

VIDEO BY NUMBERS: COUNTING THE COSTS

FIGURE IT OUT *The first of European Video Review's regular video industry statistics sections finds Belgium enjoying a video boom, and sell-through closing in on rental Europe-wide.*

Total gross video revenue in the EC rose by 5.9%—little more than the rate of inflation—in 1991, as the video sector grappled with the difficult transition from rental to sell-through and the effects of global recession which hit consumer spending severely in some countries, such as the UK.

Total revenue increased to \$4.5 bn (ECU 3.3 bn), while rental revenue fell 6.8% to \$2.42 bn (ECU 1.8 bn), and the video retail business continued its sharp swing upwards, rising by 26.2% to \$2.06 bn (ECU 1.6 bn).

The figures come from analysis provided by Espace Vidéo Européen's Brussels-based Mediabase initiative, which compiles data and statistics on the video industry across Europe. Drawing on information provided by national trade associations, and on estimates made regularly by two trade publications, Mediabase has compiled a "poll of polls"—an estimate based on the average of the figures taken from various researches.

According to Mediabase, European video grew only slightly in real terms in 1991, perhaps signalling an end to the boom years following the introduction of the home video cassette. But the pan-European figures mask wide variations between territories, which themselves reflect different stages of development in their respective video markets.

TROUBLED The figures reveal that the highest annual revenue rise—apart from the case of Portugal, where the averaging technique produced a freak result—was in Italy, where gross income rose by 30.5% in 1991. By contrast, the troubled Greek market suffered a near-collapse last year, falling in revenue terms by nearly 39%. In Belgium, the sell-through market grew 81% last year.

But in the UK, where the market had already experienced the effects of the sell-through boom, video retail grew by just 9.2%.

The rental market was down in nine of the 12 EC countries, with Italy registering the largest growth, of just 3.4%. Belgium's sell-through boom, on the other hand, was matched by a rental slide, with videoclub revenues falling by 28.8% in the year. Sell-through revenues now outstrip rental income in Italy and France. Across Europe, rental and sell-through are now close to parity in revenue terms.

LARGEST In 1991, some 54% of gross video income came from rental, with 46% from retail. The largest European territory remains the United Kingdom, although its share of the overall EC market declined by 2.9% in 1991, to 33.5%. The UK's share of the rental market slipped slightly by 0.8% to 37.6%, while its stake in the sell-through sector fell by 4.5% to 28.9%. The next largest markets in terms of share are Germany (19.6%) and France (16.8%).

Figures collected by Mediabase covering five EFTA countries—Austria, Finland, Norway, Sweden and Switzerland—show markets worth a total \$430.5 m (ECU 317.2 m). The total western European market, according to Mediabase, is thus worth some \$4.92 billion (ECU 3.6 bn).

VCR penetration in Europe is now at 55%, says Mediabase, with some 68.4 million households in possession of a video cassette recorder. The deepest penetration is in the UK, where 71% of households have a VCR, while the lowest figure in the EC is for Portugal, where almost one-third of homes (32%) have a video. Eight EC countries have penetration of 50% or more, while Spain is only just outside this group, with 49%. ■

**ACROSS EUROPE,
VIDEO RENTAL
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PARITY**

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AND
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STATISTICS

VIDEO SOFTWARE REVENUE IN EUROPE, 1990-91

	Rental 90	Rental 91	% ±	% 90	% 91	Sell-Through 90	Sell-Through 91	% ±	% 90	% 91	Total 90	Total 91	% ±	% 90	% 91
Belgium															
Screen Digest	\$75,600,000	\$50,300,000	-33.47	2.79%	2.08%	\$27,400,000	\$52,100,000	90.15	1.52%	2.43%	\$103,000,000	\$102,400,000	-0.58	2.28%	2.24%
IVF/national association	\$74,294,118	\$56,323,529	-24.19	2.85%	2.21%	\$24,941,176	\$42,767,560	71.47	1.51%	1.93%	\$99,235,294	\$99,091,089	-0.15	2.33%	2.08%
Kagan World	\$84,000,000	\$60,000,000	-28.57	3.36%	2.36%	\$10,000,000	\$18,000,000	80.00	0.70%	0.81%	\$94,000,000	\$78,000,000	-17.02	2.39%	1.64%
Average	\$77,964,706	\$55,541,176	-28.76	3.00%	2.29%	\$20,780,392	\$37,622,520	81.05	1.27%	1.83%	\$98,745,098	\$100,745,545	2.03	2.33%	2.25%
Denmark															
Screen Digest	\$53,000,000	\$44,600,000	-15.85	1.96%	1.85%	\$19,400,000	\$19,600,000	1.03	1.07%	0.91%	\$72,400,000	\$64,200,000	-11.33	1.60%	1.41%
IVF/national association	\$44,062,500	\$38,906,250	-11.70	1.69%	1.53%	\$14,062,500	\$25,468,750	81.11	0.85%	1.15%	\$58,125,000	\$64,375,000	10.75	1.37%	1.35%
Kagan World	\$46,000,000	\$37,000,000	-19.57	1.84%	1.59%	\$14,000,000	\$24,000,000	71.43	0.98%	1.33%	\$60,000,000	\$61,000,000	1.67	1.53%	1.28%
Average	\$47,687,500	\$40,168,750	-15.77	1.84%	1.66%	\$15,820,833	\$23,022,917	45.52	0.97%	1.12%	\$63,508,333	\$63,191,667	-0.50	1.50%	1.41%
France															
Screen Digest	\$150,600,000	\$128,600,000	-14.61	5.56%	5.33%	\$562,000,000	\$600,300,000	6.81	31.11%	27.96%	\$712,600,000	\$728,900,000	2.29	15.79%	15.98%
IVF/national association	\$220,183,486	\$233,035,714	5.84	8.45%	9.16%	\$473,394,495	\$556,071,429	17.46	28.68%	25.14%	\$693,577,981	\$789,107,143	13.77	16.30%	16.60%
Kagan World	\$175,000,000	\$174,000,000	-0.57	7.00%	7.49%	\$457,000,000	\$566,000,000	23.85	31.88%	31.26%	\$632,000,000	\$740,000,000	17.09	16.07%	15.56%
Average	\$181,927,829	\$178,545,238	-1.86	7.01%	7.38%	\$497,464,832	\$574,123,810	15.41	30.52%	27.92%	\$679,392,660	\$752,669,048	10.79	16.04%	16.79%
Germany															
Screen Digest	\$631,300,000	\$643,300,000	1.90	23.31%	26.64%	\$185,700,000	\$292,400,000	57.46	10.28%	13.62%	\$817,000,000	\$935,700,000	14.53	18.10%	20.51%
IVF/national association	\$611,515,152	\$606,666,667	-0.79	23.47%	23.86%	\$181,818,182	\$387,878,788	113.33	11.02%	17.54%	\$793,333,334	\$994,545,455	25.36	18.64%	20.92%
Kagan World	\$575,000,000	\$581,000,000	1.04	23.01%	25.01%	\$86,000,000	\$120,000,000	39.53	6.00%	6.63%	\$661,000,000	\$701,000,000	6.05	16.81%	14.74%
Average	\$605,938,384	\$610,322,222	0.72	23.34%	25.22%	\$151,172,727	\$266,759,596	76.46	9.27%	12.97%	\$757,111,111	\$877,081,818	15.85	17.88%	19.56%
Greece															
Screen Digest	\$40,100,000	\$26,200,000	-34.66	1.48%	1.08%						\$40,100,000	\$26,200,000	-34.66	0.89%	0.57%
IVF/national association															
Kagan World	\$52,000,000	\$30,000,000	-42.31	2.08%	1.29%						\$52,000,000	\$30,000,000	-42.31	1.32%	0.66%
Average	\$46,050,000	\$28,100,000	-38.98	1.77%	1.16%						\$46,050,000	\$28,100,000	-38.98	1.09%	0.63%
Ireland															
Screen Digest	\$74,600,000	\$67,300,000	-9.79	2.76%	2.79%	\$16,600,000	\$18,800,000	13.25	0.92%	0.88%	\$91,200,000	\$86,100,000	-5.59	2.02%	1.89%
IVF/national association															
Kagan World	\$37,000,000	\$37,000,000	0.00	1.48%	1.59%	\$10,000,000	\$10,000,000	0.00	0.70%	0.47%	\$47,000,000	\$47,000,000	0.00	1.20%	1.03%
Average	\$55,800,000	\$52,150,000	-6.54	2.15%	2.15%	\$13,300,000	\$14,400,000	8.27	0.82%	0.70%	\$69,100,000	\$66,550,000	-3.69	1.63%	1.48%
Italy															
Screen Digest	\$172,500,000	\$174,000,000	0.87	6.37%	7.21%	\$317,200,000	\$404,000,000	27.36	17.56%	18.82%	\$489,700,000	\$578,000,000	18.03	10.85%	12.67%
IVF/national association	\$137,890,475	\$159,125,681	15.40	5.29%	6.26%	\$261,160,783	\$383,122,868	46.70	15.82%	17.32%	\$399,051,258	\$542,248,549	35.88	9.38%	11.41%
Kagan World	\$189,360,000	\$183,680,000	-3.00	7.58%	7.91%	\$246,660,000	\$424,250,000	72.00	17.21%	23.43%	\$436,020,000	\$607,930,000	39.43	11.09%	13.33%
Average	\$166,583,492	\$172,268,560	3.41	6.42%	7.12%	\$275,006,928	\$403,790,956	46.83	16.87%	19.64%	\$441,590,419	\$576,059,516	30.45	10.43%	12.85%
Luxembourg															
Screen Digest															
IVF/national association															
Kagan World	\$5,000,000	\$5,000,000	0.00	0.20%	0.22%	\$1,000,000	\$1,000,000	0.00	0.07%	0.06%	\$6,000,000	\$6,000,000	0.00	0.15%	0.13%
Average	\$5,000,000	\$5,000,000	0.00	0.19%	0.21%	\$1,000,000	\$1,000,000	0.00	0.06%	0.05%	\$6,000,000	\$6,000,000	0.00	0.14%	0.13%
Netherlands															
Screen Digest	\$95,600,000	\$98,700,000	3.24	3.53%	4.09%	\$43,900,000	\$77,900,000	77.45	2.43%	3.63%	\$139,500,000	\$176,600,000	26.59	3.09%	3.87%
IVF/national association	\$95,604,396	\$101,648,352	6.32	3.67%	4.00%	\$27,252,747	\$54,945,055	101.61	1.65%	2.48%	\$122,857,143	\$156,593,407	27.46	2.89%	3.29%
Kagan World	\$90,000,000	\$90,000,000	0.00	3.60%	3.87%	\$49,000,000	\$49,000,000	0.00	3.42%	2.71%	\$139,000,000	\$139,000,000	0.00	3.53%	3.05%
Average	\$93,734,799	\$96,782,784	3.25	3.61%	4.00%	\$40,050,916	\$60,615,018	51.34	2.46%	2.95%	\$133,785,714	\$157,397,802	17.65	3.16%	3.51%
Portugal															
Screen Digest	\$64,500,000	\$55,800,000	-13.49	2.38%	2.31%	\$14,400,000	\$16,300,000	13.19	0.80%	0.76%	\$78,900,000	\$72,100,000	-8.62	1.75%	1.58%
IVF/national association															
Kagan World	\$22,000,000	\$22,000,000	0.00	0.88%	0.95%	\$5,000,000	\$5,000,000	0.00	0.35%	0.28%	\$27,000,000	\$27,000,000	0.00	0.69%	0.59%
Average	\$43,250,000	\$38,900,000	-10.06	1.67%	1.61%	\$9,700,000	\$10,650,000	9.79	0.60%	0.52%	\$52,950,000	\$72,100,000	36.17	1.25%	1.61%
Spain															
Screen Digest	\$343,400,000	\$260,700,000	-24.08	12.68%	10.80%	\$64,700,000	\$82,800,000	27.98	3.58%	3.86%	\$408,100,000	\$343,500,000	-15.83	9.04%	7.53%
IVF/national association	\$235,849,057	\$226,415,094	-4.00	9.05%	8.90%	\$56,603,774	\$56,603,774	0.00	3.43%	2.56%	\$292,452,831	\$283,018,868	-3.23	6.87%	5.95%
Kagan World	\$245,000,000	\$210,700,000	-14.00	9.80%	9.07%	\$58,760,000	\$64,580,000	9.90	4.10%	3.57%	\$303,760,000	\$275,280,000	-9.38	7.72%	5.79%
Average	\$274,749,686	\$232,605,031	-15.34	10.58%	9.61%	\$60,021,258	\$67,994,591	13.28	3.68%	3.31%	\$334,770,944	\$300,599,623	-10.21	7.91%	6.70%
U.K.															
Screen Digest	\$1,006,600,000	\$865,400,000	-14.03	37.17%	35.84%	\$555,100,000	\$582,600,000	4.95	30.73%	27.14%	\$1,561,700,000	\$1,448,000,000	-7.28	34.60%	31.74%
IVF/national association	\$1,007,142,857	\$971,428,571	-3.55	38.65%	38.20%	\$580,357,143	\$669,642,857	15.38	35.16%	30.28%	\$1,587,500,000	\$1,641,071,428	3.37	37.30%	34.52%
Kagan World	\$979,000,000	\$893,000,000	-8.78	39.17%	38.44%	\$496,000,000	\$529,000,000	6.65	34.60%	29.21%	\$1,475,000,000	\$1,422,000,000	-3.59	37.51%	29.91%
Average	\$997,580,952	\$909,942,857	-8.79	38.42%	37.60%	\$543,819,048	\$593,747,619	9.18	33.36%	28.87%	\$1,541,400,000	\$1,503,690,476	-2.45	36.40%	33.54%
TOTAL															
Screen Digest	\$2,707,800,000	\$2,414,900,000	-10.82	100.00%	100.00%	\$1,806,400,000	\$2,146,800,000	18.84	100.00%	100.00%	\$4,514,200,000	\$4,561,700,000	1.05	100.00%	100.00%
IVF/national association	\$2,605,742,041	\$2,542,849,858	-2.41	100.00%	100.00%	\$1,650,590,800	\$2,211,601,081	33.99	100.00%	100.00%	\$4,256,332,841	\$4,754,450,939	11.70	100.00%	100.00%
Kagan World	\$2,499,360,000	\$2,323,380,000	-7.04	100.00%	100.00%	\$1,433,420,000	\$1,810,780,000	26.33	100.00%	100.00%	\$3,932,780,000	\$4,134,210,000	5.12	100.00%	100.00%
Average	\$2,596,267,347	\$2,420,326,619	-6.78	100.00%	100.00%	\$1,630,136,933	\$2,056,410,360	26.15	100.00%	100.00%	\$4,234,437,614	\$4,483,453,646	5.88	100.00%	100.00%

VIDEO DATA FROM SELECTED NON-EC COUNTRIES

Austria					
Population	7.6 m	Currency	Sch	Exchange Rate to 1 Ecu (01/92)	14.42
Cinema					
N° of Screens	416				
1990 Theatrical Admissions	10.2 m				
N° of TV Sets	2.49 m				
Video					
N° of VCRs	1.2 m				
VCR Penetration	49%				
		ECU	US\$	Sch	
1990 Rental		23.7 m	29.0 m	342.3 m	[93.0%]
1990 Sell-Through		1.7 m	2.1 m	25.1 m	[7.0%]
1990 Total		25.4 m	31.1 m	367.4 m	

Finland					
Population	4.9 m	Currency	Fmk	Exchange Rate to 1 Ecu (01/92)	4.46
Cinema + TV					
N° of Screens			340		
1990 Theatrical Admissions			6.2 m		
N° of TV Sets			1.9 m		
Video					
N° of VCRs			1,150,000		
VCR Penetration			61%		
		ECU	US\$	Fmk	
1990 Rental		52.4 m	63.9 m	233.6 m	[75.6%]
1990 Sell-Through		17.1 m	20.8 m	76.2 m	[24.4%]
1990 Total		69.4 m	84.7 m	309.8 m	

Norway					
Population	4.2 m	Currency	NKr	Exchange Rate to 1 Ecu (01/92)	7.97
Cinema + TV					
N° of Screens			415		
1990 Theatrical Admissions			11.6 m		
N° of TV Sets			1.6 m		
Video					
N° of VCRs			700,000		
VCR Penetration			44%		
		ECU	US\$	NKr	
1990 Rental		123.0 m	150.0 m	979.9 m	[95.5%]
1990 Sell-Through		5.7 m	7.0 m	45.7 m	[4.5%]
1990 Total		128.7 m	157.0 m	1025.6 m	

Sweden					
Population	85.9 m	Currency	SKr	Exchange Rate to 1 Ecu (01/92)	7.37
Cinema + TV					
N° of Screens			1,138		
1990 Theatrical Admissions			15.3 m		
N° of TV Sets			3.3 m		
Video					
N° of VCRs			1.75 m		
VCR Penetration			53%		
		ECU	US\$	SKr	
1990 Rental		61.1 m	74.5 m	450.1 m	[86.5%]
1990 Sell-Through		9.5 m	11.6 m	70.0 m	[13.5%]
1990 Total		70.6 m	86.1 m	520.1 m	

Switzerland					
Population	6.7 m	Currency	SFr	Exchange Rate to 1 Ecu (01/92)	1.84
Cinema + TV					
N° of Screens			400		
1990 Theatrical Admissions			15.0 m		
N° of TV Sets			2.4 m		
Video					
N° of VCRs			1.3 m		
VCR Penetration			54%		
		ECU	US\$	SFr	
1990 Rental		55.7 m	67.9 m	102.1 m	[94.8%]
1990 Sell-Through		3.0 m	3.7 m	55.8 m	[5.2%]
1990 Total		58.7 m	71.6 m	107.9 m	