UK

UK: key data 2023

Population (m)	68.8
TV households (m)	27.4
Consumer spending on total video (€m)	5,690.2
Comparison with 2022	13.1%
Consumer spending on digital video and TV VoD (€m)	5,488.3
Comparison with 2022	14.9%
Consumer spending on physical video software (€m)	201.9
Comparison with 2022	-20.6%

Consumer spending on total video (€m) - Total Europe	26,435.1
Comparison with 2022	12.1%
Consumer spending on digital video and TV VoD (€m) - Total Europe	25,419.9
Comparison with 2022	13.4%
Consumer spending on physical video software (€m) - Total Europe	1,015.2
Comparison with 2022	-12.9%
Exchange rate EUR/GBP	0.87

UK key commentary

2023 IVF United Kingdom

After being in double digit growth over the previous two years, the Home Entertainment industry was valued at nearly £5 billion in 2023, a further 8.5% increase year on year (Source: Omdia).

With a strong slate of movies throughout the year and the summer of Barbenheimer in 2023, Box Office revenues rose 8.3% year on year, close to pre-pandemic levels with £979m in revenue (Source: UK Cinema Association).

Following on from the Box Office success, transactional digital formats also grew in popularity, as consumers spent 8.3% more on EST vs. 2022 and 9.4% more on TVOD (Source: OMDIA) to watch their favourite movies at home.

Subscription services continued to be on the rise in 2023 with an increase of 8.1% in OTT subscriptions (Source: Omdia) following a year of many changes in the industry as services introduced hybrid ad subscription packages and got serious about cracking down on password sharing.

The demand for physical formats decreased further (-19% in consumer spend on physical video: Source: Omdia) and the total number of bricks and mortar retailers selling video fell by 28.7% year on year (Source: Kantar).

Transactional

The UK Box Office edged closer to pre-pandemic levels in 2023, having achieved 78% of the 2019 total Box Office (Source: UK Cinema Association).

There were 1,013 new releases in cinemas in the UK and Ireland in 2023, an increase of 9% compared to 2022 (Source: Film Distributors' Association). The top 10 films accounted for 40.5% of 2023's total revenue, slightly lower than in 2022 (43.8%) meaning there was a greater diversity of successful titles (Source: ComScore).

Not only was Barbie the number 1 film at the UK Box Office in 2023 with £87m, it was also the most successful digital title for Home Entertainment with over 368k rental transactions an 322k digital sales (Source: Official Charts Company). The second highest grossing film at the UK Box Office, Oppenheimer, was the biggest release on Disc in 2023 with a value of £1.1m on Blu-Ray and £673k on DVD (Source: Official Charts Company)

EST remains the biggest transactional format with a value of £180m, an increase of 8.3% YoY (Source: OMDIA), with the top 3 titles selling over 300k units each (Avatar – The Way of Water 442k units, The Super Mario Bros Movie 327.8k units & Barbie 312.6k units - Source: Official Charts Company). There were 19 titles in total that sold more than 100k units on EST (Source: Official Charts Company).

54 titles were released on Premium Video on Demand (PVOD) and/or Premium EST, one more than 2022, as audiences grow accustomed to the new shape of release windows (Source: BASE). Taylor Swift: The Eras Tour scored the second biggest PVOD week one sales of 2023 (following Barbie) with £428k on Premium Video on Demand (PVOD) only (Source: Official Charts Company), following its release on December 13th, building on the £12.2m Box Office performance across six weeks in 2023 (Source: BFI Weekend Box Office Figures).

While disc revenue overall declined by 19% year on year (Source: Omdia), there was a 14.8% increase in Blu-ray 4K buyers (Source: Kantar). Consumers who buy these high value physical formats, so called 'collectors' only make up 0.8% of the UK population, but as they are spending £182.40 a year on average each, they account for 50% of all spend on disc. While there was a decline in brick-and-mortar stores overall, HMV who re-opened their flagship store in London in November 2023 have continued their upward trajectory with a 2.9% revenue growth. HMV account for 45.7% of the 4K Blu-ray spend across all retailers (Source: Kantar).

Subscription

With consumer spend of £4.5bn (+17.5% YoY), SVOD continued its upward trajectory in 2023 (Source: Omdia) with services cracking down on password sharing and making changes to subscription packages by introducing ads for a reduced subscription price. There was an increase in about half a million SVOD households in 2023 bringing it up to 19.5 million out of 28 million households in the UK (Source: Futuresource). While more growth is expected in the coming years, we can expect to see this plateau from 2025 onwards (Source: Futuresource). In 2023, SVOD had a 94% share of consumer spend of the video home entertainment market (Source: Omdia).

With the cost of living crisis impacting consumers across 2023 many welcomed the new advertising tiers of SVOD services with 51% of people saying they would be happy to see ads across their SVOD services if it reduced costs (Source: Omdia). Turning subscriptions on and off again has also become more and more common in the UK as 58% of people who have cancelled an SVOD subscription reported churning but returning at some point to watch new content (Source: Omdia).

FAST global value is predicted to reach 13 billion dollars in 2028, one billion of which will be from western Europe (Source: Omdia). It is a growing format in the UK with 585 unique Free Ad Supported Television (FAST) channels in Q3 2023, a rise of 79 channels since Q1 2023. 100% of UK FAST users report also using another free AVoD service, which falls just slightly to 97% when social video services are removed (Source: Omdia).

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

After the writers and actors strike in the middle of 2023 the slate of new titles will be significantly impacted in 2024. This will first affect the Box Office and then carry through to Home Entertainment later on.

After significant growth in 2023 the UK Box Office is expected to remain stable year on year in 2024 with Dune PT 2 being released earlier in the year and franchise favourites Deadpool & Wolverine coming to cinemas later in the year as well as the highly anticipated WICKED. In 2025 the Box Office is expected to recover to double digit growth (Source: Omdia).

The continued success of category wide initiatives such as Mega Movie Weekend are helping in driving the popularity of catalogue titles across transactional digital formats. Catalogue titles are key in supporting the continued growth of the category which is expected to return to moderate growth in 2025 (Source: Futuresource).

SVOD will still be in growth in the coming years but it looks like services are reaching user saturation and strategies are shifting from consumer acquisition to driving revenue. Premium AVOD, the hybrid model between SVOD and ads, saw a 23% increase in consumer revenue in 2023 and more double-digit growth is expected in the next few years as consumers are looking for ways to cut costs (Source: Omdia).

Piracy

Following a sharp decline in piracy levels from 2021 to 2022, content infringement has stabilised. 62% of infringers discover pirated content through social media, and 50% use an Amazon Firestick to access unauthorised content. Paid for infringement continues to be a popular way to access pirated content with 2 in 5 infringers currently pay to access unauthorised content with an average spend of £60 annually per person.

The Industry Trust for IP Awareness in collaboration with its members and partners, continue to educate consumers to the benefits of seeing films on the big screen through their long-running 'Moments Worth Paying For' campaign, as well as communicating the risks associated with piracy through the successful and established digital disruption campaign, which seeks to intervene in the large proportion of piracy journeys that start with internet searches.

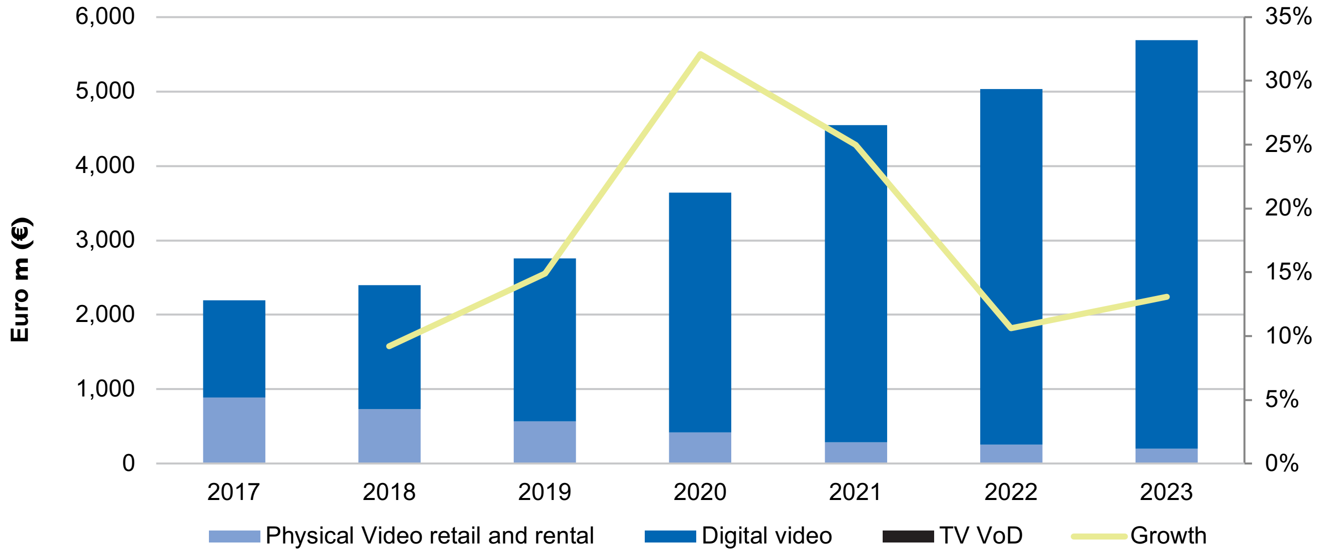
This commentary was provided by BASE, the British Association for Screen Entertainment.

Video market: UK

	2017	2018	2019	2020	2021	2022	2023	22/23
GENERAL								
Population (m)	66.7	67.1	67.5	67.9	68.2	68.5	68.8	0.4%
TV households (m)	26.7	26.8	26.9	27.0	27.2	27.3	27.4	0.5%
Population Total Europe (m)	632.8	634.4	635.7	636.7	637.3	637.7	637.8	0.0%
TV households Total Europe (m)	262.1	263.8	265.7	267.6	269.2	270.7	272.2	0.5%
Broadband households (m)	21.8	22.2	22.2	22.6	23.3	23.8	24.4	2.8%
Nominal GDP (EUR m)	2,363.4	2,420.7	2,529.2	2,372.2	2,441.7	2,631.1	2,761.7	5.0%
Consumer price index (100 in 2010)	87.1	92.5	90.0	90.9	97.3	101.1	104.2	3.0%
Exchange rate EUR/GBP (GBP)	0.88	0.89	0.88	0.89	*0.86*	0.85	0.87	1.8%
DVD Video player/recorder penetration (%)	64.7	57.5	51.1	45.5	40.5	36.2	32.5	-10.5%
Blu-ray Disc player/recorders penetration (%)	23.4	22.7	21.8	20.8	19.8	19.0	18.4	-3.4%
DVD Video player/recorder Total Europe (%)	64.4	61.7	59.2	56.9	54.7	52.7	50.8	-3.6%
Blu-ray Disc player/recorders penetration Total Europe (%)	22.3	22.3	21.7	21.0	20.2	19.4	18.7	-3.7%
OTT Subscriptions (m)	14.2	18.5	24.1	38.7	45.2	52.3	56.6	8.1%

Consumer spending by segment

Video market: UK



Total video software market

	2017	2018	2019	2020	2021	2022	2023	22/23
CONSUMER LEVEL ALL VIDEO								
Total market figures include consumption of both physical and digital video								
Total spending on video (GBP m)	1,927.0	2,123.1	2,417.1	3,242.6	3,909.9	4,299.1	4,950.1	15.1%
Total spending on video (EUR m)	2,196.2	2,398.4	2,755.5	3,639.3	4,548.1	5,031.7	5,690.2	13.1%
Growth (%)		9.2%	14.9%	32.1%	25.0%	10.6%	13.1%	
Total spending on video Total Europe (EUR m)	9,632.5	11,109.4	13,467.8	17,634.9	21,442.7	23,589.9	26,435.1	12.1%
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)	166.6	166.1	166.4	198.1	141.4	166.6	180.4	8.3%
Retail digital video (EUR m)	189.9	187.7	189.7	222.4	164.5	195.0	207.4	6.4%
Rental digital video (GBP m)	61.6	68.3	72.6	135.9	112.8	86.0	94.0	9.4%
Rental digital video (EUR m)	70.3	77.2	82.7	152.5	131.2	100.6	108.1	7.4%
Subscription digital video (GBP m)	916.1	1,240.8	1,677.5	2,536.7	3,407.3	3,829.2	4,500.0	17.5%
Subscription digital video (EUR m)	1,044.1	1,401.7	1,912.4	2,847.1	3,963.5	4,481.7	5,172.8	15.4%
Total digital video (GBP m)	1,144.4	1,475.2	1,916.5	2,870.7	3,661.6	4,081.8	4,774.5	17.0%
Total digital video (EUR m)	1,304.2	1,666.5	2,184.8	3,221.9	4,259.2	4,777.3	5,488.3	14.9%
Total digital video Total Europe (EUR m)	5,241.8	7,357.8	10,111.7	14,741.7	19,007.4	21,355.7	24,389.6	14.2%
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)	274.16	263.15	246.08	219.13	206.28	189.05	177.75	-6.0%
Pay TV TVOD (EUR m)	240.55	232.95	215.86	195.24	177.33	161.53	154.63	-4.3%
Pay TV TVOD Total Europe (EUR m)	881.07	943.39	1,021.64	1,107.13	1,068.58	1,068.99	1,030.32	-3.6%
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)	40.0	31.1	23.4	16.2	12.1	8.4	6.3	-24.7%
Physical video rental (EUR m)	45.6	35.1	26.7	18.2	14.1	9.8	7.2	-26.0%
Physical video rental Total Europe (EUR m)	214.6	144.8	109.5	66.9	43.3	30.1	21.8	-27.6%
Physical video retail (GBP m)	742.6	616.8	477.1	355.7	236.2	209.0	169.3	-19.0%
Physical video retail (EUR m)	846.4	696.8	544.0	399.2	274.8	244.6	194.7	-20.4%
Physical video retail Total Europe (EUR m)	3,295.0	2,663.4	2,225.0	1,719.2	1,323.4	1,135.0	993.4	-12.5%
Physical video software (GBP m)	782.6	647.9	500.6	371.9	248.3	217.3	175.6	-19.2%
Physical video software (EUR m)	892.0	731.9	570.7	417.4	288.9	254.4	201.9	-20.6%
Physical video software Total Europe (EUR m)	3,509.7	2,808.2	2,334.5	1,786.1	1,366.7	1,165.1	1,015.2	-12.9%

*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 2024. 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 (Retail/Rental)	
Amazon Prime Video Store	Microsoft Store
BT Store	Rakuten TV
Chili	Sky Store
EE TV	Virgin Media Store
Google Play Store	
iTunes	

Digital (Subscription)	
Acorn TV	Hayu
Amazon Prime Video	ITVX Premium
Apple TV+	MUBI
BFI Player	Netflix
Discovery+	NOW
Disney+	Paramount+

Share of European market 2023

Digital video (OTT)
22.5%

Pay TV TVOD
15.0%

Physical retail
19.6%

Physical rental
33.3%

Average home entertainment spending

Spending per TV household (EURO)
€207.7

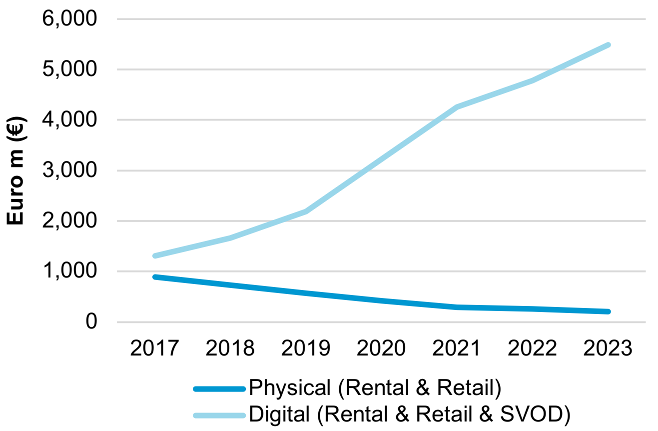
Spending per broadband household (EURO)
€232.7

Digital share of spend vs. broadband speed

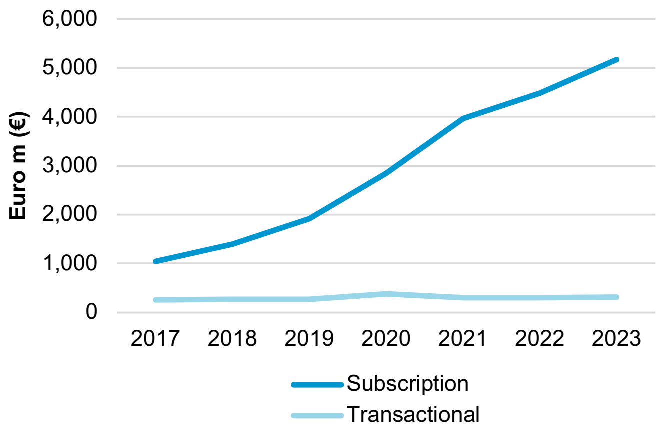
Share digital spend
96%

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