

# VIDEO BY NUMBERS: UK RENTAL IS UP

**FOLLOW THE LEADERS!** *New figures showing increases in both rental and sell-through for the UK offer fresh hope for Europe's younger video markets.*

The UK video market is Europe's largest, generating 38.5% of EC retail spending on video rental and 30% on sell-through in 1992 according to EVE's Mediabase. With VCR penetration standing at 75% this year, it is also the most mature market in Europe, and as such its progress is charted carefully by other markets in the EC. And if the state of the British market is an indication of what's to come elsewhere, things could be looking up.

According to figures provided by British distributors' association, the BVA, whose members represent about 90% of the market, the rental industry grew by 3.2% during the first three quarters of 1993 as compared with the same period in 1992. Although still down 9.4% on 1991's figures, this return to growth is encouraging news for the whole industry.

At the same time the average number of weekly rentals measured by MRIB rose by more than 5%, leaving it only 1.8% down on 1991, while between May and August it was actually 11% higher than in the same period in the previous year. It should be noted that these results may not be fully representative of the whole country since they are drawn from a sample group of only 250-300 stores (from a total of around 7,500) selected for the ease with which they can register the required data, however they do provide an idea of the general trend.

**CHOICE** A variety of reasons have been put forward to account for the increase in rentals. It may be connected to the noticeable decrease over the same period in the prices paid by dealers for rental cassettes, enabling dealers to offer customers more choice. In addition, 1993 has seen an increase in the amount of advertising support the industry has received, both for the rental and sell-through. This, combined with a continuously strong product line-up throughout the year and terrible summer weather has also boosted consumer interest in the medium.

On the sell-through side, revenues are continuing

to climb — results for the first three quarters of this year were up 10.5% on the same period in 1992 and almost 30% higher than in 1991. As far as sell-through transactions are concerned, according to Gallup's regular market survey, they rose just over 8% on 1992.

**SUPERMARKETS** Although the Gallup survey involves 1,000 shops, some distributors — notably Buena Vista — claim that it is not truly representative since the sample does not include supermarkets and other non-specialised high street retailers, where sell-through video, and children's product in particular, is becoming increasingly important.

This should be taken into account when considering Gallup's analysis of the sell-through market split by distributors (see page iv). Buena Vista claims that by the end of 1993 it will represent 30% of the British sell-through market as a result of the popularity of its Disney Classics titles. According to Gallup, however, Buena Vista represented only 11% of sales by volume and 13.4% by value. Gallup lists the BBC as the biggest sell-through company (11.4% and 11.5% respectively) although following the takeover of VVL by PolyGram in February 1993 their shares should perhaps be combined, making PolyGram the strongest player with 12.8% of the market by volume (but only 11.1% by value due to the company's high number of budget titles).

**INCREASE** However, these figures refer only to the first three quarters of the year, leaving the all-important final quarter still to be analysed. In 1992 44% of total sell-through revenues were generated during the final quarter, and despite the growing trend among the major distributors to release big titles more evenly throughout the year, it is likely that this year will follow the same pattern. In the light of this, EVE estimates that retail revenues from the British video industry in 1993 will show an increase of 6.5% over 1992, giving total revenues at the end of the year of over £1bn/ECU1.31bn (see page iv). ■

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**STATISTICS**

### 1993 VIDEO DISTRIBUTOR RANKINGS: RENTAL

Distributor	Share
Warner	18.2%
C.I.C.	16.2%
Columbia Tristar	14.9%
Fox Video	11.9%
Guild	10.9%
Buena Vista	10.8%
Electric Video	6.3%
First Independent	3.5%
High Fliers	1.6%
Polygram	1.4%
Odyssey	1.0%

Source: BVA (10/93)

### 1993 VIDEO DISTRIBUTOR RANKINGS: SELL-THROUGH

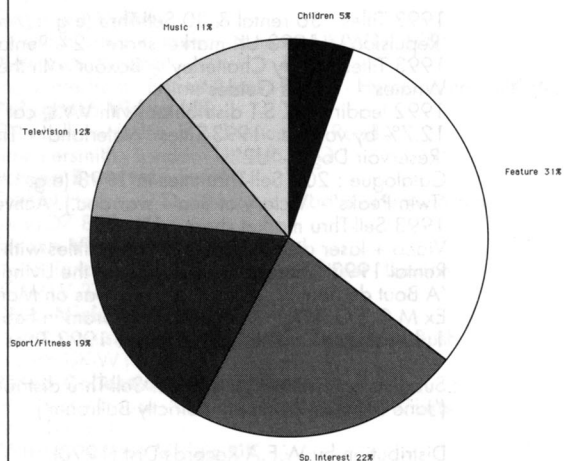
Distributor	By Volume	By Value
BBC	11.4%	11.5%
Buena Vista	11.0%	13.4%
Polygram	10.7%	8.9%
Warner	10.1%	10.7%
Video Collection	8.7%	7.0%
C.I.C.	8.2%	8.6%
Fox Video	5.8%	6.1%
Columbia Tristar	4.0%	3.6%
Pickwick	2.2%	2.1%
V.V.L	2.1%	2.2%

Source: BVA (10/93)

### UK Video Market Development 1991-1993



### UK Sell-Through Offer by Genre 1993



### Sell-Through Video Sales by Genre 1993

