



## Media ownership in Israel: *Methodological challenges, market trends and regulatory peculiarities*

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## Structure of the presentation

- Sourcing challenges
- Background: media structure in Israel
- Methodological dilemmas
- Media ownership in Israel: the data
- To be completed: Ownership data that matters

## Sourcing challenges



- No official data
- Private corporations – no reporting requirement
- No circulation or revenue data
- Regulatory bodies with no institutional history

## Media and economic development in Israel



- Pre-state party affiliated newspapers into 1980s
- Government radio until 1965; Television launched in 1968 (became public in 1969)
- Transition from social-democrat to neo-liberal economy starting in 1980s
- Transition from agriculture based to technology based industry (skipping industrialization)
- Single PSB until 1993
- Single wireline provider until 2004

## Media structure



- In the past 15 years:
  - 2 commercial TV channels;
  - Regional commercial radio;
  - Digital cable and digital satellite;
  - Liberalization of: International, mobile and wireline markets
  - One of the world's fastest growing cable, mobile and broadband penetration;
  - Ideological newspapers give way to tabloid dominance (with the exception of religious/right wing)
- **Peculiarities:**
  - ✓ Multiple regulators: TV, cable & Satellite, PSB, telecom
  - ✓ 3 economic dailies (alongside 3 tabloids and 1 broadsheet)
  - ✓ Freebies
  - ✓ National radio – only public
  - ✓ Commercial TV channel – divided among 3-4 franchises for 2 channels
  - ✓ Structural separation between operators and ISPs

## Methodological dilemmas



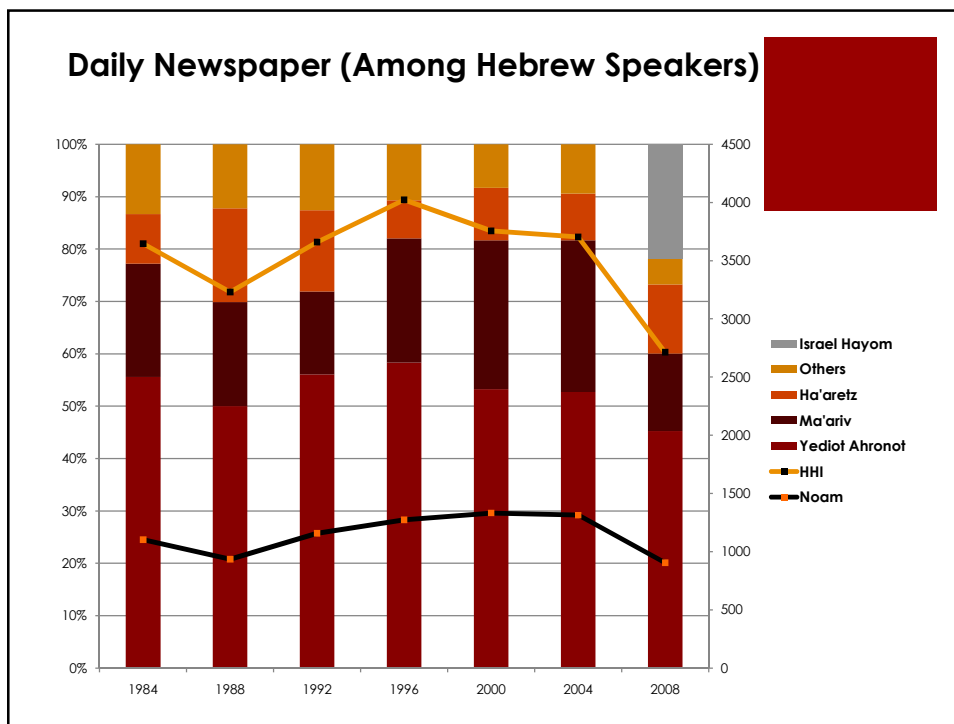
- In lack of circulation data – exposure data
- No consistency of source (or method) over time
- (e.g. Television: first recall exposure, then real time share)
- Lack of control over methodology applied by sources
- Reliance on secondary sources (e.g. newspaper reports)
- Partial data regarding some social sectors

## The data



### Daily Newspaper (Among Hebrew Speakers)

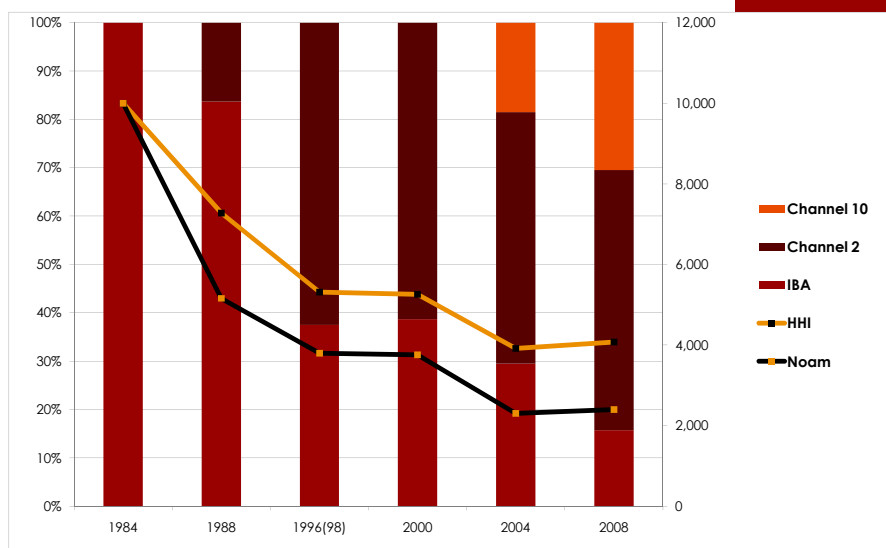
Year	1984	1988	1992	1996	2000	2004	2008
<b>Yedioth Ahronot</b>	55.4%	50.0%	56%	58.3%	53.2%	52.6 %	43.4%
<b>Ma'ariv</b>	21.6%	19.9%	15.8%	23.7%	28.4%	28.9 %	14.2%
<b>Ha'aretz</b>	9.4%	17.9%	15.5%	7.3%	10%	8.9 %	12.6%
<b>Jerusalem Post</b>	2.7%	2.9%	2.3%	1.0%	1.1%	0.5%	4.1%
<b>Globes</b>	--	1.9%	2.7%	2.6%	3.5%	3.7%	3.2%
<b>Telegraph</b>	--	--	--	0.5%	--	--	--
<b>Hatzofe</b>	No data	No data	0.9%	0.9%	1.4%	1.0%	1.5%
<b>Al Hamishmar</b>	No data	No data	0.5%	--	--	--	--
<b>Davar</b>	4.0%	4.2%	2.3%	1.1%	--	--	--
<b>Israel Hayom</b>	--	--	--	--	--	--	21%
<b>Hamodia</b>	No data	No data	No data	No data	2.3%	2.1%	No data
<b>Yated Neeman</b>	--	No data	No data	No data	No data	2.1%	No data
<b>Others</b>	6.7%	3.2%	3.9%	4.6%	No data	No data	No data
<b>C4</b>	90.4	92.0	90.0	91.9	95.1	94.1	91.2
<b>HHI</b>	3,647	3,230	3,660	4,023	3,757	3,704	2,714
<b>Noam</b>	1,102	936	1,158	1,273	1,332	1,313	904



### Television (Open Channels)

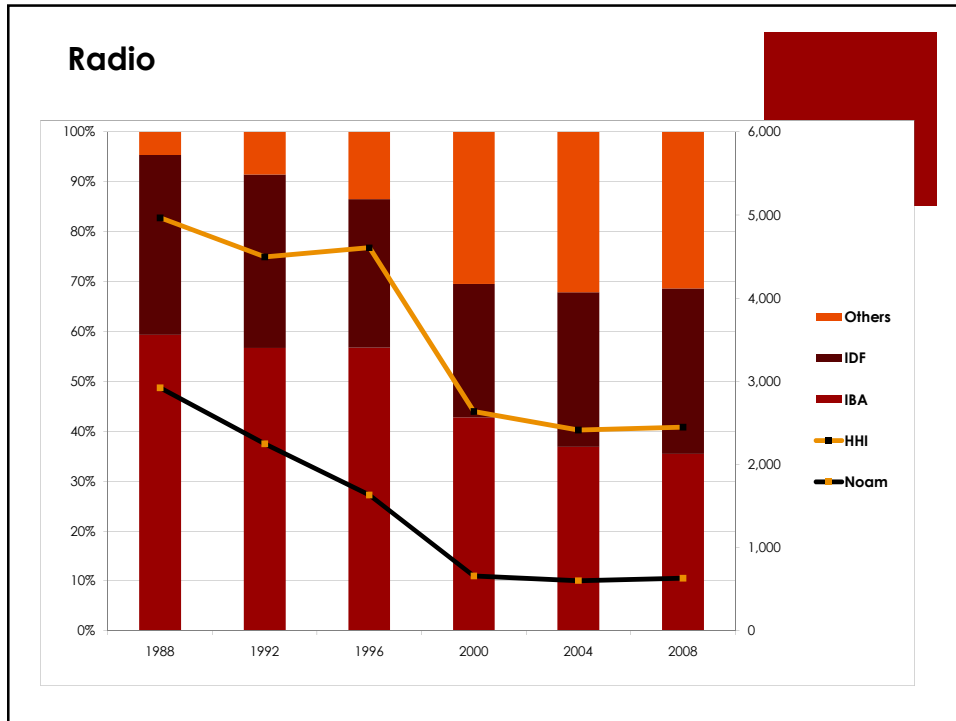
Year	1984	1988	1992	1996(98)	2000	2004	2008
<b>IBA</b>	100%	83.7%	No data	37.5%	38.7%	29.5%	15.7%
<b>Channel 2</b>	--	16.3%	No data	62.5%	61.3%	52%	53.8%
<b>Channel 10</b>	--	--	--	--	--	18.5%	30.5%
<b>C4</b>	100	100	No data	100	100	100	100
<b>HHI</b>	10,000	7,271	No data	5,312	5,255	3,916	4,071
<b>Noam</b>	10,000	5,157	No data	3,794	3,754	2,303	2,395

## Television (Open Channels)



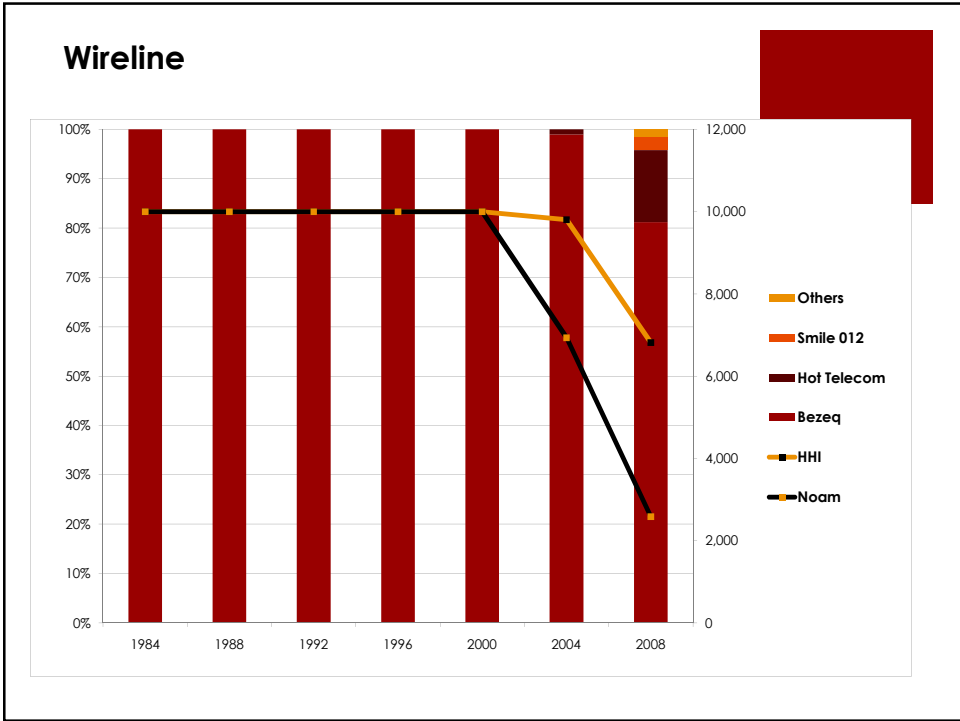
## Radio

Year	1984	1988	1992	1996	2000	2004	2008
IBA	60.1%	56.9%	59.4%	59.4%	42.8%	36.8%	35.4%
IDF	36.5%	34.9%	31.2%	31.2%	26.7%	30.9%	33.1%
Arutz 7	--	5.8%	5.5%	5.5%	2.9%	1%	--
Voice of Peace	4.7%	2.8%	--	--	--	--	--
Radius 100FM	--	--	Included in others	Included in others	3.1%	4.6%	4%
Lelo Hafsaka radio (103FM)	--	--	Included in others	Included in others	5.9%	6%	6%
Tel Aviv radio (102FM)	--	--	--	--	3.1%	3%	2.2%
Haifa radio (107.5FM)	--	--	Included in others	Included in others	2.8%	2.6%	1.9%
Jerusalem radio (101FM)	--	--	Included in others	Included in others	1.2%	1.2%	1.1%
Gal Hadarom radio (97FM)	--	--	--	--	2.3%	1.8%	1.9%
Red sea radio (102FM)	--	--	Included in others	Included in others	0.4%	0.4%	0.4%
99 FM	--	--	--	--	2.3%	3.7%	2.7%
Tzafon radio (104.5FM)	--	--	--	--	2.2%	1.6%	1.7%
Kol Hai (93FM)	--	--	--	--	1%	2%	3.7%
Kol rega (96FM)	--	--	--	--	1.2%	1.4%	1.4%
Emtza Haderech (90 FM)	--	--	--	--	1.2%	1.2%	1.6%
Lev Hamedina (91FM)	--	--	--	--	0.9%	1.6%	2.7%
Others	--	--	--	8.6%	--	--	--
C4	100	100	Insufficient data	Insufficient data	78.5	78.3	78.5
HHI	4,966	4,497	4,606	4,606	2,636	2,414	2,449
Noam	2,921	2,248	1,633	1,633	659	603.5	633



### Wireline

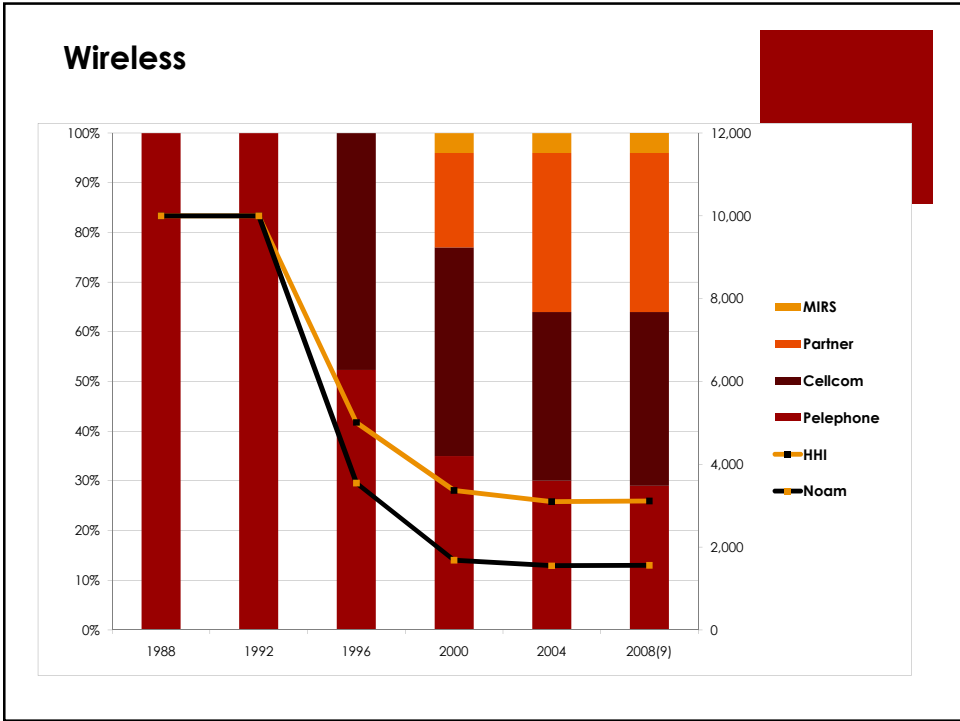
Year	1984	1988	1992	1996	2000	2004	2008
<b>Bezeq</b>	100%	100%	100%	100%	100%	99%	81.2%
<b>Hot Telecom</b>						1%	14.6%
<b>Smile 012</b>							2.8%
<b>Others</b>							1.4%
<b>C4</b>	100	100	100	100	100	100	Insufficient Data
<b>HHI</b>	10,000	10,000	10,000	10,000	10,000	9,802	6,816
<b>Noam</b>	10,000	10,000	10,000	10,000	10,000	6,932	2,581



### Wireless

Year	1984	1988	1992	1996	2000	2004	2008(?)
<b>Telephone</b>		100%	100%	52.3%	35%	30%	29%
<b>Cellcom</b>		0%	0%	47.7%	42%	34%	35%
<b>Partner</b>		0%	0%	0%	19%	32%	32%
<b>MIRS</b>		0%	0%	0%	4%	4%	5%
<b>C4</b>	100	100	100	100	100	100	100
<b>HHI</b>		10,000	10,000	5,010	3,366	3,096	3,115
<b>Noam</b>		10,000	10,000	3,543	1,683	1,548	1,557

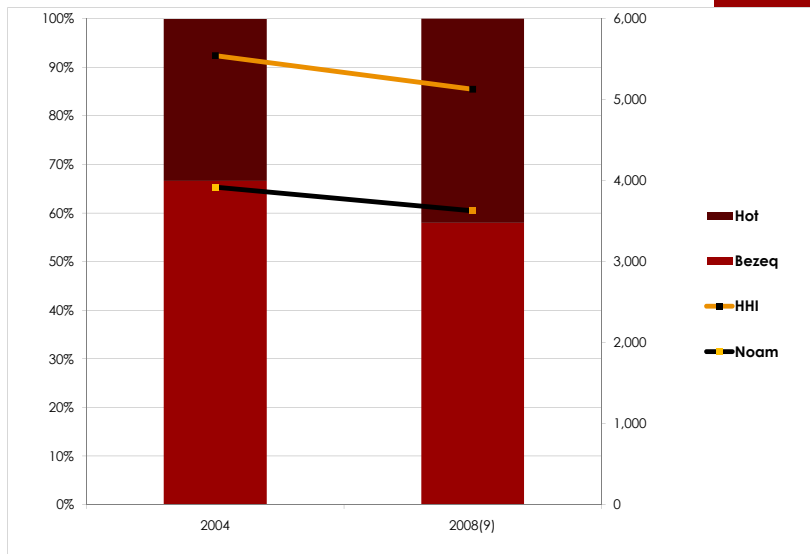




### Broadband Access

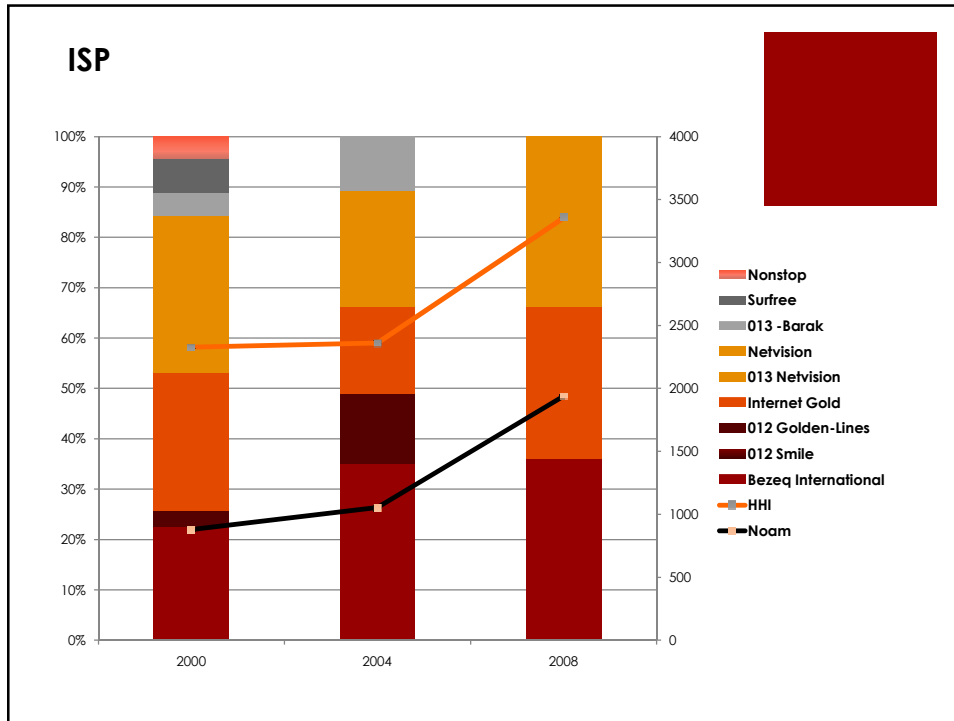
Year	1984	1988	1992	1996	2000	2004	2008(9)
Bezeq						66.6%	58%
Hot						33.3%	42%
C4						100	100
HHI						5,544	5,128
Noam						3,920	3,626

### Broadband Access



### ISP

Year	1984	1988	1992	1996	2000	2004	2008
Bezeq International					23%	35%	36%
012 Smile							30%
012 Golden-Lines					3.2%	14%	
Internet Gold					28%	17%	
013 Netvision							34%
Netvision					32%	23%	
013 -Barak					4.5%	11%	
Surfree					7%	-	-
Nonstop					4.6%	-	-
C4					88	89	100
HHI					2329	2360	3356
Noam					880	1055	1938



## For a better picture

- In lack of a full ownership picture, the real issue – cross ownership – gets overlooked.
- Addressing the “person at the top” key to understanding the market.

