Media crisis and concentration: A comparison between the Swiss and the French Daily Presses

BADILLO, Patrick-Yves

Abstract

The communication is centered on the links between media crisis and concentration, and especially in the case of the daily press. Firstly, we observe the dynamics of the press in France and Switzerland. Especially, we highlight the dramatic crisis of the French information press. Then, we examine how concentration has evolved, in the sector of daily newspapers at a national level both in France and Switzerland. Our objective is to answer the following question: is there an increase of concentration in the press and especially in the Swiss daily press compared to the French one?

Reference


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Media crisis and concentration
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1. Introduction

The communication is centered on the links between media crisis and concentration, and especially in the case of the daily press. Firstly, we observe the dynamics of the press in France and Switzerland. Especially, we highlight the dramatic crisis of the French information press. Then, we examine how concentration has evolved, in the sector of daily newspapers at a national level both in France and Switzerland. Our objective is to answer the following question: is there an increase of concentration in the press and especially in the Swiss daily press compared to the French one?

2. The French and the Swiss press are faced to a strong crisis

2.1. The decline of the press in France as well as in Switzerland

If the early 20th century is the golden age for the French press with about 322 dailies in France, the situation was still rather prosperous in 1945 with 179 titles. There were 26 daily national newspapers in 1945 and only 10 in 2000. However, besides this decrease of the number of titles, a dramatic decrease in the circulation also did take place. In 1914, one of the main national newspapers, Le Petit Parisien, had a daily circulation of about 3 million copies. In comparison, the two main national dailies, Le Monde and Le Figaro, have now together a daily circulation of about 600000 copies, 5 times less.

In the case of the Swiss press the trend is also decreasing, but the Swiss press remains a strong industry. Switzerland has a high per capita print circulation for newspapers: there were fourteen paid-subscription daily newspaper titles per one million inhabitants in 2008, twice as high as the figures for the US, Germany, France and Italy. Nevertheless the number of paid-content newspapers which are published at least 4 times a week in Switzerland declined by 40% between 1985 and 2006, falling from 124 to 76 titles. At first, this decline was associated with an increase in the circulation of the existing titles: the average circulation of a Swiss daily newspaper was about 10,000 copies in 1985, and 16,000 in 2006. But, with the emergence of free dailies since 2000, the situation has deteriorated for paid-content newspapers. Only the Sunday paid-content press has developed: “A model of paid newspaper which has not stopped gaining ground these last twenty years is the supra-regional Sunday newspaper, published as a seventh edition.”

1 Prof. Dr Patrick-Yves Badillo, Director of Medi@Lab Genève, Geneva University.
4 Ibid., p 7 (translation).
2.2. The dramatic crisis of the French information press

Concerning the whole information press in France, we collected data in current Euro and calculated them in constant Euro, for the period 1985-2012. Then, we constructed the trend based on the data covering the period 2000-2012. We obtain the Figure 1 for the revenue related to the whole French national information press. This figure:

- confirms the dramatic decline of the revenue, even in current Euro: the revenue represented about 1.8 billion Euro in 2000 and only 1.2 billion in 2012; this represents a decline of 33%;
- in constant Euro, from 2000 to 2012 the decline exceeded 40%, and the trend indicates for 2022 that the revenue of the French national information press could be divided by three during the period 2000-2022, if the last twelve years trend was confirmed.

This result suggests that the access to information could be considerably reduced since a decline of the revenue could lead to the disappearance of some titles or to the reduction of journalistic work.

Taking into account this context we would like to study the concentration dynamics both in France and in Switzerland.

3. Methodological issues and application

3.1. Estimation of media concentration: methodological issues

Given the preceding analysis, it appears very important to estimate concentration. We calculate two concentration indexes. We use the concentration ratio, defined as the sum of market shares for a small number of firms, which are the largest, usually 4 or 8 firms. Of course, this ratio does not describe the whole sample of firms, except if there are very few firms on the market.

In the following application, we calculate the ratio for 4 firms (H4). Another index is the well-known Herfindahl–Hirschman concentration index (HHI): it is defined as the sum of the squares of market shares. HHI = 10000 for n=1 (monopoly), while HHI = 0 in the limiting case of infinite n and zero market shares (perfect competition).
3.2. Evolution of the concentration of the national information daily French press

First of all let us recall that the national information press we are studying is what is called in France the press "de référence", i.e. the press which influences politicians and decision makers. This segment of the press is crucial for democracy.

In the case of the French national daily press we have restricted our analysis to 11 titles, in 2008, which were the following: Le Figaro, France soir, Paris Turf, Aujourd'hui, l’Équipe, Le Monde, Libération, Les Echos, La Croix, La Tribune, L’Humanité. In 2012 only 9 titles remain (only paid-content newspapers have been taken into account). Let us specify that Aujourd’hui and L’Équipe belong to the French group Amaury.

Table 1: French national daily information newspapers:
concentration indexes

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>H4 %</td>
<td>78%</td>
<td>71%</td>
</tr>
<tr>
<td>HHI</td>
<td>2,280</td>
<td>1,734</td>
</tr>
</tbody>
</table>

Source: calculation of the author

The four main groups in France are the following groups: Amaury, Socpresse, Le Monde, LVMH (Les Echos). The results show a decreasing concentration. So, is the pluralism growing? Before answering to this question let us analyze the Swiss daily press case.

3.3. Evolution of the concentration of the Swiss daily newspapers

Concentration is estimated hereafter only for daily newspapers, Sunday newspapers being excluded.

Tamedia’s expanded market share is linked in particular to the development of the free newspapers 20 Minuten (German) and 20 Minutes (French), and to various acquisitions: Tamedia bought a 80% share of the Espace Media Group in 2007, it took the control of Zürichsee Presse AG and Zürcher Unterland Medien AG in 2010, and there was the merger between Tamedia and Edipresse (merger of their Swiss businesses), which was completed in 2011. The increase in Ringier’s market share since 2008 is due to the publication of the free daily Blick am Abend. Concentration of media ownership was very high in 2012 if we consider only the four first companies (Tamedia, Ringier, NZZ, AZ Medien Gruppe): the C4 ratio, which was around 55% in 2005, rose to 80% in 2012. The market share of Tamedia alone reached 44.3% in 2012. The HHI index increased as well since 2005: it more than doubled between 2005 and 2012, but stayed in 2012 at a level which was not extremely high because many small companies were still present on the market in 2012.

Table 2 below gives estimated concentration indices. We can observe an increase in concentration between 2008 and 2012.

Table 2: Swiss daily newspapers concentration

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2012</th>
</tr>
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<tbody>
<tr>
<td>H4 %</td>
<td>74.0</td>
<td>80.5</td>
</tr>
<tr>
<td>HHI</td>
<td>1,824</td>
<td>2,520</td>
</tr>
</tbody>
</table>

Source: calculation of the author

Concentration in daily newspapers ownership has increased considerably in recent years. The concentration indices are likely to increase further from 2012 on, because of the economic situation of the daily press. The recent increase in concentration is explained by three correlated
main trends: the strong development of free dailies, a decline in advertising revenues\(^5\) and some important mergers. Tamedia is now the leading publisher of newspapers: the 2011 Tamedia-Edipresse Suisse merger gave birth to a big Swiss publishing conglomerate with an annual turnover of about US$1.2 billion (CHF1.1 billion). It publishes the free daily newspapers 20 Minuten/20 Minutes – with a print circulation of 700,000 copies in 2011 – and twelve paid-content daily newspapers, which also circulate approximately 700,000 copies nationally. Ringier is at the second place for daily newspapers: it owns the daily tabloid newspaper Blick, the free evening sheet Blick am Abend and the leading Sunday edition, Sonntagsblick. NZZ Medien Gruppe is an important group mainly in the German-language market of Switzerland. Of course, in such a small country as Switzerland, increasing ownership concentration is inescapable because economic constraints and the growth of online media services have drastically changed the press landscape. But, as already said, the number of titles per capita remains exceptionally high by comparison with other European countries.

4. Conclusion: the paradoxical evolution of concentration in France and Switzerland

Undoubtedly, the HHI index highlights debates about concentration, especially in an international comparison perspective. Of course, we did not analyze all facets of pluralism since the notion is wide and rich\(^6\).

About the comparison we have proposed, it is clear that we cannot compare "absolute" levels of concentration since some methodological issues are remaining. Probably, during the congress we will present new evaluations taking into account some improvements. But, we are already able to draw some first main lessons.

Beyond any indicator or definition, the press crisis in the occidental world is so intense that, in this specific sector of the media, we may be afraid that pluralism and diversity are faced to a simple but radical danger: the disappearance of the general information paid-content press. In the case of the French national daily information press, all the concentration and diversity indexes decreased between 2008 and 2012, which could be interpreted as a decrease in concentration and an increase of diversity. But the number of titles, which is a main indicator of pluralism, is now very low. In spite of an important diversity after the second world war, the French national daily press is now very poor, in term of diversity. There was about 32 daily information newspapers in 1946 (excluding the sport newspapers), against 8 in 2012; about 24 newspapers disappeared, i.e. 75% of the titles.

If we compare this situation with the Swiss case we can construct the figure hereafter. It shows that concentration is increasing in Switzerland while it decreases in France in recent years. In fact, we highlight a paradoxical conclusion. The decreasing concentration in France is associated with a national paid-content daily press which is moribund. The situation in Switzerland is quite different. This press is yet strong, due especially to still high circulation of newspapers (even if it is declining). The concentration is increasing, but it is probably due to an attempt to balance the economic situation and to define a new business model. Certainly the two systems are following the same path. But the decreasing concentration in France in recent years does not announce more diversity or pluralism but perhaps the fact that this industry is


\(^6\) See CMPF (Center for Media Pluralism and Media Freedom), 2013.
close to its end while the increasing concentration in Switzerland is an attempt to save this industry.

Moreover, from one hand, we can conclude that diversity and pluralism through this kind of press segment is dying. But, from another hand, Internet and new information technologies provide contents and support new voices. To analyze the balance between the destruction and the creation in term of pluralism is a huge topic. We hope to have clarified some specific aspects of the daily press and of its dynamics for Switzerland and France. This analysis shows the necessity to be sure that new ways to deliver quality contents will be developing, especially through Internet and new technologies, or through any other channel.

ELEMENTS OF BIBLIOGRAPHY