



State of the TV and Video Industry in the Philippines

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Economic Snapshots (Philippines)

Indicator	2020	2019
GDP (% growth/decline)	-9.6%	6.1%
Household Final Consumption Expenditure (% growth/decline)	-7.9%	5.9%
Unemployment Rate (%)	10.3%	5.1%
Labor Force Participation Rate (%)	59.5%	61.3%
GDP per capita (2018 prices)	P164,919	P181,920
HFCE per capita (2018 prices)	P123,915	P133,177

Timeline



Television



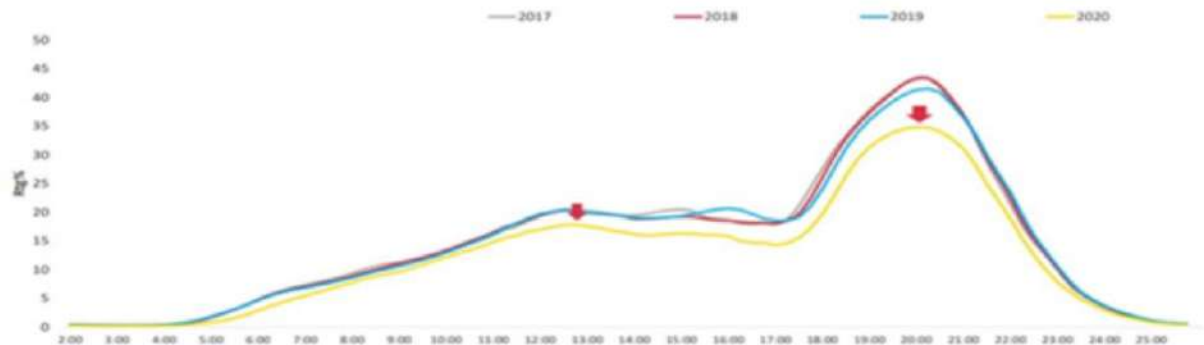
Philippine TV experienced major disruptions in recent years

- More Filipinos turning to the Internet
- Growth of online video
- Increasing number of mobile Internet users
- Despite total TV ad spend shrinking slightly by 4% year on year, digital video ad spend actually rose by 4.8%

Philippine TV industry has gone through a rollercoaster ride in 2020

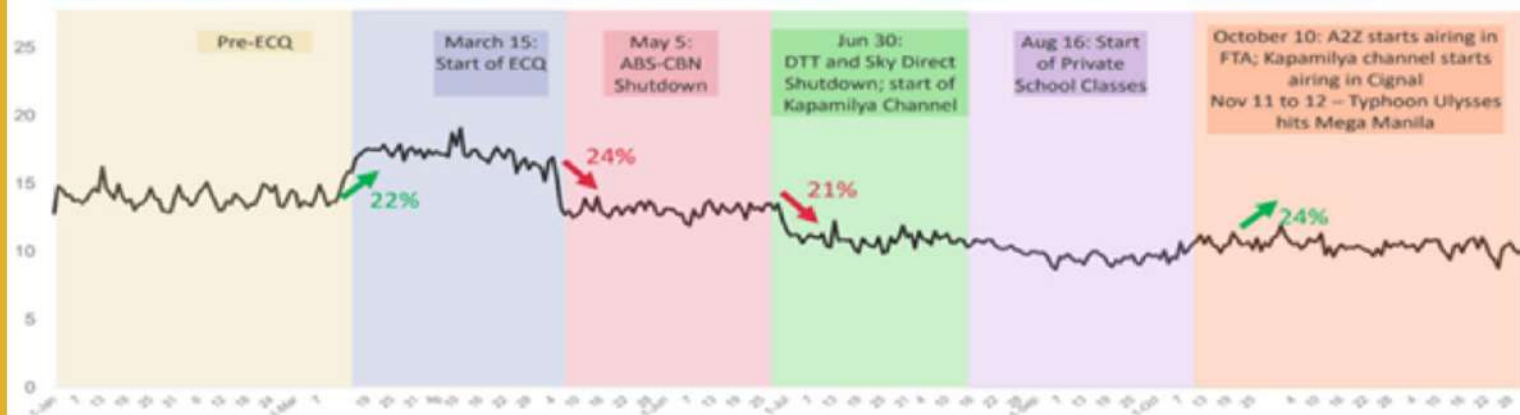
Total TV decreased significantly in 2020 compared to past years

The afternoon and evening dayparts experienced the biggest drop.



From lockdown to shutdown to A2Z, TV viewing is on a rollercoaster ride in 2020.

The increase in TV viewing during quarantine was offset by the decrease when ABS-CBN went off-air, and dipped even lower when TV plus and Sky Direct was directed to shut down. It hasn't recovered since.



KANTAR

Source: Kantar TV Audience Measurement
Channel: TVU Unit, Rights, Region: Total Philippines
Dates: Pre-ECQ: Jan 1 – Mar 14, ECQ: Mar 15 – May 5; ABS-CBN Shutdown: May 6 – Jun 30, 2020; DTT and Sky Direct Shutdown: Jun 30 to August 15, Start of Private School Classes – Aug 16 to October 10, A2Z starts airing: October 10 to Dec 31

TV viewership has not recovered since.

Average Time Spent Viewing (minutes)

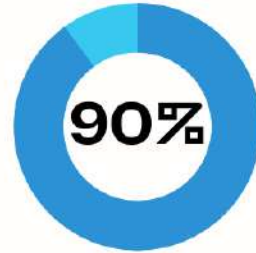
By the end of the year, viewership dropped to almost one hour less compared to the beginning



Television



Total TV ad spend from January to September 2020 plunged by 20% y-o-y to around P313 billion.



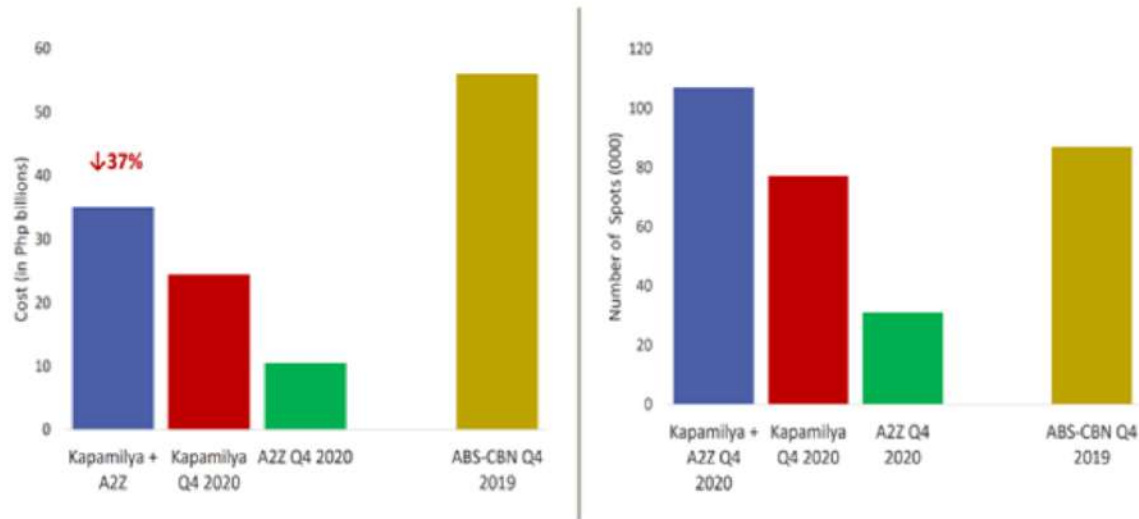
90% of the expenditures went to FTA networks, while the remaining 10% went to pay TV.

SOURCE: KANTAR

TV Ad and Number of Spots (Kapamilya Channel and A2Z Channel)

Kapamilya and A2Z channels TV spend declined by 37% in Q4 vs. last year.

TV adspend and number of spots



COVID-19, ABS-CBN shutdown drive TV adspend, Kapamilya channel shifted spends to Pay TV

TV adspend in Php millions





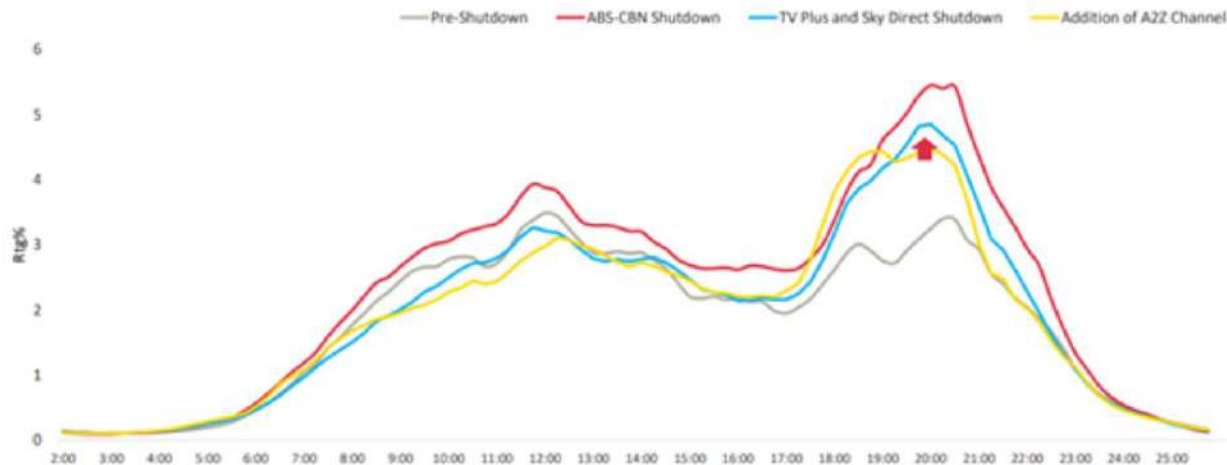
Pay TV market (cable, satellite, and internet protocol TV) has been challenged to thrive and remain relevant amid disruptions:

- COVID-19
- Shutdown of ABS-CBN, SKYdirect, ABS-CBN TVplus
- Increased use of over the top (OTT) which offers media directly to viewers via the Internet, and includes online curated content (OCC) services such as Netflix, Viu, iWantTFC and Amazon Prime Video

In spite of gloomy picture in TV viewing, pay TV viewership has been observed to have increased significantly during primetime.

Pay TV increased significantly during **primetime**

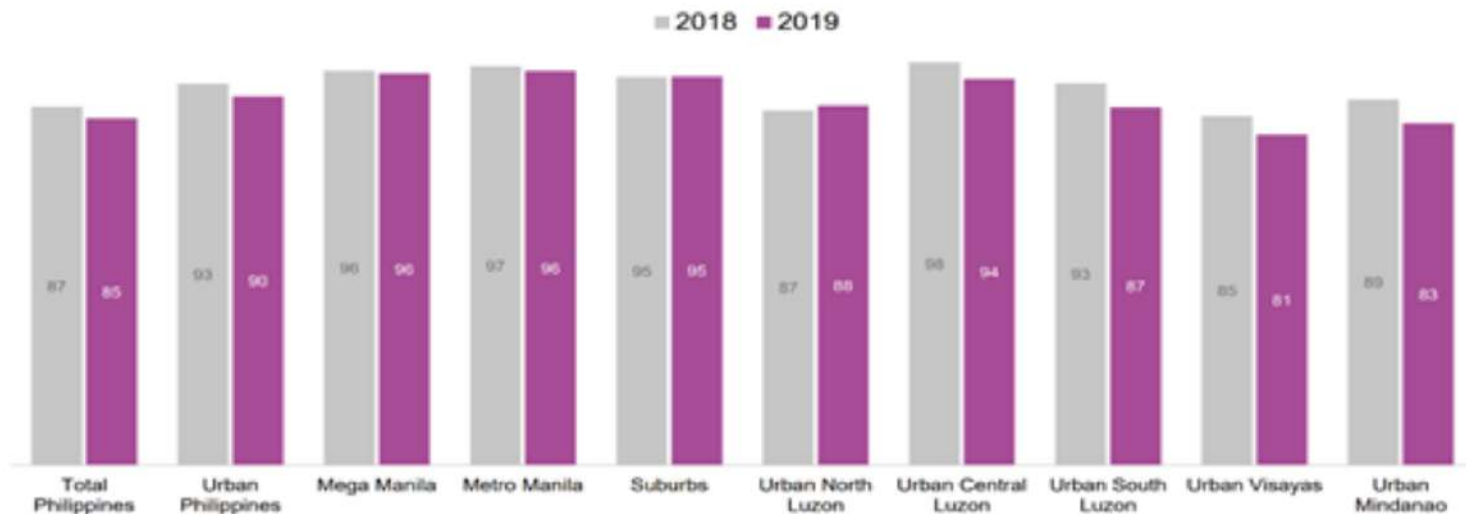
Even with Sky Direct Shutdown, **primetime** pay TV viewership is still significantly higher prior to ABS-CBN going off air



Even prior to the “new normal,” TV ownership has dipped on the aggregate...

TV Ownership (% of Total Homes)
Urban Philippines

Almost all urban sectors showed a decline in TV ownership, except for Suburbs which remained stable from 2018 and North Luzon which saw a slight increase.

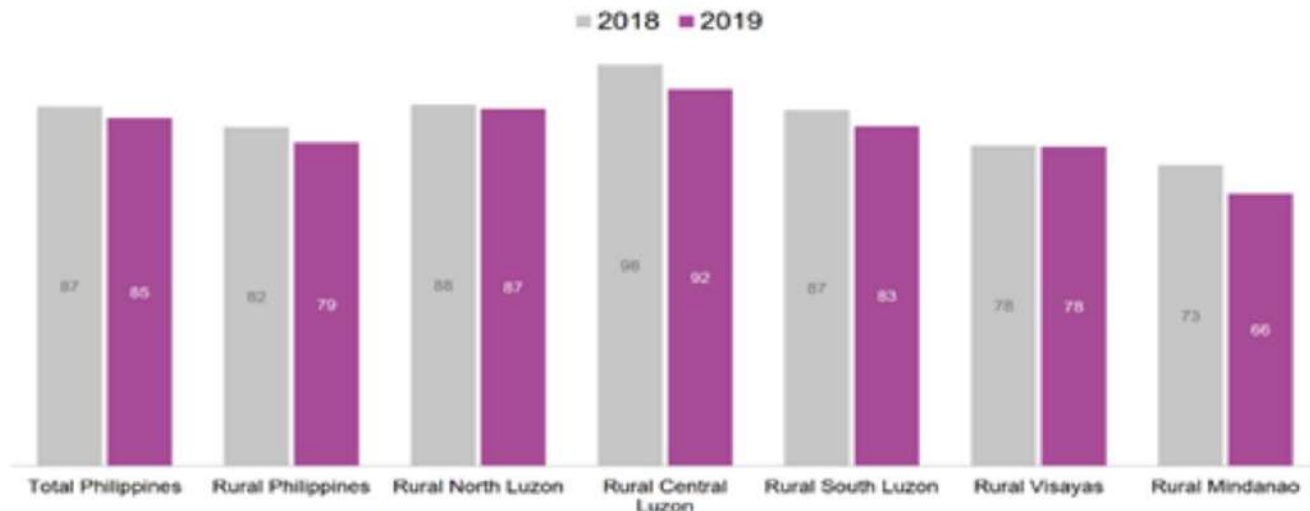


Even prior to the “new normal,” TV ownership has dipped on the aggregate...

TV Ownership (% of Total Homes)

Rural Philippines

As with Urban Philippines, most rural sectors saw a decrease in television ownership for 2019, save for Visayas which remained relatively unchanged.

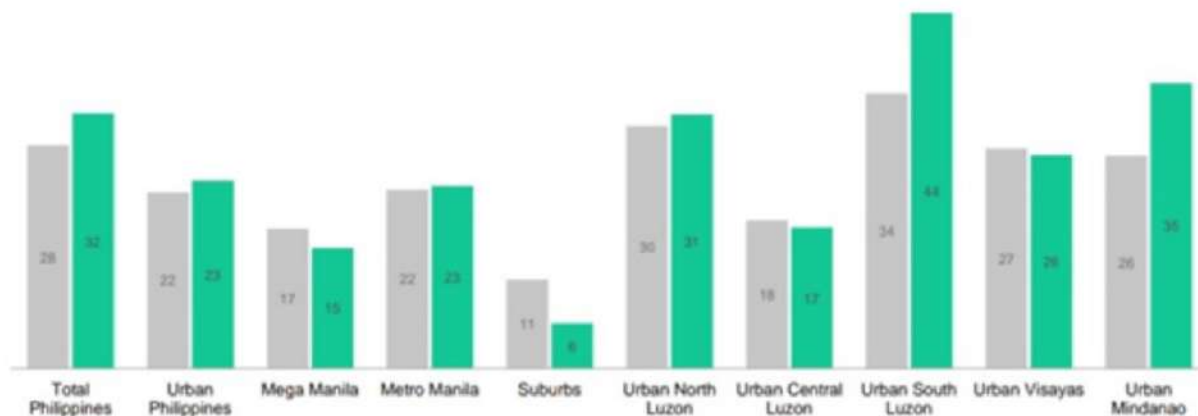


However, Pay TV Subscription has increased at the same time...

Pay TV Subscription (% of TV Homes)
Urban Philippines

Pay TV subscription increased from 2018 by around 14%. South Luzon and Mindanao saw the biggest growth at 29% and 34%, respectively. Meanwhile, the pay TV subscription in the Suburbs declined by around 49%.

■ 2018 ■ 2019



However, Pay TV Subscription has increased at the same time...

Pay TV Subscription (% of TV Homes)

Rural Philippines

Pay TV continued to grow in rural areas, with almost all sectors seeing double-digit increases this 2019.

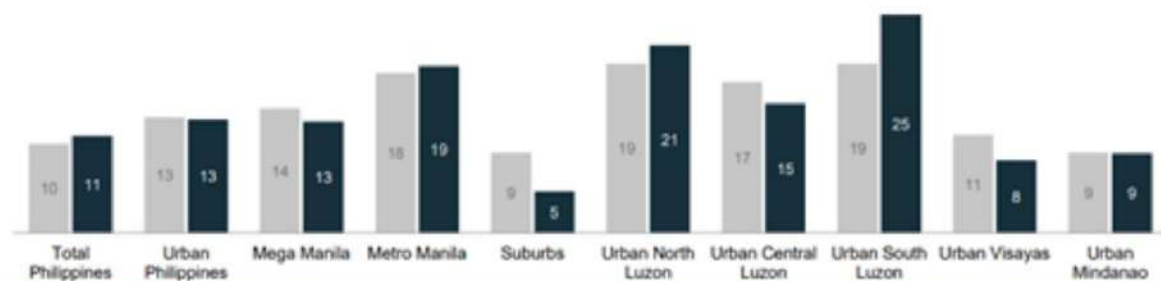


Both for cable subscription...

Cable Subscription (% of TV Homes) Urban Philippines

In Urban Philippines, cable TV subscription remained relatively stable from 2018. North Luzon and South Luzon both saw double-digit increases. Suburbs, however, saw a 48% decline in subscription.

■ 2018 ■ 2019



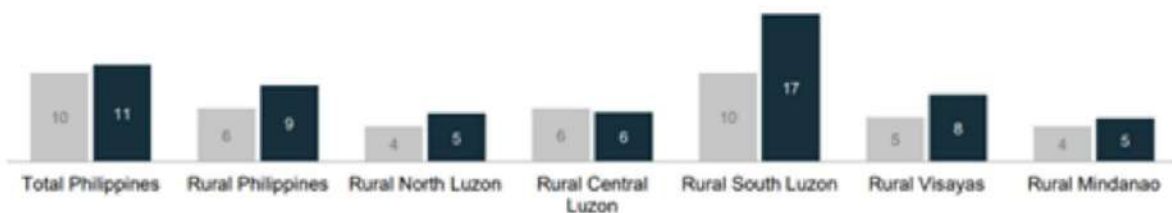
Both for cable subscription...

Cable Subscription (% of TV Homes)

Rural Philippines

In Rural Philippines, almost all sectors saw an increase in cable TV subscription, except for Central Luzon which declined by 7%.

■ 2018 ■ 2019



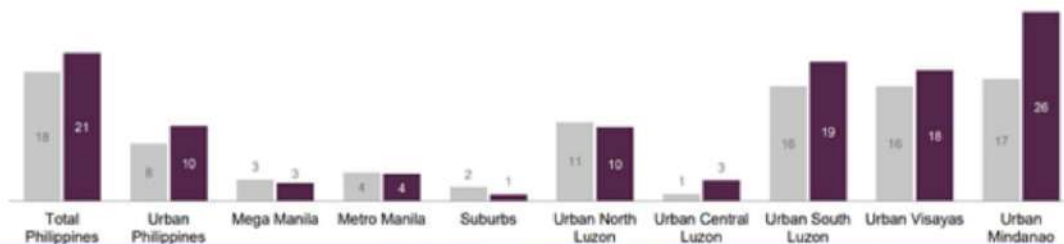
...and satellite subscription.

Satellite Subscription (% of TV Homes)

Urban Philippines

Satellite subscription increased slightly for Urban Philippines. This was primarily driven by the growth in Central Luzon, South Luzon, Visayas, and most especially in Mindanao.

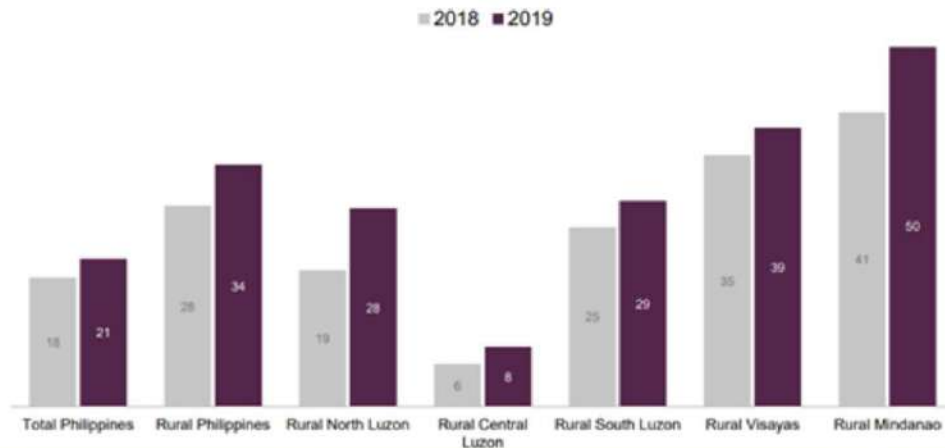
■ 2018 ■ 2019



Satellite Subscription (% of TV Homes)

Rural Philippines

Satellite subscription continued to grow in Rural Philippines, with all sectors seeing an increase this 2019. Among the sectors with the most significant growth are North Luzon and Mindanao.



The rollout of digital terrestrial television or DTT continues to progress as the appreciation for DTT has improved over the years with the increased use of affordable set-top boxes:



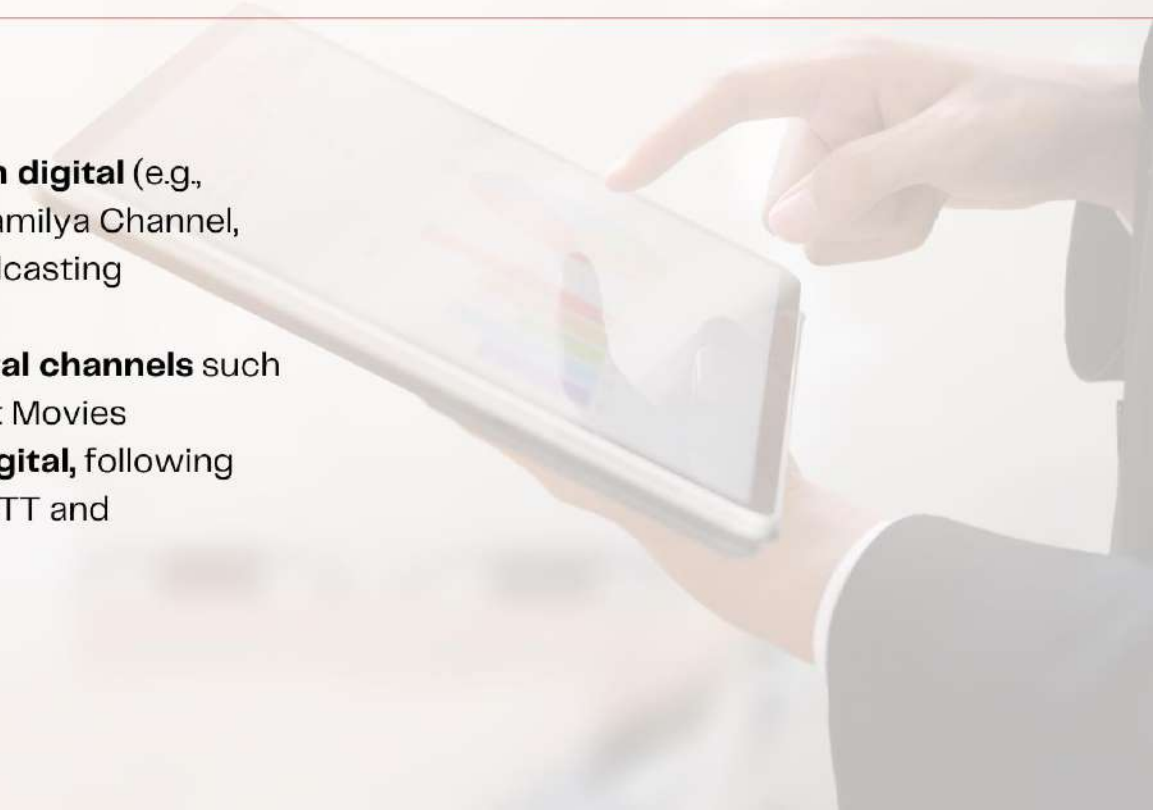
ABS-CBN's TVplus



GMA Affordabox

Other trends worth watching:

- Continuing presence of **ABS-CBN on digital** (e.g., iWantTFC), on pay TV (e.g., ANC, Kapamilya Channel, etc.), and through TV5 and Zoe Broadcasting Network's A2Z
- **GMA's recently launched own digital channels** such as Hallypop, Heart of Asia, and I Heart Movies
- **Moving of advertising spends to digital**, following consumers as they get further into OTT and connected TV



A high-angle, close-up photograph of a person's hands working on a silver laptop. The person is wearing a brown long-sleeved sweater. Their right hand is holding a black pencil over the keyboard, while their left hand holds a white ceramic mug filled with dark coffee. The mug sits on a light-colored wooden coaster. To the right of the laptop, there is a spiral-bound notebook and a smartphone. The background is a plain white surface.

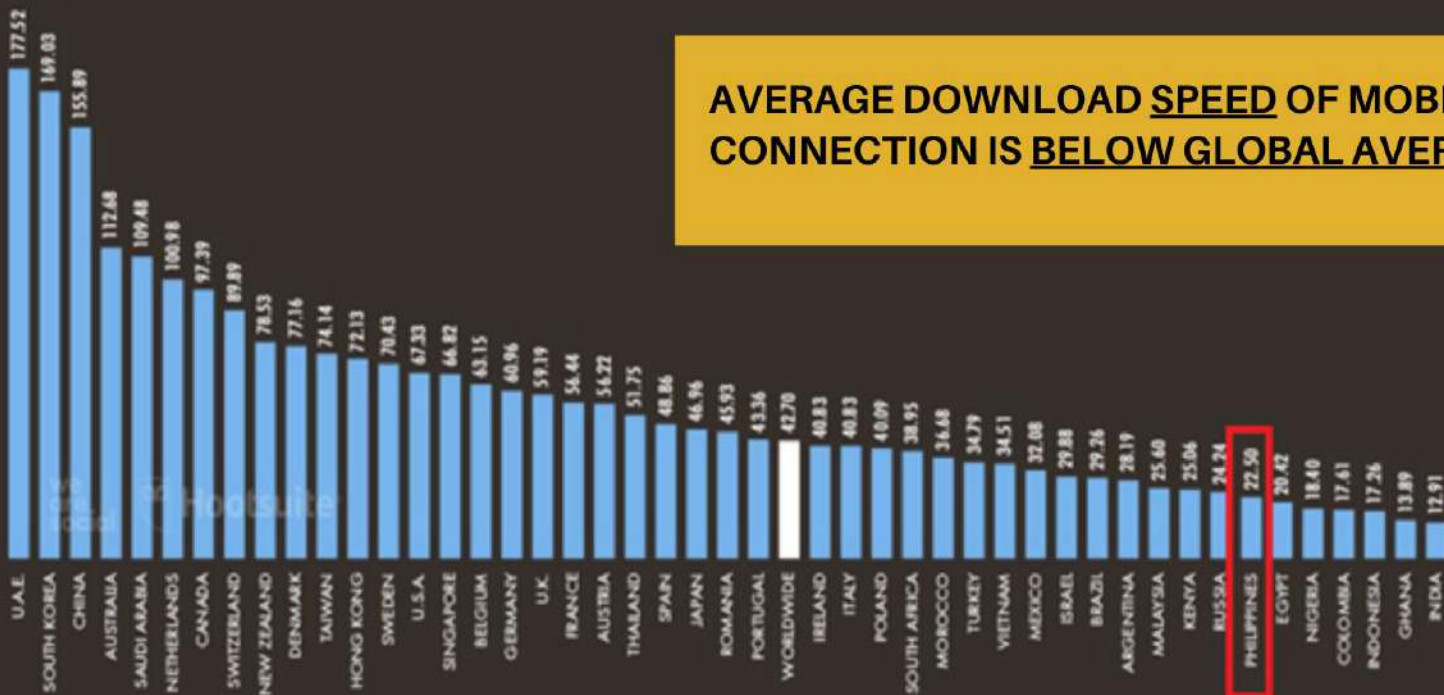
Online

JAN
2021

AVERAGE MOBILE INTERNET CONNECTION SPEEDS

THE AVERAGE **DOWNLOAD** SPEED OF **MOBILE** INTERNET CONNECTIONS, IN MEGABITS PER SECOND (MBPS)

AVERAGE **DOWNLOAD** SPEED OF MOBILE INTERNET CONNECTION IS BELOW GLOBAL AVERAGE



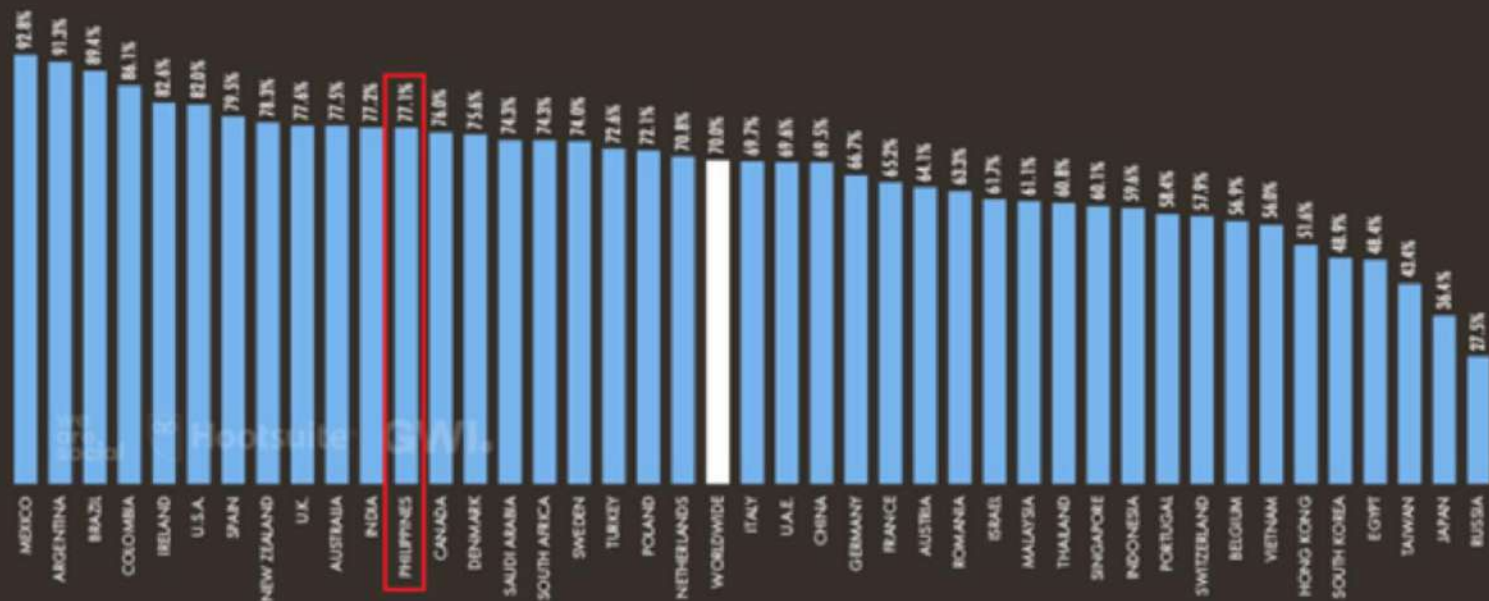
A person is sitting at a desk, working on a laptop. Their left hand is holding a smartphone, and their right hand is typing on the laptop keyboard. A white coffee cup with a brown lid is on the desk next to the laptop. A pair of black-rimmed glasses is resting on the desk in the foreground. The background is a blurred view of a city through a window.

YET, INTERNET CONSUMPTION IS ABOVE AVERAGE

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2021

STREAMING TV CONTENT VIA THE INTERNET

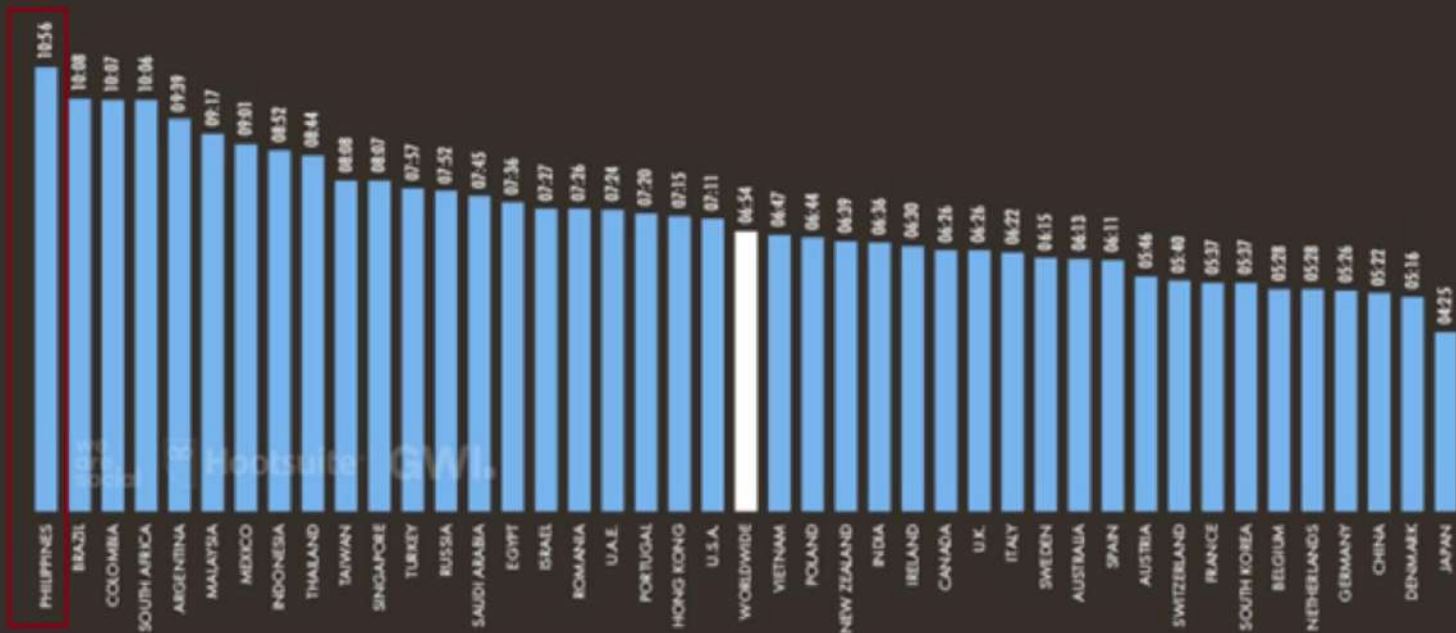
PERCENTAGE OF INTERNET USERS AGED 16 TO 64 WHO WATCH TV CONTENT VIA STREAMING SERVICES (E.G. NETFLIX) EACH MONTH



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DAILY TIME SPENT USING THE INTERNET

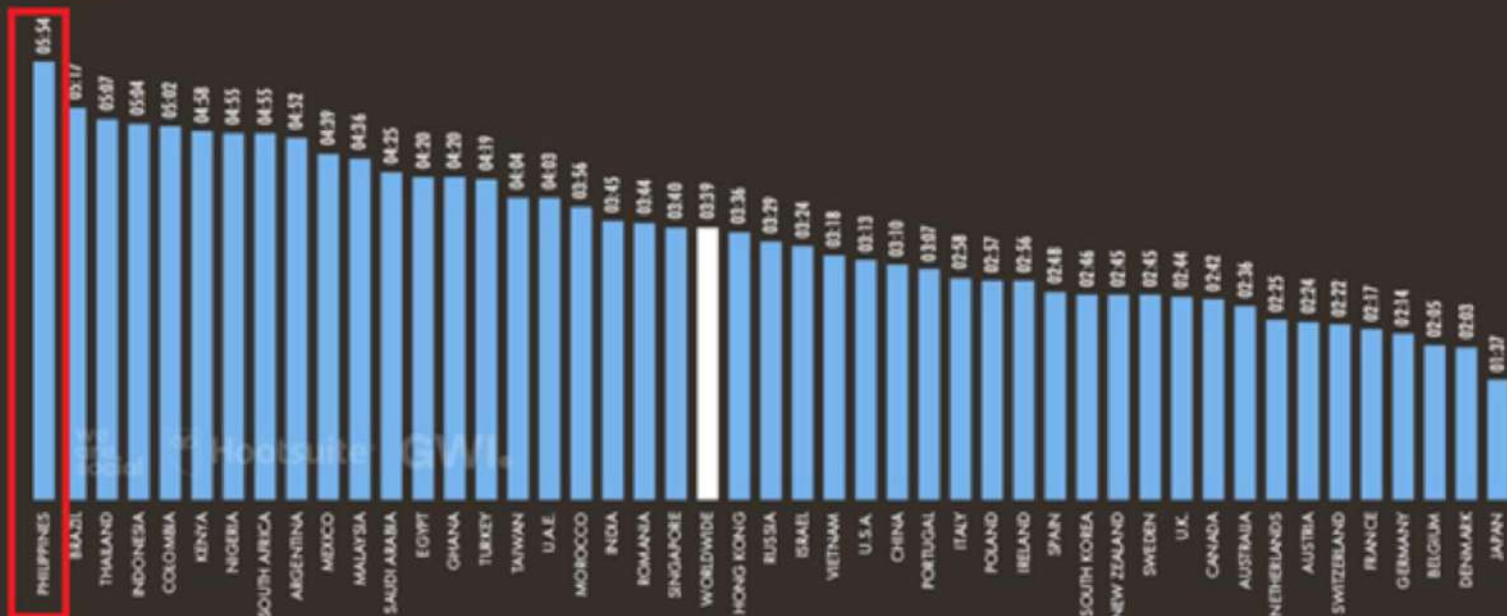
AVERAGE AMOUNT OF TIME (IN HOURS AND MINUTES) THAT INTERNET USERS AGED 16 TO 64 SPEND USING THE INTERNET EACH DAY ON ANY DEVICE



JAN
2021

DAILY TIME SPENT USING THE INTERNET VIA MOBILES

AVERAGE AMOUNT OF TIME PER DAY THAT INTERNET USERS AGED 16 TO 64 SPEND USING THE INTERNET VIA MOBILE PHONES



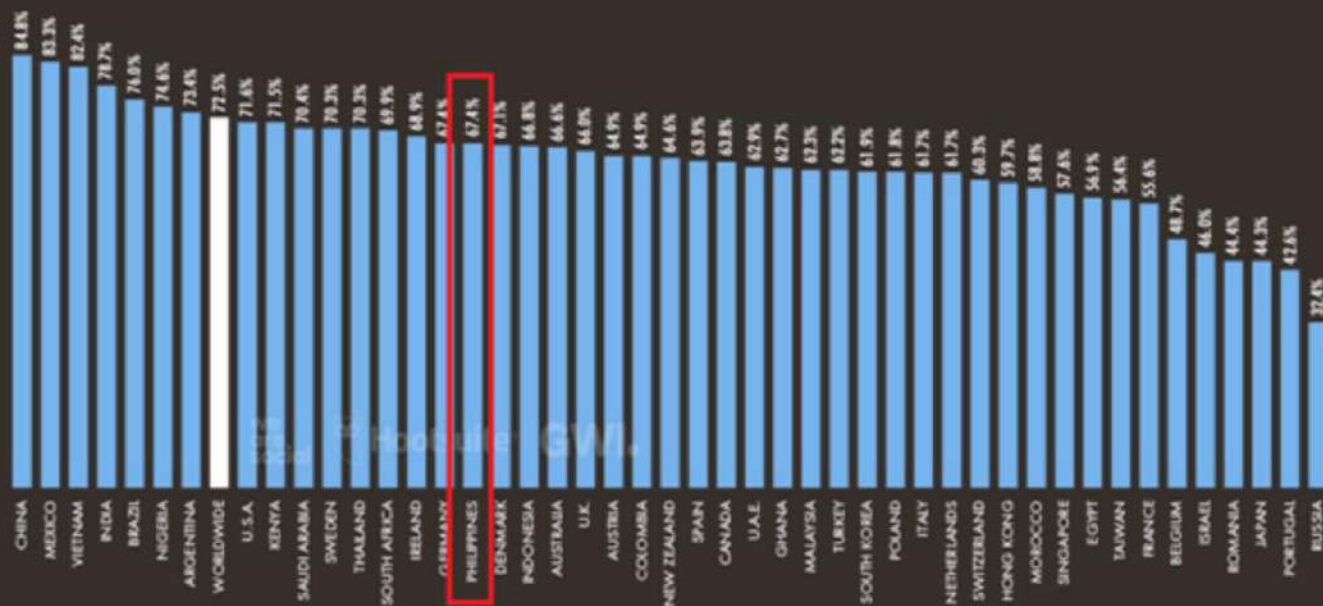
...BUT BELOW
AVERAGE IN
TERMS OF
PAYING FOR
DIGITAL
CONTENT

Global 2021 Global Overview Report | January 2021 | v3

JAN
2021

PAYING FOR DIGITAL CONTENT

PERCENTAGE OF INTERNET USERS AGED 16 TO 64 WHO HAVE PURCHASED ANY TYPE OF DIGITAL CONTENT* IN THE PAST MONTH



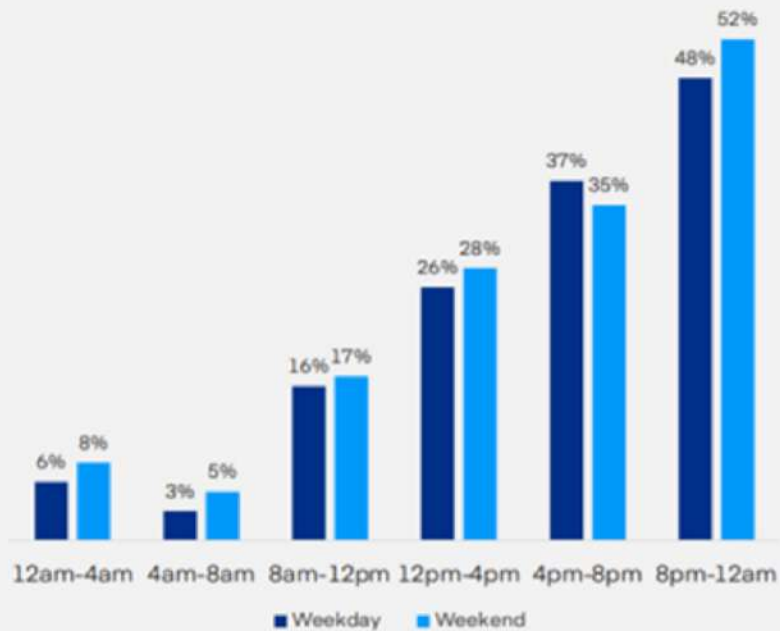
PHL SNAPSHOT: OTT

OTT users	~36 million
OTT penetration (amongst all consumers surveyed in PHL)	34%
Heavy users (watches at least 4 hours per day)	32%



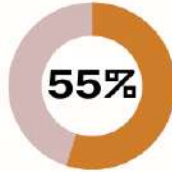
Source: Cited by Kantar and The Trade Desk (The Future of TV: A report on the state of OTT in the Philippines)

Timeslots for viewing OTT in a day

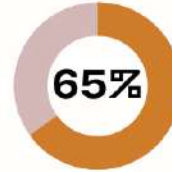


Source: Cited by Kantar and The Trade Desk (The Future of TV: A report on the state of OTT in the Philippines)

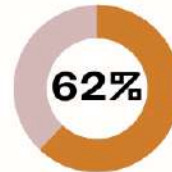
OTT adoption expected to continue rising after pandemic in the PHL:



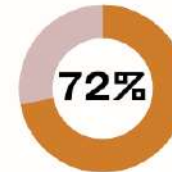
of OTT viewers
are watching
more during the
pandemic.



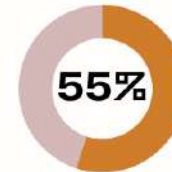
of viewers plan
to maintain or
increase watch
time.



of Filipino OTT
viewers say
their favourite
shows are on
OTT



OTT viewers in
the Philippines
use more than
one OTT platform.



of OTT views
use at least one
ad-supported
platform.

Source: Cited by Kantar and
The Trade Desk (The Future of
TV: A report on the state of OTT
in the Philippines)

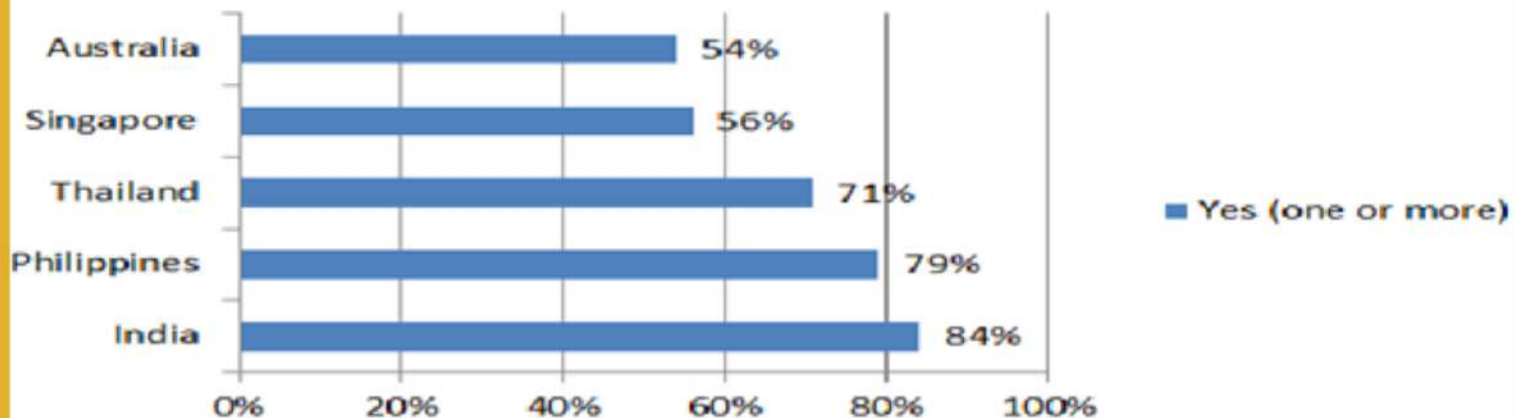
Which paid media services do you have bundled with or added to your telecoms subscription?



Source: Ovum

Source data: Amdocs' commissioned consumer survey, 787 total respondents in the Philippines

Do you subscribe or have access to paid online video services?

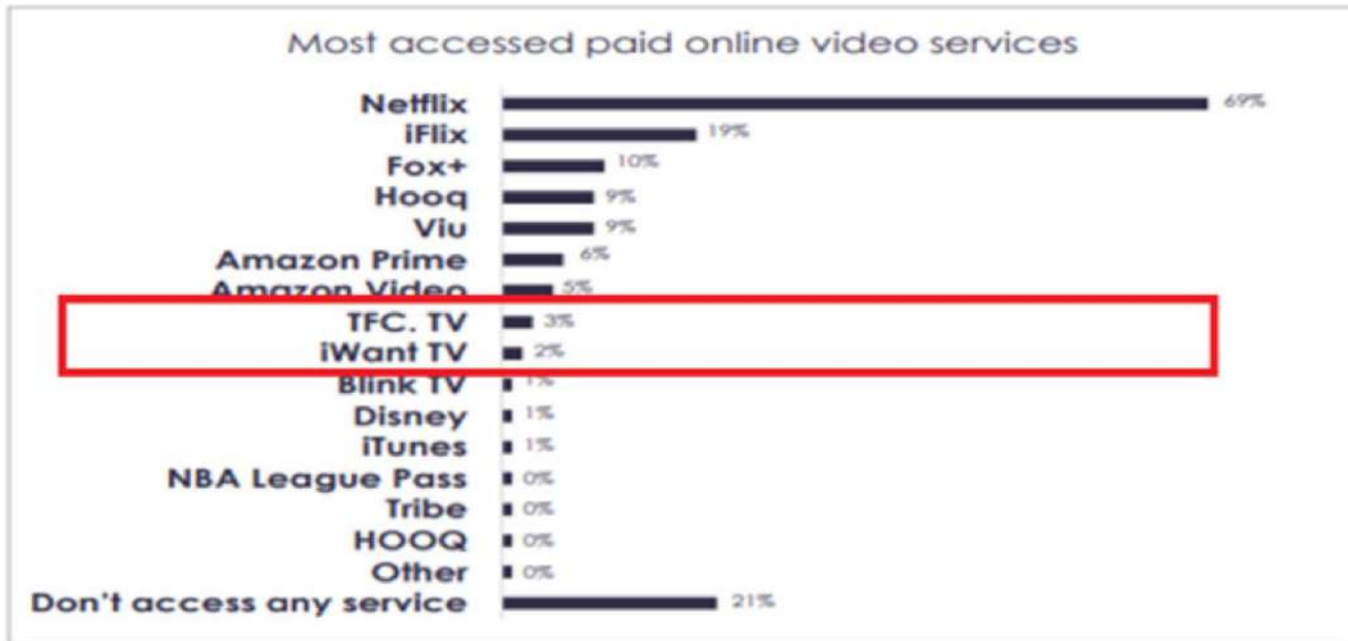


Source: Ovum

Source data: Amdocs' commissioned consumer survey.
(787 respondents in the Philippines)

AS OF END-2019

Foreign brands, both regional and global, dominate viewership numbers in the Philippines



Source: Ovum

Source data: Amdocs' commissioned consumer survey, 787 total respondents in the Philippines

Piracy

BusinessWorld

TOP STORIES CORPORATE STOCK MARKET BANKING ECONOMY MARKETS THE NATION WORLD OPINION INFOGRAPHICS
B-SIDE PODCASTS SPARKUP SPOTLIGHT LABOR PROPERTY AGRIBUSINESS HEALTH ARTS & LEISURE TECHNOLOGY VELOCITY
SPECIAL FEATURES SPORTS

Home > One News > Half of Filipinos use legal streaming websites — survey

ONE NEWS TOP STORIES

Half of Filipinos use illegal streaming websites — survey

October 16, 2020 | 12:31 am

WHILE LEGAL SVOD MONETIZATION IS GROWING, PIRACY REMAINS PERVASIVE IN THE PHILIPPINES

SVOD Revenue* & Loss to Piracy



- Legal SVOD is growing led by players such as Netflix, Viu, HBO Go, Prime Video and others
- Disney+ Hotstar and homegrown VIVA is set to launch in 2021
- But piracy is depriving SVOD of US\$120M in revenue pa, >90% of the current legal opportunity

Note: *SVOD Revenue includes D2C fees & bundled wholesale

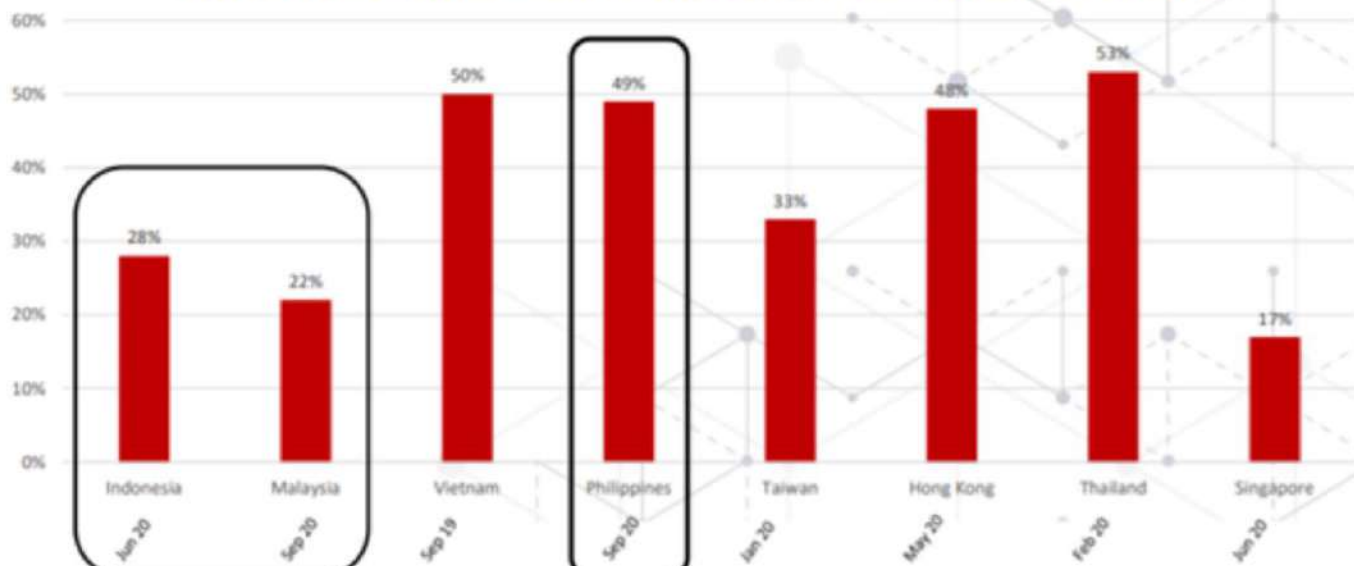
Source: Media Partners Asia

Philippines Piracy Landscape

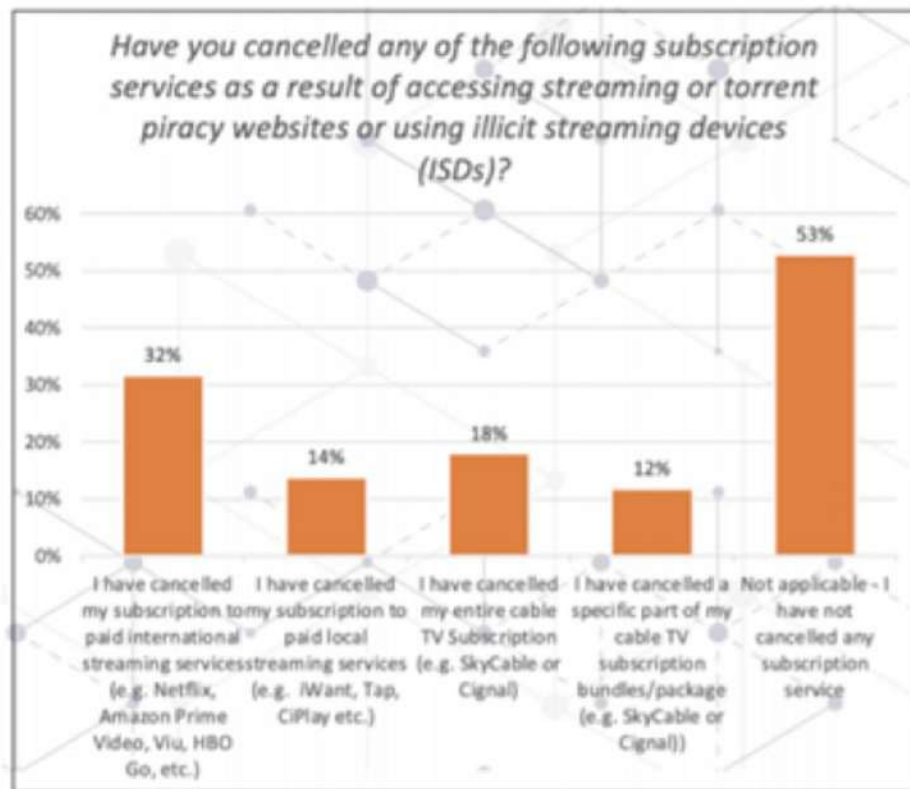
YouGov September 2020 survey

avia cap
ASIA VIDEO MARKET ASSOCIATION

% OF CONSUMERS WHO ADMIT HAVING ACCESSED PIRACY STREAMING SITES



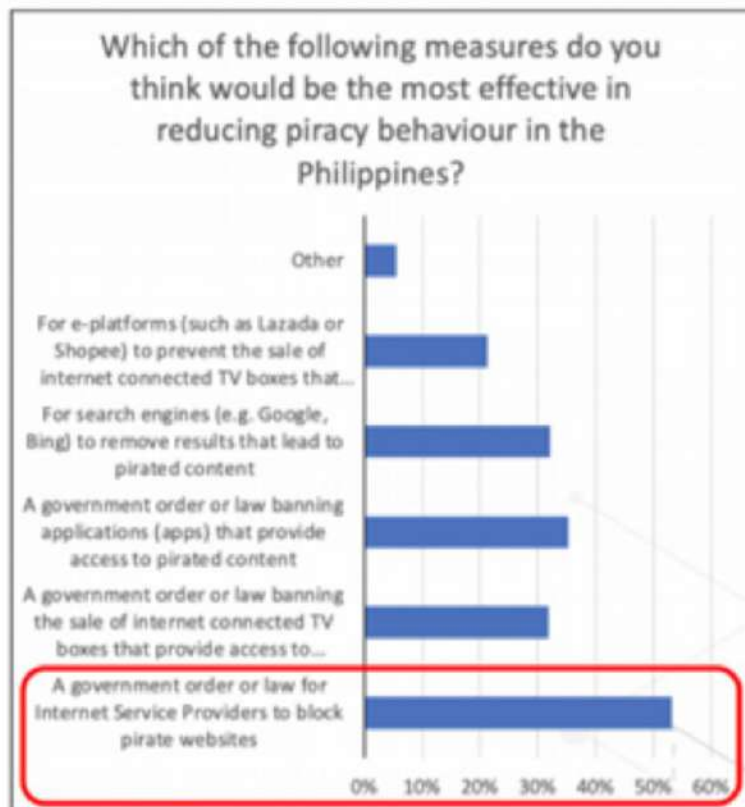
Philippines Piracy Landscape



47% of consumers who accessed piracy sites cancelled their subscriptions to either local or international content services

Source: YouGov

The most effective measure to reduce piracy?



53% of online Filipino consumers agreed that the most effective measure to reduce piracy behaviour in the Philippines was a *“government order or law for ISPs to block pirated websites”*

Source: YouGov



SENATE OF THE PHILIPPINES

18th Congress

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18th Congress

Senate Bill No. 497

PHILIPPINE ONLINE INFRINGEMENT ACT

Filed on July 15, 2019 by Sotto III, Vicente C.

[Overview](#) | [Committee Referral](#) | [Leg. History](#) | [All Information](#)

Long title

AN ACT ENABLING THE INTELLECTUAL PROPERTY OFFICE THROUGH THE NATIONAL TELECOMMUNICATIONS COMMISSION TO CANCEL LICENSES OF INTERNET SERVICE PROVIDERS THAT ALLOW WEBSITES TO INFRINGE OR TO FACILITATE INFRINGEMENT OF COPYRIGHT

Download

- SBN-497, as Filed
8/1/2019 3.7MB

Scope

National

Legislative status

Pending in the Committee (8/5/2019)

Legislative Documents

- Bills
- Resolutions
- Journals
- Committee Reports
- Republic Acts
- Adopted Resolutions
- Treaties
- Statistical Data

Note

If you prefer to use a more advanced search, please use the Legislative Information System.

What we can glean on the data?

- 1 TV viewership has gone down on the aggregate compared with pre-pandemic level, albeit it is showing signs of recovery a year after.
- 2 Despite the lack of data on Pay TV for 2020, extrapolating from the 2019 data suggest it would have likely continued its growth trajectory had it not been for the pandemic. (It would have still been possible for the overall segment to grow given the growth in Cignal TV's subscriber base that year)
- 3 OTT providers have benefitted from the trend of going digital amid the pandemic. Constraints on internet speed and infrastructure suggests there is still room for growth in this segment.
- 4 The country's relatively-low internet penetration rate may also suggest that Pay TV can still coexist with OTT. (No cutting of cord yet)
- 5 Rather than think of the situation as a zero-sum game, both segments would benefit if video piracy is addressed.

Thank you.

