



# European high-end fiction series: State of play and trends

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# European high-end fiction series: State of play and trends

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## Executive summary

High-end television series is a complex and relatively undefined concept, which may, to a certain degree, be approached by focusing on short series (2 to 13 episodes per season) made for prime time. These series (about 530 in 2018) account for roughly half of all European fiction titles produced each year, but only for a quarter of hours produced, due to the weight of daily soaps or telenovelas in the production of fiction.

### **UK: the leading player**

The United Kingdom in many aspects plays a key role both in the production and exploitation of high-end TV series. It is the leading producer (in number of seasons, episodes and hours) and the main exporter within the European Union, both for transactional video on demand (TVOD) and subscription video on demand (SVOD), and it is also the primary exporter outside Europe, with an impressive 67% share of all TV series available on non-European SVOD services. The UK has benefitted from a series of drivers, including the English language, close collaboration with US producers and networks, strong public support for high-end series production and efficient export mechanisms.

### **Upward trend with impact on budgets**

The production of high-end series is trending upwards, fuelled on the one hand by the investment in TV fiction of the pure SVOD players, chiefly Netflix, but also by a rebalancing of broadcasters' investment from TV films to series - a move to better retain audience. Is this high-end series momentum pushing an increase in budgets? In the absence of comprehensive figures, an assessment of any such rise can be based exclusively on qualitative analysis. Here, figures suggest that only a limited number of projects benefit from distinctively higher budgets, comparable to or above the average budget of a European film, but that, for most projects, there is indeed cost inflation, in the range of 30%. Players are handling this in several ways: reallocating resources from other genres; launching shorter seasons; or shooting shorter episodes.

### **Contrasting models across Europe**

European broadcasters (often active in the SVOD marketplace) are, on the one hand, facing competition from global payers and their investment power, and, on the other hand, seeing pressure on their revenues and therefore, ultimately, on their capacity to invest in TV dramas. This has led to emerging trends in the reshuffling of the European high-end series production landscape. In that regard, it is important to note that the starting point of this evolution differed widely between European countries: schematically, broadcasters in



larger countries (e.g. United Kingdom, Germany) hold a strong lead based on the 100% funding of projects, except when specific regulation supports independent producers (e.g. France); in smaller countries with a tradition of co-production (e.g. Scandinavia), the market is too small to recoup investments in high-quality TV series.

The evolution of the high-end series production paradigm derives from the need of broadcasters to open-up their projects to third-party financing, be it through international pre-sales, with no impact on creative content (e.g. United Kingdom) or through co-productions (e.g. France, Italy, Germany). Such a dynamic implies a more central role for the producer as regards financing and management of rights. At the same time, in a form of paradox, SVOD platforms are betting on the ‘100% financing for 100% of rights’ scheme, a model that was (and to an extent still is) prevalent in some larger European countries before the adoption of co-productions as an answer to budget increases. Strong SVOD platform investment benefits, in particular, countries with virtually no presence in the high-end production segment (e.g. Spain).

### **More co-productions, more pre-financing**

Often presented as the right strategy for broadcasters to compete with SVOD platforms, co-productions represent a small minority of high-end fiction projects (16% in 2018, but up from 10% in 2015). About half are ‘traditional’ co-productions between neighbouring countries sharing the same language. Following a pattern created by Scandinavian public broadcasters, which resulted in the success of the ‘Nordic noir’ genre, some broadcasters (e.g. France Télévisions, RAI, ZDF) are switching from the project-by-project co-production model to co-production slates, meaning a systematic process to jointly review and co-invest in projects.

Other signs of evolution towards more third-party pre-financing include distributors moving up the value chain to access projects for which the exploitation rights will not be pre-empted by the sale of worldwide rights – something that would leave them with no role to play – and private equity investors betting on the long-lasting success of high-end series.

Still, even if some trends are evident, it would be premature to conclude that there is a new structure to high-end series production in Europe. Many variations exist between projects. Players are experimenting, broadcasters and SVOD services may compete and co-operate. And the coming wave of additional SVOD services entering the market may again change the landscape.

### **Evolutions of authors’ role**

Co-productions between the United Kingdom and the US and original productions originated in Europe by US-based SVOD services have shed light on the differences between the US and European creative processes. Neither the now-celebrated position of showrunner, nor the quite formalised role of each member of a US project’s creative community, has its equivalent in Europe. Producers, directors and screenwriters all claim that, in Europe, they may play the role of guaranteeing the creative purpose throughout the writing and producing process. But exclusivity contracts with creative talents remain mostly



limited to the US markets, and a common view is that Europe faces a shortage of talent for all key crew positions. In particular, with the internationalisation of the market - driven both by co-productions and global platforms – comes additional demand for screenwriters with the skill to design stories for a broader audience than that of their home country.

Finally, authors claim they no longer benefit from the success of the projects they have created when the exploitation rights are conceded for a lengthy period of time to only one player. This is particularly detrimental when they have accepted to defer part of their remuneration.

### **What role for the producer?**

Whatever the outcome of the ongoing changes, the role of the producer is being challenged on several fronts.

On the one hand, the increase in co-productions in countries that used to favour the ‘Cost plus’ model<sup>1</sup> but have introduced the ‘deficit financing’ model<sup>2</sup> has given the producer the opportunity to design the production financing, retain some of the exploitation rights and therefore benefit in the long term from the success of the show they produced. However, the more partners in the co-productions, the fewer are the secondary rights that may generate future revenues and that remain available. Also, questions have arisen about whether co-productions will indeed result in larger budgets for high-end TV series or just in a rise in the number of partners sharing the financing.

On the other hand, the investment in high-end TV series by SVOD players - mostly based on the ‘100% financing for 100% of rights’ model and with budgets per project higher (to an extent) than for the ‘traditional’ broadcasters’ prime time series – represents a new opportunity for production companies. Additionally, making an immediate profit in certain cases appears more attractive than betting on hypothetical future revenues. However, the 100% funding of certain projects and the associated producer fee, do not necessarily make up for the need for the producer to fund the development of other projects – even those that end up never being produced. And producers may also face the need to bridge the financing before the program is delivered. Some variants have been experimented with, whereby the producer may regain some rights after the program has been exploited on SVOD, but it remains unclear what would be, in that case, its residual value.

What is really at stake is the role of the producer. Obviously, the dominant production landscape in each producer’s country of origin impacts their appreciation of the balance between risks and opportunities. However, the risk of the producer becoming a service company is often discussed. Even for those used to a scheme where all exploitation rights remain with the commissioner, be this a broadcaster or an SVOD service, concerns arise about the lack of possibility to benefit from the on-going high-end TV series’

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<sup>1</sup> “Cost Plus”: a model where the audiovisual service fully funds the programme and retains all exploitation rights.

<sup>2</sup> “Deficit financing” (sometimes called “co-productions”): a model where the audiovisual service only partly finances the programme and where the production company retains certain rights to either gather additional pre-financing or recoup its investment from future sales.



momentum through a share of future revenues, the pressure on budgets, and, moreover, the lack of guarantee that a first-season producer will remain in the role for subsequent seasons of a new successful TV drama. In summary, from the producers' perspective there is a contrast between the individual stories of successful international co-productions and a more collective concern about the evolution of the producer role.

### **Various schemes of consolidation**

The opposition between producers and broadcasters (or SVOD services) is also being challenged. Some private broadcasters (e.g. RTL, ITV, TF1, Mediaset) have put in place a strategy to integrate high-end production activities, with two goals: to better retain exploitation rights for future exploitation on their VOD platforms; and to partly pivot their core business to content production and exploitation, seen as the future core of the audiovisual value chain. Unlike the legacy model followed by some public broadcasters, with production subsidiaries mainly working for their parent broadcasters, these production entities backed by broadcasting groups work (often to a large extent) for third-party TV channels. To which extent, in that case, does the role of a producer affiliated with a broadcasting group differ from the role of an independent producer? This is debatable.

Independent production groups with no tie to (significant) European broadcasters (e.g. Banijay-EndemolShine, MediaWan, Discovery's All3Media, Lagardere) have also built up integrated production activities similar in scope to those of the private broadcasters. In both cases, consolidation, at least at the European level, is seen as the answer to: the need to put in place more co-productions through a presence in more countries; the requirement to pre-finance projects without giving away all rights and therefore invest (hopefully) in future revenues; the desire to fund the development of more projects; the effort to bridge financing during the production phase.

### **SVOD not the only disruptive factor**

When debating the evolution of the high-end series production segment, focusing exclusively on disruption caused by SVOD platforms would be a blinkered approach. SVOD platforms recoup a variety of players, global on the one side, national on the other, and often coupled with TV channels. Whatever the SVOD services, they still represent a small (but growing) share of the high-end series production segment, but they are introducing new production schemes and are contributing to a shortage of talent and technical facilities. A more structural phenomenon appears to be the stagnation of the 'traditional' broadcasters' resources and even, for some public broadcasters, a decrease. The reasons include competition from SVOD but also constraints on public broadcaster funding or the migration of advertising to the Internet. It is therefore unclear whether the sector is witnessing a phase of adaptation, or if, despite the boom in demand for TV series, value destruction will prevail rather than value creation.



# Scope and methodology

## Scope

This report aims to depict the current state of play with regard to high-end series in Europe, looking at production, circulation, exports and trends, with both quantitative and qualitative approaches.

### Quantitative – key figures

The production, circulation and export of European high-end series feed into different datasets:

- Production of high-end fiction in the European Union: ‘high-end’ is defined here as TV channels’ or on demand services live action fiction series counting between 2 and 13 episodes per season. Please note that only live action is considered, including live action programmes for children. The data used in this report were provided by the European Metadata Group. The European Metadata Group systematically reviewed the programming schedules of 176 TV channels and on-demand services between 2015 and 2018, to identify original European fiction. The selected services are the pay TV and SVOD leaders in audience in each of the tracked countries. Although some minor channels may also produce original fiction, most are dedicated to re-running or importing programming. The data were complemented by the European Audiovisual Observatory, using other sources like IMDb to identify the country of origin and the screenwriters and directors of European fiction, and the Observatory’s LUMIERE database to identify the audiovisual fiction directors also active in theatrical films.
- Circulation of high-end series on VOD services operating in Europe: the analysis is based on JustWatch data from 118 SVOD catalogues in 21 EU countries and on 53 TVOD catalogues from 14 EU countries. The data were collected in October 2019 and the high-end series titles were matched through databases to identify the country of origin.
- Export of EU28 high-end series outside the EU: this section is based on the analysis of high-end series in 79 SVOD catalogues in 21 non-EU countries. Data were retrieved in the catalogues in August 2019 and were provided by Ampere Analysis.

### Qualitative – trends and (r)evolutions

Trends and other aspects for which no or scarce data exist were analysed qualitatively, based on industry reports and articles.



## Methodology

### Definitions

Several indicators are used in this report to count high-end series.

- “High-end series title” (e.g. *The Tudors*)
- “High-end series season” (e.g. *The Tudors – Season 1*)
- “High-end series episodes” (e.g. 10 episodes for *The Tudors – Season 1*)

Series are also accounted for in different ways:

- “Unique series titles” is used to calculate how many different series are on offer: individual different series titles by territory (e.g. number of different series titles found outside the EU; number of different series titles found in Latin America); number of different series titles, by service (e.g. number of different series titles in Netflix catalogues) or by catalogue (e.g. number of different series titles in the Netflix Brazilian catalogue).
- “Presence of series titles” is used to assess the catalogues: number of occurrences of a series title by territory (e.g. cumulated number of series titles found outside the EU; cumulated number of series titles in Latin America); number of different series titles by service (e.g. cumulated number of series titles in Netflix catalogues).

In the “**high-end format**” approach (2 to 13 episode series), a limited number of TV films have two episodes and belong to collections (e.g. Germany’s *Tatort* or France’s *Meurtres à...*) with several episodes produced each year. They have thus been counted as TV films and excluded from the sample, as the plots, casts and production companies change.

The “**year of production**” of a whole series is the year of release of the first episode of the series.

The “**country of origin**” of a high-end series is the country of the main commissioner of the programme. For programmes commissioned by a pan-European SVOD service, the country of origin is determined by the production company.

International “**co-productions**” were analysed both following a broad definition (any programme with at least two producing countries) and a stricter definition, excluding “linguistic co-productions” between neighbouring countries (DE-AT, FR-BE, FR-CH, GR-CY, BE-NL, DE-CH, CZ-SK, GB-IE).

In this report, “**independent production**” is defined as a fiction series produced by a production company not under the control of the broadcaster commissioning the programme. This definition does not imply that the producing company retains any rights. Please note that productions from a broadcaster production unit or subsidiary can therefore be either dependent (when produced for the broadcaster) or independent (when produced for a broadcaster from a different broadcasting group).



In this report, “**European Union**” or “**EU28**” refer to the 28 member states of the European Union before the withdrawal of the United Kingdom from the EU. The United Kingdom data are included in the report as the reference period is prior to the withdrawal.

### **Limits**

The shares included in this report are only indicative and minor identification errors may have occurred.

The sources being partially different, the results should be taken as indicative.



# 1. Setting the scene in figures

## 1.1. The production of high-end fiction series in the European Union

### Definitions

There is no unified definition of high-end fiction series. One approach would be to use the budget as a criterion, but this information, generally speaking, is not publicly available. Moreover, the threshold could vary between countries. In this section, we therefore use a proxy by estimating the production volume of fiction series with 2 to 13 episodes produced per year or season. Of note is the fact that certain TV films are sometimes composed of two episodes broadcast at a short interval. We have, as far as possible, excluded them from the sample.

The analysis in this section draws from data provided by the European Metadata Group resulting from analysis of the programming of 176 TV channels and on demand services between 2015 and 2018 to identify original European fiction programmes, and from complementary data collected by the European Audiovisual Observatory.

Please note that only live action is considered, including live action programmes for children.

### Around 460 high-end seasons produced annually in Europe

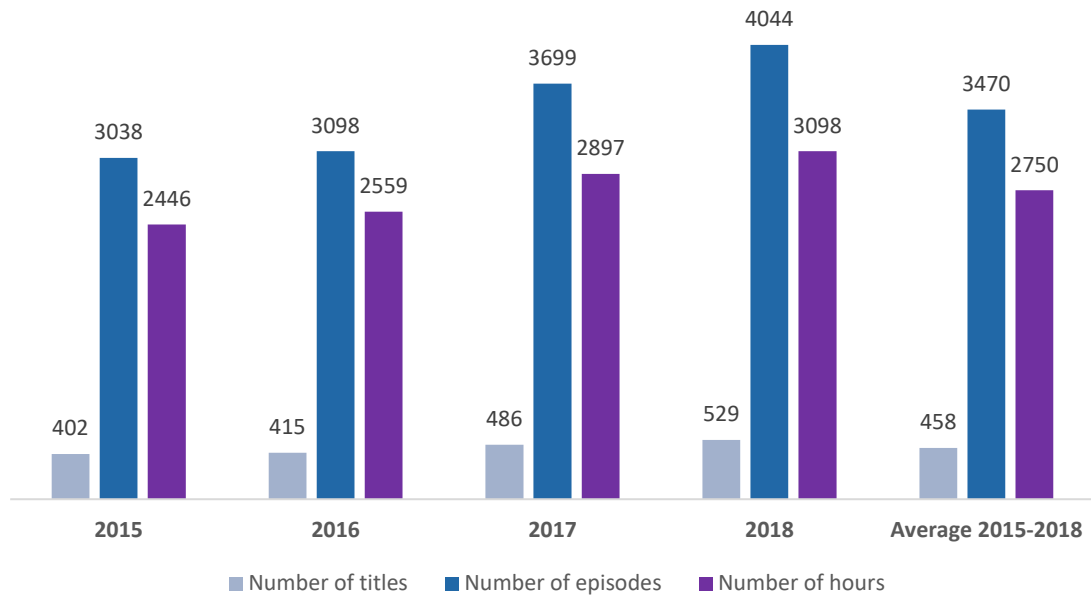
The data show that, on average, about 460 high-end series seasons were produced each year in the European Union between 2015 and 2018, representing approximately 3 500 episodes and 2 700 hours per year.

The data suggest that the volume of production increased over the 2015-2018 time period, at a growth rate of approximately 10% per year.





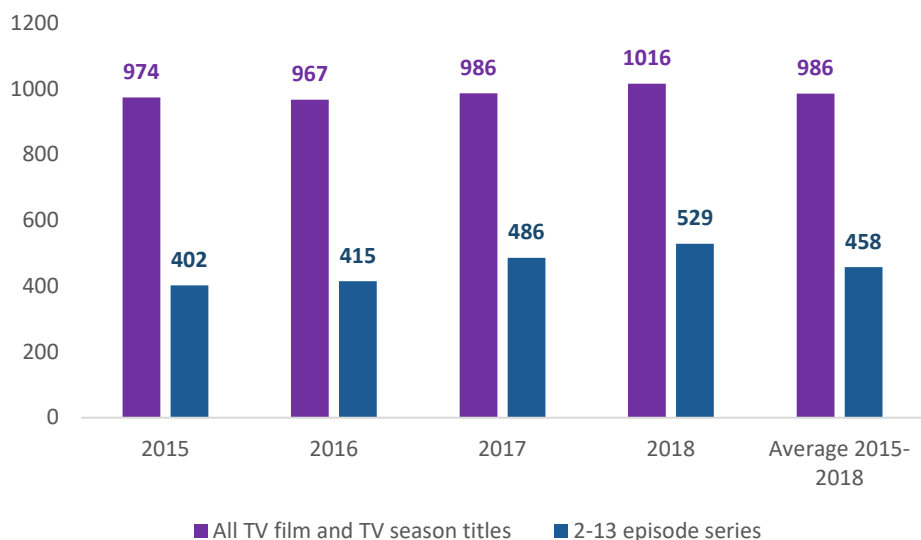
**Figure 1. Volume of 2-13 episode series produced in Europe, 2015-2018**



Source: European Audiovisual Observatory analysis of the European Metadata Group data.

High-end series represent a growing share of fiction production in Europe. The proportion of 2-13 episode seasons out of the total volume of TV films and series produced annually increased from 41% in 2015 to 52% in 2018.

**Figure 2. High-end series (2-13 episodes) vs. total AV fiction production, 2015-2018**



Source: European Audiovisual Observatory analysis of the European Metadata Group data.



Among the approximately 460 high-end seasons produced on average each year, the most common formats were seasons of six, ten or eight episodes.

**Table 1. Breakdown of seasons by number of episodes**

Episodes per season	2015	2016	2017	2018	Average 2015-2018
2	16	32	26	30	26
3	48	30	32	31	35
4	27	32	38	41	35
5	13	19	16	22	18
6	70	73	107	105	89
7	13	12	16	17	15
8	68	67	79	85	75
9	5	6	7	5	6
10	70	72	76	104	81
11	7	8	4	10	7
12	33	31	39	34	34
13	32	33	46	45	39
<b>Total</b>	<b>402</b>	<b>415</b>	<b>486</b>	<b>529</b>	<b>458</b>

Source: European Audiovisual Observatory analysis of the European Metadata Group data.

In terms of duration per episode, a clear majority of seasons produced were based on the 36' to 65' per episode format.

**Table 2. Breakdown of seasons by duration of episodes, in minutes**

Duration per episode	2015	2016	2017	2018	Average 2015-2018
<b>15' or less</b>	17	19	21	28	21
<b>16' to 35'</b>	69	57	89	107	81
<b>36' to 65'</b>	243	253	292	318	277
<b>More than 65'</b>	73	86	84	76	80
<b>Grand total</b>	<b>402</b>	<b>415</b>	<b>486</b>	<b>529</b>	<b>458</b>

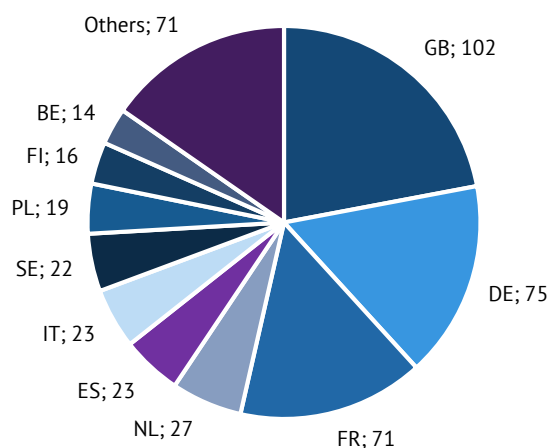
Source: European Audiovisual Observatory analysis of the European Metadata Group data.

### 1.1.1. The UK is the primary producer of high-end series in Europe

The three main producing countries (United Kingdom, Germany and France) accounted for 54% of the total number of European 2-13 episode seasons produced annually. The Netherlands ranked fourth, ahead of Spain and Italy.

Production volume growth was above average in Portugal, Slovakia, Hungary, Spain and Denmark.

**Figure 3. Number of TV seasons by country of origin (average 2015-2018)**



Source: European Audiovisual Observatory analysis of the European Metadata Group data.

### 1.1.2. International co-productions: small but growing

The share of international co-productions among 2-13 episode series was 13% on average between 2015 and 2018, but grew from 10% in 2015 to 16% in 2018. However, a significant proportion of these co-productions were between neighbouring countries, sharing (to an extent) the same language. Excluding these programmes<sup>3</sup>, the share of international co-productions was much lower, at 7% on average between 2015 and 2018, although the number of such international co-productions doubled between 2017 and 2018.

**Table 3. Share of co-productions among 2-13 episode seasons**

	2015	2016	2017	2018	Average 2015-2018
Total seasons	402	415	486	529	458
All co-productions	40	43	61	85	57
Share of co-productions	10%	10%	13%	16%	13%
Co-productions excluding neighbouring / same language countries	20	19	29	61	32
Share of co-productions	5%	5%	6%	12%	7%

Source: European Audiovisual Observatory analysis of European Metadata Group data.

<sup>3</sup> I.e. co-productions DE-AT, AT-DE, FR-BE, BE-FR, FR-CH, GR-CY, CY-GR, BE-NL, NL-BE, DE-CH, CZ-SK, SK-CZ, GB-IE, IE-GB.



### 1.1.3. Commissioners of high-end series

Broadcasters are by far the primary commissioners of high-end fiction seasons, with a still small but growing proportion of titles produced primarily for their own on demand services. Altogether, fiction produced primarily for on demand accounted for 8% of all seasons produced in 2018, up from 3% in 2015.

**Table 4. Commissioners of 2-13 episode seasons, 2015-2018**

	2015	2016	2017	2018	Average 2015-2018
TV	391	395	467	485	435
VOD (pure player)	4	9	9	28	13
VOD (TV channel)	7	11	10	16	11
<b>Grand total</b>	<b>402</b>	<b>415</b>	<b>486</b>	<b>529</b>	<b>458</b>

Source: European Audiovisual Observatory analysis of European Metadata Group data.

## 1.2. High-end fiction series on VOD in Europe

This section builds on data from JustWatch from October 2019, covering 53 TVOD catalogues in 14 European countries<sup>4</sup> and 116 SVOD catalogues in 21 European countries<sup>5</sup>. Only high-end fiction series (with a format of 2 to 13 episodes) were considered for this report.

A total of 2 935 and 2 971 unique TV fiction series titles were found in the SVOD and TVOD samples, respectively. On a cumulative basis, these different titles represented 20 817 occurrences on SVOD and 14 598 occurrences on TVOD.

### 1.2.1. Availability of high-end series on VOD

#### 47% of EU28 high-end titles on TVOD, 33% on SVOD

EU28 titles accounted for 47% of the cumulated number of high-end series titles available on TVOD (varying from 0% to 53% between countries), and for 33% on SVOD (varying from 25% to 42% between countries). On TVOD, there were more EU28 titles than US titles (46%).

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<sup>4</sup> Austria, Belgium, Czech Republic, Germany, Denmark, Spain, Finland, France, United Kingdom, Ireland, Italy, Netherlands, Poland and Sweden.

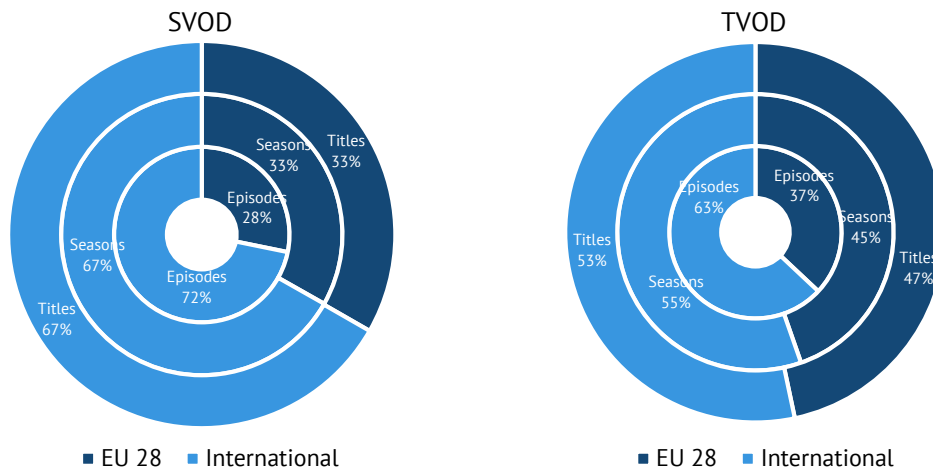
<sup>5</sup> Austria, Belgium, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, United Kingdom, Hungary, Ireland, Italy, Lithuania, Latvia, Netherlands, Poland, Portugal, Romania, Sweden and Slovakia.



The proportion of EU28 high-end series seasons was 45% on TVOD and 33% on SVOD.

Looking at EU28 high-end series cumulated episodes, the proportions drop, to 28% on SVOD and 37% on TVOD. This is explained by the fact that US series count, on average, more episodes (57% on TVOD and 52% on SVOD) than European series.

**Figure 4. Share of EU28 cumulated series titles, seasons and episodes on SVOD and TVOD, October 2019, in %**



Source: European Audiovisual Observatory based on JustWatch data.

In absolute terms, the United Kingdom is the country with the most EU28 available titles (754), seasons (1 626) and episodes (11 074) on SVOD, followed by Germany in number of titles (676) and by Ireland in number of seasons (1 364) and episodes (9 305).

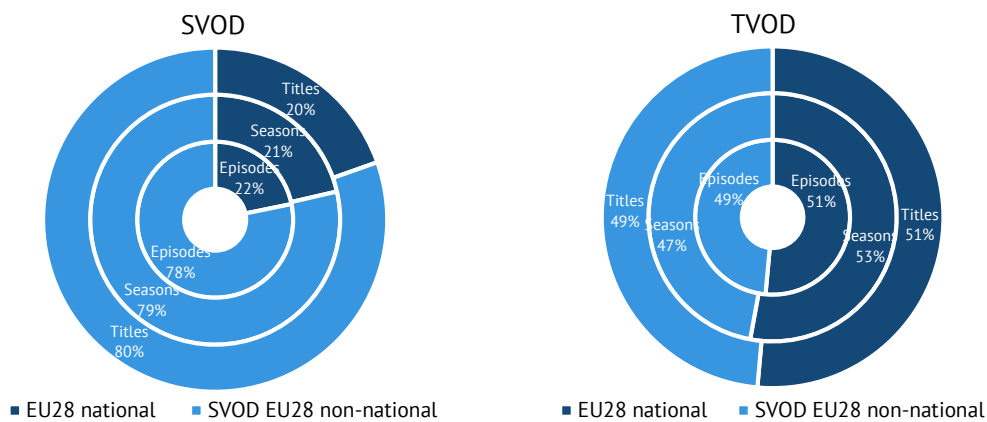
As for TVOD, the United Kingdom has the most EU28 series titles (2 405) and seasons (4 691), but Germany leads in number of episodes (37 336). The United Kingdom and Germany have, by a significant margin, the most sizable cumulated TVOD catalogues.

#### **TVOD more national, SVOD more European non-national**

Among European works, the respective share of national and non-national titles differs significantly between SVOD and TVOD: European non-national titles accounted for 80% of all European titles on SVOD, but for only 49% on TVOD.



**Figure 5. Share of EU28 non-national and national cumulated titles on SVOD and TVOD, October 2019, in %**



Source: European Audiovisual Observatory based on JustWatch data.

High-production countries, as expected, have on average a higher share of national titles, especially the UK (76% on SVOD, 87% on TVOD). Belgium (20%) nevertheless comes fourth for SVOD, before Italy (below average with 17%). On TVOD, Spain has no national titles (93% are from the US).

## 1.2.2. Circulation of high-end fiction series on VOD in Europe

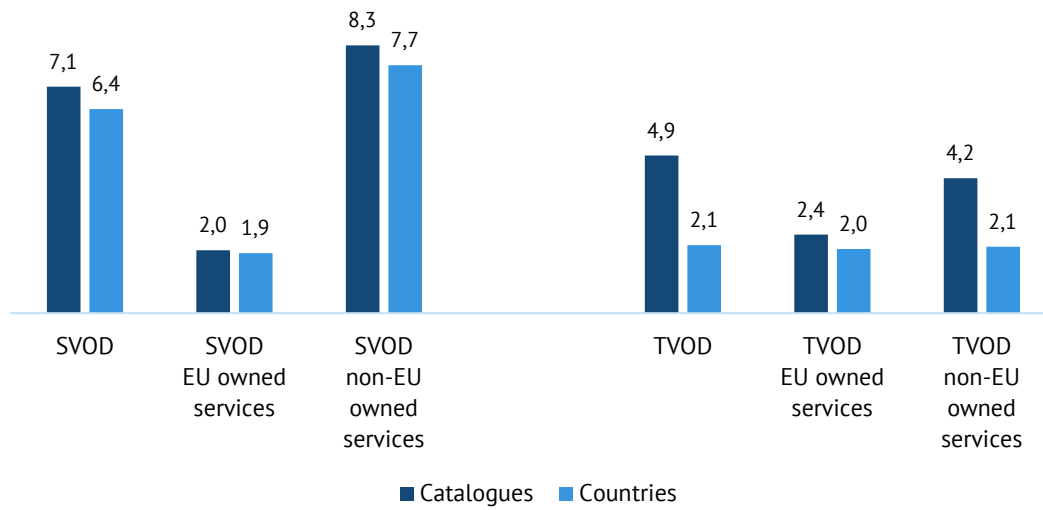
### Extensive circulation on SVOD

On average, a high-end fiction series title is available in 2.1 countries on TVOD and in 6.4 on SVOD. However, these figures are not directly comparable: a) the sample for SVOD services includes a higher number of countries (21) than the TVOD sample (14); b) the weight of non-EU owned services in the SVOD sample may distort the results. Looking only at EU-owned SVOD services, the average number of countries of availability (1.9) is similar to that for EU-owned TVOD services' (2.0).

A high-end series title is available on average in 7.1 catalogues on SVOD and in 4.9 catalogues on TVOD. Excluding Netflix, the average number of catalogues in which a title is found on SVOD drops to 4.3.



**Figure 6. Circulation in average number of catalogues and countries of availability, looking at services' ownership, on SVOD and on TVOD, October 2019**



Source: European Audiovisual Observatory based on JustWatch data.

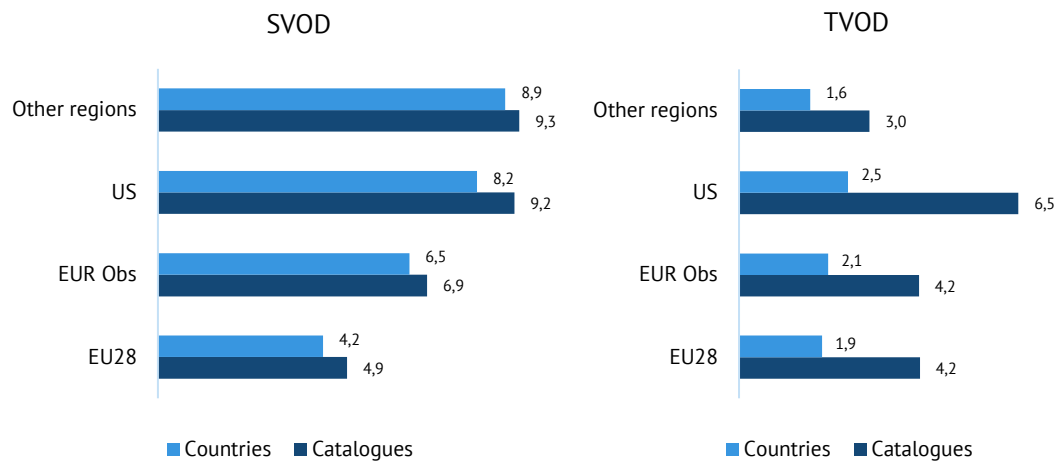
Overall, EU28 high-end titles circulate in fewer countries and catalogues on average than US titles, both on SVOD and on TVOD, and perform better on TVOD. On SVOD, titles from other regions circulate best<sup>6</sup>.

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<sup>6</sup> This can be explained by the weight of Netflix in the sample and the numerous titles in Netflix catalogues from Asia (Japan, South Korea, India, China), Canada and Latin America (Mexico, Brasil).

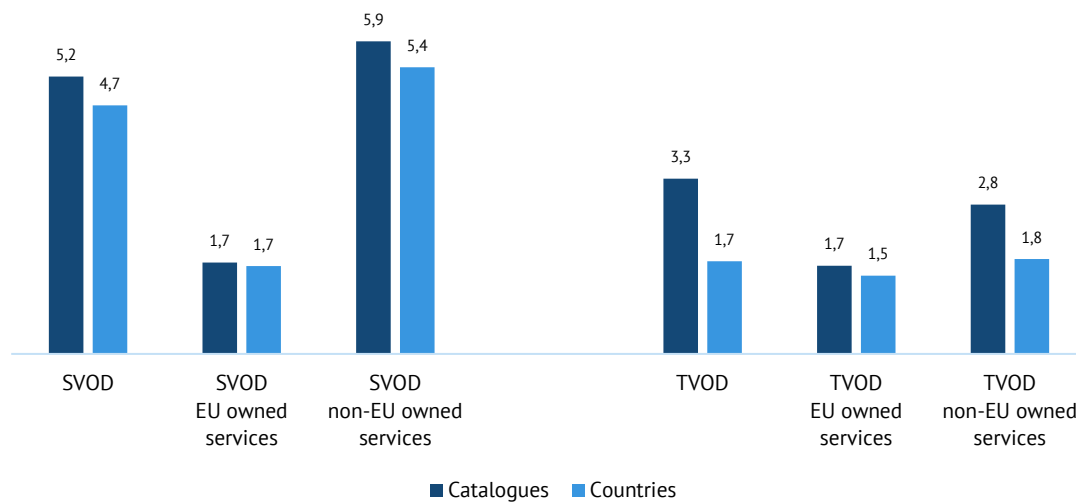


**Figure 7. Circulation of high-end titles in average number of catalogues and countries of availability, by region of origin, on SVOD and on TVOD, October 2019**



Source: European Audiovisual Observatory based on JustWatch data.

**Figure 8. Export of EU28 titles in average number of catalogues and countries of availability (excluding the country of origin), by services ownership, on SVOD and on TVOD, October 2019**

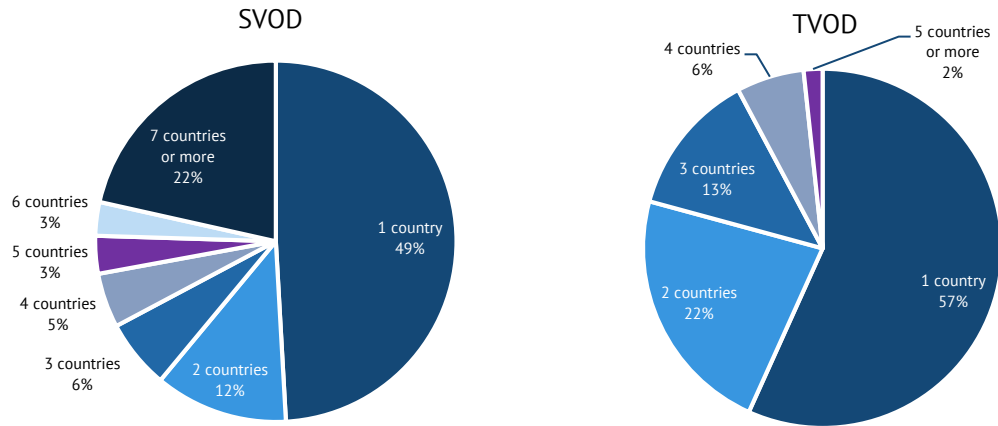


Source: European Audiovisual Observatory based on JustWatch data.

With up to 20 export countries on SVOD in the sample, almost half of EU28 non-national titles were available in only one country. On TVOD, most titles (79%) were available in only one or two countries.



**Figure 9. Countries of export of EU28 non-national titles by number of countries of availability (excluding the country of origin), on SVOD and on TVOD, October 2019**

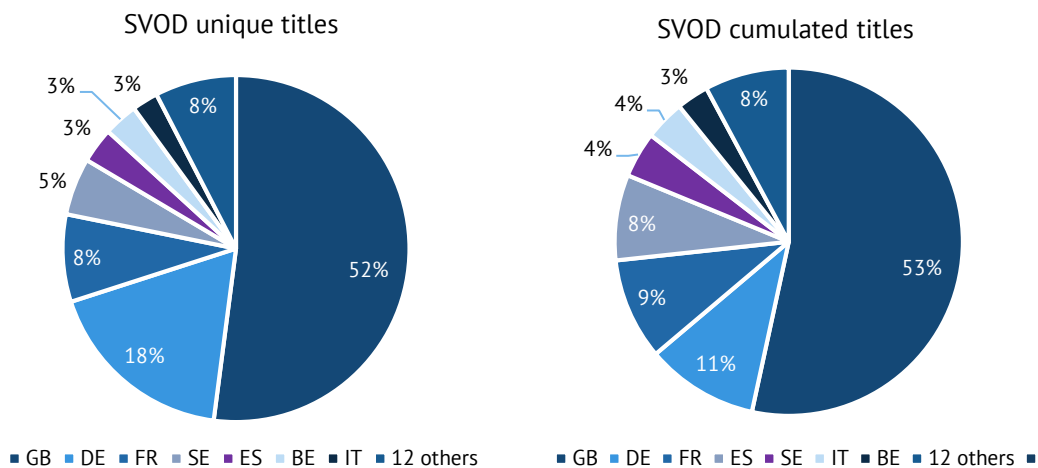


Source: European Audiovisual Observatory based on JustWatch data.

### UK by far the primary exporter of high-end fiction series

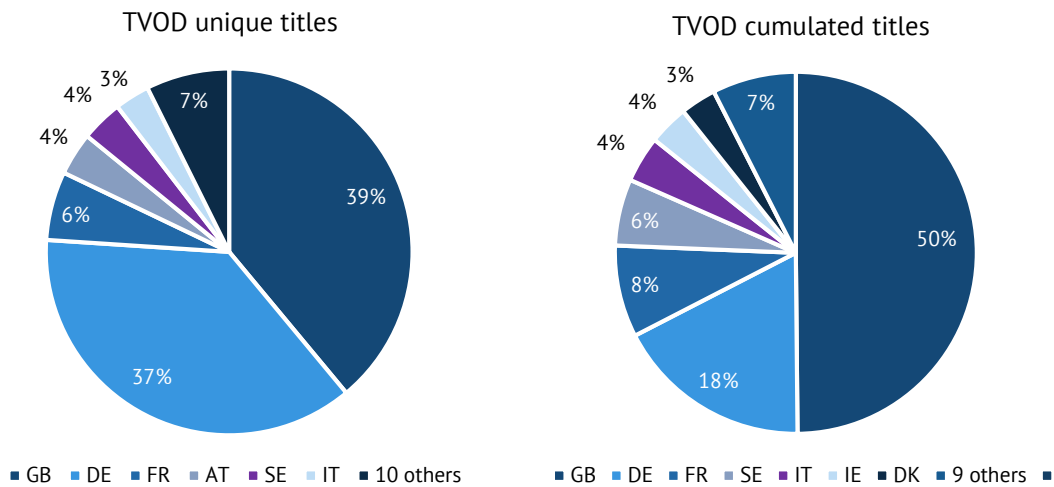
The United Kingdom is the primary country of origin for non-national European high-end fiction, both on SVOD and TVOD, and both in terms of unique titles (number of different titles exported at least once) and cumulated titles (total number of titles exported).

**Figure 10. SVOD: unique and cumulated non-national European high-end series, by country of origin, October 2019**



Source: European Audiovisual Observatory based on JustWatch data.

**Figure 11. TVOD: unique and cumulated non-national European high-end series, by country of origin, October 2019**



Source: European Audiovisual Observatory based on JustWatch data.

Germany and France are the two other principle exporters for SVOD and TVOD, although well behind the UK, except for the number of unique titles on TVOD where Germany is near the volumes of the UK. Other significant exporters include Spain, Sweden, Italy and Belgium on SVOD, and Sweden, Italy, Ireland and Denmark on TVOD<sup>7</sup>.

**UK titles most common on both SVOD and TVOD**

On SVOD, a total of 80% of top 10 titles came from the United Kingdom. Also, no co-productions were found. Titles present on a non-EU owned service are by extension present in all the countries in which the service operates.

**Table 5. Top 10 EU28 non-national titles on SVOD, by number of countries of availability, October 2019**

Title	Year	Production country	Countries of availability	Platforms
Novine	2016	HR	20	20
Wolfblood	2012	GB	19	39
Top Boy	2011	GB	19	38
Peaky Blinders	2013	GB	19	26

<sup>7</sup> The high number of unique titles from Austria on TVOD is explained by the sample, which covers numerous Austrian catalogues, as compared to other countries' catalogues.



Title	Year	Production country	Countries of availability	Platforms
The IT Crowd	2006	GB	19	22
Baby	2018	IT	19	21
Monty Python's Flying Circus	1969	GB	19	21
Derek	2012	GB	19	20
Derry Girls	2018	GB	19	20
James Acaster: Repertoire	2018	GB	19	20

Source: European Audiovisual Observatory based on JustWatch data

If we look only at EU-owned SVOD services, the top 10 list of titles now shows an array of co-productions (70%) and newer titles but fewer countries of availability; 80% of titles remain of UK origin.

**Table 6. Top 10 EU28 non-national titles on EU-owned SVOD services, by number of countries of availability, October 2019**

Title	Year	Production country	Countries of availability	Platforms
Riviera	2017	GB	9	9
Tin Star	2017	GB,CA,US	7	8
The White Queen	2013	GB,FR	7	7
Vikings	2013	IE,CA	6	9
Agatha Christie's Poirot	1989	GB	6	6
Clique	2017	GB	6	6
Humans	2015	GB,US,SE	6	6
The Tudors	2007	IE,CA,US,GB	6	6
The White Princess	2017	GB,US	6	6
Howards End	2017	GB,US	5	6

Source: European Audiovisual Observatory based on JustWatch data.

On TVOD, 50% of content came from the United Kingdom and 70% of the titles were co-productions. Titles on TVOD reached fewer countries than those on SVOD, but were found in a similar number of catalogues.



**Table 7. Top 10 EU28 non-national titles on TVOD, by number of countries of availability, October 2019**

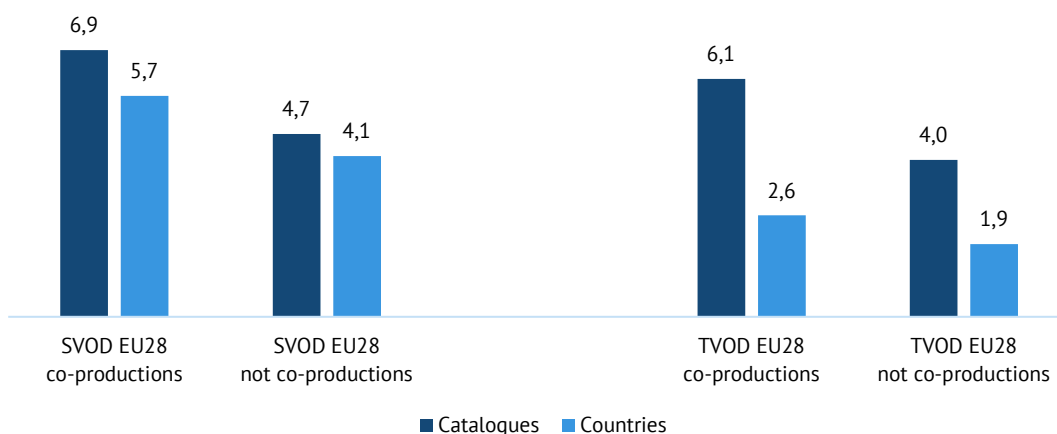
Title	Year	Production country	Countries of availability	Platforms
Rome	2005	GB,US	8	25
Strike Back	2010	GB	7	24
The Tudors	2007	IE,CA,US,GB	7	23
Fortitude	2015	GB	7	14
Gomorra - La serie	2014	IT,DE	5	21
Doctor Who	2005	GB,CA	5	17
Bron/Broen	2011	SE,DK,DE	5	16
Taken	2017	FR,US	5	15
Ennemi public	2016	BE	5	14
Top of the Lake	2013	GB,AU,NZ,US	5	14

Source: European Audiovisual Observatory based on JustWatch data.

### Few co-productions available, but they travel better

Co-productions accounted for only 5% and 7% of all high-end titles available on SVOD and TVOD, respectively. The figures were slightly higher for EU28 titles (9% on both types of VOD service).

**Figure 12. Circulation of EU28 co-produced vs. non-co-produced titles in average number of catalogues and countries of availability, on SVOD and on TVOD, October 2019**



Source: European Audiovisual Observatory based on JustWatch data



Co-productions circulate better than 100% national titles on SVOD and much better on TVOD, both in terms of average number of catalogues and countries of availability.

### 1.2.3. Exports on VOD outside the EU

This section is based on analysis of 2 to 13 episode scripted live action series in 79 SVOD catalogues<sup>8</sup> in 21 non-EU28 countries<sup>9</sup>. Data was retrieved in the catalogues in August 2019 and was provided by Ampere Analysis.

#### **Roughly 1 000 high-end EU28 series titles available outside EU28**

- A full 4 674 different 2-13 episode series were found in the 79 non-EU28 catalogues, representing 7 335 seasons and 62 481 episodes.
- Out of these 4 674 unique series, 1 002 were of EU28 origin, representing 1 913 seasons and 6 801 episodes. Of note is the fact that another 608 titles were from European non-EU28 countries, due especially to the very high share of Russian series on Russian SVOD service ivi.
- The number of different European TV series available varied by region and country. The highest number of different European series was found in Russia, followed by North America and New Zealand.

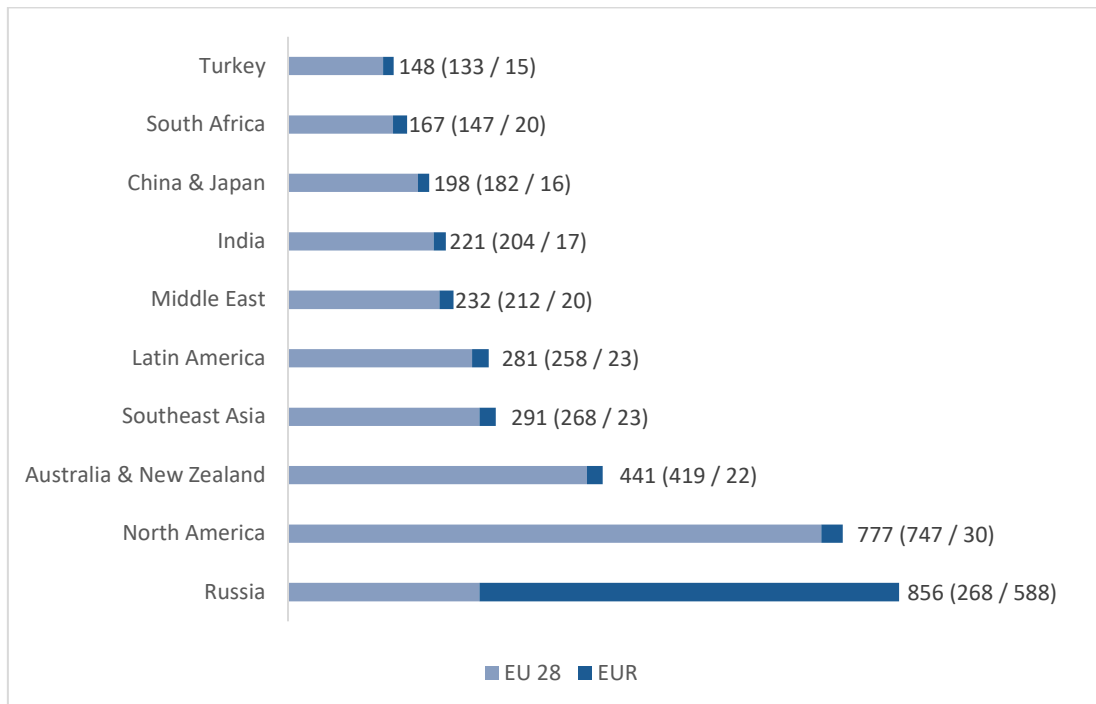
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<sup>8</sup> Amazon Prime Video (14 countries), Britbox (2), CBS All Access (1), Claro Video (3), Crave TV (1), Eros Now (1), Foxtel Now (1), HBO Go (3), Hooq (5), Hotstar (3), Hulu (2), iQYI (1), ivi (1), Lightbox (1), Neon (1), Netflix (20), Showtime Anytime (1), Stan (1), Starz Play (4), Sundance Now (1), Super Channel (1), Tencent Video (1), Viu (5), Wavo (3), Youku (1).

<sup>9</sup> Argentina, Australia, Brazil, Canada, China, Egypt, Indonesia, India, Japan, Mexico, Malaysia, New Zealand, Philippines, Russia, Saudi Arabia, Singapore, Thailand, Turkey, United States of America, South Africa, United Arab Emirates.



**Figure 13. Number of unique European high-end series by region, August 2019**



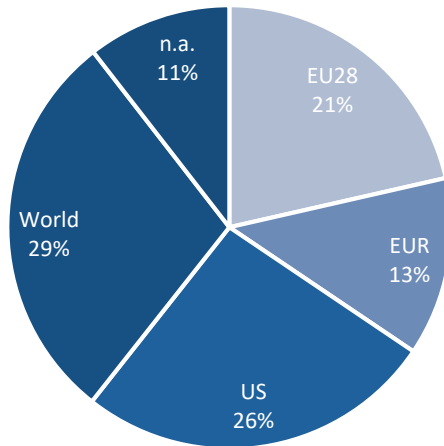
**How to read this Figure:** 856 different European 2-13 episodes series titles were available in Russia, of which 268 were from the EU28 and 588 from other European countries.

Source: European Audiovisual Observatory analysis of Ampere Analysis data.

- European 2-13 episodes series titles accounted for 34% of all the different 2-13 episodes series titles found in the catalogues, with 21% coming from the EU28 and 13% from other European countries, respectively.



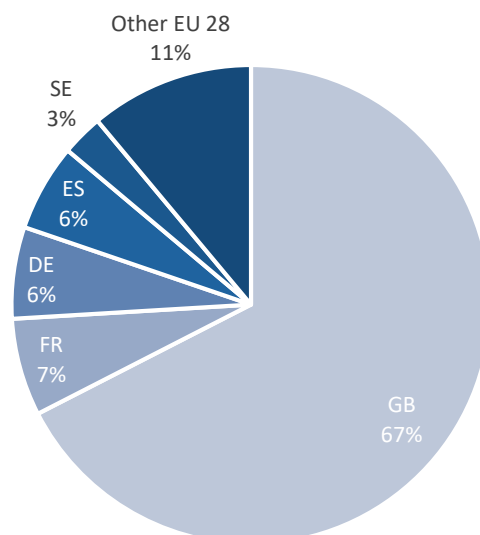
**Figure 14. Origin of unique 2-13 episode series titles available in at least one SVOD catalogue outside EU28, August 2019**



Source: European Audiovisual Observatory analysis of Ampere Analysis data.

- Out of the 1 002 EU28 unique series, 676 (67%) were of UK origin, with much lower shares for France (66 different titles - 7%), Germany (62 different titles - 6%) and Spain (59 different titles - 6%).

**Figure 15. Origin of EU28 unique 2-13 episode series titles available in at least one SVOD catalogue outside EU28, August 2019**



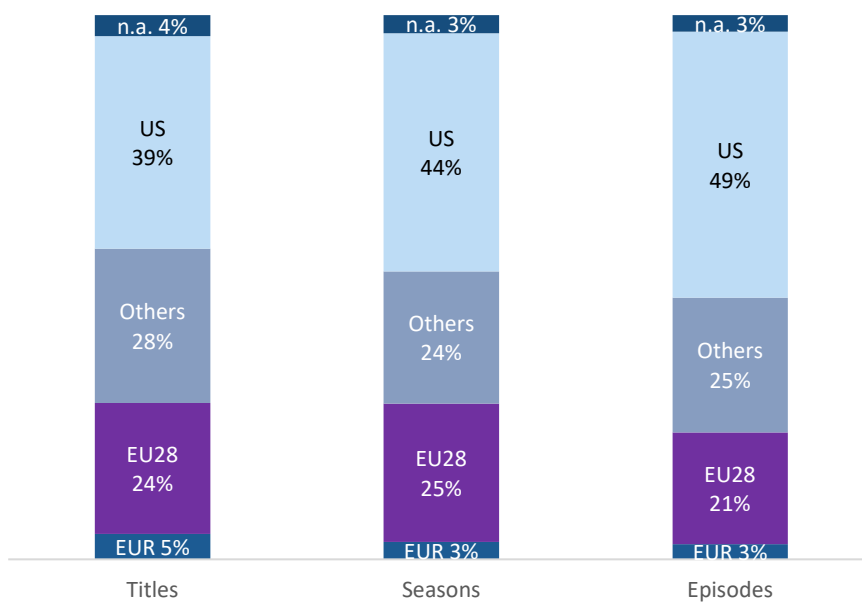
Source: European Audiovisual Observatory analysis of Ampere Analysis data.



### Significant variations between the size of high-end series catalogues and the share of European series

- Overall, the 79 catalogues of the sample cumulatively offered 20 208 series titles in their catalogues, including 4 856 EU28 titles and 949 non-EU28 European titles.
- The EU28 accounted for 24%, 25% and 21% of series, seasons and episodes available on SVOD outside the EU28, respectively. Other non-EU28 European countries accounted for another 5%, 3% and 3%, respectively.

**Figure 16. Presence of high-end series by region of origin and by titles, seasons and episodes, August 2019**



Source: European Audiovisual Observatory analysis of Ampere Analysis data.

The size of the 2-13 episode series catalogues and the share of European works varied between regions:

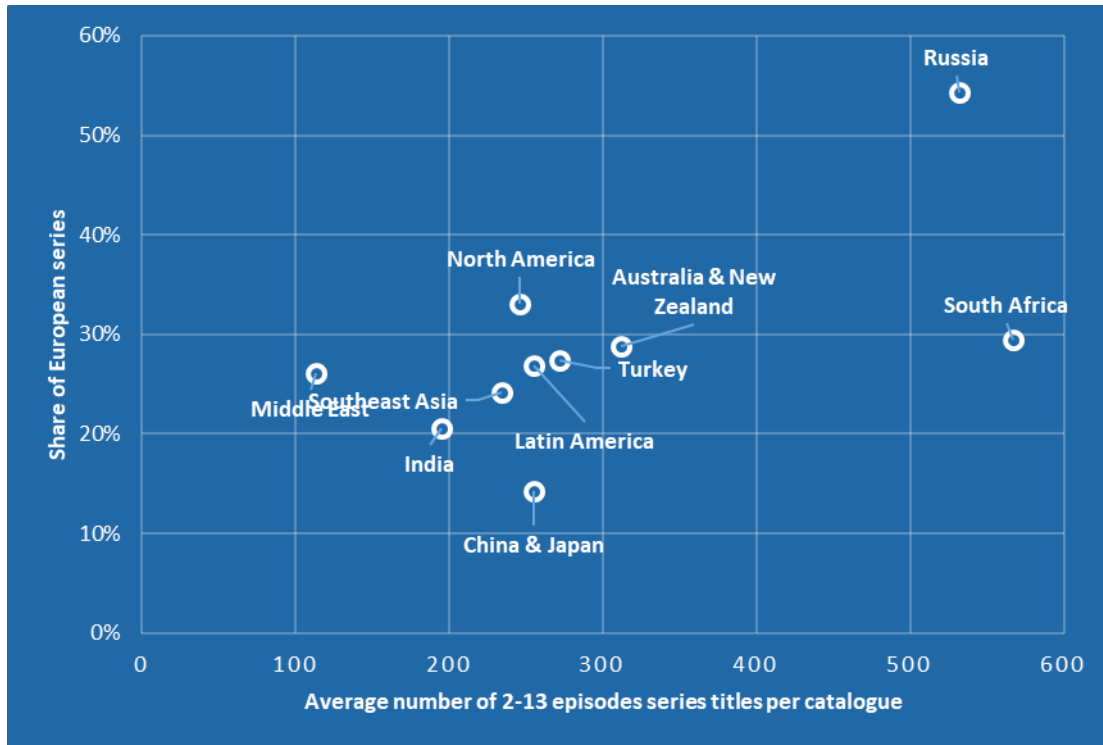
- On average, there were more series titles in an SVOD catalogue in Russia, Australia & New Zealand and Turkey<sup>10</sup>.
- On average, the share of European series was higher in Russia, North America, or Australia & New Zealand.

<sup>10</sup> Excluding South Africa, with only one catalogue in the sample.





**Matrix 1. Number of high-end series titles and share of European series for an average catalogue by region, August 2019**



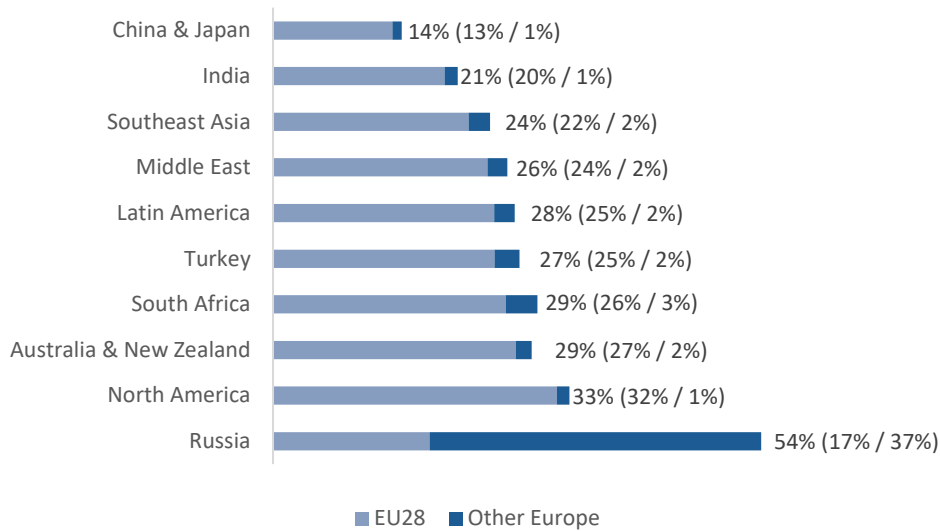
**How to read this figure:** an average of over 500 series appeared in each catalogue among the Russian catalogues of the sample; 55% were of European origin.

Source: European Audiovisual Observatory analysis of Ampere Analysis data.

EU28 series titles represented the vast majority among European series titles, with the notable exception of Russia, where the share of non-EU28 European series titles (mainly Russian titles) was higher than the share of EU28 series.



**Figure 17. Share of EU28 and other European countries series titles in SVOD catalogues by region, August 2019, in %**



**How to read this figure:** on average, 14% of series titles were of European origin in China & Japan SVOD catalogues, of which 13% were from the EU28 and 1% from other European countries.

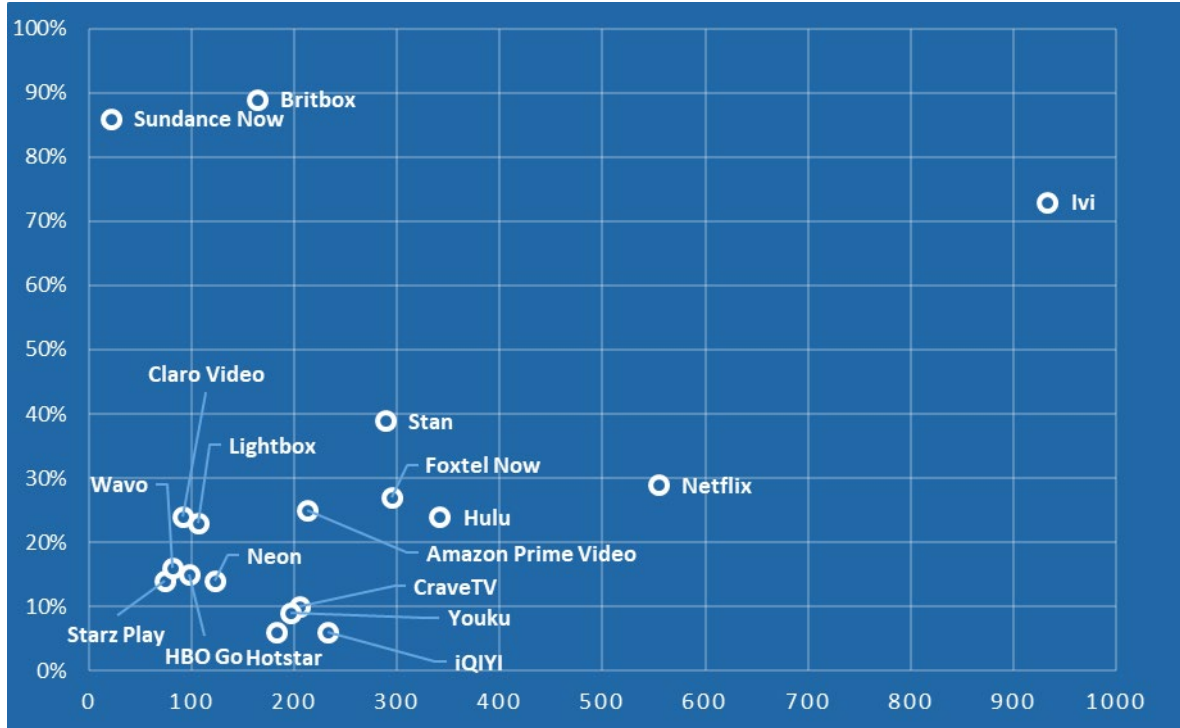
Source: European Audiovisual Observatory analysis of Ampere Analysis data

The size of the series catalogues and the share of European works also varied between services:

- On average, there were more series titles in an ivi, Netflix or Hulu national catalogue.
- On average, the share of European series was higher in the Britbox, Sundance and ivi catalogues.
- The highest share of European series titles was attributed to services with an editorial focus benefiting European series.
- Netflix and Amazon, with a share of 29% and 25% of European series, respectively, probably benefit from their presence in Europe to acquire European series for their non-European catalogues.
- A number of other single-country platforms in English-speaking countries (Stan - Australia, Super Channel - Canada) also offer a comparatively high share of European series.



**Matrix 2. Number of high-end series titles and share of European series for an average catalogue by service<sup>11</sup>, August 2019**



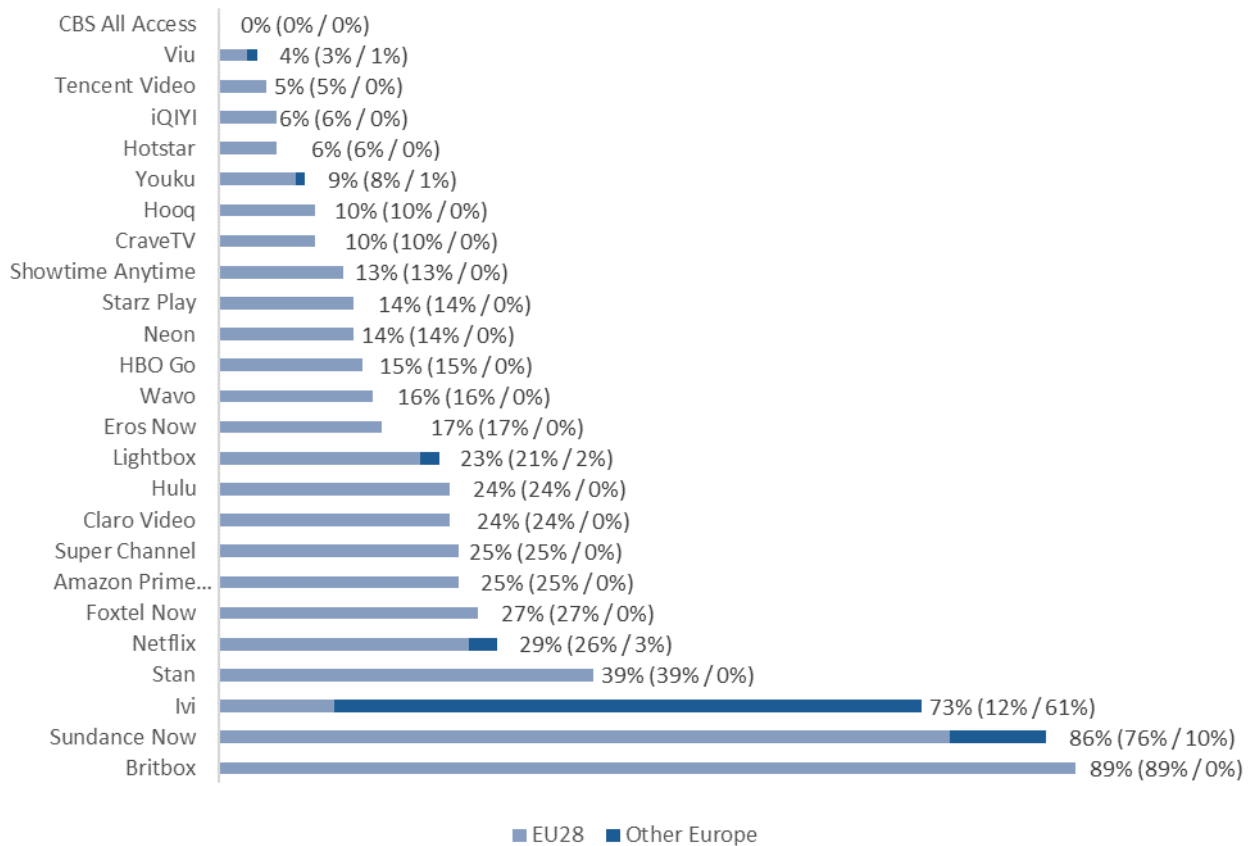
**How to read this figure:** there was an average of 340 series in each catalogue among the Hulu catalogues of the sample; 24% were of European origin.

Source: European Audiovisual Observatory analysis of Ampere Analysis data.

EU28 series titles represented the vast majority among European series titles, with the notable exception of Ivi (Russia).

<sup>11</sup> Only includes services with at least 10 European TV series per catalogue.

**Figure 18. Share of EU28 and other European country series in SVOD catalogues by service, August 2019, in %**



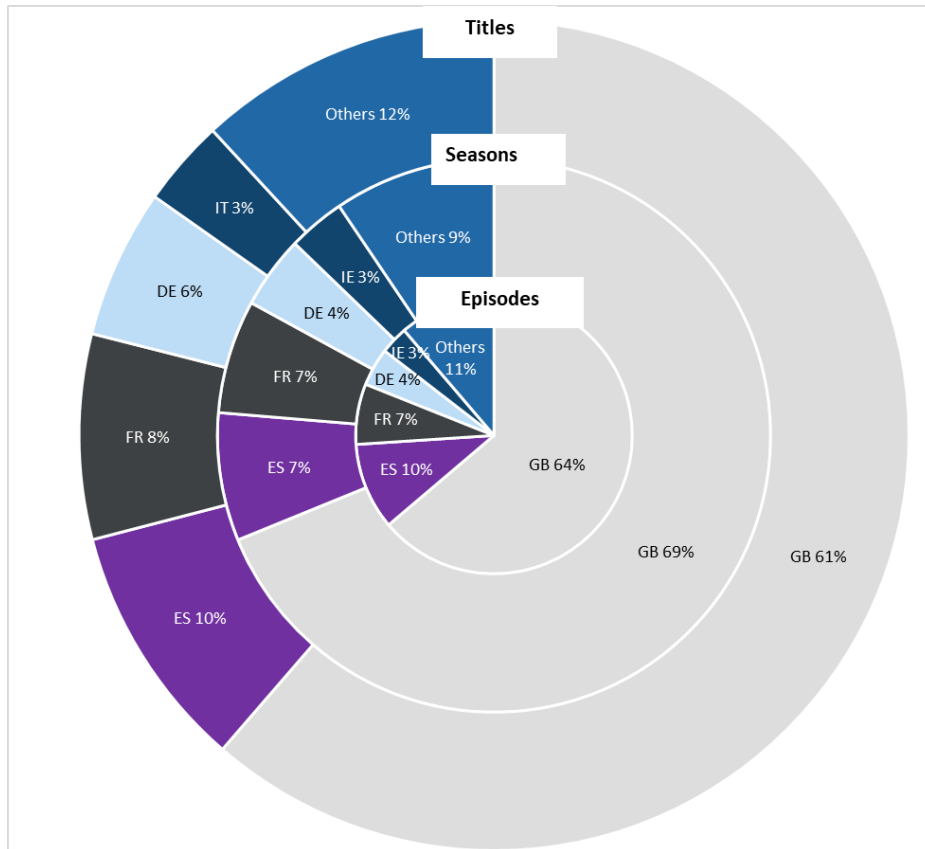
**How to read this figure:** on average, 29% of series titles were of European origin in Netflix catalogues, of which 26% were from the EU28 and 3% from other European countries.

Source: European Audiovisual Observatory analysis of Ampere Analysis data

The UK was, by far, the leading exporter of EU28 series outside Europe. Broken down, 61%, 68% and 64% of EU28 series titles, seasons and episodes available, respectively, outside the EU28 were of UK origin. Spain, France and Germany followed, with much lower shares. Clearly, the share of each country varies depending on the export region:

- UK series were particularly present in North America.
- Spanish series were particularly present in Latin America.
- The share of French series was similar regardless of the export region.
- German series had a higher share than in the Middle East, on average.
- Swedish series were particularly present in Russia.

**Figure 19. Country of origin of EU series by share of presence and by titles, seasons and episodes, August 2019**



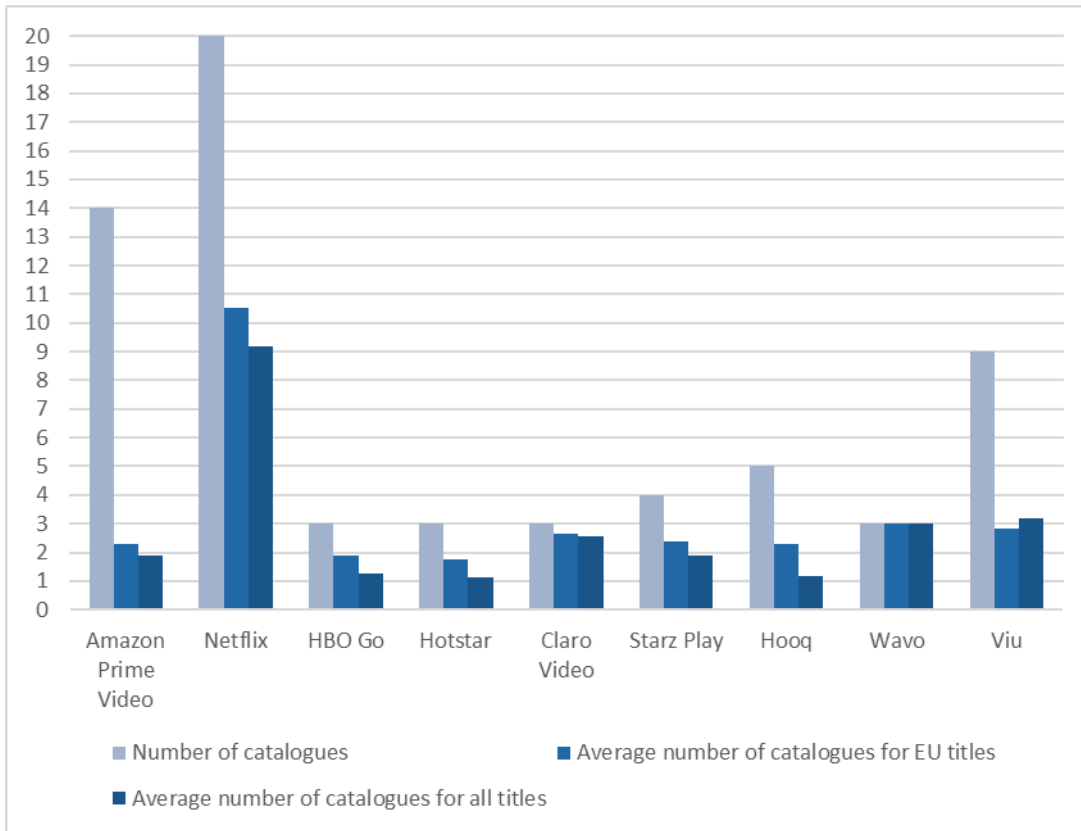
Source: European Audiovisual Observatory analysis of Ampere Analysis data

### Different purchasing patterns

The comparison of the country catalogues of SVOD services present in at least three different countries shows very different purchasing patterns.

- A given series title was present on average in all Wavo catalogues and in almost all Claro catalogues.
- A given series title was present on average in about 50% of Netflix, Viu or Hooq catalogues.
- A given series title was only present on average in about 15% of Amazon Prime Video catalogues.

**Figure 20. Series presence, in average number of catalogues, for main multi-country services, August 2019**



**How to read this figure:** there are 14 Amazon Prime Video catalogues in the sample. A given EU28 high-end series is present on average in 2.3 of these catalogues. A given 2-13 episode series (all origins) is present on average in 1.9 of these catalogues.

Source: European Audiovisual Observatory analysis of Ampere Analysis data.



## 2. High-end fiction series momentum

### 2.1. Looking back: the early days of internationalisation

For decades, TV drama was primarily designed to achieve strong audiences in prime-time programming. Differences in tastes between countries (whether real or perceived) led to a favouring of stories with strong national dimensions, settings and casts. Each major national broadcaster developed its own projects and, to a large extent, funded them. Additional outlets, including outside the production country, resulted in most cases in limited additional revenues<sup>12</sup> and was not a key element of the financing equation.

However, well before the surge of SVOD platforms, the TV fiction industry slowly opened to international exchanges. On the one hand, the UK made the most of English as a universal language, of the links with the United States industry and of the powerful distribution arm of the BBC, (BBC Worldwide, now BBC Studios) to develop significant exports of its TV series. On the other hand, rare instances of international co-production demonstrated that the ‘curse’ of “Europuddings”<sup>13</sup> could be avoided.

Finally, the Nordic public broadcasters joined forces as early as the mid-2000s to overcome the limited size of their national markets and mutualise (a portion of) their investments in dramas.

#### 2.1.1. Early (co-)production success stories

In 1999, the huge success of *The Count of Monte Cristo* (co-produced by France’s TF1, Germany’s KirchGroup and Italy’s Mediaset) starring renamed European actors paved the way for a new generation of continental collaborations.

Canal+ was one of the first European channels to co-produce at an international level. Following the initiation of a high-end series production strategy around 2003, its successful series *Engrenages* (*Spiral*) was acquired by the BBC in 2016.

The collaborations between Sky (Sky Atlantic UK in this case) and Canal+ led to the renowned 2013 series *The Tunnel*, a bilingual English-French free adaptation of Danish-Swedish hit *The Bridge*. In 2015 came Paolo Sorrentino’s *The Young Pope*, a co-production between HBO, Sky and Canal+ whose success led to a second season (*The New Pope*), which premiered in 2019.

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<sup>12</sup> For example, the licensing rights for French series *Les revenants*, counting 8x52’ episodes and with a production cost per episode of EUR 1.4 million, were sold to a UK channel for around EUR 80 000.

<sup>13</sup> A television programme or (especially) a film produced by, and starring, people from several different European nations, and hence often considered to be lacking in coherence, individuality, or authenticity (lexico.com).



## 2.1.2. The UK export force: a long tradition in drama

The United Kingdom, with a tradition of TV drama production mainly supported by public broadcasters<sup>14</sup> has traditionally been a fueller of the European fiction production industry.

From the 1950s and 1960s, the BBC and ITV produced a host of classic TV series, with top talent (actors, writers, directors), such as *Robin Hood* (1955), *The Avengers* (1961), *Dad's Army* (1968) or *Doctor Who* (1963), many of them licensed for broadcast everywhere in Europe and, recently, adapted.

Beyond sales, the United Kingdom increasingly opened to co-production, mainly with the United States (e.g. American Time Life Films in 1970) - by 1973 the US represented the majority of its co-production income. The US also increasingly provided content, selling to most European broadcasters in the 1970s.<sup>15</sup>

In the 1980s, co-productions increased with other European partners (initially with Ireland's RTE). European regulation in the 1990s (e.g. the Television without Frontiers Directive, the MEDIA sub-programme) also influenced the growing number of European TV co-productions.

## 2.1.3. Scandinavian crime fiction

*Nordic noir* (also referred to as *Scandi noir*) is a crime fiction genre that started in Scandinavian literature in the 1970s, received international recognition in the 1990s (Henning Mankell's Wallander novels) and then extended to audiovisual at the turn of the century (e.g. *Rejseholdet/Unit One*, *Nikolaj og Julie*, *Forbrydelsen/The Killing*).<sup>16</sup> The move to projects conceived at the broader Scandinavian level and no longer by each individual country was also a response to the need to better finance drama, and benefited from a well-established regional network for co-production and distribution.

The success of Scandinavian series in Europe from the mid-2000s then opened up co-production opportunities with other non-Nordic countries, such as Germany (*The Killing*, *The Bridge*), the United Kingdom (*Jordskott*), France (*Ride upon the Storm*), Belgium (*Spring Tide*), or more recently Chile (*Invisible Heroes*). Many of these co-productions benefited from Creative Europe's TV programming support scheme, which has been crucial in backing Nordic high-end fiction.

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<sup>14</sup> In the UK, public broadcasters are defined by their public service missions. ITV, a privately-owned broadcaster, is considered a public broadcaster.

<sup>15</sup> *Network Nations: A Transnational History of British and American Broadcasting*, by Michele Hilmes, 2011.

<sup>16</sup> [https://en.wikipedia.org/wiki/Nordic\\_noir](https://en.wikipedia.org/wiki/Nordic_noir)





## 2.2. The push for high-end European series

Historically, European TV networks had a larger appetite for TV movies than for fiction series; even if they occasionally presented well-known recurrent characters (e.g. *Julie Lescaut* in France, a sort of pre-series). Until the United Kingdom's BBC turned to the US for co-productions and Germany's ZDF joined the Scandinavians in their Nordic noir boom.<sup>17</sup>

Today, most original titles attracting subscribers to the SVOD platforms are high-end fiction series. This is a clear editorial strategy shared by platforms and linear broadcasters. In Spain, 40% more series were financed in 2017 over the previous year, reflecting that this is the production format that pulls the 50% increase in production investment.<sup>18</sup>

In France, ever fewer TV films are being produced and the main groups are adapting to change more broadly: Canal+ launched an SVOD service dedicated only to series (Canal+ Séries); myTF1 has evolved towards an AVOD model and now labels its series as "myTF1 Exclusive"; France Télévisions reached a deal with The Alliance (France TV + ZDF + RAI) for the production of high-end series in European co-production; and Orange announced the investment of EUR 100 million, over five years, in the production and acquisition of fiction series through Orange Studios and OCS, respectively, as well as the creation of the "OCS Originals" label (*The Name of the Rose* was the first labelled title).<sup>19</sup>

In the US, the boost of TV series has been fuelled by new platforms, which registered 220% growth in the number of scripted original titles produced from 2015 to 2018 and are currently producing more series than the broadcasters<sup>20</sup>.

### 2.2.1. A view from the US: the TV peak?

Once only produced by free-to-air broadcast networks, TV series became a differentiator of exclusive pay TV channels. HBO marked the start of the (r)evolution of TV content in the mid-1990s, both with its bet on high-quality TV production ("It's not TV. It's HBO" campaign in 1996), and by empowering the script writers. From the first HBO original series (*The Wire*, *The Sopranos*), emerged a new generation of showrunners (writers-producers) climbing the stairs of the writing room's vertical structure. Other cable networks, which were only buying content, also moved into original production (FX, *The Shield*, 2002; AMC, *Mad Men*, 2007). The third wave begun with subscription VOD services (Netflix, *House of Cards*, 2013).

In 2018, cable networks were the main commissioner of prime-time scripted series in the United States, but SVOD services were almost at par. The overall growth of the

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<sup>17</sup> CNC Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019.

<sup>18</sup> CNMC, Informe referido al cumplimiento de la obligación de financiar obra audiovisual europea en el ejercicio 2017, May 2019.

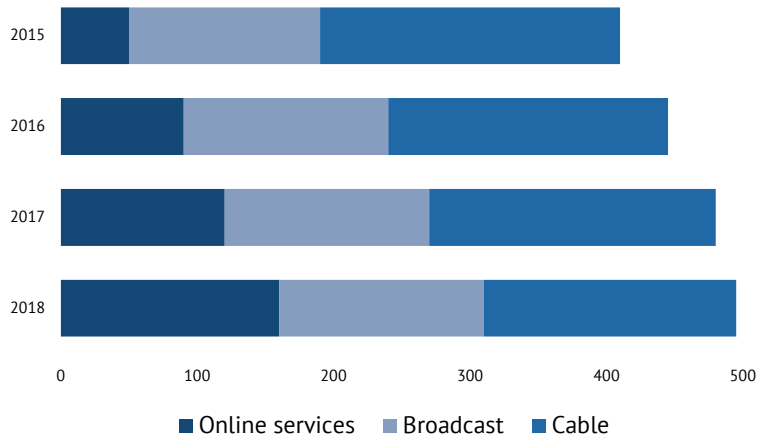
<sup>19</sup> <https://www.zdnet.fr/blogs/digital-home-revolution/svod-netflix-toujours-plus-39886839.htm>

<sup>20</sup> <https://www.ft.com/content/cf0f0bd6-4596-11e9-a965-23d669740bfb>



number of TV series has fed a debate on whether this peak TV<sup>21</sup> era is a bubble about to burst, with investments eventually not recouped.

**Figure 21. TV scripted original series produced in the US by commissioner type, 2015-2018, in number of titles**



Source: *Financial Times*, FX Networks Research

## 2.2.2. European broadcasters challenged

### National TV series top broadcasters' charts

Looking at top 20 fiction series by audience in the five main producing markets in Europe in 2018, 100% of titles were national in the UK and Germany; in Italy 19 out of top 20 fiction series were national; in France and Spain the majority (17/20) of successful titles were also national.<sup>22</sup>

In addition to titles with a higher circulation potential linked to distribution by a pan-European platform, some European titles have also found success at the worldwide level, such as Britain's *Downton Abbey* (2010, ITV) which was broadcast worldwide,<sup>23</sup> France's *Les Revenants* (2012, Canal+) which was sold to over 70 countries<sup>24</sup> along with its US adaptation *They came back* (2015, A&E) which then performed well in the UK<sup>25</sup>,

<sup>21</sup> The 'Peak TV' concept was elaborated in 2015 by John Landgraf, chairman of FX.

<sup>22</sup> CSA, Performances de la fiction en Europe en 2018 (France, Allemagne, Espagne, Italie, Royaume-Uni), juillet 2019 (<https://www.csa.fr/Informer/Collections-du-CSA/Focus-Toutes-les-etudes-et-les-comptes-rendus-synthetiques-proposant-un-zoom-sur-un-sujet-d-actualite/Les-etudes-du-CSA/Performances-de-la-fiction-en-Europe-en-2018>)

<sup>23</sup> <https://www.nytimes.com/2013/01/06/arts/television/downton-abbey-reaches-around-the-world.html>

<sup>24</sup> Ampere Analysis, France TV Market Profile, July 2019.

<sup>25</sup> <https://tv.parrotanalytics.com/UK/the-returned-a-e>



Denmark's hit *Borgen* (2010, DR)<sup>26</sup>, Scandinavia's *Bron/Broen* (2011, SVT-DR-ZDF) which sold to over 200 countries<sup>27</sup> or Spain's *Gran Hotel* (2011, Antena3), with international remakes in the US, Italy, Mexico and Egypt.<sup>28</sup>

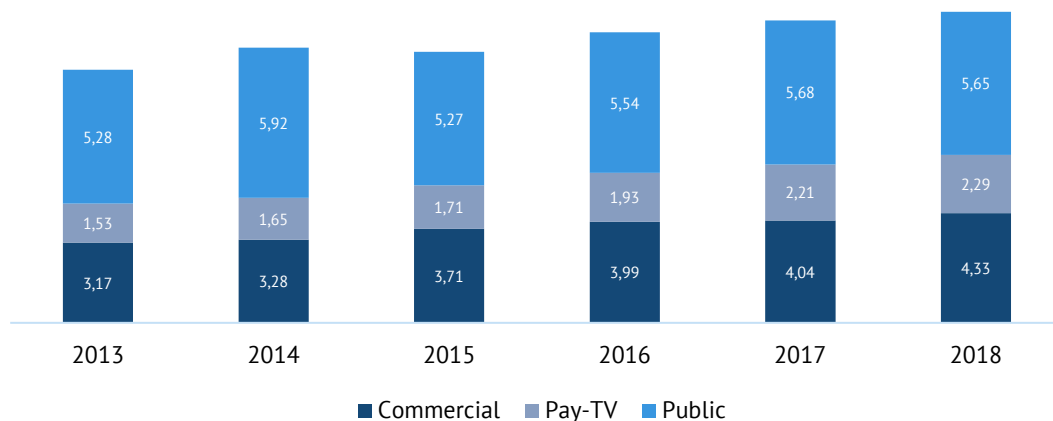
### Broadcasters face pressure on revenues

TV channels, in particular PSBs, are key to the financing of high-end series.

In general, but mostly for the five main production markets, European TV production is supported by public broadcasters. In France, before the explosion of platforms, 70% of TV series' financing came from TV channels.<sup>29</sup>

In 2018, Germany's ARD and ZDF spent EUR 2.58 billion together on original programming while the BBC spent EUR 2.59 billion, remaining the top public commissioner on the continent with 225 upcoming TV programmes (85 scripted).<sup>30</sup>

**Figure 22. Western Europe<sup>31</sup> spend on original content by broadcaster type, 2013-2018, in EUR billion**



Source: Ampere Analysis

<sup>26</sup> <https://www.bbc.com/news/magazine-17853928>

<sup>27</sup> <https://zdf-enterprises.de/en/catalogue/international/zdfedrama/tv-movies/crime-suspense/behind-bron-broen>

<sup>28</sup> [https://en.wikipedia.org/wiki/Gran\\_Hotel\\_\(TV\\_series\)](https://en.wikipedia.org/wiki/Gran_Hotel_(TV_series))

<sup>29</sup> CNC Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019.

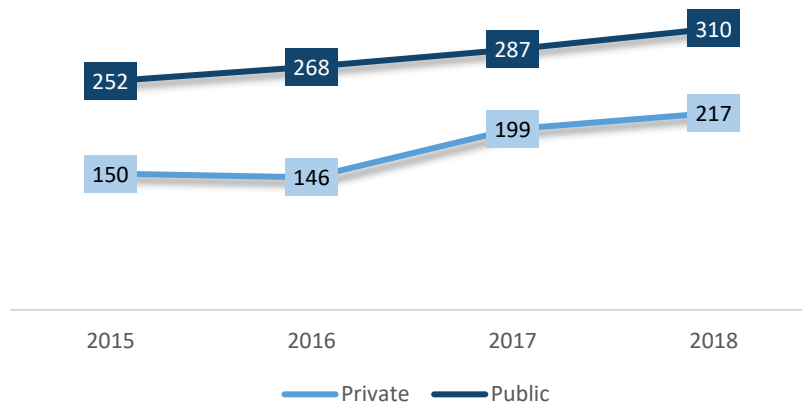
<sup>30</sup> <https://www.ampereanalysis.com/insight/european-public-broadcasters-future-investment-in-original-content-challenged>

<sup>31</sup> "Markets included: UK, Germany, France, Italy, Spain. Non-sport spend only." (European public broadcasters' future investment in original content challenged, Ampere Analysis, September 2019).



In 2018, public broadcasters from France, Germany, Italy, Spain and the United Kingdom spent a combined EUR 5,65 billion on original content.<sup>32</sup> This represented 46% of total spend on originals in 2018, versus 53% in 2013, showing that public investment is decreasing not only in absolute terms but also due to the higher investment of commercial TV and pay TV groups in originals.

**Figure 23. High-end TV series titles commissioned in Europe by statute of the service, 2015-2018, in number of titles**



Source: European Audiovisual Observatory, European Metadata Group.

In terms of production volumes, private services (growth rate 31% from 2015 to 2018) are also catching up with public services (23% growth in the same period).

### **Revenues of broadcasters stagnating (even decreasing in real terms), limiting capacity to invest in original production**

Revenues of the audiovisual market in the EU are stagnating. Total compound annual growth rate (CAGR) between 2014 and 2018 was only 0.85% and only digital video grew.

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<sup>32</sup> <https://www.ampereanalysis.com/insight/european-public-broadcasters-future-investment-in-original-content-challenged>

**Table 8. Audiovisual revenues in the EU, 2014-2018, in EUR million**

	2014	2015	2016	2017	2018	2018/2017	CAGR (2018/2014)
<b>Audiovisual services</b>	<b>87 858</b>	<b>90 987</b>	<b>91 040</b>	<b>91 625</b>	<b>92 536</b>	<b>0,99%</b>	<b>1,31%</b>
Public funding	25 753	26 109	25 853	25 831	25 818	-0,05%	0,06%
Advertising TV	29 091	30 947	31 088	31 267	31 682	1,33%	2,16%
Pay-TV revenues	33 013	33 932	34 099	34 528	35 036	1,47%	1,50%
<b>Cinema gross box office</b>	<b>6 322</b>	<b>7 207</b>	<b>7 039</b>	<b>7 024</b>	<b>6 768</b>	<b>-3,64%</b>	<b>1,72%</b>
<b>Video</b>	<b>5 751</b>	<b>5 365</b>	<b>4 773</b>	<b>4 349</b>	<b>4 047</b>	<b>-6,93%</b>	<b>-8,41%</b>
Physical	4 736	4 171	3 473	2 945	2 518	-14,49%	-14,61%
Digital	1 015	1 194	1 300	1 404	1 529	8,92%	10,78%
<b>TOTAL</b>	<b>99 931</b>	<b>103 559</b>	<b>102 853</b>	<b>102 998</b>	<b>103 352</b>	<b>0,34%</b>	<b>0,85%</b>
Growth		3,63%	-0,68%	0,14%	0,34%		

Source: European Audiovisual Observatory - Yearbook 2019

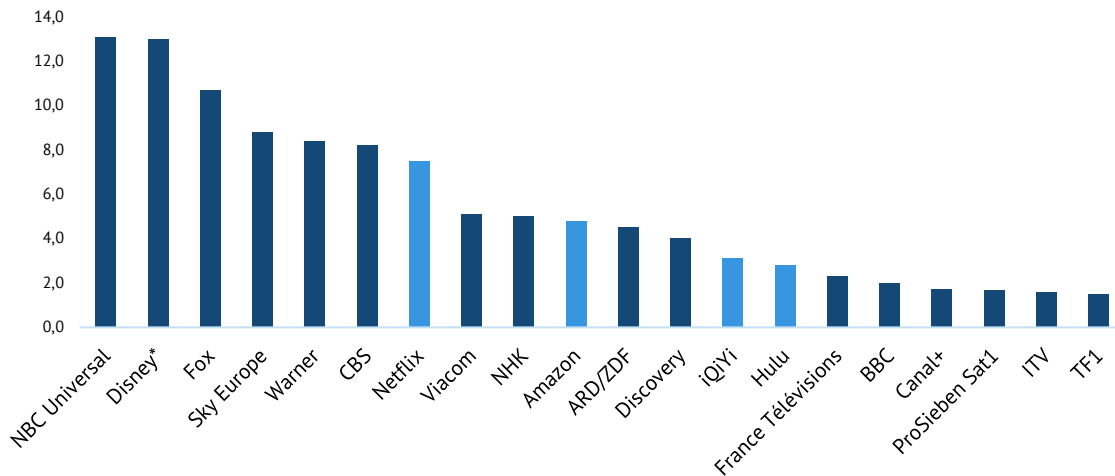
## 2.2.3. Increased focus of US SVOD services on original production

### Huge capacity to invest

The growth of production volumes is reflected in overall investment from primary US platforms: Netflix invested EUR 12 billion (USD 15 billion) in content in 2019 and is expected to invest in EUR 15 billion (USD 17 billion) in 2020.

Some digital players (in light blue in the graph below) are already investing more than traditional media companies.

**Figure 24. Leader content spenders<sup>33</sup> in 2018, in USD billion**



Source: Ampere Analysis.

Apple spend in 2020 is estimated at close to USD 2.5 billion and Disney+, after announcing an initial investment of USD 1 billion on original content, expects to spend USD 2.5 billion by 2024.

In comparison, the main five French broadcasters (France Télévisions, Canal+, TF1, M6 and Orange) together spent EUR 5,4 billion on content in 2018, 40% (EUR 2.2 billion) on original content.<sup>34</sup>

And in the United Kingdom, according to Ofcom research, combined spending of the BBC (GBP 1,2 billion), ITV (GBP 1 billion per year claimed), Channel 4 and Channel 5 on original content in 2017 was GBP 2.5 billion (EUR 3 billion).<sup>35</sup>

**Are broadcasters' investments in content comparable with SVOD's?**

- Attention should be paid to the various meanings of “investments in content”. The terminology is either used to designate the acquisitions of rights over several years or the annual programming costs, i.e. the share of the content portfolio which is used during a given year (technically, a depreciation on the rights portfolio). Also, investments in content may designate all types of content spendings, including acquisitions or only spendings in original programming. For example, it is our understanding that the investments in programming announced by Netflix cover both acquisitions and original content and correspond to multi-year rights deals. It

<sup>33</sup> “Data taken from 27 territories worldwide, representing 80% of content spend. Spend includes Originated, Acquired and Sports Rights.” (Chasing the content advantage, Ampere Analysis, October 2019).

<sup>34</sup> <https://www.zdnet.fr/blogs/digital-home-revolution/svod-netflix-toujours-plus-39886839.htm>

<sup>35</sup> <https://www.forbes.com/sites/sheenascott/2019/07/19/britbox-can-itv-and-the-bbc-compete-with-netflix-and-its-15bn-content-budget/#1bb5a797715c>

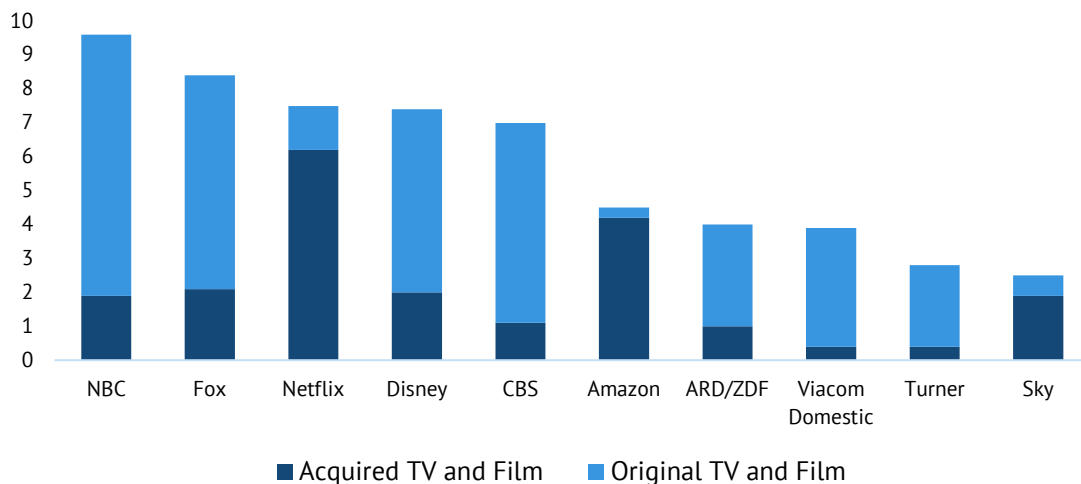


invested EUR 12 billion in content in 2019, but its cost of programming was EUR 8 billion, i.e. 41% of revenues. Schematically, the additional 4 billion are dedicated to long term investments in its portfolio rights.

- Comparing the programming spent of Netflix or other SVOD players with European broadcasters lack relevance as they have very different programming mix. Sport for most leading pay-TV European broadcasters; news for the leading free channels; significant amount of flow programmes for all free broadcasters are distinctive features. But estimates by the European Audiovisual Observatory suggest that European broadcasters tend to spend about 55% of their revenues in programming, excepting news.
- The comparison also lacks relevance when focusing on original programming. Netflix obviously dedicates only a fraction of its investments to European programmes (in the range of 20% of original TV seasons, according to figures from AmpereAnalysis) whereas the vast majority of broadcasters' investments in original programming is dedicated to European content.

### More original content

**Figure 25. Top 10 worldwide spenders on non-sport content<sup>36</sup>, acquired vs. original, 2018, in USD billion**



Source: Ampere Analysis

The programming and content spending of SVOD platforms is shifting from acquired programs to original production. Although today the three main global spenders on

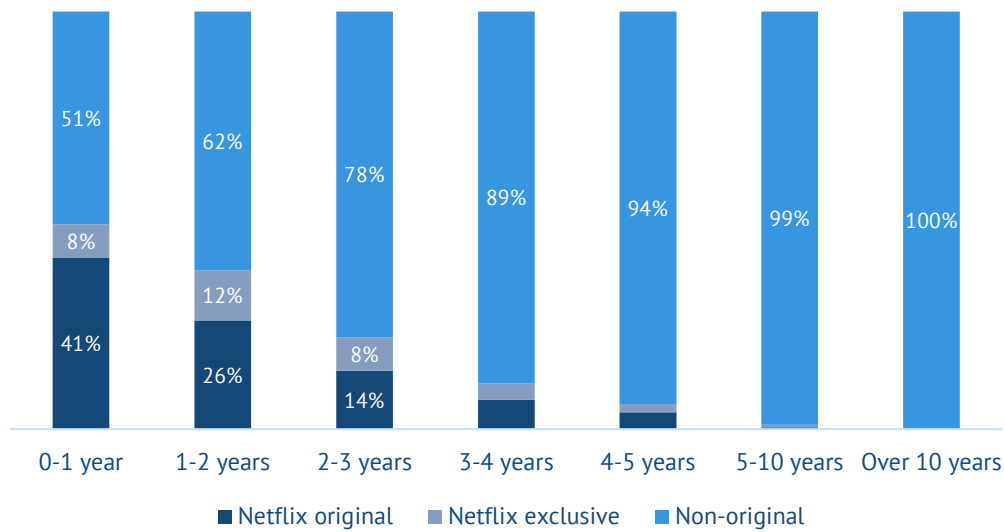
<sup>36</sup> "Data taken from 27 territories worldwide, representing 80% of content spend. Spend includes Originated, Acquired and Sports Rights." (Chasing the content advantage, Ampere Analysis, October 2019)



acquired content are streaming players (Netflix, Amazon and Hulu with a combined USD 11.3 billion in 2018), top spenders on original content are still the major US studios. But this is set to change since the new platforms alone have over 700 new TV shows in production.<sup>37</sup>

Although most of Netflix's total catalogue is composed of non-original content (90% of all titles), its freshest content is almost 50% original or exclusive, showing a reversal in its acquisition strategy.

**Figure 26. Netflix catalogue type of scripted TV content by age category, Q2 2019, in %**



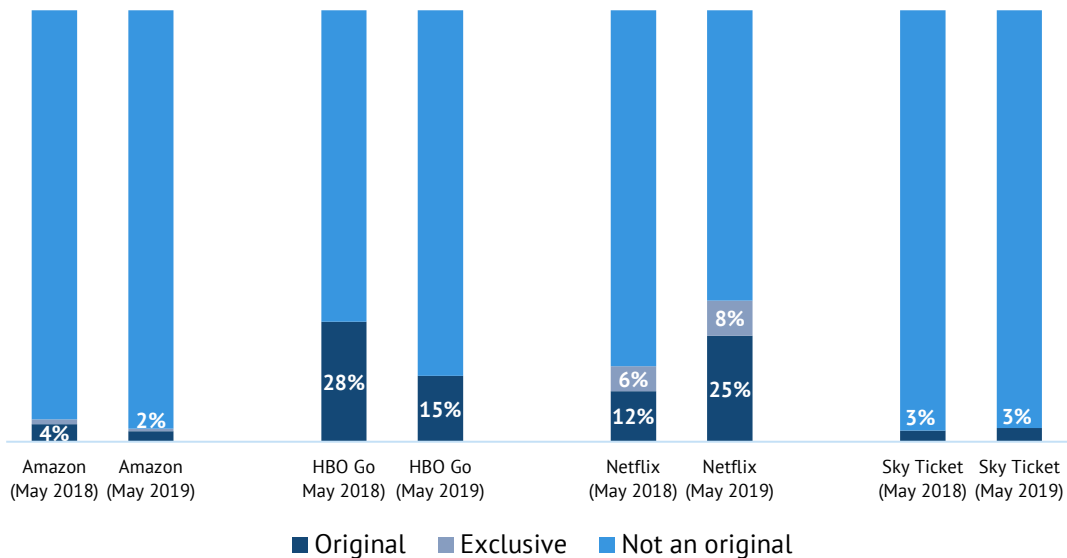
Source: Ampere Analysis

According to Ampere Analysis, the number of new HBO Originals nearly doubled in the second quarter of 2019 compared to the same period in 2018 (from 111 to 205 new titles), while Netflix's number of new originals remained relatively stable (130 to 122 new titles).

<sup>37</sup> Chasing the content advantage, Ampere Analysis, October 2019.



**Figure 27. Evolution in share of type of scripted TV content on four streaming platforms, May 2018–May 2019, in %**



Source: Ampere Analysis.

With regard to the proportion of originals in a selection of platforms’ global catalogues, only Netflix had an increase (from 12% in 2018 to 25% in 2019); HBO and Amazon saw decreases; and non-original content accounted for the lion’s share of content for most streamers (98% in the case of Amazon).<sup>38</sup>

Netflix is not only the only platform acquiring - or producing - more original content, but also the only service filling its catalogue with ‘exclusive’ content (not produced by Netflix; rights acquired by Netflix for most of their distribution markets). This means Netflix is picking up national or local successes to distribute them internationally (except in the countries of production or co-production, for which there is a previous distribution deal).

While producing originals in bigger European countries, on the licensing side Netflix is also focusing on European titles from smaller countries/regions that have a taste for specific content (the Netherlands, Central Europe) to complement the programming ‘holes’ left by original production.<sup>39</sup>

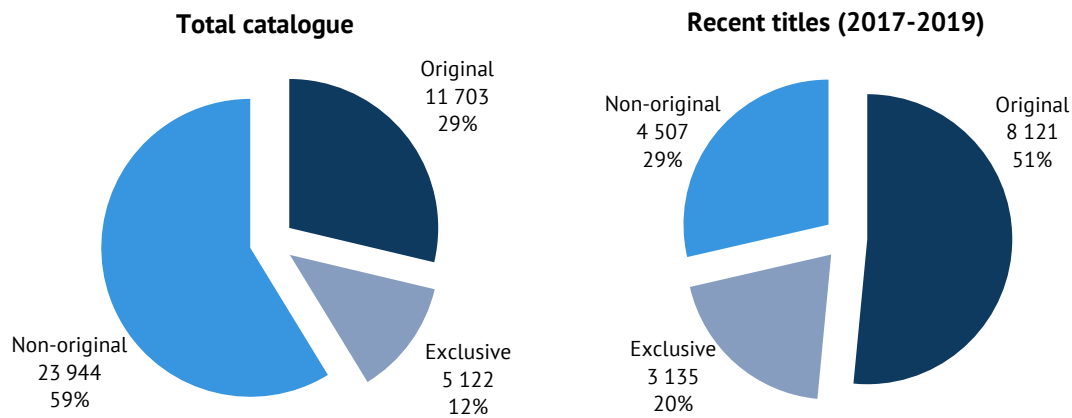
To this end, Netflix is increasing its licensing investment and has declared it will pay above-market prices for second-run content, offering at some point 30% and 50% more than competitors like HBO, Showtime or Starz.<sup>40</sup>

<sup>38</sup> <https://www.ampereanalysis.com/report/profile-q2-2019-analytics-quarterly-update>

<sup>39</sup> <https://www.screendaily.com/news/netflix-evolves-licensing-strategy-to-fill-original-content-holes-in-select-international-markets/5141606.article>

<sup>40</sup> <https://www.filmtake.com/streaming/netflix-takes-europe/>

**Figure 28. Netflix catalogue shares by type of scripted TV content in 16 EU countries<sup>41</sup> comparing all titles to recent titles, 2019, in number of titles and %**



Source: Ampere Analysis

This is a necessity for Netflix, which started with a catalogue of acquired content from Disney (19%), NBCUniversal (19%), and WarnerMedia (17%)<sup>42</sup>, that together represented up to 60% of Netflix offer. But those companies have since launched or announced their own digital platforms, thus taking back the rights to these titles. In effect, Netflix has switched its strategy towards self-sufficiency through ownership of the majority of its titles.<sup>43</sup>

On average, Netflix is adding around 1 000 hours of new content every month at the global level.<sup>44</sup>

And there is even more original content in development. With over 250 commissioned titles, Netflix leads the trend, having more original titles in development than available; it is followed by Amazon (95), also almost doubling its number of originals.<sup>45</sup>

## 2.2.4. European SVOD services join the race

European digital services are also increasing their production of original content: Movistar+ in Spain announced in 2017 the production of 12 high-end series per year; Canal+ announced the label “Créations originales” and launched Canal+Series; Orange’s OCS created its own “OCS Originals” label and allocated EUR 100 million to series production;

<sup>41</sup> Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Portugal, Romania, Spain, Sweden, UK.

<sup>42</sup> <https://www.filmtake.com/streaming/netflix-needs-content/>

<sup>43</sup> <https://www.broadbandtvnews.com/2019/03/21/ampere-analysis-netflix-moves-to-self-sufficiency/>

<sup>44</sup> <https://www.ampereanalysis.com/blog/f724d794-b8ee-47eb-b458-b91fb8aff9f5>

<sup>45</sup> <https://www.digitaltveurope.com/2018/09/26/ampere-netflix-leads-the-faangs-with-focus-on-comedy-and-sci-fi-originals/>



Scandinavian Viaplay announced in 2019 the service would double its annual output of original drama titles from 20 to 40; and Italy's TIMVision started in 2018 the production of original titles.

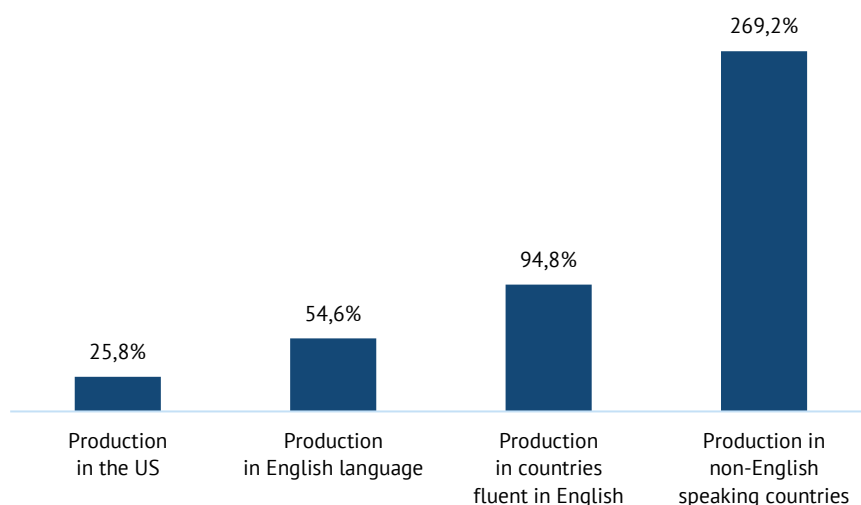
## 2.2.5. Original local European content as a key differentiator

US giants, starting with HBO and followed by Netflix and Amazon, have understood the need for local content in their catalogues to attract (and retain) subscribers.

Differentiation is key to standing out among numerous competitors; services are either offering top high-end content or niche, specialised titles. Another form of specialisation comes with the 'Europeanisation' of the catalogues: more local content is being produced in Europe by US giants. Netflix aims to "produce local for the global audience", and it shows in the evolution of its US catalogue, in which 44% of titles originated in non-English speaking territories.<sup>46</sup>

More generally, original VOD production is growing much faster in non-English speaking territories.

**Figure 29. CAGR in OTT domestic production, 2011-2015, in %**



Source: PWC.

Endemol Shine's executive producer and head of scripted EMEA, Lars Blomgren, says: "*When all streamers have global reach, with this new acceptance of subtitles, and with the willingness of big services to produce dubbed versions, content can originate anywhere.*"<sup>47</sup>

<sup>46</sup> Ampere Analysis.

<sup>47</sup> Nostradamus report 2020.

**Table 9. Original EU28 high-end TV series released by SVOD platforms, 2012-2019, in number of titles**

	2012	2013	2014	2015	2016	2017	2018	2019 (first six months)
Amazon Original			1		4		2	2
HBO Original	2	2	1	2	4	1	4	3
Hulu Original		1	1			1	2	1
Netflix Original		1	1	4	6	11	25	13
Grand Total	<b>2</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>14</b>	<b>13</b>	<b>33</b>	<b>19</b>

Source: Ampere Analysis - Excluding "exclusive" titles.

## 2.2.6. Focus on original content in Scandinavia

In 2004, Denmark's pubcaster launched TV2 Play, one of the first SVOD services in the world. Currently, the Nordic countries have one of the highest penetrations of subscription over the top (OTT) in the world, Netflix (launched in 2012 in the region) claiming more than 50% of SVOD subscriptions.<sup>48</sup>

Local/regional players Viaplay and CMore both offer more scripted content (sports and linear channel packages) and far more local content than US platforms (Swedish Netflix catalogues have less than 3% local content, and Amazon Prime's Swedish titles comprise less than 0.5% of the catalogue).<sup>49</sup> HBO in the Nordics offers the exact same catalogue in the four Nordics countries, contrary to CMore with around one third of each national catalogue regionally produced content.

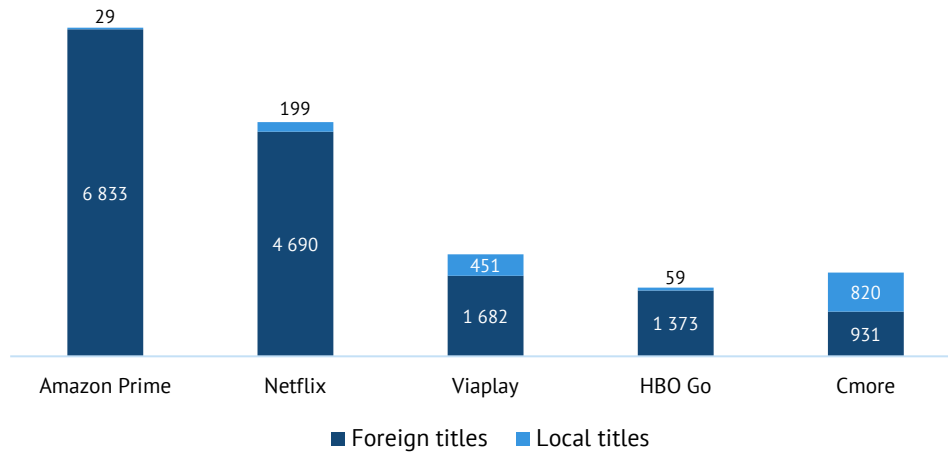
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<sup>48</sup> Ampere Analytics, Profile Nordic OTT, 2019.

<sup>49</sup> Ampere Analytics, Profile Nordic OTT, 2019.



**Figure 30. SVOD catalogue composition in Scandinavia<sup>50</sup>, September 2019, in number of films & TV series**



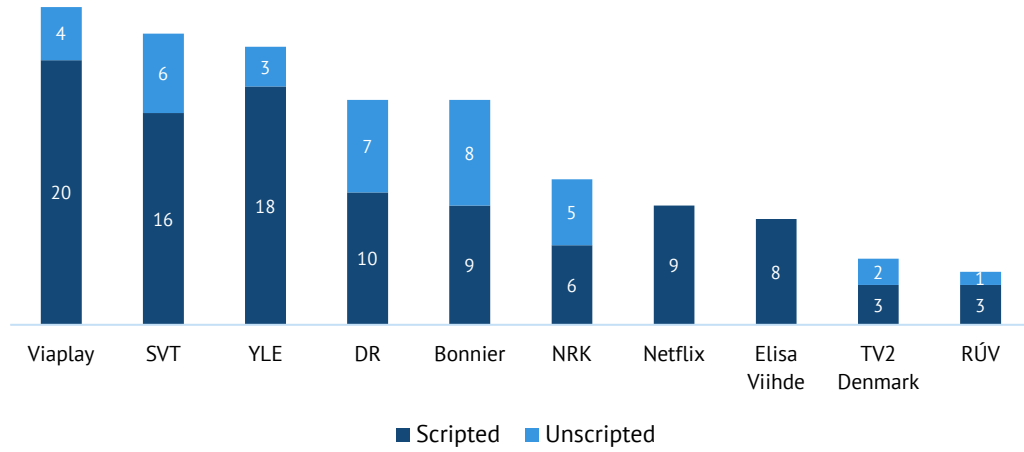
Source: Ampere Analytics

NENT's Viaplay is also the biggest commissioner of TV series in the region, followed by public broadcasters SVT (Sweden), YLE (Finland) and DR (Denmark). More than half of original content being produced is scripted.

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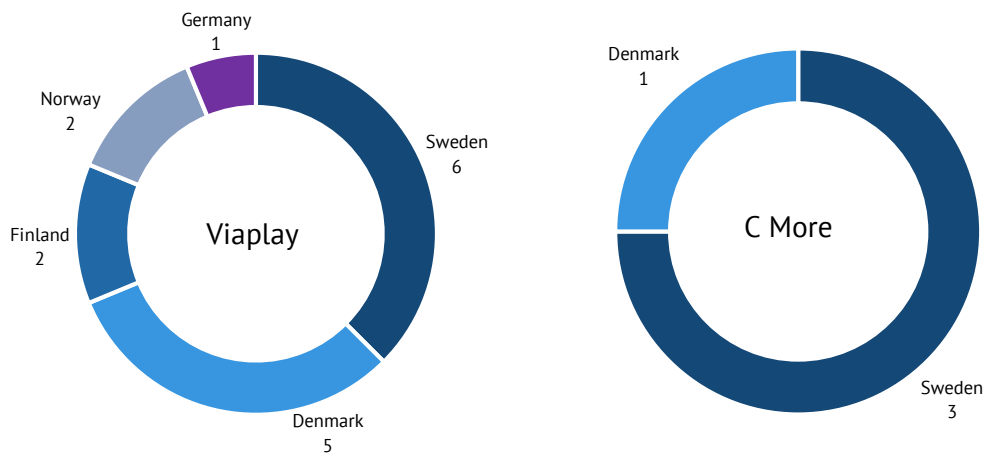
<sup>50</sup> Local titles originate from Sweden, Denmark, Norway and Finland. Amazon Prime Video not tracked in Norway.

**Figure 31. Nordics: TV shows in production as of November 2019<sup>51</sup>, in number of titles**

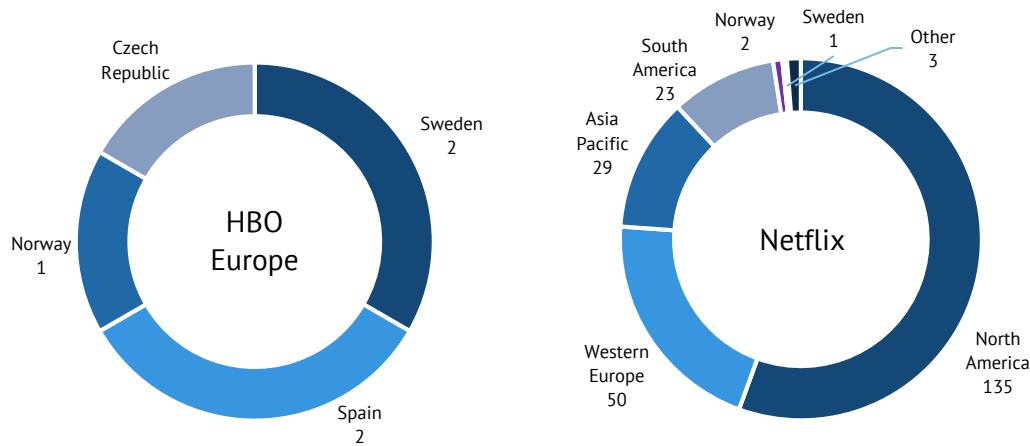


Source: Ampere Analysis

**Figure 32. Origin of commissioned originals by selected platforms in Scandinavia in 2019, in number of titles**



<sup>51</sup> Publicly-announced TV shows in production, top 10 producers only. Excludes movies, recommissions, acquisitions (Ampere Analysis, Nordic content market, November 2019).



Source: Ampere Analysis.

The composition of US platforms' catalogues slightly increases Nordic content share, with more local titles commissioned in the region (three for HBO and three for Netflix)<sup>52</sup> and in the rest of Europe.<sup>53</sup>

The Nordic noir commercial phenomenon has also boosted remakes of past Scandinavian hits: e.g. Sky/Canal+'s *The Tunnel*, an adaptation of *The Bridge*.

Another evolution of Nordic noir's influence is the label 'Southern noir', recently used in relation to *Hierro*, a crime fiction series set in Spain.

Public broadcasters have increased their financing of local drama. Today, Sweden's SVT has a yearly budget of around EUR 30 million (SEK 320 m) for the financing of four series and four miniseries.<sup>54</sup> Half of the titles are being co-produced, mainly with neighbouring countries' pubcasters (DR, NRK and YLE) but also with other European broadcasters and companies. Also worth noting is the fact that SVT has increased its spend on development to help create new projects, also with younger writers.

## 2.3. Trends in the volume of high-end series

### 2.3.1. Increase in the number of titles and hours produced

Section 3 provides detailed figures on the production of high-end series showing an increase in the number of seasons and hours produced, mostly fuelled by the reorientation

<sup>52</sup> Ampere Analysis, Profile Nordic OTT, 2019.

<sup>53</sup> Ampere Analysis, "Netflix & Amazon Producing More Localised Originals", 2019.

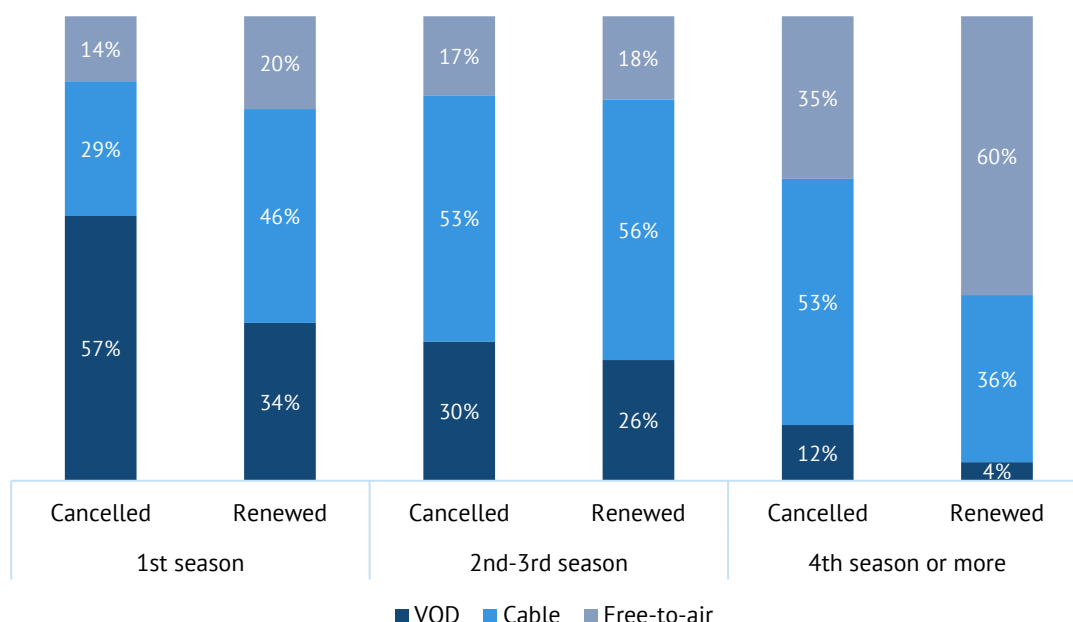
<sup>54</sup> <https://dramaquarterly.com/the-new-black-the-rise-of-the-nordic-noir-genre/>

of investments from TV films to high-end series and by the sharp growth of titles produced by platforms.

### 2.3.2. High rotation rate

Within high-end drama production, the weight of new titles is notable. In France, 78% of the prime-time fiction offering in 2018 was new (68% of French titles and 87% of international titles)<sup>55</sup>. In Spain, 70% of the top 20 fiction series titles were on air for a maximum of one or two years<sup>56</sup>.

**Figure 33. Renewals and cancellations by commissioner type in the US, 2017-2018<sup>57</sup>, in %**



Source: Ampere Analysis

Cancellation rates are lower for platforms (2.1 seasons on average) than for cable networks (3.9 seasons); but it is pubcasters that ensure the long-running lives of series with an

<sup>55</sup> CNC, La diffusion de la fiction à la télévision, le 11 avril 2019.

<sup>56</sup> GECA, Luis de Zubiaurre Wagner, Series de ficción: el tsunami que no cesa, Conecta Ficción Pamplona, June 2019.

<sup>57</sup> Ampere Analysis tracked 197 renewed shows between September 2017 and March 2018 (<https://www.broadbandtvnews.com/2019/04/09/ampere-svod-originals-struggle-to-survive-beyond-two-seasons/>)





average of 6.5 seasons per title.<sup>58</sup>

Only two series out of all Netflix titles have been renewed beyond season four: *Orange is the New Black* (seven seasons) and animated *Bojack Horseman* (six seasons).

Audiences want new seasons as soon as possible after the end of a previous one. But the provision of new episodes, even for established successes, is not handled uniformly by platforms or broadcasters. Some renewals involve more than 18 or 24 months between seasons (HBO's *Westworld*, Showtime's *Homeland*), risking the loss of audiences moving on to newer titles<sup>59</sup>. Regular recurrence has helped grow the success of titles (e.g. ITV's *Downton Abbey*) but this requires continuous development and writing periods that not all players can afford, and that for others, especially public broadcasters, may constitute a financing risk.<sup>60</sup>

In France, the Centre national du cinéma et de l'Image animée (CNC) announced in March 2019 that original serialised fiction was to be reinforced by three new measures, one of them being to improve the time periods between seasons with the goal to adapt to international standard of one season per year. CNC will thus increase by 25% its support to second seasons, even before the first has been broadcast.<sup>61</sup>

An equilibrium needs to be found, though, between novelty and long-running titles, the latter possibly becoming franchises that help reduce churn and bring consumers back year after year.

Netflix may be the biggest investor in original series production, but its strategy also includes growing its catalogue by acquiring older titles. Between May 2018 and May 2019, the Netflix US catalogue grew 10%, 88% of which corresponded to titles over three years old (the proportion of old titles rose from 48% to 52% of all titles).<sup>62</sup>

### 2.3.3. A reallocation of formats

Broadcasters have limited, finite budgets for content and they are shrinking year after year. Progressively cutting operating costs and reducing acquisitions (of US content) does not appear to be enough to cover the costs of satisfying the appetite for original content.

The rise of investment in serialised fiction is also bringing down investment in other drama formats. TV movies (once the favourite European format) have seen their budgets cannibalised by series.

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<sup>58</sup> <https://www.broadbandtvnews.com/2019/04/09/ampere-svod-originals-struggle-to-survive-beyond-two-seasons/>

<sup>59</sup> <https://nypost.com/2019/08/02/tv-is-ghosting-fans-with-absurdly-long-gaps-between-seasons/>

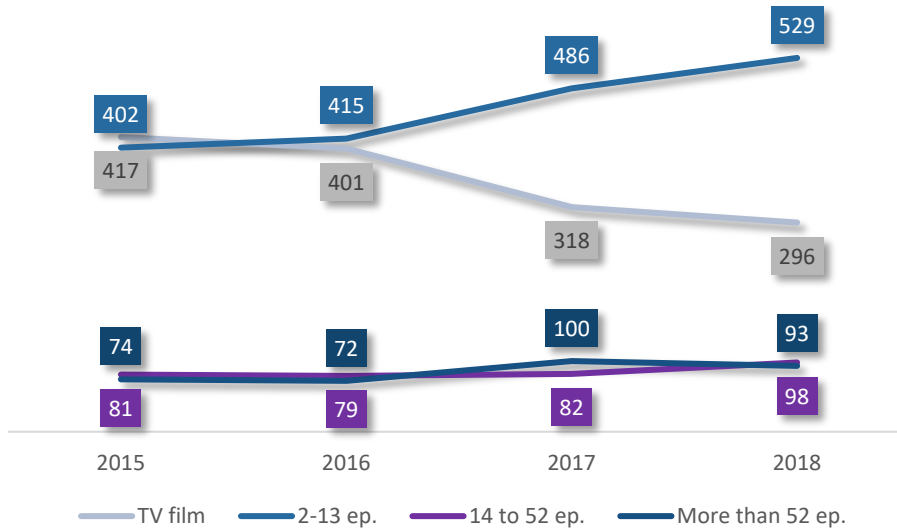
<sup>60</sup> CNC Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019.

<sup>61</sup> CNC Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019.

<sup>62</sup> <https://www.ampereanalysis.com/insight/netflix-grows-catalogue-at-the-expense-of-recency>



Figure 34. Volume of fiction titles produced in Europe by format, 2015-2018, in number



Source: European Audiovisual Observatory, European Metadata Group.

## 2.4. Case study: the Spanish boom

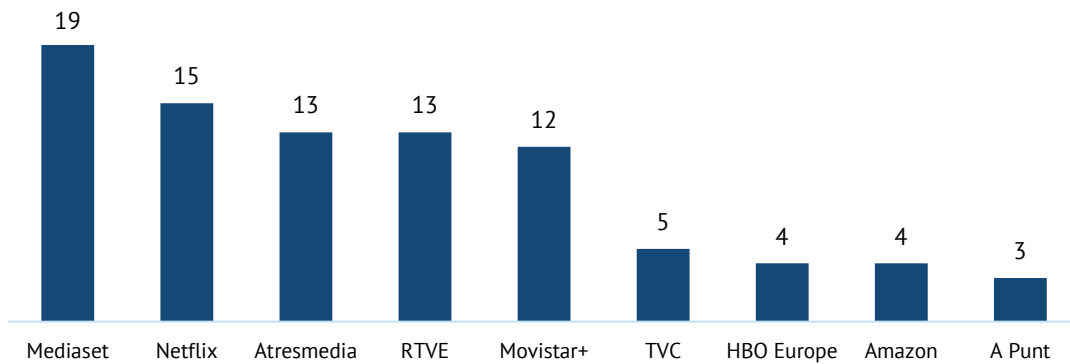
The global audiovisual industry is looking at Spain. Forty high-end series were produced in 2019, and at least 70 original projects have been confirmed (with a window) for 2020.<sup>63</sup> According to Ampere Analysis, Spain ranks fifth in markets with the largest number of new TV projects in development, with titles expected from Mediaset, Atresmedia, RTVE, Movistar+, Netflix and others.<sup>64</sup>

<sup>63</sup> <https://todotvnews.com/informe-espana-estrenara-mas-de-70-series-originales-en-2020/>

<sup>64</sup> <https://www.ampereanalysis.com/insight/spanish-tv-groups-investment-in-original-production-grows>



**Figure 35. TV shows in production or in development in Spain as of April 2019, in number of titles**



Source: Ampere Analysis

### 2.4.1. Local players

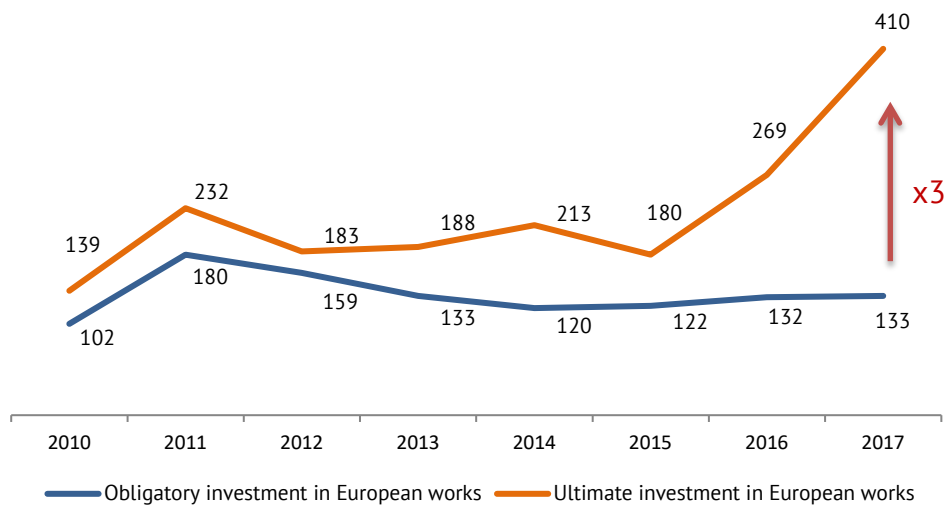
Spanish regulation obliges audiovisual communication service providers to invest 5% of their exploitation revenues in the production of European audiovisual works. This imposition, initially considered a burden, is now seen as an opportunity. Media service providers are investing well above the amounts required (a 52% from 2016 to 2017, to EUR 410.19 million - triple the anticipated total).<sup>65</sup>

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<sup>65</sup> CNMC, Informe sobre el cumplimiento en el ejercicio 2017, de la obligación de financiación anticipada de la producción europea de películas cinematográficas, películas y series para televisión, documentales y series de animación, May 2019.



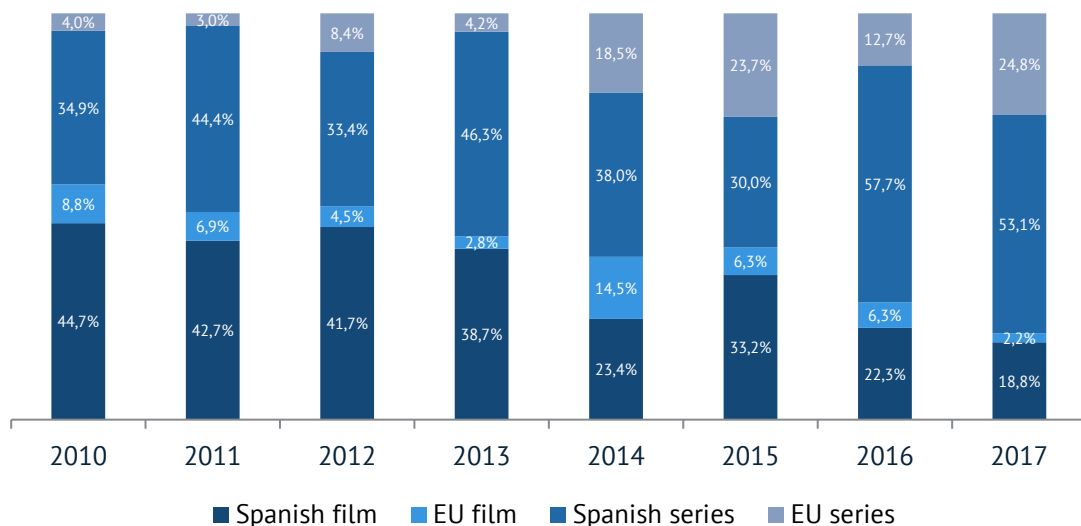
**Figure 36. Spanish investment in European works, expected vs. final investment, 2010-2017, in EUR million**



Source: Comisión Nacional del Mercado de Comunicaciones (CNMC).

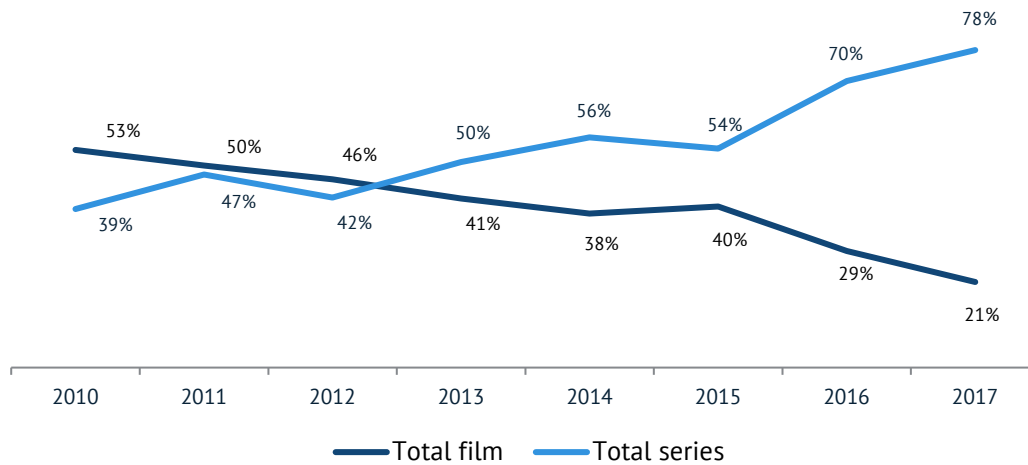
Although the investment in audiovisual initially came from the two main private groups (Mediaset and Atresmedia) investing in Spanish feature films, it is currently TV series production fuelling the massive investment increase – 40% in 2017, representing 78% of total investment (53% for Spanish series and 25% for European series), according to CNMC.

**Figure 37. Share of investment allocated to films and TV series in Spain, 2010-2017, in %**



Source: Comisión Nacional del Mercado de Comunicaciones (CNMC).

The boom in series production has come at the expense of film production.

**Figure 38. Spain: share of investment allocated to film vs. series, 2010-2017, in %**

Source: Comisión Nacional del Mercado de Comunicaciones (CNMC).

Public broadcaster RTVE was the leading investor in 2017 (EUR 113 million, 81% in series) followed by Multicanal with its biggest-ever investment (EUR 84 million in two titles), and Atresmedia (EUR 76 million, 68% in series). These three players combined represented 67% of total investment. A year earlier, the leading investor was Atresmedia with EUR 102 million (79 million in series), followed by Mediaset (EUR 42 million) and RTVE (EUR 41 million).<sup>66</sup> This shows alternance between players instead of a homogeneous investment level per service.

Also worth noting is the 733% increase in the production of series in regional languages from 2015 to 2016, explained for example in Galicia by two factors: the increase of Galician regional channel RTVG's investment in serialised fiction (*Lobos e Cordeiros*, *Os Mariachi*) and Galicia's first co-production with Netflix (*O sabor das margaridas*).

Investment in original production from the main TV groups (RTVE, Atresmedia, Mediaset and Movistar+) grew 40% in three years, reaching EUR 1.8 billion in 2018.<sup>67</sup>

## 2.4.2. Movistar+

In late 2017, pay TV Movistar+ announced it would invest EUR 70 million to produce 12 original series each year. Starting with four titles in 2017, the operator has been regularly releasing titles broadcast on its channels and made integrally available on its SVOD service.

<sup>66</sup> CNMC, Informe sobre el cumplimiento en el ejercicio 2016, de la obligación de financiación anticipada de la producción europea de películas cinematográficas, películas y series para televisión, documentales y series de animación, May 2018.

<sup>67</sup> <https://www.ampereanalysis.com/insight/spanish-tv-groups-investment-in-original-production-grows>



Counting top Spanish directors, writers and actors, the series have been acclaimed by both critics and audiences.

After having included Netflix catalogues in its offering in December 2018, in June 2019 Movistar+ launched a new low-cost OTT service (Movistar+ Lite) to compete with Netflix, HBO and Amazon.<sup>68</sup>

### 2.4.3. The US studio model: The Mediapro Studios

In April 2019, the Mediapro group (a sports rights broker and provider of services, and one of the biggest production-distribution companies in Europe) announced Mediapro Studios, a conglomerate producing 34 series yearly around the world (in its 58 offices in 36 countries).<sup>69</sup>

Mediapro Studios in Spain had 200 fiction titles, series and movies being written, in production or on air in spring 2019.<sup>70</sup>

Mediapro is working with everyone in the industry including platforms (Netflix, Amazon), studios (Disney, Fox and now Sony), and broadcasters (HBO, Turner Latin America, Canal+, Sky).<sup>71</sup>

The group invests heavily in development, with 165 scriptwriters and 126 directors on its books retained for long periods via exclusivity deals. In January 2020, The Mediapro Studios forged an alliance with Wild Sheep Content, a new company of Erik Barmack (former Netflix executive in charge of original non-English projects).<sup>72</sup>

Adopting the vertical studio structure and covering the entire chain of value, the group is able to retain intellectual property, create franchises and better amortise development and production costs.

### 2.4.4. Madrid: production hub for global platforms

Netflix was launched in Spain in October 2015. In 2018 it announced its first European production hub in Madrid, which has been active since April 2019. The 22 000 square-meter studios are owned and managed by local company Secuoya, with which Netflix has signed

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<sup>68</sup> <http://www.marketingnews.es/medios/noticia/1132859028405/movistar-lanza-propia-ott-competir-contra-netflix-y-hbo.1.html?fbclid=IwAR34p4aFoGDefaG7VD5UbOZltwFNWWIOpDXwvYJa2dTHhfxiEuM4pex2Vko>

<sup>69</sup> [https://elpais.com/cultura/2019/04/02/television/1554206778\\_264753.html](https://elpais.com/cultura/2019/04/02/television/1554206778_264753.html)

<sup>70</sup> <https://variety.com/2019/tv/global/mediapro-unveils-the-mediapro-studio-34-series-production-slate-1203165774/>

<sup>71</sup> <https://variety.com/2019/tv/global/the-mediapro-studio-sony-pictures-television-co-dev-co-pro-deal-1203218859/>

<sup>72</sup> <https://variety.com/2020/tv/games/erik-barmack-wild-sheep-the-mediapro-studio-forge-production-alliance-1203476880/>



an exclusive technical production agreement. Netflix is building a structure for more than 100 people<sup>73</sup> and was expected to employ over 25 000 actors, technicians and extras in 2019 to produce 24 originals.<sup>74</sup>

Viacom International Studios announced in May 2019 two new production hubs, one in Madrid and the other in Manchester.<sup>75</sup> The company is co-producing titles with The Mediapro Studios and Atresmedia.

Amazon was also looking for months for a city in which to set up its European production hub and announced in December 2018 that Madrid was selected for its Prime Video production.

Other players are also choosing Madrid for part of their operations (Beta Film, Federation Entertainment, Dynamo) and the city is proving more and more attractive for the shooting of international projects.

This has resulted in more work, more recognition of Spanish talent and the accelerated professionalisation of Spanish industry members.

## 2.4.5. Professional opportunity

In 2018, 58 series were produced in Spain, adding EUR 655 million to Spain's GDP. In a recent report on Spain's TV series production industry, PricewaterhouseCoopers anticipates at least 72 series for 2020-2021, EUR 4.3 billion in revenues and the sustenance of over 18 000 jobs (almost 14 000 of them direct jobs), mainly fuelled by streaming platforms.<sup>76</sup> The report lists the main competitive advantages in Spain: creative and artistic talent, big industrial capacities, lower production costs and a mature local industry.

## 2.5. Case study: how the UK fiction industry is reacting to market (r)evolutions

As seen earlier, half of the fiction series titles available on VOD in Europe are of UK origin. Also, titles from the United Kingdom are available in more countries than those from any

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<sup>73</sup> [https://www.elespanol.com/economia/empresas/20181204/amazon-centro-produccion-audiovisual-espana-prime-video/357965307\\_0.html](https://www.elespanol.com/economia/empresas/20181204/amazon-centro-produccion-audiovisual-espana-prime-video/357965307_0.html)

<sup>74</sup> <https://variety.com/2019/film/features/madrid-region-booms-as-an-international-production-hub-1203220657/>

<sup>75</sup> <https://www.audiovisual451.com/viacom-international-studios-anuncia-nueve-proyectos-de-ficcion-entre-ellos-varios-con-companias-espanolas/>

<sup>76</sup> PwC, La oportunidad de los contenidos de ficción en España, 2019.



other European origin. International revenues from UK works (sold abroad or financed by foreign companies) reached GBP 962 million in 2018, up 90% since 2013.<sup>77</sup>

But British public broadcasters have suffered a decrease in investment capacity in recent years. Investment in drama and comedy from pubcasters in 2017 amounted to GBP 379 million (down 40% from the GBP 665 million spent in 2008).<sup>78</sup>

As pubcaster investment has decreased, platform investment has risen: from a total GBP 2.3 billion commissioning spend for TV shows in the United Kingdom in 2018, GBP 280 million came from Netflix and Amazon alone (12% of the total, up from 7% in 2017), representing, between the two services, 40% of total GBP 704 million spend by overseas commissioners.<sup>79</sup>

### 2.5.1. Platforms in the UK: subscribers and revenues

US giants acquired a foothold early in the United Kingdom, with Netflix entering the market in 2012 and Amazon Prime Video in 2014 (HBO programmes available via Sky Atlantic since 2011 and online via NOW TV since 2012).

In 2017, for the first time in the United Kingdom, the number of subscriptions (15.4 million) to the three most popular streaming services (Netflix, Amazon Prime and Sky's NOW TV) overtook the number of pay TV subscriptions (15.1 million).<sup>80</sup>

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<sup>77</sup> <https://www.theguardian.com/media/2019/sep/06/netflix-and-amazon-double-their-spending-on-uk-made-tv-shows>

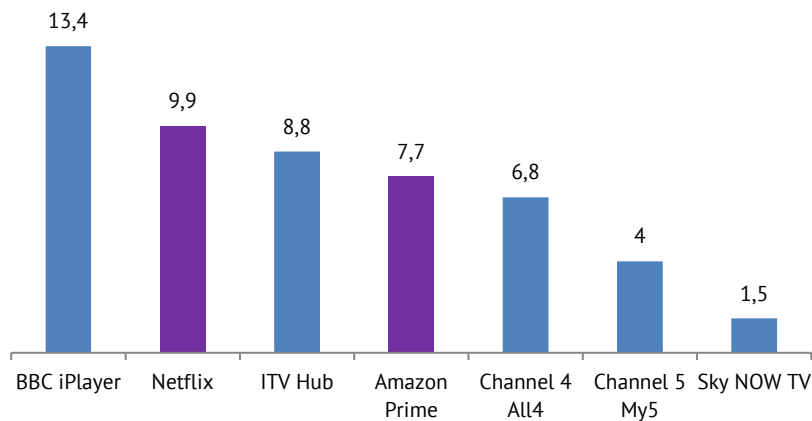
<sup>78</sup> <https://www.screendaily.com/news/sky-to-invest-500m-in-original-scripted-programming/5131202.article>

<sup>79</sup> <https://www.theguardian.com/media/2019/sep/06/netflix-and-amazon-double-their-spending-on-uk-made-tv-shows>

<sup>80</sup> OFCOM, Media nations: UK, 2018 and <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2018/streaming-overtakes-pay-tv>



**Figure 39. Subscribers to UK streaming platforms, 2018, in millions**



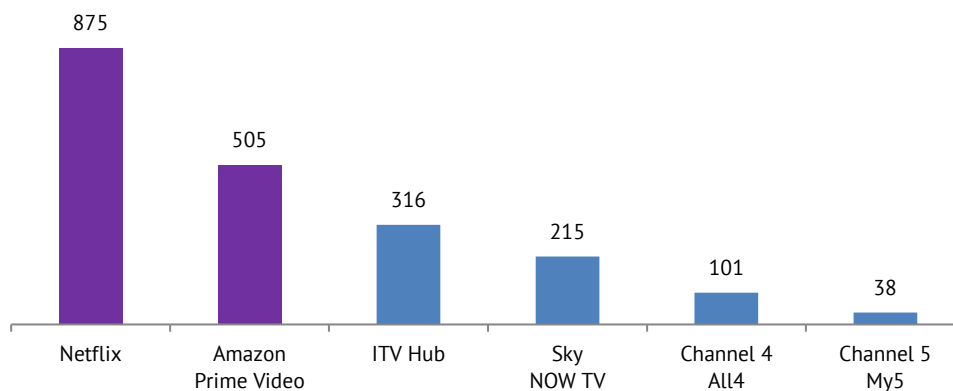
Source: OFCOM

In 2018, almost half (47%) of UK homes counted at least one SVOD subscription (compared to 39% in 2017), Netflix being the most popular with a 40% presence in UK households.<sup>81</sup>

On the revenues front, despite a decline, pay TV revenues (GBP 6.4 billion) nevertheless remained significantly higher than SVOD revenues (GBP 895 million).<sup>82</sup>

Still, Netflix and Amazon combined revenues in 2018 (GBP 1.09 billion) were more than double those of UK broadcasters' video on demand services<sup>83</sup> (GBP 530 million).<sup>84</sup>

**Figure 40. UK streaming platforms' revenues, 2018, in USD millions**



Source: OFCOM. \* Note: Publicly funded, the BBC does not generate revenue from its iPlayer.

<sup>81</sup> OFCOM, Media nations: UK, 2019.

<sup>82</sup> <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2018/streaming-overtakes-pay-tv>

<sup>83</sup> BVOD services in UK: Sky's NOW TV, BBC's iPlayer, ITV's ITV Hub, Channel 4's All 4 and Channel 5's My5.

<sup>84</sup> OFCOM and <https://variety.com/2019/tv/news/netflix-amazon-double-revenue-uk-broadcaster-streaming-services-bbc-sky-1203228903/>



To cope with the US giants' domination, broadcasters' online services have attempted to evolve their services in line with the global players: the BBC received approval in August 2019 from UK regulator OFCOM to extend the time that content is available on its streaming service (BBC iPlayer) from just 30 days to 12 months (children's programming will be available for five years).<sup>85</sup>

In the United Kingdom, as in the rest of Europe, new services and joint ventures pop up eyeing a share of the digital market. In November 2019, the UK version of Britbox was launched (after three years operating in the United States), co-owned by the BBC and ITV. As a hybrid joint service offered by a pubcaster and a private channel – even if the BBC has made no financial investment – and in conjunction with the recent iPlayer catch-up 12-month window extension, Britbox, has sparked concerns about independent producers' loss of revenues from their programmes; negotiations are underway for the BBC to provide compensation.<sup>86</sup>

According to OFCOM, Britbox and new entrants (Disney+, Apple TV+) will reach two million subscribers in the UK.<sup>87</sup>

Another approved adaptation of the digital online services was related to current viewing behaviours and attracting younger audiences: all episodes of the BBC's series *Killing Eve* seasons 1 (2018) and 2 (2019) were made available on BBC iPlayer immediately after the first episode was broadcast on the channel.<sup>88</sup>

## 2.5.2. Local original production

UK-made drama produced by public broadcasters is the most watched content in the United Kingdom (Bodyguard was the most watched series in 2018 and Line of Duty was number one in August 2019, according to OFCOM)<sup>89</sup>.

Even if Amazon and Netflix are heavily investing in local content, they are still far from the volumes of the five UK pubcasters – BBC, ITV, Channel 4, Channel 5 and S4C –, which in 2018 offered over 125 times more hours of original homegrown content than US platforms (only 221 hours of SVOD original productions were made in the United Kingdom in 2018).<sup>90</sup>

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<sup>85</sup> <https://variety.com/2019/tv/news/bbc-ofcom-final-approval-extend-iplayer-catchup-window-1203287861/>

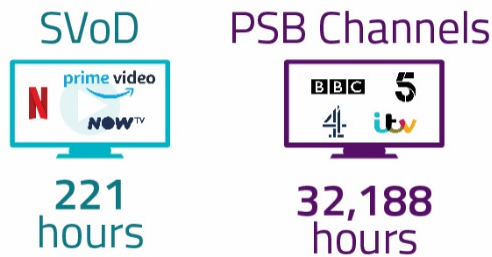
<sup>86</sup> <https://www.broadcastnow.co.uk/indies/pact-anger-at-bbc-over-britbox/5142653.article>

<sup>87</sup> <https://variety.com/2019/tv/news/netflix-amazon-double-revenue-uk-broadcaster-streaming-services-bbc-sky-1203228903/>

<sup>88</sup> OFCOM, Media nations: UK, 2019.

<sup>89</sup> <https://www.forbes.com/sites/sheenascott/2019/08/07/is-the-rise-in-viewers-of-youtube-and-netflix-a-sign-of-traditional-tvs-eventual-doom/>

<sup>90</sup> [https://www.ofcom.org.uk/data/assets/pdf\\_file/0019/160714/media-nations-2019-uk-report.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0019/160714/media-nations-2019-uk-report.pdf)

**Figure 41. First-run UK-originated network hours, pubcasters vs. SVOD, 2018**

Source: OFCOM.

To produce high-quality content comparable to global players' series, and gap-finance the decreasing investment from public broadcasters, producers in the United Kingdom have been forced to search for third-party sources of finance for their projects. Co-productions, tax credits and deficit funding in 2017 represented 16% of total spend on pubcaster originations of GBP 2.07 billion, with up to GBP 338 million (68% of it, or GBP 311 million, going towards first-run UK-originated drama programming).<sup>91</sup>

Due to its cultural and linguistic closeness, the UK industry has regularly turned to the US for international audiovisual co-productions. UK channels have also successfully co-produced with US platforms: the BBC and Netflix (*Bodyguard*), Channel 4 and Netflix (*Wanderlust* and *The End of the F\*\*king World*), ITV and Amazon (*Good Omens*), Sky and Amazon (*Britannia*), etc.

This trend may be reversed in the near future, as the BBC declared in June 2019 it expected much fewer co-productions with global SVOD players, turning instead towards international broadcasters.<sup>92</sup>

Although collaborating with numerous international players (HBO, AMC, SundanceTV, WGBH, FX, BBC America, Starz, Netflix, BBC First Australia, UKTV New Zealand, arte, etc.) to cope with budgetary deficits and produce titles that would otherwise not be made, the BBC has managed to retain editorial control over its titles – important to please loyal audiences.<sup>93</sup>

With Netflix's announcement in July 2019 of the creation of a UK production hub at Shepperton Studios, it is probable that the US platform will increase its local original production in the United Kingdom, but not necessarily in co-production with pubcasters. Netflix declared that in 2018 over 25 000 cast, crew and extras worked on almost 40 Netflix originals and co-productions across Britain.<sup>94</sup> Earlier this year, Shepperton's parent

<sup>91</sup> <https://www.broadcastnow.co.uk/broadcasters/third-party-funding-props-up-psbs/5131156.article>

<sup>92</sup> <https://deadline.com/2019/06/bbc-expects-fewer-global-svod-co-productions-1202634171/>

<sup>93</sup> <https://www.radiotimes.com/news/2017-03-23/british-drama-global-budgets-how-co-productions-are-changing-the-way-tv-gets-made/>

<sup>94</sup> <https://variety.com/2019/tv/news/netflix-uk-production-hub-shepperton-studios-pinewood-charlize-theron-the-old-guard-1203258890/>



Pinewood received permission for a GBP 500 million expansion of Shepperton, which will make it the second-largest studio in the world.<sup>95</sup>

As of July 2019, Netflix employed 130 people in the United Kingdom and had around 50 productions underway.<sup>96</sup>

### 2.5.3. Commercial players moving too: focus on Sky

After its acquisition by Comcast, pay TV service Sky said it would invest GBP 500 million in original scripted programming in 2018 (up 25% from GBP 400 million in 2017). This was mainly fuelled by the company's sales arm performance: GBP 200 million income, two years ahead of schedule, thanks to the global success of Chernobyl.<sup>97</sup>

The operator expected to have more than 50 original productions available in 2018, with over 20 of these returners (new seasons of existing titles).<sup>98</sup>

Following recent backing from new owner Comcast and related to the launch of Sky Studios, the pay TV operator announced plans to double its investment in development and production of original content, up to GBP 1 billion from 2019 on. It also said it was open to co-productions with new D2C players to reach scale.<sup>99</sup>

The future opening in 2022 of Sky's Studios in Elstree (UK) will allow the production of several projects simultaneously and lead to the creation of over 2 000 jobs.<sup>100</sup>

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<sup>95</sup> <https://www.theguardian.com/media/2019/jul/03/netflix-strikes-production-deal-with-shepperton-studios>

<sup>96</sup> <https://tbivision.com/2019/07/03/netflix-commits-to-copros-as-itv-cites-streamer-tensions/>

<sup>97</sup> <https://www.screendaily.com/news/sky-to-invest-500m-in-original-scripted-programming/5131202.article>

<sup>98</sup> <https://deadline.com/2017/11/sky-originals-growth-1202213050/>

<sup>99</sup> <https://www.digitaltveurope.com/2019/07/26/sky-looks-to-partner-with-new-d2c-players-as-it-double-originals-spend/>

<sup>100</sup> <https://www.ft.com/content/40734d46-15a8-11ea-9ee4-11f260415385>



## 3. How is the European fiction industry adapting?

The development of high-end drama production is, to a certain extent, a recent phenomenon, and no definitive conclusions can be drawn yet on how the European industry will adapt. In particular, the landscape of SVOD services is evolving fast, and there is no indication yet that the new, mostly US-based services that are entering the European market will follow the same strategy as the for-now dominant players Netflix and Amazon. In this section we therefore review key questions at stake for stakeholders.

### 3.1. Are budgets increasing?

#### 3.1.1. Qualitative insights on production budgets

With snowballing news of millions spent on top high-end series (Disney+ will spend USD 25 million per episode of its Marvel TV series<sup>101</sup>; HBO is investing EUR 13 million in a single episode of Game of Thrones; Netflix is investing EUR 11 million in a single episode of The Crown), the question is whether budgets for fiction series are bigger than before the explosion of platforms.

Some preliminary observations:

- European series are generally cheaper than US series.
- There are strong differences in budget between series with only national or also international potential.
- Netflix productions are not necessarily that much more expensive than legacy European productions. But there are strong variations between Netflix's 'super-productions' (e.g. The Crown) and local content (e.g. Marseille in France or Dark in Germany).
- Overall, Netflix's higher investment is evident in purely national EU fiction titles rather than high-end EU co-productions, for which broadcaster investment is similarly high.

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<sup>101</sup> <https://qz.com/1735700/apple-and-disney-are-creating-an-explosion-of-tv-series-budgets/>

**Table 10. Top European high-end fiction episode budgets, in EUR million**

Title	Country of origin	Year	Commissioner	Cost per episode
The Crown	GB	2016	Netflix	5
The Young Pope	IT	2016	Sky/Canal+/HBO	4
Babylon Berlin	DE	2017	Sky/ARD	3.4
Das Boot	DE	2018	Sky/ARD	3.1
Le Tour du Monde en 80 jours	FR	2020	FTV/RAI/ZDF	3
Medici	IT	2016	RAI/Altice/Netflix	2.8
Versailles	FR	2015	Canal+/RTBF	2.7
Deutschland 86	DE	2018	RTL	2.5
Le Bazar de la Charité	FR	2020	TF1/Netflix	2.1
Dark	DE	2017	Netflix	1.6
Dr Who	GB	2018	BBC	1.5
Baron Noir	FR	2016	Canal+	1.5
Gomorra	IT	2015	Sky	1.5
Il giovane Montalbano 2	IT	2014	RAI	1.3
Marseille	FR	2016	Netflix	1.2
Occupied	NO	2016	TV2 Norge, Viaplay, ARTE	1.1
Deutschland 83	DE	2015	RTL/AMC	1
The Truth Will Out	SE	2018	Kanal 5 SE/DR, TV Norge, Viaplay, Simmin	0.8
Águila Roja	ES	2014	RTVE	0.8
La Casa de Papel	ES	2017	Antena 3	0.6
Borgen	DK	2010	DR	0.5
Misfits	GB	2009	BBC	0.3

Source: European Audiovisual Observatory

### 3.1.2. Increases in budgets should not be overestimated

The real impact of US platforms on budgets may have resulted in an inflation of drama costs, but it has not doubled average per-episode budgets in Europe. In the United Kingdom, drama production budgets were stable for a number of years at GBP 700 000 – 800 000 per



hour; from 2017, budgets of top titles rose to GBP 1.1-1.2 million an hour, also influenced by tax relief for UK high-end TV.<sup>102</sup>

If we examine the evolution of a selection of top European titles, we effectively see an increase in season budgets, but not directly related to platforms:

**Table 11. European series titles budget evolution per season, in EUR million**

Title	Country	Producer	First season	Last season	Growth
Bron/Broen S1	SE,DK,DE	SVT,DR,ZDF	0.9	1.15	28%
Deutschland 83	DE	RTL	1	2.5	150%
Occupied	NO,SE	TV2/Viaplay	1.1	1.4	27%
The Crown	GB,US	Netflix	5	7	40%
El ministerio del tiempo	ES	RTVE/Netflix	0.5	0.7	40%

Source: European Audiovisual Observatory

Excluding Deutschland 83, which saw exceptional budget growth, the average increase is around 30%. So, it doesn't appear as though it's necessary to double budgets to compete with US platforms.

Top European titles not produced or distributed by Netflix, HBO or Amazon nonetheless have a high production value and export well, becoming international successes. Examples include: ITV's The Young Pope; Canal+'s The Bureau; ARD/Sky DE's Babylon Berlin; RTL's Deutschland 83; SVT's Bonusfamiljen; France 2's Le Chalet; or RAI's Carlo & Malik.

### 3.1.3. Coping with the increase of budgets

Numerous top European series have a 'shortage' of total minutes produced, either because of shortening of the length of each episode (to adjust to the 'imposed' US format of 52-minute 'hours'), or due to a cut in the number of episodes per season. Thus, while a budget remains the same season on season, the budget per episode rises significantly: fewer minutes, but higher production quality for the same money.

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<sup>102</sup> [http://www.televisual.com/blog-detail/Stakes-get-higher-as-drama-booms\\_bid-944.html](http://www.televisual.com/blog-detail/Stakes-get-higher-as-drama-booms_bid-944.html). "High-end TV Tax Relief can be requested for British scripted TV projects with a minimum cost of GBP 1 million per broadcast hour" (<http://britishfilmcommission.org.uk/plan-your-production/high-end-television-tax-relief/>).



**Table 12. Sample of European series titles showing a reduction of total duration from first season to last released season, in % of decrease**

Title	Year (1st)	Country	Commissioner	Format 1st season	Format last season	% variation of total minutes
Forbrydelsen (The Killing)	2007	DK,NO,SE,DE	DR1, NRK, SVT, ZDF, ZDF Enterprises	20x50'	10x50'	-50%
La otra mirada	2018	ES	TVE (RTVE)	13x70'	8x65'	-43%
Vergüenza	2017	ES	Movistar+	10x25'	6x25'	-40%
Až po uši (Head over Heels)	2014	CZ	HBO Europe	13x35'	10x35'	-23%
Bez tajemnic (Without secrets)	2011	PL	HBO Central Europe	45x45'	35x45'	-22%
Terapie	2011	CZ	HBO Central Europe	45x30'	36x30'	-20%
Bron /Broen (The bridge)	2011	SE,DK,DE	SVT, DR, ZDF	10x60'	8x60'	-20%
Innan vi dör (Before we die) 1	2017	SE,DE,NO	SVT	10x60'	8x60'	-20%
Jordskott 1	2015	SE	SVT	10x60'	8x60'	-20%
Okkueprt (Occupied) 1	2015	NO,SE	TV2	10x45'	8x45'	-20%
Skam España	2018	ES	Movistar+	12x25'	10x25'	-17%
Estoy vivo 1	2017	ES	RTVE	13x80'	13x70'	-13%
Terápia	2012	HU	HBO Central Europe	40x20'	35x20'	-13%
La casa de papel 1 (Money Heist)*	2017	ES	Antena 3 (Atresmedia), Netflix	9x45'	8x45'	-11%
Britannia	2018	GB,US	Sky Atlantic	9x70'	10x60'	-5%

Source: European Audiovisual Observatory.

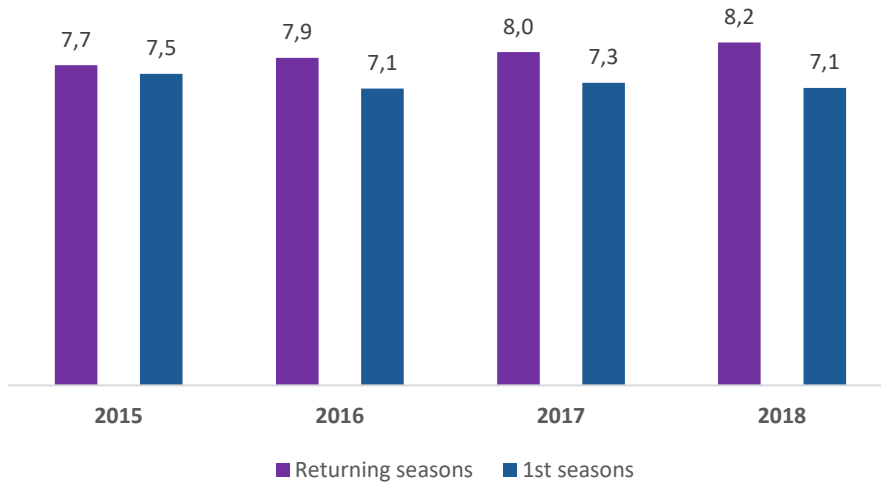
In general, the biggest decreases -season on season- in total minutes produced correspond to older pubcasters' formats being adapted to shorter platform formats as seasons are produced. Also worth noting is the auto-reduction of series' formats at HBO Europe; this may be down to an editorial decision to adapt to European audience habits at the start of original production in Europe, and more recently the evolution towards shorter (US) formats.





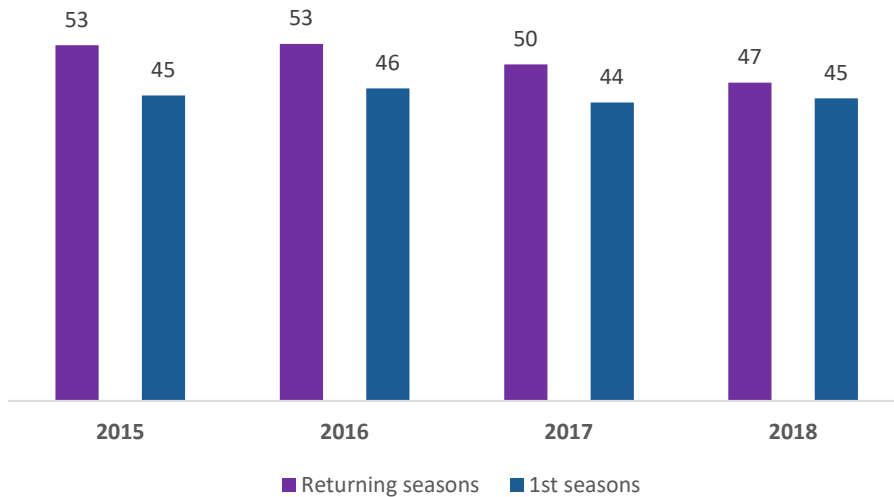
Regardless, an industry change in format preference is incontrovertible: Europe now produces shorter episodes than three years ago.

**Figure 42. Number of episodes per high-end series season: returning series vs. 1st seasons, 2015-2018**



Source: European Audiovisual Observatory, European Metadata Group.

**Figure 43. Number of minutes per high-end series episode: returning series vs. 1st seasons, 2015-2018**



Source: European Audiovisual Observatory, European Metadata Group.

In Spain, before the arrival of Netflix at the end of 2015, the average fiction series season had 13 episodes lasting 70 to 90 minutes each. In 2019, the most common formats for Spanish title seasons were six, eight or 10 one-hour (50') episodes, corresponding to US platform standards. *La casa de papel* (*Money Heist*) is an interesting case: the first season

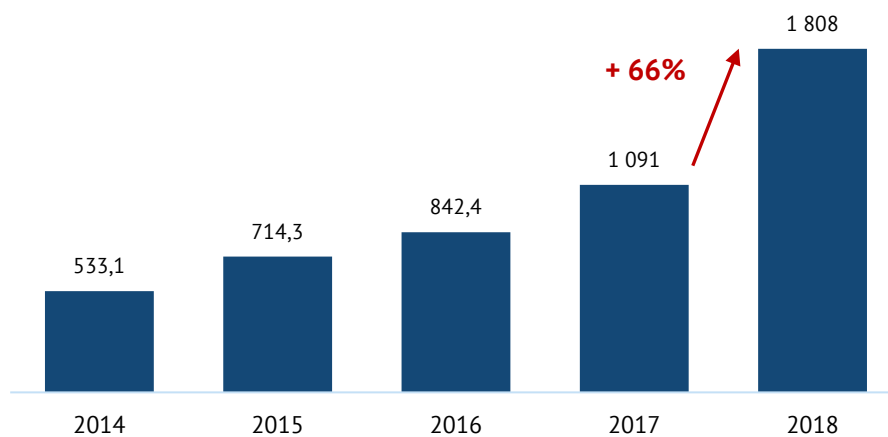


was produced by private Atresmedia and counted nine 45' episodes; season 2 was produced by Netflix for a total of six 45' episodes (-14% total minutes); but for season 3, audiences wanted more episodes and Netflix felt obliged to increase total minutes for their worldwide success (and amortised) title, offering eight 45' episodes.

### 3.1.4. Beyond production budgets: marketing power

Where Netflix has made a difference in the industry is in marketing spend which, for Netflix, after growing steadily year on year, increased hugely in 2018, with over USD 700 million added to 2017 spend, reaching USD 1.8 billion.

**Figure 44. Netflix marketing expenditure, 2014-2018, in USD million**



Source: Statista

Beyond the creativeness of its content marketing campaigns, the particularity of Netflix's marketing strategy lies in its adaptation to local audiences: promotions are designed on a national level.

It is difficult for European broadcasters, services and platforms to keep up with such investment muscle. Again, it is a matter of scale. Some broadcasters are wisely using their linear businesses as a marketing window for their (increasing) made-for-digital content.<sup>103</sup>

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<sup>103</sup> Nostradamus report 2020.



## 3.2. What role for the producer?

### 3.2.1. Exploiting the rights vs. servicing company

Whoever the commissioners, the production of a high-end TV series involves a production company. But the role of the production company can differ between projects, as the European production industry has developed different patterns in different countries. Two oppositional models are broadly evident:

- ‘Cost plus’ where the audiovisual service fully funds the programme and retains all exploitation rights
- ‘Deficit financing’ (sometimes called co-productions), where the audiovisual service only partly finances the programme and the production company retains certain rights to either lock in additional pre-financing or recoup its investment from future sales.

From a production company standpoint, the trade-off is between making an immediate pre-defined profit (provided that actual costs do not exceed the budget), and the possibility of long-term higher revenues through the exploitation of the work. However, the level of margin that producers are achieving in the ‘Cost plus’ model is unclear<sup>104</sup>, and some have claimed that producers are in a ‘no margin no rights’ situation<sup>105</sup>. Furthermore, producers must from such a ‘profit’ cover their investment in development, not only for the projects produced, but also for those never green-lighted.

Moreover, some producers (in countries where the deficit financing model has been prevalent) fear they could evolve into a servicing company,<sup>106</sup> with potentially no guarantee they will produce future seasons of a TV show they have developed.

On top of the problem of up-front deals with platforms comes an associated lack of transparency regarding audience impact, leaving the producer in a weaker negotiating position because they don’t know the real value of their productions.<sup>107</sup>

Intermediate models exist between ‘Cost plus’ and ‘Deficit financing’: in some cases, SVOD platforms may give back the rights to the producers after they have exploited the programme a certain number of years. But it is unclear what is then the market potential of a series that has already been widely showcased.

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<sup>104</sup> <https://www.cnn.com/2018/08/15/netflix-cost-plus-model-tv-shows-revenue-upside.html>

<sup>105</sup> <https://tbivision.com/2019/04/08/one-to-one-two-worlds-collide/>

<sup>106</sup> CNC Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019

<sup>107</sup> Nostradamus report 2020.



### 3.2.2. Distributors playing (co-)producers

As commissioners focus increasingly on direct-to-consumer dynamics, they hold rights to content that, consequently, doesn't need a distributor anymore to reach audiences. To counter this lack of supply, some distributors are playing a new role as (co-)producers.<sup>108</sup>

Some distributors are investing in content development and (co-)production as deficit financiers, confident they will recoup the investment from international sales of the titles. In the UK, the amount invested by distributors in drama grew from GBP 25 000 - 50 000 to reach to GBP 200 000 - 500 000 in 2016.<sup>109</sup>

Their strength today comes from their double function as sellers and financiers of content. What started with Newen, Lagardère and Gaumont has continued in the last decade with Mediawan, Banijay and Federation Entertainment: they are the new bankers-traders<sup>110</sup> and new competitors for producers in the race for intellectual properties and exploitation rights.

### 3.2.3. Third-party investment by private equity investors

To handle the gap financing of high-end series, producers have also turned to private equity investors. Traditionally centred on film, private equity investors have recently looked at TV following growth in the market. Whether they invest in projects or in companies, private equity investors look for slates of shows backed by main broadcasters and distributors, and for strong associated talent.<sup>111</sup>

Industry executives are also launching private equity funds such as: The Media Investment Company (counting executives from BBC Studios, Lookout Point and JP Morgan) looking to invest in market-growing companies;<sup>112</sup> the UK Creative Content EIS Fund (Calculus Capital, Stargrove Pictures and in association with the British Film Institute) which has raised GBP 20 million thanks to a tax break scheme, and wants to invest in UK creative content production companies<sup>113</sup> to allow them to develop several intellectual properties at the same time in what the BFI's Amanda Nevill has called a "structural challenge";<sup>114</sup> or Irish-Spanish fund Netshow Capital which has launched a EUR 30 million scheme dedicated to investing in high-end TV series in English and Spanish.<sup>115</sup>

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<sup>108</sup> <https://variety.com/2020/tv/global/guy-bisson-goteborg-masterclass-global-rights-the-god-particle-of-tv-production-1203484980/>

<sup>109</sup> [http://www.televisual.com/blog-detail/Stakes-get-higher-as-drama-booms\\_bid-944.html](http://www.televisual.com/blog-detail/Stakes-get-higher-as-drama-booms_bid-944.html)

<sup>110</sup> CNC Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019.

<sup>111</sup> <https://tbivision.com/2019/11/01/tbi-weekly-how-and-why-private-equity-is-getting-into-tv/>

<sup>112</sup> <https://tbivision.com/2019/11/20/former-lookout-point-boss-launches-media-investment-firm-with-bbcs-alum-helen-jackson/>

<sup>113</sup> <https://creativecontenteis.co.uk/>

<sup>114</sup> <https://www.ft.com/content/55bec850-823d-11e9-b592-5fe435b57a3b>

<sup>115</sup> <https://tbivision.com/2019/11/28/irish-spanish-fund-netshow-capital-launches-33m-investment-scheme/>



Private equity investors offer more production freedom than a platform deal and retain production equity. Furthermore, they may also invest in global sales and distribution of the project, in order to ensure its commercial success.

### 3.3. The industry structure: consolidation, co-productions, cooperation

#### 3.3.1. Consolidation in the production sector?

The European TV industry already appears more concentrated than the film industry. A series of consolidation moves are in the works. At the end of October 2019, the merger of Banijay and Endemol Shine was approved (pending clearance by antitrust authorities). And France's Mediawan took a majority stake in Italian production outfit Palomar (*Inspector Montalbano*, *The Name of the Rose*), in its first international buy, after acquiring AB Group, ON Kids & Family, and Makeover, among others<sup>116</sup>.

The United Kingdom's Banijay group had acquired production companies in 16 countries, including Norway (Yellow Bird, which made *Wallander*, *Millenium*, and *Occupied*; Yellow Bird UK subsequently opened), Italy (Magnolia), the Netherlands and Belgium (Zodiak) and Spain (Cuarzo).

France's Newen Studio (acquired by TF1 in 2015) took stakes in several European companies from 2018, such as Pupkin in the Netherlands, Nimbus Film in Denmark, and De Mensen in Belgium.<sup>117</sup>

In Spain, The Mediapro Studios grew in 2019 into a group of 58 companies operating in 36 countries, 14 of them with sets and equipment for shooting. The group has acquired the necessary muscle to invest in the development of several titles at the same time, also reducing risk.

Analysis of the main producers of high-end drama shows two broad categories:

- Groups independent from any (or any primary) European audiovisual services in Europe.
- Broadcasters owning a series of subsidiaries active in production. Within this category, the share of production commissioned by other broadcasters varies significantly. In some cases, production subsidiaries mostly work for the TV channels of the parent broadcasting companies. In other cases, a significant portion of the output is with non-related broadcasters, particularly in countries where the

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<sup>116</sup> <https://variety.com/2019/film/news/mediawan-acquires-palomar-producer-the-name-of-the-rose-1203108245/>

<sup>117</sup> Ampere Analysis, France TV Market profile, July 2019.



parent company is not present as a broadcaster. Therefore, the development of production activities by broadcasters often appears as a diversification, driven by pressure on broadcasting revenues and the need to move up the value chain, rather than a vertical integration.

From the producer point of view, affiliation with a larger structure is sometimes described as the best way to increase bargaining power with SVOD platforms and retain rights.

**Figure 45. Top 20 producers of European 2-13 episode series in 2018, in hours**

Ranking	Producer	Hours
1	Endemol Shine	128
2	ITV	123
3	RTL Group	113
4	Warner Media	97
5	BBC	78
6	Mediawan	77
7	ARD	76
8	All3Media (Discovery)	73
9	Lagardere	69
10	ZDF	57
11	Vivendi	53
12	TF1	45
13	Ceská Televize	40
14	Lux Vide	38
15	Mediaset	33
16	Plano a Plano Producciones	31
17	Telewizja Polska (TVP)	31
18	Tele Muenchen	30
19	JLA Productions	29
20	Neue Deutsche Filmgesellschaft	29
	Banijay	29

Source: European Audiovisual Observatory

### 3.3.2. What role for co-productions?

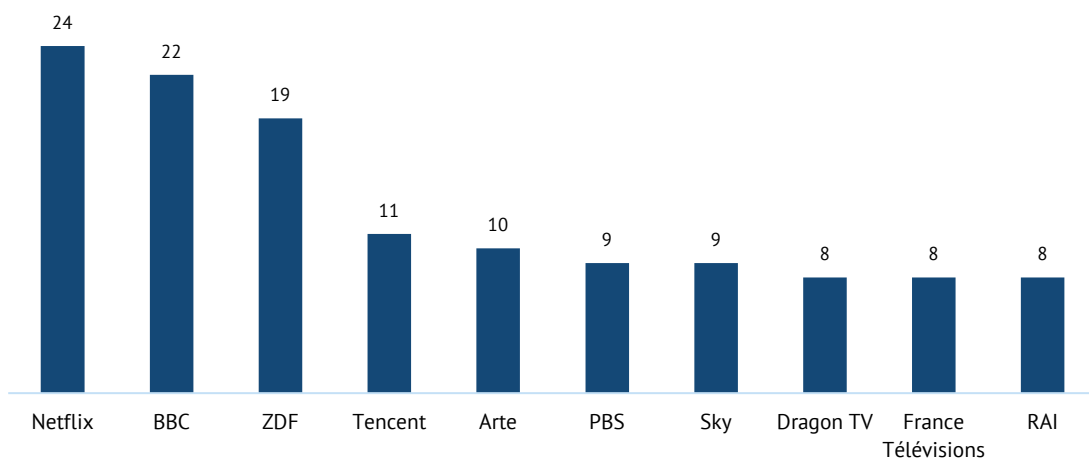
Section 3 provides the key figures for co-productions of high-end TV series in Europe. They show on the one hand the relatively limited number of co-productions, and, on the other, that the number of co-productions is increasing. But co-productions take many different forms and involve different players.

On a project basis, as seen previously, there has been growth in the number of European transnational co-productions. International co-production provides access to several countries' financing schemes, TV channel investments and ultimately leads to broader circulation.

#### Co-productions between broadcasters

A growing number of co-productions are in development or production within a number of broadcasters and platforms operating in Europe; the BBC and ZDF are the two public channels holding up to Netflix's volumes<sup>118</sup>.

**Figure 46. Co-productions in development or production, on selected channels and platforms, April 2019, in number of titles**



Source: Ampere Analysis

Evolution in partner nationality has also been apparent – from traditional ‘natural’ co-production partners (Scandinavian countries; Germany and Austria; the UK with the US and Ireland) towards more variety than ever. After two decades of Scandinavian intra co-productions, Nordic countries were the first to open up to co-productions with Germany

<sup>118</sup> <https://www.ampereanalysis.com/ao/2019/04/Content%20strategies%20in%20a%20streaming%20world%20-%20Ampere%20Analysis%20April%202019.pdf>



(*Bron/Broen, The Killing, Before we Die*), followed by France (*Ride Upon the Storm*), Spain (*The Paradise*) or more recently Chile (*Invisible Heroes*).

In April 2019, the UK was co-producing with partners from 16 countries, mainly the US (HBO, PBS and Netflix were involved in 75% of its co-productions), Australia, Germany and France; Germany was co-producing with 15 countries on three continents, and France with 12 countries also in North America, Europe and Asia.<sup>119</sup>

## Alliances

Beyond co-productions on a per project basis, more strategic alliances have been concluded between broadcasters.

In 2018, the European Broadcasters' Alliance was announced. Italy's RAI, Germany's ZDF and France Télévisions presented a slate of high-end serialised fiction projects to be co-produced by the three<sup>120</sup>. A mid- to long-term collaboration in the form of a slate of projects in co-production is a first between European public broadcasters. It also works because the broadcasters are not in direct competition for viewers.

For every title co-produced, two of the three broadcasters act as co-producing and commissioning partner, respectively, with the third broadcaster designated as a pre-buyer. The first titles announced were *Leonardo*, *Mirage* and *Eternal City*.

The Alliance has also established "privileged" partnerships with Spain's RTVE, Belgium's RTBF, Belgium's VRT and Switzerland's RTS. An invitation to join the alliance has also been extended to other European public broadcasters.

Five Scandinavian channels from Denmark, Sweden, Norway, Finland and Iceland also announced in 2018 Nordic12, an alliance to co-produce a dozen high-end series each year.<sup>121</sup> The collaboration not only allows higher budgets and encourages co-productions, but also tackles the fundamental issue of distribution rights, by establishing a 12-month exclusive window for the public broadcaster on both its linear and digital services.<sup>122</sup>

Announced at the end of 2017, Atrium TV is a 'commissioning club' in which members (including the UK's BT, the Nordics' Viaplay, France's Orange, Spain's Movistar+, Latin America's Televisa or Sky New Zealand, among others) can co-invest in a high-end drama project in exchange for the distribution rights in their country. Original ambitions to produce USD 5 million per hour series with four to five partners has recently been scaled back to USD 2 million an hour projects which involve only two or three members, but which nonetheless facilitate collective creative development.<sup>123</sup>

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<sup>119</sup> Ampere Analysis, "The state of European co-production", February 2019.

<sup>120</sup> <https://www.digitaltveurope.com/2018/05/04/france-televisions-rai-and-zdf-team-up-to-take-on-netflix/>

<sup>121</sup> <https://variety.com/2017/tv/news/nordic-broadcasters-ally-to-rival-global-streamers-with-ambitious-scandi-series-1202584131/>

<sup>122</sup> <http://www.nordiskfilmogtvfond.com/news/stories/nordic-public-broadcasters-launch-nordic-12>

<sup>123</sup> <https://tbivision.com/2019/10/18/exclusive-drama-commissioning-club-atrimum-tv-sees-major-gear-shift/>

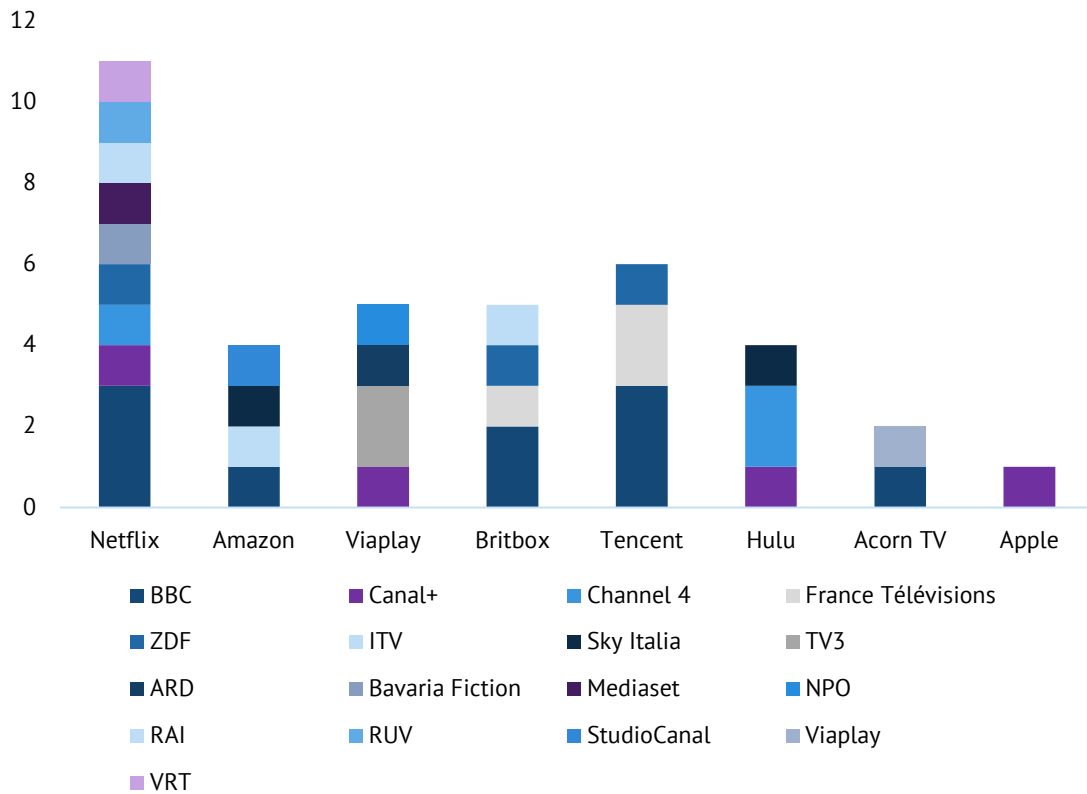




### Co-productions between broadcasters and SVOD services

In April 2019, Facebook, Amazon, Apple, Netflix and Google parent company Alphabet (the so-called FAANGs) were involved in 14% of European co-productions, Netflix was the primary SVOD partner in Europe; and the BBC was the commissioner with the most upcoming co-productions with SVOD services (10), followed by Canal+ with 4.<sup>124</sup>

Figure 47. SVOD services involved in European co-productions, April 2019, in number of titles



Source: Ampere Analysis.

In July 2019 in the United Kingdom, Sky announced its new production arm Sky Studios which it said would double spend on original content to also double the number of original titles in its catalogue, while declaring themselves open to partnering with all new direct-to-consumer players (Disney, Warner Media).<sup>125</sup>

<sup>124</sup> Ampere Analysis, "The state of European co-production", February 2019.

<sup>125</sup> <https://www.digitaltveurope.com/2019/07/26/sky-looks-to-partner-with-new-d2c-players-as-it-double-originals-spend/>



But according to Ampere Analysis, SVOD players remain significant co-production partners... for now,<sup>126</sup> there being a tendency towards fewer co-productions in the coming years with SVOD partners, as expressed by the BBC in June 2019.<sup>127</sup>

Netflix's entrance strategy in Europe consisted of co-producing in every country, establishing its own contact network, and building muscle; but today the company does not need to co-produce with the channels, instead appearing increasingly willing to fund the total cost of a show in order to grab total ownership.<sup>128</sup>

Broadcasters may also lose revenues when co-producing with a platform that cannibalises their own online service at the national level.

### **Retaining own label on co-produced projects**

In co-productions with US platforms (notably Netflix), European public broadcasters' financed series often lose the 'platform original' label; RTVE's *El ministerio del tiempo* in Spain is one of the best examples: season 1 was fully financed by RTVE, season 2 was co-produced by Netflix (gap financing in exchange for international rights) and season 3 was fully produced by Netflix; from season 2 it appeared as a Netflix original and RTVE lost digital distribution rights.

The BBC is the European broadcaster best able to maintain its label (*Doctor Foster*, *Happy Valley*) although there are noteworthy exceptions (*Bodyguard* became a Netflix original after having aired on BBC1, being programmed weekly and having created a big buzz<sup>129</sup>). The platforms thus profit from the broadcast-acquired success of a title without having taken the financial risk to develop it.

The blurring line between series' credits has other fundamental consequences: new seasons can be produced without the original national broadcaster – generally the one that took the genuine risk and invested in the title's development. The loss of intellectual property control also translates into a loss of exploitation rights, meaning no further revenue streams and thus a lack of amortisation of the initial investment.

### **No more 'Europuddings'?**

Co-productions cannot be solely based on mixed sources of finance. The worst possible consequence for this was defined some decades ago as 'Europudding'<sup>130</sup>, a reference to the artificial co-production deals between several countries' broadcasters, solely based on the financing, which ends up conditioning the script, the cast, and the locations.

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<sup>126</sup> <https://www.ampereanalysis.com/ao/2019/04/Content%20strategies%20in%20a%20streaming%20world%20-%20Ampere%20Analysis%20April%202019.pdf>

<sup>127</sup> <https://deadline.com/2019/06/bbc-expects-fewer-global-svod-co-productions-1202634171/>

<sup>128</sup> <https://digiday.com/media/netflixs-deal-terms-poses-a-conundrum-for-tv-studios/>

<sup>129</sup> <https://www.theguardian.com/commentisfree/2018/sep/20/bbc-bodyguard-netflix-original-streaming>

<sup>130</sup> <https://www.theguardian.com/media/2013/mar/29/international-production-drama-actors>



Today, European co-productions travel better because there is a solid dramatic reason behind the mix of international elements; and a good local-universal series sells everywhere.<sup>131</sup>

Netflix's upcoming series *Criminal* is a first: it is composed of 12 episodes and four countries are involved (three national episodes each). Shot in Netflix's Madrid production hub, every country has used local writers, directors and cast members, but share a showrunner and the story's premise.<sup>132</sup>

The successful Swedish/Danish *The Bridge* was remade by the United Kingdom's ITV in co-production with France's Canal+ as *The Tunnel*, with the challenge being to make it appealing not just to those two nations but also beyond; the challenge is in fact finding the right rhythm for all culturally diverse audiences.<sup>133</sup>

## 3.4. A competition for talent?

### 3.4.1. Snapshot of directors and screenwriters of high-end European series

#### Methodology

This section builds on data publicly available from IMDb on key crew positions, matched with the list of 2-13 episode original fiction series released between 2015 and 2018 provided by the European Metadata Group. Although the year of release recorded by IMDb and the European Metadata Group may differ in a limited number of cases, we believe it does not impact the representativity of the data.

A total of 86% of episodes released between 2015 and 2018 were identified with at least one director, and 84% with at least one writer.

All directors credited according to IMDb have been included. As regards screenwriters, the authors of the original books, plays, etc. from which the series was adapted have been as far as possible excluded<sup>134</sup>.

#### Active directors and screenwriters in high-end series

A total of 3 510 different screenwriters wrote or co-wrote at least one episode of a 2-13 episode series between 2015 and 2018. During the same time period, each of them (co-) wrote on average a total of 8.7 episodes representing 6.4 hours.

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<sup>131</sup> <https://tbivision.com/2019/04/08/one-to-one-two-worlds-collide/>

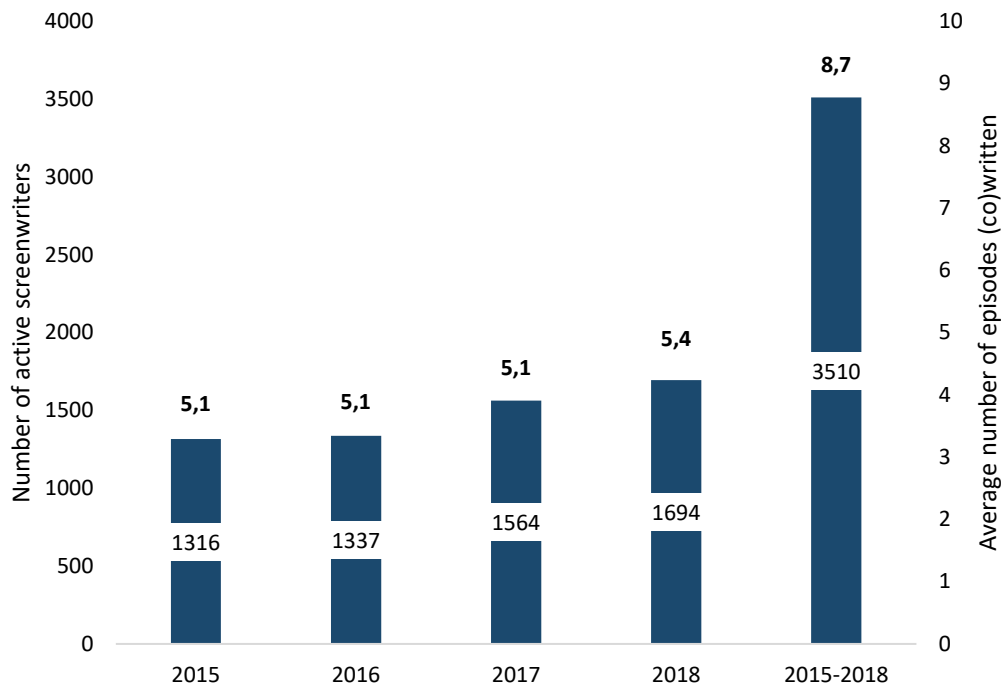
<sup>132</sup> <https://variety.com/2018/tv/news/netflix-police-procedural-criminal-1203038138/>

<sup>133</sup> <https://www.theguardian.com/media/2013/mar/29/international-production-drama-actors>

<sup>134</sup> We estimate that they account for about of 5% of all writing credits.



**Figure 48. Number of active screenwriters of 2-13 episode series and average number of episodes (co-)written, 2015-2018**



Source: European Audiovisual Observatory analysis of The European Metadata Group and IMDb data.

There are clearly significant differences in the level of activity:

- Out of the 3 510 active screenwriters between 2015 and 2018, only 253 (7%) were active during each of these four years, and 426 (12%) were active in three of the four years<sup>135 136</sup>.
- Each year, between 2015 and 2018, the top 20 screenwriters (co-)wrote about 24 episodes (vs. about five on average).

A total of 1 665 different directors directed or co-directed at least one episode of a 2-13 episode series between 2015 and 2018. During the same time period, each of them (co-)directed on average a total of 7.9 episodes representing 6.4 hours.

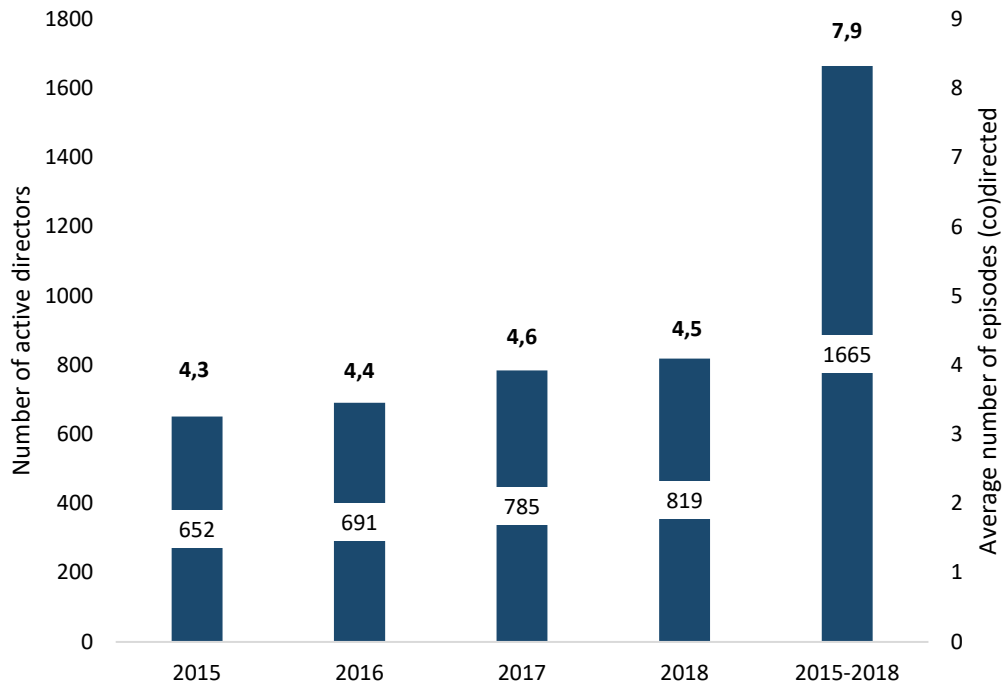
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<sup>135</sup> Obviously, screenwriters may have been engaged in other TV or theatrical projects during the same time period.

<sup>136</sup> Please note that here “active” refers to part of a project released in a given year. Naturally, screenwriters may have been involved in the writing of a project ‘before’ the project, i.e. during the previous years.



**Figure 49. Number of active directors of 2-13 episode series and average number of episodes (co-)directed, 2015-2018**



Source: European Audiovisual Observatory analysis of The European Metadata Group and IMDb data.

There are clear differences in the level of activity:

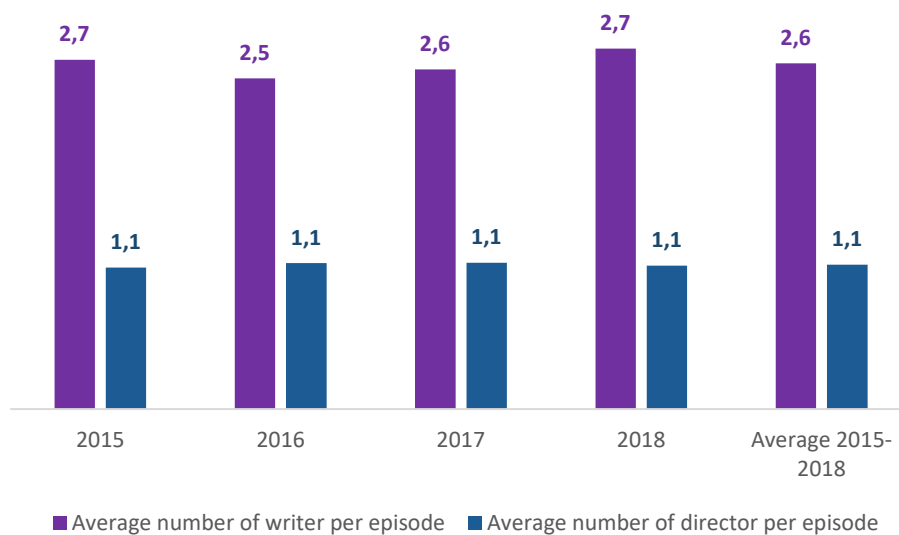
- Out of the 1 665 active directors between 2015 and 2018, only 131 (8%) were active during each of these four years, and 229 were active in three of the four years (14%)<sup>137</sup>.
- Each year between 2015 and 2018, the top 20 directors (co-)directed about 16 episodes (vs. about 4.5 on average).
- There is a strong interrelation between the direction of theatrical films and the direction of high-end series: about 52% of directors of series are registered in the Observatory LUMIERE database as having (co-)directed at least one theatrical film.

<sup>137</sup> Clearly, directors may have been engaged in other TV or theatrical projects during the same time period.

### The writing and direction of high-end series

- On average, a 2-13 episode series season involves 4.1 screenwriters. Each individual episode is also, in the vast majority of cases, co-written: episodes with at least two different screenwriters credited account for 65% of all episodes released<sup>138</sup>.
- The number of screenwriters credited by episode appears to vary significantly according to the country of origin: 4.7 in Spain, 3.7 in France, 1.9 in the UK or in Germany. But it is unclear whether the differences can be explained by the different shares of specific sub-formats within the broad 2-13 episode category, by differences in approach to how screenwriters are credited, or by actual differences of approach regarding the production process.
- On average, a 2-13 episode series season involves 1.9 directors. Only a few episodes are co-directed: episodes with at least two different directors credited accounted for 8% of all episodes released between 2015 and 2018.

**Figure 50. Average number of screenwriters and directors per episode, 2015-2018**



Source: European Audiovisual Observatory analysis of The European Metadata Group and IMDb data.

Episodes for which the same person is credited both as director and as writer account for 20% of all episodes released between 2015 and 2018.

<sup>138</sup> Credits can include the writing of the specific episode or “creator” credits for the whole season, and therefore each episode of the season.

### 3.4.2. Writers, showrunners and other creators

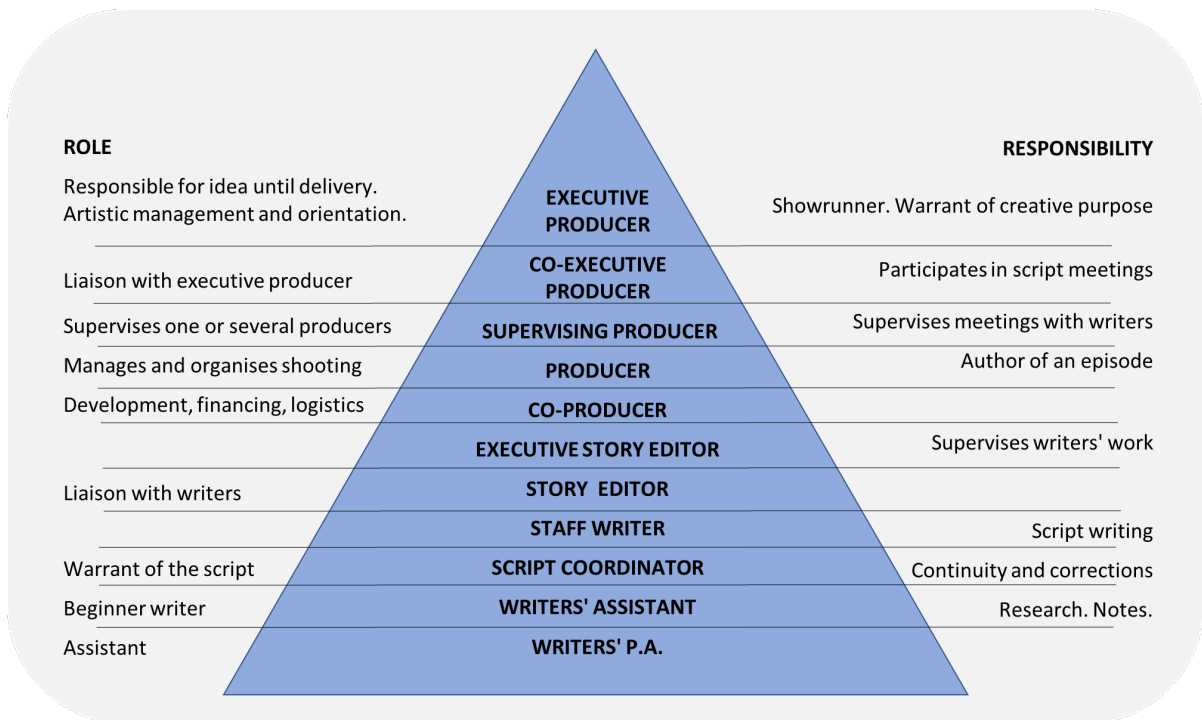
In the battle for original content, the figure of creator is also evolving.

In Europe, TV projects have traditionally been led by the producer, either an independent producer or the broadcasters' head of fiction. With the boom of original content production, broadcasters and platforms now tend to adopt the director-led film model and hire renowned film directors to create their newest serialised projects.

Despite a few exceptions (mainly in the UK and France), writers had zero or almost no recognition in the European broadcasting medium. They were freelancers working simultaneously on several projects, or integrated as staff in the broadcaster.

Platforms are changing this too. The US production model has a strong writing structure defined as the "writers' room". From the main writer (with editorial power) at the top, to the assistant at the very bottom, the vertical structure allows for every writer to know their role and responsibilities within the collective work. In Europe, there is no habit of writing as a team, except maybe for animation series.

**Figure 51. Writers' room organisational chart by WGA in US**



Source: CNC<sup>139</sup>.

So, the challenge in Europe is to define who has ultimate creative control over a project.

<sup>139</sup> Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019.



## Showrunners

In the US (and increasingly in Europe), the main writer – and often creator of the original idea and intellectual property – is referred to as the showrunner, whose role and responsibilities include acting as executive producer of the show, and thus being familiar with the financial and managerial aspects of the production. This is agreed between the industry and the unions, rendering all relations more transparent.

In Europe, there is no unique definition of the showrunner and the function does not always relate to production responsibilities. It is increasingly accepted, though, that the showrunner for a TV series has the final word on creative aspects, to the detriment of the director (there are usually several directors for each TV series).

In Spain, the Association of Scriptwriters (ALMA) in June 2019 outlined in a press communicate the definition and functions of a showrunner and how they apply to Spanish audiovisual industry:<sup>140</sup> the showrunner is the creative manager and leader script writer, with the last word on script decisions during writing, shooting and editing.

There is a lack of training of writers with regard to the managerial and financial aspects of production. Institutional support for training in this area would help develop the profile of author-producer so far lacking in Europe, empowering local creators. Professionalising these roles would also have a positive effect on the satisfaction of other production needs, such as: bringing more transparency to relations between authors, producers, broadcasters and public institutions; reducing the time between seasons; protecting European cultural diversity from the US studios' verticalisation of rights.<sup>141</sup>

### 3.4.3. The battle for talent

Producers, distributors and broadcasters are fighting over intellectual properties as much as over talent including creators, showrunners, successful producers and cast.

Nine-figure deals have been very common in recent years: in 2017 Netflix signed Shonda Rhimes (*Grey's Anatomy*) for a four-year deal worth USD 150 million. Then came: Ryan Murphy (*Glee*, *American Horror Story*) with USD 300 million for a five year-deal, Kenya Barris (*Black-ish*) for USD 100 million over three years etc.<sup>142</sup> It's a competition to stay in the game: Warner bros., Universal TV, Disney and Apple are all fighting for JJ. Abrams (*Lost*, *Alias*, *Westworld*).

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<sup>140</sup> <https://www.audiovisual451.com/el-sindicato-de-guionistas-alma-aclara-la-definicion-de-showrunner/>

<sup>141</sup> CNC Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019

<sup>142</sup> <https://www.fastcompany.com/90307854/400-million-and-counting-inside-netflixs-arms-race-for-tv-showrunners>





Netflix's signing in August 2019 of HBO's *Game of Thrones* creators David Benioff and D.B. Weiss in an exclusive deal to create new shows and films is further evidence of the high-stakes race to secure creators and thus more original titles.<sup>143</sup>

The Mediapro Studios in 2016 signed Ran Tellem (*Homeland* producer) as head of international content development and in 2017 a co-development deal with Argentinian Daniel Burman as head of US content. It has since also signed exclusive agreements with Spanish showrunners like Ivan Escobar (*Vis a vis*), Javier Olivares (*El Ministerio del tiempo*) or Mariano Baselga (*Unwanted*) and counts 165 scriptwriters and 126 directors on its books.<sup>144</sup>

Securing top showrunners and vital talent is necessary to remain in the content battle but 'exclusivity' is also important for studios because if a streamer wants to produce a show with one of their signed creators, it must pay a fee to the studio and share the distribution rights.<sup>145</sup>

Primary players also need to control the talent in-house, because there are not so many big names and if you do not 'own' them, somebody else will.<sup>146</sup>

To reel in creators, platforms not only offer huge amounts of money but also try to convince talent to sign on by offering greater care for the project, creative freedom and better work conditions.<sup>147</sup> Curzon's CEO Philip Knatchbull states that too much interference was limiting creativity: "*The quality of some films and TV series has gone up, because the filmmakers have been given the freedom to fully realize their potential, without the interference of executives.*"<sup>148</sup>

Anna Croneman, head of drama at Sweden's SVT goes further: "*To survive at all [as a broadcaster], you need to be the best partner for the best talent and producers. The only reason they will choose us with their best material is that they know working with us will be great.*"<sup>149</sup>

The battle for the best content is harsh. Exclusivity agreements are signed with top talent (showrunners, actors, writers, directors)<sup>150</sup> and crews, which also results in a lack of available professionals.

The Netflix production hub that opened in Madrid in April 2019 initially employed 13 000 professionals, and hoped to reach 25 000 by the end of the year<sup>151</sup>; this meant other audiovisual productions had to be delayed because of the wait for actors and crew to be

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<sup>143</sup> <https://www.nytimes.com/2019/08/07/business/media/netflix-game-of-thrones.html>

<sup>144</sup> <https://variety.com/2019/tv/spotlight/mediapro-at-25-exporting-talent-retaining-ip-1203182295/>

<sup>145</sup> <https://www.fastcompany.com/90307854/400-million-and-counting-inside-netflixs-arms-race-for-tv-showrunners>

<sup>146</sup> <https://www.fastcompany.com/90307854/400-million-and-counting-inside-netflixs-arms-race-for-tv-showrunners>

<sup>147</sup> <https://www.wsj.com/articles/hbo-to-talent-you-wont-get-this-much-love-at-netflix-1516031557>

<sup>148</sup> Nostradamus report 2020.

<sup>149</sup> Nostradamus report 2020.

<sup>150</sup> CNC, Rapport Berger sur une nouvelle organisation de la fiction sérielle en France, 2018-2019

<sup>151</sup> <https://www.elperiodico.com/es/tele/20190404/madrid-capital-europea-netflix-7387133>



released from exclusivity commitments (even facility availability is a problem, with many studios fully booked five years forward).<sup>152</sup>

As a result of the global success of Danish drama, shootings have doubled in the country and the director of the Danish Film Institute declared that since 2016 more than half of the country's production companies have experienced trouble finding professionals; even worse, in 2019 there was a two-year waiting list to hire directors, directors of photography, scriptwriters and production supervisors.<sup>153</sup>

To cover the anticipated future lack of professionals, media groups are starting to collaborate with universities in training young professionals and preparing them for their future incorporation into the industry. The Mediapro Studios, Spain's Complutense University and the United Kingdom's National Film and Television School for example train future TV showrunners in writing and producing international series.<sup>154</sup>

Netflix organised in November 2019 its first workshop dedicated to showrunners, inviting 11 writers from six different countries to "empower" future showrunners.<sup>155</sup>

In Sweden, because the best writers are 'taken', pubcaster SVT increased its investment in development to support the creation of new projects by younger writers.<sup>156</sup>

Lack of professionals, and higher demand due to a larger number of productions, can lead to an increased cost of hiring professionals. But if platforms are paying huge salaries to talent, this is more related to the type of deals which, as for distribution rights, include upfront payment of all eventual back-end value or residuals of the series; this makes the deals look 'bigger' in the headlines, but the total amounts involved remain similar to those in 'traditional' deals.<sup>157</sup>

### 3.4.4. Internationalisation of working opportunities

As financing becomes ever more internationalised, productions are opening up international opportunities also for writers, cast and crews. And so talent acquires experience abroad and becomes more professional.

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<sup>152</sup> <https://variety.com/2020/tv/global/guy-bisson-goteborg-masterclass-global-rights-the-god-particle-of-tv-production-1203484980/>

<sup>153</sup> <https://www.eleconomista.es/internacional/noticias/10333789/02/20/Dinamarca-busca-directores-de-cine-el-boom-del-audiovisual-dispara-la-demanda-de-profesiones-utopicas.html?fbclid=IwAR0p1GOyEcwrh9knbK8CBYQOkX4k94o0lpQUctMK6KD5cT9pkDtCDS1jSjk>

<sup>154</sup> <https://www.audiovisual451.com/the-mediapro-studio-y-la-national-film-and-television-school-unen-fuerzas-para-la-formacion-en-proyectos-internacionales/?fbclid=IwAR24QAYRBzKJxNsN1J76qbIvbfXScdyMvPqCqyEWIBb69pBfJhkYFNIEE>

<sup>155</sup> <https://media.netflix.com/en/company-blog/how-netflix-is-empowering-future-showrunners-from-all-over-the-world>

<sup>156</sup> <https://dramaquarterly.com/the-new-black-the-rise-of-the-nordic-noir-genre/>

<sup>157</sup> <https://www.fastcompany.com/90307854/400-million-and-counting-inside-netflixs-arms-race-for-tv-showrunners>



Lars Blomgren, of Endemol Shine says: “Production capacity is a massive challenge. [...] and it’s the same in every market - it’s really hard to find professional people. But it automatically follows that others will get a chance.”<sup>158</sup>

### Global writing

For creators, writing for international audiences has extra added difficulties: beyond the cultural aspect, authors also need to know the channels they are writing for.<sup>159</sup> Europe is not a homogeneous territory and audiovisual content tastes (actors, language, rhythm, length, etc.) and audiences vary from country to country.

While English is the most common ‘communication’ language in international co-productions, more and more languages are being used in the writing (dialogues) when characters are from abroad. *Eden*, a series by Arte France and Arte Deutschland had so many languages during shooting that translators were needed on set.<sup>160</sup>

### Global casting

Actors in Netflix’s successful Spanish series *Money Heist* and *Elite* have seen their social networks explode at the international level. Netflix presents this growth in international fame as a benefit of working for a Netflix original. But of course promotion on Instagram and other sites by actors’ fans - often younger audiences very active on social networks - also helps increase the buzz for the series.<sup>161</sup>

Productions are now casting globally. Showrunner Alex Pina (*Money Heist*) is producing a new show for Netflix in co-production with the United Kingdom’s Left Bank Pictures (*The Crown*) to be shot in Ibiza and starring actors from the United Kingdom, Spain and Portugal.<sup>162</sup>

The traditional British high-quality serialised fiction has historically led to co-productions with the United States but now increasingly also with other European countries - due to the search for international/European funding, which ultimately results in more varied (and diverse) casts in UK series.<sup>163</sup>

The lines between theatrical film and serialised fiction are blurring and this shows in the mobility of cast and crew talent from one to the other industry. TV actors win Oscars, film directors sign on to high-end series. In the end, isn’t it all just about telling stories, with the best means, for a global audience?

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<sup>158</sup> Nostradamus report 2020.XXX

<sup>159</sup> SACD, *Écrire une série de fiction télévisuelle pour l’international : Témoignages, méthodes et enjeux*, 2019.

<sup>160</sup> <https://variety.com/2019/tv/global/writer-director-dominik-moll-on-series-mania-competition-contender-eden-1203169940/>

<sup>161</sup> [https://cincodias.elpais.com/cincodias/2019/01/19/companias/1547854956\\_264569.html](https://cincodias.elpais.com/cincodias/2019/01/19/companias/1547854956_264569.html)

<sup>162</sup> <https://www.hollywoodreporter.com/amp/news/netflix-unveils-cast-white-lines-money-heist-creator-alex-pina-1218054>

<sup>163</sup> <https://www.theguardian.com/media/2013/mar/29/international-production-drama-actors>

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