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Internet advertising leads growth in Singapore Entertainment & Media Sector

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Internet advertising leads growth in Singapore Entertainment & Media Sector

Wednesday, 8 June 2016 – Total worldwide entertainment and media revenues will rise at a compound annual growth rate (CAGR) of 4.4% in nominal terms over the coming five years, from US\$1.72 trillion in 2015 to US\$2.14 trillion in 2020, according to PwC’s [Global entertainment and media outlook 2016–2020](#).

In Singapore, entertainment and media revenues will rise at an overall CAGR of 5.0% over the next five years, from US\$5.15 billion in 2015 to US\$6.58 billion in 2020. This growth rate represents a modest slow down from last year’s 5.2% overall growth. But a closer examination brings a different picture into focus. Entertainment and media is a dynamic and diverse industry with steady and sustainable growth. And while its strong aggregate growth is not shared equally by all participants, impressive growth can be found in many areas of the industry. Drastic slowdowns in some areas and stagnation in others coexist with spectacular expansion in ‘hot’ sectors that create a multi-shifting media landscape.

Singapore advertising

Singapore's overall advertising CAGR is forecasted at 4.4% over the next five years, projected to grow from US\$1.8 billion in 2015 to US\$2.2 billion in 2020. Growth in traditional advertising segments like TV and print is slowing in dollar terms, while Internet advertising in its various forms will rise at a CAGR of 15.5% over the next five years. This means that by 2020 total internet advertising revenue will reach US\$616mn. The Internet advertising growth in Singapore exceeds the equivalent global rate of growth which is 11.1% CAGR.

Display continues to be the largest internet advertising sub-component in Singapore, comprising 52.9% of total internet advertising revenue. Within display, the rate of growth for online video advertising will grow at a CAGR of 35.5%, more than twice the rate of other online display category, as online video consumption continues to grow across social networks, and more publishers sell video ad space inventory.

“Having lagged behind some of their global counterparts, advertisers in Singapore are now more fully embracing the opportunities afforded by online advertising especially in mobile and video”, commented Oliver Wilkinson, Entertainment and Media Strategy Director, PwC Singapore. He added “Consumers are also becoming more sophisticated, notably employing ad blocking technology, which means that advertisers and their agencies will need to constantly innovate on how they communicate brand messages effectively.”

The increase in Internet advertising share of total ad spend in Singapore is primarily at the expense of traditional publishing notably newspapers which while showing marginal growth of 0.2% CAGR in dollar terms is losing popularity as consumers move online. This is consistent with global trends. Attempts at replacing lost print ad dollars through new digital revenue streams have yet proven to be fully successful. Despite this shift, print media continues to command about 50.6% of total advertising spend in Singapore which compares with 30.4% globally.

While the popularity of internet advertising is inescapable, Singapore advertisers still employ multiple mediums and overall there is a strong media mix. Television advertising is also being stimulated by online engagement

and OOH advertising revenue will be driven by digital formats, forecasted to grow by a 12.1% CAGR from US\$56.9mn in 2015 to US\$100.8mn in 2020. There are further opportunities for the DOOH market to grow by utilising new technologies in advertisements to interact directly with consumers and even act as a point of sale.

As advertisers strive to maximise the effectiveness of their overall media spend, continued attention is being paid to the measurement of both stand alone and cross platform advertising. This is particularly noted in the measurement and evaluation of viewership of television content both online and traditional.

Singapore consumer spending

Demand for online delivery of content in Singapore continues to grow and the advanced infrastructure is facilitating this. Overall spending on internet access will increase at 7.9% reflecting the increased data volumes especially through mobile.

The major component of the increase in consumer attention online is video content. The launch of new services, both by existing pay-TV operators and new entrants, delivered over online platforms has helped stimulate overall demand. Consumer spending on TV and video services are forecast to grow at approximately 1.7% CAGR. In the long run it is hoped that the increased in eyeballs will also drive increased advertising but at this point it is not significant.

Oliver Wilkinson, Entertainment and Media Strategy Director, PwC Singapore comments:

“Singapore consumers are now enjoying even more choice of legitimate services as to where, when and how they consume their favourite content. Service providers will need to focus on improving the overall customer experience and enhancing the content offerings in order to meet the challenge of monetising this consumer demand.”

It is also notable that at a time when the digital delivery of content is mainstream, consumers still embrace live experiences. As an example in

Singapore, spending on live music events is expected to hit US\$47.2mn in 2020, increasing at a 3.7% CAGR over the forecast period. Similarly going to the movies still has great appeal as witnessed by the strong box office in 2015 when revenues increased by 18.1%, driven by enhancement in the movie going experience and quality content.

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Notes to Editor

Appended materials in press kit as follows:

- Appendix 1: Global Entertainment and Media Outlook 2016 – 2020, Singapore Fact Sheet
- Appendix 2: Summary of Outlook Insights (Global)

Press access to Outlook content online

To request press access to the online [Global entertainment and media outlook 2016-2020](#), contact Natalie Choo at natalie.yl.choo@sg.pwc.com. This will allow you to illustrate this and other media stories both by extracting detail from the 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.

About the Outlook

PwC's 17th annual edition of the [Global entertainment and media outlook 2016-2020](#), 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 13 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.

Much of the content in this press release is taken from data in the *Global entertainment and media outlook 2016-2020*. PwC continually seeks to update the online 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 2016-2020](#) is the most up-to-date source of consumer and advertising spend data.

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