

The Streaming Wars Hit Western Europe

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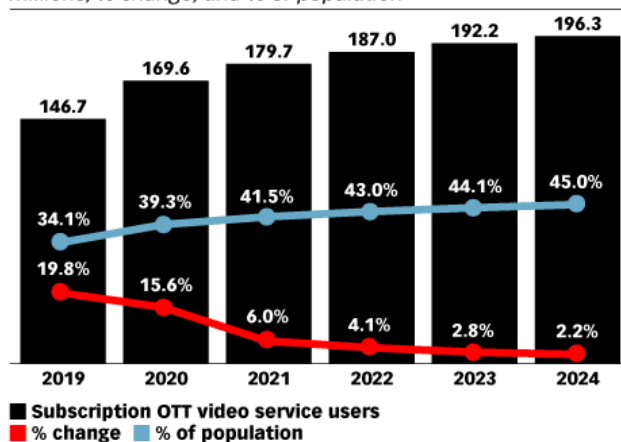
After Netflix [reported](#) strong subscriber growth worldwide in Q1 and Q2 2020 (netting 15.8 million and 10.1 million subscribers, respectively), it showed signs of a slowdown in Q3, adding 2.2 million subscribers worldwide, about 759,000 of which came from Europe, the Middle East, and Africa. Currently the most popular SVOD service in Western Europe, Netflix grew its viewership in the region by 23.5% last year and will increase it by 17.3% in 2020 to reach 133.3 million. Moreover, we expect that by the end of 2021, over four in 10 internet users in Western Europe will watch Netflix at least once a month.

With the pandemic shifting media consumption trends toward subscription OTT services, and with Amazon Prime Video and Disney+ continuing to expand into Western European markets, we forecast strong user growth for subscription OTT services in the region this year.

According to our latest estimates, there will be 169.6 million subscription OTT video service users in Western Europe this year, a 15.6% increase from 2019. The user base will continue to expand through the end of our forecast period in 2024. In 2022, nearly 187 million people in Western Europe will use subscription OTT platforms at least once per month. By the end of 2023, more than two in three digital video viewers in Western Europe will be using these platforms.

Subscription OTT Video Service Users in Western Europe, 2019-2024

millions, % change, and % of population



Note: individuals of any age who watch video via any app or website at least once per month that provides paid subscription access to streaming video content over the internet and bypasses traditional distribution; examples include Amazon Prime Video, HBO Now, Hulu, Netflix, Sling TV, and YouTube Premium; OTT video services are not mutually exclusive; there is overlap between groups
Source: eMarketer, Sep 2020

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Growth in Netflix viewership, however, will slow down from next year through the end of our forecast period. That means the company must work hard to continue to fight off the competition. Amazon Prime Video, for example, launched in Luxembourg and the Netherlands this year and continues to ramp up its offerings, [reportedly](#) acquiring a package of Champions League broadcasting rights in Italy last month. We forecast strong growth in the number of Amazon Prime Video viewers this year, even in well-established markets such as France (up 71.4% to 8.3 million), Germany (up 12.8% to 22.6 million), and the UK (up 22.8% to 16.5 million).

Disney+ is another US competitor that has recently entered the Western European market. It launched in the Netherlands in late 2019 and subsequently expanded to several other Western European markets in March 2020. According to an AGF Videoforschung and Kantar survey of video-on-demand users in Germany, Disney+ was already the third-most popular streaming service by June, despite having only entered the market in March. As demand for locally produced and native-language content has increased in Western Europe, local TV broadcasters have been offering their own streaming platforms and, in an effort to compete with the major multinational

players, have also been joining forces to form new local streaming services, such as Joyn, launched in Germany in June 2019, and Salto, launched in France in October 2020.

“Though competition abounds, Netflix is still dominating the SVOD market in Western Europe,” said Oscar Orozco, eMarketer senior forecasting analyst at Insider Intelligence. “Netflix’s share of Western Europe’s SVOD market will exceed 80% in 2022 and stabilize. We think over four in five subscription OTT users in the region will be Netflix users, with just under one in five using other global streaming services or sticking to local platforms.”