

Media Monitor 2022



Summary

With the Media Monitor, the Dutch Media Authority has been monitoring developments in the Dutch media sector for more than 20 years. In the Media Monitor, we provide an overview of media use and insights into the activities of media companies.

DPG Media, Mediahuis, RTL Nederland and Talpa Network are the largest companies in the Dutch media markets

For several years now, we have seen that the media markets have become increasingly concentrated. Four companies control Dutch news and information, next to the Dutch public service broadcaster NPO. RTL Nederland is a commercial television broadcaster and is owned by RTL Group, part of the German Bertelsmann. Talpa Network is a Dutch company and a private owned radio and television broadcaster. DPG Media and Mediahuis are news media publishers, both have Flemish owners by the same name.

In the television market RTL Nederland has a market share of about 25 percent. Talpa has a television market share of 15 percent. Together with the NPO they have jointly held a market share of approximately 75 percent in the linear television market for several years. In the radio market Talpa has a market share of nearly one third and DPG Media a market share of 11 percent. The radio market is jointly held by NPO, Talpa and DPG Media with a market share of 75 percent, also for several years. DPG Media and Mediahuis have an estimated joint market share in the printed newspaper market of more than 90 percent. If we look at the top 12 most used online news media, we see an unchanged situation since 2018: NOS.nl, the public broadcaster's online news channel, is the most used news app and website, DPG Media follows with eight brands, Mediahuis with two and RTL with one.

Strong increase in advertising spend leads to increases in media companies' revenues and profits

After a decline in advertising revenues during the first year of the corona crisis, the total advertising market has picked up well in 2021. Advertising revenues even increased well beyond the 2019 level. Both online advertising revenues and ad revenues from the television, radio and newspaper markets increased. The aforementioned four largest commercial media companies saw their turnover and profits increase sharply in 2021 as a result. Because turnover increased not only in the Netherlands, but throughout Europe, the foreign parent companies also benefited from the improved market. The media companies expect that in 2022, due to inflation and rising costs, the growth in turnover and profit will not continue.



Media use continues to shift to online in 2021 and preferences for social media are increasing

In addition to the poor economic outlook, the decline in the use of traditional media in 2021 may also mean that the increase in advertising revenues in these markets will be short-lived. During the first year of the corona crisis, television channels benefited from an increased demand for news and current affairs, but in 2021 daily use fell again.

Compared to social media and video-on-demand services, the television channels are still the preferred choice for watching news among all age groups. But this preference has fallen sharply between 2019 and 2022. Since 2018 watching news and current affairs on the television channels has decreased. This decline is stronger than the overall decline in television use, especially among young people. In 2018, 42 percent of 20- to 29-year-olds watched news and current affairs via the television channels. In 2021 this declined to 33 percent. While still 8 out of 10 among the over-65s watch news and current affairs via television channels. At the same time, the use of video-on-demand services is increasing among all age groups.

The trend of digitisation continues and was given a boost during the corona crisis. Young people use social media more on a daily basis than television and radio channels or online news media. Older age groups are also increasingly using social media. Also preference for social media as a news source is growing, particularly among young people. This applies to both reading and watching news. Clear insights into what different groups are using on social media is missing. But we do know that the Dutch news media are present there.

Daily reading of online news media has also increased again. Mainly daily reading of freely accessible news sites and apps from NOS, RTL Nieuws, and NU.nl, a digital born news site owned by DPG Media, has increased. Daily reading of printed newspapers has decreased further. The media sector faces a challenge to create sufficiently interesting digital journalistic content for new and younger paying subscribers. Is a new generation of newsreaders willing to pay for quality news?





Media companies invest in digital subscriptions

Media companies are investing in digitisation and the number of digital subscriptions is increasing strongly. At Mediahuis, the number of digital subscribers increased by 20 percent. In 2021, the share of digital and hybrid subscriptions to Mediahuis media brands is 40 percent. In 2017 this was still 18 percent. DPG Media also saw the number of digital and hybrid subscriptions grow by 24 percent in 2021.

RTL Group mainly invests in subscriptions to their video streaming platforms. For example, the group is investing 600 million euros in video content. With this they hope to be profitable by 2026. They want to compete with the many new video streaming services that have launched or are coming soon, including Disney+ and Apple TV+, and WarnerMedia Discovery's new HBO Max. In the Netherlands, RTL is focusing on the growth of Videoland, among other things by merging RTL XL, RTL's catch-up platform, and Videoland.

Podcast has also become a subscription market in 2021. Several media companies have invested in paid and unpaid podcast and audio platforms over the past year as podcast use, as well as advertising revenue, has grown. For example, the Danish Podimo took over Dag en Nacht Media, one of the largest Dutch podcast networks, and introduced a subscription model. Since paying for podcasts is a relatively new phenomenon, the question is whether this is a sustainable revenue model in the future. Mediahuis, DPG Media and the Dutch public broadcaster NPO are also developing and running paid and unpaid podcast platforms.

Concentration in the European television market: competition in national or international markets?

Media companies are investing in digitisation as they increasingly have to compete with major international players in the global information, entertainment and advertising market. Consolidation and cooperation is a response to this. For example, broadcasters RTL Nederland and Talpa Network announced their merger last year. The Netherlands Authority for Consumers and Markets (ACM) started an investigation into the merger at the beginning of 2022, as they see risks in the field of competition. A decision is expected at the end of 2022 and may intersect with the publication of the Mediamonitor.

RTL Group not only planned a merger in The Netherlands, but also in France. This merger between the two largest players in the television market did not succeed due to objections from the French competition authority. The authority sees too many risks for competition in the advertising market. The parties involved, M6 from RTL Group and TF1 from Groupe Bouygues, find that proposed solutions render the merger irrelevant and have withdrawn their plans. They are disappointed that the authority does not recognize that media companies no longer only compete in national television markets, but mainly compete with the major platforms in the international markets.

In Belgium, RTL Group has chosen to sell its television branch. RTL Belgium was sold to DPG Media and Groupe Rossel at the beginning of 2022. As a result of the acquisition, DPG Media will also become active in the television market in French-speaking Belgium in addition to Flanders, and they will significantly expand their portfolio in the country.

NPO has a strong position in media usage, but faces criticism of new candidate broadcasters

The public broadcaster NPO is the largest provider in various markets. In 2021, the NOS had the largest daily use of all online news media with its website and app, and the NPO has the largest market share on both the linear television and radio market. However, the NPO has received a lot of criticism in the past year after a new candidate broadcaster Ongehoord Nederland (English translation: Unheard Netherlands) joined the public service system. The broadcasts of this new broadcaster triggered a lot of concerns among the audience and complaints about journalistic values and racism. This raises the question whether assessment criteria for entry of new candidate broadcasters and the public broadcasting system are futureproof.



Digital transformation at publishers leads to changes in the local news diversity

Despite the fact that the number of media companies has decreased, the amount of national and regional titles remains about the same. But at the local news market titles disappear, due to digitisation, and in particular the free local papers. Publishers terminate less profitable activities and invest in futureproof (online) activities. For example, DPG Media is committed to expanding the local news platform Indebuurt.nl and in 2021 they have sold the majority of their free local newspapers to local companies. And at the moment all regional daily newspapers are owned by one of the two largest publishers, except for one independent publisher. In November 2021, the last acquired publisher, NDC Mediagroep, was renamed Mediahuis Noord. The acquisition has resulted in synergy benefits and, following a reorganisation, the financial results of Mediahuis Noord have improved significantly. On the one hand, these strategic choices mean that titles remain intact or can continue online. On the other hand, the question is if this has an impact on the local news diversity in certain communities in the Netherlands.

Economic power of international players continues to increase

As mentioned, the basis for consolidation and cooperation lies with the competition of major international players. The share of these companies in online advertising revenue shows how large their economic power is. This share is estimated to have increased from 54 percent in 2015 to 80 percent in 2021. In addition to Alphabet (Google) and Meta (Facebook), the Chinese platform TikTok is also starting to play an increasingly important role. Their global revenue grew by 175 percent in 2021. Data from various studies also show that the use of TikTok is increasing in the Netherlands. More than 40 percent of young people use TikTok on a daily basis.

Points of attention

A strong public service broadcaster is important in a concentrated news market

Recent developments show that in a concentrated news market we need the presence of high quality professional news and information content, which is created independently, is diverse and trust-worthy. Public service media play a very important role in this.

Visibility and findability of professional journalism is essential in a digital world

Professionally created quality news is essential in an online environment with an infinite amount of media content that is not always created on the basis of journalistic norms and values. Not only publicly financed news and information, but also commercially produced content can have a great public value and is therefore indispensable. Quality news must be recognisable, visible and findable online – and on social media in particular – given that the preference for consuming news and information is increasingly shifting to social media.

Fewer providers, but still many news brands nationwide

But not only accessibility to quality news is important, the independence of news brands is also essential. The number of media owners is decreasing, but on a national level the number of news brands remains about the same. Safeguarding of the independence of news brands is vital and a prerequisite for the diversity of news and information. Currently this is guaranteed, among other things, by editorial statutes.

Additional research is needed into the diversity of journalistic content

In recent years, the Media Monitor has mainly focused on the diversity of media use and not so much on the diversity of media content itself. Because journalistic news content has a great public value, especially in an online environment, we want to once again shed our light on monitoring the diversity of the supply-side of the media sector. The Dutch Media Authority is therefore exploring the possibilities of starting up a model for the monitoring of the diversity of journalistic news content against the background of digital transformation, convergence and consolidation.

More cross-media data and more transparency helps monitoring media developments

Not all (inter)national media companies are transparent about data such as ownership details and their financial situation. As a result, monitoring is not always feasible. To make research possible, new international legislation aims for more transparency from companies. Also new cross-media data is needed to determine market shares on (inter)national cross-media markets.

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