Norway

Norway: key data

Population	4.9m
TV households	2.2m
DVD Video player/recorder	92.9%
Blu-ray Disc player/recorders penetration	20.2%
Distributor revenues from physical video software	Nkr 1bn / € 129.5m
Comparison with 2010 (local currency)	-6.9%
DVD/ Blu-ray Disc split	€ 101.9m / € 27.6m
Video software rental/retail split (%)	12 / 88
Consumer spending on physical video software	Nkr 2.2bn / € 281.4m
Comparison with 2010 (local currency)	-11.4%
DVD/ Blu-ray Disc split	€ 241m / € 40.4m
Video software rental/retail split (%)	12 / 88
Consumer spending on digital video and TV VOD	Nkr 85.2m / € 10.9m
Comparison with 2010 (local currency)	43.2%
Digital video/TV VOD split (%)	72 / 28

Rental

The contraction of the Norwegian rental market was significantly less pronounced than predicted, with a reduction of 5 per cent as opposed to an expected reduction of 10 per cent. The contraction is expected to continue in 2012 at the same rate. Video-on-demand services are offering more titles at an earlier time in the film's life cycle than was previously the case, and television services compete vigorously with favorable rental terms. In the future, the rental business will be split between physical and online rental models, and it is only a question of time before the split becomes 50/50.

Many rental shops have had to close down, and this is unfortunately a trend which continues in 2012. The smallest shops are the ones most affected, but the market is expected to stabilize in the near future. In addition, the catalogue released in 2011 was relatively weak on action titles which represent an important part of the rental market. The Norwegian Video Federation expects that the physical rental market will stabilize in the course of the next 2-3 years.

Retail

The Norwegian retail market contracted by 10 per cent in 2011. This was considerably less than expected which the Norwegian Video Federation takes a sign that the market is stabilizing.

The Norwegian retail market nevertheless remains healthy, and the industry is confident that despite a further expected contraction of 5-8 per cent in 2012, the market will find its proper level.

Prices have dropped across the industry and competition is vigorous. DVD continues to drive consumers to non-specialists retail outlets, which continues to pose a serious challenge for the specialist stores which are unable to offer prices at a level which can compete. It is a challenge to price new titles competitively and adequately to ensure a return on investment for the video publishers. There is an increase in the interest in films among Norwegian consumers which may imply a market development opportunity for the Norwegian video industry going forward.

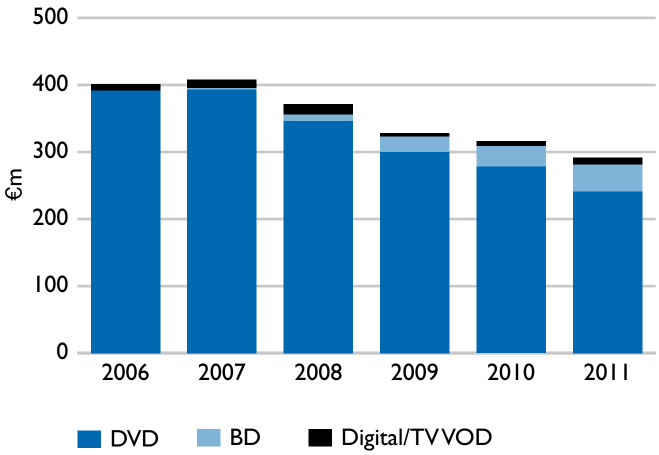
Blu-ray is well established in the Norwegian market, but has not yet produced the expected positive effects on the market, which is generally considered as a market of early adopters of new technologies. Approximately 140,000 Blu-ray players were sold in 2011, which constitutes a more than satisfactory result. This has had a positive impact on the general Norwegian video market and has kept the contraction of the market at 10 per cent. 3-D technology attracted a lot of attention towards the end of 2011, but this has also had a certain chilling effect in that some Norwegian consumers have chosen to await further technological developments before launching themselves in the new technologies.

The Norwegian Video Federation estimates that an additional 175,000 Blu-ray players will be sold through to consumers in 2012. This means that the Blu-ray segment of the home entertainment market will constitute a larger part of the total Norwegian market – this is a development which is welcomed by the Norwegian video industry and which brings confidence for 2012.

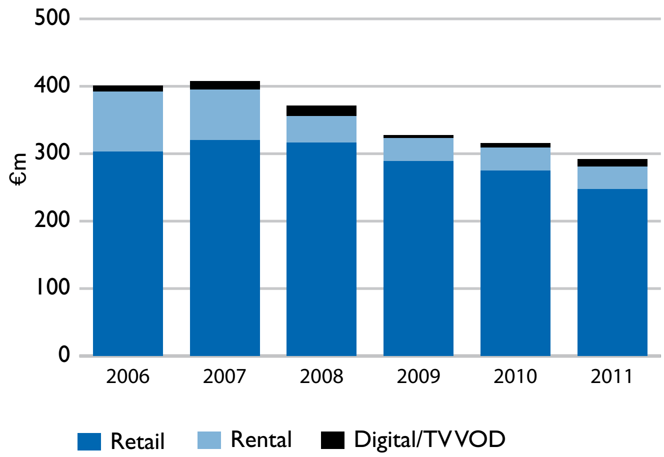
This commentary was provided by the Norwegian Video Association.

Video market: Norway

Consumer spending by format



Consumer spending by sector



		2006	2007	2008	2009	2010	2011	10/11
EXCHANGE RATES								
Exchange rate: Euro 1=	Nkr	8.05	8.02	8.24	8.75	8.02	7.80	
Exchange rate: $1=	Nkr	6.41	5.86	5.64	6.29	6.05	5.60	
Exchange rate: $1=	Euro	0.80	0.73	0.68	0.72	0.75	0.72	
GENERAL								
Population	m	4.7	4.7	4.8	4.8	4.9	4.9	0.8%
Households	m	2.1	2.1	2.1	2.2	2.2	2.2	1.1%
HARDWARE								
TV households	m	2.0	2.1	2.1	2.1	2.2	2.2	1.1%
DVD sector								
DVD Video player/recorder households	m	1.6	1.9	1.9	1.9	2.0	2.0	3.5%
Penetration of TV households	%	80.8	90.7	88.3	88.8	90.9	92.9	
DVD console households	m	0.5	0.6	0.8	1.0	1.1	1.1	7.5%
Penetration of TV households	%	26.0	30.3	37.3	45.1	49.4	52.5	
BD sector								
BD standalone player households	m		0.010	0.040	0.121	0.249	0.439	76.3%
Penetration of TV households	%		0.5	1.9	5.7	11.6	20.2	
PS3 console households	m		0.0	0.1	0.2	0.3	0.4	28.5%
Penetration of TV households	%		2.4	5.7	9.3	12.9	16.4	

Total video software market

		2006	2007	2008	2009	2010	2011	10/11
TRADE LEVEL PHYSICAL VIDEO								
Total market figures include revenues from legacy formats not broken out separately (eg, VHS, HD-DVD, UMD) where relevant.								
Total revenues from video software	Nkr m	1,410.2	1,591.0	1,381.5	1,172.8	1,086.0	1,010.6	-6.9%
Total revenues from video software	Euro m	175.2	198.4	167.7	134.1	135.4	129.5	-4.4%
Total revenues from retail video	Nkr m	1,249.0	1,436.3	1,240.5	1,043.2	975.7	891.1	-8.7%
Total revenues from retail video	Euro m	155.1	179.1	150.6	119.3	121.7	114.2	-6.1%
Total revenues from rental video	Nkr m	161.3	154.7	141.0	129.5	110.4	119.6	8.3%
Total revenues from rental video	Euro m	20.0	19.3	17.1	14.8	13.8	15.3	11.3%

Video market: Norway

		2006	2007	2008	2009	2010	2011	10/11
CONSUMER LEVEL PHYSICAL VIDEO								
Total market figures include spending on legacy formats not broken out separately (eg, VHS, HD-DVD, UMD) where relevant.								
Total spending on video software	Nkr m	3,156.0	3,167.2	2,931.5	2,818.4	2,479.1	2,195.6	-11.4%
Total spending on video software	Euro m	392.0	394.9	356.0	322.2	309.2	281.4	-9.0%
Total spending on retail video	Nkr m	2,435.8	2,567.2	2,605.1	2,524.1	2,206.5	1,931.1	-12.5%
Total spending on retail video	Euro m	302.5	320.1	316.3	288.5	275.2	247.5	-10.1%
Total spending on rental video	Nkr m	720.2	600.0	326.5	294.3	272.5	264.6	-2.9%
Total spending on rental video	Euro m	89.5	74.8	39.6	33.6	34.0	33.9	-0.2%

		2006	2007	2008	2009	2010	2011	10/11
CONSUMER LEVEL DIGITAL VIDEO								
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.								
Total spending on digital video	Nkr m	6.0	7.9	5.5	6.7	12.2	23.5	91.8%
Total spending on digital video	Euro m	0.8	1.0	0.7	0.8	1.5	3.0	97.1%
CONSUMER LEVEL TV VOD								
The delivery of movies and TV content on a transactional (VoD, NVoD/PPV) basis via cable/satellite/IPTV services.								
Total spending on TV VOD	Nkr m	67.9	93.4	114.3	40.2	47.3	61.8	30.6%
Total spending on TV VOD	Euro m	8.4	11.7	13.9	4.6	5.9	7.9	34.2%

Retail video market

		2006	2007	2008	2009	2010	2011	10/11
Outlets stocking retail video	no.	4,400	4,400	4,200	4,300	4,300	3,500	
Retail chains with 10 or more outlets	no.	10	10	10	4	4	4	
Kiosks stocking retail video	no.	410	410	410	410	410	350	
Trade level: DVD retail								
Revenues from retail DVD	Nkr m	1,249.0	1,417.7	1,177.7	921.9	811.6	697.9	-14.0%
Revenues from retail DVD	Euro m	155.1	176.8	143.0	105.4	101.2	89.4	-11.6%
Retail DVD units shipped to trade	m	21.3	23.3	19.5	16.3	15.0	12.9	-14.3%
Average trade price	Nkr	58.71	60.73	60.50	56.70	54.09	54.29	0.4%
Average trade price	Euro	7.29	7.57	7.35	6.48	6.75	6.96	3.1%
Number of titles released	no.	1,022	1,388	1,290	1,388	1,388	1,300	
Trade level: BD retail								
Revenues from retail BD	Nkr m		15.4	62.3	121.3	164.1	193.2	17.7%
Revenues from retail BD	Euro m		1.9	7.6	13.9	20.5	24.8	21.0%
Retail BD units shipped to trade	m		0.113	0.508	1.3	1.9	2.1	11.5%
Average trade price	Nkr		136.43	122.71	93.17	87.95	92.90	5.6%
Average trade price	Euro		17.01	14.90	10.65	10.97	11.91	8.5%
Number of titles released	no.		166	297	498	498	800	
Consumer level: DVD retail								
Spending on retail DVD	Nkr m	2,434.9	2,552.6	2,520.7	2,330.1	1,967.4	1,631.1	-17.1%
Spending on retail DVD	Euro m	302.4	318.3	306.1	266.4	245.4	209.0	-14.8%
Retail DVDs sold to consumers	m	20.6	22.6	22.7	21.7	17.6	16.5	-6.5%
Average consumer price	Nkr	118.44	112.76	110.91	107.41	111.60	99.00	-11.3%
Average consumer price	Euro	14.71	14.06	13.47	12.28	13.92	12.69	-8.8%
Consumer level: BD retail								
Spending on retail BD	Nkr m		12.2	79.0	194.0	239.1	300.0	25.5%
Spending on retail BD	Euro m		1.5	9.6	22.2	29.8	38.4	28.9%
Retail BDs sold to consumers	m		0.045	0.391	1.1	1.4	1.9	33.9%
Average consumer price	Nkr		269.00	202.05	183.36	170.80	159.99	-6.3%
Average consumer price	Euro		33.54	24.53	20.96	21.30	20.50	-3.7%

Rental video market

		2006	2007	2008	2009	2010	2011	10/11
Rental video market data includes both store-based rental and physical rent-by-mail operations where relevant.								
Video rental outlets	no.	1,640	1,590	1,340	1,315	1,315	870	
Rental chains with 10 or more outlets	no.	5	5	5	5	5	4	
Trade level: DVD rental								
Revenues from rental DVD	Nkr m	161.3	154.5	137.8	119.3	98.0	97.0	-1.0%
Revenues from rental DVD	Euro m	20.0	19.3	16.7	13.6	12.2	12.4	1.7%
Rental DVD units shipped to trade	m	1.5	1.4	1.5	1.3	1.1	1.1	-3.1%
Average trade price	Nkr	110.82	107.89	94.38	91.34	89.49	91.36	2.1%
Average trade price	Euro	13.77	13.45	11.46	10.44	11.16	11.71	4.9%
Number of titles released	no.	810	606	619	558	558	500	
Trade level: BD rental								
Revenues from rental BD	Nkr m		0.273	3.168	10.24	12.31	22.55	83.1%
Revenues from rental BD	Euro m		0.034	0.385	1.17	1.54	2.89	88.2%
Rental BD units shipped to trade	m		0.002	0.026	0.11	0.14	0.25	79.4%
Average trade price	Nkr		136.43	122.71	93.17	89.49	91.36	2.1%
Average trade price	Euro		17.01	14.90	10.65	11.16	11.71	4.9%
Number of titles released	no.		166	297	498	498	600	
Consumer level: DVD rental								
Spending on DVD rental	Nkr m	720.2	599.6	325.3	290.2	264.5	249.1	-5.8%
Spending on DVD rental	Euro m	89.5	74.8	39.5	33.2	33.0	31.9	-3.2%
DVD rental transactions	m	13.6	11.0	9.0	8.2	7.6	7.3	-4.3%
Average rental price	Nkr	53.00	54.50	36.26	35.43	34.69	34.12	-1.6%
Average rental price	Euro	6.58	6.80	4.40	4.05	4.33	4.37	1.1%
Consumer level: BD rental								
Spending on BD rental	Nkr m		0.416	1.144	4.09	8.02	15.48	93.1%
Spending on BD rental	Euro m		0.052	0.139	0.47	1.00	1.98	98.4%
BD rental transactions	m		0.010	0.029	0.10	0.20	0.39	93.1%
Average rental price	Nkr		40.00	40.00	40.00	40.00	40.00	0.0%
Average rental price	Euro		4.99	4.86	4.57	4.99	5.13	2.8%

Source: IHS Screen Digest/IVF/NVF/GfK/Film & Kino
Population and household figures: IHS Global Insight
Note: Distributor level excludes and consumer level includes VAT/sales tax.

Video market: Norway

Retail market split

Retail channels	% share all video	% share DVD	% share Blu-ray Disc
Audio-visual specialists	30.0	28.0	40.0
Video rental stores	4.0	4.0	4.0
General retailers/department stores	17.0	14.0	12.0
Supermarkets	12.0	14.0	9.0
Consumer electronics stores	12.0	8.0	18.0
Internet	17.0	22.0	11.0
Other	8.0	10.0	6.0

Source: Norwegian Video Association (NVF/GfK/Studios

Rental market split

Rental channels	Number of outlets	% share
Leading chains	150	45.0
Small chains/Independents	210	40.0
Convenience store, gas station, etc.	150	15.0

Source: Norwegian Video Association (NVF)

DVD retail top 10

Rank	Title
1	Hodejegerne
2	Cars 2
3	Harry Potter and the Deathly Hallows: Part 1
4	Harry Potter and the Deathly Hallows: Part 2
5	Knerten Gifter Seg
6	Trolljegeren
7	Pirates of the Caribbean: On Stranger Tides
8	Tangled
9	Kung Fu Panda 2
10	The Smurfs

Source: Norwegian Video Association (NVF)
Notes: 1. Ranking based on retail sales by volume
2. Units sold based on available data

Blu-ray Disc retail top 10

Rank	Title
1	The Lion King
2	Cars 2
3	Hodejegerne
4	Harry Potter and the Deathly Hallows: Part 2
5	Pirates of the Caribbean: On Stranger Tides
6	Transformers: Dark Side of the Moon
7	Fast & Furious 5
8	Trolljegeren
9	Harry Potter and the Deathly Hallows: Part 1
10	The Hangover 2

Source: Norwegian Video Association (NVF)
Notes: 1. Ranking based on retail sales by volume
2. Units sold based on available data