Overview of VoD services in the EU
&
Future developments

Europa International
Athens, 23rd November 2013

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OBSERVATOIRE EUROPÉEN DE L'AUDIOVISUEL
EUROPEAN AUDIOVISUAL OBSERVATORY
EUROPÄISCHE AUDIOVISUELLE INFORMATIONSSTELLE

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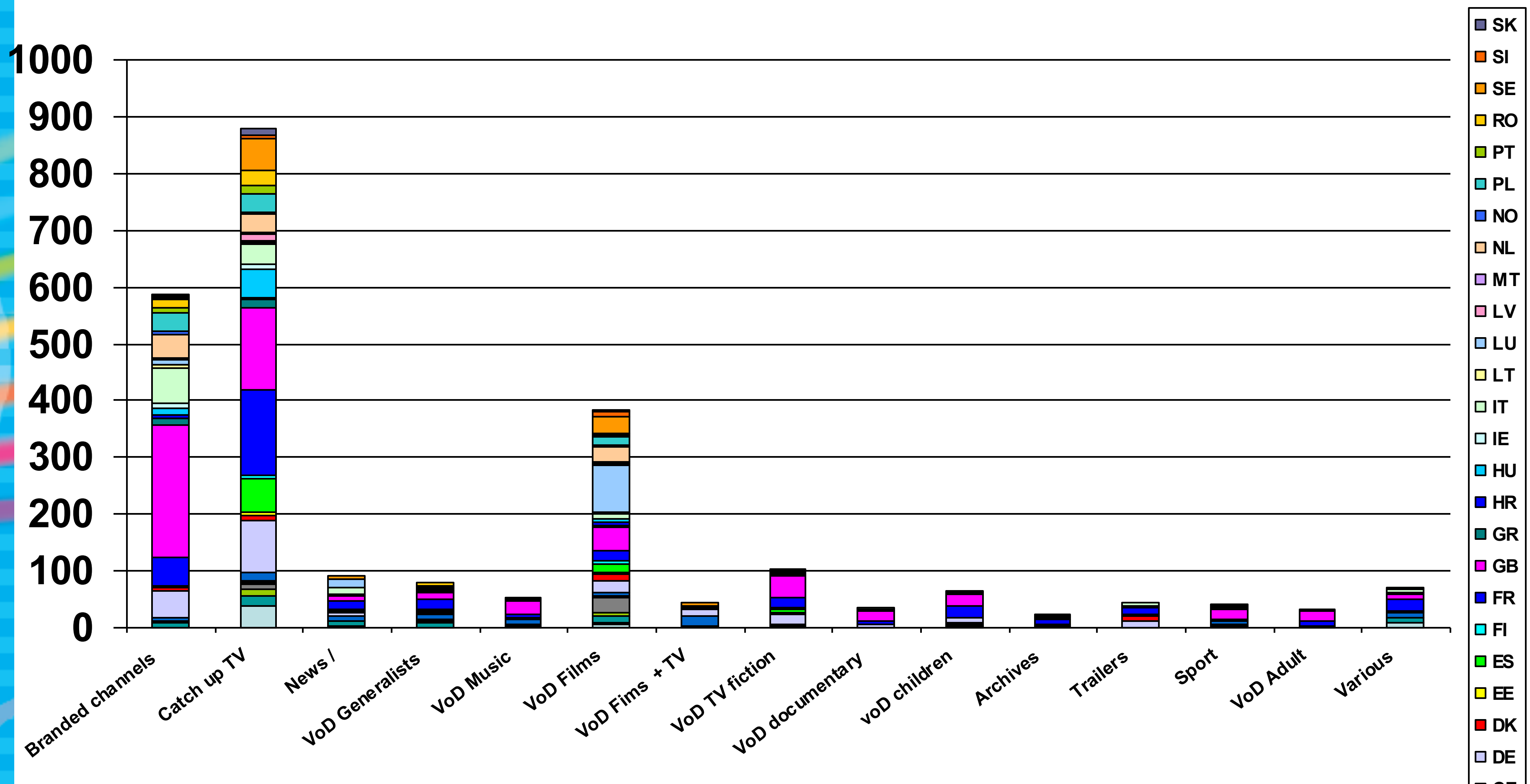
The European On-Demand landscape

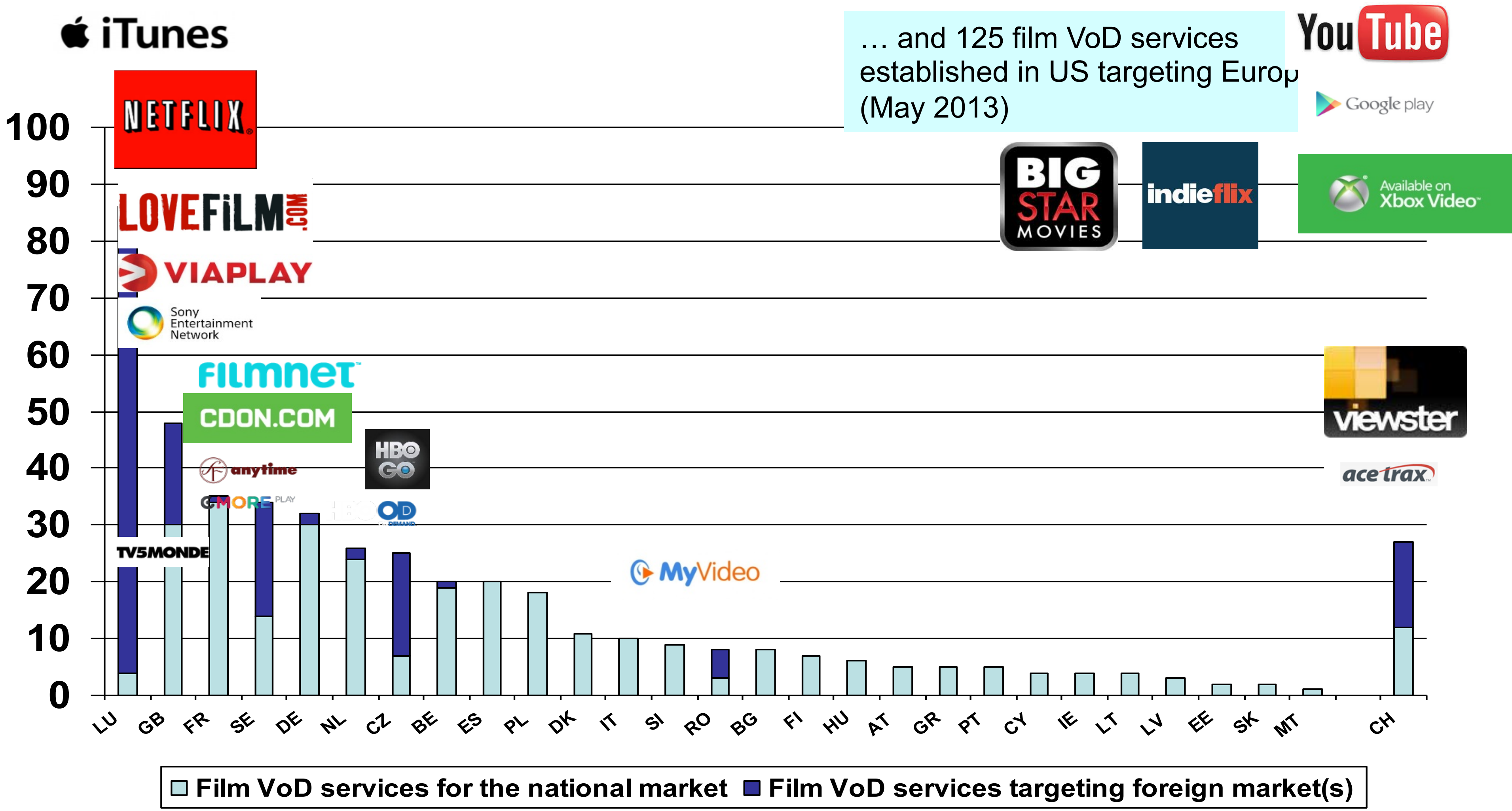
2459 ON-DEMAND AUDIOVISUAL SERVICES ESTABLISHED IN THE EU (April 2013)

Source : European Audiovisual Observatory / MAVISE database



NUMBER OF FILM VOD SERVICES BY COUNTRY OF ESTABLISHMENT (April 2013)

Source: European Audiovisual Obseravtory – MAVISE database



48% OF VoD SERVICES IN THE EU ARE UNDER US CONTROL (APRIL 2013)

iTunes

Disney Channel On Demand

Available on Xbox Video

Video Unlimited

ace trax

NETFLIX

LOVEFiLM.COM

VOYO

HBO Central Europe

MUBI

Google play

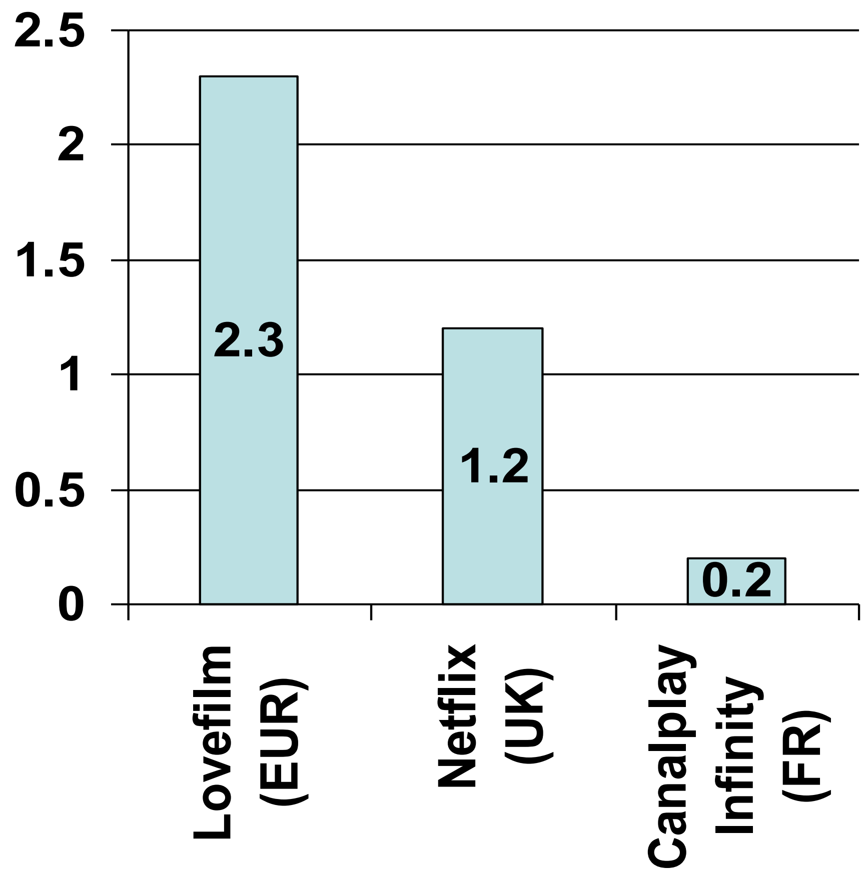
CRACKLE VIDEO MATTERS

EMERGENCE OF APPS FOR VoD FILMS SERVICES OR CATCH UP OF FILM TV SERVICES ON CONNECTED TV STORES AND/OR ON TABLET/SMART PHONE STORES

→**Future of TV and cinema** as an **App**
on multiple distribution platforms?

THE EMERGENCE OF FILM AND TV SERIES SVOD

NUMBER OF SVoD SUBSCRIBERS (end 2012/ early 2013)



THE INVESTMENT OF US LEADING VoD SERVICES INTO PRODUCTION : MORE SERIES THAN FEATURE FILMS, an ongoing trend

- **Netflix** ($2 billion a year for licensing and creation of content, $5.7 billion long-term contents commitments (licensing and creation)) + maybe Original Movies …
  - Exclusive deals with Disney/Marvel, DreamWorks Animation for content
  - House of Cards $100 million (>$4.5 million per episode)
  - Hemlock Grove ($4 million per episode)
  - Orange is the new Black (just under $4 million per episode)
  - And semi originals: Arrested Development, The Killing

  And Netflix US: 20% of European content (films and movies) in catalogue (Netflix, Hearing European Commission on Article 13)

- **Amazon – LoveFilm** (Alpha House, Betas released in 2013) – 14 new pilots made available for streaming in April 2013

- **Hulu** (2012 - $500 million for creation of original content and acquisitions of content)

- **YouTube**
  - Original channels - $100 million for roughly 160 channels/content partners
  - + $200 million planned

- **Intel** (planned VoD services, including investment in content - Amount not disclosed, rumoured $2 billion)

- **Crackle (Sony)** : 8 original series in 2013 originals including season 2 of Jerry Seinfeld's "Comedians in Cars Getting Coffee"

- **Microsoft** TV under the Xbox brand – Xbox Entertainment Studios
  - Microsoft hired a number of Hollywood veterans, to run its Xbox Entertainment Studios. "Millions and millions of dollars to spend on original content". Set up a production studio in Santa Monica where 125-150 employees are developing original content to compete with cable and other streaming services.

Future developments….

- Can SVoD services **compete in the long term** with pay-TV providers through **original programming and exclusive licensing?** (HBO 28.7 millions subs/Netflix 30 million subs in the US)
- **Cord cutting** or **co-existence** with pay-TV/cable? (Netflix carried on Virigin Media in the UK and Com Hem in Sweden / 90% of US households pay for TV but an estimated 4.7 million will cut the cord in 2013)
- **Reduction of release windows** for movies on VoD services? (move windows up after theatrical release for movies produced under $30 million, day-to-date?)
- **Importance of digital distribution platforms** for smaller VoD services and European films as distribution moves more and more towards apps?
- **Importance of non-EU VoD services for EU films**? An opportunity? (10 main non-european markets represented 19% of world-wide admissions for EU films in 2010, EAO Theatrical export of European films in 2010)
- Towards an **oligopoly** of VoD services **without regulation**? (Netflix/Amazon/Hulu in SVoD, iTunes/Xbox/Sony in TVoD, YouTube in AVoD? Monopolistic competition?)

Thank you !

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