TV shopping revenues in Western Europe set to grow 54% to €6.4bn by 2012

The migration to digital TV and the growth of Internet TV are the main drivers

London 20th November 2008: Whilst many high street retailers are bracing themselves for challenging trading conditions across Western Europe, TV shopping looks set for very strong growth. The latest report from media analysts Screen Digest (www.screendigest.com) and Goldmedia (www.goldmedia.com) forecasts an impressive 54 per cent increase in revenues over the next five years to a market value of €6.4bn in 2012.

There are currently 65 TV shopping channels broadcasting 24-hours a day in the region using a variety of different programme and technology formats to sell their products. The report entitled ‘TV shopping in Western Europe: Market forecasts and assessment to 2012’, examines these different formats including live TV, auction TV, direct response TV (DRTV) and travel shopping. The report is supported by the European Affiliate of the Electronic Retailing Association (ERA Europe), representing the teleshopping and t-commerce industry in Europe.

The picture of TV shopping varies widely across Europe, in terms of development and market volume and growth potential.

With 40 channels and a market volume of more than €1.5bn (2007), the UK has the biggest and the most competitive TV shopping market in Europe with QVC, Ideal Shopping Direct and Sit-up TV being the biggest players. Germany is Europe’s second biggest TV shopping market in Europe with HSE24 and QVC as the leading players. The UK and Germany are close to market saturation and growth will be moderate in the next five years. By comparison, Italy will enjoy double digit growth rates with the launch of new TV shopping channels, and the increased take up of digital TV will help the market value of TV shopping to treble in Spain.

The average TV shopping sales per inhabitant in 2007 were about 12 Euros with UK being by far the leading market generating about 25 Euros per capita.

Two key technologies drive the growth of TV shopping

The development of digital TV provides not only the technical platform for TV shopping channels to broadcast but crucially, a ready-made audience. As media markets become increasingly digitized, there's more opportunity for TV and DRTV shopping channels and especially for the specialized channels selling specific goods such as jewelry and crafts – both big sellers on TV shopping channels.

Secondly is the rapid spread of broadband internet, enabling TV shopping operators to employ web-based technologies to reach even more viewers. Leading players have enhanced their websites to offer live streams, on-demand product demonstrations and even branded micro-sites allowing them to sell products all the time, not just when they are 'on air'.

As Mathias Birkel, Goldmedia consultant says "Today e-commerce and TV shopping have merged to a point where there are hardly any pure-play TV shopping operators left. TV shopping operators must embrace multi-platform strategies to reach target groups in our increasingly complex and fragmented media market."

Maria Aguete, Screen Digest Senior Analyst agrees "The launch of new DTT services will provide the ideal opportunity for new TV shopping channels to launch. By 2012 the operators that succeed in taking a slice Europe's €6.4bn market share will be those who understand how people are consuming media in this new digital world – to include online TV and video-on-demand applications."

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About this research

The data included in this press release is taken from the Goldmedia and Screen Digest report 'TV Shopping in Western Europe – Market forecasts and assessment to 2012.' The report is supported by the European Affiliate of the Electronic Retailing Association (ERA). Published in November 2008 it includes five year revenue forecasts to 2012 for Western Europe and each country covered (Benelux, France, Germany, Greece, Italy, Spain and UK). Analysis includes market size data, comprehensive market overview of market players and in-depth profiles of the key TV shopping players and their business models, further assessments for the different regulatory issues affecting each country and analysis for the emerging technologies.

About Screen Digest

Screen Digest is the pre-eminent firm of industry analysts covering global media markets. Headquartered in London, with offices in New York and Monterey, California, we employ a team of 40 specialist analysts covering film, television, broadband, mobile, cinema, home entertainment and gaming. Our online services and reports provide the information and analysis that hundreds of media companies worldwide base their decisions on. Most recently we have launched Global Media Intelligence (GMI), a new service which provides research and analysis specifically for media-focused institutional investors. www.screendigest.com

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