

## Medienmonitor Schweiz 2020

### Summary

In 2020, *Medienmonitor Schweiz* examines for the fourth time the roles played by the media in forming opinions in Switzerland, while documenting the balances of power and business ties in the media market. In 2020 – the year of the pandemic – there was a marked increase in the attention given to the media. Balanced opinion formation within the population of Switzerland largely remains assured. Particular attention is to be paid to the media areas of Bern, Graubünden and St. Gallen, where the greatest market concentration was found in terms of the opinion-forming power of brand systems and media groups.

#### Methodological information

*Medienmonitor Schweiz* combines three survey modules and brings together data from a multitude of sources:

- 1) Representative sample online surveys about the importance of 171 Swiss media brands when it comes to forming individual opinions (N=4,806)
- 2) Secondary analysis of recognised Swiss baseline surveys on the daily reach of media brands (Radio / TV: Mediapulse, Print: WEMF, online: NET-Metrix, social media: own projection)
- 3A) Secondary analysis of sector studies and business reports on the economic weight of the key players in the Swiss media market
- 3B) Ongoing market monitoring and documentation of ownership and contribution structures in the Swiss media landscape

### Media diversity and opinion formation as the focal point

The key goal of *Medienmonitor Schweiz* is to determine whether and to what extent **media diversity** and the **free opinion formation** are under pressure in Switzerland. After all, the balanced formation of public opinion is essential for the effective functioning of democracies. As a platform for content and opinions, the **media** play a key role in the opinion-forming process. With the aim of maintaining a diverse media landscape and therefore a plurality of opinions, nation states **regulate** media markets – by imposing, for example, dual broadcasting regulations and requiring the media to fulfil service mandates, while guaranteeing distribution in return and allowing fees to be charged for certain services.

The question arises as to how effectively these regulatory measures, which mainly focus on broadcasting, are working and the extent to which they remain appropriate in view of current developments. After all, the Swiss media system has been subject to major changes, especially since the 1960s, which are reflected in an ongoing **process of concentration**. Recently, this trend has been accentuated by the **digital transformation** of society and media.

Each year *Medienmonitor Schweiz* supplies a factual and systematic basis for the evaluation of the media landscape in Switzerland, and in particular of the free forming of opinions. The study 2020 collects information concerning the **opinion-forming power** of **171 media brands** and **10 media corporations** in national, three regional language and 14 local regional markets and documents the business ties and economic balances of power in the Swiss media market. To determine the power of opinion formation, media users evaluate the performance of the brands as an information medium in a representative sample survey. This qualitative evaluation is combined with the daily reach of the offers identified by the official Swiss coverage studies (own projection for social media). This results in an indexed performance number for opinion-forming power, which represents the relative **potential** of media brands to have opinion-forming effects. With the 2020 study period, results are now available for the fourth time.

To assess the threat to the effective functioning of the media in wider society, *Medienmonitor Schweiz* measures the **market concentration** with the help of the long-established **Hirschman-Herfindahl Index (HHI)**, which is also used by the U.S. Antitrust Division to assess the balance of power in competitive environments.

### **Boom in media use during the pandemic year of 2020**

Considering the wide-ranging findings of *Medienmonitor Schweiz 2020* concerning the media and opinion-forming power in Switzerland, the first thing that stands out is the **huge increase** in audiences that the media experienced during the pandemic year of 2020 – a year of harsh economic circumstances. Based on their standardised daily reach, the cumulative market power of all media brands surveyed increased by 29% in comparison with the previous year.

This testifies to the considerable **importance** of the media in terms of informing the public and is proof of the importance of an effectively functioning media system for both democracy and society. This is also reflected in the fact that although the marked increase is reflected across the board, it is particularly pronounced in the **regional information media** (Corriere del Ticino, Arcinfo, Tribune de Genève, Luzerner Zeitung, etc.), in **national newspapers** (NZZ, Le Temps), and in fast-response **online** channels in particular (lematin.ch, blick.ch, watson.ch, tio.ch, rts.ch, rsi.ch, srf.ch, etc.). In contrast, the leading Swiss-wide media channels (20 Minuten, SRG SSR programmes) and the social media brands have not been the biggest beneficiaries of this general boom in media use.

If the opinion-forming power of the individual media brands is taken as the basis for determining the market concentration, in addition the use of the HHI index, it demonstrates a **low market concentration** in the 18 areas examined. In the context of the general increase in opinion-forming power of the media (+8% since 2019), it is also encouraging that there has been **no significant year-on-year increase** in concentration. This might have been expected, however, as there

were virtually no changes in the regional brand portfolios in 2020. These findings also mean that there has been virtually no change in the relative market positions of the individual brands, and **no problematical threat** to the plurality of opinions therefore results from the **individual offerings**.

### **Brand systems have a negative impact on the plurality of opinions**

Considering concentration purely on the basis of individual offerings is insufficient, however, as a variety of media brands alone does not guarantee a plurality of opinions. Many media companies operate several media brands from the same structure and, among others, offer centrally produced content for multiple audiences. In this way, they make use of **economies of scale** – and ultimately have a negative impact on the variety of the content. If these potentials are consistently exploited, brand combinations can develop a considerable opinion-forming power that far exceeds that of individual brands. By far the largest brand system is managed by SRG SSR with its German-language offerings (SRF). These are followed by the combinations of **20 Minuten**, **Facebook**, RTS, radio/TV from **CH Media** and the German-speaking print brand systems from **TX Group** and CH Media.

If the HHI index is determined on the basis of these **brand systems**, the degree of concentration in the 18 Swiss markets increases by a factor of two to three in comparison with the single-brand measurement. If the interpretation criteria of the U.S. Antitrust Authority are applied, the threshold for **moderate market concentration** is marginally exceeded in the local-regional media areas of **Bern**, **Graubünden** and **St. Gallen**. The Berne region merits special attention, where the concentration value reaches the highest level of 1,603 points and has increased by more than 100 points since 2019. At the same time, there has been a slight decrease in the market concentration across all regions.

### **Opinion formation under the greatest pressure in Bern, Graubünden and St. Gallen**

A total of 10 major media corporations and numerous other providers operate in the Swiss media market. **SRG SSR** clearly has the greatest opinion-forming power, with a share of 31%. **TX Group**, which is in second place, exercises only around half the opinion-forming power of the market leader (15%). They are followed by the US giant **Facebook Inc.** and the relatively new **CH Media**, both with 7%, and **Ringier**, with 6% of the national opinion-forming market. The NZZ Media Group, AZ Medien, Gruppo Corriere del Ticino, Somedia and ESH Médias trail some way behind. Together, these companies control 99 of the 171 brands in *Medienmonitor Schweiz* and face varying degrees of competition in the 18 areas surveyed. The remaining 72 brands have a wide range of owners.

On a similar basis to brand systems, media companies can also impair the plurality of opinions. In addition to the central production of content, there is a risk of media groups enforcing editorial guidelines across all offerings, for example, in order to help a particular direction or tone of reporting to prevail.

The analysis of media markets in Switzerland reveals a considerable degree of concentration for the shares of opinion-forming power held by the media corporations: based on the HHI index, a total of **8 media markets** are considered to be **moderately concentrated**. Again, it is the three local-regional media areas of **Bern, Graubünden** and **St. Gallen** that stand out from all the others. In the Berne region, the concentration has been increasing year-on-year, and at 1,806 points in 2020, it accounted for the highest value. It is also important for the media regions of **Ticino, Hochalpen, Genève** and **Basel** to be monitored more closely.

In the areas with the highest market concentration, it is clear that there is an above-average **concentration of power in the two strongest groups**, which is usually associated with a particularly high level of opinion-forming power on the part of **SRG SSR**: in **Bern**, SRG SSR and the TX Group have 53% of regional opinion-forming power, in **Graubünden**, SRG and Somedia have 50%, and in **St. Gallen**, taken together, SRG and CH Media have 51%. Furthermore, a strong number three operator is generally missing in these areas.

### **Aging trends weaken the leverage impact of media subsidies**

Another aspect of interest to society and media policy in the *Medienmonitor Schweiz 2020* is, once again, the **advanced age of the audiences** of many of the established media brands. **TV** and **SRG SSR** continue to be affected particularly strongly by the phenomenon of an unfavourable age gap. **Social media** still enjoys the favour of younger audiences, but in comparison with 2019, is losing a significant market share among under 30s to **online** media – the rising star of 2020.

These developments pose major **challenges** to today's broadcasting-centric **subsidies system**. After all, the findings show that the two genres of TV and radio are clearly losing importance. It is very likely that this trend will continue in the future – and that the **leverage effect** of the established regulatory measures will steadily **decline**. Despite this, SRG still has a great deal of opinion-forming power at the regional level. In contrast to purely commercial offerings without a service mandate, however, according to its charter, SRG is obliged to provide a diversity of content and balanced reporting.

From the perspective of subsidies, the question arises as to how a balanced opinion formation can be ensured even in the changing media reality that is now emerging. Before the backdrop of the findings of *Medienmonitor Schweiz*, considerations in this regard would have to focus

strongly on **digital media** on the one hand – and on how **private operators** can be offered the best possible conditions for development on the other.

In future, *Medienmonitor Schweiz* will continue to observe the developments of the media landscape and opinion formation in Switzerland on an annual basis. The **study website** visualises the core findings, documents market structures and current events: [www.medienmonitor-schweiz.ch](http://www.medienmonitor-schweiz.ch)