www.pwc.com/it/mediaoutlook

Executive Summary

Entertainment & Media Outlook in Italy 2017-2021

pwc

Executive summary

Today, there are no standard business models, Entertainment and Media (E&M) companies are facing a big transformation in terms of technology and particularly in the "digital world". Growing into a digital future is the result of the 20^{th} CEO Survey conducted by PwC involving Italian CEOs.

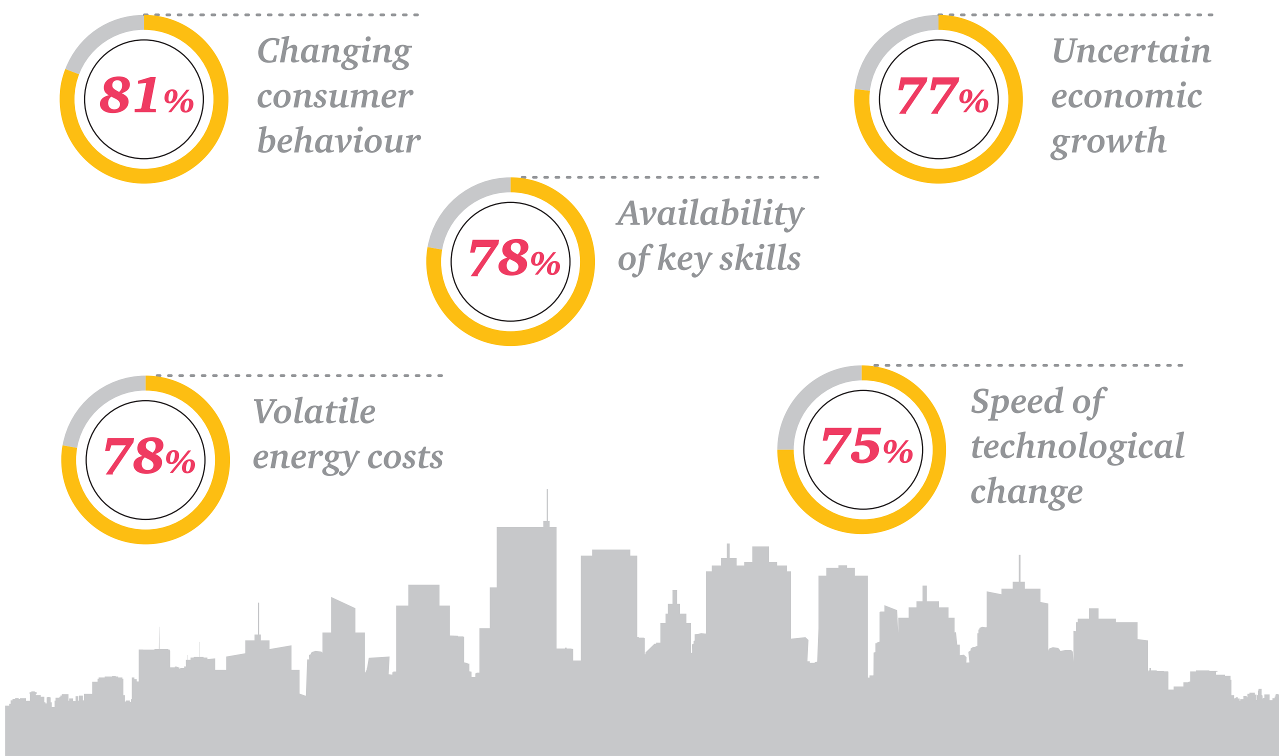
Over the past two decades E&M CEOs have witnessed tremendous transformation – primarily driven by globalisation and technological evolution.

As the Technology, Media, and Telecommunications (TMT) sector continues to evolve, E&M CEOs are focusing on growing their business acquisitions, partnerships and expansion of core capabilities. As they pursue revenue opportunities, today's business leaders also must address potential risks brought on by these same globalisation trends and technological advances.
Most importantly, CEOs must prepare their organisations for a more complex future where consumers are even more at the center of the business.

Global E&M CEOs understand the near-term benefits of business transformation, but they also must consider the long-term impact to their business. E&M leaders have grown far more concerned with changing consumer behavior. The availability of key skills and volatile energy costs are the second and third top threats among E&M CEOs.

Fig. 1: Top 5 concerns for Entertainment and Media CEOs

Question: How concerned are you, if at all, about the following issues?



Base: All respondents (Entertainment and media, 2017, 95 CEOs interviewed in 35 countries).
Respondents who stated "Somewhat Concerned"

Source: PwC, 20th Annual Global CEO Survey

Regarding development of their business, Italian CEOs are concerned about the availability of key skills, the changing consumer behaviour and the speed of technological change.

In Italy, the three main technology threats to stakeholder confidence - following the technological and security issues registered among the major global companies - are cyber security, data privacy, and IT disruption.

Extra content
20 years of transformation, PwC's 20th Global Annual CEO Survey: Key findings from the entertainment & media industry, 2017

Find more on the digital version:
www.pwc.com/it/emoi

Fig. 2: Fast moving, tech and experience driven market is compelling E&M companies to optimise their operations in new ways

Source: PwC

E&M CEOs see 'digital and technological capabilities' and 'innovation' as their top two areas of focus. Additionally, many E&M CEOs believe that technology will completely reshape competition in their industry over the next five years. Technological advancements require companies to rethink transactions, business models, and capabilities. By balancing agile and lean practices in innovation, companies can take steps forward and expand their media capabilities.

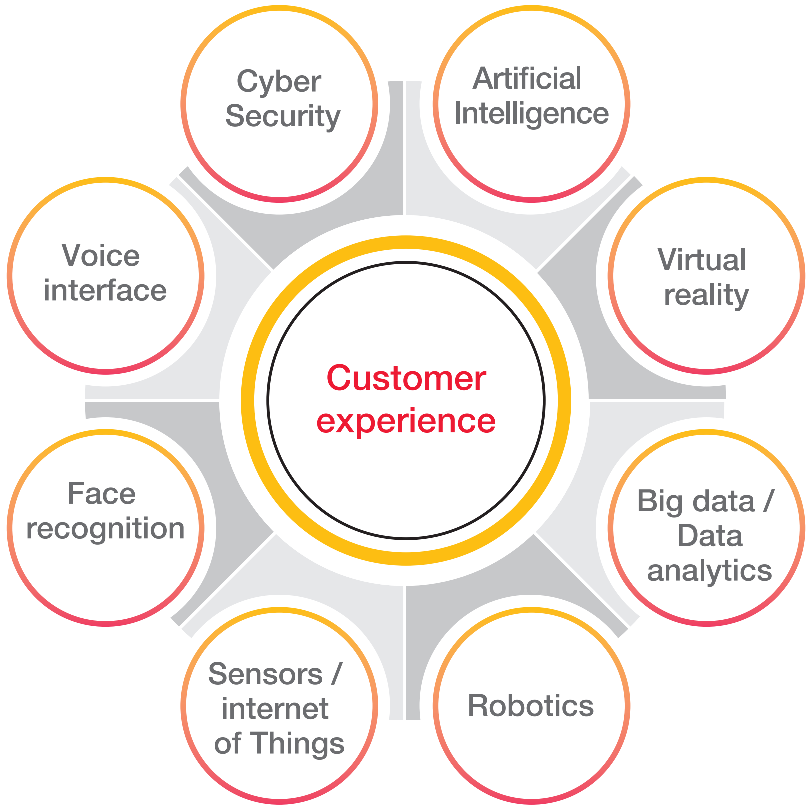
With greater cyber security breaches and data privacy threats, E&M leaders have increasingly focused on ways to improve stakeholder trust. The majority of E&M CEOs say that breaches of data privacy and cyber security breaches will have a negative impact on stakeholder trust over the next five years. In an increasingly digitalised world, E&M CEOs are finding it harder to gain and retain people's trust. Social media is a prime example of a threat that is concerning E&M leaders.

Moreover, emerging technologies also have a direct impact on consumer trust. As innovation continues to transform business models, content strategy and data measurement, CEOs must stay agile and address these ever-evolving threats proactively.

To deal with these market changes, Italian CEOs will focus on digital skills, adaptability, and collaboration skills.

CEOs believe that technology is inseparably linked to reputation, skills and recruitment, competition and growth, and according to them, technology will completely replace competition in their industry over the next five years.

Fig. 3: Companies are leveraging emerging technologies to enhance the customer experience



Source: PwC

Industry overview

The entertainment and media (E&M) market in Italy saw a highly encouraging 5.0% year-on-year growth in 2016, rising from €30.0bn to €31.5bn. Consumer revenue (including Internet access) was the major contributor in terms of both absolute and percentage growth. However, advertising's 3.9% year-on-year rise, viewed in the context of the -5.1% fall seen in 2013, was equally impressive. A 3.9% CAGR in total E&M revenue is anticipated to 2021, leaving Italy's total E&M revenue at €38.1bn by the end of the forecast period.

Decline is still expected in the publishing segments – books, magazines and newspapers – but at no worse than the -1.2% CAGR seen for total magazines revenue, as publishers see some success in converting advertisers and readers to digital formats. The continued stellar success of music streaming continues to transform the prospects of the music sector, which will now see a CAGR of 3.8%, one of the best-performing of the established segments (VR and e-sports will see CAGRS of 74.5% and 35.3% respectively, but from very small bases reflecting their nascency). However, video games claims some of the best growth, with new insight into social/casual gaming revenue revealing that it is soon to surpass traditional gaming revenue by making gamers out of any consumer with a smartphone. The 12.0% CAGR for video games means that it will add just over €1bn to 2021.

As always, TV and the Internet will account for the largest proportion of revenues, and the highest proportion of absolute growth. In total, 68% of 2021 revenues will come from these sources, adding €5.5bn of the €6.7bn increase that total E&M revenue will see over the next five years. The importance of these two revenue streams cannot be overstated.

Entertainment and media by segment

Year-on-year growth will decline fairly steadily to 2021. This is due in part to ever increasing Internet saturation, and to reduced growth rates in Internet video and music streaming after the explosive rises of recent years settle down. But in large part this is also simply down to each year's growth coming from a steadily higher base – the €1.22bn absolute revenue added in 2021 is not too dissimilar to the €1.29bn predicted in 2017.

Fig. 4: 2016 marks second year of robust growth for Italy

Entertainment & media spending by segment, 2012-2021 (€mn)

Total excludes double counting

	Historical data					Forecast data					CAGR %
Category	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2016-21*
Books	2,229	2,132	2,077	2,082	2,085	2,076	2,062	2,041	2,015	1991	
y-o-y growth		-4.4%	-2.6%	0.2%	0.2%	-0.4%	-0.7%	-1.0%	-1.3%	-1.2%	-0.9%
Business-to-business	3,008	2,870	2,800	2,782	2,795	2,823	2,852	2,880	2,911	2945	
y-o-y growth		-4.6%	-2.5%	-0.6%	0.5%	1.0%	1.0%	1.0%	1.1%	1.2%	1.1%
Cinema	671	675	625	687	713	706	719	736	757	781	
y-o-y growth		0.6%	-7.5%	10.1%	3.7%	-1.0%	1.8%	2.4%	2.8%	3.2%	1.8%
Internet	8,874	9,556	10,212	10,961	11,757	12,610	13,456	14,314	15,203	16112	
y-o-y growth		7.7%	6.9%	7.3%	7.3%	7.3%	6.7%	6.4%	6.2%	6.0%	6.5%
Magazines	2,456	2,190	2,064	1,974	1,952	1,921	1,897	1,876	1,855	1837	
y-o-y growth		-10.8%	-5.8%	-4.4%	-1.1%	-1.6%	-1.2%	-1.1%	-1.1%	-1.0%	-1.2%
Music	773	778	801	881	902	943	984	1022	1058	1088	
y-o-y growth		0.6%	3.0%	10.0%	2.3%	4.5%	4.4%	3.9%	3.5%	2.9%	3.8%
Newspapers	2,208	2,054	1,978	1,912	1,862	1,825	1,800	1,782	1,770	1764	
y-o-y growth		-7.0%	-3.7%	-3.3%	-2.6%	-2.0%	-1.4%	-1.0%	-0.7%	-0.3%	-1.1%
Out-of-home	180	170	165	181	176	170	175	178	182	187	
y-o-y growth		-5.3%	-2.8%	9.6%	-2.6%	-3.6%	2.8%	1.9%	2.2%	3.0%	1.2%
Radio	493	458	451	480	489	493	504	513	519	527	
y-o-y growth		-7.1%	-1.5%	6.4%	2.0%	0.7%	2.3%	1.8%	1.2%	1.6%	1.5%
TV	8,400	8,066	7,951	8,068	8,602	8,787	9,064	9,277	9,527	9706	
y-o-y growth		-4.0%	-1.4%	1.5%	6.6%	2.1%	3.2%	2.3%	2.7%	1.9%	2.4%
Video games	726	819	970	1143	1,329	1,541	1,770	2,000	2,235	2345	
y-o-y growth		12.8%	18.5%	17.8%	16.4%	15.9%	14.9%	13.0%	11.7%	4.9%	12.0%
VR	0	0	0	0	18	114	219	233	265	285	
y-o-y growth		-	-	-	-	546.0%	92.8%	6.4%	13.6%	7.6%	74.5%
E-sports	0	0	1	1	1	2	2	3	4	5	
y-o-y growth		-	173.9%	65.3%	36.4%	45.3%	41.6%	34.7%	30.7%	25.2%	35.3%
Total	**28,803**	**28,604**	**28,949**	**29,982**	**31,476**	**32,764**	**34,212**	**35,513**	**36,904**	**38,126**	
y-o-y growth		-0.7%	1.2%	3.6%	5.0%	4.1%	4.4%	3.8%	3.9%	3.3%	3.9%

Source: PwC, Ovum

Segments at a glance

- **B2B**: Business information is the cornerstone of Italy's B2B revenues, representing nearly half of all sales. Trade shows, however, are fastest-growing, at a 2.1% CAGR, supported by government initiatives to promote "Made in Italy" products in recognition of the importance of exports to the country's future growth.

- **Books**: Readership continues to fall as consumer books incur the largest losses, although uptake in children's books is a rare bright spot. E-books are gaining ground, but professional books are the only sub-segment where they will account for more than 10% of revenue in 2021.

- **Cinema**: Checco Zalone's record-breaking star vehicle *Quo Vado?* took Italy's box office to an all-time high in 2016, while an improving cinema stock, ticket initiatives and a push to year-round high-profile releases are positive drivers behind the segment's 1.8% CAGR.

- **Internet**: In the access market, mobile's 11.0% CAGR will drive revenue, while penetration will exceed 90% by 2021 – Iliad will become the country's fourth mobile operator later this year or in early 2018. Internet advertising is seeing similarly strong growth, again led by mobile advertising's 15.3% CAGR to hit €1.6bn in 2021.

- **Magazines**: With consumer magazine revenue in decline, and digital proving difficult to monetise, video content has become a must-have. Mobile video consumption in particular is growing at a tremendous pace and Italian publishers should build their own video platforms in order to lessen their reliance on the likes of Facebook and YouTube.

- **Music**: Streaming is the star performer in music, rising at a 20.3% CAGR to €205mn in 2021 and single-handedly saving recorded music from large declines. Live music will also see strong growth at a 3.7% CAGR, helped by moves to curb ticket touting.

- **Newspapers**: Although newspaper revenues will be negative throughout the forecast period, annual decline is forecast to be just -0.3% in 2021, as online payments and increased cover prices help shore up the industry. The industry will become smaller, less plural, more united and will augment print with new channels, as publishers re- adapt to the changing environment.

- **OOH**: Italy's total OOH revenue will grow at a CAGR of 1.2% over the forecast period, and will reach a value of €187mn by 2021. This growth rate will still trail the Western European average of 2.1%. Having lagged for several years, Italy is rapidly catching up in digital OOH (DOOH) revenue, which now accounts for over a quarter of the OOH market.

- **Radio**: Traditional radio advertising will grow at a 2.0% CAGR as the Italian economy recovers and stations continue to collaborate with advertisers in innovative ways. Nearly 90% of Italy will have digital radio coverage in 2017, as FM stations switch to DAB.

- **TV**: A return to economic growth has boosted subscription TV numbers after several years of decline. Some 6.9mn households took pay-TV services in 2016 and this is set to reach 7.5mn by 2021. Internet video, meanwhile, expanded 50.0% in 2016 and further growth of 16.7% CAGR will see revenue reach €362mn by 2021. In terms of advertising, Free-to-air, led by the core channels of Mediaset and Rai, will grow at a 3.1% CAGR and retain its dominance despite a slight shift to online.

- **Video games**: Social/casual games are the major growth story, buoyed by major boosts in smartphones allowing anybody to be a "gamer", plus increased coverage due to high-profile releases such as *Pokemon Go*. Social/casual gaming revenue will see a 20.4% CAGR to 2021.

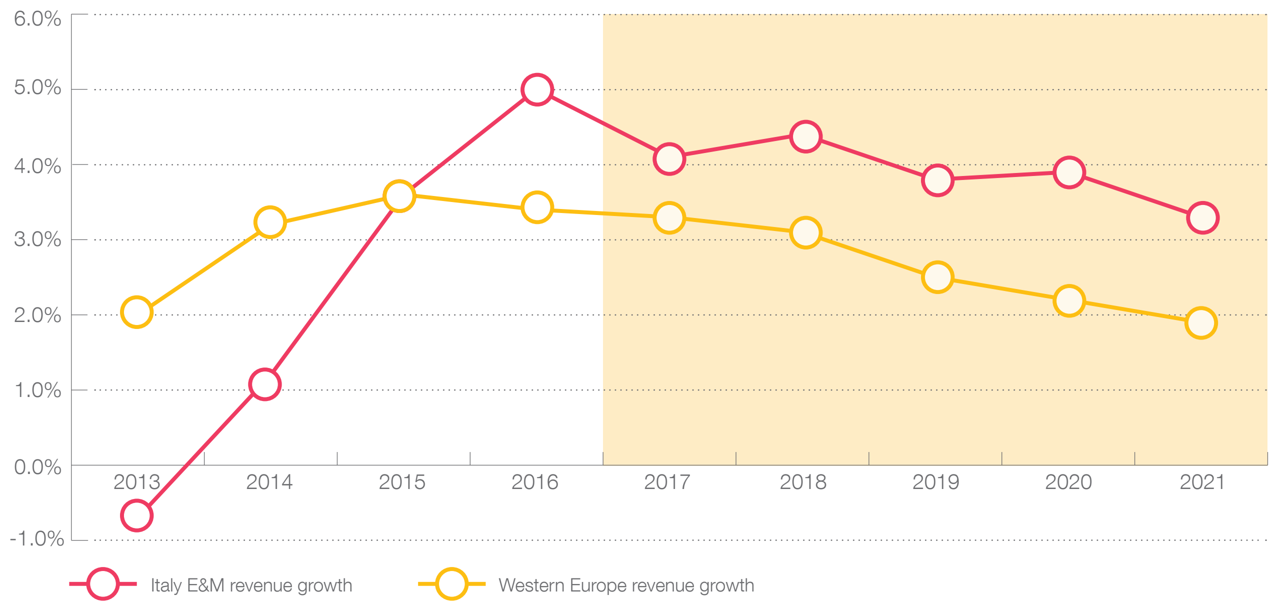
- **VR**: Around 3.8mn VR headsets will be in use in Italy by 2021, leading to VR content revenue of €285mn in that year. Early revenue will be individual transactions for digital media, which will evolve into a market for video streaming, microtransactions and – most interestingly – a small top-up fee for VR video on subscription added on to a monthly pay-tv or Netflix bill.

- **E-sports**: E-sports revenue in Italy will rise from small beginnings at a healthy 35.3% CAGR. Football teams Sampdoria and AS Roma have invested in *FIFA* games players as part of a global trend of mainstream sports teams backing e-sports.

Italy took longer to recover from recessionary times than the rest of Western Europe, reflected in growth rates from 2012 and 2013 well below the regional average. But, albeit from this lower relative base, the 5.0% growth seen in 2016 comfortably exceeded the 3.4% growth seen in Western Europe, and Italy's growth will continue to track above the wider region over the forecast period.

Fig. 5: 2016 Spike outdoes regional performance

Italy E&M revenue growth vs Western Europe, (%), 2013-2021



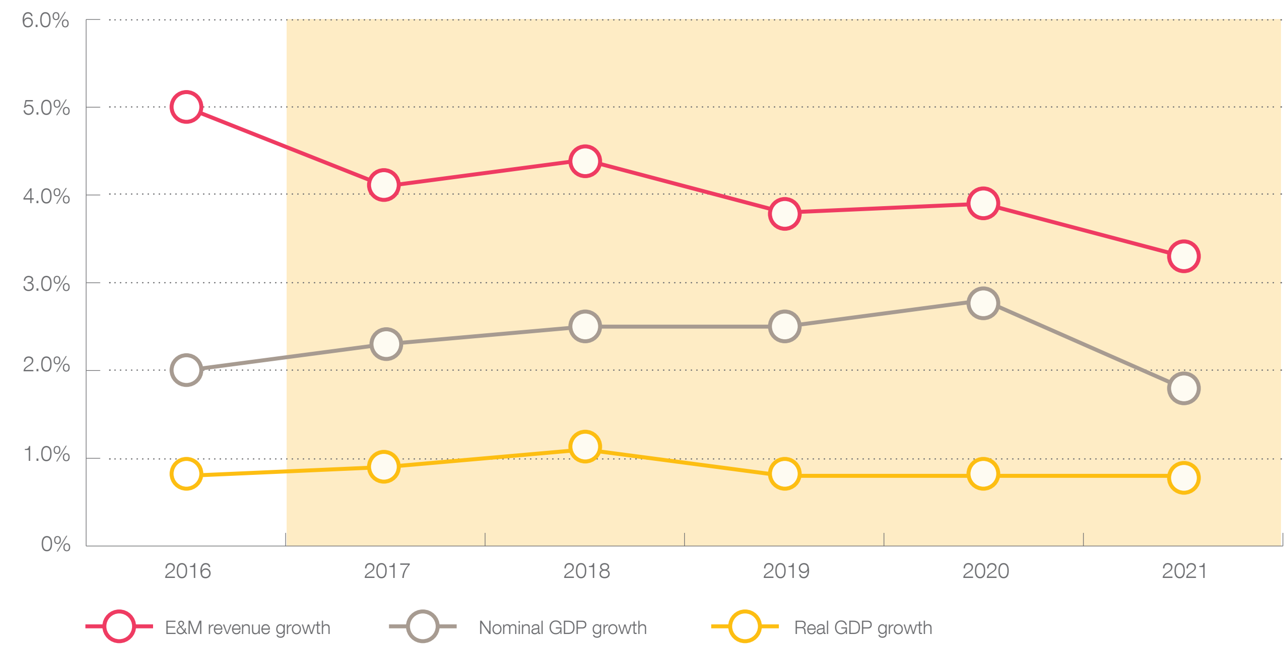
Source: PwC, Ovum

While real and nominal growth will not exceed 2.8% year on year at any point in the forecast period, E&M growth will exceed this in every year. A return to confidence has helped discretionary spend, and the continued ground forged by the likes of Netflix and Spotify has encouraged take-up in "sticky" subscriptions. Advertisers have responded too, with TV advertising seeing a particular boost in 2016, and cinema advertising returning to growth after years of decline.

Nominal GDP growth which derives from the IMF, drops off in 2021 – a trend seen in Western Europe overall, where nominal GDP growth moves from 3.7% in 2020 to 2.8% in 2021.

Fig. 6: E&M spend continues to exceed macroeconomic indicators

Entertainment & media, real and nominal GDP growth, 2016-2021 (%)



Source: PwC, Ovum

Extra content

How to make entertainment and media businesses "Fan"-tastic, strategy+business, 2017

Find more on the digital version:
www.pwc.com/it/emoi

Business models

The amount of money consumers and advertisers are spending on E&M is still growing modestly. For the industry as a whole, the outlook is relatively stable. In many of the Outlook's segments, we may be at a tipping point of significant changes in how consumers and advertisers allocate their choices and dollars. Companies must continue to battle for market share in their traditional delivery platforms. But to capture their fair share of the new growth streams, they'll have to ramp up their flexibility and innovation. They can do so by focusing on emerging business models that can drive growth through building creative partnerships and greater brand and franchise loyalty.

Advertising

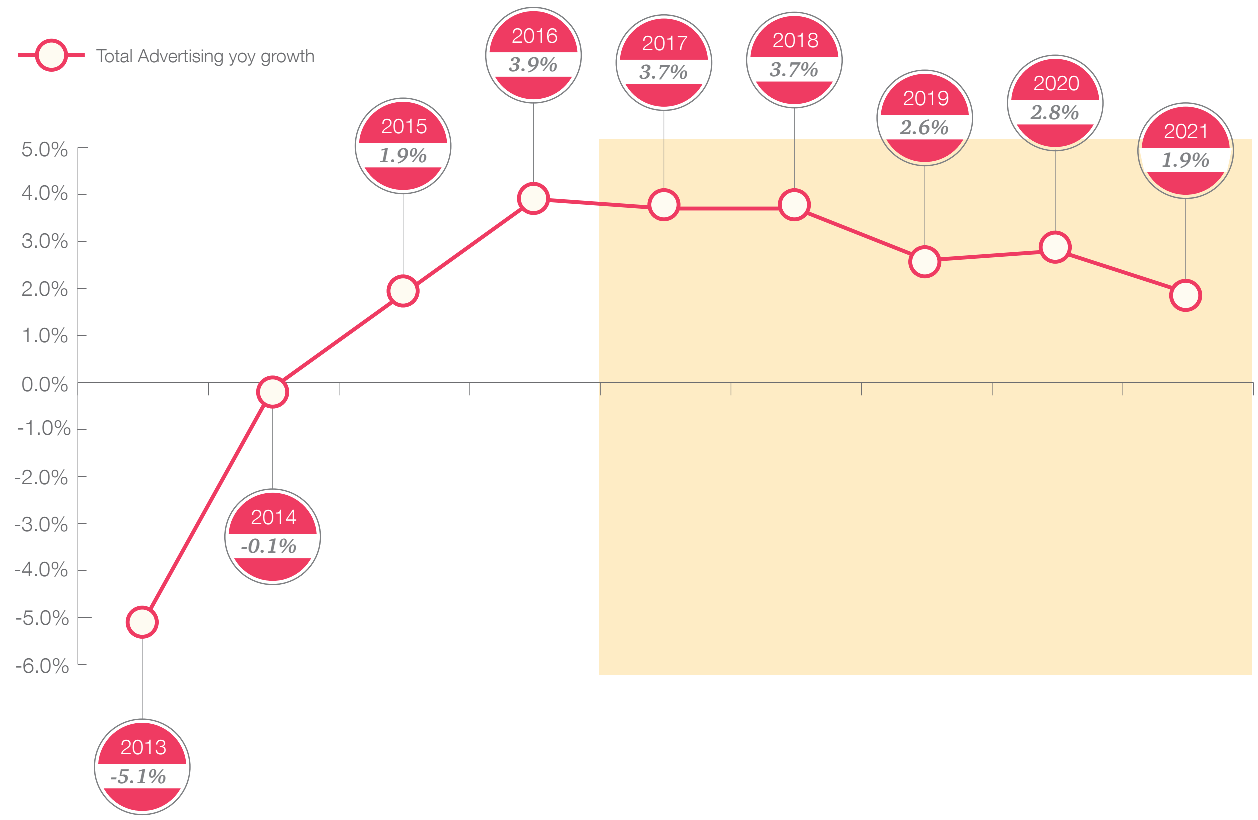
Entirely ad-free business models are now a major growth area for E&M. Netflix and Spotify are good examples – following rapid growth in recent years these are now the leading firms in their respective industries. They have set the dominant business models for two of the fastest-growing areas of E&M over the next five years: Internet video, which will grow at a 16.7% CAGR to €362mn by 2021, and music streaming, which will rise at a 20.3% CAGR to €205mn over the same period. The volume and quality of content and industry-leading user experiences offered by these services would certainly be sufficient to attract significant advertising revenue, but in both cases they have opted instead to maximise their D2C revenue streams. Instead of competing for advertising dollars, they have determined that it is more profitable to use the absence of advertising on their premium services as a differentiator versus competing alternatives like YouTube, or TV and radio station online players.

Advertisers are still willing to spend, but they are changing where they place their ads; advertising growth is increasingly driven by Internet advertising. It is by no means the case that online content is always low-quality, but the struggles of some digital newspapers and magazines to generate revenue growth suggests that much of the increase in Internet advertising revenue aside from Google and Facebook is coming from low-quality, "clickbait" content. The vast numbers of quick impressions generated by this content is, with current business models, much more effective at generating advertising revenue than expensive, high-quality content.

Content producers, then, face a choice between finding new revenue streams in order to support the continuing production of expensive high-quality content, or chasing the advertising revenue flowing into lower-quality content by churning out more clickbait themselves. The latter strategy, while initially successful in some cases, is increasingly running into difficulties due to revenue loss to social networks, and loss of prestige and reputation due to association of brands with lower-quality content. In the long run, new business models and revenue streams are likely to be the only way for high-quality content to survive. The increasing use of paywalls is allowing titles with sufficiently high-quality content to offset the loss of advertising revenue. We are increasingly seeing the emergence of a bifurcated digital economy, with high-quality content paywalled to pay for its high production costs, and advertising-only business models only able to support cheaper content.

Fig. 7: E&M advertising market

Italy E&M total advertising revenue growth, (%), 2013-2021



Source: PwC, Ovum

Music

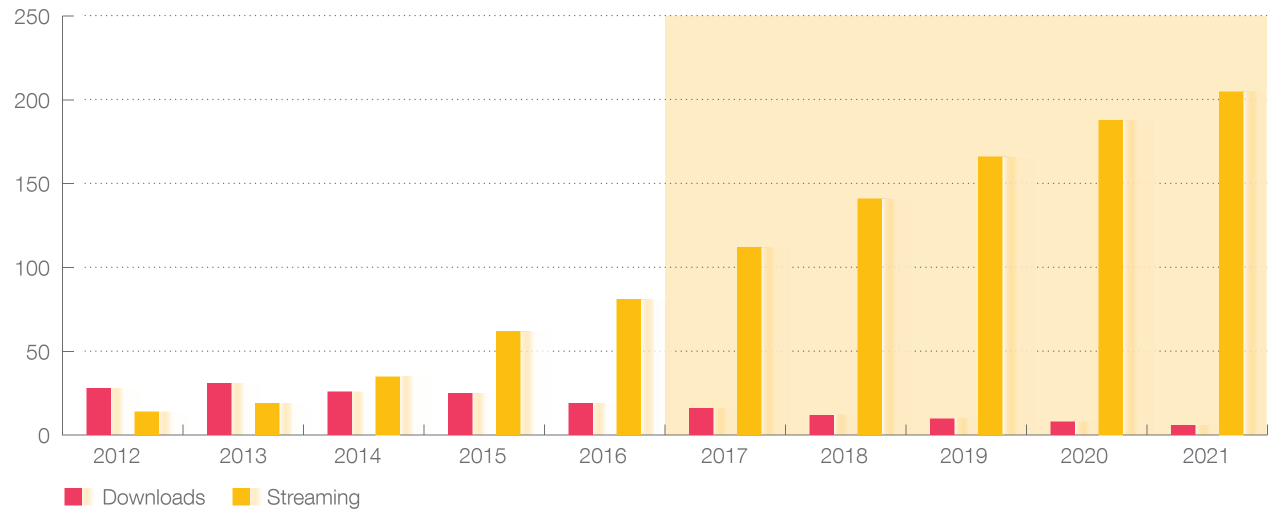
The tale of digital music downloading revenue is an instructive one in terms of what it tells us about the modern digital consumer. We are accustomed to hearing that content is the crucial factor that determines the success or failure of any venture in the digital world, but the reality is far more complex. Indeed, user experience can be so important that it can even subvert commonly held expectations that digital revenue lines will always show growth. Only one digital sub-segment is seeing precipitous falls in Italy's E&M Outlook – digital music downloading revenue. Such revenue, derived from recorded music downloaded via app stores or licensed services such as iTunes, reached what turned out to be its peak in 2013, as up until that point consumers bought into the idea of having a nearly unlimited array of tracks available to listen to for a small fee.

What changed? Along came a form of listening that offered a vastly improved user experience. Music streaming, with companies such as Spotify at its vanguard, utilised a stickier subscription model, or indeed a free tier in return for listening to ads, removing the requirement for multiple small transactions. Streamers also offered greater suitability for listening on home music systems, and introduced algorithms suggesting music that consumers might like based on their previous choices – a form of curation greatly needed when considering the fact that Spotify and Apple Music contain well over 30mn songs each.

Such is the convenience of the music streaming companies that they are thought to be luring in consumers used to free or even pirated music, with the net result being that digital music streaming revenue is set to rise at a CAGR of 20.3% to 2021, reaching €205mn in that year. But this stellar performance comes at the expense of digital music downloading revenue, which now seems an outdated model – that is set to decline to just €6mn in 2021 from €19mn in 2016 at a -21.8% CAGR. Downloading sites may have a wealth of content, but that isn't enough – they have now been undone by innovators offering consumers a far greater experience.

Fig. 8: Streaming drives the growth of total recorded music

Italy, Digital Music downloading revenue (€mn) vs digital music streaming revenue (€mn), 2012-2021



Source: PwC, Ovum

Hot Topics
Business transformation – Artificial Intelligence lots of opportunities

Affordable Artificial Intelligence (AI) tools have the potential to transform the media industry. Value of data becomes even more powerful as AI begins to play a bigger role in E&M organisations. Technology, Media, and Telecommunications companies are using AI solutions to increase productivity, enhance creativity, and innovate in ways that address consumers' desires and challenges. Although we're still in the early days of machine learning and autonomous systems but AI is set to be the key source of transformation, disruption and competitive advantage in today's fast changing economy. The embrace of all things digital – such as content mastering, distribution, and advertising – should create lots of opportunities to apply AI to remove friction in commerce, delight consumers, and make smarter investment decisions.

Netflix, for example, has long made claims about the depth of its consumer data, which combined with its extensive content meta-tagging enables it to be smarter at rights negotiation and content commissioning.

Extra content
AI is already entertaining you: How technology endowed with creative intelligence changes the way companies generate and distribute content, strategy+business, 2017

Find more on the digital version:
www.pwc.com/it/emoi

Famously, its series *House of Cards* was allegedly greenlit via data analysis. More recently, many such efforts have switched from traditional data mining to AI-driven insights, along with using its recommendation engine to reduce consumer churn. For example, most of the movie studios are getting better at applying advanced analytics and real-time feedback to shape their marketing campaigns.

Likewise, Google's acquisition of UK firm DeepMind in January 2014 has given it access to one of the most powerful AI platforms around. Seemingly every month or so we see new, fascinating applications for this platform, in areas as varied as music composition and beating world champions at board game Go.

The potential upside in AI investment: creating abstract models to recognise media and behaviour from millions of examples; analysing and processing volumes of media that simply cannot be handled via traditional methods; presenting new features to consumers to keep them on a site or bring them back for more; and using AI tools to support internal business decision-making means that more and more firms around the world are preparing to take the plunge with AI. Media firms shouldn't feel too pressured to invest yet, but building deep data resources for AI training purposes and watching for cloud service markets to evolve will stand them in good stead for the future.

Mobile will be the driver for Internet Advertising

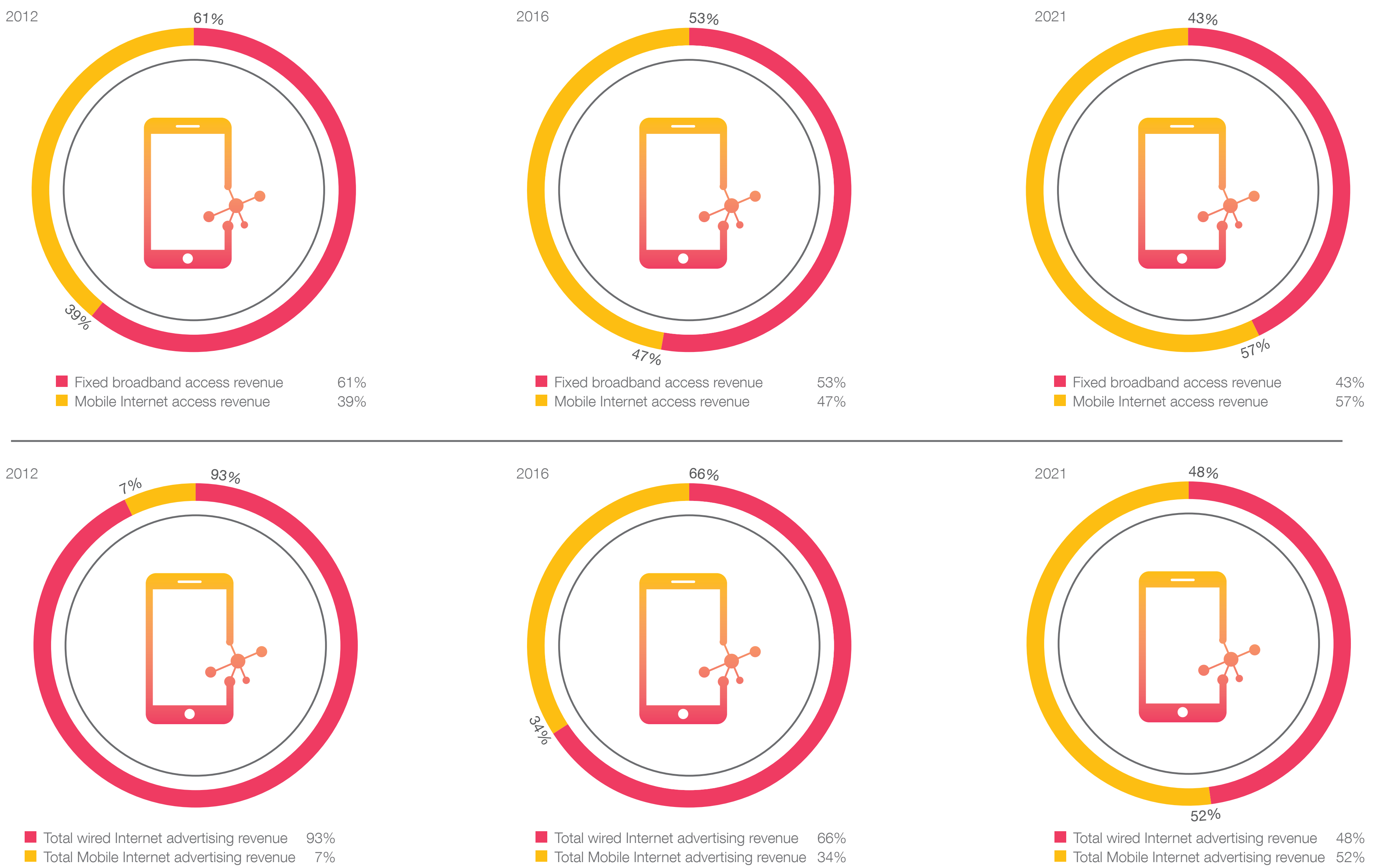
There is a persistent disconnect between "eyeballs" and where brands are willing to invest, as borne out by figures from the Outlook across both physical and digital media. We are in an age where smartphones are increasingly the default mode of interactivity with E&M – in 2016, smartphone connections accounted for 61% of mobile phone connections in Italy, and that proportion will reach 87.5% in 2021. Mobile Internet access revenue, meanwhile, is nearing parity with fixed broadband access revenue, accounting for 49.1% of total Internet access revenue in 2017. Every study conducted on time spent on smartphones shows very high, and growing, engagement.

But when it comes to Internet advertising, the majority of revenue still comes from wired sources – around two-thirds in 2016.

Clearly, Internet companies must concentrate on increasing their revenue from mobile ad spending, with measurement and transparency key. Huge industry challenges remain around the effective measurement of consumer engagement not just on mobile and digital platforms, but across all touchpoints. Without a full picture of how and when a consumer is accessing specific content, the potential for monetisation through advertising will remain unfulfilled. But arguably the real promise of mobile media is not specifically about the format of the device or the content consumed, but the fact that it is personal. A smartphone user - can now access the content they want at a time and a place of their choosing. And crucially, it is accessed in a context that also encourages communication and, increasingly, commerce. By 2021, the "gap" between the splits of access and advertising revenue that derives from mobile will have reduced significantly.

Fig. 9: Internet advertising is not yet keeping pace with the switch to mobile

Total Internet access revenue and Internet advertising revenue by make-up (%), 2012 vs 2016 vs 2021



Source: PwC, Ovum

Italian consumers are spending a growing amount of time accessing the Internet via a range of devices. According to Audiweb, in December 2016 23.1mn Italians were daily active users, spending an average of 2 hours and 45 minutes online per day. With a growing proportion of this access being via smartphones, mobile's share of overall Internet advertising revenue continues to grow.

The growth in Internet advertising revenue is still relatively modest, despite the growing amount of time consumers spend online.

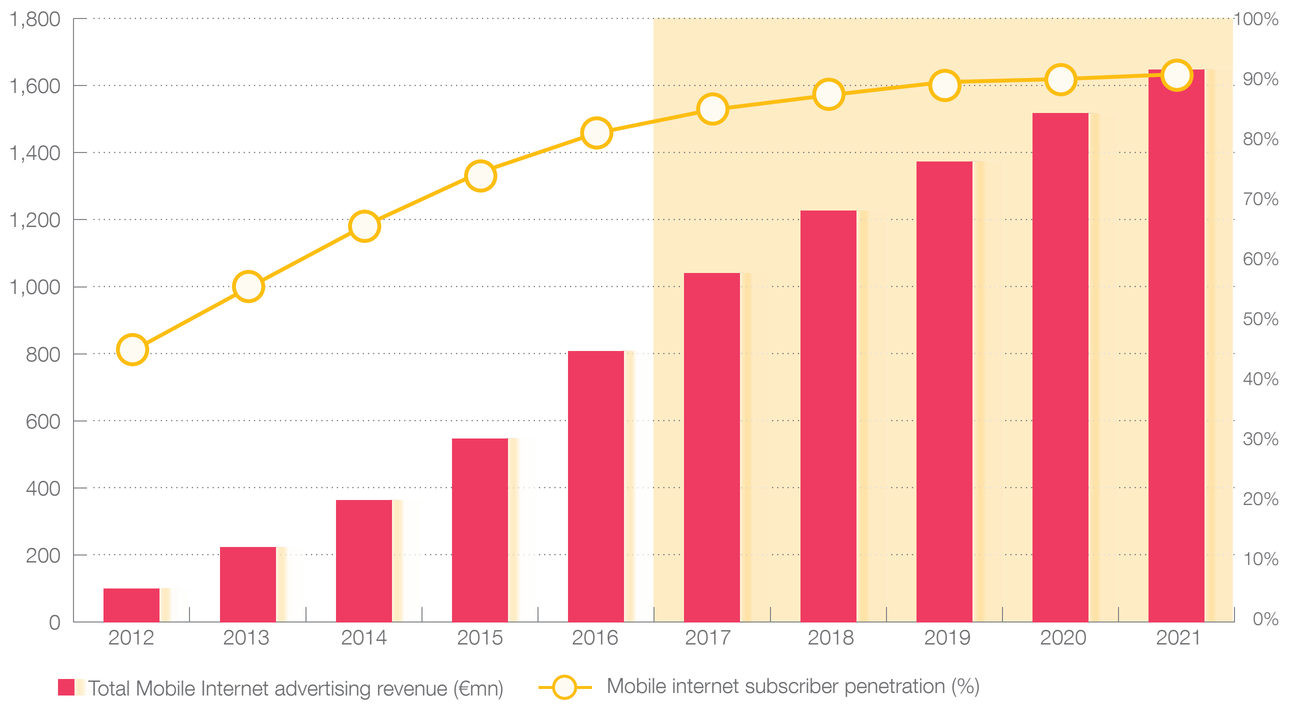
Total spend on mobile Internet advertising amounted to €809mn in 2016 and this will rise to €1.6bn in 2021. Mobile currently accounts for 34.3% of the total Internet advertising pie, but only by 2021 is this forecast to reach 51.8%, despite evidence of consumers spending ever increasing amounts of time on their mobile devices.

Extra content
Software greases the wheels: From products to services: a survival guide for TMT companies, PwC, 2017

Find more on the digital version:
www.pwc.com/it/emoi

Fig. 10: Mobile internet advertising revenues will rise thanks to the increase of mobile penetration

Italy, Mobile Internet advertising revenue (€mn) and Mobile Internet penetration (%), 2012-2021

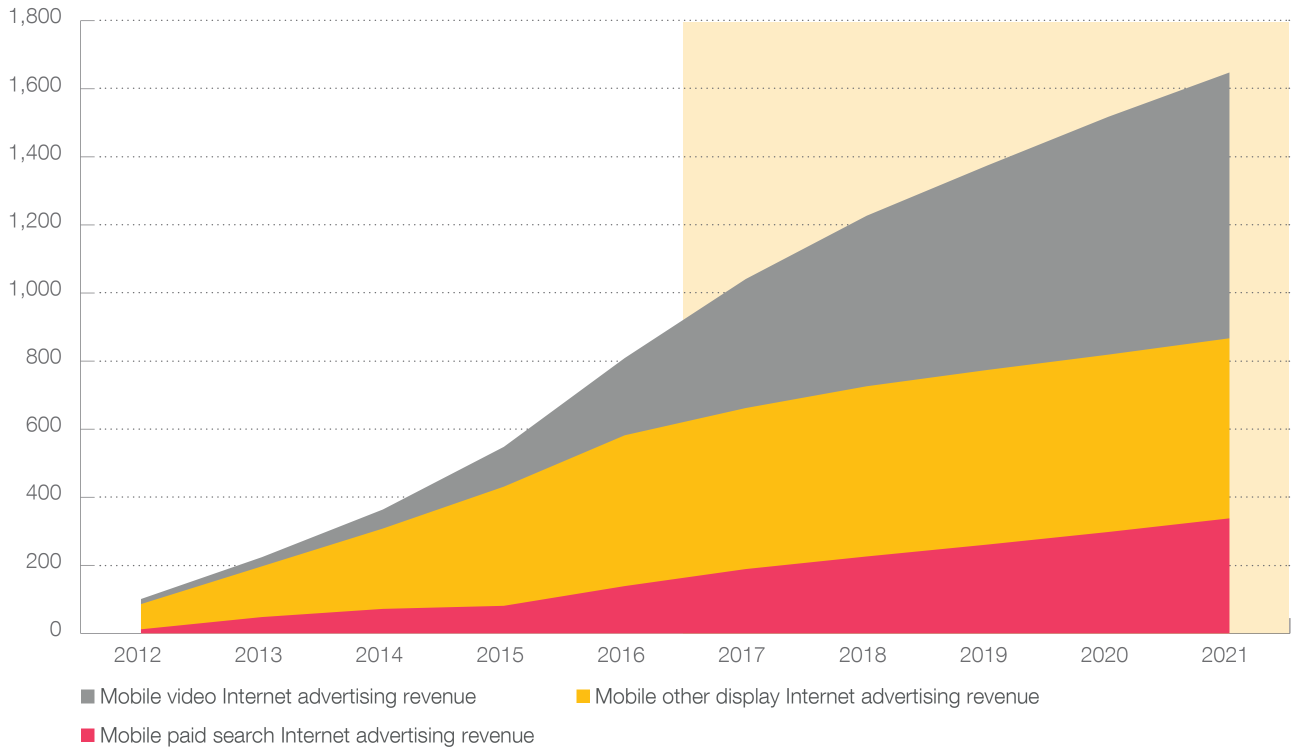


Source: PwC, Ovum

Overall, despite its promising growth, mobile in Italy is yet to fulfil its potential as an advertising platform. While video and search will continue to evolve, it is the new formats of mobile display advertising that will continue to drive overall growth, with advertising on mobile versions of social networks, especially Facebook, key to this.

Fig. 11: Within mobile Internet advertising, new display formats drive Italy growth

Italy, Mobile Internet advertising revenue by type, 2012-2021 (€mn)



Source: PwC, Ovum

Social media advertising – reach & target audience

For advertisers, forging a profitable path to consumers means gaining visibility in digital distribution platforms where consumers discover and recommend content (and brands). In this context, value flows to the companies that control the three Cs: content, communication, and commerce.

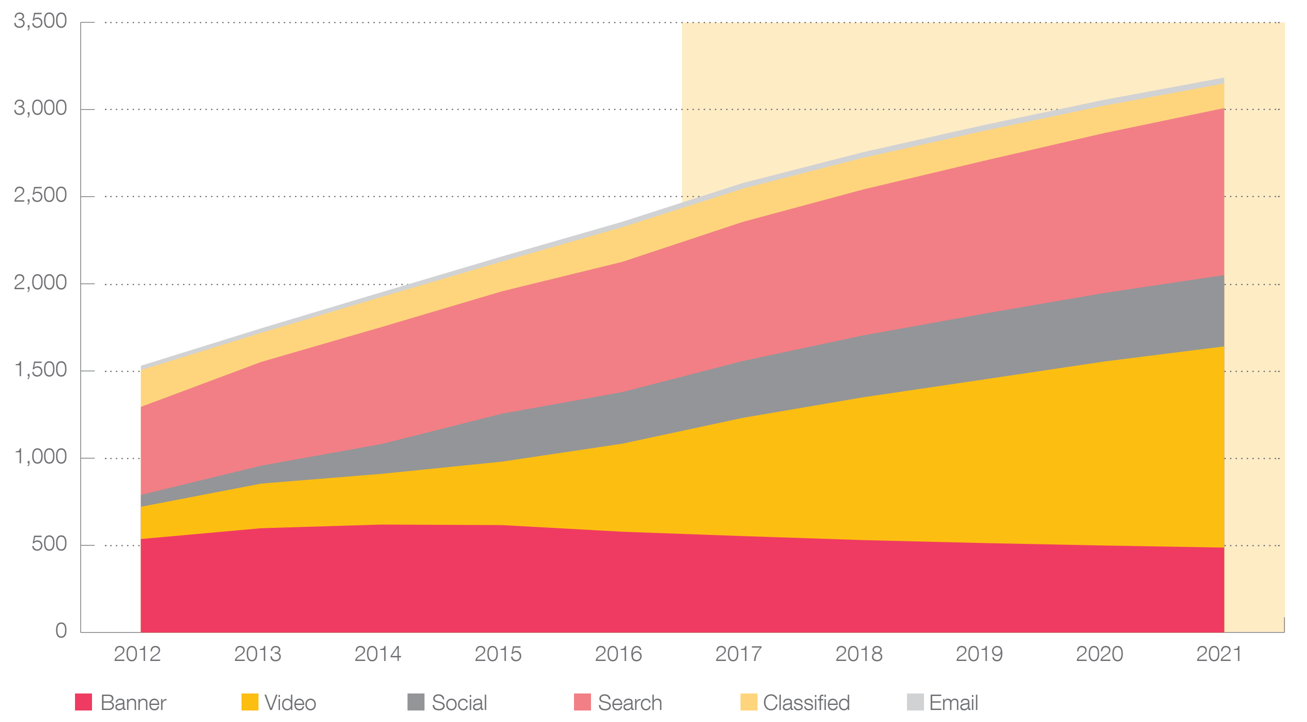
Fragmented audiences are causing advertisers to drive consumers online via social media or enhanced video ads on mobile platforms to increase engagement. For Internet advertisers, the route to control is through focusing on the user experience, especially in mobile.

Approximately two-thirds of the Internet advertising market in Italy comes from large international sites – especially Google and Facebook – due to their large audiences and wide availability of data profiles. Consequently, Social platforms are becoming ones of the most relevant intermediaries for consumers.

Video advertising will grow across both desktops and mobile devices, in line with the continued growth in video traffic.

Fig. 12: Video is driving overall digital advertising growth

Italy, advertising revenue by type, 2012-2021 (€mn)



Source: PwC, Ovum

This will be driven not just by the popularity of video services such as YouTube but by the increased distribution of video across a wide range of services, including traditional publishers and broadcasters – who are increasingly making their content available across a range of devices via the Internet – as well as social media and messaging platforms such as Facebook and Snapchat.

Facebook's status as one of the giants of the digital world is unquestioned, and its dominance of Internet ad revenues well documented, but now the firm is targeting e-commerce too. Facebook Collection – an ad format enabling brands to combine a video, slideshow, or banner image with product images – enables businesses to not only advertise but also drive sales across all of Facebook's relevant properties, such as Instagram.

Collection allows brands to partner an image or video with a collection of product images within a newsfeed-like layout. If users tap on the ad they will see a catalogue of up to 50 other products, which are selected by Facebook's ad-targeting platform. Selecting a product will take the user to the brand's website to complete the transaction.

Facebook's vast array of consumer data will help brands generate customer lifetime value by targeting an audience that Facebook can predict – with a high level of certainty – will install a brand's app and use it to make purchases. But the concern for E&M companies already finding tough competition to host advertising is that Facebook will become a "one-stop shop" for advertisers – using its enviable data to monopolise the digital space. This in turn could mean that although Internet advertising will continue to see great growth, the benefit being seen in the Italian market may be much less pronounced.

Find more on the digital version:
www.pwc.com/it/emoi

Our contacts

Andrea Samaja

Partner

+39 02 66720555
andrea.samaja@it.pwc.com

Maria Teresa Capobianco

Associate Partner

+39 02 66720508
maria.teresa.capobianco@it.pwc.com