Director, IABM





Regional Focus: Asia-Pacific

アジア太平洋地域

- Peter Bruce, APAC Director, IABM

IABM:国際放送機器工業会 APAC理事 ピーターブルース





The IABM is the authoritative voice of the industry, and seeks to support member companies via a range of benefits, discounts, events, advisory services, industry specific market surveys and training.

IABMは業界の権威ある声として、会員に向け割引特典、イベントの企画、事業アドバイス、市場調査および技術トレーニング他の支援を致します

The association employs specialist knowledge and skills from independent officers to deliver specific technical and editorial programmes.

IABMの広範な専門知識とスキルを持ったスペシャリストにより、より高度な情報を提供いたします



This presentation is a result of the IABM's in depth world wide market surveys.
このプレゼンテーションは、IABMによるワールドワイド市場調査によるものです

Asia-Pacific

An Overview



Asia-Pacific

アジア太平洋地域概要

An Overview

	2015	2016	2017	2018	2019	2020	2021	CAGR (2015-2021)
Population	3421m	3450m	3477m	3504m	3530m	3555m	3579m	0.8%
GDP / Capita US\$	\$6,200	\$6,433	\$6,799	\$7,209	\$7,705	\$8,288	\$8,897	6.2%
Internet Penetration (%)	43.2%	45.5%	48.0%	50.5%	53.1%	55.9%	58.7%	5.3%
Smartphone Penetration (%)	29.1%	32.4%	35.3%	37.9%	40.1%	42.0%	43.6%	7.0%

Source: Statista

- The market in APAC is varied as it includes countries at very different stages of broadcast industry development
- Some countries are in the midst of transitioning to digital/HD broadcasting with a great deal of spending going into digital transmission, infrastructure and monitoring equipment
- Others have already migrated to digital/HD broadcasting and are pioneering the adoption of cutting-edge technologies such as UHD and ATSC 3.0

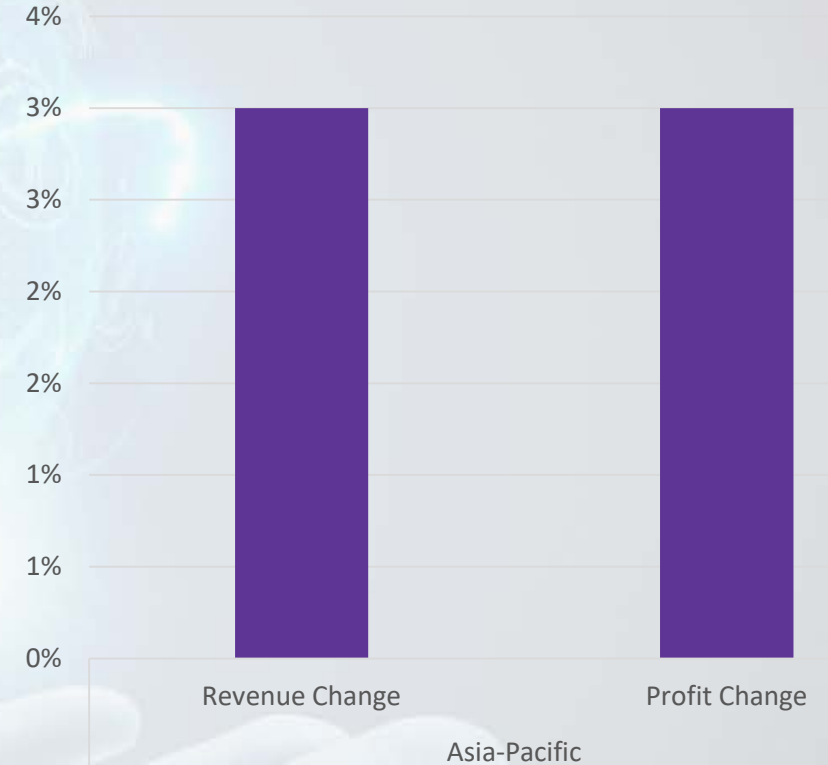
End-Users' Performance

エンドユーザー状況

Both Revenues and Profits are up!

売上高、利益とも伸びている

- Positive operational performance at constant exchange rates. This changes when accounting for variance in exchange rates (between 2015 and 2016) – most currencies have lost ground Vs. USD
- Growing Pay-TV market – rising revenues and profits across the whole region
- Pay-TV threatened by online piracy – it is rife in Asia-Pacific
- Advertising picture varies depending on the country considered



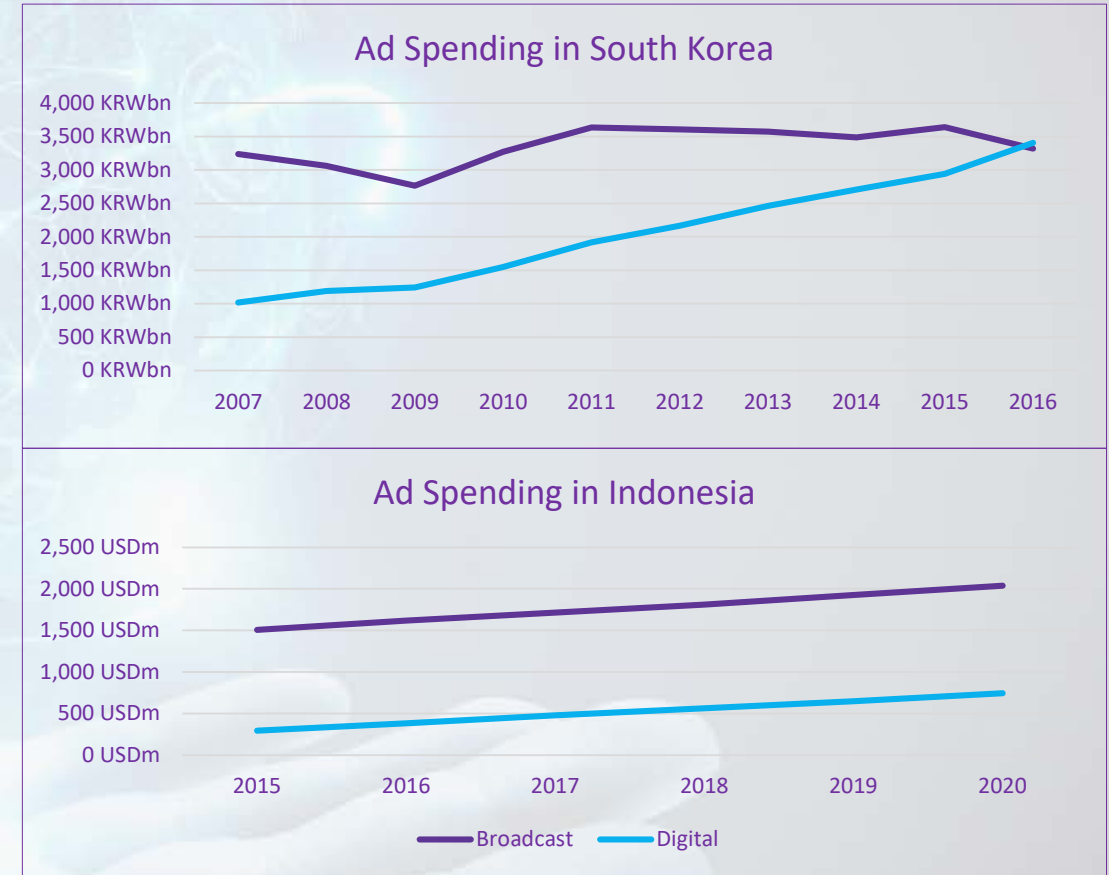
Source: IABM End-User Index
(Constant Exchange Rates)

End-Users' Performance

エンドユーザー状況

Linear advertising is a liability for end-users in some countries

- In advanced broadcast markets, ad spending is shrinking
- In Australia, the commercial broadcaster Ten Network posted a ½ year loss of \$232 million in 2017 announced that it was entering into voluntary administration on 14 June 2017 with CBS entering a bidding agreement with the receivers to purchase the company.
- Advertising revenues in Australia were down by 3% in the period July-December 2016 (ThinkTV))
- The same is not true for emerging markets such as the Philippines, Thailand and Indonesia – broadcast advertising continues to grow



Source: CJ E&M, eMarketer

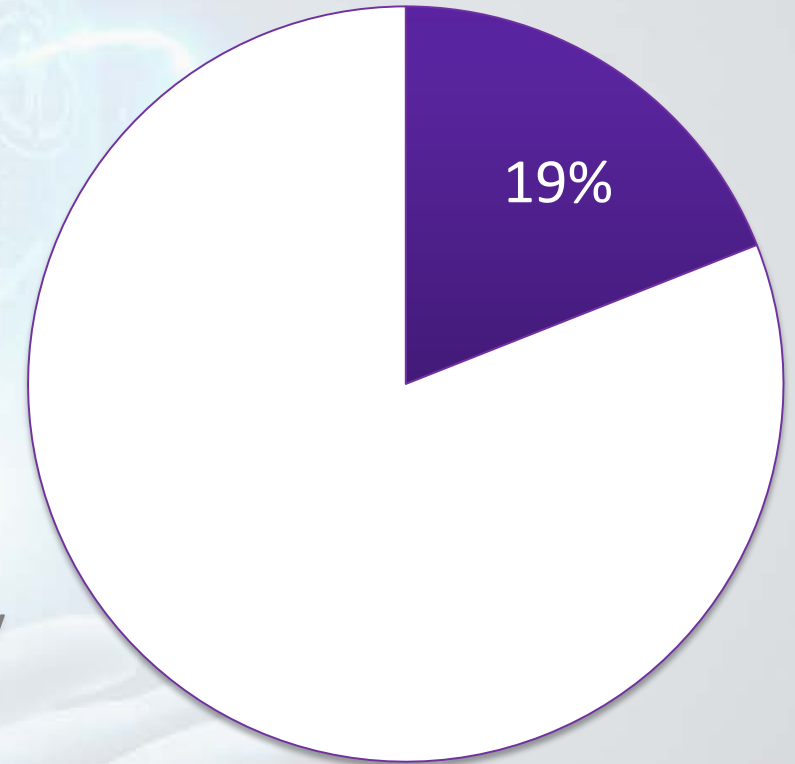
Broadcast & Media Tech Market

放送・メディア市場

Media Technology Spending in APAC

メディア技術投資状況

- Asia-Pacific represents 19% of global media technology spending
- It represents an increasing source of revenue for many vendors
- Many suppliers that suffered from the 2008-2010 recession continued to report positive figures
- Important market for acquisition and production technology vendors. HDTV and digital are still relevant spending drivers in the region



Source: IABM DC

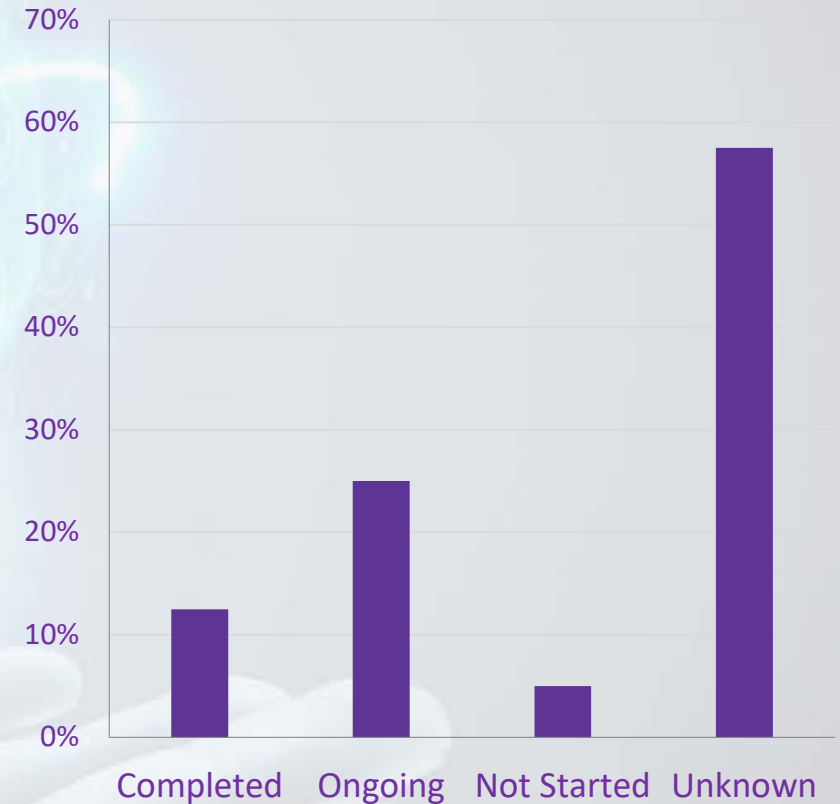
Digital Transition

Status of Digital Transition in APAC

デジタル化移行状況

- Only five countries have completed the digital transition in APAC (12.5%), the rest is either going through the transition or has not started it yet. Major constraint to completing the transition is: lack of government funding to household and broadcasters
- One of the few exceptions is Thailand (where the transition is ongoing): the communications regulator has distributed millions of vouchers to buy digital equipment. Eligible households include those living in social housing and “state enterprise” officials. The expected DSO date is 2020
- In Myanmar, the original DSO plan entails the analogue switch-off of over 200 stations between 2017 and 2019. The expected DSO date is 2020. .

Status of Digital Transition in APAC

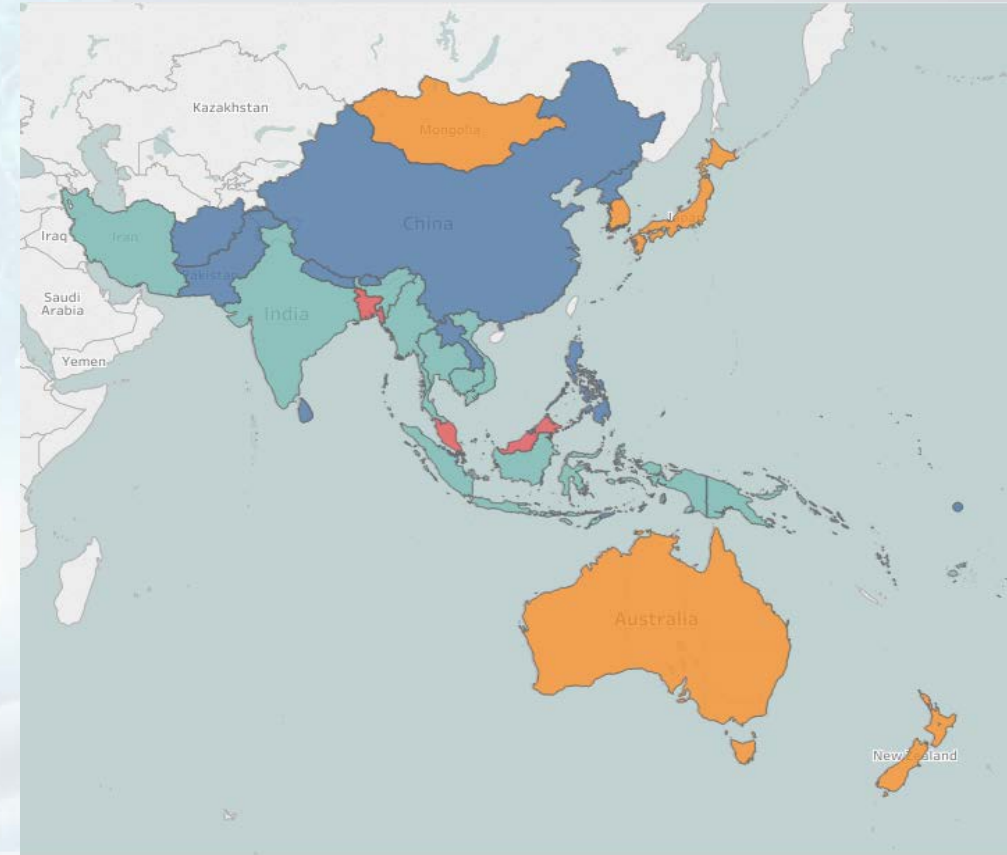


Source: ITU

Digital Transition

Status of Digital Transition in APAC

デジタル化移行状況



Source: ITU

- Vietnam intends to complete the transition to digital by 2020.
- The two most populous Southeast Asian countries, Indonesia and the Philippines, are rolling out their digital plan
- In Indonesia, DTT has been tested in 20 cities including Jakarta since 2016 – Indonesia is set to become the third-largest digital TV market by the end of the decade
- In the Philippines, GMA and ABS-CBN has already

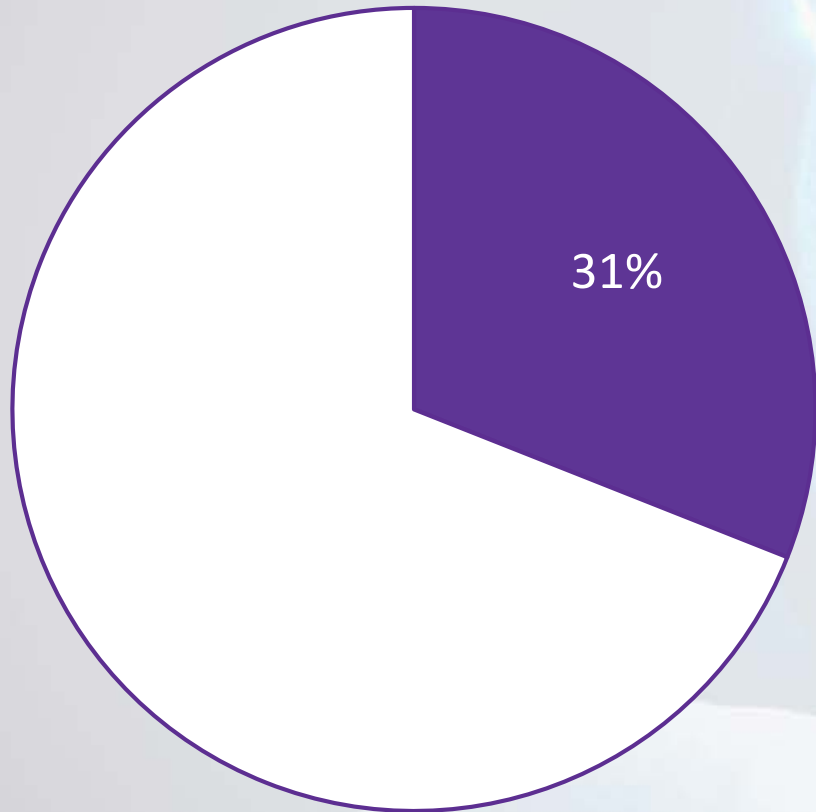
invested in digital equipment and begun testing. The government has recently unveiled its plan for

4K/UHD Spending

4K/ UHD投資状況

4K/UHD Adoption in APAC

4K/ UHD採用状況



- Asia-Pacific represents 31% of the UHD initiatives launched around the world
- Most operators have launched UHD channels through IPTV, live preferred Vs on-demand
- South Korea and Japan account majority of the total number of channels launched in APAC respectively

Source: IABM Analysis of UHD Forum Data

4K/UHD Spending

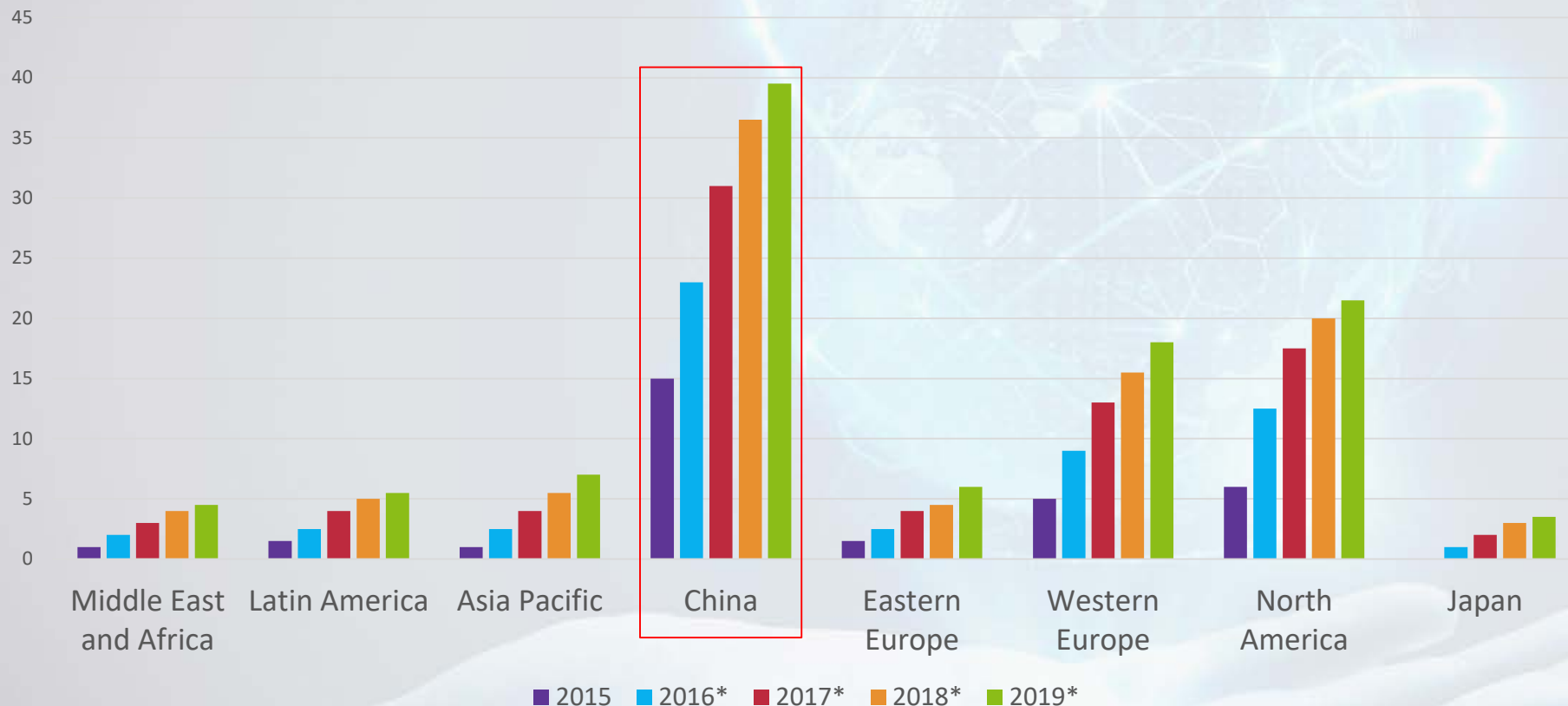
4K/UHD Adoption in APAC

- South Korea ATSC 3.0 UHD transmission launched the 31st May 2017 (beating USA). ATSC 3.0 will aid the further growth of 4K/UHD channels in the country
- The transition to 4K/UHD is underway in Japan, South Korea and China where some local Pay-TV operators have already started broadcasting in the new format
- In Japan, some operators such as Sky Perfect JSAT have already launched 4K/UHD channels in 2015-2016
- Japan's Ministry of Internal Affairs & Communications announced that it aims at having 19-22 4K/UHD channels (operated by both FTA and Pay-TV broadcasters) on air by 2018 to focus on 8K deployment ahead of 2020 Tokyo Summer Games. It also said it aims at being fully 4K/UHD by 2025

4K/UHD Spending

4K/UHD Adoption in APAC

4K TV unit shipments worldwide (m)



- 4K/UHD development in China favoured by an exceptional consumer adoption of TV sets
- China manufacturing expected to dominate 8K TV shipments

Source: IHS

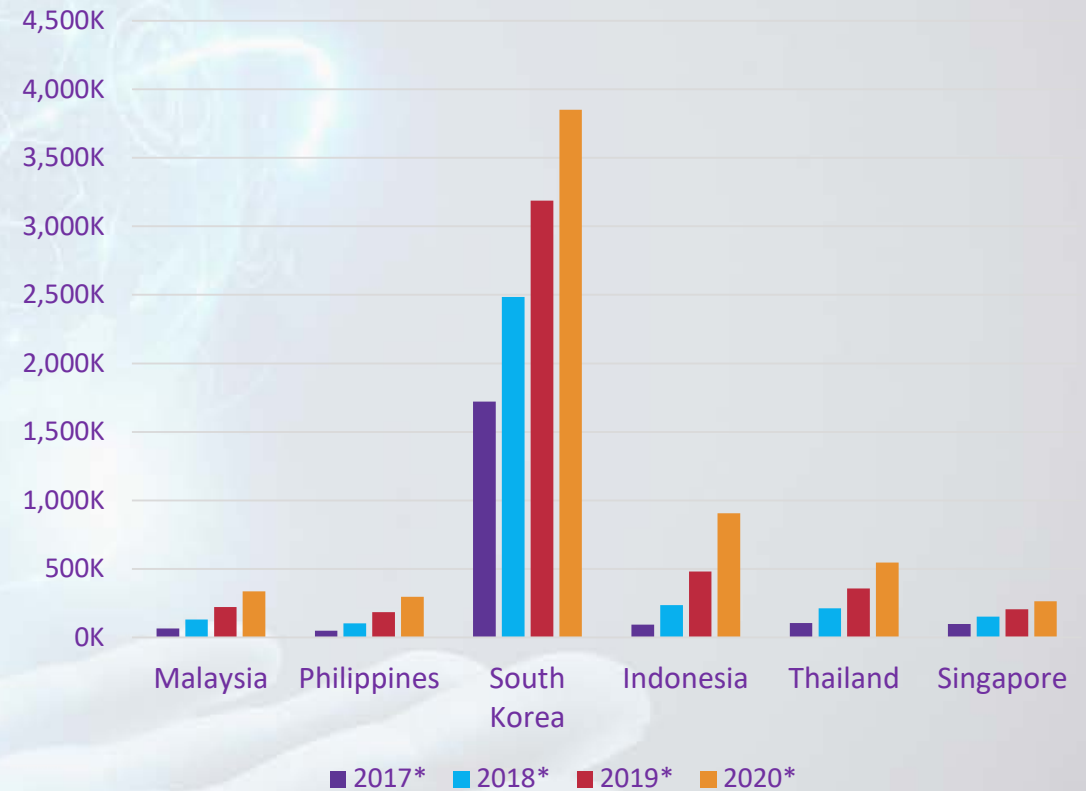
Transition to New Media Offerings

ニューメディアへの移行

OTT in APAC

- The arrival of Netflix in the region in 2016 (in all countries except China and North Korea) has prompted other OTT operators to ramp up their investment in local content – seen as Netflix’s major weakness in this market
- Netflix is still an elite service in most emerging APAC economies – 3m+ subs in the region at the end of 2016, mostly in Australia, Japan, Korea and New Zealand
- Content localization (not only subtitling & dubbing) is key to attract Asian viewers
- Amazon Instant Video launched in Singapore, Malaysia, Taiwan, Hong Kong, Cambodia, Indonesia, Philippines, Thailand and Vietnam at the end of 2016

Netflix subscribers in selected APAC countries, 2017*-2020* (estimates)



Source: Nakono



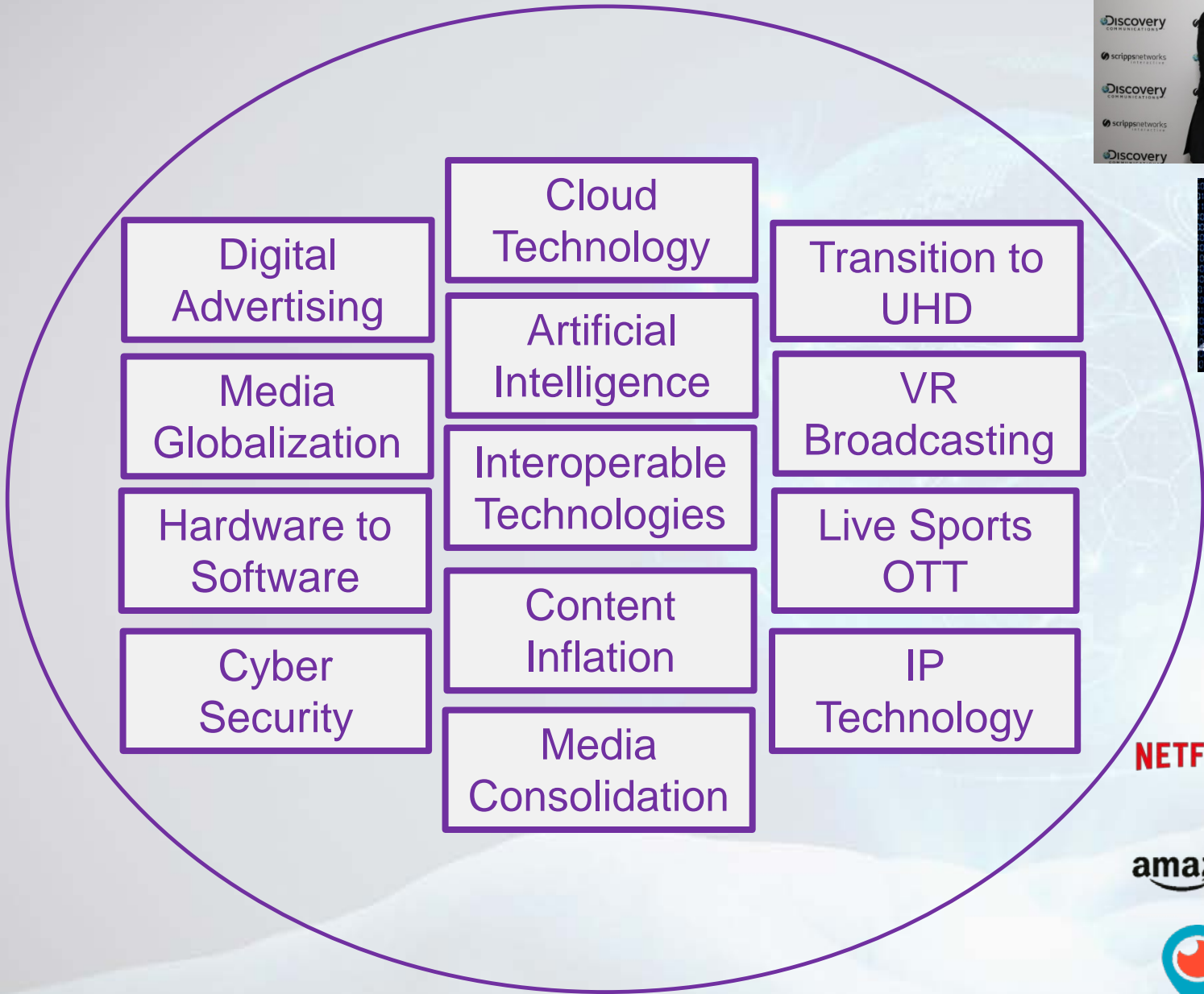
The State of the Global Broadcast & Media Industry

放送 & メディア業界の現況

Peter White, CEO, IABM

IABM:国際放送機器工業会 チーフ・エグゼクティブ ピーター・ホワイト





Discovery Communications, Scripps Networks, TV, Digital, Inter BEE 2017 International Broadcast Equipment Exhibition, 4K, HDR, WCG, AI, Artificial Intelligence, Reasoning, Computer, Knowledge, Technology, Change, NETFLIX, YouTube, amazon instant video, f, OTT, iabm

**Consumer
Viewing
Trends**

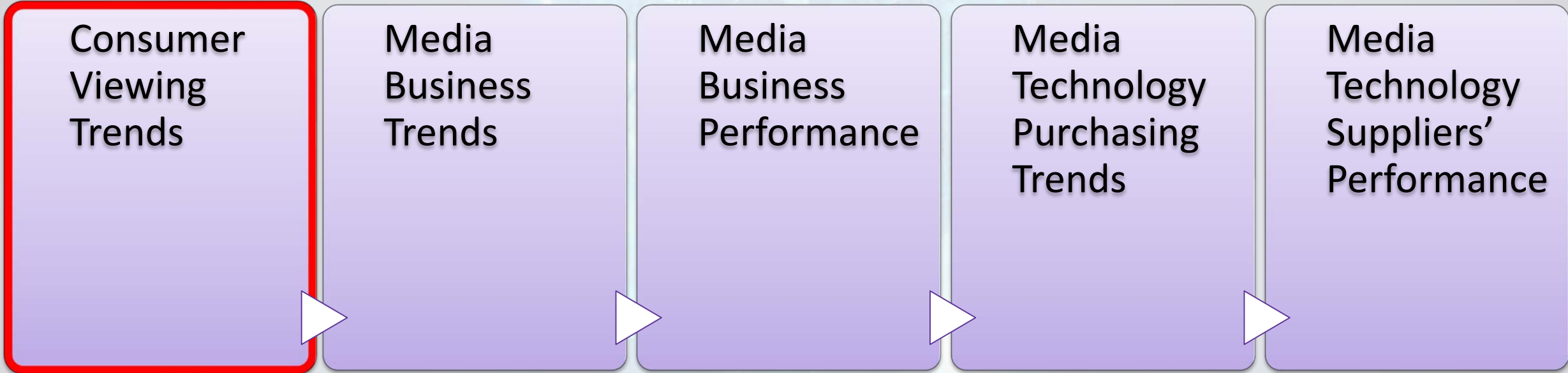
**Media
Business
Trends**

**Media
Business
Performance**

**Media
Technology
Purchasing
Trends**

**Media
Technology
Suppliers'
Performance**







Changing Viewing Habits

視聴習慣の変化

Time: a truly scarce resource

Mobile First

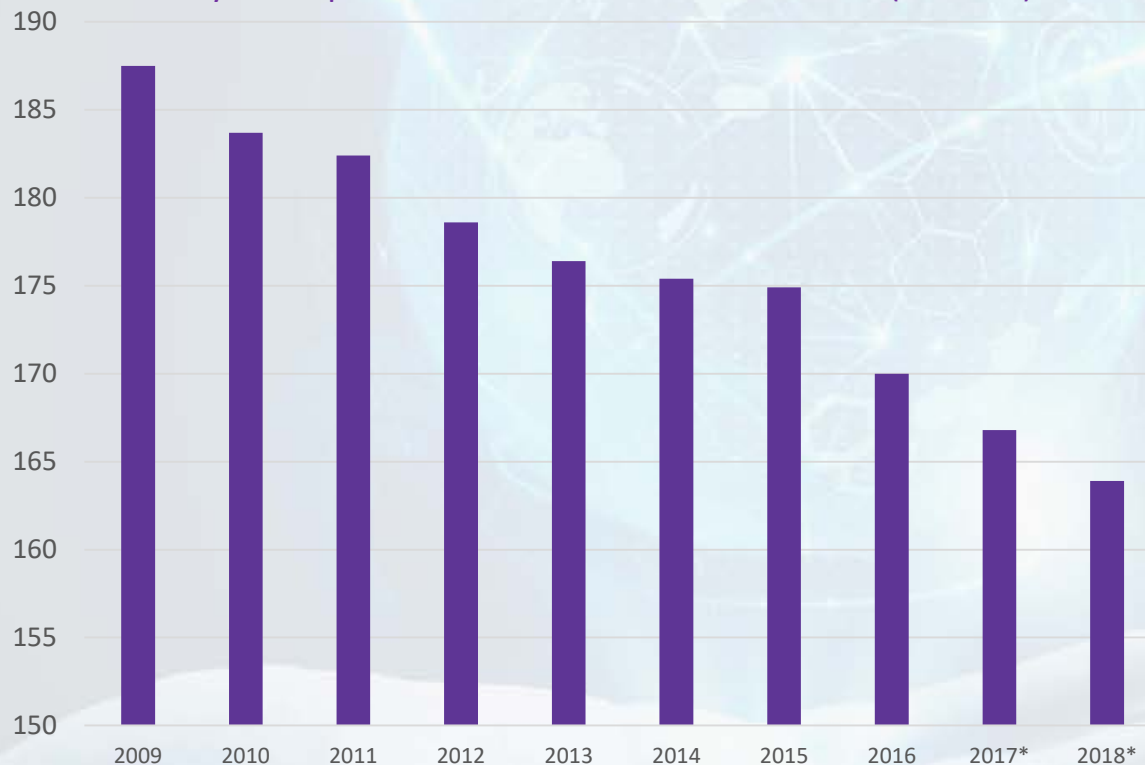
Cord Cutting

Social Media News

Binge Watching

OTT/VOD

Daily time spent with TV worldwide 2009-2018* (minutes)

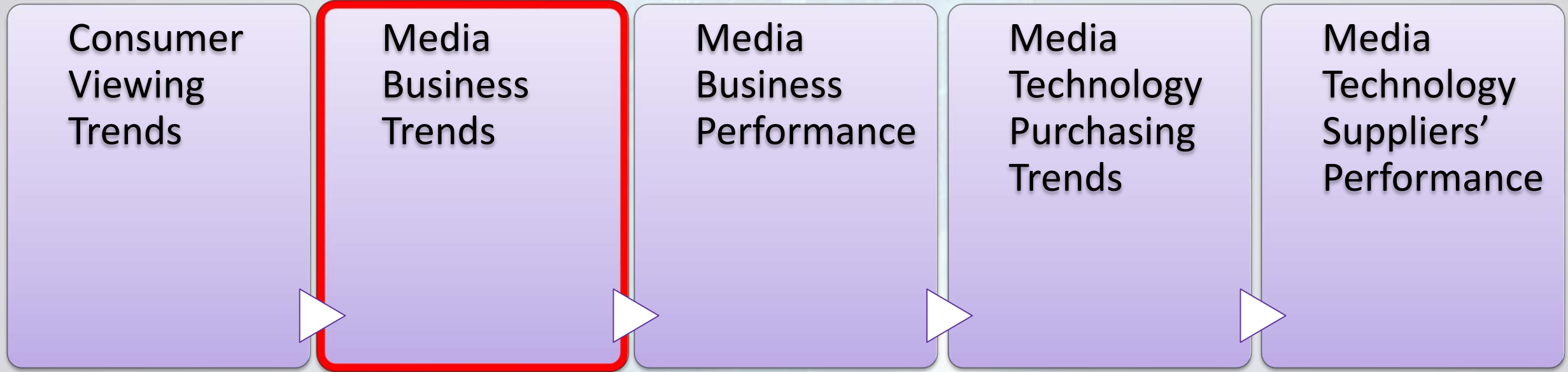


Source: Zenith

Sports, gaming, watching linear TV . . . we compete with all of that. We even compete with sleep. We are just a very small player in the market for time and entertainment.



Reed Hastings, CEO, Netflix

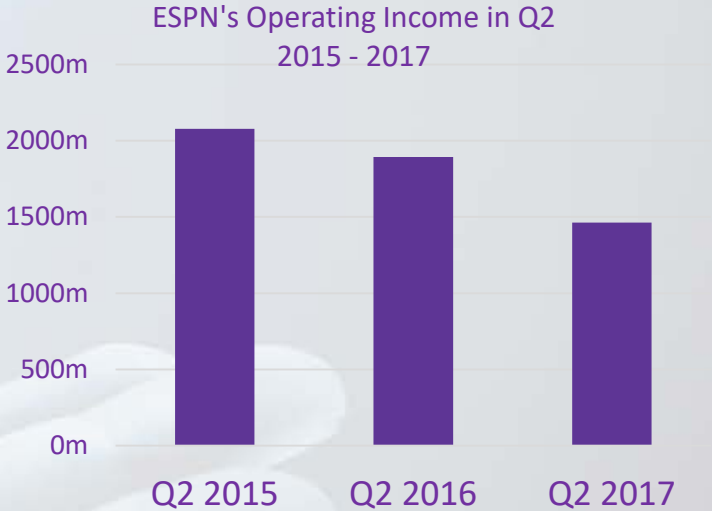




ESPN Goes Online ESPNがオンラインに

Disney to launch direct-to-consumer offering

- Disney announced in August that it will pull out its content from Netflix in 2019. This will be included in a new OTT offering to be launched in the same year
- An ESPN-branded multi-sport video streaming service will be launched in 2018 - Disney took a majority interest in BAMTech in a \$1.58bn deal
- Disney’s decision follows consistent decline in ESPN subscribers; ESPN’s profitability has been falling in recent years
- This is the latest in a series of attempts to take aim at Netflix’s growth



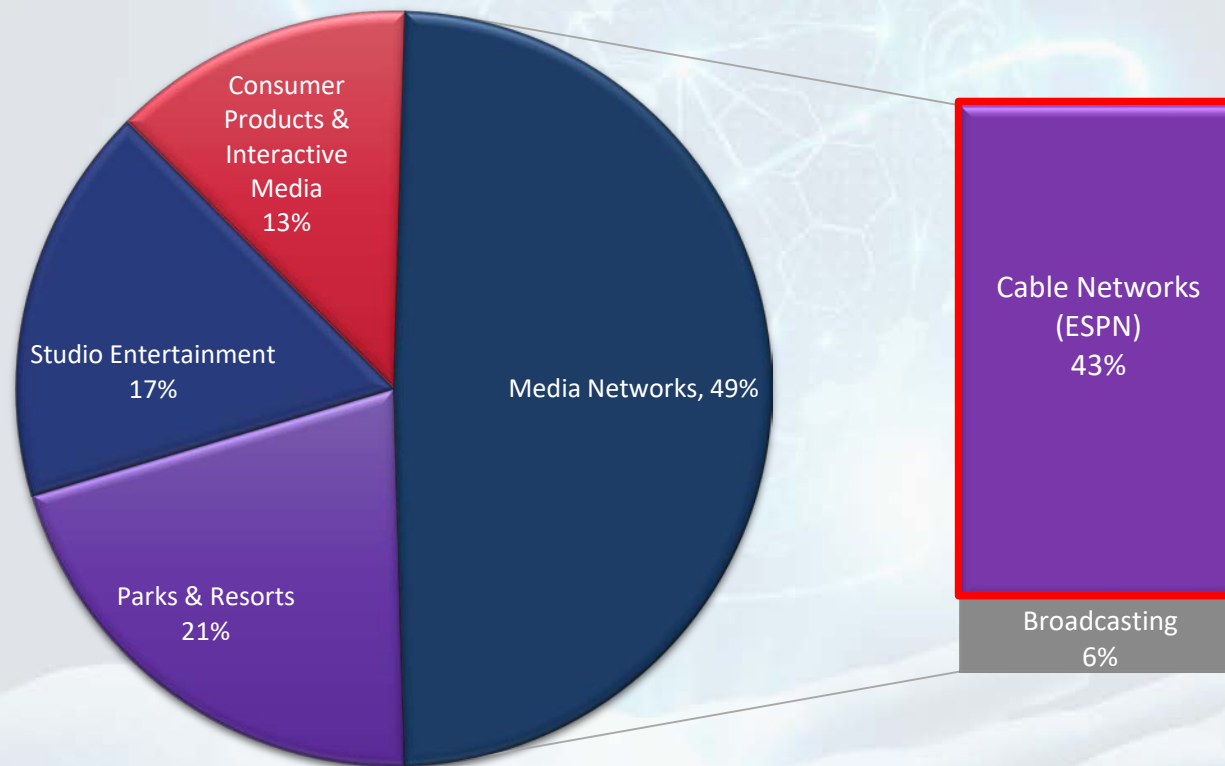
Source: Disney's SEC Filings



ESPN Goes Online

Is it Worth it?

Disney's Operating Income. Segmental Breakdown for FY 2016



Source: IABM Analysis of Disney's SEC Filings

OTT

Chasing Netflix

The “Platforms” are coming too!

- Social Media platforms are investing more and more funds in the commissioning of original video content and buying sports rights
- Amazon outbid Twitter, Facebook and Google for the NFL rights in the US, and Sky for the ATP tour tennis rights in the UK
- Apple hired two top TV executives from Sony and one from C4 as it plans to get into the video content business – according to the FT, it is on the verge to fund a big budget TV show produced by Steven Spielberg’s Amblin Entertainment
- This is fuelling an inflationary spiral on the price of content – particularly sports content – with cash-rich technology platforms challenging the established order of things



Indian Premier League: Star India pays £1.97bn for rights

4 September 2017 · Cricket

Share



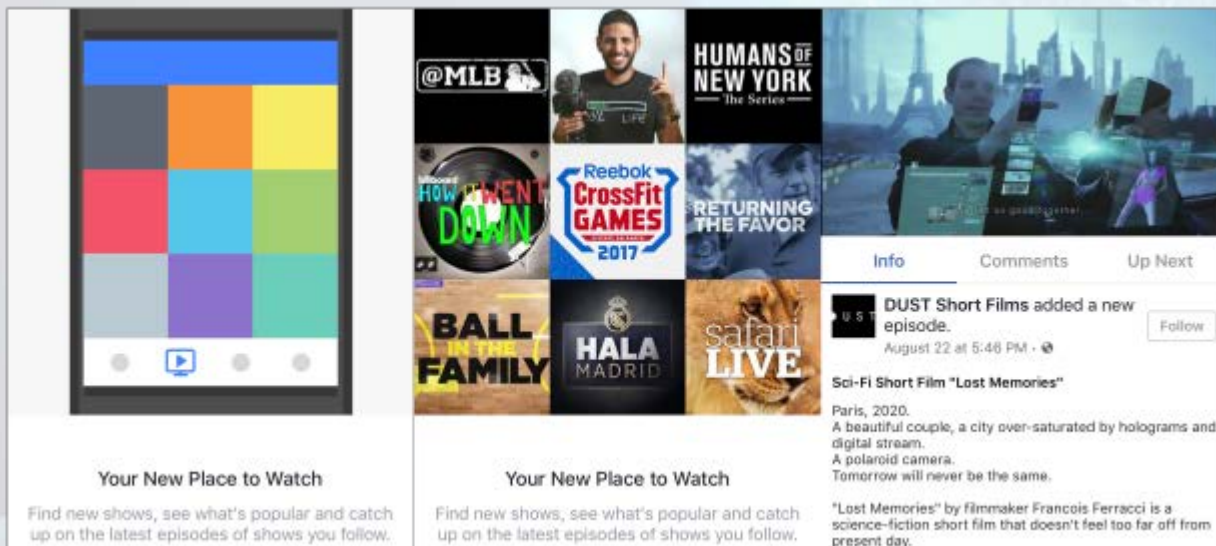


Chasing Netflix

Facebook Watch Launches in the US

- Facebook launched the Watch tab in September as part of its increased focus on video
- This lets users subscribe to their favourite videos and shows

We think Watch will be home to a wide range of shows, from reality to comedy to live sports and shows that bring communities together and tap into the things that make video on Facebook so unique



Daniel Danker, Product Director, Facebook

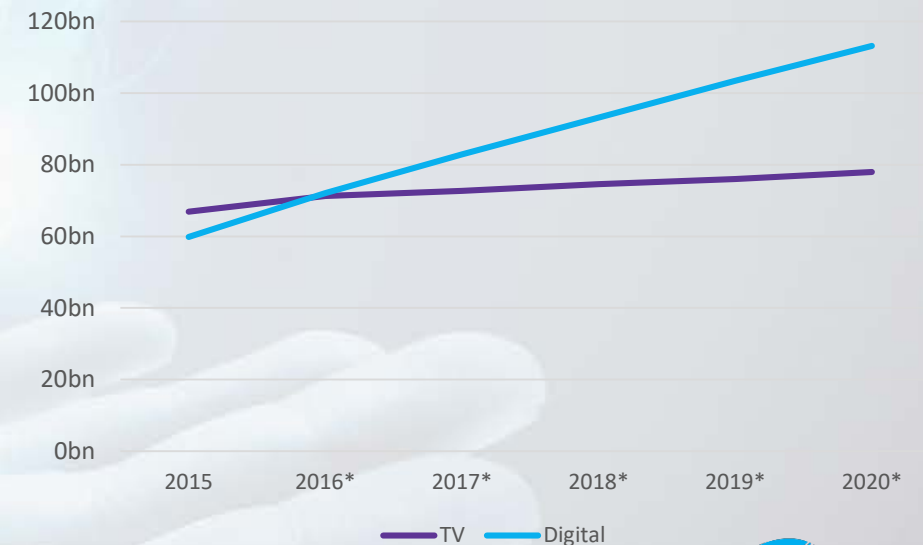
The Perils of Advertising

広告の危険性

Content goes online, advertising goes digital



TV Vs Digital Advertising

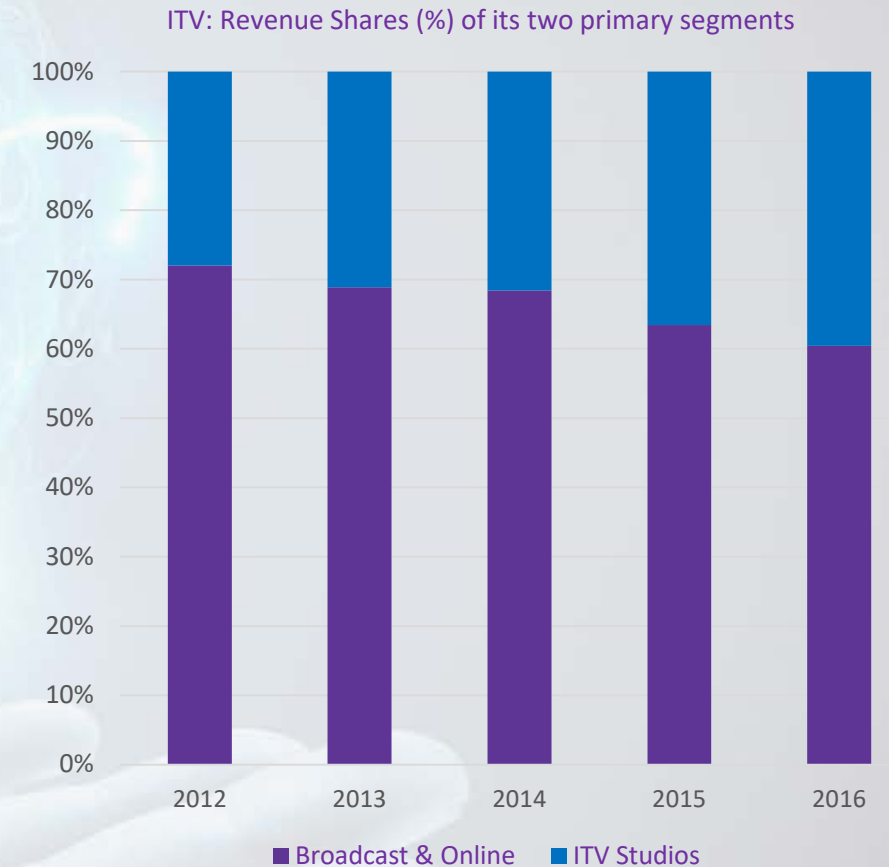


- 2016 was a good year for linear advertising revenues, boosted by cyclical spending due to sporting and political events
- 2017 is set to be less rosy as budgets continue to shift to digital
- Investors' worries over the outlook of the traditional advertising industry culminated in September in the sell-off of WPP's shares, which declined 10% after a growth warning
- WPP's woes are the latest sign of a structural shift in spending affecting the wider advertising industry

The Perils of Advertising

Commercial broadcasters are diversifying away from linear advertising 商用放送局の広告の多様化

- Excessive reliance on volatile advertising revenues now seen as vulnerability in the media sector – much like excessive reliance on oil in the energy sector!
- ITV's reliance on advertising decreased from 72% in 2012 to 60% in 2016 – after an acquisition spree bolstered ITV Studios
- ProSiebenSat.1 Media SE warned investors last month that its linear advertising revenues would decline in Q3 2017
- The German broadcaster said it was looking for investors to back its production and e-commerce businesses. It is also exploring the possibility of merging its TV ad division with its Digital Entertainment division



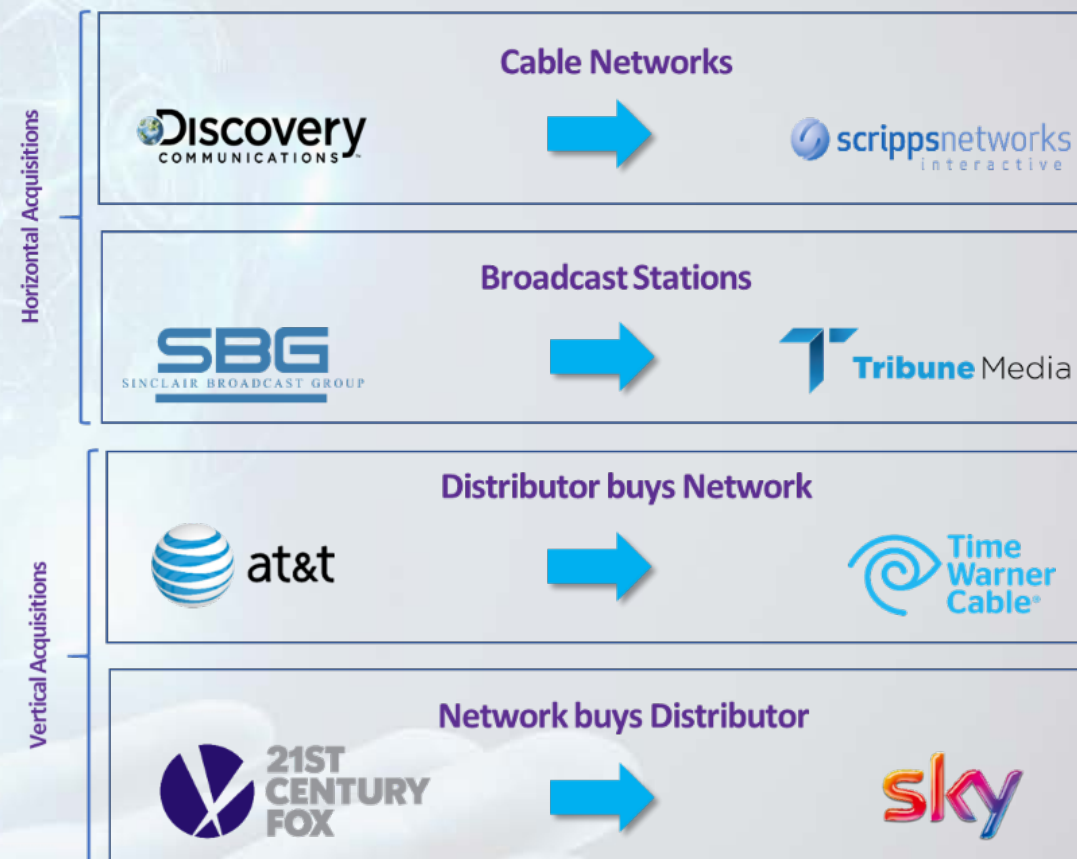
Source: IABM Analysis of ITV's Filings

Stronger Together

Media companies' M&A activity heats up メディア企業のM&A活動が高まる



- Media companies are also resorting to acquisitions to fend off the OTT threat
- Discovery bought Scripps for \$14.6bn hoping to gain more leverage in fee negotiations with distributors and, possibly, launch a direct-to-consumer offering focused on lifestyle/reality content
- In the US, the return of the “UHF discount” triggered a wave of acquisitions in the local FTA sector
- Pay-TV continues to consolidate, with content and distribution increasingly converging





Globalization

グローバル化

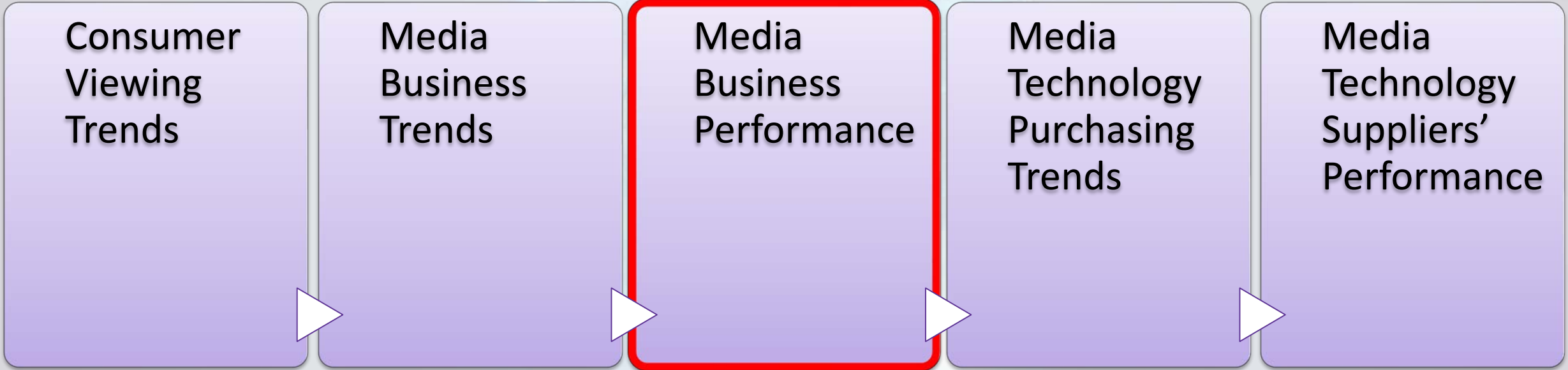
Media companies look beyond their borders

- Often achieved through cross-border acquisitions although recent initiatives aim at reaching new geographies through the expansion of SVOD offerings (or the launch of new ones)
- CBS has recently unveiled its plans to extend its SVOD service, CBS All Access, to Canada and other international markets by next year
- Sky is planning to launch OTT offerings in Spain and Switzerland
- While media companies consolidate, OTT offerings proliferate in an environment that is becoming increasingly confusing for consumers

There is a huge opportunity for CBS to go direct-to-consumer on a much bigger scale worldwide

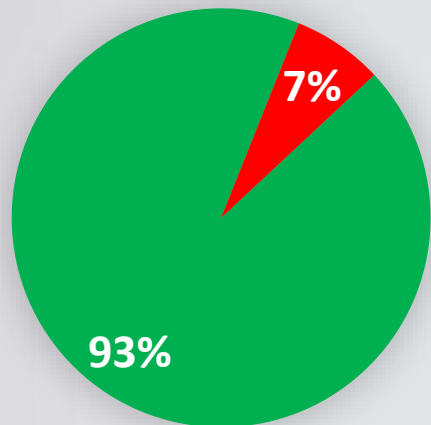


Leslie Moonves, CEO, CBS



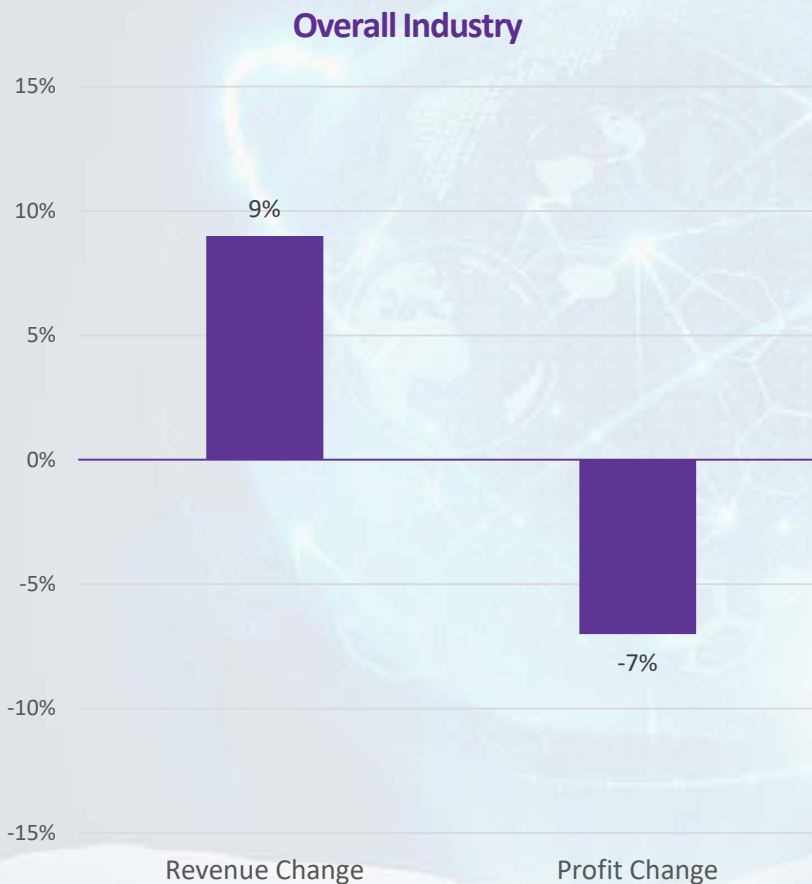
Customers' Performance

エンドユーザーの状況

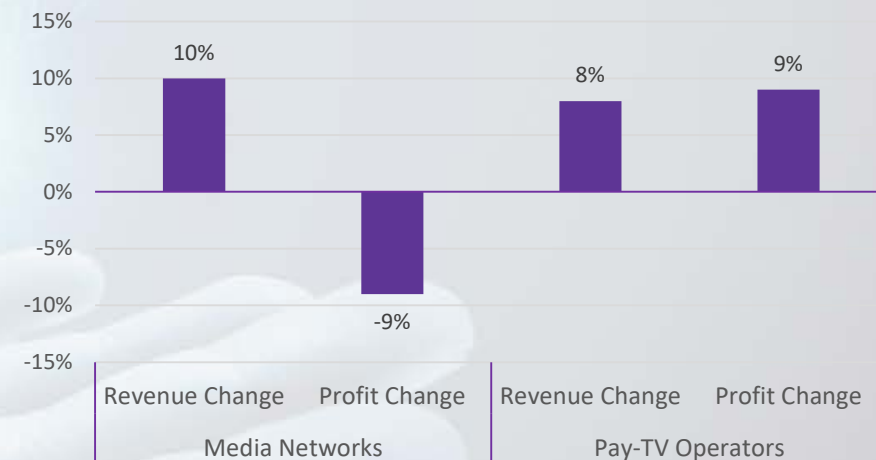
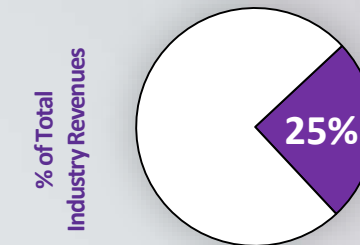
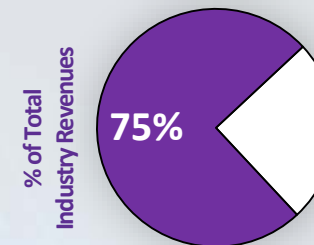


■ Profit-Making
■ Loss-Making

Source: IABM End-User Index

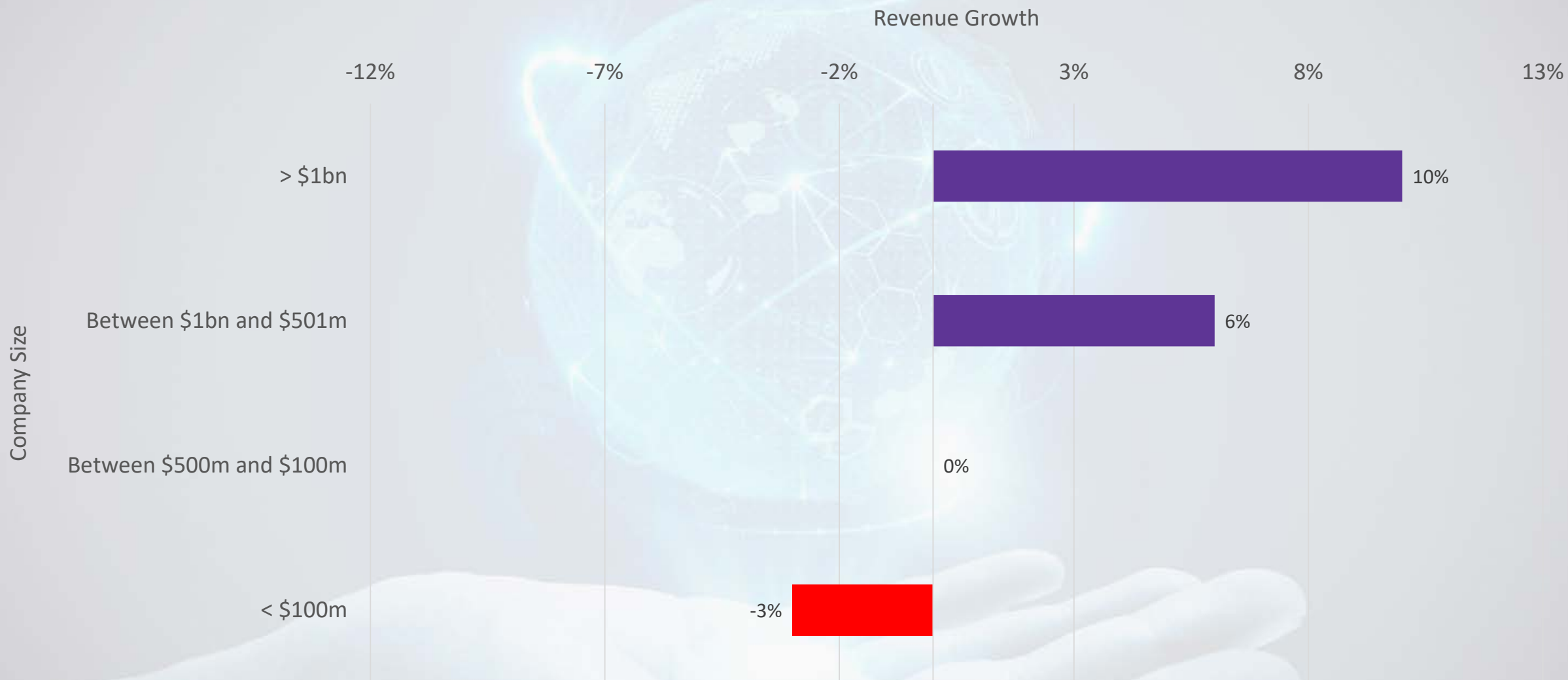


47 countries covered
187 companies included in the sample



Sales: Size Matters in Broadcasting

規模別売上

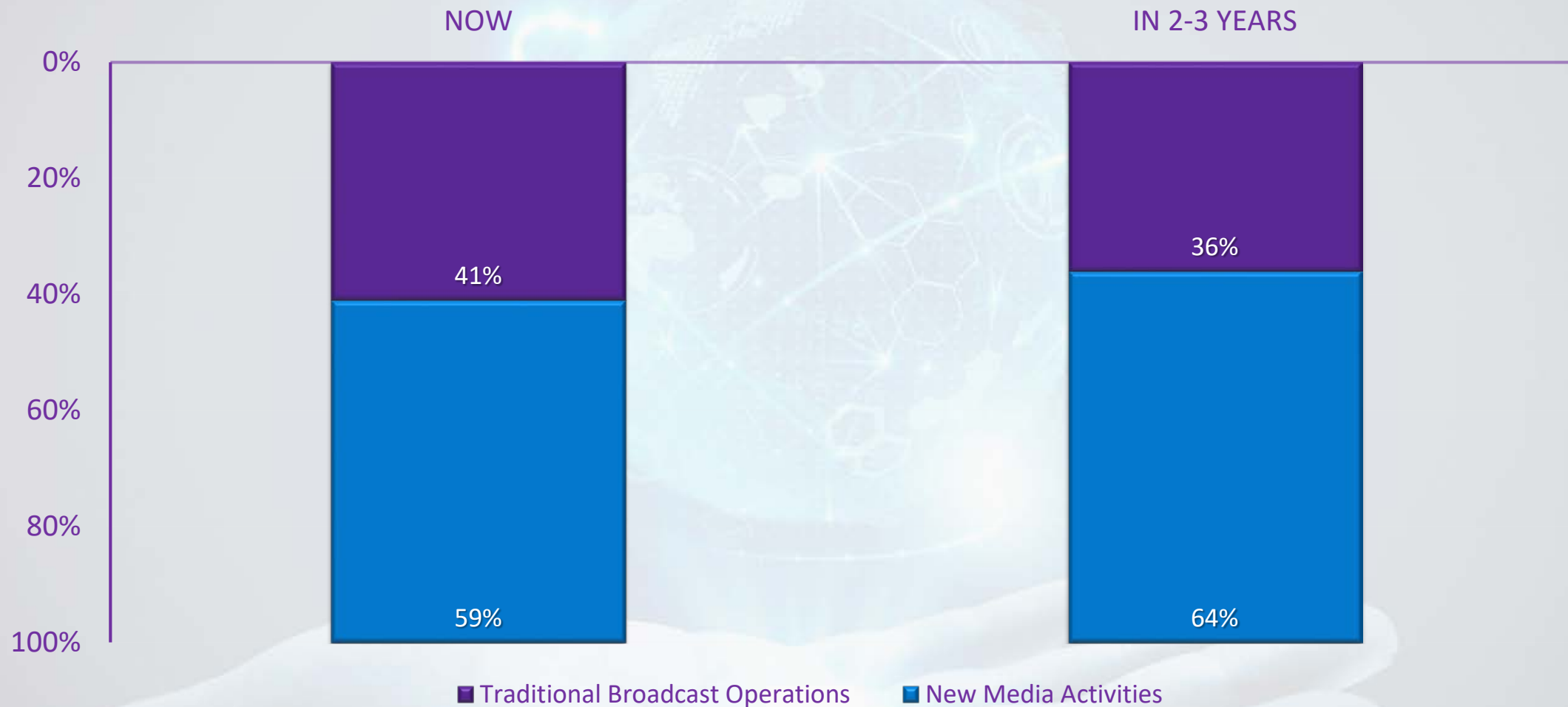


Source: IABM End-User Index

Broadcast Vs New Media

放送vsニューメディア

Average percentage revenue from traditional broadcast operations versus new activities such as web, mobile, streaming, multi-platform content delivery?



Source: IABM End-User Survey – IBC 2017

Profits: Pressure on Margins

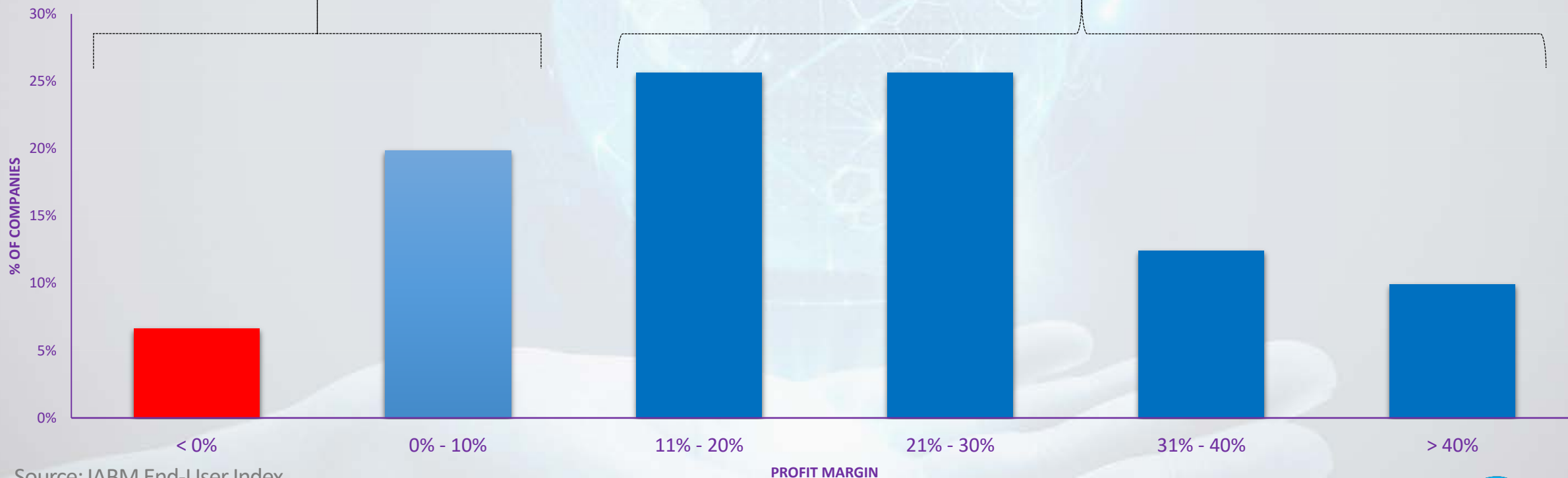
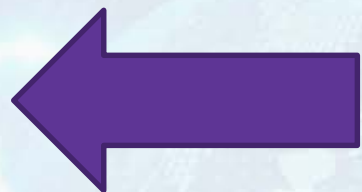
収益: マージンの縮小



OTT Realm



Broadcast Realm



Source: IABM End-User Index

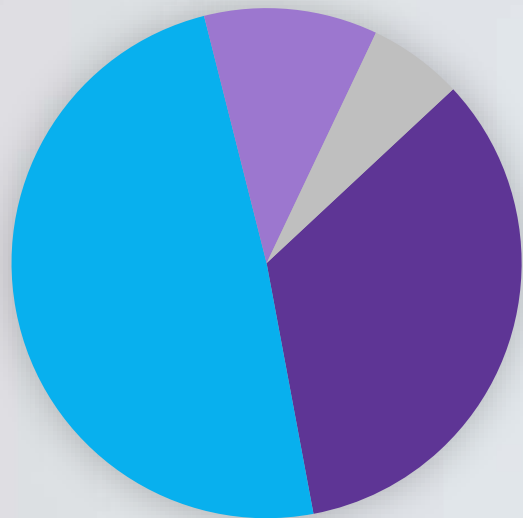
PROFIT MARGIN

Customers' Revenue Outlook

収益の見通し

Broadcast Revenue Sources

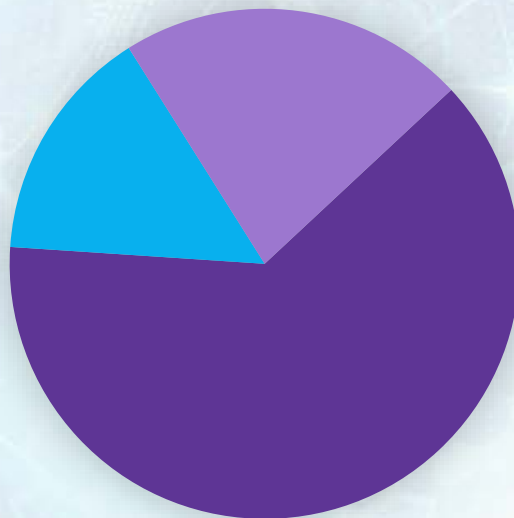
Advertising



■ Increase ■ Stay the Same
■ Decline ■ Don't Know



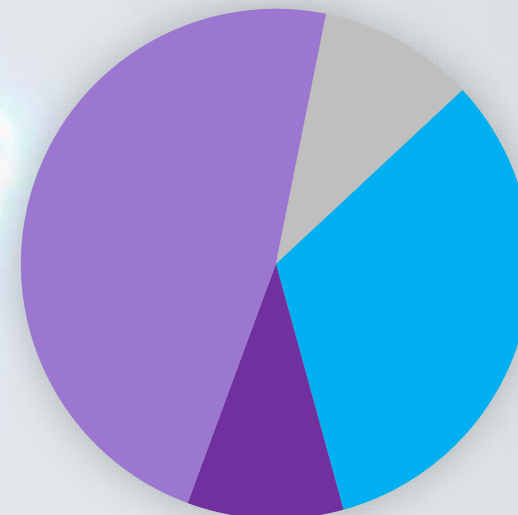
Subscriptions



■ Increase ■ Stay the Same
■ Decline ■ Don't Know



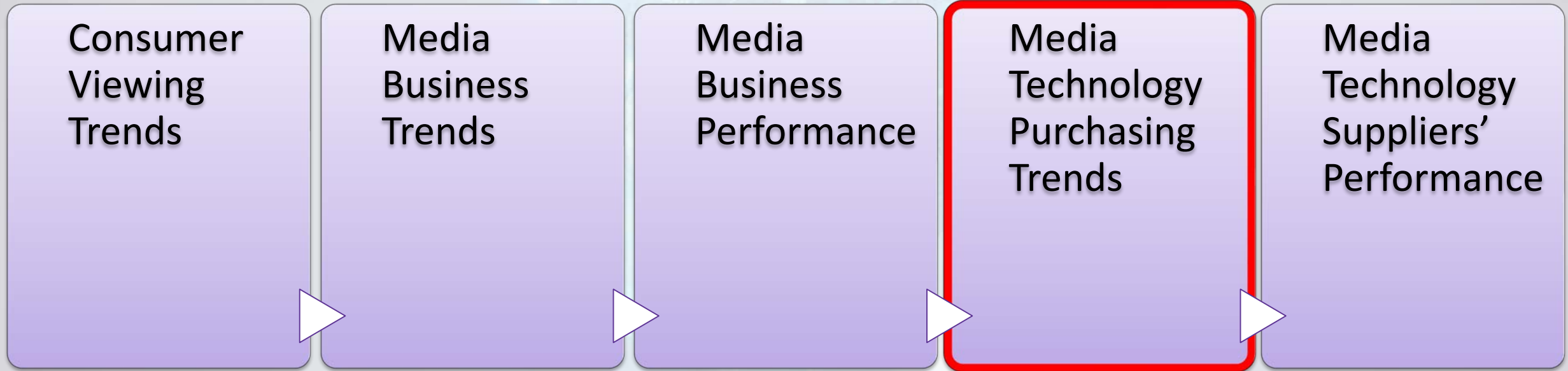
License Fee/Gov. Funding



■ Increase ■ Stay the Same
■ Decline ■ Don't Know

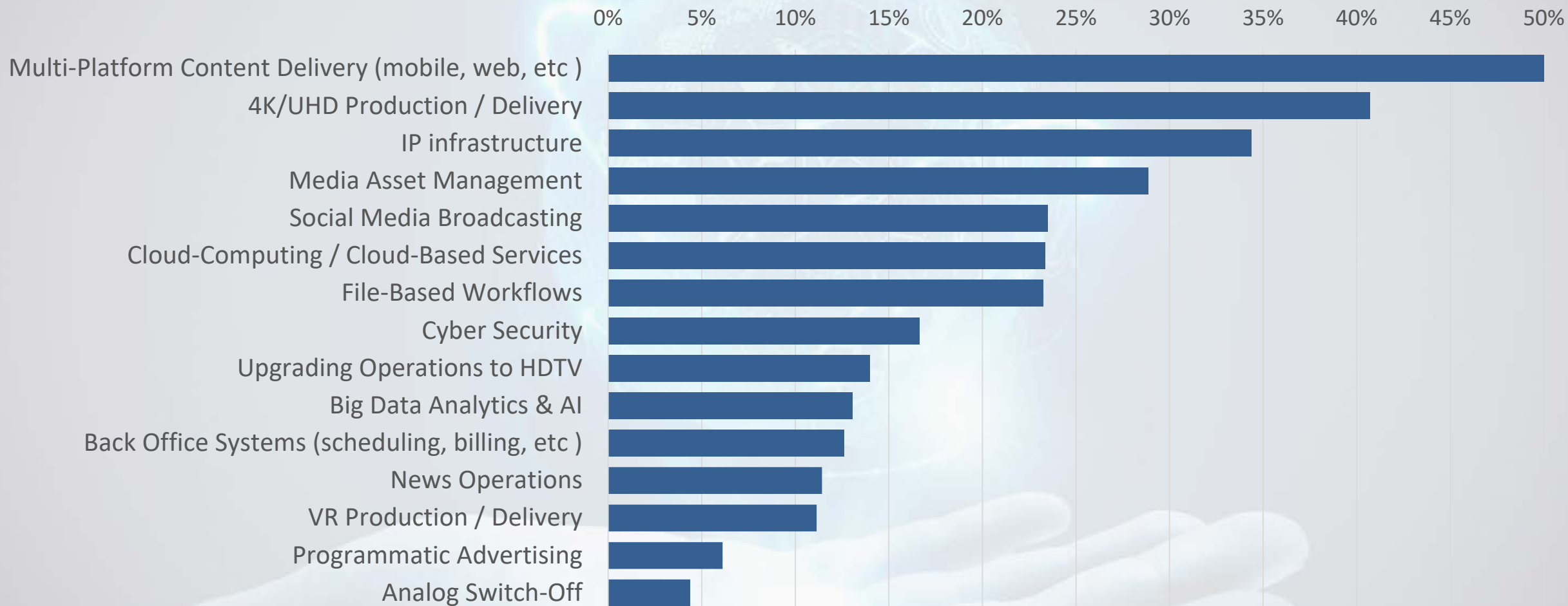


Source: IABM End-User Survey – IBC 2017

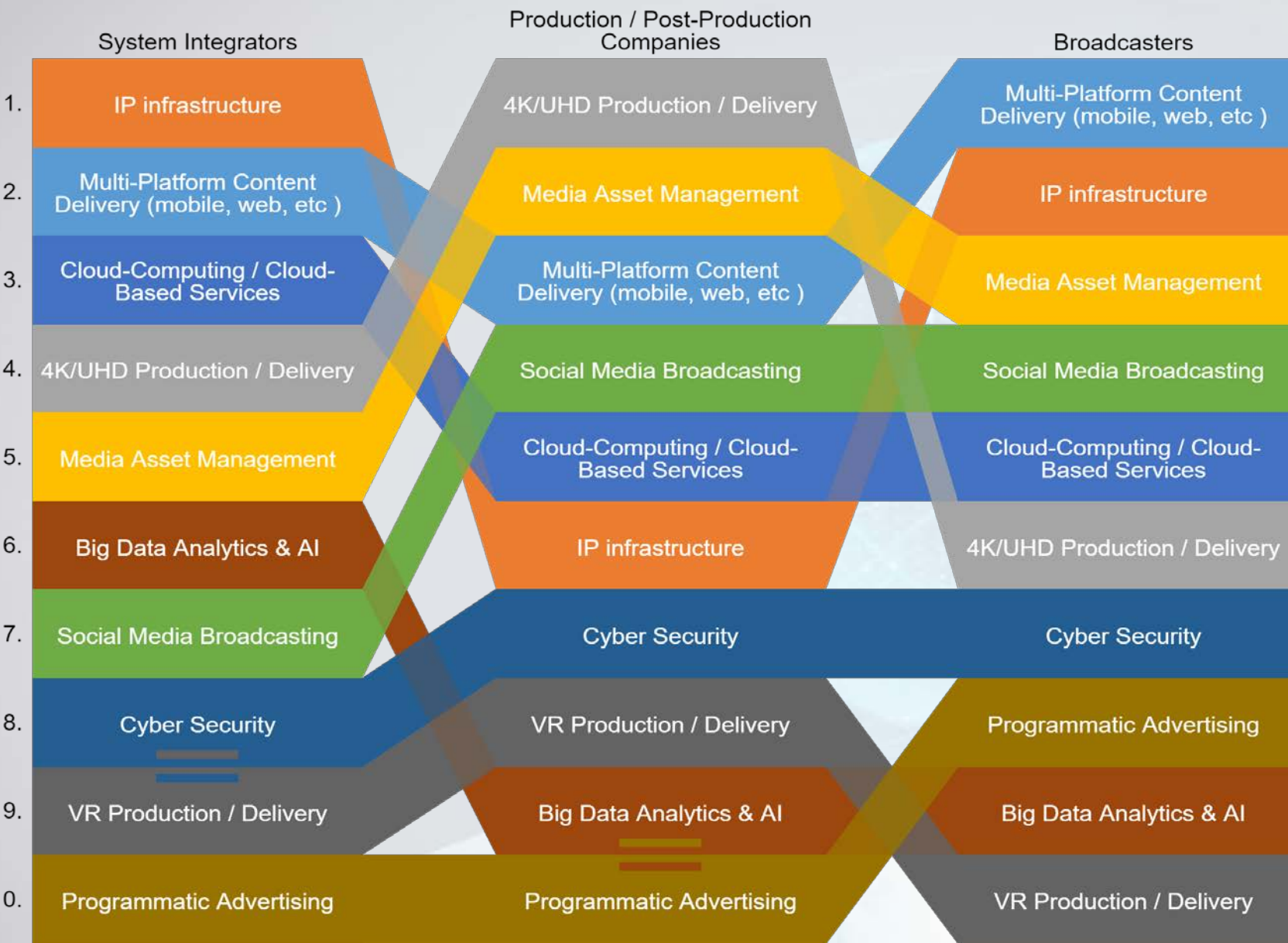


What Do Media Tech Buyers Care About?

Technology Priorities – Index 優先事項



Source: IABM End-User Survey – IBC 2017



- Customer type matters: 4K/UHD relevant for production/post-production sector but less so for broadcast
- VR at the bottom of the priorities
- Multi-platform delivery important for all categories, but particularly to broadcasters

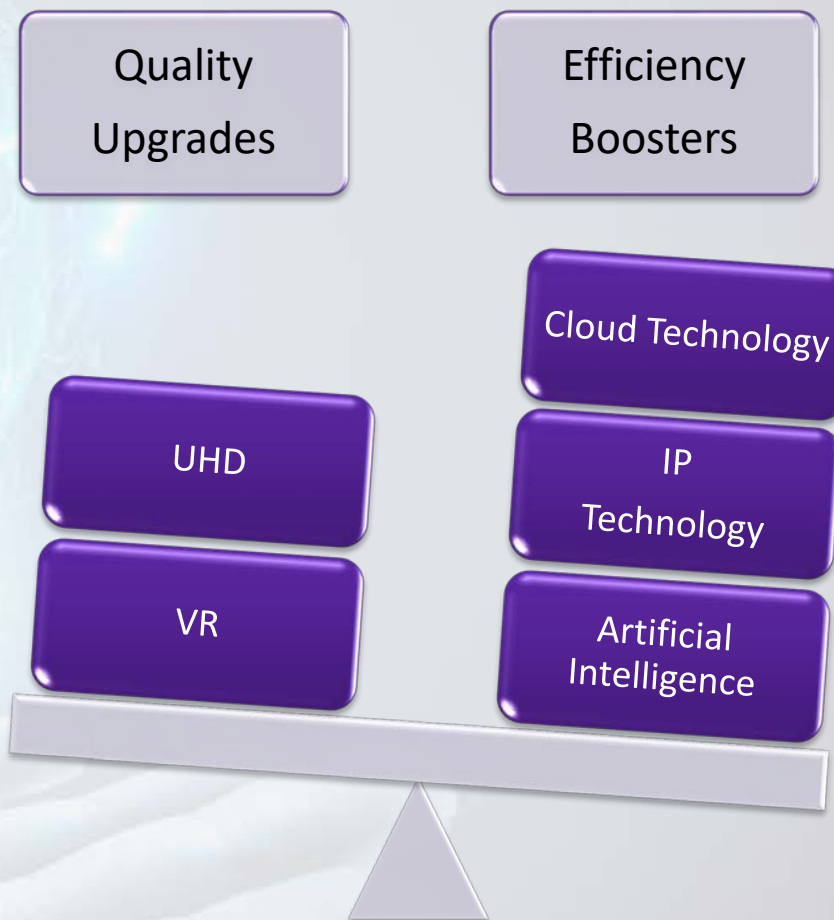
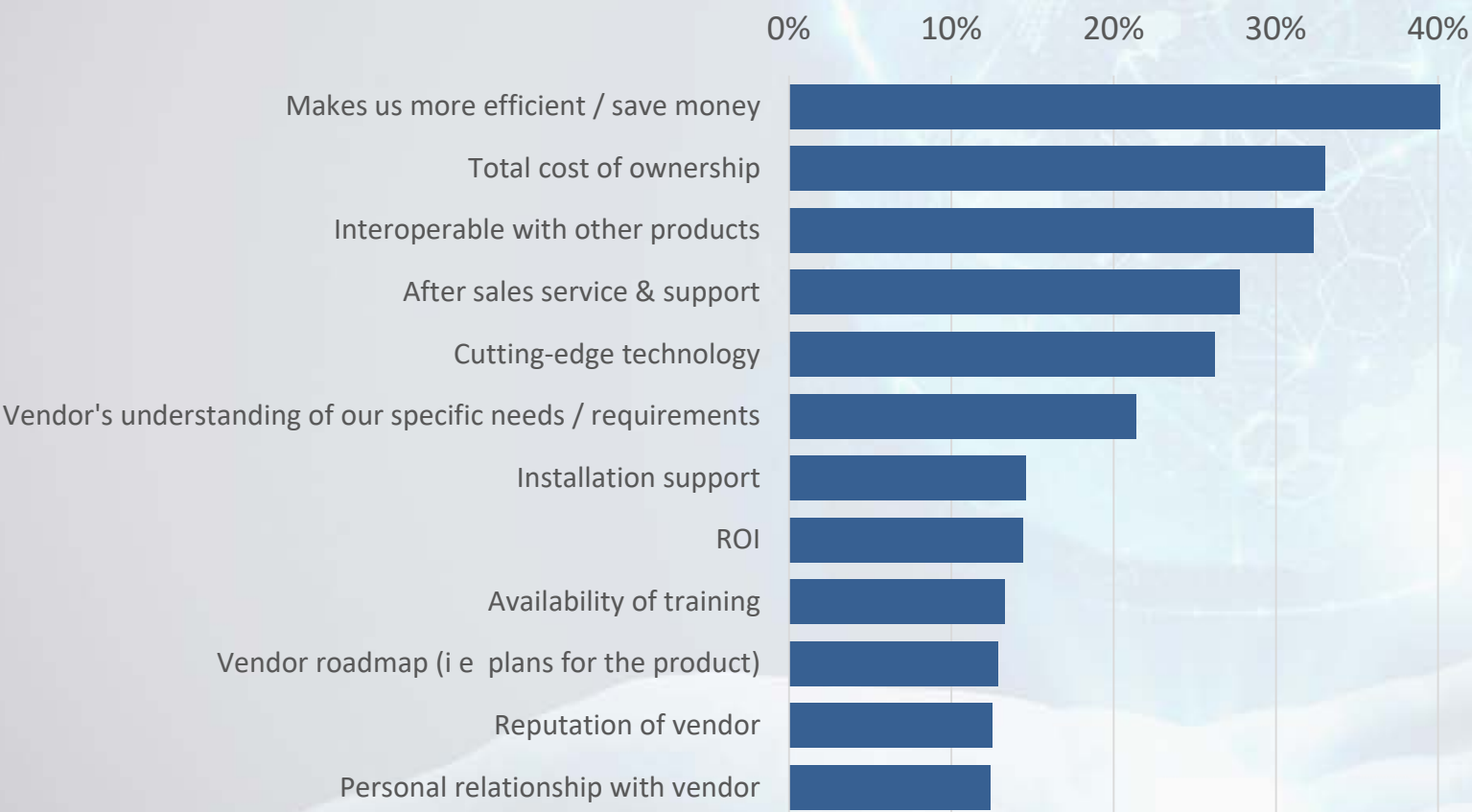
Source: IABM End-User Survey – IBC 2017

What Do Media Tech Buyers Care About?

Media companies prioritize efficiency for transitioning to new media

メディア企業は、新しいメディアへの移行効率を優先

Drivers of Product Choice – Index



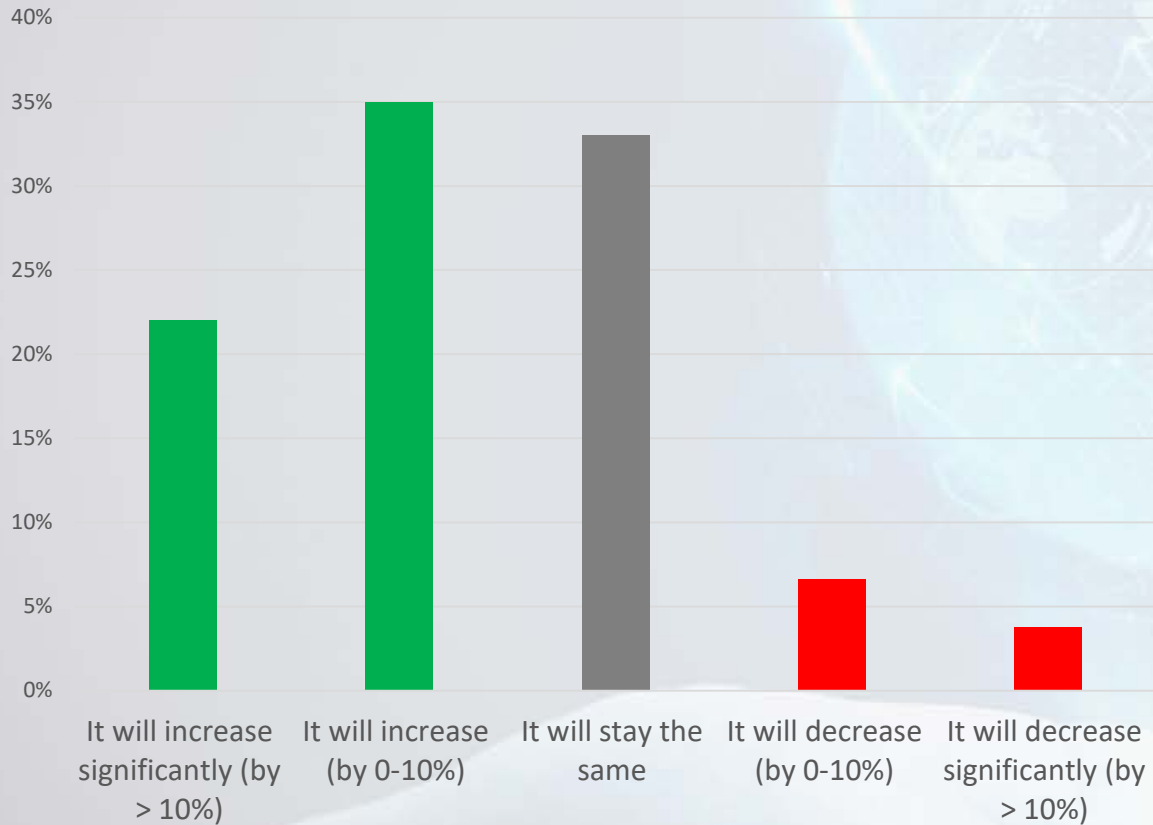
Source: IABM End-User Survey – IBC 2017

Media Tech Demand

Buyers are still spending on media technology, but demand is shifting

バイヤーはまだメディア技術に集中しているが、需要は変化している

Media Tech Demand in the Next 12 Months



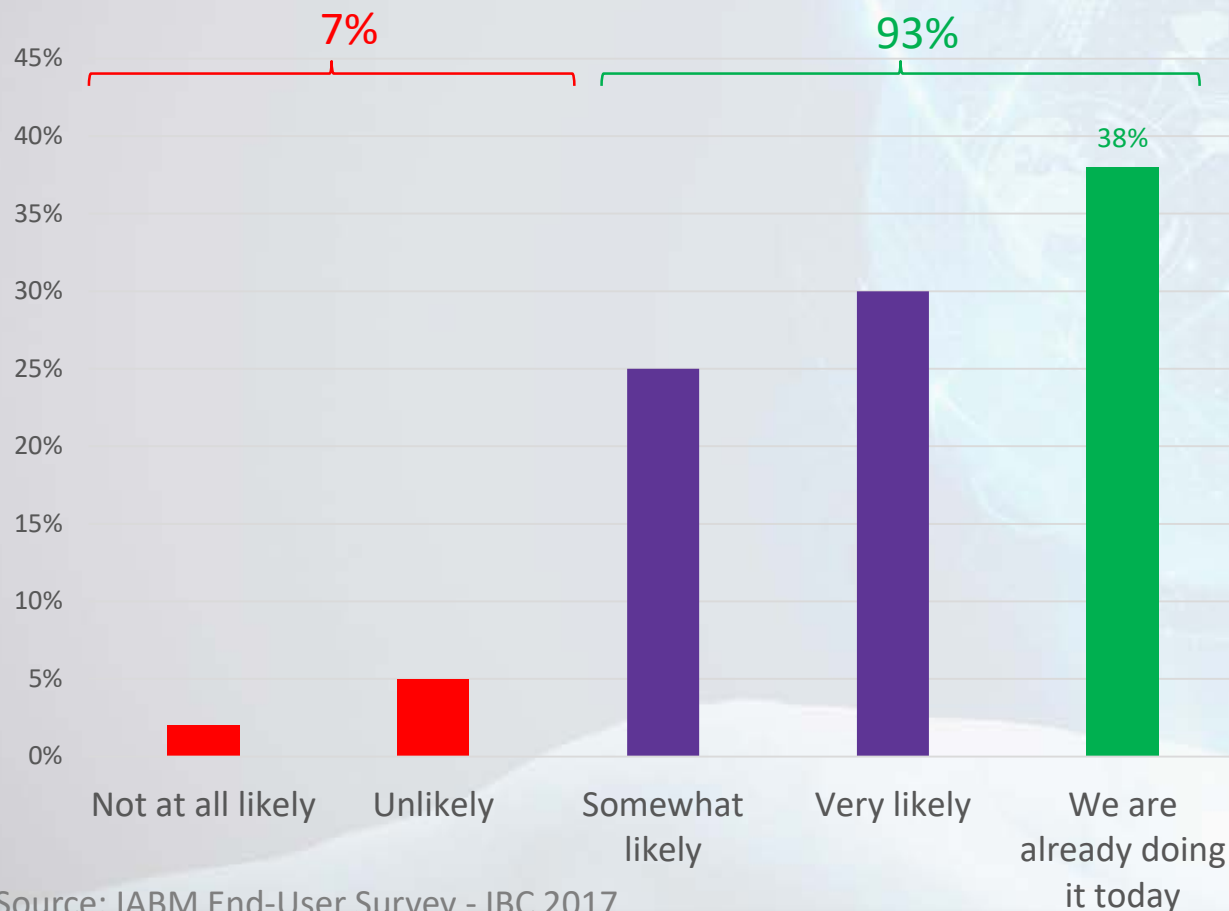
- Most media companies plan to spend more money on media tech in the next 12 months
- Demand moving away from on-premise hardware purchases to software-based products that make operations more efficient and agile
- Increasing reliance on virtualization to drive CAPEX down and minimize time-to-market of new media offerings
- More spending on IP- networking and technology enabling seamless VOD/OTT publication (e.g. media asset management & transcoding solutions)

Source: IABM End-User Survey - IBC 2017

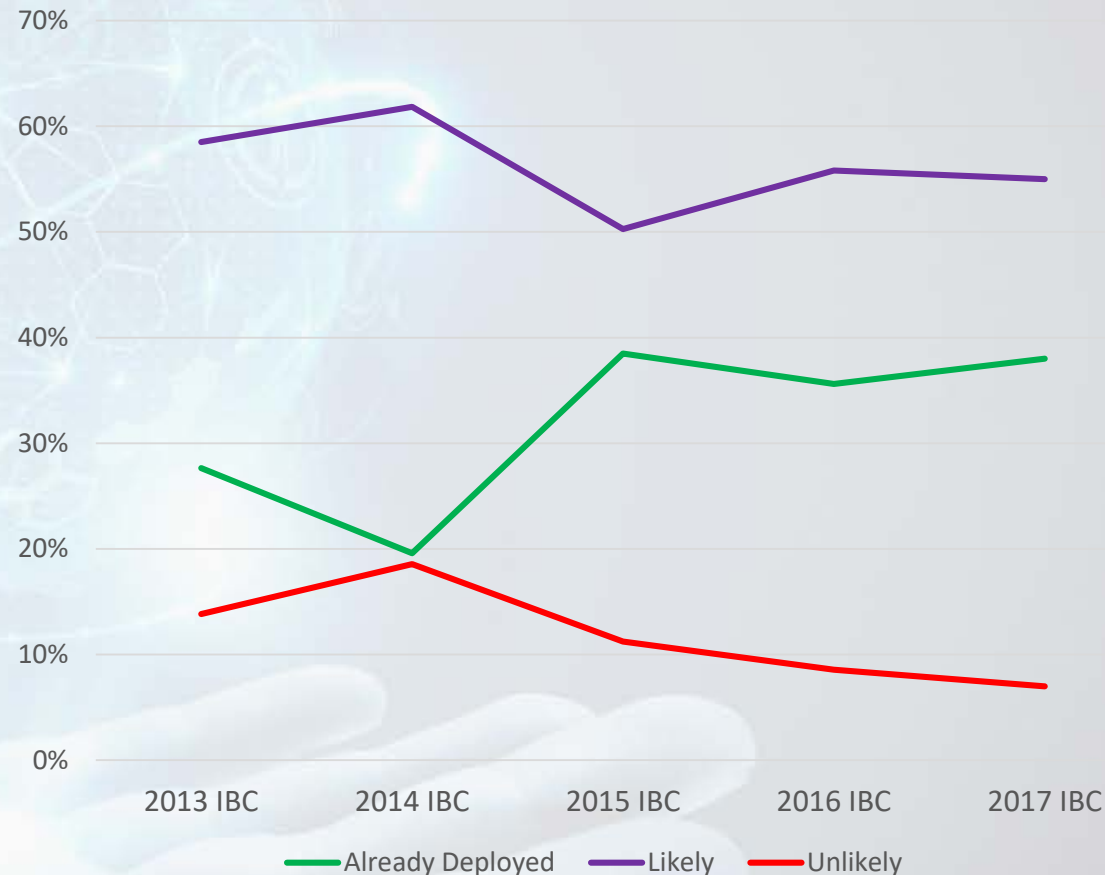
Cloud Technology



How likely are you to deploy some sort of cloud-based technology in the next 2-3 years?



Historical Analysis

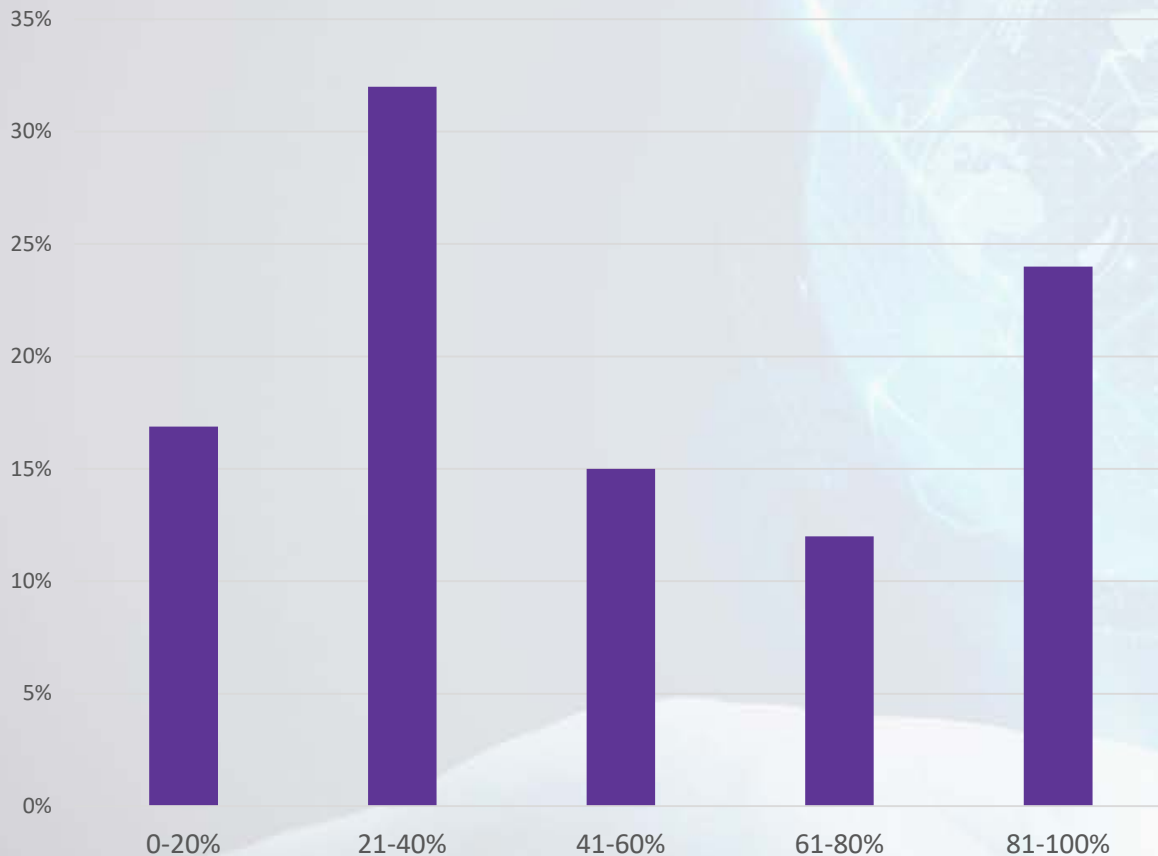


Source: IABM End-User Survey - IBC 2017

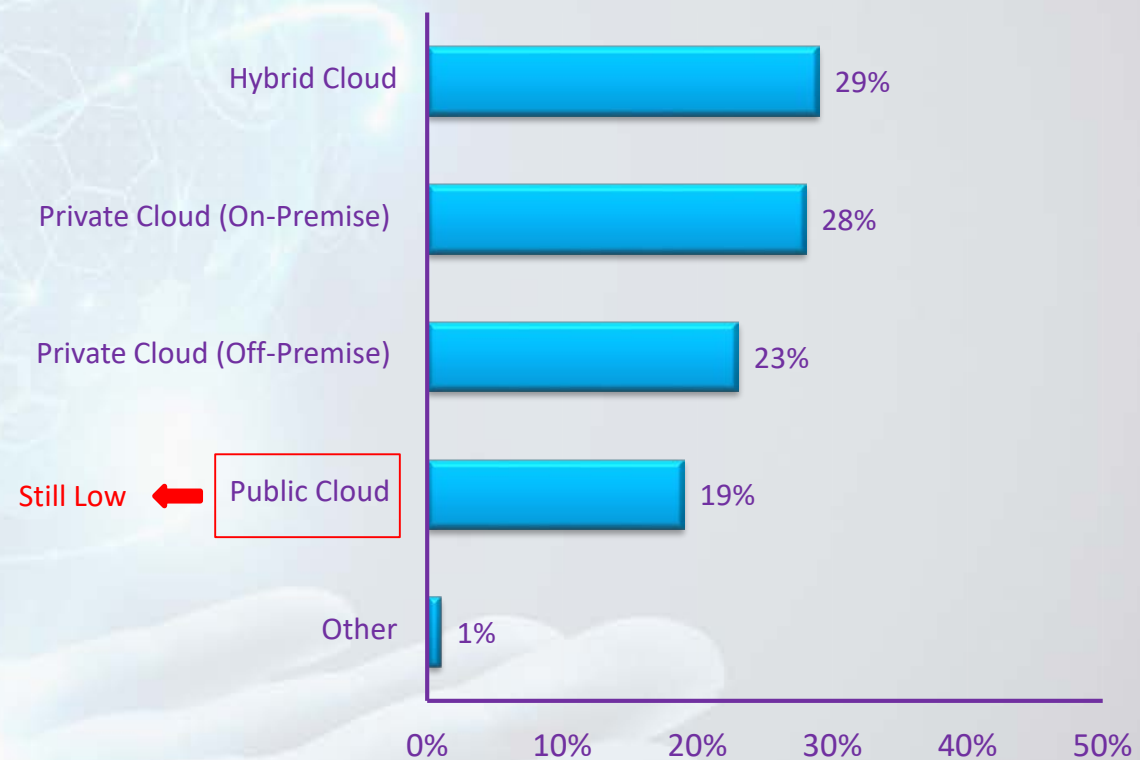
Cloud Technology



What % of your operations is virtualized?
(Asked only to respondents that deployed cloud tech)



What is the preferred deployment strategy for the adoption of cloud-based technology in your organisation?

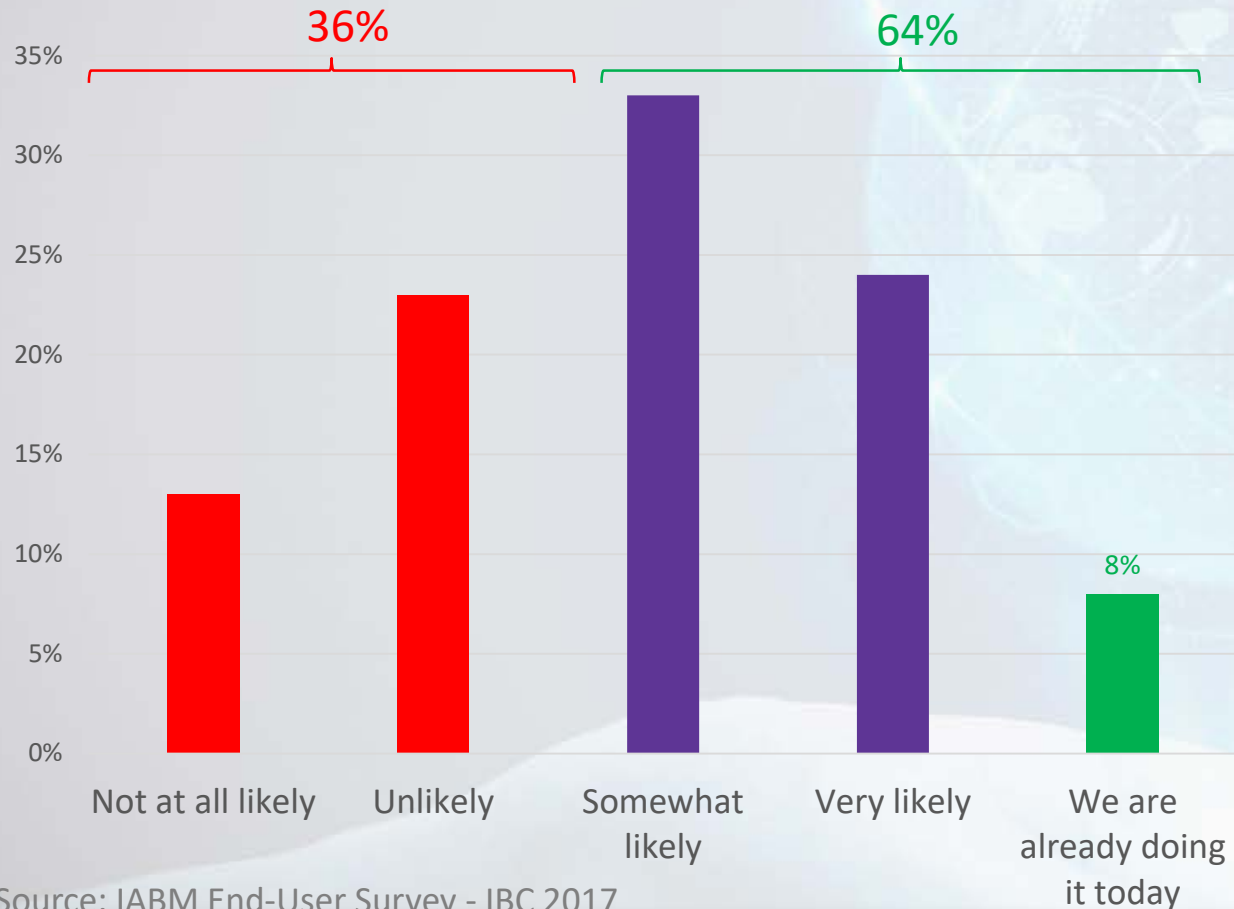


Source: IABM End-User Survey - IBC 2017



AI Technology

How likely are you to deploy some sort of artificial intelligence (AI) technology in the next 2-3 years?



In which of the following categories of broadcast and media workflows are you most likely to deploy AI?



Source: IABM End-User Survey - IBC 2017

State of UHD Adoption

UHD Adoption – A Timeline

UHD採用時期

What is the most likely timeline for the launch of UHD offerings in your organization?



- UHD still a niche market for Pay-TV
- In Europe, nearly all UHD deployments launched by cable, satellite and IPTV operators
- Buyers still more likely to launch UHD offerings if they deploy IP-based workflows
- HEVC preferred compression standard for UHD delivery

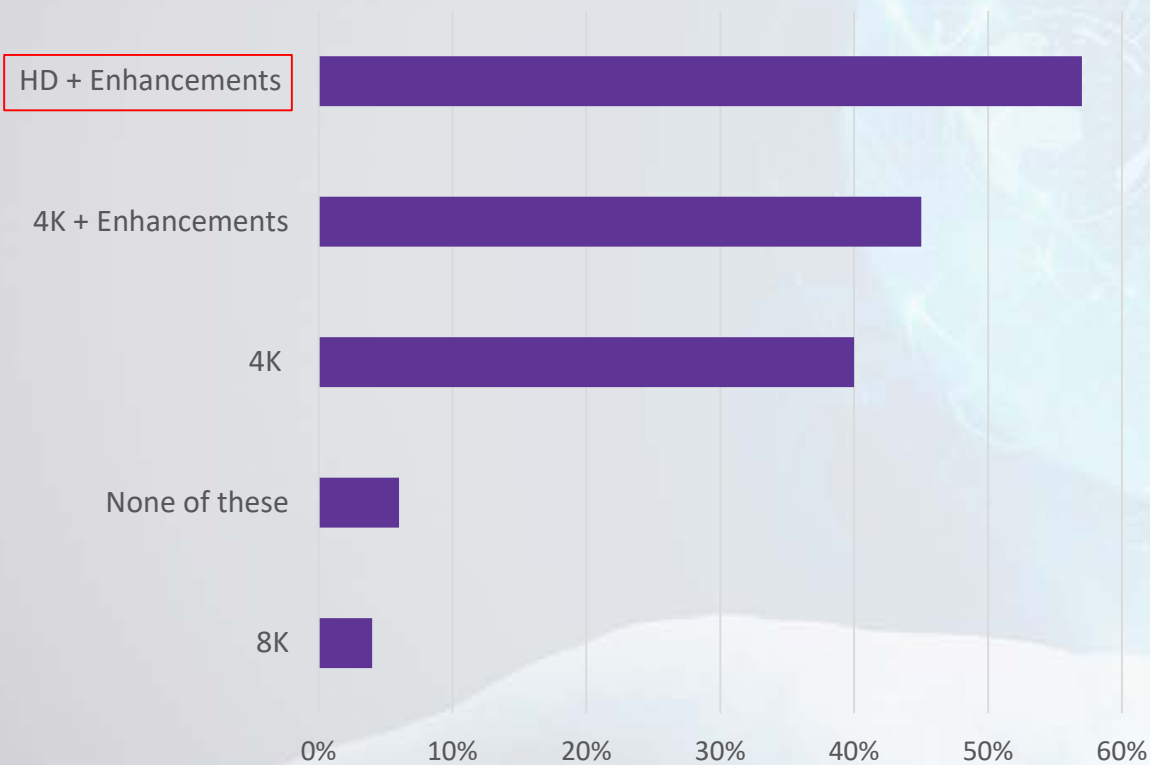


State of UHD Adoption

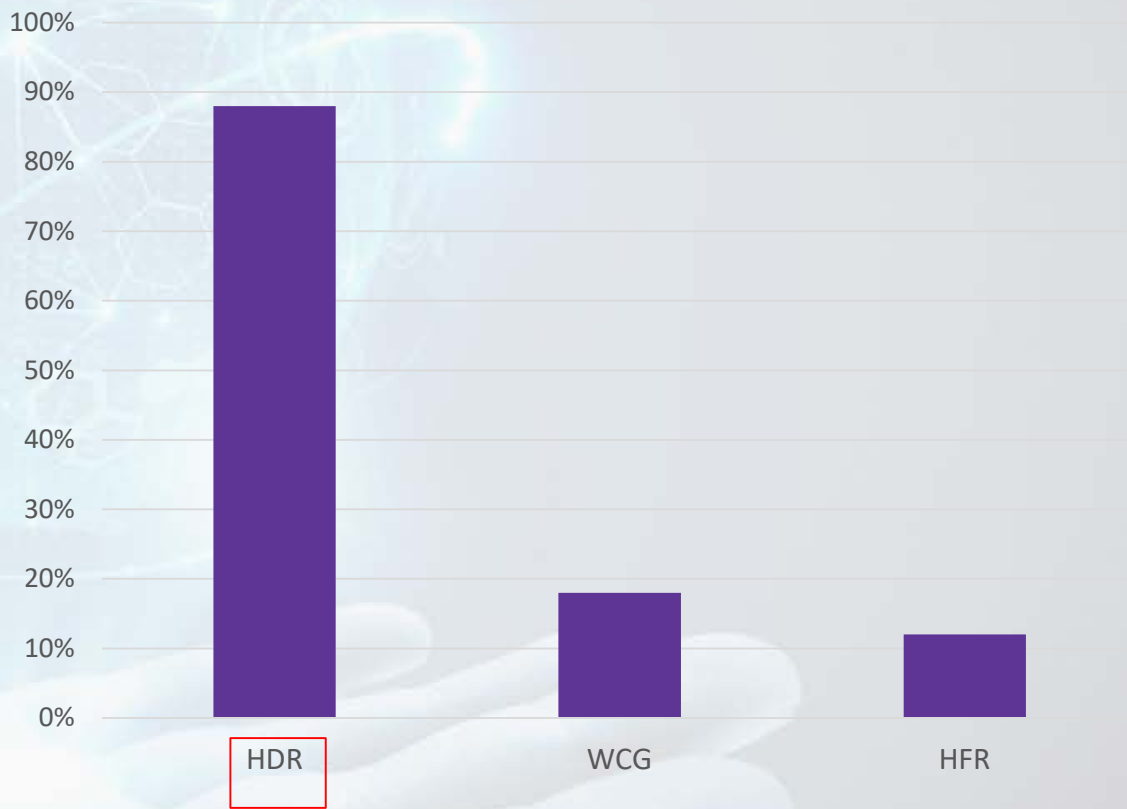
Buyers interested more in combining HD with HDR than in 4K

バイヤーは4KよりもHDとHDRの組み合わせに関心を持つ

Which of the following UHD formats is your organization interested in launching/has launched?



Which of the following enhancements is your organization interested in/has launched?



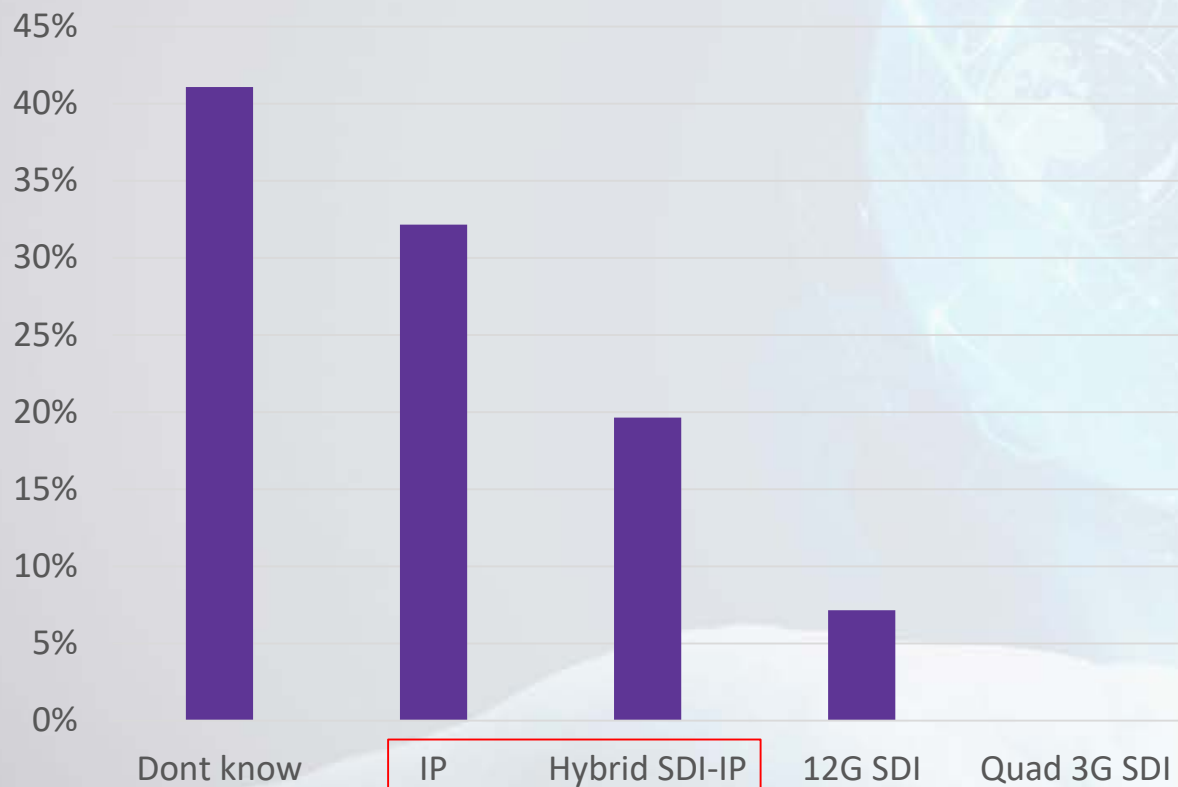
Source: IABM End-User Survey - IBC 2017

State of UHD Adoption

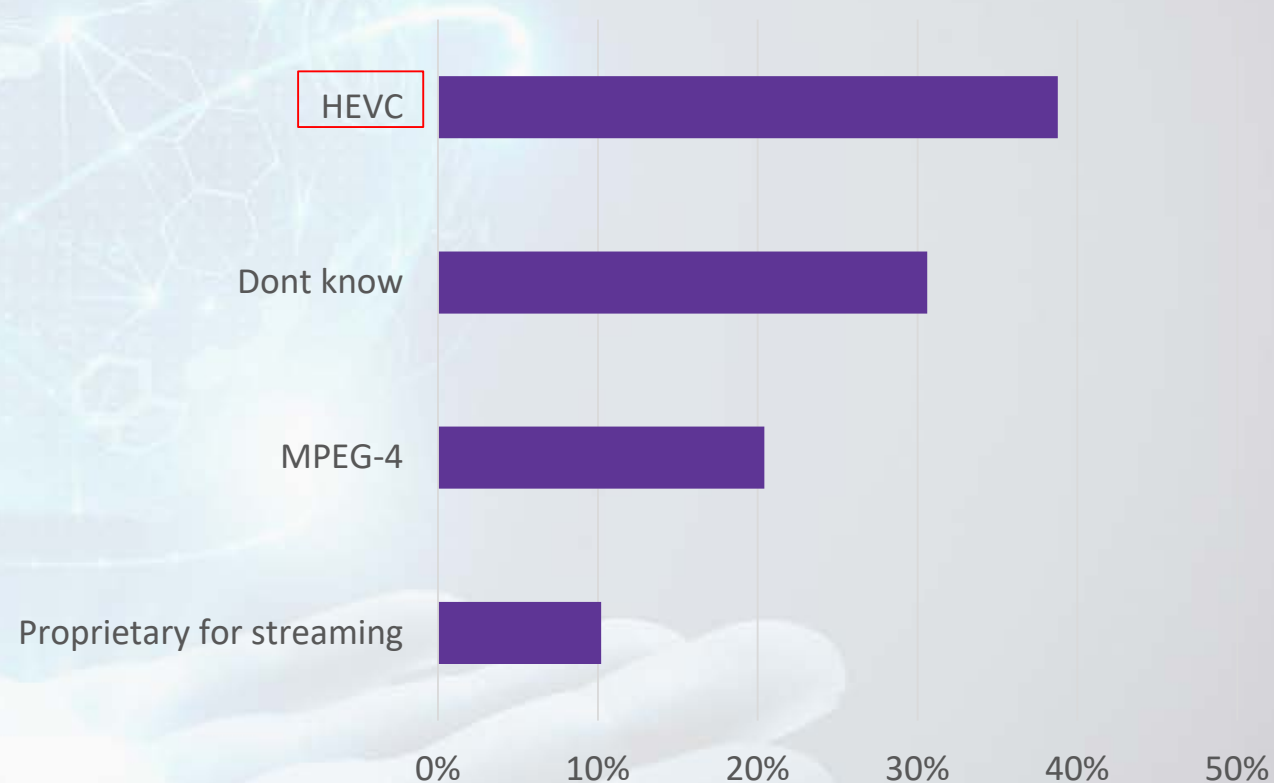
Buyers interested more in IP-based infrastructures and HEVC for UHD

バイヤーはIPベースのインフラとUHDのHEVCに関心を持っている

Which of the following technology infrastructures does/has your organization plan to deploy/deployed for UHD content?



Which of the following does/has your organization plan to deploy/deployed for UHD content delivery?



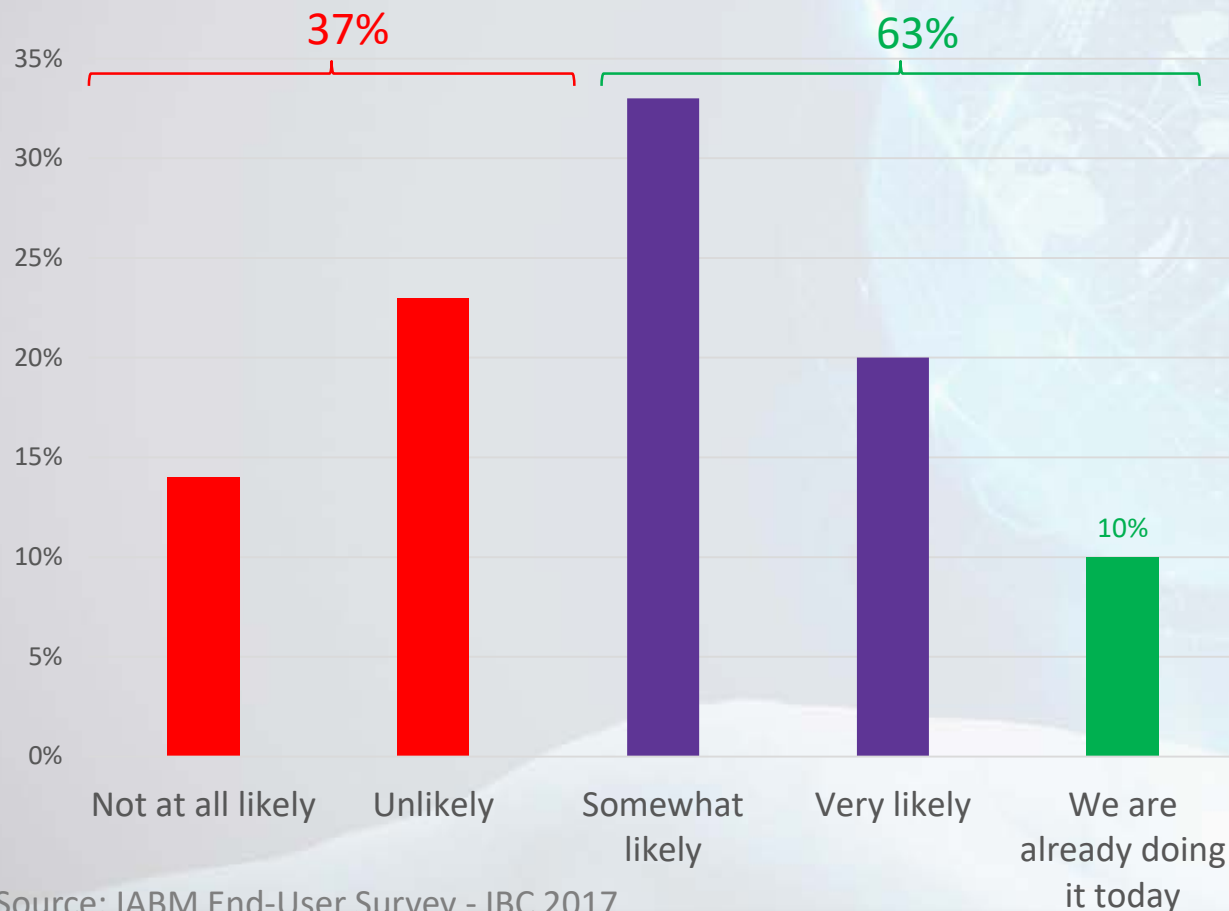
Source: IABM End-User Survey - IBC 2017

State of VR Adoption

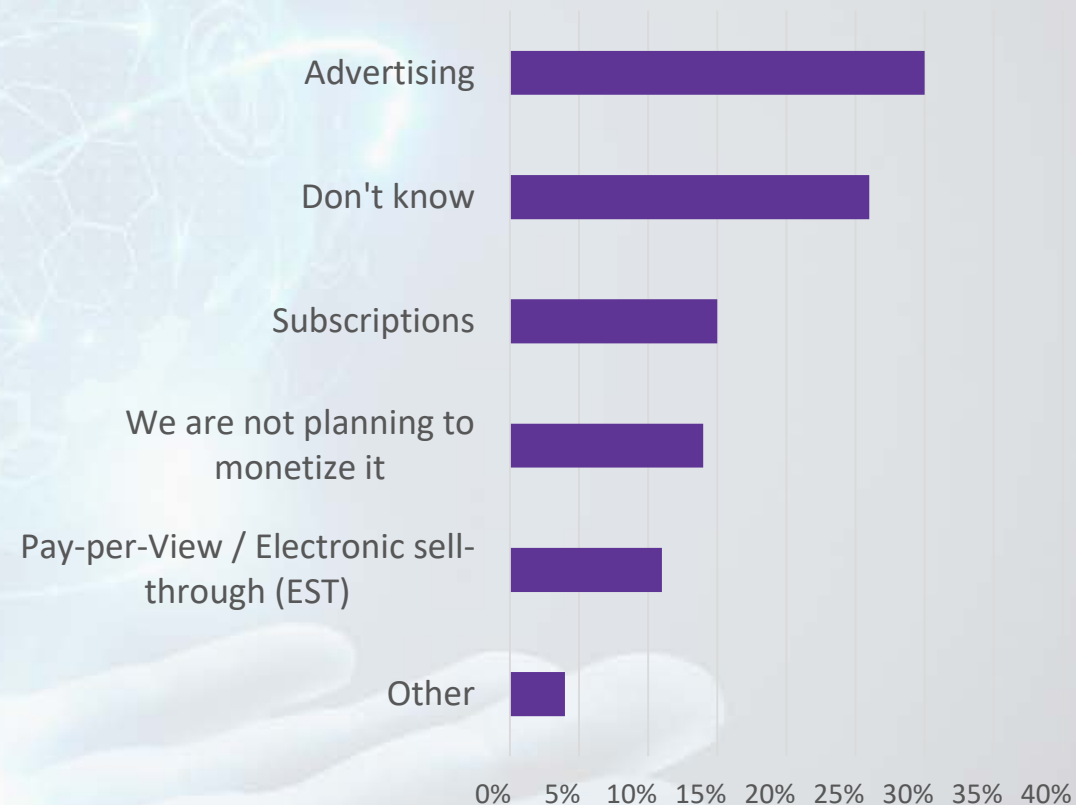
VR採用の現状



How likely are you to launch some sort of VR video offering in the next 2-3 years?



How are you planning to monetize VR video?



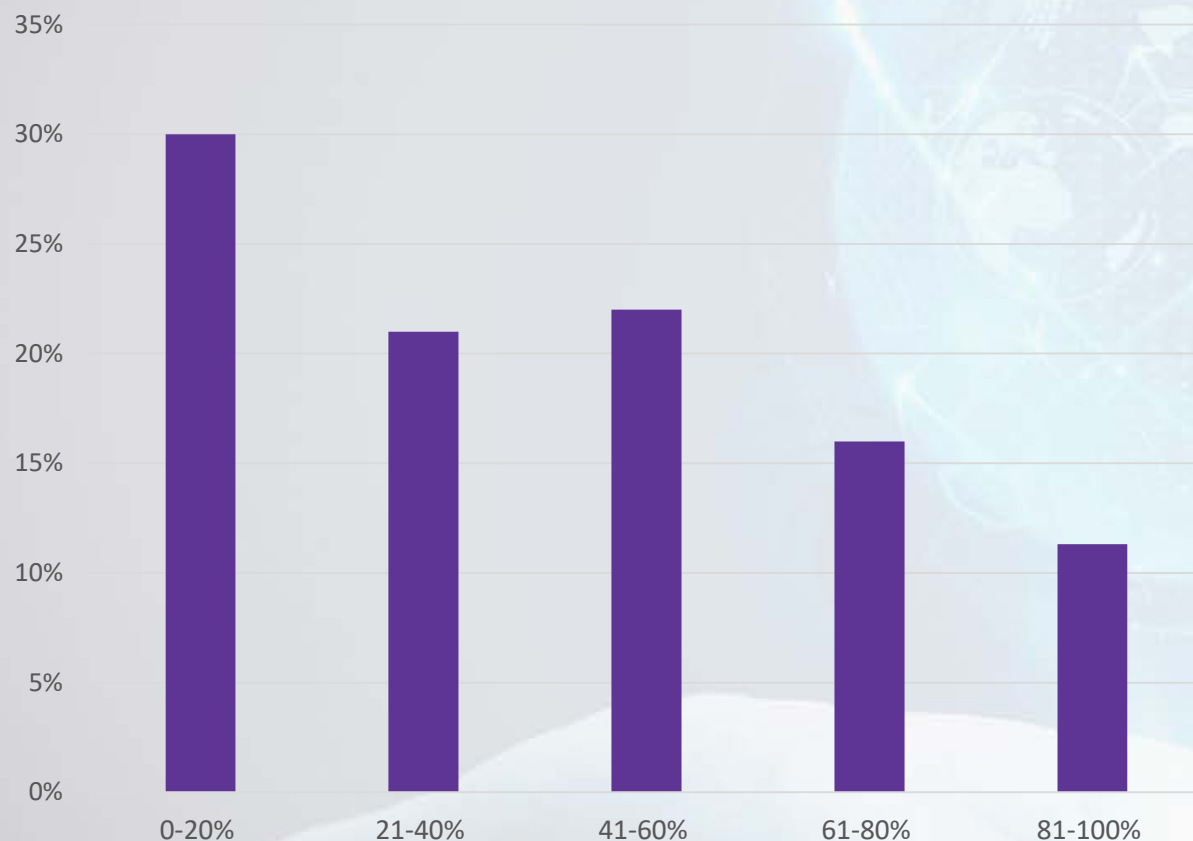
Source: IABM End-User Survey - IBC 2017

Transition to IP

IPへの移行

Challenges 課題

% of operations that has transitioned to IP



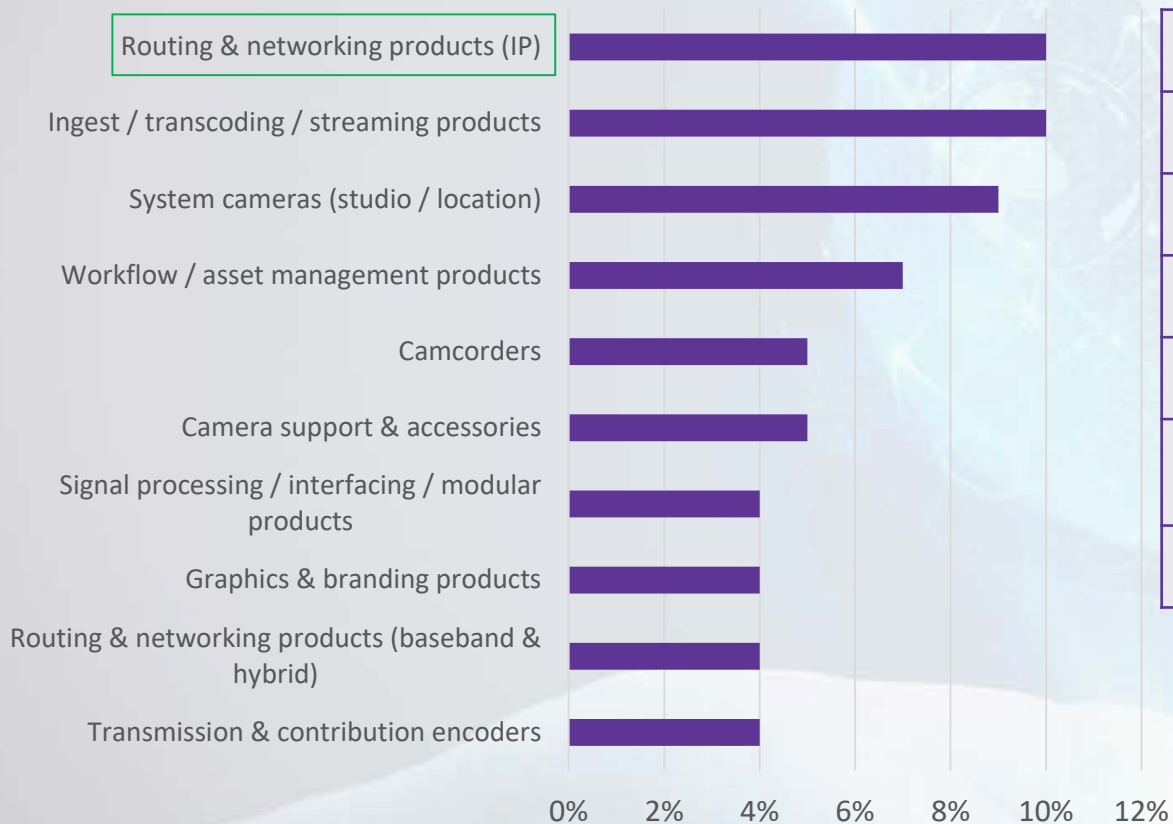
- Confusion over IP standards has slowed adoption, despite benefits of moving to IP
- ST 2110 has been endorsed by major vendors and looks likely to become the norm in the future
- Current IP installations use ST 2022-6 although customers demand a clear upgrade path to ST 2110
- Only a few early adopters have transitioned their critical (live) operations to IP

Source: IABM End-User Survey - IBC 2017

Transition to IP

Silver Linings

Most in-demand products in next 12 months – Top 10



Recent major deployments

Country	Project Type	Customer	Primary Use Case
Luxembourg	New Headquarters	RTL	Asset Centralization
US	New Headquarters	Telemundo	Asset Centralization
France	Live Facility Upgrade	Canal +	Remote Production
Australia	OB Truck Upgrade	NEP	Virtualization
The Netherlands	OB Truck Upgrade	NEP	Virtualization
UK	OB Truck Upgrade	Arena TV	4K Production

Efficiency Boosters

Deployments by major players may incentivize adoption for other end-users

Source: IABM End-User Survey - IBC 2017

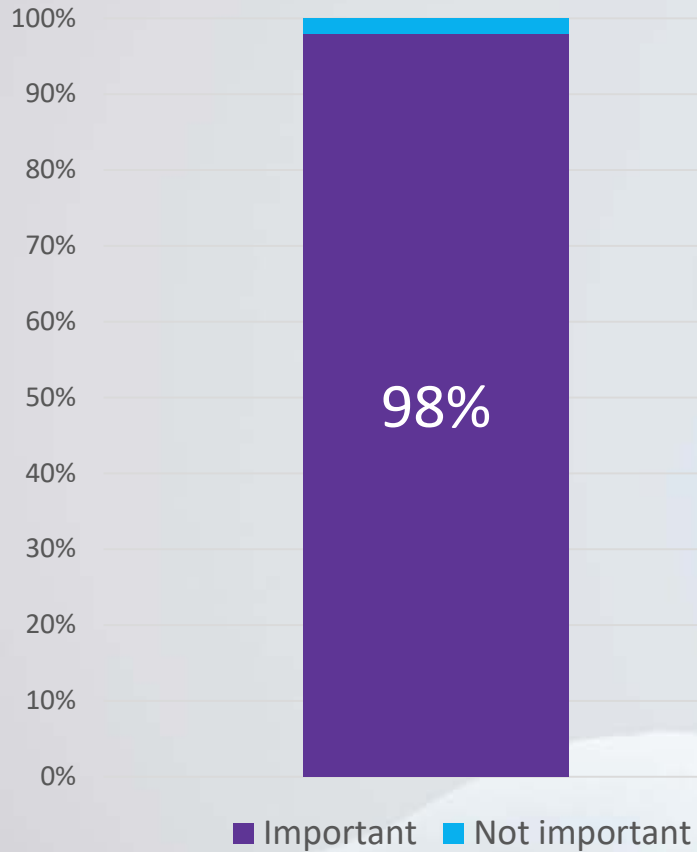


Interoperability is Key

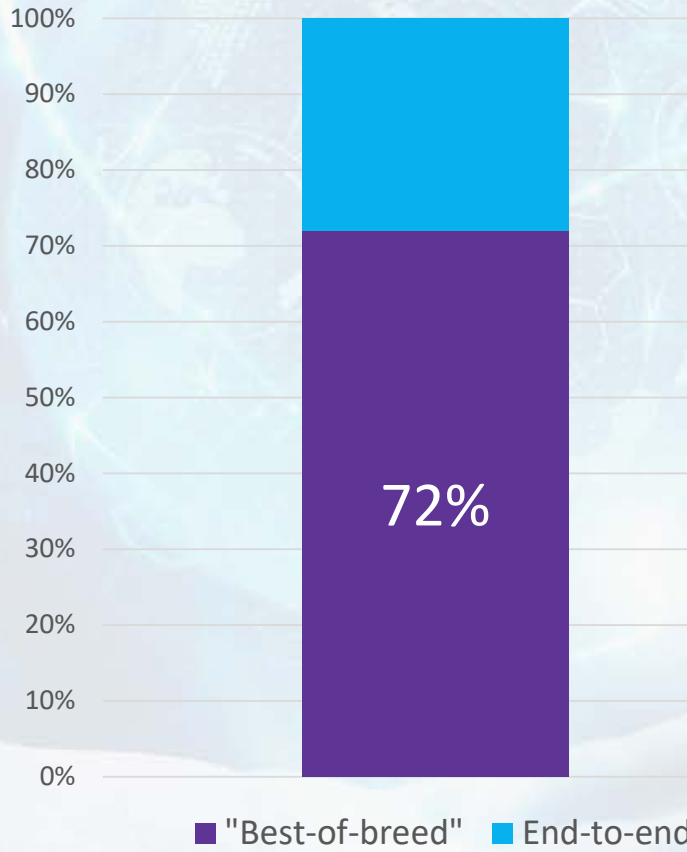
相互運用性がキー

Customer Preferences & Interoperability

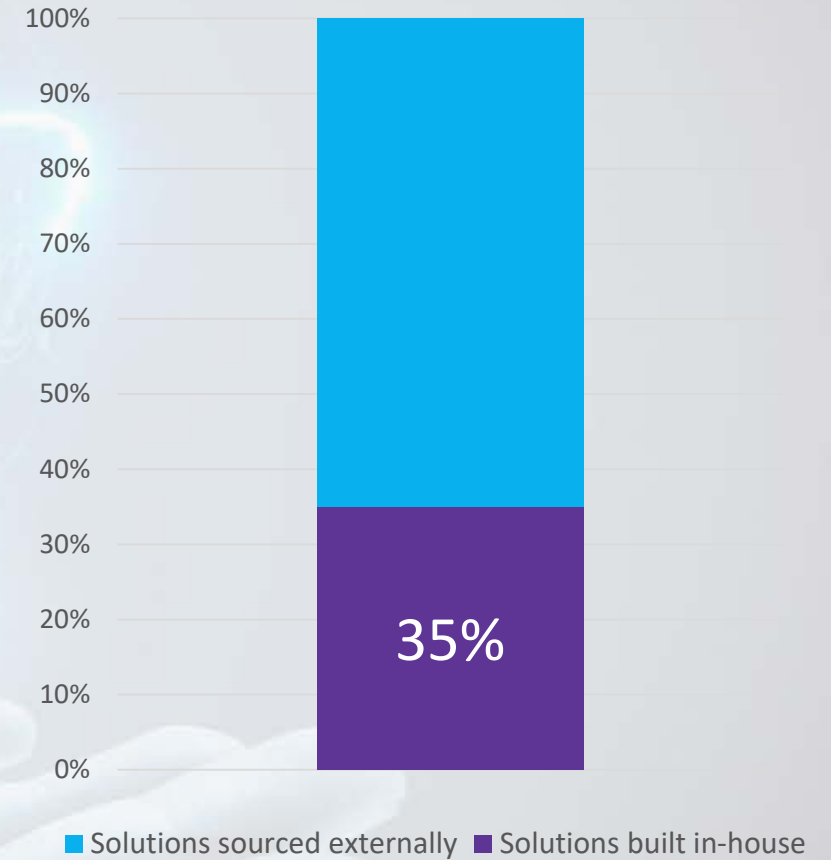
Importance of Interoperability



'Best-of-breed' still rules



Build-it-yourself



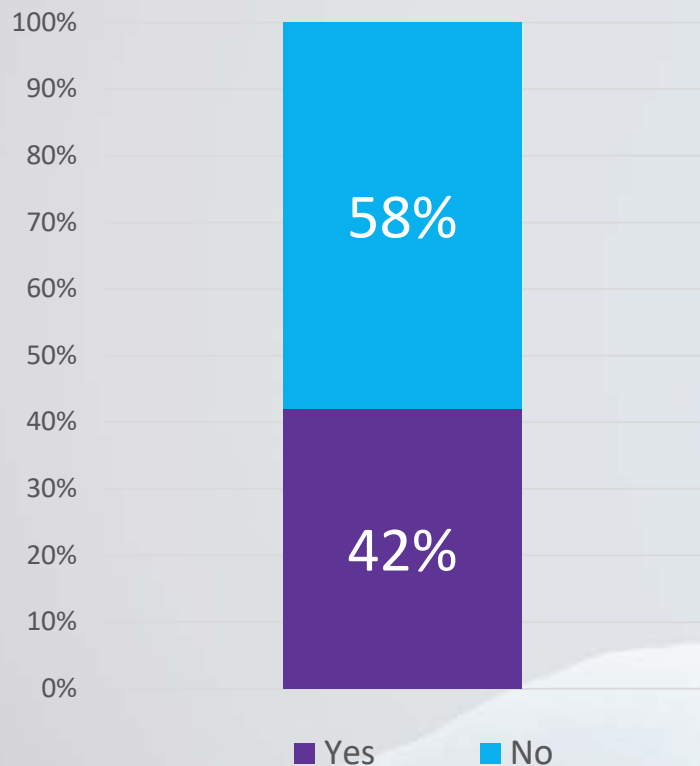
Source: IABM End-User Survey – IBC 2017

Cyber Security Check サイバーセキュリティ

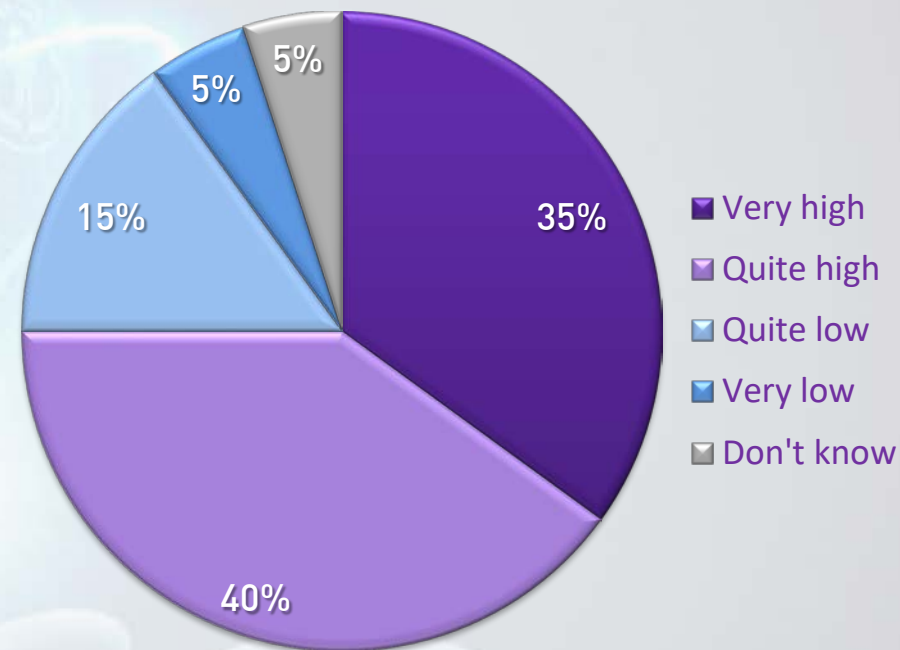
Hackers continue to threaten media companies

ハッカーはメディア企業を脅かし続けている

Has your organization experienced any Cyber Attacks in the last three years?



How high or low a priority is Cyber Security in your organization's technology strategy?



IP-Networking, Cloud & Data Explosion create new vulnerabilities

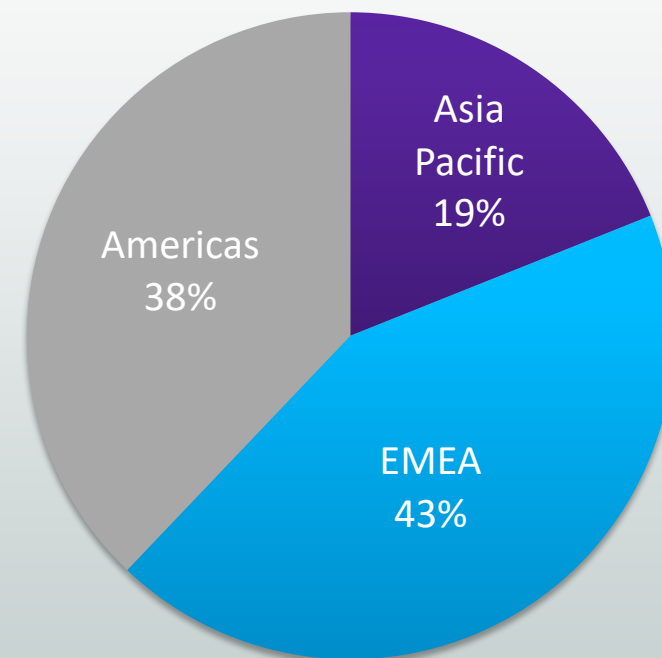
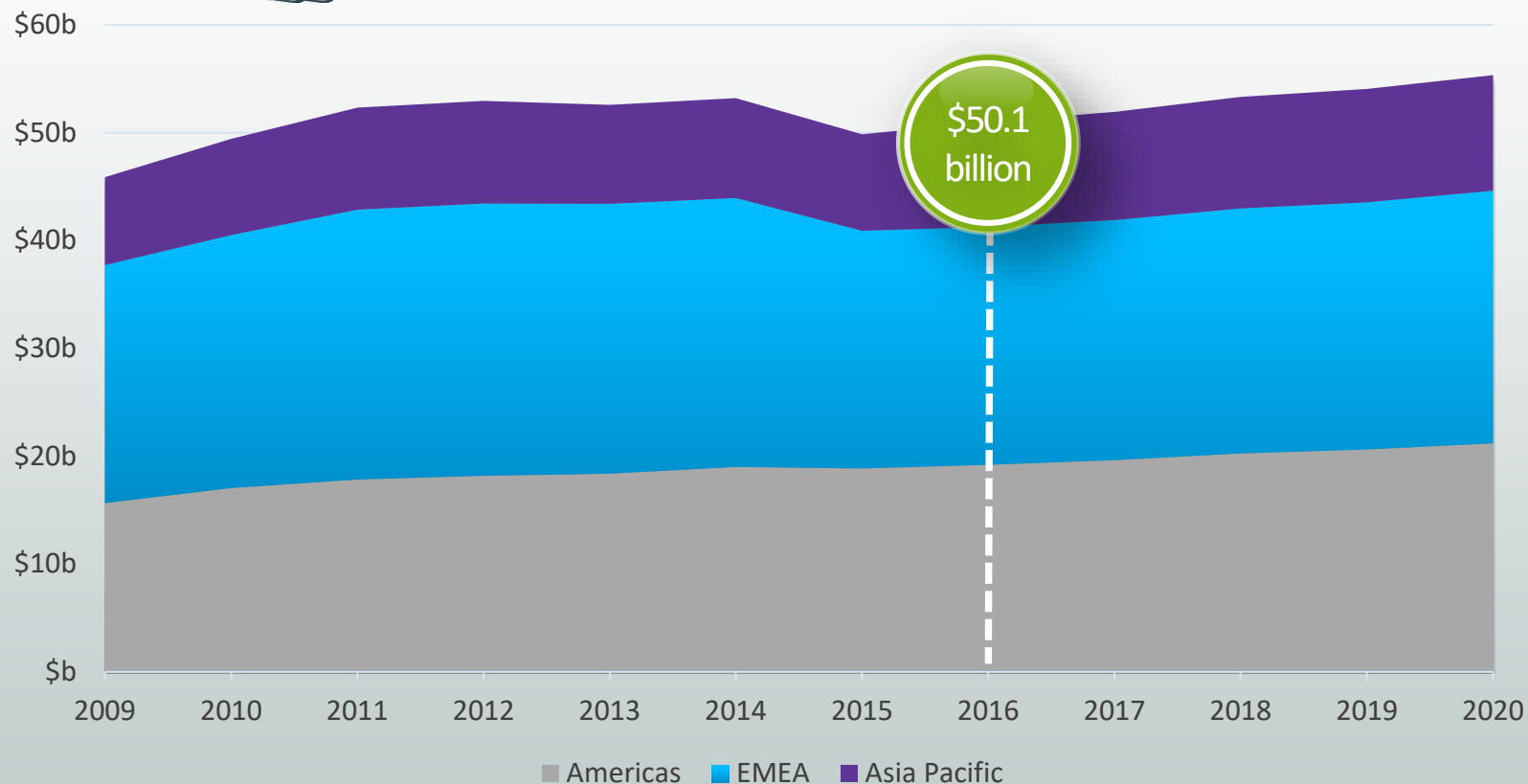
Source: IABM End-User Survey - IBC 2017



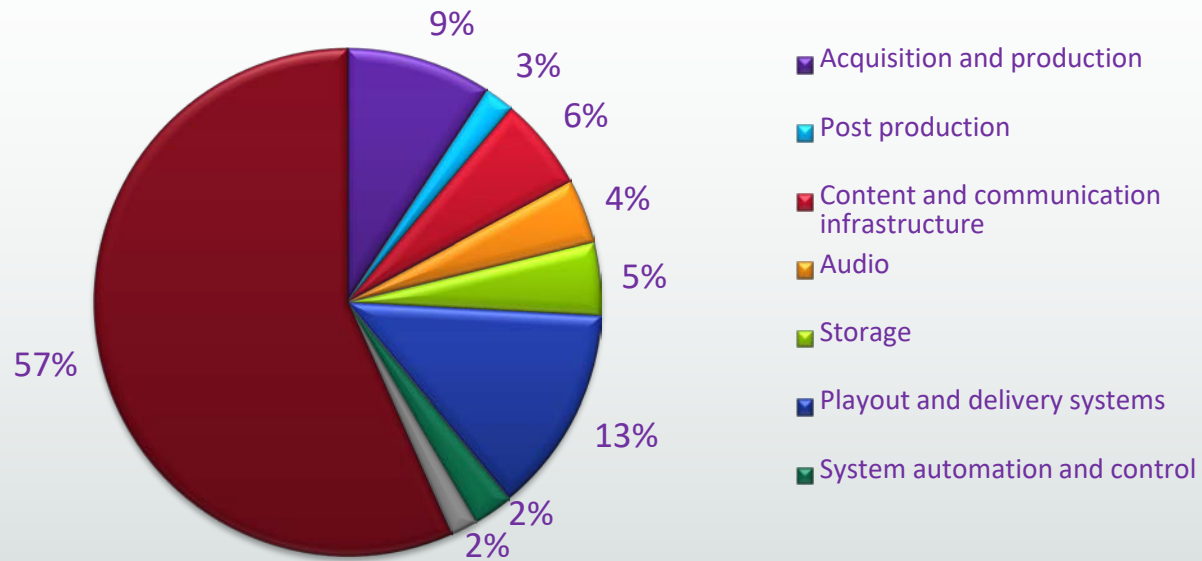
Market size by region 地域別市場規模



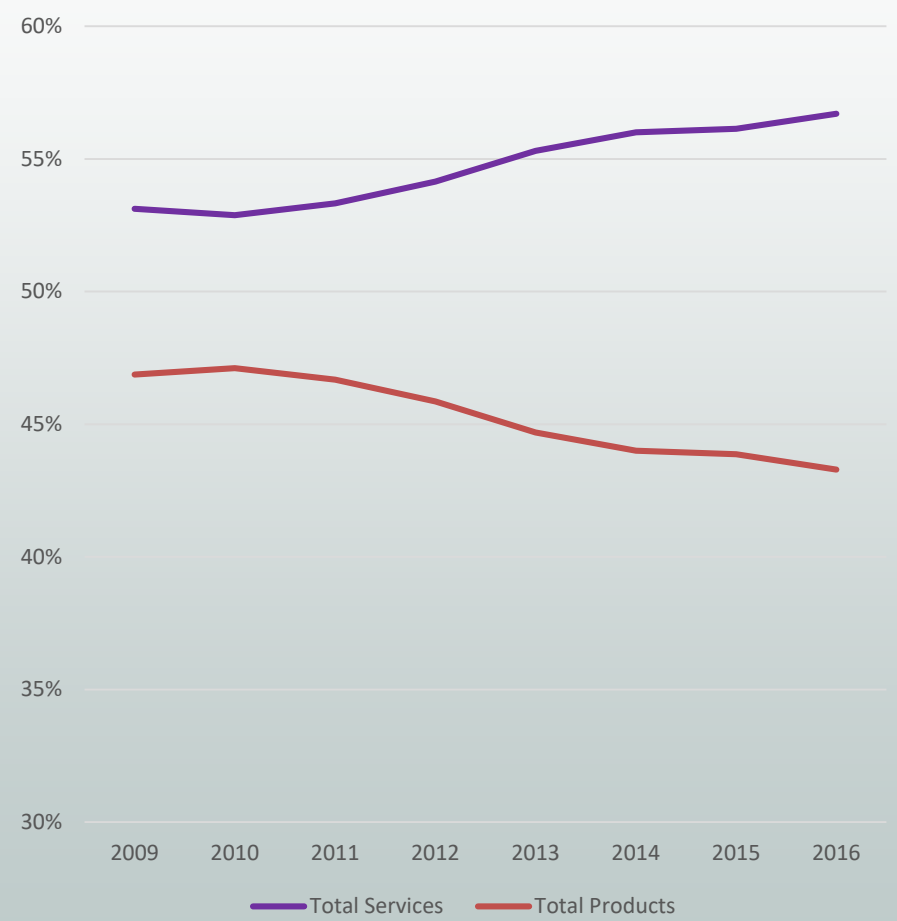
Helicopter view of the Broadcast & Media Technology Industry



Total market size by segment セグメント別市場規模



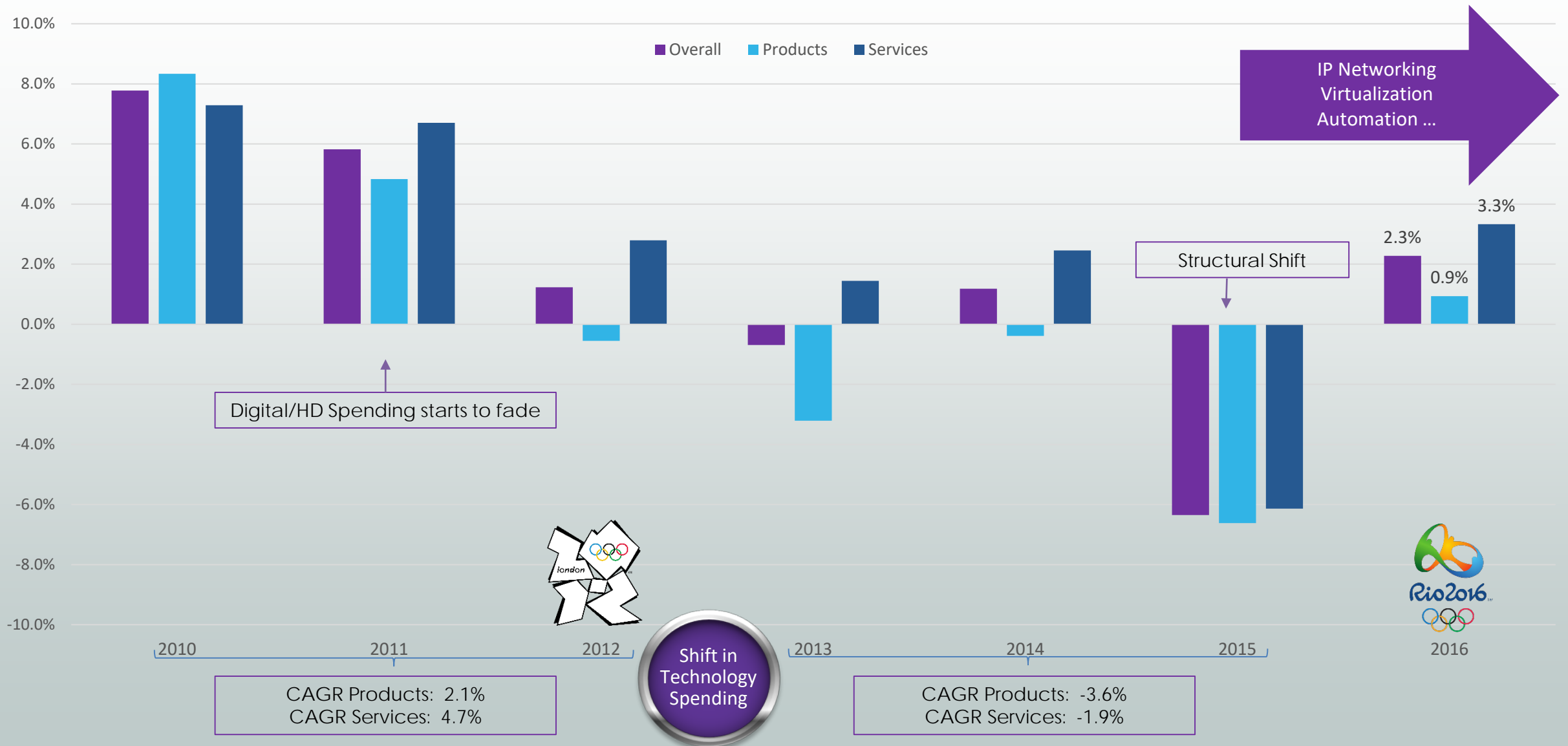
Services and Products as % of Total Industry Value



Total Services include the following categories:

- System Integration
- Consultancy
- Dry Hire / Rental
- Services to Live Production (outside broadcast, etc.)
- Post-Production, Facilities & Studio Rental
- Playout Facilities
- Content Delivery Networks (CDNs)
- Infrastructure as a Service (IaaS): Bandwidth
- Infrastructure as a Service (IaaS): Compute & Storage
- Commercial, Long-Form Content & VOD Delivery
- OTT - Managed Service Providers
- OTT - Platform and Component Providers
- Localization/Data Services
- Terrestrial Transmission
- Satellite Transmission

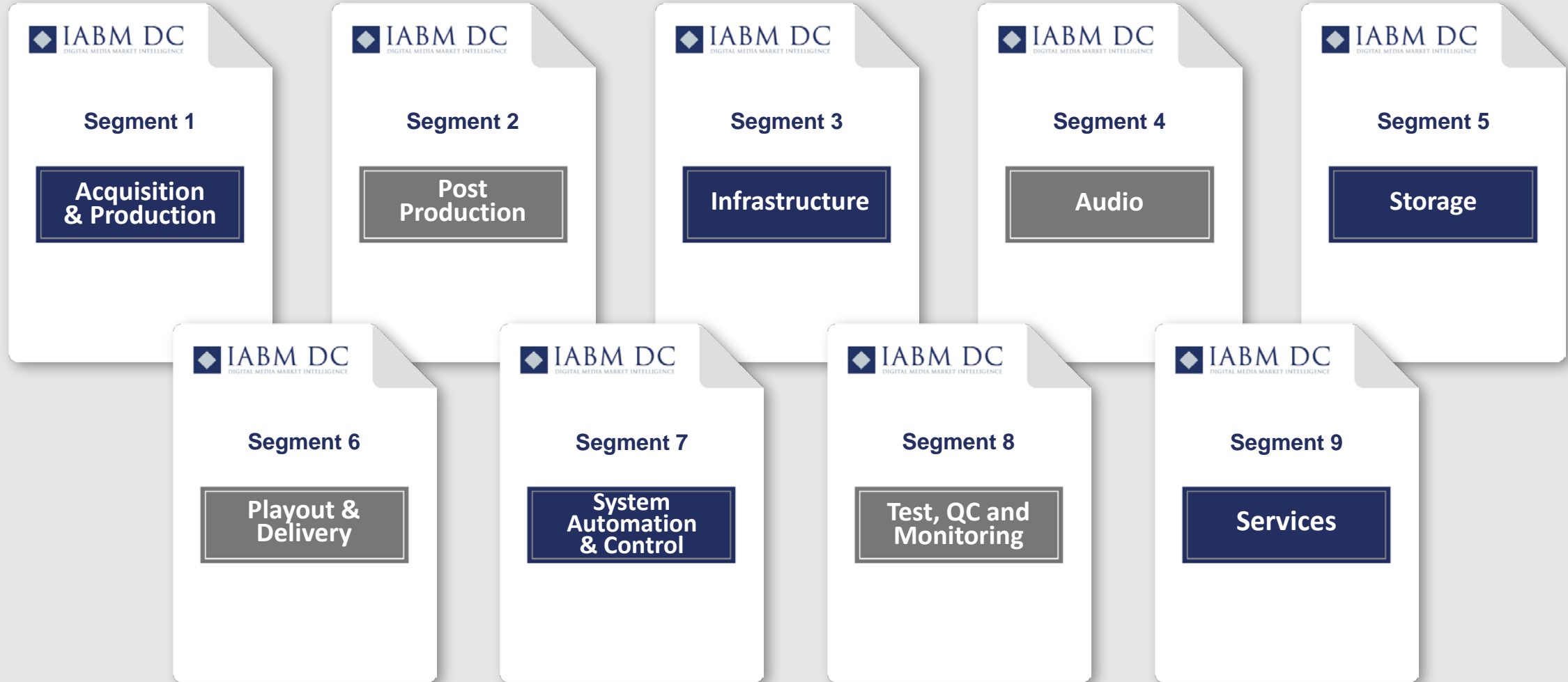
Products and services revenue growth 製品とサービス別収益



Modular design gives you access to the information most essential to your business...

Full GMVR Report

→ Market Segment Reports with data tables セグメント別レポート
モジュラーデザインにより、ビジネスにとって最も重要な情報にアクセスできます

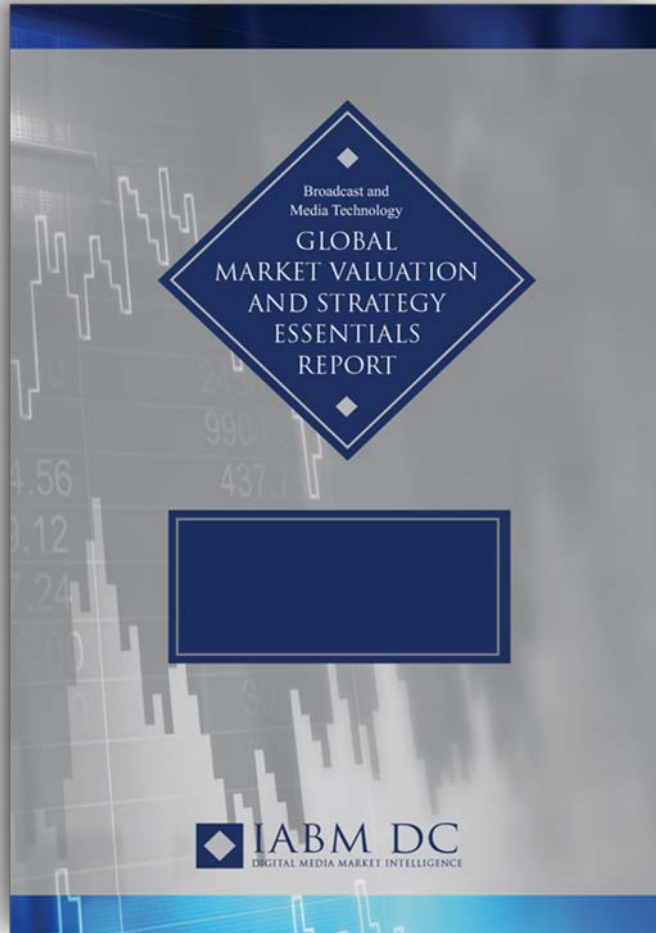


Modular design gives you access to the information most essential to your business...

GMVR Essentials

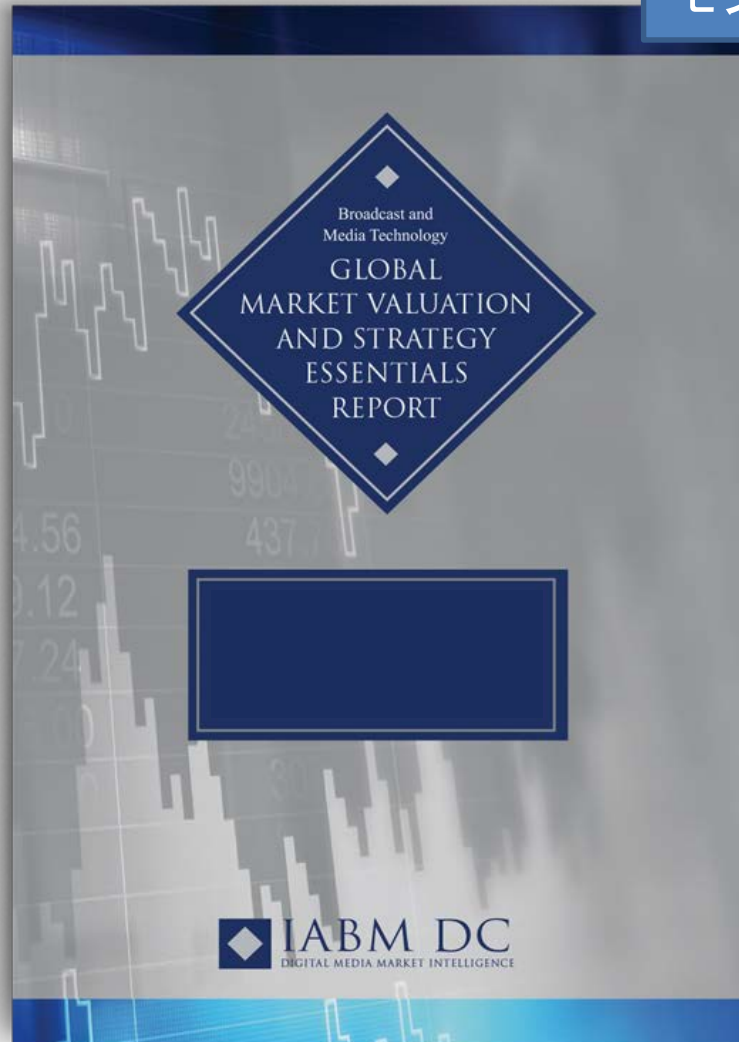
→ Grouped Product Category Reports with data tables

グループ化された製品カテゴリレポートとデータテーブル



Modular design gives you access to the information most essential to your business...

モジュラーデザインにより、ビジネスに不可欠な情報にアクセスできます...



Base Report:

Strategic Industry Overview

Regional Dynamics

Industry Model

Summary of each Segment

Emerging Technologies

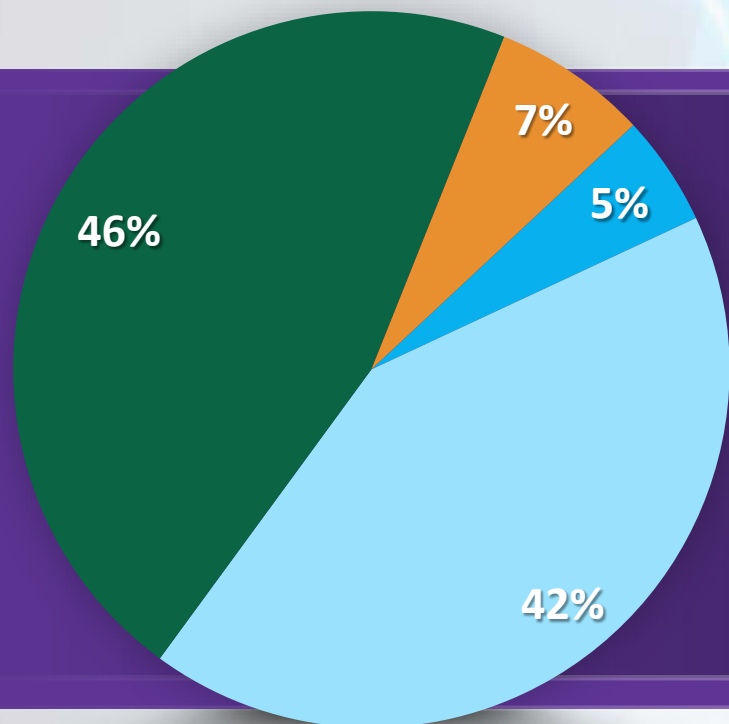
Methodology and Index of Brands

Customers remain more confident

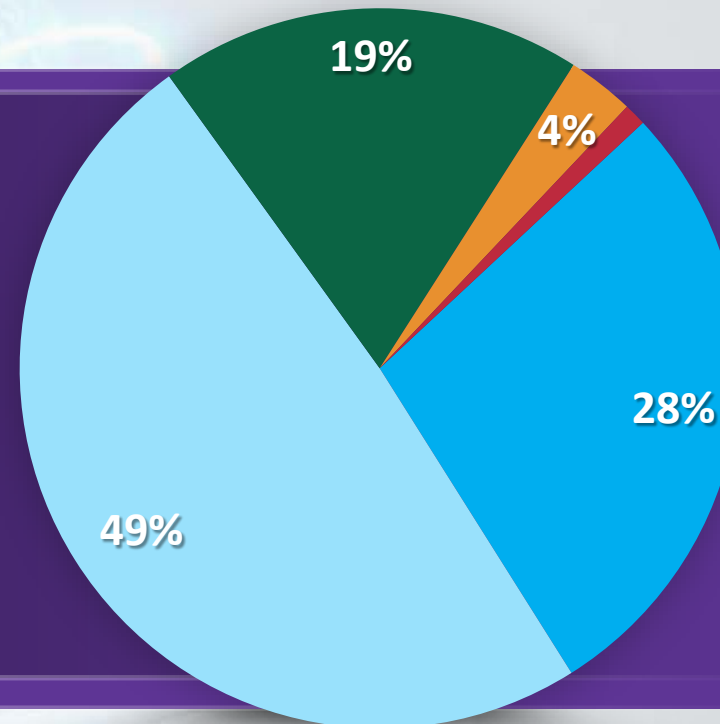
お客様より高い信頼をいただいています

Outlook for the business environment, Suppliers and End-Users

Suppliers



End-Users



- Very Positive
- Quite Positive
- Neutral
- Quite Negative
- Very Negative

Source: IABM Industry Trends Survey – July 2017 & IABM End-User Survey - IBC 2017



The Business of Broadcast & Media

Peter White,
CEO, IABM



Thankyou Any Questions?



InterBEE IABM Pavilion stand 8203

貴社の益々の発展に向けIABMご加盟をお待ちしております

IABMホームページ

Peter Bruce
Director APAC



Peter White
CEO



Sawa Yoshiro
Japan Representative

