

# THE RISE OF OTT

Will over-the-top (OTT) services and offerings dethrone cable TV?



## What is OTT?

OTT refers to an app or service that delivers content (audio, visual, etc.) over the internet rather than traditional cable or satellite distribution.



## The Pay-TV/OTT Market Today



The majority of pay-TV subscribers are unhappy. When their happiness combines with more viewing choices, the result is a significant drop in market share.

### Cable customers are unsatisfied

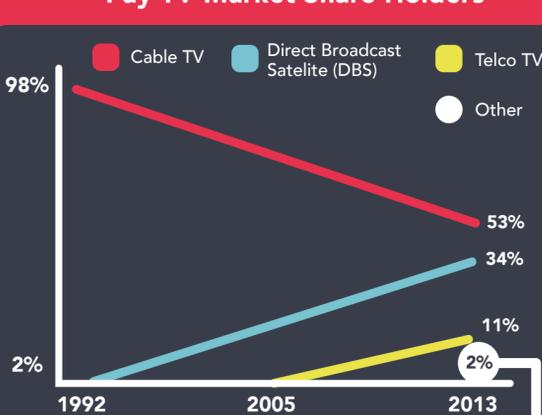
73%

Feel cable companies are predators and take advantage of the lack of pay-tv choices available.

53%

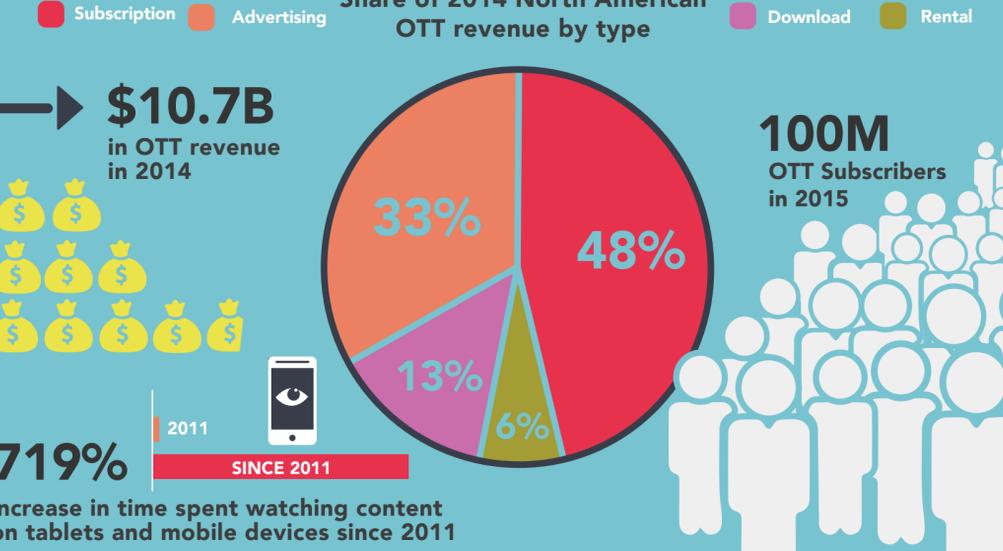
Of cable customers would leave providers if they had a chance.

### Pay-TV Market Share Holders



The other 2% of subscribers represent the number of OTT households, which continues to grow.

### Share of 2014 North American OTT revenue by type



**\$10.7B** in OTT revenue in 2014

**100M** OTT Subscribers in 2015

**719%** increase in time spent watching content on tablets and mobile devices since 2011

### Major Players

#### HBO GO

- \$ 14.99/month
- 13M registered users
- Access to all HBO content

#### NETFLIX

- \$ 7.99-11.99/month
- 60M registered users
- Thousands of movies and TV shows

#### ROKU

- Starts at 49.99
- 10M registered users
- 2000+ Channels

### The Target Audience

Statistics show many prefer to watch content through traditional cable/satellite providers. So who does OTT target?

**10M** Broadband Only Households



These households are not reachable via traditional cable or satellite

**112.8M people** between 18-40

This audience will only grow as OTT content becomes more mainstream and as younger generations familiar with OTT become head of households.



### The OTT Market Opportunity

**2019**

By 2019, the OTT market will have doubled or more in almost every aspect.

**333.2M** Global OTT subscribers by 2019

USING

**69M** OTT Video Services

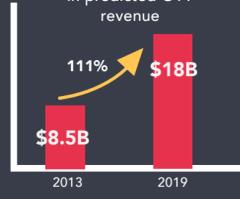
BECAUSE

"Usage of streaming video services is set to absolutely explode... the transition from traditional TV to a world where online video platforms rule the land may happen sooner than later."

Juniper Research

More people consuming content using OTT services increases overall industry revenue.

**\$18B** in predicted OTT revenue



111% increase in CAGR

**\$8.8B** SUBSCRIPTION

Nearly half of the revenue will be in subscription services

**78%**



increase in average amount spent per consumer on OTT

### Maximizing Audience Potential

Today, the customer is king/queen. Satisfied customers generate more revenue

#### On Demand



Consumers want what they want, when they want it. OTT allows users to consume the content they want whenever they want, on their preferred device

#### More offers to choose from

**Roku vs. Comcast**

- Roku
  - 2000 channels
  - 4 boxes (including box top and travel USB)
  - Extensive on-demand content

- Comcast
  - 140-220 channels
  - In-home TV service
  - Limited on-demand content

"We're focused on a great experience for the future, which is partially here now and rapidly arriving. It's just a much better world when you don't have to worry about recording shows. That's the world where all content is on-demand."

- Anthony Wood, CEO, Roku



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