



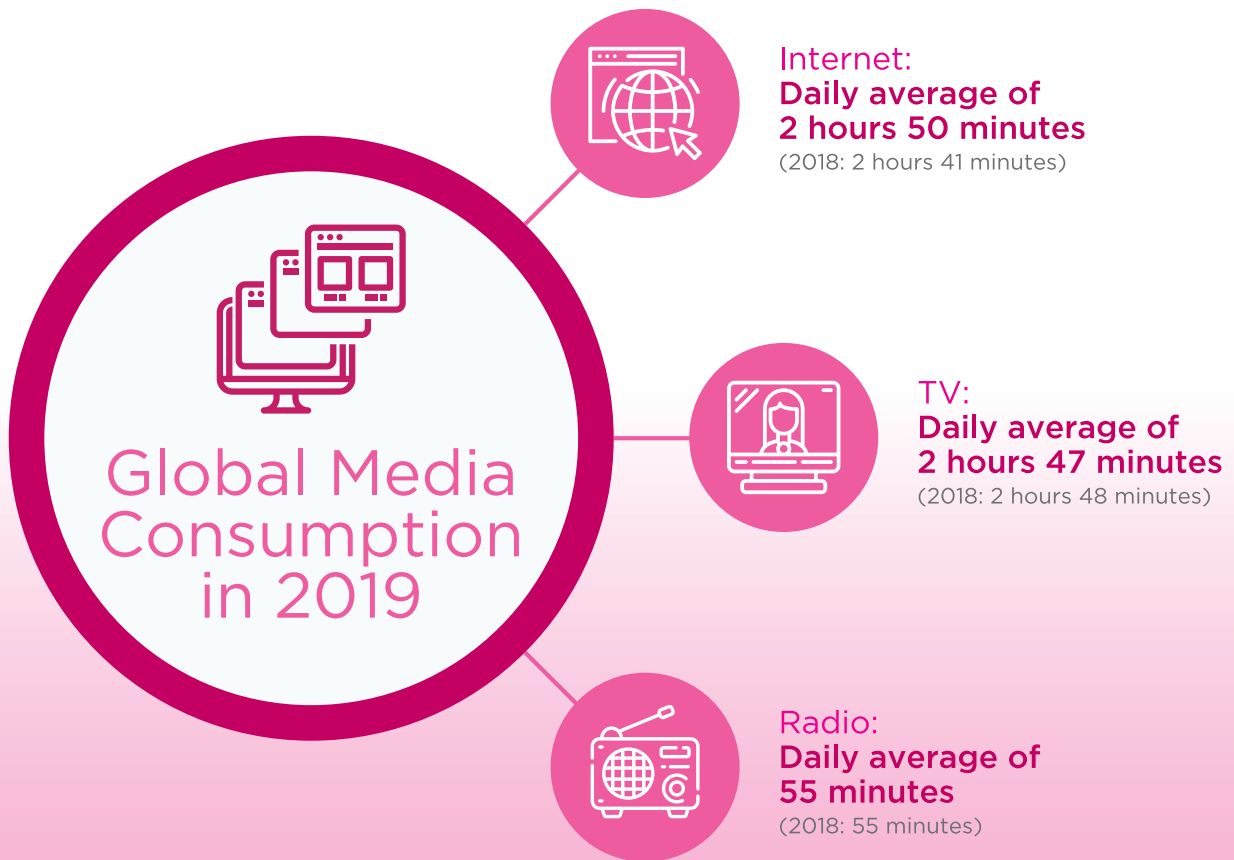
# CHAPTER 4: CONTENT SERVICES

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This chapter presents analysis and information on the growth of media consumption by making comparisons globally and in selected countries. This chapter also presents the challenging broadcasting landscape in Malaysia namely the paradigm shift of TV viewing to OTT online streaming and digital advertising. Most importantly, this chapter highlights the journey and completion of Analogue Switch Off in Malaysia.

# KEY HIGHLIGHTS 2019



Pilot Analogue Switch Off (ASO) project in Langkawi Island Commenced in 21 July 2019



DTT platform 14 TV channels and 6 radio stations



Free set top boxes (STBs) to eligible B40 households Distribution of two million



Pay TV Subscriptions 7.12 million ↑ 0.6% (2018: 7.08 million)



Sirius TV a new satellite Pay TV provider in Malaysia



Radio reached 97% of Peninsular Malaysia population

# MEDIA LANDSCAPE OVERVIEW

## INTERNET CONSUMPTION CONTINUES TO GROW

The global Internet consumption has increased steadily over the years, reporting a daily average of 2 hours 50 minutes in 2019, up from 2 hours 3 minutes in 2015 (Figure 4.1). The growth is mainly driven by higher Internet adoption and growing prevalence of mobile platform (Figure 4.2).

Consumption for traditional TV recorded a marginal decline of 3 minutes during the five-year period of TV viewing to 2 hours 47 minutes a day in 2019. In contrast, radio remains consistent with listenership up to an hour per day.

### Global Media Consumption in 2019



**Internet:**  
Daily average of  
**2 hours 50 minutes**  
(2018: 2 hours 41 minutes)

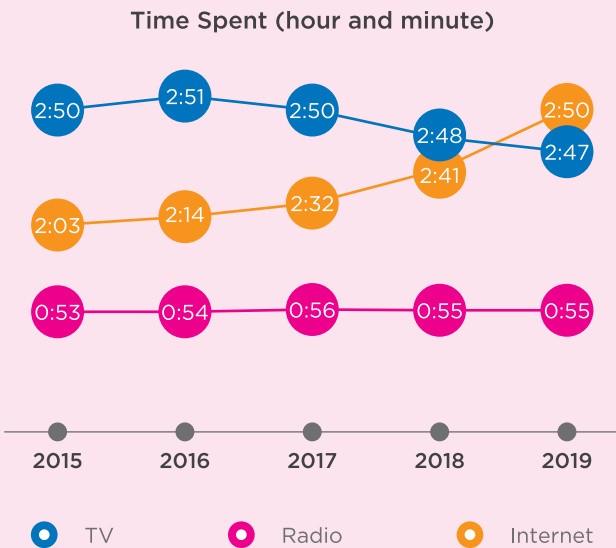


**TV:**  
Daily average of  
**2 hours 47 minutes**  
(2018: 2 hours 48 minutes)



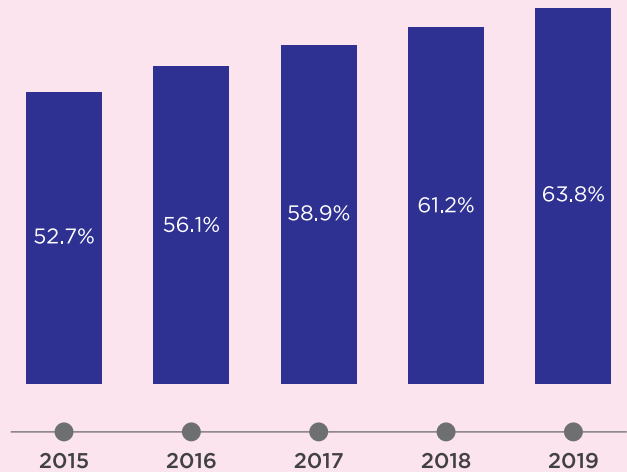
**Radio:**  
Daily average of  
**55 minutes**  
(2018: 55 minutes)

#### MEDIA CONSUMPTION 2015 - 2019: GLOBAL



Source: Zenith, Media Consumption Forecast 2019  
Figure 4.1 Media Consumption 2015 - 2019: Global

#### MOBILE PHONE INTERNET USER PENETRATION WORLDWIDE 2015 - 2019



Note: Estimates for 2016 onwards

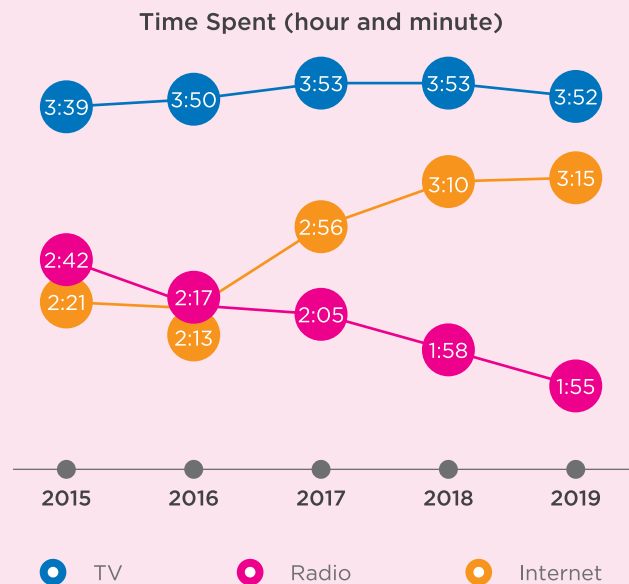
Source: Statista  
Figure 4.2 Mobile Phone Internet User Penetration Worldwide 2015 - 2019



Specifically, media consumption for Malaysia and selected nations show an overall increase in Internet consumption. In Hong Kong, Thailand and UK for example, the Internet consumption is relatively higher than TV, while Malaysia and US favour TV over Internet.

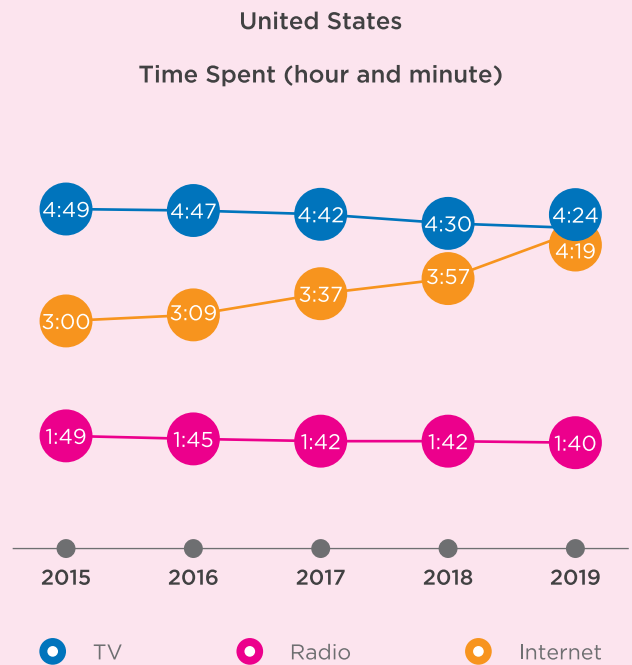
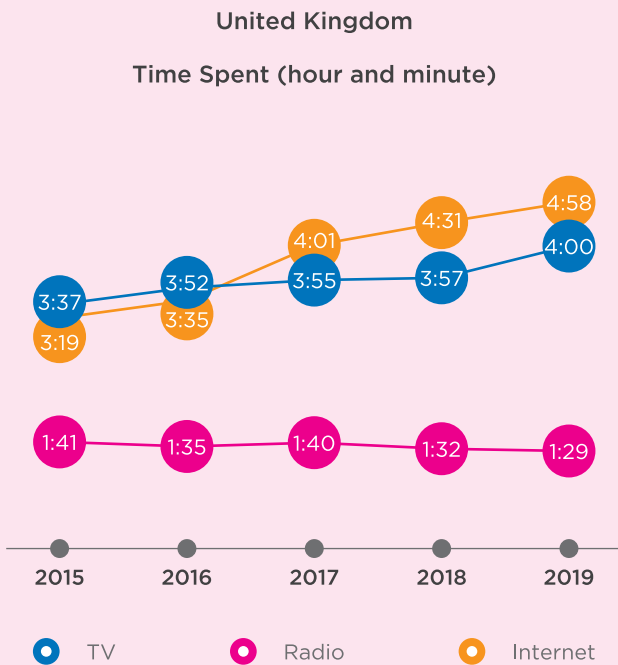
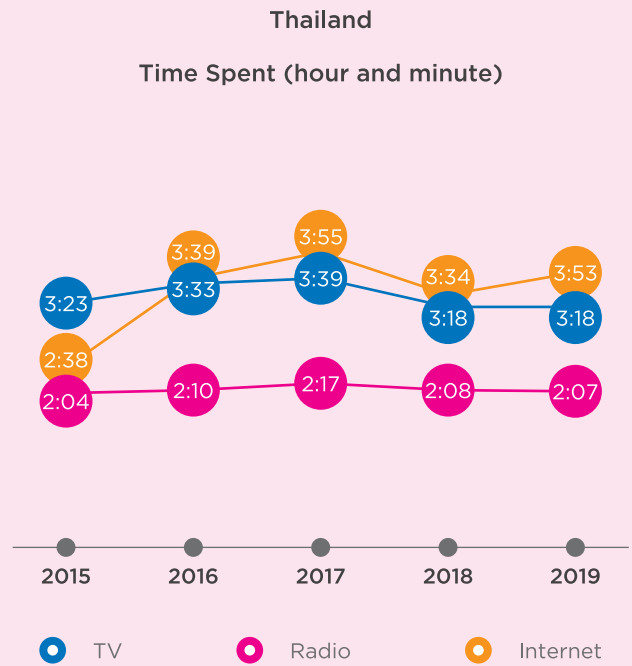
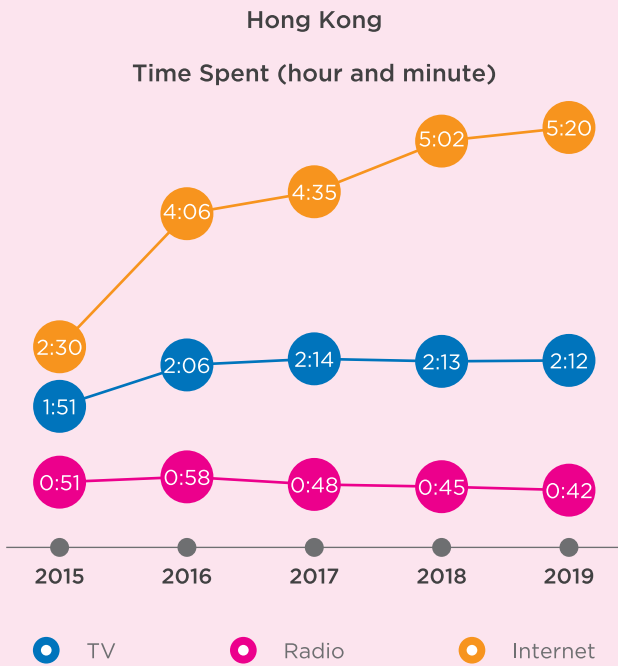
The Internet time spent consist of all online activities such as watching TV and video content. Viewers today consume video content over multiple platforms such as watching on TV screen and other devices like smartphone and laptop.

### MEDIA CONSUMPTION 2015 - 2019: MALAYSIA



Source: Zenith, Media Consumption Forecast 2019  
 Figure 4.3 Media Consumption 2015 - 2019: Malaysia

MEDIA CONSUMPTION 2015 - 2019: SELECTED NATIONS



Source: Zenith, Media Consumption Forecast 2019  
 Figure 4.4 Media Consumption 2015 - 2019: Selected Nations

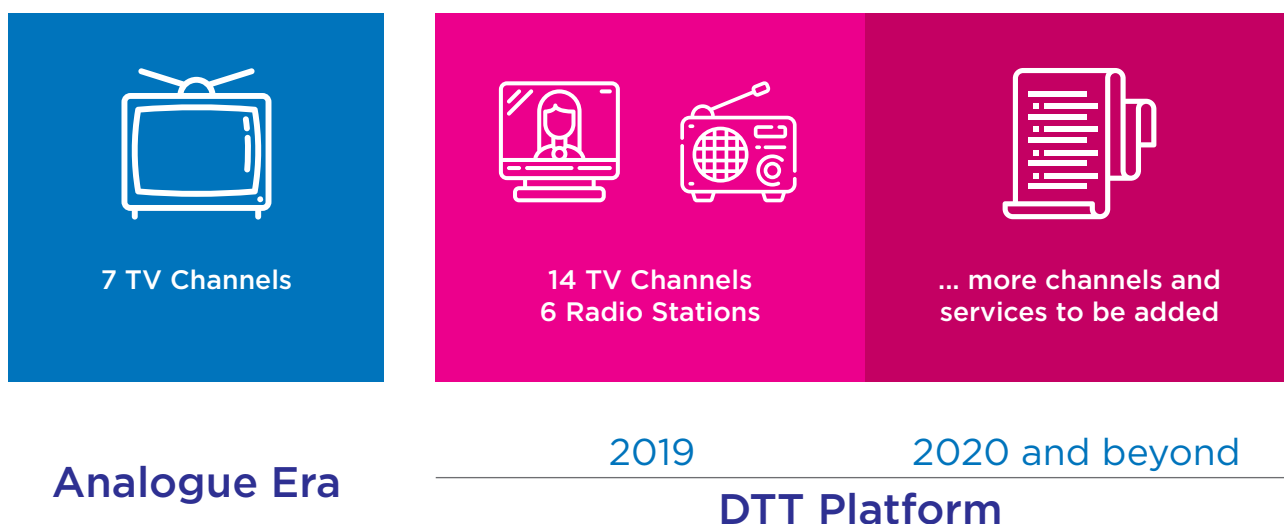
# A NEW PHASE OF BROADCAST INDUSTRY

## DEVELOPMENT OF FTA TV IN MALAYSIA

The history of TV broadcast in Malaysia can be traced back to 1963 when Radio Televisyen Malaysia (RTM) commenced its first TV station in black and white. Since then, the broadcast industry progressed with colour transmission and the emergence of private TV stations in the analogue era. After 56 years in service, 2019 marks a milestone for Malaysia's broadcasting history when Malaysia switched over to digital TV transmission, joining 60 other countries worldwide.

The digital switchover or analogue switch off (ASO) is one of the primary initiatives under Malaysia digital transformation agenda to drive the nation towards digitalisation and to gain digital dividends from the use of the 700MHz spectrum. As it is common throughout the world, this spectrum is being used for free-to-air (FTA) TV broadcasts. The 700MHz band is seen as a critical chunk of spectrum identified for 5G use that will allow a country to accelerate its adoption towards a Digital Economy.

### MORE CHANNELS ON DIGITAL TERRESTRIAL TV (DTT) PLATFORM VIS-À-VIS ANALOGUE



Source: MCMC

Figure 4.5 More Channels on Digital Terrestrial TV Platform vis-à-vis Analogue

## PILOT ASO IN PULAU LANGKAWI

An aggressive ASO campaign was executed in two waves during the pilot ASO project in Pulau Langkawi. Wave 1 was conducted from 9 May to 10 July 2019 intensively as call-to-action to switch over to the Digital TV services. Subsequently, Wave 2 was executed from 11 July until 20 July 2019 as ultimate deadline announcement for the transition from analogue to digital TV platform by 21 July 2019.

A static screen on analogue channels TV1, TV2 and TV3 in Pulau Langkawi was broadcasted from analogue TV transmitters in Gunung Raya. The static screen was aired for a week, from 21 to 28 July 2019 to urge those who have yet to switch over to digital TV platform by taking simple action immediately.

Following the success of the ASO pilot project in Pulau Langkawi, the transition was later extended to other regions in several phases.



**Pilot Analogue Switch Off (ASO) Project in Langkawi Island Commenced in 21 July 2019**

## PHASES OF ASO IMPLEMENTATION NATIONWIDE

Transition of Analogue TV to Digital TV have been successfully implemented in four Phases, whereby total of 105 analogue TV transmitters have been switched off in the following regions nationwide:

<b>PHASE 1</b>	The launch of the pilot ASO project in Pulau Langkawi on 21 July 2019, involves the switching off one analogue TV transmitter site.
<b>PHASE 2</b>	The ASO implementation in Central and Southern Region on 30 September 2019 involves the switching off 13 analogue TV transmitter sites.
<b>PHASE 3</b>	The implementation of ASO in Northern and East Coast region on 14 October 2019, involves the switching off 49 analogue TV transmitter sites and, at the same time, marks the end of analogue TV broadcasts in Peninsular Malaysia.
<b>PHASE 4</b>	The ASO implementation in Sabah and Sarawak on 31 October 2019, involves the switching off 42 analogue TV transmitter sites and marks the end of analogue TV broadcasts in Malaysia.

During the transition period, RTM and Media Prima had broadcasted a transition message for one week urging viewers to migrate to myFreeview digital TV broadcasts, for each of the following phases as shown in Figure 4.6:

### ASO TRANSITION MESSAGE



Source: myFreeview

Figure 4.6 ASO Transition Messages



After one week, the analogue TV transmitter switches off permanently. Viewers who watches analogue TV broadcast and yet to migrate to myFreeview digital TV broadcast will only receive a black screen with white dots as shown in Figure 4.7:

**TV SCREEN AFTER ASO ON ANALOGUE TV BROADCAST**



Source: MCMC  
Figure 4.7 TV Screen after ASO on Analogue TV Broadcast

## MAJOR TV OFFERINGS

Figure 4.8 shows the major TV offerings in Malaysia. Note that the FTA TV stations on DTT platform generates revenue from advertising and sponsorship, whilst Pay TV generates revenue mainly from subscription fees.

MAJOR TV OFFERINGS IN MALAYSIA 2019								
Service Provider		Platform		Core Business Model	Service			Number of Channel(s)
		Core Network	OTT Service		Content	Broadband	Voice	
Terrestrial FTA TV	Media Prima	DTT	Yes	Advertising and Sponsorship	/	x	x	6
	TV AlHijrah	DTT	Yes		/	x	x	1
	Bername News Channel	DTT	Yes		/	x	x	1
Satellite TV	ASTRO	DTH and Satellite	Yes	Pay TV subscription and free satellite TV service	/	x	x	211 including 75 ASTRO branded channels
IPTV	ASTRO Maxis IPTV	Fibre	Yes		/	/	/	
	ASTRO TIME IPTV	Fibre	Yes		/	/	/	
TM		Fibre	Yes	Telecommunications and related services	/	/	/	79 channels
		ADSL	Yes		/	/	/	

Note 1. DTT or DTTB - Digital Terrestrial TV Broadcasting; DTH - Direct to Home  
2. TV AlHijrah and Bernama News Channel are government-owned

Source: MCMC  
Figure 4.8 Major TV Offerings in Malaysia 2019

## myFreeview DIGITAL BROADCAST

“myFreeview” is the brand name given for Malaysia free digital terrestrial TV (DTT) services, offering TV and radio channels for free with no subscription fees.

The myFreeview digital TV broadcast promises better and clearer audio and picture quality in standard definition (SD) and high definition (HD). Additionally, viewers can enjoy the electronic programme guide (EPG), subtitles in multiple languages as well as interactive TV feature in the near future.

To date, there are a total of 14 TV channels and six radio stations on this platform.



DTT platform  
14 TV channels and  
6 radio stations

### TV AND RADIO CHANNELS ON MYFREEVIEW PLATFORM

Service Provider	TV Channel	Radio Channel
RTM	<ul style="list-style-type: none"> <li>• TV1 (HD)</li> <li>• TV2 (HD)</li> <li>• TV OKEY (HD)</li> <li>• RTM Sports (HD)</li> <li>• Saluran Berita RTM (HD)</li> </ul>	<ul style="list-style-type: none"> <li>• Nasional FM</li> <li>• Minnal FM</li> <li>• Traxx FM</li> <li>• Ai FM</li> <li>• Asyik FM</li> <li>• Klasik Nasional</li> </ul>
Media Prima	<ul style="list-style-type: none"> <li>• TV3 (HD)</li> <li>• NTV7</li> <li>• TV8</li> <li>• TV9</li> <li>• CJ Wow Shop (Malay)</li> <li>• CJ Wow Shop (Chinese)</li> </ul>	-
Alhijrah Media Corporation	TV AlHijrah (HD)	-
Bernamea	BNC	-
ASTRO	Go Shop (HD)	-

Source: MCMC

Figure 4.9 TV and Radio Channels on myFreeview Platform

The DTT technology is more spectrum efficient compared to analogue TV transmission. For example, one frequency band can only transmit one analogue TV channel while the same frequency band can transmit up to 13 SD channels using DTT technology. As digital TV allows more channels to be broadcast, therefore, viewers have the opportunity to watch variety of content via a wider range of channels.

# NATIONAL BROADCASTING DIGITALISATION PROJECT

## DIGITAL TERRESTRIAL TELEVISION (DTT) BROADCASTING INFRASTRUCTURE DEPLOYMENT

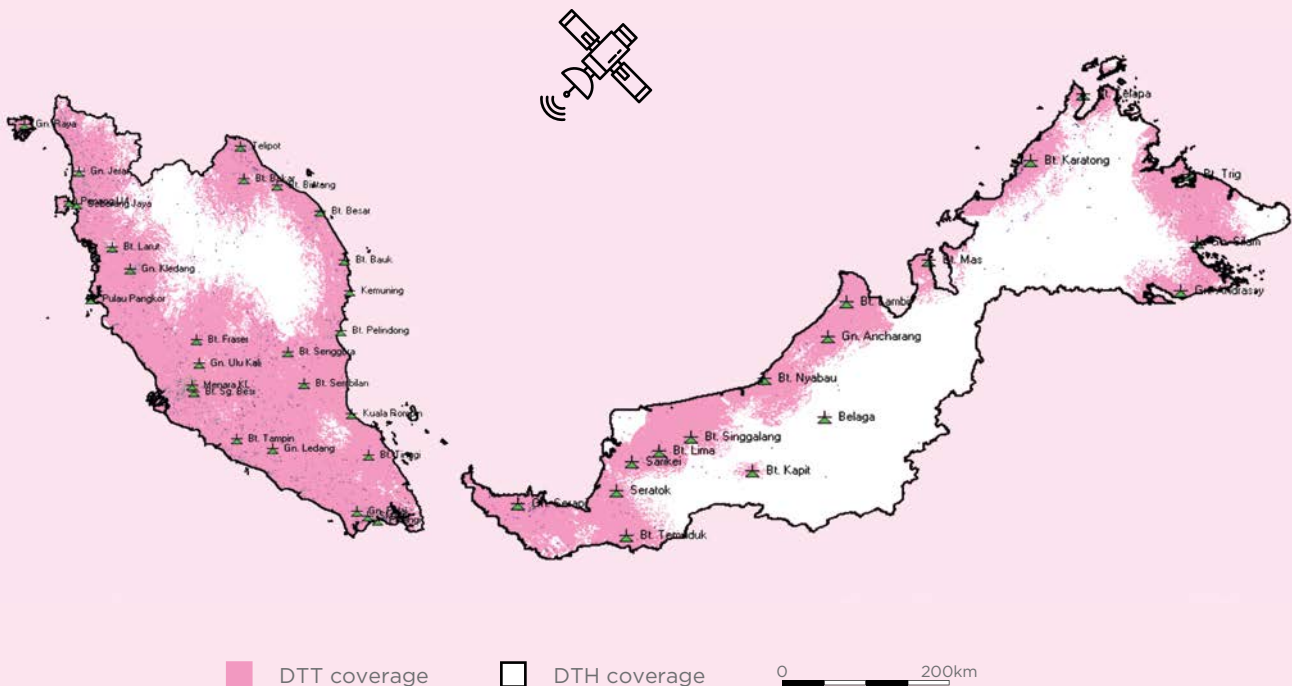
Under the National Digitalisation Broadcasting Project, MYTV Broadcasting Sdn Bhd (MYTV) has completed the implementation of DTT infrastructure and facilities, which includes digital multimedia broadcast hub (DMBH), and digital TV transmitters supported by Direct to Home (DTH) network, nationwide.

MYTV was appointed by the Commission through tender as the Common Integrated Infrastructure Provider (CIIP) in April 2014 to build, operate and manage DTT service infrastructure in Malaysia for a period of 30 years.

In 2019, MYTV has deployed and completed all 44 digital TV transmitter sites nationwide covering 95.3% of the population.

In order to reach blind spots and remote areas in the country, MYTV has launched DTH service via satellite distribution<sup>21</sup> on 15 November 2018 to complement DTT coverage. Thus, providing up to 100% coverage nationwide.

### DIGITAL TV TRANSMITTER SITES DEPLOYED



Source: MCMC

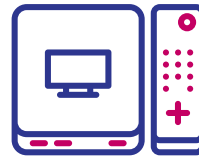
Figure 4.10 Digital TV Transmitter Sites Deployed

<sup>21</sup> For reference, many countries around the world namely United Kingdom, Chile, Finland, France and Italy have successfully implemented DTH solution to complement DTT coverage.

## SET TOP BOX DISTRIBUTION TO B40 HOUSEHOLDS

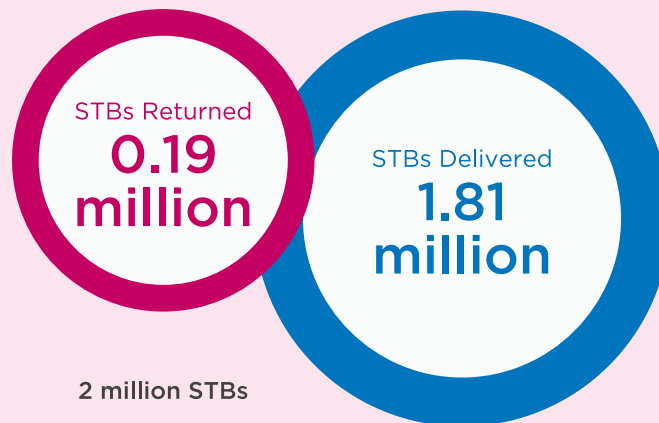
In order to facilitate digital switchover and to ensure continuous Free-to-Air (FTA) TV viewing, MYTV have committed in their Detailed Business Plan to distribute two million free Set Top Boxes (STBs) to eligible B40 households<sup>22</sup>.

By 11 December 2019, MYTV has successfully delivered 1.81 million STBs while 0.19 million STBs were returned due to factors such as incomplete address, deceased recipient and refusal of the STBs by the eligible recipients.



Free set top boxes (STBs) to eligible B40 households  
**Distribution of two million**

### STB DISTRIBUTION TO B40 HOUSEHOLDS



Source: MYTV

Figure 4.11 STB Distribution to B40 Households

MYTV has distributed two types of STBs to the B40 households comprising of DTT and DTH STBs in accordance to the areas where the B40 households reside.

Consumers that are not entitled to receive free STBs from MYTV are still able to enjoy myFreeview digital TV broadcast, by purchasing a variety of STBs in the market that are available in many electrical shops including on-line markets such as www.myfreeview.tv, Shopee and Lazada.

Consumers are advised to purchase STBs duly certified by SIRIM which carries the MCMC label.

### TYPES OF STBs TO B40 HOUSEHOLDS



Source: myFreeview, MYTV

Figure 4.12 Types of STBs to B40 Households

<sup>22</sup> Malaysians are categorised into three different income groups: Top 20% (T20) with monthly income above RM9,619; Middle 40% (M40) with monthly income range from RM4,360 – RM9,619 and Bottom 40% (B40) with monthly income below than RM4,360.

Alternatively, consumers may purchase Integrated Digital TVs that are available in hypermarkets and on-line stores in order to watch myFreeview digital TV service:

- Integrated Digital TV (iDTV) sets with the DTTV label certified by SIRIM comes with a built-in digital tuner. Hence, these do not require a separate STB to receive myFreeview services<sup>23</sup>.

Between 2016 and 2019, about 260,000 DTT STBs and three million iDTV sets were available for commercial purpose.

## DIGITAL MULTIMEDIA RECEIVERS: INTEGRATED DIGITAL TV (IDTV)



Source: myFreeview

Figure 4.13 Digital Multimedia Receivers: Integrated Digital TV (IDTV)

## EDUCATION AND AWARENESS CAMPAIGN LEADING TO ASO

Since 2015, the FTA TV broadcasters have collaborated with MCMC and MYTV to promote and establish the myFreeview brand and services. A comprehensive education and awareness campaign has been implemented intensively on multiple media platforms comprising TV, radio, newspapers, talk shows, host mention, out-of-home advertisement,

press release, flyers distribution, digital marketing, on ground and social media engagement as well as public service announcement on TV and radio stations.

The education and awareness campaign was executed in five phases as shown in Figure 4.14.

### EDUCATION AND AWARENESS CAMPAIGN



Source: MCMC

Figure 4.14 EA Campaign

Phases 1, 2 and 3 of the education and awareness campaign has been implemented since 2016 to create awareness and establish the brand name of myFreeview among the public. Phase 4 and 5 were implemented from 2017 to 2019 to motivate the public to migrate to Digital TV platform before the transition deadline of analogue to digital TV platform.

In order to handle a variety of inquiries including technical support, free STB eligibility check, ASO implementation and other matters related to myFreeview, consumers can seek clarification from MYTV Customer Service Centres.

<sup>23</sup> To date, 1,144 models from 20 iDTV brands for purchase are Sony, Toshiba, Panasonic, Samsung, Sharp, Singer, LG, Philips, Hisense, Daewoo, Skyworth, Haier, TCL, A&S, ISONIC, Daema, HITEC, Pensonic, AOC and COOCA.

## POST ASO

Following the completion of nationwide ASO on 31 October 2019, MCMC extended the post ASO campaign on TV, radio, newsprints, social media and cinema until 31 December 2019 to ensure the public purchase certified STB and call myFreeview toll-free careline for assistance if necessary.

The success of ASO implementation is ascribed to numerous key stakeholders' efforts on intensive and extensive awareness campaign to ensure smooth transition from analogue to digital TV.

## SERVICE PROVIDERS IN MALAYSIA

### FTA TV

#### MEDIA PRIMA

Media Prima is an integrated media group comprising TV stations, print, radio stations, content creation, out-of-home advertising and digital media. Its strategies include investing in more digital content and growing commerce revenue through integrated media, whilst preserving their traditional media businesses.

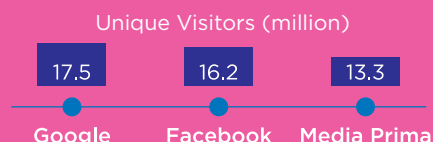
#### MEDIA PRIMA FOCUS AREAS 2019

##### Traditional Segment

- Continued producing top quality programmes and distributes it across platform
  - Maintained its "major broadcast position" with all major 4 TV stations captured the top 4 TV market share of 34.5%<sup>1</sup>
  - Cumulative total of content library: 30,000 hours

##### Digital Segment

- Growing digital revenue streams through strategic business initiatives
  - Media Prima in top 3 position after Google and Facebook for mobile content<sup>2</sup>



- Commendable Digital Reach Across Multiple Platforms<sup>3</sup>
  - 14.3 million of downloads
  - 53.8 million monthly average page views

##### Commerce

- Airing more home shopping hours on the TV networks for better monetisations

##### Others

- Strives to grow eSports, and to bridge gaming communities, from casual gamers to corporate brands

Note 1: Source from Media Prima; Nielsen Audience Measurement (January – December 2019)

Note 2: Source from Media Prima, Comscore MMX September 2019

Note 3: As at 31 December 2019

Source: MCMC, Media Prima

Figure 4.15 Media Prima Focus Areas 2019

In 2019, Media Prima has partnered with Grabyo, a cloud-based video platform built for live, OTT, mobile and social, to enhance its social video strategy and strengthen its position in digital content market. The video platform is expected to enable Media Prima to expand and innovate its live and 'real-time' social video strategy.

In addition, the year saw Media Prima airing more home shopping hours on TV9 and ntv7. This effort has been fruitful when Media Prima posted higher revenue for this segment with revenue of RM232 million in 2019, up 9% from RM213 million in 2018.

## CONTENT ON DIGITAL PLATFORM

In August 2018, Media Prima announced that its *tonton* service was offered at no cost, ceasing the subscription video-on-demand (SVOD) model and collaborated with video sharing websites namely YouTube and Dailymotion. As a result, in 2019, Media Prima indicated that its TV Networks YouTube

channels attracted a monthly average of 110 million views on YouTube, whilst “TV3 Malaysia” has become one of the most viewed Malaysian YouTube channels. Their current focus is the partnership with YouTube as well as strategic content sale to other OTT players.

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## BERNAMA NEWS CHANNEL

Bernama News Channel or BNC is a news TV network. It is owned by BERNAMA, a government news agency. Prior to implementation of DTT platform, BNC was aired via ASTRO and TM IPTV platforms.

On 15 October 2019, BNC revamped its content and introduced several new programmes such as follows:

<b>5 Utama</b>	Top 5 news (General, International, Business, Sports, Entertainment and ICT)
<b>Khabar Pagi BERNAMA</b>	Follow up on yesterday’s major stories and potential big news for today
<b>Koresponden BERNAMA</b>	Stories from BERNAMA reporters nationwide and correspondents in Jakarta, Singapore and Bangkok
<b>BERNAMA Global</b>	Major International news

Additionally, BERNAMA took the lead to become the pioneer in ‘The Longest Non-stop Live National Telecast in various languages’ and was on live broadcast for 24 hours during the celebration of Malaysia Day on 16 September 2019. Meanwhile, the news TV network indicated that ‘Buletin BERNAMA’ captured the largest advertising revenue with an average of 6,200 viewers per minute.

## TV ALHIJRAH

AlHijrah Media Corporation provides an Islamic TV station, AlHijrah, targeting both Muslim and non-Muslim viewers. A religious programme namely ‘Langsung Dari Masjidil Haram,’ featuring live prayers from Mekkah, was the most watched TV programme on the channel. Meantime, ‘Jom Dengar Cerita,’ a kid talk show, was also popular on this channel.

In 2019, research by Nielsen indicated that the station garnered a total of 1.4 million viewers. Moving forward in 2020, TV Alhijrah plans to disseminate their content through social media platforms, website and others.

## PAY TV

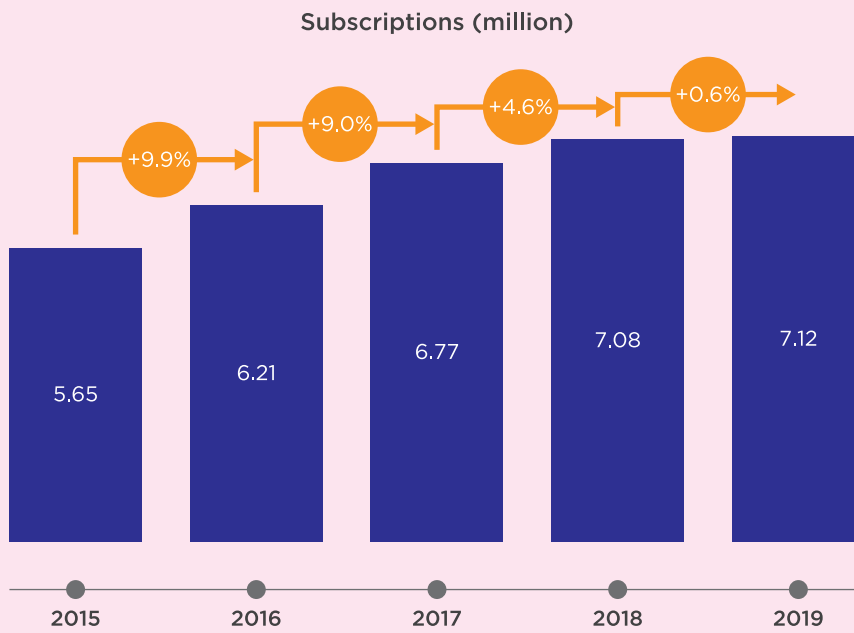
In Malaysia, the overall Pay TV subscriptions show an upward trend although the growth is slower compared with previous years (Figure 4.16).

As at end 2019, Pay TV subscriptions increased by 0.6% to 7.12 million from 7.08 million in 2018. In terms of household penetration, the subscription has reached 86.3% or 7.10 million household.



Pay TV Subscriptions  
**7.12 million** ↑ **0.6%**  
 (2018: 7.08 million)

### PAY TV SUBSCRIPTION 2015 - 2019



Source: MCMC

Figure 4.16 Pay TV Subscription 2015 - 2019



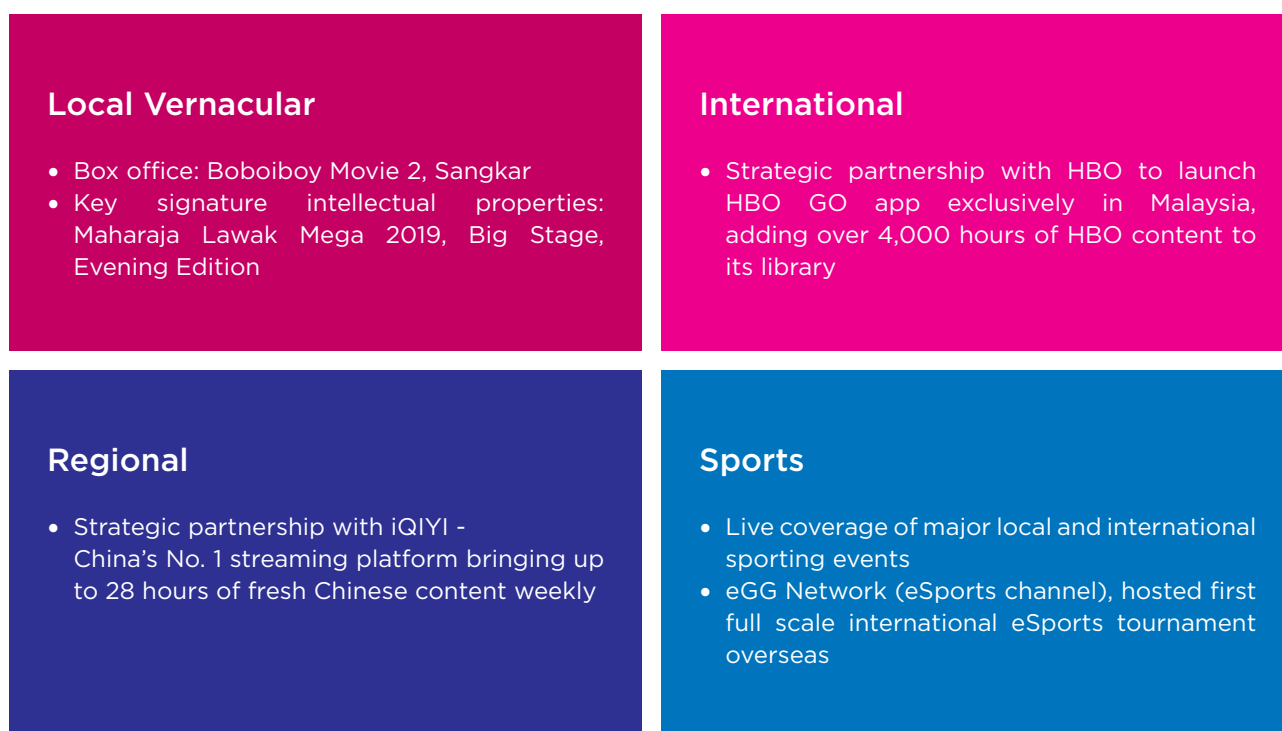
## ASTRO

ASTRO is a household name in the Pay TV market along with other FTA TV service providers. ASTRO has 5.7 million subscriptions as at January 2020, down 0.2% from 5.71 million in the previous year. Although the number of subscriptions were marginally lower compared with previous year, its ARPU remained consistent at RM100 (FYE January 2019: RM99.9).

As at January 2020, ASTRO reported a total of 211 channels, while 29 channels can be viewed via NJOI, a non-subscription freemium service.

ASTRO focuses to strengthen its core Pay TV and NJOI business, with key priorities being customers, content and customer experience. ASTRO demonstrates its ability by making itself relevance via differentiated content offerings namely vernacular Intellectual Properties, Asian originals and live sports (Figure 4.17).

### ASTRO CONTENT OFFERINGS



Source: ASTRO, MCMC

Figure 4.17 ASTRO Content Offerings

In 2019, ASTRO exported its content to address the regional Malay speaking communities. ASTRO singalong kids programme, "Omar & Hana" was licenced to Indonesia leading telecommunications operator, Telkomsel, and is now available on its video streaming app called MAXstream. ASTRO indicated that they will continue its efforts to export content particularly on kids' programmes, Islamic, eSports and horror genre.

## CUSTOMER EXPERIENCE IS KEY DIFFERENTIATOR

ASTRO recognises that customer experience is a key differentiator, thus a priority that will help customers navigate the changing landscape more effectively. Their latest technology platform upgrade aims to address this by providing content mobility and portability, unified recommendations and consistent look and feel across set top boxes (STBs) and smaller screens.

### ASTRO KEY DEVELOPMENT 2019

#### Content

- Refreshed content by introducing new TV shows
- New pop-up TV channel 'K-Mania'

#### Commerce

- The home shopping programme, GO Shop, has been extended to FTA TV, reaching wider audiences

#### Subscription Bundle

- New broadband bundles with higher speeds of up to 100mbps introduced across both DTH and IPTV bundles

#### Technology Enhancement

- Launched Ultra Box, allowing customers to enjoy the best entertainment:
  - 4K UHD
  - Cloud Recording
  - Play from Start
  - Fresh interface for seamless viewing on all screens
  - Improved content recommendation
- The Ultra Box and connected PVRs allow customers to stream over 50,000 videos on demand
- New experience on Astro GO. Features include:
  - Personalised recommendations
  - Enhanced searched capabilities
  - Content centric categorisation for better content discovery

*Note: PVR – Personal Video Recording*

*Source: ASTRO, MCMC*

*Figure 4.18 ASTRO Key Development 2019*

## TM UNIFI TV

TM Unifi TV is an IPTV service by TM, offering 79 channels with 20 free channels and 51 paid channels.

In 2019, TM started offering broadband bundles with higher speed of 300Mbps with 100 Blockbuster movies on demand for free and a Unifi TV Box. The Group also offers on demand service with catch up programme from its live channel, comprising more than 4,000 hours of content.

## NEW SERVICE PROVIDERS

In 2019, the following two new CASP (I) licensees joined the broadcasting fray.

### NEW SERVICE PROVIDERS

#### Sirius TV

Sirius TV is a new satellite Pay TV provider in Malaysia and is operated by Smart Digital International Sdn Bhd. Sirius TV was launched recently in November 2019, after the exclusive right given to ASTRO for broadcasting content through satellite services ended in 2017.

Sirius TV is offering 12 months of free subscription. However, customers are required to pay a one off RM299 fee which include an outdoor unit and a STB for installation. Sirius TV plans to offer a total of 30 channels.

Sirius TV is also planning with local broadcasters such as Media Prima and TV AlHijrah to create a new premium channel based on their old archived content.

#### Enjoy TV

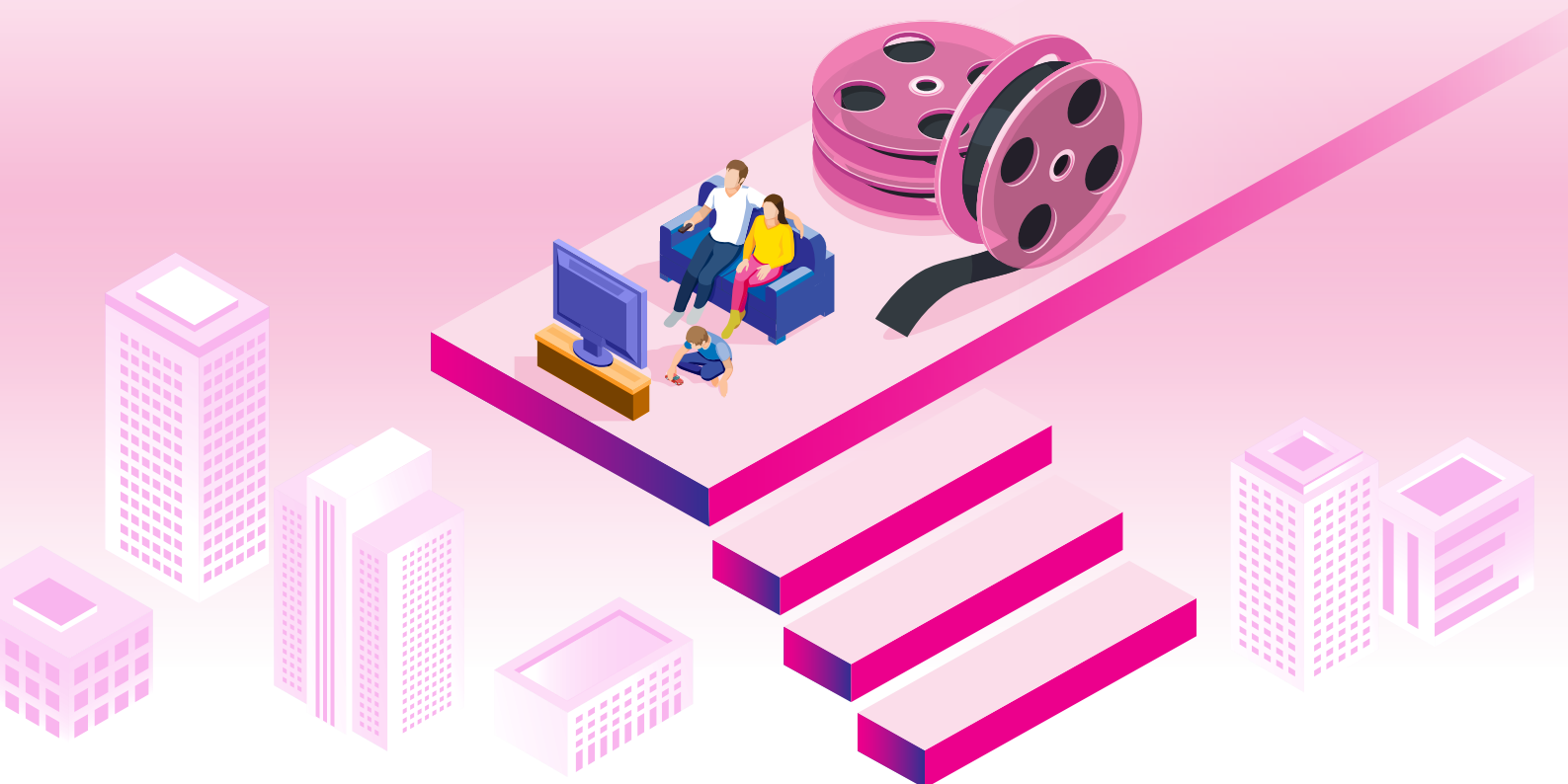
Enjoy TV Holdings Sdn Bhd (Enjoy TV) started as a production company, and later leverage on cross-platform strategies by combining traditional media and new media platform. Since 2018, the company has undergone a transformation programme by integrating e-commerce with home shopping programme and testing on digital terrestrial transmission.

In 2019, Enjoy TV established “Enjoy TV Asia Channel” and completed their production for Enjoy Shopping Channel.

Enjoy TV is anticipated to join the myFreeview platform in the near future, allowing wider viewers to enjoy their content.

Source: MCMC

Figure 4.19 New Service Providers

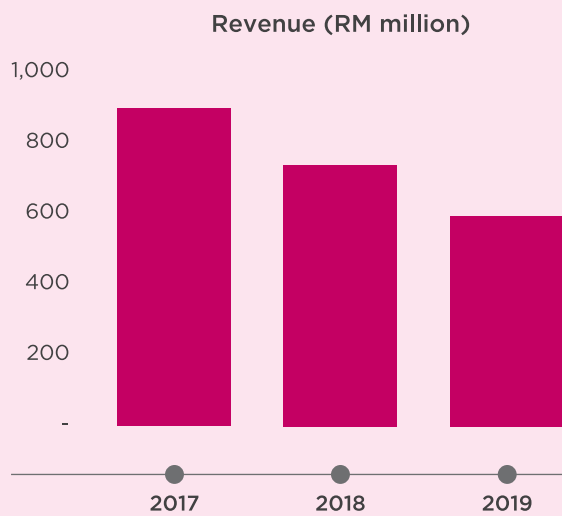


## THE CHANGING BROADCAST LANDSCAPE

The broadcast landscape is changing. Other than the traditional TV broadcasters, there are also new players namely streaming service/OTT video providers and technology giants shaping the broadcasting industry.

The influx of OTT video services is impacting FTA and Pay TV in various ways, including advertising revenues, Pay TV subscriptions and technology investment. It has caused a decline in traditional TV viewing whilst Pay TV providers experienced a high churn rate, resulting a declining revenue for the traditional TV service providers (Figure 4.20 and Figure 4.21).

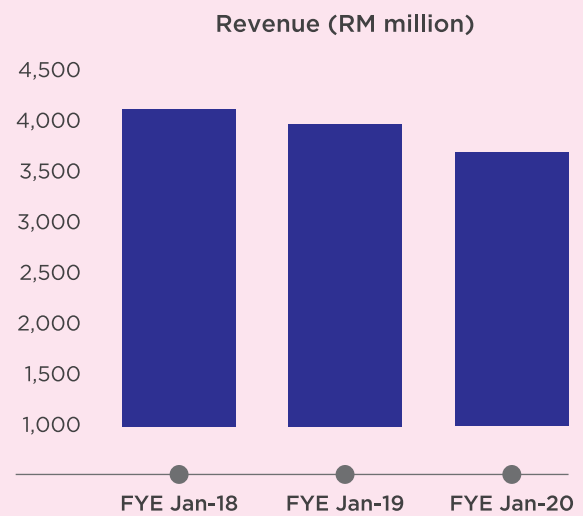
**TV ADVERTISING REVENUE 2017 - 2019**



Note: Media Prima FYE December; ASTRO FYE January. ASTRO advertising revenue is net of commissions and discounts.

Source: Media Prima and ASTRO  
Figure 4.20 TV Advertising Revenue 2017 - 2019

**PAY TV SUBSCRIPTIONS REVENUE  
FYE JANUARY 2018 - FYE JANUARY 2020**

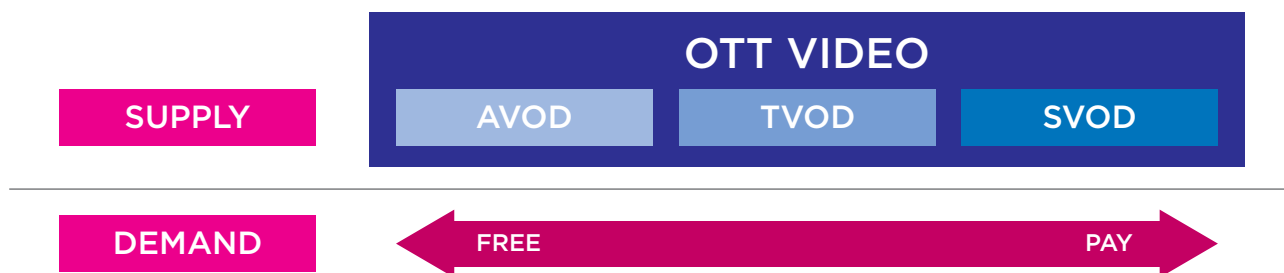


Note: Disclosed as Subscription revenue and Other in ASTRO financial statements, includes streams such TV subscription, licensing income, NJOI revenue etc.

Source: ASTRO  
Figure 4.21 Pay TV Subscriptions Revenue FYE January 2018 - FYE January 2020

At the International Broadcasting Conference (IBC) held in September 2019, broadcasters and media companies explored new business models, including a combination of subscription video on demand (SVOD), advertisement-supported video on demand (AVOD) and consumer-facing systems<sup>24</sup>.

### OTT VIDEO BUSINESS MODELS

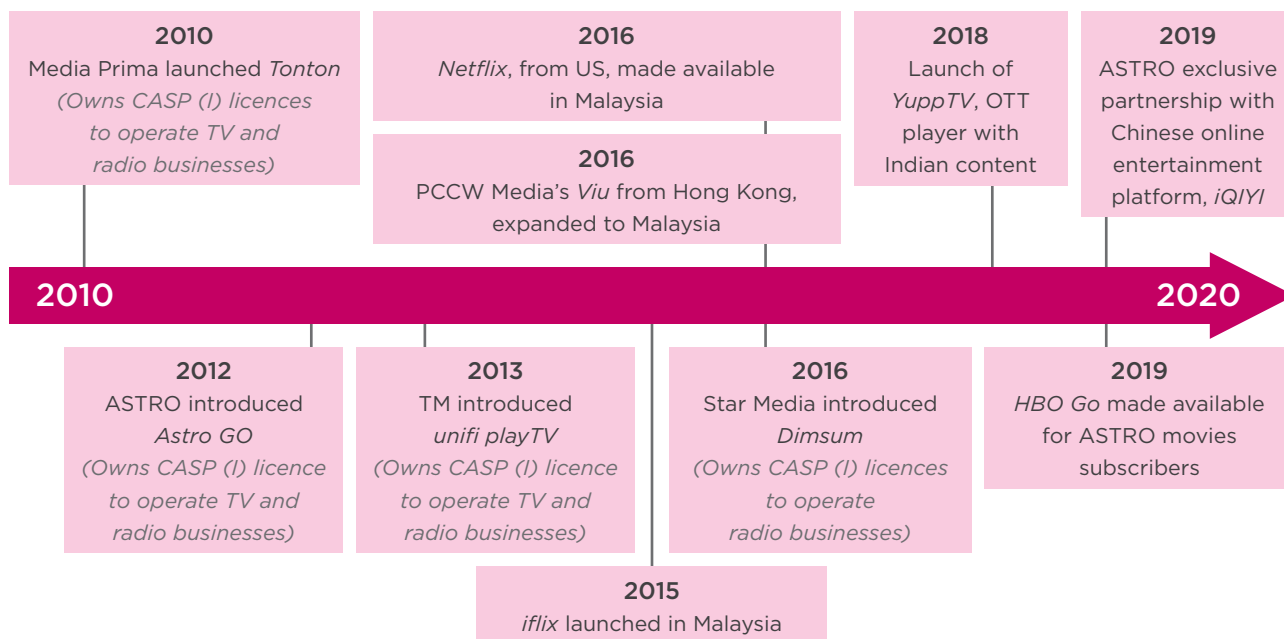


Note: TVOD stands for transactional video on demand, charged based on one-time payment per view. This is opposed to SVOD with recurring monthly or annual subscription.

Source: Various researches, MCMC  
Figure 4.22 OTT Video Business Models

Figure 4.23 shows the OTT services in Malaysia. Note that the local broadcasters with CASP (I) licensees are also providing OTT video services together with other OTT video providers. The broadcasters anticipated that there will be an increasing competition between the traditional service providers and OTT video providers acquiring the same content as they are all essentially targeting the same viewers.

### 10 YEARS OF OTT SERVICES IN MALAYSIA



Note: *Astro GO* was formally known as *Astro on the Go*; *unifi playTV* was previously known as *HyppTV Everywhere*; *NJOI Now* (under ASTRO) has stopped its service in 2019.

Source: MCMC, News Articles  
Figure 4.23 10 Years of OTT Services in Malaysia

In 2019, Media Prima has partnered with iflix, indicating that the partnership shall open greater content monetisation opportunities through iflix ad-supported tier called "iflix FREE". The year also saw ASTRO collaborating with other OTT players. In May 2019, HBO Asia's Internet-based service HBO GO unveiled in Malaysia exclusively on ASTRO, whilst in November 2019, ASTRO partnered with iQIYI, a Chinese video streaming platform.

24 IBC, IABM: Three IBC 2019 Takeaways, 2019.

## RADIO BROADCASTING

Radio remains the most widely consumed medium. Its unique ability to reach out the widest audience means it can serve diverse communities, offering a wide variety of programmes, viewpoints and content. Today, in addition to traditional radio, there is also satellite radio, digital radio broadcasts and radio-style stations available through the Internet. Modern radio broadcasts include news, talk shows, sports, religious programming and wide varieties of musical styles.

In addition, radio is the most trusted medium in comparison to TV and social media. In a survey conducted by the European Broadcasting Union (EBU) across 33 European countries, 20 out of 33 countries trust radio the most compared to TV that only gained trust from 13 out of 33 countries.

According to the United Nation, there are around 44,000 radio stations worldwide and at least 75% of households in developing countries have access to radio. For year 2019, there are 28 private owned radio stations in Malaysia.

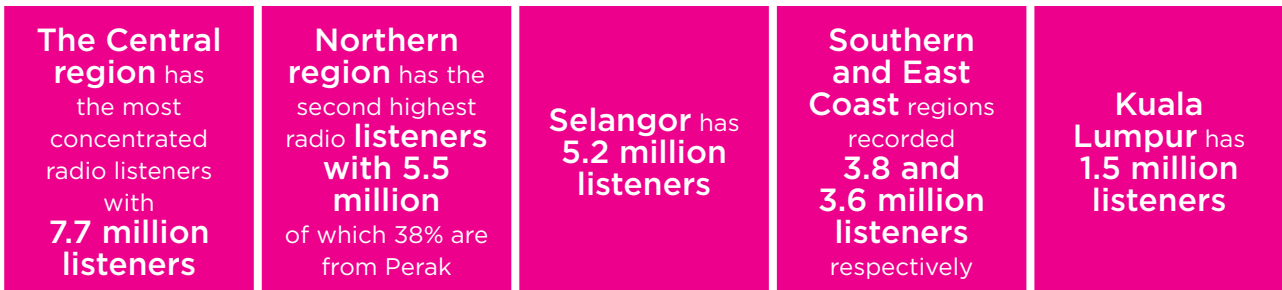
### RADIO LISTENERSHIP IN MALAYSIA

Traditional radio continues to reach 20.6 million listeners or 97% of the Peninsular Malaysia population aged 10 years and above (18.3 million listeners or 89% from urban areas; 2.3 million listeners or 11% from rural areas). Radio listenership in Malaysia (97%) is higher compared to Austria (95%), Brisbane (94.5%) and Finland (92%).



Radio reached 97% of Peninsular Malaysia population

The radio listenership by region in Peninsular Malaysia is as follows:



#### RADIO LISTENERSHIP BY STATE

Listeners (million)



Source: GfK

Figure 4.24 Radio Listenership by State

## RADIO LISTENING DOMINATES AUDIO IN-CARS

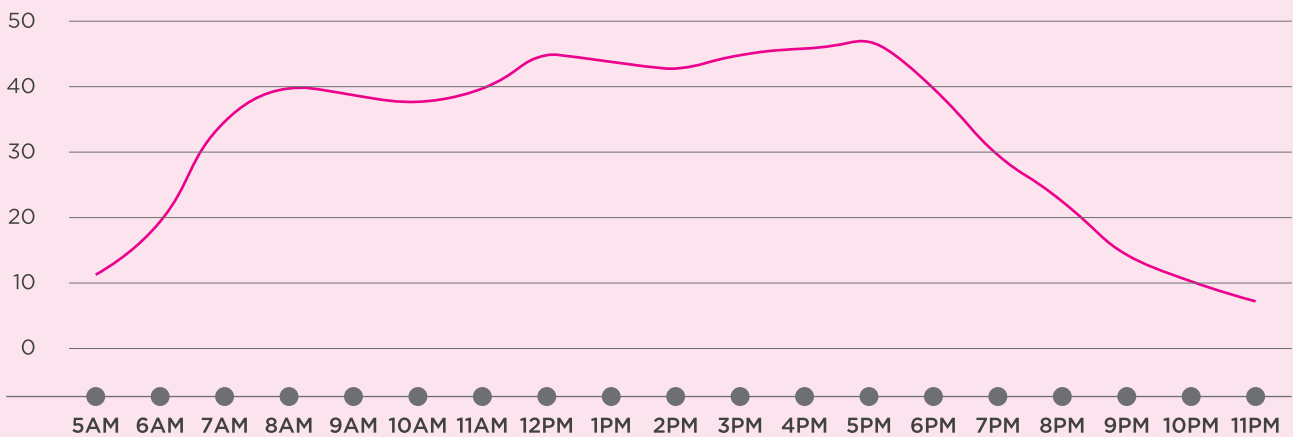
When people are in their cars, radio is the overwhelmingly dominant audio companion, particularly during peak traffic hours as they commute from home to office and vice versa. According to GfK research<sup>25</sup>, the weekday breakfast show (Monday to Friday, 6am to 10am) is the most popular slot attracting listeners with total number of listeners reaching 14.6 million every week, while the drive time shows (Monday to Friday, 4pm to 8pm) comes a close second, reaching 14.5 million listeners in a week.

Another research by Nielsen, in their report Audio Today 2019 also found that the listening pattern among radio listeners fluctuated by time. For adults above 18 years old, total number of listeners increase significantly from 6am to 9am and drop after 6pm giving indication that most of them listen to radio during their commute from home to office and vice versa.

### RADIO REACH BY DAYPART

Monday - Friday

Hourly reach (%)



Source: Nielsen, Audio Today, June 2019

Figure 4.25 Radio Reach by Daypart



<sup>25</sup> Gfk is a research firm that provide relevant market and consumer information.

## RADIO BROADCASTING IN DIGITAL AGE

For established radio broadcasters, the explosion of choice from digital platforms brings new challenges through increased competition for listeners and revenues. Broadcasters also face increased costs from having to invest in new platforms and must deal with increased competition from wider range of media. Thus, broadcasters business models need to evolve, and create new models that are unique such as having personal touch for a specific target audience.

On 24 June 2019, Astro Radio launched ‘SYOK’, a multilingual lifestyle and entertainment platform that offers Malaysians live radio, original videos, exclusive podcasts, articles and contests. On SYOK, Malaysians can browse up to 25 Astro Radio channels from any location, and enjoy podcasts of all live radio content (radio on demand). SYOK is available online and on the mobile app to cater to changing media consumption patterns.

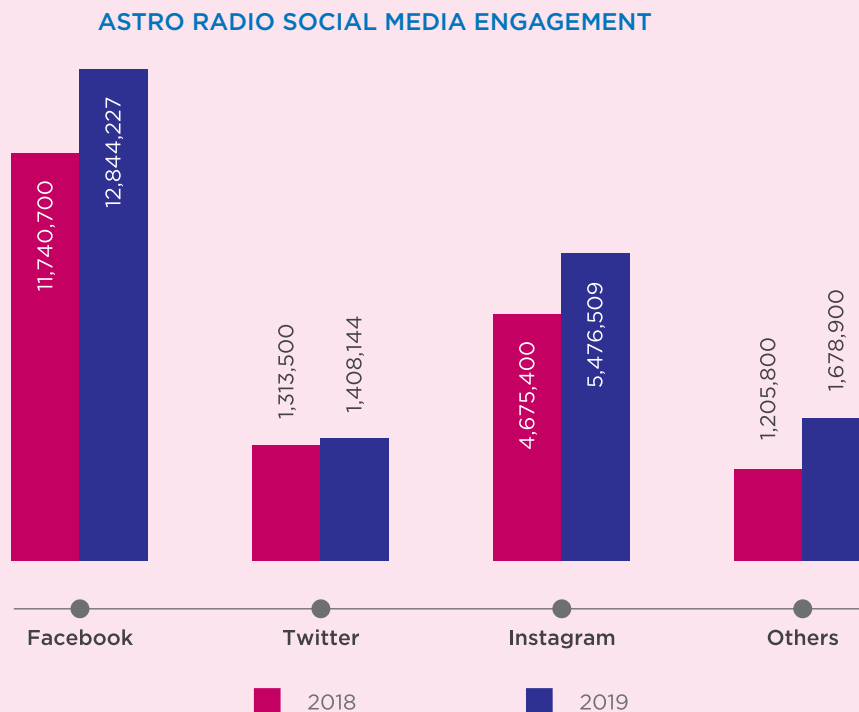
Supported by high national Internet penetration rate, there were approximately 28.7 million Internet users or 87% from overall population, SYOK is able to reach wider audience via digital streams over the Internet.

Astro Radio is engaging listeners through various digital platforms as follows:

Apple App Store and Google Play.  
Until October 2019, total downloaded apps for Astro Radio reached 448,691 total download (iOS: 26%; Google Play: 74%)

Social media platform such as Facebook, Twitter, Instagram and other means.

Figure 4.26 below shows the total number of ASTRO Radio followers by social media platform.



Source: ASTRO  
Figure 4.26 ASTRO Radio Social Media Engagement



Media Prima also increased their engagement on listeners through Internet especially via social media such as Facebook and Instagram. On October 2019, Media Prima through their broadcast brands namely Fly FM, Hot FM, One FM and Kool FM managed to capture over 302 million video views and over 24 million engagements from content that were posted on social media platforms. In addition, Media Prima also succeeded in capturing 3.5 million and 1.8 million followers on their Facebook and Instagram platform.

#### TOTAL NUMBER OF MEDIA PRIMA RADIO LISTENERS' SOCIAL MEDIA FOLLOWERS

Social Media Platform	Year 2018				Year 2019			
	FLY FM	HOT FM	One FM	Kool FM	FLY FM	HOT FM	One FM	Kool FM
Facebook	813,354	3,432,312	912,117	214,460	804,932	3,510,500	927,416	207,872
Twitter	376,069	1,755,916	8,760	10,474	NA	1,800,000	8,767	11,824
Instagram	53,000	1,552,381	123,115	216,098	58,766	1,750,085	152,961	238,797
Others	46,668	232,431	109,172	72,500	51,139	726,000	108,898	77,300

Source: Media Prima Radio

Figure 4.27 Total Number of Media Prima Radio Listeners' Social Media Followers

Bernama radio, the first all-news radio station in Malaysia since 2007 has re-strategised their company's direction by focusing on business news especially on the development of small medium industry in Malaysia beginning 1 October 2019. The news broadcast is conducted in Bahasa Malaysia.

Bernama radio is also jumping on the digital bandwagon. In December 2019, Bernama Radio introduced Spotify Bernama Radio. Further, Bernama Radio is also engaging listeners via social media platform such as Facebook and Instagram for wider audience due to its limitation of coverage area within Klang Valley, Johor, Kota Kinabalu and Kuching only. As at October 2019, listeners reach for Bernama Radio stood at 5.5 million. Bernama Radio is expected to capitalise on MyFreeview by placing the Bernama Radio broadcast within the MyFreeview channel which will be undertaken in 2020 to offset the lack of coverage.

Manis FM, a radio station based in Terengganu, has increased the range and clarity of its broadcasts in some targeted areas due to high demand. It has set up transmitters in Bukit Bauk, Dungun, Terengganu and Bukit Bakar, Machang, Kelantan to improve transmission signals within Terengganu Tengah and Kelantan Selatan area. Manis FM has also been recognised as strategic media partner for the State Government of Terengganu and plays a key role as the main broadcaster in delivering the information and programme of Terengganu to the general public, via its commercial radio format.

Manis FM is also exploring the potentials of DTT platform and provide digital marketing solutions via content, videos, social marketing, programmatic advertising, display as well as personalised packages for their targeted audience.

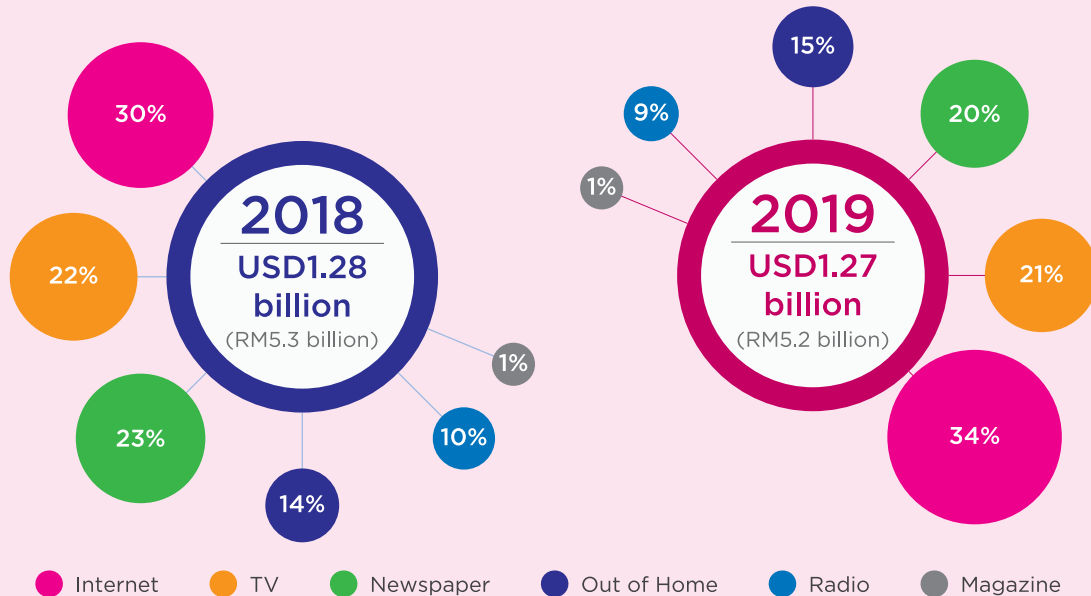
In Sarawak, CatsFM continued to strengthen their presence in the local market by emphasising on the production of local content and conducting more outdoor activities to improve on the listener's engagement with participation from third parties such as Sarawak State Government and private entities. CatsFM also continues to increase listenership by having intensive interactions with the public by embarking on digital journey through organising their first Digital Award via FB live streaming, highlighting local musicians from Carta CATS Xposed which open up more opportunities for monetisation.

Moving forward, traditional radio will continue to face fierce competition from digital platform. In 2020, radio broadcasting market will be more robust with greater emphasise on the digital platforms. Radio now is accessible through numerous platforms namely Facebook, Instagram and Website. In ensuring sustainability, radio broadcasters will continue to venture into a new partnership in providing better services through dedicated mobile apps with the objective to build stronger brand presence and to deliver greater value to listeners.

## ADVERTISING EXPENDITURE (ADEX)

Magna Global forecast in 2019, shows that Malaysia recorded a total ADEX of USD1.27 billion (RM5.2 billion), a marginal decline in comparison to 2018 at USD1.28 billion (RM5.3 billion). In 2019, Internet remains the largest pie with 34% market share or a total value of USD439 million (RM1.8 billion), followed by TV (21%) and newspaper (20%) at USD266 million (RM1.1 billion) and USD252 million (RM1 billion) respectively.

### MALAYSIA ADEX MARKET SHARE



Note: Exchange rate as at 31 December 2019 is RM4.0925 = USD1; as at 31 December 2018 is RM4.1385 = USD1

Source: Magna Global

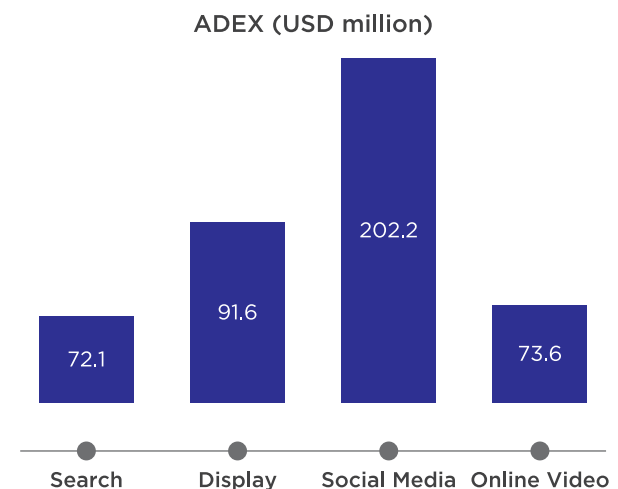
Figure 4.28 Malaysia ADEX Market Share

## INTERNET ADVERTISING

Internet advertising is gaining popularity among advertisers due to various factors such as wider audience targeting, capable of extending global reach and multi-platform campaign. As well as being cost effective, Internet advertising can serve to build brand awareness.

By category, social media platform contributed to the highest ADEX. Advertisers prefer to reach users through social media platform due to its extensive reach. In addition, the main contributing factor was Malaysia being one of the countries with a significant number of social media users, whereby 75% of Internet users (or 24 million users) in Malaysia use social media services and spend an average of three hours a day on social media sites.<sup>26</sup>

### INTERNET ADVERTISING BY CATEGORY 2019



Source: Magna Global

Figure 4.29 Internet Advertising by Category 2019

26 ASTRO Awani, Malaysia negara ke-9 paling aktif media sosial, ke-5 paling ramai guna e-dagang, January 2018.