UK

UK key data 2020

Population (m)	67.9
TV households (m)	27.0
Consumer spending on physical video software (€m)	413.3
Comparison with 2019	-26.3%
Consumer spending on physical video software (€m) - Total Europe	1,931.1
Comparison with 2019	-17.9%
Consumer spending on digital video and TV VoD (€m)	3,441.6
Comparison with 2019	43.2%

Consumer spending on digital video and TV VoD (€m) - Total Europe	15,714.0
Comparison with 2019	41.3%
Consumer spending on total video (€m)	3,854.9
Comparison with 2019	30.0%
Consumer spending on total video (€m) - Total Europe	17,645.1
Comparison with 2019	31.0%
Exchange rate EUR/GBP	0.89

UK key commentary

2020 IVF United Kingdom

The UK home entertainment sector was impacted almost immediately by the global pandemic in early 2020. The closure of “non-essential” retail was followed by a government-mandated national lockdown in mid-March. Restrictions were eased briefly over summer 2020 but reinstated from October to the end of 2020. These lockdown periods resulted in an immediate and captive audience of consumers forced to seek out entertainment from home.

What followed was increased engagement with subscription services as well as growth across digital retail and rental transactions. Total home entertainment consumer spending grew in 2020 by nearly 32% to £3.4 billion - the largest year on year jump since 2013 and the highest value seen on record.

Transactional

The flow of New Release titles from theatrical to home entertainment slowed due to cinema closures and this drop in box office[1] performance, as well as limitations on “non-essential” bricks and mortar retail, resulted in a 26% decline in spend on physical retail software YoY.

The UK market saw strong engagement across Blu-ray, 4K UHD and TV content despite the challenging circumstances. Catalogue TV content was up almost 6% YoY, and catalogue Blu-ray was up 14% YoY, growing its share of spend to 30% for the year. 4K UHD saw the largest growth, up 20% YoY, boosted by collectors engaging with the vast array of classic (deep catalogue) content released on the format[2].

The huge increase in time households spent at home in 2020 drove one of the largest annual increases ever in the number of consumers who engaged with digital transactional content, up over 2m to 9.5m[3]. For the first time in the UK, TVOD saw a higher number of customers engage with rental than EST, with just 100,000 customers separating the two. As a result, the UK’s OTT share of the European digital rental market rose to 23% from 17% in 2019, whilst also maintaining its share of the European digital retail market at 39%.

In spite of these commercial shifts and consumer behavioural changes, physical video retail remains the leading format in the UK representing 40% share of transactional spend, with digital retail at 34%.

1 UNIC Research on the impact of the Coronavirus Outbreak on European Cinema: July 2021 Update
2 Based on 2020, from data available via The Official Charts Company

Subscription

The subscription ecosystem saw significant growth and evolution throughout 2020, with the launch of Disney+ coinciding with the first UK lockdown in March. Across the year over 60% of UK households subscribed to at least one SVOD service. 47% of subscription service users accessed them through Internet enabled or Smart TVs, boosted to 88% of subscribers watching SVOD content on their TV when including those who use additional connected devices. Users also took advantage of their smaller devices to access entertainment throughout lockdown, with 16% of subscribers viewing subscription content on their mobile phones[3].

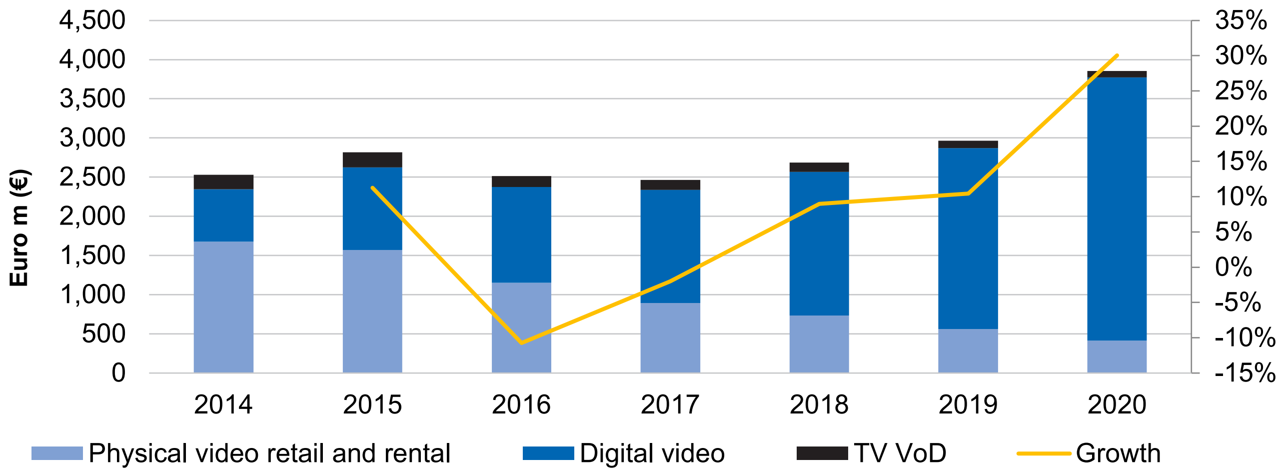
SVOD services accounted for 74% of total UK consumer video spend in 2020, with a 45% YoY growth. Kantar data indicates that the limited New Release slate and closure of cinemas lead to 90% of visual entertainment consumers accessing a subscription service in the past year.

The future

The latter half of 2021 will see a wave of New Release content flowing from cinema to home entertainment formats, as the UK's successful vaccination programme allows cinemas to re-open, and lockdown restrictions are eased entirely. The powerful slate is set to excite and inspire buyers to purchase on transactional formats, whether they opt for Premium VOD access, digital retail or rental platforms or physical disc. The strength of upcoming content will be key to the continued growth of the entire visual sector, reinvigorating the physical sector after a challenging period, and building on new digital behaviours.

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

Consumer spending by segment



3 Kantar 52 w/e 10 Jan 21 based on data purchased via British Association for Screen Entertainment (BASE).

Source: Omdia

Video market: UK

	2014	2015	2016	2017	2018	2019	2020	19/20 %
GENERAL								
Population (m)	65.4	65.9	66.3	66.7	67.1	67.5	67.9	0.5%
TV households (m)	26.4	26.7	26.7	26.7	26.8	26.9	27.0	0.5%
Population Total Europe (m)	627.7	629.4	631.1	632.9	634.5	635.9	636.9	0.2%
TV households Total Europe (m)	256.5	258.6	260.2	262.1	263.8	265.7	267.6	0.7%
Broadband households (m)	21.8	22.6	22.2	22.9	23.5	23.6	23.9	1.2%
Nominal GDP (EUR m)	2,311.6	2,645.6	2,434.8	2,363.4	2,420.7	2,529.2	2,372.2	-6.2%
Consumer price index (100 in 2010)	107.7	100.0	88.9	87.1	92.5	90.0	90.9	1.0%
Exchange rate EUR/GBP (GBP)	0.81	0.73	0.82	0.88	*0.88*	0.88	0.89	1.4%
DVD Video player/recorder penetration (%)	79.6	73.9	70.5	64.7	57.5	51.1	45.5	-11.0%
Blu-ray Disc player/recorders penetration (%)	22.7	23.4	23.7	23.4	22.7	21.8	20.8	-4.5%
DVD Video player/recorder Total Europe (%)	71.6	69.4	67.0	64.4	61.7	59.2	56.9	-3.9%
Blu-ray Disc player/recorders penetration Total Europe (%)	18.4	20.7	21.8	22.3	22.3	21.7	21.0	-3.3%
OTT Subscriptions (m)	6.8	8.8	11.9	15.1	19.3	24.4	37.6	54.2%

Total video software market

	2014	2015	2016	2017	2018	2019	2020	19/20 %
CONSUMER LEVEL ALL VIDEO								
Total market figures include consumption of both physical and digital video.								
Total spending on video (GBP m)	2,040.1	2,044.0	2,059.8	2,156.7	2,375.6	2,600.6	3,427.0	31.8%
Total spending on video (EUR m)	2,531.3	2,816.9	2,514.2	2,463.9	2,685.0	2,964.9	3,854.9	30.0%
Growth (%)		11.3%	-10.7%	-2.0%	9.0%	10.4%	30.0%	
Total spending on video Total Europe (EUR m)	8,519.2	9,170.6	9,285.6	9,907.9	11,421.4	13,471.6	17,645.1	31.0%
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)	87.6	63.0	48.5	40.0	31.1	22.8	17.0	-25.1%
Physical video rental (EUR m)	108.6	86.8	59.2	45.7	35.1	25.9	19.2	-26.1%
Physical video rental Total Europe (EUR m)	517.6	431.4	295.5	207.5	145.2	109.8	75.0	-31.7%
Physical video retail (GBP m)	1,264.0	1,075.3	893.5	742.6	616.8	469.0	350.4	-25.3%
Physical video retail (EUR m)	1,568.4	1,482.0	1,090.7	848.4	697.1	534.7	394.1	-26.3%
Physical video retail Total Europe (EUR m)	5,178.1	4,737.7	3,934.4	3,287.6	2,734.8	2,241.8	1,856.1	-17.2%
Physical video software (GBP m)	1,351.5	1,138.3	942.0	782.6	647.9	491.7	367.4	-25.3%
Physical video software (EUR m)	1,677.0	1,568.8	1,149.8	894.1	732.3	560.6	413.3	-26.3%
Physical video software Total Europe (EUR m)	5,695.7	5,169.1	4,229.9	3,495.1	2,880.0	2,351.5	1,931.1	-17.9%
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)	142.7	169.2	208.1	249.3	269.9	266.0	303.8	14.2%
Retail digital video (EUR m)	177.1	233.2	254.0	284.8	305.0	303.3	341.7	12.7%
Rental digital video (GBP m)	43.1	49.3	54.0	61.6	68.3	71.3	140.8	97.4%
Rental digital video (EUR m)	53.4	68.0	65.9	70.4	77.2	81.3	158.4	94.8%
Subscription digital video (GBP m)	353.2	546.6	739.5	951.2	1,283.8	1,687.8	2,540.1	50.5%
Subscription digital video (EUR m)	438.3	753.3	902.7	1,086.7	1,451.0	1,924.3	2,857.3	48.5%
Total digital video (GBP m)	539.0	765.2	1,001.6	1,262.1	1,622.0	2,025.2	2,984.7	47.4%
Total digital video (EUR m)	668.7	1,054.6	1,222.6	1,441.9	1,833.2	2,308.9	3,357.4	45.4%
Total digital video Total Europe (EUR m)	2,005.7	3,093.6	4,105.6	5,376.5	7,427.7	9,941.6	14,501.4	45.9%
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)	149.6	140.5	116.1	111.9	105.8	83.6	74.9	-10.5%
Pay TV TVOD (EUR m)	185.6	193.6	141.8	127.9	119.5	95.4	84.2	-11.7%
Pay TV TVOD Total Europe (EUR m)	817.8	907.9	950.0	1,036.3	1,113.7	1,178.5	1,212.6	2.9%

*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. **3)** The current online figures are a snapshot of the market in March 2020. 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	Tesco
Asda	Zavvi
Ebay.com	Zoom.co.uk
HMV	
Morrisons	
Sainsburys	

Digital	
Amazon Instant Video	Rakuten TV
BT Store	Sky Store
Chili	TalkTalk TV
Google Play Store	Virgin Media Store
iTunes	Xbox Live
PlayStation Store	Wevu

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

Share of European market 2020

Physical retail
21.2%

Physical rental
25.6%

OTT
23.2%

Pay TV TVOD
6.9%

Average home entertainment spending

Spending per TV household (EURO)
€142.6

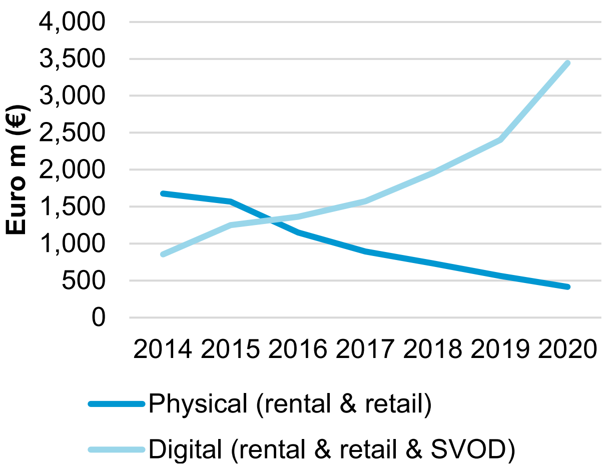
Spending per broadband household (EURO)
€161.4

Digital share of spend vs. broadband speed

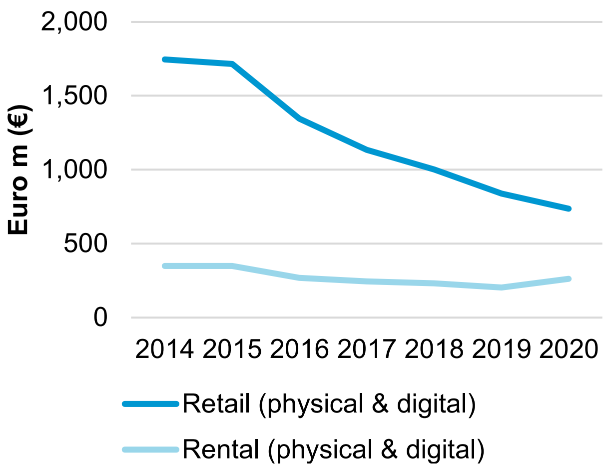
Share digital spend
87%

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

Comparison physical vs digital



Comparison retail vs rental



Note: Digital (rental & retail) includes SVOD data; Rental (physical & digital) excludes SVOD data

Source: Omdia