Facts & Figures International

Facts and Figures International

September 2021

Conseil supérieur de l'audiovisuel & Office of Communications

The UK Office of Communications (Ofcom) and the French Conseil supérieur de l'audiovisuel (CSA) provided a detailed insight into the development of the video markets in France and the UK in last year's Digitization Report. The comparison was worthwhile. It clearly showed that program providers, users, and regulators in France, the UK, and Germany are confronted with similar trends and developments. In this context, it has already become apparent that the Corona pandemic has further accelerated the disruption in the video markets in the past year. This is reason enough to continue the close exchange of knowledge and cooperation between the state media authorities, CSA, and Ofcom and to look at developments in our two neighbouring countries again this year.

Current Development of Television and Video Usage in the UK

While nearly all forms of viewing in the UK increased in 2020, SVoD viewing almost doubled compared to 2019

The total average minutes of viewing per person per day in the UK was 5 hours 40 minutes in 2020 – up by 47 minutes since 2019, and an unusually large increase, related to people spending more time at home during the periods of lockdown in 2020. Nearly all forms of video viewing increased year on year. But, the pandemic also accelerated existing trends in video viewing, such as the ongoing shift of viewing away from broadcast television and towards video-on-demand (VoD) content.

Overall, the average time spent viewing broadcast TV in 2020 was 3 hours 12 minutes per person.[1] This was nine minutes (5%) higher than the average time spent in 2019, and reversed the declining trend seen over the last decade. However, this increase was entirely driven by those aged over 45, with the pandemic not shifting broadcast TV viewing levels for those under 45, who watched less broadcast TV than in 2019. Across total video viewing during 2020, the net effect was a fall in broadcast TV's share, from 67% in 2019 to 61% in 2020.

In contrast to broadcast TV's decline in viewing share, subscription VoD's (SVoD's) share of total video increased from 12% in 2019 to 19% in 2020.

1 Source: BARB. Broadcast TV is defined as live TV, recorded playback, and broadcaster video-on-demand (BVOD) services.

SVoD services, led by Netflix and Amazon Prime Video, drove most of the 47 minutes' increase in total viewing in 2020, with average viewing almost doubling to an estimated 1 hour 5 minutes per day. The drivers of this viewing increase varied by demographic – for younger people, existing SVoD viewers increased their consumption in 2020, but the increase in viewing for older demographics was driven by new subscriptions.

In comparison to SVoD services, viewing of broadcaster VoD (BVoD) services, such as BBC iPlayer, ITV Hub and All 4, increased modestly to an estimated 12 minutes per person per day in 2020. There were also small increases for YouTube and the use of games consoles attached to the TV set.

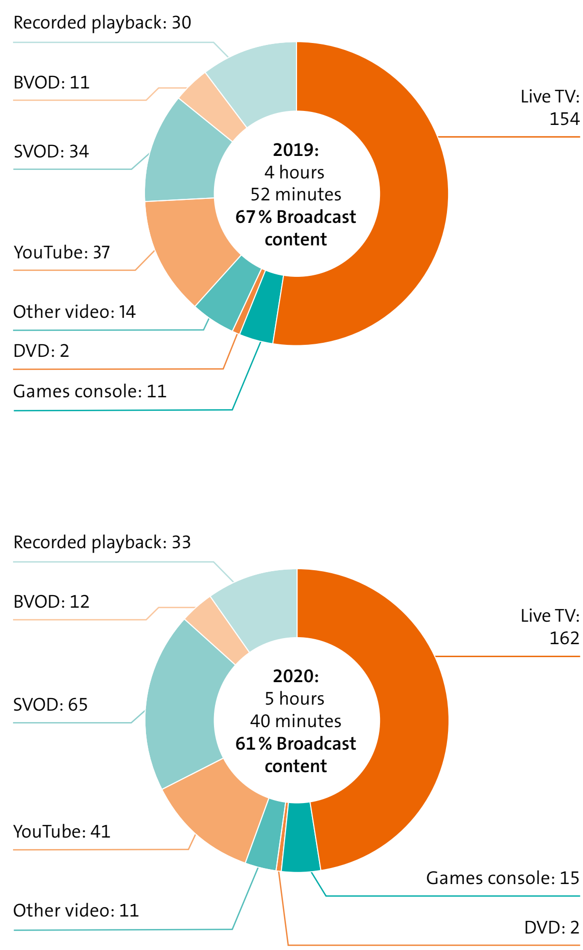
The shifts in viewing habits accelerated by the pandemic are showing signs of continuing into 2021 and beyond

Alongside broadcast TV, many UK households watch both BVoD and SVoD services on the TV set; the latter is captured by BARB as part of 'unmatched viewing'.[2] According to Ofcom's Technology Tracker 2021, 74% of households used a BVoD service such as BBC iPlayer or All 4, and 75% of households surveyed said they used an SVoD service. In comparison, 42% of UK households said they used free traditional TV, and 47% said they used a pay-TV service.[3]

Patterns in the viewing of video content in 2020 largely mirrored Covid-19 prevention measures, with noticeable peaks in viewing coinciding with

Fig. 1

Average minutes of viewing per day, all individuals, all devices



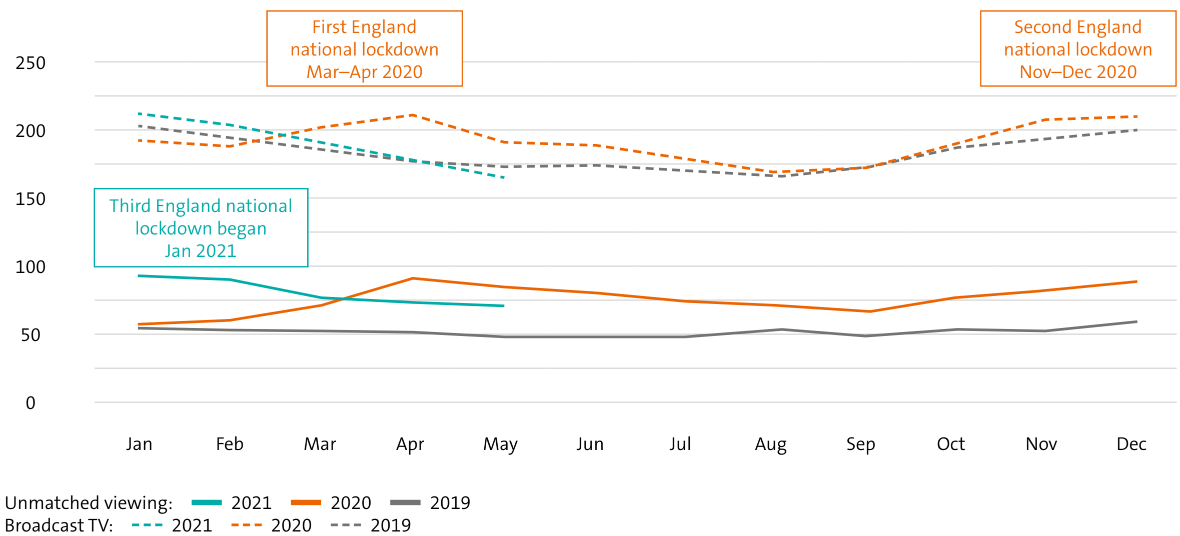
Source: BARB, TouchPoints, Comscore – see Media Nations appendix for a summary of how the sources are used to construct a total estimated view of video watched.

2 Unmatched viewing refers to time spent watching the TV set that cannot be attributed to broadcast programming – i.e. a TV can be identified as in use, but content cannot be audio-matched or otherwise identified. This includes gaming, viewing DVDs/box sets/archives, SVoD, time-shifted viewing beyond 28 days, apps on smart TVs and navigation around EPG guides where there is no in-picture broadcast content.

3 Ofcom Technology Tracker 2021.

Fig. 2

Average daily minutes by month for broadcast TV and unmatched viewing



Source: BARB. Total TV, all individuals (4+). Note: Unmatched viewing = TV in use but content cannot be audio-matched or otherwise identified. Includes gaming, viewing DVDs/box sets/archives, SVoD, time-shifted viewing beyond 28 days, apps on smart TVs and navigation around EPG guides where there is no in-picture broadcast content.

lockdown periods. During months when pandemic restrictions were lighter, broadcast TV viewing declined, with figures closer to 2019. In contrast, however, unmatched viewing on the TV set remained above 2019 levels throughout 2020.

These patterns continued into 2021, with broadcast TV viewing no longer higher than seasonal norms now that many restrictions have been lifted. Both broadcast TV and unmatched viewing fell from January to May 2021 by similar proportions, probably influenced by the usual drop in TV viewing combined with the general unlocking of other activities. However, unlike broadcast TV content, unmatched viewing continues to remain well above 2019 levels, suggesting that shifts away from broadcast TV to online viewing are generally continuing.

Even though its share of total viewing is declining, it should be noted, however, that individual titles on broadcast TV continued to pull in viewers in 2021. Sport attracted the most viewers in the UK so far this year, with the most-watched programme up until July 2021 being the Euro 2020 England versus Italy final, which had a combined audience of over 22 million on BBC One (18 million) and ITV (4.4 million). Drama and current affairs programmes have also been popular with viewers in 2021. The season six finale of drama series *Line of Duty* was the third most watched programme with 16 million viewers, making it the most-watched drama (excluding soaps) since 1999. Meanwhile, current affairs interview *Oprah with Meghan and Harry* was the fourth most-watched programme of the year so far, with 14.9 million viewers on ITV.[4]

Coronavirus lockdowns gave the UK's PSB channels some of their highest viewing shares in six years

For consumers watching broadcast TV, the UK's public service broadcasting (PSB) channels and some of the commercial PSB portfolio channels (such as E4 and ITV2) made up most of the top 20 channels in 2020, ranked by share of viewing. This list was similar to that seen in 2019, although news channels appeared higher up the ranking in 2020, likely driven by people's need for news regarding the pandemic. This was also apparent in 2020's most-watched programmes; the Prime Minister's statement about the easing of lockdown restrictions in England on 10 May 2020 topped the list with an average audience of 19 million on BBC One, while a BBC One news special on 23 March came in at number two with 14.6 million viewers.[5]

The share of broadcast TV viewing of PSB channels versus all other UK channels (multichannels) has remained broadly consistent over the years, and this remained the case overall in 2020, with public service broadcasters' (PSBs') share of viewing at 56% in 2020 compared to 55% in 2019. But breaking this down by month, as can be seen in Fig. 3 below, shows that in the lockdown months of April and November 2020 the share of PSB channel viewing rose, mainly due to additional news viewing on BBC One and BBC News. This peaked in March 2020, during the UK's first national lockdown, at 58.8%; the highest monthly share since February 2014, and increased again during the second national lockdown later in the year.

Nearly half of UK adults now consider online video services to be their main way of watching TV and film

Research on take-up of video services continues to indicate consumers' growing preference for online delivery of video. Research by Ampere Analysis conducted in Q1 2021 showed that 48% of online adults considered online video services to be their main way of watching TV and film (up by 2pp since Q1 2020). In addition, 42% of SVoD users said they could envisage not watching broadcast TV at all five years from now.[6]

Data from BARB's Establishment Survey shows that the major SVoD services continued to grow rapidly in 2020, with the number of households accessing at least one service increasing by 2.7 million in the first nine months of the year to 17 million. This increase was almost double the 1.4 million increase over the same period in 2019, and took SVoD penetration to 60% of all UK households by Q3 2020, up from 49% a year earlier. Total SVoD subscriptions reached 31 million in Q3 2020, up 54% from 20 million in Q3 2019. The largest SVoD service in the UK continues to be Netflix, with more than half of UK households (52%) subscribing to the service as of Q3 2020. For the first time, this was higher than pay-TV take-up, which in comparison continues to be relatively static, staying at 48% year on year.

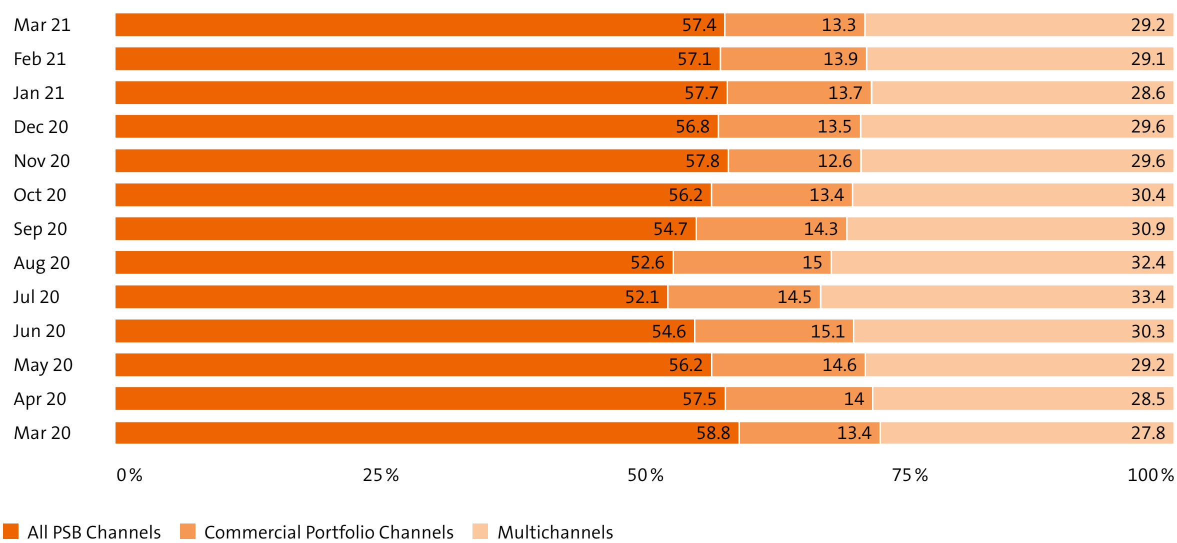
4 BARB. TV and online consolidated up to 28 days and including pre-broadcast. Please note the Euro 2020 games had not yet been fully consolidated up to 28 days when publishing and as a result, these figures may increase slightly.

5 BARB. Top programmes list based on highest occurring episode and includes TV and online consolidated up to 28 days and including pre-broadcast. The PM's statement was shown on multiple channels but the figures stated show average audience from a single channel.

6 Ampere Analysis Consumer, age: online 18–64, Q1 2021, UK.

Fig. 3

Average share of viewing, by channel / channel group



Source: BARB. Total TV, all individuals (4+). PSB +1s are included in their portfolio groups. All PSB share includes the main 5 (excluding +1s) and all BBC channels.

However, more than two-thirds of pay-TV households also had a streaming service subscription, which suggests that the two platforms continue to coexist.

Long-term trends in the UK have provided the ideal market conditions for SVoD and other online video services to flourish. Take-up of more capable broadband continues to rise – superfast or ultrafast services were used by almost two-thirds (65%) of UK households with fixed broadband by Q1 2021.[7] In parallel, ownership and use of connected devices capable of streaming TV is increasing; TV sets are commonly used to watch online or on-demand content, with 79% of TV households connecting their set to the internet via one of the methods in the chart detailed below.

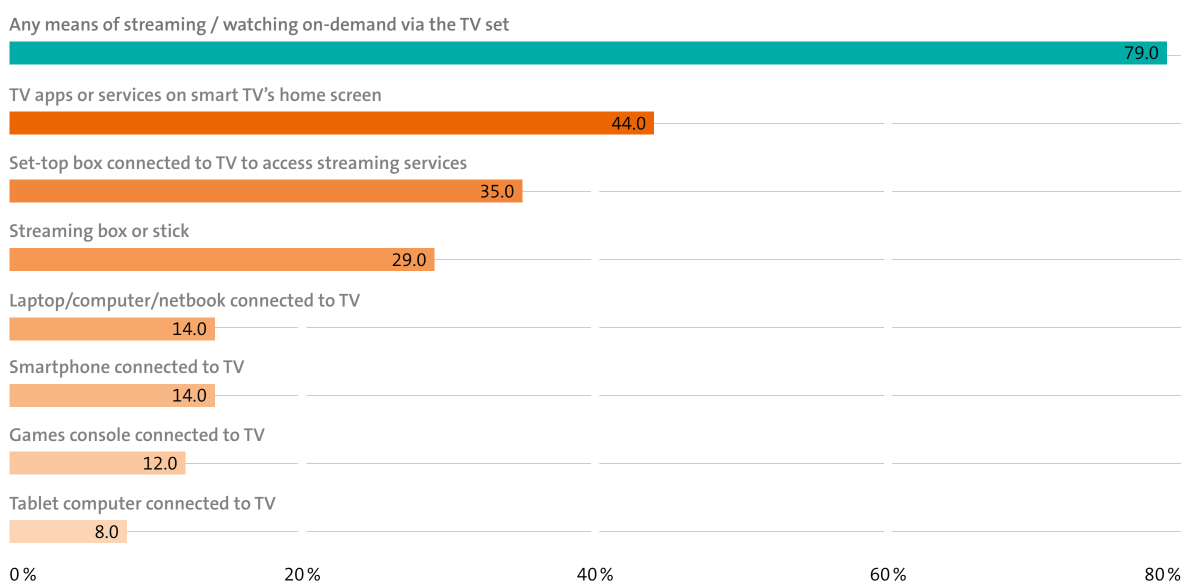
PSBs are taking more ambitious steps to reposition their businesses for an online-first future

The UK PSBs' own video-on-demand services had mixed performances in 2020. The BBC reported a 31% increase in programme requests on its iPlayer service to 5.8 billion, while Channel 4 reported a 26% increase in All 4 views to 1.25 billion, with digital accounting for 12.5% of total Channel 4 viewing.

7 Ofcom Technology Tracker 2021.

Fig. 4

Proportion of UK TV households that use their TV set to watch online or on-demand content, by means (Q1 2021)



Source: Ofcom Technology Tracker 2021 QH96. Do you or does anyone in your household use any of these ways to watch live TV or on demand or streaming services via your TV screen? Base: All respondents where a TV set is used to watch programmes, sport or films and completed the survey online.

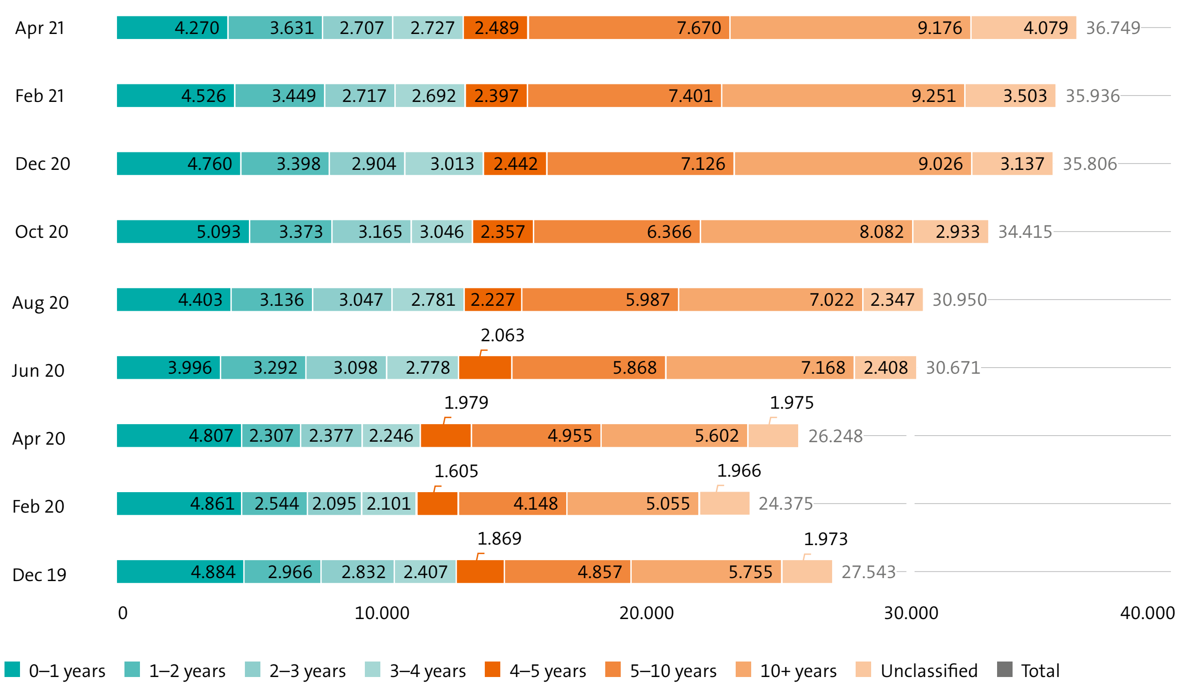
But ITV, which was hurt by the loss of pivotal shows such as *Love Island* to Covid-19 production restrictions, saw long-form online viewing hours decline by 5% to 482 million. Adding to this mixed picture is the comparatively modest increase in the average amount of time people spent watching BVoD in 2020 which, as outlined above, was significantly outstripped by SVoD.

PSBs are responding to changing audience habits and competition from SVoD providers by making their services more than just catch-up destinations. Illustrating the expansion of library content and box-sets, most of the recent growth in BVoD catalogues has come from older programming. Content that is at least five years old accounted for 46% of cumulative PSB BVoD content hours in April 2021, up from 38% in November 2019. The BBC and Channel 4, in particular, have driven this trend, with 58% of All 4's catalogue hours in April 2021 at least five years old, an increase of 11 percentage points over the period tracked.[8] For new programming, TV broadcasters are increasingly commissioning with on-demand audiences in mind, seeking to produce content that will perform well on BVoD platforms.

8 Ampere Analysis Analytics – AVoD & catch-up. Data accessed 8 July 2021. For BBC iPlayer, the proportion increased by 10 percentage points to 39%.

Fig. 5

PSB BVoD services' cumulative content hours, by age (December 2019 – April 2021)



Source: Ampere Analysis, data accessed 8 July 2021. Cumulative hours for BBC iPlayer, ITV Hub, All 4 and My5.

In November 2020, Channel 4 set out a new five-year plan to double viewing to All 4. Measures to achieve this included a content strategy more focused on younger audiences and on-demand formats, and personalisation through improved recommendations and marketing. Channel 4 is also increasing the number of series that it makes available on demand in full as soon as the first episode airs, ahead of the linear schedule for subsequent episodes, with the stacking of drama *It's A Sin* driving record streaming for the broadcaster in January 2021.[9] To build its digital and social media presence, in 2020 Channel 4 launched its new digital content unit, 4Studio, to create bespoke content for core platforms Snap, YouTube, Facebook and TikTok.

ITV, meanwhile, has restructured its broadcast business by positioning a new on-demand unit as its vehicle for growth, to cater for audiences who do most or all of their viewing online, and including original productions commissioned specifically for its ITV Hub VoD service. It has also been experimenting with E-commerce and interactive services, with initiatives such as the Love Island mobile game, through which users can purchase digital merchandise, as well as 'shoppable TV', announced in July 2021. This new service allows users of LG smart TVs

9 Channel 4, Acclaimed new drama It's A Sin drives record All 4 streaming, 2 February 2021.

to purchase products featured in programmes (such as Love Island), with cosmetics retailer Boots the first to partner with ITV on the new venture.

Channel 5 owner ViacomCBS's UK on-demand strategy appears to be to more closely align the My5 BVoD service and the Pluto TV AVoD service. In February 2021, the company restructured its streaming operations by putting these two assets into a single, new, division, along with MTV Play and children's learning app Noggin. Channel 5 has also been expanding the My5 content library, securing new content deals with production companies and studios such as Endemol Shine and AMC Networks International in 2020.

The BBC is continuing to evolve iPlayer by making more programmes and films available for longer (a 12-month window for all BBC commissions) and ahead of broadcast schedule, adding a children's interface, and making subtitles more user-friendly and accessible, among other improvements.

Greater collaboration between the PSBs on BVoD may be forthcoming. According to reports in January 2021, the broadcasters have discussed the development of a single free streaming app that would aggregate all their live broadcasts and on-demand programming in one place, accessible via a single sign-on.[10] Such a move would build on their BritBox partnership (the joint venture is led by ITV and the BBC, but Channel 4 and Viacom / Channel 5 have deals in place to supply the SVoD service with programming).

Subscription services are also part of ITV's and Channel 4's respective individual online strategies. ITV launched ITV Hub+, an ad-free version of its VoD service priced at £3.99 a month, in 2016, while Channel 4 adopted a similar strategy with All 4+ – also ad-free and with the same price point – in March 2019. The services have achieved modest take-up, with 3% of UK households subscribing to ITV Hub+ and 2% to All 4+ by Q1 2021. BritBox penetration is at a similar level, at 2%.[11]

The UK's commercial broadcasters are pursuing initiatives to grow BVoD advertising revenues

Since 2015, commercial TV broadcasters have successfully increased their advertising revenues from video-on-demand services, and this has compensated in part for the decline in traditional linear TV advertising, which worsened in 2020 during the pandemic. According to data from the AA/WARC Expenditure Report, BVoD advertising revenues grew by 15% year on year to £523m in 2020, as broadcasters attracted more advertisers to these services. However, linear TV spot advertising revenues fell 16% year on year to £3.5m.

To help accelerate growth in BVoD advertising, commercial broadcasters have invested in a range of new technologies and initiatives:

- **Improved cross-media measurement:** Sky, ITV and Channel 4 recently announced that the cross-media measurement initiative CFlight, initially developed by Sky and its parent company Comcast, would become a jointly-owned product between Sky, ITV and Channel 4. CFlight enables advertisers to better understand the incremental reach of BVoD advertising when it is used alongside traditional TV spot advertising.

10 The Daily Telegraph, Broadcasters to channel all into a one-stop streaming player to keep up with US giants, 30 January 2021.

11 Ofcom Technology Tracker 2021.

- **Programmatic advertising technologies:** Commercial broadcasters have been investing in new technologies which will enable advertisers to buy BVoD advertising on an automated basis. For example, ITV's Planet V, launched in October 2020, allows advertisers and media agencies to purchase advertising inventory on a self-service basis across its video-on-demand service, ITV Hub, while Channel 4 has partnered with The Trade Desk to offer automated buying of video advertising on All4. This programmatic trading of BVoD ad inventory brings some of the advantages of online advertising to TV, including increased flexibility for existing advertisers, and lowering the barriers to entry for new ones.
- **Addressable (targeted) advertising:** In addition to enabling greater flexibility in the buying and selling of online BVoD advertising, advanced advertising technologies allow advertisers to target viewers more accurately. For example, viewers to the same programme may see different ads based on their location, demographic or previous buying habits. Addressable advertising has been made possible by the high number of homes connecting their TV set to the internet. It is likely to be important to the future health of commercial PSBs; estimates suggest that by 2024, 25% of all commercial PSB broadcaster advertising revenue will come from connected TV screens.[12]

UK PSBs are also using YouTube to engage with audiences and promote their content

YouTube accounts for a significant proportion of viewing time in the UK, particularly among younger people, with 16–34s' viewing around 72 minutes of YouTube content per day. PSBs have responded to this by using the platform as an additional outlet to engage with audiences and direct them to the broadcasters' respective TV channels or VoD services, primarily through short promotional clips and highlights videos taken from their programmes. SVoD services are using YouTube in a similar way.

The PSBs' YouTube channels have significant reach, with ITV's exceeding 10 million UK adult visitors in March 2021, and BBC Online reaching around 7 million in the same month.[13]

PSBs have also been providing content specifically tailored for online audiences, such as *'The Rundown'*, a daily news video for Instagram and Snapchat users introduced by ITV in 2019. The BBC additionally provides online content aimed at children, through its CBeebies, CBBC and BBC Bitesize brands. Elsewhere, Channel 4 formed a partnership with Snapchat in June 2020 and is using the photo and video sharing service to engage audiences with more than 300 short-form edits of Channel 4 content. Channel 4 subsequently began posting 'cliffhanger' clips from the soap *Hollyoaks* on Snapchat, encouraging fans to record their own endings alongside the show's theme music. In March 2021, Channel 4 partnered with TikTok, sharing exclusive content from its programming strands and highlight clips from other programmes. Through 4Studio, it is also publishing original creative educational videos on the platform as part of the #LearnonTikTok initiative.[14]

12 Estimate from Spark Ninety. Mid-point of a projected range of 20% to 30%. Data includes BVoD viewed on TV screens (excludes mobile and desktop) and dynamic ad replacement on broadcast TV.

13 Source: Comscore VMX Multi-Platform, YouTube channels, Jan–Mar 2021, age: 18+, UK.

14 Channel 4, Channel 4 and E4 launch on TikTok and become partners to #LearnonTikTok, 16 March 2021.

Current Development of Television and Video Usage in France

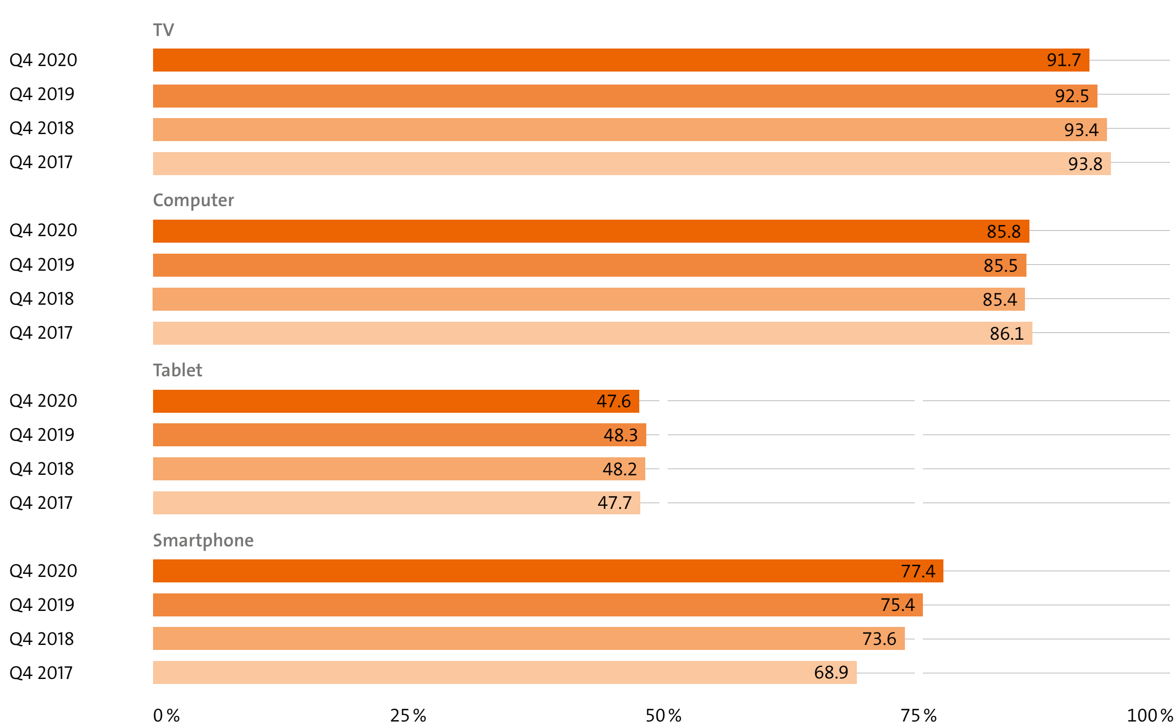
Devices ownership

There are on average 5.6 screens per household in France (stable over time). Over the past 10 years, the percentage of French households owning a television set has been decreasing from nearly 100% to 92%[15]. Nevertheless, the television set remains the most common device in French homes and 41.1% of households have two television sets or more. The computer equipment rate is stable over the past years, revealing relatively mature markets, when the tablet equipment rates goes down slightly. The smartphone equipment rate shows a strong increase year after year and reaches 77.4% of individuals aged 11 years old and over in the fourth quarter of 2020.

15 CSA projections lead to an estimate of the television equipment rate in 2022 between the current level and 81% in the most disruptive scenario.

Fig. 6

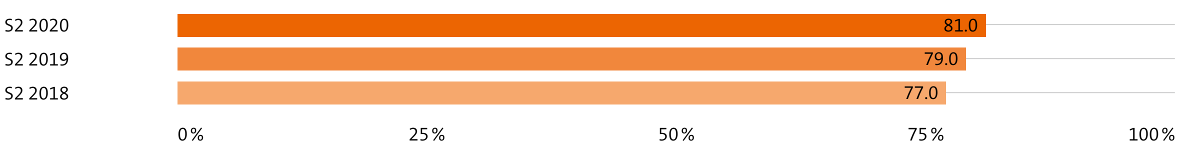
Evolution of devices equipment rate



Base for TV, computer and tablet: French metropolitan households; Base for smartphone: internet users aged 11+.

Fig. 7

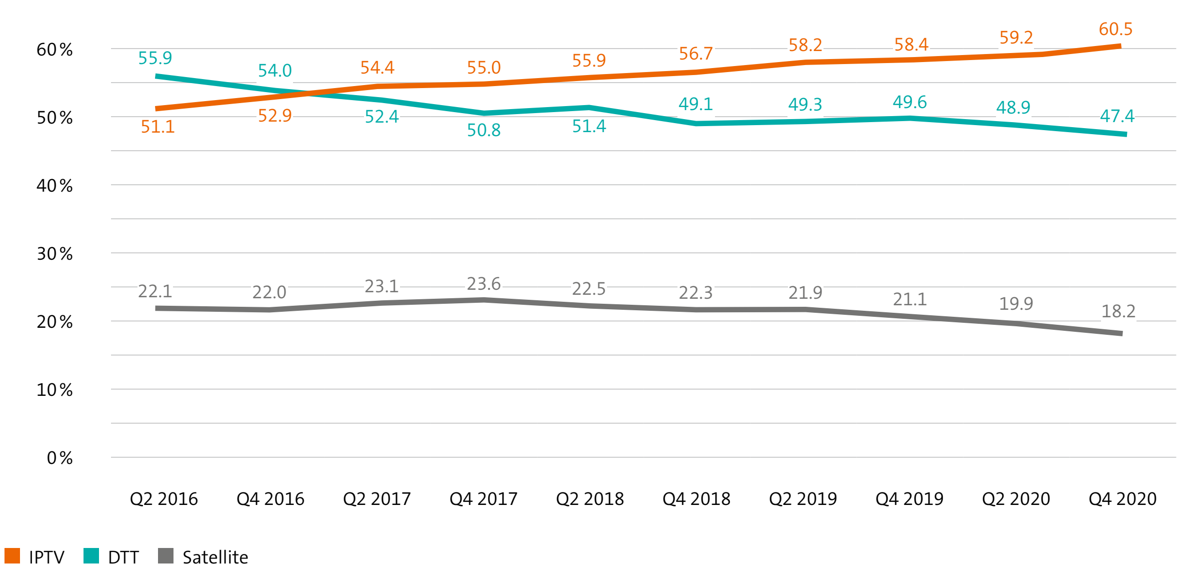
Evolution of internet connected TV equipment rate



Source: Médiamétrie for CSA, DGMIC and ANFR, Baromètre TV connectée; Base: TV owning households.

Fig. 8

Evolution of television reception modes



Source: Médiamétrie for CSA, DGMIC and ANFR, Observatoire de l'équipement audiovisuel des foyers; Base: TV owning households.

Internet connected television

In the second semester of 2020, 81% of TV owning households have an internet connected TV that gives access to OTT audiovisual contents, mostly through the ISP TV set-top box that also gives access to linear managed services. Smart TV account for 40% of households owning an internet connected TV, and shows the highest annual increase: + 4 points. Other ways to connect the TV set include video games console (36%), streaming stick or set-top box (27%) and computer (20%).

TV reception

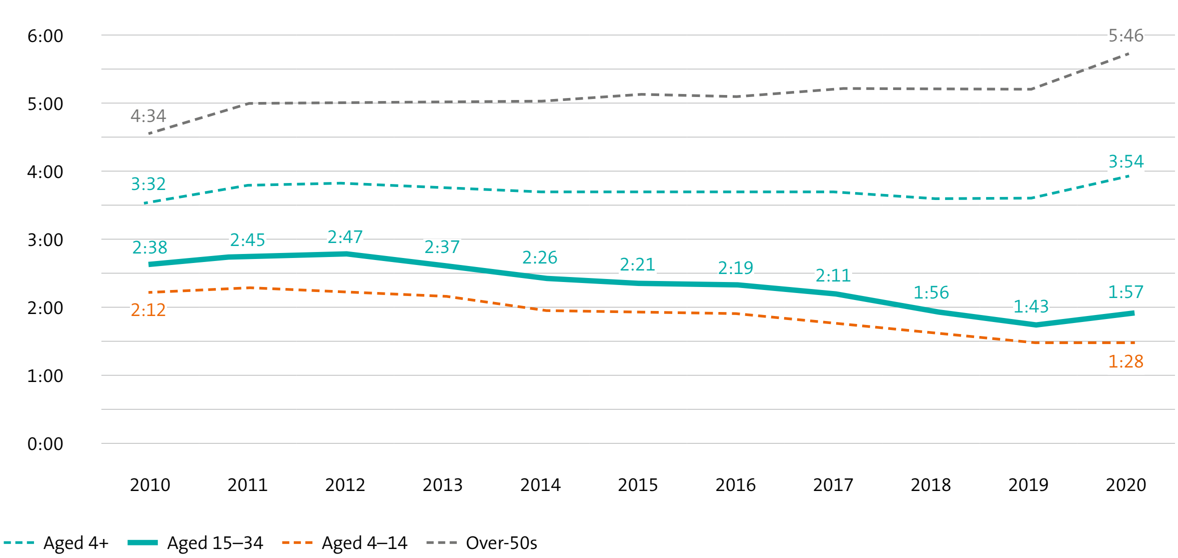
Managed internet protocol television (IPTV) has been the first TV reception mode in France since the second quarter of 2017, when it overweighed DTT. In the fourth quarter of 2020, 60.5% of TV owning households watch linear television through IPTV. Since 2011, DTT has shown a slow decrease to reach 47.4% of TV owning households in Q4 2020. Still, DTT is the only TV reception mode for 21% of French households and is by far the first reception mode on secondary TV screens. In addition, 18.2% of TV owning households watch linear television through satellite. Finally, all in all, more than 60% of TV owning households use a free reception mode (DTT, free cable or free satellite), on all or one of their TV screen(s).

Boom of TV viewing with Covid crisis

In France, TV daily viewing time reached 3h54 in 2020, an addition of 24 minutes compared to 2019. The Covid crisis thus put an end to many years of downward trends, and illustrated the power of TV

Fig. 9

Evolution of TV daily viewing time in France since 2010



Source: Harris Interactive until 2016 / Vertigo – CNC, Bilan 2020.

media, being both able to provide trustful information and entertain viewers in these difficult times.

However, even during the pandemic, daily viewing time experienced varying trends among different audiences. People aged 50 or more increased their TV consumption by 11 % on average between 2019 and 2020 (+34 minutes), whereas children aged between 4 and 14 just maintained their daily viewing time at a stable level.

Peaks in TV consumption were however noticed even among the youngest audiences during the most restrictive months of lockdown, as French schools and universities remained closed. Indeed, daily viewing time reached 1h47 among children (aged 4–14) in March 2020, and 2h15 among teenagers and young adults (aged 15–34).

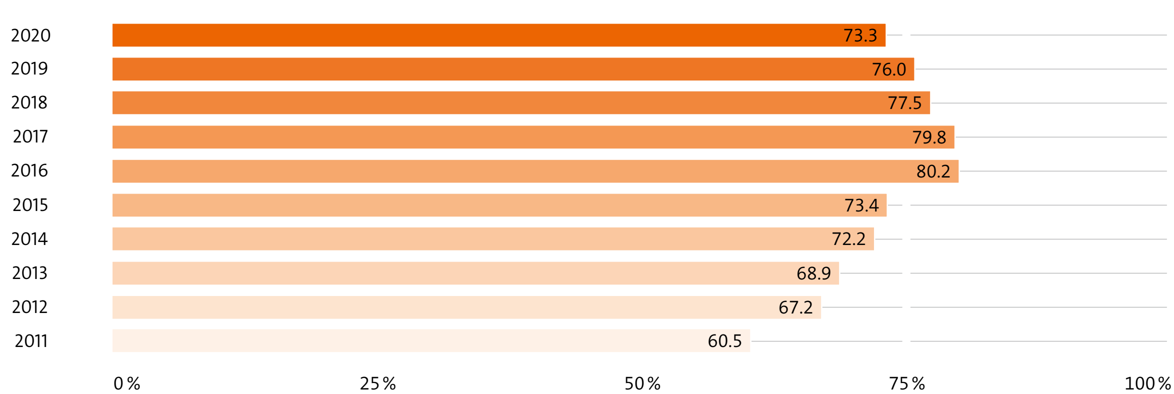
The boom in TV viewing brought by the pandemic mainly relied on live content, and did not reflect strongly on non-linear consumption. The penetration of catch-up TV dropped by 2.7 points between 2019 and 2020, most significant decrease observed since 2016. The rise of SVOD consumption could explain the shrinking numbers of catch-up TV users in France these past 5 years.

Growth of subscription-video-on-demand (SVOD) services

In France, the number of SVOD services increases year by year. In 2020, 78 services are available compared to 63 in 2017. The editorial positioning of these SVOD services is varied, some services are generalists, other are focused on youth market, dedicated to cinema or documentaries or sports competitions, etc. Furthermore, the owners of SVOD services available in France are widely diversified. These players can be digital solutions companies,

Fig. 10

Catch-up TV penetration in France



Source: CSA on Médiamétrie/Global Vidéo, Baromètre bilan S1 2021, People aged 15 and over.

French audiovisual groups, American audiovisual groups, French production or distribution companies or press and publishing groups[16].

SVOD revenue has increased tenfold since 2015, reaching 1.3 billion euros in 2020[17].

Uses of SVOD services are growing fast since Netflix entered the French market in 2014, and boomed during the pandemic. Every day, 7.5 million French people watched SVOD content in the second semester of 2020. They were only 4.1 million in 2019[18].

The number of SVOD users peaked in spring 2020, which covered both the first lockdown period and launch of Disney+ in France, on April 7th. It fell slightly back during summer, and grew again as new measures had to be taken regarding the pandemic in the last quarter of the year.

16 CSA/Hadopi,The growth of subscription-based video-on-demand services, March 2021.
17 CNC, Observatoire de la vidéo à la demande, December 2020.
18 Mediametrie's SVOD measure changed between 2019 and 2020. Evolutions cannot be analyzed at a constant scope, but still indicats a strong upward trend in the number of SVOD daily users.

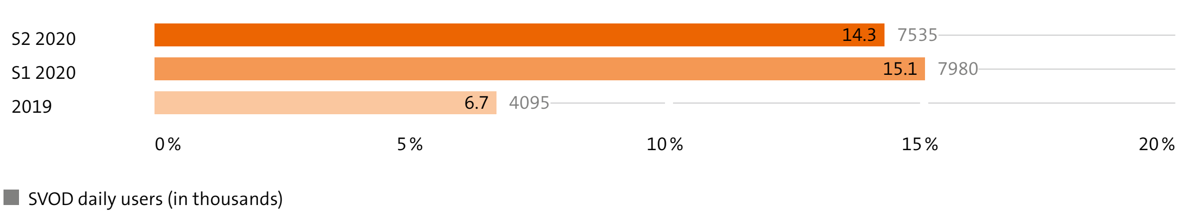
The French audiovisual groups strategies to face American competitors

In order to compete with the American SVOD services occupying a prominent space in France, and to limit the growing erosion of their audience share, the historical broadcasting groups reacted in various ways. Some of them chose to deal with SVOD services providers by entering content production agreements with international SVOD players, like TF1 group did with Netflix for the series "The Bonfire of Destiny" simultaneously available on Netflix and TF1 channel. Others, like Canal Plus group, developed distribution strategies: the French group signed an exclusive distribution agreement with Disney+ ahead of its launch in France in April 2020.

Three free-to-air French broadcasting groups, including public broadcasting group France Télévisions, also created their joint SVOD and live streaming offer, Salto. The service was launched in October 2020, between two national lockdowns, after several delays due to the Covid-19 crisis. With more than 10 000 hours of video contents and 20 TV channels, Salto was designed to offer a French SVOD and live streaming service alternative with a strong catalogue of French contents. In January 2021, 200 000 users signed up for the service.

Fig. 11

SVOD daily penetration in France by semester



Source: Médiamétrie, Médiamat mensuel; Base: people aged 15 and over.

The strong growth in the number of SVOD services also requires the players in this market to differentiate themselves from the competition. This has been done by some services providers that have targeted niche markets through their editorial positioning and the content they offer. Faced with competition from generalist SVOD services, and given the impossibility of competing financially with equivalent catalogues, a space seems to be opening up for a range of highly editorialised themed services, some of which can make a profit with a few tens of thousands of subscribers.

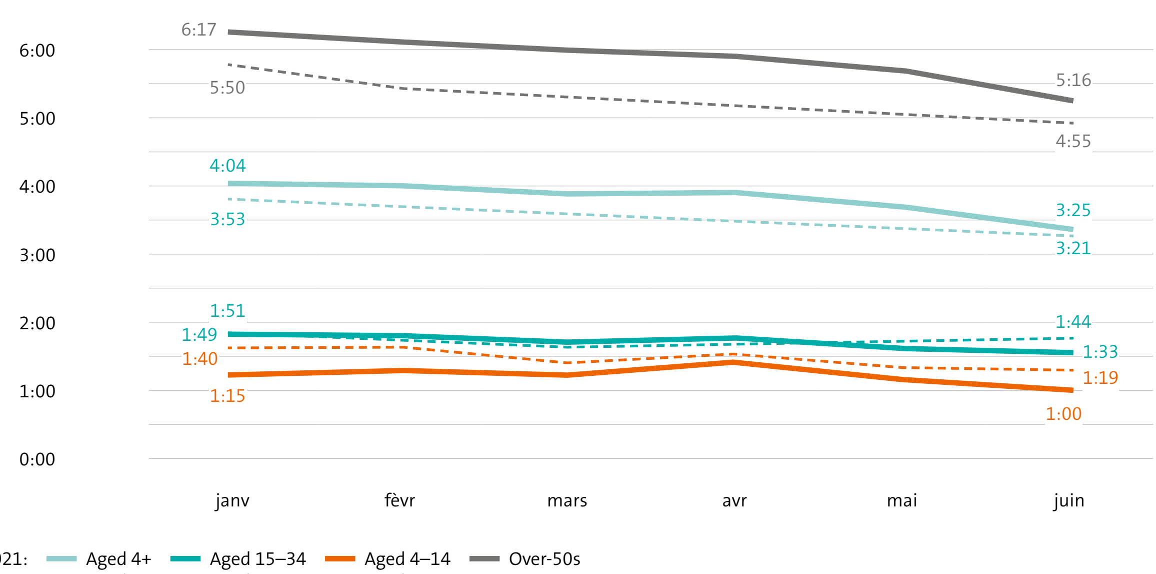
TV does not seem to keep up with upward trend

Daily viewing time of 2021 remained above the one of 2019 between January and April, but decreased steadily on May, as restrictive measures due to the pandemic were progressively abandoned.

In June 2021, TV consumption reached back its 2019 overall, with a daily viewing time around 3h20 hours, versus 3h 40 in June 2020. It fell significantly under its 2019 value among the youngest audiences.

Fig. 12

Evolution on TV Viewing time – S1 2021 versus S1 2019



Source: CSA on Médiamétrie/Harris Interactive Data

These figures seem to imply that the boom in TV viewing observed during the pandemic will hardly maintain long-term effects.

SVOD consumption remains high, Netflix's lead more challenged?

On a daily average, 8.8 million French people aged 15 and over watched SVOD content during the 1st semester of 2021.

Netflix's strong domination in French SVOD consumption was slightly weakened during the pandemic, as new services were launched (mainly Disney+ and Salto) and people got more time to discover other services like Prime Video. However, Netflix still accounts for 60% of SVOD consumption in France in June 2021 (– 8 points in one year).

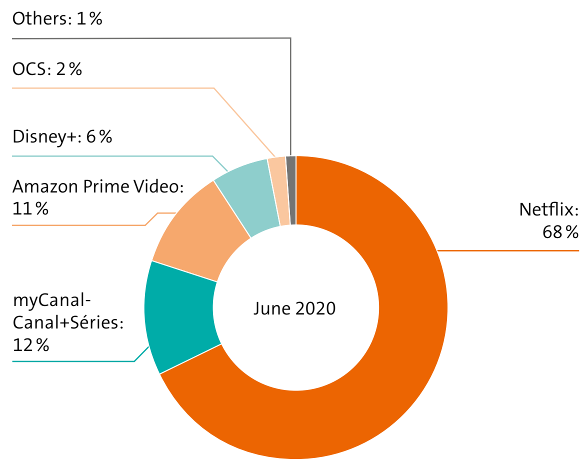
Disney+ consumption increase is quite significant from one year to another. The launch of its new Star offering proved to be successful in addressing a broader and older audience.

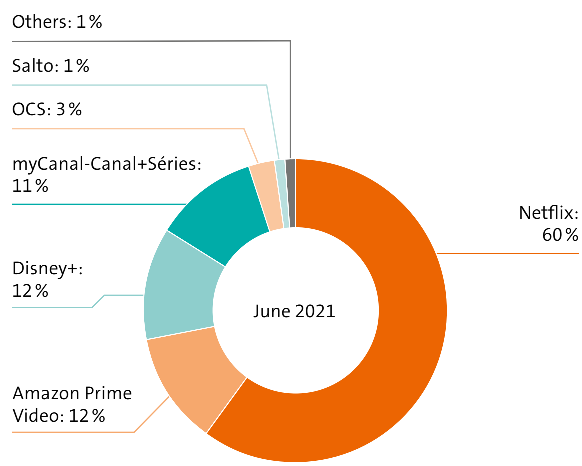
Overall, the pandemic did not result in an important increase of SVOD daily viewing time per user, which stands slightly above 3 hours, but accelerated the adoption of SVOD usages among the French population, and gave more visibility to smaller services with more niche content.

SVOD resembles more and more a "mass" media practice, as its audience grew larger and older in one year, a trend that seems to be followed in 2021. The proportion of users aged over 50 increased quite significantly between the first semesters of 2020 and 2021 (+5 points), even though 50% of French SVOD users are still under 35 years old.

Fig. 13

SVOD consumption by services in France





Source: CSA on Médiamétrie/Global Vidéo, Baromètre Bilan S1 2021.

The evolution of the audiovisual regulation

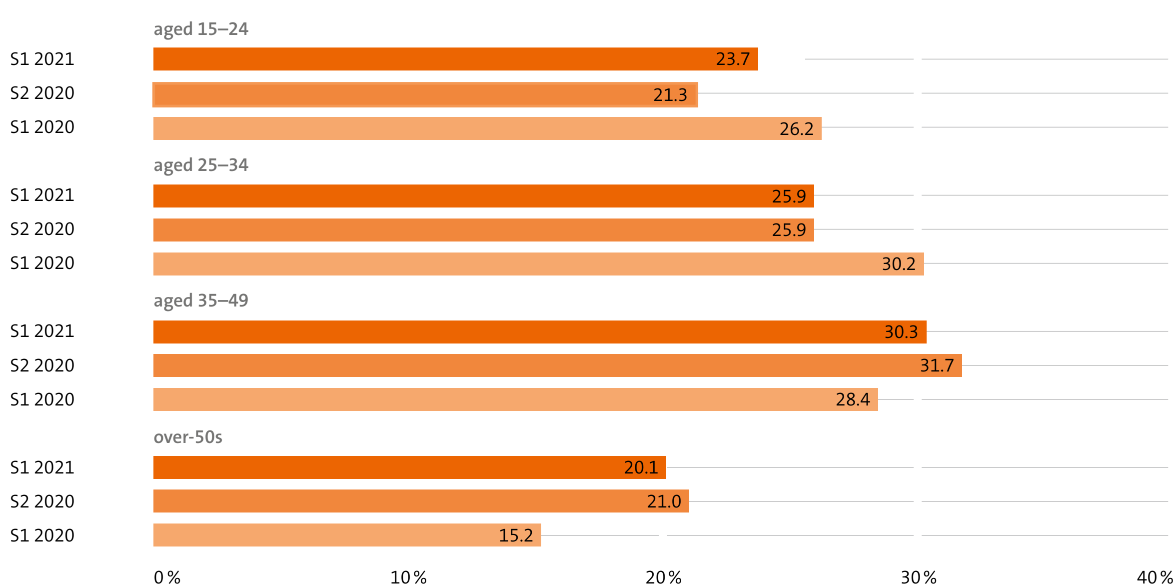
In June 2021, a revised regulatory act (decree) for on-demand audiovisual media services such as replay, VOD and SVOD services was published in order to transpose the European directive revising the "Audiovisual Media Services" directive adopted in 2018. One of the new characteristics of the French decree is to impose on foreign on demand audiovisual media services obligations to invest a part of their French revenues in European or French-speaking production. In parallel, the video on demand services providers will have the possibility to sign a convention with the CSA to detail these new investment obligations.

Conclusion

A look at the UK and France shows that developments in video usage in all major countries have been trending in a similar direction over the last two years. In the wake of the Corona pandemic, the associated lockdowns, and people's increased need for information, overall video usage initially picked up. In 2020, especially in the lockdown phases, both linear TV usage and non-linear usage of VOD offerings were significantly higher than in the previous year. While traditional TV usage has subsequently mostly stabilized back at 2019 levels, VOD usage has remained above pre-crisis levels in both the UK and France. This development is in line with the findings of the current survey for the Digitization Report in Germany. The international comparison suggests that the pandemic will likely help

Fig. 14

SVOD users' breakdown by demographics



Source: CSA on Médiamétrie/Harris Interactive Data.

further accelerate the already existing trend toward non-linear video usage. The BBC's increased orientation towards an online-first strategy as well as the joint VOD program Salto of various French TV providers shows that classic TV broadcasters are reacting to these developments. Broadcasters are adapting their distribution strategies to the changing usage habits of viewers and are thus repositioning themselves in the increasingly diverse competition for viewers' attention.