



PIRACY OBSERVATORY 2021

AND DIGITAL CONTENT CONSUMPTION HABITS



UNIVERSE



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

AREA



National

TOTAL SAMPLE



3422 interviews

SAMPLE ERROR



Total at national level n 3422 = $\pm 1,68\%$, for a level of confidence of 95%, being $p=q=0,50$

TYPE OF INTERVIEW



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



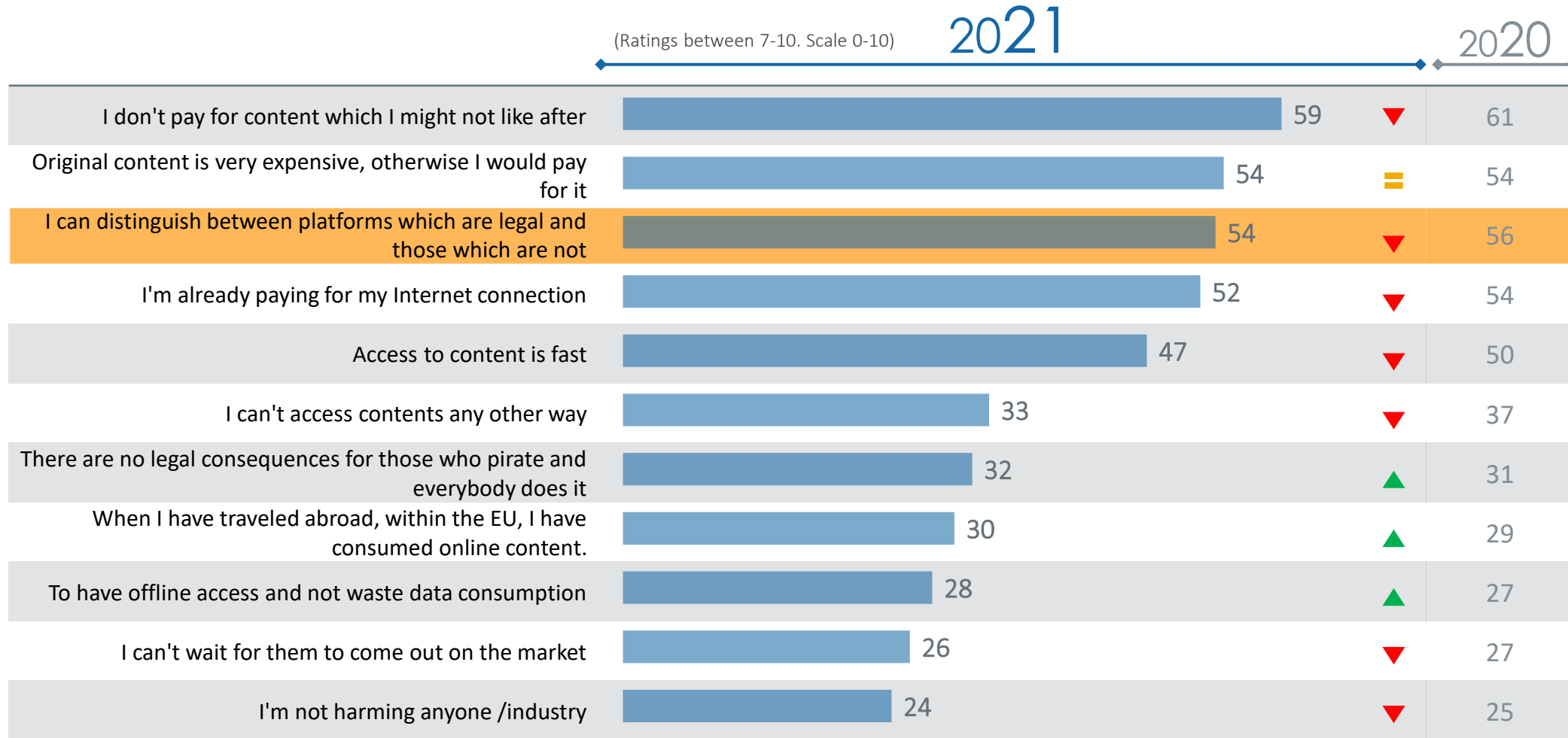
Last quarter 2021



1. Findings

Reasons for piracy

The main reasons are economic and secondly the ease and speed with which they access.
5 out of 10 do not know how to distinguish between legal and illegal platforms.

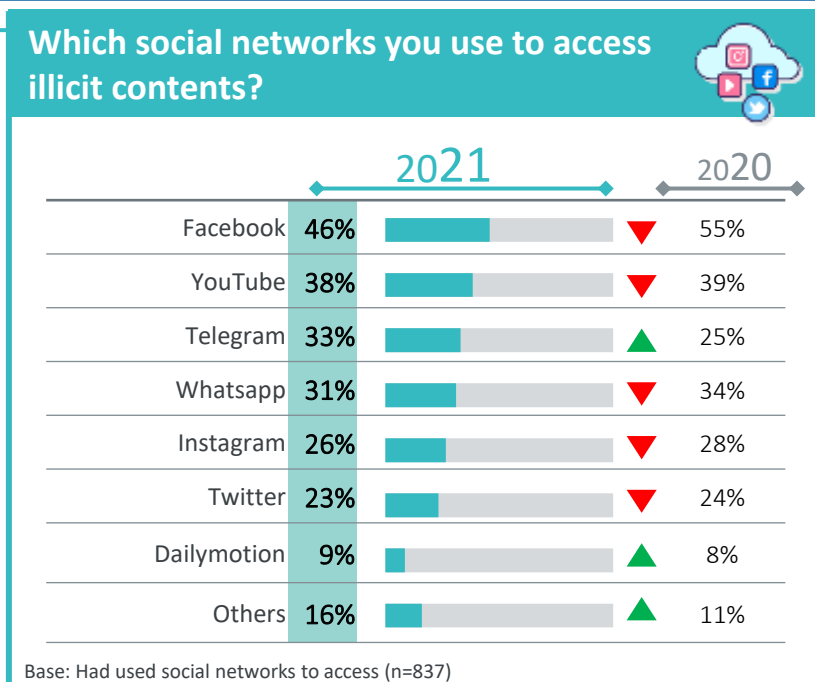
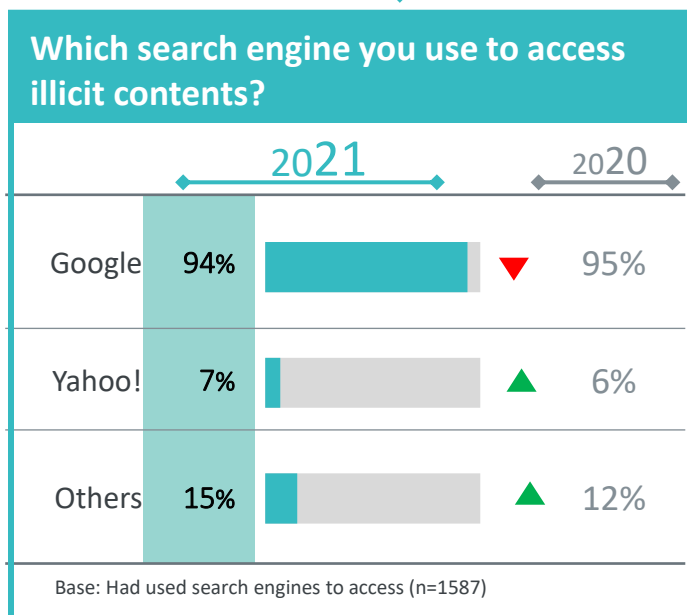
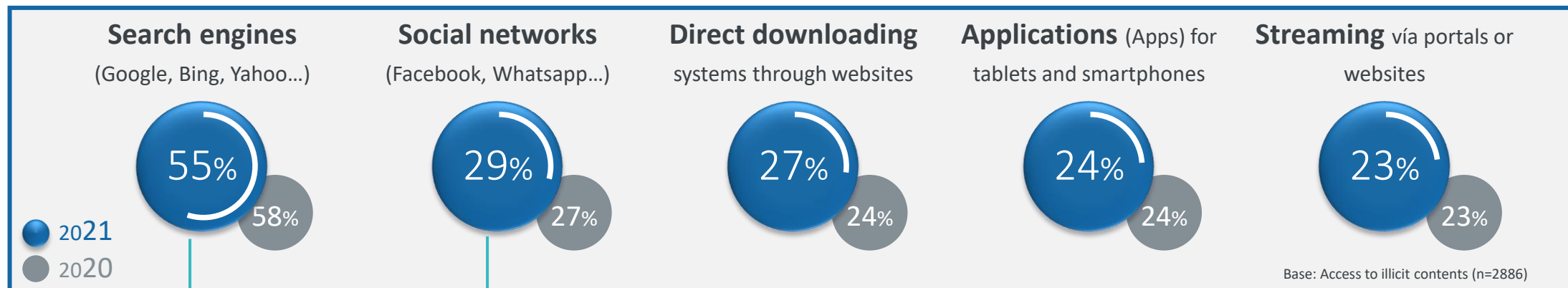


▲ Higher than 2020
▼ Lower than 2020

Unit: percentages // Base: Consumers of free digital content (2021 (n=1444); 2020 (n=1277))

How do they access illicit contents?

It is accessed from several accesses, but the main one is through Search Engines (Google), although it is decreasing in recent years. Social Networks are the ones that are growing the most when it comes to accessing this illicit content, Facebook and YouTube being the most used, although Telegram has increased its use significantly in the last year.



▲ Higher than 2020
▼ Lower than 2020

Unit: percentages// Base: Total internet users (n=3422)

How illicit portals are financed | Obtainment of personal data

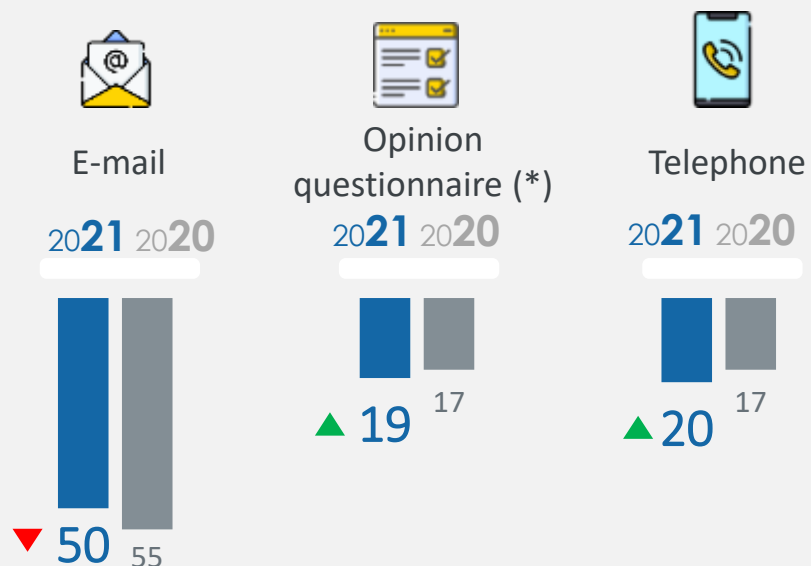
7 out of 10 consumers who have accessed illicit content have had to register. 5 out of 10 distrust these portals when it comes to providing information. 9 out of 10 users have been asked to accept cookies.

▲ **66%** had to register in a portal 2021

65% had to register in 2020

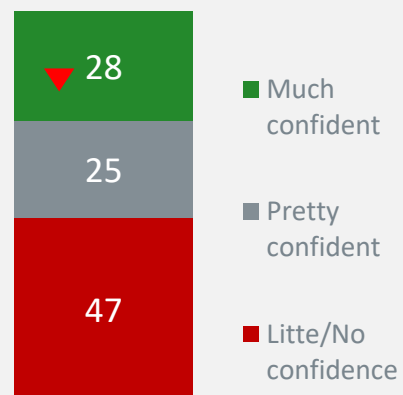
Base: Access to illicit contents (n=2886)

What details did they have to provide?



Base: Had to register as a user (n=1905)

What degree of confidence gives you to provide this information?

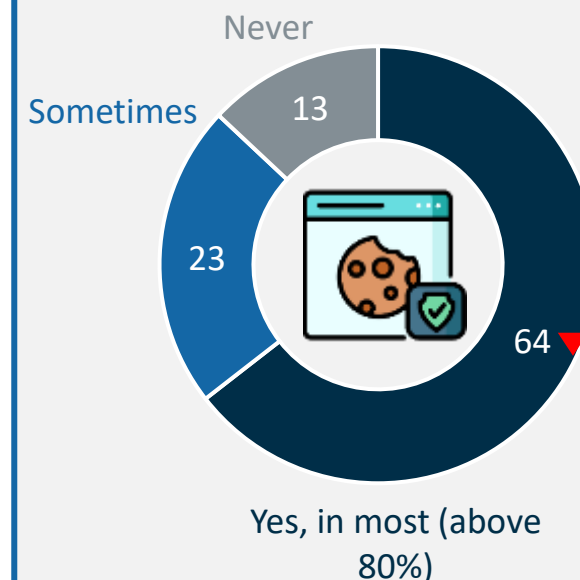


Confidence evolution % Much confident



Base: Had to provide email, telephone or opinion questionnaire (n=1905)

Do you remember being asked accept cookies when you acceded to these contents? (%)



Base: Access to illicit contents (n= 2886)

How illicit portals are financed | Advertising

9 out of 10 consumers of illicit content have accessed portals that have advertising, not only betting advertising or dating websites, but 3 out of 10 report seeing advertising on these portals from top brands. 6 out of 10 perceive receiving more advertising or spam since accessing these portals.



▼ 90% have accessed portals with advertising

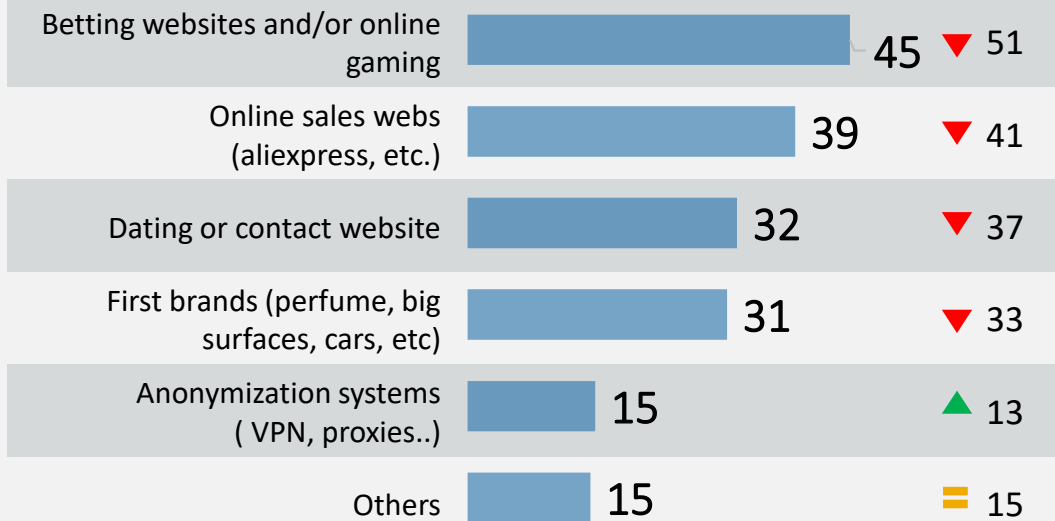
Base: Access to illicit contents (n= 2886)

have accessed
portals with
advertising

Advertising they recall

2021

2020

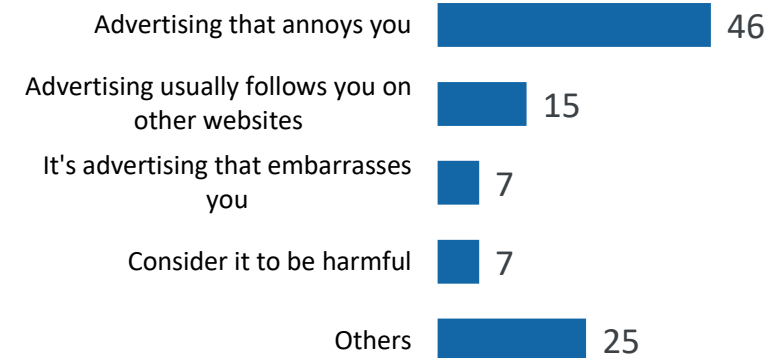


Base: Declare that the portals have advertising (n= 2597)

▲ Higher than 2020
▼ Lower than 2020

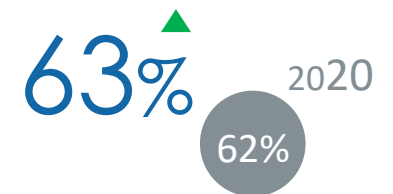
Unit: percentages // Base: Total internet users (n=3422)

How would you describe the advertising?



Since you use this type of page, do you perceive that you receive more advertising or spam in your email, smartphone, tablet, etc...?

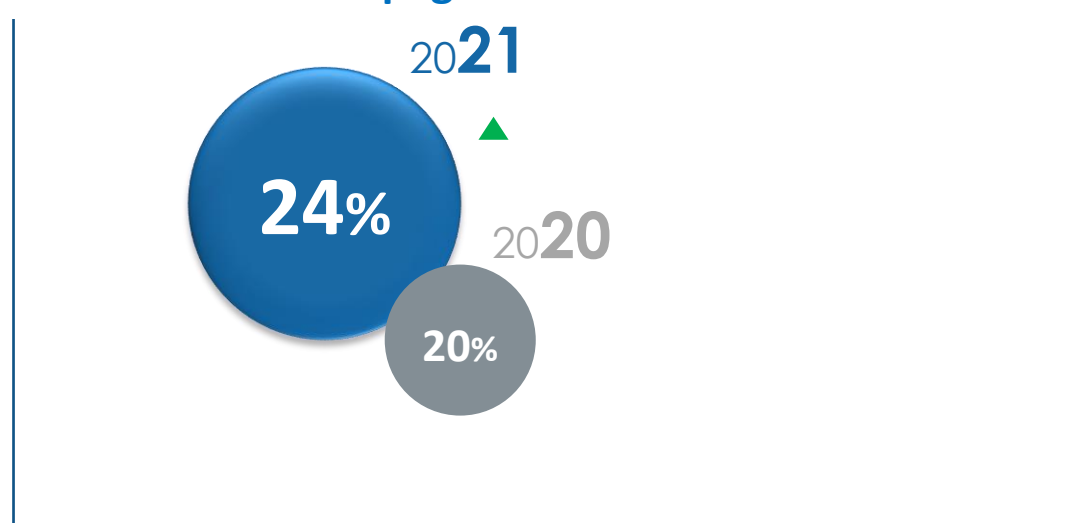
Receive more spam and advertising



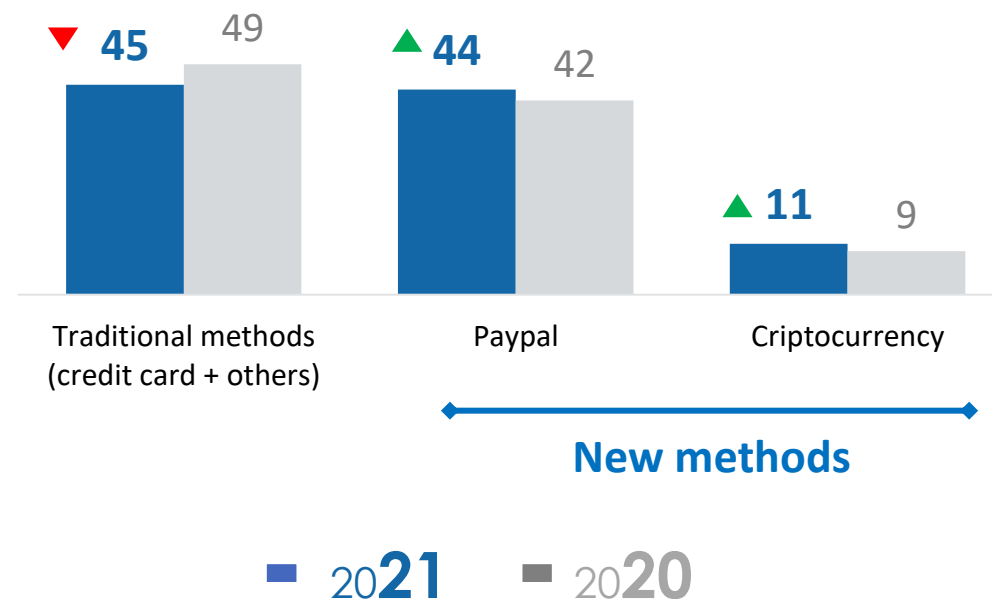
How illicit portals are financed | Payment methods

24% of Internet users who have accessed illicit portals have paid for the consumption of some content; this number is higher on the last year. The main payment methods are credit card and PayPal. There has been an increase in the use of cryptocurrencies.

Have you ever paid for the content you have accessed on these pages?



Payment method

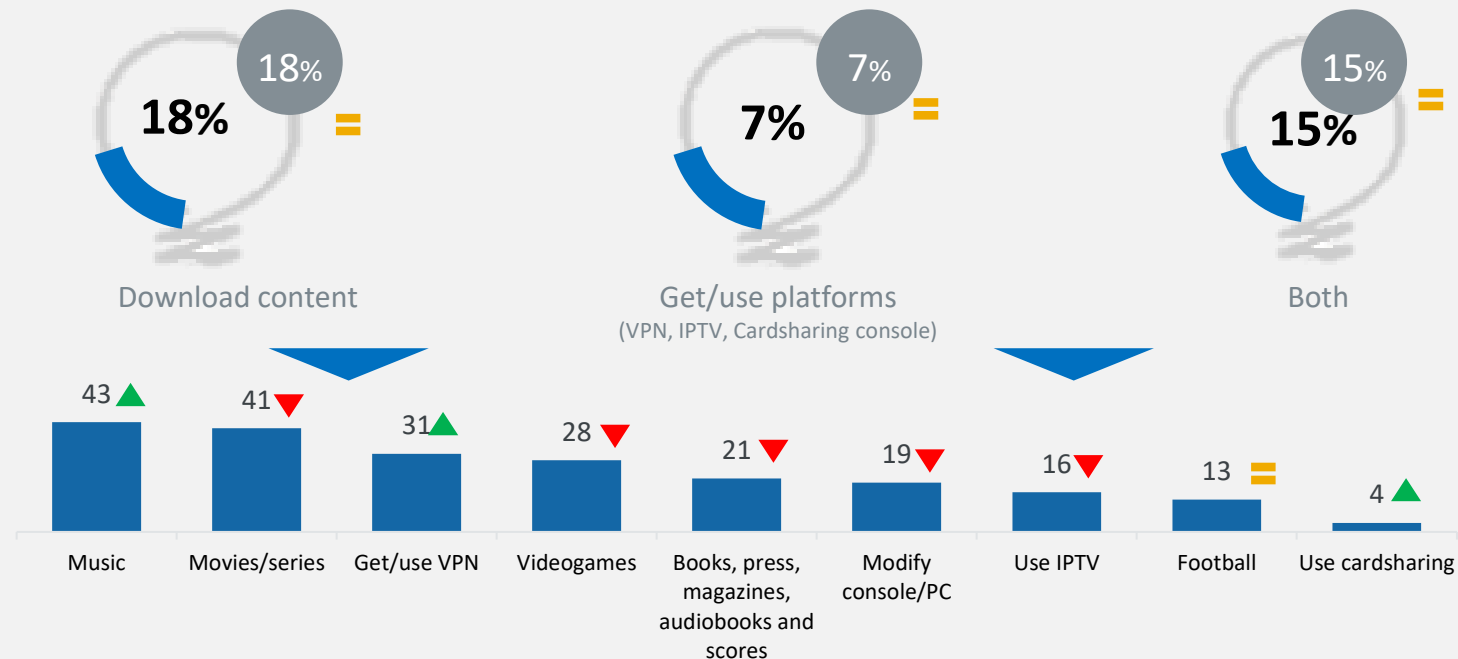


Tutorials to learn how to download content

40% of Internet users have used tutorials, mainly to download content such as music or movies/series. 2 out of 10 have an IPTV decoder.

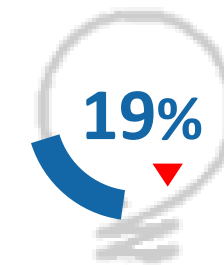
= **40%** of Internet users have used them

2021
2020

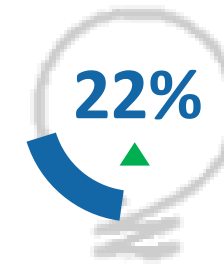


Base: have seen tutorials (n=1155)

EQUIPMENT



Has IPTV decoder



Have accessed a VPN for personal use

Base: Consumers of free digital content (n=3423)

Unit: percentages // Base: Total internet users (n=3422)

▲ Higher than 2020
▼ Lower than 2020

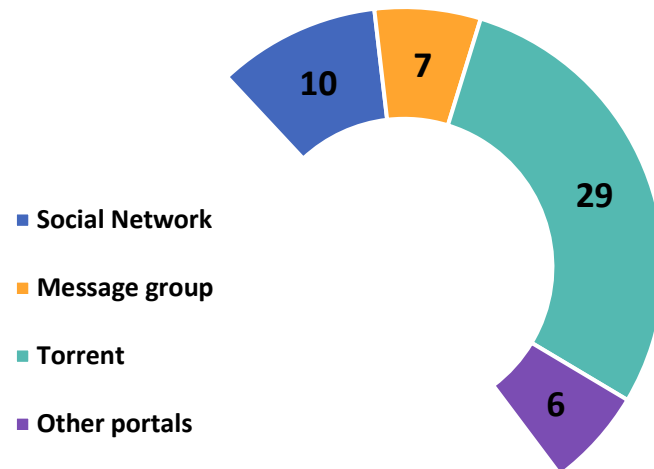
Content portals

One in two consumers have tried to access an illegal content portal that had been closed or no longer existed. that had closed down or ceased to exist. The portals to which they are redirected are mainly Torrent-type portals.

CLOSED CONTENT PORTALS

▼ **52%** have tried to access a content portal that turned out to be closed / did not exist.

Where in particular were you looking for content, when you were unable to access?



The reasons for the closure was explained

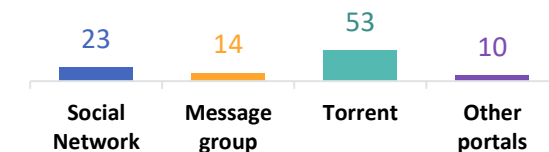


Base: Attempted to access a closed portal (n=1779)

Was directed to another site



Where were you redirected?



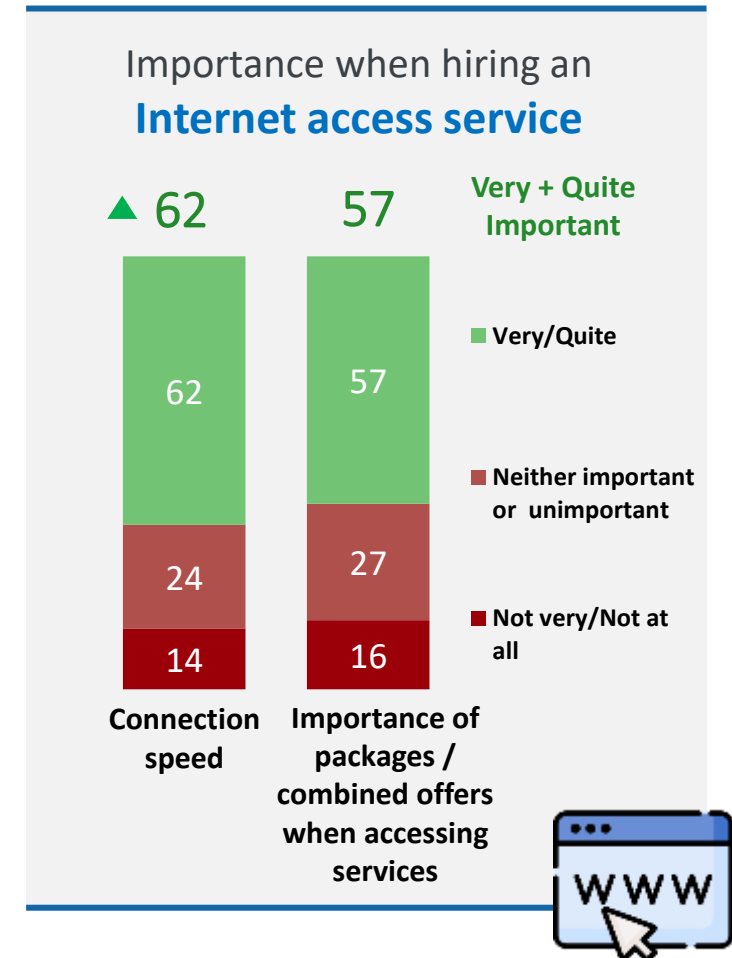
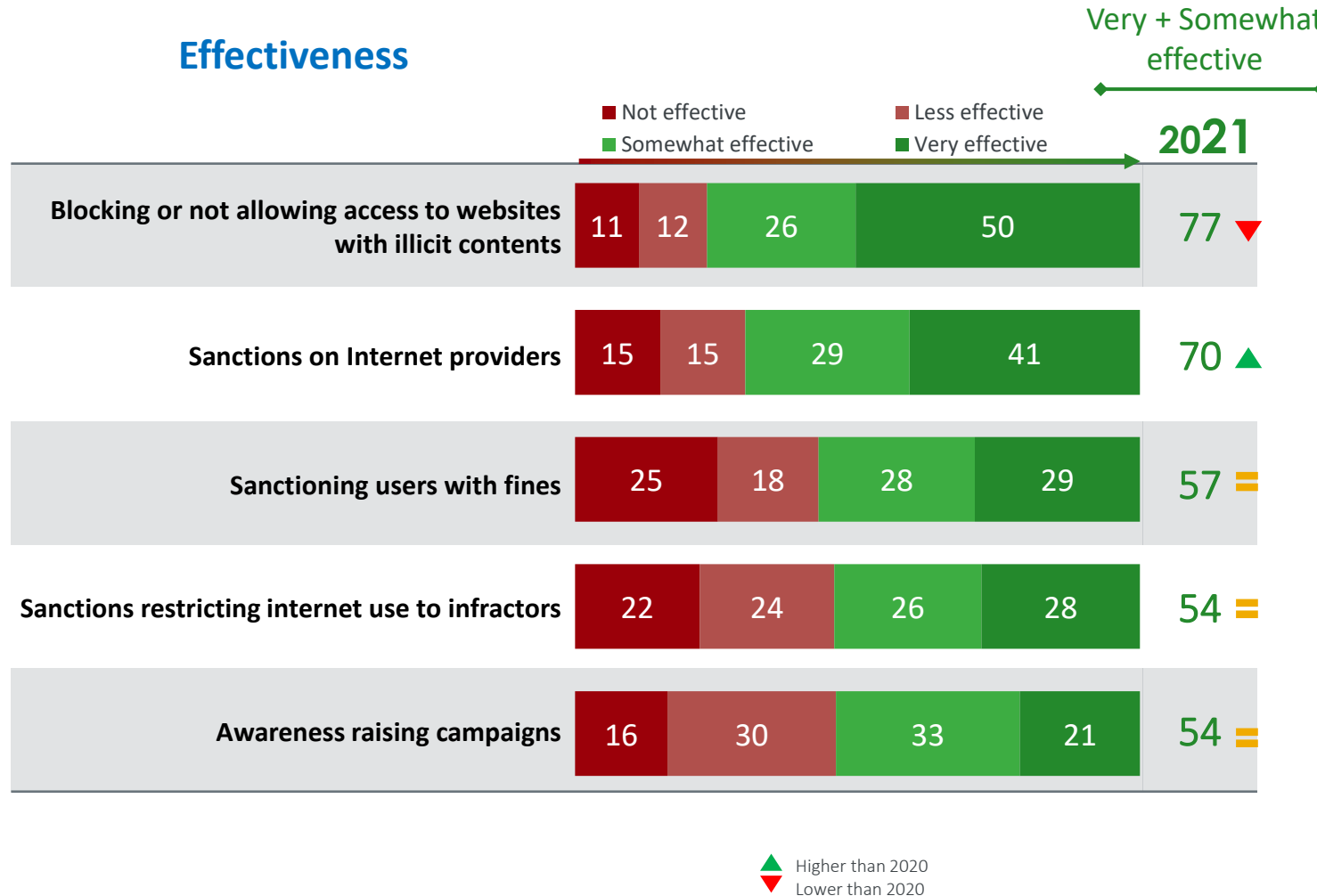
Base: Les dirigieron a otro sitio (n=267)

▲ Higher than 2020
▼ Lower than 2020

Effectiveness of measures against piracy

The most effective measure is closing/blocking access to the illicit content web page, although this is lower than in 2020. Connection speed is more important when contracting an internet access service.

Effectiveness



Unit: percentages // Base: Total internet users (n=3422)

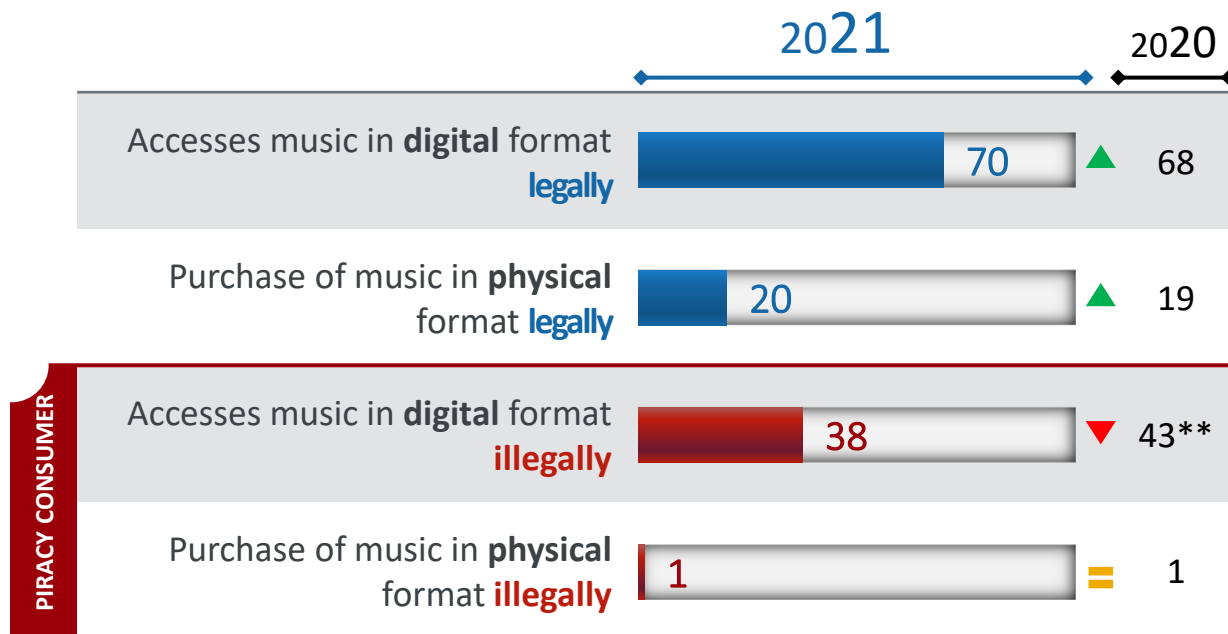


2.

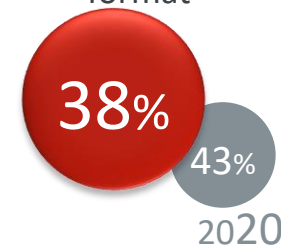
Access to contents



Music | Summary



Piracy consumers in physical or digital format



The number of illegal music consumers decreases, and the number of legal digital music consumers increases.

(**) The value of illegal digital access to music in 2020 has been estimated taking into account modifications of the measurement in 2021, under the assumption that all new values have remained constant in 2020.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

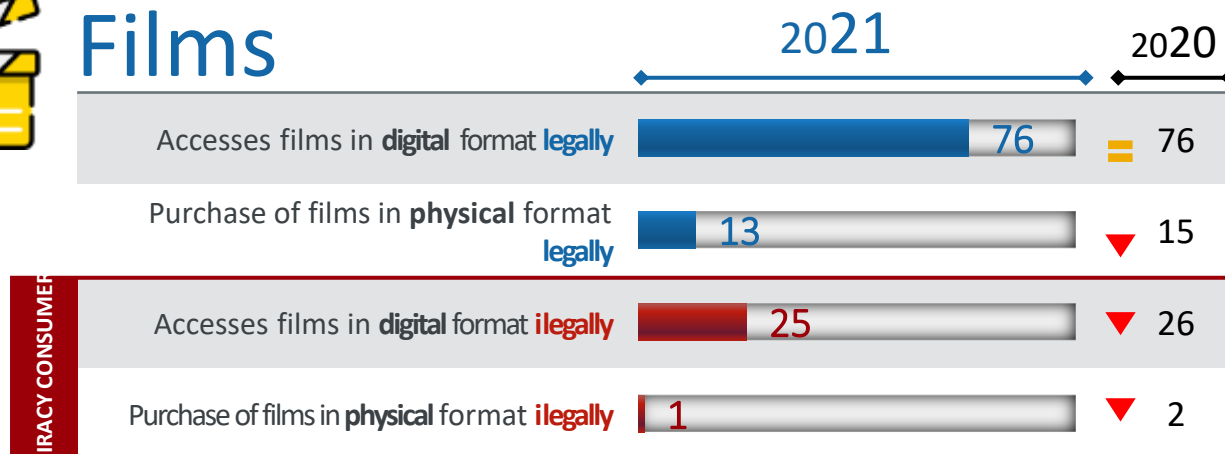
▲ Higher than 2020
▼ Lower than 2020



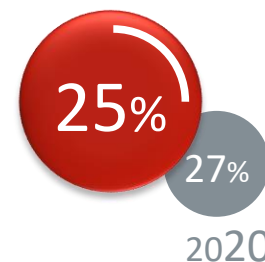
Films and series | Summary



Films



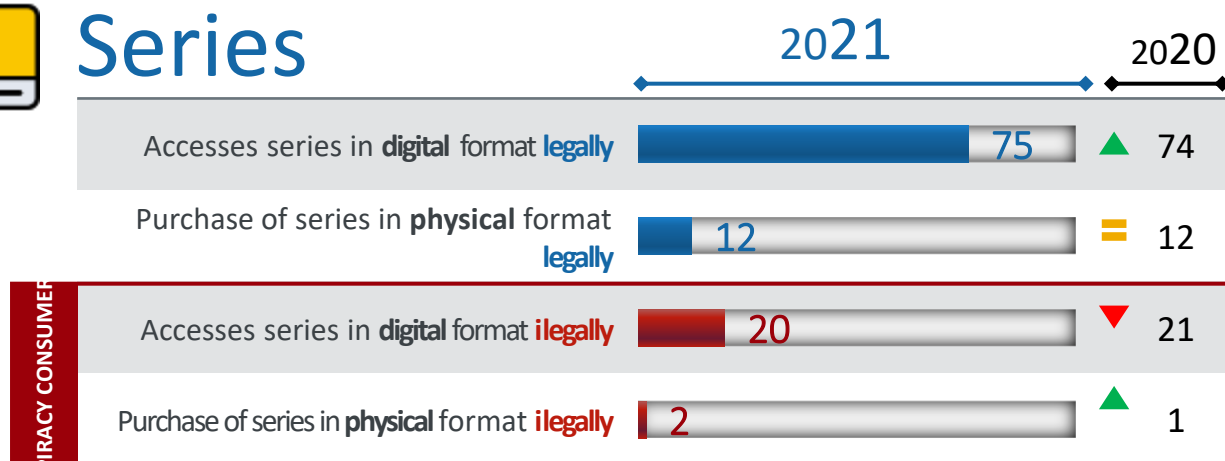
Piracy consumers
in physical or
digital format



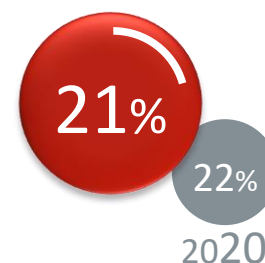
Illegal consumption
decreases in both physical
and digital formats.



Series



Piracy consumers
in physical or
digital format



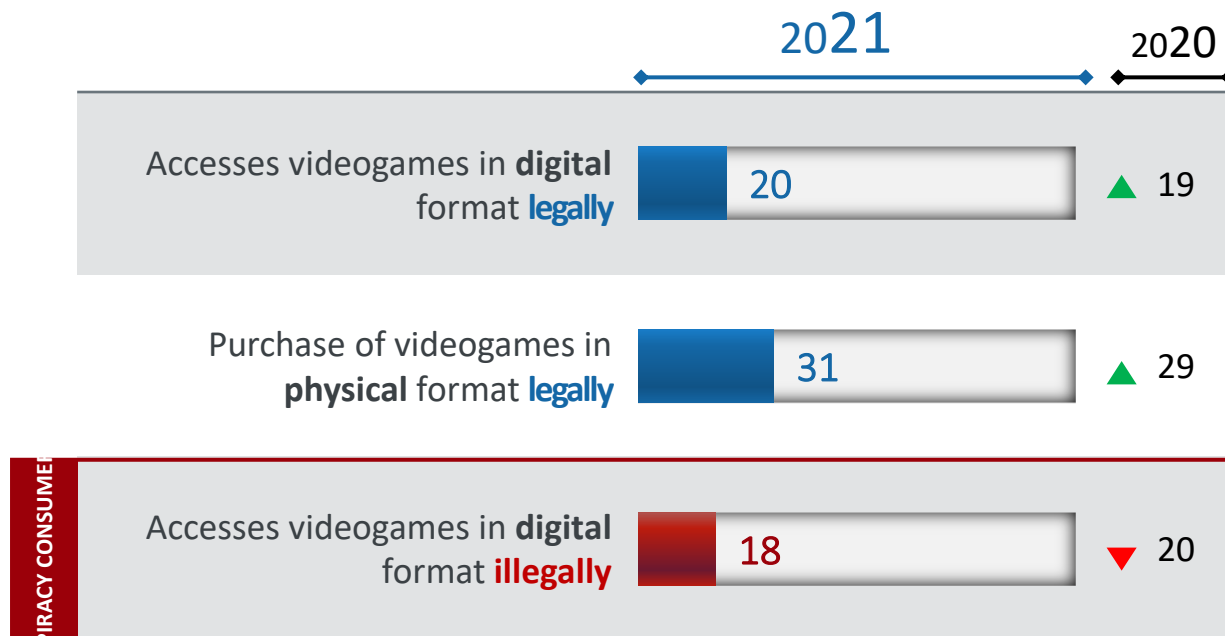
Illegal consumption
decreases and legal
consumption increases.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

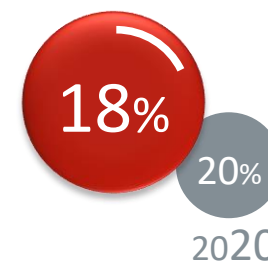
▲ Higher than 2020
▼ Lower than 2020



Videogames | Summary



Piracy consumers
in digital format



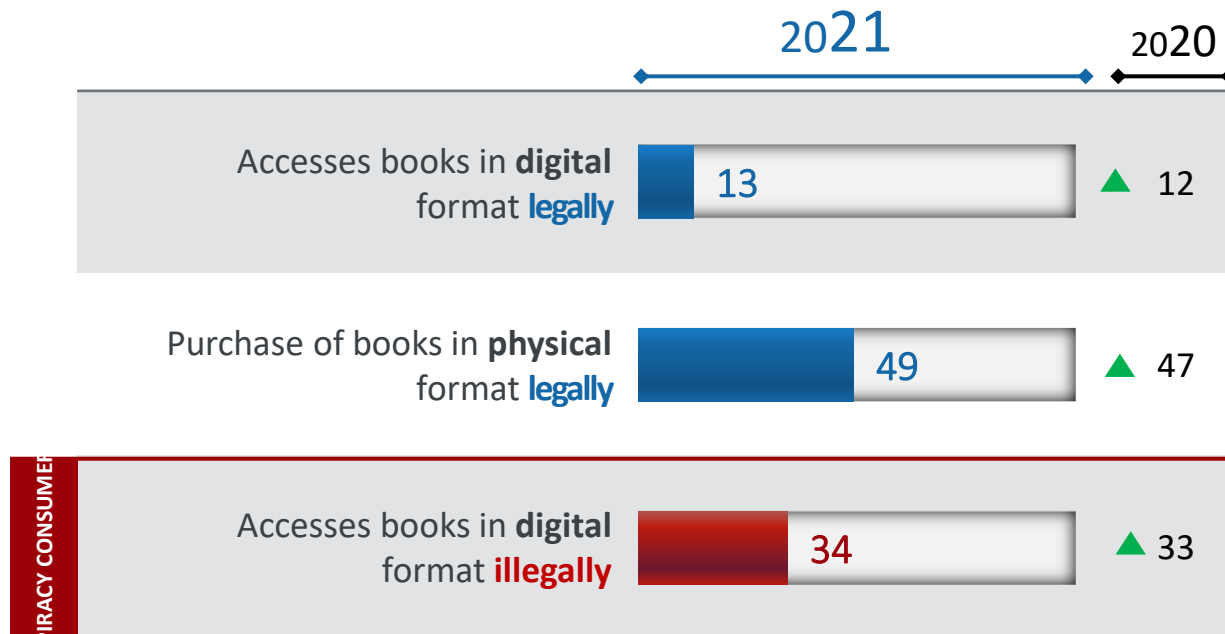
Legal videogame
consumption increases
and illegal consumption
decreases.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

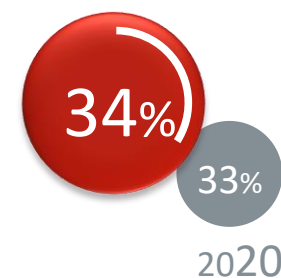
▲ Higher than 2020
▼ Lower than 2020



Books | Summary



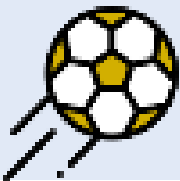
Piracy consumers
in digital format



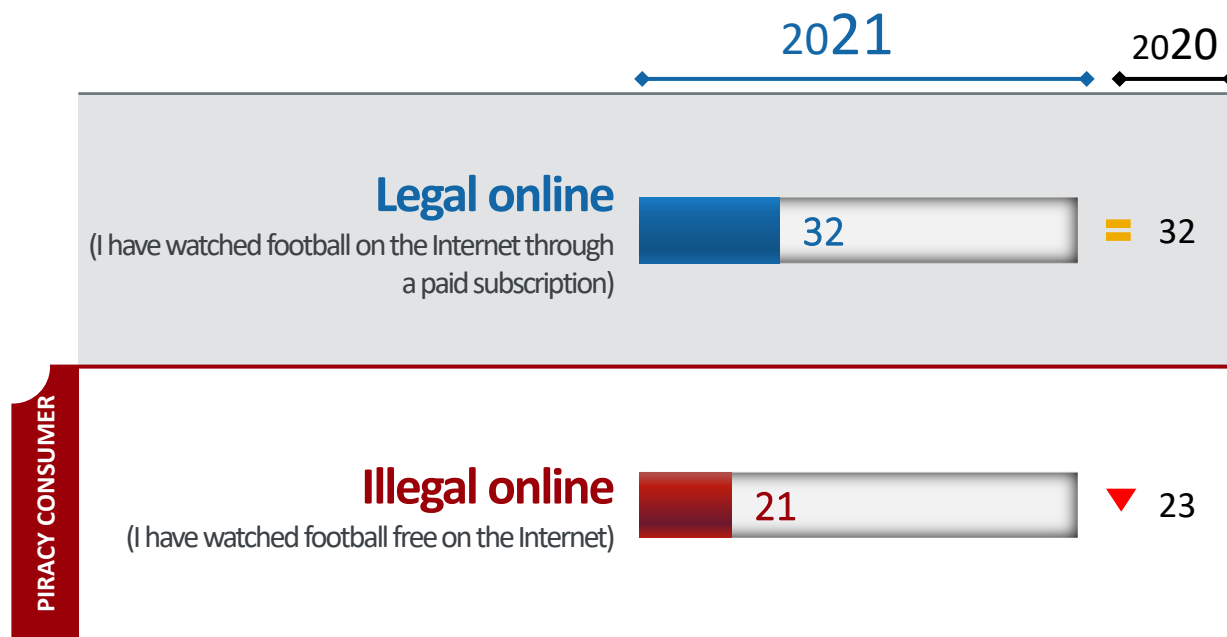
Book consumption, both
legal and illegal digital,
increased slightly.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

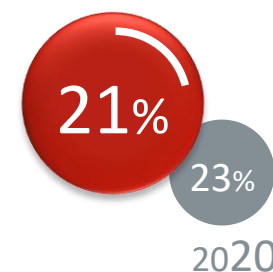
▲ Higher than 2020
▼ Lower than 2020



Football | Resumen



Piracy consumers in digital format



Soccer consumption through illegal channels is decreasing, while legal consumption remains stable.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

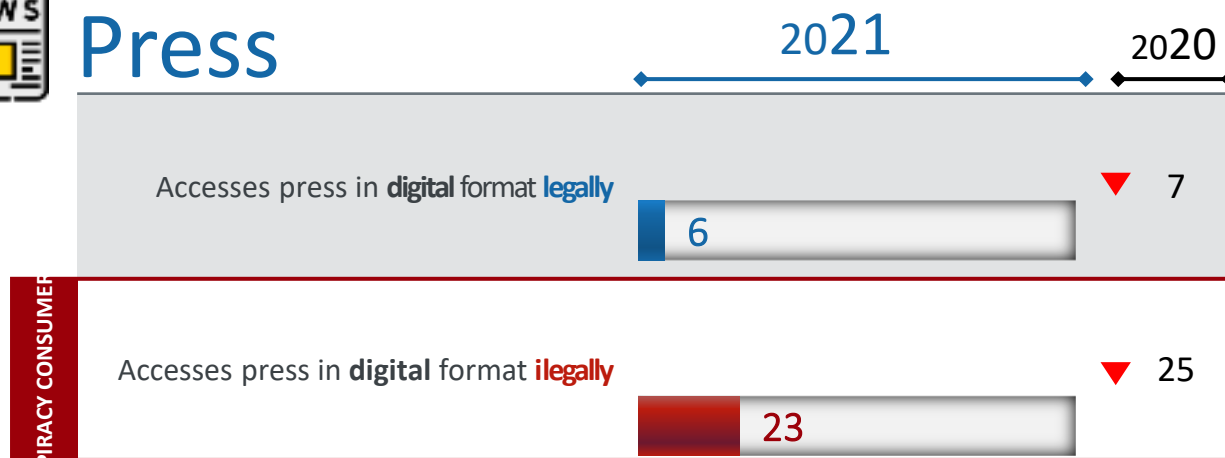
▲ Higher than 2020
▼ Lower than 2020



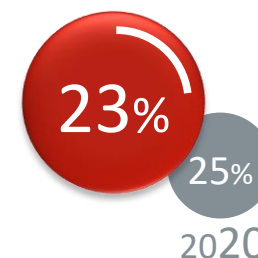
Press and magazines | Summary



Press



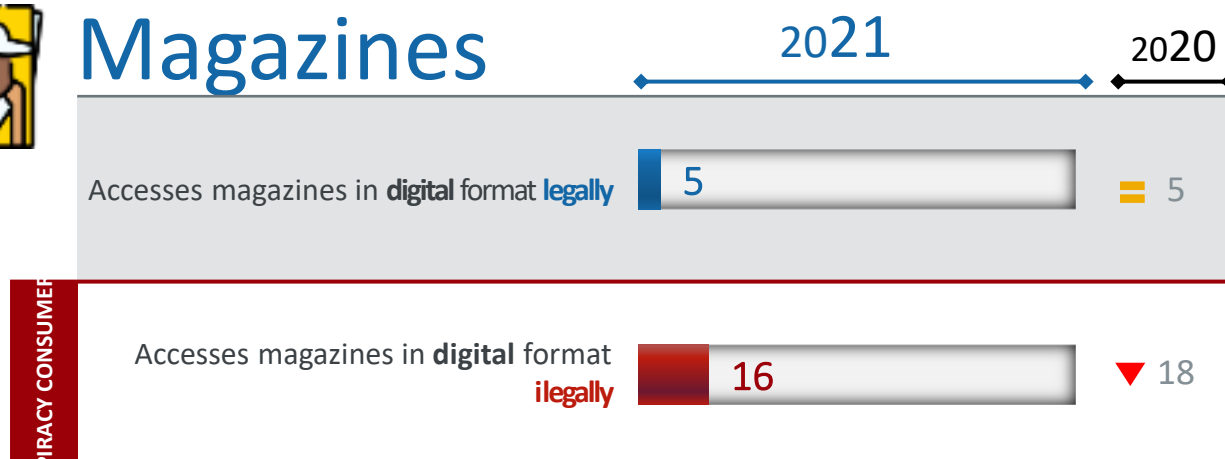
Piracy consumers in digital format



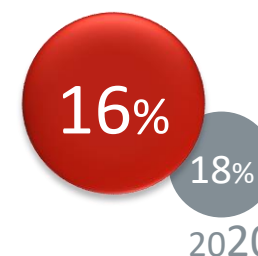
Illicit consumption of press in digital format is three times higher than legal consumption. Although it has decreased slightly this year.



Magazines



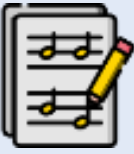
Piracy consumers in digital format



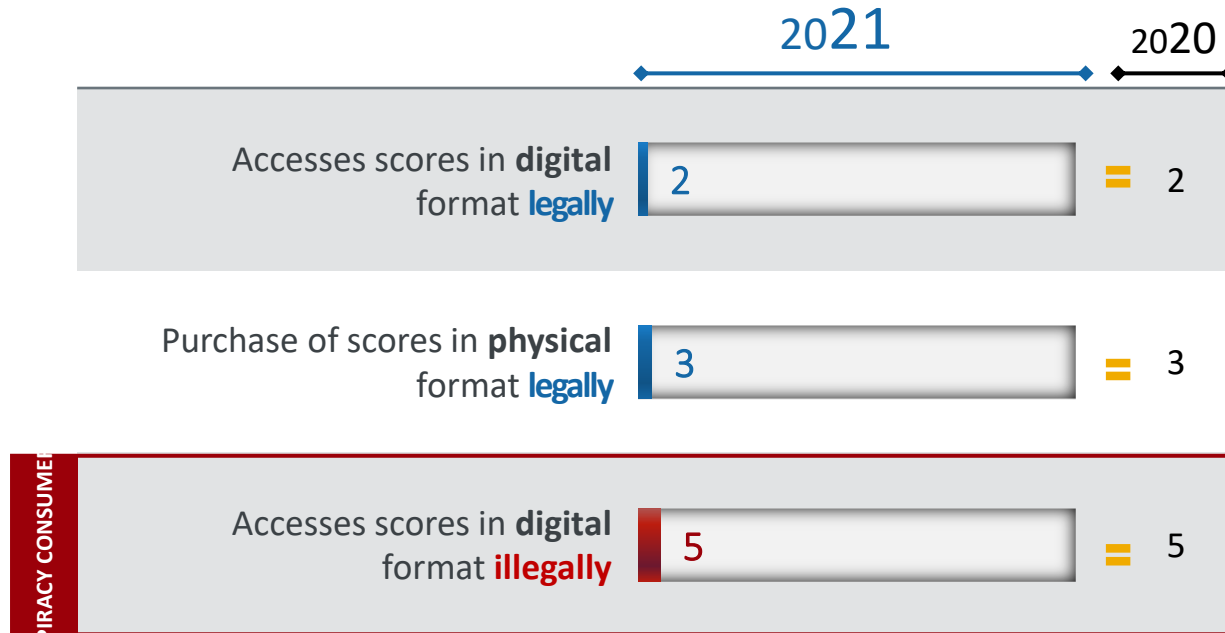
The illicit consumption of magazines in digital format is much higher than the legal one. Although it has decreased slightly this year.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

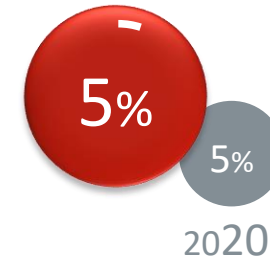
▲ Higher than 2020
▼ Lower than 2020



Scores | Resumen



Piracy consumers
in digital format



The number of Internet users who have illicitly consumed scores remains unchanged.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

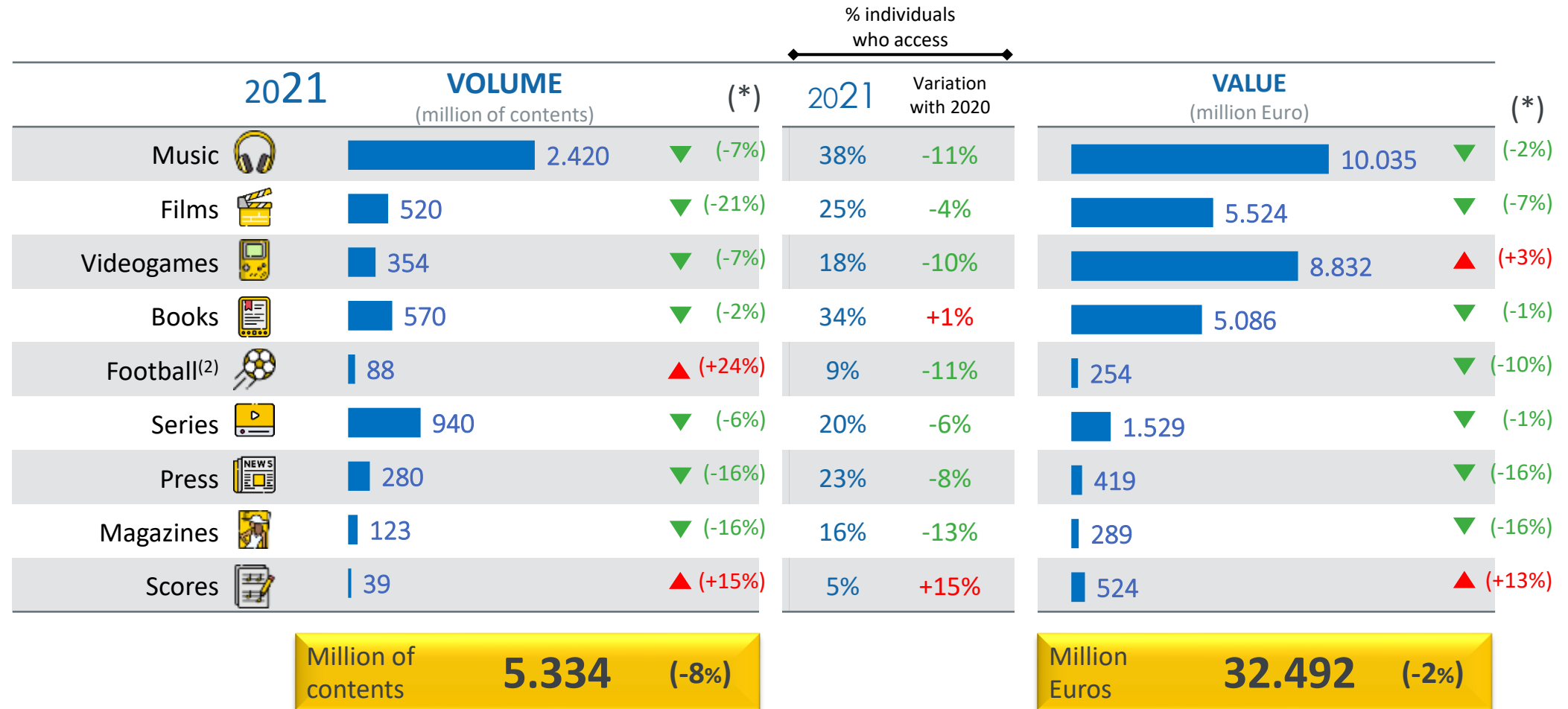
▲ Higher than 2020
▼ Lower than 2020

3. Piracy in Spain and lost profit for all industries

Illegal digital access

Illegally consumed content is decreasing in practically all industries, with the exception of Football, which is increasing, due to the fact that in 2020 matches were no longer broadcasted.

The value of this content is maintained, due to the increase in the cost of this content..



(*) Increases/decreases compared to 2020 are based on an exact comparison, without taking into account modifications applied this year.

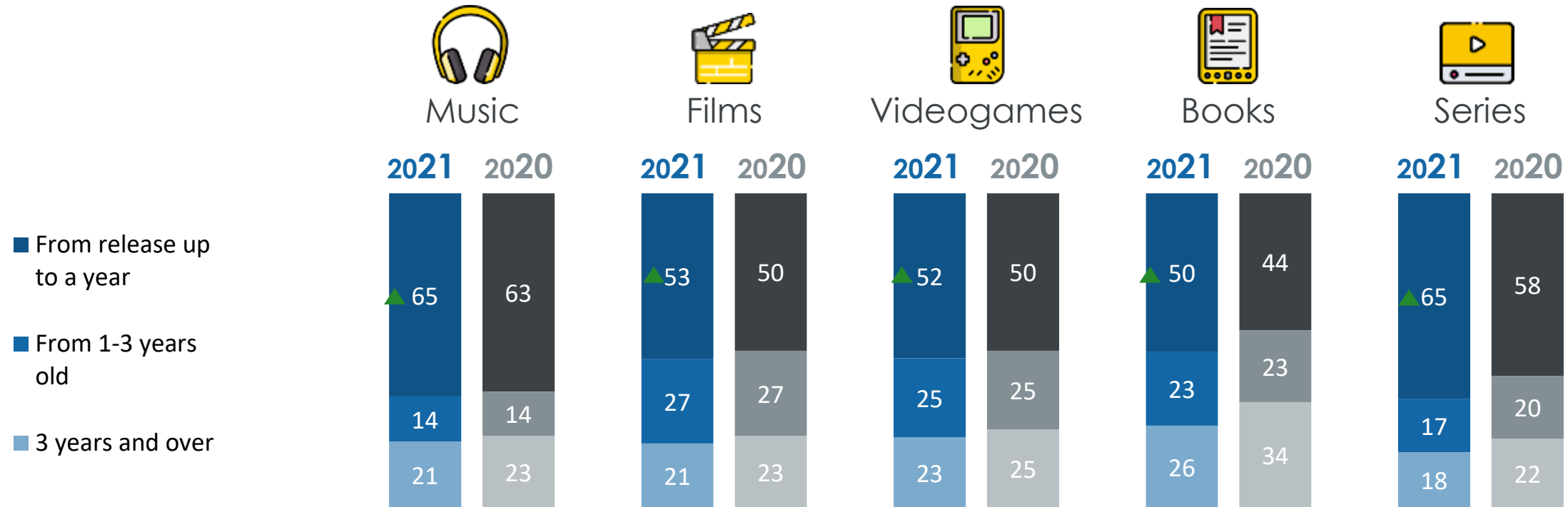
(2) The value of football piracy has been calculated based on the number of households pirating this content and the value of soccer subscriptions.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

▲ Higher than 2020
▼ Lower than 2020

Illicit access in terms of age of content

An increase in the consumption of new content is observed in all industries.
The most notable increases are in the Books and Series industry.

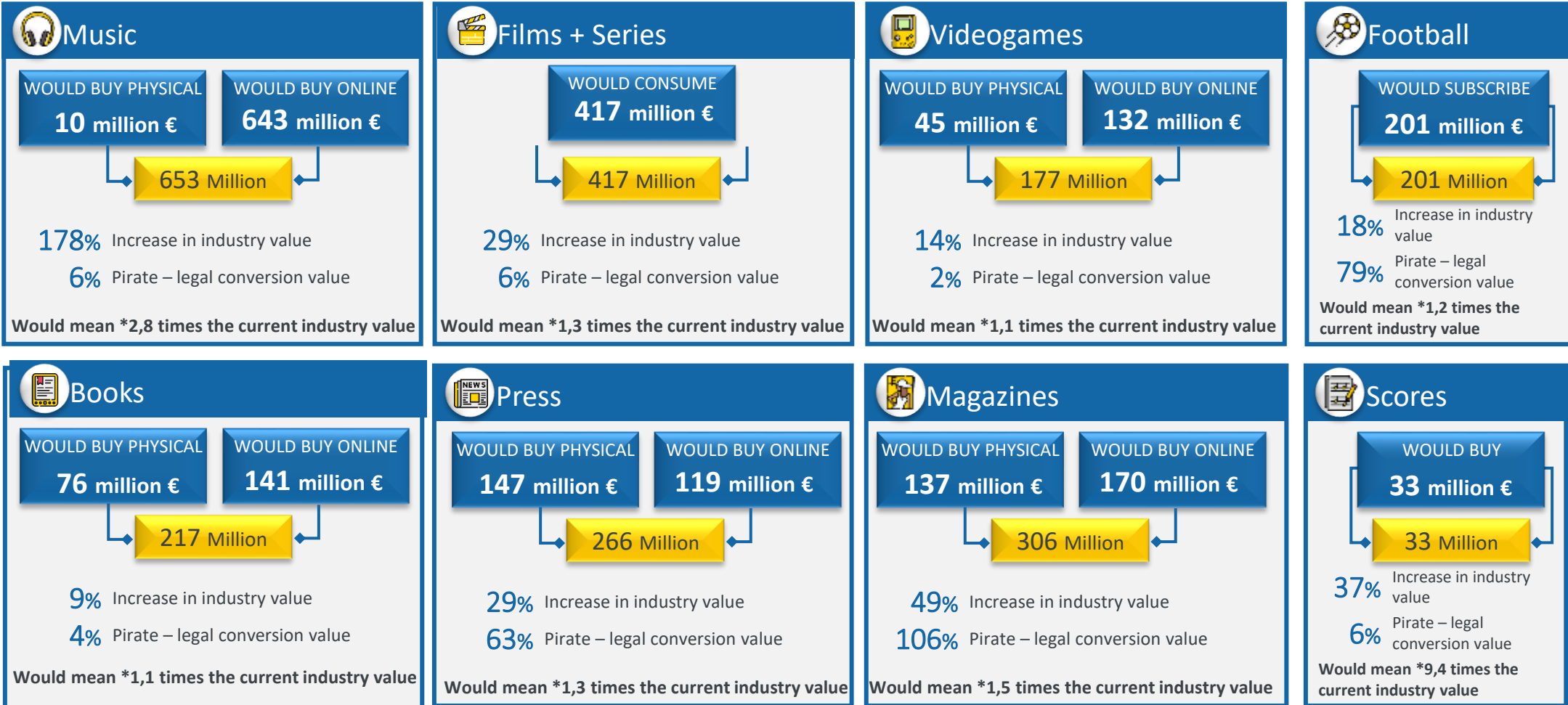


Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

▲ Higher than 2020
▼ Lower than 2020

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

The lost profit in 2021 for the industries was **2.271 million** euros



Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)

Industry value + profit lost

This year, the loss of profit has a slightly decreasing variation, except for the Scores.
On the other hand, all industries are higher compared to 2020, except Press and Scores.

							2021			Variation with 2020 (*)			
		Industries value	Profit lost	TOTAL	Industry value	Profit lost	TOTAL	Industry	Profit Lost	TOTAL	Industry	Profit Lost	TOTAL (*)
MUSIC	Physical	64	10	74	74			367	653	1.021	+16%	-8%	+1%
	Digital	303	643	946	946								
VIDEOGAMES	Physical	397	45	442	442			1.310	177	1.487	+2%	-13%	0%
	Digital	913	132	1.045	1.045								
BOOKS	Physical	2.305	76	2.381	2.381			2.431	217	2.648	+2%	-10%	+1%
	Digital	126	141	267	267								
FOOTBALL	Physical + Digital	1.150	201	1.351	1.351			1.150	201	1.351	0%	-13%	-2%
FILMS + SERIES	Physical + Digital	1.459	417	1.876	1.876			1.459	417	1.876	+55%	-9%	+34%
PRESS	Physical	410	147	557	557			931	266	1.197	-19%	-23%	-20%
	Digital	521	119	640	640								
MAGAZINES	Physical	524	137	661	661			621	306	927	+3%	-28%	-10%
	Digital	97	170	267	267								
SCORES	Physical + Digital	4	33	37	37			4	33	37	-7%	+19%	16%

(*) Increases/decreases compared to 2020 are based on an exact comparison, without taking into account modifications applied this year.

Unit: percentages // Base: Total Internet users 2021: (n=3422); 2020: (n=3022)



4.

Repercussion on
public funds and
employment

Employment

According to the data obtained from the market share that the industries are no longer invoicing, more than 120 thousand jobs could be generated, both direct and indirect. And the public treasury would receive 653 million Euros, distributed between the VAT of the purchased contents, the Social Security and the IRPF of the jobs generated.

Total value of the **PROFIT LOST** because of ilegal accesses

2.271 Million euros

This represents an
increase of 27%
over the anual billing
of the industries.

DIRECT jobs that would be generated in a scenario without illegal access.

18.716 DIRECT Jobs.

It's estimated that **1 direct** job can
generate **6 indirect** ones

In **total direct + indirect**
jobs will be genrated

112.299
Total jobs

Total lost income in public funds

653 Million euros









416
VAT

183
Social Security

54
IRPF

Direct jobs generated without illegal accesses 2021

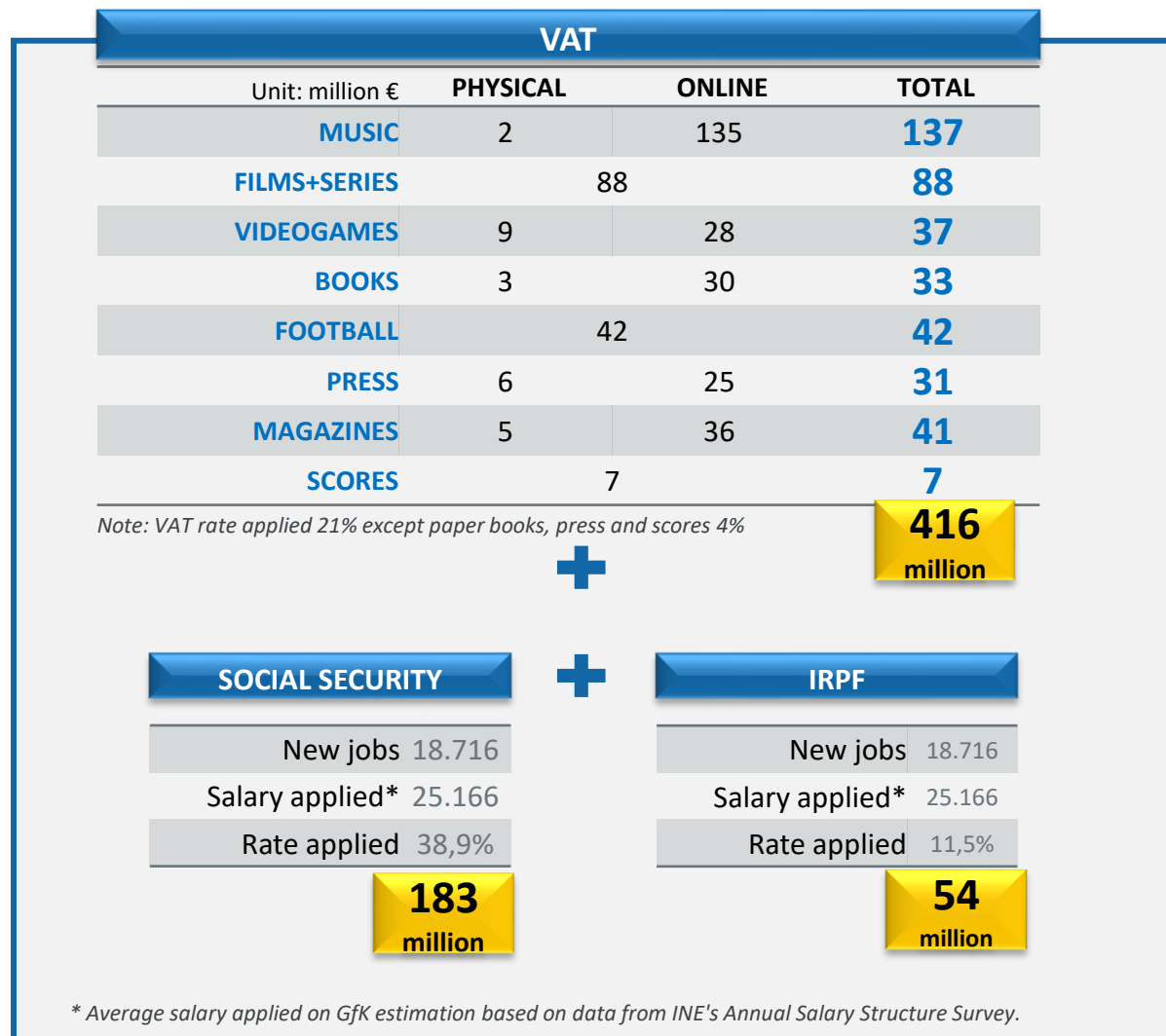
Currently, the content industries that are members of the Coalition employ 101,306 direct workers in Spain. The new direct jobs generated in a scenario without illegal access would be 18,716 direct jobs.

	Content and area of work	CURRENT POSITIONS 2021	Estimated increase %	Estimated increase	TOTAL EMPLOYMENT
	MUSIC				
	Production	6.545	27,7%	1.816	8.361
	Distribution	1.935	59,9%	1.099	2.934
	FILMS+SERIES				
	Total	39.300	29,7%	11.680	50.980
	VIDEOGAMES				
	Total	9.125	8,2%	748	9.873
	BOOKS				
	Editorial production	4.427	4,5%	199	4.626
	Distribution	18.227	9,0%	1.640	19.867
	FOOTBALL				
	Employment	9.843	9,3%	919	10.762
	PRESS				
	Employment	6.389	3,9%	247	6.636
	MAGAZINES				
	Employment	5.597	6,5%	366	5.963
	SCORES				
	Employment	18	10,3%	2	20
	TOTAL	101.306	18,5%	18.716	120.022

Unit: percentages // Base: Total Internet users: (n=3422)

Public funds cease to receive because of illegal contents

The public administration lose 653 million euros this year, due to the illicit consumption of content.



Total lost income in public funds

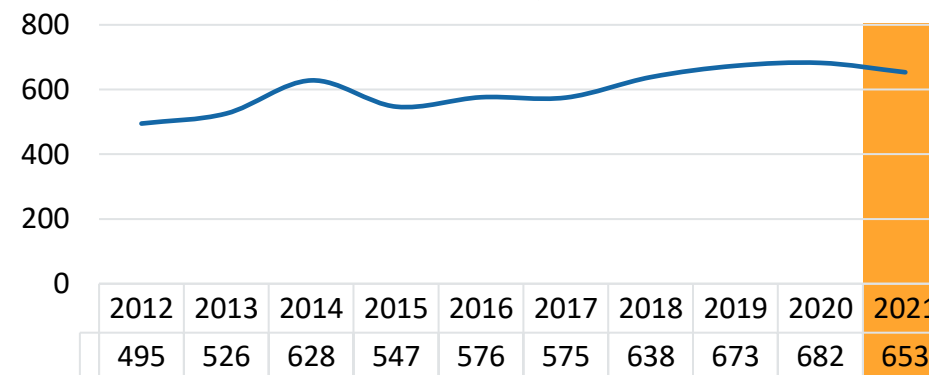
653 Million euros

416
IVA

183
Seguridad social

54
IRPF

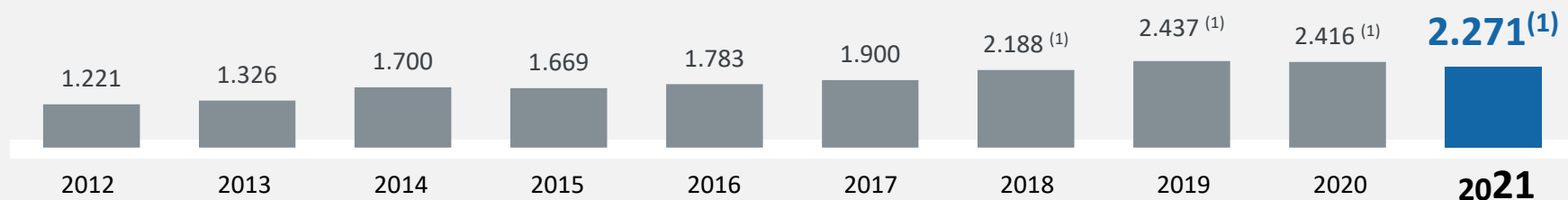
5.993 million euros
in 9 years, lost in public funds



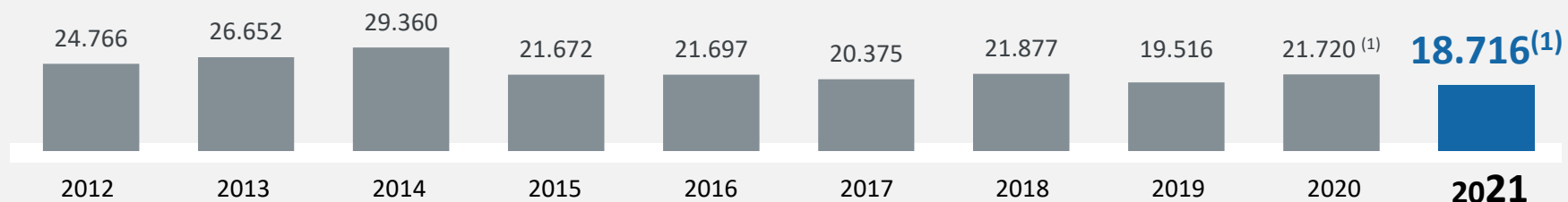
Piracy impact

Comparing with 2020, this year 2021 decreases the share of lost profits, and the number of direct jobs that would be generated in the absence of the consumption of illicit content, and its consequent tax and Social Security revenues by the Administration.

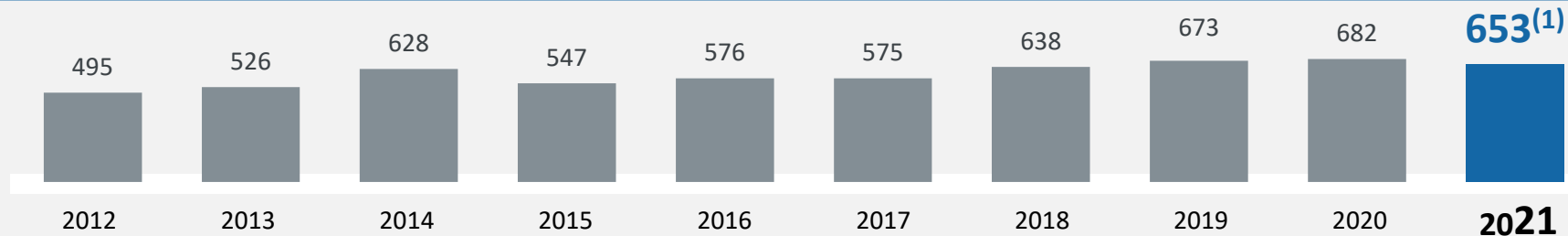
Valor total del lucro cesante



Nuevos puestos de trabajo directos



Ingresos totales perdidos en las arcas públicas



VAT – 416
S. Security – 183
IRPF – 54

(1) Includes data from Press, Magazines and Scores.
Unit: percentages // Base: Total Internet users: (n=3422)

PIRACY OBSERVATORY 2021



AND DIGITAL CONTENT CONSUMPTION HABITS



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