# UK

## UK key data 2022

| | |
|---|---|
| Population (m) | 68.5 |
| TV households (m) | 27.3 |
| Consumer spending on total video (€m) | 5,367.8 |
| Comparison with 2021 | 11.5% |
| Consumer spending on digital video and TV VoD (€m) | 5,113.0 |
| Comparison with 2021 | 13.0% |
| Consumer spending on physical video software (€m) | 254.8 |
| Comparison with 2021 | -11.8% |

| | |
|---|---|
| Consumer spending on total video (€m) - Total Europe | 23,276.4 |
| Comparison with 2021 | 9.4% |
| Consumer spending on digital video and TV VoD (€m) - Total Europe | 22,110.8 |
| Comparison with 2021 | 11.1% |
| Consumer spending on physical video software (€m) - Total Europe | 1,165.6 |
| Comparison with 2021 | -14.7% |
| Exchange rate EUR/GBP | 0.85 |

## UK key commentary

### 2022 IVF United Kingdom

The home entertainment sector continues to thrive, with total spend reaching £4.6 billion; a 10.8% increase from 2021, and another year of double-digit growth.

Whilst theatrical isn't back to pre-pandemic numbers, admissions and box office improved in 2022 with a number of big titles drawing audiences back to the big screen. In 2022 the number of films in cinemas saw a 30% increase from 2021, with an average box office per film of 11.9m, the largest average Box Office number for over 5 years.

Consumer engagement in the digital category continued to thrive, driven by new services, an improved slate, and a shift in preference for in home entertainment since the pandemic.

The total number of bricks and mortar retailers stocking video fell dramatically in 2022 (a decline of 31% YoY; Source: Kantar 2022), continuing a trend that started to accelerate in 2019. Going against the prevailing norm, HMV stocked product in 10 more stores than in the previous year.

### Transactional

The UK saw Box Office grow from £557m in 2021 to £902m in 2022 a 62% YoY growth, however this is still only 72% of the 2019 total BO (Source: Cinema Advertising Association/comScore).

Taking £83.6m at the UK Box Office, the largest UK film of 2022, Top Gun: Maverick (Source: Official Charts Company), became available to UK consumers on EST at the end of August, with a subsequent physical release seven weeks later, selling over 1.7 million copies across all transactional formats in 2022 (Source: Official Charts Company).

EST is the biggest transactional format with a value of £231m, holding its value YoY (Source: FutureSource Consulting), as 13 titles sell 100k+ units (Source: Official Charts Company).

Premium digital content (PVOD & PEST), has flourished in the UK since its inception in the early days of the pandemic, 119 titles have been released across these formats from 2020 to 2022. The average premium window in 2022 was 35 days out from theatrical release (Source: BASE).

The continued decline of bricks and mortar stores selling physical content contributed to the YoY decline of the physical market by 11.5% in 2022. The core entertainment consumer remains the category champion in the UK. Premium formats are robust, as Blu-ray increases its share of the physical market value to 44%, of which 34% was 4K UHD content, a YoY increase (Source: Official Charts Company).

## Subscription

Almost hitting £4billion for the first time, SVOD spending continued its strong growth trajectory, fuelled by new services and content fragmentation. End of year Kantar data showed that SVOD penetration had stabilised, however, those who only engage with SVOD increased to 55%.

In 2022 Netflix introduced new ad-tiered options to appeal to more consumers, creating dual and complimentary SVoD/AVoD models; while major new services like Paramount+ also launched in the UK. The growth of advertising across digital media continues to increase in the UK; three out of every four advertising pounds is spent on online formats (Source: Advertising Association: 2022 Annual Review). The UK digital advertising market grew by 11% in 2022 to £26bn, (Source: Advertising Association: 2022 Annual Review), reflecting the huge revenue opportunities for the new wave of FAST and AVoD channels.

FAST channels from providers including Pluto TV, Roku, Peacock, Freevee and TV Player continued their growth in 2022. The UK is the second largest FAST market in the world, runner up only to the US which currently accounts for approx. 90% of the global FAST channel market, valued at just under $4bn in 2022 (Source: Omdia).

## The Future

The UK entertainment sector will continue to evolve and grow despite challenges including the cost-of-living crisis. With the UK box office expected to pass £1 billion in 2023, new formats/services, and the increased flow of new release content reaching Home Entertainment, the opportunity for consumer engagement is agreed to be at an all-time high. The powerful slate of 2023 is set to excite and inspire buyers to purchase on transactional formats, whether they opt for Premium access, digital retail, rental platforms or physical disc. The strength of the upcoming slate will be key to the continued growth of the entire visual sector, reinvigorating the sector after a challenging period.

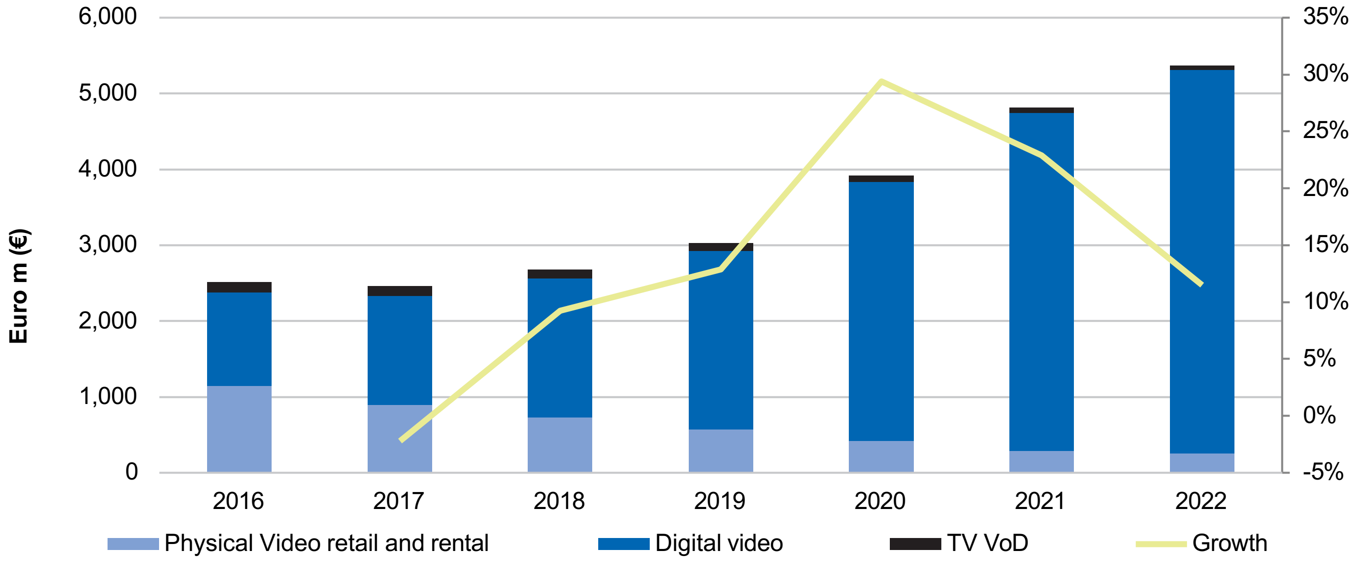
## Video market: UK

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 21/22 |
|---|---|---|---|---|---|---|---|---|
| **GENERAL** | | | | | | | | |
| Population (m) | 66.3 | 66.7 | 67.1 | 67.5 | 67.9 | 68.2 | 68.5 | 0.4% |
| TV households (m) | 26.7 | 26.7 | 26.8 | 26.9 | 27.0 | 27.2 | 27.3 | 0.4% |
| Population Total Europe (m) | 631.1 | 632.8 | 634.4 | 635.7 | 636.7 | 637.3 | 637.7 | 0.1% |
| TV households Total Europe (m) | 260.2 | 262.1 | 263.8 | 265.7 | 267.6 | 269.2 | 270.7 | 0.6% |
| Broadband households (m) | 21.1 | 21.8 | 22.2 | 22.2 | 22.6 | 23.3 | 23.8 | 2.1% |
| Nominal GDP (EUR m) | 2,434.8 | 2,363.4 | 2,420.7 | 2,529.2 | 2,372.2 | 2,441.7 | 2,631.1 | 7.8% |
| Consumer price index (100 in 2010) | 88.9 | 87.1 | 92.5 | 90.0 | 90.9 | 97.3 | 101.1 | 4.0% |
| Exchange rate EUR/GBP (GBP) | 0.82 | 0.88 | 0.89 | 0.88 | *0.89* | 0.86 | 0.85 | -0.6% |
| DVD Video player/recorder penetration (%) | 70.5 | 64.7 | 57.5 | 51.1 | 45.5 | 40.5 | 36.2 | -10.6% |
| Blu-ray Disc player/recorders penetration (%) | 23.7 | 23.4 | 22.7 | 21.8 | 20.8 | 19.8 | 19.0 | -4.0% |
| DVD Video player/recorder Total Europe (%) | 67.0 | 64.4 | 61.7 | 59.2 | 56.9 | 54.7 | 52.7 | -3.7% |
| Blu-ray Disc player/recorders penetration Total Europe (%) | 21.8 | 22.3 | 22.3 | 21.7 | 21.0 | 20.2 | 19.4 | -3.9% |
| OTT Subscriptions (m) | 11.3 | 14.5 | 18.8 | 24.4 | 39.1 | 45.7 | 52.4 | 14.7% |

## Consumer spending by segment

Video market: UK




## Total video software market

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 21/22 |
|---|---|---|---|---|---|---|---|---|
| **CONSUMER LEVEL ALL VIDEO** | | | | | | | | |
| *Total market figures include consumption of both physical and digital video* | | | | | | | | |
| Total spending on video (GBP m) | 2,058.8 | 2,154.6 | 2,374.1 | 2,654.7 | 3,489.3 | 4,138.3 | 4,586.3 | 10.8% |
| Total spending on video (EUR m) | 2,511.3 | 2,455.6 | 2,681.9 | 3,026.5 | 3,916.2 | 4,813.8 | 5,367.8 | 11.5% |
| Growth (%) | | -2.2% | 9.2% | 12.8% | 29.4% | 22.9% | 11.5% | |
| Total spending on video Total Europe (EUR m) | 9,204.5 | 9,924.5 | 11,389.9 | 13,601.0 | 17,690.1 | 21,274.6 | 23,276.4 | 9.4% |
| **CONSUMER LEVEL DIGITAL VIDEO (OTT) – TOTAL SPENDING** | | | | | | | | |
| *The purchase or rental of films and TV series delivered over the open internet. Digital retail numbers include purchase on content on pay TV set-top-boxes where applicable. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.* | | | | | | | | |
| Retail digital video (GBP m) | 208.1 | 249.3 | 269.9 | 270.7 | 295.8 | 228.5 | 252.8 | 10.6% |
| Retail digital video (EUR m) | 253.8 | 284.1 | 304.9 | 308.6 | 332.0 | 265.8 | 295.9 | 11.3% |
| Rental digital video (GBP m) | 54.0 | 61.6 | 68.3 | 72.6 | 135.8 | 112.9 | 86.4 | -23.4% |
| Rental digital video (EUR m) | 65.9 | 70.3 | 77.2 | 82.7 | 152.5 | 131.3 | 101.2 | -22.9% |
| Subscription digital video (GBP m) | 738.5 | 949.1 | 1,282.3 | 1,725.8 | 2,609.8 | 3,487.2 | 3,982.5 | 14.2% |
| Subscription digital video (EUR m) | 900.8 | 1,081.7 | 1,448.6 | 1,967.5 | 2,929.1 | 4,056.4 | 4,661.1 | 14.9% |
| Total digital video (GBP m) | 1,000.6 | 1,260.0 | 1,620.5 | 2,069.0 | 3,041.5 | 3,828.6 | 4,321.7 | 12.9% |
| Total digital video (EUR m) | 1,220.5 | 1,436.1 | 1,830.6 | 2,358.8 | 3,413.6 | 4,453.5 | 5,058.1 | 13.6% |
| Total digital video Total Europe (EUR m) | 4,068.6 | 5,387.4 | 7,505.6 | 10,135.9 | 14,705.6 | 18,771.8 | 21,019.0 | 12.0% |
| **CONSUMER LEVEL PAY TV TRANSACTIONAL VOD – TOTAL SPENDING** | | | | | | | | |
| *The rental of film and TV content on a transactional (VoD, NVoD/PPV) basis via cable/satellite/IPTV services, only on set-top-boxes. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.* | | | | | | | | |
| Pay TV TVOD (GBP m) | 116.1 | 111.9 | 105.8 | 85.1 | 76.0 | 61.4 | 46.9 | -23.6% |
| Pay TV TVOD (EUR m) | 141.7 | 127.6 | 119.5 | 97.0 | 85.3 | 71.4 | 54.9 | -23.2% |
| Pay TV TVOD Total Europe (EUR m) | 947.5 | 1,027.4 | 1,076.1 | 1,130.6 | 1,198.4 | 1,136.1 | 1,091.8 | -3.9% |
| **CONSUMER LEVEL PHYSICAL VIDEO – TOTAL SPENDING** | | | | | | | | |
| *Total market figures include consumption of legacy formats not broken out separately (eg, VHS, HD-DVD, UMD) where relevant.* | | | | | | | | |
| Physical video rental (GBP m) | 48.5 | 40.0 | 31.1 | 23.4 | 16.2 | 12.1 | 8.7 | -27.8% |
| Physical video rental (EUR m) | 59.1 | 45.6 | 35.1 | 26.7 | 18.2 | 14.1 | 10.2 | -27.4% |
| Physical video rental Total Europe (EUR m) | 295.4 | 214.6 | 144.8 | 109.5 | 66.9 | 43.3 | 30.6 | -29.5% |
| Physical video retail (GBP m) | 893.5 | 742.6 | 616.8 | 477.1 | 355.7 | 236.2 | 209.0 | -11.5% |
| Physical video retail (EUR m) | 1,089.9 | 846.4 | 696.8 | 544.0 | 399.2 | 274.8 | 244.6 | -11.0% |
| Physical video retail Total Europe (EUR m) | 3,892.9 | 3,295.0 | 2,663.4 | 2,225.0 | 1,719.2 | 1,323.4 | 1,135.0 | -14.2% |
| Physical video software (GBP m) | 942.0 | 782.6 | 647.9 | 500.6 | 371.9 | 248.3 | 217.7 | -12.3% |
| Physical video software (EUR m) | 1,149.1 | 892.0 | 731.9 | 570.7 | 417.4 | 288.9 | 254.8 | -11.8% |
| Physical video software Total Europe (EUR m) | 4,188.3 | 3,509.7 | 2,808.2 | 2,334.5 | 1,786.1 | 1,366.7 | 1,165.6 | -14.7% |

*Notes: **1)** Consumer level digital video (OTT) and pay TV transactional VOD figures may differ from locally published figures due to the application of different definitions. **2)** Historical numbers in this section may differ from those published in previous years owing to changes in Omdia methodology, updated data sources and other data restatements. **3)** The current online figures are a snapshot of the market in June 2023. Figures are updated regularly and so it may not possible to compare directly to figures published after this date. **4)** Total Europe include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK, Croatia, Czech Republic, Hungary, Poland, Russia, and Slovakia. **5)** OTT Subscriptions are subscriptions to online channels and virtual pay TV operators. Figures exclude multiscreen services of pay TV operators.*



Source: Omdia

## Key players in the market (in alphabetical order)

| Physical | |
|---|---|
| Amazon | Zavvi |
| Asda | |
| Ebay.com | |
| HMV | |
| Morrisons | |
| Tesco | |

| Digital | |
|---|---|
| Amazon Instant Video | Sky Store |
| BT Store | Virgin Media Store |
| Chili | Xbox Live |
| Google Play Store | |
| iTunes | |
| Rakuten TV | |

| Digital (Subscription) | |
|---|---|
| Amazon Prime Video | Paramount+ |
| Apple TV+ | Acorn TV |
| BritBox | BFI Player |
| Disney+ | MUBI |
| Netflix | |
| NOW | |

## Share of European market 2022

Digital video (OTT)
24.1%

Pay TV TVOD
5.0%

Physical retail
21.5%

Physical rental
33.5%

## Average home entertainment spending

Spending per TV household (EURO)
€196.9

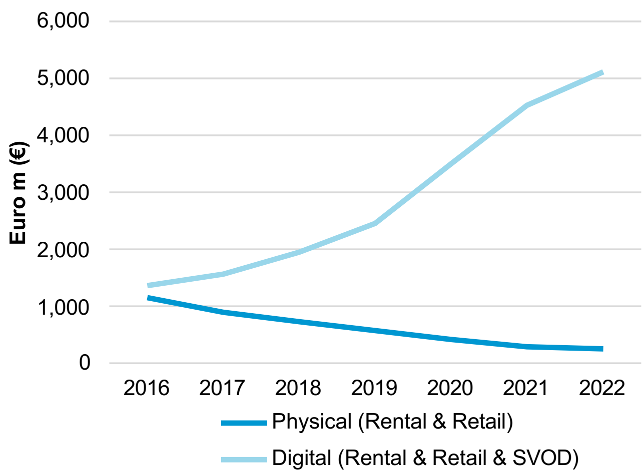
Spending per broadband household (EURO)
€225.6

## Digital share of spend vs. broadband speed

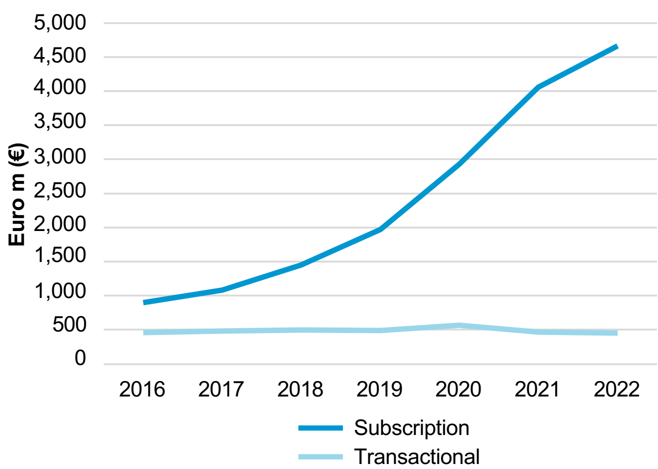
Share digital spend
94%

Broadband subscriptions speed rank
(ranked across the 9 IVF countries)*
#1/2

### Comparison Physical vs Digital




### Comparison Subscription vs Transactional




Note: Digital (Rental & Retail) includes SVOD data; Transactional excludes physical.
*Countries are ranked based on the proportion of broadband subscriptions receiving fixed data at speed over 30Mbps.



Source: Omdia