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TELEVISION WITHOUT FRONTIERS

GREEN PAPER ON THE ESTABLISHMENT OF THE COMMON MARKET FOR BROADCASTING, ESPECIALLY BY SATELLITE AND CABLE

(Communication from the Commission to the Council)

Annex

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Number of radio and television sets in the Community as at 31 December 1982

	I Radio	II Television	III Combined radio/television ¹
Belgium ⁴	4 596 365	1 020 044 1 943 082 ³	
Denmark	115 800		1 886 300
Germany	2 926 935		21 835 778
France	18 260 000 ²	7 187 474 9 771 758 ³	
Greece ²	3 250 000	1 700 000 ¹	
Ireland	1 315 000 ²	276 875 419 951 ³	
Italy	390 000		13 760 000
Luxembourg ²	225 000	91 000 ¹	
Netherlands	181 652		4 366 921
United Kingdom	41 000 000 ²	4 122 230 14 795 024 ³	

NB. Aggregation of columns I and III and of columns II and III gives respectively:

- the total number of radio sets: 98 463 451, and
- the total number of reported television sets: 83 176 437.

¹Including colour television.

²Estimates (no reporting requirement).

³Colour television (not included in the figure on the previous line).

⁴As at 1 January 1982.

Source: EBU Review, No 2, March 1983, p. 60.

Present TV overspill in Europe

Austria	German, Swiss, Italian.
Belgium	RTL, German, Dutch, French. British on the coast. All boosted by CATV operators.
Denmark	Southern third covered by German, Northern half by Swedish and some Norwegian.
Finland	Swedish, Russian, and Norwegian in Northern parts. (STL taken on cable).
France	RTL, Belgian in the North; TMC and Italian in the South; German in East.
Germany	In frontier regions only, RTL, French, Belgian, Danish, Austrian and East German.
Greece	-
Iceland	-
Ireland	British and Northern Irish.
Italy	Border areas only, Swiss, Austrian, TMC and French.
Luxembourg	Total penetration, Belgian, French and German.
Netherlands	Belgian, German, French, Danish. British on the coast. CATV not allowed to boost broadcasts from one area to another.
Norway	Swedish, Danish in the Southern part (STL taken on cable).
Portugal	Spanish in frontier regions.
Spain	French and Portuguese in frontier regions only.
Sweden	Norwegian, Finnish; Danish in South.
Switzerland	German, French, Italian (STL taken on cable).
United Kingdom	Irish in Ulster and Wales.

Source: New Communications Developments, A manual by The European Association of Advertising Agencies, Brussels, November 1983, p. 17 (Annex 6).

Origin of films shown on television 1981

Country of showing	Country of origin													
	Belgium		France		Germany		Italy		United Kingdom		USA		Other	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%
Belgium RTEF			160	48.8	15	4.3	24	6.8	12	3.4	107	30	11	4.9
BRT			11	6.25	7	3.98	4	2.28	24	13.64	104	59.10	26	14.17
France ¹	-	-			4	2.29	8	4.59	12	6.89	140	80.45	10	5.74
Germany ²	-	-	48	11.79			15	3.68	26	6.38	221	54.29	93	22.85
United Kingdom ³	-	-	6	1.14	2	0.38	6	1.14			491	93.70	20	3.81

¹TF 1, FR 3; figures broken down by country of origin not available for A2.
²ARD, ZDF; the ZDF figures include the first half of 1982; co-productions classified according to the first-named country of origin.
³BBC only.

Source: Working Group 3 of the European Conference on Audio-visual Cooperation, 1983.

Number of persons employed on a permanent basis by broadcasting
organizations in 1981

BRT	2 617
RTBF	2 562
BRF	35
DR	3 113
ARD	18 000
ZDF	3 500
TF 1	1 219 ¹
A 2	Not available
FR 3	Not available
ERT 1	2 078
ERT 2	Not available
RTE	2 300
RAI	13 531 ²
RTL	1 820 ¹
NOS + other	
Broadcasting organizations	5 724
BBC	27 942
ITV	18 350

¹ This figure does not include the 138 individuals working for the joint services of TF 1, A 2, SFP, INA, etc.

² Including those employed at the external offices in Belgium, Germany and France.

Operating results of broadcasting and television organizations
in 1981 or 1982

	National currency	ECU
Belgium	BFR 9,25 m	202 m
Denmark	DKR 1,34 m	184 m
Germany	ARD: DM 3,9 m ZDF: DM 1,2 m	1 719 m 529 m
France	FF 7,8 m of which TF1: FF 1,6 m	1 145 m
Greece	DR 6 000 m	80 m
Ireland	IRL 50 m	69 m
Italy	RAI: LTT 1 143.100 m	850 m
Luxembourg	CLT: LFR 8.280 m ¹	180 m
Netherlands	HFL 768 m	302 m
United Kingdom	BBC: UKL 602 m ITV: UKL 680 m	1 032 m 1 166 m
Total	-	7 438 m

¹ Results for 1982.

Radio and television licence fees in the Community in 1983

(a) In national currency

		Annual licence fees per household				
		Radio	Television		Combined licence fee	
			Black/white	Colour	Black/white	Colour
Belgium (BFR)	708	2 688	4 200		3 625 ²	
Denmark (DKR)	154			640	1 080	
Germany (DM) ¹	62.60		134.40		195	
France (FF)	-	311	471			
Greece (DR)	No broadcasting licence fee, but extra charge included on electricity bill					
Ireland (IRL)	-	27	45			
Italy (LIT) ¹	3 630			42 680	78 910	
Luxembourg (LFR)	No broadcasting licence fee					
Netherlands (HFL)	45				153	
United Kingdom (UKL) ³	-	15	46			

¹Since 1 July 1983.

²Average combined fee for cable radio and television; independent of the broadcasting licence fee.

³As at 31 December 1982.

(b) In European Currency Units (ECU)

	Annual licence fees per household				
	Radio	Television		Combined licence fee	
		Black/white	Colour	Black/white	Colour
Belgium	15.47	58.74	91.78		79.22
Denmark	18.91			78.58	132.61
Germany					85.97
France		45.65	69.13		
Greece	No broadcasting licence fee, but extra charge included on electricity bill				
Ireland		37.48	62.47		
Italy	2.7			31.74	58.68
Luxembourg	No broadcasting licence fee				
Netherlands	17.7				60.21
United Kingdom		25.71	78.84		

(c) Total licence fee for radio and colour television

	National currency	ECU
Belgium	4 908 BFR	107.25
Denmark	1 080 DKR	132.61
Germany	195 DM	85.97
France	471 FF	69.13
Greece	Extra charge included on electricity bill	
Ireland	45 IRL	62.47
Italy	78 910 LIT	58.68
Luxembourg	-	
Netherlands	153 HFL	60.21
United Kingdom	46 UKL	78.84
Average I ¹	-	81.9
Average II ²	-	77.33

¹ Total cost of licence fees divided by number of countries surveyed.

² Average weighted by number of sets (Annex 1).

Advertising expenditure in Europe in US\$ million

Countries	Total Ad.Exp. (1982)	% of GNP (1982)	TV Ad. Expenditure (1981)	Households with TV (million) (1981)
Austria	312	0.40	88	2.6
Belgium	415	0.69	(36)**	2.7
Denmark	567	1.00	—	2.0
Finland	768	1.82	63	1.3
France	3,620	0.85	460	15.0
Germany	5,224	0.83	515	22.0
Greece	119	0.32	61	2.6
Iceland	18	0.96	3.3	0.07
Ireland	145	0.83	36	0.7
Italy	1,333	0.40	428	17.6
Luxembourg	80	0.25	***	—
Netherlands	1,839	1.30	104	4.8
Norway	467*	0.80	—	1.3
Portugal	70*	0.30	40	2.7
Spain	1,346	1.00	381	9.8
Sweden	1,165	1.50	—	3.2
Switzerland	1261	1.30	113	1.9
United Kingdom	4,696	1.34*	1,452	18.0

*1981 figures

**Estimated expenditure on Luxembourg's RTL

*** See Belgium

Source: New Communications Developments, A manual by The European Association of Advertising Agencies, Brussels, November 1983, p. 14 (Annex 3).

Note some countries do not include press production and other expenditure of a similar type in their figures.

European broadcasting bodies taking commercials

Countries	TV			Radio		
	National		Regional	National		Regional
Austria	yes		—	yes		yes
Belgium	—	no ¹	—	—	no	—
Denmark	—	no	—	—	no	—
Finland	yes		—	—	no	—
France	yes		yes ²		no	
Germany	yes		yes ³	—		yes ⁵
Greece	yes		—	yes		yes
Iceland	yes		—	yes		—
Ireland	yes		—	yes		yes ⁶
Italy	yes		yes	yes		yes
Luxembourg	yes		—	yes		—
Netherlands	yes		—	yes		no ⁷
Norway	—	no	—	—	no	—
Portugal	yes		—	yes		?
Spain	yes		yes	yes		yes
Sweden	—	no	—	—	no	—
Switzerland		yes ⁴			no ⁸	
United Kingdom	yes		yes	no		yes

1. Enabling legislation was passed in July 1983 to permit RTBF, the French-speaking TV channel, to carry 'non-commercial' advertising.
2. FR3 is regional but does not receive regional advertisements as yet. RTL provides regional coverage of the North, and TMC of the South of France.
3. ARD II, the wholly regional broadcaster, does not carry advertisements, but ARD I provides regional advertising during its scheduling.
4. Switzerland has national broadcasts in the three official languages therefore providing regional coverage.
5. Except for the radio station serving Cologne.
6. Pirate radio stations (about 50).
7. Advertising on local radio planned.
8. Advertising on local radio to be introduced soon.

Source: New Communications Developments, A manual by The European Association of Advertising Agencies, Brussels, November 1983, p. 15 (Annex 4).

TV advertising in Europe

Source: New Communications Developments, A manual by The European Association of Advertising Agencies, Brussels, November 1983, p. 16 (Annex 5), and information obtained from broadcasting corporations.

Countries	TV Channels	Maximum Ad. Air-time per day in minutes	Ad. Revenue as % of broadcasting income (1981 figures)
Austria	ORF I ORF II	20	42%
Belgium	RTBF I & II BRT I & II	'Non-commercial' advertising began January 1984 None	
Denmark	Radio Denmark	None	
Finland	MTV/YLE I MTV/YLE II	16 9	80% 80%
France (1)	TF1 A2 FR3	24 24 10	61% 53% 13%
Germany (2)	ZDF ARD I ARD II	20 20 (regional, no ads)	40% 30% -
Greece	ERT 1 ERT 2	30 45	22% 25%
Iceland	Ríkisutvarpid-Sjonvarp	16.4 (average)	33.7%
Ireland	RTE I RTE II	58 25	48%
Italy	RAI I RAI II RAI III Private Broadcasting Stations	28 28 - 15% per hour	23.8% 23.8% - 100%
Luxembourg	RTL (French) (covers north of France and Belgium) RTL-Plus (German)	68 68	100% 100%
Netherlands (3)	Channel I Channel II	18 18	25% (1981) (Air-time to increase)
Norway	NRK	None	
Portugal	RTP I RTP II	90 45	43% 43%
Spain	TVE I TVE II Regional channels with advertising for Catalonia and the Basque country introduced 1983.	57 42	74% 74%
Sweden	STV I STV II	None None	
Switzerland	SRG (German) SRG (French) SRG (Italian)	20 20 20	35% 35% 35%
United Kingdom	BBC I & II ITV Channel 4	None 90 50	- 100% 100%

(1) 1983

(2) 1982

(3) 1984

Broadcasting: Advertising expenditure in 1981

	<u>National currency</u>	<u>ECU</u>
Belgium	BFR 1651 m	36.1 m
Denmark	-	-
Germany (1982) ¹	DM 2 201.6 m	970.6 m
France (1980)	FF 1 678 m	246.3 m
Greece	DR 2 436 m	32.3 m
Ireland (1979) ²	IRL 41.2 m	46.2 m
Italy	LIT 577 000 m	429.4 m
Luxembourg	-	-
Netherlands	HFL 276 m	108.6 m
United Kingdom	UKL 823 m	1410.6 m
Community	-	3279.3 m

Source: Journal of Advertising 1983, Vol. 2, pp. 73-91.

¹ Edition ZAW, Werbung '83, pp. 167 and 172.

² Starch Inra Hooper, World Advertising Expenditures, 1980 Edition, pp.43-44.

Advertising expenditure in Member States and in the USA and shares
accounted for by various advertising media, 1970-1981

- Sources:
1. David S. Dunbar, J. Walter Thompson Company Ltd.,
Trends in Total Advertising Expenditure in 16
Countries, 1970-1981, Journal of Advertising 1983,
Vol. 2, pp. 73-91.

 2. J. Walter Thompson Company Ltd., Unilever,
International Co-ordination Group,
Trends in Total Advertising Expenditure in 29
countries, 1970-1980, Journal of Advertising 1982,
Vol. 1, pp. 57-88.

BELGIUM

It should be noted that these figures are a discontinuous series; since 1977 they include production costs, so that, to make comparisons, the pre-1976 figures need to be increased by +/- 10 per cent.

In 1981, total estimated advertising expenditure recorded its smallest increase in money terms (0.5 per cent), and its largest fall in constant media prices (- 6 per cent) in the last 11 years. The trend was, however, almost in line with the behaviour of GNP, so that, as a percentage of GNP, the figure was only slightly down from 1980.

In 1981, the press overall accounted for 73 per cent of total; down by 2 points compared with the preceding year, all of the loss occurred in magazines. It seems that television, after growing very slowly over the years, may at last be making an impact, with a 1.5 point gain in 1981. All of this is placed with RTL (Radio Television Luxembourg), a peripheral Station which does not give full coverage of the Belgian market. The possible introduction of Belgian commercial channels in 1983 is likely to accelerate television's growth.

Outdoor advertising in Belgium has the highest share of the total advertising budget of any European country. Over the last few years its importance has been declining slowly, but in 1981 it recovered somewhat.

Notes

- (a) Figures include agency commissions.
 (b) Production costs are excluded for 1970-1976, included for 1977-1979.

	Total expenditure in million Francs			Distribution of total expenditure by media: % of total					Index of media rates (11)	
	At current prices (1)	As % of GNP (2)	At constant prices (3)	Press Newspapers (5)	Magazines (6)	Television (7)	Radio (8)	Cinema (9)		Outdoor/transport (10)
1970	6150	0.60	NA	45.7	30.2	0.1	1.3	1.6	21.1	NA
1971	6430	0.58	NA	44.0	31.3	0.2	1.4	1.7	21.5	NA
1972	6970	0.55	NA	42.3	33.0	0.3	1.1	2.4	20.8	NA
1973	7280	0.50	7280	41.7	32.6	0.5	1.2	2.3	21.6	100
1974	7670	0.45	6670	43.8	30.7	1.4	1.0	2.1	20.9	115
1975	7720	0.41	5320	43.7	30.1	2.3	0.2	2.2	21.4	145
1976	8650	0.41	5805	43.4	29.1	3.6	0.3	2.4	21.1	149
1977	11890	0.51	6680	44.8	31.6	6.7	0.3	1.4	15.1	178
1978	13050	0.53	7290	45.0	30.4	7.3	0.3	1.6	15.4	179
1979	15140	0.57	7650	45.2	30.0	7.6	0.3	1.3	14.7	198
1980	16430	0.59	7570	42.6	32.5	8.2	0.3	1.8	14.6	217
1981	16507	0.57	7115	42.5	30.3	9.8	0.2	1.6	15.6	232

Sources: 1970-1976 — Credacp; 1977 — Advertising Audit Services; Column 11 — CACP.

DENMARK

It should be noted that the next five-yearly inquiry will not be carried out until 1982, with results published in 1983.

Information for Denmark is extremely limited (see notes). Total expenditure in money terms in 1978 was twice as high as in 1973; it had also risen as a percentage of GNP. (At constant consumer prices, the increase in 1978 was 18 per cent.)

In the absence of television and radio advertising, the media situation is very stable, with only minor variations between 1973 and 1978. Newspapers are the dominant medium. (The five-yearly surveys show that the 'classic' media — press, cinema and outdoor — accounted for 59 per cent of total advertising expenditure in 1973 and 63 per cent in 1978; the remainder is attributed mainly to direct mail, as well as to exhibitions, other minor media, agency commissions, production costs and administration.)

Notes

- (a) Figures exclude agency commissions and production costs.
- (b) Surveys of expenditure are carried out every five years only. No index of media rates is produced.
- (c) Television and radio are not available for advertising.

	Total expenditure in million Dkr			Distribution of total expenditure by media: % of total						Index of media rates (11)
	At current prices (1)	As % of GNP (2)	At constant prices (3)	Press Newspapers (5)	Magazines (6)	Television (7)	Radio (8)	Cinema (9)	Outdoor/transport (10)	
1973	1193	0.68	NA	71.8	24.1	-	-	1.6	2.5	NA
1978	2377	0.77	NA	72.3	23.2	-	-	1.3	2.7	NA

Sources: Copenhagen School of Economics and Business Administration; Danish Advertising Association.

FEDERAL REPUBLIC OF GERMANY

Total estimated advertising expenditure in 1981 was virtually static; with media rates increasing by just under 4 per cent, expenditure at constant media prices fell (for the first time since 1975) by the same amount. This compares with the substantial gains made in 1980.

The media picture in 1981 remained essentially static. Both television and radio continued their slow upward trend of the last three years, due mainly to rate increases. Newspapers and magazines both lost share marginally.

Notes

Figures exclude agency commission and production costs.

	Total expenditure in million DM			Distribution of total expenditure by media: % of total						Index of media rates (11)
	At current prices (1)	As % of GNP (2)	At constant prices (3)	Press Newspapers (5)	Magazines (6)	Television (7)	Radio (8)	Cinema (9)	Outdoor/transport (10)	
1970	4170	0.62	4170	53.3	23.6	12.6	3.8	1.4	6.3	100
1971	4515	0.60	4220	51.6	23.8	13.9	3.7	1.3	5.7	107
1972	5030	0.61	4660	53.8	23.5	12.6	3.6	1.2	5.3	108
1973	5430	0.59	4600	53.9	22.4	13.6	3.9	1.1	5.1	115
1974	5245	0.53	4260	55.8	19.8	14.0	4.1	1.1	5.2	123
1975	5170	0.54	4175	56.7	18.5	15.5	3.7	1.1	4.5	131
1976	6380	0.57	4870	57.7	20.1	13.5	3.2	1.0	4.5	137
1977	7225	0.61	5430	56.3	22.6	12.3	3.5	0.9	4.4	133
1978	8155	0.63	5780	56.9	21.9	12.2	3.7	0.9	4.4	141
1979	9050	0.64	5700	57.5	21.9	11.4	3.9	1.0	4.3	158
1980	9650	0.64	6070	57.7	21.2	11.6	4.1	1.0	4.4	162
1981	9635	0.62	5800	56.9	20.9	12.1	4.7	1.2	4.2	166

Sources: ZAW, except col. 11 from Gruner & Jahr.

FRANCE

Total expenditure in money terms in 1980 was nearly 3.5 times the 1970 level. As a percentage of CNP, the figure was rising slowly up to 1973; after a short drop, it returned to previous levels in 1976 and has been very stable since then. 1980's total was 17 per cent up on 1979, ahead of the rate of inflation.

The media structure is largely influenced by television. Although its availability is strictly regulated, its share has grown steadily in the last 10 years, and has now stabilized; most of this growth has been through rate increases above the average for other media. The press has suffered most over the years, newspapers most of all; while magazines' share of the total fell in earlier years, it has now stabilized. Radio, with fewer restrictions than television, has gained; outdoor has also benefited from the development of new presentations for posters.

Notes

- (a) Figures include agency commission and production costs.
 (b) No index of media rates is available.

	Total expenditure in million francs			Distribution of total expenditure by media: % of total						Index of media rates (11)
	At current prices (1)	As % of GNP (2)	At constant prices (3)	Press Newspapers (5)	Magazines (6)	Television (7)	Radio (8)	Cinema (9)	Outdoor/transport (10)	
1970	3 630	0.50	-	67.5	12.0	8.0	1.5	11.0		-
1971	4 100	0.51	-	65.0	14.0	9.0	1.0	11.0		-
1972	NA	NA	-	-	-	-	-	-		-
1973	5 200	0.52	-	63.0	15.0	9.0	2.0	11.0		-
1974	NA	NA	-	-	-	-	-	-		-
1975	6 100	0.49	-	58.5	15.7	10.3	1.9	13.6		-
1976	7 275	0.51	-	57.0	16.0	11.0	2.0	14.0		-
1977	8 350	0.51	-	56.5	16.0	11.0	2.0	14.5		-
1978	9 190	0.50	-	56.0	16.5	11.0	2.0	14.5		-
1979	10 650	0.51	-	55.0	17.0	11.5	2.0	14.5		-
1980	12 430	0.51	-	55.0	16.5	11.5	2.0	15.0		-

Source: IRI.P.

GREECE

Total expenditure has grown very fast; in 1980 it was over six times as large as in 1971. Although media rates have risen rapidly in the last five years, much of the growth in total expenditure is seen to be real, with an increase of one-third since 1975, at constant prices. As a percentage of GNP, expenditure is still at the low end of the scale; after dropping in 1974-1975, it took a strong upward trend, but fell back somewhat in the last two years.

The change from a military government in 1974 undoubtedly stimulated the economy and the advertising business. The media picture has been subject to fairly sudden changes in the past; a degree of stability was evident in 1977 to 1979, but 1980 saw a strong recovery in television's share, at the expense of both newspapers and magazines.

Notes

- (a) Figures include agency commissions and exclude production costs.
 (b) No reliable figures are available for cinema and outdoor advertising; they are omitted from the total, although they are used as advertising media.

	Total expenditure in million drachmas			Distribution of total expenditure by media: % of total						Index of media rates (11)
	At current prices (1)	As % of GNP (2)	At constant prices (3)	Press Newspapers (5)	Magazines (6)	Television (7)	Radio (8)	Cinema (9)	Outdoor/transport (10)	
1970		NA		-	-	-	-	NA		-
1971	710	0.24	-	26.9	26.6	31.0	15.5	NA		-
1972	860	0.25	-	25.2	23.3	39.7	11.8	NA		-
1973	1020	0.23	-	19.5	22.0	50.7	7.8	NA		-
1974	1090	0.20	-	23.7	20.8	47.5	8.0	NA		-
1975	1290	0.20	1290	23.9	18.0	51.4	6.7	NA		100
1976	1710	0.25	1430	23.2	18.1	52.6	6.1	NA		120
1977	2120	0.29	1560	29.6	21.8	43.3	5.3	NA		149
1978	3160	0.34	1620	29.4	20.3	46.4	3.9	NA		195
1979	3690	0.30	1600	28.2	20.2	46.9	4.7	NA		230
1980	4350	0.28	1740	25.9	18.1	49.6	6.4	NA		253

Sources: Odigos Demosiotitos, A. C. Nielsen, Metrix and PRO/EMRB Hellas.

ITALY

In 1981, while GDP rose by 17.6 per cent in current terms, and fell by 1.6 per cent in real terms, total estimated advertising expenditure rose by 29 per cent in current terms, and by 9 per cent in real terms. As a percentage of GDP, advertising expenditure in 1981 stood higher than in any year since 1971.

Medium and small firms who have started advertising for the first time have been largely responsible for the increase; larger advertisers tend to maintain budgets in line with media costs.

From a media point of view, much of the increase was due to Private Television's success. By grouping local stations, four private networks with national coverage started in 1981; by May 1982 the four networks were reaching 90 per cent of the 9 million Private TV prime-time audience. (This compares with RAI's 8.8m-audience to Channel 1, and 3.5m to Channel 2.) In 1981, it is reliably estimated that Private TV attracted 225 billion lire of advertising, as against 144bn in 1980, and RAI's 218bn in 1981.

Print media in general were most affected by Private TV's success; this situation will worsen in 1982 as a whole, because of Private TV's continued gains in audience and because of a number of printing strikes.

In 1982, total expenditure is expected to rise again in real terms. In television, expenditure should be around 700bn lire (280 on State TV and 420 on Private TV), accounting for some 36 per cent of the total.

Notes

- (a) Figures include agency commissions, except for national radio and television, and exclude production costs.
- (b) Figures of expenditure in certain media — private television and radio stations and outdoor — are only estimates.

	Total expenditure in thousand million lire			Distribution of total expenditure by media: % of total						Index of media rates (1970=100)
	At current prices (1)	As % of GDP at market prices (2)	At constant prices (3)	Press Newspapers (5) Magazines (6)		Television (7)	Radio (8)	Cinema (9)	Outdoor/transport (10)	
1970	266	0.42	266	30.0	34.9	12.5	8.3	6.4	7.9	100
1971	272	0.40	259	30.4	33.9	12.7	8.6	6.3	8.1	104.8
1972	286	0.38	267	29.1	35.7	12.2	9.1	6.0	7.9	102.1
1973	338	0.38	274	27.1	37.6	13.7	9.2	5.0	7.4	123.4
1974	366	0.33	250	29.2	34.9	15.4	8.8	4.4	7.3	146.8
1975	396	0.32	241	30.3	31.4	16.1	9.5	4.4	8.3	164.2
1976	476	0.29	273	32.4	31.8	15.4	8.5	3.9	8.0	174.4
1977	583	0.27	289	32.4	30.1	18.0	8.4	3.0	7.9	201.8
1978	698	0.25	272	27.5	29.6	19.6	8.8	2.8	7.7	246.8
1979	851	0.23	273	24.3	31.0	21.5	7.5	2.1	7.3	282.6
1980	1226	0.19	276	27.7	31.4	26.1	6.7	1.9	6.5	342.9
1981	1581	0.41	290	28.5	29.5	29.8	5.7	1.4	6.3	414.0

Sources: I. Res, industry estimates, J. Walter Thompson SPA, Milan.

NETHERLANDS

The extent of the economic recession caused for the first time a decline in actual advertising expenditure in 1981. Some clients advertised anti-cyclically, but more cut their budgets. Newspapers were particularly badly affected, with a decline in personnel and housing classified as well as in brand advertising. They would have been in a much worse position had it not been for the great increase in retail advertising triggered off by a grocery price war.

The government controlling body for broadcast advertising, the STER, has already increased the available transmission time on radio by 60 per cent in 1982. Advertising time on TV will also be doubled over the next seven years in gradual steps (beginning in 1984).

The outlook for 1982 is gloomy: a further decline is expected, at current as well as constant prices.

Notes

- (a) Figures include agency commission and production costs from 1975; up to 1974 production costs were excluded for the press figures only, but included for other media.
 (b) Press figures exclude trade press.
 (c) The index of media rates includes press, television and radio only.

	Total expenditure in million Florins			Distribution of total expenditure by media: % of total						Index of media rates (11)
	At current prices (1)	As % of GNP (2)	At constant prices (3)	Press Newspapers (5)	Magazines (6)	Television (7)	Radio (8)	Cinema (9)	Outdoor/transport (10)	
1970	1026	0.97	1026	61.1	18.4	11.6	3.4	0.5	5.0	100
1971	1084	0.91	1042	61.6	18.5	11.8	2.7	0.6	4.8	104
1972	1127	0.83	1044	61.5	19.3	11.7	2.1	0.6	4.8	108
1973	1264	0.82	1062	62.3	18.8	11.0	1.9	0.6	5.4	110
1974	1463	0.86	1084	65.6	16.7	11.0	1.2	0.6	4.9	125
1975	1932	1.04	1323	69.9	15.4	8.3	0.9	0.6	4.9	146
1976	2079	0.95	1333	68.0	16.1	7.8	1.0	0.6	6.5	155
1977	2312	1.06	1486	66.3	17.2	7.2	0.9	0.6	7.8	167
1978	2857	1.12	1528	66.8	17.2	6.9	1.0	0.7	7.4	177
1979	3096	1.14	1580	66.7	17.0	6.9	1.0	0.6	7.8	185
1980	3266	0.99	1552	65.5	17.2	7.2	1.0	0.6	8.5	201
1981	3102	NA	1379	64.0	17.6	7.8	1.1	0.6	8.9	211

Sources: Admedia to 1980; BBC and VEA from 1981.

UNITED KINGDOM

Total expenditure in money terms rose by 10.3 per cent in 1981. However, at constant media prices (rates having risen by around 17 per cent in the year), 'real' expenditure fell by 7 per cent, the largest fall since the oil-crisis years of 1974-1975. As a percentage of GNP, on the other hand, expenditure again rose fractionally (GNP fell quite sharply in the year).

Retail advertising expenditure rose by 12 per cent over 1980, compared with a below-average increase of 9 per cent for manufacturers' consumer advertising. This was probably a major factor in keeping up the growth in national newspaper display advertising, up by 12 per cent, compared with only 4 per cent for magazines. On the other hand, classified advertising continued to lag behind (+ 5 per cent only), and actually fell in national newspapers: employment advertising was heavily down on 1980.

Television increased its share of the total again, reaching its highest level yet. The increase was real, with expenditure rising by 17 per cent, and rates by a comparatively modest 14 per cent. Press rates rose by 20 per cent, with particularly high increases in national and regional newspapers; as a result, there was a real volume loss in press advertising.

Note

Figures include agency commissions and production costs.

	Total expenditure in £ millions			Distribution of total expenditure by media: % of total					Index of media rates (11)	
	At current prices (1)	As % of GNP (2)	At constant prices (3)	Press Newspapers (5)	Magazines (6)	Television (7)	Radio (8)	Cinema (9)		Outdoor/transport (10)
1970	554	1.27	554	49.5	22.7	22.6	0.2	1.1	4.0	100
1971	591	1.20	544	48.5	22.2	24.7	0.2	1.0	3.9	109
1972	708	1.28	608	49.3	21.0	24.9	0.1	1.0	3.7	116
1973	874	1.36	716	51.4	20.0	24.0	0.2	0.8	3.5	122
1974	900	1.21	667	52.1	20.0	22.6	0.7	0.9	3.8	135
1975	967	1.03	565	49.6	20.6	24.4	1.0	0.7	3.6	171
1976	1188	1.07	557	47.6	20.5	25.8	1.5	0.7	3.6	200
1977	1499	1.19	604	46.5	21.0	26.6	1.7	0.6	3.6	248
1978	1814	1.27	645	46.0	21.4	26.3	1.9	0.7	3.7	284
1979	2137	1.30	651	47.8	22.6	22.0	2.4	0.8	4.4	328
1980	2555	1.32	628	45.2	20.7	27.1	2.1	0.7	4.2	408
1981	2818	1.34	586	44.5	20.0	28.7	2.1	0.6	4.1	482

Sources: The Advertising Association, London

UNITED STATES OF AMERICA

Note: there have been substantial revisions to columns 2, 3 and 11 since the last publication.

Total expenditure in 1981 was \$40.5 billion, 12 per cent higher than 1980 expenditure. This growth in advertising revenue outpaced the growth in GNP, which was 11.3 per cent. 1981 inflation increased by over 9 per cent. Escalating media rates kept advertising growth to +2.4 per cent in real dollars.

Expansions and contractions in the economy culminated in a slump during the second half of 1981. Auto and retail sales were poor, the unemployment rate was high, and interest rates were extremely volatile. Politically, 1981 saw the beginning of a new administration under Ronald Reagan and his Republican Party. This administration is committed to cutting the federal deficit by means of an austerity programme. The President also pushed through a three-year, 25 per cent tax cut; the 5 per cent cut in October 1981, however, had little influence on consumer spending.

Surprisingly, the advertising industry was not adversely affected in 1981. Although expenditure increased, distribution among the various media was close to that of 1980. The outlook for 1982 is not clear. If the recession continues, advertising expenditure will probably be flat. An economic upturn in mid-summer, perhaps fuelled by the 1 July 10 per cent tax cut, would contribute to renewed expansion in advertising activity later in the year. Meanwhile, inflation should continue to slow down, preventing the upward spiralling of media costs that has characterized the industry in recent years.

Notes

- (a) Figures include both agency commissions and production costs.
- (b) The data reported here differ from the usual method of presenting USA figures, primarily in excluding Direct Mail and a 'Miscellaneous' category which includes cinema and transport advertising.

	Total expenditure in million US \$			Distribution of total expenditure by media: % of total						Index of media rates (11)
	At current prices (1)	As % of GNP (2)	At constant prices (3)	Press Newspapers (5)	Magazines* (6)	Television (7)	Radio (8)	Cinema (9)	Outdoor/transport (10)	
1970	12 940	1.30	12 940	44.1	16.2	27.6	10.1	NA	1.8	100
1971	13 580	1.26	13 580	45.6	15.3	26.9	10.6	NA	1.9	100
1972	15 280	1.29	14 280	45.9	14.9	26.8	10.5	NA	1.8	107
1973	16 460	1.24	14 190	46.1	14.4	27.1	10.5	NA	1.8	116
1974	17 480	1.22	13 980	45.8	14.2	27.8	10.5	NA	1.8	125
1975	18 470	1.19	13 580	45.7	13.3	28.5	10.7	NA	1.5	136
1976	22 250	1.30	14 670	44.5	13.1	30.7	10.5	NA	1.7	152
1977	25 270	1.32	14 670	44.1	13.7	29.1	10.4	NA	1.7	173
1978	29 190	1.35	15 670	43.5	14.0	27.8	11.1	NA	1.6	186
1979	33 080	1.27	16 180	43.8	14.0	29.7	9.9	NA	1.6	205
1980	36 110	1.28	15 920	43.1	13.7	31.4	10.1	NA	1.4	227
1981	40 450	1.28	16 210	43.1	13.6	31.3	10.4	NA	1.6	248

Sources: Column 1: Economic Report of the President, 1982. Columns 2-9: Robert J. Coen (McCann-Erickson). Column 10: 1981 Cost Trends Report, J. Walter Thompson USA, Inc. Includes magazines, farm publications and business publications.

Growth in advertising recorded by advertising media, 1975-1981

Growth in advertising medium	B		DK		D		F (1)		GR (1)		I		NL		UK	
	BFR m	%	DKR m	%	DM m	%	FF m	%	DR m	%	LIT '000m	%	HFL m	%	UKL m	%
Newspapers	3 642	103	874	102	2 381	77	3 268	92	818	265	296	247	635	47	774	161
Magazines	2 678	115	264	92	1 002	99	1 093	114	555	239	342	275	248	85	364	183
Television	1 440	811	-	-	318	38	801	127	1 495	225	423	664	82	51	573	245
Radio	18	114	-	-	250	124	133	114	192	222	52	140	17	96	50	512
Cinema	94	56	12	62	55	92	1 035	125	-	-	5	27	7	61	10	150
Outdoor/transport	925	56	34	115	158	64	-	-	-	-	67	203	181	192	51	232
Total growth in advertising 1979-1981	8 795	114	1 184	99	4 163	76	6 330	104	3 060	237	1 185	299	1 170	61	1 852	192

(1) period 1975-1980.

Sources: 1. David S. Dunbar, J. Walter Thompson Company Ltd., Trends in Total Advertising Expenditure in 16 Countries, 1970 - 1981, Journal of Advertising 1982, Vol. 2, pp. 73-91.

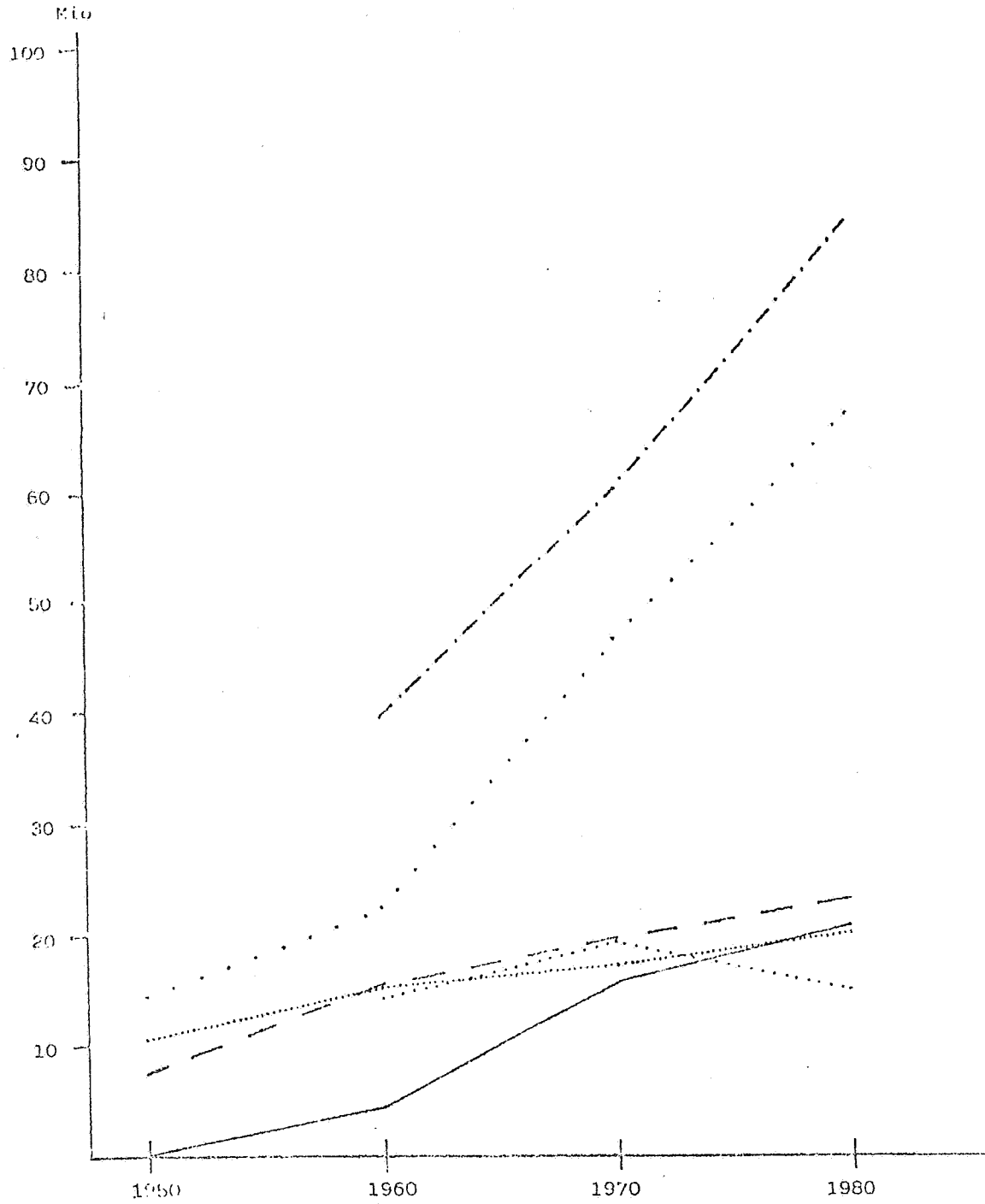
2. J. Walter Thompson Company Ltd., Unilever, International Co-ordination Group, Trends in Total Advertising Expenditure in 29 Countries, 1970 - 1980, Journal of Advertising 1982, Vol. 1, pp. 57-88.

Media development in the Federal Republic of Germany

	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>
Daily newspapers (m)	11,1	15,5	17,3	20,4
Large circulation periodicals (m)	-	39,1	60,3	84,6
Specialist periodicals (m)	-	14,1	19,3	15,0
Cinema visits (m)	487	605	160	144
Radios (m)	7,7	15,9	19,8	23,3
Television sets (m)	-	4,6	16,7	21,2
Book titles (new)(thousands)	14,1*	22,5	47,1	67,2

*1951

Source: Gerhard Naehrer, Stirbt das gedruckte Wort?,
Ulm 1982, pp. 141-142, 113.



- Television (licences)
- - - - Radio (licences)
- Daily newspapers (circulation)
- Specialist periodicals (circulation)
- - - - Large circulation periodicals (circulation)
- Books (new publications) - in thousands of titles

Britain

Press and television advertising revenue

1952 - 82

Source: New Communications Developments, A manual by The European Association of Advertising Agencies, Brussels, November 1983, p. 21 d.

Britain

Media	1952	1956*	1960	1964	1968
National Newspapers	20	38	64 (19.8%)	86 (20.7%)	99 (19.7%)
Regional Newspapers	38	58	77 (23.8%)	98 (23.6%)	121 (24.1%)
Magazines & periodicals	23	32	40 (12.4%)	46 (11.1%)	50 (9.9%)
Trade & Technical journals	20	22	31 (9.6%)	37 (8.9%)	46 (9.1%)
Directories	1	2	2 (0.6%)	3 (0.7%)	8 (1.6%)
Total press	72	118	214	270	324
Television	—	11	72 (22.3%)	102 (24.5%)	126 (25.6%)
Poster & transport	10	15	16 (5.0%)	18 (4.3%)	20 (4.0%)
Cinema	3	4	5 (1.5%)	6 (1.4%)	6 (1.2%)
Radio	1	1	1 (0.3%)	2 (0.5%)	1 (0.2%)
Total	123	197	308	398	480

Media	1972	1976**	1978	1980	1981
National Newspapers	130 (19.4%)	197 (16.6%)	295 (16.7%)	426 (16.7%)	1,564 (44.5%)
Regional Newspapers	188 (26.5%)	331 (27.9%)	483 (26.3%)	640 (25%)	1,564 (44.5%)
Magazines & periodicals	60 (8.5%)	92 (7.7%)	143 (7.8%)	192 (7.5%)	564 (20%)
Trade & Technical journals	61 (8.6%)	103 (8.7%)	169 (9.2%)	214 (8.4%)	564 (20%)
Directories	15 (2.1%)	31 (2.6%)	50 (2.7%)	82 (3.2%)	564 (20%)
Total press	454	754	1,140	1,554	1,676
Television	176 (24.9%)	307 (25.8%)	482 (26.3%)	692 (27.1%)	809 (28.7%)
Poster & transport	26 (3.7%)	43 (3.6%)	68 (3.7%)	107 (4.0%)	115 (4.1%)
Cinema	7 (1.0%)	8 (0.7%)	13 (0.7%)	18 (0.7%)	17 (0.6%)
Radio	1 (0.1%)	(1.5%)	35 (1.9%)	54 (2.1%)	59 (2.1%)
Total	664	1,130	1,747	2,425	2,818

£ million Figures exclude press production costs.

* Introduction of advertising on television.

** Introduction of advertising on radio (all prior figures for expenditure on radio relate to RTL or pirate radio).
 Figures in brackets express percentage. Other media not covered bring percentage to 100% in each year.

Source: AA and IPA.

France

Press and television advertising revenue
1967 - 82

Source: New Communications Developments, A manual by The European Association of Advertising Agencies, Brussels, November 1983, p. 21 c.

Table (a) France

	Press (million francs)	% of total advertising	Television (million francs)	% total advertising
1967	2,280	78	—	—
1968	2,369	77	67	2
1970	2,901	71	436	11
1972	3,400	69	601	12
1974	3,897	66.5	715	12
1976	4,730	62	1,075	14
1978	5,960	61	1,400	14.5
1980	8,010	59.5	1,905	14.5
1982	10,310	58.5	2,886	16

Note: This table appears to show a steady erosion of potential press revenue by television advertising, although in real terms press has kept increasing above inflation. The second example below shows the increase in press revenue which provides a concrete example of a healthy revenue potential. The source is AACP and IREP Le Marché Publicitaire Français.

Table (b) France Press advertising revenue 1974-82

	1974	1976	1978	1980	1982
Parisian Daily Press	664 (- 5%)	720 (+ 9%)	835 (+ 6.5%)	1,050 (+15%)	1,290 (+14%)
Regional Daily Press	1,183 (+10%)	1,560 (+10%)	1,890 (+10%)	2,560 (+20%)	3,100 (+12%)
Magazines	995 (- 0.5%)	1,170 (+20%)	1,555 (+11%)	2,220 (+19%)	3,160 (+17%)
Other forms of press	1,055 (+ 6%)	1,280 (+16%)	1,640 (+10%)	2,180 (+20%)	2,769 (+14%)
Total (million F. Francs)	3,897 (+ 4%)	4,730 (+14%)	5,920 (+10%)	8,010 (+19%)	10,310 (+14.5%)

Italy

Advertising expenditure

Market shares of advertising media

Rates of increase in market share

1980-1983

Source: Birgid Rauen, Platz für zwei Networks:
Medienkonzentration in Italien,
Media Perspektiven 1984, p. 161 (pp. 167-168)

Table 1

Advertising expenditure of the Italian advertising industry in thousand million lire

Medium	1980	1981	1982	1983
Newspapers	347	446] 1 065,3	1 213,4
Periodicals	356	349		
RAI-TV	149,5	215	285,2	357
Private TV	144	230	465,3	555
RAI radio	43	48	60,5	75
Private radio	26	27	40,2	45,2
Foreign TV	27	16] 139,6	141,8
Foreign radio	6	7		
Cinema advertising	23	26		
Poster advertising	80	98		
Total	1 201,5	1 497	2 056,1	2 387,4

Table 2

Percentage market shares of Italian advertising media

Medium	1980	1981	1982	1983
Newspapers	28,9	29,8] 51,8	50,9
Periodicals	29,6	26,5		
RAI-TV	12,4	14,3	13,9	15
Private TV	12	16	22,6	23,2
RAI radio	3,5	3,2	2,9	3,1
Private radio	2,1	1,8	2,0	1,9
Foreign TV	2,2	1,0] 6,8	5,9
Foreign radio	0,5	0,4		
Cinema advertising	1,9	1,8		
Poster advertising	6,7	5,5		
Total	100,0	100,0	100,0	100,0

Table 3

Percentage increases in market share of advertising media

Medium	1981	1982	1983
Press (newspapers, periodicals)	+ 22,7	+ 21,0	+ 14,0
RAI-TV	+ 46,2	+ 30,6	+ 25,2
Private TV	+ 77,1	+ 82,5	+ 19,3
RAI radio	+ 8,3	+ 28,2	+ 24,0
Private radio	+ 9,1	+ 11,7	+ 12,4
Other (cinema, poster advertising, foreign broadcasters)	+ 1,4	./ 4,1	+ 16,1
Total	+ 28,5	+ 29,9	+ 16,1

Country/television organization	Television advertising time as a percentage of daily transmission time Broadcaster mainly financed by		
	Advertising	Licence fees	Licence fees and advertising
GERMANY (cont'd)			
Lower Saxony Draft Land broadcasting law	20% (a)		
Rhineland-Palatinate Land law concerning an experiment with broad band cable	20% (a)		
Schleswig-Holstein Draft Land broadcasting law	20% (a) and a maximum of 25% per hour		
Saarland Draft Land broadcasting law	20% (a) and a maximum of 25% per hour		
FRANCE			
TF 1			9.2% (5)(b)(c) 3.25% (6)(b)(c)
A 2			9.2% (5)(b)(c) 3.4% (6)(b)(c)
FR 3			2.75% (6)(b)(c)
GREECE			
ERT 1			7% (a)
ERT 2			7% (a)

- (a) Maximum percentage, or minutes of advertising time per hour of transmission time expressed as a percentage.
- (b) Other maximum limit, expressed as a percentage of transmission time.
- (c) Actual advertising transmission time.

Country/television organization	Television advertising time as a percentage of daily transmission time		
	Broadcaster mainly financed by		
	Advertising	Licence fees	Licence fees and advertising
IRELAND RTE 1 RTE 2			10% (a) and a maximum of 12.5% per hour 10% (7)(c) and a maximum of 12.5% per hour
ITALY RAI Rete 1 Rete 2 Rete 3 Private television stations	Unlimited		5% (a) 5%(a)
LUXEMBOURG RTL RTL - Plus	Unlimited, but self-imposed restriction of 20% Unlimited, but self-imposed restriction of 20%		
NETHERLANDS Nederland 1 Nederland 2			4.3% (8) (b) 5.0% (8) (b)
UNITED KINGDOM BBC 1 BBC 2 ITV Channel 4	10% (9)(a) and a maximum of 11.67% per hour 10% (9)(a) and a maximum of 11.67% per hour	No advertizing time No advertising time	

- (a) Maximum percentage or minutes of advertising time per hour of transmission time expressed as a percentage.
- (b) Other maximum limit, expressed as a percentage of transmission time.
- (c) Actual advertising transmission time.

Notes and comments

- (1) As a proportion of programmes between 18.00 and 20.00, the only period within which advertising is broadcast. ARD, Jahrbuch 1983, Hamburg 1983, p. 389.
- (2) As a proportion of all programmes (total daily transmission time) including advertisement-free times before 18.00 and after 20.00. Apart from programmes between 18.00 and 20.00, the only period within which advertising is broadcast, the average daily transmission time of the Erstes Programm, excluding morning broadcasts, amounted to 8 hours 55 minutes in 1982, ARD Jahrbuch, loc. cit. p. 381.
- (3) As a proportion of programmes between 17.30 and 19.30, the only period within which advertising is broadcast. ZDF, Jahrbuch 1982, Mainz 1983, p. 113, and our own calculations.
- (4) As a proportion of all programmes (total daily transmission time), including advertisement-free times before 17.30 and after 19.30. The average transmission time, excluding morning broadcasts, amounted to 10 hours 28 minutes in 1982, ZDF Jahrbuch 1982, loc. cit. p. 103.
- (5) As a proportion of the periods ("creneaux") between 12.15 and 13.30 and between 19.00 and 22.45. Advertising broadcast at other times is not subject to the maximum limit of 24 minutes per day.
- (6) As a proportion of all programmes (total daily transmission time). Annual transmission time in 1983 was as follows:
TF 1: 4 264 hours
A 2: 4 480 hours
FR 3: 1 868 hours (nationally).
In the same year, annual advertising transmission time was as follows:
TF 1: 8 318 minutes 50 seconds (of which 772 minutes 43 seconds was collective advertising)
A 2: 9 057 minutes (of which 854 minutes was collective advertising)
FR 3: 3 082 minutes 21 seconds (of which 371 minutes 14 seconds was collective advertising).
- (7) RTE, Annual Report 1981, Dublin 1981, statistics, no page number.
- (8) As a proportion of all programmes (total daily transmission time). Annual transmission time in 1981 was as follows:
Nederland 1: 2 556 hours, 7 minutes
Nederland 2: 2 168 hours, 44 minutes
NOS, Jaarsverslag, 1981, Hilversum 1982, p. 60. The daily advertising transmission time is 18 minutes each for Nederland I and Nederland 2.
- (9) No figures laid down by law. The IBA stipulates the maximum amounts on the basis of qualitative criteria contained in the Broadcasting Act 1981 (Section 9(5)).