

MEDIA INFLUENCE MATRIX: ITALY

FUNDING JOURNALISM

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About CMDS

The Center for Media, Data and Society (CMDS) is a research center for the study of media, communication, and information policy and its impact on society and practice. Founded in 2004 as the Center for Media and Communication Studies, CMDS is part of Central European University's Democracy Institute and serves as a focal point for an international network of acclaimed scholars, research institutions and activists.

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KEY TRENDS

The Italian media market is increasingly characterized by a strong cross-mediality: the dizzying growth of the online sector is transforming the dynamics of the industry, revolutionizing both the way information is produced and the business models themselves. Not only have algorithmic sources and the consumption of information via the web become increasingly important in the media diet of Italians, in spite of their growing awareness of the dangers posed by online propaganda and manipulation, but for the first time in Italy's media history, online advertising revenues exceeded television ad spend in 2019. New players have appeared in the market in recent years, further spurring competition in the news business.

Television remains relatively stable in terms of popularity, but highly concentrated in terms of both audience and revenues. Although the television market continues to be dominated by the country's two historical players, RAI and Mediaset, the gap between the various television operators has been narrowing in recent years as Italian audiences have been migrating from generalist channels to specialized ones. In terms of turnover, the free-to-air broadcasting sector, where advertising is the largest source of revenue, gets the lion's share; yet, the share of the pay-TV sector is also significant and growing.

Some of the main events in the television sector in recent years include the reallocation of the 700 Mhz frequency band, the controversial reform of the public service broadcaster RAI (*see more in the Government, Politics and Regulation chapter in Media Influence Matrix: Italy*), the withdrawal of Mediaset from the pay-TV market following an agreement with Sky as well as the controversies between Mediaset and the French company Vivendi, which owns a stake in the Italian operator. Moreover, in 2018, Comcast Group bought Sky Italia, a deal followed by the transformation

of the company into a media hub. Finally, during recent years, Cairo Communication, another major media company, has grown through the acquisition of La7 and La7D television channels in 2013 and of the RCS publishing company in 2016 to become the fifth largest television operator and the second largest player in the print market in Italy.

Although newspapers still represent an essential source of information, the sector has recorded heavy losses during the past decade, with a contraction in both their circulation and advertising sales in parallel with a gradual increase in the newspapers' price index. A key event in this industry is the emergence and rise of the GEDI Group.

Although online portals are steadily growing, the revenues in this segment are still only a fraction of the total media market. Moreover, online portals are increasingly dependent on intermediaries, the large tech companies. In 2018 alone, 41% of the advertising revenues generated by traditional online publishers was collected through programmatic advertising. As sustainability exclusively through advertising is hard to achieve, several publishers have begun in recent years to embark on new monetization strategies, including paywalls and native advertising.

The radio sector, on the other hand, proves to be economically more stable during these major shifts in the media industry. Although it is dominated by a few strong players, the radio market is rather vibrant and competitive with several commercial players vying for audiences and ad euros.

Advertising remains the pillar of funding for almost all the players on the Italian news media market although its weight continues to decrease (some of the lost revenue is moving online though). Revenues from users' financial

contributions, despite a gradual increase during the past five years (with an exception in 2017), declined again in 2019.

The system of public funding has undergone a series of major transformations in the past five years. One was the establishment of the so-called Unique Fund for Pluralism and Information Innovation that is aimed at optimizing the system of public financial support in the media, with political parties excluded from the system. Accordingly, disbursement of public funds to the media started following a set of newly introduced merit-based criteria. On the other hand, the 2020 Budget Law introduced provisions according to which direct funds to publishers are going to be gradually tapered off in the coming years and totally stopped in 2024. Indirect public support contributions were already abolished in 2020.

The economic crisis triggered by the global Covid-19 pandemic is expected to inflict significant damage on the Italian media. Some shocks are already felt.

First of all, the pandemic has triggered a staggering surge in the production and consumption of news in all media, with levels of media coverage related to the epidemic “never seen for other post-WWII events to date,”^[1] according to AGCOM, Italy’s media regulator. Such a massive supply of news has also created an opportunity for disinformation

to proliferate: it is estimated that almost a third of all Italian internet users accessed disinformation websites in March 2020, right during the peak of the pandemic in Italy.^[2]

But in spite of the dramatic increase in news consumption, all media sectors in Italy recorded financial losses in 2020, with the exception of video-on-demand (VoD) platforms (such as streaming services). Advertisers slashed their budgets and media outlets lowered advertising tariffs. The result is an estimated loss of nearly €1bn in advertising revenue compared to 2019, according to the local media regulator. In the first quarter of 2020, ad sales recorded a decrease of 9%, the publishing sector being the most affected with greater losses than all other media.^[3] The online advertising has also declined, and that has affected much more the Italian news portals than the global tech platforms, which are key intermediaries in ad sales online: they were hit less or even benefited from the crisis. Concerns were thus raised by Italian media about the power of these platforms “to drain huge advertising resources.”^[4]

Some emergency measures aimed at helping the media sector that were adopted during the pandemic included an extension of tax exemptions for the retail sale of newspapers, magazines and periodicals and the introduction of extraordinary access to the tax credits for advertising investments.^[5]

[1] Autorità per le Garanzie nelle Comunicazioni (AGCOM), *Le Comunicazioni nel 2020. L’impatto del coronavirus nei settori regolati*. Allegato alla Relazione annuale, 2020.

[2] AGCOM, *Le Comunicazioni nel 2020*, 2020, cit.

[3] AGCOM, *Le Comunicazioni nel 2020*, 2020, cit.

[4] AGCOM, *Le Comunicazioni nel 2020*, 2020, cit.

[5] Camera dei Deputati, Servizio Studi, *Le misure adottate a seguito dell’emergenza Coronavirus (COVID-19) per il settore dell’editoria*, 23 ottobre 2020, available online at <https://temi.camera.it/leg18/temi/le-misure-adottate-a-seguito-dell-emergenza-coronavirus-covid-19-per-il-settore-dell-editoria.html> (accessed on 31 October 2020).

Who is who in the Italian media

Service operator	Ownership	Key influential actor	Turnover (€m), 2019*	Prominent news media assets			
				Television	Radio	Print	Online
Sky Italia	Comcast Corporation	Maximo Ibarra (CEO)	3,290	SKY TV Sky Famiglia Sky Cinema Sky Sport Sky Calcio			Now TV TV8 SkyTg24 online
RAI	State-owned	Government	2,483	Rai1 Rai2 Rai3	Rairadio1 Rairadio2 Rairadio3 Gr parlamento Isoradio		Rai Play
Mediaset**	Fininvest	Fedele Confalonieri (Chairman); Pier Silvio Berlusconi (Deputy Chairman and Chief Executive)	1,982	Canale 5 Italia 1 Rete 4	RadioMediaset		Infinity TgCom24 online Mediaset Play
RCS**	Cairo Communications	Urbano Cairo	629	La7		Il Corriere della Sera La Gazzetta dello Sport	
GEDI	Exor	John Elkann (Chairman); Maurizio Scanavino (CEO)	603	DJ TV Italia Radio Capital TiVù Insider Italia m2o Tv Italia	Radio DeeJay Radio Capital Radio m2o	Le Repubblica La Stampa L'Espresso	Huffpost Italia Business Insider Italia Mashable Italia
Walt Disney	Institutional Investment Companies; Pension Funds; Investment Funds	Daniel Frigo (Country Manager - CEO)	323***	Fox Fox Crime National Geographic			Disney+
Discovery Italia	Discovery Group	Alessandro Araimo (CEO)	278	NOVE Real Time			dplay dplay plus Eurosport Player Golf TV
Gruppo 24 ORE	Confindustria	Edoardo Garrone (Director); Giuseppe Cerbone (CEO)	198		Radio24	Il Sole 24 ORE	ilsole24ore.com
Caltagirone Editore	Francesco Gaetano Caltagirone	Francesco Gianni (Director); Albino Majore (CEO); Azzurra Caltagirone (Vice-Director)	136			Il Messaggero Il Gazzettino Il Mattino	
Viacom CBS Networks Italia	Viacom CBS	Alberto Carrozzo (CEO)	80***	Super! Paramount Network			
Società Editoriale Il Fatto (SEIF)	No majority shareholder	Antonio Padellaro (Founder of Il Fatto Quotidiano); Marco Travaglio (Director of Il Fatto Quotidiano)	32			Il Fatto Quotidiano FQ Millennium	IFQ online
Ciaopeople Media Group		Gianluca Cozzolino (CEO and Founder)	20				Fanpage Cookist Ohga!
Editoriale Nazionale (former Poligrafici Editoriale)	Monrif	Andrea Riffeser Monti	n/a			Il Resto del Carlino La Nazione Il Giorno	Monrif Net

*unless otherwise indicated;

**data for the Italian market calculated by CMDS;

***data for 2018;

n/a: not available

Source: CMDS

CONSUMPTION TRENDS

Italians are avid news consumers: according to the latest available data provided by the Italian Communications Regulatory Authority (AGCOM), some 80% of the country's population access information through different sources on a daily basis.[6]

Television remains the dominant platform in Italy when it comes to news and information. As evidenced by the 2020 report on communication from Centro Studi Investimenti Sociali (Censis), an Italian research institute, although it experienced a slight negative trend between 2015 and 2019 (digital terrestrial television by 6.6% and satellite television by 1.3%), the overall use of the medium is relatively stable.[7]

Nonetheless, the media diet of at least three quarters of citizens is increasingly characterized by a pronounced cross-mediality, mirroring important shifts in the market. The constant rise of the internet, which jumped to the second position in the ranking of favorite platforms[8], is certainly the main cause for the shifts in the news consumption. General web consumption scored 79.3% in 2019[9] when, for the first time ever, revenues from television advertising were eclipsed by those from online ads.[10]

In this context, the increase of the number of web/smart television and mobile television consumers (by 6.2% and 16.6%, respectively, between 2015 to 2019) as well as the increase in social media and search engine use has dented into the consumption of more traditional online platforms. After broadcast newscasts, Facebook has become the most consumed medium in terms of news in Italy, used by 31.4% of the population[11]; remarkable is also the fact that 19.4% of respondents in a 2018 survey run by GfK Italia for AGCOM identified an algorithmic source of news (online platforms such as Facebook that target users through algorithm-shaped patterns) as the most important in their media diet.[12]

Of all media sectors, the print media continued to face a deep crisis. Although the decline in print media readership seems to have recently stopped, the consumption of print newspapers between 2007 and 2019 suffered a drop of nearly 30%.[13] Nevertheless, according to AGCOM, newspapers are still the most significant source of information for Italians.[14]

Finally, radio listenership has shown rather stable ratings. Although only 8.4% of Italians rely on radio to access news and information, the overall radio consumption is a stonking 75%, with traditional radio hovering around 50% in 2019.[15]

[6] Autorità per le Garanzie nelle Comunicazioni (AGCOM), Report on the News Consumption, Department of Economics and Statistics, 2018, available online (in Italian) at <https://www.agcom.it/documents/10179/10214149/Studio-Ricerca+10-04-2018/4619854b-6d9b-491b-a3c8-f7444487006d?version=1.0> (accessed on 14 August 2020).

[7] Centro Studi Investimenti Sociali (Censis), 16° Rapporto sulla comunicazione. I media e la costruzione dell'identità. Sintesi per la stampa, 2020, available online at <https://www.censis.it/comunicazione/16%C2%B0-rapporto-censis-sulla-comunicazione-0> (accessed on 12 August 2020).

[8] AGCOM, Report on the News Consumption, 2018, cit.

[9] Censis, 16° Rapporto sulla comunicazione, cit.

[10] Autorità per le Garanzie nelle Comunicazioni (AGCOM), Relazione annuale 2020 sull'attività svolta e sui programmi di lavoro, 2020, available online (in Italian) at <https://www.agcom.it/relazioni-annuali> (accessed on 10 August 2020).

[11] Censis, 16° Rapporto sulla comunicazione, cit.

[12] AGCOM, Report on the News Consumption, 2018, cit.

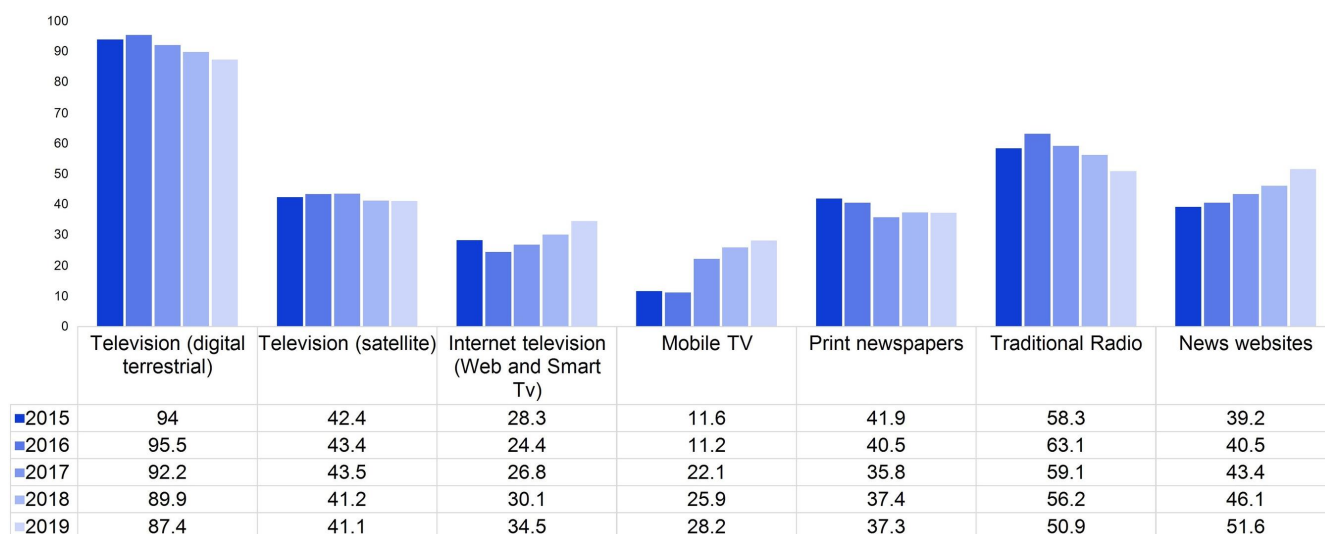
[13] Censis, 16° Rapporto sulla comunicazione, cit.

[14] AGCOM, Report on the News Consumption, 2018, cit.

[15] Censis, 16° Rapporto sulla comunicazione, cit.

Media diet in Italy

Media usage by medium in Italy, in %, 2015-2019



Source: Censis

POPULAR NEWS MEDIA

Key Players

Television

The Italian television market has been historically dominated by two major players: RAI, the public service broadcaster, and Mediaset, the broadcasting giant controlled by the holding Fininvest, which is owned by the family of Silvio Berlusconi, a powerful politician and businessmen, former Prime Minister of Italy.



RAI commands more than a third of the nationwide audience. In 2019, it had an audience share of nearly 36% with all its channels combined, Mediaset following closely with 31.6%. Sky Italia follows at a distance with a 7.2% share, along with Discovery and the Cairo Communication-owned La7, which ranks fifth. All together, in 2019, the three largest players accounted for almost 90% of the television revenues, which indicates a very high level of concentration.[16]

[16] Mediobanca, Report sul Settore Tv, Area studi Mediobanca, 2020, available online (in Italian) at <https://www.mbres.it/sites/default/files/resources/Presentazione%20TV%202019.pdf> (accessed on 10 August 2020).

Most popular television groups by audience share, in %, 2015-2019

	2015	2016	2017	2018	2019	Operating company	Owner
RAI	37.2	36.7	36.5	36.3	35.7	RAI	State
Mediaset	32.2	31.6	31	31.2	31.6	Mediaset	Fininvest
Sky	5.4	6.7	7	7	7.2	Sky Italia	Comcast Corporation
Discovery	36.3	31.2	7	6.7	7.4	Discovery Italia	Discovery Group
La7	3.6	3.7	3.4	4.2	4.2	RCS	Cairo Communication

Source: CMDS based on Auditel data, provided by Mediobanca

According to Auditel data provided by Econ Media, Rai, the first channel of the Italian public broadcaster, has the highest audience share in Italy (21%), followed by the Mediaset-owned broadcaster Canale 5 (19%).^[17] In 2019, their newscasts, Tg1 and Tg5, had audience shares of 21.5% and 19.4%, respectively.^[18] However, when only all-news programs are measured, Sky's Tg24 commands the highest audience share.^[19]

Most popular all-news channels in Italy, by audience share, in %, 2015-2019

All news channel	Publisher	2015	2016	2017	2018	2019
Sky Tg24	Comcast/Sky Italia	0.4	0.6	0.6	0.7	0.6
RAI News	RAI	0.5	1	0.5	0.6	0.6
TGCOM 24	Fininvest/Mediaset	0.3	0	0.3	0.4	0.4

Source: AGCOM

Although they have maintained their dominant positions in recent years, both RAI and Mediaset have lost five and six percentage points of audience share on a daily basis between 2010 and 2019, respectively. Conversely, in the same timeframe, Sky and Discovery gained four and seven percentage points of audience, respectively.^[20] Thus, the popularity gap between operators is declining, albeit slightly. As audiences are increasingly flocking to specialized networks, the relevance of the main players' generalist channels is steadily plunging.^[21]

In spite of this general decline though, the Italian public service broadcaster still captures a third of the overall television consumption. Established in 1954 and owned by the Ministry of Economy and Finance, which has a 99.56% stake in it, RAI is organized across several companies: Rai Pubblicità (in charge of ad sales), Rai Com (distribution and commercialization of RAI programs abroad), Rai Way, Rai Cinema and TivùSat (management of the satellite television).^[22]

[17] Econ Media, Ascolti Tv, EconMedia, 2020, available online (in Italian) at <https://econmedia.it/ascolti-tv-3/> (accessed on 10 August 2020).

[18] AGCOM, Relazione annuale 2020, cit.

[19] AGCOM, Relazione annuale 2020, cit.

[20] Econ Media, Ascolti Tv, 2020, cit.

[21] Mediobanca, Report sul Settore Tv, 2020, cit.

[22] Rai.it, Il Gruppo Rai, La struttura aziendale, available online (in Italian) at <http://www.rai.it/dl/rai/text/ContentItem-9e40fc26-6bca-4fc7-a682-50d48a0f19e0.html> (accessed on 19 August 2020).

so-called Gasparri law), communications companies that hold a share of more than 40% in the Italian market cannot acquire revenues exceeding 10% of the so-called “integrated system of communications,” as the overall communications market is technically known in Italy.[31]

In line with AGCOM’s decision, Vivendi moved 19.2% of its Mediaset shares to the trust Simon Fiduciaria, thus remaining in Mediaset with less than 10%,[32] but at the same time it also appealed in court the AGCOM’s ruling, which led to more litigation that in the end involved the European Court of Justice.[33]

The dispute also created a regulatory vacuum, which prompted the intervention of the Italian government[34] in a dispute that is far from over: more court hearings were being planned at the time of writing.

The controversy between Mediaset and Vivendi also extended to the issue of Media for Europe, a plan by Mediaset to merge its Italian and Spanish units into one holding company that faced opposition from Vivendi. After a first rejection by the Court of Madrid in July 2020, the merger was also blocked by the Court of Amsterdam last September.[35]

The third largest broadcaster in the Italian media market is Sky Italia. Owned by Comcast, the biggest cable operator in the U.S. by revenues, Sky Italia is the largest provider of pay-TV services as well as the largest broadcaster by revenue in 2019, surpassing both RAI and Mediaset (whose revenues are mostly generated through licence fee in the case of RAI and ad sales in the case of Mediaset). After pioneering the HD television in Italy in 2005, Sky expanded its program offering by 180 thematic channels and another 28 pay-per-view channels; the company is now focusing on growing the video-on-demand Sky Go and Now TV streaming platforms, as well as Sky Wifi, the company’s first attempt to do business on the telephone market.[36] Born through the merger of TELE+ and Stream TV in 2003, Sky Italia revolutionized the pay-TV satellite market in Italy. The company was initially 80%-owned by News Corporation of the Australian-born tycoon Rupert Murdoch, with the remaining 20% held by Telecom Italia (which eventually sold its stake to News Corporation in 2006). In 2018, Comcast bought the full stake in the corporation.[37]

[31] Giusy Caretto, “Mediaset: Vivendi fa ricorso contro sentenza di Agcom” (Mediaset: Vivendi appeals against AGCOM’s decision), 2017, Start Magazine, available online at <https://www.startmag.it/startup/mediaset-vivendi-ricorso-sentenza-agcom/> (accessed on 12 August 2020).

[32] CorCom, “Ok di Agcom al blind trust Vivendi per Mediaset” (AGCOM okays the blind trust Vivendi for Mediaset, Corrierecomunicazioni.it, 2018, available online at <https://www.corrierecomunicazioni.it/media/blind-trust-di-vivendi-su-mediaset-ok-di-agcom/> (accessed on 18 August 2020).

[33] Il Post, “Cos’è la questione ‘Vivendi-Mediaset’” (What the ‘Vivendi-Mediaset’ issue is”), 2020, Il Post, available online at <https://www.ilpost.it/2020/11/18/vivendi-mediaset/> (accessed on 10 December 2020)

[34] Paolo Anastasio, “Vivendi-Mediaset, l’emendamento antiscalata peserà sul progetto rete unica?” (Vivendi-Mediaset, will the anti-takeover amendment weigh on the single network project?), 2020, Key4biz, available online at <https://www.key4biz.it/vivendi-mediaset-lemendamento-antiscalata-pesera-sul-progetto-rete-unica/331989/> (accessed on December 10, 2020).

[35] Andrea Fontana, “Mediaset, il tribunale di Amsterdam dà ragione a Vivendi. Titolo in calo” (Mediaset, the Court of Amsterdam agrees with Vivendi. Title down), 2020, Il Sole 24 Ore, available online at <https://www.ilssole24ore.com/art/mediaset-tribunale-amsterdam-da-ragione-vivendi-titolo-calo-ADFajTm> (accessed on December 10, 2020).

[36] “Accadde oggi - Sky Italia: nel 2003 nasce la nuova pay-tv” (It happened today-Sky Italia: in 2003the new pay-TV platform is born) FIRStonline, 31 July 2020, available online at <https://www.firstonline.info/accadde-oggi-sky-italia-nel-2003-nasce-la-nuova-pay-tv/> (accessed on 7 August 2020).

[37] Accadde, FIRStonline, cit.

The same year, the Italian pay-TV market saw a turning point. Sky and Mediaset signed an agreement according to which nine channels previously available only on the pay-TV service Mediaset Premium were to be available on Sky, which in turn granted Mediaset access to part of its sports programs. The deal practically meant the end of competition on the pay-TV market in Italy[38] although Sky defended its leading position on this market.[39] Mediaset's move should be read as following: its objective was to give up the expensive and unprofitable idea of building its own pay-TV platform by providing channels to Sky to focus instead on beefing up its free-to-air programming offer, which in recent years has proved to be quite solid.[40]

Cairo Communication is another prominent player in the Italian television market. The company is led by Urbano Cairo, an influential Italian businessman who was a personal assistant of Silvio Berlusconi and then became Vice General Manager of Publitalia '80, the advertising agency of the Mediaset group, and by 1991 CEO of Mondadori Pubblicità. During his time at Fininvest, Cairo was the architect behind the acquisition of the Italia 1 private channel from Edilio Rusconi, a journalist and filmmaker. He was also among those in Publitalia involved in the notorious Mani Pulite (clean hands) investigation. Cairo was the only one who asked for a plea deal, agreeing with a 19-month sentence for false accounting, issuance of fake invoices and embezzlement. The sentence was declared final in 1999, but after five years the crime was prescribed. Thus, Cairo's criminal record is spotless today.[41]

After the Fininvest episode, which led to his dismissal, Cairo founded the advertising agency Cairo Pubblicità, rapidly then expanding his business to print (when he acquired the Editoriale Giorgio Mondadori in 1999), internet and, finally, television. Through the acquisition of La7 in 2013 (which runs the La7 and La7d television channels), and the success in acquiring the right to use several nationwide frequencies for digital terrestrial television, Cairo Communication has grown into the fifth largest Italian television player by audience as well the second largest in the publishing market following the acquisition, in 2016, of *Il Corriere della Sera*, Italy's most read newspaper.

Other relevant players in the Italian television market are Discovery Italia, ViacomCBS Networks Italia (formerly Viacom International Media Networks Italia) and Walt Disney Italia, which recently incorporated the Fox Network Group.

[38] "Cosa c'è nell'accordo tra Sky e Mediaset" (What it is in the agreement between Sky and Mediaset), *Il Post*, 2018, available online at <https://www.ilpost.it/2018/03/31/accordo-sky-mediaset/> (accessed on 7 August 2018).

[39] Accadde, FIRSTonline, cit.

[40] Paolo Armelli, "Cosa significano le ultime mosse di Sky e Mediaset" (What the latest moves by Sky and Mediaset mean), *Wired.it*, 2018, available online at <https://www.wired.it/play/televisione/2018/04/03/accordo-sky-mediaset/> (accessed on 17 August 2020).

[41] Gianluca Di Feo, Alessandro Giglioli, "Chi è Cairo, nuovo capo de La7" (Who is Cairo, the new head of La7), *L'Espresso*, 2013, available online at <https://espresso.repubblica.it/palazzo/2013/03/04/news/chi-e-cairo-nuovo-capo-de-la7-1.51409> (accessed on 18 August 2020).

The big boys in Italian television

Most popular television channels in Italy by audience share in primetime, in %, 2010-2019

TV Group/Channels	2010	2015	2016	2017	2018	2019
Rai 1	22	18	18	19	19	19
Rai 2	10	7	7	7	7	6
Rai 3	9	7	7	6	6	6
Rai (specialized)	2	6	6	7	6	6
RAI (total)	44	38	39	38	37	37
Canale 5	19	16	15	15	16	15
Italia 1	9	6	6	5	6	5
Rete 4	7	5	4	4	4	6
Mediaset (specialized)	3	7	7	7	7	7
Mediaset (total)	37	34	32	32	32	32
Rai + Mediaset	81	72	70	70	70	69
La7	3	4	4	4	5	5
La7D		1	1	0	0	0
La7 (total)	3	4	4	4	5	5
Sky (total)	4	6	8	8	7	8
Fox (total)	1	1	1	1	1	1
Sky + Fox	6	7	9	9	8	9
Discovery	0	5	5	6	6	6
Other Tv	10	12	11	11	11	11
TOTAL	100	100	100	100	100	100

Source: Econ Media based on Auditel data

Online News Media

The news online market keeps growing in Italy. According to Censis, in 2019, internet users accounted for 79.3% of the overall Italian population, a jump of over eight percentage points in comparison to 2015. News websites recorded even bigger growth rates, of 12.4 percentage points during the same timeframe.[42]

Furthermore, when it comes to news and information online, over 54% of the Italian citizens rely on digital platforms and another 39.4% on websites and publisher applications.[43]



[42] Censis, 16° Rapporto sulla comunicazione, cit.

[43] AGCOM, Report on the News Consumption, 2018, cit.

According to data collected on a weekly basis by Statista immediately before the lockdown, the most consumed online news outlets included the websites TgCom24 and SkyTg24, which are controlled by the commercial broadcasters Mediaset and Sky, closely followed by the digital-born outlet Fanpage and ANSA, Italy's flagship news agency. Next come the websites of the main newspapers, La Repubblica online, owned by GEDI, and Il Corriere della Sera online, owned by Cairo Communication.[44] (*See more details under Print Media in this report.*)

However, monthly data provided by Audiweb for May 2020 show a new shift in online audiences: Il Corriere della Sera ranked first with 4.22m unique users, surpassing La Repubblica.[45] Next in line are Tgcom24 and Il Messaggero. Notable is that many mainstream newspapers have defended their position in the online market with significantly higher traffic levels than fringe news portals. For example, Corriere della Sera had in May 2020 almost one million unique users more than in January 2020, La Repubblica 750,000 more. In contrast, Fanpage gained about 200,000.[46] All the digital products of the Corriere della Sera website grew in 2019: it had 60% more subscriptions to its website, its subscriptions to the mobile app doubled, and subscriptions to the complete offer of digital products (Tutto+) jumped by 56%.[47] The average daily audience of the second most read online newspaper in Italy, La Repubblica, increased between 2014 and 2018 from 1.6m users to 2.9m.[48]

[44] Most used online news sources on a weekly basis in Italy in 2020, Statista, available online at <https://www.statista.com/statistics/730125/top-online-news-sources-in-italy/> (accessed on 12 August 2020).

[45] Pier Luca Santoro, "Il sorpasso del Corriere della Sera su Repubblica" (The overtaking of Repubblica by Corriere della Sera), DataMediaHub, 15 July 2020, available online at <http://www.datamediahub.it/2020/07/15/il-sorpasso-del-corriere-della-sera-su-repubblica/#axzz6UpMrthrG> (accessed on 12 August 2020).

[46] Claudio Cazzola, "TOP 100 INFORMAZIONE ONLINE (Audiweb). In testa a maggio Corriere della Sera tallonato da Repubblica. In calo i siti di news, bene viaggi e motori" (TOP 100 ONLINE INFORMATION (Audiweb). In the lead in May, Corriere della Sera followed by Repubblica. News sites, travel and car sites are down), Prima Comunicazione Online, available online at <https://www.primaonline.it/2020/07/14/309948/top-100-informazione-online-in-testa-corsera-tallonato-da-repubblica-in-calo-i-siti-di-news-bene-viaggi-e-motori/> (accessed on 18 August 2020).

[47] Davide Casati, "Il Corriere della Sera chiude il 2019 con il record di abbonati digitali" (Corriere della Sera closes 2019 with a high record number of digital subscribers), Il Corriere della Sera, 8 January 2020, available online at https://www.corriere.it/cronache/20_gennaio_08/corriere-record-abbonati-digitali-69df166c-325c-11ea-bc0f-5b1ee8f7f455.shtml (accessed on 6 August 2020).

[48] "Most used online news sources on a weekly basis in Italy in 2020," cit.

Digital forces

Most used online news sources on a weekly basis in Italy, 2020

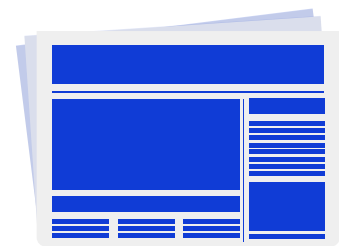
Website	Company	Share of respondents (%)
TgCom24 online	Mediaset	24
SkyTg24	Sky Italia	20
Fanpage	Ciaopeople s.r.l.	20
ANSA online	36 publishing partners among prominent Italian newspapers	18
La Repubblica online	GEDI	18
Il Corriere della Sera online	RCS/Cairo Communication	16
RAI News online	RAI	14
Il Fatto Quotidiano online	Società Editoriale Il Fatto (SEIF)	13
Notizie Libero online	Editoriale Libero s.r.l	11
Commercial radio news online		11
Huffington Post	GEDI	11
Yahoo! News	Yahoo!	11
Il Sole 24 ore online	Gruppo 24 ORE	10
TgLa7 online	RCS/Cairo Communication	10
Website of regional or local paper		10
La Stampa online	GEDI	8

Source: Statista

Print Media

The crisis of the print sector has deepened in recent years, with the daily circulation of newspapers dramatically declining from 5.5 million to around 1.2 million between 2007 and 2019.[49] In the last 10 years, the turnover of the print media sector has fallen by 71.3%, with an annual decrease rate of more than 9%.[50] Losses of €678m were incurred by the publishing industry between 2014 and 2018.[51] Declines in ad revenues coupled with difficulties in generating advertising income and selling paper

copies are increasingly bringing the print media sector to its knees. Disregarding the performance of their respective websites, some of the most prominent newspapers in Italy have recorded declines in circulation of up to 40% in the past five years.[52]



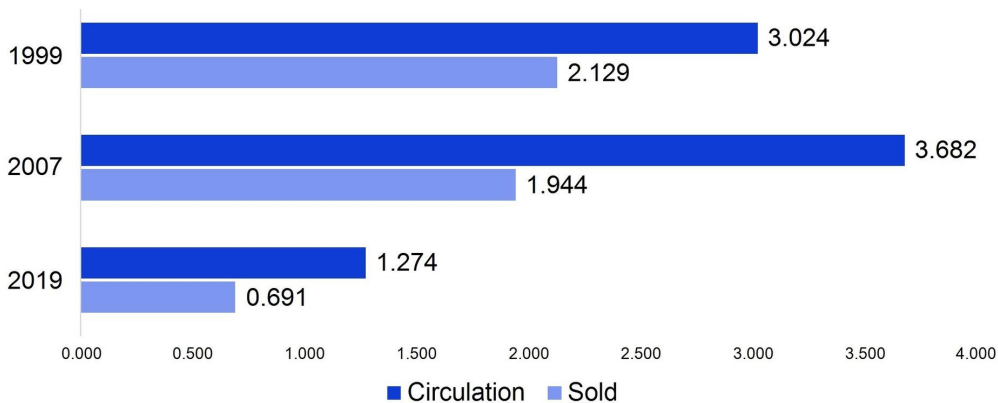
[49] Rapporto 2019 sull'industria dei quotidiani in Italia, Osservatorio Tecnico "Carlo Lombardi" per i quotidiani e le agenzie di informazione, 2019, available online (in Italian) at <http://www.fieg.it/studi.asp?language=en> (accessed on 11 August 2020).

[50] Rapporto 2019 sull'industria dei quotidiani in Italia, Osservatorio Tecnico, cit.

[51] Report Editoria (2014-2019), Area Studi Mediobanca, 2019, available online (in Italian) at <https://www.mbres.it/publications/report-editoria> (accessed on 11 August 2020).

[52] Emanuele Menietti, "Come è messa l'informazione online", Il Post, 17 February 2019, available online at <https://www.ilpost.it/2019/02/17/giornali-online-difficolta/> (accessed on 12 August 2020).

Circulation and sales of print media copies in Italy, in million copies, 1999-2019



Source: AGCOM-FIEG data

The most popular Italian newspaper is *Il Corriere della Sera*, with a circulation of approximately 207,000 copies in 2019. *Il Corriere della Sera* is published by RCS MediaGroup, which in turn is owned by the Cairo Communication, with a stake of nearly 60%. In 2016, the editor and businessman Urbano Cairo had made an offer to buy the RCS MediaGroup, beating its competitors in the bidding contest, which led to the rise of another powerful player in the Italian media. Along with *Il Corriere della Sera*, Cairo Communication controls a large number of media outlets, including La7 television channel. Cairo Communication is now the second largest player in the print market and the fifth by audience in the audiovisual segment.

Most popular daily newspapers in Italy by circulation, in '000, 2015-2019

	2015	2016	2017	2018	2019	Operating company	Majority owner	Stake (%)
Corriere della Sera	304	266	226	220	207	RCS MediaGroup	Cairo Communication	59.7
La Repubblica	274	231	190	169	155	GEDI Gruppo Editoriale	Exor	67.3
La Stampa	183	161	146	133	117	GEDI Gruppo Editoriale	Exor	67.3
Avvenire	109	107	102	99	99	Avvenire Nuova Editoriale Italiana	CEI	75
QN-II Resto del Carlino	112	104	99	94	88	Poligrafici Editoriale	Monrif	62
Il Messaggero	123	112	101	89	82	Caltagirone Editore	Francesco Gaetano Caltagirone	60.8
Il Sole 24 Ore	137	119	91	81	71	Gruppo 24 ORE	Confindustria	60

Source: CMDS based on data from Mediobanca (years 2017-2019) and ADS (years 2015-2016)

Il Corriere della Sera is followed by *La Repubblica* and *La Stampa*, with circulations of around 155,000 and 117,000, respectively, in 2019.[53] Both of them are owned by GEDI Gruppo Editoriale, the leading publishing company in the newspaper sector, which is majority controlled by Exor corporation controlled by the Agnelli family. GEDI Gruppo Editoriale has emerged through a series of deals that took place in the past few years.

Formerly known as Gruppo L'Espresso and controlled by CIR (the holding of the De Benedetti brothers), the company incorporated Italiana Editrice in 2016, one of the key developments in the Italian newspaper sector. Finally, in 2019, CIR transferred a stake of almost 44% in the company to Giano Holding (Exor-Agnelli). Through that transaction, GEDI gained control not

[53] Report Editoria (2014-2019), cit.

only of the second most popular Italian newspaper, but also of 13 local media outlets including Il Piccolo di Trieste, La Gazzetta di Reggio and La Nuova Ferrara, to name but a few.[54]

GEDI, which currently commands 25.4% of the Italian print market in terms of revenues, also runs the weekly L'Espresso, the geopolitical affairs magazine Limes as well as some profitable radio networks such as Radio DeeJay and Radio Capital.[55]

Radio

According to a 2020 AGCOM report, radio consumption in Italy is rather stable, with commercial channels being the most listened to radio channels.[56] The top player in the radio sector with over seven million listeners is RTL 102.5 of Hit Radio, company owned by Lorenzo Suraci, an Italian entrepreneur from Calabria. RTL 102.5 uses the radio hit format, broadcasting Italian and foreign hits. In 2007, the group launched RTL 102.5 TV, a radiovision channel simultaneously broadcasting programs via radio and television.

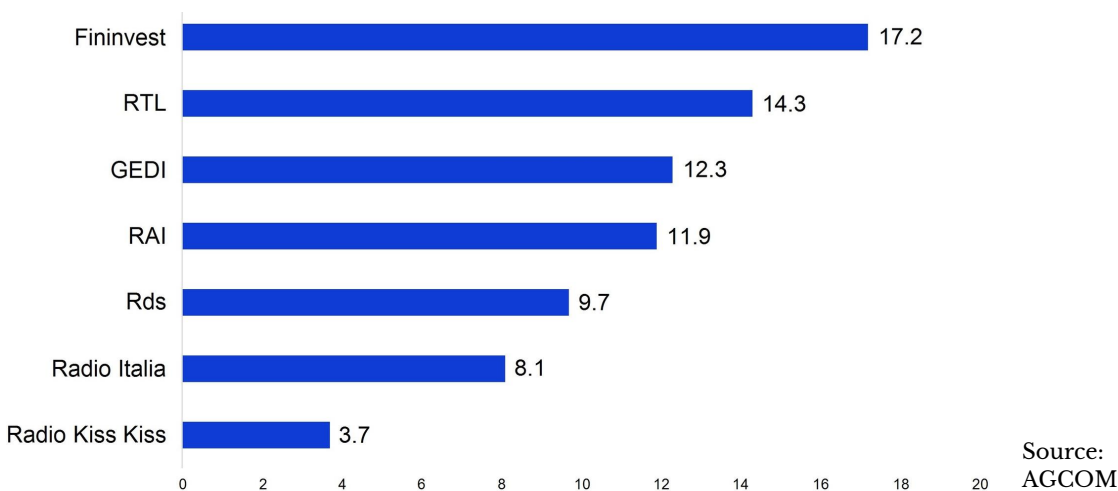


RTL 102.5 is followed in the listenership rankings by Radio Dimensione Suono (RDS) and Radio DeeJay (GEDI), with five million listeners each.[57] The RDS' success derives from a formula combining 50% Italian music and 50% foreign music, all greatest hits.

However, when it comes to the overall radio business measured by the combined audience shares, the largest radio operator is the Fininvest-owned RadioMediaset, which runs R101, Radio 105, Virgin radio, Radio Subasio and Radio Montecarlo. Fininvest is followed by RTL (28%) and GEDI (24%).[58]

Top radio channels in Italy

Radio listenership by media group (%), on average day, 2019



[54] Matteo Buffolo, "Gli Agnelli si riprendono La Stampa e comprano La Repubblica" (The Agnellis take back La Stampa and buy La Repubblica), AGI, 2019, available online at https://www.agi.it/economia/exor_cir_agnelli_stampa_repubblica-6666759/news/2019-12-02/ (accessed on 5 August 2020).

[55] Matteo Buffolo, "Gli Agnelli si riprendono...", cit.

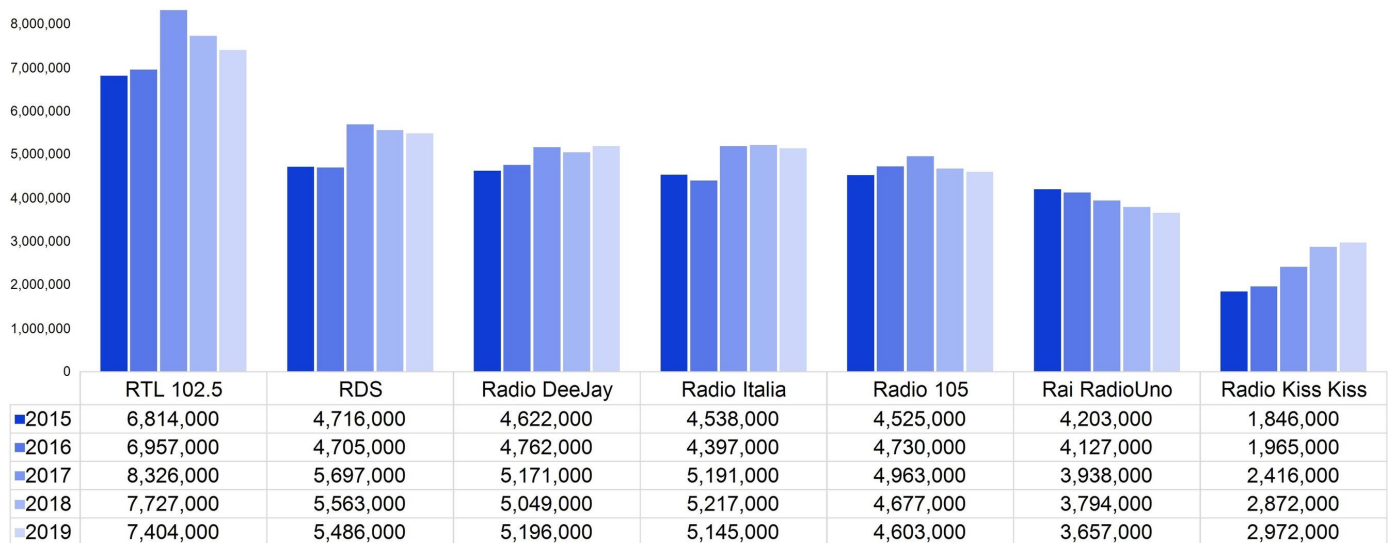
[56] AGCOM, Relazione annuale 2020, cit.

[57] AGCOM, Relazione annuale 2020, cit.

[58] AGCOM, Relazione annuale 2020, cit.

In terms of revenues, RAI is the leader in the sector with a 22% market share. RAI broadcasts the channels Radiol1, Radio2 and Radio3. According to the Service Agreement, the contract defining the obligations of the public broadcaster, RAI has to devote at least 70% of its yearly airtime to seven types of programming and topics including news, information, culture, society and music. Radio3 is obliged to devote 90% of its programming to the same genres and topics. RAI also broadcasts the channels GR Parlamento (focused on information about and from Parliament's activities) and Isoradio (airing traffic and weather reports, and public service announcements). [59]

Most listened radio channels in Italy by total number of listeners, 2015-2019



Source: AGCOM-FIEG data

Funding Trends

According to the latest assessment of the Integrated Communications System carried out by AGCOM, the value of the Italian media market is €18.4bn, up by €1.3bn compared to 2015. The value is the equivalent of 1.04% of GDP. The share of the audiovisual services is stable at 49% whereas the publishing sector has lost 6.3% between 2018 and 2015, settling at 21%. In contrast, electronic publishing and online advertising are growing, accounting for 18% of the total Integrated Communications System. [60]

Among all media sectors, the Italian audiovisual segment continues to be highly concentrated. The market is dominated by three operators, which together account for almost 90% of total national revenues, according to data from the Florence-based Center for Media Pluralism and Media Freedom. [61]

[60] Autorità per le Garanzie nelle Comunicazioni (AGCOM), Sistema Integrato delle Comunicazioni. Risultati del Processo di Valutazione, Allegato A alla delibera n.25/20/CONS, 2018, available online (in Italian) at <https://www.agcom.it/documents/10179/17470491/Allegato+II-2-2020/94f21b52-dbcc-4414-9e33-0e46662871b8?version=1.0> (accessed on 15 August 2020).

[61] Elda Brogi, Roberta Carlini, Monitoring Media Pluralism in the digital Era: Application of the Media Pluralism Monitor in the European Union, Albania and Turkey in the years 2018-2019. Country Report: Italy, Centre for Media Pluralism and Media Freedom, European University Institute, 2020, cit.

Notwithstanding the dominance of these big players, the gap between the audience shares of various operators is progressively narrowing as the media is moving towards a more heterogeneous, personalized and interactive system. Digitization and fast internet have favored the rise of new operators and boosted competition, leading to the diversification of platforms and devices as well as the hybridization of business models.[62] The online pay-TV model, in particular the on-demand streaming service model, has been experiencing a significant growth rate, having a strong impact on all elements of the value chain.[63]

In recent years, among the traditional media, radio has demonstrated a greater capacity to adjust to the challenges raised by these massive shifts. At the same time, the radio sector has been characterized by the “consolidation of competitive structures”[64] following a series of mergers and acquisitions[65] such as the 2016 birth of a new radio group after the acquisition of the Finelco Group by Mediaset.[66] Although it is controlled by some of the largest media groups that have operations in other sectors (television and newspaper publishing), the radio market seems to be more diverse and pluralist than the television sector.

In contrast, the publishing sector recorded sharp losses. In 2019, total print advertising revenues fell by €69m, or 10% compared to 2018.[67] As advertisers are increasingly favoring online platforms, several publishers began to experiment with paywall and native advertising models.[68]

Thus, the online sector keeps growing as media publishers increasingly depend on major online platforms and international players.[69] As a result, for the first time, in 2019, the online advertising sales were greater than those deriving from television advertising revenues.[70]

Television Funding

Between 2015 and 2019 the turnover of the Italian television market was characterized by a slightly fluctuating trend: if in 2016 the total market revenues amounted to €8.321bn, up by €550m from 2015, the following year saw a slight contraction caused by the decrease in the revenues from license fees and ad sales recorded by RAI.[71] In 2018, total television revenues started to grow again but then declined in 2019 to €8bn.[72]

[62] AGCOM, Relazione annuale 2020, cit.

[63] AGCOM, Relazione annuale 2020, cit.

[64] AGCOM, Relazione annuale 2020, cit.

[65] AGCOM, Relazione annuale 2020, cit.

[66] Confindustria Radio Televisioni, Studio Economico, Settore Radiotelevisivo Privato Italiano, 25° Edizione, 2019

[67] AGCOM, Relazione annuale 2020, cit.

[68] AGCOM, Relazione annuale 2020, cit.

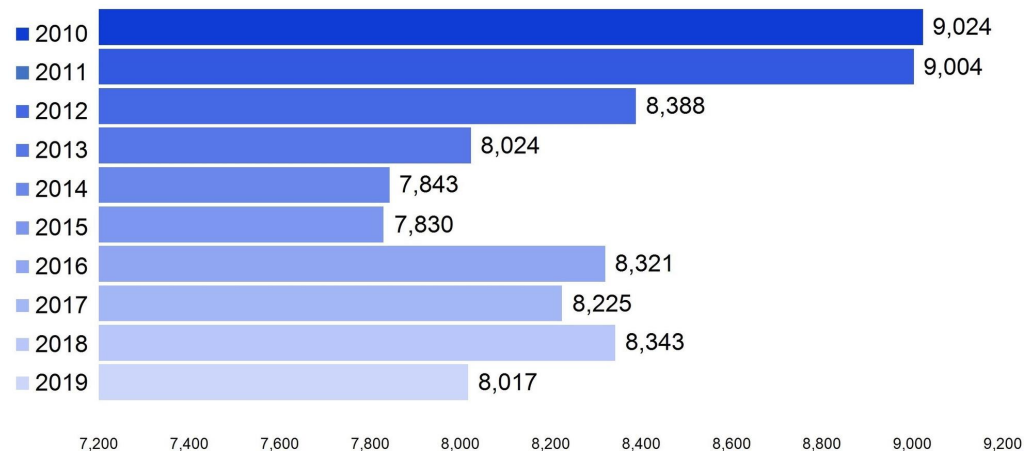
[69] AGCOM, Relazione annuale 2020, cit.

[70] AGCOM, Relazione annuale 2020, cit.

[71] Confindustria, Studio Economico, 2019, cit.

[72] AGCOM, Relazione annuale 2020, cit.

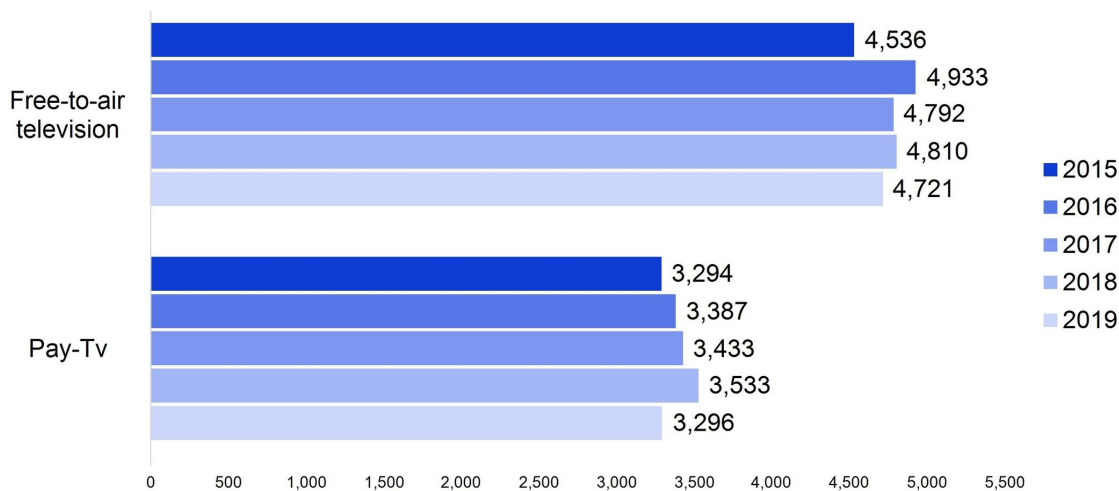
Television: total revenues, in €m, 2010-2019



Source: CMDS based on AGCOM data (2015-2019) and Econmedia on AGCOM data (2010-2014)

In the television segment, free-to-air television players account for the largest share of total resources. In 2019, this sector was responsible for €4.7bn (59% of the total). In 2019, the pay-TV market was worth almost €3.3bn (the remaining 41% of total revenues), down by 6.7% compared to the previous year.[73]

Breakdown of total revenues between free-to-air TV and pay TV, in €m, 2015-2019



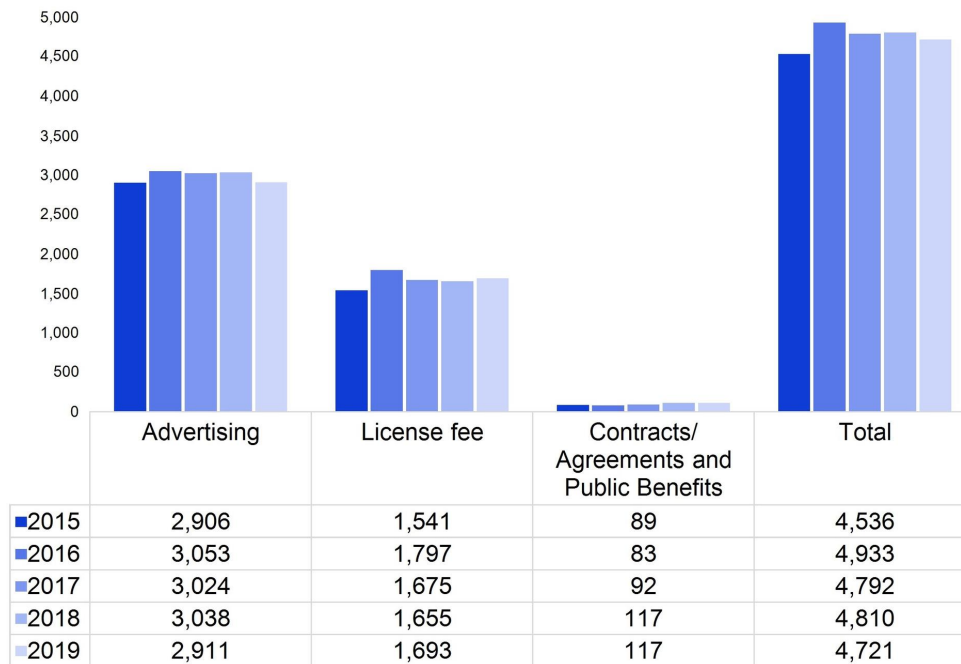
Source: AGCOM

Free-to-air TV is mostly propped up by advertising sales, which, although down by 4% in 2018, represent in this specific sector 62% of the total resources. On the contrary, the biggest part of RAI's financial resources are generated by the license fee, which together with contracts/agreements and other public funds (up by 2% in 2018) accounts for the remaining 38% of the total revenues of free-to-air television.[74]

[73] AGCOM, Relazione annuale 2020, cit.

[74] AGCOM, Relazione annuale 2020, cit.

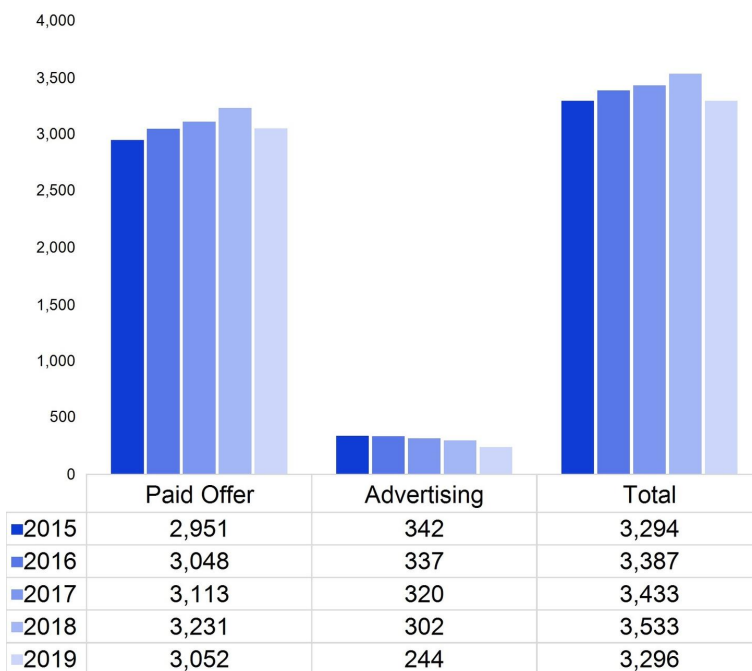
Free-to-air television: breakdown of total revenues, in €m, 2015-2019



Note: RAI is allowed to conclude contracts or agreements with corresponding benefits with public administration bodies.
Source: AGCOM

In the pay-TV sector, the majority of revenues are generated by subscriptions and sale/rental of content on demand (93% of total resources, albeit down by 6.7% in 2019). Advertising sales are marginal in the pay-TV sector. They registered a year-on-year decline of 19% in 2019.[75]

Pay-TV: breakdown of total revenues, in €m, 2015-2019



Source: AGCOM

[75] AGCOM, Relazione annuale 2020, cit.

However, in this context it is good to distinguish between pay-TV offers on digital terrestrial and satellite platforms and pay-TV offers on the web: while the former dropped following the Mediaset-Sky agreement (*see Consumption Trends in this report*), the latter recorded a remarkable growth rate of 50%.[76]

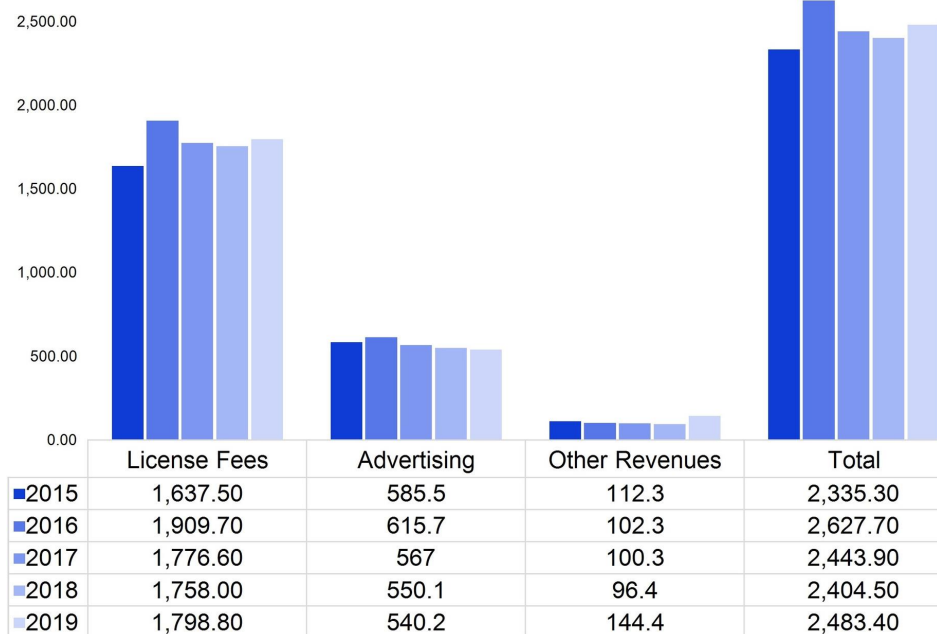
Pay TV: breakdown of total revenues between DDT/SAT and Web offer (2018-2019, in €m)

	2018	2019
DDT and Sat Paid offers	2,893	2,544
Paid offers on the web	339	508

Source: AGCOM

The financing system of the Italian public broadcaster RAI is mostly based on public funds with advertising revenues constituting only a minor part. The revenues deriving from the license fee increased in 2019 as ad revenues recorded a slight drop.[77] The financing in “Other revenues” category increased in 2019 mainly thanks to a contribution from the State budget aimed at helping RAI fulfill its obligations under the service contract established by law.[78] The total revenues of RAI grew to €2.48bn in 2019, slightly up from €2.4bn in 2018.[79]

RAI: revenues analysis, in €m, 2015-2019



Source: RAI

[76] AGCOM, Relazione annuale 2020, cit.

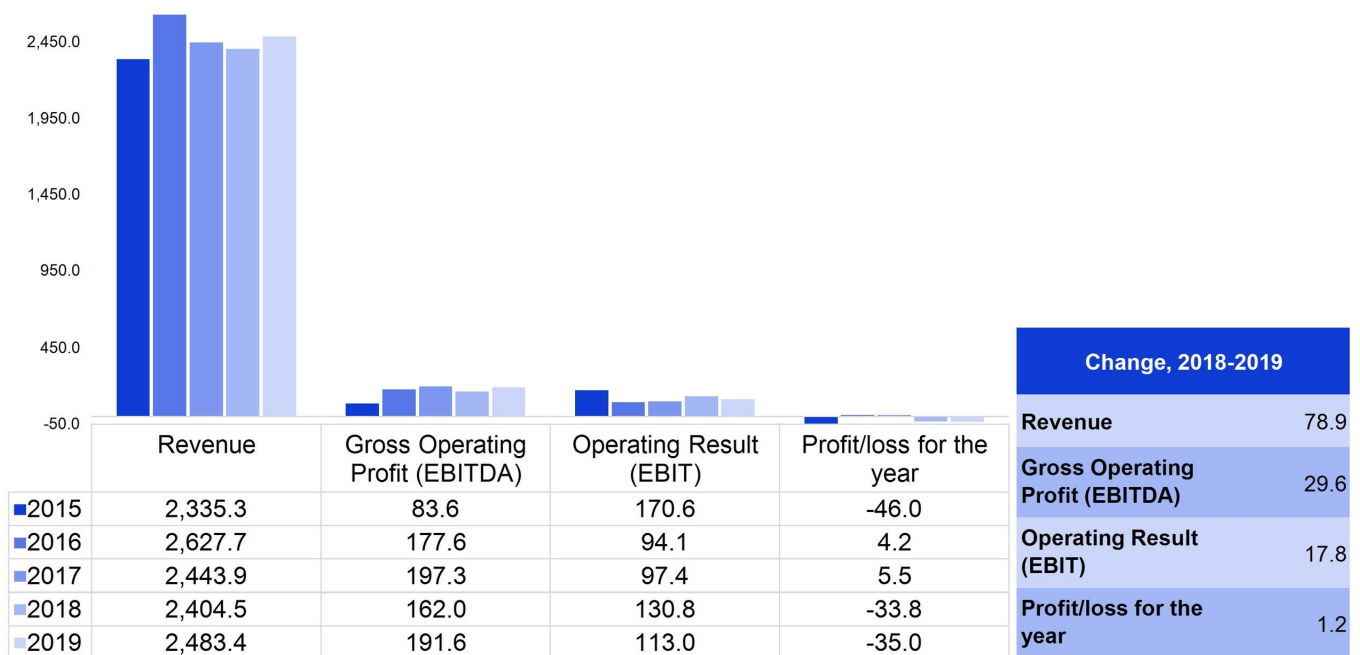
[77] Rai Radiotelevisione Italiana, Relazione e bilanci al 31 dicembre 2019, available online at <https://www.rai.it/trasparenza/Bilanci-b5a1b45c-a875-4d42-ba62-e51518b57fa7.html> (accessed on 1 September 2020).

[78] Confindustria, Studio Economico, 2019, cit.

[79] Rai Radiotelevisione Italiana, Relazione e bilanci, cit.

In the 2019 financial year, RAI incurred a net loss of €35m, an increase in loss by €1.2m compared to the previous year. The last time RAI ended in the black was in 2017 when it recorded a profit of €5.5m.[80] Nonetheless, in a letter to RAI's shareholders, the corporation's President Marcello Foà said that "the net financial position, although worsening compared to 31 December 2018, is still at levels of sustainability." [81]

RAI: key financial indicators, 2015-2019



Source: CMDS based on RAI financial reports 2015-2019

Recent developments related to the licence fee have affected the financial performance of RAI. The 2015 Stability Law attached the license fee, which all households in Italy are supposed to pay, to the electricity bill.[82] The amount of the fee was progressively reduced from €113.5 to €100 a year[83] finally settling at €90 in line with provisions put forward by the Law no. 232 of 2016.[84] By attaching the fee to the electricity bill the law aimed "to counter the high rate of tax evasion that has historically characterized this tax." [85] It led to an increase in revenues by 16.7% in 2015, stemming precisely from a decrease in tax evasion. In the following years, revenues from license fees stabilized at around €1.8bn.[86]

[80] Rai Radiotelevisione Italiana, Relazione e bilanci, cit.

[81] Rai Radiotelevisione Italiana, Relazione e bilanci, cit.

[82] Agenzia delle Entrate, Aree Tematiche, Canone Tv, Ministero dell'Economia e delle Finanze, available online (in Italian) at <https://www.agenziaentrate.gov.it/portale/web/guest/aree-tematiche/canone-tv#:~:text=L'importo%20del%20canone%20C3%A8,a%2090%20euro%20l'anno.&text=In%20caso%20di%20possesso%20di,pagato%20con%20le%20modalit%C3%A0%20tradizionali> (accessed on 1 September 2020).

[83] Beatrice Zanetti, "Canone Rai 2016, come e quando si paga" (Canone Rai 2016, how and when to pay it), Wired.it, 2016, available online at <https://www.wired.it/economia/finanza/2016/05/05/canone-rai-come-quando/#:~:text=A%20partire%20da%20quest'anno,invece%20di%20113%2C50%20euro.> (accessed on 1 September 2020).

[84] Dolomiti Energia, Canone Rai, available online (in Italian) at (accessed on 1 September 2020). <https://www.dolomitienergia.it/content/canone-rai>

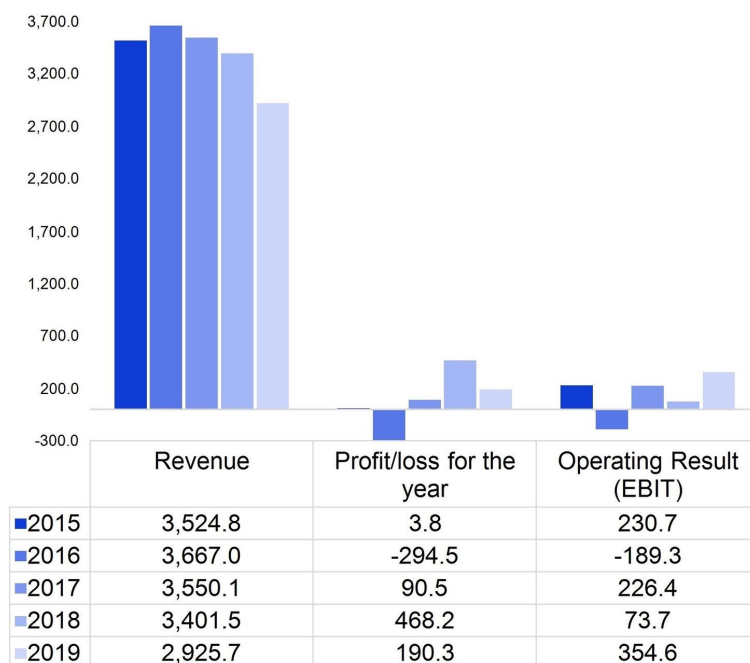
[85] Area Studi Mediobanca, Indagine sui principali operatori televisivi italiani e confronto con i maggiori peers pubblici europei, 2019, MBRES, cit.

[86] Area Studi Mediobanca, Indagine sui principali operatori televisivi italiani, cit.

On the other hand, in the private television segment, things are not rosy either. Mediaset experienced a significant decline in revenues from €3.4bn in 2018 to €2.93bn in 2019. Its revenues slumped by nearly 20% between 2017 and 2019.[87] The decline seems to have been caused by the absence of revenues from Mediaset Premium offer, which used to generate large advertising incomes mostly from broadcasting of sport events.[88] The company's net profit also tumbled from €468.2m to €190.3m between 2018 and 2019 (a decrease of some 60%).[89]

The breakdown by country revealed that Mediaset's revenues in Italy amounted to €1.98bn in 2019 (a drop of 18.1% in comparison to 2018). In Spain, they recorded an annual decline of 3.6% to €946.2m.[90] The company recorded profits on the Italian market in 2019, being the sole player among the three main operators on the Italian television market that did not close 2019 in red ink.

Mediaset: consolidated financial results, in €m, 2015-2019



Source: CMDS based on Mediaset financial reports 2015-2019

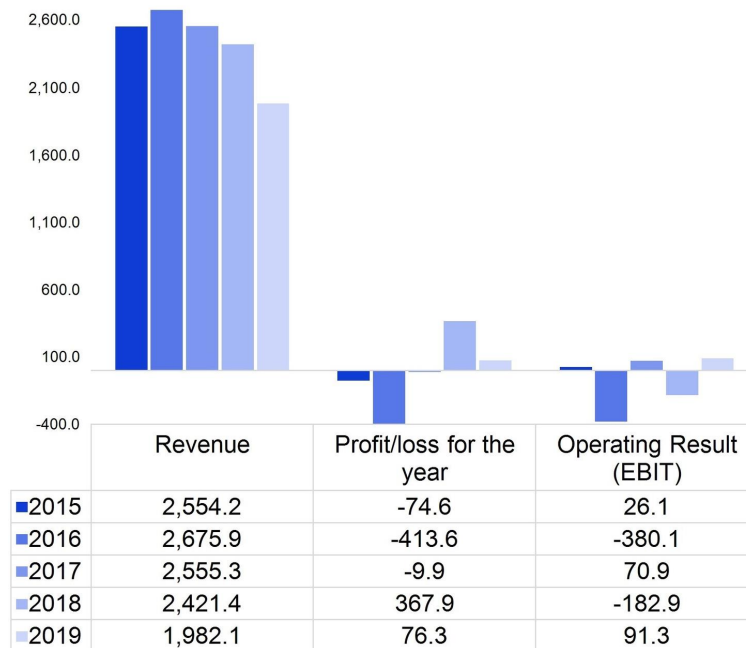
[87] Evaluation.it, Dati di Bilancio Mediaset (Mediaset balance sheet data), available online (in Italian) at <https://www.evaluation.it/aziende/bilanci-aziende/mediaset/> (accessed on 1 September 2020)

[88] Il Sole 24 Ore, Mercati, Profilo società, 2020, available online at <https://mercati.ilsole24ore.com/azioni/borsa-italiana/dettaglio-completo/MS.MIAH/analisi-fondamentale/bilancio> (accessed on 1 September 2020); miamarket.it, "Mediaset, bilancio 2019: utili in crescita" (Mediaset, 2019 balance sheet: growing profits), 2020, available online at <https://www.miamarket.it/it/mediaset-bilancio-2019-utili-in-crescita/> (accessed on 1 September 2020).

[89] La Repubblica, "Mediaset, utile consolidato a 190,3 milioni, in calo del 60%. Niente dividendo" (Mediaset, consolidated profit at 190.3m, down by 60%. No dividend), Repubblica.it, 2020, available online at https://www.repubblica.it/economia/2020/03/11/news/mediaset_utile_consolidato_a_190_3_milioni_in_callo_del_60_nient_e_dividendo-250917238/ (accessed on 1 September 2020).

[90] Gruppo Mediaset, Bilancio consolidato e bilancio di esercizio 2019, Mediaset S.p.A, 2019

Mediaset: financial results in Italy, in €m, 2015-2019



Source: CMDS based on Mediaset financial reports 2015-2019

Sky Italia, the leading operator on the Italian television market in terms of revenues, also closed the last financial year in the red ink. Although the turnover of the company increased by 10% in 2019 (or €30m compared to 2018)[91] thanks to the good performance of the subscriptions, the company had a loss of €41m.[92] In the previous year Sky Italia had instead recorded profits of almost €100m.[93]

Despite the growing number of its subscribers (which raised from 4.855m in 2018 to 5.195 millions the following year), the negative net result of Sky was triggered by a surge in costs related to the purchase of television rights: the auctions for the Champions League and Serie A football competitions (one pan-European, the second played in Italy) have boosted the company's expenditure to €1.9bn in 2019, an addition of €456m compared to 2018.[94] Sky's revenues generated by ad sales grew by 5.1% between 2017 and 2018 and reached €261.57m in 2019. Sky also generated revenues from resale of content (€133.5m), installations and rentals €76.8m, pay-per-view sales (€35.4m) and €152.3m from other sources.[95]

[91] Paolo Anastasio, "Sky Italia, ricavi e clienti in aumento. Banda larga e telefonia in arrivo" (Sky Italia, revenues and customers on the rise. Broadband and telephony incoming), Key4biz.it, 2020, available online (in Italian) at <https://www.key4biz.it/sky-italia-ricavi-e-clienti-in-aumento-banda-larga-e-telefonia-in-arrivo/292963/#:~:text=quota%205%20milioni.-Sky%20Italia%20ha%20chiuso%20l'esercizio%202019%20al%2030%20giugno,41%20milioni%20di%20euro%2C%20a> (accessed on 2 September 2020).

[92] Paolo Anastasio, Sky Italia, ricavi e clienti in aumento.

[93] "Tv. Gruppo Sky Italia: bilancio 2018 positivo, ma investimenti più pesanti verranno pagati nel 2019. E su quest'anno aleggia l'incognita Netflix" (Tv. Sky Italia Group: positive 2018 results, but heavier investments will be paid in 2019. And the unknown Netflix hovers over this year), Newslinet.it, 2019, available online (in Italian) at <https://www.newslinet.com/tv-gruppo-sky-italia-bilancio-2018-positivo-ma-investimenti-piu-pesanti-verranno-pagati-nel-2019-e-su-questanno-aleggia-lincognita-netflix/> (accessed on 2 September 2020).

[94] "Abbonati in crescita ma bilancio in rosso per Sky Italia nel 2019" (Subscribers growing but the budget in the red for Sky Italia in 2019), Calciofinanza.it, 2020, available online (in Italian) at <https://www.calciofinanza.it/2020/03/03/sky-italia-bilancio-2019-numero-abbonati> (accessed on 2 September 2020).

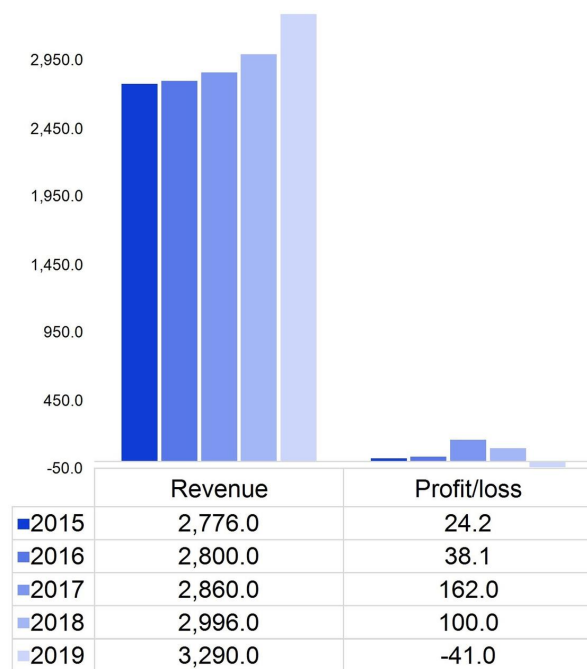
[95] Calciofinanza.it, "Abbonati in crescita ma bilancio in rosso per Sky Italia nel 2019", cit.

To reverse the negative trend of Sky's EBIT,[96] the company's board of directors should therefore "use the leverage of Sky's new fast network offer as a growth engine for the media company", according to an article on Eurosat. "To do this", continues the article, "[...] it can sell a new top service to the existing subscriber's base, acquire new subscribers to the core service thanks to the super-fast network and acquire new customers only for the broadband part."[97]

Nevertheless, Sky is already revolutionizing its offer in an attempt to transform itself into a real hub whose goal "is to present to customers the various contents in a unique initial interface, with no graphic distinction between its own brand and the brands conveyed." Already Sky has concluded cooperation agreements with Mediaset Premium, DAZN, Netflix, Vevo, Spotify, YouTube and Eurosport (an agreement with Disney+ was being finalized at the time of writing). [98]

"This type of deal appears convenient for both parties", according to a 2019 RAI report. "On the one hand, the traditional pay-TV operator maximizes the chances of retaining - if not expanding - its customer base; on the other hand, it allows OTT operators to enter and/or consolidate themselves in a crowded and structured market such as that of SVoD. Finally, this aggregation of services would respond to a specific need of the consumer, namely that of simplification, allowing the user to pay the various subscribed services in a single bill."[99]

Sky Italia: revenues and profit/loss, in €m, 2015-2019



Source: CMDS based on Calcioefinanza data

[96] Mediobanca, Report sul Settore Tv, 2020, cit.

[97] Ester Cozza, "Come Comcast sta rivoluzionando Sky" (How Comcast is revolutionizing Sky), Eurosat, 2020, available online (in Italian) at <https://www.eurosat-online.it/come-comcast-sta-rivoluzionando-sky/> (accessed on 2 September 2020), cit.

[98] Rai, Relazione e bilanci al 31 dicembre 2019, cit.

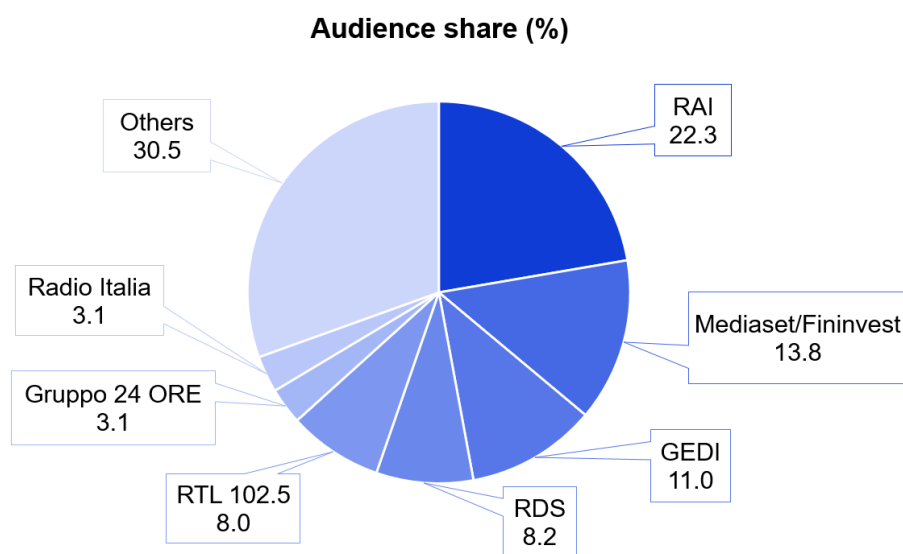
[99] Rai, Relazione e bilanci al 31 dicembre 2019, cit.

Radio Funding

Of all media in Italy, radio has demonstrated a higher capacity to adapt to the challenges posed by the evolution of the media market. In recent years, the performance of the radio sector has been stable, combining the traditional offer of audio content with web pages and applications as well as a series of innovative services. This positive trend was proved by the evolution of turnover in the radio sector: in 2017 the total value of the radio market barely reached €550m. [100] In 2019 the total resources rose to €676m.[101] Between 2015 and 2019, the overall revenues of the sector increased by 9%.[102]

Moreover, although it is dominated by the largest media groups in the country (that also operate in television and the publishing markets) and has recently been characterized by concentration and consolidation, the radio sector shows a greater degree of diversity. The market shares of the main radio operators are lower than those recorded by the similar players in the television sector. According to AGCOM, RAI maintains its leadership in the radio sector with a share of 22%. The second place belongs to the Fininvest Group with a share of 14%, and GEDI, which reached 11% in 2019.[103]

Market shares of major radio operators, in %, 2019



Source: AGCOM

The vast majority of revenues in the radio sector derive from advertising. In 2017 the total advertising revenues in the radio sector (covering both national and local radios) were worth €399m, which represented 73% of the total radio market, up by 4.3% in 2016.[104] In 2019, ad revenues in the radio sector reached €526m. euro.

A positive trend was recorded also by revenues from the collection of the fee for the public radio service, which increased by 2.3% in 2019 to a total of €106m.[105]

[100] Confindustria, Studio Economico, 2019, cit.

[101] AGCOM, Relazione annuale 2020, cit.

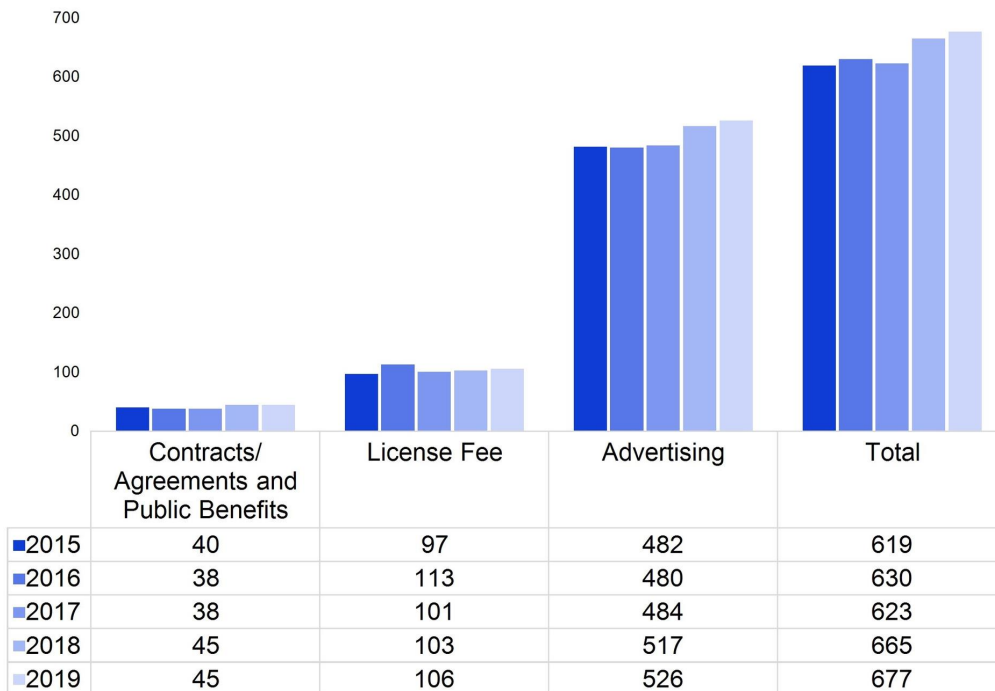
[102] AGCOM, Relazione annuale 2020, cit.

[103] AGCOM, Relazione annuale 2020, cit.

[104] Confindustria, Studio Economico, 2019, cit.

[105] AGCOM, Relazione annuale 2020, cit.

Radio revenues by type, in €m, 2015-2019



Source: AGCOM

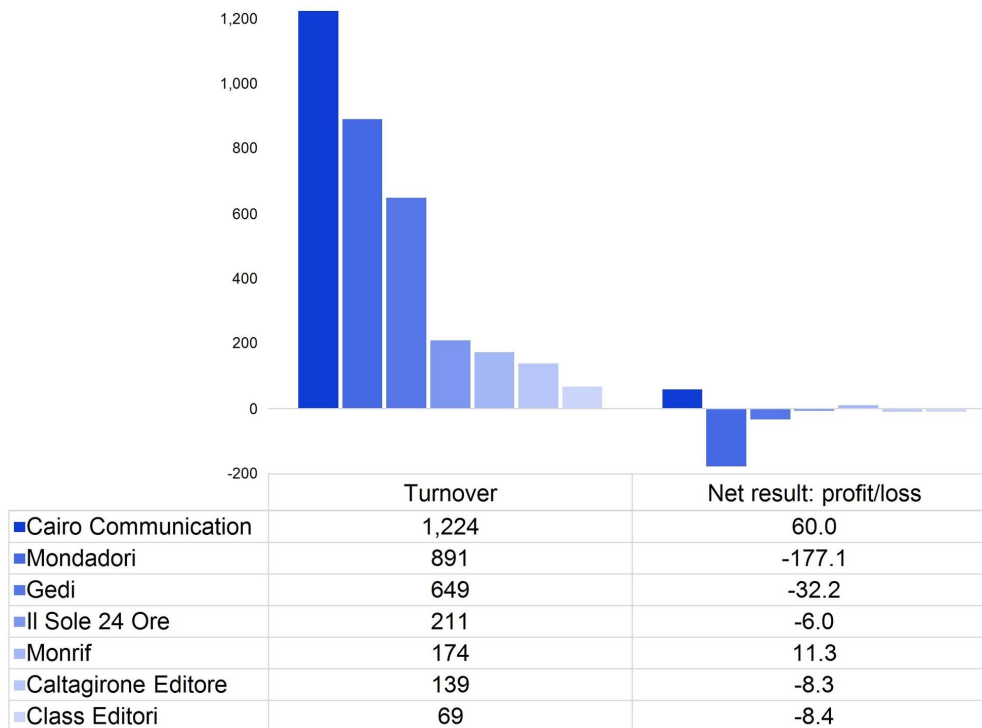
Print Media Funding

Contrary to the radio sector, the media publishing segment recorded a sharp decline between 2014 and 2018: all the main Italian groups recorded losses except for Cairo Communication, which in the five-year period is the only one to have always closed in profit.^[106] The leader of the newspaper market in terms of circulation is GEDI with an 18.9% share, followed closely by Cairo Communication with 17.1%; also in terms of revenues GEDI leads the market with a 25.4% share with Cairo/RCS next with a share of 21.5%.^[107]

[106] Mediobanca, Report Editoria 2014-2019, 2019, cit.

[107] AGCOM, Relazione annuale 2020, cit.

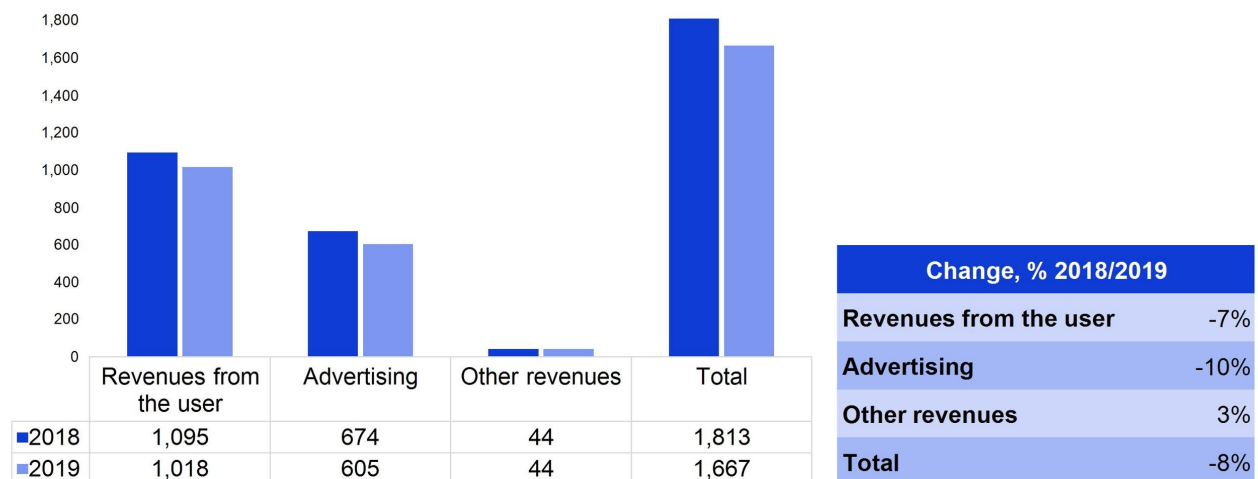
Print: turnover and net result of the main operators, in €m, 2018



Source: Mediobanca

In 2018, the aggregate revenues of the top seven groups in the publishing market amounted to €3.4bn (accounting for 67% of the overall publishing sector), a decrease of 4% compared to the previous year. Their total five-year net loss was €678m.[108] Between 2018 and 2019, the sources of funding in the print media sector have remained largely unchanged. The main source of funding is represented by revenues from users (61%), with advertising accounting for most of the rest. Circulation revenues have experienced a less marked decline than advertising revenues. [109]

Print: turnover and net result of the main operators, in €m, 2018



Source: AGCOM

[108] Mediobanca, Report Editoria 2014-2019, 2019, cit.

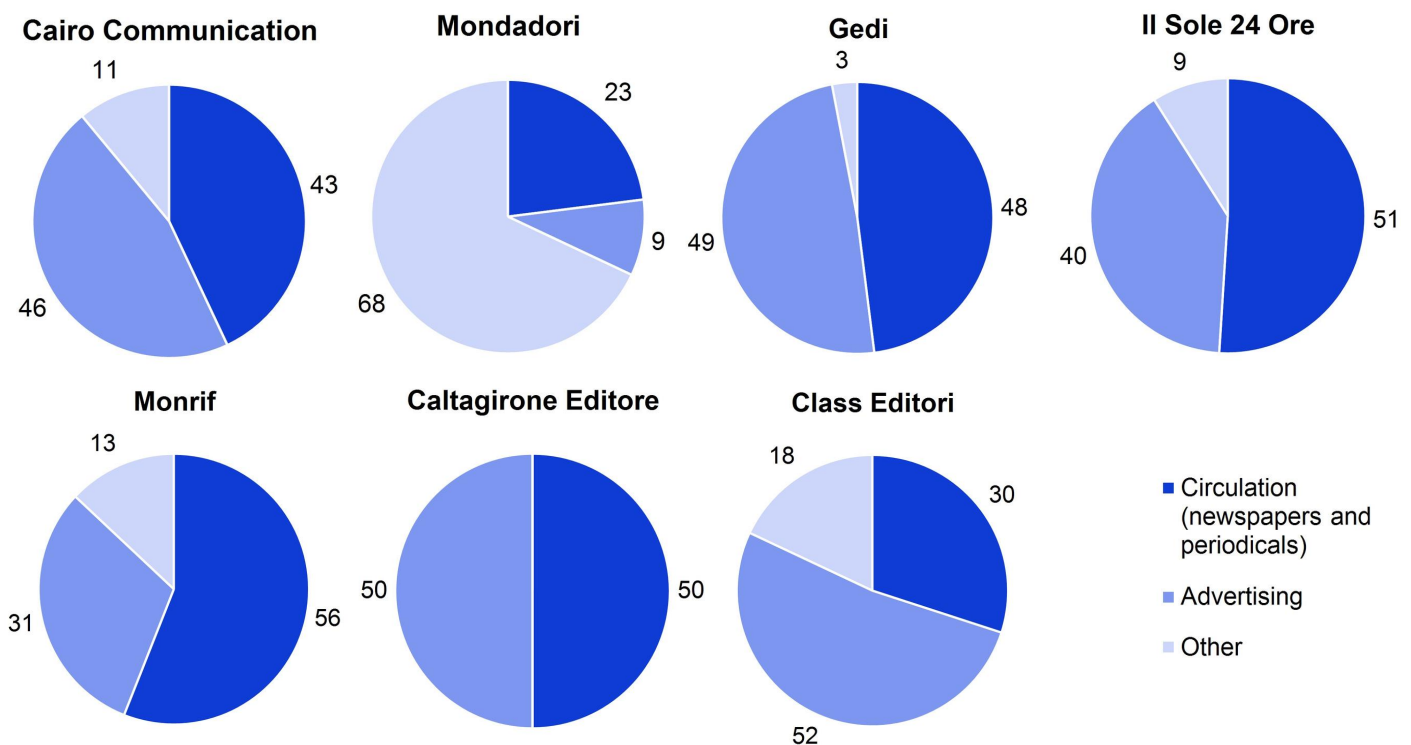
[109] AGCOM, Relazione annuale 2020, cit.

Overall, print circulation has been decreasing dramatically: over the course of the past five years, the circulation of newspapers plummeted by 32.3%. It decreased by 8.6% between 2017 and 2018 (i.e. about 240,000 copies per day)[110], falling below the two-million copies per day threshold in 2019.[111] At the same time, there was a progressive increase in the price of the print publications.

On the other hand, distribution of digital copies continues to increase. Although still representing a small share (13%) of the total, the distribution of digital news copies increased by 13% year on year in 2018 to 380,000 copies daily.[112] Although the digital has reduced the costs incurred by the reproduction and distribution of the publishing product, the financial results of digital sales in the total revenue are not relevant.[113]

The overall financial loss of revenue from users faced by the print media industry was €77m in just one year (2019). This has inevitably had a negative impact on the advertising revenues. In 2019 alone, total advertising revenues in the print media sector dropped by €69m, or 10% compared to 2018.[114]

Percentage distribution of revenues by operator, 2018



Source: Mediobanca

[110] Mediobanca, Report Editoria 2014-2019, 2019, cit.

[111] AGCOM, Relazione annuale 2020, cit.

[112] Mediobanca, Report Editoria 2014-2019, 2019, cit.

[113] AGCOM, Relazione annuale 2020, cit.

[114] AGCOM, Relazione annuale 2020, cit.

GEDI Group had revenues of €603.5m in 2019, down by 7% compared to 2018. Of the total, €269.7m were revenues generated through sales of copies (down by 5.2% on an annualized basis), and advertising revenues amounted to €293.7m, down by 7.6% compared to 2018. Some 12.7% of the turnover was generated by the digital sector that saw the number of subscribers grow to 127,000. GEDI lost some €129m in 2019. The negative balance of the company in the last two years was influenced by a series of particular transactions, without which the company would have netted €12.2m.[115]

GEDI's national press division (that includes the daily La Repubblica and the weekly L'Espresso, among others) recorded total revenues of €233.4m in 2019, down by 8% compared to 2018. Digital sales accounted for 14.4% of the division's total turnover.[116]

RCS Group (Cairo Communication), which publishes Il Corriere della Sera and La Gazzetta dello Sport, as well as other local editions and weekly and monthly magazines, also operates in Spain through the Unidad Editorial group, which, among others, publishes El Mundo, the second largest national daily newspaper by newsstand sales.[117]

RCS had sales revenues of €923.6m in 2019, a worse result compared to the previous year, essentially due to the decline in publishing and advertising revenues. On the other hand, revenues on the digital front were on the rise, representing 18% of the company's total revenues (€167m). The company's profit for 2019 totaled €68.5m. Although its profit shrank by €16.7m compared to 2018, RCS is one of the two publishing groups not closing their balance sheets in the red in 2019 (the other one being Mondadori, which closed with a profit of €29m).[118]

Although all sources of revenue at RCS recorded a decline in 2019 (publishing revenues: -5.5%; advertising revenues: -5.2%; other revenues: -4.9%), RCS's financial result seems better than the market trends.[119] The decline in publishing revenues experienced by RCS that is linked to the drop in circulation revenues of its two main publications was offset by an increase of €1.2m in revenues from digital subscriptions of Corriere della Sera and of €4.8m in revenue of the Solferino publishing house.[120]

Online Media Funding

Economic growth in the online sector continued in 2019 when online advertising sales exceeded television sales for the first time, with €3.33bn in revenue, or 43.7% of the total. The most significant shares of the online market are in the hands of a few international players, namely Google, Facebook and Amazon, which together control two-thirds of the total market.[121] In spite of an increase in revenues generated by payments from users, advertising remains the prevailing system of financing the online media sector.[122]

[115] GEDI Gruppo Editoriale, Relazione finanziaria annuale al 31 dicembre 2019 (Annual financial report 31 December 2019) GEDI, 2019, cit.

[116] GEDI Gruppo Editoriale, Relazione finanziaria, 2019, cit.

[117] RCS Media Group, Relazione finanziaria annuale al 31 dicembre 2019 (Annual financial report 31 December 2019) RCS, 2019.

[118] RCS Media Group, Relazione finanziaria annuale, 2019, cit.

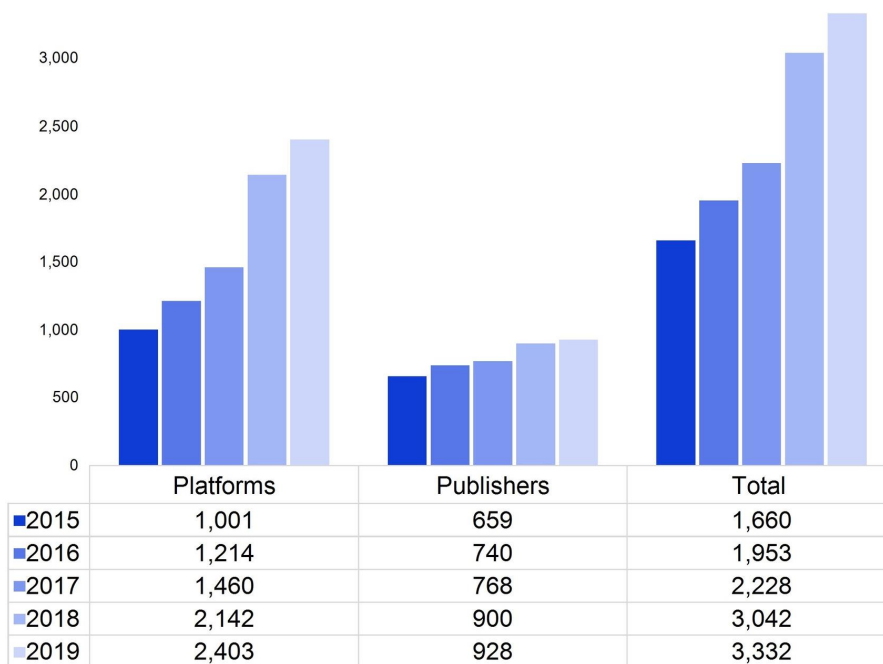
[119] RCS Media Group, Relazione finanziaria annuale, 2019, cit.

[120] RCS Media Group, Relazione finanziaria annuale, 2019, cit.

[121] AGCOM, Relazione annuale 2020, cit.

[122] AGCOM, Relazione annuale 2020, cit.

Online: net revenues from advertising by type of operator, in €m, 2015-2019

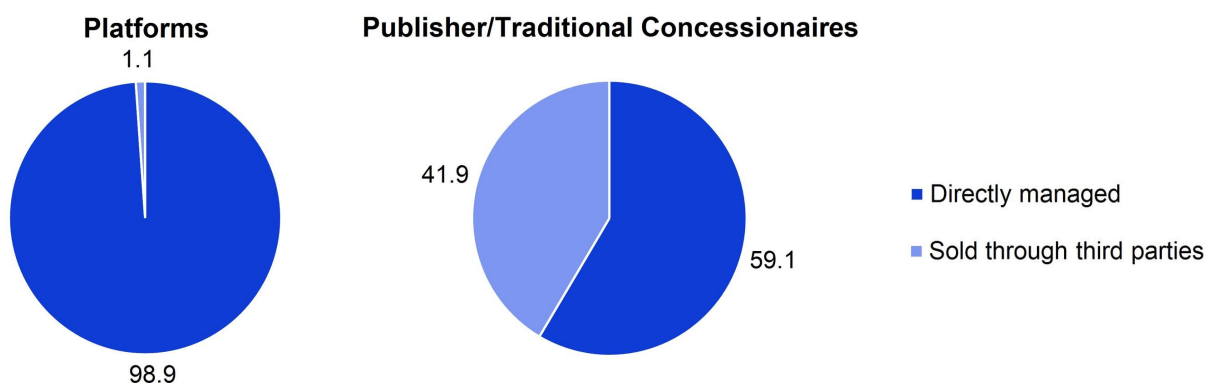


Source: AGCOM

The dominance of the traditional publisher is disappearing in Italy, in favor of platforms. Between 2015 and 2019, despite an increase in advertising revenues, the share of traditional publishers of the total advertising market not only decreased by 12 percentage points (from 40% to 28%), but these same revenues were increasingly raised with the intermediation of automated technology platforms: in 2018 alone, some 41% of traditional publishers' advertising revenue was generated through programmatic advertising.[123]

Furthermore, “the sites of traditional newspapers struggle to sustain themselves with the advertising model alone: hence the offer of hybrid solutions that provide for the possibility of subscribing to access otherwise invisible content (...). The problem for everyone, traditional online newspapers or new publications that exist exclusively on the internet, continues to be the lower yield of advertising which does not make the free model sustainable, with rare exceptions”. [124]

Percentage distribution of revenues by operator, 2018



Source: AGCOM

[123] AGCOM, Relazione annuale 2020, cit.

[124] Emanuele Menietti, “Come è messa l’informazione online”, 2019, cit.

The 2019 digital offer of La Repubblica (GEDI Group) recorded a positive trend in subscriptions, which reached around 72,000 at the end of the year. Since 2017, the newspaper has introduced Repubblica+, the digital version of the newspaper, and the freemium paywall Rep (the web app through which it is possible to access the premium content of the newspaper). A similar freemium system was more recently adopted by the second largest newspaper of the GEDI Group, La Stampa (the paid section Top News) and by its News Network division, a group of local newspapers that became part of GEDI after the merger with the Itedi Group.[125]

When it comes to RCS, at the end of December 2019 the total active customer base for Corriere della Sera (digital edition, membership and mobile site) amounted to 170,000 subscribers, an important 23% increase compared to the same period in 2018. The websites of RCS' top newspapers, Corriere.it and Gazzetta.it, had 24.8 million and 13 million average monthly unique users and 2.6 million and 2.2 million average daily unique users at the end of December 2019. [126]

As to the strategies adopted by the two publications, in the last two years Repubblica has pushed more on subscriptions and pay-per-view services whereas Il Corriere della Sera has instead undertaken a strategy focused on “more popular and viral” content, “aimed at increasing the pages viewed and consequently the advertisements shown,” according to an analysis from Il Post, a digital-born Italian newspaper.[127]

Among native digital publications, Fanpage certainly stands out: as highlighted in the Digital News Report 2019, a survey run by Oxford University, in recent years the publication has had incredible results “thanks to its effective use of social media, its focus on online videos, and the establishment of large teams of multimedia experts and social media managers.” Published by Ciaopeople, the digital publishing house founded by Gianluca Cozzolino (that also publishes the Cookist and Ohga magazines), Fanpage was launched in 2011 as a mix of a series of magazines born as social networks.[128] The year 2019 was a great year for Ciaopeople: the revenues deriving from its main publication (Fanpage) increased by 28% in comparison to the 2018 result, amounting to €17.2m. The profit was €1.8m, an increase by €143,000 than in the previous financial year.[129]

Il Post, a native digital newspaper that has been in business for more than 10 years, adopted in its early days advertising as its main business model. Gradually, the newspaper has begun to integrate other funding strategies to protect its sustainability. It announced that it will not introduce a paywall, but will instead offer a raft of additional services and types of content (a subscription program with an almost ad-free newsletter and access to comments).[130] In 2014

[125] GEDI Gruppo Editoriale, Relazione finanziaria, 2019, cit.

[126] RCS Media Group, Relazione finanziaria annuale, 2019, cit.

[127] Emanuele Menietti, “Come è messa l’informazione online”, 2019, cit.

[128] Greta Sclaunich, “Fan page, cos’è e com’è nato il sito delle denunce sulle primarie PD a Napoli” (Fan page, what it is and how the site of complaints about the PD primaries in Naples was born), Il Corriere della Sera, available online at https://www.corriere.it/politica/16_marzo_09/fanpage-cos-e-com-nato-sito-che-ha-denunciato-primarie-pd-a6b7abde-e60d-11e5-91a4-48cd9cc4cb64.shtml (accessed on 14 August 2020), cit.

[129] Claudio Cazzola, “Ciaopeople supera i 20 milioni di euro di ricavi nel 2019 e si prepara a lanciare due nuovi magazine online, sui pet e le mamme” (Ciaopeople exceeds 20 million euros in revenues in 2019 and is preparing to launch two new online magazines, on pets and mothers), Primaonline, 2020, available online at <https://www.primaonline.it/2020/07/17/310181/ciaopeople-supera-i-20-milioni-di-euro-di-ricavi-nel-2019-e-si-prepara-a-lanciare-due-nuovi-magazine-online-sui-pet-e-le-mamme/#:~:text=Ciaopeople%20supera%20i%2020%20milioni,ricavi%20nel%202019%20%7C%20Prima%20Comunicazione> (accessed on 30 October 2020).

[130] Il Post, “Più di prima” (More than before), Il Post, 2019, available online (in Italian) at <https://www.ilpost.it/2019/05/30/piu-di-prima/> (accessed on 15 September 2020).

and 2015, Il Post had a balanced budget, but the following three years were far from rosy mainly as a result of the sale of part of the Banzai company (the major shareholder of Il Post) to Mondadori.[131] The deal had two significant consequences for Il Post: the end of cooperation with the advertising agency Banzai Advertising and of the technology- and human resources-related partnership with Banzai Media.[132]

Nonetheless, during the year 2019 the negative trend was reversed, with revenues increasing by 75% (€1,3m) and losses sharply decreasing by €330.000 compared to 2018. The projects launched by the newspaper on all three major revenue components, including the launch of the subscription system in mid-2019, are delivering satisfactory results.[133]

Worth of attention is also OPEN, the online newspaper launched in 2018 by Enrico Mentana, a famous journalist, director of TgLa7. The publication, which has certainly been built on the fame of its founder, has sustained itself from the very beginning through advertising.[134] OPEN is still in its early days. In 2019, it saw revenues of €900,000[135] and incurred a loss of €422,000.[136]

Other native digital newspapers on the Italian market include Linkiesta, Gli Stati Generali, The Post Internazionale, Valigia Blu and HuffPost.

INFLUENTIAL NEWS MEDIA

In the Italian media landscape, the newscasts remain the most preferred sources of news followed by Facebook, which, although in recent years has experienced a crisis in reliability, is currently used for information purposes by 31.4% of Italians. They are followed by search engines, all-news television channels, newspapers, radio newscasts, news websites and online newspapers.[137] The latest Censis report has highlighted a return to more traditional sources of news as a result of the growing awareness among people of the dangers associated with online propaganda and manipulation.[138]

[131] Il Post, “Come va il Post”, Il Post, 2017, available online (in Italian) at <https://www.ilpost.it/2017/03/27/come-va-il-post/> (accessed on 30 October 2020).

[132] Il Post, “Come va il Post”, 2017, cit.

[133] Il Post, “Come è andato il Post nel 2019”, Il Post, 2020, available online (in Italian) at <https://www.ilpost.it/2020/04/02/conti-post-nel-2019/> (accessed on 30 October 2020).

[134] Emanuele Menietti, “Come è messa l’informazione online”, 2019, cit.

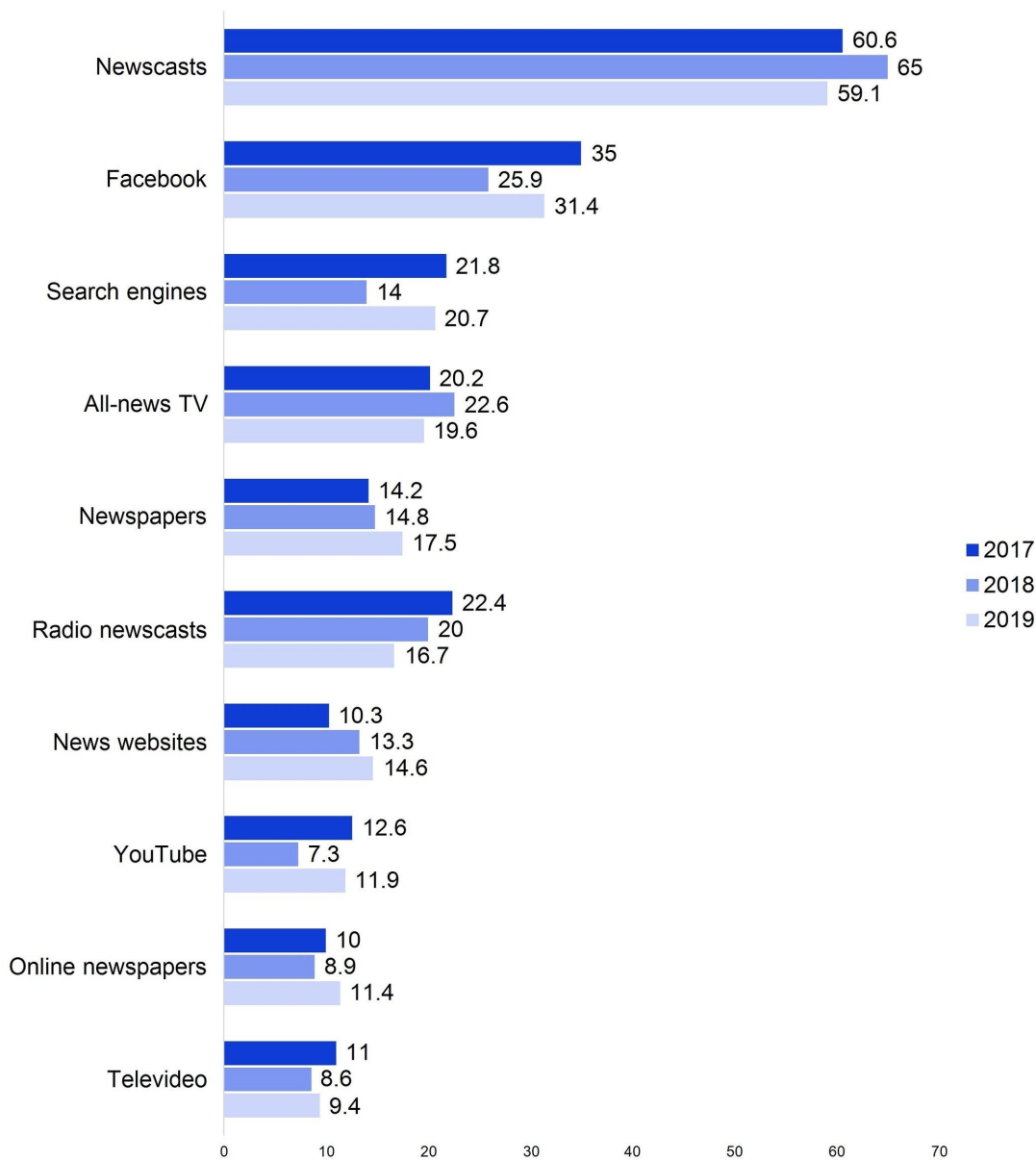
[135] Claudio Plazzotta, “Open, ricavi da 900.000 euro”, Milano Finanza, 2020, available online (in Italian) at <https://www.milanofinanza.it/news/open-ricavi-da-900-mila-euro-2463862> (accessed on 30 October 2020).

[136] Mch, Il giornale di Mentana chiude il 2019 con un rosso di 422.000 euro, Asknews, 21 July 2020, available online (in Italian) at <https://it.finance.yahoo.com/notizie/il-giornale-di-mentana-chiude-il-2019-con-143216379.html> (accessed on 31 October 2020).

[137] Censis, 16° Rapporto sulla comunicazione, cit.

[138] Censis, 16° Rapporto sulla comunicazione, cit.

Percentages of shares by source of information in the period 2017-2019

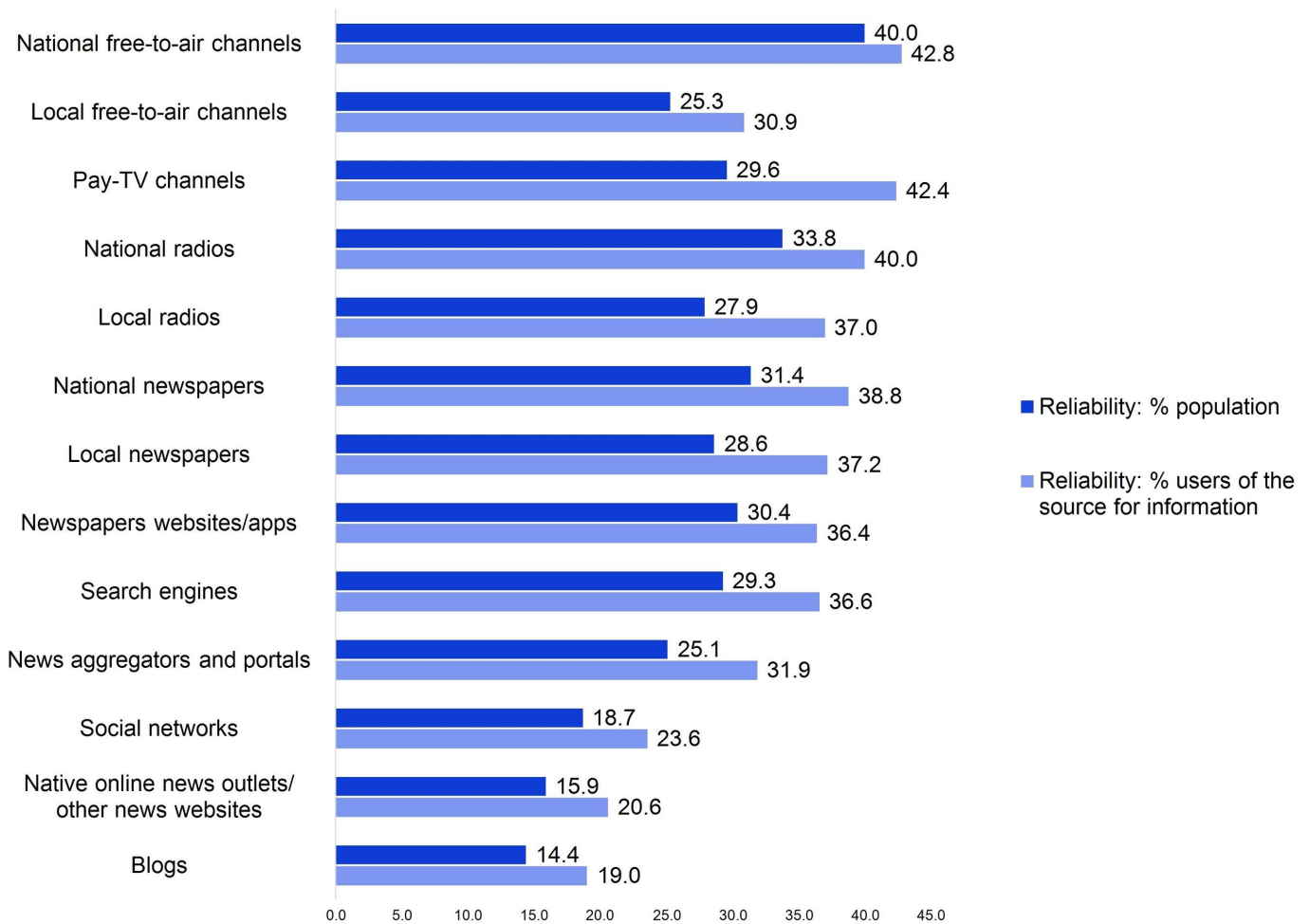


Source: Censis

In terms of trust, free-to-air channels are perceived by the public as the highest quality news sources. Pay-TV is also generally perceived as rather reliable whereas local television seems to enjoy a lower reputation. Local newspapers and radio channels are also perceived as less reliable. Radio and newspapers are generally perceived as reliable as television players (40% of users). On the other hand, the reliability rates fall in the case of the internet, and, in particular, in the case of social networks, native digital news outlets and blogs.[139]

[139] AGCOM, Report on the News Consumption, 2018

Reliability of information, %, 2017



Source: AGCOM

In the television segment, the most influential players are the public service broadcaster RAI and the Mediaset group, controlled by the Berlusconi family. In the field of television information, these two operators broadcast the main news programs in terms of audience, respectively Tg1, which despite a decline in audience compared to the previous year remains in the lead with 22%, and Tg5, which follows with an 18.2% audience share.^[140] The same operators also have a central influence in the radio market: although in terms of audience the leaders in the sector are RTL 102.5 and RDS, RAI ranks first in terms of turnover^[141], while Mediaset leads in terms of combined audience shares of its Radio Mediaset, which manages an extensive list of broadcasters.^[142]

In the print media field, the most influential groups are GEDI (Agnelli family), which in addition to the second national newspaper La Repubblica controls a large group of other newspapers, as well as relevant broadcasters such as Radio DeeJay and Radio Capital; and RCS MediaGroup,

[139] AGCOM, Report on the News Consumption, 2018

[140] Autorità per le Garanzie nelle Comunicazioni (AGCOM), Osservatorio sulle Comunicazioni n. 4/2019, Servizio Economico Statistico, 2019, available online (in Italian) at https://www.agcom.it/documentazione/documento?p_p_auth=fLw7zRht&p_p_id=101_INSTANCE_FnOw5lVOIXoE&p_p_lifecycle=0&p_p_col_id=column-1&p_p_col_count=1&_101_INSTANCE_FnOw5lVOIXoE_struts_action=%2Fasset_publisher%2Fview_content&_101_INSTANCE_FnOw5lVOIXoE_assetEntryId=17470955&_101_INSTANCE_FnOw5lVOIXoE_type=document (accessed on 8 October 2020).

[141] AGCOM, Relazione annuale 2020, cit.

[142] AGCOM, Relazione annuale 2020, cit.

controlled by Cairo Communication. Cairo Communication is active not only in publishing but also in television with the channel La7, which also broadcasts the Tg La7 newscast directed by Enrico Mentana, one of the most popular newscasts by audience (6%). Very influential is the so-called Maratona Mentana, which is a special edition of Tg La7 that covers important political events.[143] In 2018, Mentana started OPEN, an online news portal.

Other relevant and influential newspapers that are not part of the two main publishing houses include Il Fatto Quotidiano, directed by the famous journalist Marco Travaglio, Avvenire, a Catholic-inspired newspaper controlled by the Italian Episcopal Conference, Il Sole 24 ore, the top economic newspaper in Italy by circulation, Il Resto del Carlino (Editoriale Nazionale, former Poligrafici Editoriale) and Il Messaggero (Caltagirone Editore). Worth of attention is also Internazionale, a well known weekly that organizes the eponymous journalism festival in Ferrara.

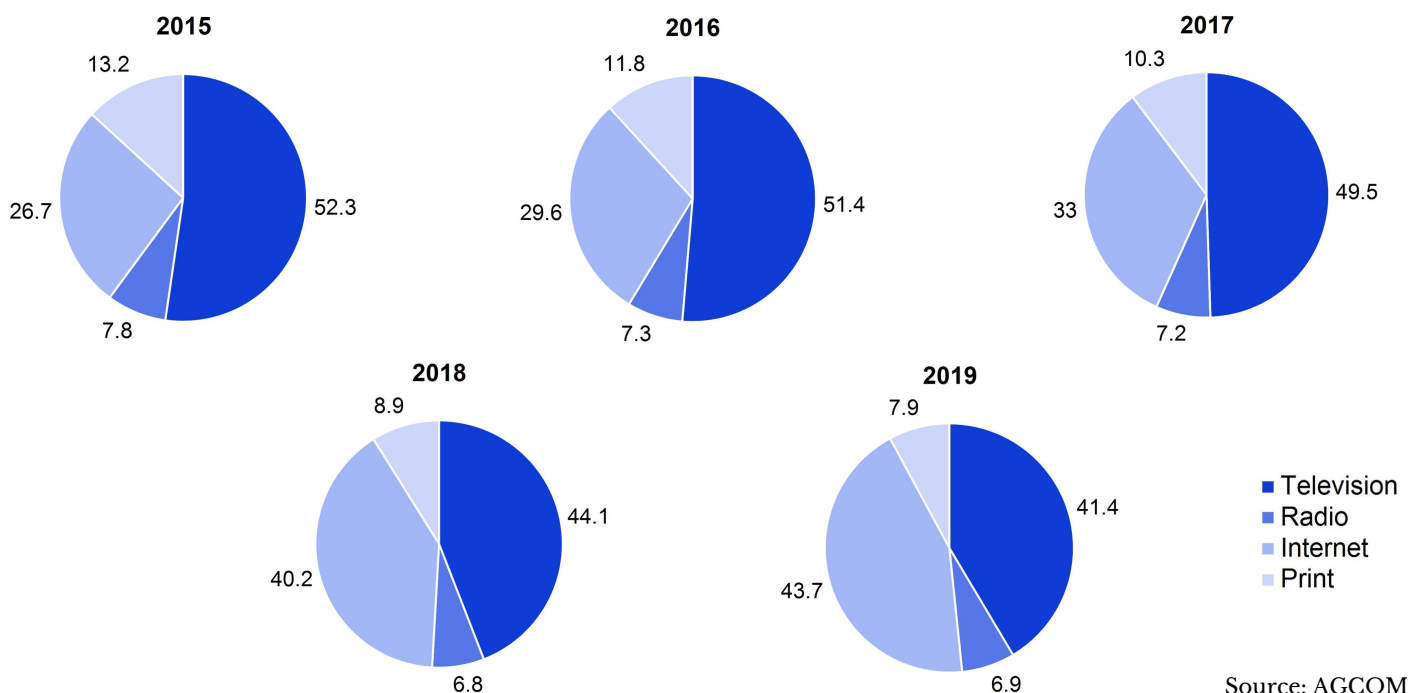
KEY FUNDERS

Non-Governmental Funders

Advertising

Advertising remains the main source of financing for almost all operators in the Italian media market. It increased by €1.415bn between 2015 and 2019. However, the share of the advertising sales in the total media market has declined (with the exception of the online segment).

Percentage distribution of revenues by operator, 2018

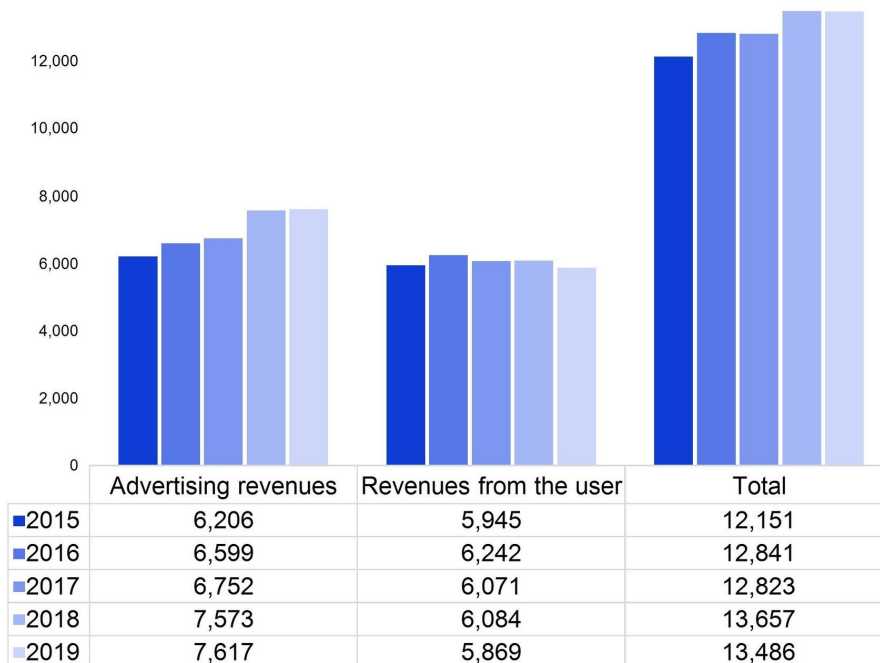


[143] Wikipedia, Maratona Mentana, Wikimedia Foundation, 09 October 2020, available online (in Italian) at https://it.wikipedia.org/wiki/Maratona_Mentana, (accessed on 10 October 2020).

In 2019, television experienced a decline of 5.3% in ad revenues. The print sector, on the other hand, continues to record a heavy drop in ad revenue: in 2019, newspapers recorded a 10% decline in ad revenues (national sales down by 11.6% and local sales down by 7.7%) whereas revenues of periodicals experienced an even more dramatic decline (down by 13.9% compared to the previous year). On the other hand, although the share of radio advertising revenues in the total market has slightly decreased between 2015 and 2019, the segment registered an annualized increase in revenues by 1.7% in 2019. As for online, the growth in advertising sales between 2018 and 2019 stood at 3.5%.[144]

The revenues from users amounted to €5.87bn in 2019, which represented 44% of the total. They recorded constant growth between 2015 and 2018 (with the exception of 2017), but declined again in 2019 (by €215m).[145]

The composition of revenues in the media sector, €m, 2015-2019



Source: AGCOM

Philanthropy

The role of philanthropic funding in the media seems totally marginal in Italy, its size being extremely small compared to the total media market. According to the Media Impact Funders (MIF), an NGO monitoring philanthropic funding in the media, the total value of grants in Italy since 2009 was a mere US\$ 12.1m, with 224 grants, 38 funders and 155 recipients. The main national funders in the country are Fondazione CRT and Fondazione Cariplo, with US\$ 2m and US\$ 1.2m, respectively, closely followed by the Bill & Melinda Gates Foundation and Ford Foundation.

Among those who received philanthropic funding, Associazione Museo Nazionale del Cinema ranks first with US\$ 1.1m followed by the Food and Agricultural Organization of the United

[144] GEDI, Relazione finanziaria, 2019, cit.; RCS, Relazione finanziaria, 2019, cit.

[145] AGCOM, Relazione annuale 2020, cit.

Nations. No significant philanthropic funding has been attracted by the news media. For example, all that Internazionale, a well known Italian weekly, received in grants from donors was less than US\$ 25,000 in 2014 and another grant of US\$ 42,000 from the foundations run by the investor George Soros.

Government Funding

In recent years, several newly introduced measures have changed the dynamics of financing in various segments of the Integrated Communications System (*Sistema Integrato delle Comunicazioni*, SIC).

One of them is related to the system of state financial contributions for local broadcasters, which was reformed by the Stability Law (Law no. 208 of 2015) and subsequently by the Law no. 198 of 2016. The latter introduced the so-called Unique Fund for pluralism and innovation in information, which is “a measure of strong rationalization of the current structure of the financial system of public support for publishing which, to date, is supported by legal provisions that allocate resources to the sector in an unorganized and unplanned manner,” according to the Department of Information and Publishing, a government body.[146] The Fund includes all the state resources destined for publishing as well as new financing sources such as additional revenues raised through the television licence fee and other contributions.[147]

In more concrete terms, in the radio and television sectors, the new criteria for the allocation of financial support from the state have been provided since 2016 on “the basis of reward mechanisms.”[148] On the one hand, this has meant more resources for the media, some of which derive from the recovery of revenue lost because of evasion of license fee payment (up to €50m). On the other hand, the new regulation created more restrictions in accessing funding because of a set of “selective merit criteria” that were introduced.[149] According to the Ministry of Economic Development, these criteria include support for employment, technological innovation, the quality of programs and content, which are judged also on the basis of audience data.[150]

The new regulation also introduced an online procedure for applications to avoid delays triggered by disputes, which in the past led to delays in (or even blocked) disbursement of awards.[151] According to Confindustria, over €78m in state support was allocated for the year 2016 (an increase of 116% compared to 2015), and approximately €89m for 2017 (a surge of 12.9% compared to the previous year). A total of 1,044 applications were received by the Information System for Contributions to Local Broadcasters (SICEM) in 2017: a total of 187 from commercial

[146] Dipartimento per L'informazione e l'Editoria, Il Fondo per il Pluralismo e l'Innovazione dell'Informazione, Presidenza del Consiglio dei Ministri, available online (in Italian) at <https://informazioneeditoria.gov.it/it/approfondimenti/la-riforma-del-sistema-editoriale/fondo-per-il-pluralismo-e-l-innovazione-dell-informazione/>, (accessed on 10 October 2020), cit.

[147] Dipartimento per L'informazione e l'Editoria, Il Fondo per il Pluralismo e l'Innovazione dell'Informazione, cit.

[148] Confindustria, Studio Economico, 2019, cit.

[149] CORCOM, “Fondi alle Tv locali, si cambia. Giacomelli: Fine dei contributi a pioggia” (Funding to local TV, no more. Giacomelli: Stop to massive contributions), available online (in Italian) at <https://www.corrierecomunicazioni.it/digital-economy/fondi-alle-tv-locali-si-cambia-giacomelli-fine-dei-contributi-a-pioggia/> (accessed on 10 October 2020).

[150] See more on the ministry's website: <https://www.mise.gov.it/index.php/it/incentivi/comunicazioni/contributi-alle-emittenti-locali> (accessed on 15 October 2020).

[151] CORCOM, “Fondi alle Tv locali, si cambia,” cit.

television stations, 221 from community television stations, 319 from commercial radios and 317 from community radios.[152]

In addition to these legal provisions, as a response to the controversial issue of public funding to newspapers, a topic widely debated in Italy, the 2020 Budget Law established, starting from 2021, a system for the progressive and eventually total abolition of direct state funding allocations to print media by 2024. The system in place until 2021 was created by the 2016 Law no. 198 that established the Unique Fund for the pluralism and innovation of information for the publishing sector. According to that law, “organs of parties, political movements, trade unions and specialized periodicals of a technical, business, professional or scientific nature” were not eligible for state funding. The main criterion used to decide the level of state funding allocation was the number of sold copies,[153] a system that triggered disputes and controversies.[154]

The current system excludes from direct funding large newspapers such as *La Repubblica* and *Il Corriere della Sera*. The categories of newspapers sustained by direct financing are those published by cooperatives of journalists, foundations, non-for-profit bodies and consumer associations; those targeting linguistic minorities; those aimed at Italians living abroad and those intended for the blind and visually impaired.[155] The system favors those publications that sell the most, covering 35 euro cents for each paper copy sold at newsstands or by subscription, and 40 euro cents for each digital copy sold. That basically means that the newspapers to benefit the most from it are those of medium size such as *Avvenire*. [156]

Moreover, the system currently provides for a reimbursement of 35% of expenses related to purchasing paper or transportation services, a percentage that increases for smaller newspapers (the largest newspapers also benefit from this).[157] The state allocations cannot exceed 50% of the publisher's annual revenues”.[158]

Indirect state funding to the media has been abolished since 2020.[159] In the past, the government indirectly funded newspapers by buying space in the media to publish tender announcements, by offering credit facilities, by allocating state funding to help the media survive corporate crises, by giving tax credit for advertising investments or by reducing the VAT for the print media industry.[160]

[152] Confindustria, *Studio Economico*, 2019, cit.

[153] Lettera43, “Quali sono i giornali che ricevono più fondi per l’editoria” (Which newspapers receive the most of the funds for publishing), lettera43.it, 2018, available online (in Italian) at <https://www.lettera43.it/finanziamento-pubblico-giornali-fondi-giornali/> (accessed on 12 October 2020).

[154] Elda Brogi, Roberta Carlini, *Monitoring Media Pluralism in the digital Era*, cit.

[155] *Il Post*, “Quali giornali ricevono i contributi pubblici” (Which newspapers receive public funds), *Il Post*, 2019, available online (in Italian) at <https://www.ilpost.it/2019/12/23/giornali-contributi-pubblici/>, (accessed on 12 October 2020), cit.

[156] Carlos Arija Garcia, “Come funzionano i finanziamenti pubblici ai giornali” (How public funding for newspapers works), *laleggepertutti.it*, 2020, available online (in Italian) at https://www.laleggepertutti.it/391310_come-funzionano-i-finanziamenti-pubblici-ai-giornali#:~:text=Di%20norma%2C%20i%20finanziamenti%20pubblici,contributi%20viaggia%20su%20due%20binari, (accessed on 12 October 2020).

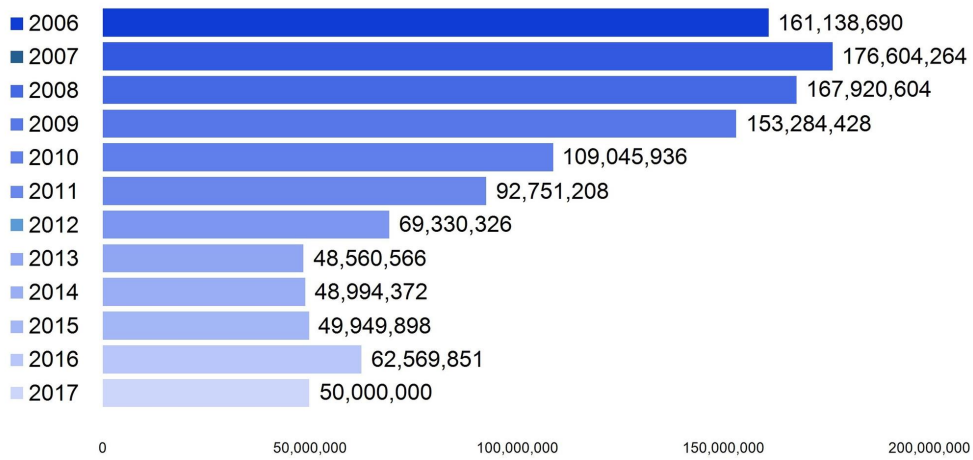
[157] Carlos Arija Garcia, “Come funzionano i finanziamenti pubblici ai giornali,” cit.

[158] Carlos Arija Garcia, “Come funzionano i finanziamenti pubblici ai giornali,” cit.

[159] Carlos Arija Garcia, “Come funzionano i finanziamenti pubblici ai giornali,” cit..

[160] Pier Luca Santoro, “Finanziamenti Pubblici all’Editoria: Un po’ di Chiarezza sul Tema” (Public funding to publishing: a bit of clarity on the subject”, *DataMediaHub*, 2018, available online (in Italian) at <http://www.datamediahub.it/2018/07/09/finanziamenti-pubblici-al-editoria-un-po-di-chiarezza-sul-tema/#axzz6a6gyigY3> (accessed on 12 October 2020).

Direct state contributions to print media industry (2006-2017)



Source: DataMediaHub



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