

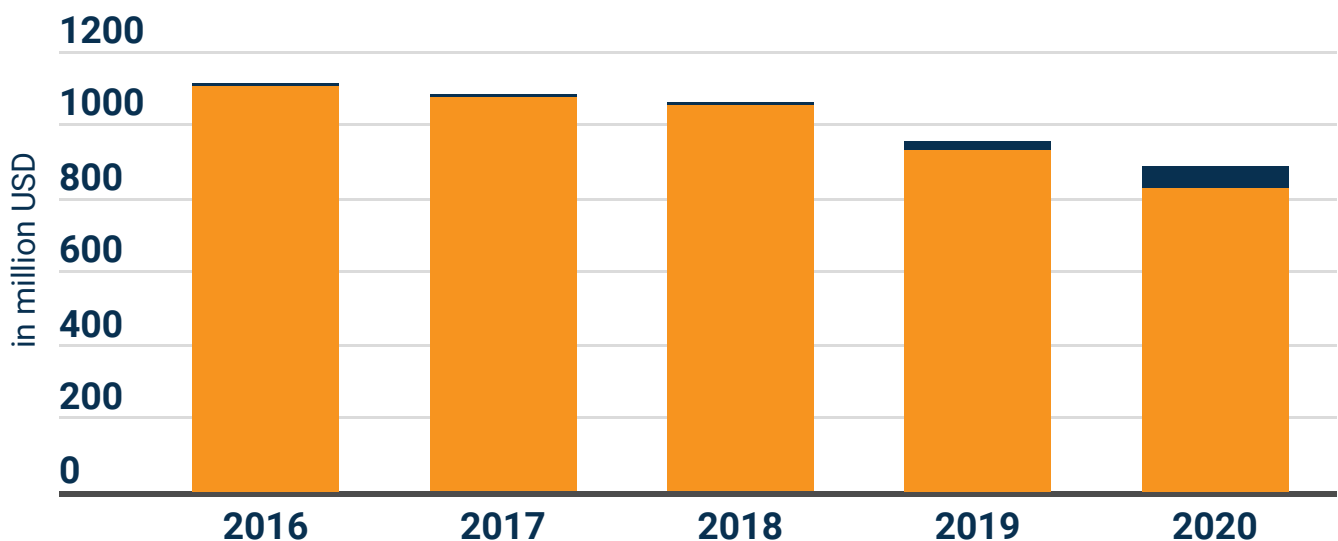
## Astro in Malaysia: an entertainment giant under threat?

PRESS RELEASE | 9 July, 2021

On June 24th, Malaysian pay TV operator Astro announced that Netflix streaming services will soon be available on its platform. The American streamer will therefore join Astro's growing OTT family, which already includes Astro GO, Disney+ Hotstar, HBO Go, and Chinese IQYI.

### Malaysian Pay TV and SVOD market revenues

● Astro subscription revenues ● SVOD revenues in Malaysia



SOURCE: Dataxis ©

### A glorious start

When founded in 1996, Astro was given a 20-year monopoly on Malaysia's satellite pay TV market by the Malaysian government. This agreement ended in 2017, but to date no actor has been able to compete with Astro's 74% TV household penetration. Only Unify TV (Telekom Malaysia) could be perceived as a contender, but its pay TV subscriber base is still 5 times less than that of Astro according to Dataxis' estimations.

Despite that ready-made path, Astro has reportedly been losing subscribers for the past years. At issue: a global shift in TV consumers' behaviors, who became more interested in cheaper and easy-to-use OTT platforms, as well as Malaysia's high level of video piracy. Needless to say that the COVID-19 sanitary and economic crisis which hit Malaysia particularly hard with severe lockdowns didn't help with Astro's downward trend.

## To eat or be eaten

In response to those evolutions, Henry Tan (Astro's CEO since 2018) adopted an hybrid approach by keeping its pay TV roots and core business and opening up to new forms of content at the same time. At the beginning of the year, he announced that Astro's portfolio will contain 15 OTT players by the end of 2021. Simultaneously Astro launched its own new OTT platform called sooka, a mobile-based streaming service targeted at millennials with live sport content, Malaysian dramas and entertainment programmes, in addition to their already-existing free SVOD service Astro GO.

Will this super-aggregator strategy be enough to maintain Astro's revenues that have been declining for the past years? On one hand, this move could uplift Astro's ARPU and annual revenues. But according to our estimations, Astro's earnings losses are not captured by the SVOD market, which is still relatively insignificant in comparison. Its subscription hemorrhage, however, probably comes from free AVOD services or illegal streaming, particularly popular amongst young Malaysians. It is not a given that a premium aggregated Astro service will turn the tide of this trend. Astro might have to explore new content strategies to cope with evolving behaviors and rising market competition, for example with their promising Astro GO and sooka services.

Raphaëlle **Delbèque** | Analyst

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From pay TV operators distribution strategies to satellite services revenues and capacities specificities, the complete TV distribution is tracked worldwide, through a range of quarterly and forecasted indicators detailed by country and operator. The market coverage is completed by comprehensive datasets including advanced functionalities figures, split by access (DTH, DTT, OTT, Cable, IPTV and AppTV), free-to-air reception details and infrastructure revenues by company. Annual forecasts and demographic indicators are provided to better understand the dynamics underlying each market and assess upcoming market trends. [View more](#)

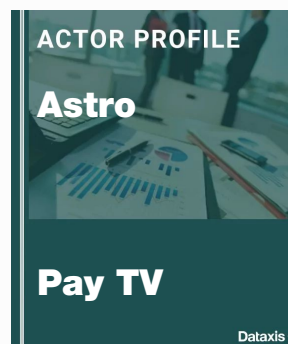
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