



# How important are VOD platforms for the distribution of European films ?

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**Martin Kanzler**  
European Audiovisual Observatory



# I don't know!

lack of transparency

# European VOD market



three  
very different  
forms of VOD

# TVOD



Title based transaction  
fees (retail or rental)

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Revenue sharing (+MG)

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Film oriented

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-

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competes with

# DVD

# TVOD



Title based transaction fees (retail or rental)

---

Revenue sharing (+MG)

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Film oriented

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-

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competes with

## DVD

# SVOD



Monthly subscription fee

---

Rights sale

---

TV content oriented

---

Finance production

---

competes with

## Pay-TV

# TVOD



Title based transaction fees (retail or rental)

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Revenue sharing (+MG)

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Film oriented

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competes with

## DVD

# SVOD



Monthly subscription fee

---

Rights sale

---

TV content oriented

---

Finances productions

---

competes with

## Pay-TV

# AVOD



Free

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Advertising rev. sharing

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User generated content

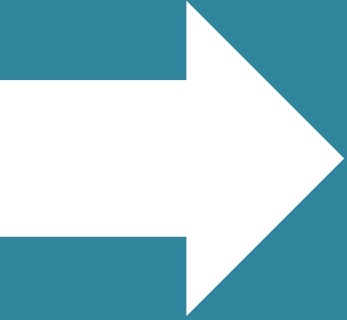
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competes with

## Free-TV



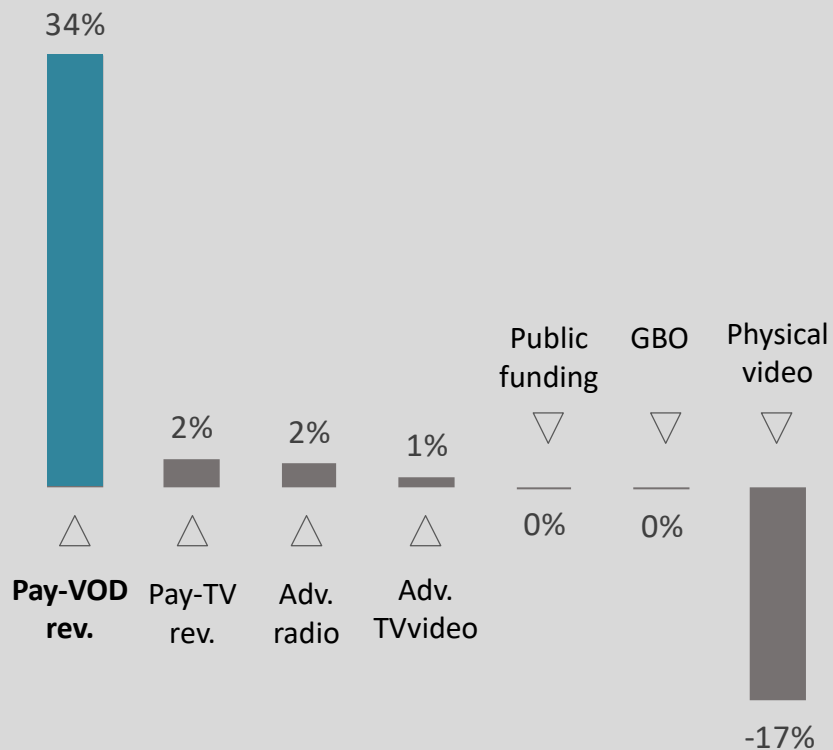
very fragmented market in terms  
of players & business models

no standard distribution model for films



# Pay-VOD is driving growth in the EU audiovisual market

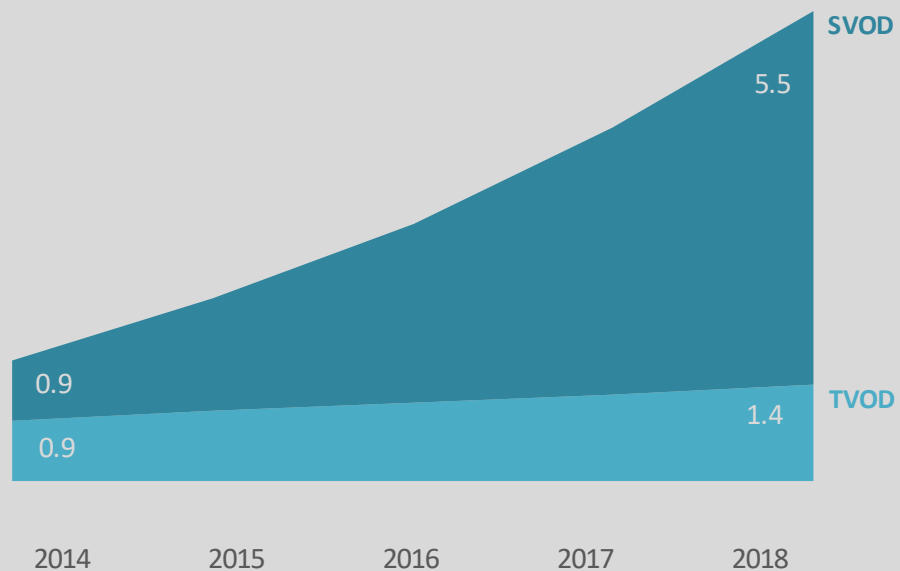
EU AV market - annual growth rates 2016/2017



Source: IHS, Warc, EBU/MIS, OBS, Ampere Analysis

# Pay-VOD is driving growth in the EU audiovisual market

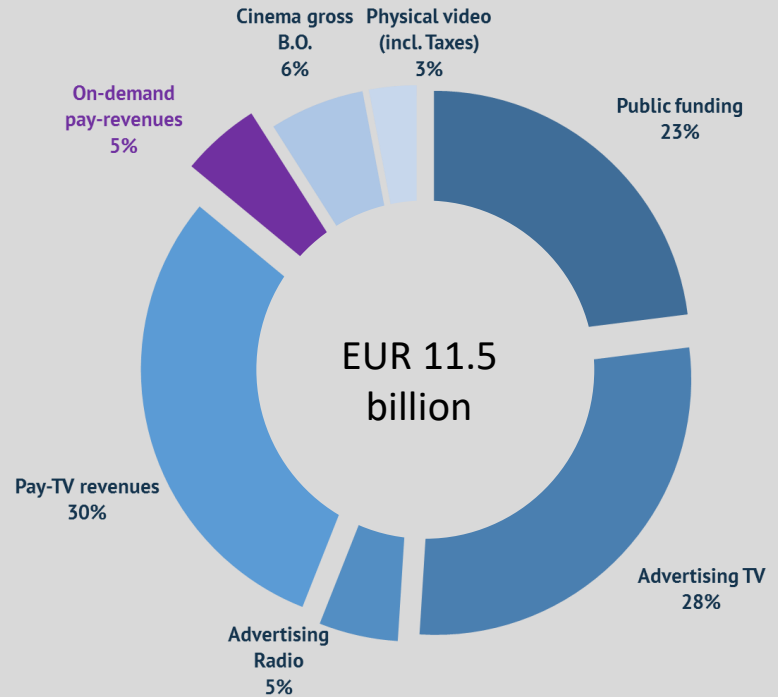
Pay-VOD revenues in the EU 2014-2018  
in EUR billion



Source: Ampere Analysis

... but  
it still represents  
a small part of the  
overall AV market

## EU audiovisual market 2017

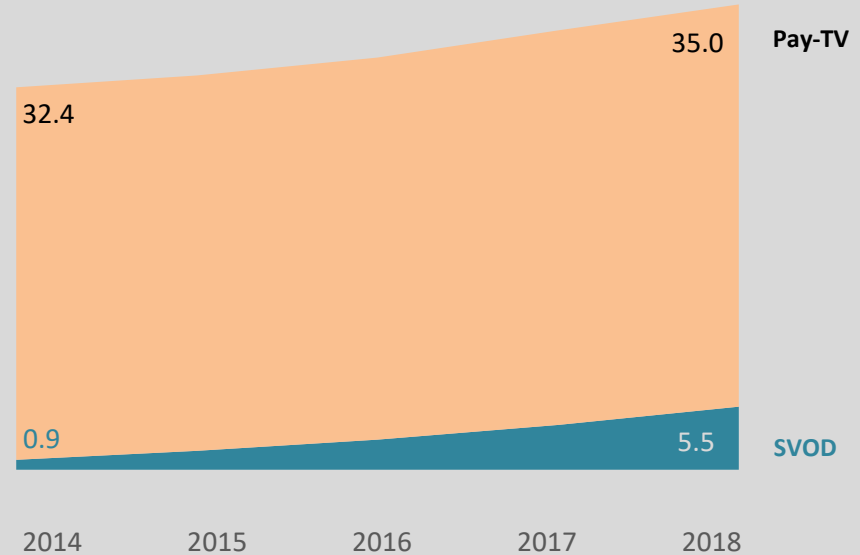


Source: IHS, Warc, EBU/MIS, OBS, Ampere Analysis

... but  
it still represents  
a small part of the  
overall AV market

## SVOD vs. Pay-TV revenues 2014-2018

in EUR billion

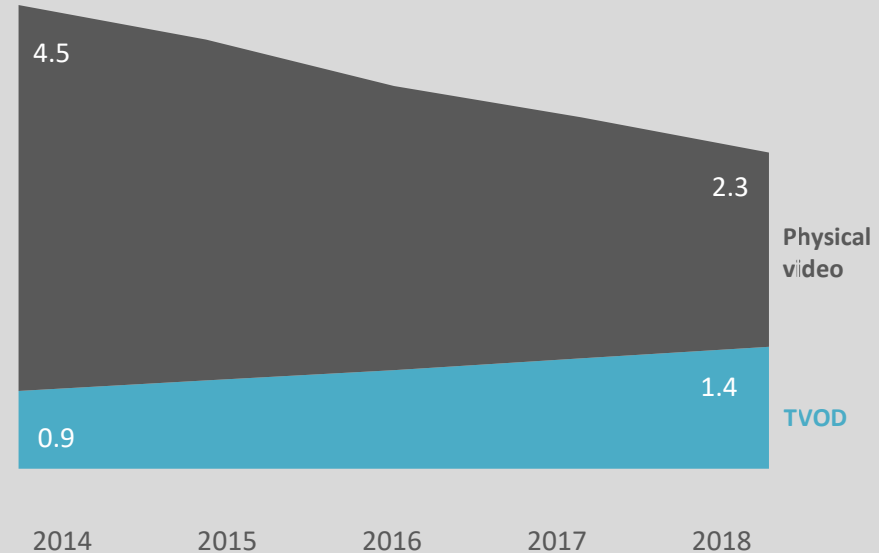


Source: Ampere Analysis (SVOD includes only OTT SVOD)

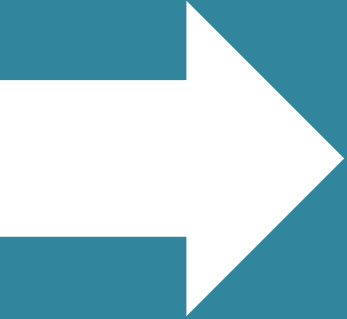
... but  
it still represents  
a small part of the  
overall AV market

## TVOD vs. DVD revenues 2014-2018

in EUR billion



Source: Ampere Analysis



Do not forget the  
traditional platforms!

VOD supplemental exploitation channel for many films

# What is also crucial

to keep in mind



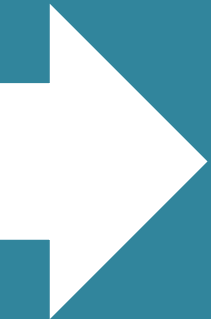


VOD markets have an  
inherently high  
market concentration

economies of scale



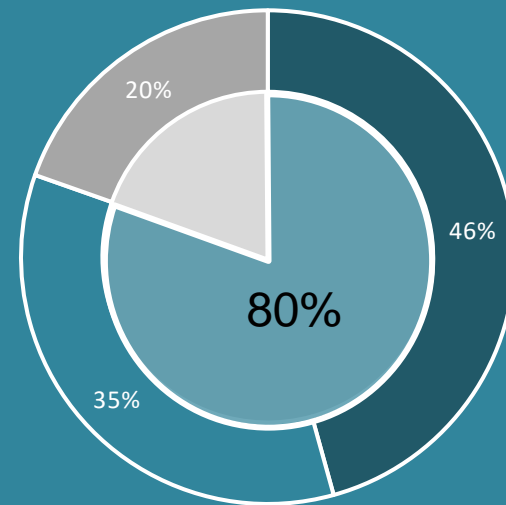




Dominated by  
large US  
(tech) players

## SVOD market concentration in the EU (2017)

in % of subscribers



Netflix Amazon Prime Other

Source: Ampere Analysis

of course, differences  
between countries

with some strong national players

but,  
difficult for national players  
to compete with global tech giants

because of economies of scale

# Availability of European films

# Large sample analysis

based on 45 SVOD and 77 TVOD services in the EU

Nr. of EU films  
available on VOD



27 000

> **24 000 titles**

available on

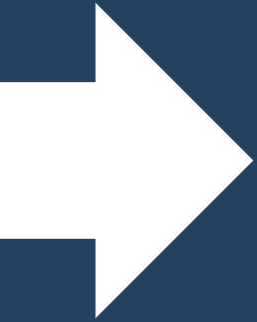
**TVOD**

> **13 000 titles**

available on

**SVOD**

**27 000**



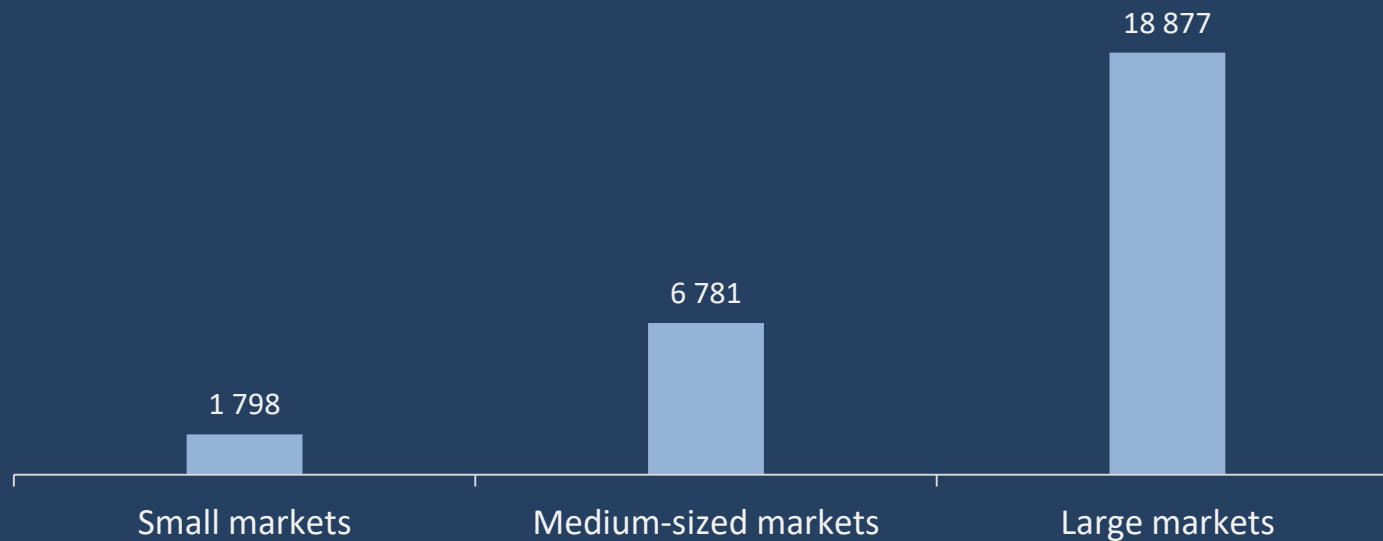
from a pan-European perspective,

large number of European films  
available on VOD



significant differences  
between countries

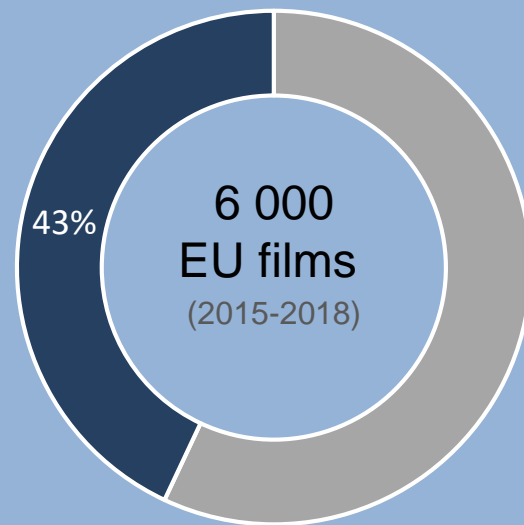
## Average number of EU films in VOD catalogues by market cluster



Source: OBS

VOD makes available a significant amount of non-theatrical films

Share of non-theatrical films among recent EU films in VOD catalogues

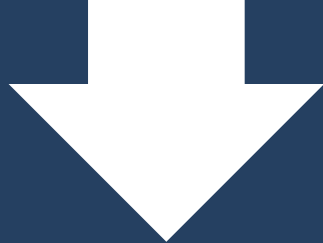


■ Theatrical ■ Non-theatrical

Source: OBS (catalogue sample as of June 2019)

When it comes to quotas





# European **WORKS**

(generally no sub-quotas for film)

# TVOD

# SVOD

Share EU FILMS

30% quota

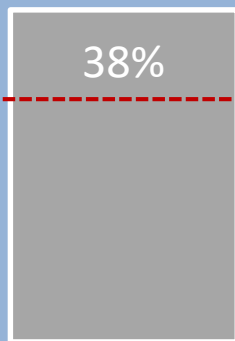
30%

25%

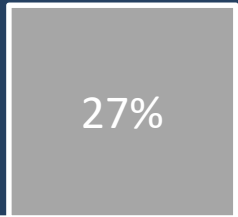
# TVOD

# SVOD

Share EU TV content  
(1 **SERIES** = 1 title)



30% quota



# TVOD

# SVOD

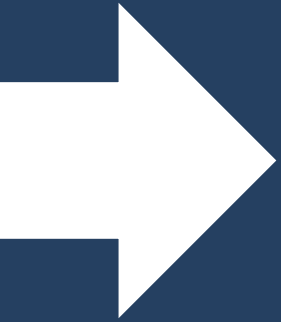
Share EU TV content  
(1 **EPISODE** = 1 title)

30% quota

24%

19%





generally speaking,

**the quotas are mostly met**

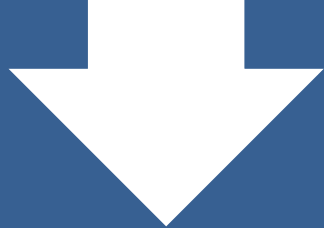
(but not by some of the largest players)





availability not the main challenge  
for European films





Visibility

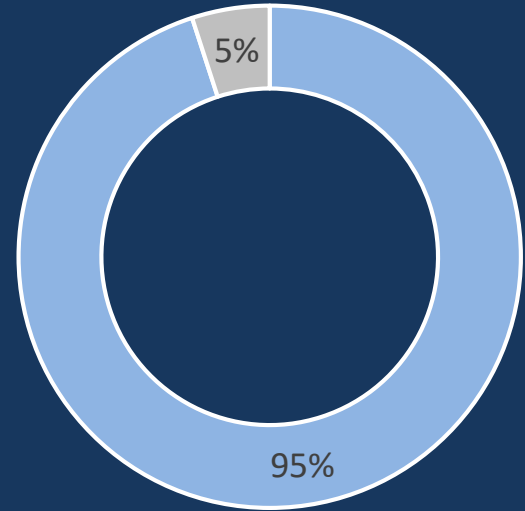
# a word of caution

limited insights due to lack of data

# limited data sample

- only TVOD services
  - 42 «mainstream» services
  - in 5 EU member states
- 
- checks only the presence of films on homepage

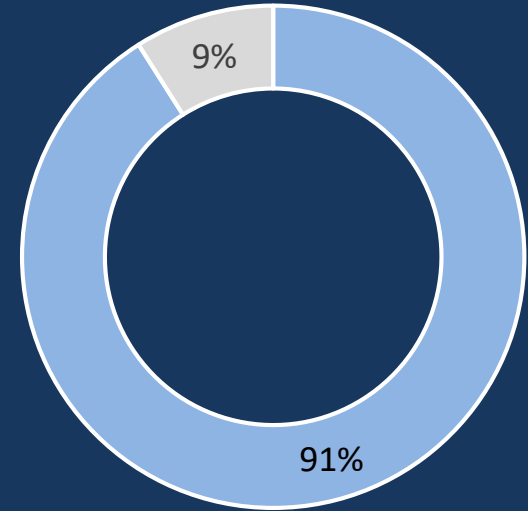
the bulk of  
promotion is  
dedicated to  
**films**



■ Films ■ TV content

Source: OBS (2018 sample)

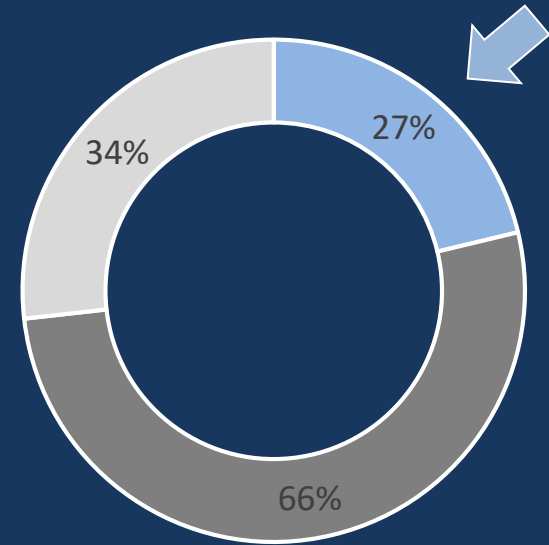
the bulk of  
promotion is  
dedicated to  
recent films



■ Recent films   ■ Other films

Source: OBS (2018 sample)

Promotional spots  
for **European films**  
**proportional** to  
share in catalogue

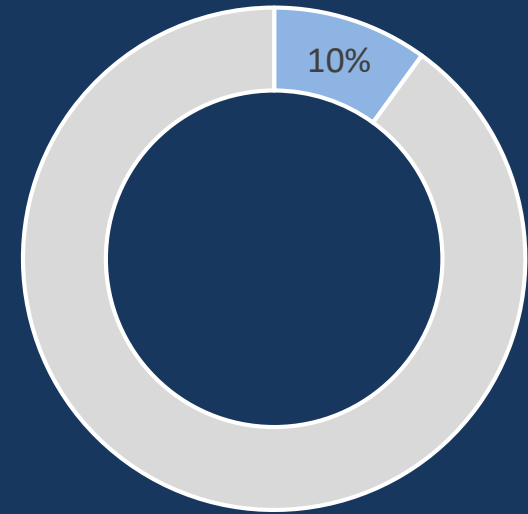


■ European films ■ US films ■ Other

Source: OBS (2018 sample)



Only a very limited  
number of films  
benefits from  
promotion

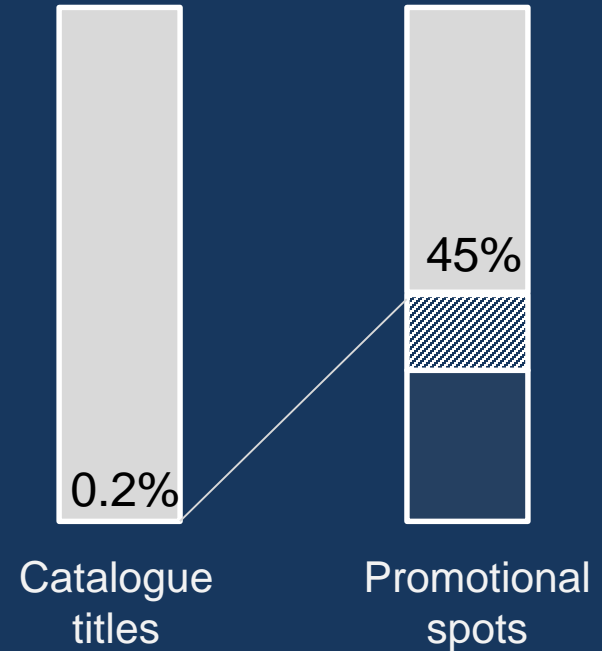


■ Films promoted ■ Other

Source: OBS (2018 sample)

30% to 45% of promotional spots for European film on TVOD go to only **10 films**

Avg share of top 10 European films



Source: OBS (2018 sample)



Few and only very recent films get promoted

in TVOD!

Who is buying European films?

# What are the top SVOD services in terms of acquiring EU films?

(produced 2015 to 2018)

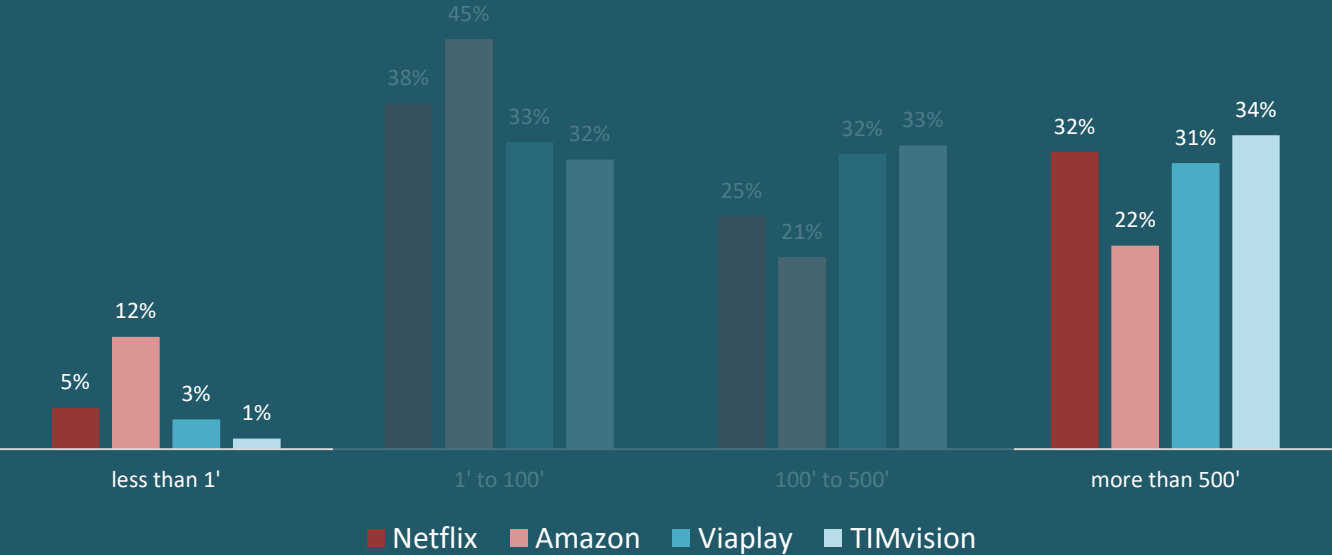
Rank	Company	Active EU territories	Avg nr. of EU films acquired per prod. year
1	Amazon Prime (US)	18	328
2	Netflix (US)	17	172
3	Viaplay (SE)	3	92
4	HBO GO / Nordic (US)	8	74
5	TIMvision (IT)	1	72

Source: OBS (sample as of June 2019)

*«yes but,  
globals only interested  
in blockbusters.»*

# Portfolio comparison: share of recent EU films by admission brackets

in % of total recent EU films (2015 to 2018) in respective catalogue



Source: OBS (sample as of June 2019)

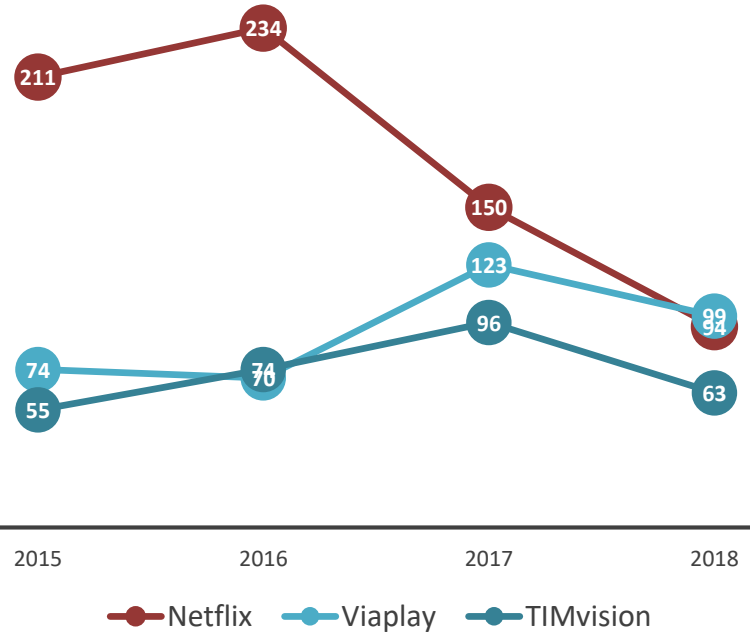
# Trends?

no reliable data, but some observations



# Netflix buying less EU films ?

EU films by production year

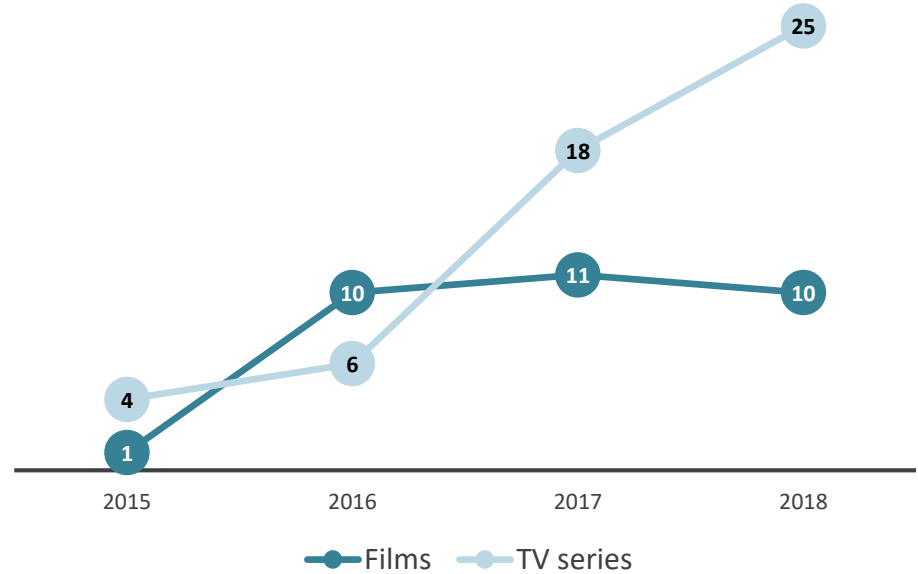


Source: OBS (sample as of June 2019)

... while producing more EU original content?

... increasingly focusing on series

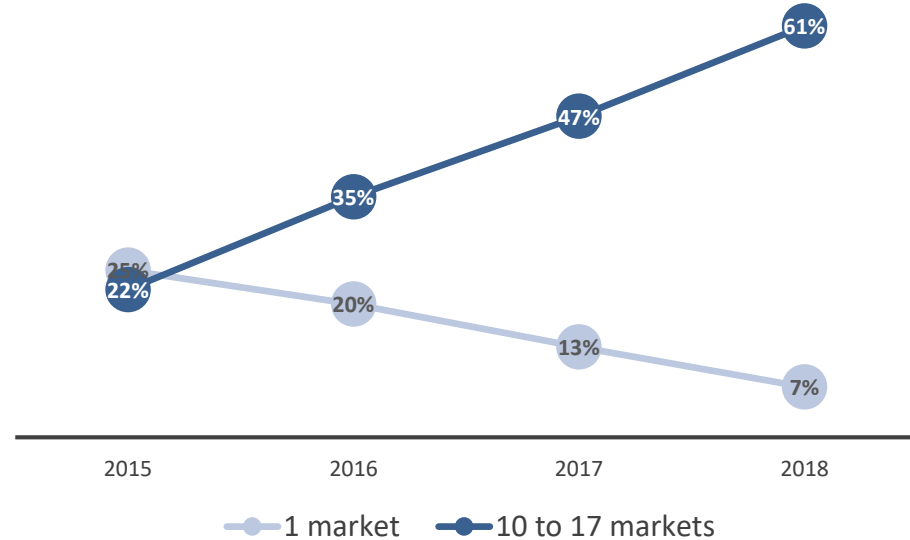
Netflix originals by production year



Source: Ampere Analysis

... increasingly  
requiring exclusive  
multi-territory rights?

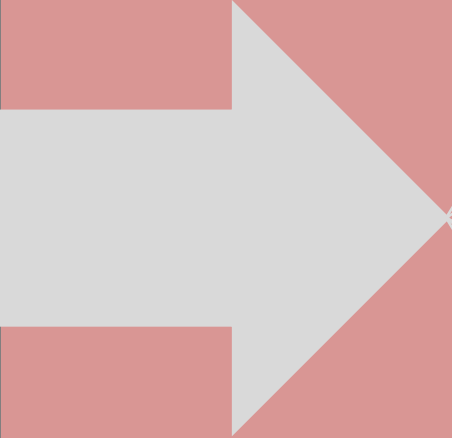
Netflix share of EU films  
by number of market



Source: OBS (sample as of June 2019)

# Concluding remarks





### Lack of data limits analysis insights

... unclear to which extent VOD stimulates consumption of European content

... also, unclear to which extent TVOD and SVOD offer significant revenue potentials for film right holders



### TVOD and SVOD are two very different markets

... TVOD film focused, SVOD TV content focused (exclusive premium content)

... Revenue sharing vs rights sale

... SVOD produces / finances content, TVOD does not



### Availability does not seem to be the main challenge



### The question is rather how to reach audiences amidst abundance of content, particularly on TVOD

... Only very few recent blockbusters benefit from intensive promotion



### Ownership of customer relations & discovery = power over supplier