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1 Introduction

The task of reporting on media concentration was granted to the Flemish Media Regulator (*Vlaamse Regulator voor de media (VRM)*) by the Flemish media decree.

On a yearly basis VRM presents a report to the Flemish policy makers containing information on the positions occupied by agents in the Flemish media sector. This report is also made available to the general public (via website and print copies).

The current text aims at making VRM's report on media concentration 2020 accessible to English language speakers.

The underlying text will function as a manual on how to find a way in the Dutch version of the report, rather than as a translation of the full text of the report.

This manual consists of

- an introduction describing the content of the report
- an overview of the different chapters
- the main findings of the media concentration report 2020
- a translation of the table of contents of the report
- a translation of the lists of tables and figures

Concentration can be approached from many angles. From the publication of its first report in 2008, VRM opted for an approach from an economic point of view. We therefore focus on the relationships between the different players in the market, rather than e.g. performing content analysis.

VRM uses Michael Porter's concept of value chains in order to define the media sector.

In a value chain, all links where added value is created are identified, thus tracing a chain from content producer, over aggregator, via distributor, to the final customer.

This chain can be less or more fragmented. Within every link of the chain a different form of competition may exist (depending on the number of suppliers and their relationship to the demand in the following link).

Andersen (2002) drew a value chain for the audiovisual industry for the European Commission.

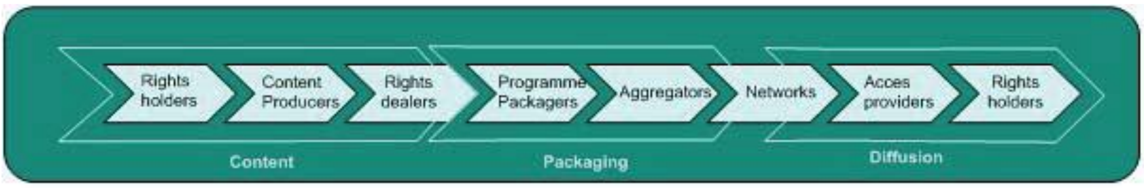

Figure 1: Value-added chain for the audiovisual industry
Source: Andersen, European Commission (2002).

The markets for media products are double-sided markets. On the one hand, consumers buy media products containing information and entertainment. On the other hand, advertisers buy consumers' attention for their advertisements. The chain must thus be followed in two directions.

While studying media concentration, one can differentiate between horizontal, vertical and cross-medial concentration.

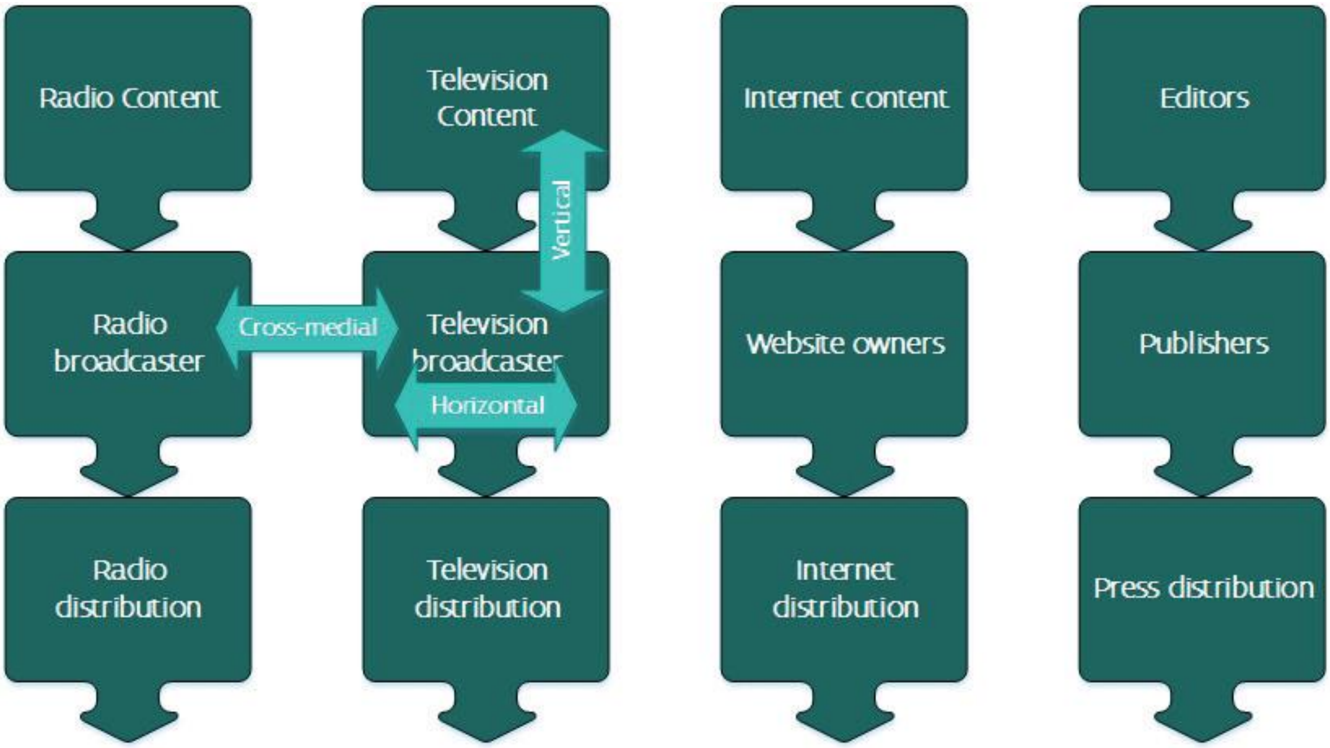

Figure 2: Different types of media concentration
Source: VRM based on M. Porter

- Horizontal concentration occurs when the number of players within one link is limited
- Vertical concentration occurs when following links in one chain are owned or controlled by a limited number of players
- Cross-medial concentration exists when there is an entanglement between the suppliers of various media products

In the first chapter of the report the Flemish media industry is defined.

Flemish media groups are described in the second chapter. Information on shareholders, company structure and product offerings is given for every media group.

In the third chapter, information on media concentration is quantified and financial results and facts and figures on popularity of media brands are given.

Throughout the report, interesting facts that do not fit the general framework are elaborated in so-called "Information Fragments", with a specific layout.

The fourth chapter gives information on measures that are taken to enhance diversity and media plurality in Flanders. It also mentions possible new legal initiatives, stressing a number of them as policy suggestions.

The conclusions of the report are formulated in chapter 5.

2 Overview of the Media Concentration Report 2020

2.1 Chapter 1: Defining the Flemish media industry

In the first chapter of the report, the Flemish media industry is defined. The value chains of radio, television, internet and print media are depicted and the players that are present in every link are identified. A colour code gives a first indication of the degree of concentration. Figure 3 is the value chain for the internet.

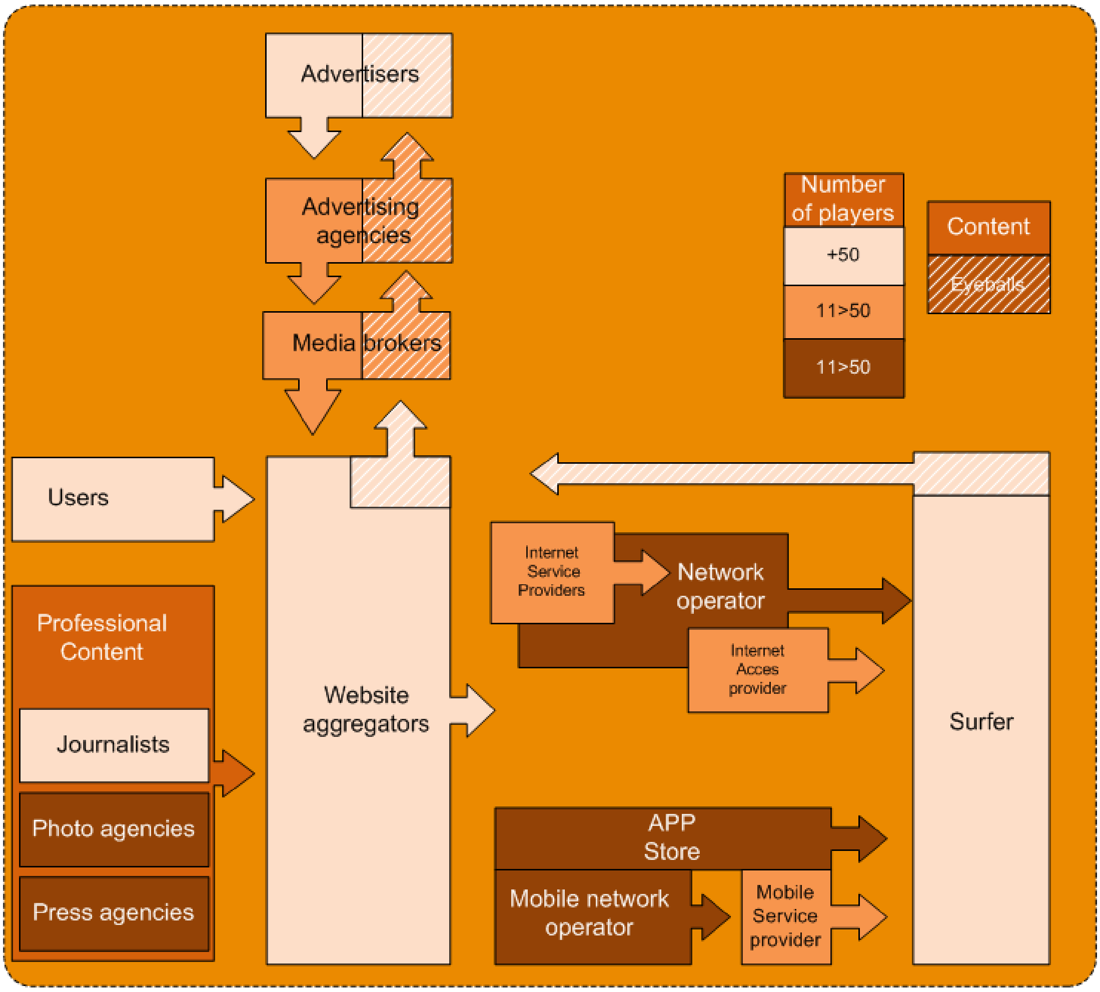

Figure 3: Internet value-added chain

VRM lists all companies that are active within a certain link of the value chain, together with their product offering and company number (as shown in table below).[1]

Name	Company number	Offer
DPG Media nv	432306234	De Morgen
		Het Laatste Nieuws/De Nieuwe Gazet
Mediahuis nv	439849666	De Standaard
		Gazet van Antwerpen
		Het Belang van Limburg
		Het Nieuwsblad/De Gentenaar
Mediafin nv	404800301	De Tijd

[1] In Belgium, information identifying all companies is gathered in a central government-operated database, BCE. Each company has its unique identification number. A lot of information on the company can be found using the 'public search' function of the database on the website of BCE: http://kbopub.economie.fgov.be/kbopub/zoeknummerform.html

Table 1: Publishers of newspapers

In this 2020 report, extra attention is given to the impact of covid 19 on different links of the media value chains

Next to the four media types (radio, television, print media and internet), VRM describes convergence and cross-media trends in the Flemish media landscape.

We conclude the chapter with a first indication on horizontal media concentration (by counting the players present in the different links).

HORIZONTAL CONCENTRATION

MEDIUM	CONTENT	AGGREGATION	DISTRIBUTION
Radio		National radio broadcaster	Radio signal transmission
		Network radio broadcaster	
		Local radio broadcaster	
Television	Facility companies	Television broadcaster (linear and non-linear)	Service providers and network administrators
	Production companies	Regional television companies	
Print media	Press and photo agencies	Publishers of daily newspapers	Distributors of the press
	Press and photo agencies	Publishers of free press	
	Media centers	Publishers of periodicals	
Internet	Advertising companies	Companies behind websites in the Flemish media sector and news websites	Internet service providers/Network providers
		Social media accounts	Mobile operators
		Apps of Flemish media companies	Social media networks
			App stores

Legend

Number of players
>50
11>50
1-10

2.2 Chapter 2: Flemish media groups

A limited number of Flemish media groups is active in the Flemish media landscape via different media products. Table 2 gives an overview. Some of these groups are joint ventures of other groups, as can be seen in Figure 5.

AANBOD MEDIAGROEPEN

MERKNAAM	RADIO		TELEVISIE			DAGBLADEN	PERIODIEKE BLADEN	INTERNET		MOBIEL INTERNET		REGIE	ANDERE
	Content + aggregatie	Distributie	Content	Aggregatie	Distributie	Content + aggregatie	Content + aggregatie	Content + aggregatie	Distributie	Content + aggregatie	Distributie		
DPG Media nv	x	-	x	x	-	x	x	x	x	x	x	x	x
Mediahuis nv	x	-	x	x	-	x	x	x	-	x	-	x	-
Roularta Media Group nv	-	-	x	x	-	x	x	x	-	x	-	x	x
Proximus nv	-	x	x	x	x	-	-	x	x	x	x	x	x
Studio 100 nv	Enkel content	-	x	x	-	-	x	x	-	x	-	-	x
Telenet Group Holding nv	x	x	x	x	x	-	-	x	x	x	x	x	x
VRT nv	x	-	x	x	-	-	-	x	-	x	-	x	x

Table 2: Media offerings of the main media groups in Flanders

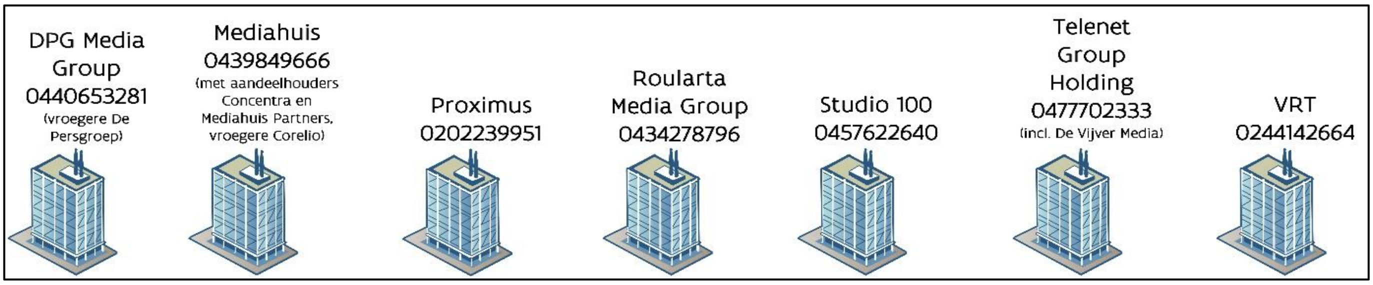

Figure 4: Media groups in Flanders

For each group, an overview of the shareholders and the group structure is given.

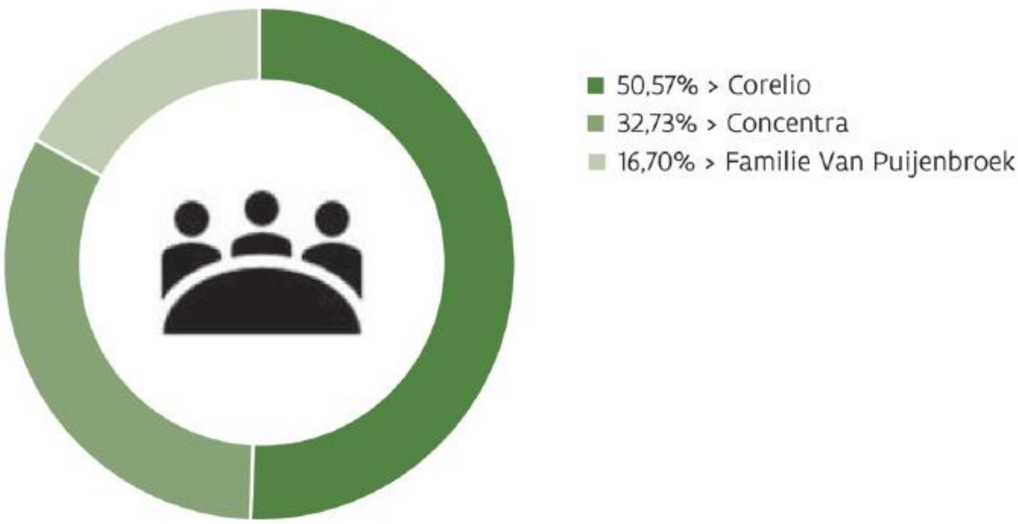

Figure 6: Shareholders Mediahuis NV

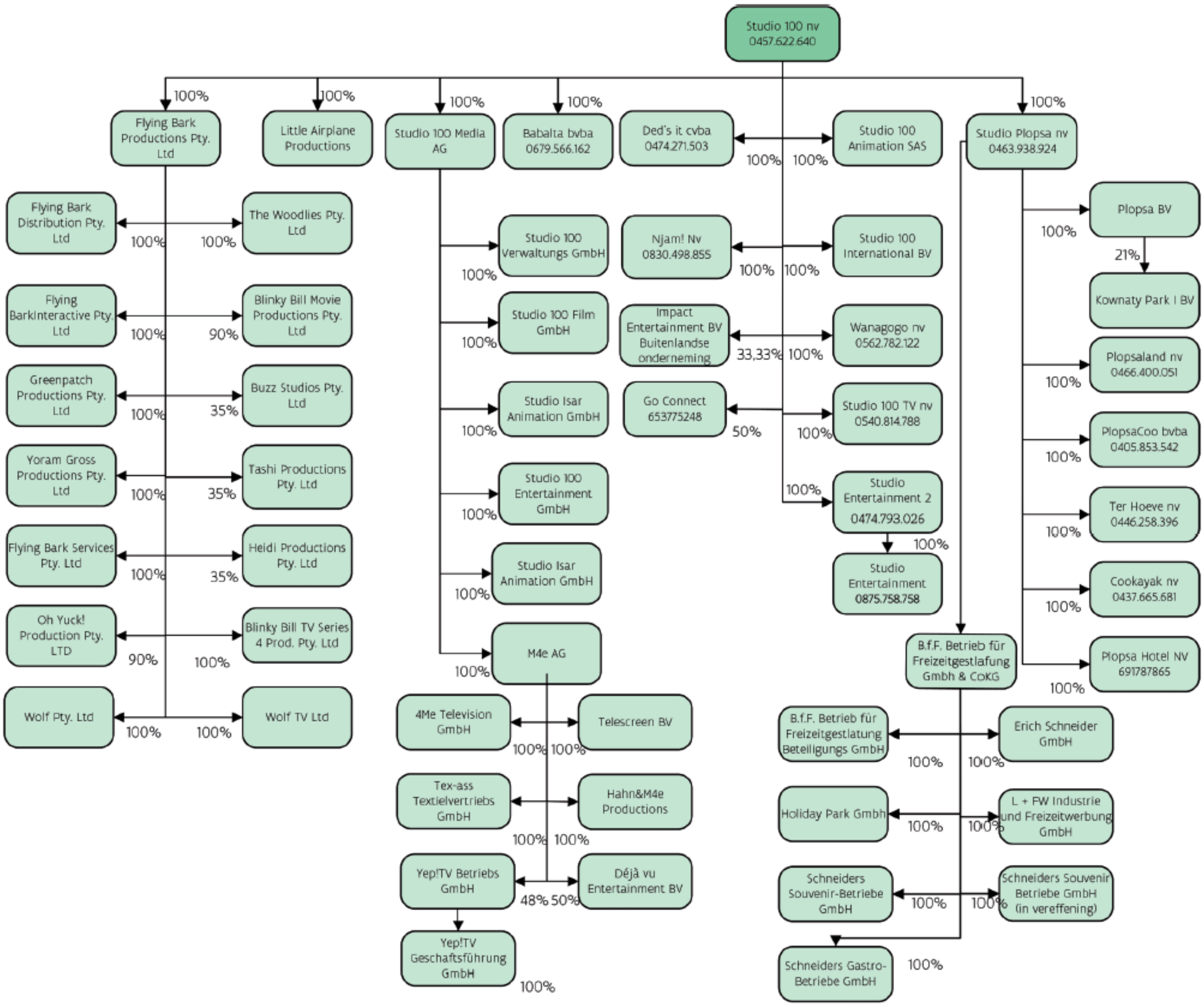

Figure 7 Group structure Studio 100

An overview of product offerings per media group is given in a grid, citing the brand names while distinguishing between different media forms and the different stages of the value chain. An indication of the geographical reach of the product is given by a symbol.

BRAND OVERVIEW

BRAND NAME	RADIO		TELEVISION			DAILIES	PERIODICALS	INTERNET		MOBILE INTERNET		ADVERTISING	OTHER
	Content + aggregation	Distribution	Content	Aggregation	Distribution	Content + aggregation	Content + aggregation	Content + aggregation	Distribution	Content + aggregation	Distribution		
Studio 100 producties			🌍				🦁	🌍		🦁			🌍
Studio 100 TV			🌍	🌍				🌍					
Studio 100 Hits			🌍	🌍				🦁					
Njam/ Njam.tv			🦁	🦁				🦁					
Studio 100 Go								🌍		🌍			🇧🇪

Table 3: Brand offering grid of a group

Brand name	Product or activity under full control of the group

(Brand name)	Product or activity that was transferred to another group after the closing of the annual accounts
Brand Name	Product or activity in which the group participates
	Product available in or aimed at a part of Flanders (e.g. local television or regional newspaper)
	Product available in or aimed at the whole of Flanders
	Product with a French equivalent and aimed at the Belgian Market
	Product aimed at a foreign market

Table 4: Legend of the brand offering grid

2.3 Chapter 3 : Information on media concentration

In the 3rd chapter of its report, VRM studies concentration for each media type.

First, vertical, horizontal and cross-medial integration are briefly described.

Secondly, there is an analysis based on financial information. A table with an overview of the most recent financial information of the main players in the specific link of the value chain is given, together with a graphic of the evolution of the average of these values over the last 10 years. VRM uses the following financial values :

- 10/15: Equity
- 20/58: Assets
- 70: Turnover
- 70/76: Operating Income
- 9901: Operating profit/loss
- 9903: Profit/loss before taxes
- 9087: Average number of employees

VRM calculates the average for all companies in a sector, and the year 2010 is used as a benchmark. The CPI (consumer price index) is also included in the figures. In Belgium, all companies have to report their financial statement to the National Bank of Belgium. The financial statements can be integrally consulted on its website.[2]

FINANCIAL FIGURES

COMPANY NAME	EQUITY	ASSETS	REVENUE	OPERATING INCOME	OPERATING PROFIT	PROFIT (-) BEFORE TAX	EMPLOYEES
	10/15	20/58	70	70/76A	9901	9903	9087
DPG Media (Medi-alaan) nv	77.480.918	331.604.790	251.215.047	312.228.699	38.295.260	37.298.911	492,3
JOEfm nv	26.783.620	28.656.212	8.966.299	9.304.114	2.149.283	2.237.800	17,90
Vlaanderen Eén nv	2.877.777	4.936.158	9.334.897	9.397.819	1.539.941	1.519.853	25

Table 5 Financial figures 2018 national private radio

[2] https://cri.nbb.be/bc9/web/catalog?execution=e2s1

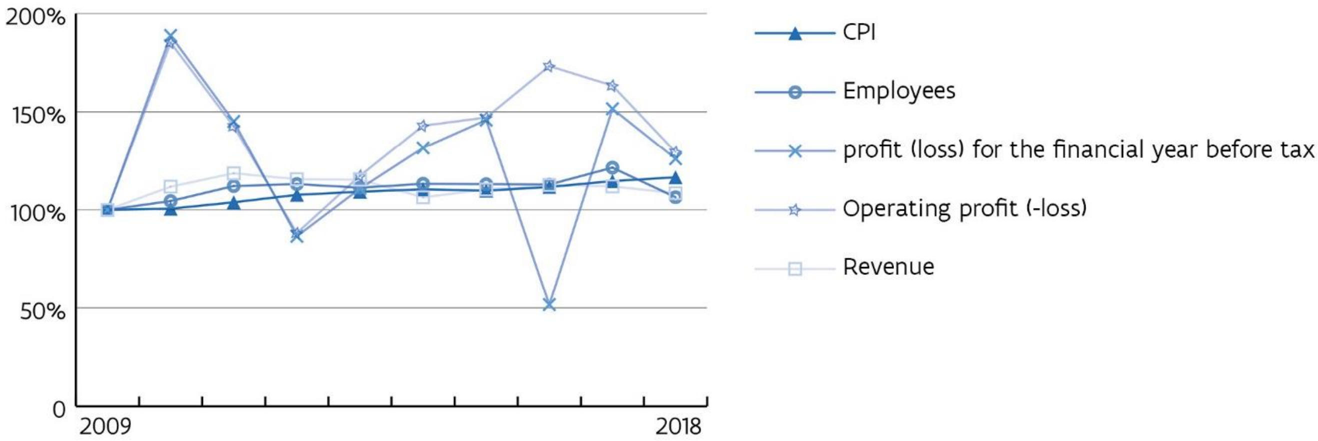

Figure 8: Evolution of average values 2009–2018 national private radio

Thirdly, there is an analysis based on audience shares. This information comes mostly from CIM.[3] There are several figures taken into account:

- Radio: audience shares and average listening duration Mar-Jun 2019 and Jan-Jun 2020
- Television: audience shares 2019
- Print media: paid circulation (print+digital) and total print circulation 2019
- Internet: daily average website visits June 2020
- Social Media:
    - Facebook account: likes
    - Twitter account: followers
    - Instagram account: followers
    - YouTube channel: subscribers

  These numbers were collected by the VRM in the summer of 2020.
- Apps: the number of downloads as provided by Google Play, collected in the summer of 2020.

We measure media concentration by calculating C4 and Herfindahl (HHI) indexes. These are traditional indicators to measure concentration in an industry. The indicators can be calculated per product category, both on the basis of financial data such as sales, as well as on the basis of popularity data, e.g. viewers.

The evolution of the prices of media products is also studied in the third chapter.

Subsequently, the Flemish media landscape is situated in an international context.

Finally in 2018, a section was introduced about regional and local journalism, in which the VRM investigated the evolution of regional sections of national newspapers and the existence of purely local news media in the 308 Flemish municipalities.

In the conclusion of chapter 3, an overview of all the calculated indexes is given.

[3] CIM (Centrum voor Informatie over de Media) is a non-profit organization whose members are advertisers, advertising agencies, media agencies and the media. CIM provides its members with current information and numbers about the reach of the most important Belgian advertising media: press, cinema, internet, radio, television and billboards. http://www.cim.be/nl

CONCENTRATION (HHI)

MEDIUM	CONTENT	AGGREGATION	DISTRIBUTION
Radio	Content providers	Radio groups =	Radio signal transmission
		Radio stations =	
Television	Production companies	Broadcasters groups ↘	Broadcast signal transmission
		Broadcasters stations =	
Print media	Editors	Newspaper titles =	Distribution
	Press and photo agencies	Newspaper publishers =	
	Advertising agencies	Magazines titles =	
	Media centers	Magazines publishers ↗	
Internet	Content providers	Websites =	Internet distribution
	Advertising agencies and media centers	Websites groups ↗	

Legend

No value has been calculated
Non concentrated (value<0,15)
Moderately concentrated (value between 0,15 and 0,25)
Strongly concentrated (value >0,25)

The evolution (increase, decrease, status quo) in comparison to 5 years ago is visualised by using the symbols ↗,↘,=.

2.4 Chapter 4: Stimulating diversity - remedies and suggestions for policy makers

The fourth chapter gives information on measures that are taken to enhance diversity and media plurality in Flanders. It also mentions possible new legal initiatives underlining a number of them as policy suggestions.

These measures were described according to an existing schedule that distinguishes restrictions, counterweight, economic intervention, transparency and organizational measures. Generally, it was noted that audiovisual media are subject to more rules than print media and internet.

Category	Application in Flanders
Restrictions	• Ownership restrictions • Regulation • Editorial independency/responsability • Signal integrity • Net Neutrality • Switch to DAB+
Counterweight	• Must-carry, Must Offer • Public service broadcaster VRT • Fund Pascal Decroos for investigative journalism • Obligation of subtitling (news) programmes • Flemish Journalism Fund • Promotion of European and independent productions • Subtitling as an accesability measure
Economic interventions	• MediAcademie • Support of regional broadcasters • Stimulation of the audiovisual sector • Screen Flanders

Transparency	• Media concentration report • Supervision of compliance by the public broadcasters of the Flemish Community's management • Licences, broadcasting permits, notifications • Media education programmes • Diamond project • Reporting on Net Neutrality • Academic initiatives studying media diversity • Actions coping with fake news
Organisational measures	• Founding of VRM • Belgian and European competition authority • Journalism window

Table 6: Policy measures to enhance diversity and media plurality

2.5 Chapter 5: General Conclusion

A general conclusion is given in the fifth chapter.

3 Main findings of the Media Concentration Report 2020

Covid 19 dominated the year 2020. And it had its effect in the Flemish media sector as well.

Last year, Flemish people consumed a lot more media, and viewing, listening, reading and surfing behavior were impacted. The popularity of media increased, but the advertisement market did not follow: revenues dropped. This phenomenon is called the Corona Paradox.
Because of this Corona Paradox an number of smaller, local and regional players got into difficulties.

Flemish media companies work together to withstand the pressure of international companies. An example is Streamz, "the Flemish Netflix".
Within the limited geographical market merger opportunities are limited, and a number of Flemish media companies looked abroad for takeovers.

For the aggregation of classic media products, 80 to 100% of the Flemish market resides with five media groups: VRT, DPG Media, Mediahuis, Roularta and Telenet .

Per media type, one can state that:

Radio:
Because of the take-up of digital radio, the level of concentration (per station) diminished. However, if media groups holding radio stations are considered, the market remains heavily concentrated. (i.a. because of the strong position of the public service broadcaster).

Television
On the 14th of September, Streamz was launched, a new platform set up by Telenet and DPG Media, in collaboration with VRT. On the other hand, Proximus offers its services to existing platforms, like the newly launched Disney+.

Websites linked to TV-stations became very popular over the last years.

A rebranding took place, where groups renamed their different stations based on their most popular brand (e.g. VTM, VTM2, VTM3 and VTM4 by DPG Media).

Print
The trends towards more convergence has continued.
This year, the centre for media information (CIM) first published information on the popularity of apps, and a big difference in popularity can be noticed.
Magazines have to face difficult situations, with a lower take-up of digitization.

Online:
I.a. because of the Corona pandemic, the intensive use of internet continued. Key positions are held by foreign companies. The most popular social media, app stores, and search engines are held by American companies, and subsequently, they take a large amount of advertisement budgets.

4 Table of contents of the Media Concentration Report 2020

5 Translation of the list of figures

6 Translation of the list of tables

<u>**Vlaamse Regulator voor de Media (VRM)**</u>

The mission of the *Vlaamse Regulator voor de Media (VRM)* or Flemish Regulator for the Media, is to enforce the media regulations in the Flemish Community, settle disputes related to the media regulations and issue media recognition and licenses in accordance with the regulations. It consists of two chambers, a general chamber and a chamber for impartiality and the protection of minors.

In Belgium, each cultural community has its own audiovisual media services regulatory body: the Flemish regulator for the Media (VRM) in the Flemish-speaking community, the High Council for the Audiovisual sector (CSA) in the French-speaking community, and the Media Council (Medienrat) in the German community. Radio and television broadcasting in the Brussels Capital Region, as far it concerns the two communities, is regulated by BIPT (Belgian Institute for Postal services and Telecommunications). BIPT is a federal administration that is the regulator for electronic communications, the electromagnetic spectrum of radio frequencies, the audiovisual media in the Brussels-Capital Region and the postal market.

http://www.vlaamseregulatormedia.be/en

http://www.csa.be/

http://www.medienrat.be/

http://www.bipt.be/

Since 2008, VRM publishes a yearly report on media concentration in Flanders. VRM aims to make the report, written in Dutch, accessible for the international public. That's why VRM chose to write an English guide for the 2016 version of the report. The document contains on the one hand a 'manual' for interpreting the Flemish report and on the other hand a translation of the main conclusions of the report.
This English document, as well as the report, can be found on the English version of the website of VRM http://www.vlaamseregulatormedia.be/en.