Norway

Norway: key data

Population	4.9m
TV households	2.1m
DVD households (penetration)	92.9%
Blu-ray households (penetration)	12.1%
Distributors revenues from physical video software	Nkr 1.1bn / € 135.4m
Comparison with 2009 (local currency)	-7.4%
DVD/ Blu-ray Disc split	€ 113.4m / € 22m
Video software rental/retail split (%)	10/90
Consumer spending on physical video software	Nkr 2.5bn / € 314.3m
Comparison with 2009 (local currency)	-11.9%
DVD/ Blu-ray Disc split	€ 283.4m / € 30.9m
Video software rental/retail split (%)	12/88

DVD and Blu-ray Market

The contraction of the Norwegian rental market was more pronounced at 20 per cent than previously forecasted (10 per cent). The contraction is expected to continue in 2011, but at a slower rate. One of the main reasons for the contraction of the rental market is the dire situation in the whole sale sector: several whole salers have gone bankrupt and distributors have suffered considerable losses. In addition, many rental shops have closed, a trend which the NVF expects to continue in 2011. The 2010 catalogue was less strong than previous years in terms of the titles which typically enjoy healthy rental performance. The NVF expects that the distribution of films for rental on DVD and Blu-ray will stabilize over the next couple of years.

The Norwegian retail market stabilized with a contraction of just 5 per cent as opposed to the higher rates forecasted, and this despite very difficult conditions for both distributors and retail outlets. Despite the welcome stabilization of the market, the NVF nevertheless expects an additional contraction in 2011 of approximately 5-8 per cent.

Prices in the Norwegian video market have dropped significantly and there is healthy competition between market operators. The use of low-priced DVDs to attract consumers to hypermarkets continues and remains a concern for the specialized trade which cannot offer the low prices on new titles which consumers have become used to. It remains a challenge to release new titles in such an aggressive environment. On a more positive note, there is an increase in the interest in films among Norwegian consumers which may imply a market development opportunity for the video industry going forward.

Blu-ray is performing well on the Norwegian video market, although slightly below expectations given the traditional quick uptake of new technology in Norway. The number of players sold in 2010 reached 100,000 which is less than forecasted. Norwegian consumers may simply still feel that the DVD player is good value for money and they are therefore not quite ready yet to upgrade. The 3D format attracted much attention at the end of 2010, possibly leading Norwegian consumer to chose to wait and see how this format develops before deciding to upgrade their hardware equipment. The NVF estimates that an additional 130,000 Blu-ray players will be sold on the Norwegian market in 2011.

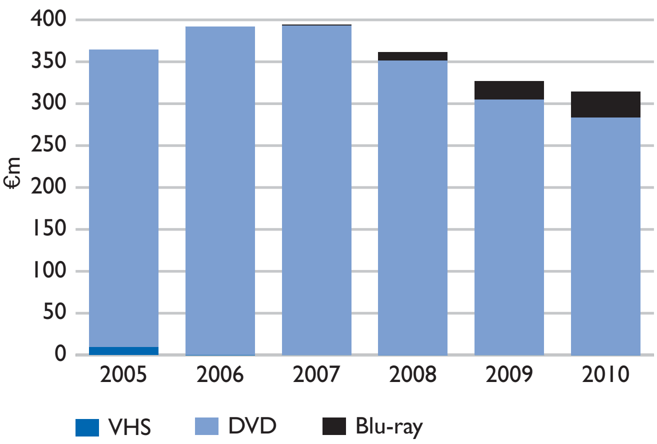
Online Distribution

Online rental (VOD) services are beginning to expand with more titles available at an earlier stage in the film's exploitation cycle, and TV channels are also offering competitive rental conditions. The NVF foresees that the Norwegian rental market will be split 50/50 between physical rental and online rental in the not too distant future.

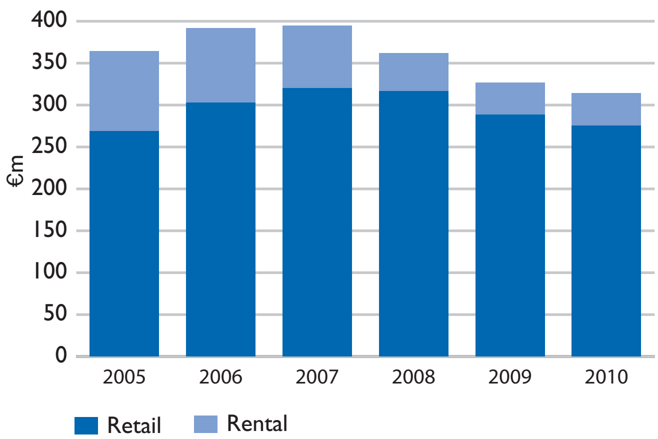
The Norwegian online retail market is still very much in its infancy and too moderate to measure in a consistent manner. The NVF hopes to be able to establish estimates of this market segment towards the end of 2011.

Video market: Norway

Consumer spending by format



Consumer spending by sector



		2005	2006	2007	2008	2009	2010	10/09
EXCHANGE RATES								
Exchange rate: Euro 1=	Nkr	8.02	8.05	8.02	8.24	8.75	8.02	
Exchange rate: $1=	Nkr	6.44	6.41	5.86	5.64	6.29	6.05	
Exchange rate: $1=	Euro	0.80	0.80	0.73	0.68	0.72	0.75	
GENERAL								
Population	m	4.64	4.68	4.74	4.80	4.86	4.92	1.2%
Households	m	2.03	2.05	2.07	2.08	2.10	2.11	0.7%
HARDWARE								
TV households	m	2.0	2.0	2.0	2.0	2.1	2.1	0.3%
DVD sector								
DVD Video player/recorder households	m	1.581	1.633	1.863	1.822	1.838	1.911	4.0%
Penetration of TV households	%	80.1	82.2	92.5	89.6	89.5	92.9	
DVD console households	m	0.486	0.526	0.622	0.782	0.960	1.064	10.8%
Penetration of TV households	%	24.6	26.4	30.9	38.5	46.7	51.7	
BD sector								
BD standalone player households	m			0.010	0.040	0.121	0.249	105.8%
Penetration of TV households	%			0.5	2.0	5.9	12.1	
PS3 console households	m			0.049	0.119	0.197	0.278	40.8%
Penetration of TV households	%			2.4	5.9	9.6	13.5	

Total video software market

		2005	2006	2007	2008	2009	2010	10/09
TRADE LEVEL PHYSICAL VIDEO								
Total revenues from video software	Nkr m	1,349.0	1,410.2	1,591.0	1,381.5	1,172.8	1,086.0	-7.4%
Total revenues from video software	Euro m	168.2	175.2	198.4	167.7	134.1	135.4	1.0%
Total revenues from retail video	Nkr m	1,175.5	1,249.0	1,436.3	1,240.5	1,043.2	975.7	-6.5%
Total revenues from retail video	Euro m	146.6	155.1	179.1	150.6	119.3	121.7	2.0%
Total revenues from rental video	Nkr m	173.4	161.3	154.7	141.0	129.5	110.4	-14.8%
Total revenues from rental video	Euro m	21.6	20.0	19.3	17.1	14.8	13.8	-7.1%

Video market: Norway

		2005	2006	2007	2008	2009	2010	10/09
CONSUMER LEVEL PHYSICAL VIDEO								
Total spending on video software	Nkr m	2,922.3	3,156.0	3,167.2	2,981.2	2,862.3	2,520.4	-11.9%
Total spending on video software	Euro m	364.4	392.0	394.9	362.0	327.2	314.3	-3.9%
Total spending on retail video	Nkr m	2,155.5	2,435.8	2,567.2	2,605.1	2,523.1	2,207.4	-12.5%
Total spending on retail video	Euro m	268.8	302.5	320.1	316.3	288.4	275.3	-4.6%
Total spending on rental video	Nkr m	766.9	720.2	600.0	376.2	339.1	313.0	-7.7%
Total spending on rental video	Euro m	95.6	89.5	74.8	45.7	38.8	39.0	0.7%

		2005	2006	2007	2008	2009	2010	10/09
CONSUMER LEVEL DIGITAL VIDEO*								
Total spending on digital video	Nkr m	2.2	6.0	7.9	5.5	6.7	12.2	83.5%
Total spending on digital video	Euro m	0.3	0.8	1.0	0.7	0.8	1.5	100.2%
CONSUMER LEVEL TV VOD**								
Total spending on TV VOD	Nkr m	32.8	46.2	67.7	84.6	41.8	48.8	16.7%
Total spending on TV VOD	Euro m	4.1	5.7	8.4	10.3	4.8	6.1	27.4%

**The purchase or rental of movies and TV series delivered over the open internet through transactional models (also known as EST, DTO, Internet VOD) or on a subscription basis.*
***The delivery of movies and TV content on a transactional (VoD/NVoD/PPV) basis via cable/satellite/IPTV services.*

Retail video market

		2005	2006	2007	2008	2009	2010	10/09
Outlets stocking retail video	no	4,300	4,400	4,400	4,200	4,300	4,300	
Retail chains with 10 or more outlets	no	10	10	10	10	4	4	
Kiosks stocking retail video	no	410	410	410	410	410	410	
Trade level: DVD retail								
Revenues from retail DVD	Nkr m	1,174.1	1,249.0	1,417.7	1,177.7	921.9	811.6	-12.0%
Revenues from retail DVD	Euro m	146.4	155.1	176.8	143.0	105.4	101.2	-4.0%
Retail DVD shipped to trade	m	18.7	21.3	23.3	19.5	16.3	15.0	-7.7%
Average trade price	Nkr	62.86	58.71	60.73	60.50	56.70	54.09	-4.6%
Average trade price	Euro	7.84	7.29	7.57	7.35	6.48	6.75	4.1%
Number of titles released	no	843	1,022	1,388	1,290	1,388	1,388	
Trade level: BD retail								
Revenues from retail BD	Nkr m			15.4	62.3	121.3	164.1	35.3%
Revenues from retail BD	Euro m			1.9	7.6	13.9	20.5	47.6%
Retail BD shipped to trade	m			0.1	0.5	1.3	1.9	43.3%
Average trade price	Nkr			136.43	122.71	93.17	87.95	-5.6%
Average trade price	Euro			17.01	14.90	10.65	10.97	3.0%
Consumer level: DVD retail								
Spending on retail DVD	Nkr m	2,087.1	2,434.9	2,552.6	2,520.7	2,330.1	1,967.4	-15.6%
Spending on retail DVD	Euro m	260.3	302.4	318.3	306.1	266.4	245.4	-7.9%
Retail DVD sold to consumers	m	18.0	20.6	22.6	22.7	21.7	19.4	-10.6%
Average consumer price	Nkr	115.95	118.44	112.76	110.91	107.41	101.42	-5.6%
Average consumer price	Euro	14.46	14.71	14.06	13.47	12.28	12.65	3.0%
Consumer level: BD retail								
Spending on retail BD	Nkr m			12.2	79.0	193.0	240.0	24.4%
Spending on retail BD	Euro m			1.517	9.6	22.1	29.9	35.7%
Retail BD sold to consumers	m			0.045	0.391	1.1	1.4	32.3%
Average consumer price	Nkr			269.00	202.05	182.42	171.43	-6.0%
Average consumer price	Euro			33.54	24.53	20.85	21.38	2.5%

Rental video market

		2005	2006	2007	2008	2009	2010	10/09
Video rental outlets	no	1,640	1,640	1,590	1,340	1,315	1,315	
Rental chains with 10 or more outlets	no	5	5	5	5	5	5	
Trade level: DVD rental								
Revenues from rental DVD	Nkr m	172.5	161.3	154.5	137.8	119.3	98.0	-17.8%
Revenues from rental DVD	Euro m	21.5	20.0	19.3	16.7	13.6	12.2	-10.3%
Rental DVD shipped to trade	m	1.3	1.5	1.4	1.5	1.3	1.1	-16.1%
Average trade price	Nkr	129.96	110.82	107.89	94.38	91.34	89.49	-2.0%
Average trade price	Euro	16.21	13.77	13.45	11.46	10.44	11.16	6.9%
Number of titles released	no	748	810	606	619	558	558	
Trade level: BD rental								
Revenues from rental BD	Nkr m			0.273	3.2	10.2	12.3	20.2%
Revenues from rental BD	Euro m			0.034	0.385	1.171	1.536	31.2%
Rental BD shipped to trade	m			0.002	0.03	0.11	0.13	14.6%
Average trade price	Nkr			136	123	93	98	4.9%
Average trade price	Euro			17.01	14.90	10.65	12.19	14.4%
Number of titles released	no			166	297	498	498	
Consumer level: DVD rental								
Spending on DVD rental	Nkr m	759.9	720.2	599.6	375.0	335.0	305.0	-9.0%
Spending on DVD rental	Euro m	94.8	89.5	74.8	45.5	38.3	38.0	-0.7%
DVD rental transactions	m	15.2	13.6	11.0	9.0	8.1	7.6	-5.9%
Average rental price	Nkr	50.00	53.00	54.50	41.67	41.36	40.00	-3.3%
Average rental price	Euro	6.24	6.58	6.80	5.06	4.73	4.99	5.5%
Consumer level: BD rental								
Spending on BD rental	Nkr m			0.417	1.166	4.1	8.0	93.5%
Spending on BD rental	Euro m			0.052	0.142	0.5	1.0	111.1%
BD rental transactions	m			0.010	0.028	0.100	0.200	100.0%
Average rental price	Nkr			41.66	41.66	41.35	40.00	-3.3%
Average rental price	Euro			5.19	5.06	4.73	4.99	5.5%

Source: IHS Screen Digest/IVF
Population and household figures: Economist Intelligence Unit
Note: Distributor level excludes and consumer level includes VAT/sales tax

Video market: Norway

Retail market split

Retail channels	% share All video
Audio-visual specialists	29.0
Video rental stores	4.0
General retailers/department stores	7.0
Supermarkets	16.0
Consumer electronics stores	15.0
Internet	20.0
Mail order (off-line)	1.0
Kiosks	0.0
Other	8.0

Source: Norwegian Video Association (NVF)

Retail DVD

	% share
Feature Film (theatrical)	49.0
Animation	12.0
Other children's programming	5.0
TV programming (inc. TV series, comedy, etc.)	23.0
Music	1.0
Sport/Fitness	5.0
Other	5.0

Source: Norwegian Video Association (NVF)

Rental market split

Rental channels	% share
Leading chains	73.0
Small chains/Independents	11.0
Convenience store, gas station, etc.	11.0
Online rental	1.0
Other	4.0

Source: Norwegian Video Association (NVF)

Retail Blu-ray

	% share
Feature Film (theatrical)	92.0
Animation	5.0
Other children's programming	3.0

Source: Norwegian Video Association (NVF)