Italy

Italy: key data

Population	60.4m
TV households	23.6m
DVD households (penetration)	93.8%
Blu-ray Disc household (penetration)	11.1%
Distributor revenues from video software	€ 177.4m
Comparison with 2011	-17.9%
DVD/Blu-ray Disc split	€ 141.9m / € 35.5m
Video software rental/retail split	9/91
Consumer spending on video software	€ 292.3m
Comparison with 2011	-17.7%
DVD/Blu-ray Disc split	€ 237.3m / € 54.9m
Video software rental/retail split	18/82
Consumer spending on digital video and TV VOD	€ 80.6m
Comparison with 2011	17%
Digital video/TV VOD split (%)	26 / 74

•Kiosk not included

As expected, the Italian economy's negative trend was again confirmed in 2012. Consumer spending of the total home entertainment market (including books, games, video and music) decreased by 11.2 per cent compared to 2011.

DVD and Blu-ray Market

In 2012, total consumer spending (retail, online, rental and kiosk) amounted to EUR 419 million, a decrease of 15. 2 per cent compared to 2011.

Retail (including online)

DVD was still the dominating format representing 87 per cent in terms of units and 79.9 per cent in terms of value. New releases (up to 3 months from release) counted for 15 per cent in terms of units.

Blu-ray units sold to the consumer increased by 5.6 per cent with 2.7m units. However, total value declined by 1.5 per cent due to lower average price. The total number of titles released in Blu-ray reached 3,677 (1,163 released in 2011).

Kiosk

Consumer spending through kiosks sales registered a loss of 11.9 per cent in value. However, this distribution channel's share on total market increased to 27.3 per cent, confirming the importance of this segment in Italy.

Rental

The closing down of Block Buster and other rental shops, combined with a high level of video piracy on the Internet, led to another drastic decrease of the rental market (an estimated decrease of 30 per cent compared with the previous year).

Online Distribution

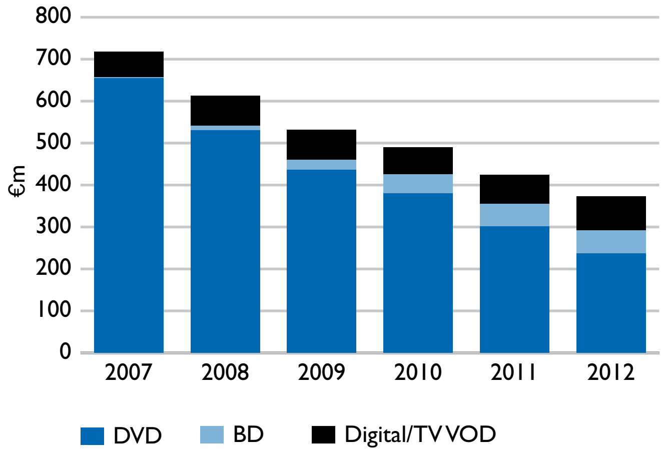
The number of local online offers (VOD and EST) grew to over 20 services with several thousand titles involved. However, revenues remained minimal (an estimated 3.1 per cent of the total video market) and international multi-territorial platforms were still reluctant to enter the Italian market because of the high levels of online piracy and the low broadband penetration.

Other Relevant Developments

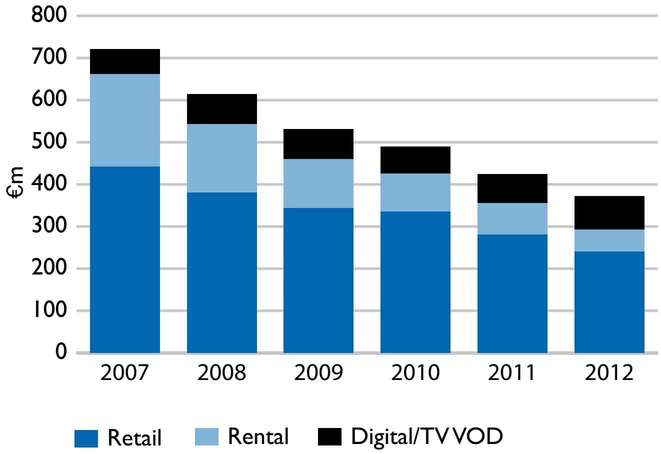
After the break-up of the former AGCOM Commission (the Italian communications sector regulator) without the final approval and release of a regulatory text in 2012, a new Commission was nominated in 2013. The members of the new Commission have officially stated their commitment to bring forward measures aiming at promoting legal offer online and the protection of copyright in general. The Commission is expected shortly to come forward with its legislative proposals.

This commentary was provided by Univideo, the Italian Video Association.

Consumer spending by format



Consumer spending by sector



		2007	2008	2009	2010	2011	2012	12/11
EXCHANGE RATES								
Exchange rate: $1=	Euro	0.73	0.68	0.72	0.75	0.72	0.78	
GENERAL								
Population	m	59.3	59.6	59.9	60.1	60.3	60.4	0.2%
Households	m	23.0	23.1	23.2	23.3	23.5	23.6	0.5%
HARDWARE								
TV households	m	22.8	23.0	23.1	23.3	23.4	23.6	0.6%
DVD sector								
DVD Video player/recorder households	m	20.6	21.5	21.7	22.2	22.2	22.1	-0.3%
Penetration of TV households	%	90.3	93.6	93.8	95.3	94.6	93.8	
DVD console households	m	4.0	3.9	4.0	3.8	3.8	3.5	-8.8%
Penetration of TV households	%	17.4	17.2	17.1	16.4	16.4	14.9	
BD sector								
BD standalone player households	m	0.004	0.029	0.110	0.400	1.377	2.623	90.5%
Penetration of TV households	%	0.016	0.128	0.476	1.718	5.875	11.130	
PS3 console households	m	0.287	0.570	0.957	1.3	1.8	2.1	21.4%
Penetration of TV households	%	1.259	2.5	4.1	5.7	7.5	9.0	

Total video software market

		2007	2008	2009	2010	2011	2012	12/11
CONSUMER LEVEL ALL VIDEO								
Total market figures include spending on both physical and digital video								
Total spending on all video	Euro m	721.4	614.0	531.5	489.7	423.9	372.8	-12.1%

		2007	2008	2009	2010	2011	2012	12/11
TRADE LEVEL PHYSICAL VIDEO								
Total market figures include revenues from legacy formats not broken out separately (eg, VHS, HD-DVD, UMD) where relevant.								
Total revenues from video software	Euro m	390.4	329.0	284.8	271.6	216.0	177.4	-17.9%
Total revenues from retail video	Euro m	326.0	287.5	254.3	244.0	197.1	162.0	-17.8%
Total revenues from rental video	Euro m	64.4	41.5	30.4	27.7	18.9	15.4	-18.9%

Video market: Italy

		2007	2008	2009	2010	2011	2012	12/11
CONSUMER LEVEL PHYSICAL VIDEO								
Total market figures include revenues from legacy formats not broken out separately (eg, VHS, HD-DVD, UMD) where relevant.								
Total revenues from video software	Euro m	661.1	542.9	460.1	425.4	355.1	292.3	-17.7%
Total revenues from retail video	Euro m	442.4	380.6	343.7	335.5	281.0	239.8	-14.7%
Total revenues from rental video	Euro m	218.8	162.3	116.4	89.9	74.1	52.5	-29.1%

		2007	2008	2009	2010	2011	2012	12/11
CONSUMER LEVEL DIGITAL VIDEO								
The purchase or rental of movies and TV series delivered over the open internet through transactional models (also known as EST, DTO, Internet VOD) or on a subscription basis.								
Total spending on digital video	Euro m	0.4	0.6	0.7	1.7	10.2	20.8	105.0%
CONSUMER LEVEL TV VOD								
The delivery of movies and TV content on a transactional (VoD, NVoD/PPV) basis via cable/satellite/IPTV services.								
Total spending on TV VOD	Euro m	59.8	70.5	70.7	62.6	58.7	59.8	1.8%

Retail video market

		2007	2008	2009	2010	2011	2012	12/11
Outlets stocking retail video	no.	600	550	550	540	520	510	
Retail chains with 10 or more outlets	no.	22	22	22	21	18	20	
Kiosks stocking retail video	no.	38,930	38,930	37,373	35,878	34,084	32,950	
Trade level: DVD retail								
Revenues from retail DVD	Euro m	322.0	275.9	239.1	218.1	168.8	130.0	-23.0%
Retail DVD units shipped to trade	m	35.2	30.7	27.9	25.6	21.5	18.1	-16.0%
Average trade price	Euro	9.16	9.00	8.56	8.53	7.85	7.20	-8.3%
Number of titles released	no.	5,010	5,010	5,000	4,900	5,077	4,257	-16.2%
Trade level: BD retail								
Revenues from retail BD	Euro m	3.1	11.3	15.2	25.9	28.3	32.0	13.2%
Retail BD units shipped to trade	m	0.2	0.680	1.011	2.089	2.344	2.461	5.0%
Average trade price	Euro		16.66	15.04	12.39	12.07	13.01	7.8%
Consumer level: DVD retail								
Spending on retail DVD	Euro m	435.8	368.3	320.6	295.3	232.1	191.6	-17.5%
Retail DVDs sold to consumers	m	34.6	29.8	27.3	25.2	20.7	18.4	-11.1%
Average consumer price	Euro	12.58	12.36	11.76	11.71	11.20	10.41	-7.1%
Consumer level: BD retail								
Spending on retail BD	Euro m	3.387	10.9	23.1	40.2	48.9	48.2	-1.5%
Retail BDs sold to consumers	m	0.123	0.4	1.0	2.0	2.6	2.7	5.6%
Average consumer price	Euro	27.47	26.65	24.06	19.82	19.12	17.84	-6.7%

Rental video market

		2007	2008	2009	2010	2011	2012	12/11
Rental video market data includes both store-based rental and physical rent-by-mail operations where relevant.								
Video rental outlets	no.	2,800	2,200	2,100	1,950	1,400	1,140	-18.6%
Rental chains with 10 or more outlets	no.	23	23	23	18	12	10	
Trade level: DVD rental								
Revenues from rental DVD	Euro m	64.4	40.8	30.1	25.2	16.5	11.9	-27.9%
Rental DVD units shipped to trade	m	2.0	1.9	1.5	1.1	0.9	0.7	-28.3%
Average trade price	Euro	32.20	21.14	20.15	22.63	17.76	17.85	0.5%
Number of titles released	no.	375	350	320	290	276	280	1.4%
Trade level: BD rental								
Revenues from rental BD	Euro m		0.75	0.332	2.450	2.460	3.488	41.8%
Rental BD units shipped to trade	m		0	0.014	0.108	0.127	0.195	54.1%
Average trade price	Euro		24.80	23.68	22.62	19.40	17.85	-8.0%
Number of titles released	no.		175	160	250	238	240	0.8%
Consumer level: DVD rental								
Spending on DVD rental	Euro m	218.6	162.1	115.9	85.2	69.3	45.8	-34.0%
DVD rental transactions	m	75.2	55.3	42.8	31.9	28.9	19.0	-34.3%
Average rental price	Euro	2.91	2.93	2.71	2.67	2.40	2.41	0.5%
Consumer level: BD rental								
Spending on BD rental	Euro m	0.00	0.16	0.511	4.750	4.769	6.763	41.8%
BD rental transactions	m	0.00	0.04	0.140	1.300	1.320	1.862	41.1%
Average rental price	Euro	3.67	3.99	3.65	3.65	3.61	3.63	0.5%

Source: IHS/Univideo/GfK
Population and household figures: IHS Global Insight
Note: Distributor level excludes and consumer level includes VAT/sales tax.

Retail DVD through news kiosks

		2007	2008	2009	2010	2011	2012	12/11
DVD consumer sales from kiosks	m	36.7	31.2	23.8	20.1	16.5	14.3	-13.3%
Average DVD kiosk sales price	Euro	8.34	8.35	8.43	8.18	7.88	8.01	1.6%
Total DVD kiosk consumer spending	Euro m	306.0	260.5	200.7	164.4	130.0	114.5	-11.9%

Source: Univideo/Prometeia
Note: Kiosk refers to street corner newspaper kiosk or similar specialist retailer which also stocks video product.

DVD retail top 10

Rank	Title	Distributor
1	Breaking Dawn - Part 1	Eagle Pictures
2	The Avengers	Walt Disney
3	Madagascar 3 - Ricercati in Europa	Universal Pictures
4	Il Gatto con Gli Stivali	Universal Pictures
5	I Puffi	Sony Pictures
6	Ribelle/Brave	Walt Disney
7	Lilli e il Vagabondo	Walt Disney
8	Cenerentola	Walt Disney
9	Il Cavaliere Oscuro - Il ritorno	Warner Bros.
10	Il Re Leone	Walt Disney

Source: Univideo/GfK
Notes:
1. Ranking based on retail sales by value
2. Units sold based on available data

Blu-ray Disc retail top 10

Rank	Title	Distributor
1	The Avengers	Walt Disney
2	Il Cavaliere Oscuro - Il ritorno	Warner Bros.
3	Star Wars - La saga completa	Warner Bros.
4	Avatar	Twentieth Century Fox
5	Breaking Dawn - Part 1	Eagle Pictures
6	The Amazing Spider-man	Sony pictures
7	Harry Potter - Complete collection	Warner Bros.
8	Il Signore degli anelli	Warner Bros.
9	Sherlock Holmes - Gioco di ombre	Warner Bros.
10	Il Cavaliere Oscuro - Trilogy	Warner Bros.

Source: Univideo//GfKNotes:
1. Ranking based on retail sales by value
2. Units sold based on available data

Combined DVD & Blu-ray Disc retail top 10

Rank	Title	Distributor
1	Breaking Dawn - Part 1	Eagle Pictures
2	The Avengers	Walt Disney
3	Il Cavaliere Oscuro - Il ritorno	Warner Bros.
4	Madagascar 3 - Ricercati in Europa	Universal Pictures
5	Sherlock Holmes - Gioco e Ombre	Warner Bros.
6	Il Gatto con gli stivali	Universal Pictures
7	The Amazing Spider-man	Sony pictures
8	I Puffi	Sony pictures
9	Ribelle/Brave	Walt Disney
10	Avatar	Twentieth Century Fox

Source: Univideo//GfK
1. Ranking based on retail sales by value
2. Units sold based on available data