Global Streaming Strategy Assessment

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About the assessment

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Executive Summary

Much of the attention to streaming – whether from journalists, academics, or business analysts – has focused on a handful of US-based services. This assessment looks beyond the dominant US-based multi-territory services to identify **emerging patterns beyond the US**. It focuses on subscriber-funded streaming services built on scripted fiction movies and series,* though several of the services included in the analysis feature hybrid revenue models.

Comprehensive multi-territory data is elusive and even reliable single market insight about subscriber levels often remains a mystery. The assessment is not exhaustive but an effort to connect multiple data points of decent validity. It builds from publicly available data and 2021 Ampere Analysis library data to begin drawing a more comprehensive map of the sector and its dynamics.

There may be thousands of streaming services globally, but it is **not a single sector**. Services offer video for different reasons: pure play, as corporate complements, and as corporate extensions. Even within these categories, different scales of service can be viable provided a sustainable blend of content costs, subscriber scale, and subscriber passion – as tied to willingness to pay – can be achieved.

Rather than just 'streaming wars' then, there is also considerable complementarity. This assessment identifies the different major sectors of streaming with an eye to the ecosystem coming into view as the sectors mature.

*Sport is a growing part of the streaming market but it remains too soon to appreciate the implications given 1) sport's strong national dimensions; 2) sport remains well-suited to linear norms of liveness and advertiser-support.

Key Challenges and Opportunities

The unprecedented opportunity of subscriber-funded streaming services derives from the **scale available from building audiences across national borders**. This is not to say only the largest services win, but that the opportunity to reach consumers across national borders without distribution middlemen **fundamentally remakes video entertainment businesses** to an extent rarely acknowledged.

Too much focus on the dynamics of the US market risks overlooking the significant differences in international strategy and viability and the variability of conditions outside the US. The business and cultural opportunities of streaming-across-borders requires different strategies for serving viewers than established for previous norms.

Before streaming, Hollywood's production and global distribution of fictional series and movies balanced **three revenue streams** – 1) **advertising** from linear, mostly US-based channels, 2) **fees from viewers** who paid at the box office, bought DVDs, and fees from cable bills, and 3) **revenue from licensing** content in subsequent 'windows' over time and place. The ability to shift reliance across these revenue streams helped Hollywood conglomerates weather early digital disruption, enabled continued production, and fueled perhaps unsustainable production levels and budgets. That revenue balance was tied to norms of linear, domestic-first distribution, not twenty-first century conditions and the business models and strategies suited to streaming.

The sustainability of new production is uncertain without a clearer sense of the value and duration of value of titles in libraries. The business fundamentals of this new world have not been established, yet there is no returning to the old norms. A plethora of distribution technologies now exist – linear channels, FAST channels, streamers – but most lack economics that can sustain the cost and risk of new scripted production. **Identifying sustainable business fundamentals must become the focus** rather than the streaming wars' horserace and proof of concept through subscriber growth that have dominated recent years.

Today's Streaming Marketplace

What is often regarded as a singular streaming sector includes services with multiple and often complementary value propositions.

Streaming business dynamics reduce Hollywood's command over the global market at the same time revenue from secondary US windows is drying up. **The business of selling subscriptions direct-to-consumers across national borders in exchange for library access is very different from licensing titles to foreign channels aiming to sell nationally-bound attention to advertisers.** Homes outside the US are unlikely to subscribe to as many services featuring primarily US content as suggested by US subscriber levels.

Non-US-based streaming services can traverse borders more easily than in cable/satellite, and non-US content flows more freely when households choose among services instead of channels determining what titles will deliver mass audiences. The chart below identifies 14 non-US-based services that illustrate the diversity in the sector outside the US.

With few exceptions, the sector is dominated by companies with large holdings of **video titles/intellectual property** or those that provide **telecom services** (mobile, satellite, or wire-based). Intellectual property allows services a ready-made library and substantially reduces the operating costs of licensing or commissioning. Known titles also allow services to offer subscribers a known value proposition.

Telecom services have established customer relationships and sector knowledge, though are nationally bounded for the most part. In many cases, such services are supplementing content offered through a linear service with a streaming service. Many have subsidized initial streaming start-up costs with continued advertiser and subscriber revenue from linear services and have spread the cost of commissioning new content across both linear and on-demand services. Some operate services as a loss leader or a value add to drive adoption of mobile or other services in support of businesses that tend to be more reliable and lucrative than content production.

The economics that will support making content for a streaming-first world remain unclear. **It is a profoundly different business from past norms: global and library-based instead of domestic-first, title specific, and windowed.** Major players Netflix, Disney+, and Disco/HBO Max have different fundamental global strategies in place at this point.

Owner industry	Service	Owner	Primary territory	Countries available	Launch	Cost (US$)	Est. subs
Legacy Multichannel Service	**Shahid VIP**	MBC Group	MENA	23	2008	$5-10	2.7m
	Canal+Series	Canal+ (Vivendi)	France	2: "Africa"	2019	$5-10	1.8m
	NOW (WoW) TV	Sky/Comcast	UK/Ger/Italy	6	2012	$10-15	2.1m
	OSN+	KIPCO & Mawarid Holding Company	MENA	21: MENA	2009	$5-10	900k (2020)
	Viaplay	Viaplay Group (prev. NENT Group)	Nordics	11: N. Europe; US	2011	$15-20	6.4m
	Wavve	SK Telecom & KBS, SBS & MBC	South Korea	US, SE Asia	2019	$5-10	3m
Legacy Multichannel Content	**BritBox**	BBC Studios/ITV	UK	9: Anglo/Nordic	2017	$5-10	2m +.5 UK
	Globoplay	Grupo Globo	Brazil	25	2015	$10-15	5.8m
	Hoichoi	SVF Entertainment	India/Bangladesh	100+	2017	$0-5	2.06m
	SonyLiv	CulverMax (Sony Pic India)/Zee	India	Only India	2013	$5-10	18m
	Zee5	Zee Entertainment Enterprises	India	190	2018	$0-5	17m
Corporate Complement (Mobile)	**VIU**	PCCW Limited	SE Asia; MENA; South Africa	16	2015	$0-5	9.6m
	Claro Video	América Móvil	Mexico	17: LATAM	2013	$0-5	2.67m (2019)
	OCS	Orange	France	3: Switz; Mauritius	2013	$15-20	2m

Ownership and Global Scale

US-based services
Corporate owners have different goals and expectations for streaming services. Very few are **pure play** services aimed only at providing video in exchange for payment (Netflix) or attention. Others are **corporate extensions** that expand companies with existing production and distribution enterprises (Disney+; Disco/HBO Max; Paramount+). Many corporate extensions rely on owned IP made for ad-supported, linear television or theatrical release, business models with different measures of success than subscription libraries. Others yet are **corporate complements** that use video to support a core business in retail (Prime Video) or to layer a monthly service on top of device revenue (AppleTV+).

Globally, corporate extensions are most common. Most originate from companies that produce titles for theatrical distribution and/or offer broadcast/cable/satellite channels (**legacy multichannel *content* companies**). Outside the US, **legacy multichannel *service* companies** also are key players. Many have experience with both content creation and channel curation.

The global market for US-centric services that can achieve mass adoption in multiple territories is limited. For viewers outside the US, US corporate extensions are more substitutable than complementary, though Disney+ has an advantage in brand recognition. Disney+ also derives additional value in several markets by including ABC, FX, and Hulu titles to make its library deeper and more multi-faceted, and its legacy Hotstar holdings in India differentiate it there. It is unclear whether Prime Video and AppleTV+ need that mass adoption as corporate complements. It is also unclear whether the global market regards Netflix as a substitute or a complement for US-centric corporate extensions; analysis of its library reveals its strategy is distinct in strongly multi-territory sourcing and US titles account for less than half the titles in its libraries.

Services based outside the US
In comparison, **non-US-based services are differentiated by more content geared to the domestic market**. The underlying competitive conditions vary significantly by country based on satisfaction with existing choice, cost, and market dynamics. In the US, monopoly cable companies evolved into monopoly internet providers, but in much of the world greater competition has encouraged different market dynamics and adoption patterns. South Korea has low-cost IPTV service accessed by nearly all homes and created consumer satisfaction that has slowed streaming adoption, while countries with low cable/satellite adoption, such as Australia, embraced the choice and affordability of streaming. Mobile-first markets such as India and Nigeria have adoption guided by technological factors, but greater access to content developed throughout India has been a key value proposition for services there. In Brazil, access to niche US series have been a valued addition to the market.

Multi-territory services from outside the US are also gaining a foothold. Populous and relatively wealthy countries can support services with strong domestic adoption and enable their multi-territory niche availability (Globoplay; Viaplay; Zee5/SonyLiv), especially among countries with a strong diaspora and well regarded and distinctive screen product (India; Korea; France; Italy).

Mobile/wired phone providers also offer streaming services in many territories.

Legacy Multichannel Service

- Typically single territory
- Expansive consumer relationships and infrastructure
- Often lack owned-content/IP
- Value proposition of exclusive US content rather than domestic

Cases: NOW (Wow); Canal+Séries

Legacy Multichannel Content

- Experience producing in country and familiarity with tastes
- Library of domestic IP
- Experience with channel curation
- Streaming makes transnational reach feasible

Cases: Globoplay; Zee5

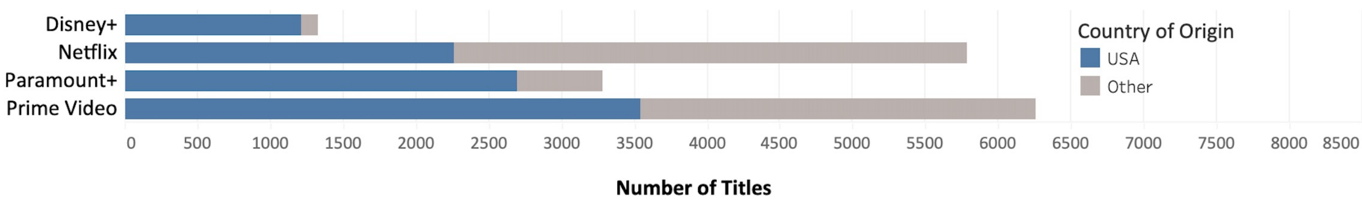
Content Differentiation

Considerable differences exist among the libraries offered by services. Key measures include library size, library variation (general or specific), and titles' country of origin. Few services commission content, even fewer commission in multiple countries. Such factors differentiate the value proposition of subscribing to different services and create complementarity rather than direct competition.

Among major multi-territory services, Netflix is much more strongly international than Disney+. Prime Video's strategy – tied to driving Prime memberships, 'Channels', and TVOD more than offering the best streaming service – differs yet, with substantially larger libraries in countries where its retail business is well established.

Paramount+ and Disco/HBO Max may seem to be running the same race to US audiences, but outside of the US, there is less distinction to their value proposition, especially given the erosion of the HBO brand, which was never established globally. The scale of subscribers these services need is outside the US, but viewers outside the US will not subscribe to a handful of interchangeable services. Figures derived from Ampere Analysis data.

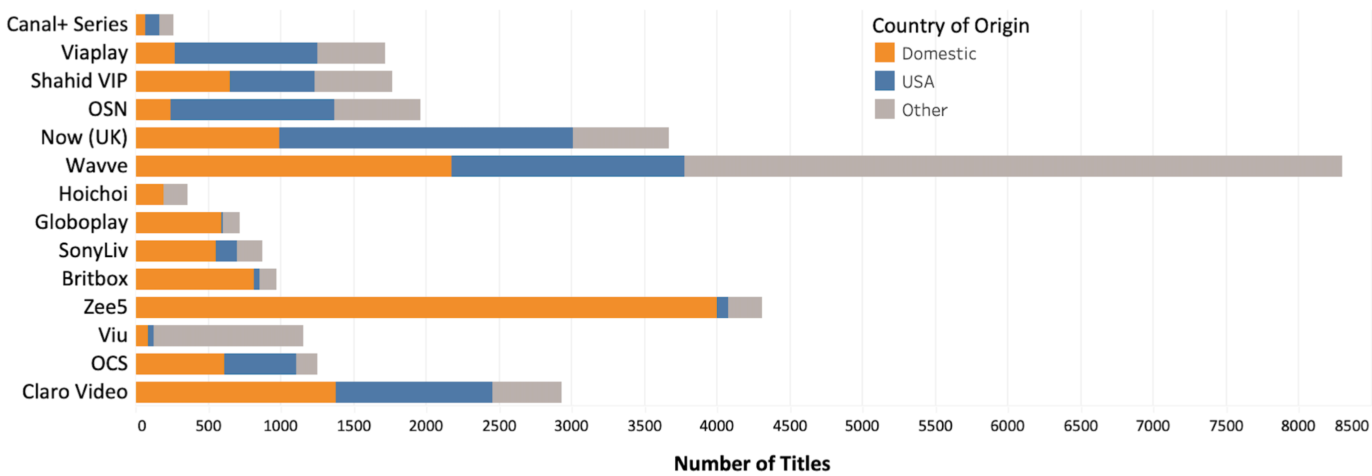
Library Composition: Number of Titles, Country of Production, Major US Services



In contrast, non-US-based services offer different titles and thus a different value proposition. Library size varies considerably, but more precisely targeted services can offer strong value despite fewer titles. The figure below groups services by the primary business of their owner to reveal how corporate extensions built on legacy content strongly differentiate by offering domestic titles. **Wavve**'s sizable library is achieved though a blended approach to licensing and has fewer exclusive titles than common among other services. **Viu** is the most strongly multi-territory and has a significant library of Korean drama, although is not available in Korea. **Hoichoi** reveals the limits of country of origin as a measure. The Indian service specializes in Bengali content, the second most-spoken language in India as well as by more than half of those in Bangladesh.

Services from multichannel providers (those at the top of figure below) rely more on US titles, often with exclusive access and blend domestic, US, and other titles more evenly.

Library Composition: Number of Titles, Country of Production, Non-US Services



Subscribers

'Global' adoption is complex. Scale is crucial for streamers, but there are different ways to generate scale. To better appreciate the dynamics and opportunities of multi-territory scale it is helpful to reflect on adoption levels at a **national level**. Many services may be available globally, but will never be widely adopted in most countries. Of course all seek mass adoption in most markets but developing profitable and sustainable businesses requires more than blindly chasing mass. Pursuing scale without a specific content strategy or library value proposition is inefficient and can be counter productive.

Sorting services by their likely scale of adoption at a national level (**mass, significant, niche**) and attributes of their library (**general, specific, domestic**) reveals market subsectors and complementarity. Mass adoption remains rare; notably achieved by Netflix in English-dominant markets. Minor multi-market cases have not yet reached this status, but show potential.

Time spent viewing is a stronger metric for assessing services but is not publicly available in most countries.

Adoption Categories

(% of households/nation)

Mass – more than 50%

Significant – 10-50%

Niche – <10%

Library Categories

General

Specific

Domestic

Major Multi-market Services

- Global availability
- Mass-market adoption in multiple territories
- Niche adoption in many others
- General library

Cases: *Netflix; Prime Video; Disney+*

Minor Multi-market Services

- Wide international availability
- Mass adoption in one major market
- Niche adoption in many
- General library, with domestic distinction

Cases: *Zee5; Globoplay; Viaplay; Shahid VIP; Tencent Video/WeTV*

Domestic Services

- Single market availability (regional in some cases)
- Mass adoption in home market
- Strong differentiation, often through substantial domestic library

Cases: Legacy multichannel content: *ALTBalaji; SonyLIV; Hoichoi*
Legacy multichannel service: *Canal+ Séries; NOWTV/WoW* (Sky); *Binge*; *Crave*

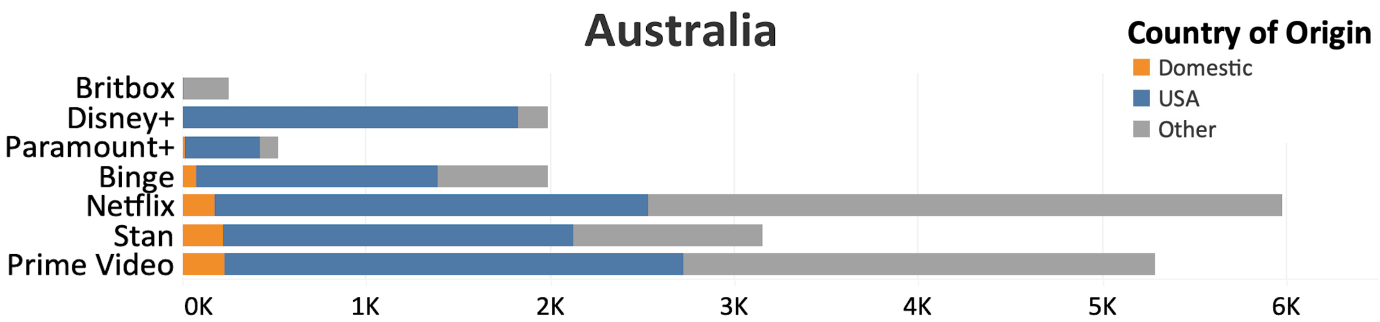
Specialty Services

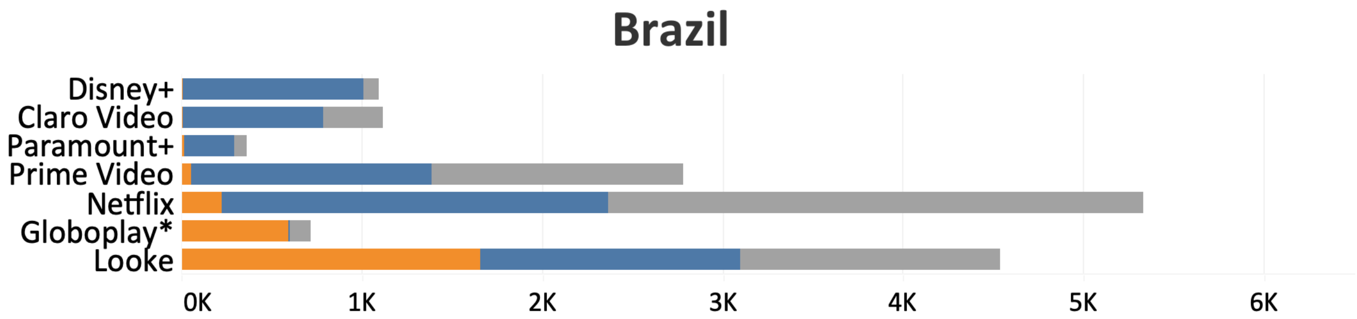
- Wide international availability
- Niche adoption in multiple territories
- Strong content differentiation with specific value
- High consumer passion

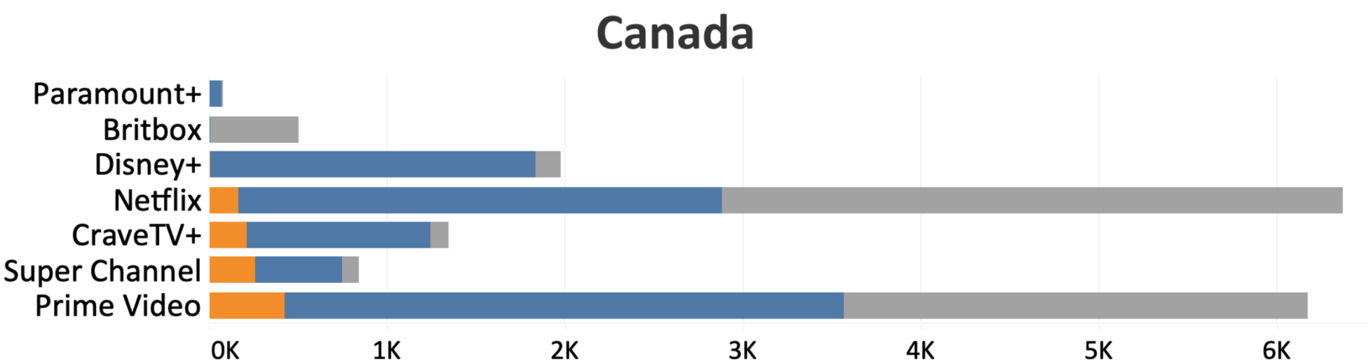
Cases: *Crunchyroll; Mubi; Britbox*

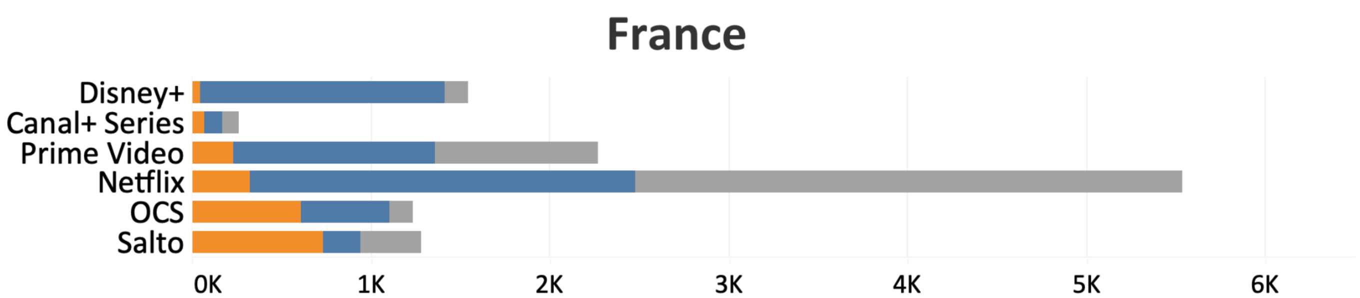
National Market Comparison

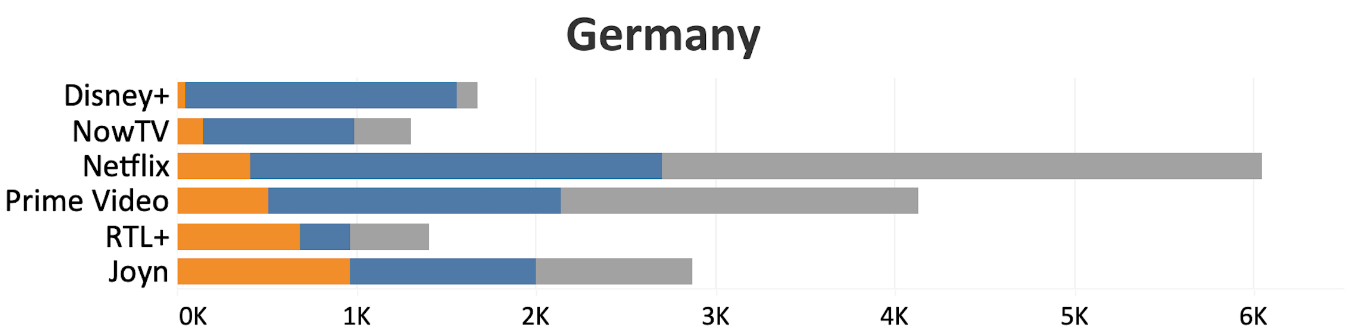
Services may be global, but consumers face a choice defined at a national level. These charts capture the library variation faced by consumers in nine markets. Existing linear services often complement more than compete directly with foreign streaming offerings. Derived from Ampere Analysis data.

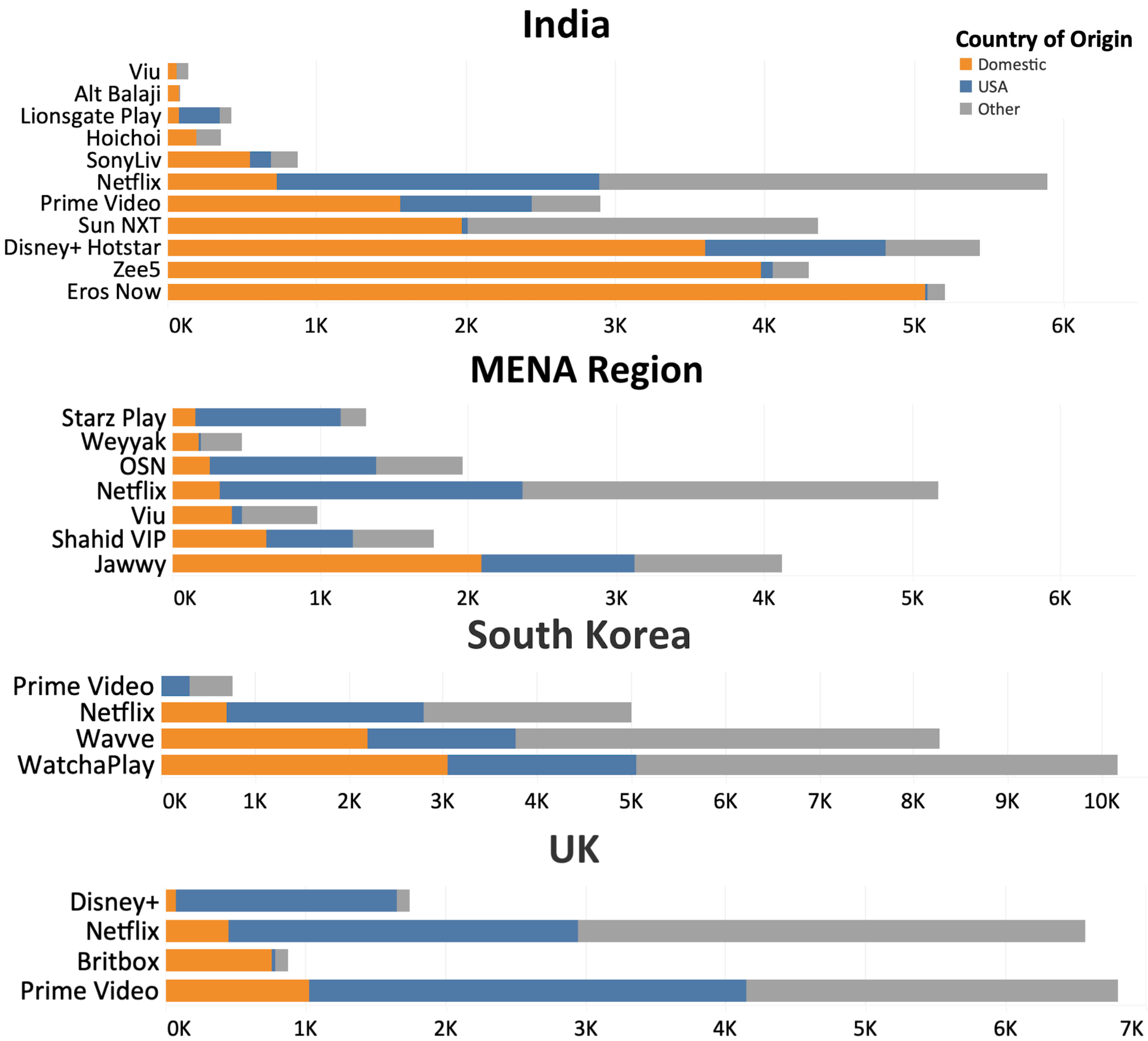












These charts reveal notable patterns: first, the **minimal role of domestic content in English-dominant countries outside the US**. This suggests services compete more directly, as domestic services lack differentiation. It also supports claims that a common market has emerged across English-speaking subscribers. What is less clear is how many such services the market will bear, especially with Prime Video and AppleTV+ overserving this market. The absence of a strong domestic SVOD in the UK (Britbox remains in fewer than 1m UK homes) limits the potential of a British service globally.

Outside the Anglosphere, domestic services offer a distinction of domestic content and exist as complements more than direct competitors, although paying for such complements reduces funds available for additional foreign services. Some may build into minor multi-market services. Scale exists for minor multi-territory services specializing in major languages that can build an operational base from strong domestic adoption as suggested by Zee5. Few have that scale yet, but some are on their way.

South Korea has unusual starting conditions (nearly universal multichannel service that remains high) but has domestic services experimenting with business models in ways that suggest innovation. Alternatives to the licensing model common among US services also enable a different value proposition – many titles, less exclusivity. The collaboration behind Wavve suggests an approach necessary for those with global aspirations. Universally, the challenge is sorting how to build services that can afford to commission content and monetize it through scale and long-term library value. Distributing licensed or owned titles won't be enough.

Challenges in the Marketplace

Prioritize viewer experience

While the music industry initially struggled with the upsets wrought by digital disruption, it has remade itself to do a 'better job' for listeners, with music now more available in many more ways. The labels ceded some control to enable new players who built a value proposition satisfying enough to compel additional spending from listeners through subscription fees. Indeed, the businesses here do not top Wall Street earners, but managed to rebuild radically disrupted businesses to now appear sustainable.

Video industries remain far from this sustainability or even stability, although also aren't going away. Making video 'better' for viewers has not been prioritised by many services, and pivots driven by investors that don't appreciate the particularities of the sector or the need for goal-aligned content strategies risk delaying stability and ever reaching sustainability.

Establish sustainable business norms

Past norms are of little guidance in today's marketplace. We still know very little about the business fundamentals of streaming. What is the value proposition needed to maintain subscribers in different sectors? What is the necessary market scale for a multi-territory service? How much value does a title contribute to a library and what are the moderating factors? What are the economics that support producing series loved by some rather than watched by many? How do we attribute the value offered by titles to a library over time?

Advertiser-supported tiers are being hailed as the latest answer, but bring considerable costs and muddy content strategy. If the experience of the print industry in the early 2000s serves as a lesson, the scale of global advertising dollars is inelastic. Advertiser dollars shifting to subscriber-funded services will likely come from linear television spending. But several media conglomerates are banking their streaming development on continued revenue from linear advertising.

Distribution of existing content is much cheaper and low risk in comparison with content creation. The capacity to support the creation of new content amidst proliferating services is unclear.

Develop a distinctive content strategy | Align it with business model

The most disruptive development of the last year is business model dilution tied to adding advertising to subscriber-funded services. The content strategies supported by these different revenue models are not wholly compatible, one must take priority. The logic of advertising won out in the historical case of pay-TV services that required payment and ad watching. The latter drove content likely to be most-watched rather than distinctive. The content innovation of the twenty-first century could not have happened without subscription-only services (HBO).

The implications of advertising logics for on-demand services offering professional content are not clear. AVOD has relied on licensing not commissioning content, and with the most-advertiser valued linear audiences evaporating, it is unclear who will fund new content. Perhaps a balance can be achieved by deriving ad revenue from attention across the service instead of reproducing the logic of 'least objectional programming.' It is too soon to know.

Clear opportunities exist for those who offer alternatives from past norms and established streamers, but most are mired in the norms of past business logics. **Streaming is a different business and requires bespoke strategy suited to its technological affordances and business model, not simply building services off the back of existing IP libraries.** Few have operationalized content strategies suited to the affordances of internet distribution. Others have upended innovation to satisfy demands from investors that don't see the long game.

Method notes

General caveat: The marketplace is dynamic with frequent service name changes and acquisitions. Data is as accurate as possible as of the end of 2022.

p. 3 Non-US services selected based on perceived level of establishment, assets, and inclusion in the Ampere Analysis data set in August 2021. We began from a list of 40 services and gradually narrowed to those that seemed to have a meaningful level of adoption and strategy and would support the national market analysis comparison on pages 7 and 8. These are not necessarily the strongest services globally, but well capture the range of the market.

Estimated subscribers based on publicly available reporting, often in Ampere Analysis reports. This is the least reliable data included.

p. 4 For more detailed Netflix library analysis see: *Netflix, library analysis, and globalization: rethinking mass media flows* https://academic.oup.com/joc/article/72/4/511/6605780

p. 5 Author calculations based on data from Ampere Analysis © 2022. Library data is from August 2021 and titles refer to individual movies and series. 'Domestic' is based on the home library of the service. Disney+, Netflix, Prime Video, Paramount+ data based on US libraries. Shahid VIP and OSN counts titles produced in all MENA countries as 'domestic.'

Library Composition and National Market Analysis (p. 7-8): based on Ampere Analysis data, August 2021.

p. 7 Globoplay data based on the US Globoplay library