IDEA

Italian Interactive Digital Entertainment Association

2022 ESSENTIAL FACT ABOUT VIDEO GAMES IN ITALY

MARKET, CONSUMER AND INDUSTRY

Index

Summary

MARKET

Video game consumption in Italy shows stability despite the difficult economic, energy and geopolitical situation.
In 2022, the video game market shows strong resilience, achieving a turnover of € 2.2 billion. This substantial stability - there is a slight decrease of 1.2% compared to 2021 - is in itself a positive result, after the historical performance achieved in the previous year of € 2 billion 243 million. The passion of Italians for video games is confirmed as solid as the fundamentals that underpin the market: a sustained demand, a diversified software offer and a hardware market with a great potential for development.

After the launch of the next gen consoles, the hardware segment is impacted by supply difficulties.
From the perspective of market dynamics, 2022 has its uniqueness. If 2021 was driven by the extraordinary performance of next-gen consoles, 2022 is marked by procurement difficulties that hampered the growth of the hardware segment, affecting both the sales performance of consoles and accessories. The total turnover achieved, at € 409 million (18.5% of the total market), was therefore down by 7.7% compared to the previous year.

Sales of physical software in retail stores are growing after the pandemic.
The software segment totaled a total turnover of € 1,791 million (81.5% of the total market) with a very slight decrease of -0.5% on 2021. After a year of expansion, digital software and apps, which together account for 84.3% of the software market, are down slightly (-1.7% and -1.3% respectively). On the other hand, physical software, which accounts for 15.7% of the market, is on the upswing, with 5.2% growth over 2021, thanks to the recovery of sales in physical shops with the relaxation of restriction measures.

CONSUMERS

3 out of 10 Italians play video games. Mobile devices and consoles the most used platforms.
In 2022, the number of players in Italy is 14.2 million, or 32% of the population aged between 6 and 64, down 8% compared to 2021. The slight contraction is due to the decrease in the number of PC players, in line with other European markets. Among platforms for video games, mobile devices are the most widely used (69.7% of players), followed by consoles (45.8%) and PCs (38%).

The average Italian player is 30 years old.
Over 80% of Italian players are adults. The average age of players in Italy is 29.8 years. Looking at the breakdown of the audience by age group, the 45 to 64 age group (24.6%) and the 15 to 24 age group (24.0%) have the greatest weight. This is followed by the other age groups, from 25 to 34 years (15.5%) from 35 to 44 years (12.7%), followed by 6-11 years (11.5%) and 11-14 years (11.3%). Looking instead at the percentage of players by age group, the age group where video games are most popular is the 11-14 age group (71% play), followed closely by the 15-24 age group and the 6-10 age group. 15-24 years and 6-10 years (both 58%).

4 out of 10 players are women.
Women represent 42% of the audience in Italy (down 2% from 2021), with an average age of 30.6 years. They mainly play on mobile devices (47.5%), followed by consoles (45.8%) and PCs (38%). On mobile female and male players prefer the same genres of video games, such as brain/puzzle, trivia and role playing, while on consoles and PCs women prefer family and adventure, while men focus on strategy, sports and racing.

Average playtime returns to pre-pandemic standards.
Average playtime has been growing steadily in recent years, peaking in 2020-2021 as a direct impact of the pandemic. It is therefore not surprising that in 2022, with the relaxation of restriction measures, playtime decreased to 7.52 hours per week from 8.67 hours per week in the previous year, effectively returning to pre-Covid standards. 69.7% of players play at least one hour per week, 19.7% at least one hour per month and 10.6% at least once a year.

INDUSTRY

Video game production in Italy is growing and consolidating.
The national industry is still small, but is experiencing a growth phase with significant development opportunities. Among the 160 development studios that responded to the survey, 80% are companies, mostly partnerships, and 75% have been operating on the market for more than 4 years, confirming an increasing organization and consolidation of the sector, in a highly competitive international market scenario. The turnover generated, although still limited (estimated to be between € 130 and 150 million by 2022), marks a significant growth trend of 30% compared to 2021 and with a strong potential for expansion.

From start-ups to innovative and creative SMEs.
The national entrepreneurial fabric, while continuing to be characterized by a significant number of new operators, is definitely moving beyond the start-up and micro-enterprise stage. In fact, almost 40% of companies now fall within the definition of SMEs (+10 employees vs. 30% in 2021 and 17% in 2018) and companies with 10 to 20 employees in particular are growing (20% vs. 15% in 2021).

Production workers increase by 50%.
There are more than 2,400 professionals employed in game production in Italy in 2022, up 50% from 1,600 in 2021. 24% of workers in the sector are women (vs. 23% in 2021). 69% of operators intend to hire or start collaborations in 2023/2024 (vs. 59% in 2021). 83% of employees are under 36 years of age and are employed in different fields requiring high specialized skills, such as art (30%), technology (29%), design (18%), as well as management (12%) and support (11%).

Markets, platforms and publication methods.
77% of the turnover of Italian operators comes from the B2C market with a growth of 9 percentage points compared to 2021 (68%), 17% is generated by B2B projects and 6% by outsourcing and other sources. 3 out of 4 operators develop on PC, which remains the preferred platform for Italian developers. Mobile development concerns 1 out of 2 operators. Almost 40% develop on consoles (PlayStation, Xbox, Nintendo Switch). The large majority of Italian video game developers (54.4%) self-publish their titles.

Video games as the new frontier of Made in Italy, also in non-EU markets.
For video game developers operating in the B2C market, the main reference market is Europe, which is nevertheless shrinking in importance (43% vs. 60% in 2021), while North America is growing (40% vs. 25% in 2021). Italy continues to have a limited weight in the total B2C market (7% vs. 6% in 2021). The markets that Italian development studios are most interested in, in terms of business expansion, are - in addition to Europe and North America - those in Asia. The video game industry in Italy is intrinsically export-oriented in a highly globalized market and has all the credentials to become a new frontier of the cultural, creative, and digital Made in Italy.

Public funding to support the video games sector is increasing.
Most operators still rely on equity capital to finance their activities, albeit to a lesser extent than in the previous survey (86% vs 93% in 2021). However, the financing of public institutions (29% vs 24% in 2021) and private companies (19% vs 9% in 2021) is increasing. In particular, the impact of public support for the sector is beginning to be felt, as a direct effect of the implementation of the tax credit for video games production in 2022 and the launch of vertical acceleration programs on video games by local public administrations and private organizations. Investments by private companies are instead linked to the various international acquisitions of Italian development studios that have taken place in recent years. Finally, financing from banks/credit institutions is decreasing (10% vs. 18% in 2021). 35% of respondents obtained funding either from a video game publisher or from a platform owner.

Methodology

MARKET

The market size is calculated through different data sources.

Packaged products

- Physical Software, Hardware, Accessories: **Games Sales Data (GSD)**

Digital products

- Console and PC digital software (full games and in-game purchases): **Games Sales Data (GSD)** and **GameTrack**
- Mobile digital software (full games and in-game purchases): **Games Sales Data (GSD)** and **App Annie**

CONSUMERS

The consumer profile has **GameTrack** as a data source.

MORE INFORMATION ABOUT DATA SOURCES

Games Sales Data (GSD)

Launched in 2013, the GSD project is the result of a European initiative led by ISFE (Interactive Software Federation of Europe) with the support of hundreds of partners, with the aim of unifying the collection of sales data, both of packaged (retail) and digital products, in the different territories and grouping them together within a single tool made available to professional organisations, distributors and game publishers participating in the panel. The GSD retail panel is distributed across 25 European countries. The GSD digital panel now covers 50 countries spread across Europe, the Middle East, Africa and Asia-Pacific. The panel is managed by Sparkers.

- **Panel retail:** sales data are submitted by retailers in each country on a weekly basis. Data is standardised, aggregated, anonymised and extrapolated to estimate the entire market. To ensure a reliable and uniform database, catalogue information is provided directly by game publishers. At the same time, publishers submit data that allow the calculation model to be refined by extrapolation, offering a more refined view of markets where the retail panel coverage is not 100 per cent.

- **Digital panel:** sales data cover sales of complete video games made on the PlayStation Network (PSN), Xbox Live (XBL), Nintendo eShop (third-party publishers) and major PC distribution platforms (Steam, Epic, proprietary stores). The sales data are reported weekly directly by the participating game publishers and therefore do not require any extrapolation. GSD is the only source of data based on downloads of video games on actual sales.

GameTrack

GameTrack is a complementary project to GSD launched in 2011 and managed by Ipsos on behalf of ISFE (Interactive Software Federation of Europe). GameTrack's data are derived from surveys conducted monthly and published on a quarterly basis. They analyse the demographic characteristics of European gamers, their gaming and purchasing behaviour across all platforms, thus providing an in-depth insight into their gaming and usage habits. The countries covered are France, UK, Germany, Spain and Italy. Together, the GameTrack and GSD projects provide a more holistic view of the markets they monitor.

GameTrack data is reported quarterly based on two surveys:

- An offline survey conducted once a year among a sample of 1,000 people aged 15 and over. It is used to weight the responses of a more detailed online survey to put the results into context.
- An online survey, conducted monthly among a total sample of 3,000 people per quarter, aged 6 to 64.

App Annie

App Annie is the international benchmark for mobile app market data. Its methodology is based on:

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

The data collected by App Annie through this methodology allows it to estimate the value generated by units sold and developers. GameTrack's extrapolation rates are applied to estimate consumer spending.

INDUSTRY

The snapshot of the Italian video game industry has as its source a survey conducted directly by IIDEA with the aim of monitoring the state of video game production in Italy, also in comparison to the previous survey carried out in 2021.

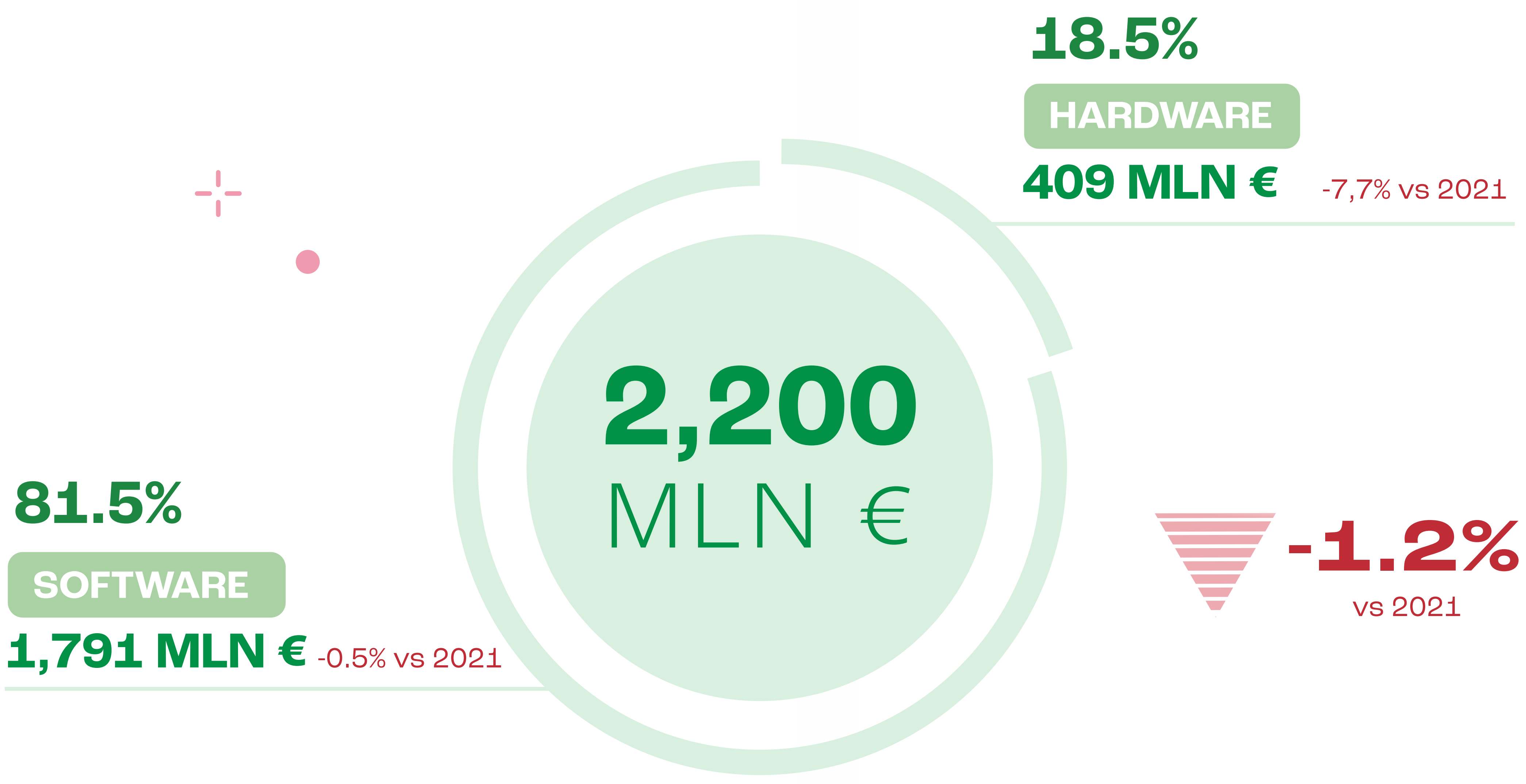
The survey is based on the administration of an online questionnaire, mainly addressed to individuals with management responsibilities, in the case of companies, and to individual professionals, in the case of new emerging realities not yet established in the form of a company, operating exclusively in the video game production sector in Italy.

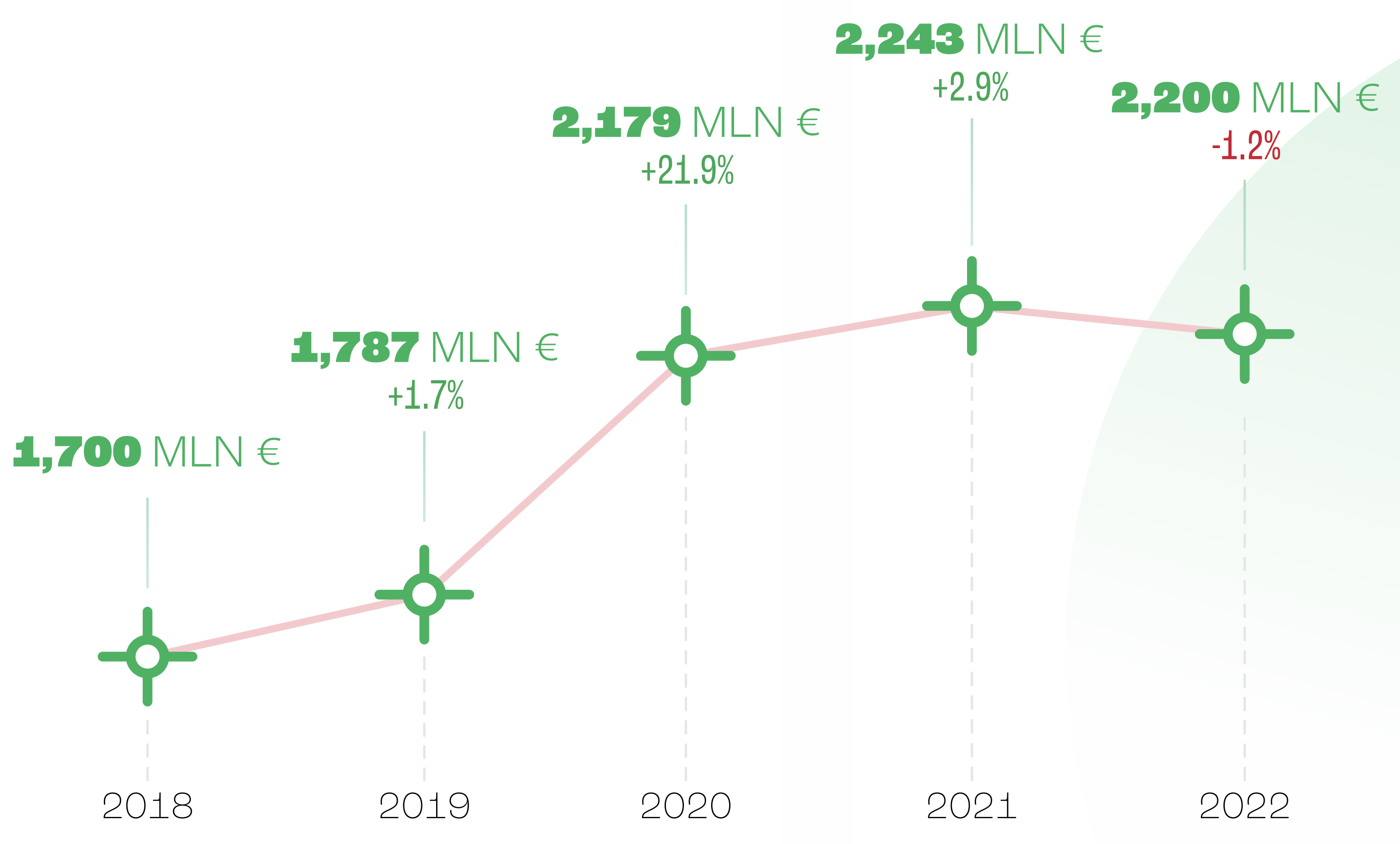
The questionnaire, active from 24 January to 26 February 2023, recorded 160 valid responses, in line with the previous survey of 2021. Most of the questions were asked with reference to the calendar year 2022.

1

ITALIAN VIDEO GAME MARKET

Market size and trend





Market segments

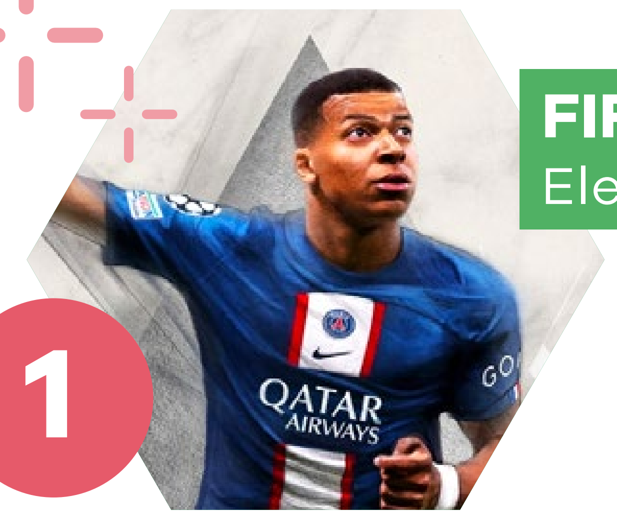
HARDWARE
409 MLN €

Consoles	Accessories
70.2%	29.8%
287 MLN €	122 MLN €
-10% vs 2021	-1.6% vs 2021

SOFTWARE
1,791 MLN €

Digital (Consoles and PCs)	Apps	Physical
42.3%	42%	15.7%
758 MLN €	752 MLN €	281 MLN €
-1.7% vs 2021	-1.3% vs 2021	+5.2% vs 2021

Top selling video games in 2022



1 **FIFA 23**
Electronic Arts

2 **CALL OF DUTY: MODERN WARFARE II**
Activision Blizzard

3 **FIFA 22**
Electronic Arts

4 **GRAND THEFT AUTO V**
Rockstar Games

5 **ELDEN RING**
Bandai Namco

6 **GOD OF WAR RAGNARÖK**
Sony Interactive Entertainment

7 **POKEMON LEGENDS: ARCEUS**
Nintendo

8 **GRAN TURISMO 7**
Sony Interactive Entertainment

9 **NINTENDO SWITCH SPORTS**
Nintendo

10 **F122**
Electronic Arts

Sales per unit tracked by Global Sales Data (GSD), sorted by classification for 2022, Retail and Network combined. This list does not include sales data Nintendo's digital sales data.

2

ITALY'S VIDEO GAME PLAYERS

Target audience

14.2 MILLION

-8% vs 2021

32.2%

of the Italian population play video games

80.9%

of video game players are 18 years or older (up to 64)

29.8

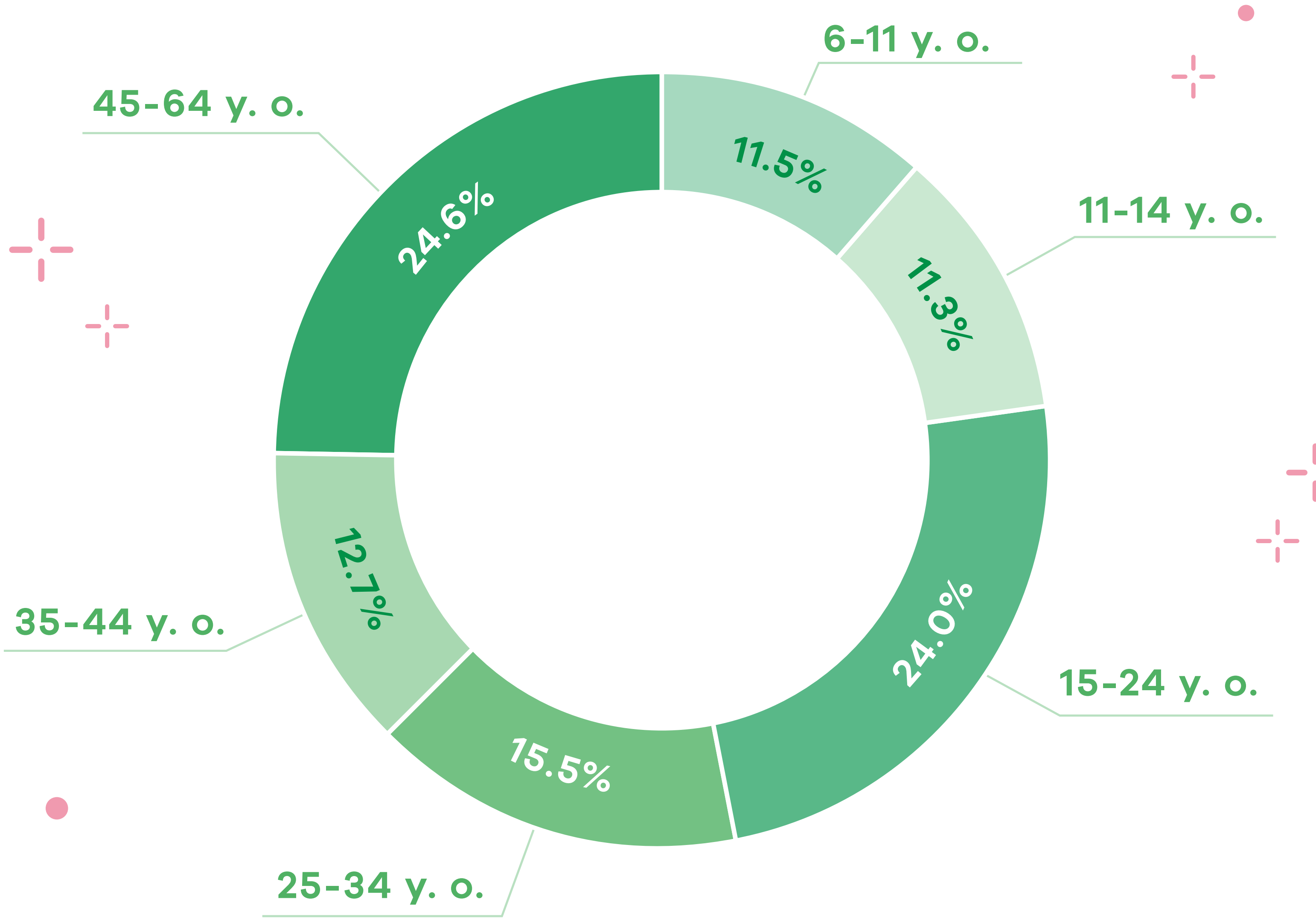
is the average age of a video game player

19.1%

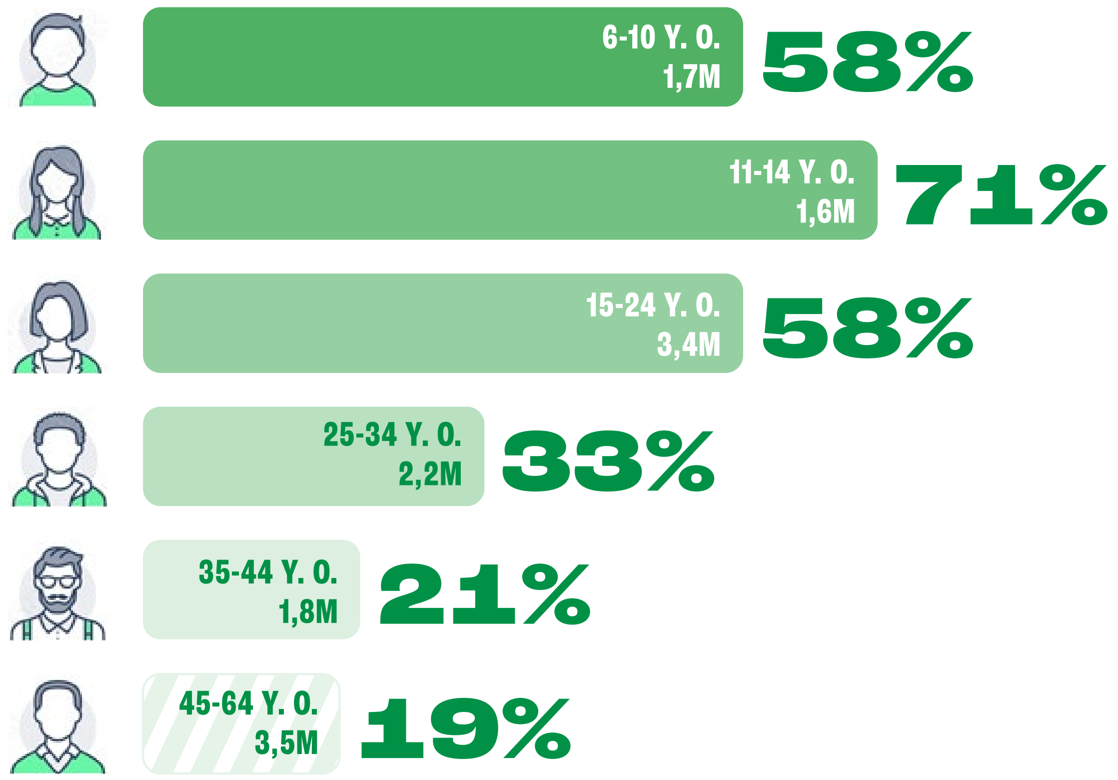
of video game players are between 6 and 17 years old

Target audience

BREAKDOWN OF PLAYERS BY AGE GROUP



PERCENTAGE OF PLAYERS BY AGE GROUP



Devices used to play video games

69.7% | 9.9MLN

play on mobile devices

45.8% | 6.5MLN

play on console

38% | 5.4MLN

play on PC

Female audience

42.0%
of players are women

30.6
female players

PLATFORMS

47.5%	4.7MLN	37%	3.4MLN	35.4%	2.3MLN
women playing on mobile devices		women playing on PC		women playing on console	

Games are a way to introduce girls to STEM

25.9%
of video game players are girls 6-15 years old)

3x
Girls who play video games are more likely to pursue a STEM career that girls who don't.*

*HOSEIN Anesa, "Girls' gaming behaviour and undergraduate degree selection: A secondary data analysis approach", Computers in Human Behaviour, vol 91, February 2019, pp. 226-235, University of Surrey

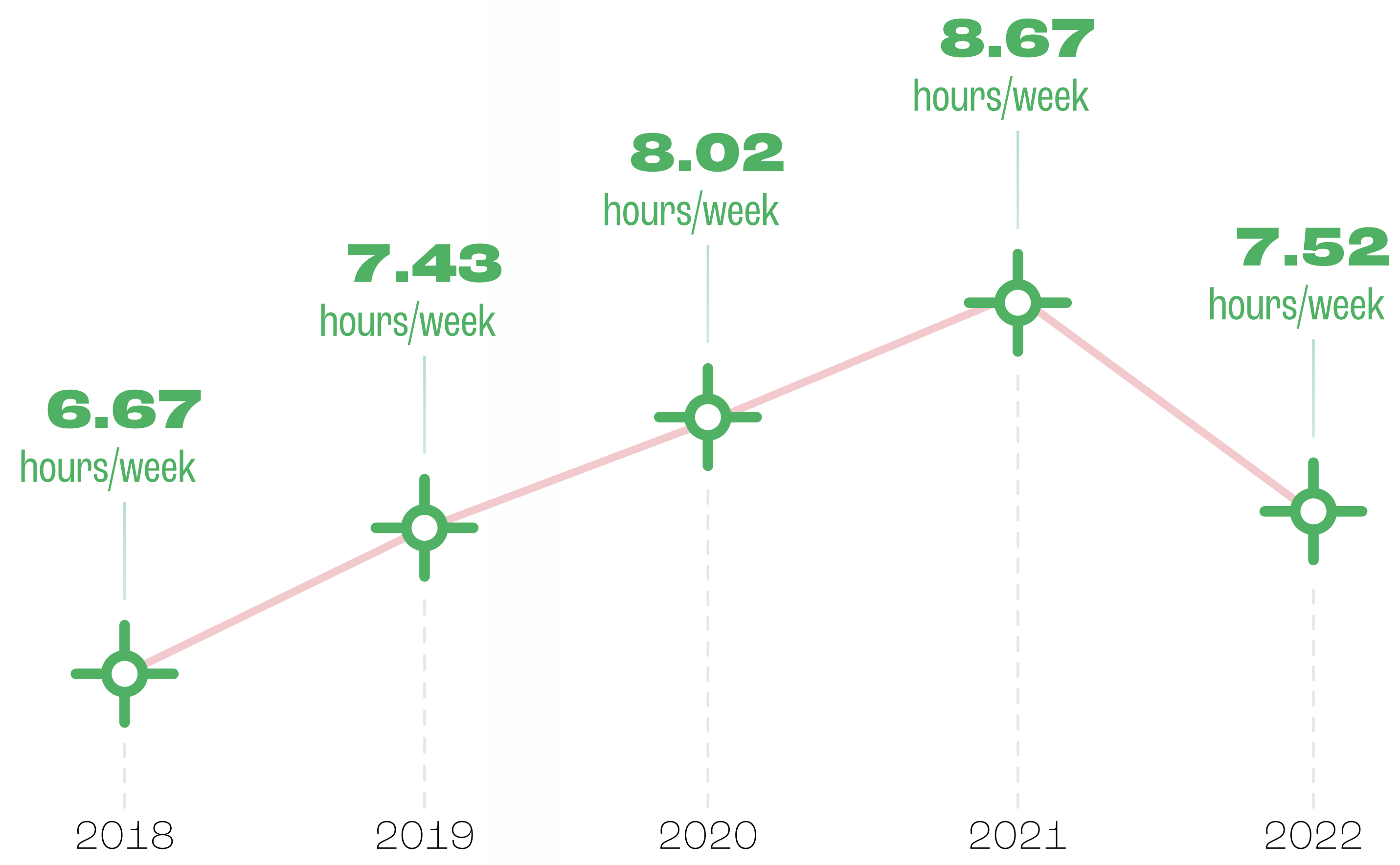
Playtime

69.7%
play at least one hour per week

19.7%
play at least one hour per month

10.6%
play at least once a year

AVERAGE PLAYTIME



Video game genres

ACTION
the player controls a character who moves through a virtual environment where he has to fight against opponents and overcome various obstacles.

ROLE-PLAYING
the player manages the evolution and growth of a fictional character within a virtual world, where he can make decisions that influence the plot and interact with other characters.

RACING
the player drives a vehicle in races against other competitors, trying to get to the finish line first.

STRATEGY
the player must plan and manage a series of actions to achieve a specific goal. Using one's intelligence and tactical problem-solving skills is required.

SPORT
the player controls a character or team that participates in sports competitions simulating the rules and dynamics of real sports.

CASUAL
designed to be simple and straightforward, with an intuitive interface and an easy learning curve. Designed to be played in short, casual sessions.

FIGHTING
the player controls a character who fights against an opponent, with the objective of defeating him or her in a direct confrontation.

ADVENTURE
the player controls a main character who explores a virtual world and must solve puzzles and interact with non-player characters to progress in the game's storyline.

SHOOTER
the player controls a character who uses firearms to eliminate enemies, with fast-paced, frenetic gameplay that emphasises aiming and reactivity.

ARCADE
video games with gameplay frenetic and immediate gameplay, characterized by a high level of challenge and with a strong emphasis on competitiveness between players.

TRIVIA
for those who want to put test their knowledge in different fields.

BRAIN/PUZZLE
for lovers of puzzles and challenges of logic and ingenuity.

FAMILY
video games designed for the whole family, to be play together.

Top played video game genres by device

PC

Men		Women	
STRATEGY	16.2%	FAMILY	11.7%
ADVENTURE	14.6%	ARCADE	9.4%
ROLE-PLAYING	14.4%	ADVENTURE	7.3%

CONSOLE

Men		Women	
SPORT	25.7%	FAMILY	18.8%
RACING	16.5%	ADVENTURE	15.5%
ADVENTURE	16.4%	SPORT	10.3%

MOBILE DEVICES

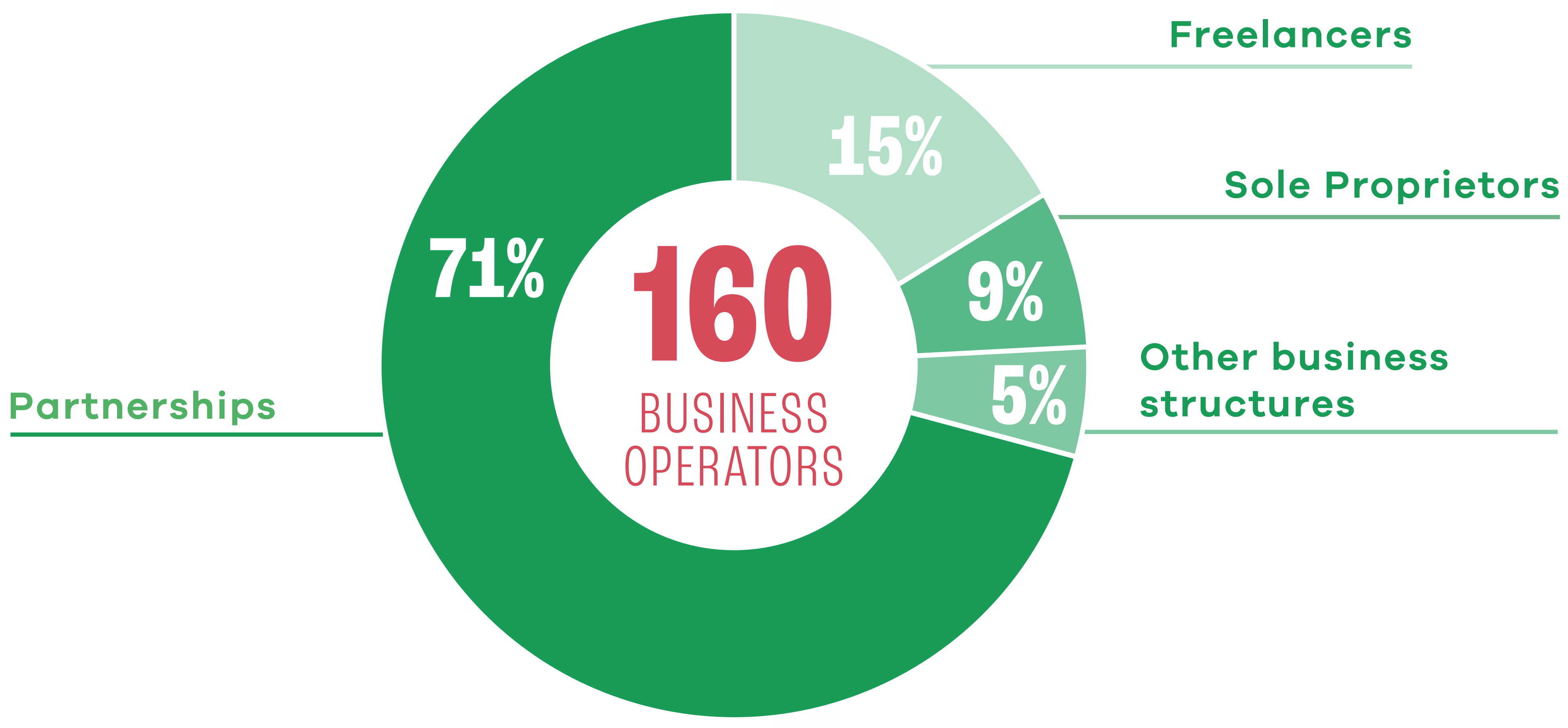
Men		Women	
BRAIN/PUZZLE	16.0%	BRAIN/PUZZLE	14.9%
TRIVIA	11.4%	TRIVIA	13.4%
ROLE PLAYING	11.3%	ROLE PLAYING	8.2%

3

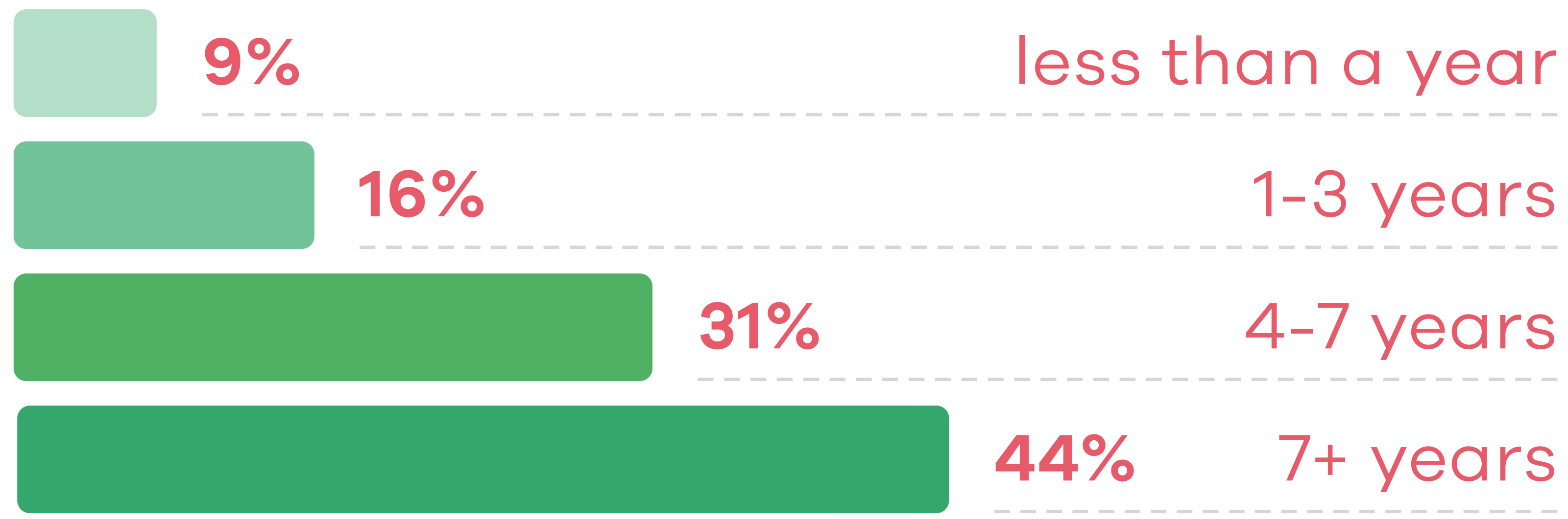
ITALIAN VIDEO GAME INDUSTRY

Italian production

BUSINESS STRUCTURE

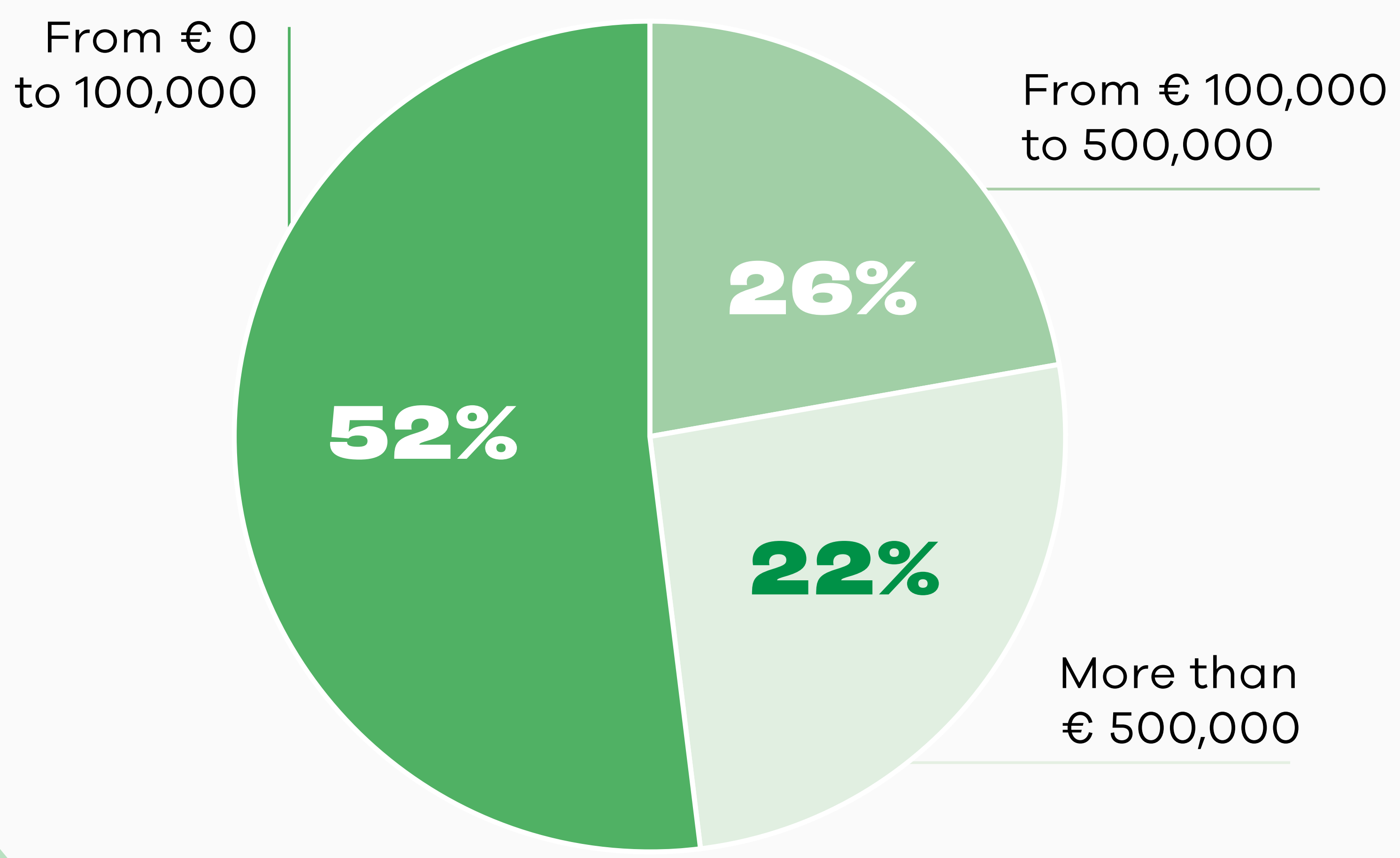


YEARS OF ACTIVITY



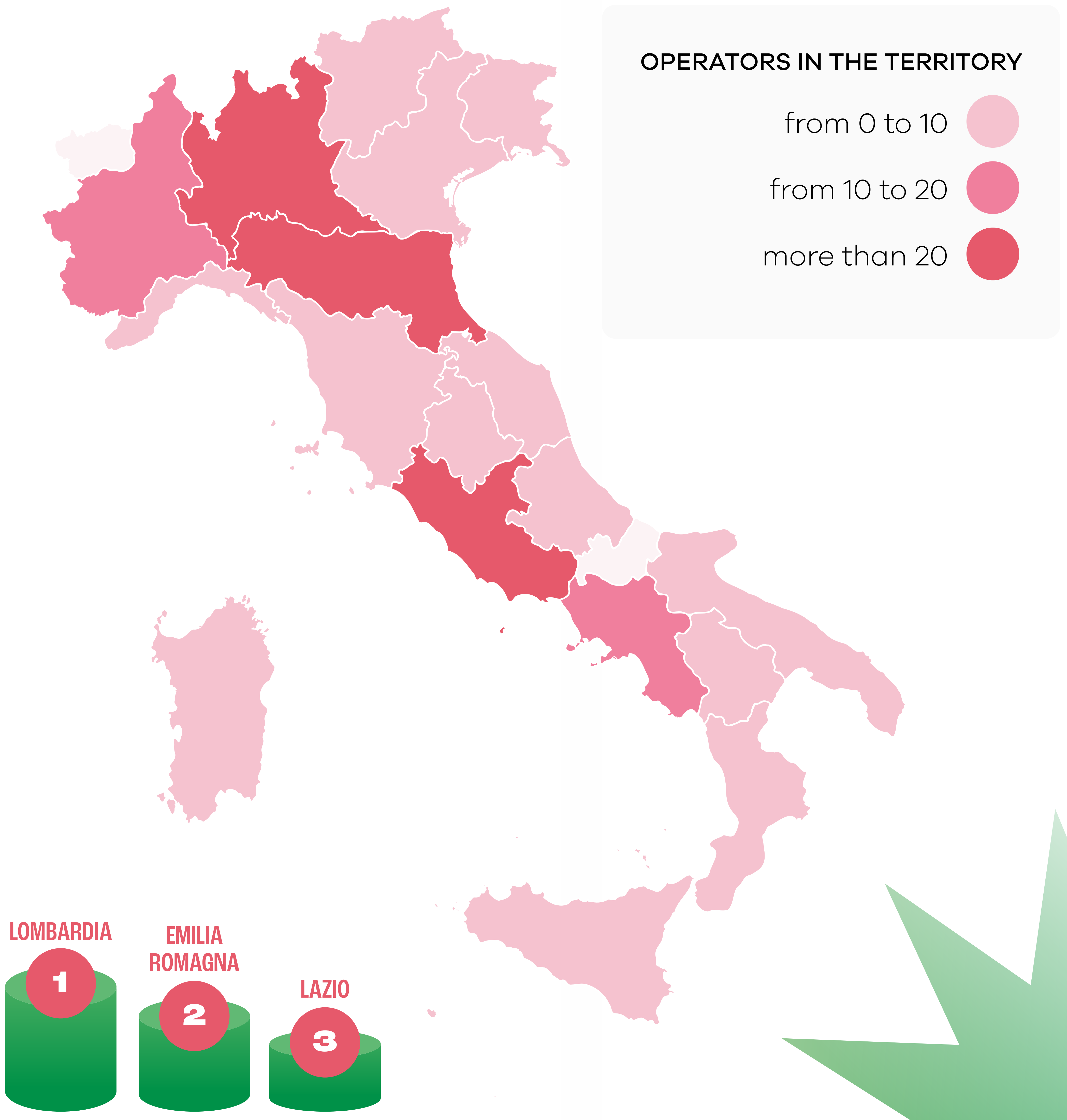
Italian production

TURNOVER



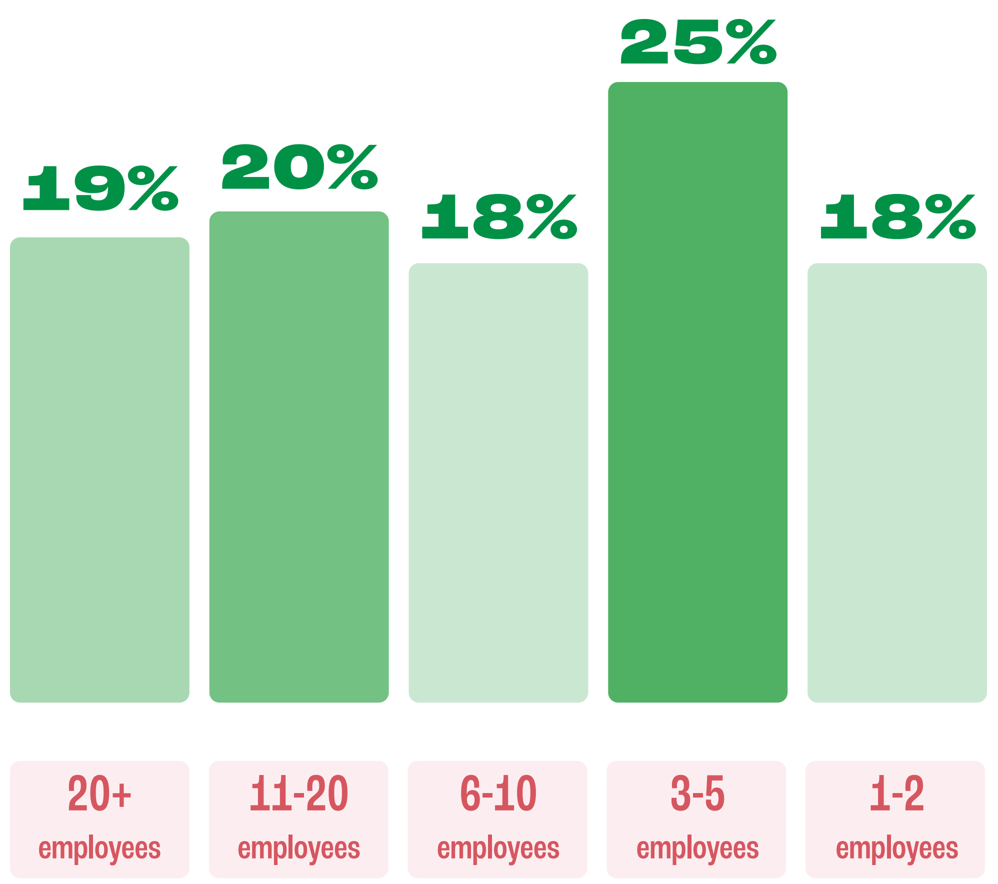
The total turnover of Italian operators is estimated to be between € **130** and **150 million**
(+30% 2021)

Geographical distribution



Workforce

SIZE



Increasing number of operators **with 11 to 20** employees
(20% vs 15% 2021)

TOTAL

2,400
EMPLOYEES

+50% COMPARED TO 2021

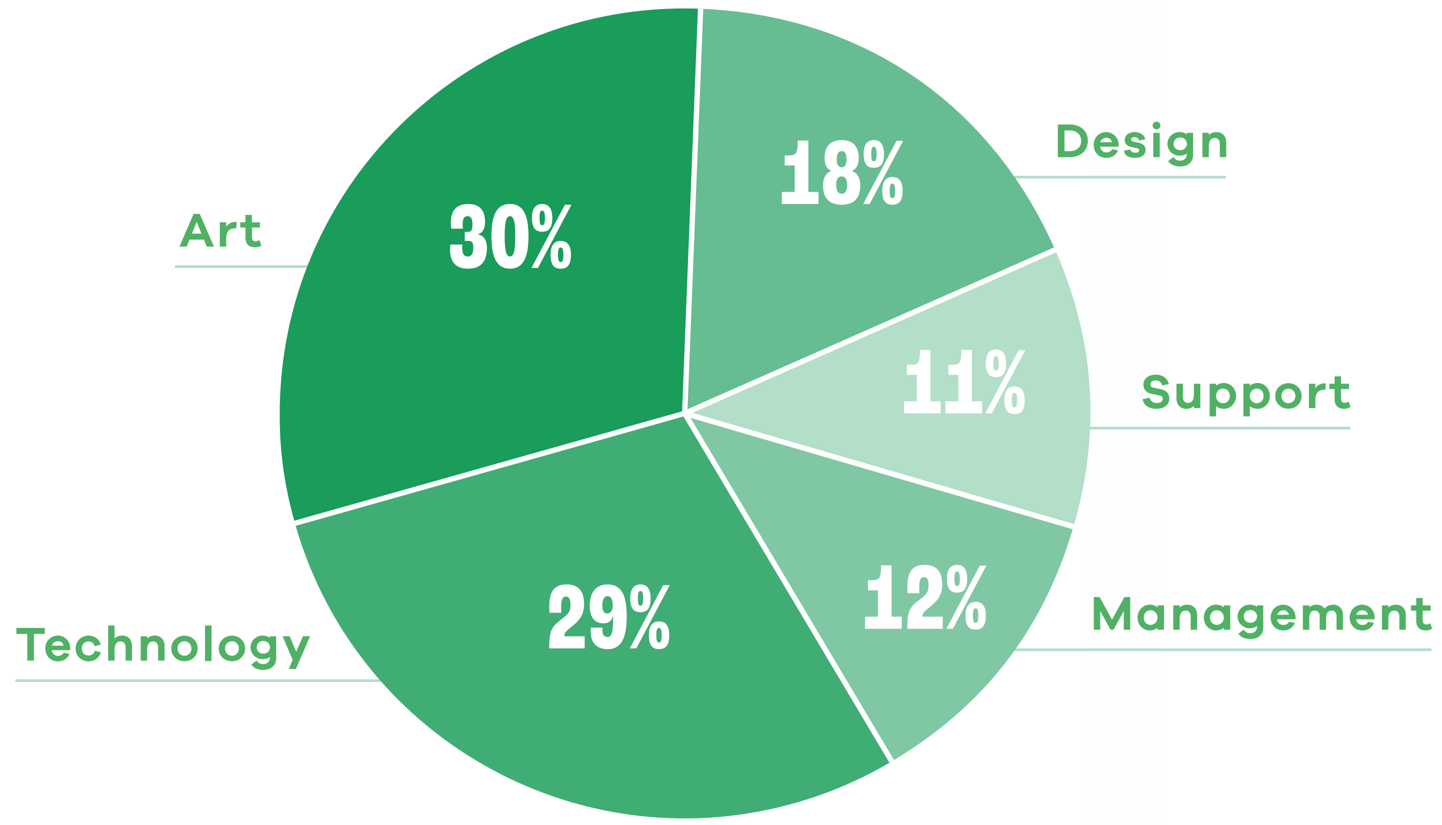
69% intend to hire new employees or start new collaborations in 2023/2024
(vs 59% 2021)

Workers profile

AGE

83% of employees are under 36 years of age

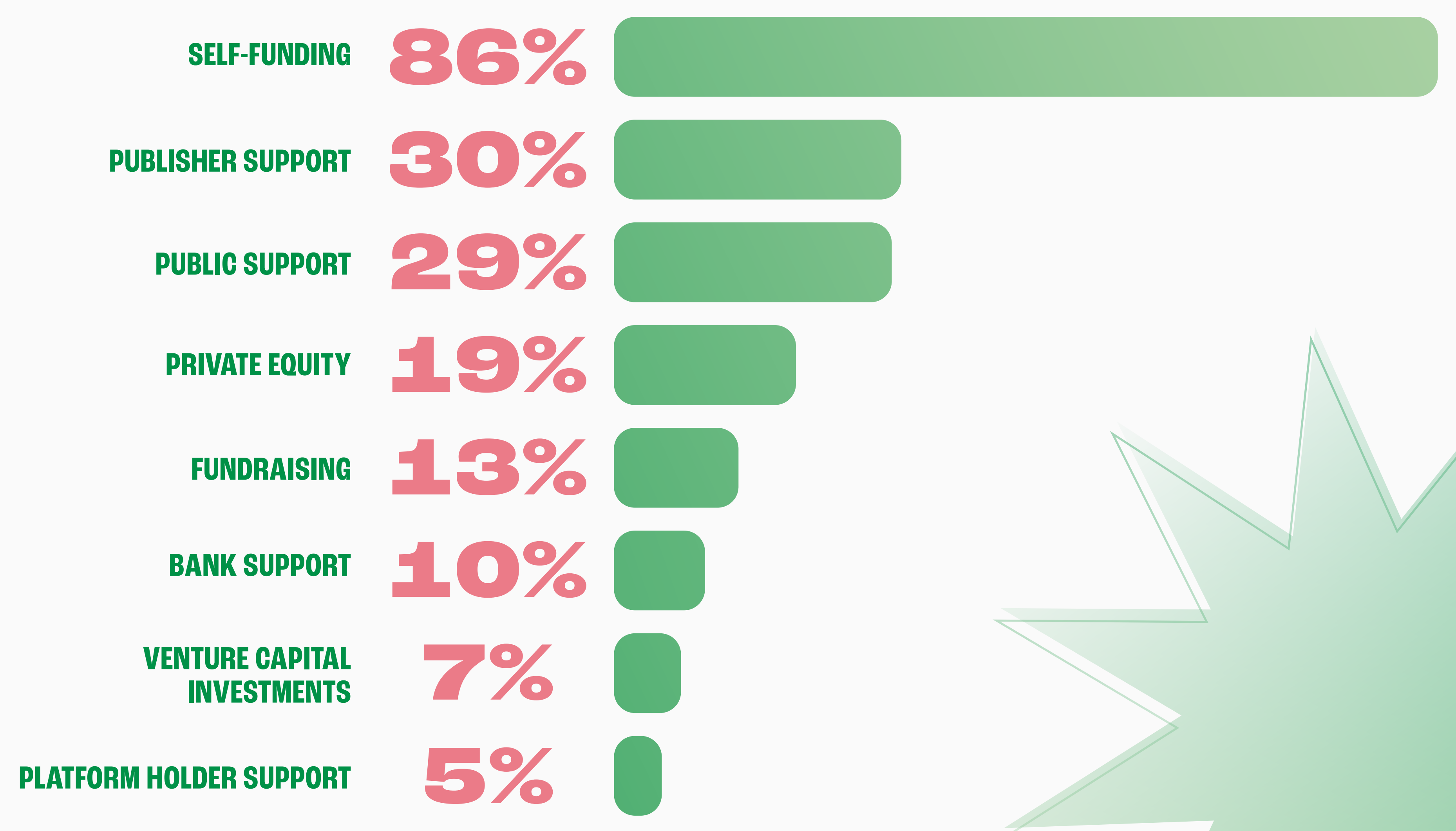
ROLES



GENDER

Women working in the video game production represent **24%** of the total workforce
(vs 23% 2021)

Financing sources



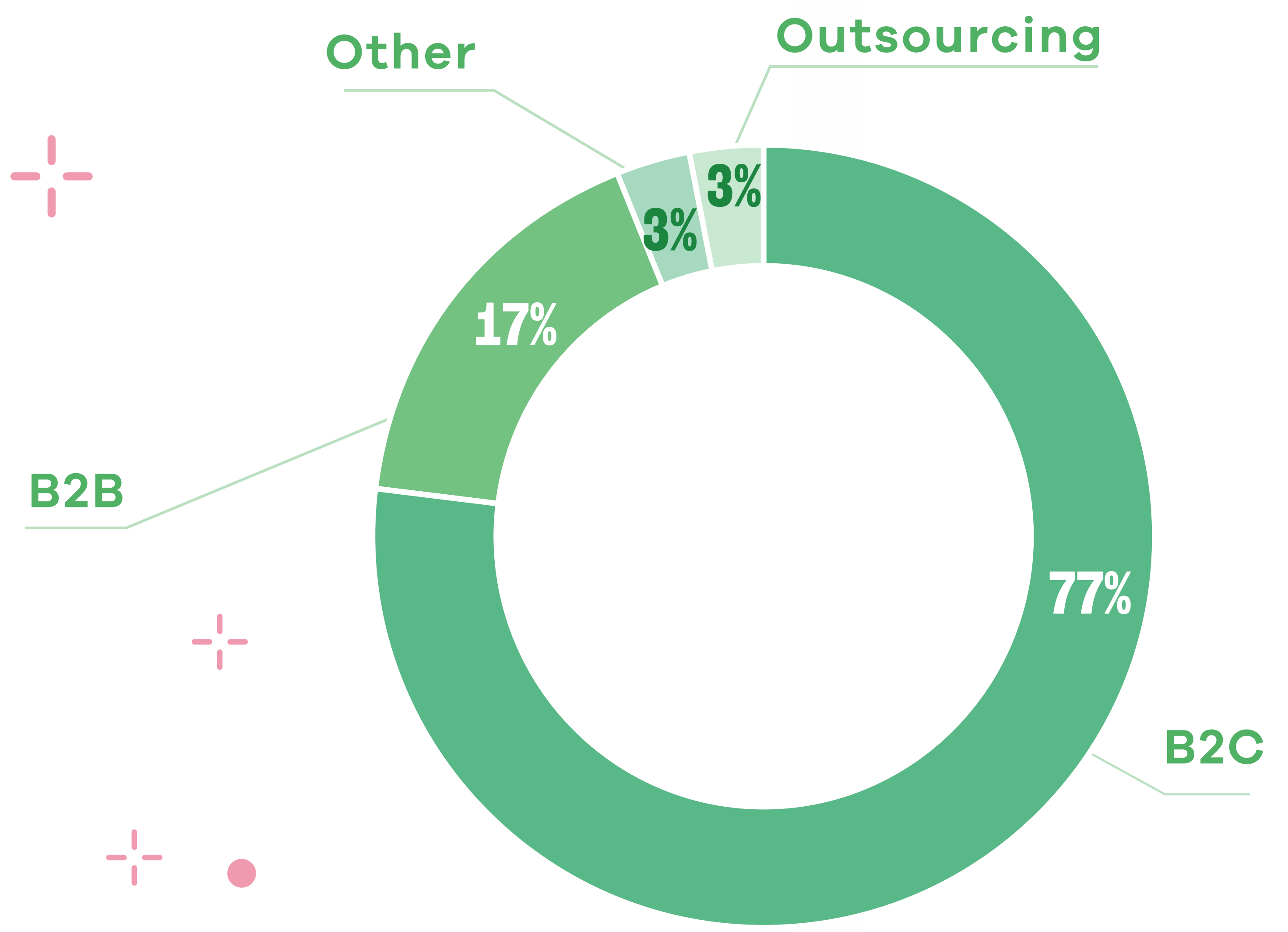
The majority still use self-funding to finance their business (86%). However, this figure is down from 2021 (it was 93%).

Increase in the funding of public institutions (29% vs 24% 2021) and of private enterprises (19% vs 9% 2021)

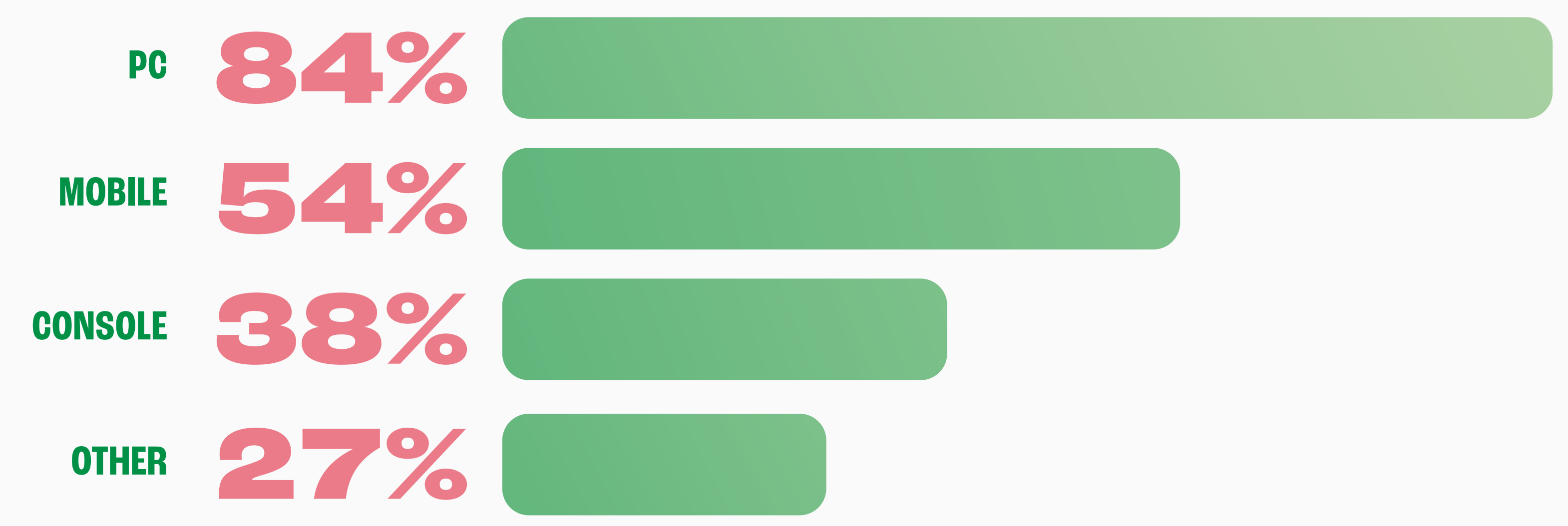
Decline in financing from banks/lending institutions (10% vs. 18% 2021)

Market and platforms

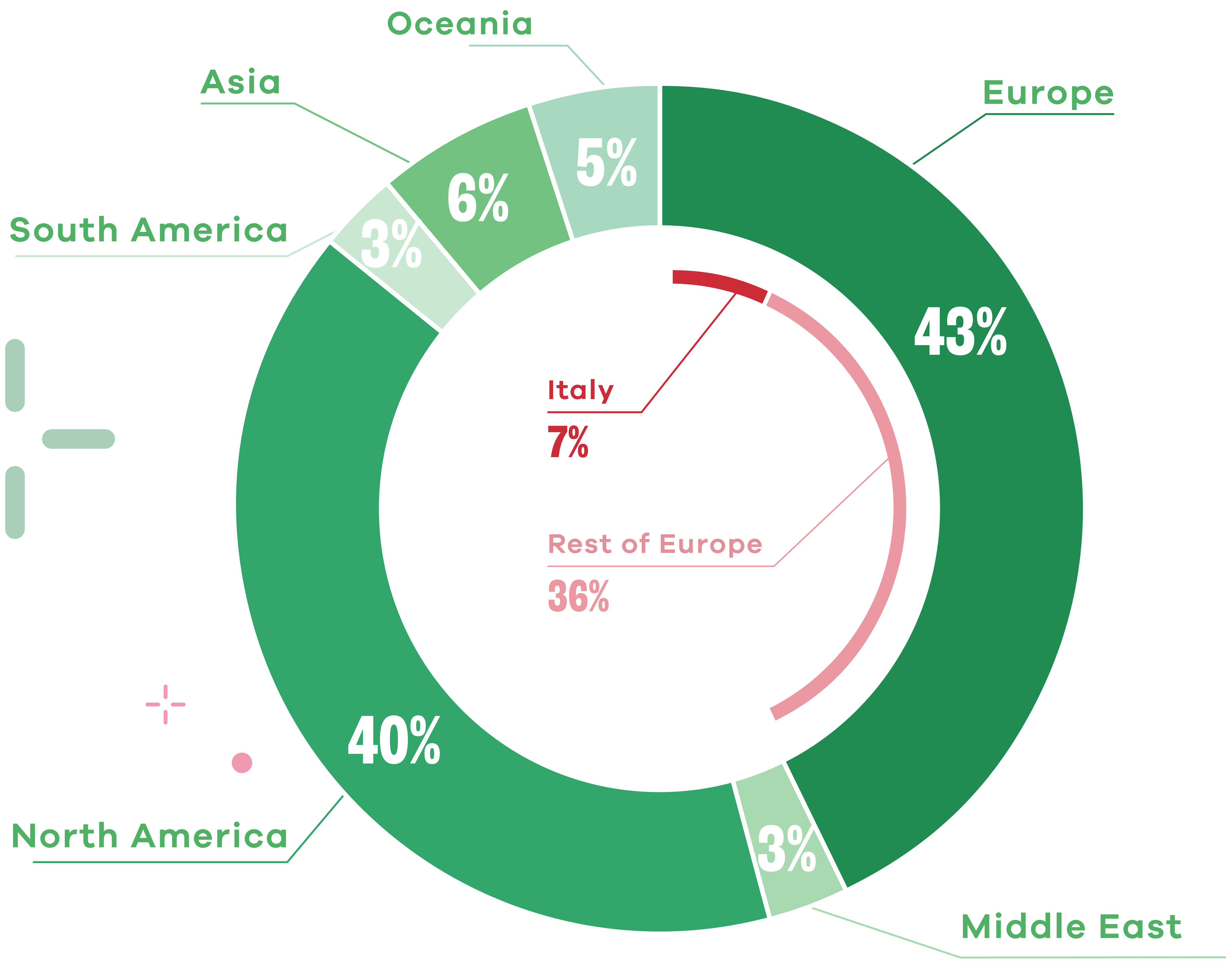
BREAKDOWN OF TURNOVER BY MARKET



PLATFORMS



International positioning



For operators working primarily in B2C, the main market remains **Europe** (43% vs 60% del 2021)

followed by **North America** (40% vs 25% del 2021)

Italy still has a limited weight on the total B2C market (7% vs 6% del 2021)

4

RESPONSIBLE GAMEPLAY

Pan European Game Information

PEGI is the pan-European video game age rating system. PEGI's goal is to educate, advise and empower players, parents and guardians on content in video games.

PEGI also ensures that games are sold and advertised responsibly, that consumer redress is available, and that companies pay attention to online game playing environments.

PEGI age ratings are established under the supervision of independent experts and classification bodies.

PEGI is recognized by the European institutions and EU Member States as a model of European harmonisation in the field of minor protection and consumer transparency.

Visit **www.pegi.info** for more information and download the PEGI app for iOS/Android.

38+ European countries

2,600 member companies

35,000+ games rated

CLASSIFICATION BY AGE AND CONTENT

PEGI 3
Suitable for all age groups, no unsuitable content

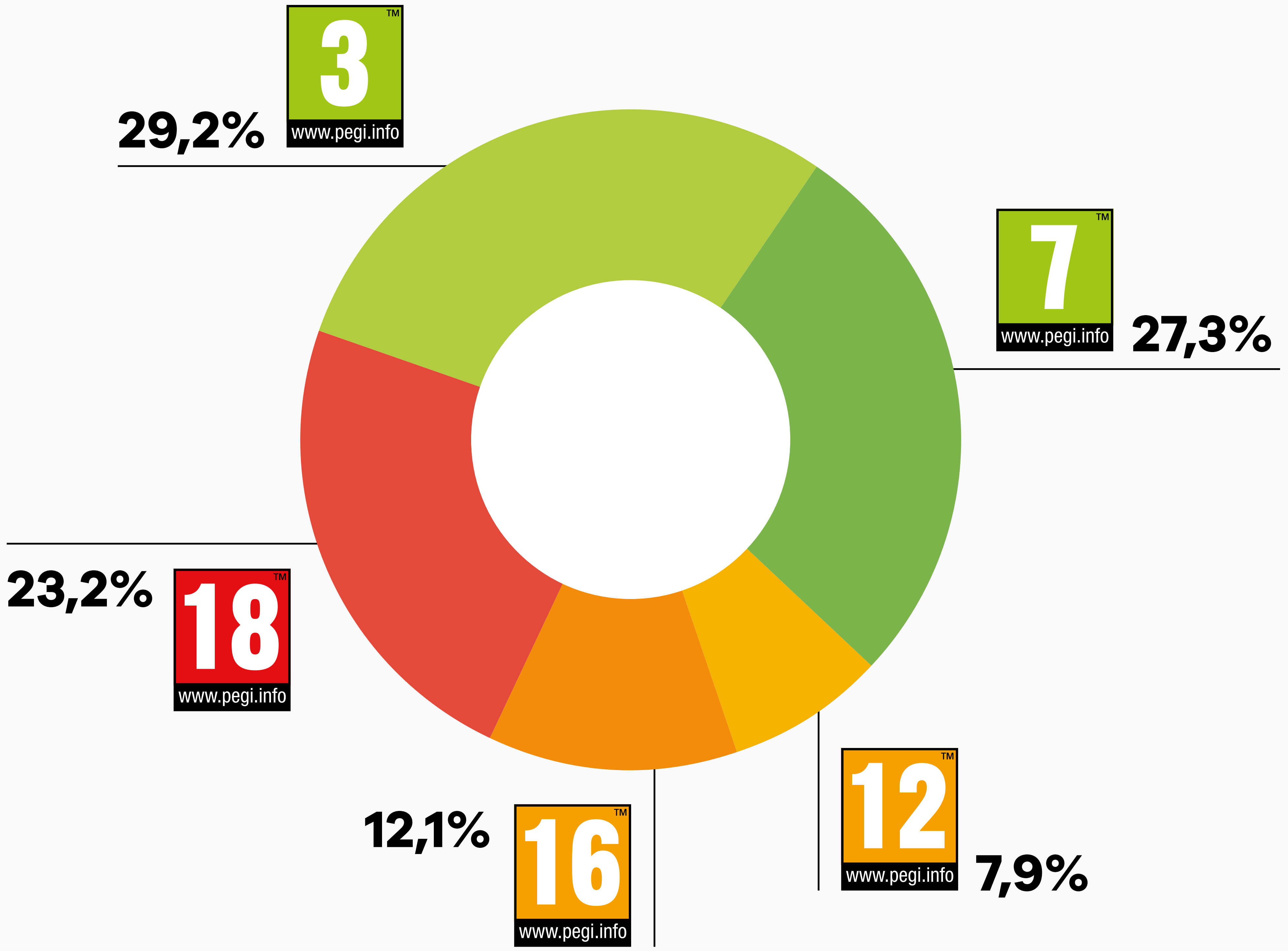
PEGI 7
May contain some non-realistic or implied violence, and scenes that might be frightening to younger children

PEGI 12
Can feature realistic violence against fantasy characters, non realistic violence against humanlike characters, mild bad language, or sexual innuendo

PEGI 16
May depict realistic violence against humanlike characters, bad language, use of drugs, or erotic nudity

PEGI 18
Games that contain gross violence against defenceless characters, glamorisation of drugs, or explicit sexual activity

VIDEO GAME SALES BY PEGI CLASSIFICATION IN 2022



NO PEGI: 0,3%

64.4 per cent of video games sold in Italy in 2022 is suitable for an audience between 3 and 12 years old (PEGI 3, PEGI 7, PEGI 12)

Parental control tools

Parental control tools or family settings help parents and guardians decide with their children what works best for them, from time spent playing video games to communication with other players and much more. On every device, it is possible to discuss:

AGE RATING
Which games they can play based on PEGI age rating and descriptors

TIME LIMIT
Agree on playtime limits, allowing for better playtime management

ONLINE SPENDING
Discuss with their children how much can be spent when purchasing games and other downloadable content

ONLINE INTERACTION
Agree on communications in games: friends only, friends of friends, anyone, or no one.

List of devices offering parental control tools

Playstation

Xbox

Nintendo 3DS

PS Vita

Nintendo

Windows

Mac Os

iPhone/iPad

Android/Google Play

Windows 10

Google Stadia

Meta Quest

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

In June 2020, IIDEA launched the information website **Tuttosuivideogiochi.it**.
The website provides information and resources for **understanding video games and using them to their full potential:** guides, tutorials and recommendations for choosing the most suitable titles, according to the age of players, for setting parental controls on the main platforms used for video games and for monitoring their use.

In addition to this, it is possible to find reviews on the main video games on the market that are 'parent-friendly' and fact sheets on products released month by month that are suitable for an underage audience. **Tutto Sui Videogiochi** relies on **a team of independent experts** in different disciplines such as psychology, sociology or pedagogy, who **constantly collaborate with the website** by providing experience and knowledge in different fields. The website also offers the opportunity **to confront and interact directly with experts**, asking questions that will be selected for a public response on the portal.

Tutto Sui Videogiochi is a project realised and financed by IIDEA in cooperation with PEGI S.A., an independent non-profit and social organisation established under Belgian law, which manages the Pan-European Game Information (PEGI) video game classification system.

Tutto Sui Videogiochi was created in the wake of the recommendations contained in the Guidelines annexed 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.

5

IIDEA

Italian Interactive Digital Entertainment Association

IIDEA is the Association representing the video game industry in Italy. Founded in the early 2000s and previously known as AESVI, the Association was renamed IIDEA (Italian Interactive Digital Entertainment Association) in 2020. IIDEA currently represents over 100 video game companies, including platform owners, publishers of video game publishers, video game developers and esports operators.

The Association operates in various fields of activity:

- Research on the video game industry, sales, demographics and esports in Italy
- Relations with public institutions at national, regional and local level.
- Possible initiatives to create a sustainable ecosystem for the business development of start-ups, small and medium enterprises and multinationals operating in Italy.
- Support for the internationalisation of the local video game industry.
- Promotion of responsible gaming and the use of video games for education towards families and educators.

IIDEA is the promoter of two leading events in Italy:

- First Playable, the reference business event for the video game industry, which also hosts the Italian Video Game Awards ceremony, scheduled for 6 and 7 July 2023 in Florence.
- Press Start, an event dedicated to training, career guidance and matching job supply and demand scheduled for October 2023 in Milan, which also hosts the Video Game Student Awards ceremony.

IIDEA is also a partner in two acceleration programs for video game start-ups, Bologna Game Farm in Bologna and Cinecittà Game Hub in Rome.

IIDEA is an agile, lean, and results-oriented association. Our line of work is very pragmatic and relies on the constant involvement of members to ensure that our actions keep pace with the constant evolution of the sector. IIDEA members are at the heart of every choice the Association makes.

At European level, IIDEA is a proud member of ISFE (Interactive Software Federation of Europe) and EGDF (European Game Developers Federation).

DIVERSITY

IIDEA, in collaboration with Women in Games Italy, published the Italian version of the guide: "Building a Fair Playing Field", realized by Women in Games with the support of ISFE and InGame. A useful tool for operators in the sector that highlights good practices in the field of gender equality in the video game industry.

EDUCATION

IIDEA published the Italian version of the handbook for teachers "Using educational video games in the classroom: Guidelines for successful learning outcomes", realized by European Schoolnet on behalf of ISFE within the Games in Schools project. In addition to this, the Association worked on an additional manual specifically addressed to Italian teachers "Learning with video games in the classroom: tips and practical examples for Italian teachers.

ESPORTS

IIDEA has published an Italian adaptation of the "Guide to Esports", a document published by ISFE Esports with the support of ESA (USA), ESAC (Canada), IGEA (Australia and New Zealand) and Interactive Software Federation of Europe with the aim of offering professionals and enthusiasts a tool with everything there is to know about the competitive gaming phenomenon.

DOWNLOAD NOW

IIDEA

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