Audiovisual services in Europe

Focus on services targeting other countries

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Focus on services targeted at other countries

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Introduction

Around one third of all audiovisual services based in the European Union (EU) are targeting other markets. Most of these were established in the United Kingdom and other major hubs where broadcasters and on-demand service providers have set up their bases to circulate specifically tailored services in different language versions. The principal focus of this report lies on providing an overview of where these cross-border services have been established and who owns them, what countries they are targeting and what market power they represent in these national markets. The thematic focus on services targeting other countries is part of a general overview of the European audiovisual media landscape which maps the origin of linear and on-demand audiovisual services and their availability to audiences.

The rapidly increasing number of targeting services in the recent past has been facilitated by the digitisation and convergence of interactive platforms and European regulation. These conditions have opened up the European media landscape to increased regulatory and market competition. Many cross-border broadcasters and providers of on-demand services have aligned their strategies within this market ecosystem to create central hubs from where they operate their services. Consequently, viewers can access far more foreign TV channels than services that are licensed in their home market. Depending on market size, different economic conditions and individual licensing regimes, the number of services available can differ significantly among European countries. The following report provides both a European overview as well as country specific information on audiovisual services.

In particular, Chapter 1 examines the television channels and on-demand services established in Europe with a specific emphasis on the concentration of such services in certain countries, the genre features and types of access and distribution models. Analyses of both linear and on-demand services established in the EU that are specifically targeting other countries are included in Chapter 2. Special attention is paid to the major establishment hubs of such services, their ownership structures and content features. In addition, there is a particular focus on the countries targeted by such services and the scale of market power they represent with regard to national TV audiences. Chapter 3 maps the circulation of TV and on-demand services available in Europe, highlighting the prominence of foreign services available in a country and those of US-based pay on-demand services. The main conclusions of this report are summarised in the Executive Summary which is available in English, French and German.

Executive summary

The following report provides an overview of the European audiovisual media landscape by mapping the origin of linear and on-demand audiovisual services and their circulation. The main focus of the report is on services targeted specifically at other countries, reflecting a trend whereby an increasing number of services are targeting a particular national market from abroad. Typically, these tend to be delivered by a number of recently-emerged hubs from which broadcasters and on-demand service providers circulate services which in some cases constitute a significant market power in the respective target countries. The groups managing these services are likely to be large international broadcasting and entertainment corporations based in Europe and the United States.

The major findings are summarised in three parts: services based in Europe; services targeting other markets; and the distribution of services in Europe.

Audiovisual media services established in Europe

- Half of all audiovisual media services established in the EU at the end of 2016 were concentrated in three countries: the UK; France; and Germany. Around one in 10 television services was a public service broadcasting channel and one third were available in HD format. The EU was in 2016 home to a total of 4,063 television services and 2,207 on-demand audiovisual services; a total of 5,226 linear services and 2,516 on-demand services were established in 40 European countries, plus Morocco (figures for on-demand services include catch-up TV) (pages 10ff).

- Two thirds of all TV channels established in the EU in 2016 comprised seven genres: sports (15%); entertainment (13%); film (9%); children (7%); documentary (7%); generalist (7%); and music channels (7%). The top genres for on-demand services were virtually identical to those for linear services: 17% generalist; 17% film; 11% children; 9% documentary; 7% film and TV fiction; 7% entertainment; and 6% sport. The figures were similar for the 40 European countries covered by the Observatory, plus Morocco (pages 16ff).

- One fifth of television services established in the EU were accessible via digital terrestrial television (DTT), and the rest via cable, satellite, or internet protocol television (IPTV). The majority of television channels were pay and/or premium services while 30% were available free-to-air. The majority of on-demand audiovisual services based in the EU were accessible via online access only (77%), followed by managed access through set-top box (14%) and managed access through set-top box complemented by over-the-top (OTT) applications (9%). The most common business models of these services were catch-up TV and free-on-demand, together representing 71% of the total number of services. Transactional video-on-demand and subscription video-on-demand made up the remaining 29% share (pages 19ff).

TV channels and on-demand services targeting other national markets

- At the end of 2016, around one third of all television channels and on-demand services established in the EU were specifically targeting foreign markets. These services belonged to 44 parent companies, 26 of which were of European origin, 15 of US origin, and three of ‘other’ origin (pages 26ff).
- The market power of foreign services specifically targeting a national market can be significant: In seven European countries (5 EU Members comprising Hungary, the Netherlands, Sweden, the French Community of Belgium and Denmark, plus the French-speaking part of Switzerland and Norway) the cumulated audience market share for targeted TV services was greater than 20% of the overall audience market share (pages 37ff).
- Around three quarters of all linear and on-demand media services established in the EU that are targeting foreign markets were in 2016 concentrated in just three countries. The major establishment hubs for TV channels and on-demand services tended to be identical (pages 22ff).
- The United Kingdom was in 2016 the leading European hub for linear and on-demand audiovisual services targeting foreign markets. Other major hubs for both types of services include the Czech Republic, the Netherlands and Luxembourg (pages 22ff).
- Several major players for pay on-demand services established in the United States have created European-based subsidiaries from which they operate their services targeting other national markets. These include Amazon, Netflix and iTunes (pages 26ff).
- A typical target country tended in 2016 to fall into one of the following categories: a) clusters of audiovisual markets in regions with a cultural proximity (Nordic, Baltic, Central European countries and countries that share a joint language with targeting countries); b) larger national audiovisual markets such as Germany, France and Poland (pages 33ff).

Distribution and availability of linear and on-demand audiovisual services in Europe

- Access to audiovisual services in 2016 varied greatly from one European country to another but was less pronounced for on-demand services. In two out of three EU countries, people were able to watch between 300 and 600 television channels on average, and in over two-thirds of EU Members States consumers could access between 100 and 150 on-demand audiovisual services (excluding catch-up TV services) (pages 39ff).

- The majority of TV channels available on average in a given country in 2016 were foreign channels. Overall, by December 2016, the share of foreign services available in an EU Member State tended to be higher for TV (84%) than for on-demand services (74%) (pages 43ff).

- A total of 75 pay on-demand services with US parent companies were available in 2016 in Europe, including several country-specific and linguistic versions of the same service, offered by major market players such as Google and Microsoft (pages 46ff).

Synthèse

Cette étude dresse un panorama des médias audiovisuels européens en cartographiant l'origine et la circulation des services audiovisuels linéaires et à la demande. Elle se concentre pour l'essentiel sur les services destinés spécifiquement à d'autres pays que leur territoire d'origine, reflétant en cela la tendance qui veut qu'un nombre croissant de services ciblent un marché national donné depuis l'étranger. Ces services sont généralement distribués grâce à un certain nombre de pôles (appelés « *hubs* ») d'émergence récente, à partir desquels les radiodiffuseurs et les fournisseurs de services à la demande diffusent des services qui, pour certains, occupent une position significative sur le marché des pays ciblés. Les groupes qui gèrent ces services sont souvent de grandes sociétés internationales spécialisées dans la télédiffusion et le divertissement, dont le siège se trouve en Europe ou aux États-Unis.

Les principales conclusions de l'étude sont résumées ici selon trois axes : les services établis en Europe, les services s'adressant à d'autres marchés et enfin, la distribution des services en Europe.

Services de médias audiovisuels établis en Europe

- Fin 2016, la moitié des services de médias établis dans l'UE étaient concentrés dans trois pays : le Royaume-Uni, la France et l'Allemagne. Un service de télévision sur dix environ était une chaîne de service public, tandis qu'un sur trois était disponible au format HD. Cette année-là, l'UE comptait au total 4 063 services télévisuels et 2 207 services audiovisuels à la demande ; 5 226 services linéaires et 2 516 services à la demande étaient répartis dans 40 pays européens, ainsi qu'au Maroc (voir pages 10 et suivantes).

- Les deux tiers des chaînes de télévision basées dans l'UE en 2016 se répartissaient entre les sept catégories thématiques suivantes : sports (15 %), divertissement (13 %), films (9 %), programmes pour enfants (7 %), documentaires (7 %), programmes généralistes (7 %) et musique (7 %). Dans le domaine des services à la demande, les genres de prédilection étaient les mêmes que pour les services linéaires : programmes généralistes (17 %), films (17 %), programmes pour enfants (11 %), documentaires (9 %), fictions cinématographiques et télévisuelles (7 %), divertissement (7 %) et sports (6 %). Les chiffres étaient très proches pour les 40 pays couverts par les travaux de l'Observatoire, ainsi que pour le Maroc (pages 16 et suivantes).

- Parmi les services télévisuels établis dans l'UE, 20 % étaient accessibles par la télévision numérique terrestre (TNT), tandis que les autres l'étaient par câble, satellite ou télévision IP (IPTV). La majorité des chaînes de télévision étaient des services à péage et/ou premium, contre seulement 30 % transmises en clair. La majorité des services audiovisuels à la demande établis dans l'UE étaient disponibles uniquement en ligne (77 %). On trouvait ensuite les services à accès contrôlé, via un boîtier décodeur (14 %) et via un boîtier décodeur complété par des applications *over-the-top* (OTT) (9 %). S'agissant de leur modèle économique, ces services prenaient le plus souvent la forme de télévision de rattrapage ou de services à la demande gratuits, ces deux catégories représentant en tout 71 % des services. Les 29 % restants concernaient la vidéo à la demande à l'acte et sur abonnement (pages 19 et suivantes).

Chaînes de télévision étrangères et services à la demande destinés à d'autres marchés nationaux

- Fin 2016, un tiers environ des chaînes de télévision et des services à la demande établis dans l'UE s'adressaient spécifiquement à des marchés étrangers. Ces services étaient détenus par 44 groupes différents, dont 26 d'origine européenne, 15 américains et trois d'une origine « autre » (pages 26 et suivantes).

- Les services étrangers destinés à un marché national donné peuvent disposer d'une puissance significative sur le marché : dans sept pays européens (cinq États membres de l'UE – à savoir la Hongrie, les Pays-Bas, la Suède, la Communauté française de Belgique et le Danemark – ainsi que la Suisse romande et la Norvège), la part de marché cumulée des services télévisuels ciblés dépassait ainsi 20 % de l'audience totale (pages 37 et suivantes).

- En 2016, les trois quarts environ des services de médias linéaires et à la demande établis dans l'UE et destinés à des marchés étrangers se concentraient sur trois pays seulement. Les grands *hubs* étaient dans l'ensemble les mêmes pour les chaînes de télévision et les services à la demande (pages 22 et suivantes).

- Le Royaume-Uni constituait en 2016 le premier *hub* européen en matière de services audiovisuels linéaires et à la demande ciblant des marchés étrangers. Les autres grands pôles pour ces deux types de services étaient notamment la République tchèque, les Pays-Bas et le Luxembourg (pages 22 et suivantes).

- Plusieurs grands fournisseurs américains de services à la demande payants ont créé des filiales en Europe à partir desquelles ils proposent des services destinés à d'autres marchés nationaux. Citons notamment Amazon, Netflix et iTunes (pages 26 et suivantes).

- En 2016, les pays ciblés relevaient généralement de l'une des catégories suivantes : a) groupe de marchés audiovisuels au sein de régions présentant une proximité culturelle (pays nordiques ou baltes, pays d'Europe centrale et pays partageant une langue avec le pays d'origine des services) ; b) marchés nationaux plus vastes, tels que l'Allemagne, la France et la Pologne (pages 33 et suivantes).

Distribution et disponibilité des services audiovisuels linéaires et à la demande en Europe

- En 2016, l'accès aux services audiovisuels était très variable d'un pays européen à un autre, mais restait moins développé pour les services à la demande. Dans deux tiers des pays de l'UE, les spectateurs disposaient en moyenne de 300 à 600 chaînes de télévision. Dans plus de deux tiers de ces mêmes États, ils avaient accès à un nombre de services audiovisuels à la demande compris entre 100 et 150 (hormis les services de rattrapage) (pages 39 et suivantes).

- La majorité des chaînes de télévision disponibles, en moyenne, dans un pays donné, étaient en 2016 des chaînes étrangères. Au total, en décembre 2016, la part des services étrangers accessibles dans un pays membre de l'UE avait tendance à être plus élevée pour les services linéaires (84 %) que pour les services à la demande (74 %) (pages 43 et suivantes).
- Au total, 75 services à la demande payants émanant de sociétés mères américaines étaient disponibles en Europe en 2016. Parmi eux figuraient plusieurs déclinaisons nationales et versions linguistiques d'un même service, proposées par de grands acteurs mondiaux tels que Google ou Microsoft (pages 46 et suivantes).

Zusammenfassung

Dieser Bericht gibt einen Überblick über die audiovisuelle Landschaft in Europa. Er verdeutlicht die Herkunft linearer Dienste und von audiovisuellen Abrufdiensten und ihre Verbreitung. Der Schwerpunkt des Berichts liegt auf audiovisuellen Diensten, die ihr Angebot speziell an andere Länder richten. Darin wird ein Trend sichtbar: Eine wachsende Zahl audiovisueller Dienste konzentriert sich auf einen bestimmten nationalen Markt. Diese Dienste stammen in der Regel von einer Reihe jüngst entstandener zentraler Standorte von denen aus Rundfunkveranstalter und Anbieter von Abrufdiensten ihre Dienste anbieten, die in einigen Fällen eine erhebliche Marktmacht in den betreffenden Zielländern darstellen. Bei den Gruppen, die diese Dienste verwalten, handelt es sich in der Regel um große internationale Rundfunk- und Entertainmentunternehmen, die in Europa und den USA ansässig sind.

Die wichtigsten Ergebnisse des Berichts lassen sich in drei Teilen zusammenfassen: in Europa ansässige Anbieter, audiovisuelle Dienste, die auf andere Märkte gerichtet sind, und die Verbreitung der Dienste in Europa.

In Europa ansässige audiovisuelle Mediendienste

- Die Hälfte aller in der EU ansässigen audiovisuellen Mediendienste konzentrierte sich Ende 2016 auf drei Länder: auf das Vereinigte Königreich, Frankreich und Deutschland. Bei einem von 10 Fernsehdiensten handelte es sich um einen öffentlich-rechtlichen Rundfunkkanal und bei einem Drittel der Anbieter um HD-Sender. Insgesamt waren 2016 in der EU 4 063 lineare Dienste und 2 207 Abrufdienste ansässig; in 40 europäischen Ländern plus Marokko waren es 5 226 Fernsehsender und 2 516 audiovisuelle Abrufdienste (Angaben für Abrufdienste schließen Catch-Up TV mit ein) (Seiten 10ff).

- Zwei Drittel aller 2016 in der EU ansässigen Fernsehkanäle boten sieben TV-Genres an: Sport (15 %); Unterhaltung (13 %); Spielfilme (9 %); Kinderprogramm (7 %); Dokumentation (7 %); Vollprogramm (7 %) und Musikprogramm (7 %). Die Top-Genres für On-Demand-Dienste waren fast identisch mit den Genres für lineare Dienste: 17 % Vollprogramm; 17 % Film; 11 % Kinderprogramme; 9 % Dokumentation; 7 % Kino- und Fernsehfilme; 7 % Unterhaltung und 6 % Sport. Die Zahlen waren ähnlich für die 40 europäischen Länder, die von der Informationsstelle untersucht wurden, plus Marokko (Seiten 16ff).

- Ein Fünftel der in der EU ansässigen Fernsehdienste konnte über digitales terrestrisches Fernsehen empfangen werden (DVB-T), der Rest über Kabel, Satellit oder Internet Protocol Television (IPTV). Bei den meisten Fernsehsendern handelt es sich um Pay-TV- oder Premiumsender, nur 30 % der Dienste waren frei empfangbar. Die meisten in der EU ansässigen audiovisuellen Abrufdienste waren ausschließlich über das Internet zugänglich

(77 %), gefolgt von verwalteten Zugängen über Set-Top-Boxen (14 %) und über eine Set-Top-Box ergänzt durch Over-the-top (OTT) Anwendungsprogramme (9 %). Die häufigsten Geschäftsmodelle, die angeboten wurden, waren Catch-Up TV und kostenfreie Abrufdienste, zusammen machten sie 71 % sämtlicher Dienste aus. Die restlichen 29 % entfielen auf T-VoD (Transactional Video-on-demand) und S-VoD (subscription video-on-demand) (Seiten 19ff).

Ausländische Fernsehsender und Abrufdienste, die sich an nationale Märkte richten

- Ende 2016 war rund ein Drittel aller in der EU ansässigen Fernsehkanäle und Abrufdienste auf ausländische Märkte gerichtet. Diese Dienste gehörten zu 44 Gruppen, davon waren 26 europäischer Herkunft, 15 US-amerikanischer Herkunft und drei „anderer“ Herkunft (Seiten 26ff).
- Ausländische Dienste, die sich speziell auf einen nationalen Markt richten, können über eine erhebliche Marktmacht verfügen: In sieben europäischen Ländern (5 EU-Länder einschließlich Ungarn, die Niederlande, Schweden, die Französische Gemeinschaft Belgiens und Dänemark plus Schweiz und Norwegen) war der kumulierte Zuschauermarkt für Fernsehdienste größer als 20 % des gesamten Zuschauermarktanteils (Seiten 37ff).
- Rund drei Viertel aller linearen audiovisuellen Dienste und Abrufdienste mit Sitz in der EU, die ihr Angebot an ausländische Märkte richten, konzentrierten sich 2016 in gerade einmal drei Ländern. Dabei waren die wichtigsten zentralen Standorte für Fernsehsender und Abrufdienste nahezu identisch (Seiten 22ff).
- Die führende Drehscheibe für lineare Dienste und Abrufdienste in Europa, die ihr Angebot an ausländische Märkte richten, war 2016 das Vereinigte Königreich. Weitere wichtige Standorte für beide Arten von Diensten waren die Tschechische Republik, die Niederlande und Luxemburg (Seiten 22ff).
- Mehrere größere Anbieter kostenpflichtiger Abrufienste mit Sitz in den USA haben europäische Tochterfirmen gegründet, von denen aus sie andere Märkte bedienen. Dazu zählen Amazon, Netflix und iTunes (Seiten 26ff).
- Ein typisches Zielland fiel 2016 unter eine der folgenden Kategorien: a) Gruppen audiovisueller Märkte in kulturell ähnlichen Regionen (nordische, baltische, mitteleuropäische Länder und jene Länder, die dieselbe Sprache haben wie das Land, von dem aus die Dienste angeboten werden); b) größere nationale audiovisuelle Märkte wie Deutschland, Frankreich und Polen (Seiten 33ff).

Verbreitung und Verfügbarkeit linearer Dienste und audiovisueller Abrufdienste in Europa

- Der Zugang zu audiovisuellen Diensten war 2016 in den europäischen Ländern höchst unterschiedlich. Weniger ausgeprägt waren diese Unterschiede bei den audiovisuellen Abrufdiensten. In zwei von drei EU-Ländern konnten die Kunden im Schnitt zwischen 300 und 600 Fernsehkanäle empfangen, und in mehr als zwei Drittel der EU-Länder hatten die Verbraucher Zugang zu 100 bis 150 audiovisuellen Abrufdiensten (Catch-up TV Dienste nicht inbegriffen) (Seiten 39ff).

- Die meisten Fernsehsender, die 2016 im Durchschnitt in einem bestimmten Land empfangen werden konnten, waren ausländische Sender. Insgesamt war im Dezember 2016 der Anteil an ausländischen Diensten bei Fernsehkanälen (84 %) tendenziell höher als bei Abrufdiensten (74 %) (Seiten 43ff).

- Insgesamt gab es in Europa 2016 75 kostenpflichtige Abrufdienste, die Tochterfirmen von US-Unternehmen waren, einschließlich mehrerer länderspezifischer und sprachlicher Versionen desselben Dienstes, die von großen Unternehmen wie Google und Microsoft angeboten werden (Seiten 46ff).

1. Linear and on-demand services established in Europe

1.1. Concentration of audiovisual media services

Pan-European trends

- At the end of 2016, the EU was home to a total of 4,063 television and 2,207 on-demand services. Around one in 10 television services was a public service broadcasting channel and 34% of all linear services in the EU were available in HD format. In the territories of the 40 European countries covered by the Observatory, plus Morocco, a total of 5,226 television and 2,516 video-on-demand services had been established.

- Half of all audiovisual media services that has been established in the EU by 2016 were concentrated in three countries: The cumulated numbers of services based in the United Kingdom, France and Germany accounted for 49% of all TV channels and 53% of all on-demand services established in the EU by 2016. The top 10 countries accounted for 79% of linear services and on-demand services. A significant number of services based in the UK (67% share of total linear services and 19% share of total on-demand services) and several other countries were specifically targeting foreign markets (for more information see chapter 2).

- Market size, varying economic conditions, cultural proximity to other countries and individual licensing regimes all play a part in explaining the sometimes significant differences between national television landscapes, particularly with regard to the total number of services based in a country. The number of services targeting other markets can at times significantly boost the overall number of services established in a country. Differences in the figures compiled for this report ranged from 1,389 television channels and 813 on-demand services established by 2016 in the United Kingdom – which led the pack of countries serving as major European hubs for services targeting foreign markets - to 16 linear and 13 on-demand services in Lithuania.

Methodological note

Please note that the figures for linear services exclude windows, as well as regional and local channels. Those for on-demand audiovisual services, unless indicated otherwise, include all types of services: subscription video-on-demand, transactional video-on-demand, free on-demand and catch-up TV services (except catch-up TV services with genre local/regional and windows).

A general paucity of comprehensive lists compiled by media regulatory authorities complicated a consistent search for, and identification of, on-demand audiovisual services. Hence the sometimes notable differences in data records between the 41 countries covered in this report[1] where data was readily provided such as France, Germany and the United Kingdom and others where it was more difficult to gather such information in a consistent manner.

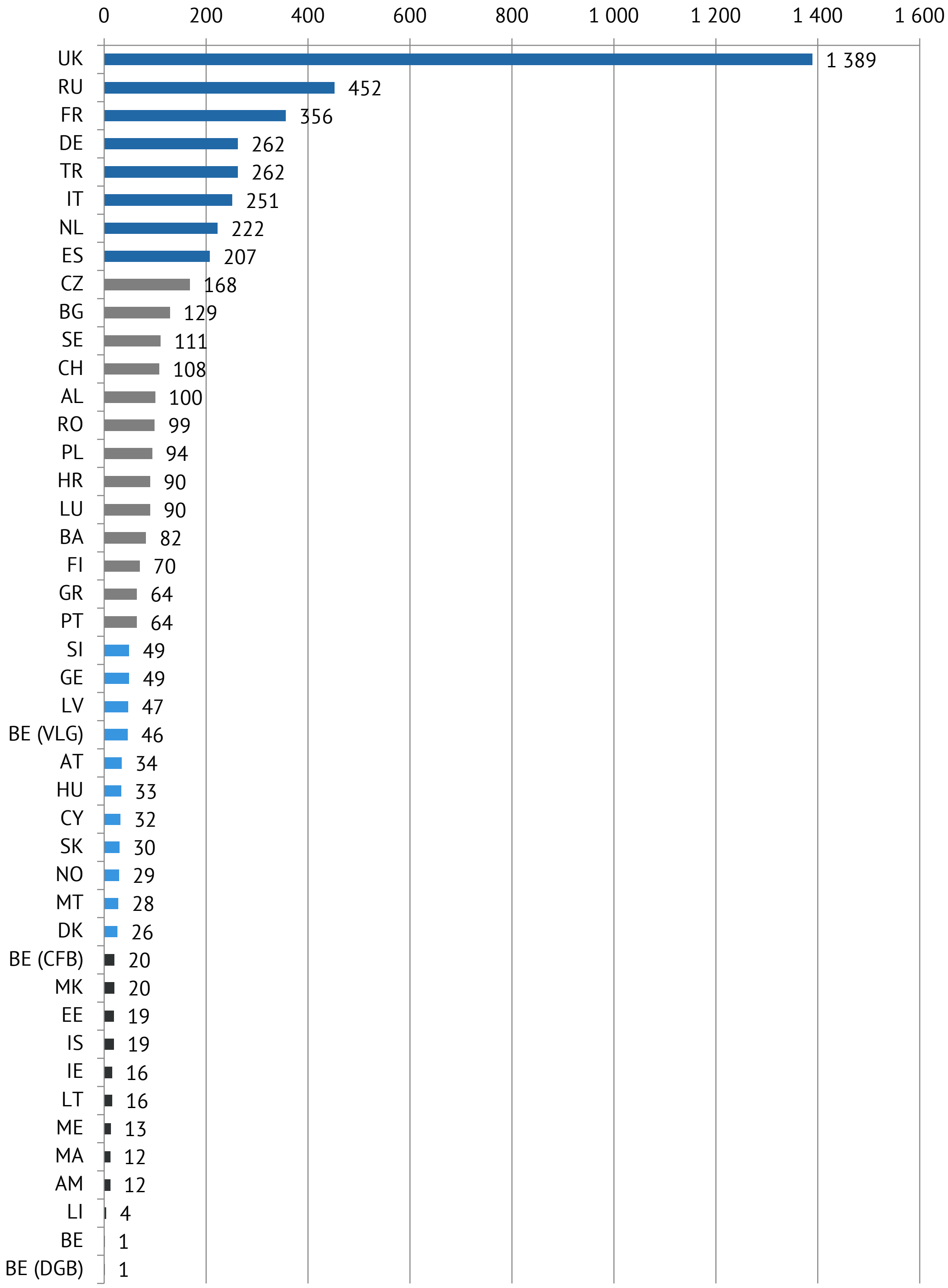
In order to provide meaningful figures for on-demand audiovisual services we considered only the services with some relevance for the country in question (mainly based on the language). For a definition of categories of services please see the Annexes of this report (pages 47ff).

The TV data for Belgium referred to in this chapter and the rest of the report excludes the 46 language versions of the 'Europe by Satellite TV (EbS)' information service of the European Commission as its main purpose is to provide footage to TV and radio stations and is hence not considered as a conventional television channel.

The data for Russia used in this chapter is from March 2016.

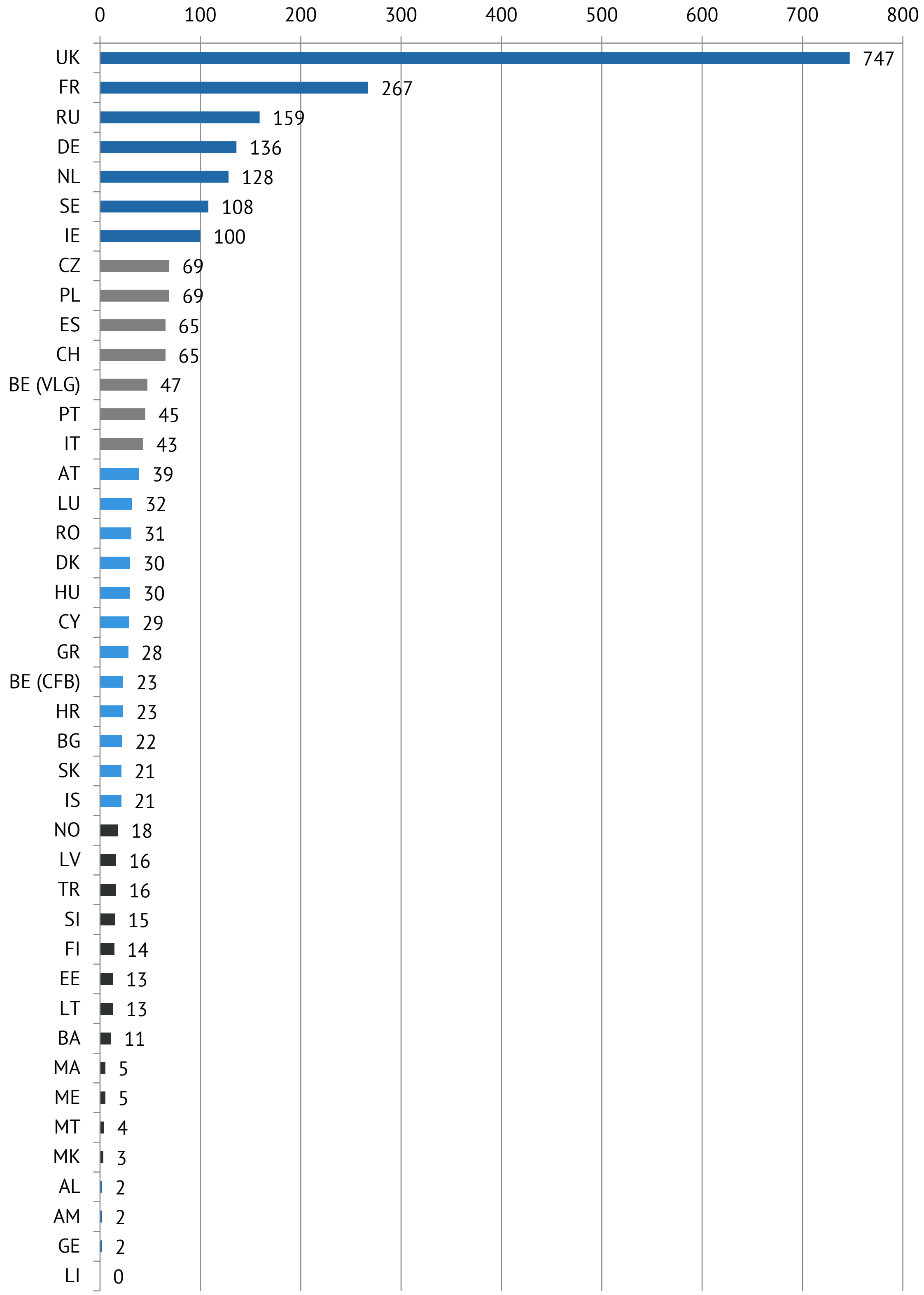
[1] EU Member States: Austria (AT), Belgium (BE), French Community of Belgium (CFB), German Community of Belgium (DGB), Flemish Community of Belgium (VLG), Bulgaria (BG), Cyprus (CY), Czech Republic (CZ), Germany (DE), Denmark (DK) Estonia (EE), Spain (ES), Finland (FI), France (FR), Greece (GR), Croatia (HR), Hungary (HU), Ireland (IE), Italy (IT), Lithuania (LT), Luxembourg (LU), Latvia (LV) Malta (MT), Netherlands (NL), Poland (PL), Portugal (PT), Romania (RO), Sweden (SE), Slovenia (SI), Slovakia (SK), United Kingdom (UK); Other members of the European Audiovisual Observatory: Albania (AL), Armenia (AM), Bosnia and Herzegovina (BA), Switzerland (CH), Georgia (GE), Iceland (IS), Liechtenstein (LI), Morocco (MA), Montenegro (ME), "The former Yugoslav Republic of Macedonia" (MK), Norway (NO), Russia (RU), Turkey (TR).

Figure 1. TV channels by country of establishment in EUR 40 + Morocco – In number of services (2016)



Source: European Audiovisual Observatory / MAVISE database

Figure 2. On-demand audiovisual services by country of establishment in EUR 40 + Morocco - In absolute numbers (2016)



Source: European Audiovisual Observatory / MAVISE database

Table 1. Concentration of TV channels established in the EU 28 (2016)

Country	Total national	% share of EU total	Cumulative %
UK	1,389	34%	34%
FR	356	9%	43%
DE	262	6%	49%
IT	251	6%	56%
NL	222	5%	61%
ES	207	5%	66%
CZ	168	4%	70%
BG	129	3%	73%
SE	111	3%	76%
RO	99	2%	79%
PL	94	2%	81%
HR	90	2%	83%
LU	90	2%	85%
FI	70	2%	87%
GR	64	2%	89%
PT	64	2%	90%
SI	49	1%	91%
LV	47	1%	93%
BE (VLG)	46	1%	94%
AT	34	1%	95%
HU	33	1%	95%
CY	32	1%	96%
SK	30	1%	97%
MT	28	1%	98%
DK	26	1%	98%
BE (CFB)	20	0%	99%
EE	19	0%	99%
IE	16	0%	100%
LT	16	0%	100%
BE (DGB)	1	0%	100%
Total EU 28	**4,063**	**100%**	**100%**

Source: European Audiovisual Observatory / MAVISE database

Table 2. Concentration of on-demand audiovisual services established in the EU 28 (2016)[2]

Country	Total national	% share of EU total	Cumulative %
UK	747	34%	34%
FR	267	12%	46%
DE	136	6%	52%
NL	128	6%	58%
SE	108	5%	63%
IE	100	5%	67%
CZ	69	3%	70%
PL	69	3%	74%
ES	65	3%	77%
BE (VLG)	47	2%	79%
PT	45	2%	81%
IT	43	2%	83%
AT	39	2%	84%
LU	32	1%	86%
RO	31	1%	87%
DK	30	1%	89%
HU	30	1%	90%
CY	29	1%	91%
GR	28	1%	93%
BE (CFB)	23	1%	94%
HR	23	1%	95%
BG	22	1%	96%
SK	21	1%	97%
LV	16	1%	97%
SI	15	1%	98%
FI	14	1%	99%
EE	13	1%	99%
LT	13	1%	100%
MT	4	0%	100%
Total EU 28	**2,333**	**100%**	**100%**

Source: European Audiovisual Observatory / MAVISE database

[2] Services established in a country may be targeting EU and other European and non-European countries. Apple service iTunes, for e.g., is managed, for a significant number of non-European countries, from Luxembourg.

1.2. Genre analysis of audiovisual media services

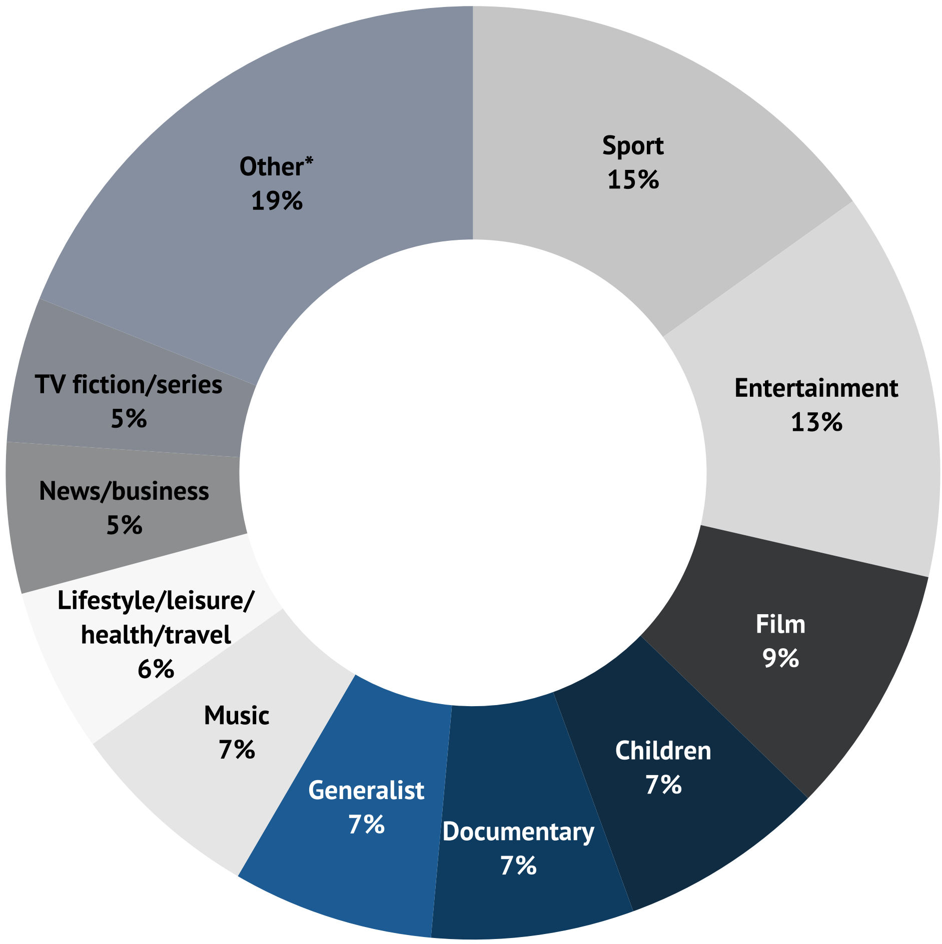
Pan-European trends

The European television and on-demand market is characterised by an array of thematic channels catering for a variety of specialist interests and target audiences.

- Two thirds of all TV channels established in the EU by 2016 were divided between seven genres: sport (15%); entertainment (13%); film (9%); children (7%); documentary (7%); generalist (7%); and music channels (7%). The aggregated total of these top seven genres was the equivalent of 65% of all television channels established in the 28 EU Member States. The results were similar for the EUR 40 countries and Morocco.

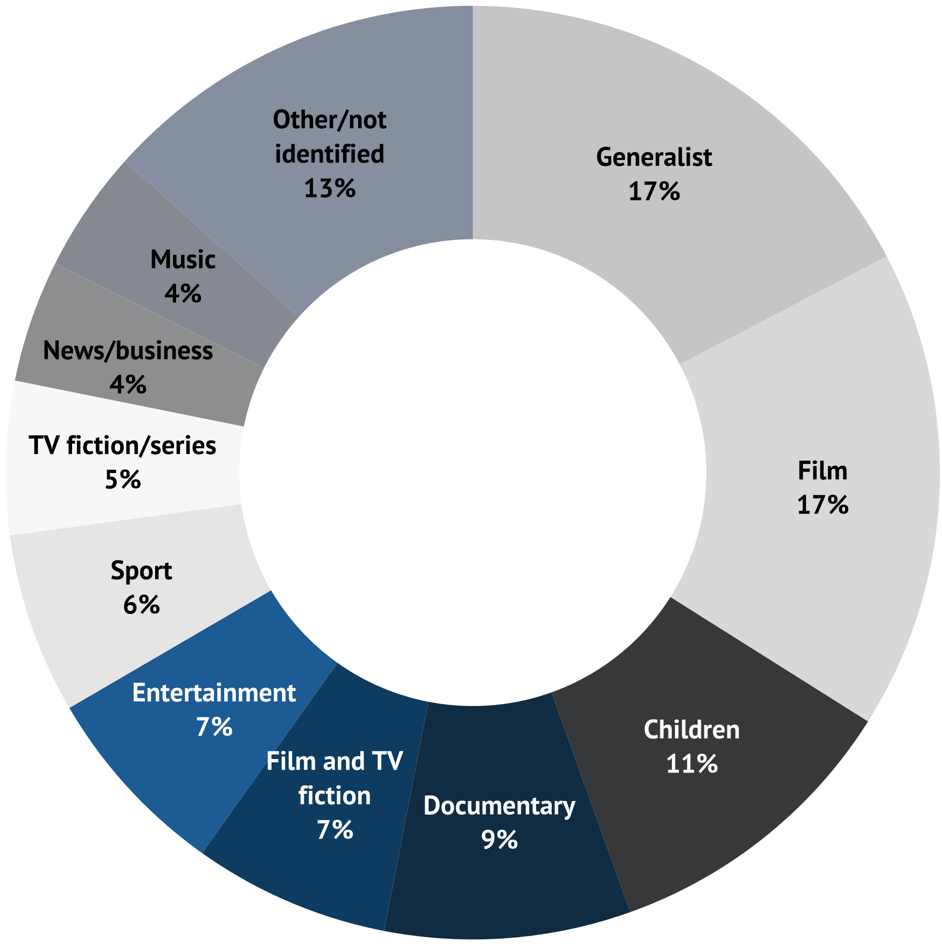
- Three quarters of all on-demand audiovisual services established in the EU by 2016 were divided between seven genres. The top genres were virtually identical to those for linear services (although the ranking order differed): 17% generalist; 17% film; 11% children; 9% documentary; 7% film and TV fiction; 7% entertainment; and 6% sport. The aggregated total of these top seven genres constituted the equivalent of 73% of all on-demand audiovisual services established in the 28 EU Member States. Again, the results were similar for the EUR 40 countries and Morocco.

Figure 3. Breakdown by genre of TV channels established in the EU 28 – In % share (2016)



*Source: European Audiovisual Observatory / MAVISE database; * Including the genres: Adult (4%); Home shopping (3%); International linguistic and cultural (2%); Religious (2%); Cultural/educational (2%); Film and TV fiction (1%); Parliamentary/government/administration (<1%); Other/not identified (4%).*

Figure 4. Breakdown by genre of on-demand audiovisual services established in the EU 28 – In % share (2016)



*Source: European Audiovisual Observatory / MAVISE database; * Including the genres: Adult (3%); Lifestyle/leisure/health/travel (3%); Cultural/educational (1%); International linguistic and cultural (1%); Film and TV fiction (1%); Religious (<1%); Parliamentary/government/administration (<1%); Home shopping (<1%); Other/not identified (3%).*

1.3. Access to and distribution types of audiovisual media services

Pan-European trends

- One out of five television services established in the EU by 2016 were accessible via DTT, and the rest could be accessed via cable, satellite, or internet protocol television (IPTV)[3]. The majority of television channels were pay and/or premium services while 30% were available free-to-air.[4]

- The patterns of access and distribution observed for linear services resembled those for on-demand audiovisual media services. The vast majority (77%) of on-demand audiovisual services based in the EU were accessible online only. A total of 14% offered managed access through a set-top box. And 9% offered managed access through a set-top box, complemented by over-the-top (OTT) applications. The most common business models of these services were catch-up TV and free on-demand, representing a combined 71% of the total number of services. Transactional video-on-demand (17%) and subscription video-on-demand (12%) were the predominant business models for 29% of services.[5] Subscription video-on-demand accounted for 46% of the overall increase in consumer spending for pay-services in 2015 and hence contributed to the overall market growth of the audiovisual sector (for more information please see Key Trends 2016[6]).

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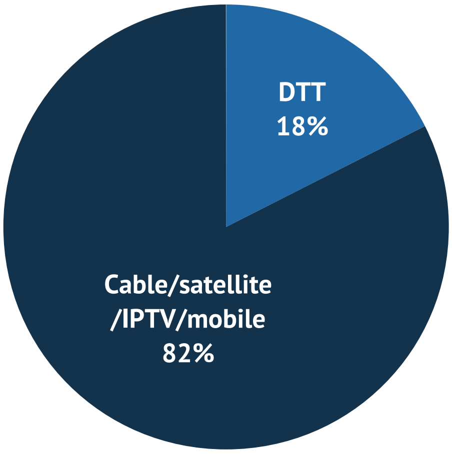
[3] The results were similar for the EUR 40 countries, plus Morocco: 16% of services were mainly accessible via DTT while 84% of channels established in these countries were mainly accessible via cable/satellite, IPTV and mobile.

[4] The results resembled those for the EUR 40 countries, plus Morocco: 62% pay and/or premium TV channels and 37% free-to-air services.

[5] The results were similar for EUR 38 countries, plus Morocco (no data available for “The former Yugoslav Republic of Macedonia” and Liechtenstein): catch-up TV (50%), free on-demand 21%, TVOD 17%, SVOD 12%.

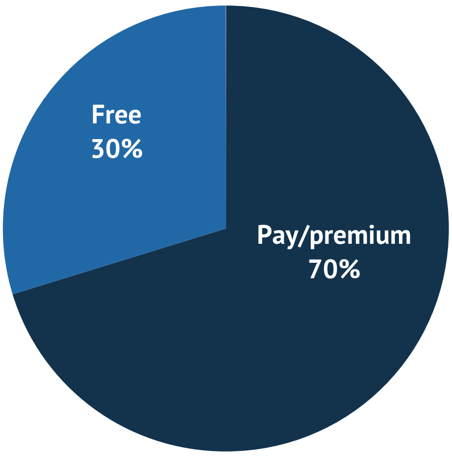
[6] Yearbook 2016 - Key trends. European Audiovisual Observatory (Council of Europe), Strasbourg 2017.

Figure 5. Breakdown of TV channels established in the EU 28 by kind of transmission – In % share (2016)



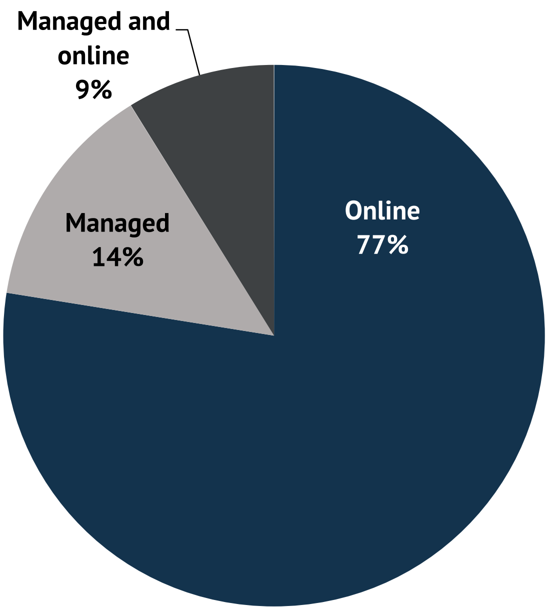
Source: European Audiovisual Observatory / MAVISE database

Figure 6. Breakdown of TV channels established in the EU 28 by access – In % share (2016)



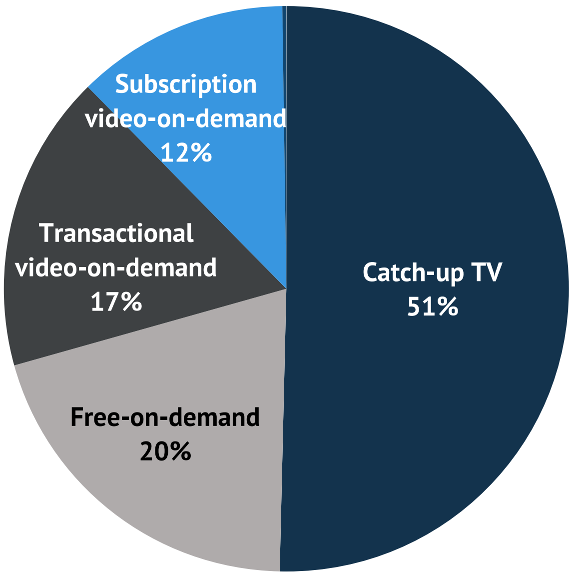
Source: European Audiovisual Observatory / MAVISE database

Figure 7. Breakdown of on-demand audiovisual services established in the EU 28 by distribution – In % share (2016)



Source: European Audiovisual Observatory / MAVISE database
Note: Excluding catch-up TV services

Figure 8. Breakdown of on-demand audiovisual services established in the EU 28 by business model – In % share (2016)



Source: European Audiovisual Observatory / MAVISE database; sharing platforms retrieved <1% of the figures

2. Audiovisual media services established in the EU targeting other countries

2.1. Establishment hubs

Pan-European trends

- The figures in this report show that a series of hubs have emerged in Europe from where audiovisual services serve several countries. These hubs are home to numerous pan-European brand channels and on-demand audiovisual services presumably owned by large broadcasting and entertainment corporations, many of which are of American origin. Around one third of all television channels (31%)[7] and on-demand services (34%)[8] established in the EU by 2016 were specifically targeting foreign markets.

- Around three quarters of all linear and on-demand media services established in the EU by 2016, and targeting foreign markets, were concentrated in just three countries: The cumulated numbers of on-demand services based in the United Kingdom, the Netherlands and Ireland accounted for 75% of all services targeting foreign markets, while linear services in the UK, the Czech Republic and France comprised 73% of all such services targeting foreign markets.

- The United Kingdom, home to 758 television channels targeting foreign markets, was the most significant European hub for linear services targeting other countries. It was followed by other major TV hubs including: the Czech Republic (91); France (77); the Netherlands (73); Luxembourg (64); and Spain (57). More than half of the channels established in the UK and the Czech Republic were targeting foreign markets. Other EU countries with a significant number of television channels under their national licensing regimes, and targeting foreign territories, included: Sweden (48); Bulgaria (26); Germany (20); Romania (19); and Hungary (15).

- As was the case with linear television, the United Kingdom was in 2016 by far the major hub for on-demand audiovisual services targeting foreign markets. In

[7] Total linear services established in the EU (excluding windows, local and regional channels) n=4,063; total linear services established in the EU targeting foreign markets n=1,276.
[8] Total on-demand services established in the EU (excluding catch-up TV) n=969; total on-demand services established in the EU targeting other markets n=326.

addition, some smaller countries also accounted for a significant share of on-demand services targeting other EU countries. These included: the Netherlands (64); Ireland (30); Sweden (16); the Czech Republic (15); Luxembourg (15); France (12); and Cyprus (11). In the United Kingdom[9], the Netherlands and Luxembourg, more than half of the services established in each country was targeting foreign markets.

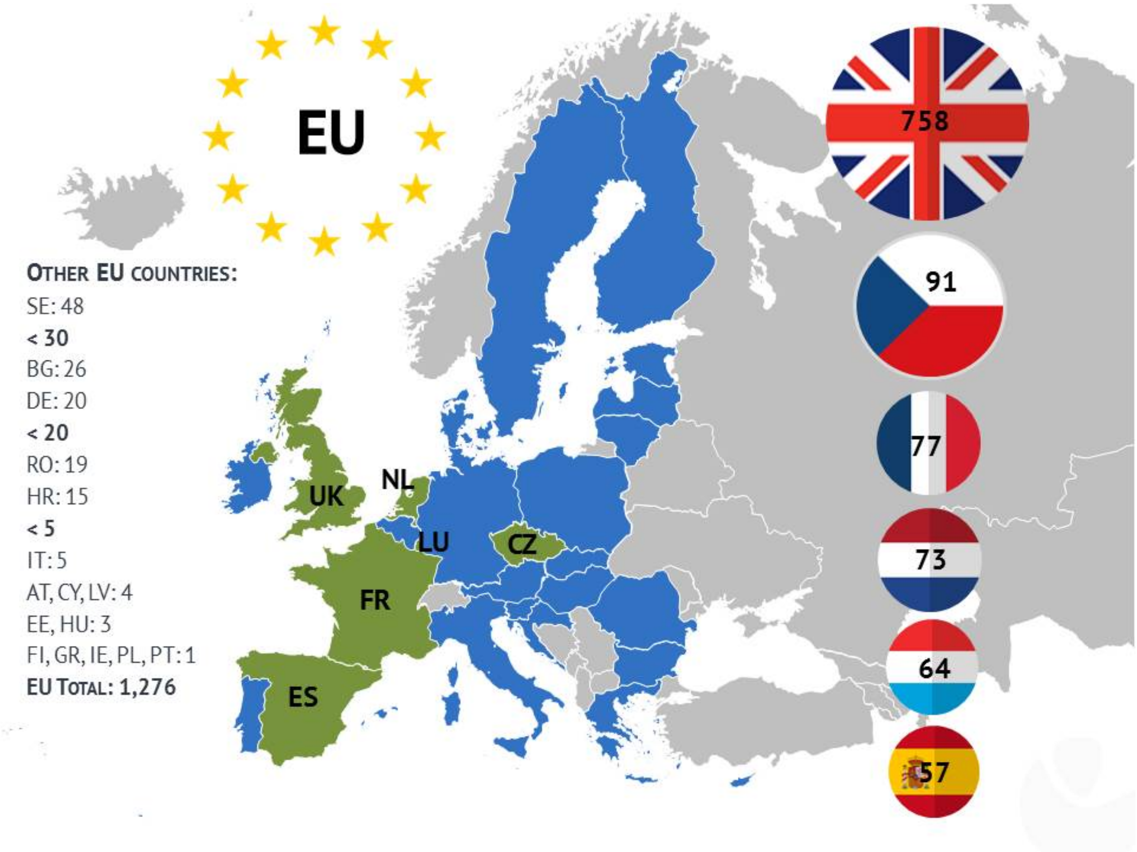
Methodological note

For a detailed definition of services targeting other national markets please see the methodological overview in the Annexes of this report (pages 47ff).

The figures for on-demand audiovisual services targeting other markets exclude catch-up TV services.

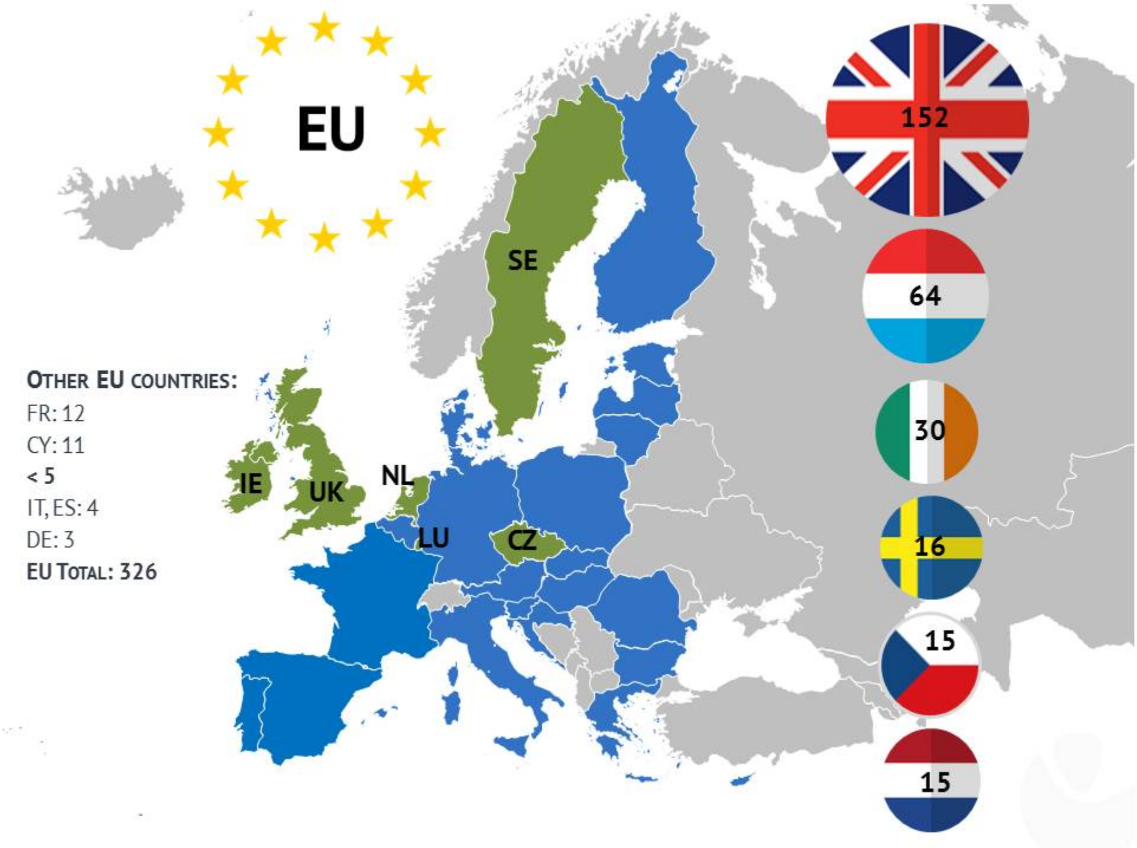
[9] A total of 55% for linear and 53% for on-demand services.

Figure 9. TV channels established in the EU primarily targeting other markets – In absolute numbers (2016)



Source: European Audiovisual Observatory / MAVISE database; © Copyright Showeet.com

Figure 10. On-demand audiovisual services established in the EU primarily targeting other markets – In absolute numbers (2016)



Source: European Audiovisual Observatory / MAVISE database; © Copyright Showeet.com

2.2. Ownership structures

Pan-European trends

- The EU was in 2016 home to at least 44 major groups owning a significant number of linear and on-demand services targeting foreign markets: 26 were of European origin, 15 were US-based and three had been established in other territories[10].

- Among the groups owning services that were specifically targeting foreign markets, several offered both linear and on-demand services. Seven of the companies with this twin offer were primary corporations or subsidiaries of parent companies based in the United States. Examples in alphabetical order: AMC Networks; Discovery; Sony; Time Warner; Viacom; Walt Disney. Major European groups with both linear and on-demand offers included: Albert Bonnier (Sweden); Bertelsmann (Germany); and the Modern Times Group (Sweden).

- Several distinguished internationally-operating, US-based entertainment companies had several key European bases where their services were licensed. Those with services established in at least three European countries included: 21st Century Fox (Bulgaria, Spain, United Kingdom); AMC Networks (Czech Republic, Hungary, United Kingdom); Discovery Communications (Germany, France, United Kingdom); Time Warner (Czech Republic, Sweden, United Kingdom); Viacom (Czech Republic, Netherlands, United Kingdom); and Walt Disney - which had been established in four European countries (Czech Republic, Spain, Netherlands, United Kingdom). The Modern Times Group (Sweden, United Kingdom) and RTL (Germany, Luxembourg) were European examples of companies with multiple bases from which they broadcast their services. Major US networks with a single base from where they were targeting other European markets were Comcast and Scripps Networks, both of which were based in the United Kingdom. The majority of US groups were based in the United Kingdom, the number one hub in the EU, in 2016, for services targeting foreign markets.

- The main players for pay on-demand services were based in the United Kingdom (Amazon Prime), the Netherlands (Netflix) and Ireland (iTunes Store) while Google Play continued to operate from the United States, as did Microsoft Store.

Methodological note

The information on parent companies listed in the tables of this chapter takes into account the ownership of broadcasting companies under direct, indirect or partial control of the parent company.

[10] Dominica, Hong Kong and Japan.

Table 3. Examples of TV channels targeting other markets by country of establishment and parent company – Top 6 countries (2016)

#	PARENT COMPANY	EXAMPLES OF TV CHANNEL BRANDS	TARGET MARKET
1.	**United Kingdom (total 758)**		
	21st Century Fox (US)	Baby TV, History Channel, National Geographic	Europe(1)
	AMC Networks (US)	CBS, Extreme Sports Channel, Jimjam	Europe(1)
	Comcast (US)	E! Entertainment, Sci-Fi, Universal Channel	Europe(1)
	Discovery Communications (US)	Animal Planet, Discovery Channel, TLC	Europe(1)
	Modern Times Group MTG (SE)	Viasat (Explore, History, Motor, Nature, Sport)	Europe(1)
	Scripps Networks (US)	Travel Channel, Fine Living Network	Europe(1)
	Sony Pictures (US)	AXN, Sony Entertainment Television	Europe(1)
	SPI International (NL)	FilmBox, FightBox, FashionBox	Central Europe
	Time Warner (US)	Boomerang, Cartoon Network, TNT	Europe(1)
	Viacom (US)	MTV, Nick Junior, Nickelodeon	Europe(1)
	Walt Disney Company (US)	Disney Channel, Disney Junior, Disney XD	Europe(1)
2.	**Czech Republic (total 91)**		
	AMC Networks (US)	AMC TV, Mimimax, Megamax	Central Europe
	Time Warner (US)	Cinemax, HBO	Central and South Eastern Europe
	Viacom (US)	Comedy Central, Nickelodeon	Central Europe
	Walt Disney Company (US)	Disney Channel, Disney Junior, Disney XD	Central Europe
3.	**France (total 77)**		
	Discovery Communications (US)	Eurosport	Europe(1)
	Euronews (FR)	Euronews	Europe(1)
	Motorsport Network (US)	Motors TV	Europe(1)
	TV5MONDE (FR)	TV5MONDE	Europe(1)
4.	**Netherlands (total 73)**		
	Viacom (US)	MTV, Nickelodeon, Comedy Central	Nordic countries, BE, PL
	Walt Disney Company (US)	Disney Channel	BE
	Various adult channels* owned by Liliocerus Holding (NL), Marc Dorcel TV (NL) etc.	Dorcel TV, Playboy etc.	Europe(1)
5.	**Spain (total 57)**		
	21st Century Fox (US)	FOX, National Geographic	Europe(1)
	Sony Pictures (US)	AXN	PT
	Walt Disney Company (US)	Disney Junior	PT
6.	**Luxembourg (total 56)**		
	Bertelsmann (DE)	RTL, Film+	Europe(1)
	United Media Network (CH)	N1, SK Sport Klub	Central and South Eastern Europe

(1) Various European countries; * Several adult channels have moved their licencing to Switzerland since 2014.

Source: European Audiovisual Observatory / MAVISE database

The following table details examples of TV channels that are targeting foreign markets in the remaining EU Member States other than the aforementioned top six. The function of the table is to illustrate where else in the EU, in 2016, big audiovisual groups held licenses for distribution.

Table 4. Examples of TV channels targeting other markets by country of establishment and parent company – Other EU countries (2016)

#	PARENT COMPANY	EXAMPLES OF TV CHANNEL BRANDS	TARGET MARKET
7.	**Sweden (total 48)**		
	Modern Times Group MTG (SE)	Viasat	Nordic and Baltic countries
	Albert Bonnier (SE)	C MORE	Nordic countries
	Time Warner (US)	HBO Nordic	Nordic countries
	RTR ("VGTRK") (RU)	Russia 1 (Rossiya 1 / RTR)*	Baltic countries
8.	**Bulgaria (total 26)**		
	21st Century Fox (US)	FOX, 24 Kitchen, National Geographic	Central and South Eastern Europe
9.	**Germany (total 20)**		
	Bertelsmann (DE)	Auto Motor Sport	Central Europe
	Da Vinci Media (DE)	Da Vinci Learning	Europe(1)
	Motorvision (UK)	Motorvision TV	GR, PT
	Axel Springer (DE)	N24 Austria	AT
	Discovery (US)	DMAX Austria	AT
10.	**Romania (total 19)**		
	RCS & RDS (RO)	Digi TV	HU
	Tematic Cable (RO)	The Fishing and Hunting Channel	Central Europe
	Tematic Media Group KFT (HU)	Sport Klub	HU, PL
11.	**Italy (total 5)**		
	Polcast Media Distribution (PL)	Polonia 1, Novela TV, Water Planet TV	PL
	EXAMPLES OF OTHER COUNTRIES		
	Austria, Cyprus, Latvia (total 4 each)		
AT	Red Bull GmbH (AT)	Red Bull TV Deutschland, Servus TV Deutschland/Schweiz	CH, DE
CY	Cold Office BBS Limited (CY)	K1 Cobbs TV, K2 Cobbs TV	Baltic countries
LV	Baltijas Mediju Alianse (RU/LV)	Pirmais Baltijas Kanāls (PBK)	EE, LT
	Easy Link International Development (HK)	Multimania	EE, LT
	Estonia, Hungary (total 3 each)		
EE	Mega Max Media (SK)	Kidzone	LV, LT
HU	AMC Networks (US)	Sport 1, TV Paprika	CZ
(1) Various European countries; * Russia 1 (Rossiya 1/RTR) holds a satellite registration in Sweden.			

Source: European Audiovisual Observatory / MAVISE database

Table 5. Examples of on-demand audiovisual services targeting other markets by country of establishment and parent company (2016)

#	PARENT COMPANY	EXAMPLES OF ON-DEMAND SERVICES	TARGET MARKET
1.	**United Kingdom (total 152)**		
	Amazon (US)	Amazon Prime	Europe[1]
	Sony (US)	- AXN Player - Vidzone, Sony Entertainment Network, Video Unlimited	- Central Europe - Europe[1]
	Discovery Communications (US)	Discovery	Nordic countries, FR, HU, IT
	Walt Disney (US)	Disney Movies on-demand	Europe[1]
	Modern Times Group MTG (SE)	Viaplay	Nordic and Baltic countries, HU
2.	**Netherlands (total 64)**		
	Netflix (US)	Netflix	Europe[1]
	Liberty Global (US)	UPC, Virgin Media, MyPrime	Europe[1]
	Modern Times Group MTG (SE)	Zoomin.tv	Europe[1]
3.	**Ireland (total 30)**		
	Apple (US)	iTunes Store	Europe[1]
4.	**Sweden (total 16)**		
	Albert Bonnier (SE)	SF Anytime, C More	Nordic countries
	Time Warner (US)	HBO Nordic	Nordic countries
	Magine Sweden (SE)[2]	Plejmo	Nordic countries
5.	**Czech Republic (total 15)**		
	Time Warner (US)	HBO GO	Central Europe
	AMC Networks (US)	Minimax	Central Europe
	Viacom (US)	MTV, Comedy Central	Central Europe
6.	**Luxembourg (total 15)**		
	Bertelsmann (DE)	RTL	BE, NL
7.	**France (total 12)**		
	Unifrance Film International (FR)	My French Film Festival	Europe[1][3]
	IDMAGE (FR)	Africafilms.tv	ES, UK, IE, Africa
	ARTE France (FR)	ARTE Concert, ARTE Créative	AT, CH, DE
8.	**Cyprus (total 11)**		
	Vaskiani Ventures Limited (CY)	Megogo.net	Central Europe
	Filmaxi Limited (DM)	Banaxi	Central Europe
9.	**Italy (total 4)**		
	Brace (IT)	Chili	AT, DE, PL, GB
10.	**Spain (total 4)**		
	Rakuten (JP)	WuakiTV	FR, DE, IT, UK
11.	**Germany (total 3)**		
	Netleih GmbH & CO. KG (DE)	Videobuster	AT, CH

[1] Various European countries; [2] owned by Macintex Sociedad Limitada (ES); [3] as well as Canada, Japan and Morocco.

Source: European Audiovisual Observatory / MAVISE database

2.3. Content features

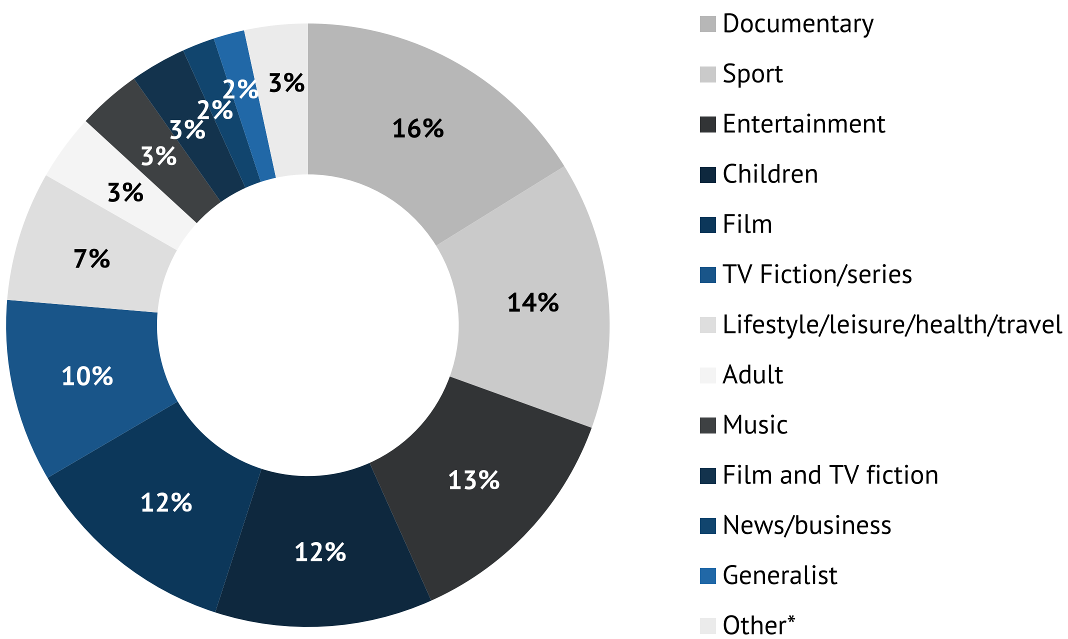
Pan-European trends

- Three quarters of all linear services established in the EU that are targeting foreign markets were in 2016 divided between six genres: documentary (16%); sport (14%); entertainment (13%); children (12%); film (12%); TV fiction/series (10%).
- The top genres for on-demand services targeting foreign markets tended to be more geared towards film and TV fiction than was the case with linear services: film and TV fiction (31%); film (26%); generalist (15%); children (7%); music (7%); TV fiction/series (7%).

Methodological note

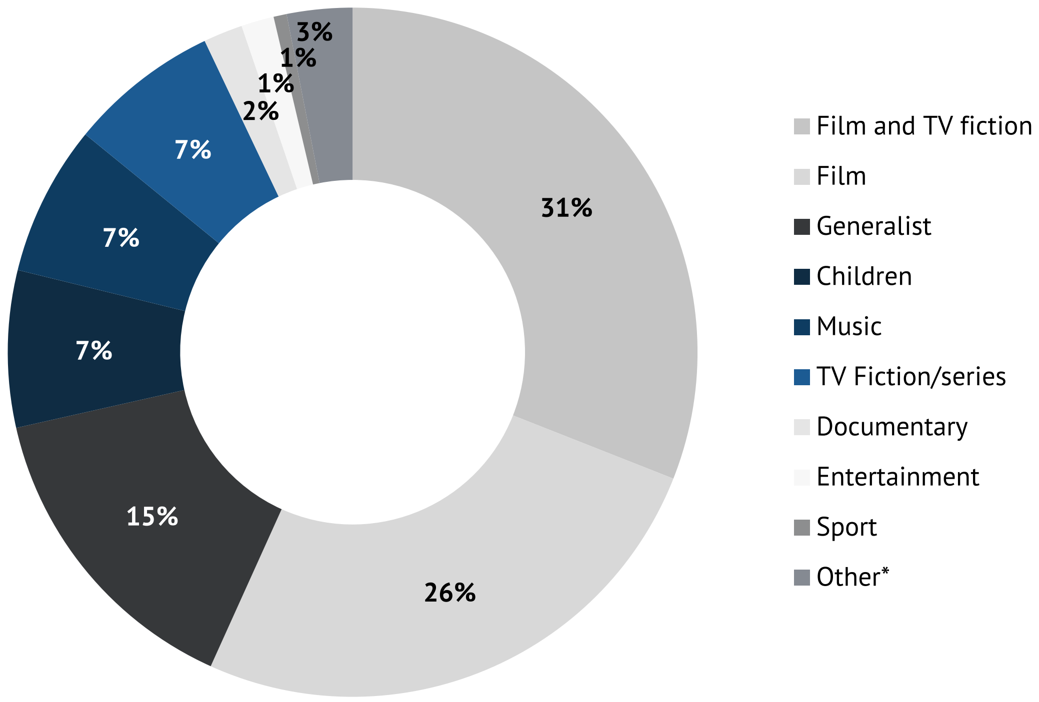
The figures for on-demand audiovisual services used in this section comprise the following: subscription video on-demand, transactional video on-demand, and free on-demand; catch-up TV is excluded.

Figure 11. Breakdown by genre of TV channels established in the EU 28 targeting other markets - In % share (2016)



*Source: European Audiovisual Observatory / MAVISE database; * Other includes the genres: Cultural/educational (1%); International linguistic and cultural (1%); Religious (1%); Home shopping (<1%); and Other/not identified (<1%)*

Figure 12. Breakdown by genre of on-demand audiovisual services established in the EU 28 targeting other markets – In % share (2016)



*Source: European Audiovisual Observatory / MAVISE database; *Other includes the genres: Adult (<1%); Lifestyle/leisure/health/travel (<1%); News/business (<1%); and Other/not identified (2%).*

2.4. Target countries

Pan-European trends

- A typical target country[11] tended in 2016 to fall into one of the following categories: a) clusters of audiovisual markets in regions with a cultural proximity (Nordic, Baltic, Central European countries and countries that share a joint language with countries where targeted services are based); and b) larger national audiovisual markets (e.g. Germany, France, Poland).

- There were, in 2016, 22 European countries targeted by at least 25 linear services (18 EU countries, plus Turkey, Norway, the Republic of Serbia, and "The former Yugoslav Republic of Macedonia"). Likewise, there were 12 European countries (11 EU countries, plus Norway) that were targeted by at least 12 on-demand services.[12] The EU countries with over 50 TV channels specifically targeting each of their territories[13] were: Poland; Hungary; Romania; Estonia; Slovenia; Denmark; and the non-EU countries Turkey, Norway and the Republic of Serbia. The top EU target countries for on-demand services were: Poland; France; Germany; Hungary; the Netherlands; and Sweden; plus Norway (n>50).

- There were 64 on-demand audiovisual services available worldwide that were not specifically targeting the countries in which they were available. Two thirds of them were established in the US (n=40).

Methodological note

Please note that the total number of audiovisual services in the EU is not the sum of services targeting a country as a primary and secondary target, as services may be targeting multiple countries. Figures include only services established in the EU that are targeting other European countries. For more information on the definition of linear and on-demand services targeting other national markets please see the methodological overview in the Annexes of this report (pages 47ff).

[11] By total number of services targeting the country as a primary target.
[12] Linear and on-demand services targeting the country as a primary target.
[13] Ranking by total number of services targeting the country as a primary and secondary target.

Table 6. Breakdown by country of TV channels targeting other markets – In absolute numbers (2016)

Country	TV channels targeting the country as a primary target[1]	TV channels targeting the country as a secondary target[1,2]	Total[1]
EU 28			
AT	4	18	22
BE	4	6	10
BE (CFB)	13	22	35
BE (VLG)	4	32	36
BE (DGB)	0	11	11
BG	56	2	58
CY	0	18	18
CZ	42	1	43
DE	54	2	56
DK	57	0	57
EE	68	1	69
ES	20	0	20
FI	33	6	39
FR	45	2	47
GB	8	0	8
GR	25	0	25
HR	55	5	60
HU	79	0	79
IE	34	7	41
IT	21	1	22
LT	17	49	66
LU	1	9	10
LV	25	43	68
MT	3	1	4
NL	44	2	46
PL	96	0	96
PT	48	0	48
RO	71	0	71
SE	48	6	54
SI	64	4	68
SK	10	31	41
Other countries			
AL	6	0	6
AM	1	0	1
BA	8	38	46
CH	11	1	12
ME	2	40	42
MK	25	18	43
NO	57	0	57
RS	53	1	54
SM	1	0	1
TR	63	0	63

[1] Minimum number of services; [2] A service may be targeting multiple secondary target countries.

Source: European Audiovisual Observatory / MAVISE database

Table 7. Breakdown by country of on-demand audiovisual services targeting other markets in the EU – In absolute numbers (2016)

Country	On-demand services targeting the country as a primary target[1]	On-demand services targeting the country as a secondary target[1, 2]	Total[1]
EU 28			
AT	8	1	9
BE	2	1	3
BE (CFB)	4	2	6
BE (VLG)	2	7	9
BE (DGB)	0	1	1
BG	6	0	6
CY	3	0	3
CZ	5	0	5
DE	18	0	18
DK	15	1	16
EE	6	2	8
ES	12	1	13
FI	13	2	15
FR	19	0	19
GB	12	4	16
GR	3	0	3
HR	4	0	4
HU	18	0	18
IE	4	5	9
IT	12	1	13
LT	5	1	6
LU	4	4	8
LV	5	0	5
MT	6	0	6
NL	17	0	17
PL	20	0	20
PT	8	0	8
RO	8	0	8
SE	16	0	16
SI	6	1	7
SK	5	1	6

[1] Minimum number of services; [2] A service may target multiple secondary target countries.

Source: European Audiovisual Observatory / MAVISE database

Table 8. Breakdown by country of on-demand audiovisual services targeting other markets in other countries – In absolute numbers (2016)

Country	On-demand services targeting the country as a primary target[1]	On-demand services targeting the country as a secondary target[1, 2]	Total[1]
Other countries			
AL	1	0	1
AM	2	0	2
BA	2	0	2
CH	7	7	14
GE	2	0	2
IS	2	1	3
LI	1	0	1
ME	2	0	2
MK	4	0	4
NO	20	0	20
RS	6	0	6
RU	6	0	6
TR	6	0	6
[1] Minimum number of services; [2] A service may target multiple secondary target countries			

Source: European Audiovisual Observatory / MAVISE database

2.5. Market power

Pan-European trends

- In a number of cases, foreign TV channels, in 2015, targeting a country projected significant market power in a national market. In seven European countries (five EU Members, plus Norway and Switzerland) the cumulated audience market shares[14] for targeted TV services was greater than 20% of the overall audience market share: Hungary (30,3%); the Netherlands (29,3%); Sweden (28,5%); the French Community of Belgium (28,1%); Denmark (24,4%); Norway (23,4%); and French-speaking Switzerland (21,8%). In addition, there were a further eight countries with market shares of foreign services targeting the country greater than 9% of the overall market share: (Ireland; Estonia; Latvia; Lithuania; Poland; Portugal; Romania; Slovenia).
- In the EU, 11 out of the 28 Member States were targeted by foreign TV channels whose cumulated audience market shares were significant (i.e. ⩾10%).

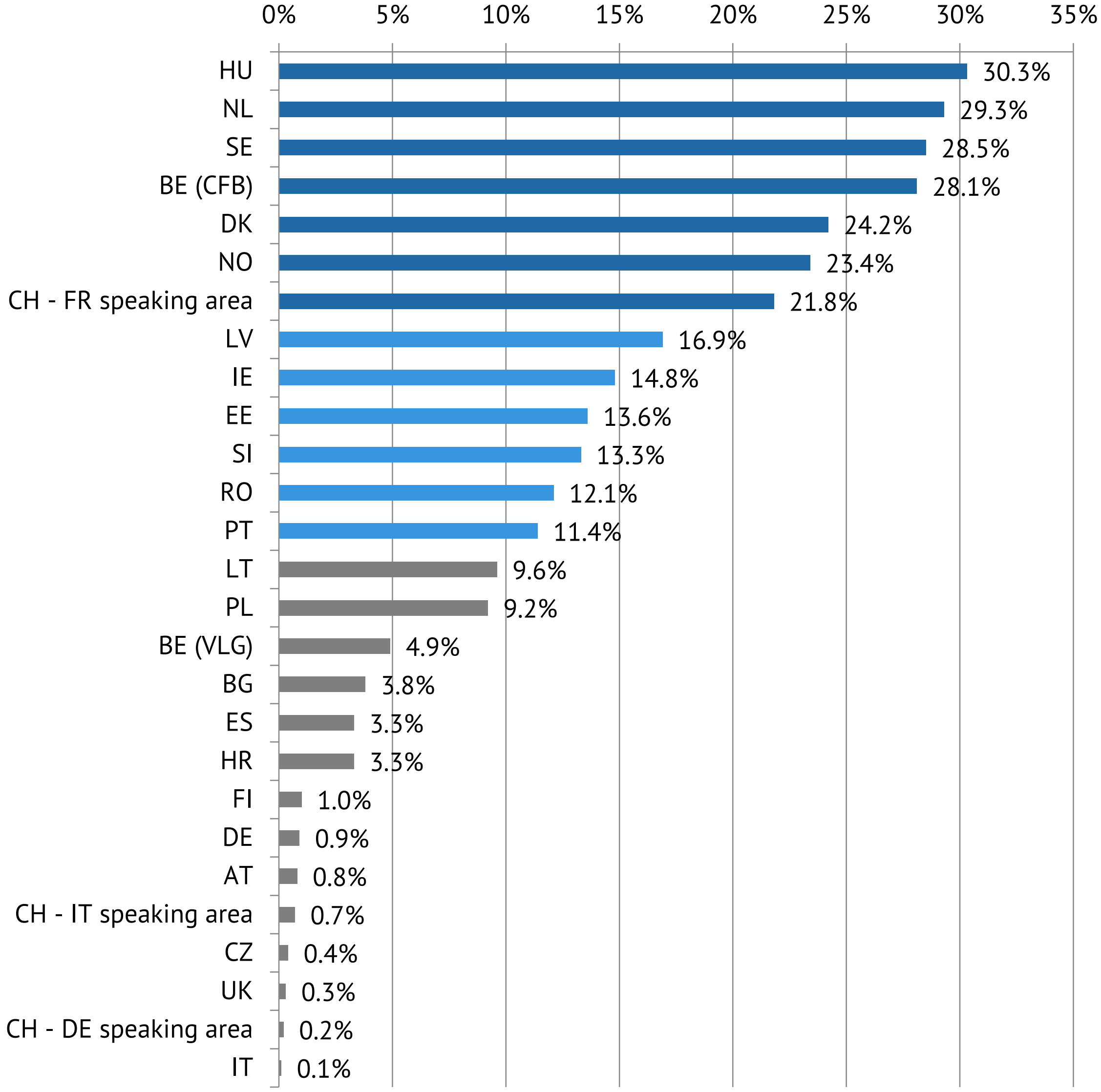
Methodological note

The figures in this section include all countries (i.e. EU and Observatory Member Countries) where foreign TV services targeting a national market held a minimum cumulated market share of ⩾0,1%. Please note that no audience data for foreign channels targeting a national market was available for Albania, Armenia and Montenegro.

A cumulated audience market share of 10% and higher is considered significant (i.e. = important) as it represents a sufficiently great scale of market power.

[14] Based on audience data from 2015 provided by Eurodata TV Worldwide.

Figure 13. Breakdown by country of audience market share of TV channels targeting other European countries (2015) – In cumulated % share



Source: European Audiovisual Observatory / Eurodata TV Worldwide
Note: The audience market shares presented in this figure indicate a minimum

3. The circulation of audiovisual media services available in Europe

3.1. Mapping the circulation of audiovisual media services available in Europe

Pan-European trends

- The number of television channels available in 2016 varied greatly from one country to another, due in part to the size of a market and an interest in foreign services for linguistic reasons: Viewers in France, Russia, the United Kingdom and Switzerland had access to over 500 linear audiovisual services via the major national distribution platforms (e.g. DTT, cable, satellite, IPTV) whereas audiences in Armenia, Greece and Iceland could watch around 100 TV channels or fewer on average. Access to on-demand audiovisual services also varied between countries but the disparities were less pronounced than in the case of linear services: Consumers in the United Kingdom, France, Poland, Germany and Hungary had the greatest choice, with access to over 160 services while those living in Morocco, Georgia, Liechtenstein, Armenia and Malta had access to 70 or fewer services.

- In two out of three EU countries people were able to watch between 300 and 600 television channels on average (i.e. 17 out of 28 EU Member States) and in around 70% of EU Countries (i.e. 19 out of 28) consumers could access between 100 and 150 on-demand audiovisual services. The average number of linear services available to audiences in the EU was 299 and that for on-demand audiovisual services was 133.

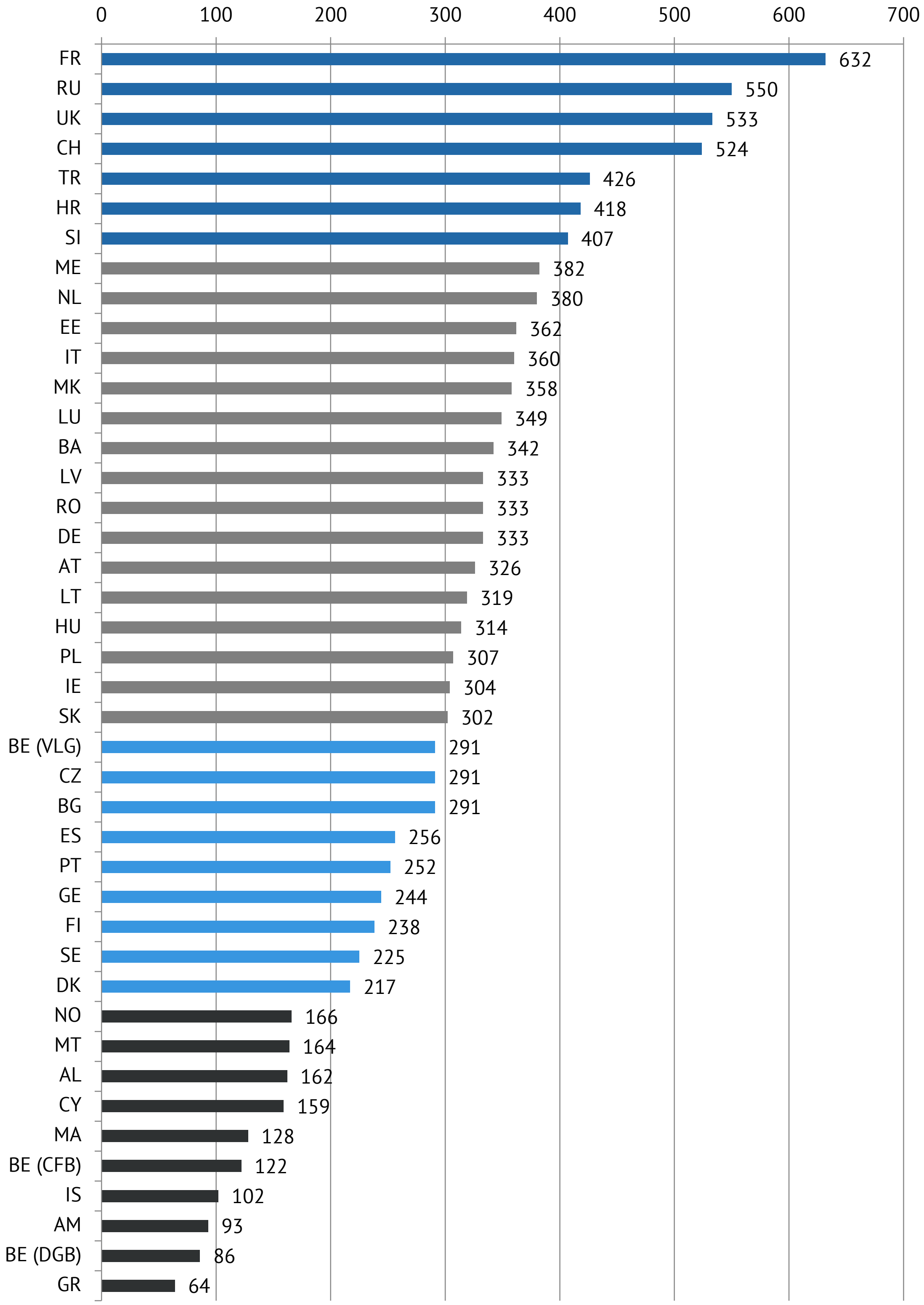
Methodological note

For methodological reasons, catch-up TV services are excluded from the figures in this section as it was not possible to assess which catch-up services were available for channels established outside of the country. Hence, the figures for on-demand audiovisual services include sharing platforms, free video-on-demand, subscription video-on-demand and transactional video-on-demand services.

Please note that the total number of services available in the EU is not the sum of services available in each country, as the same service may be available in multiple countries.

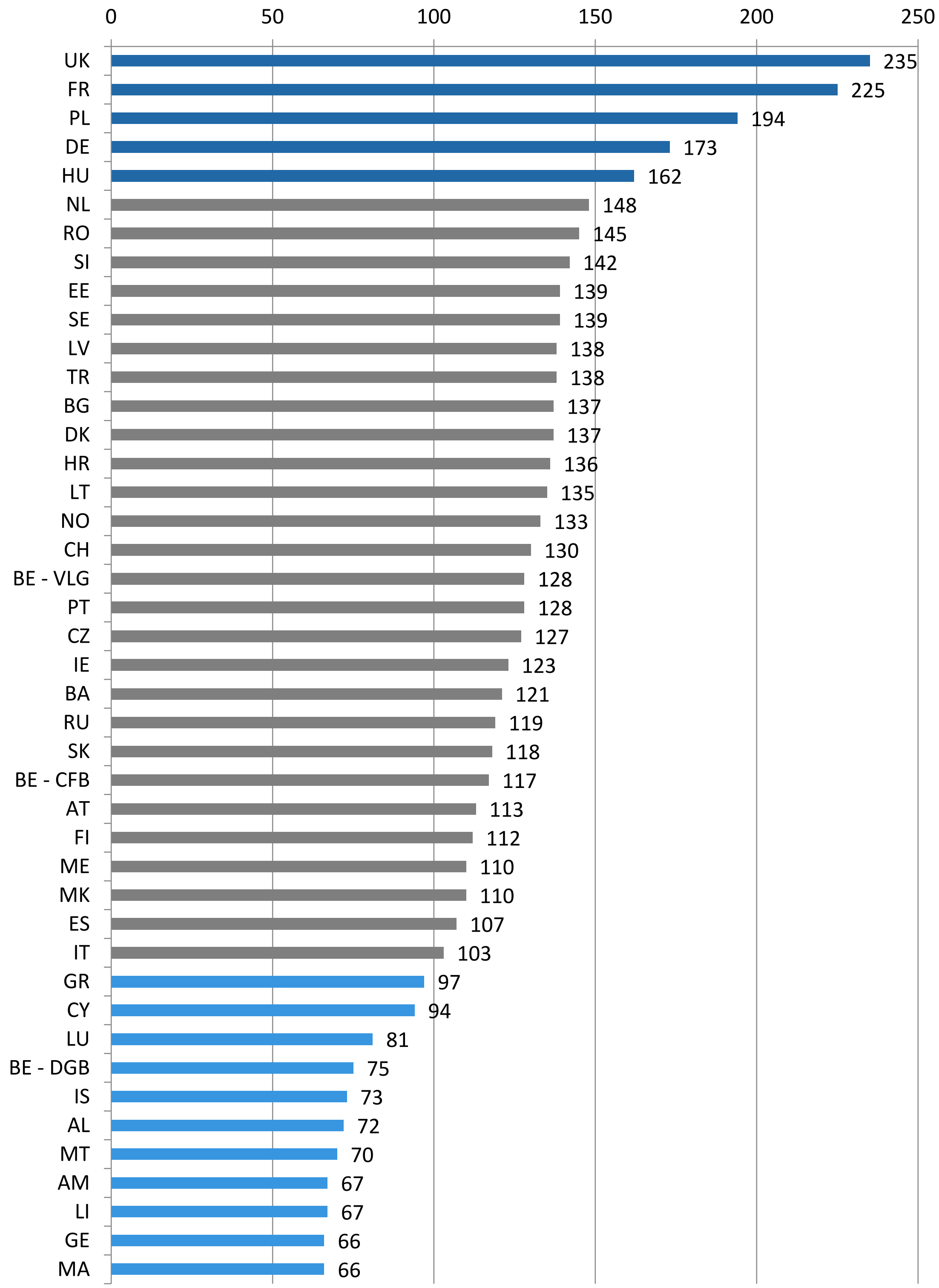
Figures in this chapter exclude services with the genre local/regional and window.

Figure 14. TV channels available by country in EUR 39[1] + Morocco - In average absolute numbers (2016)



Source: European Audiovisual Observatory / MAVISE database; [1] No data for Liechtenstein

Figure 15. On-demand audiovisual services available by country in EUR 40 + MA - In average absolute numbers (2016)



Source: European Audiovisual Observatory / MAVISE database

3.2. Prominence of foreign audiovisual media services in national markets

Pan-European trends

- The majority of TV channels available on average in European national markets were of foreign origin: In 2016, in four out of five countries covered by the European Audiovisual Observatory[15], 50% or more of the TV channels available in their territories were foreign. Only viewers in Turkey, Albania, Germany, Italy, Russia, the United Kingdom and Greece had access to more national than foreign-based TV channels. The majority of these countries represent a European television market of significant size with a large number of TV channels licensed under the respective national licensing regime.

- The share of foreign on-demand services available in a given European national market was even more significant than with linear services. With the exception of the United Kingdom and France, in all countries covered by the European Audiovisual Observatory the share of foreign services available in their respective national markets was higher than 50%.

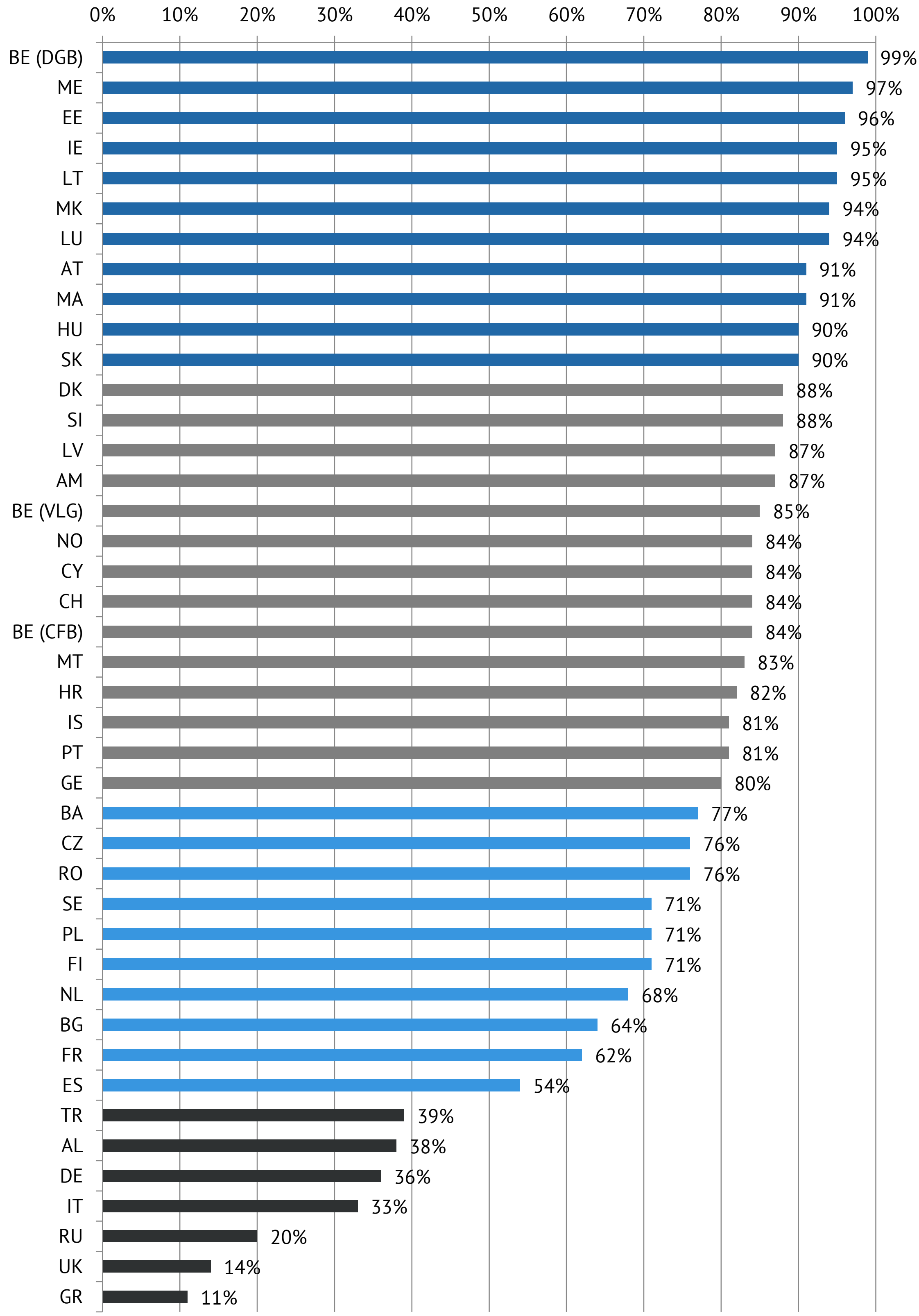
- Overall, by December 2016, the share of foreign services available in an EU Member State tended to be higher for TV (84%) than for on-demand services (74%).

Methodological note

Please note that catch-up TV services are excluded from the figures concerning availability of on-demand services since it could not be established where these services were accessible. For more information on the definition of services available in a country please see the methodological overview in the Annexes of this report (pages 47ff).

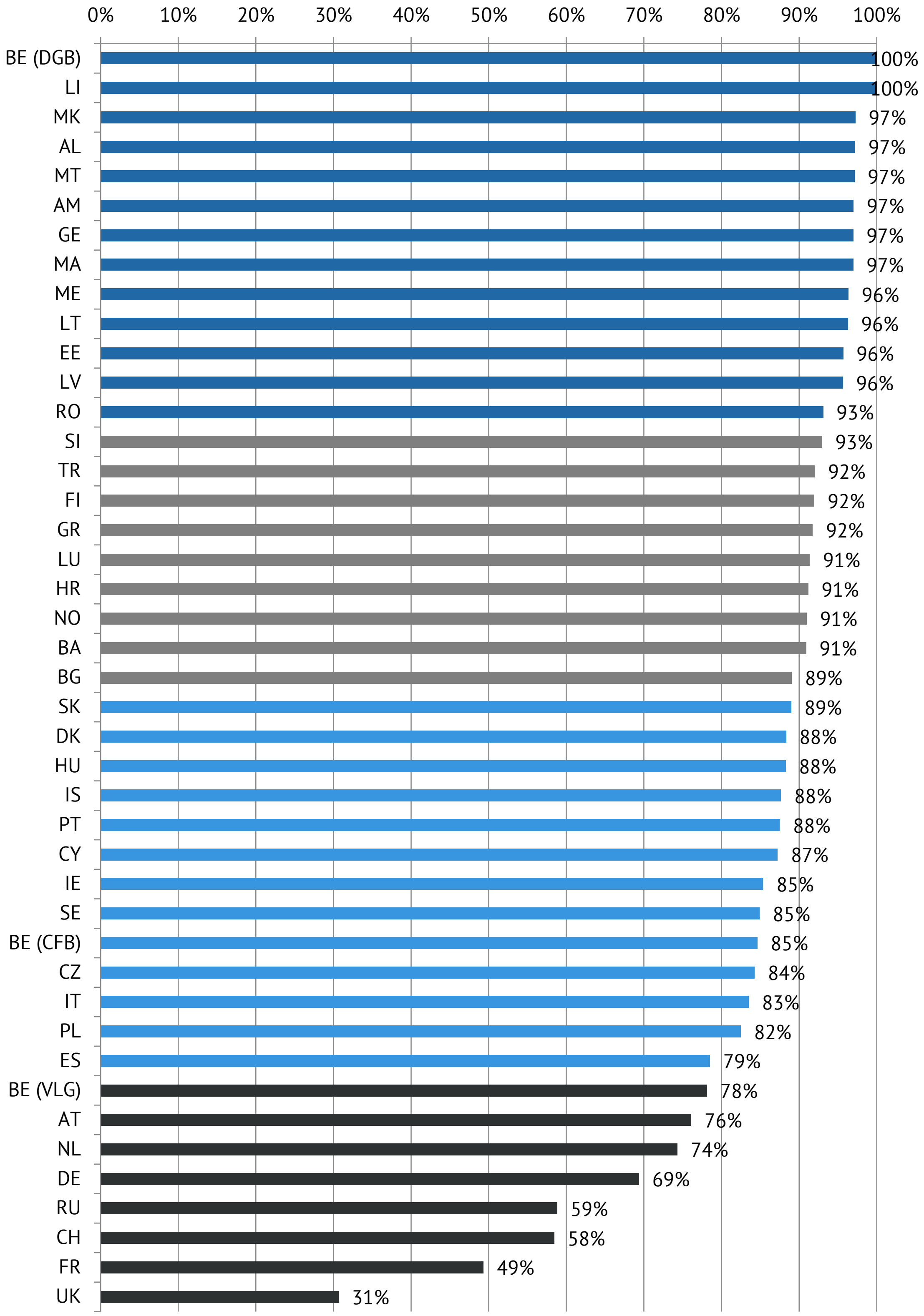
[15] Including the EU 28, plus Albania, Armenia, Bosnia and Herzegovina, Switzerland, Georgia, Iceland, Montenegro, “The former Yugoslav Republic of Macedonia”, Norway, Russia, Turkey and Morocco; no data for Liechtenstein.

Figure 16. Foreign TV channels available by country in EUR 39[1] + Morocco – In % share (2016)



Source: European Audiovisual Observatory / MAVISE database; [1] No data for Liechtenstein

Figure 17. Foreign on-demand audiovisual services available by country in EUR 40 + Morocco – In % share (2016)



Source: European Audiovisual Observatory / MAVISE database

3.3. US pay on-demand audiovisual media services available in Europe

Pan-European trends

- A total of 75 pay on-demand services originating from the United States were available in Europe in 2016. Of particular noteworthiness is the fact that:

  - Most of these services were classified as originating from the United States by default, because no evidence of a declaration to a European regulator could be found, and because the company was operating at least partially from the United States.

  - These companies included major players such as Google Play and Microsoft Store, whose activities appear to be no longer primarily operated out of Luxembourg.

- These 75 pay-services included multiple versions of the same service: 32 country-specific versions of Google Play in 26 different languages, and 15 country-specific versions of Microsoft Store in 11 different languages. Excluding the linguistic versions of all these services brought the count of pay-VOD services originating from the United States and targeting Europe down to 25.

- Apart from Google Play and Microsoft Store, the rest of the US-based pay on-demand services were niche services with limited market power (including adult services) which existed either as stand-alone offers or were available on YouTube as subscription on-demand services for a moderate monthly fee.

- On the pay on-demand services market a number of major US players had created European-based subsidiaries out of which they operated their services. These included Amazon, Netflix and iTunes with bases in Europe, while others such as Google and Microsoft operated from the United States.

Methodological note

Please note that it was not possible to establish a comprehensive census of US free-services available in Europe, as these services may be technically available in Europe without the aim of capturing European advertising. YouTube, Facebook, Instagram and Snapchat are of course exceptions.

Figures on US services do not include sport services (e.g. access to sporting events from US leagues), which the European Audiovisual Observatory does not track systematically.

A pay on-demand audiovisual service may include transactional video on-demand and subscription on-demand. For more information please see the methodological overview in the Annexes of this report (pages 47ff).

4. Annexes

4.1. Methodological overview for linear and on-demand audiovisual services

This section provides a methodological overview of how the data in this report was collected, measured and categorised. The scope of data includes 40 European countries covered by the European Audiovisual Observatory as well as Observatory member Morocco.

All data concerning linear and on-demand audiovisual media services established or available in the countries quoted in this report originated from the European Audiovisual Observatory and its MAVISE database. MAVISE is a database on TV and on-demand audiovisual services and companies in Europe designed to ameliorate understanding of the audiovisual market and generate greater transparency.

Please note that a series of changes has been introduced in the MAVISE database to better reflect the evolution of the market. These changes took effect in September 2016 and affect the comparability of data before and after that date. Time series data from 2015 and before should be regarded as separate from data from 2016 and after.

4.1.1. Linear audiovisual media services

Type of channels and time series

The data presented in this report is from the year 2016. It excludes windows, and regional and local channels. Please note that the 46 language versions of the Belgium-based "Europe by Satellite" (EbS) TV information service of the European Commission have also been excluded from the data sample. EbS is an inter-institutional service providing TV footage (i.e. unedited video pictures and sound) to other audiovisual services and journalists for further editorial use. It is not available on the major TV distribution platforms (except online) and hence is not a typical TV channel that can be watched by the ordinary citizen.

Linear audiovisual media services established and available in a country

Television channels that are **established in a country** include those that hold a broadcasting license from and/or are registered with a national regulatory authority. In addition, other channels are included in the data collection that may not hold a license or registration but can be attributed to a specific national origin by means of company address, internet domain name etc.

Television channels that are **available in a country** comprise those that are available on the major distribution platforms (e.g. cable, DTT, IPTV, satellite). These services were identified through the channel line-ups as advertised on the websites of platform operators.

Please note that the figures for services available in a country are based on the following concepts:

- Linear services available in a country = total number of TV channels established in a country (excluding those targeting other markets) + foreign TV channels available in a country;
- Foreign linear services available in a country = total number of TV channels available in a country – number of TV channels established in a country (excluding those targeting foreign markets).

Foreign TV channels

Foreign channels are those that can be accessed in a given country but do not hold a license and/or registration from the national media regulatory authority of that country.

TV channels targeting other countries

The indicators used in the MAVISE database to define whether a channel is specifically targeting another national market are as follows:

- Linguistic versions in the targeted country's main language(s) (e.g. sub-titling, dubbing);
- Content of the license (e.g. explicit mentioning of the targeted country);
- Local programming;
- Local advertising;
- Local subscription.

The data collection sample specifically excludes the following types of television services:

- TV channels that are targeting their own country of establishment (i.e. those holding a license and/or registration from the national media regulatory authority of the country);
- Pan-European pay/free satellite channels (that are designed to appeal to the largest audience possible, including certain diaspora channels such as Mediaset Italia, MED NUCE, TRT Turk);[16]
- TV channels that are targeting countries other than the Observatory members and EU candidate countries;
- Regional and local channels; windows.

Cautionary note on the use of figures for television channels

When using the figures for linear audiovisual services, the following should be taken into account:

- HD simulcasts of SD channels are no longer considered as different channels. A channel available both in SD and HD is counted only once. Similarly, a time-shifted version of a TV channel is not counted as a separate channel;
- Each linguistic version of a TV channel is counted as a separate service (independent of whether a license may or may not be specific as regards the language in which the channel broadcasts);
- The total number of TV channels available in the EU is not the sum of the services available in each EU country, as the same service may be available in multiple countries;
- For the same reason, the total number of services established outside of the EU is not the difference between the total number of services established in the EU and the number of services available in the EU.

[16] Please note that specific language versions of a free satellite channel overrule the exclusion criteria for free satellite TV (e.g. language versions of Euronews and TV5 Monde are included in the figures).

4.1.2. On-demand audiovisual media services

Definition of on-demand audiovisual media services

The European Audiovisual Observatory collects in its MAVISE database information on on-demand audiovisual media services. The concept of “on-demand” includes many different categories of services which may or may not be regarded as “on-demand audiovisual media services” in the sense of the Audiovisual Media Services Directive (AVMSD). The Observatory cannot determine whether each service should fall under the scope of the AVMSD.

In view of the multitude of on-demand services, the MAVISE database focuses on the most relevant ones in terms of market power using the following selection criteria:

Table 9. Criteria for selection of on-demand audiovisual services

Criteria	Definition
Revenues and market shares	The service is among the leaders in terms of revenues or market share.
Key players	The service is operated by a key audiovisual player (main broadcasters, main television distributors).
Pan-European reach	The service is active in several European countries.

The MAVISE database distinguishes between four main types of services that represent different business models. Please note that the various categories of services included in the data collection are, in most cases, not geolocalised and therefore accessible worldwide. In order to have meaningful figures we consider only the services with some relevance for the considered country (mainly based on the language).

Table 10. Typology of on-demand audiovisual services by business model

Typology	Definition
Free on-demand service	A free service, usually funded through advertising or public funding.
Transactional on-demand service	A pay service renting or selling audiovisual works on a pay-per-view basis.
Subscription on-demand service	A service offering a catalogue of on-demand services for a subscription fee.
Video sharing platform	A video website where most of the content is uploaded by third parties.

Catch-up (Replay) television services are no longer tracked as separate on-demand services but treated as a feature of a TV channel. Hence, only major ‘platforms’ operated by TV groups, television distributors or third-party web sites that offer access to the programmes of several channels in catch-up mode are now included in the data collection.

On-demand audiovisual media services established and available in a country and distribution types

On-demand audiovisual media services that are **established in a country** include those that a national regulatory authority may hold information about. In addition, other services are included that are clearly of a specific national origin according to company address, internet domain name, editorial responsibility stated on the services web pages etc. In most cases, however, there is no centralised information available.

Please note that the figures for services **available in a country** are based on the following concepts:

- On-demand services available in a country = number of services established in a country (excluding those targeting other markets) + number of services specifically targeting a national market + 64 on-demand services available online worldwide not specifically targeting the countries in which they are available;
- Foreign on-demand services available in a country = number of services specifically targeting a national market + 64 on-demand services available online worldwide not specifically targeting the countries in which they are available.

Please note that a total of **64 services were available online worldwide** which were not specifically targeting the countries in which they were available. These services are included in the figures for services available in a country and foreign services available in a country. No totals were drawn, to avoid double-counting, as some services were available in several countries.

- Including 19 free on-demand services available worldwide or on a pan-European level which are not specifically targeting the country;
- Including 16 sharing platforms available worldwide or on a pan-European level which are not specifically targeting the country;
- Including 24 subscription on-demand services available worldwide or on a pan-European level which are not specifically targeting the country;
- Including 5 transactional on-demand services available world-wide or on a pan-European level which are not specifically targeting the country.

For methodological reasons, catch-up TV services include only services established in the country, as it was not possible to assess which catch-up services were available for channels established outside of the country. The figures might not reflect the true offering of catch-up TV services in a given country.

The **distribution** of on-demand audiovisual media services can be broken down into the following technical distribution types:

- **Managed distribution** means that the service is available over a network managed by an operator (mainly IPTV or cable);
- **Online distribution** means that the service is available 'over the top – OTT', i.e. over the open internet (e.g. Apple's iTunes, Netflix, Google Play, Megagogo.net);
- **Managed and Online** means that the service is available both over managed networks and online OR that the service uses a combination of both solutions.

Limitations to the identification of on-demand services

Please note that identifying on-demand audiovisual media services implies a series of difficulties:

- Whereas on-demand audiovisual media services provided through 'managed networks' can be identified through an extensive review of the TV distributors' line-ups, services available over the open internet are not necessarily heavily advertised;
- Assessing the difference between a stand-alone on-demand audiovisual media service and a catalogue included in a third party service is not always possible. Some producers may exploit a specific 'corner' in a larger on-demand service, and IPTV or cable providers may host third-party on-demand services alongside their own services. Thus, the responsibility for managing the service and billing the consumer is not always clear;
- Several on-demand audiovisual media services are specifically targeting a country other than their country of establishment. Several criteria may apply when assessing whether an on-demand service is a cross-border service: language; offices in the targeted countries; marketing material of the on-demand service.

Cautionary note on the use of figures for on-demand audiovisual services

When using the figures for on-demand audiovisual services, the following should be taken into account:

- Each linguistic version of a service is counted as a different service;
- The total number of services available in the EU is not the sum of the services available in each EU country, as the same service may be available in multiple countries;
- For the same reason, the total number of services established outside of the EU is not the difference between the total number of services established in the EU and the number of services available in the EU.

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