Italy

Italy: key data

Population	60.5m
TV households	23.7m
DVD Video player/recorder penetration	94.4%
Blu-ray Disc player/recorders penetration	18.5%
Consumer spending on physical video software	€ 261.6m
Comparison with 2012	-10.3%
DVD/ Blu-ray Disc split	€ 209.9m / € 51.7m
Video software rental/retail split (%)	18 / 82
Consumer spending on digital video and TV VOD	€ 69.2m
Comparison with 2012	-7.4%
TV VOD/ Digital video split (%)	71 / 29

•Kiosk not included

The Italian economy continued its negative trend in 2013. Consumer spending on total home entertainment options (books, games, home video, music) decreased by 7.3 per cent compared to 2012.

Home video market

In 2013, total consumer spending (retail, rental, kiosk and online distribution) amounted to EUR 359 million, a decrease of 10.2 per cent compared to 2012.

DVD and Blu-ray market

Consumer spending of packaged media declined by 10.3 per cent compared to 2012.

DVD was still the dominating format representing 85.6 per cent in terms of units and 79.6 per cent in terms of value. The number of new release titles reached 3,753.

Blu-ray (BD) reached more than 20 per cent in value of the total share of the video packaged media market. The number of BDs sold remained stable compared with 2012, but consumer spending in terms of value declined by 8.6 per cent, due to lower average consumer prices. The number of new release titles reached 854. The total number of BD titles reached 4,260. The economic crisis seems to be the main reason for the disappointing trend of the BD format.

In terms of distribution channels, only sales via online retailers registered an increase, notably the sales of BDs, whereas electronic retailers recorded decrease.

Kiosk

Kiosk sales (DVDs and BDs packaged as part of newspapers, magazines and books) have always represented an important share of the Italian home entertainment market. 2013 registered an important loss in value equivalent to 30 per cent. However, the total share of this distribution channel remains 23 per cent.

Rental

After the strong decline of the rental market in 2012 and the closing down of Block Buster and other rental shops, 2013 marked a more moderate downward trend. Levels of online piracy are still significant. Rental revenues remained moderate at EUR 46 million.

Online distribution

The number of online offer in the Italian market (VOD and EST) continued to grow in 2013. However, many platforms were still reluctant to enter the Italian market because of the high level of online piracy, the low broadband penetration and the large offer of films on Pay TV and Free TV. Revenues derived from online services remain modest and insufficient to cover the loss of the physical home entertainment market. Most video content offers are based on the sharing of advertising revenue and other promotional models. Revenues of online offers (EST and VOD) are estimated to represent 5 per cent of the total video market (3.1 per cent in 2013). Improvement is expected in 2014, following the recent entry of Sky and Mediaset into the online market.

Other relevant developments

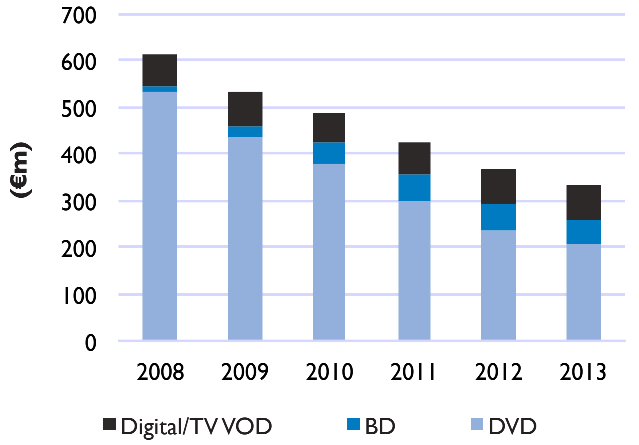
AGCOM, the Italian Independent Regulator of Communications, has approved and adopted a new regulation on site blocking procedures which became effective in March 2014.

In addition, the commitment of Italian judicial authorities to address illegal practices seems to have improved. Some positive effects on both packaged digital media and online services are expected.

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

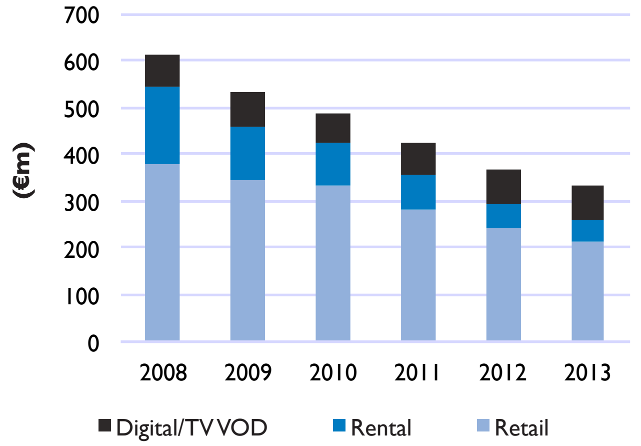
Video market: Italy

Consumer spending by format



Source: IHS/Univideo/GfK © 2014 IHS

Consumer spending by sector



Source: IHS/Univideo/GfK © 2014 IHS

		2008	2009	2010	2011	2012	2013	12/13
EXCHANGE RATES								
Exchange rate: $1=	Euro	0.68	0.72	0.75	0.72	0.78	0.75	
GENERAL								
Population	m	59.6	59.9	60.1	60.3	60.4	60.5	0.2%
Households	m	23.1	23.2	23.3	23.5	23.6	23.7	0.4%
HARDWARE								
TV households	m	23.0	23.1	23.3	23.4	23.6	23.7	0.5%
DVD sector								
DVD Video player/recorder households	m	21.6	21.8	22.2	22.3	22.2	22.3	0.5%
Penetration of TV households	%	94.3	94.5	95.3	95.2	94.4	94.4	
DVD console households	m	3.9	4.0	3.8	3.8	3.5	3.2	-9.2%
Penetration of TV households	%	17.2	17.1	16.4	16.4	14.9	13.4	-9.6%
BD sector								
BD standalone player households	m	0.03	0.11	0.40	1.38	2.62	4.38	67.0%
Penetration of TV households	%	0.1	0.5	1.7	5.9	11.1	18.5	66.2%
PS3 console households	m	0.57	0.96	1.33	1.75	2.13	2.52	18.7%
Penetration of TV households	%	2.5	4.1	5.7	7.5	9.0	10.7	18.2%

Total video software market

		2008	2009	2010	2011	2012	2013	12/13
CONSUMER LEVEL ALL VIDEO *Total market figures include spending on both physical and digital video*								
Total spending on video	Euro m	612.5	530.1	488.9	423.2	366.4	330.8	-9.7%

Video market: Italy

		2008	2009	2010	2011	2012	2013	12/13
CONSUMER LEVEL PHYSICAL VIDEO								
Total market figures include revenues from legacy formats not broken out separately (eg, VHS, HD-DVD, UMD) where relevant.								
Total spending on video software	Euro m	542.9	460.1	425.4	355.1	291.7	261.6	-10.3%
Total spending on retail video	Euro m	380.6	343.7	335.5	281.0	239.6	215.5	-10.1%
Total spending on rental video	Euro m	162.3	116.4	89.9	74.1	52.1	46.1	-11.5%

		2008	2009	2010	2011	2012	2013	12/13
Owing to a definitional change, digital video and TV VOD numbers may differ from those published in the 2012 IVF Yearbook.								
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	0.6	0.7	1.4	9.5	20.0	19.9	-0.4%
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	69.1	69.4	62.1	58.6	54.8	49.3	-10.0%

Retail video market

		2008	2009	2010	2011	2012	2013	12/13
Outlets stocking retail video	no.	550	550	540	520	510		
Retail chains with 10 or more outlets	no.	22	22	21	18	18		
Kiosks stocking retail video	no.	38,930	37,373	35,878	34,084	32,950		
Consumer level: DVD retail								
Spending on retail DVD	Euro m	368.3	320.6	295.3	232.1	191.6	171.5	-10.5%
Retail DVDs sold to consumers	m	29.8	27.3	25.2	20.7	18.4	16.2	-11.9%
Average consumer price	Euro	12.36	11.76	11.71	11.20	10.41	10.57	1.6%
Consumer level: BD retail								
Spending on retail BD	Euro m	10.9	23.1	40.2	48.9	48.0	44.0	-8.3%
Retail BDs sold to consumers	m	0.4	1.0	2.0	2.6	2.7	2.7	-0.9%
Average consumer price	Euro	26.65	24.06	19.82	19.12	17.52	16.20	-7.5%

Rental video market

		2008	2009	2010	2011	2012	2013	12/13
Rental video market data includes both store-based rental and physical rent-by-mail operations where relevant.								
Video rental outlets	no.	2,200	2,100	1,950	1,400	1,140	1,080	
Rental chains with 10 or more outlets	no.	23	23	18	12	10	8	
Consumer level: DVD rental								
Spending on DVD rental	Euro m	162.1	115.9	85.2	69.3	45.3	38.4	-15.3%
DVD rental transactions	m	55.3	42.8	31.9	28.9	19.3	16.4	-15.0%
Average rental price	Euro	2.93	2.71	2.67	2.40	2.35	2.34	-0.4%
Consumer level: BD rental								
Spending on BD rental	Euro m	0.16	0.51	4.75	4.77	6.76	7.73	14.4%
BD rental transactions	m	0.04	0.14	1.30	1.32	1.86	2.12	14.0%
Average rental price	Euro	3.99	3.65	3.65	3.61	3.63	3.64	0.3%

Source: IHS/Univideo/GfK
Population and household figures: IHS Global Insight
Note: Distributor level excludes and consumer level includes VAT/sales tax.
Note: Consumer level digital video and TV VOD figures may differ from locally published figures due to the application of different definitions.

Top 10 retail DVD titles

Rank	Title	Studio
1	Twilight Saga: Breaking Dawn Part 2	Eagle Pictures
2	L'era glaciale 4: continenti alla deriva	Twentieth Century Fox
3	Lo Hobbit: un viaggio inaspettato	Warner Entertainment
4	Iron Man 3	Walt Disney Studios Home entertianment
5	Ribelle: The Brave	Walt Disney Studios Home entertianment
6	Ralph: Spaccatutto	Walt Disney Studios Home entertianment
7	Skyfall 007	Twentieth Century Fox
8	Django Unchained	Universal Pictures
9	Le 5 leggende	Universal Pictures
10	Monsters University	Walt Disney Studios Home entertianment

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

Top 10 retail Blu-ray Disc titles

Rank	Title	Studio
1	Breaking down: Parte 2	Eagle Pictures
2	L'era glaciale 4: continenti alla deriva	Twentieth Century Fox
3	Iron Man 3	Walt Disney Studios Home entertianment
4	Lo Hobbit: un viaggio inaspettato	Warner Entertainment
5	Ribelle: The brave	Walt Disney Studios Home entertianment
6	Skyfall 007	Twentieth Century Fox
7	Ralph: Spaccatutto	Walt Disney Studios Home entertianment
8	Monsters University	Walt Disney Studios Home entertianment
9	Le 5 leggende	Universal Pictures
10	I Croods	Twentieth Century Fox

Source: Univideo//GfKNotes:
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