UK

UK key data 2021

Population (m)	68.2
TV households (m)	27.2
Consumer spending on physical video software (€m)	288.8
Comparison with 2020	-30.8%
Consumer spending on physical video software (€m) - Total Europe	1,434.0
Comparison with 2020	-21.8%
Consumer spending on digital video and TV VoD (€m)	4,462.7
Comparison with 2020	28.8%

Consumer spending on digital video and TV VoD (€m) - Total Europe	19,298.5
Comparison with 2020	22.9%
Consumer spending on total video (€m)	4,751.4
Comparison with 2020	22.4%
Consumer spending on total video (€m) - Total Europe	20,732.5
Comparison with 2020	18.2%
Exchange rate EUR/GBP	0.86

UK key commentary

2021 IVF United Kingdom

The UK home entertainment sector experienced another year of double-digit growth in 2021, despite the ongoing challenges of the global pandemic.

Consumer engagement in the digital category continued, driven by the “captive audience” effect of the stay-at-home restrictions of 2020.

The high-street continued to be negatively affected across the first half of the year, as non-essential retail remained closed until April 2021.

Cinemas also remained shuttered until the middle of May. The pandemic’s myriad of impacts on the entertainment industry, including stalled global production, a reduced release slate, and ongoing UK audience trepidation to return to big-screen environments, resulted in a cautious return to theatres. The first film to pass the £10 million box office threshold in the UK did not reach the transactional category until the second half of the year, in August 2021. The consequences of the reduced cinema slate across the year were reflected in the transactional category performance.

Despite these challenges, the home entertainment sector experienced a consumer renaissance, with total spend reaching £4 billion, driven by the growth and success of subscription services.

Transactional

For all the reasons noted, the annual UK box office value of content subsequently released on home entertainment was only 40%[1] of 2020, as demonstrated by the transactional category performance of 2021, until the near end of the year.

The largest UK film of 2021, *No Time To Die*[2], became available to UK consumers on EST on the 15th of December, with a subsequent physical release five days later. The James Bond film had taken close to £100m at the UK Box Office across the autumn.

The removal of fixed entertainment space from the store estate of two of the UK’s biggest supermarkets contributed to the YoY decline of the physical market. The category responded, and a new supply chain operator was in place by the first half of 2022.

1 Tracking conducted by BASE

2 Release dates according to The Official Charts company

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 to 36%, a 9% increase on pre-pandemic levels, of which 28% was 4K UHD content. Positive data released by Kantar demonstrates that buyers purchasing six or more pieces of content across Blu-ray or EST has also increased.

Premium digital content, also known as PVOD and PEST, has flourished in the UK since its inception in the early days of the pandemic. Close to 50 titles were released in 2021, with a box office value of over £300 million.

Subscription

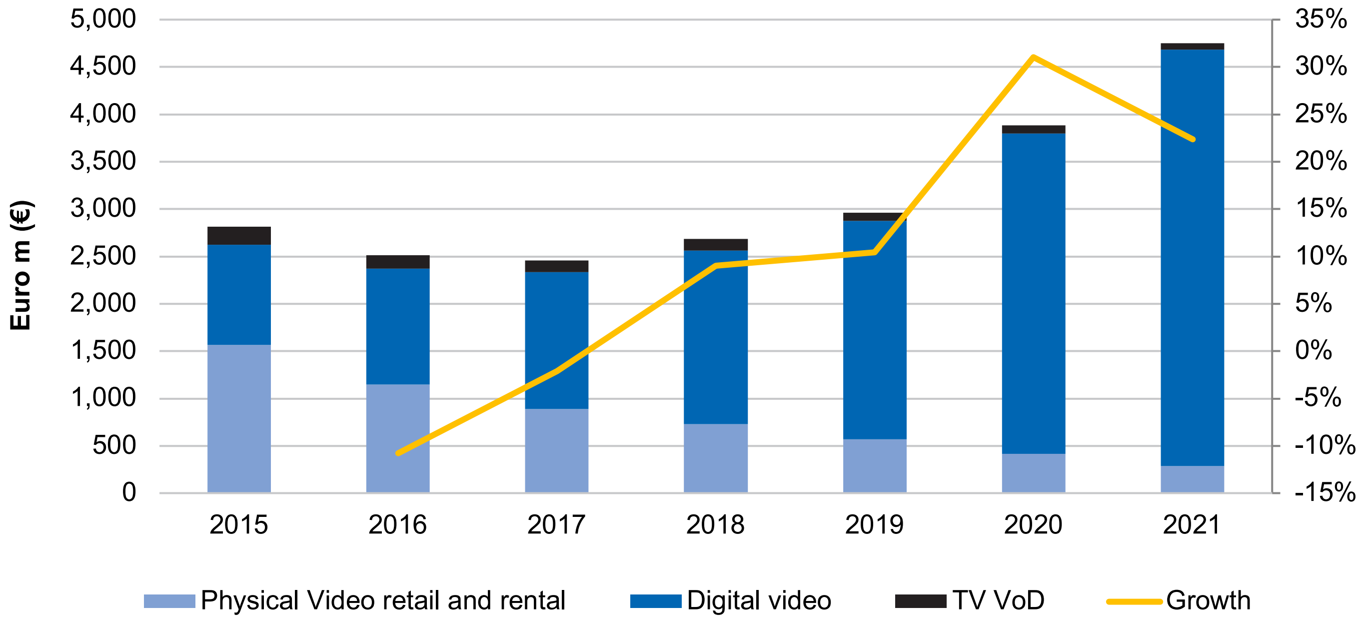
Breaking through the £3 million barrier for the first time, SVOD spending continued its strong growth trajectory, fuelled by new services and content fragmentation. End of year Kantar data reflected this subscriber growth, although challenges in cost-of-living to UK consumers influencing the reported 215,000 drop in the number of UK homes with at least one paid-for subscription streaming service[3]. A similar contraction of consumer spending was reported across the music industry, with over a million music streaming services cancelled across the same period.

None-the-less the UK continues to see the most engaged users of video services across Europe, with the number per user now standing at 6.7, up from 5.8 in 2020, as reported by Omdia. Paramount+ is the latest service to arrive in the UK in June 2022, available as a stand-alone, and an add-on with other services such as Amazon Prime and Sky Cinema.

The Future

The UK entertainment sector continues to rebuild at pace following the pandemic. With the UK box office expected to pass £1 billion again in 2022, and the flow of new release content reaching Home Entertainment an average of 74 days later, opportunity for consumer engagement is agreed to be at an all-time high.

Consumer spending by segment



3 *https://www.kantar.com/inspiration/inflation/cost-of-living-crisis-bites-uk-streaming-market-shrinks*

Video market: UK

	2015	2016	2017	2018	2019	2020	2021	20/21
GENERAL								
Population (m)	65.9	66.3	66.7	67.1	67.5	67.9	68.2	0.5%
TV households (m)	26.7	26.7	26.7	26.8	26.9	27.0	27.2	0.5%
Population Total Europe (m)	629.4	631.1	632.8	634.4	635.7	636.7	637.3	0.1%
TV households Total Europe (m)	258.6	260.2	262.1	263.8	265.7	267.6	269.2	0.6%
Broadband households (m)	22.6	22.2	22.9	23.5	23.6	23.9	24.3	1.6%
Nominal GDP (EUR m)	2,645.6	2,434.8	2,363.4	2,420.7	2,529.2	2,372.2	2,441.7	2.9%
Consumer price index (100 in 2010)	100.0	88.9	87.1	92.5	90.0	90.9	97.3	7.0%
Exchange rate EUR/GBP (GBP)	0.73	0.82	0.88	0.89	*0.88*	0.89	0.86	-3.5%
DVD Video player/recorder penetration (%)	73.9	70.5	64.7	57.5	51.1	45.5	40.5	-10.9%
Blu-ray Disc player/recorders penetration (%)	23.4	23.7	23.4	22.7	21.8	20.8	19.8	-4.5%
DVD Video player/recorder Total Europe (%)	69.4	67.0	64.4	61.7	59.2	56.9	54.7	-3.8%
Blu-ray Disc player/recorders penetration Total Europe (%)	20.7	21.8	22.3	22.3	21.7	21.0	20.2	-3.8%
OTT Subscriptions (m)	8.8	11.9	15.1	19.2	24.3	38.3	41.5	8.4%

Total video software market

	2015	2016	2017	2018	2019	2020	2021	20/21
CONSUMER LEVEL ALL VIDEO								
Total market figures include consumption of both physical and digital video								
Total spending on video (GBP m)	2,044.3	2,060.2	2,159.0	2,374.9	2,599.0	3,459.5	4,085.9	18.1%
Total spending on video (EUR m)	2,816.3	2,513.0	2,460.6	2,682.9	2,962.9	3,882.7	4,751.4	22.4%
Growth (%)		-10.8%	-2.1%	9.0%	10.4%	31.0%	22.4%	
Total spending on video Total Europe (EUR m)	9,122.1	9,206.7	9,929.1	11,464.3	13,421.5	17,538.9	20,732.5	18.2%
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)	63.0	48.5	40.0	31.1	23.4	16.2	12.1	-25.2%
Physical video rental (EUR m)	86.8	59.1	45.6	35.1	26.7	18.2	14.1	-22.5%
Physical video rental Total Europe (EUR m)	431.3	295.4	214.6	150.2	115.8	77.0	53.0	-31.2%
Physical video retail (GBP m)	1,075.3	893.5	742.6	616.8	477.1	355.7	236.2	-33.6%
Physical video retail (EUR m)	1,481.4	1,089.9	846.4	696.8	544.0	399.2	274.7	-31.2%
Physical video retail Total Europe (EUR m)	4,736.9	3,892.9	3,295.0	2,681.6	2,199.6	1,757.5	1,381.0	-21.4%
Physical video software (GBP m)	1,138.3	942.0	782.6	647.9	500.6	371.9	248.3	-33.2%
Physical video software (EUR m)	1,568.1	1,149.1	892.0	731.9	570.7	417.4	288.8	-30.8%
Physical video software Total Europe (EUR m)	5,168.2	4,188.3	3,509.7	2,831.7	2,315.4	1,834.5	1,434.0	-21.8%
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)	169.3	208.2	249.9	270.0	265.4	299.7	243.0	-18.9%
Retail digital video (EUR m)	233.2	254.0	284.8	305.0	302.6	336.4	282.6	-16.0%
Rental digital video (GBP m)	49.4	54.0	61.8	68.3	71.3	140.7	124.5	-11.5%
Rental digital video (EUR m)	68.0	65.9	70.4	77.2	81.3	157.9	144.8	-8.3%
Subscription digital video (GBP m)	546.8	739.6	952.5	1,282.9	1,683.6	2,571.4	3,410.9	32.7%
Subscription digital video (EUR m)	753.3	902.2	1,085.5	1,449.2	1,919.4	2,885.9	3,966.5	37.4%
Total digital video (GBP m)	765.5	1,001.9	1,264.1	1,621.2	2,020.4	3,011.8	3,778.5	25.5%
Total digital video (EUR m)	1,054.6	1,222.1	1,440.8	1,831.4	2,303.4	3,380.2	4,393.9	30.0%
Total digital video Total Europe (EUR m)	3,046.1	4,076.2	5,394.8	7,557.9	9,980.3	14,491.3	18,137.9	25.2%
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)	140.5	116.2	112.2	105.8	78.0	75.9	59.1	-22.0%
Pay TV TVOD (EUR m)	193.6	141.8	127.9	119.5	88.9	85.1	68.8	-19.2%
Pay TV TVOD Total Europe (EUR m)	907.7	942.2	1,024.7	1,074.6	1,125.7	1,213.1	1,160.7	-4.3%

*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. **3)** The current online figures are a snapshot of the market in March 2022. 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 2021

Physical retail
19.9%

Physical rental
26.6%

Digital Video (OTT)
24.2%

Pay TV TVOD
5.9%

Average home entertainment spending

Spending per TV household (EURO)
€175.0

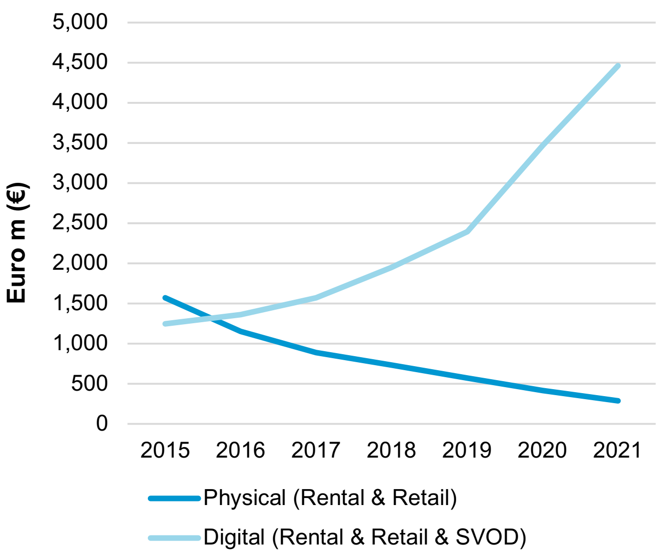
Spending per broadband household (EURO)
€195.8

Digital share of spend vs. broadband speed

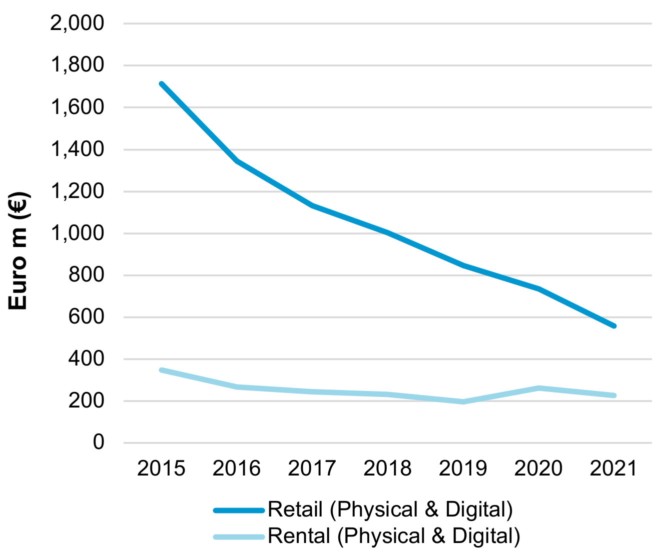
Share digital spend
92%

Broadband download speed rank
(ranked across the 9 IVF countries)
#2

Comparison Physical vs Digital



Comparison Retail vs Rental



Note: Digital (Rental & Retail) includes SVOD data; Rental (Physical & Digital) excludes SVOD data

Source: Omdia