

The France Streaming Landscape

White Paper | Whip Media

January 2022

Key Highlights

- French viewers are highly satisfied with streaming platforms that offer locally produced content
- Consumers in France favor original content over library content, a characteristic unique to France among the major European markets
- French consumers watch content produced in the broader EU at a high rate and strongly believe it should be a major component of any platform's offering

Introduction

In an SVOD market as dynamic as Europe's, the market in France is of particular interest. Most markets show some preference for locally produced content, but the French stand apart. France has a strong tradition of protecting its culture and that informs the production and consumption of video content there. This is reflected in their consumption rate of homegrown content, which is among the highest of the major EU territories. Indeed, French satisfaction among some local SVODs competes well with that of the global services. Also, French viewers place a much lower importance on library content than other countries do, preferring to find new content.

Whip Media surveyed nearly three thousand users of our TV Time app in France to help us understand consumer sentiment surrounding paid streaming with a goal of informing content strategies there.



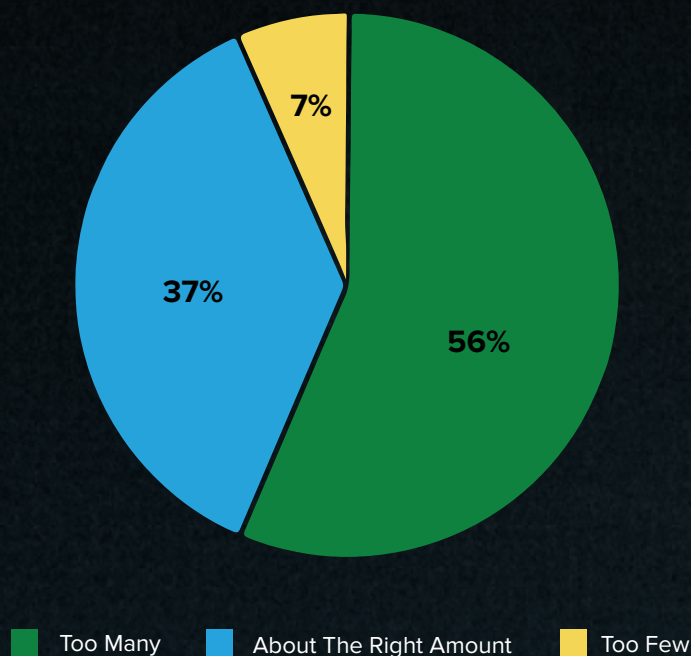
Streaming's Popularity

Streaming continues to be popular in France as our respondents subscribe to an average of 2.7 paid subscription services. 90% of those surveyed are aware of at least one free streaming option as well. Awareness of those free options is likely contributing to the finding that 83% of those sampled told us they aren't planning to add any additional SVODs to their current list in the coming year. So, paid streaming is popular, but it is also a maturing business in France.

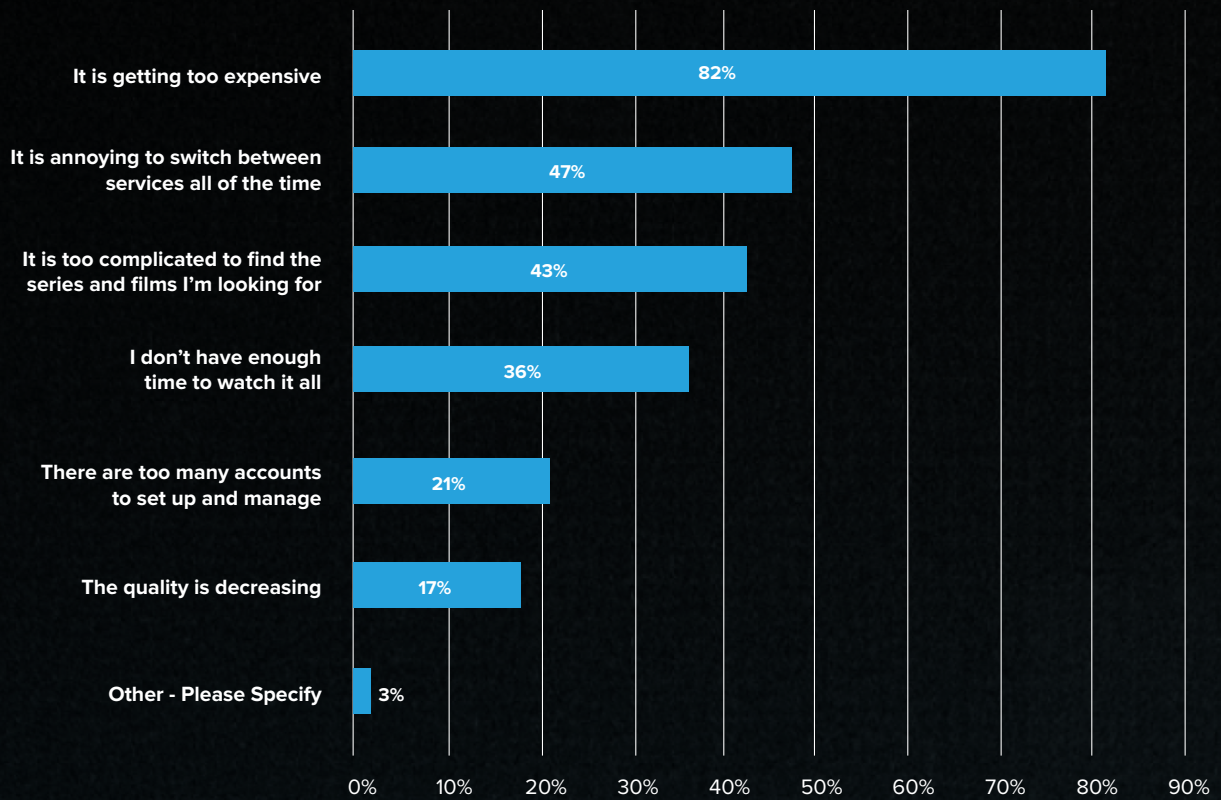
As we've seen in other territories, churn is occurring. Consumers have taken advantage of the ease of cancelling an SVOD as 29% of our sample canceled at least one service in the past year.

Another indication of the maturing nature of the SVOD market is that 56% of respondents feel that there are too many subscription services. The primary reasons this group feels that way are cost, annoyance at switching back and forth between services to view content, and difficulties in managing the services and choices.

Feelings About The Amount of Streaming Services



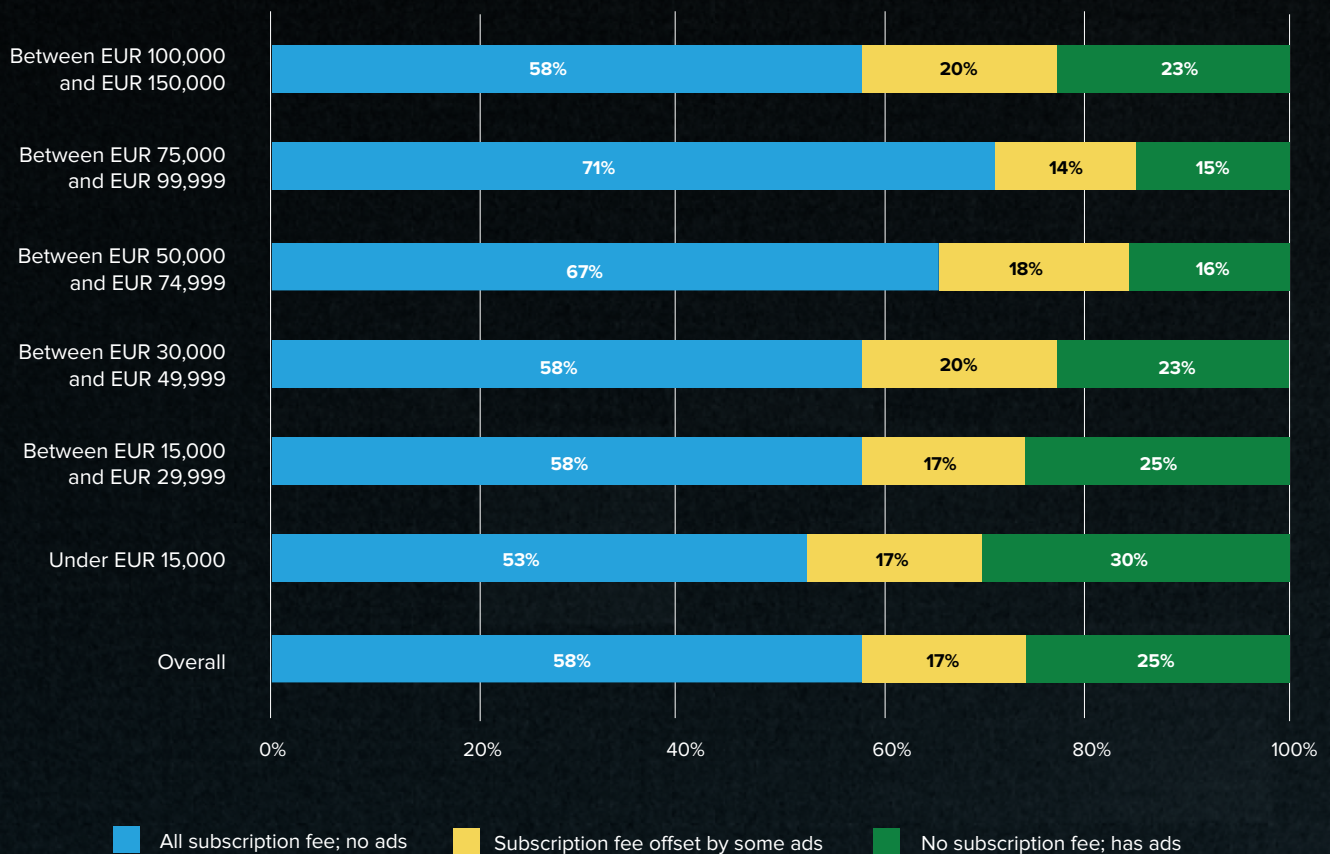
Why Do You Think There Are Too Many Services?



Paid Subscription vs. Free With Ads

The majority (58%) of French consumers prefer to pay for an ad-free service. Not surprisingly, that percentage rises for most higher income breaks, although just over half of lower income respondents prefer that option too. However, we know that this preference has a cost ceiling and consumers will limit their services accordingly.

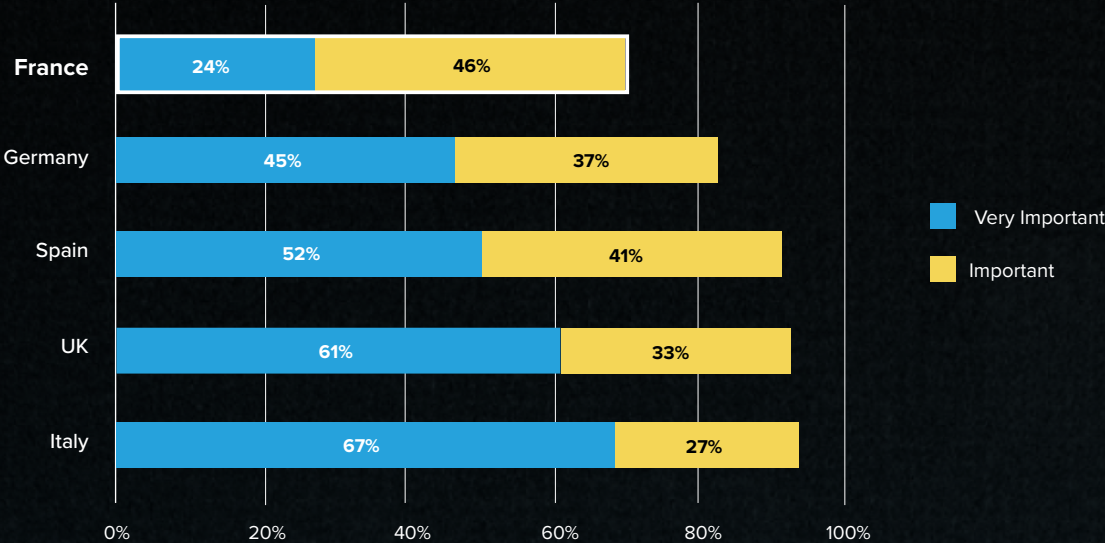
Preference for Paying vs. Having Ads



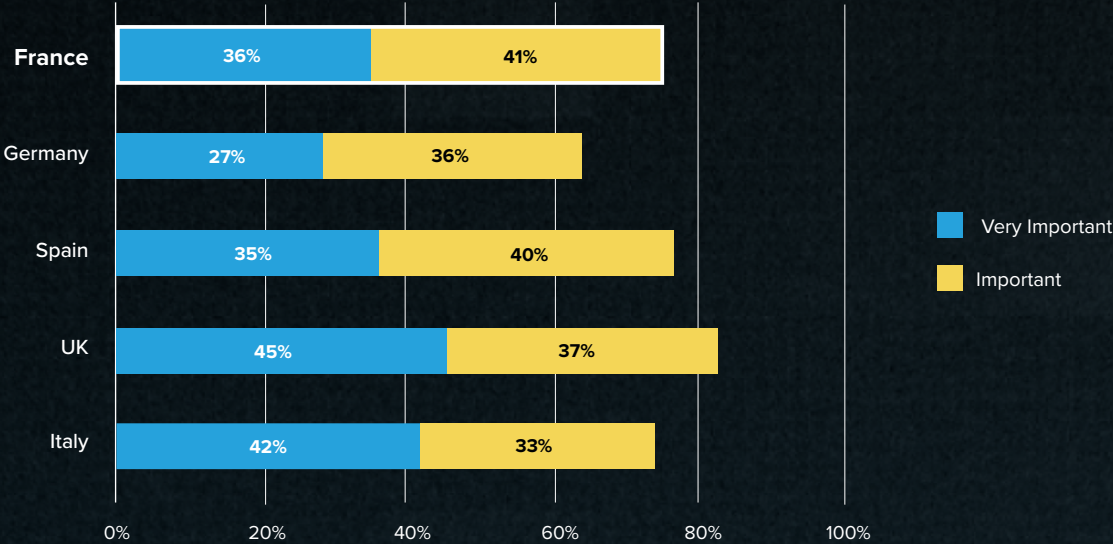
Library vs. Original Content

In most countries we've surveyed, library content was generally of greater importance to consumers than original content. France bucked the trend, as their viewers assigned much lower importance to library content than those in other countries.

Importance of Library Content



Importance of Original Content



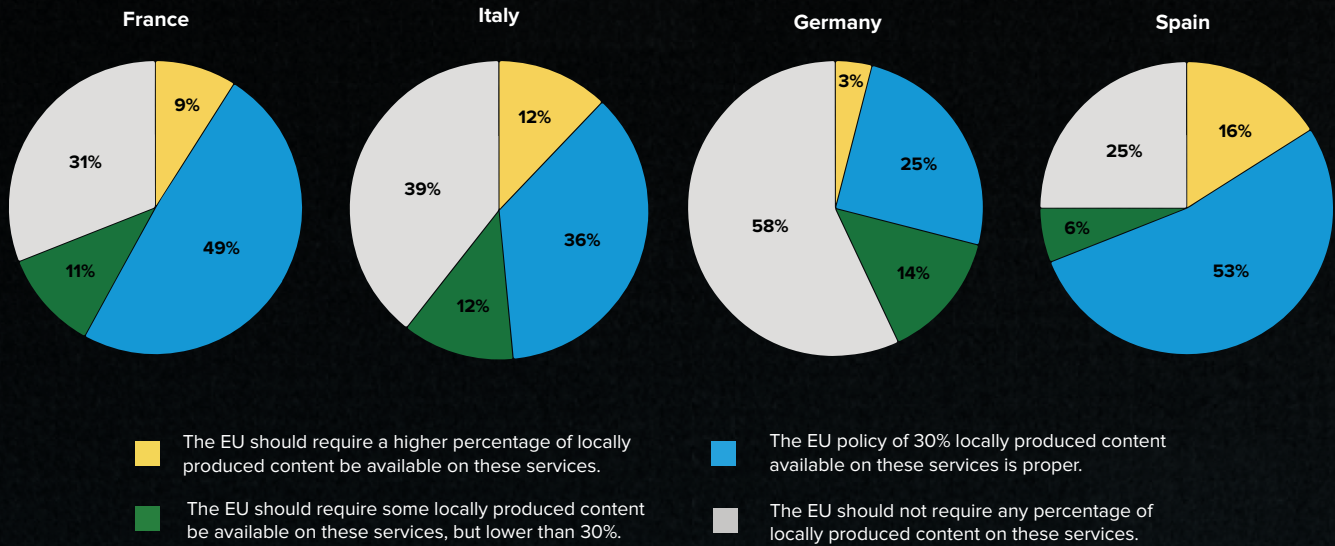


On the topic of programming, the EU recently implemented a new policy called the Audiovisual Media Services Directive (AVMS) that requires SVODs operating in the EU to have 30% of their programming be “European work” and to invest 20% of their revenue in local content. Respondents in France (along with those in Spain) favor the new EU Policy more than in other key EU territories. This is logical since viewership of EU content is also more prevalent in those two countries.

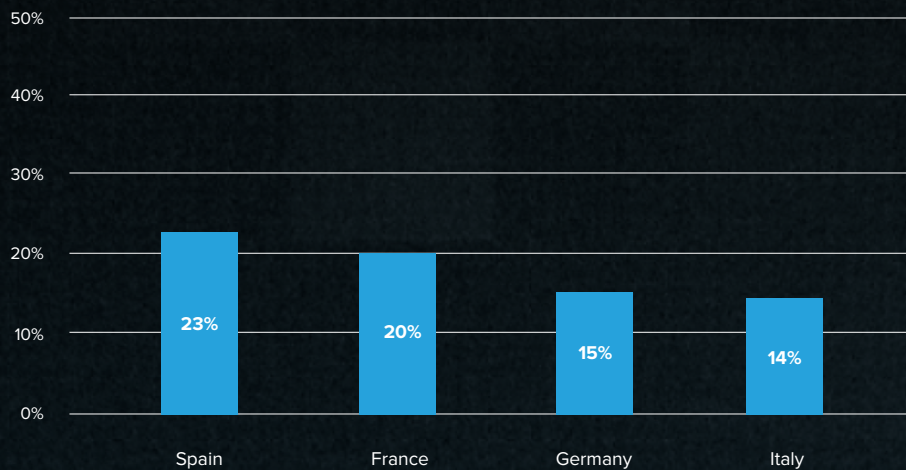
Indeed, the French have a long history of protecting their arts and culture. In December of 2021, Netflix, Amazon, Disney+ and Apple TV+ signed an agreement with France’s broadcasting authorities (CSA) to start investing 20% of their annual revenues on French content, estimated to be between €250 million to €300 million on average per year. France is the first country to put forth such regulations under the AVMS, with other EU countries expected to follow suit.¹ As we will see, this helps explain some of the viewing behavior in France and opportunities for programmers.

¹ <https://variety.com/2021/film/global/netflix-amazon-disney-plus-apple-tv-plus-avms-france-1235130056>

Opinions About AVMS Policy



Percentage Views to Programs Based on EU Origination

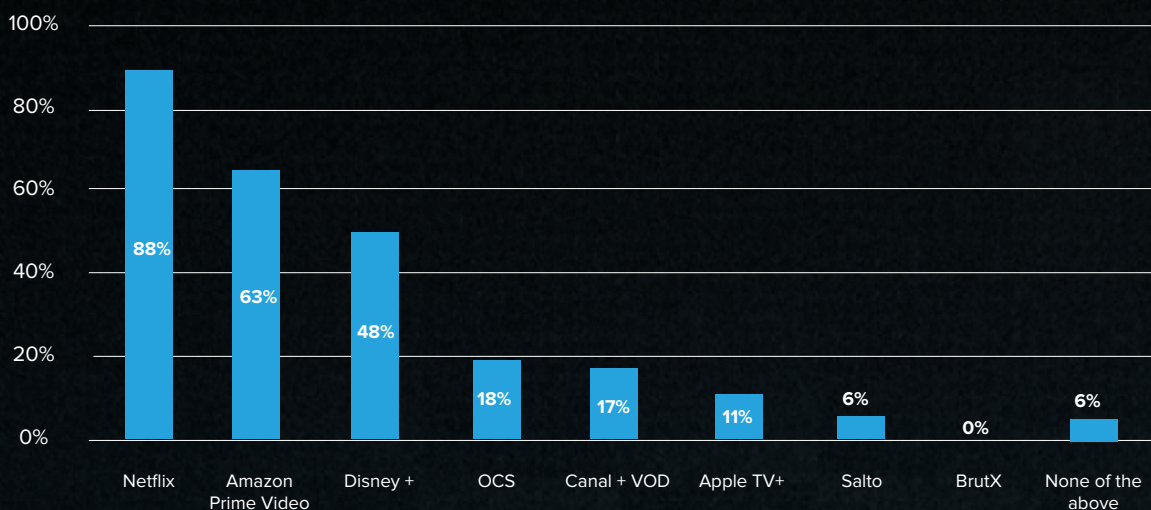


Source: Whip Media CVMi. Viewing percentages calculated for 9/1/20-9/1/21 are from Whip Media's proprietary panel of consumers who report what programs they are interested in and watch.

Satisfaction With Services

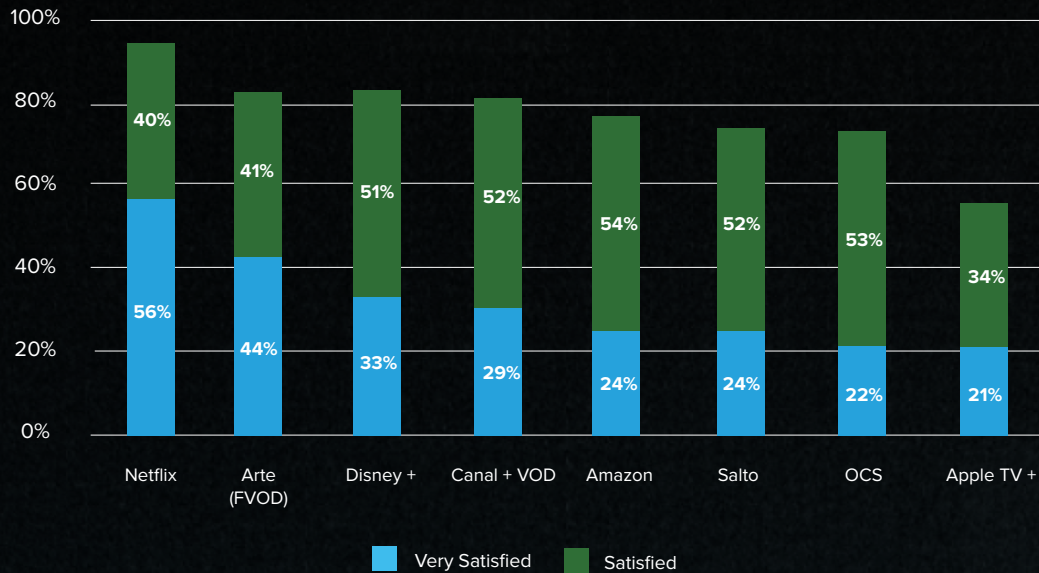
Netflix, the most popular service, is subscribed to by 88% of our sample. Apple TV+ lags behind the other big players, despite its length of time in the market. In front of it are two local services, OCS, which also carries HBO programming, and Canal+ VOD, a well established French brand.

Which Do You Currently Subscribe To?



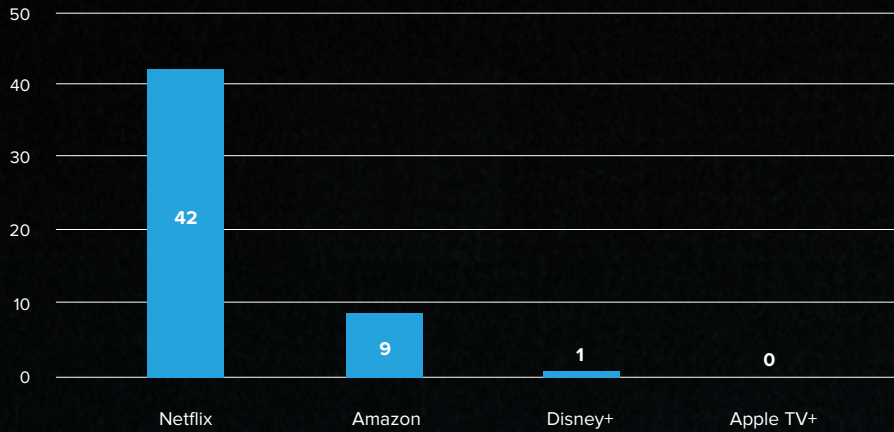
When we rank the SVODs on satisfaction, the order changes. Amazon dropped significantly, an indication that its non-video features are major motivators for its subscriptions. Apple TV+ falls to the bottom. While Arte is a free service, we included it in this chart, because it features exclusive, original local French and German content. Arte ranks second on the list, albeit with a much smaller footprint than most of the other services. While it is a free service, its emphasis on local content is instructive for the other services.

Service Satisfaction



Why does Apple TV+ have such lower satisfaction scores than the others? We've seen this pattern in other countries, with similar scores as well. All of these services, and particularly Apple TV+, can likely improve customer satisfaction by taking advantage of the French consumer's preference for homegrown production. The chart below shows the number of French productions that were available on the major international platforms as originals during Q4 2021. Netflix had over forty original series of French origin, while Apple TV+ had none. Amazon had a fraction of the amount that Netflix had (although their catalogue of library titles is greater than Netflix's). A frequent criticism of Apple TV+ is that it has a relatively small library, but French respondents told us that library titles are less important to them than original programming, so Apple TV+ could likely make quick gains in satisfaction by just adding some French original productions. Disney+ was also light on French production, but their iconic legacy titles, as well as those from Marvel and Star Wars likely helped their perception with the public.

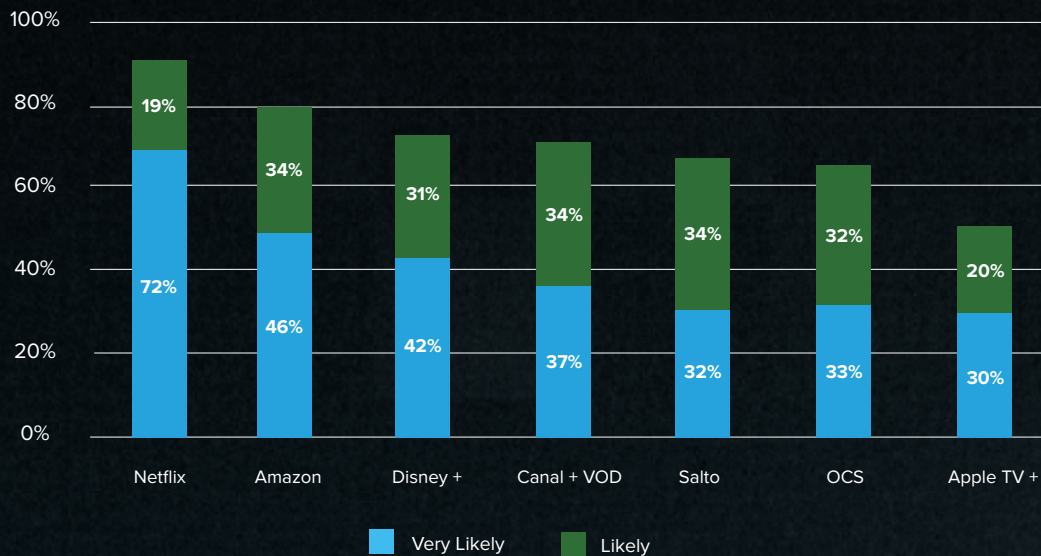
Number of French Original Series



Source: BB, Fourth quarter, 2021. Programs available in France

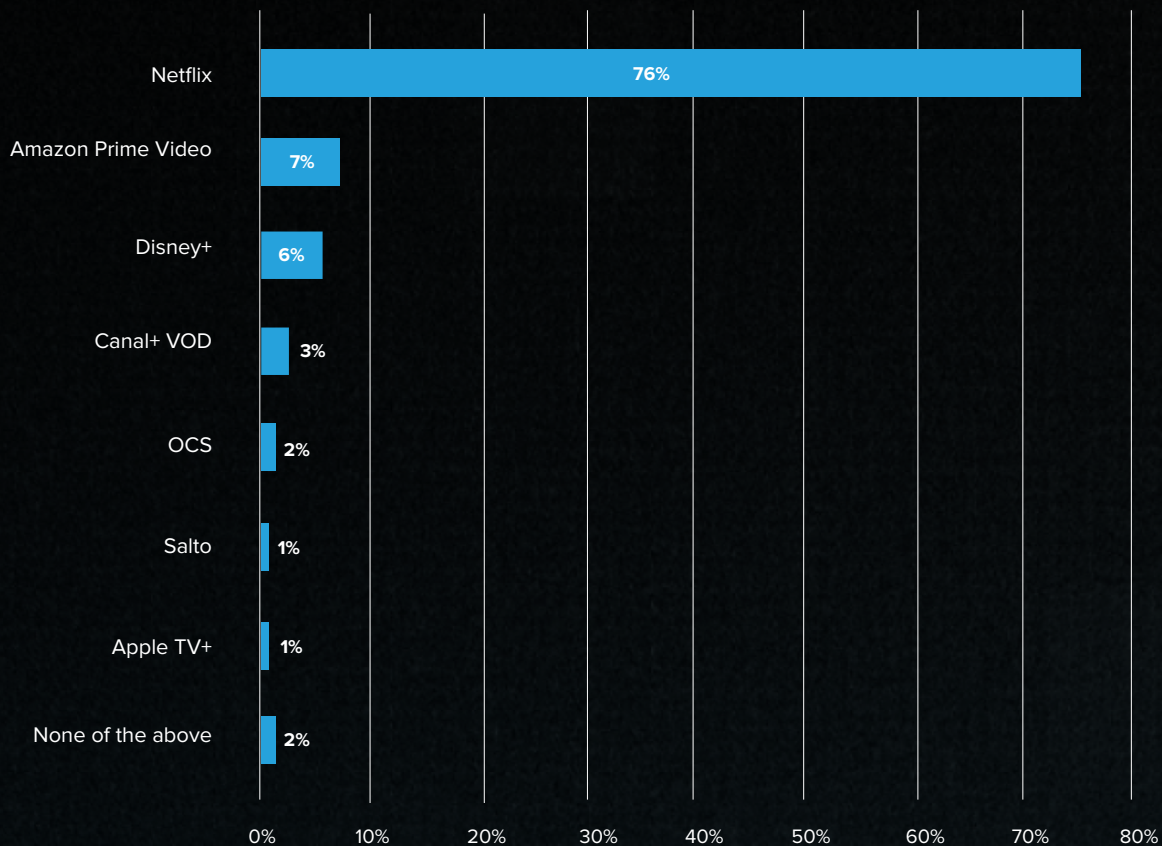
Are respondents likely to keep their SVOD service? The order changes slightly from the satisfaction chart, but Netflix continues to lead the group. Amazon ranks second, despite lower satisfaction scores- suggesting the appeal of other benefits in their service beyond the video product. Apple TV+ is valued less than all of the services in this list.

How Likely Are You To Keep...?



Netflix remains the indispensable SVOD to a majority of French respondents by a large margin. Amazon and the other SVODs are all in single digit percentages. Netflix performs particularly well in France on this question. Respondents to the same question in other major European countries and in the US also overwhelmingly chose Netflix, but none of those territories chose it at a rate over 70%-- France is at 76%. France is also the only country where the second place service could not get above 10%.

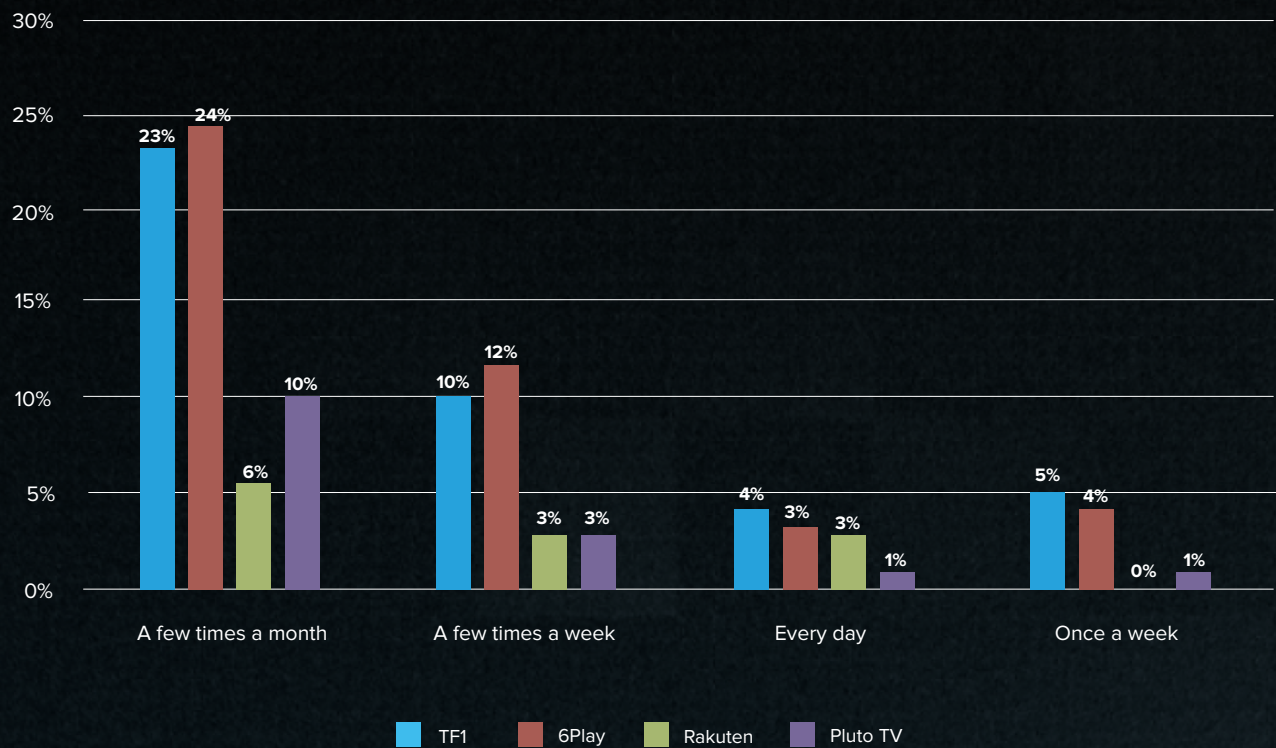
If You Could Only Have One, Which Would You Choose?



Viewing To Free Streaming Services

Fitting the theme that the French consumers have a strong affinity for homegrown content, the locally based free streaming services are getting more usage than the multi-national platforms, which are also newer to the market.

Reported Viewing to Selected Free Streaming Services
(Among Those Aware)

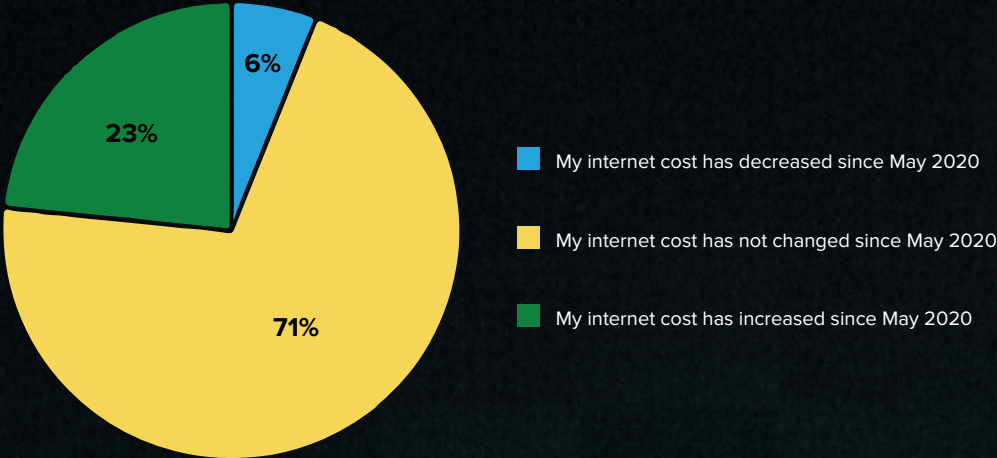


Internet Costs

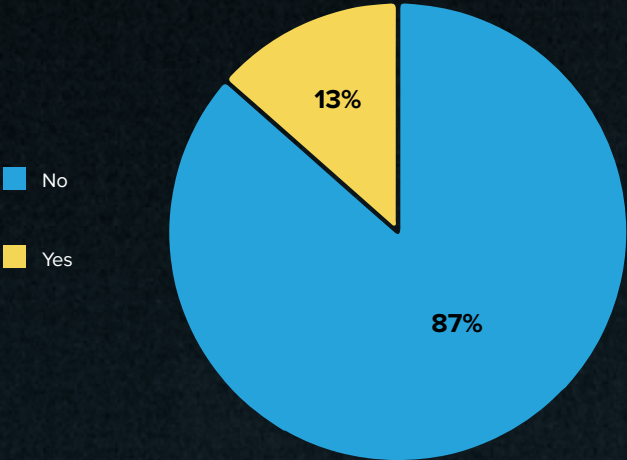
We know that French consumers are focused on costs of individual streaming services, but how are internet costs impacting their intentions regarding the amount of SVODs they maintain? 23% of our respondents told us that their internet costs increased in the past year, but only a small portion of that group canceled an SVOD account as a result of the increase. Simple math reveals that, in the current environment, only 3% of all those surveyed canceled an SVOD due to higher internet cost.

So internet cost increases, assuming they are of a manageable amount, don't appear to be a strong headwind for platforms. Instead, respondents seem to be more focused on the cost of each service and will evaluate them in that context.

Has Your Internet Cost Changed?

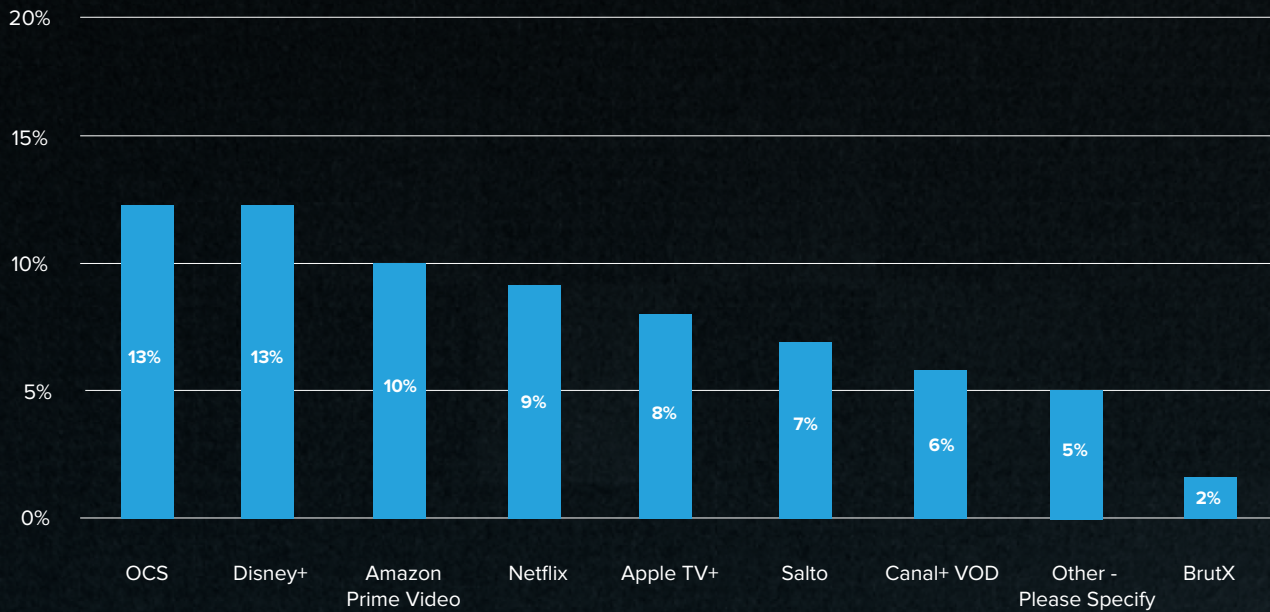


Did You Cancel an SVOD Due to an Increase in Internet Cost? (Among Those Whose Internet Cost Increased)



So what did they cancel? We didn't ask this directly, but we know which respondents canceled particular SVODs and which ones canceled at least one platform due to increased internet costs. The cross-tab is graphed below. Price sensitivity appears to be a factor: OCS leads the pack; it is tied with Netflix for highest cost in France at 11.99 euros, so not that surprising. But even at a lower price, the value of the programming matters: Disney+ is cheaper, only 6.99 euros, but its programming is less broad than Netflix's. Amazon's position is higher than might be expected given the non-video related benefits of Prime membership.

Canceled and Internet Cost Increased



Conclusions

Like in other major countries, the SVOD market in France is highly competitive. The major international platforms are all there, but there is also a rich selection of local paid and free streaming services. With all of these choices, there is evidence that the French are price sensitive as they have so far limited themselves to about 3 paid subscriptions, on average, and don't plan on adding more (well, maybe one). Also, 30% canceled at least one service this past year, and we know that at least for some, this was motivated by cost.

So what is the best content strategy for France? Featuring local production is a sound approach everywhere, but it is imperative here. The French watch locally produced content at a higher rate than most major other countries in the EU and favor the EU mandate to feature more European work in general. Their satisfaction tends to be higher with services that feature more local content.

It is also worth considering that the French consumer is close to maxed out on the amount of platforms they are willing to pay for. If the market is transitioning into a zero-sum game, the fight against churn becomes even more critical. Library content is usually the way to reduce churn, but the French consumer values it less than other markets. Of course, that doesn't mean it has no value, and perhaps adding legacy local titles can provide what is needed.

ABOUT WHIP MEDIA

Whip Media is transforming the global content licensing ecosystem with a market leading enterprise software platform that centrally connects data, processes and teams throughout the digital distribution journey. Powered by proprietary data and predictive insights, we enable the world's top entertainment organizations to efficiently distribute, control and monetize their TV and movie content to drive revenue and direct-to-consumer growth.

ABOUT TV TIME

TV Time is the world's largest TV and movie tracking app for consumers. Every day, over a million people use TV Time to keep track of the shows and movies they're watching, discover what to watch next and engage in a global community of more than 20 million registered fans.

For more information, visit whipmedia.com

METHODOLOGY

The survey was fielded with TV Time app users in France from August 3-8, 2021. All results were weighted to balance with the general population by gender and age (13-54). Weighted sample size: n=2,896.