

Q2 2023

NBCUniversal

UNDERSTANDING THE

Global Streaming Wars



A close-up photograph of a person's hand pointing at a tablet screen. The screen displays a grid of movie thumbnails, including titles like 'The Village', 'The Expendables', 'The Bourne Supremacy', 'The Bourne Ultimatum', 'The Bourne Identity', 'The Bourne Legacy', 'The Bourne Supremacy', 'The Bourne Ultimatum', 'The Bourne Identity', 'The Bourne Legacy', 'The Bourne Supremacy', and 'The Bourne Ultimatum'. The hand is in the foreground, with the index finger pointing towards the screen. The background is blurred, showing the person's arm and the tablet's bezel.

There Are More Consumer Choices Than Ever Before

Streaming has caused a unique challenge for advertisers as viewing has fragmented across content creators, aggregators, platforms, and devices.

IN 2015

Only 17%

of people in the world
streamed content

BY 2025

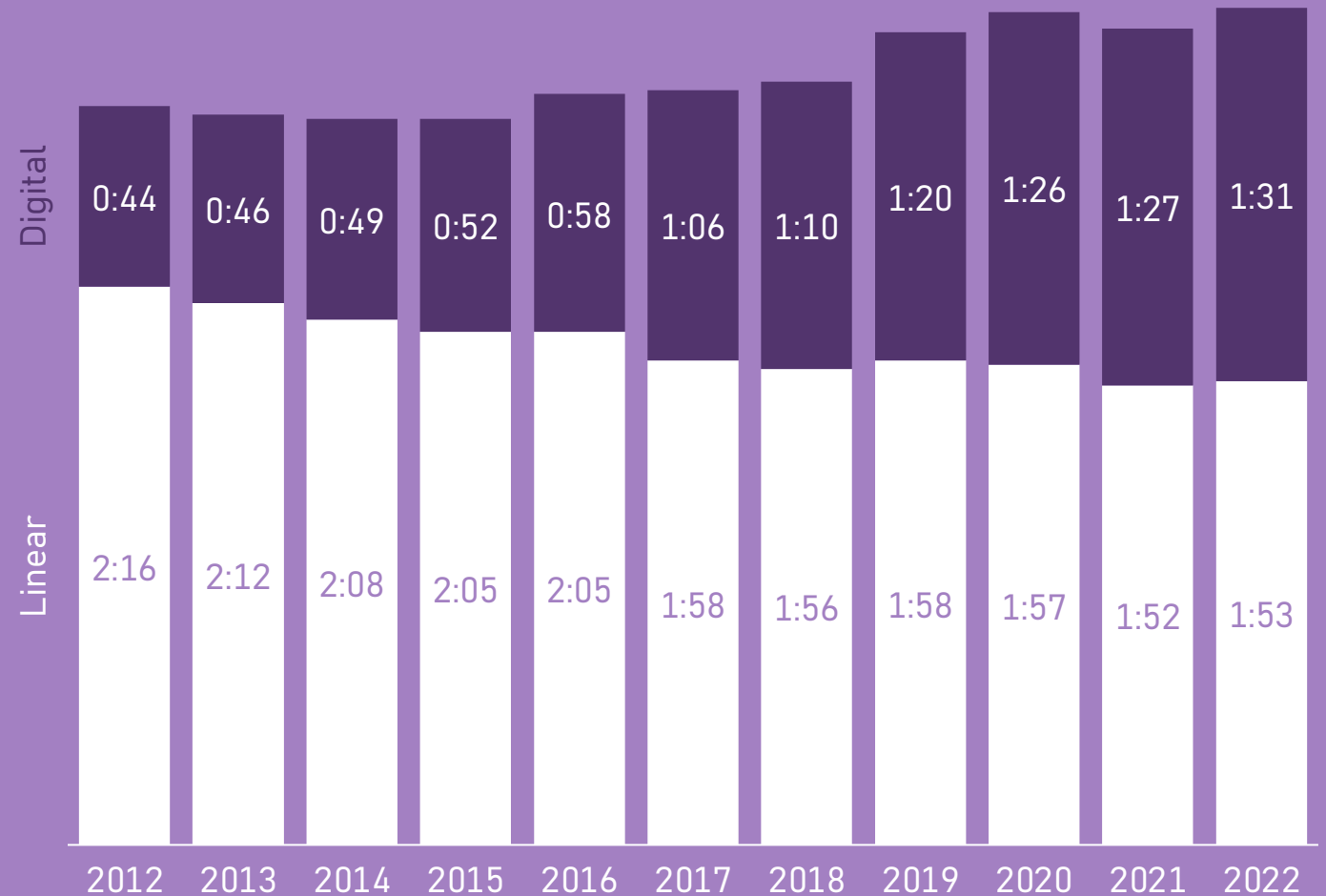
58%

of people in the world
will likely stream content

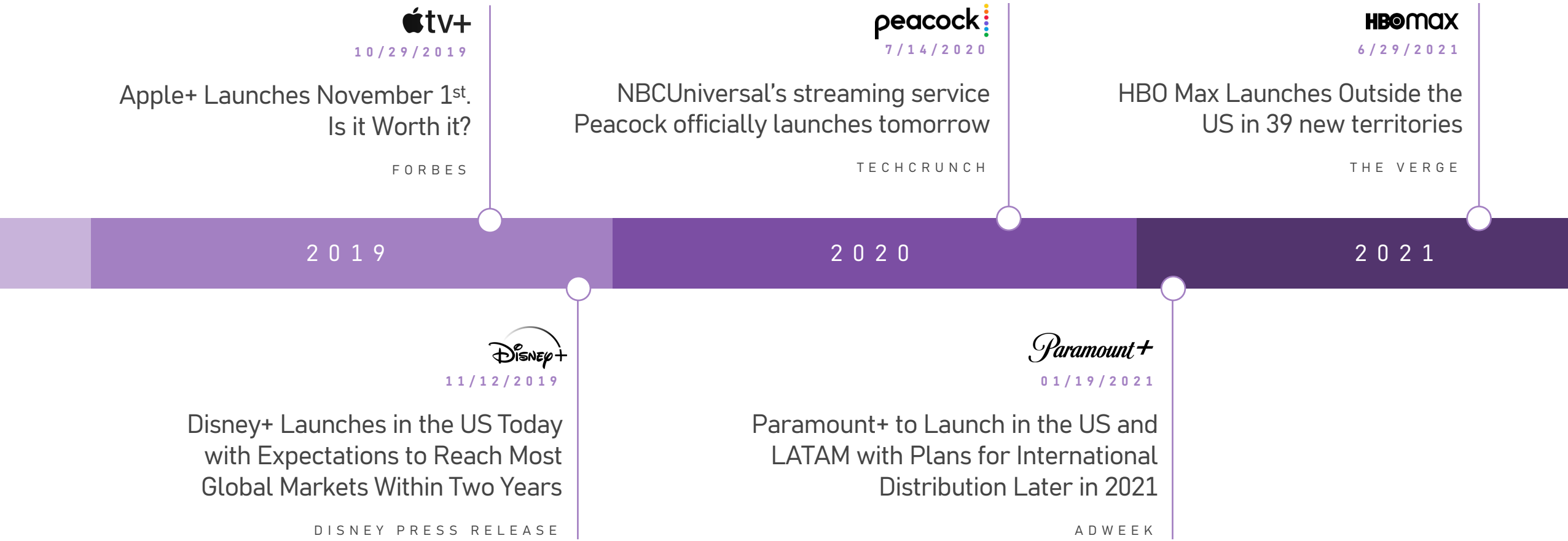
Consumption is at an All Time High

Not only has video consumption been growing, but the shift from linear to digital has been rapidly increasing

TV vs. Digital Video: Average Time Spent Globally
Hours:Minutes per Day among Population

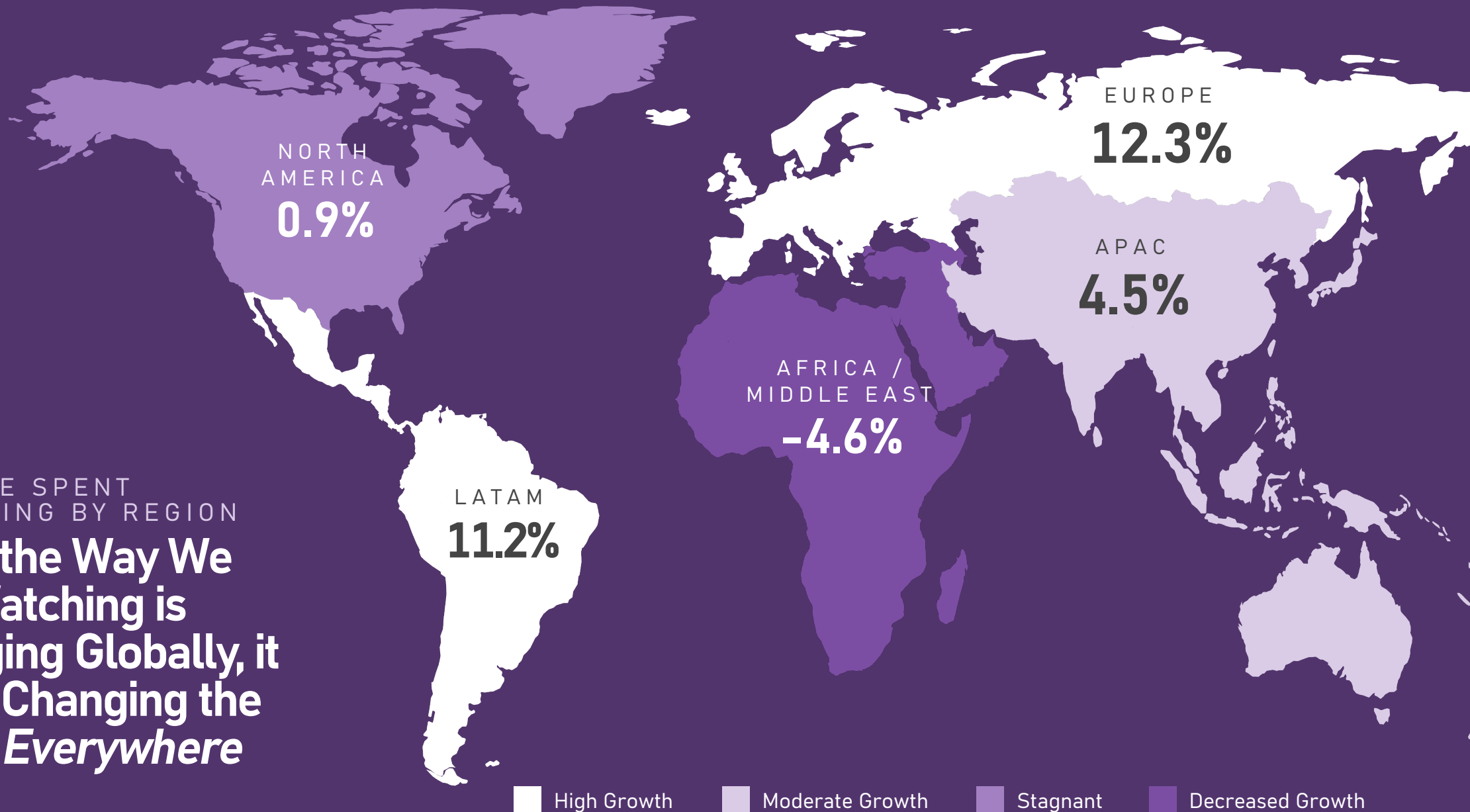


Which has Driven the Global Expansion of Major Players over the past 5 years



YOY TIME SPENT
STREAMING BY REGION

**While the Way We
Are Watching is
Changing Globally, it
is Not Changing the
Same *Everywhere***

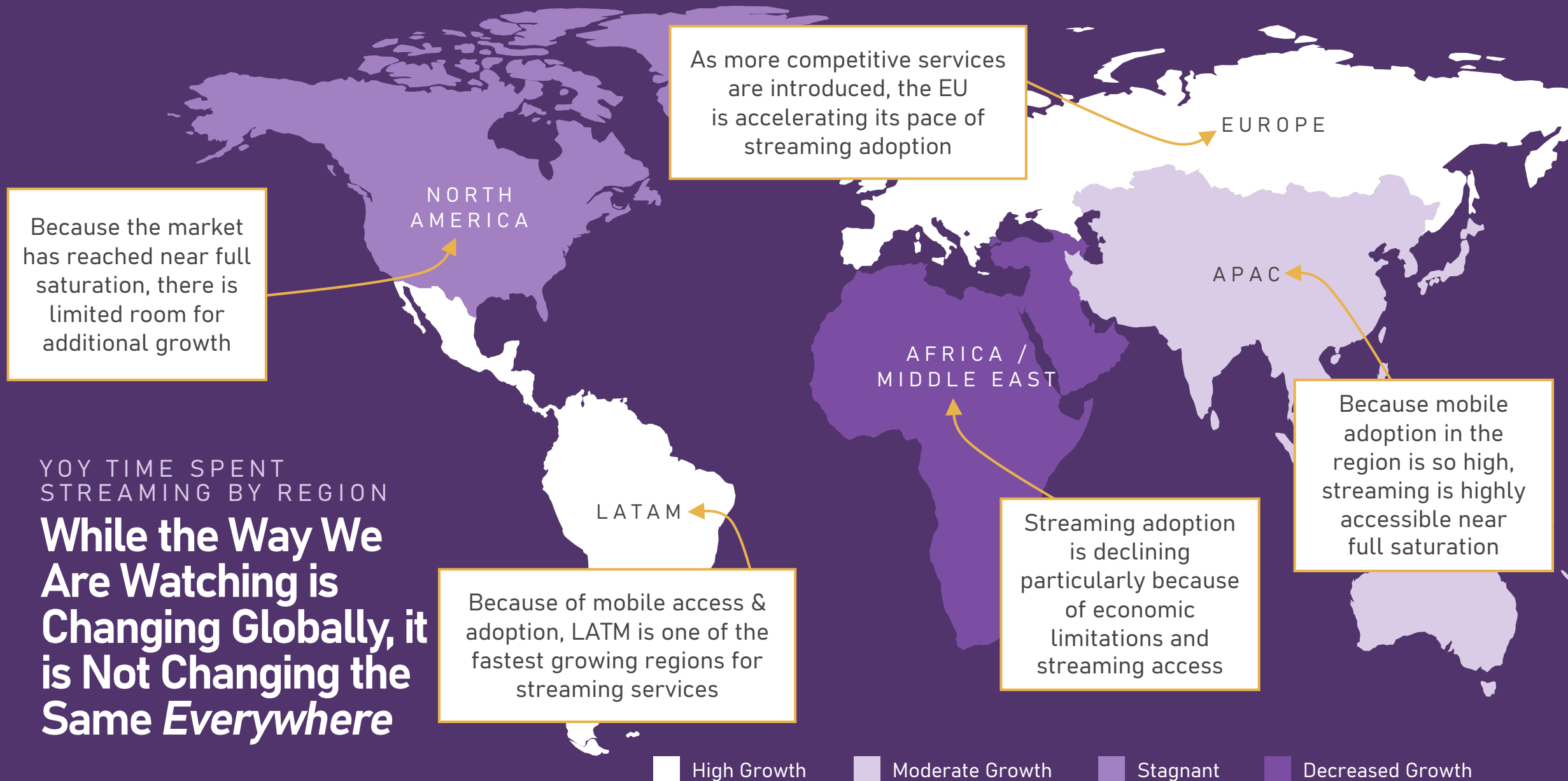


High Growth

Moderate Growth

Stagnant

Decreased Growth



BECAUSE OF THESE
CONSIDERATIONS,

**Major players
have had to
pull back their
expansion plans**

**VARIETY**

2/15/22

Why HBO Max May Already Have Lost the
International Streaming Race

PATRICK FRATER

**DIGIDAY**

2/15/22

Netflix lets advertisers take their money
back after missing viewership targets

TIM PETERSON



Because of
NBCUniversal's global
business operations,

**We have a deep
understanding
of the various
market factors
impacting
streaming growth**

01

Local Market Factors

02

Advertiser Needs

03

Content Considerations



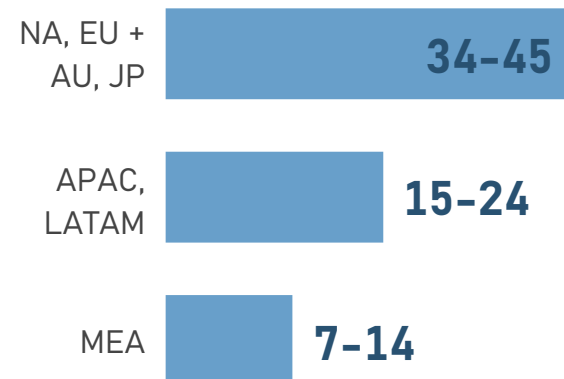
01. LOCAL MARKET FACTORS

Lack of Standardization Means Local Markets Face Specific Challenges to Accelerated Adoption

Proliferation of Streaming Competition

As services expand internationally, markets are becoming saturated in competitive streaming platforms

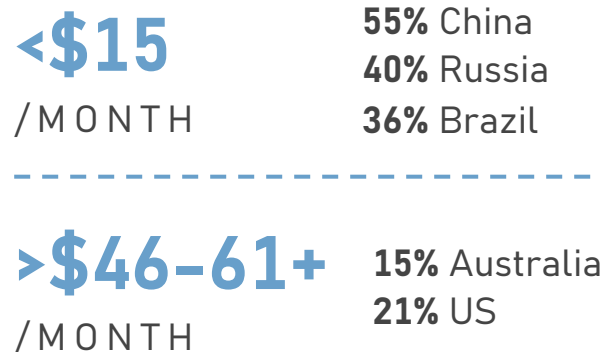
Available Video Streaming Services in Market



Fixed HH Incomes & Subscription Sign-Ups

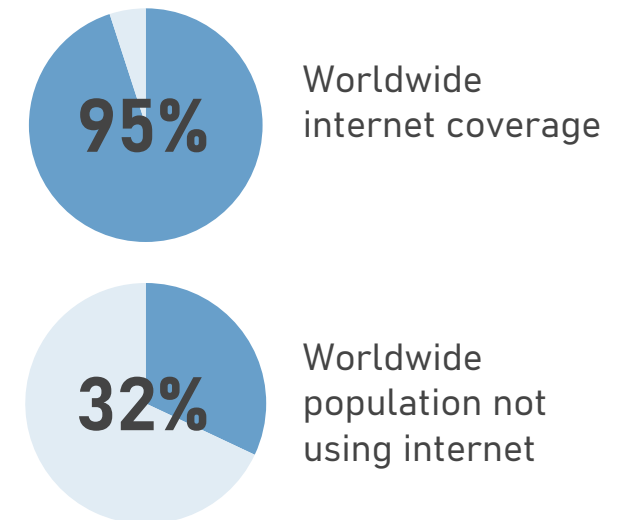
Costs of (multiple) subscriptions can account for a percentage of monthly HH incomes

Amounts Spent on Video Streaming Services



International Connectivity Access

32% of people who are within range of a mobile broadband network remain offline due to economic and educational barriers



02. ADVERTISER NEEDS

In Addition To Market-By-Market Challenges Impacting Streaming Behavior,

Advertisers & Agencies Also Have Specific Needs For Streaming Access

Centralized Solutions

65%

of marketing organizations in the US and Europe now “fully” or “partially” centralized.¹

Marketers are looking for centralized access to global inventory, yet the landscape is fragmented. Marketers have to work with multiple organizations for international presence.

Premium Streaming Inventory at Scale

64%

Global marketers expect ad budgets to increase.²

45%

of ad budgets are shifting to CTV.²

There is not enough premium global streaming inventory available to meet this growing demand.

Programmatic Buying Models

Though advertisers prefer to buy media programmatically, growth is expected to slow due to limitations globally.

While programmatic made up 84% of worldwide digital ad spend in 2022, it is forecasted to grow

Only 2pp
by 2025.³

Standardized Measurement

Global marketers want to understand cross-platform reach, but most don't have a simple solution to do so.

62%

Of marketers globally use multiple measurement solutions for cross-media measurement.²

03. CONTENT CONSIDERATIONS

While advertisers are chasing **streaming audiences**, audiences are chasing after the most ***premium content***

Historically, the two main drivers of new streaming subscription sign-ups have been:



03. CONTENT CONSIDERATIONS

Streaming Sports Attract New Subscribers And Viewers More Than Any Other Content Type

63%

Of Global Sports fans would consider paying – or paying more than they already do for streaming subscriptions to access live sports

53%

of Sports fans pay for streaming video services to access sports content in 2022

79%

of consumers across 14 markets would stream sports exclusively on online platforms if it was possible



03. CONTENT CONSIDERATIONS

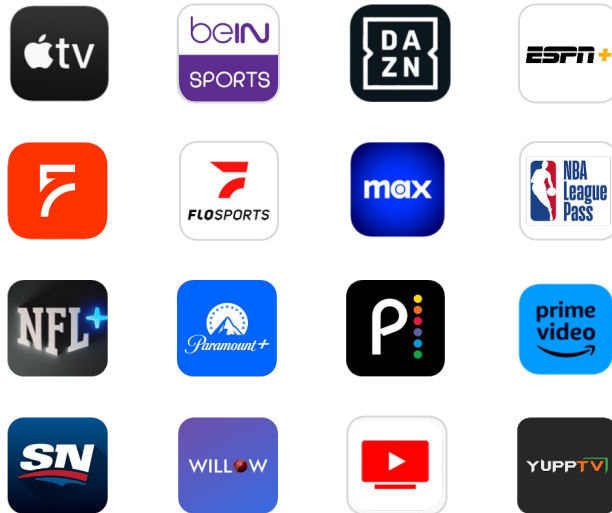
The Fierce Competition for Sports Rights has driven a 79% YOY Growth in 2022 for Subscription OTT Services

Sports streaming competition is exploding globally and sports rights spending by subscription OTT is likely to reach

\$8.5B worldwide (2023)

Sports OTT Streamers By Region

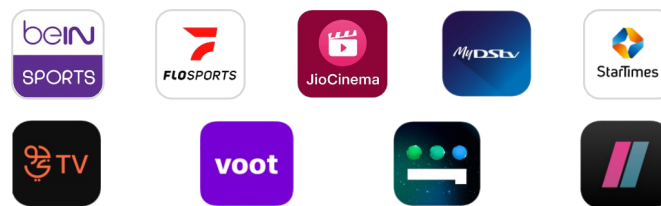
NORTH AMERICA



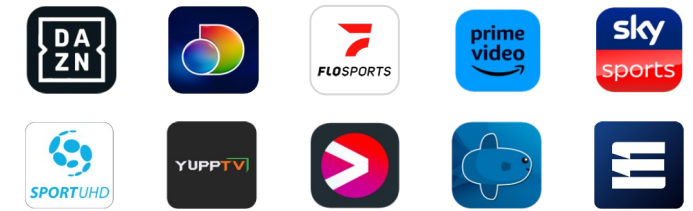
LATAM



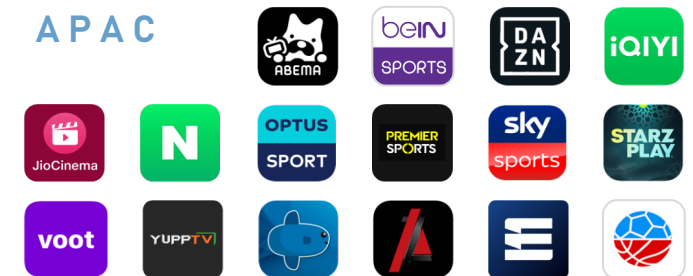
AFRICA / MIDDLE EAST



EUROPE



APAC



03. CONTENT CONSIDERATIONS

However, Sports Subscription Loyalty is Fickle

While sports content drives new subscribers to platforms, it is not indicative of long-term loyalty.

37%

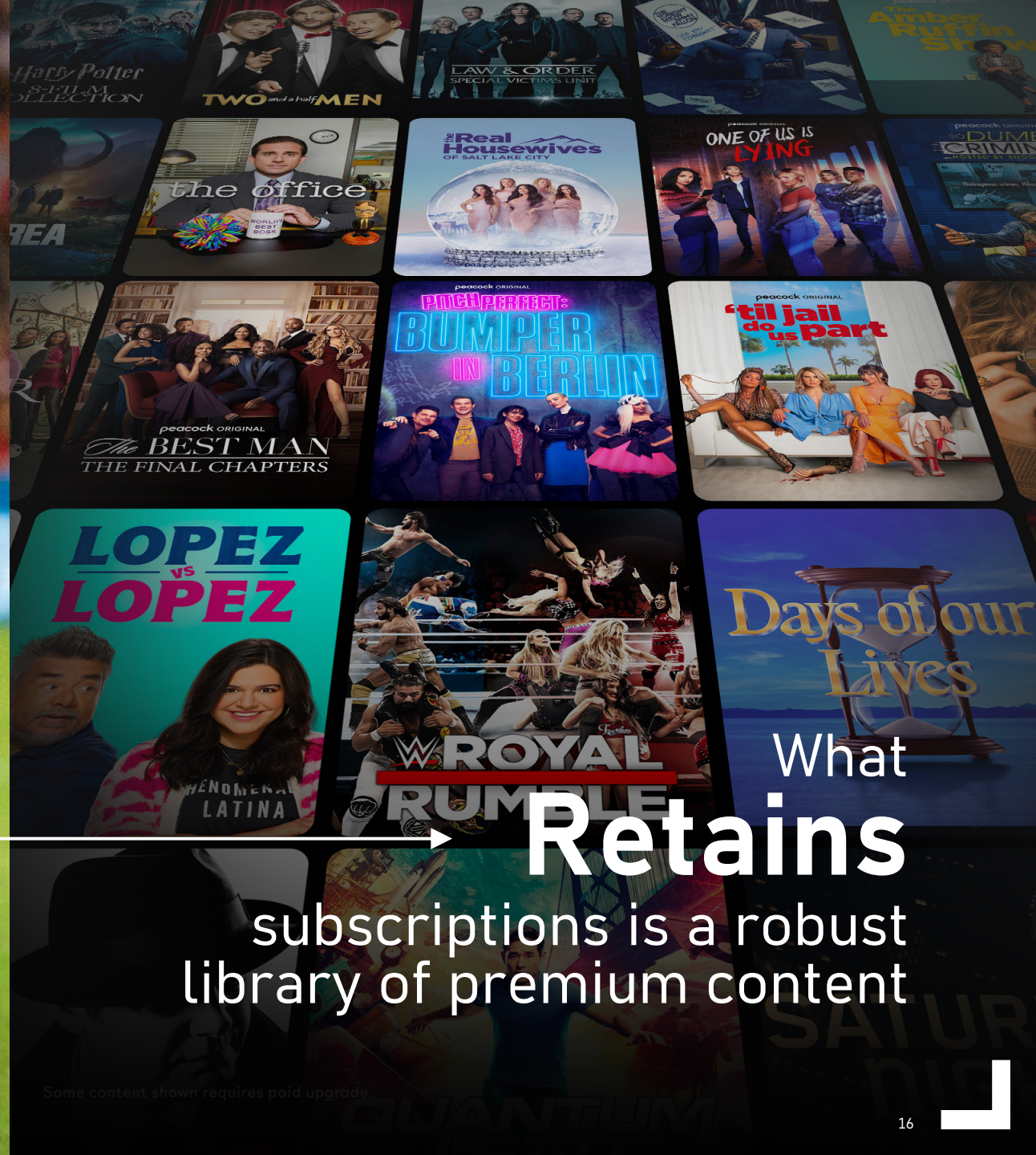
Of global sports fans would cancel a live streaming subscription based on better sports coverage

-3.8M

Disney+ Hotstar lost 3.8M Indian and Southeast Asian subscribers in Q4'22 after losing the sports rights to the Indian Premier League (IPL)



While sports content
Attracts
a large amount
of new subscribers



What
Retains
subscriptions is a robust
library of premium content

Some content shown requires paid upgrade.

03. CONTENT CONSIDERATIONS

Exclusivity and Diversity are the Most Attractive Factors to Global Streamers



49%

Of global streamers prefer services that offer exclusive content not available elsewhere

46%

Consider a large and diverse collection of video content as a prime factor for choosing a subscription service

20%

Of global streamers say that the ability to watch content in multiple languages is a top choice factor

03. CONTENT CONSIDERATIONS

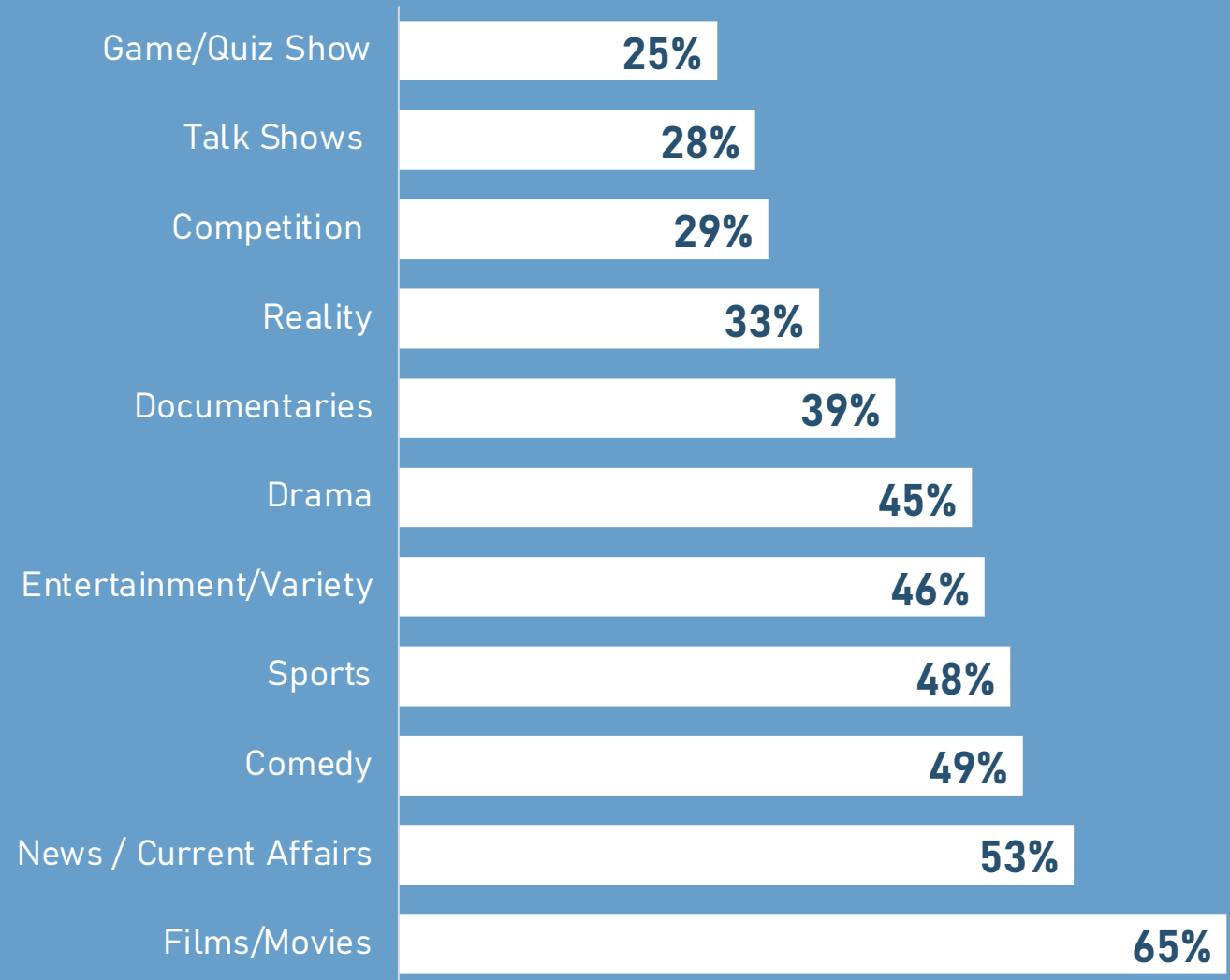
Global Streamers are Engaging with a Wide Range of Genres

In a recent NBCU global study, we found that the genres streamers are most engaging with (outside of sports) are:

- Films/Movies
- Comedy
- Current Affairs/News

Streamers are seeking out subscriptions that allow them to access a variety of different content genres supporting the position that robust and premium libraries are central to streaming adoption.

Global Streamers Preferred Content Genres



As global audiences become more familiar with streaming and seek out on-demand content,

How will categories be impacted by a shift to streaming?

Luxury



Auto



Retail



Travel



MARKETING IMPLICATIONS

How Will NBCU's Approach Impact Different Categories?

Luxury



Luxury paid advertising has been predominately print and outdoor media.

As consumer attitudes and behaviors change, and the next generation of buyers come forward, media strategies should adapt to meet people where they are.

12%

increase in luxury audiences' use of streaming services since 2019¹

Auto



Auto brands are uniquely positioned to enter content seamlessly. Streaming allows for dynamic targeting, messaging in tune with the potential buyer's needs, and placement potential to heighten relevancy - all through data - to engage potential buyers, in-market buyers, and current owners alike.

+43%

lift in brand opinion for auto brand integrations in NBCU content²

Retail



Retailers continuously look for efficient ways to collapse the purchase funnel. Streaming offers retailers the brand building power of premium video content combined with the targeting capabilities and shoppable CTAs of digital platforms, making it the ideal environment to drive both brand and performance.

21%

more likely to purchase a product advertised on a streaming service they like
A18-49 who watch streaming services regularly³

Travel



When we watch characters in Movies and TV, we put ourselves in their place and look at a destination through their eyes.

It can catapult a destination from low on a traveler's wander list to 'We Must Go There Now' status.

64%

have been inspired to travel to a destination after seeing it on a TV show, the news, or a movie.⁴

4 Key Takeaways

As a global content creator, distributor and streaming provider, NBCUniversal is uniquely positioned to assess the global streaming landscape and its current challenges

01. Streaming behaviors and access look different around the world
02. Advertisers are pushing for easier centralized access
03. Diverse and exclusive content ensures subscriber loyalty
04. The growing shift to streaming will have categorical impact on businesses

NBCUniversal

Thank You

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