



Technology & media:

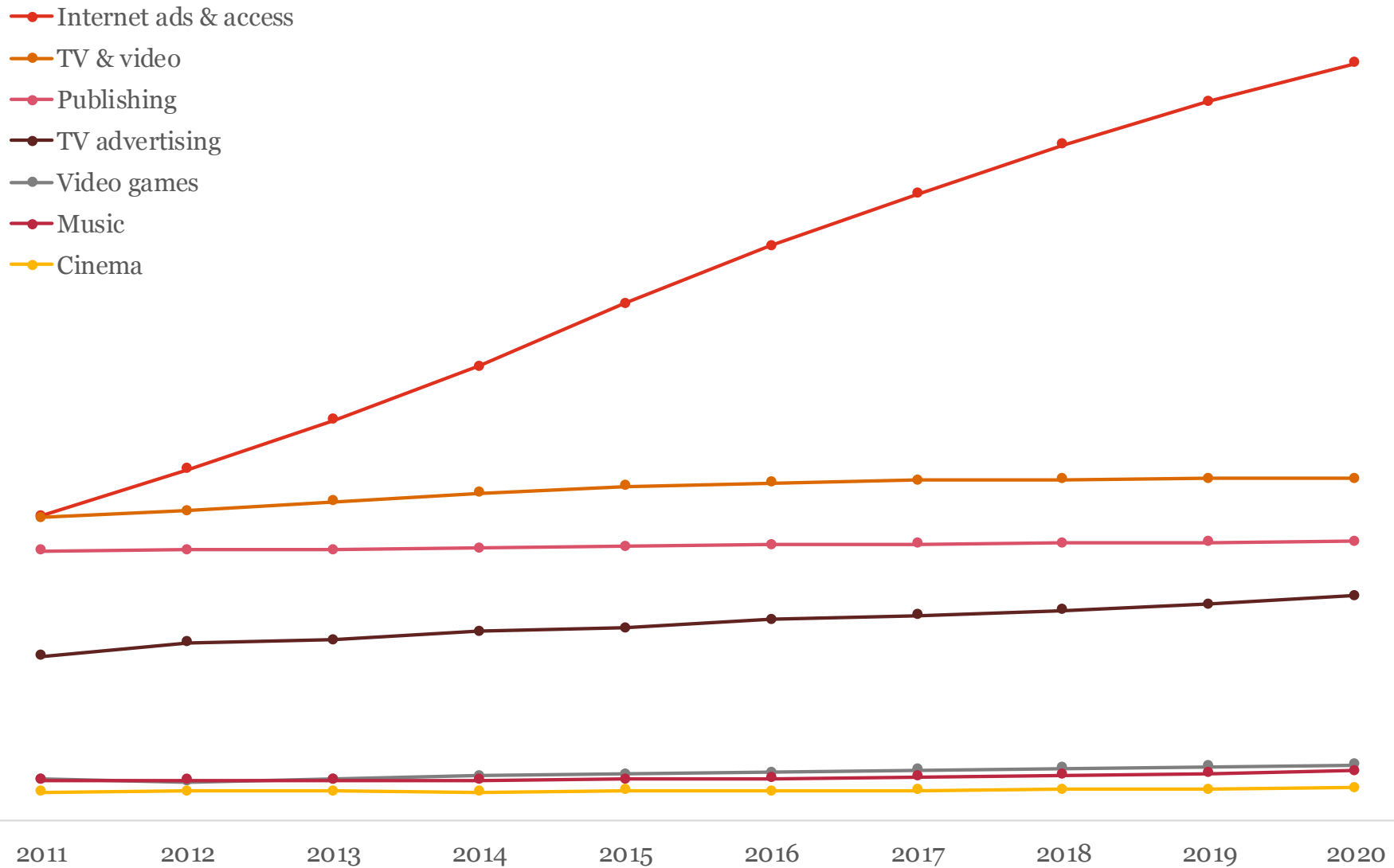
*Working together to shape the consumer of the future:
Los Angeles area impact*

LAEDC – March 2017

A world of differences: capturing attention and value in today's global multi-speed media landscape

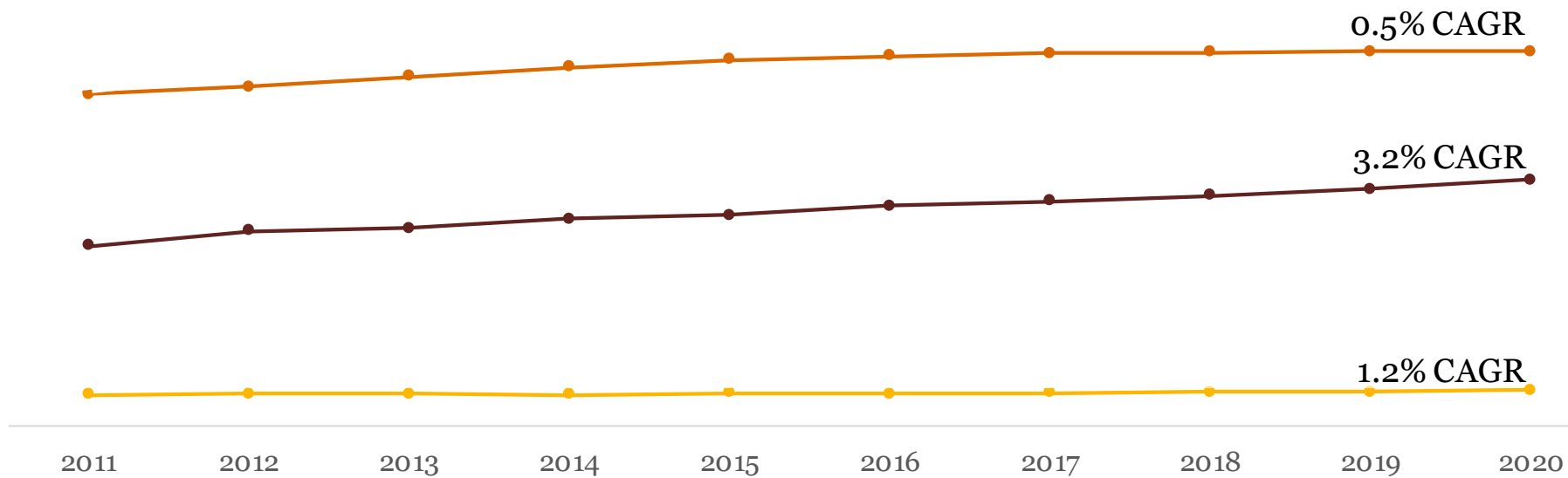


Where we are and where we're headed



US video entertainment is projected to reach \$210B by 2020

- TV & video
- TV advertising
- Cinema



Key themes and trends in video entertainment

1

The highest growth is through streaming video, with cord-cutters and cord-nevers enabling a shift to online TV and Video consumption

2

The content recipe has evolved, with winners in both high cost content targeted to a broad audience and cost effective content tailored to niche / local audiences

3

US based studios face increasing international competition, with government involvement helping fuel local growth and restricting international investment

4

Consumers expect their content experience to follow them across devices, with mobile consumption being a significant growth driver

5

APAC and LATAM are projected to have the highest growth rates, however North America will remain the largest revenue territory through 2020

Top issues impacting Tech and Media



Data & demographics

Understanding changing consumption patterns through data and analytics to better target and monetize consumers



Competition

Harnessing the power of emerging technologies to compete amid convergence, consolidation, and globalization



Business models

Growing network access and beyond, TV/video unbundled, Anything-as-a-Service (XaaS)



Geography

Navigating international expansion strategies



Transforming with trust

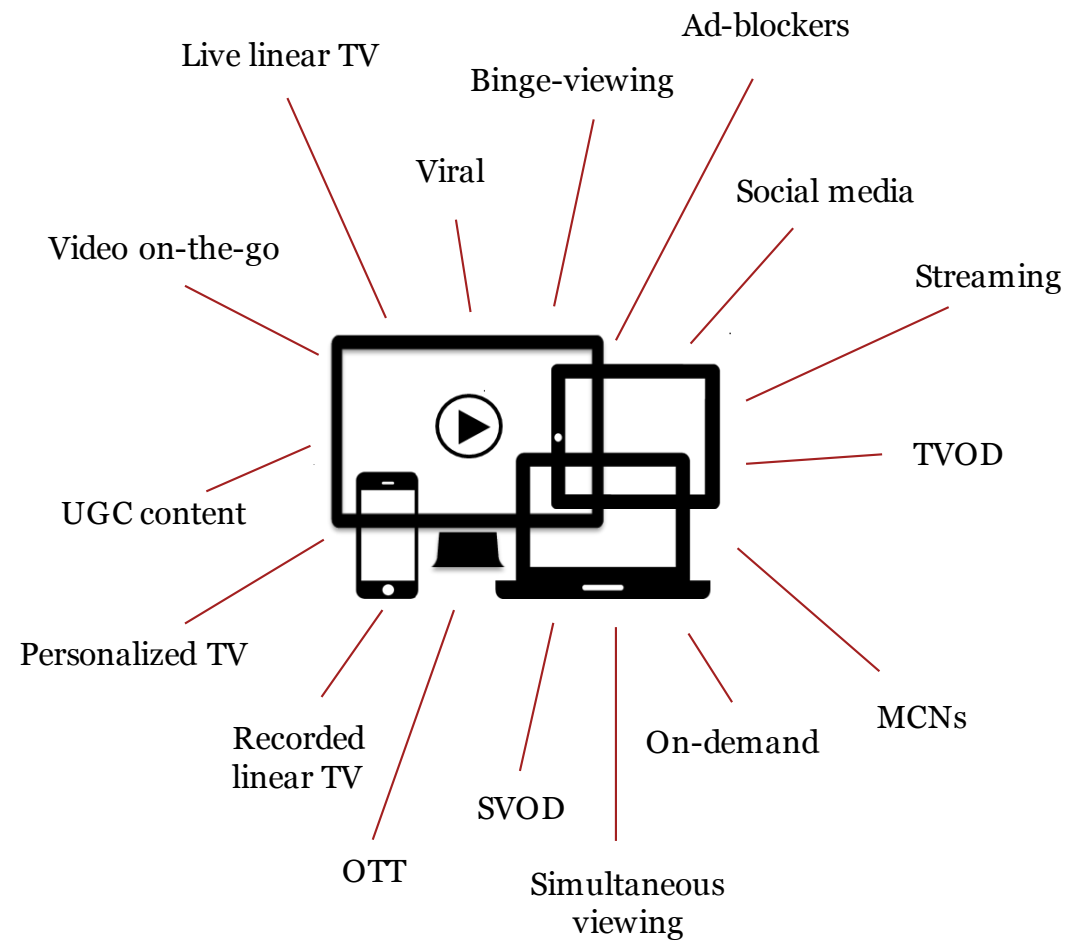
Deploying digital operating models managing regulation, privacy and security

Media habits have evolved—and expanded

The Old Way

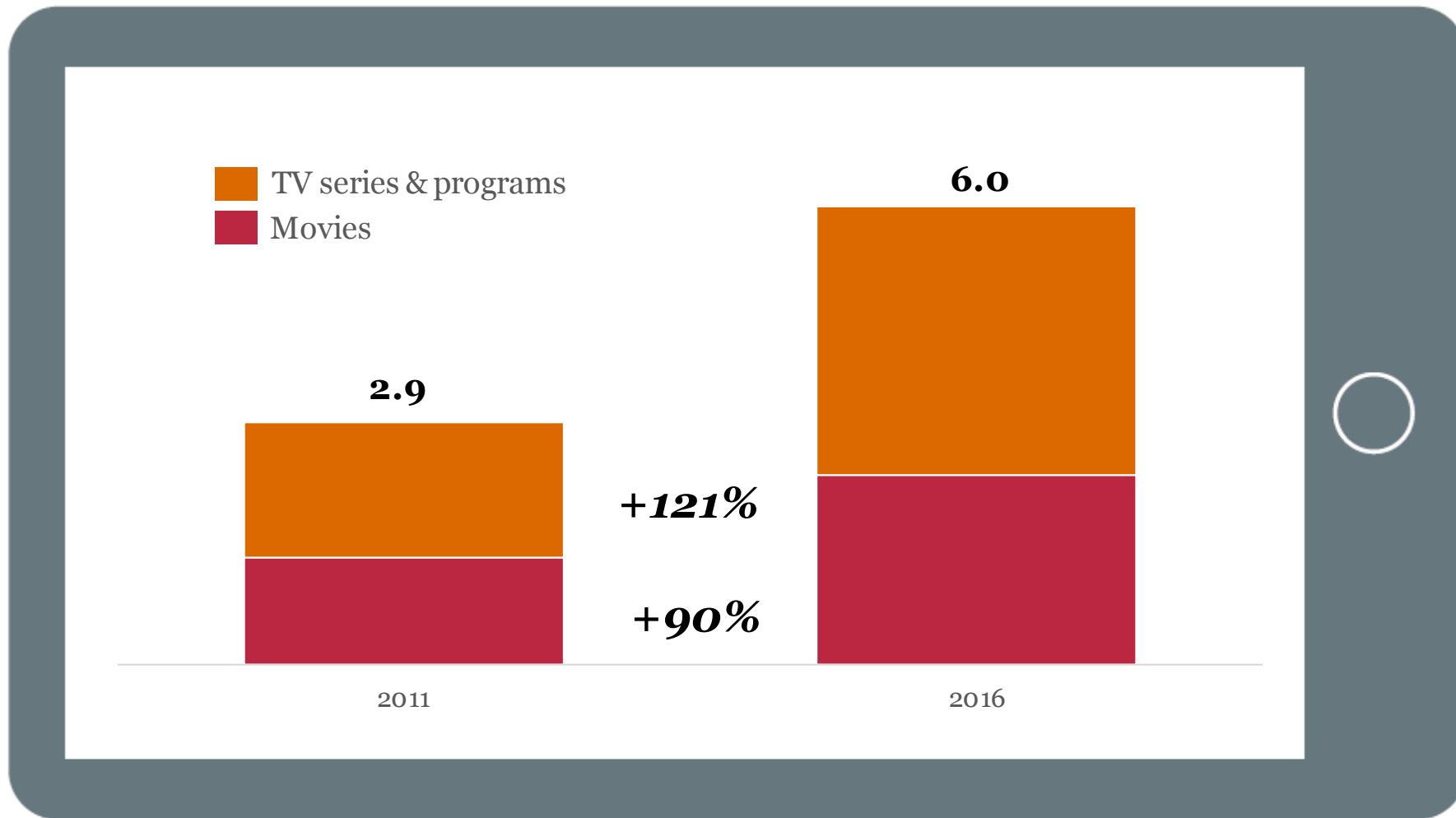


The New Way



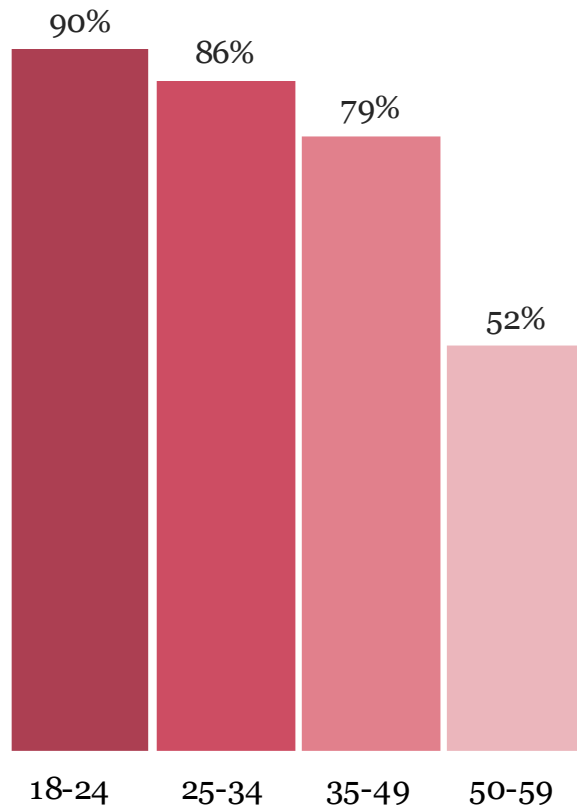
Content viewing is migrating

% increase in hours per week spent watching streamed on-demand content

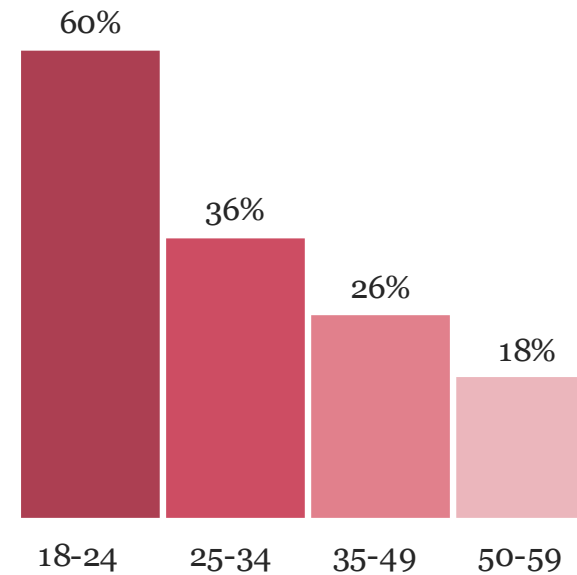


The future of video is mobile-first

Watch video on mobile device

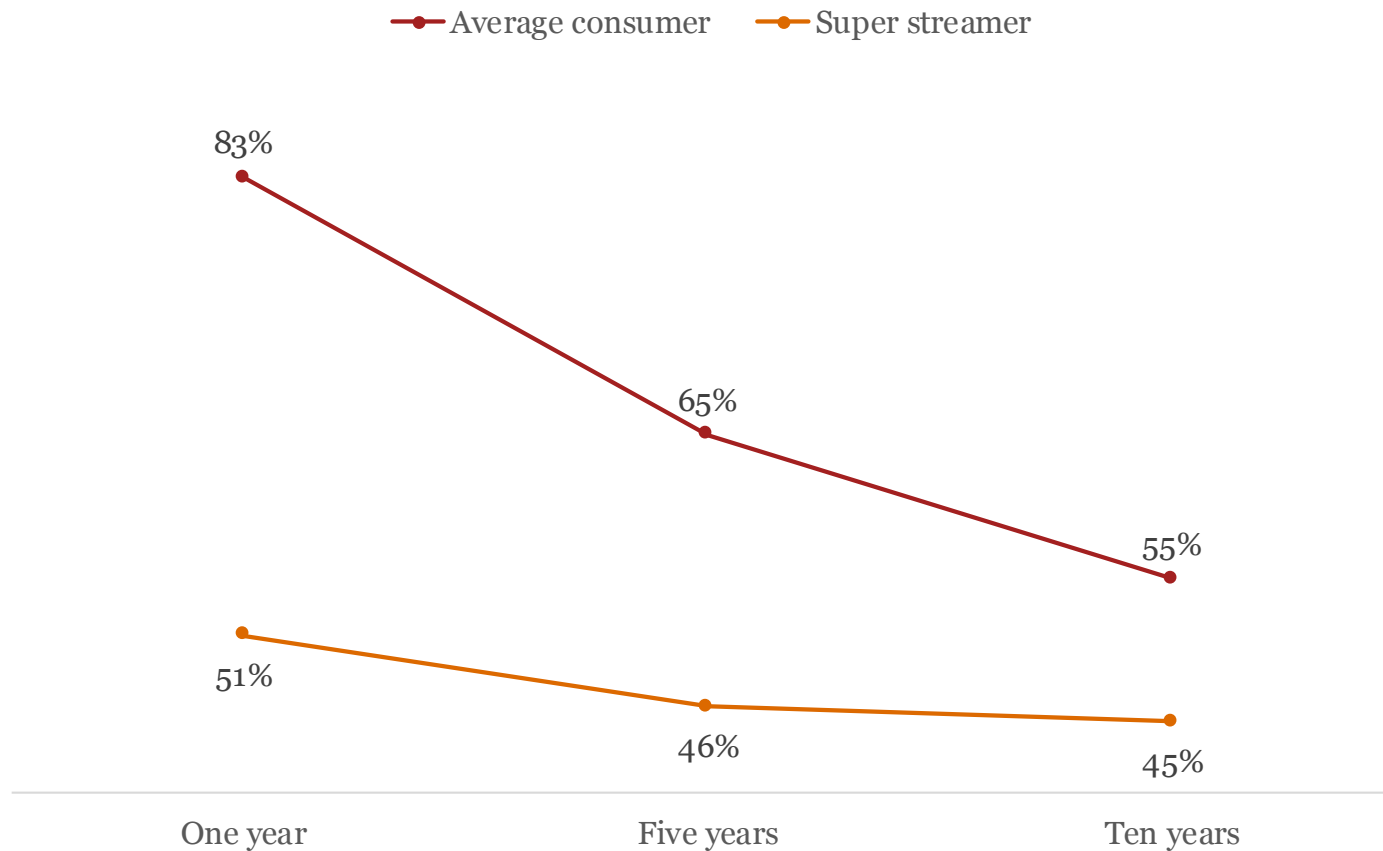


Watch video on mobile phone multiple times per day



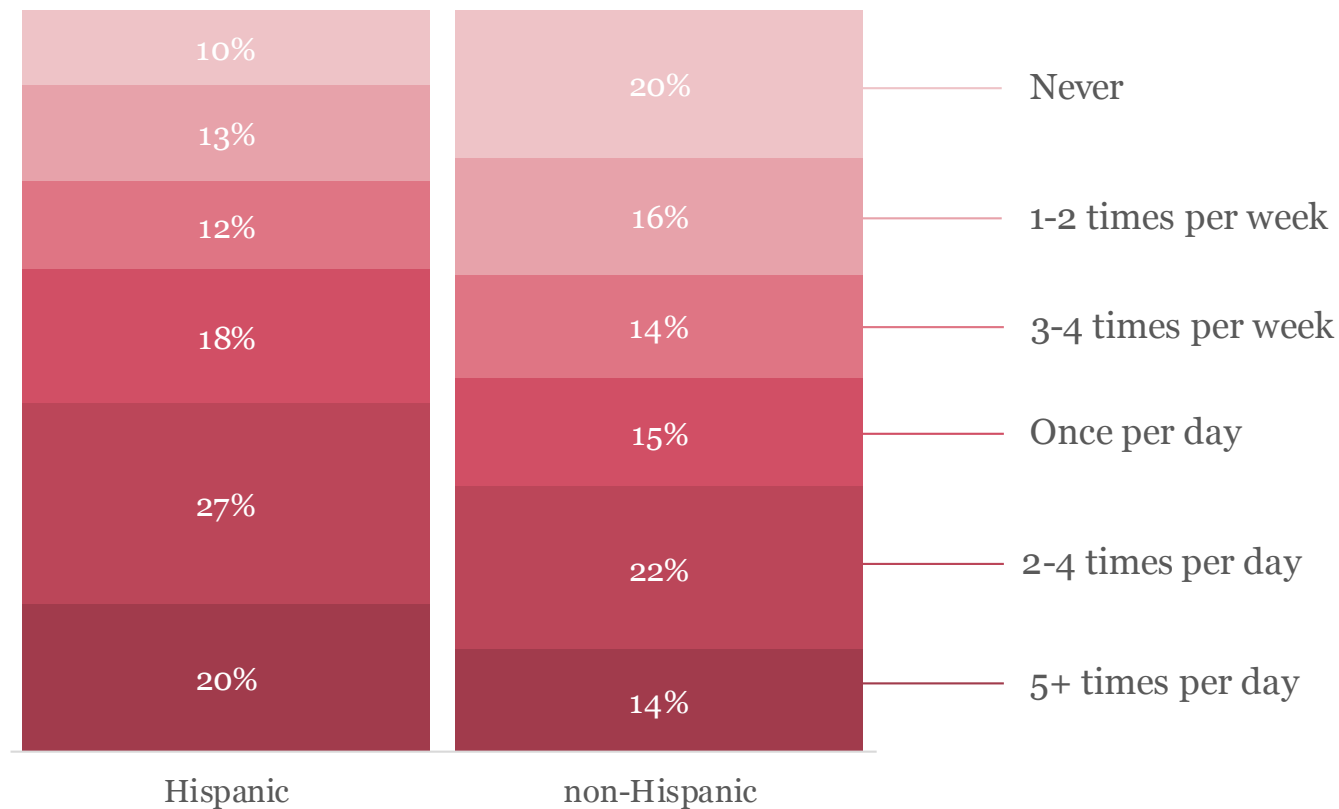
Pay-TV subscriptions continue to decline, led in large part by heavy streamers

"I see myself subscribing to cable in..."



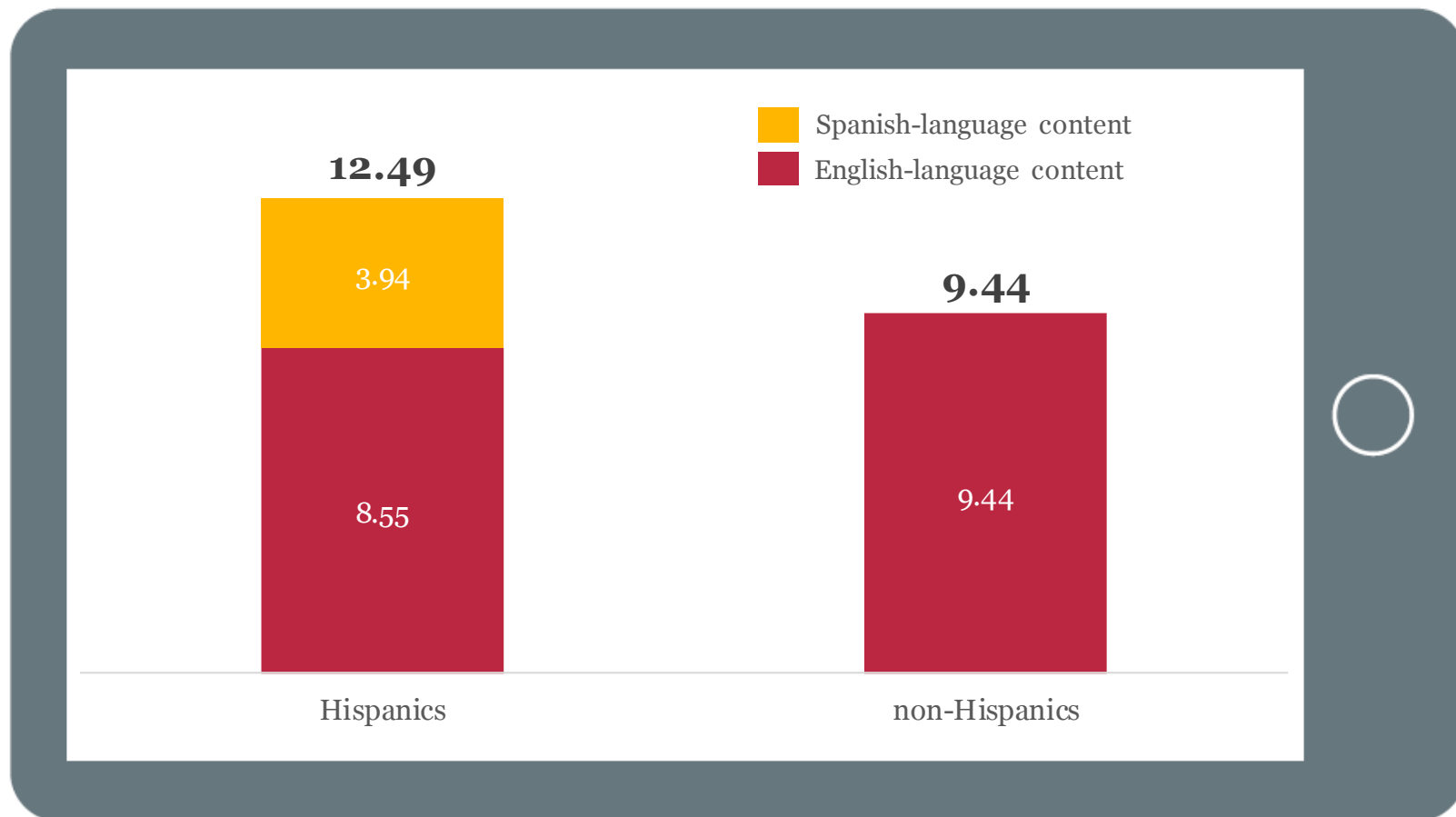
Even more so than average, Hispanic consumers are actively viewing content on their phones

Video streaming frequency on phone (%)



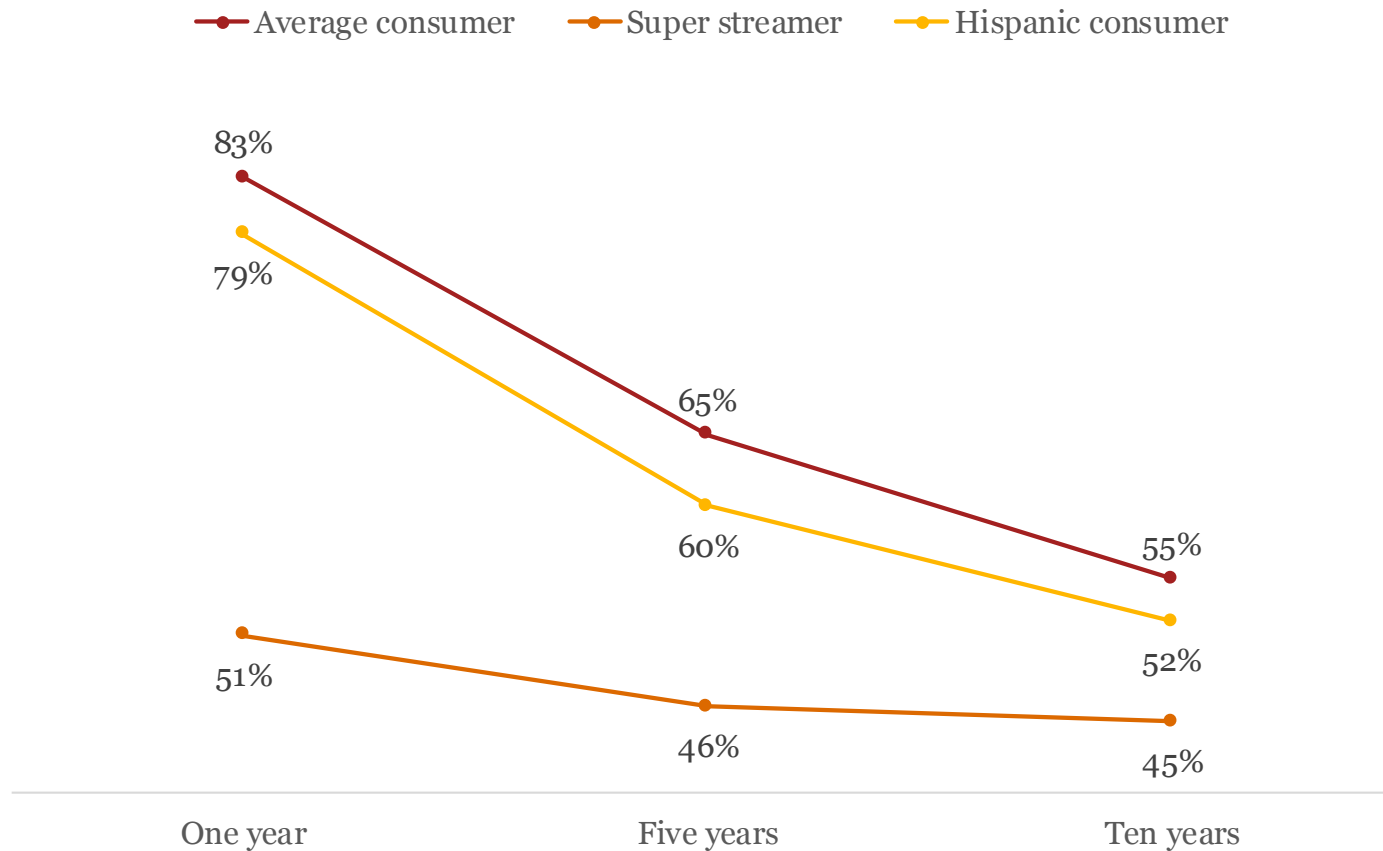
Hispanic consumers also watch a significant more amount of TV content online than non-Hispanics

Hours spent watching TV content online per week



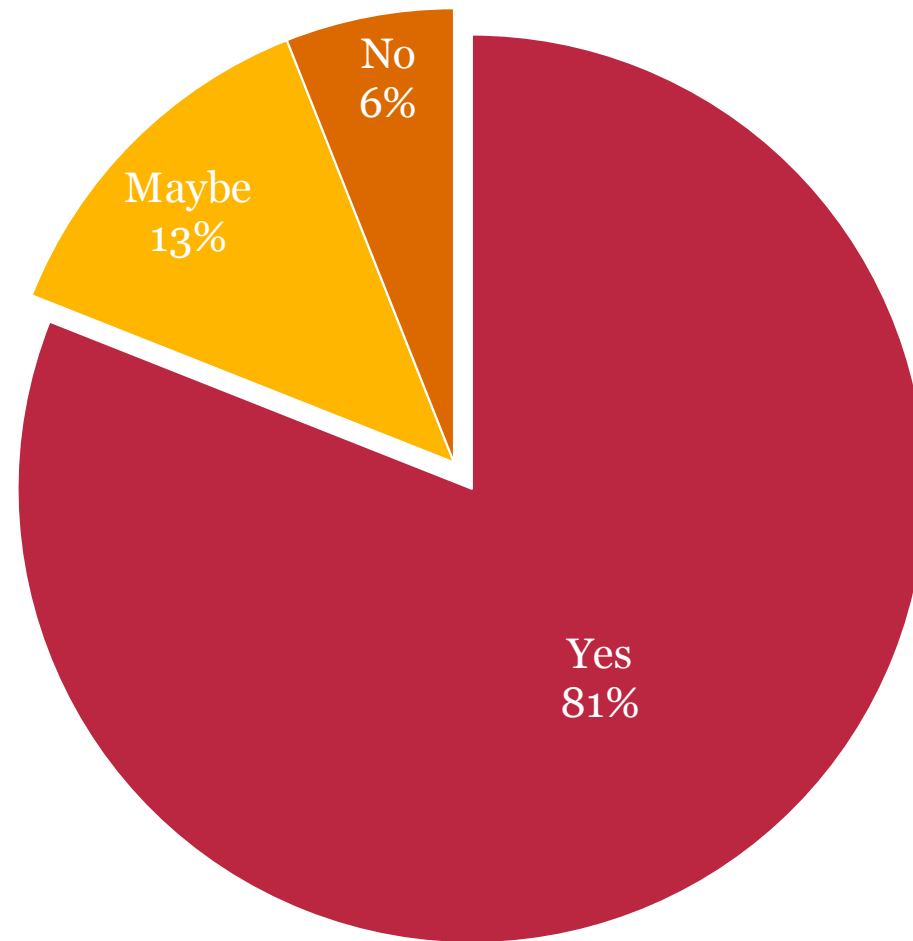
Thus, Hispanic consumers under-index for future intent to subscribe to pay-TV

"I see myself subscribing to cable in..."

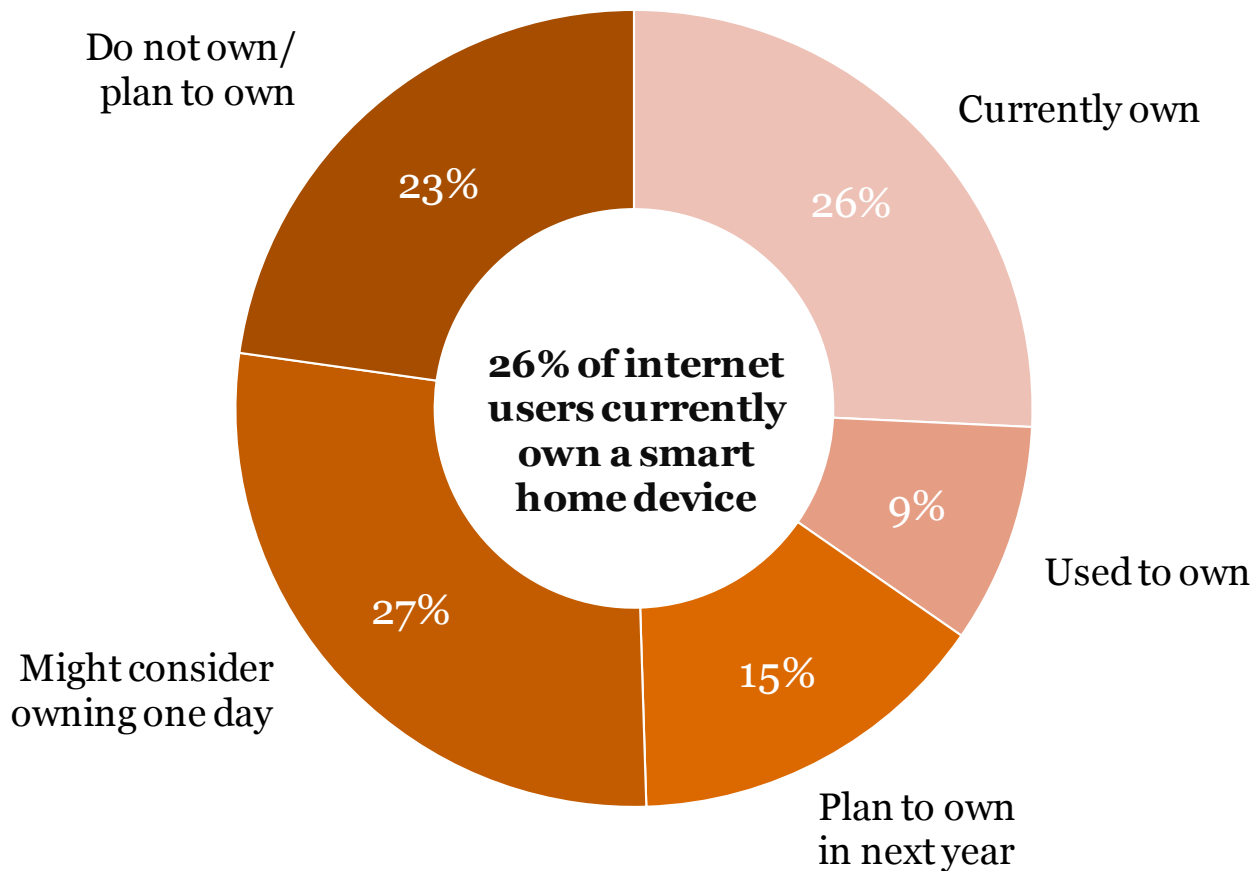


Familiarity with smart technology as a whole continues to rise

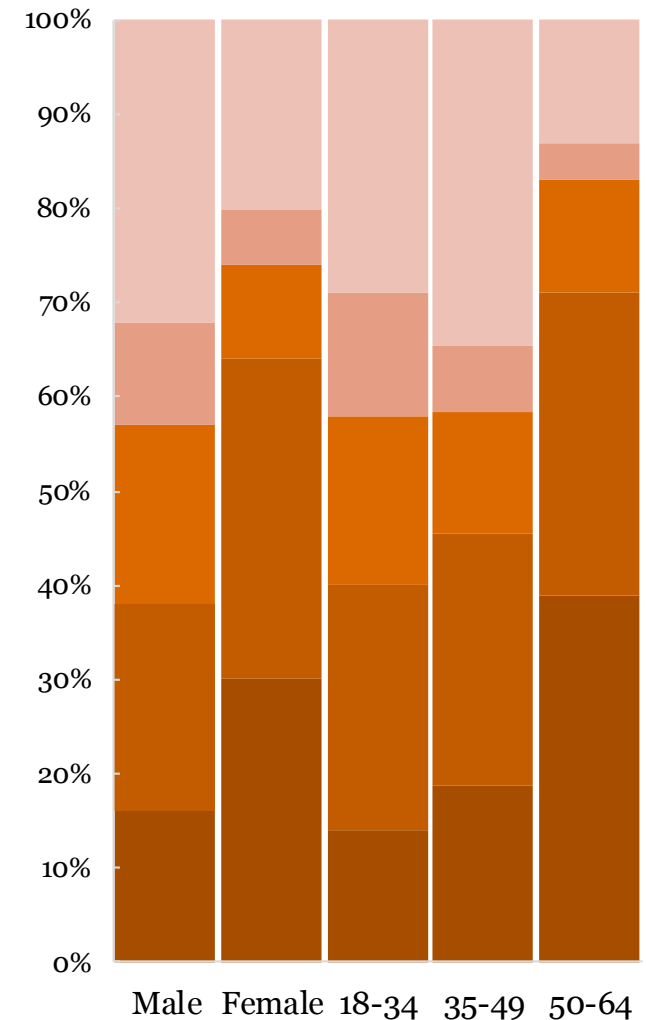
Are you familiar with the concept of a smart technology?



From smart TVs to the possibility of a fully connected life at home

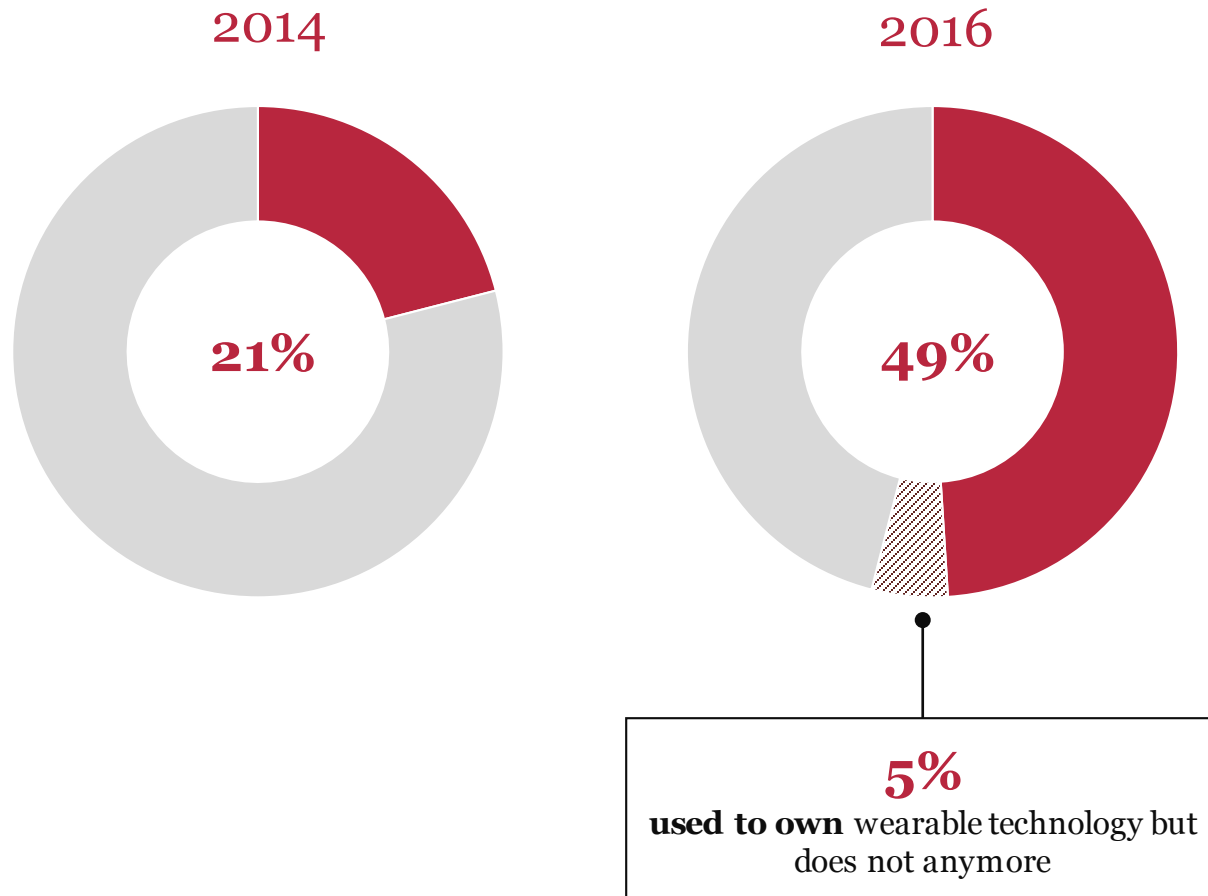


Who's more likely to adopt smart home technology?



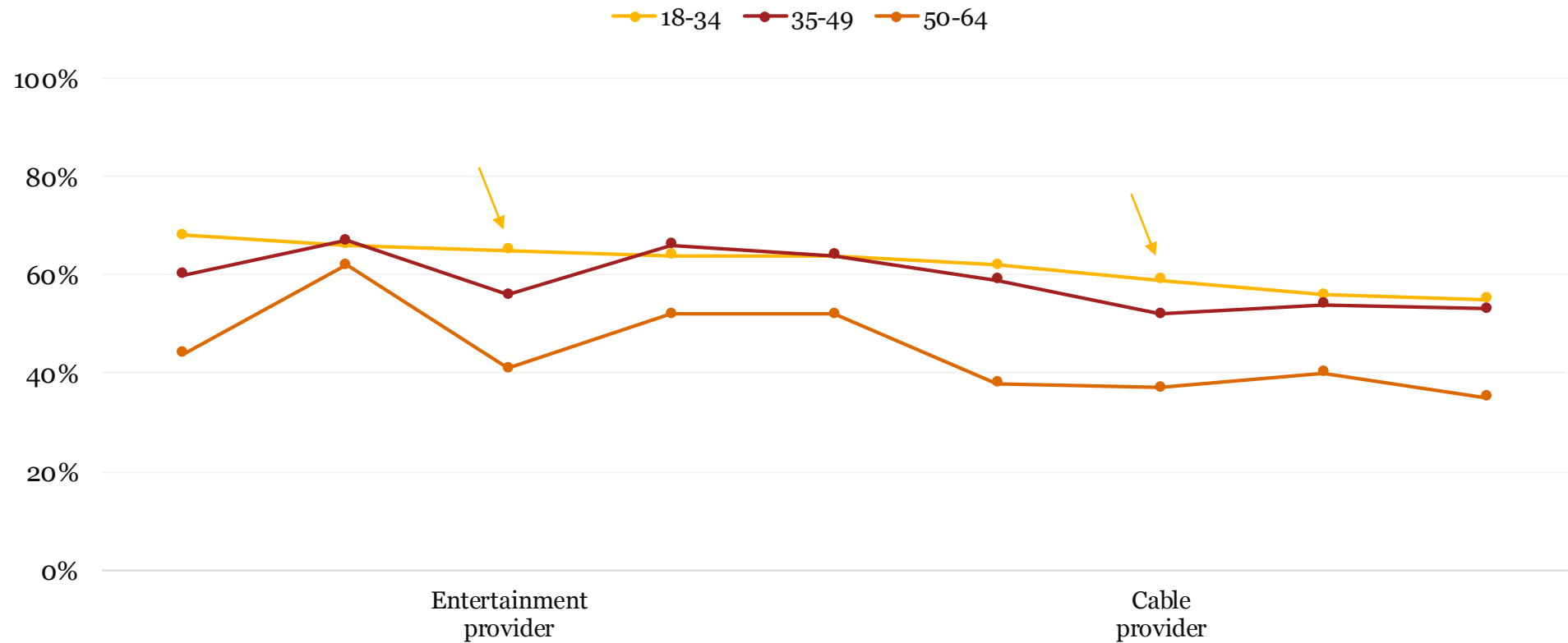
Wearable adoption has grown over two-fold in less than two years

Currently owns at least one wearable device



Millennials want wearable media

% excited about the following introducing their own wearable tech product; your...



Considerations



The rise of the mobile-driven video viewer among Gen Z and Gen Y is changing the video content creation and distribution industry.



A major question remains – is today’s content truly optimized for mobile viewing?



Streaming continues to be a dominant force in the market, driven by the “super streamers.”



Cord cutting is slowing as consumers seek huge variety and volume of content.



Cord trimming is not resulting in the reduced price consumers are seeking.



For cable, satellite and any enterprise creating video content, success isn’t about price –it’s about access to great content, at an acceptable price, and sometimes even at a premium price.

Thank you!

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