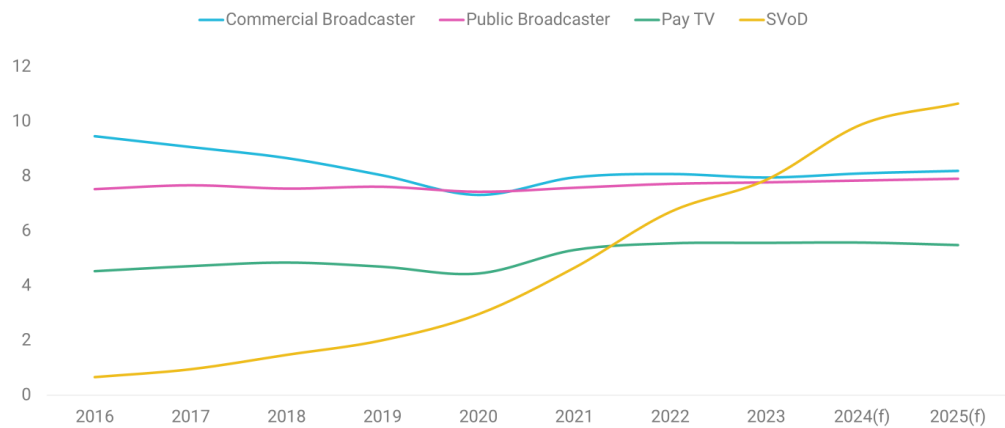


Europe’s commercial broadcast groups must resist content cuts and embrace streaming to reclaim lost ground

London, 10th June 2024: Latest forecasts from Ampere Analysis predict that spending by subscription video-on-demand (SVoD) platforms will reach €10bn in Europe's major TV markets in 2024. This surpasses the investment made by the region’s commercial broadcasters in original and acquired content who face major challenges of strong competition from deep-pocketed streamers, increased pressure on their own content budgets, and falling viewer engagement levels. Ampere’s latest report examines the current and potential future strategies adopted by Europe’s largest commercial broadcasters to tackle these challenges.



Europe big 5 markets: Content spend by company type (€bn), 2016-2025(f)



Source: Ampere Markets – Content; excludes sports rights spend

Addressing falling viewer engagement with commercial broadcasting

According to Ampere's Media Consumer behaviour tracker, which conducts biannual interviews with 2,000 consumers, commercial broadcasters have seen an average 16% decline in consumer engagement across Europe’s big five markets since 2016. The result is a decline of nearly €1bn in the linear TV advertising market over the past decade. Despite these obstacles, commercial broadcasters have demonstrated adaptability by intensifying their focus on streaming strategies. However, their content spending budgets have reduced by 19% since 2016, even as they continue substantial investments in film and TV content, totalling €8 billion in 2023.

European broadcasters should maximise streamers' drive for profit

The next few years present a strategic opportunity for broadcasters amidst a slowdown in spending by the major streaming services. Investment by global streamers in European sourced content is forecast to grow by 8% year-on-year in 2025, compared to an average annual growth rate of 35% between 2021 and 2024. Industry giants including Netflix, Disney, and Warner Bros. Discovery are scaling back streaming spend growth to ensure sustained profitability, paving the way for national broadcasters to capitalise on this shift. Sustaining or increasing content investment is crucial for broadcasters to differentiate themselves in an industry where major global streamers are adopting more conservative spending strategies. Bold commissioning decisions can set broadcasters apart, drive engagement and advertising revenue.

However, content spending strategies are not the only consideration; broadcasters must also prioritise the transition of audiences to streaming to ensure their long-term relevance. This involves investing in their video-on-demand platforms, expanding content libraries, enhancing digital advertising capabilities, experimenting with content release strategies across linear and VoD, and tailoring content output to cater to younger demographics.

Neil Anderson, Senior Analyst at Ampere Analysis says: *“Despite the short-term benefits of cutting costs during economic downturn, prioritising long-term investment in both content and streaming capabilities is crucial for commercial broadcasters to maintain prominence in Europe’s cut-throat TV market.”*

Ends

Notes to Editors:

Content spend includes investments in original productions and acquired film and TV content, excluding sports rights. SVoD spend reflects investments in content based on its production or sourcing location. Spend data is presented on a profit and loss (P&L) basis.

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About Ampere Analysis

Founded in January 2015, Ampere Analysis is a new breed of media analyst firm. The company's experienced team of sector-leading industry analysts specialises in sport, games, pay and multiscreen TV and next-generation content distribution. Our founders have more than 60 years combined experience of providing data, forecasts and consulting to the major film studios, telecoms and pay TV operators, technology companies, TV channel groups and investment banks.

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