STATISTICS

BOHEMIAN RHAPSODY
TOPPED THE VIDEO
CHART WITH

1.7

MILLION UNITS

RETAIL ENTERTAINMENT SALES

VALUE £7.79bn

YOY CHANGE 2.4%

DIGITAL V PHYSICAL MARKET SHARE

DIGITAL SHARE 81.8%

PHYSICAL MARKET SHARE 18.2%

ACCESS V OWNERSHIP

ACCESS SHARE 67%

OWNERSHIP SHARE 33%

NUMBER OF OUTLETS SELLING ENTERTAINMENT

MUSIC 8,450

VIDEO 10,001

GAMES 5,544

UK MARKET STATISTICS

7 Years of growth

Luke Butler - ERA Research Analyst

UK RETAILERS AND DIGITAL SERVICES DELIVER ENTERTAINMENT INDUSTRY SEVENTH CONSECUTIVE YEAR OF GROWTH WITH SPEND UP 2.4% IN 2019

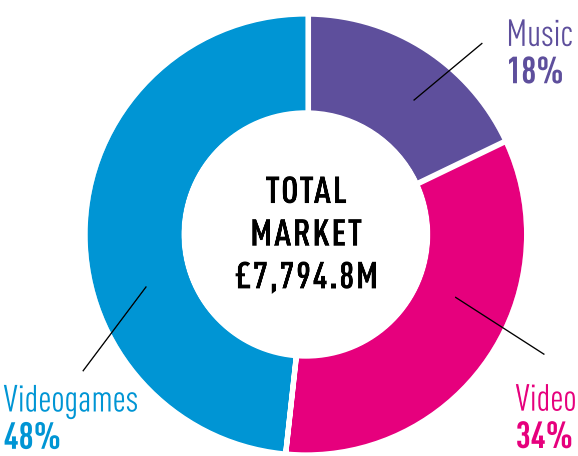
Total spend through the UK's entertainment retailers grew for the seventh consecutive year in 2019 to a record £7,794.8m, up 2.4% versus 2018.

ERA ENTERTAINMENT MONITOR - VALUE SALES (£m)

	2017	2018	2019	% change
Music	1,226.2	1,317.8	1,410.7	7.1%
Video	2,123.1	2,384.5	2,610.0	9.5%
Videogames	3,537.6	3,906.3	3,774.1	-3.4%
Total value	**6,886.9**	**7,608.6**	**7,794.8**	**2.4%**

Source: Music - Official Charts. Includes BPI/ERA subscription streaming consumer spend estimates
Video - Physical data from Official Charts / BASE, Digital estimates from Futuresource Consulting
Videogames - Physical data from GfK. Digital estimates from IHS Markit

ERA ENTERTAINMENT MONITOR: 2019 - (£m)



The video category saw revenues rise to beyond £2.6bn, an increase of £225m or 9.5% versus 2018, representing 34% of the overall spend on entertainment.

Spend on music in the UK hit a 15-year high in 2019 with an incremental £93m taking the annual total to over £1.4bn - up 7% versus 2018 with the category now contributing around 18% to the overall value of entertainment retail.

It is videogames, however, that remains the industry's dominant category in terms of value, with around £3.8bn spent in 2019. While this represents a 3.4% decline in spend versus 2018 - widely anticipated as we near the end of a console cycle - the category is still worth almost as much as video and music combined, accounting for just over 48% of the total entertainment retail market sales mix last year.

2019 brought the curtain down on what has been a transformative decade for the entertainment industry. Confronted by disruptive digital technologies, widespread unauthorised consumption and plummeting consumer revenues, confidence at the beginning of the 2010s was at a low ebb. Significant year-on-year losses were trending across all entertainment categories as the industry struggled to adapt to a consumer base demanding more value; more choice; more convenience.

The route back to growth required careful understanding of those emergent consumer expectations and the UK's entertainment retailers responded with a range of innovative, customer-focused business models, both on the high street and across digital platforms, that embraced that demand and delivered the transformation needed.

From the traditional over-the-counter specialist catering for the physical format devotee, to the online service provider offering instant, on-demand access to endless catalogues of digital content via mobile phones and smart-TV apps – and every conceivable hybrid retail model in between - the UK now boasts one of the most vital and diverse entertainment retailing landscapes in the world, consistently delivering revenue growth for all stakeholders in the UK's entertainment industry.

Digital and Physical Format Splits

Spend on digital formats and on content via digital channels surged once again in 2019, up to almost £6.4bn, a 10% uptick versus 2018. Revenues generated online now represent 82% of total revenues generated in the entertainment retail market.

In 2010, UK consumers spent less than £1bn buying or accessing digital content. Since then, significant investment in download and streaming retail models has driven an explosion in consumer adoption, generating record digital revenue growth right across the music, video and games categories. Now, at the end of the decade, the digital entertainment segment is worth over six times more than it was at the beginning of it.

Conversely, revenues derived from traditional physical entertainment formats like CDs, DVDs and boxed games continue to drop, with consumer-spend across all three entertainment categories falling away sharply in 2019. Overall, spend on physical entertainment formats dipped below £1.5bn, a decline of 21% year-on-year, representing a dramatic acceleration in the rate of decline that has been trending for more than 10 years.

Subscription Video on-Demand (SVOD) services like Netflix and Amazon Prime enjoyed a 28% jump in revenues last year, singlehandedly driving total spend on digital video formats up and through the £2bn mark in 2019, becoming the fastest growing sub-segment across the entire entertainment retail sector.

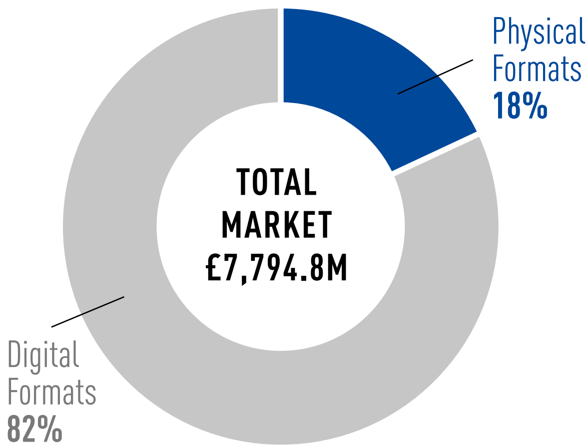
Up 22% versus 2018, combined digital retail and rental revenues are now responsible for over 80% of total consumer spend in the category.

Revenues generated by DVDs and Blu-rays continue to trend sharply downwards, with spend in 2019 dipping by nearly 23% to just over £500m. For perspective, in 2010 UK consumers spent over £2.3bn buying and renting DVDs and Blu-rays.

Similarly, in the music category, it is the streaming model that now dominates how we are choosing to consume. Subscription-based services offered by companies like Spotify, Amazon and YouTube Music are driving record spend totals in the digital sector with streaming totals bursting through the £1bn mark for the first time, up 24% versus 2018.

Spend on MP3 tracks and albums continues to tumble as UK consumers switch away en masse from the download and into streaming. Those declines had barely any affect on the overall rise in digital music revenues, however, with more than £1bn spent in 2019, up 17% year-on-year. Digital now represents 77% of the total music market, up from 71% last year.

PHYSICAL AND DIGITAL SHARE OF THE ENTERTAINMENT MARKET: 2019 - (£m)



DIGITAL FORMATS (£m)	2017	2018	2019	% change
Music	766.8	934.5	1,092.6	16.9%
Video	1,340.5	1,736.5	2,109.4	21.5%
Videogames	2,745.2	3,136.4	3,171.5	1.1%
Total	**4,852.5**	**5,807.4**	**6,373.5**	**9.7%**

Source: Music - Official Charts / ERA BPI estimates
Video - Futuresource Consulting
Videogames - IHS Markit estimates

PHYSICAL FORMATS (£m)	2017	2018	2019	% change
Music	459.4	383.2	318.1	-17.0%
Video	782.6	648.0	500.6	-22.7%
Videogames	792.4	769.9	602.6	-21.7%
Total	**2,034.4**	**1,801.1**	**1,421.3**	**-21.1%**

Source: Music - Official Charts. Video - Official Charts / BASE.
Games - GfK Entertainment / Physical Video Rental - IHS Markit

Despite some decent growth in spend on vinyl formats year-on-year, the decline of the CD album accelerated once again in 2019, driving combined physical music revenues downwards at the fastest annual rate seen this decade, dropping to £318m overall, down 17% versus 2018.

While value reverses in the physical disc games market were expected in 2019 - in sync with the console cycle as it turns towards next-gen launches in 2020 - the depth of the decline was not forecast. £603m was spent on physical games software in 2019, representing a 22% drop versus 2018 and enough to tip the whole category into its first year-on-year reverse since 2012.

The drift in demand for full-game, direct-to-console titles and a softening mobile gaming market restricted the hitherto rampant digital games segment to a modest 1.1% growth year-on-year. Nevertheless, £3.2bn was spent making it by far the biggest digital sector in entertainment.

PHYSICAL FORMAT VERSUS DIGITAL FORMAT SHARE OF ENTERTAINMENT MARKET REVENUES

	2019 Physical Value (£m)	2019 Digital Value (£m)	2019 Physical Share %	2019 Digital Share %
Music	318.1	1,092.6	22.6%	77.4%
Video	500.6	2,109.4	19.2%	80.8%
Videogames	602.6	3,171.5	16.0%	84.0%
Total	**1,421.3**	**6,373.5**	**18.2%**	**81.8%**

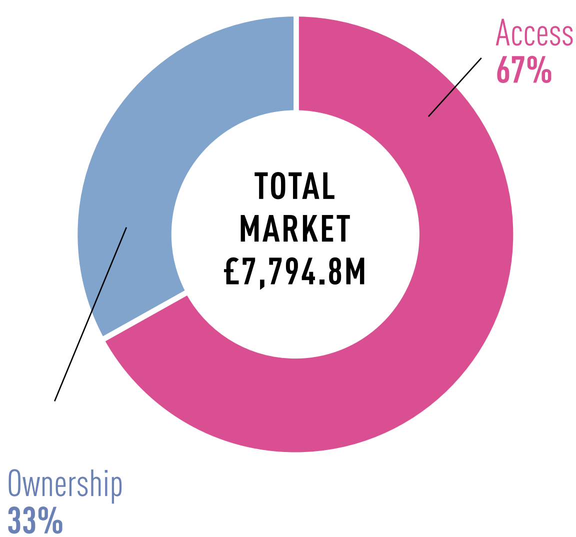
Source: Official Charts / GfK Entertainment / IHS Markit / Futuresource Consulting / ERA estimates (music streaming subscriptions)

Access versus Ownership

As evidenced above, the digital and online revolution has led to a deep structural upheaval within entertainment retail over the last decade or so, shifting the vast majority of consumer spend into digital formats and onto the internet. And yet it is another shift in the consumption paradigm; another corollary of those technological advances, that is perhaps having a more profound impact – the concept of accessing rather than acquiring; renting rather than owning.

Chiming with the wider generational thrust of 'experience' over 'things' or 'having it all and owning none of it' the entertainment industry sits at the front and centre of this attitudinal shift. UK consumers have embraced the concept of paying to access their entertainment and, over the last decade, have subscribed in their millions to services like Netflix and Spotify where they are given instant, on-demand access to almost limitless catalogues of music and video.

ACCESS VERSUS OWNERSHIP: 2019 - (£m)



In 2019, £5.2bn was spent on accessing entertainment across the music, video and games categories, up 13% versus 2018, representing over two-thirds of total market revenues. By way of contrast, £2.6bn was spent on physical and digital ownership formats, down 14% year-on-year. All entertainment categories now derive a large majority of their revenues via consumption that doesn't involve outright purchase.

Video – the last entertainment segment to fully integrate the concept of ownership into its retail model with the launch of the DVD in 1998 – is now the most reliant on revenues derived from its access models. £1.9bn was spent last year on subscriptions to services like Netflix, and on one-off rental transactions via online and Pay-TV VOD services like iTunes and Sky Store, up 25% from the £1.5bn spent in 2018. Combined with flatlining revenues in the digital retail market and a DVD and Blu-ray segment posting big year-on-year reverses, nearly 72% of total spend on video in the UK is now generated by consumers paying to access, up from 63% last year.

Very similar dynamics are playing out in the music category, with rapidly diminishing revenues from physical and download ownership formats – worth around £408m in 2019 – dwarfed by the explosive growth in subscription access models that burst through the £1bn mark last year, up 24%.

In the games category, where the access model includes revenues generated via mobile in-app content and online subscriptions, growth slowed quite dramatically in 2019. After years of double-digit increases, spend on accessing games content grew by just 2% last year, up to £2.3bn, representing around 62% of total category value. The £1.4bn spent to own games content on discs and direct-to-console/PC downloads makes games by far the largest ownership category in entertainment, double the value of video and 3.5 times the size of music.

ACCESS VERSUS OWNERSHIP			
OWNERSHIP	2018 (£m)	2019 (£m)	2019 Share of Market %
Video	870.9	740.1	28.4%
Games	1,608.6	1,428.1	37.8%
Music	505.8	407.8	28.9%
OWNERSHIP TOTAL (£m)	**2,985.3**	**2,576.0**	**33.0%**
ACCESS	2018 (£m)	2019 (£m)	2019 Share of Market %
Video	1,513.5	1,870.0	71.6%
Games	2,297.7	2,346.0	62.2%
Music	812.0	1,002.9	71.1%
ACCESS TOTAL (£m)	**4,623.2**	**5,218.8**	**67.0%**

Source: Official Charts / GfK Entertainment / IHS Markit / Futuresource Consulting / ERA estimates

Bricks and Mortar versus Online

The accelerating transition of entertainment retail to the internet is most strikingly revealed when you combine spend on digital formats and access models, with sales of traditional physical formats via online home delivery retailers like Amazon or Zavvi. Just shy of £7bn was spent via e-commerce channels in 2019, up from £6.5bn in 2018, meaning that 90% of total entertainment retail revenues are now generated over the Internet, up from less than 50% at the beginning of the decade.

Spend at bricks and mortar retailers dipped sharply in 2019, falling under the £1bn mark for the first time this century. The £798m spent is down 25% year-on-year meaning just £1 in every £10 spent on entertainment in the UK is now derived from transactions made over-the-counter on the high street and in supermarkets. As an indication of just how much the trading landscape has shifted, in 2010 over £2.5bn was spent on music, video and games in bricks and mortar outlets, representing well over 50% of total sales.

It should be remembered, however, that those physical online revenues that contribute to the overall 'Online' total are not solely generated by giants like Amazon. From 'Pie and Vinyl' on England's south coast, to 'Assai Records' in Dundee, Scotland, hundreds of independent record shops up and down the country serve their respective customer bases not only in-store, but also through the home delivery channel via their own transactional websites.

While physical format home delivery accounts for around 10% of the 'Online' total, it is the relentless rise of subscription streaming revenues in music and video, plus the direct-to-console and microtransactional mobile spend in games, that is transforming the market so rapidly.

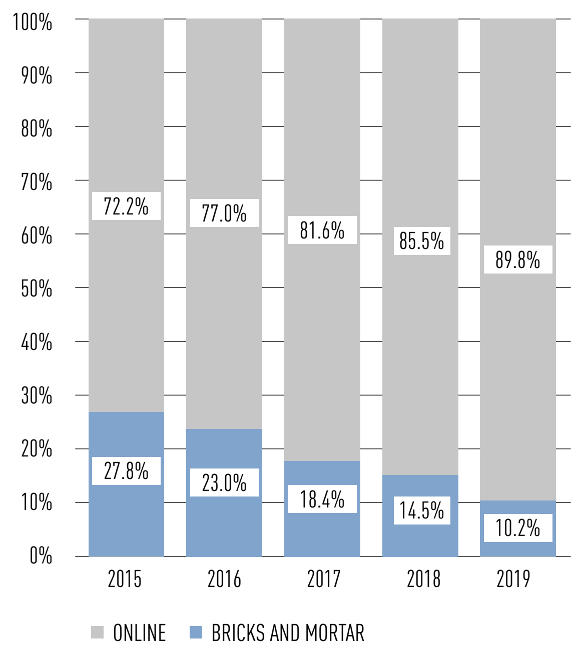
Video, in particular, has undergone a rapid shift as SVOD services like Netflix and Amazon Prime have become firmly established in the mainstream. 89% of video revenues are now derived online, compared to around 33% in 2012. Games became the first entertainment category to transact more than 90% of its business online in 2019, with music not far behind the others on 87%.

BRICKS AND MORTAR VERSUS ONLINE

	2018 Value (£m)	2019 Value (£m)	2019 Share of Market %
MUSIC			
Bricks & mortar	£234.1	£180.7	12.8%
Online	£1,083.8	£1,230.0	87.2%
VIDEO			
Bricks & mortar	£393.2	£289.0	11.1%
Online	£1,991.3	£2,321.0	88.9%
GAMES			
Bricks & mortar	£443.4	£328.4	8.7%
Online	£3,462.8	£3,445.7	91.3%
Total Entertainment			
Bricks & mortar	£1,070.7	£798.1	10.2%
Online	£6,537.8	£6,996.7	89.8%

Source: Music - Official Charts, ERA estimates
Video - Official Charts / BASE, Futuresource Consulting
Games - GfK Entertainment, IHS Markit

BRICKS & MORTAR VS ONLINE: % £ SHARE 2015 - 2019



Consumer Leisure Spending

Each year the Leisure Industries Research Centre at Sheffield Hallam University produces a table of figures measuring UK consumer spend across a comprehensive set of leisure activities and purchases, ranging from holidays and gambling, to eating out and gardening. In 2019, those figures show a sector enjoying healthy year-on-year growth with £311.4bn spent, up by 3.1% versus 2018.

Music, video and games reside in the 'Home Entertainment' segment, alongside entertainment hardware, which includes any spend on items like TVs, computers and videogames consoles. Worth £32.4bn and up an incremental 4.0%, the sector enjoyed solid growth in each of its sub-segments with 'Video, games and recorded music' contributing £7.8bn, up 2.4% and 'Entertainment Hardware' contributing £24.6bn, up 4.5% year-on-year.

Compared to 2018, the 'Home Entertainment' sector has increased its share of overall consumer spend on leisure in the UK representing around 10.4% of the total.

Home entertainment is also included in the 'In the Home' section, joined by categories like 'reading' where spend dipped by 6.1% year-on-year to £6.9bn. Steady gains are still trending in the 'House & Garden' (+2.2%) and 'Hobbies and Pastimes' (+3.1%) categories, boosting overall 'In the Home' spend to £78.1bn in 2019, up by 2.3% versus last year.

Elsewhere, spend on 'Eating Out' and 'Alcoholic Drink' continues to rise, up 3.6% to £120.2bn in 2019, although these activities are neatly balanced out by increased spend on 'Active Sport' up 4.5% to £21.0bn. After a few years of consistent growth, spend on 'Gambling' fell back slightly in 2019, down 0.5% to £17.2bn.

Leisure activities 'Away from Home' recorded another year of decent growth, with spend hitting £233.3bn in 2019. An extra £1.5bn was spent by consumers on 'Holidays Overseas', up 3.4% year-on-year but they also spent more on 'Holidays in the UK', up 0.8% and 'Sightseeing', up 2.0%

CONSUMER SPENDING ON LEISURE

£bn	2017	2018	2019	% change
Video (all), Games and Recorded Music	6.9	7.6	7.8	2.4
Entertainment Hardware, TV, PCs and Other	23.0	23.5	24.6	4.5
Total home entertainment	**29.9**	**31.1**	**32.4**	**4.0**
Reading	7.3	7.4	6.9	-6.1
House and garden	19.8	20.3	20.7	2.2
Hobbies and pastimes	15.7	17.5	18.0	3.1
IN THE HOME	**72.7**	**76.3**	**78.1**	**2.3**
Eating out	58.3	59.7	61.9	3.7
Alcoholic drink	54.0	56.3	58.3	3.5
Eating and drinking	**112.3**	**116.0**	**120.2**	**3.6**
Local entertaiment	10.2	10.8	11.6	7.2
Gambling	15.8	17.3	17.2	-0.5
Active Sport	20.7	20.1	21.0	4.5
Neighbourhood leisure	**46.7**	**48.3**	**49.9**	**3.3**
Sightseeing	2.5	2.5	2.6	2.0
Holidays in UK	14.1	13.7	13.8	0.8
Holidays overseas	44.8	45.4	46.9	3.4
Holidays and tourism	**61.4**	**61.6**	**63.3**	**2.7**
AWAY FROM HOME	**220.4**	**225.9**	**233.3**	**3.3**
ALL LEISURE	**293.2**	**302.1**	**311.4**	**3.1**

Source: Leisure Industries Research Centre, Sheffield Hallam University
Historical ONS re-statements of spend estimates in Active Sport, Local Entertainment and Gambling have been reflected in these tables by the Leisure Industries Research Centre.

Consumer Spend Share by Sector

Given the steepening upward trajectories of digital consumption and access models, those entertainment retail channels trading only in physical products have seen their respective shares of market spend fall back significantly over the course of the decade.

No channel has been immune to digital's impact, with high street specialists, supermarkets, independents and physical online retailers all experiencing another year of share erosion in 2019.

In the video category, record rates of annual decline in spend on DVDs and Blu-rays, combined with the extraordinary rise in digital subscription revenues, has negatively impacted the share performance of all three physical video retail sectors. Around £500m was spent on physical formats in 2019, accounting for less than 20% of total category spend.

The once dominant supermarket sector continues to be hit particularly hard, with fierce internal competition from other non-food categories resulting in another year of reductions in video-dedicated floorspace right across the UK grocer estate. Supermarkets accounted for just 7.1% of total video value in 2019, down from 10.3% in 2018 and a mile away from the 40% it commanded at the beginning of the decade.

Obviously under less pressure in terms of space productivity, video sales in the home delivery sector fared slightly better, marginally outstripping grocery totals. Securing a 7.7% share of the overall market, home delivery became the UK's biggest physical video retail channel for the first time ever in 2019. Elsewhere, over-the-counter high street specialist share dipped below the 5% mark for the first time, slipping 2.5 percentage points versus last year and contributing just 4.4% to total video revenues.

The market dynamics in music are similar to those in video with declining CD album sales and burgeoning streaming spend putting heavy downward pressure on physical format retailers. All three sectors slipped share points but again it is the supermarket chains that are under the greatest pressure with market share declining at the fastest rate this decade, down to just 4.2% in 2019.

Continued growth in vinyl is having a small stabilising effect on OTC and home delivery performance but share is still down – 2.3 and 1.6 points respectively. Home delivery overtook OTC as the biggest channel for physical music in 2018 and maintained that position this year securing 9.7% of total music spend.

In games, competition from the digital sector is even more pronounced than in music or video. Direct-to-console/PC digital games also commands a larger share of total ownership format sales than either MP3 or electronic sell-through does in music or video, representing a more explicit, like-for-like challenge. OTC high street specialists had a particularly tough 2019, losing 1.5 percentage points year-on-year to finish with a 6% of the total market. The home delivery sector also struggled, falling from 8.4% in 2018 to 7.3% last year, while the supermarkets now command just 2.7% of total spend, down from 3.9 %.

VIDEO: TOTAL CONSUMER SPEND BY CHANNEL % MARKET SHARE

	2017	2018	2019
OTC	9.5%	6.9%	4.4%
Supermarkets	14.2%	10.3%	7.1%
Home Delivery	13.1%	10.0%	7.7%
Digital	63.1%	72.8%	80.8%
Total Market	**100.0%**	**100.0%**	**100.0%**

Source: Official Charts / Kantar / Futuresource Consulting

MUSIC: TOTAL CONSUMER SPEND BY CHANNEL % MARKET SHARE

	2017	2018	2019
OTC	13.6%	10.9%	8.6%
Supermarkets	10.2%	6.8%	4.2%
Home Delivery	13.7%	11.3%	9.7%
Digital	62.5%	70.9%	77.4%
Total Market	**100.0%**	**100.0%**	**100.0%**

Source: Official Charts / Kantar / ERA

GAMES SOFTWARE: TOTAL CONSUMER SPEND BY CHANNEL % MARKET SHARE

	2017	2018	2019
OTC	8.4%	7.5%	6.0%
Supermarkets	4.7%	3.9%	2.7%
Home Delivery	9.3%	8.4%	7.3%
Digital	77.6%	80.3%	84.0%
Total Market	**100.0%**	**100.0%**	**100.0%**

Source: GfK Entertainment / IHS Markit

Physical Format Market Share by Sector

ERA's 'Physical Formats Share by Sector' table takes the traditional physical entertainment format units - CD and Vinyl albums, DVD and Blu-ray videos and packaged videogames - and measures value market shares by category, giving better visibility of comparable physical format performance.

The supermarket channel has seen its share of DVD and Blu-ray sales slowly erode over the last five years and in 2019 it dipped again, to just below 39%. The home delivery sector has seen its share move in the opposite direction over the same period and 2019 saw it take the biggest slice for the first time with 39.4% of the market. Over-the-counter specialists have steadily maintained about a quarter share of all spend in the category for the last few years, but it took a hit in 2019, dropping from 24% to under 22%.

More share erosion for the supermarkets in the physical albums market, down from 23.6% to 18.9%, while both the OTC and home delivery channels managed to return varying degrees of share growth in 2019. Over 43% of spend on CDs and vinyl in the UK now goes through the physical online retail sector, while specialist bricks and mortar shops like HMV and the indie estate account for 37.5% of sales, up from 37.2% last year.

Similar trends are apparent in the physical games market with supermarkets losing share and home delivery making significant gains. Over 45% of all spend on boxed games now comes through the home delivery channel, up from 42% in 2018, while the UK's grocers command just 16.8% share, down from 19.6% last year. Over-the-counter operators like Game have consolidated share performance in recent years, hovering around the 38% mark and 2019 was no different, very marginally down to 37.7%.

VIDEO: PHYSICAL FORMAT CONSUMER SPEND % MARKET SHARE

	2017	2018	2019
OTC	24.5%	24.0%	21.8%
Supermarkets	40.7%	39.7%	38.8%
Home Delivery	34.8%	36.3%	39.4%
Total Market	**100.0%**	**100.0%**	**100.0%**

Source: Kantar / Official Charts

MUSIC ALBUMS: PHYSICAL FORMAT CONSUMER SPEND % MARKET SHARE

	2017	2018	2019
OTC	35.9%	37.2%	37.5%
Supermarkets	27.4%	23.6%	18.9%
Home Delivery	36.8%	39.2%	43.6%
Total Market	**100.0%**	**100.0%**	**100.0%**

Source: Kantar / Official Charts

VIDEOGAMES: PHYSICAL FORMAT CONSUMER SPEND % MARKET SHARE

	2017	2018	2019
OTC	37.4%	38.0%	37.7%
Supermarkets	21.1%	19.6%	16.8%
Home Delivery	41.5%	42.4%	45.5%
Total Market	**100.0%**	**100.0%**	**100.0%**

Source: GfK Entertainment

Principal Retailers

The challenges faced by the UK's bricks and mortar entertainment retailers are manifest.

After spending the first decade of the century adapting their trading strategies to meet the direct and disruptive threat presented by the digital download and home delivery giants like Apple and Amazon, the inexorable rise of the streaming services over the course of this decade has piled another layer of pressure on our high street specialists, supermarkets and independent shops.

When your customers are increasingly happy to rent access to their entertainment digitally, rather than buy it outright physically, and divert their spend accordingly, year after year, then the challenge feels like an existential one.

As recorded previously, spend at bricks and mortar retailers dipped sharply in 2019, falling under the £1bn mark for the first time this century. The £798m spent is down 25% year-on-year meaning just £1 in every £10 spent on entertainment in the UK is now derived from transactions made over-the-counter on the high street and in supermarkets. Confronted with shrinking opportunities to trade profitably at scale, the physical retail base has inevitably re-sized and adjusted to meet the realities of slackening demand.

In 2019 the retreat from stocking physical entertainment product was most apparent across the multiple and grocery channels where reduced impulse purchasing and a declining gifting market is taking its toll.

In the music category, 1,356 fewer supermarkets and 820 fewer multiple outlets registered a CD or LP sale with Kantar in 2019. With some further consolidation in the specialist sector, the total number of shops selling music in the UK in 2019 stood at 8,450, a fall of 2,207 versus 2018.

Where there is a consumer demand for product, however, then retailers will be there to meet it. And so it is with vinyl. Standing alone as the only transactional music format in growth, the Indie retail sector remains in good health in 2019, continuing to serve their dedicated customer-base across 425 shops trading in the UK, precisely the same number as in 2018.

PRINCIPAL RETAILERS SELLING MUSIC

	2015	2016	2017	2018	2019
Specialist Chains (1)	167	167	168	163	132
Multiples (2)	1,108	2,720	3,196	2,888	2,068
Supermarkets (3)	3,865	7,933	7,659	7,181	5,825
Independents	340	380	406	425	425
	5,480	**11,200**	**11,429**	**10,657**	**8,450**

Source: Kantar / Official Charts / ERA

Notes:
(1) Specialist Chain - HMV
((2) Multiples are WHSmith, BP, Matalan, Debenhams, Disney, Primark, Boots, Outfit, Superdrug, WHTravel, Moto, Original Factory Store, The Range, Wyvale, Home Bargains, Poundstretcher, B&M, and SemiChem. (NB Wilko, Argos, Homebase and Burton withdrew from Audio and Video retailing).
(3) Supermarkets include Asda, Morrisons, Sainsbury's (including Locals*), Tesco (including Metro and Express*), Co-Ops* Spar* and One-Stop* (*That sell audio and video titles).
(4) Data is based on stores that sold only entertainment software (not hardware/accessories). Store count reflects actual outlet count based on active shops.

DIGITAL MUSIC SERVICES	2019
	46

Source - Get It Right From A Genuine Site

In video, very similar consumer pressures are bearing down and those bricks and mortar retailers feeling the greatest strain are responding in the same way. According to Kantar, 981 fewer supermarkets and 861 fewer multiples recorded a DVD or Blu-ray sale in 2019. The total number of shops selling video now stands at 10,001, a decline of 1,877 versus 2018.

Over the past few years the boxed games software market has been the most robust physical format segment in entertainment, worth comfortably the most in terms overall spend and declining at a much slower rate than physical music and video.

While those declines accelerated through 2019, the retreat in terms of shop numbers stocking games on the high street, and across the supermarket estate, has been less dramatic than that seen in the music and video categories.

As measured by GfK Entertainment, there were 478 fewer supermarkets trading in boxed games in 2019 and a fall of 313 outlets across the other channels combined. In total, 5,544 shops recorded at least one physical format sales with GfK in 2019, down from 6,335 in 2018. If Microsoft and Sony do release new consoles next year, as is widely expected, we may well see those numbers creep up again in 2020 and 2021.

PRINCIPAL RETAILERS SELLING VIDEO

	2015	2016	2017	2018	2019
Specialist Chains (1)	167	167	168	163	132
Multiples (2)	1,155	4,285	3,648	3,326	2,464
Supermarkets (3)	4,345	9,341	8,369	8,287	7,306
Independents	136	112	99	102	99
	5,803	**13,905**	**12,284**	**11,878**	**10,001**

Source: Kantar / Official Charts / ERA / GfK Entertainment

PRINCIPAL RETAILERS SELLING VIDEO GAMES

	2015	2016	2017	2018	2019
Music/Video Specialists	143	140	125	129	129
Game & Software Specialists	417	419	418	397	292
Electrical/Hardware Chains	310	308	311	403	329
General Multiples	1,381	1,417	1,369	1,400	1,288
Supermarkets	4,024	3,886	3,817	3,804	3,326
Others (estimate)	273	255	226	202	180
Total (4)	**6,548**	**6,425**	**6,266**	**6,335**	**5,544**

Source: GfK Entertainment
Notes:
(1) Specialist Chain - HMV
(2) Multiples are Urban Outfitters, WHSmith, BP, Matalan, Debenhams, Disney, Primark, Boots, Outfit, Superdrug, WHTravel, Moto, Original Factory Store, The Range, Wyvale, Home Bargains, Poundstretcher, B&M, and SemiChem. (NB Wilko, Argos, Homebase and Burton withdrew from Audio and Video retailing).
(3) Supermarkets include Asda, Morrisons, Sainsbury's (including Locals*), Tesco (including Metro and Express*), Co-Ops* Spar* and One-Stop* (*That sell audio and video titles).
(4) Data is based on stores that sold only entertainment software (not hardware/accessories). Store count reflects actual outlet count based on active shops.

DIGITAL VIDEO SERVICES	2019
	24

Source - Get It Right From A Genuine Site.
Exc. Free to View only services

DIGITAL GAMES SERVICES	2019
	36

Source - Get It Right From A Genuine Site.
Inc mobile, social and cloud

Average Selling Prices

The burgeoning impact of vinyl, a shrinking physical video market and maturing formats in the packaged games segment are the prevailing dynamics that effected entertainment's average selling prices in 2019.

The transformative forces that have changed the face of video retail over the last seven or eight years appear to have had very little effect on the overall stability of DVD and Blu-ray pricing. Despite a year-on-year decline of over 22% in 2019, the average price of DVDs and Blu-rays grew marginally, up 0.9% and 1.5% respectively.

Generally, the keenest prices are still to be found in the specialist sector where deep catalogue and multi-buy mechanics provided attractive value-for-money options, particularly on Blu-ray where the average unit sold for £11.13, 2% down on 2018 and over £3 cheaper than average prices found in the other channels.

DVD and Blu-ray selection in the supermarkets is becoming increasingly chart-focused and average selling prices are reflecting that, falling more or less in line with general market frontline product pricing. £7.62 for a DVD and £14.45 for a Blu-ray are the highest average prices found across the video retail landscape. The home delivery sector dominates frontline pre-ordering while operators like Zavvi specialise in steelbooks and 4K, pushing average Blu-ray prices beyond the £14 mark.

The price of an album has risen for the fifth year in a row with an average unit now costing more than £10 for the first time this decade, up 67p or 7.2% versus 2018. That inflation is being driven almost exclusively by the ongoing vinyl revival, with the average LP retailing for around £21. Total spend on vinyl now represents more than 30% of all physical music sales value in the UK. And it is within those channels benefitting most from the buoyant vinyl market that we are seeing the greatest price inflation. The average price in the specialist and indie sector rose by fully 9% in 2019 to £11, while it rose to £11.03 in the home delivery channel, up 6.1% year-on-year.

Average selling prices in the UK's physical games market remain fairly stable although a maturing Nintendo Switch budget range and falling average prices across PS4 and Xbox One titles have had a small deflationary effect. The average cost of a boxed game is now £34.13 In the market, 2.4% lower than in 2018, rising to £36.84 in the supermarket channel.

ENTERTAINMENT AVERAGE SELLING PRICES

DVD	2017	2018	2019	% change
Specialists, generalists and independents	£6.65	£7.03	£7.14	1.6%
Supermarkets	£7.17	£7.58	£7.62	0.5%
Home delivery	£7.00	£7.54	£7.56	0.3%
Total Market	**£7.00**	**£7.44**	**£7.51**	**0.9%**

Source: Offical Charts / Kantar. Excludes box sets and multiple disc-sets of 3 or more. Physical product only.

BLU-RAY (inc. 4K UHD)	2017	2018	2019	% change
Specialists, generalists and independents	£10.78	£11.36	£11.13	-2.0%
Supermarkets	£13.51	£14.53	£14.45	-0.6%
Home delivery	£12.45	£13.53	£14.15	4.6%
Total Market	**£12.33**	**£13.20**	**£13.40**	**1.5%**

Source: Official Charts / Kantar. Excludes box sets and multiple disc-sets of 3 or more. Physical product only.

ALBUMS	2017	2018	2019	% change
Specialists, generalists and independents	£9.45	£10.09	£11.00	9.0%
Supermarkets	£8.86	£9.14	£9.53	4.3%
Home delivery	£9.68	£10.40	£11.03	6.1%
Digital	£7.14	£7.19	£7.26	1.0%
Total Market	**£8.83**	**£9.35**	**£10.02**	**7.2%**

Source: Official Charts / Kantar. Excludes box sets and multiple disc-sets of 4 or more.

VIDEOGAMES	2017	2018	2019	% change
Specialists, generalists and independents	£33.89	£34.74	£34.22	-1.5%
Supermarkets	£34.40	£36.58	£36.84	0.7%
Home delivery	£32.64	£34.52	£33.17	-3.9%
Total Market	**£33.47**	**£34.99**	**£34.13**	**-2.4%**

Source: GfK Entertainment.

Title Availability

The number of new titles released to DVD, Blu-ray and EST formats declined again in 2019 reflecting a general slackening in demand for new release product in the video category. The notable exception is an increase in new titles made available to the 4K UHD format which saw 247 fresh SKU's added to the catalogue, bringing the total number to 701.

The trend is similar in the albums market, with newly released titles declining overall, but there has been a small increase in the 'Other' sub-category as growth in the vinyl market drives demand for fresh product.

In games, the impact of the Nintendo Switch and its expanding software catalogue can be seen in the general increase in the number of new titles made available to the market in 2019, a total that has increased steadily since the console's launch in 2017.

NO. OF NEW VIDEO TITLES AVAILABLE BY FORMAT

	2017	2018	2019	% change
DVD	3,227	2,901	2,070	-28.6
Blu-ray	1,743	1,583	1,498	-5.4
4K UHD	148	204	247	21.1
EST	3,358	2,047	1,463	-28.5

Source: Kantar

TOTAL NO. OF VIDEO TITLES AVAILABLE

	2017	2018	2019	% change
DVD	117,688	120,589	122,659	1.7
Blu-ray	14,915	16,498	17,996	9.1
4K UHD	250	454	701	54.4
EST	5,950	7,997	9,460	18.3

Source: Kantar

NO. OF NEW ALBUM TITLES AVAILABLE BY FORMAT

	2017	2018	2019	% change
CD	18,164	17,800	16,723	-6.1
Bundles	30,274	29,146	26,420	-9.4
Other	11,305	13,287	13,585	2.2

Source: Kantar

TOTAL NO. OF ALBUM TITLES AVAILABLE

	2017	2018	2019	% change
CD	572,383	590,183	606,906	2.8
Bundles	465,463	494,609	521,029	5.3
Other	146,602	159,889	173,474	8.5

Source: Kantar

NO. OF NEW GAMES TITLES AVAILABLE BY FORMAT

	2017	2018	2019	% change
Console	482	592	650	9.8%
Handheld	51	20	5	-75.0%
PC	115	71	48	-32.4%

Source: GFK Entertainment

TOTAL NO. OF GAMES TITLES AVAILABLE

	2017	2018	2019	% change
Console	3,511	3,445	3,452	0.2%
Handheld	1,065	701	483	-31.1%
PC	1,749	1,282	750	-41.5%

Source: GFK Entertainment