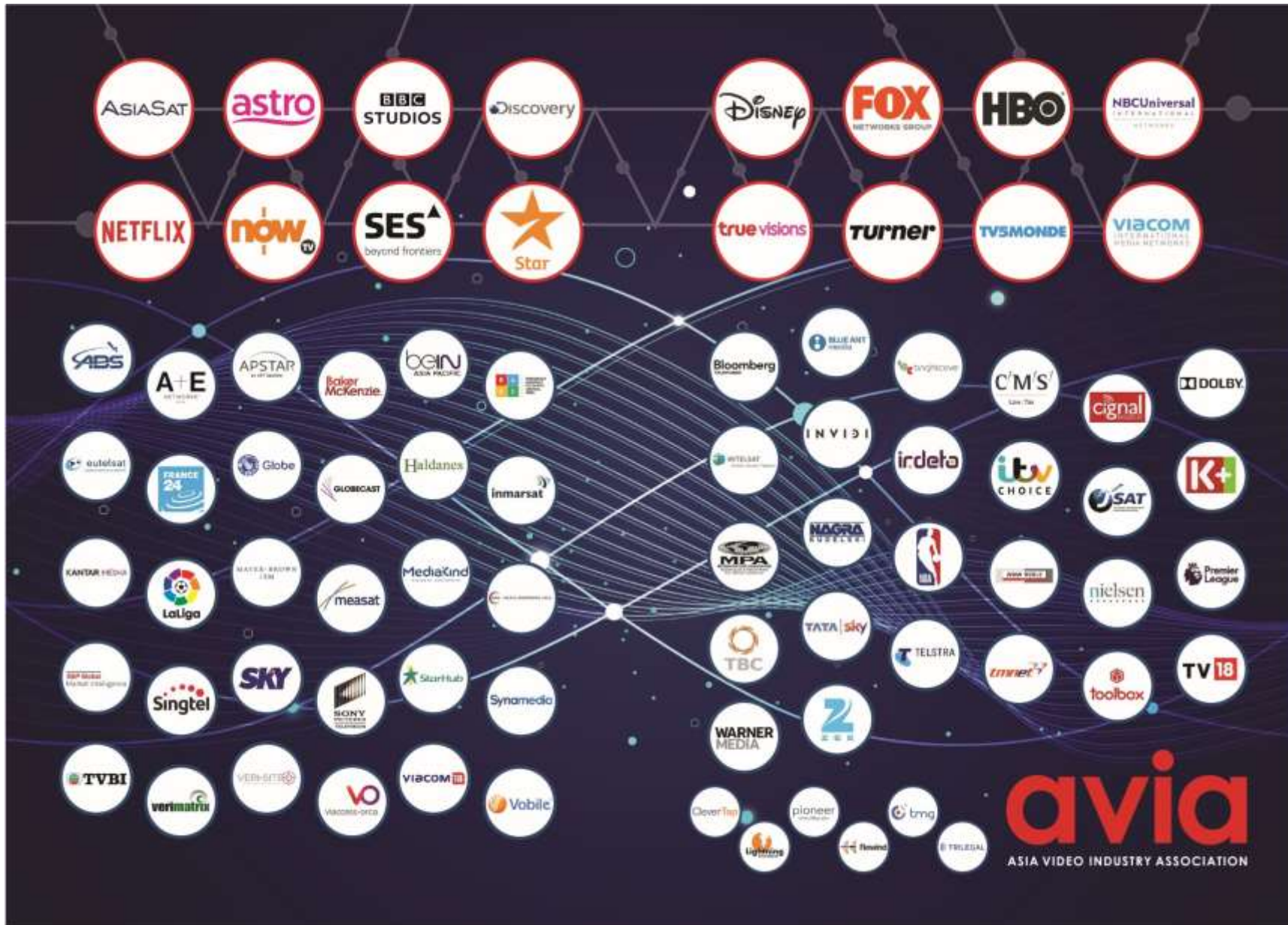


Curated Online Video in Asia

John Medeiros
Chief Policy Officer,
AVIA
August 19, 2019

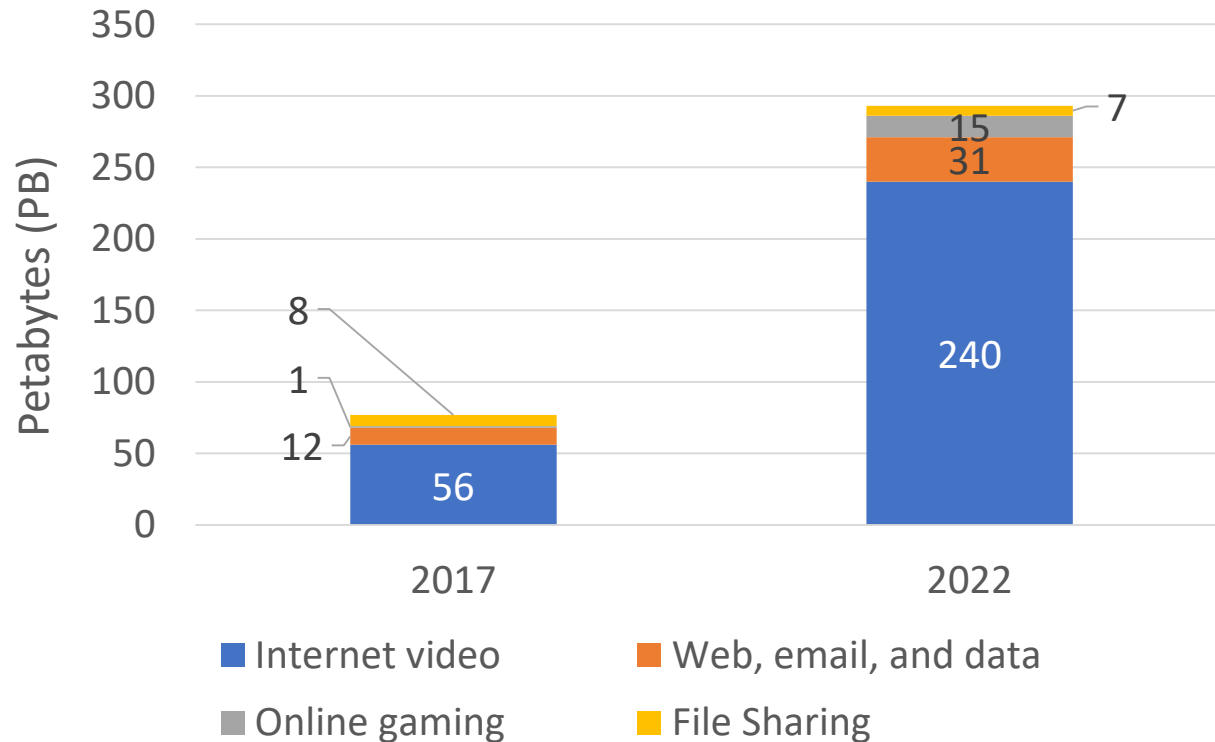


AVIA:

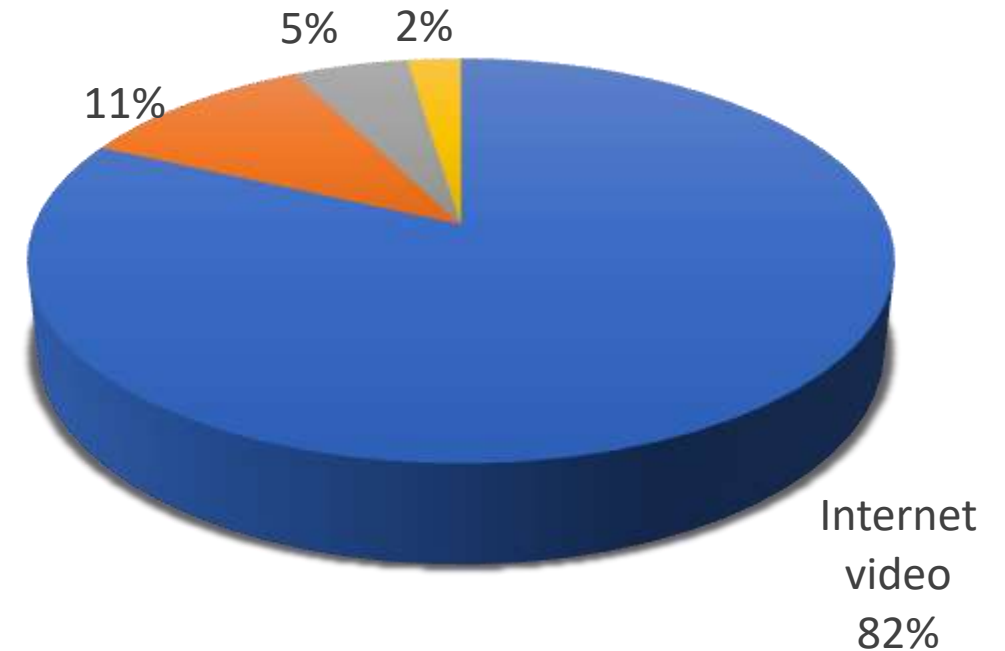
- Is a non-profit multicultural trade association with 90+ members doing business in Asia.
- Represents the industry ecosystem that creates, packages, markets and distributes video content in Asia.
- Covers cable, satellite, mobile, and broadband video delivery.
- Exists to make the video industry in Asia stronger, healthier, more vibrant, and to foster innovation to meet consumers' needs.

Internet Development Rides on Video

Internet Traffic Growth 2017 -2022

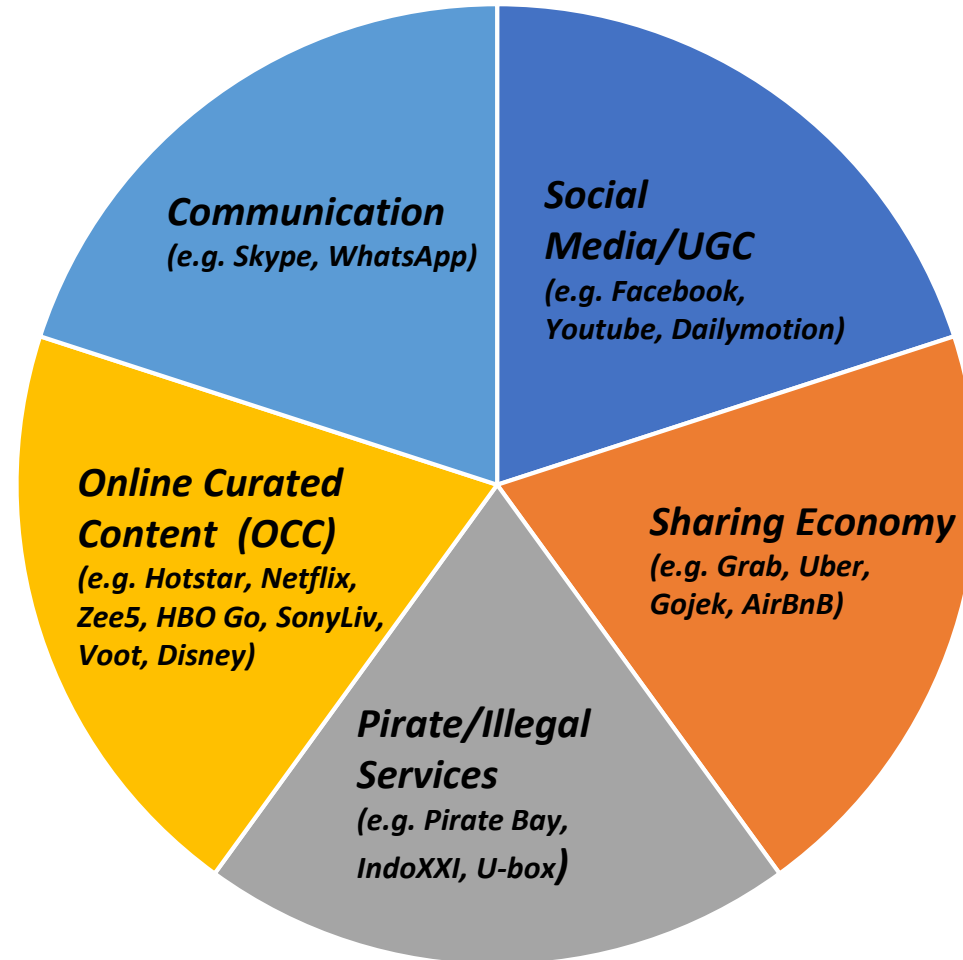


2022 Forecast



Source: CISCO VNI 2017-2022

The OTT universe



Examples of OCC Services in Asia

GLOBAL

NETFLIX

HBO GO

amazon video

iTunes

REGIONAL



iflix

HOOQ

YUPPTV

CATCHPLAY



LOCAL



voot

trueTV

Toggle



hoicho!

dimsum

OCC – Online Curated Content Services -- A New Business Model

- Curated Content from many countries
- **Copyright Protected**, so in-country creators get fully paid for their work
- **Personalised and consumer-centric**
- **Varied revenue sources** – subscriptions are important, but low-income consumers also like the freemium model and ad-funded services



What do consumers prize?

- *Choice*
- *Convenience*
- *Family Control*
- *Varied Price Points*

Distinguishing Characteristics of OCC/VOD

- **Delivered over the open internet** – anyone with a connection can subscribe/access
 - Technology makes this possible; internet regulation in India guarantees it. Net neutrality rules give every individual a right of non-discriminatory access.
- **Fully curated, not random;** personalized for each consumer
- **Proprietary content/rights paid**
- **Pull, not push;** child safeguards are an important part of the ecosystem
- **Private viewing, not public**
- **Individually chosen viewing time, device** – increasingly not in the family living room

Reasons Consumers Give for Choosing Curated VOD

	India	Indonesia	Malaysia	Taiwan	Thailand
Time flexibility	88%	86%	86%	86%	79%
Control over content	85%	78%	83%	83%	76%
Portability	87%	81%	87%	79%	75%

Source: AlphaBeta Strategy and Economics, "Asia on Demand," 2018

Benefits for local creative economies

- Growing VOD services (both local and int'l) are investing heavily in quality local content to meet consumer desires.
- If growth continues unfettered, VOD services are expected to invest US\$10 billion in Asian content over the next 3 years.* Economic consultants say the multiplier economic impact will be 3 times, or \$30 bil.
- Indian producers are already benefitting from these flows.
- But the degree to which future benefits come to any individual country will depend on growth prospects in that country. The success of the VOD industry in a given country – determined in part by the regulatory environment – will determine the volume of content production that comes to that country.
- A key part of the video production business model for OCC services is reliance on local partners – the established local creative industry.

* Source: AlphasBeta Strategy and Economics, "Asia on Demand," 2018

“Legal VOD services make me less likely to use pirate sites”

India

Indonesia

Malaysia

Thailand

77%

72%

61%

57%

“Safety features of VOD services are useful”

India

Indonesia

Malaysia

Thailand

82%

74%

64%

64%

The Online Environment is a Cesspool

- Legitimate OCC services are struggling to make their way in a highly competitive environment.
- Among the strongest competitors they face are the illegal “piracy” syndicates. As broadband penetration grows, use of pirate services is growing very strongly.
- There is a clear societal interest in having consumers patronize curated online services rather than the pirate sites, which in addition to copyright theft, drag consumers into
 - Pornography
 - Gambling
 - Fraud, spyware and malware
- The piracy syndicates follow no rules, pay no taxes and have no ethics. Governments should recognize this competitive reality, and facilitate growth of a responsible content ecosystem.

The OCC Industry – A Responsible and Responsive Citizen

- Responsible OCC service operators are committed to ensuring that their platforms remain places where consumers can find the content they want, without socially destructive surroundings.
- They self-regulate, to make sure that consumers are comfortable in exploring their content options. They adopt measures like maturity ratings, content synopses and tech-enabled parental controls.
- Government micro-management is not desirable, and risks severely handicapping the legitimate players.
- In Asia, there are now two major OCC self-regulation codes in operation. One is in India, and the other is in ASEAN.
- The Codes are voluntary. Up until now not everyone respects them. One improvement could be to incentivize adherence to the Codes – keeping them industry-based.

ASEAN OCC Self-Regulation Code

A proactive commitment by 10 VOD industry players, developed in consultation with regulators, the Code was launched in June 2018.

Key Points

- Guarantees against piracy, child pornography, terrorist or extremist content
- Tools and information to protect minors from age-inappropriate content, empower consumers to choose the content they want to view
- Open channel of communication with governments and regulators
- Advertising and marketing in line with local policies, practices and regulation

astro

dimsum™

DOONEE

HOOQ™

iflix

NETFLIX

tonton

TVB

IAMAI Code of Best Practices for Online Curated Content (OCC)

A proactive commitment by leading VOD industry players, developed in consultation with regulators, the Code was launched in January 2019.

Key Points

- Empowers consumers to make informed choices on age-appropriate content;
- Protects the interests of consumers in choosing and accessing the content they want to watch;
- Safeguards and respects creative freedom of content creators and artists;
- Nurtures creativity, helps create an ecosystem fostering innovation and abides by an individual's freedom of speech and expression; and
- Provides a mechanism for complaints redressal in relation to content made available by respective OCC Providers.



A New Kind of Television Needs a New Kind of Regulation Tailored to Suit

- OCC services are not the same as traditional broadcast TV; they are also not the same as other types of OTT.
- This sector is marked by ongoing innovation and development of new offerings using different business models.
- At the same time, OCC services are in a life-or-death competitive battle with “the dark side” of the internet.
- Governments should want to see the responsible players succeed! They should avoid hobbling OCC services with burdensome regulatory frameworks, which will only open the door wider for irresponsible actors.
- Government micro-management of content regulation is not in keeping with the internet competitive environment, nor with the principles of internet regulation that India is adopting (e.g. net neutrality).

Thank you!