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## Enhanced user experiences, driven by data, will determine success for the entertainment and media industry in Singapore: PwC

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**Wednesday, 7 June 2017** – Total worldwide entertainment and media revenues will rise at a compound annual growth rate (CAGR) of 4.2% in nominal terms over the coming five years, from US\$1.8 trillion to US\$2.2 trillion in 2021, according to PwC’s [Global entertainment and media outlook 2017–2021](#).

In Singapore, entertainment and media revenues will rise at an overall CAGR of 4.7% over the next five years, from US\$5.6 billion in 2016 to US\$7.1 billion in 2021.

### **Internet advertising in Singapore is growing fast – but still trailing behind global benchmarks**

Globally, 2016 has marked the tipping point at which internet advertising now generates more revenue than TV advertising. That lead, thanks to the rapid growth of mobile advertising revenues in particular, is set to increase significantly in the next five years at a CAGR of 9.8%.

Singapore, however, is a long way behind the global averages in this respect. In Singapore, internet advertising still represents only 14.7% of total advertising spend (vs 25.9% in Japan and 53.6% in China, for example). Rather, it is print advertising spend that remains the largest advertising segment in Singapore (representing 44.5% of total advertising spend).

Nonetheless, the direction is clearly moving towards internet advertising, and the speed of the journey has recently accelerated. Internet advertising in Singapore is forecast to grow 11.3% per annum to 2021. By contrast, overall print advertising is expected to decline by 2.1% per annum over the next five years.

## **Consumers spend more on video games than on TV**

2016 also marked a tipping point in which consumer spend on video games has overtaken consumer spend on TV in Singapore (which combines TV subscriptions, over-the-top and video on demand). 2016 saw consumer spend on video games in Singapore reach US\$368million and is forecast to rise to US\$489million in 2021.

There are many factors that have contributed to this. On the TV side, spending is down as consumers reject traditional large-bundle subscriptions in favour of viewing content online (both paid and pirated) and social media. However, it is on the side of video games that we have seen the biggest change. The profile of the typical gamer has changed from being a young male, probably playing to beat a computer, to a casual gamer from all demographic segments. Spend per transaction is low, but in-app purchases add up to form a considerable market. 60.0% of Singapore video game spend comes from casual or social games.

### **Live events**

Consumer spend on live events in Singapore (box office and live music) is forecast to grow over 4% per annum over the next five years, almost double the rate of total entertainment and media consumer spend.

Oliver Wilkinson, Entertainment and Media Leader, PwC Singapore comments:

“At a time when entertainment and media is becoming more virtual, consumers in Singapore continue to value live experiences. Singapore now has venues, such as the National Stadium, which play host to the global stars, and consumers are snapping up these high-priced tickets more than ever before.”

### **Entertainment and media in Southeast Asia**

The media industry is diverse across its segments, and this diversity is

multiplied when you layer in the heterogeneous nature of the industry in the various markets of Southeast Asia. At one extreme, Myanmar has a nascent media industry but one that is now experiencing rapid acceleration and is attracting the interest of investors. For the first time, there are now a sizeable number of consumers that can afford to pay for media content – and a sizeable number of brands who are keen to advertise to them.

There were only five free-to-air TV channels broadcasting in Myanmar in 2009, but there are now over 20. Of the 6 million households with TVs nationwide, about a fifth have pay-TV. This means there are over 1 million pay-TV households (slightly above the 956,000 in Singapore). While the average revenue per user is very low, this is an exciting market for players in the media industry and has significant growth potential.

Indonesia remains the largest entertainment and media market in Southeast Asia, and is expected to be the highest growing market in the region (9.6% per annum over the next five years). Internet advertising is expected to grow significantly in the next five years, at a rate of 21.8% per annum to 2021.

Thailand's internet advertising market is forecast to grow at a rate of 20.3% per annum between 2016 and 2021. Moreover, video game spend in Thailand outstrips spend on pay-TV driven by high take-up of social and casual games, spending on which is expected to grow at a rate of 23.8% per annum in 2016-2021.

### **Technologies that deliver an enhanced consumer experience, and harness data insights, will transform the entertainment and media industry**

It is clear that future growth in the entertainment and media industry will be driven by platforms where consumers have the freedom of choice. Now, more than ever, industry players must be clear in the strategies they employ to engage consumers.

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

“It is a focus on user experience above all that will determine the winners and the losers. Embracing technology and data is not new – what is new is the focus on using both to enhance user experiences and interfaces. In

particular data analysis used right can enable the industry to shift from describing outcomes to predicting consumer trends and prescribing courses of action.”

**ENDS**

**Notes to editor:**

- 1. Please see attached fact sheet for more insights on the Singapore market
- 2. In this release and in the fact sheet, “CAGR” and “per annum” are used interchangeably.
- 3. References to Southeast Asia in this release comprise of the following markets – Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.
- **4. Press access to *Global entertainment and media outlook content online*** To request press access to the online *Global entertainment and media outlook 2017-2021*, contact Natalie Choo at [natalie.yl.choo@sg.pwc.com](mailto:natalie.yl.choo@sg.pwc.com) or Nicholas Braude at [nicholas.braude@pwc.com](mailto:nicholas.braude@pwc.com). This will allow you to illustrate this and other media stories both by extracting detail from the *Global entertainment and media outlook* dataset and analysis at a segment and country level, and by creating charts on-screen that can be exported for use with your stories.
- **5. About the *Global entertainment and media outlook*** PwC’s 18th annual edition of the *Global entertainment and media outlook 2017-2021*, is a comprehensive online source of global analysis for consumer and advertising spend. With like-for-like, five-year historical and five-year forecast data and commentary across 17 industry segments in 54 countries, the Outlook makes it easy to compare and contrast consumer and advertising spend across segments and countries. Find out more at [www.pwc.com/outlook](http://www.pwc.com/outlook).

- **6.Segments covered by the *Global entertainment and media outlook***

Books, Business-to-business, Cinema, Data consumption, E-sports, Internet access, Internet advertising, Internet video, Magazines, Music, Newspaper, Out-of-home advertising, Radio, Traditional TV and home video, TV advertising, Video game, Virtual reality.

- **7.About *Global entertainment and media outlook* data**

Much of the content in this press release is taken from data in the *Global entertainment and media outlook 2017-2021*. PwC continually seeks to update the online *Global entertainment and 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 and media outlook 2017-2021* is the most up-to-date source of consumer and advertising spend data.

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