Italy

Italy key data 2021

Population (m)	60.4
TV households (m)	25.9
Consumer spending on physical video software (€m)	72.7
Comparison with 2020	-29.8%
Consumer spending on physical video software (€m) - Total Europe	1,434.0
Comparison with 2020	-21.8%
Consumer spending on digital video and TV VoD (€m)	1,123.7
Comparison with 2020	34.4%
Consumer spending on digital video and TV VoD (€m) - Total Europe	19,298.5
Comparison with 2020	22.9%
Consumer spending on total video (€m)	1,196.4
Comparison with 2020	27.3%
Consumer spending on total video (€m) - Total Europe	20,732.5
Comparison with 2020	18.2%

Italy key commentary

General

In 2021, the Italian home entertainment market reached a turnover of EUR 176.8 million, a reduction of 14.7 % compared to 2020, mainly due to the strong decrease of physical sales via the traditional distribution channels used by Italian consumers such as specialized shops and kiosks.

In 2021, the percentage of Italian consumers who purchased physical video carriers (DVD/Blu-ray) remained stable compared with 2020 where the number of purchases declined because of COVID-19 restrictions and lock-down. In particular, the second half of 2021 saw improved consumer uptake as also cinemas re-opened, and the release of new titles resumed. On the other hand, occasional purchases dropped or were replaced by access through digital distribution channels. In general, market research indicates that 3 out of 4 Italian DVD/Blu-ray buyers also access video content through digital services at varying time intervals.

Physical Market

The physical home entertainment market has been gradually declining over the past couple of years. In 2021, however, “premium formats”, such as 4K Ultra HD drove some growth by generating value of more than EUR 4 million and approximately 190.000 copies sold, an increase of 26.9% in value and 19.8% in volume compared to 2020. Italian consumers are increasingly looking for premium formats with an average price above EUR 25. This market segment attracts younger adults with an emphasis on social relationships and strong purchasing power.

The last months of 2021 were characterized by an increase in value of sales of approximately 25%, due also to the lifting of COVID-19 restrictions and an increase in new titles released, including many considered attractive by Italian audiences.

Digital Market

In 2020, Italian consumer spending on digital access and services (TVOD and EST) exceeded for the first time consumer spending on physical home entertainment carriers (DVD and Blu-ray). This trend continued in 2021.

It should be noted that GfK numbers for digital rental and retail in the Italian market are slightly lower compared to the numbers mentioned above due to the use of a different methodology.

Other relevant developments

Recent FAPAV/Ipsos research reveals that in 2021, 43% of Italian adults committed at least one act of piracy through unauthorized access to films, TV series/programmes, or live sport events - 6 % more than in 2019 and 3% more compared to the two-month lockdown in 2020. Compared with recent years, it is estimated that approximately 315 million acts of piracy were committed in 2021, 24% less than in 2019 and 53% less than in 2016. In Italy, audiovisual piracy constitutes an important share of the audience, although the unauthorized access to audiovisual content is generally declining: for all types of content, the average number of acts of piracy carried out by single person in a year is declining.

The number of acts of piracy of film contracted by approximately 39% in 2021 compared to 2019. However, films remain among the most pirated content (40% of all acts of piracy effected by 29% of the Italian adult population). The incidence of piracy of TV series remains stable, involving approximately 24% of Italian consumers. However, acts of piracy of TV series are decreasing by around 17% compared to 2019. As regards piracy of live sports events, an increase in the overall number of consumers involved in such piracy has been recorded, although each individual commits fewer acts of piracy compared to those consumers involved in acts of piracy of other types of content.

Communication

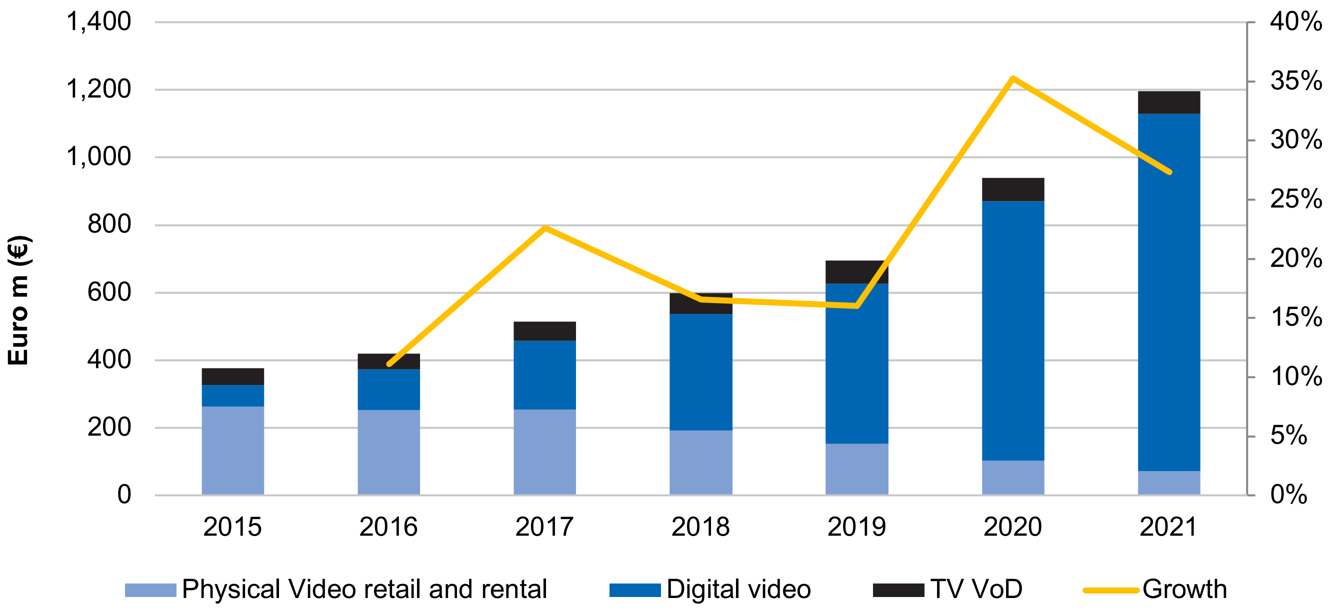
FAPAV, in collaboration with ANEC, ANICA, APA, MPA and UNIVIDEO, has launched a new communication campaign “We Are Stories” with the aim of defending the future of the film and audiovisual sector by supporting the dreams of tomorrow’s professionals, by promoting legal access to films and audiovisual content and generally promoting the value of the film and audiovisual industry.

For more information on the campaign, please see *here*.

“Rispettiamo la Creatività” is an educational project promoted by AFI, FAPAV, MPA, NUOVOIMAIE, SIAE and UNIVIDEO which has been in place for the past 10 years. The initiative, unique in Italy, promotes respect for culture and creativity in all its forms and furthermore promotes the use of legal platforms and the legal use of new technologies. The project involves over 160.000 students across Italy.

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

Consumer spending by segment



Source: Omdia

Video market: Italy

	2015	2016	2017	2018	2019	2020	2021	20/21
GENERAL								
Population (m)	60.6	60.7	60.7	60.6	60.6	60.5	60.4	-0.2%
TV households (m)	25.3	25.3	25.5	25.6	25.7	25.9	25.9	0.3%
Population Total Europe (m)	629.4	631.1	632.8	634.4	635.7	636.7	637.3	0.1%
TV households Total Europe (m)	258.6	260.2	262.1	263.8	265.7	267.6	269.2	0.6%
Broadband households (m)	13.0	13.7	14.5	14.9	15.2	15.4	15.7	2.1%
Nominal GDP (EUR m)	1,654.2	1,696.5	1,738.4	1,770.7	1,789.4	1,643.8	1,709.8	4.0%
Consumer price index (100 in 2010)	100.0	99.7	102.9	109.1	104.1	105.3	107.7	2.3%
DVD Video player/recorder penetration (%)	84.9	83.7	82.0	80.5	79.1	77.8	76.4	-1.8%
Blu-ray Disc player/recorders penetration (%)	20.9	21.9	22.2	22.0	21.4	20.6	19.8	-4.0%
DVD Video player/recorder Total Europe (%)	69.4	67.0	64.4	61.7	59.2	56.9	54.7	-3.8%
Blu-ray Disc player/recorders penetration Total Europe (%)	20.7	21.8	22.3	22.3	21.7	21.0	20.2	-3.8%
OTT Subscriptions (m)	1.0	1.9	3.3	5.3	7.7	12.3	15.0	21.4%

Total video software market

	2015	2016	2017	2018	2019	2020	2021	20/21
CONSUMER LEVEL ALL VIDEO								
Total market figures include consumption of both physical and digital video								
Total spending on video (EUR m)	377.1	418.9	513.6	598.7	694.7	939.5	1,196.4	27.3%
Growth (%)		11.1%	22.6%	16.6%	16.0%	35.2%	27.3%	
Total spending on video Total Europe (EUR m)	9,122.1	9,206.7	9,929.1	11,464.3	13,421.5	17,538.9	20,732.5	18.2%
CONSUMER LEVEL PHYSICAL VIDEO – TOTAL SPENDING								
Total market figures include consumption of legacy formats not broken out separately (eg, VHS, HD-DVD, UMD) where relevant.								
Physical video rental (EUR m)	37.0	28.0	25.1	19.0	14.0	4.5	2.9	-34.7%
Physical video rental Total Europe (EUR m)	431.3	295.4	214.6	150.2	115.8	77.0	53.0	-31.2%
Physical video retail (EUR m)	226.0	224.0	230.1	174.0	138.5	99.1	69.8	-29.5%
Physical video retail Total Europe (EUR m)	4,736.9	3,892.9	3,295.0	2,681.6	2,199.6	1,757.5	1,381.0	-21.4%
Physical video software (EUR m)	263.0	252.0	255.2	193.0	152.5	103.6	72.7	-29.8%
Physical video software Total Europe (EUR m)	5,168.2	4,188.3	3,509.7	2,831.7	2,315.4	1,834.5	1,434.0	-21.8%
CONSUMER LEVEL DIGITAL VIDEO (OTT) – TOTAL SPENDING								
The purchase or rental of films and TV series delivered over the open internet. Digital retail numbers include purchase on content on pay TV set-top-boxes where applicable. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.								
Retail digital video (EUR m)	13.9	15.0	15.8	16.0	16.2	16.9	16.3	-3.3%
Rental digital video (EUR m)	13.4	15.0	16.2	16.9	17.6	25.2	27.6	9.5%
Subscription digital video (EUR m)	36.9	92.1	170.8	310.0	439.9	725.3	1,011.7	39.5%
Total digital video (EUR m)	64.1	122.0	202.7	342.9	473.7	767.4	1,055.6	37.6%
Total digital video Total Europe (EUR m)	3,046.1	4,076.2	5,394.8	7,557.9	9,980.3	14,491.3	18,137.9	25.2%
CONSUMER LEVEL PAY TV TRANSACTIONAL VOD – TOTAL SPENDING								
The rental of film and TV content on a transactional (VoD, NVoD/PPV) basis via cable/satellite/IPTV services, only on set-top-boxes. This category specifically excludes sports, live events and adult content to ensure it is comparable to physical video data.								
Pay TV TVOD (EUR m)	50.0	44.9	55.7	62.8	68.4	68.6	68.0	-0.8%
Pay TV TVOD Total Europe (EUR m)	907.7	942.2	1,024.7	1,074.6	1,125.7	1,213.1	1,160.7	-4.3%

*Notes: **1)** Note 1: Consumer level digital video (OTT) and pay TV transactional VOD figures may differ from locally published figures due to the application of different definitions. **2)** Historical numbers in this section may differ from those published in previous years owing to changes in Omdia methodology. **3)** The current online figures are a snapshot of the market in March 2022. Figures are updated regularly and so it may not possible to compare directly to figures published after this date. **4)** Total Europe include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK, Croatia, Czech Republic, Hungary, Poland, Russia, and Slovakia. **5)** OTT Subscriptions are subscriptions to online channels and virtual pay TV operators. Figures exclude multiscreen services of pay TV operators. **6)** Digital retail, digital rental and pay TV TVOD figures are according to Omdia and may differ from Univideo's other sources.*

Source: Omdia

Key players in the market (in alphabetical order)

Physical	Digital
Amazon	Chili
Deltavideo	Google Play
Euronics	iTunes
Feltrinelli	Mediaset
IBS (Internet Book Shop)	Rakuten TV
Mediamarket	Sky Italia
Mondadori	Sony Playstation store
Unieuro	Telecom Italia

Share of European market 2021

Physical retail
5.1%

Physical rental
5.5%

Digital video (OTT)
5.8%

Pay TV TVOD
5.9%

Average home entertainment spending

Spending per TV household (EURO)
€46.1

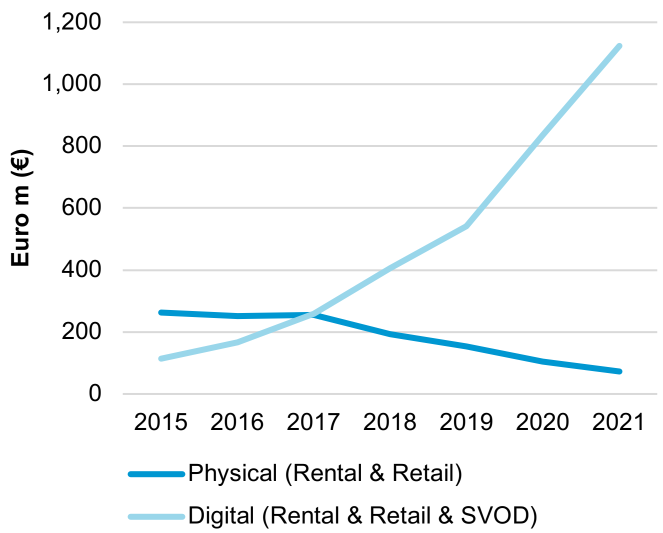
Spending per broadband household (EURO)
€76.0

Digital share of spend vs. broadband speed

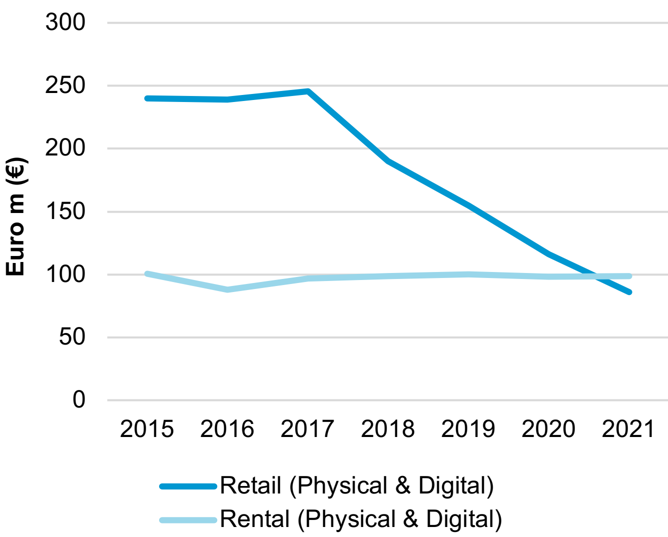
Share digital spend
88%

Broadband connections speed rank
(ranked across the 9 IVF countries)
#8

Comparison Physical vs Digital



Comparison Retail vs Rental



Note: Digital (Rental & Retail) includes SVOD data; Rental (Physical & Digital) excludes SVOD data

Source: Omdia