

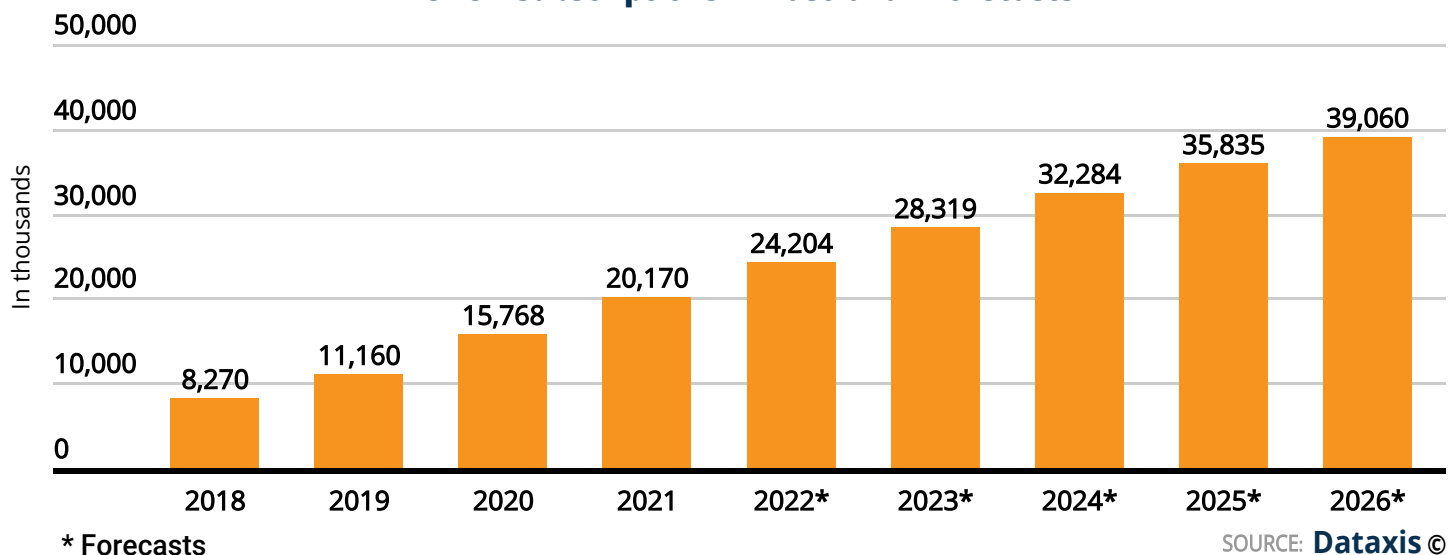
Australian SVOD market expected to nearly reach 40 million subscriptions by 2026

RESEARCH HIGHLIGHT | 16 May, 2022

The Australian SVOD market has grown tremendously over the last three years, more than doubling the number of SVOD subscriptions since 2018. Despite a slowdown in 2021, the market still grows at a fast rate, and is set to reach nearly 40 million subscriptions by 2026.

Over the last three years, the market's growth has been primarily driven by the fast expansion of Disney+, which has managed to gather more than two million subscribers in two years, the aggressive - but maybe not sustainable - promotion strategy of Apple TV+ and the consolidation of Netflix's customer base, which despite a deceleration of its customer acquisition rate still added two more million subscribers in two years.

SVOD subscriptions in Australia - forecasts



This steady growth is primarily the result of the entrance of a growing number of platforms, both local and international. Besides Disney+ and Apple TV+, Britbox, Shudder and Paramount+ all launched their direct-to-consumer (D2C) platform in Australia over the last two years, while the local operators also diversified their SVOD offers. In 2021 two new sports SVOD services launched, Stan Sports and Sports Flick, while Foxtel launched Flash, a new service dedicated to news. In fact Foxtel alone has been particularly active: over the last five years, the Australian operator launched five different OTT services for the Australian market, covering a wide range of content from sports to news and entertainment, both in the SVOD and the AVOD landscapes. Being still one of the major pay TV providers in the country, the Australian operator now positions itself as the default multi-platforms hub for general entertainment in the country.

Although being increasingly competitive, the market is not saturated yet - more than 30% of Australian households still do not subscribe to any SVOD service - and three major players are still missing in the D2C landscape. While Discovery has been consolidating its presence in the region (especially with the acquisition of Mediaworks in December 2020 in New Zealand), Discovery+ is still not available in the country. Other major US content providers are currently relying on indirect access to provide their content to Australian audiences, but still lack direct access to the consumers in the country. As of May 2022 HBO max is available to Foxtel Now and Binge subscribers, providing Discovery-WarnerMedia a limited reach within the country, while NBCUniversal secured a deal with Stan in August 2020 to distribute its content via the Australian platform. But with the deal ending this summer, this could be the opportunity for NBCUniversal to finally launch Peacock in the country as a D2C platform, especially as the AVOD market is also booming, allowing Peacock to fully take advantage of its hybrid business model.