Market Structure and Innovation Policies in Switzerland

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1 Market Structure and Media Ownership

Switzerland is a small country that has enjoyed a remarkably long and continuous tradition of independence and political neutrality. The federal structure grants considerable autonomy to the different cantons. With a population of about eight million, Switzerland's ethnic and linguistic diversity reflects its location relative to three major neighboring countries: Germany, France, and Italy, respectively. Ethnically, the Swiss German-speaking population is in the majority (approximately 65 %), followed by the French-speaking (22 %) and Italian-speaking (8 %) populations. This diversity, coupled with affluence, nearly universal literacy, and direct civic engagement has been fertile ground for a highly competitive and largely independent press. However, during the past two decades, the news media industry has been experiencing an increasing trend towards concentration of ownership mostly due to competition for decreasing advertising revenues. In addition to mergers, cooperative ventures and the increasing use of shared editorial, feature, and supplement sections effectively standardize the editorial image in national and international news reporting.

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1.1 Newspapers

At newspaper level the Swiss market is highly concentrated. In terms of advertising revenues, the three major media players—Tamedia AG, Ringier AG and NZZ Group, all based in Zurich—are controlling about 80 % of the market. Tamedia alone collects 50 % of the advertising revenues in the German and French speaking part of the country. In 2012, Tamedia AG, Ringier AG and NZZ Group controlled 78 % of the press market and 53 % of what is offered online across Switzerland (Jahrbuch Qualität der Medien, 2013).

Tamedia is a multimedia group that owns newspapers and magazines but also local television networks as well as e-commerce platforms. Tamedia reached a profitability of 14.3 % last year, with an increase in total revenues by 4 % and profits by 34 %. The digital business counts for nearly 24 % of total revenues and increased more than 16 % in 2014. Profits from the printed business grew 1 % between 2013 and 2014 (Jahrbuch Qualität der Medien, 2015). In line with a regional monopoly seeking strategy, in 2013 Tamedia acquired Ziegler Druck und Verlags-AG, the publisher of Der Landbote in Winthertur. Furthermore, the group is pursuing a strategy of vertical integration. It jointly owns the Swiss Printers group—a joint venture in the graphics business which shares are divided between Ringier (58.8 %), NZZ (25.2 %) and Tamedia (Edipresse) (16 %) as well as its own distribution and logistics services. In 2014, the Ricardo Group was acquired by Tamedia from the South-African Group Naspers (RTS, 2014, 2015a). With this investment, Tamedia strengthened its leading position in the Swiss Online market. The Ricardo Group indeed operates the leading online marketplace ricardo.ch with the Online Shopping Center ricardoshops.ch, the car platform autoricardo.ch as well as the general classifieds platform olx.ch. Furthermore, Tamedia owns the company tutti.ch and car4you Switzerland AG. The first is a small advertising website and the second is a portal for used cars classifieds, both have been acquired by Tamedia in July 2015 (Tamedia.ch, 2013, 2015). Tamedia is also present in the ticketing business with the platform "starticket.ch". Although Tamedia, is profitable, an increasing majority of profit comes from non-journalistic offerings nowadays. The same counts for the second largest publisher Ringier.

Ringier owns dailies, weeklies and magazines but has progressively extended its business to digital and mobile e-commerce platforms such as ticket selling, as well as job, housing and car classifieds. The digital business represents now 32 % of the company revenues, and it is growing: in 2014 profits grew with 20 % in comparison to previous year, while profits from sales and traditional advertising declined with 12 % and 9 % respectively (Jahrbuch Qualität der Medien, 2015). As a result, total revenues and profit decreased and profitability reached only 2 %. The company is mainly suffering from decreasing demand for the printed version of the boulevard magazines in the German speaking Switzerland. Ringier is the only Swiss firm to have expanded abroad reaching out to Eastern Europe, Asia and Africa. Furthermore, it is a vertically integrated company owning the largest printing plant of Switzerland as well as a part of the group Swiss Printers. In 2015 a joint venture was launched by Ringier and the telecommunications provider Swisscom, and the national public broadcaster SRG SSR (Le Temps, 2015). These companies decided to join forces to commercialize advertising. Each participant equally holds one third of the shares. On December 16th 2015, the COMCO approved the creation of this joint venture excluding any risk of damaging fair competition in the market (RSI, 2015). The Federal Office of Communication suspended though the operation until March 2016 to take time and examine if the participation of the public service broadcaster in the venture is interfering with the public service mandate of the SRG SSR or harming the development of other companies in the field (RTS, 2015b). This operation is the first one addressing cooperation as possible strategy to counteract the rapidly growing competition of technology operators in the Swiss media market. It has been though heavily criticized by other private media operators, in particular by the press that is accusing SRG SSR of unfair competition within the digital environment (Ticino Online, 2015).

The NZZ Group holds several daily newspapers in its portfolio as well as a dozen of magazines. The group is also present at multimedia level with three radios and two local TV channels. The group is pursuing a brand strategy investing heavily in journalism and addressing its offers to an elite audience. It has also recently launched an Austrian edition of its flagship newspaper. All this is reflected in a loss of CHF 40 million—nearly 10 % of its revenues—and a fall in profitability of more than 8 % in 2014. In order to focus on their core business the group has recently sold their printing plant.

Another large media company is AZ Medien. It was created from the merger of Der Aargauer Tagblatt AG and Badener Tagblatt AG in 1996. The Group owns several dailies and a weekly newspaper, it owns a printing plant, and has a diversified portfolio including a dozen of specialty magazines as well as four regional televisions. In 2014, AZ Medien invested CHF 7 million—corresponding to 42.5 % of the shares—in the pure online player Watson.ch. As a consequence, the group showed a loss of CHF 6 million and a decrease of 2.4 % in profitability in that year. Watson.ch's business model is based on advertising and shows both audience generating soft news à la BuzzFeed, as well as high quality hard news (Jahrbuch Qualität der Medien, 2015).

In the German speaking part of Switzerland the three main publishing houses control 83 % of the newspaper market and 63 % of the online market. During the last 10 years about a dozen publishing houses lost their status of news media outlets with wide circulation while the major news media companies increased their market share considerably. With regard to the offer on the newspaper market, the market share of Tamedia grew from 19 % to 38 %, the market share of Ringier from 21 % to 24 % and the market share of NZZ Group exceeded 20 %. Table 1 presents an overview of the evolution of market shares in the German speaking part of Switzerland.

The dominance of Tamedia is evident also when looking at the market share in terms of advertising revenues in the newspaper market. Tamedia AG reached a 50 % slice of the advertising pie in 2012, while Ringier and NZZ controlling each a share of 16 % and the rest of companies sharing the remaining 18 % of the pie (Jahrbuch Qualität der Medien, 2013).

Table 1 Newspaper publishers—evolution of market shares in German-speaking part of Switzerland (in percent)

Publishers	Titles	2001	2012	2014
German-speaking part				
Tamedia	20 Minutes, Tages Anzeiger, Berner Zeitung, Sonntags Zeitung	19	36	39
Ringier	Blick, Blick am Abend, SonntagsBlick	21	27	24
NZZ Gruppe	Neue Zürcher Zeitung (NZZ), NZZ am Sontag, Neue Luzerner Zeitung, St-Galler Tagblatt	7	19	21
AZ Medien	Argauer Zeitung, BZ Basel, Der Limmattaler, Schweiz am Sonntag	4	8	7
Others		49	10	9
Total		100	100	100

Source: Jahrbuch Qualität der Medien 2013–2015

Tamedia also dominates in the French speaking part of Switzerland. It controls almost 68 % of the newspaper market—and about two thirds of the digital newspaper market. Table 2 presents an overview of the evolution of market shares in the French speaking part of Switzerland.

The second publishing group is Editions Suisses Holding. Although mainly active in the regional press in the French speaking part of Switzerland, Editions Suisses Holding also expanded its business with e-commerce services, too.

The third largest publisher is Ringier. In 2014, it consolidated its position with the purchase of Le Temps, the reference newspaper of the region. Both Ringier and Tamedia had a equal share in Le Temps. As of today, Ringier owns 92.5 % of the shares of Le Temps. It acquired the shares from Tamedia in 2014.

1.2 Television

The Swiss Television industry is highly concentrated, too. The main operator in the market is the national public service broadcaster SRG SSR. The group is a non-profit organization, mainly funded through radio and television license fees (75 %) and making the remaining income from advertising and sponsorship. The holders of the broadcasting licenses that enable SRG SSR to operate are four regional associations: SRG idée Suisse Deutschschweiz (SRG.D), SRG idée Suisse Romande (RTSR), Società cooperative per la radio televisione nella svizzera italiana (CORSI), and SRG SSR idée Suisse Svizra Rumantscha (SRG.R). The group represents the largest audiovisual media organization in Switzerland with an average market share of more than 30 % of the television market, 60 % of the radio market and 11 % of the online market. Table 3 presents the evolution of the market shares of TV broadcasters in the three largest regions in Switzerland. In the German speaking parts of Switzerland local and regional Swiss TV networks are able to reach a considerable market share. In the other parts of the country the market share of these small private operators is stable around 1 %. The public operator SRG SSR

Table 2 Newspaper publishers—evolution of market shares in French speaking part of Switzerland (in percent)

Publishers	Titles	2001	2012	2013	2014
French-speaking part					
Edipresse		56	0[a]	–	–
Tamedia	Le Matin, le Matin dimanche, La Tribune de Genève, 24 Heures, La Broye, le Journal de Morges, Le Régional	0	68	67	68
Editions Suisses Holding	L'Express, L'Impartial, La Côte, Le Nouvelliste	2	11	11	11
Ringier	Le Temps	5	4	6	10
Other		37	17	16	11
Total		100	100	100	100

Source: Jahrbuch Qualität der Medien 2013–2015
[a]In 2011, Tamedia acquired the Swiss activities of Edipresse, a Swiss media group based in the French speaking Switzerland that is still

has experienced a slight decline in market share (also in advertising revenues) since the year 2000. However, between 2013 and 2014 the operator was able to recuperate and get back to a market share level of nearly 33 %. In the German speaking part of Switzerland the decline was due to and partly compensated by the growth of local private TV networks. The very same networks that are now suffering because of the audience move to digital media and the advertising windows of foreign operators. In the French part the loss of share has been caught by foreign operators, while in the Italian market SRG SSR has maintained or even reinforced its position.

Apart from SRG SSR the Swiss media landscape includes various regional and local TV network operators, which are far smaller in size and face a fierce competitive pressure. The total number of license holding operators in the TV industry declined from 27 in 1998 to 13 in 2014. Operators featuring news services not only compete with SSR SRG but also with other smaller Swiss operators focused on entertainment offerings as well as with the very powerful television networks from the neighboring countries speaking the same language. AZ Medien dominates among the commercial operators featuring information-based journalism in the German speaking part of Switzerland. The group operates two licensed radio stations (Radio 24 and Radio Argovia), two licensed TV stations (Tele M1 and Tele Bärn)—the maximum number allowed by the actual law—as well as two other TV stations: a local one, Tele Züri, and a national one, TV24, launched in 2014 (Azmedien.ch, 2014). The quality of its offerings is higher compared to the one of other private operators but lower compared to SRG SSR. This is mainly the result of content being shared among newsrooms within the group (Jahrbuch Qualität der Medien, 2015).

However, revenue levels for commercial broadcasters are very low and their survival depends on an ongoing support from license fees—CHF 34.6 million—which represents about one third of their revenue. Between 2012 and 2014

Table 3 TV broadcasters—evolution of market shares in German, French and Italian speaking parts of Switzerland (in percent)

TV broadcasters	Channels	2000	2012	2013	2014
German-speaking part					
SRF (SRG SSR)	SRF1, SRF2, SRF info + SSR	33.0	30.0	31.1	32.7
Private TV		6.0	7.3	5.6	5.3
German TV	RTL, ARD, ZDF[a]	n/a	12.6	11.7	10.7
Other foreign TV		58.0	50.1	51.7	51.3
French-speaking part					
RTS (SRG SSR)	RTS1, RTS2 + SSR	35.0	29.3	30.3	30.7
Private TV		–	1.5	–	0.5
French TV	TF1, M6	n/a	23.0	21.6	18.6
Other foreign TV		65.0	46.2	47.9	50.2
Italian-speaking part					
RSI (SRG SSR)	RSI LA 1, RSI LA 2 + SSR	34.0	36.8	37.8	38.0
Private TV		1.0	1.7	0.1	1.5
Italian TV	Rai Uno, Italia 1, Canale 5[b]	n/a	17.3	15.5	15.5
Other foreign TV		65.0	44.2	46.5	45.0

Source: SRG SSR, Rapport de Gestion Annuel (2012–2014)
[a]RTL and ZDF in 2012 and 2013, ARD and ZDF in 2014
[b]Rai uno and Italia 1 in 2012, Rai Uno and Canale 5 in 2013 and 2014

advertising revenues of private broadcasters decreased about 11 % to CHF 70 million (about 9 % of the total revenues within the industry), while the advertising slots of foreign TV operators managed to grow their revenues significantly and reached a share of 39.4 % of the total revenue of the industry. Furthermore, commercial broadcasters with a focus on entertainment are benefiting the most from advertising revenues, although it is generally not enough to be profitable. According to a study conducted by Publicom (2014), only three regional broadcasters were profitable, while the others were either underfinanced or deeply indebted.

1.3 Radio Broadcasting

The Swiss Radio market is even more concentrated than the TV market and shows the importance of public radio in comparison with private radios in the different linguistic regions. In the German speaking part of Switzerland two thirds of the market is controlled by SRG SSR with its different channels. Swiss local private radio stations control another 30 % of the market, while foreign radio stations lost half of their market share since 2001 and now only have a market share of 5 %. Table 4 presents an overview of the evolution of market shares in the radio broadcasting market.

SRG SSR also dominates in the French speaking part of Switzerland. It controls 66 % of the market, a share that increased since 2001 but that showed a slight but steady decline since 2009 when the group controlled a maximum of 68 % of the market. Private radio stations maintained a more or less constant share of 24 %

Table 4 Radio broadcasters—evolution of market shares in three main regions in Switzerland (in percent)

Radio broadcasters	Radio stations	2001	2012	2013	2014
German-speaking part					
SRF (SRG SSR)	SRF1, SRF2 Kultur, SRF3, SRF 4 News, SRF Musikwelle, SRF Virus + SSR	63.0	65.4	64.5	64.8
Private broadcasters		27.0	30.2	30.8	30.4
Foreign broadcasters		10.0	4.4	4.6	4.8
French-speaking part					
RTS (SRG SSR)	La Première, Espace 2, Couleur 3, Option musique + SSR	59.0	66.2	65.8	66.2
Private broadcasters		25.0	23.5	23.9	23.8
Foreign broadcasters		16.0	10.3	10.3	10.0
Italian-speaking part					
RSI (SRG SSR)	Rete Uno, Rete Due, Rete Tre + SSR	80.0	82.2	80.4	78.3
Private broadcasters		6.0	11.2	11.8	14.4
Foreign broadcasters		14.0	6.6	7.8	7.3

since 2001, while foreign radios experienced a decline in their market share of 6 points during the same period.

In the Italian speaking part of Switzerland the Swiss public broadcaster is even more dominant controlling 80 % of the market. Local private radio stations are less important than in the rest of the country. They gained market share along the years while the foreign broadcasters lost market share.

The law does not allow SRG SSR to collect advertising money. Thus, the total amount of advertising revenues within the radio industry belongs to private radio stations. According to the Publicom study (2014), although revenues grew to CHF 164 million between 2010 and 2012, about half of the radio broadcasters reported insufficient profitability. In 2014 advertising revenues decreased to CHF 150 million (Jahrbuch Qualität der Medien, 2015).

2 Regulations

It should first be noted that, unlike some countries, there are no laws in Switzerland governing cross-ownership policy of news media companies. The rules on competition and concentration are defined in a general law called The Cartel Act. Unlike the print industry, the audiovisual industry additionally has a specific law. Indeed, it is the Federal Act on Radio and Television (RTVA) and the Ordinance on Radio and Television (made under this act) which regulates the activities of the audiovisual media. According to section 1, "This Act regulates the broadcasting, processing, transmission and reception of radio and television program services". This law includes also measures against media concentration. According to section 74—Risks to diversity of opinion and offerings—a risk to diversity of opinion and offerings exists if a TV or Radio broadcaster abuses its dominant position in the relevant market. The media department of the ministry consults the Competition Commission (COMCO) to assess the dominant position as defined in Article 4 paragraph 2 of the Cartel Act of 6 October 1995. The latter, which is an independent authority, may publish its comments. According to section 75 of the RTVA—the one concerning the measures—if, after obtaining the Competition Commission's report, the department ascertains that a broadcaster or another undertaking active in the radio and television market has jeopardized diversity of opinion and offerings as a result of its abuse of its dominant position, it may take measures. As a rule, a decision is taken within 3 months from receiving the report. Measures may require so that the concerned broadcaster takes actions to ensure diversity, issues editorial statutes to ensure editorial freedom, or even adapts the business and its organizational structure in order to eliminate the abuse of dominant position.

As already mentioned, for the print news media industry there exists no specific law concerning concentration and/or competition of companies active in this industry. As for any other industry, also for print news media it is the Swiss Federal Act on Cartels that sets the rules on that matter. According to article 9 of the Act, all planned concentrations of undertakings must be notified to the Competition Commission (COMCO) before their implementation if in the financial year preceding the concentration (1) the concerned undertakings reported a turnover of at least CHF 2 billion, or a turnover in Switzerland of at least CHF 500 million, and (2) at least two of the concerned undertakings each reported a turnover in Switzerland of at least CHF 100 million. When receiving the notification of a planned concentration, on the base of "clues that could lead to dominance" the Competition Commission decides if there are sufficient reasons for conducting an investigation.

As of today, in line with the structural transformation of the industry towards digital supports and distribution platforms, most decisions concerned mergers, takeovers, transfers and joint ventures of web-based platforms. Swiss news media companies appear to have a growing interest in this emerging market.

With reference to the news media industry some measures have already been taken in order to improve the situation of smaller companies and strengthen competition on the market. In 2007, as a result of the revision of the broadcasting law (RTVA, art. 40), new criteria for the distribution of the license fee have been established. A fixed amount is being distributed each year to private broadcasters; since the revision of the law the amount went from CHF 9 million to 19.4 million for radio broadcasters and from CHF 6.5 to 34.6 million for TV broadcasters (OFCOM, 2014). Thus, the financial support that those private operators receive increased quite substantially. We must also say that that sum is now distributed also among fewer operators as for instance, following merger operations, the number of private TVs declined to 13 in 2014. The revision of the law also introduced some more conditions for the public broadcaster SRG SSR such as the obligation to diffuse regularly a certain amount of educational programs as well as to notify the authority when engaging in activities other that their usual programming (in particular concerning the online industry) that could damage other news media firms. Furthermore, local TV and radio stations can now advertise light alcohol drinks.

The further revision of the broadcasting law was further approved by a referendum held in June 2015 (OFCOM, 2015). The main change concerns the license fee which from now on will be collected from every household instead of depending on the possession of a radio or a television set as it was before. At the same time the fee for each household will decrease from the actual CHF 451 to CHF 400. The fee will also be collected from every firm with revenues greater than CHF 500,000. The new law will be full in craft starting from 2018 but some measures, such as the increase in the part of license fee to be distributed to local broadcast operators, can already be introduced in 2016. Local operators will now receive 6 % of the license fee instead of 4 % which will correspond to about CHF 27 million more. The revision of the law should allow saving money from the collection process, and to free it for financing training needs for the digital transition.

Print news media are not receiving any direct contribution coming from the state. However, as in many other countries, they are granted a reduced price of postal services for the distribution of print newspapers. The difference is paid to the Post by the state.

3 Media Innovation Policies

According to OECD, Switzerland is a small, prosperous, open economy, with outstanding strengths in innovation. It is therefore not surprising to find the country at the top of the major rankings on innovation and competitiveness. Indeed, according to the Global Competitiveness Report (2014–2015) Switzerland is the most competitive country in the world. Switzerland remains also the leader for the fifth consecutive year of the Global Innovation Index (2015). However, apparently most of the innovation activity comes from incumbent firms and not from start-ups. Switzerland is competitive in terms of offering excellent incubation and infrastructure facilities, as well as in terms of education offering, although the country is far less well off in terms of financial support offered to new firms such as direct subventions, fiscal easing or risk capital enhancement (Derder, 2015). Politicians are quite active in trying to change the situation and grant the possibility also for new firms to enter the news media industry (Swiss Federal Assembly, 2015).

Considering the structural crisis that the news media industry is undergoing and the fact that print circulation is constantly diminishing, the Government took action and in 2012 constituted an independent Federal Media Commission (FMEC) giving it the task to analyze the situation and propose alternative ways to support the media industry and thus ensure media pluralism (FMEC, 2012). The commission submitted a report in September 2014 which suggests several measures to support in particular the journalism industry, considered as essential to the democratic debate (FMEC 2014a, 2014b). The proposition is based on the conversion of the present indirect financial support in terms of reduced postal price for the newspaper delivery into financial support for other actions. First of all, the FMEC proposed to support the national press agency ATS, considered as an infrastructure for the whole industry. Then, financial support should go to the training of journalists and to the development of innovative media projects, ideally in collaboration with the programs of the Federal Commission for Technology and Innovation. Furthermore, the creation of media start-ups should be facilitated, while exceptional journalistic achievements as well as media research should be awarded and further sustained. The FMEC considers essential for granting independency to journalistic work that a foundation is created to manage the financial support made available from the state. The same Commission is now working also on alternative ways for the deployment of the broadcasting license fees (FMEC 2014a, 2014b). As of today, the private news media industry does not agree on this proposal and does not want to lose the indirect support to the print media distribution (Médias Suisses, 2014).

4 Summary and Best Practices

All in all we can say that the news media industry in Switzerland is particularly concentrated. However, before the economic downturn started in 2008 the industry could ensure sufficient resources to the big players and thus grant existence to many small local and regional newspapers and private broadcasters, now the situation has changed. Both the number of newspaper titles and commercial broadcasting media outlets diminished. Big media companies are in particular investing more and more in the digital industry but not directly in the online news media industry, thus slowly changing the nature of their core business. The online advertising market presents a certain level of competition, however this is due to the fact that online free news are provided not only by national but also by international players and other players coming from outside the industry (search engines, social media, telecommunications and software providers).

Media companies with less power than the big three (Tamedia, Ringier and NZZ) have little opportunity in the German and French speaking parts of the country to gain a foothold within the online industry and thus to establish relevant news websites. A need for high level investment, together with insufficient returns and strong competition from outside the industry are restricting the news website offerings available on the market and reinforcing the position of the big players. Indeed, most recently Tamedia and Ringier could increase their share in the national advertising market thanks to acquisitions of online search engines and/or electronic commerce operations. However, returns from online advertising are so far not sufficient to cover the decline in revenues from the print news media industry. On top of that we need to add that the Swiss are still not willing to pay for online news (WEMF, 2014), averse to online advertising and very skeptical towards more subtle forms of advertising such as native advertising (Publicitas, 2014).

The positive news is that the Government is aware of the situation and is reflecting on possible measures in order to change the situation. The Swiss Federal Council responded to the FMEC suggestions in December 2014 announcing that in the short run measures such as the alignment of VAT for print and online media products, the engagement for the continuing education of media professionals as well as the subvention of the Swiss national press agency ATS for the Italian and French (national) languages could be envisaged. In the meanwhile, the indirect subvention to the newspaper industry through the discount of postal services would still be granted in order not to worsen the situation. Furthermore, financial support for projects combining media research and product development through the offerings of the Commission for Technology and Innovation (CTI) could be stimulated (Swiss Federal Council Report, 2014). As to the FMEC proposal to set up an independent foundation for managing and distributing subventions to media outlets, the Swiss Federal Council is skeptical as there is no constitutional base to create such a foundation and questions concerning its content and organization are still open.

5 Innovation Policy Recommendations

As we have seen in this chapter, media assistance consists mainly of a direct form of subvention of local broadcasters as well as an indirect aid to the press. Indeed, the Confederation supports the distribution of press titles through discounts on postal rates. Since the report of the Federal Media Commission in September 2014, no concrete acts on its recommendations were made so far. Nevertheless, the various recommendations included in the FMEC 2014 report as well as the suggestions that the FMEC is preparing—concerning the broadcasting industry and the distribution of the license fee—seem to be a powerful instrument that could potentially trigger media innovation and contribute to the evolution of the whole news media industry in Switzerland. First at all, the idea of subsidies for innovation and development projects through the Federal Commission for Technology and Innovation (CTI) can earmark project funds for the initiation and evaluation phase for new journalistic activities, initiatives, ways of working, skills, or business models. As noted by the FMEC, the Knight Foundation in the USA could be taken as an example to foster entrepreneurial orientation and to develop new journalistic practices and formats as well as content production processes. For the moment the CTI finances applied research, but it does not have a dedicated media program yet. The creation of such a dedicated media program is not only desirable but necessary as the CTI representatives' technology oriented competences limit knowledge exchange and comprehension of journalism based needs, and thus potentially hinders the financing of media projects.

Moreover, the FMEC proposition to create subsidies for journalistic start-up businesses seems an interesting instrument. Swiss news media providers need an important innovative boost. In addition to the CTI projects, start-up finance could represent a fundamental catalyzer for innovative projects such as online news platforms. The same holds true for stimulating innovative partnership projects, in particular concerning big data and archiving issues, between media firms and research institutions such as universities. Such measures would not only support existing and new media initiatives but also ensure diversity of offerings within the Swiss news media market.

While the Government is reflecting on its intervention to support news media companies within this digital and structural transition, as we have already mentioned, last year the public broadcaster SRG SSR, the media group Ringier and the telecom operator Swisscom have "broken the ice" and launched a collaborative joint venture to commercialize advertising in the Swiss market. This measure is intended to counteract the global competition coming from technology giants such as Facebook and Google. Despite such good intentions, a strong polemic took place in the media right after the announcement of the operation, with a very critical position being expressed against the initiative by the Swiss publishers association Schweizer Medien. A direct consequence was the exit of the Ringier group from Schweizen Medien. Polemics calmed down as the Federal Office of Communication (OFCOM) decided to suspend the operation, even after approval by the Competition Commission, in order to reflect on the legitimacy of the public broadcaster's role within the joint venture.

Maybe worried about the outcome of the OFCOM decision or because it strongly believes in the initiative, the SRG SSR took action and diffused a press release on January 2016 (SRG SSR, 2016). The broadcaster explained the purpose of the collaborative joint venture specifying that such platform with all its advantages is open to all media operators. Furthermore, following the advice expressed by the FMEC in its 2014 report—which prompted the public service broadcaster to collaborate more with the private broadcasters for the development of audiovisual media in Switzerland—the SRG SSR also included a list of cooperation models addressed in particular to private broadcasters. These models include the opening up of (a) SRG SSR videos to publishers' online news sites, (b) training courses to media professionals of any Swiss media company, (c) its HbbTV platform to private TV networks; it further proposes (d) the sharing of Formula 1 broadcasting rights, (e) the reduction of its own band to free DAB space to other private operators, (f) the launch of a multilingual "Swiss Channel" on YouTube to give visibility to Swiss media production abroad, and last but not least (g) to offer at a very reduced price the possibility to diffuse up to 24 information bulletins a day on local TV networks (SRG SSR, 2016).

To conclude, we believe that an indirect intervention of the Government in terms of support to start-up initiatives, innovative projects featuring firms and research institutions partnerships as well as to competence development initiatives can not only have a positive impact on the evolution of the Swiss news media landscape, but it is a necessary action to allow a certain degree of diversity and pluralism to be maintained. Furthermore, we recommend that collaboration initiatives within public service and private media companies should be stimulated and enhanced as, in its most open and inclusive form. It is probably the only possibility for a variety of media companies to be sustainable within a small news media industry such as the Swiss one.

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