

The Future of TV



A report on the state
of OTT in the Philippines

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What is OTT anyway?

For the purpose of this report,

OTT is defined as a platform for watching professional video content over the internet.

OTT provides users with the freedom to choose what they want to watch, when they want to watch, and on which device they want to watch the content.

60%

of the world's mobile phone video viewership will take place in Asia in 2023 versus 8% in North America

OTT IN THE PHILIPPINES, BY THE NUMBERS

How we conducted the survey

4,500+

consumers in Southeast Asia were asked about their media consumption habits

2,400+

OTT viewers aged 16+ who have watched OTT from June – September 2020 were included

6

countries were covered across Southeast Asia, including Philippines, Malaysia, the Philippines, Singapore, Thailand, and Vietnam

12

expert interviews were conducted with OTT players, media buyers, and partners in Southeast Asia



OTT IN THE PHILIPPINES

Filipinos stream 2 billion hours of OTT per month

36M

OTT users in the country

34%

OTT penetration amongst all consumers surveyed in the Philippines

32%

are heavy users who watch >4 hours per day

1 United Nations Department of Economic and Social Affairs (UN DESA), Total Population, 2020, 2. UN DESA, % of Population at Mid-Year Residing in Urban Areas, 2020, 3. Euromonitor, GDP Philippines, 2020, 4. We Are Social Digital 2020 Philippines, 2020



OTT IN THE PHILIPPINES

There are more women than men watching OTT – but men are more likely to be heavy users

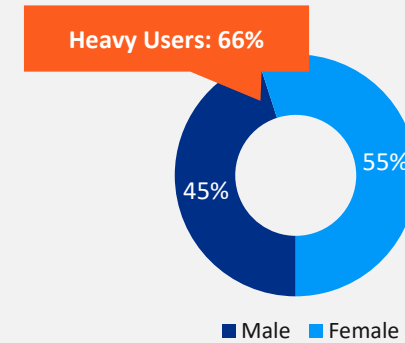
Philippines has a large proportion of female viewers in Southeast Asia. 55 percent of OTT users are women, vs 52 percent across SEA.

However, 66% of heavy users are men, watching four or more hours a day.

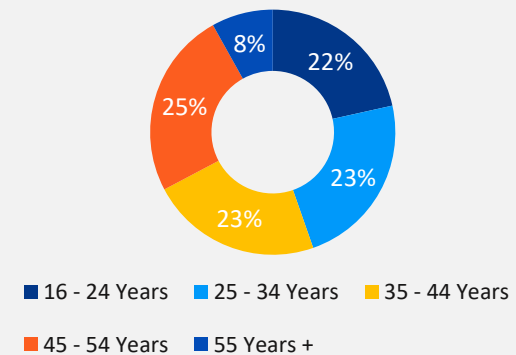
20 million

Women using OTT

OTT viewers by gender



OTT viewers by age group



OTT IN THE PHILIPPINES, BY THE NUMBERS

OTT adoption expected to continue rising after pandemic

COVID-19 has accelerated OTT adoption. More than half of OTT viewers say they're streaming more OTT since the pandemic began.

65% of viewers plan to maintain or increase watch time after COVID.

55%

of OTT viewers are watching more during the pandemic

65%

of viewers plan to maintain or increase watch time



OTT IN THE PHILIPPINES

OTT adoption is on the rise in Southeast Asia and in the Philippines. Here's why.



Increasing connectivity

Better infrastructure and lower fees due to intense competition are increasing adoption of high-speed internet services. The cost of mobile data and broadband has declined by about 40 percent since 2018, making streaming more accessible while bringing more viewers online.^{1,2}



Rising disposable income

Steady economic growth in the region is producing a middle class more willing to spend on entertainment. 50 million new consumers will join the ranks of the middle class in Indonesia, Malaysia, the Philippines, Thailand, and Vietnam by 2022.³



Growth of ad-supported services

More OTT players in the region are offering free ad-supported video services to cater to the price sensitivity of Southeast Asian consumers and their greater tolerance for ads. By 2024, 74 percent of online video revenue in the region is expected to come from advertising.⁴



Greater content variety

Southeast Asian consumers benefit from both popular international content and a growing library of high-quality regional and local content. OTT players are expected to spend nearly \$4 billion on local content by 2022.⁵

OTT IN THE PHILIPPINES

OTT is disrupting TV primetime

OTT viewership is challenging traditional TV primetime. In Philippines, 50% percent of all OTT viewers prefer to tune in between 8pm and 12am.

22% OTT viewers report that they haven't watched traditional TV at all from June – September 2020, the second-highest SEA.

8-11pm

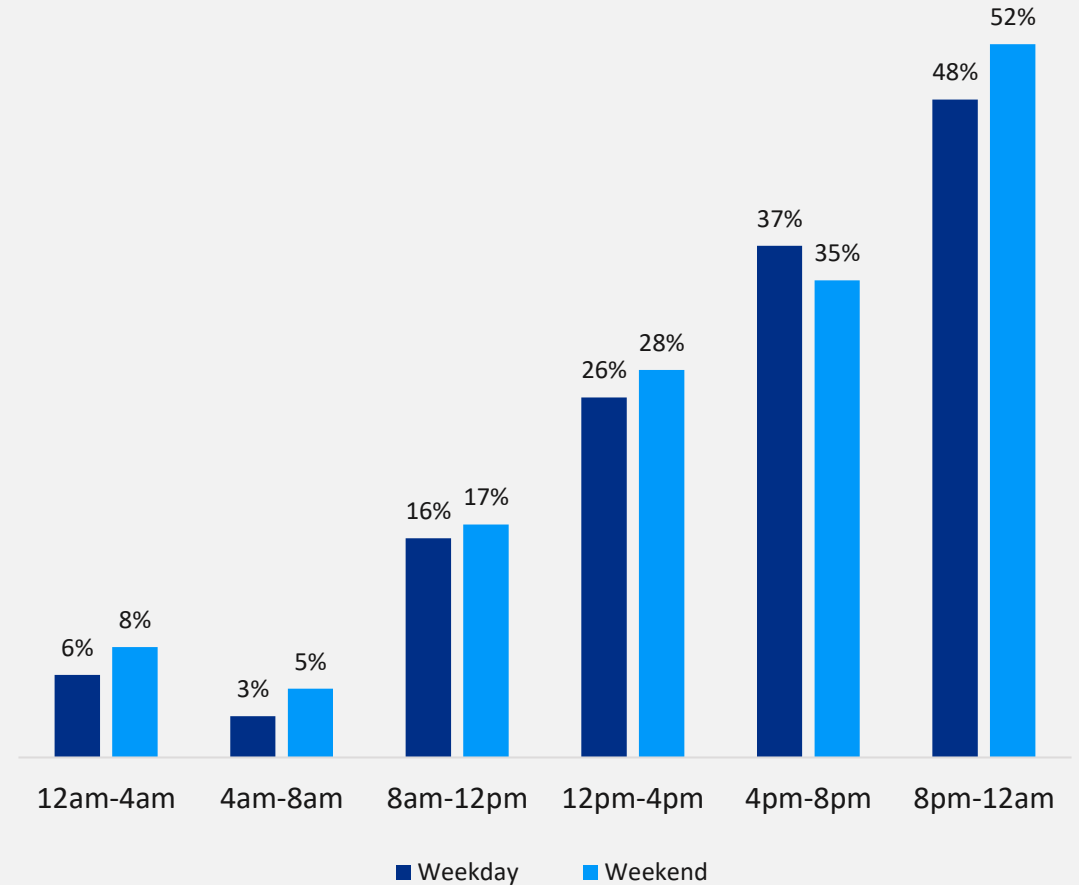
Primetime slot for traditional TV¹

22%

of OTT viewers did not watch traditional TV in the past 3 months

1. Nielsen, What time is really primetime, 2011
The Trade Desk: Future of TV survey (Number of people using at least 1 OTT platform in P3M = 400)

Timeslots for viewing OTT in a day



OTT IN THE PHILIPPINES, BY THE NUMBERS

Viewers find their favorite programming on OTT

Filipino OTT viewers are more likely to say that their favorite shows are on OTT than on traditional TV (54 percent).

62%

of Filipino OTT viewers say their favorite shows are on OTT



OTT IN THE PHILIPPINES, BY THE NUMBERS

Filipino consumers embrace ads for free content

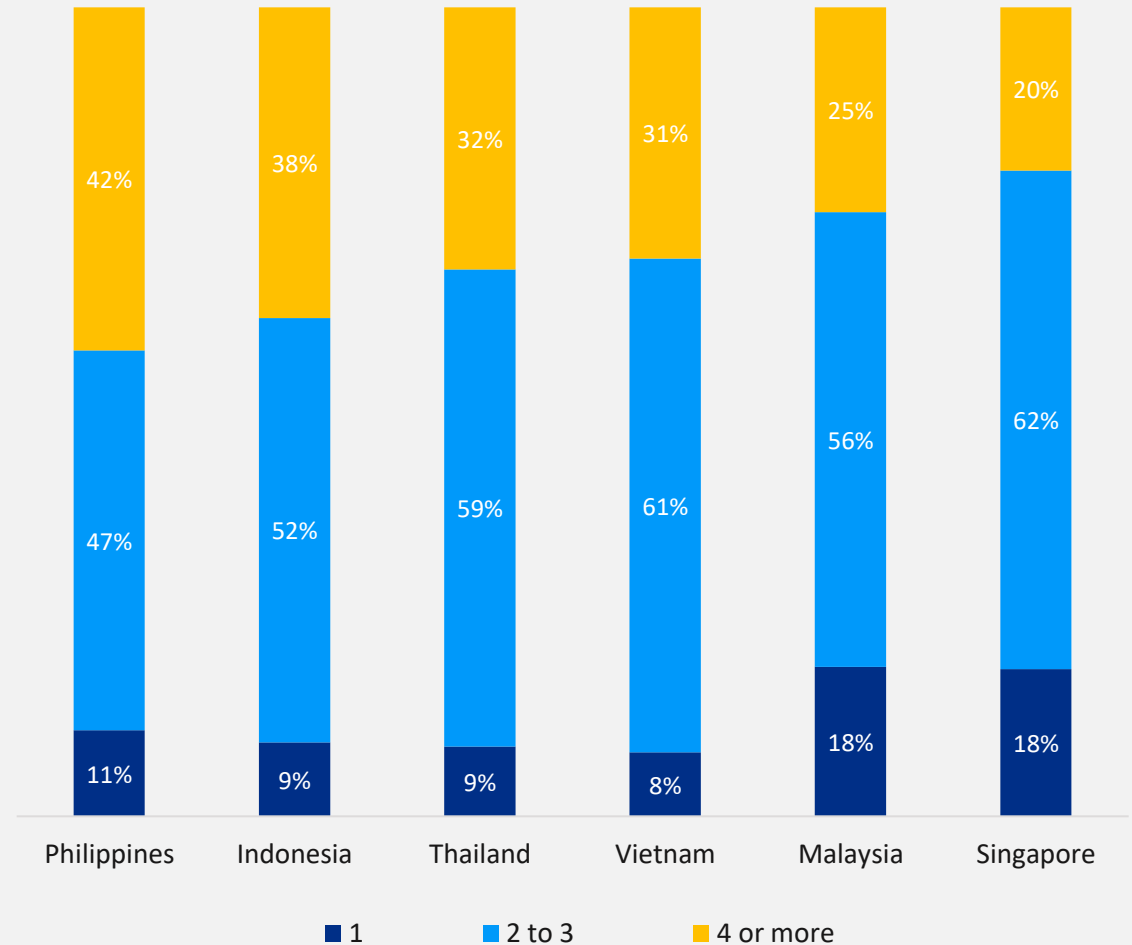
42% will watch four or more ads for each hour of free content, the highest in SEA.

88%

of Filipino OTT viewers are open to viewing ads in exchange for free content

The Trade Desk: Future of TV survey (Number of people using at least 1 OTT platform in P3M = 2400)

No. of acceptable ads per hour of free content



OTT IN THE PHILIPPINES

20 million Filipinos use ad-supported OTT platforms

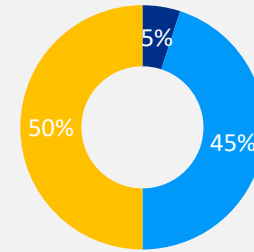
55% of OTT viewers use at least one ad-supported platform.

iWant leads market share among platforms that offer ad-supported viewing, followed by regional players iflix and Viu.

72%

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

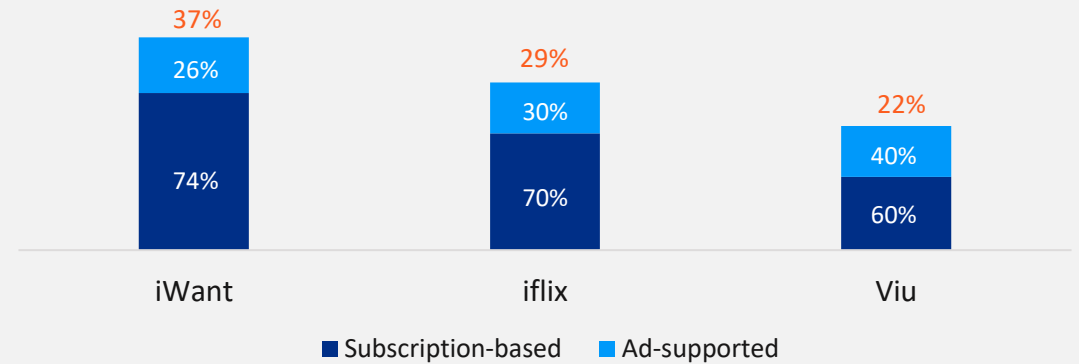
How viewers access OTT platforms



■ Ad-supported only ■ Subscription only ■ Both

Top OTT brands offering ad-supported model

(% share of all OTT viewers)



■ Subscription-based ■ Ad-supported

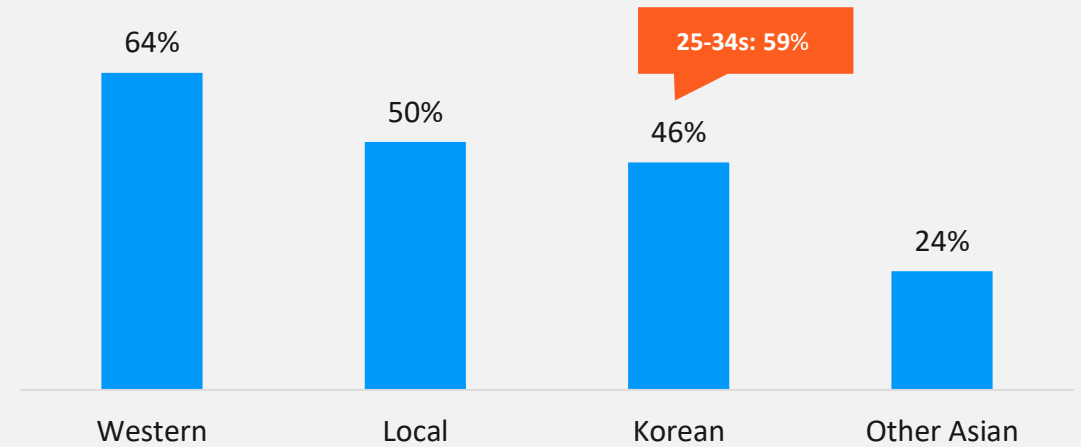
OTT IN THE PHILIPPINES

Korean content is almost as popular as local programming

While nearly two-thirds of OTT viewers watch Western content, local and Korean content also drive viewership.

Korean content is particularly popular among viewers aged 25-34.

Top 5 content types, by origin



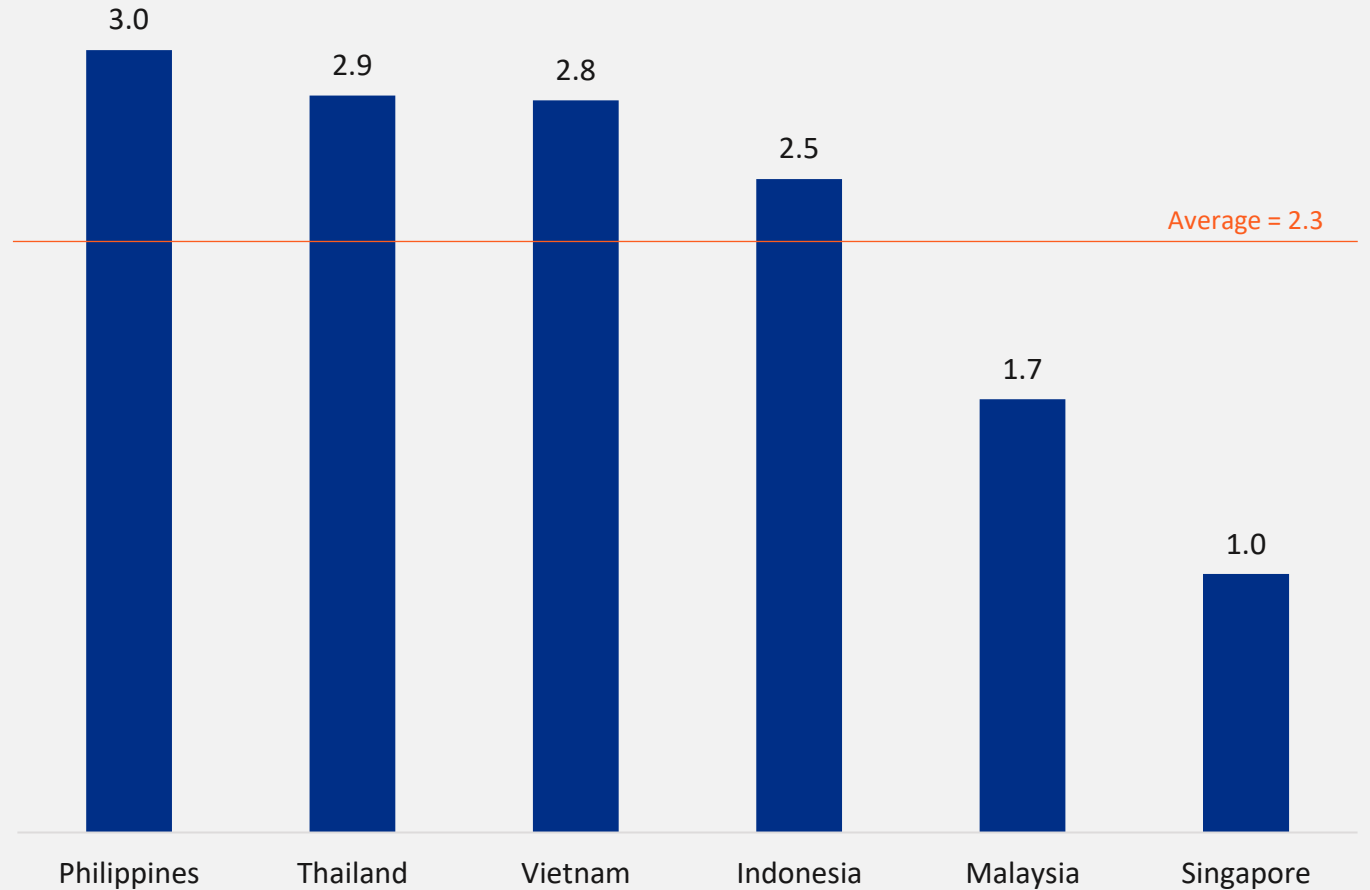
REGIONAL OVERVIEW

The Philippines is the most attractive market for OTT advertisers in SEA

We have developed an OTT Advertising Attractiveness Index, ranking markets using criteria across five areas: OTT usage, satisfaction, ad response, connectivity, and consumer profile.

The Philippines outranks all other markets in SEA in OTT advertising attractiveness.

OTT Advertising Attractive Index



About The Trade Desk and Kantar

The Trade Desk helps brands and their agencies advertise to audiences across millions of ad-supported apps, websites, and streaming providers — all around the world. Their media buying platform is focused solely on the buy side, empowering advertisers with data, transparency, and precision to reach and grow their audience everywhere. And helping to power the content that fuels the free and open internet.

Kantar is the world's leading marketing data, insight, and consultancy company. Part of WPP, the company's services are employed by over half of the Fortune 500 companies in 100 countries. Their global team of consultants blend people expertise and industry experience to build solutions that help drive incremental growth for our clients. This document is developed in partnership with the Consulting Division, located in Singapore.



For more information, contact us at info@thetradedesk.com

Methodology

The data highlighted in this report comes from The Trade Desk platform, publicly available data and a custom customer survey. This report was commissioned by The Trade Desk and carried out by the market research company, Kantar. Kantar conducted a survey among 4,500 consumers, ages 16+ in the Philippines, Singapore, Malaysia, Vietnam, Thailand, and Indonesia in September 2020.



For more information, contact us at info@thetradedesk.com