

*From cinemas to VOD
A case study of films released in
Europe since 1996*

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TAKEAWAYS

▪ **Background on cinema exploitation**

- Cinema exploitation is heavily concentrated: on the one hand, **64%** of all films were released in **1.5** EU27+UK countries and made **50 000** cinema admissions or less; on the other hand, the top 3% films were released in **21.7** countries and accounted for **59%** of admissions.
- Generally speaking, films released in more countries made more admissions. But there are many exceptions: films can also be successful while being theatrically released only in their national market. The correlation between the number of countries of release and the number of admissions does not imply a causality. The commercial potential, i.e. often the budget, is probably the main explanatory factor.
- European films accounted for **69%** of films on release and **31%** of admissions.

▪ **How many theatrical films get a VOD release (in at least one EU27+UK country) ?**

- 62% of all films release in cinemas were present on VOD in at least 1 EU27+UK country. The share is lower than on average for European films (56%). But, **in absolute value**, the number of European films which made it from cinemas to VOD is 2.6 times higher than the number of US films.
- Films present on VOD in at least 1 EU27+UK countries accounted for about 98% of all cinema admissions.
- Figures suggest that the more admissions a film makes, the more likely it is to be present on VOD. Films **not present on VOD** made about 10 000 admissions.

▪ **When released on VOD, in how many countries are films present?**

- When released on VOD, films are present in **6.9** EU27+UK countries (**4.6** countries for European films).
- When released on VOD, the vast majority of European films is present in **1 to 5** EU27+UK countries.

▪ Is presence on VOD driven by TVOD or SVOD?

- Presence on VOD is driven by **TVOD** (59% of cumulated presence) more than by SVOD (41%). **SVOD's** share of VOD presence is higher for films with **higher admissions**.
- On a country basis, **exclusivity** between TVOD and SVOD seems to be the rule, with exceptions: Films with higher admissions or originating from the US were more often available both on TVOD and on SVOD.

▪ How do cinema and VOD presence compare?

- Films present on VOD have been released in cinemas in more countries than films not present on VOD.
- When present on VOD, films are present in more countries than in cinemas: 6.9 countries on VOD vs. 5.4 countries in cinemas. Out of these 6.9 countries, about half were countries where the film was not previously released in cinemas.
- As regards European films, VOD brings the most additional territories to films with 50 000 admissions or less.

OBJECTIVES AND SOURCES

This note addresses the relationships between the release of films in cinemas and their presence on VOD. It deals with the following **research questions**:

- How many theatrical films get a VOD release in at least one country?
- When released on VOD, in how many countries are films present?
- Is presence on VOD driven by TVOD or by SVOD?
- How do cinema and VOD presence compare?

The geographic scope of the analysis is the following:

- **Films from all origin.** We use the following segmentation: EU27 films; UK films; Other European films; US films, Other films. “European films” refers to EU27+UK+Other European films.
- Cinema release and VOD presence in the **EU27 countries + UK.**

The note builds on the cross-analysis of two data sets:

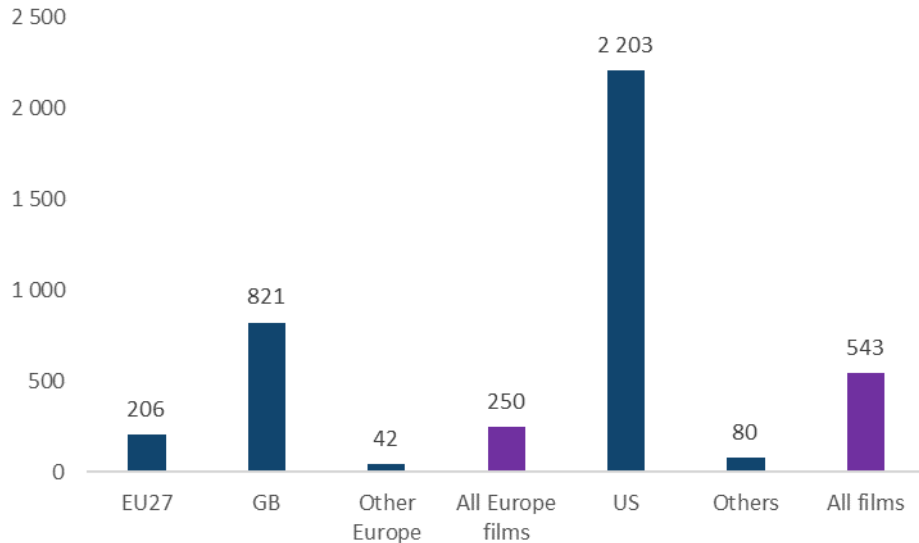
- The list of **films on release in cinemas** (excluding re-release) in the **EU27+UK** countries **from 1996 to 2019**, as provided by the Observatory LUMIERE database. Please note that the Observatory estimates that the coverage rate of LUMIERE is currently of about 95% of admissions. The coverage rate is lower in terms of number of films and may have varied over time. “Smaller” films, with limited cinema releases, may be missing from the sample; their inclusion would probably lower the rate of VOD presence among theatrical films.
- The **catalogues of 330 EU27+UK VOD services**, in **May 2020**, as provided by the Observatory LUMIERE VOD film directory.

A. BACKGROUND: HOW WERE FILMS FROM THE SAMPLE EXPLOITED IN CINEMAS?

FILM ADMISSIONS

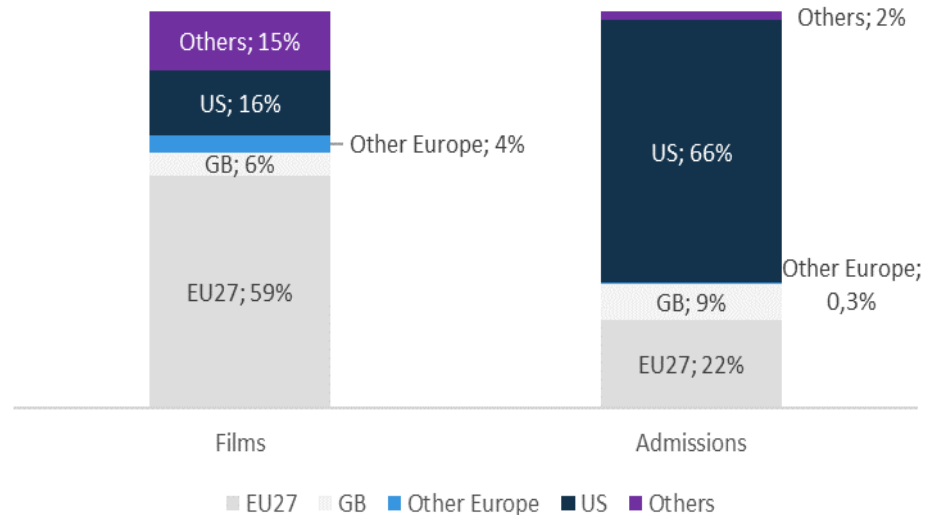
- On average, films made **543 000 admissions** with strong variations according to their origin: over 2 million admissions for US films, **250 000 admissions** for European films.
- European films accounted for **69%** of films on release and **31%** of admissions.
- Among European films, the UK accounted for 6% of films and 9% of admissions.

Average number of admissions per film by origin
(in thousands)



Average number of admissions to EU films: 206 000.

Share of films and share of admissions by origin

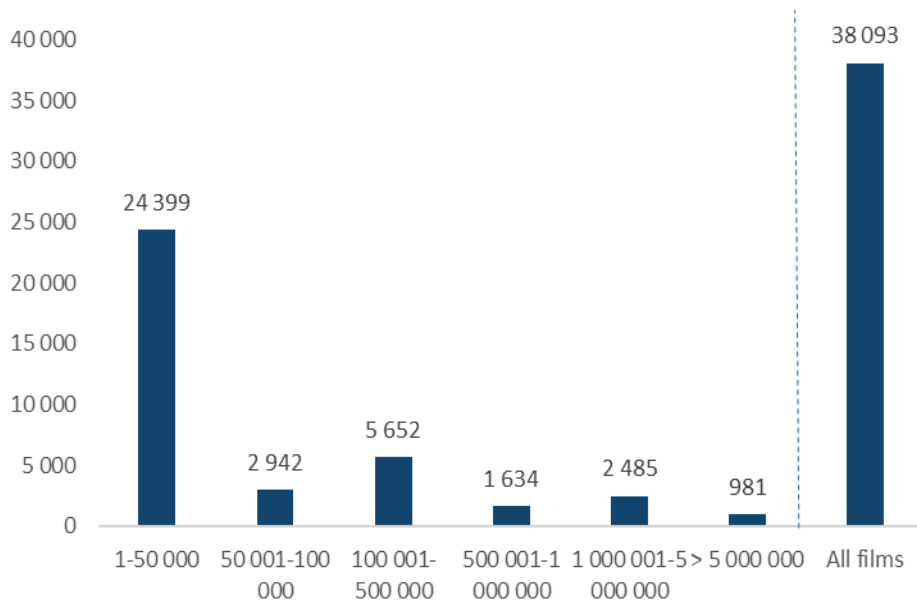


EU27 films account for 59% of films produced and 22% of admissions.

FILM ADMISSIONS

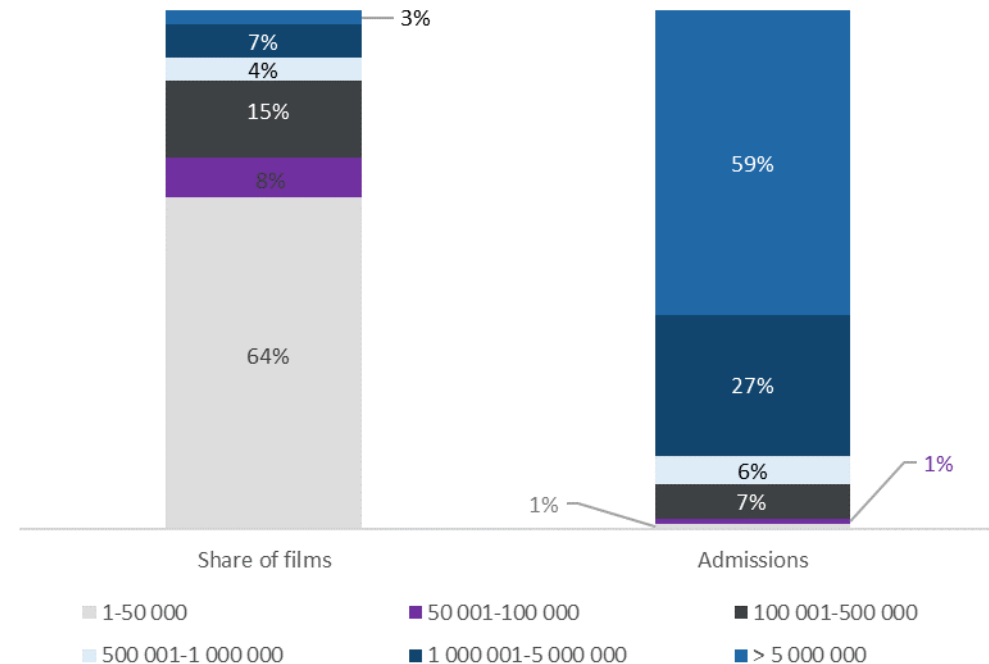
- 64% of all films on release made 50 000 admissions or less and accounted for 1% of all admissions cumulatively.
- The top 3% of films, i.e. 981 films, accounted for 59% of admissions.

Number of films by admissions brackets



24 399 films made 50 000 admissions or less

Share of films and share of admissions by admissions brackets

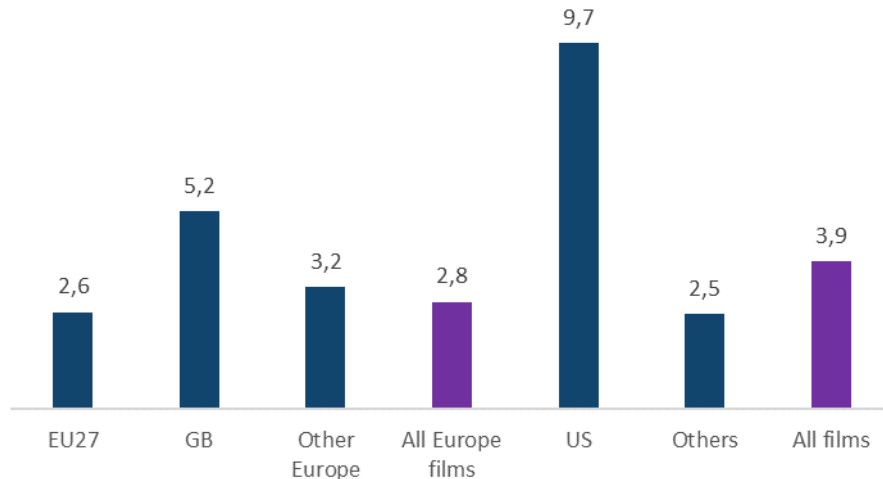


Films with 50 000 admissions or less accounted for 64% of films and 1% of total admissions

NUMBER OF COUNTRIES OF RELEASE IN CINEMAS

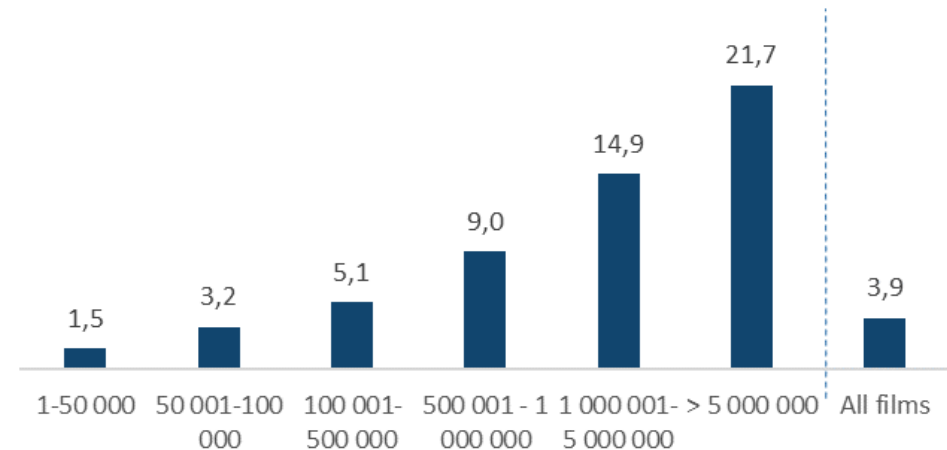
- On average, a film was released in **3.9** EU27+UK countries, with strong variations according to their origin: 9.7 countries for US films, **2.8** countries for European films.
- Films with **50 000 admissions or less**, i.e. 64% of all films on release, were released in **1.5 countries**. Films with **5 000 000 admissions or more**, i.e. 3% of all films on release, were released in **21.7** countries.

Average number of cinema release countries per film
by origin



EU27 films were released on average in 2.6 countries

Average number of cinema release countries per film
by admissions brackets

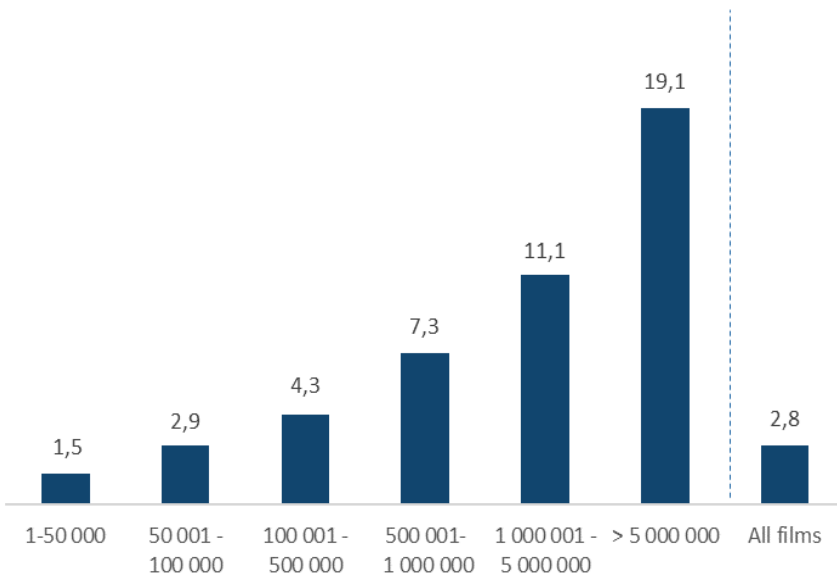


Films with 50 000 admissions or less were released in 1.5 countries

FOCUS ON EUR FILMS

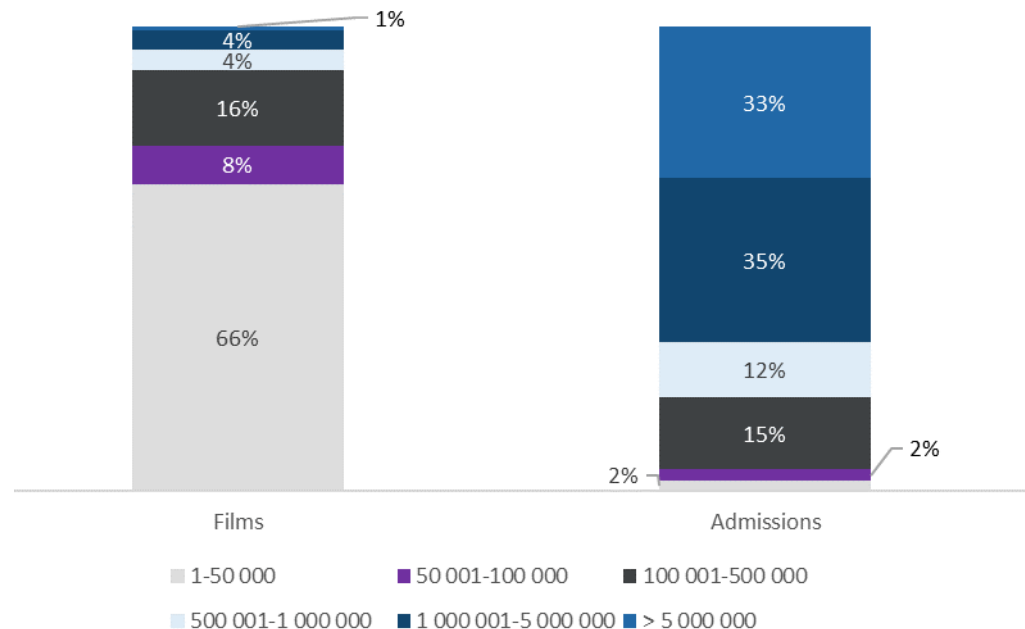
- European films with 50 000 admissions or less were released in 1.5 countries. They accounted for 66% of all European films on release and 2% of admissions to European films.
- There is a correlation between the number of admissions and the number of countries of release. It is likely the commercial potential of the film, i.e. often the budget, which may be the explanatory factor. More countries of release would probably not lead to significantly higher admissions for “smaller” films.
- Films can also be successful when only released on their national markets: since 1996, 294 European films made more than 500 000 admissions while being theatrically released only in their national market.

Average number of cinema release countries for EUR films



EU27 films with 50 000 admissions or less were released on average in 2.6 countries

Share of EUR films and share of EUR films admissions by admissions brackets



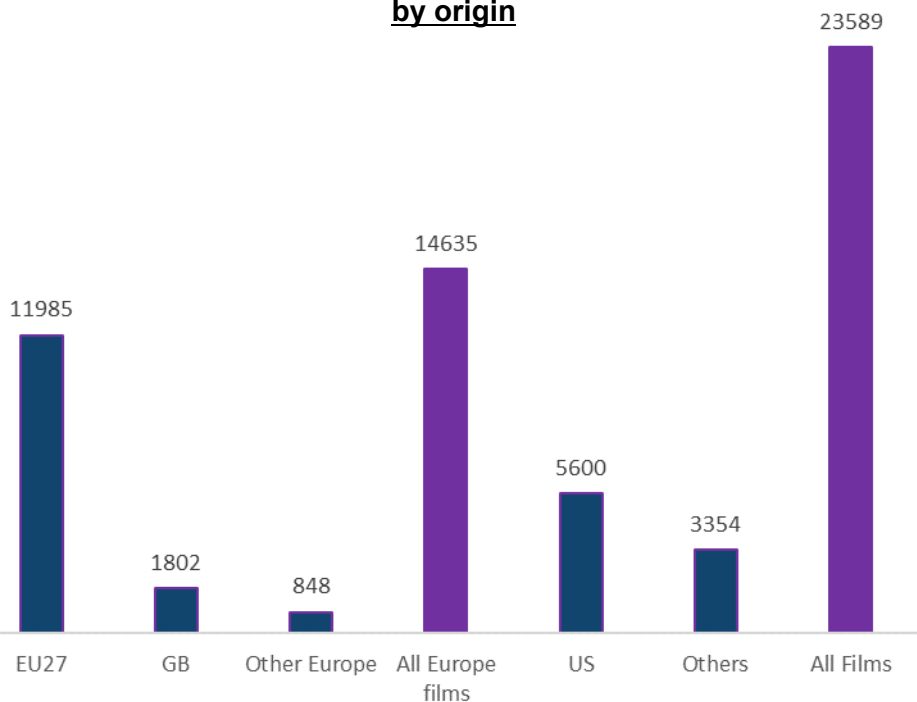
Films with 50 000 admissions or less accounted for 66% of European films and 2% of total admissions

**B. HOW MANY THEATRICAL FILMS
GET A VOD RELEASE (IN AT
LEAST ONE COUNTRY)?**

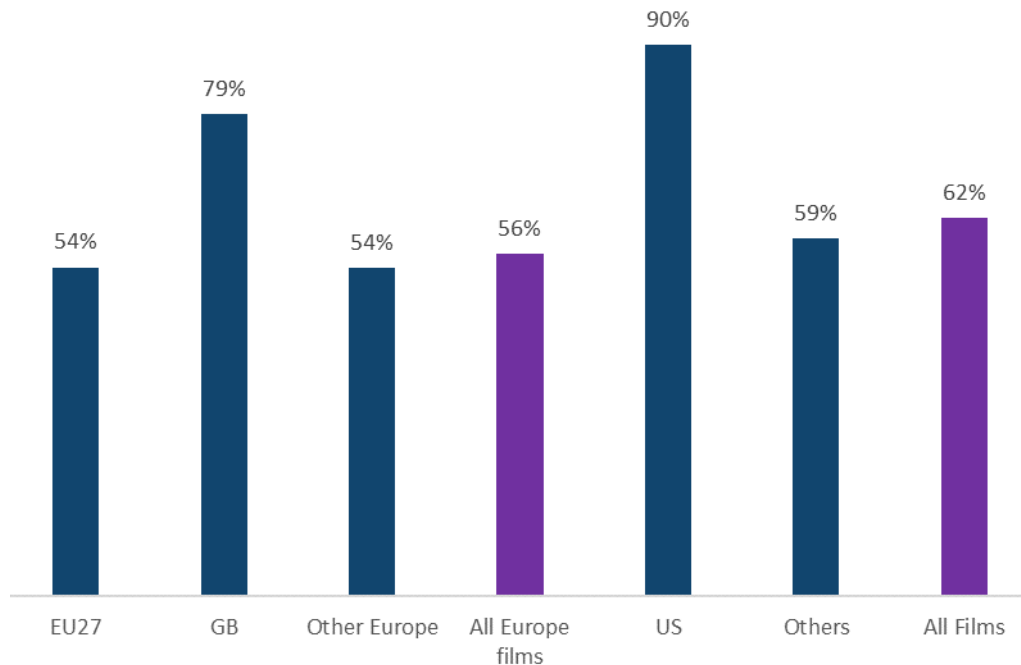
PRESENCE ON VOD IN AT LEAST 1 EU27+UK COUNTRY

- 62% of all films released in cinemas were present on VOD, with strong differences according to their origin: 90% of US films were present on VOD, vs. 56% of European films.
- UK films tended to be proportionally more present on VOD than other European films.
- But, in absolute value, the number of European films who made it from cinemas to VOD is 2.6 times higher than the number of US films.

Number of films available on VOD in at least one country
by origin



Share of films available on VOD in at least one country
by origin



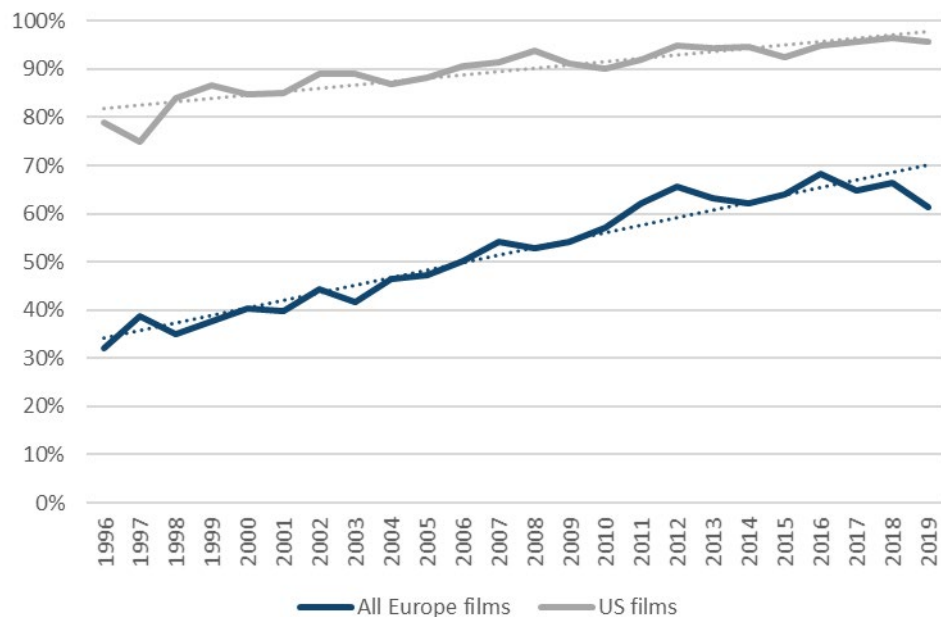
11985 EU27 films produced since 1996 were available on VOD in at least one country.

54% of EU27 films produced since 1996 were available on VOD in at least one country.

PRESENCE ON VOD IN AT LEAST 1 EU27+UK COUNTRY

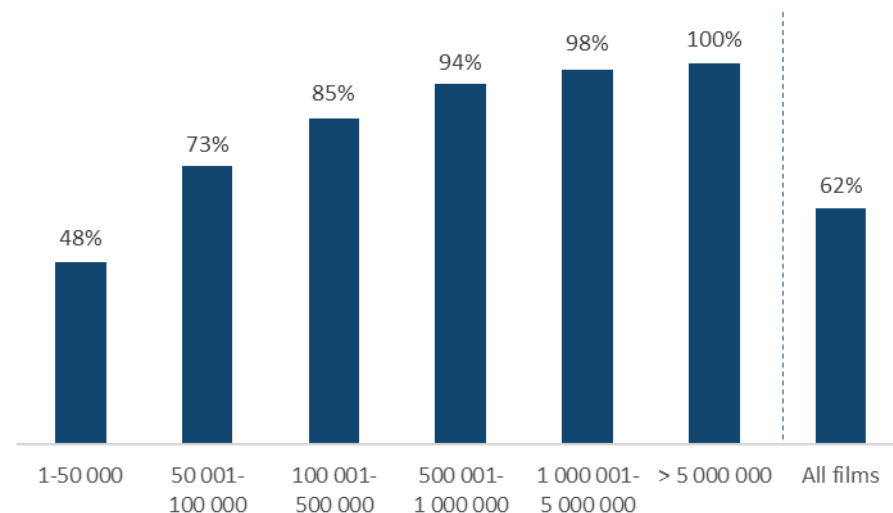
- The gap between the share of US and European films present on VOD is narrower for more recent films.
- Figures suggest that the more admissions a film makes, the more it is likely to be present on VOD.

Share of films available on VOD in at least one country
by origin and year of production



32% of European films and 79% of US films produced in 1996 are available on VOD

Share of films available on VOD in at least one country
by admission brackets

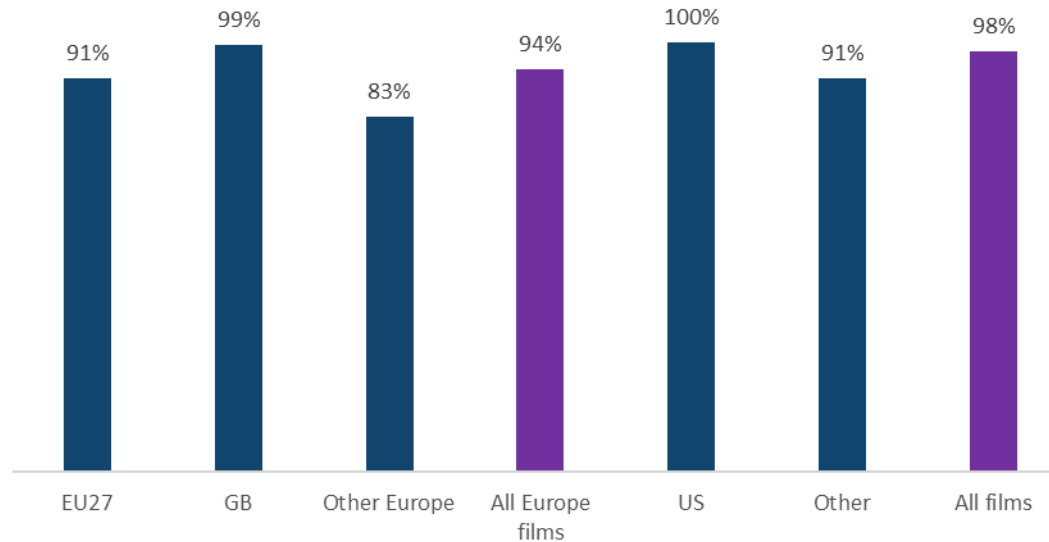


48% of films with 50 000 admissions or less are available on VOD

PRESENCE ON VOD IN AT LEAST 1 EU27+UK COUNTRY

- Due the concentration of admissions and the high rate of VOD presence of films with higher admissions, **films present on VOD** in at least 1 EU27+UK country account for about **98% of all cinema admissions**. The figure is only slightly lower for European films (94%).

Share of admissions of films available on VOD by origin

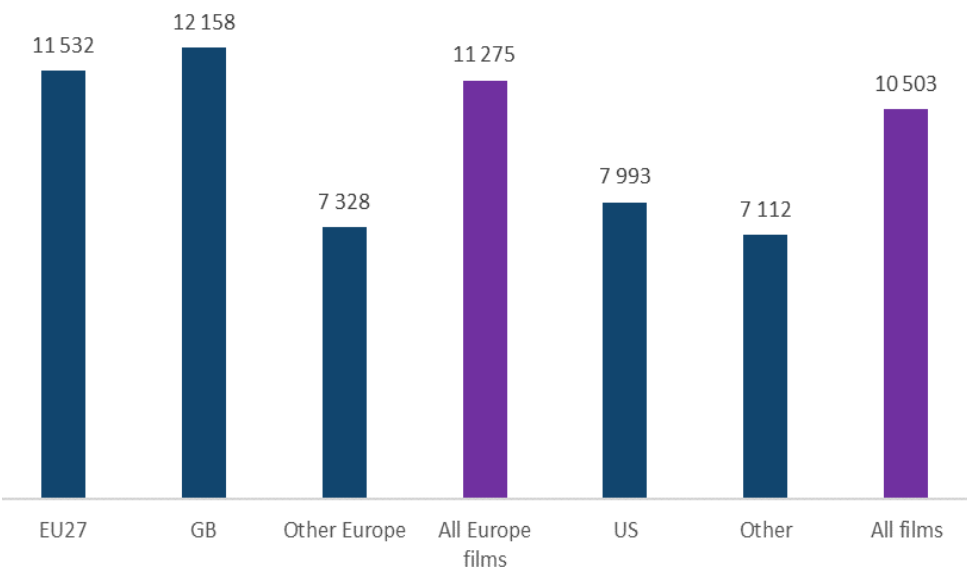


Admissions of EU27 films available on VOD account for 91% of admissions to EU27 films.

FILMS NOT PRESENT ON VOD IN AT LEAST 1 EU27+UK COUNTRY

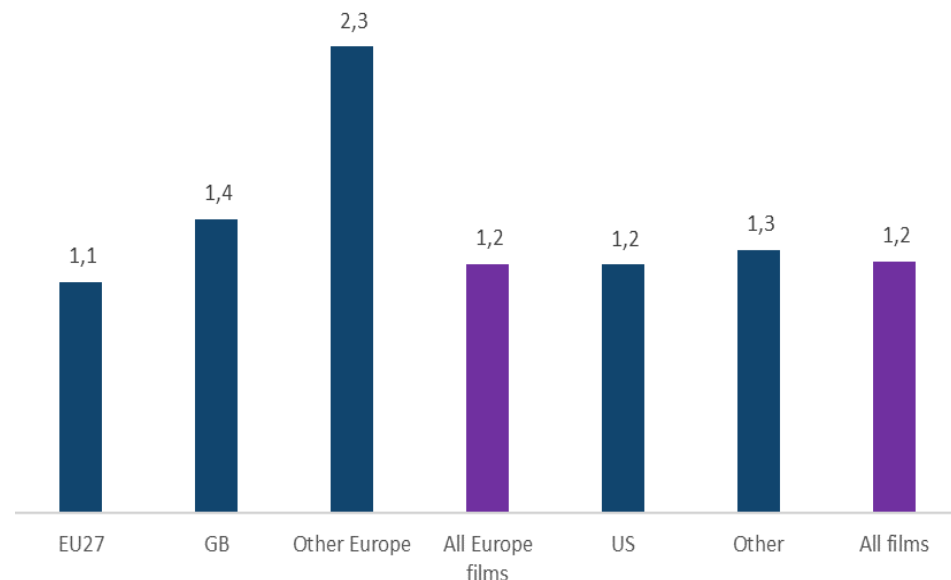
- **Cinema success** seems to be a **driver** for VOD presence: films **not present** on VOD made about **10 000 admissions in cinemas**, and, on average, were theatrically released in **1.2 countries**.

Average number of admissions for 2015-2019 films NOT available on VOD by origin



On average, 2015-2019 EU27 films NOT available on VOD made 11 532 admissions.

Average number of cinema release countries for films NOT available on VOD by origin



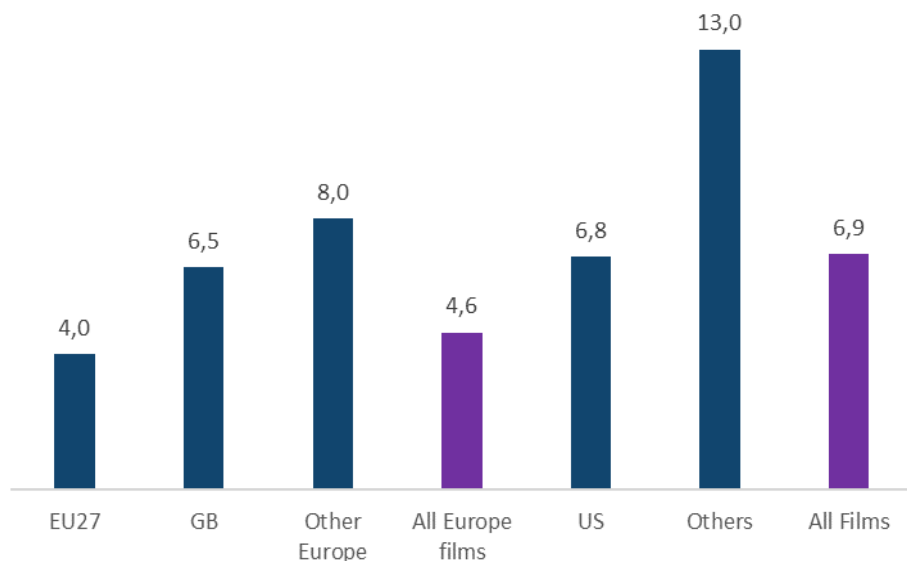
On average, 2015-2019 EU27 films NOT available on VOD were theatrically released in 1.1 countries.

**C. WHEN RELEASED ON VOD, IN
HOW MANY COUNTRIES ARE
THEATRICAL FILMS PRESENT?**

NUMBER OF COUNTRIES OF RELEASE ON VOD

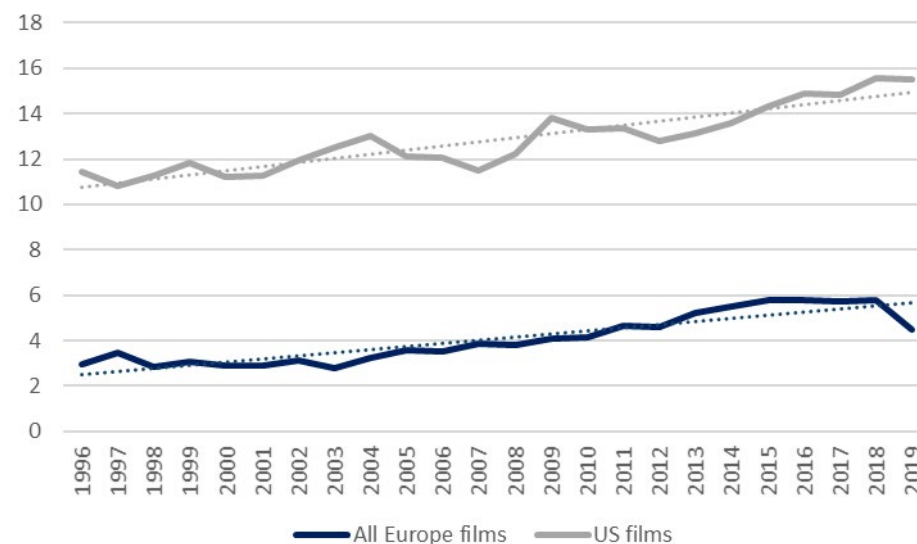
- When released on VOD, films are present in **6.9** EU27+UK countries, with strong variations according to the origin: US films were available in **13** countries vs. **4.6** countries for European films.
- The gap in the number of countries of presence on VOD is similar whatever the age of the film.

Average number of countries of presence for films available on VOD by origin



On average, when available on VOD, a EU27 film was available in 4.2 countries.

Average number of countries of presence for films available on VOD by year of production

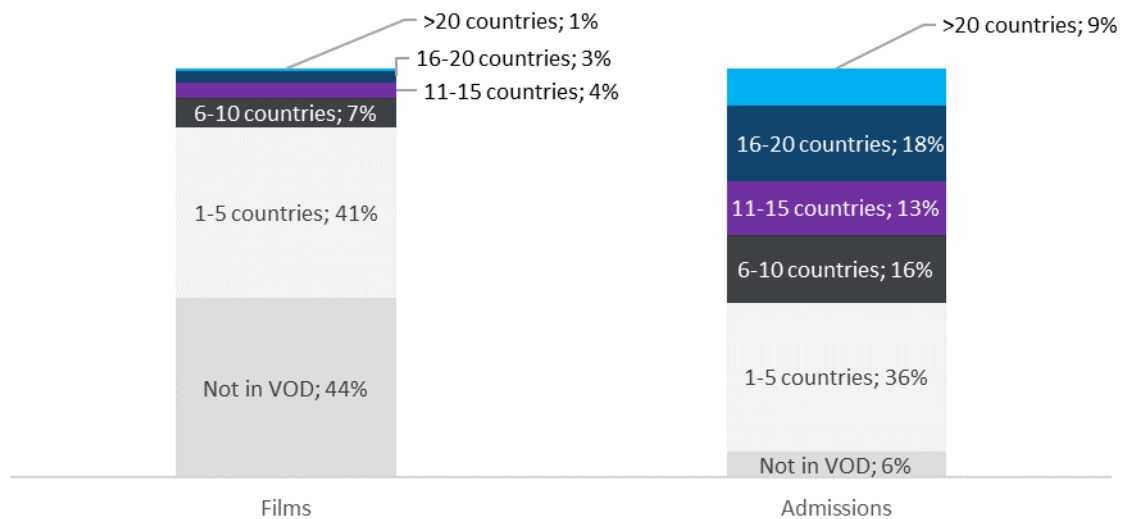


On average, when available on VOD, a European film produced in 1996 was available in 3 countries.

FOCUS ON EUR FILMS

- 44% of European films, representing 6% of admissions to European films, were **not present** on VOD.
- Among European films present on VOD, the vast majority is present in **1 to 5 countries**.
- But films present in 11 or more countries account for 40% of admissions to European films.

Breakdown of EUR films and EUR films admissions by number of countries of presence on VOD



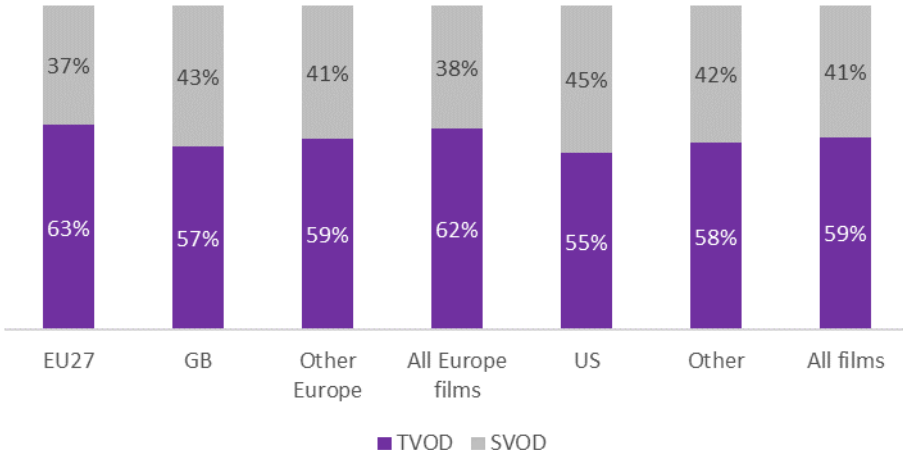
*41% of European films were present on VOD in 1 to 5 countries.
These 41% represented 36% of admissions to European films.*

D. IS PRESENCE ON VOD DRIVEN BY TVOD OR BY SVOD?

BREAKDOWN OF VOD PRESENCE BETWEEN TVOD AND SVOD

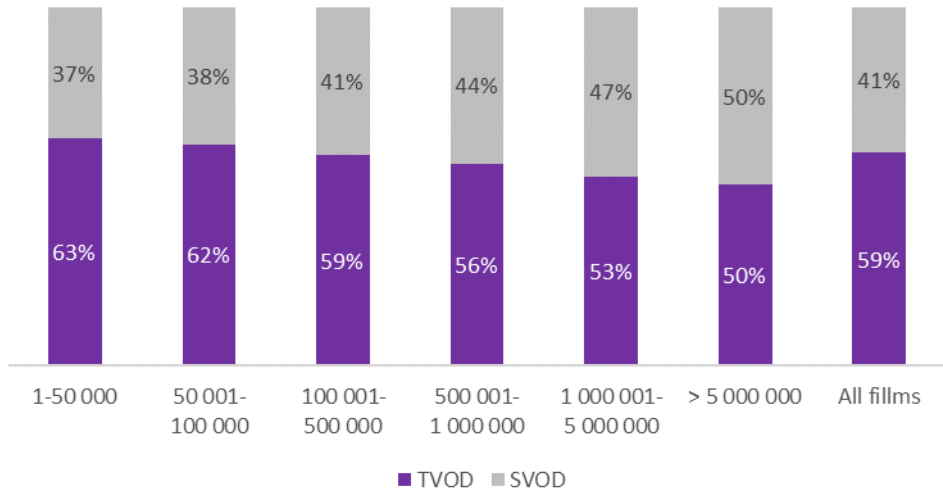
- Presence on VOD is driven by **TVOD** (59% of cumulated presence) more than by **SVOD** (41%).
- The shares of TVOD and SVOD are comparable whatever the film origin.
- **SVOD's** share is higher for films with **higher admissions**.

Share of TVOD and SVOD in VOD releases by origin



TVOD accounted for 63% of EU27 films VOD releases (some films may have been released both on TVOD and on SVOD).

Share of TVOD and SVOD in VOD releases by admissions brackets

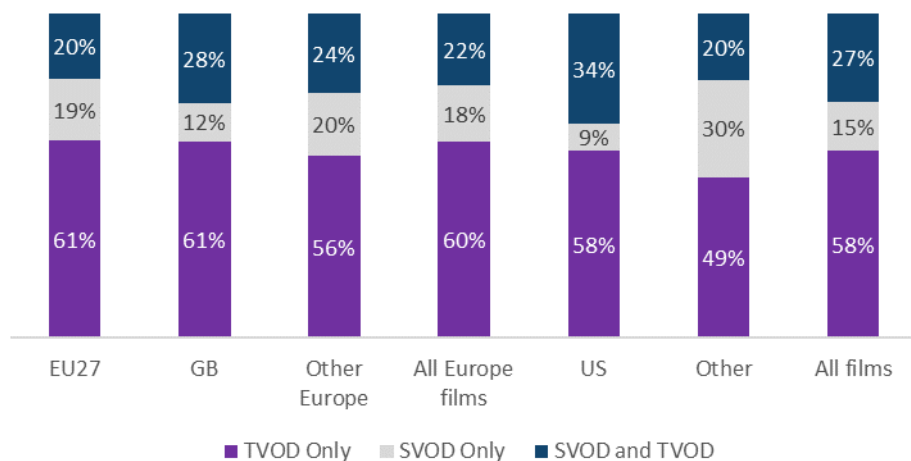


TVOD accounted for 63% of films with 50 000 or less admissions VOD releases (some films may have been released both on TVOD and on SVOD).

COUNTRY EXCLUSIVITY BETWEEN TVOD AND SVOD

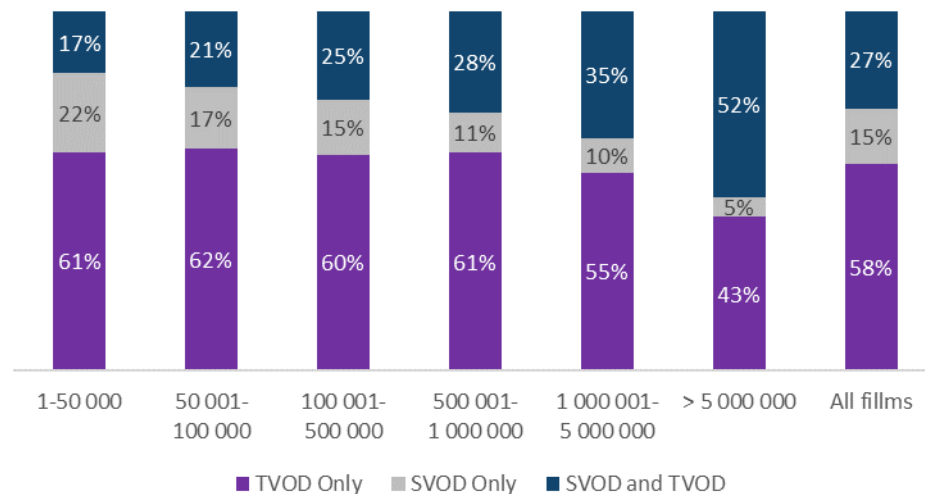
- On a country basis, **exclusivity between TVOD and SVOD** seems to be the rule, with exceptions.
- Films with higher admissions or originating from the US were more often available both on TVOD and on SVOD.

Share of TVOD and SVOD in VOD country releases by origin



When released on VOD in a given country, a EU27 films was only available in TVOD for 61% of releases, only available in SVOD for 19% of releases and available both in TVOD and SVOD for 20% of releases.

Share of TVOD and SVOD in VOD country releases by admissions brackets



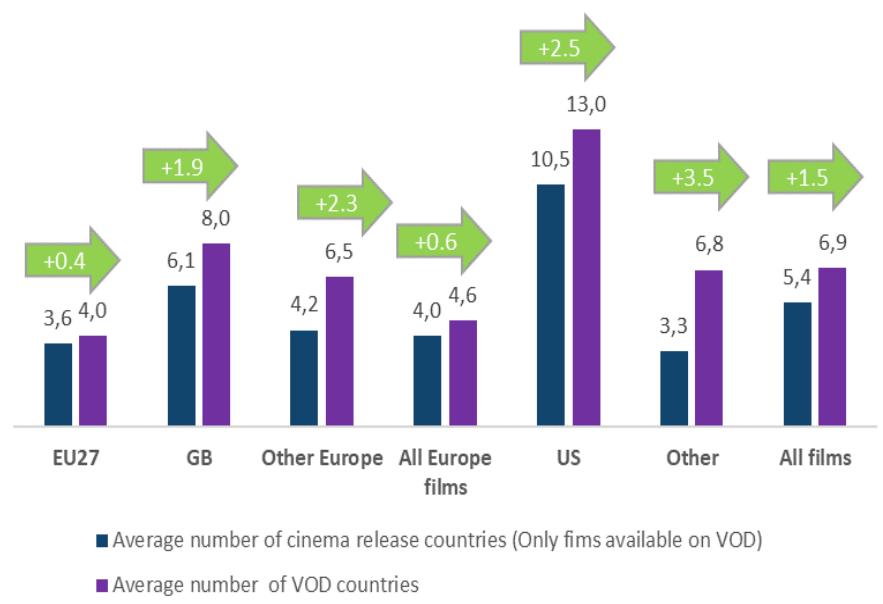
When released on VOD in a given country, a films with 50 000 admissions or less was only available in TVOD for 61% of releases, only available in SVOD for 22% of releases and available both in TVOD and SVOD for 17% of releases.

E. HOW DO CINEMA AND VOD PRESENCE COMPARE?

COMPARED PRESENCE IN CINEMAS AND ON VOD

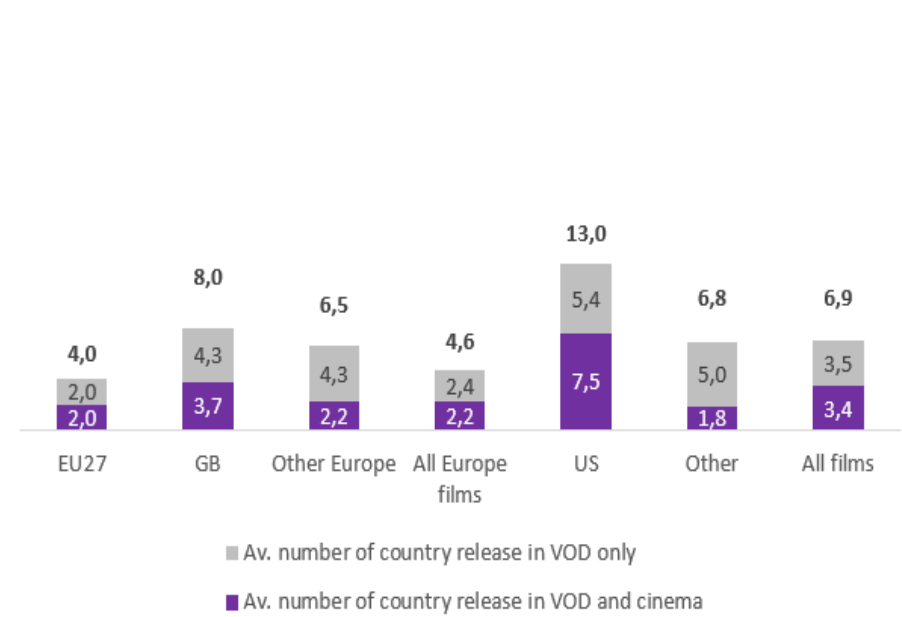
- Films present on VOD have been released in cinemas in more countries than films not present on VOD.
- When present on VOD, films are present in more countries than in cinemas: **6.9** countries on VOD vs. **5.4** countries in cinemas.
- Out of these **6.9** countries, about **half** were countries where the film was **not previously released in cinemas**.

Average number of countries of presence in cinemas and on VOD by origin



On average EU27 films available on VOD were theatrically released in 3.6 countries and were present on VOD in 4 countries.

Breakdown of number of countries of presence on VOD between cinema and VOD presence and VOD only presence by origin

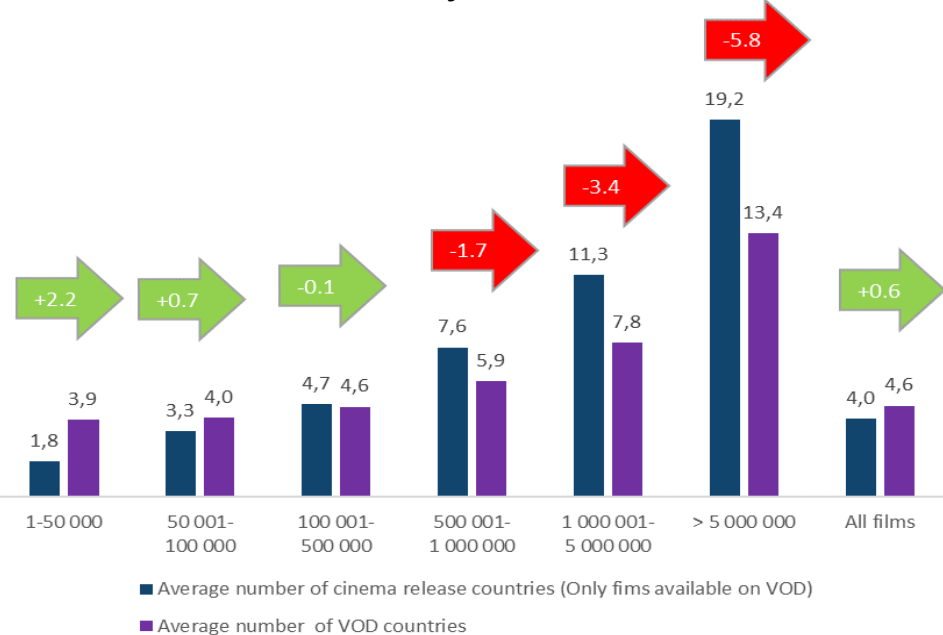


Out of the 4 countries in which a EU27 film was released on average on VOD, there were 2 countries with no previous release in cinemas.

COMPARED PRESENCE IN CINEMAS AND ON VOD: FOCUS ON EUR FILMS

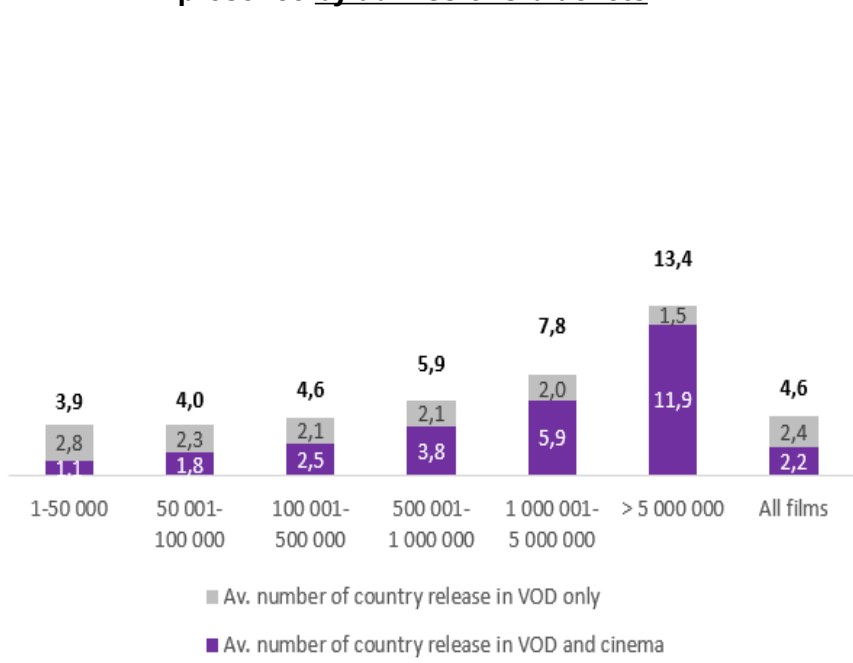
- As regards European films, VOD brings the **most additional territories** to films with **50 000 admissions or less**.
- European films with higher admissions are generally present in less territories on VOD than in cinemas.

Average number of countries of presence of **EUR** films in cinemas and on VOD by admissions clusters



On average European films with 50 000 or less admissions and available on VOD were theatrically released in 1.8 countries and were present on VOD in 4 countries.

Breakdown of number of countries of presence on VOD of **EUR** films between cinema and VOD presence and VOD only presence by admissions brackets



Out of the 3.9 countries in which a EU27 film was released on average on VOD, there were 2.8 countries with no previous release in cinemas.

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