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Consumer demand for personalisation and tech advances drives innovation in entertainment and media industry

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Wednesday, 12 June 2019 – PwC's [Global Entertainment & Media Outlook 2019–2023](#) forecasts that in Singapore, entertainment and media (E&M) revenues will rise at a compound annual growth rate (CAGR) of 3.7% over the next five years, from S\$8.0 billion in 2018 to S\$9.6 billion in 2023.

The [Outlook](#)—which provides revenue data and forecasts for 14 industry segments across 53 territories – projects that total global spending on E&M will rise at a CAGR of 4.3% over the next five years, to 2023. This growth rate will see the industry’s global revenue reach S\$3.6tn (US\$2.6tn) in 2023, up from S\$2.9tn (US\$2.1tn) in 2018.

The five year growth forecast for Singapore (3.7%) remains slower than its Southeast Asian peers such as Indonesia (9.4%), Philippines (6.2%), and Vietnam (7.1%). The rising affluence across developing Southeast Asian countries is creating demand in the consumer markets which trickles to both increased advertising spend and greater consumer ability to spend on E&M services.

When it comes to consumer and advertising spend^[1], it’s no surprise the three fastest growing markets globally are in Asia with India, Indonesia and China coming in at a CAGR of 9.9%, 9.3% and 7.7% respectively.

Oliver Wilkinson, Entertainment & Media Leader, PwC Singapore says:

“It’s become cliché to speak of how heterogeneous are the countries of Asia. There are indeed stark differences in the E&M industry across our region, with rapid-growth in Indonesia and mature Singapore. The common denominator across all these markets, however, is the onward march of digital revenue, which is increasingly becoming more important.”

Digital revenues to surpass non-digital revenues by 2023

In Singapore, digital consumer and advertising revenue is expected to grow at a rate of 11.7% over the next five years reaching S\$2.9bn, while non-digital is set to decline at a rate of 1.8%.

As consumers and businesses continue to shift their spending to digital media, the share of digital consumer and advertising spend is forecast to increase from 36% in 2018 to reach 51% in 2023, marking the first year where consumer and advertising spend in digital surpasses non-digital in Singapore.

Over the next five years, Singapore consumers are forecast to almost double their spending on digital E&M by 2023 at a growth rate of 12.7% (from

S\$1.05bn in 2018 to S\$1.90bn in 2023) while internet advertising will see strong growth at 10% per annum from S\$511mn in 2018 to S\$823mn in 2023. The marked growth of internet advertising will make it more than five times the size of TV advertising by 2023 (S\$150mn). While digital in Singapore is set to account for 47% of total advertising in 2023, the country trails behind emerging markets such as Indonesia and China where digital advertising will account for 68% and 80% of total advertising spend respectively.

In Singapore, traditional E&M players including publishers, broadcasters and Telcos have been moving towards providing more digital services to engage the consumers where they are at. The ease of engaging online is also boosting the presence of native online platforms with more and more publishers going on social media to capture audiences.

How reflective of the phrase “the medium is the message”, coined by McLuhan in 1964. With the proliferation of social media today, this medium has come back around to affect the way content is created and distributed, changing social behaviour.

Rapid growth of streaming services in both video and music

Global consumer spend on OTT video services hit S\$52.3bn in 2018, and is forecast to almost double by 2023 to S\$99.7bn. In Singapore, OTT segment is expected to grow at a rate of 17.6% (from S\$272mn in 2018 to S\$611mn in 2023) at the expense of Traditional TV and home video segment, which is expected to contract at a rate of 4.9% (from S\$512mn in 2018 to S\$399mn in 2023).

Not only will OTT consumer spending surpass Traditional TV and home video in Singapore for the first time in 2021, it is expected to be over 50% greater than traditional TV and home video by 2023.

OTT video is forecast to be the fastest expanding E&M segment in Singapore in the next five years, driven by consumers' growing appetite for on-demand video content and their increasing acceptance of subscription model.

Subscription-based music streaming services have also proven to be a large

growth driver with music streaming growing at 15.3%. This push brings forecasts for the music industry in Singapore to 6.7% growth over the next five years, set to overtake TV advertising (S\$147mn) in 2021, with the segment's 2021 revenues projected at S\$155mn.

Oliver Wilkinson, Entertainment & Media Leader, PwC Singapore says:

“Just five years ago, when piracy was more common, the industry was very sceptical about the viability of streaming services with a paid subscription model. How the tables have turned today where these services are spurring both video and music industries. This is also just one example of many of the pace of change of the Entertainment & Media industry.”

The convergence of personalisation and socialisation

The underlying shift that's reshaping and reorienting the entire industry is the acceleration of the changing human behaviour towards personalised consumption. At one level, the new world of E&M appears more isolated, with growing numbers of people engrossed in their own choice of content. Where in the past, families may have collectively consumed content either in front of the radio or the TV, now consumption happens increasingly on a personal level on one's own device. But there's also a dimension of personalisation that's inherently social, as people share playlists on music-streaming services, recommend movies to friends on social platforms or engage in multi-user video game battle royales.

In Singapore, we are also seeing this trend of increased socialisation through communities of interest – be it interest in the same music genres, movie franchises or video games. These segments are forecast to continue on the uptrend in Singapore with live music expected to grow at 4.1% and cinema at 3.6% over the next five years.

Video games in Singapore is growing comfortably with the segment set to grow 9.2% from S\$754mn 2018 to S\$1,170mn 2023. Unsurprisingly a new sub-segment rapidly spurring this on is e-sports where advanced markets such as China and the US are seeing five-year growth rates of 21.0% and 18.4% respectively.

Companies are now finding ways to design offerings and business models to

revolve around those personal preferences and create the right communities of interest. In a fundamental shift, they will need to monetise this trend by leveraging data and usage patterns to pitch their products not at audiences of billions, but at billions of individuals.

The result is an emerging world of media that's more personal than ever before: one in which empowered consumers control their own media consumption via an expanding range of smart devices, curate their personal selection of channels via over-the-top (OTT) services and bring more media content into their lives by embracing the smart home and connected car. It's also an increasingly mobile world, soon to be augmented by 5G networks.

Mark Jansen, Technology, Media and Telecommunications Leader, PwC Singapore concludes:

“5G's impact will be felt along the entire TMT value chain over the next decade, fuelling growth in spending on mobile Internet. It will hasten the trend towards personalisation – making it easier, more convenient and cheaper to access E&M on phones and other mobile devices.”

-ENDS-

Notes to editor

[\[1\]](#)Excluding internet access

Data is taken from 2018 and projections forecast data for years 2019 to 2023.

Unless otherwise indicated, please assume:

- Figures are based on Singapore data
- Values are in Singapore dollars
- Growth rates are compounded annually on a five year basis

View the Singapore highlights for the Global Entertainment & Media Outlook here: <https://www.pwc.com/sg/outlook>

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About the *Global Entertainment & Media Outlook*

PwC's 20th annual edition of the *Global Entertainment & Media Outlook* is a comprehensive online source of global analysis for consumer and advertising spending. With like-for-like, five-year historical and five-year forecast data and commentary for 14 defined industry segments in 53 territories, the *Outlook* makes it easy to compare and contrast consumer and advertising spending across segments and territories. Find out more at www.pwc.com/outlook.

Segments covered by the *Global Entertainment & Media Outlook*

Books; Business-to-business; Cinema; Data consumption; Internet access; Internet advertising; Music, radio and podcasts; Newspapers and consumer magazines; OTT video; Out-of-home advertising; Traditional TV and home video; TV advertising; Video games and esports; Virtual reality

About *Global Entertainment & Media Outlook* data

Much of the content in this press release is taken from data in the *Global Entertainment & Media Outlook 2019–2023*. PwC continually seeks to update the online *Global Entertainment & Media Outlook* data. Therefore, please note that the data in this press release may not be aligned with the data found online. The online *Global Entertainment & Media Outlook 2019–2023* is the most up-to-date source of consumer and advertising spend data.

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