

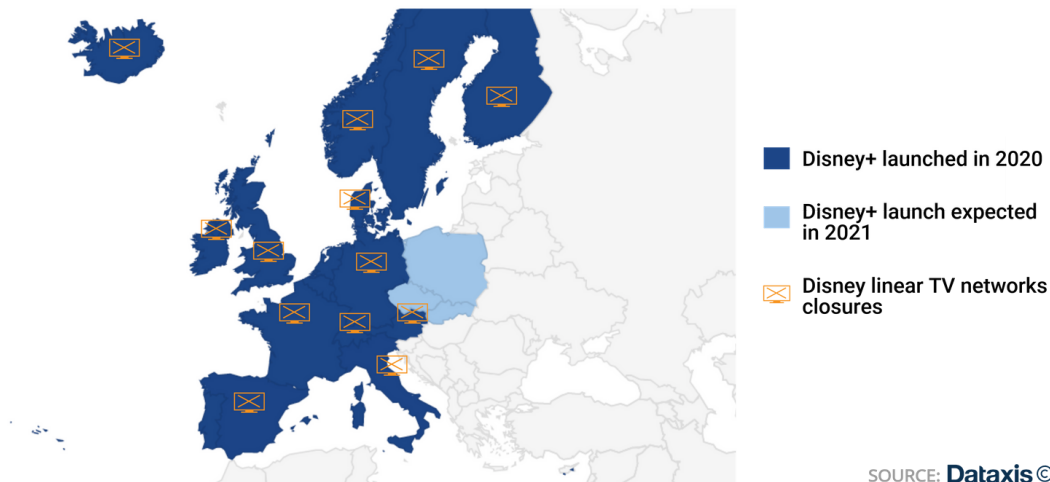
Impact of Disney+ on Disney's TV strategy in Europe

RESEARCH HIGHLIGHT | 20 January, 2021

The gradual deployment of Disney's SVOD service in Europe was a huge success, just as in the rest of the world, with the platform reaching more than 86 million subscribers overall at the end of last year. Disney+ rapidly proved to be a major competitor in the streaming landscape, with astonishing growth rates: after less than a year, its subscriber base in Scandinavia already represented more than one third of HBO Nordic's, the well-established platform that launched in 2012.

This success seemed to have overpassed even Disney's own expectation, as the company quickly reorganized itself in October to focus on streaming, notably at the expense of its linear TV businesses. But the shift in focus was already visible with the closure of Disney's linear channels in Italy in May, followed by their British and Irish counterparts in October. Disney's portfolio has also been reduced in Germany, France, Spain and in the Nordics, with the closure of some of Disney Channel's sister networks, such as Disney XD.

Impact of Disney+ on Disney's TV strategy in Europe



If the success of Disney+ continues, which seems safe to assume, we can expect more movement on Disney's linear portfolio. Countries where Disney Channel's distribution is limited, such as France, could very well see it gradually disappear in the next years as Disney+ becomes more attractive to pay TV operators than legacy TV networks.

Whether this will happen in Central Europe, where Disney+ is expected to launch in 2021, is an interesting question, as this region usually presents less developed streaming markets and stronger pay TV sectors. However, local sources suggest Disney+ will launch in the biggest and most advanced markets: Poland, and the Czech Republic and Slovakia. The latter countries are often seen as one market when it comes to streaming, by Netflix for instance, which has offered its Czech version to Slovak subscribers for a few years. Negotiations with operators are already running in both countries, and the fate of Disney networks is linked to the performance of Disney+ not only for the Disney headquarters, but also for the operators.

Quentin **Stallivieri** | Market Analyst