

# INSIGHT

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3VISION

## The 2023 TV Industry Trends & Predictions Report

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February 2023

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The 3Vision annual Trends Survey collates feedback from senior media executives across global markets. Respondents include content owners, Pay TV platforms, distributors, and technology vendors.

# Background

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The 3Vision annual Trends Survey collates feedback from senior media executives across global markets. Respondents include content owners, Pay TV platforms, distributors, and technology vendors.

In this year's survey, running from December 2022 to January 2023, we once again asked our global network of industry executives for their views on what to expect from the year ahead.

## Topics covered in this year's survey:

- TV Production
- SVOD Development
- Global Streamer Prospects
- Free and Pay TV Innovation
- FAST
- AVOD
- D2C Prospects
- Content Windowing

We hope you find the results insightful and please get in touch if you'd like to discuss the outlook for TV in 2023 with us.

Get in touch

# Executive Summary

There was a clear continuation of themes identified in 2022; growing digital consumption, more D2C launches, SVOD competition, Free TV innovation, AVOD growth, Pay TV evolution and an unrelenting demand for content. Initially Studios focused on D2C content, but as their strategy has changed and they return to selling content, questions remain about how windowing will evolve.

As the realities of operating global services begin to hit in 2023 it will be fascinating to watch market developments. **The growth and development of FAST channels and services will continue to be a topic of discussion in how it will shape out globally.**

Our respondents agree categorically on the majority of the issues, remaining divided or indifferent only in a few areas.

**Jack Davison**  
Executive Vice President



- 1. 18% ranked North America** as the #1 market for growth in 2023, followed closely by **India (15%)**
- 2. Netflix** was felt to be the streamer with the **best growth prospects**, closely followed by Amazon and Paramount+
- 3. 74% agree streamers** are increasingly **attractive partners for co-productions** in local markets
- 4.** The majority of respondents think **local content** and **lower-priced tiers with ads** are top priority for SVODs in 2023
- 5. Specialist AVOD** service providers (Tubi, Roku, Pluto etc.) were adjudged to be the **#1 AVOD opportunity**
- 6. 51% believe Scripted TV Series** is the most important type of content to acquire new subscribers
- 7. Windowing paradigms are still evolving** and values within and between windows are unclear
- 8. 44% believe cord-cutting will move fast** in 2023 vs. 44% that say it will move at a reasonable speed

# Video Market Potential

**33%**

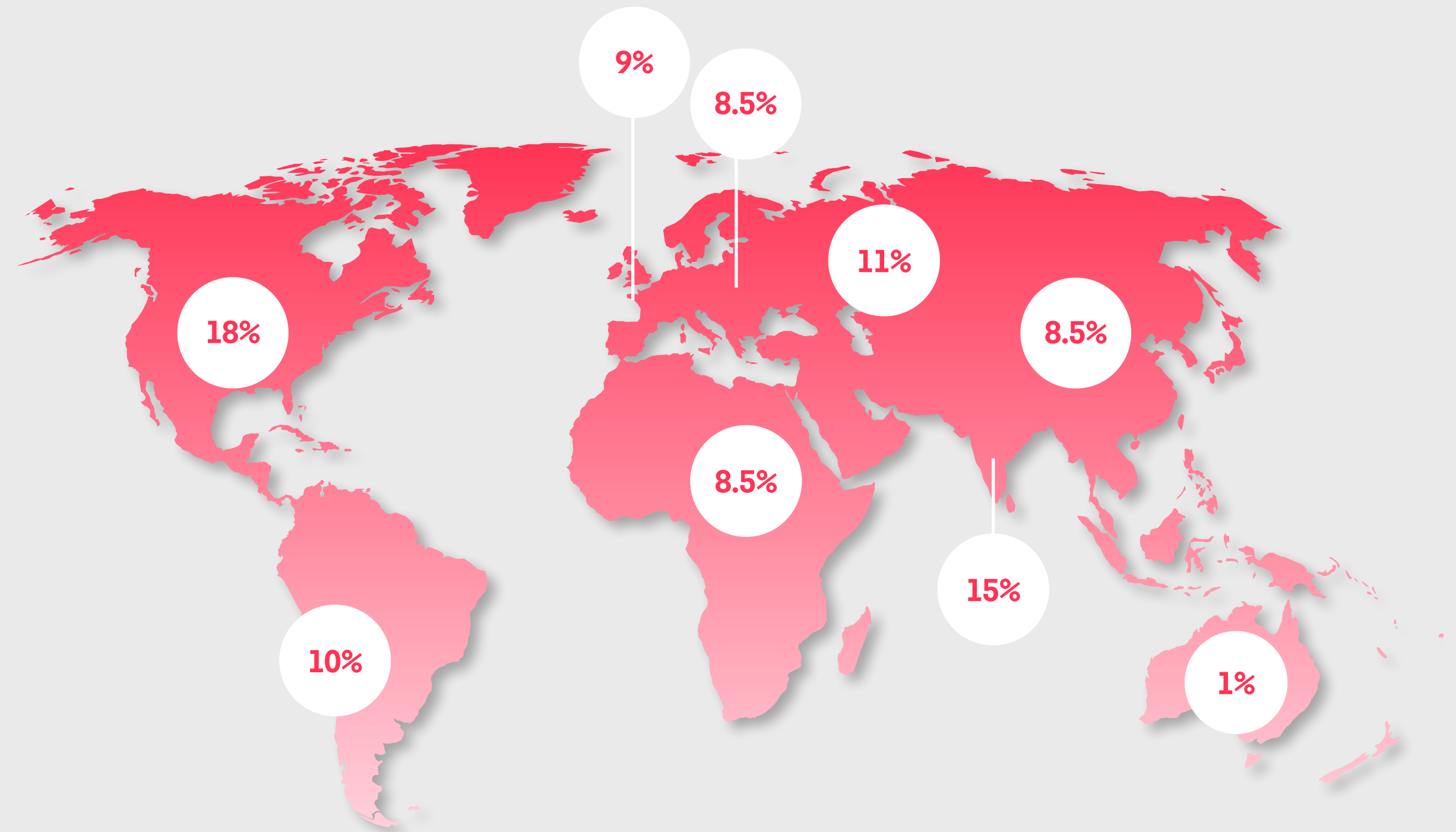
Ranked **North America** as their #1, #2, or #3 market for the best growth prospects in 2023

This year we sub-divided regions which revealed more specific areas respondents viewed with the best growth prospects.

For example, Asia was ranked #1 the last two years; however this year we can see more specifically that **India ranked #1, Southeast Asia #3**, and China fell to #8.

While North America received the highest percentage of respondents ranking it as #1, its average ranking placed it sixth.

% of Respondents Ranking Each Region as #1



Video Market Average Ranking

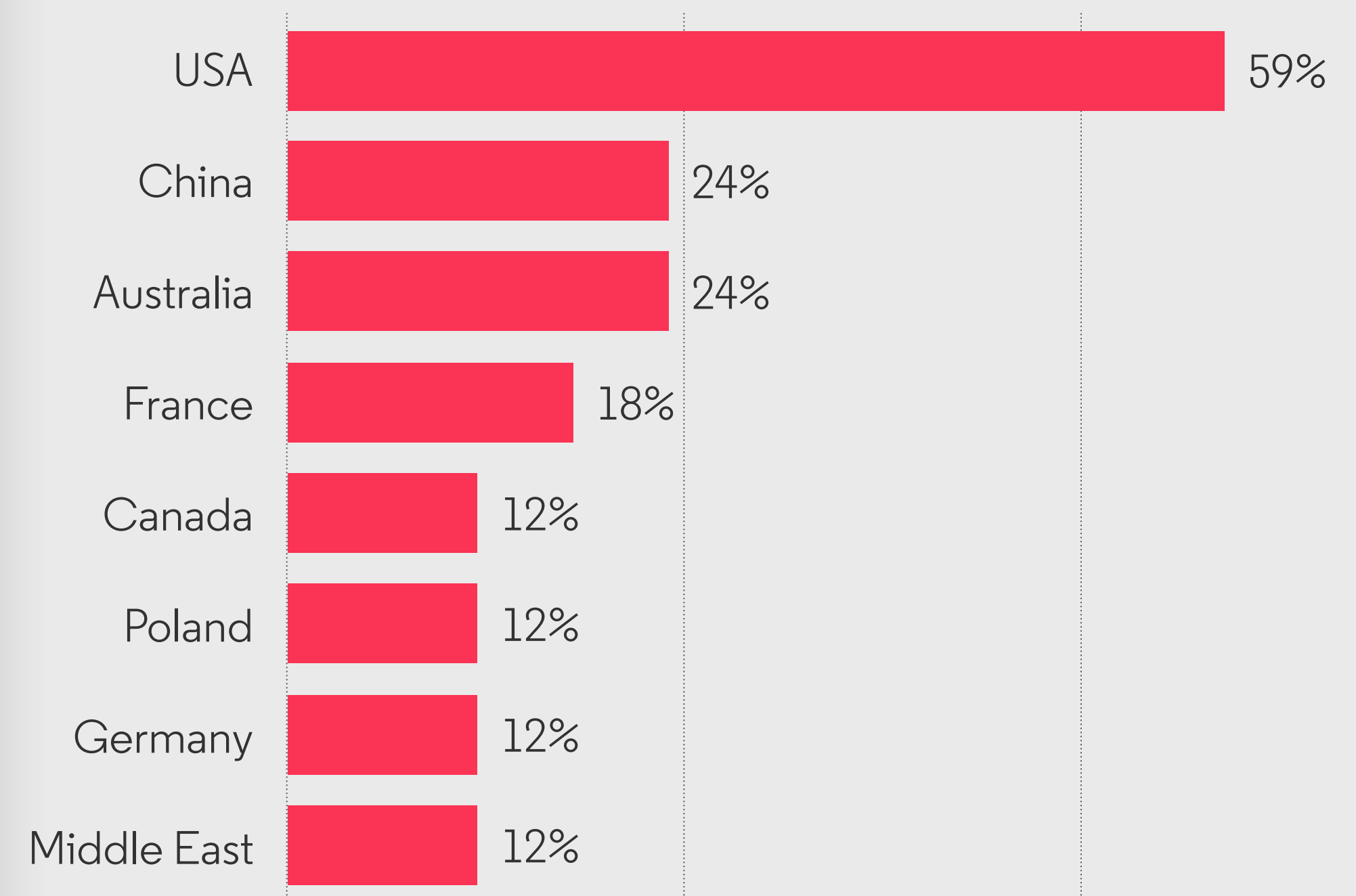
India	4.17	North America	4.98
Latin America	4.43	Central & E. Europe	5.24
Southeast Asia	4.48	China	5.75
Western Europe	4.80	Australasia	6.08
MENA	4.86	Sub-Saharan Africa	6.14

# Video Market Potential

Comparing the responses of the broader set of respondents from the 2022 TV Industry Trends Survey with those of the PACT UK TV Export Report, namely UK producers and distributors in global markets, shows an alignment in market expectations.

For UK Stakeholders responding to the PACT Exports Report in 2021 the USA continues to offer stability and strong revenues and **59% of respondents identified the USA** as being one of their top three growth markets. The PACT respondents also showed **optimism in Asia Pacific, with China (24%) and Australia (24%)** taking second and third place in the survey.

**% Respondents Naming Country in their Top 3 Expected Growth Markets**



Source: 2020-21 PACT UK TV Exports Report (<https://www.3vision.tv/news-insights/pact-uk-tv-export-report-2020-21/>)

# Global Streamer Prospects

28%

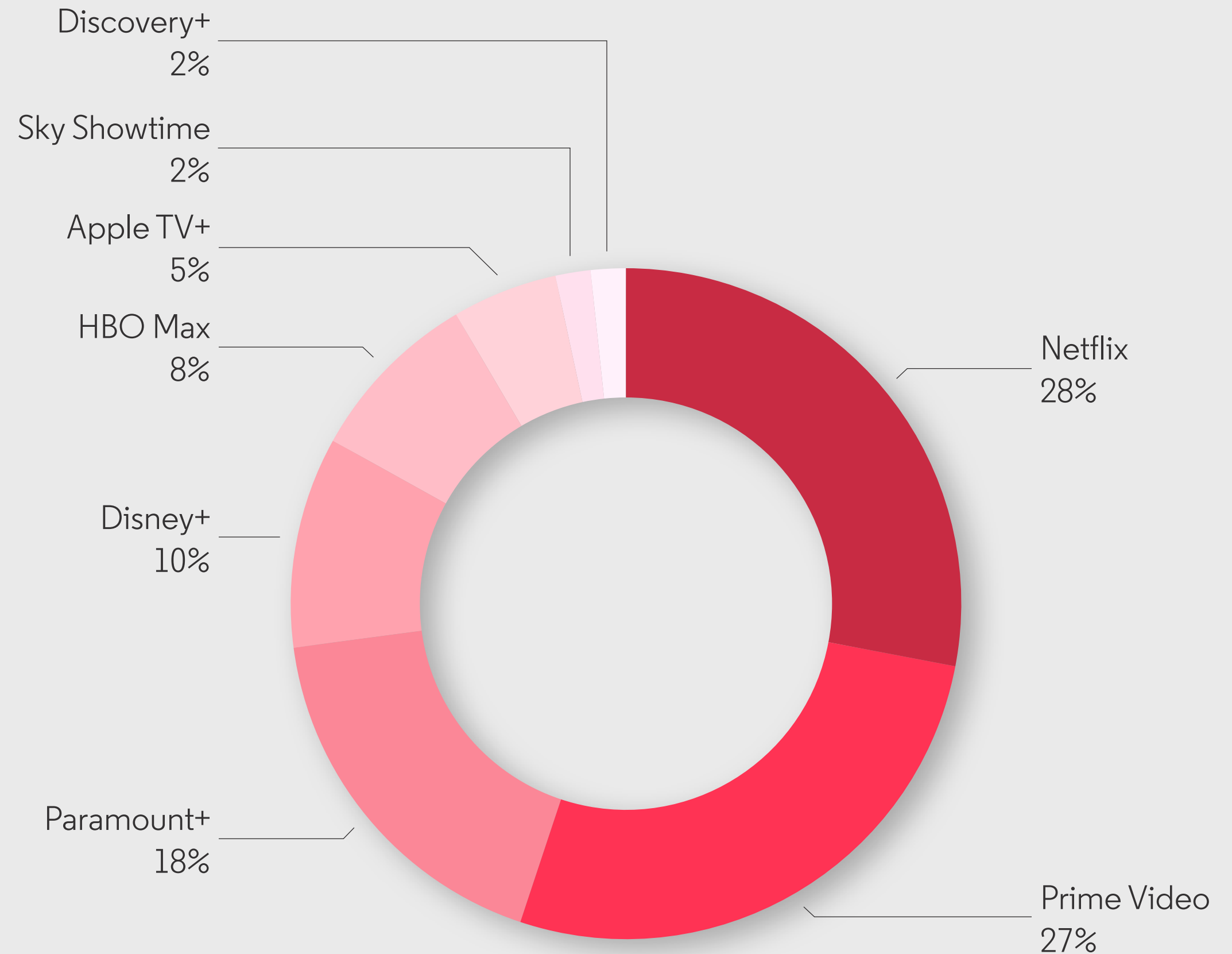
Respondents ranked **Netflix** as the #1 streamer for growth in 2023.

This is compared against 2022 in which **Disney+** took the top spot for best growth prospects. Disney+'s fall down to fourth perhaps reflects their greater financial constraints.

**The growth of Netflix** will likely be contingent on the success of its ad-supported tier alongside ongoing discussions about increasing memberships from stricter account sharing measures.

## Global Streamer Average Ranking

Netflix	2.68	HBO Max	4.16
Amazon Prime Video	2.81	Apple TV+	4.50
Disney+	3.00	Discovery+	5.52
Paramount+	3.47	Sky Showtime	5.52



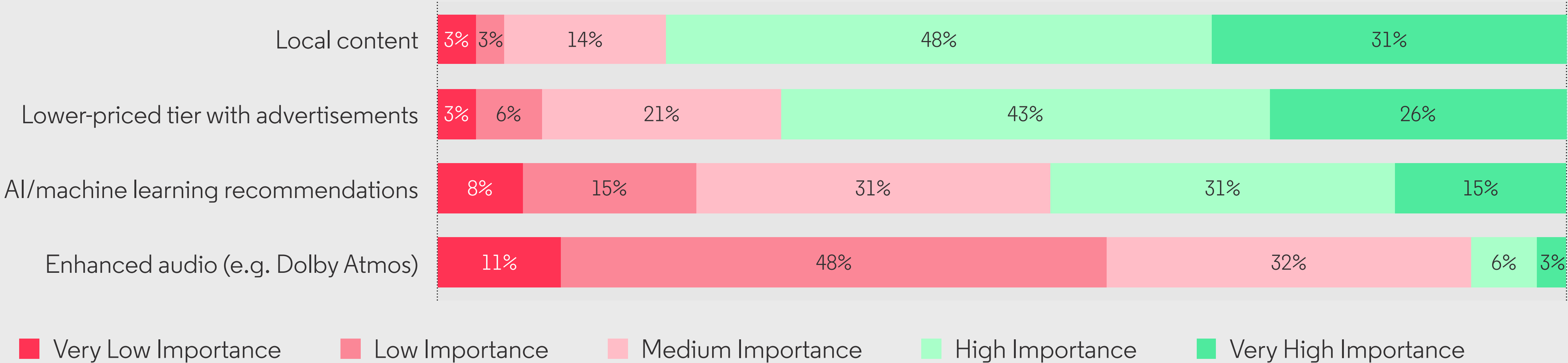
% Respondents Ranking Each Streamer as No. 1

# SVOD Development Areas

80%

Said local content was of High to Very High Importance in terms of development.

Nearly **80% of respondents** said local content was of High to Very High Importance in terms of development, whilst **70%** said lower-priced tier with advertisements were also important. In 2023 we will likely get a better picture of how significant these development areas really are, as many SVOD services will continue to test them.



# AVOD Categories

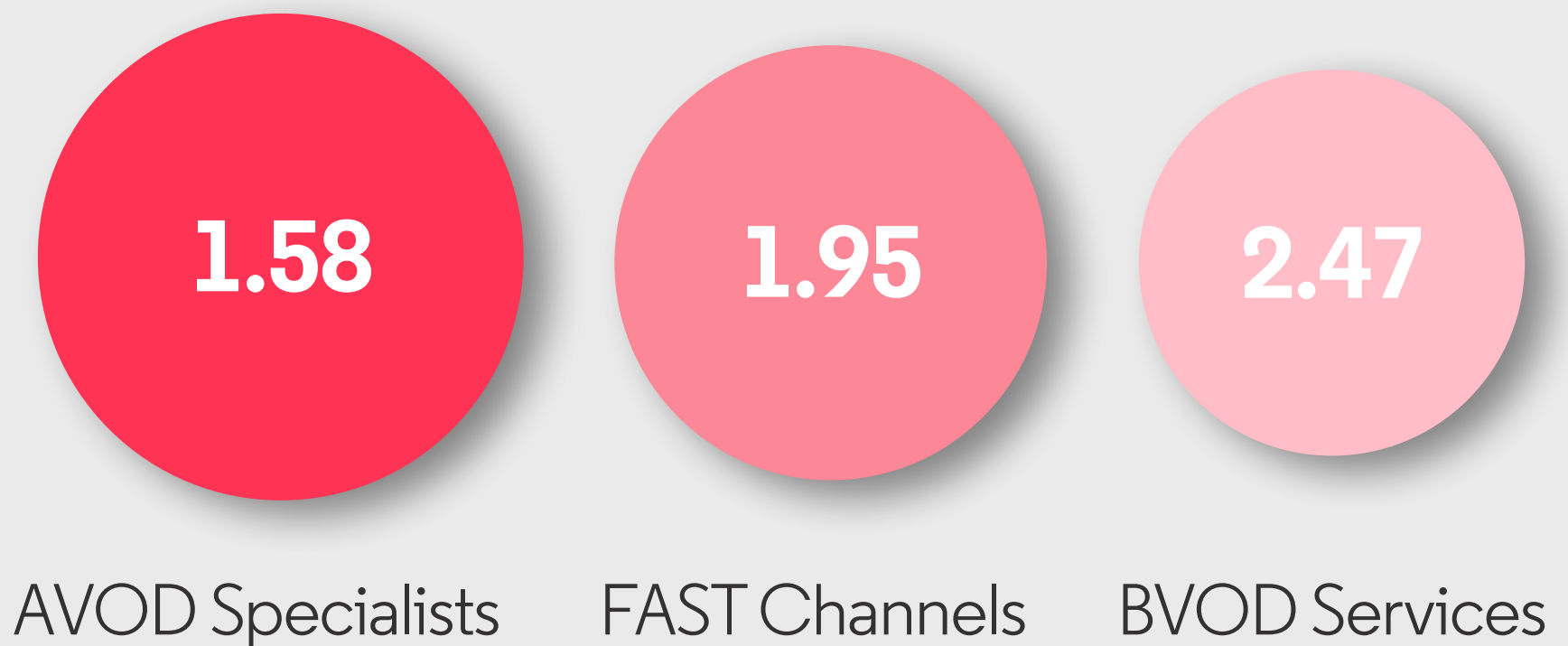


AVOD Service providers ranked as the top opportunity for growth in 2023.

This year respondents ranked **specialist AVOD service providers (e.g. Pluto, Tubi, Samsung TV Plus, Roku) as the #1 opportunity for 2023**, ahead of FAST channels and BVOD services.

Last year respondents ranked BVOD services and FAST channels similarly, with 21% and 25% of respondents ranking it as their No. 1 opportunity, respectively. This year, FAST channels overtook BVOD services, with 36% ranking FAST channels as their No. 1 compared to 15% ranking BVOD services as their No. 1 opportunity.

## Global Streamer Weighted Ranking



## % Respondents Ranking No. 01

AVOD Specialists	48%
FAST Channels	36%
BVOD Services	15%



# FAST Channel Categories

**38%**

Ranked Extensions of Programme Brands (single-IP) channels as No. 1 for best revenue growth in 2023.

**Extensions of Programme Brands** overtook Genre Channels and Traditional Linear Free TV Extensions this year, but the other two categories lagged only slightly behind. Only **3% of respondents** ranked Extensions of YouTube/Digital Channels as the best for revenue growth prospects.

Type of FAST Channel	% Respondents Ranking No. 1	Weighted Ranking for Growth Prospects
Extensions of Programme Brands (e.g. Unsolved Mysteries, Dr. Who, Mythbusters)	38%	2.04
Genre/Thematic Channels (e.g. Comedy, Drama, Sci-Fi, Horror)	32%	2.13
Traditional Linear Free TV Extensions (e.g. NBC sports, BET Pluto, Insight TV, My5 Crime)	26%	2.39
Extensions of YouTube/Digital Channels (e.g. FailArmy, Pet Collective)	3%	3.44

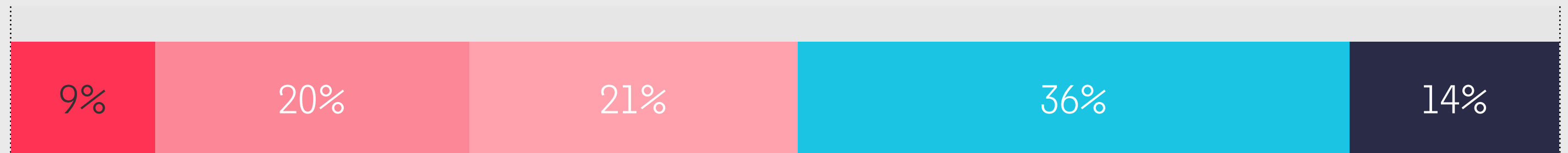
# FAST Channel Categories

79%

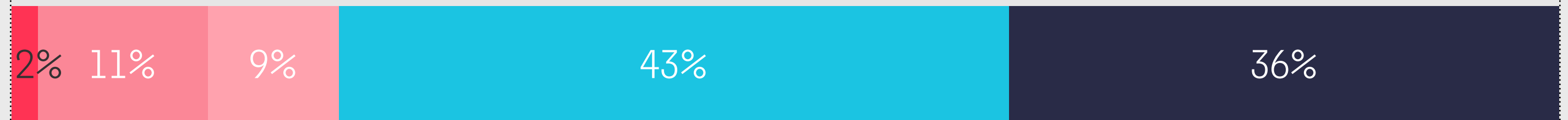
Respondents agreed that FAST markets outside the US will all develop very differently.

**Most respondents (79%)** are in vast agreement that the FAST market outside the US will develop very differently across markets. **Nearly 30% disagree** that the market outside the US is a great opportunity similar to the US. FAST channels and services are expanding globally and rapidly, and we will see how these developments play out in 2023.

The market outside the US is a great opportunity with conditions similar to US growth and revenue opportunities



The market outside the US will develop very differently as in many markets the broadcasters have a stronger hold



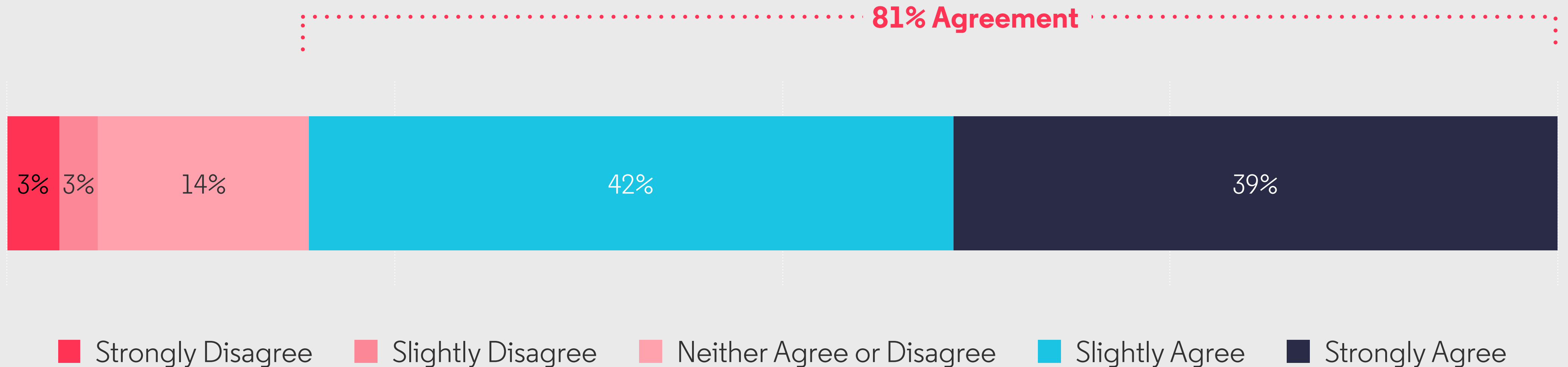
It is inevitable that traditional media will marginalise smaller FAST channels



Strongly Disagree    Slightly Disagree    Neutral    Slightly Agree    Strongly Agree

81%

The vast majority (81%) of respondents agree that **integrating Global Streamers and making them available to Pay TV subscribers has become a basic requirement** of Pay TV operators in developed markets.



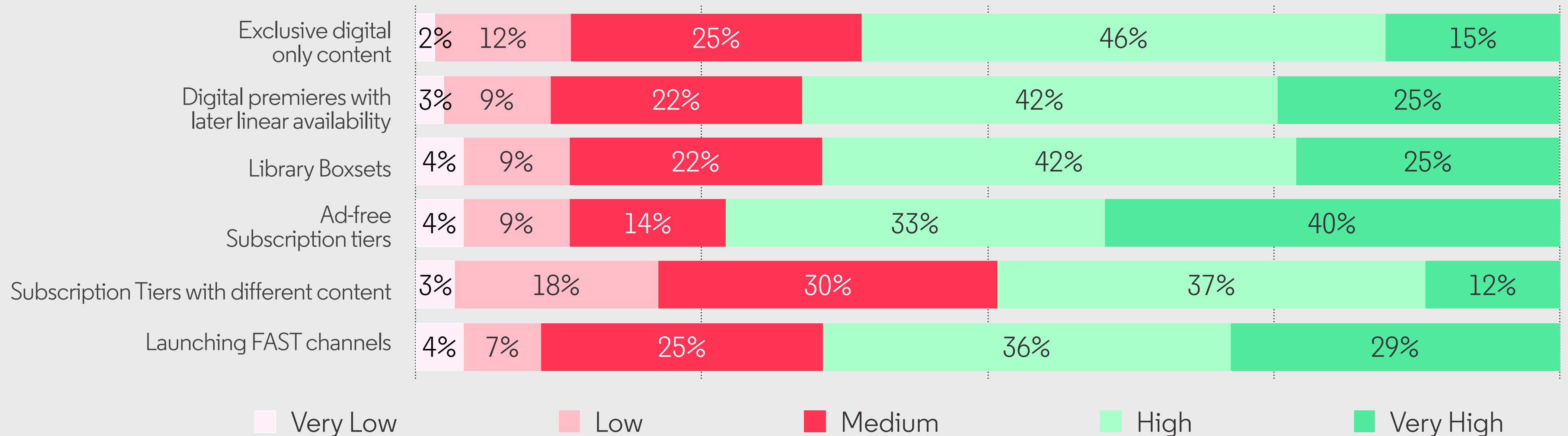
# Free TV Digital Initiatives



Premiering of content on digital services was ranked the best innovation for Free TV.

Almost all forms of Free TV innovation were deemed important by respondents, with the premiering of content on digital services featuring the highest. Interestingly, the innovations involving the addition of subscription services scored weakest, perhaps reflecting that respondents see less potential for Free TV players if they are breaking from their traditional advertiser business model.

Importance of Different Digital Initiatives



# Free TV Digital Initiatives



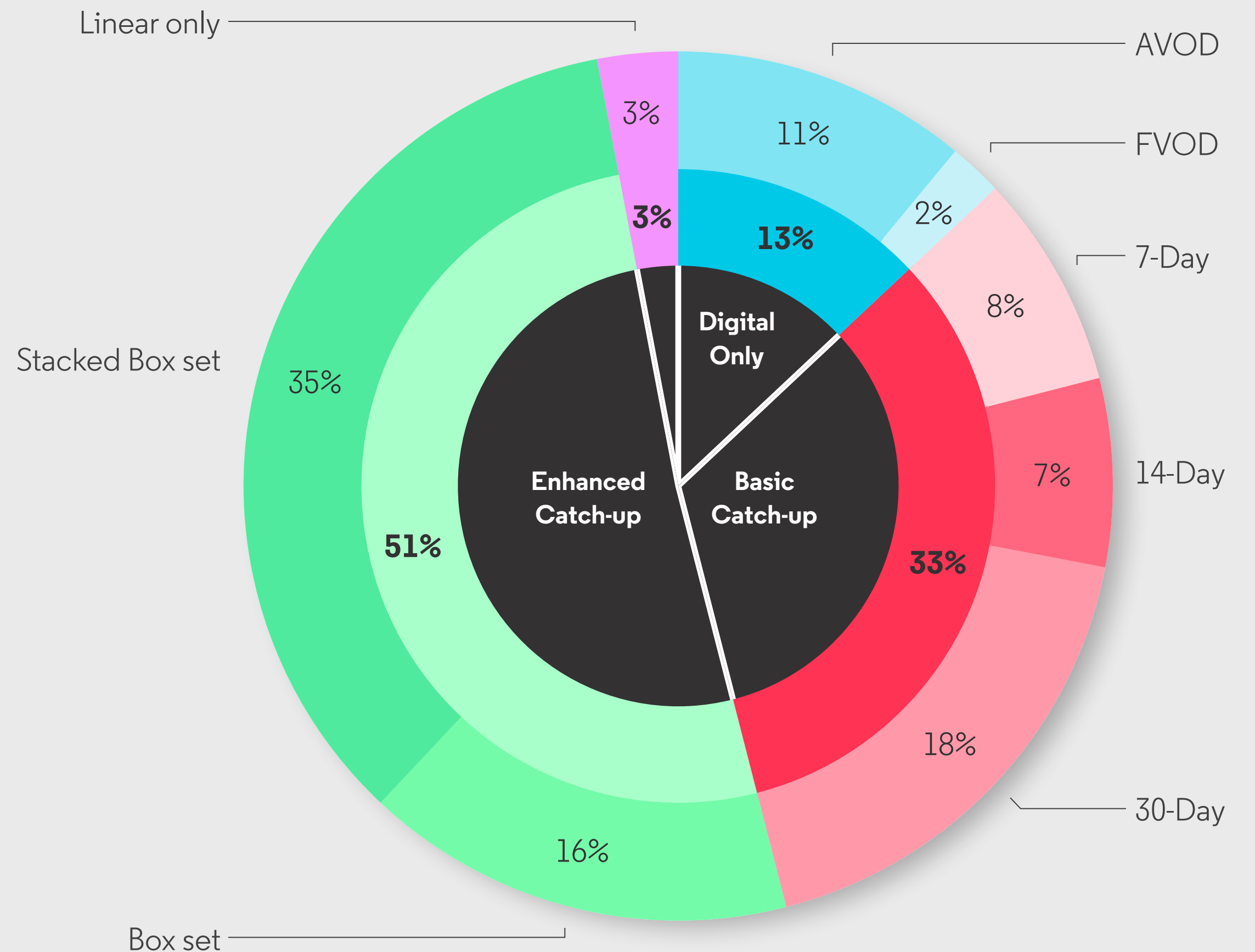
Respondents identified strong opportunity areas within Free TV Channel Groups

**62% of respondents** agreed that exclusive digital only content was important as a Free TV digital initiative but it still only makes up 13% of Free TV content, a potential innovation area for 2023.

Majority of catch-up is done through library box sets (stacked or not) which aligns with the **67% of respondents** in agreement that library box sets are important to Free TV channel groups.

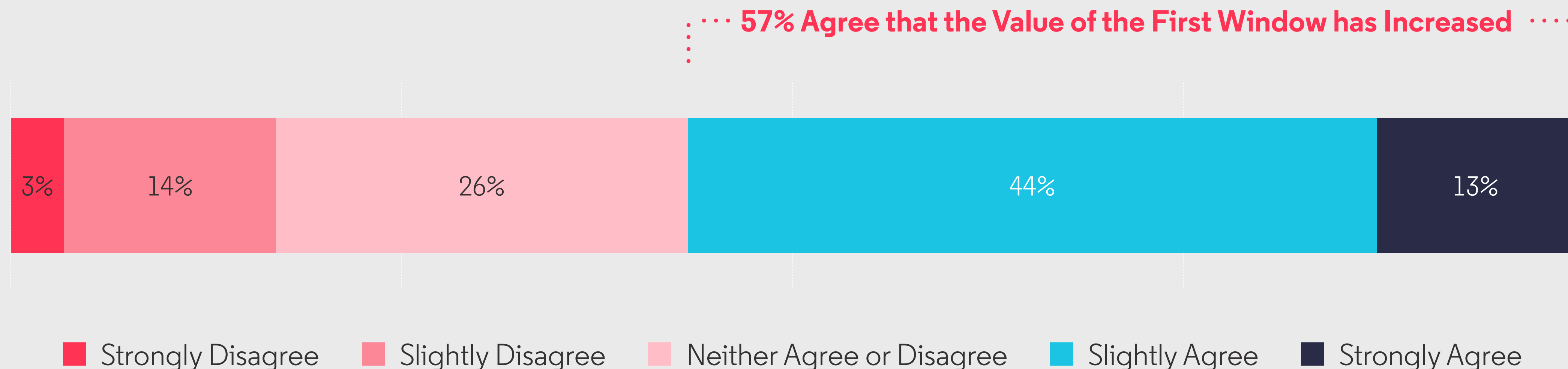
Free TV channel groups are continuing to acquire more enhanced catch-up rights, and it will be interesting to see how this will move in 2023.

Catch-up/Digital Rights for 2021/22 Season Free TV Acquisitions



# Content Sales

With the growing number of Studio D2C services withholding content for their own services, and the changing rights requirements of local and global operators, there have been shifts to the content windowing paradigm. Whilst **majority of respondents agreed** that the value of the first window has increased and marginalised the opportunity for secondary sales, **26% remained impartial** and **14% disagreed**, perhaps highlighting the ongoing change and flux in the markets for content.



# Content for Subscription Growth

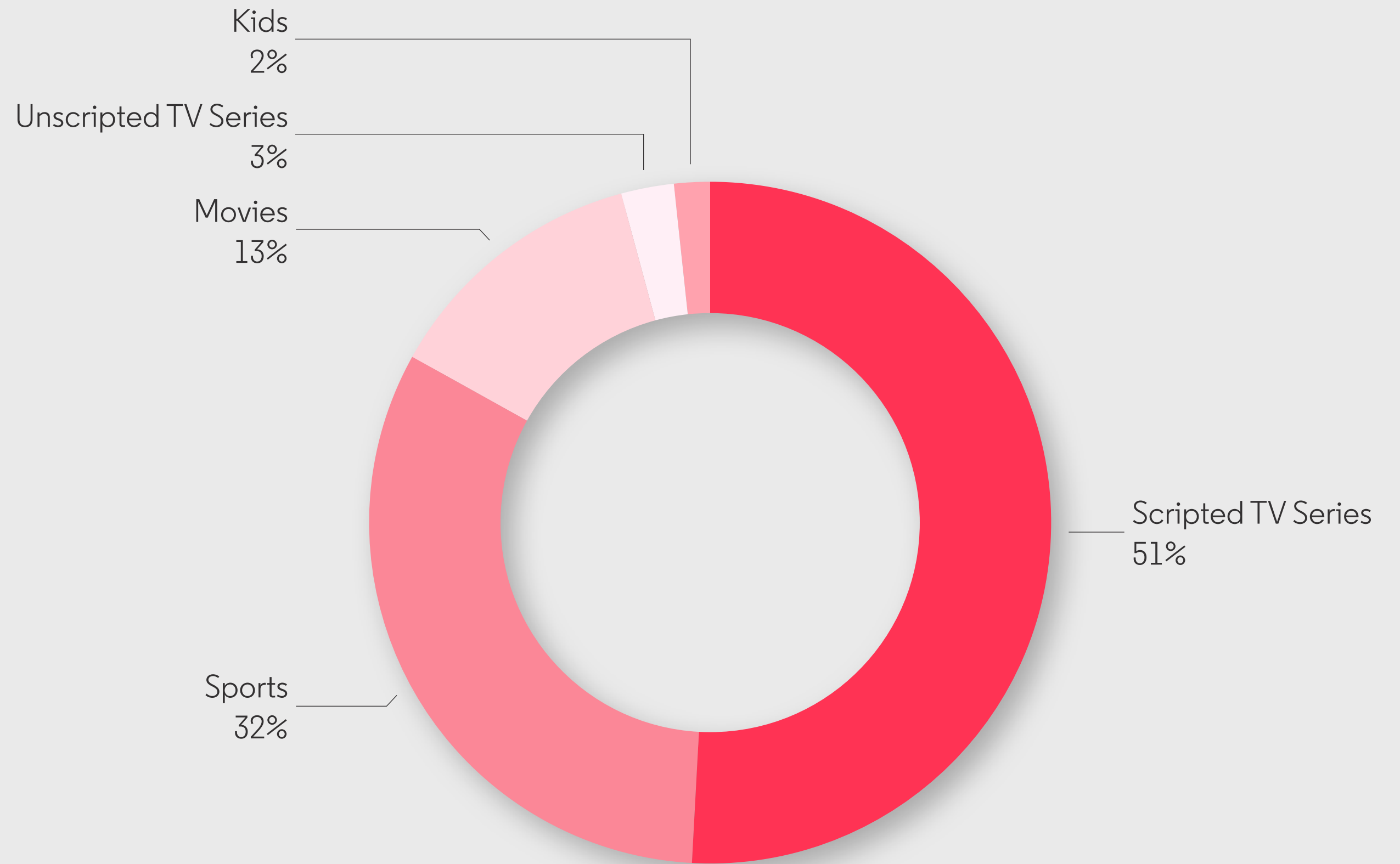
51%

Respondents ranked Scripted TV Series as the #1 type of content for acquiring new subscribers.

This is contrasted with Unscripted TV Series, as only 3% of respondents believe that they are the most important type of content.

## Global Streamer Average Ranking

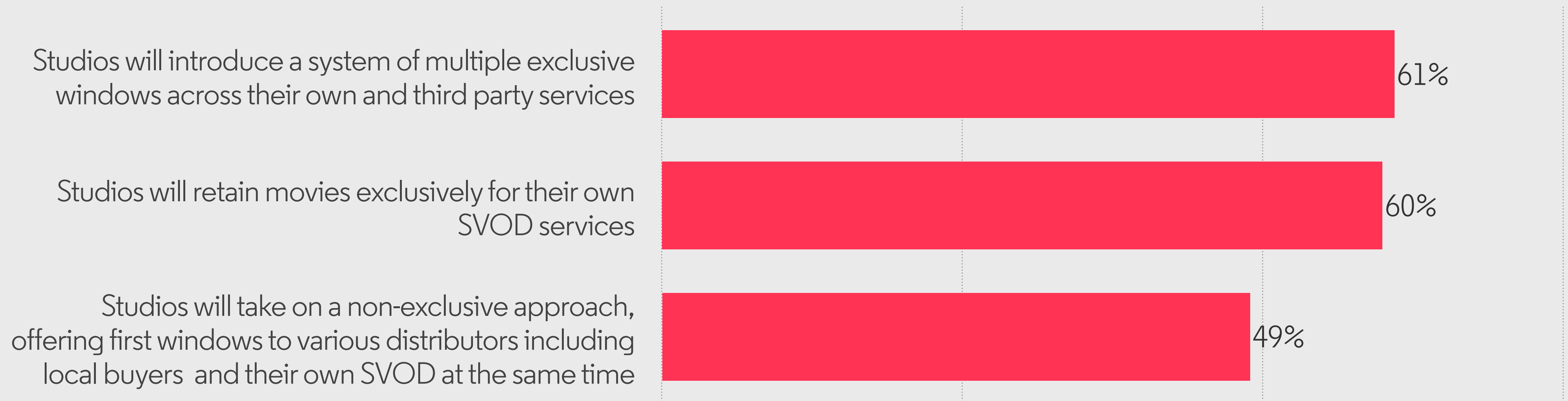
Scripted TV Series	1.81
Sports	2.70
Movies	2.75
Unscripted TV Series	3.86
Kids	3.87



**Types of Content Most Important to a Service for Acquiring New Subscribers**

# Content Distribution and Studio D2C

One of the trends that revealed the **widest variation in responses** was that studios may utilise a variety of tactics on windowing strategies, whether it be retaining movies exclusively for their own SVOD services, taking on a non-exclusive approach to first windows with local buyers and their own SVOD, or introducing a system of multiple exclusive windows across their own and third party services.





# Tech Industry Slowdown

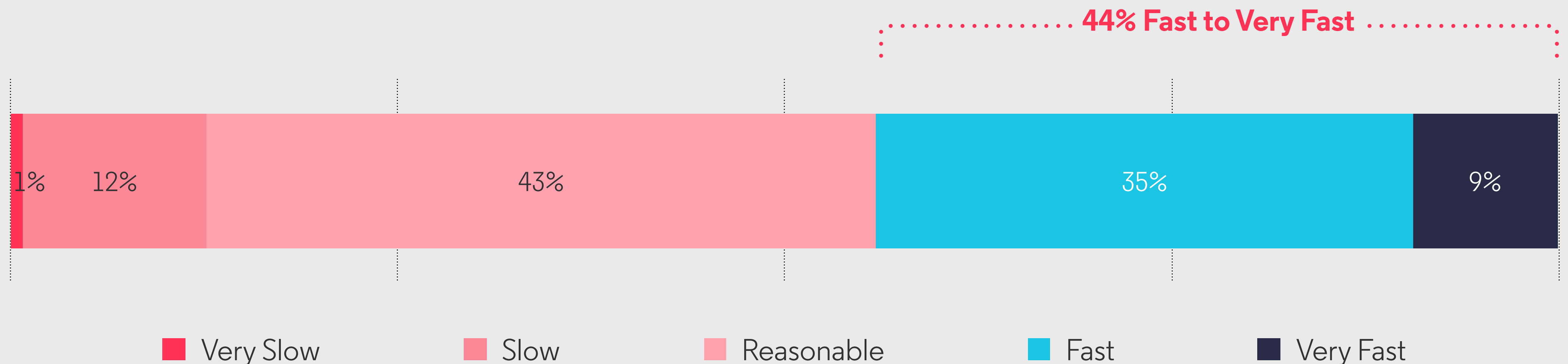
Respondents mostly agreed that a **tech industry slowdown may impact production levels and global expansion efforts**. However, only 39% feel that it may result in renewed efforts in internally produced short-form content from social media platforms. Perhaps the failure of Quibi lives longer in people's minds, which might mean that people are more cautious to invest in short-form content.



# Cord-Cutting

**Many respondents are in the middle about cord-cutting**, with 43% of respondents saying that cord-cutting will accelerate at a reasonable speed. 44% of respondents believe it will accelerate Fast to Very Fast, while just 13% of respondents say that cord-cutting will move Slow to Very Slow.

With the speed of **cord-cutting to vary significantly by global market** (and some markets still actually growing), it's not surprising to find differing opinions on this. Pay TV continues to evolve their proposition to fight against the challenges presented to them by the growth of streaming. Initiatives include aggregating third party SVOD services, improved fibre/multi-play bundles and launching more affordable packaging.



# 3VISION

3Vision is a **global content and TV consultancy** specialising in content acquisition, strategy, research and business development in the TV industry. With decades of hands-on experience in the entertainment sector, 3Vision will position your business for success.



## Strategy

Where is your business heading? We're here to map things out. Our strategic advice is drawn from first-hand experience. And real-world success.



## Research

We combine intelligent analysis and deep industry experience to give your business expert insights.



## Content Acquisition

From negotiating new content deals to renegotiating existing ones, we're here to fight your corner.



## Business Development

Take your business to the next level with deep market analysis, partnership negotiation, sales acceleration and relationship management.



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