STATS WINDOW

Entertainment & Media Industry

Developing markets: Driving global growth

Developing markets are playing an increasingly critical role in global media growth, not only because traditional media in these regions remain strong, but because these markets, from Mexico and China to India and Malaysia, anticipate healthy economic expansion and increasing household incomes—particularly in Asia Pacific (AP) and Central and Eastern Europe (CEE).

Growth Rates

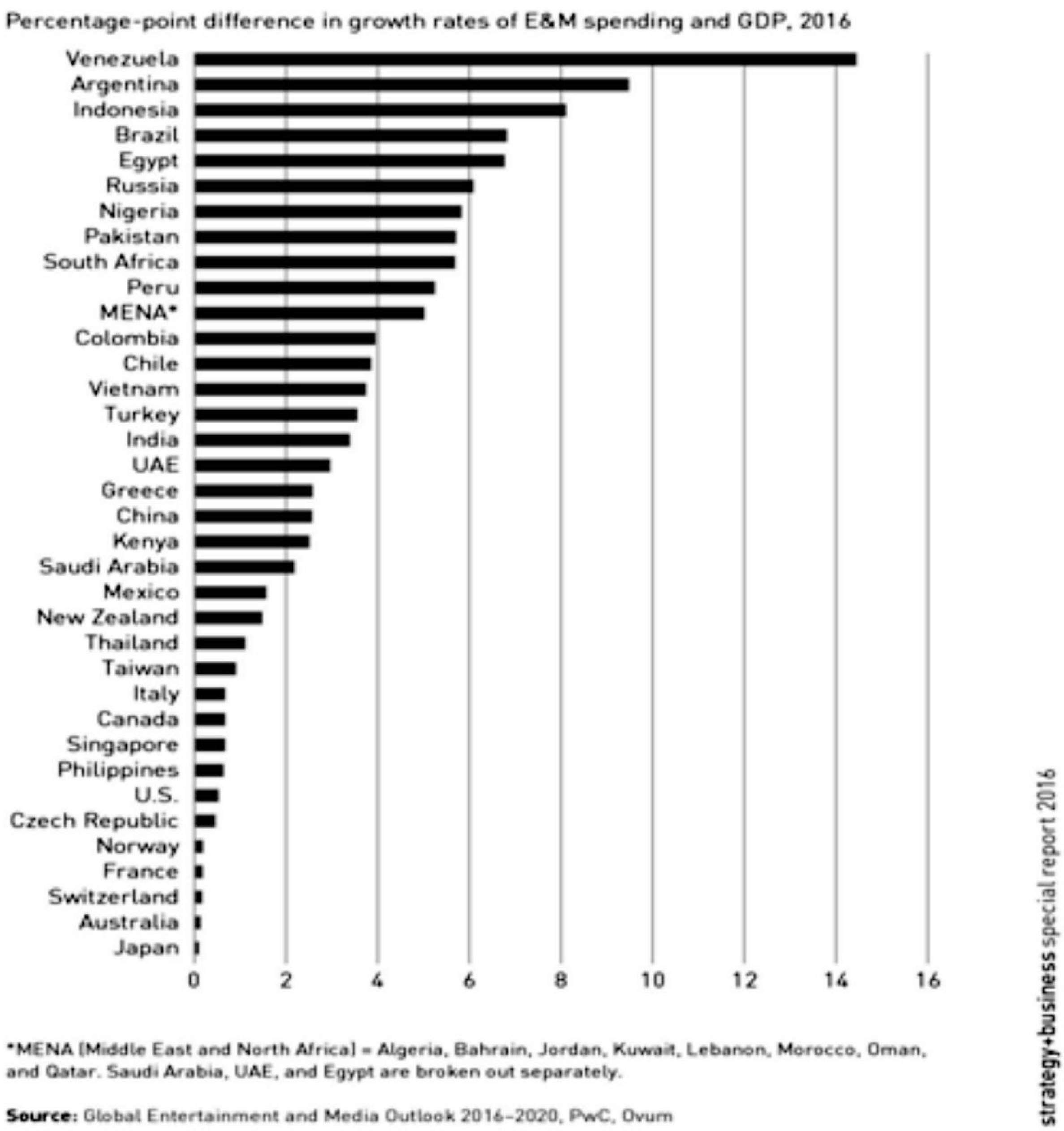
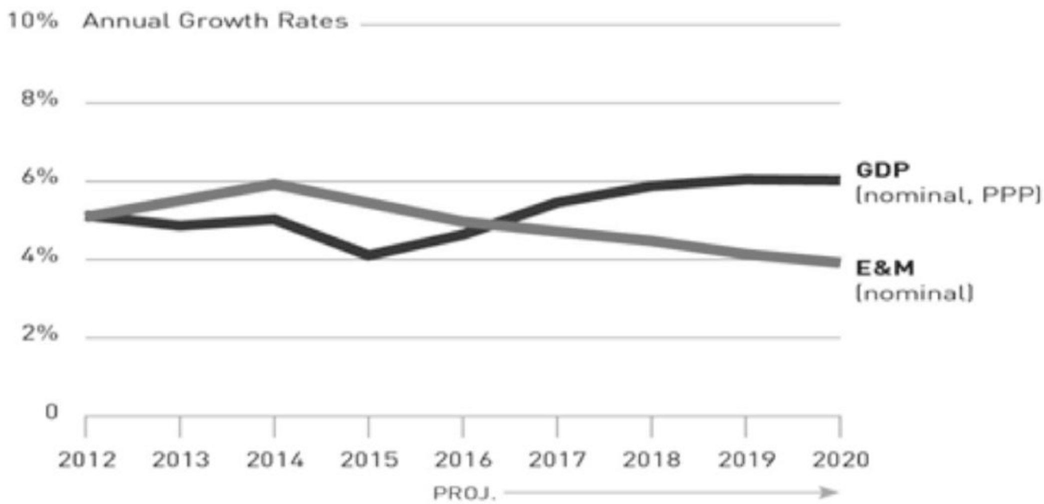


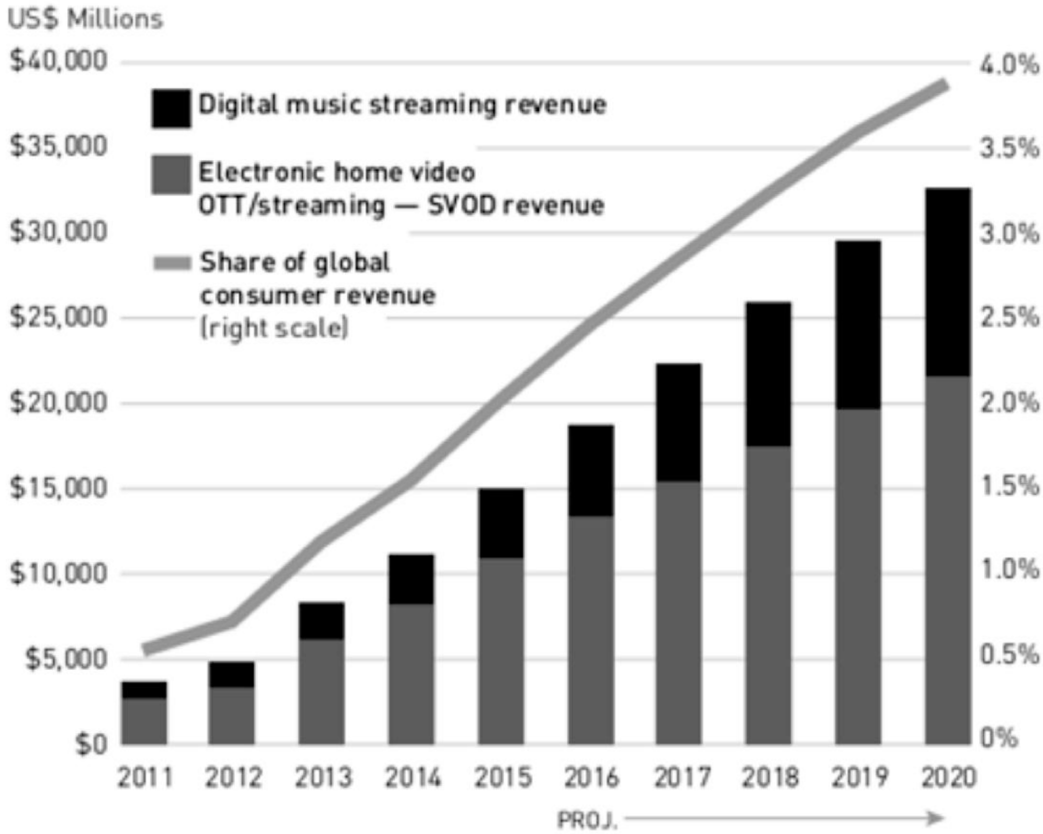
Exhibit : **Growing but Slowing**

Over the next five years, growth in spending on entertainment and media will lag overall economic growth.



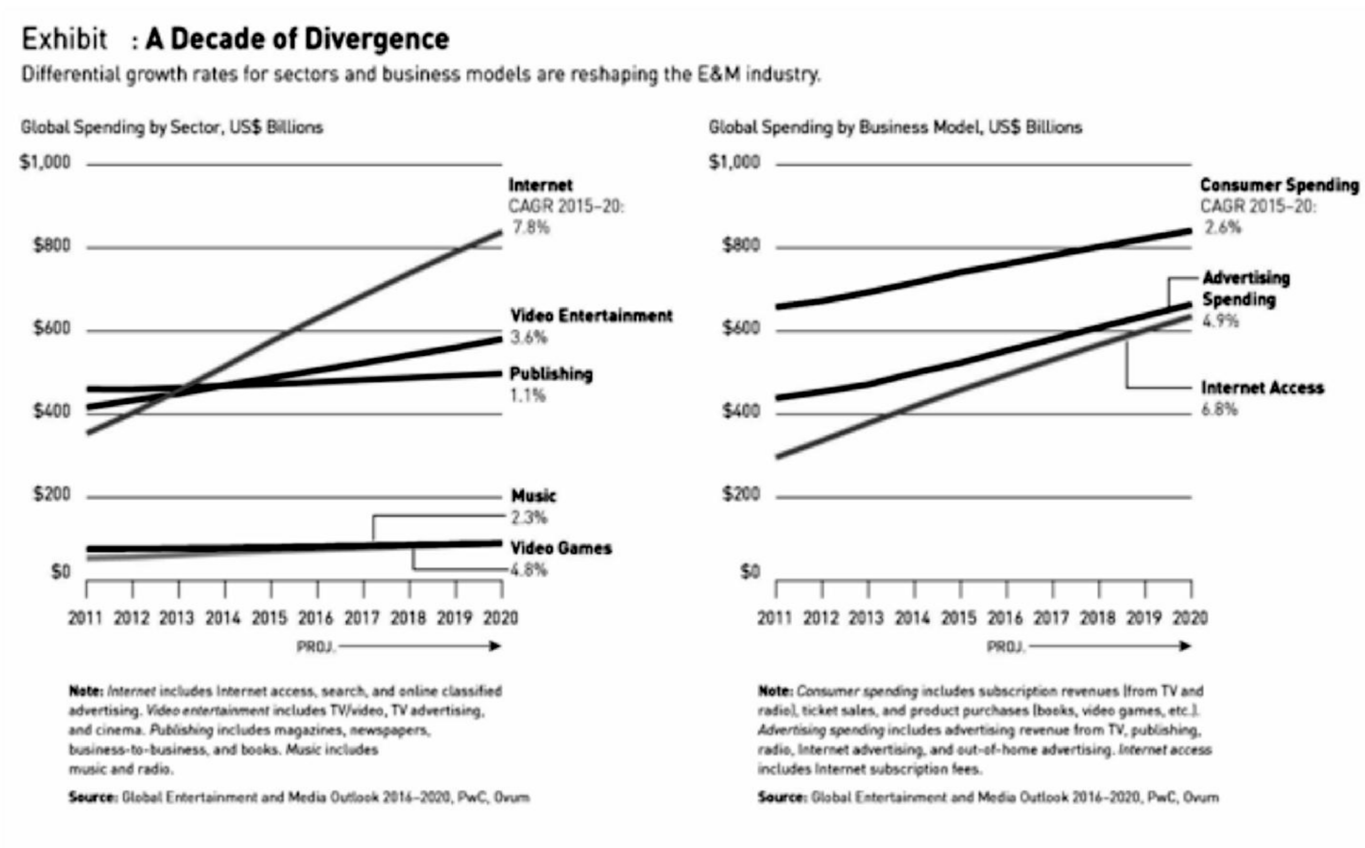
Source: Ovum, IMF

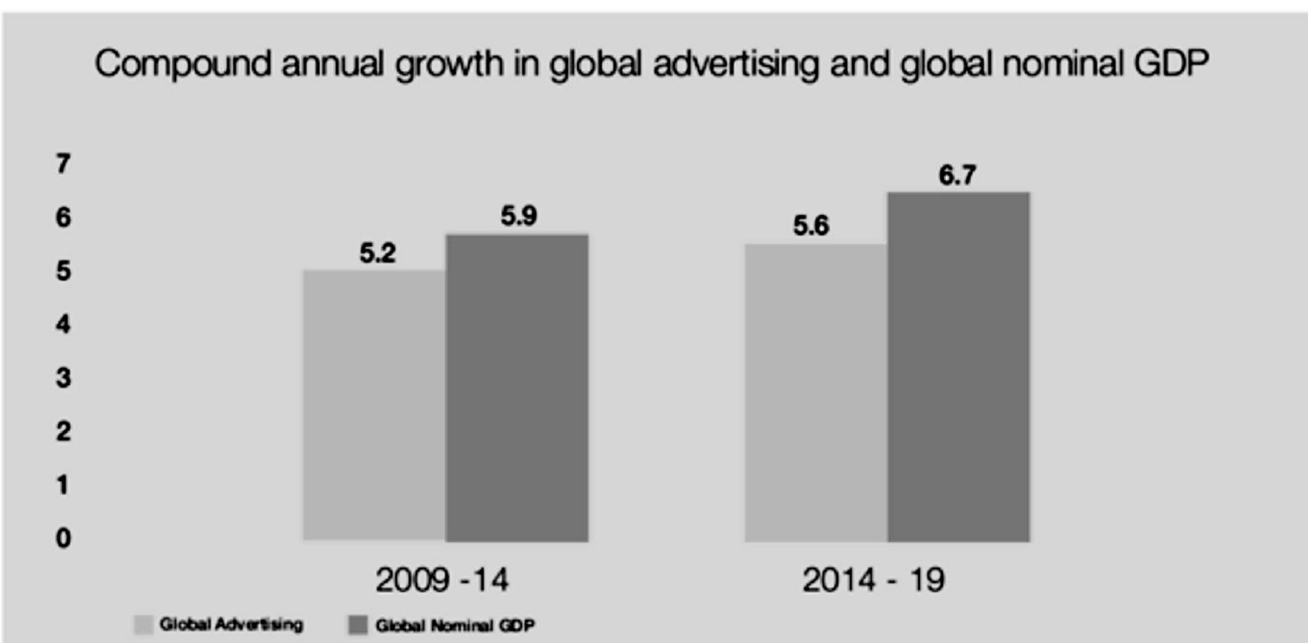
Exhibit: A stream runs through it
Revenues for streaming services are growing rapidly



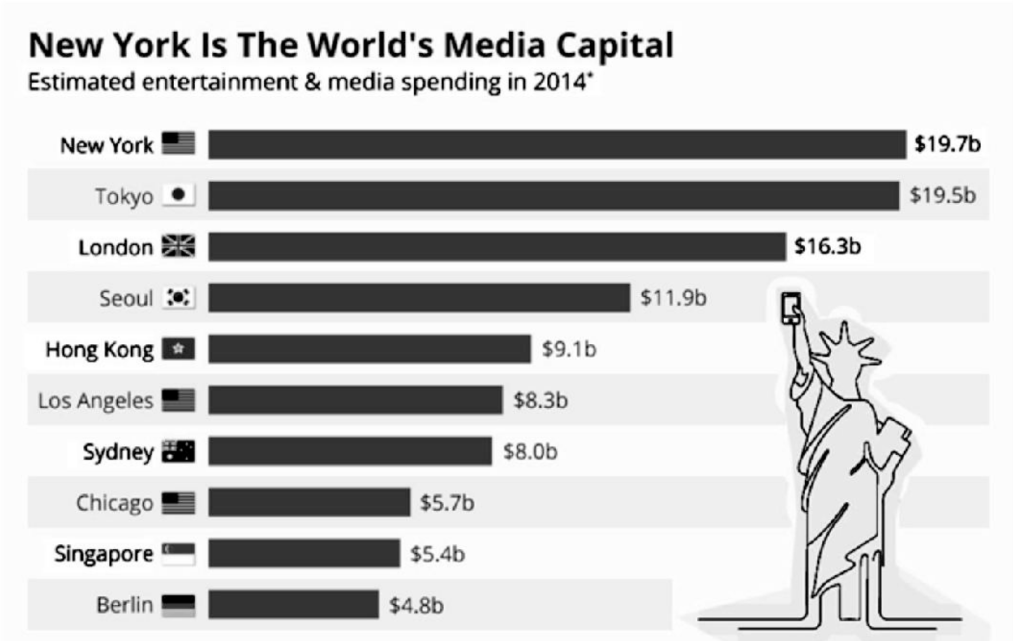
Source: Global Entertainment and Media Outlook 2016–2020, PwC, Ovum

Sector wise Growth Rates of E&M Industry





Sources: McKinsey & Company, Wilkofsky Gruen Associates



Total global spending by category[1] (US $ millions)

Category	2009	2010	2011	2012	2013	2014p	2009–2014p CAGR	2015	2016	2017	2018	2019	2014–2019 CAGR
Digital Advertising	60,336	70,756	81,544	94,065	109,686	127,345	16.1	146,617	168,538	190,822	211,955	231,442	12.7
Broadband	234,137	267,784	313,039	355,947	393,274	429,280	12.9	463,826	500,510	539,361	581,203	624,613	7.8
TV Advertising	136,792	152,824	159,985	168,749	173,314	183,501	6.1	189,445	202,511	208,960	223,099	233,876	5.0
In-Home Video Entertainment	257,841	270,985	283,287	297,662	310,783	323,408	4.6	331,922	347,781	358,950	370,244	381,648	3.4
Audio Entertainment	92,551	91,294	92,470	93,681	96,559	95,636	0.7	96,984	98,772	100,667	102,767	104,648	1.8
Cinema	30,147	31,692	32,245	34,719	35,972	37,133	4.3	39,359	41,614	43,799	45,834	48,334	5.4
Out-of-Home	24,817	27,044	27,816	29,150	30,627	31,747	5.0	33,220	34,824	36,468	38,337	40,334	4.9
Consumer Magazine Publishing	65,573	65,010	65,376	63,635	61,167	59,061	-2.1	57,640	56,546	55,710	55,080	54,610	-1.6
Newspaper Publishing	153,392	154,521	153,900	150,311	145,688	142,430	-1.5	140,647	139,917	140,023	140,766	141,968	-0.1
Consumer Books	69,687	70,034	69,504	69,944	70,750	72,357	0.8	72,976	74,020	74,794	75,425	75,968	1.0
Educational Publishing	38,619	39,608	40,135	39,347	39,955	40,980	1.2	41,624	42,138	42,629	43,241	43,929	1.4
Video Games	55,190	57,791	60,822	66,444	73,973	84,534	8.9	94,117	103,454	111,634	118,738	124,542	8.1
Total	1,208,470	1,286,526	1,364,933	1,446,077	1,521,420	1,603,951	5.8	**1,681,314**	**1,779,536**	**1,868,556**	**1,966,897**	**2,061,479**	**5.1**

[1]At average 2014 exchange rates.
Note: Television, audio, newspaper, and consumer magazine digital advertising as well as video games advertising are included in their respective segments and also in the digital advertising segment, but only once in the overall total.
Sources: McKinsey & Company, Wilkofsky Gruen Associates

Total global spending by region[1] (US $ millions)

Region	2009	2010	2011	2012	2013	2014p	2009–2014p CAGR	2015	2016	2017	2018	2019	2014–2019 CAGR
North America	389,934	407,426	421,930	440,564	458,685	478,770	4.2	497,051	521,620	540,922	564,906	583,783	4.0
EMEA													
Western Europe	360,339	371,754	382,038	384,926	388,710	397,449	2.0	407,598	419,548	431,507	443,666	455,831	2.8
Central and Eastern Europe	31,937	35,298	40,622	44,158	48,632	51,565	10.1	54,028	57,059	60,701	65,099	69,606	6.2
Middle East/ Africa	19,744	22,399	27,982	31,554	35,585	39,518	14.9	43,722	49,031	54,837	61,216	68,027	11.5
EMEA Total	412,020	429,451	450,642	460,638	472,927	488,532	3.5	**505,348**	**525,638**	**547,045**	**569,981**	**593,464**	**4.0**
Asia Pacific	353,971	387,426	417,924	457,725	491,880	527,160	8.3	558,359	597,417	632,777	668,106	702,864	5.9
Latin America	52,545	62,223	74,437	87,150	97,928	109,489	15.8	120,556	134,861	147,812	163,904	181,368	10.6
Total	1,208,470	1,286,526	1,364,933	1,446,077	1,521,420	1,603,951	5.8	**1,681,314**	**1,779,536**	**1,868,556**	**1,966,897**	**2,061,479**	**5.1**

[1]At average 2014 exchange rates.
Sources: McKinsey & Company, Wilkofsky Gruen Associates

Global advertising shares by category (percent)

Category	2009	2010	2011	2012	2013	2014p	2015	2016	2017	2018	2019
Digital	17.2	18.6	20.5	22.7	25.5	28.2	**31.0**	**33.3**	**35.9**	**37.5**	**38.9**
Television[1]	38.3	39.2	39.1	39.3	38.7	38.7	**37.8**	**37.5**	**36.4**	**36.3**	**35.9**
Audio[1]	7.9	7.8	7.5	7.3	7.1	6.7	**6.4**	**5.9**	**5.6**	**5.3**	**5.0**
Cinema	0.5	0.5	0.5	0.5	0.5	0.5	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**
Out-of-Home[2]	7.1	7.1	7.0	7.0	7.1	7.0	**7.0**	**6.9**	**6.9**	**6.8**	**6.8**
Consumer Magazines[2]	6.7	6.3	6.0	5.5	5.0	4.5	**4.1**	**3.7**	**3.3**	**3.0**	**2.7**
Newspapers[2]	22.4	20.6	19.4	17.6	16.0	14.4	**13.3**	**12.2**	**11.4**	**10.7**	**10.1**

[1]Does not include online or mobile advertising.
[2]Print only.
Sources: McKinsey & Company, Wilkofsky Gruen Associates

Global advertising by category[1] (US $ millions)

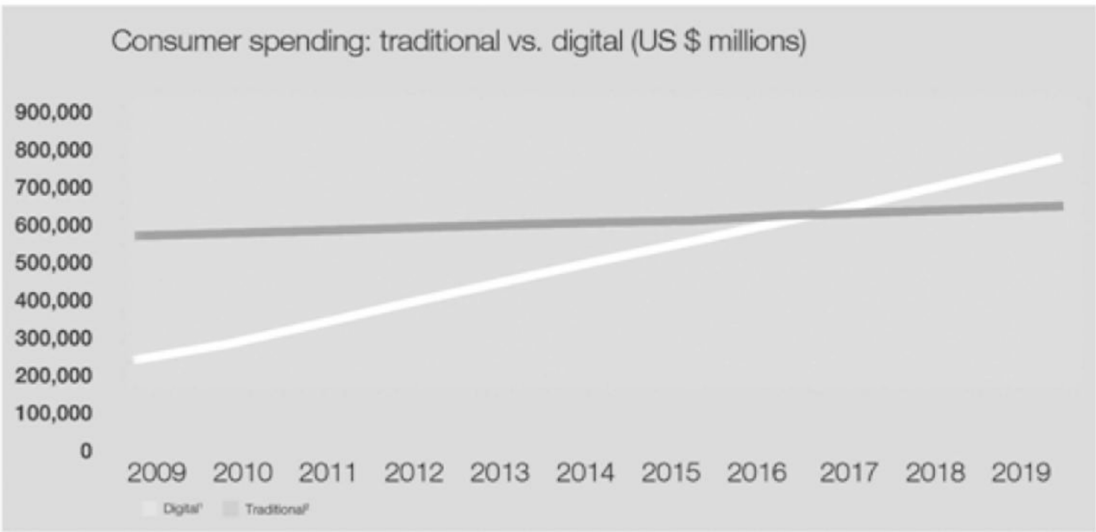
Category	2009	2010	2011	2012	2013	2014p	2009–2014p CAGR	2015	2016	2017	2018	2019	2014–2019 CAGR
Digital	60,336	70,756	81,544	94,065	109,686	127,345	16.1	**146,617**	**168,538**	**190,822**	**211,955**	**231,442**	**12.7**
Television	136,792	152,824	159,985	168,749	173,314	183,501	6.1	**189,445**	**202,511**	**208,960**	**223,099**	**233,876**	**5.0**
Audio	27,961	29,831	30,273	30,739	30,946	31,043	2.1	**31,102**	**31,271**	**31,396**	**31,541**	**31,674**	**0.4**
Cinema	1,719	1,892	1,991	2,112	2,119	2,141	4.5	**2,236**	**2,389**	**2,588**	**2,821**	**3,077**	**7.5**
Out-of-Home	24,817	27,044	27,816	29,150	30,627	31,747	5.0	**33,220**	**34,824**	**36,468**	**38,337**	**40,334**	**4.9**
Consumer Magazines	24,925	25,584	25,974	25,155	24,148	23,232	-1.4	**22,501**	**21,903**	**21,382**	**20,923**	**20,549**	**-2.4**
Newspapers	84,160	84,618	83,901	80,256	76,046	73,100	-2.8	**71,382**	**70,389**	**70,088**	**70,281**	**70,825**	**-0.6**
Video Games	1,423	1,665	1,912	2,184	2,784	3,411	19.1	**4,142**	**4,906**	**5,614**	**6,281**	**6,910**	**15.2**
Total	351,521	381,397	398,206	414,833	429,342	452,059	5.2	473,582	505,642	532,057	565,446	594,254	5.6

[1]At 2014 average exchange rates.
Note: Television, audio, newspaper, and consumer magazine digital advertising as well as video games advertising are included in their respective segments and also in the digital advertising segment, but only once in the overall total.
Sources: McKinsey & Company, Wilkofsky Gruen Associates

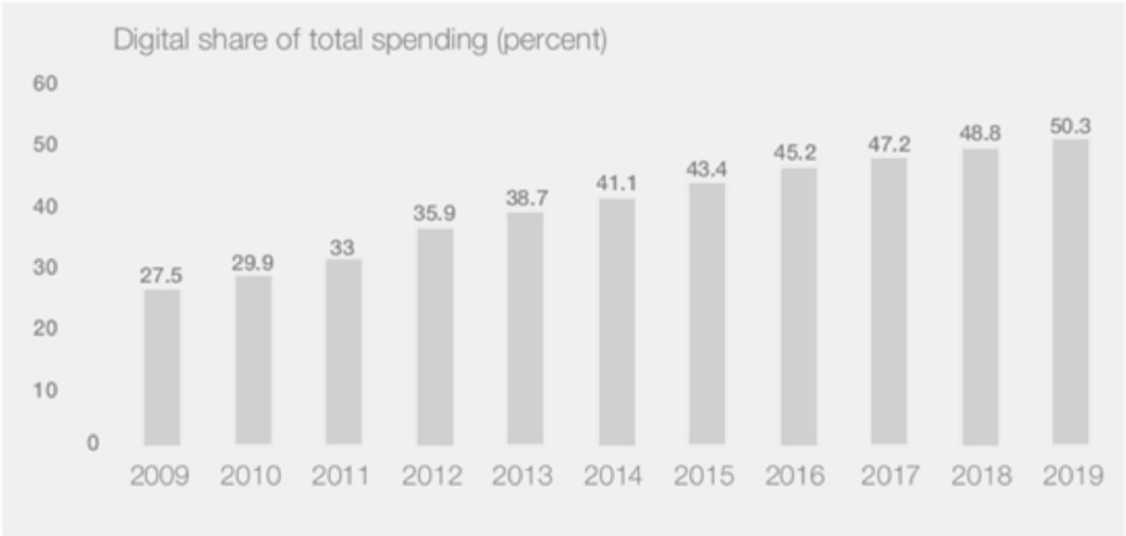
Global spending by digital/non-digital status[1] (US $ millions)

Status	2009	2010	2011	2012	2013	2014p	2009–2014p CAGR	2015	2016	2017	2018	2019	2014–2019 CAGR
Digital[2]	332,850	384,560	450,155	519,431	588,232	659,513	14.7	729,859	804,714	881,299	959,040	1,035,973	9.5
Non-digital	875,620	901,966	914,778	926,646	933,188	944,438	1.5	951,455	974,822	987,257	1,007,857	1,025,506	1.7
Total	1,208,470	1,286,526	1,364,933	1,446,077	1,521,420	1,603,951	5.8	1,681,314	1,779,536	1,868,556	1,966,897	2,061,479	5.1

[1]At average 2014 exchange rates.
[2]Consists of digital advertising, broadband, OTT transactional and subscription digital video, satelite radio subscription spending, digital recorded music downloads, digital recorded music streaming subscriptions, digital out-of-home advertising, consumer magazine digital circulation spending, daily newspaper digital circulation spending, electronic consumer books, digital learning materials, online video games, mobile video games.
Sources: McKinsey & Company, Wilkofsky Gruen Associates



Sources: McKinsey & Company, Wilkofsky Gruen Associates



Sources: McKinsey & Company, Wilkofsky Gruen Associates

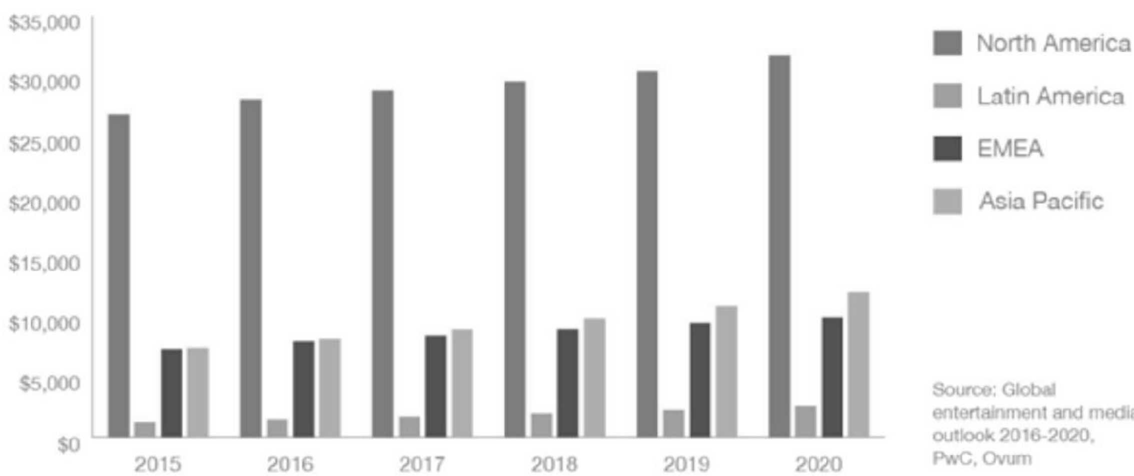
Global advertising and consumer spending growth (percent)

Category	2010	2011	2012	2013	2014p	2009–2014p CAGR	2015	2016	2017	2018	2019	2014–2019 CAGR
Advertising	8.5	4.4	4.2	3.5	5.3	5.2	4.8	6.8	5.2	6.3	5.1	5.6
Consumer spending	5.6	6.8	6.7	5.9	5.5	6.1	4.8	5.5	4.9	4.9	4.7	5.0
Total	6.5	6.1	5.9	5.2	5.4	5.8	4.8	5.8	5.0	5.3	4.8	5.1

Sources: McKinsey & Company, Wilkofsky Gruen Associates

The largest linear TV audiences are increasingly concentrated on live sports and premium entertainment—boosting the price of sports rights and related ad slots

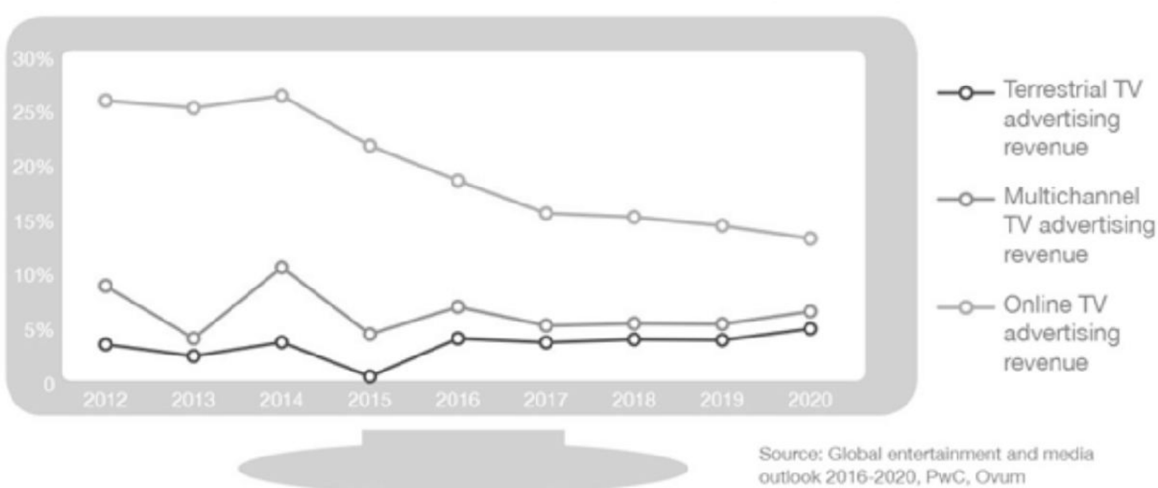
Multichannel television revenue per territories (US$mn)



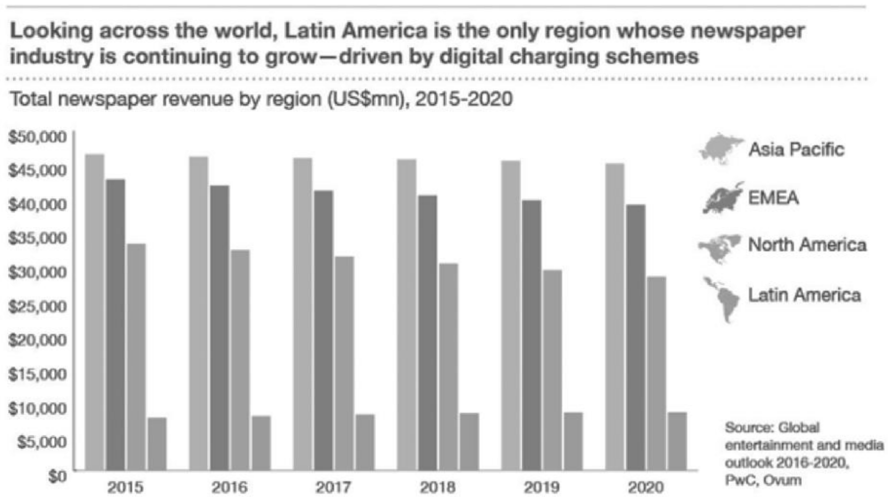
Source: Global entertainment and media outlook 2016-2020, PwC, Ovum

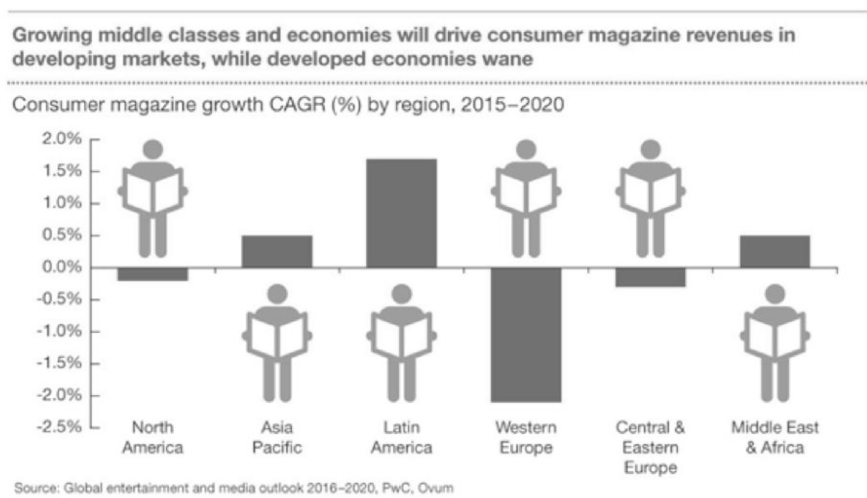
Rising online viewing is driving online TV advertising and the development of new measurement services

Growth rates of terrestrial, multichannel and online TV advertising revenue (%), 2012-2020



Source: Global entertainment and media outlook 2016-2020, PwC, Ovum





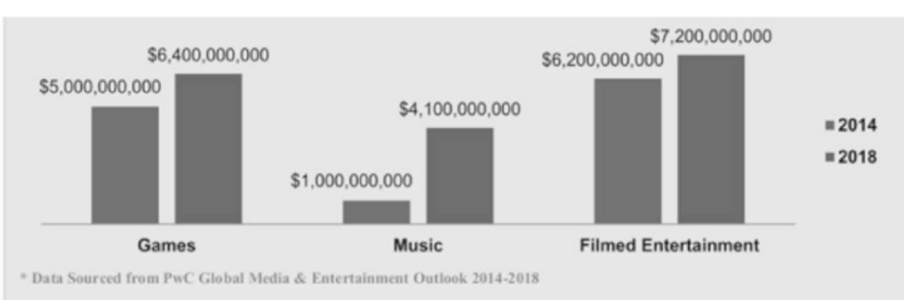
Entertainment &Media Exports

Projected 25 Top Exports for Entertainment &Media Exports 2015-2018*

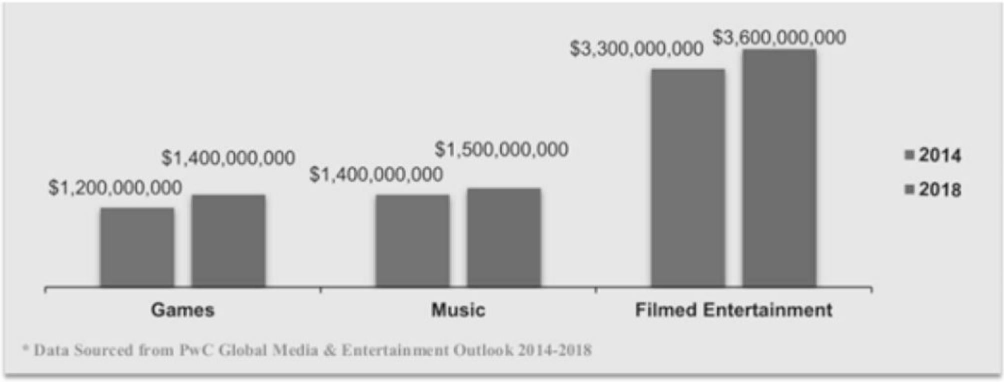
1. United Kingdom	6. Mexico	11. Colombia	16. South Africa	21. Netherlands
2. China	7. France	12. Italy	17. Sweden	22. Israel
3. Canada	8. Germany	13. Nigeria	18. Switzerland	23. Norway
4. Brazil	9. Russia	14. Spain	19. Japan	24. South Korea
5. India	10. Australia	15. Turkey	20. Argentina	25. Singapore

*U.S. Department of Commerce, International Trade Administration

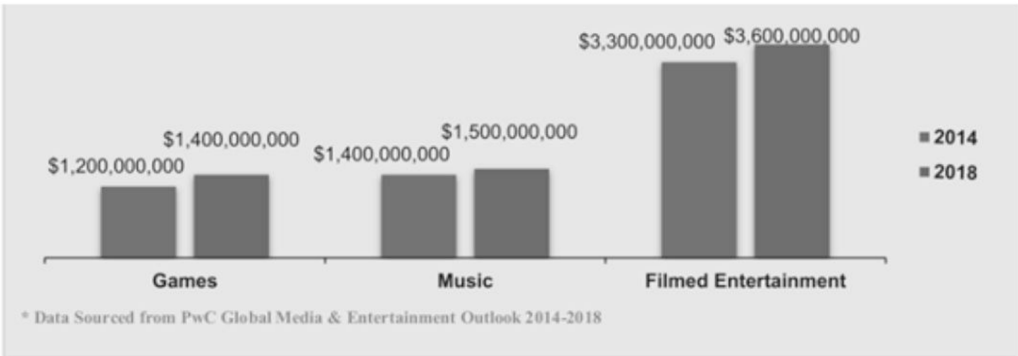
Entertainment &Media in the United Kingdom (2014-2018)



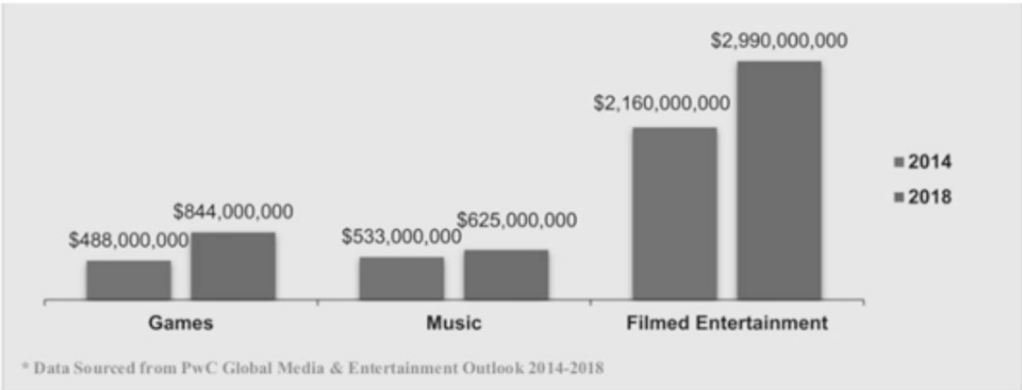
Entertainment &Media in the China (2014-2018)



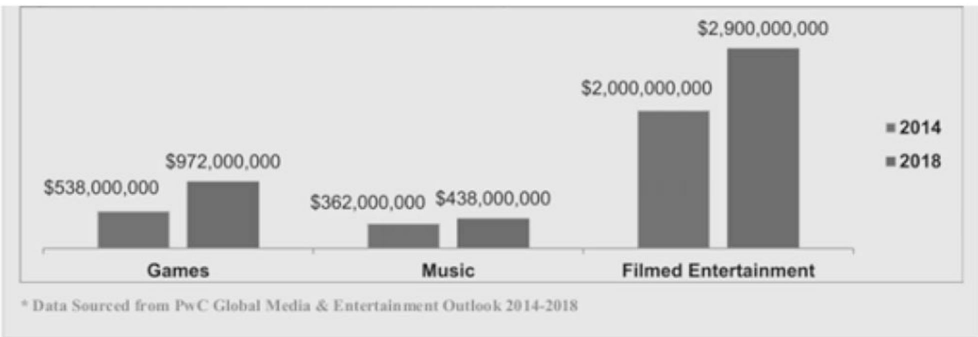
Entertainment &Media in Canada (2014-2018)



Entertainment &Media in Brazil (2014-2018)



Entertainment &Media in the India (2014-2018)



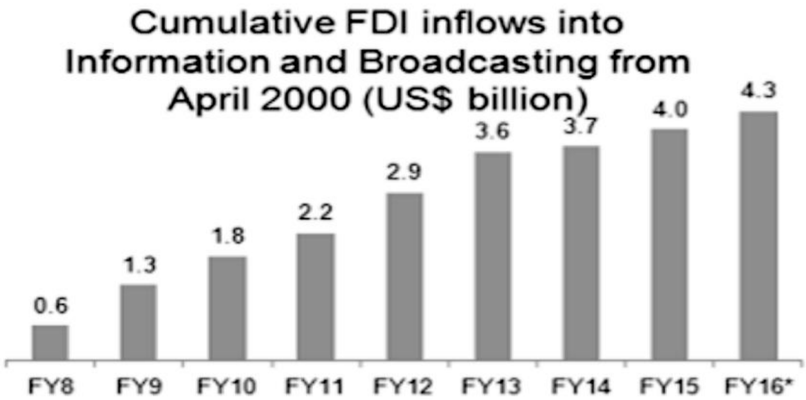
Indian Entertainment &Media Industry
The India Entertainment &Media industry in set to grow at a CAGR of 14.3 per cent to Rs 2260 billion by 2020 Industry Size

Overall industry size (INR billion) (For calendar years)	2010	2011	2012	2013	2014	2015	Growth in 2015 over 2014
TV	297.0	329.0	370.1	417.2	474.9	542.2	14.2%
Print	192.9	208.8	224.1	243.1	263.4	283.4	7.6%
Films	83.3	92.9	112.4	125.3	126.4	138.2	9.3%
Radio	10.0	11.5	12.7	14.6	17.2	19.8	15.3%
Music	8.6	9.0	10.6	9.6	9.8	10.8	10.2%
OOH	16.5	17.8	18.2	19.3	22.0	24.4	10.9%
Animation and VFX	23.7	31.0	35.3	39.7	44.9	51.1	13.8%
Gaming	10.0	13.0	15.3	19.2	23.5	26.5	12.8%
Digital Advertising	10.0	15.4	21.7	30.1	43.5	60.1	38.2%
Total	652	728	821	918	1,026	1,157	12.8%

Source: KPMG in India analysis, 2016

Overall industry size (INR billion) (For calendar years)	2016P	2017P	2018P	2019P	2020P	CAGR (2015-2020)
TV	617.0	709.6	823.3	956.8	1097.6	15.1%
Print	305.2	329.6	355.9	383.6	412.5	7.8%
Films	158.7	174.1	190.0	207.8	227.3	10.5%
Radio	23.4	28.4	32.7	37.8	43.3	16.9%
Music	12.1	14.0	16.1	18.4	20.6	13.8%
OOH	28.3	31.6	35.4	40.0	45.2	13.1%
Animation and VFX	58.3	67.1	78.1	91.3	108.0	16.1%
Gaming	30.8	34.4	39.0	45.4	50.7	13.9%
Digital Advertising	81.1	113.6	153.3	199.3	255.2	33.5%
Total	1,315	1,502	1,724	1,980	2,260	14.3%

Source: KPMG in India analysis, 2016



Source: Department of Industrial Policy and Promotion (DIPP), TechSci Research
Note: * indicated data till September, 2015; FDI - Foreign Direct Investment