Commissariaat voor de Media

Media Monitor 2023

Read

Summary

With the Media Monitor, the Dutch Media Authority has been monitoring developments in the Dutch media sector for more than 20 years. In the Media Monitor, we provide an overview of media use and insights into the activities of media companies. We have a special focus on media concentration and media diversity.

Increasing market share among fewer media companies

Over the years, mergers and acquisitions have left more media brands in the hands of fewer media companies, which resulted in a larger market share for fewer companies. Daily use of traditional media - viewing television channels, listening to radio, and reading newspapers - is declining. Especially among young people, media consumption is increasingly taking place online and on platforms of major international players. This trend began several years ago and continued in 2022. The challenges for both media policy and the media sector are to continue to ensure independent and diverse media in light of these developments. And to connect young people with quality media and professional journalism in an online environment.

The use of traditional media continues to decline, especially among young people

The use of traditional media declined again in 2022. It is clear that the Covid-19 pandemic caused a temporary strong revival of the use of traditional media, but the decline is now resuming. In the process, the gap between the media use of young people and older age groups is widening. Whereas people over 65 mainly use television channels, radio stations, and daily newspapers, young people mainly use social media and are viewing and listening online. Young people are getting less and less exposed to linear television channels and television newscasts, and mainly use social media to inform themselves about the world around them.

Flattening growth at Google and Meta due to competition from TikTok

Social media have become a fixture in daily media use, especially among young people. The use of TikTok, as well as Instagram and Snapchat, continues to increase. Young people are also increasingly using TikTok for news. The platform's revenue strongly increased worldwide. In relative terms, a much stronger growth than that of established platforms Google and Meta. These two international players experienced flattening growth for the first time in years, partly due to competition from new emerging platforms. As a result, Google and Meta's market share of digital advertising revenue in the Netherlands stabilized in 2022. With that, the parties remain unchanged in their dominance, with only 20 percent of digital advertising revenue being generated by local media companies in the Netherlands.

The number of video streaming services is increasing, but so is the competition

This was the reason television companies RTL Nederland and Talpa Network wanted to merge: to provide more counterweight to international competitors. However, The Netherlands Authority for Consumers and Markets (ACM) did not approve the proposed merger because of concerns about too much power in the Dutch television advertising market and in the television distribution market. RTL Nederland and Talpa Network compete online with international platforms for ad revenue, and RTL's video streaming platform Videoland competes with international video streaming services for subscribers. The amount of video streaming services available has increased substantially in recent years, and the mutual competition causes the platforms to face financial challenges. Big players like Netflix and Disney+ are deploying new strategies and are adding advertising subscriptions to their subscription choices, something Videoland has been offering for some time now. Smaller video streaming services like Viaplay recognize that infinite growth is not possible and are returning to a focus on successful genres like sports.

Challenging market conditions for media companies

The media companies RTL Nederland, DPG Media, and Mediahuis were able to match the higher revenues from the top year 2021 in 2022, but profits at most companies stagnated or declined. This is due to macroeconomic conditions such as inflation and cost increases in, among others, energy and paper. Publishers indicate that publishing on paper was challenging in 2022, also due to the tight labor market and lack of delivery staff.

News media subscription revenue declines due to decline in print subscriptions

Although the number of digital subscriptions to news media has increased significantly in recent years, the vast majority of publishers' revenue still comes from paper subscriptions. Of the total revenue of Dutch publishers, 87 percent comes from print and hybrid subscriptions. This year, total revenue from the readers' market fell for the first time due to the decline in revenue from print subscriptions. Daily readership of news sites and apps has stabilized after an increase during the Covid-19 pandemic in 2022. News publishers thus face a challenge of generating sufficient revenue from their digital transformation.

NPO's strong position in concentrated media markets

In the television market, the three biggest players, public service broadcaster NPO, and commercial broadcasters RTL and Talpa Network, collectively hold 78 percent of the market. In the radio market, NPO and Talpa also dominate, in addition to media company DPG Media with their radio station Qmusic. Together they own 75 percent of the radio market in 2022. DPG Media will have the potential to increase its market share in the radio market, having launched the new radio station JOE as of September 1, 2023. Media company Mediahuis will also become a party of interest in the radio market from 2023, following the acquisition of RadioCorp and Radio Veronica. In the various media markets, NPO has been the largest provider for a while. For example, NPO has the largest market share in the television and radio markets, and the public service news provider NOS.nl has been the most used online news platform for several years.

AI in news creation and news use presents opportunities and risks

The use of AI will play an increasing role in news creation and news use. For example, in the form of generative AI for the creation of text, images, video, and audio, but also in adding efficiency and automation, such as AI-generated headlines and metadata. This presents opportunities, but also risks. In the news industry, there are concerns about ChatGPT's use of news articles and the risk of AI applications generating and disseminating misinformation. New European laws and regulations for platforms and AI are evolving, with transparency of the systems as a key element. Monitoring how AI will play a role in news creation and news consumption is on our agenda.

Point of attention

The gap in media use between generations is widening. We have been noticing this for several years. The Media Monitor 2023 shows that usage of television and radio stations and daily newspapers continues to decline. Young people mainly use social media, including for news. Use of linear television channels does not increase as the user gets older. Therefore, the fact that young people are using traditional media less and less cannot be called an age effect, but a generational effect.

On social media, the professional news media are present, but so are a variety of other sources that are not created in compliance with journalistic standards and values.

We are concerned that young people are not sufficiently exposed to quality news and professional journalism on social media, and therefore are not building trust with professional news brands. It is important for professional journalism to be highly visible and findable online and on social media. Public and private professional news media provide independent and diverse news and opinions. It is of societal importance that these remain easily accessible to young people in the future.

To learn more about how young people use news on social media, we will conduct research on this topic in the coming year. This research is a follow-up to developments in media and news use among young people that we identify in both the Media Monitor and the Digital News Report Netherlands.

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