

2019

PIRACY OBSERVATORY AND DIGITAL CONTENT CONSUMPTION HABITS





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Technical details



	Declared study	Observational study
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.	Spanish resident Internet users from 18 years old that in the last month have entered in some illegal portal from any industry.
Area	National	
Total sample	3031 interviews	1200 interviews
Observed sample (navigation data)		9000 real navigation observations passively collected with tracking software installed on different devices (Smartphone, PC and/or Tablet).
Sample error	Total at national level n 3031= +-1,78%, for a level of confidence of 95%, being p=q=0,50	Total at national level n 1200= +-2,83%, 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	Simple random without replacement
Quality control	Abiding by ISO 9001:2015 standards	
Fieldwork	Last quarter 2019	
Methodological notes	2018 data presented in this report is updated and consolidated with the new ways and platforms that are in the industries since a time ago, in order to make an exact as possible comparison with 2019	

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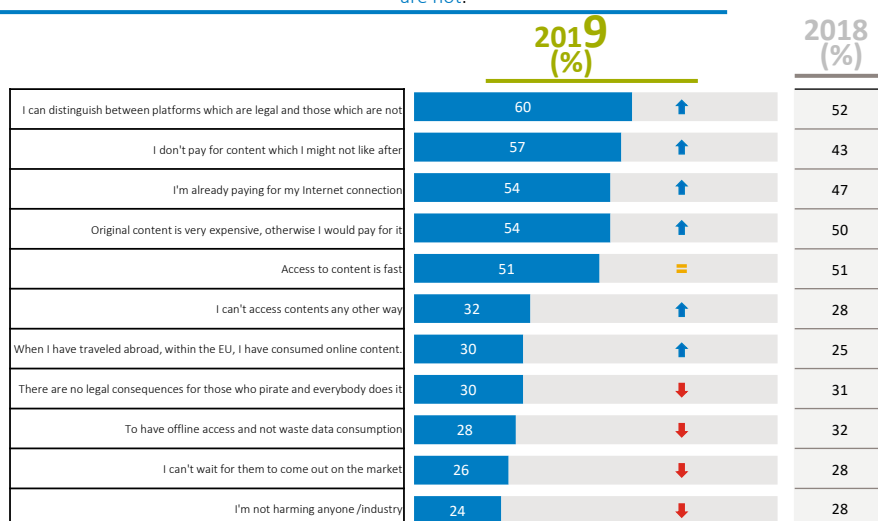
Findings

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Reasons for piracy

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



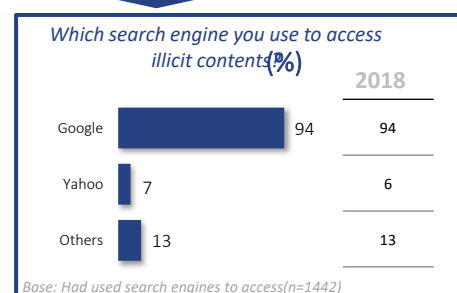
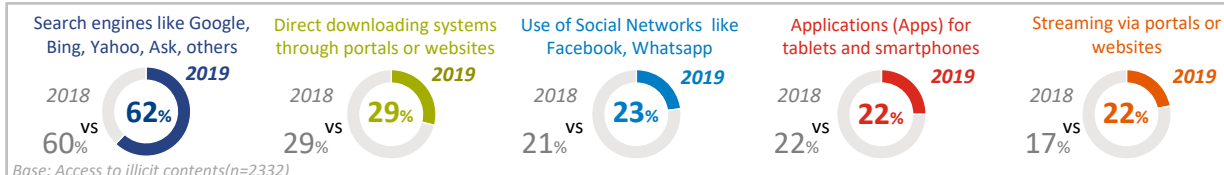
A key reason why they say they access illegal content that more increases in 2019 is because they **already paying for their Internet connection**. However, the **degree of awareness about piracy** positively increases.

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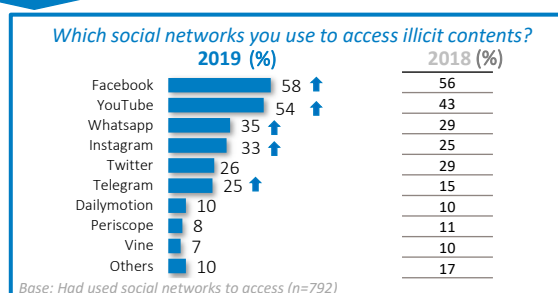
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How do they access illicit contents?

6 out of every 10 internet users use search engines to access **illicit contents**. In 2019 the rise of the access through **Social Networks (Facebook, Whatsapp, Telegram...)** stands out.



Unit: Percentages



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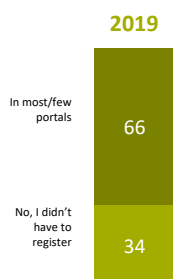
How illicit portals are financed? (I): Obtainment of personal data

7 out of 10 users who have acceded **illicit contents** had to **register as an user**.

4 out of 10 **distrust** these portals when they have to give **information**



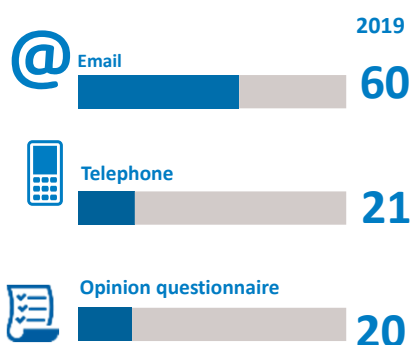
Did they have to register as an user?



Base: Access to Illicit contents (n=2332)

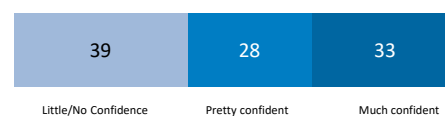
Unit: Percentages

What details did they have to provide?



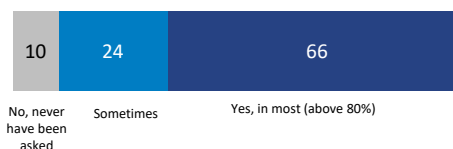
Base: Have to register as an user (n=1713)

What degree of confidence gives you to provide this information?



Base: Have to provide email, telephone or opinion questionnaire: (n=1713)

¿Recuerda si en el acceso a los contenidos se le preguntó en algún momento si aceptaba las cookies? (%)



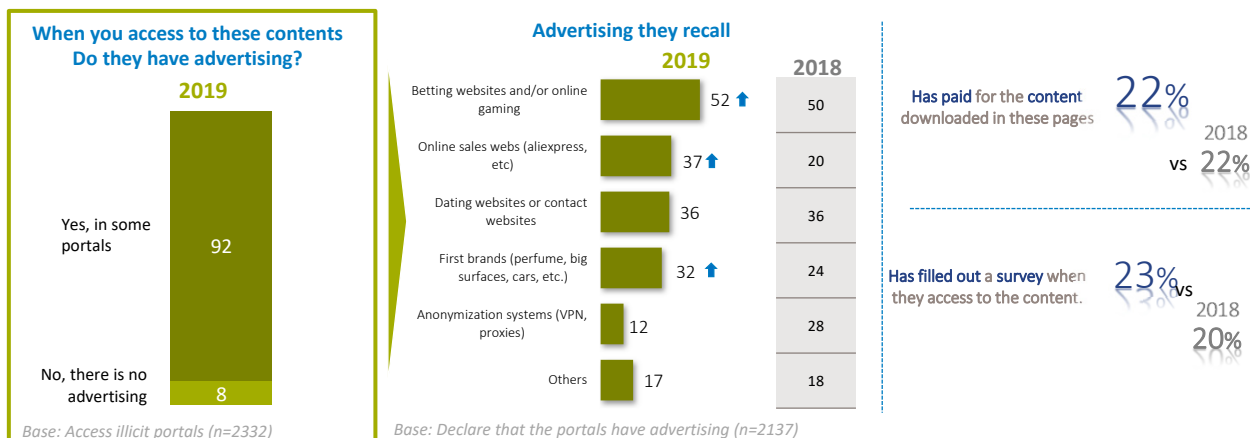
Base: Access Illicit content (n= 2332)

6

6

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

Virtually all of the illegal content portals **have advertising**. In 2019, more than half of the internet users remember having seen advertising of **Betting websites and/or online gambling**, and it also increases up to 37% the **online sales webs** advertising, and up to 32% for **top brands** advertising. **9** out of **10** internet users have been asked to **accept cookies**. **2** out of **10** had to pay to download ilegal content and also **2** out of **10** have to fill out a survey to access to it.

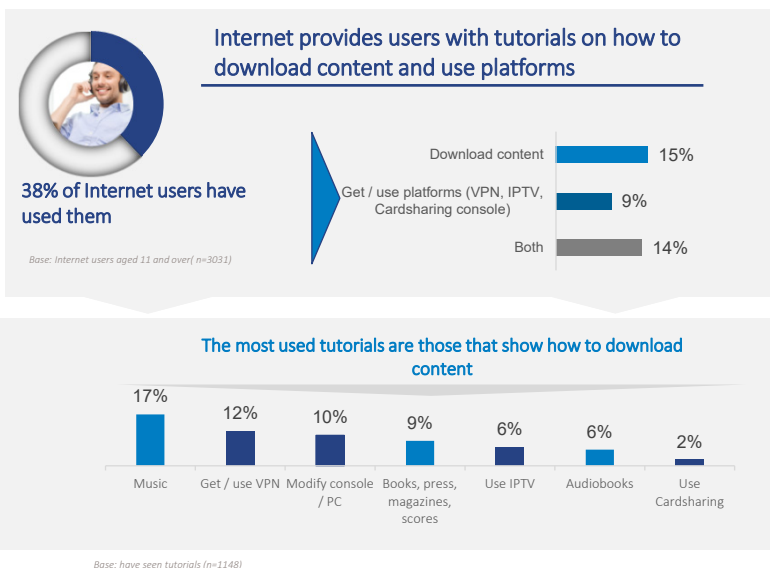


Unit: Percentages

7

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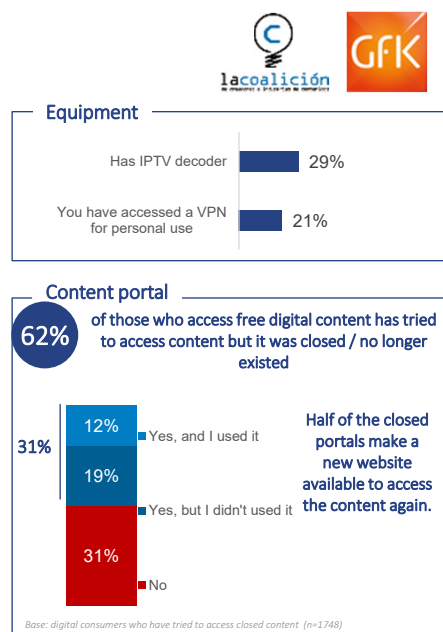
Tutorials to learn how to download content



Base: Internet users aged 11 and over (n=3031)

8

8



Effectiveness of measures against piracy

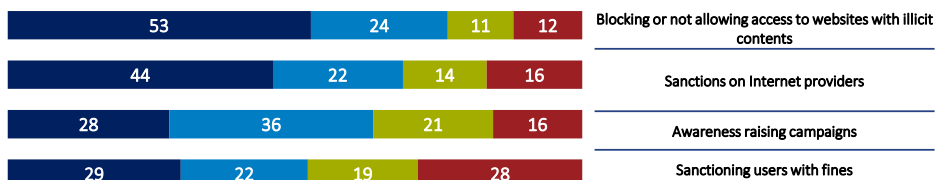
8 out of 10 consider that the **most effective** measures against piracy are blocking websites with illicit contents and the number of users that consider effective the **awareness campaigns** has rise.



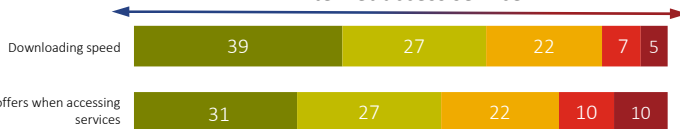
(Very + Somewhat effective)

2019	2018
77 ↑	75
66 ↓	71
64 ↑	59
51 ↓	54

Effectiveness



Importance when hiring an Internet access service



2019

Very + Quite Important

66

58

(n=1176)

Base: Total sample

9

9

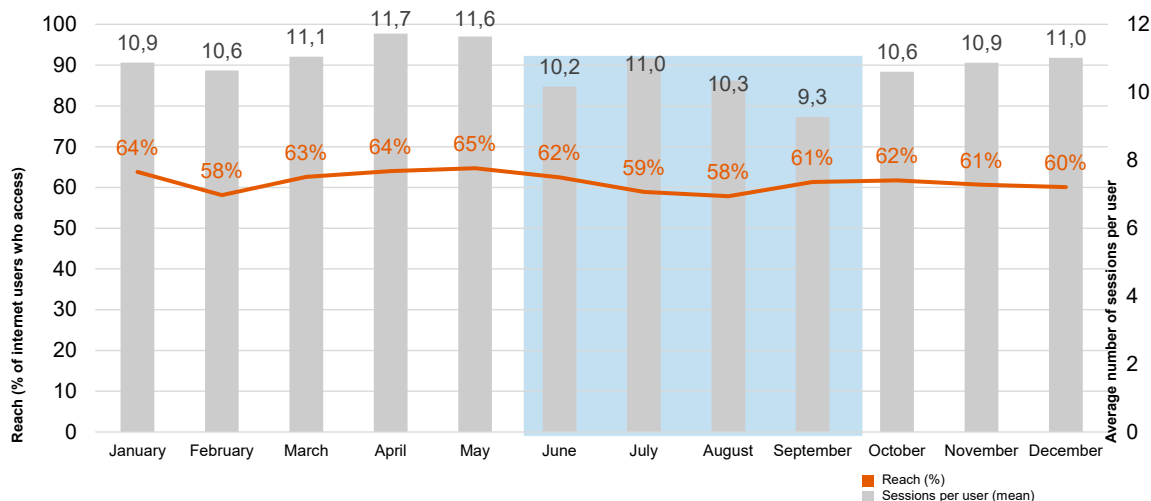
Access to contents

10

10

Seasonality and Frequency of illegal access to content

Although the scope and frequency of use is similar throughout the year, a slight reduction is observed coinciding with the summer months. 6 out of 10 internet users, access up to 11 times a month, to some type of illegal content (music, film, videogames, book, press and football).



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Music. Summary



Slightly decreases the number of consumers of illegal music.

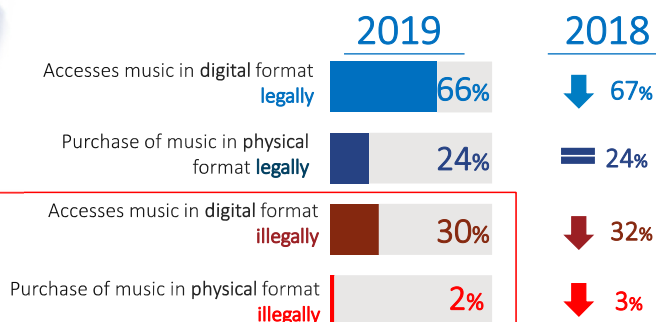
2018
33%

vs

31%

Piracy consumers in physical or digital format

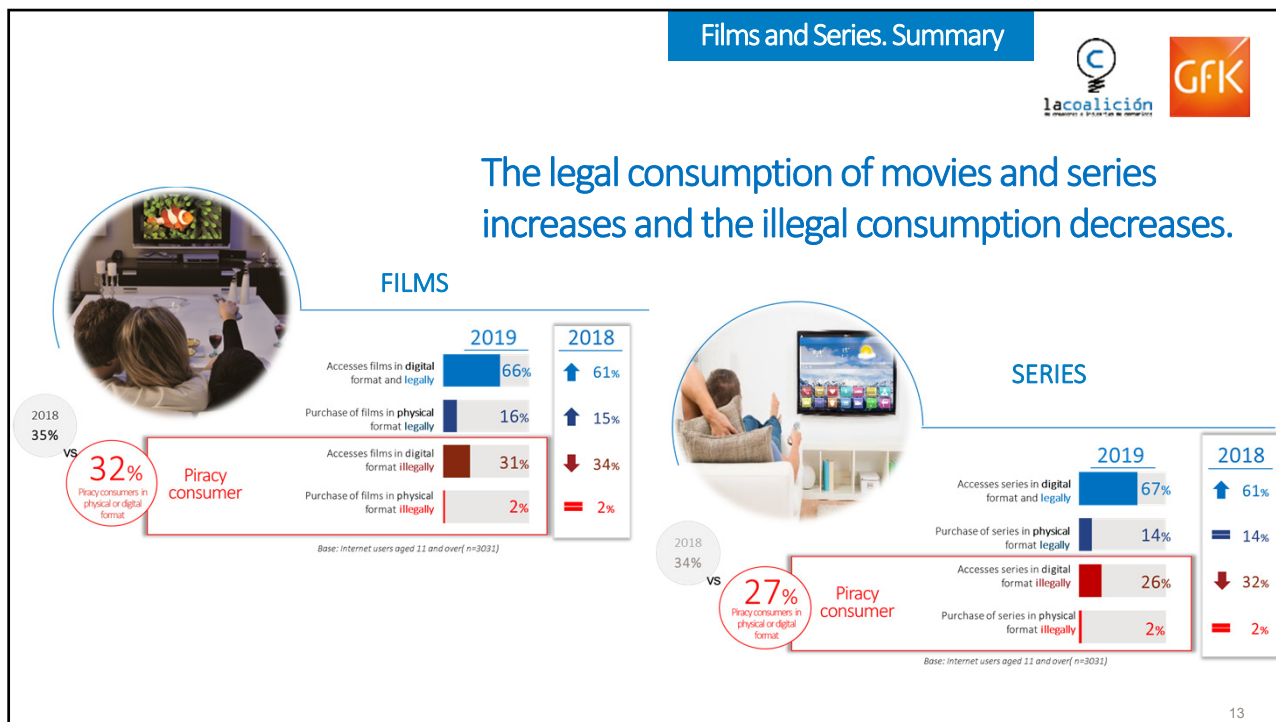
Piracy consumer



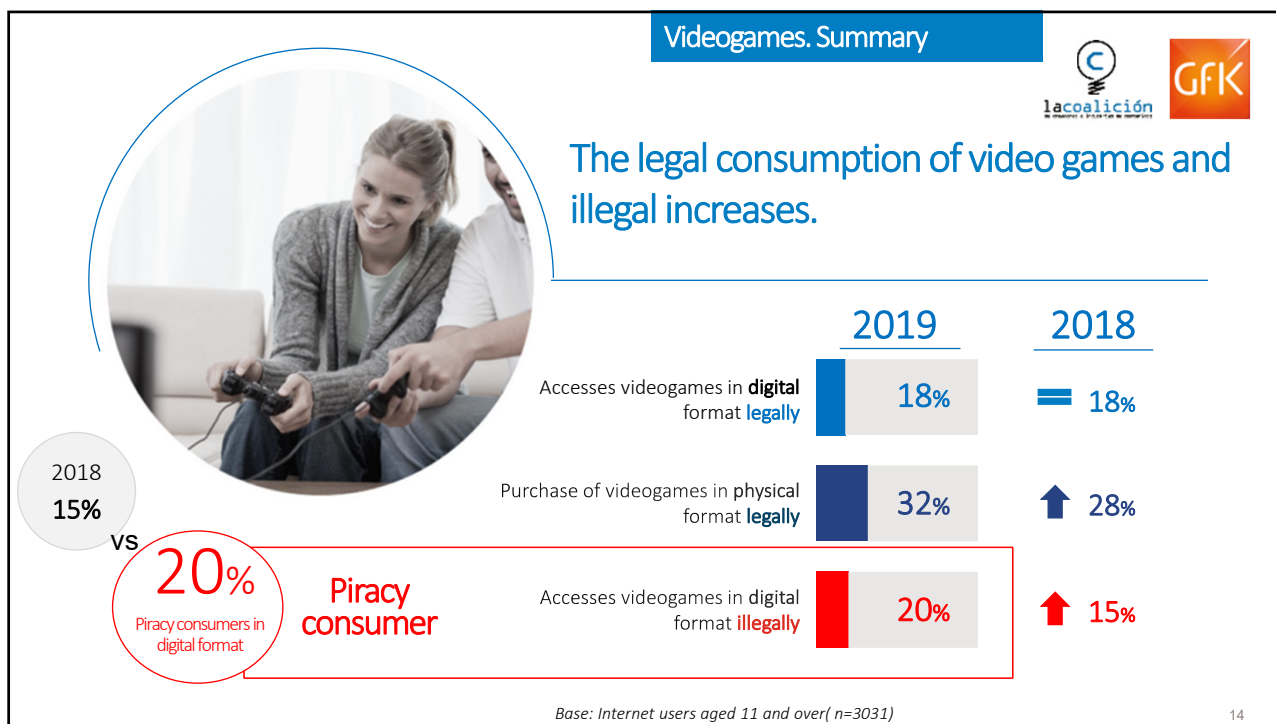
Base: Internet users aged 11 and over (n=3031)

12

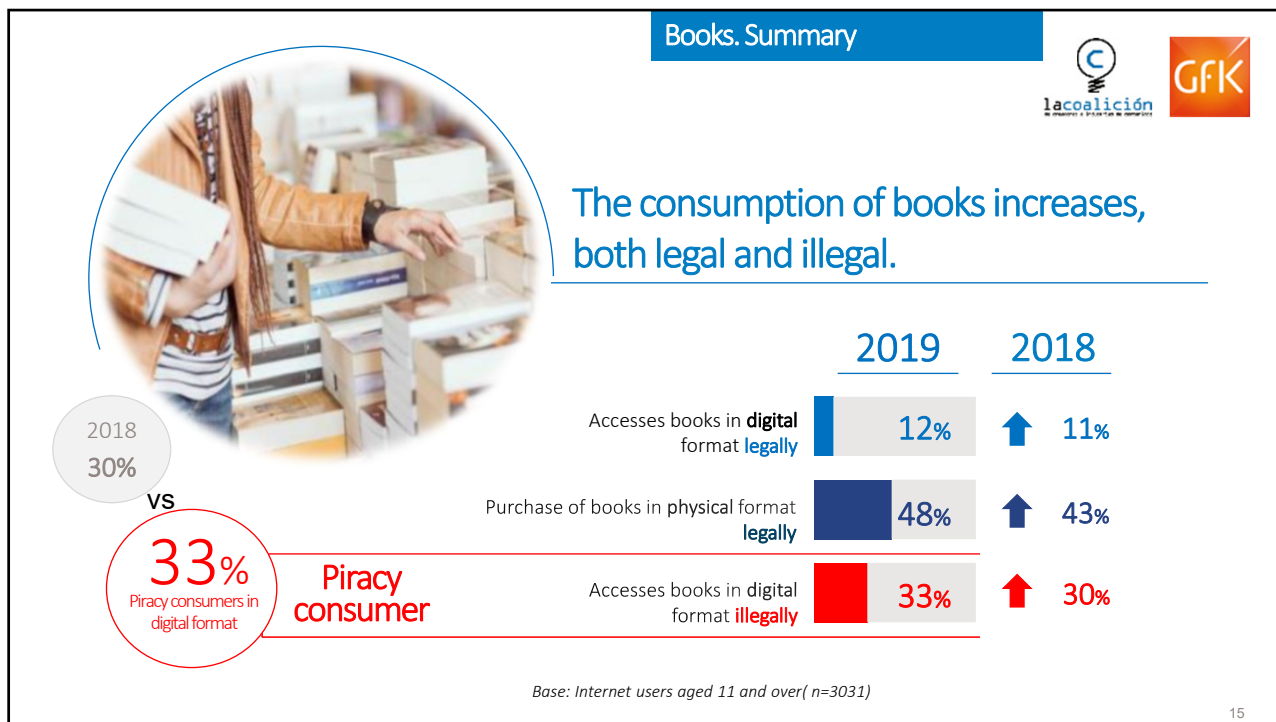
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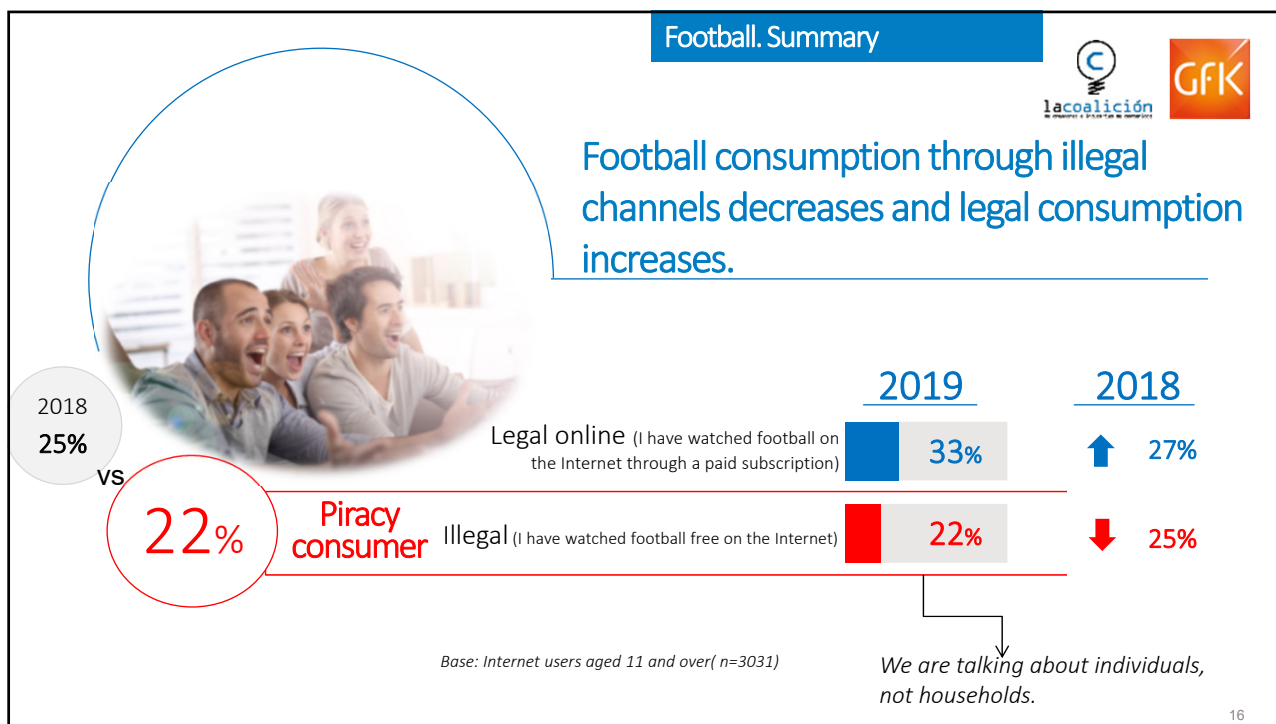
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14



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Press and Magazines. Summary



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



PRESS

2019

Accesses press in **digital** format **legally** 7%

23%
Piracy consumers in digital format

Piracy consumer

Accesses press in **digital** format **illegally** 23%

Base: Internet users aged 11 and over (n=3031)



MAGAZINES

2019

Accesses magazines in **digital** format **legally** 4%

13%
Piracy consumers in digital format

Piracy consumer

Accesses magazines in **digital** format **illegally** 13%

Base: Internet users aged 11 and over (n=3031)

17

17

Scores. Summary



The illegal consumption of scores is lower than the legal consumption



2019

Accesses scores in **digital** format **legally** 6%

Purchase of scores in physical format **legally** 3%

5%
Piracy consumers in digital format

Piracy consumer

Accesses scores in **digital** format **illegally** 5%

Base: Internet users aged 11 and over (n=3031)

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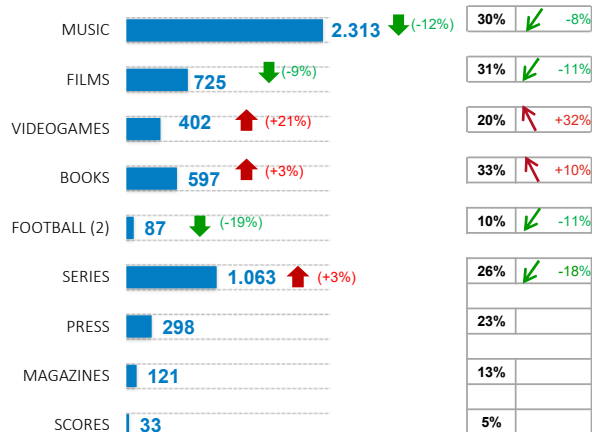
Piracy in Spain and lost profit for all industries

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Illegal digital access⁽¹⁾

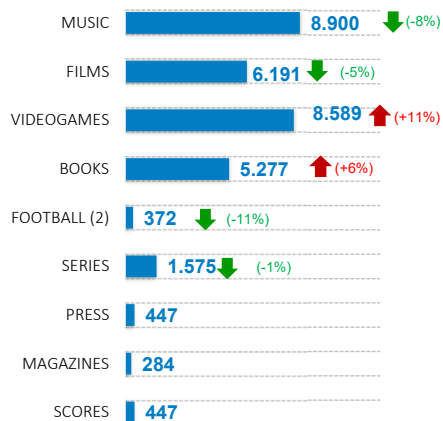
VOLUME - Millions of contents



Millions of contents⁽³⁾ **5.187 (-5%)**

■ 2019

VALUE Millions of euros



Millions of €⁽³⁾ **30.904 (+0%)**

Base: Total Sample (n=3031)

(1) In this calculation the new types of access in all industries are included, modifying 2018 data for an exactly comparison

(2) The value of football piracy has been calculated based on the number of households who pirate these contents and the value of football subscriptions

(3) Without press and scores values for exact comparison

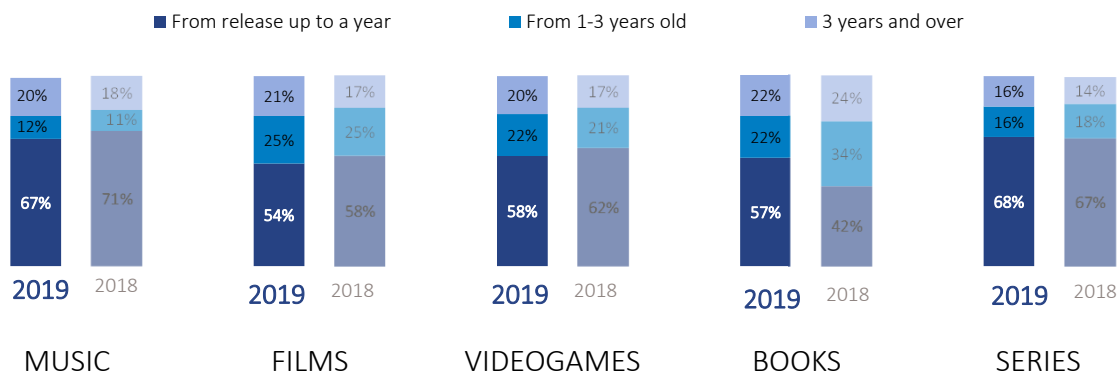
20

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Illicit access in terms of age of content



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



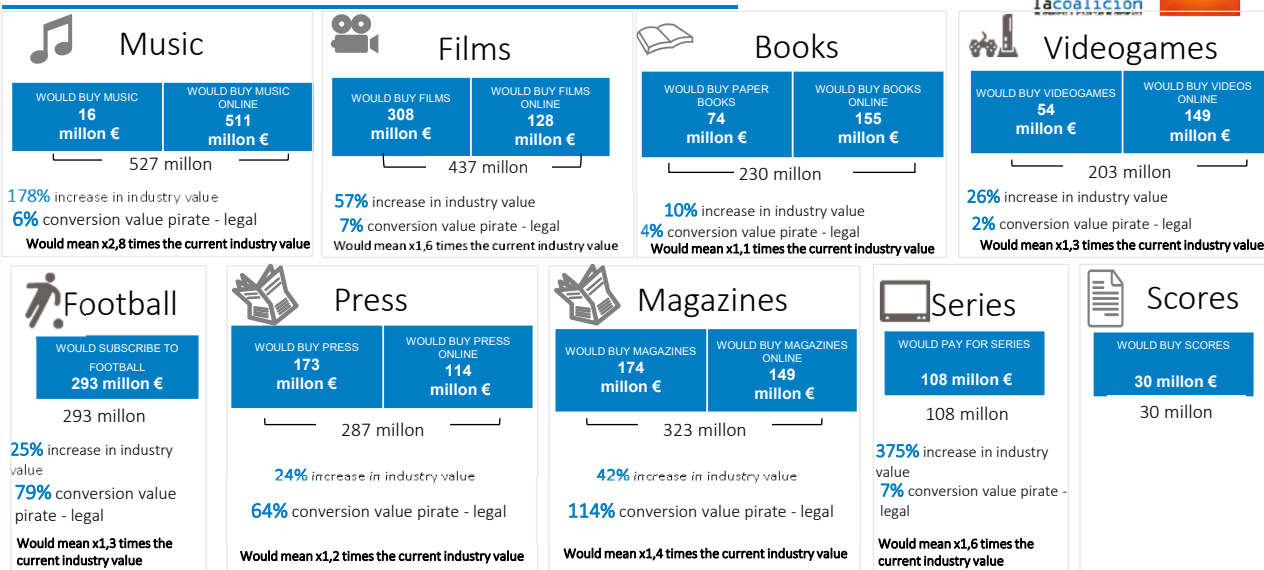
(*) Differences are caused by a change in scale

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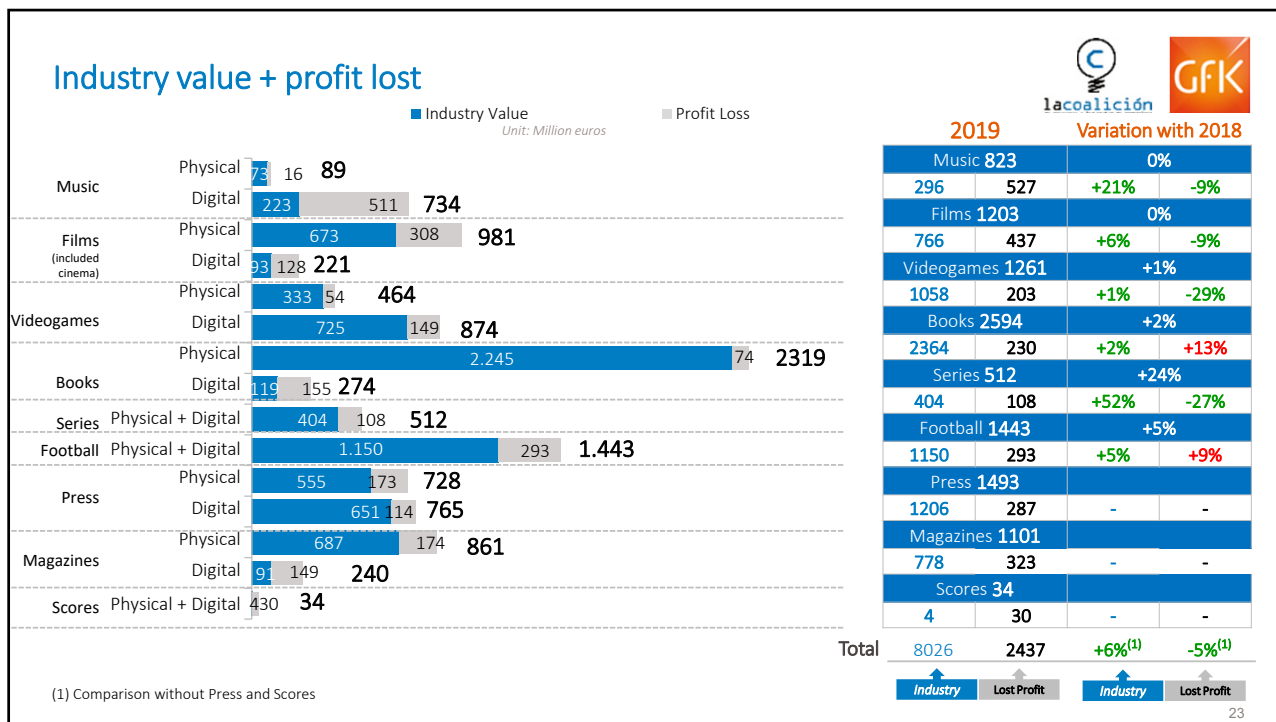
Summary. Lost profit in industry in Spain due to the effect of piracy.

The **lost profit** in 2019 for the industries was **2.437** million euros



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Repercussion on public funds and employment

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Employment

Total value of the profit lost because of the illegal accesses

2.437 Million of euros

30% increase over the anual billing of the industries.

New direct jobs generated⁽¹⁾

19.516

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

117.097 total jobs

Total lost income in public funds

673

VAT – 440

Social Security – 180

IRPF – 53

Million of euros

(1) Without Press and Magazines representation because 2019 is the first measurement in this study

25

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Direct jobs generated without illegal accesses 2019

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

80.876 direct workers/404.380 indirect

Increase in direct employment
+24%

Content and area of work	CURRENT POSITIONS 2019
PRESS	7.157
MAGAZINES	6.940

Content and area of work	CURRENT POSITIONS 2019	Estimated Increase %	Estimated Increase	TOTAL EMPLOYMENT
MUSIC				
Production	5.950	28%	1650	7.600
Distribution	1.930	60%	1155	3.085
FILMS				
Production	12.120	29%	3536	15.655
Other distribution	733	80%	589	1.322
Video rental	1.931	154%	2978	4.909
Exhibition	16.098	22%	3576	19.674
VIDEOGAMES				
Total	9.625	16%	1494	11.119
BOOKS				
Editorial	4.441	5%	216	4.657
Distribution	19.325	10%	1878	21.203
SERIES				
Employment	500	257%	1283	1.783
FOOTBALL				
Employment	8.200	14%	1113	9.313
SCORES				
Employment	23	208%		71
TOTAL	80.876	24%	19.516 jobs	100.392

New positions generated in a scenario without piracy

19.516 direct jobs

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

Without Press and Magazines representation because 2018 is the first measurement in this study

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Public funds cease to receive...

VAT

	PHYSICAL	ONLINE	TOTAL
MUSIC	3	107	111
FILMS	65	27	92
VIDEOGAMES	11	31	43
BOOKS	3	33	36
SERIES	23		23
FOOTBALL	61		61
PRESS	7	24	31
MAGAZINES	7	31	38
SCORES	6		6
TOTAL			440

Unidad: Millon of euros

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



SOCIAL SECURITY

Unit: Million of euros

IRPF

* Average salary applied over GfK estimation based on data from the Annual Survey of Structural Salaries from INE

Total lost income
in public funds
in 2019

673

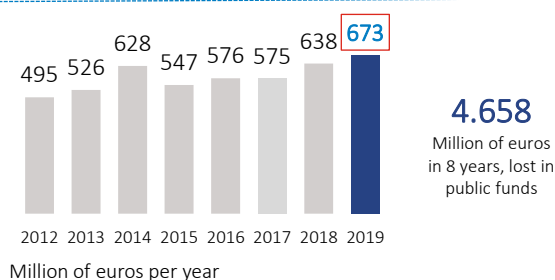
VAT – 440

Social Security – 180

IRPF – 53

Million of euros

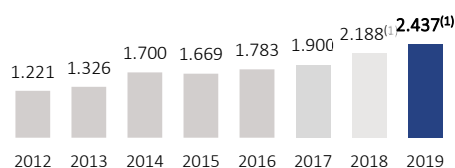
	New jobs	Salary applied*	Rate applied	TOTAL
SOCIAL SECURITY	19.516	23.647	38,9%	180
IRPF	19.516	23.647	11,5%	53



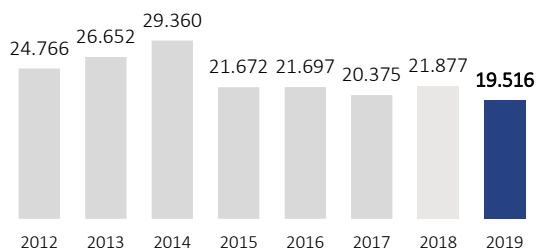
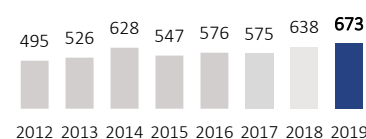
Without Press and Magazines representation because 2019 is the first measurement in this study

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Impact of piracy

Total value of lost profit
due to piracy

New direct jobs

Total lost income in public
funds

VAT – 440
Social Security – 180
IRPF – 53

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

Data in million of euros

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THANK YOU