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**FILM ON  
DIGITAL VIDEO**

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# FACTS IN FOCUS

In 2019, revenues for film on digital video outstripped those of physical video for the third consecutive year. On-demand services represented approximately 27% of the overall value of the UK filmed entertainment market, compared with only 5% in 2010.

- In 2019, the overall digital video market for film in the UK was estimated to be worth £968 million, an increase of 20% compared with 2018.
- Revenues from subscription video on demand (SVoD) services were estimated to have been £692 million, an increase of 34% compared with 2018.
- Revenues from rental and retail (TVoD) services were estimated to have been £276 million, a decrease of 3% compared with 2018.
- Netflix was the most popular provider of on-demand streamed content in the UK in 2019 with 34% of UK adults using the service.
- By the end of 2019, over 14 million UK households had access to one or more SVoD service, a 16% increase compared with 2018.
- The Netflix original production *Bird Box* was the most watched film on a subscription streaming service in 2019.
- In 2019, over half (52%) of the films available on the leading subscription streaming services (Netflix, Amazon Prime Video and NOW TV) were American titles, and 63% of available films had been released between 2010 and 2019.

# FILM ON DIGITAL VIDEO

## FILM ON DIGITAL VIDEO

Digital video or Video on Demand (VoD) is used in this chapter as the generic description of both over the top (OTT) streamed or downloaded content delivered via the internet and on-demand content offered by traditional cable or satellite pay TV services such as Sky.

OTT service providers in the UK employ three basic types of business model:

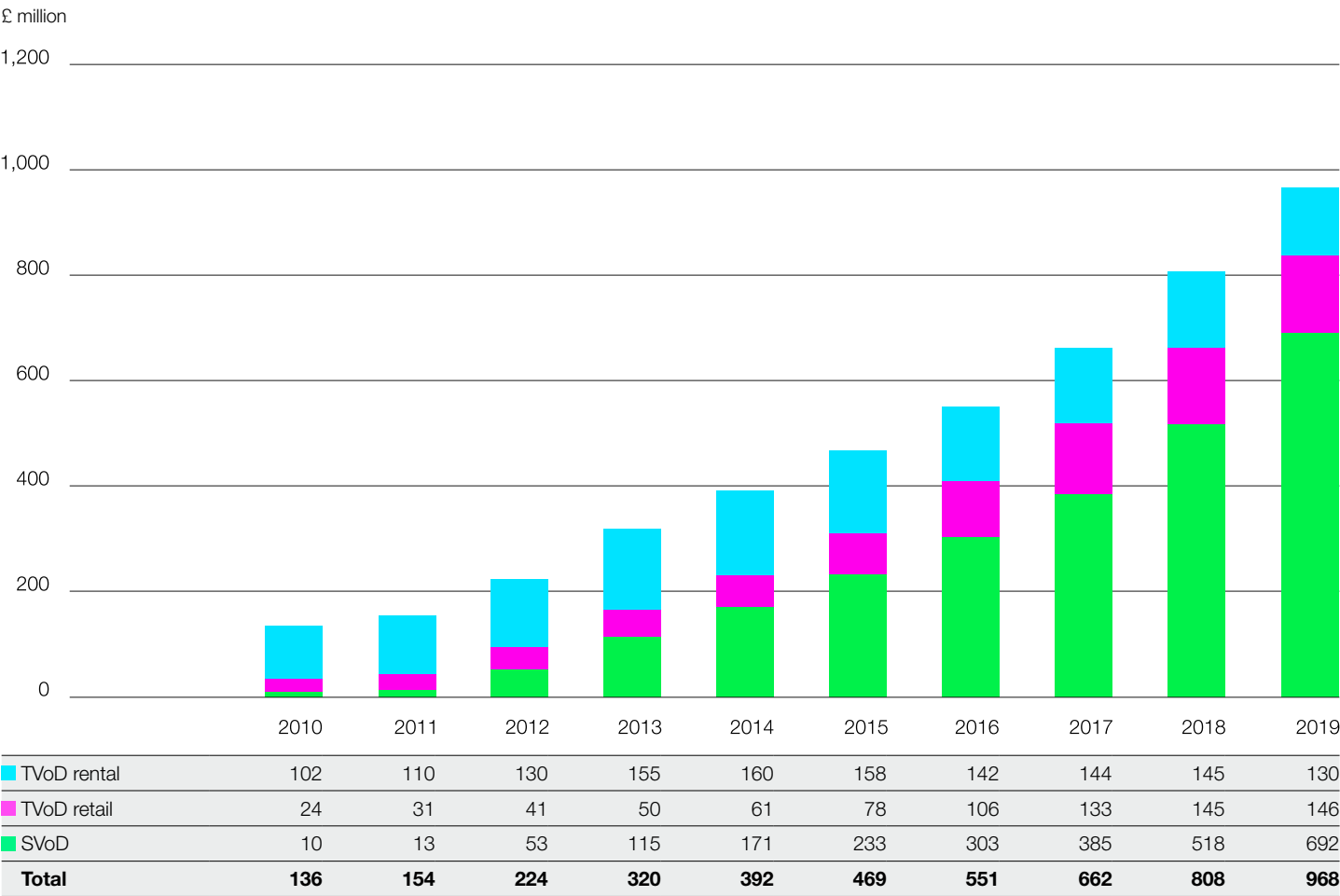
- Transactional (TVoD) which comprises:
  - rental digital video, a one-off rental for a limited time, including both streaming and Download to Rent (DTR); and
  - retail digital video, also known as Electronic Sell Through (EST) or Download to Own (DTO) – most providers of transactional on-demand services, such as iTunes or Google Play, offer both rental and retail film content, however some services, such as Curzon Home Cinema, deal exclusively with rental content
- Subscription (SVoD) which delivers unlimited access to content for a regular fixed sum – providers include Netflix, Amazon Prime Video and NOW TV
- Free/advert-supported – providers include YouTube (excluding YouTube Premium), Facebook Watch, and catch-up services from the major broadcasters (also known as BVoD) such as BBC iPlayer, ITV Hub (excluding ITV Hub+) and All 4 (excluding All 4+).

# FILM IN THE DIGITAL VIDEO MARKET

According to Omdia, the estimated value of the on-demand market for film in the UK in 2019 was £968 million, an increase of 20% compared with 2018, and more than seven times its value in 2010 (Figure 1).

Much of the recent growth in the market is attributable to a rise in the use of subscription streaming services. Revenues from SVoD platforms are estimated to have been £692 million in 2019, an increase of 34% compared with 2018 (£518 million). The value of overall transactional digital revenues, however, decreased for the first time in 2019, falling from £290 million in 2018 to £276 million. This decrease was due solely to a drop in the value of digital video rentals which fell from £145 million in 2018 to £130 million.

Figure 1 Estimated value of the digital video film market in the UK, 2010-2019



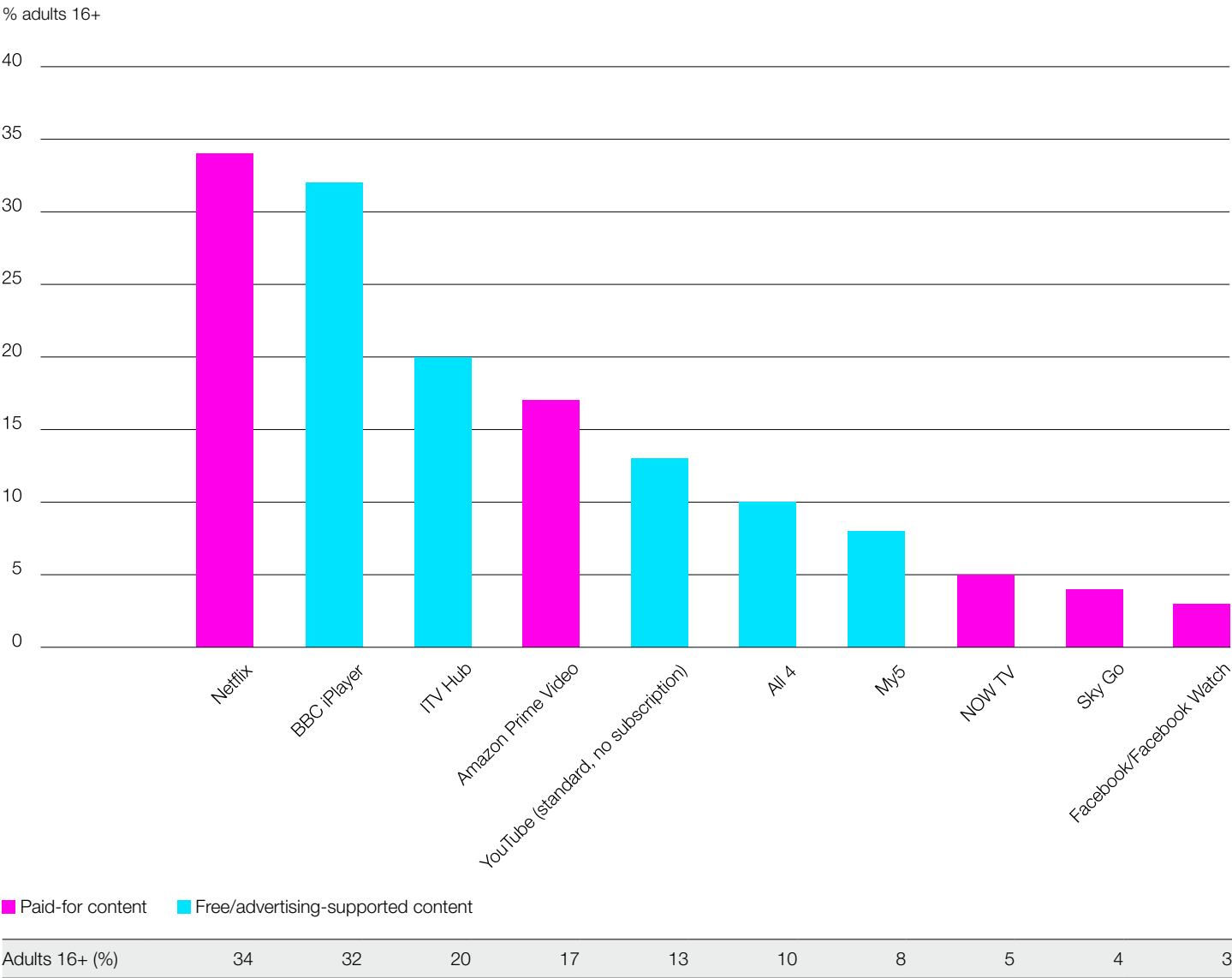
Source: Omdia  
Notes:  
Estimates include both television-based and online digital video revenues.  
Figures updated since publication of the 2019 Statistical Yearbook.

# POPULARITY OF ON-DEMAND STREAMING SERVICES

UK viewers are among the highest consumers of on-demand content in the world, thanks to the popularity of both international SVoD platforms and catch-up services from domestic broadcasters. Data from Ampere Analysis shows that as of Q1 2020, 84% of all households in the UK watch VoD at least once a month, compared with 70% in Germany and 67% in France.

Figure 2 shows the top 10 most popular on-demand streaming services (for both film and television programmes) in 2019 amongst UK adults (16+). The top 10 is split evenly between free/advert supported and paid-for services, and features all of the UK-wide broadcaster catch-up services. In 2019, Netflix (used by 34% of adults) became the UK's most popular on-demand streaming service, overtaking BBC iPlayer (32%) for the first time. (BBC iPlayer had been the UK's most popular service every year since its launch in 2007.)

Figure 2 Top 10 most popular on-demand streaming services in the UK, 2019



Source: Ofcom Technology Tracker 2019  
Q: Do you use any of these services to view online TV programmes or films via any type of device (including a mobile phone, tablet or TV set)? n=3,909

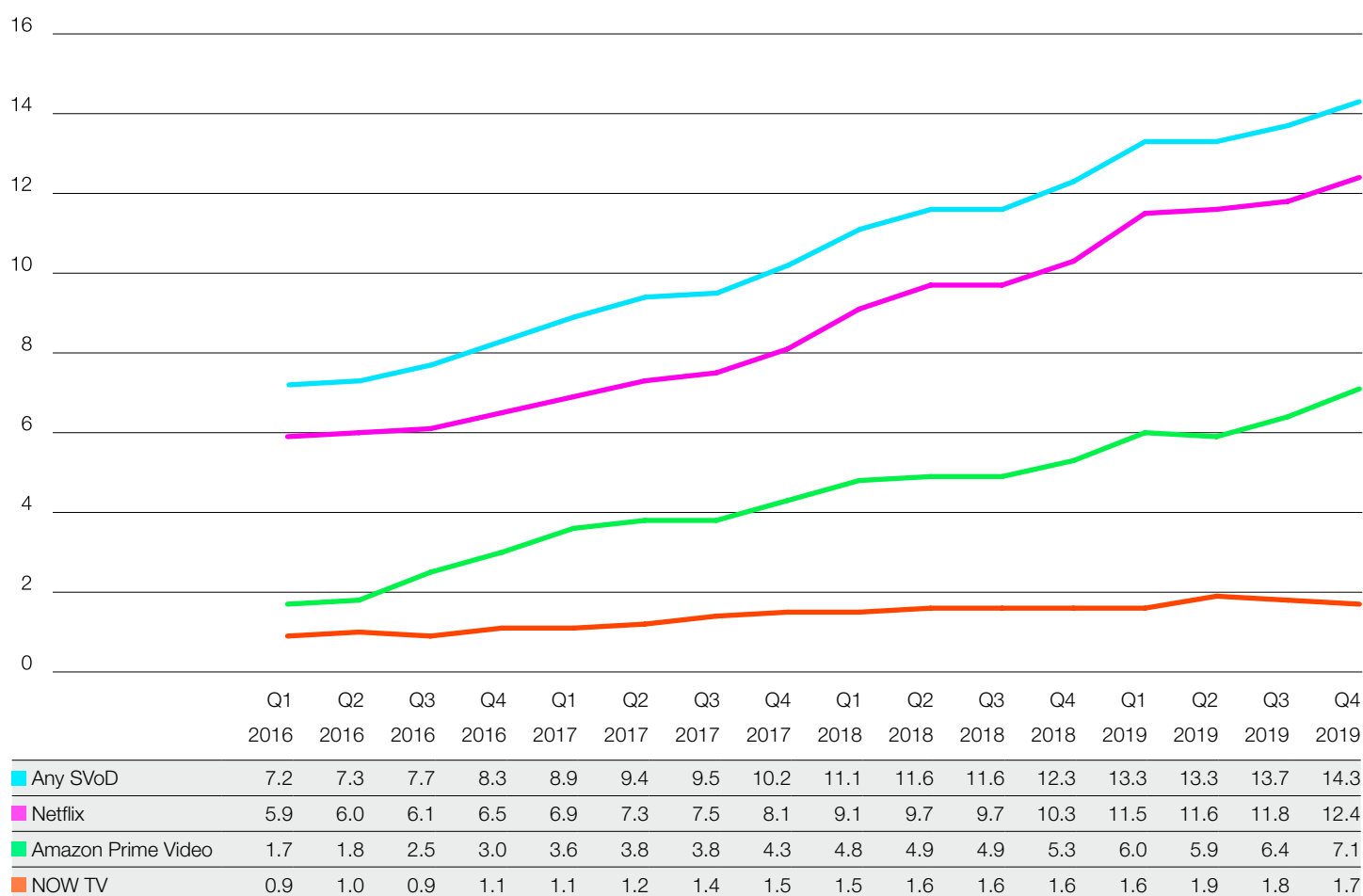
## THE AUDIENCE FOR SVoD

One of the key drivers of growth in the digital video market in the UK in recent years has been the rapid take-up of OTT SVoD services. As Figure 3 shows, the number of households with access to these services increased from 7.2 million in Q1 2016 to 14.3 million in Q4 2019 (50.5% of total households), due largely to rising subscriber numbers for the three most popular providers: Netflix, Amazon Prime Video and NOW TV (owned and operated by Sky). In Q4 2019, Netflix was available in 12.4 million UK homes, Amazon Prime Video in 7.1 million homes, and NOW TV in 1.7 million homes.

As the overall number of subscriptions to UK SVoD services has increased, so too has the number of households opting to sign up to more than one platform. According to BARB Establishment Survey data, by Q4 2019, 6.0 million households had access to two or more SVoD services, a rise of 40% compared with 4.3 million in Q4 2018. (For more on SVoD audiences, see the Audiences chapter.)

**Figure 3 UK SVoD households, Q1 2016 – Q4 2019**

Millions of households



Source: BARB Establishment Survey

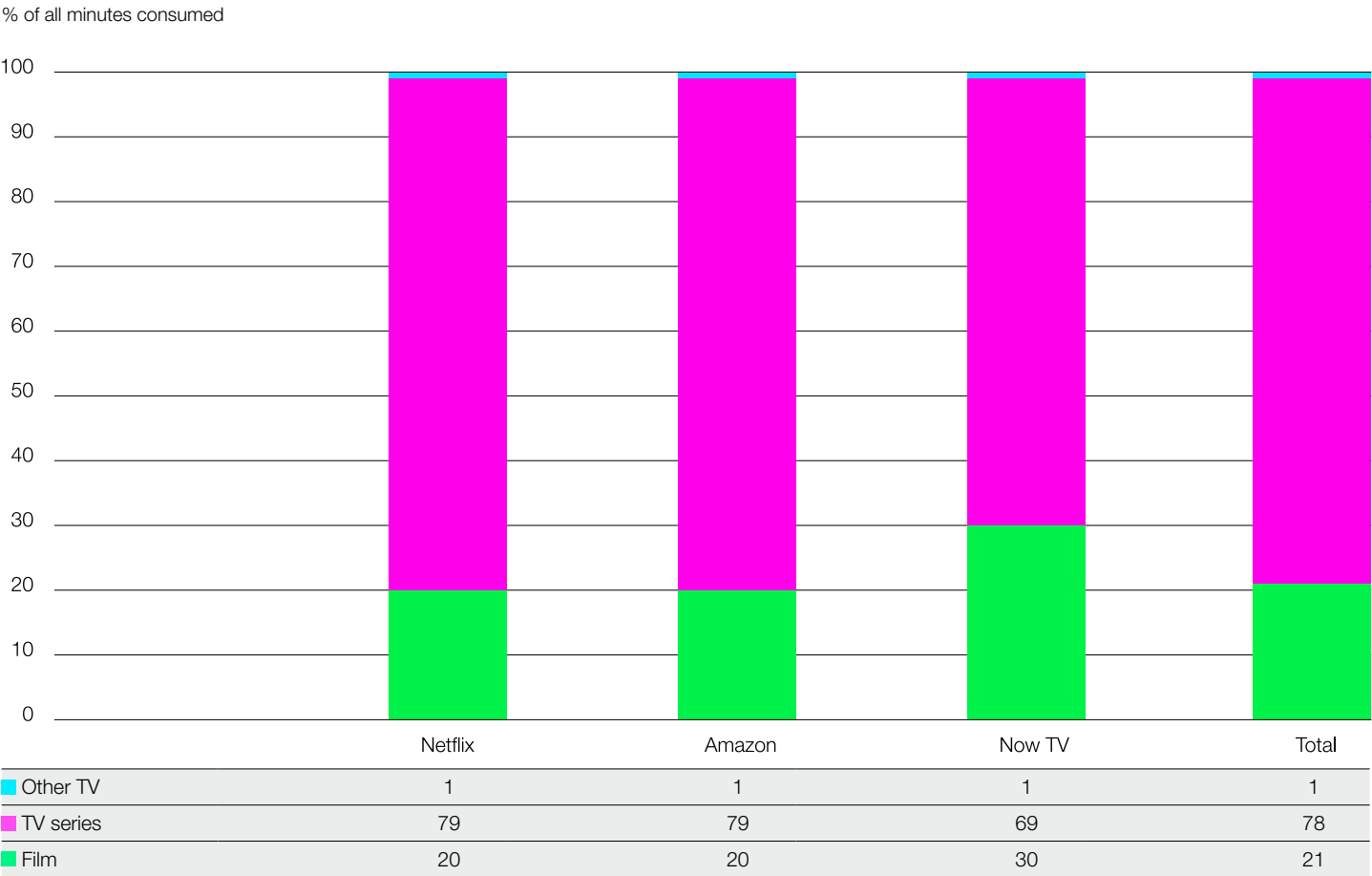


# THE AUDIENCE FOR FILM ON SVoD

A key difference in the content of SVoD and BVoD platforms in the UK is the limited availability of feature film on the broadcaster services. According to our analysis of Ampere’s data, in 2019 feature films represented 61% of available titles on the three leading SVoD platforms (Netflix, Amazon Prime Video and NOW TV) and 28% of available content hours.

Figure 4 shows the share of total viewing time devoted to film vs television programmes on the three leading streaming services by subscribers (adults 18+) to these platforms in 2019. On average, subscribers spent 21% of their viewing time on these services watching films. Amongst the top three providers, NOW TV subscribers spent the largest share of viewing time watching films (30%) whilst both Netflix and Amazon Prime Video subscribers spent 20%.

Figure 4 Share of viewing by content on leading UK SVoD platforms, 2019



Source: GfK, UK SVoD Tracker, 2019, All adults 18+ who use SVoD platforms at least once every two weeks  
Note: 'Total' refers to the overall share of viewing on Netflix, Amazon Prime Video and NOW TV.



## TOP FILMS ON SVoD 2019

Table 1 lists the top 10 most popular films viewed on the UK's three largest subscription streaming platforms in 2019. It should be noted that, unlike other top 10 or 20 lists in the Yearbook, entries in the table are derived from a sample so should be viewed as indicative rather than definitive.

All of the top 10 most popular films on subscription streaming services in 2019 were viewed either primarily or exclusively on Netflix, but several of these titles were viewed on more than one service. The list is headed by *Bird Box*, a Netflix original production, which premiered on the platform in late 2018. Half of the titles in the list are categorised as Netflix originals. (The Netflix classification of originals includes titles commissioned directly by the platform, or those purchased from the Hollywood majors and other producers for exclusive distribution in some or all worldwide territories.) Four of these titles - *Bird Box*, *Murder Mystery*, *The Christmas Chronicles* and *El Camino: A Breaking Bad Movie* - were only available to Netflix audiences, while one title - *The Irishman* - also received a limited theatrical release.

*The Christmas Chronicles* also featured in the 2018 top 10 list, while *Avengers: Age of Ultron* appeared in both the 2017 and 2018 top 10 lists. There are two UK films in the 2019 top 10 list compared with four in 2018.

**Table 1 Top 10 films viewed on leading UK SVoD platforms, 2019 (ranked by share of total film minutes consumed)**

Rank	Title	Country of origin	Main provider	Year of release in the UK	% of total film minutes consumed
1	Bird Box	USA	Netflix	2018*	2.29
2	The Irishman	USA	Netflix	2019*	1.36
3	Murder Mystery	USA	Netflix	2019*	0.78
4	The Hunger Games: Catching Fire	USA	Netflix	2013	0.66
5	John Wick: Chapter Two	USA	Netflix†#	2017	0.66
6	The Christmas Chronicles	USA	Netflix	2018*	0.62
7	Charlie and the Chocolate Factory	UK/USA	Netflix†	2005	0.58
8	Avengers: Age of Ultron	UK/USA	Netflix	2015	0.55
9	El Camino: A Breaking Bad Movie	USA	Netflix	2019*	0.53
10	Spider-Man: Homecoming	USA	Netflix#	2017	0.49

Source: RSU, GfK, UK SVoD Tracker, Calendar 2019, claimed viewership on Amazon Prime Video, Netflix or NOW TV

Notes:

Percentage of total film minutes is shown to two decimal places to differentiate between titles.

\* Film was released directly on the Netflix platform without a prior cinema release, or with a limited cinematic release.

† Film also available on Amazon Prime Video.

# Film also available on NOW TV.



Image: *The Irishman* © Netflix

## COUNTRY OF ORIGIN OF FILMS ON LEADING SVOD PLATFORMS

Table 2 shows a breakdown of feature film catalogues by country of origin for the three leading SVoD platforms in the UK in 2019. (It should be noted that titles in these catalogues have been assigned a primary nationality by Ampere Analysis, so a film which has been certified as British but was produced by a major Hollywood studio, would be considered a USA title.) In total, the film catalogues for these services featured titles from 108 different countries.

The USA was the leading country of origin for titles on each of the three platforms and represented 52% of all titles available from these providers. However, the concentration of American titles differed considerably between platforms, making up 43.5% of available Netflix films and 79% of films available on NOW TV. The UK was the second most prevalent country of origin for titles on both Amazon Prime Video (6%) and Now TV (7%) but was third for titles on Netflix (6.5%) for which India was the second most prevalent country of origin, with 19% of available titles. The USA, India and the UK were the only three production countries to exceed a 5% share of any of the three catalogues.

**Table 2 Share of leading UK SVoD film catalogue content by primary country of origin, 2019 (ranked by total percentage)**

Primary country of origin	Netflix	Amazon Prime Video	Now TV	Total
USA	43.5%	52.3%	79.4%	52.4%
India	18.8%	5.8%	-	8.4%
UK	6.5%	7.2%	7.6%	7.0%
Canada	2.5%	4.0%	2.0%	3.4%
Australia	1.0%	1.7%	1.2%	1.5%
Italy	0.5%	1.8%	0.5%	1.4%
China	3.4%	0.8%	0.4%	1.4%
France	2.2%	1.1%	1.1%	1.4%
Spain	2.8%	0.5%	0.5%	1.1%
Other (including non-assigned)	18.7%	24.7%	7.3%	21.9%

Source: Ampere Analysis, Catalogue audit, December 2019

Notes:

Country of origin coding is supplied by Ampere Analysis and may not correspond with other published sources. Countries are listed if they have a 1% share or greater of the combined catalogues.

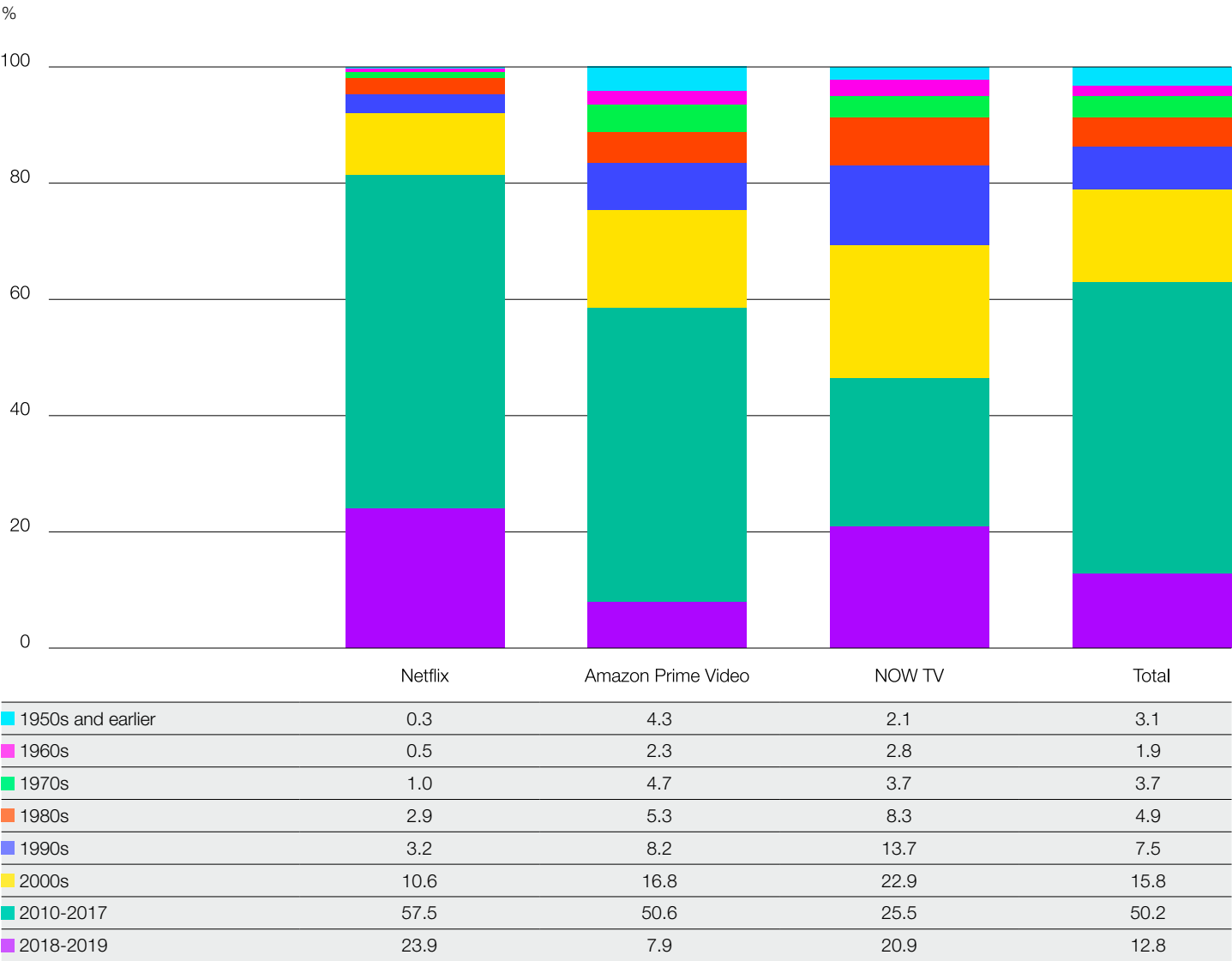
'Feature film' is defined as any film with a running time of 45 minutes or over.

'Total' refers to the overall share of viewing on Netflix, Amazon Prime Video and NOW TV.

AGE OF FEATURE FILM CONTENT ON LEADING SVoD PLATFORMS

Figure 5 shows the distribution of film content by age on the leading SVoD platforms in 2019. Of the three services, Netflix had both the greatest proportion of recent titles (films released on any platform between 2010 and 2019) at 81%, and the greatest proportion of new titles (films released in 2018 or 2019) at 24%. NOW TV had the smallest share of recent titles (46%) while Amazon Prime Video had the smallest share of new titles (8%). It should be noted, however, that Amazon Prime Video had the largest film catalogue of the three providers with over 10,000 titles available in December 2019, compared to just under 4,000 titles for Netflix and under 1,300 for NOW TV, so in terms of volume Amazon Prime Video offered subscribers around three times as many new titles as NOW TV.

Figure 5 Feature film catalogue content by age on leading SVoD platforms, 2019



Source: Ampere Analysis, Catalogue audit, December 2019

Notes:

Year coding is supplied by Ampere Analysis and may not correspond with other published sources.

‘Feature film’ is defined as any film with a running time of 45 minutes or over.

‘Total’ refers to the overall share of viewing on Netflix, Amazon Prime Video and NOW TV.



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