Netherlands

Netherlands key data 2020

Population (m)	17.4
TV households (m)	7.9
Consumer spending on physical video software (€m)	28.3
Comparison with 2019	-23.4%
Consumer spending on physical video software (€m) - Total Europe	1,931.1
Comparison with 2019	-17.9%
Consumer spending on digital video and TV VoD (€m)	744.6
Comparison with 2019	23.8%
Consumer spending on digital video and TV VoD (€m) - Total Europe	15,714
Comparison with 2019	41.3%
Consumer spending on total video (€m)	772.9
Comparison with 2019	21.1%
Consumer spending on total video (€m) - Total Europe	17,645
Comparison with 2019	31.0%

Netherlands key commentary

Netherlands 2020

In many ways 2020 was a year like no other in the Netherlands, including in the home entertainment market. After the record year of 2019, the COVID-19 pandemic had a severe impact on each level of film and audiovisual distribution in 2020. Due to several lockdowns, cinema attendance in the Dutch market was nearly cut in half in comparison to 2019 and sales in the physical market of DVDs and Blu-rays was partly obstructed by the closure of stores. Many Dutch consumers were forced to stay at home and experienced the comforts of the online distribution of films and audiovisual content, which resulted in a increasing popularity of subscription based video-on-demand services as well as an increase in the online transactional market.

Physical market

Although the COVID-19 pandemic, with multiple lockdowns and the closure of physical stores, for sure impacted the sales of films on DVD and Blu-ray, online sales of physical carriers largely compensated for this. This resulted in a total decline of 23% of physical sales, which is comparable with the trend of previous years. Looking at the last five years, the value of the Dutch market for DVDs and Blu-ray have decreased by 73%. Nowadays, the physical market mainly operates as a niche market served by online retailers like *Bol.com* and stores like *Boekenvoordeel* and *Mediamarkt*.

Online distribution

The online distribution of films and audiovisual content has gained significant importance in the Dutch market in 2020 due to a number of reasons. As many Dutch consumers were forced to stay at their homes during the multiple lockdowns, SVOD services were one of the preferred options for many people to watch (new) films and audiovisual content. In addition, several titles were released directly on online distribution services due to the closure of cinemas. Lastly, SVOD services like Netflix, Disney+ and Amazon Prime Video invested heavily in exclusive productions to attract subscribers and strengthen their respective market positions. This resulted in an increase of 27% in value in comparison with 2019. SVOD was by far the most popular way for Dutch consumers to access films and audiovisual content and the popularity is expected to grow over the coming years as subscriber bases grown with no real indication of saturation yet.

2020 was also a significant year for the online transactional (rental and retail) market. Many expected theatrical releases were pushed directly to TVOD & EST in the first half of the year. This resulted in a major increase in value for this relatively nascent market in comparison to the SVOD segment. As the year progressed, the majority of distributors decided to push their unreleased theatrical titles to 2021, which meant less new releases on TVOD &

EST services and resulting reduced sales in the second half of the year. In terms of value, TVOD saw an increase of 64% and EST a 17% increase in comparison with 2019. As was the case in previous years, Google, Apple, KPN, Ziggo and Pathé Thuis were the most prominent TVOD & EST services in the Netherlands.

Other relevant developments in 2020

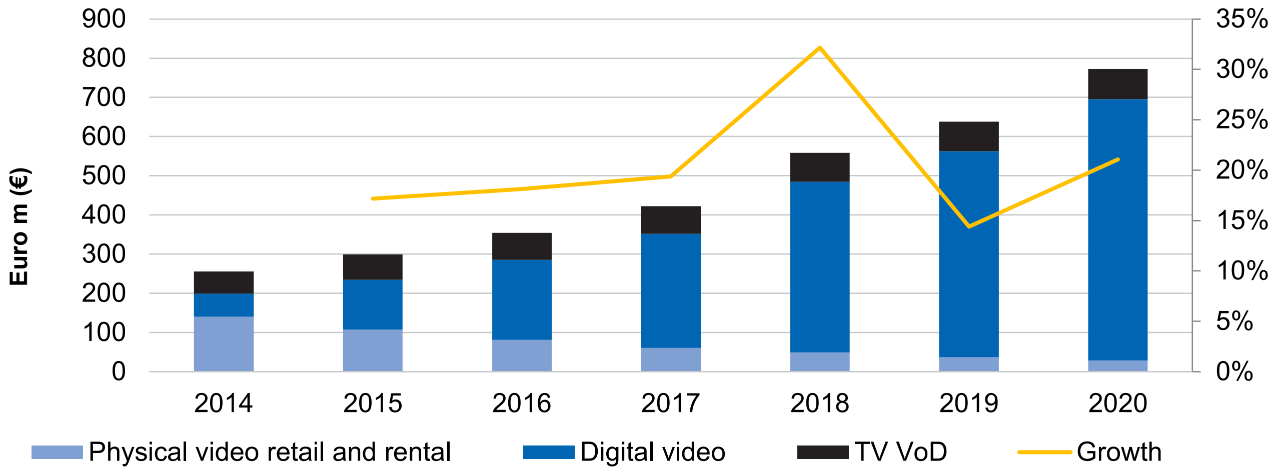
As cinemas reopened again after the first lockdown in spring 2020, FDN and multiple other organizations within the Dutch film and audiovidual industry joined forces to develop a consumer outreach campaign. The main goal of this campaign was to get Dutch audiences excited again about visiting the cinema. The campaign launched in August 2020. The free portal *Film.nl*, which helps Dutch consumers find legal ways to access film and audiovisual content and services, saw a small increase in visitors in 2020, as a result of a new social media campaign in the same year.

A look at the future

As the COVID-19 pandemic evolves, the Dutch theatrical market for film has an opportunity to recover. However, the pandemic has had a severe impact on the theatrical release window. Some films were released simultaneously in theaters and SVOD services and in some cases, theatrical release was skipped all together. Off course, the mandatory closure of cinemas played a big part in these decisions and theaters will remain the main distribution channel for the release of films in future. However, the Dutch market is expected to see the rise of a more hybrid model in which theatrical releases periods will get shorter, and more titles will be released solely on SVOD services. The role of TVOD & EST is likely to remain stable as a proper alternative to SVOD services. The physical market is expected to continue to contract and form a niche market in the Dutch territory.

This commentary was provided by FDN, the Dutch Film Distributors Association.

Consumer spending by segment



Video market: Netherlands

	2014	2015	2016	2017	2018	2019	2020	19/20 %
GENERAL								
Population (m)	16.8	16.9	17.0	17.1	17.2	17.3	17.4	0.1%
TV households (m)	7.5	7.6	7.6	7.7	7.8	7.8	7.9	0.5%
Population Total Europe (m)	627.7	629.4	631.1	632.9	634.5	635.9	636.9	0.2%
TV households Total Europe (m)	256.5	258.6	260.2	262.1	263.8	265.7	267.6	0.7%
Broadband households (m)	6.2	6.4	6.3	6.3	6.4	6.5	6.7	3.1%
Nominal GDP (EUR m)	671.5	690.1	708.3	738.8	774.3	810.2	792.1	-2.2%
Consumer price index (100 in 2010)	119.4	100.0	99.8	103.0	109.7	106.8	109.4	2.5%
DVD Video player/recorder penetration (%)	59.4	52.2	39.1	34.1	29.6	26.1	23.1	-11.5%
Blu-ray Disc player/recorders penetration (%)	17.7	18.9	19.9	19.4	19.1	18.5	17.9	-3.0%
DVD Video player/recorder Total Europe (%)	71.6	69.4	67.0	64.4	61.7	59.2	56.9	-3.9%
Blu-ray Disc player/recorders penetration Total Europe (%)	18.4	20.7	21.8	22.3	22.3	21.7	21.0	-3.3%
OTT Subscriptions (m)	0.8	1.5	2.1	3.0	3.9	5.0	6.7	34.4%

Total video software market

	2014	2015	2016	2017	2018	2019	2020	19/20 %

CONSUMER LEVEL ALL VIDEO

Total market figures include consumption of both physical and digital video

Total spending on video (EUR m)	255.6	299.5	353.8	422.3	558.1	638.5	772.9	21.1%
Growth (%)		17.2%	18.1%	19.4%	32.2%	14.4%	21.1%	
Total spending on video Total Europe (EUR m)	8,519.2	9,170.6	9,285.6	9,907.9	11,421.4	13,471.6	17,645.1	31.0%

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)	4.5	2.8	2.0	1.2	0.7	0.3	0.2	-37.7%
Physical video rental Total Europe (EUR m)	517.6	431.4	295.5	207.5	145.2	109.8	75.0	-31.7%
Physical video retail (EUR m)	135.3	104.6	79.0	58.9	48.6	36.7	28.1	-23.3%
Physical video retail Total Europe (EUR m)	5,178.1	4,737.7	3,934.4	3,287.6	2,734.8	2,241.8	1,856.1	-17.2%
Physical video software (EUR m)	139.8	107.3	81.0	60.1	49.3	36.9	28.3	-23.4%
Physical video software Total Europe (EUR m)	5,695.7	5,169.1	4,229.9	3,495.1	2,880.0	2,351.5	1,931.1	-17.9%

CONSUMER LEVEL DIGITAL VIDEO (OTT) – TOTAL SPENDING

The purchase or rental of films and TV series delivered over the open internet. Digital retail numbers include purchase on content on pay TV set-top-boxes where applicable. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.

Retail digital video (EUR m)	6.6	7.0	7.8	9.0	10.3	11.5	13.4	17.1%
Rental digital video (EUR m)	4.8	5.0	5.6	6.3	6.9	7.5	12.3	64.1%
Subscription digital video (EUR m)	48.1	114.9	190.6	276.7	417.9	506.3	641.2	26.6%
Total digital video (EUR m)	59.5	126.9	204.0	292.0	435.1	525.3	667.0	27.0%
Total digital video Total Europe (EUR m)	2,005.7	3,093.6	4,105.6	5,376.5	7,427.7	9,941.6	14,501.4	45.9%

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, only on set-top-boxes. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.

Pay TV TVOD (EUR m)	56.4	65.3	68.8	70.2	73.7	76.2	77.6	1.8%
Pay TV TVOD Total Europe (EUR m)	817.8	907.9	950.0	1,036.3	1,113.7	1,178.5	1,212.6	2.9%

*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 Omdia methodology. **3)** The current online figures are a snapshot of the market in March 2021. 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: Omdia

Key players in the market (in alphabetical order)

Physical				Digital
Amazon.nl	Disney+	SVOD	Google Play Store	TVOD
Bol.com	Netflix	SVOD	Itunes Store	TVOD
Bookspot.com	Prime Video	SVOD	KPN OnDemand	TVOD
MediaMarkt	Videoland	SVOD	Pathé Thuis	TVOD
		SVOD	Ziggo Movies & Series	TVOD

Share of European market 2020

Physical retail
1.5%

Physical rental
0.2%

(OTT)
4.6%

Pay TV TVOD
6.4%

Average home entertainment spending

Spending per TV household (EURO)
€98.4

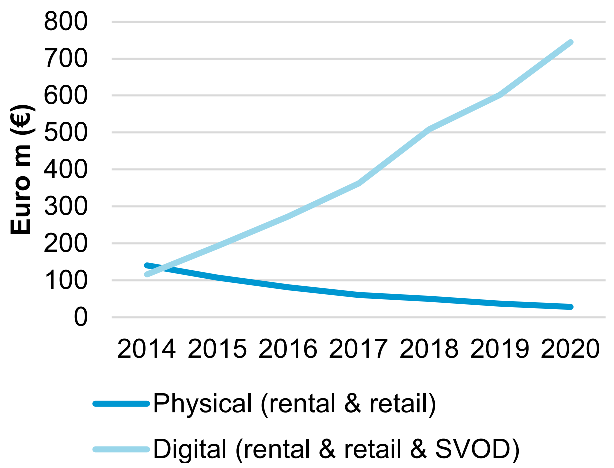
Spending per broadband household (EURO)
€115.7

Digital share of spend vs. broadband speed

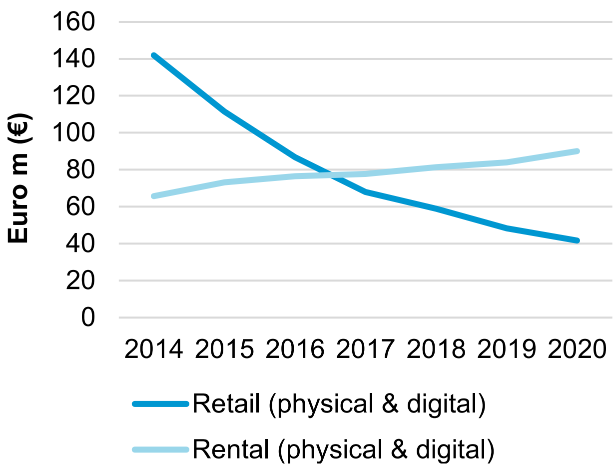
Share digital spend
83%

Broadband download speed rank
(ranked across the 9 IVF countries)
#3

Comparison physical vs digital



Comparison retail vs rental



Note: Digital (rental & retail) includes SVOD data; Rental (physical & digital) excludes SVOD data

Source: Omdia