France

France key data 2017

Population (m)	65.0	Comparison with 2016 (%)	-12.3
TV households (m)	28.6	Consumer spending on digital video and TV VoD (EUR m)	622.1
Consumer spending on physical video software (EUR m)	540.3	Comparison with 2016 (%)	24.9

- France has a strong tradition for going to the cinema. The French theatrical market remains solid and stable. In 2017, 45% of the French population (23,1 million) went to the cinema at least once.
- On the home video side, the French DVD/Blu-Ray market continues to decline, being sought by only 18% of the population.
- In addition, the French transactional market (physical and digital) dropped by 6% to EUR 777 million as French consumers took up more subscription-based services.

DVD & Blu-Ray market

- Almost one quarter of the French population still buys DVD/Blu Ray discs. In 2017, over 14 000 titles were available on DVD or Blu Ray. The sale of Blu-ray discs represented 35% of the physical home entertainment market.
- The physical market dropped by 10% at EUR 536 million, losing EUR 59 million compared to 2016.
- This decrease is due to several factors: the high level of internet piracy in the French market, the high level of free TV services and catch up TV offer as well as the shift in consumer preferences towards subscription-based services over the past 2 years.
- Feature films represented 71.7% of the French DVD and BD market (vs 68.4 % in 2016). The non-film market declined by 19.6%.
- French feature films represent almost 21% of the physical video market at EUR 80 million and remains stable . This is explained by the success of French comedies such as “Raid Dingue”, “Radin”, “Alibi.com”, “Demain tout commence”, as well as strong performance in the animation and sci-fi title: “Ballerina and Valerian” in 2017.

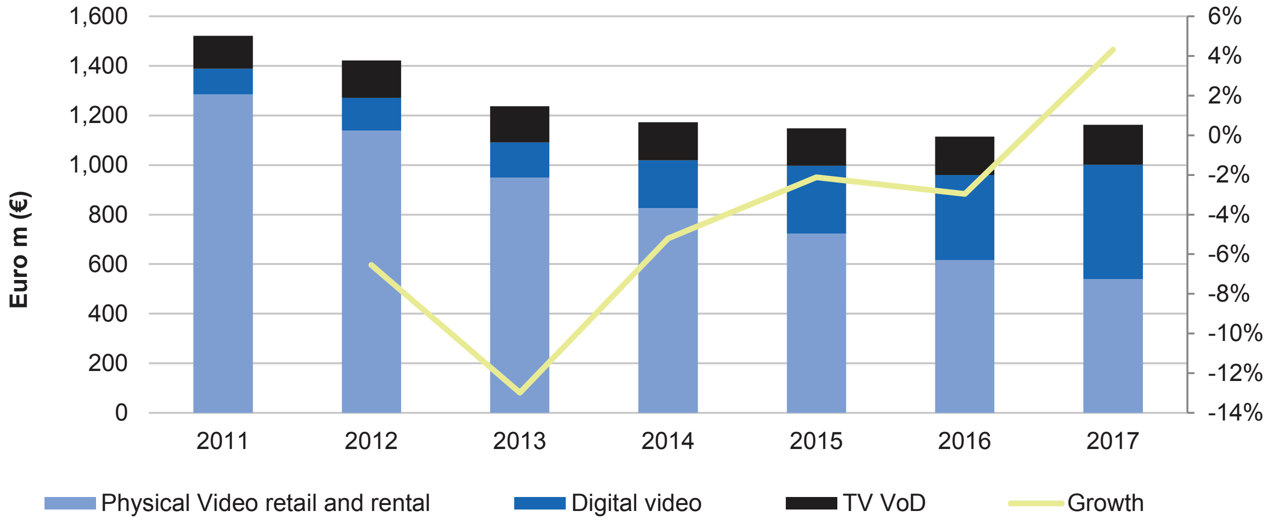
Online distribution – Digital landscape

- In 2017, the transactional online market grew by 2% from EUR 235 million to EUR 241 million. Subscription-based services grew rapidly to EUR 246 million in 2017 compared with EUR 140 million in 2016.
- The rapidly growing subscription-based market, reaching an uptake rate of 16% of the population, is changing French consumers’ habits, while the TVOD market appears to be stable at an uptake rate of 14% of the French population. The EST market is still modest (reaching 2% of the population), due to the lack of new game changers in the EST landscape.
- The French transactional online market was historically driven by TVOD, through strong local players such as Orange, Canal Plus, TF1, and SFR.
- Some major online players have opened EST stores on top of their historical TVOD activities: TF1 and Canal Plus are both active in that market segment.

- Various major online players are also focusing on developing subscription-based offers in order to compete with the market performance by Netflix in France.
- However, the French market still misses some key online players compared to neighboring markets: for example Amazon is only expected to be introduced on the French market in the second part of 2018.
- In 2017, the French home entertainment industry, in cooperation with digital/online platforms and services successfully initiated the first “Fête de la VOD” in France, in order to create more consumer awareness about online distribution services and to encourage and keep consumers engaged in the transactional digital market. Thanks to its success in 2017, the “Fête de la VOD” will be repeated in 2018.

This commentary was provided by SEVN, the French Video Association.

Consumer spending by segment



 Source: IHS Markit

Video market: France

	2011	2012	2013	2014	2015	2016	2017	16/17 %
GENERAL								
Population (m)	63.3	63.6	63.9	64.2	64.5	64.7	65.0	0.4
TV households (m)	27.3	27.5	27.7	27.9	28.1	28.4	28.6	0.8
Population Total Europe (m)	622.4	623.8	624.9	626.1	627.7	629.4	630.9	0
TV households Total Europe (m)	250.8	253.2	255.0	257.3	259.3	261.3	263.2	1
Broadband households (m)	15.9	17.0	17.9	18.9	19.9	20.8	21.0	1.2
Nominal GDP (EUR m)	2,058.5	2,087.1	2,115.9	2,149.2	2,194.0	2,227.2	2,289.5	2.8
Consumer price index (100 in 2010)	107.2	101.0	105.3	105.7	88.4	88.3	90.9	2.9
DVD Video player/recorder (%)	74.3	73.6	72.9	71.4	70.3	69.3	68.2	-1.5
Blu-ray Disc player/recorders penetration (%)	8.4	15.6	17.8	19.6	21.3	22.0	22.4	1.8
DVD Video player/recorder Total Europe (%)	76.7	76.1	73.9	71.8	69.2	67.1	64.5	-3.9
Blu-ray Disc player/recorders penetration Total Europe (%)	*6.8*	*11.2*	*15.4*	*18.4*	*20.7*	*21.7*	*22.3*	*2.5%*

Total video software market

	2011	2012	2013	2014	2015	2016	2017	16/17 %
CONSUMER LEVEL ALL VIDEO								
Total market figures include consumption of both physical and digital video								
Total spending on video (EUR m)	1,521.5	1,422.0	1,237.4	1,173.0	1,148.1	1,114.2	1,162.4	4.3
Growth (%)		-6.5	-13.0	-5.2	-2.1	-3.0	4.3	
Total spending on video Total Europe (EUR m)	9,124.9	8,847.3	8,466.8	8,587.3	9,356.6	9,718.8	10,448.2	7.5
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 (EUR m)	33.1	23.0	20.7	19.1	15.1	11.4	8.3	-27.3
Physical video rental Total Europe (EUR m)	984.8	865.3	683.8	526.9	430.8	293.7	213.4	-27.3
Physical video retail (EUR m)	1,251.7	1,116.3	929.1	807.0	707.6	604.8	532.0	-12.0
Physical video retail Total Europe (EUR m)	7,193.4	6,606.9	5,808.7	5,181.8	4,753.6	3,991.3	3,317.4	-16.9
Physical video software (EUR m)	1,284.8	1,139.3	949.9	826.1	722.7	616.1	540.3	-12.3
Physical video software Total Europe (EUR m)	8,178.2	7,472.2	6,492.5	5,708.7	5,184.4	4,285.0	3,530.9	-17.6
CONSUMER LEVEL DIGITAL VIDEO (OTT) – TOTAL SPENDING								
The purchase or rental of films and TV series delivered over the open internet through transactional models (also known as EST, DTO, Internet VOD) or on a subscription basis. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.								
Retail digital video (EUR m)	40.4	48.6	50.8	59.1	63.5	67.7	75.2	11.2
Rental digital video (EUR m)	36.5	54.1	57.4	60.7	62.2	60.0	67.3	12.1
Subscription digital video (EUR m)	26.4	29.4	33.8	73.5	148.8	215.4	318.5	47.8
Total digital video (EUR m)	103.4	132.1	142.0	193.3	274.5	343.1	460.9	34.4
Total digital video Total Europe (EUR m)	393.6	703.5	1,232.2	2,012.1	3,152.8	4,322.7	5,708.3	32.1
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. These, paid for at the point of consumption, transactions occur only on set-top-boxes or through online services provided as part of a wider pay TV package to which consumers must subscribe prior to purchase. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.								
Pay TV TVOD (EUR m)	133.3	150.6	145.5	153.6	150.9	155.0	161.2	4.0
Pay TV TVOD Total Europe (EUR m)	553.1	671.6	742.1	866.5	1,019.4	1,111.2	1,209.1	8.8

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 IHS Markit methodology.* ***3)*** *The current online figures are a snapshot of the market in June 2017. 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.*

Source: IHS Markit

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

Physical
- Auchan
- Carrefour
- Cultura
- DS
- Fnac
- Leclerc

Digital
- Canal VOD
- Google
- iTunes
- Orange
- SFR
- TF1 VOD

Share of European market 2017

Physical retail
3.9%

Physical rental
16%

OTT
8.1%

Pay TV TVOD
13.3%

Average home entertainment spending

Spending per TV household (EURO m)
€40.6

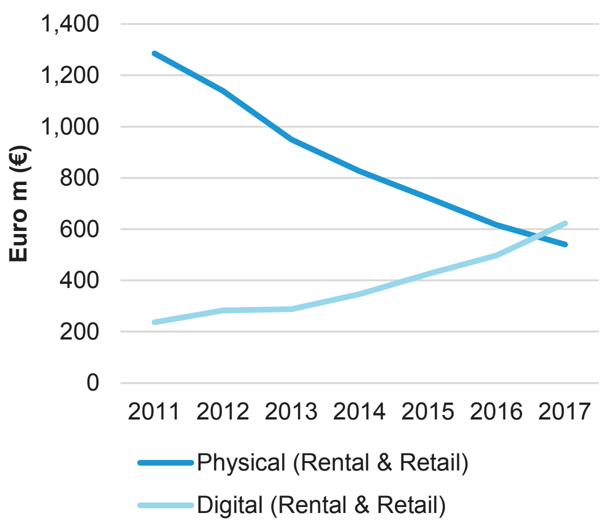
Spending per broadband household (EURO m)
€55.3

Digital share of spend vs. broadband speed

Share digital spend
40%

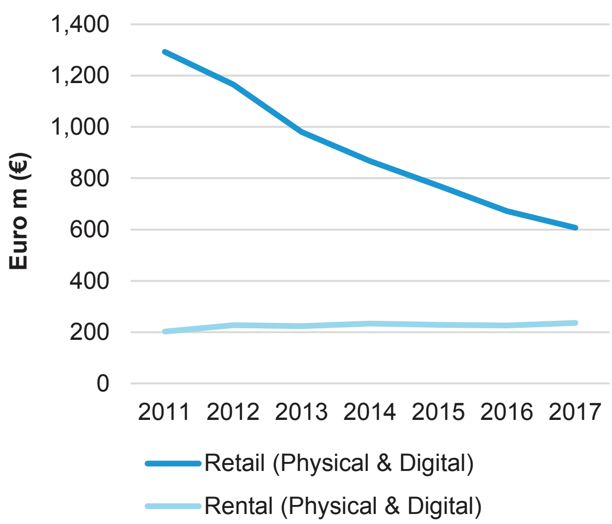
Broadband download speed rank
(ranked across the 9 IVF countries)
#9

Comparison Physical vs Digital



Digital (Rental & Retail) includes SVOD data

Comparison Retail vs Rental



Rental (Physical & Digital) excludes SVOD data

Source: IHS Markit