



# INVESTMENT IN KOREAN CONTENT IS GROWING

A summary of research findings from *the Economic Impact of Video On-demand Services in Korea 2021*

## Koreans love quality content offered by streaming services

~9M

Koreans **subscribed** to VOD services in 2020

53%

of internet users in Korea **use VOD at least once a week**, spending **63% of their time viewing local content**

94%

**revenue growth** for Korea's broadcasting and online video sector between 2010 and 2019, **following the entry of VOD providers including Netflix, Tving, Wavve and Prime Video**

Since 2010, the **revenue of VOD services has risen to:**

**\$299M**

(KRW 348 B)

## Koreans are finding the local content that they want on their VOD services

43%

consider it **important** that their OCC or TV content services **provide local content**

57%

are **satisfied** with the **amount of local content** on the VOD or TV services they use

42%

think that their VOD services provide either a **good level, or the best level of content that is made specifically for people in Korea**

## VOD services stimulate a boom in creative output

VOD services invest in a wide range of Korean VOD original titles to serve Korea's large subscriber base. International content providers also invest in content not only for VOD services, but for linear and theatrical distribution channels which benefits Korea.

**\$45B**

= global collective investment into content (KRW 52.4 trn) spending and creation (excluding sports) from Disney, NBCU, WarnerMedia and ViacomCBS across their distribution channels in 2019 — which they will partly monetise on their VOD services (Disney+, Peacock, HBO Max/HBO GO and Paramount+ respectively)

**DISNEY**

**\$14-16B** (KRW 16-19 trn)

planned investment per year in global VOD content by 2024

**VIACOMCBS**

**\$5B** (KRW 5.8 trn)

planned investment in VOD content in 2024

**WARNERMEDIA**

**\$4B** (KRW 4.7 trn)

planned investment by parent company AT&T into HBO Max in the three years through 2022

**NETFLIX**

**\$28B** (KRW 32.6 trn)

expected spending in global VOD content per year by 2028

## VOD makes a significant contribution to supporting jobs and driving economic output in the screen production sector

**\$7.1B**

(KRW 8,280 bn)

= **direct contribution** by the film and television industry to the Korean economy in 2018

### Total economic contribution in 2018

(including indirect effects) increases to a massive

**\$17.4B**

(KRW 20,300 bn)

**60%** of production costs, on average, are spent in the general economy on e.g. catering, hospitality, construction and legal services

## VOD services share Korean content with global audiences

- VOD services are **introducing new audiences** to Korean content
- By meeting this demand, VOD services are **supporting local producers and artists**
- By sharing Korean content on their services, VOD companies are **increasing global interest in Korean culture and stories**

**\$12.3B**

= value of Korea's cultural exports in 2019



**NETFLIX**

Netflix's first original Korean series

*Kingdom* was produced in Korea using Korean cast, crew and producers. The show's **success in Korea and abroad seemed to be a catalyst for investment in online content in Korea** both by Netflix and other VOD providers.

## VOD investment spurs skills, innovation and infrastructure & produces broader benefits for Korea

- VOD companies are contributing film **workshops to help upskill filmmakers and animators**
- **Investments in studio spaces, post-production facilities** increase capacity across industry as a whole
- The creative industries **stimulate economic activity for small businesses** throughout the community
- The distribution of Korean culture through VOD services help to **broaden Korea's influence and reputation** around the world
- Quality Korean content can benefit the tourism sector with **content-induced tourism on the rise**

**20%**

of global travellers have **visited a destination because they saw it on a TV Show or movie**, as suggested by a TripAdvisor survey

## PRO-INVESTMENT POLICIES CAN HELP VOD TO CONTRIBUTE TO KOREA'S FLOURISHING AUDIOVISUAL SECTOR:

- Policies that underpin a **virtuous cycle of investment** and return greatly benefit the economy
- Policies that shield companies from competition will **deter investment** and have been found to **lower audio visual exports**