France

France key data 2018

Population (m)	65.2
TV households (m)	28.8
Consumer spending on physical video software (EUR m)	466.7
Comparison with 2017	-13.6%
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)	967.4
Comparison with 2017	44.7%
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)	1,434.1
Comparison with 2017	18.6%
Consumer spending on total video (EUR m) - Total Europe	11,755.7
Comparison with 2017	14.8%

In 2018, the French theatrical market contracted slightly by 4% (200 million admissions vs 209 million in 2017).

Various factors such as the 2018 summer heat wave, the football World Cup and the absence of major international blockbusters certainly contributed to this market performance.

On the physical home entertainment market, the French DVD/Blu-Ray market continues to contract while the digital home entertainment market saw an increase in 2018, in particular as regards SVOD services.

DVD and Blu-Ray market

In 2018, 20 000 titles were available on DVD /Blu Ray in the French market. The sale of Blu-ray discs represented 35% of the physical home entertainment market in France.

As mentioned above, the physical market contracted by 14% to around EUR 460 million in 2018, thus dropping around EUR 70 million compared to 2017.

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 available to French audiences as well as the shift in consumer preferences towards subscription-based online services.

Feature films represented 73% of the French DVD and BD market (versus 72 % in 2017). The non-film market contracted by 19%.

French feature films represented almost 18% of the physical video market at EUR 59 million, representing 11% less in consumer spending compared to 2017. This could be explained by the strong line-up of French feature films in 2017 (Raid Dingue, Radin, Alibi.com, Ballerina and Valerian). The TOP 5 in 2018 were actually weaker by 25% (Ch'tite famille, Valerian, Taxi 5, L'école buissonnière and Les Tuche 3).'

Online distribution - Digital landscape

In 2018, the total transactional online market experienced a small decrease by 7% from EUR 299 million to EUR 281 million. Subscription-based services grew to EUR 686 million in 2018 compared with EUR 369 million in 2017.

The subscription-based market may have been part of the reason for the flattering of the transactional online market which was historically driving the online market through strong local players such as Orange, Canal Plus, TF1, and SFR.

As a result, TVOD experienced a sharp decrease in 2018 while EST remained stable, likely due to the lack of new game changers in the EST landscape.

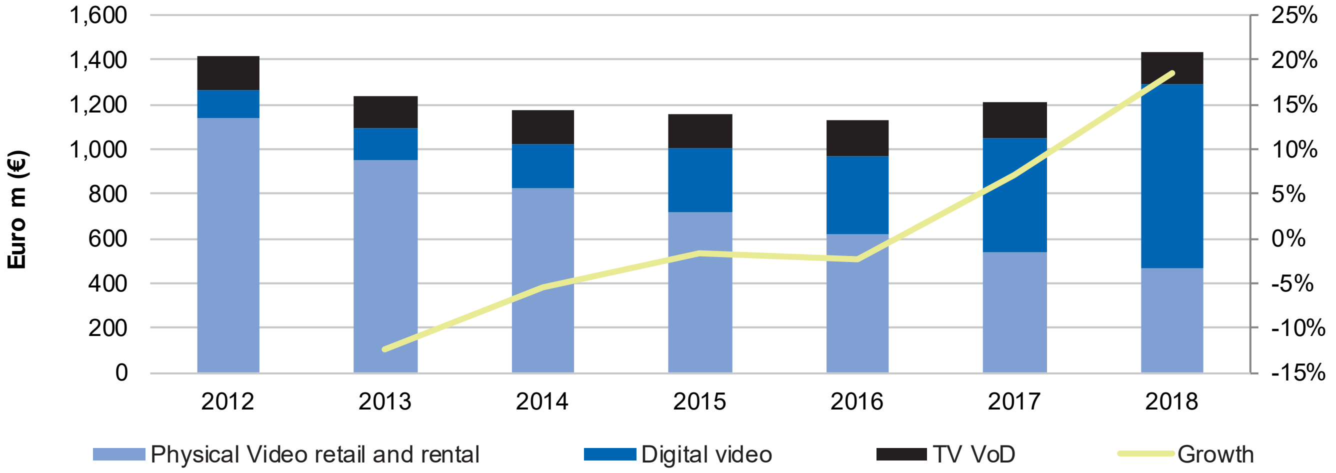
Various major online players are also focusing on developing subscription-based offers in order to compete in the SVOD market in France.

However, the French market is still missing key online players compared to some neighboring European markets: for example, Amazon is only expected to be introduced on the French market in the second part of 2019 (online transactional video offer).

Thanks to its success in 2017, the promotional campaign « Fête de la VOD » was repeated in 2018 in order to create more consumer awareness about online distribution services and to encourage and keep consumers engaged in the transactional digital market.

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

Consumer spending by segment



Source: IHS Markit

Video market: France	2012	2013	2014	2015	2016	2017	2018	17/18 %
GENERAL								
Population (m)	63.6	63.9	64.2	64.5	64.7	65.0	65.2	0.4%
TV households (m)	27.5	27.7	27.9	28.1	28.4	28.6	28.8	0.8%
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)	17.0	17.7	18.5	19.6	20.4	21.1	21.8	3.7%
Nominal GDP (EUR m)	2,089.3	2,118.0	2,151.4	2,198.3	2,227.0	2,293.1	2,354.6	2.7%
Consumer price index (100 in 2010)	101.4	105.9	106.4	89.0	89.1	91.8	98.4	7.2%
DVD Video player/recorder (%)	73.6	72.9	71.4	70.3	69.3	68.2	67.2	-1.4%
Blu-ray Disc player/recorders penetration (%)	15.6	17.8	19.6	21.3	22.0	22.4	22.1	-1.6%
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)	0.3	0.5	1.2	1.9	2.8	4.8	7.8	62.9%

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)	1,419.2	1,242.0	1,174.0	1,154.7	1,128.4	1,209.1	1,434.1	18.6%
Growth (%)		-12.5%	-5.5%	-1.6%	-2.3%	7.1%	18.6%	
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)	23.0	20.7	19.1	15.1	11.4	8.3	5.6	-32.1%
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)	1,116.3	929.1	807.0	707.6	604.8	532.0	461.1	-13.3%
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)	1,139.3	949.9	826.1	722.7	616.1	540.3	466.7	-13.6%
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)	48.6	50.8	59.1	63.5	66.8	73.4	83.8	14.2%
Rental digital video (EUR m)	54.1	57.4	60.7	62.2	61.6	68.5	54.7	-20.2%
Subscription digital video (EUR m)	26.6	38.4	74.5	155.4	229.0	369.4	686.1	85.7%
Total digital video (EUR m)	129.3	146.5	194.2	281.1	357.4	511.4	824.5	61.2%
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)	150.6	145.5	153.6	150.9	154.9	157.4	142.9	-9.2%
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.*

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 2018

Physical retail
16.4%

Physical rental
3.7%

OTT
10.7%

Pay TV TVOD
13.6%

Average home entertainment spending

Spending per TV household (EURO)
€49.7

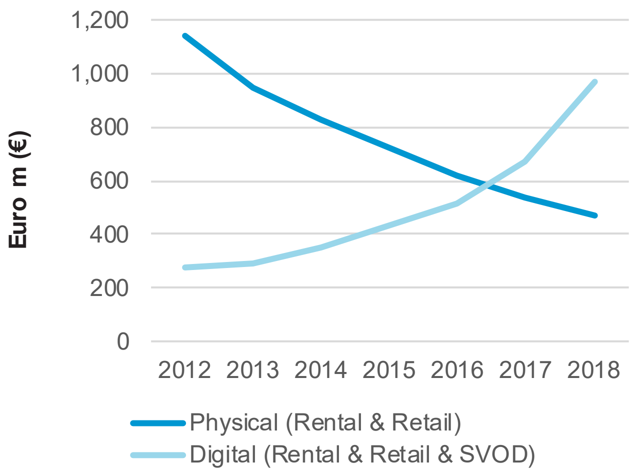
Spending per broadband household (EURO)
€65.7

Digital share of spend vs. broadband speed

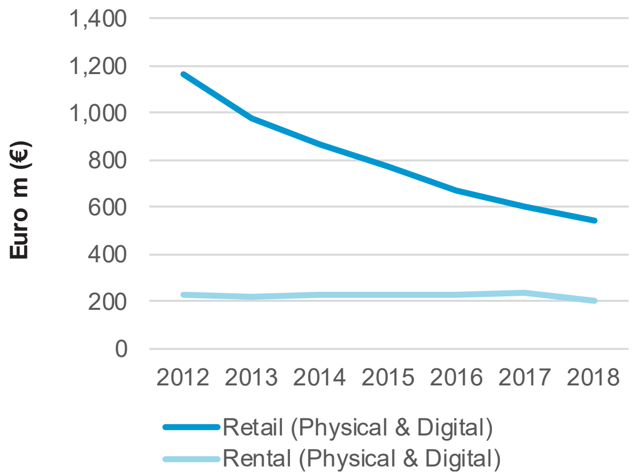
Share digital spend
57%

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

Comparison Physical vs Digital



Comparison Retail vs Rental



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

Source: IHS Markit