# The development of the European market for on-demand audiovisual services

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# INTRODUCTION

# 1 The emergence of online players on the world-wide audiovisual market

## Estimates of the worldwide audiovisual market

One relatively solid estimate of the trends of the worldwide audiovisual market can be gained by compiling the audiovisual revenues of the 50 leading media groups. We include in audiovisual turnover:

- turnover from broadcasting activities (radio, television),
- turnover from the distribution of audiovisual services by satellite,
- turnover from production, distribution and exhibition activities,
- turnover from publishing recorded music,
- turnover from publishing video games,
- turnover from retail activities (physical or online),
- turnover from online audiovisual activities (which includes audiovisual media services as well as open platforms such as YouTube or Dailymotion).

From 2009 to 2013, the audiovisual turnover from the audiovisual activities of the 50 major worldwide groups rose from USD 361.5 billion to USD 425 billion. Growth in 2013 was 3.4%. During the same period the audiovisual turnover of European groups fell from EUR 74.7 billion to EUR 65.3 billion.

**Table 1 Audiovisual turnover of the 50 leading worldwide media groups (2009-2013), in USD million**

| Country | 2009 | 2010 | 2011 | 2012 | 2013 | 2013/12 |
|---------|------|------|------|------|------|---------|
| US | 213 325 | 231 359 | 261 429 | 274 736 | 292 235 | 6,4% |
| EUR | 74 656 | 73 960 | 70 197 | 71 645 | 65 348 | -8,8% |
| JP | 60 831 | 60 432 | 53 738 | 48 380 | 49 959 | 3,3% |
| Others | 12 647 | 8 856 | 15 107 | 16 392 | 17 424 | 6,3% |
| | **361 459** | **374 606** | **400 470** | **411 153** | **424 967** | **3,4%** |

Source : European Audiovisual Observatory

**Figure 1  Audiovisual turnover of the 50 leading worldwide media groups (2009-2013)**

| | US | EUR | JP | Others | | |
|---|---|---|---|---|---|---|

| Year | Others | JP | EUR | US |
|---|---|---|---|---|
| 2009 | 12 647 | 60 831 | 74 656 | 213 325 |
| 2010 | 8 856 | 60 432 | 73 960 | 231 359 |
| 2011 | 15 107 | 53 738 | 70 197 | 261 429 |
| 2012 | 16 392 | 48 380 | 71 645 | 274 736 |
| 2013 | 17 424 | 49 959 | 65 348 | 292 235 |
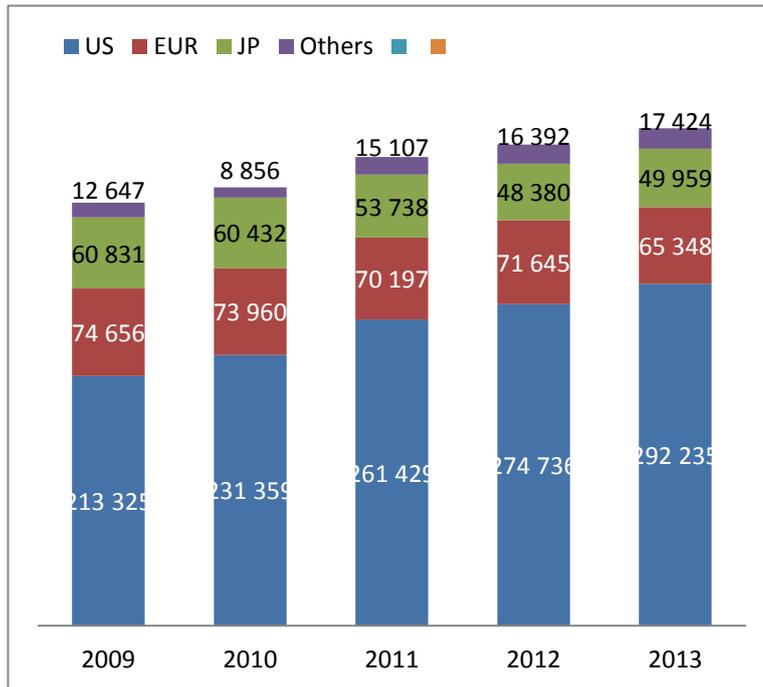
Source: European Audiovisual Observatory

**Figure 2  Breakdown of the worldwide audiovisual market by company nationality (2009-2014)**

| Year | Others | JP | EUR | US |
|---|---|---|---|---|
| 2009 | 3,5% | 16,8% | 20,7% | 59,0% |
| 2010 | 2,4% | 16,1% | 19,7% | 61,8% |
| 2011 | 3,8% | 13,4% | 17,5% | 65,3% |
| 2012 | 4,0% | 11,8% | 17,4% | 66,8% |
| 2013 | 4,1% | 11,8% | 15,4% | 68,8% |

US  EUR  JP  Others
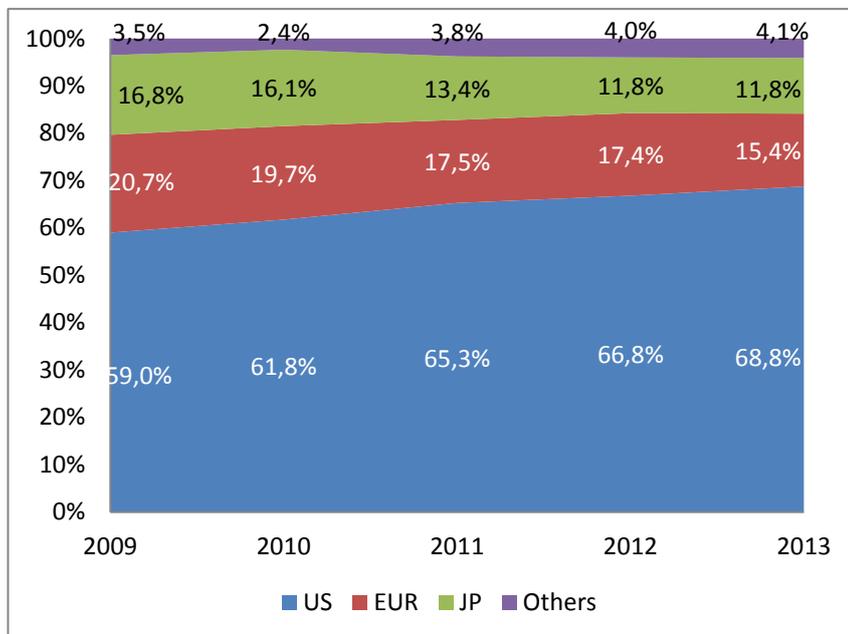
Source: European Audiovisual Observatory

During the period, the market share of European companies fell by 5.3% from 20.7% in 2009 to 15.4% in 2013.

This decline of the position of European companies may be explained by various factors:

- the relative decline of the EUR against the USD (from 1.461 in December 2009 to 1.370 in December 2013)
- sales of European assets to US groups (EMI, Blizzard Entertainment)
- the decline of the European advertising market, thus impacting the revenues of public and private broadcasting groups
- the stagnation of public broadcasters' revenues
- the fact that the growth of the European pay-TV market mainly benefits US groups
- the emergence of US online groups.

# 2    The worldwide emergence of US online groups

The emergence of US online groups is one of the outstanding trends of the period. Although the traditional groups (such as Time Warner, CBS, Universal, Twentieth First century Fox, Microsoft, Sony, RTL, ProSiebenSat.1 Media) are very active on the new online and on-demand audiovisual markets, the leading role is indisputably played by four emergent groups, with a leading position in their respective markets.

**Table 2  Turnover of the four emerging US groups on the online markets (2009-2013)**

USD million

|  | **2009** | **2010** | **2011** | **2012** | **2013** |
|---|---|---|---|---|---|
| **Apple iTunes division** | 4 036 | 4 948 | 9 373 | 12 890 | 16 051 |
| **Amazon (sales AV Media) (est.)** | 7 664 | 8 933 | 10 667 | 11 965 | 13 030 |
| **YouTube (est.)** | 500 | 1 000 | 2 000 | 3 700 | 5 600 |
| **Netflix** | 1 670 | 2 162 | 3 204 | 3 609 | 4 374 |

Source : European Audiovisual Observatory

**Figure 3  Turnover of the 4 emerging US groups on the online markets (2009-2013)**

USD million
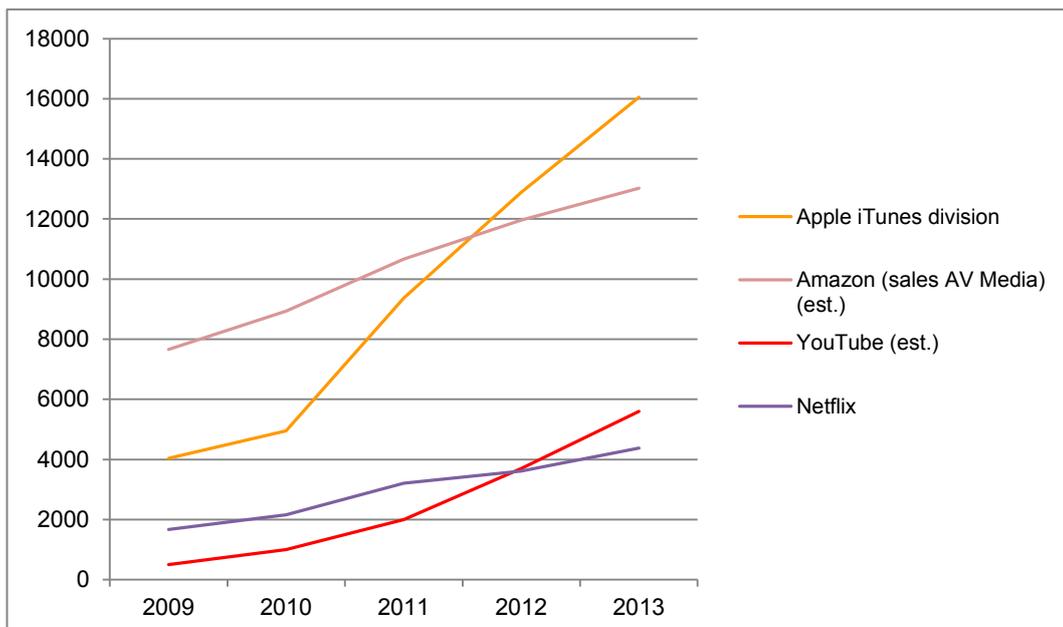


Source: European Audiovisual Observatory

The information provided by annual reports (10-K) of those groups does not allow a precise understanding of their revenues realized on the European audiovisual market.

The turnover of the iTunes division of the Apple Inc. group includes revenues from the iTunes Store, the App Store, the Mac App Store, the iBooks Store, AppleCare, licensing and other services. Activities of iTunes Stores are described as retail of digital content, including music, video, games, applications and books. The breakdown of revenues between the various types of digital content is not disclosed. The iTunes division turnover rose from EUR 4 billion in 2009 to 16 billion in 2013 and by 18% in 2014. 2014 has seen a relative slowdown of the annual growth (from 25% in 2013/2012 to 13% in 2014/2013) but this remains a fast growing activity of the company. It now represents slightly less than 10% of its net sales. The revenues of the European affiliate, iTunes s.à.r.l. (established in Luxembourg, and providing services not only in Europe but also North Africa, the Middle East and Asia, except for Japan) was EUR 2.8 billion in 2013, representing 17.3% of the segment. As for Apple's total activities, Europe represented 22.2% of sales in 2013 and 22.3% in 2013. The importance of the European market is therefore slightly less for iTunes that for Apple's overall activities.

Although no details are provided on the percentage of video (films and TV programmes) in the revenues of the iTunes Stores, it is clear that iTunes occupies a leading position on most of the world national markets for transactional VoD (sales and rental).

Amazon.com Inc. is the worldwide leader in the online "media products" retail business (books, records, DVDs and Blu-ray disks, video games). The company has published data on this media segment and we have estimated from them the turnover from retail sales of audiovisual products alone (records, DVDs and Blu-ray disks, video games) to the exclusion of books. It is not clear from the statements made by Amazon.com whether the provision of VoD services (Amazon Instant Video and, in Europe, the former LOVEFiLM affiliates) is included in the "Media" segment or in "Other activities".

We estimate that worldwide sales of audiovisual media products grew from USD 7.7 billion in 2009 to USD 13 billion in 2013. Sales percentages for media products in Europe are not disclosed but the "International markets" represented 50.2% of total media sales in 2013.

YouTube is by far the world leader on the market segment for open user generated video content platforms, as well as branded channels operated by companies and institutions. Revenues are mainly collected from the adverting market, but YouTube also operates, in a marginal capacity, its own film transactional VoD services and has hosted various American SVoD services. YouTube is operated by YouTube LLC, which is owned by Google Inc. YouTube LLC does not publish detailed revenue statements and Google's reports do not separate YouTube as a specific revenue segment, so estimates by analysts are the only source of information to document the company's growth. According to eMarketer, YouTube's worldwide revenues grew from around EUR 500 million in 2009 to EUR 5.6 billion in 2013.

Google Inc. also launched Google Play in March 2012, as a merger between the Android Store and Google Movies services. Google Play provides various kinds of digital content (music, film and television, applications, books, video games). Its

revenues are not identified as a specific segment in Google Inc.'s report, so it is very difficult to assess the real importance of the Google Play store activities, and, in particular the place of Google Play Movies as a provider of transactional VoD services on the major European markets.

Netflix Inc. shifted the core of its activities from rentals of DVDs and Blu-ray disks to subscription VoD (SVoD) and is now the clear worldwide leader in this field, with operations in North America, Europe and South America as the result of aggressive international expansion and the need to grow its subscriber base in order to cover its huge content acquisition costs. It expanded into six new European countries in September 2014 (more than planned): France, Germany, Austria, Belgium, Switzerland and Luxembourg. Its worldwide turnover has grown from 1.7 billion in 2009 to 4.4 billion in 2013. It can be estimated that it generated revenues of €294.8 million in Europe in 2013, which represents 53% of the company's international revenues. IDATE estimates that Netflix captured 66% of the world SVoD market in 2013.

# 3     The lack of detailed information published by leading players in Europe

**EUR million**
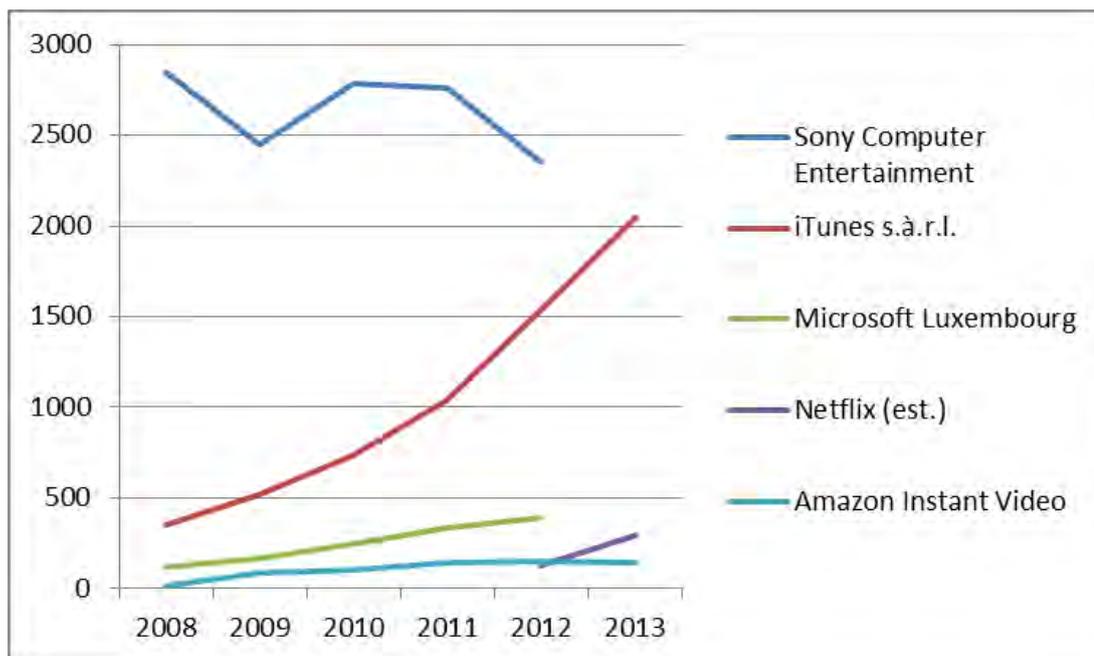


Source: European Audiovisual Observatory from AMADEUS database

The data available in the annual reports of the European affiliates of the leading international groups operating on the online market constitute an interesting addition to those available in the group reports, but they are also of limited interest with regards to the description of the digital market segment.

Sony Computer Entertainment Ltd (for which the statements at 31 March 2014 are not yet available) was the leader in 2012, but this position has more to do with the company's operations on the video game market than with its activities as a provider of VoD service (Sony Unlimited).

iTunes s.à.r.l. has encountered the same growth as the iTunes division of Apple Inc., but the company does not disclose a breakdown of revenues by territory or type of content.

As for Microsoft Luxembourg s.à.r.l., the provider of the Xbox Live VoD platform, its operating revenues probably also include earnings from sales of video games and advertising revenues from the MSN portal.

Luxembourg based Netflix s.à.r.l. does not publish its turnover and the data are therefore estimates.

The revenues of Amazon Instant Video Ltd (the former LOVEFiLM company) appeared to in slight decline in 2013.

# 4     The decline of the "brick and mortar" activities

One of the major trends in the audiovisual sector in the last few years has been the decline in the physical in-store retail business. In Europe, this is exemplified by the failure of various leading chains, such as the HMV Group in the UK, Virgin Stores in France and the Blockbuster rental stores in various countries. At the same time, the revenues of the online retailer Amazon.co.uk have grown from EUR 120 million EUR to EUR 540 million. The Swedish online retailer CDON (which operates in the various Nordic countries) did not confirm its growth trend in 2013 with a decline of sales from EUR 250 million to EUR 204 million. The French based group FNAC (which operates in France, Spain, Portugal and Belgium) is still the European leader and has managed to limit its decline thanks to online sales, but its overall turnover declined from EUR 2.54 billion EUR in 2009 to EUR 2.29 billion in 2013.

**Figure 4**   **Turnover of main retail stores in Europe (2009-2013)**
EUR billion
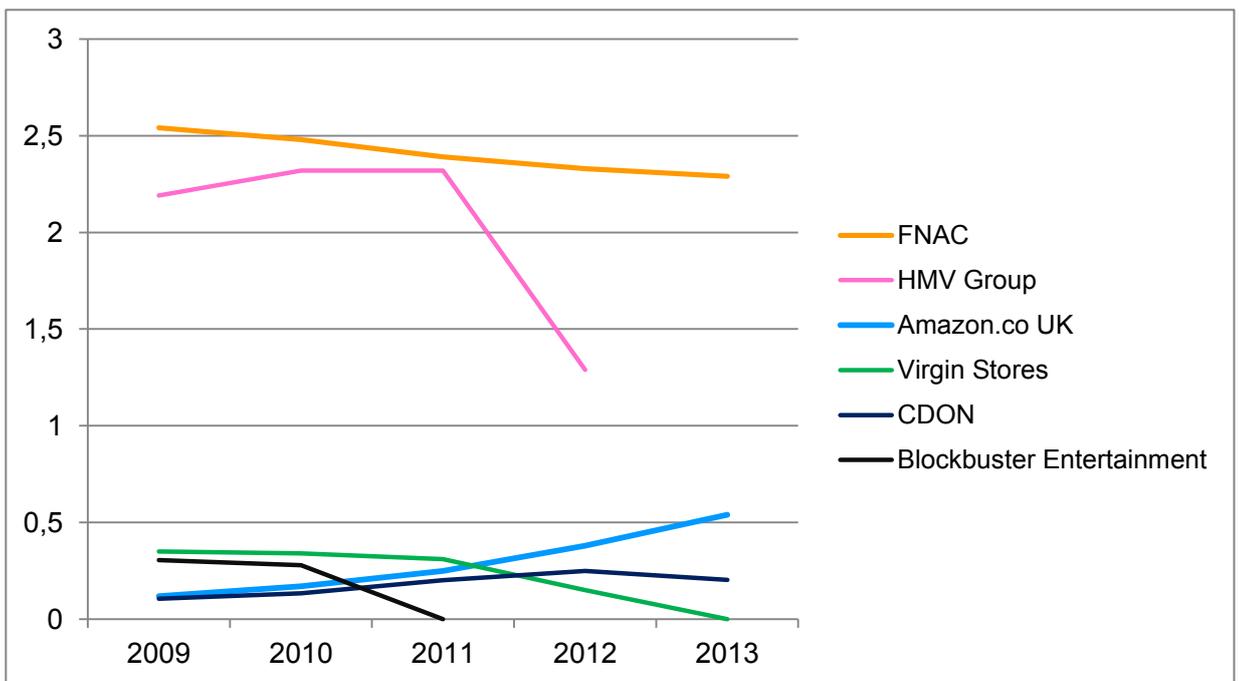


Source: European Audiovisual Observatory

This decline of the "brick and mortar" business can be explained by the decline in sales of physical video (DVD, Blu-ray), physical recorded music and physical books.

As for the physical video market, the data published by the International Video Federation[1] (drawn up by IHS on the basis of information provided by video dis-

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[1]   IVF, "Europe the Industry Overview 2014",
http://www.ivf-video.org/new/index.php?category/Market-information

tributors) indicate that store-based sales in Europe fell from EUR 1.07 billion in 2009 to EUR 0.51 billion in 2013.

However, the fall in stored-based sales was not compensated for by an increase in online sales of DVDs and BDs, which remained relatively stagnant between EUR 210 and 250 million during the period.

**Figure 5** **Variations in sales of DVDs and BDs in Europe (2009-2012) EUR billion**
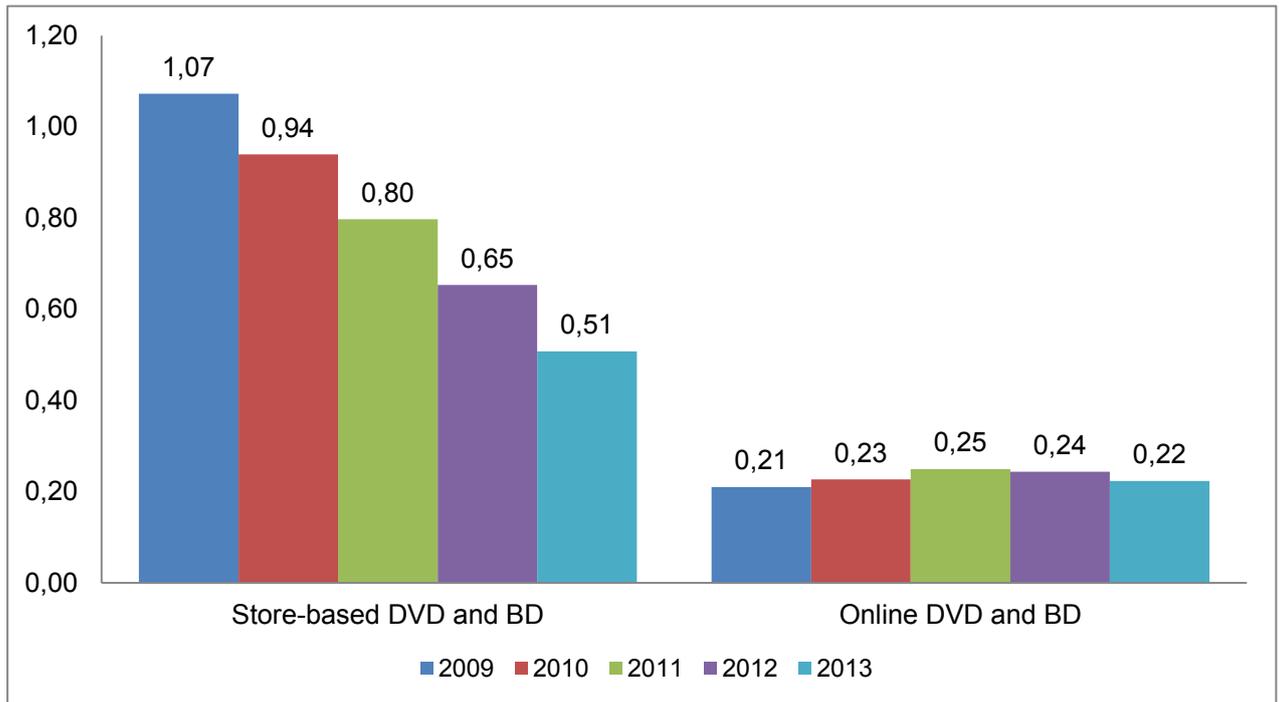


Source: IHS/IVF

# 5      The development of the various segments of the pay-VoD market

Data drawn up by IHS for the International Video provide general information on the development of the various segments of the VoD market in Europe.[2]

**Figure 6**   **CONSUMERS' EXPENSES FOR VoD SERVICES IN EUROPE (2009-2013)**
EUR million
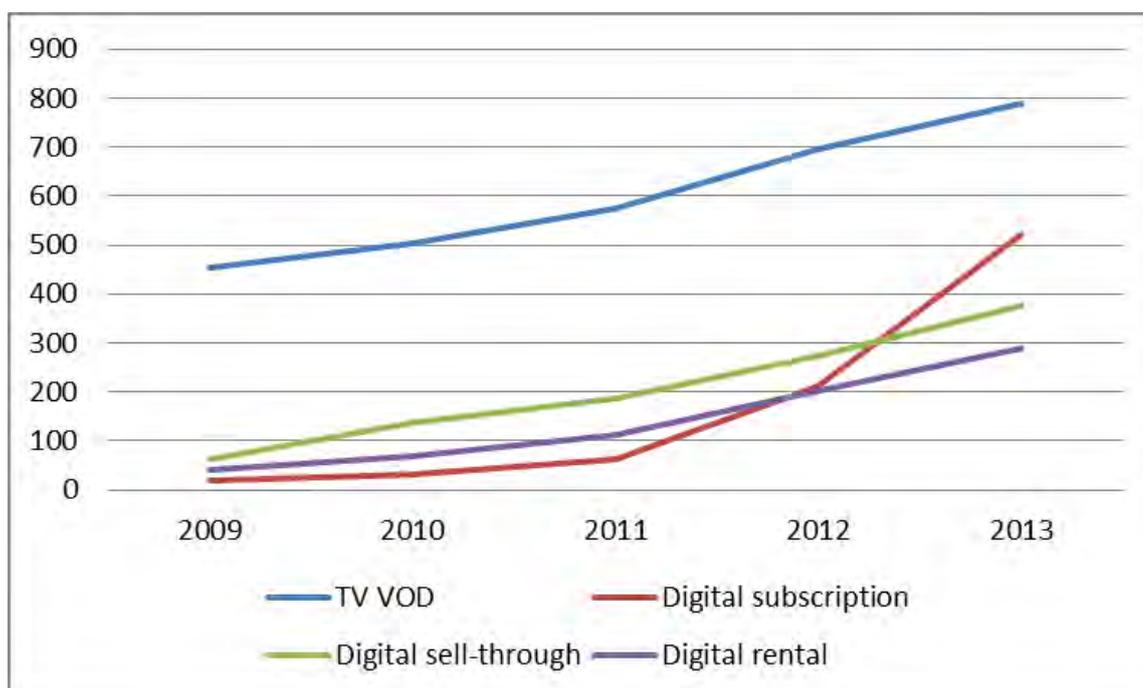


Source: IHS/IVF

The interesting point to highlight is that while in 2009, consumer spend on TV VoD represented 76.9% of the total consumer spend on VoD (digital and TV VoD) and consumer spend on digital video on the Open Internet represented only 23.1%, the proportions have almost been reversed in the course of the last 5 years. In 2013, consumer spend on digital video represented 60% of the total consumer spend on VoD while the share of consumer spend on TV VoD had fallen to 40% of the total.

This evolution is significant; in 2009, more than ¾ of consumer spend on VoD was on managed networks (such as pay TV services, cable networks) and less than ¼ on the Open Internet (or "Over-the-Top" – OTT). In 2012, consumer spend on digi-

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[2]  Consumer spending on digital video and TV VoD is collated by IHS independently of the IVF and is included in the IVF Yearbook for the sake of completeness. Digital video is defined as the purchase or rental of movies and TV series delivered over the open internet through transactional models (also known as EST, DTO, Internet VoD) or on a subscription basis. IHS has ongoing relationships with each of the major online video portals in the markets covered and speaks regularly to each of the providers in order to maintain up-to-date information on the key performance indicators.

tal video delivered on the Open Internet surpassed consumer spend on TV VoD and this trend continues strongly in 2013. When observing the yearly growth rates for the two categories of consumer spend on VoD, this trend appears more clearly; on the considered time period 2009 – 2013, TV VoD grew between 15.7% and 25.8% by year (with a compound annual growth rate of 15.3% over the past 5 years) whereas digital video delivered on the Open Internet grew by at least 57.9% by year and up to 100.8% (with a compound annual growth rate of 59.9% over the past 5 years).

The momentum is for digital video delivered on the Open Internet (or OTT VoD offers). This is further enhanced by the fact that OTT players such as Netflix or wuaki.tv have entered new European markets in 2014 and that traditional players such as Canal+, BSkyB, Sky Deutschland have also launched their OTT stand-alone offers (e.g. Canal Play, Now TV, Sky Snap respectively). As audiences aim to have access to their content everywhere, any time and on any device (or "ATAWAD" content consumption), traditional players and new entrants are adapting to this form of consumption by offering standalone OTT offers[3].

The expansion on the supply side is accompanied by changes on the demand side. Broadband penetration in European households is on the rise, allowing for the smooth delivery of video on the Open Internet. Consumers in Europe are becoming more equipped with mobile connected devices (tablets and smart phones), Smart TVs and, although equipment figures are not available in this edition of the Yearbook, new forms of connected devices such as digital media players (e.g. AppleTV, Roku media player, Amazon Fire TV…) and connected HDMI dongles (Google's Chromecast, Amazon's Fire TV Stick, Mozilla's Matchstick, Microsoft's Wireless Display Adapter) which will further increase the consumption of online and on-demand content. The fact that OTT video can be displayed without much difficulty on the big screen (TV) using these new technologies or consumed on a mobile device, will further enable European consumers to watch online on-demand video on the Open Internet and drive consumer spend on digital video delivered through the Open Internet.


It is also interesting to note the changes in the growth rates: digital sell-through enjoyed its major period of growth in 2010 (after the launch of video content on iTunes in 2009), but rental saw better growth in the following years. SVoD had its best rate of growth in 2012 (after the launch in January of the service in the UK and Ireland) and lower growth in 2013 after the launch in the Nordic countries and the Netherlands.

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[3] The announcement in the second half of 2014 by HBO and CBS of the launch of a stand-alone OTT offer of their services underlines further this trend towards OTT delivery.

**Figure 7**
**ANNUAL GROWTH OF REVENUES FROM VoD SERVICES IN EU-ROPE (in %)**
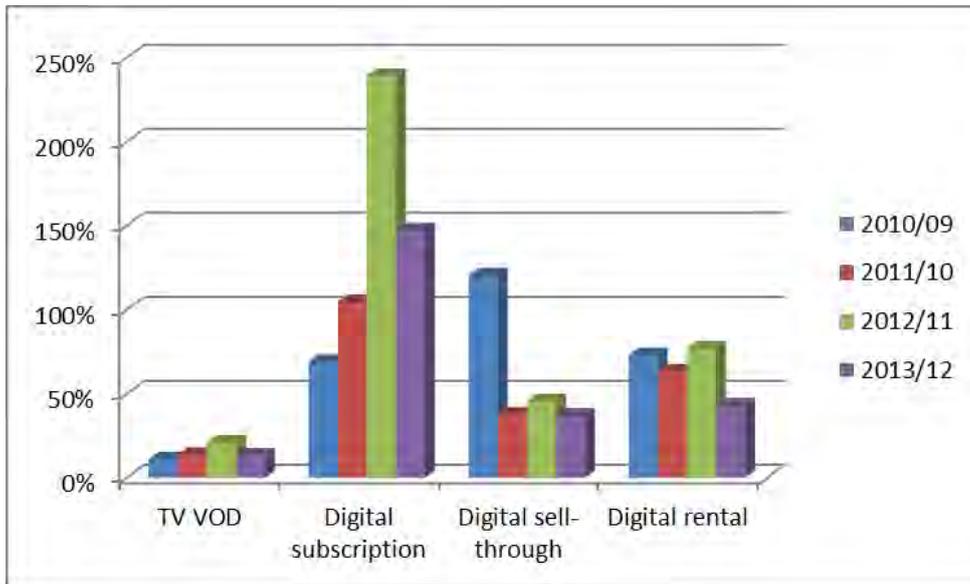


Source: European Audiovisual Observatory on IHS/IVF data

**Figure 8   SHARE OF VoD BUSINESS MODELS IN 2013**



Source : IHS / IVF

25
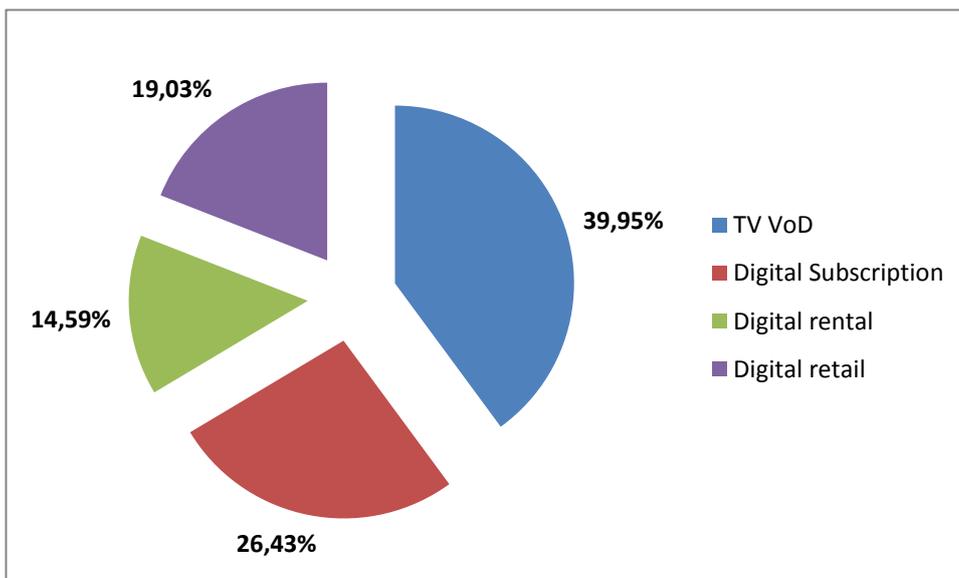
# 6    Different maturation levels for SVoD services in European markets

One important fact to single out is that European markets are very unequal regarding the adoption of and consumer spending on SVoD services. The United Kingdom alone accounted, according to IVF and IHS, for EUR 233 million or nearly 45% of overall European consumer spending on SVoD in 2013. The Nordic markets (Sweden, Denmark, Finland and Norway) with consumer spending on SVoD totalling EUR148 million in 2013 (+266.9% compared to 2012) accounted for 28.4% of overall European consumer spending on SVoD services. The Nordics and the United Kingdom alone this make up almost three-quarters of overall European consumer spending on digital subscription services.

Markets are maturing at different rates, and the most mature markets, such as the Nordics and the United Kingdom, were also the ones that saw the entry onto their respective national markets of the international SVoD giants Netflix and, to a lesser extent, Amazon Instant Video. Furthermore, Digital TV Research[4] forecasts that 59 million European households (20% of the European pay-TV market) will subscribe to SVoD services by 2020. With the arrival of Netflix in six European countries in September 2014, SVOD subscriptions are expected to approach 18 million by the end of 2014 (from less than 2 million in 2010). In addition to Netflix, Amazon Prime Instant Video and other regional services underwritten by multichannel video program distributors represent a growing international SVoD market.

Furthermore, revenues for online television and video subscription are estimated at $1.6 billion for 2014 and are expected to reach $5.5 billion in 2020, with the two leading countries in terms of SVoD revenues being the United Kingdom and Germany.

The report states that nearly 7% of Eastern European TV households (11 countries) will subscribe to SVoD by 2020, compared with almost 30% in Western Europe (15 countries).

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[4]    Available at: http://www.homemediamagazine.com/streaming/report-20-european-tv-homes-have-svod-2020-34036

# 7 The importance of online VoD in consumers expenditure

**Table 4 Size of the audiovisual market in the EU, 2008-2012, in EUR million**

Size of the audiovisual market of the European Union (EUR 28) (2008-2012)

EUR million

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2013/12 | Sources |
|---|---|---|---|---|---|---|---|
| **Broadcasters net revenues** | **71 192** | **74 002** | **76 345** | **74 599** | **n.a.** | **n.a.** | **OBS** |
| Public broadcasters (incl. radio) | 33434 | 33815 | 33687 | 32626 | n.a. | n.a. | OBS |
| Advertising TV | 20 096 | 21 139 | 21 941 | 21 057 | n.a. | n.a. | OBS |
| Thematic channels | 9 791 | 10 859 | 12 334 | 12 578 | n.a. | n.a. | OBS |
| Home shopping channels | 2 423 | 2 577 | 2719 | 2800 | n.a. | n.a. | OBS |
| Local TV (est.) | 1 555 | 1 573 | 1 496 | 1 423 | n.a. | n.a. | OBS |
| Private radio (est.) | 3 893 | 4 040 | 4 168 | 4 115 | n.a. | n.a. | OBS |
| | | | | | | | |
| **Consumers expenses for AVMS distribution services (incl. taxes) (1)** | **27 949 995** | **31 417 121** | **33 362 047** | **35 426 699** | **36 373 795** | **2,7%** | **OBS** |
| Cable | **11 211 511** | **11 843 886** | **12 200 718** | **12 790 298** | **12 869 406** | **0,6%** | IHS |
| Satellite | 13 874 100 | 15 689 290 | 16 336 423 | 16 913 355 | 17 255 429 | **2,0%** | IHS |
| IPTV | 1 784 760 | 2 375 128 | 3 222 424 | 4 028 858 | 4 525 221 | **12,3%** | IHS |
| DTT | **1 079 624** | **1 508 816** | **1 602 481** | **1 694 188** | **1 723 739** | **1,7%** | IHS |
| | | | | | | | |
| **Cinema gross box-office** | **6 087** | **6 373** | **6 445** | **6 570** | **6 285** | **-4,3%** | **OBS** |
| | | | | | | | |
| **Physical video (incl. taxes)** | **8 359** | **8 037** | **7 405** | **6 758** | **5 991** | **-11,3%** | **OBS** |
| DVD retail (2) | **6 691,4** | **6 179,6** | **5 511,5** | **4 868,1** | **4 214,6** | **-13,4%** | IHS |
| DVD rental (2) | 1 154 | 1024 | 876 | 722 | 563 | **-22,0%** | IHS |
| Blu-ray disc retail (2) | 499 | 807 | 980 | 1 118 | 1 170 | **4,6%** | IHS |
| Blu-ray disc rental (2) | 13,6 | 26,7 | 38,1 | 48,8 | 43,9 | **-10,0%** | IHS |
| | | | | | | | |
| | | | | | | | |
| **VoD online revenues (incl. taxes)** | **248** | **462** | **648** | **1 045** | **1 526** | **46,1%** | **OBS** |
| Online on demand TV revenues | 189 | 345 | 462 | 673 | 938 | **39,4%** | IHS |
| Online on demand film revenues (3) | 58,9 | 116,6 | 185,9 | 372,1 | 588,0 | **58,0%** | IHS |
| | | | | | | | |
| **Games (offline and online, excluding mobile and Apps)** | **10 642** | **11 146** | **11 264** | **11 141** | **10 936** | **-1,8%** | **IHS** |
| **TOTAL** | **28 046 523** | **31 517 141** | **33 464 153** | **35 526 810** | **n.a.** | **n.a.** | **OBS** |

(1) Includes TV subscription, PPV and TV VoD revenues.
(2) Data related to 16 countries.
(3) Data related to 17 countries.

Source: European Audiovisual Observatory on IHS/IVF and OBS data

**Figure 9** **VARIATIONS IN CONSUMERS EXPENDITURE (Pay-TV, Box Office, Physical video and Online VoD (2009-2013)**
EUR million
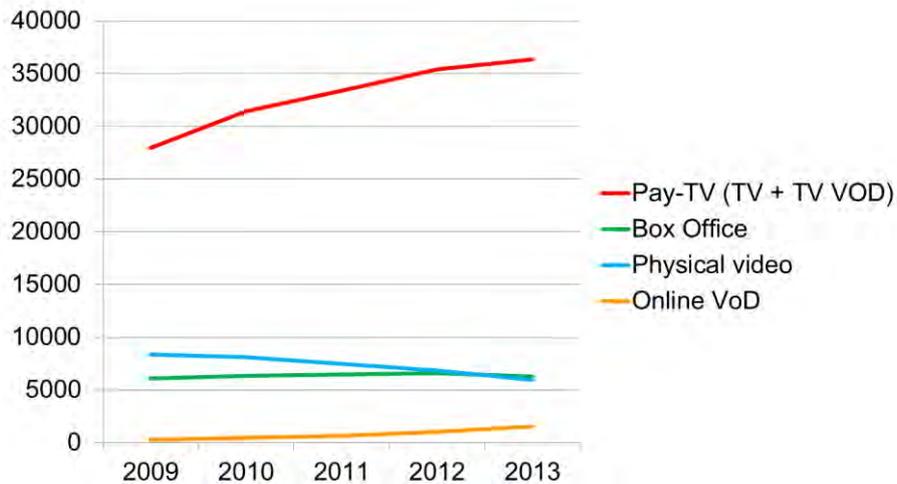


Source: European Audiovisual Observatory on IHS/IVF and OBS data

**Figure 10 ANNUAL GROWTH RATE OF EXPENDITURE ON PAY TV AND VOD (2009-2013)**
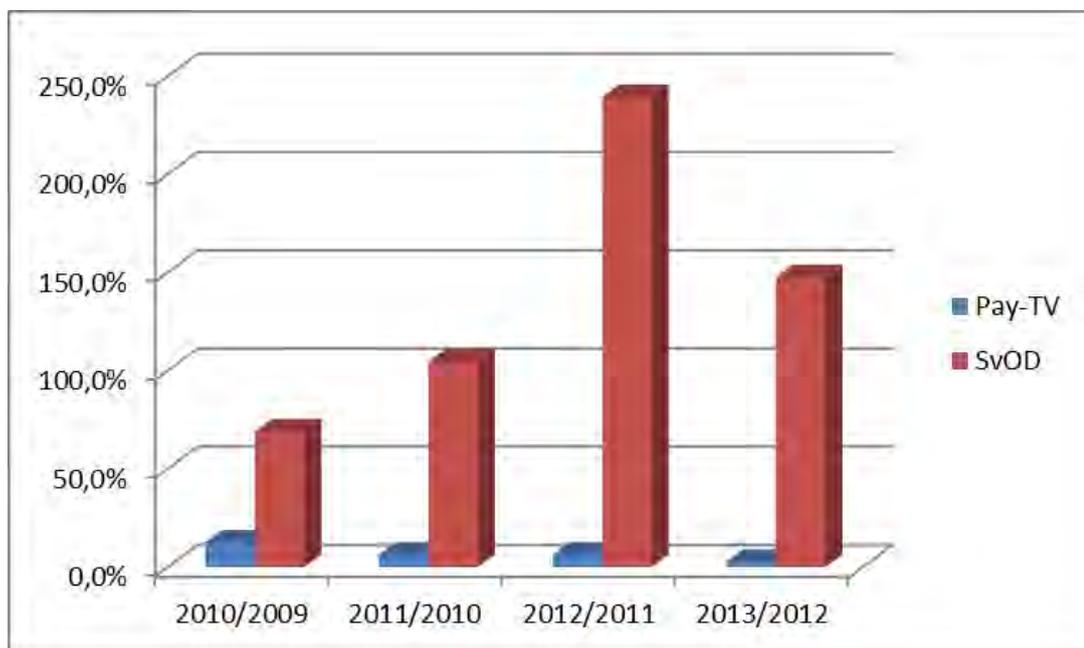


Source: European Audiovisual Observatory on IHS/IVF and OBS data

The comparison between the variations in the different types of consumer expenditure shows that pay-TV is by far the most important item of expenditure but its growth rate is low and declining, and may become negative in the coming years if the trends of the last few years continue.

For the first time for some years, box office expenditure is higher than that for physical video. Expenditure on online VoD is still a relatively small proportion of consumer spending and does not compensate for the decline of the physical video market.

# 8    Trends in advertising on online video services

The data on advertising investments in the European Union provided by Warc indicate that in 2013 Internet adspend remained in second position behind spending on TV advertising. Internet adspend managed to resist the recession better and remained similar to the level of 2013, while the decline in television, newspaper and magazine advertising continued. The market share of Internet adspend reached 27.1% of total display advertising, but growth was clearly interrupted.

**Figure 11    TRENDS IN ADSPEND BY MEDIA IN THE EU (2009-2013)**
EUR million
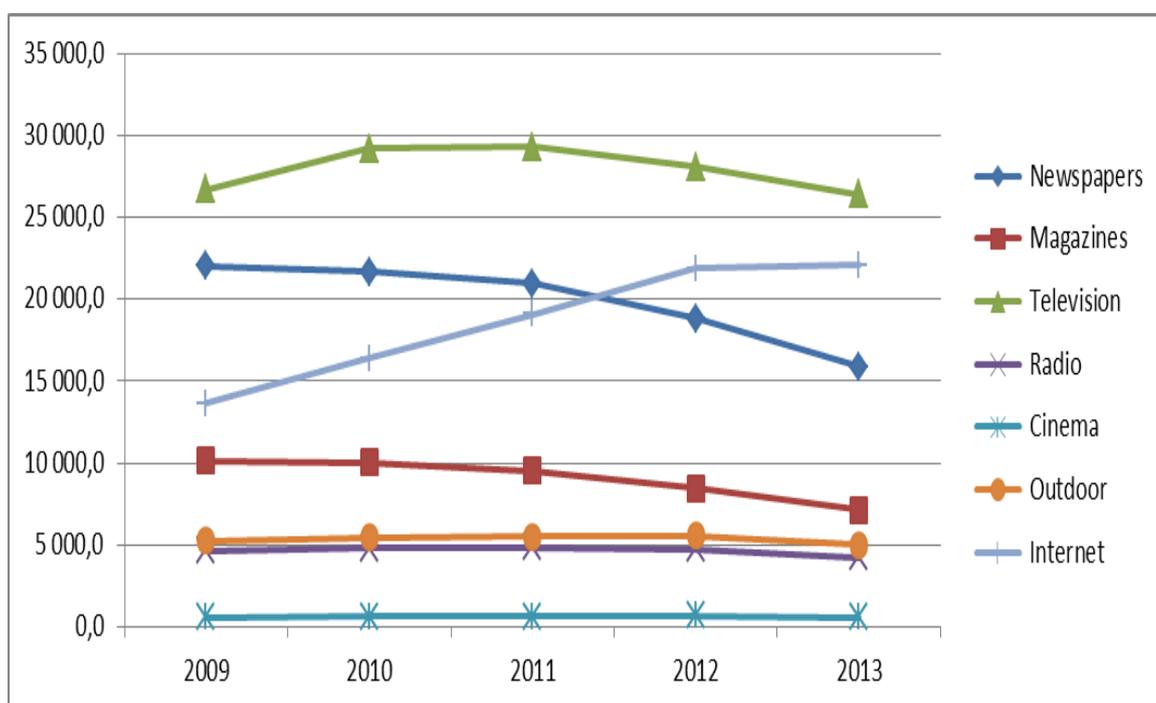


Source: Warc

**Figure 12 BREAKDOWN OF AD SPEND IN THE EU (2009-2013)**
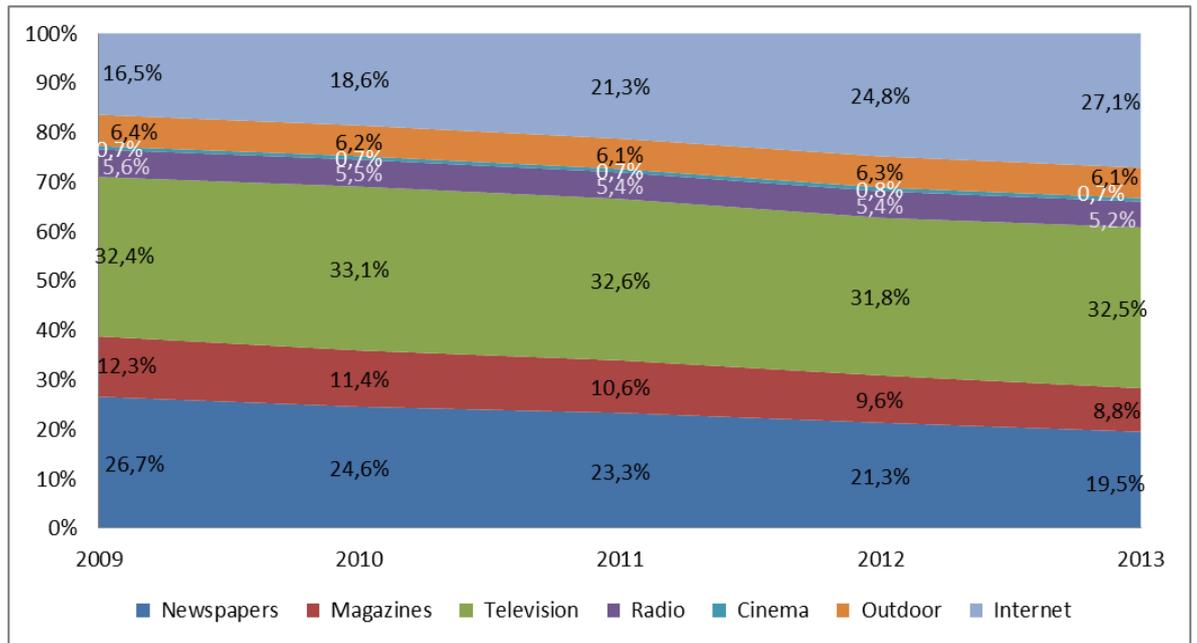


Source: European Audiovisual Observatory on Warc data.

Warc, the reference source for display adspend in Europe does not provide details on the breakdown of adspend by type of advertising and type of stakeholder.

To have an idea of the relative importance of video advertising[5] (in-stream) in relation to overall Internet adspend, it is necessary to mix data provided by Warc and estimates on video adspend provided by IAB in the IAB Adex Benchmark 2013[6].

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[5] For a defintition of video advertising and associated metrics please consult:
http://www.iab.net/digitalvideoinstream
[6] Available at:
http://www.iabeurope.eu/files/8014/1111/3050/IAB_Europe_AdEx_Benchmark_2013_Report_v3.pdf
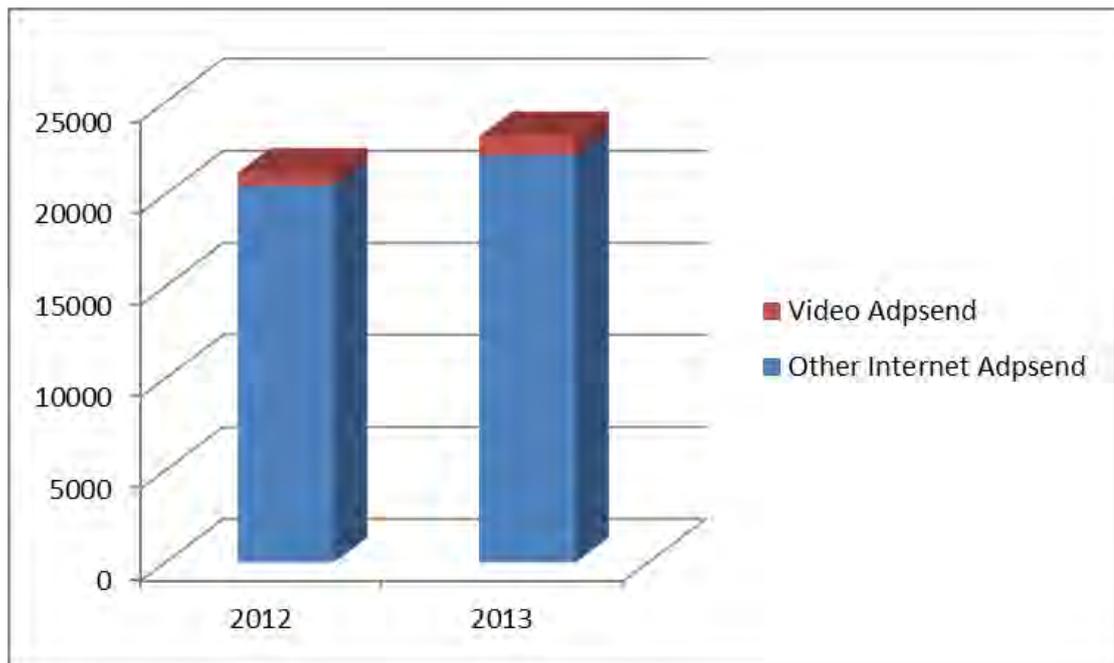
Unfortunately, there are as yet no comprehensive data on how Internet adspend is distributed among the various stakeholders:

- Open UGC platforms: YouTube, Dailymotion, etc
- Social networks: Facebook
- Broadcasters' websites
- Newspaper websites with video
- Portals (MSN, Yahoo, etc)
- Free VoD (Viewster)
- Websites with adult content.

For an overview of the European online advertising market and display advertising in particular, please consult the chapter on *"Online advertising in the EU"*.

# 9    The role of on-demand audiovisual services in the promotion of European works

Complementary to the work undertaken by the European Commission in collaboration with the member states and the regulatory authorities, the Observatory has undertaken data collection to analyse the practice of providers with regard to the issue of promoting European works.[7]

The reports provide the results of two different methodologies

- Questionnaire based on self-declarations by VoD service providers  (74 VoD services based in Europe)
- Rovi data on the origin of audiovisual works in the catalogues of seven VoD services, based on an exhaustive analysis of the metadata of works provided as of mid-October 2014. The seven VoD providers were the only to allow the Observatory access to their VoD catalogues through the Rovi data and are not a result of a choice made by the European Audiovisual Observatory.

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Results of the questionnaire survey

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- – 285 services contacted, 74 replies received (26%), 25 pending (11%)
- – Replies for 19 countries of establishment of VoD services (no reply from BG, CY, EE, FI, HU, IE, IT, MT, LT)
- – 10 different business models, most common were 21 TVoD services, 20 SVoD and 13 EST
- – Proportion of European works
- – 50% of services declared a proportion below 50% for European works
- – 24.3% declared a proportion above 50%
- – 25% did not provide any information on the proportion of European works in their catalogues

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[7] See Note 3: *The proportion and prominence of European works in VoD catalogues*

**Table 5 Range of proportion of European works in VoD catalogues,** *in numbers and%*

| Range - Proportion of European works | Number of services | in % |
|---|---|---|
| 0%-10% | 7 | 9.46% |
| 11%-20% | 9 | 12.16% |
| 21%-30% | 7 | 9.46% |
| 31%-40% | 8 | 10.81% |
| 41%-50% | 7 | 9.46% |
| 51%-60% | 7 | 9.46% |
| 61%-70% | 1 | 1.35% |
| 71%-80% | 4 | 5.41% |
| 81%-90% | 4 | 5.41% |
| 91%-100% | 1 | 1.35% |
| n.a. | 19 | 25.68% |

**By business model:**

- TVoD: 57% declared a proportion of European works below 50%, 38% declared a proportion above 50%, one did not reply
- SVoD: 16% declared a proportion of European works below 50%, 15% proportion a share above 50%, one did not reply

**Means of ensuring the prominence of European works:**

- The methods most commonly used are promotion on homepages (86.4% of the replies) and the presence of European film trailers (79.7%)
- Special offers (44.5%) and recommendations through an algorithm (40.5%) were employed by less than half of the VoD services surveyed
- Even fewer employed a search function by country of origin (12.1%) and had a European film section (13.5%)
- No major differences by business model

## Analysis by Rovi on the basis of metadata for seven services

Catalogues of seven VoD services:

- Viewster (established in Switzerland and available Europe-wide, but also worldwide)
- VideoFutur (established in France)
- SF Anytime (established in Sweden)
- Maxdome (established in Germany)
- Wuaki.tv (established in Spain and available in Spain and the United Kingdom)
- Telecom Italia (established in Italy)
- BlinkBox (established in the United Kingdom)

Only one VoD service has a proportion of European works above 50% in the catalogue. All other services have a proportion of non-European content above 50%. The genres where European works are the least present in VoD catalogues are feature films and animation. TV series and TV films are the genres which have the highest proportion of works of European origin in the catalogues of the seven VoD services.

Feature films and animation are the genres with the smallest proportion of European works (36% and 45% of the catalogues respectively), whereas TV series (58%) and TV films (59%) are the genres with the the highest proportion of European productions.

Significant differences between VoD services with regard to the composition and proportion of European works in the catalogues

**Figure 13** **Percentage of total video works in VoD catalogues by origin and genre, Rovi data, in %**
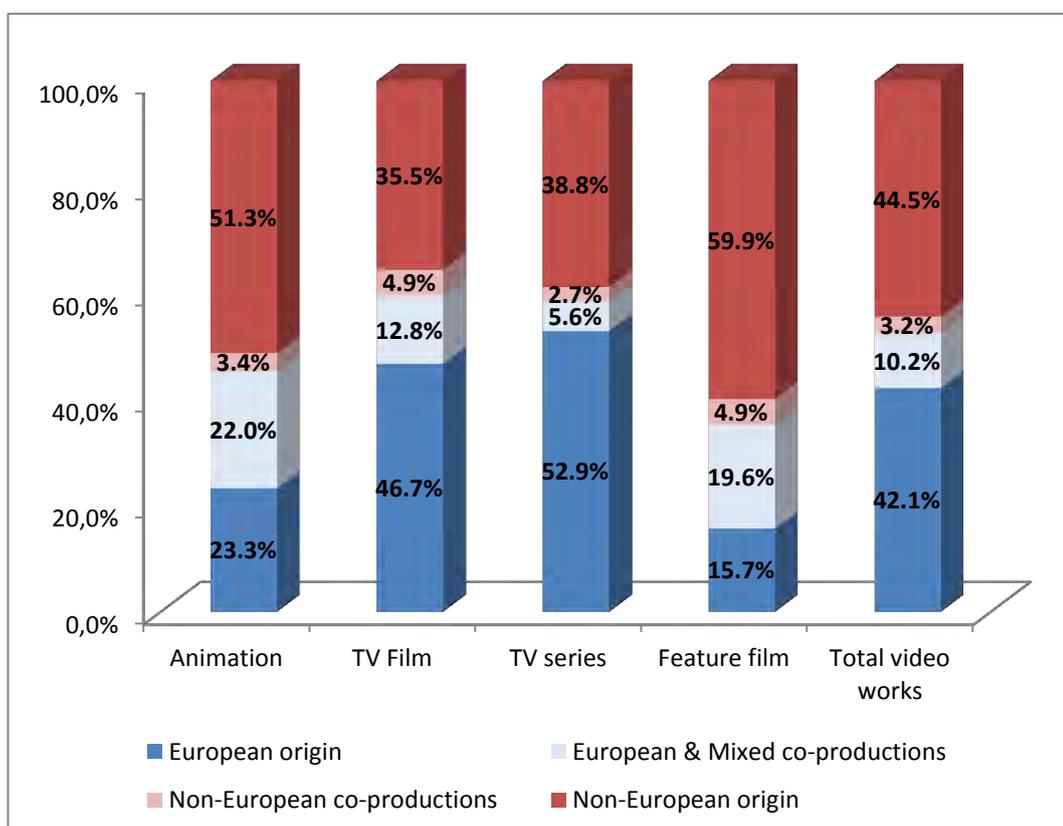
**Figure 14 Percentage of total video works by origin and by VoD service**
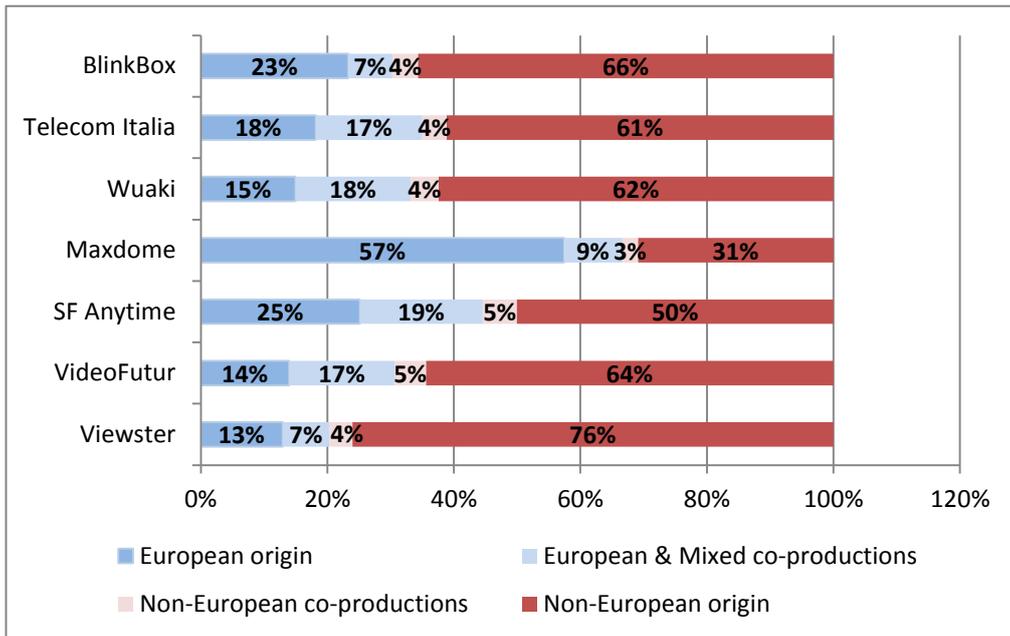


Source: European Audiovisual Observatory, based on Rovi data

# 10 MAVISE database– Data on on-demand audiovisual services in Europe

## 10.1 Number of on-demand audiovisual services in the European Union as of the 31st December 2014

The following note is a short description of tables of on-demand audiovisual services (ODAS) available and established in member states of the European Union as listed in the MAVISE database (http://mavise.obs.coe.int/). The data are as of the 31st December 2014.

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### Census of on-demand services: the MAVISE database

The definition of on-demand audiovisual services adopted in MAVISE is both wider and more pragmatic than that provided by the Audiovisual Media Services Directive. The aim of the MAVISE census is not to interpret the law but to present as complete as possible a picture of an extremely complex and rapidly changing market for which few reliable data are available. In other words, we can say that the Observatory's MAVISE data collection is endeavouring to identify on-demand media services as defined by the Directive but has supplemented the analysis by including services that do not, at the outset, fall within the definition contained in the Directive, including, in particular, services in respect of which it is debatable whether or not it is correct to describe them as on-demand audiovisual services ("branded channels" in the iTunes or Xbox Video catalogue; podcasts and applications for smartphones and tablets that permit access to on-demand catalogues; applications for Smart TV or services on video-sharing platforms like YouTube and Dailymotion).

MAVISE allows extracting lists (and statistics) of on-demand audiovisual services (ODAS) established in a country and available in a country[8] in the European Union.

- Tables relating to the establishment of ODAS in member states of the European Union and to ODAS established in non-member states targeting member states of the EU:

  o Table T.1 "Number of on-demand audiovisual services by country of establishment and by genre"
  o Table T.4 "Number of VoD services targeting primarily another country by country of establishment"

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[8] A large number of free on-demand audiovisual services online are accessible worldwide. By "services available in a country" we consider only those for which there are clear indications that when established in a country A they target a country B: use of the language of the country B not in use in the country A, commercial marketing in the country B, delivery via a platform in the country B, etc.

- Tables relating to the availability of ODAS in member states of the EU:
  - Table T.2 "Number of legal VoD services available by country in the EU"
  - Table T.3 "Other kind of on-demand audiovisual services available by country in the EU"
  - Table T.5 "Number of on-demand audiovisual services available in the EU without double-counting"[9]
  - Table T.6 "Number of legal VoD services available by country and by country of establishment"

## VoD services and other on-demand audiovisual services

MAVISE categorizes ODAS services in 17 different categories (10 different categories of VoD services depending on the content in catalogues, 7 other on-demand audiovisual services such catch-up TV services, branded channels on UGC platforms or news services and portals).

### VoD services

The 10 VoD categories:
- VoD Generalist: VoD services providing various categories of works: films, fictions, documentaries, children programmes,…
- VoD Films: VoD services with only films in catalogues
- VoD TV fiction: VoD services with only TV fiction catalogues in catalogues
- VoD Films & TV fiction: VoD services proposing a mix of films and TV fiction
- VoD documentary: VoD services providing mainly documentaries
- VoD Children/animation: VoD services providing mainly content for children and animation
- VoD Music: VoD services providing music video clips
- VoD Lifestyle: VoD services proposing content on lifestyle (decoration, fitness, …)
- VoD General Interest: VoD services providing programmes of general interest
- VoD Adult: adult content (registered by a regulatory authority or part of the line-up of a distribution platform)

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[9] This table was especially requested by DG Connect this year. Although statistics of ODAS available in the EU include double-counting (as many ODAS target two or more countries), this table has been created by counting ODAS established in the EU and by adding ODAS established in other countries (USA, Switzerland and Canada) which target countries in the EU.

**Table 6 Summary - Overview of VoD services established and available (without double-counting) in the EU**

| | Established in EU 28 | Available in EU 28 (without double-counting) |
|---|---|---|
| VoD Generalist | 100 | 104 |
| VoD Films | 385 | 521 |
| VoD TV fiction | 123 | 145 |
| VoD Films & TV fiction | 84 | 86 |
| VoD documentary | 34 | 40 |
| VoD Child-ren/animation: | 83 | 92 |
| VoD Music | 62 | 69 |
| VoD Lifestyle | 22 | 34 |
| VoD General Interest | 3 | 10 |
| VoD Adult | 45 | 50 |
| **Total VoD services** | **941** | **1151** |

Source: MAVISE/OBS

**Figure 15 Summary Chart: Established and available VoD services in the EU**
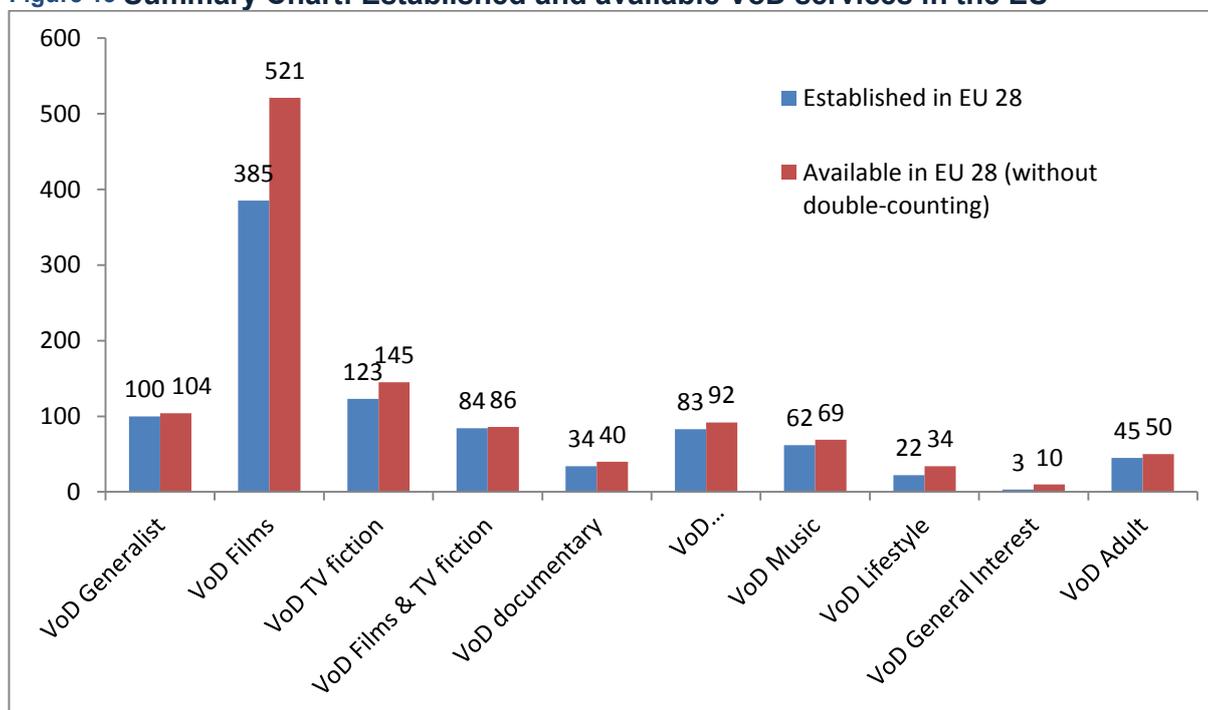


Source: MAVISE/OBS

## Other on-demand audiovisual services

The 7 categories of other on-demand audiovisual services:

- Branded channels of broadcasters on open platforms[10]: Broadcasters branded channels on Dailymotion, YouTube
- Catch-up TV services: Services allowing for time shifted viewing provided by broadcasters
- News/Portals: Portals such as MSN, Yahoo! and video pages of newspapers websites.
- Film/TV archives
- Film trailers: websites focusing on providing trailers
- Sport: Services providing access to sport events or archives of sports events
- Various: on-demand audiovisual services falling in neither of the above categories providing videos

**Table 7  Summary - Overview of other on-demand audiovisual services established and available (without double-counting) in the EU**

|  | Established in EU 28 | Available in EU 28 (without double-counting) |
|---|---|---|
| Branded channels | 408 | 411 |
| Catch-up TV services | 932 | 932 |
| News/Portals | 97 | 102 |
| Film/TV archives | 25 | 26 |
| Film trailers | 45 | 45 |
| Sport | 50 | 66 |
| Various | 65 | 83 |
| **Total** | **1622** | **1665** |

Source: MAVISE/OBS

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[10] Branded channels of TV shows have been excluded as of the 31st December 2015. Only branded channels of broadcasters are taken into consideration.

**Figure 16 Summary Chart: Established and available other on-demand audio-visual services in the EU**
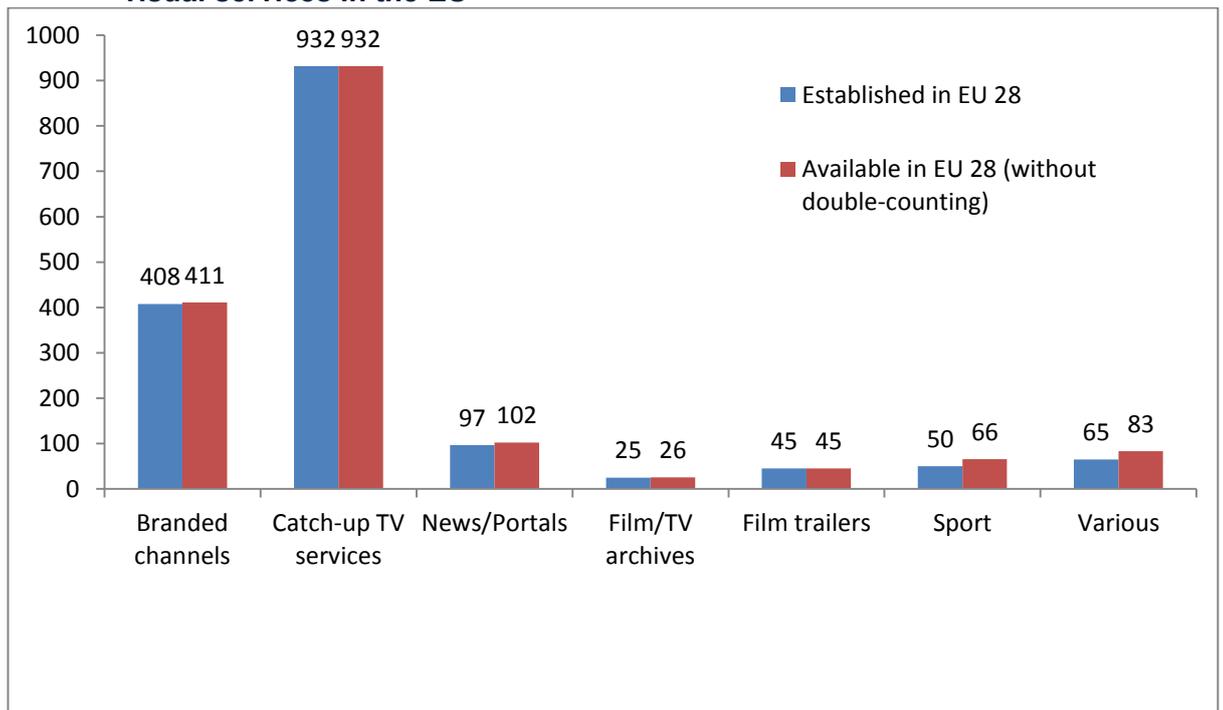


Source: MAVISE/OBS

## 10.2 Tables "On-demand audiovisual services established in the EU" (T.1 & T.4)

### T.1 Number of on-demand audiovisual services by country of establishment and by genre in the EU (December 2014)

To give a comprehensive picture of the range of on-demand audiovisual services in Europe, it is important to take account of services established in non-European countries that clearly target one or more European countries. Of course, quite a number of services established outside Europe are accessible; as they are not geolocated and do not clearly target Europe. It is almost impossible to provide any figure on the number of worldwide services as this is increasing every month, but some of them are clearly targeting Europe, this is the case of:

- VoD services charging prices in EUR or in any national European currency (Google Play Movies services for France, Germany, the UK; various SVoD services on YouTube, French, German and Turkish versions of MUBI, etc)
- Services distributed by European platforms, in particular through the Xbox Live service operated by Microsoft Luxembourg S.A. Most of the Hollywood studios are operating VoD catalogues on this platform. Although no precise information is provided on their country of establishment, there are serious grounds for assuming that they are operated directly by the US mother company
- Services for which a detailed analysis by a European regulatory authority has concluded that they are established in a non-EU country. This is the case of the services operated by the Playboy Group for the UK market. After investigation, OFCOM reached the conclusion that those services were operated from Canada.

**T.1 Number of on-demand audiovisual services by country of establishment and by genre in the EU (December 2014)**

| Country | Branded channels on open platforms (1) | Catch up TV services (2) | News / Portals (3) | VoD Generalist (4) | VoD Music | VoD Films | VoD Films + TV fiction | VoD TV fiction | VoD Docu-mentary | VoD Children/ Animation | Film / TV archives | Film trailers | Sport (5) | VoD Lifestyle | VoD General Interest | VoD Adult (6) | Various | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AT | 4 | 35 | 10 | 1 | | 7 | | 1 | | 2 | | | 2 | 1 | 1 | | 2 | 66 |
| BE | 10 | 22 | 4 | 7 | 2 | 23 | 6 | 2 | | 1 | 1 | 3 | 2 | | 1 | 4 | 4 | 92 |
| BG | 1 | 10 | | 5 | 1 | 4 | | | | | | | | | | | 1 | 22 |
| CY | 2 | 4 | | 1 | | 11 | | 3 | | | | | | 1 | | | | 22 |
| CZ | 4 | 15 | 9 | 7 | 9 | 4 | 19 | 1 | | 4 | 1 | 1 | 7 | 4 | | 2 | 9 | 96 |
| DE | 59 | 99 | 6 | 3 | 5 | 25 | 10 | 27 | 5 | 11 | 3 | 8 | 3 | 5 | 1 | | 4 | 274 |
| DK | 3 | 16 | 2 | 1 | | 7 | 4 | 1 | | | | 9 | | | | | | 43 |
| EE | 2 | 7 | | | | 2 | | | | | | | | | | | | 11 |
| ES | 18 | 27 | 2 | 8 | 2 | 16 | 1 | 11 | 1 | 1 | 1 | 3 | 4 | | | | 2 | 97 |
| FI | 1 | 5 | | 2 | | 10 | 1 | 2 | | 1 | 1 | | | | | | 2 | 25 |
| FR | 104 | 126 | 9 | 20 | 10 | 41 | 3 | 16 | 9 | 20 | 2 | 12 | 4 | 11 | | 14 | 11 | 412 |
| GB | 78 | 198 | 10 | 18 | 25 | 45 | 2 | 45 | 16 | 29 | 4 | 2 | 17 | | | 15 | 11 | 515 |
| GR | 10 | 17 | 1 | | | 4 | | 1 | 1 | | | 1 | | | | | | 35 |
| HR | 2 | 4 | | 1 | | 4 | 2 | | | | | | | | | | 1 | 14 |
| HU | 5 | 60 | 3 | | | 6 | | | | 1 | | | | | | | 3 | 78 |
| IE | 8 | 6 | | | 3 | 2 | | 1 | | 2 | 1 | | | | | | | 23 |
| IT | 17 | 33 | 12 | 1 | 1 | 9 | 4 | 4 | 1 | 1 | 2 | 3 | 2 | | | | 6 | 96 |
| LT | 5 | 5 | | | | 4 | | | | | | | | | | | | 14 |
| LU | 2 | 9 | 17 | 1 | | 77 | 3 | | | 3 | | | | | | 1 | | 113 |
| LV | 2 | 15 | | | | 1 | 1 | | | | | | | | | | | 19 |
| MT | 1 | 2 | | | | 1 | | | | | | | | | | | | 4 |
| NL | 29 | 32 | | 1 | 1 | 18 | 15 | 2 | | 2 | 4 | 2 | 2 | | | 2 | | 110 |
| PL | 17 | 38 | 2 | 9 | 2 | 20 | 1 | 5 | | | | 4 | 1 | 1 | | 1 | 6 | 107 |
| PT | 9 | 21 | | 2 | 1 | 3 | | 1 | | 2 | | | | | | | | 39 |
| RO | 7 | 22 | | 8 | | 2 | | | | | | | | | | | 1 | 40 |
| SE | 3 | 84 | 4 | | | 32 | 11 | | | 1 | 1 | | 5 | | | 1 | 2 | 144 |
| SI | 2 | 5 | | 2 | | 5 | | | 1 | 1 | | | | | | 3 | | 19 |
| SK | 3 | 15 | 6 | 2 | | 2 | 1 | | | 1 | | | | 1 | | | 2 | 33 |
| Total EU | 408 | 932 | 97 | 100 | 62 | 385 | 84 | 123 | 34 | 83 | 25 | 45 | 50 | 22 | 3 | 45 | 65 | 2 563 |

(1) Broadcasters branded channels on Dailymotion, YouTube,… established in the country.

(2) Catch-up TV services or promotionnal web services by broadcasters of the country or targeting the country.

(3) Portals such as MSN, Yahoo! and video pages of newspapers websites.

(4) VoD services accessible in the country providing a mix of films and various categories of TV programmes.

(5) Services providing access to sport events or archives of sports events.

(6) Includes only services registered by a regulatory authority or part of the line-up of of a distribution platform.

Source: MAVISE/OBS

Table 1 (T.1) lists the number of ODAS established by country in the EU 28. As of the 31$^{st}$ December 2014, 2 563 ODAS are established in the EU with catch-up TV services (36% or 932 services), branded channels (16% or 408 services) and VoD Films services (15% or 385 services) being the ODAS genres which are the most established in EU member states.

The United Kingdom (515), France (412) and Germany (274) are the countries in the EU with the most ODAS established in their territory.

In total, 941 VoD services (or 36.7% of total ODAS services established in the EU) and 1 622 other on-demand audiovisual services (63.3%) are established in the EU.

**Figure 17 Overview of ODAS established in the EU, in % of total (December 2014)**



Source: MAVISE/OBS

43
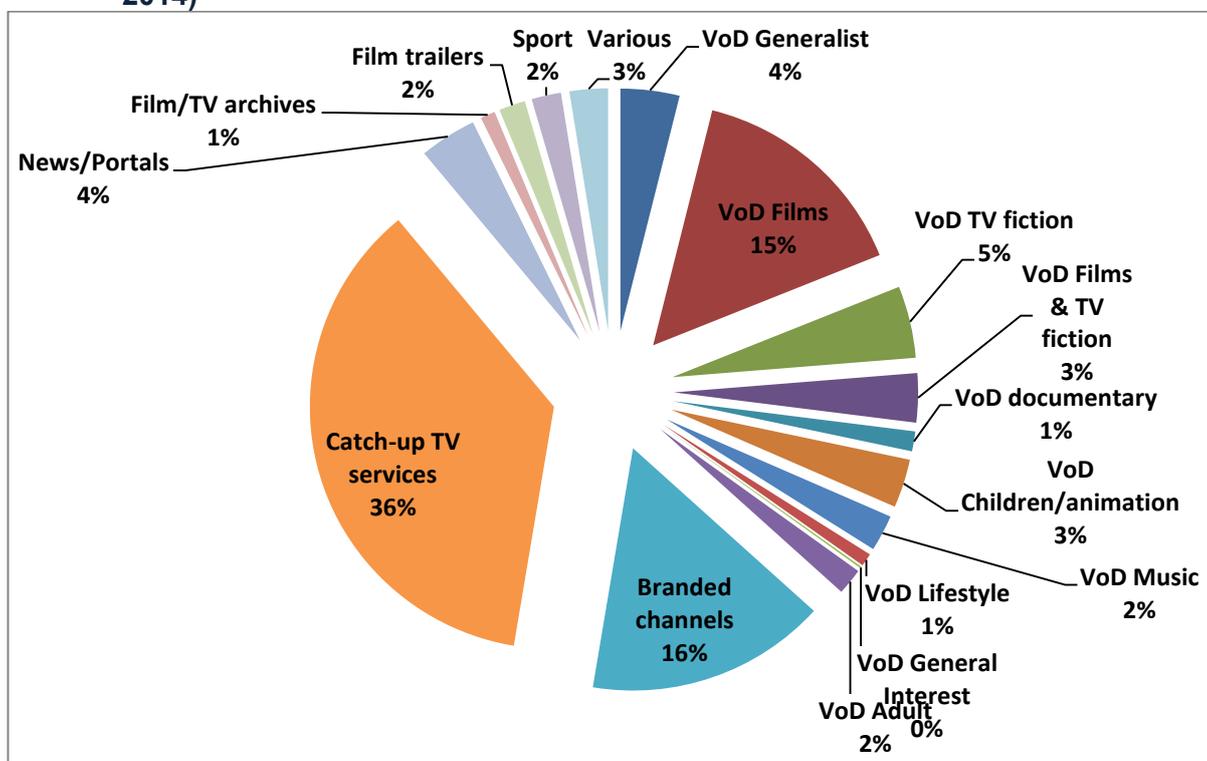
**Figure 18 Overview of ODAS established in the EU, in absolute numbers (December 2014)**
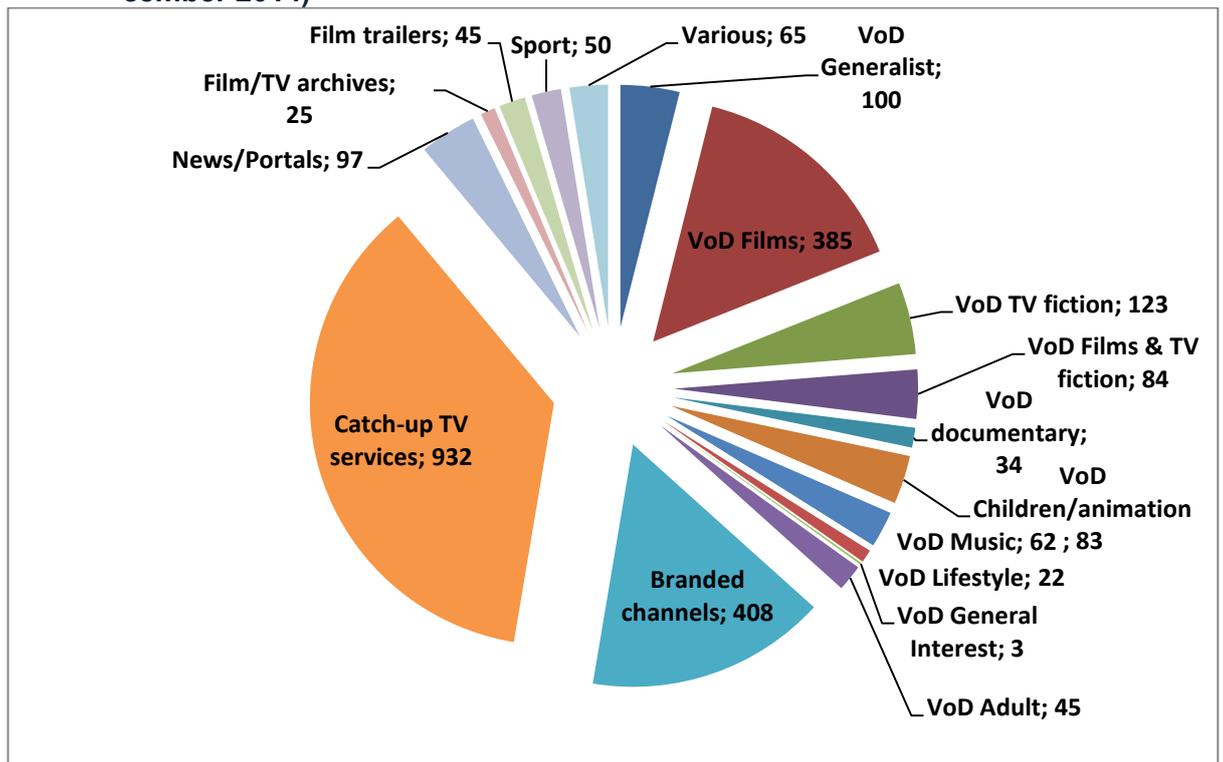


Source: MAVISE/OBS

Looking only at VoD services, the genres of VoD service which are the most established in EU countries are VoD Film services (41% of the total of VoD services), VoD TV fiction (13%) and VoD Generalist (11%).

**Figure 19 VoD services established in the EU by genre, in % of total (December 2014)**
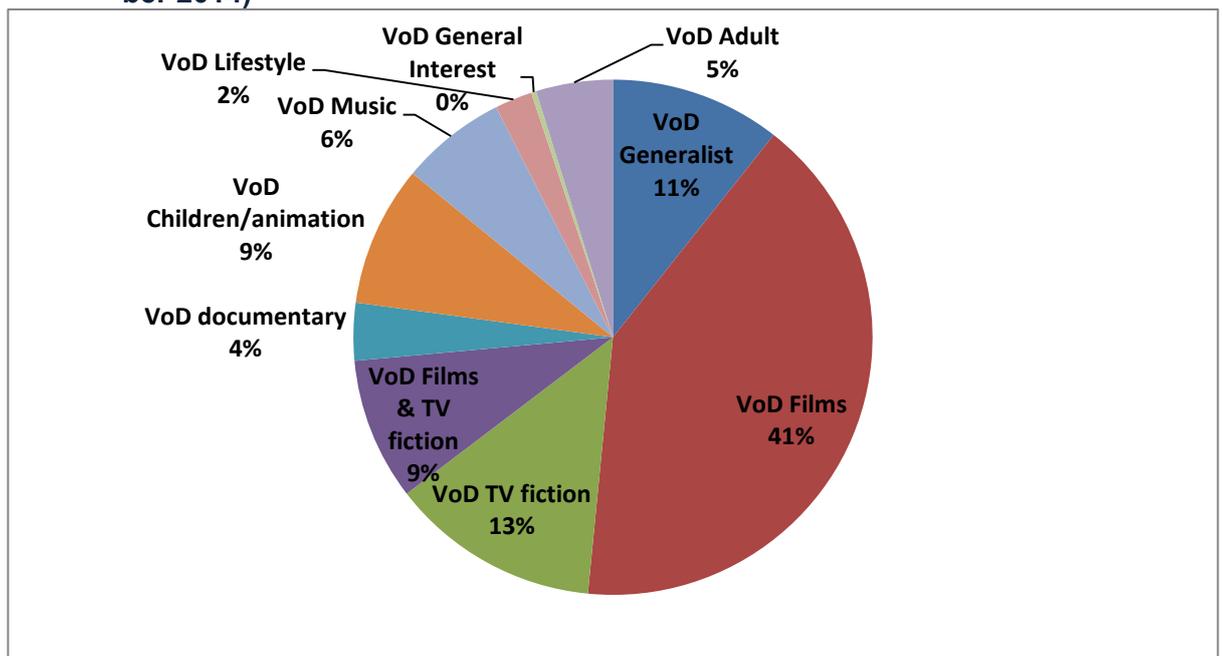


Source: MAVISE/OBS

**Figure 20 VoD services established in the EU by genre, in absolute numbers (December 2014)**



VoD General Interest; 3
VoD Adult; 45
VoD Lifestyle; 22
VoD Music; 62
VoD Generalist; 100
VoD Children/animation; 83
VoD documentary; 34
VoD Films & TV fiction; 84
VoD Films; 385
VoD TV fiction; 123
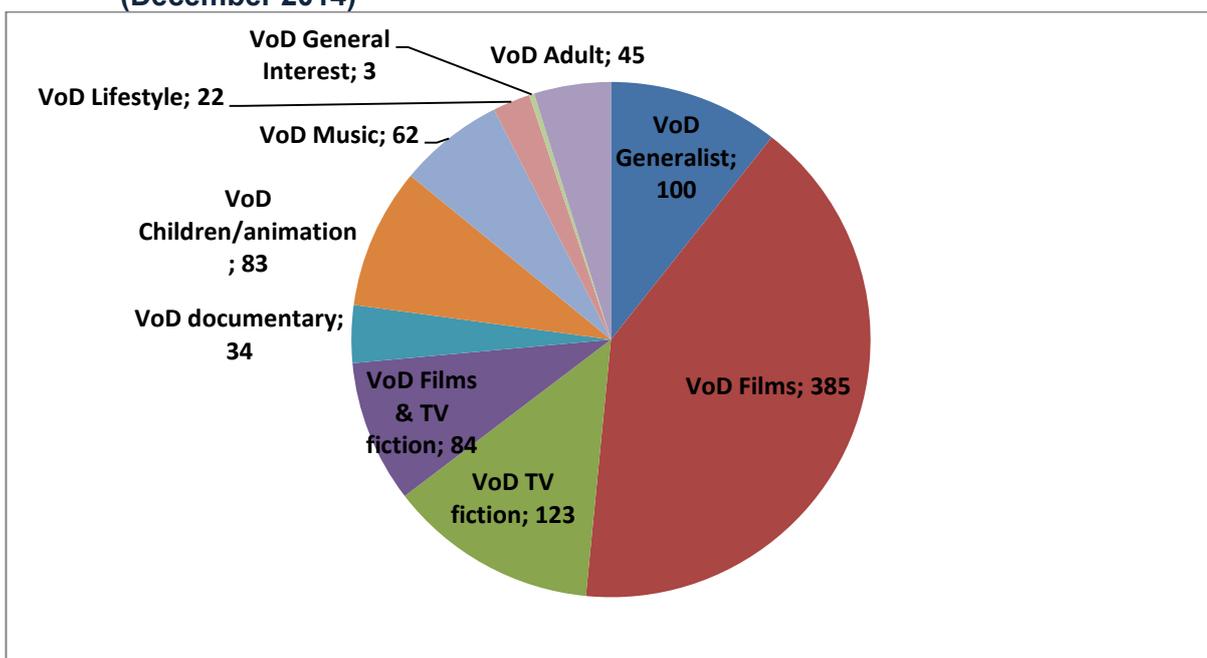
Source: MAVISE/OBS

When considering only other on-demand audiovisual services (therefore excluding VoD services), catch-up TV services (57%) and branded channels (25%) are the main ODAS services established in the European Union.

**Figure 21 ODAS services established in the EU by genre, in % of total (December 2014)**



Sport 3%
Film trailers 3%
Various 4%
Film/TV archives 2%
News/Portals 6%
Branded channels 25%
Catch-up TV services 57%
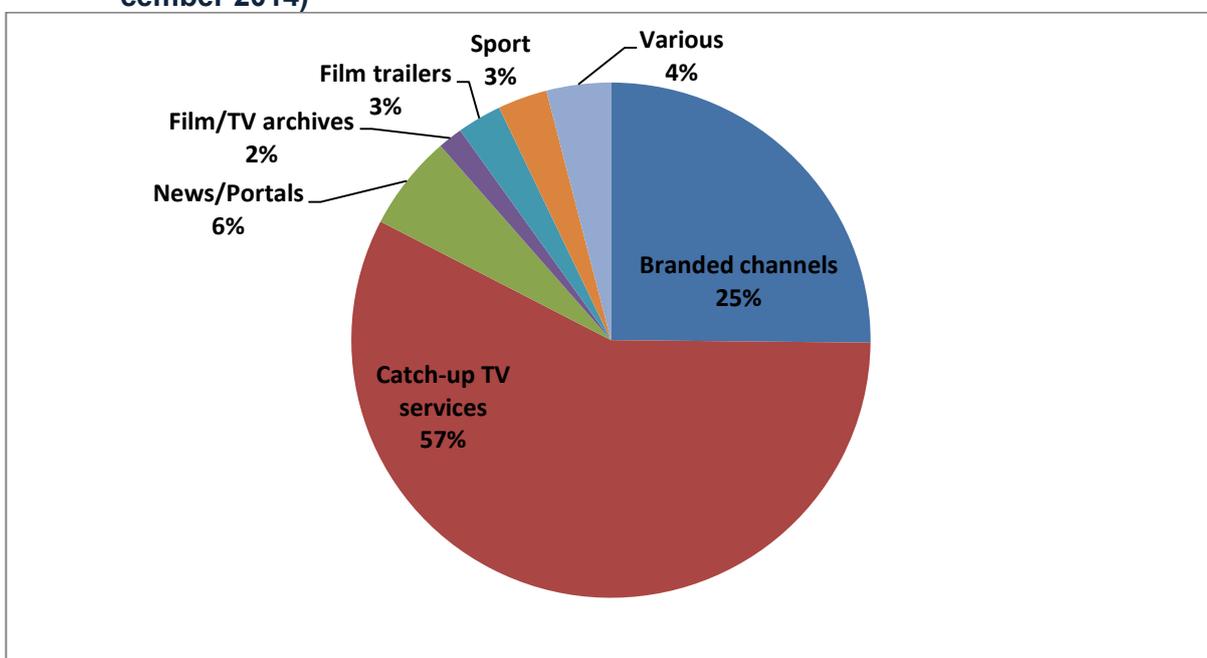
Source: MAVISE/OBS

**Figure 22 ODAS services established in the EU by genre, in absolute numbers (December 2014)**
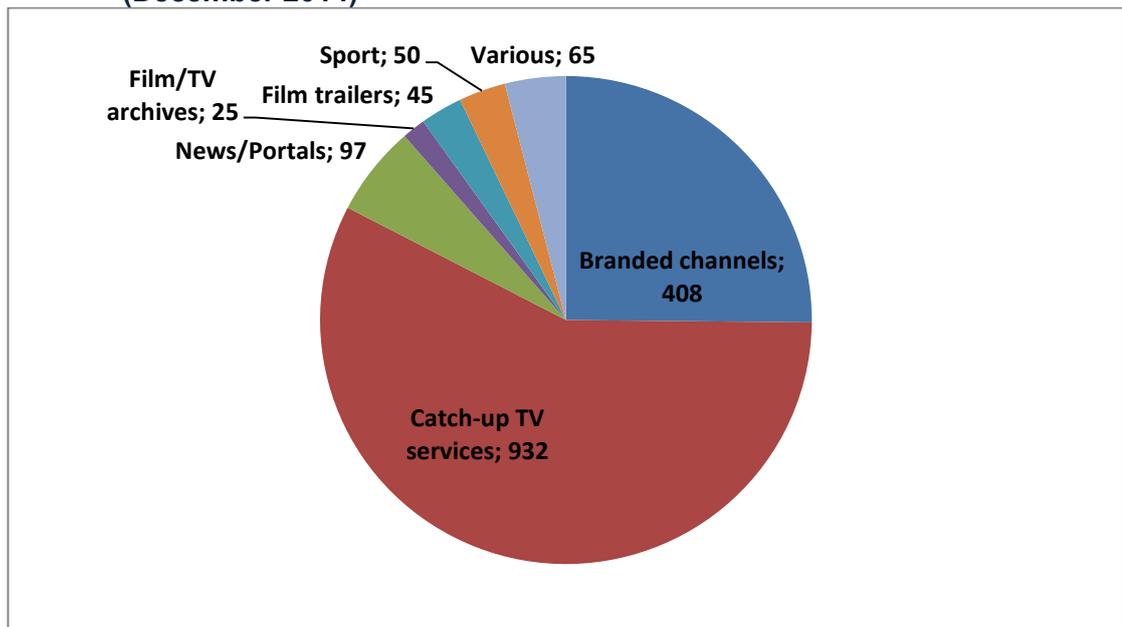


Source: MAVISE/OBS

The United-Kingdom (20% of total services or 515 ODAS established), France (16% or 412 established services) and Germany (11% or 274 established services) have the most ODAS established on their territory. Sweden (6% or 144 established services), Luxembourg (4% or 113 established services) and the Netherlands (4% or 110 established services) are following. The ODAS services established in those countries are, for some of them, targeting other EU countries.

**Figure 23 ODAS services established in the EU by country, in percentage of total (December 2014)**



Source: MAVISE/OBS

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**Figure 24 ODAS services established in the EU by country, in absolute numbers (December 2014)**



Source: MAVISE/OBS

**Figure 25 Number of ODAS established by country, in absolute numbers (December 2015)**
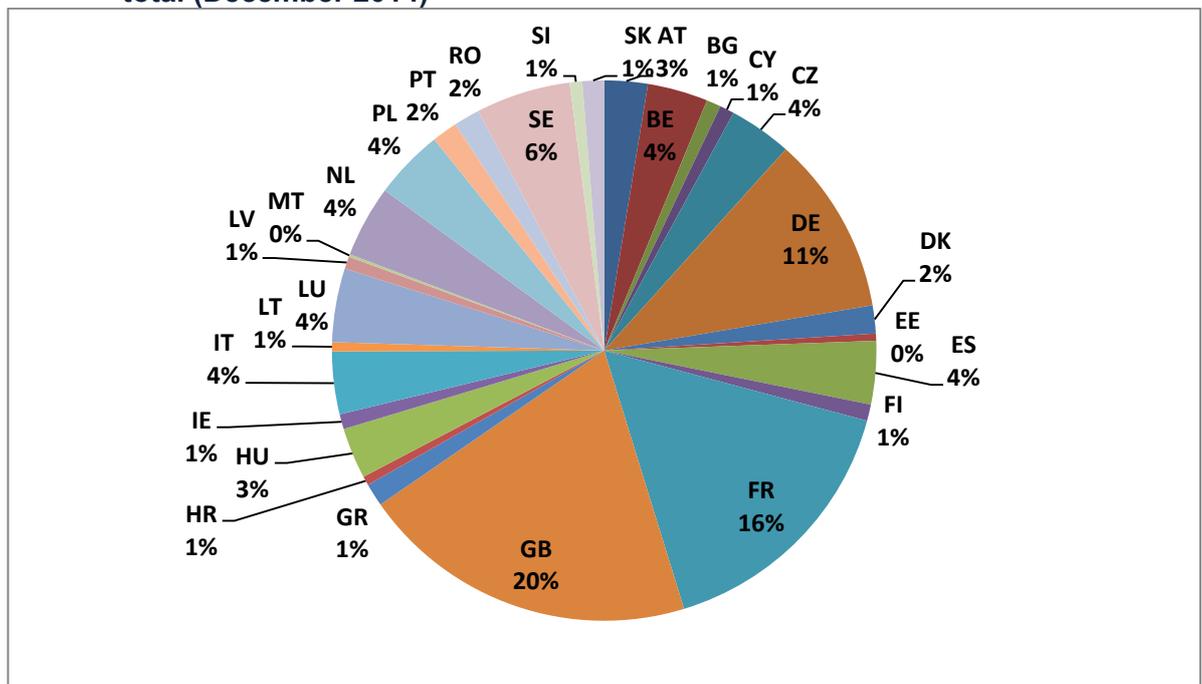


Source: MAVISE/OBS

## T.4 Number of VoD services targeting primarily another country by country of establishment (December 2014)

In this table, only VoD services (and not all on-demand audiovisual services) that are primarily targeting another EU country are taken into account. The table gives an overview of the number of VoD services established in an EU country that are mainly targeting another EU country. The United Kingdom (69), Luxembourg (29), the Czech Republic (24), France (20), Sweden (18) and the Netherlands (13) are the countries in Europe wich habor VOD services primarily targeting other EU countries. Either pan-European and international VoD services have established their center of operations in the country (as in the case of the UK, LU, CZ and NL) or national services are targeting countries in which the language/culture is similar (FR, SE).

**Table 8  T.4 Number of VoD services targeting primarily another country by country of establishment (December 2014)**

| Country | VoD services targeting primarily another EU country |
|---|---|
| AT | 1 |
| BE | 1 |
| BG | 0 |
| CY | 7 |
| CZ | 24 |
| DE | 3 |
| DK | 0 |
| EE | 0 |
| ES | 3 |
| FI | 0 |
| FR | 20 |
| GB | 69 |
| GR | 0 |
| HR | 0 |
| HU | 0 |
| IE | 2 |
| IT | 2 |
| LT | 0 |
| LU | 29 |
| LV | 0 |
| MT | 0 |
| NL | 13 |
| PL | 0 |
| PT | 0 |
| RO | 3 |
| SE | 18 |
| SI | 0 |
| SK | 0 |

Source: MAVISE/OBS

**Figure 26** **Number of VoD services targeting primarily another EU country by country of establishment, in absolute numbers (December 2014)**
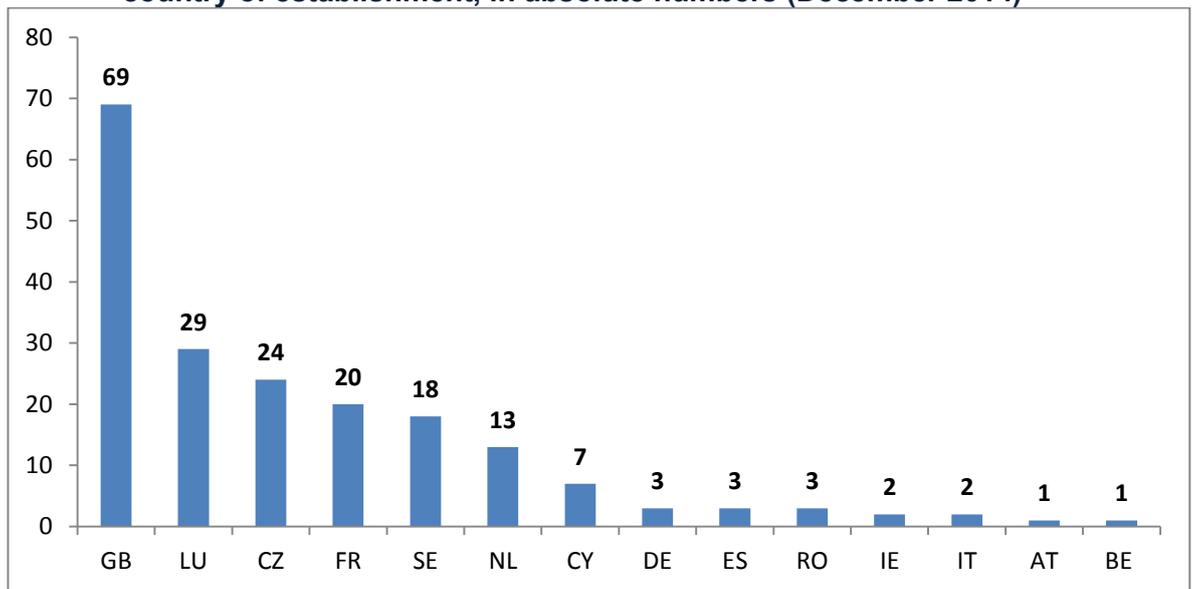
Source: MAVISE/OBS



**Figure 27** **Number of VoD services targeting primarily another EU country by country of establishment, in absolute numbers (December 2014)**
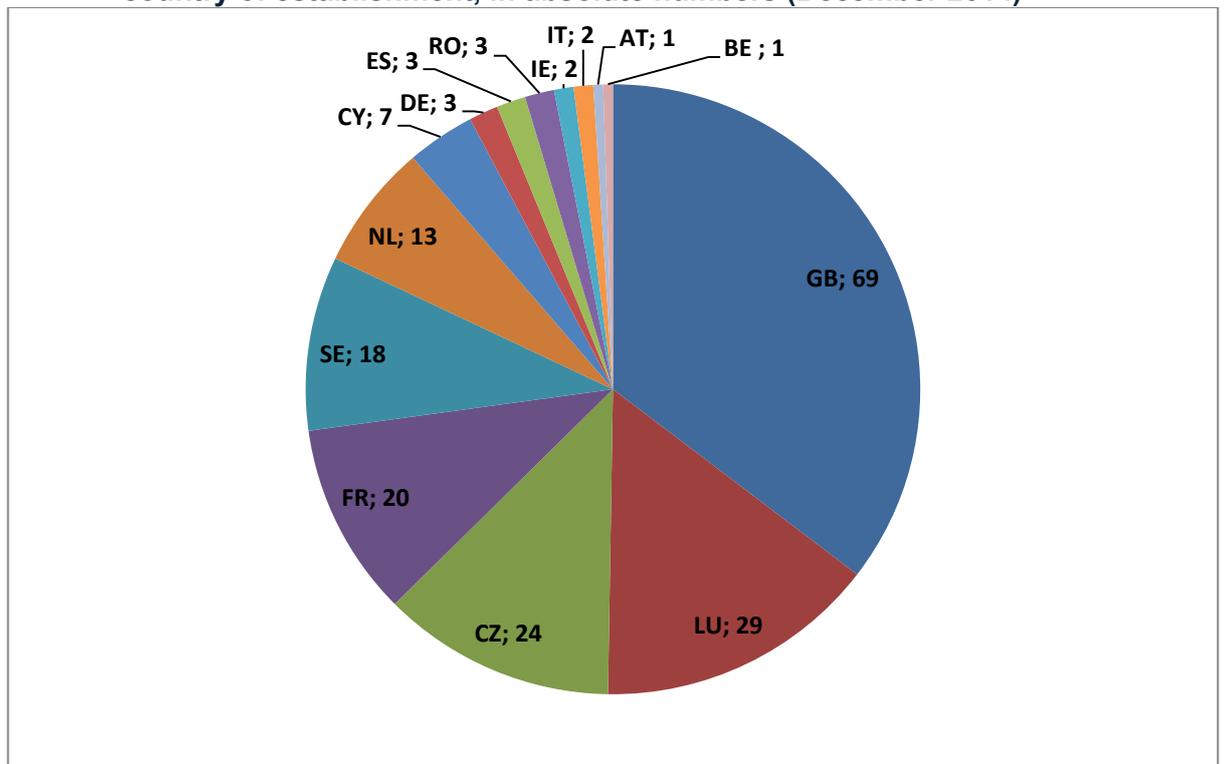
Source: MAVISE/OBS

## 10.3 Tables "On-demand audiovisual services available in the EU" (T.2, T.3, T.5 & T.6)

### T.2. Number of legal VoD services available by country in the EU

This table summarizes legal VoD services available by country and by genre. VoD services can be counted twice or several times as a same VoD service can be targeting multiple EU countries (therefore, in this table, it is not possible to give a total figure, table 5 gives the total of services available without double counting)[11]. Only VoD services targeting EU countries are taken into account, VoD services available worldwide without specifically targeting EU countries are not included as are VoD services providing adult content are.

The genres of VoD services that are the most represented in EU countries are VoD Film services and VoD Fiction services, followed by VoD children/animation services. France (223 VoD services available), the United Kingdom (225 VoD services available) and Germany (161 VoD services available) are the countries in the EU which have the highest number of VoD services available.

**Figure 28 Number of legal VoD services available by country in Europe, in absolute numbers (December 2014)**
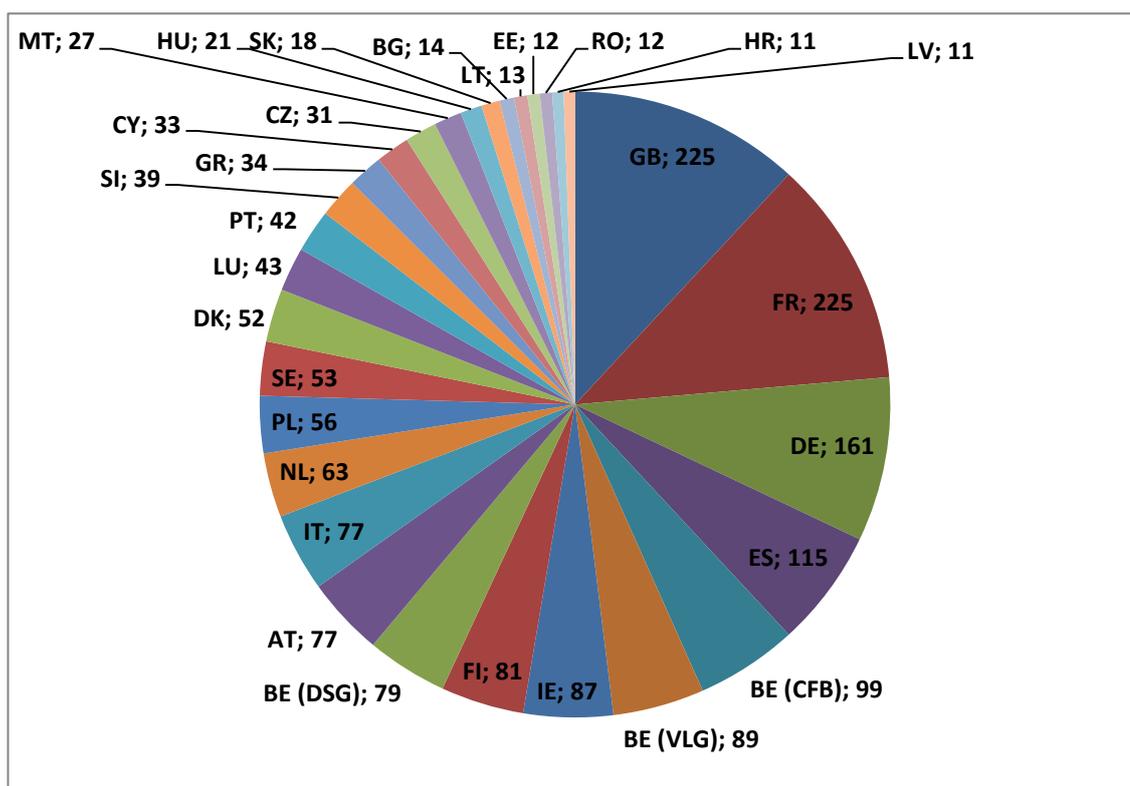


Source: MAVISE/OBS

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[11] It was not possible to give a unique figure for Belgium as the MAVISE database is designed to differentiate among the three different regulatory authorities in Belgium.

**Figure 29 Number of legal VoD services available by country in Europe, in absolute numbers (December 2014)**
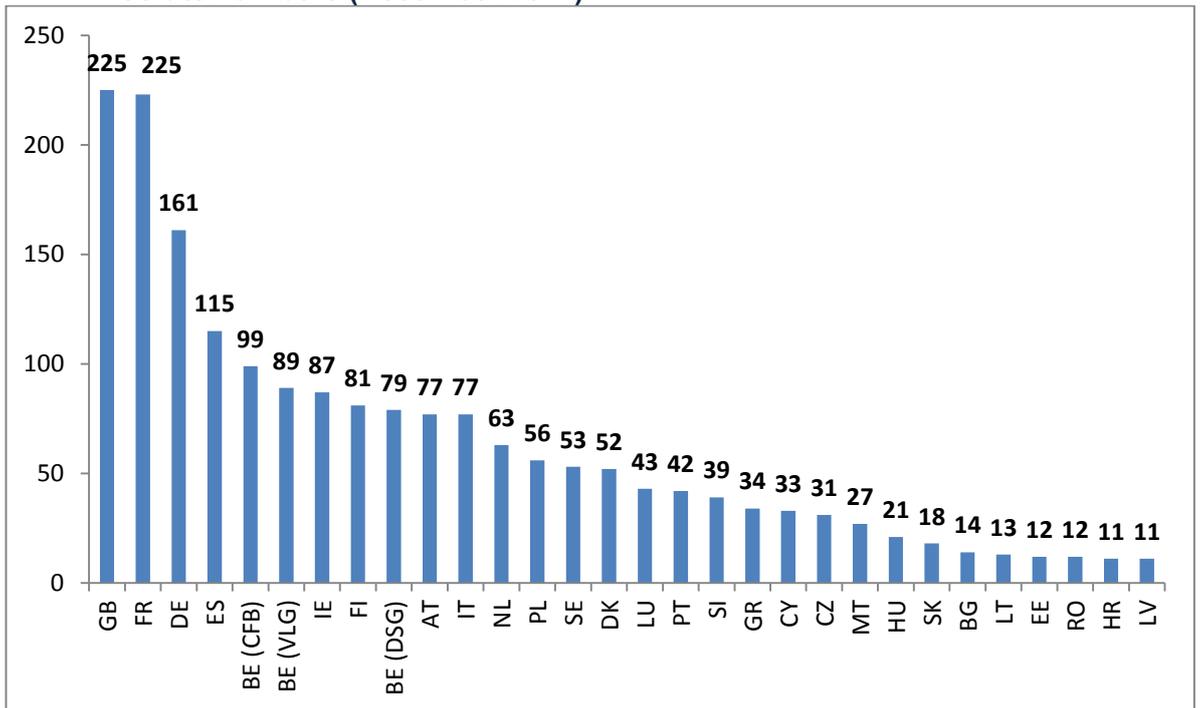


Source: MAVISE/OBS

## T.2. Number of legal VoD services available by country in Europe (December 2014)

*A service maybe be counted twice or more in two or several countries.*

| Country | Generalist (1) | Film + Fiction (2) | Films (3) | Fiction (4) | Children (5) | Docu-mentaries | General interest | Lifestyle | Music | Sport (6) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| AT | 4 | 3 | 37 | 5 | 8 | 2 | 7 | 3 | 8 | | 77 |
| BE (CFB) | 11 | 7 | 51 | 7 | 3 | 1 | 7 | 2 | 10 | | 99 |
| BE (DSG) | 4 | 5 | 42 | 5 | 4 | 2 | 8 | 2 | 7 | | 79 |
| BE (VLG) | 9 | 7 | 48 | 6 | 4 | 1 | 8 | 2 | 4 | | 89 |
| BG | 5 | 1 | 6 | | 1 | | | | 1 | | 14 |
| CY | 3 | | 12 | 6 | 1 | | 7 | 2 | 2 | | 33 |
| CZ | 7 | 2 | 6 | 1 | 3 | | | 4 | 5 | 3 | 31 |
| DE | 9 | 12 | 53 | 34 | 17 | 6 | 8 | 8 | 11 | 3 | 161 |
| DK | 4 | 9 | 34 | 2 | 2 | | | | 1 | | 52 |
| EE | 2 | | 9 | | 1 | | | | | | 12 |
| ES | 14 | 2 | 43 | 18 | 7 | 2 | 7 | 11 | 8 | 3 | 115 |
| FI | 5 | 3 | 52 | 5 | 4 | | 7 | 2 | 3 | | 81 |
| FR | 24 | 6 | 66 | 32 | 35 | 11 | 7 | 23 | 17 | 4 | 225 |
| GB | 15 | 3 | 84 | 39 | 29 | 17 | 7 | 12 | 12 | 7 | 225 |
| GR | 2 | | 13 | 5 | 2 | 1 | 7 | 2 | 2 | | 34 |
| HR | 3 | 4 | 4 | | | | | | | | 11 |
| HU | 3 | 2 | 10 | 1 | 3 | | | | 2 | | 21 |
| IE | 5 | | 55 | 4 | 5 | 3 | 7 | 2 | 6 | | 87 |
| IT | 4 | 2 | 36 | 13 | 4 | 2 | 7 | 2 | 7 | | 77 |
| LT | 2 | | 11 | | | | | | | | 13 |
| LU | 4 | 1 | 15 | 5 | 1 | | 7 | 2 | 8 | | 43 |
| LV | 2 | | 9 | | | | | | | | 11 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| MT | 2 | | 10 | 3 | 1 | | 7 | 2 | 2 | **27** |
| NL | 3 | 6 | 42 | 4 | 3 | 1 | | | 4 | **63** |
| PL | 11 | 4 | 29 | 6 | 1 | | | | 5 | **56** |
| PT | 4 | | 14 | 6 | 4 | | 7 | 2 | 5 | **42** |
| RO | 5 | 1 | 4 | 1 | 1 | | | | | **12** |
| SE | 4 | 5 | 40 | | 3 | | | | 1 | **53** |
| SI | 4 | 2 | 14 | 4 | 3 | 1 | 7 | 2 | 2 | **39** |
| SK | 4 | 3 | 7 | 1 | 2 | | | 1 | | **18** |

(1) VoD services providing various categories of works : films, fictions, documentaries, chidren pro-
grammes,…

(2) VoD services providing films and TV fictions.

(3) VoD services providing only films.

(4) VoD services providing only TV fiction works.

(5) VoD services providing only works for children and/or animation.

(6) VoD services providing archives of sport events, training programmes, etc. at the exclusion of
live events.

Source: European Audiovisual Observatory / MAVISE database

## T.3. Other kind of on-demand audiovisual services available by country in the European Union

The table summarizes the number of other kind of on-demand audiovisual services available in the EU by country and by genre. As for the table T.2., a service can be counted twice or several times as it can be available in two or several countries. For this reason, no total figures of ODAS available can be calculated. As before, it was not possible to give a unique figure for Belgium due to database restrictions.

Here again, France (260 ODAS available), Germany (208 ODAS available) and the United Kingdom are the countries in the EU with the most of ODAS available on their territory. Catch-up TV services and branded channels of broadcasters are the genres of ODAS the most represented and available in EU countries.

**Figure 30** **Number of other on-demand services available by country in Europe, in absolute numbers (December 2014)**
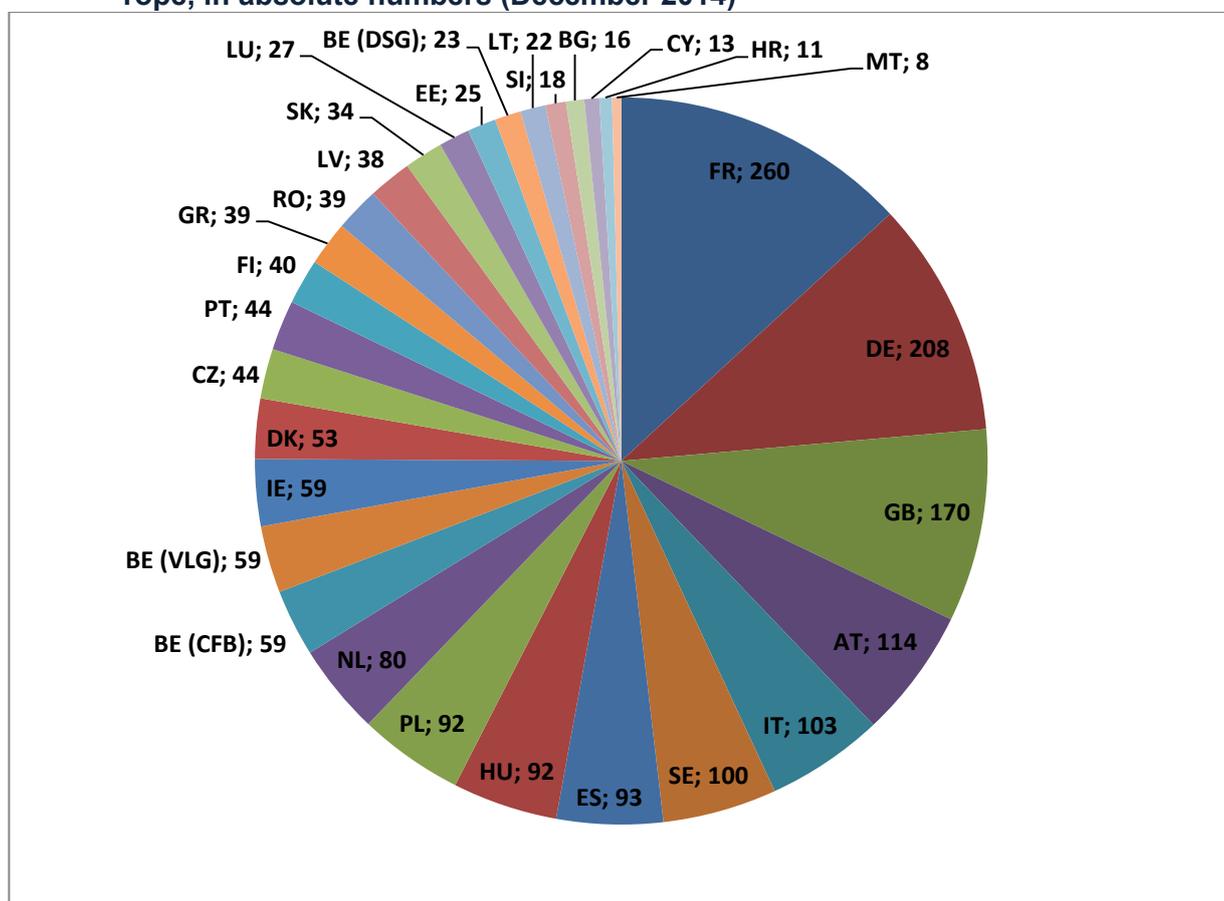


Source: MAVISE/OBS

**Figure 31 Number of other on-demand services available by country in Europe, in absolute numbers (December 2014)**
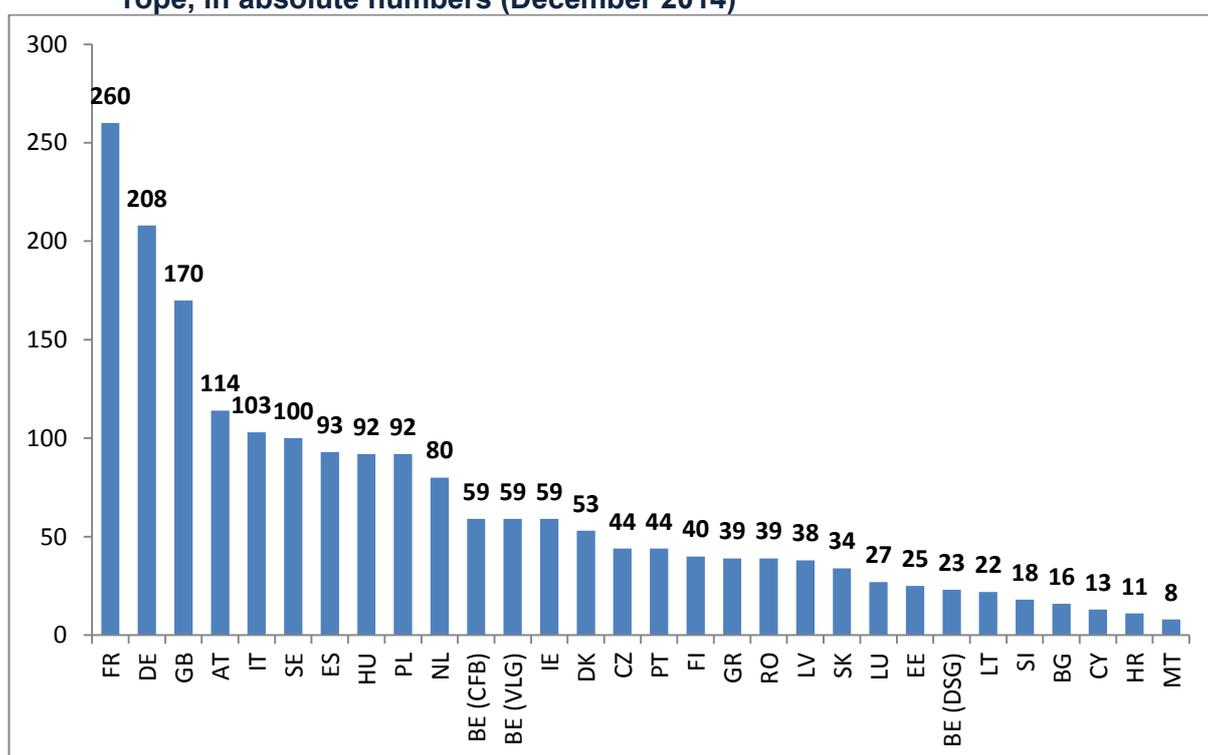


Source: MAVISE/OBS

## T.3. Other kind of on-demand audiovisual services available in Europe (December 2014)

The various categories of services included in this table are, in most of the cases, not-geolocalised and therefore accessible worldwide. In order to have meaningful figures we consider only the services with some relevance for the considered country (mainly based on the language).

| Country | Branded channels by broadcasters [1] | Catch-up TV services [2] | News [3] | Portals [4] | Archives [5] | Sport events | Films trailers [6] | Various | Total |
|---|---|---|---|---|---|---|---|---|---|
| AT | 34 | 48 | 12 | 1 | 4 | 4 | 1 | 10 | 114 |
| BE (CFB) | 6 | 27 | 6 | 1 | 4 | 2 | 4 | 9 | 59 |
| BE (DSG) | 3 | 7 | 3 | | 3 | 2 | 1 | 4 | 23 |
| BE (VLG) | 9 | 30 | 6 | 1 | 3 | 2 | 2 | 6 | 59 |
| BG | 1 | 13 | | | 1 | | | 1 | 16 |
| CY | 3 | 4 | 2 | | 1 | 1 | | 2 | 13 |
| CZ | 3 | 15 | 7 | 2 | 2 | 5 | 1 | 9 | 44 |
| DE | 56 | 111 | 7 | 2 | 6 | 5 | 9 | 12 | 208 |
| DK | 4 | 39 | 2 | 1 | 3 | 1 | 1 | 2 | 53 |
| EE | 4 | 16 | | 1 | 3 | 1 | | | 25 |
| ES | 27 | 30 | 5 | 1 | 4 | 5 | 4 | 17 | 93 |
| FI | 2 | 26 | 2 | 1 | 4 | 2 | 1 | 2 | 40 |
| FR | 92 | 112 | 2 | 1 | 5 | 9 | 14 | 25 | 260 |
| GB | 45 | 56 | 15 | 1 | 7 | 16 | 3 | 27 | 170 |
| GR | 11 | 18 | 3 | 1 | 3 | | 1 | 2 | 39 |
| HR | 3 | 6 | | | 1 | | | 1 | 11 |
| HU | 7 | 76 | 3 | | 3 | | | 3 | 92 |
| IE | 14 | 22 | 5 | | 4 | 4 | 1 | 9 | 59 |
| IT | 22 | 40 | 10 | 5 | 5 | 4 | 4 | 13 | 103 |
| LT | 7 | 10 | | 1 | 3 | 1 | | | 22 |
| LU | 2 | 7 | 5 | | 3 | 2 | 3 | 5 | 27 |
| LV | 4 | 29 | | 1 | 3 | 1 | | | 38 |

| | (1) | (2) | (3) | (4) | (5) | (6) | | | |
|---|---|---|---|---|---|---|---|---|---|
| MT | 1 | 2 | 2 | | 1 | | | | 2 | **8** |
| NL | 32 | 36 | 1 | 1 | 4 | 3 | 3 | | | **80** |
| PL | 21 | 54 | 1 | 1 | 7 | 1 | 1 | | 6 | **92** |
| PT | 10 | 26 | 2 | 1 | 3 | | | | 2 | **44** |
| RO | 9 | 26 | | | 3 | | | | 1 | **39** |
| SE | 7 | 77 | 4 | | 4 | 4 | 1 | | 3 | **100** |
| SI | 2 | 9 | 2 | | 2 | | | | 3 | **18** |
| SK | 3 | 19 | 2 | 4 | 3 | 1 | | | 2 | **34** |

(1) Branded channels on open platforms such as YouTube, Dailymotion, Snack TV.

(2) Catch-up TV services online or part of the offer of TV distribution platforms. Local catch-up TV
services are not included.
(3) Includes video webpages of newspapers, news TV channels.
(4) Video webpages of portals such as MSN, Yahoo, portals from ISPs,…
(5) Film or TV archives.
(6) Includes only services agregating trailers and not branded pages by film producers, distributors
or exhibitors.

Source: European Audiovisual Observatory / MAVISE database

## T.5. Number of on-demand audiovisual services available in the EU without double-counting[12]

DG Connect requested a table of ODAS available by country and by genre without double-counting services. The number of ODAS services available in the member states of the EU without double-counting corresponds to the number of ODAS services established in the EU plus the number of ODAS services established outside the EU and targeting primarily EU countries (236 ODAS established in the US[13], 15 ODAS established in Switzerland and 2 ODAS established in Canada).

This method of accounting for ODAS available does in return not permit to specifically analyse services available by country as the figures draw on services established. Therefore, please do not present figures from this table for ODAS available by country, only total for ODAS genres available in the EU can be given.

Catch-up TV services (33% of total ODAS or 932 services), VoD Film services (15% or 521 services), Branded channels (15% or 411 services) and VoD TV fiction services (5% or 145 services) are the genres of ODAS the most available in the EU. In total, considering all on-demand services, there are 2 816 ODAS available in the 28 member states of the EU.

VoD services (all 10 categories) represent 40.9% (1 151 services) of ODAS available in the EU, other on-demand audiovisual services 59.1% (2 816).

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[12] This table was especially requested by DG Connect this year. Although statistics of ODAS available in the EU include double-counting (as many ODAS target two or more countries), this table has been created by counting ODAS established in the EU and by adding ODAS established in other countries (USA, Switzerland and Canada) which target countries in the EU.

[13] The 125 VODCIN services are mainly catalogues of studios and broadcasters (with different language versions depending on the countries targeted) on the Xbox video service targeting EU countries (102 services) and 8 Google Play stores targeting EU countries

**Figure 32 ODAS services available in the EU by genre, in % of total (December 2014)**



Film trailers 2%

VoD Adult 2%

VoD Documentary 1%

VoD Lifestyle 1%

Film/TV archives 1%

VoD General Interest 0%

Sport 2%

VoD Music 2%

VoD Various 3%

VoD Films + TV fiction 3%

VoD Children/ Animation 3%

News / Portals 4%

VoD Generalist 4%

VoD TV fiction 5%

Catch up TV services 33%

Branded channels on open platforms 15%

VoD Films 19%
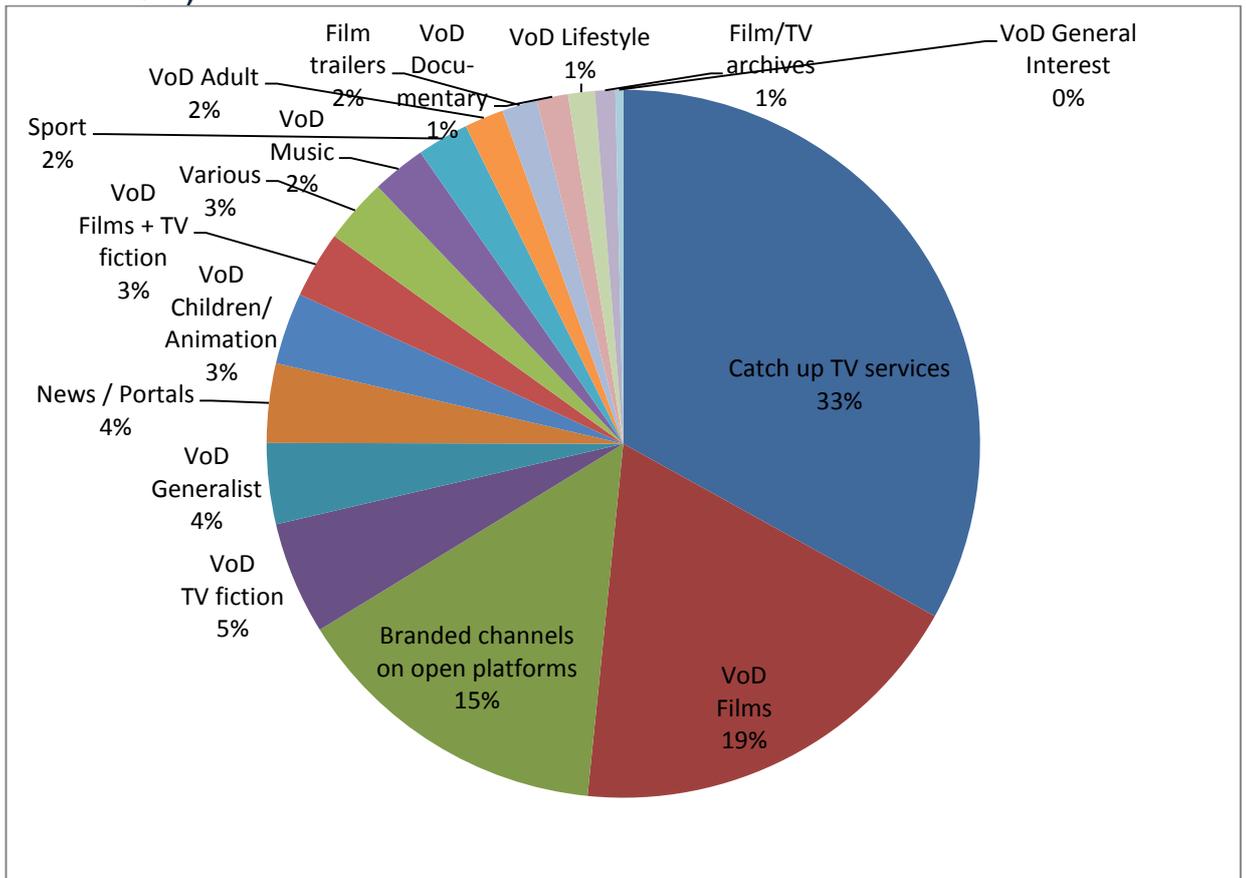
Source: MAVISE/OBS

**Figure 33 ODAS services available in the EU by genre, in absolute numbers (December 2014)**



Film trailers; 45
VoD Docu-mentary; 40
VoD Lifestyle; 34
Film/TV archives; 26
VoD General Interest; 10
VoD Adult ; 50
Sport; 66
VoD Music; 69
Various; 83
VoD Films + TV fiction; 86
VoD Children/ Animation; 92
News / Portals ; 102
VoD Generalist; 104
VoD TV fiction; 145
Catch up TV services ; 932
Branded channels on open platforms ; 411
VoD Films; 521
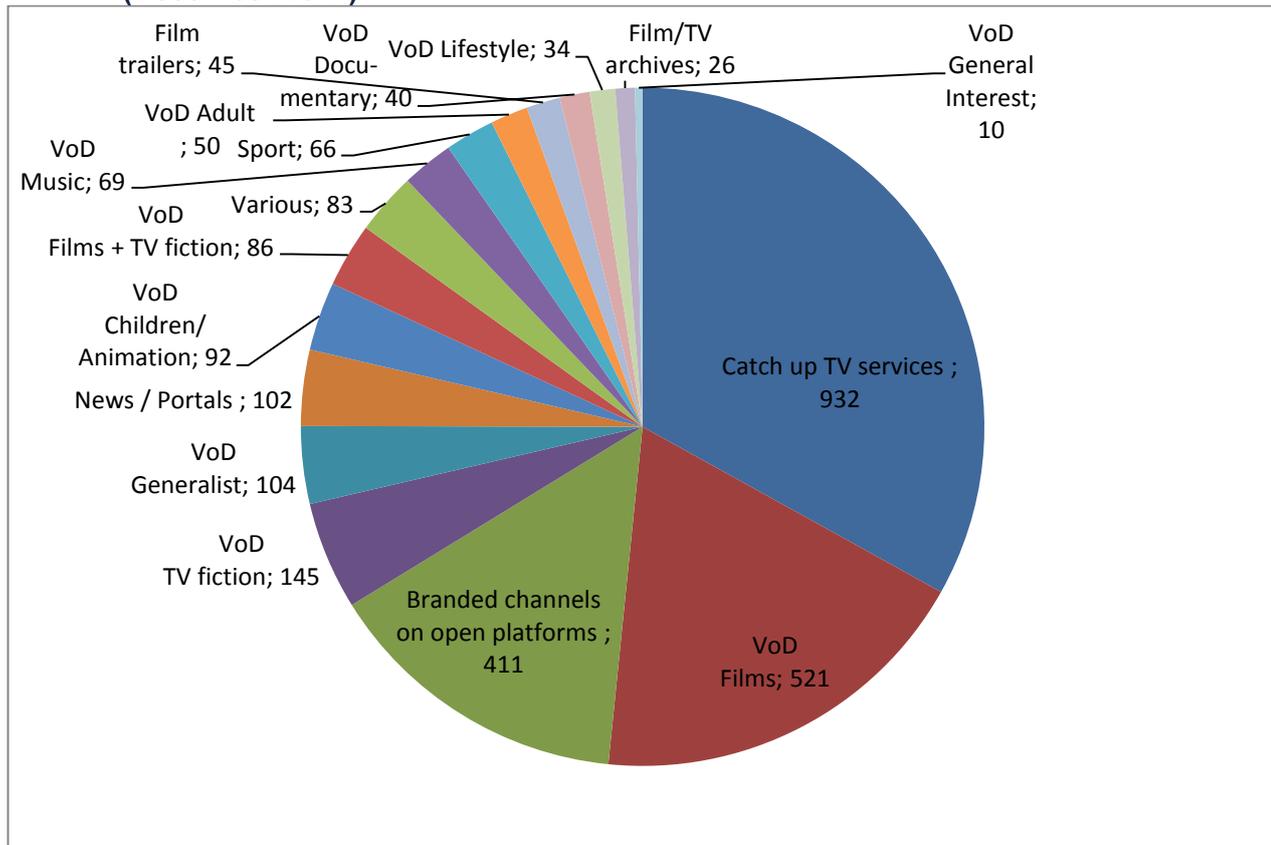
Source: MAVISE/OBS

**Figure 34 ODAS services available in the EU by genre, in absolute numbers (December 2014)**
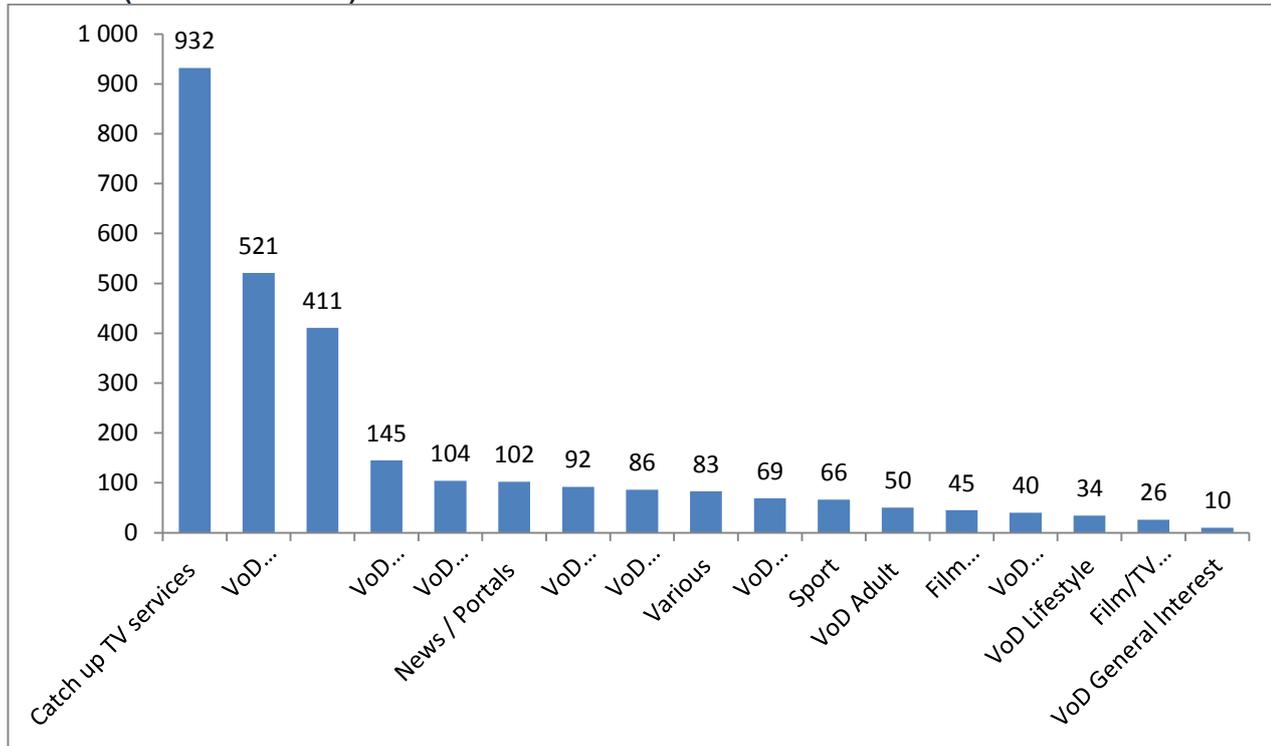


Source: MAVISE/OBS

## T.5. Number of on-demand audiovisual services available in the EU without double-counting (December 2014)

| Country | Branded channels on open platforms (1) | Catch up TV services (2) | News / Portals (3) | VoD Generalist (4) | VoD Music | VoD Films | VoD Films + TV fiction | VoD TV fiction | VoD Docu-mentary | VoD Children/ Animation | Film/ TV archives | Film trailers | Sport (5) | VoD Lifestyle | VoD General Interest | VoD Adult (6) | Various | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total EU | 408 | 932 | 97 | 100 | 62 | 385 | 84 | 123 | 34 | 83 | 25 | 45 | 50 | 22 | 3 | 45 | 65 | 2 563 |
| US (7) (8) | 3 | | 5 | 3 | 4 | 125 | 2 | 22 | 6 | 9 | 1 | | 16 | 12 | 7 | 3 | 18 | 236 |
| CH (7) | | | | 1 | 3 | 11 | | | | | | | | | | | | 15 |
| CA (7) | | | | | | | | | | | | | | | | 2 | | 2 |
| TOTAL available EU | 411 | 932 | 102 | 104 | 69 | 521 | 86 | 145 | 40 | 92 | 26 | 45 | 66 | 34 | 10 | 50 | 83 | 2 816 |

The number of ODAS services available in the member states of the EU without double-counting corresponds to the number of ODAS services established in the EU PLUS the number of ODAS services established outside the EU and targeting primarily EU countries.

(1) Broadcasters branded channels on Dailymotion, YouTube,… established in the country.

(2) Catch-up TV services or promotionnal web services by broadcasters of the country or targeting the country.

(3) Portals such as MSN, Yahoo! and video pages of newspapers websites.

(4) VoD services accessible in the country providing a mix of films and various categories of TV programmes.

(5) Services providing access to sport events or archives of sports events.

(6) Includes only services registered by a regulatory authority or part of the line-up of of a distribution platform.

(7) Services targeting primarily EU countries

(8) The 125 VODCIN services are mainly catalogues of studios and broadcasters (with different language versions depending on the countries targeted) on the Xbox video service targeting EU countries (102 services) and 8 Google Play stores targeting EU countries

Source: European Audiovisual Observatory / MAVISE database

## T.6. Number of legal VoD services available by country and by country of establishment

The country of establishment is one way of measuring the actual state of national and cross-border VoD services in and outside the EU, be it for regulatory or tax purposes. The table gives the figures for VoD services available by country (again, it was not possible to give a single figure for Belgium instead of the 3 languages/regulatory authorities).

A VoD service available in a country is either established nationally established in another EU country or established internationally (the charts and table give also the detail for VoD services established in the US).

The difference across the EU concerning the establishment of available VoD services is quite appealing with some countries having a high share of nationally established VoD services (Czech Republic 87%, Bulgaria 71%, Portugal 66%), some other having a high share of available VoD services established in another EU country (Hungary 57%, Latvia 55%, Estonia 50%) and countries having a large share of VoD services available which are established in the US (Malta 70%, Ireland 63%, Greece 59%, Cyprus 58%)

## T.6. Number of legal VoD services available by country and by country of establishment (except VoD adult) December 2014

| Country | Total of available VoD services | National | Established in another EU country | Established in the US (1) | Established in another country |
|---------|-----|-----|-----|-----|-----|
| AT | 77 | 11 | 25 | 38 | 3 |
| BE (CFB) (2) | 99 | 17 | 38 | 39 | 5 |
| BE (DSG) (2) | 79 | 0 | 39 | 38 | 2 |
| BE (VLG) (2) | 89 | 24 | 26 | 36 | 3 |
| BG | 14 | 10 | 3 | 1 | 0 |
| CY | 33 | 7 | 5 | 19 | 2 |
| CZ | 31 | 27 | 3 | 1 | 0 |
| DE | 161 | 91 | 24 | 43 | 3 |
| DK | 52 | 13 | 20 | 17 | 2 |
| EE | 12 | 2 | 6 | 1 | 3 |
| ES | 115 | 37 | 14 | 58 | 6 |
| FI | 81 | 16 | 21 | 42 | 2 |
| FR | 228 | 115 | 33 | 72 | 8 |
| GB | 225 | 114 | 11 | 90 | 10 |
| GR | 34 | 6 | 6 | 20 | 2 |
| HR | 11 | 7 | 2 | 0 | 2 |
| HU | 21 | 7 | 12 | 0 | 2 |
| IE | 87 | 7 | 20 | 55 | 5 |
| IT | 77 | 19 | 12 | 42 | 4 |
| LT | 13 | 4 | 6 | 0 | 3 |
| LU | 43 | 5 | 14 | 20 | 4 |
| LV | 11 | 2 | 6 | 0 | 3 |
| MT | 27 | 1 | 5 | 19 | 2 |
| NL | 63 | 26 | 13 | 21 | 3 |
| PL | 56 | 37 | 15 | 1 | 3 |
| PT | 42 | 10 | 10 | 20 | 2 |
| RO | 12 | 5 | 4 | 1 | 2 |
| SE | 53 | 18 | 9 | 23 | 3 |
| SI | 39 | 9 | 8 | 20 | 2 |
| SK | 18 | 7 | 8 | 1 | 2 |

(1) The localisation of film VoD services (being branded catalogues of major studios) accessible through distribution platforms such as Xbox Live, iTunes Stores, YouTube is not available. In most of the cases, we have taken as our hypothesis that the branded services of US major studios were operated directly from the US. Studios and MPAA have declined to provide more information on this localisation issue.

(2) VoD services for Belgium (Flemish, French and German) can be counted twice or three times due to availability in whole Belgium.
Source: MAVISE/OBS

**Figure 35 Number of legal VoD services available by country and by country of establishment, in absolute numbers, (December 2014)**
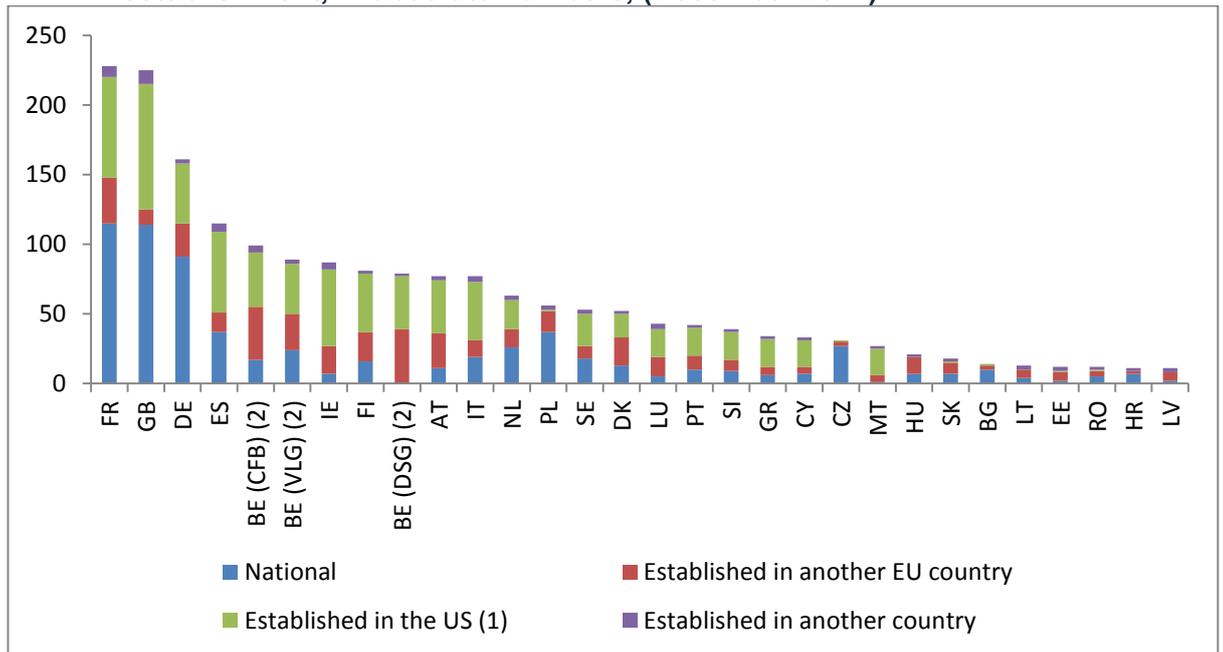
Source: MAVISE/OBS



**Figure 36 Number of legal VoD services available by country and by country of establishment, in absolute percentage by country, (December 2014)**
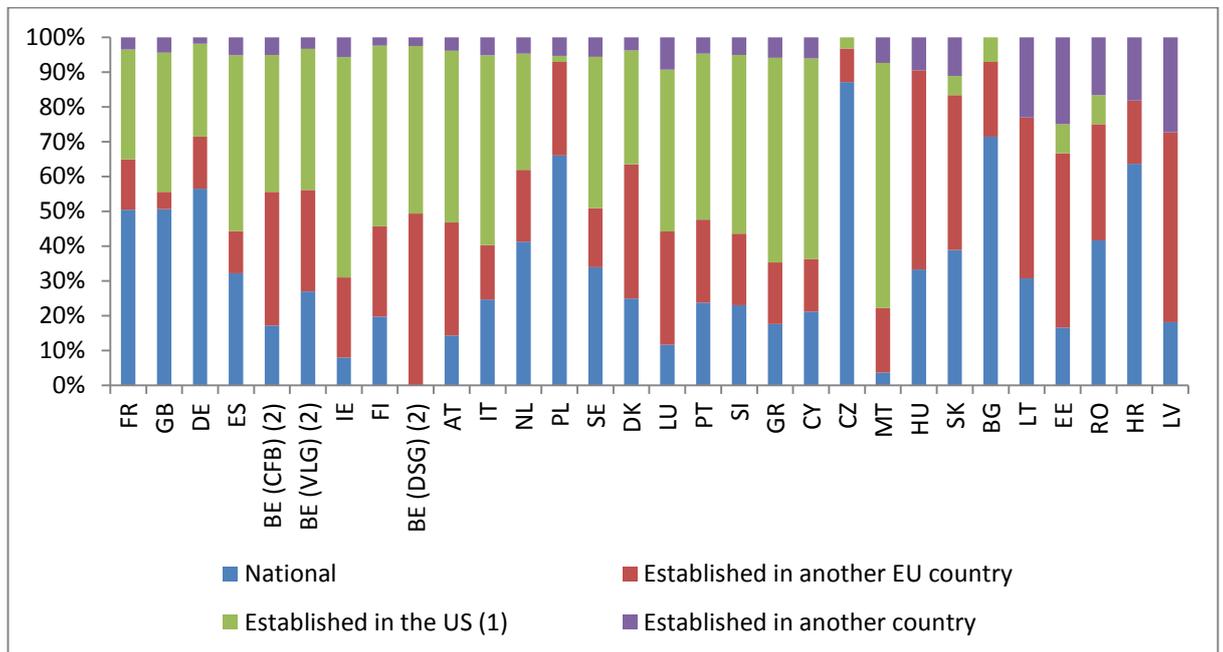
Source: MAVISE/OBS

**Table 9** **Share of nationally established available VoD services, in % of total available VOD services, by country, December 2014**

| Country | National |
|---|---|
| CZ | 87% |
| | |
| BG | 71% |
| PL | 66% |
| | |
| HR | 64% |
| DE | 57% |
| GB | 51% |
| FR | 50% |
| RO | 42% |
| NL | 41% |
| SK | 39% |
| SE | 34% |
| HU | 33% |
| ES | 32% |
| LT | 31% |
| BE (VLG) (2) | 27% |
| DK | 25% |
| IT | 25% |
| PT | 24% |
| SI | 23% |
| CY | 21% |
| FI | 20% |
| LV | 18% |
| GR | 18% |
| BE (CFB) (2) | 17% |
| EE | 17% |
| AT | 14% |
| LU | 12% |
| IE | 8% |
| MT | 4% |
| BE (DSG) (2) | 0% |

Source: MAVISE/OBS

**Table 10  Share of nationally established available VoD services, in % of total available VOD services, by country, December 2014**
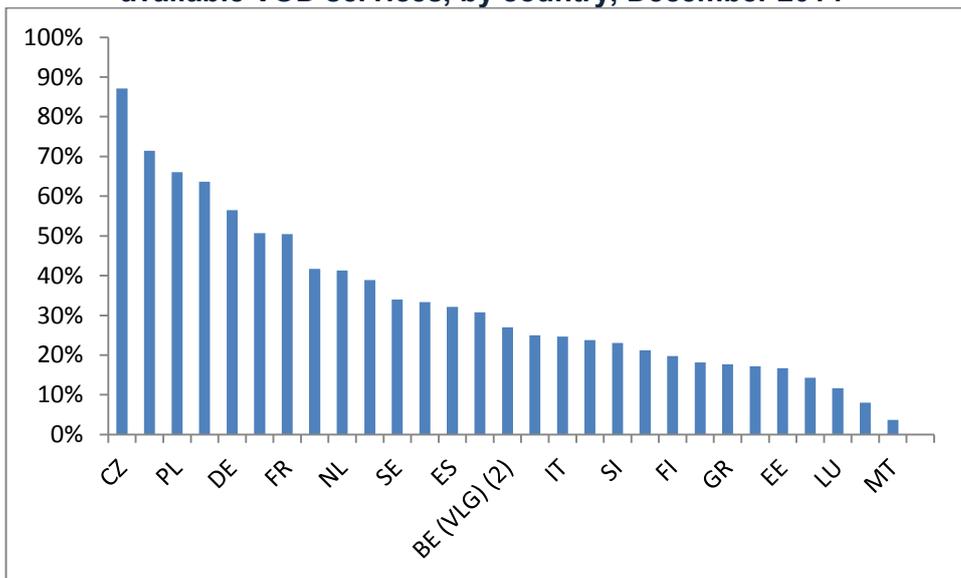


Source: MAVISE/OBS

**Table 11  Share of VoD services established in another EU country, in % of total available VOD services, by country, December 2014**

| Country | Established in another EU country |
|---|---|
| HU | 57% |
| LV | 55% |
| EE | 50% |
| BE (DSG) (2) | 49% |
| LT | 46% |
| SK | 44% |
| DK | 38% |
| BE (CFB) (2) | 38% |
| RO | 33% |
| LU | 33% |
| AT | 32% |
| BE (VLG) (2) | 29% |
| PL | 27% |
| FI | 26% |
| PT | 24% |
| IE | 23% |
| BG | 21% |
| NL | 21% |
| SI | 21% |
| MT | 19% |
| HR | 18% |
| GR | 18% |
| SE | 17% |
| IT | 16% |
| CY | 15% |
| DE | 15% |
| FR | 14% |
| ES | 12% |
| CZ | 10% |
| GB | 5% |

Source: MAVISE/OBS

**Figure 37 Share of VoD services established in another EU country, in % of total available VOD services, by country, December 2014**
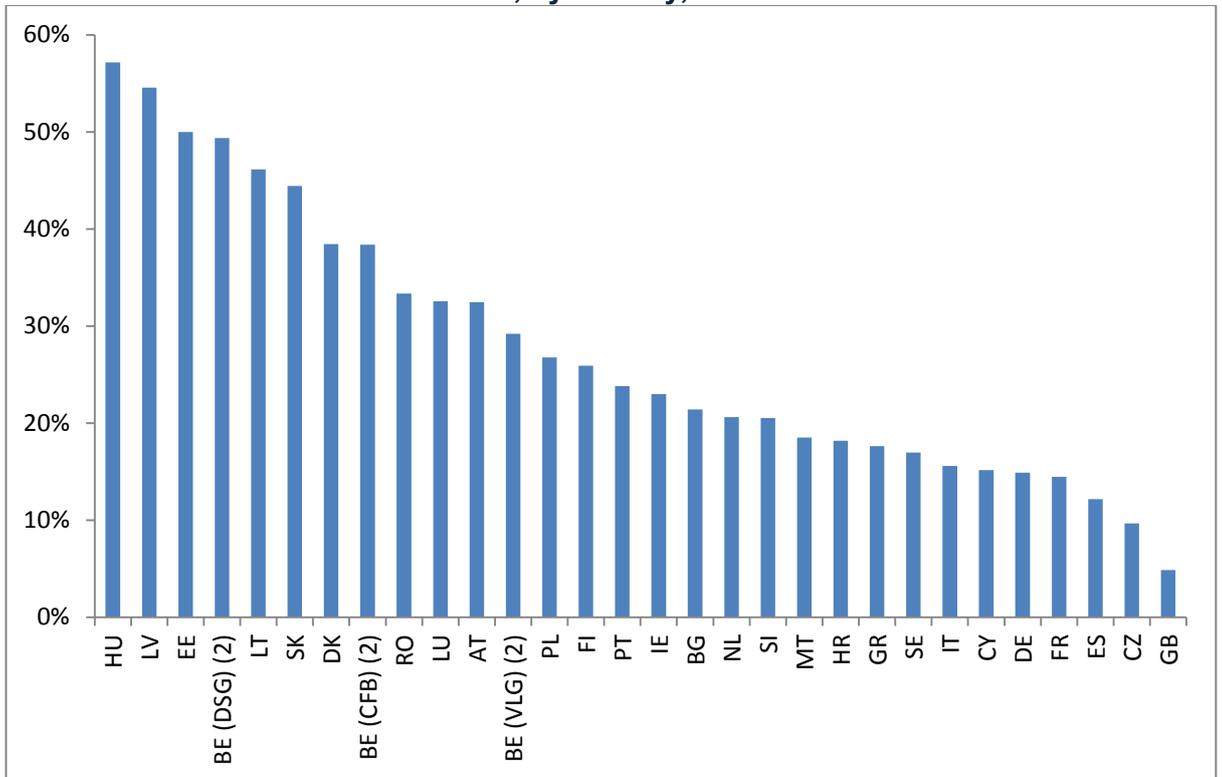


Source: MAVISE/OBS

**Table 12 Share of available VoD services established in the US, in % of total available VoD services (December 2014)**

| Country | Established in the US (1) |
|---|---|
| MT | 70% |
| IE | 63% |
| GR | 59% |
| CY | 58% |
| IT | 55% |
| FI | 52% |
| SI | 51% |
| ES | 50% |
| AT | 49% |
| BE (DSG) (2) | 48% |
| PT | 48% |
| LU | 47% |
| SE | 43% |
| BE (VLG) (2) | 40% |
| GB | 40% |
| BE (CFB) (2) | 39% |
| NL | 33% |
| DK | 33% |
| FR | 32% |
| DE | 27% |
| EE | 8% |
| RO | 8% |
| BG | 7% |
| SK | 6% |
| CZ | 3% |
| PL | 2% |
| HR | 0% |
| HU | 0% |
| LT | 0% |
| LV | 0% |

Source: MAVISE/OBS

**Figure 38 Share of available VoD services established in the US, in % of total available VoD services (December 2014)**
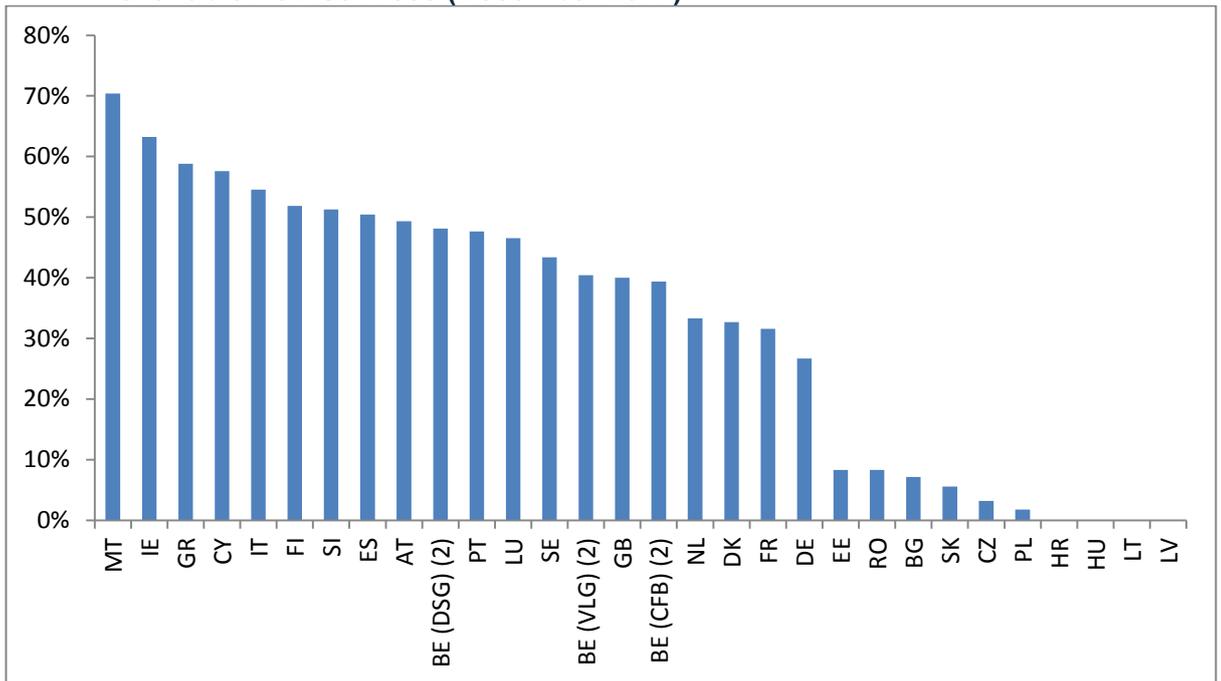


Source: MAVISE/OBS

**Table 13  Share of available VoD services established in another country (non-EU, non-US), in % of total available VoD services (December 2014)**

| Country | Established in another country |
|---|---|
| LV | 27% |
| EE | 25% |
| LT | 23% |
| HR | 18% |
| RO | 17% |
| SK | 11% |
| HU | 10% |
| LU | 9% |
| MT | 7% |
| CY | 6% |
| GR | 6% |
| IE | 6% |
| SE | 6% |
| PL | 5% |
| ES | 5% |
| IT | 5% |
| SI | 5% |
| BE (CFB) (2) | 5% |
| NL | 5% |
| PT | 5% |
| GB | 4% |
| AT | 4% |
| DK | 4% |
| FR | 4% |
| BE (VLG) (2) | 3% |
| BE (DSG) (2) | 3% |
| FI | 2% |
| DE | 2% |
| BG | 0% |
| CZ | 0% |

Source: MAVISE/OBS

**Figure 39 Share of available VoD services established in another country (non-EU, non-US), in % of total available VoD services (December 2014)**
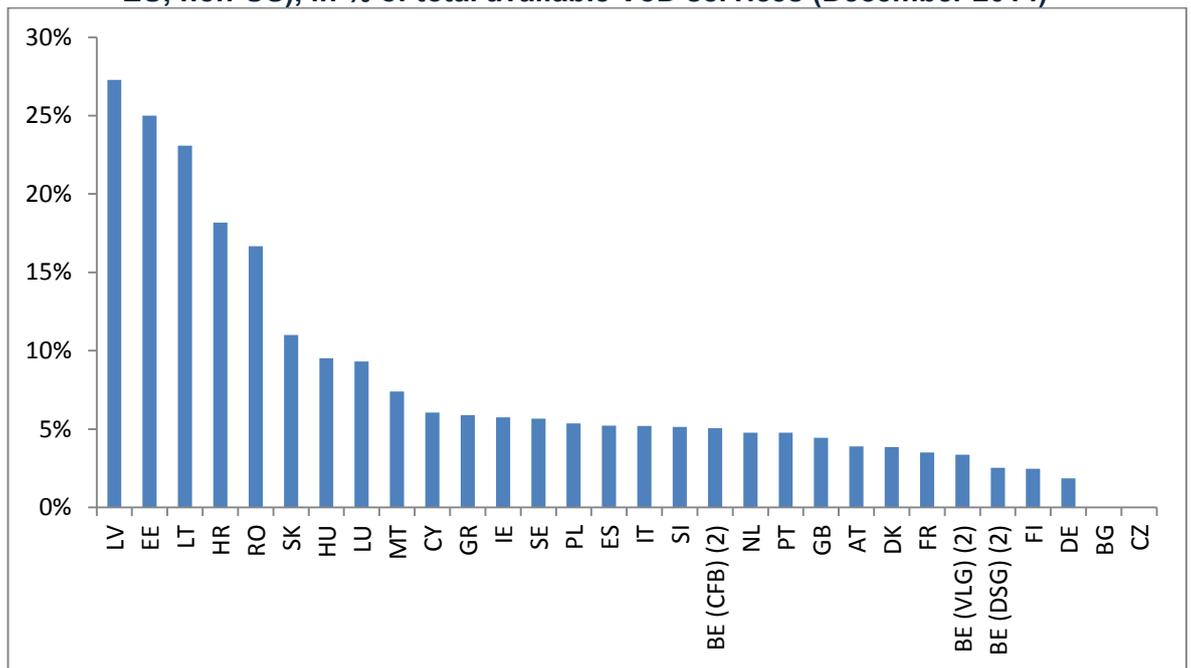


Source: MAVISE/OBS

# ONLINE ADVERTISING IN THE EU IN 2013

# Executive summary

- The total online ad spend for the 21 EU countries contained in the IAB Adex Benchmark 2013 report is €23.7 billion, an increase of 10.7% year-on-year

- Television is still the number one medium for advertising, followed by the Internet. When growth rates are compared, the Internet is outpacing TV over the period 2008-2013 and quickly catching up.

- In 2013, online ad spend is higher than TV advertising in the United Kingdom, Germany and Sweden based on Warc data.

- The top 5 online advertising markets (GB, DE, FR, IT, NL) represent 78.3% of the total online ad spend for the 21 EU countries.

- The EU countries are heterogeneous, having not the same market conditions for online advertising (equipment figures such as mobile connected devices, penetration of broadband, PCs, Smart TVs) and present different economic conditions. Therefore, a pan-European analysis is not possible.

- Paid-for-search advertising is the number one format, representing 48.7% of the total (€11.5 billion). Display advertising is second with a share of 33.8% (€8 billion) but growing at a faster pace with year-on-year growth of 14.3% (EU 21 figures)

  In Western Europe paid-for-seach is the number one format with a market share of 48.6%. In Central Eastern Europe display advertising is the main format with a market share of 52.7%. This also underlines the heterogeneity of the European online advertising markets.

- A good indicator to measure market maturity and the scope for growth is online per capita ad spend. The United Kingdom has the highest per capita spend with €115.2, Romania the lowest with €1.5.

- Display advertising is the most relevant form of advertising for online video sites. This advertising format was worth €8 billion in the 21 EU countries in 2013.

- The factors reinforcing the growth of online display ad spend are online video ads, mobile display advertising, programmatic advertising and social media advertising. All these forms of advertising take advantage of the trend towards data-driven targeting through the use of "big data"

- Chapter 11.2. gives a short overview of the European display advertising ecosystem and exposes the main trends (data-driven targeting, multi-channel networks on user-generated content platforms, mainly YouTube, mobile advertising and social media advertising)

- Increased used of cross-device advertising by collection data on mobile and fixed connected devices in order to establish a unique advertising profile for each user.

- Several limitations and challenges remain for online advertising. Ad fraud (generation of false impressions by robots) and questions on the efficiency and effectiveness remain. Ad tech companies are trying harder than ever to establish trust and confidence with advertisers and marketers.

- The online ad market is a low margin business (for now). Ad rates are lower than those for TV ads. Therefore, scale, reach and interoperability are very important and this favours global players which dominate the market with their size and have a large user base.

- Mobile advertising is an even lower margin business than online desktop advertising. On this market, Google and Facebook dominate as scale, high user base and reach are even more important. The trend of mobile media consumption will certainly pose problems to traditional media companies which have to adapt to this new market situation.

- The trend towards personalised advertisements by commercial companies through the collection and use of "big data" is increasingly raising concerns in Europe.

- The global display advertising market is dominated by 2 major players, Google and Facebook.

- Online video advertising had a market value of €1.03 billion in 2013 for the 17 EU countries where data can be found, an increase by 45.1% compared to €714 million in 2012. Advertisers' use of online video for branding purposes will strengthen this trend.

- The December 2013 Nielsen Video Rankings show that YouTube is the number one video site (all video sites included, not only advertising financed) in the 4 countries where data is available (DE, FR, GB, IT) based on unique visitors

- Google sites are also the number one sites (all types of sites) in all EU countries where data exists based on the comScore Media Mix. Facebook, Microsoft sites, Yahoo sites and national media and telecommunications sites are also in the first rankings (comScore) Country fact sheets.

- Mobile display advertising was worth €937.8 million for the 18 EU countries where data are provided, an increase of 130.7%. In the United Kingdom, the growth was the most impressive with 192.7%, from €187.6 million to €549 million in 2013.

- Mobile online advertising follows the equipping of the European population with mobile connected devices (smart phones & tablets) which are increasingly used for media consumptions and are taking more attention from European users.

- The annexes give the main data in relation to online advertising for EU countries, where available. Key figures of the online advertising market (IAB data – Online ad spend, Display ad spend, Mobile Display ad spend, Video advertising, online ad spend per capita), the evolution of TV and Internet advertising from 2008 to 2013 (Warc data), Equipment figures (IHS data – Households with Smart TVs, number of broadband connections,

Smartphone installed base, Video game consoles installed base) and the Top 20 web sites in December 2013 (comScore Media Mix)

- Online advertising will continue its growth as "eyeballs" are migrating on the online space and consumers are devoting more of their attention towards the online space, consuming content on the Internet.

# 11 The European Online advertising market in 2013

## 11.1 Main available figures on the European online advertising market

*"Data should be interpreted with care as some are the results of estimates, adjustments and modellisation. IAB and IHS data are on 26 countries in Europe and not the European Union"*

The main figures freely available for the European online advertising market are published by IAB Europe[14] in the IAB Adex Benchmark and are established by IHS. The IAB and IHS establish figures on online advertising spending in Europe based on data received from 26 European countries, of which 21 are members of the European Union (EU countries missing are Cyprus, Estonia, Latvia, Lithuania, Luxembourg, Malta and Portugal and non-EU countries included are Norway, Russia, Serbia, Switzerland and Turkey). Therefore, when referred to "Europe" the figures are not representative of the European Union but the "Europe" of the 26 countries participating in the IAB study.

In this note, we rely on the figures published by IAB Europe and IHS and have tried, whenever possible, to compile figures for the 21 EU countries by excluding the non-EU countries (indicated in the titles of figures and tables whenever available by "EU countries"). Other sources are Warc[15] (which does not publish figures broken down according to online advertising categories but publishes figures for the overall advertising market by European countries) in order not to only rely on a unique source for data on the online advertising market. Warc data has been used for the first section (and the country fact sheets) in order to provide data on Internet and television advertising in the EU and the rises and falls over the years. As 2013 data for some countries are not yet available, providing a total for the EU is not yet possible.

As we are not in a position to verify the figures published and as IAB Europe is a professional organisation whose aim is to promote online advertising, those figures should only be taken as an indication of the size of the European online advertising market and not as definite figures. Another difficulty lies in the comparison of data with different sources and different countries included in the total figures. Those differences do not allow us to make general comparisons (e.g. rises and falls in ad spend on the Internet and TV for Europe as a whole) on a European level but wherever we can single out data for individual countries and have the same sources for comparable data, this comparison has been made and the figures put into perspective.

Also, it should be noted that data published in the Adex Benchmark report are adjusted, estimated (through modelling) and recalculated on a different basis for each country as the methods of data collection and treatment vary from country to country. Therefore, IHS standardises the data in order to make figures comparable

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[14] http://www.iabeurope.eu/
[15] http://www.warc.com/

across countries.

The focus of this report is on display advertising as this form of advertising is more relevant to be in competition with traditional TV advertising (through online video ads, rich media ads). IAB IHS are among the only sources for ad spend for display advertising in Europe as Warc does not yet track that data and does not make any distinction between the different categories of advertising formats.

## 11.1.1 Total online advertising spending in Europe 2013

*"Total value of €27.3 billion in 2013, up by +11.9% compared to 2012 in Europe.*

*For the 21 EU countries online ad spend had a value of €23.7 billion in 2013, up by 10.7%"*

The total size of the European online advertising market in 2013 (26 IAB European countries) was €27.3 billion, an increase of 11.9% compared to the total of €24.4 billion in 2012. This increase can be attributed to the rise in media consumption in European countries, with people consuming more media content (video, newspapers, social networks) online and also, as the figures later show, on mobile devices. Advertisers and agencies are searching the "eyeballs" and attention of potential customers whereever they are, and this space is increasingly the Internet. Although TV still dominates media consumption, the online space is catching up, and this is all the more true for younger generations with different media consumption habits ("Millennial" and "Generation Z").

**Figure 40 Total online advertising spend in Europe 2013 in EUR billion**
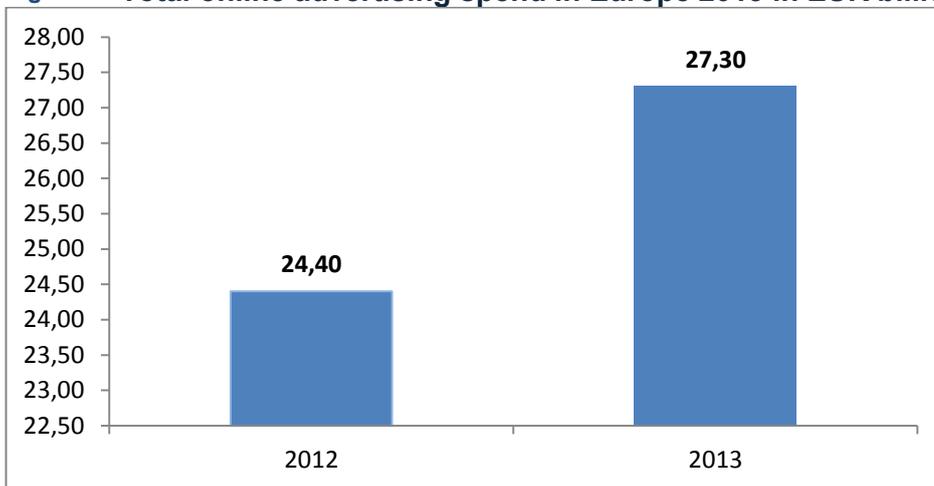


Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 41 EU countries (except PT) Internet advertising 2008 – 2012 in EUR million**
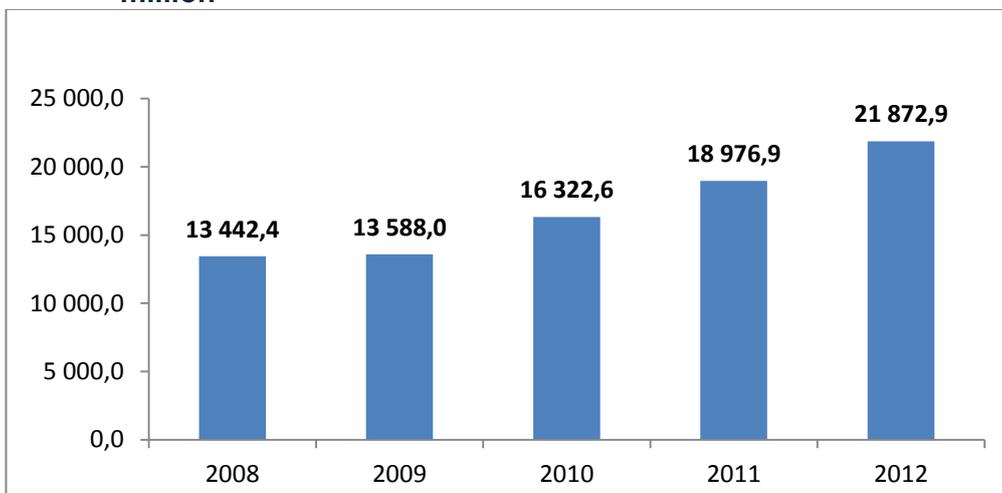
*The Online space is the second advertising medium in Europe in 2013. TV takes the first place.*

The online space has become the second medium in Europe for ad spend, just behind TV advertising and worth €32.3 billion in 2013 (up by 14.95% compared to the figure in the IAB Adex benchmark 2012[16] of €28.1 billion). TV advertising therefore grew at a higher level than online ad spend in Europe during 2013 (+11.9% compared to +14.95%). The gap between the two top media in Europe for advertising is widening[17] (gap of €3.8 billion in 2012 and of €5 billion in 2013). As big differences in markets exist across the different countries in Europe and the European Union (GDP, equipping of households with connected devices, media consumption habits, broadband penetration) a general statement on the variations in the figures for online advertising and TV advertising cannot be made here. A country-specific analysis is necessary to identify the trends on the heterogeneous European advertising markets.

An important point to note is also the continuing transition of traditional print news-papers and magazines to the online space. More and more newspapers are focusing on the digital space with enhanced offers of their newspapers and this trend will further reinforce the position of the Internet as a preferred advertising medium for advertisers and agencies.

**Figure 42 Ad spend by category in Europe 2013 -** *in EUR billion*
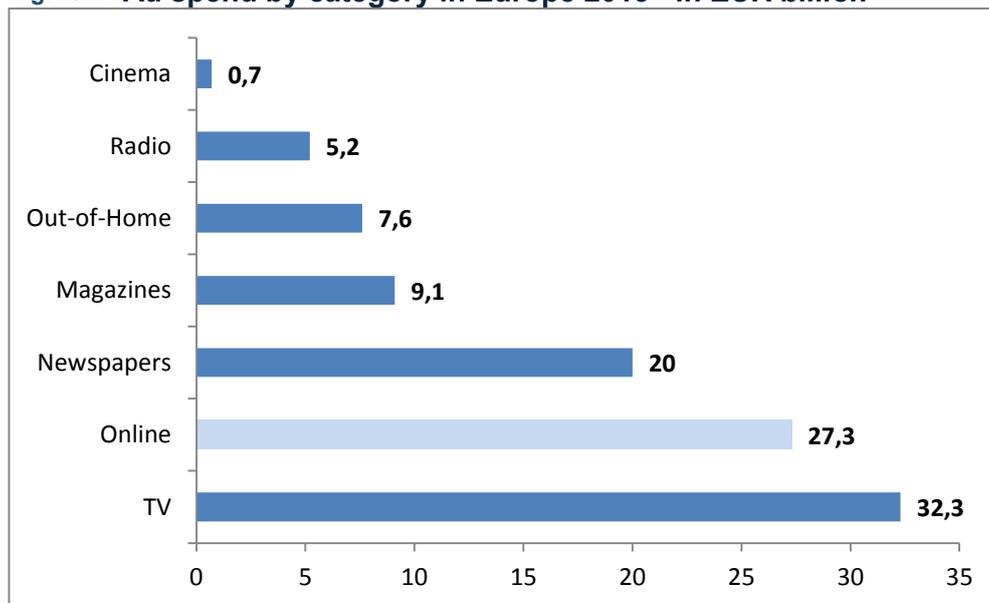


Source: IAB Europe Adex Benchmark 2013/IHS

IAB does not provide a chronological series of TV advertising in order to compare the different growth rates of the two media, so the next section is based on Warc figures. The issue with Warc online and TV advertising figures is that at the date of this note (10 September 2014) data were not available for Croatia, Cyprus, Czech Republic, Ireland, Latvia and the Netherlands for 2013. Therefore, establishing a 2013 total for the TV and Internet advertising markets is not possible.

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[16] IAB Europe Adex Benchmark 2012 available at:
http://www.iabeurope.eu/files/8813/7363/8652/Interact_2013_ADEX_Presentation_FINAL.pdf
[17] However, figures are not recalculated at 2013 exchange rates as IAB does in the 2013 Adex Benchmark report.

*The changes in Internet and Television advertising show that Internet ad spend on the is growing at higher levels than television ad spendin the EU*

**Figure 43** **EU – Rises and falls in TV and Internet advertising 2008 – 2012 in EUR million**
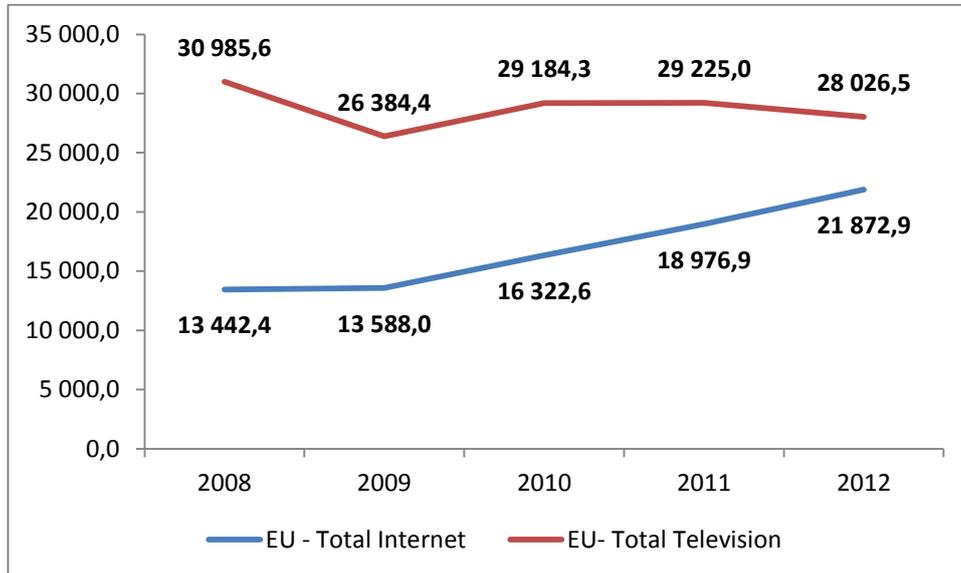


© Warc (www.warc.com), 2014. Please refer to notes on ad spend data for further detail and source information.

http://www.warc.com/NotesOnAdspendData

**Figure 44** **EU – Growth rates of TV and Internet advertising 2008 – 2012 in %**
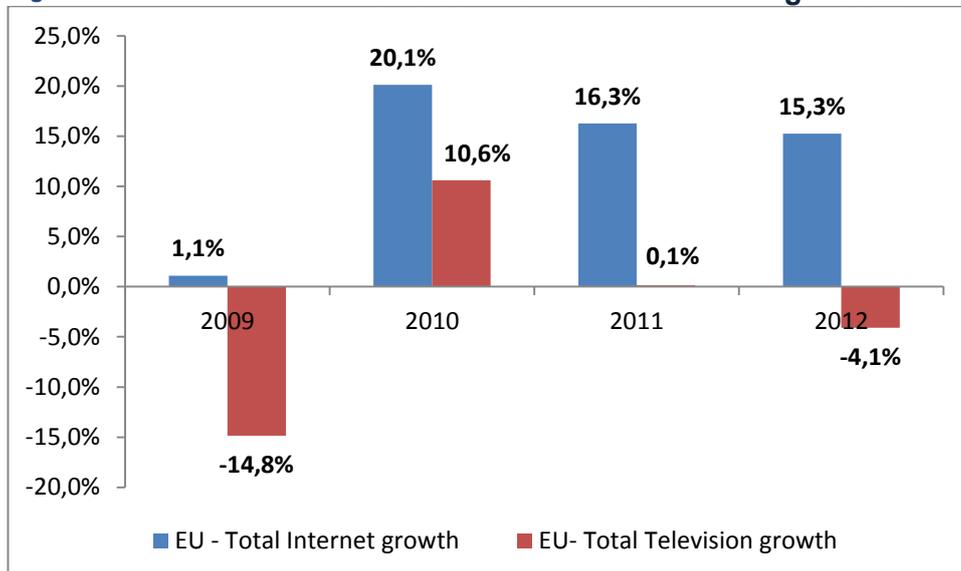


© Warc (www.warc.com), 2014. Please refer to notes on ad spend data for further detail and source information.

As stated in the previous section, TV remains the number one advertising medium in the European Union. However, when looking at Internet and TV advertising growth rates it becomes clear that the Internet as an advertising medium is growing at a faster pace than TV advertising, which even declined in the period considered . As we will show later on, new advertising formats, especially video and mobile advertising, will challenge TV advertising in the future. In 2013, in some countries (not in the EU in general) the Internet has become the major advertising me-

dium , notably in the United Kingdom, Germany and Sweden, according to Warc data (however at this stage figures are forecasted and should be treated with care).

**Figure 45 Internet and TV advertising in 2013 compared, in EUR million**
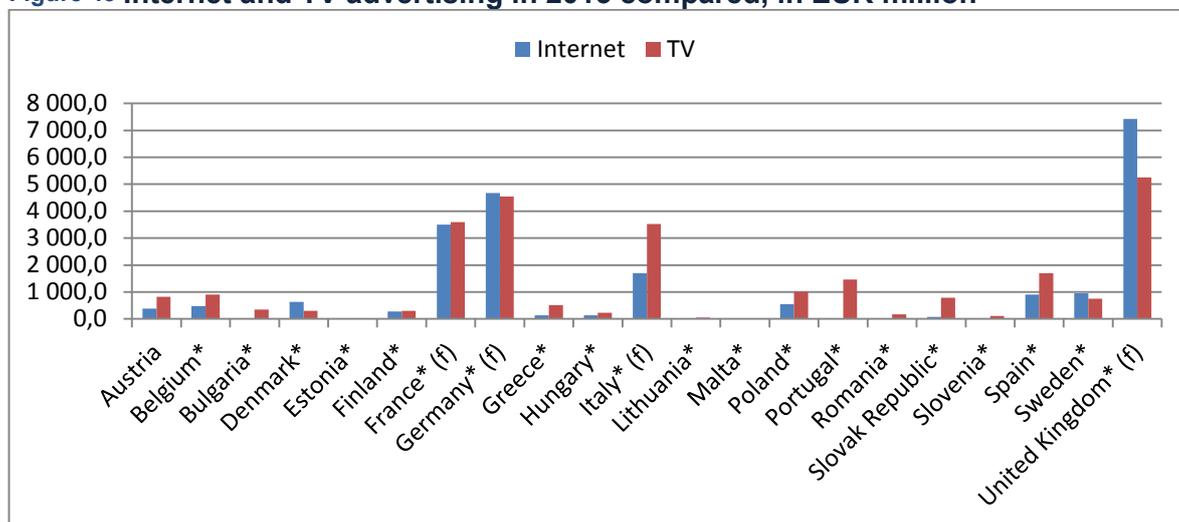


© Warc (www.warc.com), 2014. Please refer to notes on adspend data for further detail and source information.

**Table 14  Television Advertising EU countries 2008 - 2013 in EUR million**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| **Austria** | 598,0 | 602,8 | 647,5 | 698,6 | 749,1 | 819,9 |
| **Belgium*** | 869,8 | 910,1 | 990,0 | 974,1 | 925,7 | 905,0 |
| **Bulgaria*** | 293,5 | 240,2 | 240,5 | 260,7 | 297,5 | 351,1 |
| **Croatia** | 135,6 | 118,1 | 110,9 | 105,9 | 96,2 | |
| **Cyprus** | 55,9 | 62,6 | 59,1 | 47,5 | 35,5 | |
| **Czech Republic** | 391,6 | 357,5 | 358,9 | 376,3 | 358,8 | |
| **Denmark*** | 326,1 | 276,5 | 302,9 | 337,8 | 315,7 | 296,5 |
| **Estonia*** | 10,2 | 7,1 | 21,1 | 22,9 | 22,3 | 24,1 |
| **Finland*** | 297,9 | 263,6 | 295,6 | 314,4 | 311,2 | 305,8 |
| **France* (f)** | 3 875,7 | 3 449,8 | 3 836,7 | 3 898,0 | 3 720,8 | 3 589,2 |
| **Germany* (f)** | 4 439,1 | 4 003,6 | 4 349,1 | 4 379,3 | 4 441,5 | 4 537,6 |
| **Greece*** | 818,9 | 679,0 | 524,8 | 509,7 | 422,5 | 514,3 |
| **Hungary*** | 189,9 | 176,7 | 198,0 | 214,1 | 200,7 | 233,1 |
| **Ireland** | 371,9 | 277,0 | 283,2 | 293,2 | 274,9 | |
| **Italy* (f)** | 4 851,4 | 4 358,9 | 4 774,7 | 4 624,3 | 3 917,5 | 3 526,8 |
| **Latvia** | 49,9 | 29,6 | 29,1 | 31,0 | 32,4 | |
| **Lithuania*** | 67,4 | 42,2 | 44,4 | 47,0 | 47,6 | 47,1 |
| **Malta*** | 7,5 | 7,1 | 7,5 | 7,4 | 7,1 | 7,0 |
| **Netherlands** | 867,0 | 791,5 | 875,4 | 914,8 | 859,9 | |
| **Poland*** | 1 050,0 | 659,1 | 933,5 | 920,8 | 864,1 | 1 010,1 |
| **Portugal*** | 1 232,4 | 1 301,4 | 1 405,1 | 1 382,0 | 1 265,8 | 1 462,1 |
| **Romania*** | 470,3 | 228,6 | 250,2 | 213,6 | 175,8 | 165,0 |
| **Slovak Republic*** | 888,4 | 495,5 | 510,9 | 604,0 | 695,8 | 780,8 |
| **Slovenia*** | 42,8 | 47,1 | 60,9 | 72,5 | 76,3 | 108,0 |
| **Spain*** | 3 038,7 | 2 377,8 | 2 471,9 | 2 237,2 | 1 815,3 | 1 703,4 |
| **Sweden*** | 570,9 | 454,8 | 598,2 | 693,8 | 748,1 | 755,8 |
| **United Kingdom* (f)** | 5 174,8 | 4 166,2 | 5 004,2 | 5 044,1 | 5 348,4 | 5 257,2 |
| **Total EU** | **30 985,6** | **26 384,4** | **29 184,3** | **29 225,0** | **28 026,5** | |

**Table 15 Internet Advertising EU countries 2008 - 2013 in EUR million**

|  | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| **Austria** | 202,0 | 228,0 | 265,7 | 300,9 | 326,4 | 377,7 |
| **Belgium*** | 286,0 | 292,8 | 332,2 | 360,3 | 463,8 | 477,8 |
| **Bulgaria*** |  | 4,9 | 7,0 | 19,5 | 25,5 | 25,3 |
| **Croatia** | 16,0 | 17,1 | 20,5 | 14,8 | 14,1 |  |
| **Cyprus** | 0,7 | 0,7 | 1,1 | 2,0 | 2,5 |  |
| **Czech Republic** | 115,2 | 149,8 | 242,5 | 236,8 | 309,6 |  |
| **Denmark*** | 414,7 | 384,0 | 453,8 | 524,2 | 589,0 | 628,3 |
| **Estonia*** | 7,8 | 5,9 | 9,7 | 11,2 | 12,0 | 13,3 |
| **Finland*** | 178,0 | 208,3 | 235,3 | 253,8 | 354,7 | 272,2 |
| **France* (f)** | 1 821,0 | 1 760,2 | 2 103,2 | 2 605,9 | 3 343,0 | 3 494,0 |
| **Germany* (f)** | 2 975,0 | 3 091,7 | 3 567,9 | 4 178,6 | 4 253,0 | 4 676,0 |
| **Greece*** | 40,0 | 68,5 | 83,7 | 100,2 | 94,0 | 129,0 |
| **Hungary*** | 82,3 | 82,1 | 95,4 | 102,7 | 117,0 | 135,8 |
| **Ireland** | 20,3 | 97,2 | 115,6 | 131,2 | 155,2 |  |
| **Italy* (f)** | 799,0 | 849,5 | 1 083,7 | 1 298,2 | 1 503,0 | 1 700,0 |
| **Latvia** | 12,2 | 8,6 | 8,4 | 9,8 | 11,0 |  |
| **Lithuania*** | 8,8 | 5,8 | 7,3 | 8,1 | 9,9 | 11,3 |
| **Malta*** | 0,9 | 1,0 | 1,3 | 1,3 | 1,4 | 1,5 |
| **Netherlands** | 794,0 | 815,1 | 1 065,3 | 1 116,8 | 1 198,8 |  |
| **Poland*** | 254,8 | 320,4 | 356,7 | 446,3 | 494,9 | 549,1 |
| **Portugal*** |  |  |  |  |  |  |
| **Romania*** |  | 18,7 | 21,0 | 20,9 | 29,6 | 33,4 |
| **Slovak Republic*** |  |  | 34,4 | 47,9 | 60,4 | 70,8 |
| **Slovenia*** | 20,0 | 20,5 | 24,2 | 16,5 | 17,9 | 18,6 |
| **Spain*** | 628,0 | 666,5 | 817,1 | 925,5 | 911,0 | 901,0 |
| **Sweden*** | 556,7 | 517,2 | 596,1 | 686,8 | 859,5 | 955,2 |
| **United Kingdom* (f)** | 4 209,0 | 3 973,5 | 4 773,5 | 5 556,7 | 6 715,7 | 7 421,3 |
| **Total EU** | **13 442,4** | **13 588,0** | **16 322,6** | **18 976,9** | **21 872,9** |  |

As those are figures for total online ad spend, mixing all categories (paid-for search, display, directories) of Internet advertising, it is rather difficult to draw conclusions on the competition for advertising budgets between TV stations and web sites. The online advertising format which is really in competition with TV advertising is online video advertising (on on-demand audiovisual services, newspapers, web sites with video content such as newspapers, user-generated content platforms, etc). This specific form of online advertising is examined in the section on display advertising.

*Heterogeneous situations for ad spend on a country level, the top 3 countries in the EU accounting for 65% of total ad spend*

**Table 16  Online Ad spend by EU country  - *in EUR million***

|  | 2012 | 2013 | Growth |
|---|---|---|---|
| United Kingdom | 6 352 | 7 381 | 16,2% |
| Germany | 4 251 | 4 676 | 10,0% |
| France | 3 344 | 3 494 | 4,5% |
| Italy | 1 503 | 1 703 | 13,3% |
| Netherlands | 1 199 | 1 312 | 9,4% |
| Sweden | 860 | 955 | 11,1% |
| Spain | 911 | 901 | -1,1% |
| Denmark | 591 | 630 | 6,6% |
| Poland | 495 | 549 | 10,9% |
| Belgium | 464 | 478 | 3,0% |
| Austria | 327 | 378 | 15,7% |
| Czech Republic | 322 | 364 | 12,9% |
| Finland | 254 | 272 | 6,9% |
| Ireland | 177 | 197 | 11,4% |
| Hungary | 117 | 136 | 16,0% |
| Greece | 117 | 129 | 10,7% |
| Slovakia | 61 | 71 | 17,3% |
| Romania | 29 | 33 | 13,0% |
| Bulgaria | 18 | 19 | 4,3% |
| Slovenia | 19 | 19 | -2,0% |
| Croatia | 14 | 15 | 6,2% |
| **Total EU 21** | **21 425** | **23 712** | **10,7%** |

Source: IAB Europe Adex Benchmark 2013/IHS

**Table 17  Online Ad spend by country 2013 in EUR million**

| | 2013 | % of total EU 21 | Accumulated % |
|---|---|---|---|
| United Kingdom | 7 381 | 31,1% | 31,1% |
| Germany | 4 676 | 19,7% | 50,8% |
| France | 3 494 | 14,7% | 65,6% |
| Italy | 1 703 | 7,2% | 72,8% |
| Netherlands | 1 312 | 5,5% | 78,3% |
| Sweden | 955 | 4,0% | 82,3% |
| Spain | 901 | 3,8% | 86,1% |
| Denmark | 630 | 2,7% | 88,8% |
| Poland | 549 | 2,3% | 91,1% |
| Belgium | 478 | 2,0% | 93,1% |
| Austria | 378 | 1,6% | 94,7% |
| Czech Republic | 364 | 1,5% | 96,2% |
| Finland | 272 | 1,1% | 97,4% |
| Ireland | 197 | 0,8% | 98,2% |
| Hungary | 136 | 0,6% | 98,8% |
| Greece | 129 | 0,5% | 99,3% |
| Slovakia | 71 | 0,3% | 99,6% |
| Romania | 33 | 0,1% | 99,8% |
| Bulgaria | 19 | 0,1% | 99,9% |
| Slovenia | 19 | 0,1% | 99,9% |
| Croatia | 15 | 0,1% | 100,0% |
| **Total EU 21** | **23 712** | **100%** | **100%** |

Source: IAB Europe Adex Benchmark 2013/IHS

When looking at EU countries, IAB and IHS only provide market figures for 21 of the 28 member states. The total ad spend of those 21 EU countries in 2013 amounted to €23.7 billion, with the United Kingdom representing almost a third of the EU online ad spend (31.1%), Germany a fifth (19.7%) and France almost 15% for a grand total of those 3 markets of 72.8%. These figures show the importance for the EU online advertising market of these 3 major markets. The average online ad spend growth rate for these 21 EU countries in 2013 was 10.7% but with major differences between countries (the UK grew at a rate of 16.2% and Spain fell by -1.1%). This heterogeneity of the EU online ad market is found throughout every indicator in this note.

*Factors reinforcing the growth in online display ad spend – Mobile, brand advertising through online video ads, programmatic advertising, social networks and data-driven targeting*

Several factors can explain the fact that the online advertising sector is experiencing growth in a rather flat European economy,  but two explain it better than others: increased online media consumption by the European population (fixed and mobile) and data-driven targeting of advertisements through the use of "big data". The fact that more and more data are being collected on Internet users, and that this data are then used to target them with advertisements is appealing to advertisers, who can target desired demographics for their products and services. By making use of these data and the targeting capabilities offered by ad tech firms,

advertisers and marketers seek to show their ads in the online space where more and more "eyeballs" are consuming media and entertainment. In addition to these two main reasons, several other trends explain the increase in online ad spend.

First of all, mobile advertising has grown tremendously during 2013, as more Europeans connect to the Internet through their mobile devices (smartphones, tablets) and consumeg media on these mobile screens. Mobile advertising therefore provides a perfect opportunity for advertisers to seek the attention of this audience. However, as we will see, there are still several limitations to mobile advertising. Difficulties in monetising audiences, the efficiency and effectiveness of mobile advertising, low margins for mobile ads, the need to have scale and reach in the mobile advertising sector as margins are lower than in the fixed online ad space and, finally, the fact that mobile display ads are also seen by many online mobile Internet users as an invasion of their private sphere and as a nuisance. Also, on mobile devices, more content and time is spent usings Apps. Therefore, in-App advertising is set to rise and gain importance in the mobile ad market.

Another factor underlying the still robust growth in online ad spending is that brands are increasingly investing in the online landscape for brand advertising, which is mostly enabled by online video ads[18]. As online video advertising is similar to traditional TV ads, companies frequently use them for brand advertising and enhancing a TV ad campaign (and the budgets for this are increasingly being called "T/V budgets" (Television / Video) with longer, more engaging videos. The advantage of the Internet is the use of data in order to target the video ads to potential customers who have been identified by analysing the data collected on them (which is rendered possible by cookies but with the transition to mobile devices takes the form of unique ad Ids, which enable cross-device tracking; through the use of data collected on social networks such as Facebook) and brands are taking increased advantage of these capabilities. Online video ads enable and provide other advertising capabilities than the usual banner and pop-up ads previously used on the display advertising market.

Social Networks, mainly Facebook and Twitter (but also others, such as LinkedIn, Tumblr, Instagram), are a great tool for marketers to gather data and establishing profiles. Social network users give away a lot of data on their personal preferences, friends, locations, hobbies, etc, and those data are particularly valuable for advertisers. With over a billion users of Facebook, these social network platforms are playing an increasingly important role in the collection of data and targeting of ads. Facebook, which introduced auto play videos and video ads and experienced in the summer of 2014 over 1 billion video views a day[19] (65% of them coming from mobile devices), is a good example to demonstrate that the site is increasingly important for online video views and therefore its role as an "attention gatherer" for advertisers.

Finally, the rising use of algorithms through "programmatic advertising" and "real-time bidding" platforms aims to facilitate and automatise online display advertising for marketers. By establishing reserve bidding prices for specific profiles that are of interest to the marketers on web sites of interest, the aim is to reduce the cumbersome purchase of ad inventory space. The use of programmatic advertising and

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[18] Online video advertising can take many forms, particulary the form of in-stream video ads (pre-rolls, mid-rolls, post-rolls), in-stream banner overlays, out-of-stream video advertising (e.g. self-play video on social networks) and contextual video advertising. Online video advertising as defined by IAB Europe comprises only in-stream video ads.
[19] http://techcrunch.com/2014/09/07/facebook-puts-its-video-reach-in-the-spotlight/

real-time bidding is on the rise in Europe[20] and as more "premium" inventory (advertising space on premium web sites that attract the attention of valuable customers for advertisers) is becoming available (due to increased prices, advertisers are paying for these valuable spaces), this trend is likely to continue and to further influence the rise of online display advertising (on markets where online advertising is already important[21]).

The facts and explanations underlying the rise of online display advertising are trends that will continue for the foreseeable future. But when describing trends underlying the rise of ad spend, it should also be noted that some elements are still hindering expansion and the transition to online display ads. The issue of marketers' trust in online advertising in general, and in mobile advertising in particular, is still important. The effectiveness and efficiency of traditional advertisements (TV, newspapers) have been "proved" over the course of decades and companies have developed measurable indicators to gauge the ROI of their traditional ad campaigns. These indicators are more difficult to establish in a space where the audience is fragmented, and for some marketers the success or failure of an online ad campaign still cannot be measured. Ad fraud[22] through false impressions and robots (ads counted as seen by a human but the view was generated by a robot) are still an issue. The online advertising community has to come up with an effective way of controlling ad impressions in order to reassure advertisers. Ad tech companies and professional organisations are working on these matters to establish trust and to have provable metrics for ad impressions.

What really counts for advertisers is the medium where people spend their time and attention and it seems clear that the Internet will in the near future become the favourite destination for people (especially the younger generations) for the consumption of entertainment (in a broader sense than only audiovisual entertainment; games, news, communication, social interactions, e-sports, etc). Therefore, online ad spend should continue its growth in Europe as people are increasingly migrating to the Internet and becoming equipped with connected devices and faster broadband (mobile and fixed). The issues and limitations with online display advertising, especially ad fraud and the effectiveness of online ads, should be addressed by the ad tech ecosystem in order to increase trust in this advertising channel. As ad tech companies are continuously working on improving their service and introducing new methods, this should only be a question of time and the implementation of measurement techniques (audience measurement, effectiveness, cross-device tracking).

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[20]http://www.warc.com/LatestNews/News/RTB_adspend_takes_off_in_Europe_.news?ID=32713
[21]  http://www.emarketer.com/Article/Programmatic-Making-Its-Way-UK/1011028
[22]http://online.wsj.com/news/articles/SB10001424052702304893404579530000548363992

Observing the chronological variations of online ad spend in Europe, IHS establishes a compound annual growth rate of +22.5%. However, only 2012 and 2013 data come from IAB Europe, and data for 2006 to 2011 are estimated by IHS. Here again, the sources of figures mean caution is advised when interpreting these figures.

**Figure 46** **Europe (26 IAB countries)Total online advertising spend 2006 -2013 - in EUR billion**
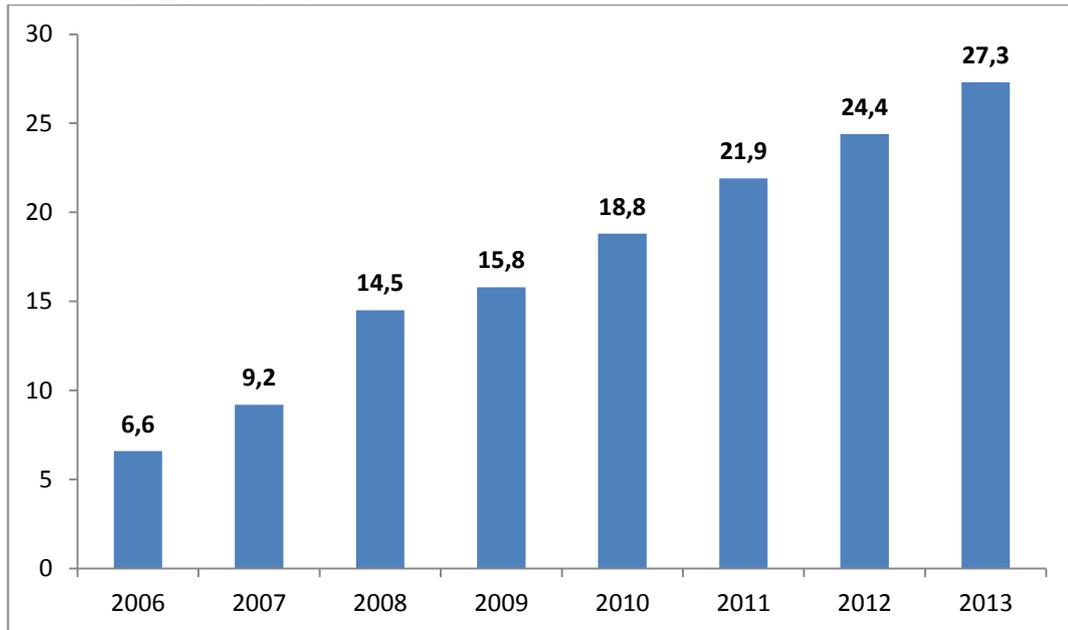


Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 47** **Total Internet advertisingin EU countries (except PT) 2008 – 2012 in EUR million**
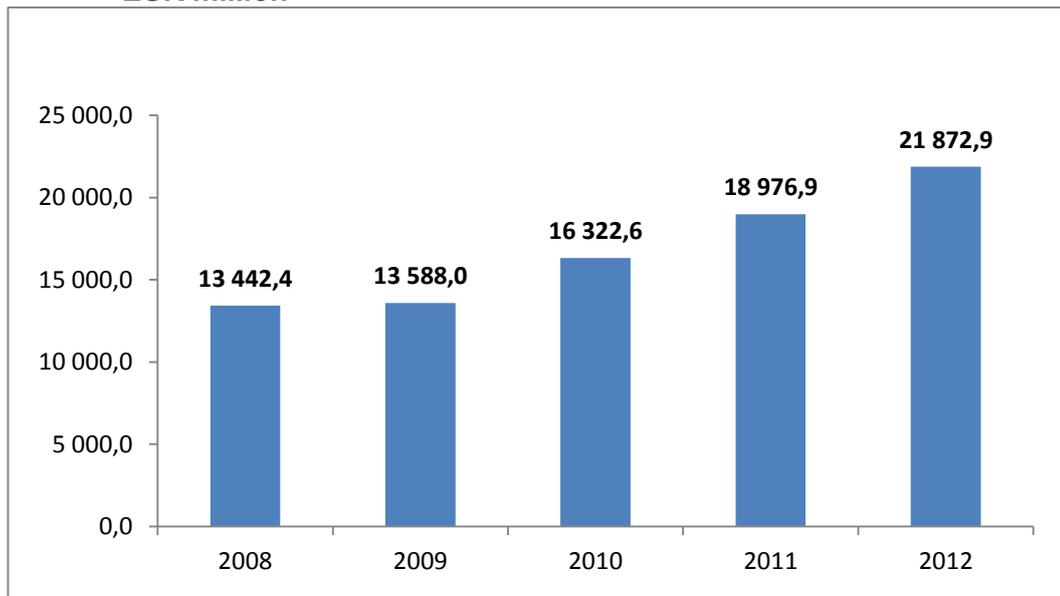


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These figures, estimated and actual, show the continued importance of the online space as an advertising medium. This has to be seen in relation with the changing media consumption habits of the European population (increased importance of the Internet as a source of audiovisual media and as a communication platform – video, news, music, social networks and text), broadband penetration, and ownership of connected and mobile devices.

*Online ad spend "more resilient against economic volatility"*

When we look at the growth rates throughout 2007 to 2013, it appears that the economic crisis of 2008 also affected online ad spend in Europe with a dramatic fall in the growth rate from 58.6% in 2008 and only 8.9% the following year (still a strong growth rate when considering that GDP and ad spend on other media was either falling or stable) and has not recovered those high levels of growth recorded in 2007 and 2008 but still exceeds by a big margin GDP growth in Europe and ad spend on other media (excluding TV ad spend this year, as the figures for 2012 and 2013 have shown). Online ad spend seems to be more "resilient against economic volatility", as IAB puts it, but is still affected by the general economic climate.

**Figure 48 Online advertising growth in Europe 2007-2013 - *in %***
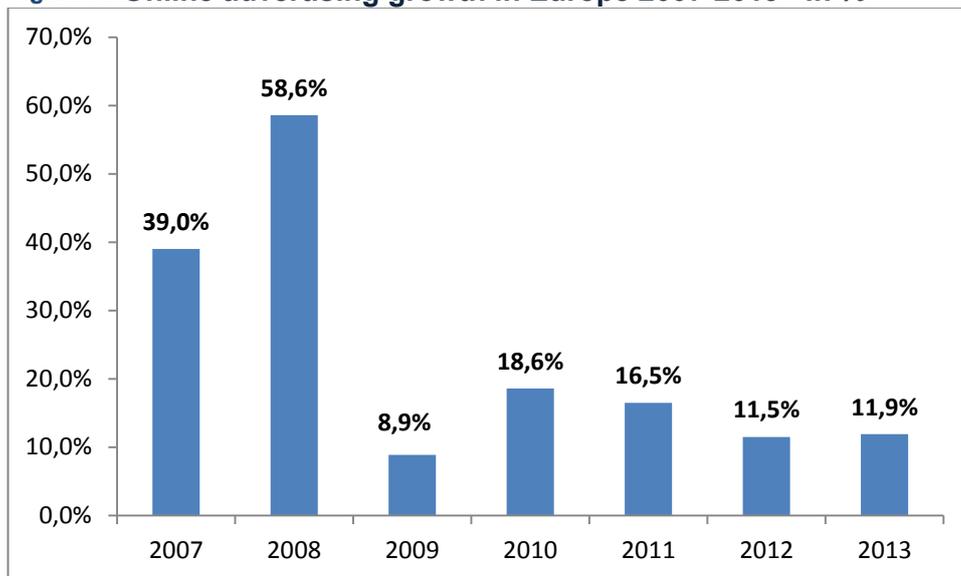


Source: IAB Europe Adex Benchmark 2013/IHS

*Increased importance of online ad spend for the overall advertising market in 2013*

IAB also provides a general overview of the growth of the total advertising market (online and all other media) in Europe. From this analysis, it appears that online advertising is mitigating the decline in advertising spending in Western Europe and Central and Eastern Europe. We were unable to to single out Switzerland and Norway in order to obtain the figure for the EU's Western European countries and the CEE countries which do not belong to the EU in order to establish the figure for the CEE countries that belong to the EU, so the analysis is only valid for the 26 European countries that are part of the Benchmark in the Adex Report for 2013. IAB provides this analysis with a clear objective in mind; to stress the importance of the online advertising market for the total advertising market.

Advertising is a sector which is closely correlated to the general macroeconomic state of national economies. Europe has since 2008 been in a state of slow eco-

nomic recovery following the financial crisis, and advertising spending has not been excluded from this general slowdown of European economies. The data provided by IAB and IHS point, however, to the stronger resistance of the online advertising sector compared to the other advertising sector, which is not so surprising as online advertising as an medium was still in its infancy and the main markets (United Kingdom, Germany, France, Italy, Netherlands, Sweden and Spain) had not yet reached maturity during this period.

Considering Western Europe, the total advertising market shrank by 2.5% in 2013, but it would have shrunk by almost 7.8% if online (which grew by 10.8% in Western Europe in 2013) were not included. The impact of the online advertising spend on the total ad market was also significant in Central and Eastern Europe (remember that Russia and Turkey are included in these figures), where the overall ad market grew by 1.8% in 2013. If online ad spend had been excluded, the CEE ad market would have shrunk by 2.5%. Overall, the European advertising market shrank by 1.7% in 2013. If online ad spend is excluded, the decrease would have been -6.7%. It seems clear that, being the second biggest advertising medium behind television in 2013, online ad spend is playing a more and more central role in the advertising sector. However, it should also be noted that it is not so simple to exclude other ad spend media and the general economic situation as the different sectors are interrelated. Therefore, the conclusions drawn by IAB and IHS should be mitigated even if it seems evident to us that the online space is playing and will play a bigger and more important role in the future for advertising.

**Figure 49 Total Advertising growth in Europe in 2013 - *in %***
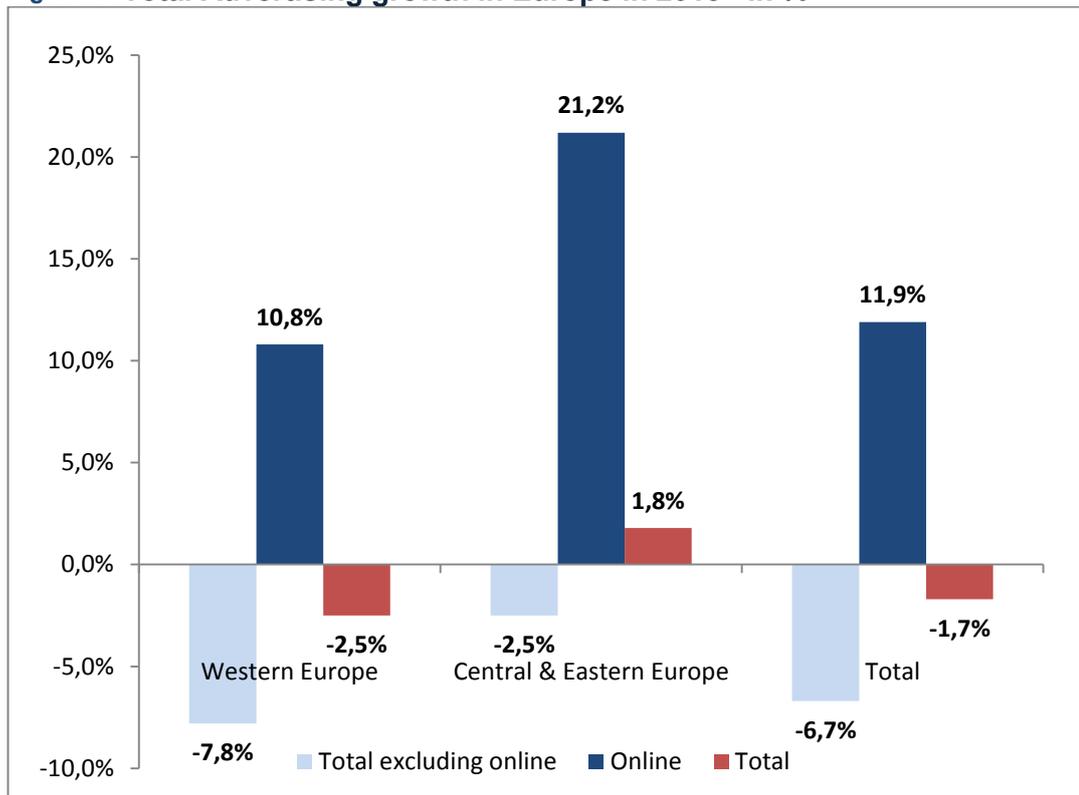


Source: IAB Europe Adex Benchmark 2013/IHS

The general online advertising figures for Europe and the EU demonstrate the increasing importance of the Internet as an advertising medium. Different Internet advertising formats exist. The next section presents these formats and their respective importance on the European advertising market in more detail.

## 11.1.2 Break-down by online advertising format

The figures given in the previous section are only totals for the online ad spend in Europe. In this section, the focus is on the various online advertising formats [23] in order to give an overview of the different market sizes of each format.

IAB Europe (and also USA) divides the online advertising into three major categories:

- Paid-for-Search advertising:[24] "Fees advertisers pay Internet companies to list and/or link their company site or domain name to a specific search word or phrase (includes paid search revenues)." As this form of advertising often happens before the person searching makes a purchase, this is the form of advertising most valued by advertisers (e.g. user searching for a hotel, plane ticket, product, etc)
- Classified advertising and directories:[25] "A form of advertising which is particularly common in newspapers, online and other periodicals which may be sold or distributed free of charge. Classified advertising is called such because it is generally grouped under headings classifying the product or service being offered (headings such as Accounting, Automobiles, Clothing…) and is grouped entirely in a distinct section, which makes it distinct from display advertising. Display advertising typically contains graphics or other art work and which is more typically distributed throughout a publication adjacent to editorial content."
- Display advertising:[26] "a form of online advertising where an advertiser's message is shown on a destination web page, generally set off in a box at the top or bottom or to one side of the content of the page" (examples include banner ads, online video ads, pop-ups, etc.)

*Display advertising second ad format in Europe in 2013 with €9.2 billion and a growth rate of 14.9%*

When we look at the respective importance of these three online advertising formats in Europe, it appears that in the period 2006 to 2013, paid-for-search advertising increased its overall importance, rising from 34.1% of the online adspend in 2006 to 49.2% (€13.4 billion) in 2013. On the other hand, display advertising declined. In 2006, display advertising (at that time mostly banner and pop-up ads) represented 47.6% of the European online advertising market, but by 2013 this share had shrunk to 33.8% (€9.2 billion). This contrary development of the two main online ad formats reflects the importance for companies of search engines and of having a presence in the top search results as this is often a preliminary stage before a purchase is made. On the other hand, display advertising is more complex and used for branding purposes. Advertisers must identify the user's interests in order to display a suitable ad to him or her. This entails knowledge of that user's preferences and interests. With the growth of "big data" and targeted

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[23] Chapter 1.2 discusses display advertising in more detail.
[24] IAB, "Glossary of Interactive Advertising Terms v. 2.0", available at: www.iab.net/media/file/GlossaryofInteractivAdvertisingTerms.pdf
[25] IAB UK, "Jargon buster", available at: www.iabuk.net/resources/jargon-buster
[26] See footnote 21.

advertising, display advertising is once again becoming of interest to advertisers as new online video advertising formats, such as online video ads or mobile location-based display ads, coupled with data on the user, could prove more effective than simple banner ads displayed at random or in context to users. (This is explained in more detail in chapter 1.2). For now, the effectiveness of online display ads has yet to be fully proven to marketers and advertisers (as far as the value of display advertising for a company's communication strategy and sales is concerned).

**Figure 50 Format share of total online advertising in 2013 - *in %***
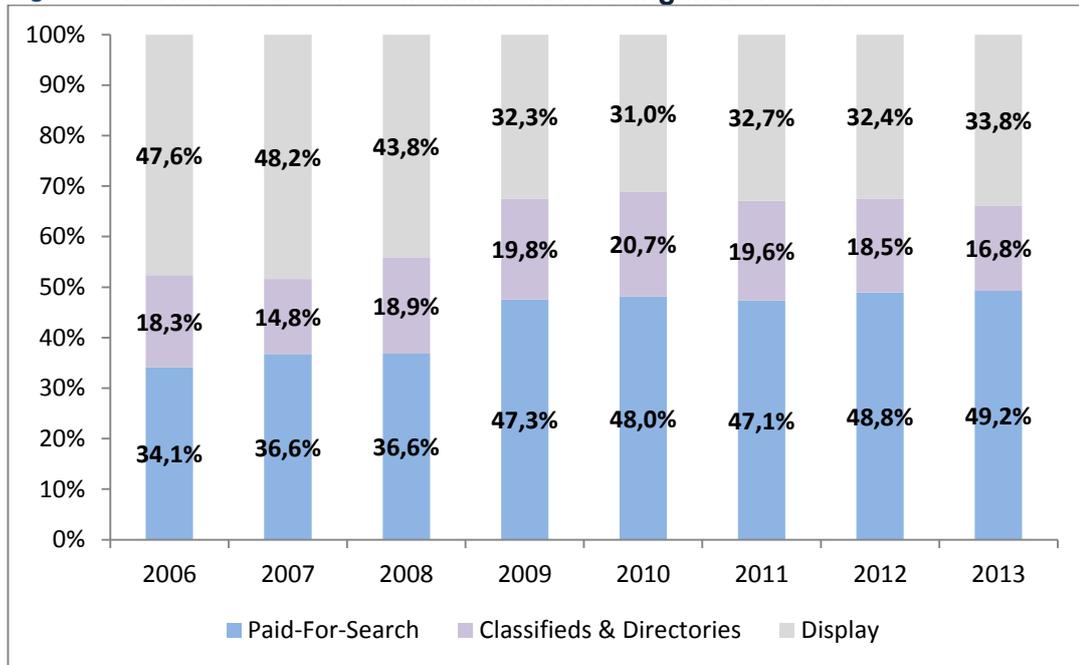


Source: IAB Europe Adex Benchmark 2013/IHS

Even though display advertising was the second most important online ad format in Europe in 2013, its growth has been the strongest in the three categories (+14.9% in 2013; search grew by 13%). New formats and advertising techniques (such as online video, mobile ads, social network ads/real-time bidding and marketing, programmatic advertising based on algorithms and the use of "big data') have exposed display advertising to the renewed interest of advertisers. Better targeting capability through the use of "big data" collected on web users, automatic ad buying and the fact that more "eyeballs" (consumers) are operating in the online space, combined with new and more immersive ad formats (online video) or location-based advertising, are clearly an incentive for the wider use of display advertising on the Internet. Also, the increase in the use of mobile devices is opening up an era of mobile advertising, with different constraints than "classical" desktop advertisements.

**Figure 51 Online ad spend year-on-year growth - *in %***
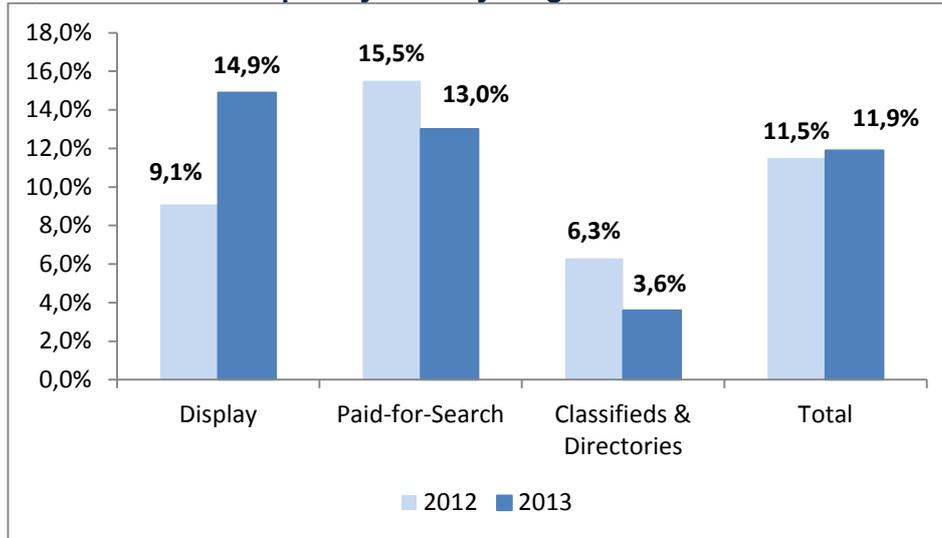


Source: IAB Europe Adex Benchmark 2013/IHS

*Differences between Western Europe and CEE in share of online ad formats*

Finally, IAB provides a geographical breakdown of formats in Europe. Whereas the use of paid-for-search is dominant in Western Europe (48.6% of online advertising), display advertising is more common in Central and Eastern European countries (52.7% of all formats). This could be explained by the higher incomes and a more widespread broadband infrastructure and larger numbers of connected devices in Western Europe than in Central and Eastern Europe. Paid-for-search is more valuable for companies in Western Europe as the average Internet user is more likely to make a purchase after a search, whereas in CEE countries the purpose of online advertisements is more to achieve branding objectives than converting searches into purchases, as the 2013 figures show.

**Figure 52 Western Europe: share of formats in 2013**
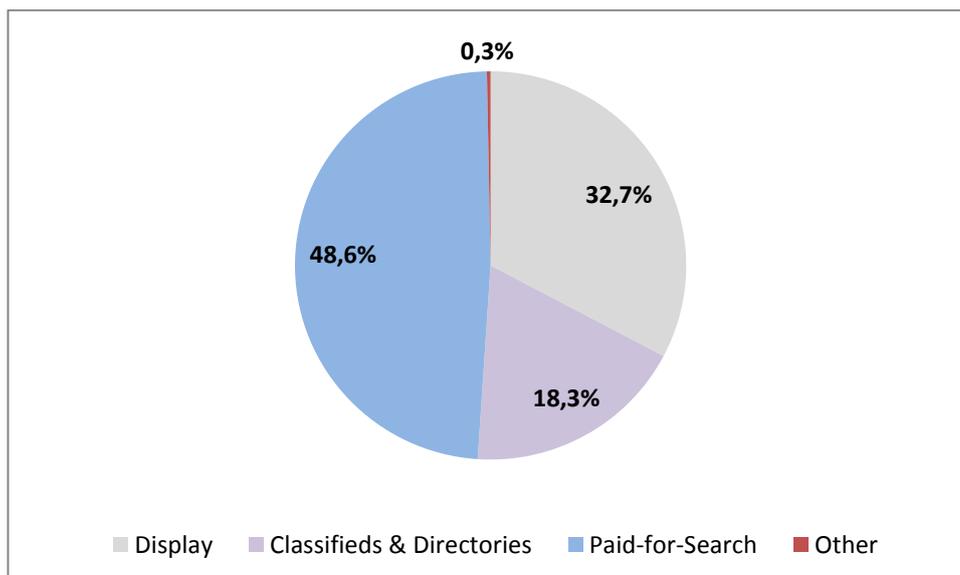


Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 53 CEE excluding Russia: share of formats in 2013**



36,4%

52,7%

10,9%

Display   Classifieds & Directories   Paid-for-Search
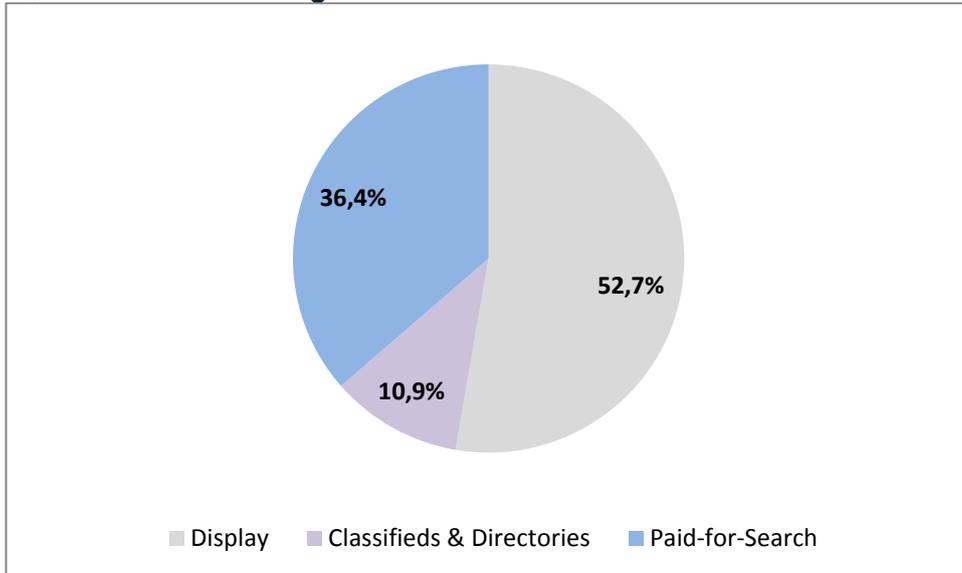
Source: IAB Europe Adex Benchmark 2013/IHS

## 11.1.3 Focus on countries

In this section, we have isolated individual country figures from the IAB Adex Benchmark report for 2013 wherever possible (based on the data provided by IAB/IHS and by excluding the non-EU countries from the dataset. 2012 figures were in some cases calculated by using the growth figures provided by IAB/IHS).

*Heterogeneous markets for online advertising in the EU*

The top three countries for online ad spend in the European Union in 2013 were the United Kingdom, with overall online ad spend of €7.38 billion, Germany, with €4.67 billion and France, with €3.49 billion. As these figures are absolute numbers for online ad spend, it is no surprise that bigger countries and those with more web users and equipment (broadband, mobile devices, PCs, etc) have a higher online ad spend. There are various underlying factors that can explain the levels of online ad spend, and in section 2 of this note we provide a country "fact sheet" stating the main data available to us on those that appear significant to us.

The "Top 10" countries by absolute online ad spend in the European Union are all in Western Europe, with the exception of Poland which is the 6th most populous member of the European Union.

The degree to which individual are equipped with Internet-connected devices, the widespread availability of broadband and the greater usage of web services and media also explains the high levels of online ad spend in the Nordic countries and the Netherlands which are ahead of Western European countries with bigger populations, such as Spain.

**Figure 54** **Online Ad spend by EU country -** *in EUR million*
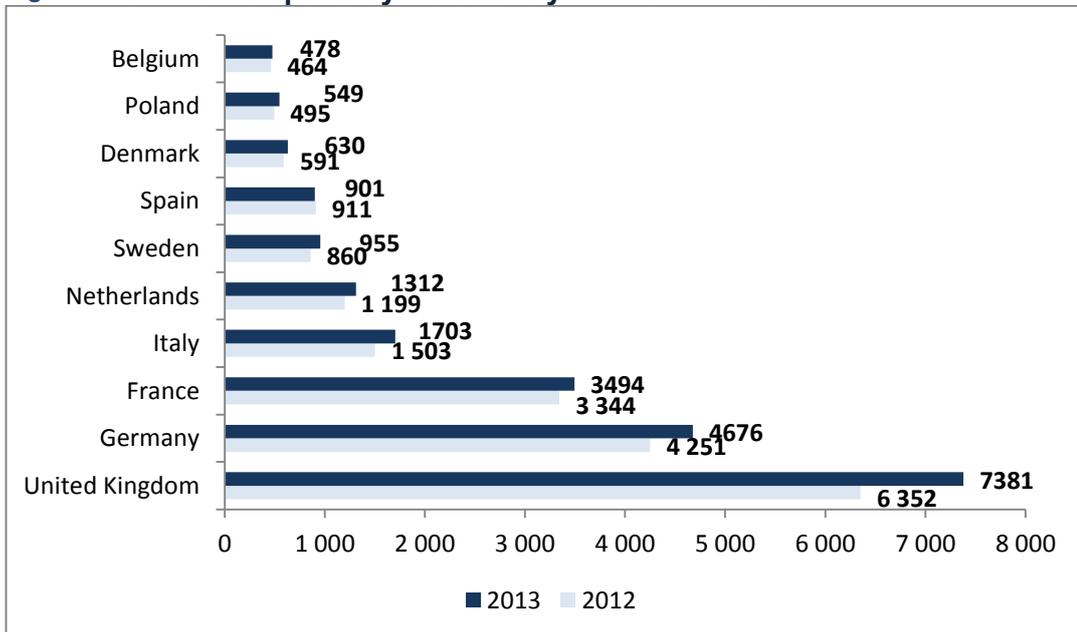


Source: IAB Europe Adex Benchmark 2013/IHS

When we look at the "Bottom 11 countries", it is also no surprise that they either countries with smaller populations or countries with less spending power per head of population than Western European countries. Online advertising, like each form of advertising, is very closely linked to the general state of a country's economy (GDP, per capita income, figures for general prosperity), so these rankings come as no surprise.

**Figure 55 Online Ad spend by EU country  - *in EUR million***



| | | |
|---|---|---|
| Croatia | 15 | |
| | 14 | |
| Slovenia | 19 | |
| | 19 | |
| Bulgaria | 19 | |
| | 18 | |
| Romania | 33 | |
| | 29 | |
| Slovakia | 71 | |
| | 61 | |
| Greece | 129 | |
| | 117 | |
| Hungary | 136 | |
| | 117 | |
| Ireland | 197 | |
| | 177 | |
| Finland | 272 | |
| | 254 | |
| Czech Republic | 364 | |
| | 322 | |
| Austria | 378 | |
| | 327 | |

■ 2013  ☐ 2012
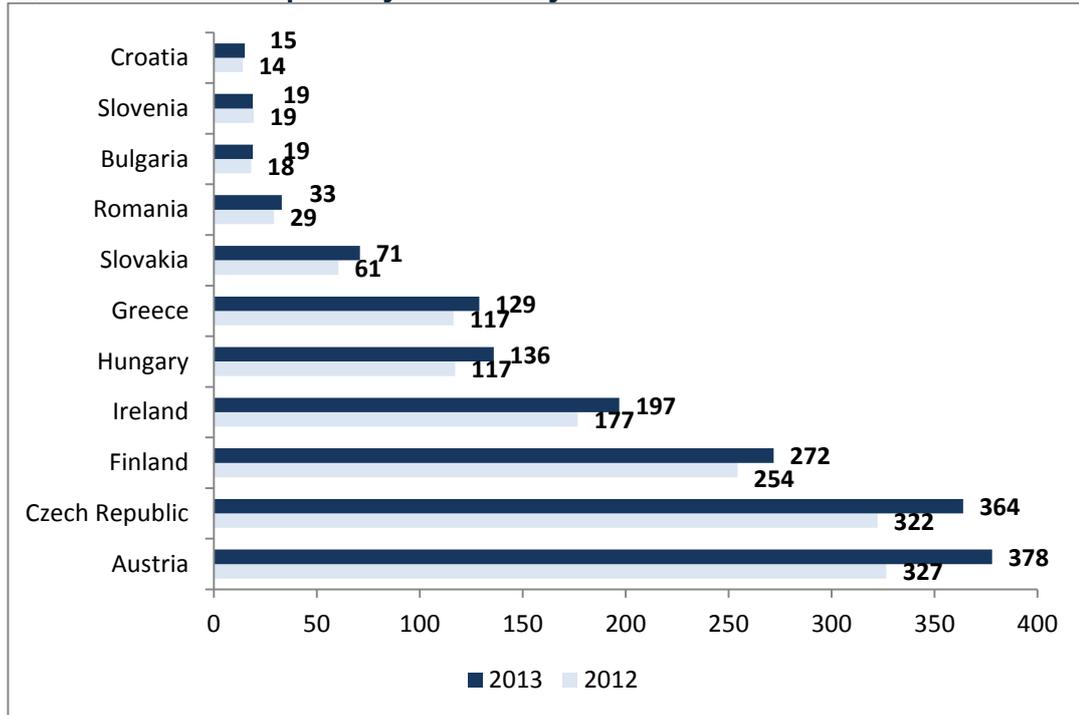
Source: IAB Europe Adex Benchmark 2013/IHS

In Western Europe, the pre-eminent category of online advertising in 2013 was paid-for-search, as we have seen. The respective importance of paid-for-search advertising was still greater than the two other categories in 2013. The table gives the precise figures for each category by EU country based on the IAB Adex Benchmark report for 2013.

**Figure 56 Online ad spend by format and by EU country in 2013 - *in EUR million***



■ Display    ■ Classifieds & Directories    ■ Paid-for-Search    ■ Other

Source: IAB Europe Adex Benchmark 2013/IHS

97
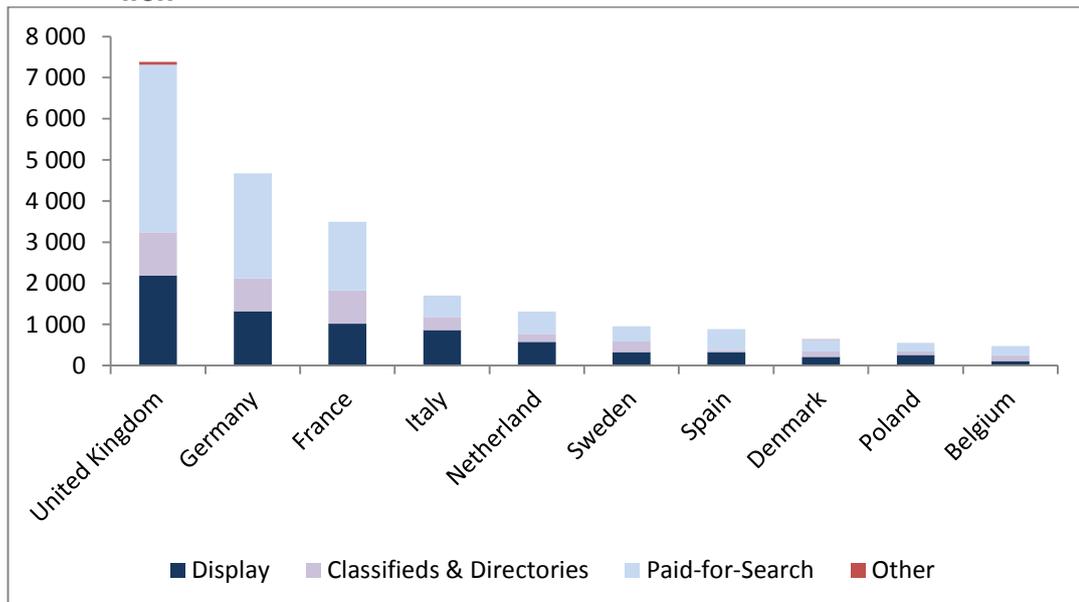
**Table 18  Online ad spend by format and by EU country 2013 in EUR million**

| | Display | Classifieds & Directories | Paid-for-Search | Other | Total |
|---|---|---|---|---|---|
| **United Kingdom** | 2 192 | 1 043 | 4 076 | 70 | **7 381** |
| **Germany** | 1 319 | 799 | 2 558 | | **4 676** |
| **France** | 1 015 | 808 | 1 671 | | **3 494** |
| **Italy** | 866 | 317 | 519 | | **1 702** |
| **Netherlands** | 577 | 191 | 544 | | **1 312** |
| **Sweden** | 330 | 256 | 370 | | **956** |
| **Spain** | 330 | 47 | 512 | | **889** |
| **Denmark** | 209 | 136 | 282 | 3 | **630** |
| **Poland** | 259 | 84 | 206 | | **549** |
| **Belgium** | 111 | 140 | 227 | | **478** |
| **Austria** | 158 | 84 | 135 | | **377** |
| **Czech Republic** | 223 | 26 | 115 | | **364** |
| **Finland** | 139 | 45 | 88 | | **272** |
| **Ireland** | 74 | 28 | 95 | | **197** |
| **Hungary** | 61 | 20 | 54 | | **135** |
| **Greece** | 59 | 5 | 65 | | **129** |
| **Slovakia** | 27 | 18 | 26 | | **71** |
| **Romania** | 33 | 0,1 | 0,3 | | **33,4** |
| **Bulgaria** | 13 | 0,2 | 5 | 0,7 | **18,9** |
| **Slovenia** | 11 | 3 | 5 | | **19** |
| **Croatia** | 7 | 1 | 7 | | **15** |
| **Total EU 21** | **8 013** | **4 051** | **11 560** | **74** | **23 698** |

Source: IAB Europe Adex Benchmark 2013/IHS

The three largest online advertising markets make up 65% of the online ad market for the 21 EU countries and more than 90% for the top 10 countries (with the exception of Poland, all Western European countries). This shows the major differences in the online advertising market and the heterogeneous market situation in matters relating to the digital economy. As pointed out above, various factors explain these differences: general prosperity, equipment ownership and usage figures relating to online media consumption, devices and broadband connections.

These major differences render a pan-European approach and an analysis of the online advertising market in Europe irrelevant. Each country has its given market conditions but the trend towards advertising budgets shifting to the online space seems to have begun to encompass each European state in 2013 (as is the case for most Western economies).

**Figure 57 Share of EU online ad revenue by markets in 2013 - *in total %***
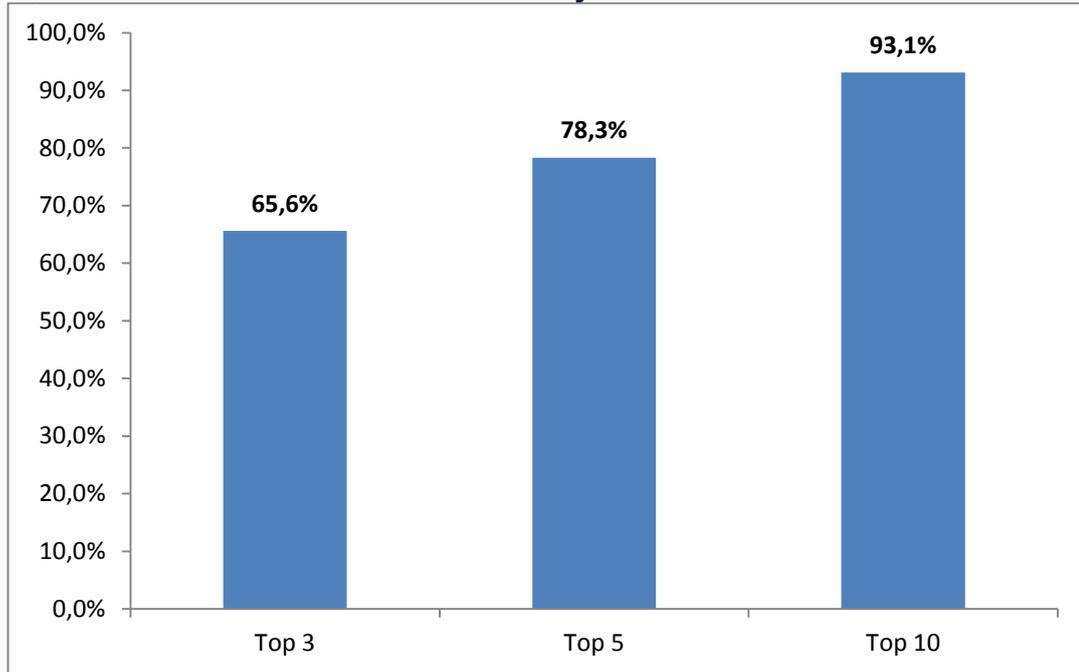


Source: IAB Europe Adex Benchmark 2013/IHS

The average growth rate of online ad spend in Europe was 10.7% in 2013. This "average" value ranges from growth rates as high as 17.3% in Slovakia or 16.2% in the United Kingdom (Europe's most advanced digital economy) to -1.1% in Spain and -2% in Slovenia. Different economic conditions in each country can explain these differences, which again shows the heterogeneity of the different European economies.

**Figure 58 Online advertising growth in 2013 - *in %***
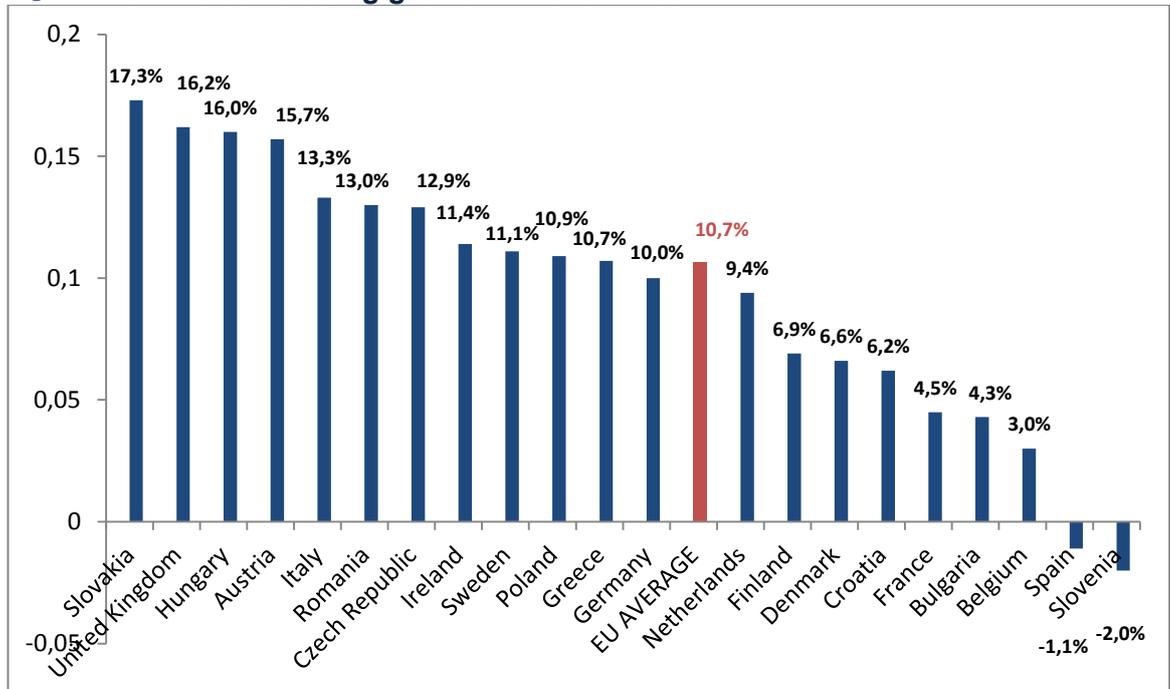


Source: IAB Europe Adex Benchmark 2013/IHS

Another interesting figure is online ad spend per capita, showing the "relative" worth of a customer to advertisers. It is also an indicator of the maturity of the online market (the higher the online ad spend per capita, the more mature the market) in each country and shows the capacity for the future development of the online ad market (the less money is spent on each customer, the more scope for future development). The most mature market in the EU is the United Kingdom, with an ad spend per capita of €115.2 in 2013, closely followed by Denmark with €111.8 and Sweden with €99.8. The larger economies Germany and France are spending less than half as much as the United Kingdom per head. It is also interesting to note that two other EU-5 countries, Spain and Italy, have a very low per capita spend (€19.1 and €27.9 respectively). The lowest online ad spend per capita is found in Romania (€1.5), Bulgaria (€2.7) and Croatia (€3.5). This once again shows the different stages of market maturity and heterogeneity in Europe when it comes to the online landscape.

**Figure 59 Online ad spend per capita in 2013 - *in EUR***
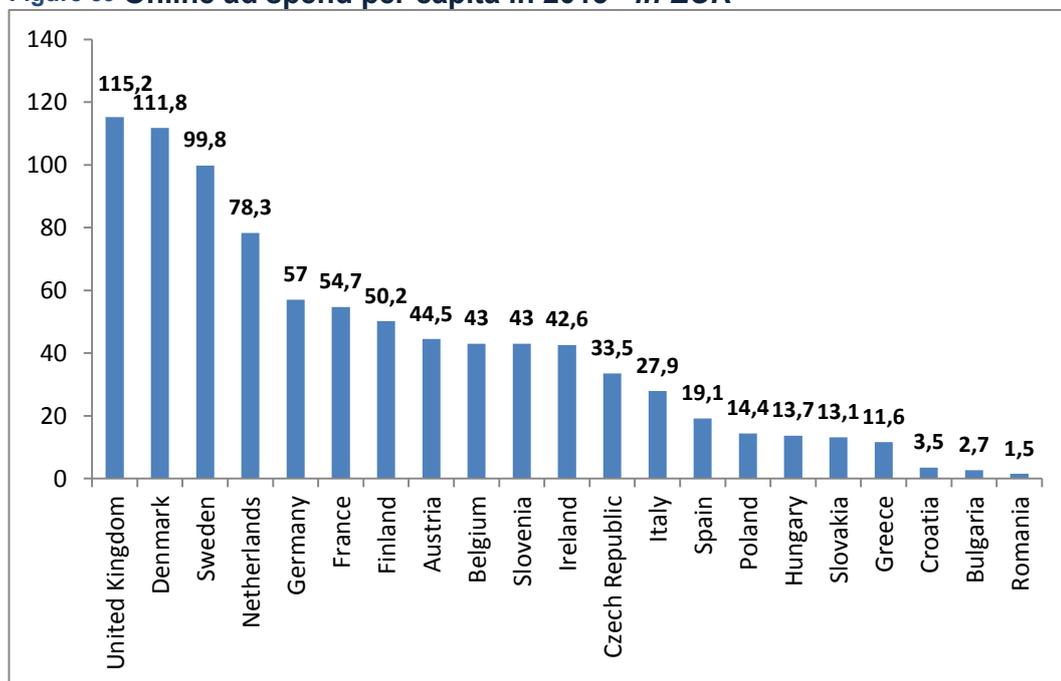


Source: IAB Europe Adex Benchmark 2013/IHS

## 11.2 Focus on Display advertising

### 11.2.1 The European Online Advertising Market - A Short Introduction to the European Online Display Advertising Ecosystem

*The text in this section is an article written by Christian Grece and that will be published in the upcoming IRIS Special of the European Audiovisual Observatory with a focus on commercial communications.*

*"Christian Grece, "The European Online Advertising Market - A Short Introduction to the European Online Display Advertising Ecosystem", in New forms of commercial communications in a converged audiovisual sector, IRIS Special, European Audiovisual Observatory, Strasbourg, 2014"*

Over the past decade, the World Wide Web has risen in importance in our modern societies, quickly investing, changing and challenging many established ecosystems, especially in the media landscape. At the beginning, limited by small bandwidths (dial-up connections), the web mainly challenged the established music ecosystem, the written press, newspapers and libraries, but, with the expansion of broadband capabilities thanks to technical innovations (ADSL, optical fibre) allowing for a smooth transmission of video streams and faster video downloads, the proliferation of connected devices and of screens and the changing audiovisual consumption patterns of consumers (especially of Generation Y), the traditional audiovisual sector as a whole (television, cinema, home video) is being challenged and our existing media ecosystem has entered a period of mutation and innovation.

With the entrance of so-called "Over-the-Top" (OTT) companies (such as Google, Facebook, Apple or Netflix), new players have invested in the European audiovisual sector and are entering in frontal competition for advertising budgets and the "eyeballs" of customers. The online advertising market is growing fast, introducing new opportunities, as well as threats to the established commercial television sector (and even the advertising sector as a whole). The importance of data and customer profiles in this online landscape is immense; collecting and using data provides a competitive advantage and those who are in the best position to do so are already taking and establishing a dominant position on the online advertising market. Technical innovations, the appearance of new forms of communication and connections (social networks) and the rising importance of mobile devices are quickly transforming traditional business models. As the competition for "eyeballs" is intensifying, players (traditional and new entrants) have to successfully adapt to the new challenges of the advertising market in order to secure their future.

This short overview presents the changes affecting the European online advertising market and its main financial figures, exposes in a little more detail the display advertising market (the most relevant for the broadcasting sector) and it's functioning, and finally gives an outlook on future developments. The aim is not be exhaustive, but rather to present actual trends in 2013 that have a significant impact on the display advertising market and give a peek into the complex functioning of this new, innovative technology and data-driven advertising market.

The changes on the demand and supply side resulting from technical innovations and new entrants have fragmented audiences and transformed the multiple closed and controlled media ecosystems that were predominant in Western societies into a single open and uncontrolled one. Where before content was scarce, the web has introduced an abundance of it. Traditional media companies and new entrants, known as OTT players, are in competition for the attention of consumers and getting this attention in order to succeed in the digital landscape is increasingly difficult in a global connected online landscape. The media ecosystem has become an attention economy,[27] where the attention of customers is a scarce resource. Another main trend is the importance and use of data, be if for advertising purposes or analysing viewing patterns.

Advertising-financed broadcasting is therefore in an increased competition with OTT players on the advertising market. This competition is two-sided:[28] on one side, there is a competition for the "eyeballs" of customers; on the other side, a competition for advertising budgets and campaigns from advertisers and their agencies. The rise of audiovisual consumption anytime, anywhere and on any device, especially from younger generations, has introduced audience fragmentation and poses a challenge to those traditional players who have to adapt to this now increasingly open advertising market.

A significant trend of this battle for "eyeballs" is the production and commissioning of original content by those new entrants (e.g. such as YouTube's,[29] Crackle's,[30] Vimeo's[31] original series) and the creation of a new audiovisual ecosystem on Google's YouTube with "Multi-Channel Networks"[32] (MCN) generating advertising revenue for the channels operators, as well as for Google. The acquisition[33] in 2014 of YouTube's leading MCN, Maker Studios, by The Walt Disney Company for USD 950 million and the acquisition of 60% of the MCN Studio Bagel[34] by the

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[27] Goldhaber M., "The Attention Economy and the Net", *First Monday* 2(4)*, 7 April 1997, available at: firstmonday.org/article/view/519/440

28 Anderson S. and Gabszewicz J., "The media and advertising: a tale of two-sided markets" in Ginsburgh V. and Throsby D*. (eds.), *Handbook of Cultural Economics,* Elsevier Science, August 2005, available at: economics.virginia.edu/sites/economics.virginia.edu/files/anderson/fullfinaltale_0.pdf

29 Wallenstein A., "YouTube, DreamWorks Animation to Produce Daily Original Series", *Variety,* 9 January 2014, available at: variety.com/2014/digital/news/youtube-dreamworks-animation-to-produce-daily-original-series-exclusive-1201040884/

30 "Crackle Unveils New Original Programming and Renews Three Hit Series at 2014 Digital Content New Fronts", *Marketwatch,* 30 April 2014*, available at: www.marketwatch.com/story/crackle-unveils-new-original-programming-and-renews-three-hit-series-at-2014-digital-content-newfronts-2014-04-30

31 Kastrenakes J., "Vimeo gets into original content with short comedy series 'High Maintenance'", *The Verge,* 29 May 2014, available at: www.theverge.com/2014/5/29/5760790/vimeo-first-original-content-high-maintenance

32 Kozlowski L., "Multi-Channel Network 101", *Forbes,* 30 August 2013, available at: www.forbes.com/sites/lorikozlowski/2013/08/30/multi-channel-networks-101/

33 Dredge S., "Disney's YouTube deal is a real game changer", *The Guardian,* 30 March 2014, available at: www.theguardian.com/technology/2014/mar/30/disney-youtube-deal-game-changer

34 Keslassy E., "Canal Plus Acquires Leading YouTube Channels Network Studio Bagel", *Variety,* 3 March 2014, available at: variety.com/2014/biz/news/canal-plus-acquires-leading-youtube-channels-network-studio-bagel-1201124490/

French pay-TV operator Canal+ is a good illustration of this trend. As "eyeballs" continue their migration online and people are sharing the time they devote to media between traditional and online destinations, traditional audiovisual companies (broadcasters, studios) and OTT players are innovating in order to capture a share of the rising online advertising revenue, generated by an increased shift of advertising budgets towards the online space.

For now, TV remains the most popular medium for advertising, leading Europe's advertising market in 2013 with EUR 28.1 billion, but the change has started. As underlined in Mary Meeker's presentation on 2014 Internet trends[35] at the Code Conference, several trends are furthermore accelerating the pace of change. First of all, screens are proliferating. World-wide, mobile devices (smartphones, tablets) sold 4 to 5 times more than TVs in 2013; even if TVs are still the most widespread device, with 5.5 billion units on a world-wide basis, tablets and smartphones, representing a total of 2 billion units in 2013, are quickly catching up and changing viewing habits through their usage. In 2013, mobile devices were used for 166 minutes per day, compared to a usage of 148 minutes for TVs; in the USA, the usage of mobile devices is 194 minutes per day compared to 147 minutes for TVs.[36] This proliferation of mobile devices has enhanced another trend, that of the so-called "second screen".[37] Second screen is defined as the use of another "screen", such as a mobile device, alongside the "first" screen, the television, creating a potential new revenue stream for audiovisual companies.[38] Meeker also shows that in the USA, millennials (also called "Generation Y", i.e. those born between the early 80s to the early 2000s) watch 34% of their total TV time online, roughly 3 times more than non-millennials in 2013. As a result, they are therefore increasingly choosing their audiovisual content themselves, thus becoming the decision-makers with regard to their consumption, in opposition to the old prescription/curation model used in a closed broadcast environment. This trend goes hand-in-hand with changing viewing habits and the appearance of so-called "binge viewing", i.e. watching several episodes of a TV series in a single session. If we link those evolutions with the predictions of Netflix's CEO Reed Hastings, i.e. that Internet TV is replacing linear TV; screens are proliferating; remote controls are disappearing; and apps are replacing channels,[39] we can conclude that the shift of audiovisual consumption from linear broadcast TV towards the Internet has already started and will gain in importance over the coming decade, before finally replacing the traditional broadcast model. Of course, the traditional broadcast ecosystem, after having resisted this evolution for several years, is adapting to this new environment by investing the online space: pure "OTT"' offers from traditional broadcasters, catch-up TV such as the BBC's iPlayer, second screen offerings by TV channels, acquisition of pure online players, such as MCNs, by media groups now operating on the web, where scale and reach are essential and users can rise from millions to billions, and global juggernauts (e.g. Google's YouTube, AOL, Yahoo!, Facebook) have already taken a leading position.

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[35] Meeker M., "2014 Internet trends report", *Kleiner Perkins Caufield Byers,* 2014, available at: s3.amazonaws.com/kpcbweb/files/85/Internet_Trends_2014_vFINAL_-_05_28_14-_PDF.pdf?1401286773

[36] Lechevallier P., "Télévision et vidéo: la mutation du marché s'accélère", *ZD Net,* 30 May 2014, available at: www.zdnet.fr/actualites/television-et-video-la-mutation-du-marche-s-accelere-39801757.htm

[37] Warren C., "When Did the 'Second Screen' Become a Thing?", *Mashable,* 2 May 2013, available at: mashable.com/2013/05/02/second-screen/

[38] See also the contribution of Conor Murray in this publication.

[39] Hastings R., "Netflix Long Term View", *Netflix Investor Relations,* updated 21 April 2014, available at: ir.netflix.com/long-term-view.cfm

The ever-rising use of personal data collected on users of websites[40] places the exploitation of this personal data in the centre of the targeting capabilities of those players. As advertisers want to target specific user profiles, companies in the possession of "big data" allowing for a refined targeting of advertisements to users, possess a competitive advantage,[41] at least in the starting phase.[42] The use of "big data" and targeting of specific profiles is also transforming the way in which online display advertisements are sold, with the advent of programmatic buying of ad inventory and real-time bidding platforms, as this article explains on the next pages. The possibilities, if exploited to a full extent, could radically improve the advertisement business for marketers by allowing the exclusive targeting of customers who could be potential buyers of the product/service advertised, thus presenting the opportunity to reduce advertising expenditure or employ the resources more efficiently. A famous quote, attributed to John Wannamaker[43] and/or Henry Ford, states that, "Half the money I spend on advertising is wasted; the trouble is I don't know which half." For now, the online advertising market is still far away from having proven its efficiency and effectiveness to advertisers and marketers, but the better use of data has the possibility of changing this fact. This use of data also poses concerns and risks regarding the privacy of users, as the tracking, gathering and disseminating of personal information is still a "black box" for the general public and awareness has just started to rise in Western societies.

The online advertising market is split up into three main categories: search advertising, classified advertising and directories and display advertising. These are defined by the IAB as follows:

- Search advertising:[44] "Fees advertisers pay Internet companies to list and/or link their company site or domain name to a specific search word or phrase (includes paid search revenues)." As this form of advertising often happens before the person searching makes a purchase, this is the form of advertising most valued by advertisers (e.g. user searching for a hotel, plane ticket, product, etc…)

- Classified advertising and directories:[45] "A form of advertising which is particularly common in newspapers, online and other periodicals which may be sold or distributed free of charge. Classified advertising is called such because it is generally grouped under headings classifying the product or service being offered (headings such as Accounting, Automobiles, Clothing…) and is grouped entirely in a distinct section, which makes it distinct from display advertising. Display advertising typically contains graphics or

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[40] "Big data" - be it through the utilisation of "cookies", unique ad IDs); this is not only true for the media sector, but for a large variety of traditional business models that are impacted by the use of "big data".

[41] ATKearney, "Big Data and the Creative Destruction of Today's Business Models", 2013, available at:
www.atkearney.fr/documents/10192/698536/Big+Data+and+the+Creative+Destruction+of+Todays+Business+Models.pdf/f05aed38-6c26-431d-8500-d75a2c384919

[42] Selikowitz D., "Big Data: From Competitive Advantage to Table Stakes", *Harvard Business School Blog,* 11 April 2014, available at: blog.hbs.edu/dighbs/big-data-from-competitive-advantage-to-table-stakes/

[43] Wannamaker (1838 –1922) lived before the appearance of commercial television and is considered a pioneer in marketing, operating department stores in the USA.

[44] IAB, "Glossary of Interactive Advertising Terms v. 2.0", available at:
www.iab.net/media/file/GlossaryofInteractivAdvertisingTerms.pdf

[45] IAB UK, "Jargon buster", available at: www.iabuk.net/resources/jargon-buster

other art work and which is more typically distributed throughout a publication adjacent to editorial content."

- Display advertising:[46] "a form of online advertising where an advertiser's message is shown on a destination web page, generally set off in a box at the top or bottom or to one side of the content of the page" (examples include banner ads, online video ads, pop-ups, etc.)

Display advertising is the most relevant form of online advertising to the audiovisual sector. As we will expose in more detail in the Part II, video advertising has introduced new capabilities for marketers and brands to engage with consumers which were not possible before with simple banner ads and pop-ups.

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[46] *Supra* note 21.

The online display advertising ecosystem is a very complex and fragmented one, with many players intervening throughout the whole value chain (see figure 1 below).[47] Yet, the high number of players and the general complexity of the market should not make us blind to the fact that a consolidation process is ongoing, with global players (e.g. Google, Yahoo!, Microsoft, AOL, Facebook) dominating the market and investing in almost every aspect of the tech advertising ecosystem in order to offer an integrated package to their customers. In addition, these big ad tech firms are acting as publishers, selling a complete "package" to their customers (for example, Google's YouTube sells ad space through Google's ad network and exchange DoubleClick; OTT players are investing in original content to further differentiate themselves from their competitors).

On the two extremities of the market are publishers, who sell advertising space, and advertisers, who wish to place an advertisement on the publisher's website in order to reach its audience (traditional two-sided market). In between are many players who intervene on different parts of the advertising process and act as intermediaries (buying, selling, ad exchanges and networks, targeting, technical verifications, analytics, verification and privacy controls, etc.)

**Figure 60 The European display advertising ecosystem 2012[48]**
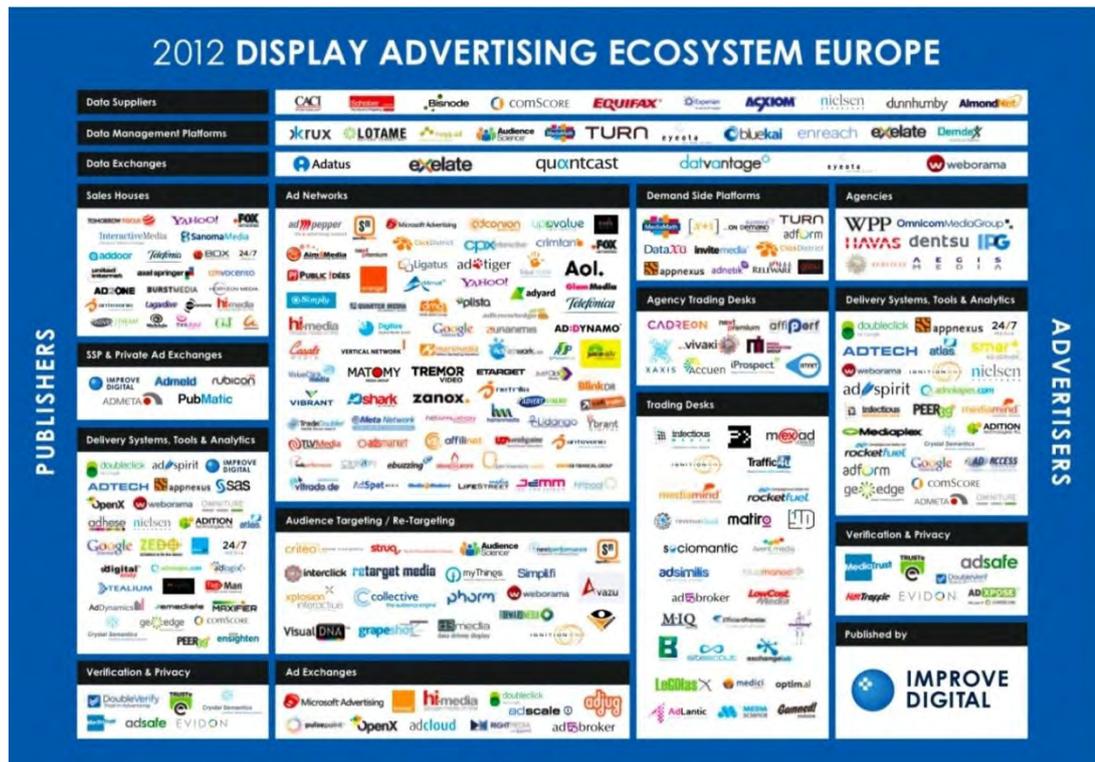


Source: Exchangewire

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[47] The original image of the American online display advertising ecosystem was created by LUMA partners, an investment firm and has since been adapted to the European online advertising market, available at: www.lumapartners.com/lumascapes/display-ad-tech-lumascape

[48] Image by Exchangewire, available at: www.exchangewire.com/wp-content/uploads/2012/05/IMPROVE-DIGITAL_DISPLAY-ADVERTISING-ECOSYSTEM-EUROPE-2012.jpg

As the big number of players and intermediaries render the comprehensive coverage of the entire ecosystem difficult, a choice has been made to focus only on the most significant ones in order to limit complexity.

## Main players on the Display advertising market

The main players on the Display advertising market are the following:

- *Advertisers/marketers and their advertising agencies*: these players need to advertise their product/service and therefore buy ad inventory spaces in order to advertise to the publisher's audiences.
- *Demand side platforms (advertisers)*: this refers to advertising technology platforms which allow marketers to manage their online media campaigns by facilitating the buying of auction-based display media and audience data across multiple inventory and data suppliers in a centralised management platform.
- *Ad networks*: ad networks act as sales representatives/brokers and therefore play the role of an intermediary between advertisers and publishers. They aggregate audiences, sell packaged inventory and data for better targeting. The main companies in this area are Double Click (Google), Yahoo! Publisher Network and adCenter (Microsoft).
- *Ad exchanges*: ad exchanges are online auction-based marketplaces that facilitate the buying and selling of inventory across multiple parties ranging from direct publishers, Ad Networks and Demand Side Platform (DSP). These automated marketplaces enable sellers to monetise inventory via acceptance of the highest bid from buyers in order to advertise to the right/specific audience at the right time. Those auctions are made in real-time in order to increase efficiency, e.g. Double Click (Google), Right Media (Yahoo!), AdECN (Microsoft)/Examples of real-time bidding platforms: Google's AdEx, Yahoo's Right Media.
- *Retargeting fir*ms: retargeting firms gather data on consumers by using cookies and other data gathering technologies in order to allow to address the "right" ad to "right" audience.
- *Publishers:* publishers sell their audiences attention by selling ad spaces. Publishers are video sites (such as Google's YouTube, Dailymotion, TV channel websites), newspaper websites, blogs and almost every website which relies on advertising revenue for financing and sells advertising spaces.

Even if the number of intermediaries is high and their function and functioning complex to understand, the important fact is that the online advertising market is changing the overall process of ad buying and selling through the introduction of various technologies. Also, although it is true that a multitude of players exist in those markets, a handful of integrated companies, such as Google, AOL, Microsoft and Yahoo!, are dominating the market and ensuring the perpetuation of this domination through acquisitions and mergers.

## Main objectives of online display advertising

Display advertising is more complex than the two other forms of online advertising, i.e. search and classified advertising. In search advertising, the key words used for the search gives the interest of the consumer away. In classified and directory advertising, the consumer is directly looking for the product/service in which he or she is interested.

In online display advertising, however, advertisers need to have additional information on the consumer in order to display an ad of interest to him or her (even if contextual advertising can give a hint as to the interests of the consumer). For a long time after the start of the commercial and public Internet, online display advertising was mainly composed of banner and pop-up ads, which weren't specifically targeted at users. Moreover, the static banner ads or pop-ups were perceived as annoying, as most Internet users tend to confirm after having experienced them. The popularity of ad-blocking and pop-up blocking software further underlines the negative perception of those forms of advertisements;[49] it is worth mentioning that Google had forbidden pop-up ads on its websites.[50]

The main objective of display advertising is to get the right advertising message at the right time to the right person. This is done by using multiple ad technologies and processes. These are explained in more depth below.

**Figure 61** **Schematic view of the objectives and challenges on the online display advertising ecosystem**
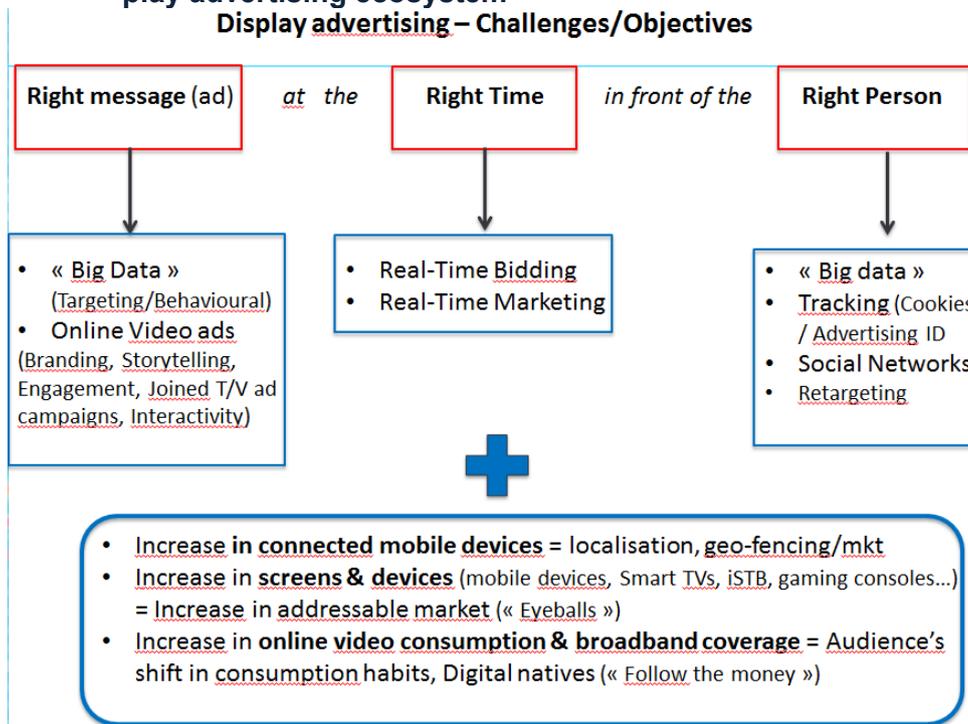


Source: Christian Grece, European Audiovisual Observatory

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[49] McCoy S. et al., "A Study of the Effects of Online Advertising: A Focus on Pop-Up and In-Line Ads", *Proceedings of the Third Annual Workshop on HCI Research in MIS, Washington, D.C., December 10-11 2004*, pp. 50-54, available at: interruptions.net/literature/McCoy-HCIRMIS04.pdf

[50] Google, "No pop-up ads allowed on Google", available at: www.google.com/help/nopopupads.html

## Right advertising message

- Collection of personal information ("big data")

Getting the right advertising message to the right person is primarily[51] done through the use of "big data" (personal information) collected on users (through the use of cookies, by assigning individual users a unique ID number in order to track them through multiple connected devices). This in return allows targeting users based on their profile (preferences, interests, age, revenue, etc.) The use of personal information by private companies is receiving more scrutiny from the general public, as it is not always clearly stated which data is collected, kept and used to track persons through their journey on the web. The aim of this note is not to expose all the issues associated with the use of "big data" for commercial purposes, a vast subject on its own. It shall therefore simply be signalled here that the collection and use of personal data is, in Europe as well as in the USA, receiving more attention from society, regulators and law makers.

- Online video advertising

The right advertising message is also brought before users by online video ads. The use of online video advertising, a market estimated to be worth EUR 662 million in 2012 (growing by +50.6 each year and representing 13% of the European display advertising market) is growing in double digits, enhanced by larger bandwidth and network capabilities. The drivers of growth for online video advertising are multiple:

- Video is a branding[52] medium for advertisers,[53] which allows combining TV and online ads to create joint ad campaigns, with additional content made available on the web (content marketing).
- The abundance of video content available on the web makes the insertion of video ads (pre-roll, mid-roll and end-roll) into video clips feasible. Users are increasingly consuming online video (be it on user-generated content platforms, advertising-financed video sites, social networks or newspapers websites) and therefore the online space is offering much space and video inventory that can integrate video advertising. This form of advertisement is in increased competition with the traditional audiovisual advertisements broadcasted on TV and that is sustained by the creation of original content by OTT players.
- Increased network capabilities in Europe[54] facilitate the delivery of video content.

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[51] The exploitation of big data is not the only way of getting the right advertisement in front of the right person (contextual advertising).

[52] IAB UK, "Brand Building Online FAQs", available at:
http://www.iabuk.net/sites/default/files/research-docs/Brand%20Building%20Online%20FAQs.pdf

[53] Elliott S., "For Online Video Publishers, a New Tack on Luring Ad Dollars", *The New York Times,* 7 May 2014, available at: www.nytimes.com/2014/05/08/business/media/for-online-video-publishers-a-new-tack-on-luring-ad-dollars.html?_r=0

[32] Akamai, *Akamai's State of the Internet*, Q4 2013 Report, Volume 6 Number 4, available at: www.akamai.com/dl/akamai/akamai-soti-q413.pdf?WT.mc_id=soti_Q413

## Right time

Getting the right advertisement is only one of the objectives of online display advertising. The second objective, displaying it at the right time, is used through real-time bidding (RTB)[55] and programmatic ad space buying. RTB is similar to the functioning of a stock market. Publishers make their inventory (and therefore their audience visiting their website) available for auction to advertisers and marketers on ad exchanges. The process is completely automatised through the use of computers and takes place in fractions of seconds. The auction process is based on algorithms which match user profiles to advertisers' bids on those profiles ("valuable" profiles to which advertisers want to show their ads), maximizing prizes for profiles and ad spaces and aiming to match ads with the right audience in the process. The tendency for ad buying is evolving towards programmatic buying[56] (with no human interactions involved) and RTB, as it is more efficient than negotiating each ad space with publishers and ad networks.

## Right person

The third objective for display advertising is to advertise to the right person, a person that could show interest in the product or service advertised to him or her. This is, again, achieved by using the information collected on the person to establish their profile. The popularity of social networks, such as Facebook and Twitter, has enabled those publishers to collect in-depth information on their users, valuable to advertisers. The personal profile established on a user is then used to target him or her with a specific advertisement.

The increased proliferation of connected mobile devices, such as smartphones and tablets, complicates the ability of ad tech firms to track users across different devices[57] (cookies do not work on mobile connected devices and they do not synchronise across different browsers). The recent developments are moving towards the establishment of a unique ad ID number[58] for each user (based on various technical information collected on the mobile device and desktop), which allows tracking users between multiple devices. Google, for instance, is able to track users across Android phones, Gmail and the Chrome browser and Microsoft can track users across applications. It is clear that the capability of tracking a user across devices through their online journey is becoming essential, as usage is rapidly changing and adapting to mobile devices.

[34] Ballve M., "RTB Or Real-Time Bidding Is The Future Of Digital And Mobile Advertising –Here's What You Need To Know", *Business Insider,* 26 September 2013, available at: www.businessinsider.com/rtb-or-real-time-bidding-is-the-future-2013-9

[35] Hof R., "Programmatic Advertising To Gobble Up Even More Ad Budgets – Report", *Forbes*, 15 May 2014, available at: www.forbes.com/sites/roberthof/2014/05/15/programmatic-advertising-to-gobble-up-even-more-ad-budgets-report/

[57] Cain Miller C. and Sengupta S., "Selling Secrets of Phone Users to Advertisers, *The New York Times,* 5 October 2013, available at: www.nytimes.com/2013/10/06/technology/selling-secrets-of-phone-users-to-advertisers.html

[58] Rosenberg A., "ID Is Key: Unlocking Mobile Tracking & Cross-Device Measurement, Part 2", *The Makegood,* 14 August 2013, available at: www.the-makegood.com/2013/08/14/id-is-key-unlocking-mobile-tracking-cross-device-measurement-part-2/

## A new revenue stream – mobile advertising

The increase of mobile devices and the use consumers make of them is offering advertisers and publishers new ways to connect with consumers. Mobile connected devices enable localisation and therefore geo-fencing and geo-marketing, that is to say advertising based on the location of the user. With this new form of commercial communication, an ad is only displayed to a user if he or she is in a specific geographical position. The increased usage of mobile connected devices, combined with an increase in online video consumption, is furthermore expanding the addressable market for advertisers. A consumer can be reached everywhere, anytime and no longer only when he or she is in front of a computer, which limited the addressable market and ways of interacting with him or her.

The strong increase witnessed in the past years in mobile advertising is in line with the usage of connected mobile devices and their proliferation among Europe's population. Mobile advertising was valued at USD 3.58 billion in 2013 in Western Europe according to eMarketer data[59] and is projected to rise to USD 15.18 billion in 2017.

Looking at the usage of mobile Internet capable phones in Europe, eMarketer estimates that 40% of the population in Western Europe is using the web at least once per month from a mobile phone and this number is set to rise to 66% of the total Western Europe population by 2017. The popularity of tablets, especially for online video consumption, is furthermore reinforcing this trend.

Mobile connected devices allow advertisers to make use them as a "second screen", interacting with the consumer in front of a TV through his or her connected mobile device. The possibilities offered by "second screens" are large and currently brands are experimenting with various ways of engaging with consumers in front of their television sets through the use of second screens. Social networks, such as Facebook and Twitter, are developing technologies to combine TV advertisements and programmes with engaging content displayed on the phone screen. The aim of second screen advertisements is to further engage consumers by displaying relevant information and ads to them directly related to the content they are already consuming on the TV set.

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[59]eMarketer, "Display, Mobile Key Drivers of Western European Digital Ad Spending Growth - Investment in digital ads more mature in Germany, France", 8 November 2013, available at: www.emarketer.com/Article/Display-Mobile-Key-Drivers-of-Western-European-Digital-Ad-Spending-Growth/1010371

## Limitations of mobile advertising

While mobile advertising is offering new possibilities for marketers, advertisers and publishers to engage with consumers and opening new streams of revenues, several limitations and difficulties persist.

It is difficult yet to monetise content on mobile devices for publishers, as this form of advertisement is not completely trusted by advertisers and marketers who question the engagement and delivery of ads on mobile devices. Are people really watching ads on mobile devices or do they see them as an annoyance? The mobile ad tech sector and publishers are putting their best efforts into reassuring and proving the efficiency of mobile advertisements, but this has not yet fully convinced the whole sector. As with banner ads in the beginning of the web, new forms of advertisement need time to develop and show their full capacities and mobile ads are in this way no different. The situation becomes even more problematic for publishers, as mobile viewership is increasingly gaining in importance in their overall viewership. For publishers it is therefore essential to find ways that guarantee the efficiency, reliability and effectiveness of mobile advertisement in the eyes of advertisers and marketers.

The mobile advertisement market is a low margin business (a fact which has effects on the results even of a dominating company like Google).[60] Online advertisements are less costly than TV ads and mobile advertisements are less costly than online advertisements. It is therefore crucial, as with every low-margin business, to achieve the necessary scale and reach. Only global, international players can aggregate the necessary audiences to make their mobile advertisement business profitable. It is therefore no wonder that, according to eMarketer,[61] only two companies dominated the Global mobile ad market in 2013: Google, with 52.3% of the global mobile market, and Facebook, with 15.8%. This strong dominance shows the importance of scale and reach, which only few companies possess in the global Internet advertising market.

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[60] Efrati A., "Google's Revenue Reignites Mobile Worries", *The Wall Street Journal,* 18 July 2013, available at: http://blogs.wsj.com/digits/2013/07/18/googles-revenue-reignites-mobile-worries/
[61] eMarketer, "Google takes home half of worldwide mobile Internet Ad revenue", 13 June 2013, available at : www.emarketer.com/Article/Google-Takes-Home-Half-of-Worldwide-Mobile-Internet-Ad-Revenues/1009966

The growth of online display advertising is driven by several trends, as this short introduction has shown. First of all, the rising number of persons online, the increased consumption of video content and rising network capabilities are expanding the addressable market for online display advertising. The usage of online video as a branding tool for advertisers and marketers further underlines this trend, as video offers many more possibilities for engaging with a potential consumer than pop-ups or banner ads, the most widespread forms of display advertising before the advent of online videos. The utilisation of "big data" and the profiling of consumers that that data allows enable a more precise targeting and personalisation of display advertisements and, therefore, an increased efficiency for advertisers and marketers. Online display advertising companies are also taking advantage of the recent technological innovations and integrating them into their ad tech business. Real-time bidding and programmatic buying are good examples of how technology is enabling a more accurate and streamlined selling and buying of ad inventory, facilitating the process for buyers and sellers. Proliferation of mobile connected devices is opening a new addressable market, extending the potential reach for online display advertisements, while also enabling new forms of advertisements, such as the mobile device as a second screen and localisation-based ads.

The shift, that just started in 2013, is one of passing from mass advertising (as it was done on broadcast TV) towards the individualised and personalised forms of advertising that are possible in the online landscape.

Limitations are rising, as the online advertising space is a lower margin business than was the case with TV (where a limited number of channels existed in a closed and controlled environment, as opposed to the online space, where no control exists and content is abundant). The low ad prices of the online ad market make it a low margin business, where scale, reach and interoperability are of uttermost importance. The high fragmentation of this market, combined with the high number of players trying to capture ad budgets, favours the global digital players who are dominating the market. The leading players on the ad tech and online advertisement market are Google, Facebook, Microsoft, AOL, Yahoo!, Amazon and Twitter, companies that operate globally and have a large user base. The market has a tendency to concentrate, as those global players are acquiring smaller ad tech companies in order to reinforce their dominant position. In order to be effective and dominant in the market, a company has to operate on a global scale and possess an important customer/user base.

However, concerns about online display advertising remain. Firstly, marketers and advertisers still have doubts as to the measurability, effectiveness and reach of online advertisements. The online ad industry is producing a huge amount of reports, surveys and notes in order to reassure advertisers on those issues, but the low prices for ad inventory in the online space compared to broadcast TV demonstrates that more proof (or time and experience) is yet needed. Broadcast TV had, during the last century and the beginning of this one, plenty of time to commission studies that showed how high a return advertisers can expect on their investment when advertising on television. The online advertising industry needs similar "proof" in order to be able to begin to charge prices remotely approximate to those

of broadcast TV. Finally, concerns also exist about traffic fraud and robots[62] being used in order to generate false impressions of ads, which no human being has ever seen. As always with new technologies, time is needed in order to clear the process and establish confidence in the market. But with the changing consumption habits of consumers (especially younger generations) regarding content and an increased demand for online content, markets and advertisers will migrate to where the "eyeballs" are: the online landscape.

Last but not least, Western societies are increasingly concerned with the use private (and also public) organisations are making of the data collected. The recent surveillance scandals (e.g. that of NSA surveillance) have alerted the public to how their data is being collected and used against them. People are increasingly worried about commercial companies establishing profiles on them and tracking every move they make on the web for commercial purposes. Attention has gathered around this subject and it is yet not clear how the situation will evolve.

As a final word, an Internet saying perfectly describes what web users should expect: "If you are not paying for it, you're not the customer; you're the product being sold".

The next chapter details the relevant 2013 figures available for the online display advertising market with a focus on video and mobile display advertising.

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[62] Shields M., "Bots and 'Drone Pools': The Deep Bag of Tricks in Video-Ad Fraud", *The Wall Street Journal,* 26 May 2014, available at:
online.wsj.com/news/articles/SB10001424052702304893404579530000548363992

### 11.2.2 Focus on Display Advertising

This section provides the main figures related to display advertising as this form of advertising is the one most in competition with TV advertising budgets. The data made available by IAB and IHS shows that in the 21 EU countries observed the total value of display advertising in 2013 was 8€ billion, growing by +14.3% compared to 2012. The UK (2.19€ billion), Germany (1.3€ billion) and France (1€ billion) are topping once again the ranking but with different growth rate for each country; the UK has experienced a strong growth in display ad spend with an increase of over 25% whereas Germany (9.3%) and France (5.2%) grew at level under the EU average (14.3%).

The EU countries which experienced strong growth rates (above average) on the display advertising market in the year 2013 are Italy (24.9%), Austria (28%), Czech Republic (18.7%), Ireland (28%) and Romania (15.9%). Five EU countries have experienced a shrinking in their online display ad spend, namely Spain (-5.4%, the strongest fall), Greece (-.07%), Bulgaria (-0.2%), Slovenia (-2%) and Croatia (3.1%).

**Table 19 Display value by country 2013 and 2012 in EUR million**

|  | 2012 | 2013 | Growth |
|---|---|---|---|
| United Kingdom | 1 741 | 2 192 | 25,9% |
| Germany | 1 207 | 1 319 | 9,3% |
| France | 965 | 1 015 | 5,2% |
| Italy | 693 | 866 | 24,9% |
| Netherlands | 528 | 577 | 9,3% |
| Spain | 362 | 342 | -5,4% |
| Sweden | 294 | 330 | 12,4% |
| Poland | 228 | 259 | 13,4% |
| Czech Republic | 188 | 223 | 18,7% |
| Denmark | 204 | 209 | 2,7% |
| Austria | 124 | 159 | 28,3% |
| Finland | 123 | 139 | 13,4% |
| Belgium | 106 | 111 | 4,9% |
| Ireland | 58 | 74 | 28,0% |
| Hungary | 58 | 61 | 4,8% |
| Greece | 59 | 59 | -0,7% |
| Romania | 28 | 33 | 15,9% |
| Slovakia | 25 | 27 | 8,7% |
| Bulgaria | 13 | 13 | -0,2% |
| Slovenia | 11 | 11 | -2,0% |
| Croatia | 7 | 7 | -3,10% |
| **Total EU 21** | **7 021** | **8 026** | **14,3%** |

Source: IAB Europe Adex Benchmark 2013/IHS

We could not extract the data for year-on-year growth in EU countries for online display ad spend expenditures therefore we have to rely on the Europe aggregated data provided by IAB for the years 2007 to 2013. Display ad spend, without the

major fall in 2009 in the economic crises, grew at strong levels (39% in 2007) but seems to stabilize the last 3 years around 10% to 15%. This year the main drivers (mobile, video, social networks, programmatic advertising) behind the display market growth allowed display ad spend to be the fastest growing market in Europe and to find its growth level of 2008 (before crisis) and 2011. Without any major shock or crisis, this growth level should be steady as the underlying factors are enhancing investments made by advertisers on this category of online advertisement. The rise of video viewing on sites such as YouTube or Facebook combined with more online display ad formats and experimentation with different forms of online video ads should maintain the level of investment. The increased success of Multichannel Networks on YouTube, which are acting as huge content aggregator and for which the dominant one's can generate billions of video views per months for their multiple channels, the establishment of YouTube channels of traditional media companies as a way to get in touch with younger audiences will further offer growth opportunities for advertisers and for the development of the online display advertisement market in Europe. Also, the rise of video viewing on Facebook and the trend of e-Sports viewing (with Twitch, the main site having been bought by Amazon[63] for $975 million in August 2014) open up an even bigger addressable market of "eyeballs" for advertisers.

**Figure 62** **Year-on-Year growth in European Display advertising 2007-2013- *in %***



Source: IAB Europe Adex Benchmark 2013/IHS

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[63] http://arstechnica.com/gaming/2014/08/amazon-not-google-reportedly-buying-twitch-for-1-billion/
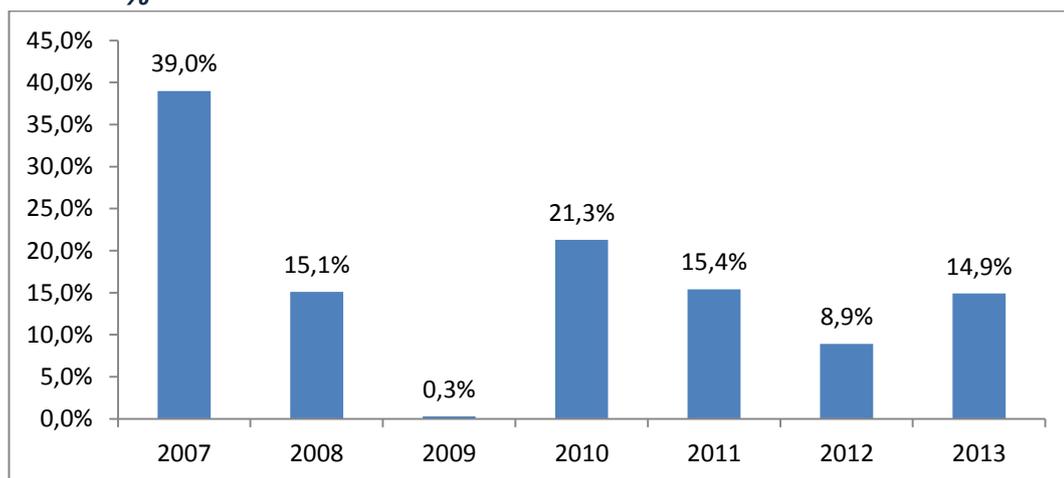
**Figure 63 Display value by EU country - Top 10 - *in EUR million***



| Country | 2013 | 2012 |
|---|---|---|
| Denmark | 209 | 204 |
| Czech Republic | 223 | 188 |
| Poland | 259 | 228 |
| Sweden | 330 | 294 |
| Spain | 342 | 362 |
| Netherlands | 577 | 528 |
| Italy | 866 | 693 |
| France | 1 015 | 965 |
| Germany | 1 319 | 1 207 |
| United Kingdom | 2 192 | 1 741 |
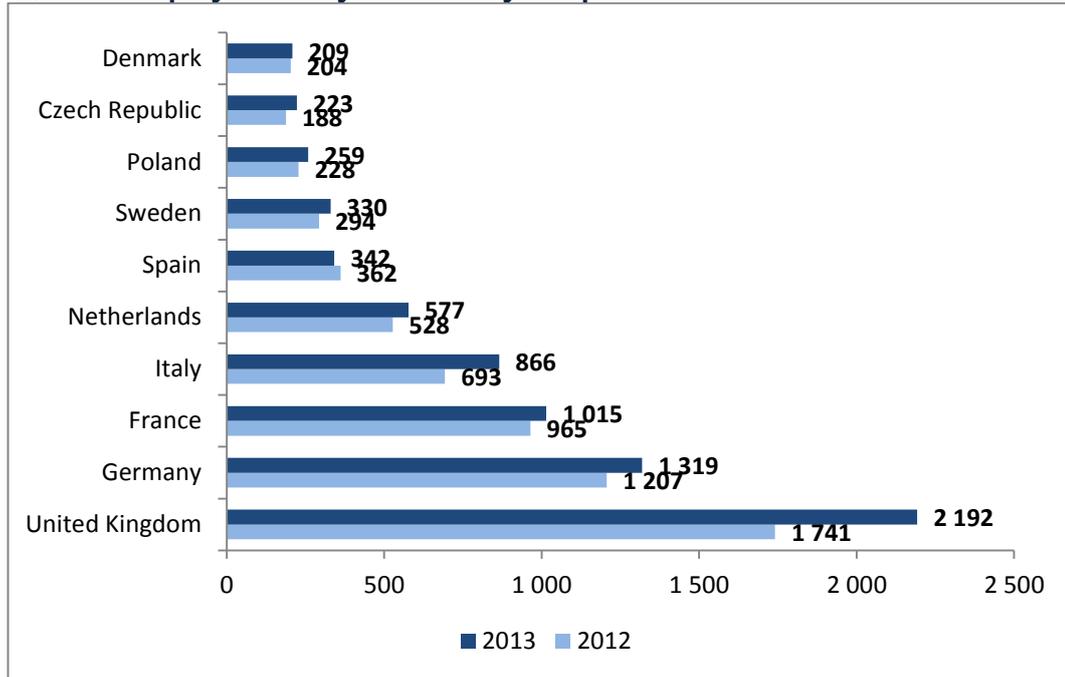
Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 64 Display value by EU country - *in EUR million***



| Country | 2013 | 2012 |
|---|---|---|
| Croatia | 7 | 7 |
| Slovenia | 11 | 11 |
| Bulgaria | 13 | 13 |
| Slovakia | 27 | 25 |
| Romania | 33 | 28 |
| Greece | 59 | 59 |
| Hungary | 61 | 58 |
| Ireland | 74 | 58 |
| Belgium | 111 | 106 |
| Finland | 139 | 123 |
| Austria | 159 | 124 |

Source: IAB Europe Adex Benchmark 2013/IHS

117
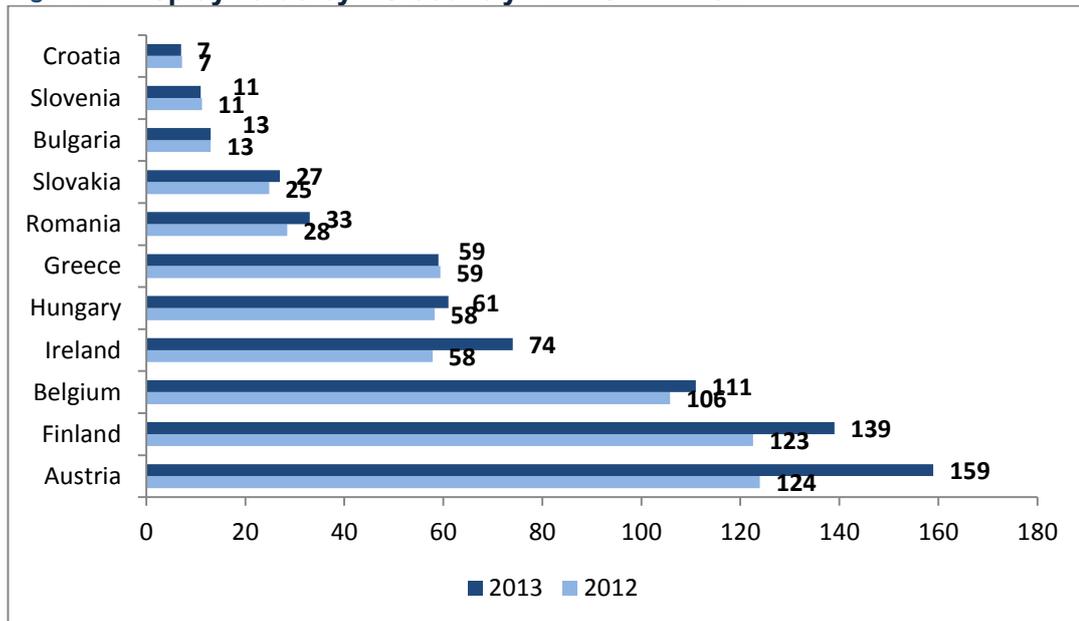
**Figure 65 Year-to-Year Display growth by EU country 2013 -  in %**



| Country | Growth |
|---|---|
| Germany | 9,3% |
| Sweden | 12,4% |
| Finland | 13,4% |
| Poland | 13,4% |
| Romania | 15,9% |
| Czech Republic | 18,7% |
| Italy | 24,9% |
| United Kingdom | 25,9% |
| Ireland | 28,0% |
| Austria | 28,3% |
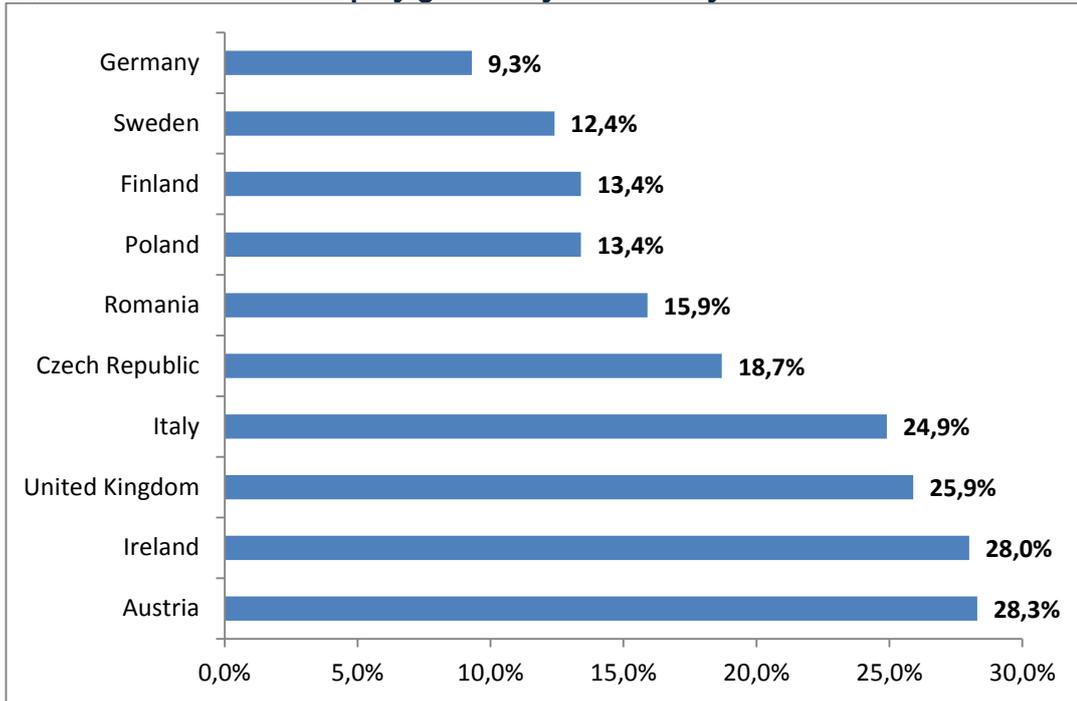
Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 66 Year-to-Year Display growth by EU country -  in %**



| Country | Growth |
|---|---|
| Netherlands | 9,3% |
| Slovakia | 8,7% |
| France | 5,2% |
| Belgium | 4,9% |
| Hungary | 4,8% |
| Denmark | 2,7% |
| Bulgaria | -0,2% |
| Greece | -0,7% |
| Slovenia | -2,0% |
| Croatia | -3,1% |
| Spain | -5,4% |

Source: IAB Europe Adex Benchmark 2013/IHS

118
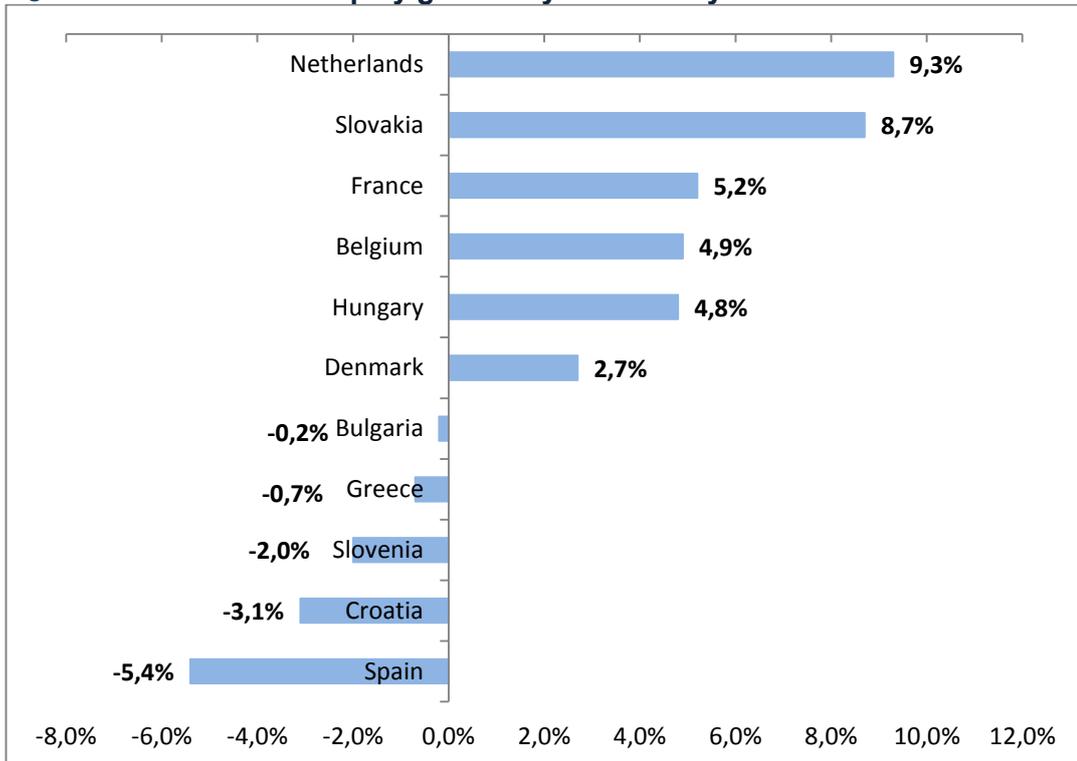
## 11.2.3 Online video advertising

This section on online video advertising explores in more detail the level of investment in online video ads in each country.

Online video advertising as defined by IAB is in-stream video ads (pre-rolls, mid-rolls, post-rolls)[64]. Various other categories of video advertising exist (such as in-stream banner overlays, out-of-stream video advertising, and contextual video advertising) but those categories are not taken into account by IAB and IHS.

Where figures were not provided as such IHS modelled the figure based on local market knowledge[65].

The total video ad spend in the 17 EU countries where data is available totalled 1.03€ billion in 2013, up by 45.1%. The United Kingdom is by a distance the number one market for video advertising, already having a market value of €356.6 million, up by 70% compared to 2012 (but still very small compared to the over €5 billion spent on TV advertising in 2013 (see UK country fact sheet). The other important markets for video advertising are Germany, France, Italy and the Netherlands which also saw a strong 2-digit increase in ad spend on online video ads. Even Spain, where online ad spend went down elsewhere, experienced a slight increase in online video ad spend (+4.3%).

**Table 20  Video ad spend in EUR million**

|  | 2012 | 2013 | Growth |
|---|---|---|---|
| United Kingdom | 209,5 | 356,6 | 70,2% |
| Germany | 121,0 | 153,0 | 26,4% |
| France | 105,3 | 139,0 | 32,0% |
| Italy | 90,4 | 132,3 | 46,4% |
| Netherlands | 68,7 | 85,6 | 24,6% |
| Sweden | 31,2 | 43,9 | 40,5% |
| Poland | 24,9 | 34,8 | 39,7% |
| Spain | 28,2 | 29,4 | 4,3% |
| Finland | 10,2 | 12,7 | 24,1% |
| Austria | 8,4 | 10,9 | 29,3% |
| Czech Republic | 6,2 | 9,9 | 60,0% |
| Denmark | 5,7 | 9,2 | 62,6% |
| Ireland |  | 8,8 |  |
| Greece |  | 4,0 |  |
| Slovenia | 2,8 | 3,3 | 20,0% |
| Hungary | 1,0 | 1,7 | 75,4% |
| Romania | 0,5 | 0,8 | 71,3% |
| **Total EU 17** | **714,0** | **1 035,9** | **45,1%** |

Source: IAB Europe Adex Benchmark 2013/HIS/OBS

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[64] This definition was agreed on by the IAB Europe Video Working Group
[65] We do not have any more details on the model used and the local market knowledge applied by IHS.

**Figure 67 Video ad spend by EU country  -  *in EUR million***
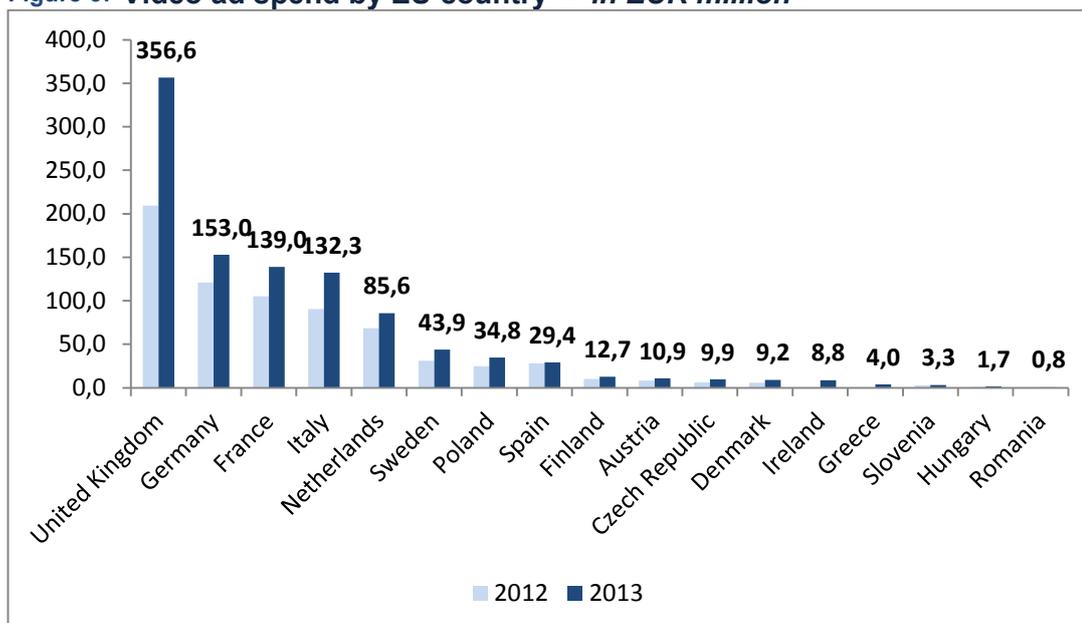


Source: IAB Europe Adex Benchmark 2013/IHS

Google's YouTube is the number one destination for advertising-financed video watching in most of the countries where data are available[66] and even for online video watching in general (free, paid, subscription, catch-up) according to Nielsen data published in the IAB Adex Benchmark report.

**Table 21  Nielsen EU Video Rankings December 2013**

| France | | |
|---|---|---|
| **Rank** | | **Unique Audience (000)** |
| Source: Nielsen, December 2013 | | |
| 1 | YouTube | 28,139 |
| 2 | Facebook | 13,136 |
| 3 | Dailymotion | 8,988 |
| 4 | MYTF1 | 5,797 |
| 5 | France Televisions | 5,656 |
| 6 | auFeminin | 4,677 |
| 7 | Orange | 4,381 |
| 8 | AlloCine | 4,379 |
| 9 | CANAL + | 3,565 |
| 10 | Yahoo | 3,367 |

| Germany | | |
|---|---|---|
| **Rank** | | **Unique Audience (000)** |
| Source: Nielsen, December 2013 | | |
| 1 | YouTube | 24,735 |
| 2 | MyVideo | 3,570 |
| 3 | T-Online Video | 1,930 |
| 4 | Vimeo | 1,460 |
| 5 | LOVEFILM.com | 1,303 |
| 6 | Dailymotion | 1,264 |
| 7 | Watchever | 1,064 |
| 8 | Ragecomic.de | 1,033 |
| 9 | Clipfish | 814 |
| 10 | Maxdome | 784 |

| Italy | | |
|---|---|---|
| **Rank** | | **Unique Audience (000)** |
| Source: Nielsen, December 2013 | | |
| 1 | YouTube | 17,243 |
| 2 | VEVO | 4,698 |
| 3 | MyMovies.it | 2,810 |
| 4 | VideoMediaset | 2,513 |
| 5 | La Repubblica TV | 2,224 |
| 6 | CineBlog01 | 2,010 |
| 7 | Comingsoon.it | 1,991 |
| 8 | Rai TV | 1,981 |
| 9 | Dailymotion | 1,953 |
| 10 | Corriere TV | 1,325 |

| UK | | |
|---|---|---|
| **Rank** | | **Unique Audience (000)** |
| Source: Nielsen, December 2013 | | |
| 1 | YouTube | 19,097 |
| 2 | BBC iPlayer | 4,975 |
| 3 | Channel 4oD | 1,743 |
| 4 | Netflix | 1,646 |
| 5 | Dailymotion | 1,599 |
| 6 | Vimeo | 1,443 |
| 7 | ITV Player | 1,225 |
| 8 | LOVEFiLM.com | 1,072 |
| 9 | Blinkx | 899 |
| 10 | Sky Go | 711 |

Source: IAB Europe Adex Benchmark 2013/IHS

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[66] Please refer to the country fact sheets. comScore video metrix data exist for Germany, France, Italy, United Kingdom, Spain and the Netherlands. The IAB Adex Benchmark 2013 also provides Nielsen video statistics for France, Germany, Italy and the United Kingdom, taking all video web sites together (free, paid, subscription, catch-up) and in those 4 countries Google's YouTube is also number one by far.

According to news and reports, and even though we do not have video data for other EU countries, it seems that YouTube is the favourite place on the Internet to watch video. The development of a entire "ecosystem" on YouTube (branded channels, multi-channel networks, music service) generating billions of views per month and having over a billion of unique visitors worldwide and over 6 billion hours watched per month[67] (as of August 2014) further supports this assumption.

The other leading players on the digital ad market (worldwide) are Facebook, Yahoo, Microsoft and AOL. We do not have market shares for EU countries, which is why we reproduce the 2013 data published by eMarketer on the leading companies by digital ad revenue (all categories, not only display advertising). As Google, Facebook and Microsoft sites are among the top three visited sites in European countries (based on comScore Media Mix data, available in the country fact sheets), the assumption can be made that those companies also lead the advertising market in EU countries.

**Table 22** **Net Digital Ad Revenue Share Worldwide, by company, 2011-2013**

|  | % of total digital ad revenues | | |
| --- | --- | --- | --- |
|  | **2011** | **2012** | **2013** |
| Google | 32,08% | 31,46% | 33,24% |
| Facebook | 3,65% | 4,11% | 5,04% |
| Yahoo! | 3,95% | 3,37% | 3,10% |
| Microsoft | 1,27% | 1,63% | 1,78% |
| IAC | 1,15% | 1,39% | 1,47% |
| AOL | 1,17% | 1,02% | 0,95% |
| Amazon | 0,48% | 0,59% | 0,71% |
| Pandora | 0,28% | 0,36% | 0,50% |
| Twitter | 0,16% | 0,28% | 0,50% |
| LinkedIn | 18,00% | 0,25% | 0,32% |
| Millennial Media | 0,05% | 0,07% | 0,10% |
| Other | 55,59% | 55,48% | 52,28% |
| **Total digital ($ billions)** | **$86,43** | **$104,04** | **$116,82** |

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms. Net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites. Numbers may not add up to 100% due to rounding. Source: Company reports, 2012 & 2013, June 2013

Another interesting figure to note is the proportion of digital video ads in display ad spend by EU country. In the EU, once again, there are big disparities between the different countries. In the United-Kingdom, Slovenia and Italy online video ads already account for 20%-29% of display ad spend. On the other hand, in 7 countries the share of online video ad spend is below 10% of display ad spend (Austria, Spain, Czech Republic, Denmark, Romania, Hungary, Bulgaria). There is certainly room for progression, and as online video watching becomes more mainstream and used by Internet surfers in the EU, the share of online video advertising will certainly increase its share of display ad spend. Also, the typical display ads (namely banner ads, rich media ads, etc) do not offer the branding capabilities and storytelling associated with video. The increased penetration of broadband in EU countries, allowing a smoother transfer of video (which consumes a great deal of bandwidth) will also serve as a growth factor for online video ad spend.

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[67] https://www.youtube.com/yt/press/statistics.html

**Figure 68 Video share of online Display by EU country 2013 -** *in %*
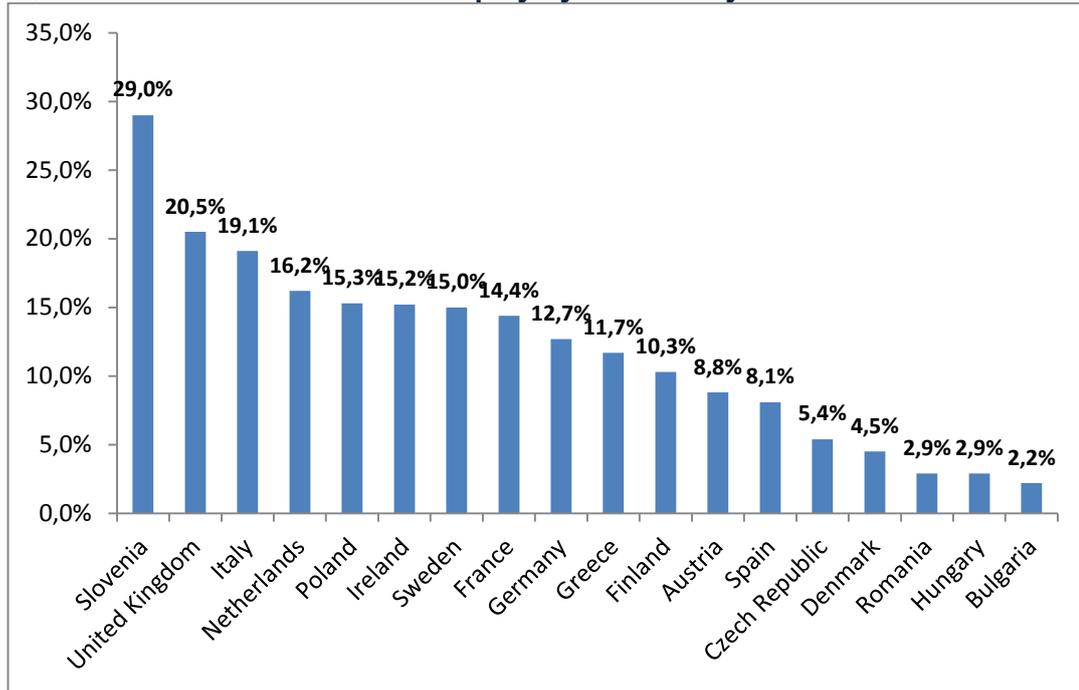


Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 69 Year-on-year growth in Video advertising by EU country 2013** *in %*
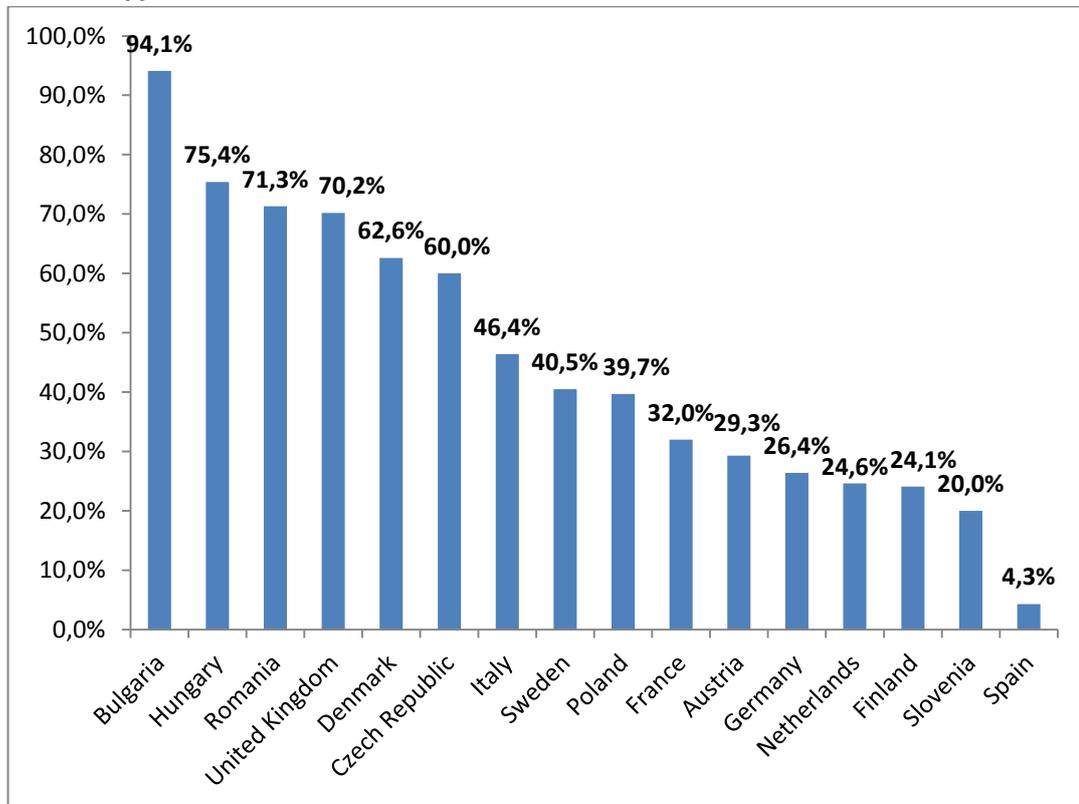


Source: IAB Europe Adex Benchmark 2013/IHS

### 11.2.4 Mobile display advertising

Another major trend in 2013 was mobile Internet advertising. As more and more of the European population are more equipped with smartphones and tablets and browse the Internet through these connected mobile devices, advertisers and web sites have followed this development. Mobile display ad spend had a value of €937.8 million in 2013, an increase by 130.7% compared to the €406.6 million in 2012. The most impressive increase was in the United Kingdom, where the value of mobile display ad spend increased from €187.6 million in 2012 to €549 million in 2013, an impressive growth by 192.7%. Mobile display ad spend will certainly continue to grow as mobile devices are increasingly being used for media consumption and are cappppppppturing more and more of the attention of European consumers throughout the day.

**Mobile display ad spend 2013 in EUR million**

| | 2012 | 2013 | Growth |
|---|---|---|---|
| United Kingdom | 187,6 | 549,0 | 192,7% |
| France | 60,0 | 92,9 | 54,9% |
| Germany | 39,0 | 65,0 | 66,7% |
| Italy | 36,3 | 59,3 | 63,2% |
| Netherlands | 17,2 | 55,1 | 220,3% |
| Spain | 24,0 | 30,9 | 28,7% |
| Sweden | 14,0 | 30,5 | 117,8% |
| Finland | 2,6 | 12,1 | 368,2% |
| Denmark | 5,8 | 11,3 | 96,5% |
| Ireland | 8,1 | 10,0 | 23,5% |
| Austria | 4,3 | 8,0 | 84,1% |
| Czech Republic | 3,9 | 5,0 | 27,3% |
| Hungary | 1,8 | 4,1 | 126,1% |
| Poland | 1,7 | 3,6 | 110,6% |
| Slovenia | | 0,5 | |
| Romania | 0,1 | 0,2 | 244,9% |
| Bulgaria | 0,1 | 0,2 | 55,2% |
| Croatia | 0,1 | 0,1 | 15,0% |
| **Total EU 18** | **406,6** | **937,8** | **130,7%** |

Source: IAB Europe Adex Benchmark 2013/IHS

**Table 23  EU 14 – Smartphones installed base in thousands**

|  | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Austria | 314 | 1 007 | 2 143 | 3 142 | 3 899 |
| Belgium | 932 | 1 410 | 2 232 | 3 378 | 4 893 |
| Denmark | 1 058 | 1 591 | 2 331 | 3 421 | 4 694 |
| Finland | 1 529 | 2 079 | 2 743 | 3 679 | 5 103 |
| France | 12 807 | 18 292 | 25 101 | 33 089 | 41 808 |
| Germany | 16 706 | 22 074 | 28 639 | 37 574 | 48 024 |
| Greece | 1 676 | 2 393 | 3 323 | 4 344 | 5 536 |
| Ireland | 1 409 | 1 709 | 2 082 | 2 396 | 2 688 |
| Italy | 18 252 | 23 026 | 29 136 | 36 104 | 43 603 |
| Netherlands | 2 906 | 4 834 | 8 549 | 11 921 | 14 196 |
| Portugal | 1 861 | 2 625 | 3 669 | 4 930 | 6 904 |
| Spain | 10 549 | 14 120 | 19 432 | 24 424 | 29 557 |
| Sweden | 1 604 | 2 219 | 3 313 | 5 311 | 7 682 |
| UK | 15 383 | 21 029 | 29 451 | 41 449 | 49 941 |
| **Total EU 14** | **86 986** | **118 408** | **162 144** | **215 162** | **268 528** |

Source: IHS

**Table 24  EU 14 – Tablets installed base in millions**

| Country | 2009 | 2010 | 2011 | 2012 | 2013 | 2013/2012 |
|---|---|---|---|---|---|---|
| AT | 0,0 | 0,1 | 0,2 | 0,5 | 1,1 | 101,3% |
| BE | 0,0 | 0,1 | 0,3 | 0,7 | 1,3 | 93,9% |
| DE | 0,2 | 1,1 | 3,4 | 8,1 | 14,7 | 82,2% |
| DK | 0,0 | 0,0 | 0,1 | 0,4 | 0,9 | 128,7% |
| ES | 0,1 | 0,3 | 0,9 | 1,8 | 3,4 | 88,0% |
| FI | 0,0 | 0,0 | 0,1 | 0,4 | 0,9 | 111,9% |
| FR | 0,1 | 0,9 | 2,7 | 6,3 | 11,5 | 83,6% |
| GB | 0,2 | 1,5 | 4,9 | 11,2 | 19,2 | 71,4% |
| GR | 0,0 | 0,0 | 0,1 | 0,3 | 0,5 | 90,6% |
| IE | 0,0 | 0,1 | 0,2 | 0,4 | 0,6 | 55,6% |
| IT | 0,1 | 0,5 | 1,5 | 3,0 | 5,2 | 71,2% |
| NL | 0,0 | 0,2 | 0,7 | 1,7 | 2,9 | 69,9% |
| PT | 0,0 | 0,0 | 0,1 | 0,3 | 0,6 | 91,3% |
| SE | 0,0 | 0,0 | 0,3 | 0,7 | 1,4 | 83,2% |
|  |  |  |  |  |  |  |
| **EUR14** | **0,8** | **4,9** | **15,7** | **35,8** | **64,1** | **79,1%** |

Source: IHS

The number of mobile connected devices in use is one explanation for the rise in mobile online ad spend in EU countries, but another explanation is way these devices are used. As people are increasingly consuming content on mobile devices, more "eyeballs" are becoming available in this space for marketers and advertisers to address their ad message. comScore data show the impressive increase in mobile TV and video watching in EU-5. The revenue generated by Facebook from mobile ads is another indication of the increasingly important position of mobile devices in media consumption. This trend is global, the Internet is becoming mobile. However, as pointed out in the section on the European display advertising ecosystem, mobile advertisements have several limitations. An important user base, reach and scope are crucial in this market segment as this is a low-margin business. This explains why Google and Facebook had such a dominant position on the mobile ad market in 2013.

**Figure 70 EU 14 – Smartphones and Tablets installed base in millions**
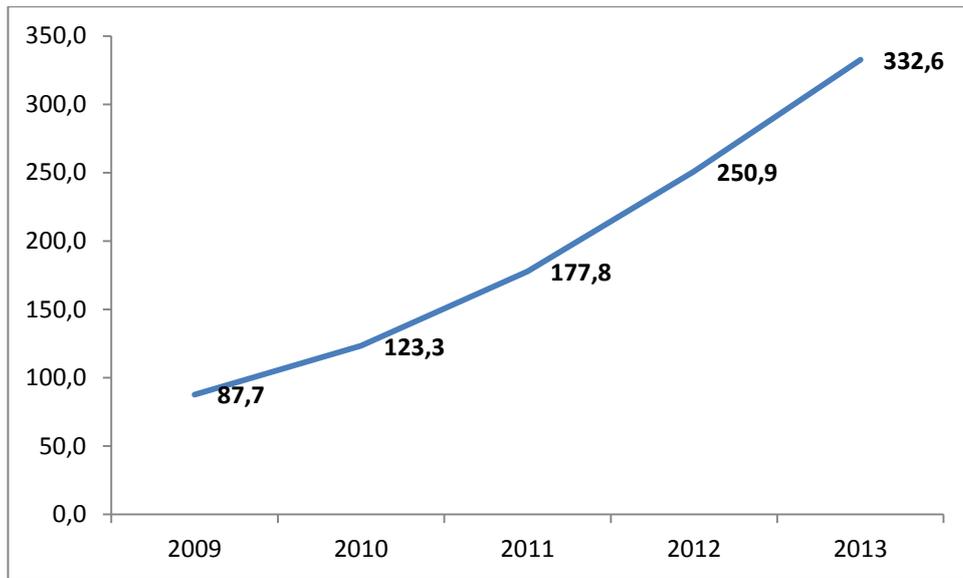


Source: IHS

**Figure 71 Growth of smartphone users watching TV or video by % penetration**



Source: comScore[68]

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[68] http://www.comscore.com/Insights/Data-Mine/Video-Consumption-via-Smartphone-is-Increasing-Rapidly-in-EU5-Countries
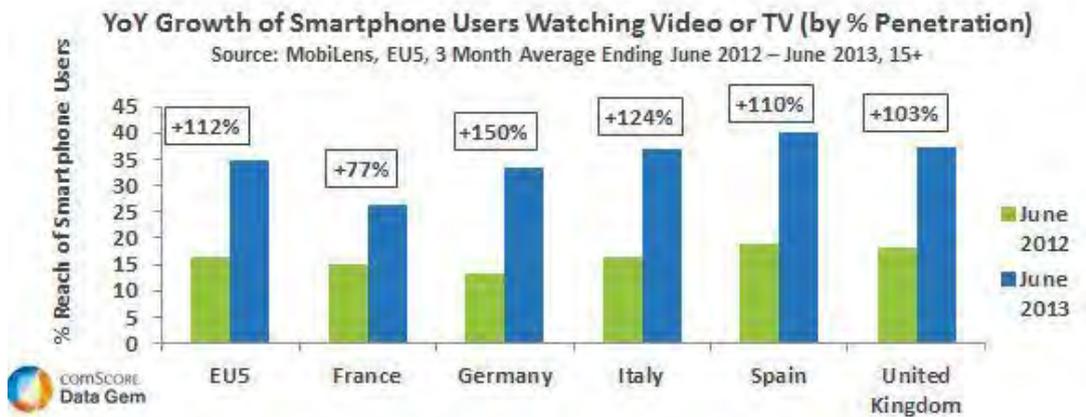
*Google and Facebook are the dominant players on the mobile ad market world-wide*

*The two dominant players on the mobile ad market worldwide are Google and Facebook, which saw a strong increase in their revenues from mobile advertising. "The two companies are consolidating their places at the top of the market, accounting for more than two-thirds of mobile ad spending last year—a figure that will increase slightly this year", according to eMarketer.*

*Facebook in particular is gaining significant market share. In 2012, the social network accounted for just 5.4% of the global advertising market. In 2013, that share increased to 17.5%, and eMarketer predicts it will rise again this year to 21.7%. Google still owns a plurality of the mobile advertising market worldwide, taking a portion of nearly 50% in 2013, but the rapid growth of Facebook will cause the search giant's share to drop to 46.8% in 2014, eMarketer estimates.*

*The rapid pace at which mobile has taken over the company's ad revenue share indicates Facebook's mobile future. In 2012, only 11% of its net ad revenues worldwide came from mobile, and last year that figure jumped to 45.1%. In 2014, eMarketer estimates that mobile will account for 63.4% of its net digital ad revenues. Mobile accounted for 23.1% of Google's net ad revenues worldwide in 2013, and eMarketer estimates this share will increase to 33.8% this year."[69]*

**Table 25  Net Mobile Internet Ad Revenue Share Worldwide, by Company, 2012-2014, % of total**

|  | 2012 | 2013 | 2014 |
|---|---|---|---|
| Google | 52,6% | 49,3% | 46,8% |
| Facebook | 5,4% | 17,5% | 21,7% |
| Twitter | 1,5% | 2,4% | 2,6% |
| Pandora | 2,6% | 2,1% | 1,7% |
| YP | 2,9% | 2,1% | 1,6% |
| Millennial Media | 0,8% | 0,8% | 0,7% |
| Other | 34,2% | 25,8% | 24,9% |
| **Total mobile ad revenues (billions)** | **$8,76** | **$17,96** | **$31,45** |

Note: net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; includes display (banners and other, rich media and video) and search. Ad spending on tablets is included. Excludes SMS, MMS and P2P messaging-based advertising. Source: company reports 2012 & 2013; eMarketer, March 2014

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[69] http://www.emarketer.com/Article/Driven-by-Facebook-Google-Mobile-Ad-Market-Soars-10537-2013/1010690

**Figure 72** **Mobile display ad spend 2013 by EU country - Top 7 -** *in EUR million*



Sweden — 30,5 / 14,0
Spain — 30,9 / 24,0
Netherlands — 55,1 / 17,2
Italy — 59,3 / 36,3
Germany — 65,0 / 39,0
France — 92,9 / 60,0
United Kingdom — 549,0 / 187,6

■ 2013   ■ 2012
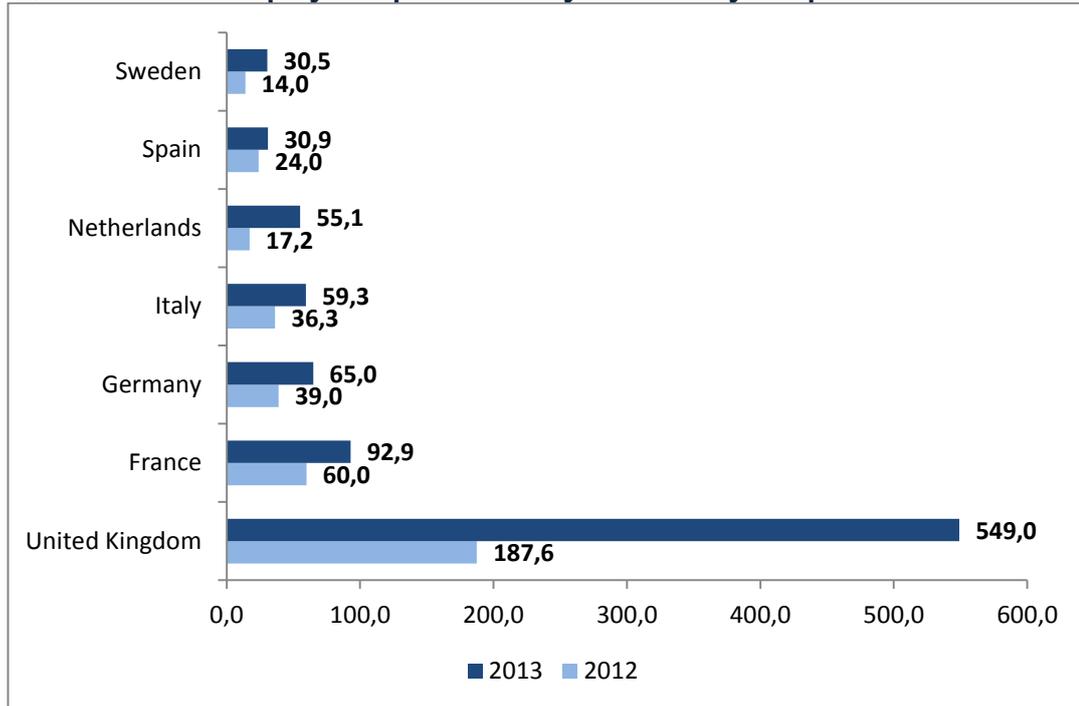
Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 73** **Mobile display ad spend 2013 by EU country -** *in EUR million*



Croatia — 0,1 / 0,1
Bulgaria — 0,1 / 0,2
Romania — 0,1 / 0,2
Slovenia — n.a. / 0,5
Poland — 3,6 / 1,7
Hungary — 4,1 / 1,8
Czech Republic — 5,0 / 3,9
Austria — 8,0 / 4,3
Ireland — 10,0 / 8,1
Denmark — 11,3 / 5,8
Finland — 12,1 / 2,6

■ 2013   ■ 2012
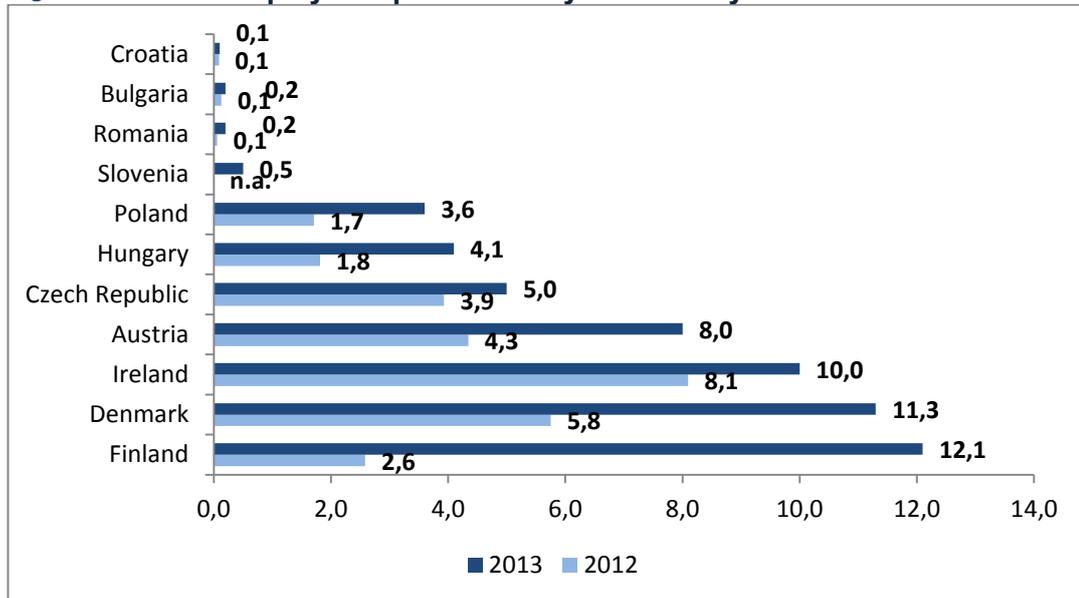
Source: IAB Europe Adex Benchmark 2013/IHS

*Mobile display advertising is becoming increasingly important for display advertis-
ing, thus supporting growth*

**Figure 74** **Year-on-Year growth of mobile display in 2013 -** *in %*



| Country | Value |
|---|---|
| Finland | 368,2% |
| Romania | 244,9% |
| Netherlands | 220,3% |
| United Kingdom | 192,7% |
| EU Average | 130,6% |
| Hungary | 126,1% |
| Sweden | 117,8% |
| Poland | 110,6% |
| Denmark | 96,5% |
| Austria | 84,1% |
| Germany | 66,7% |
| Italy | 63,2% |
| Bulgaria | 55,2% |
| France | 54,9% |
| Spain | 28,7% |
| Czech Republic | 27,3% |
| Ireland | 23,5% |
| Croatia | 15,0% |
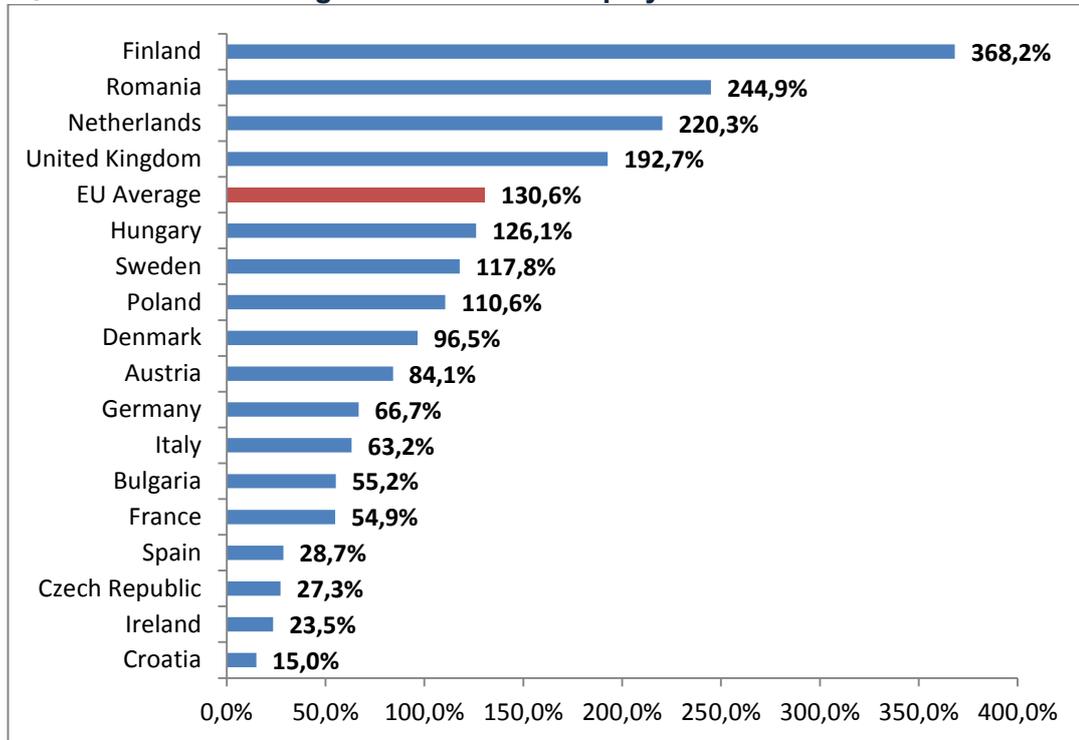
Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 75** **Year-on-year display growth in 2013 -** *in %*



Values shown: 26,2%, 5,8%, 22,8%, 17,2%, 15,2%, 5,8%, 7,1%, 7,4%, 2,2%, 1,9%, 0,9%, 0,0%, 0,6%, -2,0%, -3,4%, -7,9%

Categories: Austria, United Kingdom, Italy, Czech Republic, Romania, Finland, Sweden, Germany, Netherlands, France, Hungary, Denmark, Bulgaria, Slovenia, Croatia, Spain

Legend: ■ Display including mobile ■ Display excluding mobile
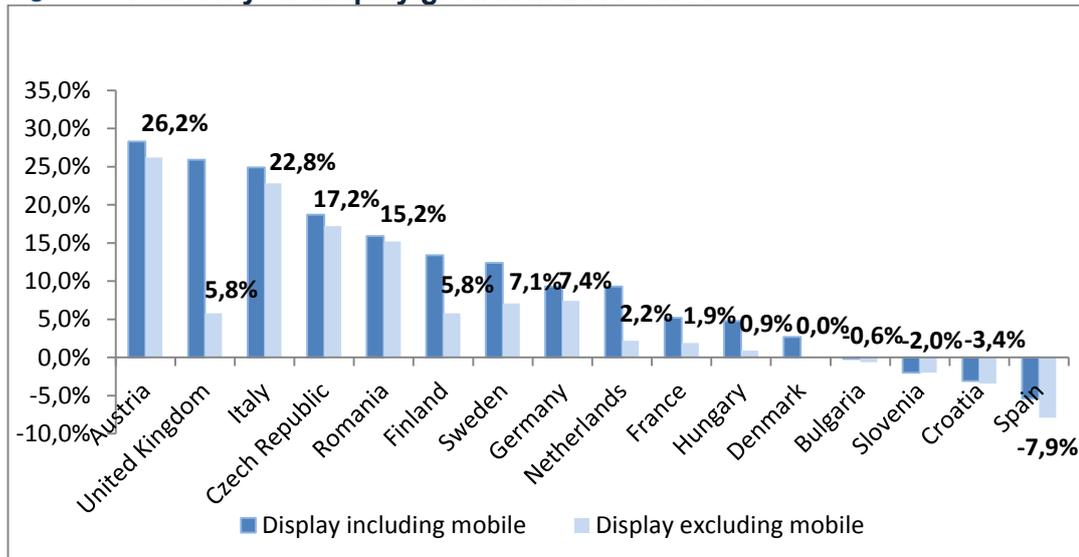
Source: IAB Europe Adex Benchmark 2013/IHS

**Figure 76 Mobile search as a share of online paid-for-search in 2013 - *in %***
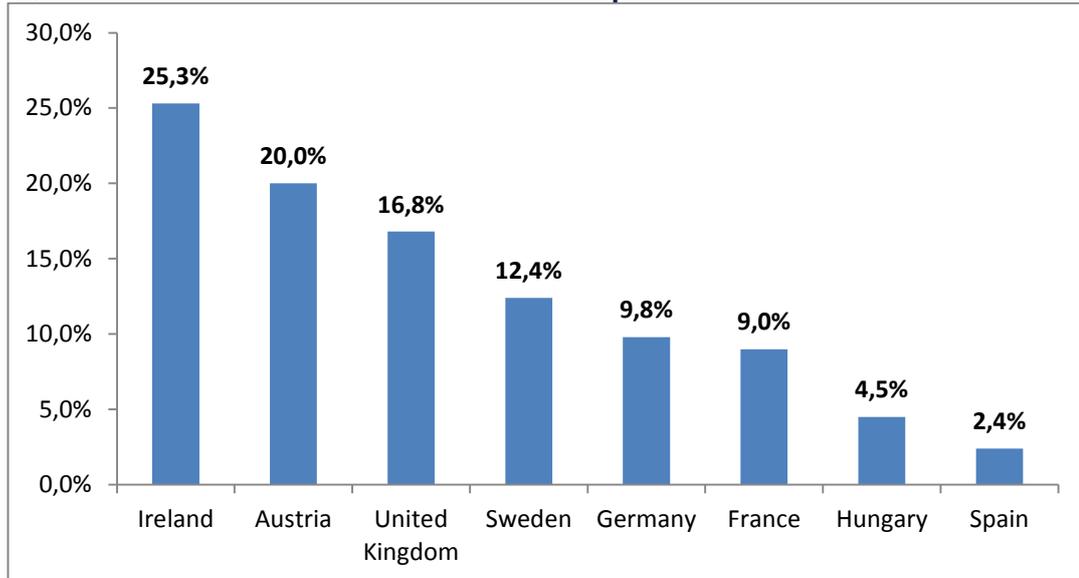


Source: IAB Europe Adex Benchmark 2013/IHS

Mobile advertising is becoming a major source of online advertising. The figures for the ownership of mobile connected devices among the EU population and the use of these devices in media consumption explain this trend, which is likely to continue throughout the next few years as the growth rates are impressive. The share of mobile ads in display advertising will therefore certainly increase in the years to come.

# RECENT DEVELOPMENTS OF THE SVOD MARKET IN EUROPE IN 2014

# Executive summary

## European market

- European consumer spending for SVoD services was EUR 520.9 million in 2013, up by 147.5% compared to 2012 (IHS)
- Subscription video-on-demand services are the fastest growing business model in Europe, representing 26.4% of Europe's consumer spending on digital video services (IHS)
- EU markets are at different maturation levels regarding SVoD: the United Kingdom and the Nordics make up almost three-quarters of overall European consumer spending on digital subscription services (IHS)
- The number of European subscribers to SVoD services rose from 2 million in 2010 to nearly 18 million in 2014 and is projected to rise to 59 million by 2020 (Digital TV Research)
- 30% of Western European TV households and 7% of Eastern European TV households are projected to subscribe to SVoD services by 2020 (Digital TV Research)
- OTT SVoD services, and OTT video in general, will drive the adoption of digital video in Europe
- The revenues generated by OTT video in Europe are projected to reach USD 3.2 billion in 2014 (up by 51%) and will reach USD 9.5 billion in 2018 according to Strategy Analytics
- OTT SVoD services will grow by 103% in 2014 in Western Europe and by 47% in Eastern Europe according to Strategy Analytics
- Gartner projects the growth of OTT SVoD in Europe to be 18.6% in 2014

## Drivers of growth for SVoD services

- Availability of premium content on SVoD services which leads to increased competition for the acquisition of exclusive rights for premium content such as TV shows and movies
- Increased acquisition and commissioning of "original content" by SVoD players in order to set themselves off from the competition
- Attractive offers (premium content, large choice of TV shows and films) which meet an existing but unsatisfied demand, as the rapid uptake of SVoD services in the UK and the Nordics seems to indicate after the entry of international OTT SVoD services (Netflix and Amazon)
- Changing consumption patterns in the case of the audience for audiovisual content: increased viewing on "own schedule" and binge viewing of TV shows (often available for entire seasons on SVOD services)
- Increased use of "big data" analytics for recommendation tools to retain subscribers  and in order to commission and acquire content based on insights gathered from subscribers' preferences for audiovisual content
- Multi-device and multi-screen availability of SVoD offers serve a new pattern of audiovisual consumption – ATAWAD – Any Time, Any Where, Any Device

## Size of players matters on the SVoD market:

- Acquisition of world and/or multi-territory exclusive rights for audiovisual content needs a large subscriber base for the amortisation of content costs
- Entry of major pay-TV players (HBO, Starz, CBS) in the SVoD market will lead to increased competition for exclusive rights
- Marketing spending by major international players captures subscribers
- Investments in multi-device availability and recommendation tools seems prohibitive for smaller players serving only a national market

## On Netflix:

- International expansion  and need to grow subscriber base in order to meet huge content acquisition costs
- Pressure to grow by stock holders in the light of content costs and increased competition from major pay-TV players
- Expansion into 6 new European countries in September 2014 (more than projected): France, Germany, Austria, Belgium, Switzerland, Luxembourg
- Netflix generated revenues of €294.8 million in Europe in 2013, which represent 53% of the company's international revenues
- CEO Netflix projects as its goal that 70% to 80% of its revenues will be generated internationally in the long term (in 2013 20.5%)
- Impressive subscriber growth the first year after Netflix entered European markets (128% in the UK in the first year, +129% in the Nordics, +400% in the Netherlands) (Digital TV Research)
- International segment still losing money, mainly because of increased marketing expenses
- Idate estimates that Netflix captured 66% of the world SVoD market in 2013
- Subscribers viewing time by amounted to 93.2 minutes a day on average in 2014, an increase of 350% over the last 10 quarters
- Local content represents 15-20% in the European (and worldwide) catalogues of Netflix. Commissioning in France of of an original production, *Marseille*

# 12 The European subscription video on-demand service market

## 12.1 European market figures

One of the main developments in Western Europe in 2013 and 2014 was the uptake by customers and the rising importance of subscription video on-demand (SVoD) services in European markets. The entry of Netflix into six new European markets, including Germany and France, has also highlighted the emergence of SVoD services as a source of content for European customers.

This short note will give the main figures available for the European SVoD market, discuss the key issues regarding SVoD services and provide a detailed profile of the state of the SVoD markets in France, Germany and the United Kingdom.

According to the International Video Federation and IHS data released in "*Europe: the Industry Overview 2014*"[70], digital subscription services (subscription video-on-demand) experienced the strongest growth for digital video in 2013[71] with an increase of 147.5%. Consumer spending reached an high of EUR 520.9 million, placing digital video subscription as the second most important digital video service in terms of consumer spending, still behind TV VoD[72] which was worth EUR 787.2 million in 2013, an increase by +13.4% (compared to an increase of 21% in 2012). Overall, spending on video through digital platforms and services amounted to EUR 1.97 billion in 2013, growing by +42.8% compared to EUR 1.37 billion in 2012.

**Figure 77 European video on-demand markets by business model 2012-2013 in *EUR million***
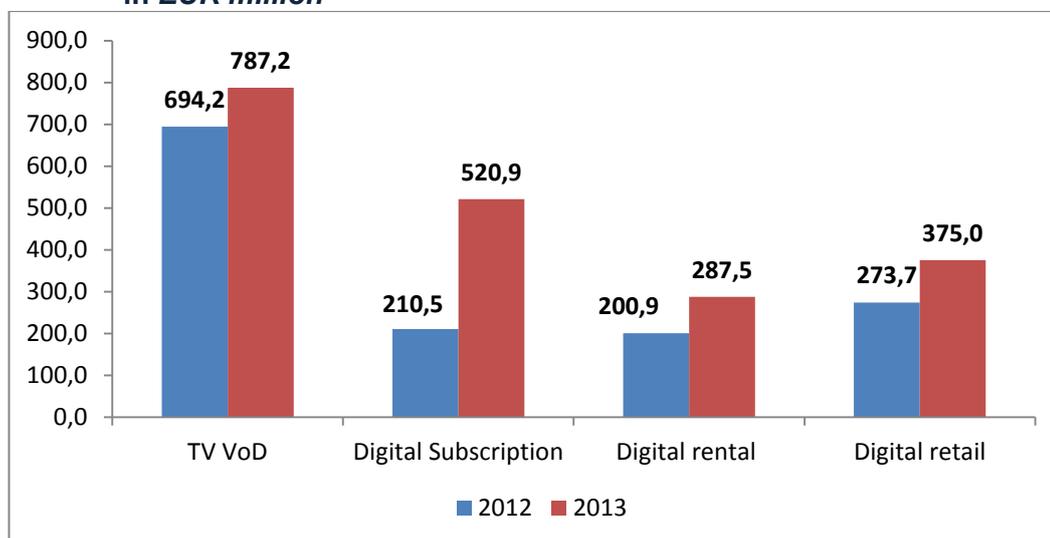


Source: "European video: the industry overview 2014", IVF/IHS

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[70] Available at: http://www.ivf-video.org/new/public/media/EU_Overview_2014.pdf

[71] The term "Digital video" refers to: "Transactions where video content is provided to a consumer via the **open Internet.** Transactions can take the form of digital rental, digital retail or a digital subscription service. Digital video transactions may take place via PCs, laptops, tablets, games consoles or other Internet connected devices."

[72] TV VoD is defined as transactional (rental and retail) and subscription TV-based video-on-demand services.

**Figure 78 Year-to-year growth rates 2012-2013 by Business model, in%**
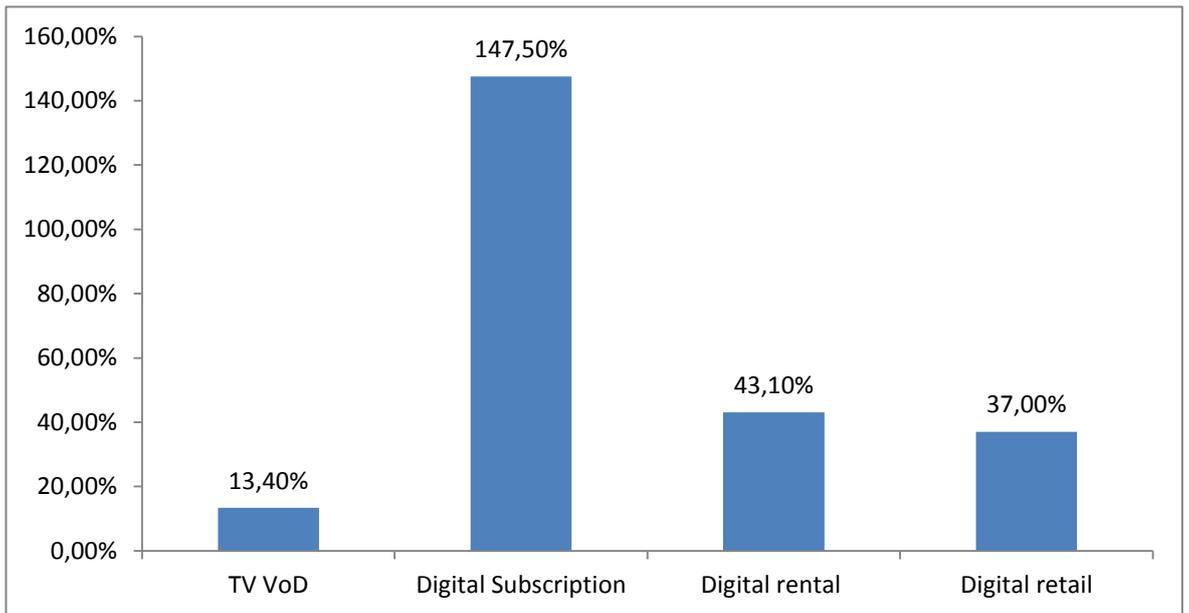


Source: "European video: the industry overview 2014", IVF/IHS

**Figure 79 Share of business models in the overall value of digital video services in Europe, 2013 in%**
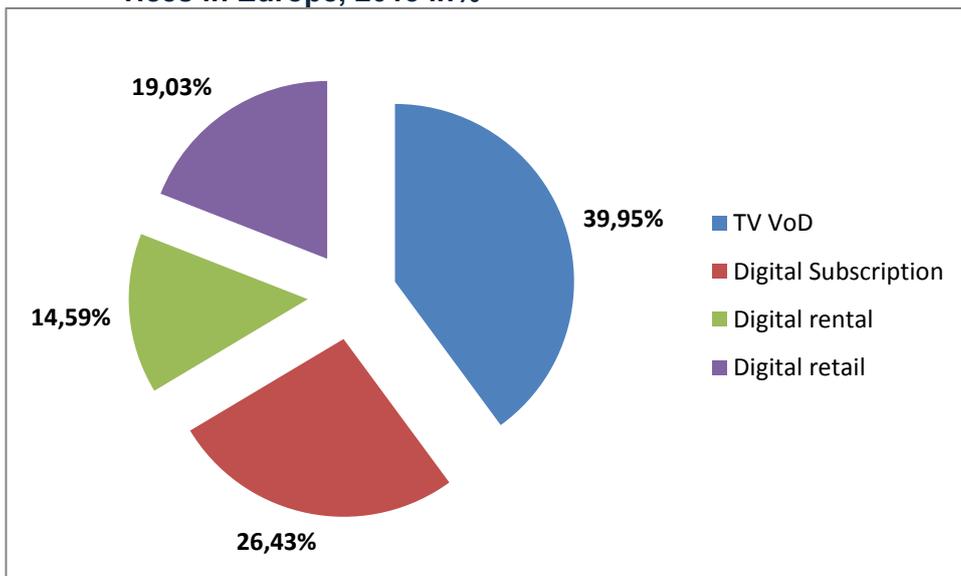


Source: "European video: the industry overview 2014", IVF/IHS

*Different maturation levels for SVoD services in European markets*

One important fact to single out is that European markets are very unequal regarding the adoption of and consumer spending on SVoD services. The United Kingdom alone accounted, according to IVF and IHS, for EUR 233 million or nearly 45% of the overall European consumer spending on SVoD in 2013. The Nordic markets (Sweden, Denmark, Finland and Norway), with consumer spending on SVoD totalling EUR 148 million in 2013 (+266.9% compared to 2012), accounted for 28.4% of European overall consumer spending on SVoD services. Therefore, the Nordics and the United Kingdom alone make up almost three-quarters of overall European consumer spending on digital subscription services.

Markets are maturing at different rates, and the most mature markets, like the Nordics and the United Kingdom, were also the ones which saw the entry into their respective national markets of the international SVoD giants Netflix and, to a lesser extent, Amazon Instant Video[73].

Digital TV Research[74] projects that 59 million European households (20% of the European pay-TV market) will subscribe to SVoD services by 2020. With the arrival of Netflix in six European countries in September 2014, SVOD subscriptions are expected to approach 18 million by the end of the 2014 (from less than 2 million in 2010). In addition to Netflix, Amazon Prime Instant Video and other regional services underwritten by multichannel video programme distributors represent a growing international SVOD market.

Furthermore, the revenue from online television and video subscription is estimated at USD 1.6 billion in 2014 and is expected to reach USD 5.5 billion in 2020, with the two leading countries by SVoD revenue being the United Kingdom and Germany.

The report states that nearly 7% of Eastern European TV households (11 countries) will subscribe to SVOD by 2020, compared with almost 30% in Western Europe (15 countries).

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[73] Amazon Instant Video was formerly known as LOVEFiLM and operates in the United Kingdom and Germany. Amazon decided to exit the Nordic markets in 2013, where it was also present prior to the entry of Netflix and HBO, in order to focus on digital subscription (and no longer on DVD rental-by-mail, as was the case before under the LOVEFiLM label).

[74] Available at: http://www.homemediamagazine.com/streaming/report-20-european-tv-homes-have-svod-2020-34036

## 12.2 OTT video, a general trend reinforcing the adoption of SVoD services in Europe

Another important point to highlight is the rise of "over-the-top" (OTT) video, that is to say video delivered over the open Internet and not TV-based (TV VoD - on a managed network, like pay-TV, for example). OTT video has gained in importance in European digital video consumption due to the proliferation of connected devices (smartphones and tablets, video game consoles, HDMI dongles, such as Google's Chromecast, and media players). Whereas prior to 2013 TV-based video-on-demand (TV VoD) accounted for more than half of digital video consumption in Europe, OTT video already overtook TV VoD in Europe in 2013, according to the figures published by IVF/IHS. In 2013, OTT video (digital subscriptions, digital rental and retail) accounted for 60% of consumer spending on digital video, whereas TV VoD accounted for 40%.

This trend towards the increased consumption of OTT video is here to stay as mobile and fixed broadband penetration increases in European markets, more audiovisual content is made available on the open Internet and connected (and mobile) devices proliferate and drive consumer usage.

In its report "*European OTT Video Market Forecast 2014*"[75], Strategy Analytics predicted growth of OTT video[76] of 43% in Europe in 2014. The research and consulting firm further states that OTT video already increased by 51% in 2013, raising the revenues generated by OTT video to USD 3.2 billion (projected to reach USD 9.5 billion in 2018). The kind of service which is expected to see the strongest growth is OTT SVoD with +103% in 2014 in Western Europe and +47% in Central and Eastern Europe.

The delivery of video content through the open Internet has allowed several new entrants into national European audiovisual markets previously closed and regulated, thus expanding the existing range of content and increasing the competition for audience attention.

In another research report, Gartner also finds that OTT SVoD services will grow fast. The consulting firm expects OTT SVoD services to grow by 18.6% in 2014 in Western Europe[77] (very far away from the project growth of 103% expected by Strategy Analytics in Western Europe in 2014). It is also projected that the USA and Western Europe will mainly drive consumer spend on OTT SVoD services (actual market figures are not communicated).

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[75] Available at: https://www.strategyanalytics.com/default.aspx?mod=pressreleaseviewer&a0=5592

[76] Strategy Analytics takes into account 4 business models for OTT video: subscription video-on-demand, ad-supported video, digital rental and electronic sell-through. As IVF/IHS do not take into account ad-supported video in the 2014 Yearbook, total figures are not comparable.

[77] Available at: http://advanced-television.com/2014/10/23/gartner-dominance-of-pay-tv-masks-vod-growth/

**Figure 80 Over-the-top video revenues in Europe 2013 & 2018, in USD billion**
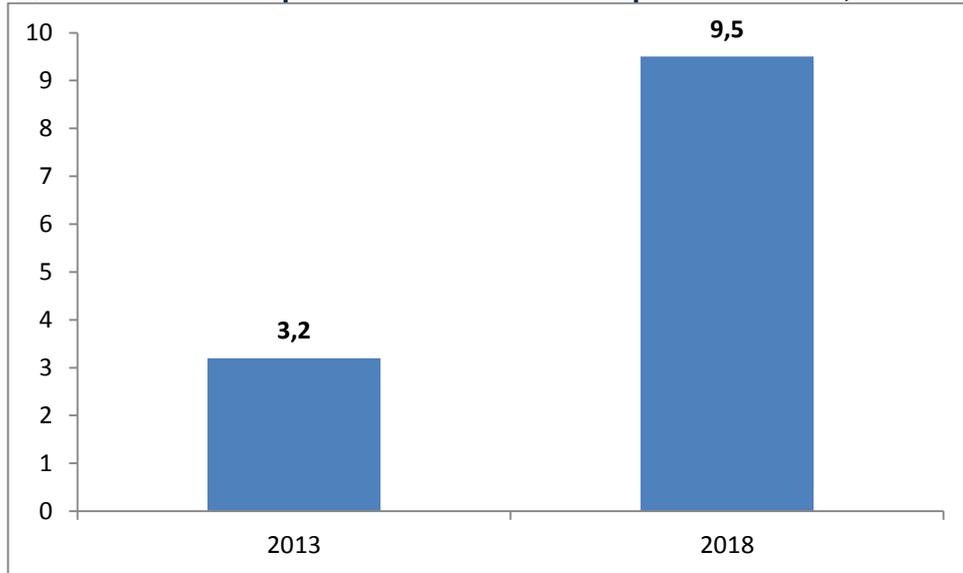


Note: includes ad-supported, subscription video-on-demand, electronic sell-through and digital rental videos

Source: Strategy Analytics, "European OTT Video Market Forecast 2014" as cited in press release, 09/09/2014.

**Figure 81 Over-the-top (OTT) video revenue growth in Europe, by region and video type, 2014, in % change over previous year**
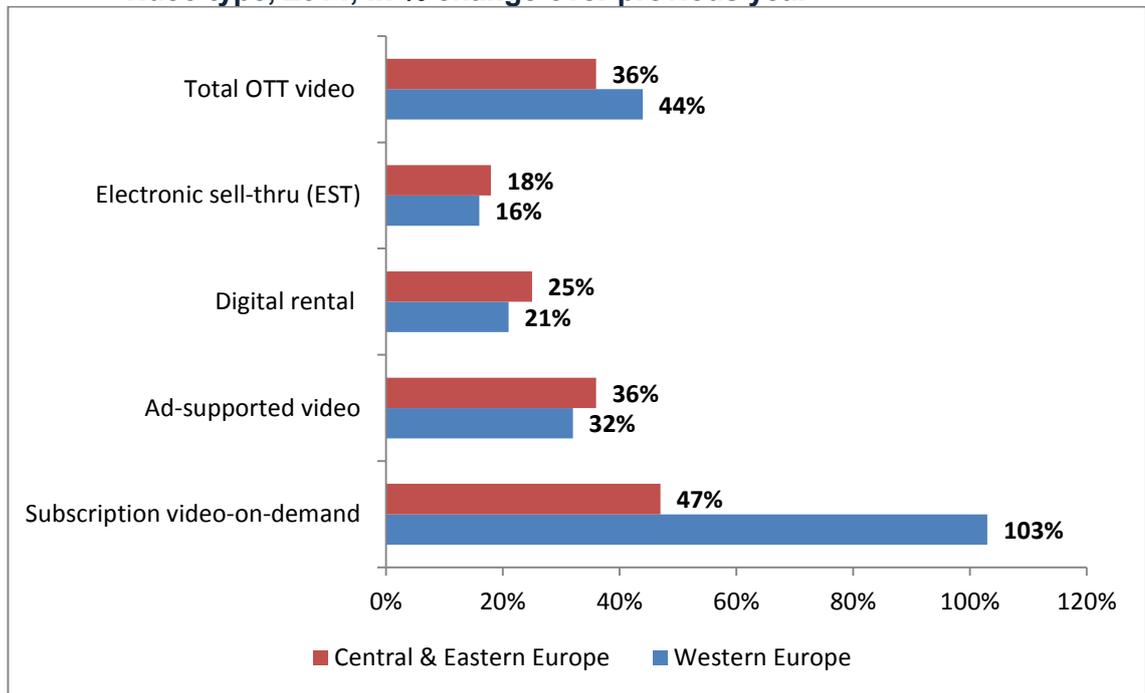


Source: Strategy Analytics, "European OTT Video Market Forecast 2014" as cited in press release, 09/09/2014, retrieved from eMarketer.

### *Impressive growth of SVoD, driven by several factors*

#### *Existence of attractive offers meeting an existing, but unsatisfied, demand*

The rapid uptake of subscriptions to video-on-demand services in Europe can be explained by several factors, the most important being the expansion of SVoD offers by the international corporations Netflix and Amazon (Instant Video, formerly LOVEFiLM in Germany and the United Kingdom). SVoD services existed in the most important markets before the entry of these two SVoD service providers but their marketing strategies (with the aggressive promotion of their services, which also informed the general public of the existence of SVoD services) coupled with attractive content, multi-screen availability and ease of use has appealed to European customers.

Netflix and Amazon also decided to expand first to the countries which presented the most favourable market conditions for digital services, such as high broadband penetration in households, high level of equipment in connected devices such as smartphones, smart TVs and a fairly mature digital economy (e-commerce, offer of digital media) and a tech-savvy population. The fact that English was widely spoken in the first markets also certainly had a role to play (the Nordics and the Netherlands are generally used to English audiovisual content, whereas France and Germany require more content in their national languages, dubbing and subtitling as the habit of watching audiovisual content in English is not as widespread as in the Nordics or in the Netherlands).

On the SVoD market it could be assumed that supply will drive consumer adoption. The impressive growth rates after the entry of a major player into a given national market tend to demonstrate that the audience's "appetite" for a subscription-based video-on-demand service existed before but was hardly satisfied by national players, who often improved their SVoD offering in the light of Netflix's market entry.

A good example for this hypothesis is the growth rate of the OTT SVoD market in the United Kingdom after the entry of Netflix and the acquisition of LOVEFiLM by Amazon in late 2011: according to the British Video Association Yearbook 2013, the market grew in 2012 by an astonishing 2,000%, to GBP 84 million (in 2011, the market amounted to a mere GBP 3.8 million for digital subscriptions). In 2013, the sector grew by 120% compared to 2012 to GBP 196 million in consumer spending on digital video subscriptions (this amount was generated by three services in the United Kingdom: Netflix, Amazon and Sky's Now TV). Such rather growth rates unseen in other business sectors show demand existed but was not met (or not well met) by the existing supply.

These new entrants have attracted the audience with appealing content, ease of use and accessibility on every device. This is another main aspect and a competitive advantage on the SVoD market: access to premium content in order to appeal to and retain customers.

The battle for content, particularly exclusive rights and the acquisition and production of original content, lies at the heart of the battle announced for subscribers among SVoD services. With the expansion of international SVoD services in Europe, with the entry of existing media players into the OTT SVoD service market, such as the service announced by HBO[78] and CBS[79] in October 2014, the supply

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[78] Available at: https://variety.com/2014/tv/news/hbo-to-launch-over-the-top-service-in-u-s-next-year-1201330592/

[79] Available at: http://www.nytimes.com/2014/10/17/business/cbs-to-offer-web-subscription-

of SVoD seems to be burgeoning and the competition of SVoD services for attractive and premium content will intensify.

*Multi-device and multi-screen availability – the need to adapt to "ATAWAD" media consumption (Any Time, Any Where, Any Device) and the importance of access*

In a world where mobile connected devices and mobile and fixed broadband connections are becoming the standard, it is of vital importance to grant access to subscribers on any connected devices. The expectation of customers has shifted and the TV set is no longer the only source of content. In contrast to the period 2005-2012, when VoD services were not accessible on any device, since 2012-2013 it has become a normal customer expectation to be able to watch content on the screen of choice and through connected devices such as video game consoles, HDMI dongles or media players. As screens and connected devices proliferate (Gartner[80] reported a connected devices installed base of over 500 million[81] in Q2 of 2014, up by +34% compared to the same period the previous year), SVoD providers have to adapt the availability of their service to these devices.

**Table 26  Global connected TV device installed base (million units)**

| Q2 14 Rank | Vendor | Q2 14 | Q2 13 | Q2 14 Share | Q2 14 Installed base growth (YoY) |
|:---:|---|---:|---:|---:|---:|
| 1 | Sony | 123.8 | 96.8 | 24.8% | 27.9% |
| 2 | Samsung | 62.3 | 34.4 | 12.5% | 80.9% |
| 3 | Nintendo | 56.8 | 67.5 | 11.4% | -15.8% |
| 4 | Microsoft | 55.4 | 53.8 | 11.1% | 2.9% |
| 5 | LG | 32.2 | 16.0 | 6.5% | 101.9% |
| 6 | Panasonic | 29.9 | 19.6 | 6.0% | 52.4% |
| 7 | Apple | 18.7 | 13.0 | 3.8% | 44.7% |
| 8 | Sharp | 15.0 | 9.8 | 3.0% | 52.7% |
| 9 | Toshiba | 10.2 | 5.1 | 2.0% | 98.8% |
| 10 | Philips | 9.7 | 5.7 | 1.9% | 70.0% |
| 11 | Roku | 8.3 | 5.5 | 1.7% | 51.9% |
| 12 | Google | 6.0 | 0.0 | 1.2% | na |

Note: Connected TV devices include smart TVs, smart Blu-ray players, games consoles and digital media streamers
Source: Gartner, *Global Connected TV Device Tracker: Q2 2014*

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service.html?src=me&_r=0

[80] Available at: http://www.prnewswire.co.uk/news-releases/global-connected-tv-device-installed-base-hits-half-a-billion-units-in-q2-2014-according-to-strategy-analytics-277915391.html

[81] Gartner defines connected devices as being smart TVs, smart Blu-ray players, IP-enabled game consoles and digital media streamers.

As a recent research published by Parks Associate[82] in the USA shows, more than 75% of streaming media player owners in the USA subscribe to an OTT service, whereas 64% of US broadband households have an internet connected consumer electronic device.

In Octorber 2014, Parks reported that 64% of US broadband households now have internet-connected consumer electronics and 55% have an OTT service subscription – an area it said is "poised for strong growth."

According to Parks Associates' director of research Barbara Kraus, "more than 75% of streaming media player owners have an OTT subscription. The high connection rate for all streaming devices highlights the high level of competition for all players in the industry".

Video consumption on connected CE, smartphones, and tablets is increasing, with broadband consumers now averaging more than nine hours a week of consumption on these connected platforms.

This naturally has an impact on overall non-linear video consumption as the average US broadband household now watches 17 hours of non-linear video and 11.5 of linear video a week[83].

Customers will continue to access content on the open Internet through a multitude of connected devices. Adapting to those fragmented platforms (smart TV applications, media players, HDMI dongles, smart phone or tablet applications) is also a technological challenge as it requires a team of engineers and developers to make sure that the customer's viewing experience is the same throughout these different access methods. Larger, internationally operating companies can more easily afford to invest in the R&D costs associated with the software fragmentation on these different platforms and devices, mainly the salaries of engineers. The same is also true for the development and optimisation of recommendation algorithms. This is a dramatic change for players in the media sector. Technology is becoming an important factor and even a competitive advantage. Tech players, who do not come from the traditional audiovisual ecosystem, have this mindset – the importance of technology, continuous improvement and innovation, adapting to the evolution of technology trends – in their DNA, whereas incumbents in the audiovisual sector have to adapt to this new market situation. The transition will not be evident.

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[82] Available at: http://www.digitaltveurope.net/264661/non-linear-video-viewing-outpaces-linear-in-the-us/

[83] idem

***The rise of "big data" - recommendation algorithms in order to retain sub-scribers - Use of data to commission and acquire content***

Another important fact, and a growth factor in our view, is the use of "big data", that is to say analysing every instance of user interaction with the service in order to offer them content suited to their tastes. The digital economy as a whole relies heavily on the exploitation and analysis of data collected on users in order to improve services and raise customer satisfaction (this is valid in general, not only for SVoD services. The advertising industry and other sectors of the digital economy use data on their customers to establish precise user profiles).

In the case of the SVoD providers, Netflix clearly uses and analyses "big data" gathered on its subscribers in order to improve its recommendation algorithm (with the clear aim of reducing the subscriber churn rate) and to analyse which content to acquire or produce[84]. Netflix employs over 300 staff working on content discovery (algorithm, user interface, collected metadata) which represents an investment of over USD 150 million a year[85].

Neil Hunt, Netflix's chief product officer and lead of the team that designs, builds and optimises products like the company's recommendation engine, has made the following statements (extracted from a speech[86]), which were published by Stream Daily[87]. In them, he highlights the importance of the recommendation algorithm, which, he says, is worth USD 500 million a year.

The following quotations explain in more detail Hunt's view of the importance of analysing "big data" in order to improve subscriber satisfaction (related to the recommendation algorithm and investment in content.

*"The company has about 300 people working on the problem of content discovery: this includes algorithms, user interfaces, the platform that recommendations appear through, and all of the meta-data that's collected.* ***It's a $150-million a year investment****.*

*Asked why it is important to have a sophisticated recommendation engine that helps customers find the movies and shows they care about and want to watch, Hunt replied that this is because the payoff is huge. He puts the value of these recommendations* ***at half a billion dollars a year.***

*Here's how this breaks down: Netflix streams about 7 billion hours of content each quarter to 50 million global subscribers. The average customer watches 90 minutes a day, and has about 150 million choices –* ***"a good choice leads to satisfaction and engagement while a poor choice leads to abandonment and risk of cancellation"****, Hunt said.*

*If his team* ***aims to make even 10% of those choices better*** *than they might have been without a recommendation engine, and if just 1% of those choices is good enough to avoid a cancellation,* ***"that's worth USD 500 million a year to Netflix"****, Hunt pointed out. "That quantifies the importance of this stuff," he said.*

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[84] Available at: http://www.theguardian.com/media-network/media-network-blog/2014/mar/07/netflix-data-house-cards

[85] Available at: http://streamdaily.tv/2014/10/10/netflixs-data-engine-worth-500m-a-year/

[86] Available at: https://www.youtube.com/watch?v=lYcDR8z-rRY

[87] Available at: http://streamdaily.tv/2014/10/10/netflixs-data-engine-worth-500m-a-year/

***On content***

*"Content is expensive and there's no way to guarantee success, but data can be pretty precise in determining which type of programming to throw money at.*

*We take a proposal for an original production or for a piece of content we're going to buy and **we plug in all the data we can about it into our models.** We're able to **predict reach and hours for that piece of content even before it exists with reasonable precision** in a way that helps us to say, 'this is worth funding' or 'that's not worth funding,'"*

*With regard to his earlier point, that's not to say that statistics will always impact a storyline. For example, if a director is looking for a supporting actress, Netflix can query its data to come up with the 4 actresses that best resonate with the target audience for the show they're producing. But if the director decides that an actress, despite being popular, has no chemistry with the lead, he or she can veto that suggestion."*

The importance of analysing the Meta data collected on subscribers (and users, customers in general) will only increase in the short term. Having the capacities to analyse and interpret data collected in order to make informed and strategic business decisions is already a competitive advantage and can decide on the success or failure of a company. Traditional players will have to adapt to this situation or they will be taking the risk of "*being Netflixed*" as the Guardian[88] oput it, rightly in our view.

The right use and exploitation of "big data" therefore seems to play a role in the rapid uptake of SVoD services in Europe, as subscribers are satisfied by the service offered them on services like Netflix. The new forms of commissioning TV shows (and since October 2014 also movies[89][90]), through the use of data also seem to be successful (Netflix does not release viewing figures on the shows on its service, but through press releases and statements from its directors it seems that *House of Cards* and *Orange is the new Black* have met with success among subscribers).

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[88] Available at: http://www.theguardian.com/media-network/2014/aug/04/tv-big-data-mine-customer-netflix

[89] Available at: http://www.bloomberg.com/news/2014-09-29/netflix-in-talks-to-back-feature-film-with-weinsteins.html

[90] Available at: http://variety.com/2014/digital/news/netflix-signs-adam-sandler-to-exclusive-four-movie-deal-1201319066/

***Access to premium content, the battlefield announced between SVoD services: exclusive rights and original production***

"Content is king", as Bill Gates said in 1996 (Original quote: *"Content is where I expect much of the real money will be made on the Internet, just as it was in broadcasting"*). This applies to SVoD services as content attracts subscribers. Premium content (successful TV shows and movies, original productions) has become the object of desire for major SVoD services, which are aiming to set themselves off from the competition with the acquisition of exclusive rights for premium content.

An analysis released in October 2014 by RBC Capital Markets[91] has estimated that the three main US SVoD services (Netflix, Amazon and Hulu) will spend USD 6.8 billion on content produced by the main US studios in 2015, an increase of 30% over the content spend of USD 5.2 billion projected for 2014. The analysis also forecasts that content spend will increase in the next few years at double-digit rates as SVoD services are bidding against one other to secure the most attractive content in SVoD syndication deals. The increase in content spend is also driven by the international expansion of SVoD players, who need to secure rights for new markets.

Netflix is expected to spend USD 3.3 billion in 2015 on content produced by US studios, Amazon USD 1.7 billion and Hulu USD1.5 billion. Among the studios[92], RBC found that CBS Studios has the biggest estimated SVoD syndication backlog, with six different series deals totalling $179 million for 2015. Warner Bros. TV was second with USD 106 million, followed by Lionsgate (USD 61 million), Sony Pictures TV (USD 43 million), 20th Century Fox (USD 40 million), ABC Studios (USD 40 million) and Universal TV (USD 22 million).

As Netflix and others will be present on several international markets, it can be expected that these companies will make multi-territory licensing deals with right holders. Netflix has made such a deal with CBS Studios International and Showtime[93] (the pay-TV channel of CBS) for TV shows. Another example is the acquisition of worldwide exclusive rights by Netflix through Warner Bros TV Worldwide Distribution for the TV show *Gotham*[94] after its first season. The international expansion of SVoD services will increase the acquisition of multi-territory licences by the services. It can be expected that these deals will be on the first pay-TV window, that they will be exclusive and that the SVoD services acquiring the rights will demand that their exclusivity is protected, at least for a defined period.

The licensing deals, on the first pay-TV window, mostly for exclusive rights, have also had the effect of raising the acquisition price of TV shows per episode. The RBC Capital Markets report gives interesting figures on the acquisition price per episode for popular and premium TV shows commissioned/acquired by US SVoD services. (It should also be noted that even though the increased competition for TV shows has raised prices, this is not the only reason. The costs of producing TV

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[91] Available at: http://variety.com/2014/digital/news/svod-syndication-to-pump-6-8-billion-into-studios-in-2015-1201337738/

[92] RBC Capital Markets has not included the French studio Gaumont International, which produces the TV shows *Hemlock Grove* (3 seasons), *Narcos* and *F is for Family* for Netflix

[93] Available at: http://variety.com/2014/digital/news/netflix-pacts-with-showtime-and-cbs-studios-intl-to-feed-new-european-markets-1201328386/

[94] Available at: http://variety.com/2014/digital/news/foxs-gotham-goes-to-netflix-after-first-season-1201296494/

shows have risen considerably in recent years, with HBO's *Game of Thrones* topping the list of the most expensive TV shows with a cost of USD 6-8 million per episode, *Mad Men* costing USD 2.5 million per episode or *The Big Bang Theory* USD 2 million. The increase in acquisition costs therefore not only comes from the increased competition for premium content among SVoD services but also from higher production costs of TV shows in general. The question of the access of smaller or national SVoD services to premium content from studios remains open as the cost associated with the acquisition of these shows is almost certainly prohibitive for a large group of smaller SVoD players, who operate only in a limited territory. Also, the multi-territory and exclusive deals made by the major SVoD services with US and international studios will *de facto* exclude smaller players from access to this premium content.

**Table 27  Cost per episode of TV shows on SVoD services**

| TV Show title | Studio | SVoD Service | Cost per episode USD Million |
|---|---|---|---|
| Orange is the New Black | Lionsgate | Netflix | $2,5 |
| Blacklist S2 | Universal | Netflix | $2 |
| Gotham | Warner | Netflix | $1,75 |
| Elementary | CBS | Hulu | $1,5 |
| The Walking Dead | AMC | Netflix | $1,35 |
| The Americans | 21st Century Fox | Amazon | $1 |

Source: RBC Capital Markets

Another shift in content acquisition strategy is initiated by the use of "big data" by SVoD services in order to identify which shows and movies will interest their subscribers (and therefore make them stay loyal in the future). While at the launch of SVoD services bulk library deals were the norm, the use of "big data" has reduced the willingness of SVoD services to acquire content in bulk deals, as they prefer to focus on content identified as appealing to their subscribers. The fact that the three main SVoD services bid against each other on individual "big ticket shows" (the analysis cites *Gotham* and *Blacklist* as examples) has counterbalanced the impact of the reduced acquisition of bulk library rights.

"Big data" is also used, as alreay pointed out, for the production of original content by SVoD services. Netflix, Amazon and Hulu all invest in original content. Even if the investment in original content is still far below the cost of content acquisition through syndication deals (Netflix, for example, spends only 10% of its budget on original programming, an estimated USD 400 million a year), original content is becoming yet another differentiation factor for SVoD services. The buzz created around the releases of *House of Cards* and *Orange is the new Black*, Netflix's best-known original shows, has certainly attracted new subscribers (In the 3Q earning call, Ted Sarandos cites *Orange is the new Black* as the most watched

show in all the markets Netflix has launched[95]).

Analysing data in order to acquire and commission content is certainly a major shift away from the traditional pilot model used in television for years. However, as international SVoD services are entering new markets the need for "national" content is often mentioned. Especially for countries like France and Germany, the issue of having enough local content is raised. Netflix commissioned its first original production in French, *Marseille*[96], which will be available internationally to all its subscribers. Another important fact is that a country-specific original production can be made available to the entire subscriber base, thus ensuring that production/acquisition costs are amortised on a broad basis. A larger subscriber base allows for more investments, and even for local content, a strategy that most national and smaller SVoD services cannot pursue. The advantage of operating in several countries makes it possible to implement strategies not available to services which only operate in one territory, at least for the moment as their subscriber base does not permit the effective amortisation of high commissioning costs.

A major shift was the announcement by Netflix that it would also invest in original movies, the sequel to *Crouching Tiger, Hidden Dragon* with the Weinstein Company[97] and four movies produced by Adam Sandler in which he will also star. The announcement was roundly criticised by US theatre exhibitors[98] who fear for their revenue stream. Also, in the case of France, Netflix will release two films that will be aired in US theatres, *St. Vincent* with Bill Murray and *Eleanor Rigby.* Even if these movies had been released directly to video (no French distributor acquired the rights[99]), this is another major development in the increasing investment by SVoD services in content. After the commissioning of TV shows, movies are logically the next on the list.

As of 30 September 2014, Netflix had overall content streaming obligations of USD 8.9 billion, growth by USD 1.6 billion compared to 31 December 2013, when the figure was USD 7.3 billion. For the international segment, streaming content costs increased by USD 66.4 million in Q3 2014, mainly driven by the international expansion into six European markets and the costs associated with securing content for these new markets.

Its increased content spending obligations are forcing Netflix to grow at any cost as it has to amortise these investments by increasing its subscriber base. It is therefore under pressure to grow, which can certainly explain its surprising expansion into six European markets in 2014, whereas most analysts thought that it would expand into one or two countries (Germany and France) in 2013. The increased competition for the acquisition of rights makes subscriber growth compulsory for Netflix. The sharp fall of almost 20% in its stock price following the rather disappointing announcement of new subscribers in the Q3 2014 (and also the OTT services announced by HBO and CBS) is an indication that investors are closely monitoring Netflix's success in its international expansion as growth in the USA has also slowed down.

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[95] Available at: http://files.shareholder.com/downloads/NFLX/0x0x786894/0ad5a8d3-c1f4-4727-9236-61adf094d52c/NFLX-Transcript-2014-10-15T22_00.pdf

[96] Available at: http://variety.com/2014/film/news/netflix-unveils-marseille-first-french-drama-commission-1201292688/

[97] Available at: http://blogs.wsj.com/digits/2014/09/30/netflixs-coup-the-next-crouching-tiger/?mod=ST1

[98] Available at: http://www.hollywoodreporter.com/news/regal-cinemark-slam-imax-weinstein-736692

[99] Available at: http://variety.com/2014/digital/news/netflix-breaks-barriers-in-france-highlights-larger-concern-for-exhibitors-1201339563/

**Figure 82 Estimated content spend 2012-2014, in USD million**
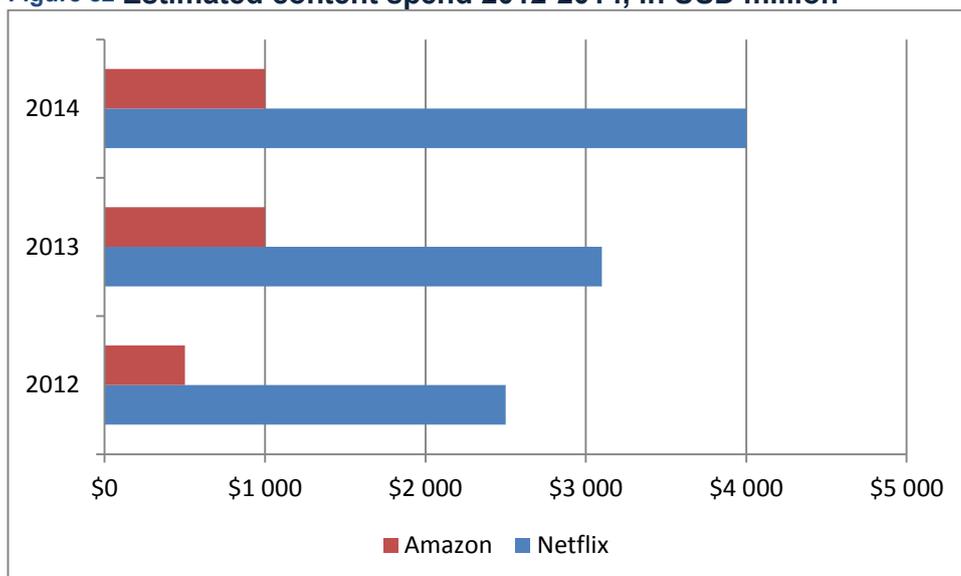


Source: Fierce Online Video[100]: *"A closer look at the billions of dollars Netflix, Amazon and Hulu are spending on original content"*, Estimated total content spend for Netflix and Amazon, 2012-2014. Netflix budgeted upwards of USD 4 billion in 2014, although its original content spend will only be about USD 400 million. Amazon's estimated content spend is at least USD 1 billion, although the cost of its original content is unknown. (Compiled from multiple sources)

Amazon's approach to original content is also innovative. Rather than relying only on the use of "big data" to identify potential attractive investments in original content, Amazon makes pilots of shows available on its web site, on which subscribers can vote on which TV show Amazon should produce. This is another new way of commissioning shows, letting subscribers decide which ones they want to watch. Amazon announced that it would spend between USD 2 and USD 4 million on pilots for its TV shows[101]. It also announced that its spending on original shows in the Q3 2014 was around USD 100 million[102]. The total cost of its original content spend remains unknown.

The recent announcement by HBO[103] and CBS[104] that they would provide a stand-alone OTT service for their channels (and content) has further increased the competiveness of the SVoD markets in the acquisition for exclusive rights to content. HBO, already present in the European market (Nordics and CEE), and more importantly the owner of premium content (TV shows like *Game of Thrones*, the most pirated show ever[105]), could change the SVoD landscape dramatically by launch-

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[100] Available at: http://www.fierceonlinevideo.com/special-reports/closer-look-billions-dollars-netflix-amazon-and-hulu-are-spending-original

[101] Available at: http://variety.com/2014/digital/news/amazon-studios-wants-big-comedies-ready-to-pay-4-million-for-pilots-sources-1201325038/

[102] Available at: http://variety.com/2014/digital/news/amazon-to-spend-more-than-100-million-on-original-series-in-q3-1201268987/

[103] Available at: https://variety.com/2014/tv/news/hbo-to-launch-over-the-top-service-in-u-s-next-year-1201330592/

[104] Available at: http://recode.net/2014/10/16/now-cbs-is-selling-web-subscriptions-to-its-shows-too/

[105] Available at: http://www.forbes.com/sites/emmawoollacott/2014/06/17/game-of-thrones-finale-sets-new-piracy-record/

ing a trend which other pay-TV channels could follow (unbundling their channel offering[106] from the typical cable bundle in the USA through an OTT stand-alone service). Up to now, the only true stand-alone SVoD service operated by HBO has been HBO Nordic, whereas in CEE countries HBO Go is part of the subscription to the pay-TV channel HBO. However, with the announcement of a stand-alone OTT service in the USA this might change sooner than most industry analysts expected.

The announcement made by the two US pay-TV channels, the quest for premium content in the first pay-TV window by SVoD services, and the fact that European pay-TV operators are increasingly also launching OTT SVoD services will lead to a situation of increased competition for premium content under exclusive licensing deals, which might lead to the fragmentation of the offering[107][108] of premium content. Subscribers wishing to watch multiple premium TV shows (and other content) produced and licensed by different right holders will not be able to find all of them in one place or one SVoD service. As even early adopters rarely subscribe to more than two SVoD services (according to Gartner[109], early adopters spend USD 15 in the USA and USD 17 in Germany on SVoD services), the battle for subscribers will intensify.

Netflix and Amazon strengthened their position as premium channels rather than SVoD services (at least in the USA for the moment, but this trend might quickly come to Europe with the increased adoption by consumers of SVoD services and increased content investment) will lead in the short to medium term to competition with traditional pay-TV channels for the consumer's subscription money. Even though SVoD services are expected to be complementary to pay-TV in the near future[110], pay-TV subscribers will spend less on subscriptions and additional pay-TV content ("cord shavers"), and younger households, which have never subscribed to pay-TV, will only rely on online access to video and TV content, as noted by Fernando Elizalde, Gartner's principal research analyst.

The landscape changing rapidly and the market has yet to find its balance. The example of the United Kingdom shows that SVoD services are currently creating duopolies and oligopolies (Netflix and Amazon have a combined market share [*in volume not value*] of 93.6% on the UK SVoD market, leaving 6.2% to Sky's Now TV and a meagre 0.2% to other competitors). It is yet too early to anticipate the effects of new competitors entering the SVoD markets in Europe but increased competition for subscribers and content will certainly claim some victims among smaller SVoD services, at least if the example of the UK can be applied to other markets.

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[106] Available at: http://www.forbes.com/sites/emmawoollacott/2014/06/17/game-of-thrones-finale-sets-new-piracy-record/

[107] Available at: http://www.wired.com/2014/10/cbs-hbo-unbundling/

[108] Available at: http://www.salon.com/2014/10/20/theyre_going_to_start_destroying_each_other_why_tvs_new_golden_age_is_doomed/

[109] Available at: http://www.rapidtvnews.com/2014102235742/pay-tv-dominance-masking-full-extent-of-soaring-svod.html

[110] Available at: http://advanced-television.com/2014/10/23/gartner-dominance-of-pay-tv-masks-vod-growth/

Source: Idate[111], "*Audiovisuel : Les nord-américains vont-ils contrôler le segment de la vidéo à la demande ? »*, October 2014

Netflix is the only international SVoD service with a significant market presence in Europe in 2014 (Amazon currently only operates in the United Kingdom and Germany after having left the Nordic markets following Netflix's arrival in the summer of 2013. HBO Nordics is HBO's only stand-alone SVoD service is not part of a subscription to the pay-TV channel and is only available in the Nordics). MUBI is provided in English, German, French and Turkish versions but in the tiny arthouse film segment and is another specialised SVoD service, with less market power. A profile of Netflix profile will be presented in the following section as this is currently the only international SVoD player with a significant market presence in Europe.

### *"Binge viewing": changing how TV shows are consumed on SVoD services*

Another development for audiences is the fact that SVoD services let subscribers "binge watch", which is essentially the consumption of several episodes of a TV show in one session. Whereas scripted TV shows relied for years on "cliffhangers" and the spacing of the broadcasting of TV shows in order to make the audience tune in the following week (in order to secure advertising money for commercial TV channels by keeping subscribers interested in their programmes), Netflix started the trend of making all episodes of its original shows available at the same time, letting subscribers decide when to consume them. This is true for new programming. For older TV shows, the fact that entire seasons (or even entire TV shows with the full episodes), is appealing and subscribers appreciate the fact that they can decide on their consumption (SVoD services are replacing DVD/Blu-ray box sets of TV shows in this regard). Giving subscribers what they want instantly and not playing the *"managed dissatisfaction* game [112]" as Reed Hastings puts it and as has been the case in the broadcasting industry for years (waiting next week in order to watch the continuation of a TV show), has certainly had impacted on the success of SVoD services.

To put it short, "binge watching" TV shows appeals to subscribers. The French pay-TV channel Canal + even experimented the binge watching effect by releasing all the episodes of its TV show "*Mafiosa"* on the catch-up service Canal+ à la demande in April 2014[113]. The innovation made by SVoD service could have effects on other players, like pay-TV channel, to adapt to this new market given, and increasingly, new consumer expectations. As Netflix, Amazon (which experienced a "binge" watch success[114] with the release of its new comedy show *Transparent*,

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[111] Available at: http://blog.idate.fr/tv-video-services-can-anyone-compete-against-american-on-demand-vendors/?/lang-pref/fr/

[112] Available at: http://archive.wired.com/wired/archive/10.12/netflix.html

[113] Available at: http://tvmag.lefigaro.fr/programme-tv/article/serie/80676/la-saison-5-de-mafiosa-en-integralite-sur-canal+-a-la-demande.html

[114] Available at: http://advanced-television.com/2014/10/10/amazons-transparent-sets-binge-viewing-records/

pushing Amazon Studios to renew the show for a second season*)* and certainly other SVoD players will continue to release their original programming at once (making already past seasons of TV shows available for binge watching), pay-TV channels might have to adapt to this new form of TV show consumption.

**Figure 84 Binge viewing of TV shows in the USA, April 2013**
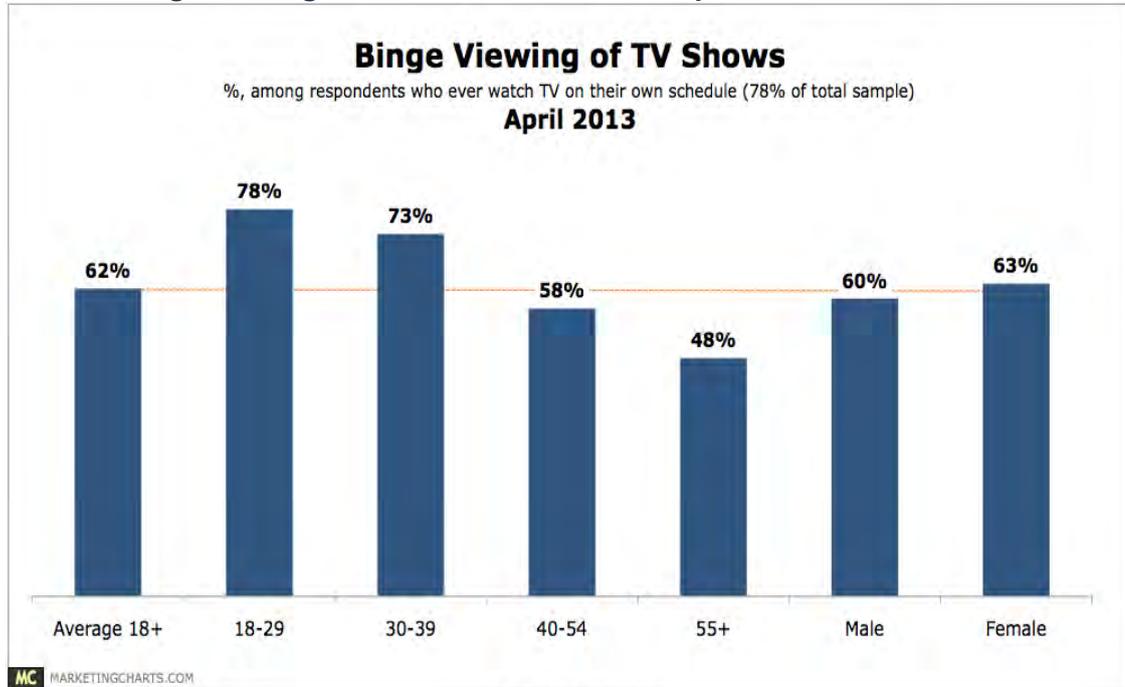


Source: Harris Interactive[115]

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[115] Available at:
http://www.harrisinteractive.com/NewsRoom/HarrisPolls/tabid/447/ctl/ReadCustom%20Default/mid/1508/ArticleId/1176/Default.aspx

## 12.3 Profile of Netflix and its 2014 European expansion into six countries

Netflix raised a lot of public attention (and concerns) by entering six new markets in Europe in September 2014. Its expansion into two of these markets – Germany and France – was expected, whereas the four other countries – Austria, Belgium, Luxembourg and Switzerland – came rather as a surprise to industry insiders as Netflix did not mention any such plans in 2013.

As Netflix does not publish individual figures by country, most of the data presented in this section are provided by reports of consulting firms and news articles. It should therefore be borne in mind that the figures have not been officially released by Netflix.

### Netflix's European operations

Idate estimates that Netflix had a 66%share of  of the worldwide SVoD market at 31 December 2013. This figure does not take into account the European expansion of September 2014. It is the only true "pure player" operating several SVoD services worldwide (North America, South America, Caribbean and Western Europe).

**Figure 85 Market shares worldwide on the SVoD market as of December 2013, in%**


 **For copyright reasons this figure cannot be reproduced in the public version of this report**


Source: Idate[116], "*Audiovisuel : Les nord-américains vont-ils contrôler le segment de la vidéo à la demande ? »*, October 2014

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[116] Available at: http://blog.idate.fr/tv-video-services-can-anyone-compete-against-american-on-demand-vendors/?/lang-pref/fr/

Netflix generated revenues of EUR **294.8 million in Europe in 2013** [117] (total revenue generated internationally EUR 547 million [USD 712.3 million] in 2013, so its European operations accounted for 53% of total revenue generated internationally) as the financial documents passed on to the Luxembourg authorities in June 2014 state. This is according to L'Express, which has consulted and published the financial statements.

Netflix's CEO Reed Hastings has stated that in the long term he expects international revenues to make up 70% to 80% of the company's revenues. This presupposes huge international growth as international streaming revenues[118] were only USD 712.3 million in 2013 (or 20.5% of total streaming revenues) compared to USD 2,751.3 million for its domestic operations, as stated in the 2013 annual report. Also, as of 31 December 2013 the international segment was still losing money, with a contribution loss of USD 274.3 million (mainly coming from marketing expenses as the cost of revenues was USD 774.7 million and marketing expenses USD 211.9 million).

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[117]  Available at: http://lexpansion.lexpress.fr/high-tech/netflix-realise-deja-un-chiffre-d-affaires-de-294-millions-d-euros-en-europe_1573112.html

[118] Available at: http://ir.netflix.com/secfiling.cfm?filingID=1065280-14-6&CIK=1065280

As for subscribers in European countries, an estimate was published by Digital TV Research[119] and is currently one of the only freely available approximations of Netflix's subscribers in Europe and worldwide.

**Table 28  Netflix subscribers by European country, USA and International Q2 2014**

|  | Start date | Q4 11 | Q4 12 | Q4 13 | Q2 14 |
|---|---|---|---|---|---|
| **Ireland** |  | 0 | 90 | 200 | 260 |
| **UK** |  | 0 | 1 500 | 3 432 | 4 452 |
| **UK & Ireland** | janv-12 | 0 | 1 590 | 3 632 | 4 712 |
| *Growth rate* |  |  |  | *128,43%* | *29,74%* |
| **Denmark** |  | 0 | 160 | 310 | 440 |
| **Finland** |  | 0 | 105 | 260 | 370 |
| **Norway** |  | 0 | 145 | 280 | 390 |
| **Sweden** |  | 0 | 245 | 655 | 940 |
| **Nordics** | oct-12 | 0 | 655 | 1 505 | 2 140 |
| *Growth rate* |  |  |  | *129,70%* | *42,10%* |
| **Netherlands** | sept-13 | 0 | 0 | 120 | 600 |
| *Growth rate* |  |  |  |  | *400,00%* |
| **Total Europe** |  | 0 | 2 245 | 5 257 | 7 452 |
| *Growth rate* |  |  |  | *134,16%* | *41,75%* |
| **Total International** |  | 1 447 | 4 892 | 9 722 | 12 907 |
| *Growth rate* |  |  | *238,08%* | *98,73%* | *32,76%* |
| **Total USA** |  | 20 153 | 25 471 | 31 712 | 35 085 |
| *Growth rate* |  |  | *26,39%* | *24,50%* | *10,64%* |
| **Total Netflix** |  | 21 600 | 30 363 | 41 434 | 47 992 |
| *Growth rate* |  |  | *40,57%* | *36,46%* | *15,83%* |

Source: Digital TV Research, July 2014

The estimated figures show impressive growth rates for Netflix in countries where it has started to operate, which might hint at an existing but unfulfilled demand for a subscription to a VoD service. The company had a total of **7.4 million subscriptions** in Q2 2014, with the United Kingdom and Ireland accounting for 63% of all European subscriptions.

In the United Kingdom in 2012, after one year on that market, Netflix had already attracted 1.5 million subscribers, and the figure had risen to 3.6 million in 2013 (year-on-year growth of 128.4%). In the Nordics, the growth rate was comparable, with 655,000 subscribers in the first year (2012) and then an additional almost 850,000 the following year, which amounts to a growth rate of 129.7%.

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[119] Available at: http://www.broadbandtvnews.com/2014/07/24/counting-netflix-by-country/

The uptake in the Netherlands was also impressive, Netflix having gained almost 480,000 subscribers on this small market in 2 quarters, growing by 400%.

As for subscribers signed up in the new European markets, information is scarce. Le Figaro released an estimate of 100,000 subscribers to Netflix in the first month of its operations, but it has to be borne in mind that the first month of subscription is free, so the question remains at to how many accounts Netflix can transform in paying accounts.

The Q3 earnings for 2014 have given us a little more insight into Netflix's overall business but without providing specific data for European markets. Netflix disappointed investors by recruiting fewer subscribers than forecast. As the accounts were drawn up as of 30 September 2014, they came just one to two weeks after the launch in the six European countries.

Netflix expected to have 16.16 million international subscribers (14.7 million paying subscribers, 1.79 million free accounts), but the the number finally released was 15.84 million international subscribers (14.39 million paying, 1.45 million free). It managed to reach its forecast for paying international subscribers but fell short in the case of free accounts. In the light of its expansion into six new European countries, it expected to have 900,000 free subscriptions (in the first trial month – as the figures show, free accounts remained stable during the first 2 quarters, It therefore expected the addition of free accounts to originate from its European expansion) but finally only managed to attract 560,000 free accounts in its international segment (almost 40% short of what was forecast).

**Table 29  Netflix's international subscribers
         in 2014, in millions**

| | Q1 2014 | Q2 2014 | Q3 2014 Forecast | Q3 2014 realised | Q4 Forecast |
|---|---|---|---|---|---|
| Paying | 11,76 | 12,91 | 14,37 | 14,39 | 16,49 |
| Free | 0,92 | 0,89 | 1,79 | 1,45 | 1,5 |
| **Total** | **12,68** | **13,8** | **16,16** | **15,84** | **17,99** |

| | | | | | |
|---|---|---|---|---|---|
| **Addition free subs 6 European countries** | | | 0,9 | 0,56 | 0,05 |
| **Addition paying subs** | | 1,15 | 1,46 | 1,48 | 2,1 |

Source: Digital Home Revolution based on Netflix financial statements 2014

At the moment (October 2014) it is still too early to evaluate the impact of the launch on subscriber numbers. Q4 2014 earnings and the annual report for 2014 will certainly allow a little more insight inti the European expansion.

Another point to note from the Q3 is that Netflix managed to grow by 3 million subscribers worldwide. In the case of its domestic operations (total of US subscribers 37.22 million, 31.09 in 2014, or an increase of 19.7%) the growth was slower than expected. On the international side, growth was stronger than last year, Netflix having added 2.04 million subscribers (free and paying) in one quarter, compared to 1.44 million in Q3 2013. Also, the international subscriber base grew strongly compared to the previous year, increasing from 9.19 million in Q3 2013 to 15.84 in Q3 2014, which amounts to growth of 72.3% over the period.

From these figures, it appears that the US streaming business is maturing (and will face increased competition more and more, as the announcement by HBO and CBS has indicated), whereas Netflix can still experience significant growth in its international operations.

As Hastings says with regard to Netflix's international operations, "*We're feeling incredible about international[120]*". IHS projects that European subscribers could account for up to 20% of Netflix's subscription base as early as 2015[121]. The goal mentioned by Hastings at the CTAM Eurosummit in Copenhagen[122] is to penetrate a third of homes seven years after the launch.

Digital TV Research has projected what the figures might be for Netflix in 2020 (caution is advised here as these are only projections!).

**Table 30  Netflix international subscribers by country in 2020**

| | Start date | Subscribers (000) | TV households (000) | Subs/TVHH |
|---|---|---|---|---|
| Austria | Sept 14 | 1 103 | 3 678 | 30% |
| Belgium | Sept 14 | 1 422 | 4 739 | 30% |
| Denmark | Oct 12 | 870 | 2 559 | 34% |
| Finland | Oct 12 | 856 | 2 518 | 34% |
| France | Sept 14 | 8 298 | 27 659 | 30% |
| Germany | Sept-14 | 11 325 | 37 750 | 30% |
| Ireland | Jan-12 | 572 | 1 635 | 35% |
| Luxembourg | Sept-14 | 71 | 237 | 30% |
| Netherlands | Sept 13 | 2 507 | 7 596 | 33% |
| Norway | Oct 12 | 776 | 2 282 | 34% |
| Sweden | Oct 12 | 1 620 | 4 766 | 34% |
| Switzerland | Sept 14 | 1 308 | 4 360 | 30% |
| United Kingdom | Jan 12 | 9 495 | 27 128 | 35% |
| | | | | |
| **Total EU** | | **38 139** | **120 265** | **32%** |

Source: Digital TV Research[123]

One conclusion that can be made is that international territories will be a key factor for Netflix as its domestic business reaches maturation and faces increased competition. Its huge content obligations are forcing Netflix to continue to grow in order to reassure investors and maintain cash flow.

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[120] Available at: http://advanced-television.com/2014/10/16/netflix-were-feeling-incredible-about-international/

[121] Available at: http://www.digitaltrends.com/home-theater/netflixs-gain-massive-subscriber-base-europe/

[122] Available at: http://www.csimagazine.com/csi/Netflix-to-reach-100-million-subs.php

[123] Available at: http://www.digitaltrends.com/home-theater/netflix-could-top-100-million-international-subscribers-by-2020/

## Local content

Another interesting aspect, which was raised during Q3 earnings call between Netflix executives and financial analysts[124], is the mix of content in the new European markets. Netflix's Ted Sarandos said that local content was 15% to 20%,with 80% to 85% being either Hollywood or international content.

Here is an exerpt from the earnings call related to the content mix in new territories:

*Doug Anmuth*
*- JPMorgan -*
*Analyst*
*And just following up, Reed, and perhaps Ted here, as we talk about the international business, what percentage of content in new international markets is local? How do you know what the right level is here? And do you feel like you have enough currently in France and Germany?*

*Ted Sarandos*
*- Netflix, Inc. -*
*Chief Content Officer*
*Doug, I'll jump in there. It's similarly placed as the other markets have been,* ***around 15% to 20% local, with another -- with the 80%, 85% being either Hollywood or other international content****. One of our first indicators that we are getting* ***the mix right is how many hours of viewing people are participating in****. And in* ***France and Germany, the viewing hours are quite healthy relative to all of our other launches****. So we're -- the consumers are finding the things they want.*
*The tricky thing is figuring out is the* ***local content something that people want in the long term.*** *Because when we first go at a new market, I think people are mostly excited about those things that they didn't have access to before.*
*So Orange Is the New Black was by far the most watched show in both France and Germany, and in fact all of the markets that we launched. So it tells you that with all the differences in taste, that they all rallied around that show.*
*I do think too that we're offering those markets* ***unprecedented choice, not just in programming, but also in choice of language*** *where you can watch the show either in native language with subtitles or dubbed in local language, which is something that's not been available to consumers in those markets before.*

Netflix will have to adapt to the taste of subscribers in these new territories. As Ted Sarandos pointed out, local content will be wanted in the long term. At the beginning of a launch, subscribers are interested in new, unseen content to which they did not have access before. The commissioning of *Marseille* in France as original content by Netflix shows that the company is aware that it will need to commission and to acquire local content for its European catalogues (and, as previopusly noted, this investment in local content can be amortised among its important, international subscriber base in more than 40 countries) which might encourage Netflix to commit to further investments on European local markets.

It is still too early to see what impact the commissioning of local content by Netflix (and other international players) will have for national audiovisual sectors in the EU and if this trend will continue in the future.

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[124] Transcript of the call available at:
http://files.shareholder.com/downloads/NFLX/0x0x786894/0ad5a8d3-c1f4-4727-9236-61adf094d52c/NFLX-Transcript-2014-10-15T22_00.pdf

Netflix's subscribers' streaming viewing time and the Sandvine report on Netflix's impact on downstream data traffic:

## Viewing time

Netflix does not communicate any information on the success of shows and films (even on its original productions, no precise viewing figures are released. Netflix just says that *Orange is the new Black* is the most watched show in Germany and France without giving any figures that might support that statement).

The Diffusion Group has published the report *"Netflix 2014 – Domestic Dominance, International Escalation[125]"* (a report on which Netflix declined to comment; the last announcement on streaming hours made by Netflix was in May 2014, when the company claimed that its subscribers globally streamed a volume of 6.5 billion hours in Q1 2014, or 44.8 hours per month) which includes the volume of hours streamed by Netflix's subscribers. As the consulting group finds, the total volume of streaming hours has increased by 350% over the last 10 quarters. While in Q4 2011 total streaming hours totalled 2 billion, in Q2 2014 the total was 7 billion. However, the split between Netflix's domestic and international operations remained. For its US operations, it saw its subscribers stream a total of 1.8 billion hours in Q4 2011 which increased to 5.1 billion hours in Q2 2014.

The increase in international subscribers' total streaming hours was even more impressive, with an almost tenfold rise over the period in question. In Q4 2011 (before Netflix'a expansion into Europe), international streaming hours totalled 0.2 billion hours. In Q2 2014, the total number of hours streamed by international subscribers had increased to 1.9 billion.

On average, a Netflix subscriber streams 93.2 minutes a day (or 46.6 hours a month). With the company's international expansion, international streaming by subscribers will increase its share of overall Netflix usage. While in Q3 2011, US subscribers still had the lion's share with 94% of total usage (hours streamed), this figure had already fallen to 72% in Q2 2014, showing the growing importance of international markets for Netflix. As the announced goal is to expand the availability of the service internationally, the share of international streaming hours will certainly increase in the short term, especially with the European expansion. When Netflix releases figures in the first quarters of 2015, the impact of its European expansion might be a little more measurable.

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[125] Available at: http://tdgresearch.com/tdg-netflix-streaming-volume-up-350-in-10-quarters/

**Figure 86** **Netflix Hours streamed per subscriber per month worldwide, 2011-2014**
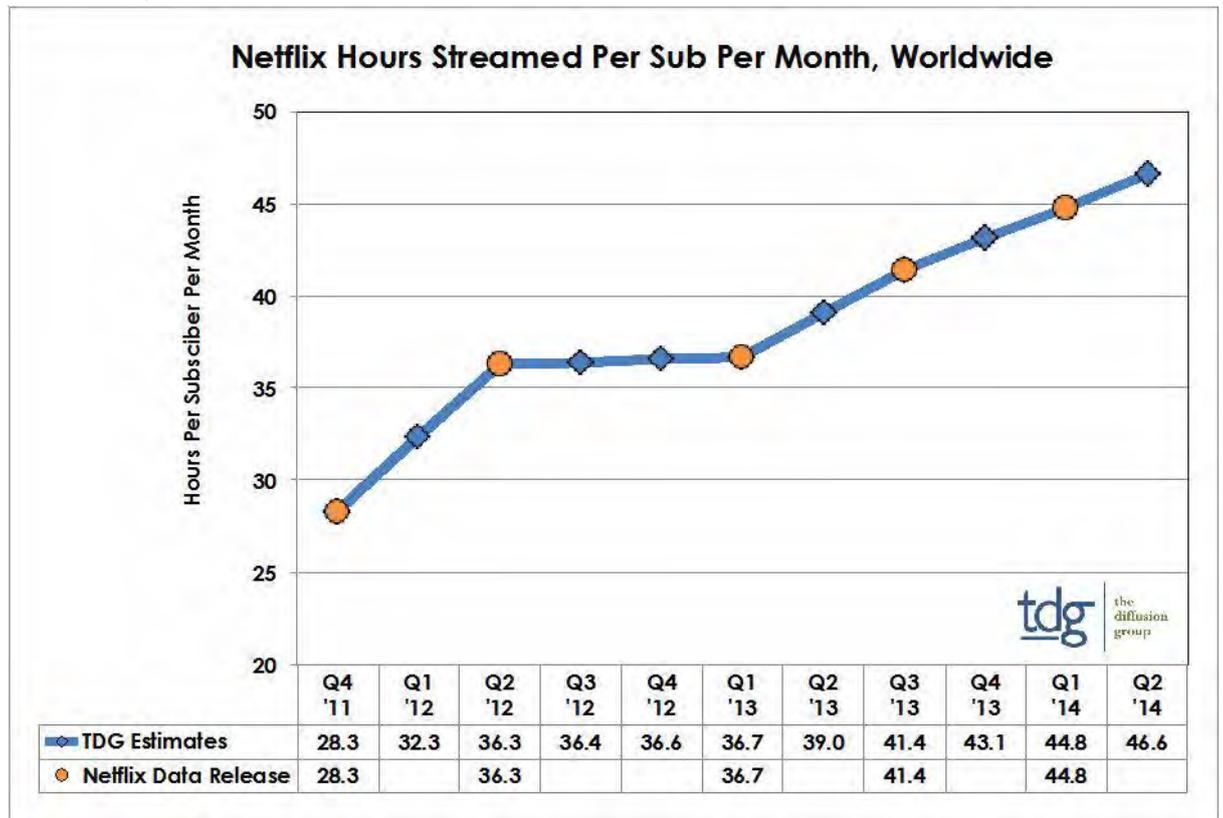


Source: The Diffusion Group

## A proxy - bandwidth: the Sandvine "Global Internet Phenomena Report 1H 2014"[126]

It is quite difficult in the light of the lack of data on Netflix operations to provide a general picture of the usage of its service. The Sandvine report, which provides details of bandwidth usage up- and downstream for several world regions, can act as a proxy for assessing Netflix usage in Europe and elsewhere.

The latest Sandvine report for the first half of 2014 shows that Netflix (currently operating only in the United Kingdom, Ireland, the Netherlands and the Nordics) was already the 8th application on fixed access by consumption of downstream bandwidth with a share of 3.23% of the total bandwidth consumed in Europe. Netflix's position is 6th on the mobile downstream bandwidth with a share of 3.89%.

More importantly, the report states that: *"Of note is Netflix's dominance on networks in the United Kingdom and Ireland. Combining traffic from these two countries, Netflix is now the second largest source of downstream traffic during the peak evening hours accounting for 17.8% of traffic. Netflix now trails only YouTube (19.9%), and based on current growth rates, we would expect the video service to be the leading source of network traffic within the next year. Other video streaming services from providers such as the BBC, RTE, and Amazon, account for 1-3% individually, well back of Netflix and YouTube."*

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[126] Available at: https://www.sandvine.com/downloads/general/global-internet-phenomena/2014/1h-2014-global-internet-phenomena-report.pdf

In the United Kingdom and Ireland, where Netflix has gained over 4.7 million subscribers according to Digital TV Research, the volume of traffic is measured and Netflix is expected to overtake YouTube as the main source of downstream bandwidth consumption.

The USA shows the increased importance of Netflix's subscriber streaming, as the service consumes more than one-third of the total downstream (34.21%) on fixed access and 5.05% on mobile access.

This approach, if refined to a country by country basis (as seems possible with the example of the United Kingdom provided by Sandvine) could also supply additional information on Netflix usage by its subscribers in Europe, despite the lack of data provided by the company.

**Table 31  Sandvine report H1 2014 – Europe Fixed Access**

| Rank | Upstream Application | Share | Downstream Application | Share | Aggregate Application | Share |
|---|---|---|---|---|---|---|
| 1 | BitTorrent | 33.20% | YouTube | 19.27% | YouTube | 17.38% |
| 2 | HTTP | 10.07% | HTTP | 17.46% | HTTP | 16.26% |
| 3 | YouTube | 7.67% | BitTorrent | 11.10% | BitTorrent | 14.71% |
| 4 | SSL | 5.63% | SSL | 6.19% | SSL | 6.10% |
| 5 | Skype | 4.54% | Facebook | 3.88% | Facebook | 3.95% |
| 6 | Facebook | 4.29% | RTMP | 3.66% | RTMP | 3.27% |
| 7 | eDonkey | 3.64% | MPEG | 3.54% | MPEG | 3.21% |
| 8 | Dropbox | 2.11% | Netflix | 3.23% | Netflix | 2.98% |
| 9 | MPEG | 1.51% | Flash Video | 2.37% | Flash Video | 2.17% |
| 10 | iTunes | 1.30% | iTunes | 2.23% | iTunes | 2.08% |
|  |  | 72.66% |  | 70.69% |  | 70.01% |

sandvine

Table 6 - Top 10 Peak Period Applications - Europe, Fixed Access

**Table 32  Sandvine report H1 2014 – Europe Mobile Access**

| Rank | Upstream Application | Share | Downstream Application | Share | Aggregate Application | Share |
|---|---|---|---|---|---|---|
| 1 | Facebook | 17.93% | HTTP | 17.65% | HTTP | 16.92% |
| 2 | HTTP | 13.45% | YouTube | 16.54% | YouTube | 15.15% |
| 3 | SSL | 8.63% | Facebook | 12.85% | Facebook | 13.72% |
| 4 | YouTube | 8.25% | SSL | 5.68% | SSL | 6.17% |
| 5 | BitTorrent | 5.00% | MPEG | 4.23% | MPEG | 3.85% |
| 6 | Skype | 4.60% | Netflix | 3.89% | Netflix | 3.53% |
| 7 | iTunes | 3.01% | iTunes | 3.48% | iTunes | 3.40% |
| 8 | Instagram | 2.07% | Google Market | 2.66% | BitTorrent | 3.02% |
| 9 | MPEG | 2.05% | BitTorrent | 2.60% | Google Market | 2.43% |
| 10 | Snapchat | 1.86% | Instagram | 1.92% | Skype | 1.93% |
|  |  | 64.99% |  | 69.59% |  | 70.13% |

sandvine

Table 8 - Top 10 Peak Period Applications - Europe, Mobile Access

## Table 33  Sandvine report H1 2014 – North America Fixed Access

| Rank | Upstream | | Downstream | | Aggregate | |
|---|---|---|---|---|---|---|
| | Application | Share | Application | Share | Application | Share |
| 1 | BitTorrent | 24.53% | Netflix | 34.21% | Netflix | 31.09% |
| 2 | HTTP | 14.27% | YouTube | 13.19% | YouTube | 12.28% |
| 3 | SSL | 6.54% | HTTP | 11.65% | HTTP | 11.84% |
| 4 | Netflix | 6.44% | iTunes | 3.64% | BitTorrent | 5.96% |
| 5 | YouTube | 5.52% | SSL | 3.42% | SSL | 3.80% |
| 6 | Skype | 2.23% | BitTorrent | 3.40% | iTunes | 3.33% |
| 7 | Facebook | 2.17% | MPEG | 2.85% | MPEG | 2.62% |
| 8 | FaceTime | 1.50% | Facebook | 1.99% | Facebook | 1.83% |
| 9 | Dropbox | 1.20% | Amazon Video | 1.90% | Amazon Video | 1.82% |
| 10 | iTunes | 1.15% | Hulu | 1.74% | Hulu | 1.58% |
| | | 64.40% | | 76.24% | | 74.58% |

sandvine

Table 2 - Top 10 Peak Period Applications - North America, Fixed Access

## Table 34  Sandvine report H1 2014 – North America  Mobile Access

| Rank | Upstream | | Downstream | | Aggregate | |
|---|---|---|---|---|---|---|
| | Application | Share | Application | Share | Application | Share |
| 1 | Facebook | 26.95% | YouTube | 17.61% | YouTube | 17.26% |
| 2 | SSL | 12.49% | Facebook | 14.03% | Facebook | 14.76% |
| 3 | HTTP | 11.80% | HTTP | 12.70% | HTTP | 12.59% |
| 4 | YouTube | 3.77% | MPEG | 8.64% | MPEG | 7.77% |
| 5 | Instagram | 3.47% | SSL | 6.52% | SSL | 7.25% |
| 6 | BitTorrent | 2.09% | Google Market | 5.27% | Google Market | 4.78% |
| 7 | MPEG | 1.70% | Pandora Radio | 5.15% | Pandora Radio | 4.72% |
| 8 | Pandora Radio | 1.61% | Netflix | 5.05% | Netflix | 4.55% |
| 9 | Gmail | 1.61% | Instagram | 3.49% | Instagram | 3.49% |
| 10 | iCloud | 1.56% | iTunes | 3.10% | iTunes | 2.84% |
| | | 65.50% | | 78.46% | | 77.17% |

sandvine

Table 4 - Top 10 Peak Period Applications - North America, Mobile Access

# **13** France

## The French SVoD market

### Market developments

The French SVoD market was worth EUR **28 million** in 2013, according to figures from GfK-NPA Conseil, **up by EUR 1 million over 2012**. The French SVoD market is still in its infancy and account for roughly **one-tenth of the French video-on demand market in 2013**. Transactional VoD and electronic sell-through (retail and rental) still accounted for about 88% of revenues, according to Xerfi[127]. As these figures show, the SVoD market is still in its infancy in France in 2014 and is still far from becoming mature. The comparison with similar countries (by size, figures for equipment ownership, broadband penetration), such as the United Kingdom and Germany, shows that France is trailing behind from the point of view of the development of the subscription-based VoD market and that the market has an opportunity to grow with the entry of a "game-changer" such as Netflix.

The French SVoD market therefore has scope to grow in the future and the aforemention entry of Netflix on 15 September 2014 should result in what could be called the "*Netflix effect*". The American SVoD giant has raised awareness of SVoD services in each of the European countries it has previously entered (the United Kingdom, the Nordics and the Netherlands), with impressive growth in the number of subscribers and a rise in the overall value of the SVoD market in the first years of its market entry.

In France, the entry of the SVoD giant was broadly commented on in the press and raised fears among the established players. The marketing/advertising budget earmarked by Netflix to announce its arrival in France and raise interest among potential customers is estimated to be between EUR 10 and EUR 15 million[128].

However, it is not only the rather important advertising budget alone that has succeeded in making Netflix known to French customers but also the ability of the SVoD service to create a "buzz" around its service on social networks and in the news media. Known by only 24% of French Internet users in July 2014 (according to Médimétrie[129]), the number of all French citizens who have at least heard of Netflix has risen to 68% (figure compiled by Ipsos[130]) and 11% said they intended to subscribe in September 2014 (20% in the 25-34 age group) – a rather successful launch in view of the amounts invested to make its service known and persuade customers to subscribe.

Netflix invests huge amounts in marketing in order to raise awareness of and interest in its service – investments which were not made by the French media and telecoms companies for years because they considered SVoD services of little interest to their established business models (and perhaps defending their current "income", to which SVoD services might pose a future threat, especially to pay-TV).

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[127] Available at: http://www.journaldunet.com/media/publishers/svod-vs-vod-selon-xerfi.shtml

[128] Available at: http://www.lesechos.fr/tech-medias/medias/0203772208662-publicite-la-massive-attack-de-netflix-1042252.php

[129] Idem

[130] Available at: http://www.ipsos.fr/ipsos-mediact/actualites/2014-09-18-netflix-qui-va-s-abonner

The first French SVoD service to be launched was FilmoTV, an independent service focusing on films (and even more on arthouse films; no TV shows are in the catalogue) in March 2009. The launch of an SVoD service by an independent player shows the disinclination of the main players on the audiovisual and telecoms market to introduce a subscription-based video on-demand service in France, at least before the threat of the entry of a major international player was perceived (Netflix, but before also Amazon and Hulu).

French media and telecoms groups have preferred to promote transactional VoD services (be it purchase or rent) which are more profitable and do not necessitate a large up-front investment in content. Also, as SVoD services are seen as a threat in the long-term to their established business model, the vast majority of players were not keen on launching a service that could reduce their revenues. Nevertheless, three major plans were drawn up.

## Plans to launch a French SVoD service through the collaboration of main French players, 2009-2014

The plan for the creation of a French SVoD service, through a joint venture between TF1 and M6, was never executed, despite several announcements[131][132] in the press in 2012 and 2013. The two commercial broadcasters wanted to anticipate the arrival of Amazon or Netflix by putting together their, mostly American, TV shows, but the investment needed to secure enough content, mainly for programmes produced by US studios (around EUR 50 million as calculated by TF1[133]), finally decided the fate of future SVoD services[134]. Plans were cancelled and no SVoD service emerged from the discussions between the two broadcasters.

This story of a missed joint venture by major media players in France is not the only instance of the attempts by major media players to work together in order to compete with international VoD services. As early as 2009, Canal+, TF1 and M6 had plans to develop a French "Hulu"[135], allowing audiences to catch up on their TV shows, but even if the plans to collaborate on an online video platform were true the fact is that these companies remain competitors in the linear TV market and this led to the cancellation of this French-style Hulu project.

Finally the last instance of a failed French SVoD service operated by several French players was an attempt begun in early 2014 (and ended in October 2014). This was the plan to establish a major French SVoD service[136] through the collaboration of Orange, Canal+ and TF1. A need for this was expressed by the former Minister of the Economy, Arnaud Montebourg, and was delegated to Orange in

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[131] Available at: http://www.lesechos.fr/13/02/2012/LesEchos/21122-118-ECH_tf1-et-m6-peinent-a-nouer-des-alliances-sur-internet.htm?texte=svod%20m6%20tf1

[132] Available at: http://www.lesechos.fr/10/01/2013/lesechos.fr/0202491146361_tf1-reflechit-a-un-service-de-video-par-abonnement.htm

[133] Available at: http://bfmbusiness.bfmtv.com/entreprise/exclusif-tf1-gele-projet-netflix-a-francaise-534062.html

[134] Another reason for the cancellation of a joint SVoD service was the fact that the advertising sales departments of the two broadcasters were engaged in intense competition for advertising budgets, thus exacerbating the relationship between them.

[135] Available at: http://lexpansion.lexpress.fr/high-tech/hulu-pousse-tf1-m6-et-canal-a-envisager-une-alliance_1372769.html

[136] Available at: http://lexpansion.lexpress.fr/high-tech/orange-contre-attaque-face-a-netflix_1557737.html

July 2014. In mid-October 2014[137] it seemed that this project would also fail to materialise as each player wanted to launch its own service, and in the case of Canal+ did not want to dilute its own SVoD offering (CanalPlay) in a service with other players (The same seemed to be true for Orange and its OCS channels and "on-the-go" service which the group did not want to be controlled by a competitor). Therefore, as of October 2014 the different plans for a French SVoD service operated by the main players on the French audiovisual market were nothing more than "pipe dreams.

The only major French media group which launched a true SVoD service comparable to Netflix (large selection of cinema and TV shows, extensive catalogue, OTT and stand-alone) is the Canal + Group with its SVoD service CanalPlay (formerly Canal Infinity) launched in October 2011 (Canal+ had already been present on the transactional VoD market since 2005 with CanalPlay VoD). Canal+ anticipated the arrival of a major US SVoD service and therefore responded proactively in order to adapt to market developments in a connected and open digital media ecosystem. Also, as a pay-TV player Canal + had to adapt to SVoD services, which were already perceived as a possible threat to pay-TV at that time, as the competition for subscribers in the US between Netflix and HBO has demonstrated.

Other SVoD services exist but either focus on specific audiences (SFR Pass Kids, SFR Pass Cinema, Pass M6), operated by smaller, independent players (such as FilmoTV, Vidéofutur, Jook Vidéo) or included in a subscription to a pay-TV channel and are therefore not stand-alone (such as Orange's OCS Go and Canal+ à la demande). The next section will describe the main players on the French SVoD market in more detail. Before that, however, a specific feature of the French market regarding SVoD servicea is explained, namely French media release windows.

## Media release windows and release windows for films in France, an obstacle to the development of a thriving SVoD market

The French market for SVoD services suffers from a major limitation in comparison to other European and international markets, namely the lengthy release windows of 36 months for films that have been released in cinemas (the release windows do not apply to TV shows and films that have not had a theatrical release). No true SVoD service in France offers recent films (less than 3 years old), and even Netflix, which is not located in France, will comply with the release windows legislation. The strict enforcement of this legislation has its roots in the French cultural exception.

The aim of release windows is to protect revenue streams and therefore the financing of French and European cinema production. Sources of funding, such as pay-TV, commercial television and other right holders, see their revenue streams protected by release windows, which allow a given window (DVD, pay-TV, TVoD, commercial TV and, finally, SVoD) to be exploited to its full extent. The revision of the release window legislation will raise questions on the future of the French system of supporting and financing French and European film productions and on stabilising that system.

The possibility of changing/adapting French release window legislation was mentioned in the report by Pierre Lescure published in 2013 and entitled *"Contribution*

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[137] Available at: http://www.lesechos.fr/tech-medias/medias/0203877785137-la-sainte-alliance-anti-netflix-a-du-plomb-dans-laile-1056025.php#Xtor=AD-6000

*aux politiques culturelles à l'ère numérique[138]"* in which the author proposes reducing release windows for films to 18 months for SVoD services. This has not yet been done, even though the successive Ministers of Culture in France have explored this option, as various players still need to be convinced of the benefits of such a change. At the moment, commercial TV channels are authorised to broadcast cinema films after 22 months (co-productions) or 30 months after their cinematic release, which is well before SVoD services.

The lengthy release window for films for SVoD services can therefore be interpreted, in purely economic terms, as an obstacle to convincing potential subscribers (as the interest in a film shrinks with its age in the minds of most consumers). Potential subscribers want to see recent films, and this is not yet possible on the French SVoD market. In a connected world, where consumers have instant access to audiovisual content, the fact that all cinema films on SVoD services in France are at least 36 months old is a severe limitation to the potential success to SVoD services in France. However, it should be borne in mind that the French film and audiovisual system is regulated by taking account of the cultural policy objectives at the origin of the principle of the "cultural exception", and of the interest of the industry as a whole and its value chain. The objectives of protecting cinema attendances and the revenues of the national pay-TV operators, which are important contributors to the financing of productions, are some of the criteria to be considered in the case of regulating the release windows. As the possibility of adapting these windows to the digital economy has been mentioned in the public debate in France since 2013, the coming months will show if this aim is pursued.

## Obligation content for VoD services to invest in French and European, an obligation only for services established in France but which the French authorities wish to extend to foreign services

The arrival of Netflix in 2014 has raised concerns among established players who fear the competition from the American SVoD services and the arrival of other major SVoD players, such as Amazon (rumours of the entry of Amazon Instant Video emerged in 2013 but have not yet been confirmed with the announcement of an actual intention) and wuaki.tv[139] (Rakuten Group). As these players are not established in France, they are not under the obligations set out by Decree No. 2010-1379 of 12 of November 2010[140] with regard to investing in French and European content and the proportion of European works in their catalogues. French audiovisual players are concerned that these obligations are mandatory for them, thus having an impact on their revenues, whereas this is not the case for on-demand audiovisual services established outside France. This "financial burden" and the fact that those international players do not play by the same rules has been criticised by the CEOs of the three main commercial broadcasters TF1, M6 and Ca-

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[138] Available at:
http://www.culturecommunication.gouv.fr/var/culture/storage/culture_mag/rapport_lescure/index.htm

[139] Which officially launched in France in September 2014 but initially with a transactional model and not an SVoD service

[140] Décret n°2010-1379 du 12 novembre 2010 relatif aux services de médias audiovisuels à la demande (hereinafter the "French Decree"). Available at:
http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000023038244&categorieLien=id

nal+[141]. Also, the announced entry of Netflix and other players has been seen as an opportunity for the established players to call for new rules for the French audiovisual sector.

In summary, the lengthy release window for movies in France and the obligations regarding investment in European and French content are seen as a burden by SVoD players, and even more so by national audiovisual players, who fear the competition from international services established outside France, which are not subject to the same obligations for the financing of European content. The discussion on the French release windows is underway and changes might emerge from talks between the government and stakeholders. Regarding the investment obligations, even if Netflix will not (for now) commit to the current French legislation concerning investment in content, the US service has already announced the production of a French TV show, *"Marseille"[142]*, in order – for the time being – to calm the controversy about its role in the creation of French and European content.

The French Government and the French Parliament have introduced the principle of applying the tax on revenues of foreign video retailers (physical or on-line) in the *Loi de finances rectificative 2014* adopted on 29 December 2013.[143] France has sent notification to the European Commission, whose reply is currently pending. According to the draft law, the market share of operators that are established abroad and offer videograms for sale or rental in France is estimated at 25% on overall revenues of around EUR 250 million. The measure is thus expected to bring in about EUR 1.5 million from 2015.[144]

The example of the investment in *Marseille* by Netflix is interesting: on one hand, it is a sign of the company's willingness also to produce TV shows not specifically aimed at an American audience; on the other hand, through its presence in over 40 countries Netflix can easily recoup this investment as the show is made available to all of its subscribers. The sheer size of its subscriber base, more than 53 million subscribers worldwide as of October 2014, allows it to invest in content that will correspond to the tastes of a proportion of its customers.

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141 Available at: http://www.lefigaro.fr/flash-eco/2013/12/04/97002-20131204FILWWW00344-netflix-recu-a-l-elysee.php and http://www.lefigaro.fr/medias/2014/08/27/20004-20140827ARTFIG00396-tf1-m6-et-canalreclament-de-nouvelles-regles-du-jeu.php and http://bfmbusiness.bfmtv.com/entreprise/exclu-bfm-business-reunions-anti-netflix-ministere-culture-736628.html

142 Available at: https://pr.netflix.com/WebClient/getNewsSummary.do?newsId=1482

143 Article 30(III). — In the third paragraph of Article 1609 sexdecies B of the General Tax Code (code général des impôts), the word "Taxpayers" (redevables) is replaced by the words "persons, whether they be established in France or outside France".

IV. (…)

B. — Paragraph III shall enter into force on a date laid down by decree, but no more than six months after the date of receipt by the Government of the reply from the European Commission permitting the legislative instrument notified to it to be regarded as complying with European Union state aid law.

http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000028400921&categorieLien=id#JORFSCTA000028400923

144 See Senate, 2014 Finance Bill (Projet de loi de finances pour 2014): Culture: creation, cinema, performing arts, visual arts, Opinion No. 160 (2013-2014) of Mr Jean-Pierre LELEUX, Ms Maryvonne BLONDIN and Ms Corinne BOUCHOUX, issued on behalf of the Committee on Culture, Education and Communication, tabled on 21 November 2013 http://www.senat.fr/rap/a13-160-2-2/a13-160-2-28.html

**Distribution on IPTV boxes, strategic access to potential subscribers**

A specific feature of the French market is that the proportion of households receiving TV through ADSL (IPTV) is higher than in other European markets, if a service wants to be well exposed it needs to be carried on the 'boxes" of the Internet service providers (ISPs). This necessity has led to commercial partnerships between SVoD services and ISPs. As mobile connected devices facilitate the connection between the "big" TV screen and content on the open Internet (e.g. HDMI dongles such as Google's Chromecast, Internet media players such as Apple TV) and hugely improved user experience, it is clear that the importance of these boxes as an access method will diminish over time. In 2014, however, it is still important for SVoD service providers to conclude carriage deals with ISP providers.

In France, the commission taken normally by ISPs to carry a service on its platform is around 30% of the revenue. Netflix, according to some reports[145], proposes only 10%, which is a rather low commission in comparison to what was the industry standard before its entry into the market  but which has not deterred ISPs (except for Free) from agreeing to carry the Netflix app on their boxes (also, it seems that Netflix is only willing to pay this fee for new subscribers and not subscribers that have been customers to the service before). Even though before the entry of Netflix telecom players such as Orange[146] voiced their their opposition to the American SVoD service and ruled out carrying it on their boxes (not acting as "Trojan horsea"[147]), they have quickly agreed to distribute Netflix on their boxes. Up to now (October 2014) Free has resisted but has already announced[148] that that it could start to carry Netflix on its boxes if it were given a more favourable deal.

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[145] Available at: http://www.commentcamarche.net/news/5865414-netflix-ne-reverserait-que-10

[146] Available at: http://lexpansion.lexpress.fr/high-tech/pourquoi-netflix-ne-sera-pas-dans-la-box-orange-en-septembre_1562647.html

[147] Available at: http://www.nextinpact.com/news/88964-orange-ne-veut-pas-etre-cheval-troie-netflix-sauf-a-l-etranger.htm

[148] Available at: http://www.freenews.fr/spip.php?article15248

The French market has four national SVoD players with market power and two subscription-based "on-the-go" services included in pay-TV subscriptions (catch-up TV services offered by Orange's OCS and the Canal à la demande service of Canal+), which are not SVoD services per se (and therefore not subject to the same legislation applying to SVoD services) but are also involved in the acquisition of exclusive rights for premium content (especially HBO's TV shows, broadcast one day after the US broadcast or blockbuster movies), a segment on which they are in competition with SVoD players.

The service that seems to have had the most market traction, before the entry of Netflix is CanalPlay, the SVoD service of Canal+. The others are either independent players or subscription VoD services aimed at a special audience, such as children or film buffs, and therefore offer a reduced variety of content. CanalPlay is the service that will be in head-on competition with Netflix for subscribers.

This section briefly explains the concept of the different French SVoD services, the number of subscribers (estimated, if available) and the methods of access (IPTV box, mobile, video games, smart TVs). The data were up-to-date as of October 2014.

### *CanalPlay (http://www.canalplay.com/decouvrir)*

**Provider: Groupe Canal+**

**Launch: 2011**

**Subscribers 2014 (estimated):** 520,000.

**Distribution and Access:** Orange, Free, SFR, Bouygues; Chromecast, Apple TV; Smartphone and Tablet application; Xbox 360.

**Strategy:** Large catalogue including films and TV shows, Special children's section; main competitor of Netflix in France for subscribers (market share) but also with regard to content acquisition.

**Recommendation:** YES

**Catalogue:** 10,659 programmes – 1,355 films, 4,600 episodes of TV shows, 4,000 children's programmes (films 13%, TV shows 43%, children's programmes 38%, adult programmes 4%, other genres 2%)

**Price:** €7.99/month on the open Internet, €9.99 through a box

CanalPlay was launched in 2011 by the French pay-TV group Canal+. The catalogue offers a variety of films, TV shows, children's programmes and other genres. Canal+ improved its service in 2014, especially the presentation by introducing sections around themes, and also tried to improve the recommendation algorithm. Another improvement, introduced the week Netflix launched in France, is the download-to-go option, which enables subscribers to download TV shows/films to its device in order to watch them later on, without the need to be connected to the Internet.

Another rather smart move was to incorporate the CanalPlay Kids offering[149] in the

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[149] Available at: http://www.canalplay.com/kids/decouvrir

actual subscription price. Children's content is strategically important for SVoD services as the younger generation are watching more content on demand and are also the subscribers of tomorrow.

The improvements seem to have worked as CanalPlay managed to attract over 200,000 new subscribers[150] in the six-month period between March 2014 and September 2014, which was more than in 2013 as a whole.

At the moment (October 2014), CanalPlay is emerging as the only French SVoD service that is really in competition with Netflix for the targeted audience on price, multi-device availability and catalogue. Another important fact is that the Canal+ group is investing in content creation and acquiring rights for premium content for its pay-TV operations. The battle for content acquisition (and mostly for Premium content) with Netflix in France could therefore prove to be fierce.

At the moment, the CanalPlay catalogue seems to be more extensive than that of Netflix France, based on an analysis by ZDNet[151] as of 15 September 2014[152] but the difference is not great. In addition, Ted Sarandos[153] has announced an augmentation of the Netflix catalogue by 50% for the first year of its operations in France.

### FilmoTV ([http://www.filmotv.fr/rub/56/pass-illimite.html](http://www.filmotv.fr/rub/56/pass-illimite.html))

**Provider: Filmonline SAS**

**Launch: 2009**

**Subscribers 2014 (estimated):** 200,000

**Distribution and Access:** Orange, Numéricable, Free & La Box Vidéofutur; smartphone and tablet application; LG, Samsung and Philips smart TVs

**Strategy:** Focus on films (not TV shows), editorialisation and professional recommendation by cinema journalists and not through algorithms. FilmoTV also operates a TVoD service.

**Recommendation:** NO

**Catalogue:** 450-500 films per month, regularly updated

**Price:** €9.99/month

FilmoTV, officially launched in 2009, is one of the first French SVoD services. It has chosen to set its SVoD service off from others from the beginning by focusing on films, preferably arthouse films rather than blockbusters. The "Pass Illimité FilmoTV" (the current SVoD service, as FilmoTV also operated a transactional VoD service), gives access to roughly 450 to 500 films, which are updated every month. The real distinguishing factor is the editorialising and selection of its con-

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[150] Available at: [http://www.e-marketing.fr/Thematique/Medias-1006/TV-Radio-10028/Breves/Patrick-Holzman-directeur-CanalPlay-nous-sommes-plus-competitifs-que-netflix-245527.htm](http://www.e-marketing.fr/Thematique/Medias-1006/TV-Radio-10028/Breves/Patrick-Holzman-directeur-CanalPlay-nous-sommes-plus-competitifs-que-netflix-245527.htm)

[151] Available at: [http://www.zdnet.fr/actualites/exclusif-le-comparatif-de-l-offre-de-programmes-entre-canalplay-et-netflix-39807119.htm](http://www.zdnet.fr/actualites/exclusif-le-comparatif-de-l-offre-de-programmes-entre-canalplay-et-netflix-39807119.htm)

[152] As catalogues change often (mostly on a monthly basis), this is only a picture of a catalogue at a given date.

[153] Available at: [http://tvmag.lefigaro.fr/le-scan-tele/series/2014/09/22/28005-20140922ARTFIG00115-netflix-50-de-programmes-en-plus-d-ici-douze-mois.php](http://tvmag.lefigaro.fr/le-scan-tele/series/2014/09/22/28005-20140922ARTFIG00115-netflix-50-de-programmes-en-plus-d-ici-douze-mois.php)

tent. Journalists and professional cinema critics explain films, interviews of directors are provided and short 1-minute videos explain the film, provide anecdotes and put the film into context before and after the viewing.

FilmoTV also classifies/regroups films around specific themes, called "Festivals". In those sections, which are often changing, it enables subscribers to discover films unknown to them around a given theme. Also not a recommendation algorithm *à la Netflix*, these festival themes permit the discovery and description of films that a subscriber would not have necessarily seen.

FilmoTV had around 200,000 subscribers in 2014 and concluded a distribution agreement with La Box Vidéofutur in July 2014 and is now present on the latter's box.

### Jook Vidéo (*https://www.jookvideo.com/*)

**Provider:** AB ENTERTAINMENT S.A. (Luxembourg)

**Launch: March 2013**

**Subscribers 2014 (estimated):** 750,000[154]

**Distribution and Access:** Orange, Numéricable, Free; smartphone and tablet application; Samsung smart TVs

**Strategy:** Focus on films (not TV shows), Editorialization and Professional Recommendation by Cinema Journalists and not through algorithms

**Recommendation:** Yes

**Catalogue:** 10,000 titles; 1,000 film titles regularly up-dated, smaller and less up-to-date selection of TV shows

**Price:** €6.99/month

Jook Vidéo belongs to the AB media group and was launched in March 2013. In a rather short period, it signed up an important subscriber base. This new entrant on the SVoD market achieved this by selling its subscription at a lower price than any competitor on the French market. Jook Video also provides a children's version, which is included in the subscription.

### Vidéo Futur (*http://www.videofutur.fr/* )

**Provider: Netgem**

**Launch: 2009/2013(acquisition by Netgem)**

**Subscribers 2014 (estimated):** 50,000

**Distribution and Access:** La Box Vidéofutur

**Strategy:** Vidéofutur aims to offer access to VoD through its dedicated box. The main target is customers living in an area not well served by broadband, as the box permits buffering and downloading content even if the bandwidth is limited. Vidéofutur integrated FilmoTV into its box in 2014 and also operates a TVoD service.

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[154] Available at: http://www.ariase.com/fr/news/netflix-cent-mille-abonnes-article-3482.html

**Recommandation:** No

**Catalogue:** around 300- 400 titles (SVoD – unlimited pass)

**Price:** €10/month

Vidéofutur is operated by NetGem and was acquired in 2013 (through a take-over). Vidéofutur (previously Vidéo Futur) was a video rental chain launched in 1982 and had around 400 video clubs at the height of its existence (26 remain today). The integration of FilmoTV into its boxes (with no additional charges) was a strategic partnership between the two entered into in July 2014 in order to unify their forces (and catalogues) while the entry of Netflix was threatening both services. The collaboration and sharing of assets (impossible for the larger media and telecoms groups, as pointed out above) seems to work until now (October 2014) but it is still too early to measure the impact on subscriptions.

## Comparison between the CanalPlay and Netflix catalogues (Source ZDNet)[155]

### Table 35 Weighted genres of the catalogues

|           | Films | TV Shows | Kids Program-mes | Adult | Other |
|-----------|-------|----------|------------------|-------|-------|
| CanalPlay | 13%   | 43%      | 38%              | 4%    | 2%    |
| Netflix   | 13%   | 39%      | 48%              |       |       |

### Table 36 Number of Films

|           | Total | French origin | US origin | of which Blockbus-ters* |
|-----------|-------|---------------|-----------|-------------------------|
| CanalPlay | 1 355 | 263           | 747       | 219                     |
| Netflix   | 979   | 190           | 491       | 122                     |

*Defined as films with admissions above 1 million

### Table 37 Films ranked by year of production

|           | 1940  | 1950  | 1960  | 1970  | 1980  | 1990   | 2000   | 2010   |
|-----------|-------|-------|-------|-------|-------|--------|--------|--------|
| CanalPlay | 0,50% | 0,80% | 1,00% | 3,50% | 6,70% | 12,20% | 56,30% | 19,00% |
| Netflix   | 0,58% | 0,69% | 1,72% | 1,84% | 4,48% | 15,75% | 56,44% | 18,51% |

|           | Total number of TV shows/episodes | TV show franchises | of which entire seasons |
|-----------|-----------------------------------|--------------------|-------------------------|
| CanalPlay | 4 600                             | 110                | 8                       |
| Netflix   | 2 960                             | 91                 | 13                      |

|           | Children's Programms |
|-----------|----------------------|
| CanalPlay | 4 000                |
| Netflix   | 3 641                |

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[155] Available at: http://www.zdnet.fr/actualites/exclusif-le-comparatif-de-l-offre-de-programmes-entre-canalplay-et-netflix-39807119.htm

# 14   The United Kingdom

The United Kingdom is the only European market for which actual market shares and financial figures are available (estimated by IHS and Kantar Worldpanel) and published in the Yearbook 2014[156] of the British Video Association.

The UK SVoD market has experienced dramatic growth since the combined entry of Netflix and Amazon (first under the acquired LOVEFiLM brand, then under the Amazon Instant Video brand).

The total SVoD market (digital on the open Internet and TV-based) was estimated by IHS to be worth £281 million in 2013. This amount is split up by the BVA into two categories:

- Digital Subscriptions (OTT SVoD) worth £196 million in consumer spending in 2013 (up by 120% compared to 2012)
- TV-based SVoD services, such as the one provided by British Telecom through its content delivery platform, were worth £85 million in consumer spending in 2013 (an increase of 22% compared to 2012).

**Figure 87 Subscription-VoD in 2013, market shares by volume**
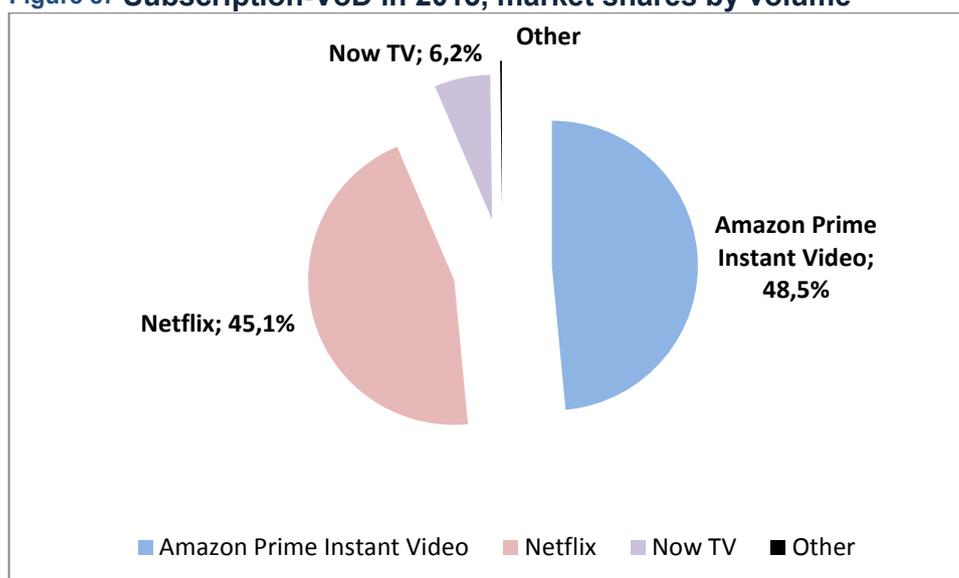


Source: Kantar Worldpanel

The market shares, even in volume, indicate a strong dominance by Netflix and Amazon on the UK SVoD market, totalling 93.6% (Amazon with 48.5% and Netflix with 45.1%) of the overall volume, leaving Sky's Now TV with a meagre 6.2% (not to mention all the other SVoD services in the UK, which are left with a market share of 0.2%). This situation has not changed since 2012 when the two SVoD services already had more than 90% of the UK SVoD market.

Now TV, which was launched in July 2012 by BSkyB in order to compete with Netflix and Amazon on the digital subscription market, seems to be the only UK competitor for those two SVoD services. In 2013, BSkyB added to the Now TV offer with a Roku streaming box on which users can download apps (such as YouTube,

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[156] Available at: http://www.bva.org.uk/yearbook/

the ITV player, 4oD, Spotify and the BBC's iPlayer) and also reduced the subscription price from £14.99 to £8.99 in order to be more comparable and competitive with the other services on the UK market.

The yearbook further states that 3.3 million people in the United Kingdom subscribe to a video rental service, without giving a breakdown by service. [This subscriber figure contradicts the estimates of Digital TV Research, which assessed the subscriber base in Q4 2013 at 3.4 million for Netflix alone].

The annual growth of 120% shows the increased importance of OTT SVoD services on the digital video market in the United Kingdom (TV-based SVoD services grew by 22% year-on-year), and the dynamic developments on digital video platforms indicate the rise of SVoD services on the UK market.

The variations regarding the revenues of SVoD services as a proportion of overall digital video revenues throughout 2006 to 2013, mirror the rise of SVoD services as the main consumer access point for content in the digital space.

While SVoD services only accounted for 5% in 2006, this share increased to 46% in 2013. The slow rise throughout 2006 to 2011 changed suddenly in 2011/12 which also marked the acquisition of LOVEFiLM by Amazon and the entry of Netflix into the UK market. The two players seem to have really enhanced SVoD services, raising awareness among the population and providing a service that has appealed to UK consumers (ease of use, multi-screen availability, and attractive content).

**Figure 88 Share of digital revenue by business model in the UK 2006-2013, in %**
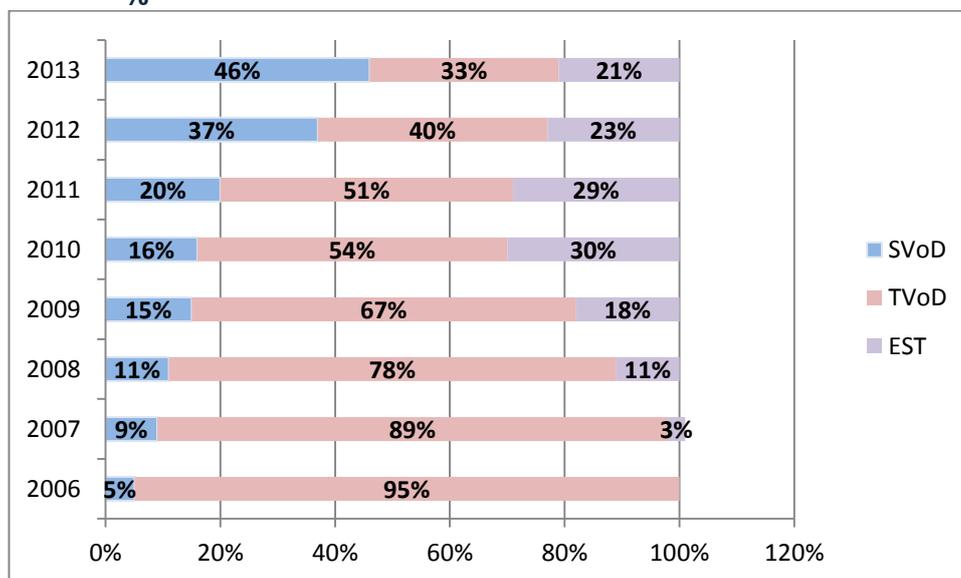


Source: IHS, as published in the Yearbook 2014 of the British Video Association

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# 15   Germany

The German SVoD market generated revenues estimated by Goldmedia[157] at EUR 33 million in 2013. The German VoD market generated revenues of EUR 163 million according to the same study, with TVoD being the business model for VoD which generated the highest revenues at EUR 73 million (or 44.8% of the total VoD market), followed by Electronic sell-through (EST) (also called "Download-to-own" - DTO) at EUR 57 million (35% of the overall VoD market) and SVoD services as stated at EUR 33 million (or 20.2% of the German VoD market). Advertising-financed VoD services were not included in the study.

**Figure 89 The German VoD market in 2013, in EUR million**
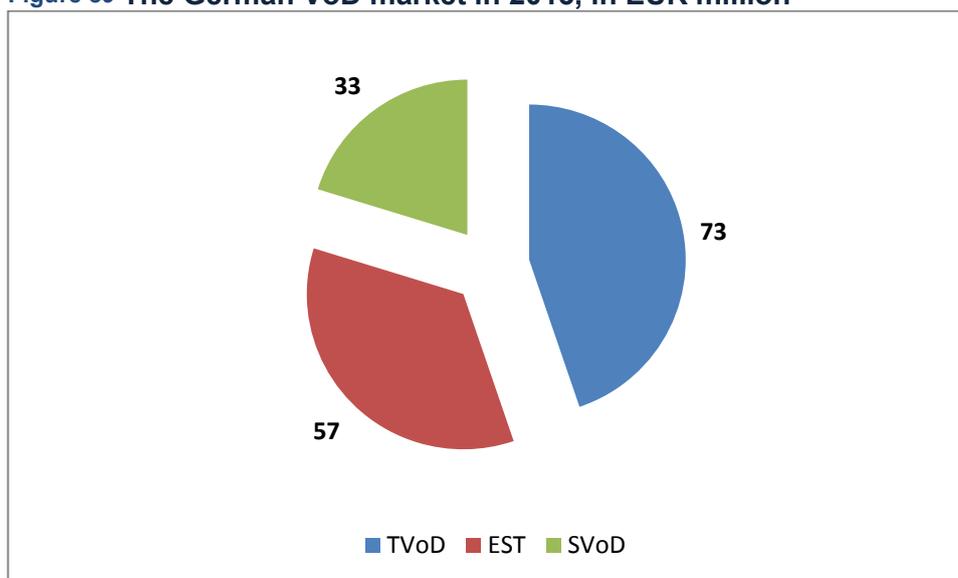


Source: Goldmedia

Furthermore, Goldmedia set out a scenario taking into account the entry on the German SVoD market of a big international player (read Netflix) which forecasts that the German SVoD market will grow to EUR 300 million by 2018. The total VoD market in Germany in this scenario is forecast to grow to EUR 449 million (growth of +175.5% compared to the overall VoD market value of EUR 163 million in 2013, or a compound annual growth rate of 22% over the 5 year period). The German SVoD market would therefore represent 66.8% of the German VoD market. For 2014, the German SVoD market, as estimated by Goldmedia, will grow to EUR 71 million[158].

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[157] http://www.goldmedia.com/presse/newsroom/vod-forecast-2018.html , press release of the 3 February 2014

[158] http://www.lesechos.fr/21/08/2014/lesechos.fr/0203716153373_netflix-attendu-de-pied-ferme-sur-un-marche-allemand-deja-encombre.htm

**Table 38  Goldmedia's forecasts of Germany's VoD market – scenario with entry of a big player 2007-2018, in EUR million**



## Video-on-Demand Markt in Deutschland bis 2018
## Big-Player-Szenario: Gesamtvolumen von 449 Mio. EUR

Entwicklung und Prognose deutscher VoD-Markt, 2007 - 2018 , Umsätze  in Mio. Euro

CAGR*: 22%

CAGR: 111 %

449
357
287
237
200
163
124
78
43
21
8
3

T-VoD Umsatz
Transactional VoD

S-VoD Umsatz
Subscription VoD

DtO-Umsatz
Download-to-Own

2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

- **Big-Player-Szenario:** Abomodell S-VoD (Subscription VoD) setzt sich durch; großer Anbieter mit einem breiten und attraktiven Angebot etabliert sich in Deutschland

Quelle: Goldmedia  2014 | Studie Video-on Demand Forecast 2018 | *Forecast , CAGR = Compound Annual Growth Rate

© Goldmedia                                                                                      GOLDMEDIA

Source: Goldmedia[159]

With the entry of Netflix in September 2014, this scenario might become a reality. However, the conditions on the German market differ from those in the United Kingdom or the Nordics and the take-up might be slower. Germany, for once, is the only country in Europe (based on IHS/IVF data – table 2) where physical video revenues have remained almost stable in the last few years (even experiencing growth of 1.2% between 2012 and 2013), as the ownership of content (through DVDs, Blu-ray disks) is still popular. As physical sales mostly concern new films, this will not be replaced by SVoD services, which will not offer the latest film release like other media (physical media like DVDs/Blu-ray disks and electronic sell-through/download-to-own). If the trend of owning content (as opposed to having access to content offered by SVoD services and subscription services in general, such as music subscription services) continues in Germany, this might impact the development of SVoD services (which is not taken into account in the Goldmedia forecast).

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[159] http://www.goldmedia.com/uploads/media/Goldmedia-VoD-Forecast-2007-2018-Big-Player-Szenario_Web.jpg

**Table 39 Consumer spend on physical video (2009-2013)**

| Country | 2009 | 2010 | 2011 | 2012 | 2013 | 2013/2012 |
|---|---|---|---|---|---|---|
| BE | 250.9 | 225.4 | 200.2 | 182.7 | 154.1 | -15.7% |
| CH | 206.7 | 219.8 | 215.3 | 184.1 | 164.3 | -10.8% |
| DE | 1 637.0 | 1 635.2 | 1 638.1 | 1 598.6 | 1 618.5 | 1.2% |
| DK | 234.0 | 209.0 | 184.4 | 162.4 | 128.5 | -20.9% |
| ES | 396.4 | 339.5 | 261.6 | 224.7 | 180.7 | -19.6% |
| FI | 131.4 | 148.1 | 139.0 | 123.7 | 110.4 | -10.7% |
| FR | 1 384.4 | 1 385.3 | 1 251.7 | 1 116.3 | 929.1 | -16.8% |
| GB | 2 260.6 | 2 117.2 | 2 011.0 | 1 764.1 | 1 585.6 | -10.1% |
| HU | 38.40 | 37.60 | 36.10 | 33.60 | 30.50 | -9.2% |
| IE | 214.9 | 174.0 | 156.9 | 137.4 | 115.9 | -15.7% |
| IT | 460.1 | 425.4 | 355.1 | 291.7 | 261.6 | -10.3% |
| NL | 380.2 | 339.4 | 301.2 | 236.3 | 181.3 | -23.3% |
| NO | 320.5 | 309.2 | 281.4 | 247.8 | 146.8 | -40.7% |
| PL | 62.80 | 63.10 | 54.90 | 52.90 | 47.40 | -10.4% |
| PT | 88.400 | 74.200 | 62.000 | 48.700 | 43.000 | -11.7% |
| SE | 331.0 | 334.2 | 301.7 | 267.9 | 220.2 | -17.8% |
| Total | 8 397.7 | 8 036.6 | 7 450.6 | 6 672.9 | 5 917.9 | -11.3% |

Source: IVF/IHS - IVF Yearbook 2014 - Country profiles
*Total market figures include revenues from legacy formats not broken out separately (e.g. VHS, HD-DVD, UMD) where relevant.*

In addition, the level of broadband penetration is lower than in digitally more advanced countries such as the United Kingdom, the Netherlands or the Nordics, which have seen a rapid up-take of OTT video and SVoD services. Another factor which comes into play is the importance of local content (German-speaking), similar to France. As opposed to the Nordics, the Netherlands or the United Kingdom, German customers have a taste for local content and English-language content (even though more widespread than in France) remains under the levels of the Nordics or the Netherlands, where having content only in English does not pose a problem for the majority of users. Finally, with the German public broadcasters broadcasting quality content and cable television penetration rate being among the highest (making many free channels available to cable subscribers), Germans are used to having quality content free of charge, reducing the willingness to pay for content as the relative low average revenue per user (ARPU) for cable service subscribers in Germany tends to demonstrate (Germans do not subscribe to cable TV bundles *en masse).* Pay-TV penetration in Germany is also lower than in other Western European countries.

**Figure 90 ARPU for cable subscribers 2013 in Europe, in EUR**
 **For copyright reasons this figure cannot be reproduced in the public version of this report**

Another market estimate made by IHS for the International Video Federation's Yearbook 2014[160], assesses the German SVoD market at EUR 45.9 million in consumer spending in 2013, up by 130.7% compared to the EUR 19.9 million in 2012. This shows a high adoption rate by German customers for SVoD services, enhanced by an increased range of content that emerged during 2012 and 2013.

The IHS figures, taken from the IVF Yearbook 2014, do not correspond to the market estimates made by Goldmedia as the total VoD market in Germany is estimated to have been worth EUR 297.4 million in 2013.

**Table 40 Germany – Consumer spend on OTT and TV VoD, 2009 – 2013, in EUR million**

|  | 2009 | 2010 | 2011 | 2012 | 2013 | *2013/ 2012* | *CAGR 5 years* |
|---|---|---|---|---|---|---|---|
| Consumer level digital video[161] (OTT) | 28.9 | 51.2 | 71.2 | 126.1 | 208.9 | *65.7%* | *49%* |
| Consumer spend on TV VoD[162] | 30.2 | 37.4 | 47.6 | 66.7 | 88.5 | *32.7%* | *24%* |
| **Total VoD market** | **59.1** | **88.6** | **118.8** | **192.8** | **297.4** | *54.3%* | *38%* |

Source: IVF/IHS IVF Country profile Germany[163]

Another fact to point out is that in Germany, consumer spend on video delivered over the open Internet ("over-the-top") has represented a higher proportion of total consumer spend on VoD since 2010. Spending on OTT video is increasing each year, a trend also noted in other European countries. This shows that German consumers have already started to adopt OTT video, and as the range of OTT content increases (mostly in the SVoD segment) which could further boost the adoption of OTT SVoD.

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[160] http://www.ivf-video.org/new/public/media/EU_Overview_2014.pdf

[161] *The purchase or rental of movies and TV series delivered over the open internet through transactional models (also known as EST, DTO, Internet VoD) or on subscription basis.*

[162] *The delivery of movies and TV content on a transactional (VoD, NVoD/PPV) basis via cable/satellite/IPTV services*

[163] http://www.ivf-video.org/new/public/media/Germany2014.pdf

**Table 41** **Germany – Share of consumer spend on OTT video and TV VoD as a proportion of total consumer spend on VoD 2009-2013, in %**

|                     | 2009  | 2010  | 2011  | 2012  | 2013  |
|---------------------|-------|-------|-------|-------|-------|
| Share of OTT Video  | 48.9% | 57.8% | 59.9% | 65.4% | 70.2% |
| Share of TV VoD     | 51.1% | 42.2% | 40.1% | 34.6% | 29.8% |

Source: IVF/IHS - IVF Country profiles - Germany[164]

**Figure 91** **Germany – Share of consumer spend on OTT video and TV VoD as a proportion of total consumer spend on VoD 2009-2013, in %**
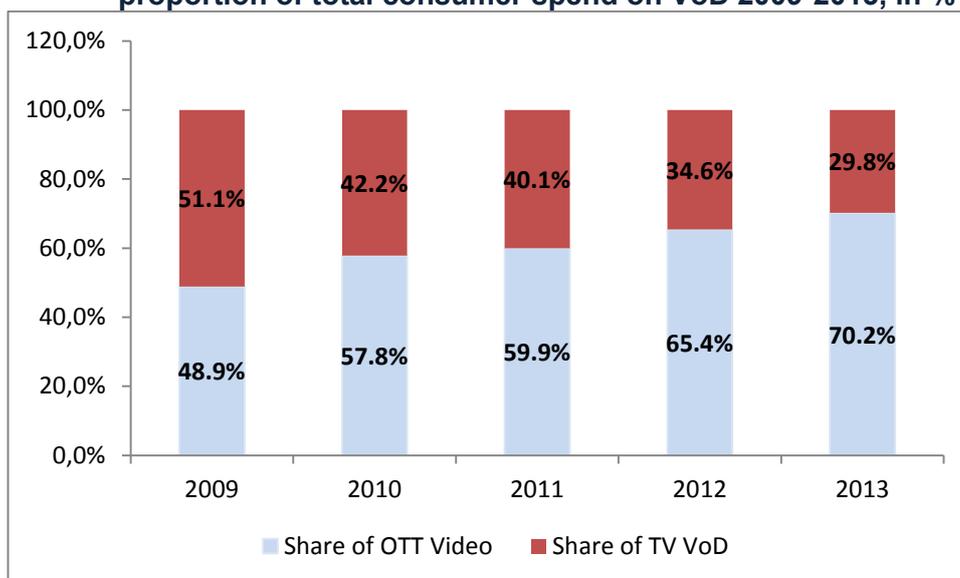


Source: IVF/IHS IVF Country profile Germany[165]

Germany, like France, presents a different profile from those Western European countries where SVoD services (and mostly OTT SVoD services) have succeeded in a short period of time after their market entry. The relatively low broadband penetration (when compared to the Nordics), low willingness to pay for content due to the wide availability of attractive free content, importance of local content and finally, it seems, the popularity of content ownership (be it physical or digital – DVD/Blu-ray or EST/DTO) pose challenges for SVoD services. At the moment it is still too early to assess the adoption rate and success of Netflix's entry into the German market. 2015 will, hopefully, provide clearer answers on the trend towards the adoption of SVoD by German consumers.

## Main SVoD services in Germany

In addition to Netflix, which was detailed in the first part of this note, Germany has four main SVoD services with a significant market presence. As with France, there are, of course, many smaller subscription services available (on YouTube and the open Internet) but in a discussion about market power these four stand out.

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[164] http://www.ivf-video.org/new/public/media/Germany2014.pdf
[165] http://www.ivf-video.org/new/public/media/Germany2014.pdf

- **Maxdome** (https://www.maxdome.de/)

**Subscribers:** 450 000 (End of 2013 according to SNL Kagan[166])

**Distribution and Access:** Deutsche Telekom (Entertain) PC, smart TVs, Chromecast, FireTV, AppleTV, video game consoles, smartphones and tablets

**Strategy:** Large selection of content, films and series, with a rather large proportion of German content compared to other offerings. Wide range of feature films and successful TV series

**Catalogue:** 50 000 titles (films and series)

**Price:** EUR 7.99/month (also a TVoD offer with rental prices between EUR 3.99 and EUR 4.99 and retail prices between EUR 7.99 and EUR 11.99)

Maxdome belongs to ProSiebenSat1, which acquired full ownership of the service in December 2010 (Maxdome was founded in 2006). It is among Germany's leading VoD services, both SVoD and TVoD.

- **Amazon Prime Instant Video** (http://www.amazon.de/Prime-Instant-Video/)

**Subscribers:** unknown

**Distribution and Access:** PCs, smart TVs, Apple TV, FireTV, Kindle Fire, iOS smartphone and tablet apps, video game consoles

**Strategy:** coupled to the Prime offering, free delivery when ordering on Amazon, the SVoD offering aims to enhance the Prime offering and be an additional argument for users to sign up (and maybe drive purchases made on Amazon)

**Catalogue:** 13 000 films and TV series

**Price:** EUR 49 per year or EUR 7.99 per month

Amazon, after having exited the Nordic markets, rebranded its LOVEFiLM brand to Prime Instant Video in Germany and the United Kingdom. With the development of tablets, media devices (FireTV and FireTV stick) and smart phones, Amazon is trying to dominate the ecosystem by controlling the hardware, service and content, as it does in other market segments. Its development of original productions and acquisitions of exclusive rights for premium content make it a competitor of Netflix, even if the brand is only present in two European countries. It is still not clear at the end of 2014 if Amazon is harbouring plans to expand into other European countries, as has sometimes been announced in the past two years. The recent acquisition of the video game streaming platform Twitch[167] (in August 2014 for USD 970 million) and market rumours of the launch of an advertising-supported video site[168] make Amazon a contestant for the pole position on the global video-on-demand market.

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[166] http://variety.com/2014/digital/news/german-market-slowly-catching-up-to-other-western-european-countries-1201125875/
[167] http://www.wsj.com/articles/amazon-to-buy-video-site-twitch-for-more-than-1-billion-1408988885
[168] http://techcrunch.com/2014/11/21/amazon-ad-supported-video/

- **Watchever** (http://www.watchever.de)

**Subscribers:** 300 000 to 500 000[169]

**Distribution and Access:** PCs, smart TVs, smartphones and tablets, AppleTV, Chromecast, video game consoles

**Strategy:** Large selection of US programming from AMC, HBO, ABC and NBC with popular and premium TV shows. Smaller selection of feature films. Children's section with Disney and Pixar titles.

**Catalogue:** 13 000 titles (TV and film)

**Price:** EUR 8.99 per month

Watchever belongs to the French group Vivendi but rumours of Vivendi's willing-ness to sell it have emerged in the professional press in 2014[170]. The service lost EUR 66 million in 2013 on revenues of EUR 12 million and had already lost EUR 21 million in the first quarter of 2014. The entry of Netflix and these losses have apparently made Vivendi decide to separate it from the SVoD service but since the announcement in June 2014 no other news of a sale has been announced.


- **Sky Snap** (http://www.sky.de/web/cms/de/snap.jsp)

**Subscribers:** unknown (service only launched on 12 December 2013)

**Distribution and Access:** Sky set-top boxes, PCs, smart TVs, video game con-soles, smartphones and tablets

**Strategy:** launched in order for Sky to capture a share of the growing OTT SVoD market (Sky also offers Sky Go, a limited on-demand version of its pay-TV service, priced at EUR 12.90 per month but with access to more recent US TV series like *Game of Thrones* shortly after they have been broadcast in the US). Sky is a key partner of HBO and therefore offers premium TV series like the *Sopranos* or *The Wire* are contained in the Sky Snap catalogue.

**Catalogue:** 1100 movies and 90 TV series

**Price:** EUR 3.99 per month (a price drop was made before the entry of Netflix on the German market. Before that, the service was priced at EUR 9.90 per month or EUR 4.90 per month for Sky customers).

Similar to other European pay TV providers (like the French Canal+), Sky Deutschland launched its OTT SVoD offering at the end of 2013. The change in the consumption habits of younger audiences and the relatively low level of pay-TV penetration in Germany led the pay-TV group to alter its strategy. A presence on the growing OTT video market was necessary.

Since October 2014, Sky has been offering Sky Online, which integrates Sky Snap into a larger service consisting of live sports, blockbuster movies and recent TV series (priced at EUR 9.99 and offering live access to TV channels and to a limited VoD offering, at EUR 19.99 for live streams, blockbuster movies and recent TV shows, called Sky Films, or at EUR 19.99 per day for the Sky Supersport day pass[171]). With a large content library and contracts with premium content providers (such as HBO), Sky is trying to maximise its reach and attractivity.

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[169] http://www.lesechos.fr/10/06/2014/lesechos.fr/0203553988843_netflix-fait-sa-premiere-victime-en-allemagne.htm
[170] http://www.lesechos.fr/10/06/2014/lesechos.fr/0203553988843_netflix-fait-sa-premiere-victime-en-allemagne.htm
[171] http://www.broadbandtvnews.com/2014/10/30/sky-deutschland-launches-ott-platform/

# THE PROPORTION AND THE PROMINENCE OF EUROPEAN WORKS IN VOD CATALOGUES

# Executive summary

**Different methodologies are possible in order to obtain a picture of the proportion of European works in VOD catalogues:**

- Questionnaire based on self-declarations by VoD service providers (Chapter 1 and 2 concerning 74 VoD services based in Europe)
- In-depth analysis of catalogue through the management of metadata of works. This methodology is tested with data provided by ROVI (Chapter 3 on the catalogues of 7 European services)
- Other methodologies exist such as:
    - Monitoring by national regulatory authorities
    - Comprehensive analysis of catalogues by other means
    - Analysis of availability of specific titles in VoD catalogues (sample study)
    - Collection of data provided by companies in their corporate communication

## Questionnaire survey

- 285 services contacted, 74 replies received (26%) – 1 clear answer of a leading company refusing to disclose even the number of works in its service
- Answers for 19 countries concerning the establishment of VoD services (no reply from BG, CY, EE, FI, HU, IE, IT, MT, LT)
- 10 different business models, most prominent: 21 TVoD services, 20 SVoD and 13 EST

## Proportion of European works

- 50% of services declared a proportion of European works below 50%
- 24.3% declared a proportion above 50%
- 25% did not provide any information on the proportion of European works in their catalogues

**Range of proportion of European works in VoD catalogues, *in number and %***

| Range - Proportion of European works | Number of services | in % |
|---|---|---|
| 0%-10% | 7 | 9,46% |
| 11%-20% | 9 | 12,16% |
| 21%-30% | 7 | 9,46% |
| 31%-40% | 8 | 10,81% |
| 41%-50% | 7 | 9,46% |
| 51%-60% | 7 | 9,46% |
| 61%-70% | 1 | 1,35% |

| | | |
|---|---:|---:|
| **71%-80%** | **4** | 5,41% |
| **81%-90%** | **4** | 5,41% |
| **91%-100%** | **1** | 1,35% |
| **n.a.** | **19** | 25,68% |

- By Business model:
  - TVoD: 57% declared a proportion of European works below 50%, 38% declared a proportion above 50%, 1 did not reply
  - SVoD: 16% declared a proportion of European works below 50%, 15% declared a proportion above 50%, 1 did not reply

## Means of ensuring prominence for European works:

- Most methods used are promotion on homepage (86.4% of the replies), presence of European film trailers (79.7%)
- Special offers (44.5%) and recommendations through an algorithm (40.5%) were used by less than half of the VoD services surveyed
- Even fewer used a search function by country of origin (12.1%) and had a European film section (13.5%)
- No major differences by business model

## Rovi data (Chapter 3)

Seven[172] catalogues of VoD services analysed in-depth as at mid-October 2014 by ROVI, company managing the metadata of the works in catalogues of its clients.

- Viewster (established in Switzerland and available Europe-wide, but also worldwide)
- Videofutur (established in France)
- SF Anytime (established in Sweden)
- Maxdome (established in Germany)
- Wuaki.tv (established in Spain and available in Spain and the United Kingdom)
- Telecom Italia (established in Italy)
- BlinkBox (established in the United Kingdom)

- Only one VoD service has a proportion of European works above 50% in its catalogue. All other services have a proportion of non-European content above 50%. The genres of European works the least present in VoD catalogues are feature films and animation. TV series and TV films are the genres which have the highest proportion of works of European origin in the catalogues of the seven VoD services.
- Feature films and animation are the genres with the smallest proportion of European works (36% and 45% of the catalogues respectively) whereas TV series (58%) and TV films (59%) are the genres where the proportion of European productions is the highest.
- Significant differences in VoD services regarding the composition and proportion of European works in the catalogues

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[172] Those 7 services were the only ones which would grant access to their catalogue to the Observatory through Rovi.

## Percentage of total video works in VoD catalogues by origin and genre
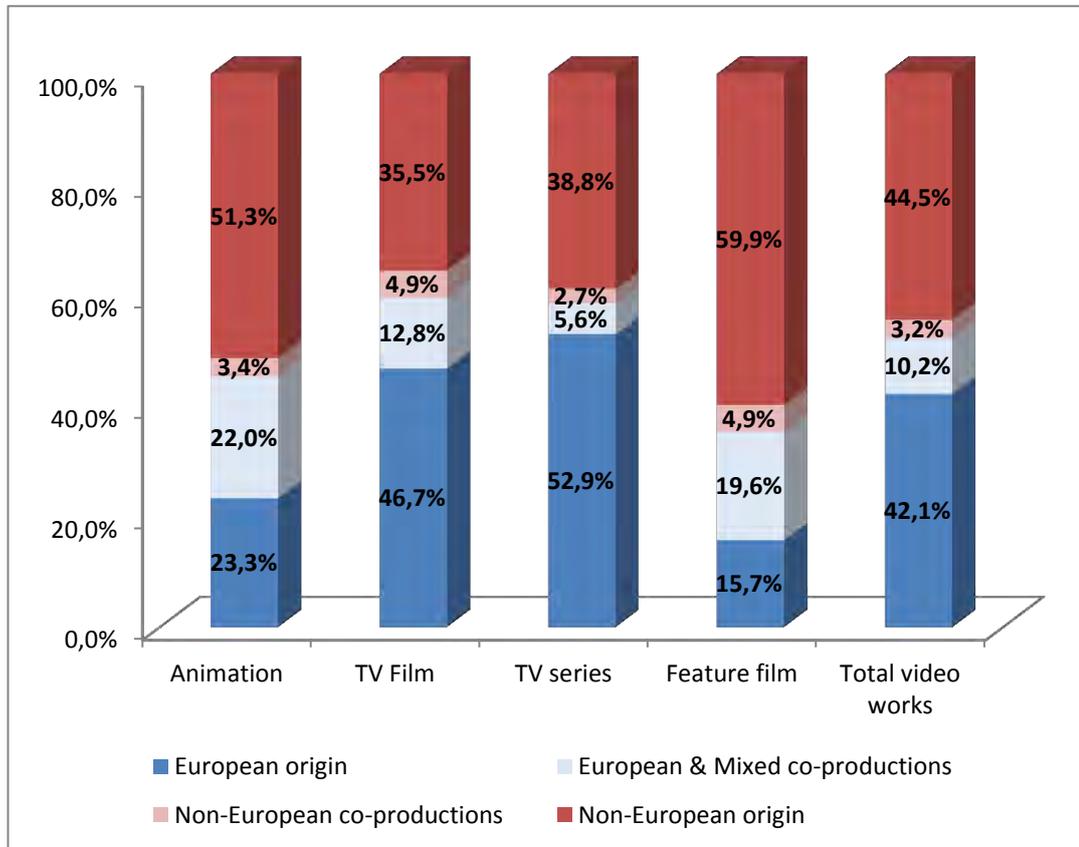


Source: OBS, based on Rovi data

## Percentage of total video works by origin and VoD service
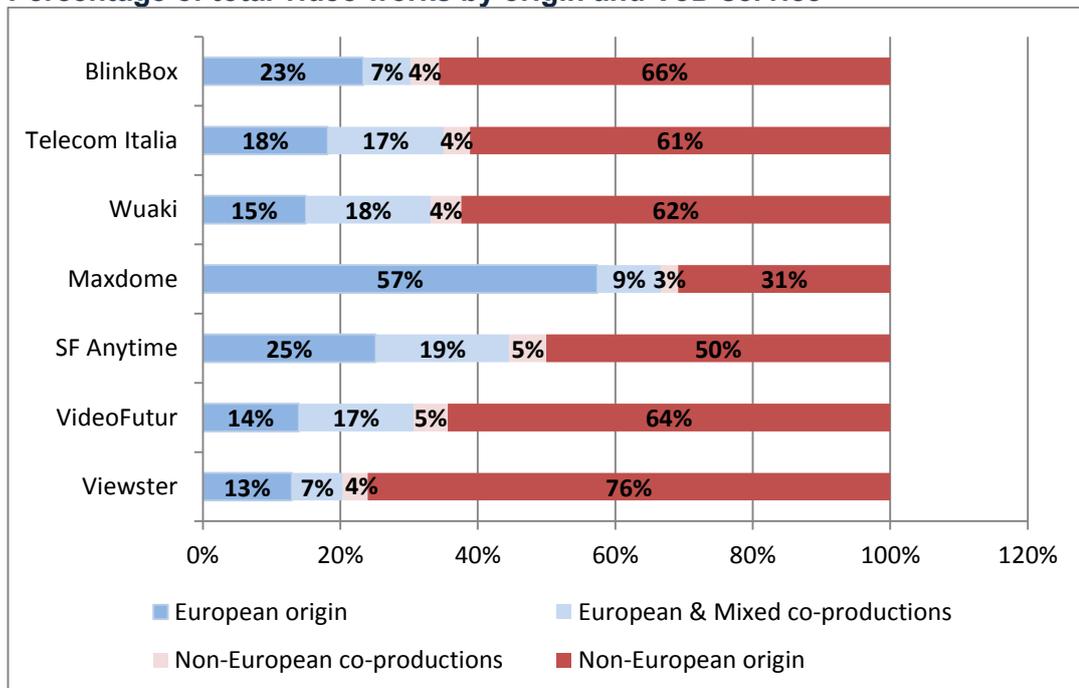


Source: OBS, based on Rovi data

**Representativity of the data collected**

Given that the relative market shares of the various VoD services on their respective national market are not clearly indicated, it is difficult to assess with total accuracy the representativity of the services for which we have obtained data through our questionnaire or through ROVI.

With this reservation in mind, we may nevertheless summarise the results as follows:

● International players

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  – The data related to Viewster[173], the leading service of free VoD, were obtained through the ROVI analysis.

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**For confidentiality reasons this figure cannot be reproduced in the public version of this report**

● National players

For various major national players data were obtained:

  - France: **For confidentiality reasons this figure cannot be reproduced in the public version of this report**

  - Germany: Maxdome (analysed by ROVI) is certainly the leader of the German market

  - Italy: Telecom Italia (analysed by ROVI) is probably the second player on the market

  - Nordic countries: SF Anytime is an historical online VoD service and certainly holds an important market share.

One may regret that for the UK, only ████████ supplied data, while the leading players XXXXXXXXXX did not answer to the questionnaire.

● Small services dedicated to the promotion of arthouse and European films

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[173] Viewster, is operated by the Swiss company Viewster AG and therefore not bound by Article 13 of the AVMS Directive.

As could have been expected, a satisfactory number of small services have specialised in arthouse films and European films.

The fact that the leading international players did dot answer to the questionnaire reduces the representativity of the study and probably indicates that regulatory authorities of the Member States where those service are established might find it difficult to obtain figures should they be asked to report on the practical impact of their implementation of Article 13 AVMS Directive.

Despite the fact that a significant number of (especially leading international) players did not answer to our questionnaire, the study is still a first and very important step to more transparency of the actual prominence of European works in VoD services for two reasons:

Firstly, the questionnaire triggered more than the expected number of answers when compared to similar exercises and secondly, complemented by the ROVI data, the study allows for an in-depth analysis of 7 catalogues.

As a result of both aspects, data on various national important players are now – for the first time – available.

# Introduction - The proportion and prominence of European works in VoD catalogues

## Objectives

The volume of European works in European catalogues is a major concern for a large proportion of European stakeholders and for regulators.

Article 13 of the AVMS Directive states:

*"1. Member States shall ensure that on-demand audiovisual media services provided by media service providers under their jurisdiction promote, where practicable and by appropriate means, the production of and access to European works. Such promotion could relate, inter alia, to the financial contribution made by such services to the production and rights acquisition of European works or to the share and/or prominence of European works in the catalogue of programmes offered by the on-demand audiovisual media service.*

*2. Member States shall report to the Commission no later than 19 December 2011 and every 4 years thereafter on the implementation of paragraph 1.*

*3. The Commission shall, on the basis of the information provided by Member States and of an independent study, report to the European Parliament and to the Council on the application of paragraph 1, taking into account the market and technological developments and the objective of cultural diversity."*

The implementation of this article has already been the subject of various publications, both from the legal and/or the statistical point of view.[174] The objective of the

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[174] See in particular :

Attentional Ltd, *Study on the implementation of the provisions of the Audiovisual Media Services Directive concerning the promotion of European works in audiovisual media services,* 2011 - SMART2010/0002.
**http://ec.europa.eu/archives/information_society/avpolicy/info_centre/library/studies/index_en.htm#promot**

European Commission, First Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the application of Directive 2010/13/EU "Audiovisual Media Services Directive" - Audiovisual Media Services and Connected Devices: Past and Future Perspectives. 2012, http://ec.europa.eu/archives/information_society/avpolicy/reg/tvwf/implementation/reports/index_en.htm

present note is to try to assess trends in the practice of the providers of VoD services (to the exclusion of other on-demand audiovisual media services such as catch-up TV or video portals). VoD services are indeed probably the kind of on-demand audiovisual media services where the implementation of Article 13 is more challenging. The report does not aim to analyse the monitoring process by the regulatory authorities or to assess the correct implementation of Article 13 by individual service providers.

Although we do not discuss the issue in detail here, it is obvious that the questions relating to the definition of an on-demand audiovisual media service have a direct impact on the production of data on the proportion of European works in catalogues and how their prominence is organised. Two examples are of crucial importance:

- iTunes: a single service or a collection of 28 different services, iTunes is operated by an affiliate of the Apple group: iTunes s.à.r.l. According to the company, the offering for European countries constitutes a single service with the same catalogue. The fact that the offering is not the same in all geographical areas is, according to the company, the result not of the provider's editorial strategy but of the copyright limitations, making it impossible to provide the same catalogue in all countries. This position seems to be endorsed by the Luxembourg Ministry of State, as only one service is quoted in the register of services it publishes. This argument could be discussed: in the MAVISE database, the Observatory has taken into account that there are as many services as specific geolocations on their front pages. This is done because not only the offering is de facto different in the various countries but also because the layout and means of ensuring prominence employed are for national (rather than European) works.

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European Commission, First report on the promotion of European works on EU television and On-Demand services, for the period 2009-2010 - COM (2012)522 (24/09/2012) http://ec.europa.eu/digital-agenda/en/avmsd-reports-european-works

European Commission, Hearing on the promotion of European films and TV series on-line, Brussels, November 2013, http://ec.europa.eu/digital-agenda/en/news/hearing-promotion-european-films-and-tv-series-line-read-presentations

European Audiovisual Observatory, Video on Demand and the Promotion of European Works - European Audiovisual Observatory, IRIS Special, Strasbourg, 2014, http://www.obs.coe.int/en/-/pr-iris-special-vod-2014

European Commission, Promotion of European works in practice, 3 July 2014, http://ec.europa.eu/digital-agenda/news/promotion-european-works-practice

European Commission, Promotion of European works in on-demand services - Contributions from the audiovisual regulators, 2014, https://ec.europa.eu/digital-agenda/en/news/promotion-european-works-demand-services-contributions-audiovisual-regulators

Another problem is the status of the segment (existing in France, Germany and the UK, as well as in the US) called "Studios on networks". In this segment, works of major studios (in both Hollywood and Europe) and broadcasters (such as the BBC, ARTE, ZDF, ARD, etc) are presented in a branded segment. According to iTunes, the company has full editorial control over the choice of works in these branded segments. However, at least one broadcaster has indicated to us that it was considering having full capacity to make an editorial decision, indicating also that the upload was carried out directly from its back-office facilities. The Observatory does not the have a mandate to check contractual relations and the practice concerning the editorial process and does not have the possibility of doing so. In the MAVISE database, we have considered that each individual branded segment is an individual service operated by the provider and not by iTunes s.à.r.l.

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It is obvious that a definitive analysis of these issues is outside the remit of the European Audiovisual Observatory, which has neither the mandate nor the means to check the exact perimeter of a service. However, it is also obvious that the decision on the real scope of a service and of its catalogue has a direct impact on the production of statistics.

There are no ideal methodologies for analysing in a harmonised manner the content and origins of the catalogues of VoD services at the European level. In this note we provide an overview of various methodologies currently employed in Europe.

## Monitoring by national regulatory authorities

In the context of the implementation of the paragraph 2 of Article 13 of the AVMS Directive, the member states (generally through their national regulatory authority) have to report to the Commission and therefore undertake some monitoring of how the providers of services under their jurisdiction contribute to the promotion of European works.

As stated by the Commission, *"the first report on the application of Article 13 did not provide sufficient data to draw any conclusions on the promotion of European works by on-demand service providers."* The data were collected at a moment when most of the member states had not yet implemented the Directive and had not yet undertaken an in-depth analysis of the services under their jurisdiction. In order to provide support for the NRAs and illustrate best practices, the Commission published in July 2014 the document *Promotion of European works in practice.*

According to the document: *"Several Member States have implemented Article 13 AVMSD by imposing on VOD providers the obligation to reserve a share of European works in their catalogue. This is required either as a standalone obligation (e.g. Cyprus, Hungary, Lithuania, Malta, and Slovakia) or in combination with other joint or alternative obligations (e.g. France, Croatia, Czech Republic, Italy, Poland, Romania, Slovenia, Spain). The required shares in the catalogues vary considerably between Member States (10-60%). Some Member States have also opted for a gradual raise of the share, at least during a transitory period (e.g. Malta, Croatia, France, Italy)."*

The document does not provide a systematic analysis of how the implementation of the provisions relating to the proportion of European works in catalogues are monitored. *"The input of regulatory authorities to the questionnaire and the replies to the Green Paper indicate that monitoring obligations pose an important burden on operators, but also on Regulatory Authorities. This is particularly the case for shares in the catalogue. Lack of data seems to be a general concern and challenge in this area. It was claimed that more information would allow checking the efficiency of the measures.*

*Most Member States rely on data supplied by the on-demand operators without further control/systematic cross-checking and/or random controls. The frequency of requesting such data also differs: many foresee yearly reporting obligations for the providers while others rely on longer reporting periods, e.g. coinciding with the reporting obligation laid down by the Directive i.e. all four years. Random checks are only carried out in few Member States.*

*Several countries indicated that they are discussing or planning to develop a specific software system for monitoring.*

*The monitoring system put in place by the French CSA consists of annual declarations by service providers. They have to describe the mechanism set up (e.g. by a*

*software) to ensure that the catalogues contain the appropriate share of European works and of French-speaking works at any time. The compliance with the share in the catalogue obligation is also checked by the CSA regarding two randomly chosen days. Operators have to provide proof, such as screen shots and a list of works classified on a nationality basis available in the catalogue."*

The NRA of the French Community of Belgium (Conseil Supérieur de l'Audiovisuel) has published notes on the proportion of European works in VoD catalogues and the implementation of measures to promote European works (such as promotion on homepages)[175].
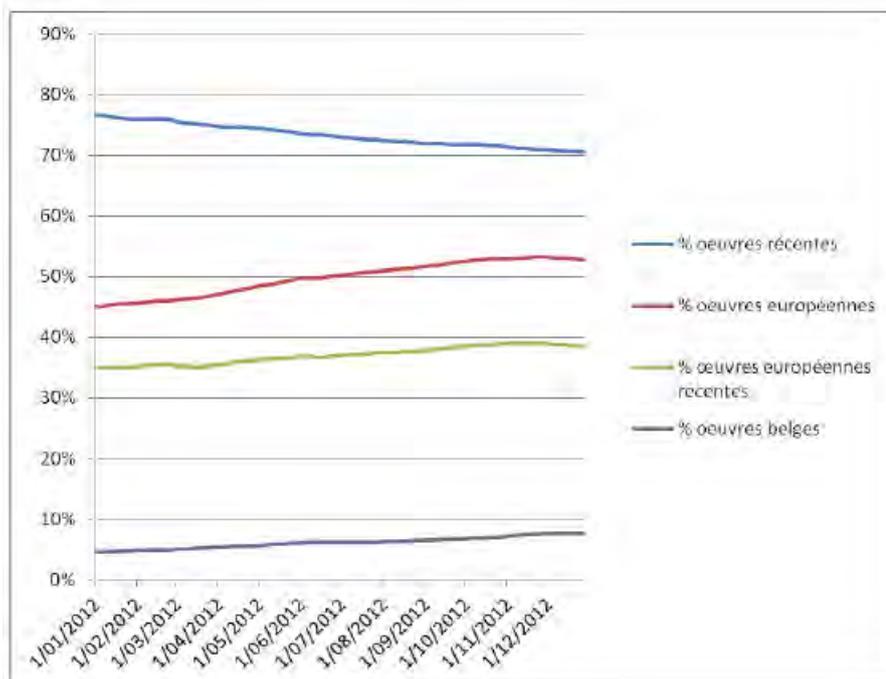


**Evolution sur 4 périodes analysées**



| | top 50 | catalogue | occurrences promotionnelles |
|---|---|---|---|
| ■ 1ère évaluation | 34% | 16% | 42% |
| ■ 2ème évaluation | 32% | 20% | 44% |
| ■ 3ème évaluation | 38% | 27% | 52% |
| ■ contrôle annuel 2012 | 36% | 26% | 50% |
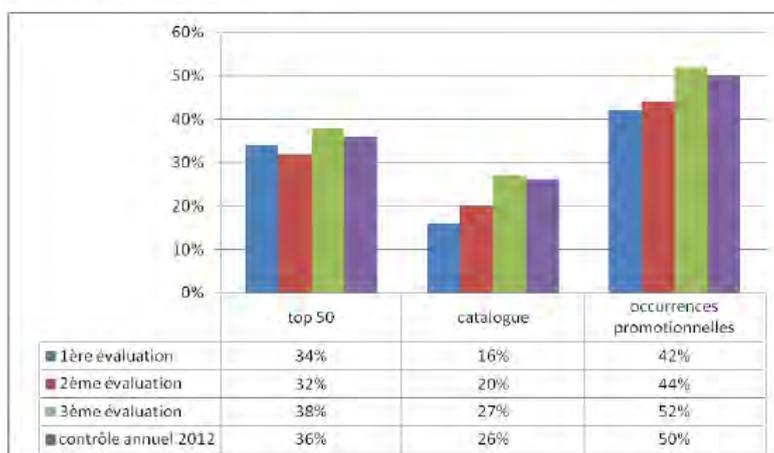
N.B. : la première évaluation a été réalisée le 23 mars 2011, la deuxième le 24 novembre 2011 et la troisième le 28 juin 2012.

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[175] Examples of reports can be found at:
http://www.csa.be/system/documents_files/2180/original/CAC_20131205_avis_SiA_Alademande_2012.pdf?1386599673 and **here**

**Editeurs de VOD Belgacom et Voo**
**Proportion comparée des œuvres européennes dans la composition du catalogue, les occurrences promotionnelles et la consommation (top 50)**
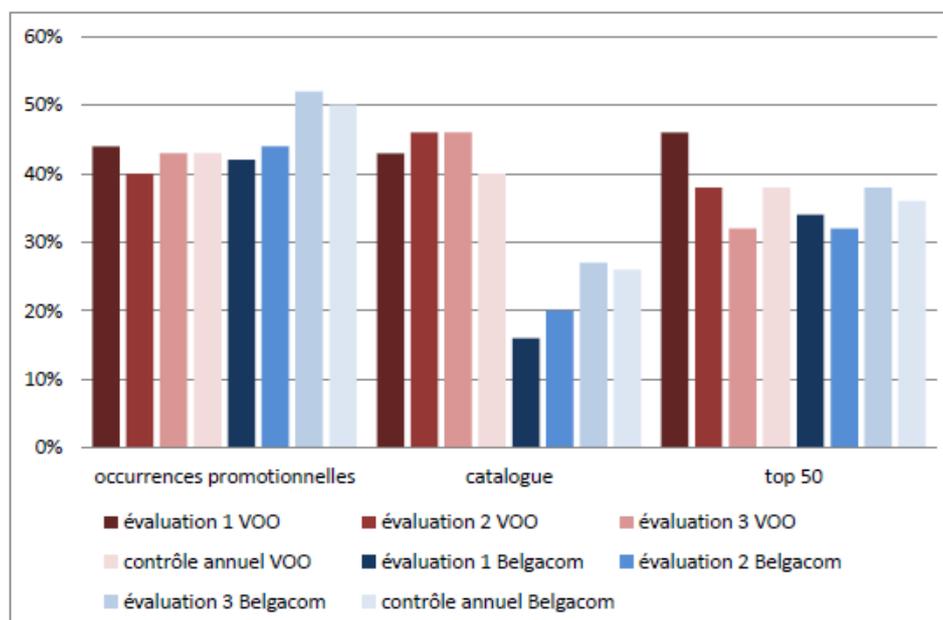


Evaluation 1 : 2ᵉ semestre 2010
Evaluation 2 : 1ᵉʳ semestre 2011
Evaluation 3 : 2ᵉ semestre 2011
Evaluation contrôle annuel : année 2012
(NB : à la date de rédaction, le contrôle annuel 2012 n'est pas définitivement approuvé par le CSA)

## Comprehensive analysis of catalogues

The ideal methodology would be to have access to a comprehensive list of works offered by a service at a specific moment or during a specific period and to analyse the content of a catalogue by using a database identifying the country of origin of the works, or at least their possible European origin. Even if the providers agreed to provide a comprehensive list, the automatic matching of the catalogue lists with existing databases, such as IMDB or LUMIERE, does not seem possible in the current situation.

As a matter of fact, very little monitoring of this kind is carried out in Europe. To our knowledge, only the French public film agency (CNC) publishes data resulting from the comprehensive monitoring of VoD services by private consultants, namely GfK and NPA Conseil.

*Example of French monitoring*

The VoD barometer first came into being as a way of monitoring the transactional VoD market. Each month, GfK identifies all the titles sold or rented by the most representative generalist services established on the pay-VoD market in France (to the exclusion, therefore, of services established abroad, such as iTunes, Xbox Live, Google Play Movies, Viewster and, more recently, Netflix).[176]

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[176] Here, we follow the overview provided in the CNC report for 2013, May 2014, p. 143; file:///D:/Michael/Downloads/bilan%202013%20du%20CNC.pdf

In 2013, the number of active VoD titles (programmes downloaded at least once during the period) on the services of the panel rose significantly. According to the data gathered, 57,178 titles were active – 3,001 programmes more than in 2012 (+5.5%). The majority of the range of VoD titles were audiovisual programmes, which made up 44.3% of the active titles in 2013 (against 50.9% in 2012), compared with 34.9% for adult programmes (29.3% in 2012) and 20.8% for cinema films (19.8% in 2012).

In the range of audiovisual programmes available (excluding cinema films and adult programmes), the genre with the most active titles is the TV series or TV drama (29.4% of active audiovisual programmes in 2013, against 29.0% in 2012) ahead of documentaries (28.1% in 2013, 27.5% in 2012), youth programmes (21.0% in 2013, 20.4% in 2012) and music (13.6% in 2013, 15.4% in 2012).

The range of films available as VoD continues to expand. In 2013, 11,870 films were downloaded at least once during the year on one of the main VoD platforms, an increase of 10.8% over 2012 (1,157 additional titles).

In the case of cinema films, the proportion of the various nationalities is changing. American films made up 44.0% of the active titles (5,219 titles, a rise of 7.8%), ahead of French films (+5.5%). VoD constituted the majority of audiovisual programmes, representing 44.3% of active titles in 2013 (50.9% in 2012), compared with 34.9% for adult programmes (29.3% in 2012) and 20.8% for cinema films (19.8% in 2012).

Since 2014, the CNC has also provided data on the range of subscription VoD services (SVoD) available.[177] Data on SVoD offerings are collected each month by the institute NPA Consulting & Research via the internet sites of the services concerned. Eight platforms are measured: CanalPlay Infinity, Club Vidéo SFR Pass Kids, Club Vidéo SFR Pass Cinéma, Dailymotion Kids+, Filmo TV, Jook Vidéo, Pass M6 and VidéoFutur Pass Duo. This data collection is carried out over one week in the month analysed.

In December 2013, the number of programmes available as SVoD rose to 3,557. Films (cinema films and films directly released on video) made up the bulk of the offering. In December 2013, 69.7% of the programmes available as SVoD were films, 4.6% were TV series and 6.0% were youth series.1,634 cinema films were then available as SVoD. French films made up 43.2% of the offering, American films 35.7%, European films 15.1% and films of other nationalities 5.9%. 1,389 cinematographic works available as SVoD were accessible on a single platform (85.0%), 217 on two platforms (13.3%), 27 on three (1.7%) and one on four (0.001%). No work was accessible on more than 4 platforms.

## Rovi data on European works in catalogues of VoD services

One other comprehensive analysis of catalogues was undertaken in October 2014 for the first time by ROVI at the request of the European Audiovisual Observatory.

ROVI is a company specialising in supplying metadata on audiovisual programmes. The initial activity is supplying data on TV schedules to the press and the providers of EPG services. To operate its services, ROVI has created a reference database containing metadata on films and TV programmes. Using this information, it has been in a position, since 2006, to provide the European Audiovisual Observatory with a statistical analysis of the origin of fiction programmes

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[177] See CNC, *Le marché de la vidéo*, mars 2014, http://www.cnc.fr/web/fr/dossier/-/ressources/4900932

broadcast by European or American TV channels.

Using the same database and the same categories for the statistical analysis, ROVI was able to supply the Observatory with data on the catalogue of 7 VoD services at mid-October 2014. ROVI is able to make this analysis as it operates the metadata for those services. The 7 VoD services granted permission to Rovi to communicate to the Observatory the result of the statistical analysis of their respective catalogue.

The data purchased covers 7 VoD services established in European countries:

- Viewster (established in Switzerland and available Europe-wide, but also worldwide)
- VideoFutur (established in France)
- SF Anytime (established in Sweden)
- Maxdome (established in Germany)
- Wuaki.tv (established in Spain and available in Spain and the United Kingdom)
- Telecom Italia (established in Italy)
- BlinkBox (established in the United Kingdom)

The data purchased covers 4 different genres of audiovisual works:

- Feature Films
- TV Films
- TV Series
- Animation

Furthermore, regarding the origin of those audiovisual works the data provided by Rovi distinguish between:

- European origin (Germany, France, United Kingdom, Italy, Spain, Other European origin)
- Co-productions (European, Mixed, Non-European)[178]
- Non-European (US, Canada, Australia + New Zealand, Japan, Other)

## Analysis of the availability of specific titles in VoD catalogues

A comprehensive analysis of catalogues is only possible by making significant financial and manpower investments (such as the CNC VoD Barometer) or in the case of very specific favorable conditions (such as in the case of ROVI). Other methodologies seem necessary to obtain interesting details of the presence of European works in catalogues.

One possibility is to analyse the availability of a sample of films, which was tested in 2013 by the European Audiovisual Observatory on a sample of 50 European films. The presence of those films was analysed in the case of 91 services in the

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[178] In our statistical summary European co-productions and mixed co-productions (i.e. co-production between European countries and not-European countries) are included in the European total. Non-European co-productions should be considered as mainly American co-productions or "portable productions" (productions where the shooting location is chosen for economic and tax reasons rather than basing the choice on requirements specific to the screenplay).

European Union, with the collaboration of the EFARN network.[179]

A similar methodology was used by the Danish Film Institute (DFI) to identify the presence of recent Danish films in the catalogue of the main VoD services available in Denmark.[180]. The study searched for the presence of 73 Danish feature-length fiction films with a premiere in 2010 until July 2013 in the catalogues of the 5 largest VoD providers on the Danish market (Netflix, Viaplay, TV2 Play, TDC and iTunes). The study found that all Danish feature films were available from at least one of the VoD providers. Another interesting finding was that the Danish TVoD providers had a larger supply of Danish titles than the SVoD providers. Althouhh the DFI study only related to national production, it may be an interesting model to be followed by national film agencies to collect a minimum of information on the access of national works to the main VoD services available in the country.

### The supply of Danish feature films

- That all Danish feature films were available from at least one of the VOD-providers

- That the Danish TVOD providers had a larger supply of Danish titles than the SVOD providers

| | 2010 | | 2011 | | 2012 | | 2013 | | 2010 - 2013 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Antal | % | Antal | % | Antal | % | Antal | % | Antal | % |
| Netflix | 4 | 19% | 4 | 17% | 0 | 0% | 0 | 0% | 8 | 11% |
| iTunes | 5 | 24% | 10 | 42% | 17 | 85% | 7 | 88% | 39 | 53% |
| Viaplay | 8 | 38% | 13 | 54% | 16 | 80% | 2 | 25% | 39 | 53% |
| TV2 Play | 19 | 90% | 23 | 96% | 19 | 95% | 7 | 88% | 68 | 93% |
| TDC | 21 | 100% | 23 | 96% | 20 | 100% | 8 | 100% | 72 | 99% |
| Alle | 21 | 100% | 24 | 100% | 20 | 100% | 8 | 100% | 73 | 100% |

Number of (antal) In total (alle)

- An updated review of Danish feature fiction films 2010 – 2014 (Sep. 2014)

| | 2010 | 2011 | 2012 | 2013 | 2014 (ytd) | Total |
|---|---|---|---|---|---|---|
| Netflix | 48% | 4% | 5% | 0% | 0% | 13% |
| iTunes | 52% | 58% | 90% | 95% | 100% | 75% |
| YouSee | 100% | 100% | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

93 Danish feature fiction films 2010 – 2014 (ytd)

- A review of Danish documentaries on the Danish VOD market 2003, 2007 and 2011 (Dec. 2013)
  70 Danish documentaries with production support in 2003, 2007 and 2011

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[179] European Audiovisual Observatory, "Sample study on the presence of selected European works in VoD providers' catalogues", in: *On-demand audiovisual markets in the European Union*, Report prepared by the European Audiovisual Observatory for DG Connect, April 2014, pp. 210-226, available at: ec.europa.eu/information_society/newsroom/cf/document.cfm?doc_id=3656

[180] A. HOBY, "The supply of Danish feature fiction films on the Danish VOD market", Presentation at the EFARN meeting, Brussels, 20-21 October 2014. (sent with the note)

## Questionnaire

Another method of obtaining data on the composition and origin of works in the catalogues of VoD services is to send out questionnaire to the providers. As already pointed out, this method seems to have been the one most employed by the member states to provide data to the European Commission.

At the request of the European Commission, the European Audiovisual Observatory sent out a questionnaire by post (in the appendix) to 285 VoD services at the end of July 2014 and sent it a second time in September 2014. As for the services provided by the cable operators, the Observatory was authorised by Cable Europe to indicate that the questionnaire was endorsed by that organisation, so as to encourage members to contribute. The letter sent with the questionnaire stated the object of the study (survey on the presence of European works in VoD catalogues) and the scope (preparation of a note by the Observatory for DG Connect of the European Commission). We sent out the questionnaire to 6-10 services in each country.

VoD services had a choice of replying by post or e-mail.

As of 15 October 2014, we had received replies to the questionnaire for 74 VoD services. 32 services (**For confidentiality reasons this data cannot be reproduced in the public version of this report**) contacted us and their replies were still pending on 15 December 2014.

In the questionnaire, VoD services were asked basic information concerning the identification, country of establishment and availability of their services:

- Name and address of the company providing the service
- Person in charge of managing the service
- Name of the service
- Business model
- Countries where the service is available

Regarding the catalogue, general questions about the composition of the catalogues were asked:

- Total number of titles provided in the catalogue
- Number of films (adult films not included)
- Number of TV films
- Episodes of TV series
- Number of documentaries
- Number of animated films
- Number of other genres

Concerning the share of European works in the catalogues, respondents were asked to provide the percentage of the total number of titles of European origin (no distinction between films, TV series or other genres).

The second part of the questionnaire requested information on the means to ensure the prominence of European works in the catalogue. The means of prominence asked about were:

- Promotion of European works on homepage
- Existence of a European film section
- Search function by country of origin
- Recommendation through an algorithm

- Special offers on European works
- Presence of European film trailers

As the replies and results presented in this note are all based on self-declarations by service providers and the European Audiovisual Observatory does not have the capacity to verify the declarations, all results should be treated with caution.

Furthermore, before this note can be made public, it is necessary for the Observatory to secures authorisation for publication from the services included in the survey. Several services asked us to contact them if the study is to be made public, pointing to issues of business confidentiality. Therefore, the Observatory cannot guarantee at this stage that all the results can be published.

Some of the contacts have informed us of their difficulty in providing answer based on solid facts in the absence of a reference database allowing the origin of individual works to be precisely identified. One of the major pan-European players on the market has promised to provide data based on an analysis of the nationality of the content providers but not of individual programmes. The data provided by one other major pan-European player seems to have been identified in the same way.

## Corporate communication

Further sources of information are the corporate communications of service providers (statements in official reports, on websites, in press releases, presentations, etc).

One example is the statement made by Netflix's Chief Content Officer, Ted Sarandos, during the 3rd quarter earnings call 2014[181].

*"Doug Anmuth*
*- JPMorgan -*
*Analyst*
*And just following up, Reed, and perhaps Ted here, as we talk about the international business, what percentage of content in new international markets is local? How do you know what the right level is here? And do you feel like you have enough currently in France and Germany?*

*Ted Sarandos*
*- Netflix, Inc. -*
*Chief Content Officer*
*Doug, I'll jump in there. It's similarly placed as the other markets have been, around 15% to 20% local, with another -- with the 80%, 85% being either Hollywood or other international content. One of our first indicators that we are getting the mix right is how many hours of viewing people are participating in. And in France and Germany, the viewing hours are quite healthy relative to all of our other launches. So we're -- the consumers are finding the things they want.*
*The tricky thing is figuring out is the local content something that people want in the long term. Because when we first go at a new market, I think people are mostly excited about those things that they didn't have access to before.*

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[181] Transcript of the call available at:
http://files.shareholder.com/downloads/NFLX/0x0x786894/0ad5a8d3-c1f4-4727-9236-61adf094d52c/NFLX-Transcript-2014-10-15T22_00.pdf

*So Orange Is the New Black was by far the most watched show in both France and Germany, and in fact all of the markets that we launched. So it tells you that with all the differences in taste, that they all rallied around that show.*
*I do think too that we're offering those markets unprecedented choice, not just in programming, but also in choice of language where you can watch the show either in native language with subtitles or dubbed in local language, which is something that's not been available to consumers in those markets before."*

# Questionnaire survey

The questionnaire was sent out to 285 services of which 74 have replied. The services were selected on the basis on perceived market importance and variety of the different business models. We received answers for services established in 19 member states and 10 different business models. The questionnaires were sent out at the beginning of August 2014 and then again mid-September 2014 to companies which had not replied.

Also, Cable Europe endorsed the questionnaire for its members to which the questionnaire were sent (7 European cable companies contacted through the Cable Europe endorsement).

# 16 Overview of replies received

## 16.1 Number of services by country of establishment and country of availability

**Table 42 Summary of replies**

| Questionnaires sent out | 285 | |
|---|---|---|
| Replies received | 74 | 25.96% |

We have received 25% replies to the questionnaire. The services answered on a voluntary basis and no obligation to answer was attached to the questionnaire. All the data presented in chapters 1 and 2 are drawn from the replies to the question-naires received.

Table 43 summarises the replies received from the services by country of establishment and by country of availability.

**Table 43 Answers received by country of establishment and availability**

| | Number of services established in the country | Number of services available in the country |
|---|---|---|
| AT | 1 | 4 |
| BE | 5 | 11 |
| BG | 0 | 2 |
| CY | 0 | 2 |
| CZ | 1 | 4 |
| DE | 2 | 7 |
| DK | 2 | 6 |
| EE | 0 | 2 |
| ES | 5 | 10 |
| FI | 0 | 5 |
| FR | 7 | 9 |
| GB | 8 | 5 |
| GR | 3 | 5 |
| HU | 0 | 3 |
| HR | 3 | 5 |
| IE | 0 | 4 |
| IT | 0 | 4 |
| LT | 0 | 2 |
| LU | 16 | 4 |
| LV | 2 | 4 |
| NL | 2 | 5 |
| PL | 4 | 6 |
| PT | 6 | 9 |

| | | |
|----|----|----|
| RO | 1 | 4 |
| SE | 4 | 7 |
| SI | 1 | 3 |
| SK | 1 | 3 |
| **Total** | **74** | |

Regarding answers received by country of establishment, it should be noted that several services operating under the same brand but targeting different countries have replied.

**For confidentiality reasons this data cannot be reproduced in the public version of this report**

We did not receive any replies from services established in Bulgaria, Cyprus, Estonia, Finland, Italy and Lithuania.

**Figure 92 Answers received by country of establishment**
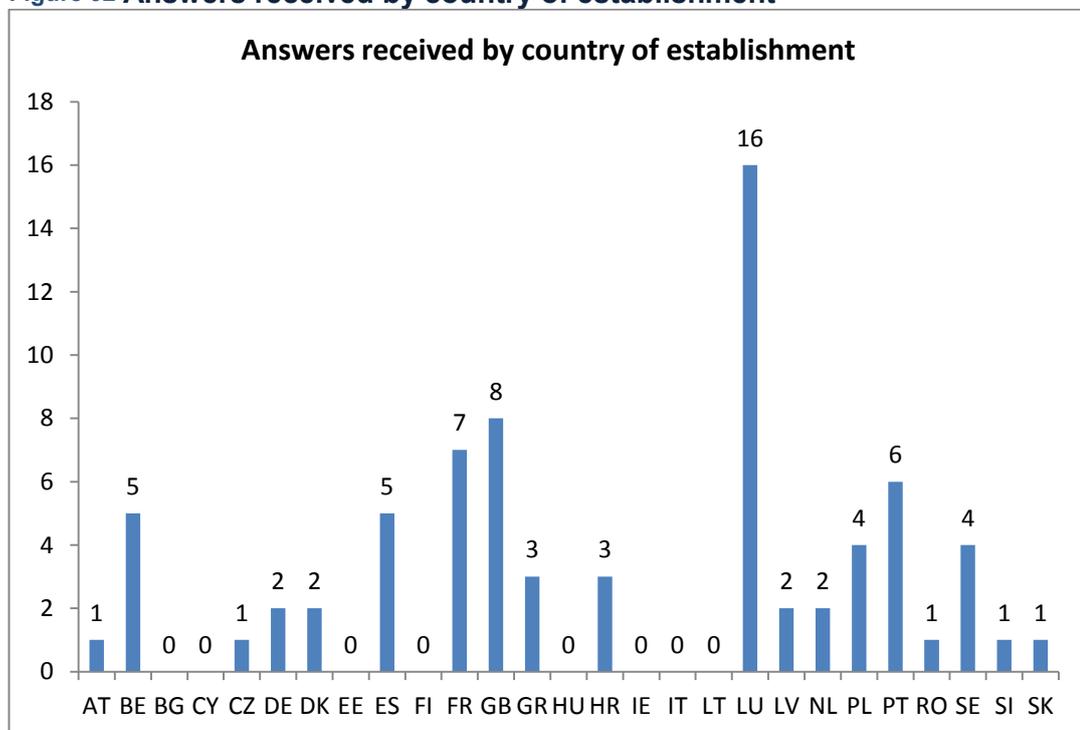


Looking at services by country of availability, as two services informed us that they are accessible worldwide (**For confidentiality reasons this data cannot be reproduced in the public version of this report**) they have been included in the services available in all 27 countries of the survey.

The countries where most of the VoD services of the survey are available are Belgium (11), Spain (10), France (9) and Portugal (9).

Figure 93 **Replies received by country of availability**



**Replies received by country of availability**
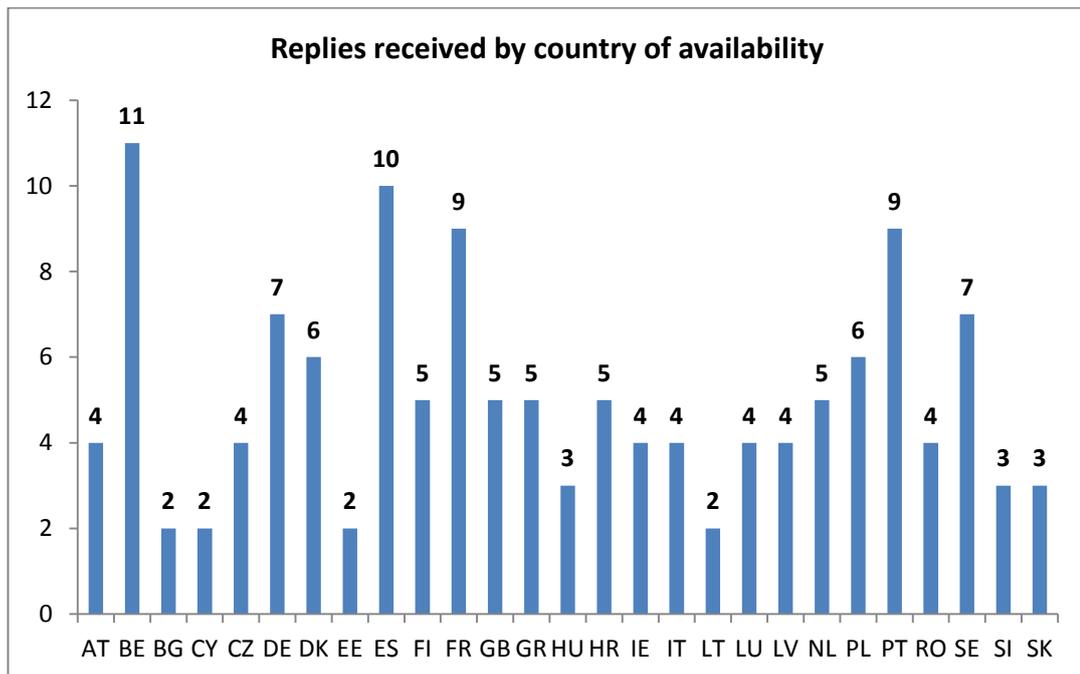
## 16.2  Number of services by business model

Another interesting distinction to be made is the number of services by business model. We received replies with 10 different business models as some services declared more than one business model for the same service, mostly transactional VoD/electronic-sell through and transactional VoD/subscription VoD.

Out of the 74 answers, 21 services declared themselves to be based on a transactional business model, 20 on a subscription business model, 13 on an electronic sell-through (or download to own) business model (**For confidentiality reasons this data cannot be reproduced in the public version of this report**), 9 on a transactional and sell-through model (TVoD/EST) and 4 on a transactional and subscription business model. Two services were advertising-financed video-on-demand services (AVoD) and one service was a video-on-demand service included in a pay-TV subscription. The rest are services with three different business models (EST/TVoD/SVoD for one, TVoD/SVoD/AVoD for one), and two services that did not declare any business model. The breakdown by business model seems consistent with current market situations, as SVoD and TVoD services are widespread on the on-demand audiovisual service market.

**Table 44  Number of services by business model**

| | | |
|---|---|---|
| TVoD | 21 | 28.4% |
| SVoD | 20 | 27.0% |
| EST | 13 | 17.6% |
| TVoD/EST | 9 | 12.2% |
| TVoD/SVoD | 4 | 5.4% |
| AVoD | 2 | 2.7% |
| n.a. | 2 | 2.7% |
| EST/TVoD/SVoD | 1 | 1.4% |
| TVoD, SVoD & FVoD | 1 | 1.4% |
| sub pay TV | 1 | 1.4% |
| **Total** | **74** | |

**Figure 94 Replies received by business model**



204
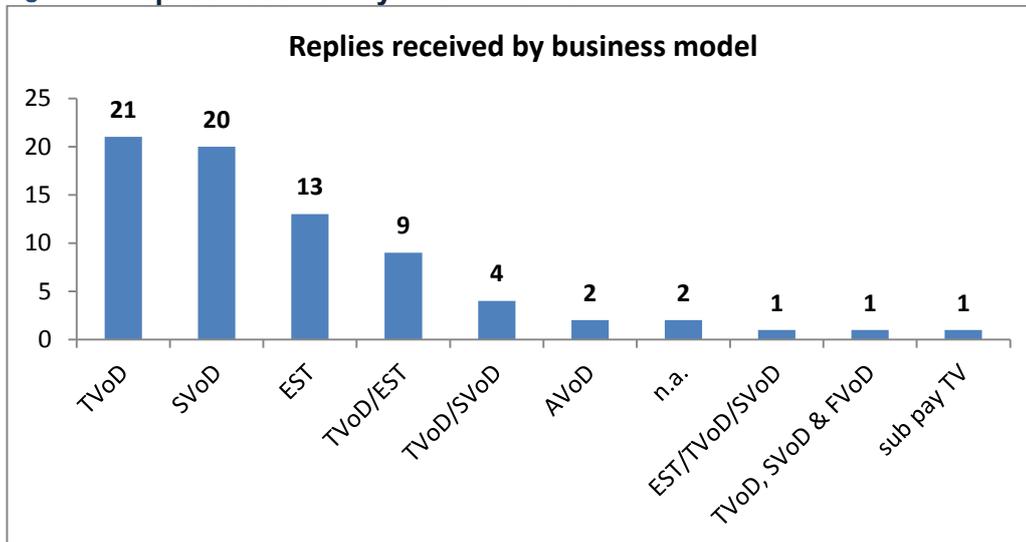
## 16.3 Overview of services included in the survey

This section provides an overview of video-on-demand services which have responded to the questionnaire by country of establishment and availability.

**Table 45 Overview of services included in survey, by country of establishment and availability**

**For confidentiality reasons this data cannot be reproduced in the public version of this report**

# 17 Results of the replies to the questionnaire

## 17.1 Number of titles in VoD catalogues by service provider

The questionnaire asked for the number of titles present in the VoD catalogues, by genre:

- Films (no adult films included)
- TV films
- Episodes of TV series
- Documentaries
- Animation
- Other genres (here the answers were quite disparate, ranging from adult movies to cartoons, music, short clips, sport clips, etc)

The average and median numbers of titles by genre from the 74 replies we received are listed in ████████.[182] Films were the genre most evenly distributed among the sample, TV films, while other genres and animation were the ones most unevenly distributed in our sample.

As VoD services vary in size, market importance and genre specialisation, no general statement can be made or conclusion drawn on the basis of the number of titles in the respondents' catalogues.

**Table 46 Average and median of titles by genre in VoD catalogues, in numbers**

|  | Total Number of titles | Films (no adult films) | TV films | Episodes of TV series | Documentaries | Animation | Other genres |
|---|---|---|---|---|---|---|---|
| **Average** | 5 764 | 2 105 | 294 | 2 473 | 309 | 776 | 1 413 |
| **Median** | 3 817 | 2 045 | 28 | 1 695 | 110 | 266 | 700 |

Below are details of the composition of the catalogues of the respondents to the questionnaire.

**Table 47 Overview of number of titles in catalogues by VoD service and genre**

**For confidentiality reasons this data cannot be reproduced in the public version of this report**

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[182] A worldwide leading provider of VoD services has declined to answer with the following explanation : "Unfortunately I cannot share details of our title counts due to commercial sensitivities and issues with accessing accurate data,"

## 17.2 Proportion of European works in VoD catalogues

### 17.2.1 Overview of the proportion of European works by number of services

*50% of services stated that the proportion European works was below 50% and 24% above*

*50%, while 25% did not provide any information on the proportion of European works*

Half of the respondents (37 services) said their proportion of European works in their catalogues was below 50%. Almost a quarter (18) said it was above 50% while the remaining quarter (19) did not provide information on the proportion of European works in their catalogues.

**For confidentiality reasons this data cannot be reproduced in the public version of this report**

**Figure 95** **Percentage of services with a proportion of European works below and above 50%**
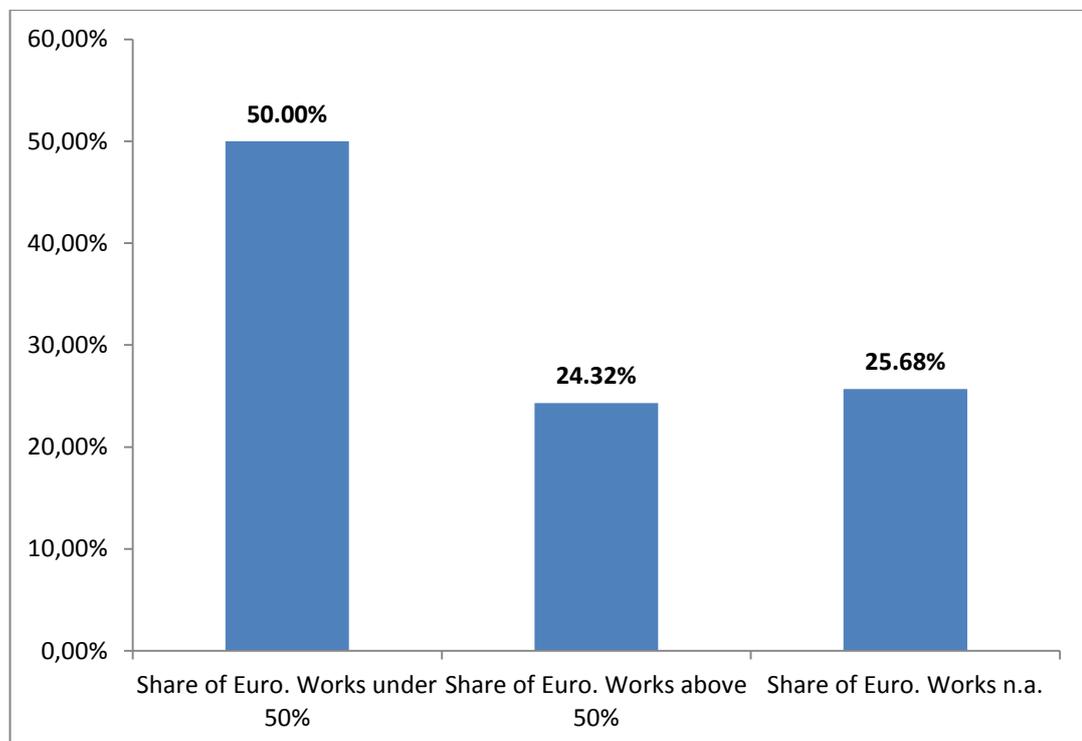
**Figure 96 Number of services with a proportion of European works below and above 50%**
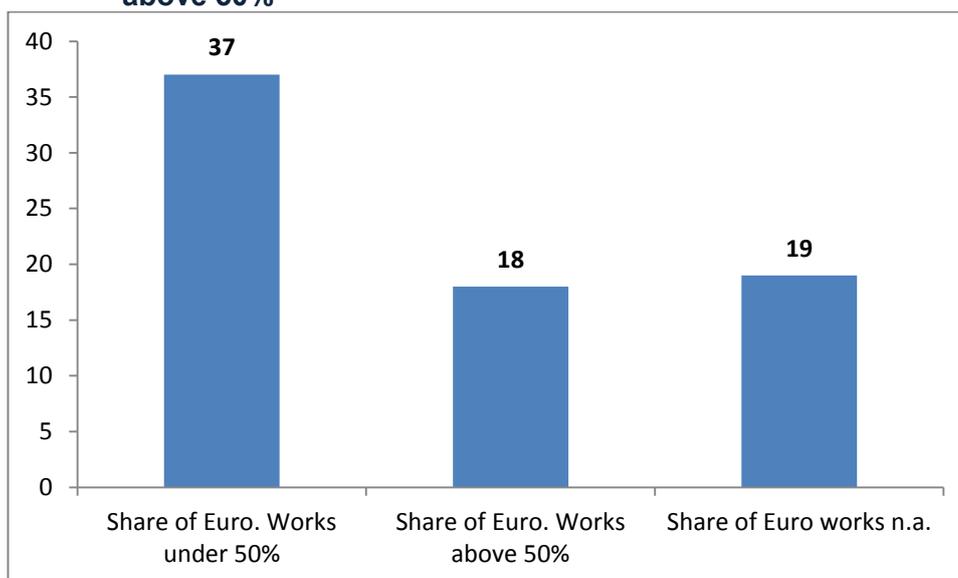


With regard to the distribution of services by range of proportion of European works in their catalogues, the sample is almost evenly distributed in the range 0% to 60%. **For confidentiality reasons this data cannot be reproduced in the public version of this report**.

The highest occurrence is the range 11% to 20% with 9 (or 12.16%) of the replies followed by the range 31% to 40% with 8 services (10.81% of the replies).

**Table 48  Range of proportion of European works in VoD catalogues, *in numbers and %***

| Range - Proportion of European works | Number of services | in  % |
|---|---|---|
| 0%-10% | 7 | 9.46% |
| 11%-20% | 9 | 12.16% |
| 21%-30% | 7 | 9.46% |
| 31%-40% | 8 | 10.81% |
| 41%-50% | 7 | 9.46% |
| 51%-60% | 7 | 9.46% |
| 61%-70% | 1 | 1.35% |
| 71%-80% | 4 | 5.41% |
| 81%-90% | 4 | 5.41% |
| 91%-100% | 1 | 1.35% |
| n.a. | 19 | 25.68% |

**Figure 97** **Number of services by range of proportion of European works**

**Number of services by proportion of European works**
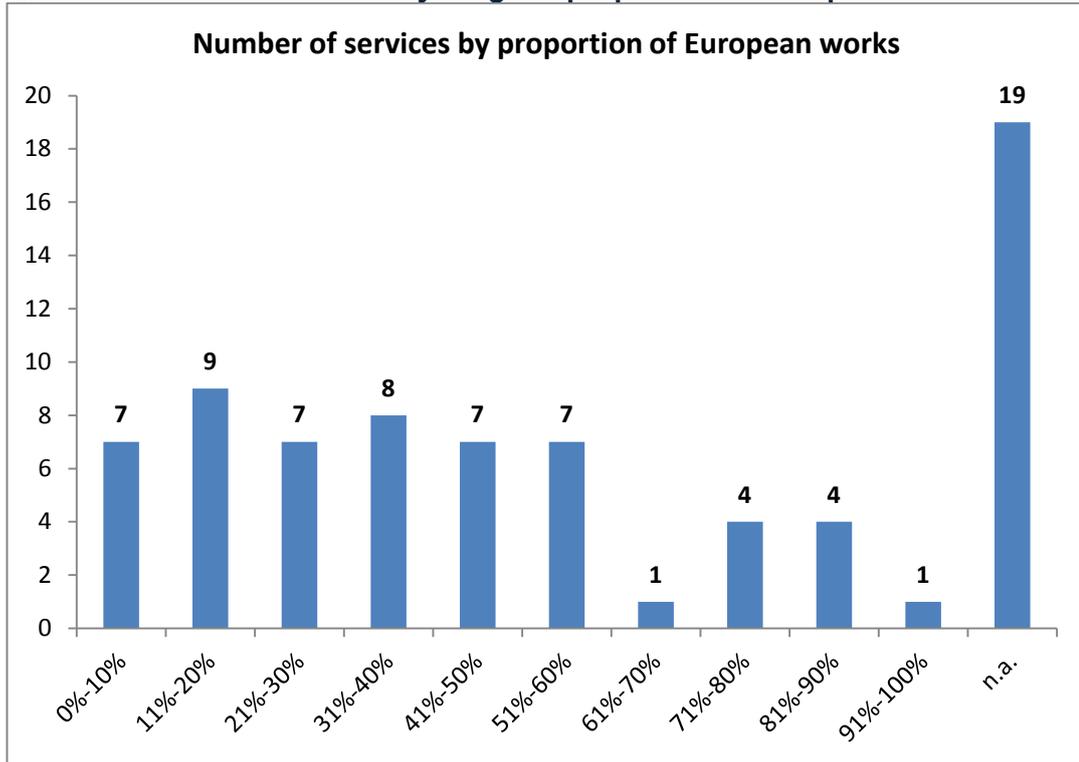
**Number of services by proportion of European works in % of total**
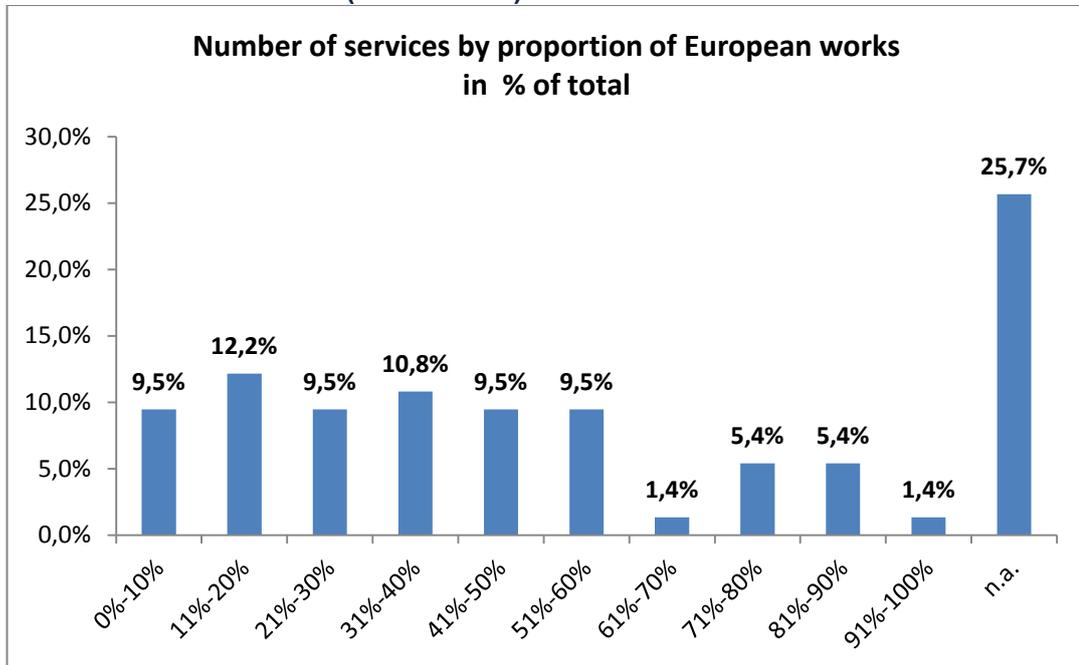
### 17.2.2 Proportion of European works by country of establishment

**Table 49 Number of services by country of establishment and proportion of European works**

| By Country of establishment | Proportion | Number of services |
|---|---|---|
| AT | 81%-90% | 1 |
| BE | 11%-20% | 3 |
| | 51%-60% | 1 |
| | 71%-80% | 1 |
| CZ | 41%-50% | 1 |
| DE | 31%-40% | 1 |
| | n.a. | 1 |
| DK | 21%-30% | 1 |
| | n.a. | 1 |
| ES | 21%-30% | 2 |
| | 41%-50% | 1 |
| | 81%-90% | 1 |
| | 91%-100% | 1 |
| FR | 41%-50% | 1 |
| | 51%-60% | 3 |
| | 61%-70% | 1 |
| | 81%-90% | 2 |
| GB | 0%-10% | 3 |
| | n.a. | 5 |
| GR | 0%-10% | 1 |
| | 11%-20% | 2 |
| HR | 41%-50% | 1 |
| | 51%-60% | 2 |
| LU | 11%-20% | 2 |
| | 21%-30% | 1 |
| | 31%-40% | 1 |
| | n.a. | 12 |
| LV | 0%-10% | 2 |
| NL | 11%-20% | 1 |
| | 21%-30% | 1 |
| PL | 31%-40% | 2 |
| | 41%-50% | 2 |
| PT | 21%-30% | 2 |
| | 31%-40% | 3 |
| | 41%-50% | 1 |

| | | |
|---|---|---|
| RO | 11%-20% | 1 |
| SE | 0%-10% | 1 |
| SE | 31%-40% | 1 |
| SE | 71%-80% | 2 |
| SI | 71%-80% | 1 |
| SK | 51%-60% | 1 |

The number of replies received to the questionnaire is too small to analyse the proportion of European works by country, and no general conclusion can be drawn based on the country of establishment in correlation with the proportion of European works in VoD catalogues as the data are too disparate.

**Table 50  Matrix by country of establishment and range of proportion of European works, in numbers**

| | 0%-10% | 11%-20% | 21%-30% | 31%-40% | 41%-50% | 51%-60% | 61%-70% | 71%-80% | 81%-90% | 91%-100% | n.a. | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AT | | | | | | | | | 1 | | | 1 |
| BE | | 3 | | | | 1 | | 1 | | | | 5 |
| CZ | | | | | 1 | | | | | | | 1 |
| DE | | | | 1 | | | | | | | 1 | 2 |
| DK | | | 1 | | | | | | | | 1 | 2 |
| ES | | | 2 | | 1 | | | | 1 | 1 | | 5 |
| FR | | | | | 1 | 3 | 1 | | 2 | | | 7 |
| GB | 3 | | | | | | | | | | 5 | 8 |
| GR | 1 | 2 | | | | | | | | | | 3 |
| HR | | | | | 1 | 2 | | | | | | 3 |
| LU | | 2 | 1 | 1 | | | | | | | 12 | 16 |
| LV | 2 | | | | | | | | | | | 2 |
| NL | | 1 | 1 | | | | | | | | | 2 |
| PL | | | | 2 | 2 | | | | | | | 4 |
| PT | | | 2 | 3 | 1 | | | | | | | 6 |
| RO | | 1 | | | | | | | | | | 1 |
| SE | 1 | | | 1 | | | | 2 | | | | 4 |
| SI | | | | | | | | 1 | | | | 1 |
| SK | | | | | | 1 | | | | | | 1 |
| Total | 7 | 9 | 7 | 8 | 7 | 7 | 1 | 4 | 4 | 1 | 19 | 74 |

### 17.2.3 Proportion of European works by business model

#### TVoD services – Proportion of European works

12 TVoD services have a proportion of European works below 50% (57% of the replies from TVoD services), 8 TVoD services have a proportion of European works above 50% (38% of the replies) and 1 TVoD service did not communicate any information on European works in its catalogue.

**Table 51  TVoD – Number of services by range of proportion of European works**

| Business model | Total number of services | Range of proportion of European works | Number of services | in % |
|---|---|---|---|---|
| TVoD | 21 | 0%-10% | 1 | 4.8% |
| | | 11%-20% | 4 | 19.0% |
| | | 21%-30% | 2 | 9.5% |
| | | 31%-40% | 4 | 19.0% |
| | | 41%-50% | 1 | 4.8% |
| | | 51%-60% | 4 | 19.0% |
| | | 61%-70% | 0 | 0.0% |
| | | 71%-80% | 2 | 9.5% |
| | | 81%-90% | 2 | 9.5% |
| | | 91%-100% | 0 | 0.0% |
| | | n.a. | 1 | 4.8% |

**Figure 99 Number of TVoD services by range of European works in their catalogue**



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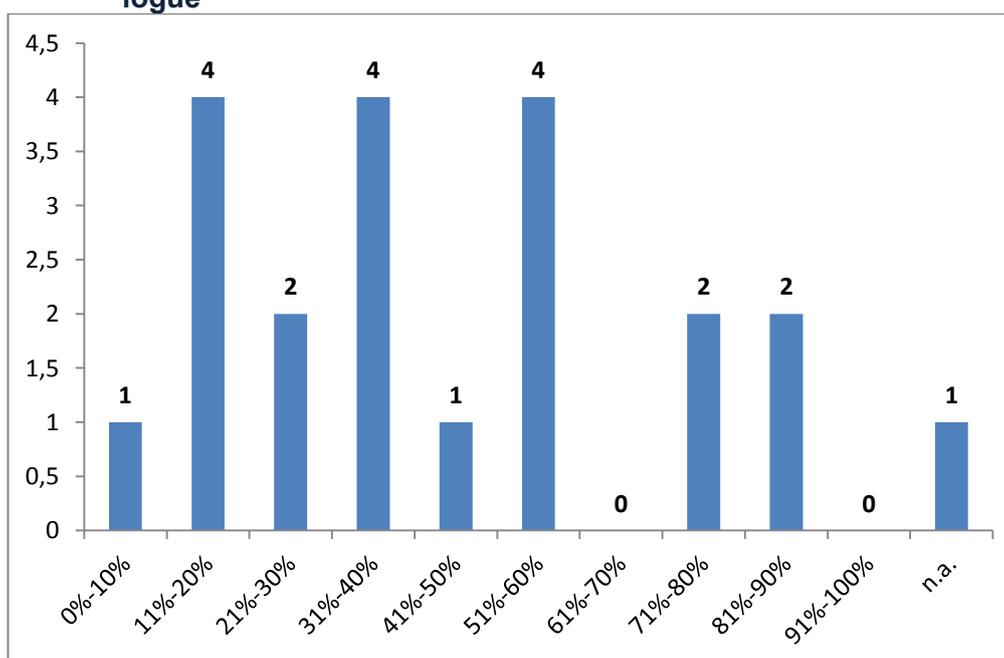
**Table 52  TVoD services by service name and proportion of European works**

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## SVoD services – Proportion of European works

16 SVoD services (80% of the replies) have a proportion of European works below 50%, 3 SVoD services (15%) said the proportion was above 50% and one SVoD service did not communicate any information on the proportion of European works in its catalogue.

**Table 53 SVoD – Number of services by range of proportion of European works**

| Business model | Total number of ser-vices | Range of proportion of Euro-pean works | Number of ser-vices | in % |
|---|---|---|---|---|
| SVoD | 20 | 0%-10% | 5 | 25.0% |
| | | 11%-20% | 3 | 15.0% |
| | | 21%-30% | 2 | 10.0% |
| | | 31%-40% | 1 | 5.0% |
| | | 41%-50% | 5 | 25.0% |
| | | 51%-60% | 0 | 0.0% |
| | | 61%-70% | 0 | 0.0% |
| | | 71%-80% | 2 | 10.0% |
| | | 81%-90% | 0 | 0.0% |
| | | 91%-100% | 1 | 5.0% |
| | | n.a. | 1 | 5.0% |

**Figure 100    Number of SVoD services by range of European works in their catalogue**
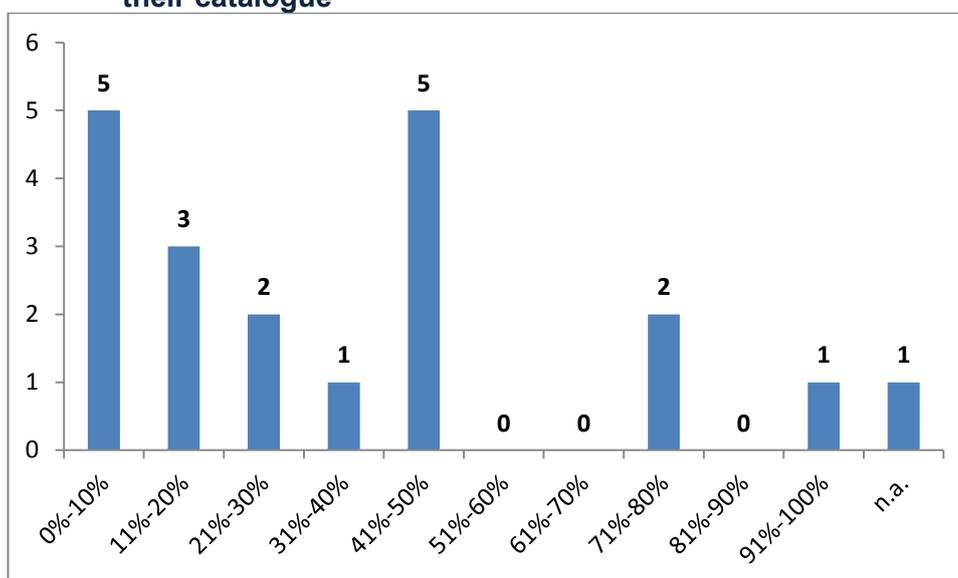
**Table 54  SVoD services by service name and proportion of European works**

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# EST services – Proportion of European works

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**Table 55  EST – Number of services by range of proportion of European works**

| Business model | Total number of services | Range of proportion of European works | Number of services | in % |
|---|---|---|---|---|
| **EST** | 13 | 31%-40% | 1 | 7.7% |
| | | n.a. | 12 | 92.3% |

**Figure 101     Number of EST services by range of European works in their catalogue**
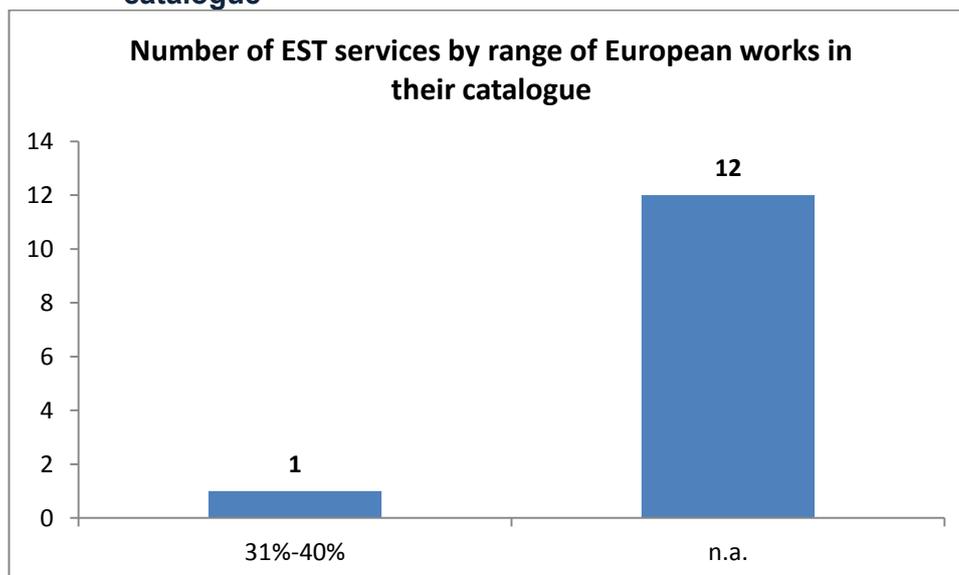
**Table 56** **EST services by service name and proportion of European works**

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## TVoD/EST services – Proportion of European works

More than half of the TVoD/EST services did not indicate the proportion of Euro-pean works in their catalogues **For confidentiality reasons this data cannot be reproduced in the public version of this report**

**Table 57  TVoD/EST – Number of services by range of proportion of Europe-an works**

| Business model | Total number of ser-vices | Range of proportion of Euro-pean works | number of ser-vices | in % |
|---|---|---|---|---|
| TVoD/EST | 9 | 11%-20% | 1 | 11.1% |
|  |  | 51%-60% | 1 | 11.1% |
|  |  | 81%-90% | 2 | 22.2% |
|  |  | n.a. | 5 | 55.6% |

**Figure 102      Number of TVoD/EST services by range of European works in their catalogue**
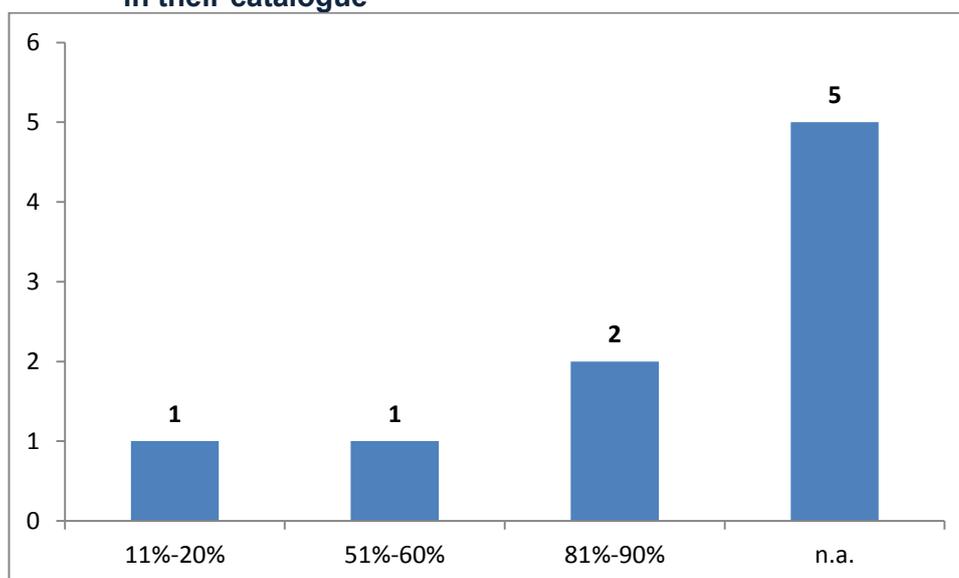
**Table 58  TVoD/EST services by service name and proportion of European works**

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## 17.2.4 Overview by name of service and proportion of European works

**Table 59 Overview of all services by name of service and proportion of European works**

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## 17.3 Means of ensuring prominence

### 17.3.1 Overview of answers

*Promotion on the homepage of European works and the presence of European film trailers are the most widespread means of ensuring prominence*

The means of ensuring prominence most employed by the VoD services to which the questionnaire was sent is the promotion on the homepage of European works (64 services, 86.49% of replies). 59 services (79.7%) said that trailers for European works were present on their VoD services. Recommendation through an algorithm (30 services, 40.5% of the total) and special offers on European works (33 services, 44.5%) were employed by a little less than half of the services surveyed. The presence of a European film section was only employed by 10 services (13.5% of the survey) and even less (9 services) have a search function by country of origin for audiovisual works.

**Table 60 Summary of means of prominence used for European works by number of VoD services**

| | Promotion on homepage | European film section | Search function by country of origin | Recommendation through an algorithm | Special offers on European works | Presence of European film trailers |
|---|---|---|---|---|---|---|
| **Number out of 74 services** | **64** | **10** | **9** | **30** | **33** | **59** |
| *in %* | *86.49%* | *13.51%* | *12.16%* | *40.54%* | *44.59%* | *79.73%* |

**Table 61 Summary of means of ensuring prominence for European works, in numbers**
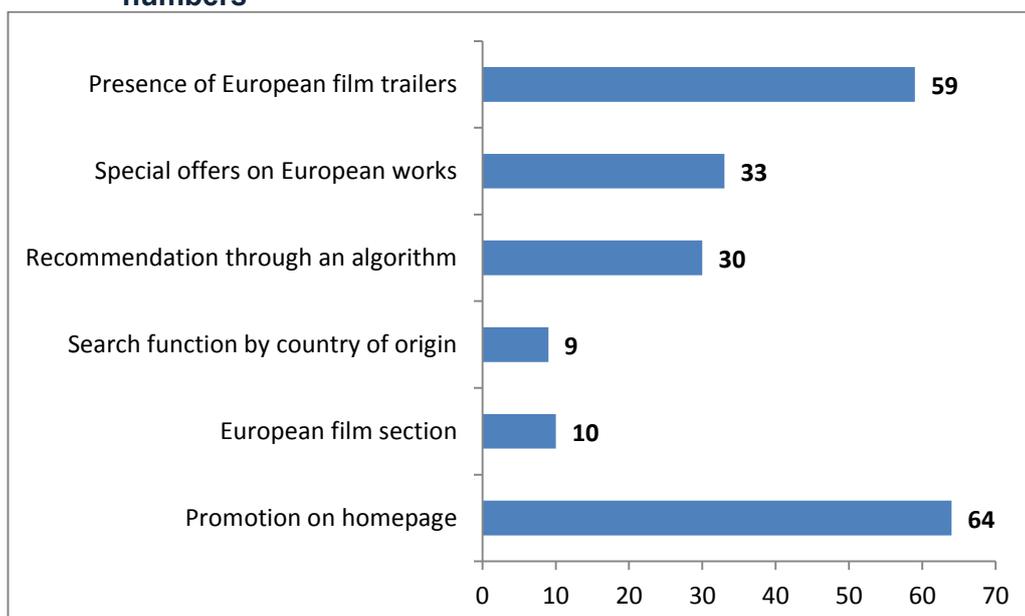
**Figure 103**     **Summary of means of ensuring prominence for European works, in %**



Presence of European film trailers — 79.73%
Special offers on European works — 44.59%
Recommendation through an algorithm — 40.54%
Search function by country of origin — 12.16%
European film section — 13.51%
Promotion on homepage — 86.49%
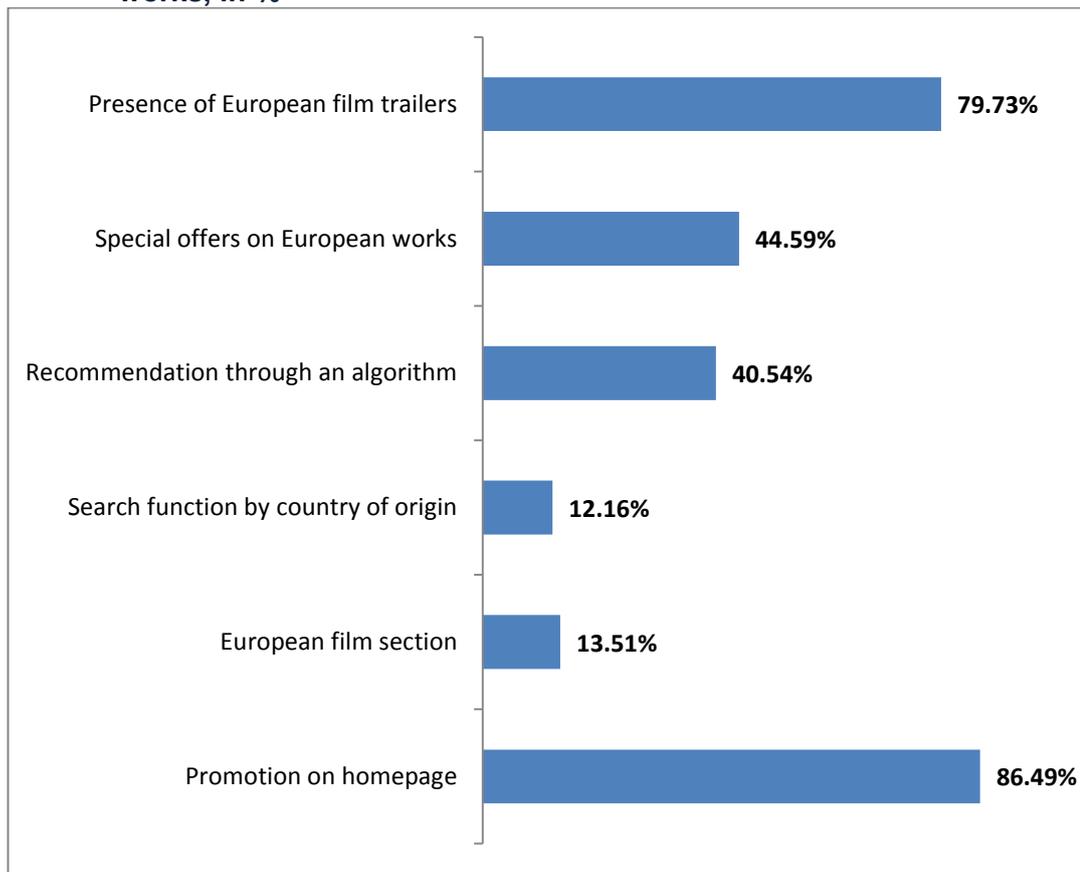
### 17.3.2 Means of ensuring prominence for European works by business model

*Promotion on the homepage and the presence of European film trailers are also the means of ensuring prominence most employed, regardless of the business model*

Regarding the means of ensuring prominence employed by business model, the promotion of European works on the homepage is also the method of ensuring prominence most employed by VoD services, irrespective of their business model. On interesting result is the low number of SVoD services which have European film trailers on their service (only 55% of respondents).

Special offers on European works are mostly employed by EST and TVoD/EST services (it should be borne in mind that 12 out of the 13 EST services are operated by one company, as is the case with 5 out of 9 TVoD/EST services).

**Table 62 Means of ensuring prominence by business model**

| Business Model | Number of ser- vices | Promotion on homepage | European film sec- tion | Search function by country of origin | Recommendation through an algo- rithm | Special offers on European works | Presence of Euro- pean film trailers |
|---|---|---|---|---|---|---|---|
| **TVoD** | **21** | **18** | **6** | **4** | **6** | **7** | **18** |
| *In % of total services* | | *85,71%* | *28.57%* | *19.05%* | *28.57%* | *33.33%* | *85.71%* |
| **SVoD** | **20** | **15** | **1** | **4** | **6** | **3** | **11** |
| *In % of total services* | | *75%* | *5%* | *20%* | *30%* | *15%* | *55%* |
| **EST** | **13** | **13** | **0** | **0** | **12** | **12** | **13** |
| *In % of total services* | | *100,0%* | *0.0%* | *0.0%* | *92.3%* | *92.3%* | *100.0%* |
| **TVoD/EST** | **9** | **9** | **1** | **0** | **1** | **8** | **8** |
| *In % of total services* | | *100%* | *11%* | *0%* | *11%* | *89%* | *89%* |
| **SVoD/EST** | **4** | **4** | **2** | **0** | **2** | **2** | **3** |
| *In % of total services* | | *100%* | *50%* | *0%* | *50%* | *50%* | *75%* |

### 17.3.3 Overview by name of service and means employed of ensuring prominence for European works

**Table 63  Overview by name of service of means employed of ensuring prominence  for European works**

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# Rovi data on European works in catalogues of VoD services

## 18    Analysis of Rovi data

### 18.1    Overview of the total proportion of European works in VoD catalogues

The Rovi data are based on actual composition at a given date (October 2014) of 7 VoD services established in 7 different countries:

- Viewster (established in Switzerland and available Europe-wide, but also worldwide)
- VideoFutur (established in France)
- SF Anytime (established in Sweden)
- Maxdome (established in Germany)
- Wuaki.tv (established in Spain and available in Spain and the United Kingdom)
- Telecom Italia (established in Italy)
- BlinkBox (established in the United Kingdom)

*Only one VoD service has a proportion of European works above 50% in its catalogue. All other services have a proportion of non-Euroepan content above 50%. The genres where European works are the least present in VoD catalogues are feature films and animation. TV series and TV films are the genres with the highest proportion of works of European origin in the catalogues of the seven VoD services.*

### Total video content in the 7 catalogues

The Rovi data include data on the origin of feature films, TV films, short films, series & soaps, and animation (except for animated feature films) available in the catalogues of video content providers. The tables in this section summarise the total number of video works by origin (European origin, European and mixed co-productions, Non-European co-productions and Non-European origin) and by genre.

For total video content, works of non-European origin are the most represented category with 44.6%, closely followed by video content of European origin (42.12%). European and mixed co-productions rank third with 10.18% and non-European co-productions only account for 3.23% of the total.

The type of video content with the highest percentage of works of European origin is TV series: 52.89% of all TV series in the catalogue of the 7 VoD services are of European origin and 38.83% are of non-European origin.

TV films in the catalogues of the 7 VoD services are also mostly of European origin: 46.6% are European works and 12.84% European and mixed co-productions. 35.5% of the TV films in the catalogues are of non-European origin.

Animation an feature films are the genres with the least number of works of European origin. Only 15.67% of feature films originate from Europe, 19.5% are European and mixed co-productions and 59.9% are of non-European origin. Animation

of European origin accounted for only 23.27% of all animation works in the catalogues, with 22% European and mixed co-productions. 51.3% of all animation works are of non-European origin.

**Figure 104**    **Percentage of total video works in VoD catalogues by origin**
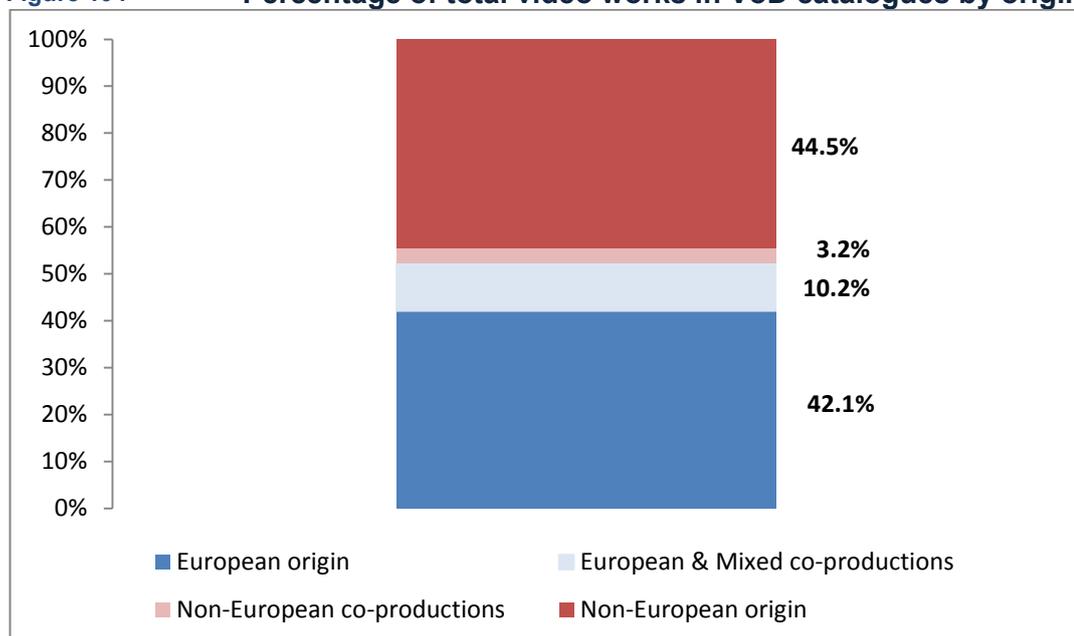


Source: OBS based on Rovi data

**Figure 105**    **Percentage of total video works in VoD catalogues by origin and genre**
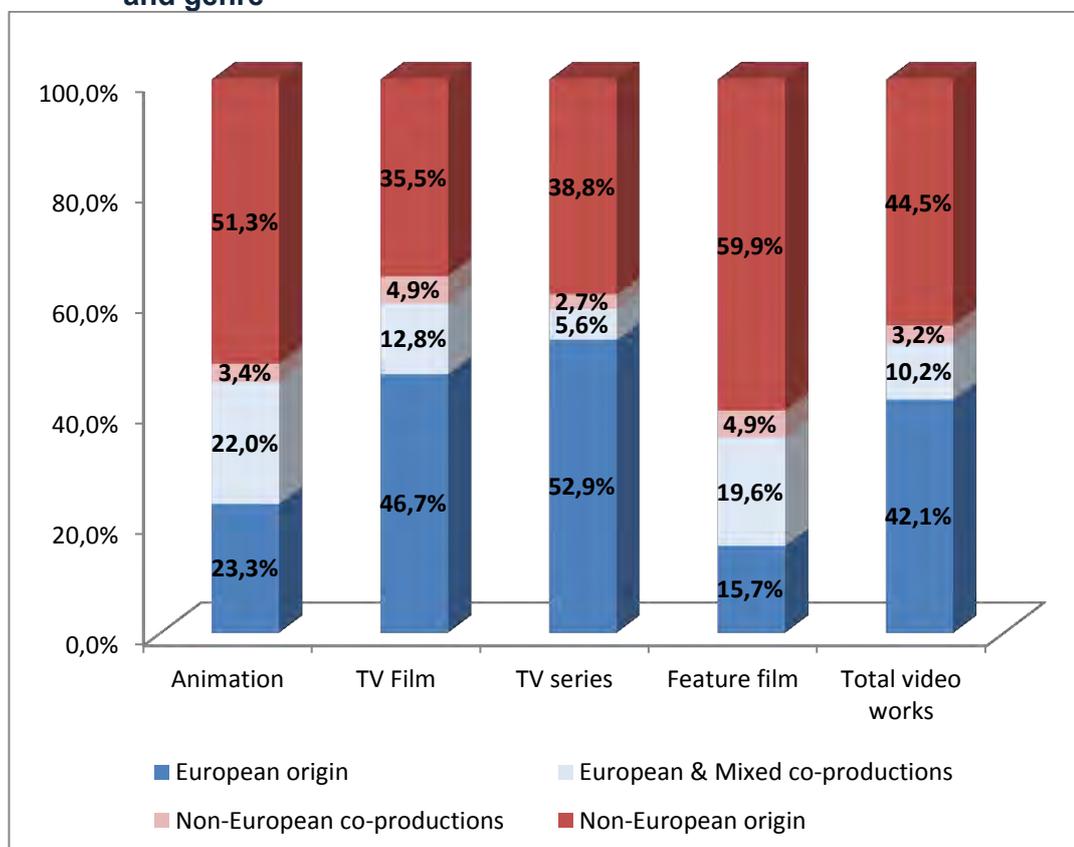


Source: OBS, based on Rovi data

Maxdome is the service which had the most content of European origin: 57.4% of the total number of video works were produced in Europe and 30.8% of the total content was of non-European origin. With the exception of SF Anytime (25.16% of European works) the other 5 VoD services have less than 25% of European works in their catalogues.

Viewster is the VoD service of the seven which had the least audiovisual content produced by European countries with a proportion of 12.9%, closely followed by VideoFutur (13.9%) and Wuaki.tv (14.9%). Telecom Italia (18.17%) and Blinkbox (23.3%) close this ranking.

The most content of non-European origin is found in the catalogue of Viewster (76%) but what is interesting is that to the exclusion of Maxdome (30.8%), all VoD services have a proportion of non-European content above 50%.

SF Anytime passes by a small margin the threshold of 50% of non-European content (50.02%) whereas Blinkbox (65.6%), VideoFutur (64.3%), Wuaki (62.3%) and Telecom Italia (61.1%) are well above 50% of non-European works in their catalogue.

The data give a more precise break-down by country of origin of the audiovisual content. The overviews in each of the following sub-chapter summarise the Rovi data.

**Figure 106    Percentage of total video works by origin and by VoD service**
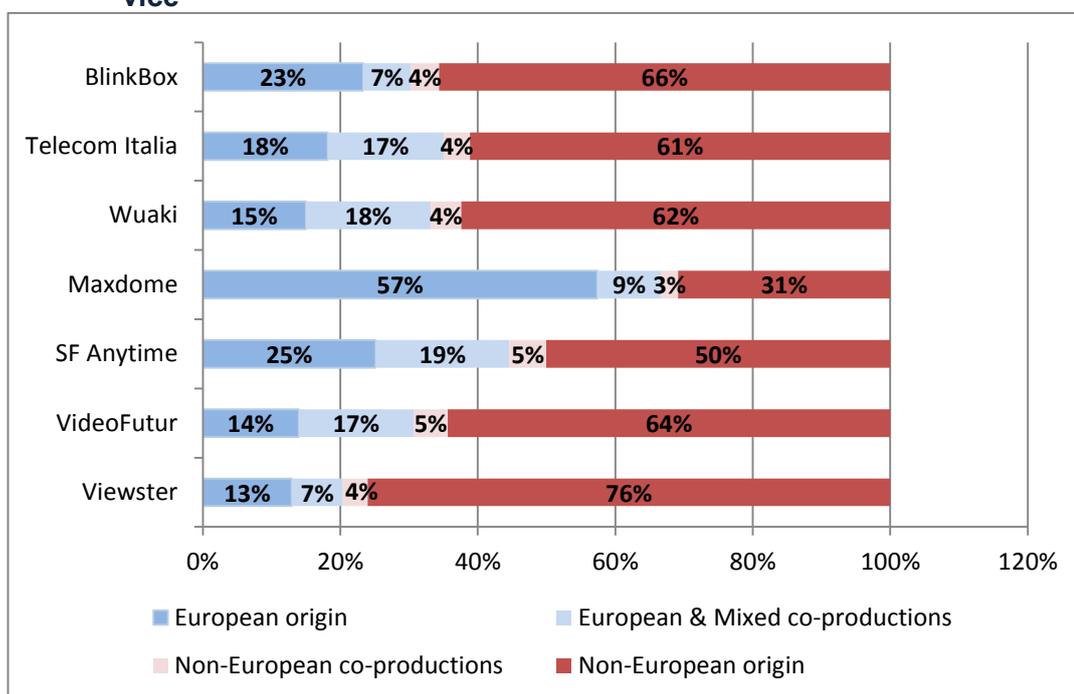


Source: OBS, based on Rovi data

**Table 64 Total number of video works in VoD catalogues by origin**

| Content Pro-vider | European origin | European & mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number |
| Viewster | 249 | 144 | 69 | 1 466 | 1 928 |
| VideoFutur | 101 | 121 | 36 | 466 | 724 |
| SF Anytime | 1 532 | 1 182 | 329 | 3 046 | 6 089 |
| Maxdome | 41 814 | 6 707 | 1 826 | 22 481 | 72 828 |
| Wuaki | 967 | 1 176 | 287 | 4 030 | 6 460 |
| Telecom Italia | 1 554 | 1 441 | 329 | 5 227 | 8 551 |
| BlinkBox | 6 855 | 2 054 | 1 197 | 19 306 | 29 412 |
| **Total** | **53 072** | **12 825** | **4 073** | **56 022** | **125 992** |

Source: OBS, based on Rovi data

**Table 65 Percentage of video works in VoD catalogues by origin**

| Content Pro-vider | European origin | European & mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Viewster | 12.91% | 7.47% | 3.58% | 76.04% | 100.00% |
| VideoFutur | 13.95% | 16.71% | 4.97% | 64.36% | 100.00% |
| SF Anytime | 25.16% | 19.41% | 5.40% | 50.02% | 100.00% |
| Maxdome | 57.41% | 9.21% | 2.51% | 30.87% | 100.00% |
| Wuaki | 14.97% | 18.20% | 4.44% | 62.38% | 100.00% |
| Telecom Italia | 18.17% | 16.85% | 3.85% | 61.13% | 100.00% |
| BlinkBox | 23.31% | 6.98% | 4.07% | 65.64% | 100.00% |
| **Total** | **42.12%** | **10.18%** | **3.23%** | **44.46%** | **100.00%** |

Source: OBS, based on Rovi data

# Overview of detailed origins of total video works in VoD catalogues

The Rovi data give a more precise break-down of audiovisual content by country of origin. The overviews in each of the following sub-chapter summarise the Rovi data.

**Table 66  Total number of video works in VoD catalogues by detailed origin**

| | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DE | ES | FR | GB | IT | Other EUR | European | Mixed | Non-European | US | CA | AU+NZ | JP | Other | Total |
| | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number |
| **Content Provider** | | | | | | | | | | | | | | | |
| Viewster | 18 | 15 | 9 | 132 | 9 | 66 | 32 | 112 | 69 | 1144 | 62 | 49 | 25 | 186 | 1928 |
| VideoFutur | 9 | 3 | 62 | 15 | 1 | 11 | 21 | 100 | 36 | 434 | 5 | 2 | 10 | 15 | 724 |
| SF Anytime | 52 | 50 | 169 | 404 | 32 | 825 | 369 | 813 | 329 | 2667 | 108 | 54 | 86 | 131 | 6089 |
| Maxdome | 37698 | 321 | 1351 | 1632 | 75 | 737 | 2440 | 4267 | 1826 | 19728 | 649 | 496 | 788 | 820 | 72828 |
| Wuaki | 30 | 282 | 91 | 484 | 16 | 64 | 217 | 959 | 287 | 3838 | 41 | 23 | 26 | 102 | 6460 |
| Telecom Italia | 12 | 98 | 94 | 373 | 957 | 20 | 385 | 1056 | 329 | 3639 | 195 | 27 | 1129 | 237 | 8551 |
| BlinkBox | 43 | 37 | 219 | 6072 | 101 | 383 | 364 | 1690 | 1197 | 17798 | 393 | 137 | 699 | 279 | 29412 |
| **Total** | 37862 | 806 | 1995 | 9112 | 1191 | 2106 | 3828 | 8997 | 4073 | 49248 | 1453 | 788 | 2763 | 1770 | 125992 |

Source: Rovi

**Table 67  Total percentage of video works in VoD catalogues by detailed origin**

| | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DE | ES | FR | GB | IT | Other EUR | European | Mixed | Non-European | US | CA | AU+NZ | JP | Other | Total |
| | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % |
| **Content Provider** | | | | | | | | | | | | | | | |
| Viewster | 0,93% | 0,78% | 0,47% | 6,85% | 0,47% | 3,42% | 1,66% | 5,81% | 3,58% | 59,34% | 3,22% | 2,54% | 1,30% | 9,65% | 100,00% |
| VideoFutur | 1,24% | 0,41% | 8,56% | 2,07% | 0,14% | 1,52% | 2,90% | 13,81% | 4,97% | 59,94% | 0,69% | 0,28% | 1,38% | 2,07% | 100,00% |
| SF Anytime | 0,85% | 0,82% | 2,78% | 6,63% | 0,53% | 13,55% | 6,06% | 13,35% | 5,40% | 43,80% | 1,77% | 0,89% | 1,41% | 2,15% | 100,00% |
| Maxdome | 51,76% | 0,44% | 1,86% | 2,24% | 0,10% | 1,01% | 3,35% | 5,86% | 2,51% | 27,09% | 0,89% | 0,68% | 1,08% | 1,13% | 100,00% |
| Wuaki | 0,46% | 4,37% | 1,41% | 7,49% | 0,25% | 0,99% | 3,36% | 14,85% | 4,44% | 59,41% | 0,63% | 0,36% | 0,40% | 1,58% | 100,00% |
| Telecom Italia | 0,14% | 1,15% | 1,10% | 4,36% | 11,19% | 0,23% | 4,50% | 12,35% | 3,85% | 42,56% | 2,28% | 0,32% | 13,20% | 2,77% | 100,00% |
| BlinkBox | 0,15% | 0,13% | 0,74% | 20,64% | 0,34% | 1,30% | 1,24% | 5,75% | 4,07% | 60,51% | 1,34% | 0,47% | 2,38% | 0,95% | 100,00% |
| **Total** | 30,05% | 0,64% | 1,58% | 7,23% | 0,95% | 1,67% | 3,04% | 7,14% | 3,23% | 39,09% | 1,15% | 0,63% | 2,19% | 1,40% | 100,00% |

Source: Rovi

## 18.2 Proportion of European Feature films in VoD catalogues

Feature films are the genre which originates from non-European productions in the case of more than half the catalogues. Almost 60% are of non-European origin, Feature films of European origin (including European and mixed co-productions) accounted for 36% of the total number of feature films included in the catalogues of the VoD services. It is interesting to point out that European co-productions have a higher proportion in this genre than productions by a single country.

**Figure 107**      **Percentage of feature films in VoD catalogues by origin**
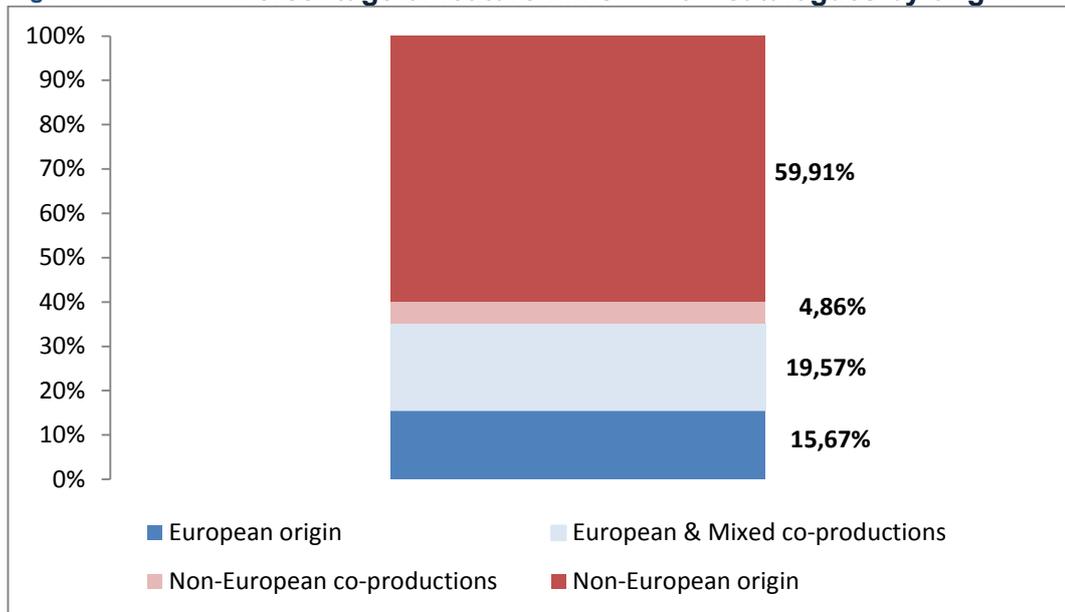


Source: OBS, based on Rovi data

**Figure 108**      **Percentage of Feature films in VoD catalogues by origin and by VoD service**
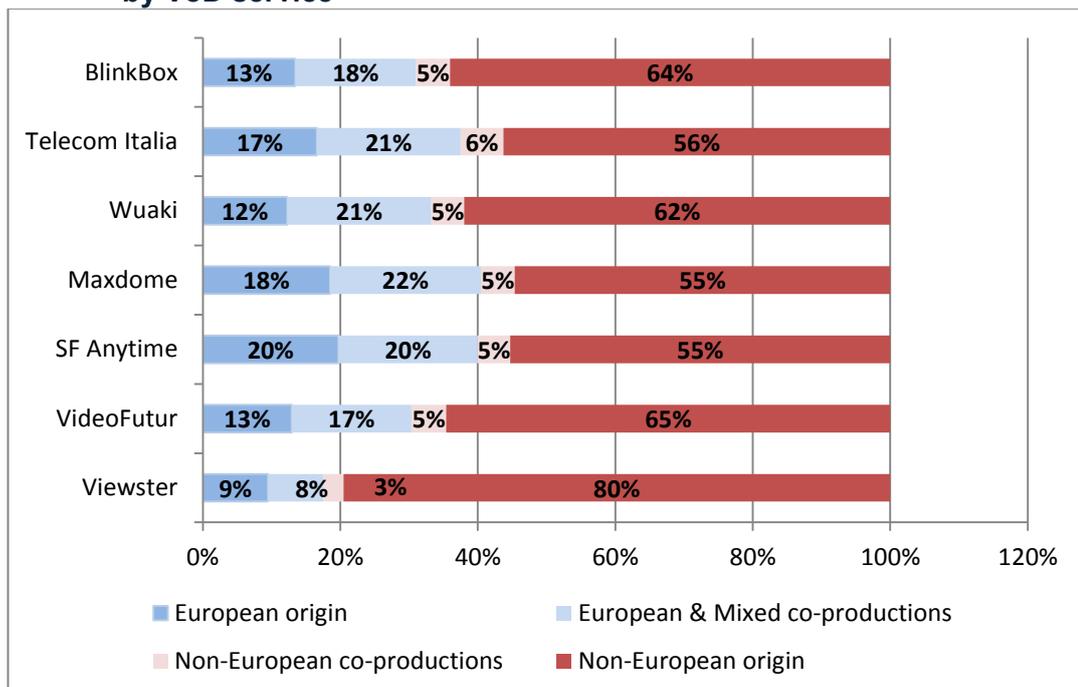


Source: OBS, based on Rovi data

In the case of feature films, no service has more than 40% of films of European origin (European and mixed co-productions included). The proportion of non-European feature filma is above 55% for all of the seven VoD services.

**Table 68  Total number of feature films  in VoD catalogues by origin, in numbers**

| | European origin | European & mMixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| **Content Provider** | **Number** | **Number** | **Number** | **Number** | **Number** |
| Viewster | 146 | 124 | 45 | 1 226 | 1 541 |
| VideoFutur | 89 | 120 | 35 | 445 | 689 |
| SF Anytime | 979 | 1 006 | 236 | 2 745 | 4 966 |
| Maxdome | 1 328 | 1 578 | 352 | 3 923 | 7 181 |
| Wuaki | 639 | 1 094 | 249 | 3 232 | 5 214 |
| Telecom Italia | 364 | 459 | 137 | 1 236 | 2 196 |
| BlinkBox | 794 | 1 039 | 292 | 3 786 | 5 911 |
| **Total** | **4 339** | **5 420** | **1 346** | **16 593** | **27 698** |

Source: OBS, based on Rovi data

**Table 69  Percentage of feature films in VoD catalogues by origin**

| | European origin | European & mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| **Content Provider** | **%** | **%** | **%** | **%** | **%** |
| Viewster | 9.47% | 8.05% | 2.92% | 79.56% | 100.00 % |
| VideoFutur | 12.92% | 17.42% | 5.08% | 64.59% | 100.00 % |
| SF Anytime | 19.71% | 20.26% | 4.75% | 55.28% | 100.00 % |
| Maxdome | 18.49% | 21.97% | 4.90% | 54.63% | 100.00 % |
| Wuaki | 12.26% | 20.98% | 4.78% | 61.99% | 100.00 % |
| Telecom Italia | 16.58% | 20.90% | 6.24% | 56.28% | 100.00 % |
| BlinkBox | 13.43% | 17.58% | 4.94% | 64.05% | 100.00 % |
| **Total** | **15.67%** | **19.57%** | **4.86%** | **59.91%** | **100.00 %** |

Source: OBS, based on Rovi data

## Overview of detailed origins of feature films in VoD catalogues

**Table 70  Total number of feature films in VoD catalogues by detailed origin**

| | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
| | DE | ES | FR | GB | IT | Other EUR | European | Mixed | n-Europe | US | CA | AU+NZ | JP | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number |
| **Content Provider** | | | | | | | | | | | | | | | |
| Viewster | 12 | 14 | 8 | 59 | 9 | 44 | 31 | 93 | 45 | 1021 | 29 | 27 | 8 | 141 | 1541 |
| VideoFutur | 5 | 2 | 55 | 15 | 1 | 11 | 21 | 99 | 35 | 415 | 4 | 2 | 10 | 14 | 689 |
| SF Anytime | 36 | 47 | 169 | 262 | 31 | 434 | 277 | 729 | 236 | 2439 | 79 | 53 | 43 | 131 | 4966 |
| Maxdome | 694 | 57 | 157 | 213 | 43 | 164 | 432 | 1146 | 352 | 3374 | 77 | 57 | 65 | 350 | 7181 |
| Wuaki | 30 | 254 | 90 | 197 | 15 | 53 | 206 | 888 | 249 | 3084 | 23 | 23 | 25 | 77 | 5214 |
| Telecom Italia | 10 | 25 | 47 | 32 | 230 | 20 | 127 | 332 | 137 | 1137 | 5 | 13 | 20 | 61 | 2196 |
| BlinkBox | 32 | 37 | 135 | 439 | 31 | 120 | 249 | 790 | 292 | 3438 | 92 | 69 | 39 | 148 | 5911 |
| **Total** | **819** | **436** | **661** | **1217** | **360** | **846** | **1343** | **4077** | **1346** | **14908** | **309** | **244** | **210** | **922** | **27698** |

Source: Rovi

**Table 71  Total percentage of feature films in VoD catalogues by detailed origin**

| | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
| | DE | ES | FR | GB | IT | Other EUR | European | Mixed | n-Europe | US | CA | AU+NZ | JP | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % |
| **Content Provider** | | | | | | | | | | | | | | | |
| Viewster | 0,78% | 0,91% | 0,52% | 3,83% | 0,58% | 2,86% | 2,01% | 6,04% | 2,92% | 66,26% | 1,88% | 1,75% | 0,52% | 9,15% | 100,00% |
| VideoFutur | 0,73% | 0,29% | 7,98% | 2,18% | 0,15% | 1,60% | 3,05% | 14,37% | 5,08% | 60,23% | 0,58% | 0,29% | 1,45% | 2,03% | 100,00% |
| SF Anytime | 0,72% | 0,95% | 3,40% | 5,28% | 0,62% | 8,74% | 5,58% | 14,68% | 4,75% | 49,11% | 1,59% | 1,07% | 0,87% | 2,64% | 100,00% |
| Maxdome | 9,66% | 0,79% | 2,19% | 2,97% | 0,60% | 2,28% | 6,02% | 15,96% | 4,90% | 46,99% | 1,07% | 0,79% | 0,91% | 4,87% | 100,00% |
| Wuaki | 0,58% | 4,87% | 1,73% | 3,78% | 0,29% | 1,02% | 3,95% | 17,03% | 4,78% | 59,15% | 0,44% | 0,44% | 0,48% | 1,48% | 100,00% |
| Telecom Italia | 0,46% | 1,14% | 2,14% | 1,46% | 10,47% | 0,91% | 5,78% | 15,12% | 6,24% | 51,78% | 0,23% | 0,59% | 0,91% | 2,78% | 100,00% |
| BlinkBox | 0,54% | 0,63% | 2,28% | 7,43% | 0,52% | 2,03% | 4,21% | 13,36% | 4,94% | 58,16% | 1,56% | 1,17% | 0,66% | 2,50% | 100,00% |
| **Total** | **2,96%** | **1,57%** | **2,39%** | **4,39%** | **1,30%** | **3,05%** | **4,85%** | **14,72%** | **4,86%** | **53,82%** | **1,12%** | **0,88%** | **0,76%** | **3,33%** | **100,00%** |

Source: Rovi

## 18.3 Proportion of European TV films in VoD catalogues

TV films are, together with TV series, the genre with the highest proportion of European works in the seven catalogues. Almost 60% of TV films present in the catalogues are of European origin (including European and mixed co-productions). 35% are of non-European origin.

**Figure 109**      **Percentage of TV films in VoD catalogues by origin**
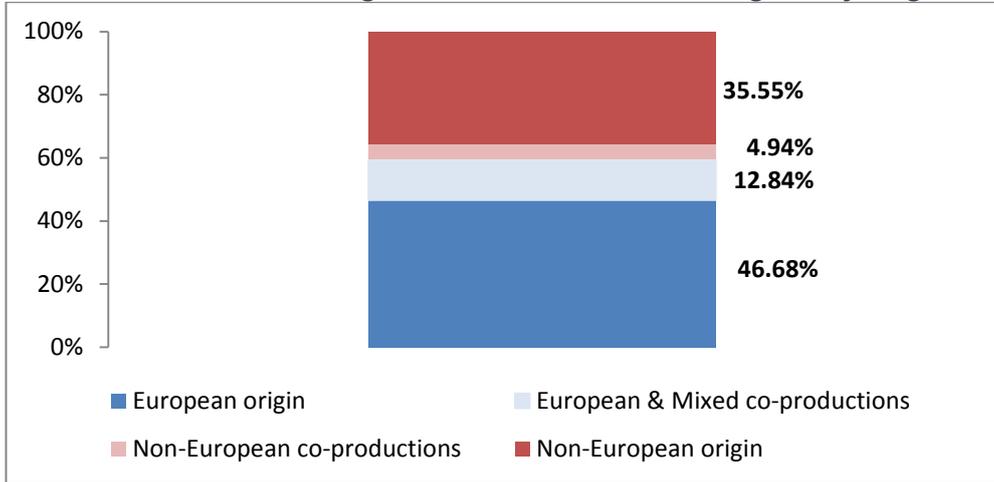


Source: OBS, based on Rovi data

However, big differences among the seven services exist. Maxdome is the service with the highest proportion of TV films of European origin (72%) whereas Viewster only has 16% of European TV films in its TV film offering and 84% of non-European origin. VideoFutur (33%) and Wuaki (29%) also have a low proportion of TV films of European origin in their catalogues, with 67% and 71% of non-European TV films respectively.

**Figure 110**      Percentage of TV films in VoD catalogues by origin and by VoD service
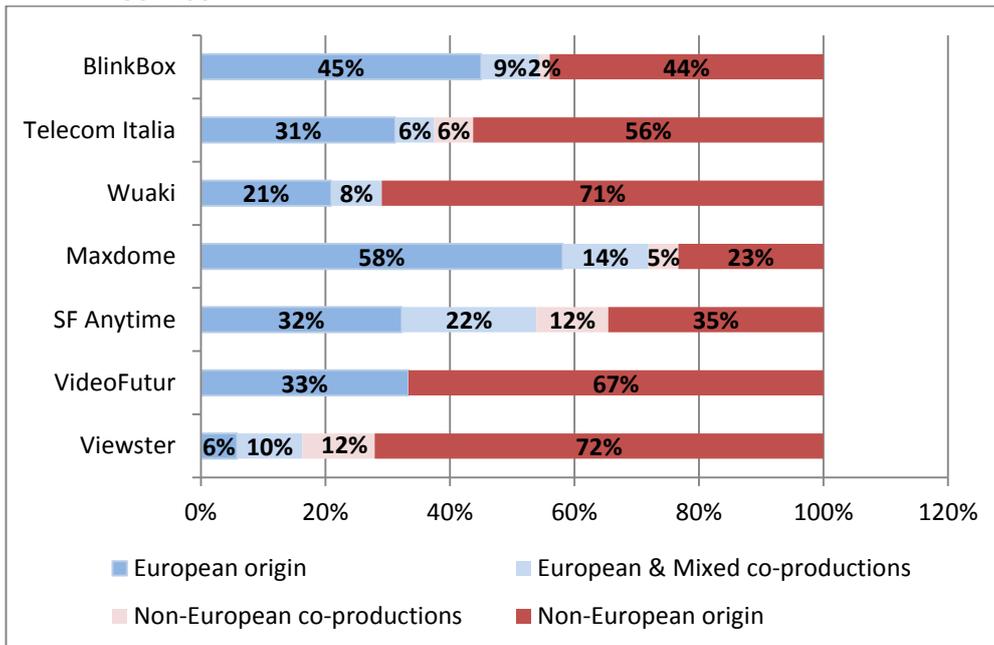


Source: OBS, based on Rovi data

## Table 72  Total number of TV films in VoD catalogues by origin

| Content Provider | European origin | European & Mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number |
| Viewster | 5 | 9 | 10 | 62 | 86 |
| VideoFutur | 5 | 0 | 0 | 10 | 15 |
| SF Anytime | 70 | 47 | 25 | 75 | 217 |
| Maxdome | 521 | 124 | 43 | 209 | 897 |
| Wuaki | 13 | 5 | 0 | 44 | 62 |
| Telecom Italia | 20 | 4 | 4 | 36 | 64 |
| BlinkBox | 217 | 45 | 8 | 212 | 482 |
| **Total** | **851** | **234** | **90** | **648** | **1 823** |

Source: OBS, based on Rovi data

## Table 73  Percentage of TV films in VoD catalogues by origin

| Content Provider | European origin | European & mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Viewster | 5.81% | 10.47% | 11.63% | 72.09% | 100.00% |
| VideoFutur | 33.33% | 0.00% | 0.00% | 66.67% | 100.00% |
| SF Anytime | 32.26% | 21.66% | 11.52% | 34.56% | 100.00% |
| Maxdome | 58.08% | 13.82% | 4.79% | 23.30% | 100.00% |
| Wuaki | 20.97% | 8.06% | 0.00% | 70.97% | 100.00% |
| Telecom Italia | 31.25% | 6.25% | 6.25% | 56.25% | 100.00% |
| BlinkBox | 45.02% | 9.34% | 1.66% | 43.98% | 100.00% |
| **Total** | **46.68%** | **12.84%** | **4.94%** | **35.55%** | **100.00%** |

Source: OBS, based on Rovi data

# Overview of detailed origins of TV films in VoD catalogues

**Table 74  Total number of TV films in VoD catalogues by detailed origin**

| | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
| | DE | ES | FR | GB | IT | Other EUR | European | Mixed | on-Europe | US | CA | AU+NZ | JP | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number |
| **Content Provider** | | | | | | | | | | | | | | | |
| Viewster | 2 | 1 | | 1 | | 1 | 1 | 8 | 10 | 51 | 3 | | | 8 | 86 |
| VideoFutur | 4 | 1 | | | | | | | | 9 | | | | 1 | 15 |
| SF Anytime | 5 | 3 | | 16 | 1 | 45 | 20 | 27 | 25 | 66 | 9 | | | | 217 |
| Maxdome | 441 | 4 | 24 | 14 | 3 | 35 | 55 | 69 | 43 | 188 | 11 | 2 | | 8 | 897 |
| Wuaki | | 3 | | 8 | | 2 | 1 | 4 | | 43 | 1 | | | | 62 |
| Telecom Italia | 2 | | 6 | 4 | 8 | | 3 | 1 | 4 | 33 | 3 | | | | 64 |
| BlinkBox | 6 | | 1 | 176 | 6 | 28 | 7 | 38 | 8 | 201 | 9 | | | 2 | 482 |
| **Total** | 460 | 12 | 31 | 219 | 18 | 111 | 87 | 147 | 90 | 591 | 36 | 2 | 0 | 19 | 1823 |

Source: Rovi

**Table 75  Total percentage of TV films in VoD catalogues by detailed origin**

| | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
| | DE | ES | FR | GB | IT | Other EUR | European | Mixed | on-Europe | US | CA | AU+NZ | JP | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % |
| **Content Provider** | | | | | | | | | | | | | | | |
| Viewster | 2,33% | 1,16% | 0,00% | 1,16% | 0,00% | 1,16% | 1,16% | 9,30% | 11,63% | 59,30% | 3,49% | 0,00% | 0,00% | 9,30% | 100,00% |
| VideoFutur | 26,67% | 6,67% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 60,00% | 0,00% | 0,00% | 0,00% | 6,67% | 100,00% |
| SF Anytime | 2,30% | 1,38% | 0,00% | 7,37% | 0,46% | 20,74% | 9,22% | 12,44% | 11,52% | 30,41% | 4,15% | 0,00% | 0,00% | 0,00% | 100,00% |
| Maxdome | 49,16% | 0,45% | 2,68% | 1,56% | 0,33% | 3,90% | 6,13% | 7,69% | 4,79% | 20,96% | 1,23% | 0,22% | 0,00% | 0,89% | 100,00% |
| Wuaki | 0,00% | 4,84% | 0,00% | 12,90% | 0,00% | 3,23% | 1,61% | 6,45% | 0,00% | 69,35% | 1,61% | 0,00% | 0,00% | 0,00% | 100,00% |
| Telecom Italia | 3,13% | 0,00% | 9,38% | 6,25% | 12,50% | 0,00% | 4,69% | 1,56% | 6,25% | 51,56% | 4,69% | 0,00% | 0,00% | 0,00% | 100,00% |
| BlinkBox | 1,24% | 0,00% | 0,21% | 36,51% | 1,24% | 5,81% | 1,45% | 7,88% | 1,66% | 41,70% | 1,87% | 0,00% | 0,00% | 0,41% | 100,00% |
| **Total** | 25,23% | 0,66% | 1,70% | 12,01% | 0,99% | 6,09% | 4,77% | 8,06% | 4,94% | 32,42% | 1,97% | 0,11% | 0,00% | 1,04% | 100,00% |

Source: Rovi

## 18.4 Proportion of European TV series in VoD catalogues

**Percentage of series in VoD catalogues by origin**
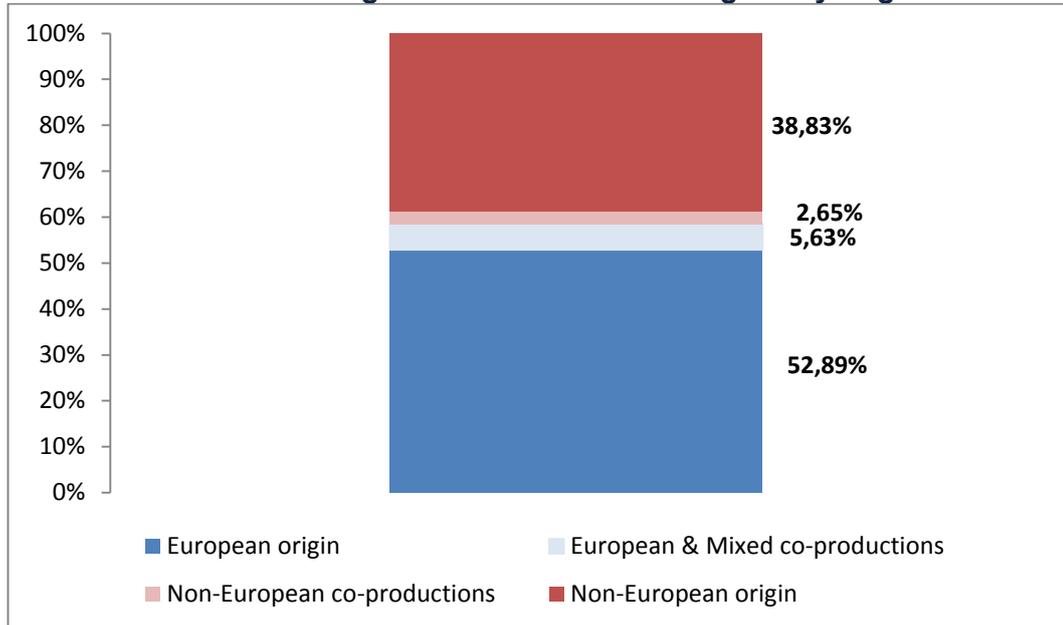


Source: OBS, based on Rovi data

**Percentage of TV series in VoD catalogues by origin and by VoD service**
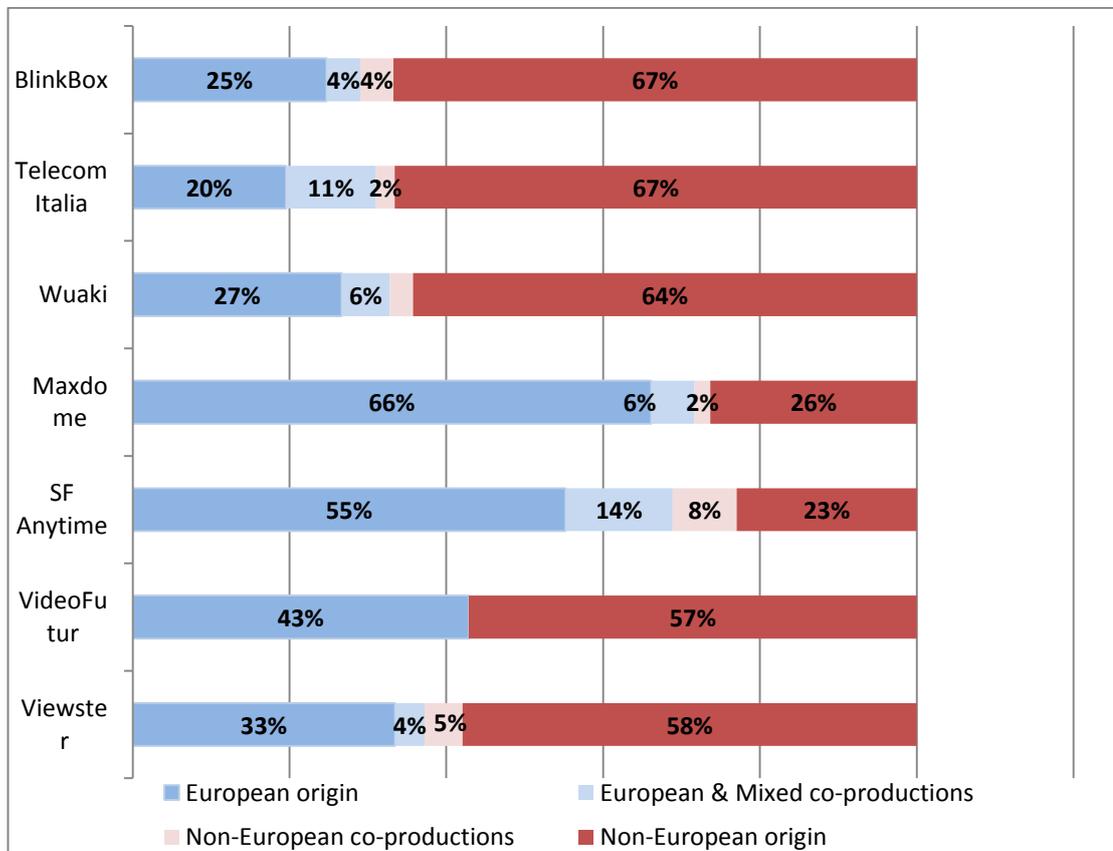


Source: OBS, based on Rovi data

## Table 76  Total number of series in VoD catalogues by origin

| Content Provider | European origin | European & mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number |
| Viewster | 97 | 11 | 14 | 168 | 290 |
| VideoFutur | 6 | 0 | 0 | 8 | 14 |
| SF Anytime | 445 | 110 | 66 | 185 | 806 |
| Maxdome | 38 526 | 3 234 | 1 171 | 15 337 | 58 268 |
| Wuaki | 296 | 68 | 33 | 713 | 1 110 |
| Telecom Italia | 871 | 512 | 107 | 2 966 | 4 456 |
| BlinkBox | 5 173 | 900 | 886 | 13 961 | 20 920 |
| **Total** | **45 414** | **4 835** | **2 277** | **33 338** | **85 864** |

Source: OBS, based on Rovi data

## Table 77  Percentages of series in VoD catalogues by origin

| Content Provider | European origin | European & mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Viewster | 33.45% | 3.79% | 4.83% | 57.93% | 100.00% |
| VideoFutur | 42.86% | 0.00% | 0.00% | 57.14% | 100.00% |
| SF Anytime | 55.21% | 13.65% | 8.19% | 22.95% | 100.00% |
| Maxdome | 66.12% | 5.55% | 2.01% | 26.32% | 100.00% |
| Wuaki | 26.67% | 6.13% | 2.97% | 64.23% | 100.00% |
| Telecom Italia | 19.55% | 11.49% | 2.40% | 66.56% | 100.00% |
| BlinkBox | 24.73% | 4.30% | 4.24% | 66.74% | 100.00% |
| **Total** | **52.89%** | **5.63%** | **2.65%** | **38.83%** | **100.00%** |

Source: OBS, based on Rovi data

# Overview of detailed origins of TV series in VoD catalogues

## Table 78  Total number of series in VoD catalogues by detailed origin

| | | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | DE | ES | FR | GB | IT | Other EUR | European | Mixed | Non-Europea | US | CA | AU+NZ | JP | Other | Total |
| | | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number |
| **Content Provider** | | | | | | | | | | | | | | | | |
| Viewster | Series Master | 1 | | 1 | 25 | | 5 | | 3 | 6 | 41 | 13 | 7 | 11 | 25 | 138 |
| | Season Master | | | | 34 | | 4 | | 7 | 4 | 14 | 12 | 10 | 1 | 8 | 94 |
| | Series Episode | 2 | | | 13 | | 12 | | 1 | 4 | 13 | 5 | 5 | | 3 | 58 |
| VideoFutur | Series Master | | | 1 | | | | | | | 2 | | | | | 3 |
| | Season Master | | | 1 | | | | | | | | | | | | 1 |
| | Series Episode | | | 4 | | | | | | | 6 | | | | | 10 |
| SF Anytime | Series Master | 3 | | | 21 | | 45 | 8 | 13 | 4 | 17 | 2 | 1 | 3 | | 117 |
| | Season Master | 2 | | | 12 | | 37 | 5 | 3 | 2 | 11 | | | | | 72 |
| | Series Episode | 5 | | | 70 | | 250 | 52 | 29 | 60 | 120 | 12 | | 19 | | 617 |
| Maxdome | Series Master | 951 | 6 | 28 | 94 | 5 | 45 | 49 | 115 | 47 | 395 | 27 | 15 | 14 | 38 | 1 829 |
| | Season Master | 295 | | 2 | 71 | 3 | 17 | 21 | 46 | 52 | 719 | 9 | 5 | 1 | 18 | 1 259 |
| | Series Episode | 34 759 | 135 | 628 | 998 | 19 | 470 | 1 279 | 1 724 | 1 072 | 12 747 | 319 | 377 | 371 | 282 | 55 180 |
| Wuaki | Series Master | | 6 | | 92 | 2 | | 4 | 19 | 8 | 172 | 5 | | | 11 | 319 |
| | Season Master | | 6 | | 182 | 5 | | 3 | 41 | 25 | 501 | 10 | | | 12 | 785 |
| | Series Episode | | | | 3 | | | 1 | | | 2 | | | | | 6 |
| Telecom Italia | Series Master | | | 1 | 4 | 15 | 36 | 5 | 15 | 6 | 58 | 4 | 1 | 17 | 7 | 169 |
| | Season Master | | | 4 | 22 | 25 | | 5 | 12 | 7 | 106 | 5 | 1 | | 1 | 188 |
| | Series Episode | | 36 | 33 | 217 | 478 | | 123 | 352 | 94 | 1 961 | 113 | 12 | 556 | 124 | 4 099 |
| BlinkBox | Series Master | 1 | | 4 | 364 | 4 | 18 | 10 | 72 | 32 | 356 | 14 | 8 | 20 | 32 | 935 |
| | Season Master | 1 | | 8 | 577 | 12 | 23 | 11 | 101 | 68 | 832 | 23 | 9 | 23 | 30 | 1 718 |
| | Series Episode | 3 | | 71 | 3 879 | 48 | 160 | 78 | 628 | 786 | 11 794 | 254 | 51 | 449 | 66 | 18 267 |
| **Total** | | 36 023 | 190 | 789 | 6 689 | 630 | 1 093 | 1 654 | 3 181 | 2 277 | 29 867 | 827 | 502 | 1 485 | 657 | 85 864 |

Source: Rovi

## Table 79  Total percentage of series in VoD catalogues by detailed origin

| | | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | DE | ES | FR | GB | IT | Other EUR | European | Mixed | Non-Europea | US | CA | AU+NZ | JP | Other | Total |
| | | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % |
| **Content Provider** | | | | | | | | | | | | | | | | |
| Viewster | Series Master | 0,72% | 0,00% | 0,72% | 18,12% | 0,00% | 3,62% | 0,00% | 2,17% | 4,35% | 29,71% | 9,42% | 5,07% | 7,97% | 18,12% | 100,00% |
| | Season Master | 0,00% | 0,00% | 0,00% | 36,17% | 0,00% | 4,26% | 0,00% | 7,45% | 4,26% | 14,89% | 12,77% | 10,64% | 1,06% | 8,51% | 100,00% |
| | Series Episode | 3,45% | 0,00% | 0,00% | 22,41% | 0,00% | 20,69% | 0,00% | 1,72% | 6,90% | 22,41% | 8,62% | 8,62% | 0,00% | 5,17% | 100,00% |
| VideoFutur | Series Master | 0,00% | 0,00% | 33,33% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 66,67% | 0,00% | 0,00% | 0,00% | 0,00% | 100,00% |
| | Season Master | 0,00% | 0,00% | 100,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 100,00% |
| | Series Episode | 0,00% | 0,00% | 40,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 60,00% | 0,00% | 0,00% | 0,00% | 0,00% | 100,00% |
| SF Anytime | Series Master | 2,56% | 0,00% | 0,00% | 17,95% | 0,00% | 38,46% | 6,84% | 11,11% | 3,42% | 14,53% | 1,71% | 0,85% | 2,56% | 0,00% | 100,00% |
| | Season Master | 2,78% | 0,00% | 0,00% | 16,67% | 0,00% | 51,39% | 6,94% | 4,17% | 2,78% | 15,28% | 0,00% | 0,00% | 0,00% | 0,00% | 100,00% |
| | Series Episode | 0,81% | 0,00% | 0,00% | 11,35% | 0,00% | 40,52% | 8,43% | 4,70% | 9,72% | 19,45% | 1,94% | 0,00% | 3,08% | 0,00% | 100,00% |
| Maxdome | Series Master | 52,00% | 0,33% | 1,53% | 5,14% | 0,27% | 2,46% | 2,68% | 6,29% | 2,57% | 21,60% | 1,48% | 0,82% | 0,77% | 2,08% | 100,00% |
| | Season Master | 23,43% | 0,00% | 0,16% | 5,64% | 0,24% | 1,35% | 1,67% | 3,65% | 4,13% | 57,11% | 0,71% | 0,40% | 0,08% | 1,43% | 100,00% |
| | Series Episode | 62,99% | 0,24% | 1,14% | 1,81% | 0,03% | 0,85% | 2,32% | 3,12% | 1,94% | 23,10% | 0,58% | 0,68% | 0,67% | 0,51% | 100,00% |
| Wuaki | Series Master | 0,00% | 1,88% | 0,00% | 28,84% | 0,00% | 0,63% | 1,25% | 5,96% | 2,51% | 53,92% | 1,57% | 0,00% | 0,00% | 3,45% | 100,00% |
| | Season Master | 0,00% | 0,76% | 0,00% | 23,18% | 0,00% | 0,64% | 0,38% | 5,22% | 3,18% | 63,82% | 1,27% | 0,00% | 0,00% | 1,53% | 100,00% |
| | Series Episode | 0,00% | 0,00% | 0,00% | 50,00% | 0,00% | 0,00% | 16,67% | 0,00% | 0,00% | 33,33% | 0,00% | 0,00% | 0,00% | 0,00% | 100,00% |
| Telecom Italia | Series Master | 0,00% | 0,59% | 2,37% | 8,88% | 21,30% | 0,00% | 2,96% | 8,88% | 3,55% | 34,32% | 2,37% | 0,59% | 10,06% | 4,14% | 100,00% |
| | Season Master | 0,00% | 0,00% | 2,13% | 11,70% | 13,30% | 0,00% | 2,66% | 6,38% | 3,72% | 56,38% | 2,66% | 0,53% | 0,00% | 0,53% | 100,00% |
| | Series Episode | 0,00% | 0,88% | 0,81% | 5,29% | 11,66% | 0,00% | 3,00% | 8,59% | 2,29% | 47,84% | 2,76% | 0,29% | 13,56% | 3,03% | 100,00% |
| BlinkBox | Series Master | 0,11% | 0,00% | 0,43% | 38,93% | 0,43% | 1,93% | 1,07% | 7,70% | 3,42% | 38,07% | 1,50% | 0,86% | 2,14% | 3,42% | 100,00% |
| | Season Master | 0,06% | 0,00% | 0,47% | 33,59% | 0,70% | 1,34% | 0,64% | 5,88% | 3,96% | 48,43% | 1,34% | 0,52% | 1,34% | 1,75% | 100,00% |
| | Series Episode | 0,02% | 0,00% | 0,39% | 21,24% | 0,26% | 0,88% | 0,43% | 3,44% | 4,30% | 64,56% | 1,39% | 0,28% | 2,46% | 0,36% | 100,00% |
| **Total** | | 41,95% | 0,22% | 0,92% | 7,79% | 0,73% | 1,27% | 1,93% | 3,70% | 2,65% | 34,78% | 0,96% | 0,58% | 1,73% | 0,77% | 100,00% |

Source: Rovi

## 18.5 Proportion of European animation in VoD catalogues

Animation is the genre after feature films where non-European content has the highest overall proportion in the VoD catalogues of the seven services, with almost 55% of non-European origin. The proportion of European animation in the catalogues is 45%, with a same proportion between European and mixed co-productions and European animation produced in a European country.

**Figure 113**     **Percentage of animation in VoD catalogues by origin**
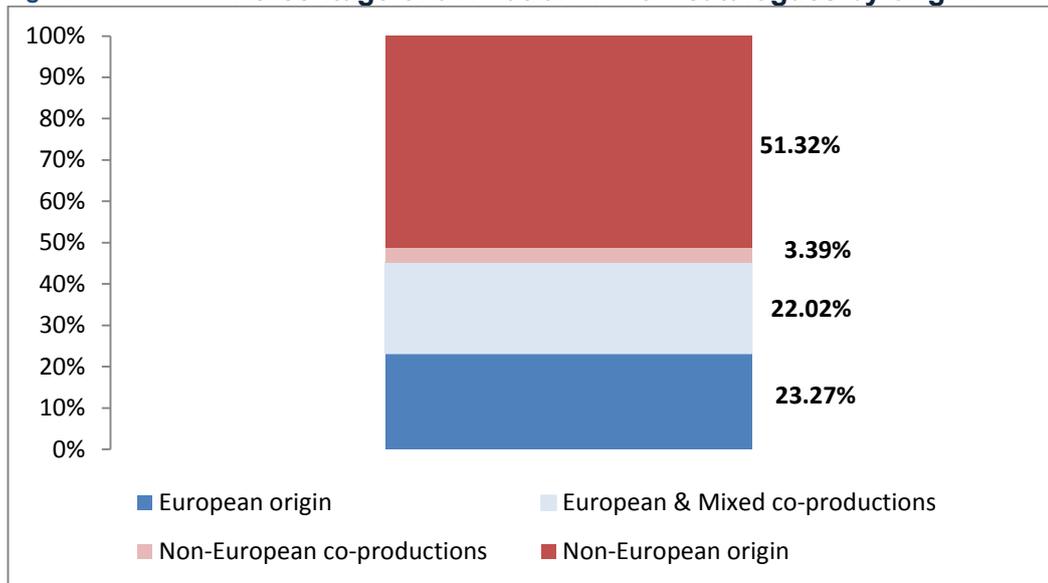


Source: OBS, based on Rovi data

Here again, the situation is very different when each VoD service is considered. Viewster has the catalogue with the smallest proportion of European animation (9%) whereas 57% of the animation in the catalogue of SF Anytime and 49% in the catalogue of Maxdome originates from European productions and co-productions.

91% of Viewster's animation catalogue, 67% of VideoFutur's animation catalogue and 65% of the Blinkbox catalogue is made up of non-European works.

**Figure 114**    **Percentage of animation in VoD catalogues by origin and by VoD service**
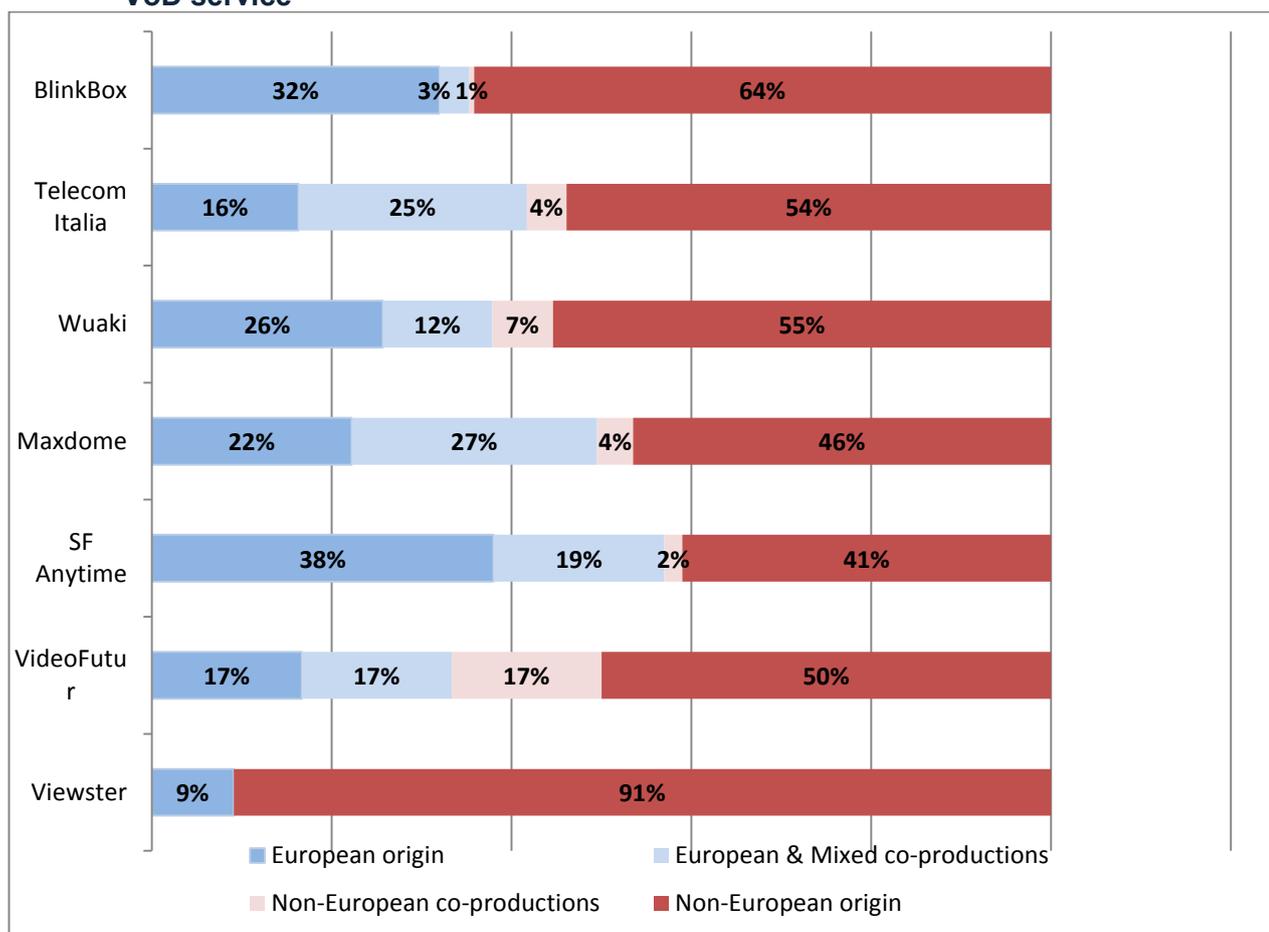


Source: OBS, based on Rovi data

**Table 80  Total number of animation works in VoD catalogues by origin**

| Content Provider | European origin | European & mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number |
| Viewster | 1 | 0 | 0 | 10 | 11 |
| VideoFutur | 1 | 1 | 1 | 3 | 6 |
| SF Anytime | 38 | 19 | 2 | 41 | 100 |
| Maxdome | 1439 | 1 771 | 260 | 3 012 | 6 482 |
| Wuaki | 19 | 9 | 5 | 41 | 74 |
| Telecom Italia | 299 | 466 | 81 | 989 | 1 835 |
| BlinkBox | 671 | 70 | 11 | 1 347 | 2 099 |
| **Total** | **2468** | **2 336** | **360** | **5 443** | **10 607** |

Source: OBS, based on Rovi data

**Table 81  Total percentage of animation in VoD catalogues by origin**

| Content Provider | European origin | European & mixed co-productions | Non-European co-productions | Non-European origin | Total |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Viewster | 9.09% | 0.00% | 0.00% | 90.91% | 100.00% |
| VideoFutur | 16.67% | 16.67% | 16.67% | 50.00% | 100.00% |
| SF Anytime | 38.00% | 19.00% | 2.00% | 41.00% | 100.00% |
| Maxdome | 22.20% | 27.32% | 4.01% | 46.47% | 100.00% |
| Wuaki | 25.68% | 12.16% | 6.76% | 55.41% | 100.00% |
| Telecom Italia | 16.29% | 25.40% | 4.41% | 53.90% | 100.00% |
| BlinkBox | 31.97% | 3.33% | 0.52% | 64.17% | 100.00% |
| **Total** | **23.27%** | **22.02%** | **3.39%** | **51.32%** | **100.00%** |

Source: OBS, based on Rovi data

## Overview of detailed origins of animation in VoD catalogues

**Table 82  Total number of animation works in VoD catalogues by detailed origin**

| | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DE | ES | FR | GB | IT | Other EUR | European | Mixed | Non-European | US | CA | AU+NZ | JP | Other | Total |
| | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number | Number |
| Content Provider | | | | | | | | | | | | | | | |
| Viewster | 1 | | | | | | | | | 4 | | | 5 | 1 | 11 |
| VideoFutur | | | 1 | | | | | 1 | 1 | 2 | 1 | | | | 6 |
| SF Anytime | 1 | | | 23 | | 14 | 7 | 12 | 2 | 14 | 6 | | 21 | | 100 |
| Maxdome | 558 | 119 | 512 | 242 | 2 | 6 | 604 | 1167 | 260 | 2305 | 206 | 40 | 337 | 124 | 6482 |
| Wuaki | | 13 | 1 | 2 | 1 | 2 | 2 | 7 | 5 | 36 | 2 | | 1 | 2 | 74 |
| Telecom Italia | | 36 | | 83 | 180 | | 122 | 344 | 81 | 344 | 65 | | 536 | 44 | 1835 |
| BlinkBox | | | | 637 | | 34 | 9 | 61 | 11 | 1177 | 1 | | 168 | 1 | 2099 |
| Total | 560 | 168 | 514 | 987 | 183 | 56 | 744 | 1592 | 360 | 3882 | 281 | 40 | 1068 | 172 | 10607 |

Source: Rovi

## Table 83  Total percentage of animation works in VoD catalogues by detailed origin

| | European origin | | | | | | Co-productions | | | Non European Origin | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DE | ES | FR | GB | IT | Other EUR | European | Mixed | Non-European | US | CA | AU+NZ | JP | Other | Total |
| | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % |
| **Content Provider** | | | | | | | | | | | | | | | |
| Viewster | 9,09% | | | | | | | | | 36,36% | | | 45,45% | 9,09% | 100,00% |
| VideoFutur | | | 16,67% | | | | | 16,67% | 16,67% | 33,33% | 16,67% | | 0,00% | | 100,00% |
| SF Anytime | 1,00% | | | 23,00% | | 14,00% | 7,00% | 12,00% | 2,00% | 14,00% | 6,00% | | 21,00% | | 100,00% |
| Maxdome | 8,61% | 1,84% | 7,90% | 3,73% | 0,03% | 0,09% | 9,32% | 18,00% | 4,01% | 35,56% | 3,18% | 0,62% | 5,20% | 1,91% | 100,00% |
| Wuaki | | 17,57% | 1,35% | 2,70% | 1,35% | 2,70% | 2,70% | 9,46% | 6,76% | 48,65% | 2,70% | | 1,35% | 2,70% | 100,00% |
| Telecom Italia | | 1,96% | | 4,52% | 9,81% | | 6,65% | 18,75% | 4,41% | 18,75% | 3,54% | | 29,21% | 2,40% | 100,00% |
| BlinkBox | | | 30,35% | 0,00% | 1,62% | 0,43% | 2,91% | 0,52% | 56,07% | 0,05% | | 8,00% | 0,05% | 100,00% | |
| **Total** | 5,28% | 1,58% | 4,85% | 9,31% | 1,73% | 0,53% | 7,01% | 15,01% | 3,39% | 36,60% | 2,65% | 0,38% | 10,07% | 1,62% | 100,00% |

Source: Rovi

# THE ROLE OF PROVIDERS OF VOD SERVICES AND DISTRIBUTION PLATFORMS IN THE FINANCING OF FILM AND AUDIOVISUAL PRODUCTION

# Introduction

## Objectives of this note

The objective of this note is to identify data and general information on the actual role of on-demand audiovisual service providers and distribution platforms in the financing of the production of audiovisual works in Europe.

Various member states have established regulatory instruments in order to encourage or even require contributions from providers of on-demand audiovisual services and/or of operators of distribution platforms. Where this is the case, the regulation itself provides important information on the investments made by these stakeholders. We have aimed to describe as precisely as possible the characteristics of the relevant regulatory instruments that trigger economic transfers. We have also collected data that became available as a result of the monitoring done by the competent authorities implementing the legal schemes. (Chapters 1 to 10)

Apart from mandatory investments in production, providers of on-demand audiovisual services also make voluntary contributions. However, as things stand today the amount of such voluntary investments is relatively low and we are not aware of any national data collection tracking them systematically. This note lists various announcements by leading players that we have been able to identify and analyses the related production strategy of some leading integrated groups. (Chapter 11.1)

The note also provides information on the investments announced by the leading players in the field of on-demand audiovisual services or platforms in the United States. (Chapter 11.2)

A conclusion summarises the data collected.

The attached tables give a concise overview of providers of on-demand audiovisual services and distributors of audiovisual services in EU countries and the recorded mandatory contributions.

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### On-demand audiovisual services / On-demand audiovisual media services

We use the term "*on-demand audiovisual media services*" when making reference to the legal framework (the AVMS Directive and its implementation in national law). It is generally agreed that catch-up TV services and VoD services are included in this category.

By contrast, the term *"on-demand audiovisual services"* covers a larger range of services: it includes on-demand audiovisual media services, but also other on-demand audiovisual services (such as so-called "UGC platforms") that are not necessarily considered as "on-demand audiovisual media services" in the sense of the AVMS Directive.

The concept of *"distributors of audiovisual media services"* is understood here from a purely economic point of view, as the current European terminology (legal text, NACE Rev.2 for the classification of economic activities) does not work with this notion. We include in it the various commercial distribution activities of audiovisual media services, irrespective of the technical platform used.

Within this framework and because distributors of audiovisual media services also play a role on the audiovisual digital content market, we consider that they are not pure "common carriers" (supplying only a communication service). As the Commission has recognised in a statement on the Polish Film Law 2006[183], in addition to conveying TV signals, cable operators may also function as content providers or distributors not only when they produce and broadcast their own content but also in as much as they normally have commercial relations with their subscribers and sell them packages (bouquets) of TV programmes. From the perspective of market research, this analysis by the Commission combined with the principle of neutrality leads us to include cable operators in the category of distributors of audiovisual media services, provided that they select audiovisual services with a commercial goal, namely in order to sell them to their subscribers. To the extent that this is also the case for providers of audiovisual media services by satellite, providers of IPTV services, providers of pay-DTT services, and providers of software that permits access to on-demand audiovisual media services via the Internet, these companies might be viewed as part of the market for the distribution of audiovisual media services..

In the same line of thought, from a market point of view the following groups may also qualify as distributors, provided that they exercise editorial responsibility when selecting the kind of content they provide (and that they are therefore not pure manufacturers or technical intermediaries): manufacturers of connected TV, including application stores, manufacturers of "dongles" allowing access to on-demand audiovisual media services and operators of digital platforms that permit access to various catalogues of VoD services.

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[183] The Commission statement can be found in EUROPEAN PARLIAMENT, Notice to the Members, 05.07.2007, http://www.europarl.europa.eu/meetdocs/2004_2009/documents/cm/667/667786/667786en.pdf

# Mandatory financial contribution to European works by on-demand AVMS providers and distribution platforms

Certain member states have introduced obligations for on-demand AVMS providers to make financial contributions to European works, which some countries extend to distribution platforms (e.g. Belgium). Financial obligations are often accompanied by other measures, such as the obligation to guarantee proportions of European works in catalogues (e.g. Spain or Portugal), or promotion tools (e.g. the French Community of Belgium). They can also be incorporated into sophisticated mechanisms for the promotion of European production through a combination of all these measures (e.g. France).

As for the mandatory contributions by providers of on-demand audiovisual services, some are explicitly included in the transposition in national law of the article 13 of the AVMS Directive.  In some other countries this kind of obligations are defined in film law or in general fiscal law.

In this chapter, we present the various mechanisms implemented and, when available, provide data resulting from the enforcement.

**Table 84  Summary of mandatory financial contributions by providers of on-demand audiovisual services and/or providers of audio-visual services in EU countries (2014)**

| | Legal framework | Distributors AVMS | Providers of OD AVMS | Direct invest-ment | Contribution to the fund | Tax |
|---|---|---|---|---|---|---|
| BE (CFR) | Implementation of article 13 | | X | Possibility of choice | Possibility of choice | |
| BE (CFR) | Audiovisual regulation | X | | Possibility of choice | Possibility of choice | |
| BE (VLG) | Implementation of article 13 | | X | Possibility of choice | Possibility of choice | |
| BE (VLG) | Audiovisual regulation | | | | | |
| CZ | Implementation of article 13 | | X | Optional | | |
| DE | Film Law | | X (VoD only) | | Levy on revenues | |
| ES | Film Law | X | X | Mandatory | | |
| FR | Implementation of article 13 | | X (VoD and catch-up) | Mandatory | | |
| FR | Fiscal Law | | | | | Tax on rev-enues |
| FR | Fiscal Law | X | | | | Tax on rev-enues |
| HR | Film law | X | X | | Levy on revenues | |
| IT | Implementation of article 13 | | X | Optional | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| PL | Film law | X | | | | Levy on revenues | |
| PT | Implementation of article 13 | | X | | Optional | | |
| SI | Implementation of article 13 | | X | | | As penalty | |

**Table 85  Registered mandatory contributions**

**EUR million**

| | Year of reference | Categories of contributors | Contribution to fund | Direct investment in production | Total |
|---|---|---|---|---|---|
| BE (CFR) | 2012 | Distributors of AVMS (*) | 1.8 | 2.3 | 4.2 |
| DE | 2013 | Video distributors and VoD providers | 17.4 | | 17.4 |
| ES | 2011 | Pay-TV distributors (*) | | 61.2 | 61.2 |
| FR | 2011 | On-demand AVMS | | 16.1 | 16.1 |
| FR | 2014 | Television service distributors | n.a. | | |
| HR | 2014 | Distributors of AVMS (*) | 0.5 | | 0.5 |
| PL | 2013 | Cable TV operators | 5.6 | | 5.4 |
| PL | 2013 | Digital TV operators | 12.4 | | 12.4 |

(*) Some of them being also providers of AVMS

# 19    BE - BELGIUM

## 19.1    French Community of Belgium

### 19.1.1    Legal basis

The financial contribution of audiovisual media services to European audiovisual production is governed in the French Community of Belgium by the Decree of 9 March 2012[184], modifying certain provisions of the Decree of 26 March 2009 on audiovisual media services[185] (hereinafter the "AMS Decree"). The AMS Decree transposes Article 13 of the AVMS Directive through a set of measures aimed at promoting European works, which combines promotional tools aimed at increasing the visibility of European works in the catalogues with obligations to make financial contributions to European production.

### 19.1.2    Mandatory contribution to European works by VOD service providers and service distributors

According to the law adopted by the French Community of Belgium, the obligations to promote European production apply both to linear or non-linear broadcasters and to "service distributors" – under specific conditions.

In particular, the AMS Decree provides that the "provider of broadcasting services" – irrespective of whether it is linear or non-linear – shall contribute to the production of audiovisual works[186]. This contribution shall be made either in the form of co-production or the pre-purchase of audiovisual works or in the form of a contribution paid directly to the *Centre du cinéma et de l'audiovisuel* (the film and audiovisual fund of the French Community). According to the French Community's regulatory authority (CSA), this provision also applies to providers of VOD services. In the case of direct investments in the form of pre-purchase or co-production, the – linear or non-linear – "providers of broadcasting and/or VoD services" are free to choose the audiovisual works they wish to finance. Investments in independent productions are subject to the scrutiny of an internal technical unit at the national film and audiovisual fund, which validates compliance with the required criteria – although not the editorial choice – and are monitored by a committee composed of the AVMS provider, the associations of independent producers and the national film and audiovisual fund. In the case of direct contributions to the national film and audiovisual fund, the amounts are allocated to the fund and redistributed in the form of production aid. The minimum amount of the contribution is fixed on a sliding scale based on the operator's annual turnover – a minimum annual turnover threshold is fixed at EUR 300 000, below which the financial obligation is not im-

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[184] Décret portant certaines adaptations du décret coordonné le 26 mars 2009 sur les services de médias audiovisuels, published at the Moniteur belge of 9 mars 2012, http://csa.be/system/documents_files/1708/original/20120201_decret_adapations_decretSMA.pdf?1331542953

[185] Décret coordonné sur les services de medias audiovisuels du 26 mars 2009, published at the Moniteur belge of 24 July 2009, CSA consolidated version, http://www.francophonie.org/IMG/pdf/decret_sur_les_services_de_medias_audiovisuels.pdf or http://www.csa.be/system/documents_files/1440/original/20131017_decretSMA_coordonn%C3%A9.pdf?1389879102

[186] Article 41 of the AMS Decree.

posed:

- between EUR 300 000 and EUR 5 million: 1.4% of the AVMS provider's annual turnover;
- between EUR 5 and EUR 10 million: 1.6% of the annual AVMS provider's turnover;
- between EUR 10 and EUR 15 million: 1.8% of the AVMS provider's annual turnover;
- between EUR 15 and EUR 20 million: 2% of the AVMS provider's annual turnover;
- above EUR 20 million: 2.2% of the AVMS provider's annual turnover.

These amounts may be reviewed annually (Article 41(3) of the AMS Decree).

Although the financial contribution laid down by the French Community of Belgium is irrespective of the nature – linear or non-linear – of the AVMS provider, the AMS Decree also provides for a mandatory contribution by "service distributors" to the production of audiovisual works[187]. A "service distributor" is defined under Belgian law as "any legal entity, which places at the disposal of the public one or more AVMS by any means, such as, inter alia, by radio terrestrial means, by satellite or through "teledistribution". The offer of services may include services provided by the entity itself or by third parties with which it establishes contractual relationships; any legal entity which constitutes an offer of services through a contractual relationship with other distributors is also included in the definition of services distributors".

The contribution of service distributors may also take the form of pre-purchases, co-production or direct contribution to the national film and audiovisual fund. However, the amount of this contribution is determined either on the basis of the number of subscribers to the service or the platform's previous annual revenues[188]. The "service distributors" must opt annually for one of these two methods of calculation and inform the national film and audiovisual fund and the regulatory authority of the French Community of Belgium (CSA) of its choice.

### 19.1.3 Monitoring and enforcement

Pursuant to the AMS Decree, the AVMS provider must submit its financial and account information annually to the Government and the CSA as evidence of its annual turnover[189]. In addition, the national film and audiovisual fund annually reports to the CSA the contributions it has received from AVMS providers and their compliance with the obligations set in the AMS Decree. The CSA is then responsible for definitively confirming the compliance with the obligations or, in the case of non-compliance, initiating legal proceedings, which can lead to administrative penalties.

Information on enforcement is published every year by the CSA in the contexts of reports on individual companies. Data relating to the 2012 contribution (based on the turnover for 2011) were published in December 2013. The Centre du cinéma et de l'audiovisuel (CCA) also publishes the amount of contributions in its yearly

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[187] Article 80 of the AMS Decree.
[188] Either EUR 2 per user or 2,5% of the previous year's revenues. See Article 80 of the AMS Decree.
[189] Article 41(5) of the AMS Decree.

report.[190]

## Providers of non-linear services

S.A. BETV, being also a provider of linear services, is exempt from reporting.[191]

S.A. Skynet iMotion Activities (which operates Belgacom TV), being a provider of non-linear services, is exempt from reporting on the implementation of Article 80.[192]

In the case of other services (Mobistar, Universciné) the turnover was less than EUR 300,000, so that no contribution was requested.[193]

## Distributors

As provided for by the Co-ordinated Decree on audiovisual media services, the CSA adopted on 7 October 2013 various opinions on compliance by the distributors of audiovisual services with the obligations imposed by the regulations. The opinions relate to 2012 and concern the eight distributors notified to the CSA for that financial year, namely AIESH (whose television distribution operations in the south of Hainaut have since been taken over by Coditel), Alpha Networks, Mobistar, Belgacom, Brutélé, Tecteo, Be TV and Telenet.[194]

The amount collected by the CCA totalled EUR 1 835 724.88

- AIEHS :            EUR     30 637.17
- Alpha Networks :   EUR      2 970.75
- Brutele:           EUR     71 395.01
- Mobistar:          EUR     41 979.89
- Tecteo:            EUR  1 682 134.18
- Telenet:           EUR      6 607.88

Two other distributors, BETV (a packager of TV channels) and Belgacom (the main IPTV operator in the French Community of Belgium) have opted for the method of direct investment, in the form of co-production or pre-sales.

### BETV

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[190] Centre du cinéma et de l'audiovisuel, *Bilan 2013*, Ministère de la Communauté française de Belgique, Bruxelles, July 2014.

[191] CSA, "Be TV (on-demand service): opinion on the annual monitoring of its obligations for the 2012 financial year, reference date 05 December 2013", http://www.csa.be/documents/2181; CSA, Be TV (VoD service of VOO): opinion on the annual monitoring of its obligations for the 2012 financial year, reference date: 05 December 201, http://www.csa.be/documents/2182

[192] CSA, SiA (on-demand service): opinion on the annual monitoring of its obligations for the 2012 financial year, reference date 05 December 2013, http://www.csa.be/documents/2180

[193] CSA, Mobistar (on-demand service): opinion on the annual monitoring of its obligations for the 2012 financial year, reference date 05 December 2013, http://www.csa.be/documents/2184; CSA, UniversCiné: opinion on the annual monitoring of its obligations for the 2012 financial year, reference date 05 December 2013, http://www.csa.be/documents/2183

[194] CSA, Distributors of services: opinions on the annual monitoring of their obligations, 07 October 2013, http://csa.be/breves/810

The distributor opted in 2012 for an annual contribution to the production of audio-visual works (Article 80 of the decree) in the form of co-production or the pre-purchase of audiovisual works and on the basis of the number of subscribers. BETV's obligation to make a contribution for its activities as a distributor and packager amounted in 2012 to a total of EUR 778 378,87 (including the amount carried forward from the previous financial year). According to the most recent report of the Film and Audiovisual Centre (Centre du Cinéma et de l'Audiovisuel), the amount committed by the distributor for 2012 was EUR 1 484 433. However, the obligation for that financial year has not yet been finally established. The thus determined amount of the commitment that exceeds the obligation, EUR 706 054.13, is to be carried forward to the 2013 financial year, up to a maximum of 5% of the total obligation for 2012, that is to say EUR 40 889,33.

## Belgacom

The distributor opted in 2012 for an annual contribution to the production of audio-visual works (Article 80 of the decree) in the form of co-production or the pre-purchase of audiovisual works, on the basis of the number of subscribers. The contribution of the company iMotion Activities for the 2012 and 2013 financial years is the subject of an agreement of 23 October 2012 negotiated between the packager, the Government and the French Community and the professional organisations representing the independent producers and audiovisual authors and performers.

Under this agreement, the distributor's contribution in the case of cable distribution is calculated on the basis of the number of subscribers. The amount is specified in accordance with Article 80 (3) &1,  of the decree and then increased by 2.5%.

Contribution for 2012: in application of the aforementioned agreement, the distributor's contribution amounted to a total of EUR 968 632,08 (for all services and including the amount carried forward from the previous financial year). According to the most recent report of the Film and Audiovisual Centre (Centre du Cinéma et de l'Audiovisuel), the amount committed by the distributor for that year was EUR 851 735. However, the obligation for that financial year has not yet been finally determined. The commitment shortfall of EUR 116 897,08 thus established is to be carried forward to the 2013 financial year as it does not exceed 15% of the total amount of the obligation for 2012.

Contribution for 2013: the distributor has also made a declaration in respect of the number of cable TV subscribers as of 30 September 2012. The data are entered into the administrative file set up and updated by the CSA. As far as the implementation of Article 81 is concerned, the distributor of services has provided the information requested.

# Table 86  Contributions of broadcasters and distributors of audiovisual services to the production in the French Community of Belgium (reference years 2010-2011), in EUR

| | 2010 | | | 2011 | | |
|---|---|---|---|---|---|---|
| | Obligation légale (1) | Invest. réel | Type contrib. | Obligation légale (1) | Invest. réel | Type contrib. |
| **RTBF** | | | | | | |
| Fonds Spécial | 1.914.679,00 | 1.914.679,00 | Coprod | 1.914.679,00 | 1.914.679,00 | Coprod |
| Liquidités | 1.433.759,88 | 4.274.584,00 | Coprod | 1.455.838,00 | 4.414.076,00 | Coprod |
| Services/diff | | 959.292,00 | Coprod | | 692.059,00 | Coprod |
| **AIESH** | 32.669,14 | 32.669,14 | CCA | 32.489,52 | 32.489,52 | CCA |
| **Billi** (Alpha Netw) | | | | 1.046,17 | 1.046,17 | |
| **BBT** (CanalZ) | 8.347,76 | 8.347,76 | CCA | 8.724,26 | 8.724,26 | CCA |
| **BeTV** | 744.851,49 | 2.015.766,00 | Coprod | 748.864,22 | (2) 1.723.742,00 | Coprod |
| **Belgacom** | 623.581,21 | (2) 616.374,00 | Coprod | 789.185,62 | (2) 729.800,00 | Coprod |
| **Brutélé** | 379.972,90 | 379.972,90 | CCA | 377.199,04 | 377.199,04 | CCA |
| **BTV** | 127.142,70 | (2) 280.000,00 | Coprod | 124.020,12 | 120.000,00 | Coprod |
| **LibertyTV** | 10.524,16 | 10.000,00 | Coprod | 13.314,52 | 10.000,00 | Coprod |
| **Mobistar** | 249,53 | 249,53 | CCA | 164,73 | 164,73 | CCA |
| **MTV** | 63.301,27 | 60.000,00 | Coprod | 48.626,17 | 48.626,17 | Coprod |
| **SiA** | 29.924,35 | (2) 28.626,00 | Coprod | 29.292,20 | (2) 27.200,00 | Coprod |
| **Newscom** | | | | Rep sur 2012 | | |
| **TECTEO** | 1.922.386,30 | 1.922.386,30 | CCA | 1.705.695,14 | 1.705.695,14 | CCA |
| **Télénet** | 8.106,60 | 8.106,60 | CCA | 7.437,36 | 7.437,36 | CCA |
| **Total** | 7.299.496,29 | 12.511.073,23 | | 7.256.576,07 | 11.812.938,39 | |

(1) L'obligation légale intègre les reports de manquement ou d'excédent des années précédentes.
(2) Sous réserve de la vérification définitive des projets et/ou d'un versement de manquement au CCA.

Source : Bilan CCA 2013

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According to the data provided by the CCA and the CSA, it is possible to estimate that Article 80 of the AMS Decree generated in 2012 an obligation to make a contribution or investment totalling EUR 3.6 million, but due to the fact that BETV's investments were higher than the mandatory threshold and Belgacom's were lower than this threshold, the actual revenues generated were EUR 4.2 million.

**Table 87 Revenues from the mandatory contributions or direct investments of the distributors of the French Community of Belgium in 2012 (provisional data), EUR million**

|  | Mandatory | Actual |
|---|---|---|
| Contribution to the CCA fund | 1 835 724.88 | 1 835 724.88 |
| Direct investment (co-production, pre-sales) | 1 747 010.95 | 2 336 168.00 |
| Total | 3 582 735.83 | 4 171 892.88 |

Source : European Audiovisual Observatory on the basis of CCA and CSA data

## 19.2 Flemish Community of Belgium

### 19.2.1 Legal basis

The financial contribution of audiovisual media services to European audiovisual production is governed in the Flemish Community of Belgium by the Decree of 27 of March 2009 on radio and television broadcasting (the "Radio and Television Broadcasting Act")[195], and by an amendment to the Radio and Television Broadcasting Act adopted on 29 July 2009, which subsequently introduced a number of criteria[196] for the promotion of European audiovisual productions in non-linear services. For on-demand AVMS, such as VoD, providers should promote, where practicable and by appropriate means, the creation of and access to European productions. Such promotion could include a financial contribution or be achieved through a share and/or prominent presence of European productions in the non-linear catalogue[197]. The promotion measures should include a major proportion of Dutch-language European productions[198]. The Flanders Government is entitled to provide for stricter rules, such as mandatory quotas or other promotion measures.

In its Media Policy Memorandum for 2009-2014, the Flanders Government stressed the need for "autonomous, multiform and high-quality media" and announced the on-going development of an investment obligation for "service distributors"[199]. Such a financial contribution system by service distributors has been provided for by a Decree of 17 of January 2014 regulating the promotion of the audiovisual sector and modifying the Radio and Television Broadcasting Act[200].

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[195] Decreet betreffende de radio-omroep en de televisie / Décret relatif à la radiodiffusion et à la télévision, 27/03/2009 (the "Radio and Television Broadcasting Act"), latest amendment published in the State Gazette on 17 August 2012.
http://www.ejustice.just.fgov.be/cgi/article_body.pl?language=fr&caller=summary&pub_date=09-04-30&numac=2009035356

[196] Articles 154 to 157 of the Radio and Television Broadcasting Act contain the provisions for the promotion of European productions for linear and non-linear AVMS.

[197] Article 157()1 of the Radio and Television Broadcasting Act.

[198] Article 157(2) of the Radio and Television Broadcasting Act.

[199] See Media Policy Memorandum 2009-2014 Policy Paper 2009 – 2014, by Ingrid Lieten, Vice-Minister-President of the Flemish Government and Flemish Minister for Innovation, Public Investment, Media and Poverty Reduction.  English version of the executive summary available at: http://www.flanders.be/sites/default/files/documents/engelstalige_beleidsnota_media.pdf

[200] Décret modifiant le décret du 27 mars 2009 relatif à la radiodiffusion et à la télévision, portant instauration d'un règlement de stimulation pour le secteur audiovisuel, 17 January 2014. Available at: http://www.etaamb.be/fr/decret-du-17-janvier-2014_n2014200821.html

### 19.2.2 Mandatory contribution to the production of European works by service distributors

Pursuant to the Decree of 17 January 2014[201], each "service distributor" which places at the disposal of the public linear or non-linear broadcasting services on one or more TV channels established in the Flemish Community must contribute to the production of audiovisual works. Their participation must take the form of either a financial contribution to the co-production of audiovisual works – fixed or per subscriber: EUR 3 million a year or EUR 1.3 per subscriber in the Dutch-language region -, or an equivalent financial contribution to the "Vlaams Audio-visueel Fonds" (Flanders Audiovisual Fund, VAF). For both possibilities, the service providers communicate to the Vlaamse Regulator voor de Media (the Flanders regulatory authority, VRM) the form of contribution they choose (financial contribution or co-production of audiovisual works) and whether it is a fixed sum or per subscriber.

If the service provider chooses to make a financial contribution through co-production, it must mention the projects financed. The VRM will decide whether the projects are admissible or not and will then submit those projects which are admissible to a commission of specialists, which are appointed by the VRM on the advice of the VAF. This commission advises the VRM. If the service provider has not reached the amount it has to invest, it will have to pay the difference to the VAF. If it chooses to make a financial contribution, it has to pay it directly to the VAF, which will distribute it[202].

### 19.2.3 Monitoring and enforcement

According to Article 182 of the Flemish Act on Radio and Television Broadcasting, service providers that make available to the public one or more linear or non-linear broadcasting services of one or more television broadcasters falling within the competence of the Flemish Community must annually provide the VRM with an activity report and mention the composition of the shareholders, the number of subscribers, the number of subscribers in the Dutch-language area, the programmes transmitted and the annual accounts approved by the general meeting of shareholders.

The Flanders Government strengthened, by Decree of 17 January 2014, the reporting obligations of linear or non-linear service providers, which must send a letter by 15 February of each year to the VAF, the VRM and the Flemish Government informing them of the method of participation chosen. If they fail to do so, they are deemed to have selected participation by means of a financial contribution to the VAF.

The Decree of 17 January 2014 came into force on 12 February 2014. For 2014, the lump-sum share of each service distributor's contribution to the production of audiovisual works or its financial contribution is applicable for the whole year without limitation.

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[201] Décret modifiant le décret du 27 mars 2009 relatif à la radiodiffusion et à la television, portant instauration d'un règlement de stimulation pour le secteur audiovisuel. http://www.etaamb.be/fr/decret-du-17-janvier-2014_n2014200821.html

[202] All service providers except one have chosen to pay an equivalent financial contribution to the Flanders Audiovisual Fund (second possibility). Only NV Belgacom has opted for a financial contribution to the co-production of audiovisual works.

# 20 CZ – CZECH REPUBLIC

## 20.1 Legal basis

The financial contribution of audiovisual media services to European audiovisual production is governed in the Czech Republic by the Act on Radio and Television Broadcasting, as amended[203], and by Act 132 of 13 April 2010 on on-demand audiovisual media services and amending certain laws (the On-demand Audiovisual Media Services Act)[204].

## 20.2 Promotion of European works by on-demand AVMS providers

With respect to the promotion of European works, the On-demand Audiovisual Media Services Act[205] stipulates that an on-demand AVMS provider shall, where practicable, reserve for European works at least 10% of the total number of programmes offered in its service's catalogue of programmes during a reporting period – fixed by law to one calendar year. This obligation shall be regarded as satisfied if an AVMS provider spends at least 1% of total revenues generated by the service annually on the production of European works or on the paid acquisition of rights to use European works through the on-demand AVMS.

We have received information from the Office of the Council for Radio and TV Broadcasting in the Czech Republic that no VoD service has chosen the second option, investing 1% of the revenues generated in the production of European works. As most providers offer their own productions, they meet the requirement of the percentage of European works in their catalogues.

Section 27 (§27) of Act No. 496/2012[206] on Audiovisual Works and Support for Cinematography states that on-demand audiovisual services will have to pay a 0.5% fee on the price paid by the end user of their service in a calendar year. This article will, however, not come into force until January 2016.

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[203] 231/2001 Sb. ZÁKON ze dne 17. května 2001 o provozování rozhlasového a televizního vysílání a o změně dalších zákonů ve znění zákonů č. 274/2003 Sb., č. 341/2004 Sb., č. 501/2004 Sb., č. 626/2004 Sb., č. 82/2005 Sb., č. 127/2005 Sb., č. 348/2005 Sb., č. 235/2006 Sb., č. 160/2007 Sb., č. 296/2007 Sb., č. 304/2007 Sb., č. 124/2008 Sb., č. 384/2008 Sb., č. 41/2009 Sb., č. 196/2009 Sb., č. 227/2009 Sb., č. 132/2010 Sb., č. 153/2010 Sb., č. 302/2011 Sb., č. 420/2011 Sb., č. 142/2012 Sb., č. 275/2012 Sb., č. 406/2012 Sb. a č. 496/2012 Sb.
http://www.rrtv.cz/cz/static/cim-se-ridime/stavajici-pravni-predpisy/pdf/231-2001.pdf

[204] Zákon č./2010 Sb. o audiovizuálních mediálních službách na vyžádání a o změně některých zákonů Law Nr. č./2010 Coll. of 13 April 2010 on the on-demand audiovisual media services and amending other laws published in the Official Gazette No. 132/2010
Sb..Available at: http://www.rrtv.cz/cz/static/cim-se-ridime/stavajici-pravni-predpisy/pdf/132-2010.pdf.

[205] Section 7 of the on-demand Audiovisual Media Services Act on the promotion of European works.

[206] Předpis č. 496/2012 Sb.Zákon o audiovizuálních dílech a podpoře kinematografie a o změně některých zákonů (zákon o audiovizi), http://www.zakonyprolidi.cz/cs/2012-496

## 20.3 Monitoring and enforcement

In terms of reporting and monitoring, the On-demand Audiovisual Media Services Act establishes that an on-demand AVMS provider shall, within 30 days of the end of the reporting period, submit a report to the Czech regulatory authority indicating the method it has selected for the promotion of European works and provide specific data regarding compliance with this obligation. The Czech regulatory authority has prepared a form to collect the relevant data, in co-operation with the self-regulatory body representing on-demand services.

# 21 DE - GERMANY

## 21.1 Mandatory contributions in the context of the federal film policy

In Germany, the providers of VoD services are required to financially contribute to the promotion of the film industry through the Filmförderungsgesetz (Film Support Act, FFG[207]). In 2009, the FFG extended to the providers of VoD services the obligation already applicable to cinema operators, broadcasters and video distributors to contribute to the German film industry through a special film levy (Filmangabe). Under this law, cinema operators, video suppliers and VoD providers have to pay a compulsory levy to the German film support agency (Filmfördereranstalt, FFA) based on their income from film exploitation.

Cinema operators pay a levy based on box office revenues per screen. The film levy for each cinema screen amounts to between 1.8 percent and 3 percent of net annual turnover, provided that it exceeds EUR 75,000.

The film levy for video distributors amounts to between 1.8 percent and 2.3 percent of their net annual turnover, while the film levy for broadcasters is calculated on the basis of the proportion of cinema films in overall television programming.

The levy concerning the video industry (assimilating the providers of VoD services to the distributors of physical video) is governed by sections 66a and 67 of the Act. The levy is to be paid by video distributors and providers of VoD services with a net annual turnover above EUR 50 000.

The rate of the levy depends on the turnover:

- 1.8% for companies with a turnover lower than EUR 30 million.
- 2% for companies with a turnover between EUR 30 and 60 million, and 2.3% for companies with a turnover above EUR 60 million.

The revenues collected by the FFA are to be used in the following way:

- 30% for supporting the publication of films on video or on VoD services.
- 7.5% for subsidies paid to film distributors (Referenzförderung für Verleih- und Vertriebsunternehmen), of which a quarter is remitted to the international sales agents.
- 12.5 % for supporting projects of film distributors (Projektförderung für Verleih- und Vertriebsunternehmen), of which a quarter is remitted to the international sales agents.

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[207]Gesetz über Maßnahmen zur Förderung des deutschen Films (Filmförderungsgesetz–FFG) in der Fassung der Bekanntmachung vom 24. August 2004 (BGBl. I S. 2277) zuletzt geändert durch das Sechste Gesetz zur Änderung des Filmförderungsgesetzes vom 31. Juli 20 10 (BGBl. I S. 1048, in Kraft getreten am 6. August 2010. Available at:
http://ffa.de/downloads/ffg.pdf

According to the FFA Annual report for 2013[208], the video film industry contribution in accordance with section 66a FFG was EUR 17,438,087.13 in 2013 (previous year: EUR 16,635,808.18). The contribution rose by 4.8%, although a higher proportion of the companies in the "Programme providers" ("Programmanbieter") category (46.2%, against 44% in 2012) are not liable to pay the film tax. The revenue increased by 4.6% compared to the previous year, while sales by VoD providers could rise by 35.4%.

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[208] http://www.ffa.de/downloads/publikationen/GB_FFA_2013.pdf

**Table 88** **Revenues from the film levy paid by the video industry in Germany pursuant to s. 66a FFG (2006-2013), in EUR thousands**

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2013/12 |
|---|---|---|---|---|---|---|---|---|---|
| Film statement by the video industry | 17 863 | 17 457 | 17 210 | 18 746 | 18 110 | 15 714 | 13 480 | 10 533 | -21,9% |
| Film statement by the video industry (under reserve) | 0 | 0 | 950 | 806 | 858 | 3 489 | 3 156 | 6 905 | 118,8% |
| Total | 17 863 | 17 457 | 18 160 | 19 552 | 18 968 | 19 203 | 16 636 | 17 438 | 4,8% |
| | | | | | | | | | |
| Total revenues of the FFA | 66 133 | 71 723 | 72 663 | 76 072 | 84 902 | 96 215 | 96 946 | 79 337 | -18,2% |
| Share of the contribution of the video industry | 27.0% | 24.3% | 25.0% | 25.7% | 22.3% | 20.0% | 17.2% | 22.0% | |

**Figure 115**      **Revenues from the film levy paid by the video industry in Germany**
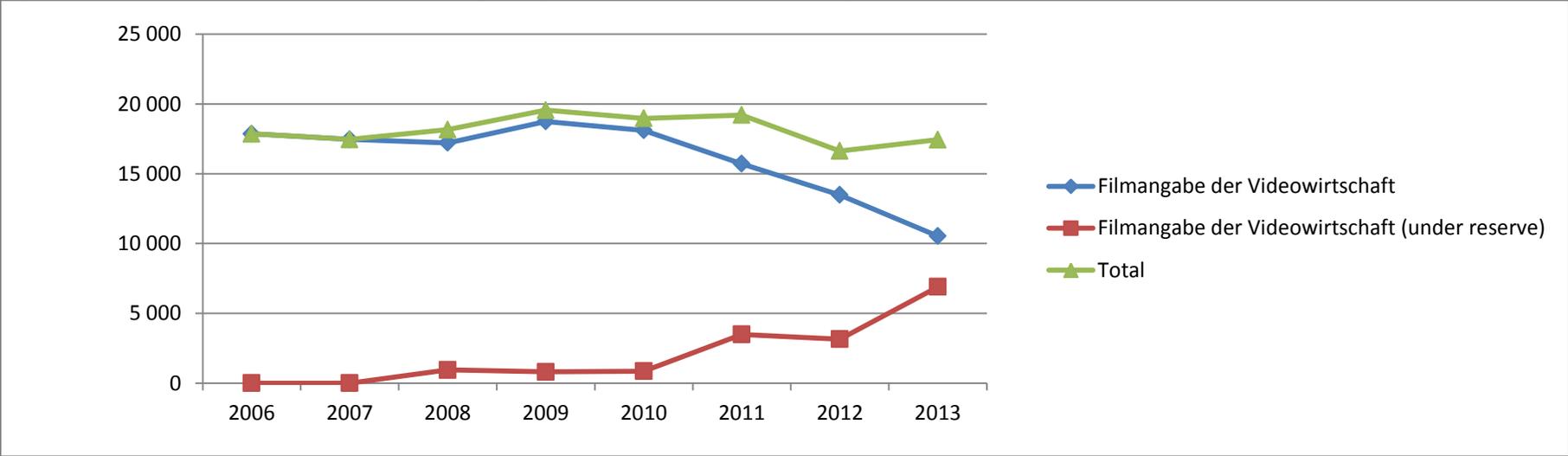


Source: FFA

In July 2013, the FFG was amended by section 66a FFG, which stipulates that VoD service providers not established in Germany will be subjected to the film levy in respect of income that they derive from selling services on German-language websites to customers in Germany – provided that these transactions are not subject to any comparable financial contribution to the promotion of cinematographic works by a film funding institution in the service's country of origin.[209]

A decree of the Federal Commissioner for Culture and Media (BKM) of 11 November 2013 has specified that this new rule is not applicable until its conformity with EU law has been confirmed by the European Commission. The German Government notified the amended law to the Commission on 4 March 2014. The Commission expressed its *"doubts as to the compatibility with the internal market of the notified amendment"* by Decision of 17 October 2014[210].In particular, it considers that this measure could be "*in contravention of Article 13(1) of the AVMS Directive in combination with Articles 2 and 3* AVMSD" and requested Germany to submit its comments according to the procedure laid down in Article 108(2) of the Treaty on the Functioning of the European Union.

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[209] http://www.ffa.de/start/index.phtml?page=ffg
[210] Available at: http://ec.europa.eu/competition/state_aid/cases/254981/254981_1599283_12_2.pdf

# 22 ES - SPAIN

## 22.1 Legal basis

The financial contribution of audiovisual media services to European audiovisual production is governed in Spain by General Act 7/2010 on Audiovisual Communication (hereinafter, LGCA)[211]. Section 5 of that Act creates a right to cultural and linguistic diversity, which lays down obligations for national and regional broadcasters and "electronic communication service providers" to promote European works. The Act allows Spanish Autonomous Communities with their own distinctive linguistic features to subject the AVMS providers established under their jurisdiction to additional rules regarding the promotion of audiovisual production in their own language.

## 22.2 Promotion of European works by "electronic communication service providers and programme catalogue service providers"

The right to cultural and linguistic diversity established under the LGCA includes obligations relating to programming and financial contribution. The mandatory financial contribution of broadcasters and "*electronic communication service providers and programme catalogue service providers*"[212] is fixed at 5% of the income earned by the operator in the previous financial year (6% for public service broadcasters) and must be allocated to the financing of European production of cinema films, audiovisual films and series, as well as documentaries and animated series. This financial investment obligation may take the form of direct participation in the production of European works or the acquisition of rights in such works. As a minimum, 60% of this financial contribution (75% in the case of public service broadcasters) must be allocated to cinema films and 60% to works – of any type – produced in one of Spain's official languages. Of this amount, 50% must be allocated to independent production. Likewise, AVMS service providers may allocate up to 40% of their remaining financial investment (up to 25% in the case of public service broadcasters) to the financing of TV films, series or mini-series. Within these percentages, public service audiovisual media providers must allocate at least 50% to TV films or mini-series. Special-interest channels enjoy specific conditions for the application of this obligation under this section[213].

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[211]Ley 7/2010, de 31 de marzo, General de la Comunicación Audiovisual, BOE Núm. 79 de 1 de abril de 2010 (General Act 7/2010 of Audiovisual Communication of 31 March 2010, Official Journal no. 79 of 1 April 2010), https://www.boe.es/buscar/pdf/2010/BOE-A-2010-5292-consolidado.pdf

[212] Section 5(3) of the LGCA.

[213] AVMS providers whose investment obligation derives from offering exclusively - or for over 70% of their total annual transmission time - a single type of content, may comply with this obligation by investing only in this type of content, provided it uses a photo-chemical or high-definition digital format.

## 22.3    Monitoring and enforcement

The Comisión Nacional de los Mercados y la Competencia (national commission on competition and markets, CNMC) is responsible for the supervision and monitoring of the obligations of AVMS providers to promote European works . By Resolution of 21 June 2010[214], the CNMC created a national registry, where AVMS providers are compelled to register their activities. The CNMC includes in its forms a brief description of the services to which the obligation applies, such as television audiovisual communication, on-demand television audiovisual communication, mobile television audiovisual communication or mobile TV, radio audiovisual communication service providers, on-demand radio audiovisual communication service providers or mobile radio audiovisual communication service providers.

In 2014, the CNMC found four companies (two broadcasters and two distributors) in breach of obligations to invest in EU works. In particular, in four Decisions of May 2014, it reported that the following providers, Orange, DTS, Multicanal and 13TV, had not met the requirement to invest 5% of their revenues in European cinematographic works. The other 16 companies analysed by CNMC fulfilled this obligation, except for the IPTV provider Jazztel, which was exempted as it only transmits third-party TV channels.[215]

The contributions of four companies that mainly operate as distributors (DTS S.A.U., Cableeuropa S.A.U. Telefónica de España and Vodafone) amounted to registered contributions of EUR 19.6 million out of a total due of EUR 27.8 million.

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[214] Resolución de 21 de junio de 2010, de la Comisión del Mercado de las Telecomunicaciones, por la que se pública la Resolución de 10 de junio de 2010, por la que se constituye el Registro Estatal de Prestadores de Servicios de Comunicación Audiovisual. Available at: https://www.boe.es/boe/dias/2010/08/12/pdfs/BOE-A-2010-13096.pdf

[215] 27/06/2014La CNMC audita el cumplimiento de la obligación de financiar películas y series europeas durante 2012, http://www.cnmc.es/es-es/telecomunicacionesysaudiovisuales/novedadestelecomunicacionesysaudiovisuales/novedades telecomunicacionesysaudiovisualesdetalle.aspx?id=9941

The individual company reports are available at: http://www.cnmc.es/es-es/telecomunicacionesysaudiovisuales/resolucionestelecomunicacionesysaudiovisuales.aspx

### Table 89  Financial contributions by distributors of audiovisual services in Spain (based on revenues in 2011) EUR million

| | Revenues | | Financial contribution | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | European works | | Films | | films in Spanish | | Works by independent producers | |
| | Declared | Registered | Mandatory total | Registered | Mandatory total | Registered | Mandatory total | Registered | Mandatory total | Registered |
| Cableeuropa S.A.U. | 116,871 | 117,61 | 5,88 | 6,237 | 3,528 | 5,75 | 2,116 | 3,35 | 1,058 | 3,35 |
| DTS S.A. | 256,085 | 364,278 | 18,213 | 9,518 | 10,928 | 7,998 | 6,557 | 6,627 | 3,278 | 6,627 |
| Telefónica de España S.A.U. | 72,364 | 72,364 | 3,618 | 3,714 | 2,17 | 2,996 | 1,302 | 2,702 | 0,651 | 1,852 |
| Vodafone España S.A.U. | 2,338 | | 0,116 | 0,13 | 0,07 | 0,13 | 0,042 | 0,13 | 0,021 | 0,13 |
| TOTAL | 447,658 | 556,59 | 27,827 | 19,599 | 16,696 | 16,874 | 10,017 | 12,809 | 5,008 | 11,959 |

Notes

We consider here only the companies which are involved in distribution activities and not pure broadcasting companies.

It should be noted that Cableuropa (ONO) and DTS (Canal +) are both distributors and providers of AVMS (TV and VoD).

Telefónica is both a distributor and provider of on-demand audiovisual services.

France Telecom (Orange) did not contribute, arguing that it had paid more than required in 2010.

Jazztel, a former IPTV operator, was not subject to the obligation as its distribution of audiovisual services was interrupted.

Source:  European Audiovisual Observatory on the basis of data published by CNMC (June 2014)

# 23 FR - FRANCE

## 23.1 Regulation relating to providers of on-demand audiovisual services

### 23.1.1 Legal basis

The contribution of on-demand AVMS providers to the development of audiovisual and cinematographic production is regulated in France by Decree No. 2010-1379 of 12 November 2010[216], which entered into force on 1 January 2011 (hereinafter, the ODAVMS Decree). This Decree sets out the financial obligations of on-demand AVMS providers, which are classified under three different categories: catch-up TV, pay VoD and subscription VoD.

According to the ODAVMS Decree, on-demand AVMS providers which have an annual net turnover of at least EUR 10 million are subject to financial obligations to contribute to the promotion of European works. Catch-up TV services[217] are also subject to the obligation to make a financial contribution to European film production if they offer at least 10 feature films a year.

Tableau 11 : obligations de financement prévues par le décret du 12 novembre 2010

| | TVR | VàD | |
|---|---|---|---|
| | | VàD à l'abonnement | VàD à l'acte |
| Seuils de déclenchement | Plus de 10 œuvres cinématographiques[27] | Plus de 10 œuvres cinématographiques ou plus de 10 œuvres audiovisuelles proposées annuellement | |
| | Pas de seuil financier | CA supérieur ou égal à 10 M € | |
| Contribution au développement de la production d'œuvres audiovisuelles | Ne relève pas du décret SMAD[28]<br><br>Incluse dans la contribution du service linéaire | • 15 à 26 % du CA doivent être investis dans la production d'œuvres européennes<br><br>• 12 à 22 % du CA doivent être investis dans les œuvres d'expression originale française<br><br>*(en fonction du délai entre la sortie en salle et la mise à disposition sur le service)* | • 15 % dans la production d'œuvres européennes<br><br>• au moins 12 % dans la production d'œuvres d'expression originale française<br><br>*(Respectivement sur les CA audiovisuel et cinéma)* |
| Contribution au développement de la production d'œuvres cinématographiques | Même taux que celui du service de télévision dont le service de TVR est issu | | |

*(Source : CSA).*

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216 Décret n°2010-1379 du 12 novembre 2010 relatif aux services de médias audiovisuels à la demande (hereinafter the "ODAVMS Decree").http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000023038244&categorieLien=id

[217] Article 3 of the ODAVMS Decree.

### 23.1.2 Mandatory contribution to the production of European works by catch-up TV, pay VoD and subscription V0D service providers

Under the ODAVMS Decree, the financial obligations consist of a contribution to European and French cinematographic and audiovisual production, which may be achieved through the purchase, before the end of shooting, of either a production share or exploitation rights. The financial contribution can also be made after shooting by purchasing exploitation rights, paying for copyrights or financing the accessibility to the work by hearing or visually impaired persons. Three-quarters of the investments must be devoted to independent production[218].

As far as catch-up TV service providers are concerned, they have to contribute to film production if their revenues are not bound up by law with the TV channel to which their services relate. On the other hand, catch-up TV services whose revenues are bound up with the TV channel to which they relate are not subject to such obligations.

Subscription-based VoD service providers[219] are subject to the obligation to make a financial contribution to the production of cinematographic and audiovisual works, on the one hand, and of French original expression on the other. That contribution amounts to:

- 26% and 22% when they provide at least ten feature-length cinema films a year within 22 months of their theatrical release in France;
- 21% and 17% when they provide at least ten feature-length cinema films a year within 36 months of their theatrical release in France.
- 15% and 12% in other cases.

For other services, such as, in particular, non-subscription-based service providers, French law provides that they must devote each year:

- 15% at least of the annual net turnover of the previous financial year resulting from the exploitation of cinematographic works to contribute to the development of the production of European cinematographic works, 12% of which being devoted to the development of the production of original French-language cinematographic works.
- 15% at least of the annual net turnover of the previous financial year resulting from the exploitation of audiovisual works to contribute to the development of the production of European audiovisual works, 12% of which being devoted to the development of the production of original French-language audiovisual works.

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[218] For audiovisual works, a production is considered independent when the on-demand service provider is not an executive producer of the work and does not hold more than 15% of the share capital or voting rights of the production company and vice versa; for cinematographic production the assessment is essentially based on a maximum quantity of exploitation rights that the VoD service provider may hold.

[219] Article 4 of the ODAVMS Decree.

### 23.1.3 Monitoring and enforcement

The ODAVMS Decree provides[220] for a set of declarations and reporting obligations by AVMS providers in order to ensure the effective monitoring of and compliance with the financial obligations by the French regulatory authority (CSA). All VoD service providers subject to financial obligations – i.e., those whose annual turnover is above EUR 10 million – must present an annual financial statement certified by a public accountant, accompanied by an annual declaration relating to the observance of quotas and obligations to ensure prominence, which apply to all VoD service providers. The CSA may request a certified statement when the disclosed turnover is less than EUR 10 million and in order to check investment obligations by requesting copies of rights acquisition contracts. In addition, it is empowered, after giving formal notice, to impose penalties on VoD service providers which do not comply with their obligations. These penalties can range from the suspension of some of the programmes offered in their catalogues to fines[221].

One of the difficulties outlined by the CSA in the report submitted in December 2013 to the French Government on the application of the ODAVMS Decree[222] with regard to the monitoring of operators' compliance with their obligations to promote European works related to the question of identifying the services included in the scope of the ODAVMS Decree. This was due, in part, to the absence of an obligation on the part of these service providers to make a declaration to the CSA. Other problems were also acknowledged: the limiting of the scope of the services concerned (the splitting up of services into various versions of catalogues, in particular on the basis of the transmission delivery system, or the development of services offering several methods of commercialisation). These problems in delimiting the scope of definitions have had an impact on the scope of the obligations applicable to those services and, consequently, on the CSA's ability to monitor and supervise compliance with them by operators.

The report published by the CSA in December 2013 provides data on revenues collected from the providers of ODAVMS. The thresholds are different for VoD services and catch-up TV services. As a result, only three providers of VoD services and no providers of catch-up TV services contributed in respect of their revenues for 2011.

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### Contribution by providers of VoD services

The three providers of VoD services which did contribute for 2011 were:

- Canal Play video (Canal+ Group)
- Vidéo à la demande d'Orange (Orange)
- Club Vidéo (SFR)

The reports note that the providers have complied with their obligations in terms of

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[220] Article 21 of the French Decree.

[221] Section 42-1 of Act no. 86-1067 of 30 September 1986.

[222] Rapport au Gouvernement sur l'application du décret n° 2010/1379 du 12 novembre 2010 relatif aux services de médias audiovisuels à la demande (SMAD), http://www.csa.fr/Etudes-et-publications/Les-autres-rapports/Rapport-au-Gouvernement-sur-l-application-du-decret-n-2010-1379-du-12-novembre-2010-relatif-aux-services-de-medias-audiovisuels-a-la-demande-SMAD

contributing to production.

| services | Montants déclarés en M€ | | | | | |
| | Œuvres audiovisuelles | | Œuvres cinématographiques | | Total œuvres européennes | dont œuvres EOF |
| | européennes | dont EOF | européennes | dont EOF | | |
| Canal Play VOD | 0,422 | 0,377 | 2,098 | 1,633 | 2,520 | 2,010 |
| SFR Club Vidéo | L'éditeur n'établit pas de distinction entre les types d'œuvres | | | | 3,371 | 2,503 |
| Vidéo à la demande d'Orange | 2,661 | 0,645 | 7,563 | 5,745 | 10,224 | 6,390 |
| Total | | | | | 16,115 | 10,903 |

*(Source : CSA).*

The total of the revenues generated is EUR 16.1 million.

These amounts mainly consist of sums remitted by packagers to rights holders for dematerialised access to their work (Article 7-I, 4 of the decree). One packager (SFR) has also invested in subtitling.

With regard to the 2012 financial year, these same three players were the only ones subjected to the obligation to make a contribution since their revenues were above the financial threshold set.

The revenues of the SVoD service Filmo TV exceeded EUR 10 million in 2012, so that this service will be subject to the obligations to contribute to the development of audiovisual and film production from the 2013 financial year onwards.

## Contributions by providers of catch-up TV services

Whereas no financial threshold at which obligations are triggered is laid down for catch-up TV and the turnover (or revenues depending on the decree applicable) is therefore taken into account "from the first euro", in the case of VoD the contribution to production only applies to services whose revenues exceed EUR 10 million and which distribute more than 10 audiovisual or 10 cinematographic works a year. The definition of catch-up TV excludes content made available online with no time-limit and programmes other than those broadcast on the linear service, including those that, although they have not been broadcast on air, contribute directly to the enhancement of a given programme ("bonus" content). Packagers benefit from this restrictive approach, which tends to underestimate their catch-up TV revenues, even though for the consumer their replay offering actually groups together catch-up TV programmes within the meaning of the decree and many other programmes.

## 23.2 Tax on revenues of providers of on-demand audiovisual media services

The regulator extended in 2011 to the providers of VoD services the 2% tax on revenues imposed on the video distributors in 2003.[223]

The French Government and Parliament have introduced the principle of applying the tax on revenues of foreign video retailers (physical or on-line) in the *Loi de finance rectificative 2014*, adopted on 29 December 2013.[224] France has sent notification to the European Commission and the latter's reply is currently pending.

According to the Amending Finance Bill (project de loi de finances rectificative), the market share of operators established abroad and offering sales and rentals of videograms in France is estimated at 25% for overall revenues of approx. EUR 250 million. The measure is therefore estimated to yield approximately EUR 1.5 million from 2015.[225]

Tax on the revenues of distributors of television services (TST-D) [226]

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[223] From 1 July 2003 a tax on sales and rentals of videograms for private or public use will be introduced in France, including the overseas departments. For the purposes of applying the present Article, making available to the public a paid service providing individual access to cinematographic or audiovisual works in response to an individual request made by electronic means shall be treated as equivalent to the sale or rental of videograms. This tax is due from taxpayers that sell or rent videograms to any person whose business is not the sale or rental of videograms. The tax is based on the price exclusive of value added tax paid in respect of the operations referred to above. The rate of the tax is set at 2%. It shall rise to 10% when the operations referred to in the present Article concern cinematographic or audiovisual works and documents that are pornographic in nature or incite violence. The conditions under which taxpayers must identify these works and documents are laid down by decree. The tax is due under the same conditions as those applicable in the case of value added tax. It shall be ascertained, calculated, collected and monitored according to the same procedures and subject to the same penalties, guarantees, assurances and privileges as value added tax. Any complaints shall be presented, investigated and adjudicated in accordance with the rules applicable to that tax.", Article 1609 sexdecies B of the General Tax Code, http://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006069577&idArticle=LEGIARTI000020507475&dateTexte=&categorieLien=cid

[224] Article 30(III). — "In the third paragraph of Article 1609 sexdecies B of the General Tax Code (code général des impôts), the word "Taxpayers" (redevables) is replaced by the words "persons, whether they be established in France or outside France,

IV.  (…)

B. — Paragraph III shall enter into force on a date laid down by decree, but no more than six months after the date of receipt by the Government of the reply from the European Commission permitting the legislative instrument notified to it to be regarded as complying with European Union state aid law."
http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000028400921&categorieLien=id#JORFSCTA000028400923

[225] See Senate, 2014 Finance Bill (Projet de loi de finances pour 2014): Culture: creation, cinema, performing arts, visual arts, Opinion No. 160 (2013-2014) of Mr Jean-Pierre LELEUX, Ms Maryvonne BLONDIN and Ms Corinne BOUCHOUX, issued on behalf of the Committee on Culture, Education and Communication, tabled on 21 November 2013, http://www.senat.fr/rap/a13-160-2-2/a13-160-2-28.html.

[226] Extract from Opinion No. 160 (2013-2014) of Mr Jean-Pierre LELEUX, Ms Maryvonne BLONDIN and Ms Corinne BOUCHOUX, issued on behalf of the Committee on Culture, Education and Communication, tabled on 21 November 2013; http://www.senat.fr/rap/a13-160-2-2/a13-160-2-28.html

## 23.2.1 The TST distributors

The tax on television services applicable to distributors (TST-D) in force today stems from the Finance Act for 2011, No. 2010-1657, of 29 December 2010 and provides:

– the tax base consists of subscriptions and other sums paid by users in return for one or more television services, as well as of fixed-price subscriptions to package offerings, including television services. In the case of a simple television offering, the revenues from these subscriptions and other sums are subject to an allowance of 10%, which rises to 55% in the case of a package.

– the rate ranges from 0.5% to 4.5% on the basis of nine tax bands above the exempt amount of EUR 10 million. An increase of 2.2% on the last band for distributors applies to operators that distribute their own material (in practice, this provision only applies to Canal+).

As the CNC's strategic document states, "*the 11 advance tax payments made in year N are based on the amount of the tax due in respect of year N-1 plus by 5%. The balance of the tax in respect of year N is paid at the beginning of year N+1, adjusted according to the revenues declared for year N*".

Some operators have adopted commercial practices aimed at limiting the tax base. More specifically, they have offered a package (telephone and internet) that does not include television services but enables customers to access television channels at very low cost, thus clearly keeping the real value of these services to a minimum. According to the CNC, the tax base declared by telecoms operators in respect of the TST-D therefore fell by 19% between 2011 and 2012 (-33% between 2010 and 2012).

This circumvention strategy has led the legislature to modify the tax base in connection with the Finance Act for 2012, No. 2011-1977, of 28 December 2011, (section 20) so that it includes:

– subscriptions and other sums paid by users in return for one or more television services. The revenues from these subscriptions and other sums are subject to an allowance of 10%;

– subscriptions and other sums paid by users in return for services, whether they be packages or of any other nature, subscribed to in connection with offerings to the general public and providing access to online public communication services or to telephone services, as long as the subscription to these services enables television services to be received by virtue of this access. The revenues from these subscriptions and other sums are subject to an allowance of 66%.

The text is very clear: if an internet subscription permits access to telephone services, the tax base consists of the sums paid for all the services, but with a significant allowance in order not to depart from the rationale of the tax, which relates to the distribution of television.

The rates have also been simplified and there are now four bands ranging from 0.5% to 3.5%.

Pending the authorisation of the reform of the TST-D by the European Commission, section 20 of the aforementioned Finance Act for 2012, 28 December 2011 defers the entry into force of the measure to 1 January 2014[24][*].

The decision of 27 June 2013 of the Court of Justice of the European Union (CJEU) concerning the tax on services provided by electronic communications operators, introduced by Act No. 2009-258 of 5 March 2009, seemed to clear the way for this.

The Court held that the so-called "telecoms" tax, based on the revenues of tele-communications operators, was "linked neither to the general authorisation proce-dure for access to the electronic telecommunications services market nor to the grant of a right to use radio frequencies or numbers" and therefore did not consti-tute an administrative tax within the meaning of the Commission's "Authorisation Directive" and was thus in compliance with Community law.

The TST-D, the principle of which is similar, was authorised on 22 November 2013 and its new provisions will accordingly come into force on 1 January 2014.

The CNC states that the tax collection forecast for 2014 includes:

– an estimate of the tax balance due in respect of the 2013 tax base (calculated according to the scale still in force today);

– and the forecast for advance payments in  2014, calculated on the basis of the tax due for 2013, but according to the new scale established under the aforemen-tioned Finance Act for 2012.

According to Article L. 115-10 of the Cinema and Motion Pictures Code (Code du cinéma et de l'image animée), "*these advance monthly or quarterly payments are at least equal to a twelfth or a quarter respectively of the amount of the tax due for the preceding calendar year plus 5%*". They should therefore be calculated on the basis of the tax remitted in respect of 2013 under the old scale.

This application of the law would have two effects:

– the loss of approx. EUR 60 million for the CNC in 2014 (it should be remem-bered that the latest forecast for 2013 puts the yield of the TST-D at EUR 214.2 million);

– the payment of the balance due in respect of 2014 at the beginning of 2015, namely approx. EUR 60 million, combined with the advance payments for 2015, calculated this time on the basis of the tax due for 2014 in application of the new scale, which came into effect on 1 January.

In conclusion, without the adoption of a provisional measure providing for the ad-vance payments remitted by taxpayers in 2014 to be calculated on the basis of an updated assessment base, the CNC will have EUR 60 million less at its disposal in 2014 but EUR 60 million more in 2015, which would not be indicative of good management by the operator. This is why section 16 of the above-mentioned Amending Finance Bill for 2013 introduces a specific provision on the rules for calculating the TST due in respect of 2014. This provision would have no impact on the taxpayers: instead of taking into account the new methods of assessment and of establishing the rate of the tax at the moment it is paid, those liable to pay it will apply them at the time the advance payments are calculated and remitted.

# 24 CROATIA

## 24.1 Legal basis

The Act on Audiovisual Activities passed by the Croatian Parliament at its session on 6 July 2007[227] regulates in section 36, the allocation of funds of the Croatian Audiovisual Centre (HAVC), which is in charge of the National Programme for the Promotion of Creative Audiovisual Works

According to this provision, funds for the implementation of the National Programme shall be secured from the state budget and part shall be taken from the annual gross income gained from the audiovisual activities of:

- – Croatian Radio Television                                   2%,
- – Television broadcasters at the national level               0.8%,
- – Television broadcasters and the regional level             0.5%,
- – Cable service providers                                     0.5%,
- – Operators of fixed and mobile telecommunications
- – Networks and Internet service providers                    1%,
- – Persons publicly showing audiovisual works                 0.1%.

Exhibitors and retailers of audiovisual works are also under an obligation to contribute. According to the Law they must pay the Centre 0.1% of their annual gross income gained from their activity.

In addition, funds for the implementation of the National Programme may also be secured from local and regional government departments. A portion of the fees collected for private and other personal use of audiovisual works may also be used to finance the National Programme.

Article 36 was amended in 2011 and the following major changes were introduced:

- – Exhibitors are now explicitly included in the list of companies which have to contribute;
- – The reference to "Operators of fixed and mobile telecommunications networks and Internet service providers" was reworded to read "Providers of media services that have licences for providing satellite, internet, cable transmission as well as other permitted forms of transmitting audiovisual programmes" and the contribution to be paid by this group has been lowered from 1 % to 0,5 % of their annual gross income.

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[227] Class: 011-01/07-01/66 - No.: 71-05-03/1-07-2.
See N. ZVONARIC, "Act on Audiovisual Works", *IRIS 2007-8:12/21,* European Audiovisual Observatory, 2007, http://merlin.obs.coe.int/iris/2007/8/article21.en.html

## 24.2  Monitoring and implementation

Funds for the implementation of the National Programme must be paid to a special account of the Centre. They must paid quarterly, unless other arrangements have been made.

According to data communicated by the HAVC, 9 operators contributed between 2010 and 2014 a total amount of HRK 9,7 million (EUR 1,3 million). No contribution by providers of on-demand audiovisual media services has been reported so far, but some of the companies concerned provide VoD services (HT, Iskon, B.Net, Optima-Telekom).

**Table 90  Contribution of companies providing satellite, internet, cable transmission and other permitted forms of transmitting audio-visual programmes (2010-2014)**

| | 2010 | 2011 | 2012 | 2013 | 2014 | TOTAL LOCAL CURRENCY | TOTAL EUR |
|---|---|---|---|---|---|---|---|
| HT | | 119 592 HRK | 575 947 HRK | 3 311 979 HRK | 2 277 932 HRK | 6 285 450 HRK | 838 060,00 € |
| VIP | | 19 893 HRK | 4 289 HRK | 176 178 HRK | 547 770 HRK | 748 130 HRK | 99 750,67 € |
| ISKON | | 3 281 HRK | 24 521 HRK | 93 885 HRK | 530 690 HRK | 652 377 HRK | 86 983,60 € |
| TELE2 | | 38 495 HRK | 20 432 HRK | 23 338 HRK | 27 915 HRK | 110 180 HRK | 14 690,67 € |
| B.NET | | | 739 634 HRK | 502 964 HRK | 0 HRK | 1 242 598 HRK | 165 679,73 € |
| OPTIMA TELEKOM | | | 23 589 HRK | 185 226 HRK | 245 773 HRK | 454 588 HRK | 60 611,73 € |
| AMIS TELEKOM | | | 17 850 HRK | 23 871 HRK | 52 240 HRK | 93 961 HRK | 12 528,13 € |
| OPTIKA KABEL | | | 0 HRK | | 0 HRK | | 0,00 € |
| OSTALI | 7 085 HRK | | 2 328 HRK | 6 534 HRK | 78 785 HRK | 94 732 HRK | 12 630,93 € |
| **TOTAL** | **7 085 HRK** | **181 261 HRK** | **1 408 590 HRK** | **4 323 975 HRK** | **3 761 105 HRK** | **9 682 016 HRK** | **1 290 935,47 €** |

Source: Croatian Audiovisual Centre.

# 25 IT – ITALY

## 25.1 Legal basis

The financial contribution of on-demand AVMS providers to European audiovisual production is governed in Italy by Legislative Decree no. 44/2010[228], which amended the Italian Audiovisual Media Services Code (Legislative Decree no. 177/2005, hereinafter the "AVMS Code"). As set forth in the AVMS Directive, the AVMS Code defines non-linear AVMS as media services provided for the viewing of programmes at a time determined by the user and at his or her individual request, on the basis of a catalogue of programmes selected by the provider. On-demand AVMS are regulated by the regulation attached to Resolution No. 607/10/CONS ("Video On-Demand Regulation") approved by the Italian Communications Authority (AGCOM).

The scope of the Video On-Demand Regulation is limited to catalogues available to the general public, excluding catch-up TV or archive services of content already broadcast on a linear basis, which are considered ancillary to linear services. In addition, a threshold of annual revenues above EUR 100 000 was introduced and user-generated content posted on websites that does not provide for ex ante selection but only an indexing activity of the content uploaded by users would not fall within the scope of the regulation. Contrary to the authorisation system in place for linear services, which have to wait for a thirty day period to elapse to obtain general authorisation, on-demand services only have to make a declaration on the day that the activity started.

## 25.2 Promotion of European works by on-demand AVMS providers

Article 44 of the AVMS Code states that AGCOM regulates the promotion of European works by on-demand AVMS, in particular with regard to the financial contribution by such services to the production and rights acquisition of European works; or the proportion or prominence of European works in the catalogue of programmes offered by on-demand AVMS providers. The AVMS Code delegated to AGCOM, through co-regulatory procedures, the regulation of the promotion of European works by on-demand AVMS providers. According to these legislative provisions, AGCOM established a co-regulatory procedure for the definition of obligations relating to the promotion of European works by non-linear AVMS providers. The results of this co-regulatory activity are enshrined in AGCOM Decision No. 188/11/CONS of 6 April 2011 (Appendix to Resolution No. 188/11/CONS), which sets out the obligation for on-demand AVMS providers to promote European works, gradually and taking into account the development of the market, by adopting one of the following measures:

- A minimum 20% share of European works in VOD catalogues, calculated in

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[228] Decreto Legislativo 15 marzo 2010, n. 44, "Attuazione della direttiva 2007/65/CE relativa al coordinamento di determinate disposizioni legislative, regolamentari e amministrative degli Stati membri concernenti l'esercizio delle attività televisive". Avalable at:
http://www.normattiva.it/atto/caricaDettaglioAtto?atto.dataPubblicazioneGazzetta=2010-03-29&atto.codiceRedazionale=010G0068&currentPage=1

terms of the total number of hours of programming made available each year in the same catalogue; or

- An annual financial contribution to the production of or acquisition of rights in European works for their catalogues, representing at least 5% of the revenues specifically attributable to the public provision of on-demand audiovisual content within the same catalogues in the preceding year[229]. AVMS providers that fail to meet the financial contribution percentage under such requirement by less than 1% must comply during the subsequent year.[230]

AVMS providers must state the reasons for any variation falling short of the above-mentioned threshold.

Although AGCOM Decision no. 188/11/CONS came into force on 5 May 2011, a transitional period of four years has been allowed in order to guarantee newcomers a level playing field . AVMS providers will be able during this period – until 5 May 2015 - to implement these obligations gradually, taking into account market conditions and offers of rights. During the transitional period either the programming hours made available in the catalogue must be at least 5% a year or the financial contribution must be at least 2% a year. On-demand AVMS providers may obtain an exception from AGCOM with respect to the obligation to promote European works if they have not made a profit in the past two years, if their market share in terms of revenue is below 1%, or if they offer a thematic catalogue.

## 25.3   Monitoring and enforcement

AGCOM is responsible for the monitoring and enforcement of the obligations to promote European works by on-demand AVMS providers, based on the information provided by such providers and the monitoring of their programmes. AGCOM has adopted Resolution No. 186/13/CONS concerning the arrangements and criteria for monitoring both linear and non-linear AVMS providers' obligations to promote European works and for the considering individual requests to be granted an exception.

Between April and May 2014, AGCOM held a public consultation and a hearing with a view to amending the regulation on the promotion of European works on on-demand AVMS. The aim of the consultation was to discuss tools to ensure the prominence and promotion of European works on VoD services, as well as financial contributions and the proportion of European works in catalogues. AGCOM decided to propose the insertion of a provision giving VoD providers the possibility of choosing to use prominence tools to promote European works, earning in this case a "discount" on the obligation to make a financial contribution and the requirement to ensure a specific portion of works in catalogues. While this discussion is still on-going, AGCOM has also launched a public consultation in order to amend the Video-On-Demand Regulation. The aim of this new consultation is to modify the scope of the Regulation, updating the definition of VoD services by re-

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[229] Article 4-bis, paragraph 1 of AGCOM Resolution 66/09/CONS of 13 February 2009 on the promotion of European works (hereinafter the "EU Quotas Regulation"), as amended by Article 1, paragraph 3 of Annex A to AGCOM Resolution no. 188/11/CONS.

[230] Article 4-bis, paragraph 4 of the EU Quotas Regulation

moving the threshold of EUR 100 000 annual revenues, which was fixed in 2010 to take into account the "embryonic" state of the VoD market at that time. As the market has now entered into a more mature phase, AGCOM is considering proposing the removal of the threshold while adjusting and updating the text of the Video On-Demand Regulation.

# 26 POLAND

## 26.1 Legal basis

The reform of film policy in Poland in 2005 introduced a system of contributions by various categories of stakeholder aimed at financing the Polish Film institute.

According to Articles 18 and 19[231] of the Cinematography Act of 30 June 2005, the Polish Film Institute (PISF) receives the following revenues:

- economic contribution to its operation and activities from the budget of the Ministry of Culture;
- subsidies from the state budget for investment projects;
- operating income from films, in which the Institute has vested copyrights
- donations, legacies and bequests;
- revenues from property of the Institute;
- revenues granted by the Minister of Culture with respect to the Fund for the Promotion of Culture;
- public levy charged under section 19 of the Cinematography Act, which is the main component of the co-financing of film production in Poland.

Section 19 of the Act lists the entities that have to contribute to the film market in Poland, namely the leading cinema operators, distributors, broadcasters and television channels (including public television), digital platform operators and cable operators. They are required to transfer 1.5% of their annual revenue to the Institute.

Before the system was implemented, its constitutionality and conformity with European law were questioned and upheld on both accounts.

Constitutionality[232]

On 27 March 2006, the Commissioner for the Protection of Civil Rights approached the Constitutional Court with a motion stating that Section 19(9) of the Cinematography Act was not in conformity with the Constitution. The provision questioned by the Commissioner - namely Article 19(9) - states that payments described in subsections 1-5, 6 and 7 are subject to the application *mutatis mutandis* of the provisions of Part III ("tax obligations") of the Act of 29 August 1997 - Tax Act (*Ordynacja podatkowa* ) -, but in this case tax administration powers are vested in the Director of the Polish Institute of Film Art and the powers of the appellate body in the Minister of Culture.

The Commissioner for the Protection of Civil Rights raised doubts about whether

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231 Cinematography Act of 30 June 2005
232 The following text reproduces part of the article by M. PEK entitled "Constitutional Tribunal Examines Act on Cinematography", *IRIS 2006-10:16/26*, European Audiovisual Observatory, 2006, http://merlin.obs.coe.int/iris/2006/10/article26.en.html

section 19(9) does not infringe the principle of proper and rational legislation concerning tax administration activities and the collection of a new tax.

In its judgment, the Constitutional Court found that none of the arguments referring to powers granted to the Director of the Polish Film Institute in regard to fiscal administration substantiated an allegation of infringement of the Constitution.

In the Court's opinion, no threat to the rights of those entities that are subject to the aforementioned payments exists. Vesting the Director of the Polish Film Institute with tax administration powers constitutes a guarantee of the uniformity of the practice of collecting payments, as the same central body enforces the payments from all the entities concerned.

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## Conformity with European law[233]

In 2006, two petitions were addressed to the European Parliament by the leading Polish cable operator, UPC Polska s.p.o., and by the Polska Izba Komunikacji Elektronicznej' to complain about the lack of compatibility with Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorisation of electronic communications networks and services (Authorisation Directive).

In its answer to the Parliament, the Commission rejected this claim of lack of compatibility. It noted that cable operators are electronic communications network operators and provide electronic communications services, including conveyance of TV signals. At the same time they may be considered as content providers or distributors not only when they produce and broadcast their own content but also in as much as they normally have commercial relations with their subscribers and offer for sale packages (bouquets) of TV programmes. These two activities may imply different obligations. This is reflected in Recital 20 of the Authorisation Directive: "the same undertaking, for example a cable operator, can offer both an electronic communications service, such as the conveyance of television signals, and services not covered under this Directive, such as the commercialisation of an offer of sound or television broadcasting content services, and therefore additional obligations can be imposed on this undertaking in relation to its activity as a content provider or distributor, according to provisions other than those of this Directive, without prejudice to the list of conditions laid down in the Annex to this Directive."

The Commission also pointed out that the provisions of the Authorisation Directive are not applicable in situations where the event giving rise to a levy (like the one in question) is not the authorisation procedure

In addition, the support for film production is clearly a part of audiovisual policy adopted by Poland. In accordance with Article 1.3 of the Framework Directive 2002/21/EC the provisions of the regulatory framework for electronic communication are without prejudice to measures taken by Member States, in compliance with Community law, to pursue general interest objectives and in particular relating to audiovisual policy. In as much as the imposition of a levy in question is part of the audiovisual policy, provisions of the Authorisation Directive are not applicable.

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[233] The summary of the case below is largely quoted from the following source: EUROPEAN PARLIAMENT, Notice to the Members, 05.07.2007,
http://www.europarl.europa.eu/meetdocs/2004_2009/documents/cm/667/667786/667786en.pdf

The Commission also reiterated its decision of 16 May 2006 with regard to the Polish notification under state aid rules of the audiovisual fund in question, in which decision it concluded that the fund was compatible with state aid rules under the EC Treaty.

## 26.2  Monitoring and implementation

In its annual report, the Polish Film Institute does not publish details of the contributions of the various stakeholders. However the overall contributions represent almost 95 % of the budget. The budget amounts to around PLN 150 million with a state contribution of PLN 7.9 million and PLN 142,1 million paid by the contributors[234]. According to the information provided by the Institute[235], in 2013, the latter's contribution to the Institute was distributed as follows:

- Cinemas 8%
- Distributors 0.6%
- Cable TV operators 16.5%
- Digital TV operators 36.4%
- Broadcasters 38.5%

This financing structure is certainly unique in Europe because pay-TV operators' contributions amount to 52.9% of all contributions made by private stakeholders (PLN 75 million, around EUR 18 million) and constitute around 50% of the Institute's budget.

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[234] "Polish cinema is out of the slump" – an Interview with Agnieszka Odorowicz, General Director of the Polish Film Institute for Rzeczpospolita, 06.05.2014, https://www.pisf.pl/en/news/polish-cinema-is-out-of-the-slump-an-interview-with-agnieszka-odorowicz?language=en&print=1

[235] http://www.pisf.pl/pl/instytut/budzet

**Table 91  Contribution of TV Broadcasters, Digital & Cable TV operators, in PLN**

|      | TV Broadcasters | Digital TV operators | Cable TV operators |
|------|-----------------|----------------------|--------------------|
| 2009 | 49 567 639,82 zł | 38 670 930,16 zł | 16 034 990,15 zł |
| 2010 | 53 936 903,31 zł | 42 966 360,56 zł | 18 202 065,73 zł |
| 2011 | 53 393 189,46 zł | 46 922 450,52 zł | 17 677 384,46 zł |
| 2012 | 46 890 158,69 zł | 52 257 786,26 zł | 19 657 129,62 zł |
| 2013 | 46 398 781,87 zł | 43 839 744,85 zł | 19 791 026,49 zł |

Source: Polish Film Institute

**Table 92  Contribution of TV Broadcasters, Digital & Cable TV operators, in %**

|      | TV Broadcasters | Digital TV operators | Cable TV operators |
|------|-----------------|----------------------|--------------------|
| 2009 | 48% | 37% | 15% |
| 2010 | 47% | 37% | 16% |
| 2011 | 45% | 40% | 15% |
| 2012 | 39% | 44% | 17% |
| 2013 | 42% | 40% | 18% |

Source: Polish Film Institute

# 27  PT - PORTUGAL

## 27.1  Legal basis

The financial contribution of on-demand AVMS providers to European audiovisual production is governed in Portugal by Decree-Law No. 45/2011 of 11 April 2011[236], amending the Television Act of 2007[237]. In addition, on 6 September 2012 the Portuguese Parliament adopted the Act No. 55/2012 on Cinema and Audiovisual Media[238], which modified the Portuguese framework for the film and audiovisual sector, as established by Act No.42/2004 of 18 August 2004.

The Act on Cinema and Audiovisual Media - amended by Act No. 28/2014 of 19 May 2014[239] - came into force in October 2012. It defines a set of state principles for the development and protection of the art of cinema and of audiovisual activities. Its main amendment relates to the model for financing the sector and aims at increasing the sources of funding, including the direct involvement of television broadcasters and on-demand AVMS providers.

## 27.2  Mandatory contribution to European production by on-demand AVMS providers

Article 45(1) of Decree-Law No. 46/2011 amending the Television and On-demand Audiovisual Media Services Act provides for new obligations for on-demand AVMS providers to promote European works. According to this provision, on-demand operators must contribute to the promotion of European works either through financial contributions to European production or through gradual increases in the proportions of these works in their catalogues[240]. However, this Decree-Law did not specify the amount of and arrangements for such a contribution. It also created a new obligation for on-demand AVMS to give particular prominence to European works in their catalogues by implementing specific measures to enable the public to search for European works by origin[241].

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[236] Decreto do Presidente da República n.º 45/2011 de 11 de Abril.
http://www.erc.pt/documentos/legislacaosite/Lei_8-2011.pdf

[237] Lei nº 8/2011 alteração à Lei da Televisão, aprovada pela Lei nº 27/2007. Available in English at:
http://www.gmcs.pt/en/television-and-on-demand-audiovisual-media-services-law

[238] Lei n° 55/2012, de 6 de setembro – Lei da arte do cinema e das actividades cinematograficas e audiovisuais, http://www.ica-ip.pt/Admin/Files/Documents/contentdoc2315.pdf

239 Lei n.° 28/2014 de 19 de maio, Primeira alteração à Lei n.º 55/2012, de 6 de setembro, que estabelece os princípios de ação do Estado no quadro do fomento,desenvolvimento e proteção da arte do cinema e das atividades cinematográficas e audiovisuais, e ao Decreto -Lei n.º 9/2013,de 24 de janeiro, que regula a liquidação, a cobrança, o pagamento e a fiscalização das taxas previstas na Lei n.º 55/2012, de 6 de setembro. http://www.ica-ip.pt/Admin/Files/Documents/contentdoc2825.pdf

[240] Section 45(2) of Act No. 45/2011.

[241] Section 45(3) of Act No. 45/2011.

## 27.3   The reforms of the film funding system in 2012

Important reforms were introduced in 2012. According to the new system, film funding comes from two sources:

- Funding of the national film fund (ICA) through taxes on revenues of various categories of stakeholders (section 10 of Act 55/2012)
- Direct investment obligations for various categories of stakeholders (sections 14 to 17 of Act 55/2012, as regulated by Decree-Law No. 124/2013

## 27.4   Mandatory contribution of distributors to the financing of the national film fund

Through the Act on Cinema and Audiovisual Media (Lei n.º 55/2012, de 6 de setembro - Lei da arte do cinema e das atividades cinematográficas e audiovisuais, Art.10 ), the Portuguese legislature introduced in 2012 a new financing model for the sector by increasing the funding sources of the national film agency, ICA :

- Tax of 4% on the advertising revenues of exhibitors, broadcasters, distributors and providers of EGP services (this tax existed since 1990 for exhibitors and broadcasters).
- Tax on the revenues of distributors of audiovisual services ("subscription TV levy"). The details of this tax were as follows:
  – EUR 3.5 per subscriber per year
  – 10% increase per year
  – Maximum EUR 5 per subscriber in 2018

The distributors engaged in significant lobbying activity against the implementation of those provisions: at the national level, they challenged their conformity with the legal principle of proportionality and at the European level they complained to the European Commission alleging a violation of  Article 12 of the Authorisation Directive.[242] The law was revised in 2014[243] with the following provisions:

- Operators have to pay EUR 2 per subscriber per year
- The difference (1.5 %) will be paid by the national telecommunications regulator
- The amount will not be subject to progressive increases (except for inflation)

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[242] See N. COUTINHO DE FARIA, "Legal framework for Public Film Funding in Portugal", Presentation at the European Audiovisual Observatory Workshop " Funding for Film and Audiovisual Production: What Role for New Players?', Rome, 12 June 2014.

[243] Lei n.º 28/2014, de 19 de maio, Art. 10

## 27.5   Mandatory investments in production

Specific regulations implementing the Cinema and Audiovisual Media Act were subsequently adopted and came into force at the end of February 2013[244]. In particular, Decree-Law No. 124/2013 on support measures, investment obligations and the registration of works and audiovisual companies specifies the fees applicable to operators in the field of investment in cinematographic and audiovisual production, and deals with the question of supervision and fines.

Direct investment obligations apply to TV broadcasters[245], distributors and DVD/Blu-ray publishers[246], VoD providers[247] and cinema exhibitors[248].

As far as distributors and DVD/Blu-ray publishers are concerned, the financial contribution is mandatory in the following way:

- Film distributors: 3% of revenues.
- DVD/Blu-ray publishers: 1% of revenues;
- Form of investment: co-financing, co-producing, "minimum guarantee", distribution rights acquisition, restoration and mastering.

For VoD providers these obligations are implemented in the following way:

- 1% of revenues of VoD services;
- Form of investment: co-financing, co-producing, "minimum guarantee", rights acquisition, making works available for online sale or rental, with 50% of revenue being given to right holders
- The investments should be approved by the national film agency (ICA).

As mentioned above, these direct investment obligations are accompanied by public funding sources through two types of levies:

- An exhibition levy of 4% on the advertising price has had to be paid since 1990 by cinemas, TV broadcasters and service distributors, and by on-demand AVMS or electronic programme providers irrespective of the transmission or distribution platform used[249] - 3.2% of this levy is allocated to the ICA and 0.8% to the Portuguese Cinematheque -.
- A subscription TV levy, provided for in section 10 of Act No. 55/2012, as revised in 2014, amounting to EUR 2 per subscriber per year and paid by the operator and an annual contribution of EUR 1 for each individual subscription paid to on-demand broadcasters.

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244 Decreto-Lei n.º 124/2013 de 30 de agosto (Law Decree n.° 124/2013 of August 30th on the support measures, investments obligations and registry of works and audiovisual companies. Available at: http://www.ica-ip.pt/Admin/Files/Documents/contentdoc2585.pdf.; Decreto-Lei n.º 9/2013 de 24 de janeiro (Law Decree n.° 9/2013 of January 26th on levies and payment procedures. Available at: http://www.ica-ip.pt/Admin/Files/Documents/contentdoc2400.pdf

245 Article 43 of Decree-Law No. 124/2013

246 Article 44 of Decree-Law No. 124/2013

247 Article 45 of Decree-Law No. 124/2013

248 Article 46 of Decree-Law No. 124/2013

249 Section 10 of the Cinema and Audiovisual Media Act and Article 2 of Decreto-Lei n° 9/2013 de 24 de janeiro, Decreto regulamentar da Lei do Cinema e do Audiovisual (Implementing Decree of the Act on Cinema and Audiovisual Media), available at: http://www.ica-ip.pt/Admin/Files/Documents/contentdoc2400.pdf

## 27.6　Monitoring and enforcement

Compliance with the rules governing the promotion of European works is subject to annual review by the Portuguese regulatory authority Entidade Reguladora para a Comunicação Social.

In addition, the supervision of the mandatory contribution by on-demand AVMS to European production is laid down by Cinema and Audiovisual Media Act and its implementing decrees. In particular, on-demand AVMS providers must report their previous year's revenues to the ICA annually by 30 June in order for the ICA to fix the amount of the financial contribution they owe. They are also subject to a list of obligations to make declarations concerning the cinematographic and audiovisual works to which they have financially contributed and the payment of the annual tax on commercial advertising.

Due to the recent implementation of the laws, data on the revenues are not yet available.

# 28  SI - SLOVENIA

## 28.1  Legal basis

The financial contribution of on-demand AVMS providers to European audiovisual production is governed in Slovenia by Act 87/2011 on Audiovisual Media Services[250] (ZAvMS), which was adopted on 19 October 2011 and entered into force on 17 November 2011. This Act implements all the obligations arising from the AVMS Directive, including the rules on the promotion of European audiovisual works, both on linear and on-demand services. The ZAvMS also gave new powers to the Slovenian regulatory authority (AKOS), which became responsible among other things for the preparation and adoption of general laws detailing the methodology of monitoring AVMS and the registration of on-demand AVMS. Within these powers, AKOS adopted a general law detailing the methodology for monitoring on-demand AVMS.

## 28.2  Promotion of European works by on-demand AVMS providers

Slovenian law stipulates that the proportion of European audiovisual works in any television programme[251] must be at least 50 percent of the annual transmission time – excluding news reports, sports events, games, advertising, teleshopping and teletext[252]. In addition, the proportion of European audiovisual works[253] in any on-demand AVMS must be at least 10 percent of European audiovisual works in the programme catalogue[254]. A provider of on-demand AVMS that fails to meet this proportion must provide a financial contribution to the production of or acquisition

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[250] Zakon o avdiovizualnih medijskih storitvah – ZavMS, Official Gazette RS, No. 87/2011, dated 2 November 2011; ("Audiovisual Media Services Act"). Available at: http://www.uradnilist.si/1/objava.jsp?urlid=201187&stevilka=3715

[251] This provision shall not apply to local broadcasters with special interest status and broadcasters whose programmes are intended for local audiences and are not included in the programme network reaching more than 50 percent of the population of the Republic of Slovenia. Chapter IV, section 6(8) of the Slovenian Audiovisual Media Services Act.

[252] Chapter IV, section(1) and (4) of the Slovenian Audiovisual Media Services Act.

[253] According to the Slovenian law, works which are not European but have been produced in the framework of bilateral co-production agreements concluded between member states of the European Union and third countries are deemed to be European if the bulk of the production costs are borne by the co-producers from the European Union and if the production is not controlled by one or more producers, established or registered outside the territory of the member states of the European Union. These works are included in the proportion of European audiovisual works. With regard to works that are not European but have been created primarily by authors and workers residing in one or more member states of the European Union, it is deemed that such works are European in direct proportion to the joint share of co-producers from the European Union to cover the total costs of production. Such works are included in the proportion of European audiovisual works in direct proportion to the total share of co-producers from the European Union in covering the total costs of production; Chapter IV, section 6(7) of the Slovenian Audiovisual Media Services Act.

[254] Chapter IV, section 6(2) and (5) of the Slovenian Audiovisual Media Services Act.

of rights to European audiovisual works of at least 1 percent of total annual revenues from its AVMS generated in a calendar year[255]. However, this obligation still needs to be implemented by an Act of Parliament in order to determine the method of calculation and details of this contribution.

## 28.3   Monitoring and enforcement

The Audiovisual Media Services Act gave AKOS greater powers in relation to the audiovisual media sector, including the supervision of on-demand AVMS. On-demand AVMS providers are thus required to notify AKOS ex ante about their operations, and AKOS is also empowered to administer the official record of these services. It is also responsible for monitoring compliance by linear and on-demand AVMS with the obligation to promote European works.

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[255] Chapter IV, section 6(3) of the Slovenian Audiovisual Media Services Act.

# Investments in productions by distributors of audiovisual services and providers of on-demand audiovisual media services in Europe

## 29 Investments in production by distributors of on-demand audiovisual media services

The issue of investments in production by providers of VoD service platforms in Europe should be considered in the context of the strategy of integrated groups. Until 2012, TV VoD (i.e. VoD services provided by pay-TV digital platforms) was the leading segment of the VoD market in Europe. According to IHS data, in 2009 consumer spend on TV VoD represented 76.9% of total consumer spending on VoD services (which amounted to EUR 354.4 million). This proportion dropped to 39.4% in 2013, but the segment grew to reach to a total value of EUR 723.7 million over 5 years, with a compound annual growth rate of 15.3% over that period.

Attention should therefore be paid not only to the role of OTT services (the leading OTT services in Europe being mainly operated by US groups), but also to VoD services operated by pay-TV distributors. The following table indicates that many them have production subsidiaries. It is interesting to note that various pay-TV operators have established or acquired production subsidiaries, the most recent example being Liberty Global, which in September 2014 acquired 50% of All3 Media, the UK's leading TV production group, in a joint venture with Discovery Communications, Inc.

The breakdown of revenues between the various activities of these integrated groups, as well as the internal financial flows between their branches or subsidiaries is generally impossible to track, so it is not possible to quantify what part of their production activities in relation with their VoD revenues should be considered as resulting in investments.

To our knowledge, companies distributing audiovisual services through the Internet or connected TV solutions (smart TV, boxes, dongles) do not engage in production. This is the case for online TV distributors of TV channels, such as Zattoo AG (based in Switzerland), distributors of applications allowing access to TV or on-demand audiovisual services (such as iTunes, Google, manufacturers of smart TV sets, etc) or pure platforms for the distribution of on-demand audiovisual services (as in the case of YouTube, operated from the US by Google Inc., or Microsoft's Xbox Video, which is established in Luxembourg and is considered a distribution platform by the Luxembourg authorities).

**Main groups involved in distribution of AVMS services and provision of on-demand AVMS in Europe**
Ranked by global operating revenues 2013 in EUR million

| Company | Country | 2010 | 2013 | Audiovisual services distribution (cable, satellite, IPTV, DTT, connected TV) | Audiovisual services distribution to mobile (smartphone, video-game consoles, tablets) (1) | Mobile broadcast TV (DVB-H) | TV and NVoD services | On-demand audiovisual services, music online | Production and distribution of films and TV programmes in Europe |
|---|---|---|---|---|---|---|---|---|---|
| Apple Inc. | US | 47 918 | 126 370 | | iTunes Stores (including Apps providing access to live TV channels) | iTunes Stores (including Apps providing access to live TV channels) | | iTunes Store accessible in 155 countries | |
| Telefonica | ES | 66 606 | 65 132 | Imagenio (IPTV: ES), O2 TV (IPTV: DE, CZ),  DTS (SAT: ES; 22%) Movistar Fusion TV (ES); ZON Multimedia (SAT/CATV: PT, 5.4%) collaboration with Multichoice (Africa) | Mobistar (ES), collaboration with Microsoft Xbox 360 (ES) | Trial Sogecable (ES), Pilot Barcelona, Trial Dublin (IE) | 22% Sogecable; O2 Info CZ | Imagenio Videoclub, Pixbox, Movistar Videoclub, Videoteka, Terra TV video (ES), O2 Videotéka (CZ), Terra TV | Grupo Telefonica de contenidos |
| Deutsche Telekom | DE | 63 919 | 61 458 | T-Entertain (IPTV: DE), Entertain-Sat TV (SAT: DE); T-Home (CATV & IPTV: HU), Magio TV (CATV & IPTV: SK), Via TV (IPTV: CZ), T-Home Sat (SAT: CZ), Max TV (IPTV: HR, MK), Extra TV (ME), Sat-TV (SAT: HU), OTE TV (SAT/IPTV: GR, 40%), T-Mobile (DTT: NL) | T-Mobile (DE, NL, GB, HU, CZ, AT), Polska Telefonia Cyfrowa (PL) | | Entertain Infokanal (DE), Magio Infokanal (SK), OTE Cinema & Sport channels (GR, 40 %), Max-TV (HR), Ozone TV (HU), Kostnix (AT), Life Network TV & Ozone Network TV (HU) | 19 services (DE, CZ, HR, HU, MK, GB, SK, GR) | |
| Microsoft Corp. | US | 51 183 | 60 721 | Windows Media center ; Xbox Live (AT, BE, CH, DE, DK, ES, FR, FI, GB, IE, IT, NL, NO, SE) | TV on Xbox 360 (20 countries, including US, CA, GB, ES, DE, IT, FR) + TV on Xbox One | | | MSN Video | |
| Amazon.com Inc. | US | 25 809 | 58 072 | | Kindle Fire 8 HD as platform of access to VoD services | | | AmazonVod (US), Amazon Instant Video (US) & Amazon Instant Video (GB, DE) | |
| Sony | JP | 61 464 | 54 921 | | PSP as platform to access VoD services in 17 European countries | | 66 channels in Europe (AXN, AXN Sci-fi, AXN Crime, Animax, MGM Channel, SPTI) | Vidzone (VoD services in 15 European countries), Crackle (Worldwide free VoD streaming service), Co-owner of VEVO | Sony Pictures (producing film in UK though special purpose vehicle companies) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Google Inc. | US | 22 124 | 46 662 | YouTube as a distribution platform for branded channels, VoD services,... Google TV (US) | YouTube as a distribution platform for branded channels, VoD services,... Google TV (US) | | | YouTube Movies (US, DE, FR, GB); Google Play Movie (US, DE, ES, FR, GB, RU) | |
| Vodafone Group PLC | GB | 57 684 | 46 286 | OF Fjarskipti (IPTV: IS), Casa TV (PT) Vodafone (IPTV: DE), Kabel Deutschland (CATV: DE) | Mobile TV (GB, HU, NL, PT, TR) Vodafone Live (RO), Vodafone Sky TV (GB, IT), Vodafone Digital+ (IS) | Vodafone Sky TV (IT), Pilote Sevilla (ES), Trial (DE, PT) | Chilli TV (HU, PT), Blue TV (HU), Redx Club (DE) | Videothek (DE), Videoclube (PT), Select Video (DE) | |
| Orange S.A. | FR | 46 076 | 41 668 | Mobistar Starpack (BE), Orange TV (IPTV: CH, ES)  La TV d'Orange (FR), Videostrada TV (PL), Orange Polska (PL), Fiber TV (SK), Sat TV (SK) Sat-TV La TV Orange (IPTV, SAT: FR) | TV Max/ TV d'Orange (FR), Live TV (CH, RO), Orange TV Movil (ES), Mobistar Mobile TV (BE), Orange Mobile TV (LU), Strefy TV (PL), TV de la Orange APP (PL), collaboration with Microsoft Xbox 360 | Licence (FR, Orange) Trial (ES) | France: 6 channels, ES: 3, PL: 3, partnership with Canal+ | Orange 24/24 (FR), Videoparty (FR), VoD services on DailyMotion, Film to go (GB), Mobistar (BE), Orange Replay (CH), Orange Vod (PL) | Studio 37 (film production, FR) |
| Hutchinson Whampoa Ltd | HK | 31 567 | 38 669 | 3Mediabox (DE, AT) | 3 Mobile TV  (AT, DK, IE, SE) La3 TV (IT) | La 3, La 3 Cinema (IT) | AT: 3Live; IT: LA 3, LA3Cinema. | | |
| Bouygues | FR | 31 225 | 33 345 | Bbox (IPTV: FR) | b.TV (FR) | Licences (EU-REURport, TF1, NT1Remix) | EUR : EU-REURport (3 services) ; FR : TF1 (43%), LCI, TV Breizh, Histoire, TF6, TFOU, Ushuaia TV, Jet, Acquisition TMC and NT1 in 2009 | TF1 Vision (MyTF1VoD, catch-up TV) | TF1 Films production; TF1 Productions, TF1 Droits audiovisuels, TF1 Publicité production |
| Telecom Italia | IT | 27 571 | 27 150 | Cubovision (IT), DTT package (3) | Cubovision Mobile App | Canali TV/ Live TV di Sky | MTV Italia (4 channels). La7 sold to Cairo Editore in April 2013 | Cubovision web TV (IT),  MTV Music (IT), Cubovision su Facebook (IT) | |
| Vivendi | FR | 28 878 | 22 135 | DTH: Canalsat, Canalsat Suisse, TNT Sat; DTT: Canal+/ Canalsat 3 étoiles; Media Overseas (DTH);  Neuf de SFR (IPTV); Neuf-Box TV (SAT: FR); | Pass TV Mobile/ Pass Canalsat Mobile/ Pass Canal+ Mobile | Licences FR (Canal +, i>Tele) | Groupe Canal+ and thematic channels (FR) (55 channels, including NVoD services Cine+), Canal+ | Canalplay (FR), Canal+ à la demande (FR), Canalsat à la demande (FR) Cineplay (FR), NeufVoD (FR), Co-owner of VEVO, Watch- | Studiocanal, Nulle part ailleurs, 60% Studio Bagel |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | TVMTBox (IPTV: MA) | | | Cyfrowy (PL: 14 channels) ; i>Tele, Plane-te (IT), 16 % Sogecable (ES). | ever (DE) | |
| BT Group PLC | GB | 23 162 | 22 122 | BT Vision (IPTV), partner in YouView | | | BT Sport 1 and 2 (and HD versions); ESPN UK | Vision TV (music, films, movies, kids/sports,...) | |
| 21th Century Fox | US | 26 850 | 21 267 | Sky Digital (DTH: GB, IE); Sky Italia (DTH: IT); Sky Deutschland (DTH: AT, DE) Direct TV (DTH: US); Foxtel (DTH: AU); Tata Sky (Asia), STAR (Asia) | Sky Go | Vodafone Sky TV (IT) | ########## | Sky Go on Demand (GB, DE, IT), Sky-Player (GB) ; purchase of Acetrax VoD service by BSkyB in May 2012 | 20th Century Fox, Shine Ltd |
| Telenor ASA | NO | 12 106 | 12 340 | Canal Digital (CATV, DTH: DK, FI, NO, SE); IPTV: Bredband, Digital-TV (SE); DTT: Riks TV (NO) | Telenor Mobil TV (DK, NO) | Trial (SE) | Co-owner of C MORE (113 channels in Nordic coun-tries: C MORE, Canal 9, Canal 8 Sport); NVoD service Ki-oskfilm | C:More VoD services | |
| Teliason-era AB | SE | 12 991 | 11 527 | IPTV: Telia TV (DK, SE), Next TV (NO), Elion TV (EE), Gala TV (LT), Interakti-va TV (LV), Koti TV (FI). DTT: Gala Digital (LT). CATV: Stofa (DK), Sonera (FI) | Mobile TV (EE), Om-nitel Mobili TV (LT), Mobila TV (LV, SE) Netcom (NO), (SE) | Trial (FI, SE) | Telia Nöjes-kanalen (SE), Zaptor TV (DK) | Telia Nöje Video on De-mand (NO), Telia Videobutik (SE), Stofanet-bio (DK), Stofa Digital Filmpak-ker (DK), Elion VoD (EE) | |
| Liberty Global plc | GB | 6 256 | 10 513 | CATV (AT, CH, CZ, BE, DE, HU, IE, NL, NO, PL, RO, SK), and DTH satellite (CZ, HU, RO, SK) | | Horizon TV | Chellomedia was sold to AMC Net-works in 2013. Only remaining channels: Telenet (13 channels), and various UPC info channels. | UPC On de-mand (AT, NL), Telenet à la carte (BE), Kino auf Abruf (DE), Horizon TV (NL) | Purchase of 50 % of ALL3Media in September 2014, in joint-venture with Discovery Communica-tions |
| KPN | NL | 13 398 | 8 472 | Interactieve TV (IPTV: NL), Dig-itenne (DTT); Snow (IPTV: BE) | Mobiel TV (NL), Base (BE) | KPN Mobiel TV (NL) | Interaktive TV (NL) | VoD services on KPN and Snow | |
| Belgacom | BE | 7 039 | 6 318 | Belgacom TV (IPTV: BE), Scarlet TV (IPTV: BE), Tango (LU) | Belgacom Mobile (Proximus) ; Belgacom TV partout (BE) | Trial (BE) | Skynet iMo-tion Activities (11 channels). | Belgacom TV à la demande (2 linguistic ver-sions); Movie Me App, Tango VoD | Involvement in film co-production |
| BBC Group | GB | 5 678 | 6 172 | Freeview (DTT: GB); Freesat (DTH: GB, IE) ; YouView | | | 64 TV chan-nels (plus windows), radio sta-tions, 50% share in UK TV channels. | BBC iPlayer, BBC iPlayer Global | BBC Production, BBC Films |

| Fininvest | IT | 5 892 | n.a. | Mediaset Premium (DTT), Tivusat (DTH), DTS/ Canal+ (ES) | | | 39% of Mediaset (RTI , 41.5% of Mediaset Espana), Mediolanum Channel) - 91 TV channels | Around 25 services: IT Infinity , Mediaset, Premium on Demand, Gallery, catch-up services of the various channels of the group, TG.com.; ES: Tele-cinco.es, Yomvi,… | Medusa, Tao Due, Endemol (in association with Cyrte). |

Source: OBS Yearbook 2014

## 29.1 Investments in original productions by providers of on-demand audiovisual media services in Europe

The trend towards VoD players investing in original productions (more specifically SVoD players, which need original content as a means of setting themselves apart from and gaining a competitive advantage over their competitors, pay-TV operators and other SVoD services) was really begun by Netflix in 2013 with *House of Cards*, a *Netflix* original, which was estimated to have cost more than USD 100 million for two seasons.

The American SVoD services Netflix, Amazon (both also available in some European countries) and Hulu have speeded up their investments in original content throughout 2013 and 2014 as this note will discuss in chapter 13. In the battle for subscribers and viewers, commissioning their own productiona is a necessity for SVoD services in order to depend not only on rights holders (US studios, networks) which are also entering the SVoD market and might be reluctant in the future to license their works to their competitors (as is already the case between HBO and Netflix).

In Europe, this trend has, however, not yet really manifested itself. Some examples exist, but compared to the situation on the US market they remain insignificant and are more an indication of a trend just coming to Europe.

The question remains as to whether the trend of VoD services commissioning original productions has been followed in Europe. Regulatory obligations to participate in film funds exist in some countries, as the first part of this note has set out in detail, but have VoD services actually commissioned original programmes for their online services?

There are two main examples in Europe of original programmes being specifically commissioned for VoD services. The first and principal example is the BBC iPlayer, for which shows and programmes have been commissioned and made available to the public without their having been broadcast on any linear BBC channel. The second example is that of CanalPlay, the SVoD service operated by the French pay-TV group Canal+, for which projects for original series for SVoD are underway and will be made available in in late 2014 or in the course of 2015.

For now (in 2014), those European projects are not yet comparable in size and scope to those of the SVoD giants Netflix and Amazon. The original productions made by the BBC and Canal+ for their VoD and catch-up services are rather the first attempts at creating innovative content aimed at younger audiences on one of their platforms of choice, online. They might be the precursors of a change coming to the audiovisual sector, where VoD is not seen as one of the many distribution platforms for audiovisual content but a platform in its own right capable of driving new consumption habits and, mostly, more appealing to the younger generations. As these experimentations have just started, it is too early to draw any conclusions.

## 29.1.1 GB - The United Kingdom

The BBC iPlayer is the BBC's online catch-up TV service. Over the years, it has met with considerable success among the UK audience, with over 3 billion[256] requests in 2013, and has adapted to such developments as the shift to increased mobile audiovisual consumption[257]. Recognising this transition to new forms of audiovisual consumption , enabling the audience to fix its own multi-screen and multi-device schedule , the BBC sees the iPlayer as a new channel, helping to innovate TV programming, and has placed it at the heart of the BBC's digital strategy. The declared aim is to turn it into online TV instead of catch-up TV (statement made in October 2013).

*"From now on, I want us to think of **BBC iPlayer as having the same status and value as a linear channel service**," said BBC director of television Danny Cohen at a Royal Television Society event. "In essence**, it becomes our fifth channel**, creating and sharing content alongside our linear services."[258]*

*"We'll invite them into the BBC and fund them to make brilliant programmes," Hall said. "We'll free them from the **conventional commissioning process and encourage them to experiment and make original online content** so they can inform, educate and entertain -- each other."*

*"The iPlayer is the best in the world -- but we want to make it even better. We want to **transform it from being catch-up TV to online TV. So, starting next year, we will reinvent the iPlayer**," Hall added[259](Lord Hall is the BBC Director General)*

The BBC announced that the new iPlayer controller will have a budget of £100 million to implement the changes and that a portion of this budget should be allocated to create original iPlayer-only content and iPlayer channels. The iPlayer was also redesigned in order to provide for a more responsive viewing experience and to make it easier to find content.

The iPlayer is therefore a major piece in the British public broadcaster's strategy to adapt to the digital age and the behaviour of younger audiences. This is even more important, if the decision to close BBC3 and make it an online channel is considered[260]. In fact, the BBC has taken the decision (still subject to the approval of the BBC Trust) to stop broadcasting the channel aimed at a younger audience in 2015 (target audience of 16 to 35 year olds) in order to save costs (cost reductions of around £100 million are the goal, the BBC3 budget was £85 million in 2013/14).

How has this investment in original content for the iPlayer manifested itself?

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[256] Available at: http://www.bbc.co.uk/mediacentre/latestnews/2014/2013-iplayer-stats

[257] Available at: http://www.theguardian.com/media/2014/jan/07/bbc-iplayer-record-christmas-tablet-computer

[258] Available at: http://www.streamingmediaglobal.com/Articles/News/Featured-News/BBC-Reinvents-iPlayer-Funds-Original-Content-Budget-92685.aspx

[259] Available at: http://www.streamingmediaglobal.com/Articles/News/Featured-News/BBC-Reinvents-iPlayer-Funds-Original-Content-Budget-92685.aspx

[260] More information available at: http://www.bbc.co.uk/mediacentre/latestnews/2014/bbc-three-tv-closure.html and http://www.bbc.com/news/entertainment-arts-26447089

## Original programming for the iPlayer

The aim of the original commissioning of programmes for the iPlayer is to be creative and explore new ways of storytelling, discover new talents (writers, directors, actors) and new ways of collaborating with cultural partners. As this initiative is relatively new, this section provides information on the main programmes produced for the iPlayer. It is important to note, however, that investment in original productions does not reach the levels of shows produced for traditional broadcasts (such as BBC1 or 2) or those of US SVoD platforms. Rather the commissioning of original programmes is the first sign of what might be a new way to reach the audience, and if it proves to be successful future investments could be higher than is currently the case(no investment/cost of production figures are yet available for the iPlayer's short commissions).

Another point made is that iPlayer does not suffer from the typical constraints regarding fixed durations and transmission slots. As with other VoD services, the iPlayer team emphasise the fact that writers, directors and comedians will find a place where they can innovate and try new things – ; in a word, be liberated from the traditional constraints of television.

### Three "original drama shorts" (made available on 11 March 2014)

The three drama short were low-budget productions by new, young writers and directors (no actual budget data could be found) and were the result of a venture between the BBC iPlayer, BBC3 and BBC Drama and the commissioning started in 2013 after the announcement that original content would be coming to the iPlayer. These are not big-budget productions but the first signs of a new strategy aimed at a changing audience, and if successful, will certainly entail other experimentations and become a full part of the BBC's commissioning strategy for the iPlayer.

The three short dramas are:

- *Flea* by Cat Jones[261]
- *My Jihad* by Shakell Ahmed[262]
- *Tag* by Katherine Chandler

In addition to these three original short dramas, seven short comedies were also produced for the BBC iPlayer.

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[261] Information available at : http://www.bbc.co.uk/blogs/writersroom/posts/Original-Drama-Shorts-on-BBC-iPlayer-Flea-

[262] Information available at : http://www.bbc.co.uk/blogs/writersroom/posts/Original-Drama-Shorts-on-BBC-iPlayer-My-Jihad

## Six "original comedy shorts"[263]

Seven original comedy shorts, with a length of 4 to 9 minutes, were available to the iPlayer audience on 1 June 2014. Seven comedians well-known in the United Kingdom each agreed produce a short exclusively for the iPlayer.

The six original comedy shorts are:

- The Case of the Highfoot with Reece Shearsmith
- Cookery Show with Frankie Boyle and Bob Mortimer
- Playback with Meera Syal
- Foxageddon with Micky Flanagan
- Channel M with Morgana Robinson
- Lone Wolf with Matt Berry

Another comedy, a spin-off from BBC3's sitcom *People Just Do Nothing,* was made available to the audience of the iPlayer in March 2014. The BBC recruited the team after seeing their videos on YouTube, commissioned a half-hour pilot which was made with success being the most shared programme on the iPlayer in July 2012. From this pilot, the BBC commissioned a four-part series that will be aired on BBC3 but premiered on the iPlayer in March 2014. It was also announced that a 3rd season of o Comedy Feeds pilots would launch on the iPlayer later in 2014.

## Non-scripted content exclusive for the iPlayer

Three other programmes were commissioned for the iPlayer in 2013 and 2014:

- A guided tour of Matisse: *The Cut-Outs Exhibition at Tate Modern* (by musician Goldie (April 2014)
- *Chelsea Flower Show* which enables viewers to view the show gardens, hear explanations from experts and vote for their favourite garden
- Three documentaries by journalist Adam Curtis – *Out There, At the Mountains of Madness* and *Dream Baby Dream*. They explore modern Britain by dissussing the subjects of hypocrisy, deception and corruption.

## Other programmes exclusive to the iPlayer

*My God, it's full of fans*, a companion programme to the BBC2 history of science documentary *My God, it's full of stars* has also been made available to the iPlayer audience in 2014 .

Another documentary series was made for the Notting Hill Carnival. Consisting of four documentaries, they tell the story behind the Notting Hill Carnival and were commissioned from ACME Films. The documentaries were made available in August 2014 and are entitled *Notting Hill Carnival: Big Tunes, Notting Hill Carnival: Who started it?, Notting Hill Carnival: Sound Systems* and *Notting Hill Carnival: Hard Food.*

Finally, as 2014 marks the centenary of World War I, a remastered version of BBC 4's *The Great War Interviews*, with 13 interviews of veterans, were introduced on the iPlayer as a complement to the programmes broadcast on the various BBC

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[263] Available at : http://www.bbc.co.uk/iplayer/group/p01zv79p

channels to commemorate the centenary.

2014 marked the development of the iPlayer as stated in the BBC's objectives in 2013. As BBC3 will cease to be broadcast on air in 2015 and migrate online in order to save costs and to adapt to the new viewing habits of the younger generations, the iPlayer is set to evolve from a simple online catch-up TV platform to online television. In 2014, the BBC initiated this transition towards an online TV platform by starting with smaller projects that will no doubt gain in importance in the future as the transition to an online BBC3 channel is made and as the iPlayer rises in popularity among the UK population.

Here are statements by the three executives involved in the orginal content strategy at BBC3, BBC Drama and BBC iPlayer.

Victoria Jaye, Head of TV Content, BBC iPlayer, says:

*"This ambitious new strand builds on BBC iPlayer as a creative platform to bring original British drama to audiences online, and explores storytelling outside of a scheduled TV slot or duration. Audiences will be able to discover, share and enjoy these dramas whenever and wherever they choose."*

Hilary Salmon, Executive Producer for BBC Drama, says:

*"This is a precious opportunity for BBC Drama Production to produce original content for the BBC iPlayer and the BBC Three audience and to build relationships with writing and directing talent that is on the way up."*

Zai Bennett, Controller of BBC Three says:

*"As a youth channel, BBC Three is at the forefront of new ways to commission and view programmes and to find up and coming talent both on and off the screen. This new drama strand is exactly the kind of venture BBC Three is all about."*

The BBC iPlayer was the most significant example that we have found of original production commissioned for an online service in Europe. Another example exists in the United Kingdom, the AOL ON Network UK.

### Amazon and the pick-up of BBC's *Ripper Street*

Another interesting development was the pick-up by Amazon for its Instant Video VoD service of the TV series *Ripper Street*[264], which was dropped by the BBC after one season. The BBC and Amazon have shared the production costs of the TV series but the BBC will only air it on its own channel (BBC One or Two) after it has already been made available to subscribers to Amazon Prime in the United Kingdom. This move by Amazon is similar to the one Netflix made by picking up *Arrested Development*[265], dropped by Fox in 2006 in order to commission a 4th series of the TV show, and *The Killing*[266] (and similar to Yahoo and the dropped NBC show *Community*[267]). As TV shows might not be viable on broadcast channels as

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[264] http://www.theweek.co.uk/tv-radio/57521/tv-revolution-bbc-amazon-deal-signals-way-ahead
[265] http://www.techhive.com/article/2033066/netflix-debuts-new-arrested-development-season-may-26.html
[266] http://variety.com/2014/digital/news/netflix-announces-premiere-date-for-the-killing-final-season-1201163124/
[267] http://www.theguardian.com/tv-and-radio/tvandradioblog/2014/aug/15/community-watch-trailer-new-season-yahoo

they do not have good enough ratings to be continued (even if they have a fan base), VoD services, taking advantage of possessing precise viewing data on their audience through an analysis of "big data", can afford to relaunch a cancelled TV show if they know that it will please a percentage of their subscribers/audience. They are not driven by ratings but, rather, by satisfying subscribers in order to retain them on the service. The BBC-Amazon deal was one of the first of its kind for a cancelled UK TV show.

## AOL On Network UK

AOL has announced two new original series with British talent in association with 40 partners[268]. The announcement was made at the IAB Digital Upfronts at BAFTA. AOL On is an on-demand audiovisual service financed through advertising and had already gained experience with successful original productions in the USA (two Emmy nominations, one show picked up by VH1). AOL On launched 13 original series in 2013 and will have 16 original series for its US service in 2014[269]. In 2014, AOL On UK[270] will bring *Being Mum* and *30 Something* to UK audiences. Here the investment in original content is made in order to provide exclusive shows to an audience with the aim of attracting for its partners more "eyeballs" for advertising.

## 29.1.2 France

## Canal Play

The French SVoD service Canal Play[271] has announced seven original web series to be premiered during 2015 on its service. This comes in response to the entry of Netflix into the French market and aims at differentiating the Canal Play offering. As with the BBC iPlayer, the first series was commissioned on a low budget and targeted younger audiences. Also, no investment figure was released. Canal+, which has acquired the YouTube Multi-Channel Network Studio Bagel[272], aims to integrate Studio Bagel into this new strategy of producing content aimed at younger audiences.

The two production labels for CanalPlay are *Digital Revelation* and *French of Humour*, which will start to release original content in 2015.

*French of humour* will produce new forms of entertainment, especially aimed at the younger generations, in partnership with Studio Bagel.

*Digital Revelation* will be dedicated to US web series. CanalPlay has announced the creation of three exclusive series for France: *H+, The Village Green* and *Bait.*

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[268] http://advanced-television.com/2014/10/17/aol-unveils-original-uk-content/
[269] More information available at: http://ads.aolonnetwork.com/content/aol-originals
[270] http://www.mediaweek.cuk/article/1317665/aol-uk-produce-shows-starring-richard-bacon-tess-daly-rochelle-humes
[271] http://www.strategies.fr/actualites/medias/242973W/canal-play-affine-sa-risposte-face-a-netflix.html
[272] http://www.lefigaro.fr/medias/2014/03/03/20004-20140303ARTFIG00343-canal-rachete-studio-bagel.php

## 29.2 Investments in original productions by video-on-demand players in the USA

Investment in original content by VoD services, and more specifically by SVoD services, found its real momentum in 2013 with the release of *House of Cards*, Netflix'sUSD 100 million original production. This was not Netflix's first original production as it had produced original content with *Lilyhammer*, in collaboration with NRK1, the Norwegian broadcaster, in 2012 but it was the one that really got the attention of the media sector. Since 2013, Netflix, Amazon and Hulu have engaged in various original production projects, ranging from series and documentaires to films (with the announcement by Netflix in October 2014 of the sequel to *Crouching Tiger, Hidden Dragon*[273] and four upcoming movies with and by Adam Sandler[274]). The trend towards investing in original content in order to set it off from the competition and to secure rights to attractive content has emerged since 2013.

Financial figures for those investments are not made public. Netflix announced that 10% of its content spending[275] is going into original production (and estimated USD 400 million), Amazon announced that it will spend more than USD 100 million on original series in the Q3 2014[276] (an estimated USD 400 to USD 500 million a year).

In this chapter, original productions in which Netflix and Amazon are investing are listed because they are present in Europe. Other on-demand audiovisual services, such as Yahoo with *Community* or Hulu with various original productions, are following as the online audience is increasing, as is the competition for subscribers (SVoD) and "eyeballs" (advertising financed). Netflix acquiring far more more orig-inal content than its competitors at the moment.

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[273] http://variety.com/2014/digital/news/crouching-tiger-hidden-dragon-sequel-netflix-weinstein-co-1201316645/
[274] http://variety.com/2014/digital/news/netflix-signs-adam-sandler-to-exclusive-four-movie-deal-1201319066/
[275] http://www.theguardian.com/media/2014/feb/05/netflix-spend-3-billion-tv-film-content-2014
[276] http://variety.com/2014/more/news/amazon-to-spend-more-than-100-million-on-original-series-in-q3-1201268987/

### 29.2.1 Netflix's investment in original content

Netflix's two most high-profile original content productions, *House of Cards* and *Orange is the New Black*, are estimated to have each cost around USD 100 million or just over USD 4 million per episode[277]. These shows are clearly attracting the most attention but Netflix's original content is not limited to these two productions. In fact, the company has commissioned several original-content productions, ranging from documentaries, stand-up comedy, animation and series to movies.

With an estimated budget for original content of USD 400 million a year (10% of content spending), the projects are varied. It is important to note that Netflix does not produce its original content itself but commissions and acquires it through deals with production companies and studios. The term "original" signifies that the productions were first available on Netflix (or in the case of the feature films announced, the same day and date release as in cinemas).

With the focus on Netflix's European expansion, the announcement of the original series *Marseille*[278] attracted a lot of attention in France as it was the company's first original French-language production. Netflix already has done this twice before in Europe: the first time with the Norwegian public broadcaster NRK1 for *Lilyhammer*[279]  and the second time with *Derek*[280] in collaboration with the UK broadcaster Channel 4. *Marseille* will be the first 8-episode series that Netflix will commission on its own in Europe.

Netflix: Available original content 2012– ctober 2014

The original productions from Netflix that get the most public attention are the original series. Netflix already commissioned and made seven original series available to its subscribers between 2012 and 2014. The table below summarises the original available content as of October 2014.

**Table 93  Netflix original series 2012-2014**

| Title | Genre | Premiere | Seasons |
|---|---|---|---|
| *Lillyhammer* | Comedy-drama | February 2012 | 2 seasons, 16 ep. |
| *House of Cards* | Political drama | February 2013 | 2 seasons, 26 ep. |
| *Bad Samaritans* | Comedy | March  2013 | 1 season, 5 ep. |
| *Hemlock Grove* | Horror/thriller | April 19 2013 | 2 seasons, 23 ep. |
| *Orange Is the New* | Comedy-drama | July 11 | 2 seasons, 26 ep. |

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[277] http://www.businessinsider.com/netflixs-cost-for-house-of-cards-2013-3
[278] http://www.lexpress.fr/actualite/medias/netflix-va-produire-la-serie-marseille-le-house-of-cards-de-la-canebiere_1570905.html
[279] http://variety.com/2013/scene/news/netflix-lilyhammer-premiere-steven-van-zandt-learns-to-love-norways-frozen-wasteland-1200859618/
[280] http://www.theverge.com/2013/8/6/4596156/ricky-gervais-mockumentary-series-derek-netflix-trailer

| | | 2013 | | |
|---|---|---|---|---|
| *Black* | | | | |
| *Turbo FAST* | Animation | December 24 2013 | 1 season, 20 ep. | |
| *BoJack Horseman* | Animation | August 22 2014 | 1 season, 12 ep. | |

Another aspect of Netflix's investments in original, or in this case semi-original programming, is the relaunch of TV shows that were aired previously on TV networks but cancelled (often because of too low ratings). Netflix, through an analysis of the data collected on its subscribers and their viewing habits, has invested in continuations of shows that were cancelled but for which it identified a fan base or discovered the show would appeal to a percentage of subscribers. As Netflix is not tied to ratings for its income but to subscriber satisfaction, commissioning shows that appeal to a small base of its subscribers makes sense (and is part of its business strategy). As of October 2014, Netflix has continued 5 shows that were cancelled on their original TV network. For *The Killing*, Netflix commissioned the final season as it was cancelled on AMC Networks. *Trailer Park Boys* is a Canadian TV show that Netflix continued years after it was aired on TV.

**Table 94  TV shows continued by Netlfix 2013 - 2014**

| Title | Genre | Channel aired before | Premiere | Seasons |
|---|---|---|---|---|
| *The Problem Solverz* | Animation | Cartoon Network | March 2013 | 1 season, 8 ep. |
| *Arrested Development* (season 4 only) | Comedy | Fox | May 2013 | 1 season, 15 ep. |
| *Star Wars: The Clone Wars* (season 6 only) | Animation | Cartoon Network | March 2014 | 1 season, 13 ep. |
| *The Killing* (season 4 only) | Drama | AMC | August 2014 | 1 season, 6 ep. |
| *Trailer Park Boys* (season 8 only) | Mockumentary | Showcase | September 2014 | 1 season, 10 ep. |

The genres of original series and continued series vary and range from animation and comedy to political dramas and horror shows.


In addition to these original and semi-original series, Netflix has also acquired and commissioned one-off productions like stand-up comedy, documentaries or films (TV films and not feature films like the announced sequel to *Crouching Tiger, Hidden Dragon)*. The tables below summarise for each genre the original content commissioned and acquired by Netflix.

Netflix acquired three TV films in 2013 as original content.

**Table 95  Netflix original "TV" films 2013**

| Title | Genre | Premiere |
|-------|-------|----------|
| *House of Bodies* | Action | April 2013 |
| *Percentage* | Action | April 2013 |
| *Shotgun Wedding* | Comedy | April 2013 |

In 2013 and 2014, Netflix acquired and commissioned 13 documentaries, the best known being *The Square,* a documentary on the Egyptian revolution.

**Table 96  Netflix original documentaries 2013-2014**

| Title | Genre | Premiere |
|-------|-------|----------|
| *HANK: 5 Years From The Brink* | Documentary | September 2013 |
| *Russell Peters Vs The World* | Documentary | October 2013 |
| *The Short Game* | Documentary | December 2013 |
| *The Square* | Documentary | January 2014 |
| *Mitt* | Documentary | January 2014 |
| *The Fabulous Ice Age* | Documentary | February 2014 |
| *The Lady in Number 6* | Documentary | April 2014 |
| *Brave Miss World* | Documentary | May 2014 |
| *This is Not a Ball* | Documentary | June 2014 |
| *The Battered Bastards of Baseball* | Documentary | July 2014 |
| *Mission Blue* | Documentary | August 2014 |
| *Print the Legend* | Documentary | September 2014 |
| *E-Team* | Documentary | October 2014 |

In addition to TV films and documentaries, the genres which Netflix has acquired/commissioned the most is stand-up comedy and "mockumentaries". This might indicate that subscriber viewing data has enabled Netflix to identify stand-up acts by known comedians as appealing to its subscribers.

**Table 97  Netflix original stand-up comedy and "mockumentaries" 2013-2014**

| Title | Genre | Premiere |
|---|---|---|
| *Trailer Park Boys Live In F\*\*kin´ Dublin* | Mockumentary | June 2014 |
| *Trailer Park Boys Swearnet Live* | Mockumentary | October 2014 |
| *Moshe Kasher: Live in Oakland* | Stand-up comedy | October 2012 |
| *Fat Man Little Boy* | Stand-up comedy | March 2013 |
| *Brian Posehn: The Fartist* | Stand-up comedy | March 2013 |
| *Craig Ferguson: I'm Here To Help* | Stand-up comedy | March 2013 |
| *John Hodgman: Ragnarok* | Stand-up comedy | June 2013 |
| *Rob Schneider: Soy Sauce and the Holocaust* | Stand-up comedy | August 2013 |
| *Mike Birbiglia: My Girlfriend's Boyfriend* | Stand-up comedy | August 2013 |
| *Doug Stanhope: Beer Hall Putsch* | Stand-up comedy | August 2013 |
| *John Caparulo: Come Inside Me* | Stand-up comedy | September 2013 |
| *Marc Maron: Thinky Pain* | Stand-up comedy | October 2013 |
| *Russell Peters: Notorious* | Stand-up comedy | October 2013 |
| *Aziz Ansari: Buried Alive* | Stand-up comedy | November 2013 |
| *Jim Jeffries: Bare* | Stand-up comedy | August 2014 |
| *Chelsea Handler: Uganda Be Kidding Me* | Stand-up comedy | October 2014 |
| *Wyatt Cenac: Brooklyn* | Stand-up comedy | October 2014 |

The slate of releases for original Netflix for the years 2012 to 2014 is already impressive, with several genres released in exclusivity in the first time on Netflix. In all, 45 different original titles were available on Netflix in the period 2012 to October 2014, the most represented genre being stand-up comedy (and mockumentaries) with 17 titles, followed by documentaries with 13. Original series, the most high-profile genre for Netflix, counted up to seven different titles (with different numbera of seasons). The most expensive original content productions for Netflix are the original series with the aforementioned cost per episode of over USD 4 million for the two high-profile series *House of Cards* and *Orange is the New Black.*

**Figure 116**        **Total of Netflix's original content 2012-2014**
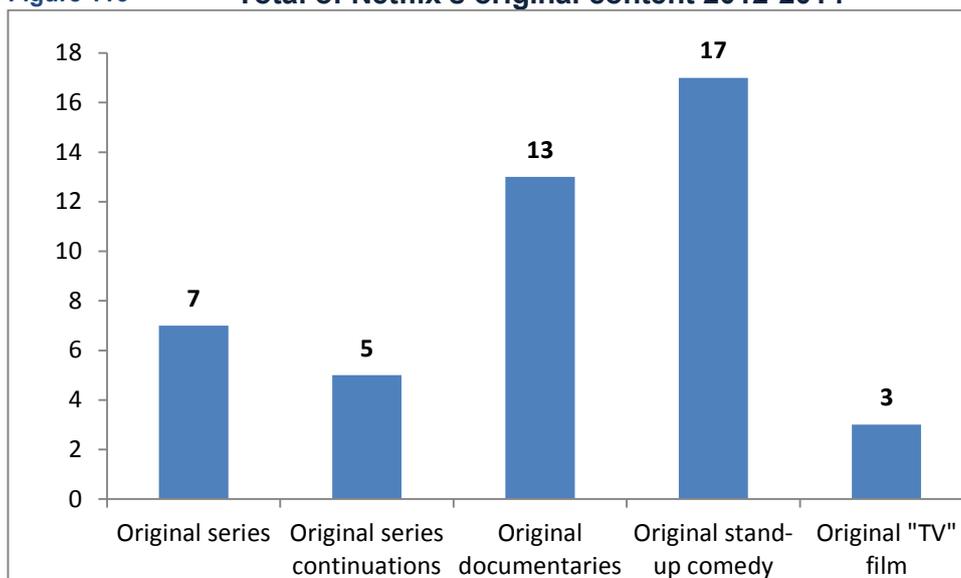


Netflix: upcoming original content November 2014-2016

Netflix has made several deals, most famously with Disney's *Marvel* for four series with Marvel Superheros[281] and its 3rd high-profile series *Marco Polo,* with an estimated production cost of over USD 90 million[282] (produced by Harvey Weinstein), and which aims at giving Netflix its *Game of Thrones* (history series, big-budget production). *Marseille* is another original series that attracted attention as it is the first investment in original French content by Netflix. Also, three original series will be produced by DreamWorks[283]. In this second slate of original series, Netflix has attracted content that can be considered rather high-profile and will certainly enable the service to attract further subscribers (and the Disney and Dream Works series also target children).

The presence of 12 animation series (as well as four *Marvel* series) is an indication of the increased importance of children and younger audiences for Netflix's subscriber growth. The younger audiences will be the subscribers of tomorrow, and by targeting them with original productions not available elsewhere, such as DreamWorks' *Dragon,* Netflix is preparing its future (and certainly giving the children's parents more arguments for a subscription).

With the talk show hosted by Chelsea Handler[284], Netflix is breaking with its core strategy (serialised content that attracts viewers and subscribers) and exploring

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[281]
http://marvel.com/news/tv/21476/disneys_marvel_and_netflix_join_forces_to_develop_historic_four_series_epic_plus_a_mini-series_event

[282] http://www.lesechos.fr/tech-medias/medias/0203897319311-netflix-leve-le-voile-sur-marco-polo-sa-nouvelle-serie-a-90-millions-de-dollars-1058769.php

[283] http://variety.com/2014/digital/news/netflix-to-add-three-original-series-from-dreamworks-animation-sets-debut-for-new-turbo-fast-episodes-1201131432/

[284] http://variety.com/2014/digital/news/how-chelsea-handler-changes-our-understanding-of-netflix-1201224055/

one of TV's typical formats. It can be seen either as experimentation or the exploration of a new strategy.

In total, Netflix will release 29 original series (planned as of October 201) in the next two years.

**Table 98** original series announced by Netflix November 2014-2016

| Title | Genre | Premiere |
|---|---|---|
| *Veggie Tales in the House* | Animation | November 2014 |
| *All Hail King Julien* | Animation | December 2014 |
| *DreamWorks Dragons (season 3)* | Animation | Spring 2015 |
| *Dinotrux* | Animation | Spring 2015 |
| *The Adventures of Puss in Boots* | Animation | January 2015 |
| F is for Family | Animation | 2015 |
| *Ever After High* | Animation | 2015 |
| *Popples* | Animation | 2015 |
| *Winx Club WOW: World of Winx* | Animation | Early 2016 |
| *Kong: King of the Apes* | Animation | 2016 |
| *The Magic School Bus 360°* | Animation | 2016 |
| *Care Bears and Cousins* | Animation | 2016 |
| *Richie Rich* | Comedy | Early 2015 |
| *Grace & Frankie* | Comedy | 2015 |
| *Wet Hot American Summer: The Series* | Comedy | ? |
| *Love* | Comedy | 2016 |
| *Narcos* | Crime drama | 2015 |
| *Chef's Table* | Documentary | 2015 |
| *Marco Polo* | Drama | December 2014 |
| *The Crown* | Drama | ? |
| *Sense8* | Sci-fi-drama | 2015 |
| *Marvel's Daredevil* | Marvel | May 2015 |
| *Jessica Jones* | Marvel | ? |
| *Luke Cage* | Marvel | ? |
| *Iron Fist* | Marvel | ? |
| *Chelsea Handler Talk Show* | Talk Show | 2016 |
| *Marseille* | Thriller-Drama | 2015 |

| | | |
|---|---|---|
| *Bloodline* | Thriller-Drama | March 2015 |
| *Between* | Thriller-drama | 2015 |

**Figure 117**     **29 original series announced by Netflix by genre**
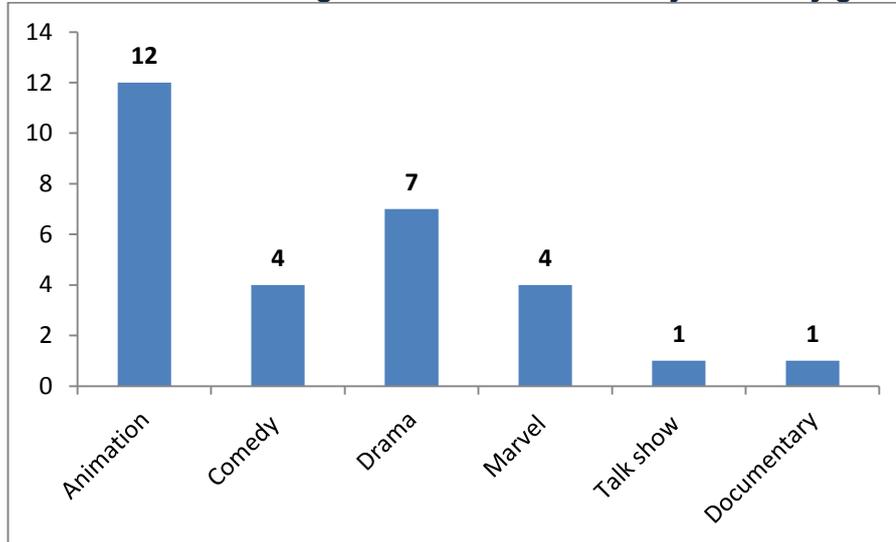


In addition to these new original series, Netflix has renewed for the upcoming period series which haven't been yet made available to the audience (such as DreamWorks' *Dragons, Dinotrux* and Love) and its high-profile series *Orange is the New Black* and *House of Cards. Hemlock Grove, Lilyhammer, Trailer Park Boys, Arrested Development* and *BoJack Horseman* have also been renewed, which indicates that these series have found their audience on the SVoD service.

**Table 99**  **Original series renewed by Netflix November 2014-2016**

| Title | Genre | Premiere |
|---|---|---|
| *DreamWorks Dragons season 4* | Animation | ? |
| *Dinotrux season 2 and season 3* | Animation | ? |
| *Winx Club WOW: World of Winx season 2* | Animation | Late 2016 |
| *Arrested Development season 5* | Comedy | ? |
| *Lilyhammer season 3* | Comedy-drama | November 21, 2014 |
| *Orange Is the New Black season 3* | Comedy-drama | June 2015 |
| *BoJack Horseman season 2* | Comedy-drama | ? |
| *Love season 2* | Comedy-drama | ? |
| *Hemlock Grove season 3* | Horror/thriller | 2015 |

| | | |
|---|---|---|
| *Trailer Park Boys season 9* | Mockumentary | March 2015 |
| *House of Cards season 3* | Political drama | Early 2015 |

Finally, in a surprising move, Netflix announced that it will release day-to-date with IMAX theatres in the US the sequel *Crouching Tiger, Hidden Dragon II: The Green Destiny* produced by the Weinstein Company. This is Netflix's first major foray of into the movie business. Also, the acquisition of four Adam Sandler movies to be released in exclusivity on Netflix is yet another transition in the company's business model and original acquisition strategy.

**Table 100    Netflix'supcoming feature films, animation, stand-up comedy and documentaries November 2014-2016**

| Title | Genre | Premiere |
|---|---|---|
| *Crouching Tiger, Hidden Dragon II: The Green Destiny* | Action | August 2015 |
| *Ever After High: Spring Unsprung* | Animation | 2015 |
| *Kong (Animated Movie)* | Animation | 2016 |
| Untitled Adam Sandler film | Comedy | ? |
| Untitled Adam Sandler film | Comedy | ? |
| Untitled Adam Sandler film | Comedy | ? |
| Untitled Adam Sandler film | Comedy | ? |
| *Virunga* | Documentary | November 2014 |
| Chelsea Handler Docu-Series | Documentary | 2015 |
| *Trailer Park Boys: Community Service* | Mockumentary | ? |
| *Trailer Park Boys: X-mas* | Mockumentary | ? |
| *Doug Benson: Doug Dynasty* | Stand-up comedy | November 2014 |
| *Chelsea Peretti: One of the Greats* | Stand-up comedy | November 2014 |
| *Bill Cosby: 77* | Stand-up comedy | November 2014 |
| *Bill Burr: I'm Sorry You Feel That Way* | Stand-up comedy | December 2014 |
| *The Defenders* | Superhero | ? |

## 29.2.2 Amazon's investment in original content

Amazon's move into original content differs from that of Netflix as Amazon has its own studios (Amazon Studios[285]), which produce and commission original content for Amazon. Also, Amazon asks writers, directors and creatives from all over the world to submit their projects for Amazon original content through their website (for comedy series[286], children's series[287], movie scripts[288]) and makes storytelling tools and storybuilder tools available to creatives. Amazon also gives financial incentives (USD 10 000 if the project is put on Amazon's development slate, USD 55 000 if it get distributed as series, USD 200 000 if a movie is developed +USD 400 000 if the movie "does really well").

Another difference is that Amazon selects original series and produces pilots on which users vote in order to determine which series should be produced[289]. In its first round in 2013, Amazon selected five original series to go into production[290] (two comedies, *Alpha House* and *Betas,* and three children's videos,*Annebots, Tumble Leaf* and *Creative Galaxy*.

Here is a list of Amazon's  original series currently available (as a pilot or entire season has been announced). *Transparent* in particular seems to have convinced critics[291] as Amazon's original series were previously judged to be not of the same standard as Netflix's high-profile original productions.

**Table 101      Amazon's original series**

| Title | Genre | Premiere |
|---|---|---|
| *Alpha House* | Comedy | April 2013 |
| *Betas* | Comedy | April 2013 |
| *Tumble Leaf* |  | May 2014 |
| *Transparent* | Comedy-drama | February 2014 |
| *Mozart in the Jungle* | Comedy | February 2014 |
| *The After* | Science fic-tion | February 2014 (pilot) |
| *Bosch* | Detective fiction | February 2014 (pilot) |

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[285] http://studios.amazon.com/
[286] http://studios.amazon.com/submit/series/comedy
[287] http://studios.amazon.com/submit/film
[288] http://studios.amazon.com/submit/film
[289] https://www.amazon.com/gp/feature.html?docId=1001155581
[290] http://variety.com/2013/digital/news/amazon-greenlights-five-original-series-1200488868/
[291] http://www.cnet.com/news/amazon-original-transparent-angles-for-your-tv-binge-too-sept-26/

Amazon has also announced its future production of original seriesm which are listed in the table below. The costs of producing these selected series are estimated to be around USD 100 million for Q3 2014[292]. At the moment, the scope of Amazon's original series and investment in original content falls below that Netflix.

**Table 102      Original series announced by Amazon**

| Title | Genre | Premiere |
|---|---|---|
| *Annebots* | Animation | 2014 |
| *Creative Galaxy* | Animation | 2014 |
| *Hand of God* | Drama | 2015 |
| *Red Oaks* | Comedy | 2015 |

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[292] http://variety.com/2014/more/news/amazon-to-spend-more-than-100-million-on-original-series-in-q3-1201268987/

# Conclusions

The collection of data on investments by providers of VoD services and distributors of AVMS services in the European Union gives rise to three observations:

- Several operators of pay-TV platforms are providers of VoD services (and often also TV broadcasters). The estimates by IHS on the VoD market segments indicate that TV VoD (i.e. the services provided by this category of operators) is still the leading segment of the VoD market. However, those groups do not publish detailed accounts on the breakdown of their revenues and on the internal flows between their branches or subsidiaries, so it is impossible to establish what precise role their revenues from VoD services play in the financing of their own production activities. It is, however, interesting to note that many of those groups have created or acquired production companies.

- To our knowledge, investment in original content specifically produced for online VoD services in Europe has just started. At the moment, the BBC iPlayer and the CanalPlay SVoD service of Canal+ are examples of investement in original content. The trend, already entrenched in the USA is just beginning in Europe. The experiment of producing content exclusively for VoD services will certainly gain some momentum as the audience continues shifting towards online.

- Most of the data available on contributions to the financing of production by providers of VoD services or operators of audiovisual media services are obtained from the reports of public bodies in the context of mandatory contributions, in the context of the implementation of Article 13 of the AVMS Directive or in the context of national film laws governing the contributions of various branches of the industry to the financing of national film funds. This report has identified eight countries in the European Union that lay down some kind of mandatory financial contribution from providers of on-demand audiovisual services and/or distributors of audiovisual media services with the aim of benefiting production or the funding of national film agencies.

# MEASUREMENT OF FRAGMENTED AUDIO-VISUAL AUDIENCES

# 30 Introduction

The audience measurement industry is in a state of flux. Technological developments and new consumer behaviour have led to a number of changes in the way audiences are measured. The main challenges for multi-screen audience measurement today are twofold: finding a device-independent measurement solution and reaching a market consensus on the methodology to be used.

One of the most important innovations in recent years has been the measurement of time-shifted viewing using digital video recorders (DVRs), video-on-demand (VoD) services and video cassette recorders and viewing using platforms of the TV channels such as the BBC iPlayer (i.e. replay). In the EU, 13 countries are measuring time-shifted viewing in 2014 with five further countries planning to introduce measurement in 2014/15 (Eurodata TV Worldwide).

An increasing number of people are accessing audiovisual content on PCs and mobile devices. This trend has prompted audience measurement services to find solutions to track audience behaviour on PCs, laptops, tablets and smartphones. The availability of data is much more limited, with only four EU member states measuring TV viewing on PCs in 2014 and six further countries planning to introduce these services in 2014/15. The availability of data for viewing on mobile devices is even less advanced. Countries that provide data for live television viewing and TV replay on mobile devices include the Netherlands and Sweden. In addition, tests are being conducted in Germany and four more countries are planning to introduce these services in 2014/15 (Eurodata TV Worldwide).

While most services focus on the tracking of television content, others pursue a broader approach. The Dutch joint industry committee Stichting KijkOnderzoek (SKO), for example, launched a new strategy that aims to measure all kinds of video content on all kinds of devices, not limiting itself to TV content only.

One of the leading services in the field and main provider of data for EU countries with regard to online video measurement is comScore. The company provides online video data for fixed Internet devices such as PCs at home or at work in six EU countries (FR, DE, IT, NL, ES, UK), Russia and Turkey. comScore is currently preparing the roll-out of a new measurement service in 2015 that will cover fixed and mobile devices including PCs, smartphones and tablets and OTT platforms (e.g. PS3 / PS4, Xbox One etc.).

The different new demands placed on audience measurement systems to create a holistic measurement system have seen the creation of a number of collaborations between established players. In October 2014, Nielsen announced the launch of a new service in collaboration with Adobe for 2015 covering various devices and platforms. Around the same time, WPP announced that its companies GroupM and Kantar Media had entered into agreements with Rentrak for the purpose of delivering new services in television measurement and consumer insights to clients in the United States.

The following report shows that the availability of audience measurement services varies greatly between the different EU countries. While some measure live television exclusively, others measure live and time-shifted audiences on multiple devices. Online video audience measurement is still at a relatively early stage and far from providing a comprehensive picture for audiences in the EU. However, some recent initiatives demonstrate efforts to create a unified multi-screen measurement system in the future.

**Table 103  Summary table - Audience measurement services in the EU in 2014**

| | TV | | | PC | | | Other devices | | |
|---|---|---|---|---|---|---|---|---|---|
| | Live | Time shifted | TV re-play | Live | Time shifted | TV re-play | Live | Time shifted | TV re-play |
| AT | OK | OK | planned 2014/15 | planned 2014/15 | | planned 2014/15 | planned 2014/15 | | planned 2014/15 |
| BE | OK | OK | OK | | | | | | |
| BG | OK | | | | | | | | |
| CY | OK | | | | | | | | |
| CZ | OK | OK | | OK | | | | | |
| DK | OK | OK | OK | OK | | OK | planned 2014 | | planned 2014 |
| EE | OK | planned 2014 | | | | | | | |
| ES | OK | planned 2014/15 | being tested | being tested | | being tested | | | |
| FI | OK | OK | planned 2014/15 | planned 2014/15 | planned 2014/15 | planned 2014/15 | | | |
| FR | OK | OK | planned 2014 | planned 2015 | | planned 2015 | planned 2015 | | planned 2015 |
| DE | OK | OK | OK | OK | | OK | being tested | | being tested |
| GR | OK | | | | | | | | |
| HU | OK | planned Q3/14 | | | | | | | |
| HR | OK | | | | | | | | |
| IE | OK | OK | OK | | | | | | |
| IT | OK | OK | | | | | | | |
| LV | OK | | | | | | | | |
| LT | OK | | | | | | | | |
| NL | OK | OK | planned 01/2015 | | OK | OK | OK | | OK |
| PL | OK | planned 2014 | | | | | | | |
| PT | OK | | | | | | | | |
| RO | OK | OK | | | | | | | |
| SK | OK | tested | being | tested | | tested | | | |

|  | TV | | | PC | | | Other devices | | |
|---|---|---|---|---|---|---|---|---|---|
|  | Live | Time shifted | TV re-play | Live | Time shifted | TV re-play | Live | Time shifted | TV re-play |
|  |  | since 2009 | tested | since 2013 |  | since 2013 |  |  |  |
| SI | OK |  |  |  |  |  |  |  |  |
| SE | OK | OK | OK | OK |  | OK | OK |  | OK |
| UK | OK | OK | OK | planned 2014/15 |  | planned 2014/15 | planned 2014/15 |  | planned 2014/15 |

Source: OBS based on data from Eurodata TV Worldwide

## Structure of report

The following report gives an overview of the audience measurement services available in the EU in 2014. Particular focus is placed on the availability of time-shifted viewing and television viewing on PCs and on other devices. In addition, the report maps the availability of online video audience measurement provided by major international companies and looks into the most recent developments in audience measurement.

**Chapter 31** gives a thematic summary of the main findings by chapter. More detailed information is available in the individual chapters.

**Chapter 32** gives an overview of services provided by a selection of the main international audience measurement companies which function as important trend-setters. Particular attention is paid to the provision and development of online video audience measurement services. Those services not available in EU countries are also included as they may become available in the future. The chapter also includes information about a number of companies that provide online video measurement for clients only. This data are not publicly available and cannot be purchased by third parties. Each company profile includes, depending on availability, information on a) the methodology used (panels, tracking through devices, etc.) and b) the measurement units (viewing time, unique visitors, time spent on site, etc.).

**Chapter 33** provides an overview of the audience measurement services available in the EU in 2014. Particular focus is placed on the availability of time-shifted viewing, television viewing on PCs and television viewing on other devices. In addition, the chapter provides a systematic comparison of average daily TV viewing times among the overall population and among younger people in order to illustrate viewing trends (2011-2013). The chapter finishes with an overview of sales of tablets and smartphones in five major European countries for the purpose of illustrating the increasing popularity of mobile devices and provides a pan-European overview of equipment and online data from iab/Mediascope Europe.

**Chapter 34** introduces the national audience measurement services in the EU28. Each country profile includes an overview table of the services available and planned, the data currency and the size of the panel based on information by Eurodata TV Worldwide. In addition, a brief trend analysis of average daily TV viewing times in the period 2011-2013 is included.

**Chapter 35** cites a selection of national, cross-national and pan-European sources providing data on online viewing behaviour.

**Chapter 36** gives an overview of comScore's audience measurements in 6 EU countries (Germany, France, Italy, Spain, the Netherlands and the United Kingdom) for the period August 2013 to August 2014 and specific measurement by genre of websites for August 2014 (most recently available figures).

# 31 Executive Summary

The following provides a thematic summary of the main findings by chapter. For more detailed information, please visit the chapters individually.

### Chapter 32 International players

- **Adobe:** Adobe, one of the leaders in digital marketing and digital media, offers a customised marketing tool (Adobe Analytics) to clients wishing to analyse online and offline sources, including their own customer data and web traffic (see 32.1).

- **Alexa Internet:** Alexa is a California-based subsidiary of Amazon.com which provides commercial web traffic data. The company publishes traffic rankings of the top global and national websites, including a separate category for online media (see 32.2).

- **comScore:** comScore provides a measurement system (comScore Video Metrix/VMX) that tracks the consumption of online videos on fixed Internet devices in six EU countries: France, Germany, Italy, the Netherlands, Spain, and the United Kingdom. The company is currently preparing the roll-out of a new measurement service in 2015 that will cover fixed and mobile devices including PC, smartphone, tablet and OTT devices (comScore VMX 3.0) (see 32.3).

- **Eurodata TV Worldwide:** Eurodata TV Worldwide is a service created by the French audience measurement company Médiamétrie. It is operated in partnership with national institutes operating people meter systems throughout the world, providing an international database for TV programme logs and ratings with audience data for all EU countries (see 32.4).

- **Ipsos MORI:** Ipsos MORI has conducted both survey-based and passive studies in the area of audience measurement for online video. One of the studies for which Ipsos MORI in the UK has run the fieldwork has been commissioned by IPA TouchPoints, a provider of databases for consumer behaviour. Ipsos MORI also holds a contract with the British Broadcasters' Audience Research Board (see 32.5).

- **Kantar Media:** With regard to online video audience measurement, Kantar Media offers its clients the VirtualMeter measurement technology. It measures the viewing of television content on PCs, laptops, tablets and handheld devices. In the EU, the meter software is used for the BARB UK panel and TV panels in Denmark (see 32.6).

- **Nielsen:** In the area of online video audience measurement Nielsen offers a service called Online VideoCensus which is available in North America (see 32.7). In October 2014, the company announced the launch of a new service in collaboration with Adobe for 2015, the Nielsen-Adobe Digital Content Ratings. The service will cover various devices and platforms (see 32.7.2). In November 2014, press articles revealed plans by Nielsen to start monitoring the usage of Netflix and Amazon Prime Instant Video among participants of its US nationwide consumer panel (see 32.7.3).

- **Rentrak:** Rentrak is a global media measurement and research company tracking video-on-demand viewing on over 120 million TVs in 210 markets (data is publicly available). With regard to online viewing, Rentrak offers a number of customer solutions to measure online video audiences (32.8). On 9 October 2014, WPP announced that its companies GroupM and Kantar Media had entered into agreements with Rentrak. The partnerships are designed to deliver new services in television measurement and consumer insights to clients in the United States only (see 32.8.4).

- **Cisco:** Cisco regularly publishes data as part of the Cisco Visual Networking Index (VNI), an ongoing initiative to track and forecast the impact of visual networking applications on global networks (see 3.9).
- **Sandvine:** Sandvine publishes the Global Internet Phenomena Report, a bi-annual report on global online traffic trends (including mobile and fixed access) (see 3.10).

## Chapter 33 Audience measurement services in the EU

- Time-shifted television on TV sets is measured in 13 EU member states (Austria, Belgium, Czech Republic, Denmark, Germany, Finland, France, Ireland, Italy, the Netherlands, Romania, Sweden, the United Kingdom) and is planned in five other countries (Estonia, Hungary, Poland, Spain, Slovakia).

  Measurements of TV replay on television sets (e.g. the BBC iPlayer TV platform) are already available in six countries (Belgium, Denmark, Germany, Ireland, Sweden and the United Kingdom) and services are planned in six other countries: Austria, Finland, France, the Netherlands, Slovakia (tested) and Spain (tested).

- Audience data for live television viewing on PCs is available in four EU member states (Czech Republic, Denmark, Germany and Sweden) and planned in six other countries: Austria, Finland, France, Slovakia (tested), Spain (tested) and the United Kingdom.

  Measurements of time-shifted television viewing on PCs are only available in the Netherlands. The introduction of measurements is planned in Finland for 2014/15.

  Data for TV replay on PCs is available in four EU countries (Denmark, Germany, the Netherlands and Sweden) and planned in six other countries: Austria, Finland, France, Slovakia (tested), Spain (tested) and the United Kingdom.

- Countries that provide data for live television viewing and TV replay on mobile devices include the Netherlands and Sweden.

  Tests for live viewing and TV replay are being conducted in Germany and four more countries are planning to introduce these services (Austria, Denmark, France and the United Kingdom).

- Overall, the availability of services is most advanced in Germany, Denmark, the Netherlands, Sweden and the UK.

## Section 33.2 Trends for television viewing time

- The time spent watching television is an important proxy (i.e. substitute measure) for detecting changes in viewing behaviour. If, for example, people spent less time watching television this could indicate that they are engaging in different viewing behaviour and consuming television content and other video content on different platforms and devices.
- 2012 appears to have been a turning point in television viewing. Television consumption decreased in 12 EU countries in 2013 (Austria, Belgium, Bulgaria, Croatia, Denmark, Estonia, France, Greece, Ireland, Latvia, Sweden, and the United Kingdom).
- Among the younger generation, the decrease in television consumption was more pronounced with young people in 17 EU countries watching less television in 2013 than the year before (Austria, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Lithuania, Latvia, Poland, Portugal, Slovenia, Spain, Sweden and the UK).
- Young people generally watch less television than the average total population. This is the case in all EU countries. Young people in 9 EU countries watched

half as much TV or less in 2013 than the population as a whole.

- Among EU members, Romania had the highest television consumption in 2013, with close to six hours a day, and seven other countries had consumption exceeding five hours a day (Croatia, Greece, Hungary, Italy, Poland, Portugal and Spain). Countries with the lowest television consumption were Austria, Finland and Sweden.

### Section  Tablet and smartphone sales in 2013 in DE, ES, FR, IT, UK

- People are increasingly using mobile devices for accessing audiovisual content. More than 30,000 tablets were sold in the five main European countries (i.e. France, Germany, Italy, Spain and the United Kingdom) according to GfK. Sales were highest in the UK (13,900), France (6,200) and Germany (5,850), followed by Italy (4,080) and Spain (3,330). The highest increases in sales were registered in France and Spain with a rise of 64% in 2013 compared to the previous year.

- Sales figures for smartphones were highest in the UK and Germany (over 20,000 sold in 2013), and in France and Italy, with more than 15,000 devices sold. Sales of smartphones have been stable in most European countries but some countries, such as Italy, experienced high growth rates (44% increase compared to sales in 2012 and 121% compared to 2011).

### Section Pan-European equipment and online data by iab/Mediascope Europe

- Data from iab/Mediascope (2012) showed that the countries with the highest percentage of the population online are the Netherlands, Sweden, Finland, France, the UK, Belgium, Ireland and Denmark (80% and over). The UK, Bulgaria, Greece, Romania, the Czech Republic and Ireland are the countries where Internet users are most likely to watch television online.

- Tablet ownership is extremely developed in the UK, and is high in the Netherlands, Sweden, Germany, Ireland, Italy, Belgium, Denmark and France. When it comes to smartphones, ownership is above 50% in the UK, followed by Sweden and Italy.

### Chapter 34 National audience measurement services

- Audience measurement services are in a state of flux with many of them introducing and planning to introduce additional services that measure audiences across various platforms and devices. The latest developments with regard to tenders and forthcoming services not covered by chapter 4 are summarised below.

- **Belgium:** In June 2014, the CIM Television Technical Committee published a tender for the enlargement of audience measurement to include TV viewing on PCs and other mobile devices and the fusion of data into an integrated data system. The project is planned to be implemented in the period 2016 to 2018 (for more details see 34.2).

- **France:** Médiamétrie is planning four man projects with regard to the development of TV measurement: 1) the inclusion of catch-up TV in the panel (a first set is already being measured), 2) the inclusion of three Internet screens within the measurement to become a four screen measurement, 3) the development of a hybrid measurement system for special-interest channels (i.e. return path data and TV panel), 4) creation of a social TV barometer (for more details see 34.10).

- **Germany:** AGF is working on the implementation of video streaming usage in the existing measurement system to enable the analysis of cross media campaigns and the identification of the incremental reach of TV and online. For this

purpose AGF has set up a project where video streaming is measured in an online panel with 25,000 panellists. On its website, AGF has been publishing free monthly rankings of the top video streams of participating partners since January 2014 (RTL, RTLII, Vox, Super RTL, n-tv, RTL Nitro, ProSieben, Sat.1, ZDF, Kabel Eins, sixx, 3sat, ARD). Since June 2014 the AGF has also published monthly data on user demographics, number of views and data volumes (for more details see 34.11).

- **Italy:** With regard to the measurement of television content on different screens, Auditel has initiated the "Extended screen" project through which it seeks to extend measurements to the PC by means of software meters in panel homes. In the future, Auditel will focus on advancing measurement technologies and statistical methodologies to allow the development of sophisticated hardware and software meters and the integration of big data with sample data (for more details see 34.15).

- **Netherlands:** Stichting KijkOnderzoek (SKO) has introduced an ambitious new strategy (2013-2017) that aims to measure all video content on all devices. This approach is very distinct from others as it aims to measure not only TV content but all video content across devices. The planned audience measurement system, called Video Total, aims at measuring online and offline viewing behaviour with regard to programme content and video advertising in order to be able to measure an audience's total viewing behaviour. The development is well under way with signed contracts that include Kantar Media Audiences (to measure online commercials), Kantar Media and TNS-NIPO (as suppliers for the integrated cross platform ratings) and Conviva and Webtrekk (for online video stream measurements) (for more details see 34.20).

- **Spain:** Kantar Media has been testing the acceptance of panellists for television measurements on PC using Kantar's VirtualMeter technology. Kantar Media aims to cover the measurement of various screens, including tablets and other portable devices, for the Spanish market as is already the case with its partner BARB in the UK. According to Kantar Media, the measurement of online audiences is a global priority for the organisation (for more details see 34.24).

- **Sweden:** MMS started to publish daily viewing figures for TV ads online in February 2014. The next development challenge for MMS will be the integration of linear and online TV viewing. The MMS approach envisages connecting data silos that are isolated from each other and to either find a single or a hybrid source solution to integrate figures for TV viewing on all platforms. However, in November 2014, MMS confirmed that a tender process to find a measurement solution for TV viewing on all platforms and devices had been postponed as no supplier was able to deliver a satisfactory solution. In the meantime MMS is working on an internal solution (for more details see 34.27).

- **United Kingdom:** BARB is focusing on three development priorities. The first of these priorities is the measurement of television viewing on PC, laptop, tablets and smartphones. On 9 September 2014, BARB announced the deployment of a new measurement technique that captures panellists' viewing on iPad and Android tablets, and data will become available in the coming months. The second priority that BARB focuses on concerns improvements in the area of time-shifted viewing. Since July 2013 BARB has extended the measurement time to 28 days after the original broadcast. In addition, it is conducting trials for programmes that premiered on a TV player App, (e.g. BBC iPlayer) instead of linear TV. The final and most important priority BARB pursues is establishing a hybrid measurement system by January 2016 to integrate BARB panel data with web server data and return path data from set top boxes.

In mid-October 2014 the UK's first official Twitter TV ratings became available

to complement the BARB gold-standard TV measurement currency. A report by Kantar Media published in September 2014 confirmed that Twitter activity and TV viewing are linked (for more details see 34.28).

## Chapter 35 Studies

- **National studies:** There are a number of national sources that publish catch-up TV statistics. These include the BBC, the German Arbeitsgemeinschaft Fernsehforschung (AGF), the French CNC and the UK's Ofcom.

  The ARD-ZDF Online Study 2014 found that the most popular audiovisual online activities were as follows: 34% used video portals at least once a week, 18% used VoD services, 14% watched time-shifted television, 9% used catch-up TV archives, 8% watched life television online, 6% watched video podcasts online.

  The UK TouchPoints5 data revealed that of the 3% of time spent not watching television through a television set, 44% was via a laptop, 25% via a Smart TV, 17% through a tablet and 6% each through a smartphone or a games console.

  The US Digital Video Benchmark Report Q2 2014 found that total online video consumption had increased significantly, that online TV growth had accelerated in 2014, that an increasing number of people were frequenting online TV and that Android apps surpassed desktop browsers for share of video authentications.

  **Cross-national studies:** The FreeWheel Video Monetization Report Q3 2014 found that the diverse array of viewing platforms evolved significantly that quarter: Video ad views on smartphones and over-the-top (OTT) devices increased 77% and 208% respectively year-over-year.

# 32   International players

The following section provides an overview of a selection of leading international audience measurement companies and reviews their services with regard to online video audience measurement. In addition, the chapter includes examples of companies that measure Internet traffic which often is the only proxy available for detecting changes in viewing behaviour.

The measurement market for online video consumption in Europe is led by a limited number of players, with currently only one company (i.e. comScore) providing systematic data for six major European countries that are publicly available. Other companies providing audience measurements do so largely in the form of customised solutions for clients and these services are not publicly available.

## 32.1  Adobe

Adobe is one of the leading digital marketing and digital media companies offering various software solutions and services tailored to clients. It offers digital media and digital marketing solutions to make, manage, measure, and monetise client content. The American computer and software company is known for its multimedia and creative software products such as Adobe Photoshop, Acrobat and Creative Cloud and its digital marketing solutions offered under Adobe Marketing Cloud. One of the Adobe Marketing Cloud solutions is Adobe Analytics, which offers analytics and audience segmentation with the ability to report insights.[293]

### 32.1.1  Adobe Analytics

Adobe Analytics[294] is a customised marketing and analytics tool for clients who wish to analyse online and offline sources, including their own customer data and web traffic. The service includes among other things data intelligence real-time web analytics and mobile-app analytics. The service is not an audience measurement service in a classical sense as Adobe does not own customer data but provides customised software solutions to clients to analyse their data.

With regards to online video consumption, the company publishes the U.S. Digital Video Benchmark[295] report which covers online video and online TV viewing trends. The report is based on aggregated and anonymous data from more than 1,300 media and entertainment properties using Adobe Marketing Cloud and Adobe Primetime, a TV publishing and monetisation platform for programmers and pay-TV service providers.

**Summary**

Name of Service:      Adobe Analytics
Methodology:          online and offline data intelligence (e.g. including web and mobile-app analytics)
Availability of service: Not public; only available to clients

[293]Adobe. 2014. Fast facts. [Online]. [Accessed 28 November 2014]. Available at: http://www.adobe.com/uk/company/fast-facts.html

[294]Adobe. 2014. Adobe Analytics. [Online]. [Accessed 3 October 2014]. Available at: http://success.adobe.com/assets/en/downloads/whitepaper/22066_analytics_solution-overview_ue_v2.pdf

[295]Adobe. 2014. The U.S. Digital Video Benchmark report. [Online]. [Accessed 3 October 2014]. Available at: http://success.adobe.com/en/na/programs/digital-index/1304-13926-online-video-report.html

## 32.2    Alexa Internet Inc.

Alexa is a California-based subsidiary of Amazon.com which provides commercial web traffic data. The company publishes traffic rankings of the top global and national websites.

Alexa employs a combination of panel-based and census-based measurements. The traffic estimates are based on data from a global traffic panel, which includes a sample of millions of Internet users using one of over 25,000 different browser extensions. In addition, Alexa gathers traffic data from direct sources in the form of sites that have chosen to install the Alexa script on their site and certify their metrics.

According to the Alexa data description[296], the global traffic rank is a measure of how a website is doing relative to all other sites on the web over the past 3 months. The rank is calculated using a proprietary methodology that combines a site's estimated average of daily unique visitors and its estimated number of page views over the past 3 months. In addition, Alexa provides a similar country-specific ranking, which is a measurement of how a website ranks in a particular country relative to other sites over the past month.

The service also provides rankings by category, including online media[297] (e.g. the video search engine Blinkx.com; Vizhole.com, which provides access to video clips from YouTube, iFilm, Livevideo, and Dailymotion; Beelinetv.com, which provides free broadband television channels from around the world, etc.).

**Summary**

| | |
|---|---|
| Services: | traffic rankings of the top global and national websites |
| Devices: | n/a |
| Methodology: | panel-based and census-based data |
| Measurements: | Historical traffic trends, demographics, sites linking in & upstream sites, traffic sources etc. |
| Availability of service: | public; past 3 months |

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[296] Alexa. 2014. About us. [Online]. [Accessed 3 November 2014]. Available at:
http://www.alexa.com/about

[297] Alexa. 2014. Top Sites in: All Categories > Arts > Entertainment > Online Media. [Online]. [Accessed 3 November 2014]. Available at:
http://www.alexa.com/topsites/category/Top/Arts/Entertainment/Online_Media

## 32.3   comScore

comScore is an American Internet analytics company providing marketing data and analytics about online behaviour. The company reports on 43 markets, measuring data from over 170 countries. It offers online video measurement services for fixed Internet devices such as PCs at home or at work (comScore Video Metrix/VMX). It is currently preparing the roll-out of a new measurement service in 2015 that will cover fixed and mobile devices including PCs, smartphones and tablets and OTT platforms (comScore VMX 3.0).

### 32.3.1   comScore VMX 3.0 (to be launched in 2015)

According to comScore information provided to the European Audiovisual Observatory for a meeting on 15 October 2014, the company is in the process of preparing the launch of a new online video measurement service that will enhance the current measurement of fixed Internet devices. The service will become available in the United Kingdom during the first half of 2015 and in Spain during the second half of 2015, with other countries to follow.

The new service, comScore Video Metrix 3.0, provides unduplicated, person-level video audience data, measuring the consumption of both digital-exclusive and IP-delivered TV content on PC, smartphone, tablet and over-the-top content (OTT) devices. The new service will be able to show, for example, how content audiences are growing over time and how video audiences differ between platforms.

OTT platforms that are supported by the comScore Video Metrix 3.0 include PS3 / PS4, XBOX One, Smart TV: LG, Samsung, and Sony Bravia, Apple TV, Roku and Xbox 360 (upgrade coming soon). Measurements for these platforms will include engagement (duration) based metrics only. Reach and demographics as well as additional platforms will be launched at a later stage.

**Summary**

| | |
|---|---|
| Name of Service: | comScore VMX 3.0 |
| Devices: | PC, smartphone, tablet and OTT devices |
| Methodology: | Panels of users equipped with tracking software; census-based audience measurement |
| Measurement units: (progressive roll-out) | ♦ Comparison to linear TV audiences in scale<br>♦ Audience profiles of video viewers (demographics)<br>♦ Identification of digital publishers (e.g. top 100)<br>♦ Total unique visitors/viewers<br>♦ % reach<br>♦ % composition unique viewers<br>♦ Total views<br>♦ Total visits<br>♦ Average views per visit<br>♦ Viewing times (per view, per visit, per visitor, total)<br>♦ Selection of data/measurement units by platform |
| Availability of service: | publicly available; United Kingdom (H1 2015), Spain (H2 2015) |

### 32.3.2 comScore Video Metrix

The ComScore Video Metrix[298] is a measurement system that tracks the consumption of online videos on fixed Internet devices such as computers at home or at work. In Europe, the service covers France, Germany, Italy, the Netherlands, Russia, Spain, Turkey and the United Kingdom.

The comScore Unified Digital Measurement Methodology[299] employs a combination of census-based site analytics data and panel-based audience measurement data. The approach includes user panels with a total of two million participants equipped with monitoring software that tracks their online behaviour. In addition to census tags, a network of participating companies place tags on all their content (i.e. web pages, videos, apps and ads) and these calls are recorded by comScore servers every time content is accessed.

**Summary**

| | |
|---|---|
| Name of Service: | comScore Video Metrix |
| Devices: | PC (fixed Internet) |
| Methodology: | Panels of users equipped with tracking software; census-based audience Measurement; company tagging |
| Measurement units: | ♦ Identification of online video publishers/ media (e.g. top 100) |
| | ♦ Total unique visitors/viewers (per month) |
| | ♦ Total videos |
| | ♦ Videos per viewer |
| | ♦ Time spent viewing videos (per view, per visit, per visitor, total) |
| | ♦ Target audience; shared audience |
| | ♦ Audience profiles of video viewers (demographics) |
| Availability of service: | France, Germany, Italy, the Netherlands, Russia, Spain, Turkey, United Kingdom |

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[298]comScore. 2014. Video Metrix. [Online]. [Accessed 31 October 2014]. Available at:
http://www.comscore.com/Products/Audience-Analytics/Video-Metrix
[299]comScore. 2014. comScore Unified Digital Measurement™ Methodology. [Online]. [Accessed 31 October 2014]. Available at:
http://www.comscore.com/content/download/18013/850803/file/comScore_UDM_Methodology.pdf

## 32.4 Eurodata TV Worldwide

Eurodata TV Worldwide is a service created by the French audience measurement company Médiamétrie in the early 1990s. It is operated in partnership with national institutes operating people meter systems throughout the world, providing an international database for TV programme logs and ratings.

Eurodata TV Worldwide's database contains more than 5500 channels in more than 100 territories providing daily programme information including: content, production, international distribution and audience levels for targeted programmes.

One of Eurodata TV Worldwide's key publications is the "One TV Year in the World" report which celebrated its 20th anniversary in 2014. The latest edition of the report reviews the consumption of television worldwide in 2013 and audience successes in more than 80 countries.

### 32.4.1 Eurodata TV Worldwide audience measurement in the EU

Eurodata TV Worldwide maintains a worldwide network of partners. On overview of partners that measure audiences in the EU is provided below (table 1). While some countries have their own national audience measurement systems (e.g. DE, FR, FI, etc.), others are covered by international companies (e.g. Greece, Hungary and the Baltic States).

**Table 104     Network of partners of Eurodata TV Worldwide in the EU**

| Country | Eurodata TV Worldwide partner | Contact person |
|---------|-------------------------------|----------------|
| AT | Arbeitsgemeinschaft TELETEST (AGTT) / GfK Austria | Christian Troy (AGTT) |
| BE | GfK Belgium | Ivo Hendrik |
| BG | GARB Audience Research Bulgaria | Monika Hubcheva |
| CY | Nielsen Television Audience Measurement Cyprus | Maria Mavrommatis |
| CZ | ATO / MEDIARESEARCH | Hana Havlíčková (ATO) |
| DE | Arbeitsgemeinschaft Fernsehforschung (AGF) / GfK Fernsehforschung | Anke Weber (AGF), Karen Exner (AGF) |
| DK | TNS Gallup TV-Meter | Karina Bundgaard Christensen |
| EE | TNS Emor | Külli Esko, Peeter Teedla |
| ES | Kantar Media Spain | Alberto de Pablo, Arancha Lazaro, César Chacón |
| FI | Finnpanel | Anna-Leena Lamberg |
| FR | Médiamétrie | Julien Rosanvallon, Jean-Pierre Panzani, |

| Country | Eurodata TV Worldwide partner | Contact person |
|---------|-------------------------------|----------------|
| | | Constance Segard, Houda Bakkali Hassani, Julie Humeau |
| GB | Broadcasters' Audience Research Board (BARB); Kantar Media UK | Justin Sampson (BARB), Simon Bolus (BARB), Daniel Envine |
| GR | Nielsen Television Audience Measurement | |
| HR | Nielsen Television Audience Measurement Croatia | Ana Jelavic, Drazen Urch |
| HU | Nielsen Television Audience Measurement Hungary | Sándor Dömötör |
| IE | Nielsen Television Audience Measurement Ireland | (Michelle Crinnegan, Paul Cantwell |
| IT | Auditel / Nielsen TV Audience Measurement (Italia) | Walter Pancini, Nella Cambareri |
| LT | TNS LT | |
| LV | TNS Latvia | |
| NL | Stichting KijkOnderzoek | Bas de Vos, Femke Konings |
| PL | Nielsen Television Audience Measurement Poland | Krzysztof Nozynski |
| PT | CAEM | |
| RO | Asociatia Romana pentru Masurarea Audientelor (ARMA) / Kantar Media | Costin Juncu |
| SE | MMS Mediamätning i Skandinavien AB (MMS) | Magnus Anshelm, Alexandra Lindberg Sáez |
| SI | Nielsen Television Audience Measurement Slovenia | Boštjan Kušnjerek |
| SK | PMT/ TNS SK | Vladimir Fatika |

Source: OBS based on data from Eurodata TV Worldwide; Note: Luxembourg and Malta are not part of the network of partners of Eurodata TV Worldwide; for audience measurement in these countries please see their country profiles.

## 32.5  Ipsos MORI

Ipsos MORI is a market research organisation in the United Kingdom, conducting surveys for a wide range of major organisations as well as other market research agencies, including the British Broadcasters' Audience Research Board (BARB).

With regard to audience measurement for online video, Ipsos MORI in the UK confirmed it had conducted both survey-based and passive studies in this area. One of the studies for which it has run the fieldwork has been commissioned by IPA TouchPoints[300], a provider of consumer behaviour databases. Ipsos MORI also has a contract with BARB to conduct an establishment survey for its audience measurement system (see 5.28).

### 32.5.1  Ipsos MORI (UK) client: IPA TouchPoints

The dataset of the IPA TouchPoints5[301] includes passively collected data for smartphones and mainly focuses on time spent on apps and URLs. It captures times spent on apps such as YouTube but does not specifically focus on online video measurement.

According to the IPA TouchPoints methodology[302] the survey is based on a representative sample of 5,000 adults aged 15+ living in Great Britain. Respondents were asked to complete a paper questionnaire covering attitudes, product ownership, media behaviour, etc. and to keep an e-diary detailing their activities on a half-hourly basis over a seven-day period. In addition, a sub sample of survey participants was asked to download tracking software in the form of an app onto their smartphones, which passively measured their mobile phone behaviour over a four-week period. The data collection was conducted from July to November 2013. The self-completion questionnaire asked respondents for their attitudes and habits in such areas as television, cinema, online, SMS text and picture messaging, technology ownership, etc. The e-diary measured behaviour every half hour regarding media consumption by device, the location and activity of the respondent and moods and other indicators.

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[300]IPA TouchPoints. 2014. Welcome to IPA TouchPoints. [Online]. [Accessed 30 October 2014]. Available at: http://www.ipa.co.uk/touchpoints

[301]IPA TouchPoints. 2014. IPA TouchPoints5 reveals new insights into emerging technology. [Online]. [Accessed 30 October 2014]. Available at: http://www.ipa.co.uk/news/ipa-touchpoints5-reveals-new-insights-into-emerging-technology#.VFJiIMnA5ek

[302]IPA TouchPoints. 2014. TouchPoints Methodology. [Online]. [Accessed 30 October 2014]. Available at: http://www.ipa.co.uk/page/touchpoints-methodology#.VFJhXMnA5eI

**Summary**

Name of Service:      Ipsos MORI in the UK/ study for IPA TouchPoints
Devices:              TV, Internet/apps, smartphones
Methodology:          Survey (paper questionnaire, e-diary), panels of users
                      equipped with tracking software on smartphones
Measurement units:    ♦ Device for watching television via Internet/app; types of
                      channels watched via Internet/app (e.g. use of VoD and TV
                      catch-up services); frequency of watching; TV viewing time
                      online
                      ♦ Device for social networking; social networking sites
                      (YouTube, Facebook, Twitter, etc.)
                      ♦ Device for accessing Internet; Internet activities (e.g.
                      watching video clips/movies);
Availability of service: Not public; only available to clients

## 32.6   Kantar Media

Kantar is the data investment management division of WPP and one of the world's largest insight, information and consultancy groups. It is an umbrella group for a number of leading research insight and consulting companies that include among others Kantar Media, TNS and Kantar World Panel.

Kantar Media is a leading media research and analytics business[303]. It provides a range of services including audience research, competitive intelligence, consumer behaviour and digital insights, marketing and advertising effectiveness and social media monitoring. Kantar Media experts work with 22,000 companies tracking over 4 million brands in 50 countries.

### 32.6.1   Kantar Media VirtualMeter

With regard to online video audience measurement, Kantar Media offers its clients the VirtualMeter measurement technology[304]. The service is based on the Kantar TV PeopleMeter, which measures television viewing habits on TV sets. The VirtualMeter is a software version of the PeopleMeter measuring the viewing of television content on PCs, laptops, tablets and handheld devices. It measures viewing of television content in TV meter panel homes and ties it back to the original TV set viewing to provide cross-platform reach.

The VirtualMeter uses multiple complementary techniques to measure live, time-shift and on-demand television viewing on PCs, laptops, tablets and handheld devices. These techniques include a virtual handset app, enhanced audio matching (EAM), URL capture, software embedded in an online player, and infocus app status. Both the content itself and the source – broadcaster/content owner/aggregator – of the video are identified to build a picture of panel member online consumption. Panel members install a software download on their devices which then tracks their online viewing behaviour. In addition, Kantar Media has started to complement its panel-based data with census-based information tagging websites from participating broadcasters.

The service tracks the viewing of television content only. It does not include the viewing of other audiovisual content such as films on VoD services etc.

Kantar Media is working in partnership with BARB, which deploys the VirtualMeter for the UK panel[305] (see 4.28). According to Kantar Media, the VirtualMeter is also being used for the TV panels in Denmark, Switzerland and Singapore and has also been tested in Norway.

**Summary**

Name of Service:          Kantar Media VirtualMeter
Devices:                  PCs, laptops, tablets and handheld devices

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[303]WPP. 2014. Kantar Media. [Online]. [Accessed 20 November 2014]. Available at:
http://www.wpp.com/wpp/companies/kantar-media/

[304]Kantar Media. 2014. VirtualMeter. [Online]. [Accessed 31 October 2014]. Available ar:
http://www.kantarmedia-audiences.com/services/virtualmeter/

[305]Kantar Media. 2014. Kantar Media's Online Video Measurement Technology Wins Best Research Innovation at MRG Awards. [Online]. [Accessed 31 October 2014]. Available at:
http://www.kantarmedia-audiences.com/news-views/our-latest-news/kantar-medias-online-video-measurement-technology-wins-best-research-innovation-at-mrg-awards/

| | |
|---|---|
| Methodology: | panels of users equipped with tracking software, census data |
| Measurement units: | ♦ measures television content only |
| | ♦ Identification of content and source (broadcaster/content owner/aggregator) |
| | ♦ time spent viewing |
| | ♦ unique viewers |
| | ♦Audience profiles of video viewers (demographics) |
| | ♦Selection of data/measurement units by platform |
| Availability of service: | Not public; only available to clients |

## 32.7 Nielsen

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. The company, which celebrated its 90th anniversary in 2014, has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

According to its website, it is the Nielsen mission to establish a common currency to be used by TV broadcasters, agencies and advertisers, based upon a reliable, independent and transparent audience measurement system. Nielsen claims to manage more television audience measurement (TAM) panel households than any other international television audience ratings provider[306].

Measurements cover conventional TV sets as well as computers and mobile devices. In October 2014, the company announced the launch of a new service in collaboration with Adobe for 2015, the Nielsen-Adobe Digital Content Ratings. The service will cover various devices and platforms (see 3.8.2). In November 2014, press articles revealed plans by Nielsen to start monitoring the usage of Netflix and Amazon Prime Instant Video among participants of its US nationwide consumer panel (see 3.8.3).

### 32.7.1 Nielsen Online VideoCensus

In the area of online video audience measurement, Nielsen offers a service called Online VideoCensus which is available in North America. According to the Online VideoCensus Glossary from 2013[307], the service covers online video viewing activities on fixed devices such as home or office PCs, also accounting for audiences from mobile devices, secondary PCs and access points outside of home and work. It is not clear whether and when the service will become available in Europe.

The methodology combines a panel-based approach with an online tracking system that monitors online viewing behaviour.

The RDD//Online Panel consists of two sub samples comprising a) a panel recruited by Random Digital Dial methodology (RDD) where a random sample is drawn from a register of all residential phone numbers in a country and b) a panel drawn from Internet users. These panels are used to understand the demography and behavioural profiles of actual people under measurement.

Selected panellists are equipped with tracking software to monitor their online viewing behaviour. Panellists are prompted to download the NetSight desktop meter onto their computers and mobile devices. The software tracks what windows or applications are in use and estimates the time spent using them. Individual behaviour is monitored via a subset of panellists who are required to identify themselves when using the PC. This tagged data are then used to create activity profiles of people who are not under measurement.

The tracking software distinguishes between online video streams that originate from an online video publisher and those that are embedded on another site. If, for

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[306]Nielsen. 2014. About us. [Online]. [Accessed 28 October 2014]. Available at:
http://www.agbnielsen.net/aboutus/aboutus.asp
[307]Nielsen. 2013. Online VideoCensus. [Online]. [Accessed 28 October 2014]. Available at: http://en-us.nielsen.com/sitelets/cls/digital/Online-VideoCensus-Glossary.pdf

example, a YouTube clip has been embedded on a Facebook page it is credited to Youtube as the original source. This means that even if a video is consumed on another site it is credited to the original source in order to capture the complete stream volume of an online video publisher.

The methodology combines a panel-based approach (passive measurement) that communicates all online viewing behaviours with census data (active/tagging measurement) where a site has deployed VideoCensus tags. Tagged sites that are accessed send additional information about the media being streamed to a Nielsen server. Regardless of whether sites are tagged, the Nielsen Online VideoCensus includes all sites on which a minimum panellist threshold has been reached (adult content is excluded).

**Summary**

| | |
|---|---|
| Name of Service: | Nielsen Online VideoCensus |
| Devices: | fixed PC (home and work) and mobile devices |
| Methodology: | panels of users equipped with tracking software; census data |
| Measurement units: | ◆ Identification of online video publisher via stream dictionary; <br> ◆ stream volumes of online video publishers (by measuring the video Player and stream URL, not the page URL); <br> ◆ time spent viewing streams (in seconds; up to four hours max.); <br> ◆ unique viewers/ count of stream views |
| Availability of service: | publicly available |
| Countries: | North America (USA and Canada) |

### 32.7.2 Nielsen-Adobe Digital Content Ratings (to be launched in 2015)

Nielsen and Adobe Systems announced a partnership agreement in October 2014[308] to carry out joint work on a new system that measures the consumption of digital-media content across various platforms, including the web, apps and connected-TV devices. The digital ratings system will measure various types of content consumed online, including online TV, videos, games, audio and text. The forthcoming system, which is set to commercially launch in 2015, includes a number of participating programmers such as ESPN, Sony Pictures Television's Crackle, Turner Broadcasting, Univision Communications and Viacom.

The two companies will be integrating their current products – Nielsen's digital audience measurement products with Adobe Analytics and Adobe Primetime online-TV platform - to create a measurement system that measures audiences across all major Internet-connected devices. The new service will be jointly marketed as Nielsen's Digital Content Ratings, Powered by Adobe.

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[308]Nielsen. 2014. Adobe and Nielsen To Create Industry's First Comprehensive Measurement Platform for Digital Content. [Press release]. [Accessed 28 october 2014]. Available at: http://www.nielsen.com/us/en/press-room/2014/adobe-and-nielsen-to-create-industrys-first-comprehensive-measurement-platform-for-digital-content.html

**Summary**

Name of service:       Nielsen-Adobe Digital Content Ratings
Date of launch:        2015
Devices:               various devices (including mobile) and platforms (web, apps
                       And connected television devices
Availability of service: publicly available
Countries:             USA

### 32.7.3 Nielsen to measure sVoD viewing

In November 2014, press articles revealed plans by Nielsen to start monitoring the usage of Netflix and Amazon Prime Instant Video among participants of its US nationwide consumer panel in December 2014, using audio-recognition technology to determine what content they are watching[309]. This measurement will be in addition to the ad-supported service Hulu, which is already measured by Nielsen. The measurement of the subscription video-on-demand services (SVOD) will not be comprehensive and access will only be given to content companies' SVOD viewing information for their own content. Hence, it will still not be possible to compare titles from different SVOD services.

The press articles further mention research by Nielsen that claims that time spent on SVOD services cuts into time spent watching television. Results show that SVOD subscribers watch less TV than they used to: 20% less, in the group 18-34 and 19% less in 25-54 demographic. The Nielsen research also found that people who are video subscribers, on the whole, watch less TV than nonsubscribers: 20% less, among 18 to 49-year-olds.

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[309]Variety. 2014. Nielsen Set to Report Netflix, Amazon Video Viewing — But Only Part of It. [Online]. [Accessed 17 November 2014]. Available at: http://variety.com/2014/digital/news/nielsen-set-to-report-netflix-amazon-video-viewing-but-only-part-of-it-1201359822/ ;
The Wall Street Journal. 2014. Nielsen to Measure Netflix Viewing. [Online]. [Accessed 20 November 2014]. Available at: http://online.wsj.com/articles/nielsen-to-measure-netflix-viewing-1416357093

## 32.8 Rentrak

Rentrak is a global media measurement and research company headquarted in Portland, United States. It is the entertainment and marketing industries' premier provider of worldwide consumer viewership information, precisely measuring actual viewing behaviour of movies and TV everywhere.

The company specialises in the tracking of video-on-demand viewing on over 120 million TVs in 210 markets. It offers client-tailored solutions to monitor video content viewing across various platforms and devices, including box office, multi-screen television and home video. Rentrak's VOD Monitor service, for example, tracks and reports on the availability of video on demand (VoD) content across numerous cable, telco and satellite systems.

With regard to online viewing, Rentrak offers a number of customer solutions to measure online video audiences as outlined below.

### 32.8.1 Rentrak's OnDemand Essentials/OnDemand Everywhere

Rentrak's OnDemand Essentials[310] measures the consumption of Video on Demand (VoD) on more than 114 million television sets across the U.S. and Canada including viewing from every cable, telco, and satellite operator offering VoD. OnDemand Essentials is part of Rentrak's OnDemand Everywhere suite of products which includes VoD, electronic sell-through (EST), Internet Video on Demand (iVoD), streaming and linear TV viewing insights to give clients a consolidated look at Video on Demand viewing everywhere the consumer is watching.

### 32.8.2 Rentrak's Mobile OnDemand Essentials

The services offered with regard to online video audience measurement include Rentrak's Mobile OnDemand Essentials[311]. The service measures both video on demand and live content viewed on mobile devices via the Web, video clips, games, and apps. Rentrak's Mobile OnDemand Essentials allows analysing mobile television content and its viewers such as near real-time viewership, demographics analysis, geographic analysis and audience sharing, and audience overlap.

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[310] Rentrak. 2014. OnDemand Everywhere. [Online]. [Accessed 31 October 2014]. Available at: http://www.rentrak.com/section/our_services/on_demand_everywhere/

[311] Rentrak. 2014. Mobile OnDemand Essentials. [Online]. [Accessed 31 October 2014]. Available at: http://www.rentrak.com/section/our_services/on_demand_everywhere/mobile_on_demand_essentials.html

### 32.8.3  Rentrak's Internet TV Essentials

Internet TV Essentials[312] measures ad-supported and subscription-based television programming streamed online.

### 32.8.4  Rentrak's Multiscreen Essentials

Rentrak's Multiscreen Essentials[313] reports live and time-shifted viewing from television and video on demand in a single audience measurement system combining VoD viewing alongside TV and DVR play. The tool allows for analysis by time period (quarterly, monthly, day of play ranges), by network and by individual title.

**Summary**

Names of Services:  Mobile OnDemand Essentials, Internet TV Essentials, Multiscreen Essentials
Devices:  TV, mobile devices
Availability of service: Not public; only available to clients

### 32.8.5  Rentrak – WPP/GroupM/Kantar Media partnership agreements (US market)

On 9 October 2014, WPP announced that its wholly-owned companies GroupM, the global media investment management company, and Kantar Media, its media research and analytics business, had entered into agreements with Rentrak. Under the agreements, Rentrak has agreed to acquire the US television measurement business of WPP's Kantar business unit. At the same time, WPP purchased shares directly from the company, giving WPP a final stake of 16.7% in Rentrak. The deals also include that GroupM media agencies in the United States will begin to utilise Rentrak's national and local TV measurement services as critical strategic and tactical media tools. The partnerships are designed to deliver new services in television measurement and consumer insights to clients in the United States.[314] The deal is one of a number of recent collaborations between research companies to create a unified system to measure TV viewing habits at the household and individual levels across platforms, including TV, online video and mobile.

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[312]Rentrak. 2014. Internet TV Essentials. [Online]. [Accessed 31 October 2014]. Available at: http://www.rentrak.com/section/our_services/on_demand_everywhere/internet_tv_essentials.html
[313]Rentrak. 2014. Multiscreen Essentials. [Online]. [Accessed 31 October 2014]. Available at: http://www.rentrak.com/section/our_services/on_demand_everywhere/multiscreen_essentials.html
[314]Rentrak. 2014. Rentrak Acquires Kantar Media's U.S.-Based Television Measurement Assets. [Online]. [Accessed 21 November 2014]. Available at: http://investor.rentrak.com/releasedetail.cfm?ReleaseID=875364 ;
Rentrak. 2014. GroupM Contracts for Rentrak's TV Measurement Services. [Online]. [Accessed 21 November 2014]. Available at: http://investor.rentrak.com/releasedetail.cfm?ReleaseID=875365
Kantar Media. 2014. Kantar Media merges US RPD business into Rentrak to create single major supplier of TV measurement for the US market. [Online]. [Accessed 21 November 2014]. Available at: http://www.kantarmedia-audiences.com/news-views/our-latest-news/kantar-media-merges-us-rpd-business-into-rentrak-to-create-single-major-supplier-of-tv-measurement-for-the-us-market/

## 32.9 Cisco

Cisco is an American multinational corporation headquartered in San Jose, California, that designs, manufactures, and sells networking equipment. The company is one of the worldwide leaders in IT. Cisco provides customer solutions by delivering networks and technology architectures built on integrated products, services, and software platforms. The products and services mainly focus upon three market segments: 1) enterprise and service providers, 2) small businesses and 3) the home. In particular, Cisco provides technical measurement systems aimed at quantifying the internet traffic by type of protocol or application.

### 32.9.1 The Cisco Visual Networking Index (VNI)

The Cisco Visual Networking Index (VNI)[315] is an ongoing initiative to track and forecast the impact of visual networking applications on global networks. The Cisco Visual Networking Index Forecast methodology[316] is based on a combination of analyst projections, in-house estimates and forecasts, and direct data collection. The analyst projections for broadband connections, video subscribers, mobile connections, and Internet application adoption come from SNL Kagan, Ovum, Informa Telecoms & Media, Infonetics, IDC, Gartner, AMI, Arbitron Mobile, Ookla Speedtest.net, Strategy Analytics, ScreenDigest, Dell'Oro Group, Synergy, comScore, Nielsen, and others. Upon this foundation are layered Cisco's own estimates for application adoption, minutes of use, and kilobytes per minute. The adoption, usage, and bitrate assumptions are tied to fundamental enablers such as broadband speed and computing speed. All usage and traffic results are then validated using data shared with Cisco from service providers.

For video the forecast includes the following information:

- It would take an individual over 5 million years to watch the amount of video that will cross global IP networks each month in 2018. Every second, nearly a million minutes of video content will cross the network by 2018.

- Globally, IP video traffic will be 79 percent of all consumer Internet traffic in 2018, up from 66 percent in 2013. This percentage does not include video exchanged through peer-to-peer (P2P) file sharing. The sum of all forms of video (TV, video on demand [VoD], Internet, and P2P) will be in the range of 80to 90 percent of global consumer traffic by 2018.

- Internet video to TV doubled in 2013. Internet video to TV will continue to grow at a rapid pace, increasing fourfold by 2018. Internet video to TV traffic will be 14 percent of consumer Internet video traffic by 2018, up from 11percent in 2013.

- Consumer VoD traffic will double by 2018. The amount of VoD traffic by 2018 will be equivalent to 6 billion DVDs per month.

- Content delivery network traffic will deliver over half of all internet video traffic by 2018. By 2018, 67 percent of all Internet video traffic will cross content deliv-

[315]CISCO. 2014. Visual Networking Index (VNI). [Online]. [Accessed 15 December 2014]. Available from: http://www.cisco.com/c/en/us/solutions/service-provider/visual-networking-index-vni/index.html

[316]CISCO. 2014. Cisco Visual Networking Index: Forecast and Methodology, 2013–2018. [Online]. [Accessed 15 December 2014]. Available from: http://www.cisco.com/c/en/us/solutions/collateral/service-provider/ip-ngn-ip-next-generation-network/white_paper_c11-481360.html

ery networks, up from 53 percent in 2013.

The Cisco VNI Global Mobile Data Traffic Forecast, which is part of the Cisco Visual Networking Index (VNI), projects future mobile data traffic over cellular networks - for example, second-, third-, or fourth-generation (2G, 3G, or 4G) networks or radio networks. The mobile data traffic forecast is part of the comprehensive Cisco VNI study. The Cisco VNI Global Mobile Data Traffic Forecast is published annually in February. The comprehensive Cisco VNI Forecast is published annually in June, and it includes a fixed IP traffic forecast as well as the updated Mobile Data Traffic Forecast of the same year.

According to Mobile Data Traffic Forecast, mobile video traffic exceeded 50 percent for the first time in 2012. Mobile video traffic was 53 percent of traffic by the end of 2013. It estimates that over two-thirds of the world's mobile data traffic will be video by 2018. Mobile video will increase 14-fold between 2013 and 2018, accounting for 69 percent of total mobile data traffic by the end of the forecast period.

## 32.10 Sandvine

Sandvine is a networking equipment company based in Waterloo, Ontario, Canada. According to their website[317], Sanvine provides "a single platform to introduce unified, standards-compliant network policy control into any fixed, mobile or converged access network". The company publishes the Global Internet Phenomena Report, a bi-annual report on global online traffic trends (including mobile and fixed access) [318].

### 32.10.1 Sandvine Global Internet Phenomena Report 1H 2014

According to the 2H 2014 version of this report, European networks have a consistent set of dominant applications and services that are available in each region, which account for 80-85% of all traffic. A set of localized websites and region-restricted applications make up the remainder of traffic. This can be seen in the list of top 10 applications for the region, all of which have global availability. One application that is noteworthy however is Netflix whose appearance accounts for 3.44% of peak downstream traffic (see table 3). In recent months Netflix has expanded to several new countries, such as Germany and Luxembourg whose data will be included in future reports.

The 1H 2014 edition of this report has found that in the United Kingdom and Ireland, Netflix is now the second largest source of traffic during peak evening hours, accounting for over 17.8% of downstream fixed access traffic. According to Sandvine, Netflix now trails only YouTube (19.9%), and based on current growth rates the video service could be expected to be the leading source of network traffic within the next year. Other video streaming services from providers, such as the BBC, RTE, and Amazon, account for 1-3% individually, well back of Netflix and YouTube.

The 1H 2014 report also found that real-time entertainment (comprised of streaming video and audio) continues to be the largest traffic category and its continued growth is expected to lead to the emergence of longer form video on mobile networks globally through 2014.

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[317]Sandvine. 2014. About Us. [Online]. [Accessed 3 November 2014]. Available at:
https://www.sandvine.com/company/about-us/
[318]Sandvine. 2014. Global Internet Phenomena Report 1H 2014. [Online]. [Accessed 3 November 2014]. Available at: https://www.sandvine.com/downloads/general/global-internet-phenomena/2014/1h-2014-global-internet-phenomena-report.pdf

**Table 105    Top 10 Peak Period Applications - Europe, Fixed Access 1H 2014**

| Rank | Upstream Application | Share | Downstream Application | Share | Aggregate Application | Share |
|---|---|---|---|---|---|---|
| 1 | BitTorrent | 33.20% | YouTube | 19.27% | YouTube | 17.38% |
| 2 | HTTP | 10.07% | HTTP | 17.46% | HTTP | 16.26% |
| 3 | YouTube | 7.67% | BitTorrent | 11.10% | BitTorrent | 14.71% |
| 4 | SSL | 5.63% | SSL | 6.19% | SSL | 6.10% |
| 5 | Skype | 4.54% | Facebook | 3.88% | Facebook | 3.95% |
| 6 | Facebook | 4.29% | RTMP | 3.66% | RTMP | 3.27% |
| 7 | eDonkey | 3.64% | MPEG | 3.54% | MPEG | 3.21% |
| 8 | Dropbox | 2.11% | Netflix | 3.23% | Netflix | 2.98% |
| 9 | MPEG | 1.51% | Flash Video | 2.37% | Flash Video | 2.17% |
| 10 | iTunes | 1.30% | iTunes | 2.23% | iTunes | 2.08% |
|  |  | 72.66% |  | 70.69% |  | 70.01% |

sandvine

Source: Sandvine Global Internet Phenomena Report 1H 2014.

**Table 106    Top 10 Peak Period Applications - Europe, Fixed Access 2H 2014**

| Rank | Upstream Application | Share | Downstream Application | Share | Aggregate Application | Share |
|---|---|---|---|---|---|---|
| 1 | BitTorrent | 36.56% | YouTube | 22.38% | YouTube | 19.85% |
| 2 | HTTP | 10.60% | HTTP | 17.27% | HTTP | 16.25% |
| 3 | Skype | 6.38% | BitTorrent | 10.39% | BitTorrent | 14.40% |
| 4 | YouTube | 5.92% | Facebook | 7.84% | Facebook | 7.48% |
| 5 | Facebook | 5.48% | SSL | 4.56% | SSL | 4.67% |
| 6 | SSL | 5.27% | MPEG - OTHER | 3.57% | MPEG - OTHER | 3.23% |
| 7 | eDonkey | 2.46% | Netflix | 3.44% | Netflix | 2.97% |
| 8 | Dropbox | 1.42% | RTMP | 2.31% | Skype | 2.27% |
| 9 | MPEG - OTHER | 1.27% | Flash Video | 1.90% | RTMP | 2.08% |
| 10 | Flash Video | 1.08% | PC: Valve's Steam Service | 1.73% | Flash Video | 1.74% |
|  |  | 76.44% |  | 75.38% |  | 74.95% |

sandvine

Source: Sandvine Global Internet Phenomena Report 2H 2014.

**Table 107    Peak Period Aggregate Traffic Composition – Europe, Mobile Access 1H 2014**
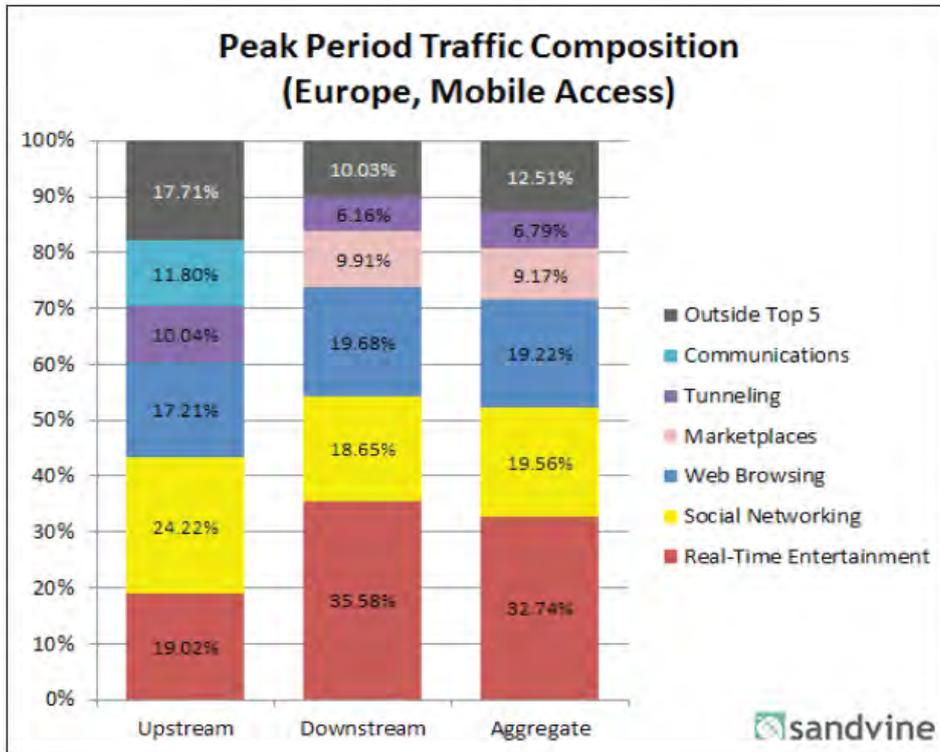


Source: Sandvine Global Internet Phenomena Report 1H 2014.

**Table 108    Peak Period Aggregate Traffic Composition – Europe, Mobile Access 2H 2014**
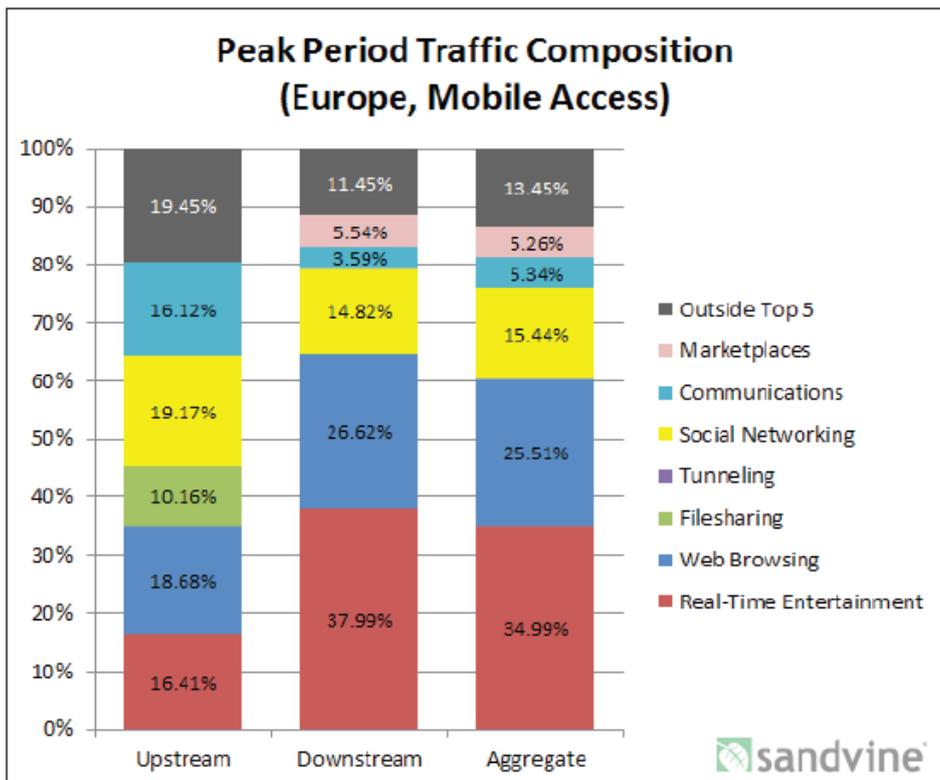


Source: Sandvine Global Internet Phenomena Report 2H 2014.

**Table 109    Top 10 Peak Period Applications – Europe, Mobile Access 1H 2014**

| | Upstream | | Downstream | | Aggregate | |
|---|---|---|---|---|---|---|
| Rank | Application | Share | Application | Share | Application | Share |
| 1 | Facebook | 17.93% | HTTP | 17.65% | HTTP | 16.92% |
| 2 | HTTP | 13.45% | YouTube | 16.54% | YouTube | 15.15% |
| 3 | SSL | 8.63% | Facebook | 12.85% | Facebook | 13.72% |
| 4 | YouTube | 8.25% | SSL | 5.68% | SSL | 6.17% |
| 5 | BitTorrent | 5.00% | MPEG | 4.23% | MPEG | 3.85% |
| 6 | Skype | 4.60% | Netflix | 3.89% | Netflix | 3.53% |
| 7 | iTunes | 3.01% | iTunes | 3.48% | iTunes | 3.40% |
| 8 | Instagram | 2.07% | Google Market | 2.66% | BitTorrent | 3.02% |
| 9 | MPEG | 2.05% | BitTorrent | 2.60% | Google Market | 2.43% |
| 10 | Snapchat | 1.86% | Instagram | 1.92% | Skype | 1.93% |
| | | 64.99% | | 69.59% | | 70.13% |

Source: Sandvine Global Internet Phenomena Report 1H 2014.

**Table 110    Top 10 Peak Period Applications – Europe, Mobile Access 2H 2014**

| | Upstream | | Downstream | | Aggregate | |
|---|---|---|---|---|---|---|
| Rank | Application | Share | Application | Share | Application | Share |
| 1 | HTTP | 15.38% | HTTP | 24.60% | HTTP | 23.31% |
| 2 | Facebook | 14.76% | YouTube | 20.89% | YouTube | 19.04% |
| 3 | BitTorrent | 8.99% | Facebook | 12.16% | Facebook | 12.54% |
| 4 | Skype | 8.33% | MPEG - OTHER | 3.77% | BitTorrent | 3.82% |
| 5 | YouTube | 7.41% | SSL | 3.06% | MPEG - OTHER | 3.44% |
| 6 | SSL | 5.70% | Flash Video | 3.03% | SSL | 3.42% |
| 7 | Google Cloud | 3.39% | BitTorrent | 3.01% | Flash Video | 2.66% |
| 8 | iTunes | 1.88% | Google Cloud | 1.90% | Skype | 2.43% |
| 9 | Instagram | 1.76% | Google Market | 1.67% | Google Cloud | 2.10% |
| 10 | Apple iMessage | 1.47% | iTunes | 1.61% | iTunes | 1.64% |
| | | 69.05% | | 75.70% | | 74.43% |

Source: Sandvine Global Internet Phenomena Report 2H 2014.

# 33 Overview of audience measurement services in the EU

This chapter gives an overview of the audience measurement services available in the EU in 2014, based on information provided by Eurodata TV Worldwide[319]. The chapter provides a systematic comparison of average daily TV viewing times among the overall population and among younger people to illustrate viewing trends (2011-2013). Shifts in television viewing times may indicate a migration to other platforms and devices (see 33.2).

In addition, the chapter reviews the availability of services measuring time-shifted viewing, television viewing on PCs and viewing on other devices (see 33.3 and 33.4). The latest developments with regard to audience measurement across platforms and devices are discussed in detail in chapter 34 on national audience measurement services.

See next page for explanations and definitions of technical terms regarding audience data and Internet measurement methodologies.

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[319]Eurodata TV Worldwide. 2014. One Television Year in the World Issue 2014. Overview of TV consumption and audiovisual landscapes in more than 100 territories.

**Explanations and definitions of technical terms regarding audience data:**

**OK =** in use

**VOSDAL =** viewing on same day as live

**Live:** Viewing at the time of the actual transmission of a programme.

**TSV – Time-shifted viewing:** Viewing most commonly within 7 days after the live broadcast using the recording or live playback functions.

**Replay:** Viewing, most commonly within 7 days after the live broadcast, using platforms of the TV channels (e.g. BBC iPlayer).

**PC:** Viewing on a computer screen (via web TV streaming and/or pure players).

**Time-shifted =** Time-shifted viewing (TSV) is the act of watching TV programmes at a different time than the live television broadcast, using the recording or live playback functions of gigital video recorders (DVRs), a selection of video-on-demand (VoD) services or video cassette recorders. The time-shifted audience is added to the results of each programme. There is no international standard for time-shifted measurement. It is generally registered during 7 days after the live broadcast (unless otherwise stated). The results provided include time-shifted viewing when measured (except if it is a restricted use, e.g. Denmark)

**Live + TV =** Viewing on a TV screen at the time of the actual transmission of a programme.

**Live + PC =** Viewing on a computer screen (via web TV streaming and/or pure players) at the time of the actual transmission of a programme.

**Live + other devices =** Viewing on a smartphone, tablet or game console (via web TV streaming and/or pure players) at the time of the actual transmission of a programme.

**Time-shifted + TV =** Viewing on a TV screen most commonly within 7 days after the live broadcast using the recording or live playback functions of digital video recorders (DVRs).

**Time-shifted + PC =** Viewing on a computer screen most commonly within 7 days after the live broadcast using recording or live playback functions.

**Time-shifted + other devices =** Viewing on a smartphone, tablet or game console, most commonly within 7 days after the live broadcast, using recording or live playback.

**TV Replay + TV =** Viewing on a TV screen, most commonly within 7 days after the live broadcast, using TV platforms of the TV channels (e.g. BBC iPlayer TV platform).

**TV Replay + PC =** Viewing on a computer screen, most commonly within 7 days after the live broadcast, using the online platforms of the TV channels (e.g. www.bbc.co.uk/iplayer/).

**TV Replay + other devices =** Viewing on a smartphone , tablet or game console, most commonly within 7 days after the live broadcast, using the dedicated applications of the TV channels (e.g. BBC iPlayer application).

**Data currency =** parameters included in audience measurement

**Guest viewing =** Guest viewing is registered through specific buttons on the handset together with a limited set of characteristics (usually gender and age). The guest viewing audience is added to the results of each programme.

The following is a brief definition of the main methodologies used for Internet measurements to help the understanding of techniques used by audience measurement systems.

There are three main types of measurement: 1) panel-based, 2) census-based and 3) survey based[320]. Very often, digital media measurement companies use a combination of these to balance out strengths and weaknesses of each approach.

1) Panel-based audience measurements recruit a panel of participants that is representative of the population and/or Internet users. Participants are equipped with tracking software that they install on their computers or mobile devices to monitor their online behaviour. The information is used to compile representative demographic profiles that project the usage and habits of a population. The advantage of this approach is that panellists provide demographic data.

2) Census or server-based audience measurements measure a website's traffic. This is done by tagging pages to send traffic activity data to a measurement company. The main advantage of server-based audience measurement is that it almost completely tracks all activity on a website accessed via fixed or mobile devices providing detailed information about user behaviour actions.

3) Survey-based audience measurements are generally based on random digital dialling (RDD) recruitment with representative samples of the population. Participants are asked via telephone interviews to answer a questionnaire about their online habits. Other forms of measurements can include keeping an eDiary in order to monitor a person's online behaviour on a daily basis.

A further kind of measurement is not to directly measure audiences but Internet traffic instead. Various specialist companies, such as Cisco and Sandvine, provide technical measurement systems aimed at quantifying the internet traffic by type of protocol or application. Since protocols convey specific content (text, video, etc.) they are useful for analysing online video, which is a big consumer of bandwidth. For some services they provide the only regular proxy available.

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[320]TVB. 2014. Internet Measurement Methodology. [Online]. [Accessed 31 October 2014]. Available at: http://www.tvb.org/media/file/TVB_CM_Internet_Measurement_Methodologies.pdf
http://www.tvb.org/media/file/TVB_CM_Internet_Measurement_Methodologies.pdf

## 33.1 Overview of audience measurement services available in the EU in 2014

Table 8 gives an overview provided by Eurodata TV Worldwide of the audience measurement services available in EU countries. In eight countries, only data for live television viewing is provided[321]: Bulgaria, Croatia, Cyprus, Greece, Latvia, Lithuania, Portugal, and Slovenia. Luxembourg and Malta, which are not covered by the Eurodata TV Worldwide network, also measure audiences for live television viewing only.

### Audience measurement for television viewing on TV sets

Most countries provide at least two or more measurement services across different devices. Time-shifted television on TV sets is measured in 13 EU member states and planned in five other countries (for more details see chapter 4.3).

With regard to measurements of TV replay on television sets, data are available in six countries (Belgium, Denmark, Germany, Ireland, Sweden and the United Kingdom) and services are planned in six other countries (Austria, Finland, France, the Netherlands, Slovakia (tested) and Spain (tested). TV replay means viewing on a TV screen, most commonly within 7 days after the live broadcast, using TV platforms of the TV channels (e.g. the BBC iPlayer TV platform).

### Services for data on television viewing on PCs

Audience data for live television viewing on PCs are available in four EU member states (Czech Republic, Denmark, Germany and Sweden) and planned in six further countries: Austria, Finland, France, Slovakia (tested), Spain (tested) and the United Kingdom (for more details see 4.4).

Measurements of time-shifted television viewing on PCs are only available in the Netherlands. The introduction of measurements is planned in Finland for 2014/15.

Data for TV replay on PCs is available in four EU countries (Denmark, Germany, the Netherlands and Sweden) and planned in six other countries: Austria, Finland, France, Slovakia (tested), Spain (tested) and the United Kingdom.

### Data for television viewing on laptops, tablets and smartphones

Data for television viewing on mobile devices such as laptops, tablets and smartphones is less common. Countries that provide data for live television viewing and TV replay on mobile devices include the Netherlands and Sweden.

Tests for live viewing and TV replay are conducted in Germany, and four more countries are planning to introduce these services in 2014/2015 (Austria, Denmark, France and the United Kingdom).

Overall, the availability of audience measurement services is most advanced in Germany, Denmark, the Netherlands, Sweden and the UK.

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[321]Countries with other services to be introduced during 2014 are not included.

**Table 111    Audience measurement services in the EU in 2014**

| | TV | | | PC | | | Other devices | | |
|---|---|---|---|---|---|---|---|---|---|
| | Live | Time shifted | TV re-play | Live | Time shifted | TV re-play | Live | Time shifted | TV re-play |
| AT | OK | OK | planned 2014/15 | planned 2014/15 | | planned 2014/15 | planned 2014/15 | | planned 2014/15 |
| BE | OK | OK | OK | | | | | | |
| BG | OK | | | | | | | | |
| CY | OK | | | | | | | | |
| CZ | OK | OK | | OK | | | | | |
| DK | OK | OK | OK | OK | | OK | planned 2014 | | planned 2014 |
| EE | OK | planned 2014 | | | | | | | |
| ES | OK | planned 2014/15 | being tested | being tested | | being tested | | | |
| FI | OK | OK | planned 2014/15 | planned 2014/15 | planned 2014/15 | planned 2014/15 | | | |
| FR | OK | OK | planned 2014 | planned 2015 | | planned 2015 | planned 2015 | | planned 2015 |
| DE | OK | OK | OK | OK | | OK | being tested | | being tested |
| GR | OK | | | | | | | | |
| HU | OK | planned Q3/14 | | | | | | | |
| HR | OK | | | | | | | | |
| IE | OK | OK | OK | | | | | | |
| IT | OK | OK | | | | | | | |
| LV | OK | | | | | | | | |
| LT | OK | | | | | | | | |
| NL | OK | OK | planned 01/2015 | | OK | OK | OK | | OK |
| PL | OK | planned 2014 | | | | | | | |
| PT | OK | | | | | | | | |
| RO | OK | OK | | | | | | | |
| SK | OK | tested since | being tested | tested since | | tested since | | | |

| | TV | | | PC | | | Other devices | | |
|---|---|---|---|---|---|---|---|---|---|
| | Live | Time shifted | TV re-play | Live | Time shifted | TV re-play | Live | Time shifted | TV re-play |
| | | 2009 | | 2013 | | 2013 | | | |
| SI | OK | | | | | | | | |
| SE | OK | OK | OK | OK | | OK | OK | | OK |
| UK | OK | OK | OK | planned 2014/15 | | planned 2014/15 | planned 2014/15 | | planned 2014/15 |

Source: OBS based on data from Eurodata TV Worldwide

## 33.2 Average daily television viewing times in the EU

The time spent watching television is an important proxy (i.e. substitute measure) for detecting changes in viewing behaviour. If, for example, people spent less time watching television this could indicate that they are engaging in different viewing behaviour and consuming television content and other video content on different platforms and devices.

An overview of average daily viewing times in the EU in the period 2011 to 2013 is given in table 9 below. The data currency of these viewing times is based on one or more of the following units: a) live transmission of a programme, b) viewing on same day as live (VOSDAL), c) viewing on a TV screen most commonly within 7 days after the live broadcast using the recording or live playback functions of digital video recorders (DVRs) (+3, +6, +7 days). For these viewing times the following trends can be observed.

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### Decrease in television consumption in 12 EU countries in 2013

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### Young people in 17 EU countries watched less television in 2013

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### Young people in 9 EU countries watched half as much TV or less in 2013 than total population

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**Table 112    Average daily TV viewing time per person in the EU 2011-2013 in hh:mm (Eurodata TV Worldwide)**

| Country | Age group | 2011 | 2012 | 2013 | 2013 /12 | Data currency based on |
|---|---|---|---|---|---|---|
| AT | 3+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 6 days (guests included) |
| | 12-29 | ■ | ■ | ■ | ■ | idem |
| BE (national) | 4+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 6 days (guests included) |
| | 18-24 | ■ | ■ | ■ | ■ | idem |
| BE (VLG) | 4+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 6 days (guests included) |
| | 18-24 | ■ | ■ | ■ | ■ | idem |
| BE (CFB) | 4+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 6 days (guests included) |
| | 18-24 | ■ | ■ | ■ | ■ | idem |
| BG | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| HR | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| CY | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 13-24 | ■ | ■ | ■ | ■ | idem |
| CZ | 4+ | ■ | ■ | ■ | ■ | Live (guests included) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| DK | 3+ | ■ | ■ | ■ | ■ | Live + VOSDAL (guests included) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| EE | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| FI | 4+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 7 days (guests included) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| FR | 4+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 7 days (guests included) |
| | 15-34 | ■ | ■ | ■ | ■ | idem |
| DE | 3+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 3 days (guests included) |
| | 14-29 | ■ | ■ | ■ | ■ | idem |
| GR | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| HU | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| IE | 4+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 7 days (guests included) |
| | 15-34 | ■ | ■ | ■ | ■ | idem |
| IT | 4+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 7 days (guests included) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| LV | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| LT | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| NL | 6+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 6 days (guests included) |
| | 20-34 | ■ | ■ | ■ | ■ | idem |
| PL | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 16-24 | ■ | ■ | ■ | ■ | idem |
| PT | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| RO | 4+ | ■ | ■ | ■ | ■ | Live + VOSDAL + 7 days (guests included) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| SK | 4+ | ■ | ■ | ■ | ■ | Live (guests included) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |
| SI | 4+ | ■ | ■ | ■ | ■ | Live (guests excluded) |
| | 15-24 | ■ | ■ | ■ | ■ | idem |

| | | | | | | |
|---|---|---|---|---|---|---|
| ES | 4+ | ███ | ███ | ███ | ██ | Live (guests excluded) |
| | 15-25 | ███ | ███ | ███ | ██ | idem |
| SE | 3+ | ███ | ███ | ███ | ██ | Live + VOSDAL + 7 days (guests included) |
| | 15-24 | ███ | ███ | ███ | ██ | idem |
| UK | 4+ | ███ | ███ | ███ | ██ | Live + VOSDAL + 7 days (guests included) |
| | 16-24 | ███ | ███ | ███ | ██ | idem |
| **EU** | Total | ███ | ███ | ███ | ██ | |
| | Young | ███ | ███ | ███ | ██ | |

Source: OBS based on the One TV Year in the World 2014 report by Eurodata TV Worldwide

**EU average television viewing times stagnate in 2013**

████████ shows that the EU average for time spent watching television in the period 2011 to 2013 reached a peak in 2012 and then stagnated. This may indicate 2012 as a turning point for television consumption. Since then, alternative ways of consuming audiovisual media have become more and more available to and more frequently used by end users.

**Figure 118**      **EU average television viewing times 2011-2013**

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Source: OBS based on data from Eurodata TV Worldwide

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## 33.3 Measurement of time-shifted viewing in the EU

Time-shifted viewing is the act of watching TV programmes at a different time than the live television broadcast, using the recording or live playback functions of digital video recorders (DVRs), a selection of video-on-demand (VoD) services or video cassette recorders. There is no international standard for time-shifted measurement. It is generally registered during 7 days after the live broadcast (unless otherwise stated).

Various audience measurement systems at the national level have introduced measurements of time-shifted viewing on a PVR and/or on catch-up TV services. In the EU, measurements of time-shifted viewing are available in 13 countries (table 10). The United Kingdom has pioneered time-shifted viewing measurement, starting in 1991 when VHS video recorders were mainly used. Since July 2013, BARB has also been offering data up to 28 days after the live broadcast (this is not included in the consolidated data).

According to information by Eurodata TV Worldwide, the United Kingdom is preparing to publish results of time-shifted viewing on four screens (TV + computer + tablet + smartphone), with the first set of data to become available in 2014.

**Table 113**    **List of EU countries measuring time-shifted viewing**

| Country | Start of measurement | Definition | Data currency | Eurodata TV partner |
|---|---|---|---|---|
| **2009 and before** | | | | |
| United Kingdom | 1991, Vosdal in 2005, +28 in July 2013 | Live + Vosdal + 7 or 28 days | Live + Vosdal + 7 days | BARB / Kantar Media |
| Denmark | January 1st, 2008 | Live + Vosdal + 7 days | Live + Vosdal | TNS Gallup TV-Meter |
| Finland | 2008 | Live + Vosdal + 7 days | Yes | Finnpanel Oy |
| Netherlands | 2008 | Live + Vosdal + 6 days | Yes | Stichting KijkOnderzoek |
| Germany | July 1st, 2009 | Live + Vosdal + 3 days | Yes | AGF / GfK Fernsehforschung |
| **2010** | | | | |
| Austria | January 1st, 2010 | Live + Vosdal + 6 days | Yes | AGTT / GfK Teletest |
| Belgium | January 1st, 2010 | Live + Vosdal + 6 days | Yes | CIM / GfK |
| Sweden | March 22nd, 2010 | Live + Vosdal + 7 days | Yes | MMS Mediamätning i Skandinavien AB |
| Ireland | September 1st, 2010 | Live + Vosdal + 7 days | Yes | Nielsen Television Audience Measurement |

| **2011** | | | | |
|---|---|---|---|---|
| France | January 3rd, 2011 | Live + Vosdal + 7 days | Yes | Médiamétrie / Médiamat |
| Italy | May 1st, 2011 | Live + Vosdal + 7 days for content market Live + Vosdal + 4 days for advertising market | Yes | Auditel / Nielsen Television Audience Measurement |
| **2012** | | | | |
| Romania | January 1st, 2012 | Live + Vosdal + 7 days | Live | ARMA / Kantar Media |
| **2013** | | | | |
| Czech Republic | January 1st, 2013 | Live + Vosdal + 7 days | Live | ATO / MEDIA RESEARCH |

Source: Eurodata TV Worldwide

## 33.4 Measurement of TV viewing on PCs in the EU

Among the partners of Eurodata TV Worldwide, a total of four measure TV viewing on PCs. Data are available in the Czech Republic, Denmark, Sweden and the Netherlands, with the most extensive records from the Dutch Stichting KijkOnderzoek dating back to June 2009 (table 3).

**Table 114    List of EU countries measuring TV viewing on PCs**

| Country | Start of measurement | Tech-nology | Defini-tion | Data currency | Eurodata TV partner |
|---|---|---|---|---|---|
| **2011 and before** | | | | | |
| The Netherlands | June 2009 | People meter | Hybrid | No | Stichting KijkOnderzoek |
| Sweden | April 25th, 2011 | People meter | Hybrid | No | MMS Mediamätning i Skandinavien AB |
| **2013** | | | | | |
| Czech Republic | January 1st, 2013 | People meter | Single source | No | ATO / MEDIA RESEARCH |
| Denmark | December 1st, 2013 | People meter | Single source | Yes | TNS Gallup TV-Meter |

Source: Eurodata TV Worldwide

# 34    National TV audience measurement services

This section maps the availability of services provided by national TV audience measurement services in the EU in 2014. Each country profile provides information on the latest developments with regard to audience measurement across different platforms and devices and a trend analysis of television viewing times (2011-2013).

## 34.1    Austria - AGTT/ Gfk Austria

In Austria, television audience measurements are carried out by the AGTT[322] and GfK Teletest[323]. The association Arbeitsgemeinschaft TELETEST (AGTT) has several members that include ORF / ORF-E, ATV, ServusTV, IP-Österreich (marketer of the RTL group in Austria) and ProSiebenSat.1 PULS4 (marketer of the ProSiebenSat.1 group in Austria). The AGTT commissioned GfK Teletest to conduct the audience measurement in Austria.

According to table 12, Austrian audience data is available for live and time-shifted broadcasts on television (the latter since January 2010). Measurements for TV replay and audience data for PCs and other devices are planned to be introduced in 2014/15.

**Table 115    AT – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | planned 2014/15 | planned 2014/15 |
| **Time shifted** | OK |  |  |
| **TV Replay** | planned 2014/15 | planned 2014/15 | planned 2014/15 |
| **Data currency** | Live + VOSDAL + 6 days | | |
| **Panel size** | 3,570 individuals (1,600 TV households) | | |

Sources: Eurodata TV Worldwide / AGTT / GfK Teletest; Note: Time-shifted viewing: since 1 January 2010

**Average daily TV viewing times 2011-2013**

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[322]Arbeitsgemeinschaft TELETEST (AGTT). 2014. Über AGTT. [Online]. [Accessed 20 November 2014]. Available at: http://www.agtt.at/

[323]GfK. 2014. Wir sind GfK. [Online]. [Accessed 20 November 2014]. Available at: http://www.gfk.com/at/ueber-uns/wer-wir-sind/Seiten/default.aspx

Figure 119 **AT - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS after Eurodata TV Worldwide / AGTT / GfK Teletest

## 34.2 Belgium - CIM / GfK

In Belgium, television audience measurements are carried out by the Centre d'Information sur les Médias (CIM) in collaboration with GfK Audimétrie and Nielsen. The CIM is the multimedia joint industry committee (JIC) in Belgium responsible for audience studies in the areas of TV, radio, press, outdoor, Internet and cinema.

According to table 13, CIM measures live broadcasts, time-shifted and TV replay watched on television sets. Services also include records of time viewing up to six days after the live broadcast.

In June 2014, the CIM Television Technical Committee published a tender for the extension of audience measurement to include new forms of TV viewing[324]. The tender foresees future measurements of TV viewing on PCs and other mobile devices and asks for the submission of solutions for the following:

- the measurement of live stream viewing on smart TVs;
- the measurement of video on demand (VoD);
- a reliable measurement of the "long tail" of digital channels;
- the extension of the time frame of time-shifted viewing from live+6 up to live + X days;
- measuring all other forms of nonlinear viewing (interactivity, EPG use, red button, etc.);
- the measurement of other Internet usage on smart TVs.

User generated video content on the Internet is not part of the targeted content for the planned measurement metrics. The tender also specifies solutions for a fusion of data into an integrated data system. The project is planned to be implemented in the period 2016 to 2018.

**Table 116      BE – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK |  |  |
| **Time shifted** | OK |  |  |
| **TV Replay** | OK |  |  |
| **Data currency** | Live + VOSDAL + 6 days (guests included) |  |  |
| **Panel sizes** | National: 3,634 individuals (1,542 TV households) VLG: 1,841 individuals (773 TV households) CFB: 1,793 individuals (769 TV households) |  |  |

Sources: Eurodata TV Worldwide / CIM / GfK; Notes: Time-shifted viewing: since 1 January 2010

**Average daily TV viewing times 2011-2013**

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[324]CIM. 2014. News. [Online]. [Accessed 20 November 2014]. Available at:
http://www.cim.be/downloads.php?files=Request%20for%20Information%20TV%20New%20Screens.pdf&size=601248 and http://www.cim.be/fr/media/T%C3%A9l%C3%A9vision/news

**Figure 120** **BE (national) - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / CIM / GfK

**Figure 121** **BE (Flemish Community of Belgium/VLG) - Average daily viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / CIM / GfK

**Figure 122** **BE (French Community of Belgium/CFB) - Average daily viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / CIM / GfK

## 34.3  Bulgaria - GARB Audience Research Bulgaria

GARB Audience Research Bulgaria was established in 2006 as a peoplemetric company for TV audience research in Bulgaria. Since January 2011, GARB has been the only official provider of nationally representative data on TV audiences in the country. TV audience measurement is carried out using a nationally representative peoplemetric TV panel according to the international market requirements of ESOMAR[325].

With regard to audiovisual content, GARB Audience Research Bulgaria provides data for live television viewing only.

**Table 117      BG – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | | |
| **Time shifted** | | | |
| **TV Replay** | | | |
| **Data currency** | Live (guests excluded) | | |
| **Panel size** | 2,385 (1,045 TV households) | | |

Sources: Eurodata TV Worldwide / GARB Audience Research Bulgaria

**Average daily TV viewing times 2011-2013**

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**Figure 123            BG - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / GARB Audience Research Bulgaria

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[325]GARB Audience Research Bulgaria. 2014. About GARB. [Online]. [Accessed 20 November 2014]. Available at: http://garb.bg/en/about_us.html

## 34.4   Croatia – Nielsen Television Audience Measurement

Nielsen Audience Measurement (Croatia)[326] is a division of The Nielsen Company, the worldwide television audience measurement (TAM) specialist using TAM peoplemeter systems. The company was established on 10 October 2002 in Zagreb as a joint venture between the international AGB Group (nka The Nielsen Company) and the Croatian research information provider PULS. PULS is an independent, full service marketing and public opinion research agency, established in Split, Croatia, in 1993.

The service began production in the first quarter of 2003. The full national representative panel of 660 households was completed in February 2003 and expanded to 760 households in July 2009. Today the panel consists of 810 households.

Nielsen Audience Measurement (Croatia) measures live television viewing only.

**Table 118**    **HR – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK |  |  |
| **Time shifted** |  |  |  |
| **TV Replay** |  |  |  |
| **Data currency** | Live (guests excluded) | | |
| **Panel size** | 2,145 individuals (810 TV households) | | |

Sources: Eurodata TV Worldwide / Nielsen Television Audience Measurement

### Average daily TV viewing times 2011-2013

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**Figure 124**    **HR – Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / Nielsen Television Audience Measurement

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[326] Nielsen. 2014. Croatia. [Online]. [Accessed 20 November 2014]. Available at: http://www.agbnielsen.net/whereweare/dynPage.asp?lang=english&id=306&country=croatia

## 34.5 Cyprus - Nielsen Television Audience Measurement (Cyprus)

Nielsen Audience Measurement (AGB Cyprus)[327] began operating in September 1997 and produced its first official television audience measurement (TAM) data on 1 January 1998.

The Nielsen Audience Measurement (Cyprus) panel covers both urban and rural areas in the Nicosia, Limassol, Larnaca, Paphos and Famagusta districts, and currently stands at 375 households (675 peoplemeters installed, 1098 persons aged 4+) with a universe of 792,499 people.

Nielsen Audience Measurement (Cyprus) provides measurements for live television viewing only.

**Table 119      CY – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | | |
| **Time shifted** | | | |
| **TV Replay** | | | |
| **Data currency** | Live (guests excluded) | | |
| **Panel size** | 1,087 individuals (375 TV households) | | |

Sources: Eurodata TV Worldwide / Nielsen Television Audience Measurement


**Average daily TV viewing times 2011-2013**


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**Figure 125          CY – Average daily TV viewing time 2011-2013 (hh:mm)**


**For copyright reasons the data cannot be reproduced in the public version of this report**


Sources: OBS based on data from Eurodata TV Worldwide / Nielsen Television Audience Measurement

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[327]Nielsen. 2014. Cyprus. [Online]. [Accessed 20 November 2014]. Available at:
http://www.agbnielsen.net/whereweare/dynPage.asp?lang=english&id=309&country=Cyprus

## 34.6 Czech Republic – ATO / MEDIARESEARCH

The Association of TV Organisations (ATO) is a joint industry committee that implements electronic television audience measurement in the Czech Republic using the TV meter method[328]. Established in 1997, ATO is in charge of the commercial use of the PEM data, publicity and advertising, publishing and editing, analyses and the negotiation of technical standards and legislative and related measures in the field of broadcasting operations that are in the common interests of its members. ATO has awarded a contract to MEDIARESEARCH, the Czech television audience measurement provider.

Television viewing in households is electronically measured using the TV meter system. The predominant measuring technology used is audio-matching, which compares sound prints from television receivers measured with a set of reference sounds of the measured TV stations. The measuring is independent of the TV signal transmission mode (DVB-T, satellite, cable, IPTV, Internet).

Since January 2013, the project has also been measuring the deferred viewing of programmes, i.e. watching the programme later than it was broadcast live on television over the following seven days. This can be done, for example, on television receivers with a hard drive or other attached equipment enabling recording and playing TV programmes, or through smart TVs.

TV viewing on PCs has also been measured since January 2013 (especially deferred viewing through internet archives of TV stations). For an overview of the audience measurement status.

**Table 120    CZ – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | OK | |
| **Time shifted** | OK | | |
| **TV Replay** | | | |
| **Data currency** | Live (guests included) | | |
| **Panel size** | 3,848 individuals (1,665 TV households) | | |

Sources: Eurodata TV Worldwide / ATO / MEDIARESEARCH; Notes: Time-shifted viewing: Live + VOSDAL + 7 days since 1 January 2013; PC viewing measurement: since 1 January 2013

**Average daily TV viewing times 2011-2013**

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**Figure 126          CZ- Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / ATO / MEDIARESEARCH

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[328]Association of Television Organisations. 2014. What is ATO. [Online]. [Accessed 20 November 2014]. Available at: http://www.ato.cz/en/what-is-ato

## 34.7 Denmark – TNS Gallup TV-Meter

TNS Gallup, which is part of the Kantar Media Network, has been measuring audience data in Denmark since 2008. Commissioned by the Danish TV audience measurement steering committee (with members from the Danish Broadcasting Corporation (DR), TV 2, Viasat, SBS TV, Discovery, Turner Broadcasting System & Viacom International Media Networks), TNS Gallup has a running contract until 2015.[329]

TNS Gallup measures live, time-shifted and TV replay television viewing and started to provide PC viewing figures for live and TV replay television in December 2013. Measurements for other devices such as tablets and smartphones were planned to be introduced in 2014[330].

**Table 121     DK – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| Live | OK | OK | planned 2014 |
| Time shifted | OK |  |  |
| TV Replay | OK | OK | planned 2014 |
| Data currency | Live + VOSDAL (guests included) | | |
| Panel size | 2,266 individuals (1,000 TV households) | | |

Sources: Eurodata TV Worldwide / TNS Gallup TV-Meter; Notes: Time-shifted viewing: Live + VOSDAL + 7 days since 1 January 2008; PC viewing measurement: since 1 December 2013 included in the TV ratings

**Average daily TV viewing times 2011-2013**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Figure 127          DK – Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / TNS Gallup TV-Meter

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[329]Kantar Media. 2011. Kantar Media announces Danish TV Audience Contract Renewal until 2015. [Online]. [Accessed 21 November 2014]. Available at: http://www.kantarmedia-audiences.com/news-views/our-latest-news/kantar-media-announces-danish-tv-audience-contract-renewal-until-2015/

[330]Kantar Media. 2012. Kantar Media to Enhance Danish TV Currency to Include Online Viewing from 2013. [Online]. [Accessed 21 November 2014]. Available at: http://www.kantarmedia-audiences.com/news-views/our-latest-news/kantar-media-to-enhance-danish-tv-currency-to-include-online-viewing-from-2013/

## 34.8   Estonia – TNS EMOR

TNS operates in the Baltic countries as TNS Emor in Estonia, TNS Latvia in Latvia, and TNS LT in Lithuania. TNS Baltic media audience research is part of the Kantar Media network.

TNS Emor provides data for live television viewing only. The start for measuring time-shifted television viewing is planned for 2014 (see table 19). On 3 March 2014, TNS and Kantar Media announced plans to enhance the existing television audience measurement services in Estonia, Latvia and Lithuania over the next four years. These enhancements include the introduction of Kantar Media's latest TV measurement technology, larger panels with an extension to 400 households and the introduction of enhanced processing systems.[331]

**Table 122      EE – Audience measurement status**

|              | TV                               | PC | Other devices |
|--------------|----------------------------------|----|---------------|
| Live         | OK                               |    |               |
| Time shifted | planned 2014                     |    |               |
| TV Replay    |                                  |    |               |
| Data currency | Live (guests excluded)          |    |               |
| Panel size   | 600 individuals (268 TV households) |  |               |

Sources: Eurodata TV Worldwide / TNS EMOR

**Average daily TV viewing times 2011-2013**

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**Figure 128         EE - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / TNS EMOR

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[331]Kantar Media. 2014. TNS & Kantar Media announce major enhancements to television audience measurement services in Estonia, Latvia & Lithuania. [Online]. [Accessed 21 November 2014]. Available at: http://content.kantarmedia.fr/BalticsTAMenhancement.pdf

## 34.9   Finland - Finnpanel Oy

Finnpanel Oy measures TV viewing and radio listening in Finland. The company was established in 1975 and it is owned by A.C. Nielsen Finland Oy and TNS Gallup Oy.[332] The service includes the measurement of live and time-shifted viewing with additional services to be introduced during 2014/15.

**Table 123     FI – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| Live | OK | planned 2014/15 | |
| Time shifted | OK | planned 2014/15 | |
| TV Replay | planned 2014/15 | planned 2014/15 | |
| Data currency | Live + VOSDAL + 7 days (guests included) | | |
| Panel size | 2,115 individuals (2,140 TV households) | | |

Sources: Eurodata TV Worldwide / Finnpanel Oy; Note: Time-shifted viewing since 2008

**Average daily TV viewing times 2011-2013**

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**Figure 129          FI - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / Finnpanel Oy

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[332]Finnpanel. 2014. Finnpanel. [Online]. [Accessed 20 November 2014]. Available at: http://www.finnpanel.fi/en/index.php

## 34.10 France - Médiamétrie / Médiamat

Set up in 1985, Médiamétrie is a French audience measurement company which operates the people meter in France. Médiamétrie is also the founder of Eurodata TV Worldwide, which provides analyses and distributes programming and audience information, based on its worldwide network of partnerships in over 80 countries. Médiamétrie is structured into three business units: the Audience Measurement Department, the Performance and Cross-Media Department and Eurodata TV Worldwide.

Médiamétrie's television audience measurement services in 2014 included live and time-shifted television with further services to be introduced during 2014/15. In addition, Médiamétrie has recently started measuring TV content on fixed Internet devices (e.g. PCs), providing figures for unique visitors.

In the light of new trends in TV consumption, Médiamétrie has introduced a number of changes to adapt its measurement services and is planning to introduce a number of additional developments.

The company's TV reference panel, the Médiamat, has gone through major changes that included the introduction of watermarking technology to allow the measurement of time-shifted viewing in January 2011 and an expansion of the size of the Médiamat panel from 3,500 households to 5,000 in 2012. According to Médiamétrie TV Department Director Julien Rosanvallon[333], the forthcoming developments of the company in TV measurement include four main projects:

- Planned inclusion of the measurement of catch-up TV in panel. A first set of catch-up services is already being measured.
- Planned inclusion of three Internet screens within the measurement to become a four screen measurement.
- Planned development of a hybrid measurement system for special-interest channels that will rely on a model that combines return path data and TV panel.
- Médiamétrie is currently working on a social TV barometer.

In addition, Médiamétrie has been the provider of the web audience currency for the past decade with its subsidiary Médiamétrie/NetRatings, a joint venture between Nielsen and Médiamétrie that operates as the reference web audience measurement in France. In 2010, the company launched a mobile measurement service and more recently a tablet measurement service.

**Table 124     FR – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | planned 2015 | planned 2015 |
| **Time shifted** | OK |  |  |
| **TV Replay** | planned 2014 | planned 2015 | planned 2015 |
| **Data currency** | Live + VOSDAL + 7 days (guests included) | | |
| **Panel size** | 11,529 individuals (5,000 TV households) | | |

Sources: Eurodata TV Worldwide / Médiamétrie / Médiamat; Note: Time-shifted viewing: since January 3rd, 2011

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[333]Eurodata TV Worldwide. 2014. One Television Year in the World Issue 2014. Overview of TV consumption and audiovisual landscapes in more than 100 territories, p.34

**Average daily TV viewing times 2011-2013**

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**Figure 130**     **FR - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / Médiamétrie / Médiamat

## 34.11 Germany – AGF / GfK Fernsehforschung

Arbeitsgemeinschaft Fernsehforschung (AGF)[334] is a partnership association of public and commercial broadcasters which jointly develop and conduct television audience measurement in Germany. Its partners include ARD, ProSiebenSat.1 Media AG, the RTL Media Group Germany and ZDF. Since 1988, AGF has been the contracting authority for TV research in Germany. In addition to the partners, licensed TV stations, advertisers and advertising agencies participate in organising the AGF research system.

At the end of 2012, the AGF commissioned the Gesellschaft für Konsum-, Markt- und Absatzforschung (GfK) to continue monitoring TV viewing in Germany until 2018[335]. The GfK is one of the leading research companies worldwide.

The TV usage in TV households in Germany is measured via a panel of 5,000 reporting households using the GfK TC score measurement device. The measurement device is supplemented by the GfK UMX measurement technology based on the principle of audio-matching, which enables the measurement of TV consumption in IPTV households (introduced 2012).

The audience measurement status in Germany includes live, time-shifted and TV replay for television. In addition, audience data for live and TV replay via PCs has been measured since March 2014. The measurement of TV and video consumption on other devices is being tested.

According to Managing Director Anke Weber[336], AGF is working on the implementation of video streaming usage in the existing measurement system. For this purpose the AGF has set up a project where video streaming is measured in an online panel with 25,000 panellists (using both user-centric and census measurement tools).

In the first half of 2015, AGF plans to measure online usage data that will be fused with TV panel data for the delivery of a market standard for integrated video streaming usage figures. This will enable the analysis of cross media campaigns and the identification of the incremental reach of TV and online.

What remains a future challenge is the inclusion of emerging technologies in the transmission of video signals such as IP via satellite, devices like smartphones and accessing video content via Apps.

On its website, AGF has been publishing free monthly rankings of the top video streams of participating partners since January 2014 (RTL, RTLII, Vox, Super RTL, n-tv, RTL Nitro, ProSieben, Sat.1, ZDF, Kabel Eins, sixx, 3sat, ARD). Since June 2014, AGF has also published monthly data on user demographics, number of views and data volumes.[337]

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[334]Arbeitsgemeinschaft Fernsehforschung. 2014. AGF. [Online]. [Accessed 3 November 2014]. Available at: https://www.agf.de

[335]GfK. 2012. GfK again commissioned by AGF, the German TV audience research cooperative. [Online]. [Accessed 3 November 2014]. Available at: http://www.gfk.com/news-and-events/press-room/press-releases/Pages/GfK-again-commissioned-by-AGF-the-German-TV-audience-research-cooperative.aspx

[336]Eurodata TV Worldwide. 2014. One Television Year in the World Issue 2014. Overview of TV consumption and audiovisual landscapes in more than 100 territories, p.35

[337]AGF. 2014. Videostreaming. [Online]. [Accessed 3 November 2014]. Available at: https://www.agf.de/daten/videostreaming/

**Table 125     DE – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | OK | being tested |
| **Time shifted** | OK |  |  |
| **TV Replay** | OK | OK | being tested |
| **Data currency** | Live + VOSDAL + 3 days (guests included) | | |

Sources: Eurodata TV Worldwide / AGF / GfK Fernsehforschung; Notes: Time-shifted viewing: since 1 July 2009; PC viewing: since March 2014

**Average daily TV viewing times 2011-2013**

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**Figure 131          DE – Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / AGF / GfK Fernsehforschung

## 34.12 Greece - Nielsen Television Audience Measurement

Nielsen has been operating in Greece since 1988, offering television audience measurement services that include audience data, software packages and technical expertise[338]. For the Greek audiovisual market, the company provides measurements for live viewing on television only.

**Table 126     GR – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| Live | OK | | |
| Time shifted | | | |
| TV Replay | | | |
| Data currency | Live (guests excluded) | | |
| Panel size | 3,841 individuals (1,382 TV households) | | |

Sources: Eurodata TV Worldwide / Nielsen Television Audience Measurement

### Average daily TV viewing times 2011-2013

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Figure 132          GR - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / Nielsen Television Audience Measurement

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[338]Nielsen. 2014. Greece. [Online]. [Accessed 20 November 2014]. Available at:
http://www.agbnielsen.net/whereweare/dynPage.asp?lang=english&country=Greece&id=315

## 34.13 Hungary - Nielsen Television Audience Measurement

Nielsen Audience Measurement is the only company in Hungary engaged in television audience measurement[339]. It provides measurements for live viewing on television and in Q3 of 2014 introduced measurements for time-shifted television viewing.

**Table 127    HU – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | | |
| **Time shifted** | planned Q3 2014 | | |
| **TV Replay** | | | |
| **Data currency** | Live (guests excluded) | | |
| **Panel size** | 2,474 individuals (1,050 TV households) | | |

Sources: Eurodata TV Worldwide / Nielsen Television Audience Measurement

**Average daily TV viewing times 2011-2013**

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**Figure 133             HU - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS after Eurodata TV Worldwide / Nielsen Television Audience Measurement

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[339]Nielsen. 2014. Hungary. [Online]. [Accessed 20 November 2014]. Available at:
http://www.agbnielsen.net/whereweare/dynPage.asp?lang=english&country=hungary&id=318

## 34.14 Ireland - Nielsen Television Audience Measurement

Nielsen TV Audience Measurement has been in Ireland since 1996, when it installed the first Active/Passive measurement technology for channel identification and increased the reporting panel from 400 to 600 households[340].

A second five-year contract to provide television audience measurement services in Ireland from 1 September 2003 to 31 August 2008 was awarded in 2002.

A new industry management structure, Television Audience Measurement (TAM) Ireland Ltd.[341], was formed in 2007 to manage the process of measuring TV audiences on behalf of broadcasters and advertising agencies. Through TAM Ireland, a 2-year contract extension was secured from 1 September 2008 until 31 August 2010.

In October 2008, TAM Ireland awarded Nielsen TV Audience Measurement a further contract to supply television audience measurement for the Irish markets, from 1 September 2010 until 31 August 2017.

Nielsen measures live television viewing in Ireland and has been measuring time-shifted viewing since September 2010.

**Table 128      IE – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK |  |  |
| **Time shifted** | OK |  |  |
| **TV Replay** | OK |  |  |
| **Data currency** | Live + VOSDAL + 7 days (guests included) | | |
| **Panel size** | 2,564 individuals (969 TV households) | | |

Sources: Eurodata TV Worldwide / Nielsen Television Audience Measurement; Note: Time-shifted viewing since 1 September 2010

### Average daily TV viewing times 2011-2013

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**Figure 134            IE - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / Nielsen Television Audience Measurement

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[340]Nielsen. 2014. ireland. [Online]. [Accessed 20 November 2014]. Available at: http://www.agbnielsen.net/whereweare/dynPage.asp?lang=english&id=324&country=Ireland
[341]TAM Ireland - Television AUdience Measurement Ireland. 2014. Welcome to TAM Ireland. [Online]. [Accessed 20 November 2014]. Available at: http://www.tamireland.ie/

## 34.15 Italy - Auditel / Nielsen Television Audience Measurement

Auditel is an audience measurement company that measures TV audiences in Italy. Similar to the German AGF, it was set up as a Joint Industry Committee (JIC) where licensed TV stations, advertisers and advertising agencies participate in organising the research system. Auditel's administrative and technical committees include members of UPA, ASSOCOM, UNICOM, FIEG, CRT, RAI, R.T.I and LA SETTE[342]. Since 1986, Nielsen TV Audience Measurement (Italia) has been commissioned to produce audience data on behalf of Auditel[343].

According to Director General Walter Pancini[344], Auditel has introduced a number of innovations to its measurement system. These include the introduction of time-shifted audience measurement in May 2011 and a new detection system based on audio-matching. With regard to the measurement of television content on different screens, Auditel has initiated the project "Extended screen" through which it seeks to extend measurements to the PC by means of software meters in panel homes.

In view of the rapid rise in digital content, Walter Pancini proposes to focus on advancing measurement technologies and statistical methodologies to allow the development of sophisticated hardware and software meters and the integration of big data with sample data.

**Table 129      IT – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK |  |  |
| **Time shifted** | OK |  |  |
| **TV Replay** |  |  |  |
| **Data currency** | Live + VOSDAL + 7 days (guests included) | | |
| **Panel size** | 12,634 individuals (5,408 households) | | |

Sources: Eurodata TV Worldwide / Auditel / Nielsen Television Audience Measurement; Note: Time-shifted viewing: since 1 May 2011

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[342]Auditel. 2014. Chi è Auditel ?. [Online]. [Accessed 3 November 2014]. Available at: http://www.auditel.it/chi-e/
[343]Nielsen. 2014. Italy. [Online]. [Accessed 20 November 2014]. Available at: http://www.agbnielsen.net/whereweare/dynPage.asp?lang=english&id=237&country=italy
Nielsen. 2014. Auditel. [Online]. [Accessed 20 November 2014]. Available at: http://www.agbnielsen.com/whereweare/dynPage.asp?lang=local&id=30&country=italy
[344]Eurodata TV Worldwide. 2014. One Television Year in the World Issue 2014. Overview of TV consumption and audiovisual landscapes in more than 100 territories, p.36

**Average daily TV viewing times 2011-2013**

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**Figure 135**       **IT - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / Auditel / Nielsen Television Audience Measurement

## 34.16 Latvia - TNS Latvia

TNS operates in the Baltic countries as TNS Emor in Estonia, TNS Latvia in Latvia, and TNS LT in Lithuania. TNS Baltic media audience research is part of the Kantar Media network.

TNS Latvia measures live television viewing only. On 3 March 2014, TNS and Kantar Media announced plans to enhance the existing television audience measurement services in Estonia, Latvia and Lithuania over the next four years. These enhancements include the introduction of Kantar Media's latest TV measurement technology, larger panels with an extension to 400 households and the introduction of enhanced processing systems.[345]

**Table 130      LV – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| Live | OK |  |  |
| Time shifted |  |  |  |
| TV Replay |  |  |  |
| Data currency | Live (guests excluded) | | |
| Panel size | 1,031 individuals (398 TV households) | | |

Sources: Eurodata TV Worldwide / TNS Latvia

**Average daily TV viewing times 2011-2013**

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**Figure 136          LV - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / TNS Latvia

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[345]Kantar Media. 2014. TNS & Kantar Media announce major enhancements to television audience measurement services in Estonia, Latvia & Lithuania. [Online]. [Accessed 21 November 2014]. Available at http://content.kantarmedia.fr/BalticsTAMenhancement.pdf

## 34.17 Lithuania - TNS LT

TNS operates in the Baltic countries as TNS Emor in Estonia, TNS Latvia in Latvia, and TNS LT in Lithuania. TNS Baltic media audience research is part of the Kantar Media network.

TNS LT measures live television viewing only. On 3 March 2014, TNS and Kantar Media announced plans to enhance the existing television audience measurement services in Estonia, Latvia and Lithuania over the next four years. These enhancements include the introduction of Kantar Media's latest TV measurement technology, larger panels with an extension to 400 households and the introduction of enhanced processing systems.[346]

**Table 131    LT – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK |  |  |
| **Time shifted** |  |  |  |
| **TV Replay** |  |  |  |
| **Data currency** | Live (guests excluded) | | |
| **Panel size** | 1,020 individuals (405 TV households) | | |

Sources: Eurodata TV Worldwide / TNS LT

**Average daily TV viewing times 2011-2013**

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**Figure 137        LT - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / TNS LT

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[346]Kantar Media. 2014. TNS & Kantar Media announce major enhancements to television audience measurement services in Estonia, Latvia & Lithuania. [Online]. [Accessed 21 November 2014]. Available at: http://content.kantarmedia.fr/BalticsTAMenhancement.pdf

## 34.18 Luxembourg

TNS ILRES and TNS MEDIA conduct annual surveys of television, print media, radio, cinema and Internet audiences in Luxembourg[347]. Surveys are commissioned by the country's three largest media groups: Editpress SA; IP Luxembourg/CLT-UFA and Saint-Paul Luxembourg SA[348]. With regard to television viewing, the TNS ILRES PLURIMEDIA survey provides audience data for live television viewing only.

## 34.19 Malta

The data for television audiences in Malta is not measured by an audience measurement system. However, the Maltese Broadcasting Authority provides reports on surveys of television viewing[349]. In addition, the annual reports provide an overview of the most popular channels[350]. Measurement data cover live television viewing only.

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[347]IP Luxembourg. 2014. TNS-ILReS Plurimedia 2014. [Online]. [Accessed 24 November 2014]. Available at: http://www.ipl.lu/tns-ilres-plurimedia-2014/

[348]TNS. 2014. Etude TNS ILRES PLURIMEDIA LUXEMBOURG. [Online]. [Accessed 24 November 2014]. Available at: https://www.tns-ilres.com/cms/Home/News/Publications/2014/Etude-TNS-ILRES-PLURIMEDIA-LUXEMBOURG-2013-2014

[349]Broadcasting Authority Malta. 2013. Radio and television audiences Malta July-September 2013. [Online]. [Accessed 24 November 2014]. Available at: http://www.ba-malta.org/file.aspx?f=1397

[350]Broadcasting Authority Malta. 2014. Annual Report 2013. [Online]. [Accessed 24 November 2014]. Available at: http://www.ba-malta.org/file.aspx?f=1440

## 34.20 Netherlands - Stichting KijkOnderzoek

Stichting KijkOnderzoek (SKO) is the joint industry committee (JIC) for television audience measurement research in the Netherlands. SKO measures and provides audience data on live and time-shifted television viewing (the latter since 2008) and plans to introduce TV Replay in January 2015. In addition, time-shifted and TV replay viewing on PCs is measured (since 2009) but is not included in the TV ratings. Other devices and applications covered by SKO include tablets, laptops, mobile phones and big screen Apps.

The SKO data collection and calculation in panel households is based on a computer system at Intomart GfK. The reports of SKO WEB TV are based on comScore data which measure viewing behaviour with regard to online television programmes.

**Table 132     NL – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | | OK |
| **Time shifted** | OK | OK | |
| **TV Replay** | planned 01/2015 | OK | OK |
| **Data currency** | Live + VOSDAL + 6days (guests included) | | |
| **Panel size** | 2,700 individuals (1,235 households – non-TV households included in the panel) | | |

Sources: Eurodata TV Worldwide / Stichting KijkOnderzoek; Note: Time-shifted viewing: since 1 January 2008; PC viewing: since June 2009, not included in the TV ratings

### New SKO strategy aims to measure all video content on all devices

In 2013, SKO made public its strategy for the period 2013 to 2017[351]. The strategy is to expand SKO's activities to include all kinds of video content on all kinds of devices, and not only TV content. This new audience measurement system, called Video Total, aims at measuring online and offline viewing behaviour with regard to programme content and video advertising in order to be able to measure an audience's total viewing behaviour.

According to the SKO Video Data Integration Model (SKO-VIM)[352], SKO developed a platform-independent measuring scheme in 2013. This scheme aims to allow video content measurement on every possible device, including TV screens, laptops, PCs, tablets, smartphones, game consoles and connected TVs, taking into account both live TV, time-shifted viewing and other video content. SKO claims that companies such as Sanoma, TMG and Videostrip have already indicated their interest in collaborating on the Video Total project.

In June 2014 SKO announced it had signed a two-year contract with Kantar Media

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[351]SKO. 2014. New Strategy. [Online]. [Accessed 3 November 2014]. Available at:
https://kijkonderzoek.nl/new-strategy
[352]SKO. 2013. THE VIDEODATA INTEGRATION MODEL. [Online]. [Accessed 3 November 2014].
Available at: https://kijkonderzoek.nl/images/Brochures/140520_SKO_brochure_SKO-Videodata_Integration_Model_ENG.pdf

Audiences to measure online commercials[353]. SKO aims to produce correct and uniform data with regard to online video commercials. The census data will become part of the online video currency but will also be supplied to the market separately.

This followed the announcement in July 2014[354] of the appointment of Kantar Media and TNS-NIPO as suppliers for the integrated cross-platform ratings as outlined in the new SKO Video Data Integration Model. The online ratings for programme content and video campaigns will be delivered to the market starting 1 September 2015. TNS NIPO will build an online panel of at least 3000 persons, in households where Kantar Media will measure the video behaviour on all available devices. The resulting data will be linked to census data for "Online TV and Video", "Online Commercials" and "Linear Streaming"; SKO has already contracted suppliers that will provide these sources.

In October 2014, Conviva and Webtrekk gained SKO's certification for online video stream measurement[355]. The final step is the integration of television and online ratings into one overall rating: VideoTotal. This is expected in the final quarter of 2015.

The SKO Videodata Integration Model consists of a number of elements comprising census data (e.g. the amount of video starts and the total viewing time), online and TV panel data with the aim of integrating those elements into a single measurement system. The new data sets produced will include two kinds of output - a TV currency and a video currency.

SKO claims that this new measurement model will provide cross-video platform reach reports on publishers, programmes and campaigns in different target groups, e.g. the total reach of a specific programme across all platforms, the combined reach of SBS channels and Sanoma Video and the reach and contacts of a commercial on TV and online.

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[353]SKO. 2014. SKO signs two-year contract with Kantar Media Audiences for measurement of online commercials. [Online]. [Accessed 3 November 2014]. Available at:
https://kijkonderzoek.nl/images/Persberichten_algemeen/140624_Pressrelease_SKO_SIGNS_TWO-
YEAR_CONTRACT_WITH_KANTAR_MEDIA_AUDIENCES_FOR_MEASUREMENT_ONLINE_COMMERCIALS.pdf

[354]SKO. 2014. SKKO appoints Kantar Media and TNS-NIPO as suppliers of integrated cross platform rating. [Online]. [Accessed 3 November 2014]. Available at:
https://kijkonderzoek.nl/images/Persberichten_algemeen/140709_Press_release_KANTAR_MEDIA__TNS_NIPO_APPOINTED_INTEGRATED_CROSS_PLATFORM_RATINGS_PROVIDER_TO_SKO_.pdf

[355]SKO. 2014. Conviva and Webtrekk gain SKO's certification for online video stream measurements. [Online]. [Accessed 3 November 2014]. Available at:
https://kijkonderzoek.nl/images/Persberichten_algemeen/141014_Press_release_Conviva_and_Webtrekk.pdf

**Average daily TV viewing times 2011-2013**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Figure 138**      **NL - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / Stichting KijkOnderzoek

## 34.21 Poland - Nielsen Television Audience Measurement

Nielsen Audience Measurement (AGB Nielsen Media Research Sp. z o.o.) commenced in November 1996 with the delivery of nationwide data in Poland. It operates one panel with 1,700 households representing viewership throughout the country[356]. Nielsen measures live television viewing in Poland with the roll-out of time shifted viewing during 2014.

**Table 133      PL – Audience measurement status**

|              | TV                          | PC | Other devices |
|--------------|-----------------------------|----|---------------|
| Live         | OK                          |    |               |
| Time shifted | planned 2014                |    |               |
| TV Replay    |                             |    |               |
| Data currency| Live (guests excluded)      |    |               |
| Panel size   | 4,188 individuals (1,704 TV households) |    |   |

Sources: Eurodata TV Worldwide / Nielsen Television Audience Measurement; Note: Live (guests excluded)

### Average daily TV viewing times 2011-2013

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Figure 139          PL - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / Nielsen Television Audience Measurement

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[356]Nielsen. 2014. Poland. [Online]. [Accessed 20 November 2014]. Available at:
http://www.agbnielsen.net/whereweare/dynPage.asp?lang=english&country=poland&id=348

## 34.22 Portugal - CAEM

The CAEM (Comissão de Análise de Estudos de Meios) is the industry body responsible for audience measurement in Portugal. Replacing Marktest Audimetria, GfK was awarded a TV measurement contract by CAEM in March 2012.[357] The service provides measurement of live television viewing only.

**Table 134      PT – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK |  |  |
| **Time shifted** |  |  |  |
| **TV Replay** |  |  |  |
| **Data currency** | Live (guests excluded) | | |
| **Panel size** | 2,706 individuals | | |

Sources: Eurodata TV Worldwide / CAEM

**Average daily TV viewing times 2011-2013**

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**Figure 140            PT - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / CAEM

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[357]Research. 2012. GfK's Portuguese TV ratings system gets off to rocky start. [Online]. [Accessed 21 November 2014]. Available at: http://www.research-live.com/news/news-headlines/gfks-portuguese-tv-ratings-system-gets-off-to-rocky-start/4006997.article

## 34.23 Romania - ARMA / Kantar Media

ARMA (Asociatia Romana pentru Masurarea Audientelor) is Romania's television joint industry committee (JIC). On behalf of ARMA, COMPA has commissioned a four-year television audience measurement contract to Kantar Media valid until 2015[358]. The service measures live television viewing and data on time-shifted viewing, introduced in January 2012.

**Table 135      RO – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK |  |  |
| **Time shifted** | OK |  |  |
| **TV Replay** |  |  |  |
| **Data currency** | Live + VOSDAL + 7 days (guests included) | | |
| **Panel size** | 3,881 individuals (1,235 TV households) | | |

Sources: Eurodata TV Worldwide / ARMA / Kantar Media; Note: Time-shifted viewing: since 1 January 2012

### Average daily TV viewing times 2011-2013

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Figure 141          RO - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / ARMA / Kantar Media

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[358]Kantar Media. 2011. Kantar Media awarded television audience measurement contract in Romania. [Online]. [Accessed 21 November 2014]. Available at: http://www.kantarmedia-audiences.com/news-views/our-latest-news/kantar-media-awarded-television-audience-measurement-contract-in-romania/

## 34.24 Spain - Kantar Media

Kantar, a subsidiary of the advertising and public relations company WPP, is an umbrella group for a number of leading research insight and consulting companies, which include Kantar Media, Kantar World Panel and TNS.

Kantar Media[359] provides a number of services, including audience research, competitive intelligence, consumer behaviour and digital insights, marketing and advertising effectiveness and social media monitoring.

In Spain the company provides audience measurements for live TV and runs tests for measuring live broadcasts on PCs and TV replay on TVs and PCs. The introduction of time-shifted audience measurement is planned for 2014/15.

According to Managing Director Alberto de Pablo, Kantar Media has been testing the acceptance of panellists for television measurements on PCs using Kantar's VirtualMeter technology. Kantar Media aims to cover the measurement of various screens, including tablets and other portable devices, for the Spanish market, as is already the case with its partner BARB in the UK. According to Kantar Media, the measurement of online audiences is a global priority for the organisation.

Table 136     ES – Audience measurement status

|  | TV | PC | Other devices |
|---|---|---|---|
| Live | OK | being tested | |
| Time shifted | planned 2014/15 | | |
| TV Replay | being tested | being tested | |
| Data currency | Live (guests excluded) | | |
| Panel size | 11,451 individuals (4,425 TV households) | | |

Sources: Eurodata TV Worldwide / Kantar Media; Note: VOSDAL is measured since 2012

### Average daily TV viewing times 2011-2013

**For copyright reasons the data cannot be reproduced in the public version of this report**

Figure 142     **ES - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS after Eurodata TV Worldwide / Kantar Media

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[359]WPP. 2014. Kantar Media. [Online]. [Accessed 20 November 2014]. Available at:
http://www.wpp.com/wpp/companies/kantar-media/

## 34.25 Slovakia – PMT/ TNS SK

TNS SK, which is part of the Kantar Media network, has been measuring audience data in Slovakia since 2004. In July 2014, PMT, the TV audience measurement steering committee in Slovakia (with members from RTVS, TV Markiza, TV JOJ, TA3 and the Association of Media Agencies) renewed its contract with Kantar Media for the provision of TV audience measurement until 2021. Measurement will continue to be deployed using Kantar Media's PeopleMeter and enhanced audio matching technology.[360]

The service includes live television viewing audience measurement, and a number of additional services are being tested. The service was further enhanced in 2013 with the introduction of Kantar Media's online PeopleMeter which is installed on the PCs of 10% of the representative panel to measure online TV viewing.

**Table 137     SK – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| Live | OK | tested since 2013 | |
| Time shifted | tested since 2009 | | |
| TV Replay | being tested | tested since 2013 | |
| Data currency | Live (guests included) | | |
| Panel size | 3,645 individuals (1,239 TV households) | | |

Sources: Eurodata TV Worldwide / PMT / TNS SK

### Average daily TV viewing times 2011-2013

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**Figure 143          SK - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / PMT / TNS SK

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[360]Kantar Media. 2014. Kantar Media announces renewal of Slovakian TV audience contract to 2021. [Online]. [Accessed 21 November 2014]. Available at: http://www.kantarmedia-audiences.com/news-views/our-latest-news/kantar-media-announces-renewal-of-slovakian-tv-audience-contract-to-2021/

## 34.26 Slovenia - Nielsen Television Audience Measurement

Nielsen Audience Measurement (medijske raziskave, d.o.o.)[361] is the Slovenian member of The Nielsen Company. Television audience measurement research in Slovenia was initiated by AGB Nielsen, medijske raziskave, d.o.o. (previously named Media Services AGB d.o.o.) in January 1999. The first data were released in April 1999 based on a 350 household panel. The current panel is 450 households and is representative of the total population. Nielsen measures live television viewing only.

**Table 138    SI – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK |  |  |
| **Time shifted** |  |  |  |
| **TV Replay** |  |  |  |
| **Data currency** | Live (guests excluded) | | |
| **Panel size** | 1,226 individuals (450 TV households) | | |

Sources: Eurodata TV Worldwide / Nielsen Television Audience Measurement

### Average daily TV viewing times 2011-2013

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Figure 144         SI - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / Nielsen Television Audience Measurement

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[361]Nielsen. 2014. Slovenia. [Online]. [Accessed 20 November 2014]. Available at:
http://www.agbnielsen.net/whereweare/dynPage.asp?lang=english&id=357&country=Slovenia

## 34.27 Sweden - MMS Mediamätning i Skandinavien AB

MMS Mediamätning i Skandinavien AB (MMS) is the joint industry committee (JIC) for TV and online TV in Sweden. MMS has been measuring time-shifted viewing since March 2010 and introduced PC TV viewing in April 2011. The measurement of live and TV replay viewing on other devices than TVs and PCs started in 2013. Other devices include laptops, tablets and smartphones, for which MMS only measures the number of views and time spent watching. Hence, no data for reach or ratings is available yet for these devices.

Following the introduction of daily viewing figures for programmes and video clips online in May 2011, MMS started to publish daily viewing figures for TV ads online in February 2014. According to CEO Magnus Anshelm[362], the next development challenge for MMS will be the integration of linear and online TV viewing. The MMS approach envisages connecting data silos that are isolated from each other and to either find a single or a hybrid source solution to integrate figures for TV viewing on all platforms.

In November 2014, MMS confirmed that a tender process to find a measurement solution for TV viewing on all platforms and devices has been postponed as no supplier was able to deliver a satisfactory solution. In the meantime MMS is working on an internal solution.

**Table 139    SE – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| Live | OK | OK | OK |
| Time shifted | OK | | |
| TV Replay | OK | OK | OK |
| Data currency | Live + VOSDAL + 7 days (guests included) | | |
| Panel size | 2,600 individuals (1,200 TV households) | | |

Sources: Eurodata TV Worldwide / MMS Mediamätning i Skandinavien AB; Notes: Time-shifted viewing since 22 March 2010; PC TV viewing since 25 April 2011; Other devices, measurement since 2013

**Average daily TV viewing times 2011-2013**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Figure 145         SE - Average daily TV viewing time 2011-2013 (hh:mm)**

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Sources: OBS based on data from Eurodata TV Worldwide / MMS Mediamätning i Skandinavien AB

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[362]Eurodata TV Worldwide. 2014. One Television Year in the World Issue 2014. Overview of TV consumption and audiovisual landscapes in more than 100 territories, p.40

## 34.28 United Kingdom - BARB

The Broadcasters' Audience Research Board (BARB)[363] provides official viewing figures for UK television audiences. Its principal funders are the BBC, Channel 4, Channel 5, the IPA (Institute of Practitioners in Advertising), ITV and Sky. Advertisers are represented at board level through ISBA.

On behalf of these organisations and other subscribers, the BARB commissions specialist research companies Ipsos MORI, Kantar Media and RSMB to collect data that represent the television viewing behaviour of the UK's 26 million TV households. Currently BARB has four principal contracts that enable delivery of the TV measurement data. These, alongside the current research providers, are listed below:

- Survey design and methodology (RSMB)
- Establishment survey (Ipsos-MORI)
- Panel recruitment (Kantar Media)
- Panel management, meter installation, data collection, data production (Kantar Media; extended in November 2014 until 2018[364])

The BARB data provides viewing figures at regional and national levels. It measures live, time-shifted and TV replay of television viewing and work is underway on the implementation of other measures for PCs and other devices.

**Table 140    UK – Audience measurement status**

|  | TV | PC | Other devices |
|---|---|---|---|
| **Live** | OK | planned 2014/15 | planned 2014/15 |
| **Time shifted** | OK |  |  |
| **TV Replay** | OK | planned 2014/15 | planned 2014/15 |
| **Data currency** | Live + VOSDAL + 7 days (guests included) | | |
| **Panel size** | 13,246 individuals | | |

Sources: Eurodata TV Worldwide / BARB / Kantar Media; Notes: Time-shifted viewing: since 1991. VOSDAL introduced in 2005. Live + VOSDAL + 28 days measured since July 2013

According to CEO Justin Sampson[365], BARB's development efforts have been led by two main questions: First, how to measure the number of people viewing programmes and commercial content that is distributed through the Internet platform, and, second, how to use machine generated data from web servers and set-top boxes alongside more traditional forms of audience research. As a consequence, BARB has decided to focus on three development priorities.

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[363]BARB. 2014. Broadcasters' Audience Research Board. [Online]. [Accessed 17 November 2014]. Available at: http://www.barb.co.uk

[364]Kantar Media. 2014. BARB extends Panel Contract with Kantar Media to 2018. [Online]. [Accessed 20 November 2014]. Available at: http://www.kantarmedia-audiences.com/news-views/our-latest-news/barb-extends-panel-contract-with-kantar-media-to-2018/

[365]Eurodata TV Worldwide. 2014. One Television Year in the World Issue 2014. Overview of TV consumption and audiovisual landscapes in more than 100 territories, pp.41-42

The first of these priorities is the measurement of television viewing on PCs and laptops. Around one-fifth of the BARB audience panellists had a technical solution installed to measure the viewing of television content via these devices in 2014. In addition, BARB is working on introducing measurements for the consumption of television viewing on tablets and smartphones. On 9 September 2014, it announced the deployment of a new measurement technique that captures panellists' viewing on iPad and Android tablets[366]. The measurement solution has been developed by Kantar Media in consultation with BARB and claims to be the first industry solution for the electronic monitoring of people's behaviour as they consume media on their tablet devices. Representative data will be published as it becomes available in the coming months.

The second priority that BARB focuses on concerns improvements in the area of time-shifted viewing. One of the most recent updates includes the extension of the measurement of time-shifted viewing to four weeks after the original broadcast (since July 2013). In addition, BARB has also conducted measurement trials for programmes that premiered on a TV player App, such as the BBC iPlayer, before they were broadcast as part of a linear schedule, aiming to make this a standard part of the reporting processes for 2014.

The final and most important priority BARB is pursuing is the establishment of a hybrid measurement system to integrate BARB panel data with web server data and return path data from set-top boxes. The rollout of census data for viewer requests for content distributed through the Internet is planned before the end of 2014. In a next step, BARB plans to integrate these data with established viewing data. The launch of the new hybrid measurement system is expected for January 2016.


## UK Twitter TV ratings available since mid-October 2014

On 2 October 2014, Kantar Media announced the publication of the UK's first official Twitter TV ratings to complement the BARB gold-standard TV measurement currency[367]. Developed with Twitter as part of a global partnership announced in 2013, the new Kantar Twitter TV Ratings tools have been available from mid-October 2014. The Kantar Twitter TV Ratings include the following metrics:

- Unique authors (people tweeting) and their affinity to brands, channels and programmes;
- Unique audience – using data only available to Kantar Media, it is possible to measure the number of individuals who viewed tweets related to individual programmes/shows
- Impressions - the total number of times that a tweet or retweet about a particular programme has been seen.
- Number of tweets and retweets about a programme before, during and after transmission;
- Average tweets per minute and the highest volume of tweets per minute ascribed to the programme in question.

In addition to these new metrics, Kantar Media has also developed an intuitive

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[366]BARB. 2014. BARB panel to capture viewing on tablets. [Online]. [Accessed 31 October 2014]. Available at: http://www.barb.co.uk/press/release/338

[367]Kantar Media. 2014. Kantar Media unveils the UK's first official Twitter TV Ratings. [Online]. [Accessed 21 November 2014]. Available at: http://www.kantarmedia-audiences.com/news-views/our-latest-news/kantar-media-unveils-the-uk%E2%80%99s-first-official-twitter-tv-ratings/

dashboard, Instar Social, that broadcasters, media agencies and advertisers can use to view and analyse data alongside their existing TV analysis tools. Instar Social will include a live, real-time leader board, providing a snapshot of the top tweeted programmes as they happen, with the ability to view actual content of the tweets in real-time.

"A Year in the Life of TV and Twitter", an independent report published by Kantar Media on 24 September 2014, confirms that Twitter activity and TV viewing in the UK are linked[368]. Key findings of the report include the following:

- TV tweet levels broadly correlate with TV channel shares and programme/series viewing figures across a broad time period, although some channels over-perform on Twitter relative to audience share.

- Of the TV tweets analysed, there was a noticeable skew towards entertainment, talent shows, constructed reality, documentaries, soaps, special events and some dramas, including *Sherlock*, *Downton Abbey* and *Doctor Who*, where there is a cult or younger following.

- Twitter TV activity correlates with audience size at a broad level: the shows with the largest volume of Twitter TV activity tend to have higher audiences. However smaller shows can gain disproportionate levels of Twitter activity if they are "social TV friendly", for example encouraging participation or skewing to a younger audience.

- Twitter activity has a direct, positive influence on viewing figures during broadcast for 11% of programmes, boosting audiences by an estimated 2% during those shows.

The report is the result of an analysis by Kantar Media using their analysis software for viewing data and Twitter data related to UK TV shows. Its primary sources are data tracked by Twitter in the UK, combined with TV viewing data from BARB. The period covered encompasses one year of TV, from 1 June 2013 to 31 May 2014.  It takes in over 110 million TV-related tweets, from over 13 million unique users.

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[368]Kantar Media. 2014. Kantar Media study confirms link between Twitter activity and TV viewing in the UK. [Online]. [Accessed 21 November 2014]. Available at: http://www.kantarmedia-audiences.com/news-views/our-latest-news/kantar-media-study-confirms-link-between-twitter-activity-and-tv-viewing/ ; Note: the study data relates to live broadcasts and does not include VoD. Neither does it include social TV around live sports, news and special events

### Average daily TV viewing times 2011-2013

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Figure 146**      **UK - Average daily TV viewing time 2011-2013 (hh:mm)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

Sources: OBS based on data from Eurodata TV Worldwide / BARB / Kantar Media

# 35 Data sources for online viewing behaviour

This chapter includes a review of a selection of national, cross-national and pan-European sources providing data on online viewing behaviour.

## 35.1 National studies

### 35.1.1 Catch-up TV statistics: BBC iPlayer (UK), AGF (DE), CNC (FR), OFCOM (UK)

There are a number of national sources that publish catch-up TV statistics. Some of those sources are as follows.

The BBC publishes monthly statistics on the iPlayer[369] that include measurements such as requests by media type and device type, top TV programmes, TV requests (live vs catch-up), use of the BBC iPlayer for TV by time of day, profiles of BBC iPlayer users, etc.

The German Arbeitsgemeinschaft Fernsehforschung (AGF) publishes on its website weekly top 10 lists of the most popular programmes[370] from the following catch-up TV platforms/media libraries: ZDF, RTL Now, RTL2 Now, Vox Now, Super RTL Now, n-tv Now, RTL Nitro Now, ProSieben, Sat.1, Kabel Eins und Sixx. Since June 2014 the AGF has also published monthly data on user demographics, number of views and data volumes.[371]

The French CNC[372] and the UK regulator Ofcom[373] publish similar information.

### 35.1.2 DE: ARD-ZDF Online Study

According to the ARD-ZDF Online Studie 2014[374], a total of 79% of people in Germany use the Internet (2% more than 2013). Of these 55.6 million online users, 80% use it on a daily basis. On average, people spend 166 minutes online a day, up from 17 minutes in the year 2000. Mobile Internet use has become increasingly popular with half of all online users accessing mobile Internet (23% in 2012, 41% in 2013). Time spent online is longer for those who access the Internet from their mobile devices (195 vs. 108 minutes). The most popular mobile devices are laptops (69%), smartphones and mobile phones (60%) and tablets (28%).

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[369]BBC. 2014. BBC iPlayer monthly performance pack August 2014. [Online]. [Accessed 3 November 2014]. Available at: http://downloads.bbc.co.uk/mediacentre/iplayer/iplayer-performance-aug14.pdf

[370]Arbeitsgemeinschaft Fernsehforschung. 2014. Videostreaming. [Online]. [Accessed 3 November 2014]. Available at: https://www.agf.de/daten/videostreaming/

[371]AGF. 2014. Videostreaming. [Online]. [Accessed 3 November 2014]. Available at: https://www.agf.de/daten/videostreaming/

[372]Centre national du cinéma et de l'image animée. 2014. l'économie de la télévision de rattrapage en 2013. [Online]. [Accessed 3 November 2014]. Available at: http://www.cnc.fr/web/fr/etudes/-/ressources/4794944

[373]Ofcom. 2012. Unique audience to online catch-up TV services (millions). [Online]. [Accessed 3 November 2014]. Available at: http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr12/tv-audio-visual/uk-2.65/

[374]ARD-ZDF. 2014. ARD-ZDF Onlinestudie 2014. [Online]. [Accessed 31 October 2014]. Available at: http://www.ard-zdf-onlinestudie.de/

Among the most popular audiovisual online activities were the following: 34% used video portals at least once a week, 18% used VoD services, 14% watched time-shifted television, 9% used catch-up TV archives, 8% watched live television online, 6% watched video podcasts online.

With regard to mobile Internet activities, 3% watched television online and 10% watched video streams or downloaded videos on their mobile devices (in 2013). The highest usage can be found among people aged 14-29, 5% of whom watched TV on mobile Internet and 16% of whom watched online videos.

Results show that 3% (8 out of 248 minutes) of total time devoted to watching television is spent online.

### 35.1.3 UK: TouchPoints5 – Smartphones

The TouchPoints5[375] data revealed that a growing proportion of our communication time is now conducted online: 12% is spent on social networking – up from 5% in 2012 – and 12% is spent emailing – up from 6% in 2012.

With regard to the consumption of audiovisual media, the TouchPoints5 study reveals the following results:

- Over the course of a week, 97% of consumers use a traditional TV set to watch TV, 13% use a laptop/desktop, 8% use a TV with an internet connection, 5% use a tablet and 4% use a smartphone to watch television.
- This compares to 95% of 15-24 year olds watching TV on a traditional TV set, 27% using a laptop/desktop, 9% using a TV with an internet connection, 8% using a tablet and 8% using a smartphone each week – 15-24 year olds are more than twice as likely to use both a laptop/desktop and a smartphone to watch TV compared to the average adult.
- Of the 3% of time spent watching television on a device other than a television set, 44% was on a laptop, 25% on a smart TV, 17% on a tablet and 6% each on a smartphone or games console.
- Over half of all adults (54%) and three-quarters (79%) of 15-24s claim to "double screen", i.e. use the internet while they are watching the television over the course of a week.
- We are watching more VoD these days– the percentage of adults accessing VoD rose from 46% in 2010 to 59% in 2012 and to 67% in 2014. 38% of us now use a VoD service each week, the figure rising to 56% for 15-24 year olds.
- 14% of all adults watch user generated online video content, but this figure rises to 80% of all 15-24s.

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[375]IPA TouchPoints. 2014. IPA TouchPoints5 reveals new insights into emerging technology. [Online]. [Accessed 30 October 2014]. Available at: http://www.ipa.co.uk/news/ipa-touchpoints5-reveals-new-insights-into-emerging-technology#.VFJiIMnA5ek

### 35.1.4 USA: Adobe's U.S: Digital Video Benchmark Report

Adobe*s Digital Video Benchmark Report Q2 2014[376], which analyses online video and online TV viewing trends in the US market, has found the following trends.

New record for total online video consumption

- 38.2 billion−Online video (free access) achieves a record number of videos watched, up 43% year-over-year (YOY) to 38.2 billion.
- Smartphones overtake tablets−Device preference swings back toward smartphones, with share of access via phones up59%.(Q2 '13 versus Q2'14)
- 25.8% ad growth−Ad growth follows as viewers now watch more than two ads per video start, a 25.8% growth YOY. (Q2 '13 through Q2'14)

Online TV growth accelerates in 2014

- 388% YOY growth for online TV video consumption.
- 85% unique visitor growth−2014 has seen a surge in monthly unique viewership growing 85% over the past six months, up 146% YOY.

People are frequenting online TV more than ever before

- Frequency of authenticated video started on movie channel networks increased 125% YOY.
- Broadcast and cable networks realized a viewing frequency increase of 80.6% YOY.
- Number of online TV videos watched per visitor each month has increased YOY by 54.8% across all device types.

Android apps surpass desktop browsers for share of video authentications

- A 28% YOY gain in share of authenticated video starts accounting for 20% of video authentications. Gaming consoles and OTT devices are becoming the new desktop in the online TV space
- In the realm of online TV, gaming consoles and over-the-top (OTT) devices are becoming a relevant medium for content consumption, with a share growth of 194%.

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[376]Adobe. 2014. U.S. Digital Video Benchmark. Adobe Digital Index Q2 2014. [Online]. [Accessed 3 November 2014]. Available at:
http://www.cmo.com/content/dam/CMO_Other/ADI/Video_Benchmark_Q2_2014/video_benchmark_report-2014.pdf

## 35.2 Example of cross-national study

### 35.2.1 FreeWheel Video Monetization Report Q3 2014 (USA-UK)

FreeWheel, an independent subsidiary of Comcast, helps the largest players in the television industry generate revenue from their ad-supported content through a technology platform for ad management and monetisation, a private marketplace for premium television inventory, and advisory services. FreeWheel's solutions are used by companies like ABC, AOL, Inc., BSkyB, DIRECTV, Discovery, ESPN, NBCUniversal, Turner Broadcasting System, and Viacom, Inc. to profitably monetise their professional content on desktop, mobile, OTT, and traditional STB devices. With headquarters in San Mateo, California, FreeWheel is represented globally through offices in New York, London, Beijing and Paris.[377]

The FreeWheel Video Monetization Report[378] is released quarterly and seeks to highlight the changing dynamics of how enterprise-class content owners and distributors are monetising professional digital video content. The report has found the following trends:

- The diverse array of viewing platforms evolved significantly in Q3 2014. Video ad views on smartphones and over-the-top (OTT) devices increased 77% and 208% respectively year-over-year. Whereas desktop and laptop computers accounted for 86% of video ad views in 2013, we now see 27% of monetisation coming from smartphone, tablet and OTT environments.

- Live viewing was up 214% year-over-year, driven by significant growth in sports streaming and news simulcasts.

- Monetisation continues to move cross-platform, with 27% of video ad views coming outside desktop and laptop environments.

- Authenticated viewing grew 368% year-over-year as 46% of all video ad views on long-form and live content now come from behind authentication walls. Authenticated viewing is relatively evenly split between live and on-demand content.

- Viewers are seeing more TV-like ad experiences on long-form content, yet completion rates remain high.

- 58% of all clients and 79% of Programmer clients are using measurement currencies such as OCR and vCE.

- The UK market is more aggressive than the US with regard to monetising long-form content and less aggressive with regard to using pre-rolls on short-form content.

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[377]FreeWheel. 2014. About us. [Online]. [Accessed 28 November 2014]. Available at:
http://www.freewheel.tv/about/

[378]FreeWheel. 2014. Video monetization report Q3 2014. [Online]. [Accessed 28 November 2014].
Available at: http://www.freewheel.tv/docs/Q3_2014_FreeWheel_Video_Monetization_Report.pdf

# comScore Video Metrix

comScore's Video Metrix audience measurement system measures the audiences on the fixed Internet for advertising-financed websites with videos in 6 member states of the European Union: France, Germany, Italy, the Netherlands, Spain and the United Kingdom. The mobile Internet and page views/video views on mobile devices such as smartphones and tablets are not included in the measurements.

It is possible to carry out segmentations by age groups, type of video sites and several other characteristics as comScore's Video Metrix is a marketing tool. For this note, we have decided to show audience figures based on:

- Total unique viewers
- Total time (in minutes)
- Minutes per viewer
- Videos per viewer

Also, it is possible to carry out a breakdown by type of website. We have chosen to focus on the following types of breakdown by genre of video websites:

- Top 100 video websites (including all types of websites measured)
- YouTube partners
- Entertainment websites
- TV websites
- Movies websites
- Video Advertising Networks
- Adult websites (as these sites represent a large share of overall viewing time)

The measurement month in question is August 2014 if not otherwise stated and for the media trend the period is August 2013 to August 2014.

Adding to the audience measurements listed above, we have included the Media trend for the top 100 video websites for the period August 2013 to August 2014 in order to obtain a general idea of the development over one year.

All data in this section have been taken from comScore's Video Metrix audience measurement[379] on the fixed Internet in 6 European countries.

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[379] http://mymetrix.comscore.com/app/report.aspx

# 36 General overview of comScore's measurements EU-6

## 36.1 Media trends for EU-6 – Key indicators

This section provides details of the development over a one-year period (August 2013 to August 2014) in the 6 EU countries for 5 parameters:

– Unique viewers in thousands
– Total minutes spent by month (watching online video)
– Number of videos viewed per user per month
– Minutes spent watching videos per month per user
– Variations in the median age of users

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As comScore's Video Metrix only measures web traffic on the fixed Internet, those decreases in total minutes and unique visitors point to the increased use European citizens are making of mobile devices to connect to the Internet, and as shown by the Video Metrix data, watch videos on their mobile devices.

The next sub-sections discuss each parameter in more detail.

At the end of this section, two interesting facts about online video in the EU-6 are explained. The first is the rise in the amount of the video viewed and time spent watching videos on Facebook, and this is clearly related to the auto-play video feature that Facebook rolled out in the spring of 2014.

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### 36.1.1 Changes in numbers of unique viewers

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 141        Total Unique Viewers (000) - EU 6 - August 2013-August 2014**

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OBS based on comScore Video Metrix data

**Figure 147        Total Unique Viewers (000) - EU 6 - August 2013-August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

## 36.1.2 Trends in the number of minutes spent per month

European web users are spending less time on the fixed Internet watching online videos according to the comScore data. This significant decrease could indicate that EU users are spending an increased amount of time watching videos on mobile devices which reduces their time spent watching videos on the fixed Internet.

**Table 142      Total minutes per month for total audience, in million - EU 6 - August 2013-August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 148      Total minutes per month for total audience in million - EU 6 - August 2013-August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

### 36.1.3 Rises and falls in numbers of videos viewed per viewer

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 143      Videos per viewer - EU 6 - August 2013-August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 149          Videos per viewer - EU 6 - August 2013-August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

### 36.1.4 Rises and fall in number of minutes spent per viewer

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OBS based on comScore Video Metrix data

**Figure 150          Minutes per viewer - EU 6 - August 2013-August 2014**

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OBS based on comScore Video Metrix data

## 36.1.5 Changes in the median age of viewers

**Table 144    Median age of viewers - EU 6 - August 2013-August 2014**

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OBS based on comScore Video Metrix data

**Figure 151    Median age of viewers - EU 6 - August 2013-August 2014**

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OBS based on comScore Video Metrix data

## 36.1.6  Specific observations

Facebook's Autoplay video implementation during spring – summer 2014

Facebook implemented an autoplay option for videos during the spring of 2014. This means that as Facebook users scroll down in their newsfeed, a video will play automatically (without the sound – this option has to be disabled by the user; the default option as implemented is with autoplay video on). Recently, an analysis by Socialbakers[380] of 20,000 Facebook pages showed that users uploaded more videos directly to Facebook than sharing them on Facebook through YouTube. Clearly, Facebook is challenging YouTube for watchers of online video (and the advertising money attached to online video ads). This trend is significant as the number of videos watched and time spent in minutes watching videos on Facebook grew more rapidly than Facebook's unique viewers' figures, thus demonstrating the impact of the autoplay feature on video viewing figures for Facebook. Then again, it might be asked whether users are really watching the videos or whether the videos start to play while the user is downscrolling the newsfeed. This also has to be related to the acquisition of the Video Ad tech firm and network Liverail in August 2014 for between $400 and $500 million[381] and Facebook's general push into video ads and targeting technology for online advertising with Atlas, which enables users to be tracked among multiple devices[382] and Facebook's aim to track users on the web[383] (and no longer only on Facebook) and to track offline purchases made[384].



In line with these figures, it seems that Facebook's aim of rivalling YouTube and other providers of online videos is on its way to succeeding. The social network is in a unique position: it has an enormous user base (1.2 billion in 2013) and its users access content through Facebook (sharing content is a major activity on the social network). The recent investments made in ad tech firms and the expansion

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[380] http://uk.businessinsider.com/facebook-video-v-youtube-market-share-data-2014-12?r=US
[381] http://techcrunch.com/2014/08/14/facebooks-400m-500m-acquisition-of-video-ad-tech-startup-liverail-is-now-official/
[382] https://gigaom.com/2014/10/05/facebooks-new-atlas-is-a-real-threat-to-google-display-dominance/
[383] https://www.yahoo.com/tech/facebook-addresses-privacy-fears-while-ramping-up-102530432464.html
[384] http://www.wired.com/2014/12/facebook-knows-ads-influence-offline-purchases/

of the tracking of Facebook users on the Internet (and the attempt to correlate and track offline purchase made by users) should be seen in this light. The autoplay feature is certainly a way to improve viewing figures and to start to rival Google's YouTube.

**Table 145     EU-6 - Facebook - Total unique viewers (000)**

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OBS based on comScore Video Metrix data

**Figure 152          EU-6 - Facebook - Total unique viewers (000) – August 2013– August 2014**

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OBS based on comScore Video Metrix data

**Table 146     EU-6 - Facebook – Total videos (000)**

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OBS based on comScore Video Metrix data

**Figure 153          EU – 6 - Facebook - Total videos (000) August 2013–August 2014**

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OBS based on comScore Video Metrix data

**Table 147     EU – 6 - Facebook - Total minutes (MM) – August 2013–August 2014**

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OBS based on comScore Video Metrix data

Another important fact that comes to mind when reading the comScore data is the predominance of adult sites with regard to viewing time (total minutes spent watching video).

**Table 148      EU-6 - Share adult sites unique viewers/Total unique viewers - August 2014 - (in 000 and %)**

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OBS based on comScore Video Metrix data

**Figure 155            EU-6 - Share adult sites' unique viewers/Total unique viewers - August 2014 - (in 000)**

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OBS based on comScore Video Metrix data

**Table 149      EU-6 – Percentage of adult site viewing minutes of total viewing minutes (in MM and %) – August 2014**

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OBS based on comScore Video Metrix data

**Table 150      EU-6 – Adult site viewing minutes and total viewing minutes (in MM)**

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OBS based on comScore Video Metrix data

## 36.2 Country focus – Media trend, Monthly averages, viewing time per age group

In this sub-section the main data for each country are provided.

The first tables "Media Trend August 2013–August 2014" summarise the main parameters tracked over a one-year period:

- Total unique viewers per month (in thousands)
- Videos per month (in thousands)
- Videos per viewer per month ((in thousands)
- Minutes per viewer per month
- Minutes per video
- Median age of unique viewers
- Mean age of unique viewers
- Total minutes (in million) spend watching online videos per month

The second table, "Monthly averages", gives the monthly averages per year for each country. As comScore's measurements did not start at the same time for each country (for DE, FR and GB in 2008, for ES and IT in 2010, for NL in 2013) the measurements cover different-length periods depending on the country. The annual monthly averages are given for:

- Unique viewers (in million)
- Videos per viewer
- Minutes per viewer

From these averages, it appears that the peak year for most of the countries for minutes per viewer per month spent watching online video was 2012.

### 36.2.1 DE – Germany

- Media trend 2013-2014 - Overview

**Table 151     DE - Media Trend August 2013-August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- Monthly averages 2008-2014

**Table 152     DE - Annual monthly averages 2008-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 156          DE - Annual monthly averages 2008-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- Viewing time

**Viewing time in minutes per month, by age category for Total Internet properties included in com-Score (including adult sites)**
Source:  comScore Video metrix, fixed Internet only, free and advertising financed online audiovisual services only, August 2014

**Table 153     DE - Germany Viewing time per age group August 2014**

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OBS based on comScore Video Metrix data

**Figure 157 Germany - Viewing time - minutes per month per viewer, August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 158 DE - Total unique viewers per age group, in thousands August 2014**

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OBS based on comScore Video Metrix data

## 36.2.2 ES – Spain

- Media trend 2013-2014 – Overview

**Table 154 ES - Media Trend August 2013 - August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- Monthly averages 2010-2014

**Table 155 ES - Annual monthly averages 2010-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 159 ES - Annual monthly averages 2010-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- Viewing time

**Viewing time in minutes per month, by age category for Total Internet properties included in comScore (including adult sites)**
Source: comScore Video metrix, fixed Internet only, free and advertising financed online audiovisual services only, June 2014

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OBS based on comScore Video Metrix data

**Figure 160**      **Spain - Viewing time - minutes per month per viewer, June 2014**

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OBS based on comScore Video Metrix data

**Figure 161**      **ES - Total unique viewers per age group, in thousands June 2014**

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OBS based on comScore Video Metrix data

### 36.2.3  FR – France

- Media trend 2013-2014 - Overview

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OBS based on comScore Video Metrix data

- Monthly averages 2008-2014

**Table 156     FR - Annual monthly averages 2008-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 162        FR - Annual monthly averages  2008-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

 OBS based on comScore Video Metrix data

- Viewing time

**Viewing time in minutes per month, by age category for Total Internet properties included in comScore (including adult sites)**

Source:  comScore Video metrix, fixed Internet only, free and advertising financed online audiovisual services only, August 2014

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 163        France - Viewing time - minutes per month per viewer, August 2014**

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OBS based on comScore Video Metrix data

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

## 36.2.4 GB – The United Kingdom

- Media trend 2013-2014 - Overview

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OBS based on comScore Video Metrix data

- Monthly averages 2008-2014

**Table 157     GB - Annual monthly averages 2008-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 165         GB - Annual monthly averages 2008-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- Viewing time

**Viewing time in minutes per month, by age category for Total Internet properties included in com-Score (including adult sites)**
Source:  comScore Video metrix, fixed Internet only, free and advertising financed online audiovisual services only, August 2014

**Table 158     GB - United Kingdom Viewing time per age group August 2014**

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OBS based on comScore Video Metrix data

**Figure 166**     **GB - Viewing time - minutes per month per viewer, August 2014**

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OBS based on comScore Video Metrix data

**Figure 167**     **GB - Total unique viewers per age group, in thousands August 2014**

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OBS based on comScore Video Metrix data

## 36.2.5 IT – Italy

- Media trend 2013-2014 – Overview

**Table 159      IT - Media Trend August 2013 - August 2014**

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OBS based on comScore Video Metrix data
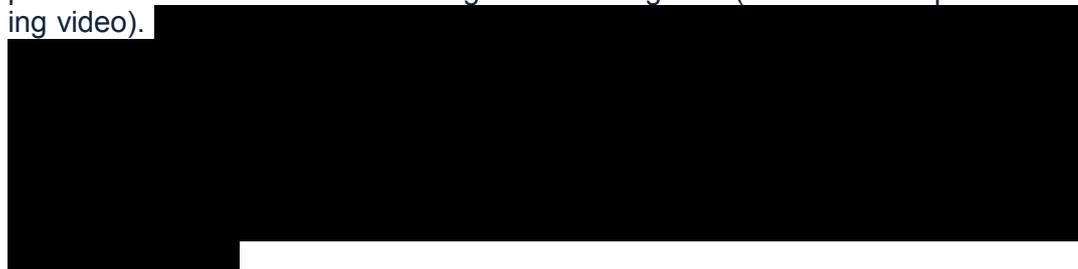
- Monthly averages 2008-2014

**Table 160      IT - Annual monthly averages 2010-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 168          IT - Annual monthly averages 2010-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- Viewing time

**Viewing time in minutes per month, by age category for Total Internet properties included in com-Score (including adult sites)**
Source:  comScore Video metrix, fixed Internet only, free and advertising financed online audiovisual services only, August 2014

OBS based on comScore Video Metrix data

**Figure 169          Italy - Viewing time - minutes per month per viewer, August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**
OBS based on comScore Video Metrix data

Figure 170 **IT - Total unique viewers per age group, in thousands Au-
gust 2014**

**For copyright reasons the data cannot be reproduced in the public version
of this report**

OBS based on comScore Video Metrix data

## 36.2.6 NL – The Netherlands

- Media trend 2013-2014 – Overview

**Table 161      NL - Media Trend August 2013-August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- Monthly averages 2008-2014

**Table 162      NL - Annual monthly averages 2013-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 171          NL - Annual monthly averages 2013-2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- Viewing time

**Viewing time in minutes per month, by age category for Total Internet properties included in com-Score (including adult sites)**
Source:  comScore Video metrix, fixed Internet only, free and advertising financed online audiovisual services only, June 2014

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Figure 172** **NL - Netherlands - Viewing time - minutes per month per viewer, June 2014**

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OBS based on comScore Video Metrix data

**Figure 173** **NL - Total unique viewers per age group, in thousands June 2014**

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OBS based on comScore Video Metrix data

## 36.3 Audiences by website genre

### 36.3.1 Top 30 Video properties

In this section, the Top 30 Video websites of each country are listed. Instead of ranking the websites by number of unique visitors, the ranking is made by the share of minutes spent watching videos in relation to overall time spent by the audience. This is made in order to approximate the audience share of websites regarding time spent and not only visits made. In fact, this approach reveals interesting details, such as the rise in the amount of time spent by web users on sites such as the video game streaming website Twitch, the presence of the YouTube Multi-Channel Networks Maker Studios and Full Screen and the presence of national media sites (Broadcasters or news sites). Ranking the video sites by unique visitors by month would just have given an indication on the frequentation numbers of those video websites but not on the actual use and media consumption by web users. This is why for this year's edition of the comScore audience data we have taken this approach in order to identify the top 30 websites per country for the parameter viewing time. The dominance of Google sites is found in all 6 countries.

**Table 163    Top 10 overall video websites by country by share of minutes spent.**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Table 164    DE – Germany – Top 30 video properties by time spent August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Table 165    ES – Spain - Top 30 video properties by time spent August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Table 166      FR – France - Top 30 video properties by time spent August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Table 167      GB – United Kingdom - Top 30 video properties by time spent August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Table 168      IT – Italy - Top 30 video properties by time spent August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Table 169      NL – Netherlands - Top 30 video properties by time spent August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

## 36.3.2 Entertainment sites – all categories

comScore's Video Metrix allows to list websites by genre. This section lists "Entertainment" websites, ranked by number of total unique viewers as of August 2014. The dominance of YouTube in the Entertainment category is found in all six EU countries, as is the presence of the YouTube MCN Maker Studios and Fullscreen. The next two sub-chapters provide a fine-tune for "Entertainment" websites listed by supplying detailed data on "Film sites" and "TV", which are sub-catgeories of the Entertainment" genre.

**Table 170      Top 10 Entertainment sites EU-6 by total of unique viewers**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- DE – Entertainment – August 2014

**Table 171      DE – Entertainment – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- ES – Entertainment – August 2014

**Table 172      ES – Entertainment – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- FR – Entertainment – August 2014

**Table 173    FR – Entertainment – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- GB – Entertainment – August 2014

**Table 174    GB – Entertainment – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- IT – Entertainment – August 2014

**Table 175    IT – Entertainment – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- NL – Entertainment – August 2014

**Table 176    NL – Entertainment – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

### 36.3.3 Movie sites

In this section, the web sites classified under the category "Movies" in the com-Score Video Metrix database are listed by number of unique viewers as the time spent on those websites as a proportion of total time spent is too low to be of any significance. The "Movies" category is a sub-category of the "Entertainment" genre. With the exception of Viewster, the Swiss-based advertising-financed VoD services specialising in films, most of the websites in this category are information sites about films (e.g. IMDb), cinema showtimes and ticket reservations (Fandango) or film streaming sites. LOVEFiLM also appears in DE and GB, with a rather high number of minutes spent watching movies on the site. It is not clear what this measurement of LOVEFiLM represents since the SVoD site has been closed down and is therefore not measured by comScore. The viewing figures could be related to people watching trailers and teasers on LOVEFiLM in order to obtain information about a specific film.

**Table 177      Top 10 Cinema sites by unique visitors**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

**Table 178**
- DE – Entertainment: Movie sites – August 2014

**Table 179      DE – Movie sites August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- ES – Entertainment: Movie sites – August 2014

**Table 180      ES – Movie sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- FR – Entertainment: Movie sites – August 2014

**Table 181      FR – Movie sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- GB – Entertainment: Movie sites – August 2014

**Table 182    GB – Movie sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- IT – Entertainment: Movie sites – August 2014

**Table 183    IT – Movie sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- NL – Entertainment: Movie sites – August 2014

**Table 184    NL – Movie sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

### 36.3.4 TV sites

As with the "Movie" category before, the "TV" category is a sub-category of the "Entertainment" genre. In this sub-category, we mostly find the national players of each of the six countries (the national TV channels and groups) but it is also interesting to note that NBCU and CBS are among the top 10 TV sites in those countries. The major national broadcasters (commercial, pay-TV, public) are found in the Top 10 in each national market. As users catch up with TV programmes broadcast on their national networks or look for additional information, this comes to no surprise.

**Table 185    Top 10 TV sites by unique visitors**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- DE – Entertainment: TV sites – August 2014

**Table 186    DE – TV sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- ES – Entertainment: TV sites – August 2014

**Table 187    ES – TV sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- FR – Entertainment: TV sites – August 2014

**Table 188    FR – TV sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- GB – Entertainment: TV sites – August 2014

**Table 189      GB – TV sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- IT – Entertainment: TV sites – August 2014

**Table 190      IT – TV sites – August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- NL – Entertainment: TV sites – August 2014

**Table 191      NL – TV sites – August 2014**

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OBS based on comScore Video Metrix data

### 36.3.5 YouTube partners and Multi-Channel Networks

With slight variations, the leading YouTube channels and YouTube partners are the same in the 6 countries. Disney's acquired MCN Maker Studios, Vevo, Warner Music and MCN Fullscreen are in the top 3 position. This shows the importance of those Multi-Channel Networks and therefore their acquisition by media groups. Also, the high-ranking of Vevo, Warner Music and SonyBMG demonstrate the central place music has for YouTube's audience. As Google's sites (and mostly YouTube) are dominating the overall video sites in EU-6, acquiring a MCN with a large fan base on YouTube is a strategic investment for media groups as the recent acquires of RTL (StyleHaul), ProSieben (Collective Digital Studios), Canal + (Bagel Studio), M6 (Golden Mustache) demonstrate.

**Table 192       Top 10 YouTube partner and Mult-Channel Networks by unique visitors August 2014**

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OBS based on comScore Video Metrix data

- DE - YouTube partners and Multi-Channel Networks – August 2014

**Table 193       DE - YouTube partners and Multi-Channel Networks – August 2014**

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OBS based on comScore Video Metrix data

- ES - YouTube partners and Multi-Channel Networks – August 2014

**Table 194       ES - YouTube partners and Multi-Channel Networks – August 2014**

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OBS based on comScore Video Metrix data

- FR - YouTube partners and Multi-Channel Networks – August 2014

**Table 195     FR - YouTube partners and Multi-Channel Networks – August 2014**

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OBS based on comScore Video Metrix data

- GB - YouTube partners and Multi-Channel Networks – August 2014

**Table 196     GB - YouTube partners and Multi-Channel Networks – August 2014**

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OBS based on comScore Video Metrix data

- IT - YouTube partners and Multi-Channel Networks – August 2014

**Table 197     IT - YouTube partners and Multi-Channel Networks – August 2014**

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- NL - YouTube partners and Multi-Channel Networks – August 2014

**Table 198     NL - YouTube partners and Multi-Channel Networks – August 2014**

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OBS based on comScore Video Metrix data

### 36.3.6 Video Advertising Networks

- DE – Video Advertising Networks– August 2014

**Table 199     DE – Video Advertising Networks– August 2014**

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OBS based on comScore Video Metrix data

- ES – Video Advertising Networks– August 2014

**Table 200     ES – Video Advertising Networks– August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- FR – Video Advertising Networks– August 2014

**Table 201     FR – Video Advertising Networks– August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- GB – Video Advertising Networks– August 2014

**Table 202     GB – Video Advertising Networks– August 2014**

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OBS based on comScore Video Metrix data

- IT – Video Advertising Networks– August 2014

**Table 203     IT – Video Advertising Networks– August 2014**

**For copyright reasons the data cannot be reproduced in the public version of this report**

OBS based on comScore Video Metrix data

- NL  – Video Advertising Networks– August 2014

**Table 204     NL – Video Advertising Networks– August 2014**

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OBS based on comScore Video Metrix data

# Annexe

## Annexe - Online advertising market in the EU in 2013
## Country Factsheets

This provides gives factsheets for each individual country related to online advertisements based on IAB/IHS, Warc, IHS and comScore data (where available). As already pointed out, the market conditions in Europe are very heterogeneous and a global pan-European approach to online advertising is hard to establish. As the markets differ in maturity, size and general macroeconomic data, the country factsheets give an overview of the main data available for online advertisements and TV advertising for the years 2008 to 2013.

## AT - Austria

### Table 205   Key Figures

| Country profile - Key figures | Austria | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend** *in EUR Million* | 326,7 | 378,0 | 15,7% |
| **Display Ad spend** *in EUR Million* | 123,9 | 159,0 | 28,3% |
| **Mobile Display** *in EUR Million* | 4,3 | 8,0 | 84,1% |
| **Display Video Advertising** *in EUR Million* | 8,4 | 10,9 | 29,3% |
| **Video Share of Online Display** *in %* | | 8,8% | |
| **Online Ad Spend per capita** *in EUR* | | 44,5 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 206   Television and Internet Advertising 2008-2013

| | Austria Total Television EUR (Millions) | Austria Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 598,0 | 202,0 |
| **2009** | 602,8 | 228,0 |
| **2010** | 647,5 | 265,7 |
| **2011** | 698,6 | 300,9 |
| **2012** | 749,1 | 326,4 |
| **2013** | 819,9 | 377,7 |

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http://www.warc.com/NotesOnAdspendData

## Equipment figures – Source IHS

### Table 207   Number of broadband DSL connections (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 208   Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 209    Number of households with PC (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 210    Smartphone installed base (in thousands)**

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**Table 211    PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base**

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Installed base is cumulative sell-through to consumers in million

| Austria | | |
|---|---|---|
| **Top 20 Sites in Austria** Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 5,172 | 100.0 |
| 1    Google Sites | 4,878 | 94.3 |
| 2    Facebook | 3,166 | 61.2 |
| 3    Microsoft Sites | 2,913 | 56.3 |
| 4    Amazon Sites | 2,733 | 52.8 |
| 5    Wikimedia Foundation Sites | 1,967 | 38.0 |
| 6    Yahoo Sites | 1,745 | 33.7 |
| 7    Styria Media Group | 1,609 | 31.1 |
| 8    Axel Springer SE | 1,530 | 29.6 |
| 9    Glam Media | 1,505 | 29.1 |
| 10   United-Internet Sites | 1,483 | 28.7 |
| 11   eBay | 1,466 | 28.3 |
| 12   ORF.at Network | 1,199 | 23.2 |
| 13   Ask Network | 1,177 | 22.8 |
| 14   Hubert Burda Media | 1,122 | 21.7 |
| 15   Dropbox Sites | 1,005 | 19.4 |
| 16   gutefrage.net GmbH | 993 | 19.2 |
| 17   Apple Inc. | 963 | 18.6 |
| 18   Herold Sites | 900 | 17.4 |
| 19   Deutsche Telekom | 858 | 16.6 |
| 20   Raiffeisen | 801 | 15.5 |

## BE – Belgium

### Table 212     Key figures

| Country profile - Key figures | Belgium | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 464,1 | 478,0 | 3,0% |
| | | | |
| **Display Ad spend in EUR Million** | 105,8 | 111,0 | 4,9% |
| **Mobile Display in EUR Million** | - | - | - |
| **Display Video Advertising in EUR Million** | - | - | - |
| **Video Share of Online Display in %** | | - | |
| | | | |
| **Online Ad Spend per capita in EUR** | | 43 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 213     Television and Internet advertising

| | Belgium* Total Television EUR (Millions) | Belgium* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 869,8 | 286,0 |
| **2009** | 910,1 | 292,8 |
| **2010** | 990,0 | 332,2 |
| **2011** | 974,1 | 360,3 |
| **2012** | 925,7 | 463,8 |
| **2013** | 905,0 | 477,8 |

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## Equipment figures – Source IHS

### Table 214     Number of broadband DSL connections (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 215     Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 216     Number of households with PC (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 217  Smartphone installed base (in thousands)**

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**Table 218  PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base**

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Installed base is cumulative sell-through to consumers in million

| Belgium | | |
|---|---|---|
| Top 20 Sites in Belgium<br>Source: comScore MMX, December 2013 | Total Unique Visitors (000) | % Reach |
| Total Internet : Total Audience | 6,469 | 100.0 |
| 1  Google Sites | 6,197 | 95.8 |
| 2  Microsoft Sites | 5,356 | 82.8 |
| 3  Facebook | 4,726 | 73.1 |
| 4  Corelio Publishing | 2,971 | 45.9 |
| 5  Yahoo Sites | 2,438 | 37.7 |
| 6  Wikimedia Foundation Sites | 2,375 | 36.7 |
| 7  VRT Sites | 1,911 | 29.5 |
| 8  Belgacom Group | 1,805 | 27.9 |
| 9  Axel Springer SE | 1,755 | 27.1 |
| 10  De Persgroep | 1,672 | 25.9 |
| 11  Ask Network | 1,615 | 25.0 |
| 12  Concentra Media | 1,583 | 24.5 |
| 13  Amazon Sites | 1,572 | 24.3 |
| 14  Apple Inc. | 1,501 | 23.2 |
| 15  Groupe Rossel | 1,447 | 22.4 |
| 16  CCM-Benchmark | 1,423 | 22.0 |
| 17  eBay | 1,376 | 21.3 |
| 18  2dehands | 1,355 | 20.9 |
| 19  Linkedin | 1,333 | 20.6 |
| 20  BNP Paribas | 1,304 | 20.2 |

## BG – Bulgaria

**Table 219    Key figures**

| Country profile - Key figures | Bulgaria | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 18,2 | 19,0 | 4,3% |
| **Display Ad spend in EUR Million** | 13,0 | 13,0 | -0,2% |
| **Mobile Display in EUR Million** | 0,1 | 0,2 | 55,2% |
| **Display Video Advertising in EUR Million** | - | - | - |
| **Video Share of Online Display in %** | | 2,2% | |
| **Online Ad Spend per capita in EUR** | | 2,7 | |

*Source: IAB Adex Benchmark 2013 / IHS*

**Table 220    Television and Internet advertising**

| | Bulgaria* Total Television EUR (Millions) | Bulgaria* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 293,5 | |
| **2009** | 240,2 | 4,9 |
| **2010** | 240,5 | 7,0 |
| **2011** | 260,7 | 19,5 |
| **2012** | 297,5 | 25,5 |
| **2013** | 351,1 | 25,3 |

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## Equipment figures – Source IHS

**Table 221    Number of broadband DSL connections (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 222    Smart TV households (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 223    Number of households with PC (2009-2013) in thousands**

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## CY – Cyprus

No IAB/IHS data available on the online advertising market.

**Table 224** **Television and Internet advertising**

| | Cyprus<br>Total Television<br>EUR (Millions) | Cyprus<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 55,9 | 0,7 |
| **2009** | 62,6 | 0,7 |
| **2010** | 59,1 | 1,1 |
| **2011** | 47,5 | 2,0 |
| **2012** | 35,5 | 2,5 |
| **2013** | | |

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## Equipment figures – Source IHS

**Table 225** **Number of broadband DSL connections (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 226** **Smart TV households (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 227** **Number of households with PC (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

## CZ - Czech Republic

### Table 228    Key figures

| Country profile - Key figures | Czech Republic | | |
|---|---|---|---|
| | 2012 | 2013 | Growth |
| Online Ad spend in EUR Million | 322,4 | 364,0 | 12,9% |
| Display Ad spend in EUR Million | 187,9 | 223,0 | 18,7% |
| Mobile Display in EUR Million | 3,9 | 5,0 | 27,3% |
| Display Video Advertising in EUR Million | 6,2 | 9,9 | 60,0% |
| Video Share of Online Display in % | | 5,4% | |
| Online Ad Spend per capita in EUR | | 33,5 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 229    Television and Internet advertising

| | Czech Republic Total Television EUR (Millions) | Czech Republic Total Internet EUR (Millions) |
|---|---|---|
| 2008 | 391,6 | 115,2 |
| 2009 | 357,5 | 149,8 |
| 2010 | 358,9 | 242,5 |
| 2011 | 376,3 | 236,8 |
| 2012 | 358,8 | 309,6 |
| 2013 | | |

## Equipment figures – Source IHS

### Table 230    Number of broadband DSL connections (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 231    Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 232    Number of households with PC (2009-2013) in thousands

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## DE - Germany

### Table 233    Key figures

| Country profile - Key figures | Germany | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 4 250,9 | 4 676,0 | 10,0% |
| **Display Ad spend in EUR Million** | 1 206,8 | 1 319,0 | 9,3% |
| **Mobile Display in EUR Million** | 39,0 | 65,0 | 66,7% |
| **Display Video Advertising in EUR Million** | 121,0 | 153,0 | 26,4% |
| **Video Share of Online Display in %** | | 12,7% | |
| **Online Ad Spend per capita in EUR** | | 57 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 234    Television and Internet advertising

| | Germany* (f) Total Television EUR (Millions) | Germany* (f) Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 4439,1 | 2975,0 |
| **2009** | 4003,6 | 3091,7 |
| **2010** | 4349,1 | 3567,9 |
| **2011** | 4379,3 | 4178,6 |
| **2012** | 4441,5 | 4253,0 |
| **2013** | 4537,6 | 4676,0 |

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## Equipment figures – Source IHS

### Table 235    Number of broadband DSL connections (2009-2013) in thousands

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### Table 236    Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 237    Number of households with PC (2009-2013) in thousands

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## Table 238    Smartphone installed base (in thousands)

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## Table 239    PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base

*Installed base is cumulative sell-through to consumers in million*

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| Germany | | |
|---|---|---|
| **Top 20 Sites in Germany**<br>Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 58,070 | 100.0 |
| 1 Google Sites | 54,174 | 93.3 |
| 2 Facebook | 34,133 | 58.8 |
| 3 eBay | 33,088 | 57.0 |
| 4 Amazon Sites | 32,409 | 55.8 |
| 5 Microsoft Sites | 31,274 | 53.9 |
| 6 Axel Springer SE | 29,716 | 51.2 |
| 7 Deutsche Telekom | 27,757 | 47.8 |
| 8 United-Internet Sites | 25,732 | 44.3 |
| 9 Wikimedia Foundation Sites | 24,695 | 42.5 |
| 10 Hubert Burda Media | 21,676 | 37.3 |
| 11 gutefrage.net GmbH | 17,620 | 30.3 |
| 12 Yahoo Sites | 16,517 | 28.4 |
| 13 ProSiebenSat1 Sites | 16,451 | 28.3 |
| 14 Glam Media | 14,479 | 24.9 |
| 15 RTL Group Sites | 13,158 | 22.7 |
| 16 Otto Gruppe | 12,546 | 21.6 |
| 17 Apple Inc. | 11,853 | 20.4 |
| 18 Sparkassen-Finanzgruppe | 11,018 | 19.0 |
| 19 METRO Group | 10,989 | 18.9 |
| 20 ARD Sites | 10,342 | 17.8 |

## DK - Denmark

### Table 240    Key figures

| Country profile - Key figures | Denmark | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 591,0 | 630,0 | 6,6% |
| **Display Ad spend in EUR Million** | 203,5 | 209,0 | 2,7% |
| **Mobile Display in EUR Million** | 5,8 | 11,3 | 96,5% |
| **Display Video Advertising in EUR Million** | 5,7 | 9,2 | 62,6% |
| **Video Share of Online Display in %** | | 4,5% | |
| **Online Ad Spend per capita in EUR** | | 111,8 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 241    Television and Internet advertising

| | Denmark* Total Television EUR (Millions) | Denmark* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 326,1 | 414,7 |
| **2009** | 276,5 | 384,0 |
| **2010** | 302,9 | 453,8 |
| **2011** | 337,8 | 524,2 |
| **2012** | 315,7 | 589,0 |
| **2013** | 296,5 | 628,3 |

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## Equipment figures – Source IHS

### Table 242    Number of broadband DSL connections (2009-2013) in thousands

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### Table 243    Smart TV households (2009-2013) in thousands

### Table 244    Number of households with PC (2009-2013) in thousands

### Table 245    PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base

*Installed base is cumulative sell-through to consumers in million*

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| Denmark | | |
|---|---|---|
| **Top 20 Sites in Denmark** Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 3,860 | 100.0 |
| 1 Google Sites | 3,581 | 92.8 |
| 2 Microsoft Sites | 2,842 | 73.6 |
| 3 Facebook | 2,464 | 63.8 |
| 4 JP Politiken Hus | 1,295 | 33.6 |
| 5 Yahoo Sites | 1,214 | 31.4 |
| 6 Ask Network | 1,160 | 30.1 |
| 7 Wikimedia Foundation Sites | 1,146 | 29.7 |
| 8 DR.DK | 1,115 | 28.9 |
| 9 eBay | 1,094 | 28.3 |
| 10 Eniro Group | 996 | 25.8 |
| 11 Dropbox Sites | 957 | 24.8 |
| 12 Amazon Sites | 935 | 24.2 |
| 13 Linkedin | 934 | 24.2 |
| 14 TV2 Danmark | 919 | 23.8 |
| 15 Apple Inc. | 891 | 23.1 |
| 16 Berlingske Media | 876 | 22.7 |
| 17 E-BOKS.DK | 799 | 20.7 |
| 18 Spotify | 790 | 20.5 |
| 19 BitTorrent Network | 743 | 19.2 |
| 20 TDC Group | 719 | 18.6 |

## EE - Estonia

### Table 246　　Television and Internet advertising

|  | Estonia*<br>Total Television<br>EUR (Millions) | Estonia*<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 10,2 | 7,8 |
| **2009** | 7,1 | 5,9 |
| **2010** | 21,1 | 9,7 |
| **2011** | 22,9 | 11,2 |
| **2012** | 22,3 | 12,0 |
| **2013** | 24,1 | 13,3 |

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## Equipment figures – Source IHS

### Table 247　　Number of broadband DSL connections (2009-2013) in thousands

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### Table 248　　Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 249　　Number of households with PC (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

## ES - Spain

### Table 250    Key figures

| Country profile - Key figures | Spain | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 911,0 | 901,0 | -1,1% |
| **Display Ad spend in EUR Million** | 361,5 | 342,0 | -5,4% |
| **Mobile Display in EUR Million** | 24,0 | 30,9 | 28,7% |
| **Display Video Advertising in EUR Million** | 28,2 | 29,4 | 4,3% |
| **Video Share of Online Display in %** | | 8,1% | |
| **Online Ad Spend per capita in EUR** | | 19,1 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 251    Television and Internet advertising

| | Spain* Total Television EUR (Millions) | Spain* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 3038,7 | 628,0 |
| **2009** | 2377,8 | 666,5 |
| **2010** | 2471,9 | 817,1 |
| **2011** | 2237,2 | 925,5 |
| **2012** | 1815,3 | 911,0 |
| **2013** | 1703,4 | 901,0 |

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http://www.warc.com/NotesOnAdspendData

## Equipment figures – Source IHS

### Table 252    Number of broadband DSL connections (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 253    Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 254    Number of households with PC (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Smartphone installed base (in thousands)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

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**Table 255     PS3, Xbox 360, Wii, PS4, Xbox One, Wii U To-
        tal: Installed base**

*Installed base is cumulative sell-through to consumers
in million*

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of this report**

| Spain | | |
|---|---|---|
| **Top 20 Sites in Spain**<br>Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 26,601 | 100.0 |
| 1   Google Sites | 25,269 | 95.0 |
| 2   Microsoft Sites | 20,330 | 76.4 |
| 3   Facebook | 18,511 | 69.6 |
| 4   Unidad Medios Digitales | 13,717 | 51.6 |
| 5   Terra - Telefonica | 11,426 | 43.0 |
| 6   Prisa | 11,425 | 43.0 |
| 7   Vocento | 11,388 | 42.8 |
| 8   Yahoo Sites | 11,214 | 42.2 |
| 9   Wikimedia Foundation Sites | 10,917 | 41.0 |
| 10  Schibsted (Anuntis-Infojobs-20minutos) | 9,377 | 35.2 |
| 11  Dropbox Sites | 7,368 | 27.7 |
| 12  Amazon Sites | 7,242 | 27.2 |
| 13  TWITTER.COM | 7,153 | 26.9 |
| 14  WORDPRESS.COM* | 6,854 | 25.8 |
| 15  Softonic.com Sites | 6,485 | 24.4 |
| 16  Orange Sites | 6,258 | 23.5 |
| 17  eBay | 6,209 | 23.3 |
| 18  BitTorrent Network | 6,032 | 22.7 |
| 19  MILANUNCIOS.COM | 5,536 | 20.8 |
| 20  Grupo Godo | 5,284 | 19.9 |

## FI – Finland

### Table 256　　Key figures

| Country profile - Key figures | Finland | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 254,4 | 272,0 | 6,9% |
| | | | |
| **Display Ad spend in EUR Million** | 122,6 | 139,0 | 13,4% |
| **Mobile Display in EUR Million** | 2,6 | 12,1 | 368,2% |
| **Display Video Advertising in EUR Million** | 10,2 | 12,7 | 24,1% |
| **Video Share of Online Display in %** | | 10,3% | |
| | | | |
| **Online Ad Spend per capita in EUR** | | 50,2 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 257　　Television and Internet advertising

| | Finland*<br>Total Television<br>EUR (Millions) | Finland*<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 297,9 | 178,0 |
| **2009** | 263,6 | 208,3 |
| **2010** | 295,6 | 235,3 |
| **2011** | 314,4 | 253,8 |
| **2012** | 311,2 | 354,7 |
| **2013** | 305,8 | 272,2 |

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## Equipment figures – Source IHS

### Table 258　　Number of broadband DSL connections (2009-2013) in thousands
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### Table 259　　Smart TV households (2009-2013) in thousands
**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 260　　Number of households with PC (2009-2013) in thousands
**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 261　　Smartphone installed base (in

**thousands)**

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**Table 262** **PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base**

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*Installed base is cumulative sell-through to consumers in million*

| Finland | | |
|---|---|---|
| **Top 20 Sites in Finland** Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 3,568 | 100.0 |
| 1 Google Sites | 3,472 | 97.3 |
| 2 Sanoma Group | 3,409 | 95.5 |
| 3 Alma Media | 3,260 | 91.4 |
| 4 Yleisradio Oy | 3,061 | 85.8 |
| 5 Microsoft Sites | 2,999 | 84.0 |
| 6 Facebook | 2,786 | 78.1 |
| 7 Otavamedia | 2,599 | 72.8 |
| 8 Aller Media | 2,128 | 59.6 |
| 9 MTV3 Internet | 2,050 | 57.5 |
| 10 Wikimedia Foundation Sites | 1,694 | 47.5 |
| 11 Elisa Oyj | 1,639 | 45.9 |
| 12 Foreca | 1,268 | 35.5 |
| 13 Yahoo Sites | 1,105 | 31.0 |
| 14 Spotify | 1,004 | 28.1 |
| 15 OP-Pohjola | 965 | 27.0 |
| 16 Amazon Sites | 911 | 25.5 |
| 17 S-ryhma Sites | 911 | 25.5 |
| 18 Kesko Sites | 888 | 24.9 |
| 19 Nordea Group | 869 | 24.4 |
| 20 Glam Media | 865 | 24.2 |

## FR - France

### Table 263    Key figures

| Country profile - Key figures | France | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 3 343,5 | 3 494,0 | 4,5% |
| **Display Ad spend in EUR Million** | 964,8 | 1 015,0 | 5,2% |
| **Mobile Display in EUR Million** | 60,0 | 92,9 | 54,9% |
| **Display Video Advertising in EUR Million** | 105,3 | 139,0 | 32,0% |
| **Video Share of Online Display in %** | | 14,4% | |
| **Online Ad Spend per capita in EUR** | | 54,7 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 264    Television and Internet advertising

| | France* (f) Total Television EUR (Millions) | France* (f) Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 3875,7 | 1821,0 |
| **2009** | 3449,8 | 1760,2 |
| **2010** | 3836,7 | 2103,2 |
| **2011** | 3898,0 | 2605,9 |
| **2012** | 3720,8 | 3343,0 |
| **2013** | 3589,2 | 3494,0 |

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## Equipment figures – Source IHS

### Table 265    Number of broadband DSL connections (2009-2013) in thousands

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### Table 266    Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 267    Smartphone installed base (in thousands)

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 268    PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base**

*Installed base is cumulative sell-through to consumers in million*

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| France | | |
|---|---|---|
| **Top 20 Sites in France**<br>Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 47,712 | 100.0 |
| 1  Google Sites | 44,589 | 93.5 |
| 2  Microsoft Sites | 34,045 | 71.4 |
| 3  Facebook | 31,950 | 67.0 |
| 4  CCM-Benchmark | 23,372 | 49.0 |
| 5  Wikimedia Foundation Sites | 21,240 | 44.5 |
| 6  Amazon Sites | 21,168 | 44.4 |
| 7  Orange Sites | 20,409 | 42.8 |
| 8  Schibsted (Anuncis-Infojobs-20minutos) | 20,207 | 42.4 |
| 9  Yahoo Sites | 19,842 | 41.6 |
| 10  Vivendi | 18,092 | 37.9 |
| 11  Solocal Group | 17,835 | 37.4 |
| 12  Axel Springer SE | 17,518 | 36.7 |
| 13  Iliad - Free.fr Sites | 17,475 | 36.6 |
| 14  Groupe Lagardere | 17,171 | 36.0 |
| 15  Ebuzzing | 13,743 | 28.8 |
| 16  eBay | 13,512 | 28.3 |
| 17  Groupe Casino | 13,366 | 28.0 |
| 18  Gruner+Jahr Sites | 13,219 | 27.7 |
| 19  Groupe Fnac | 13,143 | 27.5 |
| 20  Apple Inc. | 12,898 | 27.0 |

## GB - United Kingdom

### Table 269    Key figures

| Country profile - Key figures | United Kingdom | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 6 352,0 | 7 381,0 | 16,2% |
| **Display Ad spend in EUR Million** | 1 741,1 | 2 192,0 | 25,9% |
| **Mobile Display in EUR Million** | 187,6 | 549,0 | 192,7% |
| **Display Video Advertising in EUR Million** | 209,5 | 356,6 | 70,2% |
| **Video Share of Online Display in %** | | 20,5% | |
| **Online Ad Spend per capita in EUR** | | 115,2 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 270    Television and Internet advertising

| | United Kingdom* (f) Total Television EUR (Millions) | United Kingdom* (f) Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 5174,8 | 4209,0 |
| **2009** | 4166,2 | 3973,5 |
| **2010** | 5004,2 | 4773,5 |
| **2011** | 5044,1 | 5556,7 |
| **2012** | 5348,4 | 6715,7 |
| **2013** | 5257,2 | 7421,3 |

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## Equipment figures – Source IHS

### Table 271    Number of broadband DSL connections (2009-2013) in thousands

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### Table 272    Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 273    Number of households with PC (2009-2013) in thousands

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**Table 274      Smartphone installed base (in thousands)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 275      PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base**

*Installed base is cumulative sell-through to consumers*

*in million*

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| UK | | |
|---|---|---|
| **Top 20 Sites in UK**<br>Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 44,795 | 100.0 |
| 1  Google Sites | 39,952 | 89.2 |
| 2  Microsoft Sites | 32,760 | 73.1 |
| 3  Facebook | 29,608 | 66.1 |
| 4  Amazon Sites | 25,113 | 56.1 |
| 5  eBay | 23,494 | 52.4 |
| 6  Yahoo Sites | 23,365 | 52.2 |
| 7  BBC Sites | 20,653 | 46.1 |
| 8  Glam Media | 19,674 | 43.9 |
| 9  Wikimedia Foundation Sites | 18,295 | 40.8 |
| 10  Apple Inc. | 15,464 | 34.5 |
| 11  AOL, Inc. | 13,461 | 30.1 |
| 12  Home Retail Group | 12,698 | 28.3 |
| 13  Ask Network | 10,259 | 22.9 |
| 14  TWITTER.COM | 10,162 | 22.7 |
| 15  Sky Sites | 10,034 | 22.4 |
| 16  Tesco Stores | 9,850 | 22.0 |
| 17  The Guardian | 9,536 | 21.3 |
| 18  Lloyds Banking Group plc | 8,656 | 19.3 |
| 19  Telegraph Media Group | 8,435 | 18.8 |
| 20  Linkedin | 8,281 | 18.5 |

## GR - Greece

### Table 276    Key figures

| Country profile - Key figures | Greece | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 116,5 | 129,0 | 10,7% |
| | | | |
| **Display Ad spend in EUR Million** | 59,4 | 59,0 | -0,7% |
| **Mobile Display in EUR Million** | - | - | - |
| **Display Video Advertising in EUR Million** | - | 4,0 | |
| **Video Share of Online Display in %** | | 11,7% | |
| | | | |
| **Online Ad Spend per capita in EUR** | | 11,6 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 277    Television and Internet advertising

| | Greece*<br>Total Television<br>EUR (Millions) | Greece*<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 818,9 | 40,0 |
| **2009** | 679,0 | 68,5 |
| **2010** | 524,8 | 83,7 |
| **2011** | 509,7 | 100,2 |
| **2012** | 422,5 | 94,0 |
| **2013** | 514,3 | 129,0 |

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## Equipment figures – Source IHS

### Table 278    Number of broadband DSL connections (2009-2013) in thousands
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### Table 279    Smart TV households (2009-2013) in thousands
**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 280    Number of households with PC (2009-2013) in thousands

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**Smartphone installed base (in thousands)**
**For copyright reasons the data cannot be reproduced in the public version of this report**

## HR – Croatia

**Table 281        Key figures**

| Country profile - Key figures | Croatia | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 14,1 | 15,0 | 6,2% |
| **Display Ad spend in EUR Million** | 7,2 | 7,0 | -3,1% |
| **Mobile Display in EUR Million** | 0,1 | 0,1 | 15,0% |
| **Display Video Advertising in EUR Million** | - | - | - |
| **Video Share of Online Display in %** | | - | |
| **Online Ad Spend per capita in EUR** | | 3,5 | |

*Source: IAB Adex Benchmark 2013 / IHS*

**Table 282        Television and Internet advertising**

| | Croatia Total Television EUR (Millions) | Croatia Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 135,6 | 16,0 |
| **2009** | 118,1 | 17,1 |
| **2010** | 110,9 | 20,5 |
| **2011** | 105,9 | 14,8 |
| **2012** | 96,2 | 14,1 |
| **2013** | | |

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## Equipment figures – Source IHS

**Table 283        Number of broadband DSL connections (2009-2013) in thousands**

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**Table 284        Smart TV households (2009-2013) in thou-sands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 285     Key figures**

| Country profile - Key figures | Hungary | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 117,2 | 136,0 | 16,0% |
| **Display Ad spend in EUR Million** | 58,2 | 61,0 | 4,8% |
| **Mobile Display in EUR Million** | 1,8 | 4,1 | 126,1% |
| **Display Video Advertising in EUR Million** | 1,0 | 1,7 | 75,4% |
| **Video Share of Online Display in %** | | 2,9% | |
| **Online Ad Spend per capita in EUR** | | 13,7 | |

*Source: IAB Adex Benchmark 2013 / IHS*

**Table 286     Television and Internet advertising**

| | Hungary*<br>Total Television<br>EUR (Millions) | Hungary*<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 189,9 | 82,3 |
| **2009** | 176,7 | 82,1 |
| **2010** | 198,0 | 95,4 |
| **2011** | 214,1 | 102,7 |
| **2012** | 200,7 | 117,0 |
| **2013** | 233,1 | 135,8 |

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Equipment figures – Source IHS

**Table 287     Number of broadband DSL connections (2009-2013) in thousands**

**Table 288     Smart TV households (2009-2013) in thou-
sands**
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**Table 289     Number of households with PC (2009-2013) in thousands**
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## IE - Ireland

**Table 290     Key figures**

| Country profile - Key figures | | Ireland | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 176,8 | 197,0 | 11,4% |
| | | | |
| **Display Ad spend in EUR Million** | 57,8 | 74,0 | 28,0% |
| **Mobile Display in EUR Million** | 8,1 | 10,0 | 23,5% |
| **Display Video Advertising in EUR Million** | n.a. | 8,8 | 0,0% |
| **Video Share of Online Display in %** | | 15,2% | |
| | | | |
| **Online Ad Spend per capita in EUR** | | 42,6 | |

*Source: IAB Adex Benchmark 2013 / IHS*

**Table 291     Television and Internet advertising**

| | Ireland<br>Total Television<br>EUR (Millions) | Ireland<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 371,9 | 20,3 |
| **2009** | 277,0 | 97,2 |
| **2010** | 283,2 | 115,6 |
| **2011** | 293,2 | 131,2 |
| **2012** | 274,9 | 155,2 |
| **2013** | | |

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## Equipment figures – Source IHS


### Table 292     Number of broadband DSL connections (2009-2013) in thousands

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### Table 293     Smart TV households (2009-2013) in thou-sands

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### Table 294     Number of households with PC (2009-2013) in thousands

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### Table 295     Smartphone installed base (in thousands)

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**Table 296**     **PS3, Xbox 360, Wii, PS4, Xbox One, Wii U**
          **Total: Installed base**
  *Installed base is cumulative sell-through to consumers in million*

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| Ireland | | |
|---|---|---|
| **Top 20 Sites in Ireland**<br>Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 2,760 | 100.0 |
| 1   Google Sites | 2,590 | 93.9 |
| 2   Microsoft Sites | 2,059 | 74.6 |
| 3   Yahoo Sites | 1,791 | 64.9 |
| 4   Facebook | 1,734 | 62.8 |
| 5   Distilled Media | 1,366 | 49.5 |
| 6   Glam Media | 1,094 | 39.6 |
| 7   Amazon Sites | 1,083 | 39.2 |
| 8   RTE.IE | 1,075 | 38.9 |
| 9   Independent News & Media | 1,028 | 37.2 |
| 10  Wikimedia Foundation Sites | 946 | 34.3 |
| 11  AOL, Inc. | 941 | 34.1 |
| 12  Ask Network | 893 | 32.4 |
| 13  BBC Sites | 860 | 31.2 |
| 14  eBay | 759 | 27.5 |
| 15  Irish Times Group | 740 | 26.8 |
| 16  Apple Inc. | 719 | 26.1 |
| 17  DoneDeal | 707 | 25.6 |
| 18  BitTorrent Network | 680 | 24.7 |
| 19  Linkedin | 611 | 22.1 |
| 20  CBS Interactive | 588 | 21.3 |

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## IT - Italy

### Table 297 Key figures

| Country profile - Key figures | Italy | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 1 503,1 | 1 703,0 | 13,3% |
| **Display Ad spend in EUR Million** | 693,4 | 866,0 | 24,9% |
| **Mobile Display in EUR Million** | 36,3 | 59,3 | 63,2% |
| **Display Video Advertising in EUR Million** | 90,4 | 132,3 | 46,4% |
| **Video Share of Online Display in %** | | 19,1% | |
| **Online Ad Spend per capita in EUR** | | 27,9 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 298 Television and Internet advertising

| | Italy* (f) Total Television EUR (Millions) | Italy* (f) Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 4851,4 | 799,0 |
| **2009** | 4358,9 | 849,5 |
| **2010** | 4774,7 | 1083,7 |
| **2011** | 4624,3 | 1298,2 |
| **2012** | 3917,5 | 1503,0 |
| **2013** | 3526,8 | 1700,0 |

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## Equipment figures – Source IHS

### Table 299 Number of broadband DSL connections (2009-2013) in thousands

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### Table 300 Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 301 Number of households with PC (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 302    Smartphone installed base (in thousands)**

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**Table 303    PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base**

*Installed base is cumulative sell-through to consumers*

*in million*

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| Italy | | |
|---|---|---|
| **Top 20 Sites in Italy** Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 32,537 | 100.0 |
| 1    Google Sites | 30,491 | 93.7 |
| 2    Facebook | 24,180 | 74.3 |
| 3    ItaliaOnline | 23,899 | 73.5 |
| 4    Yahoo Sites | 20,790 | 63.9 |
| 5    Microsoft Sites | 18,495 | 56.8 |
| 6    Banzai | 16,560 | 50.9 |
| 7    Wikimedia Foundation Sites | 14,507 | 44.6 |
| 8    eBay | 12,680 | 39.0 |
| 9    RCS Media Group | 12,359 | 38.0 |
| 10    Gruppo Editoriale Espresso | 9,848 | 30.3 |
| 11    Amazon Sites | 9,782 | 30.1 |
| 12    Gruppo Mediaset | 9,557 | 29.4 |
| 13    Telecom Italia | 9,000 | 27.7 |
| 14    Seat Pagine Gialle | 7,906 | 24.3 |
| 15    Populis | 7,735 | 23.8 |
| 16    Ask Network | 6,862 | 21.1 |
| 17    Apple Inc. | 6,374 | 19.6 |
| 18    Softonic.com Sites | 6,207 | 19.1 |
| 19    BitTorrent Network | 5,952 | 18.3 |
| 20    Schibsted (Anuntis-Infojobs-20minutos) | 5,882 | 18.1 |

**Table 304**     **Television and Internet advertising**

| | Lithuania*<br>Total Television<br>EUR (Millions) | Lithuania*<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 67,4 | 8,8 |
| **2009** | 42,2 | 5,8 |
| **2010** | 44,4 | 7,3 |
| **2011** | 47,0 | 8,1 |
| **2012** | 47,6 | 9,9 |
| **2013** | 47,1 | 11,3 |

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## Equipment figures – Source IHS

**Table 305**     **Number of broadband DSL connections (2009-2013) in thousands**

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**Table 306**     **Smart TV households (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 307**     **Number of households with PC (2009-2013) in thousands**

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## Equipment figures – Source IHS

**Table 308      Number of broadband DSL connections (2009-2013) in thousands**

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**Table 309      Smart TV households (2009-2013) in thou-
            sands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 310      Number of households with PC (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

## Table 311    Television and Internet advertising

| | Latvia<br>Total Television<br>EUR (Millions) | Latvia<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 49,9 | 12,2 |
| **2009** | 29,6 | 8,6 |
| **2010** | 29,1 | 8,4 |
| **2011** | 31,0 | 9,8 |
| **2012** | 32,4 | 11,0 |
| **2013** | | |

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## Equipment figures – Source IHS

### Table 312    Number of broadband DSL connections (2009-2013) in thousands

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### Table 313    Smart TV households (2009-2013) in thou-sands

### Table 314    Number of households with PC (2009-2013) in thousands
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**Table 315      Television and Internet advertising**

| | Malta*<br>Total Television<br>EUR (Millions) | Malta*<br>Total Internet<br>EUR (Millions) |
|---|---|---|
| **2008** | 7,5 | 0,9 |
| **2009** | 7,1 | 1,0 |
| **2010** | 7,5 | 1,3 |
| **2011** | 7,4 | 1,3 |
| **2012** | 7,1 | 1,4 |
| **2013** | 7,0 | 1,5 |

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## Equipment figures – Source IHS

**Table 316      Number of broadband DSL connections (2009-2013) in thousands**

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**Table 317      Smart TV households (2009-2013) in thou-sands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 318      Number of households with PC (2009-2013) in thousands**

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## NL - Netherlands

**Table 319     Key figures**

| Country profile - Key figures | Netherlands | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 1 199,3 | 1 312,0 | 9,4% |
| **Display Ad spend in EUR Million** | 527,9 | 577,0 | 9,3% |
| **Mobile Display in EUR Million** | 17,2 | 55,1 | 220,3% |
| **Display Video Advertising in EUR Million** | 68,7 | 85,6 | 24,6% |
| **Video Share of Online Display in %** | | 16,2% | |
| **Online Ad Spend per capita in EUR** | | 78,3 | |

*Source: IAB Adex Benchmark 2013 / IHS*

**Table 320     Television and Internet advertising**

| | Netherlands Total Television EUR (Millions) | Netherlands Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 867,0 | 794,0 |
| **2009** | 791,5 | 815,1 |
| **2010** | 875,4 | 1065,3 |
| **2011** | 914,8 | 1116,8 |
| **2012** | 859,9 | 1198,8 |
| **2013** | | |

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## Equipment figures – Source IHS

**Table 321     Number of broadband DSL connections (2009-2013) in thousands**

**Table 322     Smart TV households (2009-2013) in thousands**

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**Table 323     Number of households with PC (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 324     Smartphone installed base (in thousands)**

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*Installed base is cumulative sell-through to consumers*

*in million*

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| Netherlands | | |
|---|---|---|
| **Top 20 Sites in Netherlands**<br>Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 13,309 | 100.0 |
| 1   Google Sites | 12,657 | 95.1 |
| 2   Microsoft Sites | 10,720 | 80.5 |
| 3   Facebook | 9,874 | 74.2 |
| 4   Sanoma Group | 8,144 | 61.2 |
| 5   eBay | 6,601 | 49.6 |
| 6   Publieke Omroep | 6,227 | 46.8 |
| 7   Ahold Sites | 6,003 | 45.1 |
| 8   Wikimedia Foundation Sites | 5,729 | 43.0 |
| 9   Telegraaf Media Groep | 5,303 | 39.8 |
| 10  De Persgroep | 4,729 | 35.5 |
| 11  ING Group | 4,668 | 35.1 |
| 12  Rabobank Group | 4,471 | 33.6 |
| 13  RTL Group Sites | 4,397 | 33.0 |
| 14  Linkedin | 3,975 | 29.9 |
| 15  TWITTER.COM | 3,759 | 28.2 |
| 16  Apple Inc. | 3,576 | 26.9 |
| 17  KPN | 3,510 | 26.4 |
| 18  Beslist Sites | 3,425 | 25.7 |
| 19  Yahoo Sites | 3,165 | 23.8 |
| 20  Dropbox Sites | 3,105 | 23.3 |

## PL - Poland

### Table 326　　Key figures

| Country profile - Key figures | Poland | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 495,0 | 549,0 | 10,9% |
| | | | |
| **Display Ad spend in EUR Million** | 228,4 | 259,0 | 13,4% |
| **Mobile Display in EUR Million** | 1,7 | 3,6 | 110,6% |
| **Display Video Advertising in EUR Million** | 24,9 | 34,8 | 39,7% |
| **Video Share of Online Display in %** | | 15,3% | |
| | | | |
| **Online Ad Spend per capita in EUR** | | 14,4 | |

*Source: IAB Adex Benchmark 2013 / IHS*

### Table 327　　Television and Internet advertising

| | Poland* Total Television EUR (Millions) | Poland* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 1050,0 | 254,8 |
| **2009** | 659,1 | 320,4 |
| **2010** | 933,5 | 356,7 |
| **2011** | 920,8 | 446,3 |
| **2012** | 864,1 | 494,9 |
| **2013** | 1010,1 | 549,1 |

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http://www.warc.com/NotesOnAdspendData


## Equipment figures – Source IHS


### Table 328　　Number of broadband DSL connections (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**


### Table 329　　Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 330     Number of households with PC (2009-2013) in thousands**
**For copyright reasons the data cannot be reproduced in the public version of this report**

| Poland | | |
|---|---|---|
| **Top 20 Sites in Poland**<br>Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 20,195 | 100.0 |
| 1    Google Sites | 19,567 | 96.9 |
| 2    Facebook | 15,671 | 77.6 |
| 3    MIH Limited | 15,389 | 76.2 |
| 4    Axel Springer SE | 14,726 | 72.9 |
| 5    Gazeta.pl Group | 14,500 | 71.8 |
| 6    Orange Sites | 14,231 | 70.5 |
| 7    Wikimedia Foundation Sites | 10,688 | 52.9 |
| 8    Grupa o2 | 9,632 | 47.7 |
| 9    Interia.pl SA | 9,184 | 45.5 |
| 10   CHOMIKUJ.PL | 7,925 | 39.2 |
| 11   TABLICA.PL | 7,165 | 35.5 |
| 12   Microsoft Sites | 7,017 | 34.7 |
| 13   Polskapresse | 6,473 | 32.1 |
| 14   Grupa Omnigence | 5,814 | 28.8 |
| 15   TVN S.A. | 5,534 | 27.4 |
| 16   NK.PL | 5,061 | 25.1 |
| 17   KWEJK.PL | 4,867 | 24.1 |
| 18   DEMOTYWATORY.PL | 4,819 | 23.9 |
| 19   Groupe Edipresse | 4,512 | 22.3 |
| 20   Murator SA | 4,455 | 22.1 |

PT - Portugal

### Table 331      Television and Internet advertising

| | Portugal* Total Television EUR (Millions) | Portugal* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 1232,4 | |
| **2009** | 1301,4 | |
| **2010** | 1405,1 | |
| **2011** | 1382,0 | |
| **2012** | 1265,8 | |
| **2013** | 1462,1 | |

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http://www.warc.com/NotesOnAdspendData

## Equipment figures – Source IHS

### Table 332      Number of broadband DSL connections (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 333      Smart TV households (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 334      Number of households with PC (2009-2013) in thousands

**For copyright reasons the data cannot be reproduced in the public version of this report**

### Table 335      Smartphone installed base (in thousands)

**For copyright reasons the data cannot be reproduced in the public version of this report**

## Table 336    PS3, Xbox 360, Wii, PS4, Xbox One, Wii U
### Total: Installed base

*Installed base is cumulative sell-through to consum-*
*ers*

*in million*

**For copyright reasons the data cannot be reproduced in the public version of this report**

| Portugal | | |
|---|---|---|
| **Top 20 Sites in Portugal** <br> Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 20,195 | 100.0 |
| 1    Google Sites | 19,567 | 96.9 |
| 2    Facebook | 15,671 | 77.6 |
| 3    MIH Limited | 15,389 | 76.2 |
| 4    Axel Springer SE | 14,726 | 72.9 |
| 5    Gazeta.pl Group | 14,500 | 71.8 |
| 6    Orange Sites | 14,231 | 70.5 |
| 7    Wikimedia Foundation Sites | 10,688 | 52.9 |
| 8    Grupa o2 | 9,632 | 47.7 |
| 9    Interia.pl SA | 9,184 | 45.5 |
| 10    CHOMIKUJ.PL | 7,925 | 39.2 |
| 11    TABLICA.PL | 7,165 | 35.5 |
| 12    Microsoft Sites | 7,017 | 34.7 |
| 13    Polskapresse | 6,473 | 32.1 |
| 14    Grupa Omnigence | 5,814 | 28.8 |
| 15    TVN S.A. | 5,534 | 27.4 |
| 16    NK.PL | 5,061 | 25.1 |
| 17    KWEJK.PL | 4,867 | 24.1 |
| 18    DEMOTYWATORY.PL | 4,819 | 23.9 |
| 19    Groupe Edipresse | 4,512 | 22.3 |
| 20    Murator SA | 4,455 | 22.1 |

## RO - Romania

**Table 337      Key figures**

| Country profile - Key figures | Romania | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 29,2 | 33,0 | 13,0% |
| **Display Ad spend in EUR Million** | 28,5 | 33,0 | 15,9% |
| **Mobile Display in EUR Million** | 0,1 | 0,2 | 244,9% |
| **Display Video Advertising in EUR Million** | 0,5 | 0,8 | 71,3% |
| **Video Share of Online Display in %** | | 2,9% | |
| **Online Ad Spend per capita in EUR** | | 1,5 | |

*Source: IAB Adex Benchmark 2013 / IHS*

**Table 338      Television and Internet advertising**

| | Romania* Total Television EUR (Millions) | Romania* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 470,3 | |
| **2009** | 228,6 | 18,7 |
| **2010** | 250,2 | 21,0 |
| **2011** | 213,6 | 20,9 |
| **2012** | 175,8 | 29,6 |
| **2013** | 165,0 | 33,4 |

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http://www.warc.com/NotesOnAdspendData

## Equipment figures – Source IHS

**Table 339      Number of broadband DSL connections (2009-2013) in thousands**

**Table 340      Smart TV households (2009-2013) in thousands**

**Table 341      Number of households with PC (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 342    Television and Internet advertising**

| Country profile - Key figures | Sweden | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 859,6 | 955,0 | 11,1% |
| **Display Ad spend in EUR Million** | 293,6 | 330,0 | 12,4% |
| **Mobile Display in EUR Million** | 14,0 | 30,5 | 117,8% |
| **Display Video Advertising in EUR Million** | 31,2 | 43,9 | 40,5% |
| **Video Share of Online Display in %** | | 15,0% | |
| **Online Ad Spend per capita in EUR** | | 99,8 | |

*Source: IAB Adex Benchmark 2013 / IHS*

**Table 343    Television and Internet advertising**

| | Sweden* Total Television EUR (Millions) | Sweden* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 570,9 | 556,7 |
| **2009** | 454,8 | 517,2 |
| **2010** | 598,2 | 596,1 |
| **2011** | 693,8 | 686,8 |
| **2012** | 748,1 | 859,5 |
| **2013** | 755,8 | 955,2 |

## Equipment figures – Source IHS

**Table 344    Number of broadband DSL connections (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 345    Smart TV households (2009-2013) in thou-sands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 346    Number of households with PC (2009-2013) in thousands**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 347    Smartphone installed base (in thousands)**

**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 348    PS3, Xbox 360, Wii, PS4, Xbox One, Wii U Total: Installed base**

*Installed base is cumulative sell-through to consum-ers*

*in million*

**For copyright reasons the data cannot be reproduced in the public version of this report**

| Sweden | | |
|---|---|---|
| **Top 20 Sites in Sweden**<br>Source: comScore MMX, December 2013 | **Total Unique Visitors (000)** | **% Reach** |
| Total Internet : Total Audience | 6,461 | 100.0 |
| 1    Google Sites | 5,966 | 92.3 |
| 2    Microsoft Sites | 5,170 | 80.0 |
| 3    Bonnier Group | 4,734 | 73.3 |
| 4    Facebook | 4,143 | 64.1 |
| 5    Schibsted Media Group | 4,014 | 62.1 |
| 6    Spotify | 2,742 | 42.4 |
| 7    Wikimedia Foundation Sites | 2,438 | 37.7 |
| 8    BitTorrent Network | 2,241 | 34.7 |
| 9    Swedbank | 2,217 | 34.3 |
| 10   Sveriges Television | 1,961 | 30.3 |
| 11   Stampen Media Group | 1,916 | 29.7 |
| 12   Yahoo Sites | 1,862 | 28.8 |
| 13   Eniro Group | 1,603 | 24.8 |
| 14   Amazon Sites | 1,596 | 24.7 |
| 15   203 Web Group | 1,465 | 22.7 |
| 16   CDON Group | 1,403 | 21.7 |
| 17   IDG Network | 1,395 | 21.6 |
| 18   Nyheter24-Gruppen | 1,376 | 21.3 |
| 19   Ask Network | 1,350 | 20.9 |
| 20   eBay | 1,312 | 20.3 |

**Table 349      Key figures**

| Country profile - Key figures | Slovenia | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 19,4 | 19,0 | -2,0% |
| **Display Ad spend in EUR Million** | 11,2 | 11,0 | -2,0% |
| **Mobile Display in EUR Million** | n.a. | 0,5 | 0,0% |
| **Display Video Advertising in EUR Million** | 2,8 | 3,3 | 20,0% |
| **Video Share of Online Display in %** | | 29,0% | |
| **Online Ad Spend per capita in EUR** | | 43 | |

*Source: IAB Adex Benchmark 2013 / HIS*

**Table 350      Television and Internet advertising**

| | Slovenia* Total Television EUR (Millions) | Slovenia* Total Internet EUR (Millions) |
|---|---|---|
| **2008** | 42,8 | 20,0 |
| **2009** | 47,1 | 20,5 |
| **2010** | 60,9 | 24,2 |
| **2011** | 72,5 | 16,5 |
| **2012** | 76,3 | 17,9 |
| **2013** | 108,0 | 18,6 |

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http://www.warc.com/NotesOnAdspendData

## Equipment figures – Source IHS

**Table 351      Number of broadband DSL connections (2009-2013) in thousands**

**Table 352      Smart TV households (2009-2013) in thou-sands**

**Table 353      Number of households with PC (2009-2013) in thousands**
**For copyright reasons the data cannot be reproduced in the public version of this report**

**Table 354      Key figures**

| Country profile - Key figures | Slovakia | | |
|---|---|---|---|
| | **2012** | **2013** | **Growth** |
| **Online Ad spend in EUR Million** | 60,5 | 71,0 | 17,3% |
| **Display Ad spend in EUR Million** | 24,8 | 27,0 | 8,7% |
| **Mobile Display in EUR Million** | - | - | - |
| **Display Video Advertising in EUR Million** | - | - | - |
| **Video Share of Online Display in %** | | - | |
| **Online Ad Spend per capita in EUR** | | 13,1 | |

*Source: IAB Adex Benchmark 2013 / IHS*

**Table 355      Television and Internet advertising**

| | Slovak Republic*<br>Total Television | Slovak Republic*<br>Total Internet |
|---|---|---|
| | **EUR (Millions)** | **EUR (Millions)** |
| **2008** | 888,4 | |
| **2009** | 495,5 | |
| **2010** | 510,9 | 34,4 |
| **2011** | 604,0 | 47,9 |
| **2012** | 695,8 | 60,4 |
| **2013** | 780,8 | 70,8 |

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http://www.warc.com/NotesOnAdspendData

## Equipment figures – Source IHS

**Table 356      Number of broadband DSL connections (2009-2013) in thousands**

**Table 357      Smart TV households (2009-2013) in thou-sands**

**Table 358      Number of households with PC (2009-2013) in thousands**
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# Annexe – Recent developments of the SVoD market in Europe in 2014

## Other SVoD services in France

**SVoD services accessible in France, in French (November 2014)**

| Brand | Est. | Genre | Subscription price | Online | Cable Numericable | IPTV Free | SFR | Orange | Bouygues | Boxes Apple TV | Videofutur | Mobile Apps | Smart TV | Game consoles | Dongles Chromecast |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 100% Amateur | FR | Adult | 19,9 EUR/month | | X | | | | | | | | | | |
| Academy Video | FR | Training | 7,99 EUR / month | | | X | | | | | | | | | |
| ADN Anime Digital Network | FR | Mangas | 6,99 EUR month / 9,99 EUR/month | X | | | | | | | | | | | |
| Canal Play Infinity | FR | Films, series | 7,99 EUR / month | X | | X | X | X | X | X | | X | | X | X |
| Dorcel Illimité | FR | Adult | 9,9 EUR /month / 24,9 EUR month | X | X | | | | | | | | | | |
| Filmo TV | FR | Films | 9,99 EUR / month | X | X | | | X | | | X | X | X | | |
| Frissons Extrème | FR | Adult | 9,99 EUR / month | | | X | | | | | | | | | |
| I-Concerts | CH | Music | 4,99 EUR /month | X | | X | | | | | | X | X | | |
| INA Premium | FR | TV Archives | 3,99 EUR / month | X | X | X | | | | | | | | | |
| Jook Video | LU | Films | 7,99 EUR /month | X | X | | X | X | | | | X | X | | |
| Medici TV | FR | Music | 8,91 EUR / month; 13,41 EUR/month | X | | | | | | | | X | X | | |
| MUBI | US | Films | 4,99 EUR /month | X | | | | | | | | X | X | X | |
| Netflix | LU/NL | Films, series | 7,99 EUR / month | X | | | X | X | X | X | | X | X | X | X |
| Pass 613 TV | FR | Cultural | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass Bangoo | FR | Children | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass Discovery | FR | Documentary | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass Disney Avantpremiere | FR | Children | 3,99 EUR / month | | X | | | | X | | | | | | |
| Pass Films d'Afrique | FR | Films | 4,99 EUR /month | | X | X | | | | | | | | | |
| Pass Gulli | FR | Children | 3,99 EUR / month | | X | | X | | | | | | | | |
| Pass Kids | FR | Children | 5,99 EUR / month | | | | X | | | | | | | | |
| Pass KZ Play | FR | Mangas | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass Ludo | FR | Children | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass M6 | FR | Series | 7,99 EUR / month | X | | X | X | X | X | | | | | | |
| Pass Machaînes-port | FR | Sports | 6,99 EUR / month | | X | | | | | | | | | | |
| Pass Mezzo | FR | Music | 6,99 EUR / month | | X | | | | | | | | | | |
| Pass MyZen TV | FR | Training | 6,99 EUR / month | | X | | | | | | | | | | |
| Pass NatGeo | FR | Documentary | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass NatGeo Wild | FR | Documentary | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass Okidoki | FR | Children | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass Purescreen | FR | Painting | 1,99 EUR / month | | X | | | | | | | | | | |
| Pass Shorts TV | FR | Short films | 4,99 EUR /month | | X | | | | | | | | | | |
| Pass Sundance Channels | FR | Films | 5,99 EUR / month | | X | | | | | | | | | | |
| Pass Voyage | FR | Documentary | 4,99 EUR /month | | X | | | | | | | | | | |

| Name | Country | Genre | Price | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Pink X Illimité | FR | Adult | 24,99 EUR / month | X | | | | | | | | | | | |
| VoD Mania | FR | Short films | 4,99 EUR /month | | X | X | | | | | | | | | |
| Vodeo illimité | FR | Films | 7,99 EUR / month | X | X | X | | X | | | | | | | |
| Zaoza | FR | Films, TV series, music | 9,99 EUR / month | | | | | | | | | | X | | |

Source : European Audiovisual Observatory

## Other SVoD services available in France

*Services established in France*

- 100% Amateur: an SVoD service with adult programmes provided by the cable operator Numericable (€19.99 /month)[385]

- ADN Anime Digital Network offers a catalogue of Japanese mangas with a basic subscription of €6,99 and a premium subscription of €9.99.

- Dorcel Illimité: an SVoD service with adult films (€9.99/month), available on the cable network Numericable (€24.99/month) and on various IPTV platforms and online.[386]

- Frissons Extrême is an SvOD service with adult films, available on the IPTV network Free (€9.99/month)

- INA Premium: a service provided by the French public institute in charge of TV archives. The service offers more than 100 hours of TV programmes and is available for a subscription of €3.99/month through the distribution system of the French cable operator Numericable and Free, one of the French IPTV operators.[387]

- Medici TV is an SVoD service launched in 2010 and offers classical music programmes. The catalogue includes 1400 recorded titles and 150 live performance a year. The subscription price is €14.90/month or €119.20/year. The service is available worldwide and had 7,000 subcribers in October 2014 for 210,000 registered visitors. According to the executives, the turn-over in 2014 was around €3 million and the service is close to break-event point. The growth rate is around 30% a year. The service develops B2B and partnership operations and provides some programmes free of access.[388]

- Pass M6: an SVoD service operated by the M6 Group, providing TV series (€7.99/month)[389]

- Pink X Illimité: an SVoD adult gay film service, available on the cable network Numericable and various IPTV platforms (€24.99/month)

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[385] http://www.numericable.tv/vod/boutique/DOX

[386] http://www.xillimite.com/

[387] http://www.ina.fr/pages-statiques/ina-premium-programmation/

[388] Les Echos, 22 octobre 2014, http://www.lesechos.fr/tech-medias/medias/0203880868235-medicitv-mise-sur-new-york-1056457.php

[389]http://www.m6.fr/passm6/

- Zaoza is a service for mobile phones created by Vivendi in 2008. It offers a multimedia catalogue, including films in HD quality, TV series, music videos and video games.[390] The goal was to reach 500,000 subscribers.

The cable operator Numericable line-up includes, in addition to various transactional VoD services, a large range of SVoD services (branded as "Passes"). It is not always clear if the provider of the service is Numericable itself or third parties:

- Pass 613 TV: an SVoD service offering family programmes relating to Jewish culture (€4.99/month)[391]

- Pass Bangoo: an SVoD service with a catalogue of more than 300 episodes of children's TV animation programmes (€4.99/month)[392]

- Pass Discovery: an SVoD service with a catalogue from the TV Discovery Channel (€4.99/month)[393]

- Pass Disney Avant premiere: a service provided by Disney, with original children's programmes (€3.99/month)[394]

- Pass FilmoTV: an SVoD service providing the catalogue of FilmoTV (€9.99/month)[395]

- Pass Films d'Afrique: an SvOD service providing a catalogue of African films (€4.99/month)[396]

- Pass Gulli: an SVoD service provided by the broadcaster Gulli with a selection of children's programmes (€3.99/month)[397]

- Pass INA Premium: an SVoD service providing access to the INA archives catalogue (€3.99/month)[398]

- Pass Jook Video: an SVoD service with the catalogue of the AB Group service Jook Video (€7.99/month)[399]

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[390] http://www.zaoza.fr/

[391] http://www.numericable.tv/vod/boutique/613

[392] http://www.numericable.tv/vod/boutique/TAF

[393] http://www.numericable.tv/vod/boutique/DVS

[394] http://www.numericable.tv/vod/boutique/DSA

[395] http://www.numericable.tv/vod/boutique/FIL

[396] http://www.numericable.tv/vod/boutique/THM

[397] http://www.numericable.tv/vod/boutique/CGT

[398] http://www.numericable.tv/vod/boutique/INA

[399] http://www.numericable.tv/vod/boutique/JKV

- Pass KZPlay; a service provided by the distributor Kaze, with a catalogue of Japanase mangas (€4.99/month)[400]

- Pass Ludo: an SVoD service with children's programmes (€4.99/month)[401]

- Pass MaChaîneSport: an SvOD service with a catalogue of programmes provided by the TV channel Ma Chaîne Sport (MCS) (€6.99/month)[402]

- Pass Mezzo: an SVoD classical music service provided by Mezzo (the classical music channel of the Lagardère Group) (€6.99/month)[403]

- Pass Meant: an SVoD service providing a catalogue of programmes on health, wellbeing, yoga, etc (€6.99/month)[404]

- Pass Mateo and Pass Mateo Wild: two SVoD services with a catalogue of documentaries provided by the US group Mateo (4,99/month)[405] [406]

- Pass Kadoka: an SVoD service with programmes for small children (€4.99/month)[407]

- Pass Pure screen: an SVoD service with a catalogue of programmes on the history of painting (€1.99/month)[408]

- Pass Shorts TV: an SVoD service offering short films (e4.99/month)[409]

- Pass Sundance Channel: an SVoD service offering a selection of film from the Sundance Channel (€5.99/month)[410]

- Pass Video: an SVoD service offering a catalogue of documentaries and magazine programmes provided by the VoD publisher Video (€7.99/month)[411]

- Pass Voyage: an SVoD service offering a catalogue of programmes from the TV channel Voyage[412]

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[400] http://www.numericable.tv/vod/boutique/KAZ

[401] http://www.numericable.tv/vod/boutique/LUD

[402] http://www.numericable.tv/vod/boutique/MCS

[403] http://www.numericable.tv/vod/boutique/MEZ

[404] http://www.numericable.tv/vod/boutique/MYZ

[405] http://www.numericable.tv/vod/boutique/NGV

[406] http://www.numericable.tv/vod/boutique/NWV

[407] http://www.numericable.tv/vod/boutique/ZOO

[408] http://www.numericable.tv/vod/boutique/PRS

[409] http://www.numericable.tv/vod/boutique/STV

[410] http://www.numericable.tv/vod/boutique/SDC

[411] http://www.numericable.tv/vod/boutique/VDO

- VoD Mania: a service specialising in short films, launched in 2010, accessible through the IPTV platform (€4.99 /month).[413]

Free, the leading IPTV distributor, includes various SVoD services in its line-up:
- Canal Play Infinity
- Frissons Extrême
- iConcerts, an SvOD service providing concerts (€5.99/month)
- Pass Vodeo (€7.99/month)
- Pass M6
- Academy Video, an SVoD coaching and training service (€7.99/month)
- VoDMania, an SVoD service with a catalogue of short films (€4.99)
- The INA Premium Service
- The FilmoTV service
- Jook Video

In 2008, Free launched its own SVoD service, Free Home Vidéo Intégral, but the service was discontinued in 2013.


The SFR IPTV operator line-up includes 4 SVoD services:
- the service Pass Kids, an SVoD service for children provided by SFR (€5.99/month)[414]
- the service SVoD Pass Cinema (provided by Jook Video (€4.99/month)[415]
- the M6 Pass
- the Canalplay SVoD service

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[412] http://www.numericable.tv/vod/boutique/VOV

[413] http://www.free.fr/adsl/pages/television/services-de-vod/autres-services-de-vod/service-9.html

[414] http://www.numericable.tv/vod/boutique/ZOO

[415] http://club-video.sfr.fr/webapp/wcs/stores/servlet/Pass?storeId=10251&catalogId=11151&langId=-2&menuPage=pass_cinema

*Services established in other European countries*

- ITV Essentials is a catch-up TV service provided by ITV and available in France on subscription or with a 30 day pass and providing episodes of the TV broadcaster's programmes.

*Services established in the United States*

- BigStar Movies Premium is a service established in the United States and providing independent films. The subscription price is €4.99/month.

- MUBI is operated by Bazaar Inc.. It has offices in Palo Alto, London and Istanbul and provides a French version of its services dedicated to independent and arthouse films. The service is available for €4.99/month and is complemented by a database on films, a social network and various items of editorial content. A significant proportion of the MUBI catalogue consists of European films. MUBI's original partners include The Criterion, the European distributor Celluloid Dreams and Martin Scorsese's World Cinema Foundation (WCF). MUBI has since partnered with a variety of international distributors, and due to these arrangements has been able to show films that in some cases are not available on DVD, including films by Raya Martin, Raúl Ruiz, and Philippe Garrel. In 2012, MUBI partnered with the British cinema chain Picturehouse,[13] offering extended trials to Picturehouse members.[416]

Various SVoD services established in the United States are available in France through YouTube: Baby First Plus (€1.49/month)[417], BigThink Mentor, a service providing training programmes (€7.99/month, €79.99/year)[418], Gay Direct (€2.49/month, €18.99/year), Gay Night In (€1.49/month)[419], Here TV Premium (€4.99/month)[420], Laugh Factory VIP (€0.79/month, €8.49/year)[421], €37.99/year)[422], PG + Photoguide Plus (€3.99/month, €18.99/year), PGA Golf Academy (€3.99/month, €26.99/year)[423], PDN Network (Personal Defense Network) (€3.99/month, €26.99/year), Qello, a concert service (€3.99/month), Sportkoolplus (€2.49/month), TNA Wresting Plus (€3.99/ month)[424]

These SVoD services offer fairly small catalogues and we do not have any information on their actual market position.

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[416] Wikipedia article on MUBI, consulted on 1 November 2014.

[417] https://www.youtube.com/BabyFirstPLUS

[418] https://www.youtube.com/user/BigThinkMentor

[419] https://www.youtube.com/guysnightin

[420] https://www.youtube.com/user/HereTVPremium

[421] https://www.youtube.com/user/laughfactoryVIP

[422] https://www.youtube.com/qello

[423] https://www.youtube.com/user/PGAGOLFACADEMY

[424] https://www.youtube.com/user/TNAwrestlingPLUS

# Annexe - The proportion and the prominence of European works in VoD catalogues

## Questionnaires

Strasbourg, 1<sup>st</sup> August 2014

Dear XXX,


The European Audiovisual Observatory (part of the Council of Europe) (http://www.obs.coe.int/) is currently preparing a note for the DG Connect of the European Commission on the presence of European works (films and TV programmes) in VoD catalogues.

In order to do so, we are currently contacting European VoD service providers. Your service(s) has been identified as being of interest for this study.

You will find in attachment a very short questionnaire on European works and means of proeminence. We would be very grateful if you could take the time to answer the 5 questions and mail us the questionnaire back (**no later than the 30<sup>th</sup> of September 2014)** at:

Christian Grece
European Audiovisual Observatory
76, Allée de la Robertsau
67 000 Strasbourg, France

Or by e-mail to : christian.grece@coe.int


This questionnaire is endorsed by Cable Europe.

Thank you for your time.


Yours sincerely,


André Lange
Head of Department for Information on Markets and Financing

Observatoire européen de l'audiovisuel
European Audiovisual Observatory
Europäische Audiovisuelle Informationsstelle
76 Allée de la Robertsau • F - 67000 Strasbourg
Tél. +33 (0)3 90 21 60 00 • Fax +33 (0)3 90 21 60 19
E-mail : obs@obs.coe.int • URL : http://www.obs.coe.int

COUNCIL OF EUROPE

CONSEIL DE L'EUROPE

## PRESENCE OF EUROPEAN WORKS IN THE CATALOGUES OF VoD SERVICES

*If your company provides different services for different European countries, please answer for each service targeting a specific country/market.*

*If your company provides different services with different business models (EST, Transactional VoD and/or SVoD) please provide answers for the different services.*

### 1. IDENTIFICATION

Name and address of the company providing the service: _____

_____

Person to contact: _____

Name of the service: _____

Business model: _____

Countries where the service is available: _____

### 2. CATALOGUE

How many titles are provided in your catalogue mid-2014:_____

Films (Adult films not included):_____

TV films: _____

Episodes of TV series: _____

Documentaries: _____

Animation (excepted feature animation):_____

Other genres: _____

### 3. SHARE OF EUROPEAN WORKS

What is the share of European works in your catalogue (in percentage of the total number of titles)?

_____

### 4. MEANS TO ENSURE PROEMINENCE OF EUROPEAN WORKS

- What are the means of prominence used for European works on your service (please check box if your service uses the mean of proeminence)

| Mean of proeminence | Yes | No |
|---|---|---|
| Promotion on Homepage | | |
| European film section | | |
| Search function by country of origin | | |
| Recommendation through an algorithm | | |
| Special offers on European works | | |
| Presence of European film trailers | | |

### 5. ORIGIN OF FILMS (only for Cable Europe members)

Please fill in the table with your best knowledge on share of the origin of films propsoed in the catalogue of your VoD service(s).

| Origin | Share (%) |
|---|---|
| France | |
| Germany | |
| Italy | |
| Spain | |
| United Kingdom | |
| Other European country | |
| European co-productions | |
| Co-production Europe / Third countries | |
| Non-European co-productions | |
| United States | |
| Other International origin | |

- What are the means of prominence used for European works on your service (please check box if your service uses the mean of proeminence)?

| Mean of proeminence | Yes | No |
|---|---|---|
| Promotion on Homepage | | |
| European film section | | |
| Search function by country of origin | | |
| Recommendation through an algorithm | | |
| Special offers on European works | | |
| Presence of European film trailers | | |

Please send this questionnaire back **<u>no later than 30 September 2014</u>** at:

Christian Grece
European Audiovisual Observatory
76, Allée de la Robertsau
67 000 Strasbourg, France

Or by e-mail to: christian.grece@coe.int

We thank you again for your time and help.

Strasbourg, 1<sup>st</sup> August 2014

Dear Madam, Sir,

The European Audiovisual Observatory (part of the Council of Europe) (http://www.obs.coe.int/) is currently preparing a note for the DG Connect of the European Commission on the presence of European works (films and TV programmes) in VoD catalogues.

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This questionnaire is endorsed by Cable Europe.

Thank you for your time.

Yours sincerely,

André Lange
Head of Department for Information on Markets and Financing

## PRESENCE OF EUROPEAN WORKS IN THE CATALOGUES OF VoD SERVICES

*If your company provides different services for different European countries, please answer for each service targeting a specific country/market.*

*If your company provides different services with different business models (EST, Transactional VoD and/or SVoD) please provide answers for the different services.*

### 6. IDENTIFICATION

Name and address of the company providing the service: _____

_____

Person to contact: _____

Name of the service: _____

Business model: _____

Countries where the service is available: _____

### 7. CATALOGUE

- How many titles are provided in your catalogue mid-2014:_____

   Films (Adult films not included):_____

   TV films: _____

   Episodes of TV series: _____

   Documentaries: _____

   Animation (excepted feature animation):_____

   Other genres: _____

### 8. SHARE OF EUROPEAN WORKS

- What is the share of European works in your catalogue (in percentage of the total number of titles)?

   _____

9. **ORIGIN OF FILMS**

Please fill in the table with your best knowledge on share of the origin of films propsoed in the catalogue of your VoD service(s).

| Origin | Share (%) |
|---|---|
| France | |
| Germany | |
| Italy | |
| Spain | |
| United Kingdom | |
| Other European country | |
| European co-productions | |
| Co-production Europe / Third countries | |
| Non-European co-productions | |
| United States | |
| Other International origin | |

- What are the means of prominence used for European works on your service (please check box if your service uses the mean of proeminence)?

| Mean of proeminence | Yes | No |
|---|---|---|
| Promotion on Homepage | | |
| European film section | | |
| Search function by country of origin | | |
| Recommendation through an algorithm | | |
| Special offers on European works | | |
| Presence of European film trailers | | |

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We thank you again for your time and help.