

Sweden: Increasing household spend for online video streaming

The Swedish market for subscription-based video streaming services has grown steadily since the American streaming giant Netflix entered the market in late 2012. At the same time, Swedish household spend on such services has increased in share of total TV and video spend.

Last year, Swedish households spent 7% of their total TV and film expenditure on video streaming subscriptions. By fall 2014, that proportion had doubled. Traditional pay TV packages still account for a clear majority of Swedes' total video spend, but the gap is expected to decrease further in 2015.

The increase in online spending has several causes. First, more households have a video streaming subscription today compared to last year. More than a quarter of Swedish households now have at least one subscription – a significant increase compared to last year.

Secondly, a higher proportion of video streaming subscriptions are now paid, partly as a result of promotional offers being converted into paid subscriptions. Lastly, households are paying more for their subscriptions. This is in part explained by more households having subscriptions for multiple services, but also because of higher price levels. Market leading Netflix raised the price from 79 SEK a month to 89 SEK in the spring, just like primary challenger Viaplay has done for its basic package.

– Online video streaming spend is rapidly increasing, both in absolutes and as a proportion of households' total film and TV expenditure. But it is important to note that we also see a growth in total video spend, so it's not a zero sum game. Consumer interest is simply very high and many people buy video streaming subscriptions as an addition to pay TV, cinema and other paid forms of video, rather than as a replacement. We will have to wait to see for how long this development continues, says Marie Nilsson, CEO Mediavision.

Mediavision continuously monitors the development of the Nordic TV and streaming market.

About Mediavision's analysis

Mediavision is an independent consultancy firm, specialized in analysis and strategy within digital media. Mediavision has for a long time followed changing media habits among the Swedish public. Every month 1000-1500 randomly selected people aged 15-74 years are interviewed online.

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