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## **MARKET POSITION OF PUBLIC TELEVISION IN POST-TRANSITION COUNTRIES OF THE EUROPEAN UNION FROM 1995 TO 2019**

*Public television is present in every European country, and its position on the market has been changing during the process of transition from monopoly to oligopoly and further towards monopolistic competition market. In most transition countries of the European Union, this process started in early 1990s and today public television represents only one player on the market. This paper analyzes the position of public television in 8 countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia for the period from 1995 till 2019. The goal of this research is to analyze the changes in the market share of public television, as well as to compare public television position in these 8 countries. This will be done by applying descriptive statistical methods on the data about audience. The audience represents the market share, and it is analyzed on the level of each public TV channel. Countries are further divided into three groups, those with strong, middle and weak position of public television. Additionally, concentration analysis based on HHI will show how similar or different these markets are. The results show that the market power of public television has fallen in the analyzed period. Despite of that, in the majority of the 8 analyzed countries, public television still plays an important role on the market.*

**Key words:** *public television, post-transition countries, audience share*

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## 1. INTRODUCTION

Public television is the most important part of so-called public service media (called also public broadcasting services), which include television, radio and other electronic media services that receive taxpayer funding and have a public service vocation. Depending on each country, public service media (PSM) can finance their activities with general taxes, a specific tax or voluntary donations. In some cases, advertising is also accepted. The first public broadcasting company created was the British Broadcasting Corporation (BBC) of the United Kingdom, which is today the largest such organization in the world. Unlike private or commercial television, public television does not aim to make profit, but its main goal is to provide objective, honest, independent and impartial information that is important to the general public. It must provide the overview of all opinions and equally represent all political, social, societal and cultural interests. A global economic crisis caused budget cuts for public service broadcasters, forcing the closure of some of them (Valenzuela, 2020; Izquierdo-Castill, Miguel-De-Bustos, 2021). However, public broadcasters are important as the editorial policy of public broadcasters prioritizes informational offerings, national fiction, and documentary info-shows (Prado, E. et al., 2021; Dhoest, Simons, 2016).

Transition is a term used to describe the process of the country's change from a command economy to a market economy and from socialism to parliamentary democracy. In Europe, the typical examples of such countries are Eastern European countries and Southeastern European countries. Parallel to the process of transition which begun in 1990s, these countries experienced significant changes on television markets. The most important changes are liberalization and transformation of state television into public television. State television is television under the direct editorial supervision of the country's government. In Europe, such a model was a feature of the socialist countries, and its most important function was to be an ideological and propaganda tool of state policy. However, even in most Western European democracies, this was the initial mode of operation of television until its transformation into a public service (HRT, 2016). Starting from 1950s, over time, Western European established other way of controlling public broadcasting – mostly they have entrusted control to radio and television councils, in which members come from political authorities, science, culture, profession and civil society organizations. Eastern European countries have entered in the process of transforming state television into public television in 1990s. European public service media focus on their social and cultural purposes in contributing to national cultures and democracies (Lowe; Jauert, 2015). Today in almost all European countries we can find public service media, which are, depending on the country, more or less significant on the media market. The competition of private

TV stations has led to the change in the position of public television (Mastrini, Becerra, 2011; Heram, 2020). The fast development of new technologies has forced public television to compete even more on the market (Iosifidis, 2010).

The purpose of this paper is to give the overview of the development of television markets in Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia for the period from 1995 till 2019. These countries were selected because they all have similar history of the liberalization of the television market. Consequently, public televisions in these countries have experienced the similar change on the market, but their response was different. This leads to the current situation, where public televisions in these 8 countries have different market power, arising from different audience shares. The contribution arises from the fact that the selected countries have never been analyzed together from the aspect of television market. Additionally, public televisions of these countries are now for the first time analyzed from the aspect of market power.

The paper consists of 7 parts. After the introduction, the second part provides the literature overview, which presents some of the most important researches from the field of television, with the special orientation on public television and market power. The third part is the description of the data and the methodology. The fourth part describes public service media, and the fifth part are the results. This is, together with the sixth part which compares the results, the most important part of the paper. Finally, the paper ends with a conclusion.

## 2. LITERATURE OVERVIEW

Scientific papers analyzing broadcasting begun in the middle of the 20th century. Coase (1966) wanted to examine the economics of broadcasting and the government policy. An economic analysis of television programming was conducted almost 45 years ago (Spence; Qwen, 1977), focusing on the public welfare implications of alternative market structures and policies in the broadcasting industry. The study results suggested that pay TV on cable, with its elastic supply of channels, offers the opportunity for more programs than can be supported by advertising, and that this has a desirable effect on viewer welfare.

Newton (2016) provides an accessible overview of the growing research literature on the impact of public service and commercial broadcasting and highlights its main implications for policy discussions about the future of public service broadcasting in Western societies. Populations of countries with public service broadcasting are better informed about government and politics, are more trust-

ing of other people, have more positive civic attitudes, have greater confidence in democratic institutions and are more likely to engage in democratic politics.

Broadcasting is a key sector in modern society and because of that is more than most subject to government regulation. Withers (2002) focuses on the economics of broadcasting. A basic problem with public broadcasting is the “principal-agent” problem. Viewers and listeners (the principals) are unable to easily transmit their preferences to the public broadcaster (the agent), with a consequent ability for the public broadcasting management and staff to substitute their own preferences for that of the public. Based on an explorative case study in the Netherlands, Poort and Baarsma (2016) developed a methodology to assess the welfare effects of public service broadcasting. They explore the welfare effects of public broadcasting services both at a program level and at an aggregate level and make comparisons between public and commercial television.

New information technologies, liberalizing policies and rapidly changing societies from mono- to multicultural entail serious consequences for the prospects of European public service broadcasters in a network society. Bardoel and d’Haenens (2008) analyze the European concept of public service broadcasters as a comprehensive and universal service, to answer the question whether the European full-fledged PSB model is still realistic or a more small-scale public service a la the American PBS would be a more viable prospect. They show, however, that the European concept of public service broadcasters – as a universal and comprehensive service, reflecting Europe’s cultural diversity, and independent from both the state and the market – will still be able to be put into practice throughout Europe. O’Hagan and Jennings (2013) deal with some key issues arising in the debate in Europe over public sector broadcasting and examine critically the arguments for PSB.

The financing of public service media is undergoing important changes, moving public broadcasters towards a more market-oriented situation. Recently several European countries have abolished the traditional public service license fee system, replacing it with direct public funding. Berg and Lund (2012) discuss this development within a comparative framework of public service broadcasting financing regimes in Europe. Donders (2010) aims to investigate whether and how the application of European state aid rules to the public funding of public broadcasting organizations in Europe has advanced public broadcasting. The findings show that European state aid policy has furthered a public service media project in the EU member states.

A model of media competition with free entry when media operators are financed both from advertisers and customers is presented by Crampes, Haritchabalet and Jullien (2015). When consumers dislike advertising, media operators are better off setting an advertising price than an advertising quantity. Authors establish a relationship between the equilibrium levels (advertising and entry) and the

advertising technology. In particular, media operators' profit is not affected by the introduction of advertising when they impose advertising quantities and when advertising exhibits constant returns to scale in the audience size. Under constant or increasing returns to scale in the audience size, they find an excessive level of entry and an insufficient level of advertising.

Armstrong (2015) discusses the merits of public intervention in the provision of television broadcasting services. Intervention was justified in the past, when there were just a few channels and when advertising was the sole source of commercial funds. However, the advent of subscription television overcomes many of the market failures that once existed. Moreover, asymmetric treatment of broadcasters acts to distort the incentives of commercial broadcasters. Finally, viewers have an increasing ability to avoid unappealing, but perhaps socially desirable, content, which further weakens the case for public intervention in the market.

Some authors question the existence of public television companies in the new environment of digitalization, Internet proliferation, growing competition and audience segmentation. However, others believe they should act as a driving force in the process of convergence and even that the new media present an opportunity to redefine the public broadcasting service remit. The current challenge for the public media companies is to deliver their content through the maximum number of devices. Medina and Ojer (2011) show how the BBC has taken up the leadership of transforming public TV companies into online services in order to maintain market share, and how it has influenced Spain's public TV broadcaster, RTVE. These public companies have adapted their activities to the new technologies and have developed interactive services to reinforce their public service mission.

Shortages of goods, including food and gasoline, caused long lines in front of many stores in communist countries in 1990 and especially popular were the media published by the newly established opposition parties. Much has changed in the media environment since then, yet the study of media in post-communist societies is still in its infancy (Kostadinova, 2015). There are 21 post-communist countries in Europe, called usually Central and Eastern Europe (CEE). The media systems operate between political pressure, which leads to politicization, and economic pressure, which is responsible for commercialization, resulting in four models of media and politics in CEE – the Hybrid Liberal, the Politicized Media, the Media in Transition and the Authoritarian (Dobek-Ostrowska, 2015). Mustata (2012) takes a *longue duree* perspective at the evolution of television in Romania during and after the communist regime. Only at certain stages in the development, television in Romania was predominantly characterized by its relations to politics, while at other stages it was much connected to television in other countries.

In 1991, the Russian state broadcasting system included four national television channels, 52 stations in the former Soviet republics and 78 regional sta-

tions (Aksartova et al., 2003). All these TV stations are now considered as public broadcasters. Today, Russia has several large private television channels and over 600 regional televisions. In 1991, the term “advertising market” was virtually unknown, while ten years later the Russian ad market had grown to \$1.73 billion. The relatively new Russian advertising sector employs thousands of people. Today this is one of the most developed TV markets.

Czech television was a monopolist at the time of the collapse of communism in 1989. Today, the Czech Republic has a well-developed dual broadcast system. The state continues to have a television operation but this is now institutionalized as a public broadcast corporation. Coexisting with this corporation are several private sector operations. Pavlik and Shields (1999) identify the key economic, political and cultural forces that have shaped the different moments of the restructuring process. In the process of cultural-historical development in Slovakia, the Slovak Radio has established itself as a representative of the unique cultural and artistic values in the line of mass media communication (Lehoczka, 2011). Since January 2011, it has been operating and broadcasting in a merged public-service institution RTVS in a common body with the Slovak Television. Palascakova (2013) analyzes Radio and Television of Slovakia, RTVS, discussing the status and its independence from political subjects and its competitiveness in comparison to other European public radio and television corporations.

Roller (2014) analyzes developments on the Croatian television market in the first decade of this century, focusing specially on the changes that have been taking place since 2009 and their effect on the diversity and pluralism of the current television programs. The study presents the data on the structural diversity of the Croatian television market, which reached its peak in the second decade of the 21st century, as the processes of privatization, and commercialization had been completed. Perisin (2013) deals with the transformation of Croatia’s public service, Croatian Radio Television (HRT) in the context of the integrated media and building a converged newsroom, comparing it to its strongest commercial competitor – Nova TV and the good practices of other public service companies. HRT is primarily looking for a new approach to the media and wishes to show that a public service is no longer just radio and television, but a joint effort, which acts as new media.

### 3. METHODOLOGY

The empirical part of this paper analyses the selected European countries and the development of the public television in the process of transition and in the post-transition period. The data for these analyses were collected from audience meas-

urement agencies, public and private television publications, scientific researches and publications and from European Broadcasting Union. The data are for the period 1995-2019, however for some countries there were no audience measurements in the first several years of this period. This is the reason why the data in first several years for Bulgaria, Croatia and Slovenia are missing.

One of the most significant indicators of market power is the market share. Higher market share means higher market power, which means more possibility to influence the price and increase the profit. But how can we measure market share on television market? The most widely used measure of market share on television market is the audience share. This means the share of people who are watching a specific channel in the total number of people watching television (any channel). Just as a simple example, if in a country with 5 million inhabitants 2 million watch TV, and of these 500 thousand watch channel X, then the share of channel X is 25%.

There are several different types of measuring the TV share. For example, the share measured only in prime-time (between 19:00 and 23:00) or the share of target audience (usually between 18 and 54 years old – most important for commercial TV stations because these consumers are considered as most willing to buy). Such specific shares are widely used by commercial televisions, as they give higher value and represent higher audience for them. However, the most complete measure is the share of total population in the 0-24 period. It is usually named 4+ (or in some countries 12+) to show that the total population is included. This share is being used in this paper, so all data in this paper about the share are for total population and for the whole day (4+ 0-24).

The statistical methods used in this paper are from the field of the descriptive statistics. The market shares of public television channels are graphically shown on histogram charts, so that the trend can easily be observed. For each country this visual representation of market power shows how the number of public TV channels is rising and how the leading public TV channels are losing the audience.

#### **4. PUBLIC SERVICE MEDIA**

The primary mission of public broadcasting service is to be a service for everyone, for every citizen of the country in which it operates. PBS addresses all citizens with their programs, regardless of age, education or purchasing power. Unlike commercial radio and television stations, which legitimately have to make a living from commercial revenue and therefore adapt the program to a specific part

of the audience interested in advertisers, public broadcasting service is intended for the general public, which both finances and controls it.

Public broadcasting services in Europe have formed an alliance called European Broadcasting Union (EBU). It was established in 1950 and today it has 116 members in 56 countries. For wider public, it is best known as the organizer of the Eurovision Song Contest. EBU strives to secure a sustainable future for public service media. According to EBU's Declaration on the core values of public service media (EBU, 2012), public service media should aim to reach and offer the content to all segments of society, with no-one excluded. PSM strongly underline the importance of sharing and expressing a plurality of views and ideas. They create a public sphere, in which all citizens can form their own opinions and ideas. PSM want to be trusted programme-makers, trustworthy in all fictional and non-fictional programming, in all genres and formats, from news to entertainment, from science to sport, from culture to education, and in all this to be autonomous in all aspects within programming, editorial decision-making and staffing.

As all public media services have their roots in the British model, it is important to mention the principles of this model (Mahon, 2012; Montagud et al., 2018; Franklin; Canter, 2019): Universal geographic accessibility; Universal appeal; Attention to minorities; Contribution to national identity and sense of community; Distance from vested interests; Direct funding and universality of payment; Competition in good programming rather than numbers; Guidelines that liberate rather than restrict.

The key element in defining public broadcasting as opposed to commercial competitors is its obligations to society. Private broadcasters have the primarily aim to fulfill the interests of their owners, the shareholders, while public service broadcasters are obliged to serve the whole society by enhancing, developing and serving social, political and cultural citizenship. In doing so they provide media content with the following characteristics (EBU, 2002): Universality of content and access; Editorial independence; High quality of services and of output; Accountability.

Public television produces news, children's, educational, scientific, minority, documentary, drama and cultural programs, even if it knows in advance that it will not make profit on it. It broadcasts the most important political events, religious celebrations (for both majority and minority religious groups), emigration program, politically balanced daily news programs and conducts public debates on key issues in the country. Governments demand that public television provides high quality programs, which inform and educate people (Brown, 1996). Public TV broadcasts popular sporting events, but also promotes less interesting national sports. EU guidelines define that a public service broadcaster must have a minimum of 55 percent domestic programming, with at least 50 percent of the remaining foreign programming being European.



## 5. RESULTS

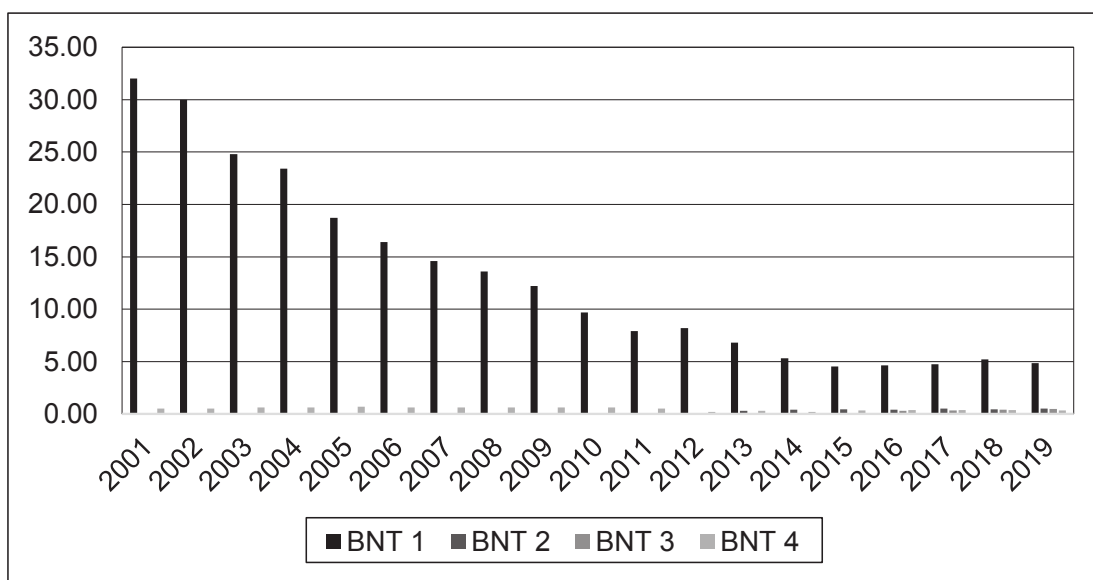
All television markets were monopolies at the beginning. In Europe, this monopolist was always the state television, which later moved to the public television. After some time, these monopolists started to add second channels to the market, and with the liberalization of the market, private competitors were allowed to enter the market. Monopolistic markets first changed to oligopolistic, and in the most developed markets they become monopolistic competition. Monopolistic competition on television market means that there is a large number of TV channels owned by different owners, who produce similar TV program. In 1990s, many specific channels emerged – movie channels, sport channels, news channels, children’s channels, religious channels, music channels. Today these channels are even more specific, let’s call them niche-channels, for example channels that broadcast: latino music, wild animals’ documentaries, comedy movies, football, cartoons for babies...

Countries included in this analysis are members of the European Union, which are ex-socialist countries and had to pass through the process of transition in 1990s. These countries are: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia.

The experimental television broadcasting in Bulgaria begun in 1954, and from the end of 1959 there is the regular TV program. Second channel was introduced in 1974. The first private TV channel appeared in 1994 – Nova TV. Other private channels start to appear: in 1998 appeared Ring TV, in 1999 Diema and Alexandra TV and in 2000 bTV, which is currently the most popular TV channel in Bulgaria. Bulgarian National Television (BNT), as the public TV in Bulgaria, has two main competitors: bTV group and Nova group. BNT is now broadcasting 4 TV channels: BNT 1, BNT 2, BNT 3 and BNT 4. At the same time bTV group is broadcasting 6 TV channels (bTV, bTV Comedy, bTV Action, bTV Lady, bTV Cinema, Ring) and Nova group 7 TV channels (Nova, Diema, Diema Family, Kino Nova, Nova Sport, Diema Sport, Diema Sport 2).

*Graph 1:*

THE SHARES OF PUBLIC TELEVISION CHANNELS IN BULGARIA  
(2001-2019, SHR, 4+, ALL DAY)



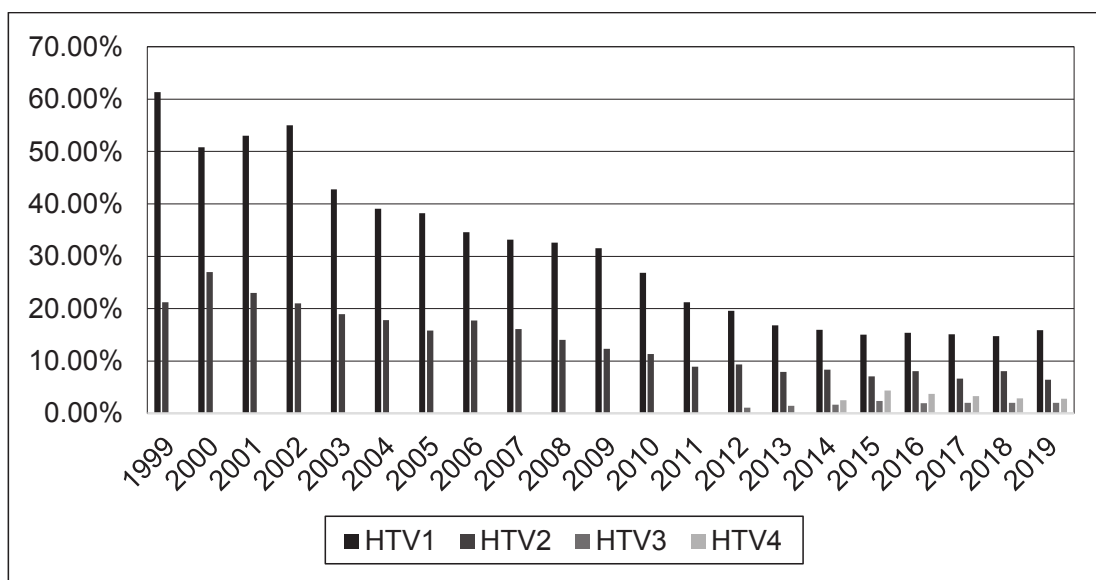
Source: author from different sources

In 2001, BNT group had the market share of 32.5%, in 2010, this share was 10.3% and in 2019, it dropped down to only 6.2%. The main competitors achieved much better results in 2019: bTV group had the share of 31.1% and Nova group 30.4%. This puts BNT group at the third position with very low market share. BNT has lost very high percentage of audience in the transition period. All three leading TV groups generated in 2019 together the audience of 67.7%.

The history of television in Croatia starts in 1956 when the first television station started to broadcast TV program. The second TV channel started experimentally in 1966 and regularly in 1972. Croatian Radio Television (HRT) was monopolist at the national level up to 2000, when the first private TV station appeared – Nova TV. In 2004 Croatia got another private TV channel – RTL. From that time on, Croatian TV market has three main players – HRT, Nova and RTL. HRT is currently broadcasting 5 TV channels: HRT 1, HRT 2, HRT 3, HRT 4 and HRT International. At the same time Nova group has 3 channels (Nova TV, Doma, Mini TV) and RTL group 7 channels (RTL, RTL 2, RTL Kockica, RTL Living, RTL Crime, RTL Passion, RTL Adria).

Graph 2:

THE SHARES OF PUBLIC TELEVISION CHANNELS IN CROATIA  
 (1999-2019, SHR, 4+, ALL DAY)



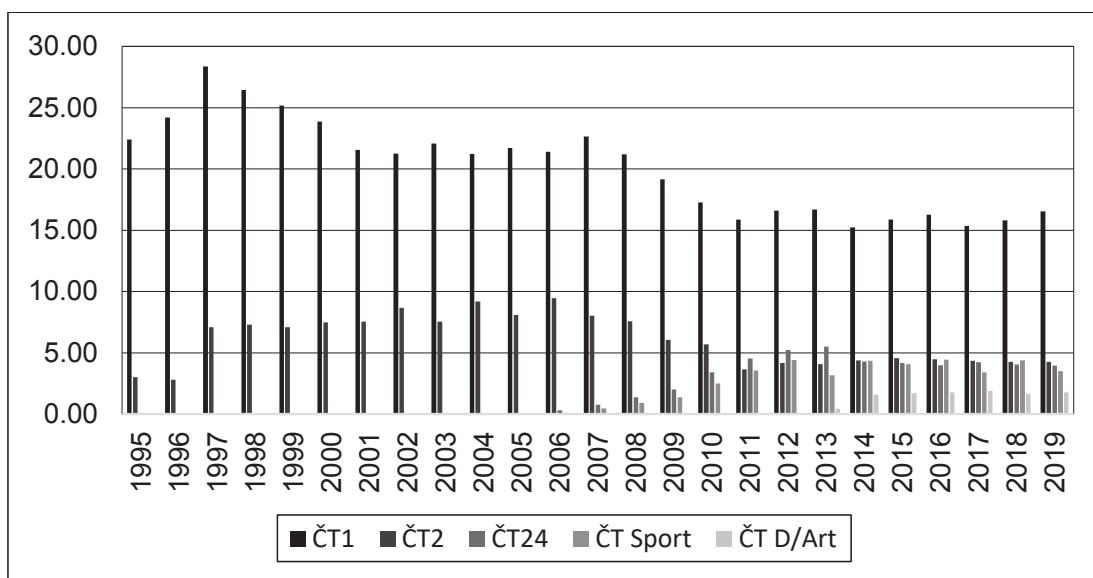
Source: author from different sources

In 1999, the last year when HRT was the monopolist at the national level, the total share of HRT group was 82.5%. In 2009, this share was 43.8% and in 2019 (the last year with official data at the time of writing), the share of HRT group was 27.1%. The main competitors achieved similar results in 2019: Nova group 28.9% and RTL group 20.0%. Despite the loss of the market share in the process of transition, HRT is today competing for the leading position in Croatia. Three leading TV groups in Croatia have together the share of 76.0% of total Croatian TV market.

Television was introduced in Czechoslovakia in 1953. The second TV channel appeared in 1970. The liberalization of Czech TV market started in 1993 with the first private TV channel Prima. Only one year after, in 1994 appeared the second private TV channel – Nova. Czech television (ČT) is today broadcasting 5 TV programs: ČT 1, ČT 2, ČT 24, ČT Sport and ČT D/Art. The main competitors are Nova group with 5 TV channels (Nova, Nova Cinema, Nova Action, Nova 2, Nova Gold) and Prima group with 6 TV channels (Prima, Prima Cool, Prima Krimi, Prima Max, Prima Love, Prima Zoom).

Graph 3:

THE SHARES OF PUBLIC TELEVISION CHANNELS IN THE CZECH  
REPUBLIC (1995-2019, SHR, 4+, ALL DAY)



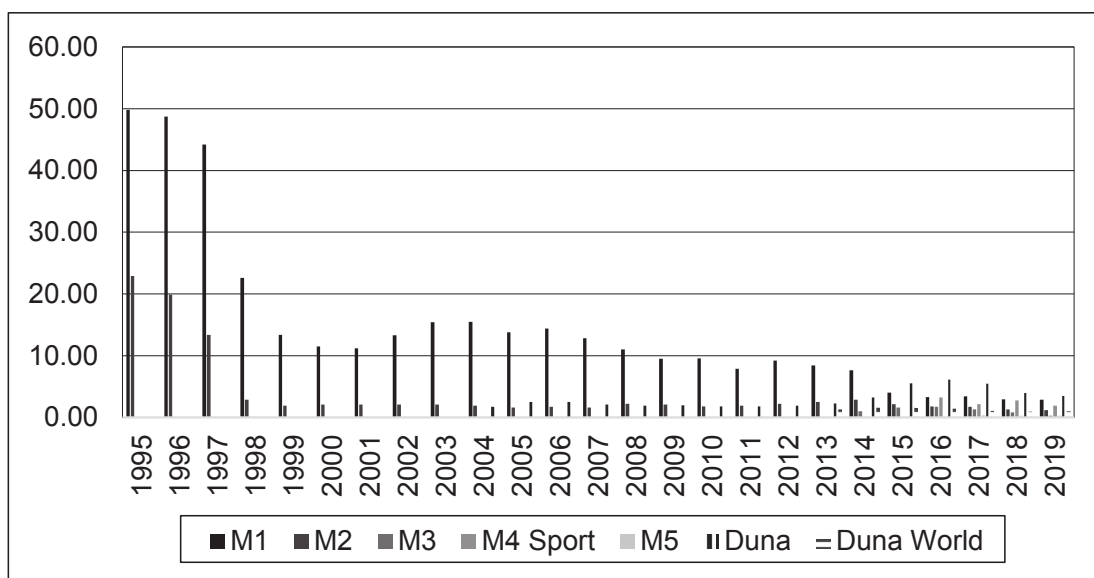
Source: author from different sources

The share of the ČT group was 25.4% in 1995. It rose to 31.9% in 2007 and in 2019, the share was 30.0%. Nova group had the share of 29.1% and Prima group the share of 23.9% in 2019. Despite the changes in the process of the transition, ČT is still the leading group in the Czech Republic. All three main TV groups have the total share of 83.0%.

The first TV channel in Hungary started in 1957 and the second channel appeared in 1971. In 1992, appeared Duna TV, as the first Hungarian satellite TV station, orientated to Hungarian emigration. The first two private TV channels started in 1997: TV2 and RTL Klub. Today the Hungarian public broadcasting service called Media Services and Support Trust Fund (MTVA) has 7 TV channels: M1, M2, M3 Sport, M4, M5, Duna and Duna World. The main competitors on the market are TV2 group with 14 TV channels (TV2, Super TV2, FEM3, Mozi+, Zenebutik, Izaura TV, Spíler 1 TV, Spíler 2 TV, PRIME, LiChi TV, Kiwi TV, Humor+, Jocky TV, Moziverzum) and RTL group with 8 TV channels (RTL Klub, RTL II, Cool TV, Film+, RTL Gold, RTL+, Sorozat+, Muzsika TV).

Graph 4:

THE SHARES OF PUBLIC TELEVISION CHANNELS IN HUNGARY  
 (1995-2019, SHR, 4+, ALL DAY)



Source: author from different sources

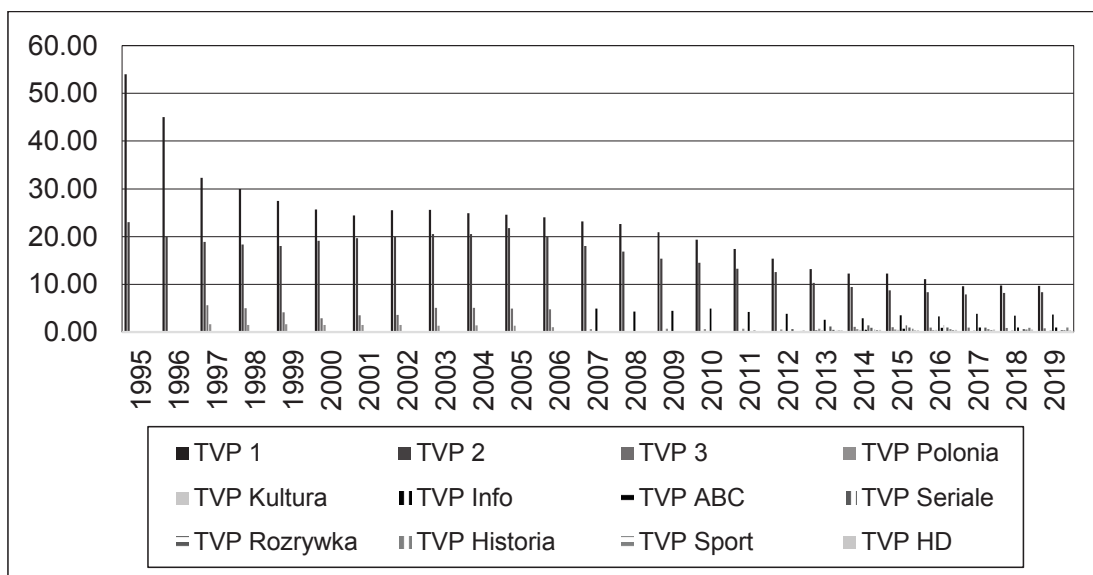
The share of MTVA group in 1995 was 72.7%, in 2007 16.5% and in 2019 11.1%. The shares of the main competitor groups in 2019 are: RTL group 20.3% and TV2 group 10.3%. MTVA has experienced significant loss of audience in the process of transition. All three leading TV groups generate together the share of 41.7%.

The first television was introduced in Poland in 1937, but it was interrupted by the World War II in 1939 and started again in 1952. The second channel appeared in 1970. The first private TV channel appeared in 1992 under the name Polsat. Other two private channels started in 1997: Polsat 2 and TVN. Polish television (TVP) is currently broadcasting 12 TV channels: TVP 1, TVP 2, TVP 3, TVP Polonia, TVP Kultura, TVP Info, TVP ABC, TVP Seriale, TVP Rozrywka, TVP Historia, TVP Sport and TVP HD. The main competitors are Polsat group with 29 TV channels (Polsat, Polsat 2, Polsat News, Polsat Play, Polsat Sport, Polsat Film, Polsat Sport News, Polsat Cafe, Polo TV, Eska TV, Polsat JimJam, Polsat News 2, Disco Polo Music, Polsat Romans, Polsat Sport Extra, Polsat Sport Fight, VOX Music, Polsat Music, Polsat Super, TV4, TV6, Superstacja, Polsat Doku, Polsat Rodzina, Polsat Seriale, Fokus, Nowa, Polsat Games, Polsat CI) and TVN group with 12 channels (TVN, TVN International, TVN24, TVN24 BiS, TVN 7, TVN

Fabuła, TVN Style, TVN Turbo, TTV, Food Network, HGTV Home&Garden, Travel Channel).

*Graph 5:*

THE SHARES OF PUBLIC TELEVISION CHANNELS IN POLAND  
(1995-2019, SHR, 4+, ALL DAY)



Source: author from different sources

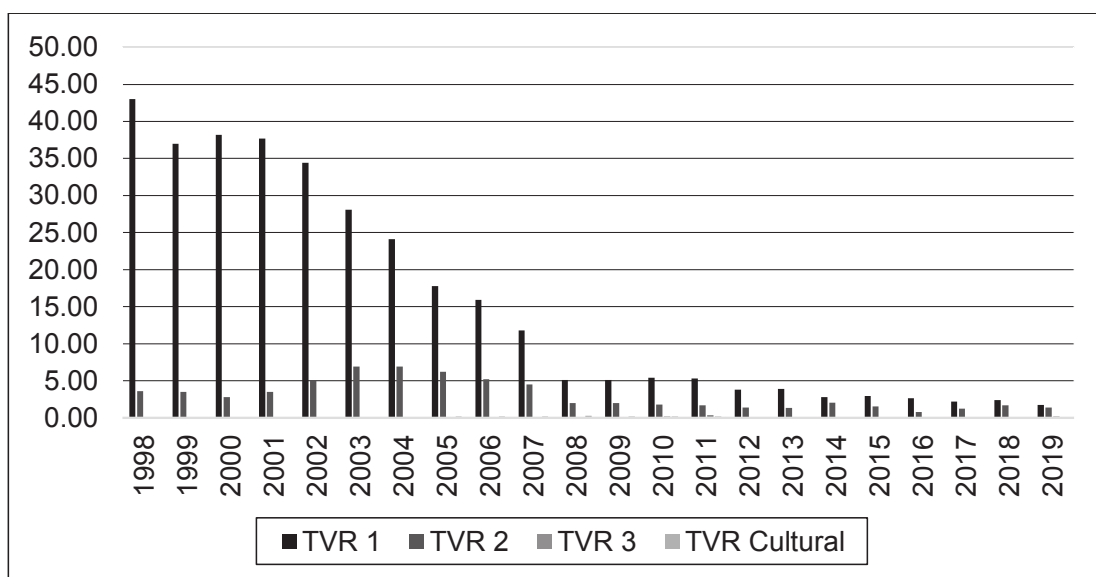
The share of TVP in 1995 was 77%. In 2007 this share was 46.9 and in 2019 28.2%. The market shares of main competitor groups in 2019 are: Polsat group 25.9% and TVN group 21.0%. All three leading groups generate the total share of 75.1%. Despite the loss during the transition period, TVP is still the leading group on Polish TV market.

Romania started its television in 1955 and in 1968, the second television channel appeared. Romanian television market is dominated by Pro TV and Antena 1, the first commercial channels established in the 1990s. Antena 1 started broadcasting in 1993 and Pro TV in 1995. The third largest television channel in Romania, Kanal D was launched in 2007. Romanian Television (TVR) is currently broadcasting 5 TV channels: TVR 1, TVR 2, TVR 3, TVRi and TVR M. TVR had two more TV channels (TVR Cultural and TVR Info), but due to the financial crisis they were closed in 2012. The main competitors are Pro TV group with 5 TV

channels (Pro TV, PRO 2, PRO Cinema, PRO X, PRO Gold) and Antena 1 group with 4 TV channels (Antena 1, Antena 3, Antena Stars, Happy Channel).

*Graph 6:*

THE SHARES OF PUBLIC TELEVISION CHANNELS IN ROMANIA  
 (1998-2019, SHR, 4+, ALL DAY)



Source: author from different sources

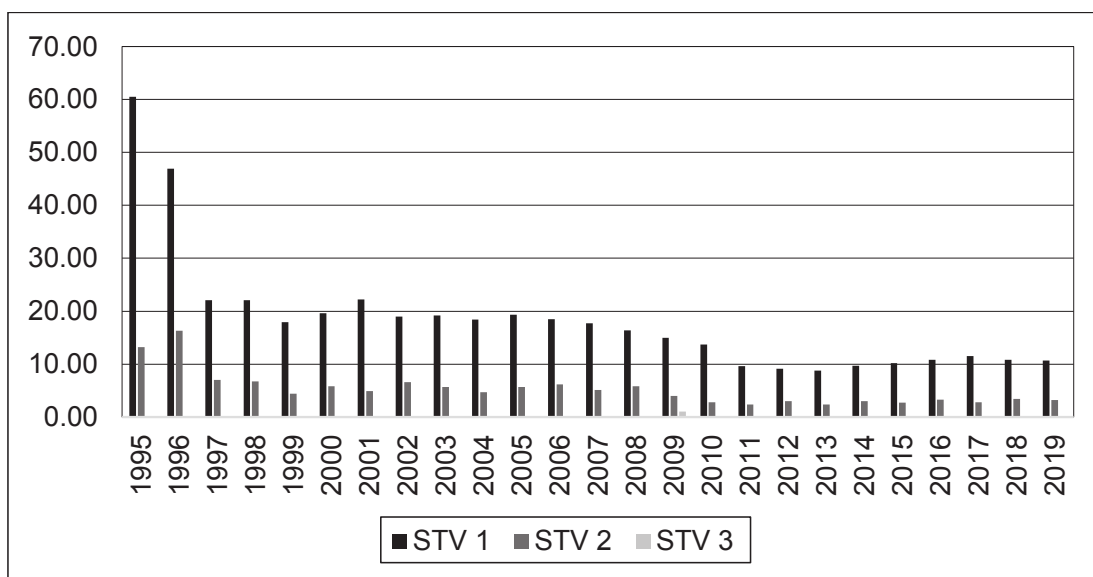
TVR had the share of 46.6% in 1998. This share went down to 16.6% in 2007 and finally to 3.3% in 2019. Pro TV group had the share of 23.9% in 2019 and Antena 1 group 20.2% in the same year. During the transition period, TVR has lost almost all viewers. The largest fall occurred in the first decade of the 21st century. TVR group is not even in the first 3 leading groups. Its total share is lower than some single TV channels outside these groups (as Kanal D or Romania TV).

As already mentioned but he Czech Republic, the first television channel in Czechoslovakia started in 1953 and the second channel in 1970. After the separation of Czechoslovakia, Slovakia has formed its own national television. Today it is called Radio and television of Slovakia (RTVS) and is broadcasting three channels: RTVS 1 (Jednotka), RTVS 2 (Dvojka) and RTVS 3 (Trojka). The first private TV channel in Slovakia appeared in 1996 under the name Markiza. The second private TV channel was launched in 2002 – TV JOJ. These two channels have

formed two main groups in Slovakia: Markiza group with 3 TV channels (Markiza, Doma, Dajto) and JOJ group with 4 TV channels (JOJ, Plus, Wau, Senzi).

*Graph 7:*

THE SHARES OF PUBLIC TELEVISION CHANNELS IN SLOVAKIA  
(1995-2019, SHR, 4+, ALL DAY)



Source: author from different sources

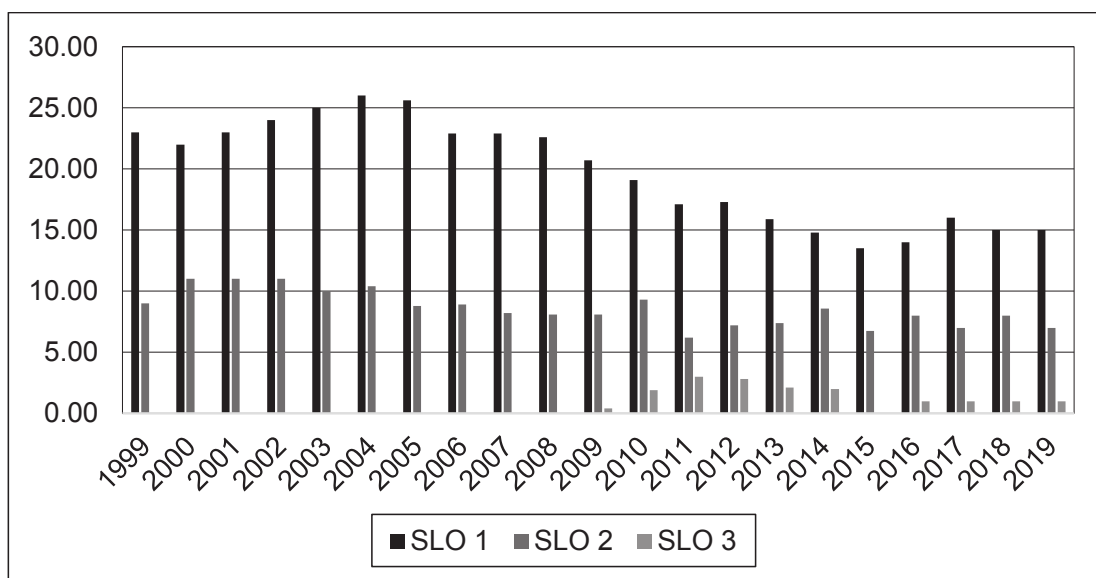
The share of RTVS in 1995 was 73.7%. In 2007, it was 35.5% and in 2019, the share was 13.9%. Markiza group acquired 25.7% in 2018 and JOJ group 20.9% in the same year. RTVS has lost its leading position during the transition period and today is on the third place. All three leading group have the share of 60.5% of Slovak TV market.

The first TV channel in Slovenia was launched in 1958, and the second in 1970. The first private TV station in Slovenia was Kanal A, which started in 1991. In 1995 two further private stations appeared: Pop TV and TV 3. Radiotelevision of Slovenia (RTVSLO) currently operates 3 TV channels (SLO 1, SLO 2 and SLO 3). The main competitor is CME group with 5 TV channels (Pop TV, Kanal A, Kino, Oto, Brio).



Graph 8:

THE SHARES OF PUBLIC TELEVISION CHANNELS IN SLOVENIA  
 (1999-2019, SHR, 4+, ALL DAY)



Source: author from different sources

The total share of RTV SLO channels in 1999 was 32%. This share was 31.1% in 2007 and 23% in 2019. CME group had the share of 39% in 2019. There are several other TV channels in Slovenia, of which the most important in terms of audience is Planet TV, but its share is less than 10%.

## 6. COMPARISON AND DISCUSSION

The analysis of 8 countries for the period of 20-25 years (depending on the available data) shows certain similarities, but also some differences between these markets. On almost every TV market, there are three big groups, which are holding large share of the total market (about two thirds, on average). What is different is the position of public television. In some countries, public television has remained strong and important for the viewers, while in others public television has lost almost all viewers.

Table 1:

## DISTRIBUTION OF COUNTRIES ACCORDING TO THE CURRENT POSITION OF THE PUBLIC TELEVISION ON THE MARKET IN 2019

<i>Strong position</i>	<i>Middle position</i>	<i>Weak position</i>
<b>shr &gt; 20%</b>	<b>10% &lt; shr &lt; 20%</b>	<b>shr &lt; 10%</b>
Croatia Czech Republic Poland Slovenia	Hungary Slovakia	Bulgaria Romania

Source: author

Table 1 shows the groups of countries, according to the position of public television on the market. The first group are countries, which have strong public television. The share of public TV is higher than 20% in 4 countries, of which 2 (Czech Republic and Poland) have public TV as the market leader. Middle position of public television occurs with the share between 10% and 20%, and in this group are 2 countries. The last group are countries where public television is weak, with the share less than 10%, and this group consists of 2 countries.

From all 8 analyzed countries, the strongest public television is in the Czech Republic ČT with the share of 30.0%. The weakest public television is in Romania TVR with the share of only 3.3%. Just for comparison, the average share of public TV in the whole European Union is around 25%.<sup>1</sup> According to this, only Czech Republic, Poland and Croatia are above the EU average, all other analyzed countries are below the average.

Table 2:

## TOP 3 TV CHANNELS BY COUNTRY IN 2019

	<i>BG</i>	<i>HR</i>	<i>CZ</i>	<i>HU</i>	<i>PL</i>	<i>RO</i>	<i>SK</i>	<i>SL</i>
1.	bTV	Nova	Nova	TV2	Polsat	Pro TV	Markiza	Pop TV
2.	Nova	<b>HRT 1</b>	<b>ČT 1</b>	RTL Klub	<b>TVP 1</b>	Antena 1	JOJ	<b>SLO 1</b>
3.	<b>BNT 1</b>	RTL	Prima	<b>Duna</b>	TVN	Kanal D	<b>STV 1</b>	Kanal A

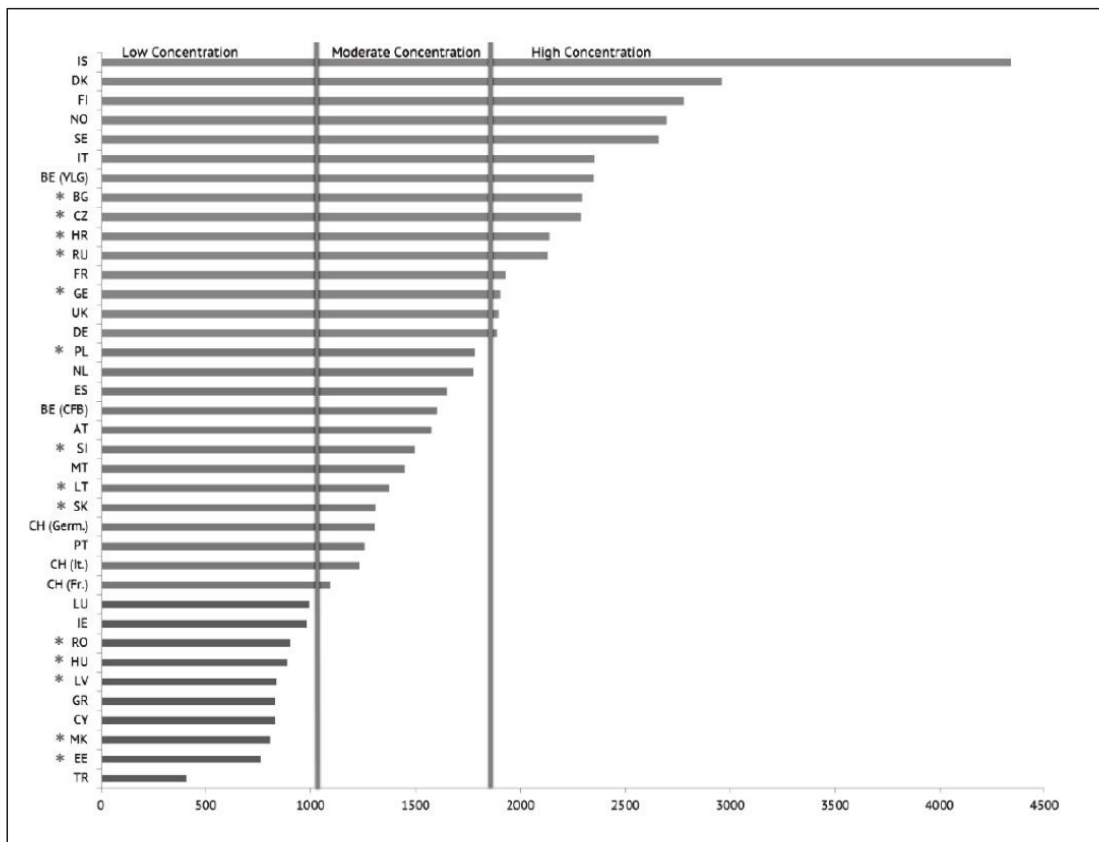
Source: author

<sup>1</sup> Schneeberger, A. (2019) The internationalisation of TV audience markets in Europe, European Audiovisual Observatory, Strassbourg

Table 2 shows the leading three TV channels for all eight analyzed countries. Public TV channels are written bold. It is interesting that public TV channel is not the leading channel in any of these countries. Public TV channels are mostly on second or third position, except for Romania, where TVR 1 is the 10th channel by the audience.

*Graph 9:*

### HERFINDAHL-HIRSCHMAN INDEX FOR EUROPEAN COUNTRIES FOR TV AUDIENCE



Source: European Audiovisual Observatory / Analysis of Eurodata TV Worldwide data

Graph 9 presents the level of market concentration measured by Herfindahl-Hirschman Index (HHI) for television markets of European countries. The values of HHI lower than 1000 indicate the low concentration, values between 1000 and 1800 moderate concentration, and HHI over 1800 indicates highly concentrated

markets. As is can be seen from the Graph 9, European countries are distributed among all three groups. Countries marked with the small red star are countries that have gone through process of transition from the beginning of 1990s. These countries are also equally distributed in all three groups. Of 8 analyzed countries in this paper, 3 have highly concentrated TV market (Bulgaria, Czech Republic, Croatia), 3 have moderate concentrated TV market (Poland, Slovenia, Slovakia) and 2 have low concentrated TV market (Romania, Hungary).

## 7. CONCLUSION

In this paper eight countries were analyzed from the aspect of public television market power in the period 1995-2019: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia. All these countries are post-transition countries, where public television changed its position from monopolist to the player on the market of oligopoly or monopolistic competition. The entrance of new competitors was a challenge for public television. The analysis showed that all public televisions have lost a significant part of the audience. However, some of them have managed to keep the leading position on the market.

The analysis conducted in this paper for the 8 selected countries has never been done before in such way – from the aspect of public television market power on the dynamic and liberalized television market. The analyses of public television usually apply only on one country, so the contribution of this paper is the analysis between different countries in a 25-year period.

Through the analyzed period from 1995 until today, public television audience has fallen from almost whole market to the levels of up to one-third. Grouping analyzed countries showed that 4 countries have strong public television (with the share over 20%), 2 have middle position (between 10% and 20% of share) and 2 have weak public television (the share over than 10%).

From all analyzed countries, in seven of them public television is keeping one of the top 3 places according to the audience share. Only Romania does not have public TV channel among top 3 channels. Nevertheless, none of these countries has public TV channels on the leading position. Position of the most watched public TV channels is second or third, and the leading position is kept by the private competitor, who entered the television market during transition period. The analysis of market concentration showed that eight analyzed countries are dispersed in all three possible groups: high, moderate and low concentration. Bulgaria, Czech Republic and Croatia have highly; Poland, Slovenia and Slovakia

have moderate concentrated TV market, and Hungary and Romania have low concentrated TV market.

The limitation of this paper is the fact that there are no data for some countries starting from 1995, as well as no data for the period before 1995 for all countries. For further research, this analysis could be extended to other countries, what would enable the comparison between the transition countries and the “old European” countries, where the liberalization of the television market started earlier. In addition, it would be interested to compare the results with non-european post-transition countries, such as Latin-American countries.

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## TRŽIŠNA POZICIJA JAVNE TELEVIZIJE U POST-TRANZICIJSKIM ZEMLJAMA EUROPSKE UNIJE OD 1995. DO 2019.

### Sažetak

Javna televizija prisutna je u svakoj europskoj zemlji i njezin se položaj na tržištu mijenjao tijekom procesa tranzicije iz monopola u oligopol, te dalje prema tržištu monopolističke konkurencije. U većini tranzicijskih zemalja Europske unije taj je proces započeo početkom 1990-ih, a danas javna televizija predstavlja samo jednog igrača na tržištu. Ovaj rad analizira položaj javne televizije u 8 zemalja: Bugarskoj, Hrvatskoj, Češkoj, Mađarskoj, Poljskoj, Rumunjskoj, Slovačkoj i Sloveniji za razdoblje od 1995. do 2019. godine. Cilj je analizirati promjene u udjelu koji javna televizija ima u tim zemljama, kao i usporediti položaj javne televizije u ovih 8 zemalja. To se analizira pomoću deskriptivne statistike primijenjene na podatke o gledanosti. Gledanost predstavlja tržišni udio i analizira se na razini pojedinog javnog TV kanala. Zemlje su dalje podijeljene u tri skupine, one s jakom, srednje jakom i slabom javnom televizijom. Uz to, analiza koncentracije na temelju HHI pokazat će koliko su slična ili različita analizirana tržišta. Rezultati pokazuju da je tržišna moć javne televizije pala u promatranom razdoblju. Unatoč tome, u većini od 8 analiziranih zemalja javna televizija i dalje ima značajnu ulogu na tržištu.

Ključne riječi: javna televizija, post-tranzicijske zemlje, udio u gledanosti