

For Immediate Release
January 2010

Movie-on-Demand revenues to reach 430m Euros in Western Europe and 2.4bn dollars in USA by 2013

Video on Demand (VoD) delivered straight to the television is generating high levels of consumer interest, but little revenue, with free content accounting for more than 95% of the material being watched. However, a new Pay-TV market report from Futuresource Consulting shows that consumers will pay extra for movies on demand delivered by their broadcaster or Pay TV operator. The report reveals that by 2013, transactional revenues from movies on demand alone will reach 2.4bn dollars in the USA and 430m Euros in the leading five Western European countries.

“The rise of on-demand video content that can be accessed through a laptop, PC or mobile phone shows no signs of stopping,” says Carl Hibbert, Business Consultant, Futuresource, “and with so much competition out there, the consumer is in the driving seat, demanding entertainment be delivered on their terms, whenever, wherever and however they please. But the pay-TV industry is fighting back, and looking to VoD to supplement its linear TV offering. As well as improving their consumer proposition, reducing customer churn and recalibrating their brand positioning, operators are using VoD as a tool for driving up the average revenue per user.

“Paid-for VoD is a small part of the market, but it is expanding, and that’s despite the glut of readily-available free and ‘catch up’ VoD. Growth opportunities are coming from the continued conversion of analogue to digital cable, the expansion of IPTV, and the introduction of hybrid services by satellite operators. As movie release windows shorten and VoD releases come on stream ‘day and date’ with DVD and Blu-ray we’re going to see more traction, but a number of studios are holding back, believing this may cannibalise their packaged media revenues.”

Improved EPGs (electronic programme guides) are also helping to boost VoD buy rates, making search and purchase easier, and in some cases allowing for personalised front ends. The next stage is the introduction of lifestyle-orientated TV homepages, which will help to filter and focus the colossal amount of live and on demand content available, ensuring the consumer is able to pinpoint and purchase relevant content as soon as it becomes available.

Pay-TV VoD Market: USA & Top 5 Europe is a 60+ page strategic report focusing on the USA, UK, France, Germany, Italy and Spain for Pay-TV VoD content, providing commentary and analysis on the trends and developments which are shaping the future. For more information or to purchase this report, please contact Carl Hibbert on +44 (0) 1582 500 110 or via email at carl.hibbert@futuresource-hq.com.

Save the date

The Futuresource Entertainment Summit

10-11 June 2010, London, UK

Addressing the business opportunities presented by new home entertainment technologies, platforms and delivery systems, this year's conference focuses on the strategic impact of 3D, the rise of IP connected devices and the changing face of retail, plus revenue stream development and optimisation for Blu-ray and online content services. Find out more at www.fes2010.com.

Notes

Futuresource Consulting is a specialist research and knowledge-based consulting company, providing its clients with expertise in consumer electronics, digital imaging, entertainment media, broadcast, optical manufacturing, storage media and IT.

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Futuresource Media Contact

For industry comment, forecasting and trends contact Andy C Watson on:

Direct Dial +44 1582 500169

Email andy.watson@futuresource-hq.com

Web www.futuresource-consulting.com

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