



TELEVISION PIRACY STUDY 2022/2023

REPORT ON THE ECONOMIC LOSS INFLICTED ON MEDIA DIVERSITY BY THE USE OF ILLEGAL TV SERVICES

A STUDY BY

VANET
Verband Privater Medien

CONDUCTED BY

GOLDMEDIA

TELEVISION PIRACY STUDY 2022/2023: KEY FINDINGS

/01 SHARP INCREASE IN ILLEGAL TV STREAMING

A total of 5.9 million people in Germany watch illegal live TV streams in 2022, a figure that has roughly doubled since 2018*. Although the 24-33 age group are the biggest culprits, in 2022 pronounced use of illegal TV streams was observed in all age groups from 24 to 63. About 80% of these users are male.

/02 HIGHER FREQUENCY OF USE

The frequency of use has also increased: In 2022, 72% of those watching illegal live TV streams did so at least once a week, up from 54% in 2018. Access via apps and software (e.g., Vavoo, Rokkr, Watched) installed on devices such as the Fire TV Stick, Chromecast, Raspberry Pi or Kodi-Box has risen since 2018, with 51% of illegal streamers using one of these ways in 2022.

/03 HIGH SUBSTITUTION POTENTIAL WITHOUT ILLEGAL OFFERINGS

The extrusion of legal live TV channels by illegal live TV streams has continued to rise since 2018. Ninety-one per cent of users would switch to legal services if they couldn't access illegal providers (up from 89% in 2018), while 45% would even be willing to pay.

/04 ECONOMIC LOSS INCREASED TO €1.1 BILLION

In the TV markets directly affected, the use of illegal live TV streams cause direct economic losses in Germany totalling around €1.1 billion annually. This includes lost revenue, especially for programme production (€587 million), as well as foregone taxes and social security contributions (€277 million). Including upstream and downstream markets, the total economic loss in 2022 is around €1.8 billion.

** The number of users originally calculated in 2018 was significantly lower at 1.9 million. To enable direct comparability, the figures were adjusted to reflect the methodology used in 2022.*

BACKGROUND TO THE TELEVISION PIRACY STUDY 2022/2023

Goldmedia GmbH Strategy Consulting was **commissioned by VAUNET (German Association of Private Media)** to conduct a **TV piracy study between May and September 2022. The aims of the study were to quantify live TV piracy use in Germany**, and then calculate the economic loss caused by the use of illegal TV streams on this basis.

The analysis focused on **illegally distributed live free TV and pay TV**. Additional losses caused by illegal downloads or the illegal streaming of individual titles (series or films) on demand were *not* included.

This report is intended to make politicians and external stakeholders aware of the seriousness of this problem. This should encourage more effective action to be taken against illegal TV streaming.

Like the previous study conducted in 2018, this one essentially used two different empirical approaches to reliably determine the extent of TV piracy. Firstly, the **online activities (mobile and desktop) of n=2,766 users in Germany were evaluated using a passive online measurement panel** (October to December 2021).

Secondly, an **online representative survey was conducted among n=563 users of illegal live TV streams** (mobile, desktop or using the TV set; July 2022).

The extent of live TV piracy in Germany and the resulting potential losses were calculated based on this multi-method approach.

Methodological note: Due to the subject matter of the survey (the use of illegal live TV streams), the results may display tendencies towards socially desirable answers.

MARKET DEFINITION BY CONTENT

The analysis focused on illegal live streams of traditional commercial TV services (free and pay TV) in Germany, such as RTL HD or Sky, distributed by unofficial online providers/services. Content can be watched using a browser on websites (e.g., livestreamed.com), via a streaming box on a TV set (e.g., a modified Fire TV Stick, Chromecast, Raspberry Pi or Apple TV), or by using a corresponding app or software (e.g., Vavoo*, Rokkr* or Watched). The analysis also addressed live broadcasts of individual sporting events on the Internet (e.g., Bundesliga and Champions League soccer matches) shown on non-official sources.

CLASSIFICATION AND FOCUS OF TV CONTENT STUDIED, 2022



Source: Goldmedia Analysis 06/2022

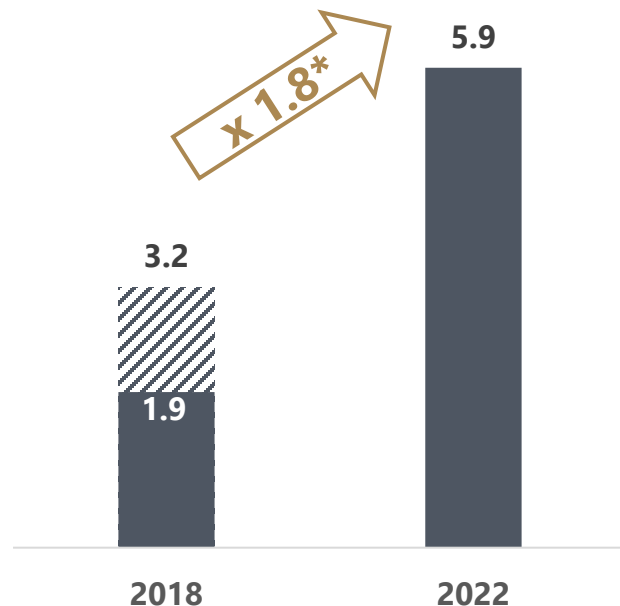
Logos should be regarded as a selection of the TV services examined, some of which offer both live and on-demand TV

* Vavoo and Rokkr are media player software apps that are usually watched on TV sets. Although the software itself is not illegal, add-ons and plug-ins can be used to watch illegal content on them.

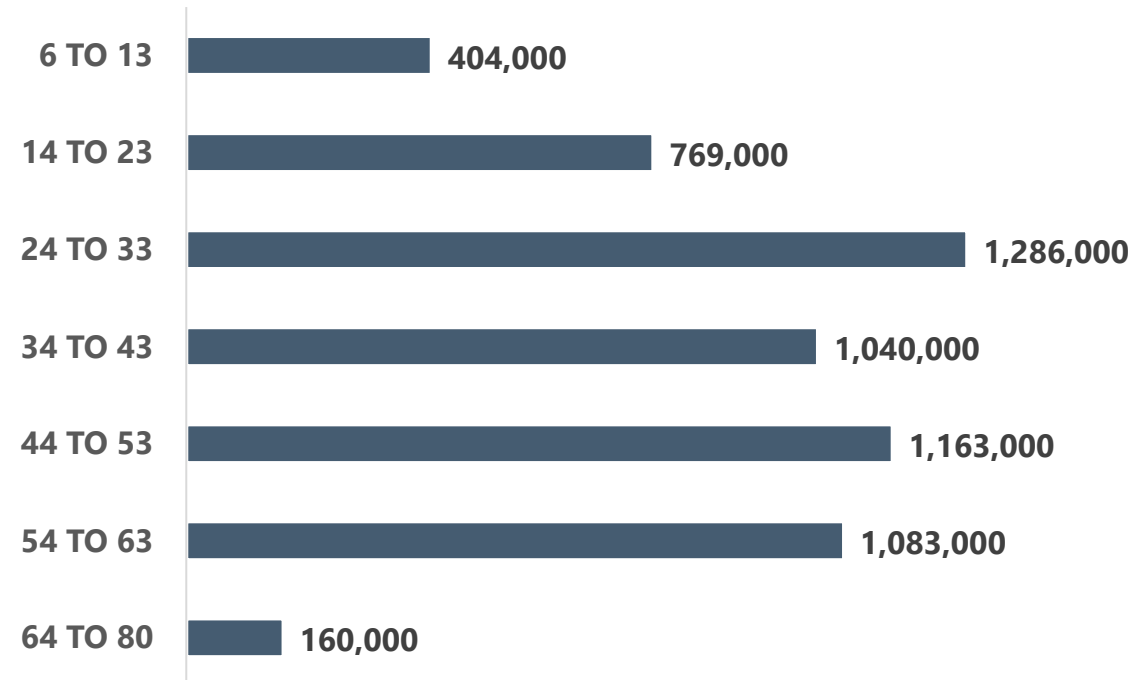
USE OF ILLEGAL TV STREAMS

The number of users of illegal live TV streams in Germany roughly doubled between 2018 and 2022*. Whereas in 2018, the number was still 3.2 million*, by 2022 it had risen to around 5.9 million. Although the largest age group comprises 24- to 33-year-olds, pronounced use of illegal live TV streams was observed among the entire population between 24 and 63.

TOTAL NUMBER OF USERS OF ILLEGAL TV STREAMS IN GERMANY 2018 VS. 2022



USERS OF ILLEGAL LIVE TV STREAMS BY AGE GROUP IN GERMANY IN 2022



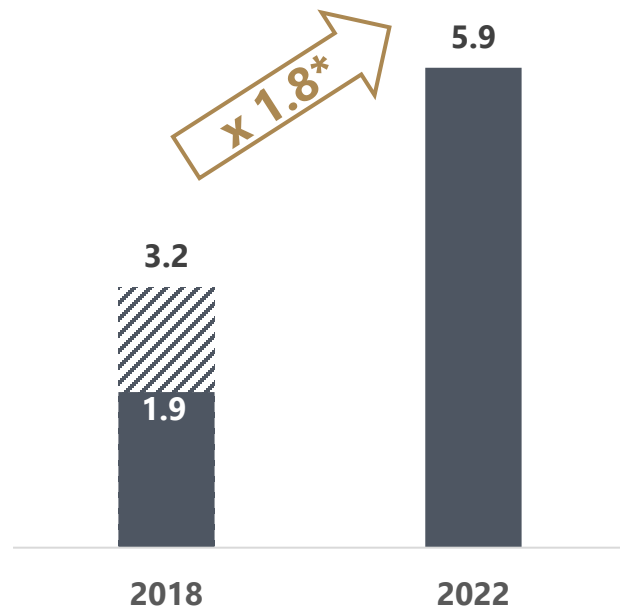
* The number originally measured in 2018 was significantly lower at 1.9 million users.

For direct comparability, the measurements were adjusted to reflect the methodology used in 2022 (see next chart).

Source: Goldmedia Analysis 2022 and 2018; basis: measurement of online usage (desktop and mobile) by users aged 14+, 10-12/2021, n=2,766; 03-05/2018, n=2,035

INCREASE IN THE USE OF ILLEGAL TV STREAMS

TOTAL NUMBER OF USERS OF ILLEGAL TV STREAMS IN GERMANY 2018 VS. 2022



We suspect that there are a number of reasons for the substantial increase in the number of users of illegal live TV streams in Germany between 2018 and 2022:

General market- and user-related reasons:

This increase can probably be attributed to the following factors:

- *Corona effect:* The consumption of video content at home increased across the board during the pandemic. For instance, during the survey, the possibilities for going to the cinema were limited, and far-reaching restrictions were in place on watching major sporting events in stadiums or pubs.
- *Fragmentation/price development:* The market changed significantly between 2018 and 2022. The main changes were the fragmentation of media services and the introduction of many new providers on the market. In all sectors and content types, multiple subscriptions are now required to access a substantial range of content. This has led to higher costs for some consumers.
- *General growth of piracy:* An increase in piracy can also be observed in the non-live video sector (as confirmed by other studies) as well as in software and books*.

Methodological reasons:

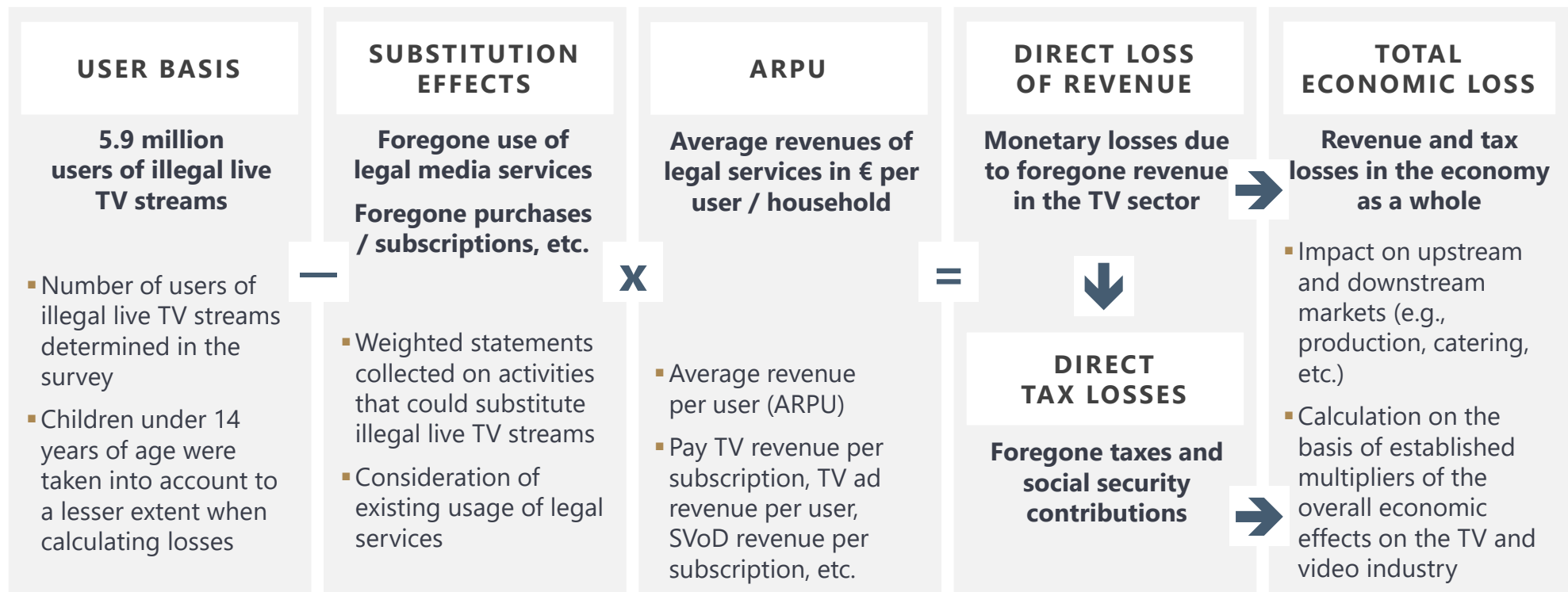
Compared to 2018, the data accuracy of the measurement panel has improved. The list of URLs examined has been expanded and differentiated. In addition, usage data on content aggregator websites that merely redirect to a stream is now included. This is important because the hosting of streams is very dynamic. This improved methodology enabled the use of illegal live streams to be gauged even more precisely and extensively.

For better comparability, the methodology used in 2022 was applied retrospectively to the static measurement data from 2018. As a result, the number of users of illegal live TV piracy services calculated in 2018 rose from originally 1.9 million to 3.2 million. This value is directly comparable to the usage measured in 2022.

CALCULATION MODEL

The losses caused by the illegal streaming of live TV were calculated with the help of detailed substitution effects. During the online survey, the foregone use of legal media services was estimated. The economic loss caused in the various TV markets and segments was calculated separately on the basis of relevant average revenues of individual TV services as well as average revenues per user (ARPU) or household.

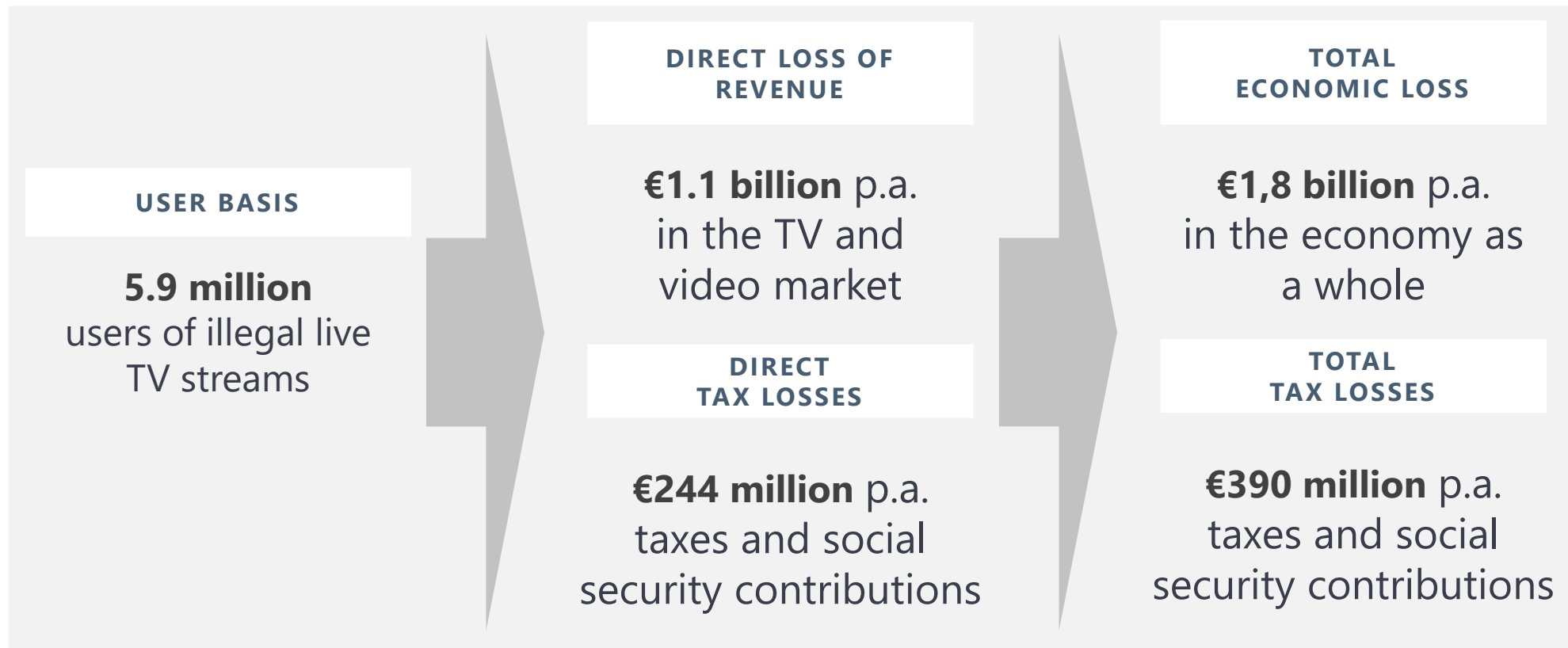
CALCULATION OF LOSSES DUE TO TV PIRACY IN GERMANY, 2022 (SYSTEMATIC PRESENTATION)



SUMMARY

Summary: Around 5.9 million users of illegal live TV streams cause an annual direct economic loss to the German TV and video market of around €1.1 billion and an overall economic loss of around €1.8 billion. The losses in taxes and social security contributions incurred by the stat total around €390 million every year.

USER BASIS, LOSS OF REVENUE AND TAXES DUE TO THE USAGE OF ILLEGAL LIVE TV STREAMS PER YEAR, STATUS 2022





IMPRINT

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