Global Direct-to-Home Markets

6th Edition

Report Brief

July 2013

NORTHERN SKY RESEARCH

Report Description

NSR's *Direct-to-Home (DTH) Markets, 6th Edition* provides an industry-leading assessment of key trends, drivers, and restraints facing the Direct-to-Home (DTH) satellite TV market. The study focuses in on the DTH and Pay-TV satellite TV market, emphasizing country-level research being incorporated into regional-level analyses. This study addresses some of the most pressing questions in the DTH industry today, including:

- How many DTH & Satellite Pay TV subscribers will there be per region from 2012-2022? How much in subscription revenues will they bring to DTH and satellite Pay-TV providers?
- In which regions do Digital Terrestrial Technology (DTT) and Over-the-top (OTT) services present the greatest threat to DTH, and in which regions are they a lesser factor?
- Can DTH providers in emerging markets successfully transition from a focus on subscriber acquisition to increasing existing subscriber ARPUs? What factors continue to drive subscriber growth for the leading platforms in key countries?
- Which key countries have the greatest opportunities for DTH growth, and which countries are signaling higher barriers to entry?
- In the face of economic, political, and terrestrial threats to satellite TV services, which DTH markets still present niche opportunities for market growth?
- How big of a role will future technologies like UltraHD play, and in which regions will it be a factor? What is the outlook for SD, HD, or 3D channels?

NEW in this Edition:

- **Key Country Analyses** for 10 Major Emerging and Established Markets
- **Pay TV Bouquet** Forecasting for Key Regions
- Improved Quality of Population/ Demographic Data to Increase **Regional Focus to a Per-Country Level**
- **UltraHD Channel** Forecasting to 2022

Direct-to-Home (DTH) Markets, 6th Edition provides in-depth assessment and forecasting using both primary and secondary research, and includes figures for:

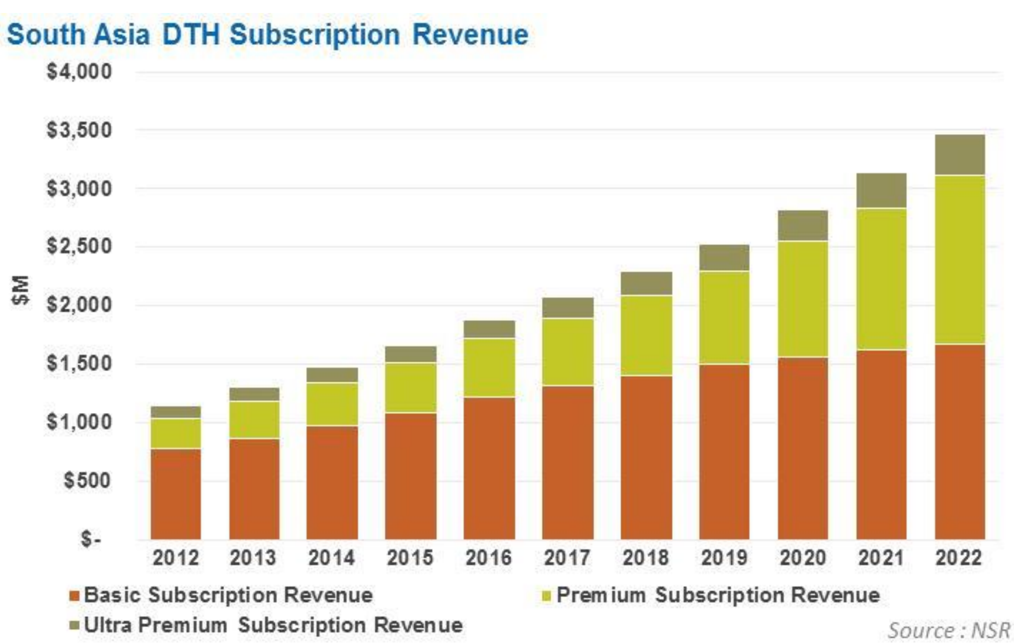
- **TV Households & DTH Subscriber figures** from 2012 - 2022
- **SAC, ARPU, and Subscription Revenues** for DTH and satellite Pay-TV Platforms through 2022
- **SD, HD, 3D, and Ultra HD Channels & Transponder Demand** Trends & Forecasts to 2022

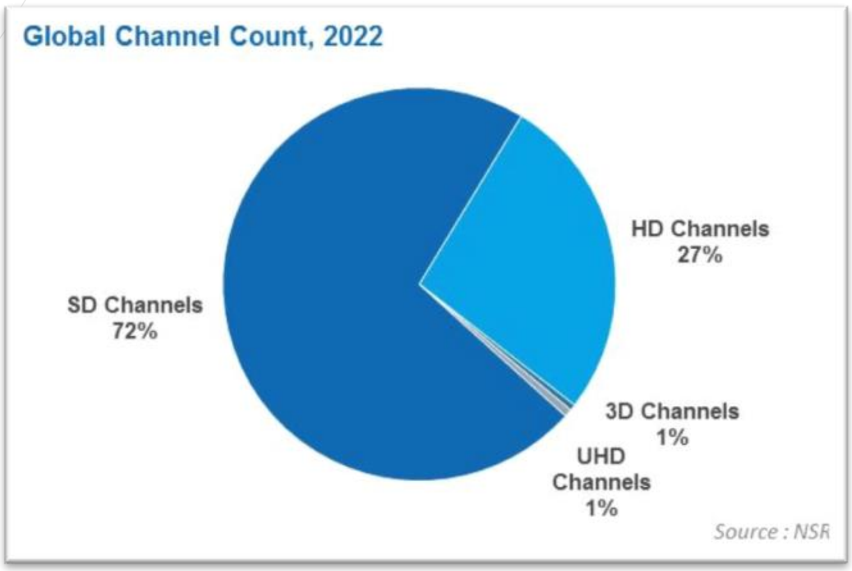
Regions Covered:

- North America
- Central America and Caribbean
- South America
- Western Europe
- Central Europe and Russia
- Middle East and North Africa
- Sub-Saharan Africa
- East Asia
- South Asia
- Southeast Asia

As market conditions continue to change, DTH platforms face challenges from higher programming fees, online providers, and economic stagnation. In many developing regions, political turmoil can also hinder DTH providers' efforts for expansion. However, for regions such as South Asia, driven by the continued growth in India, DTH subscription revenue continues to increase, reaching almost $3.5 Billion by 2022. Furthermore, premium and above package tiers will account for more than half of these subscription revenues.

Despite these challenges, there remain over 20,000 SD, HD, and 3D channels and over 100 DTH platforms worldwide, and their competitive edge continues to be maintained through new technologies, increased subscriber numbers, and increasing ARPUs in many regions. Channel growth will continue to be robust, with over 35,000 channels by 2022, including dedicated capacity. While HD channels will roughly double, from just over 5,000 to just over 10,000 by 2022, SD will also post considerable gains, particularly in the developing world, increasing by nearly 10,000 during the period. Even by 2022, SD will still have the lion's share of the channel count.



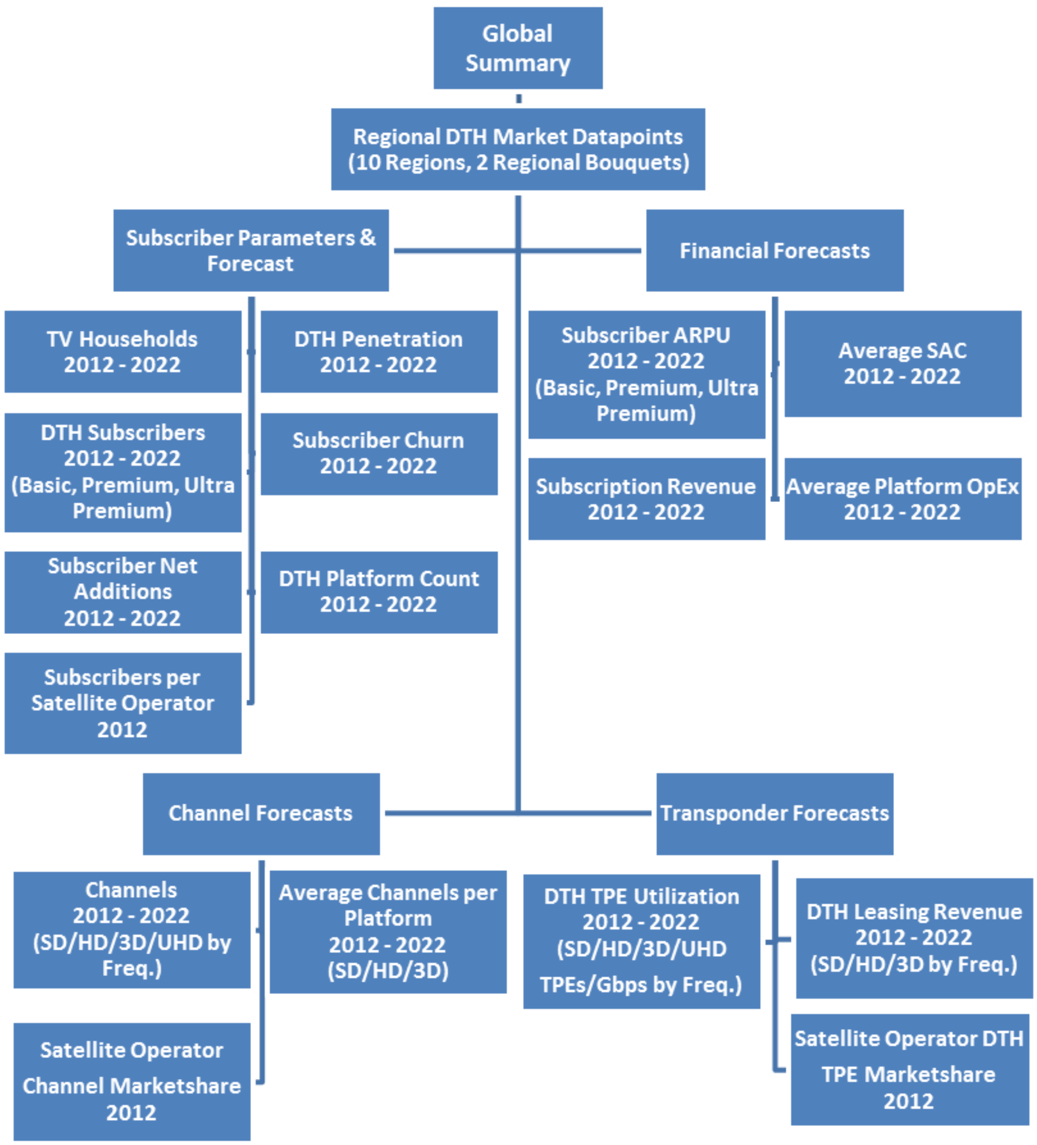


Considering all these factors, NSR's *Direct to Home (DTH) Markets, 6th Edition* provides a comprehensive picture of the global DTH market, with detailed analysis on a regional level comprising much of the research.

Key Features

NSR's *Direct to Home (DTH) Markets, 6th Edition* provides a global perspective, with regional-centric analysis, built upon country-specific data. Building on NSR's previous research and experience, the 6th edition provides new segmentation and analysis of key emerging markets and bouquets, giving an added dimension, particularly for more "niche" markets and country-specific data. The report uses NSR's *Bottom-Line* approach to sift through the latest developments in the DTH market, allowing readers to gain an understanding of the industry's most recent trends using qualitative analysis, supported by quantitative figures and extensive research.

NSR's DTH6 Report Data Segmentation



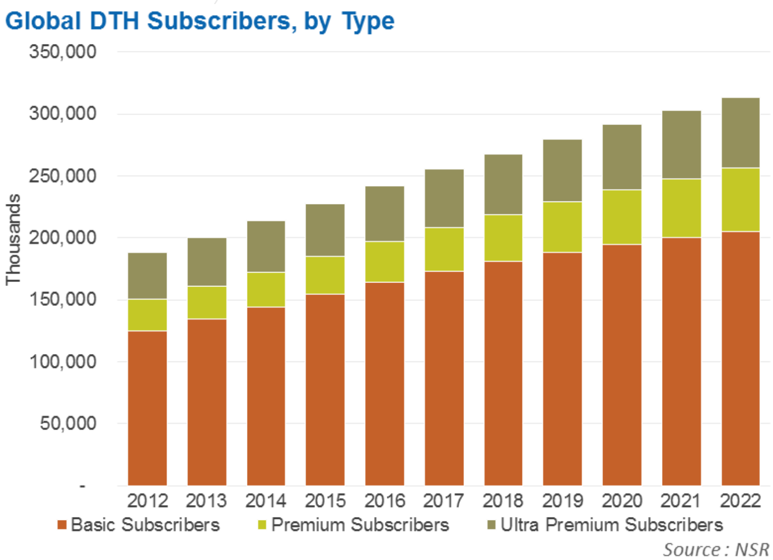
Who Should Purchase this Report?

- National, Regional, and Global Satellite Operators
- Direct-to-Home Service Providers
- Direct-to-Home Equipment Manufacturers
- Over-the-Top Service Providers
- Telcos providing “Triple-Play” and “Quad-Play” services
- Television Channels and Broadcasters
- Regulators and Policy makers
- Teleport Operators
- Banks and Investors

Executive Summary

The global economic environment is undergoing a rapid shift. Trade, money, influence, and power are migrating from the Northern Hemisphere to the South, from the established West to the East. As countries such as China, India, Indonesia, and Brazil become the world’s growth engines, the Direct-to-Home Television market is no different, with the influence and importance of these developing regions increasing all the time. In *Global Direct-to-Home (DTH) Markets, 6th Edition*, NSR delves into the DTH markets, examining recent trends and forecasting future market tendencies in order to provide a comprehensive understanding of the direction of the DTH industry today, and how to best capitalize on this shift to the Southern Hemisphere.

The broadest trends observed through this report are an **increase in subscriber numbers but a decrease in subscriber ARPUs. An increase in overall revenues and bottom line profits, but a decrease in profit margins. A gradual expansion of platform offerings, especially in developing regions, complimented by a huge increase in Global DTH channels, especially HD ones, which will more than double. And last but not least, a shift in emphasis from North America and Western Europe to developing regions such as South Asia and Sub-Saharan Africa**. With over 200 graphs, charts, and tables, NSR’s *Global Direct-to Home (DTH) Markets, 6th Edition* is a comprehensive, objective, and strategically-oriented report on how to succeed in the diverse and faced-paced DTH environment of today.

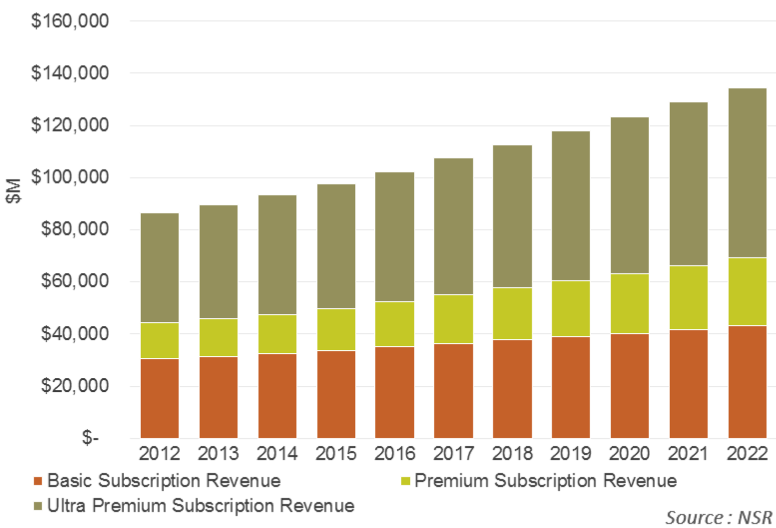


To understand the shift to the Southern Hemisphere, and to developing countries, one needs to look no further than overall subscriber numbers. **By 2022, more than one in three new DTH subscribers will come from South Asia**. Further, another 15% will come from Sub-Saharan Africa, with a roughly equal percentage coming from South America. Notably absent from the picture are established regions such as North America, Western Europe, and East Asia, which despite accounting for over 75% of subscriber revenues today, will account for just over 8% of new subscribers by 2022. Put another way, **North America, Western Europe, and East Asia, combined, will add less new subscribers than South America, Sub-Saharan Africa, South Asia, and Southeast Asia, *taken individually*.**

Moving on to revenues, globally there will be an increase in **subscriber revenues from $86.5 billion today to $134.4 billion by 2022**. Revenue growth will be geared towards **Ultra Premium Subscribers**, with growth in their revenues accounting for just under half of total revenue increase. The remaining 52% will be divided equally between Premium and Basic subscribers, reflecting two major trends during the next decade—the rise of the global middle-class, and the lifting of the bottom 20% of the human population out of absolute poverty. The former group will drive Premium subscription revenues in regions such as South America and Southeast Asia, while the latter group will drive Basic subscription revenues in South Asia and Sub-Saharan Africa. At the end of the day, while there will be more subscribers and more revenues, **ARPUs will in fact fall as a whole, being weighed down by tens of millions of low-income, low-ARPU subscribers in developing countries.**

On the channels front, global channel numbers will increase dramatically during the forecast, and there will be a **continued emphasis on HD programming**, in particular HD sports, which are a huge selling point for subscribers, whether they're located in India, Japan, Brazil, or the United Kingdom. As such, HD channels will more than double during the forecast. Particularly in regions that historically broadcast Free-to-Air channels, such as the Middle East & North Africa, HD channels will be a key differentiator in justifying Pay TV. Further, in regions with considerable threats from IPTV, HD content will stand out from the Internet-based offerings that are often lower viewing quality.

Global DTH Subscription Revenues



Source : NSR

Finally, among emerging technologies, NSR believes that **Ultra HD will eventually win out over 3D TV**, a topic covered regionally within *Global Direct-to-Home (DTH) Markets*. While some regions will see 3D with increased influence, on a global scale, UHD will have more channels being aired by 2022, and will, simply put, overtake 3D TV as the preferred new viewing technology moving forward.

As the Global DTH industry witnesses a massive paradigm shift from North to South, from the West to the East, this turbulence is continuing to give way to opportunity. In NSR's *Global Direct-to-Home (DTH) Markets, 6th Edition*, the global DTH market is broken down by subscribers, channels, revenues, satellite capacity, ARPUs, and a number of other metrics. Complimented by thorough quantitative and qualitative analysis, and broken down into digestible terms with *Bottom Line* analysis, NSR's *Global Direct-to-Home (DTH) Markets* will provide the reader with the best way to capitalize on the $48 billion in new yearly revenues coming from 125 million new subscribers in the global DTH industry, be it as a satellite operator, DTH platform, equipment provider, or an investor.

Table of Contents

List of Exhibits

9. Sub-Saharan Africa

10. East Asia

11. South Asia