COMMUNICATION MARKETS MONITORING SYSTEM

no. 3/2015

Index

Electronic communications

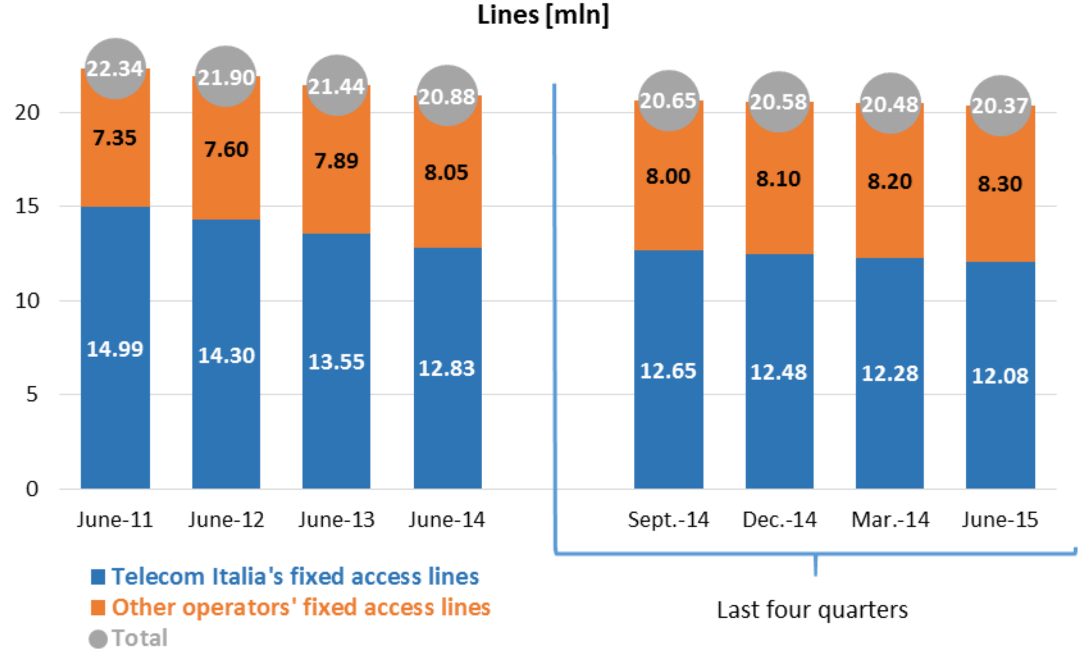
2. Media

3. Postal services and express couriers

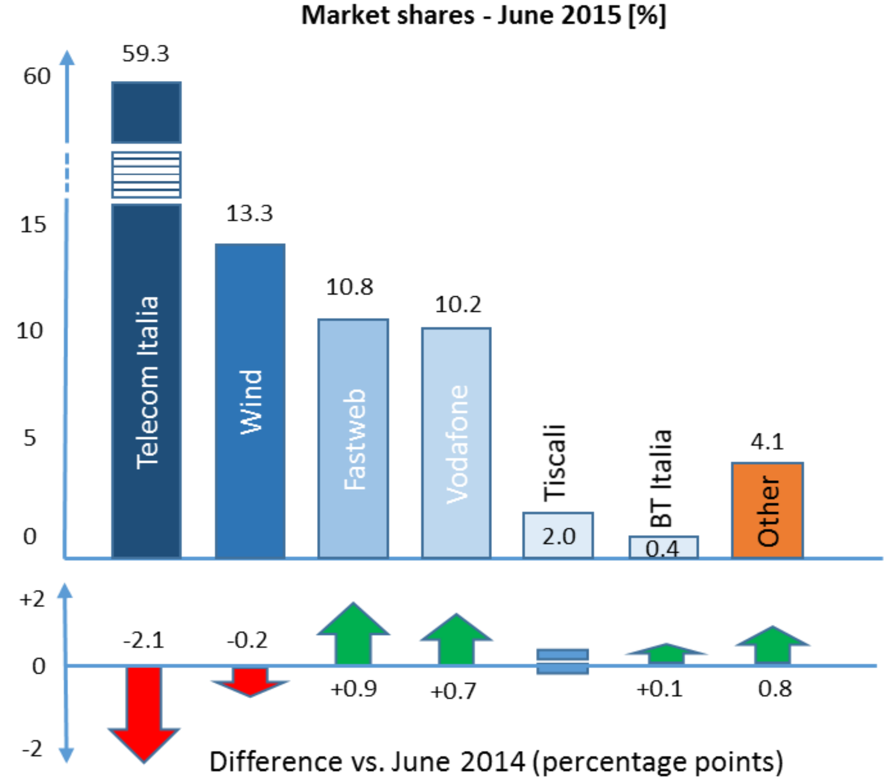
4. Communication services' prices

The following figures are based on AGCOM's elaborations on firms' data and other sources (updated to June 2015)

1.1 Total fixed access lines



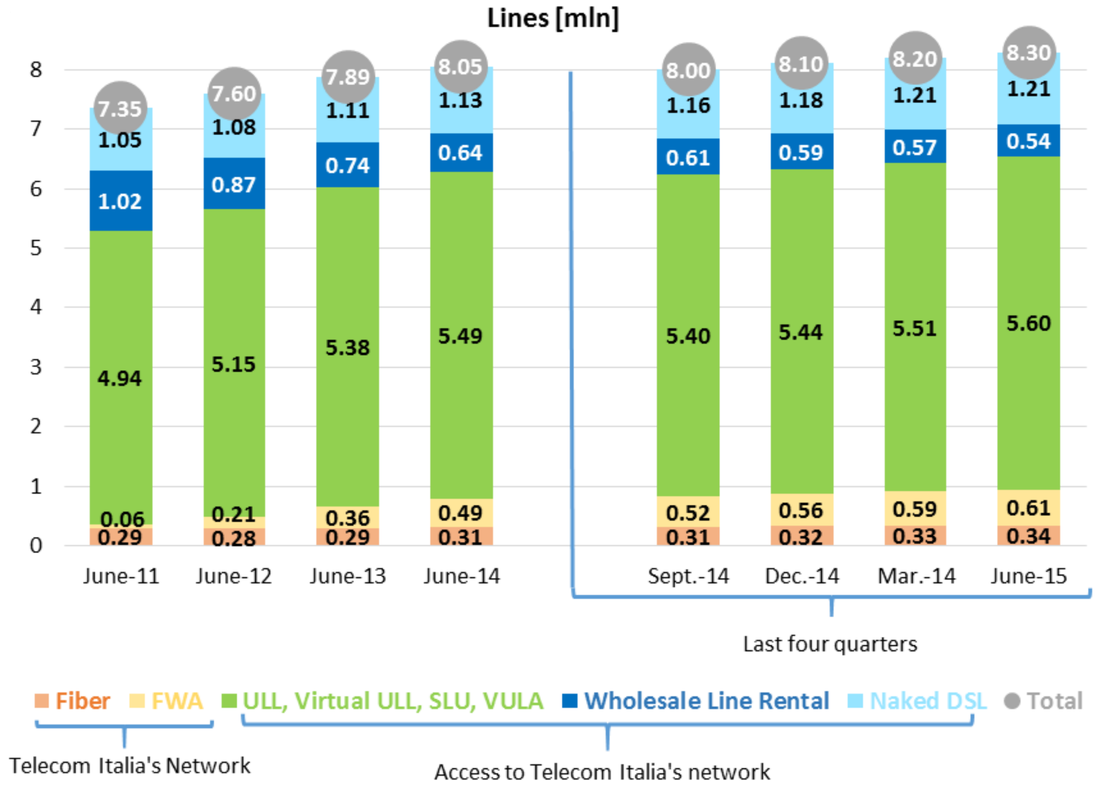
Note: access lines include Telecom Italia's fixed access lines, fully unbundled, SLU, VULA, DSL naked, WLR, fiber and FWA lines

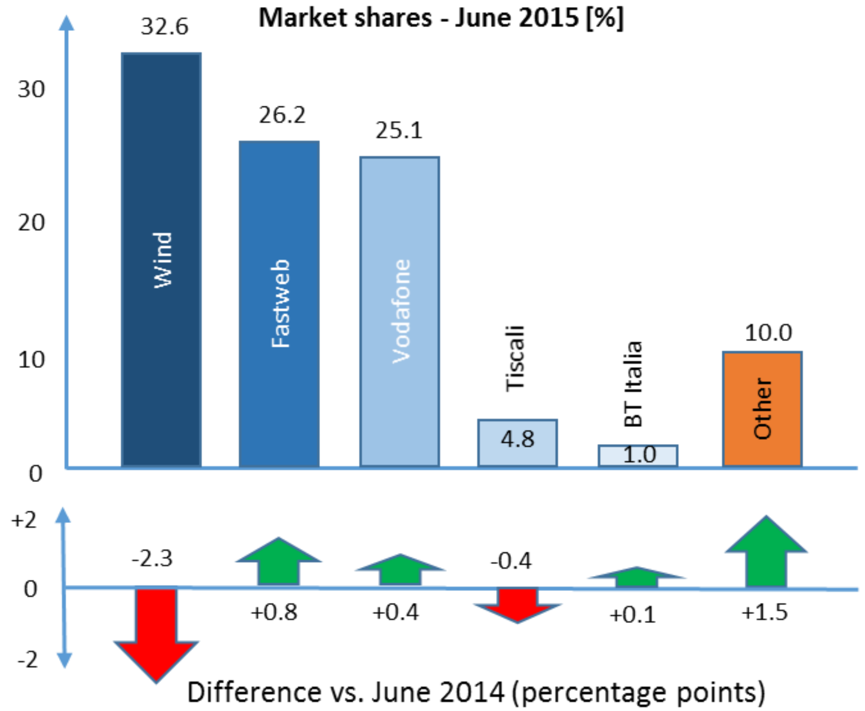


- Total access lines have decreased by **510** thousand units over the last twelve months
- While Telecom Italia's access lines have decreased by **750** thousand units, other operators' access lines have increased by about **240** thousand units
- Over the last four years, Telecom Italia's access lines have decreased by **2.9** million units

- Telecom Italia's market share has fallen below **60%**
- Fastweb's market share has reached **10.8%**, with a growth of **0.9** pp (YoY)
- Other operators have, as a whole, increased their market share by **0.8** pp (YoY); the increase has been more evident for Fixed Wireless Access (FWA) operators

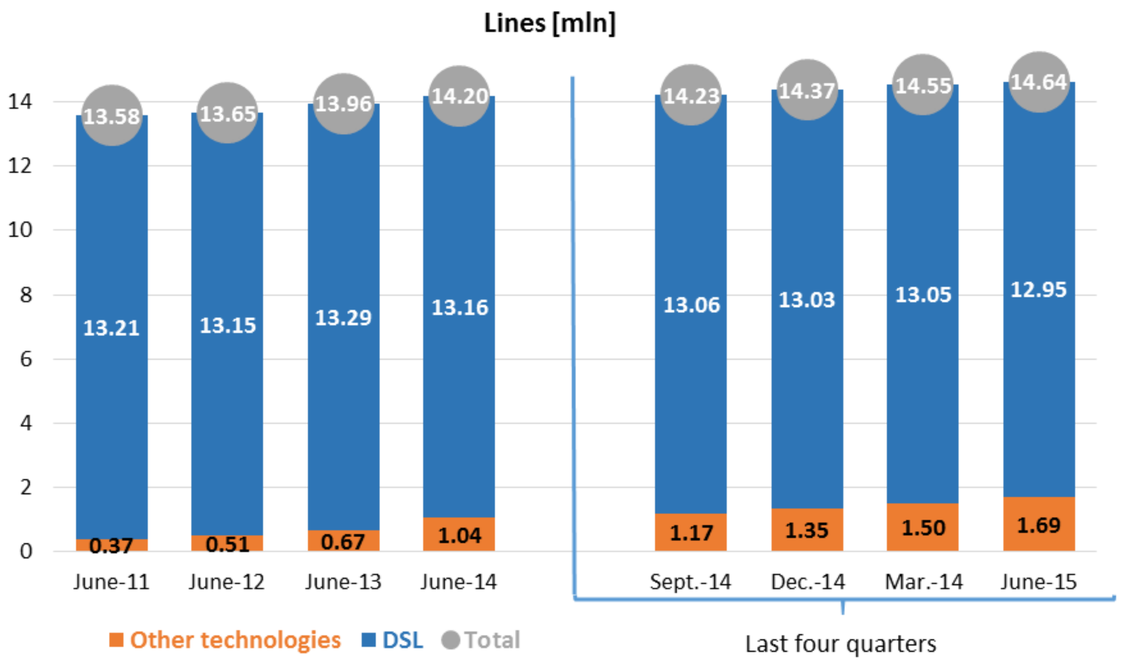
1.2 Alternative operators' fixed access lines

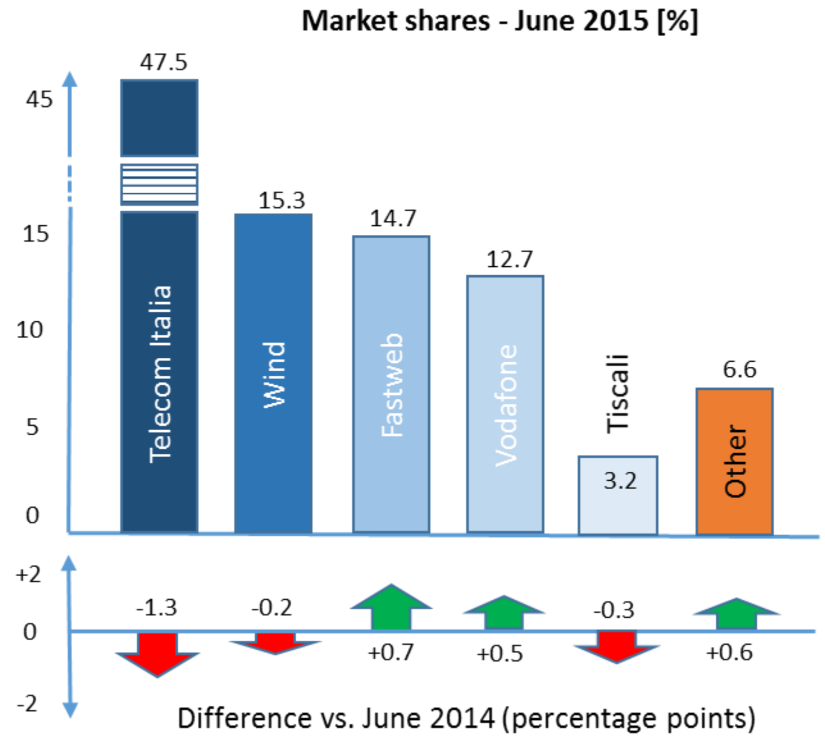




- Access lines provided by other operators have increased by **240** thousand units (YoY)
- A substantial part of this growth (**190** thousand lines, of which **130** thousand are SLU and VULA lines) took place in the 1st half of 2015
- FWA lines have increased by **120** thousand units (YoY), and represent around **50%** of the annual increase

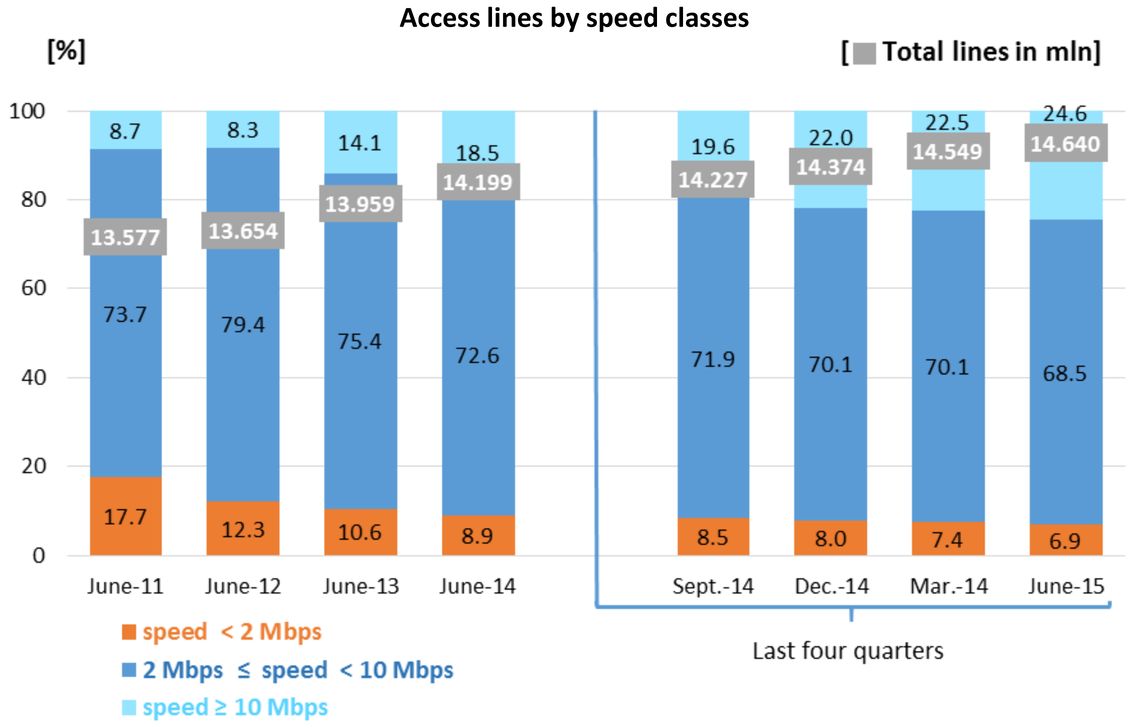
- Wind is still the first alternative operator, but its market share has shown a decrease of **2.3** pp (YoY)
- Fastweb's market share continues to growth (**+0.8** pp YoY)
- The growth of other operators' market share (**+1.6** pp YoY) is essentially due to the increase of the number of FWA lines

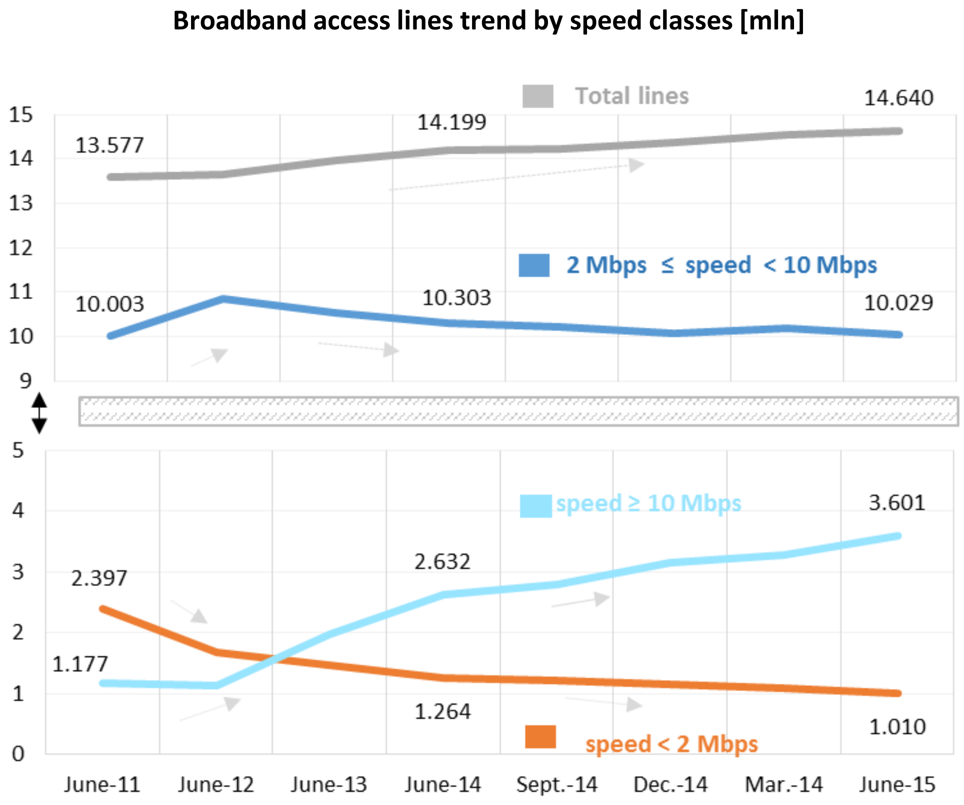




- Broadband lines have increased by about **440** thousand units YoY (**+270** thousand in the 1st half of 2015)
- DSL lines have decreased by about **210** thousand units (YoY)
- NGA lines have increased by **660** thousand units (YoY)

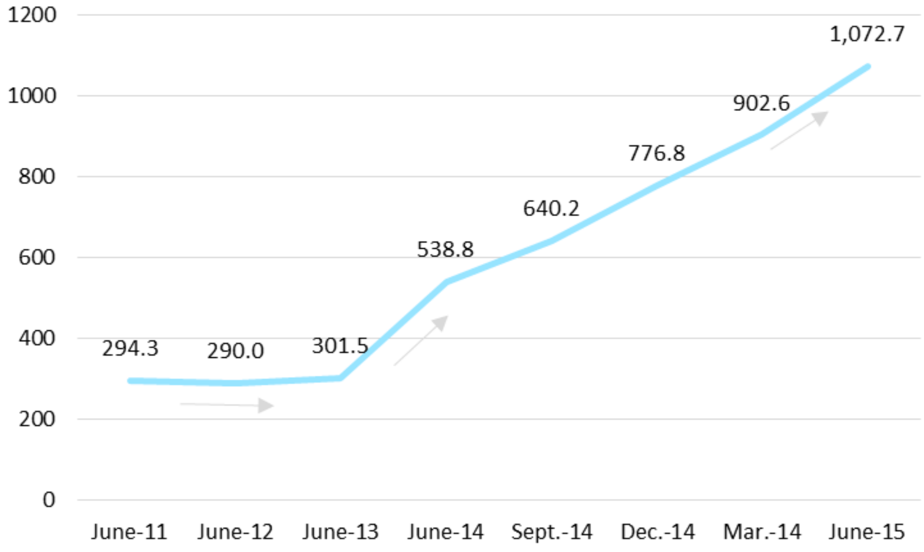
- Telecom Italia's market share has reduced by **1.3** pp (YoY)
- Fastweb's and Vodafone's market shares have increased by **+0.7** and **+0.5** pp, respectively
- The growth of other operators' market share (**+0.6** pp) is essentially due to the increase in the number of FWA lines



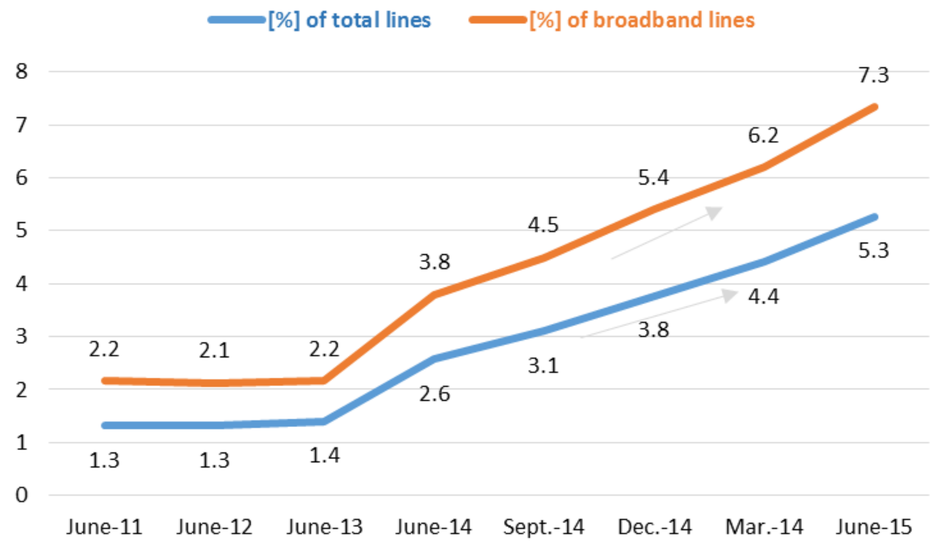


- Broadband lines with speed ≥10 Mbps have increased by **970** thousand units YoY, now accounting for the **24.6%** of broadband lines (**3.6** million lines)

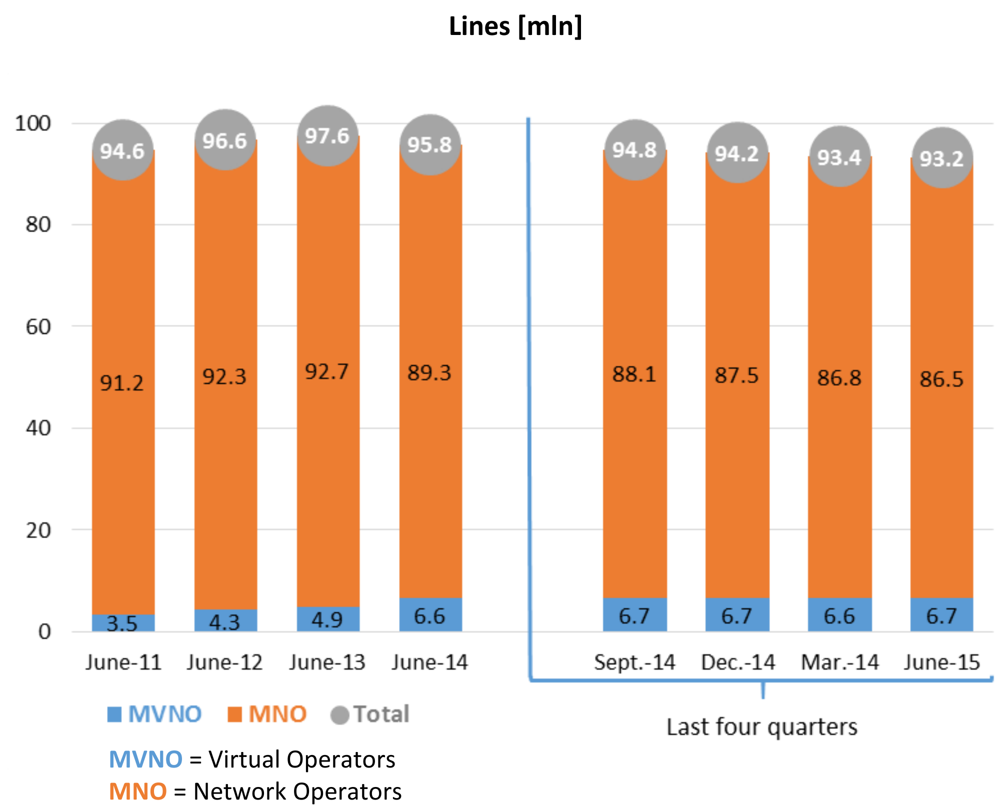
NGA broadband access lines [*1000]

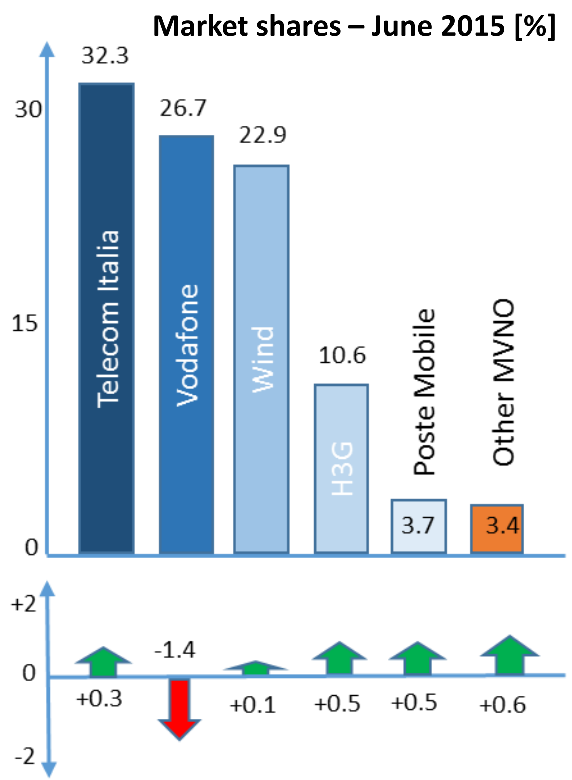


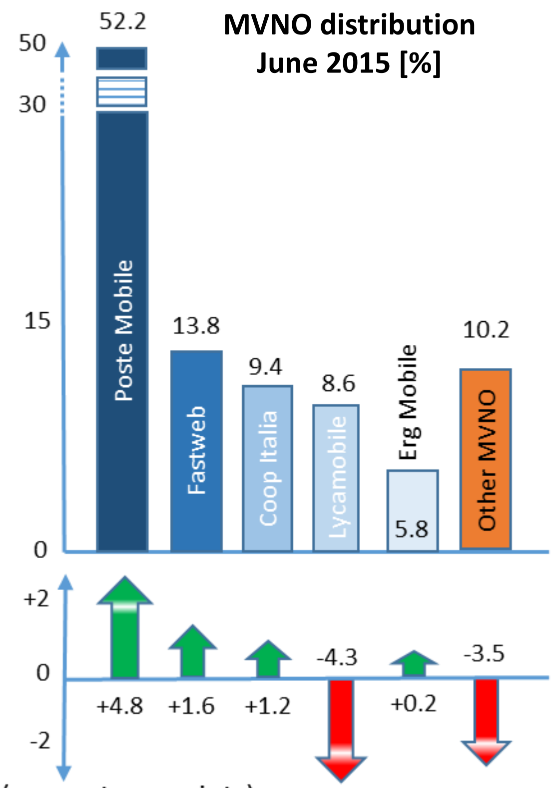
NGA broadband lines as a share of total and broadband lines



- At the end of June 2015, NGA lines exceeded **1** million units (**+296** thousand in the 1st half of 2015)
- NGA lines account for more than **5%** of total lines, and for **7.3%** of broadband lines
- More than **90%** of NGA lines are provided by Fastweb and Telecom Italia



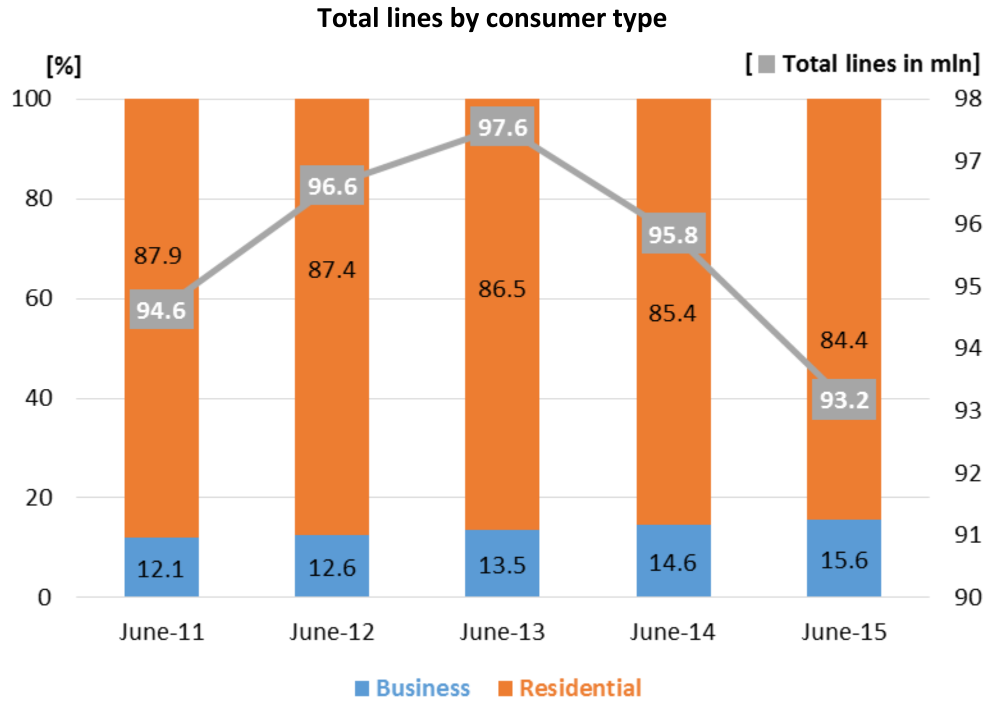


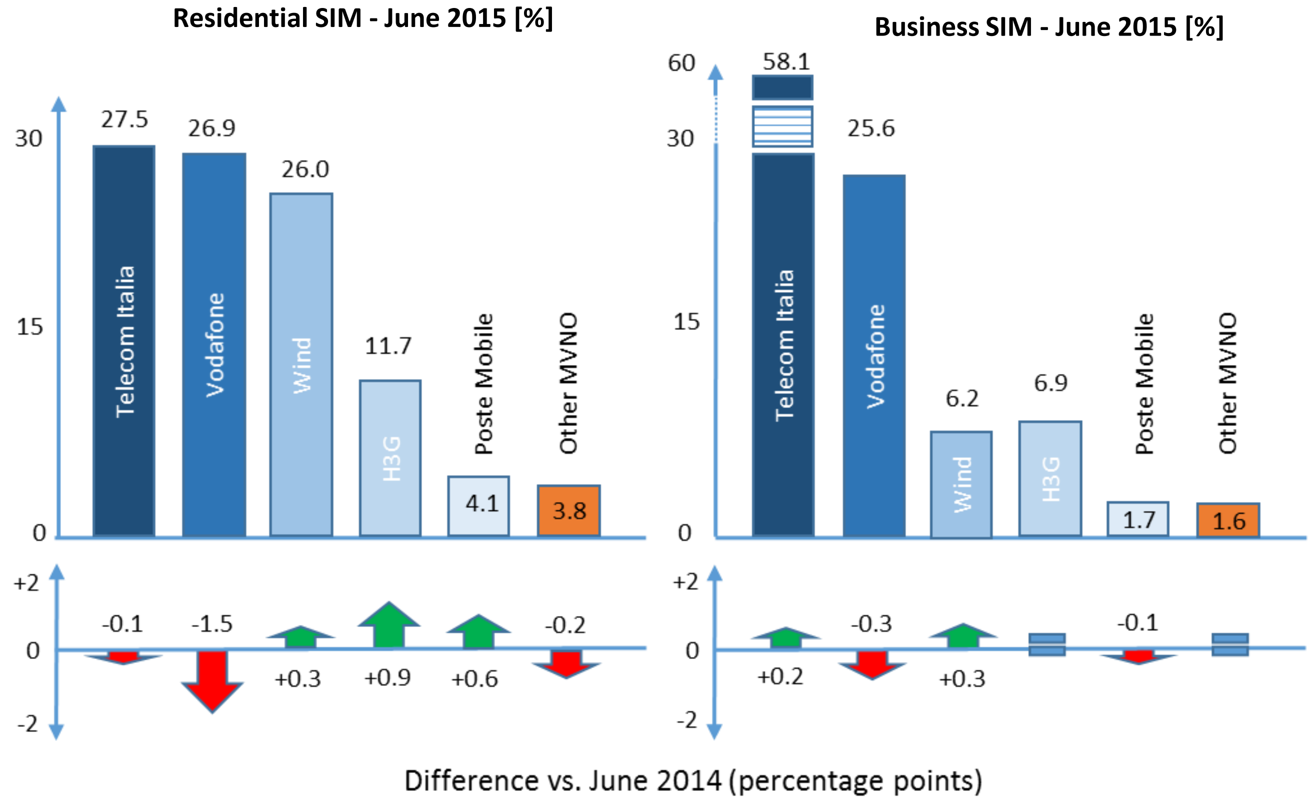


- On a yearly basis, mobile lines have decreased by about **2.7** million units
- MNOs' lines have decreased by **2.8** million units, whereas MVNO's lines have increased by **0.1** million units
- MVNOs' lines account for **7.6%** of total lines

- Telecom Italia's market share has grown by **0.3** pp (YoY), while Vodafone's market share has decreased by **-1.4** pp
- Poste Mobile's and other MVNOs' market shares show an overall increase of **1.1** pp
- Among MVNO operators, Poste Mobile holds a share of **52%** (**+4.8** pp), whereas Lycamobile's market share has decreased (**-4.3** pp)

1.7 Mobile subscribers by type of consumer

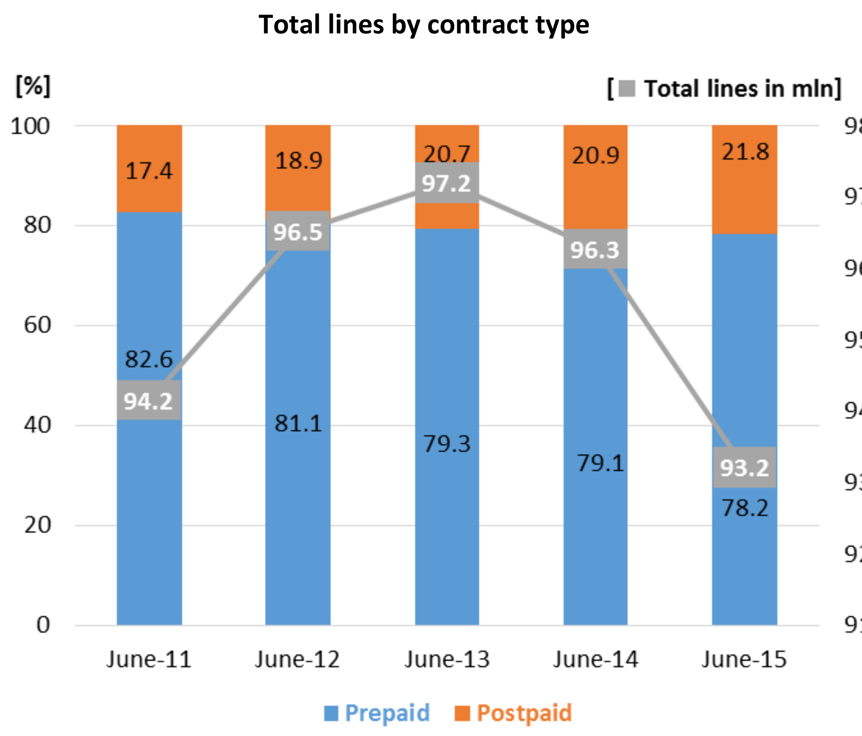


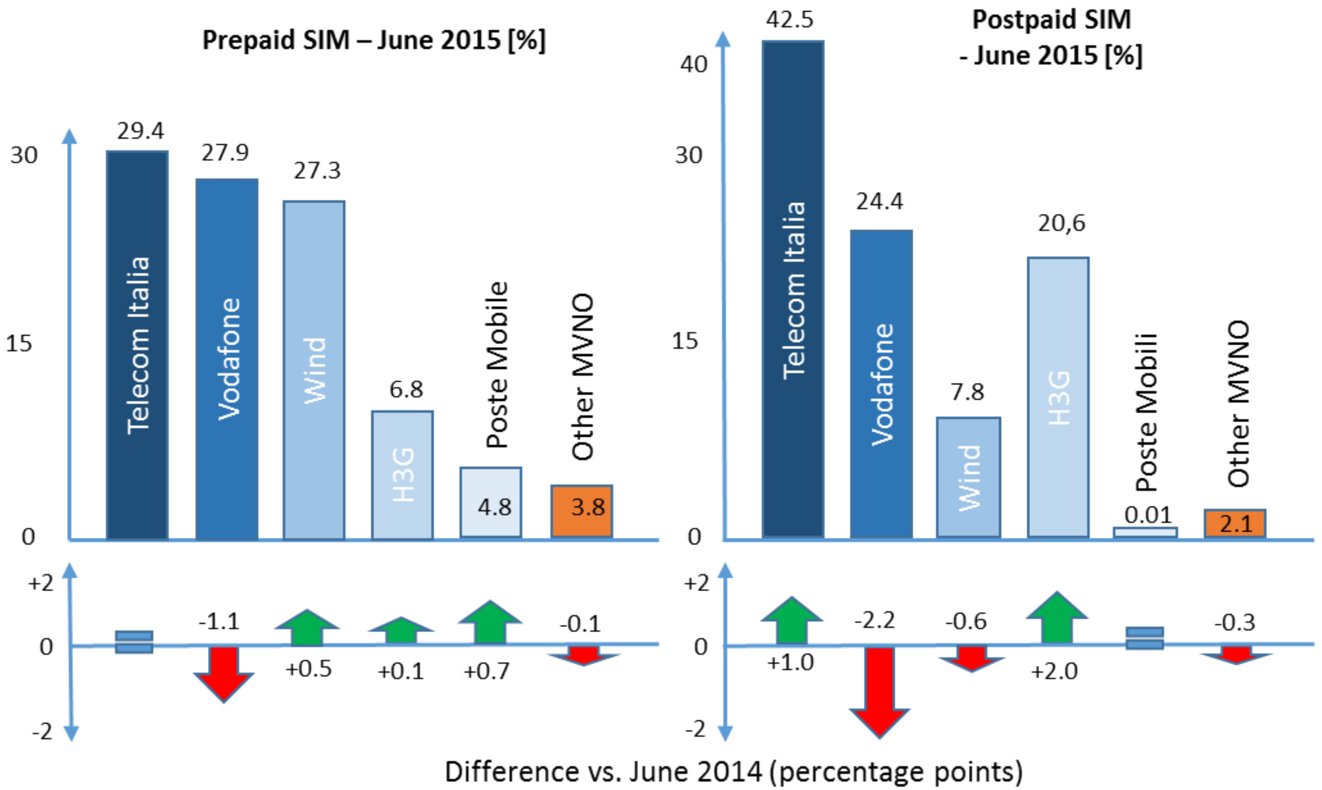


- Non residential SIMs (**14.5** million at the end of June 2015) have increased on a yearly basis by **0.6** thousand units
- Residential SIMs (**78.7** million at the end of June 2015) have decreased by **3.2** million units (YoY)

- In the residential segment, the market shares of the three main players are comparable; Vodafone's market share has reduced by **1.5** pp (YoY)
- In the business segment Telecom Italia confirmed its leadership with a market share of **58.1%**
- Wind's market share has increased by **+0.3** pp (YoY)

1.8 Mobile subscribers by type of contract

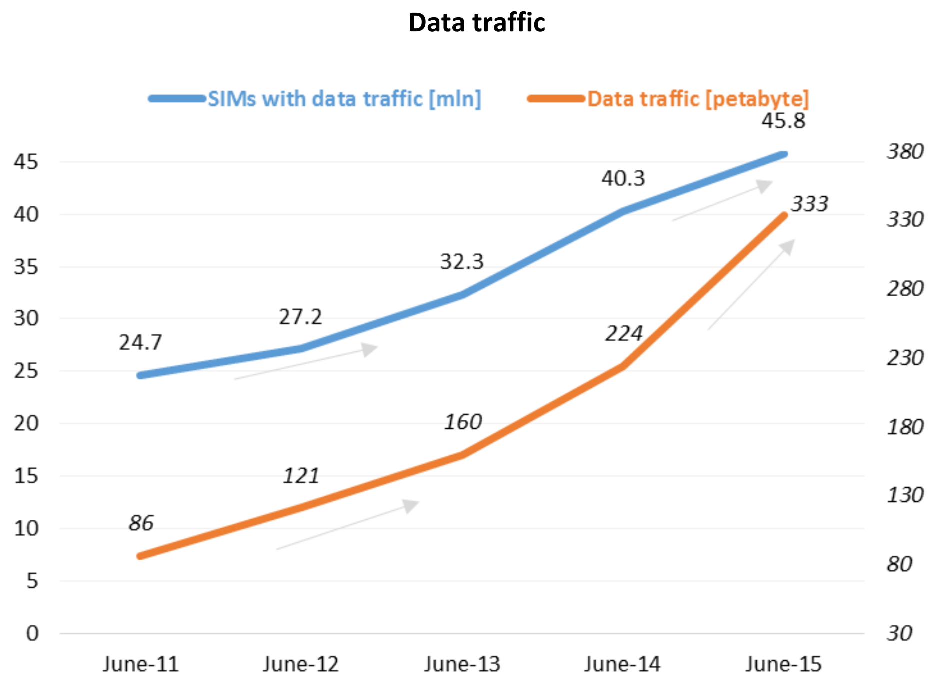


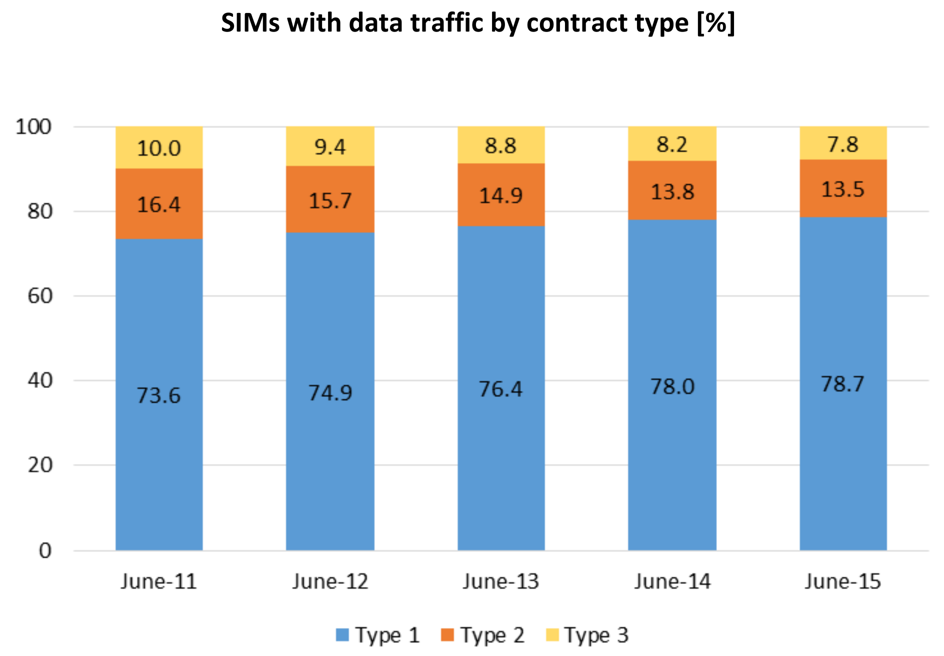


- At the end of Q2 2015, prepaid SIMs reached **74.2** million units (78% of total lines), with a decrease of **2.9** million YoY
- At the end of Q2 2015, postpaid SIMs reached **19** million units (22% of total lines), with a minimal increase of **+0.2** million YoY

- In the prepaid segment, Wind's (**+0.5** pp) and Poste Mobile's (**+0.7** pp) market shares have increased (YoY)
- Telecom Italia leads the postpaid segment with a share of **42.5%** (**+1.4** pp YoY); H3G's market share has grown by **2.0** pp, while Vodafone's market share has decreased by **-2.2** pp

1.9 Mobile data traffic





According to European Commission definitions (CoCom):
Type 1: "dedicated data subscriptions for add-on data package to a voice service requiring an additional subscription"
Type 2: "dedicated data subscriptions for stand-alone services"
Type 3: "actual usage of standard mobile subscriptions"

- SIMs with data traffic have increased over the last year from **40.3** to **45.8** million units, with a growth rate of **13.7%**
- In June 2015, data traffic showed a **48.7%** increase as compared to June 2014
- Since June 2011, the number of SIMs with data traffic has increased from **26.1%** to **49%** of the overall customer base

2.1 Media: access to news

Platforms used to access the news (*)
(% of population)

	2010	2015
TOTAL	98.3%	99.3%
TV	96.8%	96.3%
Radio	67.6%	67.6%
Online	38.2%	54.1%
Newspapers	58.7%	50.4%

(*) Data refer to the use of Internet in the last 7 days prior to the data collection

Source: processed by AGCOM based on Gfk Eurisko (2010) and SWG (2015) data

Top websites used to access the news - 2015

Wbsites	% of web users
Repubblica	13.5
Google	8.8
ANSA	8.4
Facebook	8.3
Corriere della Sera	6.3
TGCOM24	5.8
Il Fatto Quotidiano	5.2
Il Sole 24 Ore	4.2
Youtube	3.4
Wikipedia	2.8
Libero	2.6
Huffington Post	2.1
La Stampa	2.1
Rai	2.0
Twitter	1.7

Source: AGCOM's elaborations on SWG data (2015)

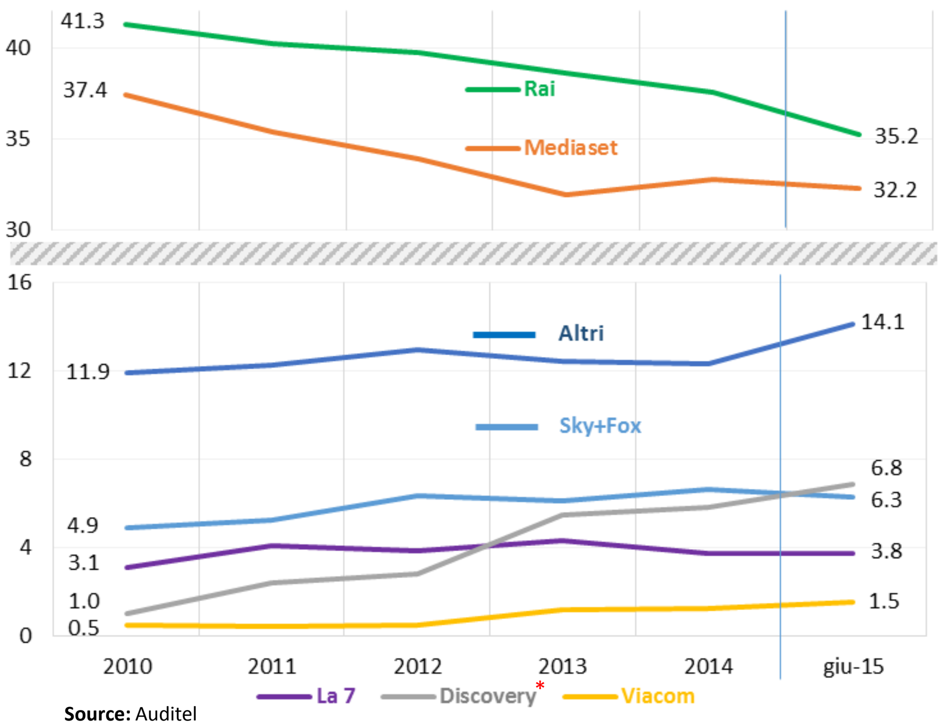
Top news websites – June 2015

News websites	Active Reach (%)	Average time spent on website by visitors (hh:mm)
La Repubblica	39.4	00:22:31
Corriere della Sera	33.2	00:18:48
TGCOM24	28.4	00:14:43
Quotidiano.net	22.2	00:09:19
Il Messaggero	21.1	00:10:18
La Stampa.it	20.8	00:15:04
Citynews	20.4	00:12:02
Il Fatto Quotidiano	16.5	00:10:50
Fanpage	15.1	00:17:27
Quotidiani Espresso	13.6	00:14:10
ANSA	13.4	00:13:06
Il Post	13.2	00:07:25
Il Sussidiario.net	13.0	00:03:22
Leggo	10.4	00:10:06
Il Giornale	10.2	00:16:20

Data do not include social media and browsers
Source: AGCOM's elaborations on Audiweb data (June 2015)

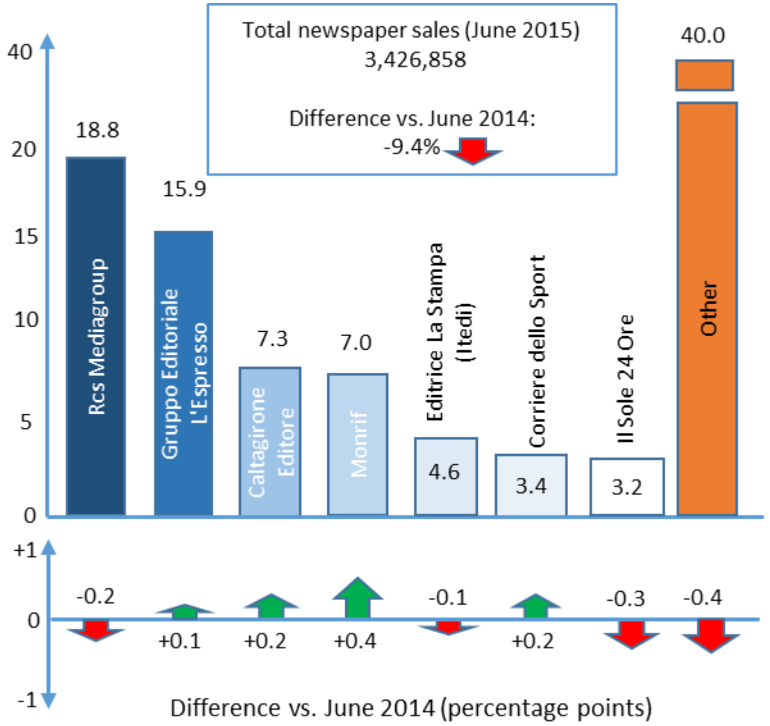
- In Italy, TV continues to be the main source of news
- From 2010 to 2015, the percentage of population using Internet as a source of information has increased by **+12** pp
- The main online newspaper used for news is *La Repubblica*
- Among news websites, web editions of traditional newspapers have a higher audience than digital-native news sites

2.2 Media: TV audience and newspapers' sales



Source: Auditel

* Including the audience of Switchover Media acquired by Discovery in 2013



Note: AGCOM's elaborations on ADS data

They are monthly data based on 64 newspapers; the figures may not, therefore, be directly comparable with data gathered by AGCOM and published in the Annual Report which refers to the entire newspapers population

- Over the 2010-2015 period, the audience of the two most important players (Rai and Mediaset) has decreased significantly (by more than **11** pp, from 78.7% to 67.4%)
- From the beginning of the year the audience of smaller operators has shown an increase of **1.8** pp

- Newspapers' sales showed a **9.4%** reduction YoY
- Gruppo Editoriale l'Espresso and Rcs Mediagroup currently share the leadership of the market

Radio: listeners on average day (1st half of 2015)

Position 1st half 2015	Change on previus year		Radio station	% share
1	=	(0)	RTL 102.5	19.3
2	↑	(+1)	RDS 100% Grandi Successi	13.6
3	↓	(-1)	RADIO DEEJAY	13.4
4	↑	(+1)	RADIO 105	13.1
5	↓	(-1)	RADIO ITALIA Solomusicaitaliana	12.0
6	=	(0)	RAI RADIO 1	12.0
7	=	(0)	RAI RADIO 2	8.7
8	=	(0)	VIRGIN RADIO	6.7
9	=	(0)	RADIO 24 - IL SOLE 24 ORE	5.6
10	↑	(+2)	RADIO KISS KISS	5.3
11	=	(0)	M2O	4.9
12	↓	(-2)	RADIO CAPITAL	4.7
13	=	(0)	RADIO R101	4.5
14	↑	(+1)	RAI RADIO 3	4.0
15	↑	(+1)	RMC - RADIO MONTE CARLO	3.3

Source: data collected as a part of the RadioMonitor survey

Internet: active reach (June 2015)

Position June 2015	Change on previus year		Parent*	Active Reach** (%)	Average time spent on website by visitors (hh:mm)
1	=	(0)	Google	95.3	05:13
2	=	(0)	Facebook	81.2	13:23
3	=	(0)	Microsoft	72.9	01:25
4	↑	(+1)	Banzai	59.3	00:21
5	↓	(-1)	ItaliaOnline***	59.0	01:19
6	↑	(+3)	WhatsApp	57.6	09:52
7	↓	(-1)	Yahoo	55.6	00:48
8	↑	(+2)	Amazon	55.0	00:39
9	↓	(-2)	Wikimedia Foundation	53.7	00:19
10	↓	(-2)	eBay	49.7	00:46
11	=	(0)	Gruppo Espresso	47.3	00:27
12	=	(0)	RCS MediaGroup	44.0	00:27
13	↑	(+2)	Triboo	42.6	00:13
14	↓	(-1)	Mediaset	39.4	00:27
15	↑	(+1)	Seat Pagine Gialle	31.2	00:06

***Parent:** name of the website's parent entity. Parent provides the Parent-level information for a Brand or Channel

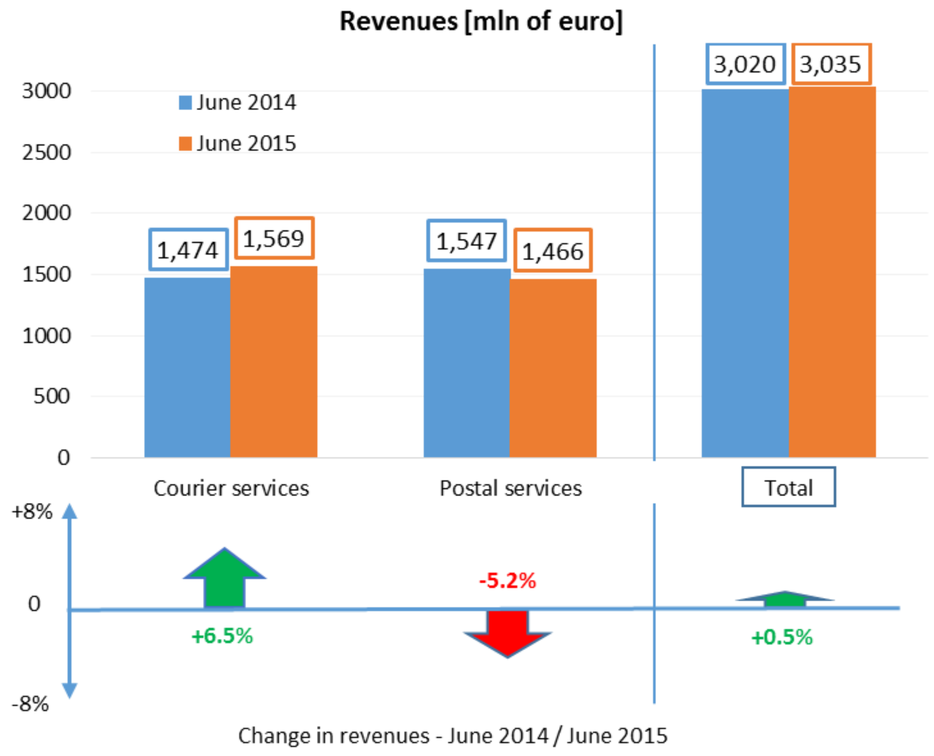
****Active Reach (%):** is the percentage of all active unique persons who visited the site or used the application.

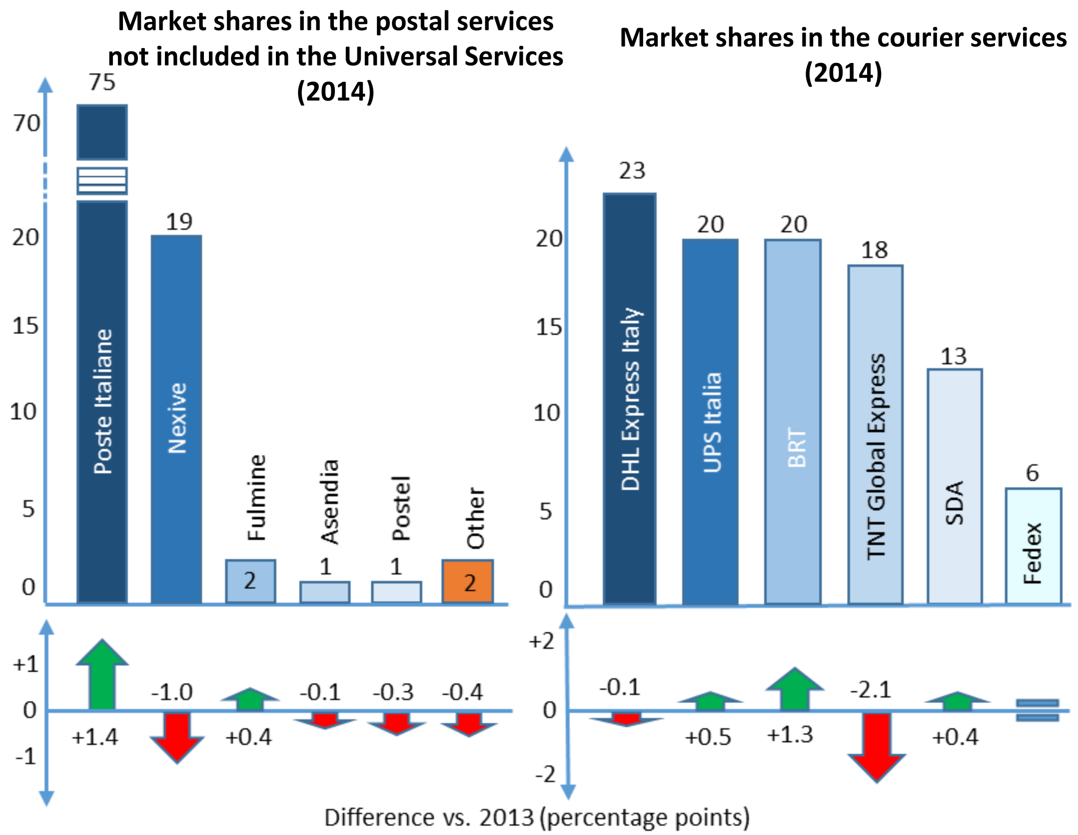
Source: Audiweb (June 2014 – June 2015)

- Data show that RTL 102.5 keeps the leading position, followed by RDS and Radio Deejay (belonging to the Espresso group, owner also of M2O and Radio Capital)

- Google parent entity remains the leader with about **95.3%** of the active reach
- The main portals to web navigation show the higher active reach

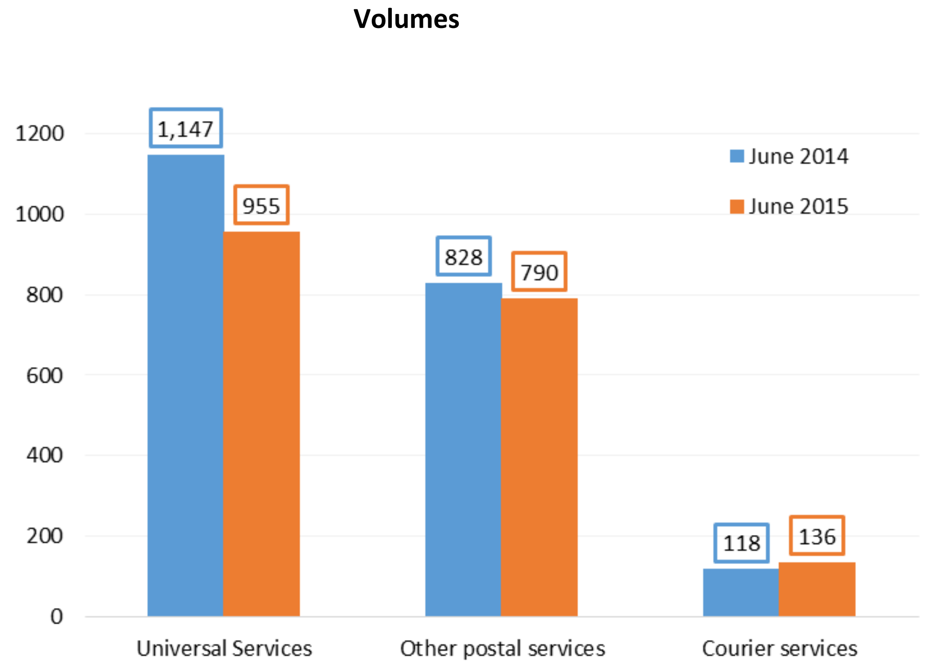
3.1 Postal services and express couriers: revenues

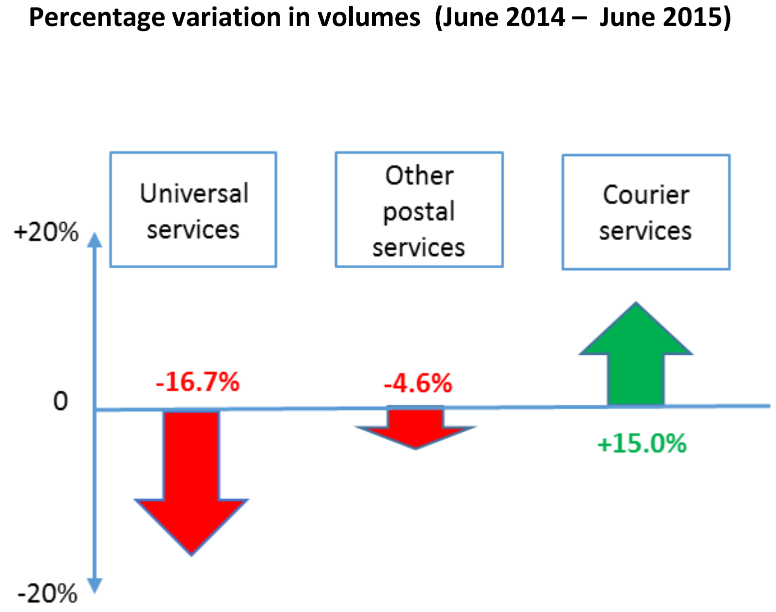




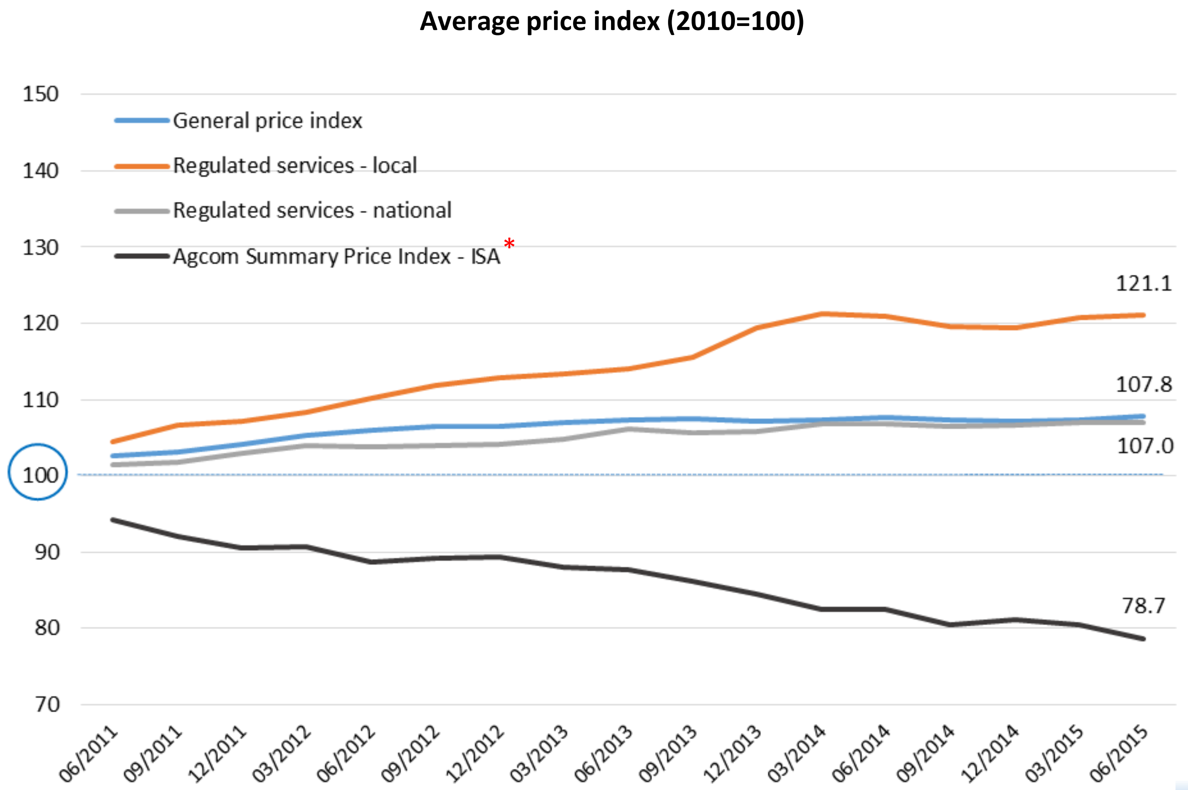
Source: AGCOM - Annual report 2014

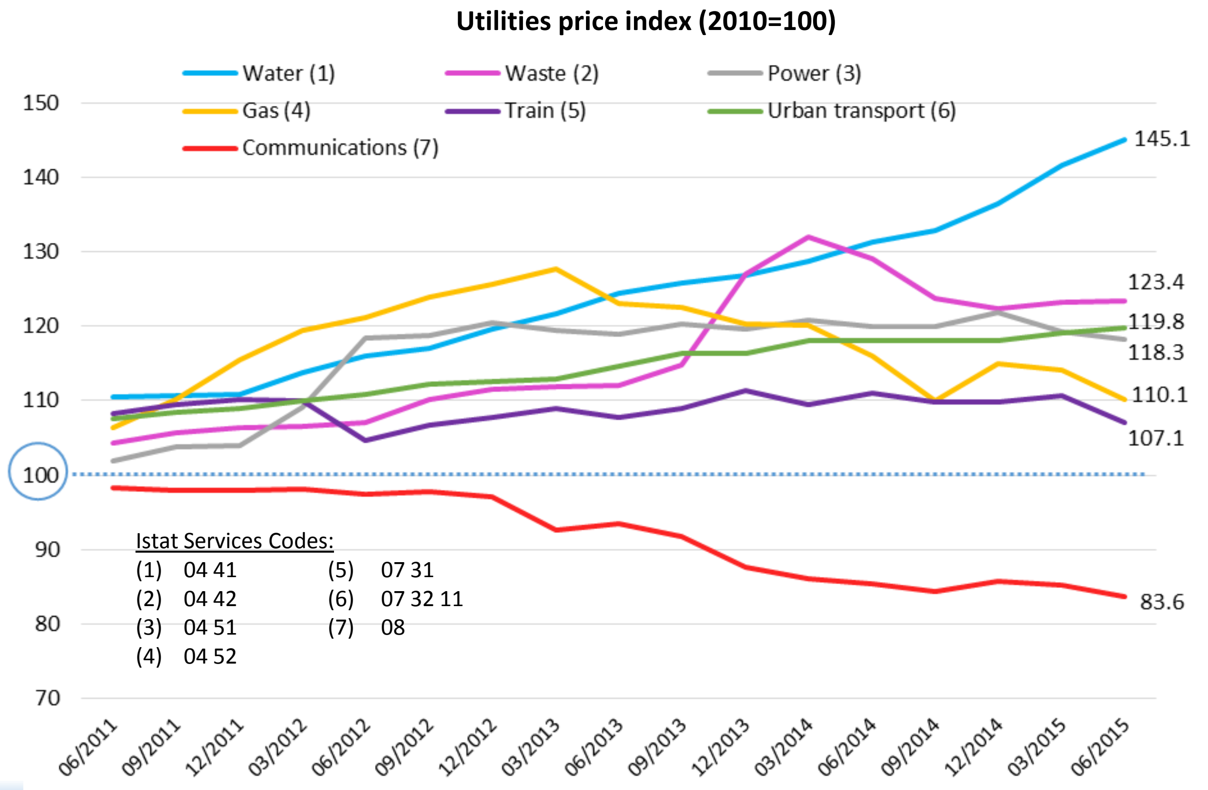
- At the end of Q2 2015, overall revenues are about 3,035 million of euros, about the same as in the previous year
- YoY, postal services' market has shown a decline in revenues (5.2%), whereas the courier services' market has shown a growth in revenues (6.5%)
- The revenues of courier services' market (**1,569 mln**) are higher than those of the postal services' market (**1,466 mln**)





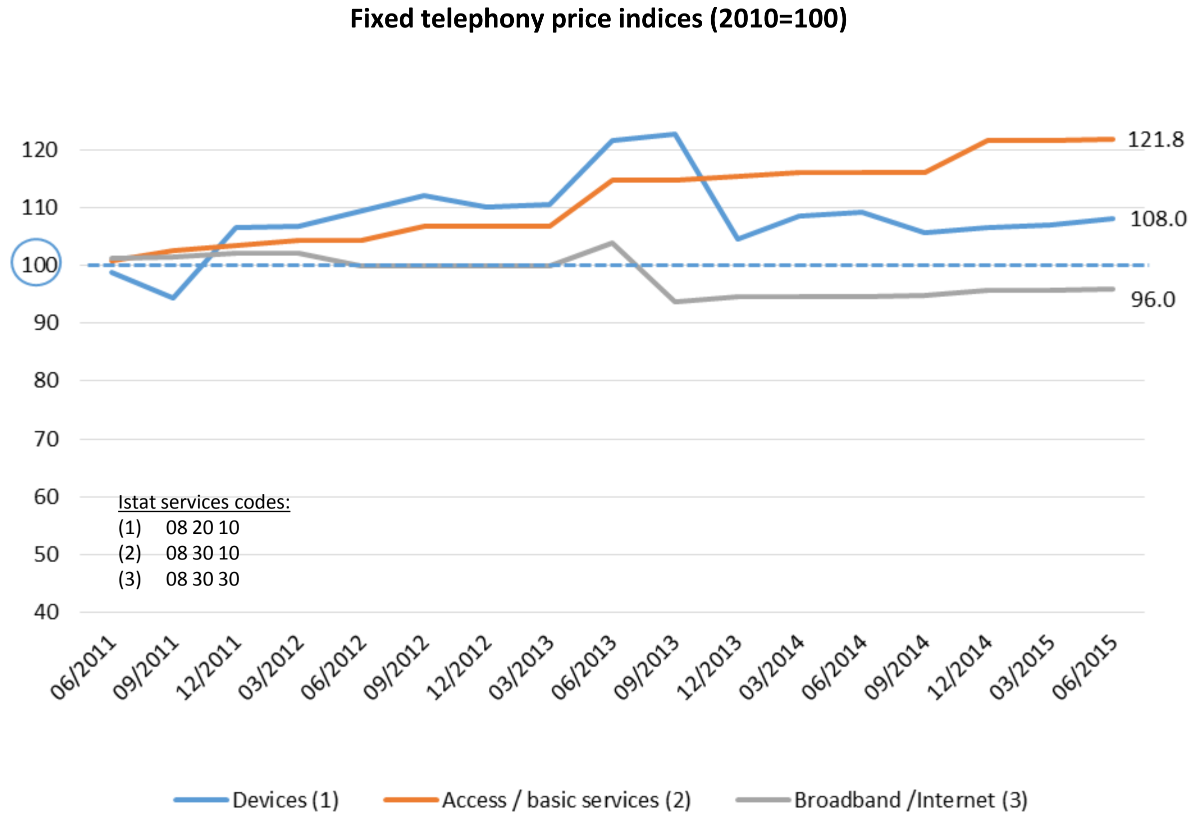
- In June 2015, volumes of universal services amount to less than **1 billion** units, showing a contraction of **16.7%** YoY
- Other postal services have shown a **4.6%** decrease in volumes YoY
- As for the courier services segment (**136 million** units from the beginning of the year), volumes have increased by about **15%** YoY



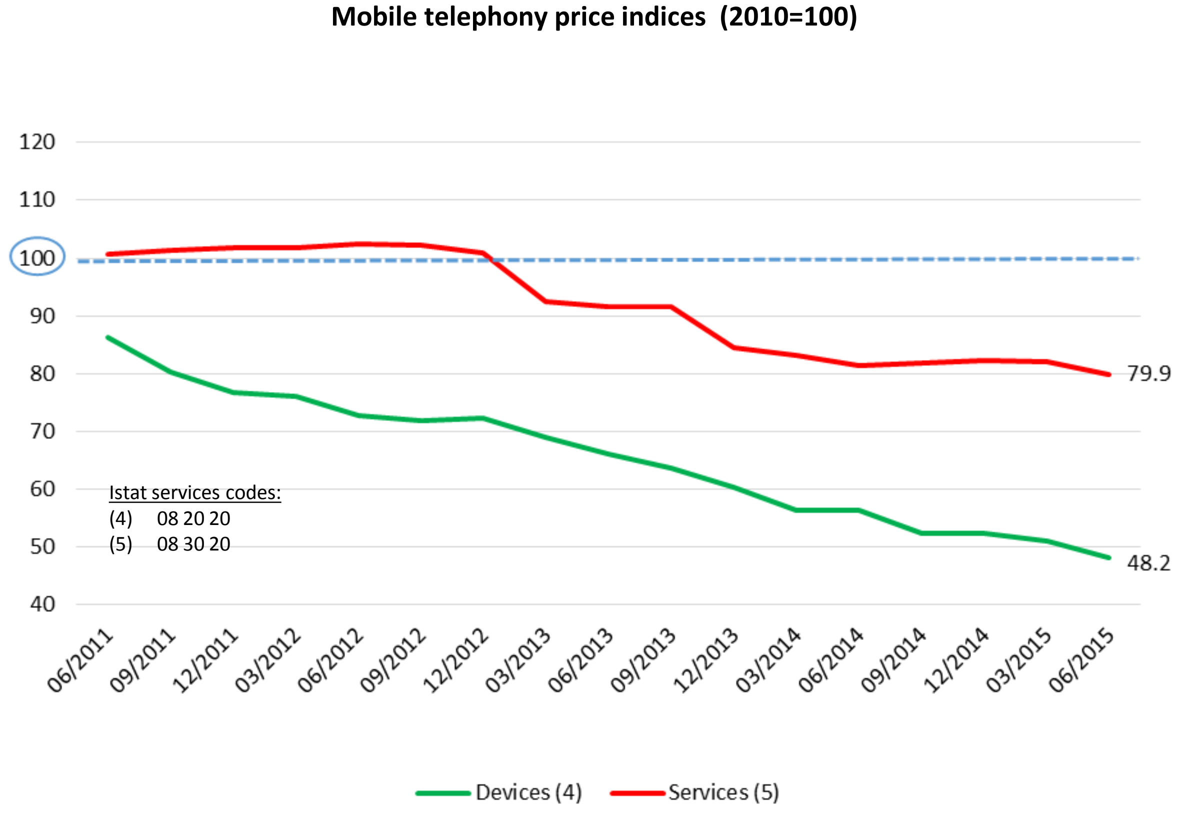


- The ISA price index has decreased at a faster pace as compared to the others price indices
- The growth rate of the prices of services regulated at the national level is comparable to the general price index, whereas the prices of services regulated at the local level show a steeper growth
- Among regulated services, communications price index is the only one showing a decrease since 2010

* The ISA («Indice Sintetico Agcom») price index includes postal services, services and devices for fixed and mobile telephony, public TV license fee, pay TV, newspapers and magazines (10 items). In compliance with the procedure adopted by ISTAT for the indices of consumer prices, the aggregate communications index is calculated by the "method of chaining", by which the system of weights assigned to the items is updated yearly.

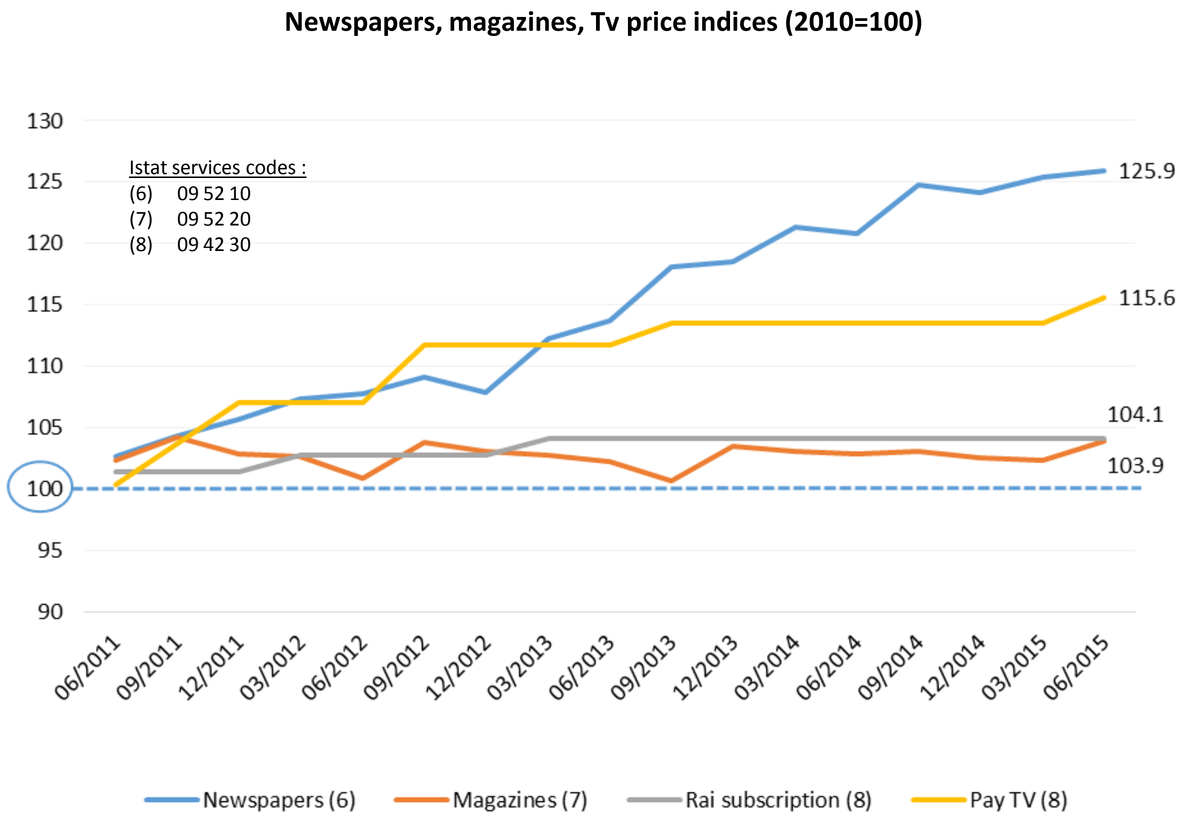


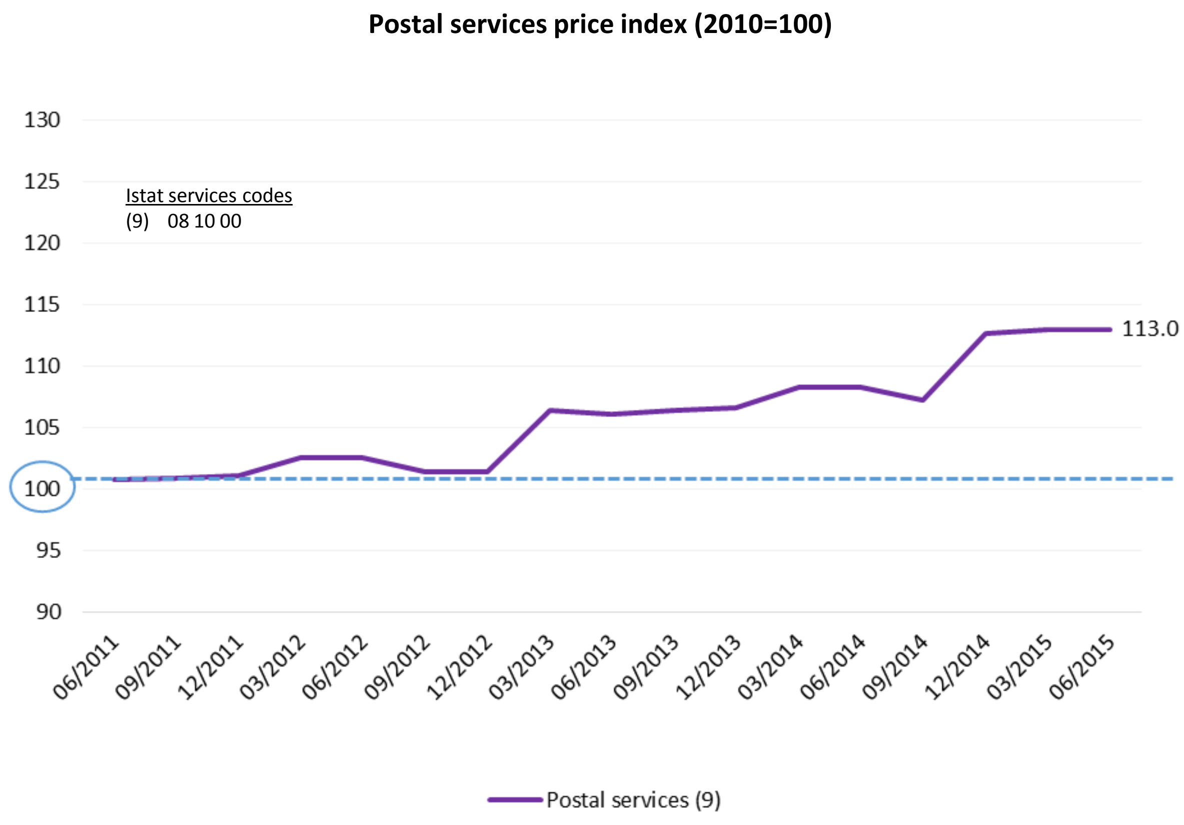
Fixed telephony price indices (2010=100)
120
110
100
90
80
70
60
50
40
121.8
108.0
96.0
Istat services codes:
(1) 08 20 10
(2) 08 30 10
(3) 08 30 30
06/2011
09/2011
12/2011
03/2012
06/2012
09/2012
12/2012
03/2013
06/2013
09/2013
12/2013
03/2014
06/2014
09/2014
12/2014
03/2015
06/2015
Devices (1)
Access / basic services (2)
Broadband /Internet (3)



Mobile telephony price indices (2010=100)
120
110
100
90
80
70
60
50
40
79.9
48.2
Istat services codes:
(4) 08 20 20
(5) 08 30 20
06/2011
09/2011
12/2011
03/2012
06/2012
09/2012
12/2012
03/2013
06/2013
09/2013
12/2013
03/2014
06/2014
09/2014
12/2014
03/2015
06/2015
Devices (4)
Services (5)

4.3 Daily newspapers, magazines, TV and postal services price indices





Communications – (2005 = 100)

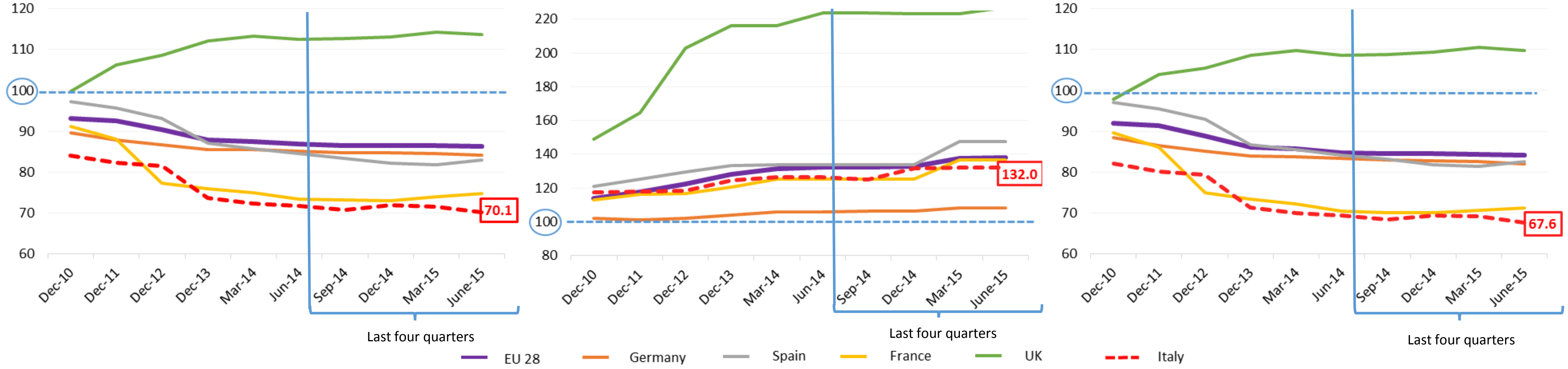
COICOP* -08

Postal services – (2005 = 100)

COICOP * -081

Telephone and telefax equipment and services – (2005 = 100)

COICOP * -082 -083



***COICOP**: **C**lassification **O**f **I**ndividual **CO**nsumption by **P**urpose

- The Italian communications price index is much lower than the European average
- The Italian postal services price index is slightly below the European price index

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