



**FILM ON
DIGITAL VIDEO**

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FACTS IN FOCUS

With cinemas and other public venues closed for much of 2020 as a result of the COVID-19 pandemic, people sought out more entertainment options at home. The use of on-demand platforms surged during the year, with the value of the digital video market for film increasing by 40% compared with 2019.

- ▶ In 2020, the overall digital video market for film in the UK was estimated to be worth £1.35 billion, an increase from £966 million in 2019.
- ▶ Revenues from subscription video on demand (SVoD) services were estimated to have been £1 billion, an increase of 47.5% compared with 2019.
- ▶ Revenues from rental and retail (TVoD) services were estimated to have been £333 million, an increase of 21% compared with 2019.
- ▶ Premium Video on Demand (PVoD) transactions accounted for 13% of TVoD revenues.
- ▶ Netflix was the most popular subscription video platform in the UK in 2020 with 14.8 million households accessing the service.
- ▶ The Disney+ platform launched in March and by Q3 had become the third most popular subscription video service in the UK with 3.4 million households accessing the service.
- ▶ By Q3, 17 million UK households had access to one or more SVoD service (60% of total households).
- ▶ Netflix exclusive *Enola Holmes* was the most watched film on a subscription video service in 2020.
- ▶ In 2020, over half (53%) of the films available on the leading subscription streaming services (Netflix, Amazon Prime Video and Disney+) were American titles, and 62% of available films had been released between 2010 and 2020.

Film on digital video

Digital video

Digital video or Video on Demand (VoD) is used in this section 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), as well as Premium Video on Demand (PVoD); 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 Disney+
- 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+).

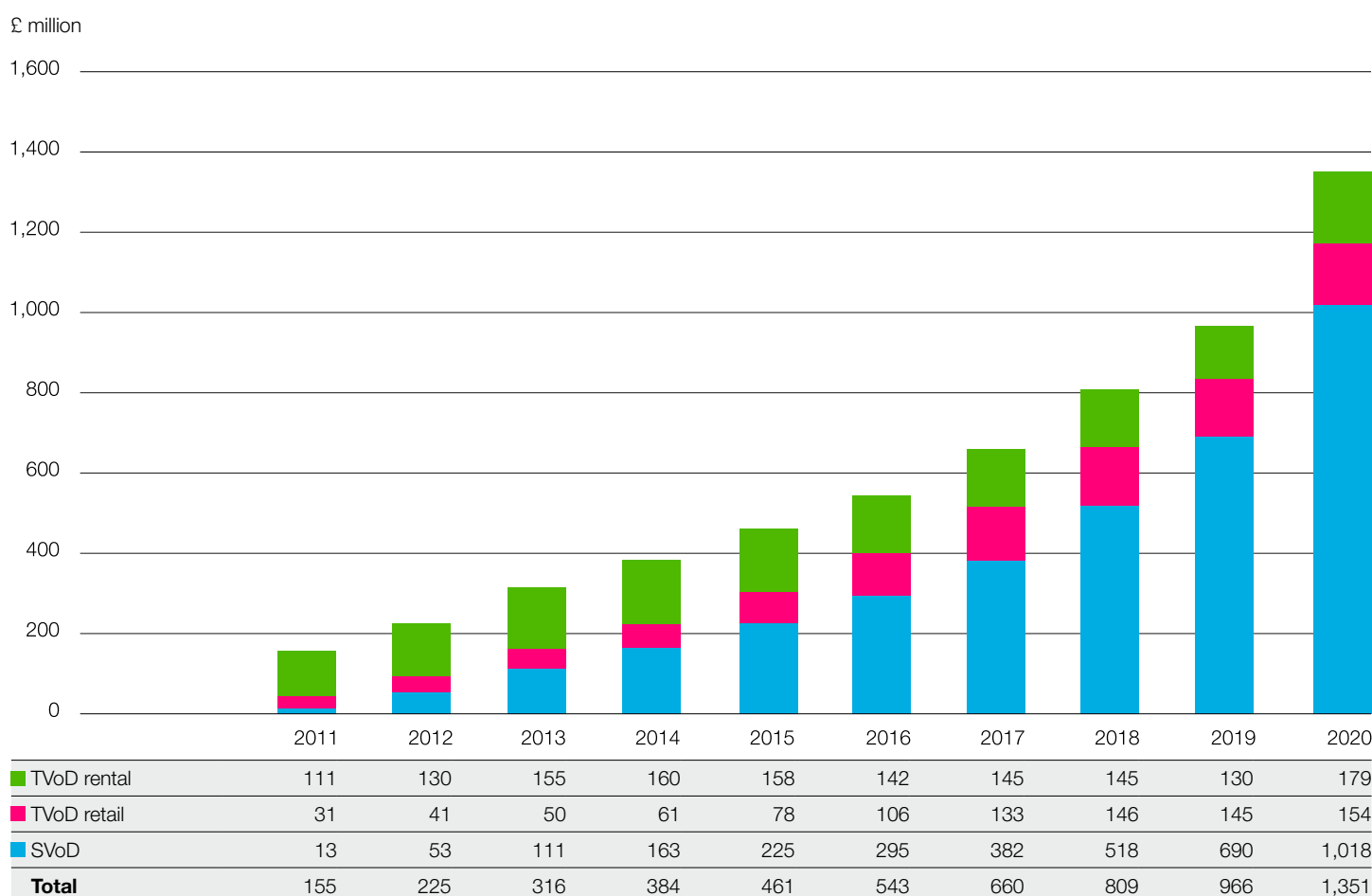
Film in the digital video market

According to Omdia, the estimated value of the digital video market for film in the UK in 2020 was £1.35 billion, an increase of 40% compared with 2019, and almost 10 times its value in 2011 (Figure 1). Between 2014 and 2019 the average annual increase was 20% so the growth in 2020 has doubled the recent trend. The closure of public and hospitality venues during periods of 2020 due to the COVID-19 pandemic affected how people could spend their leisure time, and consequently there was an increase in people watching films at home, with this being reflected in the growth of the VoD market, and in particular an uptick in SVoD subscriptions.

In 2020, the estimated value of the SVoD market grew to £1 billion (47.5% up on 2019). This expansion was partly fuelled by the introduction of the Disney+ platform in March 2020. The arrival of Disney+ marks the first time in the UK that a major studio has launched a dedicated SVoD platform, the service arriving with brand recognition and a library of well-known films (and TV series). During 2020, Disney+ became the third most popular streaming service after Netflix and Amazon Prime Video.

The TVoD market's estimated revenues of £333 million are also a record high. In 2020, several major studios began offering higher-priced Premium Video on Demand (PVoD) rentals for some titles either in lieu of a planned cinema release or for titles that had curtailed cinema releases. These PVoD revenues are included in the TVoD rental figure and account for 13% of the value, and just under 50% of the year-on-year growth.

Figure 1 Estimated value of the digital video film market in the UK, 2011-2020



Source: Omdia

Notes:

Estimates include both television-based and online digital video revenues.

Figures updated since publication of the 2020 Statistical Yearbook.

Notes: Figures may not sum to totals due to rounding

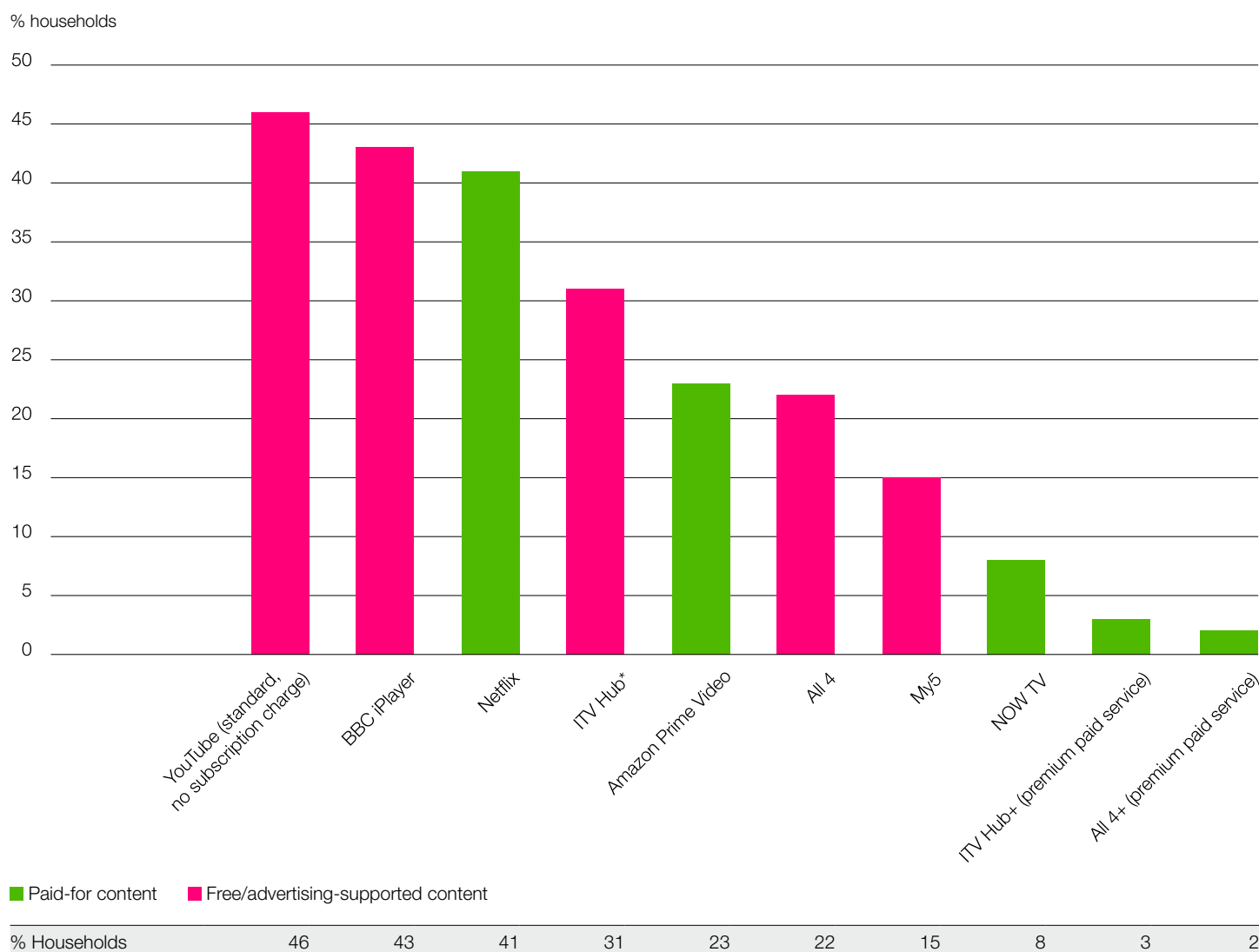
Popularity of on-demand streaming services

UK viewers are amongst 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 2021, 87% of all households in the UK watch VoD at least once a month, compared with 75% in Germany and 68% in France.

Figure 2 shows the top 10 most popular on-demand streaming services (for film, television and other video content) in 2020 amongst UK households. This survey was undertaken in Q1, so does not reflect changes in viewing habits during the pandemic, or include Disney+.

The top 10 is split evenly between free/advert supported and paid-for services, and features all the UK-wide broadcaster catch-up services. YouTube was the most popular platform for watching video content, with 46% of UK households using the service. BBC iPlayer was the most popular broadcaster service, being used in 43% of households, while 41% of households used the most popular SVoD provider, Netflix.

Figure 2 Top 10 most popular on-demand services in the UK, 2020



Source: Ofcom Technology Tracker 2020

Q: Which of these TV services does anyone in your household ever use to watch programmes, films or other video content? Please think about watching on any type of device. Please also think about watching while away from home, perhaps when travelling. N=3,959

Notes:

*ITV Hub figures include STV Player.

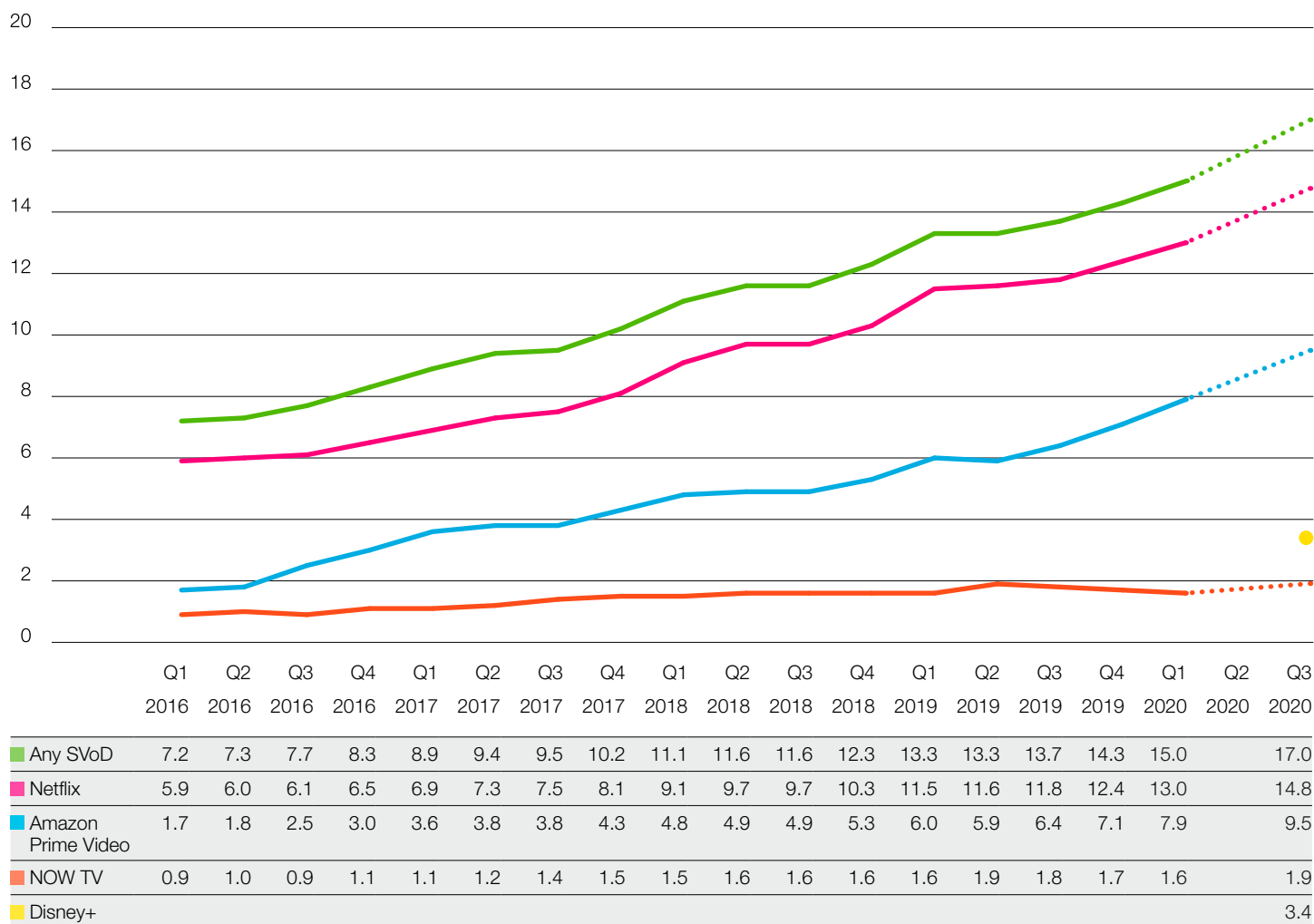
Due to a change in question, these figures are not directly comparable with the 2020 Statistical Yearbook.

The audience for SVoD

As Figure 3 shows, the number of households with access to SVoD services increased from 7.2 million in Q1 2016 to 17.0 million in Q3 2020 (60% of total households). Netflix (14.8 million households) and Amazon Prime Video (9.5 million) remain the two most popular SVoD services in the UK, with Netflix experiencing a 24% year-on-year growth and Amazon Prime Video a 48% growth. Newcomer Disney+ overtook NOW TV to become the third most popular service in 2020, with 3.4 million households subscribing to the service within just a few months of its launch. It should be noted that due to COVID-19 restrictions, in 2020 the BARB Establishment Survey was only undertaken twice: once during pre-lockdown Q1, and once during Q3. (For more on SVoD audiences, see the Audiences chapter.)

Figure 3 UK SVoD households, Q1 2016 – Q3 2020

Millions of households



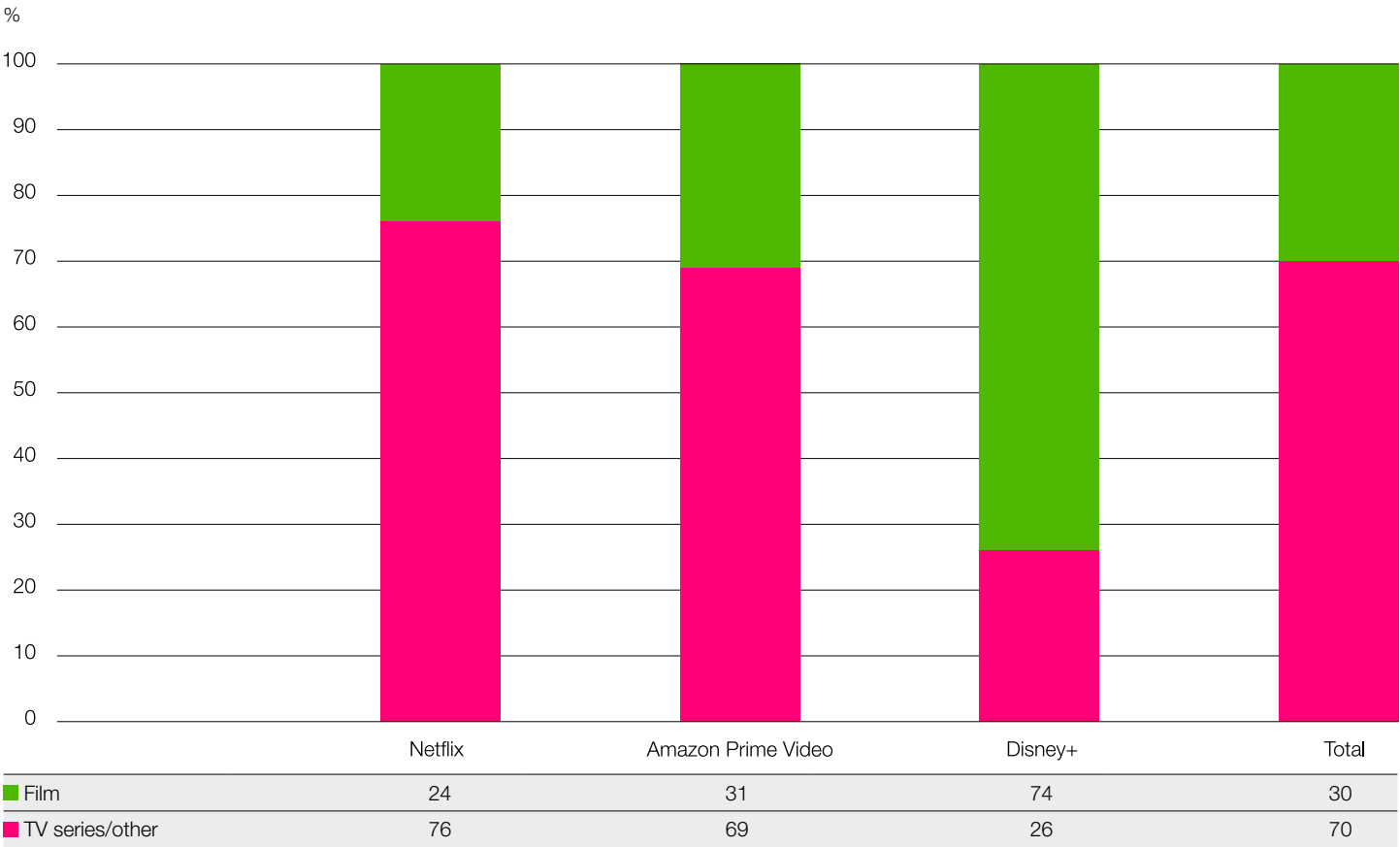
Source: BARB Establishment Survey

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 Analytics data, in December 2020 feature films represented 63% of available titles on the three leading SVoD platforms (Netflix, Amazon Prime Video and Disney+) and 26% of available content hours.

Figure 4 shows the share of total viewing devoted to film or television programmes on the three leading streaming services by users (adults 16+) of these platforms. On average, UK SVoD users spent 30% of their viewing time on these services watching films. Amongst the top three providers, there is a stark difference between Netflix and Amazon Prime Video, on which users spent 24% and 31% of their viewing time respectively watching films, and Disney+, on which users spent 74% of their viewing time watching films. While Disney+ has a large number of series available to watch, such as platform exclusive *The Mandalorian*, most of its TV programmes are aimed at children, so the adults (16+) covered by this research were more attracted to Disney+'s catalogue of films which includes Disney and Pixar animations, Star Wars and Marvel Cinematic Universe titles, and films produced by 20th Century Fox.

Figure 4 Share of viewing by content on leading UK SVoD platforms, 2020



Source: TRP Codex, 2020, All adults 16+

Note:

Titles are categorised according to the platform's metadata. 'TV series/other' includes episodic programming as well as non-film one-off titles such as stand-up specials.

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

Top films on SVoD

Table 1 lists the top 10 most popular films viewed on the UK's three largest subscription streaming platforms in 2020. 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.

Two of the films in the list, including the most popular title *Enola Holmes* (Netflix, average audience of 5 million adults [16+]) and *Borat Subsequent Moviefilm*, were initially intended for theatrical release but due to the pandemic were released directly on streaming services. Only three of the films in the list had wide UK theatrical releases: *Frozen II*, *Knives Out* and *Moana*. There are three UK films in the 2020 top 10 list compared with two in 2019.

Table 1 Top 10 films viewed on leading UK SVoD platforms, 2020 (ranked by average audience)

Rank	Title	Country of origin	Main provider	Year of release (UK)	Average audience (million)
1	Enola Holmes	UK/USA	Netflix	2020	4.9
2	Extraction	USA	Netflix	2020	4.1
3	The Old Guard	UK/USA	Netflix	2020	3.7
4	Frozen II	USA	Disney+	2019	3.6
5	Borat Subsequent Moviefilm	USA	Amazon	2020	3.4
6	The Christmas Chronicles: Part Two	USA	Netflix	2020	3.3
7	Hamilton	USA	Disney+	2020	3.2
8	Knives Out	USA	Amazon	2019	3.2
9	Eurovision Song Contest: The Story of Fire Saga	UK/USA	Netflix	2020	3.0
10	Moana	USA	Disney+	2016	2.6

Source: TRP Codex, Adults (16+); RSU

Notes:

The platforms covered by this table are Netflix, Amazon Video Prime and Disney+



Image: *Hamilton* © 2020 Lin-Manuel Miranda and Nevis Productions, LLC. All Rights Reserved

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 2020. (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 73 different countries.

The USA was the most represented nationality for titles on each of the three platforms and represented 53% of all titles available from these providers. The concentration of American titles differs considerably between platforms, making up 41.5% of available Netflix films and 95% of films available on Disney+. The UK was the second most popular nationality for titles on Amazon Prime Video (11%) and Disney+ (1%, equal with Canada), and the third most popular on Netflix (5.5%) after India. 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, 2020 (ranked by total percentage)

Primary country of origin	Netflix	Amazon Prime Video	Disney+	Total
USA	41.5	55.5	94.9	53.3
UK	5.5	10.6	1.4	8.8
India	16.9	5.0	0.3	8.1
Canada	2.1	4.9	1.4	4.0
France	2.8	2.1	0.0	2.2
Italy	0.7	2.7	0.0	2.0
Australia	1.0	1.8	0.0	1.5
China	2.9	0.9	0.3	1.5
Germany	1.2	1.4	0.0	1.3
Other (including non-assigned)	25.4	15.0	1.7	17.3

Source: Ampere Analysis, Catalogue audit, December 2020, 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.

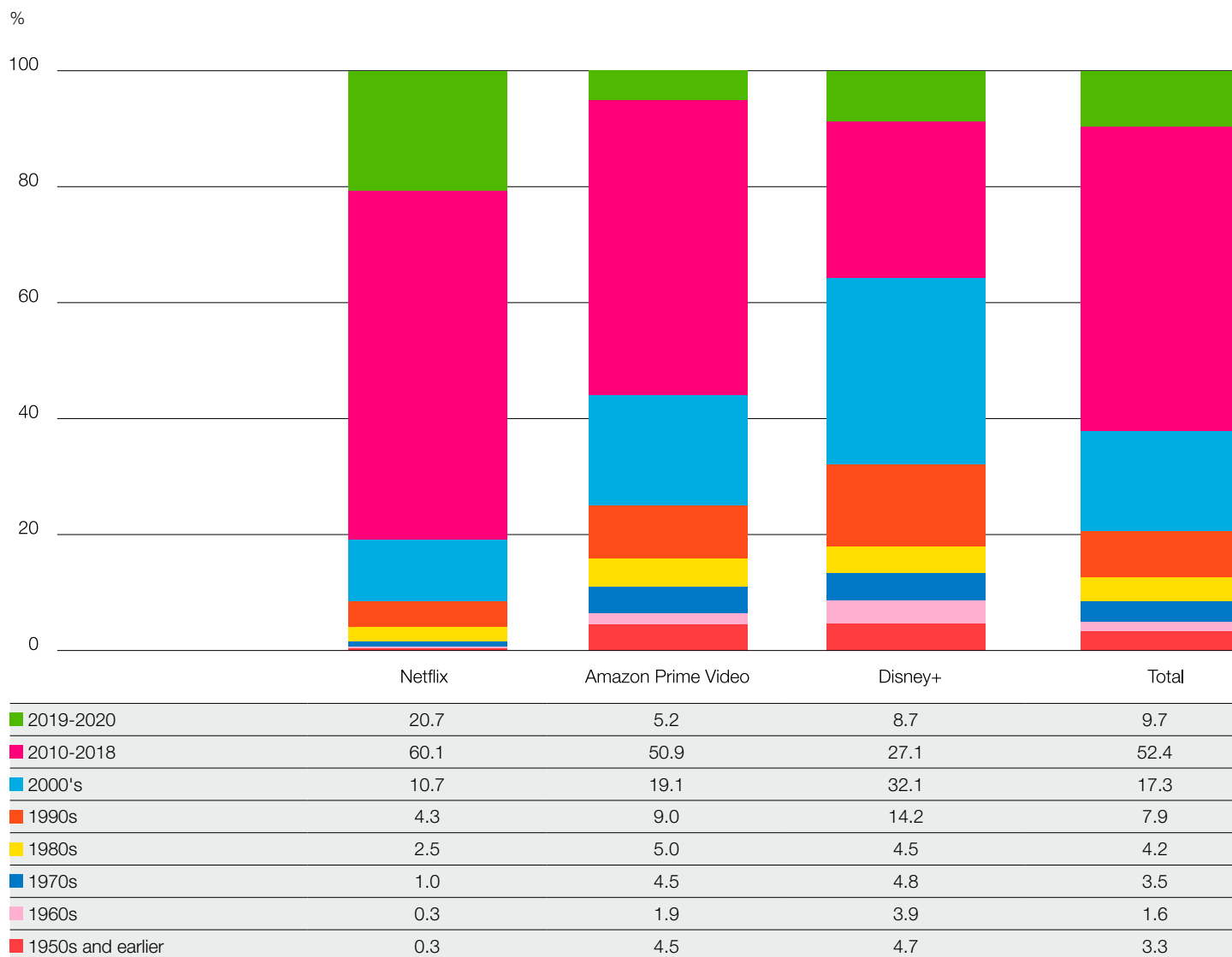
Note: 'Feature film' is defined as any film with a running time of 45 minutes or over.

Age of feature film content on leading SVoD platforms

Figure 5 shows the distribution of feature film content by age on the leading SVoD platforms in 2020. Of the three services, Netflix's catalogue had the greatest proportion of more recent titles, with 81% of titles being released between 2010 and 2020, and 21% of titles being released in 2019 or 2020. Disney+ had the only catalogue where less than half of the films had been released in 2010 or later (36%), as on launch it included a large number of older library titles including all of the major Walt Disney Animation Studios feature films starting with 1937's *Snow White and the Seven Dwarfs*.

Amazon Prime Video had the largest film catalogue of the three providers with over 9,000 titles available in December 2020, compared to just over 4,000 titles for Netflix and under 700 for Disney+. This means that while Netflix's catalogue contained the largest number of films released in 2019 and 2020, Amazon Prime Video offered subscribers nine times as many newer titles as Disney+.

Figure 5 Feature film catalogue content by age on leading SVoD platforms, 2020



Source: Ampere Analysis, Catalogue audit, December 2020, year coding is supplied by Ampere Analysis and may not correspond with other published sources.

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



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