



Regional Media and Global SVOD - II

Colin Dixon, Founder & Chief Analyst, nScreenMedia

colin@nscreenmedia.com | twitter: @nscreenmedia

Agenda

Disappearing Youth

SVOD filling the gaps?

Is Protectionism the Answer?

One Broadcast Reacts



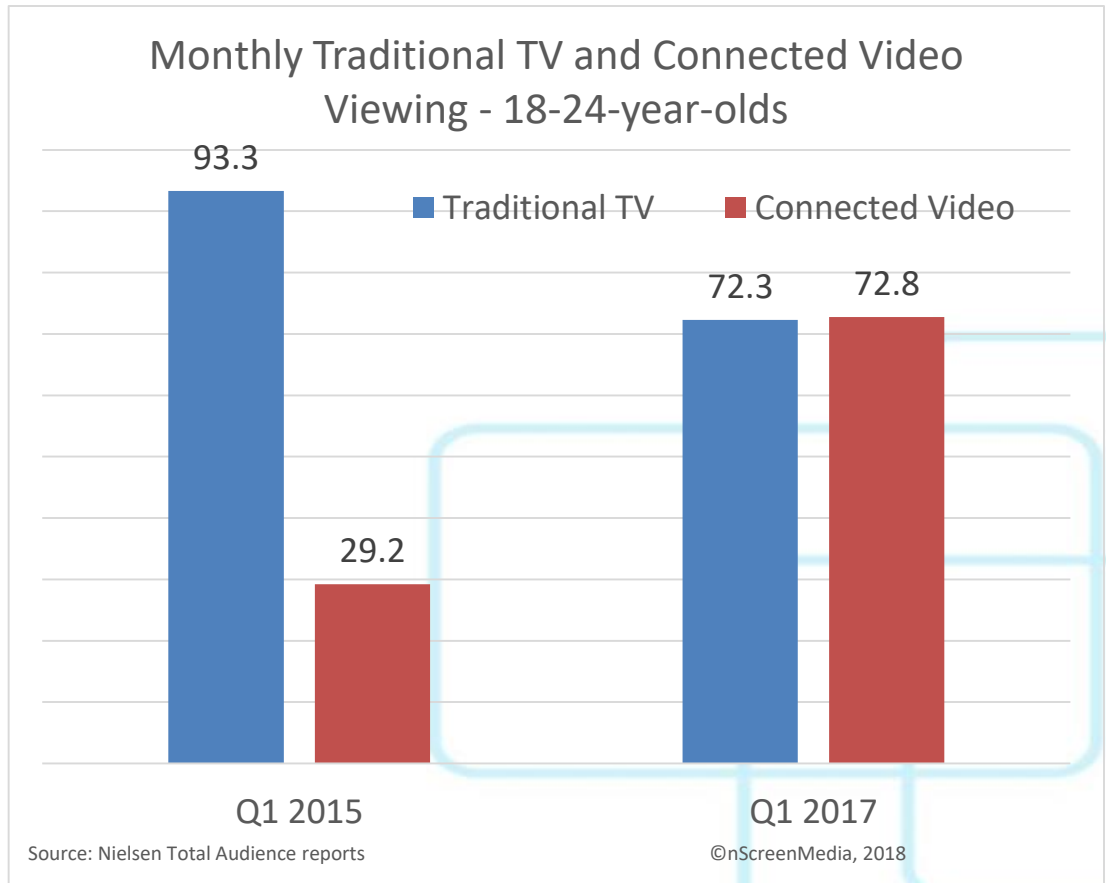
The young are abandoning television

In Q1 2015 18-24-yr-olds watched

- 93 hours and 18 mins of TV per month
- 7 hrs. on a TV connected device
- 19 hrs. of PC video
- 3 hrs. and 12 minutes of smartphone video
- 29 hrs. 12 mins of connected viewing

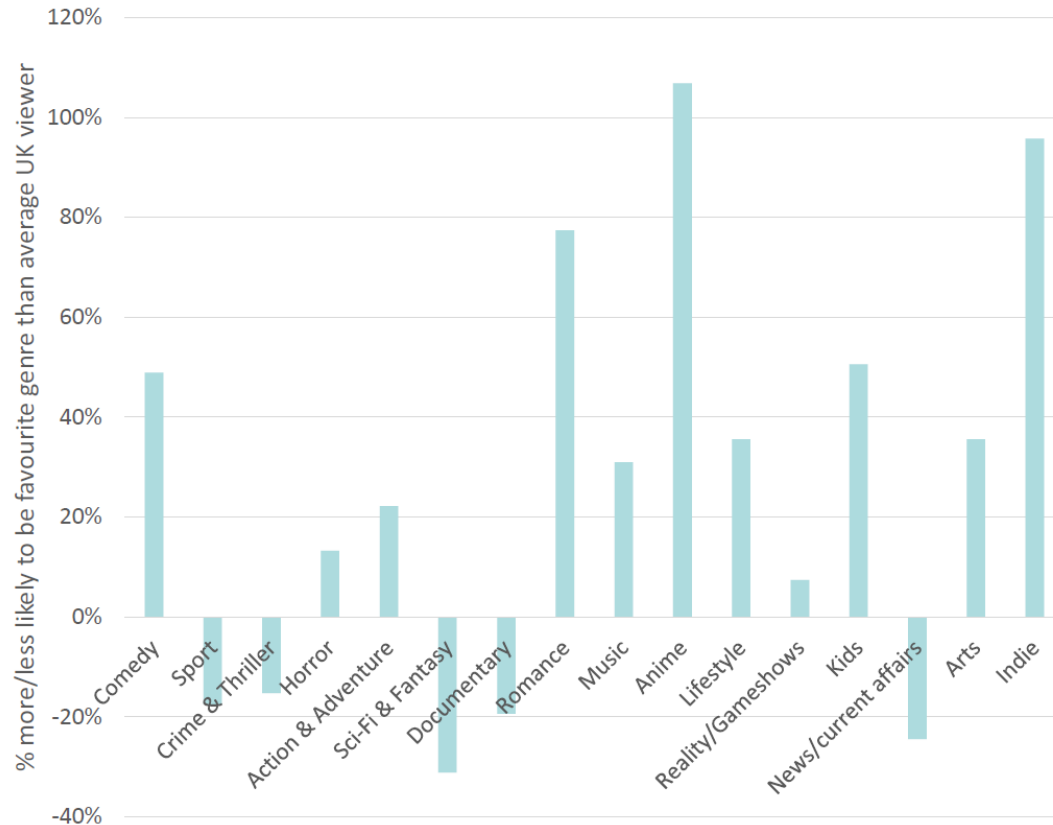
In Q1 2017 they watched

- 72 hrs. 18 mins of TV (down 23%)
- 28 hrs. 36 mins on connected TV
- 37 hrs. 6 mins of PC video
- 6 hrs. and 54 mins of smartphone video
- 72 hrs. 48 mins connected viewing (+150%)



Content preferences shift

Content preference skew of UK 18-34 year olds



© Ampere Analysis 2018

In the UK young people's preferences are shifting away from local content

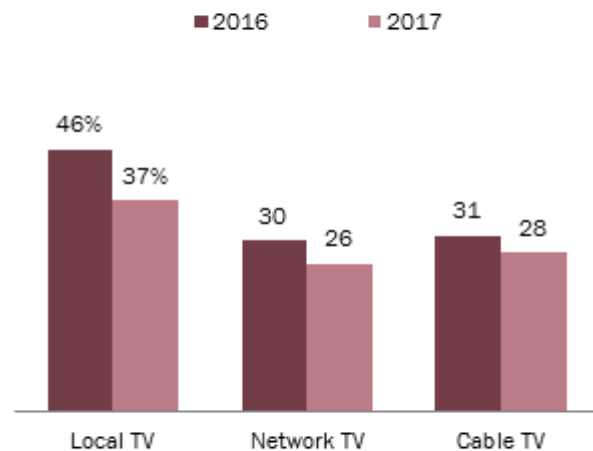
- 25% less likely than average adult to say News/Current Affairs are a favorite
- 20% less likely to favorite documentary
- 18% less likely to favorite sport
- Love Anime, Romance, Indie content

News/Current affairs, Sport, Documentary a large part of local/regional content

News struggles in U.S.

Share using local TV for news falls from 2016 to 2017, but still makes up largest audience among the three TV platforms

% of U.S. adults who often get news on each TV sector



Source: Survey conducted Aug. 8-21, 2017.

PEW RESEARCH CENTER

Local TV is still important to consumers

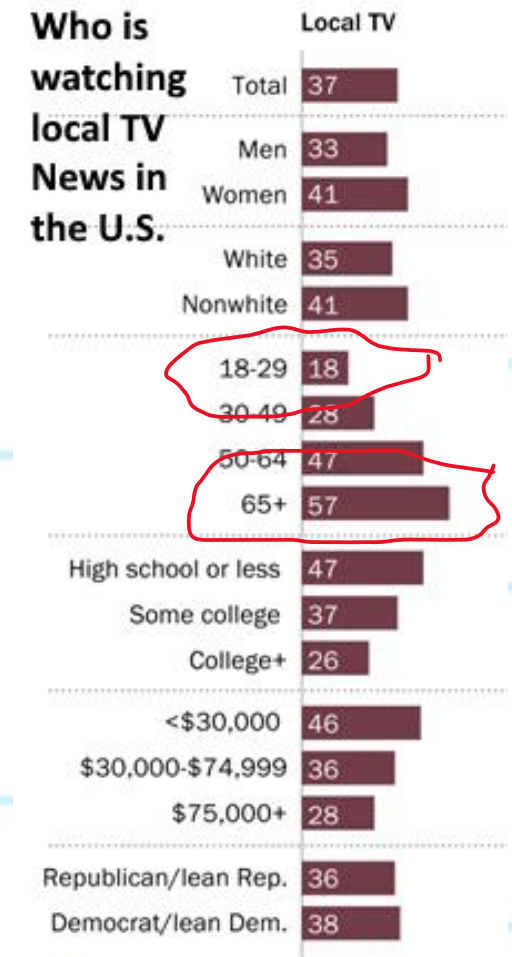
- 37% of adults watch local news often
- More popular than network or cable news

Viewership is falling fast

- Regular local TV news viewers declined 9% in one year
- Smaller, but significant decrease in cable, network news

Decline is focused on the young

- Just 18% of 18-29s watch local news
- 57% over 65 watch



Source: Survey conducted Aug. 8-21, 2017.

PEW RESEARCH CENTER

Agenda

Disappearing Youth

SVOD filling the gaps?

Is Protectionism the Answer?

One Broadcast Reacts



Global SVOD expanding content footprint



Netflix expanding content in key categories

- 25% of catalog change between 2015 and 2017 was Romance
- 5% to Comedy
- 15% Documentary
- 25% Kids

Netflix will not do live sport, news

- Current affairs – fits with documentary

Amazon adding key genres

- Sport – NFL in the US, Eurosport UK/Germany, Cricket India
- Streaming ad-supported content
- Look for news channels to appear in 2018

SVOD local content for a global market



“We are getting better at making a local show at least pan-regional and at best global. We’ve seen that recently with 3% and with *Dark* from Germany. Those U.S. numbers for us on those foreign language shows would be big hits on cable in the US.”

Ted Sarandos, Head of Content, Netflix

April 2018

Translation

- Focus is on content with international appeal
- Not on content with a distinctive local flavor

Agenda

Disappearing Youth

SVOD filling the gaps?

Is Protectionism the Answer?

One Broadcast Reacts



Europe fights back

European Union passed a 30% quota requirement

- Online TV services must ensure 30% of content on the service is European
- Services must also contribute to local production
- Includes advertising standards in children's content

Measure is aimed at ensuring local media production remains healthy

- Does not address the U.S. influence on the productions
- Could still be producing global-oriented content, not locally oriented.



Europe fights back

European public service broadcasters come together

- Europe PSBs spend €14 billion annually on production
- Divided up among national markets
- Makes it hard to compete with global SVOD

Launched “The Alliance”

- France Télévisions, Germany’s ZDF, Italy’s RAI partnering
- A production pool to finance innovative, qualitative and bigger TV series for the viewers in Europe and all around the world



“I think we have to implement one or more SVoD services, but we cannot copycat the Netflix model because it does not fit our European political and economic organization. But I would say that we have the means to create this positive environment whose sole purpose is to foster European creation to very high standards.”

Delphine Ernotte Cunci, CEO of France Télévisions.

Agenda

Disappearing Youth

SVOD filling the gaps?

Is Protectionism the Answer?

One Broadcast Reacts



Best defense is attack

Tegna owns 47 local U.S. television stations

- Reaches one third of U.S. TV homes
- Potential audience of 50 million

“Our job isn’t just to push out a daily newscast on our broadcast linear stations, but also to go find that audience and provide quality content to them on all their platforms.”

Bob Sullivan, Head of Programming,
Tegna



Producing Original content



Using user data everywhere



Leveraging the TV shows



The long-term impact on national culture

It is hard to gauge the impact of the trends

- Constant exposure to U.S., Global culture
- Reduced exposure to local and national culture

Has been happening for decades

- Hollywood movies
- U.S. TV shows on Scandinavian television
- How much has Nordic culture already been affected?
- Has that effect been positive, negative or both?

Global SVOD is taking the exposure to a new level

- A few hours a month -> hours a day



About nScreenMedia

nScreenMedia is a resource to the Digital Media Industry as it transitions to the new infrastructure for multi-screen delivery. Through a mix of informed opinion, news, information and research nScreenMedia helps you make sense of multi-screen media.

www.nscreenmedia.com

Disclaimer

We at nScreenMedia use rigorous methodologies in constructing and validating our research and opinions. Our collective knowledge includes information gathered from public and private sources, industry interviews and other research sources. Since the markets nScreenMedia covers are subject to rapid change, nScreenMedia is not responsible for loss caused by any errors, omissions, or misinterpretation of the contents. All information is provided “as is” with no warranty implied or expressed. nScreenMedia disclaims any liability to any individual or organization that has made business or investment decisions based on reliance on the contents of our research.

Copyright Notice

This document is published by nScreenMedia, Copyright 2018 Reproduction is strictly forbidden unless authorized by nScreenMedia. This document must not be forwarded. It is for the personal use of the individual originally receiving it from the nScreenMedia only. You may use diagrams and data points in presentations and documents you create provided that: full attribution to nScreenMedia is included, you do not include more the 30% of the diagrams in a single presentation or document. All rights reserved.

