

By Brandon Riney, Researcher, and Steve Hawley, Contributing Senior Analyst, Parks Associates

| <p>Synopsis</p> <p>The evolution of video services has changed consumption patterns as well as the dynamics of content and service piracy. Credential sharing, app-based sharing, and illegal live streaming have ushered in a new age of digital pirates and attitudes among consumers regarding fair use. This report examines trends in content piracy and methods for stopping these emerging piracy methods. It also provides a five-year forecast for the impact of piracy on the video industry.</p> | <p style="text-align: center;">Consumer Attitudes toward Pirated Content</p> <p style="text-align: center;">Perception Towards Sharing Online Services or Using Unlicensed Content US Broadband Households</p> <table border="1"> <caption>Consumer Attitudes Data (Estimated from Chart)</caption> <thead> <tr> <th>Reason</th> <th>Agree (Rating 5)</th> <th>Highly agree (Rating 6-7)</th> </tr> </thead> <tbody> <tr> <td>Because movies/music should be available to everyone for free</td> <td>~15%</td> <td>~15%</td> </tr> <tr> <td>Because the movie/music companies still make lots of money</td> <td>~15%</td> <td>~15%</td> </tr> <tr> <td>As long as somebody else is paying for the service</td> <td>~15%</td> <td>~15%</td> </tr> <tr> <td>If you never would have otherwise watched/listened to them</td> <td>~15%</td> <td>~15%</td> </tr> <tr> <td>If you can't afford to pay for them yourself</td> <td>~15%</td> <td>~15%</td> </tr> <tr> <td>If you only do it occasionally</td> <td>~15%</td> <td>~15%</td> </tr> <tr> <td>Because no one ever gets in trouble for it</td> <td>~15%</td> <td>~15%</td> </tr> </tbody> </table> <p style="text-align: right;">© Parks Associates</p> | Reason | Agree (Rating 5) | Highly agree (Rating 6-7) | Because movies/music should be available to everyone for free | ~15% | ~15% | Because the movie/music companies still make lots of money | ~15% | ~15% | As long as somebody else is paying for the service | ~15% | ~15% | If you never would have otherwise watched/listened to them | ~15% | ~15% | If you can't afford to pay for them yourself | ~15% | ~15% | If you only do it occasionally | ~15% | ~15% | Because no one ever gets in trouble for it | ~15% | ~15% |
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| <p>Publish Date: 4Q 19</p> | <p>“If just 10% of pay-TV subscribers discontinued pay-TV services in favor of video delivered by pirates, the 2023 loss to operators could approach \$6 billion. This is in addition to service revenues lost through password sharing,” said Steve Hawley, Contributing Senior Analyst, Parks Associates.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Contents</p> | <ul style="list-style-type: none"> Research Objectives Research Approach Companies Interviewed or Researched Executive Summary <ul style="list-style-type: none"> Defining Video Piracy Piracy and Lost Revenue Piracy Types: Accidental and Purposeful Piracy Drivers Key Findings: Impact of Piracy The Value of Content: Age of Content Lifecycle of a Video Asset The Value of Content: Live Events Live Events: Decline in Value Video Theft Video Piracy and Anti-piracy Technology Elements Video Piracy Non-technical Countermeasures | | | | | | | | | | | | | | | | | | | | | | | | |

Key Trends

- Challenges Ahead
- Emerging Technological Challenges
- Business and Legal Challenges
- Emerging Opportunities

Video Piracy: Lost Revenue and Forecasts

- Worldwide Broadband Households, by Region (2017-2023)
- Worldwide Pay-TV Households (2017-2023)
- Who accesses pirate video?
- Video Piracy Losses: Americas
- Video Piracy Losses: Europe and Asia
- Annual US Revenue Lost Due to Account Sharing/Piracy (2019-2024)
- Worldwide Broadband Households Accessing Pirated Video By Region (2017-2023)
- Worldwide Revenue to Video Pirates From Broadband Subscribers By Region (2017 - 2023)
- Worldwide Pay-TV Households Watching Pirate Video (2017-2023)
- Worldwide Revenue to Video Pirates (at Pirate ARPU) from Pay-TV Subscribers also accessing Pirate Video Content, by Region (2017-2023)
- Worldwide Households Accessing Pirate Video, which are not Pay-TV Subscribers, by Region (2017-2023)
- Total of Worldwide Pay-TV and non-Pay TV Households Accessing Pirate Video, All Regions (2017-2022)
- Total Worldwide Revenue, Pirated Video taken by Pay-TV and Non-Pay-TV Households, By Region (2017-2023)
- Worldwide Pay-TV Revenue Lost, if 10% of Pay-TV Households Watching Pirate Video Quit Pay TV and Went Exclusively to Pirated Video, by Region (2017-2023)

Consumer-Reported Video Piracy

- Use of Piracy Devices/Apps/Websites (Q1/19)
- Account Sharing and Piracy Activities (Q1/19)
- Use of Piracy Devices/Apps/Websites Among Pirates (Q1/19)
- Perception Towards Sharing Online Music/Video Services or Using Unlicensed Content (Q1/19)

How Pirates Reach Consumers

- Video Theft
- Reaching Consumers Through Multiple Channels
- Go-To-Market Strategy for Pirates Leveraging Set-top Boxes
- Streaming Devices Targeted by Pirates
- Kodi, a Software Ecosystem used by Pirates
- Torrent Sites as a Pirate Distribution Channel
- Business Models: Pirate Video Offerings for Consumers

Use Cases: Where and How Piracy Occurs

- Piracy Causes: Consumer Origination
- Credential Sharing and Consequences
- Credential Theft and Abuse: Data Center Attacks
- Hosting Pirates: Additional Ways to Steal Content
- Breaches: Top-to-Bottom Concern

Real-world Examples

- Omniverse One World Television

TABLE OF CONTENTS

| | |
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| | <p>Omniverse Oneworld Television Status of Omniverse Oneworld Television TeaTV – Theft of Programmatic Advertising Openload and Streamango European Union Judicial Cooperation Unit beoutQ – Industrialized Piracy at a Nation-state Level beoutQ and Pirated Programming Status of beoutQ Additional case examples</p> <p>Anti-piracy Countermeasures Video Piracy and Anti-piracy Technology Elements Anti-piracy Analytics – Credential Sharing Watermarking and Monitoring: Evaluating Content for Infringing Use Anti-piracy Countermeasures: Service Administration Anti-piracy Countermeasures: Network-based Interventions</p> <p>Non-technical Countermeasures and Initiatives Video Piracy Non-technical Countermeasures Anti-piracy Initiatives: Basic Questions Anti-piracy Initiative: Stages of Development - Planning Anti-piracy Initiative: Stages of Development - Execution</p> <p>Select Anti-Piracy Technology Providers Leaders in Anti-Piracy Products and Solutions Technical References</p> <p>Appendix: Definitions and Sources Definitions: Piracy & Anti-piracy Context Sources Methodologies</p> |
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| Attributes | |
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| <p>Parks Associates 5080 Spectrum Drive Suite 1000W Addison, TX 75001</p> <p>800.727.5711 toll free 972.490.1113 phone 972.490.1133 fax</p> <p>parksassociates.com sales@ parksassociates.com</p> | <p>Authored by Brandon Riney and Steve Hawley Executive Editor: Tricia Parks Published by Parks Associates</p> <p>© December 2019 Parks Associates Addison, Texas 75001</p> <p>All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.</p> <p>Printed in the United States of America.</p> <p>Disclaimer Parks Associates has made every reasonable effort to ensure that all information in this report is correct. We assume no responsibility for any inadvertent errors.</p> |