

## Estimating lost consumer spending from piracy in Brazil

Ipsos MORI has prepared a report, “Television and Movie Online Piracy in Brazil,” based on a survey conducted in 2018. The research finds that the estimated lost volume of official consumption across both movies and TV show episodes in a three-month period (Q4 2018) is 470 million movies and 538 million TV show episodes.<sup>1</sup> Applying the average price in Brazil per channel to the estimated lost viewing in that channel (in other words the estimated number of additional purchases/rentals that would have been made in the absence of piracy) allows us to present some indicative estimates of the lost consumer spending (sales) from piracy in certain distribution channels below. The total losses across movies and TV shows in the measured distribution channels for Q4 2018 is R\$4.06 billion.

### Movie Piracy Volume Loss and Sales Loss Estimates – Q4 2018

	2018 Volume Loss Estimate (M)	2018 Avg. Price R\$ (Source: IHS)	2018 Loss estimate R\$M (incl. sales tax)
<b>Movie Theater (Cinema Tickets)</b>	83	14.96	1,242
<b>Disc Rentals<sup>2</sup></b>	25	5.59	140
TV VOD	60	N/A	N/A
TV Provider Online	67	N/A	N/A
<b>Paid Internet VOD (Per Movie)</b>	44	14.63	644
<b>Disc Purchase</b>	31	20.99	651
<b>Paid Download (EST)</b>	32	39.07	1,250
Paid Subscription (SVOD) viewing	129	N/A	N/A
<b>Total</b>	<b>470</b>	<b>N/A</b>	<b>3,926</b>

### Television Show Piracy Volume Loss and Sales Loss Estimates – Q4 2018

In order to use average price that is applied to TV seasons, the following estimates use a conversion average of 16 episodes per season. Note that television show revenue loss estimates from this study don't include lost viewing via broadcast, cable, TV VOD, online catch-up/TVE, SVOD or other common TV viewing methods as it's not feasible using this survey/method. Only a small segment of losses – transactional purchases and rentals – are measured.

	2018 Volume loss estimate: Episodes (M)	2018 Volume loss estimate: Seasons (M) <sup>3</sup>	2018 Avg. Price R\$ (Source: IHS)	2018 Loss estimate R\$M (incl. sales tax)
<b>Disc Rentals<sup>2</sup></b>	31	1.9	5.44	11
<b>TV Viewing</b>	113	7.1	N/A	N/A
TV VOD	98	6.1	N/A	N/A
TV Provider Online	85	5.3	N/A	N/A
<b>Paid Internet VOD</b>	40	2.5	15.00	38
<b>Disc Purchase</b>	27	1.7	29.70	50
<b>Paid Download (EST)</b>	22	1.4	24.50	34
Paid Subscription (SVOD) viewing	123	7.7	N/A	N/A
<b>Total</b>	<b>538</b>	<b>33.7</b>	<b>N/A</b>	<b>132</b>

<sup>1</sup> This information is found on pages 29-30, in tables 17-18. The report describes the methodology in detail. Some quick highlights: This research was conducted by Ipsos MORI on behalf of MPA. It is based on an online survey completed by a quota sample of 2,476 Brazilian internet users aged 11+ years, fielded between 16<sup>th</sup> and 28<sup>th</sup> December 2018. Data has been weighted to be representative of Brazilian internet users aged 11+ years, representing 126.5 million individuals

<sup>2</sup> The price used for disc rentals is based on per disc rentals as DVD subscription does not form a major market in Brazil.

<sup>3</sup> Episodes were converted to seasons using an average of 16 episodes per season. According to a Vox article published on August 9, 2018, cable had an average of 22 episodes per season while digital/cable had an average of 10 episodes per season. <https://www.vox.com/culture/2018/8/9/17662280/tv-shows-gone-too-long-gaps-breaks-between-seasons>