

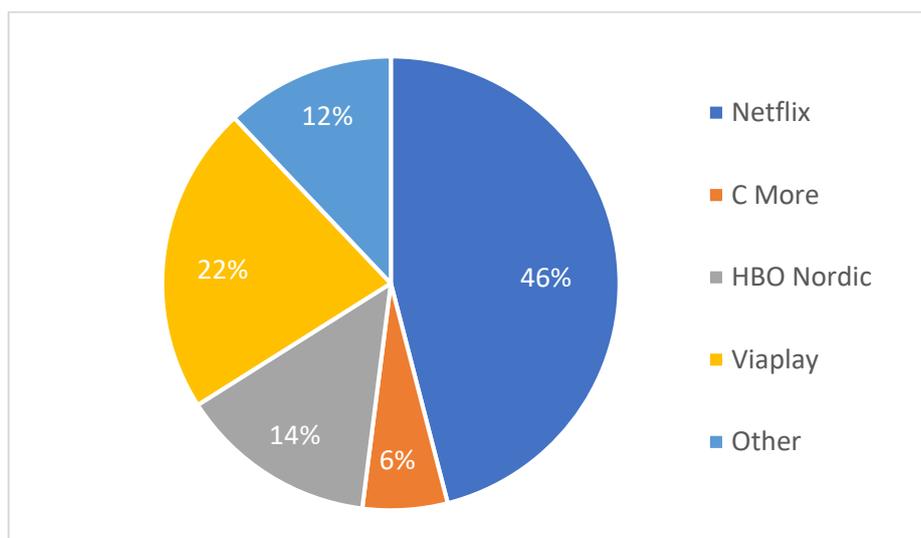
The Nordics lead the SVOD market in Europe

The Nordic region comprising Denmark, Finland, Norway and Sweden leads the SVOD market in Europe. According to Dataxis research, the Nordic region represents almost 20% of all SVOD subscriptions in Europe at Q4 2016. In the same quarter, the number of SVOD subscriptions in Nordic region is approximately equivalent to the number of subscriptions in Germany and Italy. This is partly explained by the fact that households of this region often subscribe to more than one SVOD offer and that the churn rate is low.

The average revenue per user (ARPU) for each SVOD offer in Nordic is higher than in the rest of Europe. Dataxis estimates that the ARPU per offer in Nordic was around \$10.6 in Q4 16 and this is explained by the fact that SVOD offers in Nordic cost relatively higher than in the rest of Europe. For example, the standard offer of Netflix costs 89 DKK (\$12.7) in Denmark versus 9.99 EUR (\$10.7) in France. Consequently, there is a higher SVOD spending per person in Nordic than in the rest of Europe. According to Dataxis, the total customer spending on SVOD in Nordic reached almost 800M EUR (\$848.2M) in 2016.

There are four main SVOD actors in the Nordics: Viaplay, HBO Nordic, C More and Netflix, with the later accounting for almost half of the market.

Market share of those actors in terms of SVOD subscribers in Nordic at Q4 2016



- **Netflix:** Launched in Q4 2012 in Nordic. With its early launch, Netflix has immediately dominated the Nordic SVOD market offering local and international content in the language of each country.
- **Viaplay:** Launched in 2011, it's the historical actor in Nordic. It expanded in Estonia, Latvia and Lithuania in July 2016.
- **HBO Nordic:** Launched just after Netflix in Q3 2012. HBO offers SVOD only in Nordic but faced some constraints at the beginning to get subscribers because the offer was not aligned on Viaplay and Netflix: no free trial and 12 months' mandatory commitment.
- **C More:** C More, a pay TV actor, launched Filmnet in October 2012 in Sweden and in 2013 in Denmark, Finland and Norway. In 2015, Filmnet moved to C More website.

An interesting move in term of monetization is the launch of SF Kids Play (an SVOD offer for kids) in Nordic in February 2016. SF Kids Play is the first SVOD offer of the giant TVOD actor in Nordic, SF Anytime (Bonnier AB Group). The launch of Amazon Prime Video in December 2016 in more than 200 countries including all the Nordic countries is going to intensify the competition and could change the top 4 in 2017.

Zoé Macheret

FOR MORE INFORMATION PLEASE CONTACT:

Zoé Macheret, Research Analyst Europe
zoe.macheret@dataxis.com

Krishna CHINAPIEL, PR & Marketing Coordinator
pr@dataxis.com

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