Italy

Italy key data 2020

Population (m)	60.5
TV households (m)	25.9
Consumer spending on physical video software (€m)	103.5
Comparison with 2019	-32.8%
Consumer spending on physical video software (€m) - Total Europe	1,931.1
Comparison with 2019	-17.9%
Consumer spending on digital video and TV VoD (€m)	751.4
Comparison with 2019	46.0%
Consumer spending on digital video and TV VoD (€m) - Total Europe	15,714.0
Comparison with 2019	41.3%
Consumer spending on total video (€m)	854.9
Comparison with 2019	27.9%
Consumer spending on total video (€m) - Total Europe	17,645.1
Comparison with 2019	31.0%

Italy key commentary

Market developments

In 2020, the Italian online market in general saw an increase as the COVID-19 pandemic led to an increase in consumer engagement on digital content and services constituting a considerable increase across several categories. In fact, in 2020, Italian consumers spent more time watching films and TV series compared to the previous year.

On the other hand, the physical retail market suffered tremendously during the COVID-19 pandemic: health and safety requirements and lockdowns led to the closure of the shops and kiosks where Italian consumers traditionally buy DVDs and Blu-rays. This led to an overall decline in physical consumer spending in 2020.

In addition, the absence of new title releases (a decrease in new releases of 59% compared to 2019 in the period of March-April 2020) and the closure of cinemas had a negative impact on the entire film and audiovisual sector and value chain in Italy.

Physical market

In 2020, the total consumer spending on physical video reached EUR 103,5 million, a decrease of 33% compared to 2019.

The first national lockdown in Italy in March 2020 substantially impacted the sales of physical video goods: a decline of 69%, translating into a loss of EUR 10.7 million compared to the same period in 2019. Despite the "Phase 2" reopening of Italy, the physical home entertainment market is struggling to return to pre-pandemic levels and continued health and safety regulations negatively affected performance through the end of the year 2020.

Digital market (OTT)

In 2020, digital online transactions (TVOD + EST) reached consumer spending of EUR 102 million (excluding promotions), an increase of +13.6% compared to 2019.

For the first time, digital consumer spending (TVOD and EST) reached a total market share of 51.1%, thus exceeding consumer spending on physical home entertainment products (DVD and Blu-ray) 108.2 million compared to 101.7 million last year).

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.

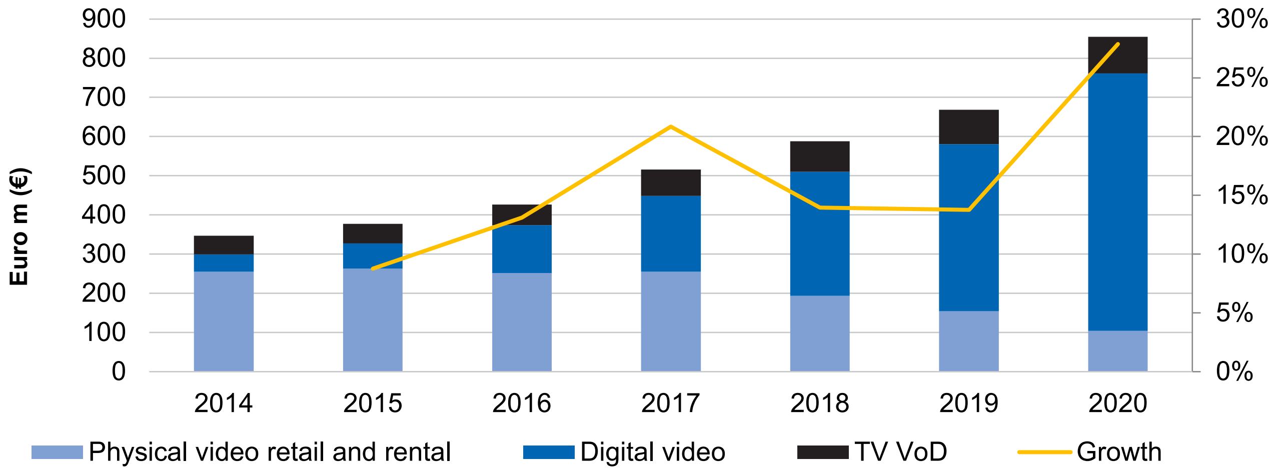
Other relevant developments

Unfortunately, due to the COVID-19 pandemic, piracy continued to be a serious problem for the film and audiovisual industry in Italy. During the lockdown, the estimated number of illegal activities increased from 69 million to 243 million.

FAPAV (Federazione per la Tutela dei Contenuti Audiovisivi e Multimediali) has intensified its enforcement activities on behalf of rightholders in the film and audiovisual sector, including home entertainment offline and online. Thanks to the AGCOM Regulation, FAPAV achieved the blocking of access to 376 illicit websites in 2020 and 224 since the beginning of 2021. Furthermore, the Federation has provided constant technical support to law enforcement authorities who have carried out several operations to fight film audiovisual piracy in the Italian market.

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

Consumer spending by segment



Video market: Italy

	2014	2015	2016	2017	2018	2019	2020	19/20 %
GENERAL								
Population (m)	60.4	60.6	60.7	60.7	60.6	60.6	60.5	-0.1%
TV households (m)	25.3	25.3	25.3	25.5	25.6	25.7	25.9	0.5%
Population Total Europe (m)	627.7	629.4	631.1	632.9	634.5	635.9	636.9	0.2%
TV households Total Europe (m)	256.5	258.6	260.2	262.1	263.8	265.7	267.6	0.7%
Broadband households (m)	12.5	13.0	13.7	14.5	14.9	15.2	15.4	1.6%
Nominal GDP (EUR m)	1,628.2	1,654.2	1,696.5	1,738.4	1,770.7	1,789.4	1,643.8	-8.1%
Consumer price index (100 in 2010)	119.5	100.0	99.7	102.9	109.1	104.1	105.3	1.1%
DVD Video player/recorder penetration (%)	86.1	84.9	83.7	82.0	80.5	79.1	77.8	-1.6%
Blu-ray Disc player/recorders penetration (%)	19.0	20.9	21.9	22.2	22.0	21.4	20.6	-3.6%
DVD Video player/recorder Total Europe (%)	71.6	69.4	67.0	64.4	61.7	59.2	56.9	-3.9%
Blu-ray Disc player/recorders penetration Total Europe (%)	18.4	20.7	21.8	22.3	22.3	21.7	21.0	-3.3%
OTT Subscriptions (m)	0.4	1.0	1.9	3.2	5.0	7.2	11.1	55.9%

Total video software market

	2014	2015	2016	2017	2018	2019	2020	19/20 %
CONSUMER LEVEL ALL VIDEO								
Total market figures include consumption of both physical and digital video.								
Total spending on video (EUR m)	347.0	377.3	426.8	515.7	587.7	668.6	854.9	27.9%
Growth (%)		8.8%	13.1%	20.9%	14.0%	13.8%	27.9%	
Total spending on video Total Europe (EUR m)	8,519.2	9,170.6	9,285.6	9,907.9	11,421.4	13,471.6	17,645.1	31.0%
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)	41.3	37.0	28.0	25.1	19.0	14.0	4.5	-67.9%
Physical video rental Total Europe (EUR m)	517.6	431.4	295.5	207.5	145.2	109.8	75.0	-31.7%
Physical video retail (EUR m)	214.0	226.0	224.0	230.1	174.0	140.0	99.0	-29.3%
Physical video retail Total Europe (EUR m)	5,178.1	4,737.7	3,934.4	3,287.6	2,734.8	2,241.8	1,856.1	-17.2%
Physical video software (EUR m)	255.3	263.0	252.0	255.2	193.0	154.1	103.5	-32.8%
Physical video software Total Europe (EUR m)	5,695.7	5,169.1	4,229.9	3,495.1	2,880.0	2,351.5	1,931.1	-17.9%
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)	12.2	13.9	15.0	15.8	16.0	16.2	17.1	5.0%
Rental digital video (EUR m)	11.1	13.4	15.0	16.2	16.9	17.6	25.4	44.6%
Subscription digital video (EUR m)	20.4	36.9	92.1	161.4	283.8	392.8	615.2	56.6%
Total digital video (EUR m)	43.7	64.1	122.0	193.4	316.7	426.6	657.7	54.2%
Total digital video Total Europe (EUR m)	2,005.7	3,093.6	4,105.6	5,376.5	7,427.7	9,941.6	14,501.4	45.9%
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)	48.0	50.2	52.7	67.2	78.0	87.9	93.7	6.6%
Pay TV TVOD Total Europe (EUR m)	817.8	907.9	950.0	1,036.3	1,113.7	1,178.5	1,212.6	2.9%

*Notes: **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 2021. 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	Amazon Prime Video	SVOD	Chili TV	TVOD
Deltavideo	Discovery+	SVOD	Google Play	TVOD
Euronics	Disney+	SVOD	Infinity TV	TVOD
Feltrinelli	Infinity TV	SVOD	iTunes	TVOD
IBS (Internet Book Shop)	Mediaset Premium	SVOD	Playstation Store	TVOD
Mediamarket	Netflix	SVOD	Rakuten TV	TVOD
Mondadori	Sky Italia	SVOD	Sky PrimaFila	TVOD
Unieuro	Tim Vision	SVOD	Tim Vision	TVOD

Share of European market 2020

Physical retail
5.3%

Physical rental
6.0%

Digital video (OTT)
4.5%

Pay TV TVOD
7.7%

Average home entertainment spending

Spending per TV household (EURO)
€33.0

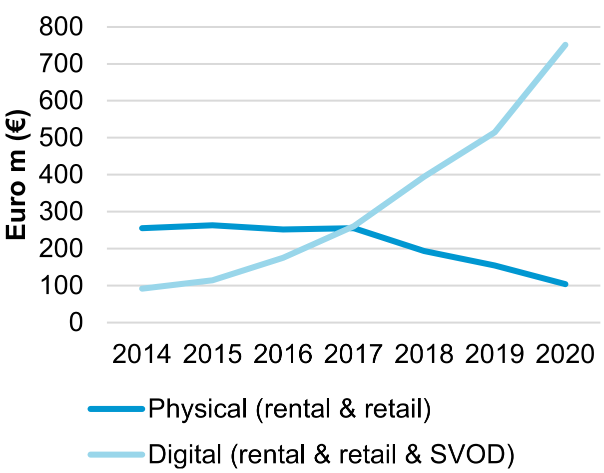
Spending per broadband household (EURO)
€55.4

Digital share of spend vs. broadband speed

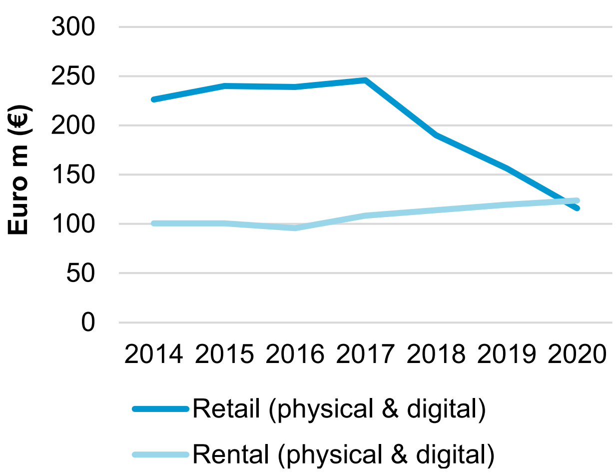
Share digital spend
77%

Broadband connections speed rank
(ranked across the 9 IVF countries)
#6

Comparison physical vs digital



Comparison retail vs rental



Note: Digital (rental & retail) includes SVOD data; Rental (physical & digital) excludes SVOD data

Source: Omdia