

Review of the European Audiovisual Markets

While cinema exhibition may not provide a major source of revenue, it remains an important showcase for video releases, which on average come out six months after theatrical release. It is normally 21 months from theatrical release before they are released to subscription film channels such as Sky Movies. Terrestrial channels operate on a window of two years after theatrical release.¹⁵

Penetration of video

In 1991 there were over 15.4 million video cassette recorders in the UK, giving it the highest video penetration of any European country, with 72 per cent of TV homes also owning a video recorder. Only six other EC countries have more than 50 per cent penetration of TV homes and the average penetration across Western Europe is only 52 per cent.¹⁶

Table 5.17 Penetration of video in UK households, 1981-1991

	1981	1985	1989	1990	1991
No of video homes (000s)	1,550	8,448	13,454	14,489	15,429
Penetration of TV households (%)	8.3	41.0	63.7	67.8	71.5

Source: Screen Digest

The UK VCR market is therefore reaching saturation point before any of its EC contemporaries. Correspondingly, the annual value of the UK video market for hire and sell-through (including blank tape sales) has risen from under £100 million (US\$176.8 million) to over £1 billion (US\$1.77 billion) over the last decade.¹⁷

The result of the high penetration of video has been to further decrease theatrical admissions but the rental and sell through market has added to the overall revenue of the film industry. However, the video rental market is in decline, as illustrated in the British Videogram Association's estimated breakdown for the overall video software market in 1991 (both feature films and other programming), as shown in the table below:

¹⁵ Source: Kagan

¹⁶ Source: Screen Digest

¹⁷ Source: Michael Prescott, "The Need for Tax Incentives", BFI