

29% of Indonesian consumers use pirated TV boxes, survey finds

FOR IMMEDIATE RELEASE – Jakarta, 21 Mar 2019 – In a recent study of the online content viewing behaviour of Indonesian consumers, it was revealed that 29% of consumers use a TV box which can be used to stream pirated television and video content. These TV boxes, also known as Illicit Streaming Devices (ISDs), allow users to access hundreds of pirated television channels and video-on-demand content. Such illicit streaming devices often come pre-loaded with pirated applications which are either free or charge low subscription fees, which then provide ‘plug-and-play’ access to pirated content. The survey found that IndoXXI Lite, LiveStream TV and LK 21 Reborn are among the most popular pirate applications amongst Indonesian consumers. More alarmingly, 55% of respondents admitted to using free streaming services, with the IndoXXI Lite app (29%) in particular representing a larger userbase than all local legitimate online video platforms combined (19%).

The survey, commissioned by the Asia Video Industry Association’s (AVIA) Coalition Against Piracy (CAP), and conducted by YouGov, also highlights the detrimental effects of streaming piracy on legitimate subscription video services. Of the 29% of consumers who purchased an illicit streaming device for free streaming, two in three (66%) stated that they cancelled all or some of their subscription to legal pay TV services. Specifically, 33% asserted that they cancelled their subscriptions to an Indonesian-based online video service as a direct consequence of owning an ISD. International subscription services, which include pan-Asia online offerings, were also impacted – more than one in three (31%) Indonesian users abandoned subscriptions in favour of ISD purchases.

The surge in popularity of ISDs is not unique to Indonesia. Similar YouGov consumer research has been undertaken in other South East Asian countries where high levels of ISD usage was also found: 15% of Singapore consumers, 20% of Hong Kong consumers, 25% of Malaysian consumers, 28% of Filipino consumers and 34% consumers of Taiwanese consumers use a TV box which can be used to stream pirated television and video content.

“The illicit streaming device (ISD) ecosystem is impacting all businesses involved in the production and distribution of legitimate content”, said Louis Boswell, CEO of AVIA. “ISD piracy is also organised crime, pure and simple, with crime syndicates making substantial illicit revenues from the provision of illegally re-transmitted TV channels and the sale of such ISDs. Consumers who buy ISDs are not only funding crime groups, but also wasting their money when the channels stop working. ISDs do not come with a ‘service guarantee’, no matter what the seller may claim.”

Roy Soetanto, Chief Marketing Officer of CATCHPLAY Indonesia stated: “Putting a stop to piracy will need the cooperation of the whole industry. It has been a pleasure for CATCHPLAY to have the opportunity to work with AVIA and be a part of this important initiative to support the anti-piracy movement”.

The damage that content theft does to the creative industries is without dispute. However, the damage done to consumers themselves, because of the nexus between content piracy and malware, is only beginning to be recognised. In late 2018, the European Union Intellectual Property Office released a report on malware found on suspected piracy websites and concluded that such websites “commonly distribute various kinds of malware luring users into downloading and launching such files”. The research, which worked closely with the European Cybercrime Centre at Europol,

concluded that *“the threat landscape for malware distributed via copyright-infringing websites is more sophisticated than it might appear at first glance”*.

Cancelling legitimate subscription services and paying less for access to pirated content is fraught with risks, as Neil Gane, the General Manager of AVIA’s Coalition Against Piracy (CAP), comments, “Piracy websites and ISDs typically have a click-happy user base, and are being used more and more as clickbait to distribute malware. Unfortunately the appetite for free or cheap subscription pirated content blinkers users from the very real risks of malware infection.”

Of those consumers who own an ISD, more than two in five of respondents (44%) claim to have purchased their ISD from one of the largest Southeast Asia-based ecommerce stores. Also, one in three (31%) of ISD owners say they acquired their devices via one of the world’s most popular social media platforms.

In addition to the short-term problem of cancelled subscriptions is a longer term problem – namely, many of the cord-cutters are young. The survey found that free streaming apps are particularly favoured among 18-24 year-olds, with almost two in three (58%) cancelling legitimate subscription services as a result of owning ISDs, especially international online subscriptions (34%).

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About the Asia Video Industry Association

The Asia Video Industry Association (AVIA) is the trade association for the video industry and ecosystem in Asia Pacific. It serves to make the video industry stronger and healthier through promoting the common interests of its members. AVIA is the interlocutor for the industry with governments across the region, leads the fight against video piracy and provides insight into the video industry through reports and conferences aimed to support a vibrant video industry. AVIA evolved from Casbaa in 2018.

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