



Circulation of European films on VOD and in cinemas

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Foreword: Tracking circulation

Tracking the circulation of films in Europe: **Limitations**

- ▶ **Partial coverage** of exploitation windows:
 - The release of films in cinemas is reasonably well-tracked through the Observatory LUMIERE database. However, the LUMIERE database only tracks films released after 1995. Moreover, films with limited releases, e.g. films only released in festival, may not be well-documented.
 - LUMIEREVOD tracks an increasing number of pay VOD services, but still does not provide the full picture of VOD availability.
 - The broadcast of films on TV is not monitored on a regular basis. A 2017 study by the Observatory on a sample of 131 TV channels showed that over 7 200 different European films were broadcast during the 2015 -2016 season. Moreover, TV channel catch-up TV services increasingly include films and are evolving towards free VOD services including programmes not previously broadcast.
 - Finally, no data is available on the **physical home video market**.

- ▶ A **fast-evolving situation** regarding pay VOD services
 - There has been huge growth in recent months of the number of pay VOD services as tracked in LUMIEREVOD, due to both the launch of new services and better coverage via the database.
 - This evolution translates into more European films available, including more European non-national films.

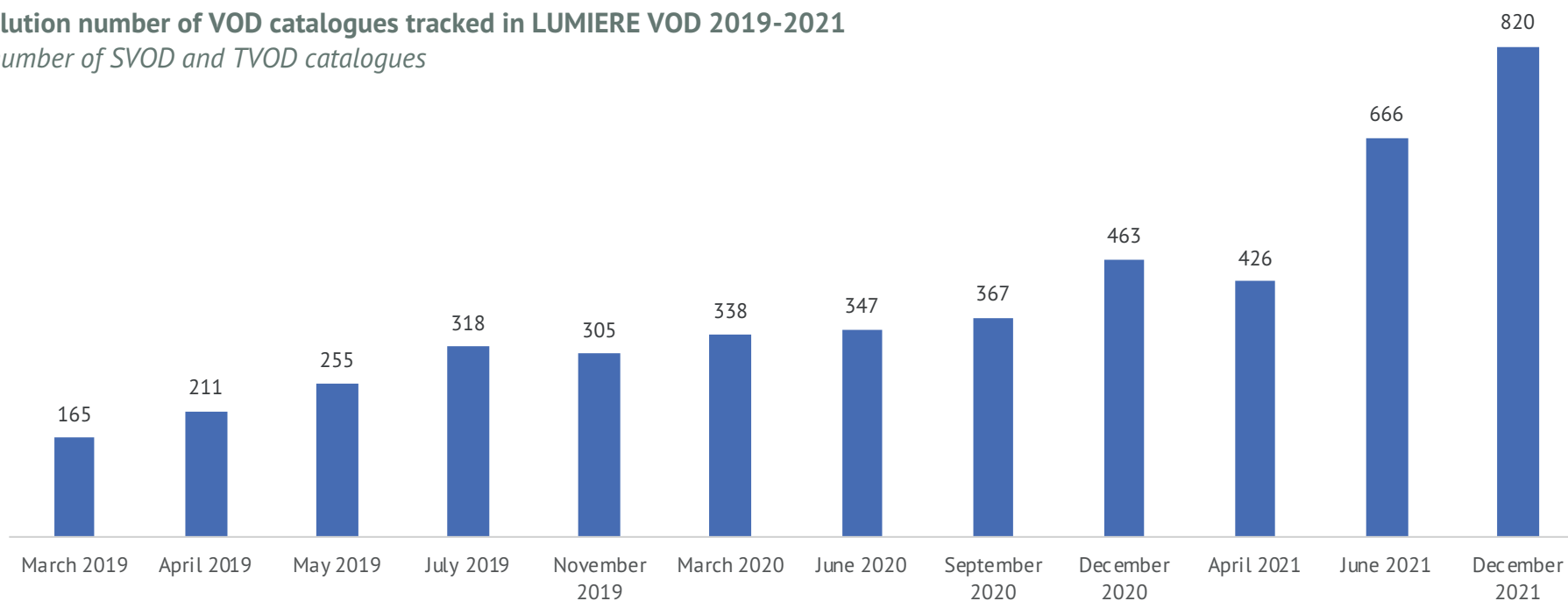
- ▶ Tracking circulation is also meant to answer **very different research questions**:
 - **From a film point of view:** How many European films circulate? Which European films circulate better?
 - **From a consumer point of view:** How many (non-national) European films does a European consumer have access to?

These research questions can lead to contradictory answers. Consumers could for instance access many non-national films but not necessarily to the same degree in all countries. This would translate into a high share of European non-national films in catalogues, but, on average, a low level of circulation of individual European films.

- ▶ In this context, this report focuses on **two research questions**:
 - ▶ To how many European non-national films do European citizens have access in cinemas and on VOD?
 - ▶ What are the main drivers of the availability of films on VOD?

Foreword: Tracking circulation

Evolution number of VOD catalogues tracked in LUMIERE VOD 2019-2021
in number of SVOD and TVOD catalogues



Source: European Audiovisual Observatory, LUMIERE VOD

Number of VOD catalogues per country included in this report
in number of SVOD, TVOD and total VOD catalogues per country

	AT	BE	CZ	DE	DK	EE	ES	FI	FR	GB	HU	IE	IT	LT	LV	NL	PL	PT	RO	SE	SK	Total
TVOD catalogues	13	4	8	17	7	3	6	8	15	11	4	8	6	3	3	9	5	6	1	8	4	149
SVOD catalogues	28	20	18	41	23	17	21	21	23	33	17	22	23	18	17	24	19	17	15	23	7	447
Total VOD catalogues	41	24	26	58	30	20	27	29	38	44	21	30	29	21	20	33	24	23	16	31	11	596

Source: European Audiovisual Observatory, LUMIERE VOD

Foreword: Tracking circulation

- ▶ The aim of this report is to provide initial insight into the circulation of theatrical European non-national films on VOD and to take a closer look at metrics which could explain VOD availability:
 - **Commercial success** measured by admissions
 - **Significance of theatrical exploitation** measured by theatrical release markets
 - **Perceived quality** measured by IMDb ratings and film awards
 - **Recentness of films** measured by year of production
 - **Origin of films** observed by country of production
- ▶ For VOD, the film data show all European film titles available in the 21 EU20+1 countries that were part of the sample. For each country, only one presence of the film title is counted, be it on TVOD, SVOD or both. This is to show the European non-national film offering on VOD on a country basis – we ask the question: Which titles are available to consumers in these countries? The result is the European film offering of 149 TVOD catalogues in 21 countries (average of 7 TVOD services/country, with disparities) and 447 SVOD catalogues in 21 countries (21 SVOD services/country, with disparities). Film data were extracted from the [European Audiovisual Observatory's LUMIERE VOD database](#).
- ▶ For cinema data, all films released between 1996 and 2020 of European origin (member state of the Council of Europe) in the 21 EUR20+1 countries have been taken into account. Film data were extracted from the [European Audiovisual Observatory's LUMIERE database](#).

Methodology

Film data

- ▶ All European films (feature films, documentaries) released in cinemas in the 21 countries **from 1996-2020** and produced in the **25-year time frame**.
- ▶ Theatrical film data on admissions to films released in Europe were extracted from the European Audiovisual Observatory's LUMIERE database.
- ▶ Data on films in VOD catalogues were collected by the Observatory through its partnership with JustWatch and Filmtoro, and provide a snapshot of the availability of films on **15 May 2021**.
- ▶ European films are defined as having as a primary production country a member state of the European Union and/or the Council of Europe.

Scope of analysis – data on films in cinemas and on video-on-demand services in EUR20+1

- ▶ **20 EU27 countries:** Austria (AT), Belgium (BE), Czech Republic (CZ), Germany (DE), Denmark (DK), Estonia (EE), Spain (ES), Finland (FI), France (FR), Hungary (HU), Ireland (IE), Italy (IT), Lithuania (LT), Latvia (LV), the Netherlands (NL), Poland (PL), Portugal (PT), Romania (RO), Sweden (SE), Slovak Republic (SK) and **the United Kingdom (UK)**, hereafter **EUR20+1**.
- ▶ The countries were selected based on comprehensive data on films released in cinemas and films available in VOD catalogues, in order to permit a direct comparison.

Definitions:

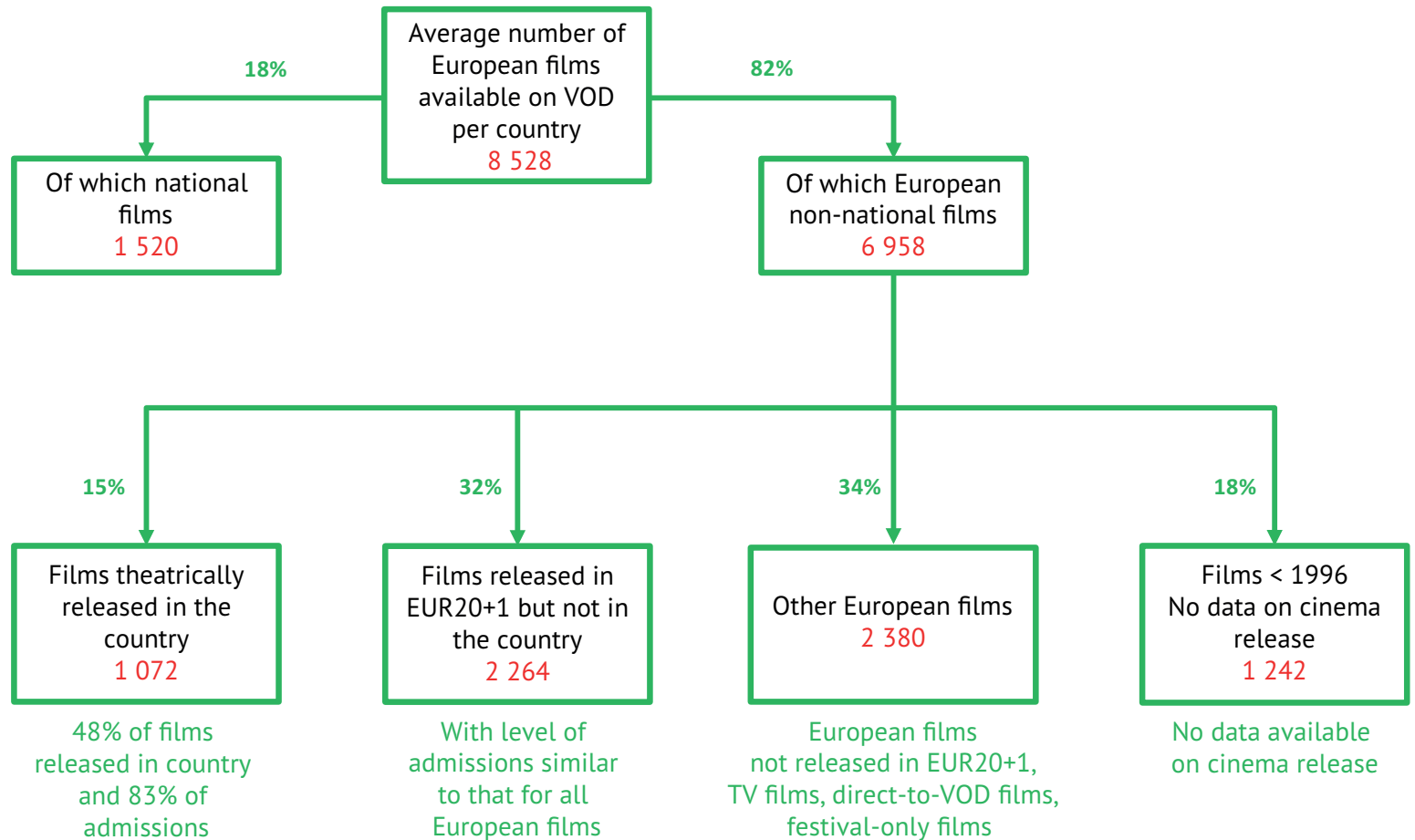
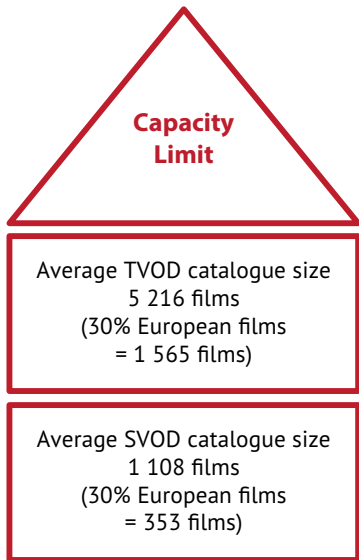
- A film is defined as a feature film, fiction film, documentary or other form of film content available in the “Film/Movie” section of the VOD catalogues that were part of the sample.
- For the origin of a title, only the primary country of production was taken into account. The production countries are based on data collected from the European Audiovisual Observatory's LUMIERE database on admissions to films in Europe, IMDb and the Movie database.
- 'European non-national films' are films produced by at least one European country excluding the country of the consumer.

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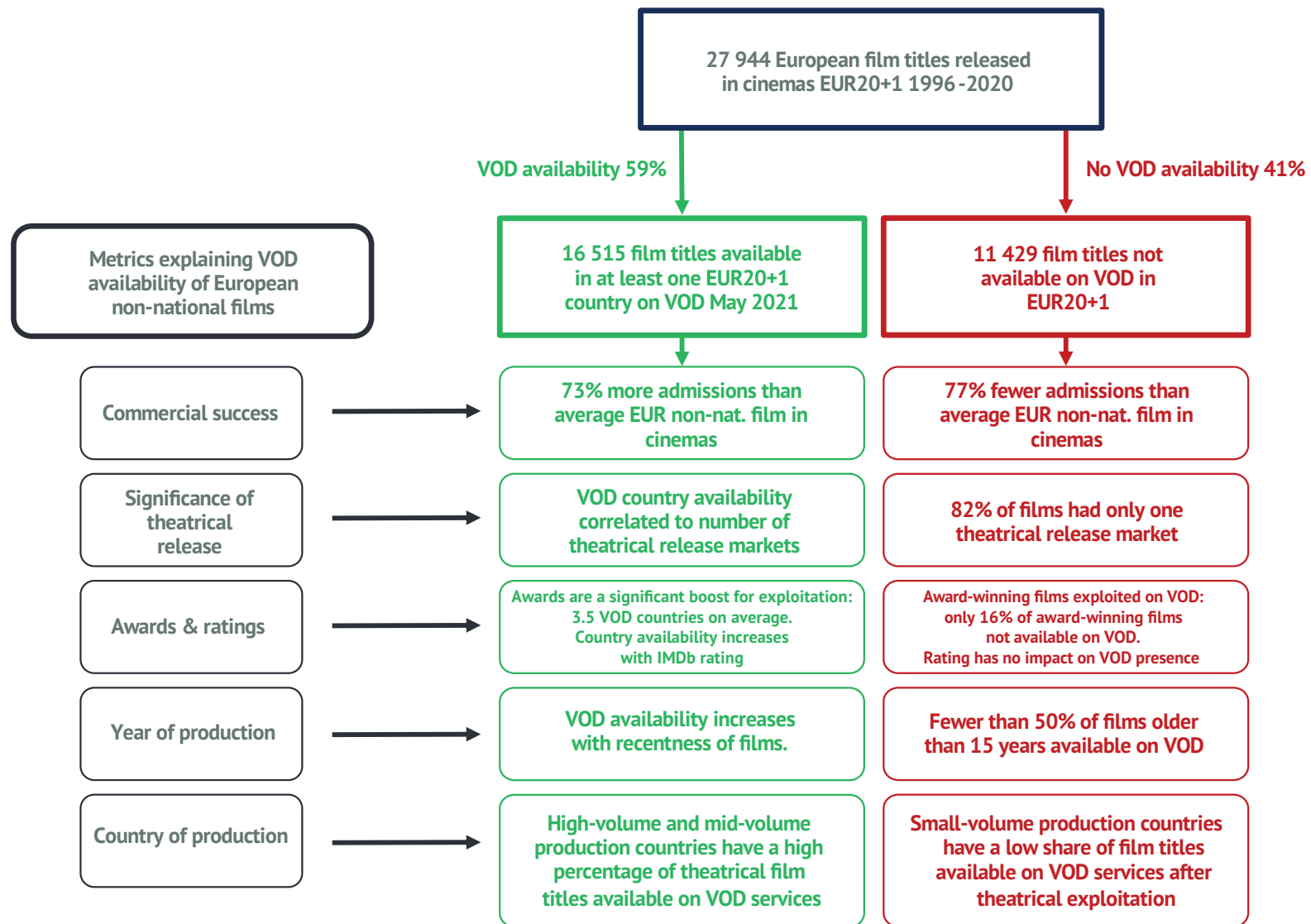
EXECUTIVE SUMMARY

Executive summary

- ❖ **Out of the 27 944 European film titles released in EUR20+1 cinemas between 1996 and 2020, 16 515 (59%) European film titles were available on VOD in May 2021.**
 - Theatrical European films released between 1996 and 2020 in EUR20+1 cinemas represented only 38% of all European films available on VOD in EUR20+1. The 62% of European films available on VOD are European films produced between 1996 and 2020 without a theatrical release in EUR20+1 (32%) and European films produced before 1996 (30%)
- ❖ **European consumers in EUR20+1 had, on average, access to 8 528 European films on VOD in their countries – 6 958 European non-national films and 1 570 national films.**
 - For European non-national films available on VOD across EUR20+1, on average 15% were theatrically released in the country of VOD availability, 33% were theatrically released in EUR20+1 but not in the country of VOD availability, 34% were produced but not theatrically released between 1996 and 2020 in EUR20+1 and 18% were produced before 1996.
- ❖ **VOD actually increased by 71%, on average, the availability of (theatrically released between 1996 and 2020) European non-national films accessible to consumers in EUR20+1, compared to theatrical exploitation**
 - In making available theatrical European non-national films not released in the country of VOD availability in cinemas, VOD increased the offering of theatrical European non-national films, on average by 71%. On average, 1 949 European non-national films were released in cinemas in the 25-year period per country compared to 3 336 theatrical released films in EUR20+1 available on VOD in May 2021.
- ❖ **Explanation of VOD availability and circulation: Commercial success** (measured by admissions), **significance of theatrical release** (measured by number of theatrical release markets), **perceived quality** (measured by IMDb ratings and film awards), **recentness of production** (measured by age of production) and **origin** (observed by country of production) of European films are **metrics used in this report to explain the availability** (or not) of these **theatrical European films on VOD** in May 2021 across EUR20+1 countries.
 - **Commercial success:** Future VOD availability is correlated to admissions during theatrical exploitation. On average, European non-national films available on VOD had above-average admissions compared to European non-national films in cinemas. VOD country availability also increases with admissions. Successful European non-national films in cinemas in a given country are available on VOD in the same country while European non-national films not theatrically released in the country but with above-average admissions in EUR20+1 are often made available on VOD too.
 - **Significance of theatrical release:** The number of theatrical release markets and VOD country availability are correlated: The greater the number of theatrical release markets, the higher the number of VOD countries across EUR20+1. A total of 82% of theatrical films not available on VOD in EUR20+1 had only one release market, in most cases their national one.
 - **Perceived quality:** While no relationship between VOD availability and IMDb rating was found, the IMDb rating impacts the number of countries of VOD availability. The higher the rating, on average, the greater the number of countries in which a European non-national film was available on VOD. Awards boost the circulation of films on VOD and in cinemas and ensure future VOD availability.
 - **Recentness of production:** The age of a film impacts its VOD availability. The more recent a theatrical European non-national film is, the greater is its VOD country availability.
 - **Origin:** High-volume and mid-volume film-producing countries represent the largest share of European non-national films in cinemas and thus also on VOD in EUR20+1.



Percentages may not total 100 due to rounding - Source: European Audiovisual Observatory



Source: European Audiovisual Observatory

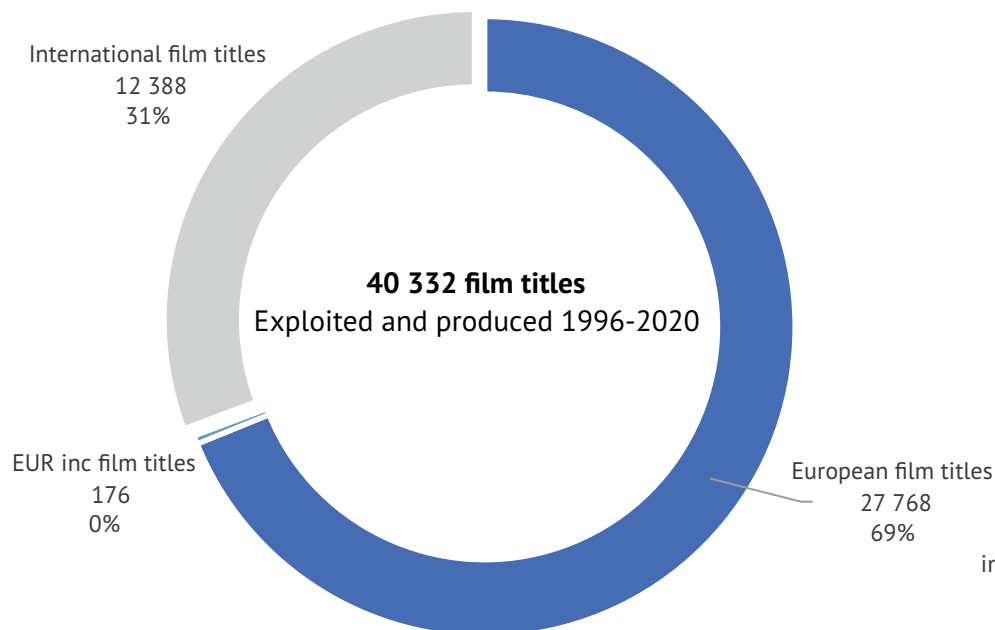
I. THE OFFERING OF EUROPEAN NON-NATIONAL FILMS IN CINEMAS AND ON VOD

**European films exploited in European cinemas 1996-2020
European films available on VOD in May 2021**

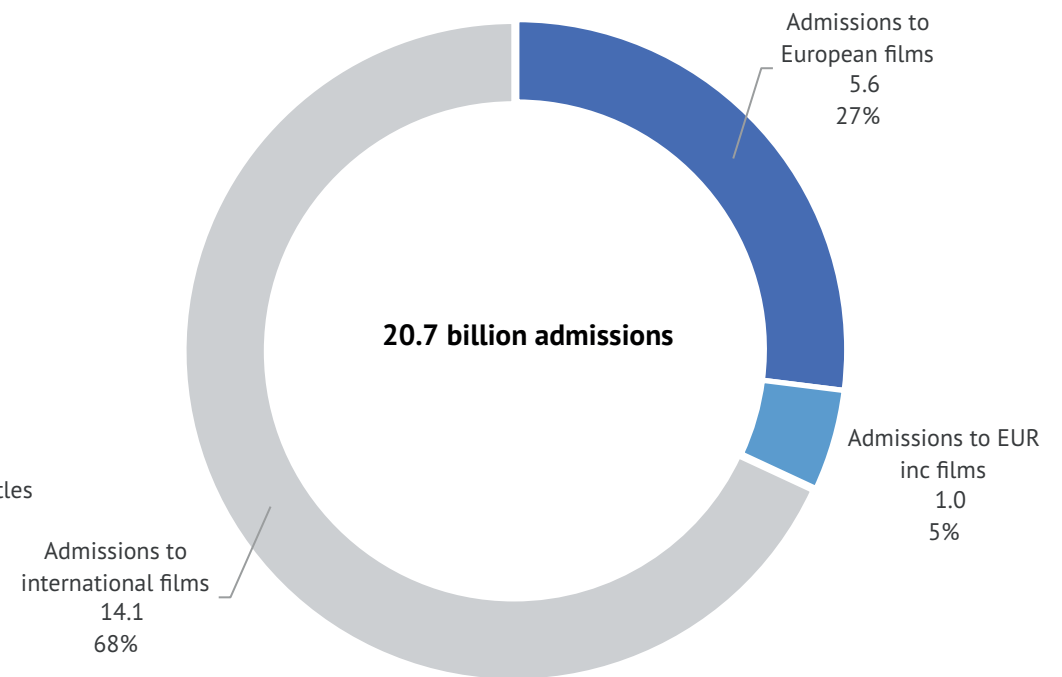
Films released in cinemas in EUR20+1 from 1996 to 2020: 27 944 European films released!

- ▶ The total number of films **released in cinemas** and **produced** in the 25-year period from 1996 to 2020 in EUR20+1 stands at **40 332 film titles** or on average **1 117 European films per year**.
- ▶ Of these, **27 768 titles were of European origin** and **176 titles of EUR inc origin** (European production with incoming capital outside of Europe), putting the number of European film titles released in EUR20+1 at **27 944 film titles**.
- ▶ These 27 944 European film titles represented **69% of all films on release** in EUR20+1 and **32% of total admissions in EUR20+1**.
- ▶ The basis of this report is formed by these 27 944 European film titles and their future availability on VOD in EUR20+1 on the 15 May 2021.

Theatrically released film titles in EUR20+1, 1996-2020
in number of film titles



Admissions in EUR20+1, 1996-2020
in billions

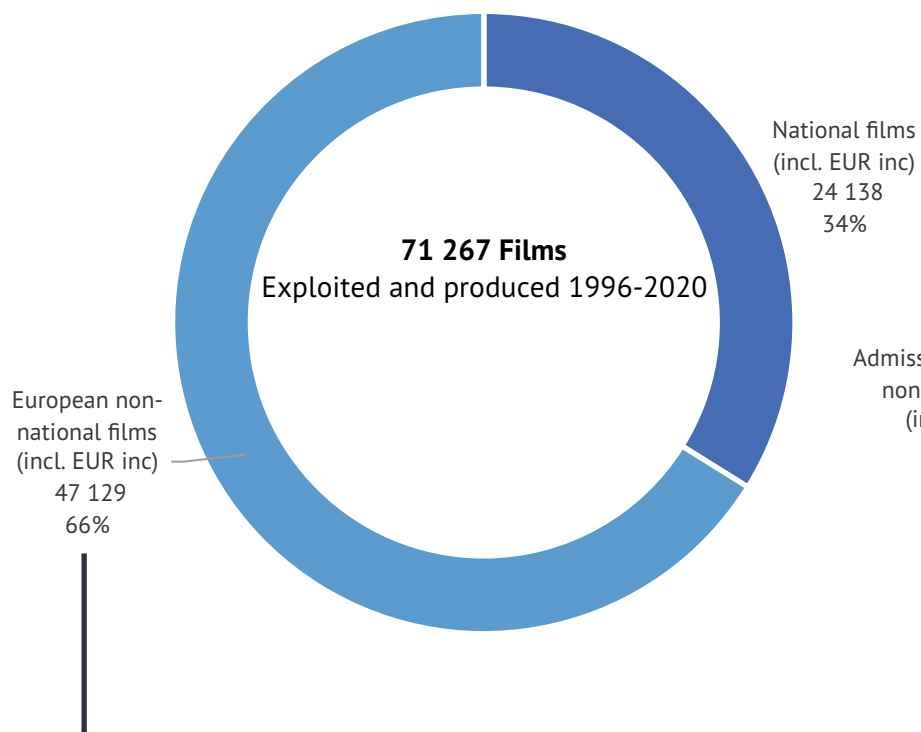


Source: LUMIERE, European Audiovisual Observatory

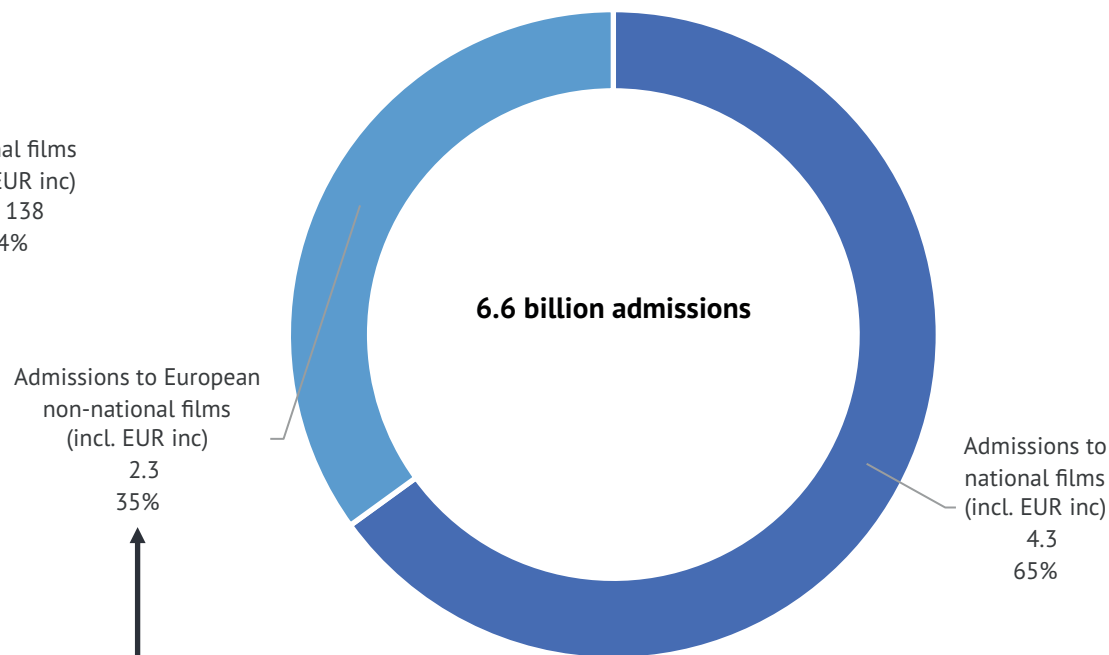
Exploitation of European films in cinemas in EU20+1 1996-2020: More European non-national films on release

- ▶ The exploitation in EUR20+1 cinemas of the 27 944 European film titles accounted for 71 267 film releases in EUR20+1, of which 24 138 were national releases and 47 129 European non-national releases.
- ▶ While **European non-national releases represented 66% of all European films** on release in EUR20+1 cinemas, their share of admissions to European films in the 25-year time period **accounted for 35% of the 6,6 billion admissions to European films**.
- ▶ This **imbalance** between the share of European films on release and the share of admissions for European non-national films (2/3 of films, 1/3 of admissions) shows a **certain preference of European cinemagoers for national films rather than non-national films**, even if each category did not necessarily benefit from equivalent releases in terms of number of screens.

Exploitation of European films in cinemas EUR20+1, 1996-2020
in number of films



Admissions to European films in EUR20+1, 1996-2020
in billions



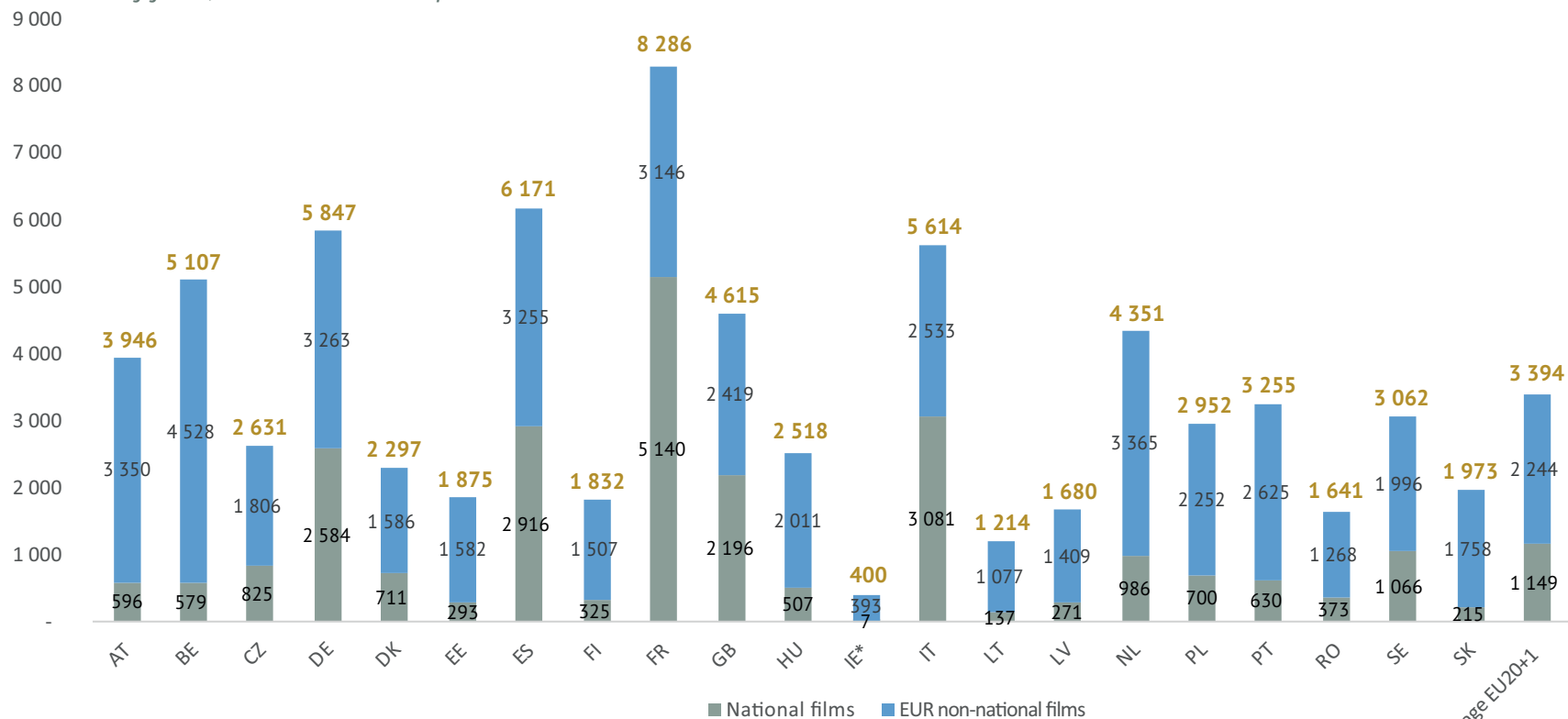
Source: LUMIERE, European Audiovisual Observatory

European non-national films represent the lion's share of films on release in cinemas in most EUR20+1 countries

- ▶ With the exception of **France and Italy**, in which **more national films** were on release in cinemas, in the **other 19 countries European non-national films** accounted for the **majority of European films**.
- ▶ The **split between national and European non-national films on release in cinemas reflects the relative volume of theatrical film production of each country** – the higher the volume of national film production, the lower the share of European non-national films on release and vice versa.

European films exploited in cinemas 1996-2020, by EUR 20+1 country

In number of films, national and European non-national

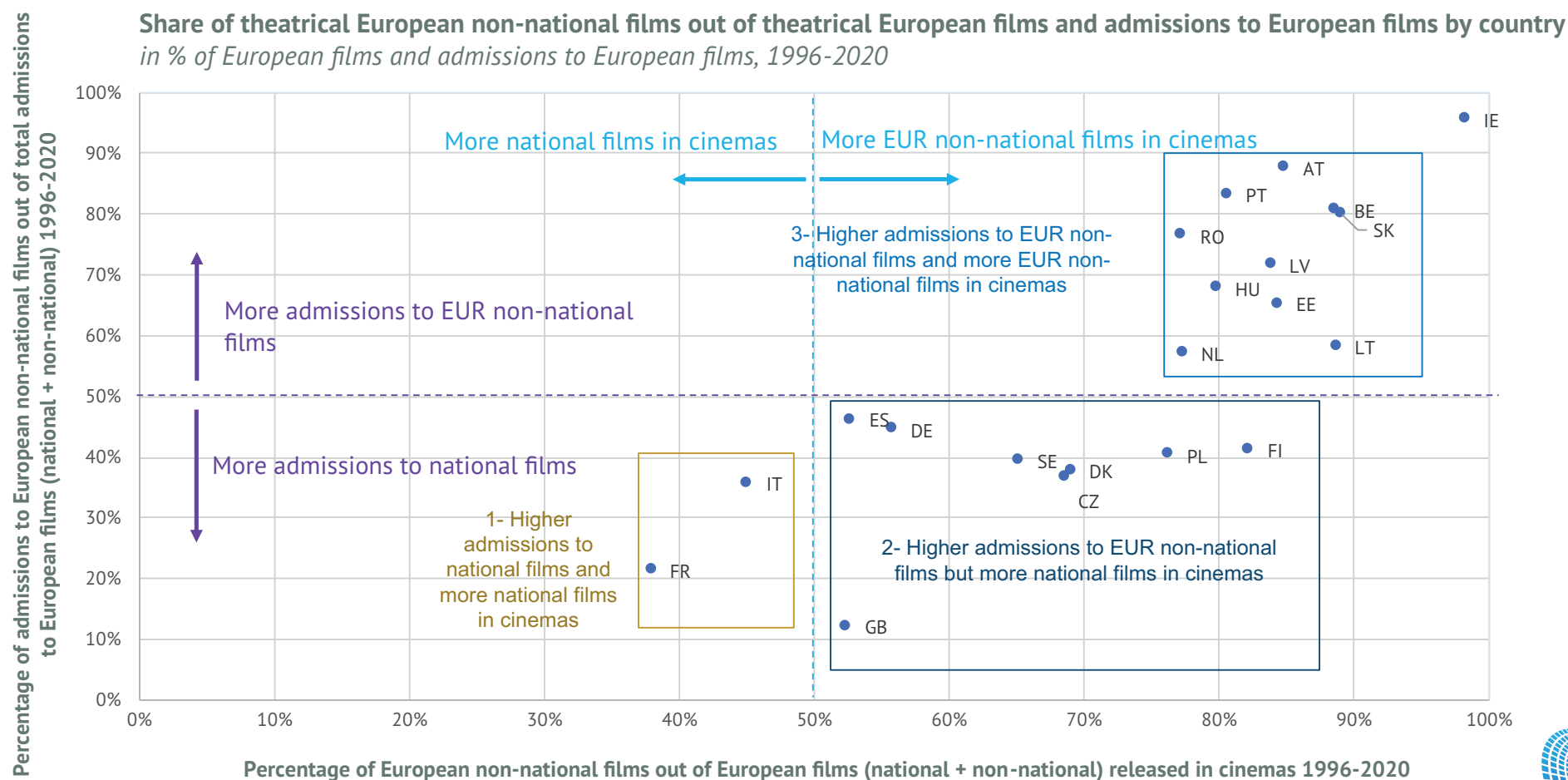


* Cinema exploitation data for IE are incomplete and accounted for in most years in GB data.

Source: LUMIERE, European Audiovisual Observatory

When admissions are considered in addition to the share of non-national films, 3 distinctive groups of countries appear

- ▶ **1 – High-volume film-producing countries** with a strong share of admissions for national films by audiences – FR and IT.
- ▶ **2 – High- to medium-volume film-producing countries** with a strong share of admissions for national films by audience – CZ, DE, DK, ES, FI, GB, PL and SE.
- ▶ **3 – Low-volume film producing countries** with a medium to strong share of admissions for European non-national films over national films – AT, BE, EE, HU, IE, LT, LV, NL, PT, RO, SK.

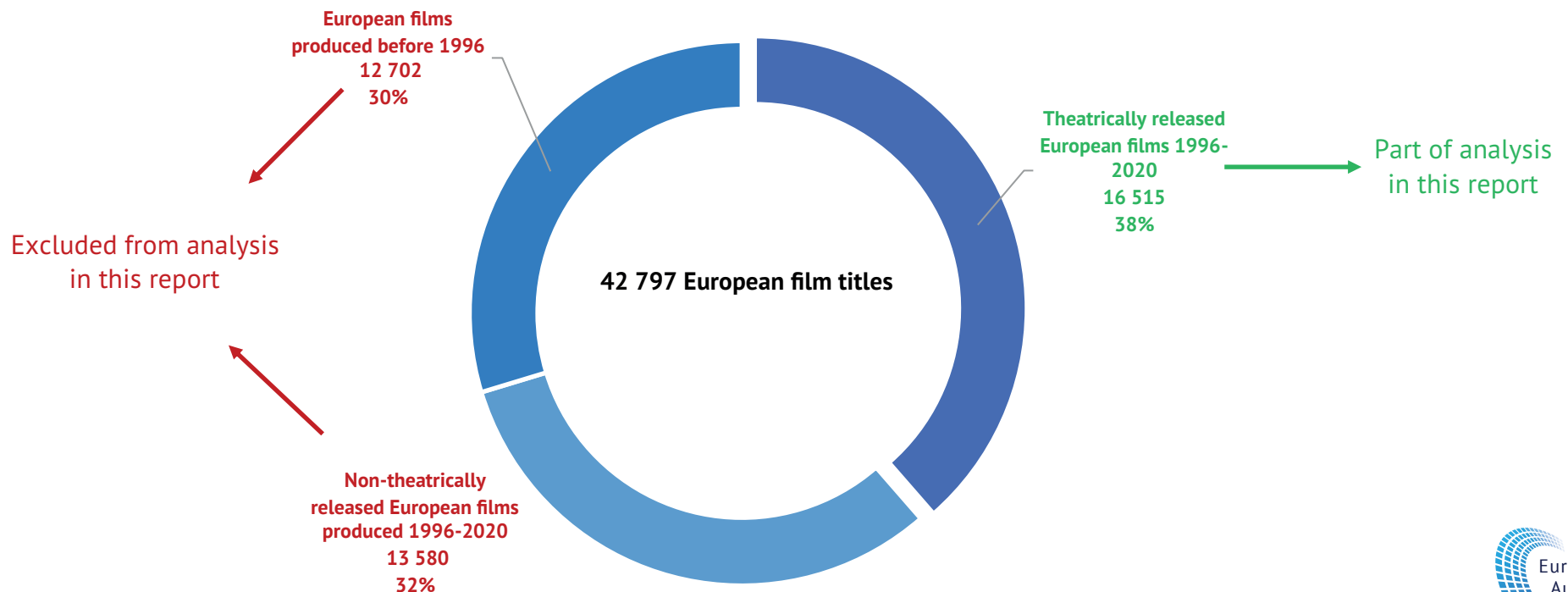


Source: LUMIERE, European Audiovisual Observatory

The offering of European films on VOD in EUR20+1: Theatrically released films in EUR20+1 comprise only a part of European films available on VOD

- ▶ A total of **42 797 European film titles** were available on VOD in EUR 20+1 of which **38% were theatrically** released in at least one EUR20+1 country from 1996 to 2020.
- ▶ In total, **32% of European film titles** available on VOD in EUR20+1 were **produced in the 25-year period** from 1996 to 2020 but **without a theatrical release** – these tended to be TV fictions, TV documentaries or straight-to-video films and are **not part of the analysis in this report**.
- ▶ A total of **30% of European film titles** available on VOD were **produced before 1996** – a portion of these films were theatrically released prior to 1996 and are also **not part of the analysis** in this report.
- ▶ On average, theatrically released films had a higher IMDb rating and greater country availability than non-theatrically released films (**no available consumption data for films on VOD** precludes current audience preference analysis for films in cinemas).

European film titles available on VOD in at least one EUR20+1 country, May 2021
in number of film titles

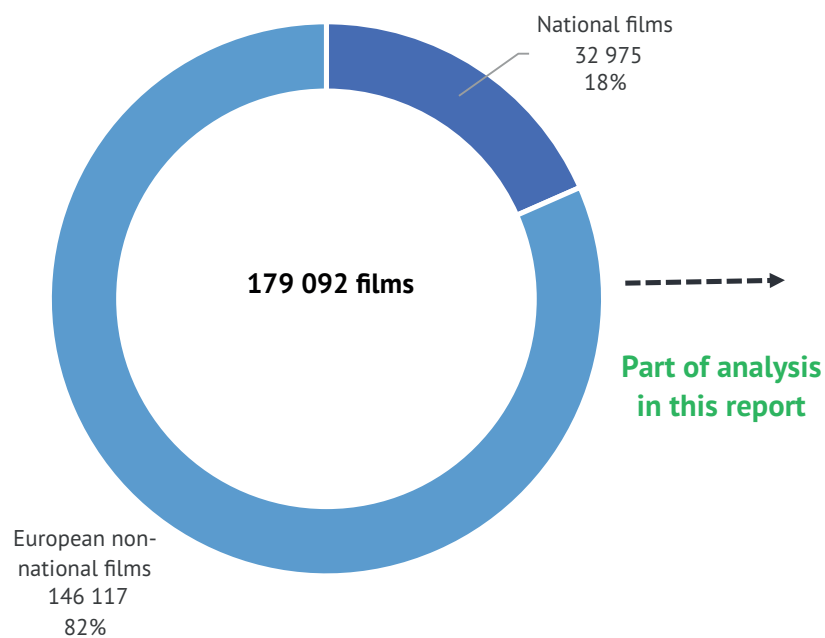


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

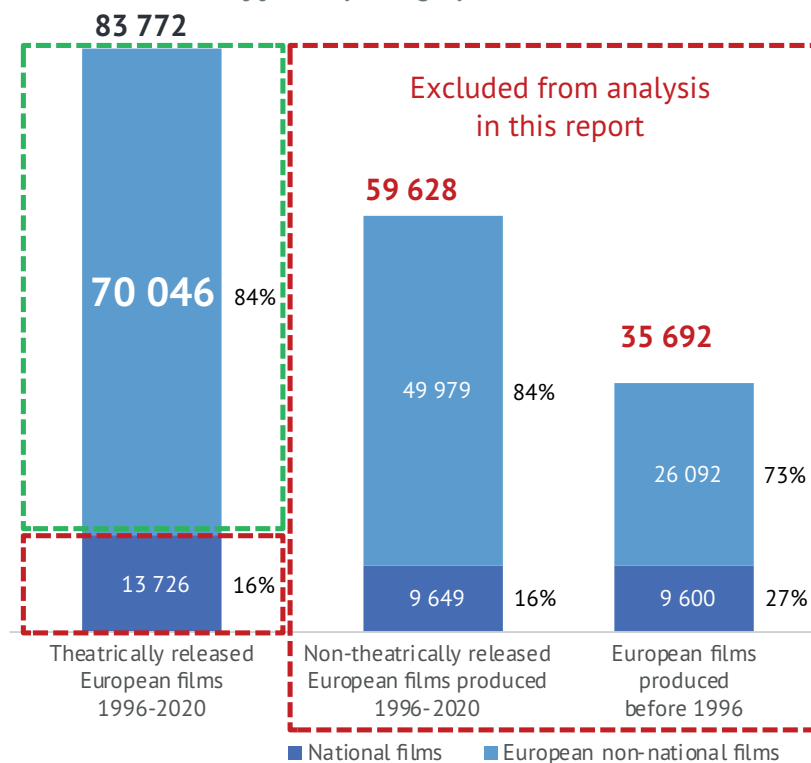
Exploitation of European films in VOD in EU20+1: A high share of non-national films among available European films on VOD

- ▶ As was the case for films released in cinemas, **European non-national films represent the lion's share of European films available on VOD** – 84% for theatrically released films and 84% and 73%, respectively, for European films available on VOD but not released in cinemas in the 25-year timeframe.
- ▶ The report's **focus is on the 70 046 theatrically released European non-national films available on VOD in May 2021** representing **16 515 theatrical European film titles**.
- ▶ A total of 13 726 national films released in cinemas from 1996-2020 and all other European films not released in cinemas in EUR20+1 from 1996-2020 **are excluded**.

Availability of European films on VOD in EUR20+1, May 2021
in number of film presences in countries



Availability of European films on VOD in EUR20+1, May 2021
in number of films by category



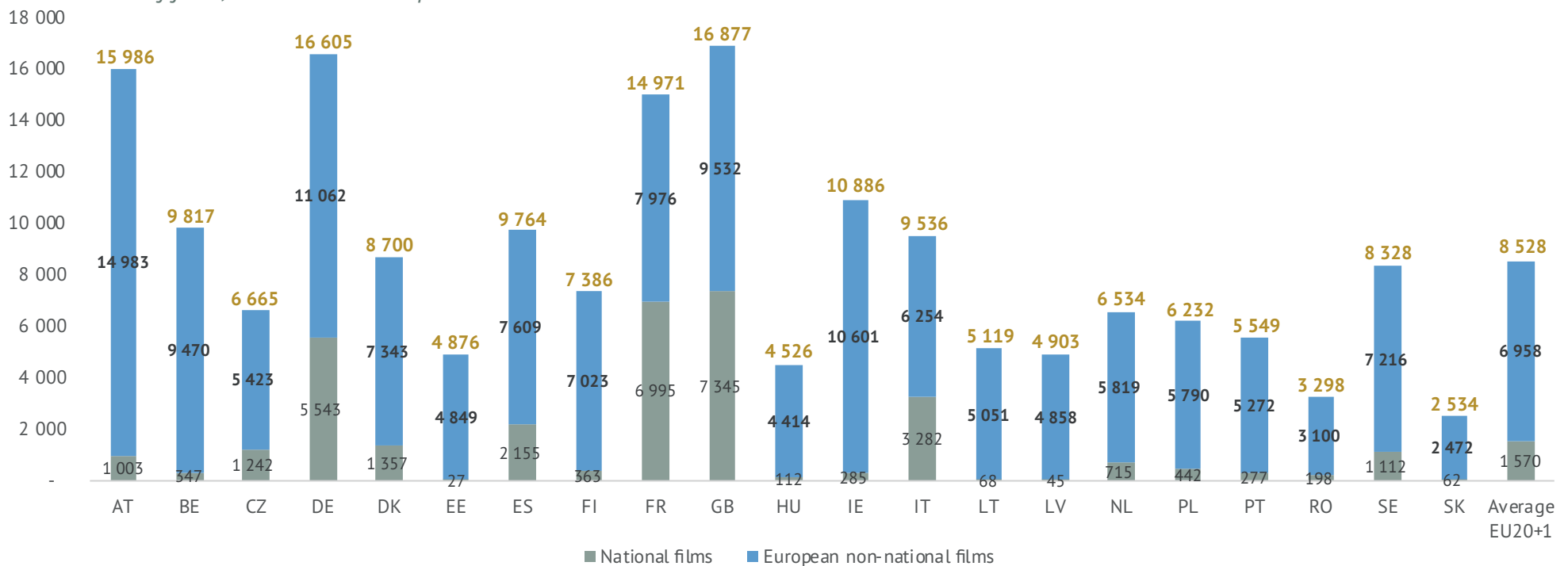
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

On average, on a country level, European non-national films represented more than 81% of all European films available on VOD in May 2021

- ▶ A rapid overview of the split of national and European non-national films available on VOD in EUR20+1 countries shows that for all countries **European non-national films represented the majority of European films available** and, for most countries except the high-volume film-producing countries FR, GB, DE and IT, more than 80% of all European films were of non-national origin.
- ▶ **The offering of European films on VOD is also disparate across the 21 countries** – from more than 14 000 different European films in AT, DE, FR and GB, to 8 000 -10 000 European films in BE, DK, ES, IE, IT (EUR20+1 average 8 528), to fewer than 5 000 European films in EE, HU, LV, RO and SK.
- ▶ These differences can be explained by the broader coverage in VOD services for some countries and the inclusion of niche and art-house VOD services, which are absent in the dataset for countries having a smaller number of European films available.

European films available on VOD, May 2021 – by country

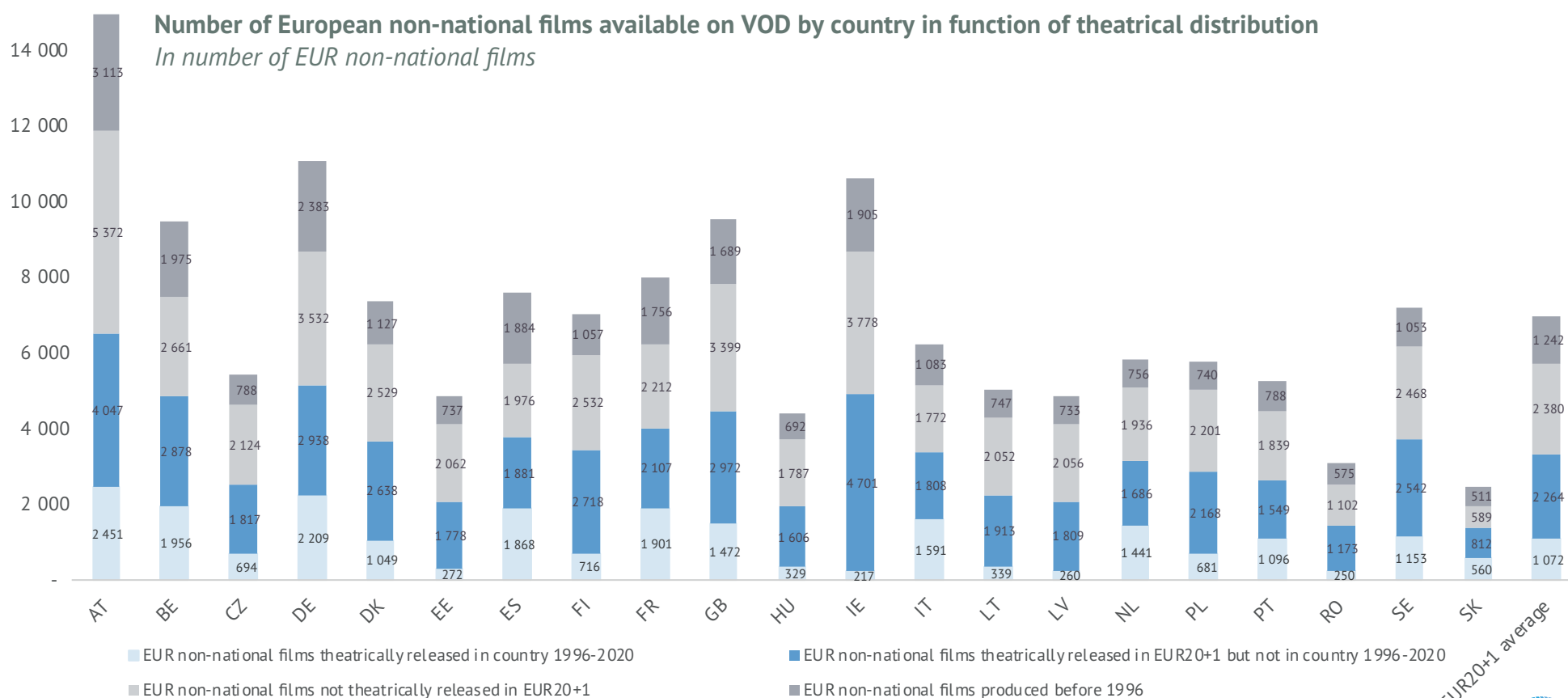
In number of films, national and European non-national



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Different types of European non-national films on VOD

- ▶ On average, out of all European non-national films available on VOD in EUR20+1 countries in May 2021:
 - ▶ 15% were theatrically released in the country of VOD availability 1996-2020
 - ▶ 33% were theatrically released in EUR20+1 but not in the country of VOD availability 1996-2020
 - ▶ 34% were not theatrically released in EUR20+1 with a production date 1996-2020 – excluded from analysis
 - ▶ 18% had a production year before 1996 (of which several had a theatrical release prior to 1996) – excluded from analysis



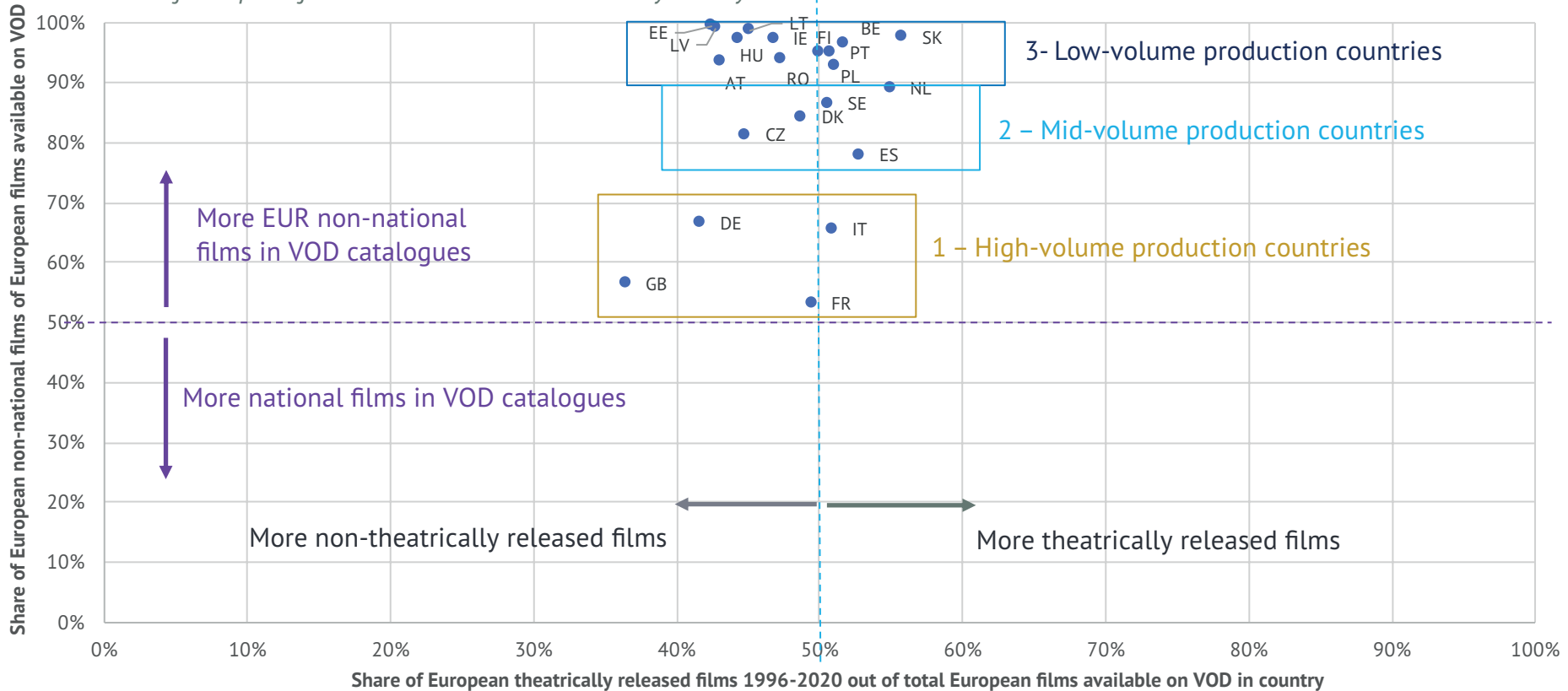
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Patterns in the offering of European films on VOD in EUR20+1?

- ▶ For all 3 groups (high-, medium- and low-volume production), **European non-national films accounted for the majority of European films available on VOD** – for high-volume production countries a lower share and for low-production countries a very high share.
- ▶ The share of European films with a theatrical release in EUR20+1 and those with no theatrical release shows that while some countries have a slim majority of theatrical European films available and others of non-theatrical European films, **overall theatrically released European films accounted for a share between 36% and 56% of all European films available on VOD in the 21 EUR20+1 countries.**

Share of theatrically released European films 1996-2020 and share of European non-national films by country

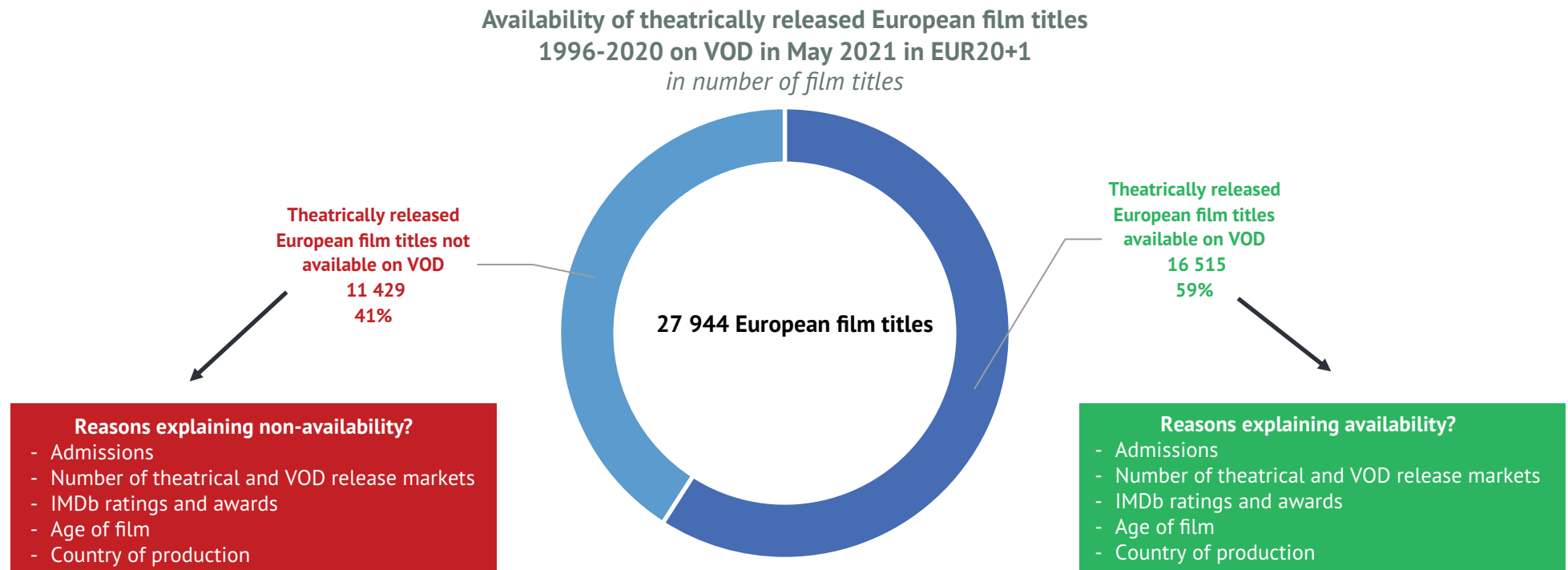
In % of European films available on VOD in country in May 2021



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Synthesis: What are the factors explaining the availability of European films on VOD after a theatrical release?

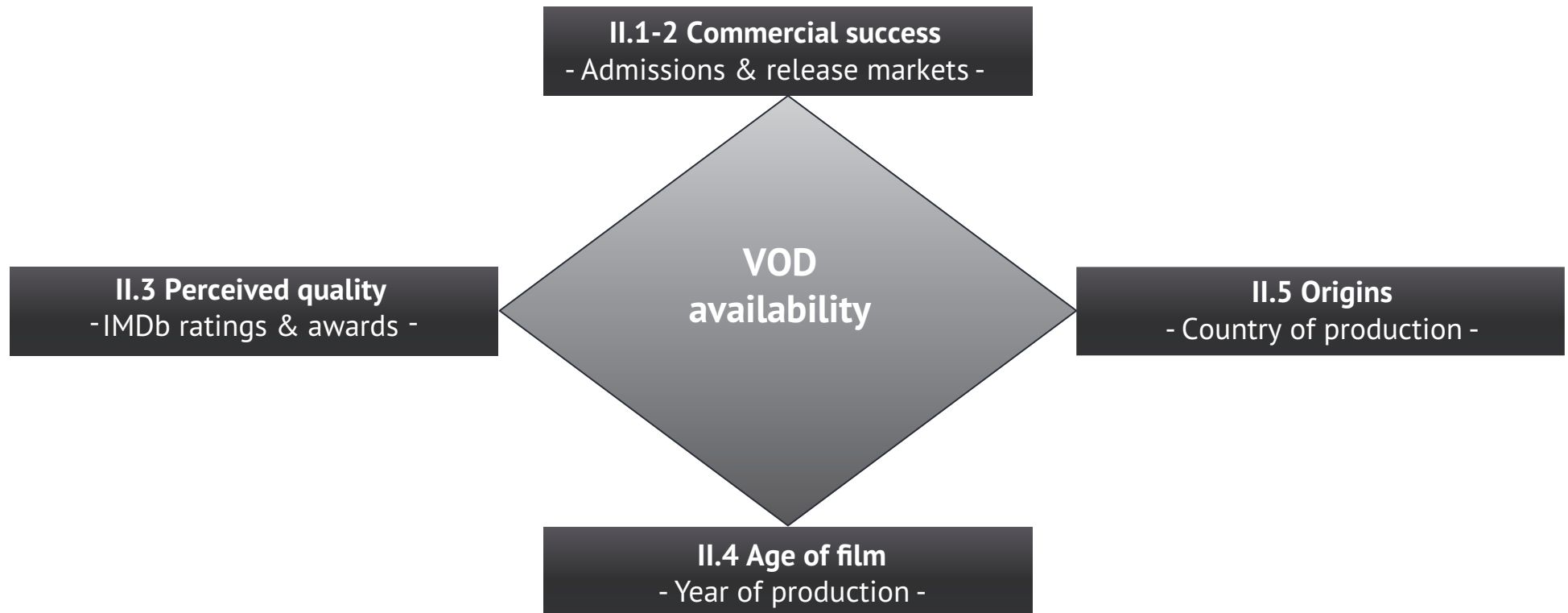
- ▶ A total of **59%** of European film titles released in cinemas in EUR20+1 in the 25-year period were **available on VOD** on 15 May 2021.
- ▶ **What explains the availability** of these 16 515 European titles on VOD? And the **absence** of the remaining 11 429 theatrically released European film titles?
- ▶ This report explores **5 metrics** that could explain, some to a higher extent than others, the ingredients needed for future VOD availability of European theatrical films: **commercial success** in their first release window measured by **theatrical admissions** (also an indirect and imperfect proxy for film budget) and **number of release markets (in theatres and on VOD)**, **perceived quality** measured by **IMDb ratings** and **awards**, **recentness** of the film measured by **year of production**, and **origin** of the film reflected by **country of production**.



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

II. THE DRIVERS OF VOD AVAILABILITY

II. THE DRIVERS OF VOD AVAILABILITY



II. – Observable indicators that could explain VOD availability of European non-national films

II.1 Admissions – Does commercial success during theatrical release impact the availability of European non-national films in the later VOD windows?

- ▶ What share of admissions to European non-national films released in a country is later found on VOD?
- ▶ Can higher admissions explain VOD availability? Do lower admissions explain absence on VOD services?

II.2 Number of theatrical release countries – Are more widely released theatrical films more available on VOD services?

- ▶ Does a theatrical release in a country ensure future VOD availability?
- ▶ Is there a pattern for European non-national films by number of VOD release markets?

II.3 IMDb ratings and awards – Does the perceived quality of films have an impact on future VOD availability?

- ▶ Are better-rated European non-national films more available?
- ▶ Do award-winning films circulate better than non-award-winning films?

II.4 Recentness of films – Does the age of a film have an impact on VOD availability?

- ▶ Is there a noticeable difference in the availability of European non-national films if production age is considered?

II.5 Origins of European non-national films – Does the country of production have an impact on VOD availability?

- ▶ Do some countries export more European films than others on VOD?

II.1 – The impact of admissions on future VOD availability

II.1 Commercial success - Admissions & release markets -

The level of admissions is one of the main explanations for VOD availability of European non-national films

- ▶ Commercial success during the theatrical release is related to VOD availability in a later window
- ▶ Admissions to films act also as an imperfect proxy for budget of films

Main findings:

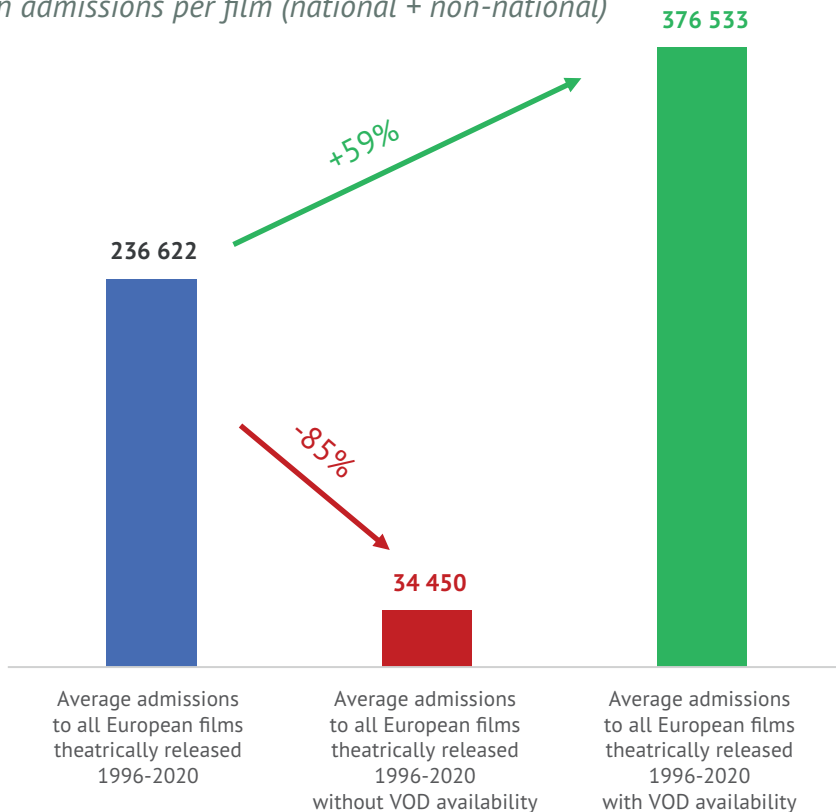
- ❖ **Future VOD availability is correlated to admissions during theatrical exploitation:** European non-national films available on VOD had above-average admissions to theatrically released European non-national films.
- ❖ **VOD country availability increases with admissions:** The higher the admissions of a European non-national film during its theatrical exploitation, the higher the number of countries in which the film will have a later VOD availability. The share of national admissions out of total admissions also influences future VOD availability – a film which generated more than 95% of its admissions on its national market will be available in fewer countries than a film which generated less than 80% of admissions on its national market.
- ❖ **The most successful European non-national films released in cinemas in a country will be available on VOD in the country:** on average, European non-national films available on VOD accounted for 83% of all admissions to European non-national films in the country while representing 48% of European non-national films released in cinemas in the country.
- ❖ **VOD increases by 71% the offering of theatrical European non-national films compared to theatrical exploitation:** in rendering available theatrical European non-national films NOT released in cinemas in a given country (but in other EUR20+1 countries), the offering of European non-national films is on average 71% higher on a day than the number of European non-national films released over 25 years in the country. On average, 3 336 theatrical European non-national films were available on VOD in a country compared to 1 949 European non-national films released in cinemas in the country.
- ❖ **The offering of European non-national films on VOD, based on the level of admissions, is, on average, homogenous across EUR20+1:** 14% of European blockbusters, 31% of mid-budget films and 47% of niche, art-house and films more relevant to a specific country/culture/language.

As admissions are the main explanation for later VOD availability, for all other metrics (cinema and VOD release markets, IMDb rating, awards, year of production and country of production), the underlying admissions are given to contextualize the findings.

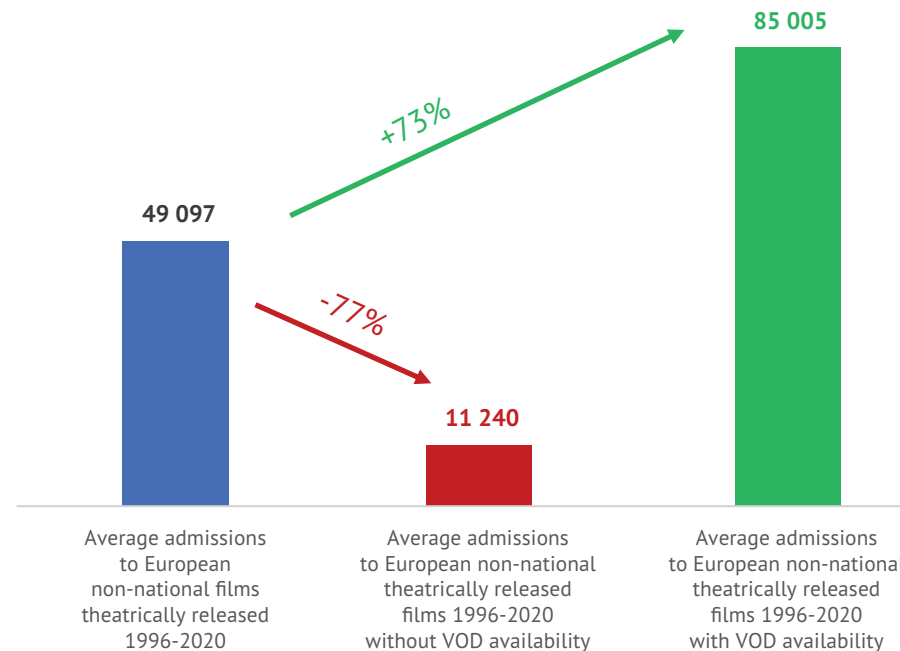
Higher average admissions for films available on VOD in EUR20+1

- ▶ Average admissions to European films in the 25-year period were at 236 622 per film; for films available on VOD in May 2021 a first clear difference can be seen: **European films available on VOD had higher-than-average admissions** at 376 533 (+59%) while for **films not available on VOD average admissions were well below average admissions** (-85% lower than average admissions to European films).
- ▶ This becomes even more visible if only European non-national films are considered: **non-national films available on VOD had on average 73% more admissions than average admissions to European non-national films in cinemas in EUR20+1.**
- ▶ Admissions during their theatrical release are a primary explanation for availability, or absence, on VOD for European films.

Average admissions of European films by VOD availability
in admissions per film (national + non-national)



Average non-national admissions of European non-national films by VOD availability
in admissions per non-national film

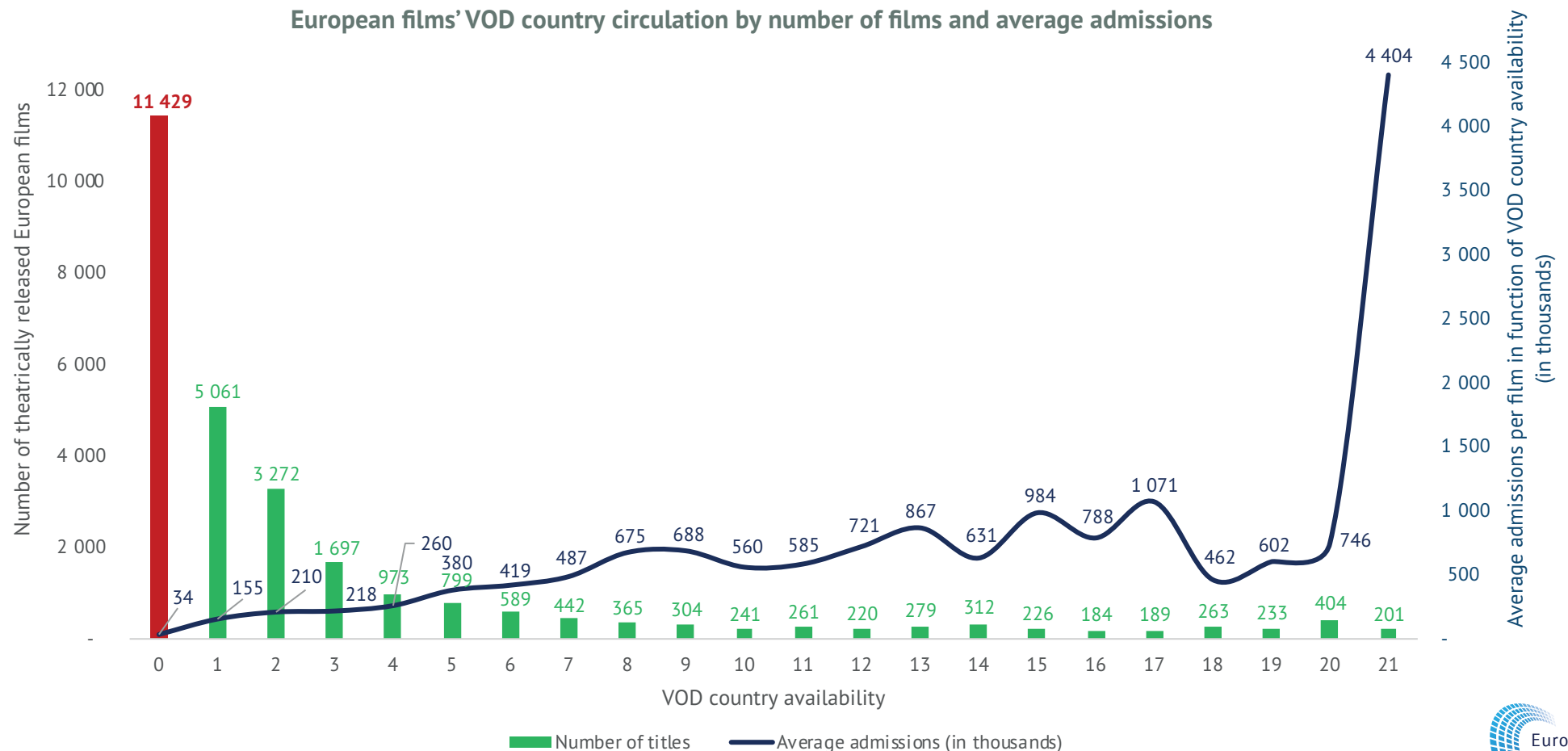


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

The number of countries of availability for a film is also correlated to admissions

- ▶ On average, the higher the admissions during the theatrical release, the greater the number of EUR20+1 countries in which a European film will be available on VOD.
- ▶ The correlation between admissions and VOD country availability is not perfect but higher admissions will increase, on average, the number of countries in which a European film will be available on VOD services.

European films' VOD country circulation by number of films and average admissions

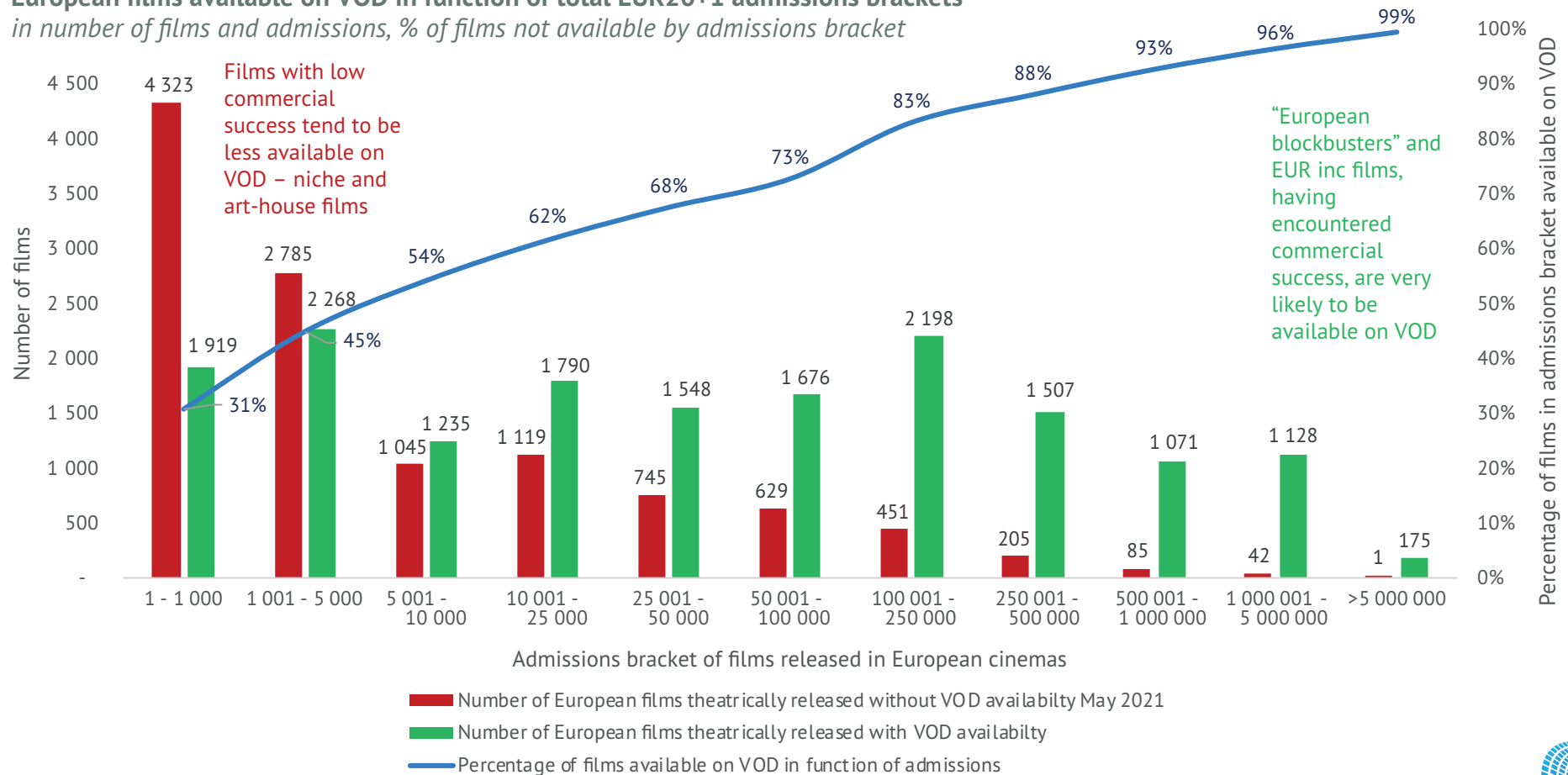


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Is VOD availability a function of admissions in theaters during theatrical release?

► **VOD availability increases with admissions:** While only 31% of theatrical films with fewer than 1 000 admissions were available on VOD, most of the films with more than 25 000 admissions were available on VOD and for films with more than 250 000 admissions, more than 88% were available. This increases to 96% for films with more than 1 000 000 admissions and 99% for films with more than 5 million.

Availability of European theatrical films on VOD in at least one country and share of European films available on VOD in function of total EUR20+1 admissions brackets
in number of films and admissions, % of films not available by admissions bracket



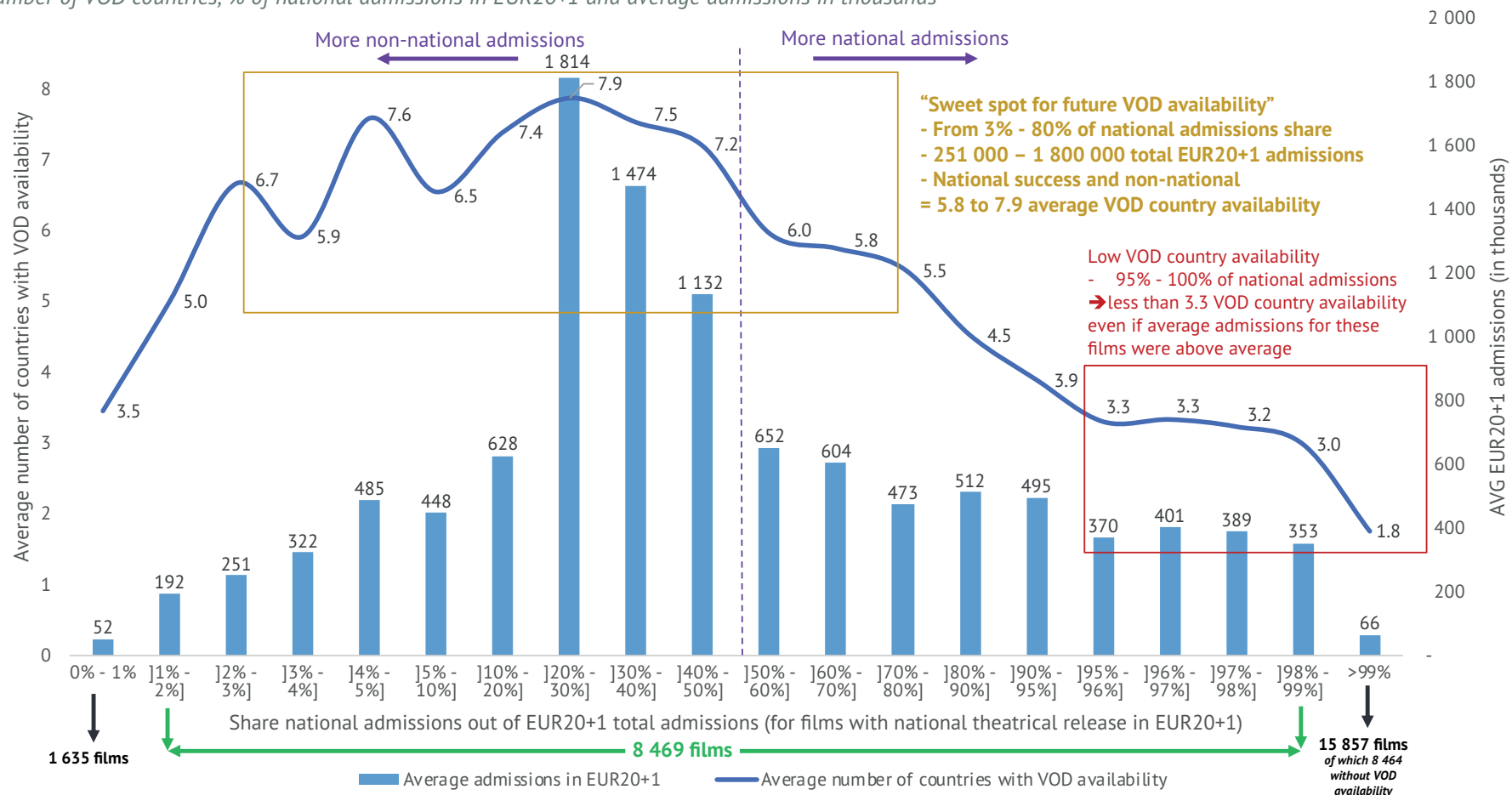
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Is the share of national admissions out of total admissions a good measurement of future VOD country availability?

▶ **The share of national admissions out of total admissions has an impact:** If the share of national admissions is above 95%, even for films with above-average admissions, VOD country availability is lower than average. This shows that national success alone does not guarantee future VOD availability, as certain genres (e.g. more culture-specific such as comedy) travel less well beyond borders.

Average VOD country availability in function of average share of national admissions out of total EUR20+1 and average EUR20+1 admissions

In number of VOD countries, % of national admissions in EUR20+1 and average admissions in thousands



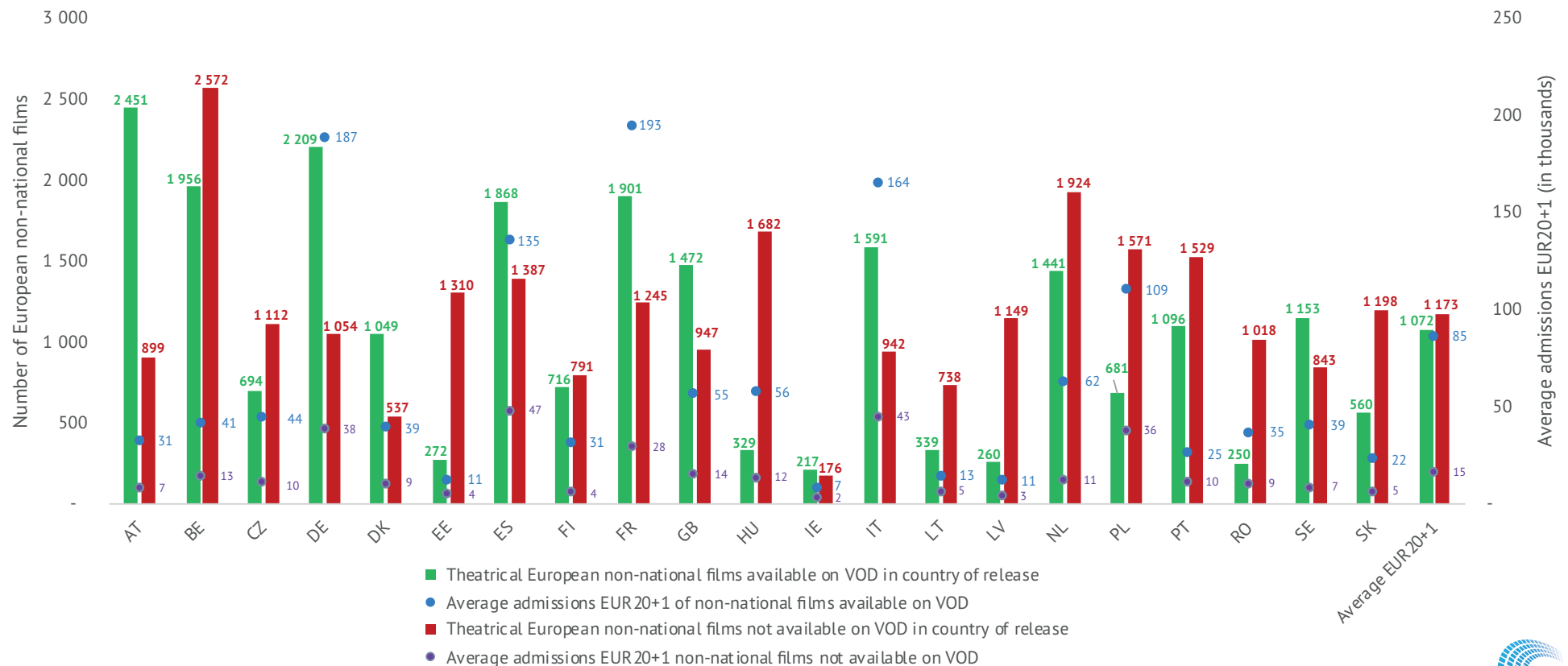
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

How many European non-national films were available or not in their country of theatrical release in May 2021?

Do admissions determine future VOD availability of European non-national films?

- ▶ 48% of all European non-national films released theatrically in a country were available on VOD in the same country in May 2021.
- ▶ As the graph shows, for European non-national films released in a country, those which were later available on VOD in the same country had on average total EUR20+1 admissions of 85 000 whereas those not available had average EUR20+1 admissions of 15 000.
- ▶ TVOD services could be reluctant to distribute films with low admissions in the country, while SVOD could be reluctant to licence films with low commercial success in the country.

Number of European non-national films released in theatres in country and their VOD availability in function of EUR20+1 admissions in May 2021
in number of EUR non-national films and average admissions in thousands



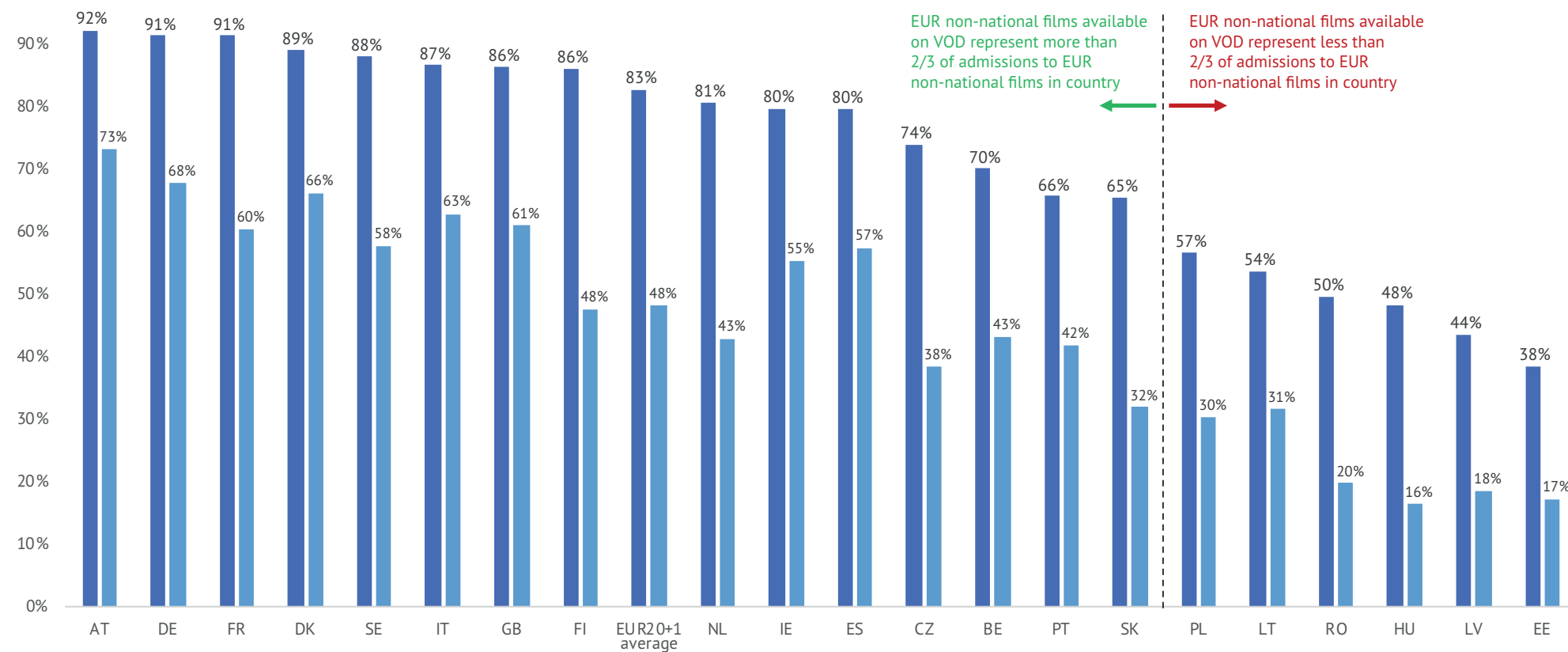
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

What share out of theatrically released EUR non-national films in each country are available on VOD? And what share of admissions to EUR non-national film in country theatres are represented on VOD in each country?

- ▶ On average in EUR20+1, EUR non-national films available on VOD in a given country represented **83% of admissions to EUR non-national films** in theatres in the country and **48% of non-national titles on release in the country**.
- ▶ This tends to demonstrate that in most countries, the **most successful non-national films during their theatrical release will also be available on VOD** later on.

Share of admissions and share of European non-national films theatrically released in country 1996-2020 and available on VOD in May 2021

In % of admissions to EUR non-national films in country and % of EUR non-national films released in country



■ Percentage of admissions to European non-national films available on VOD of theatrical admissions to European non-national films in country 1996-2020
 ■ Percentage of European non-national films theatrically released in VOD country 1996-2020 and available on VOD May 2021

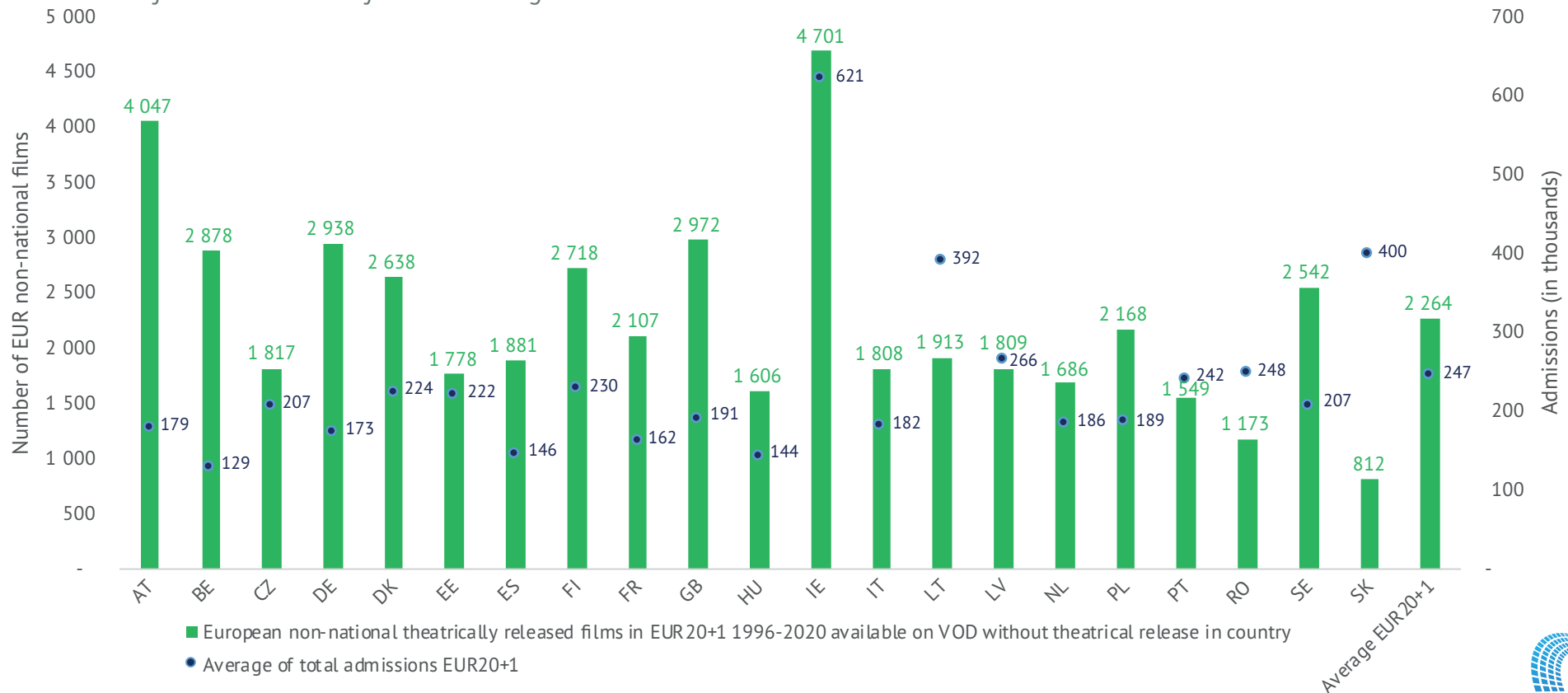
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

And what about films released in theaters in other EUR20+1 countries but not in VOD country?

- ▶ **VOD services significantly increased the number of European theatrical non-national films available in a country** by offering films not theatrically released in the country but released in theatres in other EUR20+1 countries from 1996 to 2020.
- ▶ On average, **2 264 European non-national theatrical films not released in theatres in the country were available on VOD.**
- ▶ VOD services thus **enlarge their offering of non-national films by carrying theatrical European films released in other EUR20+1 markets.**
- ▶ And **film distributors are able to release films on VOD even without a theatrical release** in a given country, either via a licensing deal with SVOD services or a distribution agreement with TVOD services.

European non-national theatrically released films in EUR20+1 available on VOD in country, without theatrical release in country

In number of EUR non-national films and average EUR20+1 admissions in thousands



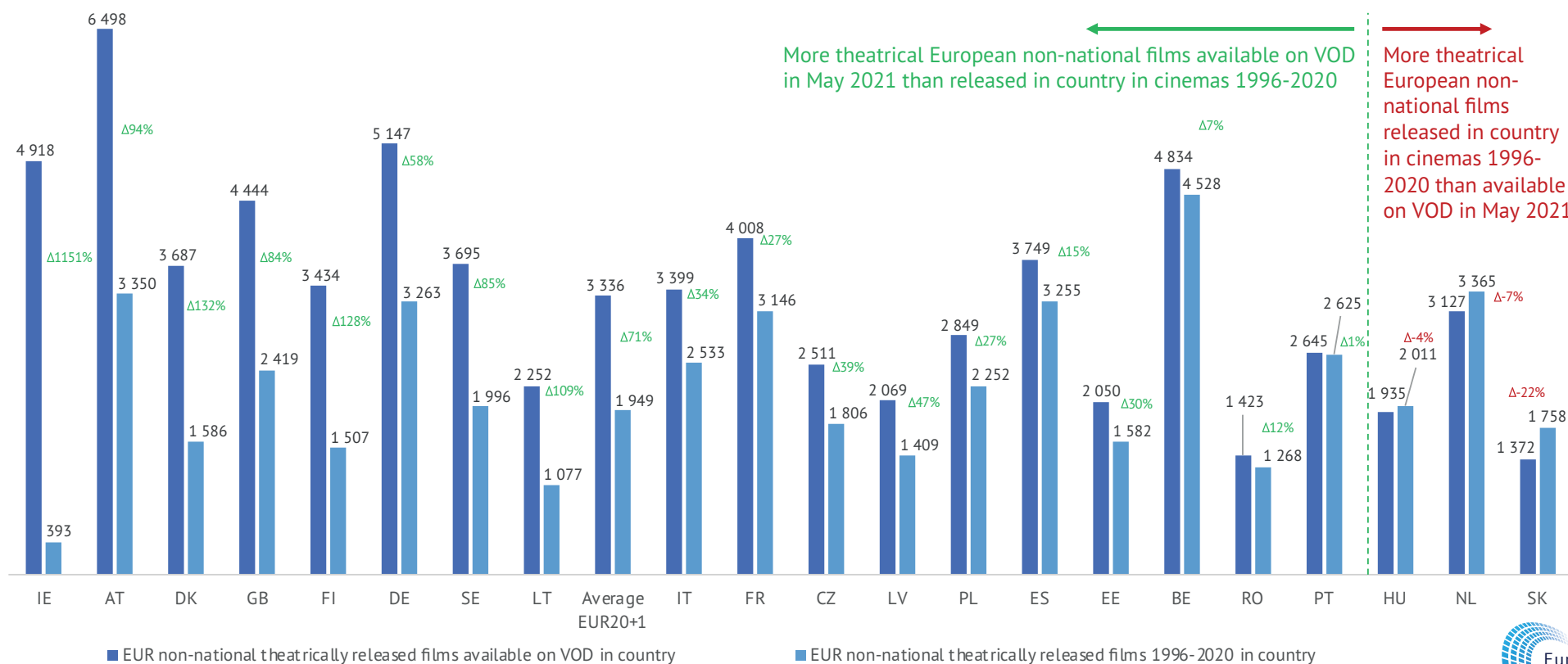
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

For most EUR20+1 countries (18 out of 21), more European non-national theatrical films available on VOD in May 2021 than released in cinemas 1996-2020 – on average, 71% more non-national films than films released in theatres in 25 years

- ▶ In May 2021, for 18 countries, the number of **theatrical European non-national films available on VOD was 71% higher than the number of European non-national films released in cinemas in the countries in 25 years**. For 3 countries, the offering of European non-national films was slightly less than the number of films released in cinemas in the period.
- ▶ On average, VOD allowed **an increase in access to European non-national films by 71%** (average number of EUR non-national films released in cinemas, 1 949, versus average number of EUR non-national films available on VOD, 3 336).
- ▶ The following country analysis is based on these total figures of European theatrical non-national films available on VOD by country.

Theatrical European non-national films available on VOD in May 2021 and released in theatres 1996-2020 in EUR20+1, by country

In number of films



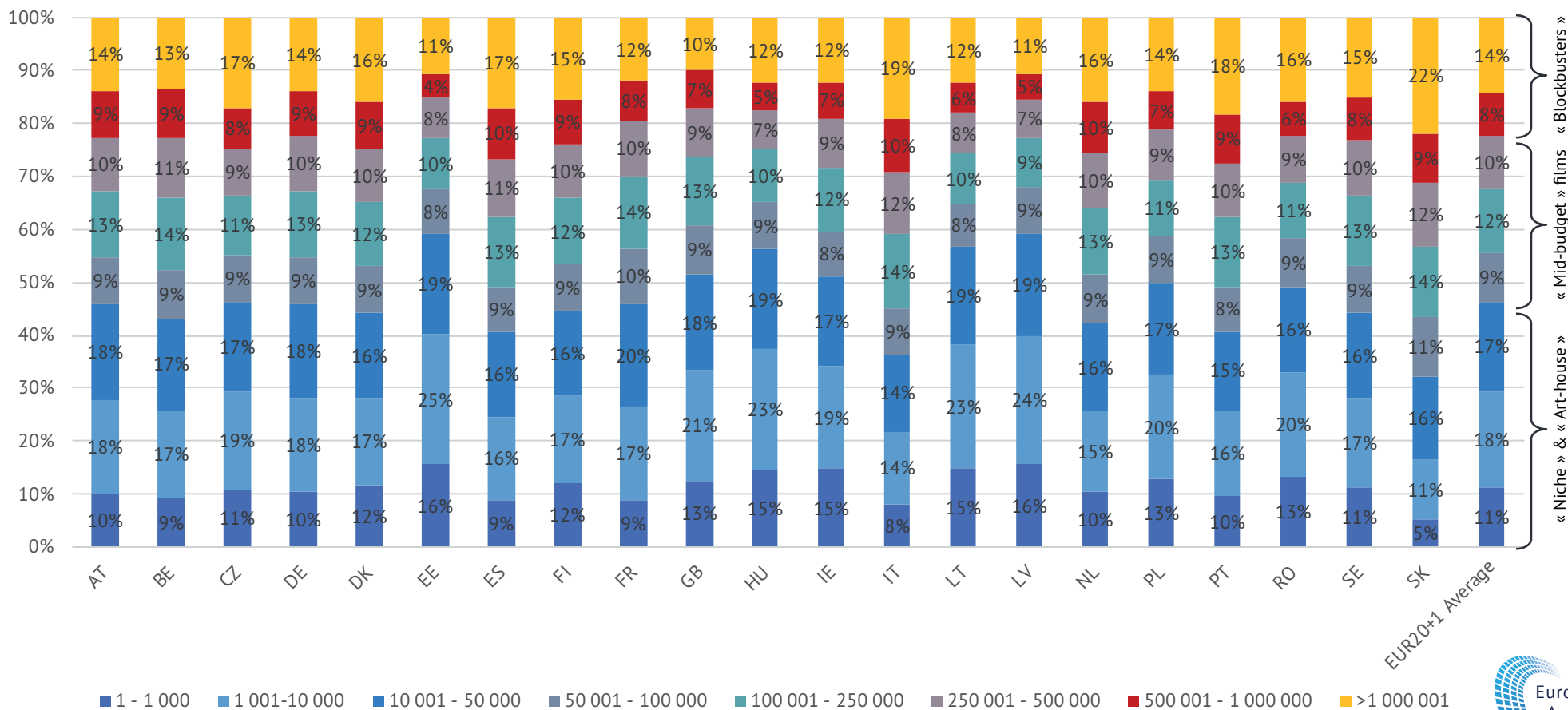
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

And a similar offering across EUR20+1 on VOD for European non-national films when admissions are considered

- ▶ On average, European consumers have access to a **variety of non-national European films**, evaluated by admissions.
- ▶ A total of **22%** of non-national films had above average EUR20+1 admissions of more than 500 000 and could be described as **European blockbusters**, **31%** of non-national films could be classified as **mid-budget films** and the remaining **47%** as **niche and art-house films** or films more relevant to a specific country/culture/language.

Share of theatrically released European non-national films available on VOD in EUR20+1 by admissions bracket by country, May 2021

In % of total non-national films available by country, average EUR20+1 admissions



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

II.2 – The impact of theatrical release countries on VOD availability

II.2 Commercial success - Admissions & release markets -

In addition to admissions, the number of theatrical release markets appears to also be one of the main explanations for future VOD availability of European films and commercial success, as distributors aim for bigger releases

- ▶ **Commercial success during the theatrical release is related to VOD availability in a later window, measured mainly by admissions but also number of theatrical release markets**

The number of VOD release markets is also an interesting variable to observe for an explanation on the circulation of theatrical European non-national films on VOD, as a pattern appears to exist.

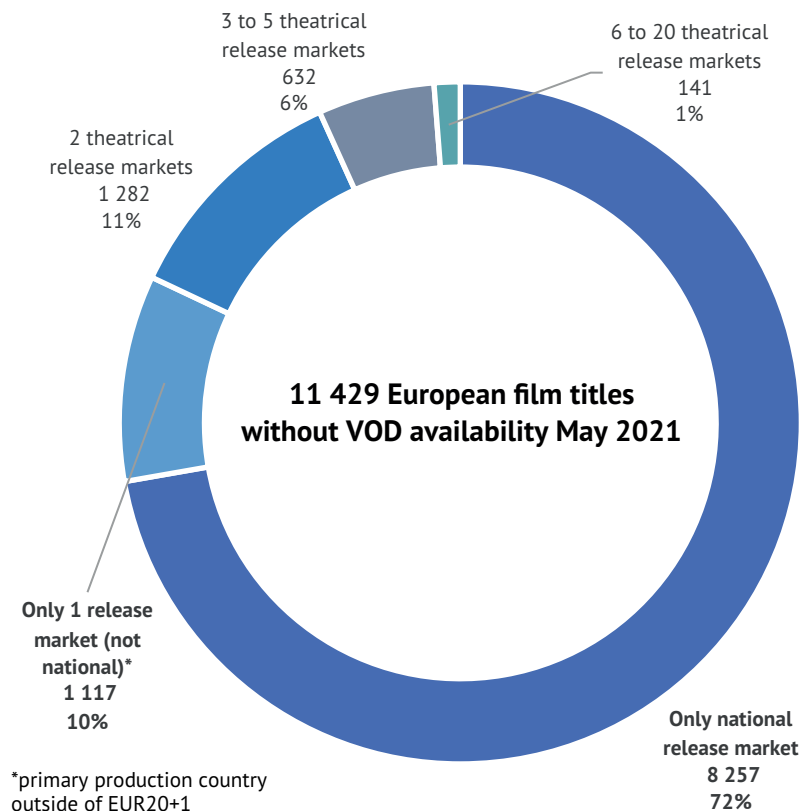
Main findings:

- ❖ **VOD country availability numbers and theatrical release markets are correlated:** The more theatrical release markets, the higher the VOD country availability number (in an almost linear function). VOD appears to also boost circulation for films with fewer than 6 theatrical release markets by making them available in slightly more countries.
- ❖ **For films without VOD availability, the number of theatrical release markets could explain this absence:** 82% of European films without a later VOD availability had only 1 release market (in 72% of the cases, their national one), 11% had 2 release markets and only 7% had more than 3 release markets.
- ❖ **The offering of European non-national films is homogenous on average across EUR20+1 when average theatrical release markets are considered:** 21% of films were released in 10 countries or more, 31% were released in 3 to 9 countries, and 48% were released in 1 or 2 countries.
- ❖ **The offering of European non-national films is homogenous, on average, across EUR20+1 when average VOD country availability is considered:** 63% of films were available in more than 10 countries on VOD, 31% in 3 to 9 countries, and 6% were available in 1 or 2 countries. The fact that 94% of all films available on VOD were available in 3 countries or more could point to the fact that once a film makes it to VOD, it is distributed widely across EUR20+1.

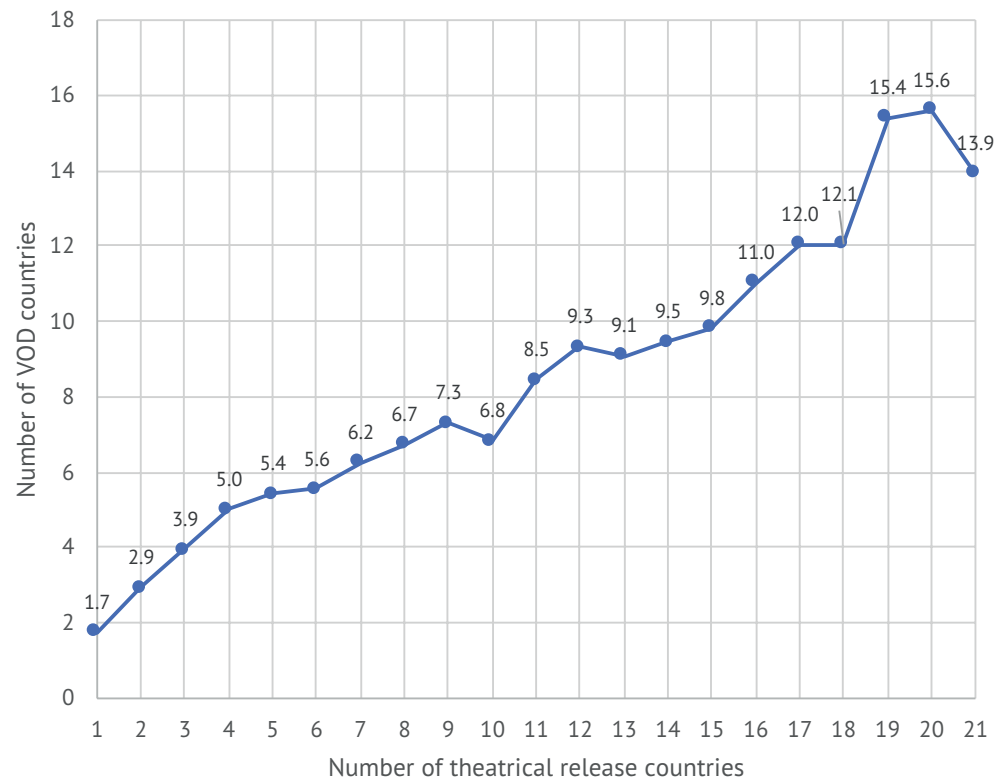
An existing relationship between number of theatrical and future VOD release markets?

- ▶ Out of the 11 429 European films **without later VOD availability, 82% had only one theatrical release market** (and for 8 257 titles, this was their national market). Only 7% of films without later VOD availability had more than 3 theatrical release markets during their first exploitation window. This demonstrates that **theatrical distribution impacts VOD availability**.
- ▶ VOD market availability appears to be linked to theatrical market release: **the more theatrical markets, the more VOD markets**.

Number of films without VOD availability in May 2021 in function of theatrical release markets 1996-2020
In number of theatrical release markets in EUR20+1



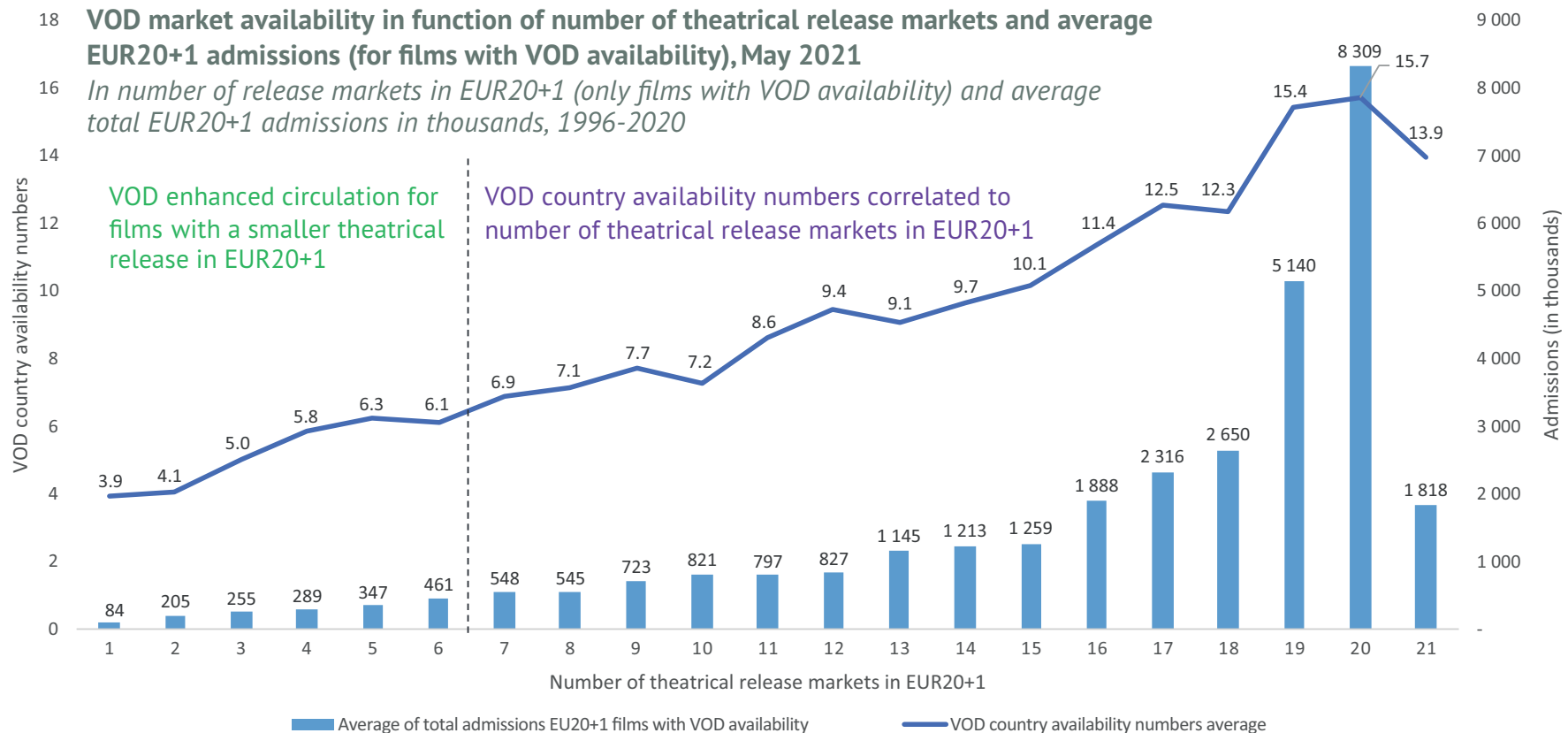
Average VOD market availability, in function of number of theatrical release markets, for all theatrical European films 1996-2020
In number of release markets in EUR20+1



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

The more theatrical release markets, the higher the VOD country availability numbers

- ▶ For European films available on VOD **with fewer than 7 theatrical release markets, VOD actually boosted distribution** by making these films available in more EUR20+1 countries than during their theatrical release.
- ▶ For European films available on VOD with more than 7 theatrical release markets, the **number of VOD availability countries appears to be correlated to the number of theatrical release markets and average admissions**: the higher the number of release markets and admissions, the higher the number of countries in which films were available on VOD.
- ▶ Film distributors have relationships with theatrical exhibitors and VOD service operators in a given country to allow the presence of a European film after theatrical exploitation on VOD.



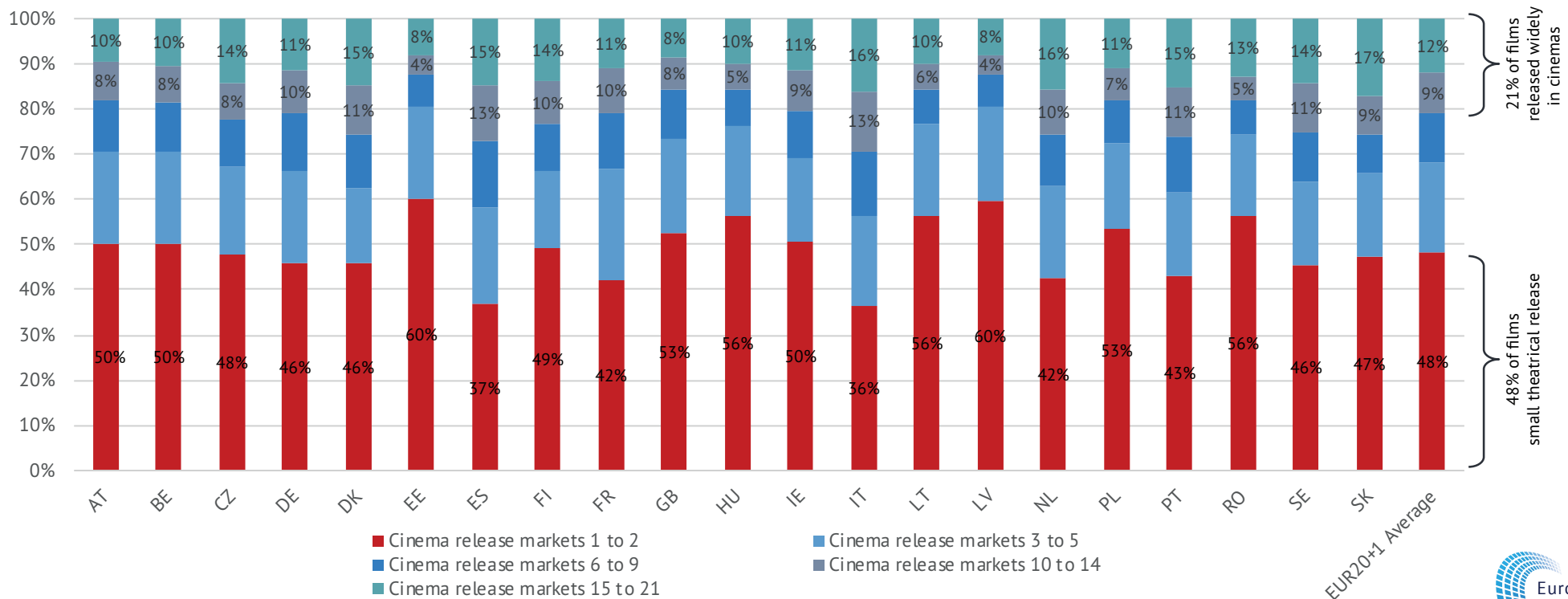
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

As was the case for admissions, the offering of non-national films on VOD is similar across EUR20+1 when the number of theatrical release markets is considered

- ▶ **A total of 48% of theatrical European non-national films available on VOD had 2 or fewer theatrical release markets:** these non-national films are in most cases films of neighbouring countries which share a common language or a close cultural proximity (AT/DE, FR/BE, SE/DK, GB/IE, CZ/SK...). This share is very close to the 47% share of niche, art-house and culture-specific films when non-national films are observed by admissions.
- ▶ **In total, 21% had 10 or more theatrical release markets,** very close to the 22% share of European blockbusters found in the offering by admissions of non-national films, while the remaining 31% of films had between 3 and 9 theatrical release markets, the mid-budget films.

Share of European theatrically released non-national films available on VOD in EUR20+1 by average number of cinema release markets, May 2021

In % of total non-national films available by country, average number of theatrical release markets in EUR20+1



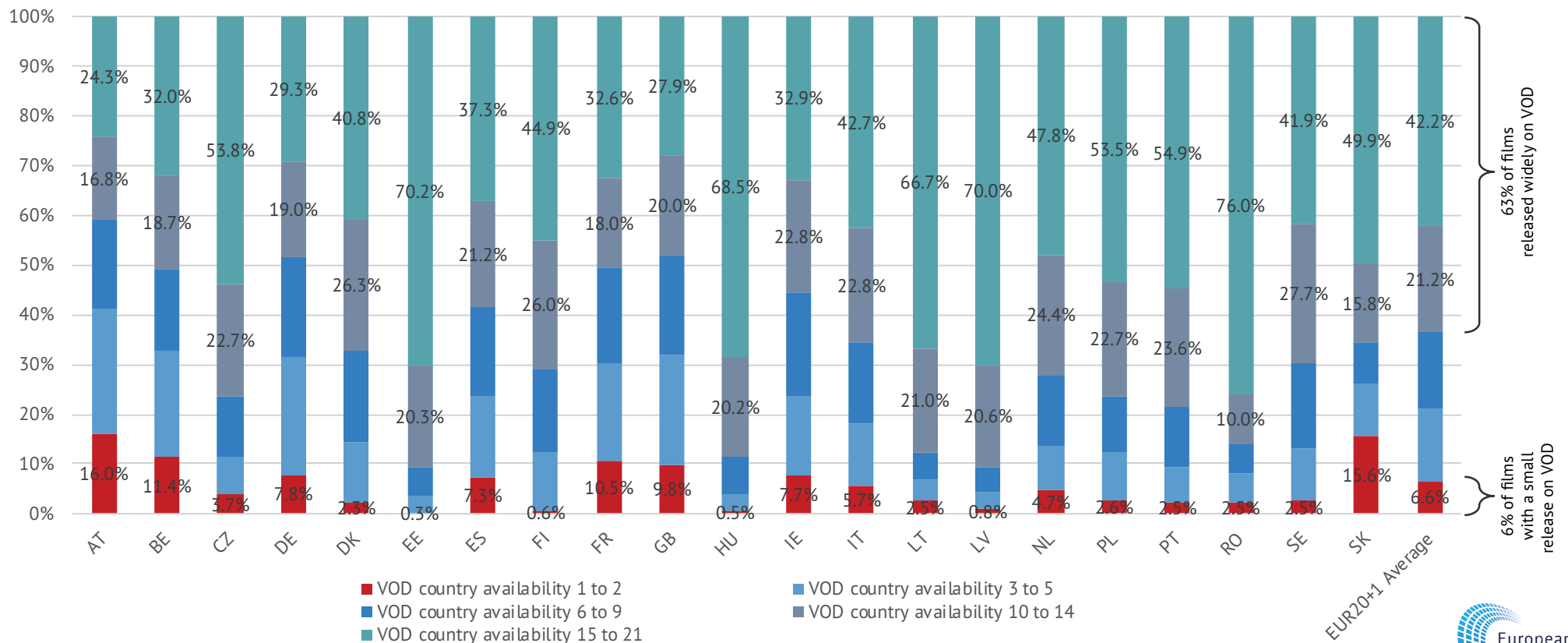
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

And a similar offering of non-national films when VOD country availability numbers are taken into account

- ▶ The fact that 63% of non-national films are available in 10 or more countries on VOD in EUR20+1 shows that once a distribution agreement is secured (on SVOD licensing), these films tend to be distributed throughout a large number of countries, be they blockbusters or niche films.
- ▶ The low share of non-national films only available in 1 or 2 countries on VOD tends to demonstrate that film distributors negotiate for several VOD release markets when securing distribution agreements with VOD service operators, on a multi-country or pan-European level.

Share of European theatrically released non-national films available on VOD in EUR20+1 by average VOD release markets, May 2021

In % of total non-national films available by country, average number of VOD release markets in EUR20+1 in May 2021



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

II.3 – The impact of ratings and awards – a proxy for perceived quality

II.3 Perceived quality - IMDb ratings & awards -

Perceived quality as measured by IMDb ratings of European films

- ▶ Average IMDb rating for **European films released in EUR20+1 cinemas 1996-2020 is 6.16** (ratings available for 84.4% of European films (23 606 films out of the 27 944 films released in time period))
- ▶ Average IMDb rating for **European theatrical films 1996-2020 available on VOD** in May 2021 **is 6.16**
- ▶ Average IMDb rating for all films stands at around 6.2

Awards as a circulation booster: Award-winning European non-national films were on average available in 3.5 more countries on VOD than non-award-winning European non-national films

Main findings:

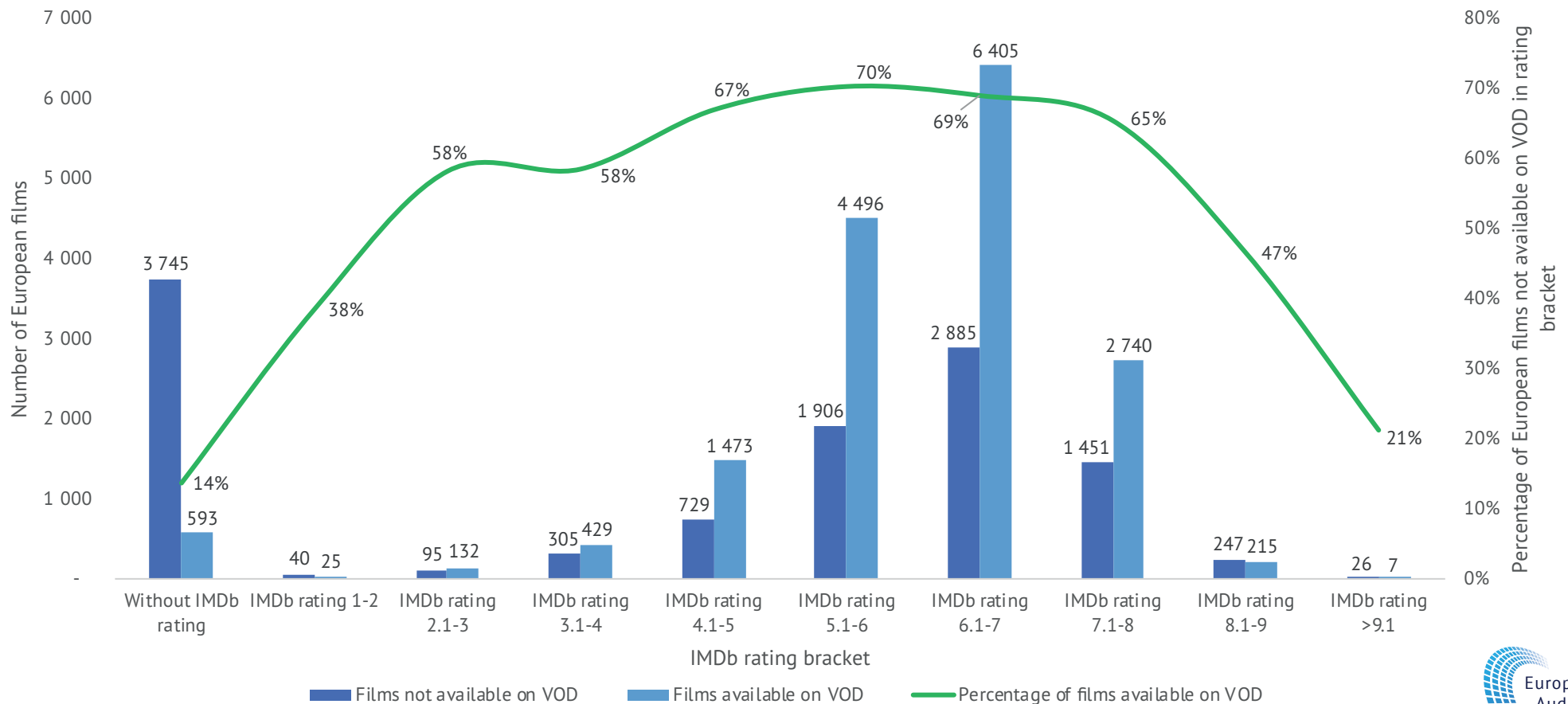
- ❖ **IMDb ratings appear not to influence the future VOD availability of European non-national films:** No relationship was found between the IMDb rating of a film and its future VOD availability, as IMDb film ratings follow a normal distribution, and this was also the case for theatrical European non-national films, available on VOD or not.
- ❖ **But IMDb ratings impact future VOD country availability numbers:** Once a film has made it to VOD distribution, the higher the rating, the higher the number of countries in which the film will be available on VOD.
- ❖ **2/3 of all European non-national films available on VOD in each EUR20+1 country have a rating above 6.1** – the average rating of theatrical European films released in EUR20+1 in cinemas during 1996 -2020.
- ❖ **Awards boost circulation:** Award-winning films were available on average in 3.5 more countries on VOD than non-award-winning films and released in 7.4 more countries in cinemas than non-award-winning films.
- ❖ **Awards ensure future VOD availability:** 84% of all award-winning films in the period (231 out of 275) were available on VOD (but a difference between awards exists regarding future VOD availability).
- ❖ **VOD country availability numbers for award-winning films are a function of admissions:** while awards appear to ensure future VOD availability for most European films, VOD availability numbers for award-winning films are closely linked to their level of admissions: films with higher admissions are available in more countries on VOD.
- ❖ **Most European non-national award-winning films available on VOD were films winning major international film festival awards** (Cannes, Oscar for foreign films, Venice) and **national awards of high-volume production countries** (GB, FR, ES, IT, DE), representing 69% of all award winning European non-national films available on VOD.

IMDb ratings: Link with VOD availability inconclusive

- ▶ IMDb ratings follow a normal distribution (Gaussian distribution), with an average rating of 6.2.
- ▶ Ratings for European films are no exception to a normal distribution, and this is reflected also in the availability of films on VOD – while the share of films available increases with the IMDb rating, it falls beyond a rating of 7.1, as fewer films are rated that high.

VOD availability in function of average IMDb rating brackets, number of films available or not, and percentage of films available on VOD in rating bracket, May 2021

In number of films, % of total admissions in rating bracket available on VOD, average IMDb rating 1-10



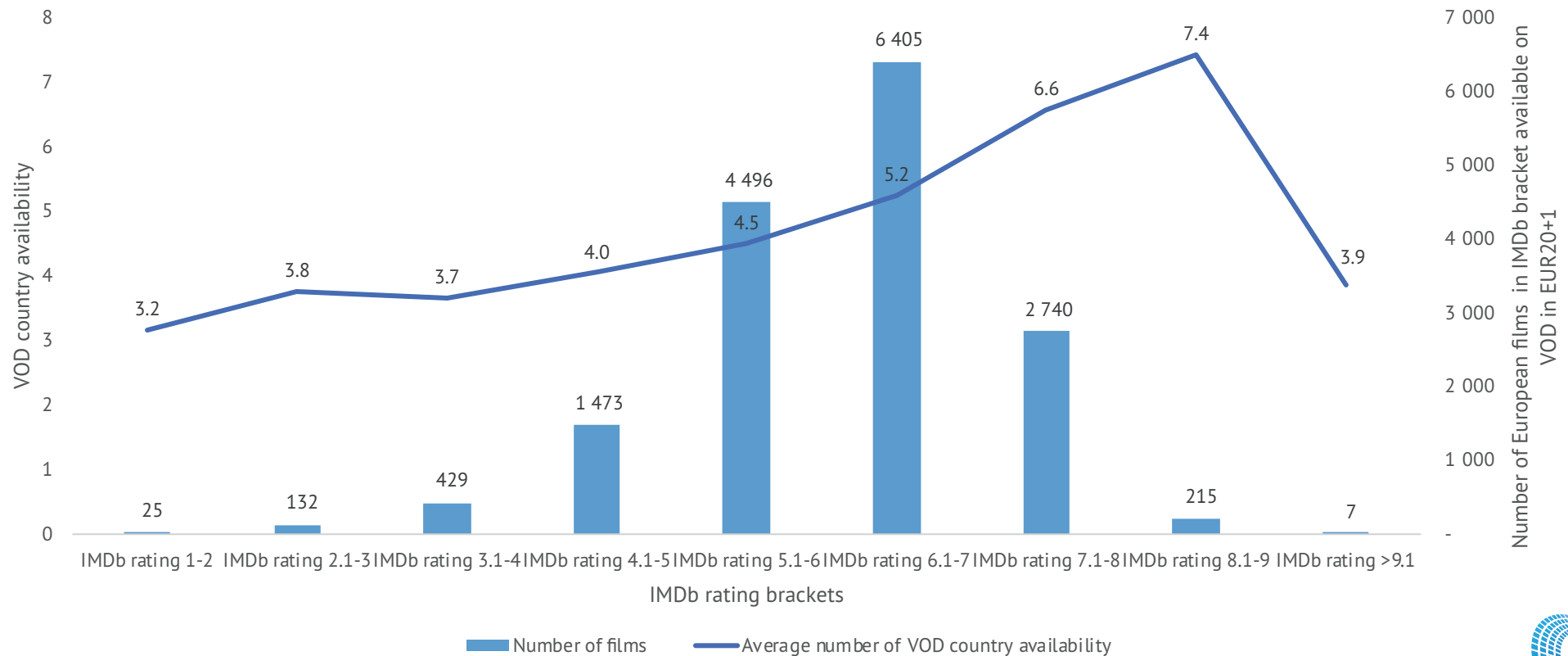
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

But IMDb ratings could explain the number of countries in which a film is made available on VOD

- ▶ IMDb ratings have a relationship with the number of countries in which a film will be available on VOD – the higher the average rating, the higher the average number of VOD countries: from 3.2 countries for films with an IMDb rating of 1-2 to 7.4 countries for films with an IMDb rating between 8.1 and 9.
- ▶ Perceived quality of a film is therefore a contributing factor in the circulation of European films, in addition to admissions.

VOD country availability in function of IMDb ratings bracket – only films with IMDb rating and VOD availability

In number of films, IMDb rating (1-10) and average VOD country availability numbers

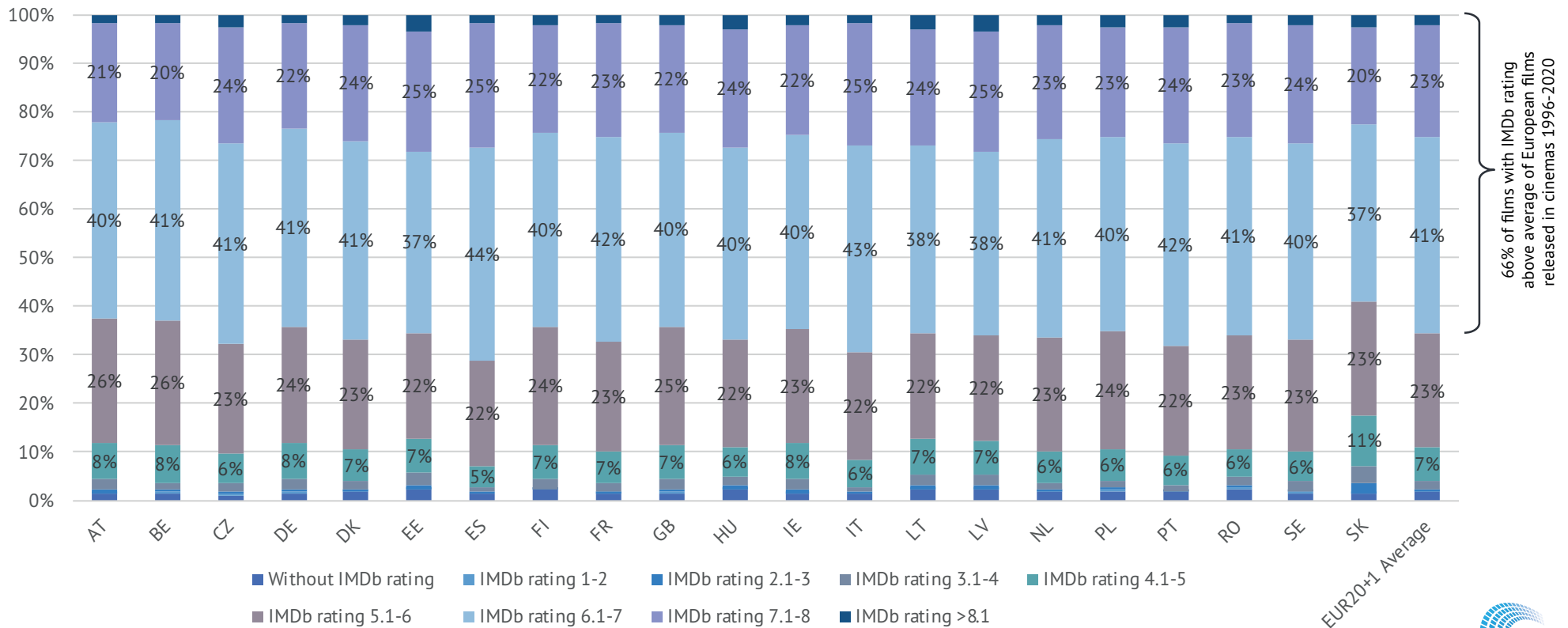


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

And at a country level, European non-national films available on VOD are in most cases higher-rated than an average European film on release in theatres

- ▶ 2/3 of European non-national films available on VOD in EUR20+1 have an IMDb rating of 6.1 or above.
- ▶ Here again, the offering of European non-national films appears quite similar across EUR20+1 countries, echoing the findings when admissions and theatrical/VOD release markets are observed.
- ▶ VOD services try to offer non-national films rated above-average to their national audiences.

Number of European theatrically released non-national films available on VOD in EUR20+1 by country of production, May 2021
In % of total non-national films

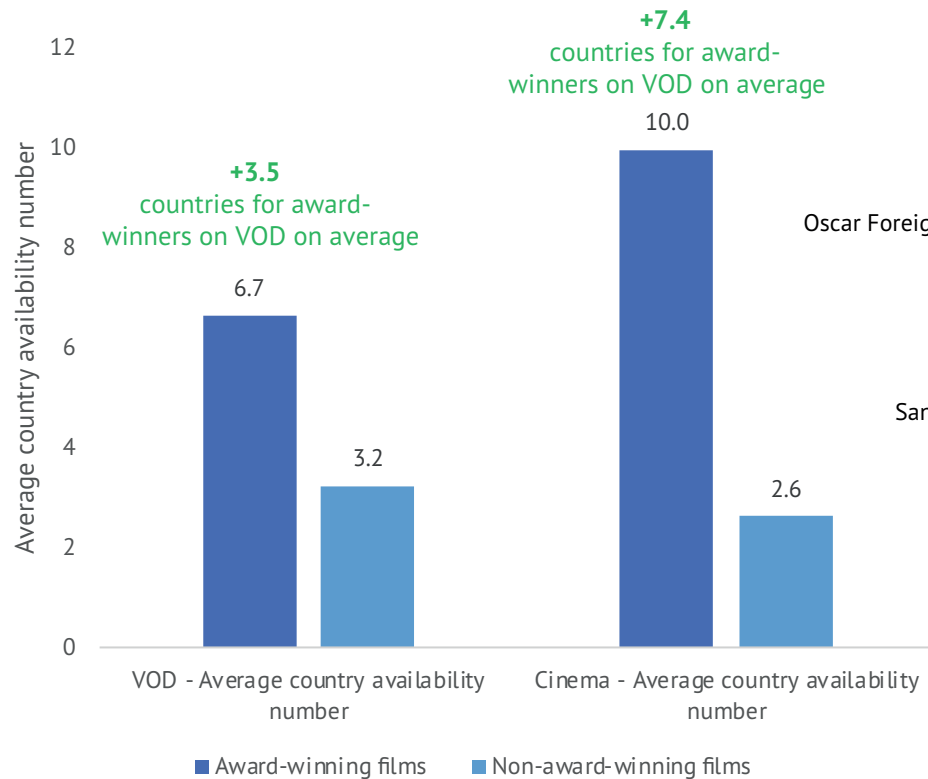


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

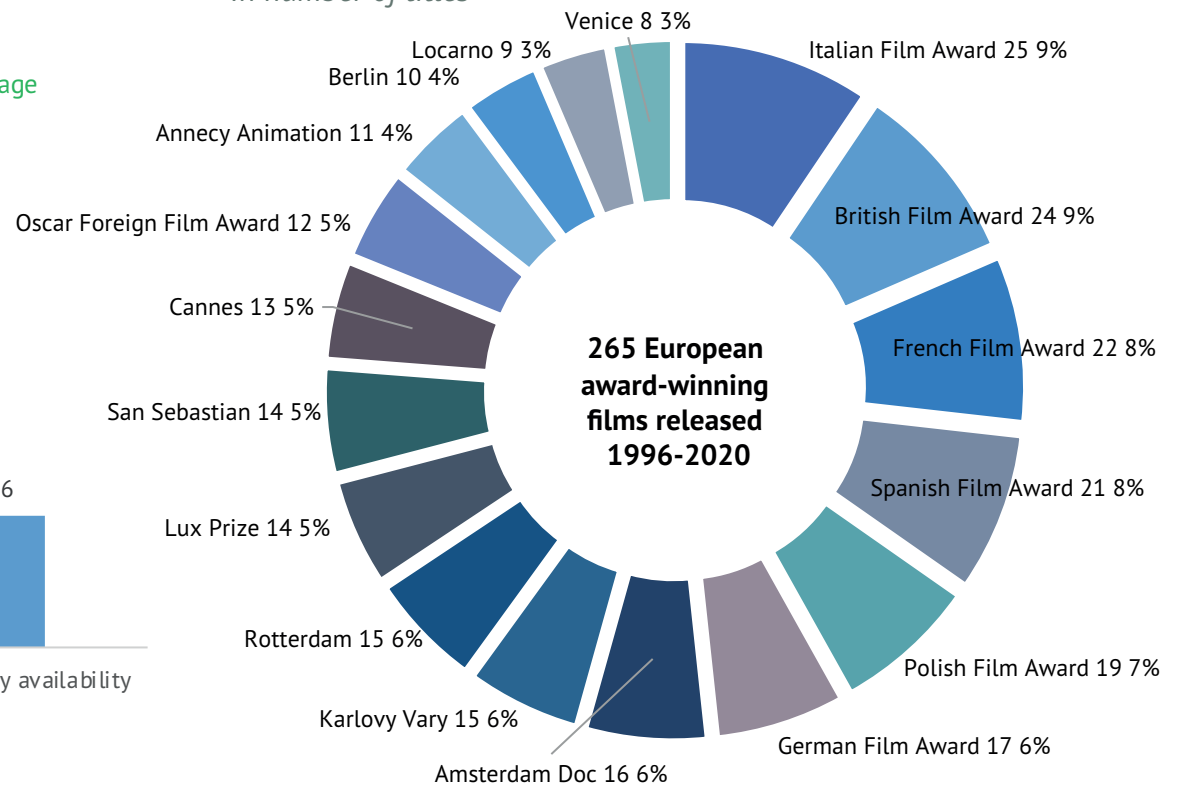
Awards: A positive impact on theatrical and VOD distribution

- ▶ At a first glance, awards improved theatrical and VOD distribution for films.
- ▶ A total of 265 awards were won by European films released in cinemas from 1996 to 2020 on which data were available.
- ▶ National film awards from high-volume production countries were associated with the largest share of films, with international-award-winning films just behind.

Average country availability number, VOD and cinema films
In number of country availability, VOD May 2021, cinema 1996-2020



Number of award-winning European films by awards, released 1996-2020 in EUR20+1
*In number of titles**



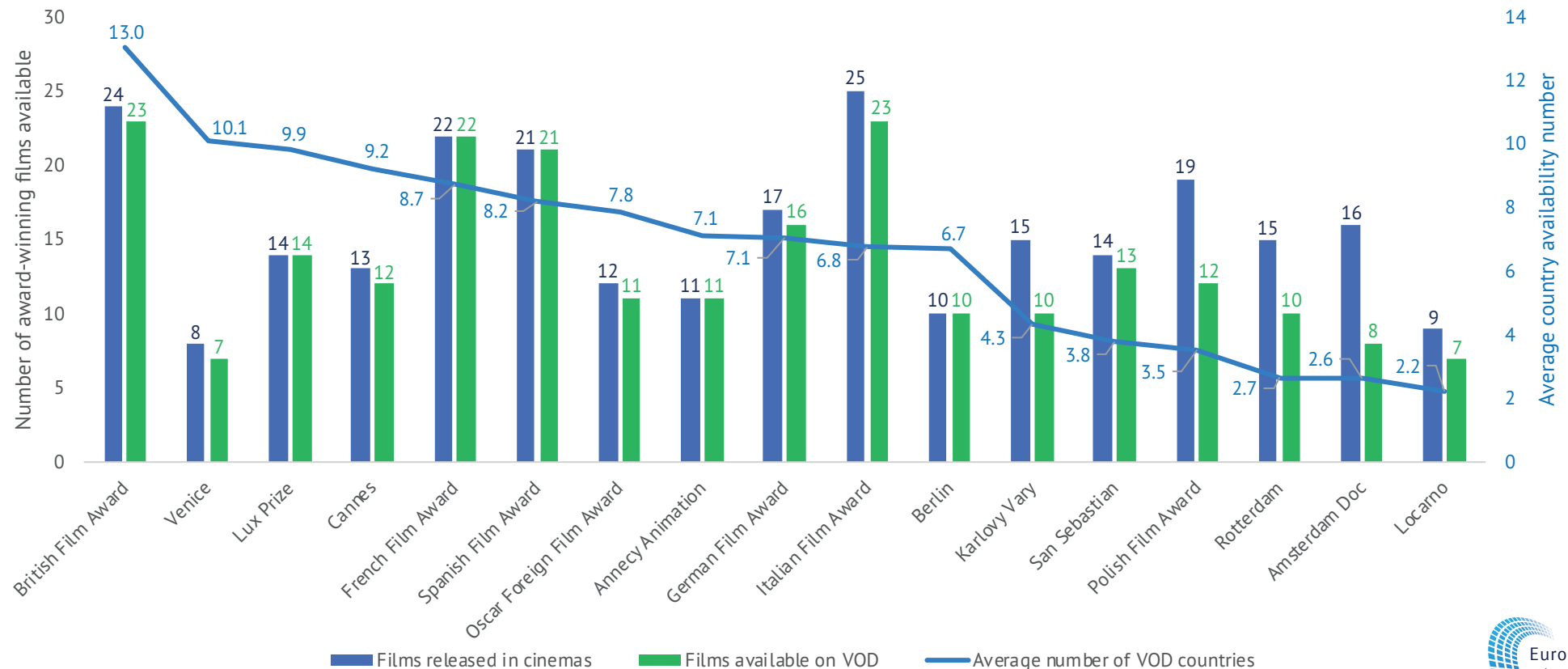
* A title may have won several awards

Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Circulation of award-winning films depends on award

- ▶ **A total of 84% of all award winning titles** released in cinema (275 titles) **were available on VOD** in a least one country (231 titles).
- ▶ While winners of the Amsterdam Doc or the Polish Film Award were less available on VOD in May 2021, winners of international film awards and high-production countries tended to be made available on VOD.
- ▶ **Not all awards are equal when it comes to VOD availability:** winners of the BFA, Venice, the Lux Prize or Cannes enjoyed a much higher VOD circulation than winners of Rotterdam, Amsterdam or Locarno.

Number of European award-winning titles released in cinema 1996-2020 and available on VOD May 2021, and average VOD release markets
In number of film titles and average VOD release markets by award



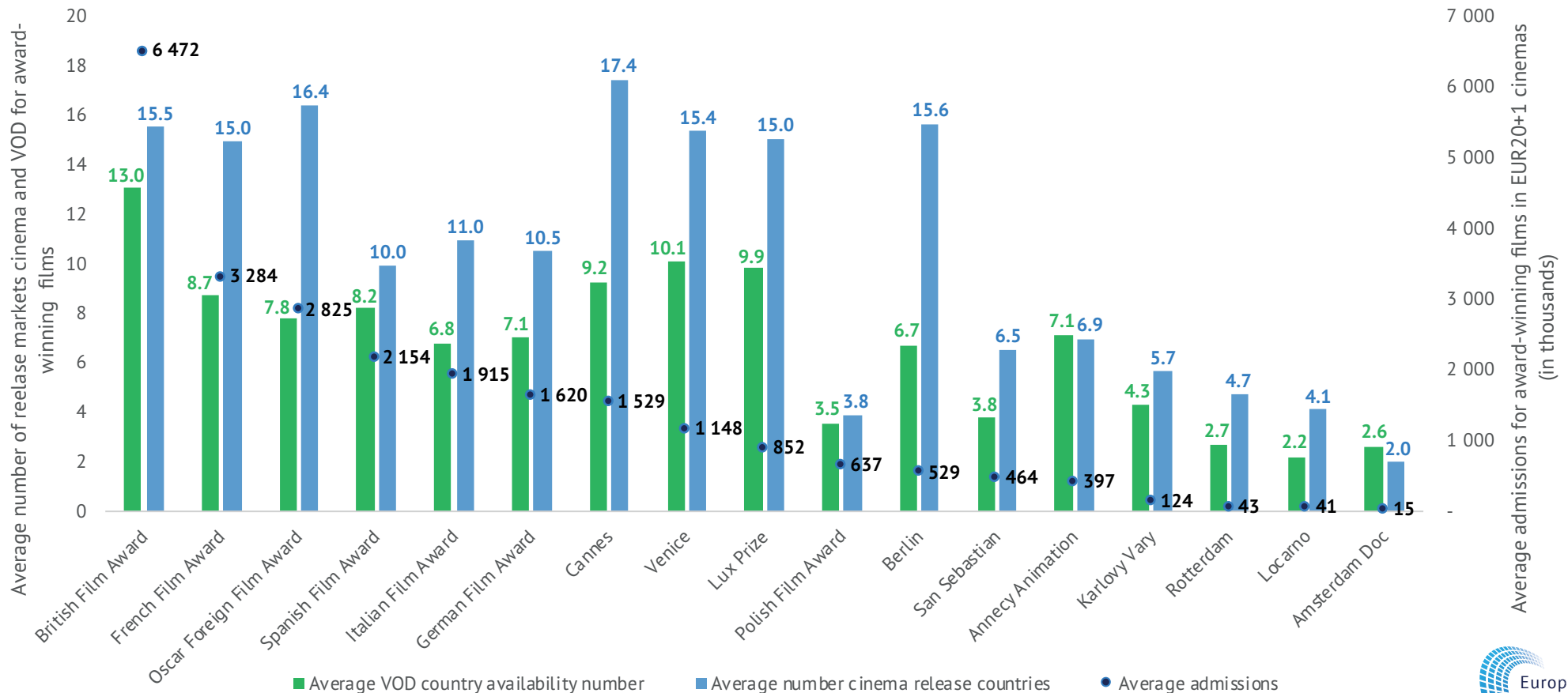
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Awards a major boost for theatrical exploitation and VOD availability when average EUR20+1 admissions are considered

- ▶ While there is no clear link between awards and theatrical exploitation, VOD availability seems to be closely linked to average admissions and theatrical release markets for award-winning titles: the higher the number of theatrical markets and admissions, the higher the number of VOD release markets.
- ▶ Only winning titles of Annecy and Amsterdam increased their average country distribution on VOD over cinemas by a small margin.

Average release markets of award-winners on VOD and in cinemas, and average admissions in EUR20+1

In number of release markets and admissions in thousands

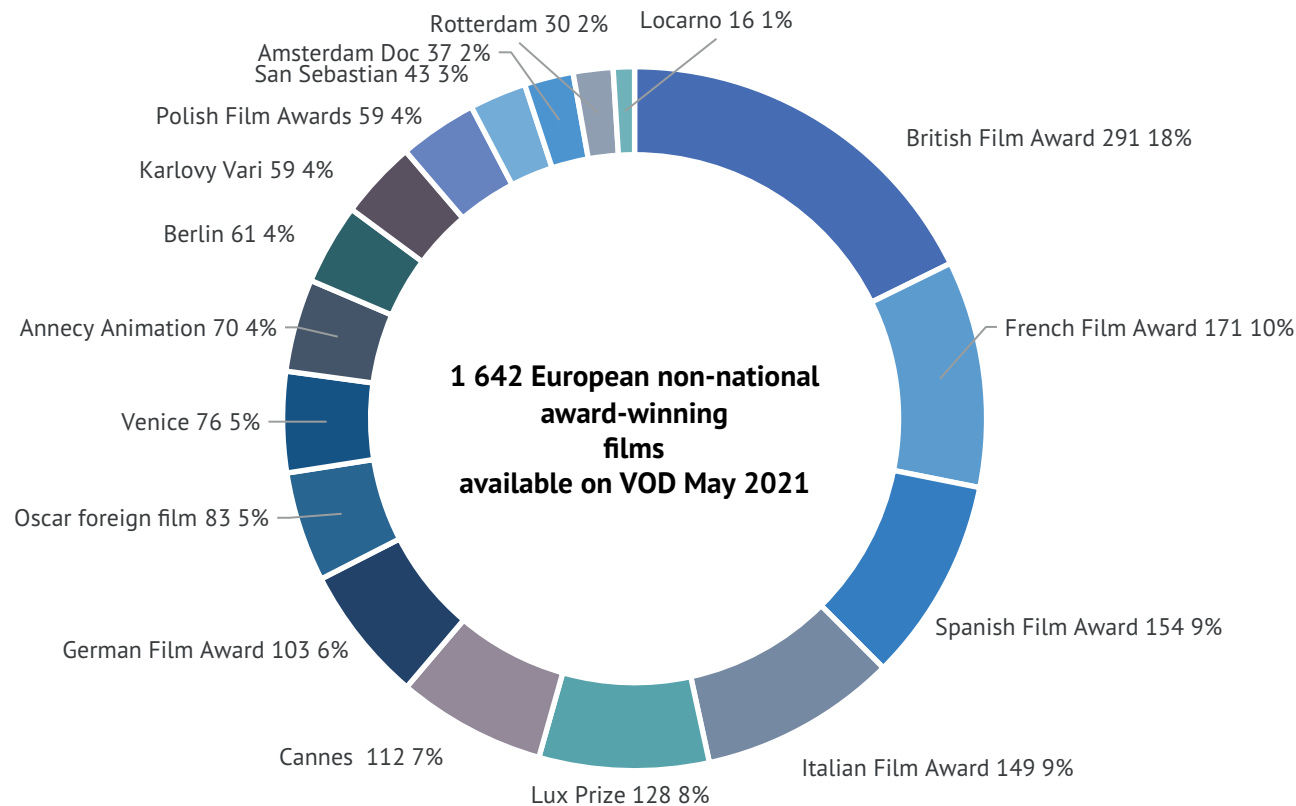


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

European non-national award-winners on VOD: Awards from high-volume production countries and international film festivals have the greatest benefit

- In EUR20+1, the **majority of European non-national films available on VOD were winners of national awards in high-volume production countries** (GB, FR, ES, IT, DE) and **major international films festivals** (Cannes, Oscar for foreign film, Venice).

Presence of European non-national award-winning films on VOD in EUR20+1, May 2021 *In number of films and % of total award-winning films available on VOD*



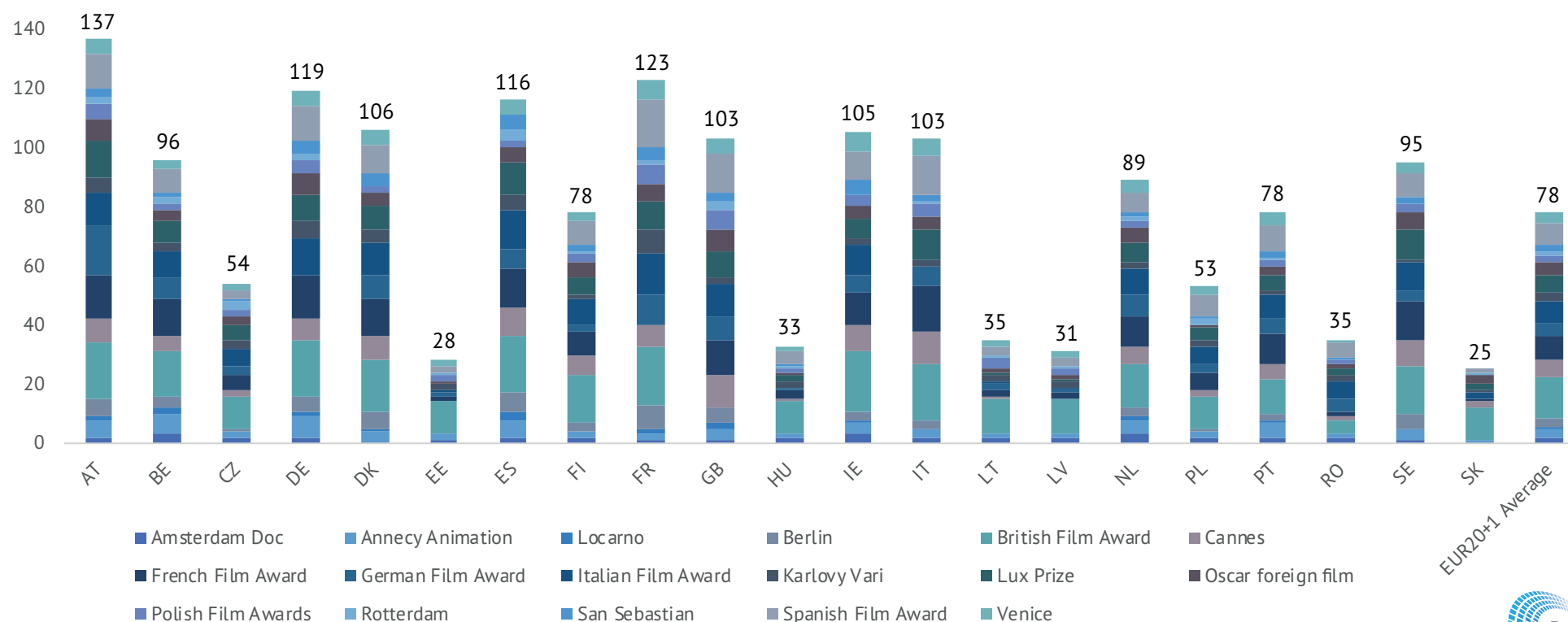
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

A very heterogenous film offering of European non-national award-winners in EUR20+1 on VOD

- ▶ The availability of non-national award-winning films is more varied across EUR20+1.
- ▶ Countries with a high number of European non-national films also had a higher number of European non-national award-winners.
- ▶ On the other hand, countries with a lower number of European non-national films had a lower number of award-winners.
- ▶ On average, 78 non-national winning titles were available, associated with the top 3 awards: BFA winners with 18%, French Film Award winners 10% and Italian and Spanish award winners each with 9%.

Number of European theatrically released non-national award-winning films available on VOD in EUR20+1 by award, May 2021

In number of non-national award-winning films



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

II.4 – The impact of production age

II.4 Age of film - Year of production -

Year of production

➤ **Recentness** of European non-national films **impacts VOD availability**

Main findings:

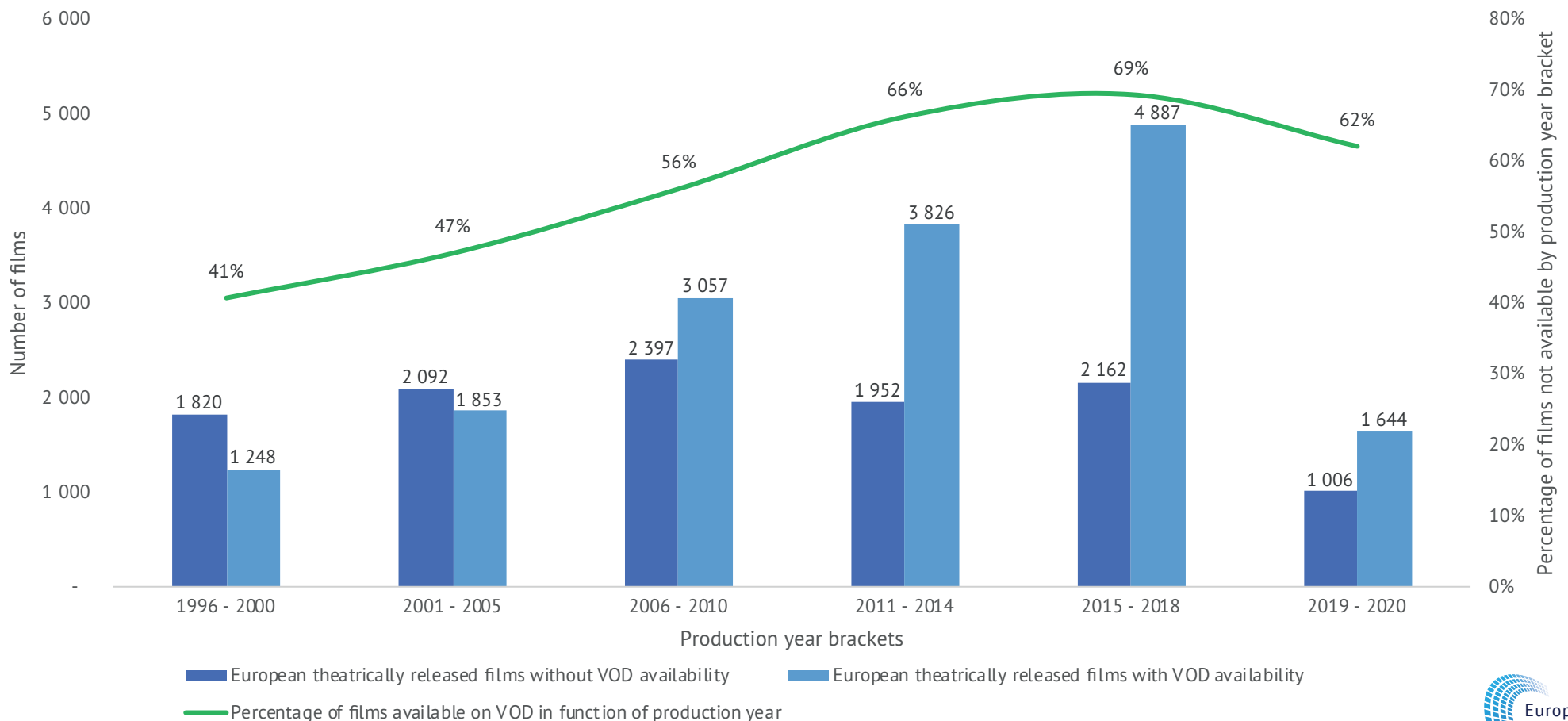
- ❖ **The age of European non-national films impacts VOD availability:** the more recent, the higher future VOD availability. While only 41% of films produced between 1996 and 2000 were available in May 2015 on VOD in EUR20+1, for films produced from 2011 to 2014 the share rises to 66% and for films produced from 2015 to 2018 to 69%.
- ❖ **More recent European non-national films are finding their way to VOD:** 62% of European films produced in 2019 and 2020 (i.e. under 2 years old in 2021) were available on VOD, as films are quickly exploited on TVOD and then SVOD after their theatrical release in EUR20+1.
- ❖ **The distribution of European non-national films on VOD by age is, on average, homogenous across EUR20+1:** 46% of all European non-national films available on VOD were 5 years old or younger (produced in or after 2015), 25% were between 6 and 10 years old (produced between 2011 and 2014) and 29% of films were more than 10 years old (produced between 1996 and 2010).

Increased VOD availability with recentness of European films

- ▶ **VOD availability of European films increases with recentness:** while only 49% of films produced between 1996-2020 were available on VOD, the share rises to 69% for films produced from 2015 to 2018.
- ▶ The lower availability of films produced in 2019 and 2020 might reflect **exploitation of the film in other release windows, such as pay TV.**

Availability of European films on VOD by year of production and percentage of films available on VOD by production bracket

In number of European films available and % of total films in production bracket



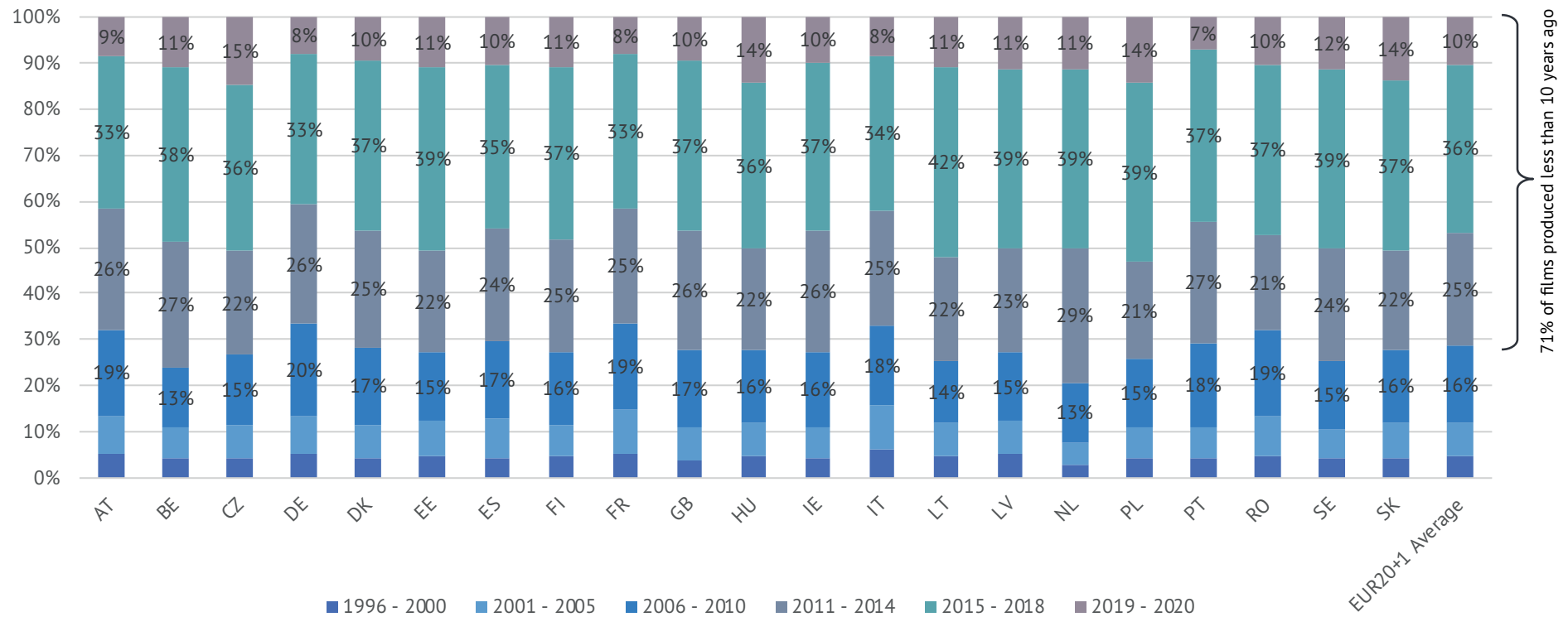
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Majority of European non-national films on VOD are less than 10 years old

- ▶ As was the case for admissions, release markets and IMDb ratings, the offering of European non-national films on VOD is similar across EUR20+1 when age of production is considered: **71% of films had a production age under 10 years in May 2021.**
- ▶ European non-national catalogue films (>10 years) made up 29% of European non-national films available on VOD. These films tend to have above-average admissions, and are higher-rated or award-winning films.

Share of European theatrically released non-national films available on VOD in EUR20+1 by year of production, May 2021

In % of total European non-national films



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

II.5 – The impact of country of production

II.5 Origins - Country of production -

Country of production impacts VOD availability

- ▶ **High- and mid-volume film production countries account for the largest share of theatrical European non-national films available on VOD** as these films also represent the lion's share of European non-national films exploited in cinemas across EUR20+1 from 1996 to 2020.

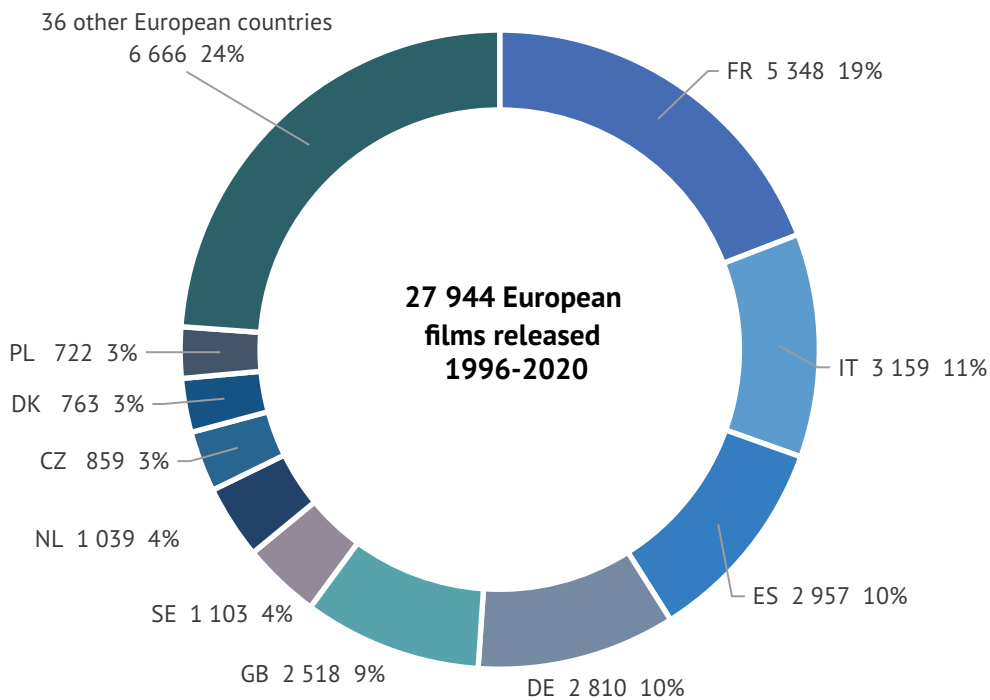
Main findings:

- ❖ **High-volume film production countries represent more than half of all European films exploited in cinemas and available on VOD:** Films of main production countries (Germany, France, United Kingdom, Italy and Spain) accounted for 59% of all European titles released in cinemas across EUR20+1 and 64% of all European titles available on VOD in EUR20+1. The top 10 production countries represented 78% of all European non-national films available on VOD while the other bottom 28 European production countries accounted for 22%.
- ❖ **High-volume and mid-volume film production countries have a higher share of theatrical films making it to VOD than low-volume production countries:** While more than 2/3 of all theatrical films produced in GB (78%), DK (78%), IE (77%), FR (68%), DE (68%) and AT (66%) were available on VOD in at least one EUR20+1 country, less than 1/3 of theatrical films produced in HU (27%), LV (16%) and EE (16%) were available on VOD in at least one EUR20+1 country.
- ❖ **For 13 out of the 21 EUR20+1 production countries, VOD availability increased country availability, sometimes significantly, compared to number of theatrical release markets.**
- ❖ **VOD availability in function of the production country can also be explained by admissions:** on average, films not available on VOD had 87% fewer admissions than films available on VOD.
- ❖ **Impact of language and cultural proximity make for heterogenous distribution of European non-national films available on VOD across EUR20+1 by country of origin:** the origin of European non-national films on VOD in countries is, contrary to the other metrics, quite varied across EUR20+1 countries. These differences might come from shared languages and closer cultural proximity between EUR20+1 countries.

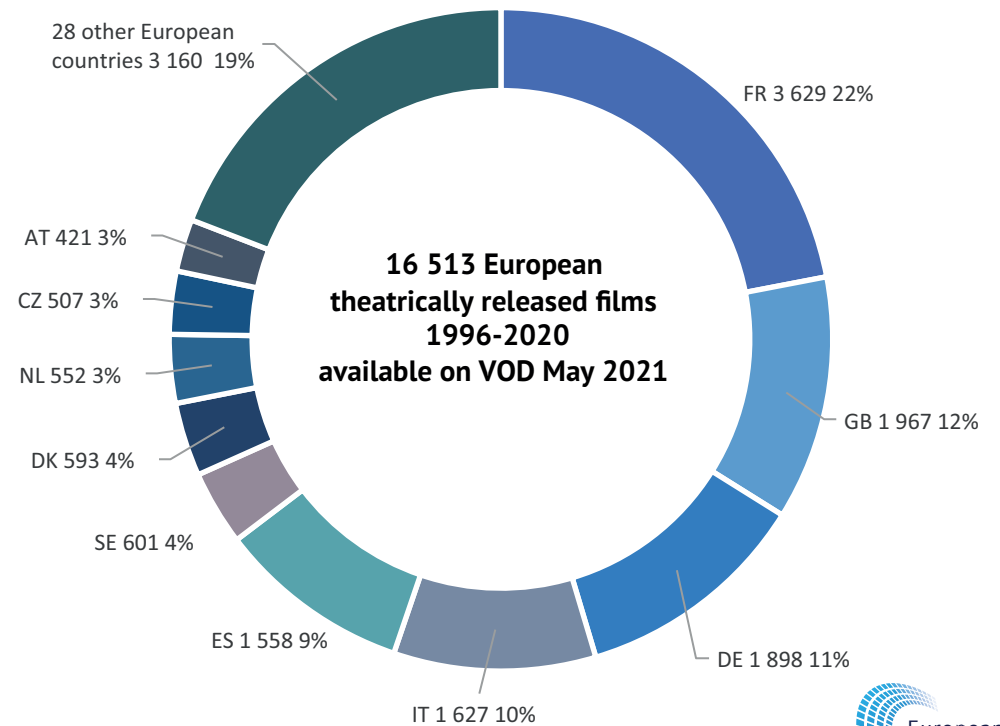
Production country: High-volume production countries have the advantage

- ▶ With slight variations, in relative shares of titles released in EUR20+1 cinemas and titles available on VOD, the top 5 production countries (France, Italy, Spain, United Kingdom and Germany) represented 59% of all European titles released in cinemas and 64% of all European titles available on VOD.
- ▶ The difference lies in the percentage of films which make it to VOD by production country: 78% of British and Danish titles released in cinemas were available on VOD, and 68% of French and German titles, while only 16% of Latvian and Hungarian titles made it to VOD.

Production country of theatrically released films in EUR20+1 1996-2020
In number of films by production country



Production country of theatrically released films in EUR20+1 1996-2020 available on VOD, May 2021
In number of films by production country

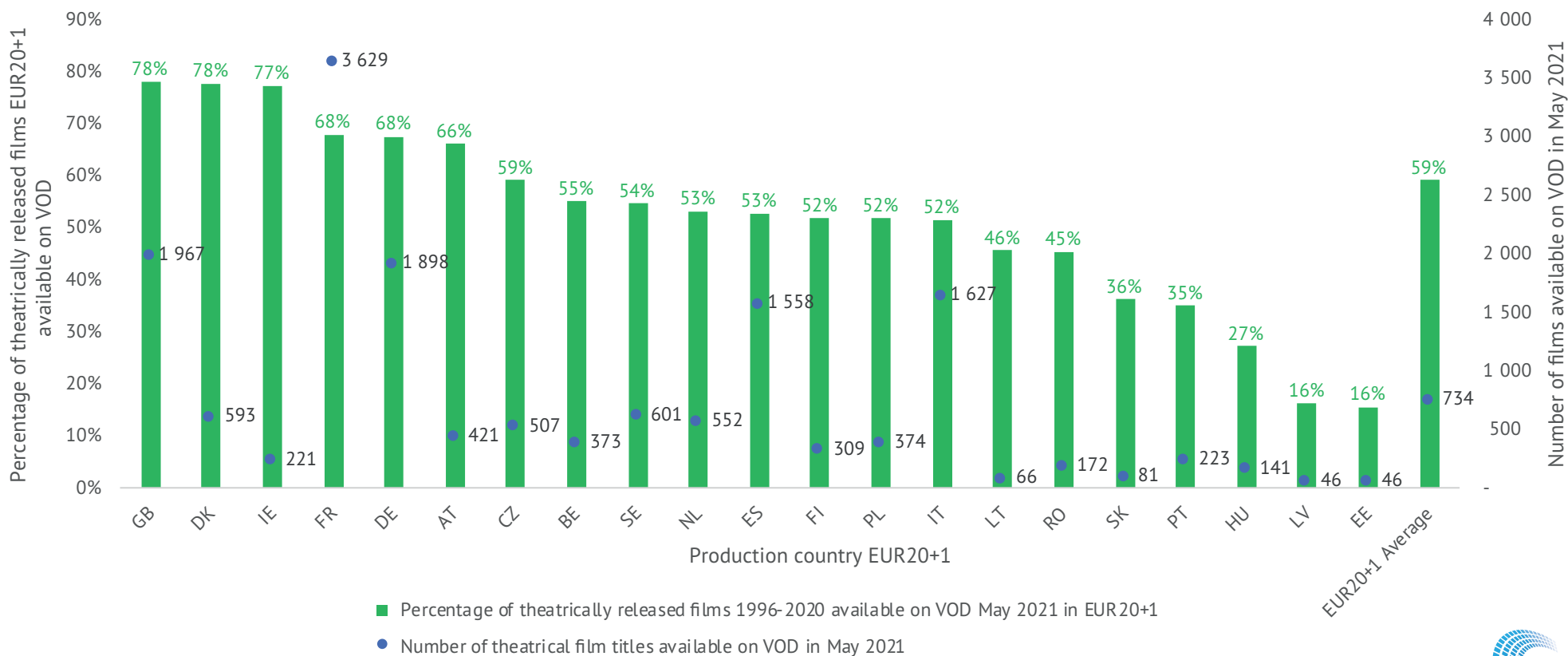


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Production countries make a difference in terms of future VOD availability

- ▶ For EUR20+1 countries, on average 59% of all titles released in theatres made it to VOD in at least one EUR20+1 country.
- ▶ Films from high-volume production countries had a high share of VOD availability, together with films from mid-volume production countries such as Ireland, Denmark and Austria.
- ▶ Films from low-volume production countries, on the other hand, were comparatively much less available on VOD in May 2021.

Percentage of theatrically released European films available on VOD May 2021 by EUR20+1 country of production and number of films
In percentage of total theatrically released films by country of production and number of films



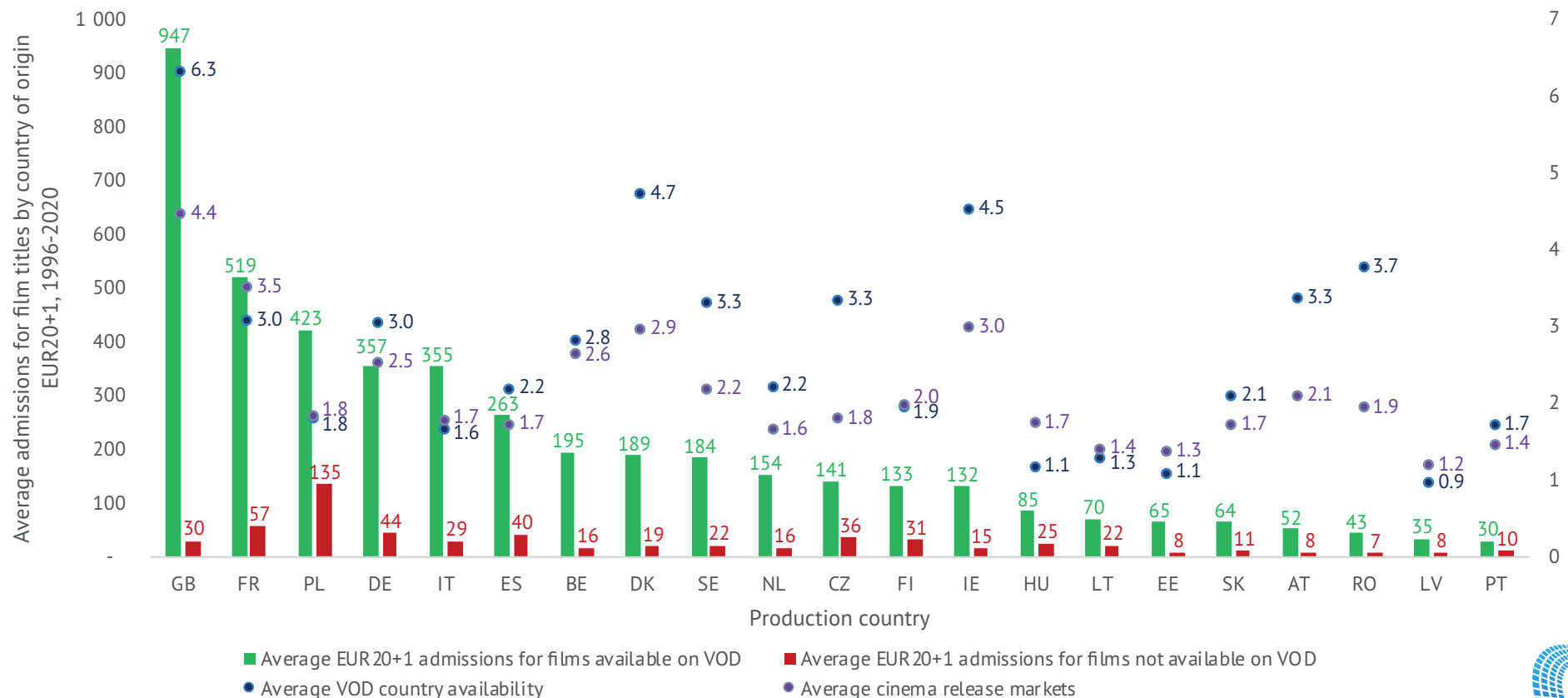
Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

In EUR20+1, when films were made available on VOD this occurred in more markets than during their theatrical release on average

- ▶ For most films of EUR20+1 countries, **VOD availability signified a boost in the number of release markets compared to theatrical exploitation.**
- ▶ The **absence of films on VOD can once again be explained by average admissions:** films not available on VOD had on average 87% fewer admissions than films available on VOD (-97% for GB films and -92% for IT films at the high end, -66% for PT and -68% for PL films at the low end).

Average admissions for VOD availability by country of production and average number of theatrical release markets and VOD country availability by country of production

In admissions in thousands and number of countries

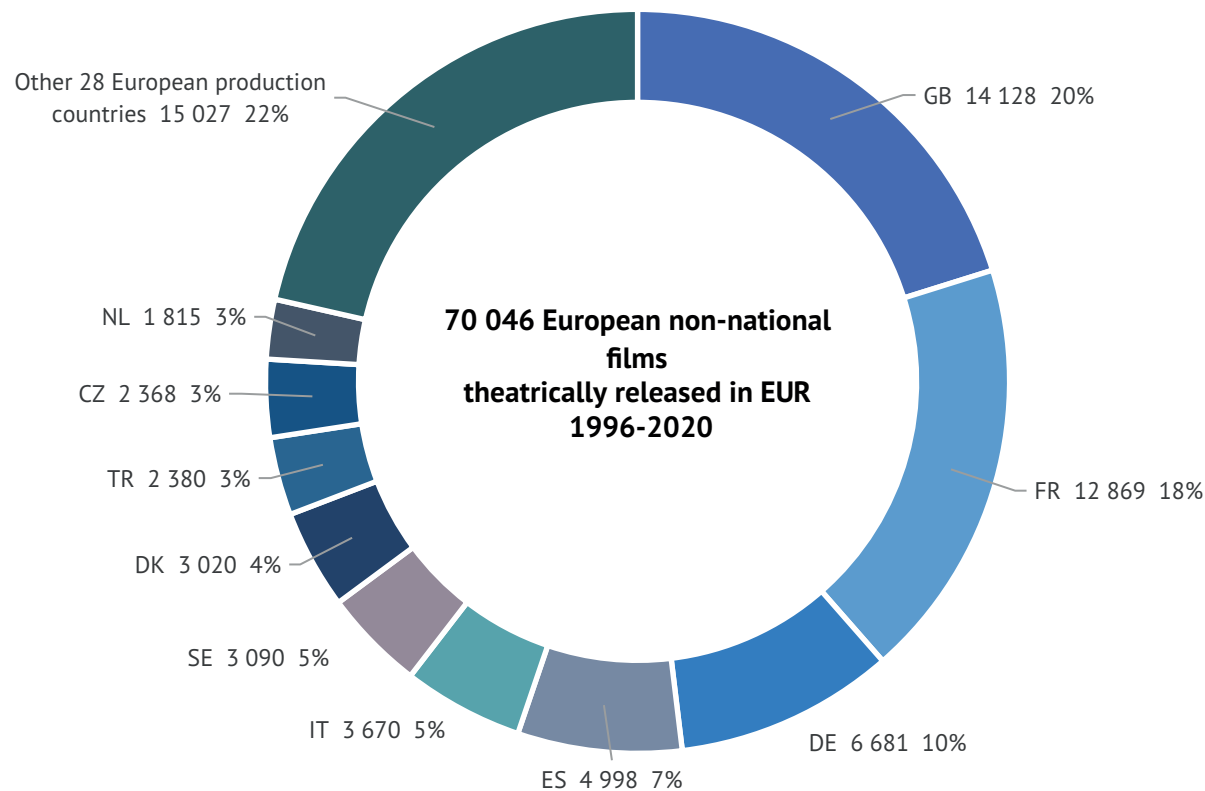


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

The presence of European non-national films by country of production is linked to the theatrical exploitation of films

- ▶ European non-national films are mainly of British, French, German, Spanish, Italian, Swedish and Danish origin, closely linked to the number of titles of these countries released in cinemas in EUR20+1 from 1996 to 2020.
- ▶ High- to mid-volume film production countries represent also the lion's share of European non-national films available on VOD.
- ▶ These high- to mid-volume films have the lion's share on VOD because they also represent the lion's share of European non-national films released in cinemas in the period 1996-2020.

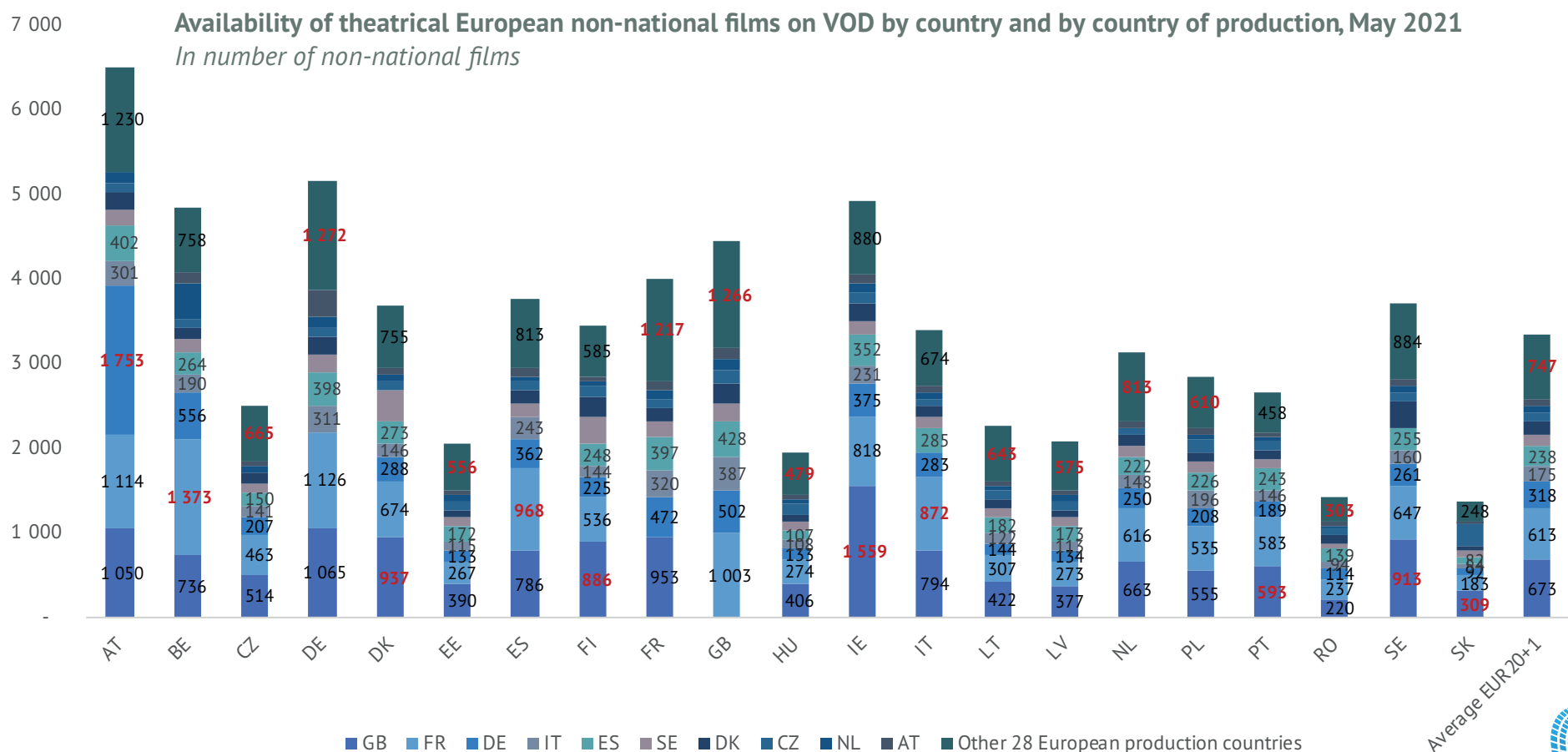
Number of European theatrically released non-national films available on VOD in EUR20+1 by country of production, May 2021
In number of non-national films and % of total non-national films



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

Differences according to cultural proximity and common language on a country basis for European non-national films available on VOD

- ▶ While British films represented the main share of European non-national films in Denmark, Finland, Ireland and Sweden for example, French films represented the highest share of non-national films available in Belgium, Spain and Italy, and German films in Austria.
- ▶ The circulation of European non-national films appears to be linked, behind admissions, also to cultural proximity and common languages.
- ▶ The average EUR20+1 VOD market offers European non-national films from the 10 EUR20+1 high- to mid-volume film-producing countries and a collection of films from 28 other European countries.

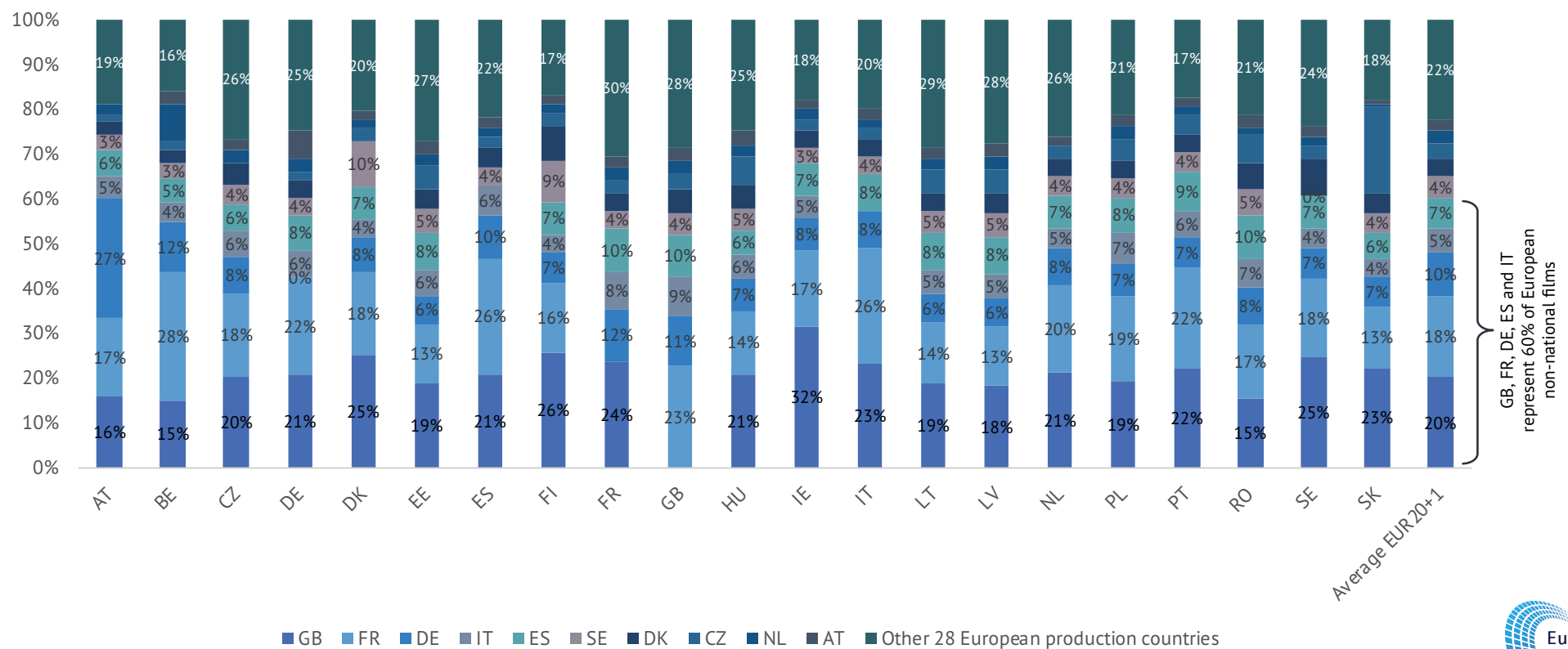


Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

With differences stemming from a shared language and cultural proximity, European non-national films available in EUR20+1 countries have several similarities in terms of origin

- ▶ Unsurprisingly, European non-national films tend to come from high- to mid-volume film-production countries and neighbouring countries in which the audiences share a common language and a close cultural proximity.
- ▶ A total of 22% of European non-national films are furnished by 28 other European countries, mainly low-volume production countries which try to capitalise on their theatrical exploitation to ensure future VOD availability.

Share of European theatrical non-national films available on VOD in EUR20+1 by country of production, May 2021
In % of European non-national films



Source: LUMIERE, JustWatch, LUMIERE VOD, European Audiovisual Observatory

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