



Swiss Entertainment & Media Outlook
2021-2025

Executive summary



Introduction

Like nearly all of the world, Switzerland was hit with the full effects of COVID-19 in 2020, with the government banning gatherings of more than five people and closing restaurants and bars in April. Restrictions were never as strong as in neighbouring Italy and France, but COVID-19 has changed the Swiss entertainment and media (E&M) landscape as more people stayed at home.

Overall E&M revenues fell -4.6% in 2020, mainly due to the collapse of live events and entertainment such as music gigs and cinema, which were more severely affected by the lockdown, while the shuttering of entire sectors further depressed an already nervous advertising sector.

This report will go into more detail about how the events of 2020 will affect the E&M market in Switzerland up until 2025.

Entertainment and media by segment

Fig. 1: Market to grow at a 3.7% CAGR after quick COVID recovery to reach CHF20.4bn
Entertainment & media spending by segment, 2016-2025 (CHFmn)

Total E&M (CHF millions)											
Switzerland	Historical data					Forecast data					CAGR %
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020-25
Consumer books	678	666	665	666	673	674	672	671	670	664	
Year-on-year (%)		-1.8%	-0.1%	0.1%	1.0%	0.1%	-0.3%	-0.1%	-0.3%	-0.8%	-0.3%
Business-to-business	916	946	979	1'013	839	906	1'033	1'091	1'136	1'167	
Year-on-year (%)		3.2%	3.5%	3.5%	-17.2%	8.1%	14.0%	5.6%	4.2%	2.1%	6.8%
Cinema	234	237	215	236	81	102	197	213	223	231	
Year-on-year (%)		1.5%	-9.3%	9.8%	-65.5%	25.7%	93.0%	8.1%	4.5%	3.7%	23.2%
Internet access	4'377	4'792	5'140	5'321	5'403	5'563	5'764	5'967	6'170	6'379	
Year-on-year (%)		9.5%	7.3%	3.5%	1.5%	3.0%	3.6%	3.5%	3.4%	3.4%	3.4%
Internet advertising	2'047	2'303	2'698	3'128	3'244	3'492	3'735	3'982	4'224	1'436	
Year-on-year (%)		12.5%	17.2%	15.9%	3.7%	7.6%	7.0%	6.6%	6.1%	5.0%	6.5%
Music and radio	1'229	1'240	1'232	1'234	828	980	1'157	1'187	1'189	1'190	
Year-on-year (%)		0.9%	-0.7%	0.2%	-32.9%	18.3%	18.1%	2.6%	0.1%	0.1%	7.5%
Newspapers and consumer magazines	2'268	2'094	1'945	1'824	1'513	1'549	1'493	1'436	1'138	1'344	
Year-on-year (%)		-7.7%	-6.7%	-6.6%	-17.1%	2.4%	-3.6%	-3.8%	-3.6%	-2.9%	-2.3%
Out-of-home	448	451	476	484	373	451	501	538	548	554	
Year-on-year (%)		0.7%	5.5%	1.7%	-22.9%	20.9%	11.2%	7.2%	2.0%	1.0%	8.2%
Traditional TV and home video	3'103	3'123	3'143	2'948	3'006	2'980	3'042	3'068	3'096	3'126	
Year-on-year (%)		0.7%	0.6%	-6.2%	2.0%	-0.9%	2.1%	0.8%	0.9%	1.0%	0.8%
TV advertising	783	787	781	722	634	686	699	689	393	683	
Year-on-year (%)		0.5%	-0.8%	-7.6%	-12.1%	8.7%	1.4%	-1.5%	0.5%	-1.4%	1.5%
OTT video	69	83	97	107	145	182	201	212	221	228	
Year-on-year (%)		20.3%	16.4%	11.3%	34.6%	25.5%	10.5%	5.8%	4.2%	2.9%	9.5%
Video games	617	673	748	813	940	955	1'040	1'078	1'110	1'138	
Year-on-year (%)		9.0%	11.2%	8.7%	15.6%	5.9%	4.5%	3.7%	3.0%	2.4%	3.9%
Total	16'112	16'716	17'437	17'791	16'980	17'845	18'796	19'380	19'897	20'358	
Year-on-year (%)		3.8%	4.3%	2.0%	-4.6%	5.1%	5.3%	3.1%	2.7%	2.3%	3.7%

Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

The overall E&M market dropped -4.6% to just below CHF 17bn in 2020, down from CHF 17.8bn in 2019, a fall fully attributable to the COVID-19 pandemic. However, the market is set to recover quickly and reach pre-pandemic

levels in 2021, growing at a CAGR of 3.7% to hit CHF 20.4bn in 2025 due to the rise in Internet advertising, OTT video and video games.

Fig. 2: Cinema and live music worst hit by COVID-19, OTT grows
Year-on-year growth for E&M sectors, (%), 2019-2020

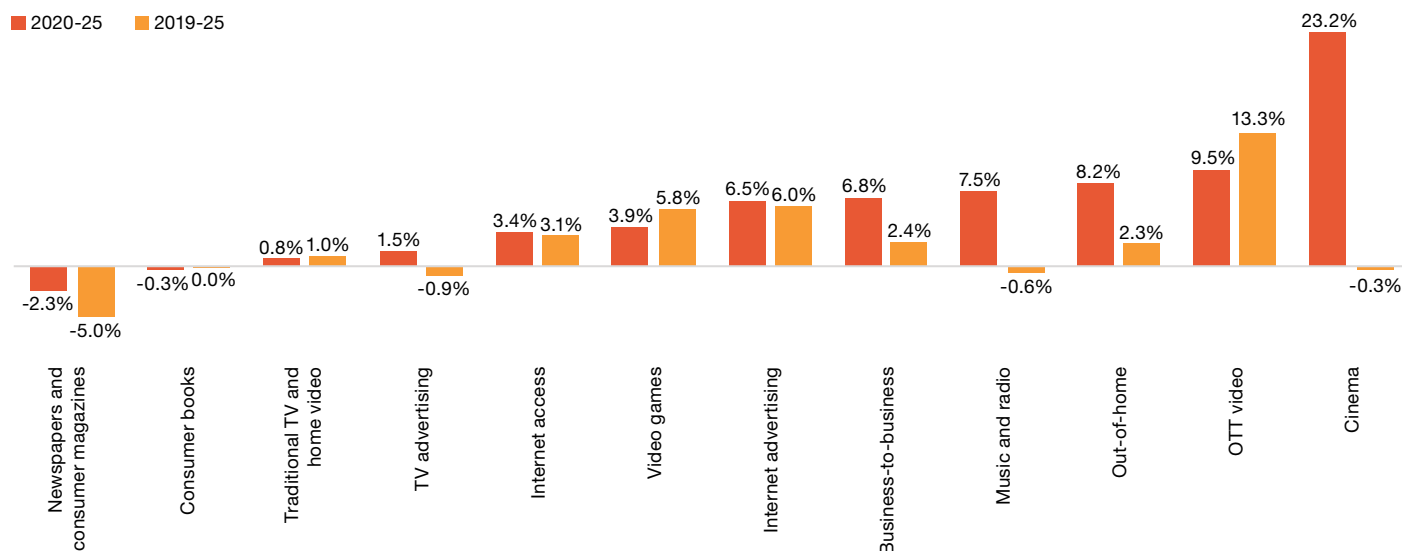


Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

Last year saw the closure of live entertainment venues such as cinemas, music venues and trade shows due to lockdowns, and at the same time witnessed the rise of home entertainment. Cinema was the worst hit with a massive -65.5% shrinkage as venues closed their doors, followed by music and radio with -32.9% growth, as live music was shattered by the pandemic with events either cancelled or postponed. Meanwhile, though

traditional TV and home video saw revenue decline due to the cancellation of sporting events that help to drive subscribers, OTT video grew 34.6% on 2019 as consumers turned their attention to streaming services such as Disney+ and Netflix to keep them entertained. Video games boomed during lockdowns too, helping to grow the sector by 15.6%.

Fig. 3: Live entertainment to grow fastest to 2025, but pulling back the CAGR tells a different story
CAGR for E&M sectors, (%), 2020-2025, 2019-2025



Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

As venues reopen in 2021 and beyond, sectors depending on them will see the biggest growth to 2025, with cinema growing at a colossal 23.2% CAGR. However, the standard five-year (2020-2025) CAGR does not tell the full story, and if we compare to the 2019-2025 CAGR then cinema will essentially return to 2019 levels in 2025 at a flat growth rate. Similarly, music and radio will make a good

comeback, growing 7.5% per year from 2020 to 2025, but the segment will still be 0.6% lower in 2025 than it was in 2019. On the other hand, video games and OTT video were growing pre-pandemic and their growth will continue post-COVID. Internet's CAGR actually shows that segment has been accelerated as a result of the pandemic.

Fig. 4: Switzerland to be broadly in line with Western Europe over the forecast period
Switzerland E&M revenue growth vs Western Europe, (%), 2017-2025

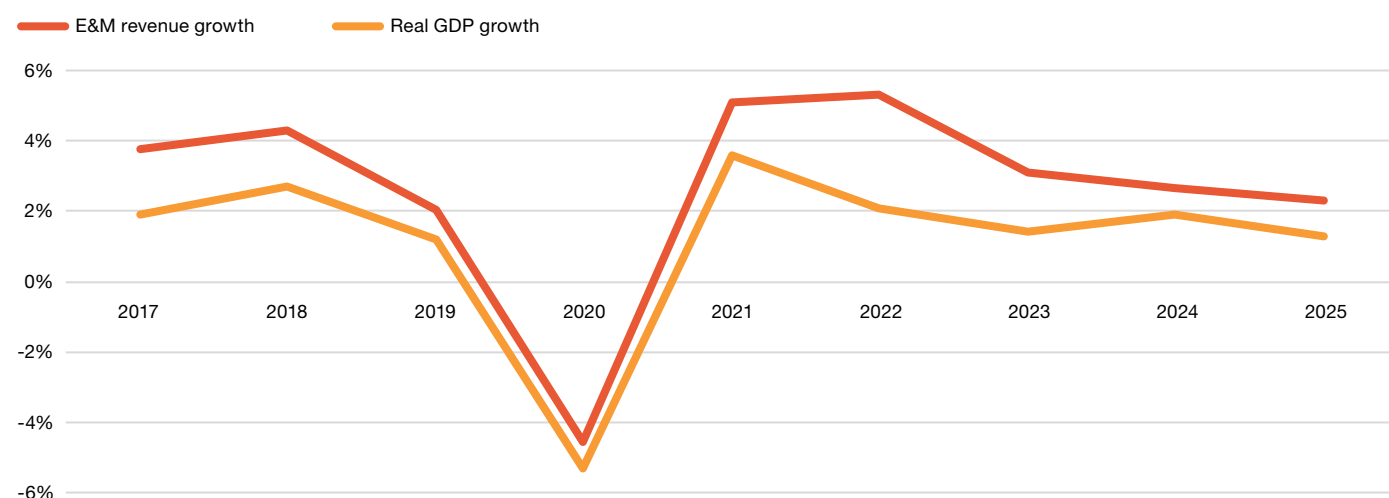


Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

Switzerland's E&M market will experience less of a rebound from COVID-19 in 2021 compared with wider Western Europe, in part because Switzerland was not as affected by the pandemic in 2020 compared with the

region. Western Europe will outpace Switzerland's E&M market out to 2025 because of strong growth from Italy and the UK in the post-pandemic years.

Fig. 5: Switzerland's E&M sector will be less affected than the wider economy
Switzerland, E&M spend vs real GDP growth, (%), 2017-2025

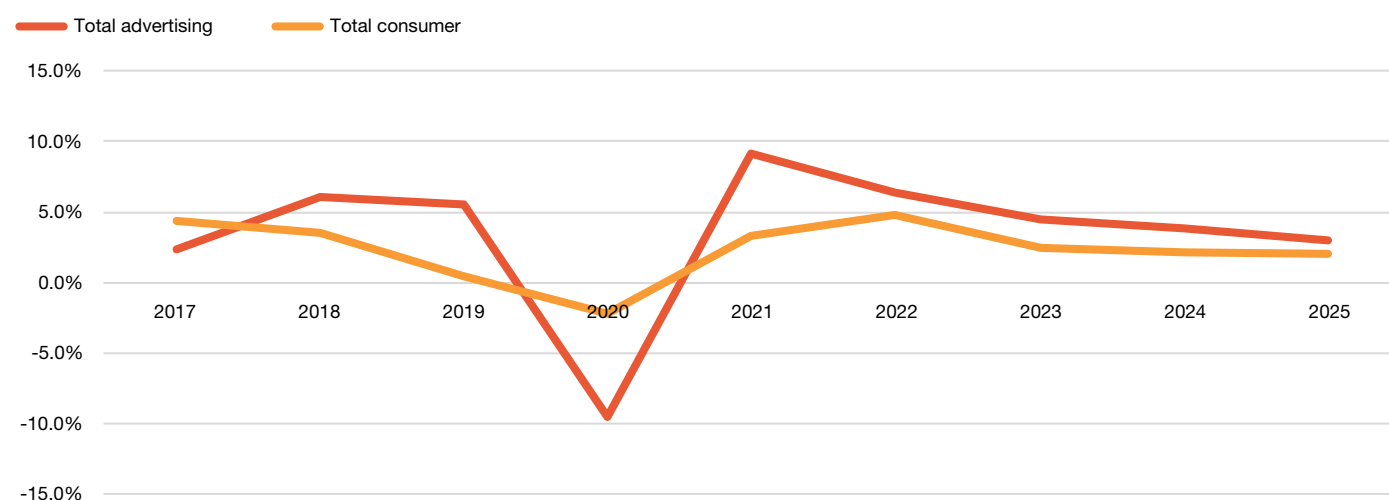


Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

Switzerland's E&M revenue was also stronger against COVID-19 than the wider Swiss economy. At the COVID-19 trough in 2020, GDP reached as low as -5.3%, whereas E&M

revenue growth only declined by -4.6%. Both will recover strongly in 2021, with E&M revenue growth peaking in 2022 at 5.3% before slowly declining back to 2.3% in 2025.

Fig. 6: Dip in E&M revenue is driven by advertising
Growth rates, total advertising vs total consumer, (%), 2017-2025



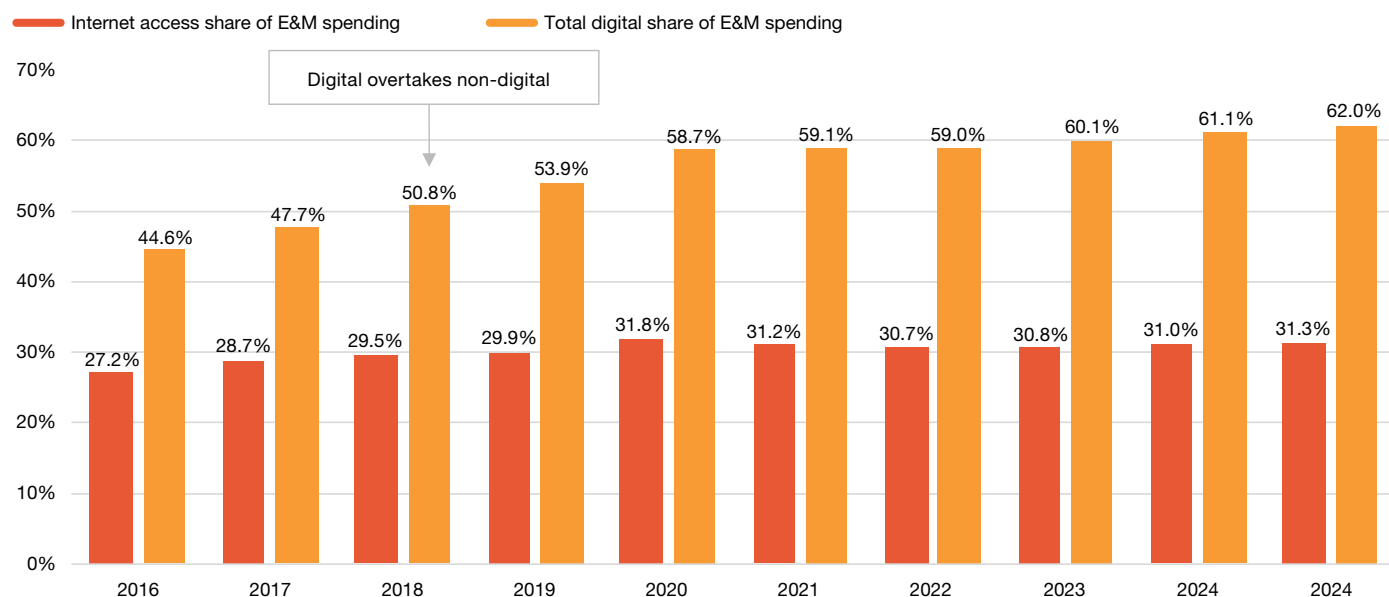
Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

Total E&M revenue growth rates are heavily influenced by total advertising, which took a big hit in 2020 when TV advertisers reduced budgets and out-of-home (OOH) advertising fell as the public stayed at home.

The first time that digital took the majority share of E&M revenues was in 2018, primarily driven by increases in OOH, OTT video and video games, as well as a rise in Internet

advertising. At the same time, non-digital, with its reliance on the likes of print in newspapers, magazines and books, saw declines. Last year saw digital make its biggest year-on-year jump to 58.7%, a rise of 4.8 percentage points. This was helped by the pandemic's effect on digital transformation as well as falls in non-digital segments such as live music. Digital's share of E&M will slowly increase post-pandemic as the market returns to normal.

Fig. 7: Digital now accounts for more than half of E&M spending
Internet access share, and total digital share, of E&M spending, 2016-2025 (%)



Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

Consumer spending

Consumer spending in Switzerland accounts for almost two-thirds of total E&M revenues. The sector has been rising since 2016, though revenues declined in 2020 by

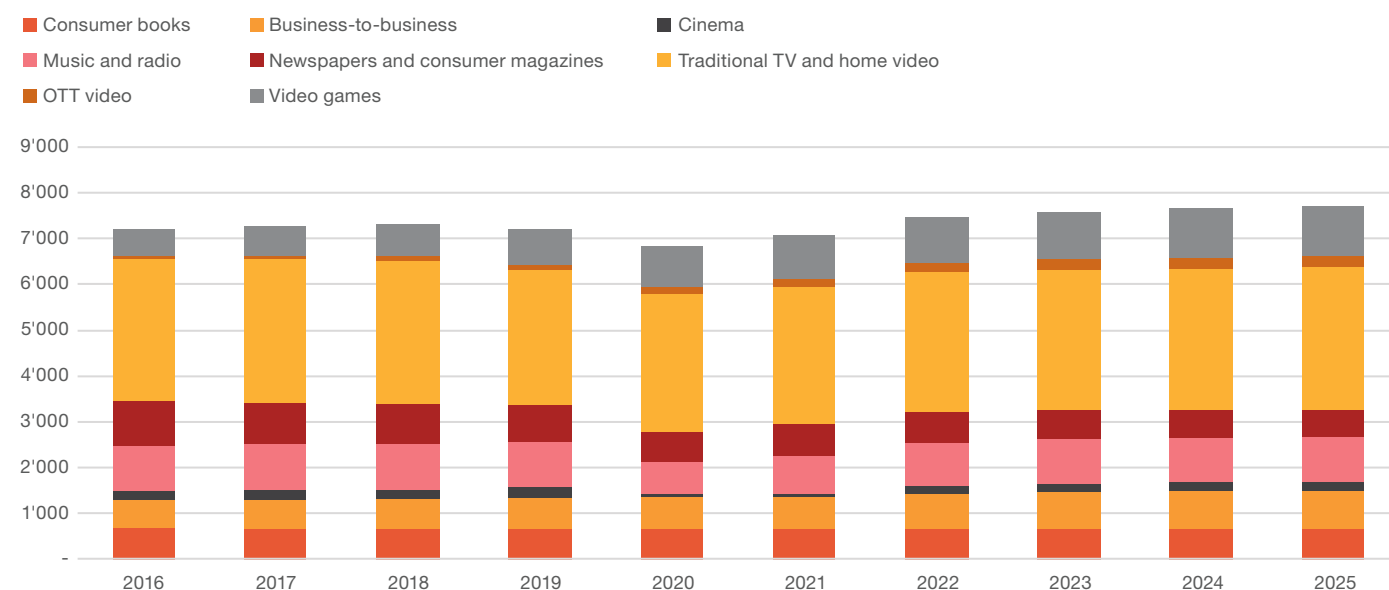
-2.2%. Total consumer revenue will reach CHF 13.6bn in 2025, growing at a 2.9% CAGR.

Fig. 8: Consumer spending to reach CHF 13.6bn in 2025
End-user E&M spending, 2016-2025 (CHFmn)

Total consumer market (CHF millions)											
Switzerland	Historical data					Forecast data					CAGR %
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Consumer books	678	666	665	666	673	674	672	671	670	664	
Year-on-year (%)		-1.8%	-0.1%	0.1%	1.0%	0.1%	-0.3%	-0.1%	-0.3%	-0.8%	-0.3%
Business-to-business	616	644	671	695	678	686	756	787	813	830	
Year-on-year (%)		4.6%	4.1%	3.6%	-2.4%	1.2%	10.3%	4.1%	3.2%	2.1%	4.1%
Cinema	204	205	183	203	71	84	170	185	194	202	
Year-on-year (%)		0.7%	-10.9%	10.7%	-64.7%	17.8%	101.6%	8.8%	5.0%	4.1%	23.1%
Internet access	4'377	4'792	5'140	5'321	5'403	5'563	5'764	5'967	6'170	6'379	
Year-on-year (%)		9.5%	7.3%	3.5%	1.5%	3.0%	3.6%	3.5%	3.4%	3.4%	3.4%
Music and radio	990	1'006	1'004	1'004	696	811	955	981	984	986	
Year-on-year (%)		1.7%	-0.3%	0.0%	-30.6%	16.5%	17.8%	2.7%	0.2%	0.2%	7.2%
Newspapers and consumer magazines	960	912	863	808	670	713	672	639	608	583	
Year-on-year (%)		-5.0%	-5.3%	-6.4%	-17.1%	6.5%	-5.8%	-5.0%	-4.8%	-4.2%	-2.8%
Traditional TV and home video	3'103	3'123	3'143	2'948	3'006	2'980	3'042	3'068	3'096	3'126	
Year-on-year (%)		0.7%	0.6%	-6.2%	2.0%	-0.9%	2.1%	0.8%	0.9%	1.0%	0.8%
OTT video	69	83	97	107	145	182	201	212	221	228	
Year-on-year (%)		20.3%	15.4%	11.3%	34.6%	25.5%	10.5%	5.8%	4.2%	2.9%	9.5%
Video games	580	634	708	772	899	955	999	1'037	1'068	1'095	
Year-on-year (%)		9.3%	11.7%	9.0%	16.5%	6.2%	4.6%	3.8%	3.0%	2.5%	4.0%
Total consumer	11'098	11'585	11'996	12'049	11'784	12'176	12'762	13'079	13'356	13'625	
Year-on-year (%)		4.4%	3.5%	0.4%	-2.2%	3.3%	4.8%	2.5%	2.1%	2.0%	2.9%

Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

Fig. 9: TV and video takes the biggest slice
Consumer spending (excluding Internet access) by segment (CHFmn), 2016-2025



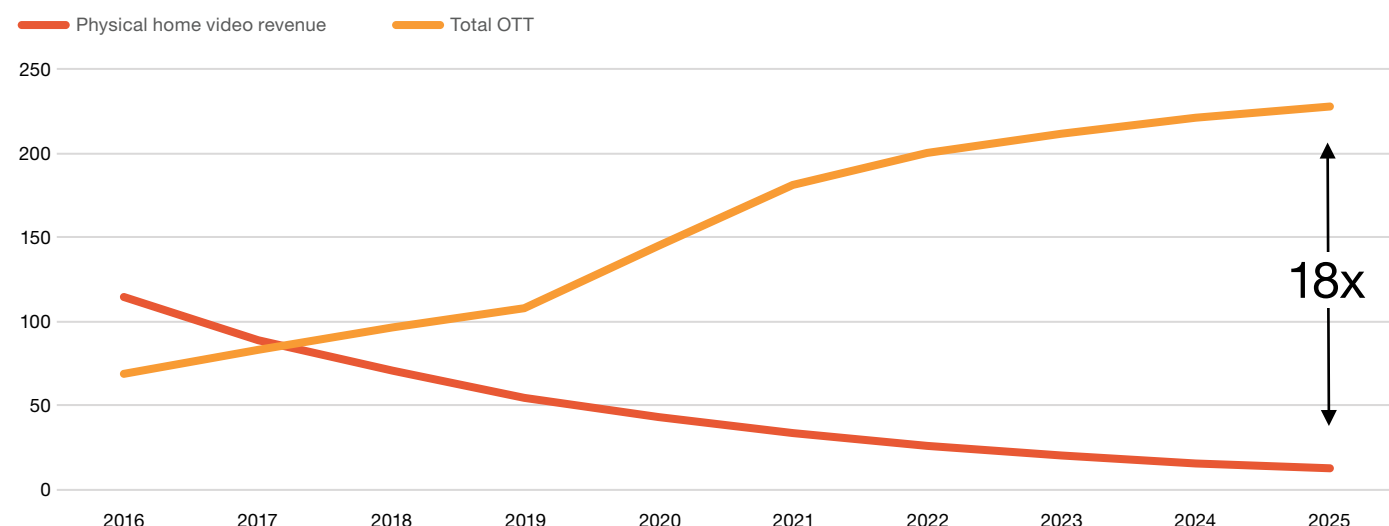
Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

Video games is one segment that will see strong growth over the forecast period, reaching almost CHF 1.1bn in 2025. The Swiss video games market has seen significant development since 2010 when Pro Helvetia, the national institution for supporting arts and culture, introduced the first of two video games programmes to support projects in this area. These programmes led to the creation of SwissGames, an initiative to support Swiss developers, and the SGDA (Swiss Game Developers Association), which supports developers through promotion of knowhow and increased visibility to the industry. Since then there has been a wave of game designers in the country, including OZWE Games, which designs a range of VR titles including Anshar Wars and Death Lap, and Giants Software, designers of the Farming Simulator games series that as of January 2020 had sold 25mn copies and had 90mn downloads on mobile.

The boom in video games in Switzerland has also led to the country playing host to multiple games conventions and events such as Fantasy Basel, often attended by SGDA, and Numerik Games, launched in 2016 and held in Yverdon-les-Bains. Many of these events were cancelled during the pandemic and some were never to return such as Ludicious, which has been dissolved by Pro Helvetia and the City of Zurich due to a change in strategy. Nonetheless, having an active video games industry promotes awareness of games to the population and will lead to more locally created content to entice consumers to buy these games.

Aside from video games, the TV and video segment has seen a small rise in revenue each year since 2016, except for a drop in 2019 due to licence fee changes and the pandemic effect in 2020 and 2021. This rise is mainly due to the launch of new OTT video services in the country, where Netflix was the largest and for a long-time uncontested OTT platform. There has since been the launch of Disney+ in early 2020 while the national broadcaster, SRG SSR, launched its Play Suisse broadcaster video on demand (BVOD) service in late 2020 to increase OTT offerings in the country. OTT has been eating away at physical home video, which includes DVDs and Blu-rays, for many years and will have an 18-fold advantage by the end of the forecast.

Fig. 10: OTT and physical gap widens
Total OTT vs physical home video revenues, 2016-2025 (CHFmn)



Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

PVOD has gained momentum in lockdowns, but consumers still prefer movie theatres

The transactional home entertainment landscape has been relatively steady over the past couple of years. Many global markets have been saturated, and physical video has continued to see double-digit year-on-year declines. Impressive growth by subscription video-on-demand (SVOD) services has hampered progress of other home entertainment media, and consumers are becoming more accustomed to signing up to multiple streaming services rather than using transactional retailers.

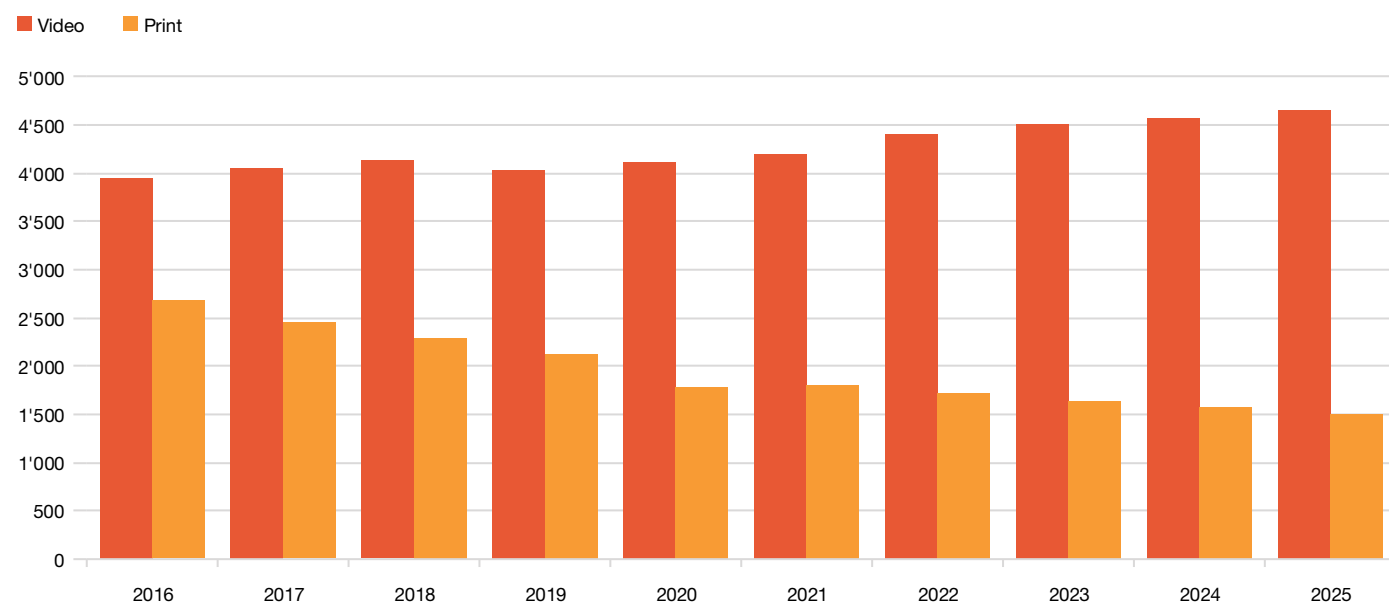
With the COVID-19 pandemic forcing reduced cinema capacity or closures and consumers facing ongoing lockdowns, movie providers have turned to a form of transactional video on demand (TVOD), premium video on demand (PVOD), to fulfil their title launch schedules. PVOD enables consumers to pay a fee to access content at home within a timed window. Movie provider interest in PVOD has raised longer-term questions around the relationship between cinemas and content producers.

Disney's *Mulan* was one of the highest-profile PVOD releases in 2020, launched on Disney+. Beyond standalone PVOD, *Mulan* has shown how PVOD can be a bundled increment to the ongoing direct-to-consumer trend, providing premium-content access to promote Disney+ growth on top of a title's revenue. This also allows Disney or any other content provider with this capability to capture a larger share of the title's consumer revenue. However, research has shown that consumers still prefer the experience of going to theatres, hence the cinema segment will see growth back to its pre-pandemic levels, reaching CHF 202mn in 2025. Cinemas in Switzerland were allowed to reopen their doors in April 2021, albeit at a third capacity, thus starting the recovery of this segment.

B2B revenues were not as affected by COVID-19 as other categories, helped by business information, which includes business-focused data and intelligence. Revenue from this source was not as affected by COVID-19 as other B2B revenues, though it did still fall by -1.6% in 2020. Business information is neither dependent on physical interaction nor the sale of printed products, the demand for which has been declining across the media landscape. In fact, the sector has been benefitting from digitisation and the increasing sophistication of data analytics, which has been compounding its value proposition by enhancing the insights it can deliver for business customers. This meant that the ability of business information providers to continue their commercial activity was largely unaffected by the pandemic, once staff working within the industry had relocated off premises.

Revenue will continue to decline over the forecast period for books, newspapers and magazines due to the ongoing shift from non-digital to digital, with print sources losing further ground to video. The convenience of online news sources, many of which are free, are more enticing for consumers than paying for print. This has meant print newspaper circulation revenue has suffered the most, with a 2020-2025 CAGR of -6.2% bringing the total to CHF 276mn in 2025 – less than half the 2016 figure, and contributing to print revenues being three times lower than video by 2025.

Fig. 11: Consumer video revenue triples print in 2025
Video vs print, 2016-2025 (CHFmn)



Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

5G will provide a solid addressable base for E&M

Smartphone connections are growing steadily in Switzerland due to the launch of 5G. In the 5G era, on-the-go consumers using high-speed mobile data will start to access greater quantities of content, games and services. These mobile consumers will seamlessly transition between mobile and Wi-Fi networks. The revenue opportunity in 5G spans far beyond wireless data and communications themselves, encompassing markets like gaming, entertainment, music, security, smart home, OTT video, banking, insurance, healthcare and a plethora of other services.

The rollout of the first 5G smartphones in 2019 was associated with high prices, particularly for consumers. Therefore, their acceptance into the market was inhibited by high costs and a disparity between consumer expectations and network performance. Switzerland led most of Europe with its 5G rollout, installing 2,000 antennas in 2019 alone, while local telco Swisscom was the first in Europe to launch commercial 5G. However, 5G network rollout has been slowed due to concerns about the radiation emitted from the antennas, with Switzerland having one of the strictest electromagnetic field (EMF) regulations in the world, allowing just 10% of the field strength of that in the EU.

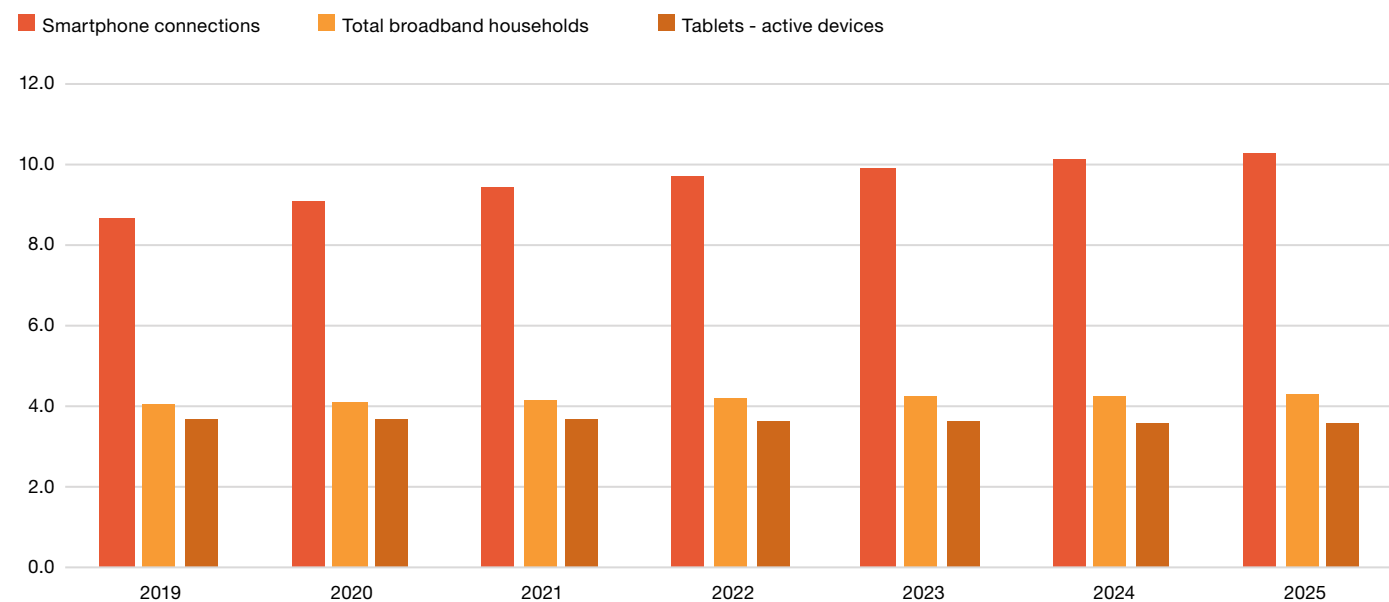
The impact from 5G networks may take longer than expected to become apparent. The initial difference from 4G will be speed and capacity, hence the impact from the use cases commonly associated with 5G will therefore be limited in 2021.

Sports will provide a powerful platform to win consumers over to 5G, with live streaming video of events already one of the most popular and demanding applications on 4G networks. The arrival of 5G promises to enable more people to watch at higher quality and experience sports in new ways, such as via augmented and virtual reality. Even though many sporting events were cancelled or postponed in 2020, Swiss Super League football club FC Basel partnered with Sunrise, another of Switzerland's mobile network operators, to turn St Jakob Park into a 5G stadium in November. This will allow new multi-camera perspectives, catch-up and slow-motion replays for fans in the audience via the club's official app, providing a new enriched experience.

The return to normal of the supply chain after COVID-19, coupled with the ramping up of 5G component and device manufacturing, will drive sales. The supply chain's undiluted support for the 5G standard will be one of the main factors driving down costs and pushing up volumes.

5G network capacity is likely to continue reducing the cost of mobile data, removing the principal constraint for media and entertainment activities such as mobile video consumption over cellular networks, with faster speeds also significantly improving the quality of video streaming. Other entertainment use cases that are substantially improved by distribution over 5G, or enabled by 5G networks, include cloud gaming and mobile virtual reality, augmented reality and mixed reality. 5G represents a wide-ranging technological transformation that will catalyse a major strategic pivot for all those involved in the TMT ecosystem.

Fig. 12: Smartphones continue rising due to lure of 5G
Smartphone connections, broadband households and tablets (mn), 2019-2025



Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

Switzerland has always had strong metrics on broadband, ranking tenth out of 175 countries as of May 2021 according to the Speedtest global index. Broadband penetration has saturated in the country and will not grow throughout the forecast period. The country ranks the highest on OECD's fixed broadband subscriptions

per 100 inhabitants dataset. Active tablet devices are forecast to decrease slightly each year to the end of the forecast period. Having a solid broadband infrastructure and accessibility via tablets and smartphones will help boost the E&M sector's revenues by providing a stable, accessible base.

Advertising spending

Swiss E&M advertising revenue reached CHF 5.2bn in 2020 after shrinking -9.5% from its 2019 figure of CHF 5.7bn. Revenue will grow at a 5.3% CAGR from 2020 to 2025 as the economy recovers from the pandemic. Advertising

is closely linked to the economy, which means it is more likely to be affected by wider economic downturns and low consumer confidence.

Fig. 13: Advertising revenues to hit CHF 6.7bn in 2025
Advertising E&M spending, 2016-2025 (CHFmn)

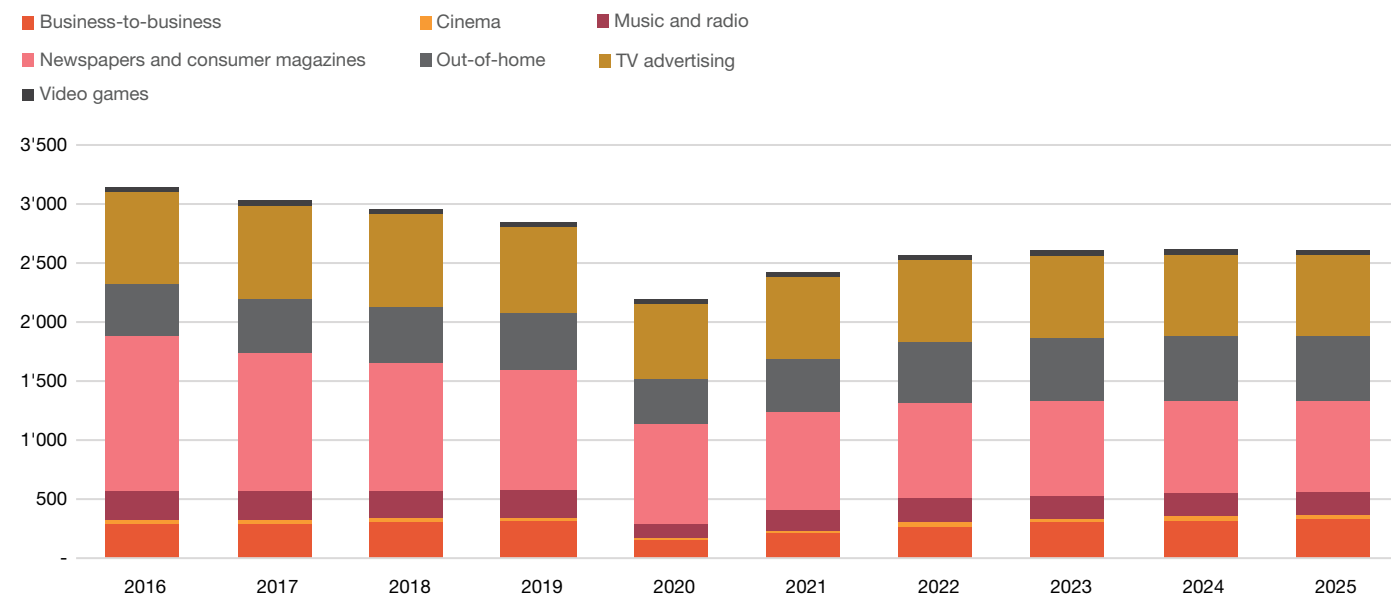
Total consumer market (CHF millions)											
Switzerland	Historical data					Forecast data					CAGR %
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020-25
Business-to-business	300	301	308	318	161	220	276	304	323	337	
Year-on-year (%)		0.4%	2.3%	3.2%	-49.5%	36.9%	25.6%	9.8%	6.6%	4.2%	16.0%
Cinema	30	32	32	34	10	18	28	29	29	30	
Year-on-year (%)		7.2%	0.9%	4.8%	-70.2%	81.9%	53.2%	3.9%	1.6%	1.0%	24.3%
Internet advertising	2'047	2'303	2'698	3'128	3'244	3'492	2'735	3'982	4'224	4'436	
Year-on-year (%)		12.5%	17.2%	15.9%	3.7%	7.6%	7.0%	6.6%	6.1%	5.0%	6.5%
Music and radio	239	233	228	230	132	168	201	203	205	205	
Year-on-year (%)		-2.3%	-2.3%	0.7%	-42.7%	28.1%	19.6%	2.2%	-0.3%	-0.2%	9.3%
Newspapers and consumer magazines	1'308	1'182	1'091	1'016	843	836	820	797	776	761	
Year-on-year (%)		-9.6%	-7.7%	-6.8%	-17.0%	-0.9%	-1.8%	-2.9%	-2.6%	-2.0%	-2.0%
Out-of-home	448	451	476	484	373	451	501	538	548	554	
Year-on-year (%)		0.7%	5.5%	1.7%	-22.9%	20.9%	11.2%	7.2%	2.0%	1.0%	8.2%
TV advertising	783	787	781	722	634	689	699	689	693	683	
Year-on-year (%)		0.5%	-0.8%	-7.6%	-12.1%	8.7%	-1.4%	-1.5%	0.5%	-1.4%	1.5%
Video games	37	39	40	41	41	41	41	42	42	43	
Year-on-year (%)		4.8%	3.4%	2.1%	-0.5%	-0.5%	1.3%	1.3%	1.3%	1.2%	0.9%
Total advertising	5'013	5'132	5'442	5'742	5'196	5'669	6'033	6'300	6'514	6'733	
Year-on-year (%)		2.4%	6.0%	5.5%	-9.5%	9.1%	6.4%	6.4%	3.8%	2.9%	5.3%

Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

The worst-hit advertising segments were cinema, B2B, music and radio, and out-of-home. Cinemas were closed for much of 2020 meaning limited access to audiences, and the same happened in B2B with the cancellation of trade shows. Out-of-home advertising was affected by stay-at-home messages worldwide in order to limit

the spread of virus. TV advertising, and music and radio, were affected by budget restraints in 2020 as the pandemic hit. TV advertising was especially affected by the postponement of major sporting events such as the Tokyo 2020 Olympics and the UEFA European Football Championship, causing a -12.1% year-on-year fall.

Fig. 14: Cinema and B2B worst hit by COVID-19
Advertising E&M spending (without Internet advertising), 2016-2025 (CHF mn)

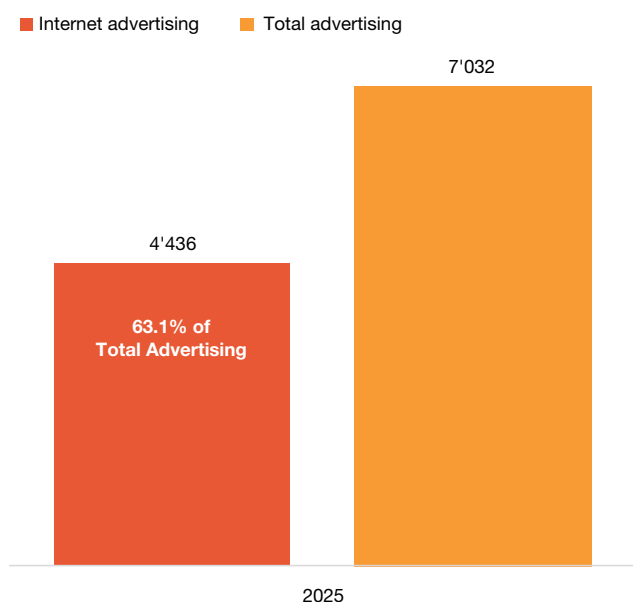


Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

By far the largest segment within advertising is Internet advertising, which will see a 6.5% CAGR from 2020-2025, making up 63.1% of total advertising revenues at the end of that period by reaching CHF 4.4bn. This is mainly driven by the growth of mobile ad revenue, which is growing at

a 2020-2025 CAGR of 9.3%. Developments such as 5G and innovation in formats such as VR and AR will drive the reach, personalisation, interactivity and value of mobile content and advertising.

Fig. 15: Internet advertising will make more than two-thirds of total advertising in 2025
Internet advertising vs total advertising, 2016-2025 (CHFmn)



Source: Switzerland Entertainment and Media Outlook, PwC, Omdia

TikTok is one to watch for advertisers

ByteDance's TikTok has already had a major impact on video consumption habits, advertisers, and even government policy, and the debate around the platform and its data practices has continued in 2021. TikTok's user base has exploded outside of China over the past couple of years, making it a more important part of ByteDance's business and a bigger competitor to incumbent social video platforms. Additionally, although lockdown has seen its penetration grow among older age demographics, it retains a predominantly young user base, making it an increasingly vital platform for advertisers, broadcasters and media companies struggling to reach young audiences through traditional media and entertainment.

However, TikTok is still not a mainstream channel for brands, and placing ads is not as frictionless as on the likes of YouTube, Facebook and Instagram. But 2021 will see more brands (at least seek to) get to grips with the platform, and TikTok roll out more advertiser-friendly features and increase its footing in social commerce in partnership with Shopify.

Facebook's Instagram and YouTube have already rolled out competitor services to TikTok and it is expected other social players will do the same in 2021, especially in markets where TikTok has been banned, such as India.

Social video platforms will see increased competition in online video advertising in 2021 because of reduced brand budgets and the growing prominence of other premium ad-based VOD platforms. Revenue diversification will, therefore, be top of the priority list during 2021.

One area that is currently becoming a bigger focus (and revenue opportunity) for platform operators is games. YouTube, Facebook Gaming and Amazon's Twitch have all recently been active in acquiring premium games-related video content, including media rights to esports competitions and exclusivity deals with prominent games streamers. While these deals are partly about bringing in attractive audiences for advertisers to target, they are also laying the foundations for the integration of cloud-gaming services. Google plans to integrate Stadia with YouTube, which will make games seamlessly playable by viewers of game-related content and live streams. Amazon will do the same, integrating its own cloud-gaming service, Luna, with Twitch.

Online video advertising will remain the core social video monetisation model, but cloud-gaming content revenue growth will explode in 2021 and it is expected that social video platforms will aggressively target the space.

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