
Summary and Best Practices

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1 Introduction

The European news media landscape is in transition. As a result of globalization, deregulation, innovations and digitalization, new media sources are developing, and content is becoming more and more mobile. The development of new media have even sped up the blurring of boundaries and the convergence of different traditional media industries into one (Kranenburg & Ziggers, 2013). Most technologies described as “new media” are digital and are often networkable, dense, compressible, and interactive.

Considering the importance of innovations, in general and for the news media industry in particular, the main objective of this book is to promote discussions on how innovation policies are currently supporting innovative activities, the levels at which they are doing so, and how innovation policies can help the news media industry to meet development needs in the future. These innovation policies are structural conditions for media innovations. In general, these policies contain a mixture of regulatory, economic and financial, and soft instruments. These instruments are tools to influence innovation processes and are used to achieve innovation objectives.

Although innovation policies to stimulate innovation in journalism and news media are not new, the policies and the different types of support offered to the news media are changing, particularly in social-democratic countries in Europe. Given the fact that the present innovation policies are relatively new, the effects of these policies on innovative activities are generally still unknown. A comparison of these policies can increase our insight into their efficacy and possibly reveal areas

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of improvement so that the policies can be adapted to become more effective. Therefore,

the objective of this research is to gain knowledge of best practices of innovation policies in European countries to trigger innovation in journalism and news media.

According to its objective, the book explores the importance and the types of media innovation policies formulated and implemented in 16 countries in Europe and include helps to identify and to evaluate how they are stimulating innovation in journalism and news media. Each country analysis presented an overview of the evolution of structure of news media markets and regulations in the recent years, and the formulated and implemented innovation policies to promote innovative activities in journalism and news media. Each chapter concluded with lessons learned and recommendations for the innovation policy for each country.

In this explorative study, we investigated the structure of the news media markets (newspaper, television and radio broadcasting), the regulation policies and the innovation policies in 16 European countries. The emphasis of this book is on a group of Western European countries (Austria, Belgium, France, Germany, Luxembourg, the Netherlands, United Kingdom), a group of Southern European countries (Greece, Italy, Portugal, Spain), and Nordic countries (Denmark, Finland, Norway, Sweden). Switzerland is linguistically connected to Western European group and the Southern European group.

The comparison approach is a well-known approach to learn from the experiences and good innovation policy practices. Although emulating the success stories and practices of various countries is not easy, the evidence shows that the types of innovation policies to trigger innovation do not exclusively depend on economic principles but also on social, cultural, and political principles. An overview of these policies can help us to determine what the best practices are to support innovation in a rapidly changing news media industry.

In most news media markets, it is now recognized that the current changes have to be seen as part of a larger structural change. For instance, many traditional news media companies are trying to combat a massive migration of advertising expenditure to the Internet. For this reason, the printed media need a high-quality Internet and new media presence in order to compensate at least partly for falling advertising and subscription revenues in the print media markets. The news media companies will have to command a multiplatform strategy—accessible to users wherever they are and presenting the contents in such a way that they can be called up with any device (Friedrichsen & Mühl-Benninghaus, 2013). This represents real added-value. Nevertheless, the news media markets are still in the middle of an experimental phase. Companies need to react fast now, but may have to make adjustments to their course at a later date. Hence, media companies, governments, regulators, network operators and investors are facing important decisions now and in the near future. The related uncertainty in the news media markets makes economic and social forecasts for companies, governments, policy makers and investors difficult.

2 Concentration

We continue to see increasing digitalization and media convergence as the main developments in the news media markets in all European countries. The strict separation of different media products and services have started to disappear. Furthermore, firms from other related and unrelated industries and unknown new entrants are coming up with drastic innovations that can (potentially) cause the collapse of demand for traditional news media companies' products. Hence, new techniques, new approaches, new technologies, new competitors are changing the rules of the game. Consequently, all news media markets in all European countries are subject to radical innovations, new requirements and demands, new competitors, and increasing complexity. To deal with these developments and opportunities, media companies have responded to these developments. Their ability to adapt and respond depends on the competitive situation of the firm, the commitment and leadership within the company, and the ability to develop essential capabilities, but also on the institutional environment.

We see a clear trend of consolidation of media firms in all traditional news media markets. These markets have experienced mergers, acquisitions and business partnerships in recent years. Traditional media companies are trying to diversify their revenue structure, spread financial risks but also to increase their opportunities and innovative activities and become increasingly involved in the value chain of other media markets. This has led to a major command of the industry by a small group of diversified media companies. We even see a few large news media companies operating in different European countries. Table 1 presents an overview of the concentration ratio of the three largest companies in the newspaper, television, and radio broadcasting markets in the European countries.

Our findings show a high level of concentration in the traditional news media industry. Most newspapers, TV and radio broadcasting, and cable markets are characterized by a relatively wide variety of different media products and services available to the public; control and ownership of these media is limited to a handful of companies. Most traditional news media markets can be described as oligopolies, with only a small number of media companies controlling the majority of the market either in terms of market share or revenue.

We see a gradual decline in the number of newspapers in all European countries. The newspapers are owned by private (commercial) companies, while we see a dual ownership structure in the TV and radio broadcasting markets. Each country has public and private (commercial) broadcasters. These broadcasters operate on a national and/or regional level. Many commercial broadcasters are part of multinational media companies. We see a difference between the broadcasting markets between countries. For instance, many TV and radio broadcasters operate on the regional level (Länders) in Germany, while in the Netherlands and Belgium the broadcasters mainly operate on the national level. In Germany, the broadcasting market is primarily controlled at the regional level, while in other countries the broadcasting market is more controlled at the national level.

Table 1 Overview of concentration ratios C3 for newspaper publishers, television and Radio broadcasters in 2013^a

Country	Newspaper publishers	Television	Radio broadcasters
Austria	65.5	67.0	73.0
Belgium			
Flanders	100.0	80.1	89.5
Wallonia	100.0	62.8	86.6
Denmark	65.6	80.0	85.0
Finland	49.9	87.1	70.0
France	29.8 ^b	45.9	28.6
Germany	36.6 ^c	38.2	n.a.
Greece	n.a.	50.1	n.a.
Italy	46.4	87.4	45.4
Luxembourg	n.a.	n.a.	n.a.
The Netherlands	83.4	70.5	64.3
Norway	64.8	83.3	98.3
Portugal	90.1	100.0	94.2
Spain	51.7	72.8	63.8
Sweden	54.3	81.0	100.0
Switzerland			
German part	82.0	49.1	65.0 ^d
French part	83.0	57.0	66.0
Italian part	n.a.	52.6	80.0
United Kingdom	69.6	58.3 ^e	73.2

^aSee appendix for the definition of concentration measures

^bThe concentration ratio is only for national daily newspapers

^cSource: http://ejc.net/media_landscapes/germany retrieved on 6th of January 2015

^dThe radio broadcasting market is dominated by the public radio broadcasters in the different linguistic regions

^eThe UK concentration ratios for the television and radio broadcasting are based on C2

Furthermore, these broadcasters need a license. The license is granted by the national or regional government or a media authority. In general, restrictions in granting licenses are still dictated by specific legislation in the countries.

A recent upcoming development in all European countries is digital television and pay TV, although the speed of development differs. For instance, pay TV is still in its infancy in the Netherlands, while the penetration ratio is much higher in Italy.

3 Regulation Policies

For many years, all European countries had different rules to limit cross media ownership and to control concentration and competition. The purpose of the media cross-ownership policy was to protect media diversity and societal access to news and information. However, because many media markets are undergoing rapid

technological and structural changes that are blurring boundaries, specific legislation about cross-ownership and concentration and competition has gradually disappeared and no longer exists in most countries. The removal of cross-ownership constraints creates a more favorable climate for media companies to foster innovative activities and to adjust their organization to deal with the new requirements and needs. As for the prevention of dominant positions of media companies, the general competition law also currently applies to the media markets.

We also see another trend: the existence of internationally diversified media companies. These multinational media companies are owning subsidiaries in different countries. For instance, the Luxembourg-based RTL Group is operating in 28 countries and has a leading position in the European television and broadcasting markets. It owns stakes in television channels and radio stations in i.e. Germany, Belgium, the Netherlands and Spain. Furthermore, a recent development is the internationalization of Portuguese media companies. As a result of several factors, including economic crisis, they are looking for new markets and business opportunities in African Portuguese-speaking countries and Brazil.

Today, the Internet and new media allow new market models and pose challenges to media policy. To manage the partly antagonistic interests and forces in the news media markets, media policy must produce effective regulatory tools. The main tasks of media policy are to balance the various interests involved, create a functioning free and independent public sphere and to ensure viable and sustainable markets.

In the past decades, different intervention policies existed and support was offered to the news media. In general, the form and implementation of these policies and the selected instruments depended on the economic, political and social context of the countries. In general, we can categorize the economic and financial instruments into direct support (e.g. grant and loans) and indirect support (tax reductions or mandatory price increases) and general (applying to the whole market) and specific support (to support a specific media entity). In general, the aim of these policy instruments was to protect media pluralism and diversity.

All countries still agree on the fact that free and independent news media are intrinsic to a democratic society. This intrinsic character applies to traditional forms of press and broadcasting as well as electronic and new media. All countries require a state with a free, comprehensive and an objective news media system, in which no single group predominates and free and independent public discourse can take place. In many cases a legal control for the industry will continue to be necessary, so it is important to keep in mind the balance between competition and regulatory control for news media.

4 Innovation Policies

The role of the government in developing policies that directly or indirectly stimulate innovation has become increasingly important, since the news media markets in all countries are going through a time of great uncertainty and disruption of

business models, and this requires more investment in innovation. However, the changes in the news media industry—which are deep in terms of production, distribution, consumption and commercialization of content—coincide with a global economic recession. The economic and structural crises have weakened the financial position of many media companies and states. Consequently, this development has limited the investment capacity of media companies and government expenditures in the European countries, in particular in the southern European group of countries.

In all countries, the state still controls at least one public TV and radio broadcaster. A state control does not necessarily imply a restriction on innovative activities of the organization. It can be even more innovative than its commercial counterparts. An interesting example is the BBC in the United Kingdom. Significant public involvement accompanied the rollout of digital TV, with the BBC heavily involved in developing technology and systems in cooperation with commercial firms. They also extended this cooperation to the development and provision of catch-up television and other streaming services for PCs, tablets, and smartphones. Furthermore, the BBC received a specific mandate and special funding to develop its online operation, bbc.co.uk, which has grown into one of the most successful news and information sites online.

The intensity of competition for both audience and advertisements in the broadcasting markets has increased substantially in recent years. It is expected that the competition will further increase as a result of digitalization and pay TV. We also see a trend that governments are reducing the budgets of public broadcasters. As a consequence, the activities of these public broadcasters are more focused on restructuring their organizations than on innovative activities in the fast-changing environment.

In the past, many policies and support mechanisms did not have a specific orientation on innovation and were not made on the basis of effectiveness, but rather as a response to changing markets and for social and political reasons. Today, many of the existing policies and support mechanisms are considered to be outdated and less effective in the current news media landscape and have to be reformed or even discontinued. In the last few years, decisions have already been made to formulate and implement particular policies to trigger innovation in all European countries.

Our findings show that the governments in all countries are struggling with the question as to what degree the government can and should aid the news media industry and trigger innovation.

Evidence shows that countries differ in their innovation policies. Table 2 presents an overview of the main innovation policies in the European countries. For instance, media innovation in the United Kingdom is taking place as part of its broader industrial development of innovation and innovation policies. The innovation policies tend to rely heavily on creating an environment that supports innovation and entrepreneurship, promoting commercial research and development, and the production of government-industry innovation networks. In Austria, media innovation is considered as a confined task for media companies, rather than

Table 2 Overview of the main innovation policies

Country	Levels of Government in charge of policies	Type of innovation policy	Remarks
Austria	National	• General innovation policy	• Focus on training and education and in particular on digitalization.
		• News media innovation policy	
Belgium	National and Regional	• General innovation policy	• Focus on the entire media and ICT sector; • Promotion of ecosystem of institutes and funding instruments.
		• Industrial innovation policy	
Denmark	National	• General innovation policy	• Support media innovation and adaptation to the digital era.
		• News media innovation policy	
Finland	National	• General innovation policy	• The support is technologically neutral, although the projects must be implemented in a digital environment; • A temporary support scheme for temporary transition assistance.
		• Industrial innovation policy	
		• News media innovation policy	
France	National	• General innovation policy	• Focus on stimulating debate among media actors and promote editorial, technological, and business innovations
		• News media innovation policy	
Germany	National and Regional	• General innovation policy	• Programs to strengthen the innovation activities of companies and areas; • Specific focus on regional development and infrastructure projects.
		• Industrial innovation policy	

(continued)

Table 2 (continued)

Country	Levels of Government in charge of policies	Type of innovation policy	Remarks
Greece	National	<ul style="list-style-type: none"> • General innovation policy 	
Italy	National	<ul style="list-style-type: none"> • General innovation policy 	
		<ul style="list-style-type: none"> • Industrial innovation policy 	<ul style="list-style-type: none"> • Focus on digital growth and the development of digital infrastructures;
		<ul style="list-style-type: none"> • News media innovation policy 	<ul style="list-style-type: none"> • Specific support for media firms going digital and restructuring their business as well as for new web-based media.
Luxembourg		<ul style="list-style-type: none"> • General innovation policy 	<ul style="list-style-type: none"> • Establishment of Luxinnovation to stimulate research, development, and innovation.
		<ul style="list-style-type: none"> • Industrial innovation policy 	<ul style="list-style-type: none"> • Information and communication (ICT) sector is one of the key industries. Policy is also focused on digitalization
the Netherlands	National	<ul style="list-style-type: none"> • General innovation policy 	
		<ul style="list-style-type: none"> • Industrial innovation policy 	<ul style="list-style-type: none"> • The creative industry is defined as one of the leading industries; • Various instruments to stimulate innovation in the creative industry;
		<ul style="list-style-type: none"> • News media innovation policy 	<ul style="list-style-type: none"> • Focus on traditional news media and new media initiatives; • Specific fund to stimulate innovation in the news media industry.
Norway		<ul style="list-style-type: none"> • General innovation policy 	<ul style="list-style-type: none"> • Focus is on industry neutral instruments.
Portugal	National	<ul style="list-style-type: none"> • General innovation policy 	<ul style="list-style-type: none"> • Media industry does not have economic support programs, unlike other industries; • No explicit and proactive attitude of the state.
Spain	National	<ul style="list-style-type: none"> • General innovation policy 	
		<ul style="list-style-type: none"> • Industrial innovation policy 	<ul style="list-style-type: none"> • Focus more on technologies than content; • Focus more on innovation in the telecommunications sector than in the media.

(continued)

Table 2 (continued)

Country	Levels of Government in charge of policies	Type of innovation policy	Remarks
Sweden		<ul style="list-style-type: none"> • General innovation policy 	<ul style="list-style-type: none"> • Although media policy exists in Sweden, it is not focused on innovation.
Switzerland	National and Regional	<ul style="list-style-type: none"> • General innovation policy 	<ul style="list-style-type: none"> • Focus on incubation and infrastructure facilities; • Less supportive of firms and industries in terms of financial support to new firms in the form of direct subventions, fiscal easing or risk capital enhancement;
		<ul style="list-style-type: none"> • News media innovation policy 	<ul style="list-style-type: none"> • Consider to develop some measures to support the news media.
United Kingdom	National	<ul style="list-style-type: none"> • General innovation policy 	<ul style="list-style-type: none"> • Focus on creating an environment that supports innovation and entrepreneurship, and promoting commercial research and development; • Focus on production of government-industry innovation networks.

a task for the state. The absence of a media innovation policy did not prevent media companies from investing in research and development. However, Greece showed another situation. Due to the absence of a regulatory framework in Greece, the intense competition between media companies did not stimulate innovation in the news media sector. Due to the economic crisis, the Greek government and media companies lack the financial resources to invest in research and development. Media companies in Portugal did also not have direct access to economic support programs, unlike many other industries, which in many cases succeeded, innovated and developed with the help of public support. Although direct media innovation policy did not reflect an explicit and proactive attitude from the state, its presence can be indirectly seen, particularly through research and education.

Also no systematic media innovation policy was designed and implemented in Norway. Although it has only developed a general innovation policy, public funding of innovation projects from the ICT sector are quite common. The traditional news media are significantly underrepresented in the funding schemes. The Belgium government however developed specific policies to stimulate innovation. In addition to the subsidy programs for news publishers and TV broadcasters, the Belgian government, in particular the Flemish government, is attempting to stimulate innovation in the media and ICT sector through an ecosystem of institutes and funding instruments. All funding and innovation policy instruments cover the entire media and ICT sector and no single instrument specifically targets innovation in journalism or news media. However, the innovation policies in Germany have

mainly been focused on regional development and infrastructure projects. These policies were established after the integration of former West and East Germany in the late 1980s. Recently, a share of funds has also been allocated to promote innovation. In addition to the Federal government policy, all *Länders* are also offering programs to strengthen the innovation activities of companies and areas. In general, these programs do not have a specific media orientation. Hence, the objectives were well-defined in Germany in the past. However, the objectives for the new policy are less clear. For many years, the news media industry in Italy faced an environment that hampered rather than stimulated innovation. Recently, a revision of the public subvention policy has been initiated. Even if it is more the result of a general public spending review, the direction has changed channeling public contributions towards specific support actions for media firms going digital and restructuring their business as well as for new web-based media. Italy also adopted the Italian Digital Agenda, which follows the European directives with regard to digital growth and the development of digital infrastructure. Also Luxembourg stimulates the development of the ICT industry. In Luxembourg, the ICT industry is defined as one of the key industries for the economic sustainability of the country. The government of Luxembourg stimulates research, development and innovation activities and implements strategic initiatives to promote the diversification of the economy, to increase the competitiveness of its businesses and to create a knowledge-based society. To achieve its aim, it has developed specific innovation policies.

The Spanish government policies favor more innovation in the telecommunications sector than in the media. Public support and policies have been oriented more toward technologies than content. Furthermore, a confusing web of public initiatives and institutions make the promotion of innovation and entrepreneurship less dynamic and efficient for the news media industry. Another interesting country is Switzerland. It has a small open economy with outstanding strengths in innovation. It offers excellent incubation and infrastructure facilities as well as educational support. However, it is less supportive of firms and industries in terms of financial support to new firms in the form of direct subventions, fiscal easing or risk capital enhancement. Politicians are quite active in trying to change the situation. Some measures have already been taken for the news media industry. Recently, a commission suggested several measures to support the journalism sector in particular. Finland is already in the process of transforming its innovation policy. Recently, the Finnish government introduced a temporary support scheme for temporary transition assistance. The support is technologically neutral, although the project must be implemented in a digital environment. In the last decade, the Netherlands has adopted instruments with a more flexible temporary support focus. The support no longer only focuses on traditional news media but also includes new media development initiatives. In particular, the government continues to support public broadcasting although it is implementing severe budget cuts. In the last decade, the government decided that the creative industry, including the news media industry, should be or become one of the leading industries for the Dutch economy and society. Actually, the ultimate objective is that the Dutch creative industry should

become one of the leading industries in the world. Hence, the formulation of the innovation policy for the creative industry includes ultimate objectives. The innovation policy contains a mixture of instruments from regulatory, financial and economic and soft instruments. In general, the financial and economic instruments have a temporary character. Consequently, the actual availability of funding, and the temporary character of the funding may put the overall effectiveness of the support into question. Furthermore, although the government defined the ultimate objectives for the creative industry, the ultimate objectives for the news media industry and the translation into direct innovation objectives are not well-defined. However, the Netherlands has established a fund for journalism to stimulate innovation in the news media industry. This fund not only focuses on supporting innovative activities of news media, in particular activities of smaller firms and start-ups, but also on giving advice and organising workshops and events that aim to inspire people and bring different experts together. For many years, the French state has developed media innovation policies. These policies include among others financial support for innovative and modernization projects. Despite these policies, the sector shows still a low level of innovation. Due to the lack of innovation spirit and initiatives in the news media landscape in France, the government decided to develop and implement new policy instruments for the news media sector. It established various new funds and programs. The aim was to stimulate a debate about innovation among all actors related to the media sector and to finance innovative activities. Although the Swedish media can also be characterized by an institutionalized regime of self-regulation and a substantial degree of state intervention in the structure and organization of the media, media innovation policy measures are not really defined and implemented. Recently, the government is developing a policy to stimulate innovation in the news media industry. Denmark is another Scandinavian country with an institutionalized regime of self-regulation. Although many news media companies in Denmark are private, public subsidies play an important role in their financing. Due to the changes in the media landscape, the Danish government launched a new legislation that supports media innovation and adaptation to the digital era in, especially, the written media more actively in 2014. This legislation includes a number of new measures to stimulate digitalization and to support media innovations.

5 Concluding Remarks

This book has shown that there are no one-size-fits-all solutions. Our findings are in line with the findings of other studies, for instance, Borrás and Edquist (2013) and Plessing (2014). Policies are formulated and implemented at different levels of government and public organizations. The division of powers across different levels of government and public organizations influences the extent to which the levels are in charge of specific policy instruments. The development and implementation of innovation policies depend on political will, commitment, conditions and on the entrepreneurial attitude of companies. Another interesting finding is that many

innovation policy instruments are largely based on a continuation of previous schemes, or on lobby activity of specific interest groups, rather than on the well-defined ultimate objective or a critical assessment of the actual problems that need action. For instance, the innovation policies are mainly based on supply-side instruments. It would be interesting to explore the possibility to design and implement instruments by which a government or public organization place an order for a product or system that does not exist. The demand-side innovation policy instruments can be used to stimulate innovation. Examples of demand-side innovation policy instruments are public procurement, consumer policies and 'lead market' initiatives to address market and system failures in areas in which social needs are pressing (OECD, 2011). All European countries have recently started to rethink and transform their policies and support systems. Adapted or new innovation policy instruments and practices have just been implemented or are still in the design phase. At this moment, it is therefore too early to recognize the best policy instruments and practices to promote innovation.

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