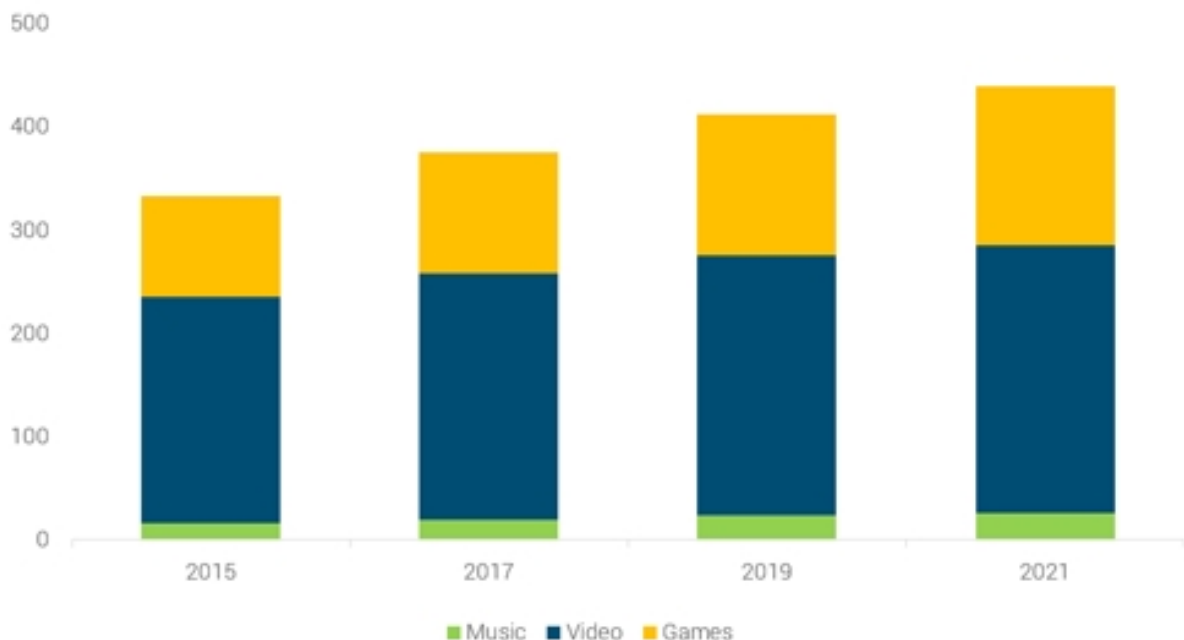


According to Futuresource Consulting, global spending on consumer entertainment content (video, games and music) remains on the up-- and is set to reach \$439 billion by 2021, a 17% increase from 2017.

### GLOBAL CONSUMER SPEND ON ENTERTAINMENT CONTENT

US\$ Billions



"As expected, TV and Video account for the lion's share of this consumer spend," the analyst says. "However, music has enjoyed a resurgence in recent years and continued innovations within gaming means that both markets are impacting on consumers' spending habits, with smartphones a key facilitator of this tearing up of the entertainment market rulebook."

Both gaming and music should see a CAGR of 7% over the next 5 years, whereas the video forecast is at a more modest CAGR of 2%. Subscription Video on Demand (SVoD) services of the Netflix, Amazon Prime and Hulu variety are "rapidly dominating" the home video entertainment segment (including DVD, Blu-ray, ESt, VoD and SVoD). Whereas SVoD was just 13% of home video consumer spending in 2013, by end 2017 it comprises around 50% of the \$42bn spent globally.

The SVoD segment also shows no signs of slowdown-- Futuresource predicts global subscription numbers will rise at a CAGR of 15% during the 2017-2021 period. Annual SVoD spending exceeded spending on packaged media in 2017, and by 2021 SVoD should account for 70% of total home video spending, as households take multiple services.

That said, Pay-TV remains a significant home video segment worth \$200bn in 2017. Driving the Pay-TV market are packages bundling such services with broadband and telphony, the early availability of premium content and access to exclusive content, most notable being sports. Pay-TV spending is up by 4% in 2017, with the US accounting for around 50% of overall global spending.

Futuresource points out customers increasingly want to rebuild TV bundles with just the content they want-- leading to existing and new entrants focusing on the user experience and aggregation of best in class linear and on-demand content. Such Pay-TV Lite services are most prominent in the US, and include the likes of YouTube, Hulu and Sony PlayStation.

"With content remaining as one of the main differentiating factors, spend to secure exclusive rights continues to soar placing added pressure on operator's margins," the analyst comments. "Furthermore, this is compounded by the increased competition stemming from a growing number of online platforms that includes Netflix and Amazon and increasingly the likes of Facebook and Twitter, all of which have significant war chests for content acquisitions. Combined, the FAANG companies are looking to spend around \$20 billion on video content in 2018."

Go [\\$439bn to be Spent WW on Consumer Entertainment by 2021](#)