

Audiovisual Content Streaming: Setting the scene

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European Economic and Social Committee

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- 1. Who is who in Streaming world**
- 2. Focus on OTT Subscription VOD**
- 3. What contents are available on VOD in Europe?**



1. Who is who in Streaming world

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(R)evolutions

- ➔ **Widespread broadband** leads to **OTT distribution** and multiple devices
- ➔ **ATAWAD** (any time, anywhere, any device) **adopted by consumers**
- ➔ **Explosive growth of EU VOD market in 5 years**
 - **D2C** disrupts relationship between subscribers and multichannel operators
 - New services launched by traditional and new media players
 - International players expand into the EU
 - Alliances of EU players

HOWEVER

- ➔ **VOD market still a small segment of EU Audiovisual market**
 - ... dominated by a few
 - ... mainly driven by OTT SVOD
 - ... major D2C launches expected (Apple TV+, Disney+)

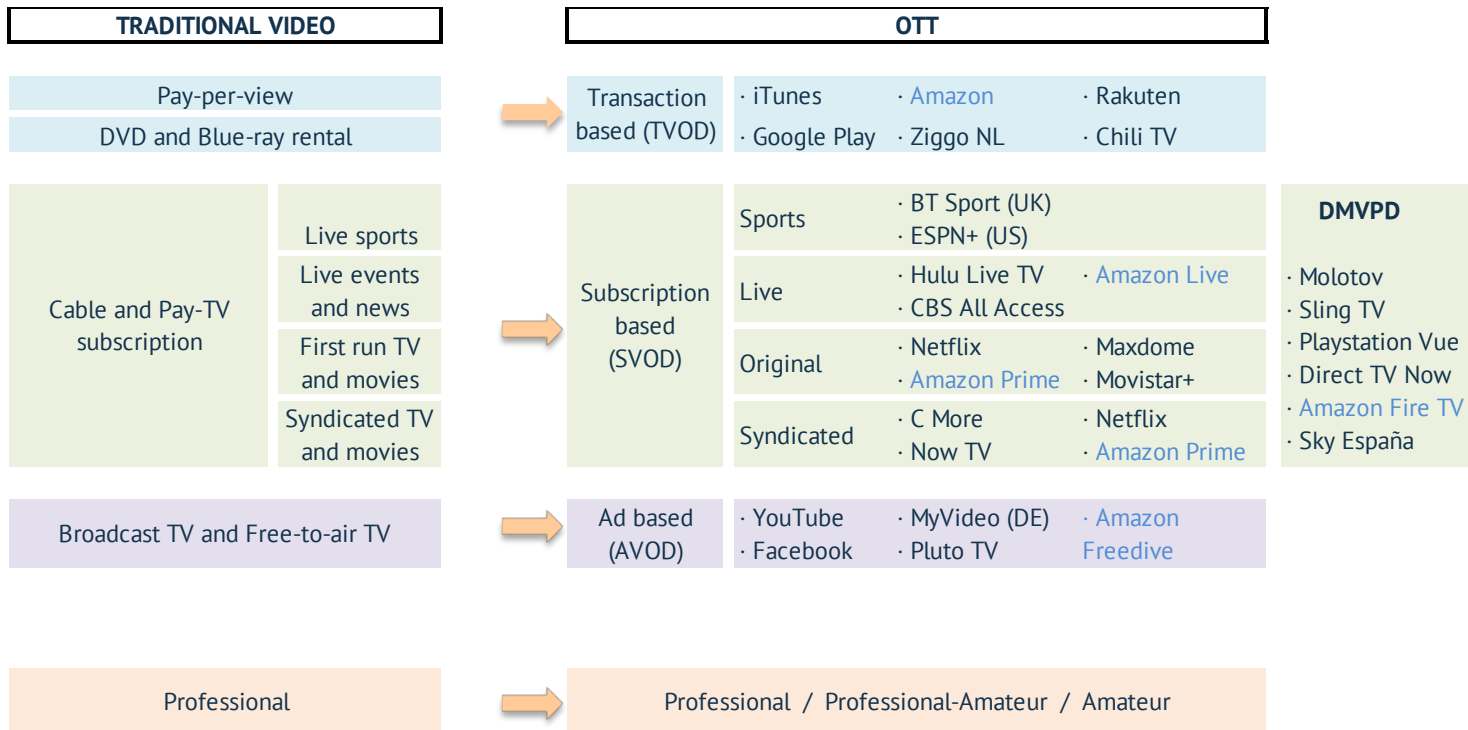
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WHO
IS
WHO

BUSINESS MODELS

CONTENT
CREATORS

OTT replicates traditional TV in a digital context



Source: BCG Analysis

Catch-up bridges linear and On-demand

- Huge success in watching time (10-15% of total)
- But still quite difficult to monetise: online minutes are less advertised than TV

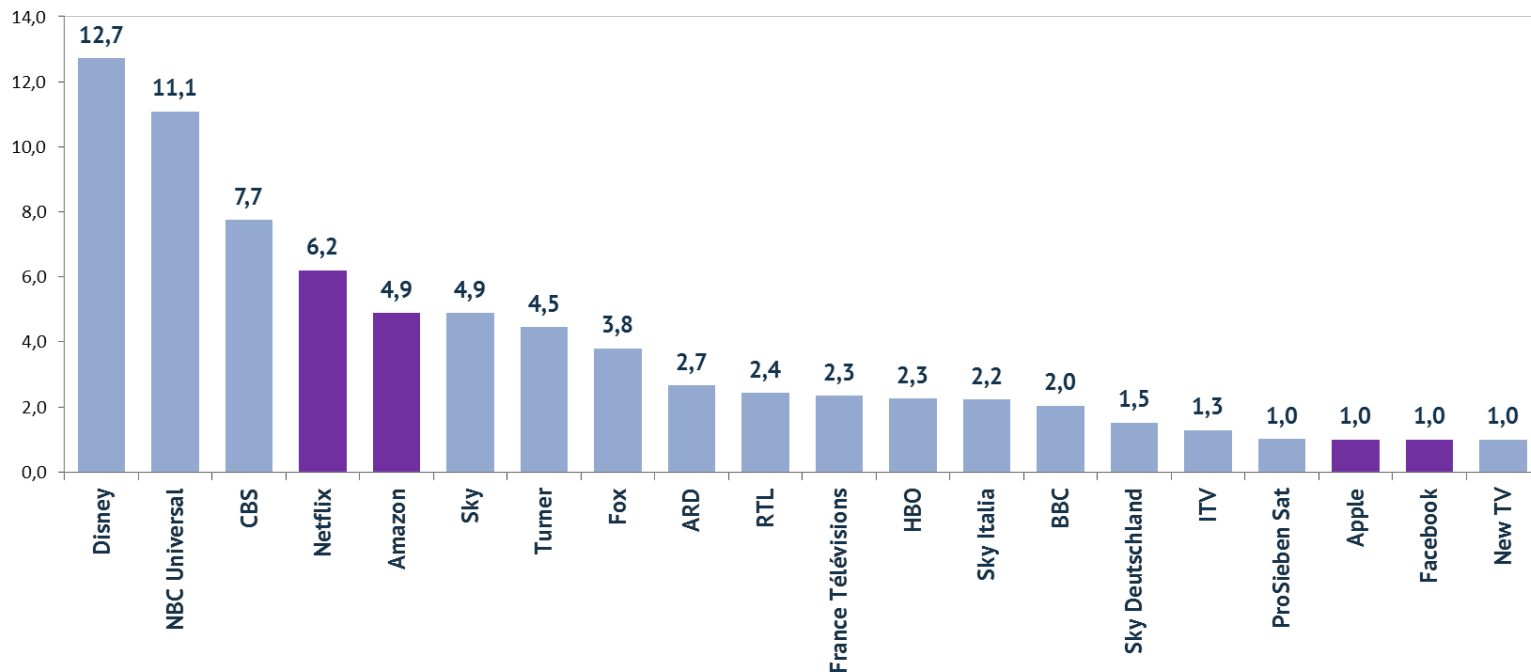
Pay-TV channels often propose Catch-up services, i.e. a non-linear access to their catalogues.

Catch-up is a bigger cutter than frontiers

- Essentially at national level
- Exception for own production, formats, news, talk-shows...

Streaming services changing TV content financing

2017 content spend (original and acquired, incl. sports), in US billion
(internet companies in purple)



Source: Ampere Analysis

Financing content in EU

➔ **Pan-European and local services are producing original content**

- C More (Nordics)
- Viaplay (Nordics)
- Sky (UK)
- Movistar+

➔ **Contents labelled “original” are broadly distributed**

SVT’s “Bonusfamiljen” (Sweden), France 2’s “Le Chalet” (France), RAI’s “Carlo & Malik” (Italy), RTVE’s “El ministerio del tiempo” (Spain)...

BBC manages to maintain its label (“Doctor Foster,” “Happy Valley”) although not always (“Bodyguard”).

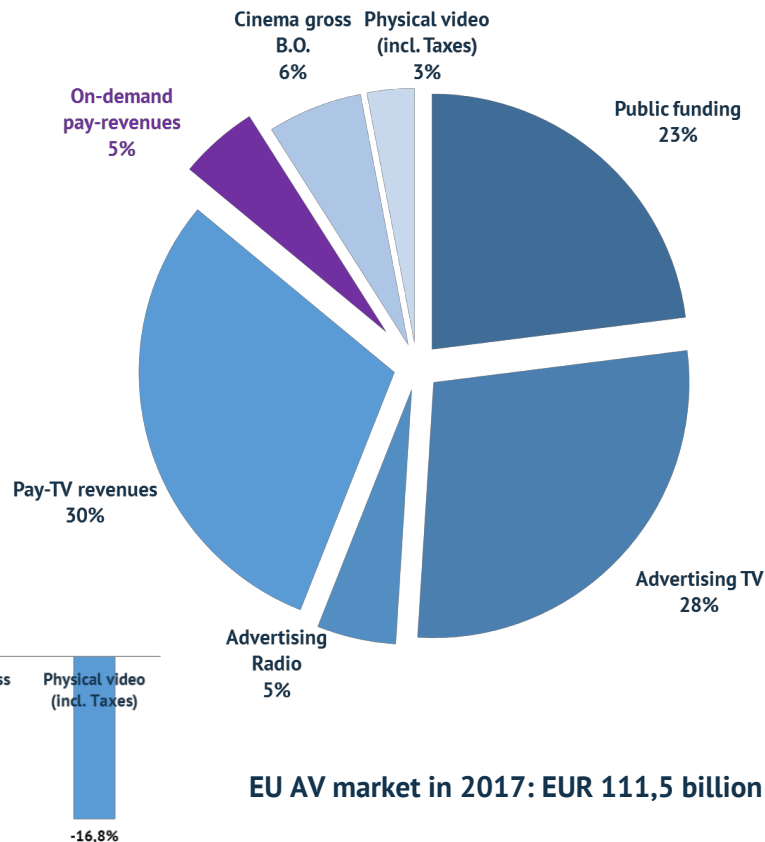
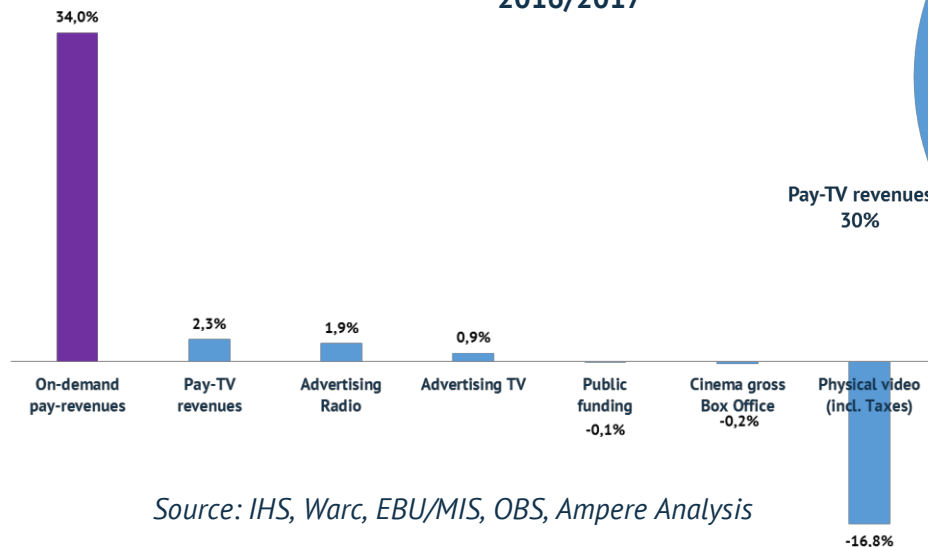
Industry in evolution: still ‘case per case’ contracts...

2. Focus on OTT Subscription VOD

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Pay-on-demand: 5% of all Audiovisual ecosystem

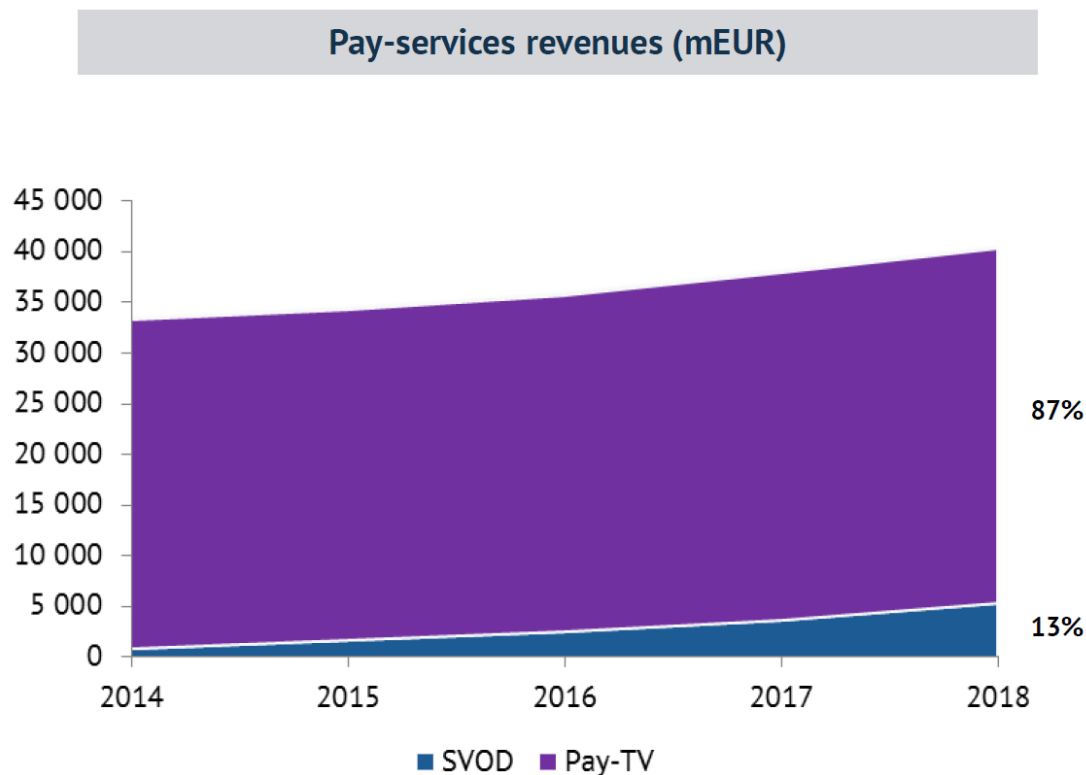
Year-on-year growth rates by market segment
2016/2017



EU AV market in 2017: EUR 111,5 billion

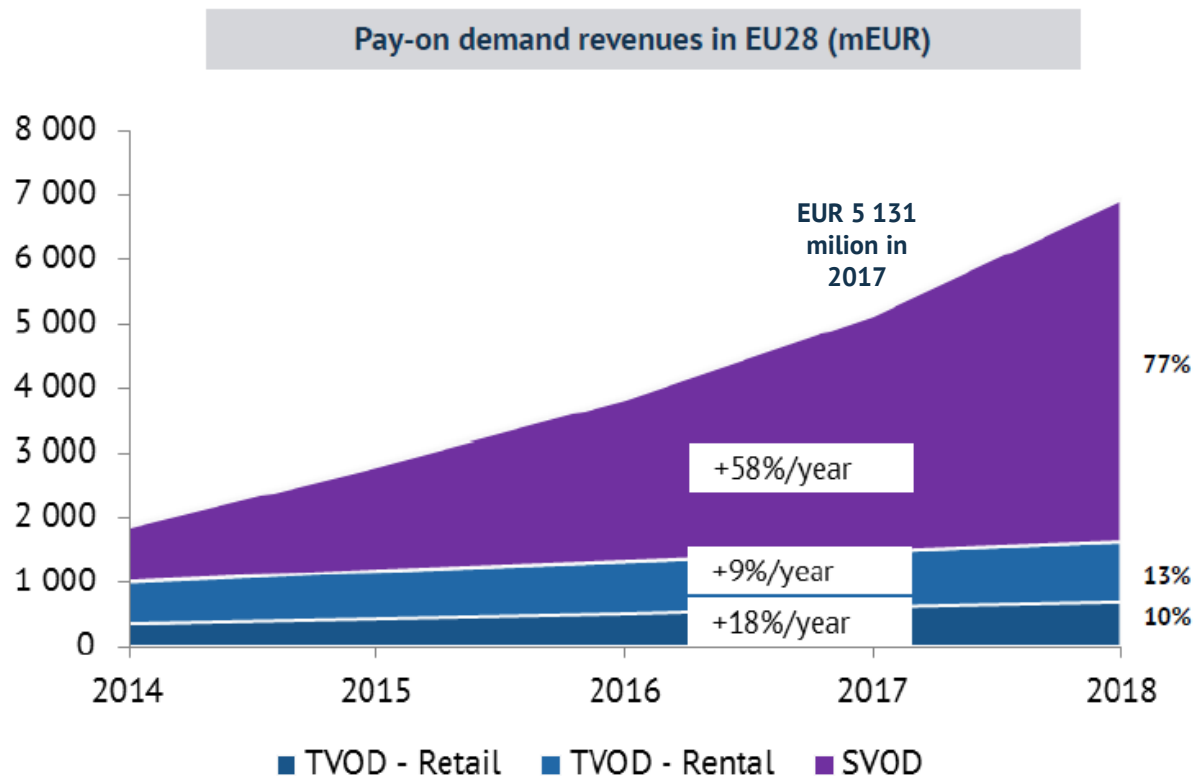
Source: IHS, Warc, EBU/MIS, OBS, Ampere Analysis

SVOD: only a small fraction of all Pay-services...



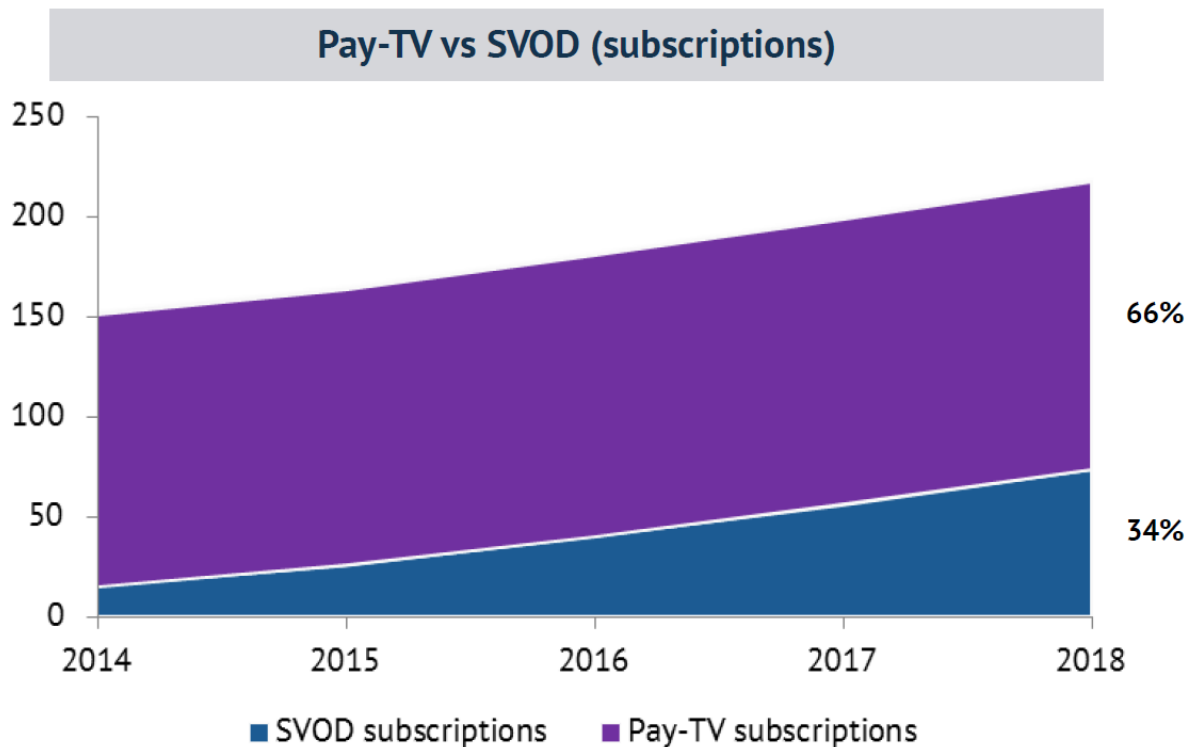
Source: Ampere Analysis (SVOD includes only OTT SVOD)

...but biggest value & growth in Pay-on-demand



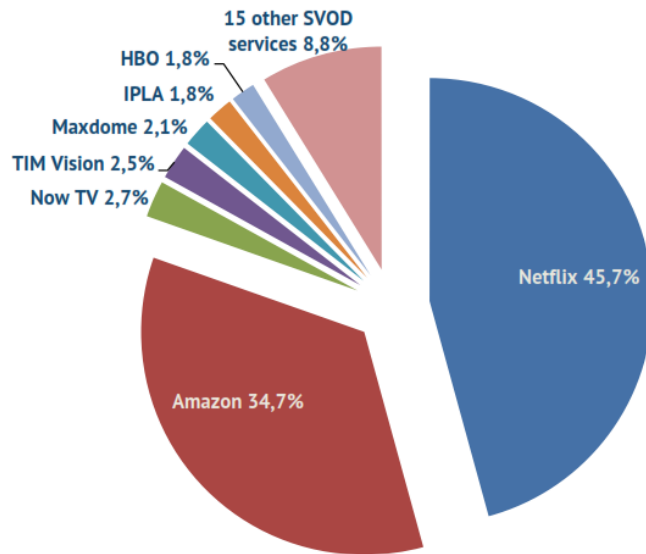
Source: Ampere Analysis (SVOD includes only OTT SVOD)

Also, over one third of subscriptions are SVOD

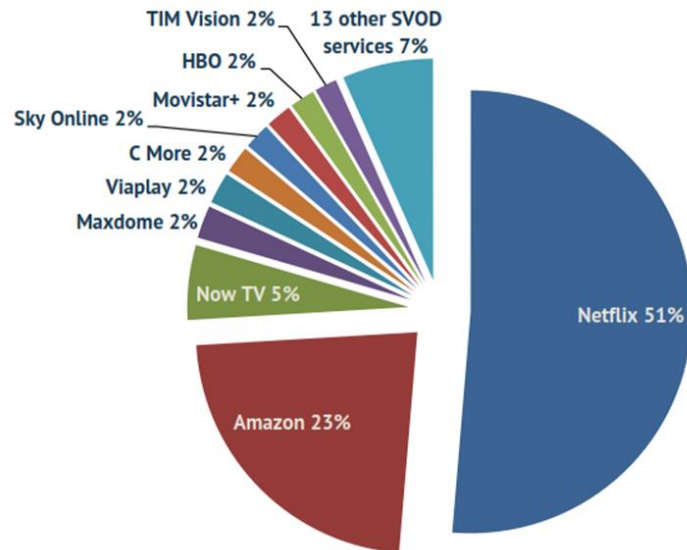


Source: Ampere Analysis (SVOD includes only OTT SVOD)

SVOD: EU subscribers and revenue



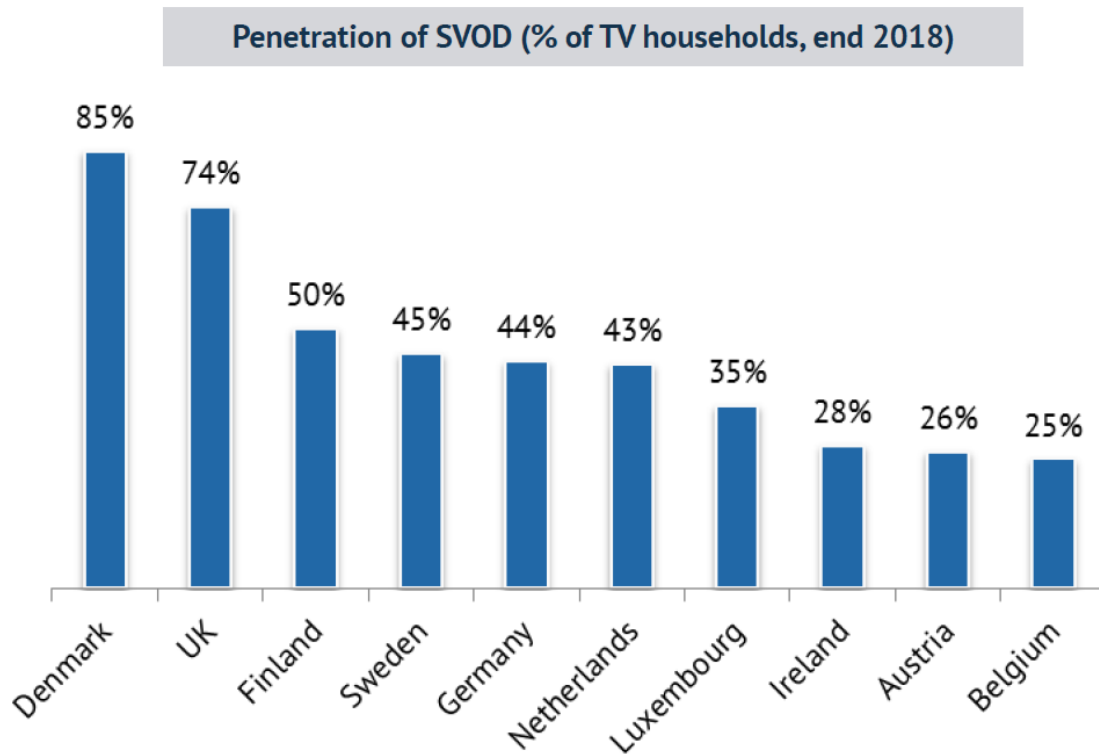
53,9 million SVOD subscribers
in 2017 in EU



EUR 3 649 million revenue
in 2017 in EU

Source: Ampere Analysis



High penetration of SVOD in Nordics, UK, DE, NL



Source: Ampere Analysis (SVOD includes only OTT SVOD)

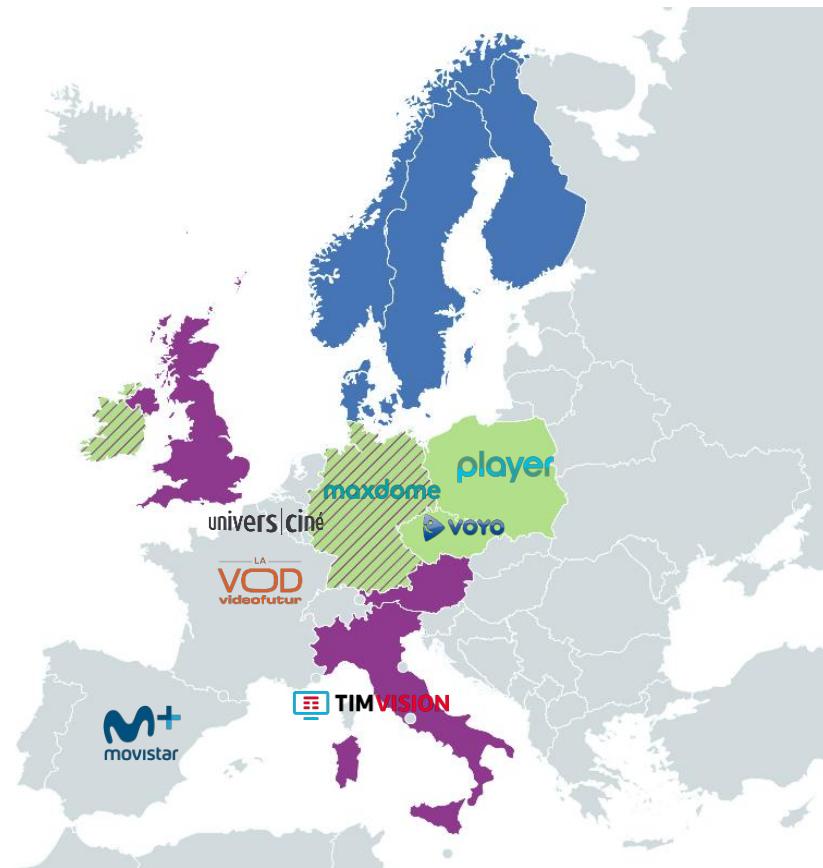
Some strong European SVOD services

Pan-European:

- C More 
- Horizon 
- Sky Now TV 

Local services:

- Player PL
- Videofutur
- Maxdome
- Movistar+
- TIMVISION
- Universciné
- Voyo Czech SVOD



Many joint services arising at EU level...

France – Salto: France TV + M6 + TF1

(Online subscription video platform)

Germany – 7TV: ProSieben + Discovery

(TV streaming platform)

UK – BritBox: ITV + BBC

SVOD service based on their US service, UK contents

Spain – LovesTV: RTVE + Mediaset + Atresmedia

(HbbTV-based platform, a joint OTT TV service as a second phase)

...and Alliances for high-end content production

European Pubcaster Alliance: RAI + ZDF + France TV (2018)

- Goal: produce high-end scripted productions & innovative projects for younger target groups.
- **Two** of the three broadcasters as **co-producing/commissioning partners**, with the **third** one designated as a **pre-buyer**.
- “Privileged” partnerships with RTVE, RTBF, VRT and RTS. An invitation to join the alliance is also extended to other European broadcasters.

Nordic12 (2018)

- five Nordic channels (from Denmark, Sweden, Norway, Finland and Iceland).
- alliance to co-produce a dozen series a year.

May also end up co-producing with Netflix and Amazon?

Cohabitation - finding a niche market

SVOD stacking (when a customer subscribes to more than one SVOD service) is **on the rise** in most markets.

- Allows juxtaposition of **generalist and niche** services.
- US households subscribe on average to 3 paid streaming services and in 2018 for the first time to more video streaming services (69%) than traditional Pay-TV services (65%). (*Statista*)

➡ OTT potential as a platform for niche contents

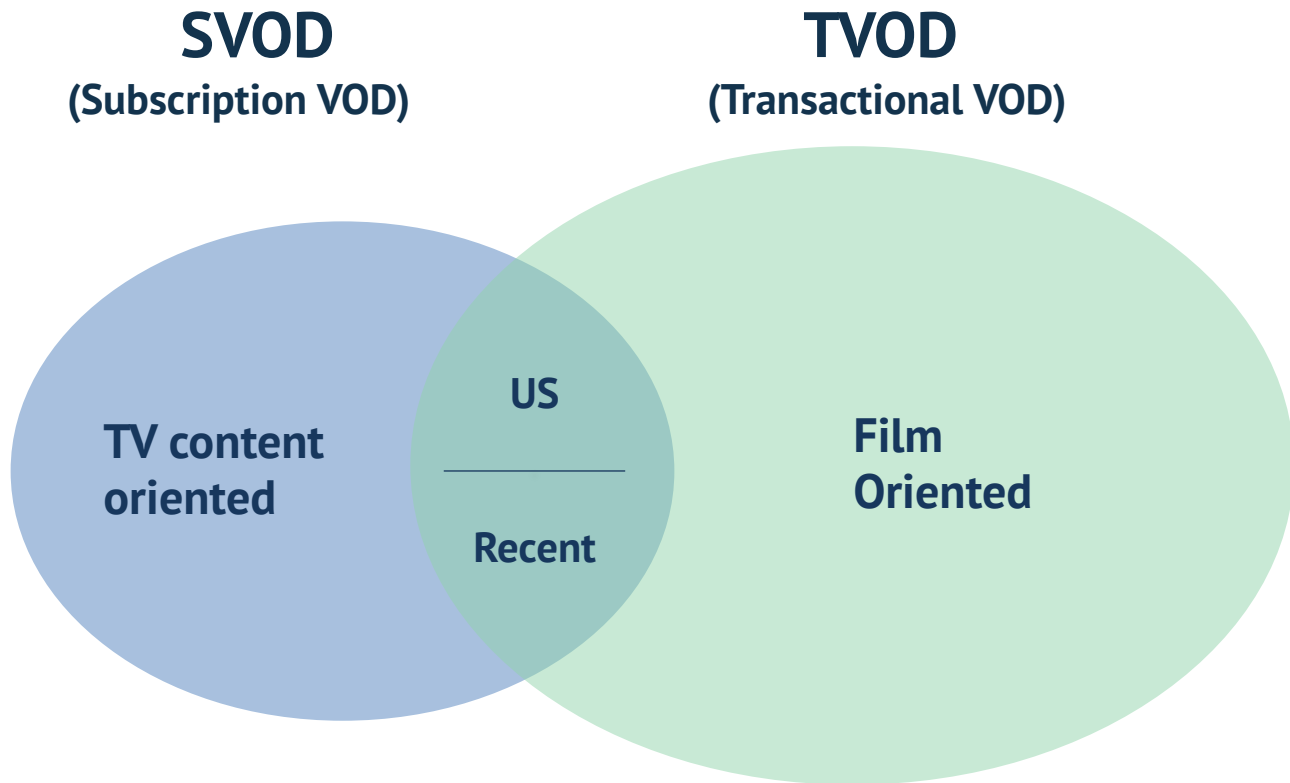
- **MUBI**: a “human-curated platform” having content that is not for one and all, but for fanatic movie lovers.
- **Britbox (BBC + ITV)**: high-quality British TV for US audiences.
- **Arte** plans VOD service with Arte Deutschland, France TV, ARD and ZDF, specialised in documentaries and magazines; scripted later.



3. What contents are available on VOD in Europe?

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Structural differences in VOD services in Europe



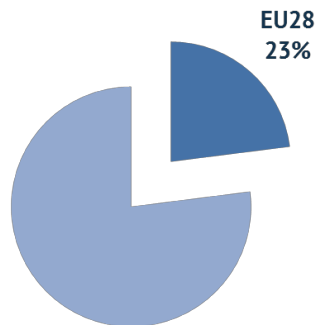
Over 55 000 different films, 6 500 TV content titles and 178 000 TV content episodes

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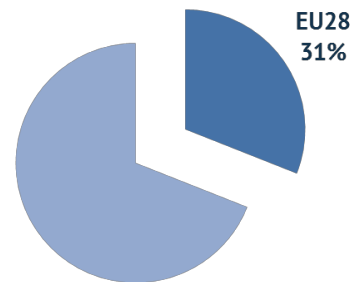
OFFER
ON
VOD

Choice of Indicators impacts the share of EU28 works

SVOD (all titles)



TVOD (all titles)

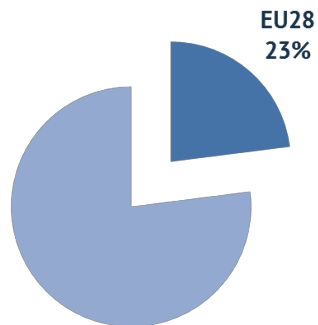


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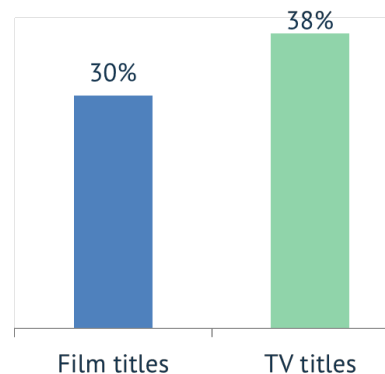
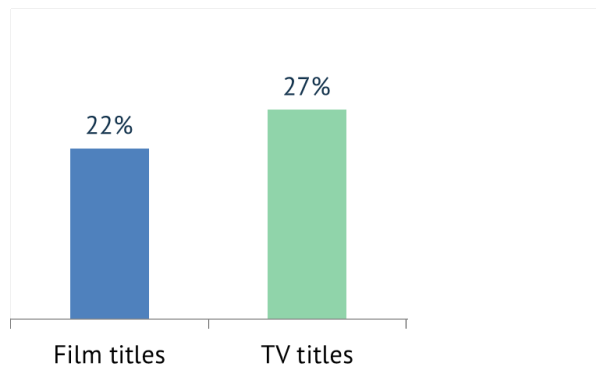
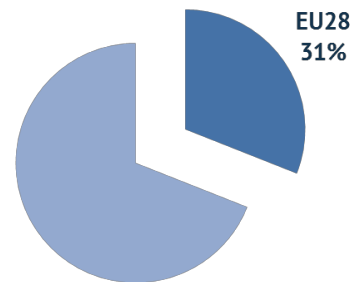
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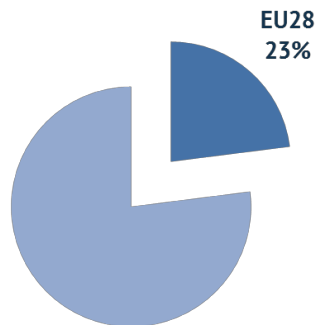


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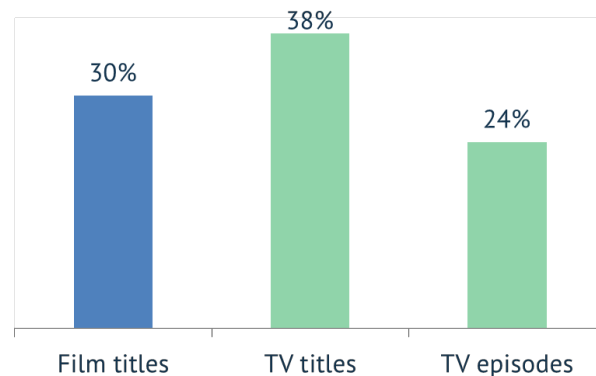
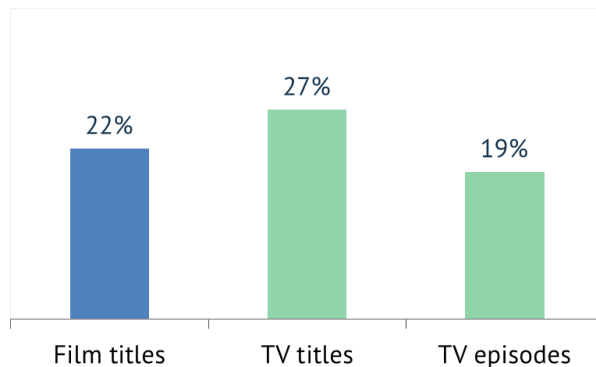
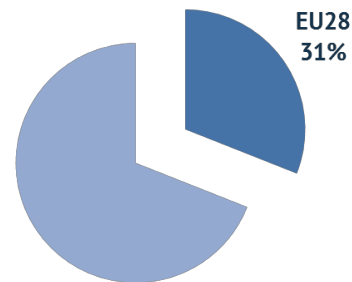
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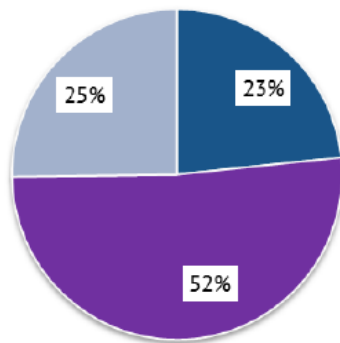


TVOD (all titles)



SVOD: more 'international' contents than EU

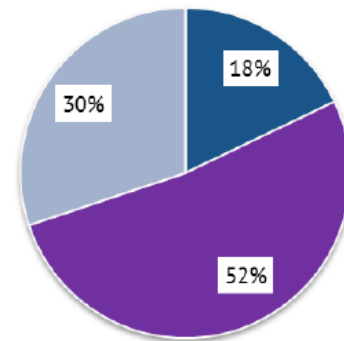
Origin of works in SVOD catalogues (1 TV series = 1 title)



■ EU28 ■ US ■ Others

Origin of works in SVOD catalogues (1 TV series episode = 1 title)

Top 5: JP,
KR, CA, TW,
IN

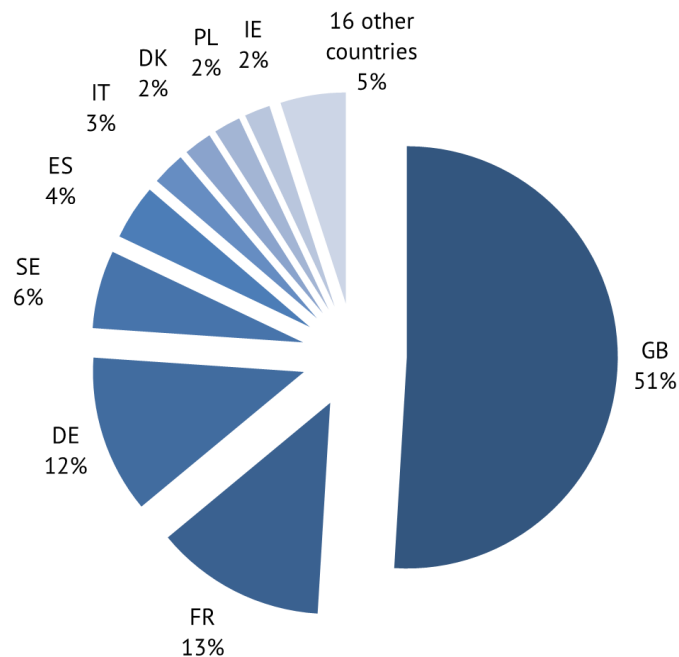


■ EU28 ■ US ■ Others

Source: OBS

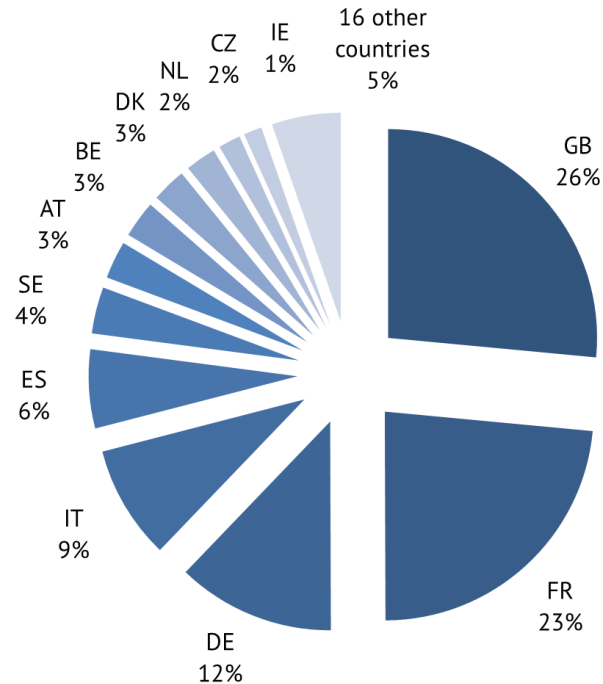
UK, France, Germany lead the provision of EU contents

TV Content



47 SVOD catalogue services from 27 EU countries
45 TVOD catalogue services from 13 EU countries

Film



45 SVOD catalogue services from 26 EU countries
77 TVOD catalogue services from 49 EU countries

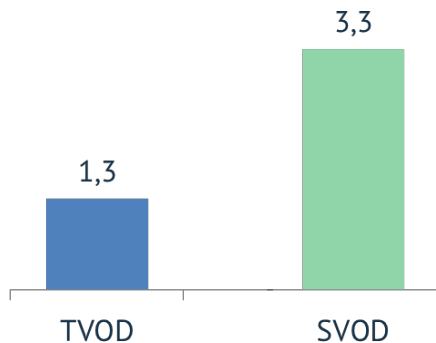
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OFFER
ON
VOD

The impact of VOD on the circulation of EU titles

TV Content

Film



Overall: more EU titles than US, but they circulate in less countries

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OFFER
ON
VOD

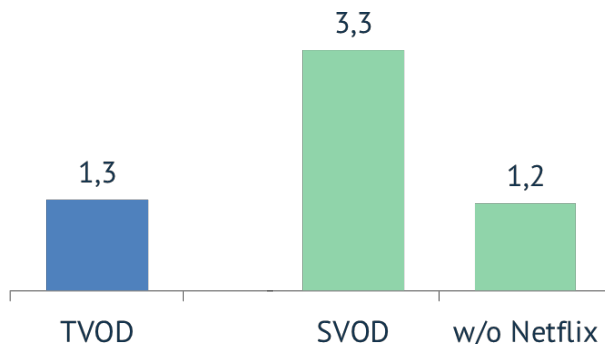
The impact of VOD on the circulation of EU titles

TV Content

Film

60%

of titles on VOD
only in 1 country



Overall: more EU titles than US, but they circulate in less countries

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ON
VOD

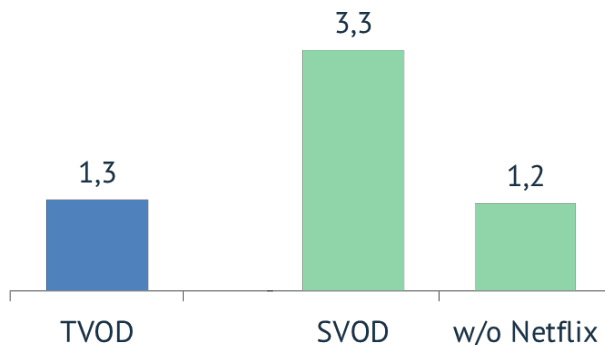
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TV Content

Film

62%

EU recent films to
VOD



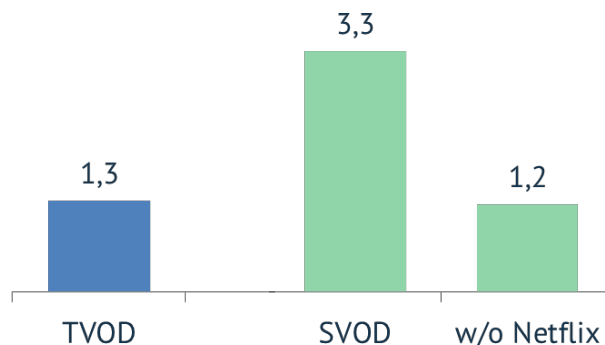
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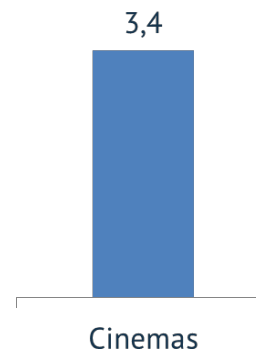
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TV Content



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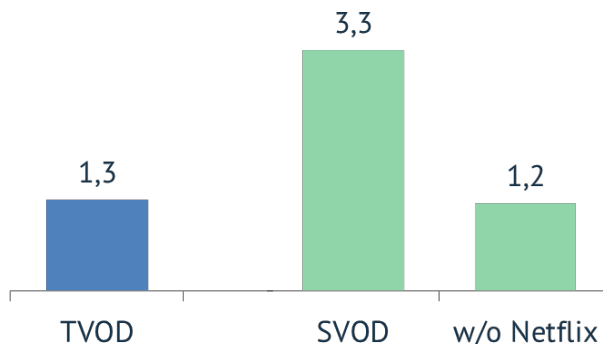
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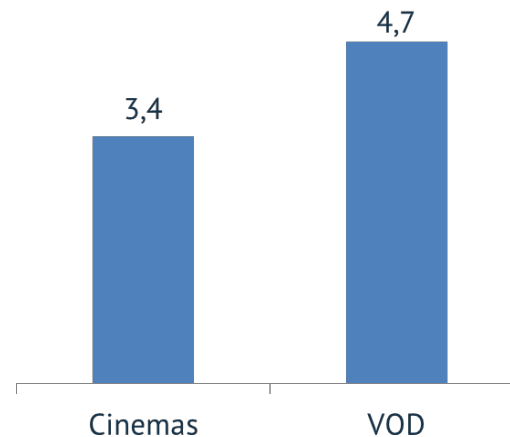
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TV Content



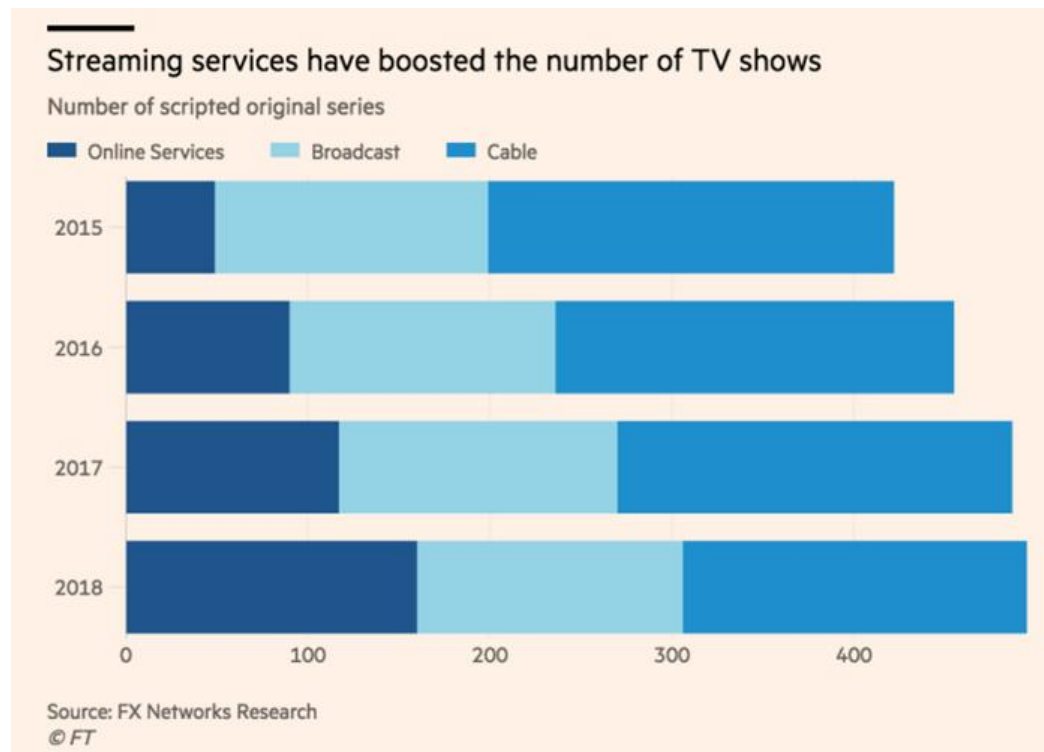
Film

62%
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Overall: more EU titles than US, but they circulate in less countries

Online services fuel increase of TV content offer



Source: Financial Times

Conclusions

- ➔ **D2C are influencing an evolving the streaming market**
- ➔ **Impact of SVOD on EU audiovisual:** on production, on offer, on circulation
- ➔ **The global SVOD market is expected to grow rapidly in the next 5 years:**
 - SVOD revenue worldwide in 2020 will be **USD 22.22bn**
 - SVOD subscriber numbers reaching **568.4 million worldwide** *(Statista)*
- ➔ **Original production by online services:**
 - **In US**, it represents **one third of total** shows: it is huge and growing.
 - **In Europe**, still estimated at 5-10% but is expected to grow: **at the beginning of the knock-on effect.**

Not the end of the story!

Thank you!

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