2020 Essential Facts about Video Games in Italy

MARKET AND CONSUMER DATA



IDEA

Italian Interactive Digital Entertainment Association

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Introduction

Dear friends,

here we are, as every year, at the presentation of the new edition of the Annual Report of IIDEA, an overview on the video game market and on the players' base in 2020, made on the basis of different research sources such as Game Sales Data (GSD), GameTrack and AppAnnie within the permanent observatory on the sector promoted by the European federation ISFE.

The pandemic that hit us at the beginning of the year and is unfortunately still ongoing has contributed to changing our habits and priorities, with a major impact on many sectors, including the entertainment sector. However, in this scenario, the video game market has recorded a historic performance generating a turnover of 2 billion and 179 million euros with a growth of +21.9% compared to 2019. This result, however, cannot be interpreted only as a consequence of the exceptional situation we are going through. The video game market in Italy continues to grow year after year and there are several factors that are influencing its unstoppable development.

Undoubtedly, sales on the software front are driving the industry with a turnover of €1.7 billion and growth of 24.8% compared to 2019. In particular, the digital segment, including digital downloads on consoles and PCs as well as apps, saw the biggest expansion, rising from €602 million in the previous year to €799 million in 2020. Compounded by the good performance of next gen consoles - the new PS5 and Xbox Series released in November 2020 - and Nintendo Switch, the console segment developed revenues of €395 million with a growth trend of 6.9%.

The number of players, on the other hand, remained substantially unchanged, with 16.7 million people having fun with video games during the year, meaning 38% of the Italian population between the ages of 6 and 64. What grew, however, was the involvement with video games. Probably as an effect of the increased time spent at home, during 2020 Italians spent an average of 8 hours per week playing on all devices, half an hour more than the previous survey. There was a growth in the time dedicated to all platforms, with the exception of older consoles - such as PS3 and Xbox360 - and smartphones, which recorded a slight decrease compared to 2019.

In 2020 we have all come to terms with the increased presence of technology in our daily lives: from video calls, to distance learning, to moments of leisure with distant friends and family. The potential of the video game as a narrative, popular and social language has been noticed by families, educators, companies and anyone who has had the opportunity to approach the medium, noting its great ability to positively involve people and generate value. The video game as a tool for socialization and inclusion has definitely established itself in our country.

If 2020 ended on an extremely positive note for the video game industry, we can't wait to see what happens in 2021 with the hope that the positive trend for the industry can be reconfirmed!

Happy reading!



Marco Saletta
Chairman IIDEA



Methodology

A combination of various sources






The Italian video games market's size is calculated through various sources of data:

Packaged Products

(Hardware, Software, Accessori, Hybrid Toys):
Games Sales Data **(GSD)**

Digital Products

Console and PC (full games and in-game purchases): **GSD** and **GameTrack**
Mobile (full games and in-game purchases): **App Annie** and **GameTrack**

Consumer demographics

GameTrack by Ipsos (on behalf of ISFE)

Packaged Products

GSD compiles sales data every week from a panel of retailers and extrapolates the data to cover 100% of the market.
GSD is dedicated to the videogame industry. It runs a sophisticated and customized extrapolation model to cope with the market's diversity.

Key elements of GSD extrapolation methodology are:

- Use of sell-in data samples from publishers and console manufacturers;
- Use of different models per product type.

Digital Products (Console and PC)

GSD gathers FGD (full-game download) sales data from the majority of top publishers on PSN (Playstation), Xbox Live (Xbox), Nintendo eShop (Nintendo) and Steam (PC).

Other storefronts sales, such as Battle.net, Ori-gin, Uplay, Rockstar Launcher and etc, are not tracked.GSD data is then extrapolated to total market (all publishers, all platforms and in-game purchases) by GameTrack.

Gametrack's extrapolation methodology relies on two main building blocks:

- Collaboration with download platforms;
- Periodic European online consumer panel surveys calibrated to ensure nationally representative.

Digital Products (Mobile)

App Annie is the international reference in the mobile app market data.

Its methodology is based on:

- Full periodic rankings received from Android and iOS;
- For the same periodicity, exact units and values on multiple mobile games, provided by app developers.

Total units and developer values are derived from these data points.

Extrapolation rates from GameTrack are applied in order to account for consumer spending.

Consumers

GameTrack Italy's study started in Q4 2019. GameTrack online fieldwork runs throughout the quarter. Once a year, a sample of c1,000 adults per country is interviewed via an offline survey (including questions relating to the games played by children aged 6-17 years old), to provide data that are used to weight responses from a much more detailed online survey.

The online survey is conducted amongst a sample of at least c3,000 internet users aged 6-64 years per country for each quarter (a total of 12,144 interviews were progressed in the specific case of Italy). 6-64 years old represent the vast majority of all video games players.

GameTrack is a project commissioned to Ipsos by ISFE, the Interactive Software Federation of Europe, of which IIDEA is a member.

Subscribers include some of the biggest names in the industry.

GameTrack also runs in the US, Great Britain, France, Germany, Spain and Russia.

Legend

Hardware

Consoles

Accessories or gaming peripherals

Physical Software

New games that come on a disc/cartridge

Rented games on disc/cartridge

Digital Software

FREE GAME: downloaded games for free

PAID GAME: paid to download games

DLC: paid for additional downloadable content (DLC) for games that you already have

MICRO TRANSACTIONS: paid for additional in-game content for games that you already have using micro-transactions

MMO SUBSCRIPTION: : paid a subscription to play a specific multiplayer online game

SOCIAL: paid for extra features for games on social networking sites

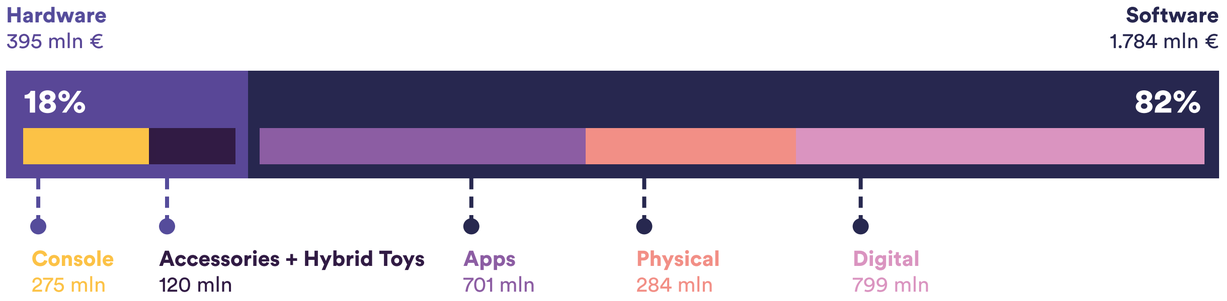
BROWSER: paid to play on game specific sites where you play online downloading the game

ON-DEMAND: paid for a subscription to play games on-demand as part of package

Gaming in numbers - 2020

Turnover 2020

2.179 billion € · *+21,9% VS 2019*



Italian gamers in 2020

GAMER NUMBERS

16.7M
(38%)

GENDER

9.4M	7.3M

AGE

6 - 10	11 - 14	15 - 24	25 - 34	35 - 44	45 - 64
1.8M	1.7M	4.0M	3.0M	2.4M	3.8M

GAMING TIME

8.0
ore/sett

PLATFORM

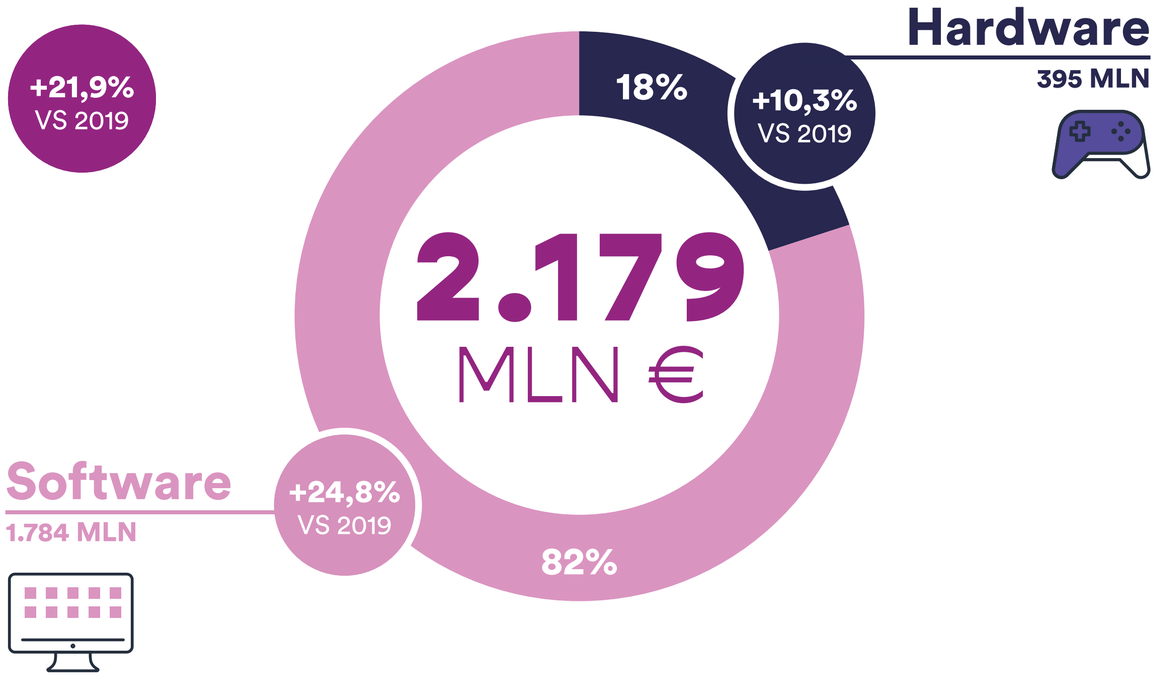
Console Home	Handhelds	PC	Smart Device
6.9H	1.8H	4.7H	5.0H

The Italian Video Game Market



Total turnover 2020

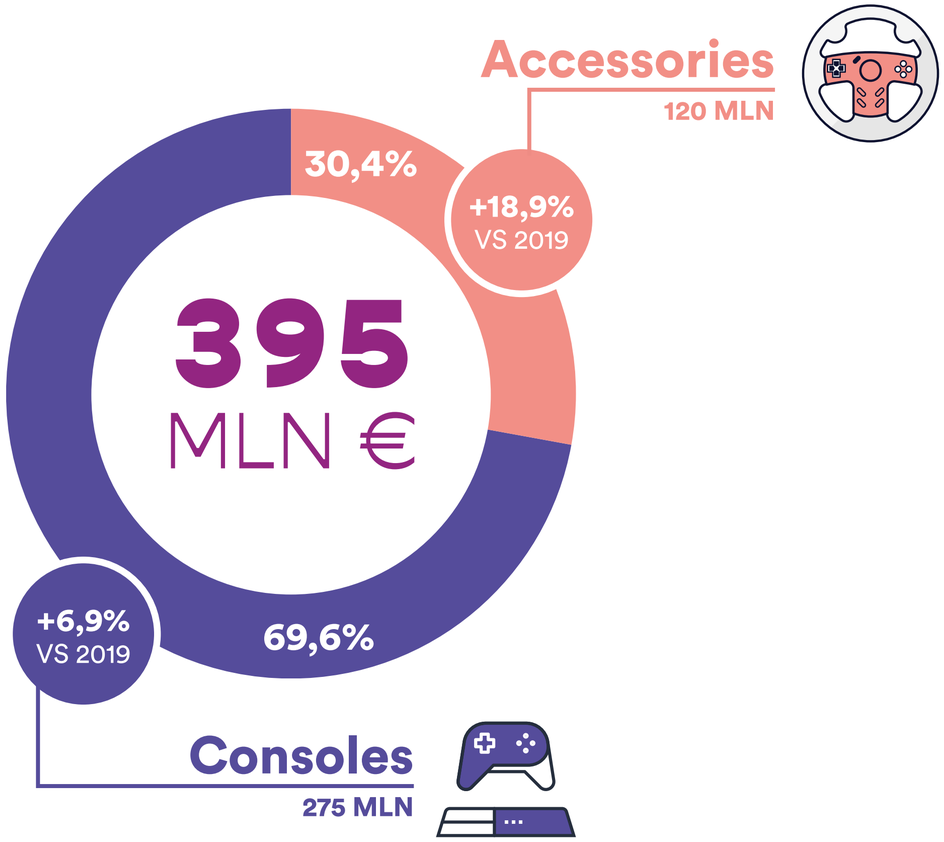
The total turnover generated by the video game market in **2020** was over **2,179 billion euros**, with a **21.9% increase compared to 2019.**



Market segments

HARDWARE

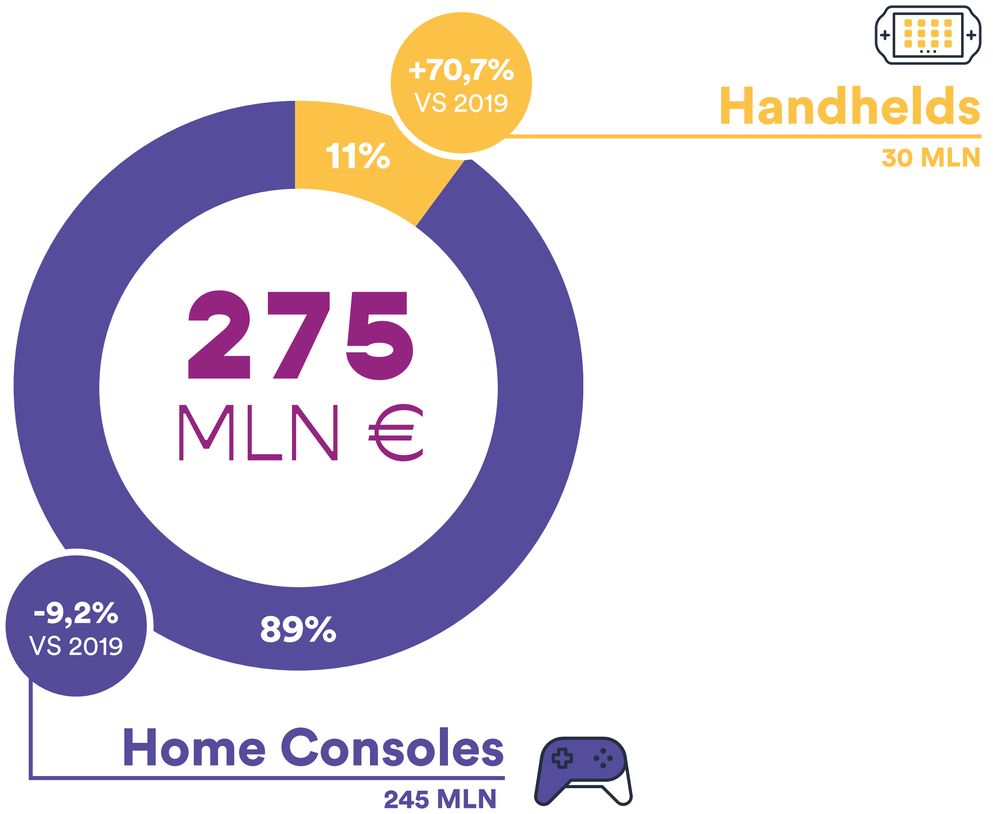
TOTAL HARDWARE MARKET: CONSOLES + ACCESSORIES (VALUE)



Hardware

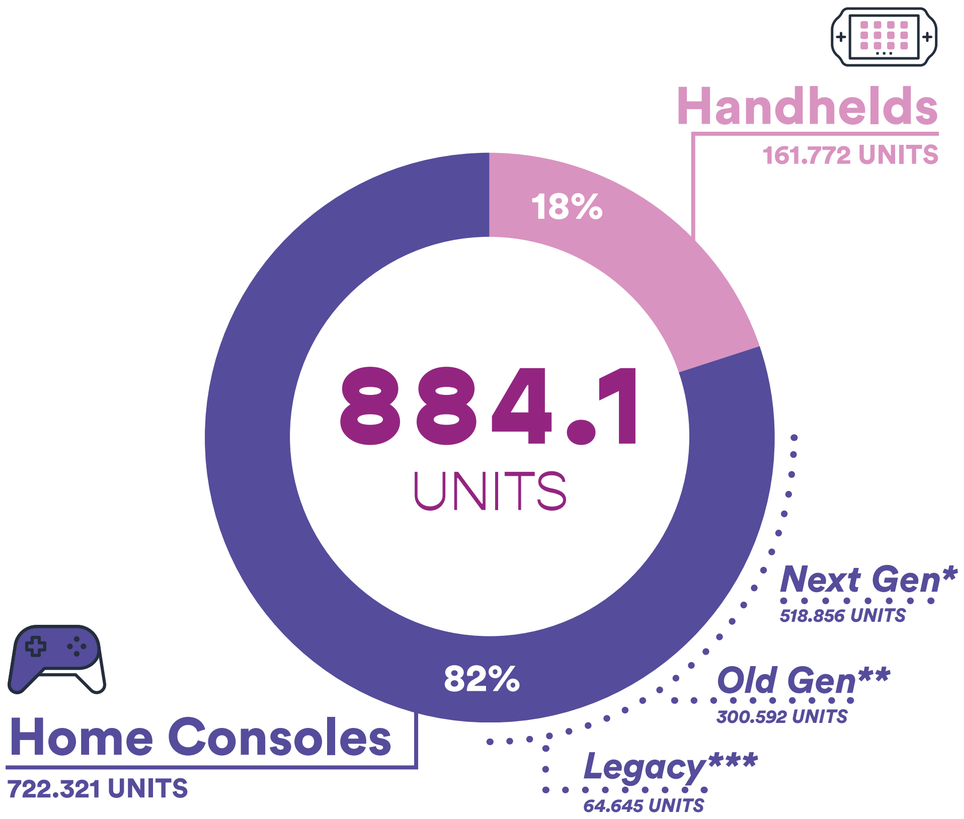
CONSOLE

TOTAL CONSOLE MARKET: VALUE



Hardware
CONSOLE

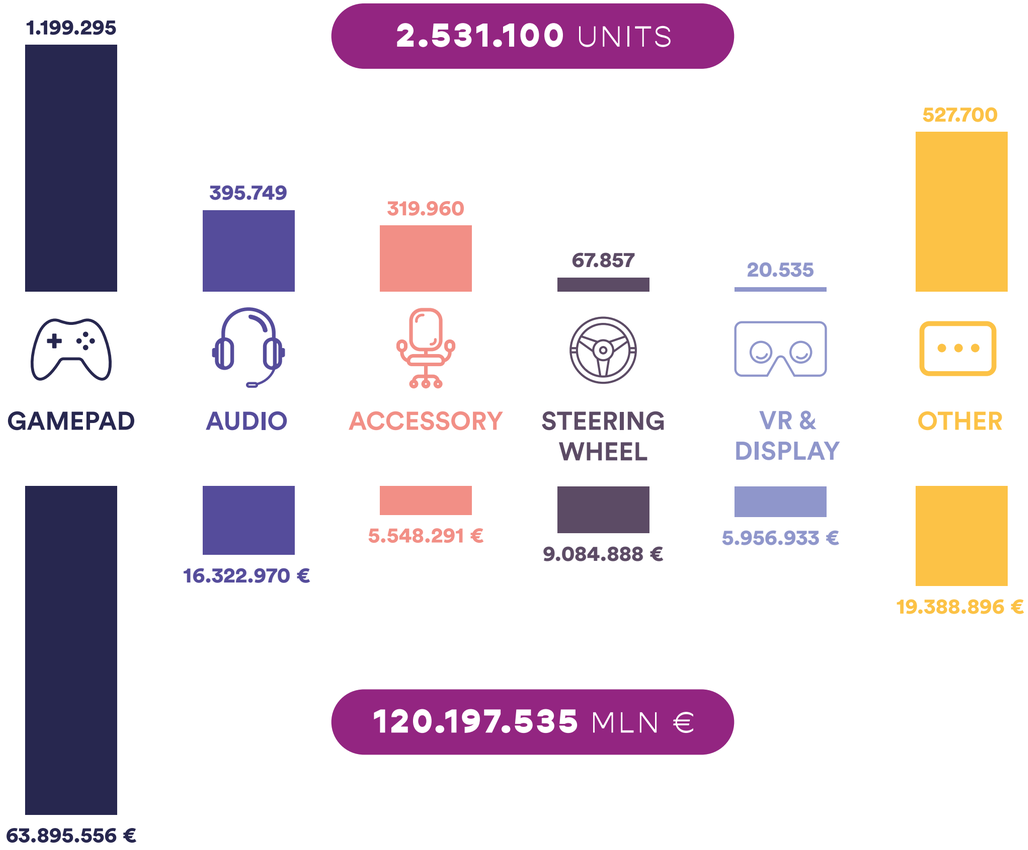
TOTAL CONSOLE MARKET: VOLUME



*PS5, Switch and Xbox Series | ** PS4, XBOX ONE, Wii U e 3DS | ** MegaDrive, Xbox 360, PS3, PS2, PS1, SNES, NES, Wii...

Hardware
ACCESSORIES

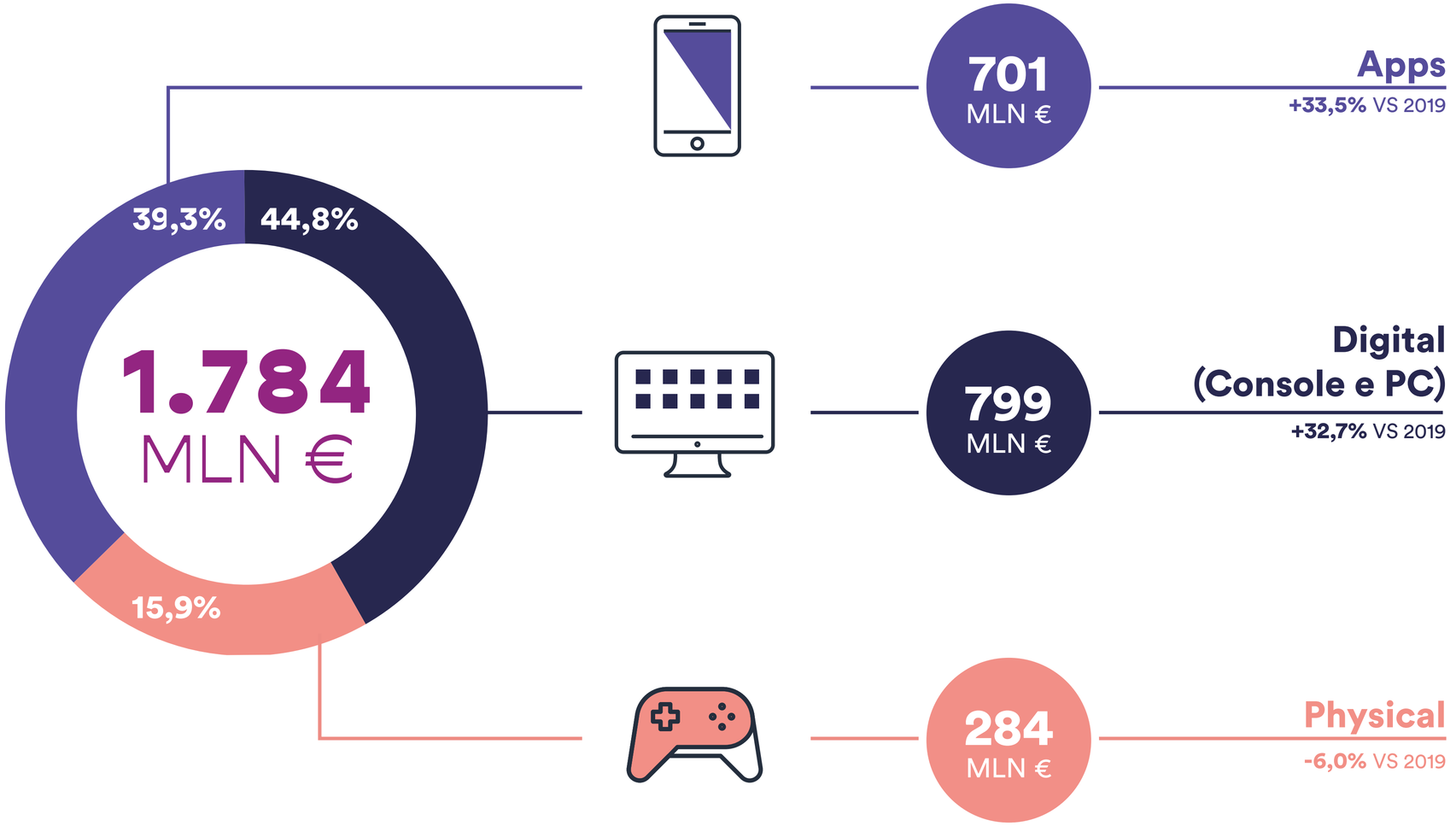
TOTAL ACCESSORIES MARKET : (VOLUME AND VALUE)



Market Segments

SOFTWARE

SOFTWARE MARKET VALUE PER FORMAT

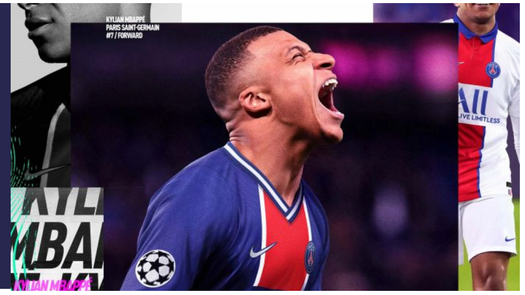


TOP 20 Best Selling Video Games in 2020

ALL PLATFORMS / PHYSICAL + DIGITAL

1

FIFA 21
Electronic Arts



2

Grand Theft Auto V
Rockstar Games



3

FIFA 20
Electronic Arts



4. **Animal Crossing: New Horizons**
Nintendo

5. **The Last of us PART II**
Sony Interactive Entertainment

6. **Call of Duty: Black Ops Cold War**
Activision Blizzard

7. **Call of Duty: Modern Warfare**
Activision Blizzard

8. **Tom Clancy's Rainbow Six Siege**
Ubisoft

9. **NBA 2K20**
2K Sports

10. **Assassin's Creed Valhalla**
Ubisoft

11. **Red Dead Redemption 2**
Rockstar Games

12. **Minecraft: Nintendo Switch Edition**
Mojang

13. **Spider-Man**
Sony Interactive Entertainment

14. **Dragon Ball Z: Kakarot**
Bandai Namco Entertainment

15. **God of War**
Sony Interactive Entertainment

16. **Assassin's Creed Odyssey**
Ubisoft

17. **Spider-Man: Miles Morales**
Sony Interactive Entertainment

18. **Ghost of Tsushima**
Sony Interactive Entertainment

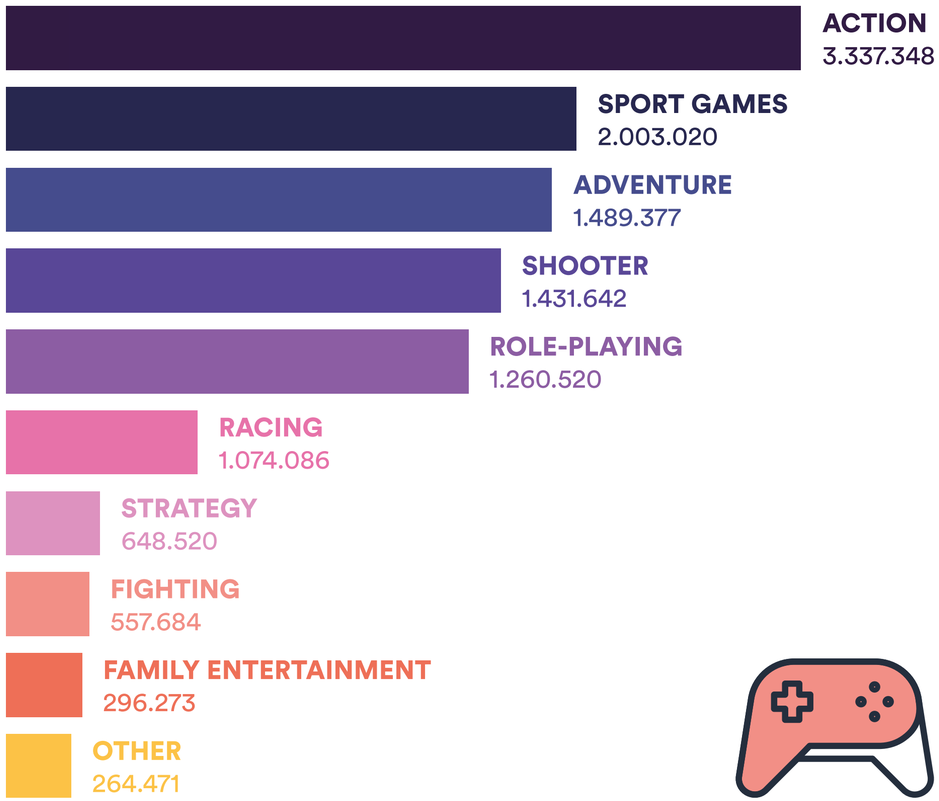
19. **Gran Turismo Sport**
Sony Interactive Entertainment

20. **Mario Kart 8 Deluxe**
Nintendo

Console Games

Top 10 genres of console video games bought in 2020

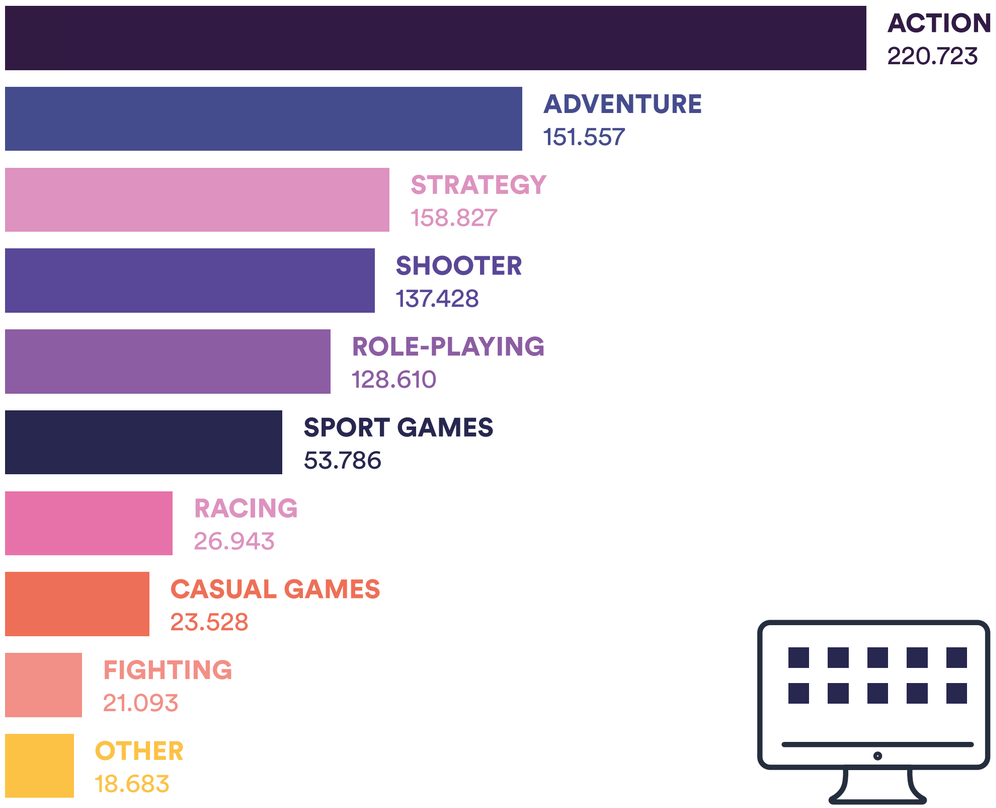
VOLUME



PC Games

Top 10 genres of console video games bought in 2020

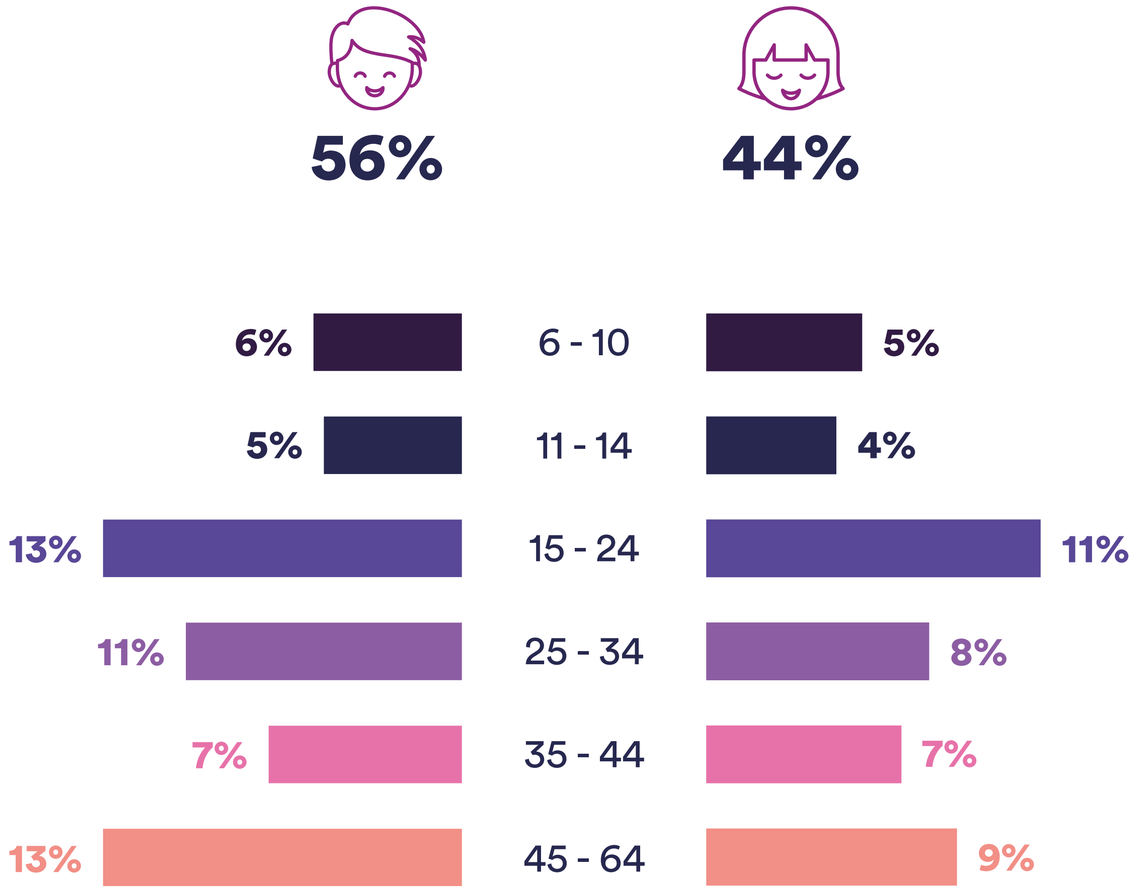
VOLUME



The profile of Italian gamers



16.7 million people played video games in 2020, namely **38%** of the Italian population **6 - 64 years.**



Devices used to play video games

Home Consoles



6.7MLN
PEOPLE



4.2 MLN



2.5 MLN

Of which:

0.5 MLN	4.2 MLN	1.6 MLN	1.7MLN
PS5/Xbox Series X S	PS4/Xbox One	PS3/Xbox 360	Nintendo Switch

Handhelds



1.9MLN
PEOPLE

PC



7.2MLN
PEOPLE



4.5 MLN



2.7 MLN

Smart Devices*



10.7MLN
PEOPLE



5.4 MLN



5.3 MLN

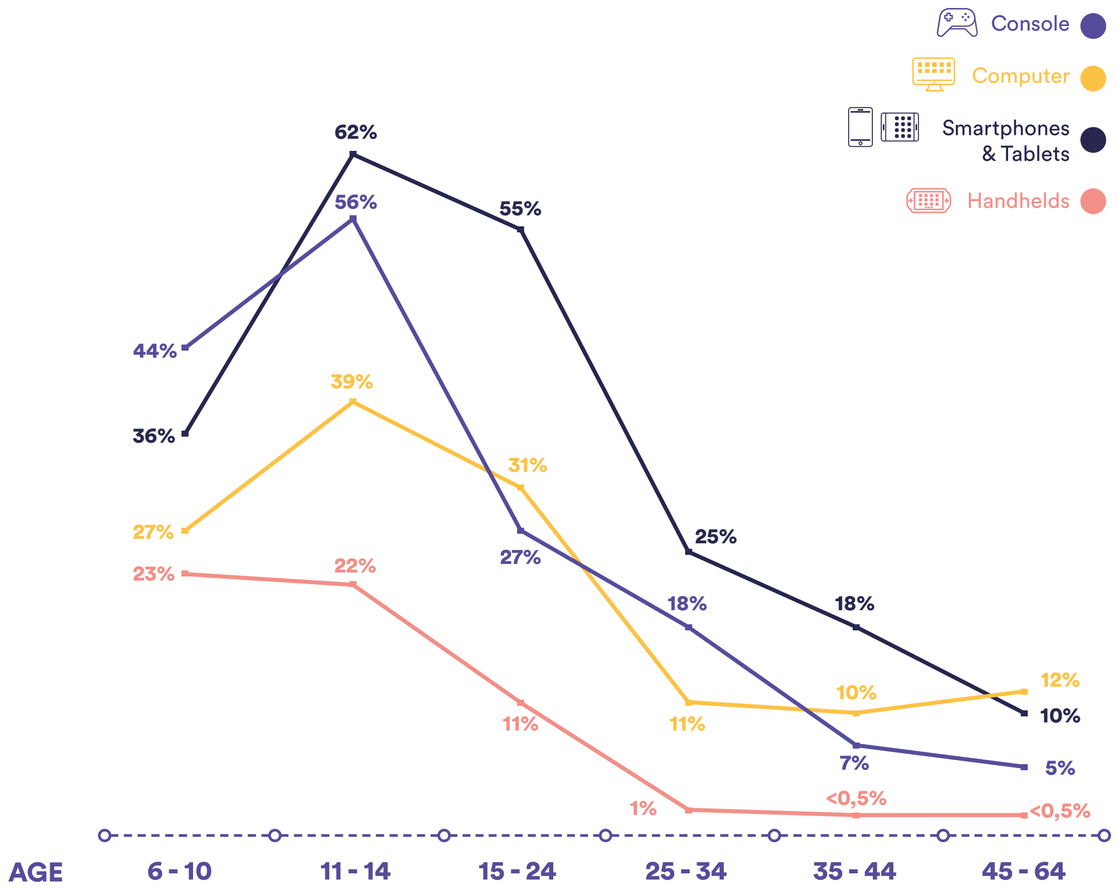
Of which:

8.5 MLN	3.9 MLN
Android	iOS

* Smart devices include smartphones and tablets

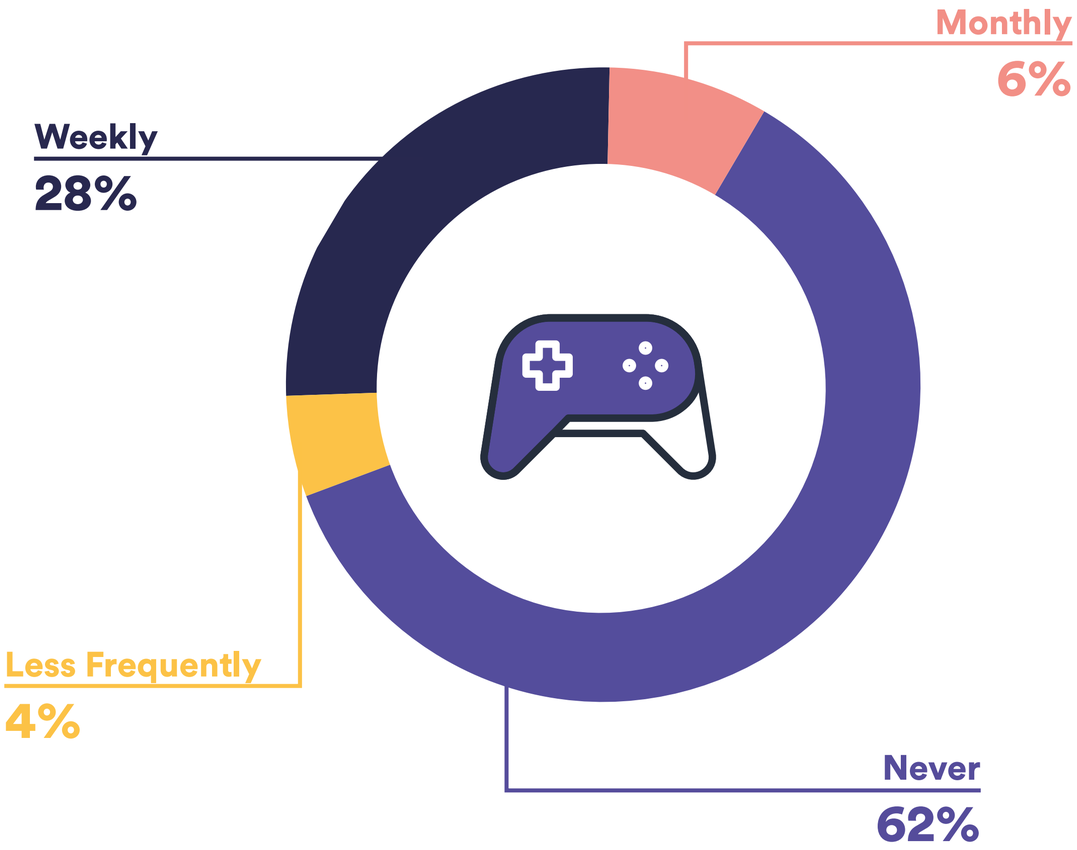
Devices used to play video games by age

ALL RESPONDENTS



Gaming Time

ALL RESPONDENTS



Frequency of play on each platform

ALL GAMERS

Home Console



6.9h
HOURS OF PLAY PER WEEK

Of which:

- **PS5:** 3.3
- **PS4:** 6.3
- **PS3:** 1.5
- **Xbox Series:** 4.2
- **Xbox One:** 3.7
- **Xbox 360:** 1.6
- **Nintendo Switch:** 4.7

Handhelds



1.7h
HOURS OF PLAY PER WEEK

PC



4.7h
HOURS OF PLAY PER WEEK

Smart Device



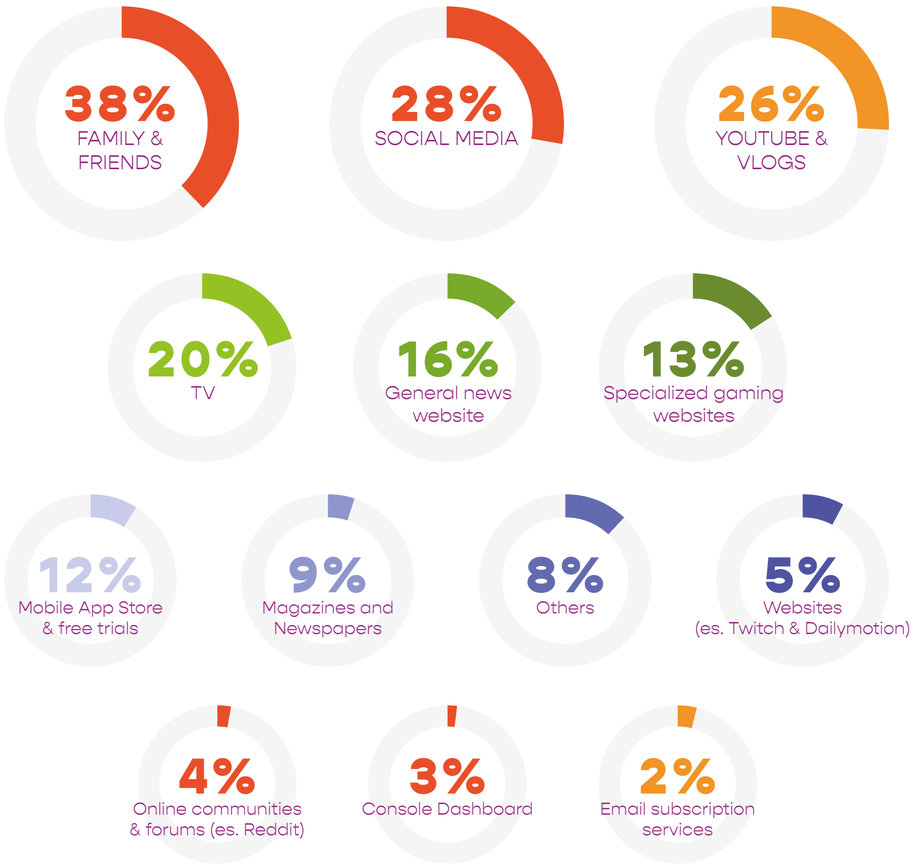
5.0h
HOURS OF PLAY PER WEEK

Of which:

- **Smartphone:** 4.1
- **Tablet:** 3.9

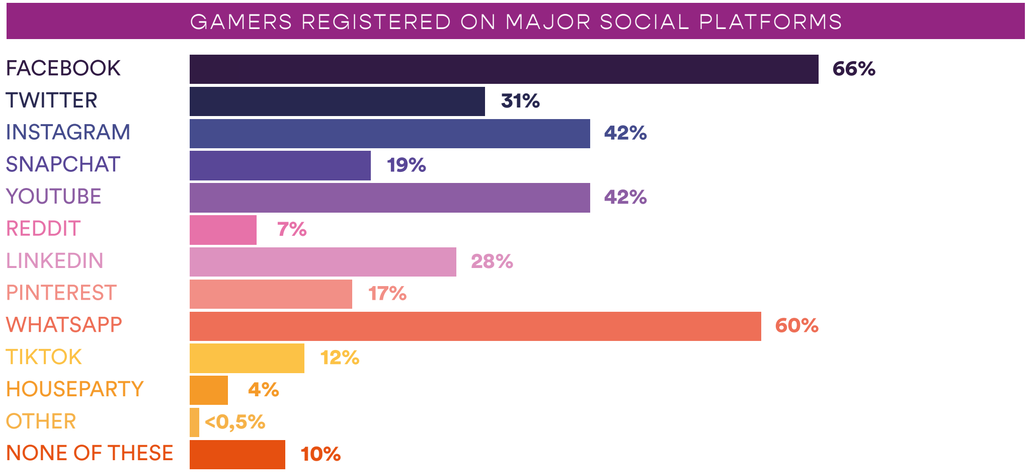
Source of information

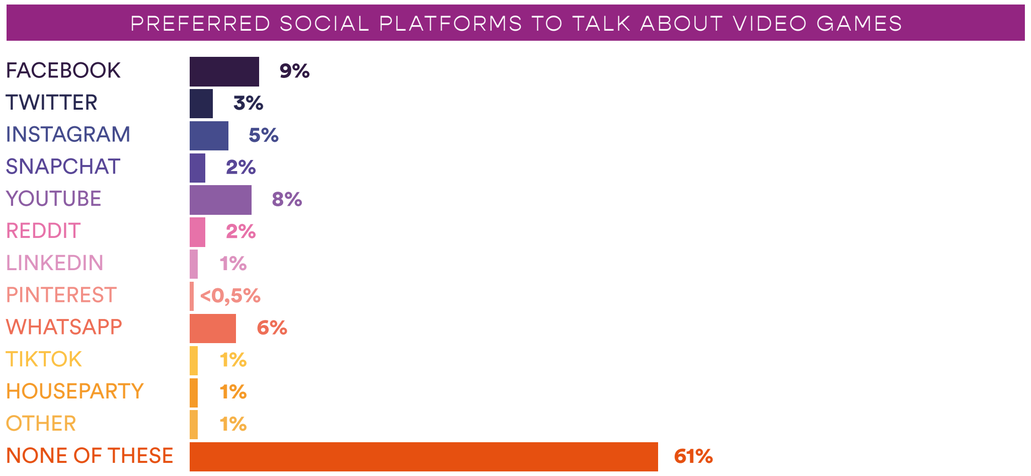
ALL GAMERS



Social Media and videogamers

ALL GAMERS





The impact of COVID-19 on gaming behaviour during 2020

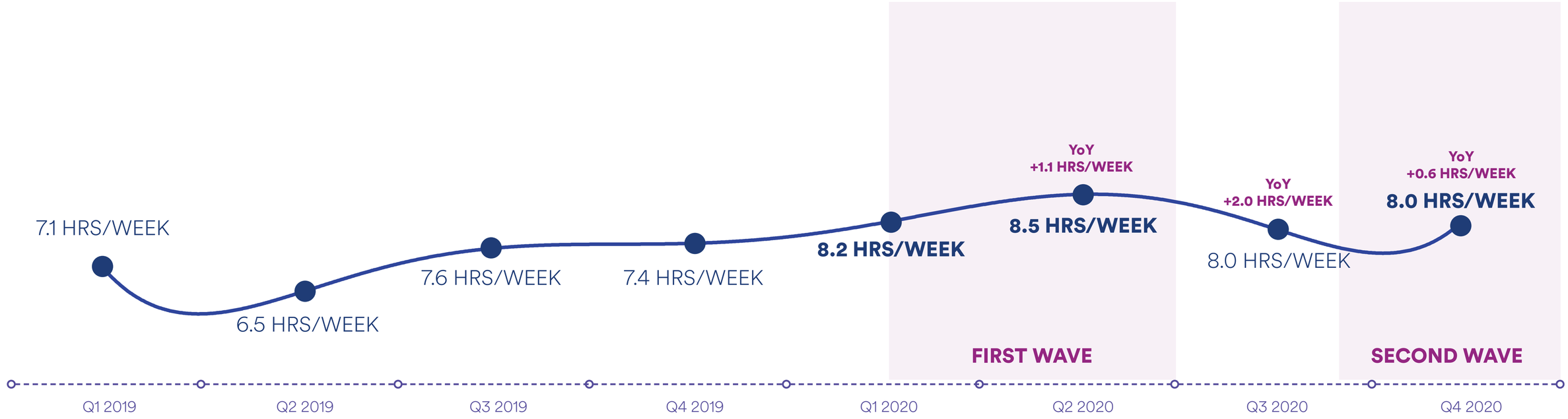


3.

Overall gaming time in Italy

ALL GAMERS

Gaming time reached all time high during COVID-19 restrictions last year.

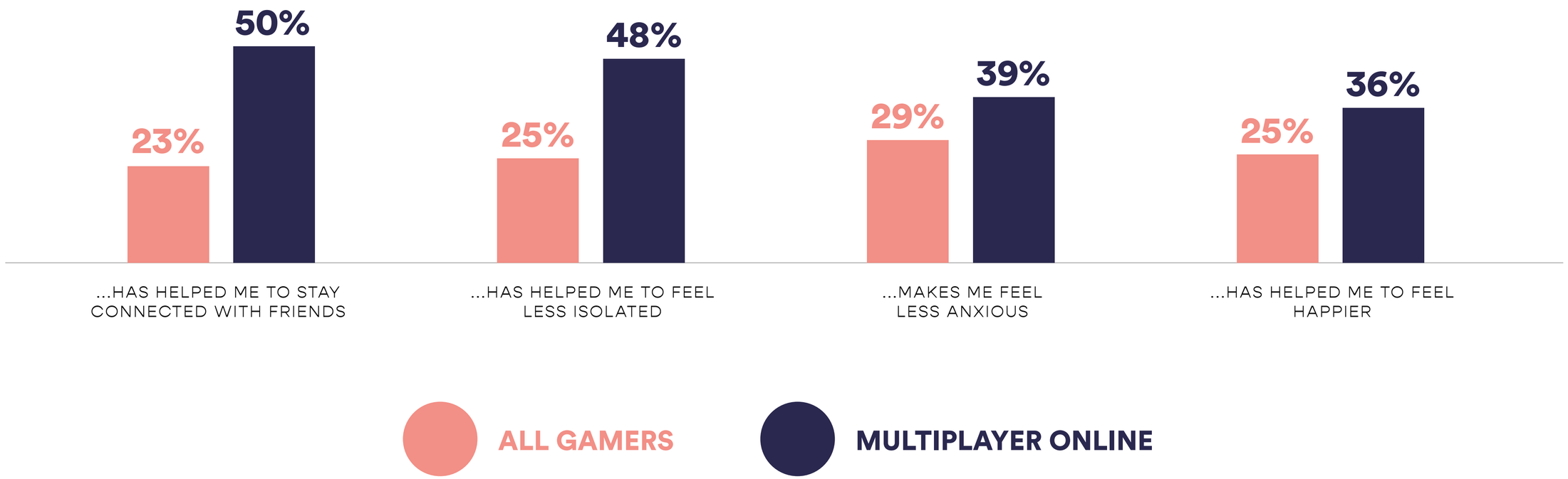


Agreement statements about playing video games

ALL GAMERS / THOSE PLAYING ONLINE MULTIPLAYER GAMES

Multiplayer online games appears to have played a stronger supportive role to players during COVID-19 restrictions last year

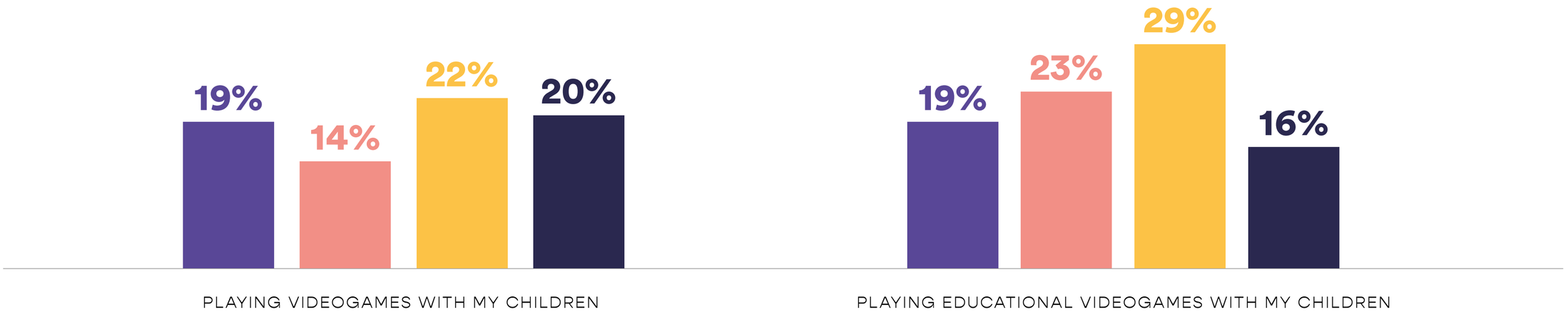
PLAYING VIDEOGAMES... (% NET AGREE)



Activities doing more of since lockdown

AMONGST PARENT GAMERS

(% NET: DOING THIS A “LOT MORE” / DOING THIS “A BIT MORE”)



ALL PARENTS

PARENT OF CHILD 0-5

PARENT OF CHILD 6-10

PARENT OF CHILD 11-15

A responsible industry



4.

PEGI is the pan-European video game rating system designed to educate consumers about the correct purchase of video games as well as to protect minors from accessing video games with content that is potentially inappropriate for their age.

It provides information on the recommended age for video game use and the specific content within the game, **so that parents can make informed purchasing choices**. PEGI also ensures that every video game is advertised in a responsible manner.

The PEGI classification **gives indications on the adequacy of the video game content with regards to the age** and not to the level of difficulty. This means that a PEGI 3 game can be complex and difficult one, while a PEGI 18 game canbe easy to play. It is, therefore, the types of content present in the video game that determine their classification. Age rating icons are used in conjunction with descriptors that indicate the content where a video game has been rated in acertain way.

PEGI was launched in 2003 and **has ranked more than 30,000 video games** eversince.

Today **it is used in 35 European countries** and adopted by all major videogame publishers and developers operating on the European market. PEGI appliesto all video games, regardless of format or platform, sold and distributed inEurope by any market participant which has signed the code of conduct on whichPEGI is based.

The system is also supported by the institutions of the EuropeanUnion and by the majority of European governments.

For more information, please visit www.pegi.info

Age classification

There are five possible age ratings that indicate the minimum recommended age for the video game. The age groups are: 3, 7, 12, 16 and 18.
The symbols are located on the front and back of the video game box.



Content classifications

There are eight possible content classifications that indicate different types of content that may not be suitable for a specific audience.
The symbols indicate the nature of the content when necessary and are located at the back of the game packaging.



The game contains bad language

The game contains depictions of discrimination

The game refers to or depicts the use of illegal drugs

The game can be scary to young chidren

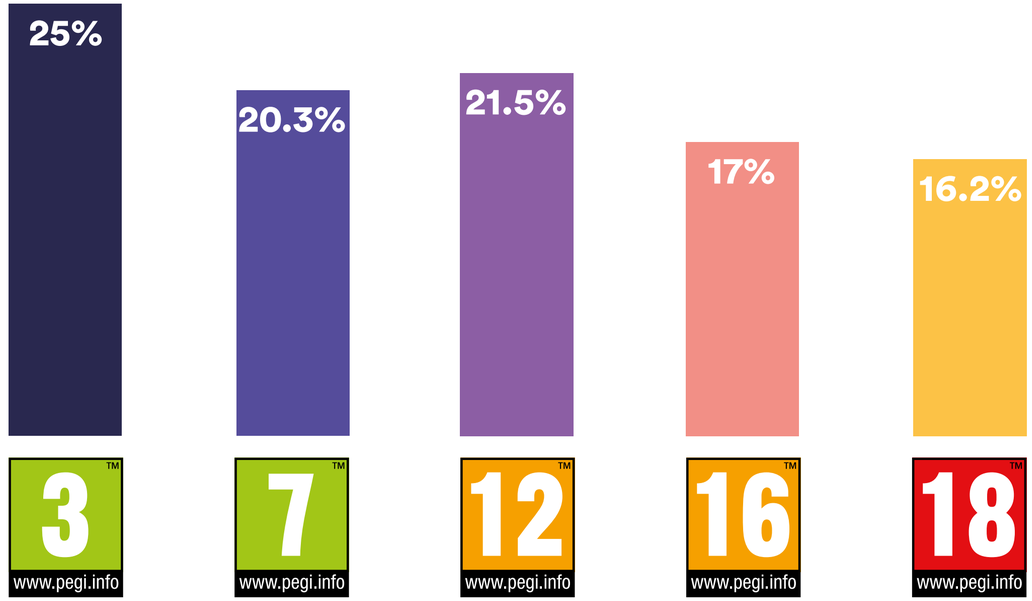
The game can teach gambling

The game permits the purchase of digital contentsor services with real money

The game represents nudity and/or sexual references

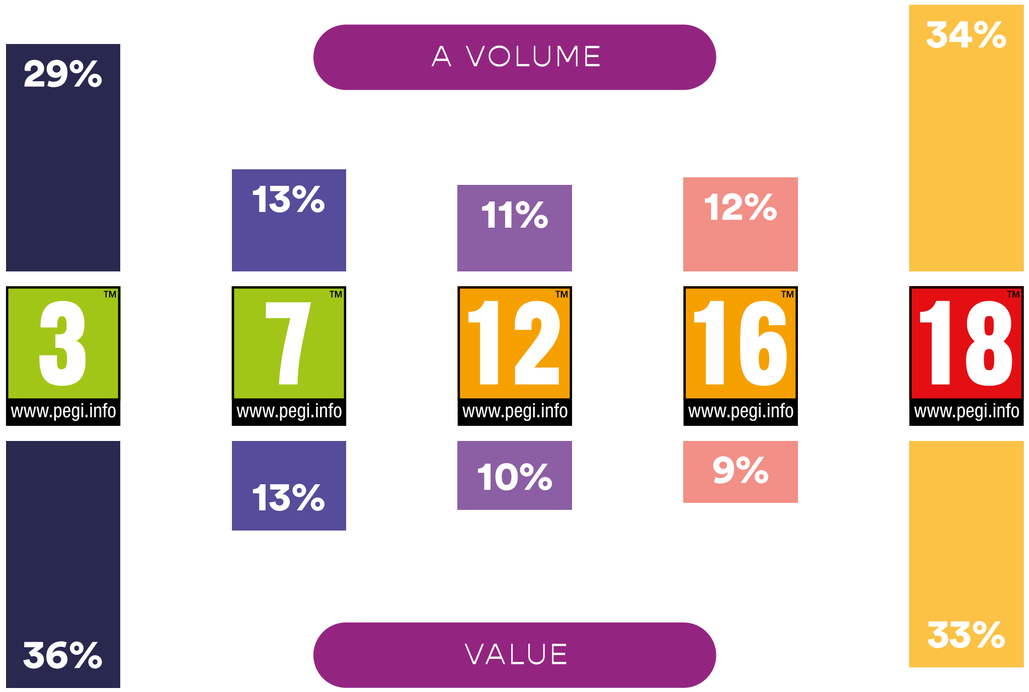
The gamecontains depictions of violence

PEGI offer analysis market share in 2020



66,8% of videogames released in Italy in 2020 are suitable for under 12s (PEGI 3, PEGI 7, PEGI 12).

PEGI sales analysis market share in 2020



53% of video games sold in Italy in 2020 are suitable for under 12s (PEGI 3, PEGI 7, PEGI 12).

TUTTO SUI VIDEOGIOCHI

A website dedicated to parents, educators and all those who want to learn more about the world of video games

In June 2020 IIDEA launched the information website **Tuttosuivideogiochi.it**
The site provides free information and resources **to understand video games and to use them to their full potential**: guides, tutorials and recommendations to choose the most suitable titles, according to the age of the players, to set parental controls in the main platforms used to play video games and to monitor their use.

In addition to this, it is possible to find reviews on the main video games on the market "parent-friendly" and product sheets released month by month and suitable for an audience of minors.
Tutto sui Videogiochi is made up of a **team of independent experts** in various disciplines such as psychology, sociology or pedagogy, who **constantly collaborate with the website** by providing experience and knowledge in different fields.
The independent experts take care of the in-depth analysis proposed by the website on some topics of common interest for parents and educators, such as the use of video games in the family and at school, health protection, possible job opportunities in the sector. The site also offers the opportunity **to confront and interact directly with the experts**, asking questions that will be selected for a public response on the website. **Tutto sui Videogiochi** is a project carried out and financed by IIDEA in collaboration with PEGI S.A., an independent non-profit organization with social aims, constituted according to Belgian law, which manages the pan-European game classification system PEGI (Pan European Game Information).
Tutto Sui Videogiochi was born in the wake of the recommendations contained in the guidelines attached to the Regulation for the classification of the contents of audiovisual works for the web and video games, produced by the Italian Communications Authority (AGCOM), with resolution 74/CONS/19.

IIDEA

5.

Italian Interactive Digital Entertainment Association

We are the **Association representing the videogames industry in Italy.**
We give voice to the industry and deal with shared hot topics through a holistic approach.

The Association was founded in early 2000s. Our original members were mainly multinationals operating on Italian soil. Since 2011, with the establishment of several game development studios in our country, we broadened our membership base to Italian videogames-producing companies, which nowadays represent most of our members. In 2019, we opened the Association's gates to esports business operators, such as teams and tournament organizers.

Currently, the Association is composed of about **80 members**, including videogames hardware manufacturers, videogames publishers, Italian game developers and esports business operators.

Internationally, **in 2002 IIDEA joined ISFE** (Interactive Software Federations of Europe), which is the European videogames Association located in Brussels. Since 2005 IIDEA is member of the ISFE Board of Directors.

Moreover, the Association is also **members of the PEGI Management Board**, videogames age ratings system helping parents in making informed choices during the purchase of a videogame.
We are an agile, slender and results-oriented Association. Our line of work is very pragmatic and based on the constant involvement of our members in order to ensure that our action keeps abreast of the industry steady evolution. Our members are at the hearth of any choice or action carried out by the Association.

Italian Interactive Digital Entertainment Association

Our mission is to create favorable conditions for the development of the industry in Italy and to foster the role of videogame in the economic, social and cultural system of our country.

In realizing our goals, we operate in different field of activities:

- **We periodically release reports** on the videogames market, on the profile of gamers and on the esports sector in Italy

- **We realize periodic survey** on business operators in Italy, with specific focus on the development and production of videogames

- **We closely work with public institutions** at every level to represent, promote and safeguard interest of the industry in the appropriate fora

- **We work to create a sustainable ecosystem** for the business development of start-ups, small and medium-sized enterprises and multinationals operating in Italy, with particular attention to internationalization

- **We promote the spreading of videogames culture** through the organization of different local-based events and initiatives

- **We promote the conscious use of videogames** as a form of entertainment and growth tool, providing consumers with all the necessary information about PEGI age ratings (www.pegi.eu), parental controls of main platforms and useful suggestions for parents when purchasing or playing a videogame. In June 2020 IIDEA launched the information website dedicated to parents and educators **Tuttosuivideogiochi.it**

IIDEA Members

34BigThings
505 Games
Activart
Activision Blizzard
Airland Studios
Alittleb
AnotheReality
API
Bandai Namco Entertainment
Big Ben Interactive
BR Digital
Cordens Interactive
Cube Comunicazione
Digital Lighthouse
Digital Tales
dpstudios
Dynamight Studios
Electronic Arts
Empire Esports
Epic Games
ETT Solutions
Exeed
Fantastico Studio
Forge Reply
Gameloft
GhostShark Games
GoSkilla
Guarini Design
Hexon Esports
HSL Esports
Hive Division
Invader Studios
Italian Games Factory
Iter Research
Just Funny Games
Jyamma Games
Leonardo Interactive
MCES Italia
Melazeta
Microsoft
Milestone
MixedBag
Meangrip
Nintendo
Notorious Legion Esports
One O One Games
Open Lab
Outplayed
PG Esports
PM Studios
Polygon Moon
Pro2Be Esports
Progaming Italia
QLASH
Raceward Studio
Red Koi Box
Reludo
Reply Totem
Riot Games
Samsung Morning Stars
Sandbox Games
Sandbox Studios
Sedleo
Singular Perception
Sony Interactive Entertainment
Storm in a Teacup
Stormind Games
Strelka Games
Studio Evil
Studio V
Take Two
Tiny Bull Studios
Trinity Team
Ubisoft
Ubisoft Milan
UNAmedia
Untold Games
Xplored
Warner Bros.
We Are Muesli
White Manager

Italian Interactive Digital Entertainment Association

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