

# Media concentration in Germany



Columbia Institut for Tele-Information

Julia Boesch

Philipp Roesch-Schlanderer

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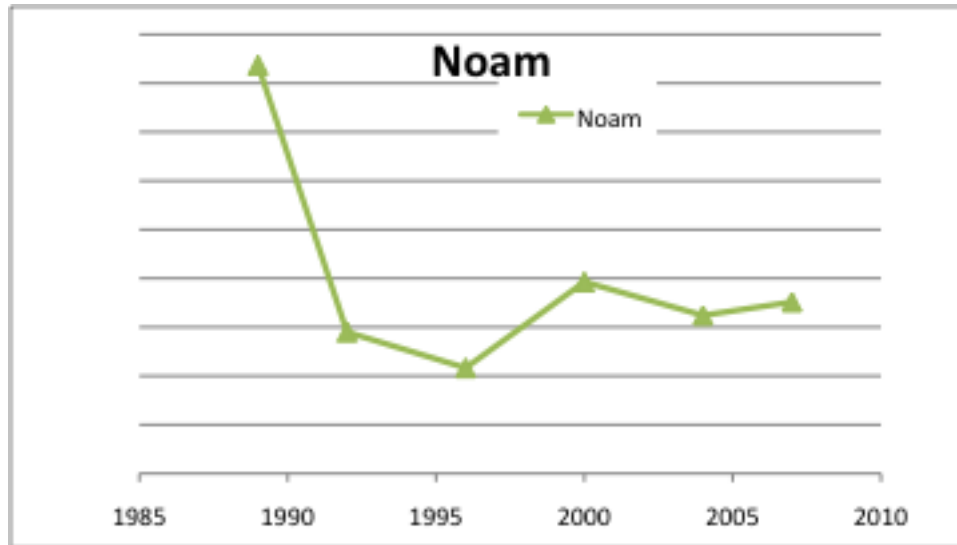
# Agenda

- Book market
- Newspaper market
- Magazine market
- Fixed Networks
- TV market

# Book market- introduction

- Measurement of concentration: revenues
- Biggest paper back publishers:
  1. Random House
  2. Holtzbrinck
  3. Bonnier
- Third largest book market in the world
- Highly dependent on single titles, e.g Carlsen & Harry Potter

# Book market- concentration

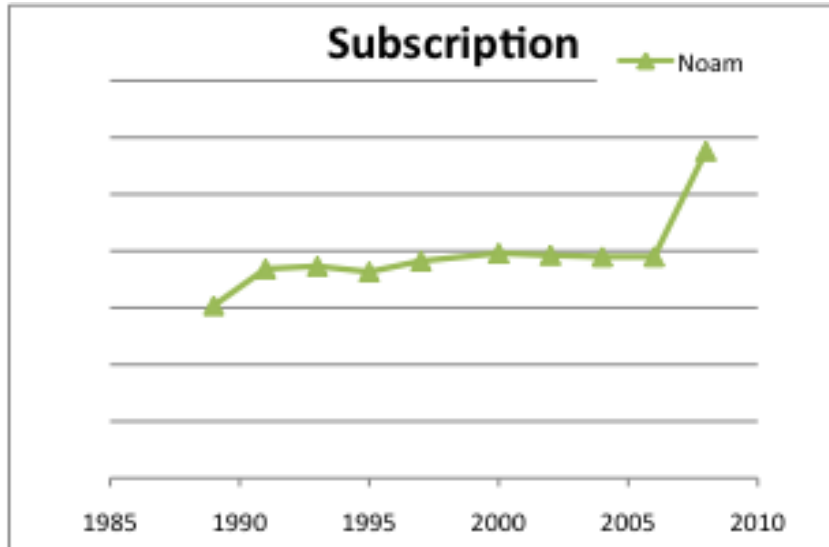


- C4:
  - 1989: 23%
  - 2007: 17%
- Lots of Mergers & Acquisitions since 1989
- Confusion:
  - Bertelsman purchased Springer Science & Business and sold it again after few years
  - Axel Springer AG entered the book market and left it some years later again

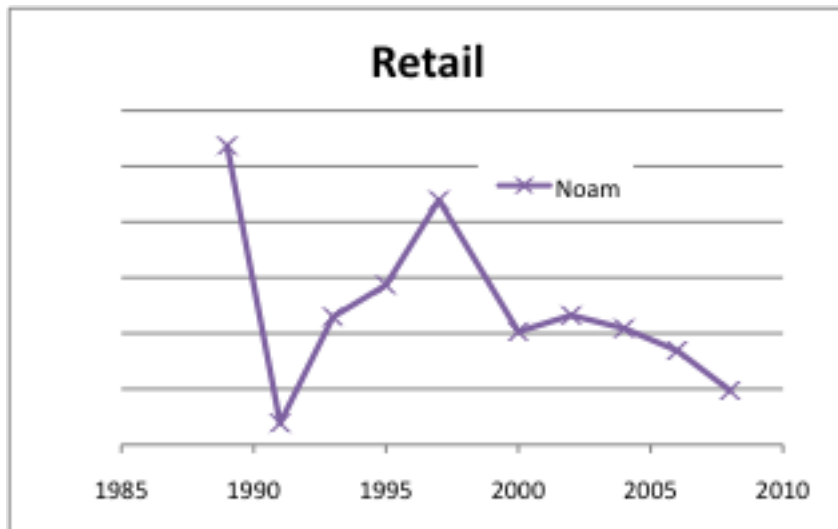
# Newspaper market- introduction

- Measurement of concentration: print-run
- Two segments:
  - Newspapers sold via subscription
  - Newspaper sold via retail
    - Axel Springer AG
    - Stuttgarter Zeitung
    - Verlagsgruppe WAZ

# Newspaper market-concentration



- During the last years highest growth of concentration for the last 20 years
- Mainly because of few huge M&A's
- Top 5:
  - 1989: 24.9%
  - 2008: 33.9%

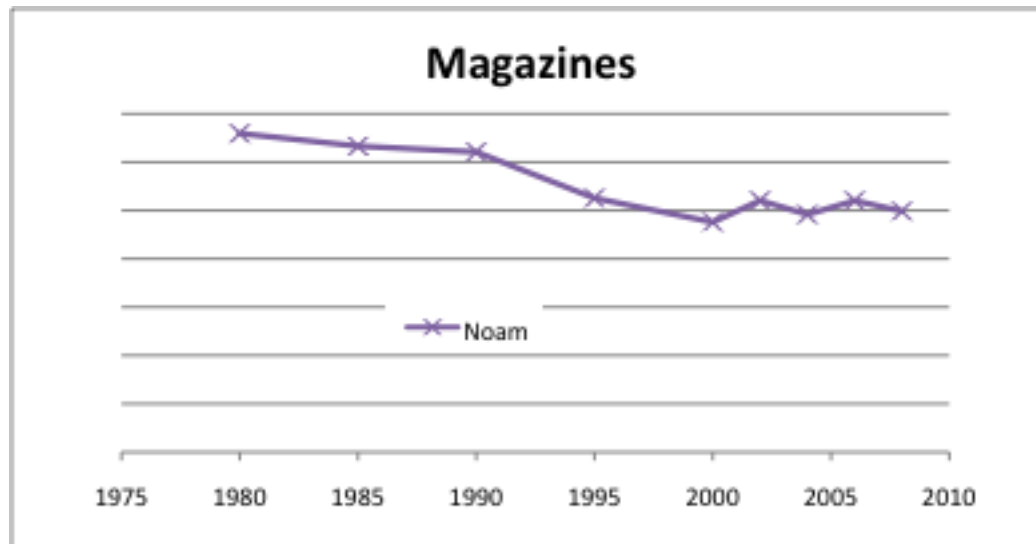


- Concentration is dropping down
- But on a very high level
  - Top 5:
    - 1989: 98.9%
    - 2008: 96.1%
  - Axel Springer AG: about. 80%
- 2005: Mecom entered German market

# Magazine market-introduction

- Measurement of concentration: print-run
- Growing number of titles, dropping print-runs
- Biggest players:
  - Bauer
  - Burda
  - Axel Springer AG
  - Gruner + Jahr

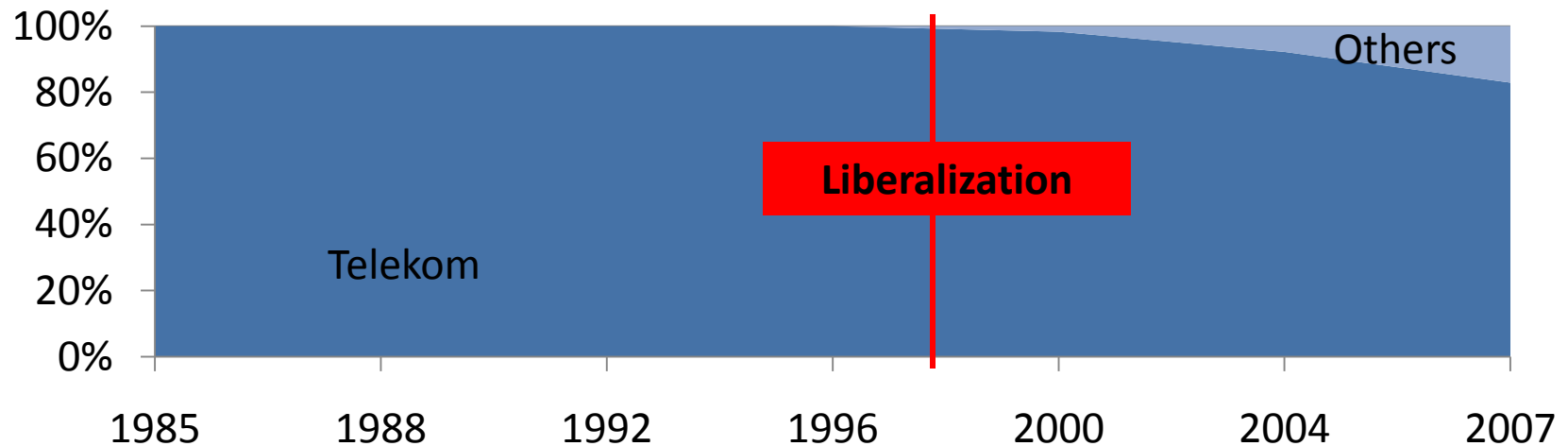
# Magazine market-concentration



- C4: 1980: 67%, 2008: 62%
- 1998/2008
  - 14/15 titles with print-run 500k+
  - 13/9 titles with print-run 1m+
  - 6/2 titles with print-run 2m+



# Fixed networks – Telekom vs. Entrants

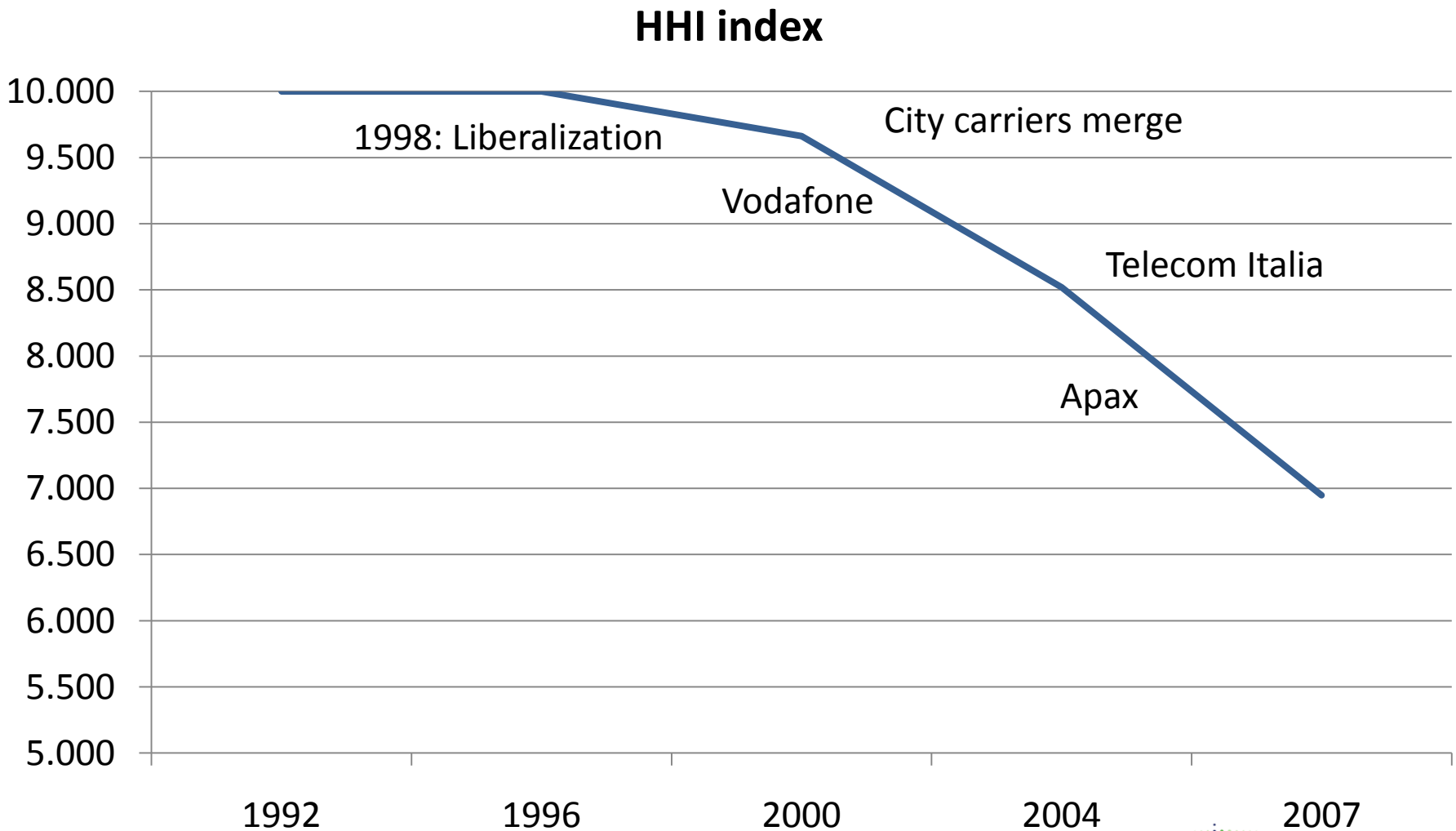


*Measurement for market share: No. of Fixed network connections*

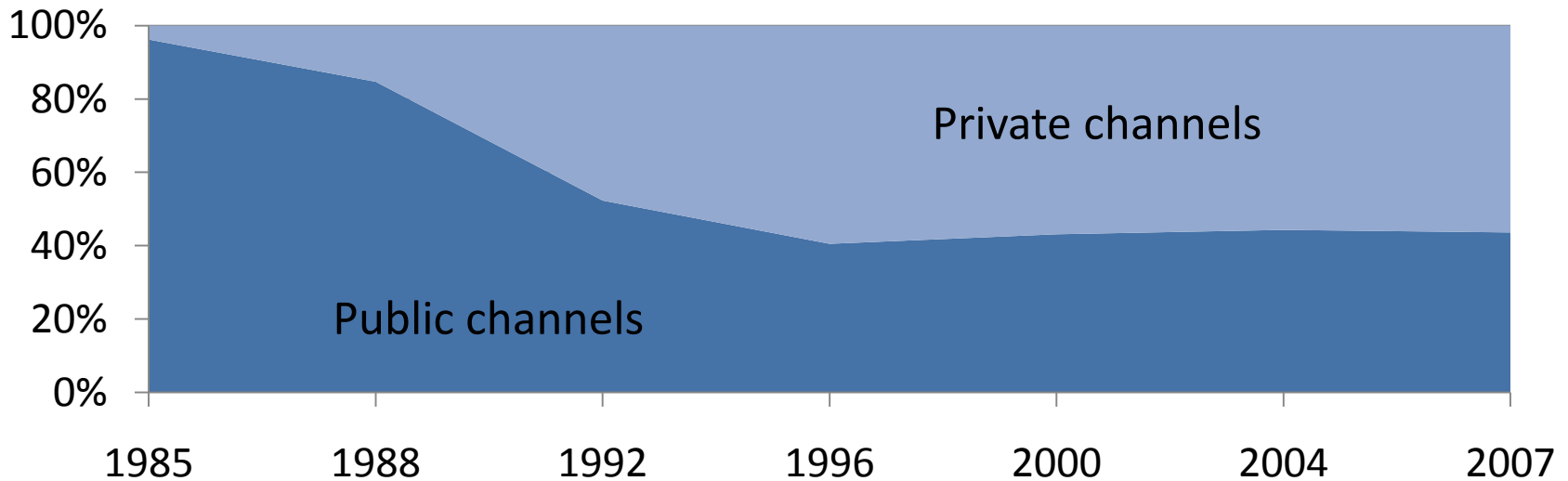
1.	Telekom	83%
2.	Arcor (Vodafone)	7%
3.	Hansenet (Telecom Italia)	3%
4.	Versatel	2%
5.	Others (Local Providers)	5%

Market size 2007: 37 billion Euros

# Fixed networks – Concentration



# TV – Public vs. Private



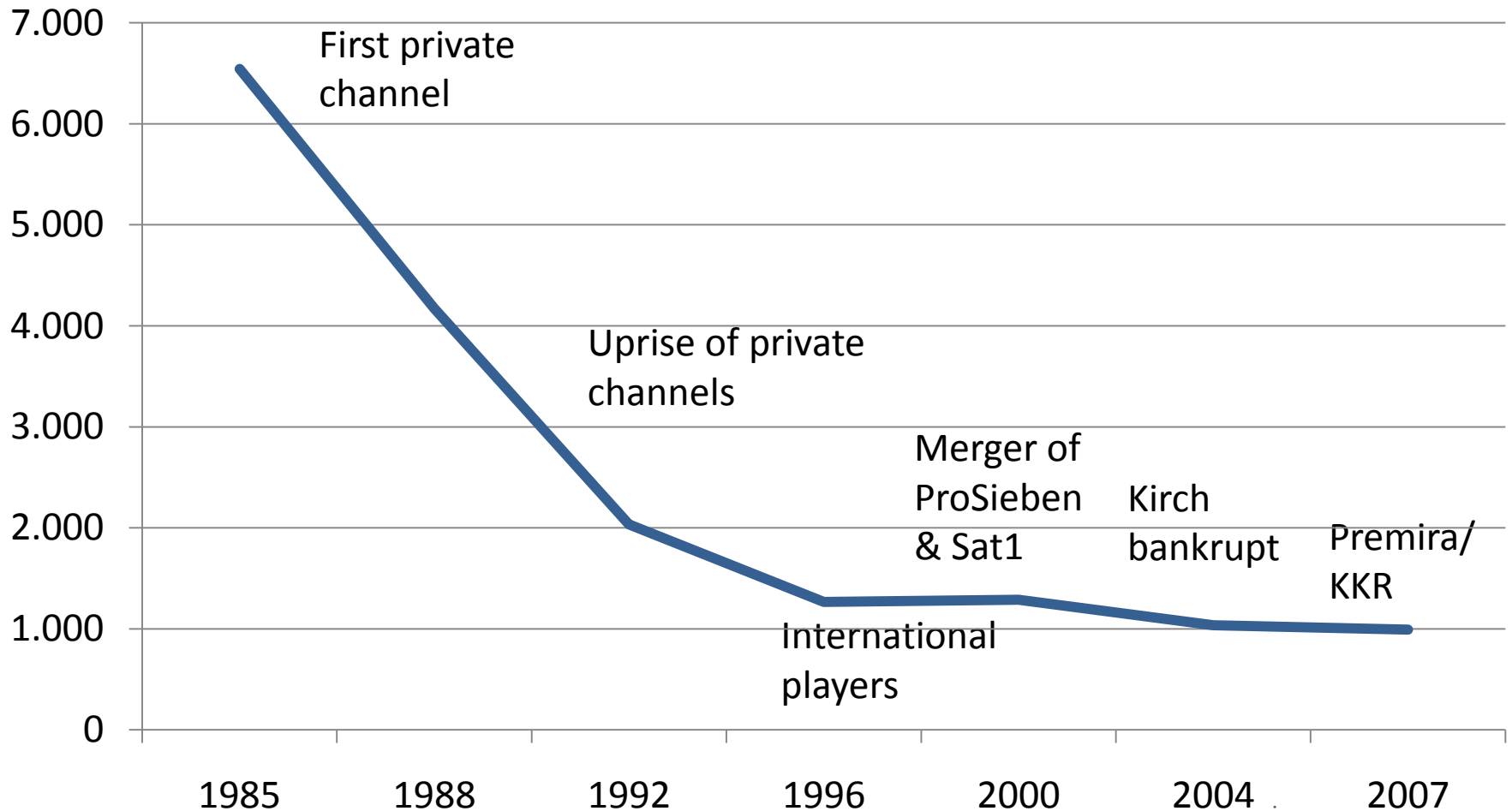
*Measurement for market share: Viewing time*

1. Public channels	44%
2. RTL Group	25%
3. ProSiebenSat1 Group	21%
4. Others	10%

Market size 2007: 12 billion Euros

# TV - Concentration

## Noam index



# Summary - Germany

- Concentration mainly decreased, BUT still high
- International players entering
- Lot of M&A activity