



PIRACY OBSERVATORY

AND DIGITAL CONTENT CONSUMPTION HABITS

2020





Piracy observatory and digital content consumption habits 2020



Study nº : 16938

People responsible for this project:

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ER- 0484/1/00

ASO/000021

Technical details

Universe

Spanish resident Internet users, between 11 - 74 yrs old. Survey with under 16 year olds was carried out with prior consent of parent or tutor.

Area

National

Total sample

3022 interviews

Sample error

Total at national level n 3022 = $\pm 1,78\%$, for a level of confidence of 95%, being $p=q=0,50$

Type of interviews

Online survey, with semi-structured questionnaire, approximate duration of 15 minutes.

Sampling method

Stratified random sampling by conglomerates

Quality control

Abiding by ISO 9001:2015 standards

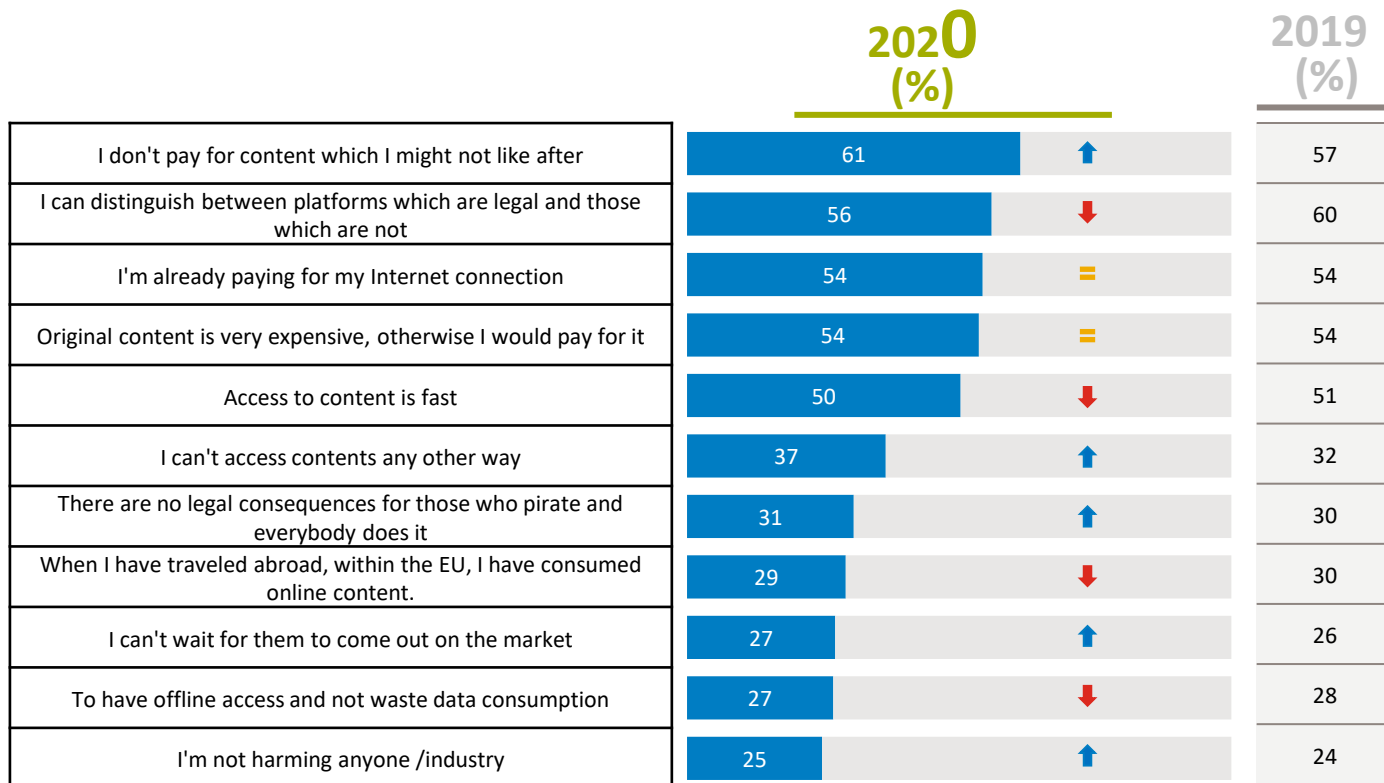
Fieldwork

Last quarter 2020

Findings

Reasons for piracy

4 out of 10 piracy consumers have a lot of difficulty in differentiating between legal websites and those which are not.



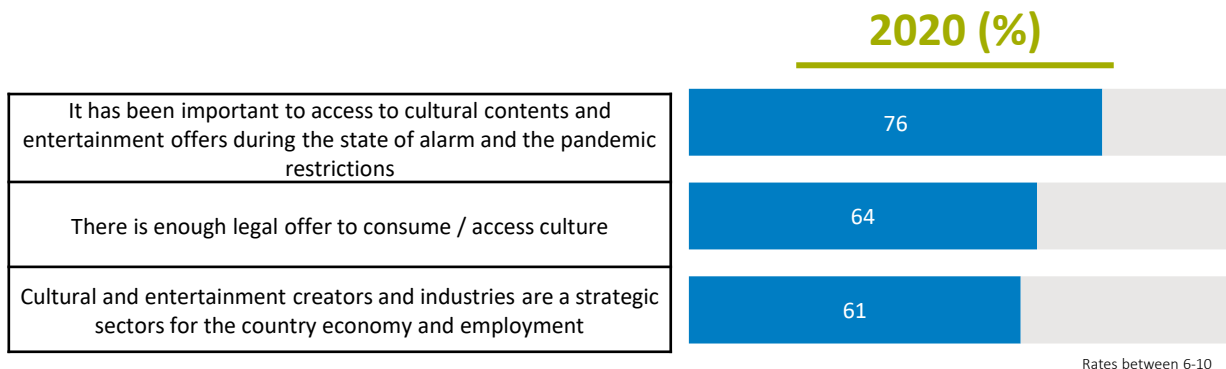
Rates between 7-10

The reason that most increases in 2020 is that they can't access contents any other way.

Cultural contents and entertainment offers



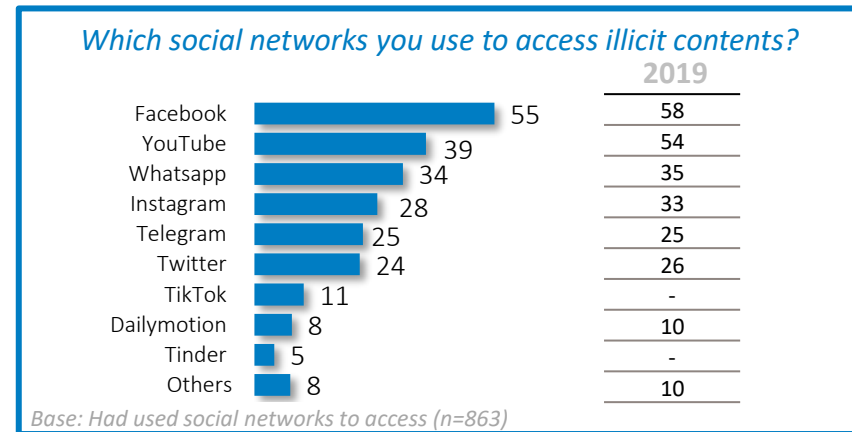
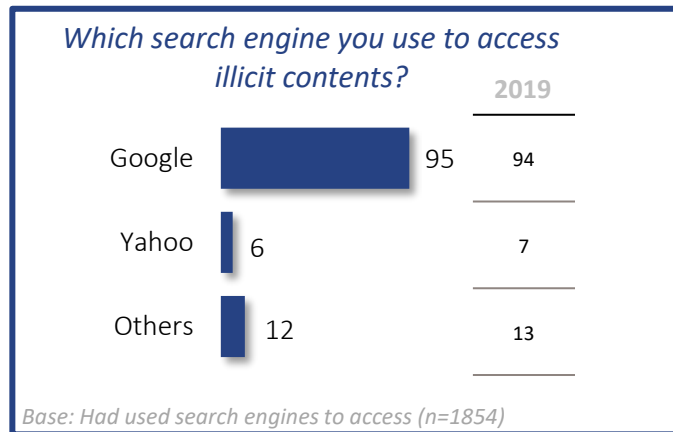
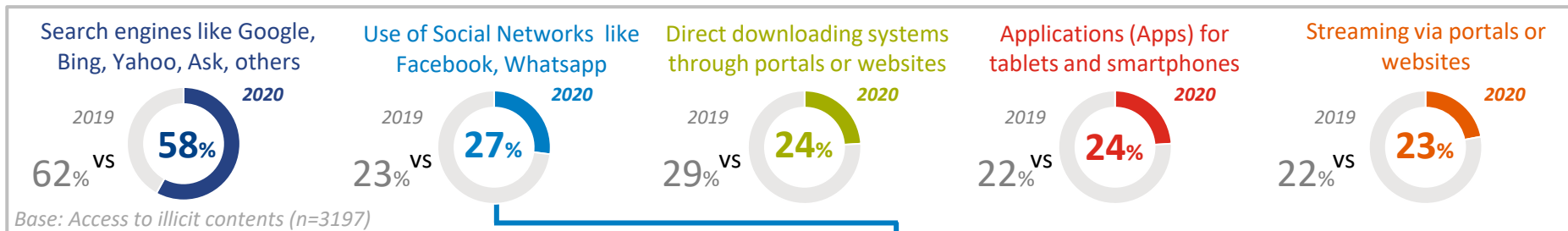
For 8 out of 10 users it has been important to access cultural contents and entertainment offers during the state of alarm and pandemic restrictions.



In other hand, 6 out of 10 consider that cultural and entertainment creators and industries are strategic for the country economy and employment and that they consider there is enough legal offer to consume / access culture

How do they access illicit contents?

In 2020 stand out the increase through **Social Networks**, the most used being **Facebook, Youtube, Whatsapp and Instagram**. Also it increases the access through **Apps** and **streaming via portals or websites**.

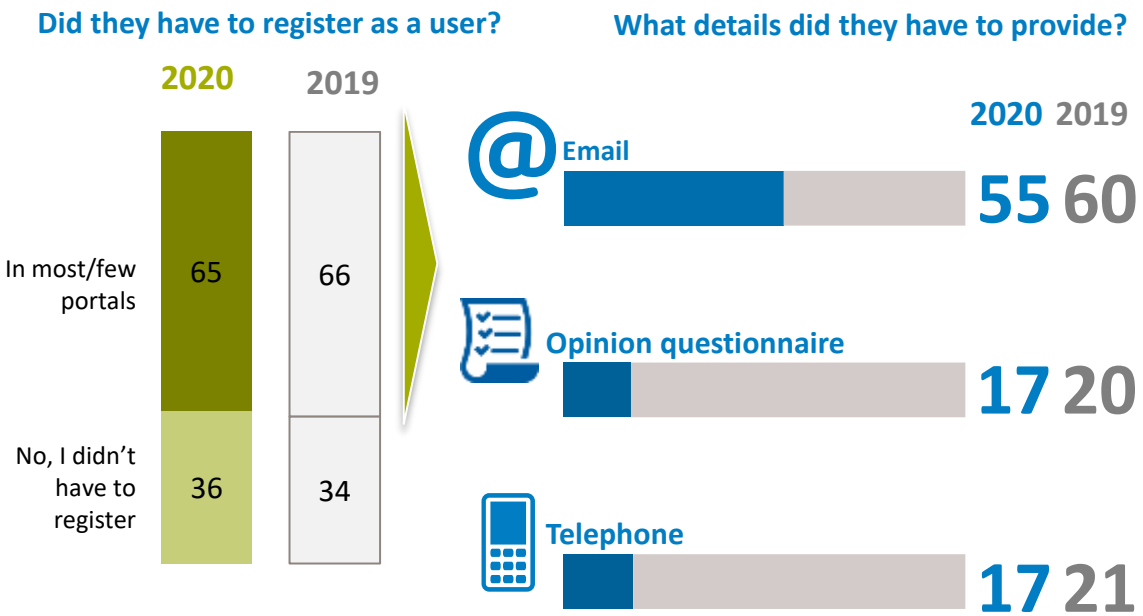


Unit: Percentages

How illicit portals are financed? (I): Obtainment of personal data



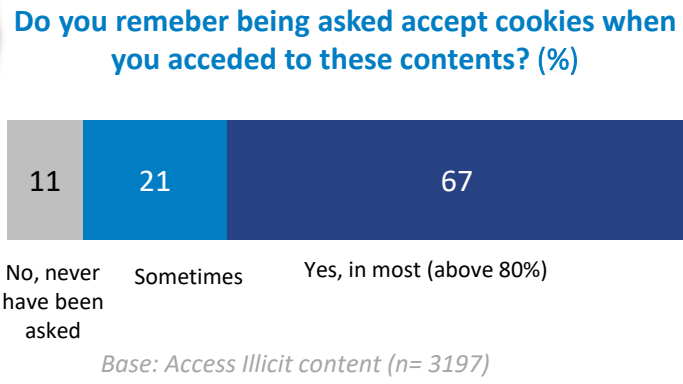
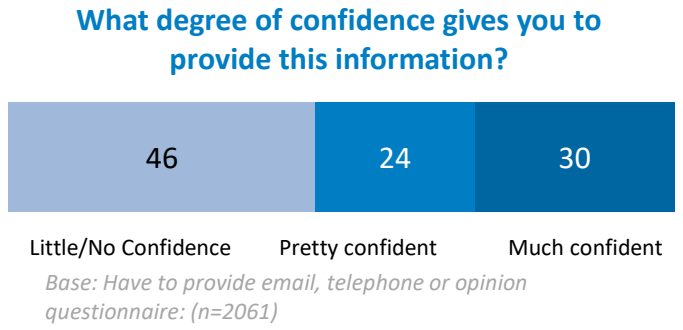
7 out of 10 users who have accessed illicit contents had to register as a user. 5 out of 10 distrust these portals when they have to give information. 9 out of 10 users had been asked to accept cookies.



Base: Access to Illicit contents (n=3197)

Base: Have to register as a user (n=2061)

Unit: Percentages

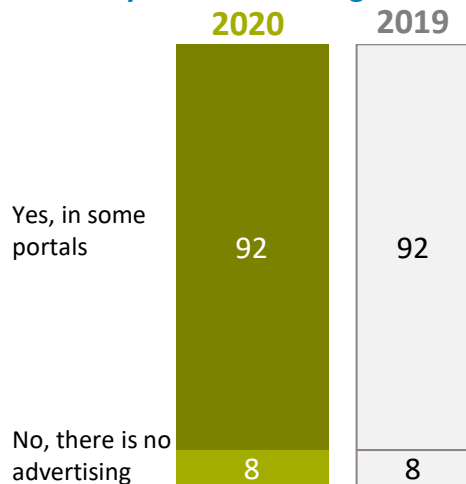


How illicit portals are financed? (II): Advertising and payment methods



Virtually all of the illegal content portals **have advertising**. In 2020 more than half of the internet users remember having seen advertising of **betting websites and/or online gambling**, it also increases up to 41% the **online sales webs** advertising, and up to 37 % for **dating websites**. 2 out of 10 have been asked to pay to download ilegal content , being the **credit card** and **Paypal** the most used methods. 9% of the users used **criptocurrency** as **payment method**. 2 out of 10 have to **fill out a survey** to access the content. **Half of the users** remember **to have seen contact information** and **6 out of 10** receive **more spam and advertising** since they access these portals and **they had an incident**.

When you access to these contents, do they have advertising?



Base: Access illicit portals (n=3197)

Advertising they recall

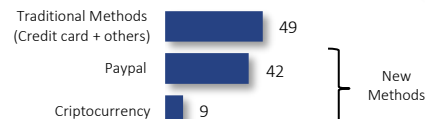


Base: Declare that the portals have advertising (n=2941)

Has paid for the content downloaded in these pages

20% 2019 vs 22%

Payment method



Has filled out a survey when they access to the content.

22% 2019 vs 23%

Remember to have seen contact information

49%

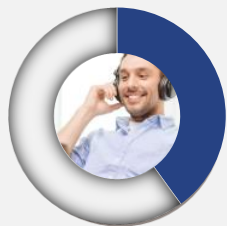
Receive more spam and advertising

62%

Had an incidence and has tried to contact them

60%

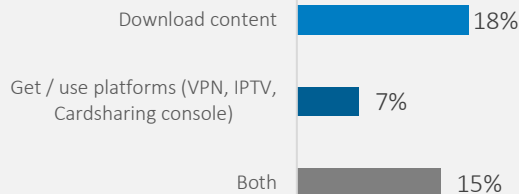
Tutorials to learn how to download content



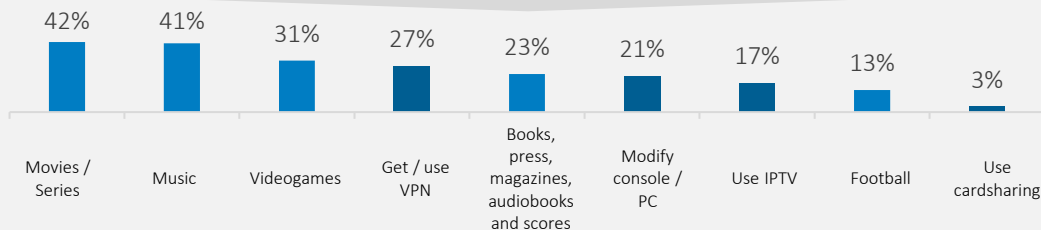
40% of Internet users have used them

Base: Internet users aged 11 and over (n=3022)

Youtube provides users with tutorials on how to download content and use platforms

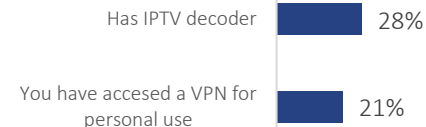


The most used tutorials are those that show how to download movies / series, music, videogames and to get or use a VPN



Base: have seen tutorials (n=1222)

Equipment



Content portal

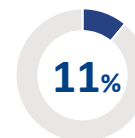
57% of those who access free digital content has tried to access content, but it was closed / no longer existed

Base: free digital consumers (n=2811)

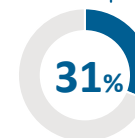
15% of the users, when they accessed they saw a message explaining the reasons the portal was closed

Base: free digital consumers (n=2811)

they offered another portal to access to the contents



a search engine help them to find a new portal



Base: free digital consumers (n=2811)

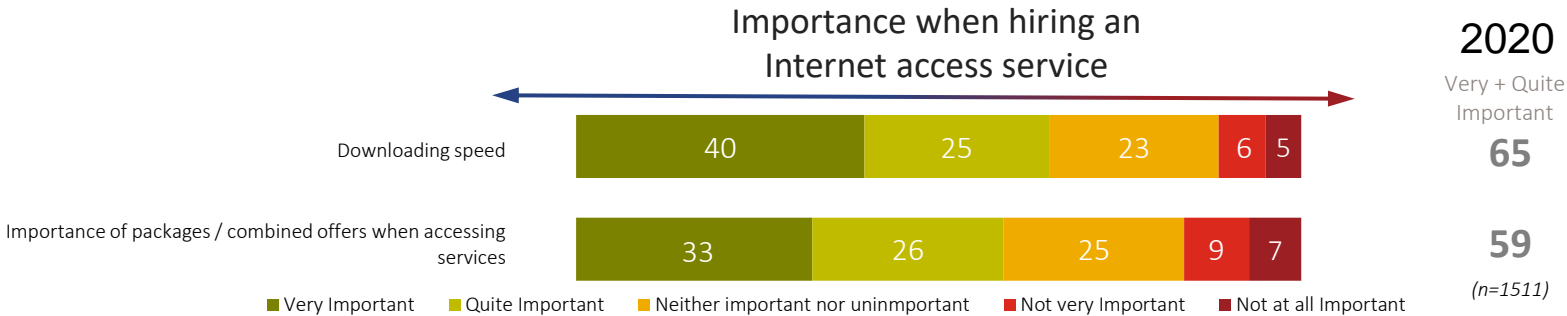
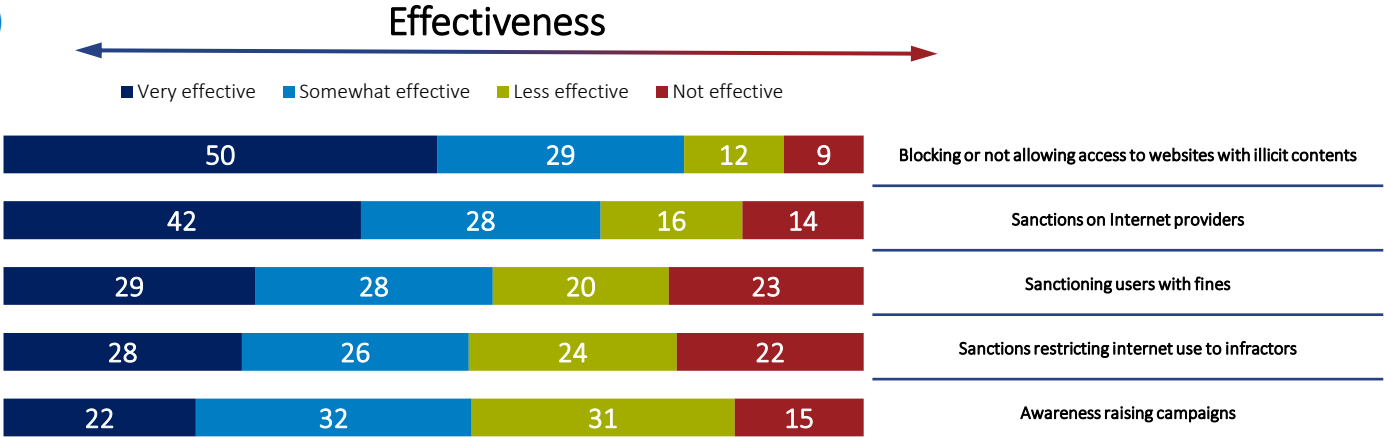
Effectiveness of measures against piracy

8 out of 10 consider that the **most effective** measures against piracy are blocking websites with illicit contents, followed by sanctions to internet providers.



(Very + Somewhat effective)

2019	2020
77	79 ↑
66	69 ↑
51	57 ↑
-	54
64	54 ↓



Base: Total sample

Access to contents



Slightly decreases number of consumers of illegal music and increases legal digital music consumers.

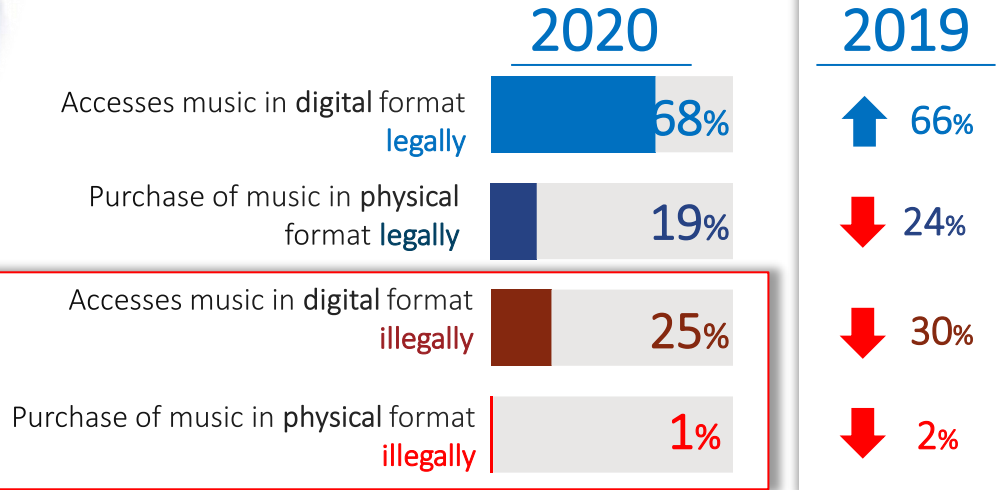
2019
31%

vs

26%

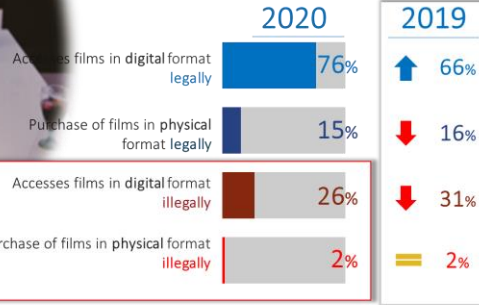
Piracy consumers in
physical or digital
format

**Piracy
consumer**



The legal consumption of movies and series increases and the illegal consumption decreases.

FILMS



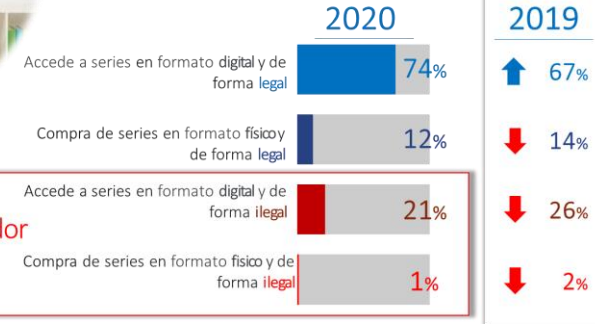
2019
32%

27%
Piracy consumers in physical or digital format

Piracy consumer

Base: Internet users aged 11 and over (n=3022)

SERIES

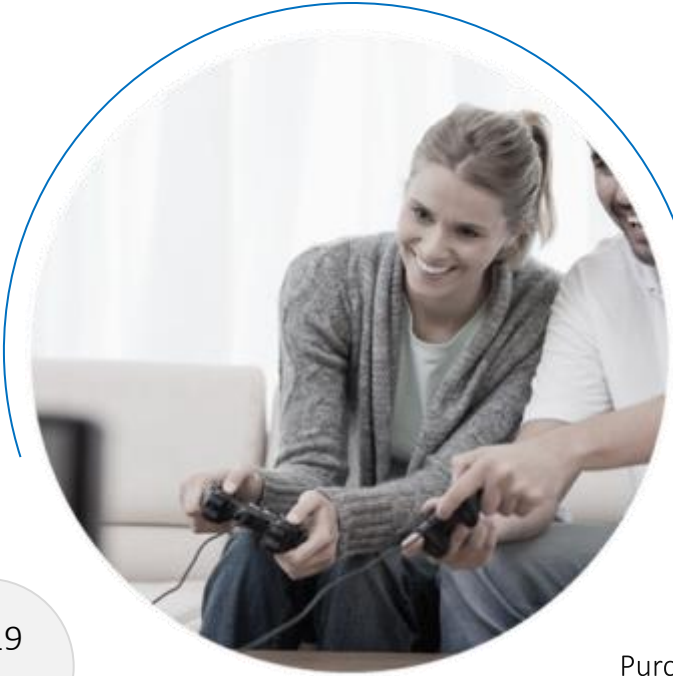


2019
27%

VS

22%
Consumidores piratas en formato físico o digital

Consumidor Pirata



The illegal consumption of video games is maintained and legal consumption increases.

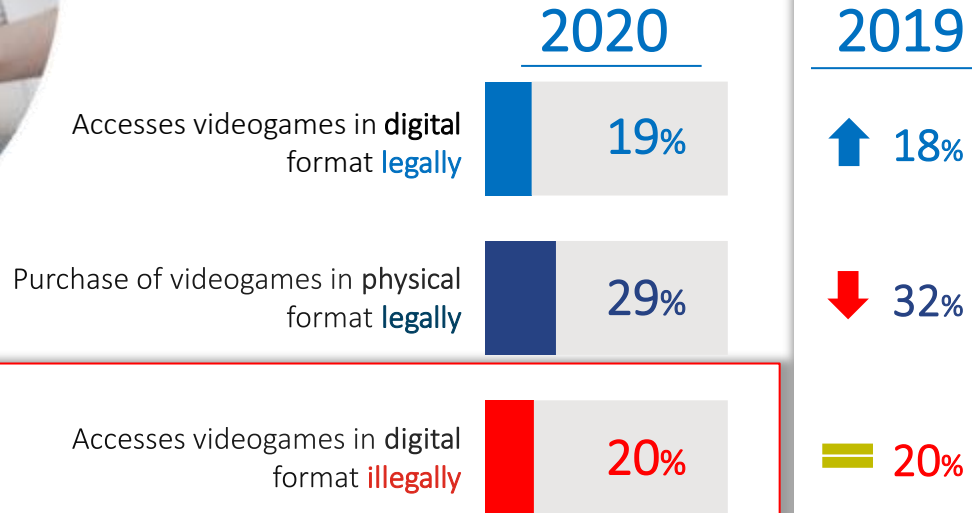
2019
20%

vs

20%

Piracy consumers in
digital format

Piracy
consumer





The legal and illegal consumption of books is maintained

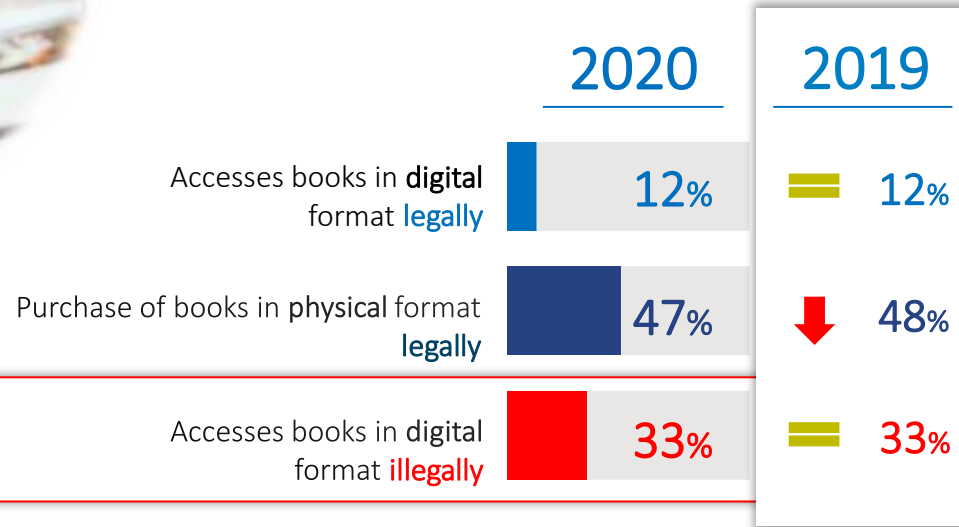
2019
33%

vs

33%

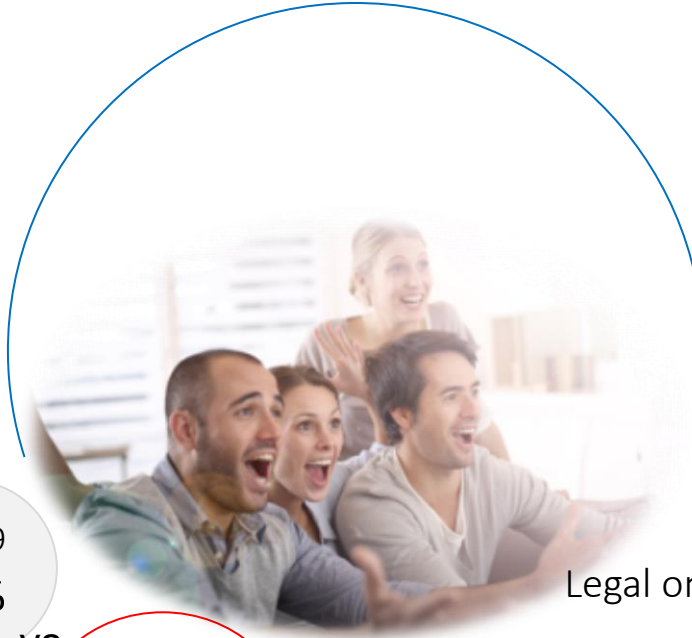
Piracy consumers in
digital format

**Piracy
consumer**



Base: Internet users aged 11 and over (n=3022)

Football consumption through illegal channels increases and legal consumption decreases.



2019
22%

VS

23%

**Piracy
consumer**

Legal online (I have watched football on the Internet through a paid subscription)

2020

32%

2019



33%



22%

Illegal (I have watched football free on the Internet)

23%

Base: Internet users aged 11 and over (n=3022)

We are talking about individuals,
not households.

The illegal consumption of press and magazines in digital format triples the legal one.

PRESS



MAGAZINES





Illegal consumption of scores is maintained

5%
Piracy consumers in
digital format

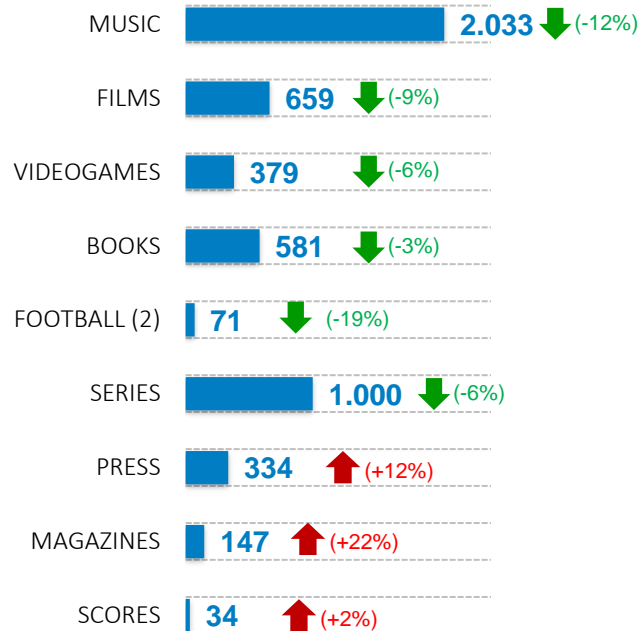
**Piracy
consumer**

	2020	2019
Accesses scores in digital format legally	2%	↓ 6%
Purchase of scores in physical format legally	3%	= 3%
Accesses scores in digital format illegally	5%	= 5%

Piracy in Spain and lost profit for all industries

Illegal digital access

VOLUME - Millions of contents



Millions of contents

5.239 (-7%)

% individuals
who access

2020 Variation with 2019

25% -16%

26% -15%

20% -2%

33% +1%

10% +1%

21% -20%

25% +12%

18% +37%

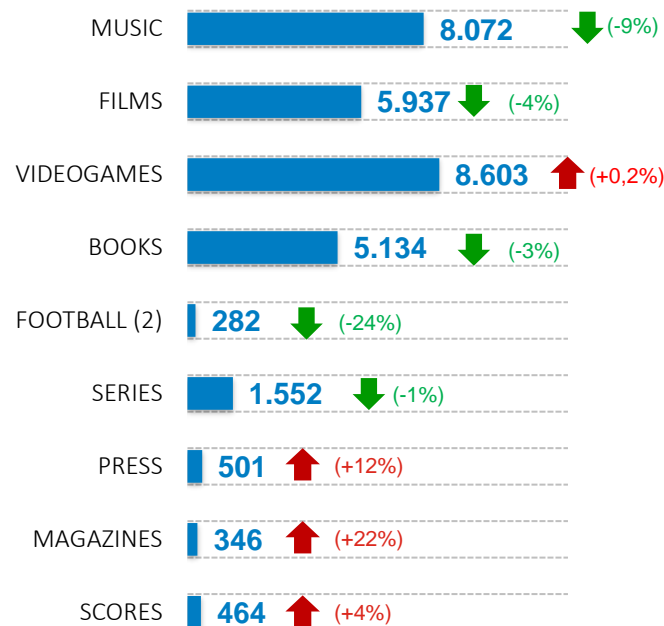
5% -9%

■ 2020



VALUE Millions of euros

Variation with 2019



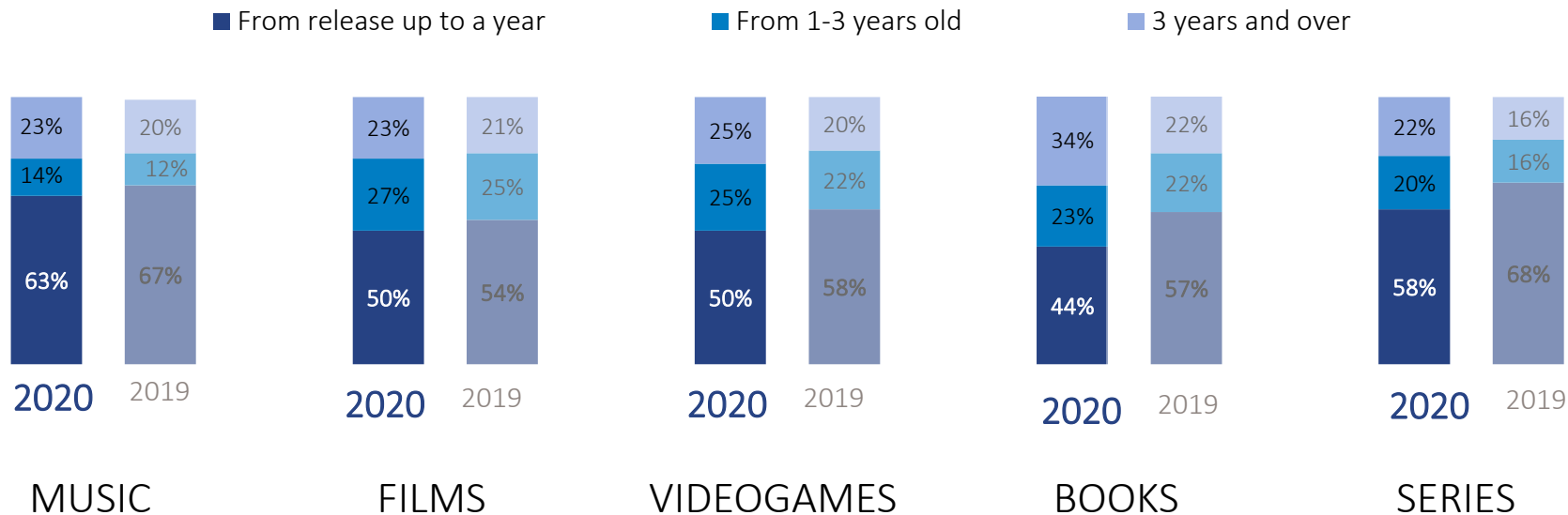
Millions of €

30.892 (-4%)

Base: Total Sample (n=3022)

Illicit access in terms of age of content

Most of the consumed contents are **new releases** in all the industries.



Summary. Lost profit in industry in Spain due to the effect of piracy.

The **lost profit** in 2020 for the industries was **2.416** million euros



Music

WOULD BUY MUSIC
15
million €

COMPRARÍA MÚSICA
ONLINE
468
million €

482 million

154% increase in industry value

6% conversion value pirate - legal

Would mean x2,5 times the current industry value



Films

COMPRARÍA PELÍCULA
FÍSICA
189
million €

COMPRARÍA PELÍCULA
ONLINE
133
million €

322 million

86% increase in industry value

5% conversion value pirate - legal

Would mean x1,9 times the current industry value



Books

COMPRARÍA
LIBROS FÍSICA
82
million €

COMPRARÍA
LIBROS ONLINE
158
million €

240 million

10% increase in industry value

5% conversion value pirate - legal

Would mean x1,1 times the current industry value



Videogames

COMPRARÍA VIDEOJUEGOS
FÍSICO
58
million €

COMPRARÍA VIDEOJUEGOS
ONLINE
147
million €

205 million

16% increase in industry value

2% conversion value pirate - legal

Would mean x1,2 times the current industry value



Football

SE SUSCRIBIRÍAN A FÚTBOL
231 million €

231 million

20% increase in industry value

82% conversion value pirate - legal

Would mean x1,2 times the current industry value



Press

COMPRARÍA PRENSA FÍSICO
191
million €

COMPRARÍA PRENSA
ONLINE
154
million €

345 million

30% increase in industry value

69% conversion value pirate - legal

Would mean x1,3 times the current industry value



Magazines

COMPRARÍA PRENSA FÍSICO
220
million €

COMPRARÍA PRENSA
ONLINE
205
million €

426 million

71% increase in industry value

123% conversion value pirate - legal

Would mean x1,7 times the current industry value



Series

PAGARÍAN POR SERIES
138 million €

138 million

24% increase in industry value

9% conversion value pirate - legal

Would mean x1,2 times the current industry value



Scores

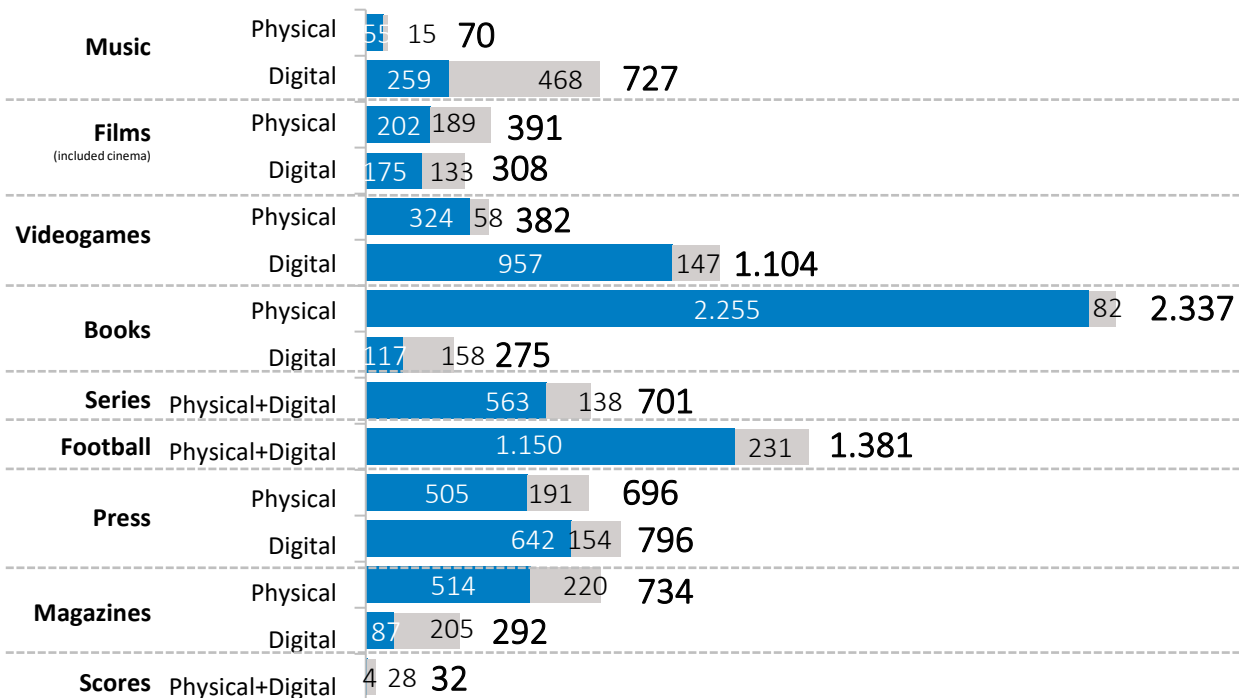
PAGARÍAN POR PARTITURAS
28 million €

28 million

Industry value + profit lost

■ Industry Value
Unit: Million euros

■ Profit Loss



2020

Variation with 2019

Music 796		-2%	
314	482	+10%	-8%
Films 699		-42%	
377	322	-51%	-26%
Videogames 1486		+18%	
1281	205	+21%	+1%
Books 2612		+1%	
2372	240	+0,3%	+4%
Series 701		+37%	
563	138	+39%	+28%
Football 1381		-4%	
1150	231	0%	-21%
Press 1492		0%	
1147	345	-5%	+20%
Magazines 1027		-7%	
601	426	-23%	+32%
Scores 32		-7%	
4	28	0%	-8%
Total 7809		-3%	
2416		-1%	
Industry		Lost Profit	
Industry		Lost Profit	

Repercussion on public funds and employment

Employment



Coalición
de creadores e industrias de contenidos



Total value of the profit lost because of the illegal accesses

2.416 Million euros

31% increase over the anual billing of the industries.

New direct jobs generated⁽¹⁾

21.720

It's estimated that 1 direct job can generate 5 indirect ones

130.318 total jobs

Total lost income in public funds

682

VAT – 424

Social Security – 200

IRPF – 59

Million of euros

Currently the content industries who are members of the The Coalition employ in Spain

89.598 direct workers

Direct jobs generated without illegal accesses 2020

Content and area of work	CURRENT POSITIONS 2020	Estimated increase %	Estimated increase	TOTAL EMPLOYMENT
MUSIC				
Production	5.950	24%	1424	7.374
Distribution	1.740	52%	899	2.639
FILMS				
Production	10.949	44%	4819	15.768
Other distribution	663	121%	802	1.465
Video rental	1.745	233%	4058	5.803
Exhibition	14.543	34%	4874	19.417
VIDEOGAMES				
Total	9.125	9%	855	9.980
BOOKS				
Editorial production	4.454	5%	225	4.679
Distribution	19.352	10%	1958	21.310
SERIES				
Employment	500	17%	84	584
FOOTBALL				
Employment	8.081	11%	865	8.946
SCORES				
Employment	21	192%	40	61
PRESS	6.644	4%	266	6.910
MAGAZINES	5.831	9%	551	6.382
TOTAL	89.598	24%		111.318

Increase in direct employment
+24%

New positions generated in a scenario without piracy

21.720 direct jobs

It is estimated that 1 direct job can generate 5 indirect ones
130.318 total jobs

21.720 jobs

Public funds cease to receive...

VAT	PHYSICAL	ONLINE	TOTAL
MUSIC	3	98	101
FILMS	40	28	68
VIDEOGAMES	12	31	43
BOOKS	3	33	36
SERIES	29		29
FOOTBALL	48		48
PRESS	8	32	40
MAGAZINES	9	43	52
SCORES	6		6
			424 million

Unidad: Million euros

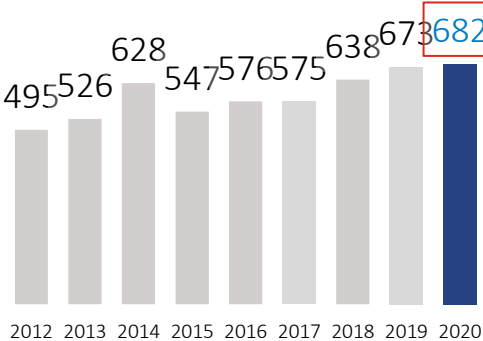
Note: VAT rate applied 21% except paper books, press and scores 4%



	New jobs	Salary applied*	Rate applied	TOTAL
SOCIAL SECURITY	21.720	23.647	38,9%	200 million
Unidad: Millones de euros				
	New jobs	Salary applied*	Rate applied	TOTAL
IRPF	21.720	23.647	11,5%	59 million
* Sueldo promedio aplicado sobre estimación GfK a partir de los datos de la Encuesta Anual de Estructural Salarial del INE				

Total lost income in public funds

682
VAT – 424
Social Security – 200
IRPF – 59
Million euros

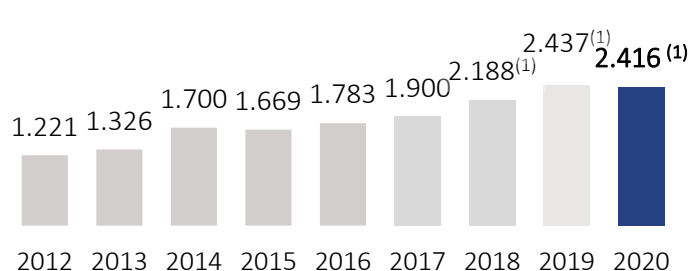


Unidad: Millones de euros

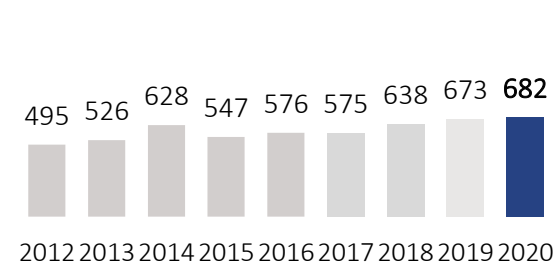
5.340
Million of euros in 9 years, lost in public funds

Impact of piracy

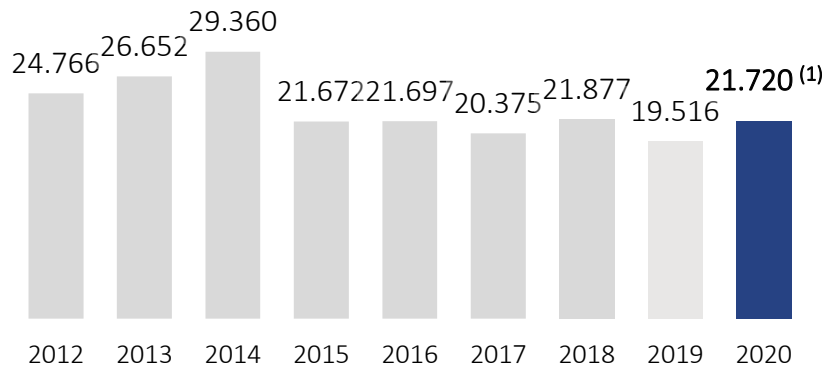
Total value of lost profit due to piracy



Total lost income in public funds



New direct jobs



IVA – 424
Seguridad Social – 200
IRPF – 59



(1) Data with representation of Press, Magazines and Scores

THANK YOU

PIRACY OBSERVATORY

AND DIGITAL CONTENT CONSUMPTION HABITS

2020



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