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Why are Netflix, YouTube, and Amazon struggling in Norway?

Northern Waves Conference 2023: TV Tech & Industry

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Agenda

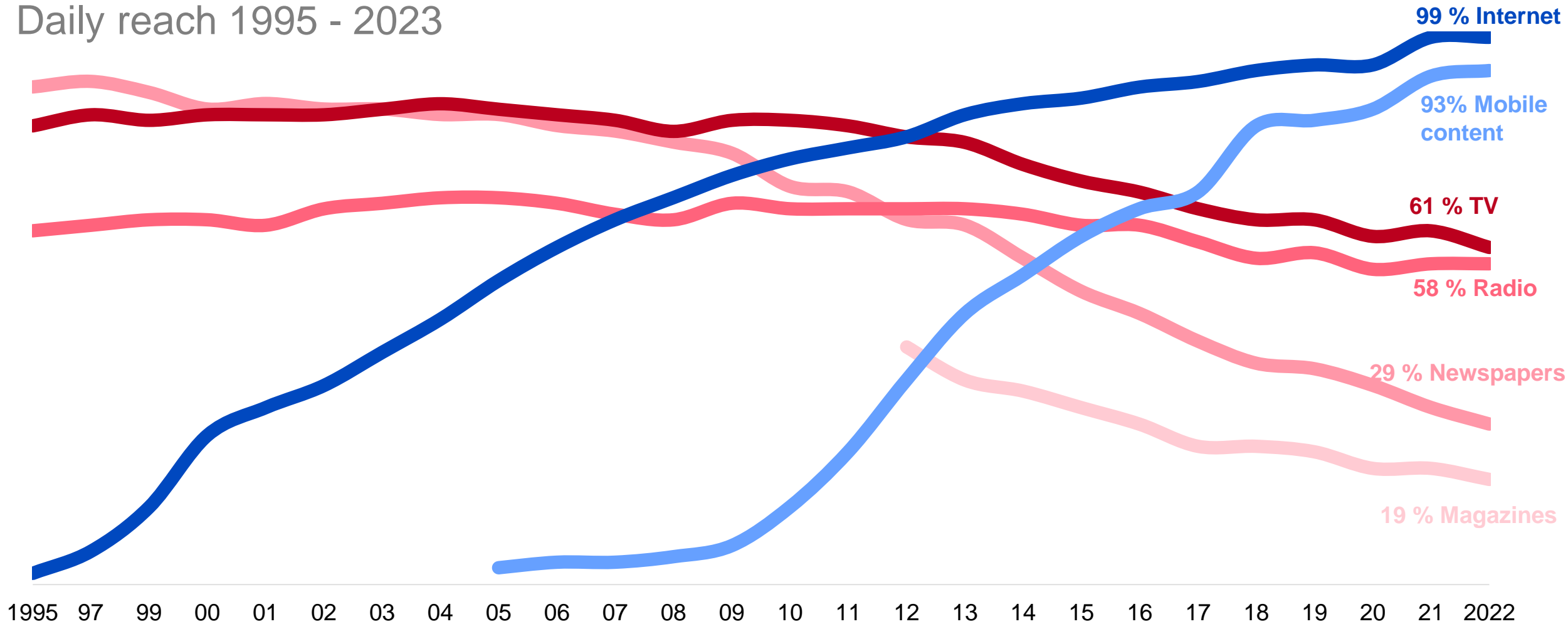
- 1. The Norwegian media market**
- 2. TV reception and TV providers**
- 3. The Norwegian TV companies**
- 4. The global players**
- 5. The competition for people's time and wallet**
- 6. Summary and future perspectives**

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1. The Norwegian media market:
A digitally mature market

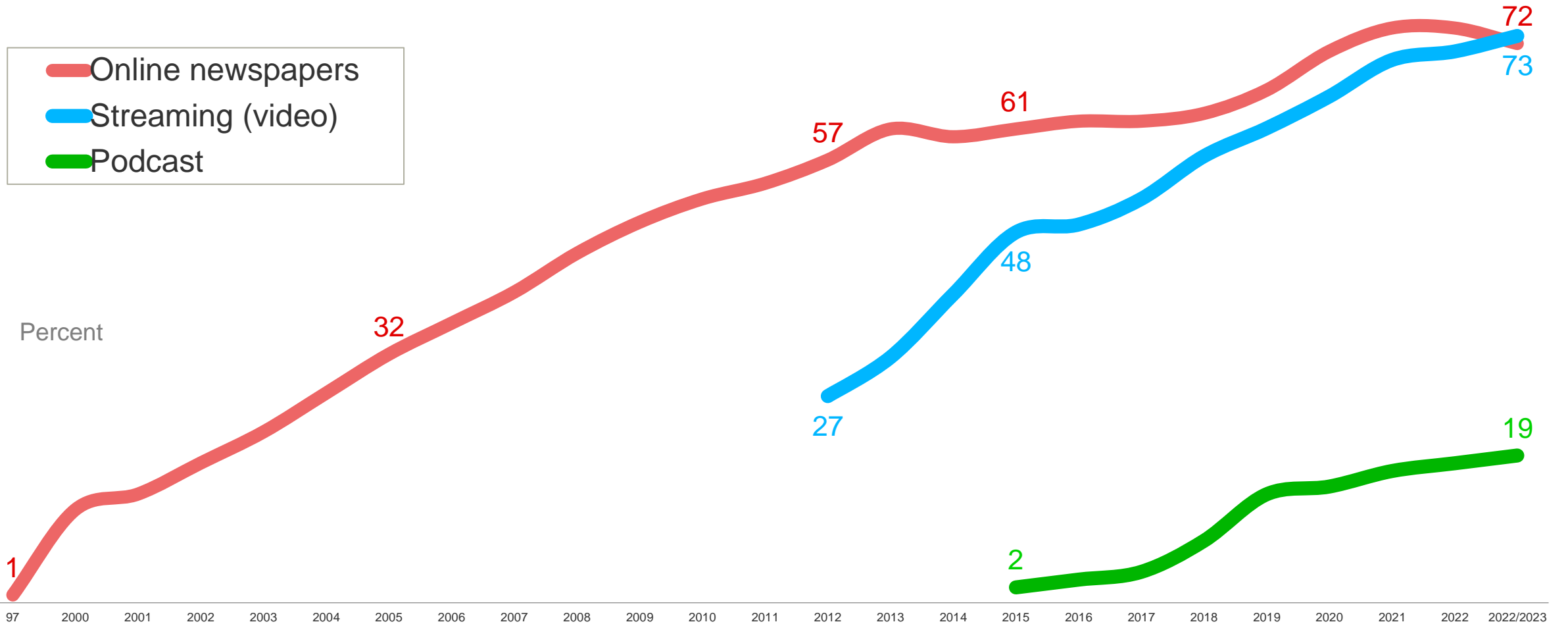
The digital transformation of the Norwegian media market

Daily reach 1995 - 2023



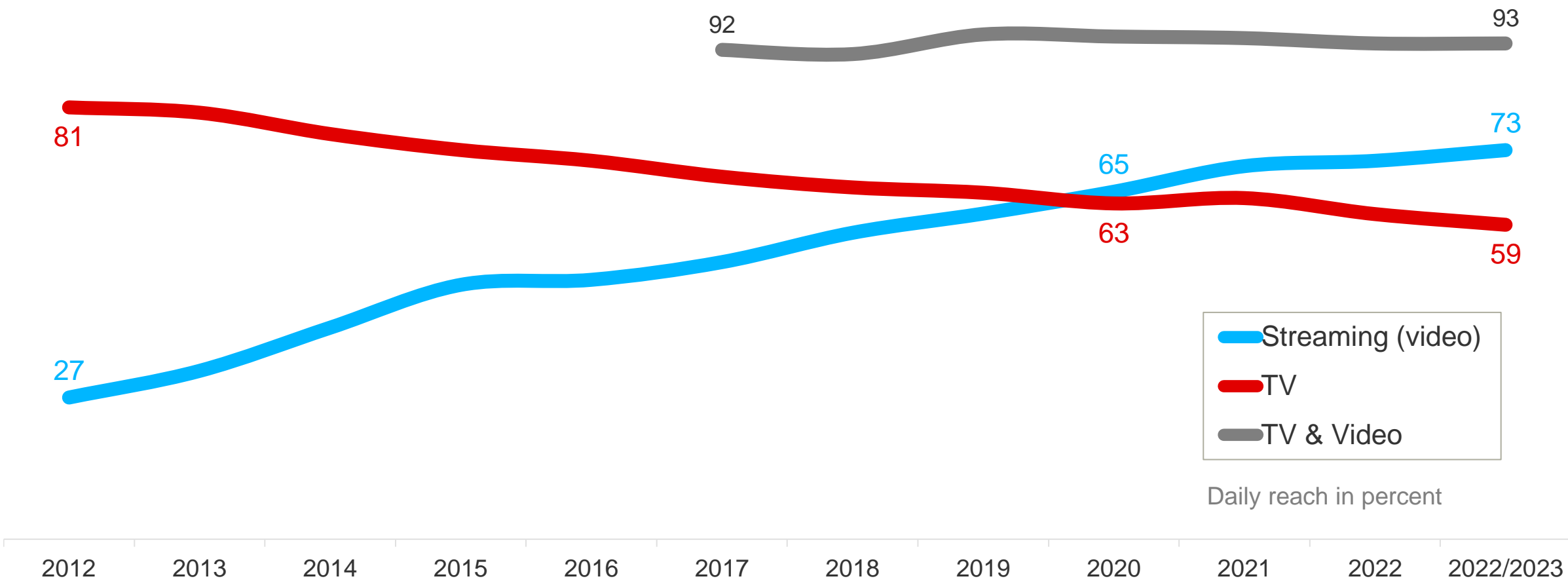
The digital journey

Daily reach for online newspapers, streaming, and podcasts 1997-2023



Traditional TV is declining, while streaming continues to grow

Daily reach 2012-2023



Daily reach in percent



Digital key figures (access)

99%

Has internet*



86%

Has a TV connected to the Internet. **



23%

Has a fitness band



95%

Has smartphone *



60%

Has smart-TV**



24%

Has a smart speaker.



66%

Owns a tablet



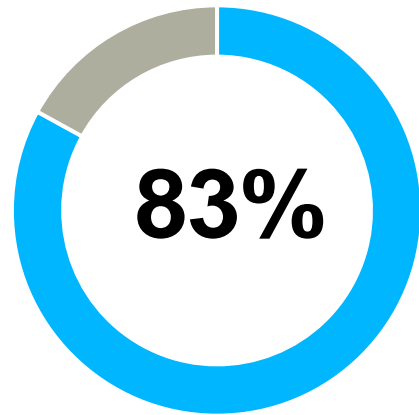
24%

Has a smartwatch



Norway is a highly mature streaming market

At least one SVOD



Number of subscriptions



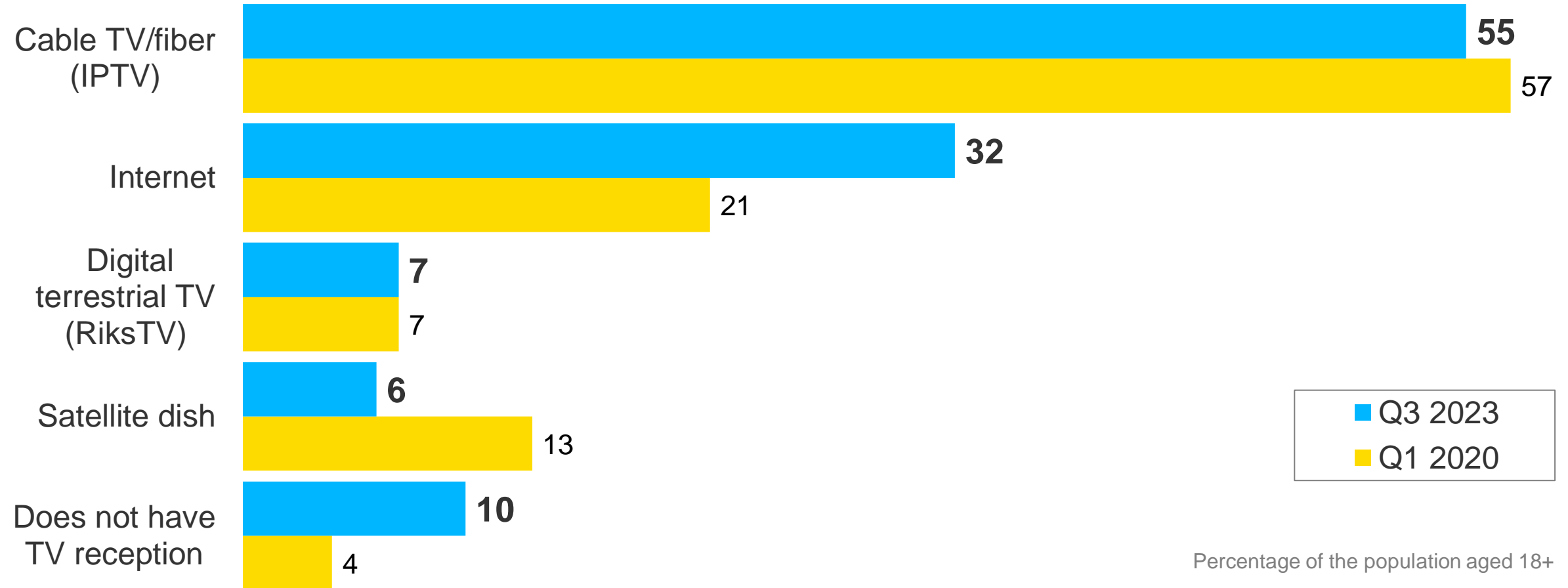
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2. TV reception and TV providers:

Turbulent market with many players

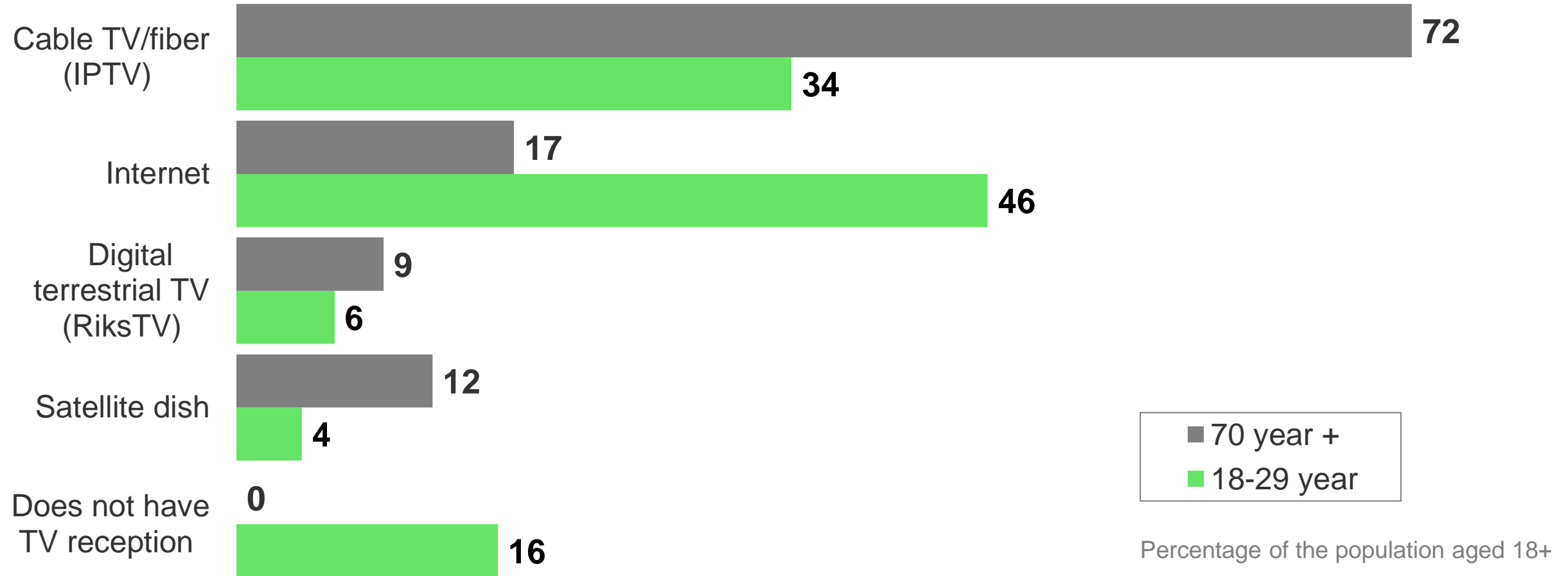
Fewer have satellite dishes, and more have internet connections

Percentage with different forms of TV reception



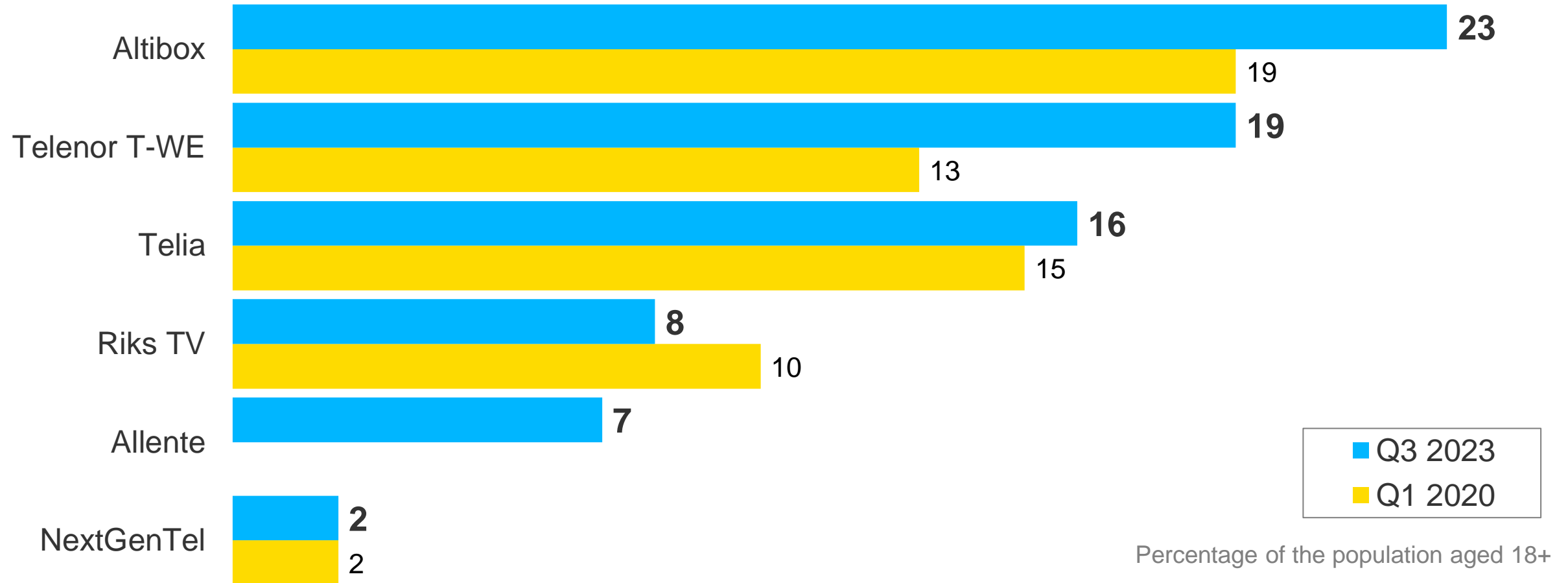
Significant demographic differences regarding TV reception

Percentage with different forms of TV reception by age



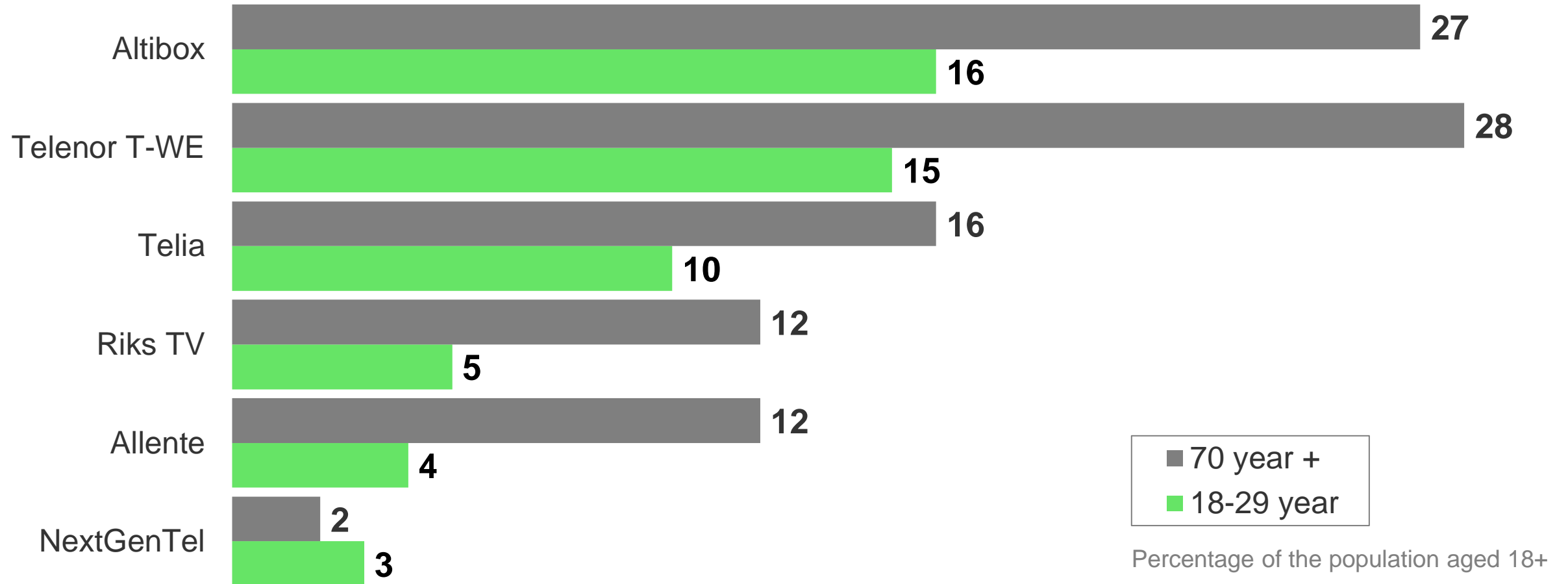
Altibox and Telenor T-WE are increasing

Percentage of TV reception among different TV providers



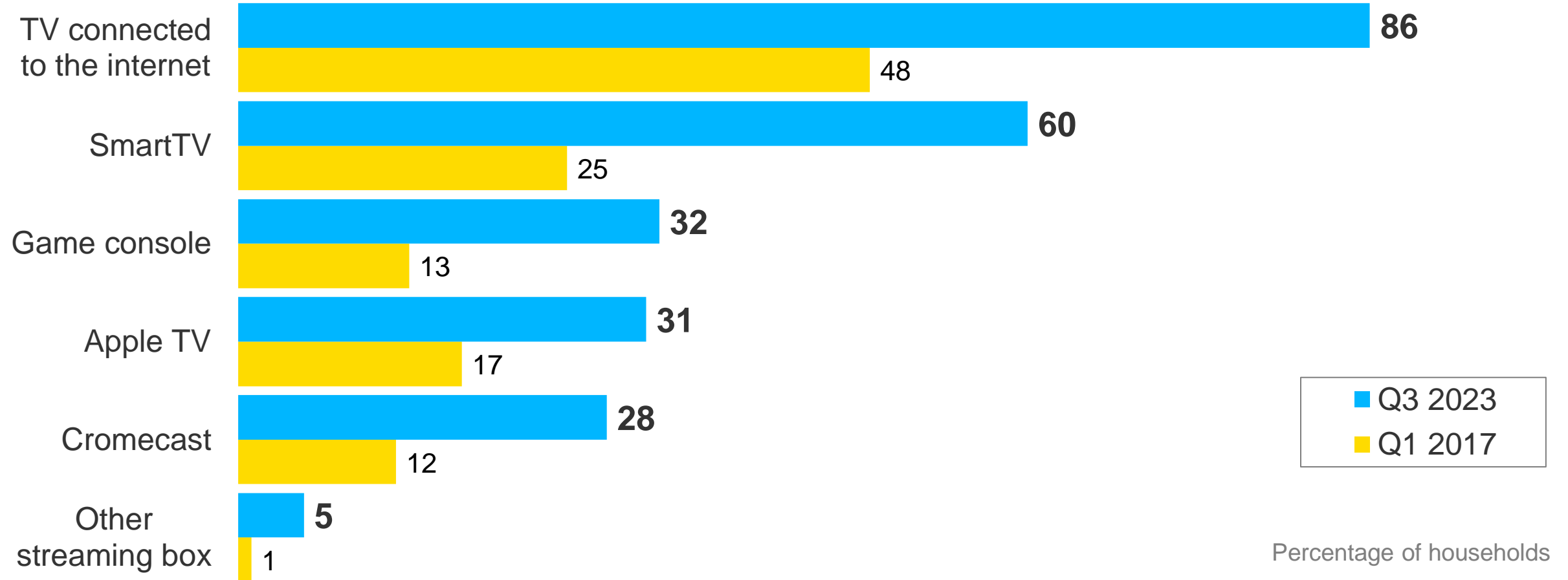
Older individuals are more likely to be customers of TV providers than younger ones

Percentage of TV reception among different TV providers by age



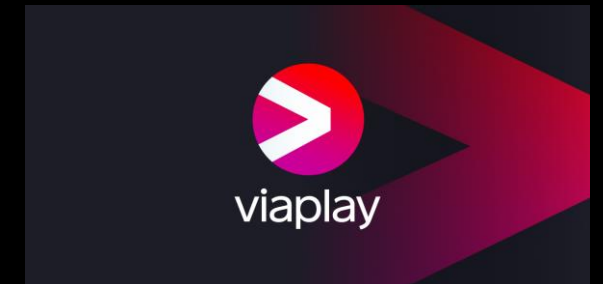
Strong growth in all internet connections to TV sets

Percentages of households with various forms of TV connections



3. The Norwegian TV companies:

Started early and have unique content



Norwegian TV companies hold a strong position

1

Norwegian TV companies' streaming services have a very high distribution

Through the various TV and broadband providers in Norway

2

Norwegian TV companies launched streaming services with unique Norwegian content early on

Entertainment, sports, news and movies/series in Norwegian and English.

3

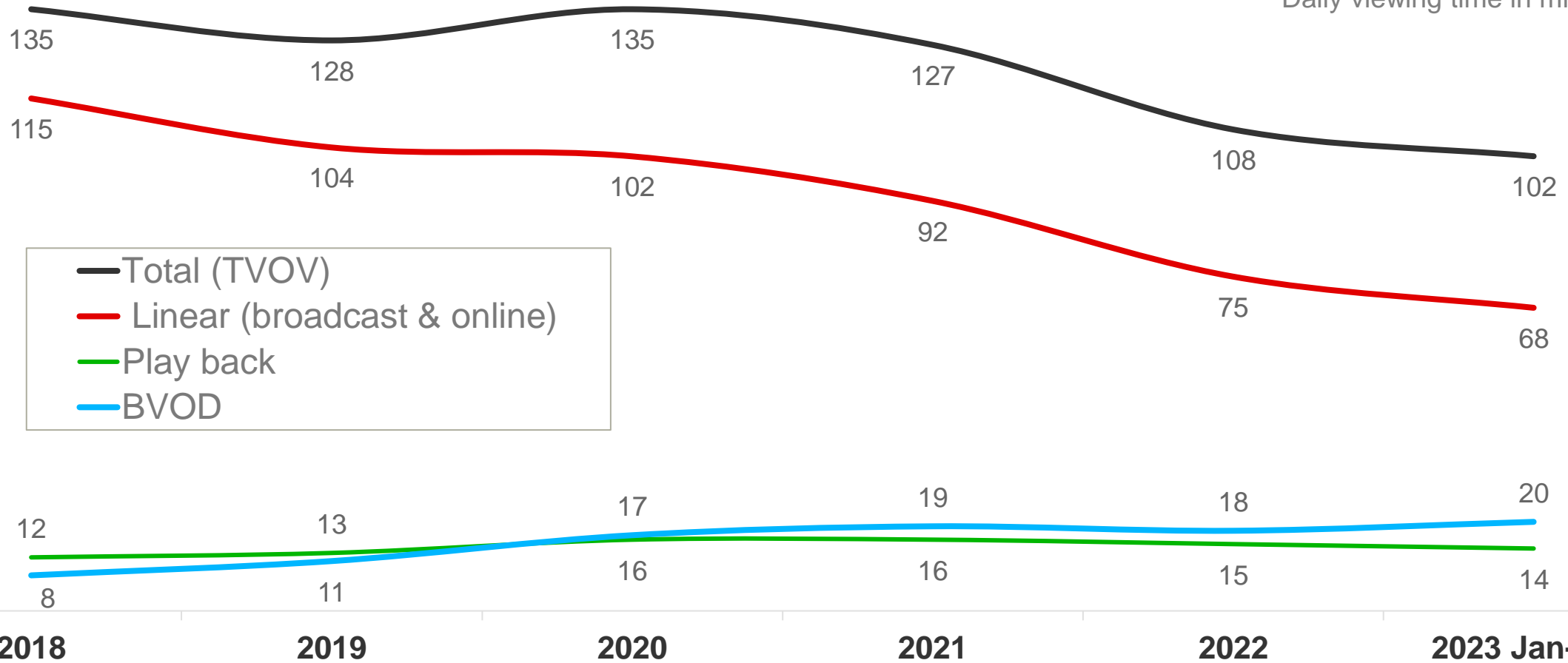
Unique data and insights pave the way for informed and strategic decisions

World's most sophisticated TVOV-measurement plus the "Consumer & Media"-survey

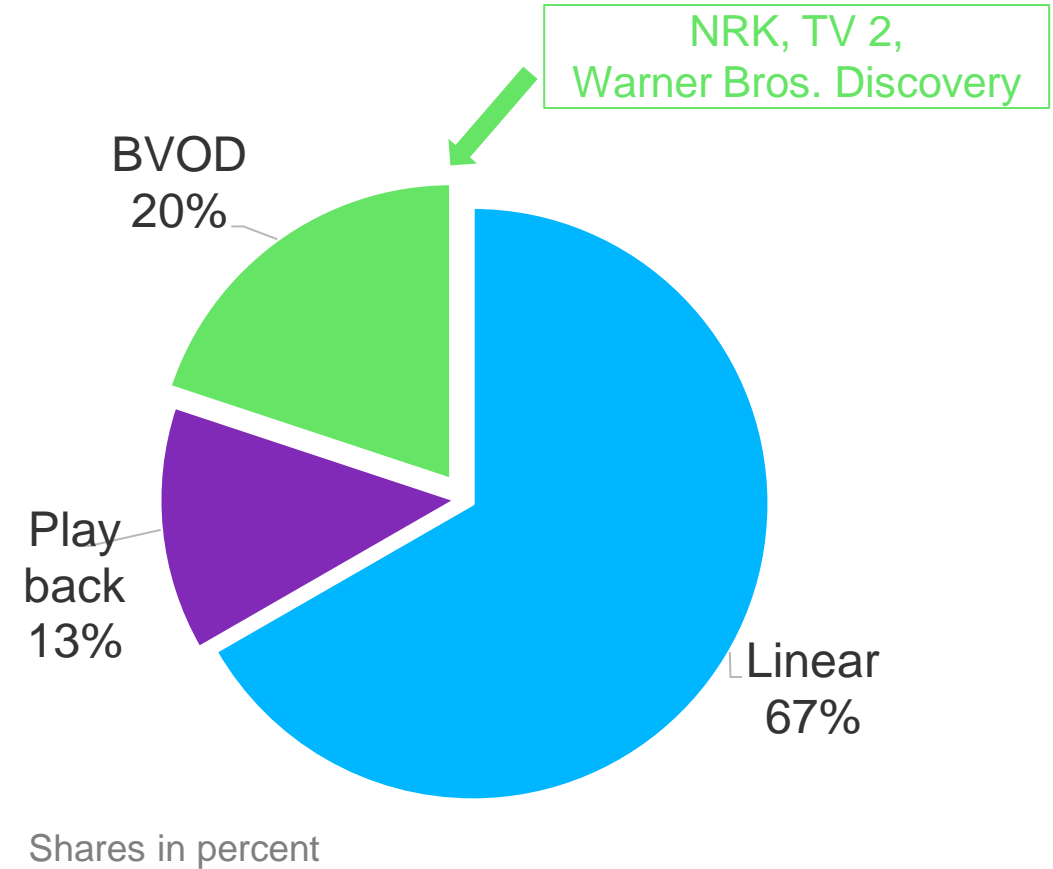
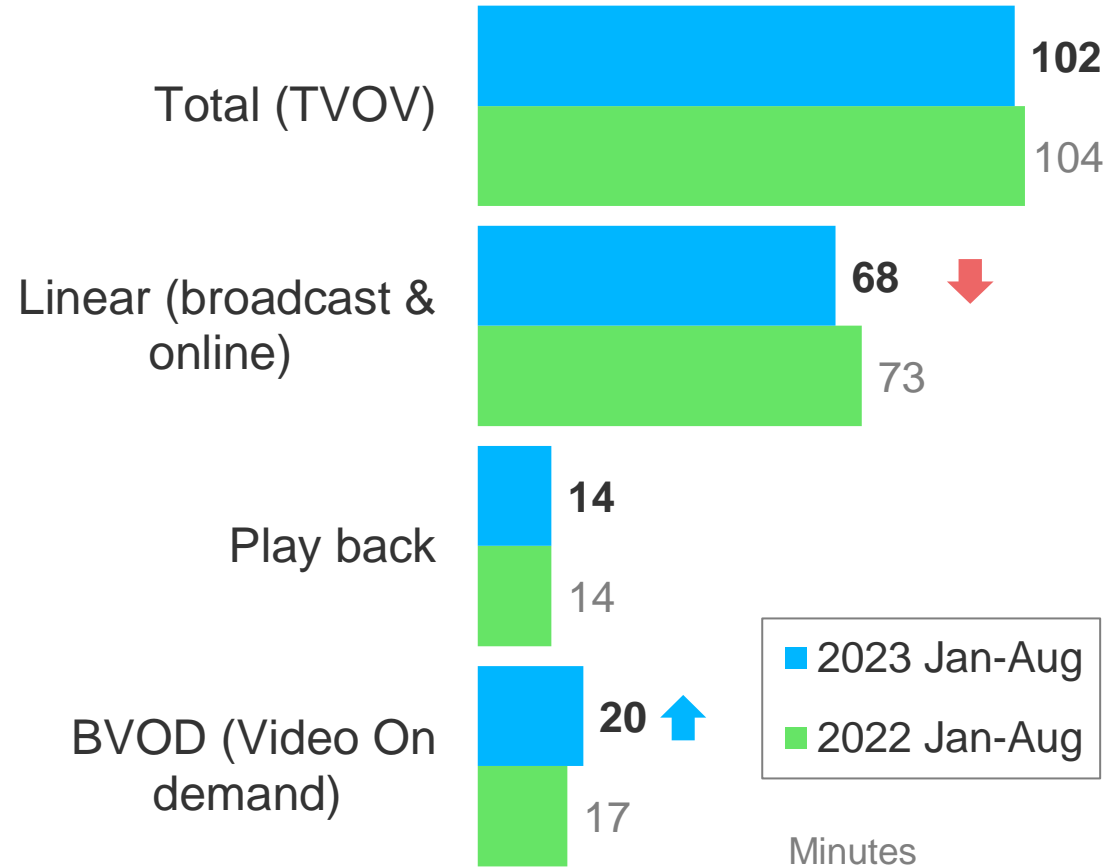
Time spent on linear TV is decreasing, while BVOD is increasing



Daily viewing time in minutes



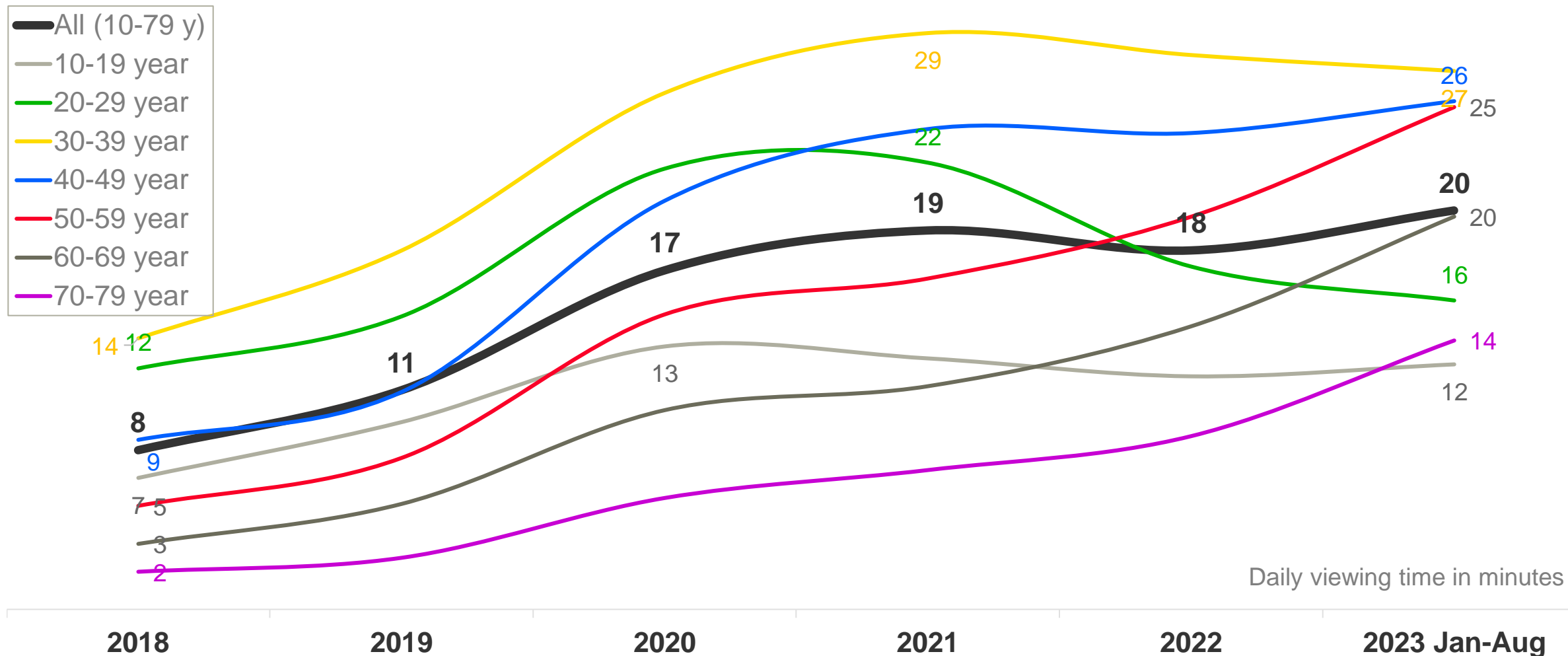
67% of TVOV consumption is linear, 20% is BVOD, and 13% is play back



Viewing time on BVOD is now increasing most among those over 50 years old

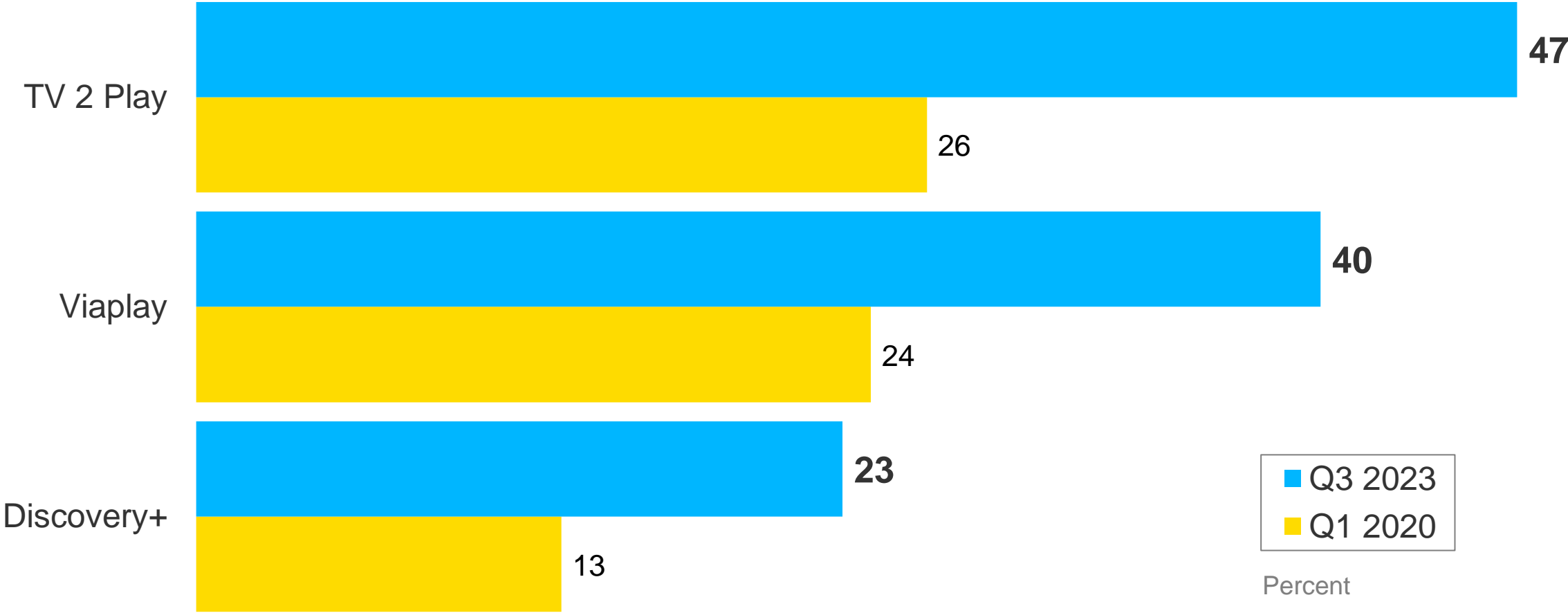


Daily viewing time on BVOD by age



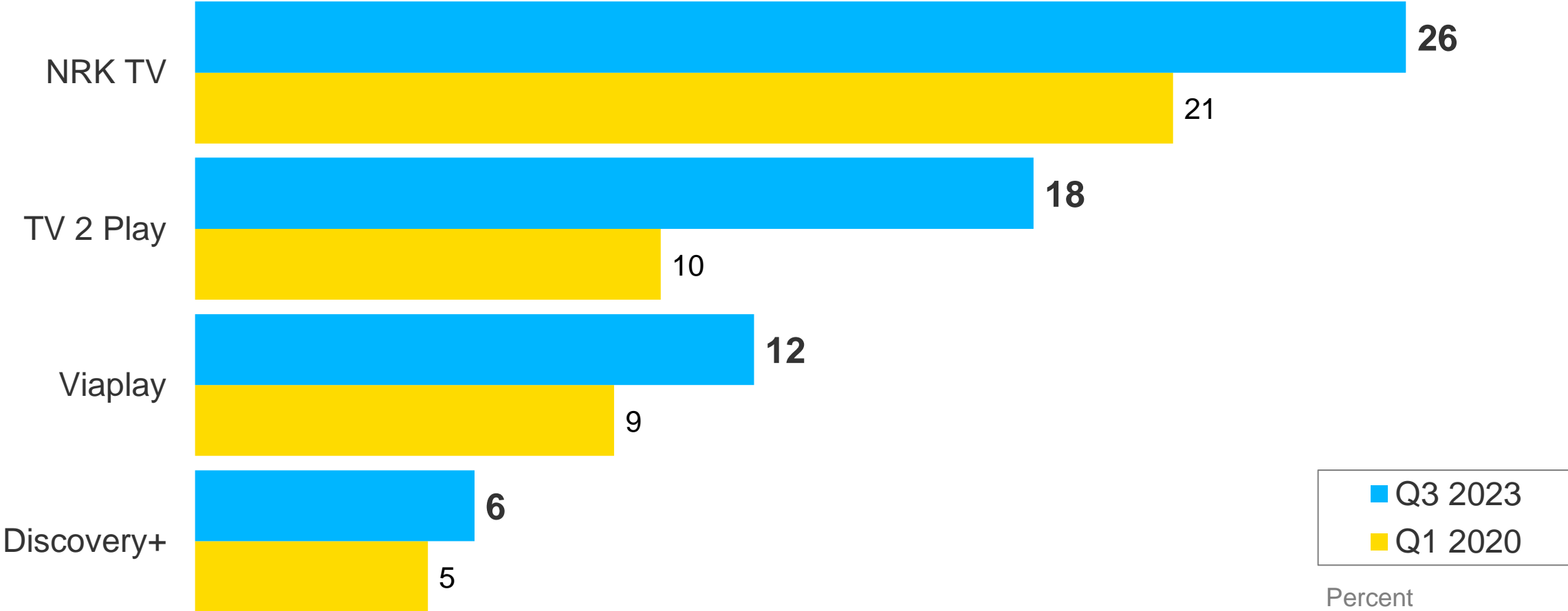
TV companies have increased their distribution by 80% since 2020

The proportion of the population that has access to BVOD



All the Norwegian TV companies have gained more viewers

Daily coverage for streaming services



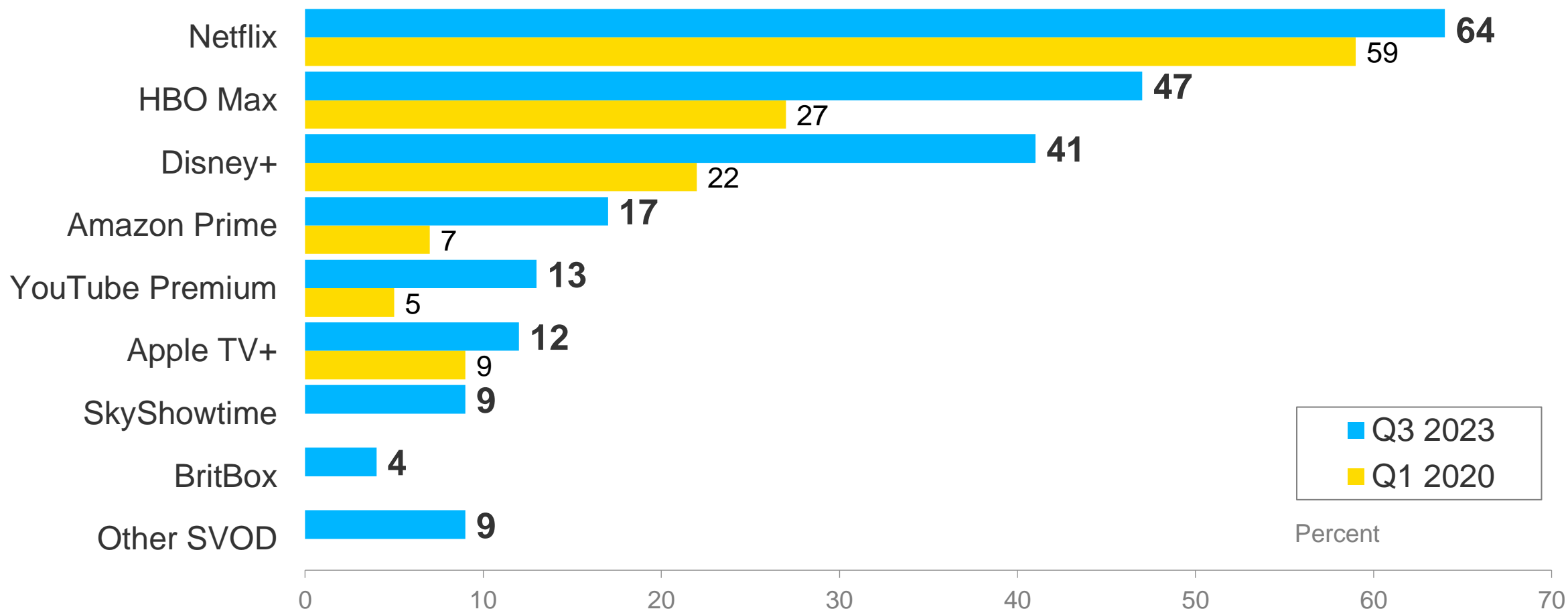
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4. The global players:

Face greater challenges in smaller markets

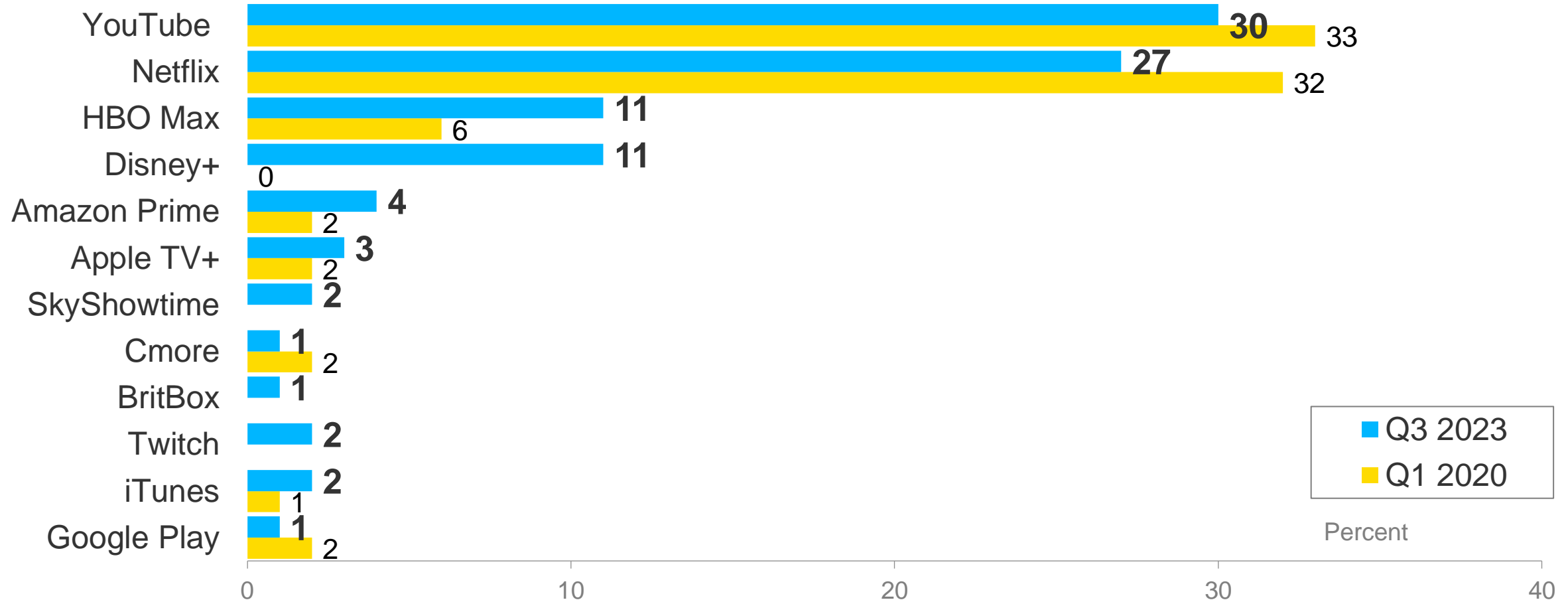
Netflix challenged by rising competitors in the SVOD market

SVOD subscription



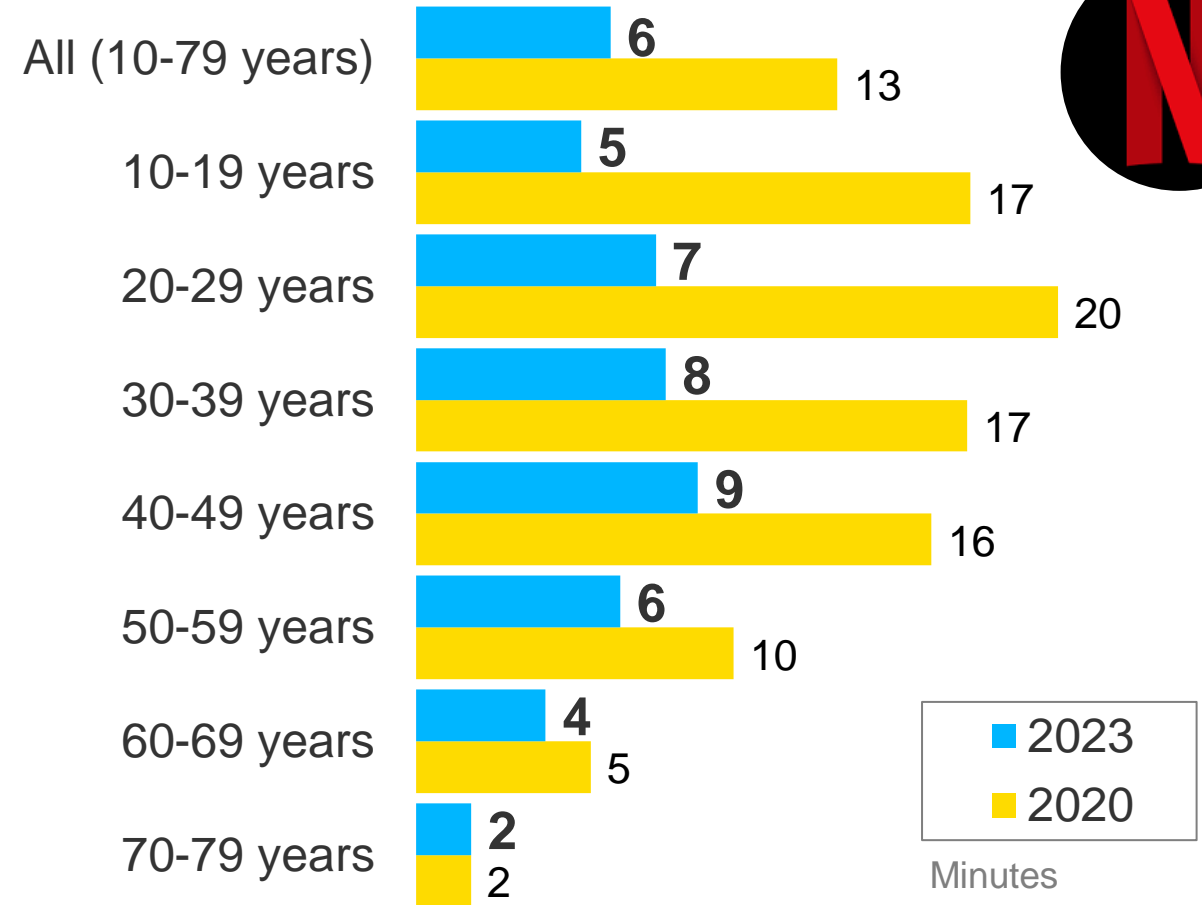
Fewer people use Netflix and YouTube on a daily basis

Daily reach of global streaming services (SVOD & AVOD)



The viewing time on Netflix has been halved since 2020, and the decline is strongest among those under 30 years old

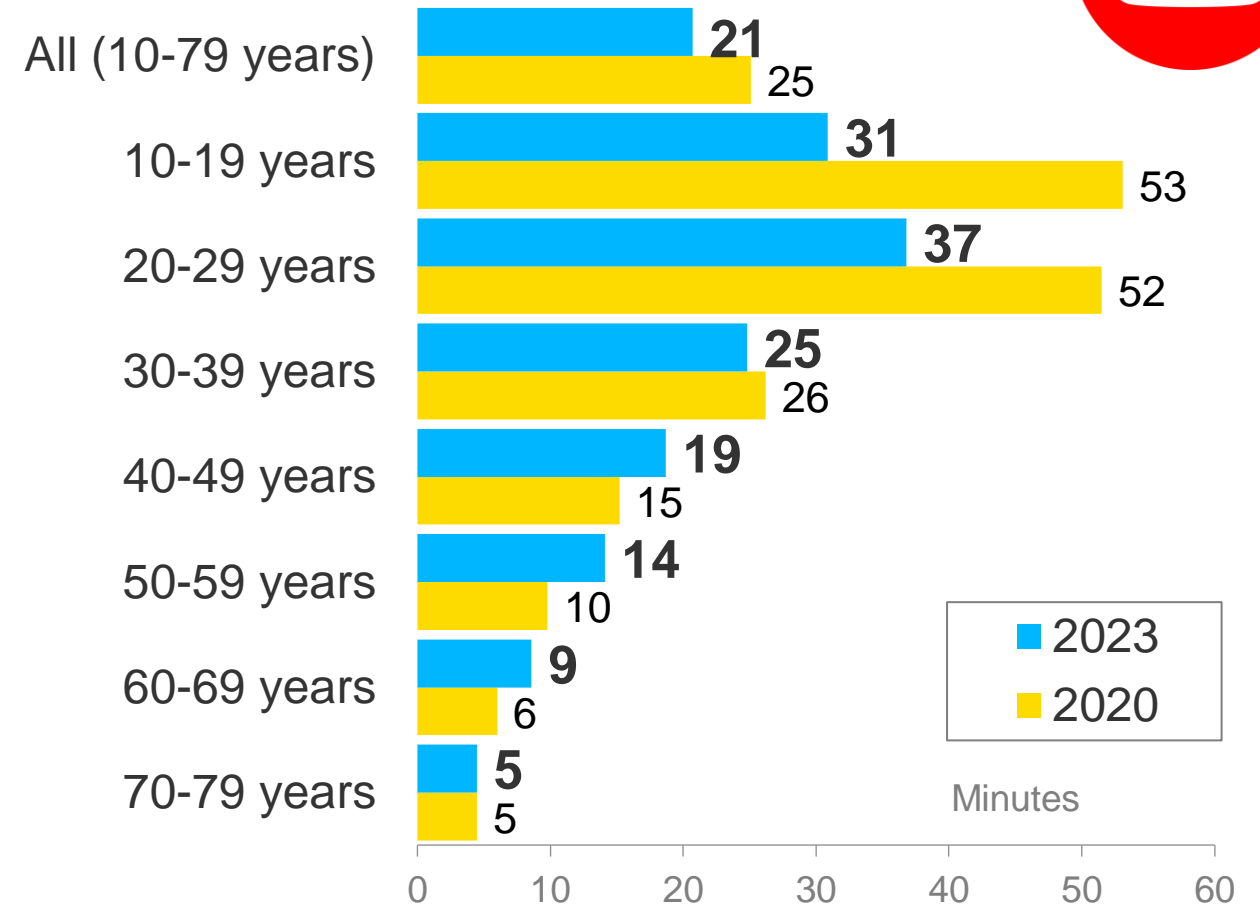
- Viewing time for Netflix has decreased from 13 minutes to 6 minutes from the peak year 2020 to so far in 2023.
- The viewing time is decreasing in all age groups except for those over 70 years old.
- The decline in viewing time is most pronounced among those under 40 years old, and the time among those under 30 years old in 2023 is only 1/3 of what it was in 2020.



The viewing time on YouTube has been reduced by 20% since 2020, and the decline is strongest among teenagers



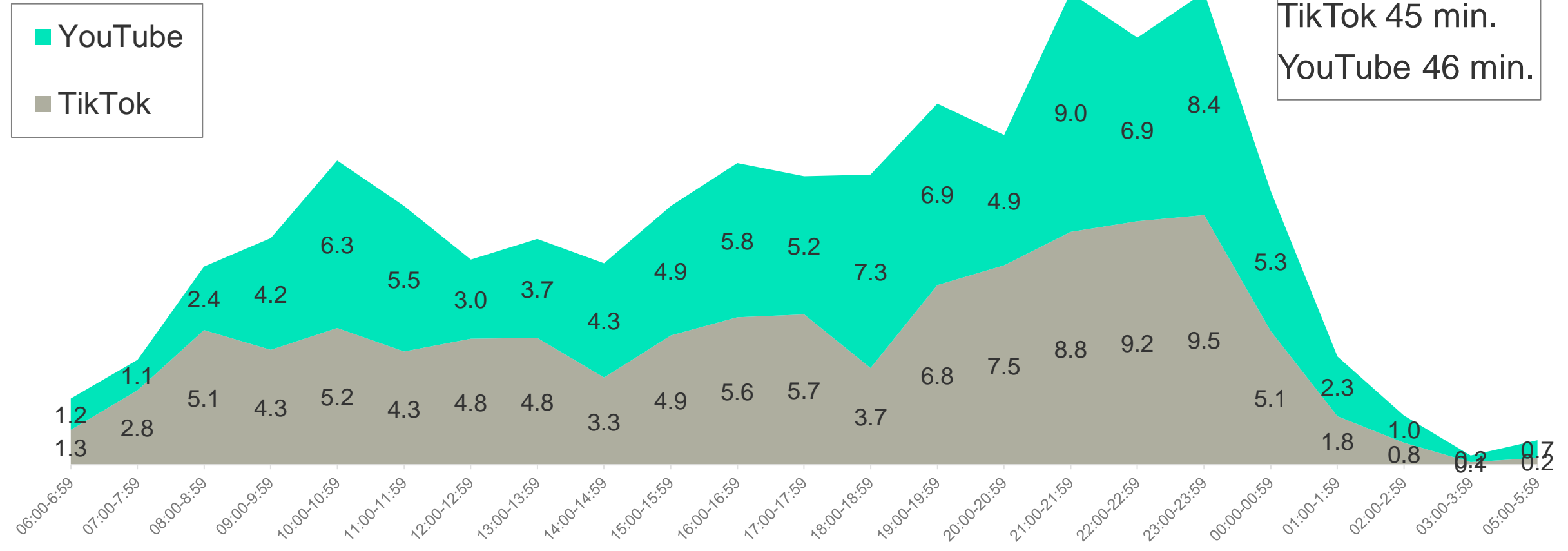
- The viewing time for YouTube has decreased from 25 minutes in 2020 to 21 minutes in 2023.
- Viewing time is increasing among those over 50 years old.
- The viewing time is reduced by 40% among 10–19-year-olds, and by 30% among those in their twenties.



The young use TikTok and YouTube all day long: YouTube is losing viewing time to TikTok

Use of TikTok and YouTube throughout the day among 18-29 year

Percent reach per hour



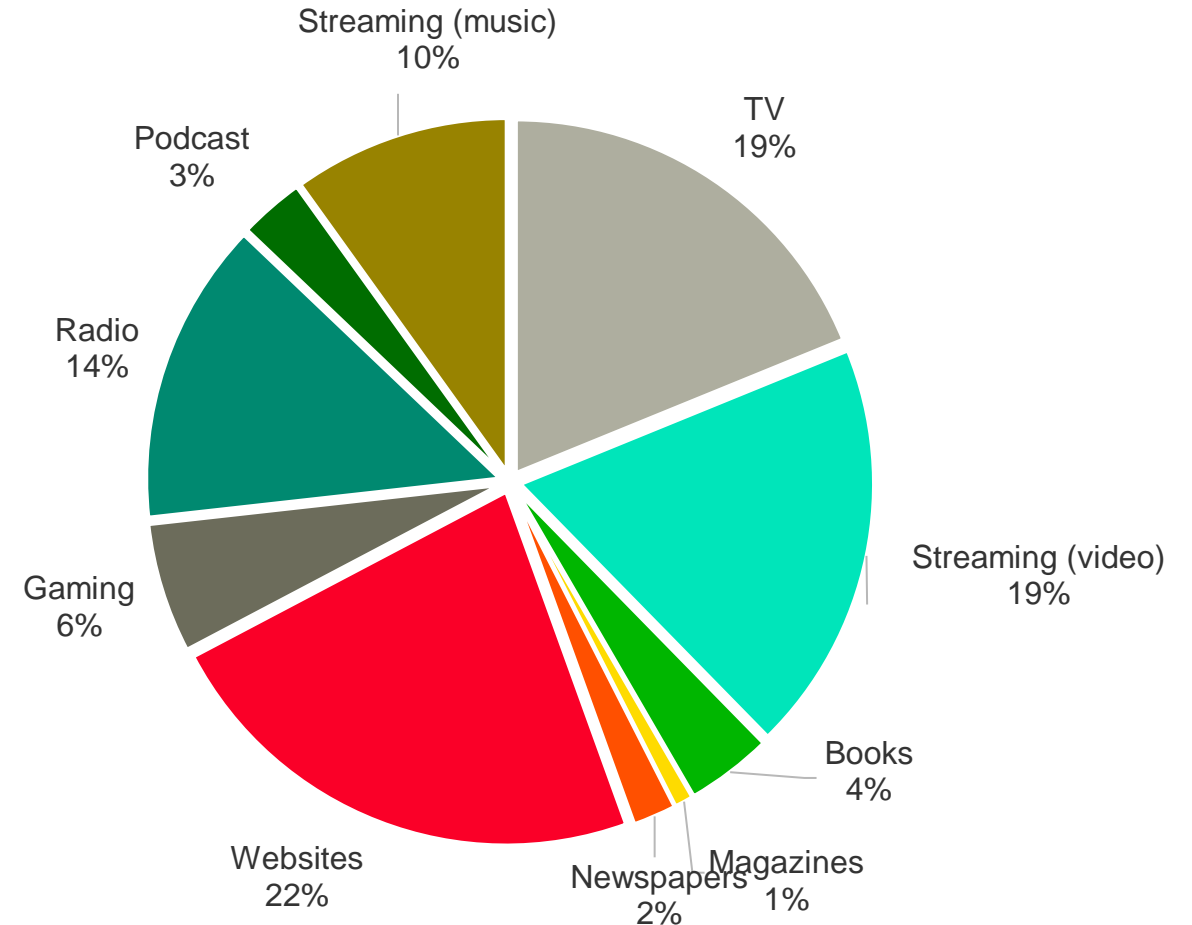
TikTok 45 min.
YouTube 46 min.

5. The competition for people's time and wallet:
A race that requires deep insight

38% of media time is spent on TV and video streaming

The proportion of time spent on media in Q3 2023

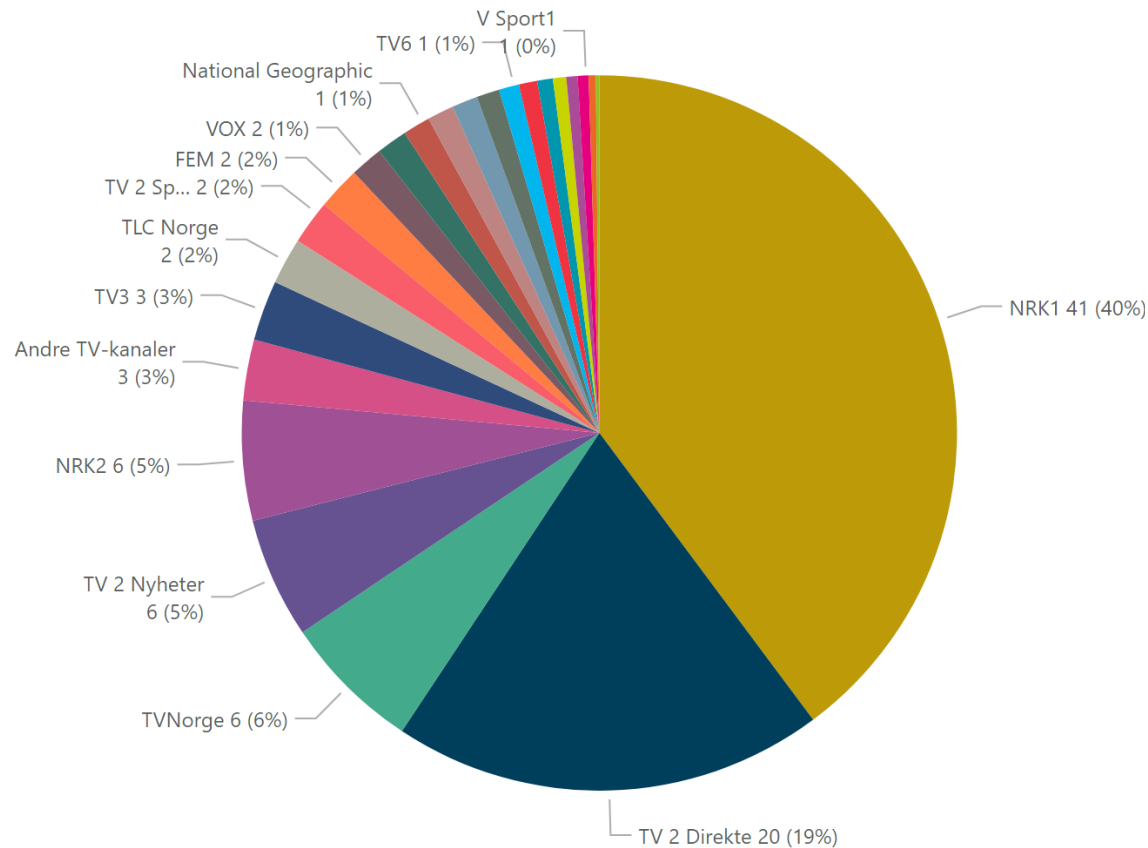
- In Q3 2023, we spent 6 hours and 20 minutes (377 minutes) on media daily.
- 23% of the time spent on media is spent on websites, which is now the media channel we spend the most time on.
- 19% of the time is spent on TV, 19% on streaming services, and 10% on music.
- 38% of the time is spent on live images, 27% on audio, and 7% on reading newspapers, magazines/weeklies, and books.



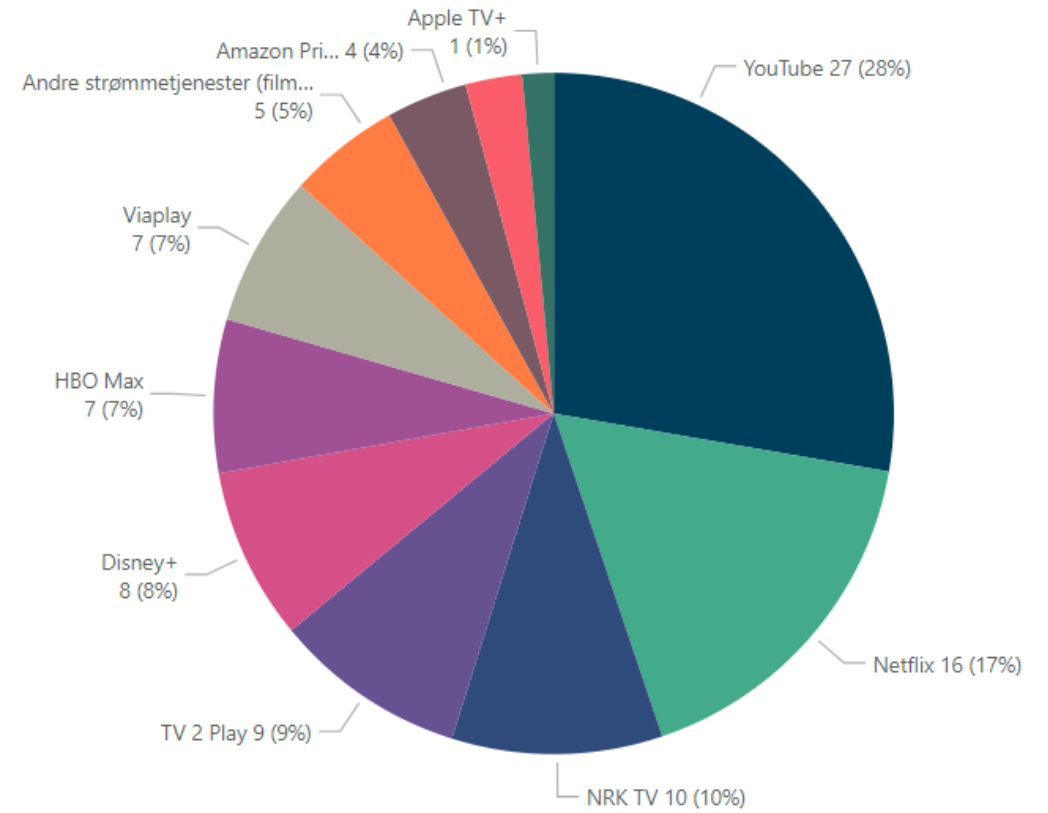
The Norwegian TV and streaming market is very competitive

The proportion of time spent on TV and video streaming in Q3 2023

The distribution of **TV time** across TV channels

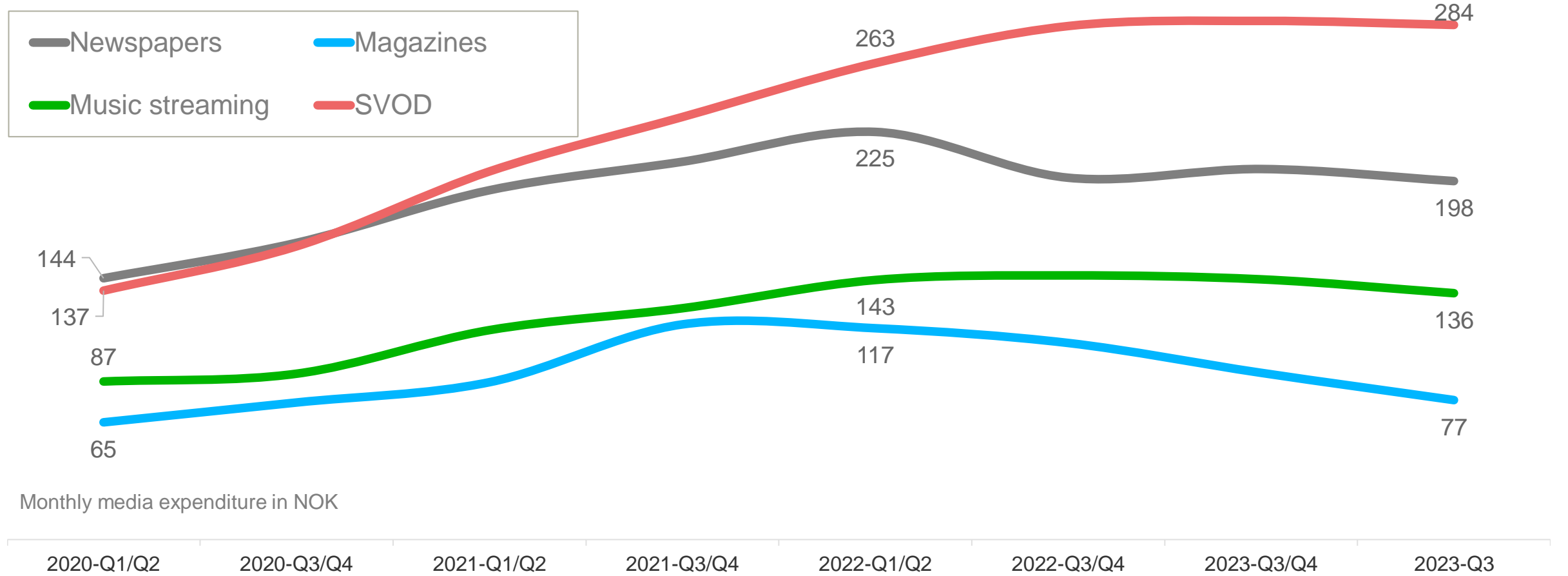


The distribution of **streaming time** across services



Spending on media is declining

Monthly media expenditure in NOK

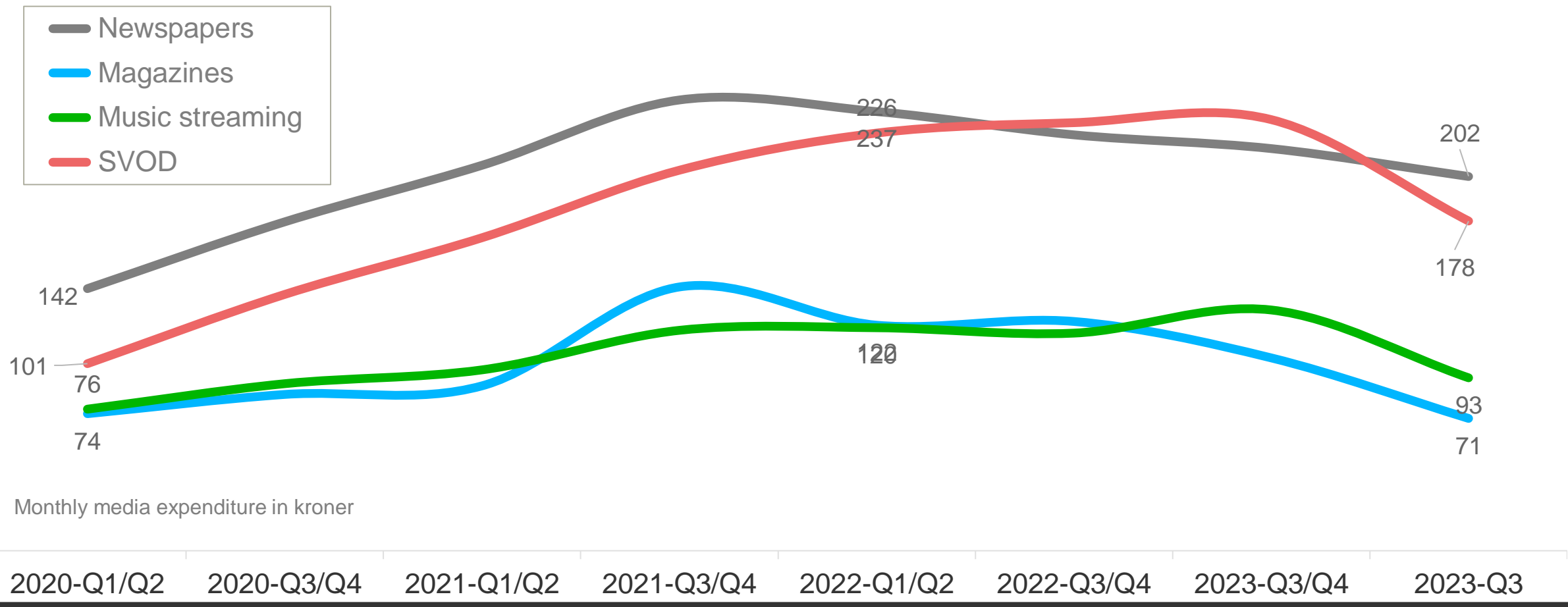


Monthly media expenditure in NOK



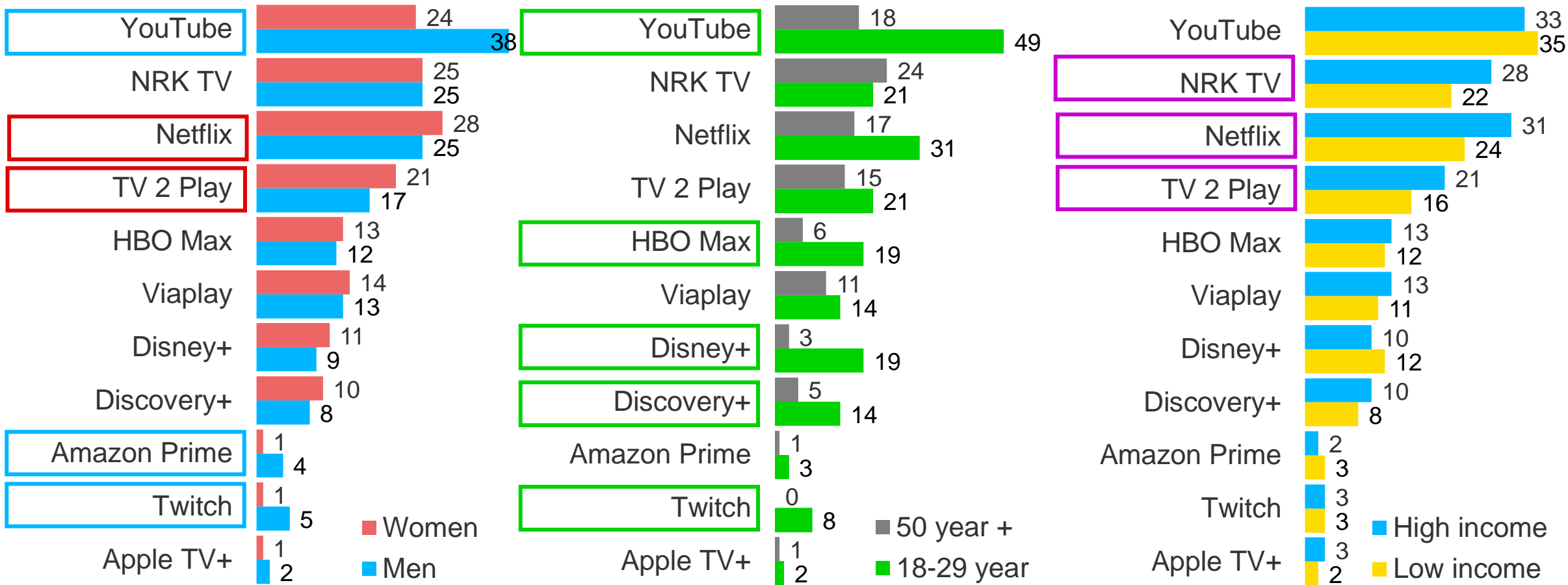
Spending on media has been reduced among those with low income

Monthly media consumption among those who earn less than NOK 700,000 annually

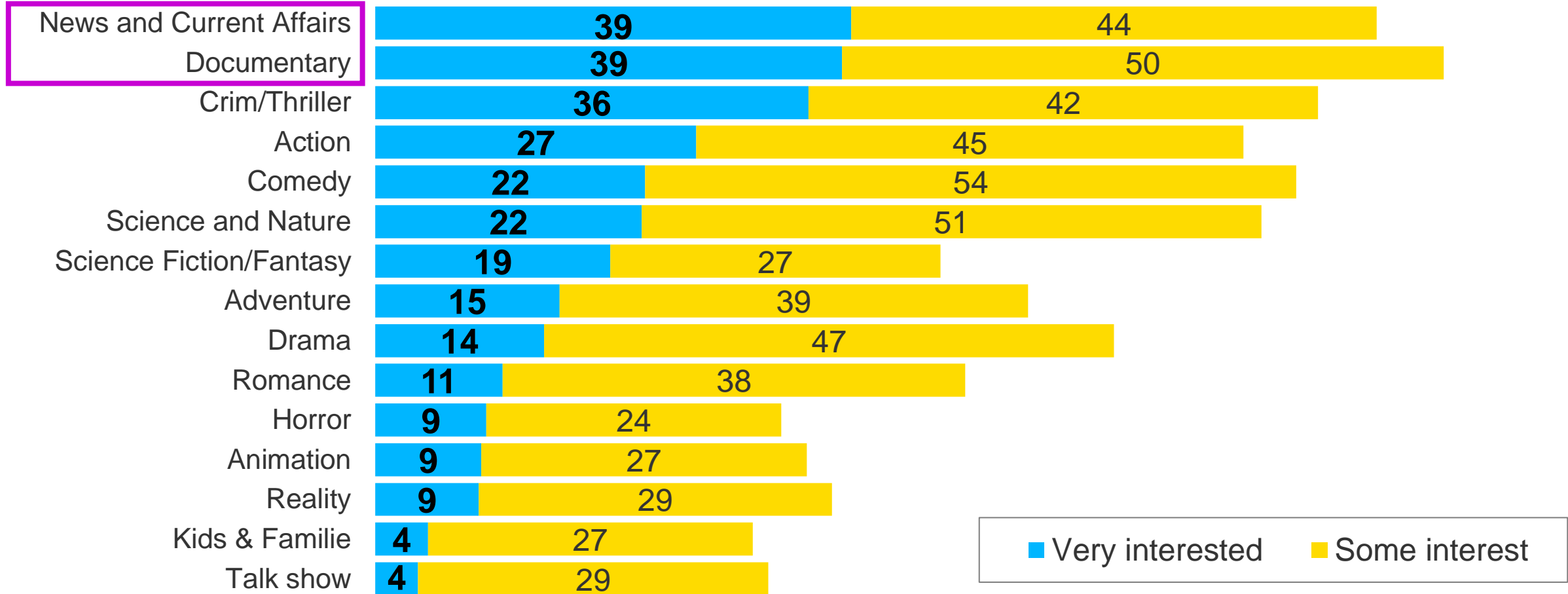


Different demographic groups use different services

Daily reach in percent

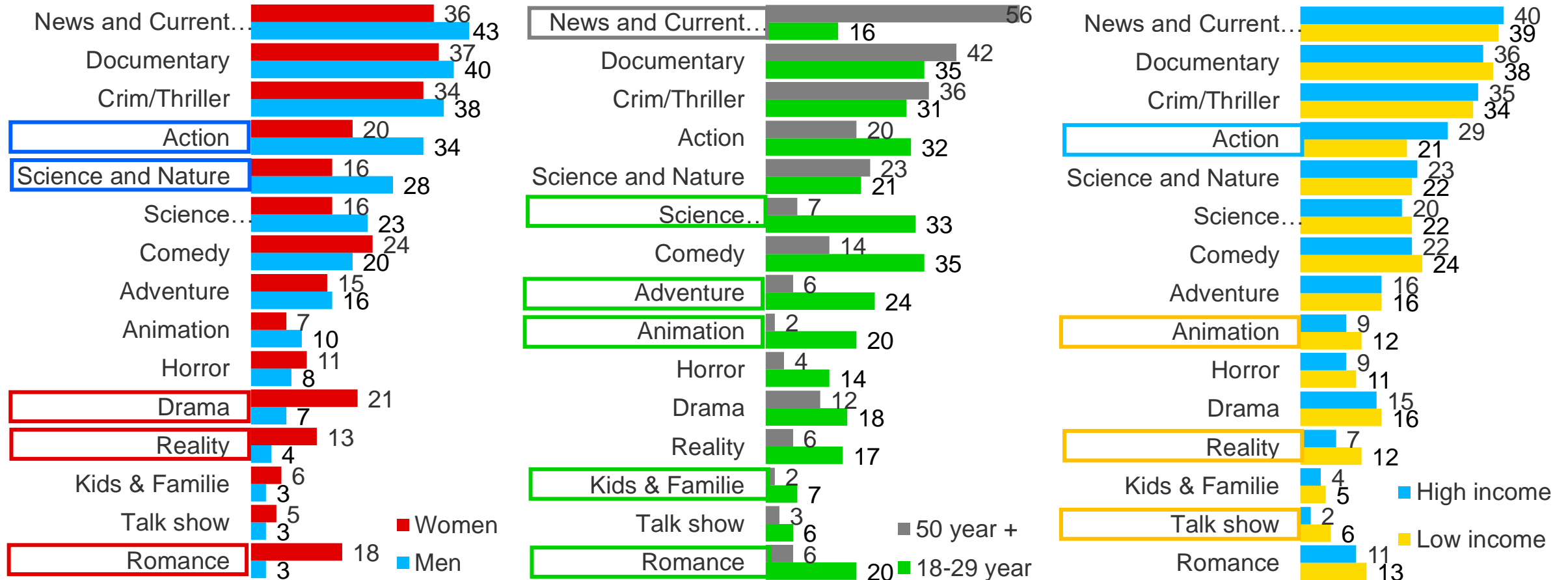


Interest in TV and video content



Different groups have different interests

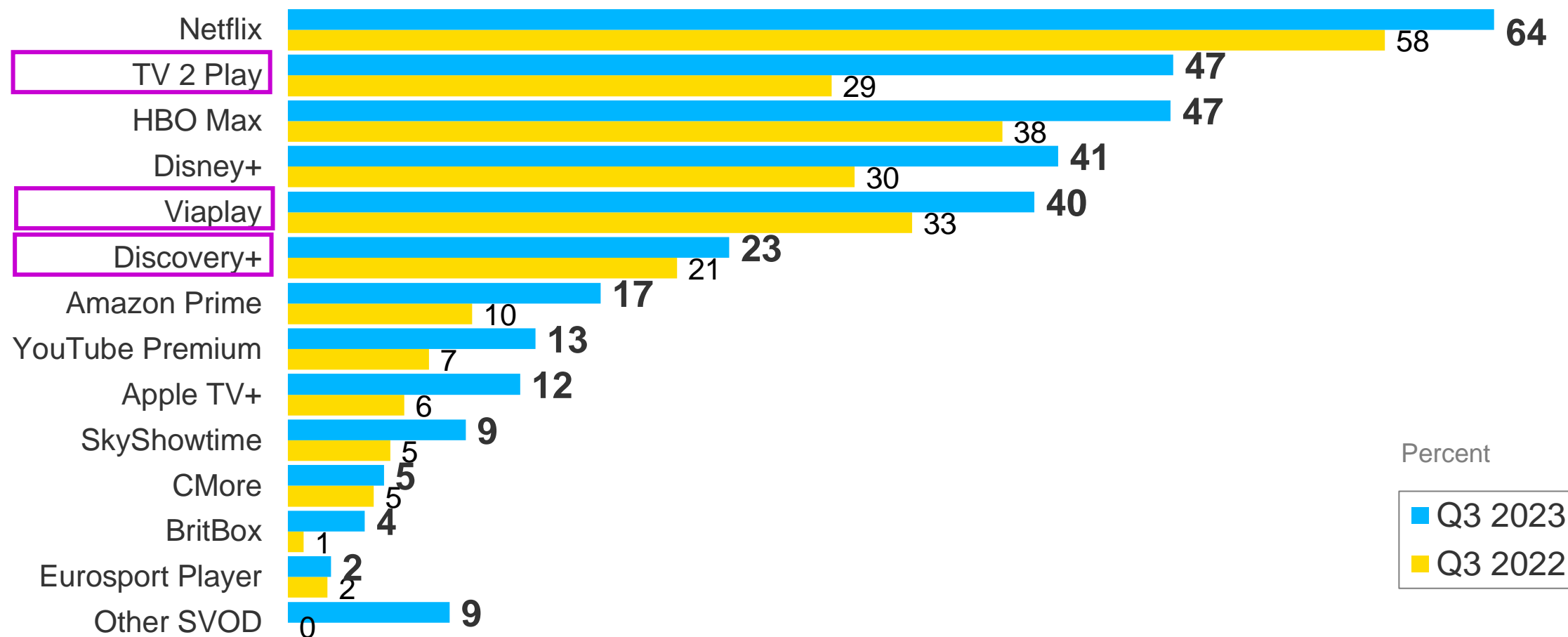
The percentage that is "very interested"



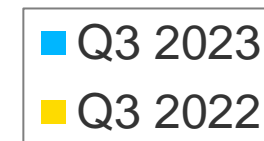
6. Summary and future perspectives

The official ranking of SVOD for Q3 2023

The percentage of the population that subscribes to streaming services



Percent



Why are Netflix, YouTube, and Amazon struggling in Norway?

- The Norwegian media market is a highly digitally mature landscape, making it challenging for newcomers, and the have achieved widespread distribution
 - NRK and TV 2 were early adopters in offering streaming services featuring unique Norwegian content. Their access to distinct data and insights has allowed them to make well-informed and strategic decisions.
 - Even global platforms encounter heightened challenges in niche linguistic markets, particularly in developed media regions like Norway.
 - The competition for people's time and wallet intensifies among SVOD providers as people's private finances come under pressure.
 - It requires extensive data on competitors and deep local insight to create targeted content for various demographics. Relying solely on one's own data is not sufficient.
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