Netherlands

Netherlands key data 2018

Population (m)	17.1
TV households (m)	7.8
Consumer spending on physical video software (EUR m)	49.4
Comparison with 2017	-17.9%
Consumer spending on physical video software (EUR m) - Total Europe	2,970.0
Comparison with 2017	-15.8%
Consumer spending on digital video and TV VoD (EUR m)	480.7
Comparison with 2017	16.9%
Consumer spending on digital video and TV VoD (EUR m) - Total Europe	8,785.6
Comparison with 2017	30.9%
Consumer spending on total video (EUR m)	530.2
Comparison with 2017	12.5%
Consumer spending on total video (EUR m) - Total Europe	11,755.7
Comparison with 2017	14.8%

Consumer demand for films and TV content in The Netherlands is still increasing: in-house consumption in 2018 surpassed theatrical consumption for the first time in 2018.

Though the number of visitors in cinema decreased by 0,8% to 35,7 million, the overall result increased by 3,4% to 312,3 million compared to 301,9 million in 2017. The domestic film production with a market share of 10,5% of theatrical admissions causes some concern in the Dutch film sector, especially considering that the output of domestic films increased from 58 to 66.

Physical Market

In 2018, the Dutch physical home video market (DVD and BD) decreased by 17,9% from EUR 60,1 million to EUR 49,4 million compared to 2017. The physical market is served by only two retailers: the online retailer 'Bol.com' and the chain store "MediaMarkt". Consumer interest in DVD/BDs has significantly reduced in the Dutch market.

Online Distribution

The online distribution market, offering content in parallel to the existing television channel providers such as Ziggo and KPN, is becoming more mature. Videoland, which focused on locally produced TV series and films is showing promising figures, in particular due to the major title: Temptation Island. Pathé Thuis has become a serious partner for TVOD. Video On Demand (subscription-based VOD, EST, TVOD) thus shows further growth of almost 20% in turnover in the Netherlands - this includes Netflix, Videoland, and Pathé Thuis.

"Bohemian Rhapsody" with 1,33 million cinema admissions and close to 13 million EUR turnover topped the Dutch charts in 2018. Another music driven movie "Mamma Mia! Here We Go Again" followed with almost one million admissions and 8,5 million EUR in box office.

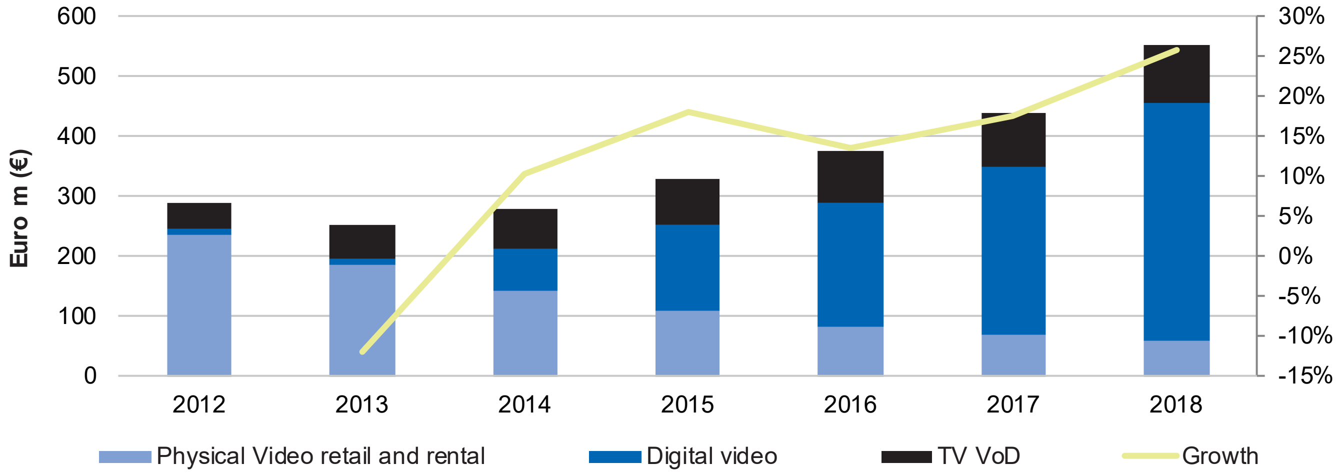
Other relevant developments

Film.nl is a free portal guiding Dutch consumers to legal content and services. The platform is currently under further development and will carry more detailed information across the access/distribution options and is intended to offer an improved customer journey. The site is expected to be re-launched in the fall of 2019 and will undoubtedly play an important role in the outcome of the ongoing talks with Internet providers to address illegal sites and content, hopefully concluding early 2020.

This commentary was provided by NVPI, the Dutch Video Association.

Source: IHS Markit

Consumer spending by segment



Source: IHS Markit

Video market: Netherlands	2012	2013	2014	2015	2016	2017	2018	17/18 %
GENERAL								
Population (m)	16.8	16.8	16.9	16.9	17.0	17.0	17.1	0.3%
TV households (m)	7.4	7.5	7.5	7.6	7.6	7.7	7.8	0.9%
Population Total Europe (m)	623.8	624.9	626.1	627.7	629.4	630.9	632.3	0.2%
TV households Total Europe (m)	253.2	255.0	257.3	259.3	261.3	263.2	264.9	0.7%
Broadband households (m)	5.9	6.0	6.1	6.3	6.5	6.6	6.7	1.4%
Nominal GDP (EUR m)	652.6	660.5	671.6	690.1	708.1	737.6	771.2	4.6%
Consumer price index (100 in 2010)	102.2	108.3	108.6	91.0	90.8	93.7	99.8	6.5%
DVD Video player/recorder (%)	77.0	68.5	59.1	49.0	39.1	34.1	29.6	-13.1%
Blu-ray Disc player/recorders penetration (%)	9.8	15.6	17.7	18.9	19.8	19.4	19.1	-1.3%
DVD Video player/recorder Total Europe (%)	76.1	73.8	71.7	69.2	66.8	64.2	61.5	-4.2%
Blu-ray Disc player/recorders penetration Total Europe (%)	11.2	15.4	18.4	20.7	21.7	22.3	22.2	-0.3%
OTT Subscriptions (m)	0.0	0.3	1.0	1.6	2.4	3.2	3.9	20.7%

Total video software market	2012	2013	2014	2015	2016	2017	2018	17/18 %
CONSUMER LEVEL ALL VIDEO								
Total market figures include consumption of both physical and digital video								
Total spending on video (EUR m)	272.5	234.2	255.3	307.8	366.4	471.4	530.2	12.5%
Growth (%)		-14.1%	9.0%	20.5%	19.0%	28.7%	12.5%	
Total spending on video Total Europe (EUR m)	8,824.2	8,449.5	8,513.6	9,183.9	9,474.6	10,236.3	11,755.7	14.8%
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)	11.8	7.5	4.8	2.9	2.0	1.2	0.7	-39.3%
Physical video rental Total Europe (EUR m)	865.1	683.1	526.3	430.2	293.1	212.9	152.0	-28.6%
Physical video retail (EUR m)	224.5	175.9	135.3	104.6	79.0	58.9	48.6	-17.5%
Physical video retail Total Europe (EUR m)	6,607.5	5,808.5	5,184.7	4,756.8	3,989.8	3,312.4	2,818.0	-14.9%
Physical video software (EUR m)	236.3	183.3	140.1	107.4	81.0	60.1	49.4	-17.9%
Physical video software Total Europe (EUR m)	7,472.6	6,491.6	5,711.0	5,187.0	4,282.9	3,525.3	2,970.0	-15.8%
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)	3.2	4.4	4.7	4.8	4.9	5.1	5.2	2.8%
Rental digital video (EUR m)	2.5	3.6	4.8	5.0	5.6	6.3	6.6	5.0%
Subscription digital video (EUR m)	1.9	6.1	64.3	140.7	220.2	341.4	405.3	18.7%
Total digital video (EUR m)	7.6	14.2	73.9	150.5	230.7	352.7	417.1	18.2%
Total digital video Total Europe (EUR m)	716.9	1,255.7	2,021.0	3,127.8	4,287.2	5,719.6	7,737.1	35.3%
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)	28.6	36.7	41.4	49.9	54.7	58.6	63.6	8.5%
Pay TV TVOD Total Europe (EUR m)	634.8	702.1	781.5	869.0	904.6	991.6	1,048.5	5.7%

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 March 2019. 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.*

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

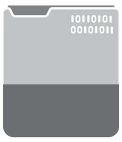
Physical
- Bol.com
- Media Markt

Digital
- KPN OnDemand
- Netflix
- Pathe Thuis
- Videoland
- Ziggo Movies & Series

Share of European market 2018

Physical retail
1.7%

Physical rental
0.5%

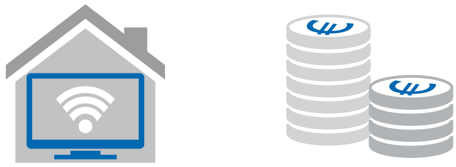


(OTT)
5.4%

Pay TV TVOD
6.1%

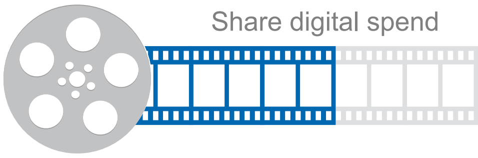
Average home entertainment spending

Spending per TV household (EURO)
€68.2



Spending per broadband household (EURO)
€79.7

Digital share of spend vs. broadband speed



Share digital spend
79%

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

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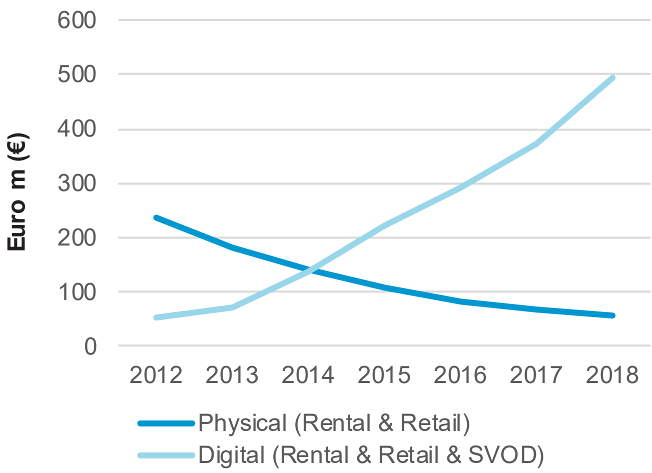
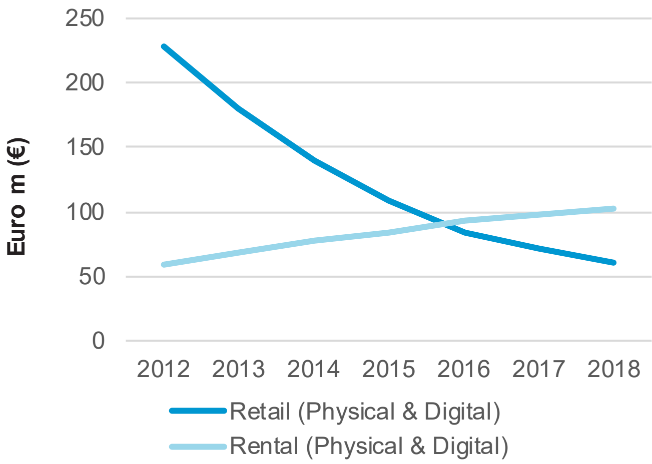
Comparison Physical vs Digital



Comparison Retail vs Rental



Note: Digital (Rental & Retail) includes SVOD data; Rental (Physical & Digital) excludes SVOD data

Source: IHS Markit