Transformations of television systems: Implications for media content, political parties and political attitudes

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Chapter 2

Convergence of West-European broadcasting systems 1980-2008

Abstract[5]

It is widely thought that differences between West-European broadcasting systems have diminished, with the introduction of commercial television, and the liberalisation of media policies, since the late 1980s, and hence, that a process of convergence between television systems towards the US model has taken place. This study investigates the validity of this convergence hypothesis by comparing changes in West-European broadcasting systems drawing on a new dataset encompassing 17 West-European media systems over the period 1980-2008. I distinguish between two dimensions of broadcasting systems: (1) the television system dependency on advertising, and (2) competition / audience fragmentation. I develop instruments to measure positions on these two dimensions. The analysis shows that these two dimensions are cross-sectionally independent. The results confirm an overall trend of convergence towards more fragmented, competitive and advertising-dependent broadcasting systems. However, significant differences remain between television systems with regard to the level of advertising dependency and audience fragmentation.

Keywords: Television systems, cross-national comparison, competition, audience fragmentation, advertising dependency, multidimensional empirical indicators/instruments.

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[5] This chapter is a revision of a paper co-authored with Wouter van der Brug and Philip van Praag.

2.1. Introduction

The dominant view in the literature on broadcasting systems is one of growing convergence among West-European systems and an increasing similarity of West-European systems to the US media system (Hallin & Mancini, 2004a, 2004b; Humphreys, 1996; Siune & Truetzschler, 1992). Hallin and Mancini (2004b, p. 41) even argue that this could lead to "complete homogenization, to the point that national differences, including differences between the United States and Europe essentially vanish".[6] However, others argue that convergence towards the American model is exaggerated (Aalberg & Curran, 2012; Aalberg et al., 2013; Tunstall, 2008). These authors point out that important differences still exist between national television systems: At one end of the spectrum we can distinguish the US market-oriented television system which is dominated by commercial interests and entertainment-oriented commercial television (Hallin & Mancini, 2004b; Voltmer, 2000). On the other end of the spectrum there is Norway with a popular public television and more regulations of commercial television (Aalberg et al., 2013, p. 3).

The core assumption of the convergence thesis is that media systems have become increasingly similar to the American model. However, when referring to convergence, different studies look at rather different dimensions of media systems. Sometimes the convergence thesis refers to media content that has become entertainment-oriented everywhere; other times it refers to journalistic practices and values, media structures and broadcasting policy, technological convergence and generally, the separation of media institutions from the political system (Hallin & Mancini, 2004b chapter eight). In the case of television, convergence to the liberal model has been stimulated by the introduction of commercial television in what has been labelled as the "commercial deluge" of the

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[6] Hallin and Mancini (2004b) use the term convergence and homogenization interchangeably.

1980-90s (Hallin & Mancini, 2004b, p. 252). In this chapter, I investigate the extent to which the liberalisation process of broadcasting systems has led to increasing similarities between market structures of Western broadcasting systems. If convergence has happened between television systems and towards the liberal model, this should be visible at the level of market structures because this is where policy changes have a direct effect. To my knowledge there is no empirical study that systematically investigates this aspect of the convergence thesis.

Comparative analyses of changes in broadcasting systems are often based on rather crude classifications, such as whether countries have a public, a commercial or a *dual* broadcasting system (Brants & Siune, 1992; Curran et al., 2009). Some of these existing studies focus on *judicial aspects*, that is, how governments regulate the television markets and media content (e.g. Curran et al., 2009). While I acknowledge the importance of government regulations, and realise that these regulations affect the media market, I believe that it is necessarily to take into account the intrinsic relationship between supply and demand characteristics in order to be able to adequately study the media environment. This chapter considers media structures therefore, to be shaped by a mutual, recursive relationship between supply side structural characteristics and audience demands. In this sense the approach of this study to media structure is dualistic (Webster, 2009, 2011).[7] This approach has the additional advantage of focusing on the observable effects of policy change rather than focusing on rules/regulations that may or may not have the intended effect. In addition, this approach does not make a categorical classification of media systems. I distinguish between two dimensions of broadcasting systems: (1) the extent to which television systems depend upon

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[7] The use of the two concepts of 'dual television systems' and a 'dualistic media structure' should not be confused. While dual systems refer to the coexistence of public and commercial television, the concept of dualistic structure (Giddens, 1984) refers to the recursive relationship between the demand and supply side of media structures.

commercial revenues (especially advertising) and (2) the degree of audience fragmentation across television channels. Both measures are operationalised as an interaction between supply side and demand side characteristics. Using indicators of these two characteristics, I show empirically that these two are hardly correlated.

The chapter compares changes in West-European broadcasting systems drawing on a new dataset encompassing 17 West-European media systems over the period 1980-2008. The comparative analysis starts in the 1980s, shortly before many countries began to introduce dual broadcasting systems, allowing the coexistence of public service and commercial television stations. The following section discusses the literature on media systems change and argues why it is important to distinguish system level dependency on advertising from audience fragmentation in the analysis of the changing character of broadcasting systems. Section two operationalises these concepts and elaborates on the measurement instruments. Section three presents the data and the results. In the conclusion I reflect on the possibilities and limitations of the proposed measurements and how the (non-) convergence in these two aspects is related to other aspects of convergence of media systems.

2.2. Theoretical background

Earlier studies from the field of political communication have analysed the broad change in West-European broadcasting systems from public monopolies to dual systems by focusing on the issue of ownership and finance of public television. These studies reveal that European broadcasting displays a diversity of structures. Brants and Siune (1992) and later Siune and Hulten (1998) distinguish 'pure' public monopolies, which are entirely funded by public income, 'mixed revenue' public monopolies, which draw on commercial as well as public income, 'dual systems', in

which public television coexists with private television, and 'pure commercial' systems, which entirely rely on commercial revenues.

These studies showed that most countries developed from a monopoly of public television to dual systems. Despite their merits, these studies are based on rather crude categorisations. Because virtually all systems have now become 'dual', these kinds of classifications cannot provide a nuanced analysis of the extent to which, and according to which specific characteristics, national television systems have converged and what differences remain between them.

Later, Curran et al. (2009) provided a more sophisticated categorisation by paying attention to the degree of programming regulation imposed on private television; and strength (in terms of resources and audience) of public television, leading to a distinction between *commercial* (US), *dual* (Britain) and *public service* (Denmark and Finland) broadcasting systems. The study of Curran *et al.* focuses on four countries, which seem to represent ideal-typical cases of dual, public service and commercial systems. This categorisation is more difficult to apply to most media systems, which usually are situated on a continuum between these different categories.

The focus of existing typologies has been more supply side-oriented assuming that the supply side determines consumption patterns of media. The entry of commercial broadcasters to the television market has been a real game changer, which affected the public television stations and, more importantly, the importance of audience demand. On the one hand, non-profit, public interest-oriented media systems are shifting towards a system with increasingly strong commercial goals. The penetration of the commercial logic is not only driven by the rise of private broadcasting, but in several countries *also* by decreased public funding and an increasing importance of commercial revenue for 'public' channels. The opening of media markets to private players and the dismantling of public

media monopolies have also increased competition intensity between a growing number of channels.

In all West-European democracies, public channels are therefore now facing competition from commercial providers for audience shares. On the demand side, after the liberalisation process audiences were offered a multiplicity of channels to choose from, which fundamentally changed patterns of audience television consumption. As audiences have more choice they also have more power to determine their consumption patterns and to define the media environment. This brief discussion shows that, in order to properly study the changes in television systems, we need to take account of the changing consumption patterns as well as the changing supply side characteristics. The study distinguishes two dimension of the media (television) environment: (1) the extent to which television systems depend on commercial revenues and (2) the degree of audience fragmentation across channels. We will discuss both in turn.

2.2.1. The advertising dependency of the television system

As Blumler, Brynin, and Nossiter (1986) and Blumler and Nossiter (1991) point out, financing is a key feature of broadcasting because it is associated with different broadcasting purposes. Although they are non-profit organisations, public broadcasters have increasingly, and to various degrees, come to rely on commercial revenues, and in this way they have also been increasingly affected by the commercial logic and market rules. Private broadcasters completely rely on commercial revenues and their main goal is to make profit. They can therefore be expected to follow market rules by producing content that attracts large audience shares, which makes them attractive to advertisers.

Commercial revenues may, on the other hand, give some freedom from political intervention by political parties or government (Hallin & Mancini, 2004b).

However, advertisers are primarily after public attention, which they obtain by paying advertising money to broadcasters, and they do not seek to inform or educate the public *per se*. So, when broadcasters are dependent on advertisers they may for instance feel pressured to focus more on entertainment during prime time, and less on informative programming.

While this chapter does not aim to test the relationship between commercial revenues and content as such, this discussion shows that if we wish to describe the evolution of television systems, it is important to understand the extent to which these systems depend on commercial and, particularly, advertising revenues.

2.2.2. Competition and audience fragmentation

The second aspect I focus on is competition for audience shares. Although it seems reasonable to assume that market pressure on private television is higher because of their for-profit character, public television can also be affected by similar market pressures. Notwithstanding its non-profit character, public television finds itself needing to adapt to the new situation, and forced to compete with other (public and private) television stations to attract audiences for two reasons. First, it has to politically legitimise its existence in order to secure public funding. Second, if public television strongly relies on commercial revenues, it has to compete for advertisers to secure funding in the same way private broadcasters do. The 'logic of the marketplace' thus affects both public broadcasting and commercial television by compelling them to reconcile maximising audiences while minimising costs (Drijvers, 1992).

When commercial television stations entered the market in the 1980s and 1990s, the number of channels increased substantially, so that audiences became increasingly fragmented. The more fragmented audiences are, the less income each channel generates (Picard, 2000). Audience fragmentation across television

channels indicates the difficulty of reaching audiences and can therefore be seen as a proxy measure for competition intensity of television systems.[8]

The literature provides different accounts of the effect of competition on media content. Some have argued that in fiercely competitive systems, media are likely to appeal to the lowest common denominator by 'dumbing down' media content. Yet, on the positive side, it has been argued that competition guarantees more diversity of content, and more choice for audiences (Webster, 2005). A fragmented media environment might thus also provide opportunities for high-quality channels focusing on a niche of highly educated citizens who wish to be well informed (Prior, 2007). It has been shown that the relationship between the quality of the general offer of media content and competition intensity is non-linear. Moderate competition is correlated with higher diversity, while fierce competition leads to a decline of diversity (Van der Wurff & Van Cuilenburg, 2001).

From an audience perspective, the parallel processes of multi-channelling and audience fragmentation generate a high-choice media environment, in which consumer demands play an increasingly important role. Individual preferences are therefore believed to increasingly determine media content, to the extent that some hypothesise that there is a convergence between supply and demand (Webster, 2005). Individuals are inclined to select content that appeals to their personal preferences and corresponds to their previous beliefs and avoid content that is not. A fragmented media environment enables them to do so (Prior, 2007). As a consequence, the 'exposure diversity' - the extent to which individuals are exposed to diverse content (Napoli, 2011)- may decrease as television systems become

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[8] Audience fragmentation and competition are not fully equivalent, because one media company might own several channels. In fact, strategies to reduce economic uncertainty in complex markets may give rise to new monopolies (Graham & Davies, 1997). Even when the number of competing channels is large, the ownership of channels might be (nationally or transnationally) concentrated, which decreases competition intensity. Following (Van der Wurff & Van Cuilenburg, 2001) and (Van der Wurff, 2004) we assess competition through measuring audience fragmentation at the level of channels because our analysis is audience-oriented.

more fragmented. The process of audience fragmentation and multi-channelling is likely to stimulate external diversity (different suppliers each offering different content) at the expense of channel internal diversity (each supplier offers a variety of content reflecting various points of views for instance). To be exposed to diverse content and opinions, the user is therefore required to use different channels, which requires a certain level of willingness and skills.

Based on our discussion, it is clear that competition is an important aspect of television systems, which needs to be measured in order to obtain an accurate depiction of how television systems have changed. Competition needs to be distinguished from advertising dependency. Commercially oriented television systems can theoretically exist without competition if one privately owned station would have a monopoly. Equally, a system can be quite competitive but not commercial, if there are several publicly funded television stations. While these extreme situations do not exist, the advertising dependency and the competitiveness of media systems are hardly correlated, as we will show below. This is why they should be measured separately, so that changes along both dimensions can be described, and that a sophisticated and nuanced understanding of the character of media system change can be obtained.

2.3. Data and measures

In the previous section I distinguished advertising dependency and competition. Here, I will discuss how these concepts can be measured and will describe and discuss the data collected. The following section will map the extent to which West-European systems differ and have evolved and converged over the past decades.

2.3.1. Measuring advertising dependency and competition

Advertising dependency

The advertising dependency of a television system is measured by the extent to which television stations depend on commercial revenues. To calculate this dependence, it is sufficient to look at the dependence of public television on commercial revenues as we can safely assume that commercial television depends fully on commercial income sources (see also: Voltmer, 2000). However, I also want to take into account whether public television stations are large and important players, or whether they are quite marginal. Therefore, I also weigh the dependency on commercial revenues of public television by its audience share.

Figure 2.1. The television system presented as a space defined by the source of income and audiences
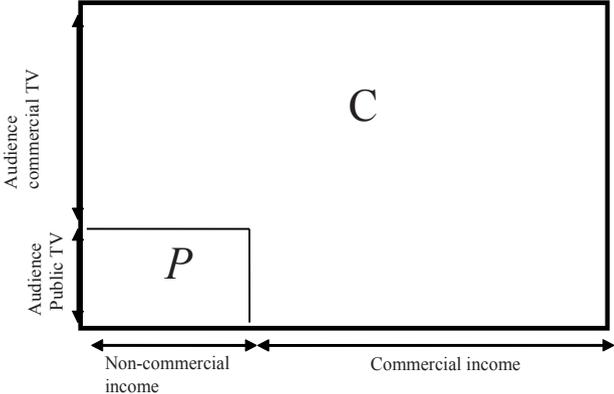
The measure of advertising dependency of a television system can be visualised by conceiving the television system as a two-dimensional 'space' defined by the total income and by the total audience (see figure 2.1). The area 'P' (public) is the 'non-commercial' part of this space. This area is the most independent from market forces. 'P' is equal to the product of the audience share of the television stations that

receive public funding and the percentage of non-commercial income in that television organisation.

Television channels that receive public funding are *generally* publicly owned, but their funding is often partly commercial to varying degrees. Some public channels even exclusively receive commercial income, such as Channel 4 in the UK. If we subtract the publicly funded audience share from the whole media space we obtain a measure of the part of the television system that depends on commercial revenues. The index runs from 0 to 100, with 0 indicating that the system is fully publically financed and 100 indicating that the system is completely dependent on commercial revenues.

Advertising dependency = C=100 – P   *(1)*
*Where: P=proportion non-commercial income public TV * Audience share public TV*

To assess the intuitive validity of this measure, imagine a completely non-commercial television system in which public television has a 100 per cent audience share and all revenues are non-commercial. In this system, P would be equal to 100 and thus the advertising dependency is equal to 0. Until the end of 1980 many European broadcasting systems resembled this situation. On the other extreme, imagine a system where public television has a (close-to) zero audience (the US case for instance), or a television system where public television is completely financed by commercial revenues. In this case P=0 and the advertising dependency is equal to 100.

Audience fragmentation

To measure audience fragmentation an index was constructed that simultaneously captures the *number* of television channels as well as their *relative* market share of audiences. The more the television sector is dominated by one or few channels, the

less competitive it is. The index is not only determined by the number of channels, but also by the distribution of their market shares. We use a Herfindahl-Hirschman Index (HHI= $\sum_i m_i^2$), which ranges from 0 to 1. An increase in the Herfindahl index (concentration) indicates a *decrease* in competition. When a television system only has two channels with an equal market share, the HHI is higher than when four channels have equal shares in the same market. A television system with four channels with equal market share is more competitive (lower HHI) than another system consisting of four channels with unequally distributed market shares. The major benefit of the index is that it gives more weight to larger channels and largely neglects channels with very small shares. This index has been used before to measure competition intensity on audiences in European television systems (Van der Wurff, 2004; 2005). This index is recoded so that higher values indicate higher levels of competition.

$$\text{Competition} = 1 - \sum_i^n m_i^2$$

In this formula, i is the index for television channels (from 1 to n), and m_i stands for the audience market share of a television channel i (expressed as fractions).

2.3.2. Data

This study is limited to 17 West-European liberal democracies: Austria (AT), Switzerland (CH), Germany (DE), Denmark (DK), Spain (ES), Flanders (FD), Finland (FI), France (FR), Ireland (IE), Italy (IT), Great Britain (GB), Greece (GR), the Netherlands (NL), Norway (NO), Portugal (PT), Sweden (SE), and Wallonia (WA)[9].

[9] Belgium is divided in two (French-language and Dutch-language) television systems.

This is partly a convenience sample because of the limited availability of data in the 1980s. However, for theoretical reasons, the selected countries are highly relevant cases for the purpose of this study. All European broadcasting systems selected share a public service tradition and have experienced drastic changes since the 1980s as a consequence of the growth of commercial television.

Data were collected from various sources. I mainly relied on the UNESCO statistical yearbooks for data on the funding of television companies and organisations. Since audience data for this period are hard to find for most countries, other sources include various books, reports and articles on national media systems. Before 1990 a single accepted method of measuring audience size was not yet established in most countries. Nevertheless, estimates of audience shares could be found of various available channels allowing for an approximate comparison between countries.[10] These data are used to get an approximate picture of the situation in the 1980s. Data after 1990 mostly originate from the yearbooks of the European Audiovisual Observatory[11] (EAO).

Another issue is how to deal with regional and foreign channels. Regional channels that are reported in the EAO yearbooks as additional national channels

[10] Data sources: Austria: income public TV (Eurostat, 2001), audience share total public television: Fabris and Kurt (1986:5). Flanders: Revenues, advertising revenues only BRT (1986) (Lange & Renaud, 1989, p. 161); audience shares: VRT: Personal communication by e-mail. Wallonia: Revenues; advertising revenues only RTBF (1985) (Lange & Renaud, 1989, p. 161); audience shares are estimates drawn from a sample by (Leroy, 1990). Germany; Revenues; ARD (1986) and ZDF (1985) advertising only (Lange & Renaud, 1989, p. 161); Audience share (Doh, 1994, p. 36). Denmark (DR 1987), Norway (NRK 1987)and Sweden(SVT 1987)revenues data are form (Lange & Renaud, 1989, p. 161); their Audience share ((Nordicom, 2009). Spain data are for 1986: Estimates drawn from (Bustamante, 1989, p. 72; 76). Finland: Revenues: (UNESCO, 1987); Audience share for Yle (Nordicom, 2009, p. 171). France data 1986: Revenues (Lange & Renaud, 1989, p. 161), channel audience shares (MEDIAMETRIE). UK: audience share (BARB). Income public broadcasting year 1984 (HomeOffice, 1986) . Greece: income public television (Lange & Renaud, 1989, p. 161), public TV audience (Syngellakis, 1997). Italy data are for year 1983: Income public television (UNESCO, 1987). Audience data (Sassoon, 1985, p. 77). The Netherlands: income public TV year 1986 (Lange & Renaud, 1989, p. 161); Audience share public television (Siune & Hulten, 1998). Portugal: data income public television (UNESCO, 1987); audience data(Siune & Hulten, 1998).

[11] The European Audiovisual Observatory yearbooks (1998-2008): European Audiovisual Observatory, *Statistical Yearbook Volume 1 Television in 36 European States*. (European Audiovisual Observatory, STRASBOURG, 1998-2008). http://www.obs.coe.int.

have been treated in the same way as other channels (EAO, 1998-2008).[12] Although they might have a regional focus in their programming, these major regional channels reach a nationally significant audience share, and they can therefore be analysed on a similar level as national or international channels. Foreign channels that are reported in the EAO as additional channels are also included. Although some international channels do not specifically target the audience of the concerned country, they compete with other channels nevertheless. This approach is justifiable as these channels attract audiences that could have otherwise watched national channels.

In small countries, media in neighbouring countries influence competition on the domestic market, especially when they share a common language. This is also important for the measure of advertising dependency, since some national audiences watch public and private television of neighbouring countries. In cases where national systems do not permit private television, television systems in neighbouring countries may offer commercial broadcasting and, hence, influence the domestic market. For instance, in the case of Austria, the consumption of German commercial television delayed the appearance of commercial television, since it was believed that such a channel could not withstand German competition. In Switzerland there is no national private channel and competition mainly occurs between international private television and public national television. Our data also show that the use of television from neighbouring countries can change over time. In the 1980s and early 1990s, Dutch television was popular in Flemish speaking Belgium but since 1994 a dramatic decline occurs for the audience of

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[12] We rely on the choices made by the EAO to report audience shares of channels. The EAO is the best available comparative database for our research purpose. In Spain we make a distinction between national and regional public television. Recent data about the share of commercial revenues of Spanish regional channels are not available. We use the estimates given by Bustamante (Bustamante, 1989, p. 76): we take the average of the shares of commercial income provided for the three regional public channels, we estimate the share of commercial revenues of total income for these channels by 40 per cent.

Dutch public television from 24 per cent in 1984 to only 4 per cent in 2006, probably as a result of the introduction of commercial television in Belgium.

2.4. Results

2.4.1. Convergence?

This section investigates whether European television systems have become more dependent on advertising and more fragmented competitive). To compare national media systems with regard to changing trajectories in competition intensity and advertising dependency, the position of the 17 countries is analysed in a space determined by two variables: advertising dependency (X-axis) and audience fragmentation (Y-axis). The values of the two variables range from 0 to 1 for fragmentation and 0 to 100 for the advertising dependency. The variables were rescaled to range from -50 to +50 to facilitate cross-country comparison.

Figures 2.2-2.4 show that the analytical distinction between advertising dependency and audience fragmentation among television channels is warranted and confirms that both concepts measure different things. Broadcasting systems that are highly commercially oriented while being relatively less fragmented (for instance Spain in the 1985) coexist with broadcasting systems that are highly fragmented while being relatively less commercially oriented (for instance Germany in 1985)[13]. In 1985, the correlation between advertising dependency and fragmentation was *0.53,* which means that the two variables share 28% of their variance. The positive correlation shows that more commercially oriented systems tend to be more fragmented. However, the correlation is not strong enough to

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[13] Our measure of the advertising dependency is highly correlated with the media system typology by (Hallin & Mancini, 2004) while audience fragmentation is not. Over the entire period studied, democratic corporatists media systems score very low while Mediterranean polarised media systems score very high on advertising dependency.

conclude that they measure the same thing, which also becomes clear from the fact that we observe media systems in all four quadrants of figure 2.2. The independence between audience fragmentation and advertising dependency remains during the entire length of the studied period, seen that the correlation decreases to *0.12* in 1995, and to *0.04* in 2008.

The results also show that fragmentation and advertising dependency are not an entirely new phenomenon in European television systems. Already in the early eighties most television systems were fragmented and commercially oriented, at least to some extent. The television system in the sample can be divided in four groups: (1) High advertising dependency and high fragmentation of audiences on the upper right hand side, (2) High fragmentation and low advertising dependency on the upper left hand side, (3) low fragmentation and high advertising dependency on the lower right hand side and, finally, (4) low advertising dependency and low fragmentation on the lower left hand side. Although the USA television system is not a part of our sample, according to other studies this system is characterised by a low audience share of public television, a strong dependence on commercial revenues and a high-choice media environment with a multiplicity of channels which implies a highly fragmented audience. The USA is the prototype of television systems situated in group (1).
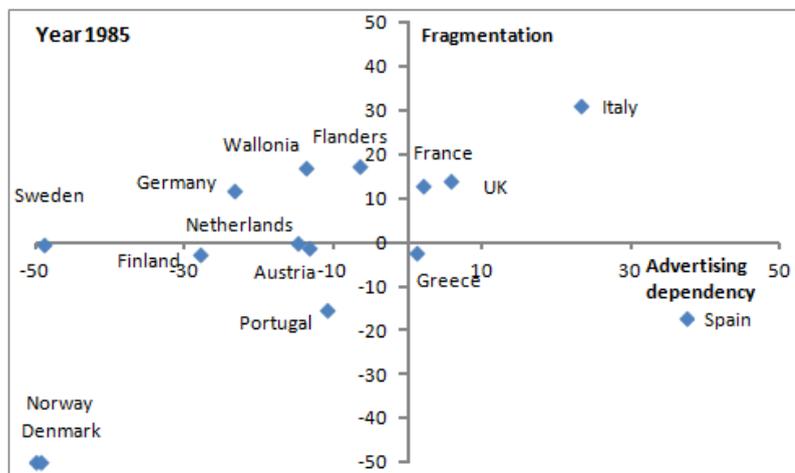
Figure 2.2 illustrates the high degree of variation in the degree to which television systems were fragmented and advertising dependent in the 1980s. In this year, public television in Austria, Finland, Greece, the Netherlands, Portugal and Sweden still had a monopoly as the sole market provider. These countries had two public channels so that there is some degree of audience fragmentation.

In 1985, Spain had the most commercially oriented, albeit weakly fragmented system. This reveals that Spanish public television received an

important share of funding from commercial sources, and that state funding was very limited, unstable and dependent on the political will of governing parties (Bustamante, 1989). Also in France, the level of state funding often depended on the political colour of governing parties. Italy comes out as the most fragmented system reflecting the relatively high number of television channels. The UK and Italy were the first television systems that experienced significant competition between commercial and public television. However, the two systems differed enormously in terms of regulation: the UK had a highly regulated television environment as opposed to the highly unregulated system in Italy. While France is also part of the highly commercialised and highly fragmented group, competition took place between independent public channels (Le Comte, 1998).

In 1985, Flanders, Wallonia and Germany were already highly competitive but this competition took place in a system that did not depend much on commercial revenues. We lack quantitative data for Switzerland and Ireland in the 1980s thus they are not included in the figure. In that period these countries already had a highly diverse supply of television channels from neighbouring countries (for Switzerland see: Bonfadelli and Haettenschwiler (1989) and for Ireland see Holt & Sheehan (1997). Austria, the Netherlands, Finland, Norway, Denmark, Sweden and Portugal belonged to the least commercially dependent and least competitive group, although Austria, Finland and the Netherlands had relatively more fragmented audiences.

Figure 2.2. Television systems in 1985[14]

Figure 2.3. Television systems in 1995[15]
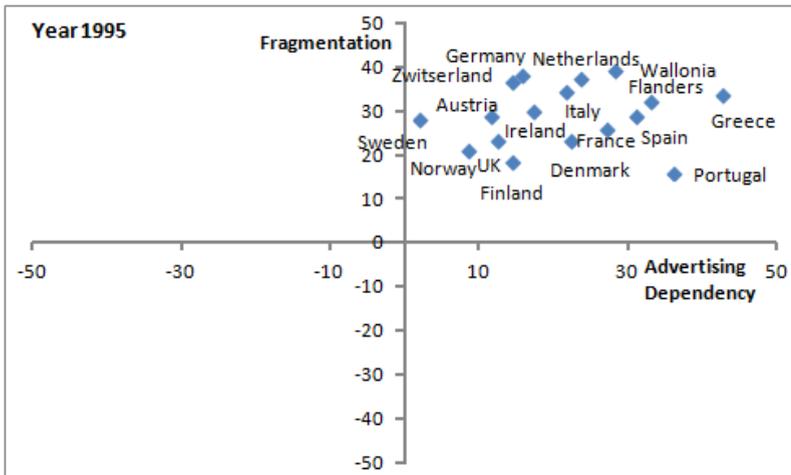
Figure 2.4. Television systems in 2008[16]
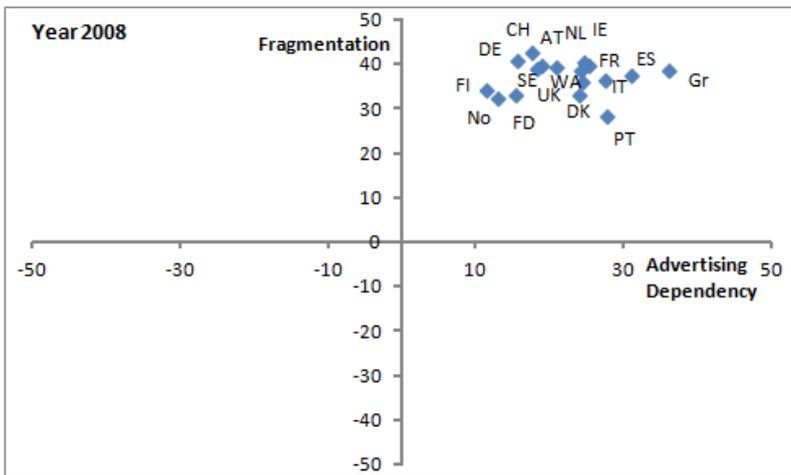
In 1985, only six countries were situated in the right-hand half of our television space. The UK, Italy and France all scored relatively high on fragmentation as well as on advertising dependency. Both Spain and Greece scored relatively low on competition and relatively high on advertising dependency. None of the four countries scored very high on advertising dependency or fragmentation. Competition in 1985 was not dominated by commercial objectives as the advertising dependency of the whole system is not very high. This suggests that in none of the countries there was a high commercial pressure in producing media content, with most countries scoring low on both dimensions. Norway and Denmark were least dominated by market pressures.

In 1995, the situation had changed dramatically, as all countries moved to the upper right quadrant (see figure 2.3). The UK and especially Italy, who were leading the transformation of European television systems, hardly changed their position and even started lagging behind some other countries. Spain moved from being a non-fragmented system to a highly fragmented system. This reflects the success of the new private channels in attracting audiences. In 1995, Greece had the most commercially oriented system, which reflects the weak position of its public television in terms of audiences and public funding, and Wallonia comes out as the most competitive. Denmark takes an average position and has thus made a relatively big change in comparison with its position in 1985. Sweden is now the least commercially oriented television system but takes an average position in the competition intensity.

In 2008, the differences between countries became even smaller, confirming a clear trend towards convergence of West-European television systems (see figure 2.4). Between 1995 and 2008, countries changed more along the fragmentation

dimension than along the advertising dependency dimension. The Swedish system in particular, became much fragmented as a result of a decline in the audience share of public channels. Other television systems (e.g., Germany and Wallonia) hardly changed over this decade. The UK shifted towards a more competitive system and also became slightly more commercially oriented. Although the BBC is still the biggest player, it has gradually lost some of its audience to private television. In comparison to 1995, the UK and Finland made the biggest change towards a more fragmented television system. On the contrary, Flanders witnessed no significant increase in audience fragmentation and Wallonia even experienced a small decline. This might indicate that those two markets reached a new equilibrium and that public television established its competitive position as there was no further decline in its audience share. In Flanders, audience shares for both public television channels experienced an increase between 1995 (a total of daily audience share of 22.7 per cent) and 2008 (40.3 per cent) (EAO, 1998-2008).

The analysis shows that while in the 1980s all four categories of television systems distinguished above existed, by 1995 all television systems had become highly commercialised and highly fragmented, leaving us with model one only. In 2008 they are even more clustered together. So, this gives clear evidence of *convergence* between the selected television systems: they become increasingly similar and increasingly resemble the US model. Another feature of media system convergence is that audience fragmentation increased everywhere despite differences in advertising dependency. In the past, publicly dominated media systems were typically characterised by a low number of national channels, while the systems which were already more commercial (such as in Italy) typically had more channels. This relatively neat distinction between public systems with few channels and commercial systems with many channels has largely vanished over

the past three decades. This is the consequence of the use of multi-channelling, which can be seen as a marketing strategy to attract various segments of the public (Turow, 2000). This strategy is increasingly used irrespective of the degree to which systems are advertising-dependent. The division of audiences into segments and fragments parallel with the increase of audience fragmentation is a key consequence of changes in television systems over the past 30 years.

2.4.2. How do the television systems differ in the 2000s?

In most countries, the largest changes occurred in the first half of the 1990s when commercial television was introduced across Western Europe. After this period, change has been slow in most cases. While the converging trend continued in the 2000s, this convergence seems to be influenced by national and institutional path dependencies, such as the existence of established and powerful media institutions – such as the BBC in the UK. Countries that scored relatively low on advertising dependency in the 1980s have generally become more commercially oriented in absolute terms, but 30 years later they still score low *in comparison with other countries*. This exemplifies the impact of state regulation through public funding.

Yet this path dependency and the role of state regulation do not form a constraint for audience fragmentation, which is the domain where most change has happened. The new technological possibilities of satellite television and multi-channelling have affected entire media systems (both public and private) and have fundamentally changed the way audiences use television. With the notable Italian exception, which was highly fragmented at the start of the period under study, most convergence seems to have happened on the dimension of audience fragmentation. Most media markets seem to have reached a new equilibrium, which is shown by the slow pace of change after the transition around 1990. This might be attributed to the nature of the evolution of industries, which have been transformed after a

technological innovation (cable, satellite and digital television) to reach their saturation stage after a certain period of time. But this slow pace of change also indicates that public television has succeeded to keep its position in a multichannel television environment.

Figure 2.5. A more detailed view of the television systems in 2008[17]
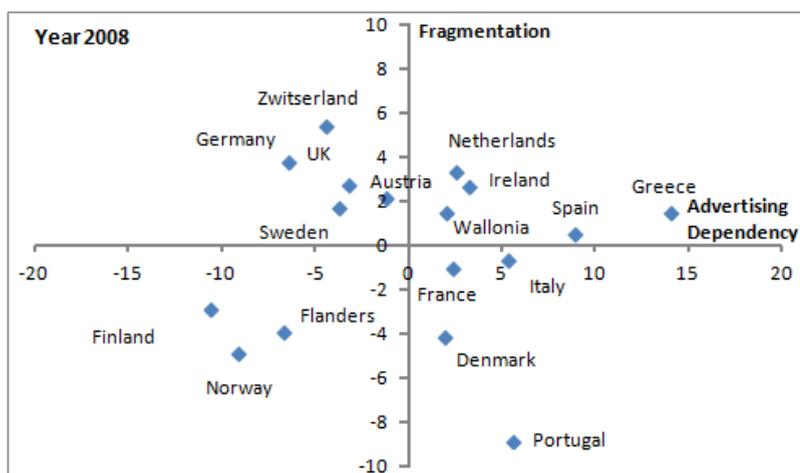
In order to improve the understanding of the smaller remaining differences across countries, I have rescaled the measures in 2008 *around the average* of fragmentation intensity and of advertising dependency. The results shown in figure 2.5 reveal that, notwithstanding the general trend towards convergence, notable differences remain between countries. Greece scores the highest on the advertising dependency dimension, in relative terms, followed by Spain, Italy and France, while the Netherlands, Denmark, Ireland, Wallonia, and Austria take a somewhat intermediate position.

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[17] Data sources: yearbook of the EAO (2008). The data for Italy are from 2007.

This dimension still generally reflects the old distinction between Mediterranean and more Nordic countries. In some countries this process of convergence towards a more liberal television system has even stagnated (Italy) and some other countries stand out for relatively low scores on both dimensions (Norway, Flanders and Finland). Flanders seems to go against the trend of fragmentation. While in the 1980s it was one of the most fragmented television systems, in 2008 it scores relatively low on this dimension. This seems to be related to the revival of its public television and the decline of the audience shares reached by channels from neighbouring countries. With highly advertising-dependent and highly competitive and fragmented television systems, all countries under study can now be considered to be situated in the television space where commercial pressure is high.

2.5. Discussion

This study focuses on two structural dimensions of television systems: (1) their advertising dependency and their (2) competition intensity indicated by audience fragmentation across television channels. Changes in advertising dependency and audience fragmentation were analysed across television channels in 17 West-European countries between 1980 and 2008.

The analyses showed that the analytical distinction between advertising dependency and competition intensity measured by the degree of audience fragmentation is empirically warranted and confirms that both concepts are related but relatively independent from each other. The two instruments provided an empirical basis for distinguishing four ideal-typical television systems: (1) Highly advertising-dependent and highly fragmented systems; (2) Highly advertising-dependent systems with low fragmentation; (3) Highly fragmented system with

low advertising dependency; and (4) Systems with low advertising dependency and low fragmentation.

The empirical analysis shows that although all four types of television systems existed in the early 1980s, model 4 was still dominant. Almost thirty years later, model 1 had become dominant and the other three types no longer existed. All West-European television systems have become increasingly commercially oriented and audiences have become more fragmented while cross-country differences have become smaller. It can therefore be concluded that there has been a convergence between West-European television systems, as well as an overall shift towards US television systems, which represent the prototype of systems with high audience fragmentation and high advertising dependency. Nevertheless, the role of public television and public funding in Europe still is significantly higher than in the US, making the nature of competition fundamentally different.

The convergence of broadcasting systems is particularly visible along the fragmentation dimension. Historical and ideological differences in state regulation within Europe, as well as between Europe and the US, still appear to be relevant and this seems to impede total convergence. The largest shifts towards more commercially oriented and fragmented systems had already taken place around 1990. Although this process continued after the big transition from a public monopoly to dual systems, the recent pace of change has been relatively slow and significant national differences still remain.

Initially, between 1985 and 1995, the main shift was towards a growing advertising dependency. Since 1995, the advertising dependency has not significantly increased, but fragmentation has increased to a certain extent. Fragmentation of audiences increased despite differences in advertising dependency. These findings suggest that the marketing strategy of segmenting audiences is widely used even in less advertising-dependent television systems.

This indicates that the struggle to attract audiences is a dominant phenomenon in today's television systems. This also holds for those systems that do not rely heavily on advertising revenues, which can therefore be seen as another dimension of convergence.

Besides an overall convergence of television systems towards more fragmentation and advertising dependency, the changes in the 2000s have been relatively slow. This may point to a certain level of saturation, in which television systems have found a new 'equilibrium' after the double shock of the introduction of commercial television followed by the widespread use of new technologies by public and private television organisations.

With regard to commercial pressure at the system level, we can conclude that the likelihood that economic criteria will dominate content selection has increased: all broadcasting systems are now situated in the category of highly fragmented and highly advertising-dependent television systems, where commercial pressure is highest. The trend towards audience maximisation and cost minimisation is most likely to happen in the most fragmented and advertising-dependent television markets of the 2000s.

Although the examined television systems are now most likely to experience high levels of commercial pressure, some governments have attempted to reverse the commercial trend by increasingly subsidising public television (Spain, Greece) or by strengthening the position of public television (Flanders) and limiting advertising possibilities for public television (France). This shows that the trend towards fragmentation and a growing advertising dependency of television systems is not inevitable, but partly a matter of political choice. This points to the important role of public policy as an explanatory factor: public funding cuts, competition and fragmentation are part of larger trends towards neoliberal,

market-oriented policies, although significant cross-country differences persist in terms of policies and the character of media systems.

From an audience perspective, the high choice media environment, in combination with individuals' limited capacity and willingness to process abundant information and selective exposure, is likely to reproduce existing differences between audiences. Individuals will be able to select content that resonates with their own preferences. Individuals who are highly politically interested might have a more diverse exposure by choosing a diverse channel repertoire, while individuals with less or no political interest will probably have a less diverse exposure to politically relevant information because they lack both interest and skills required in such a high-choice environment.

Differences between countries in these trends are likely to still be relevant as there is no complete convergence, while trends seem to even be reversing for some countries. The distinction between both dimensions of broadcasting systems is relevant for conducting cross-level research to investigate how both variables are meaningful to audiences in terms of media content (production) and media content exposure (consumption) and subsequently how this influences citizens' political knowledge and political attitudes.

How do our findings relate to other dimensions of the convergences of media system thesis? In their recent book, Hallin and Mancini (2012) argue that empirical evidence is against a *global* convergence thesis of media systems toward the liberal model. Our findings show that for the *established Western democracies* of our study, we clearly found a convergence toward more audience fragmentation and more advertising dependency which both are characteristics of the American broadcasting model.

Yet, the central argument of the convergence of media systems as outlined by Hallin & Mancini (2004b) is that there is an increasing separation of media

systems from political systems. This separation would be marked by an increasing professionalism of journalism and a decline in political party media parallelism. Both processes would illustrate a growing independence and autonomy of journalism.

Increasing audience fragmentation and advertising dependency may however obstruct this assumed tendency towards a more autonomous and independent field of journalism, even in democratic political systems. The increasing dependence of television systems on commercial revenues might diminish *direct* control from the state but it increases the dependence of media on the economic system. In addition, the increasing audience fragmentation might lead to the rise of new ties, instead of a separation between television systems and party political systems. There is evidence from the US that partisan media are on the rise because of high competition and audience fragmentation (see also: Hallin 2009). Media's use of segmentation and niche targeting in combination with selective exposure may lead to polarisation of audiences.

This implies that the convergence on the fragmentation dimension might run counter another dimension of convergence, as argued by Hallin and Mancini (2004b), namely a general decline of media political parallelism and the dominance of 'neutral' journalism. If these relationships between audience fragmentation, media partisanship and polarisation are also taking place outside the US, this would imply that in the new media system the partisan ties between media and the political system might revive. However, these new ties seem to be led by audiences and the media rather than by political parties or states as in the old media system.

This analysis exemplifies that the convergence thesis is multifaceted and that it is not clear how its various dimensions relate to each other. One of the important dimensions of the convergence thesis is that media systems become more entertainment oriented under influence of increasing competitive and commercial

pressures. In the next chapter I will analyse how the two dimensions of television systems are related to sensational news coverage.