MEDIAMONITOR

THE DUTCH MEDIA IN 2010

COMMISSARIAAT VOOR DE MEDIA

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Colophon

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PREFACE

The European Union has directives and regulations in the most varied of fields, but, in spite of efforts made in the 1990s, regulation at European level in the field of media concentration has never been forthcoming. That is not to say that the different member states have varying views on media concentration. National and European media policy makers broadly share the view that a pluralistic and varied media supply is essential in a democratic political system, and that a concentration of media ownership in the hands of a few poses a risk to media diversity and subsequently to democratic opinion forming. The American political scientist Robert A. Dahl (1915), famous for his studies on democracy which have long been considered a classic, coined the term ‘polyarchy’ as the core of democracies. According to Dahl, democratic nations are characterized by a large number of power centres that can each exercise influence on the political process in society. Political polyarchy makes democracy by far the preferable social decision-making mechanism. Political polyarchy includes media polyarchy, a media system in which none of the media owners or media opinion-makers can monopolize the power to create opinion in society. This is the classic argument for media pluralism and against excessive media concentration.

Fostering media pluralism and media diversity presumes regulation at national and/or European level to set limits on media concentration. But any policy or regulation in this field must begin with the facts and with a picture of the actual media concentration in the country. This is the path the Dutch government has followed. To contribute towards media policy or to provide input for amendments, the Dutch Media Authority (Commissariaat voor de Media) has published the Mediamonitor annually since 2002 giving an overview of the concentration and diversity of the Dutch media system. In the early years the focus was primarily on the more or less traditional media markets of newspapers, radio and television. However, with the increased importance of the internet in opinion formation, the Mediamonitor now also includes all the media markets that are relevant to news provision and consequently opinion power in society. Moreover, the Mediamonitor also addresses free newspapers, news usage, press agencies, search engines, local newspaper editions and online news.

Like democracy, the distribution of the power to influence opinion and media diversity is also a common good in Europe. In order to continue fostering these values throughout the EU, it is recommended that member states regularly inform each other about the ins and outs of their national media systems. With this English language Mediamonitor publication, the Dutch Media Authority intends to emphasize this recommendation.

This publication discusses the newspaper, television, radio markets and the internet, introduced by an explanation of the regulations on media concentration. To put the Dutch media landscape in the wider European context, information is also presented on the various markets in several other European member states (Belgium, France, Germany, Italy, Sweden, Spain and the United Kingdom). An updated overview of the Dutch media markets will be given annually in English at www.mediamonitor.nl.

Hilversum, February 2011

Dutch Media Authority,
Prof. Dr. Tineke Bahlmann, chair
Prof. Dr. Madeleine de Cock Buning, commissioner
Prof. Dr. Jan van Cuilenburg, commissioner

EXECUTIVE SUMMARY

Introduction

In 2000, the Dutch Media Authority was given the new task of monitoring media concentration. Since 2002, the Mediamonitor of the Dutch Media Authority has published annual reports about the public information supply with a specific focus on the effects of media concentration on the diversity and independence of that information. This Mediamonitor is a special edition because it is written in English to provide an introduction to the Dutch media landscape to an international audience.

The comparative framework of this report comprises seven other Western European countries: Belgium, France, Germany, Italy, Spain, Sweden and the United Kingdom. The information presented on these countries serves as a frame of reference to put the Dutch media landscape into perspective.

The Mediamonitor's analytical concept is based on the concept of pluralism – a wide variety of diverse opinions and ideas in the media as well as a great number of independent suppliers disseminating information – which is considered to be highly important in democracies such as the Netherlands. The inverse of media diversity is concentration, and this can be found throughout all phases in the media production process, starting with content creation and ending with consumer exposure. In relation to each of these phases, four types of concentration are distinguished, each with its specific statistical indicators: 1) supplier (or ownership) concentration; 2) editorial programming concentration; 3) diversity of media content and; 4) audience (or exposure) concentration. Most types of media concentration, with the exception of media content, are monitored for the newspaper, television and radio markets as well as the internet. The media landscape has been limited to these four media markets because they are considered the most important for public opinion formation. For this report, only media titles that are updated daily have been selected.

Safeguarding media diversity

The principle of media diversity is very differently interpreted and implemented by the national governments, which has resulted in a great variety of rules and regulations. While the provisions only count global similarities, one clear trend is signalled in the studied countries: a wave of deregulation in ownership rules seems to go through Europe. This also applies to the Netherlands where the Temporary Act Media Concentration was repealed as of the first of January 2011. The increasing amount of news sources is one of the reasons why concerns about media diversity gradually seem to move away from measures which aim to secure a minimal number of players in a market. Instead of measuring the variety of suppliers, the debate is shifting to the users' perspective: the number of different sources an individual is exposed to. In this sense, legal provisions about ownership concentration might loosen importance while monitoring of media use is presumed to become more important.

Since the early 1990s, ownership measures have gradually been integrated into media legislation in most of the European countries studied. Four of the eight countries discussed, Belgium, Spain, Sweden, and recently also the Netherlands, do not have specific legislation to limit media ownership. In these cases, general competition law accounts for antitrust, mergers and acquisitions in the media markets. This logic also applies to the EU in general because no supranational legislation exists on media ownership.

The many different provisions found in media ownership policies can be categorised into medium-specific regulations ('mono-media') and those applied to multiple media markets ('cross-media'). As for the daily newspaper market, the market share (percentage of circulation) may be held by a single party is 30 percent in France and 20 percent in Italy. Germany, Sweden and the UK only consider the daily press in the context of cross-media ownership.

Licensing is the most common legal instrument to securing a minimum number of suppliers in the (local, regional or national) radio markets. Only Germany and the French community in Belgium quantify ownership in terms of audience share rather than the number of (interests in) licences.

Thresholds of ownership in the television sector are mostly expressed in terms of audience share or interests in a licence holder. The French have defined limits in terms of voting rights and capital shares, while Germany and Belgium consider the demand side of the market by formulating limits on audience share, and the Spanish look at potential reach in a coverage area.

In addition to these medium-specific rules, cross-media legislation is found in France, Germany, Italy and the UK. Placing limitations on the activities a person or legal entity may perform in multiple markets prevents one single party gaining considerable influence in the media landscape.

Key players

In most European countries broadcasting was a public monopoly until the 1980s. Public broadcasting companies are still among the largest media companies: in terms of turnover the German ARD is the fifth largest media company in Europe, followed by the BBC at number six. There are only small differences in terms of television audience shares between the public broadcasters in the selected European countries, but huge differences in terms of total income. Even if population is taken into account, enormous differences remain. Investments per inhabitant are the highest in Germany and the UK and the lowest by far in Spain, but they are also comparatively low in the Netherlands and Italy.

Despite Dutch public broadcasting being relatively low-priced, the structure of the national public broadcasting system is very complex and consists of many independent broadcasting associations. The NOS is responsible for central coordination and providing news and sport content and the NTR for culture and education. Additionally, there are nine (associate) broadcasters based on organizations with more than 150,000 members and two with more than

50,000 members. There are specific licences for religious, spiritual and philosophical groups, as well as for political parties. Their air time is issued to one representative organization of each main group.

Of the 50 largest media players in the world, 21 are based in Europe: four public and 17 commercial media companies. Nine of them are publishers and six are radio and television broadcasting companies. Bertelsmann is the largest European media company. It is striking that most of the biggest Dutch publishers and broadcasters are owned by foreign European companies, with the exception of Telegraaf Media Groep. This company publishes the largest paid-for newspaper, the second largest free daily paper and various regional dailies in the Netherlands, and also owns radio stations and internet sites. The publishers of most of the regional daily news papers, Wegener and Media Groep Limburg, were acquired some years ago by the stock exchange listed Mecom Group from the United Kingdom. PCM Uitgevers, the publisher of the largest national high-quality newspapers, was taken over in 2009 by the Belgian Persgroep, which was already present in the Netherlands with one daily newspaper and a radio station. The German Bertelsmann is the parent company of RTL Nederland, which is the largest commercial player on the television market with four channels and is the largest commercial radio broadcaster with Radio 538. The number three on the Dutch television market is SBS Nederland, which is held by the German ProSiebenSat.1 Media AG.

Daily newspapers

In the Netherlands newspapers are a popular medium, but this is not the case in all the studied countries. In Spain, Belgium and France, 40 percent of the population does not read any newspaper. The top 3 countries with the highest reach of newspapers are Sweden, Germany and the Netherlands.

Looking back on developments on the Dutch daily newspaper market, the number of titles declined considerably between 1987 and 2003, but it is striking that the number of daily titles in the Netherlands has been relatively stable since 2003 with about 40 titles. The total circulation of all dailies declined only somewhat during the last 10 years; while paid newspapers lost noticeably, free dailies gained importance. In 2009, two of the three largest suppliers were foreign: Mecom and De Persgroep, with a combined share of 40 percent of the total circulation. The publisher with the largest market share is the Dutch Telegraaf Media Groep, with the most important newspaper being De Telegraaf. These three parties together control 70 percent of the total Dutch daily newspaper market.

Television

Television is considered to be an important medium when it comes to public opinion formation. In the Netherlands in 2009, relatively little time was spent watching television: about three hours a day. People in Italy, the UK and Spain watched the most television, people in Sweden the least. Predominantly public broadcasters are chosen: in seven of the eight countries a broadcaster has the largest market share.

Although there has been considerable growth in the Dutch television market over the past thirty years, the number of suppliers continues to fluctuate. In 1987 there was only one public broadcaster (Publieke Omroep) with two channels. Since then nine surviving commercial suppliers have forged places on the market and there is now a total of 21 nationwide channels. At national level, the three largest broadcasters together hold three-quarters of the Dutch television market shares. These are the Dutch public broadcaster (Nederlandse Publieke Omroep, NPO) with about one-third of the audience share, RTL Nederland with one-quarter and SBS Nederland with somewhat less than 20 percent. Regional television has a relatively small market share with less than two percent.

Radio

Dutch people enjoy listening to the radio; they even spend more time per day listening to this medium than watching television: 201 minutes. In Spain there is less interest in radio with over one-third of residents not listening. In respect of amounts spent on radio advertising, Belgium has the highest amount per resident: 25.3 Euros. By comparison: in the Netherlands 14.2 Euros per capita are spent and the lowest amount is found in Sweden, where 7.8 Euros are spent on radio advertising per resident.

The growth in radio stations and suppliers began in the Netherlands in 1988, when commercial radio stations were allowed into the system. In 2009 there were 10 suppliers and 22 stations. The variety in stations and suppliers is an effect of the Dutch law that limits the number of stations from one supplier. Relatively few foreign parties are present on the radio market. The top 3 suppliers of national radio stations have a combined market share of 60 percent, of which only the number three, RTL Nederland, with a share of 10 percent, is in foreign hands.

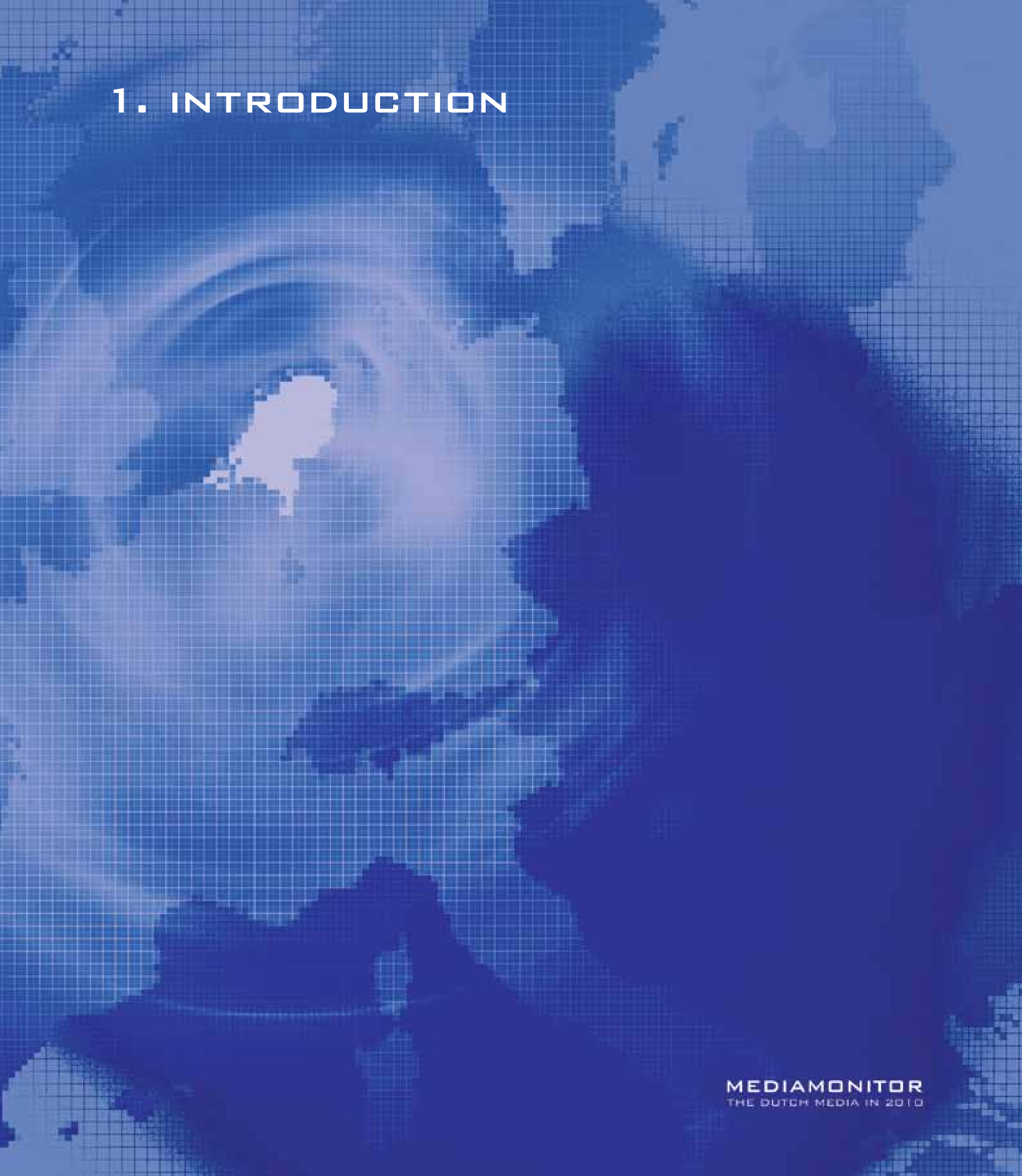
Internet

The Mediamonitor considers the internet important with regard to their contribution to public opinion formation; developments in this medium are therefore also closely monitored. In the Netherlands the internet is used by 46 percent of residents to consult online magazines and daily newspapers. With the exception of Sweden and the United Kingdom, this percentage is significantly lower in the other countries. The most popular website in all the countries is the local version of google.com. The number two and three places are largely held by facebook.com and youtube.com. The Netherlands has a relatively large number of home-grown websites in the top 10: instead of eBay and Facebook there are the national marktplaats.nl and hyves.nl. Google again holds the largest market share with regard to the use of search engines. An overview of the most-visited websites in each country shows that the Netherlands, with 10 news sites, has a relatively large number of news sites in the top 100. Among these news sites, the top position is taken by nu.nl, an internet-only news title, followed by telegraaf.nl, which belongs to a newspaper, and geenstijl.nl, again an internet-only news title. In the other countries it is websites affiliated to daily newspapers that are predominantly visited.

News market

In 2007 the Mediamonitor introduced a new model for monitoring opinion power in response to the transitions in the media landscape. On the one hand, attention is shifting from ownership concentration (or supplier concentration) to the users who are supposed to make responsible choices amid the incredible amount of available news sources. On the other hand, technological developments have made classical categorisations of traditional media outdated. Instead of monitoring suppliers in the radio or television markets, a shift has to be made to content markets. According to the Monitor, the greatest risk to society lies in the area of news content. News sets the agenda for public debate, which is why the use of news is a good indicator of opinion power. As there are no longer regulations on media concentration in the Netherlands, the importance of signalling concentration of power in public opinion formation in the news market is argued to be even more important.

1. INTRODUCTION



1. INTRODUCTION

After six years the Dutch Mediamonitor is once again publishing an edition for an international audience. This special edition of the Mediamonitor is not only written in English, it also has a different structure than the annual Monitor. This introduction explains the background of the Mediamonitor and how this report is organized.

1.1 Outline of the report

In 2001, the Ministry of Education, Culture and Science asked the Dutch Media Authority to closely monitor media developments with respect to the possible consequences of media concentration. Since then the Mediamonitor has been providing insights into the public information supply and particularly into the effects of media concentration on the diversity and independence of that information supply. The Mediamonitor publishes a report annually on the Dutch media landscape, media concentration, ongoing trends, as well as analysis of particular issues related to media pluralism on an incidental basis. In addition to this report (paper version and pdf), this information is also available online at www.mediamonitor.nl.

To offer people abroad a context from which to enter the Dutch media landscape, all chapters in this report begin with a short comparison of selected key European countries and the Netherlands. This chapter gives a short introduction of the Netherlands, explains why the selected countries and media markets were selected, and presents our concept for analyzing concentration in the Dutch media markets. Chapter 2 discusses media concentration policies in the selected countries. Chapter 3 presents information on the largest media companies in Europe and the most important newspaper publishers and broadcasters in the Netherlands. The various media markets – newspapers, television, radio and internet – are discussed in Chapters 4 to 7. While the chapters on the media markets are strongly descriptive in nature, Chapter 8, about the news market, serves as a future outlook. This last chapter presents an additional model for measuring the power to influence public opinion formation in news markets.

1.2 Selected countries and media markets

The Netherlands

This brief introduction gives some basic information on the geography, social-demographics and constitution of the Netherlands as a national context for the Dutch media landscape.

The Netherlands, located in the heart of Europe, is a small, low-lying country with a relatively high population density. The 16.5 million Dutch citizens are spread throughout more than 400 municipalities in twelve provinces. More than 40 percent of the population lives in the so-called Randstad, a conglomerate of the four largest cities: Amsterdam, Rotterdam, Den Haag and Utrecht.

The official languages are Dutch and Frisian. While Dutch is spoken throughout the whole country, Frisian is spoken in the province of Friesland. Like many other countries in Western Europe, the Netherlands has a high rate of immigration; 80 percent of the population was born in the Netherlands and 20 percent are ethnic minorities. The biggest immigrant groups are from Turkey, the old colonies of Indonesia, Germany, Morocco and Suriname and the Dutch Antilles.[1] The Netherlands is a secular country; 27 percent are affiliated with the Catholic Church, 19 percent with three different Protestant churches, 42 percent are not affiliated with a church, and ten percent belong to other faiths, Islam in particular.[2] Answers to the question of whether people believe in God showed that Sweden, the Netherlands and France were the most atheist countries with percentages between 23 and 34 percent, while Spain (59 percent) and Italy (74 percent) were the most religious.[3]

The Netherlands is a constitutional monarchy with a multi-party system. Four pillars characterized Dutch society until the 1960s: Social democrats, Catholics, Protestants and Liberals. Each pillar had its own institutions: political parties, schools, banks, universities, trade unions, hospitals, sports clubs and – most importantly in our context – its own newspapers and broadcasting organizations. In the sixties, a depolarization began and newspapers are now no longer related to particular pillars, although the old broadcasters are still part of the current public broadcasting system.

The traditional political parties are the Christian Democrats (CDA), the Social Democrats (PvdA), the Liberal party (VVD) and some smaller parties such as the Green party (Groenlinks) and a Social Liberal progressive party (D66). Some very small parties have also entered government: two other Christian parties and an animal rights party. Two populist parties have also been successful in the last ten years. Pim Fortuyn was murdered before the 2002 election, but his Pim Fortuyn List (LPF) party still won a large number of seats and formed a coalition together with the Christian Democrats. In the 2003 election, the party lost most of its seats. In 2010 the Party for Freedom (PVV) won a large number of votes and represents the right wing of government.

The Netherlands compared with seven Western European countries

Comparative descriptions of the media landscapes, the media markets and media organizations are presented in this report. The idea behind this is to make the Dutch media system more accessible by comparing the Dutch media landscape with the landscapes of the other Western European countries that surround the Netherlands. First, direct neighbours Belgium and Germany were selected. The Flemish part of Belgium borders the Netherlands to the south; it shares the same language and looks back on a common history. Together with Luxembourg and Belgium, the Netherlands form the Benelux union. In addition to Germany, the eastern neighbour, France, the United Kingdom, Italy and Spain were selected. These are the five largest EU countries. In addition to this group, the Scandinavian countries are represented by Sweden. These seven countries represent the areas to the North, South, East and West of the Netherlands.

Table 1.1 provides information on total populations and Gross Domestic Product (GDP). The selected countries vary widely in terms of population with the large countries being somewhat over-represented. There are potentially five times more media users in Germany and at least 3.5 times more media users in France, Italy and the UK than in the Netherlands. Only the segregated population of Belgium and that of Sweden are smaller. Due to the large differences, the total population has been used throughout the report to put differences between the countries into perspective. The GDP is particularly important for understanding the scope of media markets. Although the Netherlands is a small country, it has the highest GDP per capita of all the selected countries, which implies great potential with respect to consumer expenditure on the media on the one hand, and advertisers on the other.

Table 1.1

Population and Gross Domestic Product in 2009

	Total population (x thousand)	GDP per capita in current prices (x thousand Euros)
Belgium	10,755	31.4
France	64,351	29.6
Germany	82,002	29.4
Italy	60,053	25.2
The Netherlands	16,487	34.6
Sweden	9,256	31.3
Spain	45,828	22.9
United Kingdom	61,635	25.3

Data source: Eurostat online database and Eurostat, *The social situation in the EU,* 2009

Four media markets and one content market

The media markets in this report are defined by media types. The question is: what are the most important media markets? In terms of time spent using media, the most time in the Netherlands is devoted to radio, television, the internet and newspapers. Advertising expenditure can be seen as an indicator of the ability to reach and influence a population in a particular country using a specific media type, and gives thus an indication of the importance of media types. Germany, Sweden and the Netherlands are print countries, with newspapers and magazines together accounting for more than 50 percent of the advertising expenditures (table 1.2). Note that 'newspapers' includes both daily and weekly publications. Compared to other countries, Sweden leads the advertising expenditures in the daily press and the Netherlands in magazines. At the same time, the importance of television and radio is lowest in Sweden, the Netherlands and Germany. In the UK, Sweden and the Netherlands, a relatively large proportion of money is spent on online ads. The fact that advertising is restricted on public broadcasting in some countries appears to lead to an underestimation of the importance of television and radio in Germany, Sweden and the UK.

Overall it can be concluded that there is a group of rather similar countries: the Netherlands, Sweden and Germany, with relatively low importance of radio and television and high importance of print media and the internet.

Table 1.2

Advertising expenditure shares in 2008 (percentage)

	Newspapers	TV	Internet	Magazines	Radio	Other
Belgium	29.5	31.9	10.5	10.9	10.4	6.8
France	22.7	28.4	15.6	16.6	6.4	10.2
Germany	37.4	23.0	15.3	15.2	4.1	5.0
Italy	18.0	49.9	8.7	15.1	5.3	3.1
The Netherlands	33.5	20.1	18.4	17.6	6.5	3.9
Spain	23.2	43.9	9.1	8.9	9.1	5.9
Sweden	42.9	20.0	19.4	10.1	2.9	4.6
United Kingdom	28.4	26.4	23.2	10.9	3.1	7.9

Data source: European Audiovisual Observatory, *Yearbook*, 2009

The market for daily newspapers, television channels and radio stations is relatively homogeneous. Magazines and internet are, by contrast, very diverse. Because they are considered to be the most important for public opinion formation, only media titles that are updated daily have been selected for this report: daily newspapers, radio, television and the internet. Other relevant media titles such as weekly papers or current affairs magazines are not included. However, in Chapter 8 we introduce the idea of a news market, which covers all media types.

1.3 The concept of pluralism: media diversity

Because an open and free media landscape with divergent opinions and ideas is a key aspect in democratic societies, media pluralism is considered highly important with regard to media policy. Given the foundation of pluralism in legislation on media concentration, the theoretical background of media pluralism will be discussed briefly. The Mediamonitor's model for analyzing media markets is presented in a break-down of the different aspects of pluralism.

Pluralism refers to diversity in the most general sense. However, the concept includes a number of aspects and has been interpreted from different perspectives, and consequently is measured by using many different qualitative and quantitative criteria. In analyzing the concept of pluralism, two perspectives have to be mentioned in this regard: internal and external pluralism.

Internal pluralism reflects how social and political diversity are reflected in media content. That is, the representation of different cultural groups in the media as well as divergent political or ideological opinions and viewpoints.[4] Internal pluralism plays an important role in news and public affairs coverage, and also for public broadcasting and media landscapes dominated by one (monopoly) or two (duopoly) players. Governments can not only stimulate internal pluralism by facilitating public service broadcasting, but also by means of financial support such as grants, press funds, reduced tax rates, etc.

Whereas internal pluralism focuses on media content, *external pluralism* covers the number of owners, media companies, independent editorial boards, channels, titles or programmes.[5] This type of pluralism is also known as the 'plurality' of suppliers. From the perspective of the 'free marketplace of ideas', competition between these media content suppliers is considered to be essential in order to ensure a free choice of media content and the availability of a wide variety of opinions and ideas. Policies on media concentration are most concerned with the market power that owners or companies may gain and the subsequent possibility of exerting influence.

The Mediamonitor focuses on external pluralism, hereafter referred to as *media diversity*[6], and does not address media content specifically. Due to the various aspects of media content research, the Mediamonitor is not able to regularly assess the diversity of media content, only incidentally in thematic studies. The Dutch News Monitor[7] does however regularly investigate the coverage of remarkable news events (or 'hypes') as well as the representation of political parties and politicians in newspapers, on television and on news sites.

In further breaking down media diversity, the Mediamonitor uses a model to analyze the media markets that takes into account all steps of the media production process. Media concentration (the opposite of diversity) can manifest itself in the value chain of *content creation, content packaging* and/or *content delivery* (see figure 1.1). The value chain is shown as having three main components: source (supplier), content and consumer (audience).

Figure 1.1

Value chain of the media production process

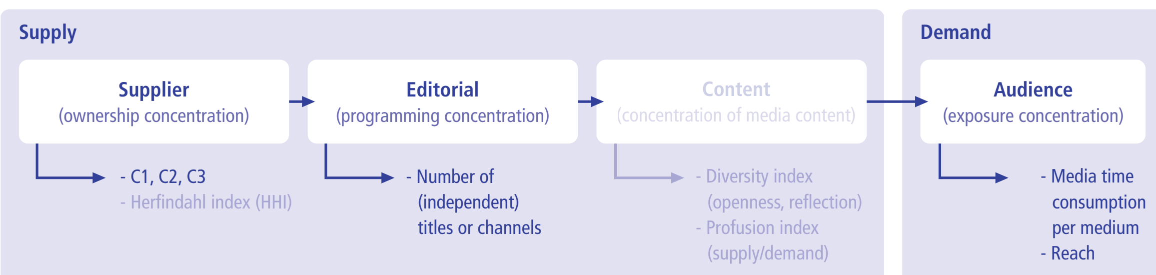
The most common type of media concentration is *horizontal concentration* in one link of the production value chain. A second type of media concentration is *vertical concentration* in two or more links of the media value chain. A third form of media concentration is *diagonal concentration* (i.e. cross-media ownership), that is a publisher or a broadcaster entering into other media types in addition to its usual operations; for instance a publisher that becomes active in a radio or television station in addition to a daily paper.

Horizontal concentration and cross-media ownership are of the greatest concern in policies that strive to safeguard a minimum number of suppliers in one or more media markets. The Monitor maps and visualizes changes in these types of ownership, monitors relationships in the media sector and outlines trends that may influence the independence and diversity of the media.

In relation to the supply chains of the media production process, various types of media concentration can be identified that may occur in media markets, namely: a) supplier concentration, b) editorial or programming concentration, c) concentration of media content and d) audience concentration. Figure 1.2 shows an overview of the available measurements for each type of media concentration.

Figure 1.2

Statistical indexes per type of media concentration



Note: the indexes shown in grey are not included in this report

Supplier or ownership concentration

In this Monitor, horizontal supplier concentration is assessed on the basis of ownership relationships between media enterprises and their market shares of the respective markets. The degree of horizontal supplier concentration is measured by the Herfindah-Hirschman Index (HHI). Based on the HHI index, the degree of media concentration on a specific market can be labelled as follows:[8]

- *Unconcentrated media market:* a market that statistically matches a market with more than ten equally large media enterprises;
- *Moderately concentrated media market:* a market that statistically matches a market with more than five and less than ten equally large media enterprises;
- *Highly concentrated media market:* a market that statistically matches a market with five or less equally large media enterprises.

In addition to the HHI concentration index, the Monitor also reports C1, C2 and C3. These indexes refer to the market share(s) of the market leader (C1), of the two largest media companies (C2), and of the three largest media companies (C3). In this edition of the Mediamonitor, only C1, C2, C3 will be reported because it is easier to understand at a glance than the more technical HHI.[9]

As for cross-media ownership, the Monitor follows developments among key players in the media market (see Chapter 3) and plays an advisory role in (intended) mergers and acquisitions of media companies. This type of concentration is considered to be highly important given the ongoing convergence of information and communication technologies.

Editorial or programming concentration

In addition to supplier concentration, editorial and programming concentration may manifest itself in media markets. This is the case when the editorial staff or programme makers cannot independently produce the content of their titles or channel. The Monitor takes the number of editorially independent titles as an (inverse) indicator of editorial concentration (also to be labelled as 'title concentration'). The number of independent broadcasting channels is used as the (inverse) indicator of programming concentration (also to be labelled as 'channel concentration'). The opposite of editorial / programming concentration is editorial / programming competition.

In this Mediamonitor report, the number of titles or channels and suppliers is presented. Note that these statistics are not (necessarily) equivalents of editorial concentration. The number of titles may overestimate the number of independent editorials.

Concentration of media content

Media diversity is the degree to which media content is heterogeneous. Assessing media diversity requires media content analysis. Media diversity manifests itself in two different forms, as reflective diversity and open diversity. *Reflective diversity* is the extent to which existing population preferences are proportionally represented in media content. *Open diversity* is the extent to which divergent preferences and opinions are quantitatively equally (i.e. statistically uniformly) represented in the media.

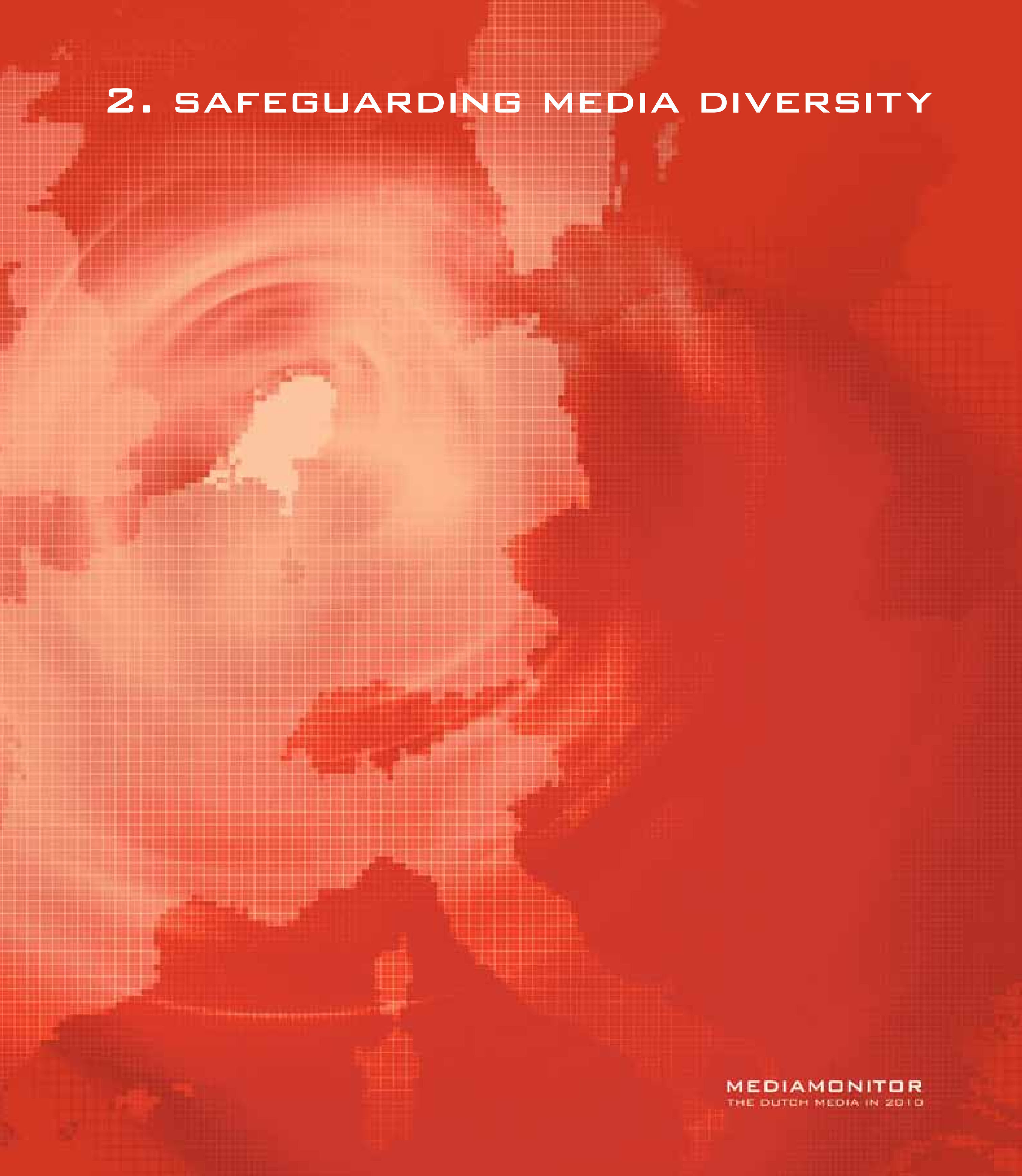
A concept that is closely related to media diversity is media profusion.[10] Media profusion may be defined as the extent to which the supply of media content to a media market exceeds the audience's actual consumption of media content. Media profusion adds the *dimension of choice* to diversity, to indicate that a sheer increase in media supply in itself enhances the possibility for media consumers to choose from a variety of media products and services.

Despite the valuable addition of profusion to the more traditional indexes based on market shares, it has not been included in this report due to the limited availability of (comparative) statistics. The Mediamonitor did, however, publish a thematic study on profusion[11] in 2005 and mapped all the news published in several news titles, programmes and websites during one day in 2009[12].

Audience concentration

Supplier concentration, editorial concentration and diversity are concepts on the supply side of media markets. On the demand side of markets we may measure audience (or exposure) concentration: the degree to which audience media preferences and usage are distributed over channels and titles. This is measured by means of media consumption time and a medium's reach. By comparing the supply and demand on media markets, the match between media offered and users' preferences may be assessed.

2. SAFEGUARDING MEDIA DIVERSITY



2. SAFEGUARDING MEDIA DIVERSITY

As outlined in the introductory chapter, the concept of media diversity contains several dimensions. Different strategies exist to stimulate media diversity which can be related to the four types of diversity (i.e. diversity of suppliers, editorial programming, content and exposure). In many countries, concerns with regard to diversity have been translated into legislation on supplier concentration. However, a wave of deregulation in ownership rules has been signalled in the studied countries.

The current state of affairs concerning legislation on media concentration in the eight European countries will be discussed in this chapter. The situation in the Netherlands is put into perspective by comparing it with the legislation on media concentration in Belgium, France, Germany, Italy, Spain, Sweden and the UK.

2.1 Policies and regulations on media concentration in Europe

In building on the various aspects that make up the concept of pluralism, governments may employ various instruments to stimulate supplier diversity (i.e. external pluralism) as well as cultural diversity (i.e. internal pluralism). Five types of measures can be distinguished:[13]

- *Restrictions on media concentration,* for example in terms of ownership;
- *"Counterweights",* efforts and systems that provide the audience with alternatives to the free-market or commercial media outlets, for example public service broadcasting, non-profit (or 'community') media, internet;
- *Economic interventions,* for example reduced tax rates, financial support for development, etc.
- *Transparency measures,* for example providing the public with insight into the ownership relationships of media companies;
- *Organizational measures,* such as the establishment of independent authorities that monitor media concentrations, such as the Dutch Media Authority.

From this wide range of options to regulate diversity in the media landscape, the focus of this report lies on restrictions on media concentration in the European countries in relation to the institutions that are authorized to enforce compliance with the rules and regulations.

Media concentration policies are a national concern. No legislation exists at European level that specifically aims to ensure media diversity. The European Commission focuses on stimulating competition and supplier diversity. This, however, refers to general Competition Law which covers antitrust (agreements, abuse of dominant positions by means of horizontal and vertical concentration) and mergers of companies on any market.

Concerns about media pluralism have been a topic of debate in the European Union since the 1970s and have resulted in several green papers and a general definition of media pluralism.[14] Although there are voices that call for regulation of ownership at European level, the member states are reluctant with regard to interference from Brussels on this issue. Alternatively, a large comparative study has been carried out to develop a tool to monitor media pluralism in the EU Member States.[15] The defined indicators take the socio-cultural aspects of media pluralism, as well as economic aspects such as ownership and control, into account. The study has developed a systematic method to signal factors that may put constraints on pluralism, but is in no way binding.[16]

Given the Dutch Mediamonitor's particular focus on media concentration, it is argued that the study on indicators of media pluralism provides a profound theoretical background for discussing national regulations.[17] This section aims to draw a brief overview of legislation on media concentration (general competition law will not be discussed) in the Netherlands, Belgium, Germany, France, Italy, Sweden, Spain and the UK.

It should be noted that achieving a comprehensive overview has not been aimed at. The information serves as a frame of reference for the situation in the Netherlands. Thorough comparison of different countries requires investigation of how policies are put into practice in addition to the theoretical discussion. This last aspect falls beyond the scope of this study. Therefore, all outlined rules as set out in national legislation of a given country should always be referred to in considering the facts of any case. Additionally, it should be kept in mind that the absence of legislation on media concentration could be an indication of other strategies or measures to safeguarding media pluralism.

The Netherlands

For several years, the Netherlands had different rules limiting ownership in the broadcasting and daily newspaper market; restrictions in granting broadcasting licences initially laid down in the Media Act. A single party with a market share of 25 percent in the national daily newspaper market or 50 percent in the local and regional market could not gain a licence for radio or television broadcasting. The government set up a commission in 1998 to investigate the necessity of implementing additional legislation to guarantee a minimal number of players in the media markets. Publishers, supported by the Media Authority, called for relaxation of the 25 percent threshold in order to stimulate innovation in electronic means of distribution. With the 'Temporary Act Media Concentration' coming into force in 2007 (this Act existed alongside the Media Act and the general Competition Act), a new cross-media ownership limitation was introduced with a specific threshold for the daily newspaper market.

First, the Act prohibited mergers that would lead to a market share of over 90 percent of at least two of the following markets collectively: daily newspaper, television and radio markets (where the three markets together count for 300 percent) (note that only interests in one single company of 50 percent or greater are counted). Market shares were calculated on the basis of circulation for daily newspapers and viewer or listener ratings for television or radio respectively. If a media company's market share exceeded the stated thresholds due to autonomous growth, no measures would be taken. Second, the Act prohibited mergers that would lead to a market share greater than 35 percent of the daily newspaper market. With this special rule for the daily newspaper market, the Act supported newspapers in providing a counterweight against the strong position of public broadcasting in the coverage of news and public affairs.

Given the ongoing increase of media concentration and the government's concern for the distribution of power in public opinion formation, the Temporary Act was extended in December 2009 to January 2012. However, the Act was recently repealed. From January 2011, specific legislation on media concentration no longer exists in the Netherlands. Publishers had called for relaxation of the ownership rules. The 35 percent threshold was argued to impede their cross-media development and it was supposed that daily newspaper titles would disappear if the thresholds remained in existence. Moreover, the ongoing increase of alternative news sources was argued to provide sufficient counterweight against the larger media companies. As for the prevention of dominant positions of suppliers, general competition law also applies to the media markets. This is not to say that the assessment for mergers and acquisitions has been relaxed; there have been cases where competition law has been stricter than the Act on media concentration. For example, the Dutch Competition Authority forced publisher De Persgroep to sell its daily newspaper NRC after it took over its parent company PCM in 2009. Although this takeover was in accordance with the rules as set out in the Temporary Act, it could not be approved based on competition law.

Apart from the issue of media concentration, restrictions with regard to licensing could be perceived as an entrance barrier to the media market. As for the radio, the Radio Communications Agency (Agentschap Telecom) grants frequency space to commercial parties on the basis of application order, auctions or a comparative testing (Telecommunications Act, Art. 3.3 (4)). Note that the frequencies held by licence holders may change due to mergers or acquisitions. To safeguard diversity, specific requirements for some of the frequencies determine what music style may be broadcast (Media Act 2008, Art. 6.23). Regional and local public radio are prioritized in granting frequencies (Telecommunications Act, Art. 3.3 (2, 3), but they have to comply with programming requirements that aim at securing a minimum amount of (regional or local) information, culture and education (Media Act 2008, Art. 2.70).

Most broadcasters, either radio or television (via the airwaves, cable or satellite), need a licence from the Dutch Media Authority to broadcast television and/or radio programmes. Only the national public broadcasters' licences are granted by the Minister. Whereas radio broadcasters have to obtain frequency space, television broadcasters have to assign cable operators or buy airtime on an existing channel to transmit their programmes. Public broadcasters enjoy a must-carry rule, and are therefore ensured of cable transmission (Media Act, Art. 6.13). There is no limitation on the number of licences one may hold for commercial broadcasting – as long as a company complies with general Competition Law. In contrast, one cannot hold more than one public broadcasting licence (see section 3.1 about public broadcasting in the Netherlands for further discussion on the conditions for granting public licences).

Belgium

No specific legislation that addresses media concentration at national level exists in Belgium. Media ownership is regulated by general competition law. However, the Flemish and French Communities each have their own specific rules that affect ownership.

The Flemish concentrate on restrictions on the number of broadcasting licences one may hold. No more than two FM radio (community-wide or regional) stations may be operated by one person or legal entity. Moreover, no other radio station can be operated by the owner of a local radio station. As for regional television, one person or legal entity cannot operate more than one channel. The French Community only imposes restrictions on the ownership of local television; a non-profit organization (an 'association sans but lucrative', abbreviated as ASBL) cannot operate more than one local television channel.

Both the Flemish Media Regulator[18] (established by law in 1997) and the French regulator, Conseil Supérieur de l'Audiovisuel (CSA, established in 1987), monitor their community's media market. The Flemish regulator annually reports media concentrations in the Flemish media landscape for the sake of transparency. However, the regulator lacks the power to act on its findings.

The CSA's monitoring activities focus on the presence of 'significant positions' of suppliers in the audiovisual sector that (supposedly) threaten access to the public sphere (and consequently pluralism). These significant positions are defined in terms of thresholds of audience shares and capital shares. In the first place, a number of stations or channels that are attributable to one person or legal entity cannot have a television or radio audience share exceeding 20 percent. In the second place, a person or legal entity cannot hold more than a 24-percent capital share in two different radio stations or television channels. In case of a significant position, the CSA will investigate a company's impact on pluralism and impose measures; (if no agreement is reached, the CSA is authorized to apply sanctions, such as suspension or withdrawal of the licence). Moreover, the authority can approve mergers of radio stations on the condition that the radio stations operate in different areas and that the merger does not change the nature of a station.

In addition to the French and Flemish communities, the German-speaking community has been regulated and controlled by the Media Council of the German-speaking Community (Medienrat) since 1999.

France

Legislation on media ownership in the daily press and radio and television broadcasting became constitutional in France in 1986. The two Laws on freedom of communication aim to safeguard plurality of sources of information. The Conseil Supérieur de l'Audiovisuel (CSA)[19], together with the competition authority, has been concerned with media competition since 2000. The French audiovisual regulator enforces compliance with the various rules that apply to the media markets. These rules ensure shareholder diversity in broadcasting companies and operators by means of limitations on capital or voting shares and ownership of licences.

First of all, several limitations have been formulated that put constraints on the scope of media companies. On the daily newspaper market, an individual or legal entity cannot run or control a daily title with a total circulation of more than 30 percent of the market of the same type of dailies.

As for national terrestrial television broadcasting, an individual or a legal entity cannot hold (directly or indirectly) more than 49 percent of the capital or the voting rights of an analogue or digital television channel. A similar rule applies to regional analogue terrestrial television broadcasting and broadcasting services via satellite: no more than 50 percent of the capital or the voting rights of a regional television channel or satellite broadcast service may be held.

In addition to these rules, various thresholds have been formulated concerning capital shares in a second broadcasting company. If a person holds more than 15 percent of the capital share of one nationwide analogue terrestrial broadcaster, his participation in a second should be less than 15 percent. A person holding more than five percent of the capital shares of two broadcasting companies cannot hold more than a five percent share in a third. This rule also applies to satellite broadcasters. If a person holds more than one-third of the capital share of one satellite broadcaster, his participation in a second should be less than one-third.

Several other restrictions exist with regard to ownership of licences:

- A person or legal entity cannot hold more than one licence for nationwide analogue terrestrial television;
- A person or legal entity cannot hold one licence for analogue terrestrial television at national level and one at regional level (with the exception of overseas territories);
- No company can hold more than seven licences for digital television programmes (with the exception of mobile television authorizations);
- A single person can hold two licences for satellite broadcasting;
- At regional or local level, a single person can hold only one television licence (analogue or digital) within the same geographical area;
- One person or legal entity may own several analogue or digital regional or local licences as long as they do not cover more than 12 million inhabitants;
- Similarly, one can hold several cable licences as long as they do not cover more than 8 million inhabitants.

Legislation on cross-media ownership in France can be typified by the ‘two-out-of-three situations’ rule. This rule implies that no licences will be allocated to media companies that hold interests in more than two out of three of the following situations at national level (articles 41-1 and 41-1-1 of the Broadcasting Act):

- One or more television licences for analogue or digital terrestrial channels reaching

four million residents;
- One or more terrestrial radio services reaching 30 million people;
- Daily newspapers that have a market share of more than 20 percent of the national circulation.

At regional level, the 'two-out-of-three' rule applies to the following three situations (article 41-2 and 41-2-1 of the Broadcasting Act):

- One or more TV licences for analogue or digital terrestrial channels which are broadcast in the region;
- One or more radio licences for radio programmes with an audience that is more than 10 percent of the potential audience of all public and private operators in the same zone;
- Daily newspapers that are circulated in the region.

Germany

The German Commission on Concentration in the Media (hereafter abbreviated as 'KEK'), constituted in 1997, is an independent regulator that aims to guarantee diversity of opinion in television programmes that are broadcast nationally. The KEK was established in the Interstate Treaty on Broadcasting (Rundfunkstaatsvertrag, RStV) in order to ensure a uniform standard of control of national media concentration. The KEK acts as a decision-making body and mediator for all state media authorities (Landesmedienanstalten), upon which the KEK's decisions are binding.

First of all, KEK is able to enforce the compliance of private broadcasters with legislation that prevents the exercise of a predominant impact on public opinion ('vorherrschende Meinungsmacht'). It is considered to be a predominant impact if:

- All television channels attributable to one company have an audience share of 30 percent or more;
- All television channels attributable to one company have a maximum audience share of 25 percent while the company itself simultaneously holds a dominant position in a 'media-relevant related market' (such as radio, press, advertising, licences and production);[20]
- An overall assessment of a company's media activities in the television and related markets suggests that its influence is comparable to an audience share of 30 percent (in the television market).

The number of television channels broadcast by one company is of no concern as long as all channels attributable to that company do not exceed these thresholds. If a company's position is considered to be dominant, KEK will take measures to reduce viewer rating or audience share to below the threshold. Additionally, if a broadcaster achieves an audience share of 10 percent with a full programme or an information-oriented specialized programme, transmission time should be allocated to independent third parties. It should be noted that additional cross-ownership rules exist in some nation states with regard to dominant positions of press companies (in the newspaper and magazine market) as well as local broadcasters.

For the attribution of a channel to a broadcaster's shareholder, the KEK not only takes into account the capital share or voting rights, but also comparable influences such as the regular provision of programmes or a decisive influence on the broadcasters' programming decisions.

In the second place, KEK serves to enhance transparency by means of regular reporting on the development and current state of media concentration (i.e. horizontal concentration, vertical concentration and international interpenetration in the media market) and measures taken to ensure diversity of opinion.

Italy

With the adoption of cartel legislation in 1990, antitrust and cross-media measures have been introduced into Italian media law in order to safeguard pluralism in the media market. Additional measures with regard to concentrations were imposed in 1997 by the law that also established the Communications Regulatory Authority (AGCOM). AGCOM is able to intervene at the moment of market entry by means of licensing, as well as at the moment of mergers and acquisitions.

There has been a wide range of medium-specific rules in Italian legislation to limit the scope of media companies in terms of thresholds for financial resources, channels and market shares, and licences. The thresholds were first introduced in 1990, significantly amended in 1997, and then again in 2004 and 2010.

First of all, a media company cannot directly or indirectly earn a share of revenue greater than 20 percent of the total revenues generated by the integrated communication system. An integrated communication system refers to the combination of the various sectors in which a company is active. Those sectors are:

- radio and television broadcasting;
- publishing;
- cinema, television and music (production and distribution);
- advertising.

As for the newspaper market, a company or entity is considered to be dominant when if it controls more than 20 percent of the daily press nationally, more than 50 percent in a regional or inter-regional area or more than 30 percent of the total circulation in Italy.

In the television market, an entity is prohibited from holding licences that allow it to broadcast more than 20 percent of all national terrestrial television or radio channels intended as autonomous schedules in analogue channels or digital multiplexes. Local broadcasters cannot own more than three channels in the same area or more than six channels in different areas. Moreover, the reach of local radio broadcasters (directly or indirectly through subsidiary companies) cannot be greater than 15 million people.[21]

The law requires companies to inform AGCOM, in addition to the competition authority, about agreements and business operations that result in a dominant position. Whereas the competition authority generally only intervenes in the event of a company abusing its dominant position, AGCOM examines in advance whether an intended merger (in the newspaper market, television or radio broadcasting) will lead to a dominant position that impairs pluralism, by verifying if the thresholds set by the law will be exceeded. Additionally, the authority has been appointed to monitor the media markets for dominant positions of companies. This monitoring activity is carried out on a regular basis with reference to the integrated communications system (SIC) and to each market that it includes, but specific monitoring can also be done at the request of a third party.

Spain

As in Belgium, no specific legislation on media concentration exists in Spain. The limitations to ownership as laid down in Spain's media policy focus on the broadcasting sector. In 2009, several of these rules were liberalised.

The Telecommunications Market Commission (CMT)[22], created in 1996, has the objective of establishing and supervising the specific obligations that must be met by telecommunications market operators and to promote competition in the audiovisual services markets, to resolve conflicts between operators and, if necessary, to act as an arbitrations body in disputes between those operators. In enforcing the compliance with general competition law, the Spanish competition authority acts in cases of anti-competition behaviour. The CMT advises the general competition authority in its assessment of mergers and acquisitions, as well as regional authorities and local governments.

Whereas CMT focuses on telecommunications and competition, the regional authorities play an important role in controlling compliance in the audiovisual services markets. Examples of these regional audiovisual councils are Catalan Broadcasting Corporation, Audiovisual Council of Andalusia and Audiovisual Council Navarre. The other autonomous regions in Spain have no separate supervisory media authority. A central Spanish media authority will also be established in the future.

Broadcasting licences are issued by the government in agreement with the Regional authorities. Licence holders have to fulfil several requirements, predominantly with regard to European and non-European ownership. A person or legal entity outside the European Economic Area cannot hold a licence unless the 'reciprocity principle' is applicable. This principle implies that the rights of Spanish companies to have shares in another country's broadcasting sector should be equal to the rights in the Spanish broadcasting industry offered to foreign investors. Additionally, persons or legal entities can be excluded from holding broadcasting licences in particular cases.

The grant of a television licence in the local scope does not allow chain broadcasting with other authorized entities during more than 25 percent of the total weekly time, even if the transmission has a different schedule.

The CMT annually reports to the Government about the development of the telecommunications market and about the audiovisual services markets.

Sweden

As in Belgium, no specific law exists in Sweden that deals specifically with media concentration. The Swedish Radio and Television Act safeguards freedom of expression and stimulates diversity, independence and accessibility of the mass media. Mergers between media companies are assessed for compliance with general competition law.

The Swedish Radio and TV Authority (RTVV) (established in 1994) was concerned with licensing and registration. On the 1st of August 2010, the Authority was merged with the Swedish Broadcasting Commission and formed a new authority in the Swedish media landscape. The new authority is called the Swedish Broadcasting Authority (SBA) and handles both content regulation issues and licensing. All the tasks formerly handled by the Radio and TV Authority are now handled by the SBA.

When issuing a licence the SBA may include conditions limiting the extent to which the ownership structure and influence of the licence holder may be changed. A legal entity cannot hold more than one licence for local broadcasting in the same coverage area (exemptions can be made). Moreover, those holding a licence for community radio cannot hold a licence for local or digital radio.

In granting a licence to broadcast commercial radio, the Authority not only has to assess whether a legal entity already broadcasts in the respective geographical area, but also has to investigate the possible influence a company may exert once the licence has been granted. In this assessment, the Authority takes the local newspaper and broadcasting markets into consideration.

The SBA publishes annual reports of its monitoring of developments in the media markets.

United Kingdom

The UK's Communications Act of 2003 has continued further liberalization of the media market by removing articles that put constraints on media ownership. Moreover, with the new act, the Office of Communications (Ofcom) has replaced five regulatory bodies (i.e. the Broadcasting Standards Commission, the Independent Television Commission, Oftel, the Radio Authority and the Radio Communications Agency). Ofcom has the task of reviewing the operation of the media ownership rules (including the public interest test for media) and recommending changes. Ofcom makes recommendations to the Secretary of State at least once every three years. The Secretary of State and Parliament decide whether any of the recommended changes should be implemented through secondary legislation.

The media ownership rules in the UK are based on several legislative provisions and can be summarized in four sections:[23]

- Disqualifications and restrictions in holding (interests in) broadcasting licences;
- Limitations on holders of multiple radio licences;
- Cross-media ownership rules;
- Specific rules for media mergers ('public interest test').

To begin with, several parties that may not hold broadcasting licences, including licences for television or radio services and digital terrestrial television or digital terrestrial sound broadcasting, have been defined. Disqualified parties include local authorities, political organizations and advertising agencies. Moreover, a person or legal entity cannot obtain a licence if it is considered able to exercise considerable influence (for example by means of financial assistance) that could run counter to the public interest. Broadcasting licences are only issued to religious and publicly funded bodies or public broadcasting subsidiaries if they comply with specific restrictions.

As for radio licences, a wide range of rules exist to determine a maximum number of analogue or digital radio licences one may hold (different rules apply to licences for digital multiplex and digital sound programme services). The government has, however, recently announced (September 2010) its intention to repeal a substantial number of rules; for example, those restricting multiple licences for analogue radio being held by one party. For digital multiplex licences at national level, no person may hold more than one licence. There are plans to repeal the current restrictions on the number of local multiplexes as well as digital audio programme services in the near future.

Cross-ownership rules apply to radio, television and newspaper markets at national level. A person or legal entity may not directly or indirectly hold a Channel 3 licence (i.e. regional public broadcasting) if they also control one or more UK-wide national newspapers with an aggregate market share of 20 percent or more. Likewise, a Channel 3 licensee is prohibited from acquiring an interest of 20 percent or more in an entity that controls one or more UK-wide national newspapers with an aggregate market share of 20 percent or more. In addition to these ownership rules at regional and national levels, similar provisions exist at local level. An announcement has been made that these rules will be repealed together with those for holding multiple local radio licences.

Mergers between media companies are subject to general competition law. In addition, the Secretary of State may intervene in a media merger and request Ofcom to conduct a public interest test. The public interest test examines the public interest considerations in newspaper, broadcasting and cross-media mergers. Considerations included are, for example, the need for a sufficient plurality of entities with control of media enterprises and the need for the availability of a wide range of high quality broadcasting appealing to a wide variety of tastes and interests.

2.2 Dutch legislation from an international perspective

The eight European countries' policies on media ownership have shown how philosophies to ensure media diversity may manifest in a great variety of rules and regulations. Despite this variety, similarities are also to be found. This last section aims to outline how the Belgian, French, German, Italian, Spanish, Swedish and British measures correspond to and differentiate from the Dutch legislation. Starting with the implementation of media ownership legislation during the last decades, the discussion will move from thresholds for specific media types to measures concerning cross-media ownership.

Since the early 1990s, ownership measures have gradually been integrated in media legislation in most of the European countries. Four of the eight countries discussed, Belgium, Spain, Sweden and, from 2011, the Netherlands, do not have specific (or rather limited) legislation to limit media ownership. As said in the previous chapter on media diversity, general competition law also covers media ownership, as in the EU in general. Antitrust (agreements and abuse of dominant positions) as well as mergers and acquisitions are therefore always primarily subject to general competition law. Additionally, putting constraints on the number of licences one person or legal entity can hold or the conditions under which licences are issued are other ways of securing a minimum number of suppliers in a specific market (or area) or of controlling the market power of one party.

Medium-specific measures

'Monomedia' refers to measures that define specific criteria for obtaining a licence or permission for a merger or acquisition within a single media market, such as broadcasting or the daily newspaper market. An overview of these medium-specific measures is presented in table 2.1 (note that the summary is not exhaustive).

Daily newspapers

The French restrict single party control of daily newspaper titles with a total circulation of more than 30 percent of the market of the same type of dailies. The French lower the limit on market share of a newspaper from 30 to 20 percent of the national circulation if the owner has other cross-media activities. They also prohibit any involvement in a regional newspaper by a holder of a regional television and radio broadcasting licence.

In Italy, a person or legal entity is not permitted to control more than 20 percent of the daily press nationally, more than 50 percent in a regional or inter-regional area, or more than 30 percent of the country's total circulation. Apart from these media-specific thresholds, the Italian cross-ownership rules also consider an entity's activities in the daily newspaper market (either local, regional or national) in relation to a company's activities in other media markets.

The limitation on mergers or acquisitions that lead to a market share greater than 35 percent on the daily newspaper market in the Netherlands is no longer applicable since the repeal of the Dutch Temporary Act Media Concentration. Sweden and the UK do not have newspaper-specific regulations either. Constraints on one's newspaper activities are only restricted in a cross-media context. The UK does not permit a person or legal entity to directly or indirectly hold a Channel 3 licence (i.e. regional public broadcasting) and simultaneously control one or more UK-wide national newspapers with an aggregate market share of 20 percent or more. In the absence of legal provisions, the Swedish take the local news market into consideration when issuing broadcasting licences.

Like the Netherlands, neither Belgium nor Spain has specific constraints for newspapers in their legislation. As will be discussed later, these countries do not have cross-media ownership rules either.

Radio and television broadcasting
Restricted ownership of broadcasting licences is a ubiquitous legal instrument to secure a minimum number of commercial suppliers. Commercial radio frequencies at national level are the only field where licensing restrictions are found in the Netherlands. The conditional requirements under which some of these radio frequencies are sold in the Netherlands are, by contrast, not found in other countries. Despite the extensive list of restrictions with regard to the number or amount of shares one may hold in a radio and television broadcasting licence in other countries, none of these rules address media content as such.

The extent of the restrictions on the ownership of broadcasting licences among the European countries covers three dimensions. *Firstly,* restrictions may apply to radio and/or television licences. This measure seems to be predominantly applied to radio: the Netherlands, Belgium (Flanders), France, Italy, Sweden and the UK all restrict radio licence ownership. Only Italy and the Flemish community in Belgium also use this strategy for television. *Secondly,* the number (or proportion) of licences per person or legal entity can be defined for local, regional and national broadcasting separately, or local and regional, or regional and national licences combined. An important aspect of this is whether there is an overlap in the coverage area of two or more licences. In some cases exemptions can be made, or rules can be more relaxed when different coverage areas are being served. Most European countries tend to issue no more than one or two local, regional or national public broadcasting licences to a person or legal entity. The scarcity argument still plays an important role in the rationale behind these provisions. *Thirdly,* Belgium and the UK in particular have defined parties that are disqualified from gaining television licences. Ownership affecting pluralism is not the concern, but rather that the applicant itself is perceived to have (political or religious) interests that may run counter to the public interest.

As technological developments progress, some countries have repealed limitations on the ownership of analogue radio or television licences and new rules have come into effect. For example: legislation for the ownership of digital broadcasting licences (particularly at national level) and supportive measures which aim to stimulate the development of the digital spectrums.

France, Germany, Spain and the Belgian French community apply other criteria in addition to, or instead of, licences to control ownership. With the exception of Belgium, all the restrictions that are formulated in terms of shares or interests apply to television broadcasting. The French have defined limits in terms of voting rights and capital shares (49 percent), whereas Germany and Belgium consider the demand side of the market by formulating limits on audience share (30 and 20 percent respectively), and the Spanish speak of the proportion (25 percent) of the weekly total broadcasting time in a local area. These countries recognize that media diversity is not just a matter of having a sufficient number of independent suppliers. Demand is a highly important, if not indispensable, facet of media pluralism that should be taken into account in assessments of media concentration.

The control of ownership in the Netherlands does *not* focus on imposing entrance barriers to the television and radio sectors by means of licences. General competition law applies here. In its assessments for approving planned mergers or acquisitions in a media sector, the Dutch Competition Authority considers the local, regional and national markets together.

Table 2.1

Overview of media-ownership measures: mono-media

	Daily newspapers	Television broadcasting		Radio broadcasting	
	limitations on circulation	limitations on the number of licences	limitations on shares	limitations on the number of licences	limitations on shares
Belgium (Flemish)		regional		regional, local	
Belgium (French)		local	20% audience share, 24% capital share		20% audience share, 24% capital share
France	30% per medium type	national, regional, local	49% (national) 50% (regional) voting rights or capital share	national, regional, local	

see following page

see previous page

	Daily newspapers	Television broadcasting		Radio broadcasting	
	limitations on circulation	limitations on the number of licences	limitations on shares	limitations on the number of licences	limitations on shares
Germany			30% audience share		
Italy	20% national 30% regional 50% local	national, local		national, local	
The Netherlands		national			
Spain			25% (local) of the weekly total broadcasting time	local	
Sweden				local	
United Kingdom				national, local	

Cross-media measures

The Netherlands is similar to Spain, Belgium and Sweden in not having explicit cross-media legislation. In Sweden, a variant of cross-ownership rules is found in the local markets by means of (the possibility of) conditionally issued licences that take into account ownership structures and the possible influence they may exert on a local market (after granting the licence). In this report, conditionally issued licences, such as in Sweden, are not considered cross-media ownership legislation as such.

Cross-media legislation does exist in France, Germany, Italy and the UK (see table 2.2). All cross-ownership policies at least address the combination of television broadcasting activities (or shares in the broadcasting licence holder) and daily newspapers. As mentioned earlier, cross-media ownership rules appear to be particularly important in the protection of newspapers if no specific provisions exist for this medium. Italy, and to a certain extent Germany, seem to be ahead with their platform-independent approaches of an ‘integrated media system’ and a ‘media-relevant related market’ respectively, which also consider advertising and all kinds of online activities, for example.

In contrast to the circulation-based measures for print, the criteria for the other media markets vary greatly. A platform-independent approach demands uniform criteria such as revenue (as in Italian legislation) or interests. Such an approach traditionally considers supply, in contrast to the German and French audience-based approach. Moreover, the French 'two-out-of-three' rule limits the number of media markets in which a company can be involved, whereas the German and Italian rules consider the overall impact of a companies' empire, disregarding the number of markets.

As for coverage areas served by media companies, countries like Germany and Italy focus solely on national markets in their cross-ownership provisions. Specific rules for regional and local markets are found in France and the UK. Recall that both France and the UK have rather extensive media ownership policies and licensing restrictions in general. It has been announced, however, that those in the UK will be liberalised in the near future.

Table 2.2

Overview of media-ownership measures: cross-media

France	National 'two-out-of-three' rule: a) television licences reaching 4 million people, b) radio services reaching 30 million people, c) dailies with 20 percent circulation. Regional 'two-out-of-three' rule: a) television licences, b) radio services reaching 10 percent audience, c) dailies.
Germany	All channels attributable to one company achieve an audience share up to 30 percent, or 25 percent if the company itself simultaneously holds a dominant position in a 'media-relevant related market' (i.e. radio, press, advertising, licences and production).
Italy	20 percent of total revenue of an 'integrated media system' (i.e. radio and television broadcasting, publishing, advertising and the production and distribution of cinema, television and music).
United Kingdom	Regional public broadcasting licensees cannot control (or gain an interest of more than 20 percent in) one or more national newspapers with an aggregate market share greater than 20 percent. Likewise, a person or legal entity may not directly or indirectly hold a licence for regional public broadcasting if they also control one or more UK-wide national newspapers with an aggregate market share of 20 percent or more. Note: it has been announced that various local cross-ownership rules are to be repealed in the near future.

Overall, the conclusion can be drawn that all countries strive for the same objective; a media landscape in which a large variety of suppliers flourishes. The ways in which this goal is translated into policies do, however, vary greatly between the studied countries. The cross-media measures discussed in this section demonstrate the almost impossible task of comparing the wide range of legal provisions. In this regard, one could argue for a 'best practices' test to thoroughly investigate which model best serves the public interest.

In considering the latest developments in the Netherlands, Italy, Spain and the UK, one might speak of a 'wave' of liberalisation going through Europe. Although Belgium, Spain and Sweden have not had any (or limited) legislation on media concentration, an increasing number of countries recently announced relaxation of the rules or have already repealed them during the last one or two years. This gradual decrease in attention to the issue of ownership in national legislation and policies might refer to a shifting focus among policy makers. Whereas concerns about media pluralism have been strongly focussed on diversity of suppliers, support seems to be growing for a demand-oriented approach. Such an approach considers the diversity of sources to which one is exposed; in other words, the variety of sources an individual uses in gaining news and information. This has been referred to as 'exposure diversity' earlier in this report.

From this point of view, the internet's easy accessibility plays an important role as a platform for the dissemination of information. Anyone, either a company or an individual, is able to establish a media service; the Internet is presumed to always ensure a minimum number of suppliers. This, however, does not necessarily imply the absence of concerns about the centralisation of power in opinion formation. The internet has already shown how large players can exercise considerable influence, even though there is an abundance of choice.

Consider, for example, how Google has consolidated an incredibly strong position in the search engine market. In the Netherlands, most of the national players (for example: search engine Ilse) have ceased their activities because of the massive adoption of Google. Even though there were initially multiple players in the market, the consumer has not (or to a limited extent) made use of the variety of search engines (see figure 7.1 of chapter 7).

In this sense, it is argued that consumers themselves have a certain responsibility in finding their way amid all the available content and consulting different 'voices' rather than using a few popular news sources. If consumers predominantly choose one or two main sources, a powerful position might be created for those content suppliers. Additionally, it could be questioned whether users are actively seeking information and whether they are able to find specialized information. These questions call for approaching media pluralism from a different angle; the stimulation of media pluralism could, for example, also focus on the individual media users.

Foreign ownership

France, Italy, Spain and Sweden have rules limiting non-European ownership of media companies. Persons or legal entities from outside the EU cannot (directly or indirectly) hold more than 20 percent in France. This provision is also applicable to French daily newspapers. As discussed earlier in this chapter, non-European ownership is permitted in Spain under the condition of the 'reciprocity principle'. In Italy, specific arrangements are made concerning 'recognition of equal conditions' for non-European ownership of broadcasting licence holders. In contrast to the provisions in these three countries that focus on non-European companies, Swedish legislation only permits foreigners who are residents of Sweden or citizens of a European member state to publish periodicals.

Complete disqualification of companies outside the European Economic Area (EEA) was repealed in British legislation in 2003. Similarly, no restrictions of this kind exist in the Netherlands, Belgium or Germany. However, foreign ownership that is understood as non-

European ownership does not play a role in the Netherlands because all media companies are owned by persons or legal entities from the Netherlands or other European countries.

Ownership-strategies in pursuing media diversity

Of the five measures that were introduced at the beginning of this chapter, the focus lies on restrictions on media concentration. The different national policies illustrate the variety of ownership conditions. Three main strategies can be identified: entrance barriers, assessments for mergers and acquisitions of media companies, and monitoring and supervision of the media markets.

Entrance barriers

The first strategy is to impose barriers by putting constraints on the number of broadcasting licences one may hold or the interest one is permitted to have in licensees. The Netherlands differs from the other countries at the moment of intervention. In contrast to all the other countries, Dutch legislation does not focus on market entry by means of limiting broadcasting licences to enforce diversity of suppliers.

Assessing mergers and acquisitions

Most authorities of the countries studied play an important role in assessing mergers and acquisitions of media companies prior to approval. Here, the different objectives of competition authorities and media authorities become clear. Whereas the former investigates a company's position for dominance and possible abuse of that position after a merger, the latter focuses on the impact on media diversity or, as some countries put it, the public interest. In other words, the missions of media authorities or media regulators involve a normative goal that goes further than merely stimulating competition.

Monitoring and supervision

Most media authorities in the European countries monitor developments in and beyond their national markets. Two main arguments for monitoring can be distinguished. First, monitoring is perceived as an important instrument in consulting and advising competition authorities or governmental bodies when assessing mergers and acquisitions. Second, signalling changes, developments and trends enables all parties involved with the media, such as lawmakers for instance, to anticipate the future. This is where the Dutch Media Authority foresees an important role for the Mediamonitor.

As this chapter ends by stressing the importance of monitoring, the following chapters will present the Dutch Mediamonitor, and how it has been reporting annually on developments in the media markets.

3. KEY PLAYERS

3. KEY PLAYERS

A characteristic of the Dutch media landscape is that a relatively high number of foreign media suppliers are active. Large players include the German Bertelsmann, with the RTL Group, ProSiebenSat.1, which is also German, with SBS Broadcasting, and British Mecom. The Belgian Persgroep is also gaining an increasingly prominent position in the Netherlands. Nevertheless, all the studied countries have a strong public broadcaster to guarantee national content.

3.1 Public broadcasting

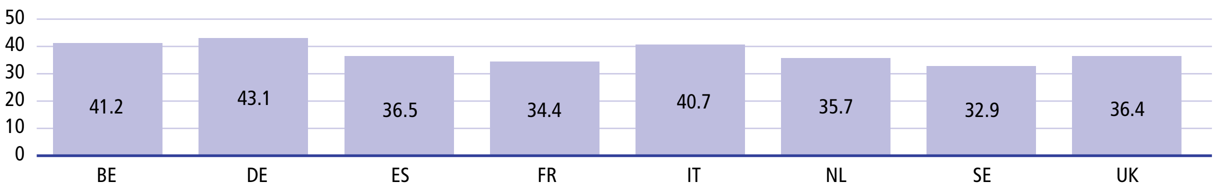
European public broadcasters

Television developed throughout Western Europe after the Second World War. Public broadcasters, with their radio experience, had monopolies in the television markets in nearly all Western European countries. In the selected countries this is reflected by the BBC being the sole non-monopolist. In the late 1980s and early 1990s, the television market opened considerably in Western Europe. Commercial broadcasters entered the market and competed with their public counterparts, but even though the audience share of the commercial broadcasters has developed tremendously since then, public broadcasters remain the largest suppliers in all the studied countries. Television is the most visible activity of the public broadcasters, and the most money is invested in the production and distribution of television content.

When we compare the national television audience share of the Dutch public broadcaster with the audience shares of the public broadcasters in the other seven countries, we find the highest audience shares in Germany, Italy and the Flemish part of Belgium; the UK, Spain and the Netherlands form a middle group, and the market shares of the public broadcasters in France and Sweden are the lowest. However, the differences fall within a small range from 32 to 44 percent, and we have to take into account the different national public broadcasting systems. While in Germany all the regional public broadcasters together form the ARD, and are therefore part of the audience share, the relatively less important regional and local public broadcasters in the Netherlands are left out.

Figure 3.1

Television audience share for public broadcasters in 2009



Data source: European Audiovisual Observatory, *Yearbook*, 2010

Comparing the financial data of public broadcasters in Europe is not always possible as the functions and systems are too different. Besides the differences mentioned above, public broadcasters in France and Sweden are split into different radio and television broadcasters. In addition to their national broadcasters, some countries also have an independent international radio broadcaster aimed at an interested audience worldwide, e.g. Wereldomroep in the Netherlands and Deutsche Welle in Germany. Income from such broadcasters is not taken into account.

The table shows some interesting differences. The two German broadcasters together generate the highest income, followed by the UK, Italy and France, with the Dutch broadcaster falling into a middle category. Most of the funding is available via public sources. The Dutch public broadcaster Nederlandse Publieke Omroep, NPO, and the Belgian VRT are grant-funded; all the others are funded by licence fees. The percentage of commercial income could be interpreted as an indicator of commercial dependence. The Dutch broadcaster is predominantly state-funded and therefore less dependent on commercial income than, for example, broadcasters from Spain or Italy. The Swedish and the German broadcasters' incomes are

Table 3.1

National public broadcasting in Europe in 2008

	BE*	DE	ES	FR	IT	NL**	SE	UK
Stations	VRT	ARD & ZDF	RTVE	France TV	RAI	NPO	SVT	BBC
Public income (percentage)	65.2	86.3	45.1	70.7	50.5	67.8	92.5	81.0
Commercial income (percentage)	32.0	12.9	53.9	29.3	45.6	21.7	0	18.1
Percentage other income	2.8	0.8	1.0	0.0	3.9	10.5	7.5	0.9
Public service broadcasting, total income (in million Euros, after group eliminations)	458	7,966	1,114	2,750	3,342	893	364	5,552
Investments per resident (per year in Euros)	74	97	24	***	56	54	***	90
Public investments (Euros per resident)	48	84	11	***	28	37	***	73

Data source: European Audiovisual Observatory, *Yearbook*, 2009

* Flemish part only (6.161 million inhabitants)
** Data from 2007
*** Separate organizations for television and radio, no comparable data for Radio France and Sveriges Radio available

almost entirely funded by the government and they are therefore the most commercially independent. Commercial income is a very diverse category; in most countries this consists mainly of advertising income (Spain, Italy and the Netherlands) and sponsorship (Belgium). The BBC is a special case, being free of advertising and sponsorship, but being financed instead by programme sales and merchandising.

Taking the population into account, at 54 Euros per year per resident with 17 Euros financed by advertising and sponsorship (investments per resident minus public investments per resident), the NPO is relatively cheap, as are RAI and RTVE. The German broadcasters and the BBC are most expensive, in an absolute and a relative sense.

European public broadcasters generate huge turnover; four public broadcasters are ranked in a 2009 listing of the 50 largest media organizations.[24] The German ARD is number 17 in the world with a turnover of 6.4 billion Euros, followed by the BBC in 20th place with 5.2 billion Euros. The Italian RAI with 3.3 billion Euros and France's Télévisions with 2.8 billion Euros (in 2008) are in 35th and 43rd places in the ranking of the world's 50 largest media companies.

The commercial RTL Group, which is active in several of the selected countries, had a turnover of 5.410 billion Euros in 2009, which is less than one of the two German public broadcasters. If all the public broadcasters in the selected countries were to merge, the turnover of the merged company would approach the turnover of the Walt Disney Company, the largest media company of the world.

Public broadcasting in the Netherlands

Various broadcasters arose in the Netherlands at the time of pillarization. In the 1920s, the KRO and NCRV began providing radio programming. As a response to this, the non-religious VARA and VPRO entered the market, while the AVRO was established by a collaboration of other broadcasters.

The first television broadcast was made in 1951 by NTS on Nederland 1. In 1969, NTS and NRU together formed NOS, a foundation that is responsible for the news broadcasts of the public broadcaster NPO to this day.

There are limitations on the number of licences for public broadcasting. First of all, only one person or legal entity can be licensed for local public radio and television broadcasting within the same geographical area (i.e. municipality). Similarly, only one person or legal entity can be licensed for regional public radio and television broadcasting within the same geographical area (i.e. counties).

At national level, the establishment of a national public broadcasting association requires one to recruit 50,000 paying members for the first five years (i.e. 'aspirant association') and

300,000 paying members for the following concession periods. Public licensees cannot participate in or hold shares in commercial media companies; however, collaboration with private parties is permitted under specific conditions.

Coordination of the national public broadcasters is in the hands of the NPO. In 2010 there were a total of eleven broadcasting associations that were dependent on their number of members for their amount of broadcasting time and financing. Together they provide the broadcasting on six radio stations and three television channels.

Table 3.2

National public broadcasters in the Netherlands

Broadcaster	Target group / themes
AVRO	culture and society
BNN	youth
EO	from an Evangelical viewpoint: religion, society, relationships, help
KRO	from a Catholic viewpoint: 'the common man', spirituality, current affairs
MAX	people over 50
NCRV	debate, society, ideologies, drama
POWNED	opinion, entertainment, news for the network generation
TROS	Dutch music, amusement, information, current affairs – general audience
VARA	society, debate, culture
VPRO	journalistic quality, art, innovation, foreign affairs
WNL	financial-economic news

In addition to these eleven broadcasters there are also broadcasters that are not dependent on members:

- NTR, a broadcaster that focuses on culture, education and information,
- NOS, a general broadcaster that focuses on news, sports and event reporting,
- Wereldomroep, an international broadcaster in nine languages for Dutch people and other interested people abroad. Subjects include culture, news and information.

At national level, a number of broadcasters have appeared whose programmes reflect a spiritual viewpoint or religious background. In 2010 there were public broadcasters for the following groups: Buddhists, Humanists, Muslims, Hindus, Protestants, Roman Catholics and Jews. In addition there are 13 public broadcasters at regional level and 340 at local level.

It is the task of the Dutch Media Authority to ensure that these broadcasters act in compliance with the rules and regulations of the Media Act and the Media Decree.

3.2 Commercial media companies

The biggest European players

In order of turnover in 2009, the highest European company on the list of the 50 largest media players in the world (table 3.3)[25] was the German Bertelsmann. With 15,364 million Euros, this company had the highest turnover of all the commercial media companies in the eight selected countries. The UK holds a total of five positions. The Netherlands has only two entries in the top 50, with The Nielsen Company in 32nd place and Wolters Kluwer in 33rd, with turnover of 3,447 million and 3,425 million Euros respectively.

Table 3.3

European media companies in the top 50 world media players 2009

No.	Media company	Turnover (x million Euros)	Main activity	
			Broadcasting	Press
7	Bertelsmann, DE	15,364	√	√
11	Thomson Reuters, UK	9,318		
13	Lagardère Media, FR	7,892	√	√
16	Reed Elsevier PLC, UK	6,814		
18	Pearson plc, UK	6,312		√
25	Virgin Media Inc., UK	4,270		
30	Mediaset SpA, IT	3,883	√	
32	The Nielsen Company, NL	3,447		
33	Wolters Kluwer nv, NL	3,425		
36	Grupo PRISA, ES	3,209	√	√
39	Bonnier AB, SE	2,907	√	√
41	Sanoma Group, FI	2,768		√
42	ProSiebenSat1, DE	2,761		
44	Axel Springer AG, DE	2,612		√
47	Daily Mail & General Trust plc, UK	2,421		√
49	TF1 S.A., FR	2,365	√	
50	Hubert Burda Media Holding Gmbh & Co., DE	2,297		√

Data source: Mediendatenbank

A number of these international players can be found in the Netherlands as suppliers of media titles. Bertelsmann has an important share of the commercial television and radio markets in the Netherlands, publishes magazines, and has a chain of bookstores. Reed Elsevier publishes various scientific trade journals and weeklies in the Netherlands. The company also publishes books. Sanoma is the largest player in the magazine market in the Netherlands. ProSiebenSat1 is the parent company of SBS Broadcasting and has three television channels in the Netherlands.

Dutch players

Table 3.4 shows the most prominent Dutch players in the field of daily newspapers, radio and television. Apart from the Telegraaf Media Groep, all the parties (now) have a foreign parent company. The Telegraaf Media Groep had the highest turnover with 615 million Euros. Koninklijke Wegener was next with a turnover of 586 million Euros and an operating profit of 57 million Euros.

Table 3.4

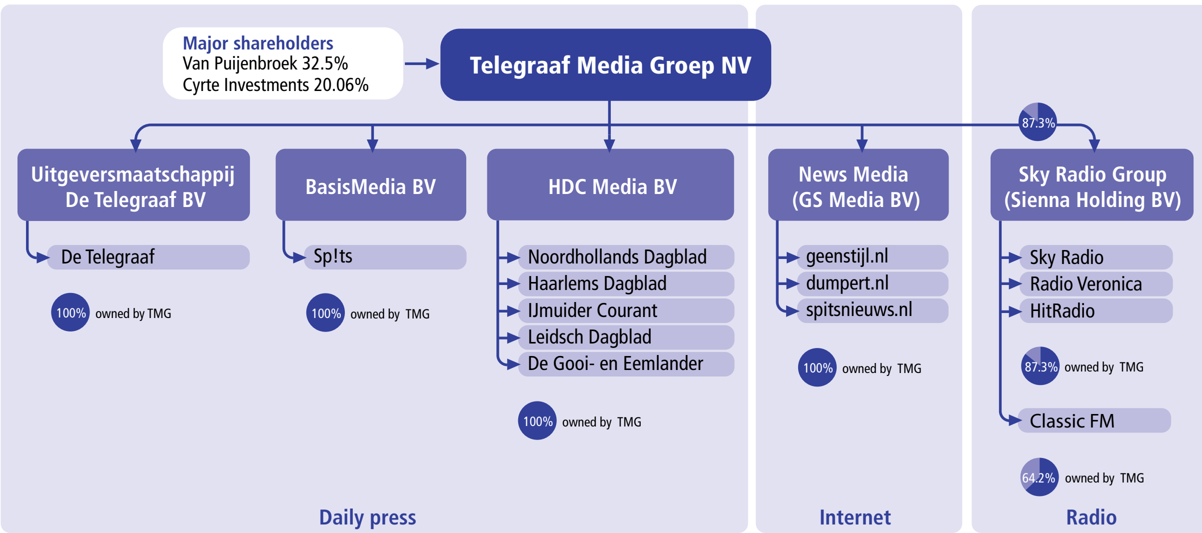
Key figures for the prominent Dutch media players 2009

Media company	Turnover (x million Euros)	Operating profit (x million Euros)	Newspapers	Television	Radio
Telegraaf Media Groep	615	50	√		√
De Persgroep Nederland	n.a.	n.a.	√		√
Koninklijke Wegener	586	57	√		
RTL Nederland Holding	371	72		√	√
SBS Nederland	n.a.	n.a.		√	√

Data source: annual reports / Chamber of Commerce

These media companies will be presented separately in the following section.

Telegraaf Media Groep



Reference date: January 2010

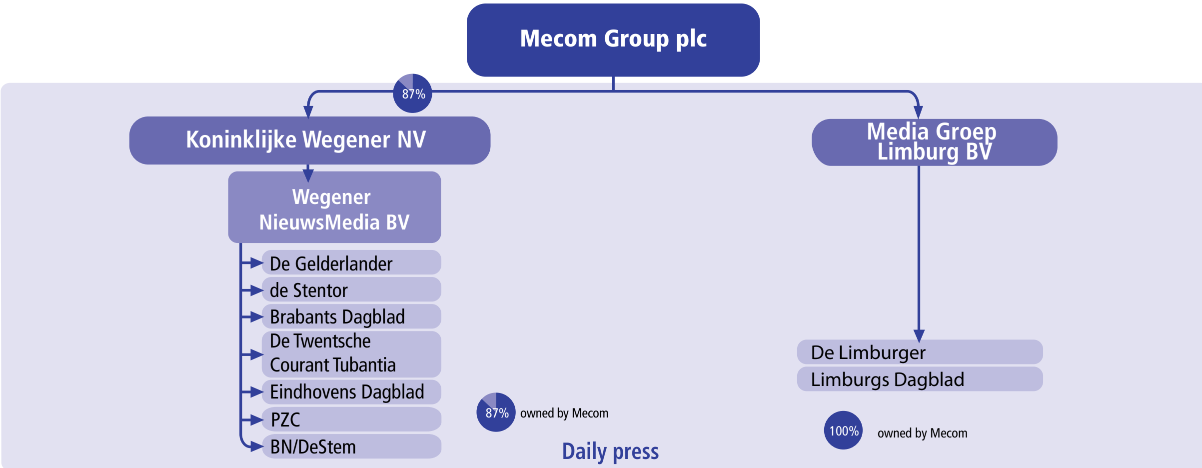
Telegraaf Media Group N.V. is a listed (Euronext), independent Dutch media group that is primarily active in the market for daily newspapers, magazines and door-to-door papers. The name Telegraaf Media Groep originates from the Dutch national daily *De Telegraaf,* which, introduced in 1893, grew to become the Netherlands' largest newspaper. TMG also publishes the free newspaper Sp!ts (launched in 1999) and several regional daily newspapers.

For many years the most important shareholder in the Telegraaf Media Groep (TMG) has been the Van Puijenbroek family who hold 32.5 percent of the shares, giving them effective control of the company. Furthermore, TMG has a priority share construction, which means that the company cannot simply be divided or transferred. Another shareholder is the investment company Cyrte Investments (Cyrte), which has an interest in TMG via Dasym Investments II. Ramphastos Investments, an investment company held by Marcel Boekhoorn, also has a stake in TMG (5 percent).

As a company, TMG has grown through acquisitions and new products. The company holds interests in Sky Radio Group (number 2 on the Dutch commercial radio market) and ProSiebenSat1 Media AG, number 42 in the ranking of the top 50 media companies in the world (see table 3.5) and parent company of SBS Nederland. TMG is also active in Belgium, France, Denmark, Sweden and the Ukraine. The newspaper De Telegraaf and the website Geenstijl entered the public broadcasting system in 2010 with WNL and PowNed respectively. However, to do this all commercial connections had to be broken.

In November 2010 TMG bought Hyves, the most popular social networking site in the Netherlands, a sort of Dutch Facebook.

Mecom



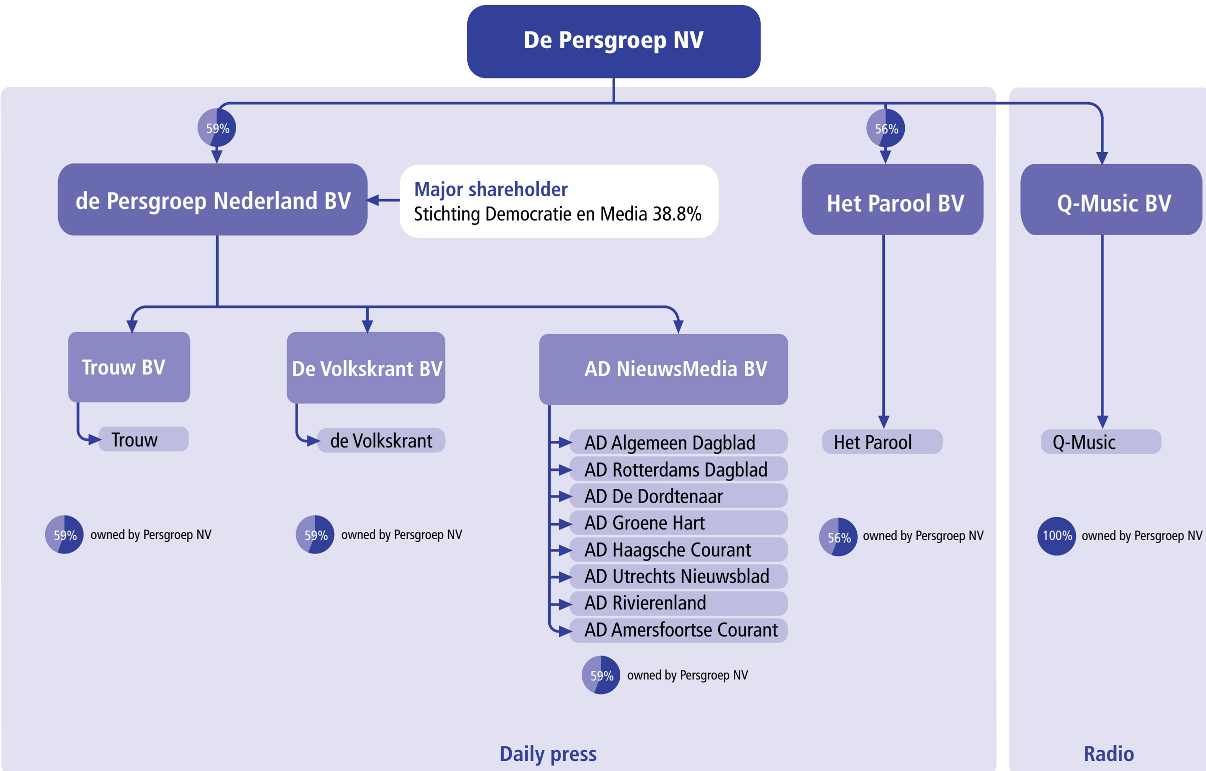
Reference date: January 2010

Starting out as a small local publisher in 1903, Royal Wegener, by means of mergers and acquisitions, has become the number one in the regional newspaper market and number two overall, after TMG. Wegener is a listed (Euronext) company. Apart from daily newspapers, it is also the largest publisher of door-to-door papers in the Netherlands.

In addition to domination positions in Utrecht, Overijssel and Flevoland on the regional newspapers market, the concern has had a strong market position in North-Brabant, Gelderland and Zeeland, therefore in half of all the provinces, since the end of the 1990s. Upon reaching its centennial in 2003, the predicate ‘Koninklijk’ (Royal) was attained. A joint venture with PCM Publishers (see ‘De Persgroep’) integrated the regional dailies for Utrecht and The Hague with the PCM-owned title for Rotterdam and the national daily Algemeen Dagblad in 2005. The resulting newly titled “AD” is the first national and regional daily newspaper in one; in some regions the newspaper has a regional section in each edition.

Since 2007, the exchange-listed Mecom Group plc (Mecom) has owned 86.4 percent of the shares of the largest regional publisher in the country, Koninklijke Wegener NV (Wegener). Media Groep Limburg BV, publisher of the two Limburg newspapers, has been fully owned by Mecom since 2006. Mecom recently disposed of many international holdings and activities and is at this moment active in Denmark, Norway and Poland, in addition to the Netherlands. In total, the company operates more than 300 independent (daily) titles and 200 websites. Mecom has set itself the express objective of becoming a cross-media content company, primarily in regional and local markets. In spite of this, Wegener sold its share in AD Nieuwsmedia to PCM Uitgevers in 2009.

De Persgroep



Reference date: January 2010

PCM Uitgevers was a large publisher of national daily newspapers between 1995 and 2009. Its five national titles were: de Volkskrant, Trouw, NRC Handelsblad, nrc.next and Algemeen Dagblad. In 2005, the latter was integrated into a joint venture with Wegener, creating the AD Nieuwsmedia company.

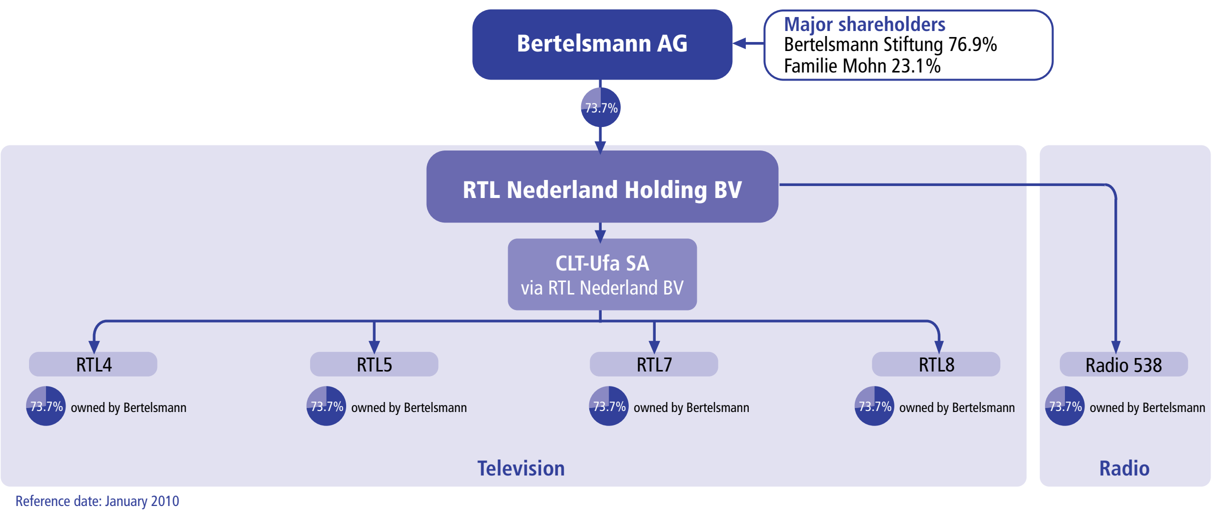
In the middle of 2004 the British investment company APAX Partners became the majority shareholder of PCM Uitgevers in order to fulfil the strategy of consolidating PCM’s position in the market by broadening its scope of business. APAX received a 47.5 percent interest for a 52.5 percent vote. However, due to a difference of opinion between Stichting Democratie en Media (SDM) and APAX, APAX’s interest was bought out in March 2007 for 130 million Euros. The parties could not agree on what strategy to follow. The sale earned APAX considerable returns in less than three years, not least because PCM itself held the loans for the takeover. The publisher’s capital shrank considerably, and its debts grew significantly.

Since 2009, PCM Uitgevers has been called de Persgroep Nederland BV (Persgroep Nederland), a subsidiary of the Belgian Persgroep NV. The titles NRC Handelsblad and nrc.next were sold to Lux Media by order of the Dutch Competition Authority, so that as of that date the newspaper portfolio of Persgroep Nederland consisted of AD, de Volkskrant and Trouw. Het Parool was added to the portfolio in January 2010.

The share distribution in Persgroep Nederland is as follows: De Persgroep NV (58.5 percent), Stichting Democratie en Media (38.8 percent), Stichting de Volkskrant (2 percent) and Stichting ter Bevordering van de Christelijke Pers in Nederland (0.7 percent).

De Persgroep, owned by the Van Thillo family, publishes Het Laatste Nieuws, the largest newspaper in Flanders, and is owner of Dag Allemaal, the largest magazine in Flanders, as well as a number of other relevant public magazines. The media concern also owns 50 percent of De Tijd and the French language L'Echo in addition to owning half the shares of the largest television company in Flanders, Vlaamse Media Maatschappij (Flemish Media Company), which includes television channels VTM, 2Be and Jim, and radio stations JoeFM and Q-Music Vlaanderen. In the Netherlands, De Persgroep has fully owned radio station Q-Music Nederland since July 2005 and has been a major shareholder of Het Parool since January 2003.

RTL



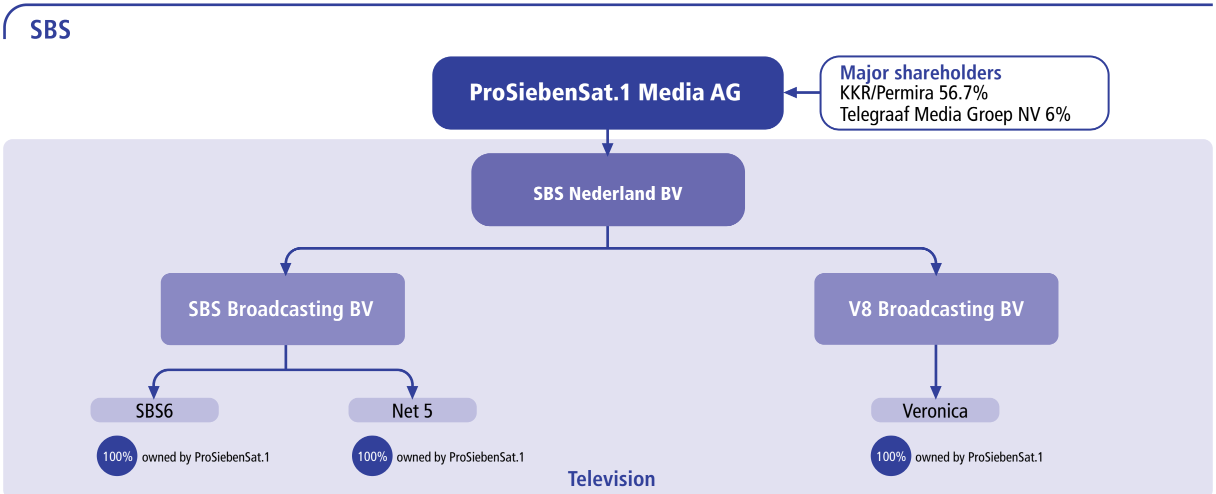
Reference date: January 2010

With involvement in books, music, radio, television and magazines, Bertelsmann AG is the largest media company in Europe (table 3.5). In the Netherlands the company is primarily active with RTL, a supplier of radio and television, as well as a small magazine branch.

With 45 television channels and 31 radio stations in eleven countries, RTL Group is the leading European radio and television entertainment broadcaster. The Luxembourg-based media group operates TV channels and radio stations in Germany, France, Belgium, the Netherlands, the UK, Luxembourg, Spain, Russia, Hungary and Croatia. It is one of the world's leading producers of television content such as game shows and soaps, including "Pop Idol" and "Good Times, Bad Times", as well as the largest independent distribution company outside the US.

The RTL Group was created in spring 2000 following the merger of CLT-UFA. In July 2001, Bertelsmann became the majority shareholder of the RTL Group following a stock swap with GBL. In December 2001, Bertelsmann entered into an agreement with Pearson plc to acquire its 22 percent stake in the RTL Group, and today it holds 91 percent.

RTL Netherlands runs operations on four television channels, RTL4, RTL5, RTL7 and RTL8, and is the number 2 broadcaster in the Netherlands. Until 2006, RTL also owned two radio stations, but these were either sold (Yorin) or activities ceased (RTL FM). In 2007, RTL took possession of the radio station Radio 538.



Reference date: January 2010

SBS Nederland BV (SBS Nederland) owns SBS Broadcasting BV, which operates the channels SBS6, Net 5 and (via the legal entity V8 Broadcasting BV) Veronica. SBS Nederland is part of SBS Broadcasting Europe BV, which falls under two holdings: SBS Broadcasting Holding I BV and Holding 2 BV. These two companies are fully owned by the international media concern ProSiebenSat.1 Media AG (ProSiebenSat.1), which is one of the largest players in Europe with 30 television channels and 18 radio stations in 14 countries. The majority of the shares in

ProSiebenSat.1 are held by the American investment funds KKR (Kohlberg, Kravis, Roberts) and Permira, who, via Lavenda Holding 5 GmbH, together hold 56.7 percent. TMG owns 6 percent of the shares in ProSiebenSat.1 and the remaining shares are held by individual shareholders. Voting rights in ProSiebenSat.1 are 88 percent for KKR/Permira and 12 percent for TMG.

SBS is also active in the print sector via Veronica Uitgeverij. This publisher is responsible for the publication of the largest programme guide in the Netherlands, Veronica Magazine, and Totaal TV which succeeded TVSatellite magazine in January 2008. With the sale of station Caz! (previously Yorin) to Arrow in June 2007, the broadcasting company is no longer active on the radio market.

4. DAILY NEWSPAPERS

4. DAILY NEWSPAPERS

A daily newspaper can be defined in different ways, but one proviso is that it be published at least five times per week. Apart from that, a newspaper can have different characteristics that distinguish it from the others. In terms of geography: local, regional, national; in terms of the way it is spread: free or paid; by issue frequency: five, six or seven times per week, and by content: for a general or specialist readership. The Mediamonitor discusses all these forms. However, for the sake of comparison with the other countries, sometimes titles are not considered.

4.1 An international perspective

Interest in newspapers can be expressed in various ways. The differences between the countries with regard to reading time, reach and circulation are shown below.

Almost half the population in Spain and Belgium, and 40 percent of residents in France spend no time at all reading a newspaper on an average day (table 4.1). In Sweden, where more than half of the residents read a newspaper for longer than half an hour per day, only nine percent spends no time at all. The UK stands out with almost one in five residents spending more than an hour per day reading a newspaper.

Table 4.1

Newspaper reading, total time on average weekday (percentage)

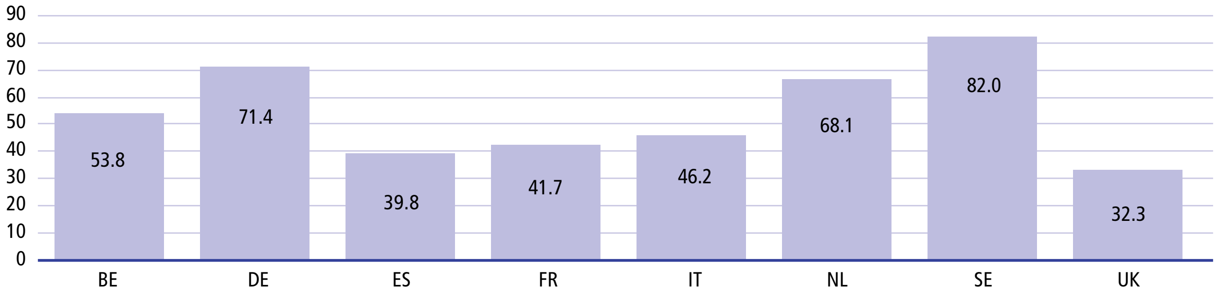
	BE	DE	ES	FR	NL	SE	UK
No time at all	42.4	20.0	48.2	39.1	20.8	9.0	32.3
Less than 0.5 hour	23.9	32.3	28.9	31.2	32.7	34.5	23.0
0.5 hour to 1 hour	22.2	36.4	17.4	20.9	29.7	42.4	26.3
More than 1 hour	11.5	11.3	5.5	8.8	16.9	14.1	18.3
Total	100	100	100	100	100	100	100

Data source: European Social Survey, 2008 (age 15+)

The newspapers in the Netherlands have a relatively wide reach of 68 percent (figure 4.1). Only in Germany and Sweden is this percentage higher. The least number of people are reached in the UK: only one third of the population.

Figure 4.1

Newspaper reach in 2009 (percentage)



Data source: World Association of Newspapers, *World Press Trends*, 2010

Many millions of newspapers are printed in the selected countries every day (table 4.2). Belgium and Sweden have the smallest circulation of the eight countries: 1.6 million and 3.9 million respectively. When these numbers are compared to the number of residents of these countries, Sweden has over forty newspapers per 100 residents, while Belgium has to get by with fifteen newspapers per 100 residents. The Netherlands is in between with thirty daily newspapers.

The total circulation consists of free newspapers and newspapers that have to be paid for; this latter, in general, makes up the largest proportion of the total circulation. Belgium, Sweden and the UK in particular have a relatively small circulation of freely-distributed newspapers. In Italy, almost half of the total circulation is based on free newspapers.

Table 4.2

Total average daily circulation per issue in 2009

	BE	DE	ES	FR	IT	NL	SE	UK
Total average circulation of dailies (x thousand)	1,634	n.a.	6,524	9,760	8,865	4,847	3,904	5,104
Total average circulation of free dailies (x thousand)	252	n.a.	2,609	2,398	4,023	1,317	699	614
Total average circulation of paid-for dailies (x thousand)	1,382	19,746	3,915	7,362	4,842	3,530	3,205	4,490
Average circulation of national paid-for dailies (x thousand)	963	1,599	n.a.	2,035	3,050	1,938	909	3,360
Average circulation of regional and local paid-for dailies (x thousand)	419	18,147	n.a.	5,327	1,792	1,592	2,296	1,130
Total average circulation of dailies per 100 inhabitants	15.2	n.a.	14.2	15.2	14.8	29.4	42.2	8.3

Note: UK: 2008 data
Data source: World Association of Newspapers, *World Press Trends*, 2010

Germany has the largest circulation of paid-for daily newspapers. It is striking that more than 90 percent of this circulation is represented by regional and local newspapers. In France and Sweden, the majority of the circulation of paid-for newspapers is also of regionally and locally distributed newspapers. In the Netherlands the proportions of national and regional/local are almost equal.

4.2 Market overview of the Netherlands

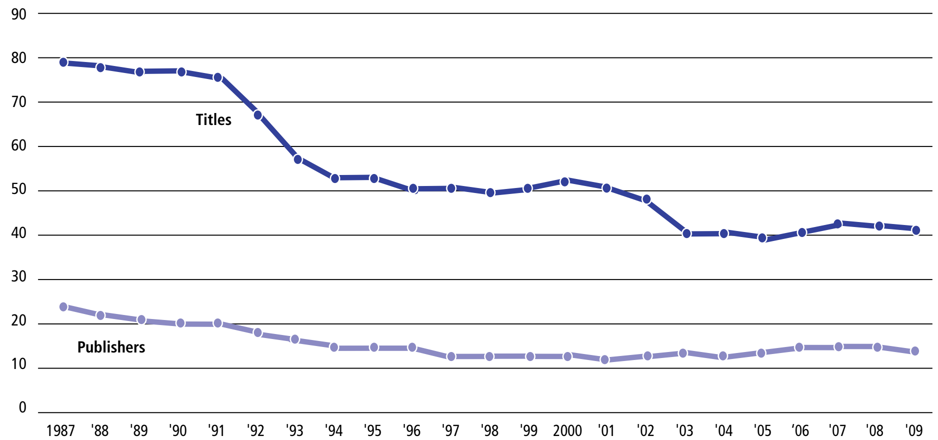
The newspaper market in the Netherlands is a relatively strong market with thirty newspapers per 100 residents. Dailies reach about 70 percent of the population, a large majority of which spends more than half an hour a day reading a daily paper. In this section, this Dutch market will be looked at in more detail.

Number of publishers and titles

The period from 1987 to 1994 was primarily characterized by the disappearance of titles (figure 4.2). They merged with existing titles, changed titles or simply ceased to exist. Since 2003 the number of titles seems to have stabilized. The increase in the number of publishers was caused by becoming independent (Het Parool), by disposal (Dagblad De Limburger and Limburgs Dagblad) and by the establishment of a joint venture for the ‘new’ AD. Free daily newspapers with new publishers first entered the market in 1999.

Figure 4.2

Number of publishers/titles on the national daily newspaper market



Data source: Cebuco / Hoi Online

Five national and four regional dailies rank as the longest running independent newspapers that remain unchanged in their present form.

Market shares and circulation

A trend in recent years has been the arrival of foreign suppliers on the Dutch media markets. The Swedish publisher Metro has been present on the dailies market since 1999 with the free daily Metro, but Metro's share of this market is small. In 2004 Apax, a private equity firm from Britain, bought PCM, the largest publisher of quality papers; in 2009 the Belgium Persgroep took control of PCM. In 2006 British Mecom bought two newspapers from Limburg and became the biggest publisher for regional papers after the takeover of Koninklijke Wegener in 2007. De Persgroep and Mecom now hold one-fifth of the total dailies market in the Netherlands (table 4.3).

In 2009 the publishers with the largest circulation were Telegraaf Media Groep, Mecom and De Persgroep. Telegraaf Media Groep and Mecom/Koninklijke Wegener have witnessed a decline of their shares since 2005. De Persgroep/PCM Uitgevers has managed a small increase in share, but holds a smaller share in comparison to 2001. This is partly a consequence of the sale of NRC Handelsblad and nrc.next to Lux Media in 2009.

Table 4.3

Market shares in the Dutch daily newspaper market

Publisher (ranked according to market share in 2009)	Independent titles	Market shares (percentage)			Distribution form
		2001	2005	2009	
Telegraaf Media Groep		32.4	34.2	29.5	
	De Telegraaf	15.9	17.4	16.6	Paid national
	Sp!ts	5.8*	6.8	7.6	Free national
	HDC daily papers	5.8	5.6	5.3	Paid regional
	Dagblad de Limburger / Limburgs Dagblad	4.9	4.4		Paid regional
Mecom / Koninklijke Wegener		24.5	22.2	21.8	
	Dagblad de Limburger / Limburgs Dagblad			3.9	Paid regional
	de Gelderlander	3.1	3.7	3.4	Paid regional
	de Stentor	3.7	3.2	3.0	Paid regional
	Brabants Dagblad	3.2	3.1	2.9	Paid regional
	De Twentsche Courant Tubantia	2.8	2.9	2.5	Paid regional
	BN/DeStem	2.9	2.8	2.5	Paid regional
	Eindhovens Dagblad	2.5	2.5	2.4	Paid regional
	PZC	1.3	1.3	1.2	Paid regional
	Haagsche Courant / Goudsche Courant	2.6	1.4		Paid regional
	Utrechts Nieuwsblad / Amersfoortse Courant	2.4	1.3		Paid regional
De Persgroep / PCM Uitgevers		24.8	19.5	19.9	
	AD daily newspapers			9.8	Paid national/regional
	de Volkskrant	6.7	6.2	5.7	Paid national
	Trouw	2.6	2.3	2.4	Paid national
	Het Parool			2.0	Paid regional
	NRC Handelsblad	5.4	5.3		Paid national
	Rotterdams Dagblad	2.1	1.1		Paid regional
	De Dordtenaar / Rijn en Gouwe / Algemeen Dagblad	8.0	4.6		Paid regional
AD Nieuwsmedia	AD daily papers		4.1		
Metro Holland	Metro	5.7*	7.8	9.2	Free national
Lux Media				6.0	
	NRC Handelsblad			4.5	Paid national
	nrc.next			1.5	Paid national
NDC/VBK de uitgevers		6.1	5.8	5.2	
	Dagblad van het Noorden	3.8	3.5	3.1	Paid regional
	Leeuwarder Courant	2.3	2.3	2.1	Paid regional
Het Parool	Het Parool	1.8	1.9		Paid regional
Mountain Media B.V.	Dagblad De Pers			4.0	Free regional

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see previous page

Publisher (ranked according to market share in 2009)	Independent titles	Market shares (percentage)			Distribution form
		2001	2005	2009	
FD Mediagroep	Het Financieele Dagblad	1.3	1.2	1.4	Paid national
Erdee Media Groep	Reformatorisch Dagblad	1.2	1.3	1.2	Paid national
Nedag Beheer	Nederlands Dagblad	0.7	0.7	0.7	Paid national
Vereniging Friesch Dagblad	Friesch Dagblad	0.4	0.4	0.4	Paid regional
SDU Uitgevers		0.2	0.4	0.3	
	Cobouw		0.3	0.2	Paid national
	De Nederlandse Staatscourant	0.2	0.1	<0.1	Paid national
Koninklijke BDU Uitgevers	Barneveldse Krant	0.2	0.3	0.3	Paid regional
Reed Elsevier	Agrarisch Dagblad	0.4	0.2	0.2	Paid national
Wolters Kluwer	Cobouw	0.3			Paid national
Total		100	100	100	
Total annual circulation (x million)		1,511*	1,432	1,385	
Annual circulation of paid dailies (x million)		1,337	1,221	1,097	
Annual circulation of free dailies (x million)		174*	211	289	

Data source: HOI Online
* The circulation figures of Sp!ts and Metro in 2001 are missing from HOI Online. The data for 2003 is used as an indication. Because of this, the market shares and circulation figures may show small deviations from the actual situation in 2001

Most titles have undergone a considerable decline of the market share compared to 2001. The largest difference can be noticed for the national quality paper de Volkskrant. The market share of this daily fell by one percentage point. One group where there has been no decline in market share is the freely-distributed dailies. In 2001, there were only Metro and Sp!ts, and then the daily De Pers entered the Dutch newspaper market. Compared to 2008, the share of De Pers has dropped from 6 to 4 percent due to a switch from a national to a regional version.

The total annual circulation reached its lowest point since 2001 in 2009, with a difference of 10 percent. In total, 1,385 million newspapers were distributed, of which 1,097 million were paid newspapers and 289 million were free. The three dailies in the latter group have not seen a significant fall in circulation.

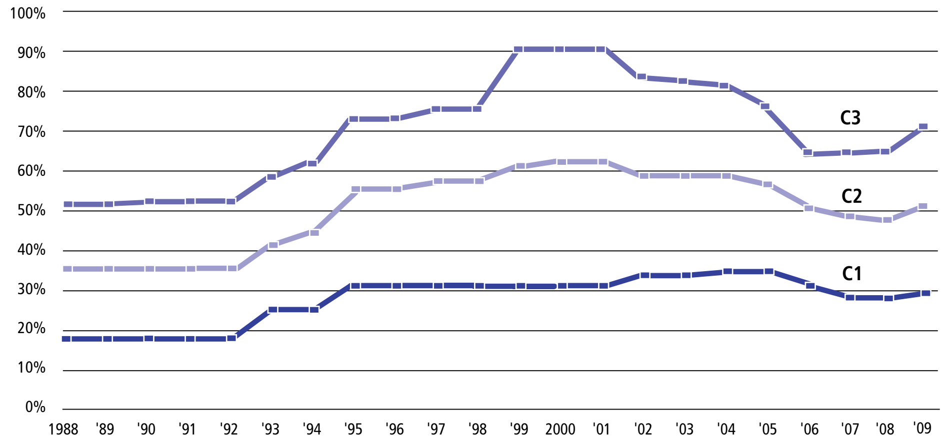
Supplier concentration

The supplier concentration on the daily newspaper market can be measured using C1, C2 and C3, the share of the largest, the two largest and the three largest publishers on the dailies market. The period from 1988 to 1992 shows a stable situation, after which the C1, C2 and C3 rise considerably.

In 1995 De Perscombinatie – later PCM Uitgevers – took over NDU from Reed Elsevier. Until 1999, only four publishers had a stable market share of 90 percent. After VNU ceased its activities, only Telegraaf, Wegener and PCM still remain. Their combined market share has fallen in recent years due to newspapers such as the former PCM daily Het Parool becoming independent.

Figure 4.3

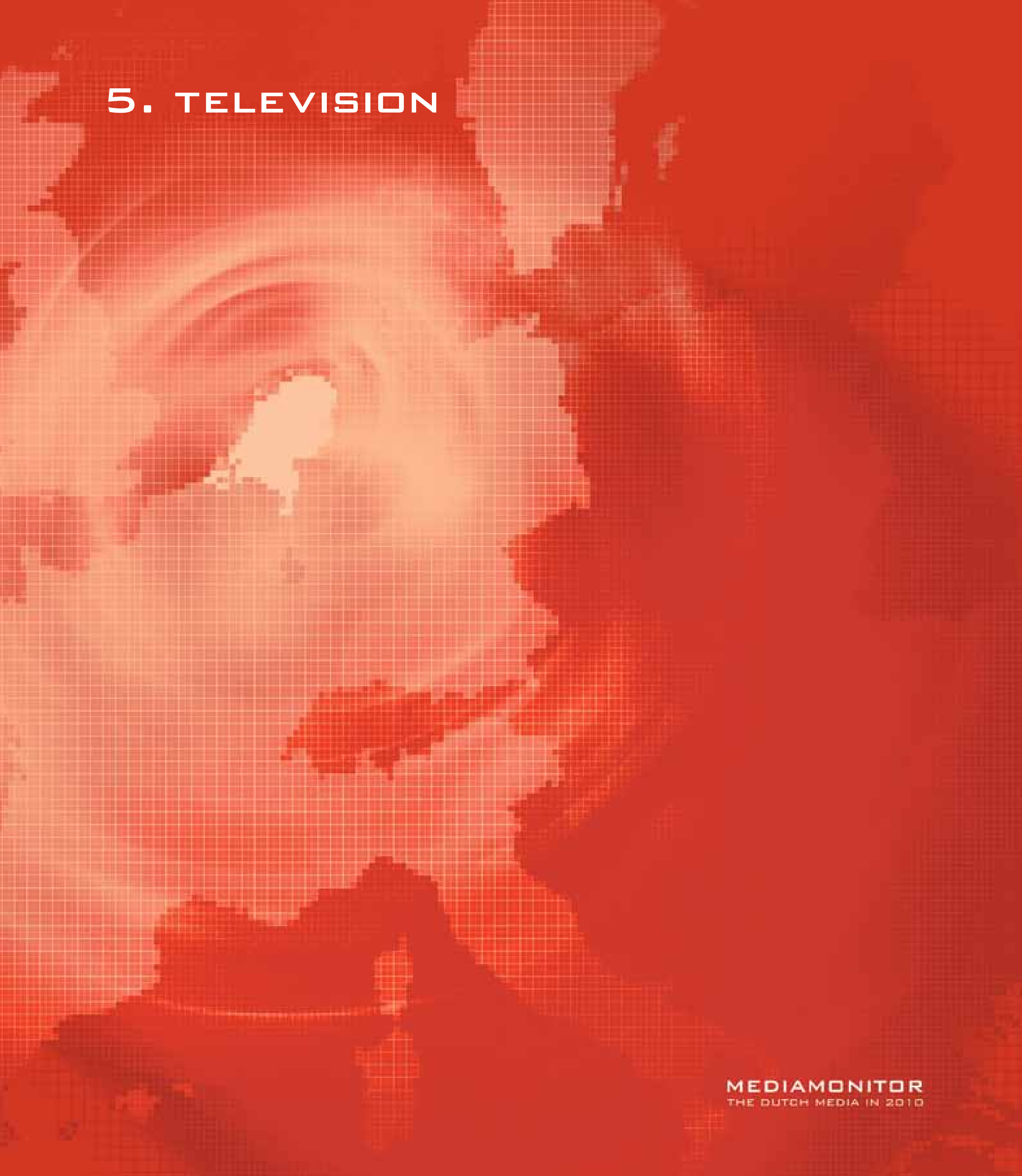
Daily newspaper market: share of the largest (C1), two largest (C2), and three largest (C3) publisher(s)



Data source: Cebuco / HOI Online

De Persgroep took over PCM Uitgevers in 2009 and AD Nieuwsmedia disappeared as an independent supplier. Due to these changes, there was a sudden rise for the C2 and C3 in 2009 compared to 2008. In 2009 the top three were the Telegraaf Media Groep, Mecom and De Persgroep.

5. Television



5. TELEVISION

Even though the number of minutes spent listening to the radio is higher than for watching television, television, with proportionally high media expenditures, is still generally seen as the most important medium with regard to the influence of opinion.

5.1 An international perspective

Television can be provided in many ways: digital, analogue, via the airwaves or by cable. The Netherlands and Belgium have the highest percentage of households that are connected to cable television. In both countries this is about 80 percent (table 5.1). Spain, the UK and France show the lowest percentages. In these countries less than one-fifth of households receive television via cable.

Table 5.1

Adoption rates of television in 2009 (percentage)

	BE	DE	ES	FR	IT	NL	SE	UK
Cable TV households	79.4	50.1	8.7	14.2	0.0	75.8	57.8	13.8
Total digital households	46.5	58.2	93.5	76.3	84.1	60.8	100	91.4

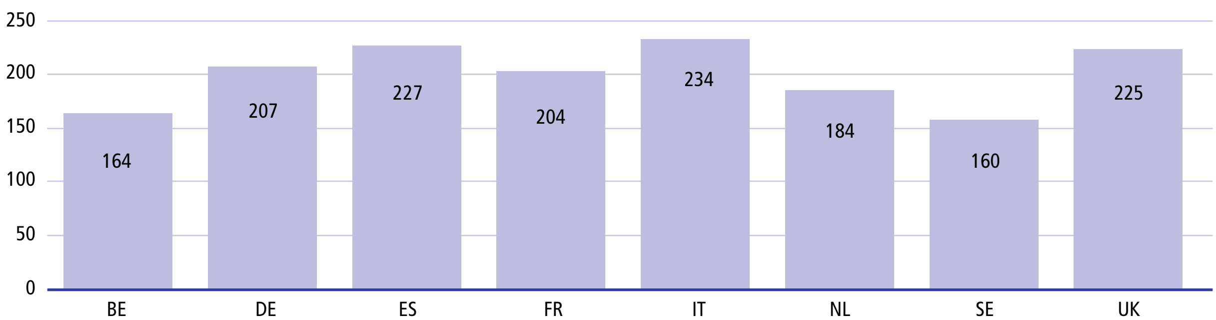
Data source: European Audiovisual Observatory, *Yearbook*, 2010

Belgium and the Netherlands are behind the other countries in regard to the number of households that watch digital television. Digitization is the highest in Sweden: all households in that country have a digital connection.

The total time spent watching television per day varies widely between the countries (figure 5.1). In Sweden and Belgium 2.5 hours are spent watching television each day, while in Italy, UK and Spain this is close to 4 hours.

Figure 5.1

Television viewing per person in 2008 (minutes per day)



Data source: European Audiovisual Observatory, *Yearbook*, 2009

Table 5.2 shows which channels are mainly watched. There is one country for which the number one position is reserved for a commercial broadcaster: France.

Table 5.2

Market shares of national television channels 2009 (top 5)

	1	2	3	4	5
Belgium (Flemish Community)	Eén: 32.1	*VTM: 20.9*	Ketnet/Canvas: 9.1	*VT4: 6.0*	*2BE: 5.6*
Germany	ARD 1: 12.7	ZDF: 12.5	*RTL: 12.5*	*SAT.1: 10.4*	*Pro 7: 6.6*
Spain	TVE La Primera: 16.4	*Telecinco:* 15.1	*Antena 3: 14.7*	*Cuatro: 8.2*	*La Sexta: 6.8*
France	*TF 1: 26.1*	France 2: 16.7	France 3: 11.8	*M6: 10.8*	*Canal +: 3.1*
Italy	Rai Uno: 21.2	*Canale 5:* 20.7	*Italia 1: 10.4*	RAI Due: 9.2	RAI Tre: 8.9
The Netherlands	Ned 1: 20.0	*RTL4: 13.6*	*SBS6: 10.9*	Ned 3: 7.2	Ned 2: 6.7
Sweden	SVT-1: 20.9	*TV4: 19.5*	*TV3: 8.4*	SVT-2: 7.5	*Kanal 5: 7.2*
United Kingdom	BBC1: 20.9	*ITV1: 17.8*	BBC2: 7.5	*Channel 4:* 6.7	*Five: 4.9*

Data source: European Audiovisual Observatory, *Yearbook*, 2010 (4 years+)
NB: Germany: 3 years +, Netherlands 6 years+
In italics: commercial channels

The top 5 in France includes four channels with a market share of more than 10 percent. TF1 takes first place with a share of more than a quarter of the market. The public France 2 and France 3 follow at some distance with 17 and 12 percent respectively. The number one in the Flemish part of Belgium also has a large market share. However, this is the public Eén and there are only two channels that have more than 10 percent.

In Italy there are also two channels that emerge above the rest: the public RAI Uno and the commercial Canale 5. Spain stands out because the country has four commercial channels in the top 5. It should be noted here that in some countries public broadcasting is well represented, even if only at regional level. Examples of where this is the case are Spain and Germany.

5.2 Market overview of the Netherlands

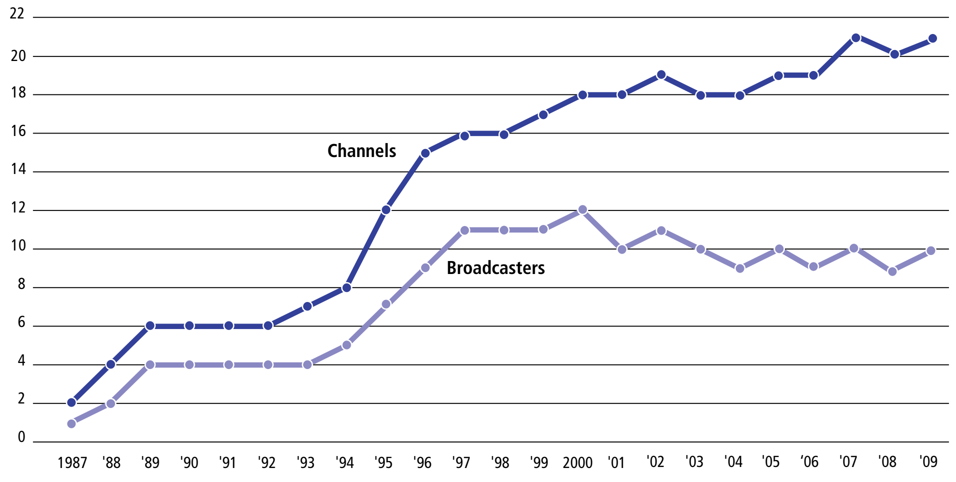
Dutch people watch television 184 minutes per day, which is less than in most of the other countries studied. They predominantly tune in to one of the three public broadcasters or to RTL4 or SBS6. What is striking about the Netherlands is the high percentage of households that use cable for their television network.

Number of channels and broadcasters

Until 1988 the television market for the Netherlands consisted of only two channels: Nederland 1 began in 1951 and was supplemented in 1965 by Nederland 2 (figure 5.2). Both belonged to the same supplier, meaning that the Dutch public broadcaster NPO in fact held a monopoly position on the television market. Those wanting to watch anything else had to turn to available foreign channels – predominantly Flemish, Walloon, German or British public broadcasters – or the video recorder, which came onto the market in the early 1980s. Foreign commercial channels such as Sky Channel and Music Box (later: “Super Channel”) were granted access to the Dutch cable in 1984 on the condition that they did not provide their programming with Dutch subtitles and did not broadcast advertising aimed at the Dutch audience. A third channel, Nederland 3, started in April 1988.

Figure 5.2

Number of broadcasters/stations on the national television market



Data source: KLO and Stichting KijkOnderzoek (since 2002)

After changes to the Media Act in 1992, an influx of commercial players in the market did not come until 1995. Within a year a large number of new commercial broadcasters appeared, and in May 1995 the music publisher Arcade launched the music channel TMF9 and TV10 Gold specializing in old series and films.

In the second half of the 1990s various new theme channels were added to the television landscape and foreign commercial broadcasters added special programming for the Netherlands (Discovery Channel, National Geographic Channel, and MTV). SBS Broadcasting started a second Dutch channel, Net 5. In August 2005, Talpa brought the number of general television channels on the Dutch market to 10, but this channel ceased broadcasting in 2007.

Market shares and viewing time

The total viewing time of Dutch people has shown a clear upward trend since 1989. Over a period of sixteen years this has increased by no less than 82 minutes per day or about 73 percent. The increase in the Dutch viewing time took place particularly during the periods 1989-1992 (growth of 33 minutes) and 2001-2004 (growth of 25 minutes).The total viewing time in 2009 was 184 minutes per day, which implies an increase of 17 minutes more compared to 2001 and a decrease of 11 minutes in 2005.

In 2009, three-quarters of the audience share was held by the Nederlandse Publieke Omroep (NPO), RTL Nederland and SBS Nederland. This development and the position of the other broadcasters in the 1990s are shown in table 5.3. When comparing the years, it must be taken into account that in addition to the regular measurement, since 2008 time-shifted viewing via video and hard drive recorder is also included in the calculation of market share.

The total share of the commercial broadcasters changed slightly over the past nine years with a rise of five percentage points. With the public channels combined there was however a decline from 38.1 to 35.7 percent. The shares of the remaining channels experienced a rise in 2009 after a period of decline. This category includes theme channels and foreign, non-national commercial and local channels.

The combined share of the three national channels of the NPO was at the same level in 2009 as it had been in 2005. Of these three channels, the largest growth over the years has been for Nederland 1. The market share of Nederland 2 has dropped by more than half and Nederland 3 has stayed virtually the same. The changes for Nederland 1 and Nederland 2 could partly have been due to the reprofiling of the two channels. The public broadcaster's regional channels have seen minimal change over this period.

After nine years, the share of RTL Nederland is at the same level as in 2001. In this period, the broadcasting company has remained the largest commercial supplier on the television market. No major changes have occurred among the channels.
SBS Nederland has succeeded in increasing its market share over the years and its growth seems to be continuing. At channel level, Net5 and Veronica show stable positions. Of the other national commercial suppliers, MTV Networks and Discovery Communications Benelux particularly stand out. These two have managed to continuously increase their market share.

Table 5.3

Market shares in the Dutch television market

Broadcaster (ranked according to 2009 market share)	Channel	Market shares (percentage)		
		2001	2005	2009
Nederlandse Publieke Omroep		36.0	33.3	33.9
	Nederland 1	11.8	11.9	20.0
	Nederland 2	16.2	15.1	6.7
	Nederland 3	8.0	6.3	7.2
RTL Nederland		24.7	23.5	24.2
	RTL4	15.0	14.7	13.6
	RTL5	4.3	4.6	4.4
	Yorin/RTL7	5.4	4.2	4.5
	RTL8			1.7
SBS Nederland		15.8	17.1	18.3
	SBS6	10.2	9.8	10.9
	Net 5	3.7	4.3	4.3
	V8/Veronica	1.9	3.0	3.2
MTV Networks		2.0	4.0	4.6
	MTV	0.4	0.7	0.8
	TMF	0.9	0.8	0.7
	Nickelodeon	0.7	2.2	2.1
	Comedy Central			1.0
	The Box		0.3	
Discovery Communications Benelux		1.2	2.4	2.9
	Discovery Channel	1.2	1.7	1.8
	Animal Planet	<0.1	0.7	1.1
Jetix Europe	Foxkids/Jetix	2.0	2.2	1.6
Eurosport		0.9	0.9	0.8
National Geographic Channel		0.6	0.7	0.8
Disney Channel				0.1
Het Gesprek				<0.1
Cartoon Network		0.9	n.a.	
Talpa Media	Tien/Talpa		2.2	
Liberty Media/Quote Media	The Box	0.3		
regional public broadcasters	*Sum of 13 broadcasters*	2.1	2.2	1.8
AT5		n.a.	0.2	0.2
RNN7		n.a.	<0.1	
total public broadcasters		38.1	35.5	35.7
total commercial broadcasters		48.4	53.2	53.5
other broadcasters		9.3	5.8	6.3
video/DVD/HDD		4.4	5.5	4.3
Total		100	100	100
Total viewing time (minutes per day)		167	195	184

Data source: Stichting KijkOnderzoek (Dutch Audience Research Foundation) (time slot 00-24 h / 6 years of age and older)
Some channels are listed in the overview more than once; this is due to different suppliers

The large number of foreign suppliers on the television market is also striking. In 2009, only the NPO channels and Het Gesprek were fully Dutch. Het Gesprek ceased broadcasting in 2010.

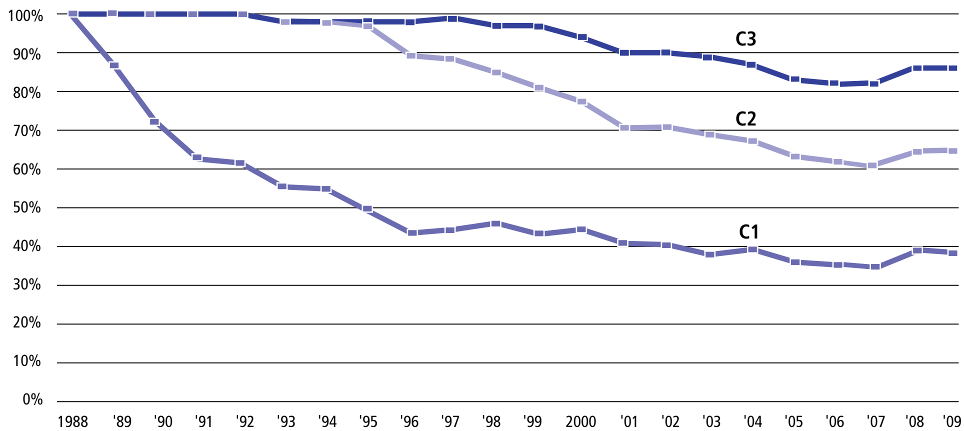
Supplier concentration

Supplier concentration on the national television market is measured using the largest, second largest and third largest broadcasters. The market is limited to suppliers with one or more national television channel with programming specifically directed at the Dutch viewing public. Regional public broadcasters, foreign channels and video/DVD/HDD are not included. As a result of the entrance of RTL-Véronique to the market in 1989, the NPO lost its monopoly position. Since then its concentration has continued to decline steadily, although at a gradual pace. In the period 1994-2000 an increasing number of competitors entered the market.

Collectively, the three largest suppliers, the NPO, RTL Nederland and SBS Nederland, control about 86 percent of the market. There is little change compared to the previous year. The rise in 2007 was caused by the disappearance of Talpa Media.

Figure 5.3

Television market: share of the largest (C1), two largest (C2), and three largest (C3) broadcaster(s)



Data source: Stichting KijkOnderzoek (24 hour timeslot/ 6 years and older)

6. RADIO

6. RADIO

Radio appears to be a medium where little international comparative research has been done. This is remarkable considering that the first radio broadcasts for the general public were almost one hundred years ago. The Dutch market is primarily discussed in this chapter, however, a short international comparison with regard to listening time and advertising expenditures is given first.

6.1 An international perspective

Table 6.1

Radio listening, total time on average weekday in 2008 (percentage)

	BE	DE	ES	FR	NL	SE	UK
No time at all	19.0	15.0	37.7	22.4	21.5	18.7	23.2
Less than 1 hour	31.2	38.0	27.9	39.0	33.8	43.7	32.2
More than 1 hour, up to 3 hours	20.7	25.7	19.7	22.5	17.6	20.8	23.6
More than 3 hours	29.1	21.2	14.7	16.1	27.1	16.7	20.9
Total	100	100	100	100	100	100	100

Data source: European Social Survey, 2008 (age 15+)

The popularity of radio is low in Spain, with more than one-third of the population never listening to it. In Germany this percentage is the lowest of all the countries studied. Sweden may have a low percentage of non-listeners, but the group that listens for less than one hour is close to half the population. The Belgians and the Dutch are the most extensive users; their market shares in the category 'more than 3 hours' are larger than a quarter.

Table 6.2

Radio ad expenditures in 2009

	BE	DE	ES	FR	IT	NL	SE	UK
Total (x million Euros)	272	746	502	792	436	234	73	567
Per inhabitant (in Euros)	25.3	9.1	11.0	12.3	7.3	14.2	7.9	9.2

Data source: European Audiovisual Observatory, *Yearbook*, 2010

The country with the most money spent on radio advertising per capita is Belgium. The total amount is 272 million Euros, while the population is just over 10 million. In the Netherlands the amount is also relatively high at 14 Euros per person. Italy stands out for low advertising expenditures on the radio market with an amount of 7.30 Euros per capita.

6.2 Market overview of the Netherlands

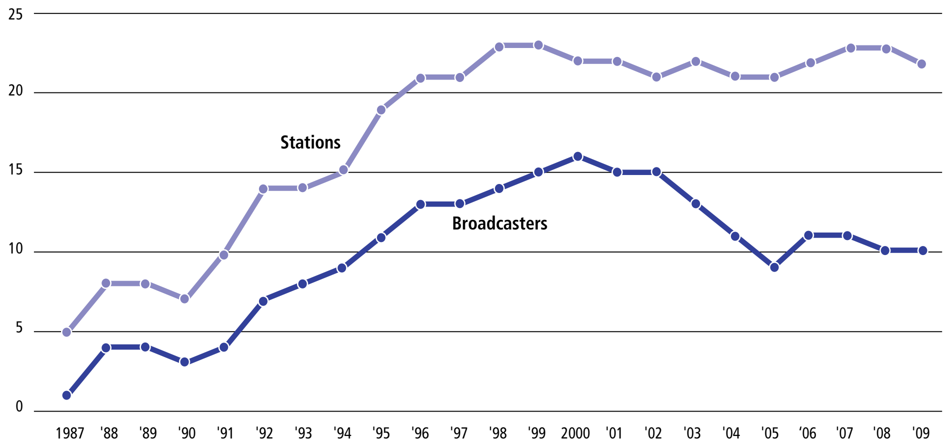
The brief international comparison has shown that the Dutch like to listen to the radio, with only one-fifth of all inhabitants not listening at all. This popularity can also be seen in the budget for radio advertising: 17 Euros are spent on this per capita. More details on the Dutch radio market are given below.

Number of suppliers and stations

Since 1947, the Dutch radio market has had two public stations, Hilversum 1 and Hilversum 2. No legal commercial broadcasters were active on the Dutch market until 1988 as this was prohibited by law. Radio Veronica, which began broadcasting in 1960, was the first 'offshore radio' station. Transmissions were made from a ship off the coast of the Netherlands, just outside territorial waters, which prevented the Dutch government from acting effectively. Radio Veronica was the first broadcaster with programming fully dedicated to pop music.

Figure 6.1

Number of broadcasters/stations on the national radio market



Data source: RAB / Intomart GfK

Three commercial music stations began broadcasting during the course of 1988 (figure 6.1): Cable One and Radio 10 in the spring, followed by Sky Radio in the autumn. In order to do this they used foreign broadcasting rights. Although Cable One was compelled to cease broadcasting in 1989 – the Dutch Media Authority did not allow cable operators to continue broadcasting – the two other stations did manage to increase their market shares. Within the present radio landscape, Sky Radio and Radio 10 Gold are the longest-running commercial stations.

The increase in the number of stations not only corresponds with commercial radio being allowed to broadcast, but also, for example, to the increasing availability of FM frequencies for this group. After temporary distributions in 1992, 1994 and 1997, there was a final distribution auction for nine FM frequency slots in 2003. Five of these slots have a government-regulated format; news or Dutch content, for example. It is striking that the number of suppliers fell considerably in the run-up to and after the frequency division. In 2009 the Dutch radio landscape consisted of 10 broadcasting companies with a total of 22 stations targeting the Netherlands.

Market shares and listening time

In 1987 the total listening time was an average of 170 minutes per day; in 2009 this increased by more than half to 201 minutes (table 6.3). In contrast to television, the arrival of commercial broadcasting among radio stations has only resulted in a very gradual increase in listening time. In the past nine years, the commercial broadcasters have seen an increase in their market share, while the public broadcasters have seen their share continue to decrease.

Total listening time reached a high point in 2009, as did the combined market share of national public broadcasting, which reached a height that had not been seen for a long time. Compared to 2005, a market share of 31.6 percent in 2009 represented growth of 3.3 percentage points. This is mainly because of Radio 3FM, a radio station for popular music, showed an increase on the previous year; the 2001 level has however not yet been reached. In contrast Radio 2, a station playing mostly music from the 1970s and 1980s, has been continually improving since 2001. Just as in the television market, the shares of regional public broadcasters are declining, whereas regional commercial broadcasters have increased their market share by over 2 percentage points.

The Sky Radio Group, which has been owned for several years by the Telegraaf Media Groep, has been the largest commercial broadcaster for many years. The second most-listened-to station Sky Radio has a declining share, but this is compensated for by the increasing success of Radio Veronica, which is also owned by TMG. The most-listened-to commercial station is held by RTL Nederland: Radio 538, which, like 3FM, is aimed at young people, had a share of 10.6 percent in 2009, putting the station at the same level as the most-listened-to public station, Radio 2.

100%NL stands out among the other stations. In two years, this station broadcasting only Dutch music gained a 3.8 percent share. Radio 10 Gold's share has seen a drastic decline. In 2001 this station, owned by Wegener, had a market share of 8.1 percent, which has since dropped to just 4 percent.

Table 6.3

Market shares in the Dutch radio market

Broadcaster (ranked by market share in 2009)	Station	Market shares (in percentages)		
		2001	2005	2009
Nederlandse Publieke Omroep NPO		31.1	28.3	31.6
	Radio 1	8.9	8.5	7.7
	Radio 2	9.6	10.5	10.8
	Radio 3FM	10.2	6.6	8.6
	Radio 4	1.6	1.8	1.8
	747 AM / Radio 5	0.8	0.9	2.5
	Radio 6			0.2
	ConcertZender		n.a.	n.a.
	FunX		n.a.	n.a.
Telegraaf Media Groep (Sky Radio Group)		14.1	16.5	17.5
	Sky Radio	14.1	9.4	9.1
	Radio Veronica		5.0	5.9
	Classic FM		2.1	2.1
	HitRadio			0.4
RTL Nederland		4.3	5.6	10.6
	Radio 538			10.6
	Yorin FM	4.3	2.8	
	RTL FM		2.8	
De Persgroep	Q-Music		4.5	6.9
RadioCorp B.V.	100%NL			3.8
Talpa Media			16.7	2.4
	Radio 10 Gold		5.1	2.4
	Juize.FM		n.a.	n.a.
	Radio 538		11.6	
Arrow Media Groep		1.8	2.5	2.1
	Arrow Classic Rock	1.8	1.9	1.6
	Arrow Jazz FM			0.5
Slam!FM B.V.	Slam!FM		1.3	2.0
FD Mediagroep	BNR Nieuwsradio		0.4	0.9
Vereniging Veronica	Kink FM	n.a.	0.1	0.3
TMF Radio VOF	TMF Radio			0.2
Newscorp / natural persons	Radio 538	8.3		
Wegener	Radio 10 Gold	8.1		
SBS/De Telegraaf	Noordzee FM	4.8		
GWR Group/News Corp	Classic FM	2.6		
Bizned	Radio Nationaal	0.6		
Business Nieuws Holding	BusinessNieuws Radio	0.2		
192 Media	Radio 192	n.a.		

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Broadcaster (ranked by market share in 2009)	Station	Market shares (in percentages)		
		2001	2005	2009
MCH Holding	ID&T Radio	n.a.		
regional public broadcasters	*Sum of regional public broadcasters*	14.3	14.5	12.1
non-national E Power members	*Sum of E Power members*	2.3	2.8	4.7
Total public broadcasters		45,4	42.8	43.7
Total commercial broadcasters		47,1	50.4	51.2
Other stations		7.2	6.7	5.4
Total		100	100	100
Total listening time (in minutes per day)		189	192	201

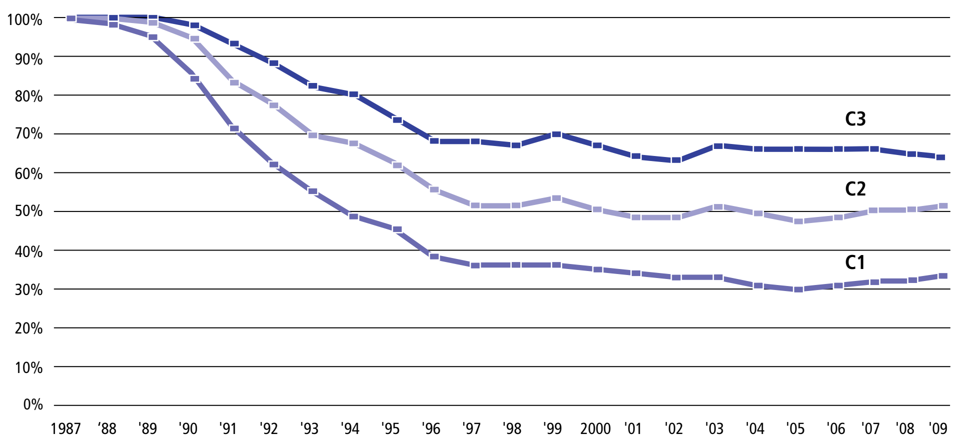
Data source: RAB/Intomart GfK (time slot 00-24 h / 10 years of age and older)
Some stations are listed in the overview more than once; this is due to different suppliers

Supplier concentration

Following the market shares on the radio market in the years 2001, 2005 and 2009, figure 6.2 shows how the three largest suppliers have developed in the past twenty years. Supplier concentration of the national radio market is measured using the C1, C2 and C3; the largest, the two largest and the three largest suppliers. The ‘other’ share is not considered in this, as a result of which the figures diverge somewhat from the market shares in table 6.3.

Figure 6.2

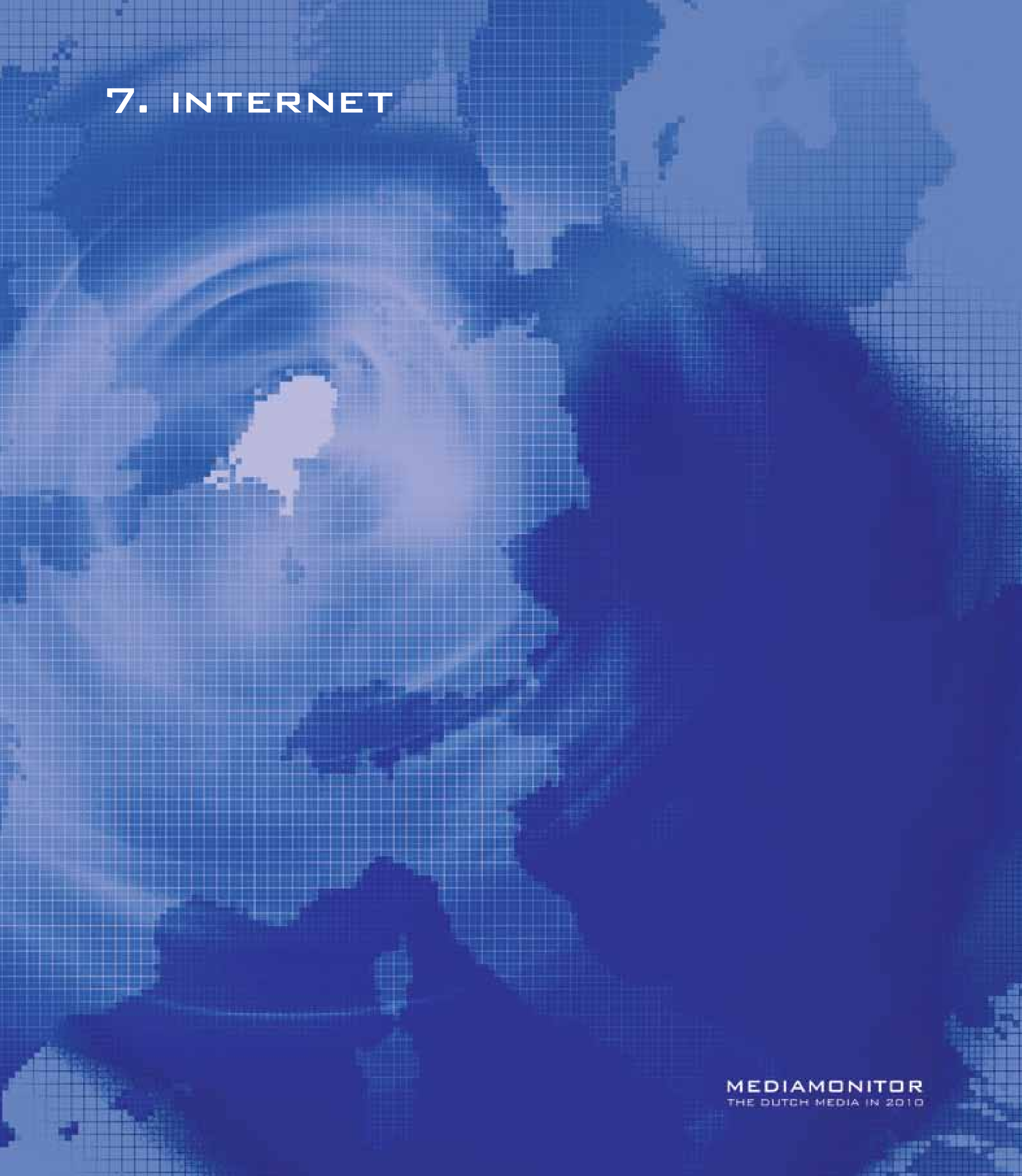
Radio market: share of the largest (C1), two largest (C2), and three largest (C3) broadcaster(s)



Data source: RAB/Intomart GfK (since 2000 24 hour timeslot / 10 years and older)

On the radio market the concentration also clearly dropped from the moment that commercial broadcasters entered the national radio market and the NPO no longer held a monopoly position. The arrival of an increasing number of competitors led to deconcentration on the radio market. Since 1996 the C1, C2 and C3 appear to have finally stabilized. In 2009, the C1 had a share of 33 percent (NPO), the C2 had a share of 52 percent (NPO and the Telegraaf Media Groep) and the C3 (NPO, the Telegraaf Media Groep and RTL Nederland) had a share of 64 percent.

7. Internet



7. INTERNET

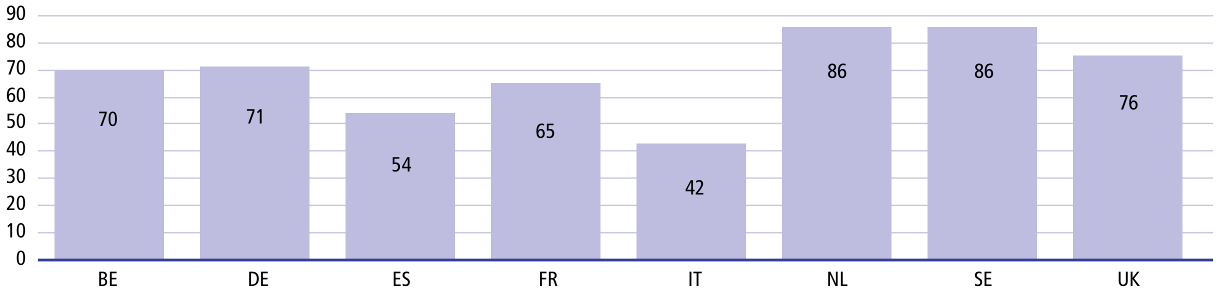
The Mediamonitor considers the internet an important platform in the media landscape; its popularity and its effects on public opinion formation cannot be ignored. This newest medium is also the medium that is the most difficult to demarcate. It remains to be seen whether it is possible to talk about one market, as the Mediamonitor does for newspapers, radio and television. This chapter, therefore, does not talk about market shares and supplier concentration, but insight is given in a different way into the use, the reason for use and the most popular titles and suppliers.

7.1 Usage

Although many people can no longer imagine not using the internet in daily life, that is certainly not the case in every country. Of the eight countries studied, the Netherlands and Sweden have the highest percentage of people who use the internet regularly: 86 percent (figure 7.1). The UK, in third position, is 11 percentage points behind. The lowest percentage is less than half the highest: only 42 percent of Italy's population uses the internet on a regular basis.

Figure 7.1

People using the internet on a regular basis in 2009 (percentage)



Data source: Eurostat online database (age 16-74)

People use the internet for various reasons (table 7.1). Once again, the Netherlands and Sweden have relatively high shares when it comes to reading online dailies and magazines, listening to web radio and watching web television, and participating in activities related to obtaining and sharing audiovisual content.

There is division between the countries in respect of activity preference. Internet users in Italy, Belgium, Germany, Spain and the UK, for instance, choose to read online dailies and magazines rather than listening to web radio and watching web television.

Table 7.1

Internet use for various media activities in 2009 (percentage)

	BE	DE	ES	FR	IT	NL	SE	UK
Reading online newspapers/ magazines	34	27	38	24	23	46	50	43
Listening to web radio/watching web television	20	23	25	25	13	51	50	35
Leisure activities related to obtaining and sharing audiovisual content (2008)	15	21	23	24	9	45	42	26

Data source: Eurostat online database (age 16-74)

7.2 Visitors

Both Google's American and local search engines are frequently visited in all the countries (table 7.2). Other frequently-visited websites are youtube.com and facebook.com. In the Netherlands the similar website hyves.nl is, however, (still) more popular than facebook.com.

Table 7.2

Top 10 most-visited websites per country

	BE	DE	ES	FR	IT	NL	SE	UK
1	google.be	google.de	google.es	google.fr	google.it	google.nl	google.se	google.co.uk
2	facebook.com	facebook.com	facebook.com	facebook.com	facebook.com	google.com	facebook.com	facebook.com
3	youtube.com	google.com	google.com	youtube.com	youtube.com	youtube.com	google.com	google.com
4	live.com	youtube.com	youtube.com	live.com	google.com	hyves.nl	youtube.com	youtube.com
5	google.com	ebay.de	live.com	google.com	yahoo.com	live.com	aftonbladet.se	yahoo.com
6	yahoo.com	wikipedia.org	blogger.com	yahoo.com	wikipedia.org	facebook.com	live.com	bbc.co.uk
7	wikipedia.org	amazon.de	yahoo.com	orange.fr	libero.it	nu.nl	wikipedia.org	ebay.co.uk
8	msn.com	spiegel.de	wikipedia.org	leboncoin.fr	live.com	marktplaats.nl	blocket.se	live.com
9	ebay.be	yahoo.com	marca.com	msn.com	blogger.com	wikipedia.org	blogger.com	wikipedia.org
10	google.fr	bild.de	tuenti.com	free.fr	ebay.it	twitter.com	yahoo.com	twitter.com

Data source: alexa.com
Reference date 26 August 2010

Advertising site eBay or local equivalents fall outside the top 5. Other popular websites are wikipedia.org, twitter/blog-related services and news sites.

The Netherlands is one of the few countries to have three truly national websites in the top 10. Belgium does not have any home-grown websites in the top 10. National websites that appear in the lists for the other countries are primarily news sites.

7.3 Search engines

In the field of search engines, one party is used far more than any other: Google. This is plain to see in the top 10 most-visited websites, but table 7.3 also shows that the difference between the most-used and second most-used search engines in Germany, Spain, France and the UK is more than 85 percent.

Table 7.3

Market shares of search engines per country in 2010 (percentage)

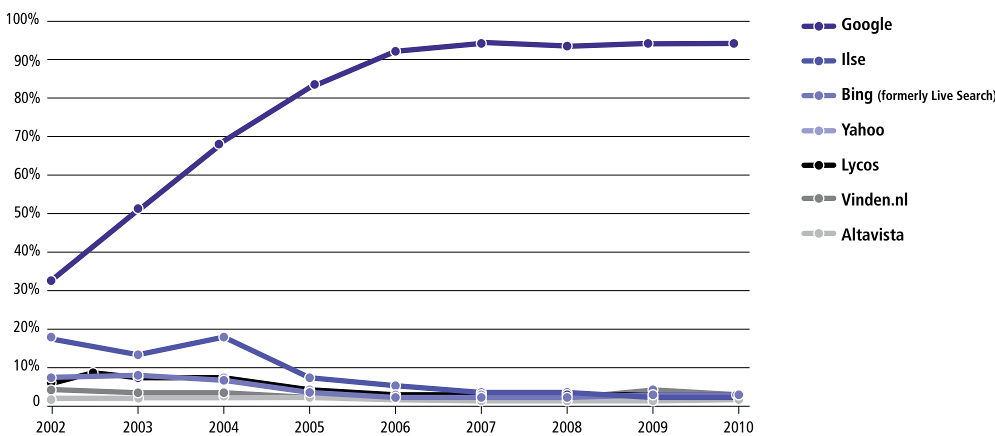
	DE	ES	FR	UK
1	Google: 92.8	Google: 94.0	Google: 91.0	Google: 90.4
2	T-Online: 2.0	Conduit 2.4	Bing: 2.8	Yahoo: 3.2
3	Yahoo: 1.0	Bing: 1.3	Yahoo: 1.8	Bing: 3.1
4	Bing: 1.0	Yahoo: 1.0	Orange: 0.9	Ask: 1.3
5	Conduit: 0.9	Ask: 0.6	Conduit: 0.7	AOL: 0.7

Data source: atinternet-institute.com
Reference date May 2010

The Netherlands is no different (figure 7.2); here too, Google effectively holds a monopoly position on the search engine market. In 2002 there seemed to be a reasonably balanced market with Google and Ilse at the top and alternatives rising. However, since 2004 it soon became clear that Google would take the lead. The other six search engines either remained or fell far below 10 percent.

Figure 7.2

The 7 most-used search engines in the Netherlands



Data source: Checkit, 2010

7.4 News sites

Table 7.4 shows which news sites are found in the top 100 most-visited websites. Other than these websites, news is obtained by using portals where news can be found, and from websites that are geared to a certain type of news, such as sports or finance. These groups are not included in the overview.

With 10 websites, the Netherlands is the country with the most news sites in the top 100 most-visited websites. Other countries with a high number of news sites are Germany and Belgium, both with nine sites. Of the countries selected, the inhabitants of France and Spain use general news sites the least. In France the first news site only comes in at number 52.

Table 7.4

Most-visited news sites per country (general news)

Country	Position in top 100	News site	Title	Website belonging to medium
Belgium				
	15	hln.be	Het Laatste Nieuws	newspaper
	29	dhnet.be	La Dernière Heure	newspaper
	35	lesoir.be	Le Soir	newspaper
	41	nieuwsblad.be	Het Nieuwsblad	newspaper
	48	standaard.be	De Standaard	newspaper
	61	7sur7.be	7 sur 7	-
	86	deredactie.be	VRT	broadcaster
	90	sudpresse.be	Sud Presse	newspaper
	96	lalibre.be	La Libre	newspaper
France				
	53	lemonde.fr	Le Monde	newspaper
	80	lefigaro.fr	Le Figaro	newspaper
Germany				
	8	spiegel.de	Spiegel	magazine
	10	bild.de	Bild	newspaper
	36	sueddeutsche.de	Süddeutsche Zeitung	newspaper
	46	stern.de	Stern	magazine
	48	focus.de	Focus	magazine
	64	tagesschau.de	Tagesschau	broadcaster
	74	faz.net	Frankfurter Allgemeine Zeitung	newspaper
	76	zeit.de	Die Zeit	magazine
	88	n-tv.de	N-TV	broadcaster

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Country	Position in top 100	News site	Title	Website belonging to medium
Italy				
	11	repubblica.it	Repubblica	newspaper
	13	corriere.it	Corriere della Sera	newspaper
	40	ansa.it	ANSA	news agency
	61	ilsole24ore.it	Il Sole 24 Ore	newspaper
	66	lastampa.it	La Stampa	newspaper
	80	sky.it	Sky	broadcaster
The Netherlands				
	7	**nu.nl**		**-**
	13	**telegraaf.nl**	**De Telegraaf**	**newspaper**
	22	**geenstijl.nl**	**GeenStijl**	**-**
	26	**nos.nl**	**NOS**	**broadcaster**
	32	**spitsnieuws.nl**	**Spits**	**newspaper**
	40	**ad.nl**	**AD**	**newspaper**
	54	**volkskrant.nl**	**de Volkskrant**	**newspaper**
	74	**bbc.co.uk**	**BBC**	**television**
	79	**nrc.nl**	**NRC Handelsblad**	**newspaper**
	83	**dvhn.nl**	**Dagblad van het Noorden**	**newspaper**
Spain				
	13	elmundo.es	El Mundo	newspaper
	17	elpais.com	El Pais	newspaper
	26	20minutos.es	20 Minutos	newspaper
	78	abc.es	ABC	newspaper
Sweden				
	5	aftonbladet.se	Aftonbladet	newspaper
	12	expressen.se	Expressen	newspaper
	13	dn.se	Dagens Nyheter	newspaper
	23	svd.se	Svenska Dagbladet	newspaper
	50	bbc.co.uk	BBC	broadcaster
	68	gp.se	Göteborgs-Posten	newspaper
	71	sydsvenskan.se	Sydsvenskan	newspaper
United Kingdom				
	6	bbc.co.uk	BBC	broadcaster
	16	guardian.co.uk	The Guardian	newspaper
	18	dailymail.co.uk	The Daily Mail	newspaper
	24	telegraph.co.uk	The Daily Telegraph	newspaper
	29	sky.com	British Sky Broadcasting	broadcaster
	42	thesun.co.uk	The Sun	newspaper
	89	independent.co.uk	The Independent	newspaper

Data source: alexa.com
Reference date 26 August 2010

The Netherlands and the UK both have a relatively large share of the news sites in the top half of the top 100. At number five, Aftonbladet's news site (Sweden) has the highest ranking compared to the sites of the other countries. With the exception of France, a spread larger than that of the UK can be seen in all the countries, with sites at both the top and the bottom of the top 100.

At supplier level, the Netherlands is the only country that has two websites in the top 100 that are 'internet only' service. The websites of the daily paper De Telegraaf and the NOS are also popular. TMG, the parent company of the Telegraaf, occurs more than once: at 22 with geenstijl.nl and at 23 with spitsnieuws.nl.

In most countries the news sites are predominantly based on daily newspapers. In Spain and Italy this is even the only medium listed. There is also a lot of interest in Germany for newspapers' websites, as there is for websites belonging to magazines. The UK has six daily newspapers in the top 100, but here the list is led by the public BBC. The popularity of this news service is shown by its listings at 50 and 74 in Sweden and the Netherlands respectively. Italy is the only country where a press agency, ANSA, is listed in the top 100.

8. NEWS MARKET

8. NEWS MARKET

The media landscape is traditionally segmented by medium type, with each type being characterized by specific (technological) features. This typology is also clearly recognisable in policies which are structured along the lines of traditional media types like print, radio and television. The ongoing technological developments have enabled convergence between all sorts of media types and continue to create new features which integrate one medium with another. The different platforms are no longer a profound basis for distinction. A platform approach focuses on the various distribution channels through which information is disseminated; convergence has, however, shifted attention to the content itself, disregarding the distribution technique.

The traditional mindset of defining media in terms of medium types no longer provides an appropriate perspective on the media landscape. In response to these developments, rules and regulations have to be adapted to today's situation. Recall from the second chapter how media concentration policies have moved from medium-specific rules to cross-media rules and seem now to be gradually disappearing. In an information society, the risk of getting lost in the 'information overflow' might be greater than falling prey to one dominant supplier. The individual media user may become as important as the suppliers of media content.

In other words, instead of distribution technique and supplier, content and user are becoming increasingly important and are expected to become even more so in the near future. In response to these transitions, the Mediamonitor introduced a new model for monitoring opinion power in 2007. As there are no longer regulations on media concentration in the Netherlands, the importance of signalling concentration of power in public opinion formation has become even more important.

8.1 Focussing on news content

As early as 2005, the Scientific Council for Government Policy of the Netherlands suggested a future-proof functional approach in its report "Media policy for the digital age". Instead of a media type-driven policy which is continually challenged and finally outdated by reality – and therefore of limited use – the Council has taken a different approach by asking the question: what is the role or function that media play now and are expected to play in our society in the coming decade? The Council suggests a new policy paradigm that takes functions as a strategic starting point, and has defined the different functions:

- News and opinion (including current affairs and debate);
- Special information;
- Culture, arts, education;
- Entertainment;
- Advertisements, persuasive information and other forms of commercial communication.

The Council provides estimates of the risk to society regarding different values. As table 8.1 shows, diverse, independent and high-quality news and opinion content is essential for a society and must be a higher priority for policy than other content types.

Table 8.1

Content types: risk to society

	News & Opinion	Specialist	Arts and Culture	Entertainment	Advertising
Diversity	++	-	+	-	-
Independence	++	++	+	-	+
Quality	++	++	+	-	+

Key: ++ = risk, + = no direct risk, - = no risk

Media policy, particularly policy dealing with the impact on public opinion formation, could benefit from a design based on functions, independent of media type. The ownership concentration model (as it was formulated in the Temporary Act Media Concentration) considered all newspapers, radio stations and television channels equally important for opinion formation. Not taking into account the type of content implies two limitations. On the one hand, special-interest channels such as sports, music or teleshopping, for instance, are included in the analysis. The broadcasted content of these channels is, however, not considered as important in public opinion formation as news channels such as CNN. On the other hand, media titles such as newsmagazines (or weeklies) were excluded as they are particularly important in the interpretation of events by providing background information, opinions, etc. Magazines like these 'feed' citizens with information and contribute to the public debate in general. In identifying key players or key aspects in the process of opinion formation with regard to concentration of opinion power, magazines cannot be ignored. The analysis of media concentration, as it was based on the Temporary Act, is argued to be not entirely sufficient to determine opinion power: relevant titles are missing and irrelevant titles are not excluded.

For these reasons, focusing on news content in particular is argued to be an important criterion in defining parameters of opinion power. In this, the Mediamonitor follows the Council's line of argument. Research shows that news media have a strong impact on public opinion; what is not in the news is not part of the public opinion. The issues presented and discussed in news media set the thematic agenda of the audience. Of course soaps, films, music and sport sometimes also place issues on the public agenda, but those are exceptions and not part of the main function. In other words, the news media's ability to transfer issues of importance from their own media agendas to the public agenda makes them very powerful, and thus essential in assessing concentration of power in the process of opinion formation.

To measure the share of news media consumption independent of type, a clear definition of all news titles (for example, news programmes, magazines, websites, newspapers, etc. with editorial independence) is required. Three main criteria are necessary to classify media content as news (including current affairs and opinion):

- *Impact on the national population.* Foreign news outlets are excluded because their main function is not to affect the Dutch agenda (and aim, though not directly, at Dutch audiences) (e.g. BBC news).
- *General news.* Thematic news such as sport or music is excluded.
- *Updated at least once a week.* To offer current information, media need to be updated frequently.

News titles are in line with the definition if they are multi-thematic (without thematic limitation), focused on a particular country and refreshed at least once a week. The news market consists, for example, of weekly magazines, internet sites with news not older than a week, current affairs programmes on TV, newspapers published weekly or more frequently, etc.

8.2 Comparing two measures of opinion power

The Mediamonitor carried out a series of studies on news. In addition to projects on news outlets (the number of media outlets and types), newsrooms (the number of newsrooms, staff, etc.), news content (topic diversity and source diversity, topicality), news consumption was also analyzed. In this last mentioned study, the focus on news content and its users was brought together. Between September and December 2007, a representative sample of 1,195 Dutch respondents of 13 years of age and older answered questions about the use of news titles from the previous day. For each media type, respondents were asked what media they used the previous day and, if any, which titles (or radio stations/television channels). Because the total Dutch news market consists of less than 90 news titles, information was gathered about reach and time spent watching, reading or listening to a particular news title.

Table 8.2

Use of news outlets per medium type in 2007

Medium type	Minutes per day
Television	46.7
Radio	15.3
Daily newspapers/ E-papers	20.9
Weekly magazines	1.5
Internet/RSS-feeds	6.9
Teletext	6.7
Total	**98.0**

As shown in table 8.2, the Dutch spent about 100 minutes per day in 2007 reading, listening to or watching news content. Nearly 50 percent was devoted to television news. Together with newspapers and radio, the traditional daily news media accounted for more than 4 out of 5 minutes of news consumption. Internet news and teletext also reached a large part of the Dutch population, but the time spent on them was shorter. Weekly magazines were only used by a small group. The study is already four years old and it can, therefore, be argued that internet use has become more important since then.

The Mediamonitor's argument for a monitoring model based on news media use is exemplified by comparing it with the market shares according to the ownership concentration model. First of all, the total reach and the total time spent using news titles of each particular supplier was calculated in order to analyse concentration of opinion power in the news market. The news market share is the percentage of the total time devoted to, out of all titles, news titles from a particular supplier (table 8.3).

Table 8.3

Reach of news, news market share and market share according to the Temporary Act Media Concentration (Twm) in 2007 (percentage)

	Reach of news media	Share of news media market	Average market share according to Twm
NPO	78.1	44.5	26.5
RTL	53.0	15.4	12.1
Telegraaf Media Groep	32.1	8.0	14.4
SBS	32.3	7.3	6.5
Mecom	19.2	5.7	6.2
PCM	12.9	4.4	6.3
Sanoma	18.1	3.0	0.0
AD Nieuwsmedia	7.9	2.4	2.9
NDC / VBK de uitgevers	4.6	1.5	1.5
Metro Holland	9.4	1.3	3.1
De Persgroep	5.9	1.1	2.7
Mountain Media	4.4	0.5	2.9
Arrow Media Group	2.1	0.2	1.3
MTV Networks	0.0	0.0	1.6
Other		4.7	12.0
Total		**100**	**100**

Note: The Temporary Act Media Concentration was in force from 2007 until 2010.

Public broadcaster NPO reaches more than three-quarters of the Dutch population daily via television, radio and internet, but RTL also reaches more than 50 percent. Four out of seven suppliers with a reach above 10 percent were owned by a foreign company in 2007. When rankings of the suppliers are based on reach of news media and on news market shares, the order is largely comparable. Sanoma (owner of news site nu.nl) is the sixth largest supplier in terms of reach, whereas PCM (publisher of several dailies) is found in sixth position of the market share rankings. This difference can be explained, for the large part, by the fact that online media use is different than reading newspapers: online sources are consulted rather quickly while users spend more time reading a news article in a daily newspaper. The top 7 companies account for almost 90 percent of the total time spent on the news.

The current market shares have been recalculated to enable comparison of the market shares in the news market with those according to the former Dutch Temporary Act Media Concentration, The Act required takeovers to lead to a market share not exceeding 90 percent in the combined television, radio and newspaper markets. All three markets together count for 300 percent and each media type is equally important according to the Act. As the news market shares account for 100 percent in total, the market shares according to the current law are divided by three. Under the Dutch Temporary Act Media Concentration, a takeover was not allowed if a supplier reached an average of 30 percent (90/3) of the combined markets for newspapers, television and radio.

The ranking of the two measures, the average percentage on the three equivalent markets and on the news market, is reasonably comparable. In total, people spend more time watching news, opinion and current affairs programmes on television than reading newspapers. Moreover, television news is also aired at the weekend, but in the Netherlands in 2007 there were almost no newspapers available on Sundays and no free papers on Saturdays. In other words, broadcasters have a larger share of the overall news market than newspaper publishers. Another point that should be taken into account is the inclusion of all content types in the market shares of the Temporary Act. When filtering out news content, the ranking automatically changes because only a selection of suppliers' activities are taken into account instead of all activities (of subsidiaries) in the daily newspaper, radio and television markets. In this sense, the case of Sanoma is an interesting one. As this media company predominantly operates in magazines, the Act on media concentration did not apply, but Sanoma's ownership of news site nu.nl does give the company opinion power.

The major advantage of the news market is that the data is generated from a single source study in which usage is measured in the same way for all media types. From a practical point of view, an annual survey on news usage is a flexible methodology. All new kinds of news distribution can be easily integrated into the questionnaire, which make this measurement of news usage future proof.

8.3 Towards a new monitoring model: exposure diversity

The previously discussed comparison shows only one aspect of the different measures that can be derived from the information gained by the survey on news consumption. Although the news market share per independent supplier is considered one of the most important indicators of opinion power, these shares can also be calculated for each individual news title.

Another indicator is the number of news sources consumers consult. Even though there is an incredible amount of information available, actual exposure to a wide range of sources is not guaranteed. Source diversity (a broader concept which includes diversity of titles) is therefore not necessarily viewed as the greatest concern now and in the near future. Citizens have a certain responsibility in finding their way in the media landscape and consulting different 'voices'. A variety of sources should, ideally, be used by individuals in gaining their daily news feeds. The study on the news market also analysed the number of titles and suppliers used per person. About five percent of the Dutch population does not use news titles; however, those surveyed used, on average, five different news titles a day, provided by three different suppliers. If consumers predominantly choose one or two main sources, a powerful position might be created for those content suppliers. Based on the situation in 2007, the conclusion can be drawn that the Dutch have been exposed to diverse news sources.

This chapter began by stating that the media are in transition. Due to digitization, new media types are being developed and media infrastructures are converging, content is becoming mobile; boundaries between the press and broadcasting are disappearing. The future media landscape in the Netherlands and abroad is difficult to determine, but even if all newspapers and all television channels disappear, news media will still influence public opinion. Sources, content and exposure diversity should also be measured for the news market. Within the framework of a functional approach, concentration of editorial offices, titles, ownership and the diversity of content can be monitored. Markets based on specialist information, arts and culture, entertainment and advertising functions can be also added.

NOTES

1 Centraal Bureau voor de Statistiek, *Statline database.* Available: http://statline.cbs.nl

2 Idem.

3 European Commission, *Eurobarometer survey.* Available: http://ec.europa.eu/public_opinion

4 Doyle, G. (2002). *Media ownership: The economics and politics of convergence and concentration in the UK and European media.* London: Sage Publications.

5 Idem.

6 For the sake of clarity, 'pluralism' will be used in this report to refer to the normative goal of safeguarding diverse voices in a media landscape.

7 The Dutch News Monitor is supported by the Netherlands Press Fund (Stimuleringsfonds voor de Pers), Dutch Publishers Association (Nederlandse Dablad Pers) and Dutch Association of Journalists (Nederlandse Vereniging voor Journalisten). For more information see: http://monitor.nieuwsmonitor.net

8 US Department of Justice and the Federal Trade Commission (1997). 1992 Horizontal Mergers Guidelines, *[including Revisions to Section 4 on Efficiencies, April 8, 1997].* Washington: US Department of Justice.

9 The HHI concentration index is available at: www.mediamonitor.nl

10 See for an explication of profusion: J. van Cuilenburg (2007). Media diversity, competition and concentration: Concepts and theories, in: E. De Bens (Eds). *Media between Culture and Commerce,* pp. 25-54. Bristol: Intellect.

11 J. van Cuilenburg (2005). *Profusie en performance: de Nederlandse televisiemarkt van vraag en aanbod* [Profusion and performance: Supply and demand of the Dutch television market]. Available: http://www.mediamonitor.nl

See for an English publication on profusion in different European countries (including the Netherlands): M. Aslama, E. de Bens, J. van Cuilenburg, K. Nordenstreng, W. Schulz & R. van der Wurff (2007). Measuring and assessing empirical media diversity: Some European cases, in: E. De Bens (Eds). *Media between Culture and Commerce,* pp. 55-98. Bristol: Intellect.

12 Commissariaat voor de Media (2009). *Mediamonitor, Analyse en verdieping #1: Over nieuws en het ANP* [Mediamontor, Analysis # 1: About the news and the Dutch national news agency (ANP) 2009]. Available: http://www.mediamonitor.nl

13 Cavallin, J. (1998). European Policies and Regulations on Media Concentration. *International Journal of Communications Law and Policy,* 3(1).

14 Idem.

15 Three academic institutes (i.e. Katholieke Universiteit Leuven, Central European University and Jönköping International Business School) together with one consultancy firm (Ernst & Young Belgium) have been concerned with the development of the Indicators of Media Pluralism.

16 Katholieke Universiteit Leuven (ICRI), Central European University (CMCS), Jönköping International Business School (MMTC), & Ernst & Young Belgium (2009). *Independent study on indicators for media pluralism in the member states — Towards a risk-based approach*. Prepared for the European Commission Directorate-General Information Society and Media. KUL: Leuven.

Available: http://ec.europa.eu/information_society/media_taskforce/doc/pluralism/study/final_report_09.pdf

17 The overviews of legislation in the European countries have been verified for factual correctness with the national regulatory authorities: Conseil Supérieur de l'Audiovisuel (www.csa.be) and the Flemish Media Regulator (www.vlaamseregulatormedia.be) in Belgium, the Conseil Supérieur de l'Audiovisuel in France (www.csa.fr), The German Commission on Concentration in the Media (www.kek-online.de), the Communications Regulatory Authority in Italy (www.agcom.it), Commission on the Telecommunications Market in Spain (www.cmt.es), The Swedish Broadcasting Commission (www.rtvv.se) and the Office of Communications in the United Kingdom (www.ofcom.org.uk).

18 The in 1997 established 'Vlaams Commissariaat voor de Media' (CVM) has been continued as 'Vlaamse Regulator voor de Media' (VRM) in 2005.

19 Note that the Belgian and French regulators bear identical names. However, the two institutions operate fully independently of each other.

20 KEK (2006). Cross-media relations: A challenge for media concentration control. Available: http://www.kek-online.de/Inhalte/summary2007.pdf

21 There are several additional rules concerning vertical concentration of digital terrestrial broadcasting that aim to prevent the current duopoly in the analogue market from transferring to the digital spectrum (e.g. by means of requiring operators to access third-party content suppliers on their networks).

22 Ofcom (2009). *Media Ownership Rules Review,* pp. 103-108. Available: http://stakeholders.ofcom.org.uk/binaries/consultations/morr/summary/morrcondoc.pdf

23 Mediendatenbank, *Die 50 größten Medienkonzerne 2009* [The 50 largest media companies in 2009]. Downloaded October 2010, from: http://www.mediadb.eu/rankings/rankings/print.pdf

24 With the General Audiovisual Communication Act coming into force this year, the State Council for Audiovisual Media shall take over the CMT's functions in audiovisual matters as soon as the set up of this regulator is completed.

25 Idem.

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