



January 27, 2021

*DEG: The Digital Entertainment Group today released its Year-End 2020 Home Entertainment Report compiled by DEG members, tracking sources and retail/platform input. \**

### **Consumer Spending on Digital Home Entertainment Formats Rose 32% in 2020**

#### **Overall Market Up 21% to a Record \$30 Billion, Led by Subscription Streaming and Digital Transactions**

Consumers spent more than \$26.5 billion on digital entertainment purchases (EST), rentals (VOD) and subscriptions in 2020, an increase of more than 32 percent over full year 2019, driven in part by stay-at-home orders. During the year, transactional demand was strong across purchase and rental models, with spending rising 16 percent on EST and 18 percent on VOD\*\* for full year 2020. Subscription streaming rose 37 percent for the full year with the introduction of major new services including HBO Max and Peacock.

Across genres and platforms, consumer demand for movie and TV content delivered to home and personal devices increased as pandemic precautions remained in place for nine months of the year. In the fourth quarter, total spending on digital entertainment services rose more than 27 percent and spending on subscription streaming jumped 33 percent over the same period in 2019.

Overall U.S. consumer spending across digital and physical home entertainment formats in 2020 was \$30 billion, a 21 percent increase from the almost \$25 billion consumers spent in 2019. In the fourth quarter, overall consumer spending rose almost 16 percent, to \$7.8 billion, an increase of more than \$1 billion over the same period in 2019.

#### Among the highlights for the Fourth Quarter and Full Year 2020:

- Rental transactions through internet services (iVOD) experienced robust growth of 43 percent for the full year and 33 percent in the fourth quarter, as consumers continue to transition from legacy cable and satellite services.
- With movie theaters closed in much of the country, spending on digital rentals of theatrical titles grew more than 25 percent in the fourth quarter and 40 percent for the year. With few new theatrical releases, catalog films and independent titles experienced brisk demand, particularly in the latter part of the year
- Digital purchases (EST) of theatrical titles grew nearly 6 percent for the year, limited by the lack of new theatrical releases.
- TV EST grew 39 percent in the fourth quarter and 37 percent for the full year.

- Premium Video-on-Demand (PVOD) results currently are not included in industry reporting or the overall home entertainment market forecasts; however, early insights suggest that interest is high, and results are strong. Universal has indicated that with 18 films released on PVOD across the past 10 months, with the addition of PVOD revenues, the company generated over four times what it would have expected to earn in the traditional digital home entertainment window alone. In total, the combined in-home consumer spend on these new Universal releases on a transactional basis represented over \$500 million. “Since the launch of PVOD, we’ve learned a tremendous amount, much of which has validated our belief that PVOD is poised to complement the theatrical business in a way that can meaningfully benefit the ecosystem across consumers, distributors and studios,” said Michael Bonner, President, Universal Pictures Home Entertainment.
- The DEG Watched at Home Top 20 for full year 2020 follows. DEG compiles the weekly Watched at Home Top 20 list with the titles most widely consumed titles on disc and through digital transactions during the previous week. Assembled with the newest studio and retailer/platform data every seven days, the Watched at Home Top 20 includes U.S. digital sales (EST), digital rentals (VOD), DVD & Blu-ray sales. It does not include premium VOD (PVOD).

1	Frozen 2	Disney
2	Jumanji: The Next Level	Sony
3	Star Wars: Episode IX - The Rise of Skywalker	Disney
4	Joker (2019)	Warner Bros.
5	Sonic the Hedgehog	Paramount
6	Bad Boys for Life	Sony
7	1917	Universal
8	Scoob!	Warner Bros.
9	Ford v Ferrari	Disney
10	Knives Out	Lionsgate
11	Trolls World Tour	Universal
12	Yellowstone: S1	Paramount
13	Onward	Disney
14	Birds of Prey: And the Fantabulous Emancipation of One Harley Quinn	Warner Bros.
15	Yellowstone: S2	Paramount
16	Yellowstone: S3	Paramount
17	Harry Potter (Complete 8-Film Collection)	Warner Bros.
18	Maleficent: Mistress of Evil	Disney
19	Bloodshot (2020)	Sony
20	Midway (2020)	Lionsgate

Source | [DEG: The Digital Entertainment Group](#)

Includes U.S. Digital Sales, Digital Rentals (VOD), DVD & Blu-ray for full year 2020; excluding PVOD



DEG will present its Year-End 2020 Report, including additional commentary on the year, during the online DEG Expo on Wednesday, January 27, at 10:30 a.m. Pacific. Members, media and analysts are welcome to attend. [Click here](#) for more information or to register.

For additional information, please email Marcy Magiera ([Marcy@degonline.org](mailto:Marcy@degonline.org)).

***\*Please note, these numbers are preliminary. Please contact DEG for an updated version in February.***

***\*\* VOD spending does not include premium Video-on-Demand (PVOD). Including PVOD would increase the total consumer spend on digital.***

For reference, DEG provides a list of digital entertainment terms and definitions on its web site [here](#).

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**2020 Year End Preliminary**

<b>U.S. Consumer Spending</b>						
(\$ in millions)	Q-4 2019	Q-4 2020	YOY	YTD 2019	YTD 2020	YOY
<b>Sell-Thru</b>						
Sell-Thru Packaged Goods All	\$ 1,018.30	\$ 693.56	-31.89%	\$ 3,292.65	\$ 2,451.46	-25.55%
Sell-Thru Including EST	\$ 1,688.60	\$ 1,432.33	-15.18%	\$ 5,876.06	\$ 5,448.86	-7.27%
<b>Rental</b>						
Total Rental (excluding VOD)	\$ 328.56	\$ 244.33	-25.64%	\$ 1,426.05	\$ 1,043.73	-26.81%
Total Rental (including VOD)	\$ 808.31	\$ 729.98	-9.69%	\$ 3,383.96	\$ 3,360.08	-0.71%
<b>Digital</b>						
Electronic Sell-Thru (EST)	\$ 670.29	\$ 738.77	10.22%	\$ 2,583.41	\$ 2,997.40	16.03%
VOD	\$ 479.75	\$ 485.64	1.23%	\$ 1,957.90	\$ 2,316.36	18.31%
Subscription Streaming (SVOD)*	4,231.73	\$ 5,625.88	32.95%	\$ 15,469.09	\$ 21,215.93	37.15%
Total Digital	\$ 5,381.78	\$ 6,850.30	27.29%	\$ 20,010.40	\$ 26,529.69	32.58%
Total U.S. Home Entertainment Spending	\$ 6,728.64	\$ 7,788.19	15.75%	\$ 24,729.10	\$ 30,024.88	21.42%
Box Office in Billions	\$ 2.98	\$ 0.18	-93.98%	\$ 11.02	\$ 5.05	-54.20%

\*SVOD data sourced from Omdia (technology.informa.com). Disclaimer: The data is not an endorsement and reliance is at a third party's own risk.

Disclaimer: This report contains information compiled from sources that the DEG believes have accurately reported such information, but which the DEG has not independently checked or verified. As such, the DEG does not warrant its accuracy or reliability. The report is not intended to provide investment or securities advice.