



## **IPTV Statistics – market analysis**

Q2 2012

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Point Topic Ltd  
73 Farringdon Road  
London EC1M 3JQ, UK  
Tel. +44 (0) 20 3301 3305  
Email [laura.kell@point-topic.com](mailto:laura.kell@point-topic.com)

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## **1 Introduction**

Growth in IPTV subscription numbers remained fairly steady throughout 2011, although growth has slowed down in 2012. At the end of June 2012, global subscriber numbers were 69.1m. Growth in the quarter was 5.5% - compared with 7.3% 12 months ago.

As with fixed broadband, the global trends are dominated by the big IPTV countries. The Chinese IPTV subscription market has been growing at a much higher rate than other markets for a long time. As growth has slowed in China, the global growth rates also fall. Even though growth has slowed, China still accounted for 32% of all net additions within the quarter.

Growth in North America and Western Europe has remained much more stable however. Eastern Europe remains the fastest growing emerging market.

IPTV still faces stiff competition from a large installed terrestrial TV base and more traditional Pay-TV systems such as cable and satellite. Growth will continue to be variable and patchy, but IPTV is still on course to become the preferred delivery system.

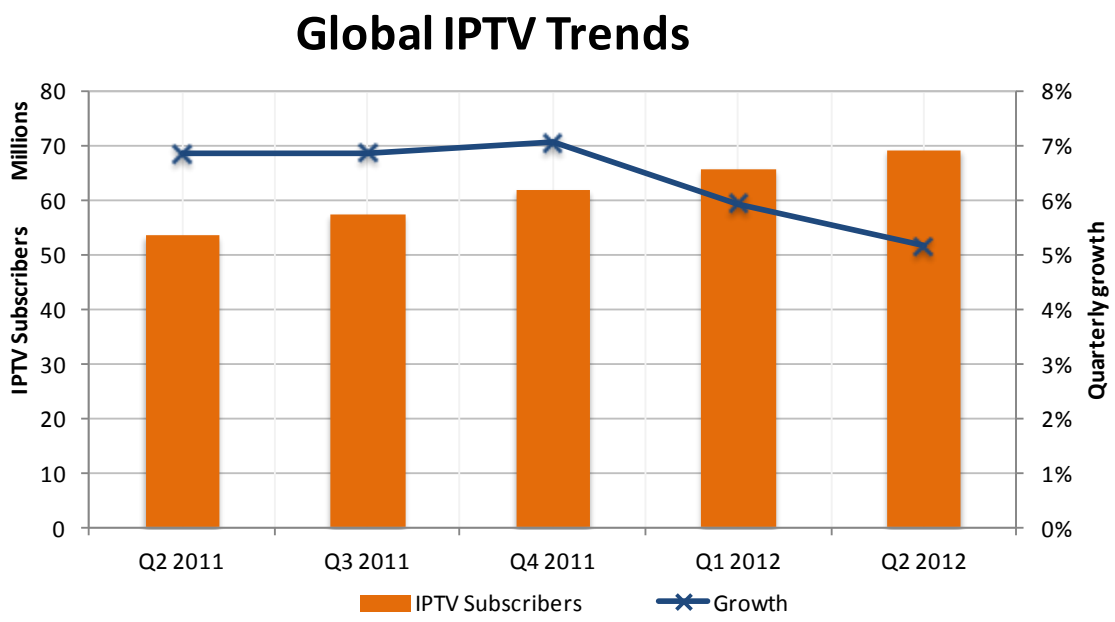
## 2 Global and regional perspective

### 2.1 Overall growth

Whilst IPTV subscriber growth remained stable throughout 2011 at about 7% per quarter, recent growth has declined significantly.

Half way through 2012, there were 69.1m IPTV subscriptions across the globe. Net additions within 2012 have now reached 7.5m. In the 12 months since Q2 2011, the IPTV subscriber market has grown by 30%, with 15.7m net additions.

Quarterly growth is however slowing – net additions are not increasing at the same rate as subscriptions.



Quarter	Subscribers	Net adds (qtr)	Growth
Q2 2011	53,341,835	3,651,676	7.3%
Q3 2011	57,280,904	3,939,069	7.4%
Q4 2011	61,625,696	4,344,792	7.6%
Q1 2012	65,515,339	3,889,643	6.3%
Q2 2012	69,086,675	3,571,336	5.5%

Figure 1: World IPTV subscriber numbers with growth. Source – Point Topic

## 2.2 Regional trends

We have explored how regional trends account for the overall global IPTV subscriber trends:

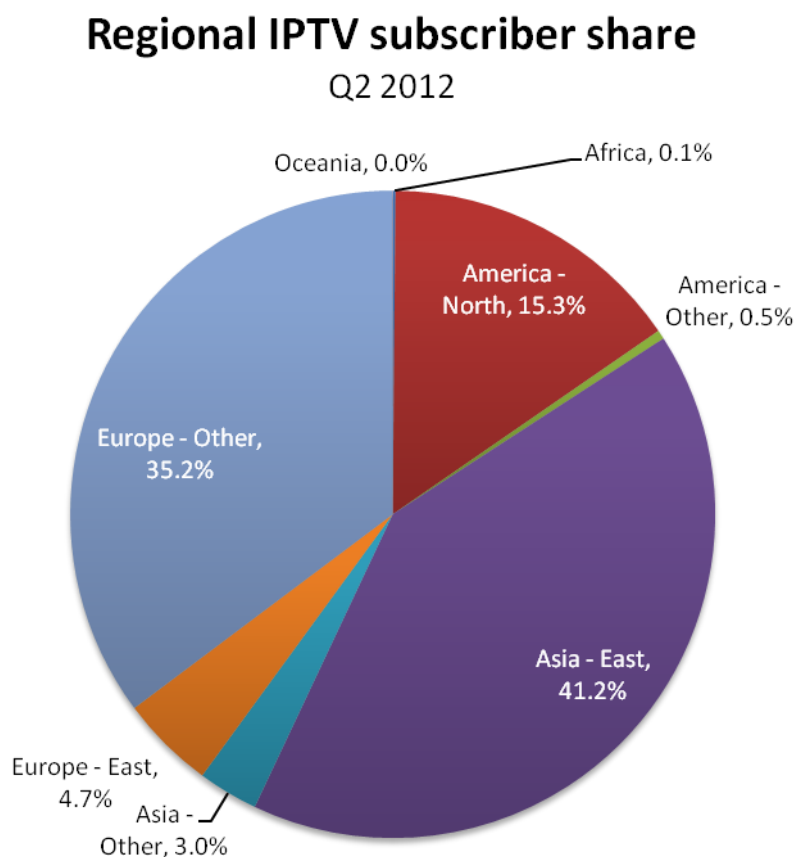


Figure 2: share of world IPTV subscribers by region – Q2 2012. Source – Point Topic

Region	Q2 2011	Q1 2012	Q2 2012	Quarterly % Increase	Annual % Increase
Africa	70,000	90,000	95,000	6%	36%
America - North	8,807,720	10,180,366	10,540,113	4%	20%
America - Other	250,212	292,623	312,724	7%	25%
Asia - East	20,770,370	26,689,089	28,451,039	7%	37%
Asia - Other	1,065,748	1,858,710	2,085,165	12%	96%
Europe - East	1,710,524	2,915,299	3,266,815	12%	91%
Europe - Other	20,647,261	23,469,252	24,316,819	4%	18%
Oceania	20,000	20,000	19,000	-5%	-5%
<b>IPTV Subscribers</b>	<b>53,341,835</b>	<b>65,515,339</b>	<b>69,086,675</b>	<b>5%</b>	<b>30%</b>

Figure 3: penetration and quarterly growth by region. Source – Point Topic.

Statistics for each regional marketplace tend to be dominated by the performance of one or two large IPTV markets – as indeed are the overall global trends.

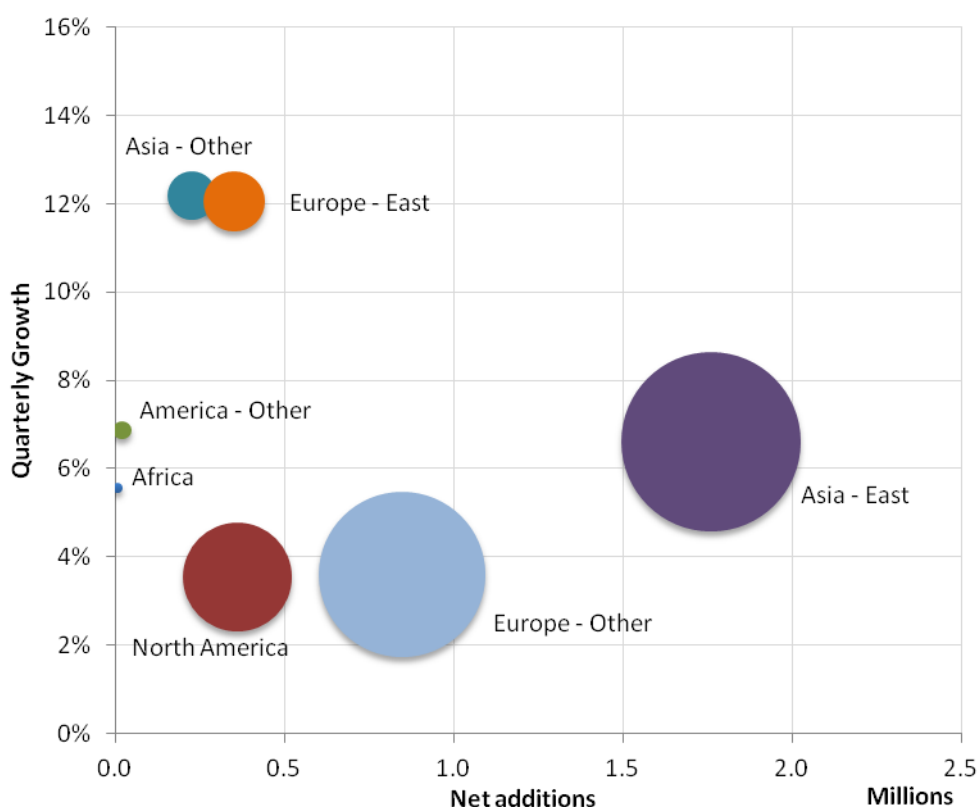
Europe (excluding East) and East Asia account for more than 75% of the global IPTV subscription market, with 35.2% and 41.2% of the global market share respectively.

Growth in East Asia is however showing signs of rapidly slowing down. Growth in this quarter was 6.6%, compared to 10.6% a year ago. Whilst growth in non-Eastern Europe is more modest, at 3.6% it hasn't shifted from its value one year ago. Steady growth in Europe may therefore see it overtake the East Asian market in the future. Growth in North America is also staying relatively stable and avoiding the decline seen in the rest of the market.

Eastern Europe has again posted strong growth within the quarter at 12.1%. It is a much smaller market, accounting for less than 5% of the overall market share, but there is plenty of headroom for growth.

## Regional growth and net additions

Bubble size represents subscriber volumes



**Figure 4:** Net additions and quarterly growth by region – area represents subscriber volume in Q2 2012. Source – Point Topic

Even though growth in East Asia has slowed relative to previous quarters, this market stills accounts for the majority of net additions across the world. Nearly 50% of all net additions came from East Asia. Due to the sheer size of the population here, even slower growth accounts for large volumes of net additions. If growth continues to decline however, we expect Europe to take a larger share of IPTV net additions in the future.

### Regional IPTV net additions share

Q2 2012

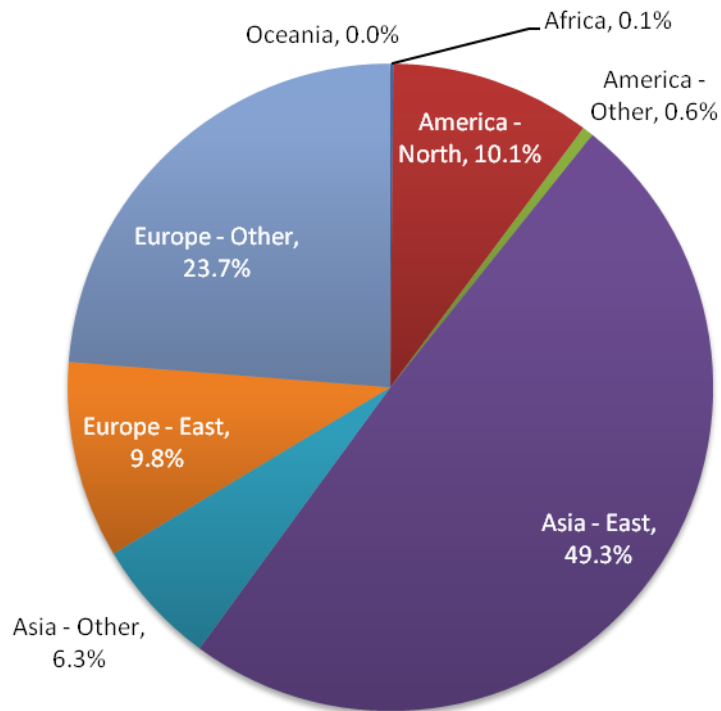


Figure 5: % of net additions delivered by each region. Source – Point Topic

### 3 Top IPTV countries

#### 3.1 Number of subscribers

There has been no change to the top ten ranking of countries by IPTV subscriber numbers, although the Netherlands have now taken over Taiwan to take the ninth position.

[Note that in previous reports, Taiwan was included within the China ranking.]

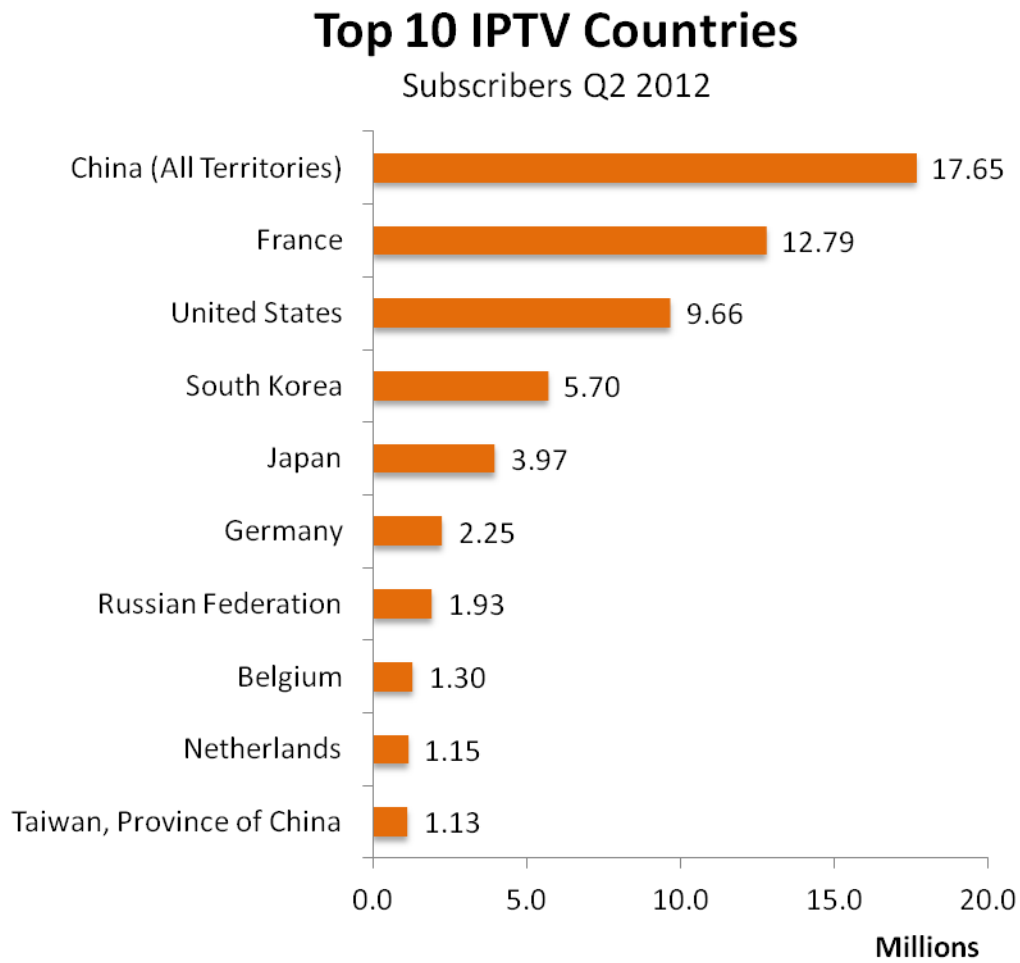


Figure 6: IPTV subscribers in Q2 2012. Source – Point Topic



### 3.2 IPTV subscribers added

China dominates overall net additions, even though it has reported slower growth figures in this quarter.

Viet Nam and Portugal are not in the top table for IPTV subscriptions but are posting very high net additions.

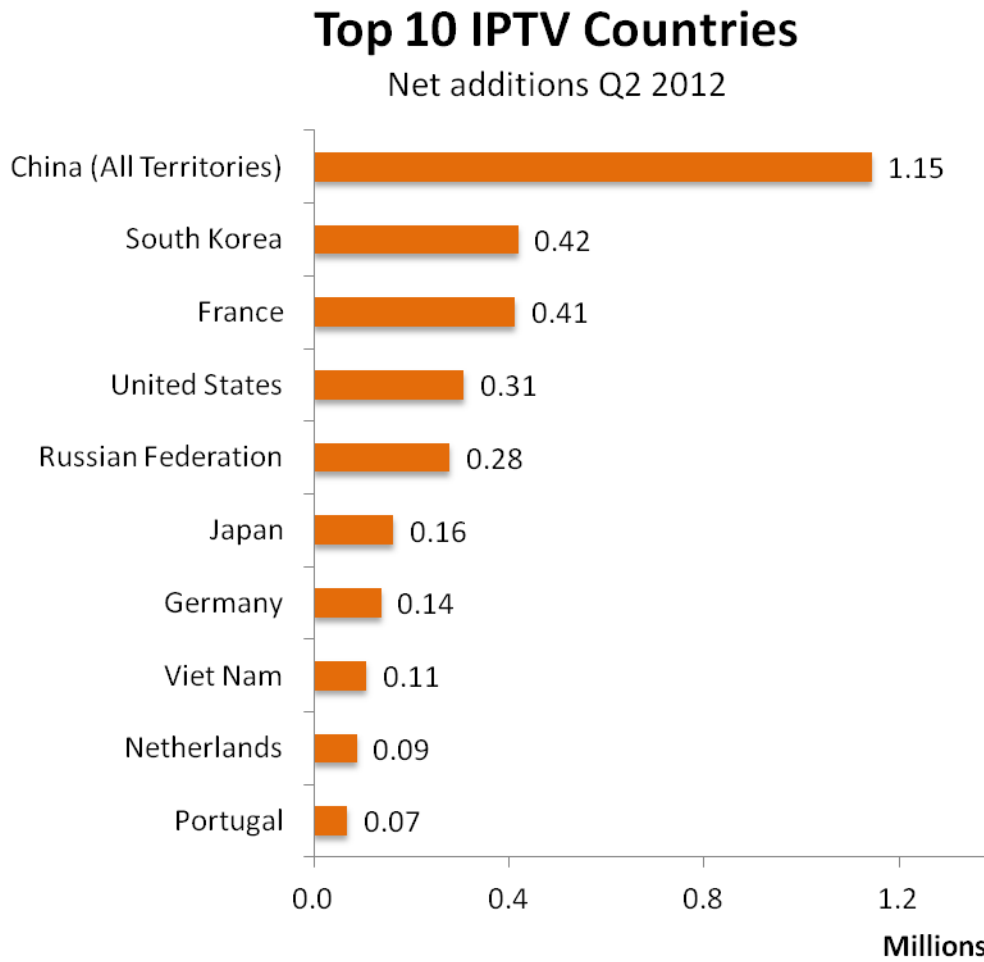


Figure 7: IPTV subscribers added in Q2 2012. Source – Point Topic

### 3.3 Percentage growth

High growth posted in Bahrain, but total subscriber numbers are now only at 5.5k. Baltelco in Bahrain has recently launched its IPTV service, and consumers are starting to adopt.

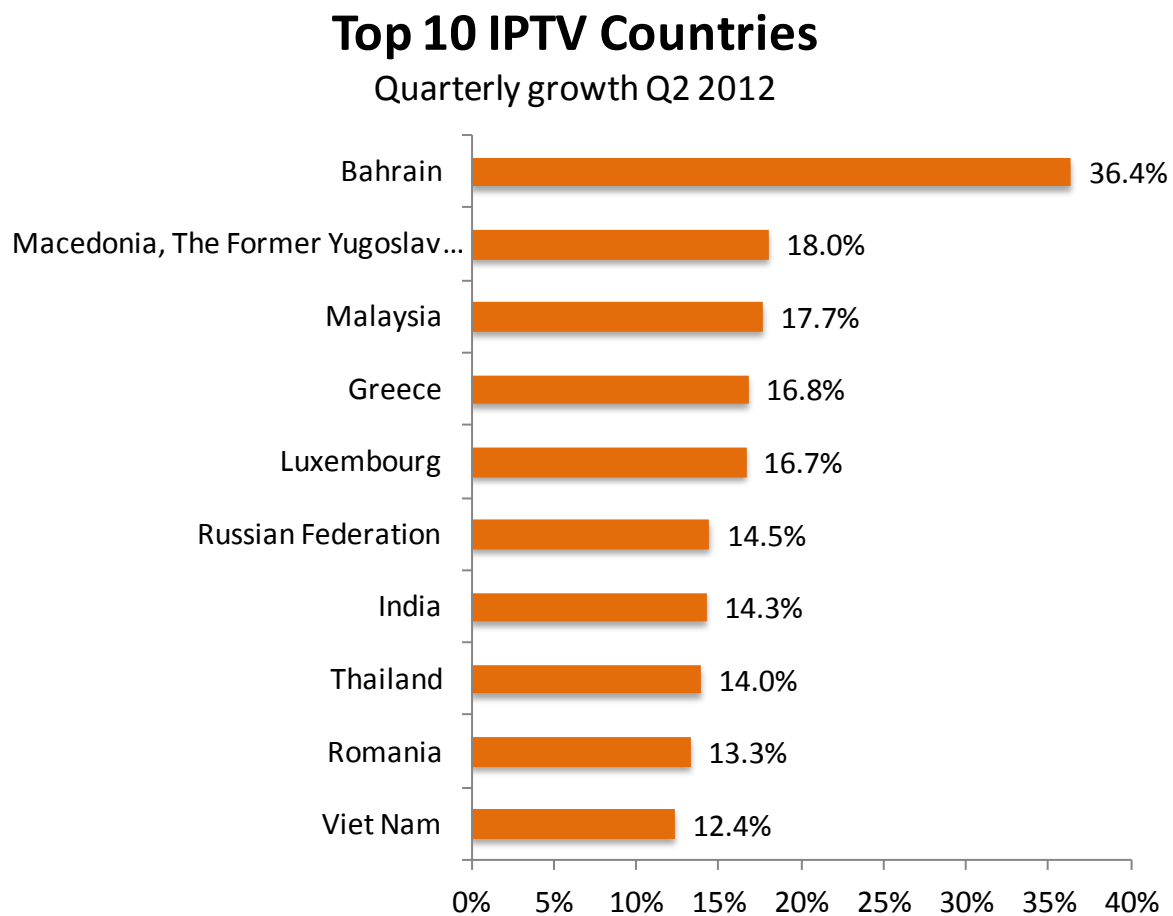
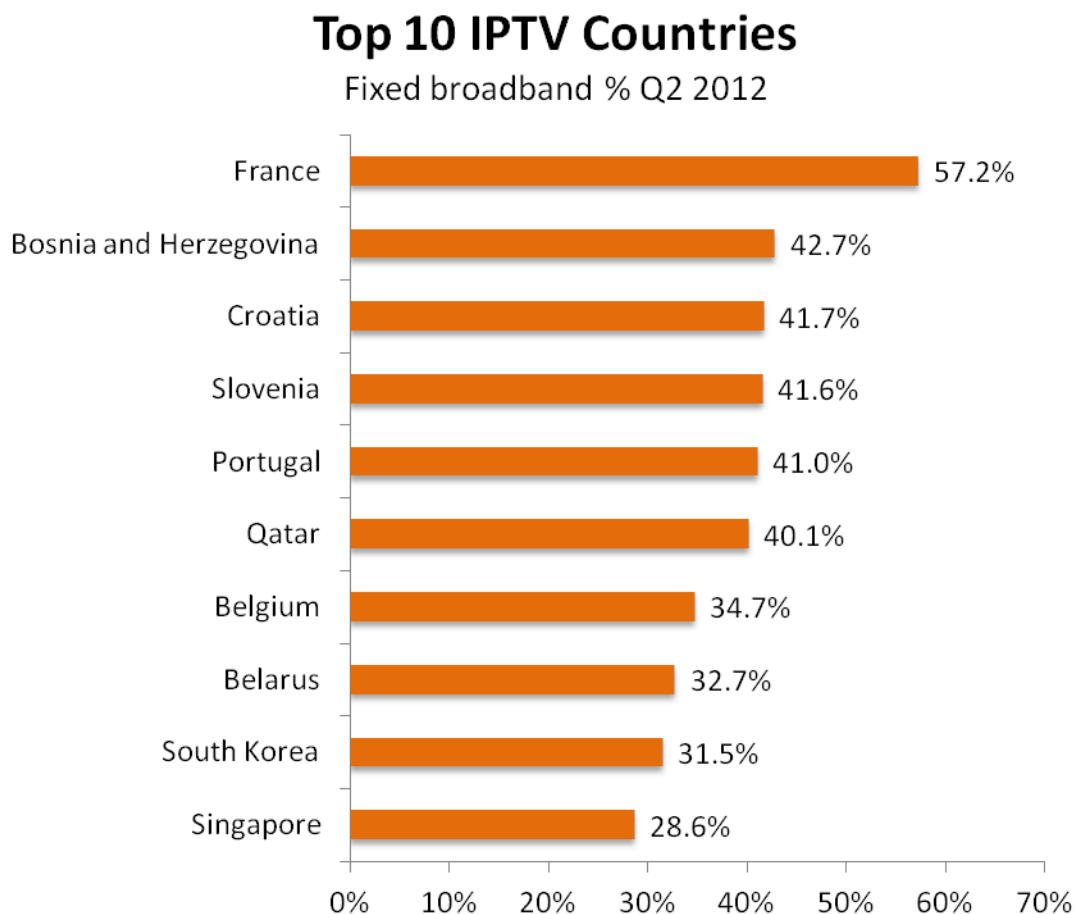


Figure 8: IPTV growth between Q1 2012 and Q2 2012. Source – Point Topic

### 3.4 Share of fixed broadband market

Here we look at the number of IPTV subscribers as a percentage of the overall number of fixed broadband lines. This gives an indication which countries are showing a high propensity to take up IPTV services. Countries with a population under 1m have been excluded.

High adoption is driven by availability and price. In these markets they have few regulatory barriers and they have extremely competitive markets – they are offering a good package to attract customers.



**Figure 9:** IPTV subscribers as a percentage of all fixed broadband lines in Q2 2012. Source – Point Topic