



CHAPTER

## 5 Media Ownership and Concentration in France

Patrick-Yves Badillo, Dominique Bourgeois, Jean-Baptiste Lesourd, Eli Noam, Paul Mutter

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### Abstract

This chapter turns to media ownership and concentration in France. Once it has given an overview of the French media landscape, the main body of the chapter considers print media (newspapers, book publishing, magazine publishing), audiovisual media (radio, broadcast television, cable providers, satellite TV, video channels, film), telecommunications media (wireline and wireless telecom), and Internet media (Internet Service Providers, search engines, online news market). Scale effects favor large groups, like Lagardère, Vivendi, and France Telecom/Orange. Successful newcomers and challengers are Altice and Iliad. There have been major consolidations. Scope effects are also among the drivers of concentration, leading to a penetration of telecom and Internet sectors into the media industry. Newspaper publishing and television are also concentrated.

**Keywords:** French media market, Orange, audiovisual media, telecommunications, Internet, Lagardere, Viveni, France Telecom, Bouygues, Numericable, France Televisions French media market, Orange, audiovisual media, telecommunications, Internet, Lagardere, Viveni, France Telecom, Bouygues, Numericable, France Televisions

**Subject:** Economic Sociology, Social Research and Statistics

## Introduction

This chapter discusses three key issues regarding media ownership and concentration in France. The first issue is the impact of regulation and privatization in the French media market. In France, traditional media such as the national daily press have been heavily regulated since 1945. D'Armagnac (2005) discusses how this arrangement came to be following World War II:

[Liberation] gave rise to a number of newspapers which were founded by individuals or families, under a social agreement with the union of press workers—the syndicat du livre (CGT)—on printing and distribution activities, under the control of the French state. This system had for a long time remained at a standstill in its after-war configuration. But the general picture of the French press is now on the move and it has not reached its final shape.<sup>1</sup>

The agreement with the press workers' union, which affected most national dailies, resulted in a closed-shop arrangement, so printing these dailies became rather expensive over the years. The high costs have also resulted from distribution logistics, which under a 1947 law are carried out by one company, Presstalis (formerly the NMPP). Until 2011, it was controlled by press publishing groups and the Lagardère Group (through its subsidiary Hachette S.A.). In 2011, Lagardère withdrew, and two cooperative firms representing magazines (75% stake) ↵ and daily newspapers (25% stake) gained ownership of Presstalis, which like all print distributors is facing growing financial difficulties in the 21st century. In contrast, other sectors of French media have been deregulated and their overall financial situation is much better than that of most newspapers.

Privatization in audiovisual media began in the 1980s in France. In 1981 the public sector monopoly in radio ended. Then the broadcasting sector was opened up to commercial operators; previously, there were just a few private radio channels and some TV channels operated by French commercial broadcasters, who transmitted from neighboring countries (specifically, Luxembourg, Germany, Monaco, and Andorra). In the television sector Canal Plus was launched in 1984, and by 1987 the privatization of the state-owned television network TF1 was completed. A further step toward deregulation was the liberalization of the telecom industry that was carried out gradually between 1986 and 1998.

A second key issue for French media is technology: liberalization of the audiovisual and telecom sectors took place just as rapid technological advances were happening in the information and communications technology (ICT) field worldwide. Technological advances, especially in digital technology, have been fundamental for the growth in the telecom and Internet industries. Most French newspapers, as well as most audiovisual media, now have online editions. Some of them have already registered large audience shares; for example, in January 2012, *Le Monde's* web portal (*lemonde.fr*) counted 231,000 unique visitors per day and over 21 million unique page views per month.<sup>2</sup> There are now several expanding online titles, including *Rue 89* and *Mediapart*, and the French-language version of AOL's (US) *The Huffington Post*. The present trend among French newspapers and magazines is to publish mostly free online editions, while charging for some specific content.

A third key issue is that of globalization.<sup>3</sup> Before the start of today's globalization wave in the 1980s, the presence of international media groups in France was limited, with the exception of the film industry because Hollywood majors from the United States have had a strong presence in France since the early 1920s. But now, in other media sectors, international media companies have come to hold significant market shares. Conversely, some large French media and communications companies like the Lagardère Group, Vivendi, and France Telecom have developed their own worldwide media activities.

## Print Media

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### Newspapers

The *Belle Époque*, the period that lasted from the late 19th century to the end of World War I, was a golden age for the French press.<sup>4</sup> But after World War I (1914–1918), national readership fell into decline, a trend that continues to this day: in 1914, there were 322 dailies in France; this had fallen to 179 by 1945, at the end of World War II. By 2011, France counted 66 dailies. The number of *national* dailies stood at 26 in 1945 but by 2011 had fallen to 11. Circulation has also decreased dramatically: in 1914, one of leading national dailies, *Le Petit Parisien*, had a daily circulation of about 3 million copies, while in 1946, even as the country was recovering from World War II, there were 28 national dailies that had a total circulation of about six million copies. In comparison, the two main national dailies publishing today, *Le Monde* and *Le Figaro*, have a combined daily circulation of ↵ approximately 600,000 copies. The total newspaper market revenues (sales and publicity) stood at US\$1.228 billion (1.056 billion euros) in 2008.<sup>5</sup> Our analysis of the French national daily press is based on average daily circulation. We restricted ourselves to the daily national press, with 12 titles, leaving out the 44 regional titles (Table 5.1).<sup>6</sup>

**Table 5-1.** Daily Newspapers (Market Shares by Circulation), 1997–2011

Groups/Titles	1997	2004	2006	2008	2010	2011
Amaury Group (total)	31.5	38.8	39.6	39.4	37.9	37.8
<i>Aujourd' hui —Le Parisien</i>	17.3	22.4	23.2	24.3	22.7	23.2
<i>L'Equipe</i>	14.2	16.4	16.4	15.0	15.2	14.6
Socpresse Group (total)	32.8	18.7	15.2	15.6	16.0	16.4
<i>Paris-Turf</i> <sup>1</sup>	13.0	3.5				
<i>France-Soir</i> <sup>2</sup>	6.2					
<i>Le Figaro</i>	13.6	15.3	15.2	15.6	16.0	16.4
Paris Turf	Socpresse	Socpresse	3.6	3.5	3.0	2.9
France-Soir <sup>3</sup>	Socpresse	2.8	1.2	1.1	3.7	3.7
<i>Le Monde</i> (La Vie-Le Monde Group)	14.3	16.6	15.9	15.8	15.4	15.0
<i>La Croix</i> (Bayard Presse)	3.5	4.3	4.6	4.8	5.1	4.8
<i>Les Echos</i> (LVMH Group)	4.9	5.3	6.2	6.4	5.8	6.1
<i>La Tribune</i> <sup>4</sup>	3.3	3.6	4.1	3.8	3.8	3.8
<i>Libération</i>	6.3	6.5	6.1	6.1	5.7	6.1
<i>L'Humanité</i>	2.2	2.2	2.5	2.4	2.5	2.5
<i>International Herald Tribune</i> (New York Times Group, US)	1.2	1.1	1.1	1.1	1.0	0.9
Total Circulation (1,000)	2,739	2,236	2,233	2,155	2,070	1,956
Total Revenue (mil euros)				1,056		
Total Revenue (mil US\$)				1,228		
C4	84.9	80.7	76.8	77.2	75.1	75.3
HHI	2,366	2,246	2,187	2,181	2,066	2,064
<i>N</i> (>1%)	9	10	11	11	11	9
Noam Index	789	710	660	658	623	688

Source: Our calculations based on data from OJD. <<http://www.ojd.com>> (3.22.2013 and past years); DGMIC (French Ministry of Culture). <<http://www.culturecommunication.gouv.fr/>> for total revenue; see also Badillo and Lesourd (2010).

1 Sold off by the Socpresse Group in 2005.

2 Sold off by the Socpresse Group in 1999.

3 *France-Soir* ceased publication as a national print daily in 2012.

4 *La Tribune* ceased publication as a national print daily in 2012. It was owned by the French investors Alain Weill (20%) and Valérie Decamp (80%) up until then.

The HHI calculation decreased slightly between 1997 and 2011, falling from 2,366 in 1997 to 2,064 in 2011. This is still a rather strong concentration. These figures should be seen in the context of the ongoing financial problems French newspapers face. Ownership has not changed significantly—aside from Socpresse’s sale of *France-Soir* and *Paris-Turf* in 1999 and 2005, respectively, but the circulation of several titles markedly decreased over the 1997–2008 period, leading to the sale of some of them. For instance, circulation for *France-Soir* fell from 170,499 in 1997 to 71,290 in 2011, and from 355,017 in 1997 to 55,846 in 2011 for *Paris-Turf*. The circulation of *Libération* also declined, from 173,090 in 1997 to 119,205 in 2011. Both *France-Soir* and *La Tribune* ceased publication in 2012 as national print dailies, essentially because they were unprofitable as hardcopy.

## Book Publishing

Concentration indices for book publishing in France since 2005 indicate that the sector is concentrated; the total market shares of the four largest companies remained close to 62% between 2005 and 2011. While for many years the sector consisted of national publishers that were either small or medium-sized enterprises, book publishing is now becoming consolidated into larger publishing houses that have a bigger international presence. Since 2004, Hachette Livre, a branch of the Lagardère Group, has dominated the sector. Hachette Livre is by far the largest French publisher by volume of sales. It is followed by Editis, a fully owned subsidiary of Planeta, the largest book publisher in Spain (Table 5.2).

**Table 5-2.** Book Publishing (Market Shares by Revenue), 2005–2011

	2005	2009	2011
Lagardère Group (Hachette Livre, France)	32.02	38.23	36.66
Planeta (Editis, Spain)	15.56	12.63	12.70
Lefebvre Sarrut (Editions Lefèvre-Sarrut)	4.26	5.28	6.46
Bertelsmann (France Loisirs, Germany)	7.55	6.22	6.30
Média Participations (Montagne Family)	5.82	5.37	6.12
RCS Media Group (Flammarion Group, Italy)	4.26	4.42	4.98
Reed-Elsevier France (UK, Netherlands)	4.28	4.76	4.66
La Martinière Group (La Martinière Family)	4.82	4.37	4.64
Gallimard Group (Gallimard Family)	4.77	4.09	4.55
Panini France (Panini, Italy)	3.47	3.99	3.56
De Agostini Group (Editions Atlas, Italy)	7.32	2.94	3.14
Wolters Kluwer (Netherlands)	2.78	3.13	3.05
Groupe Albin Michel	2.91	2.76	1.29
Actes Sud (Nyssen Family, France)	0.49	1.03	1.04
Eyrolles (Eyrolles, France)	0.69	0.77	0.83
Total Revenue (mil euros)	5,328	5,945	5,558
Total Revenue (mil US\$)	6,557	8,564	7,192
C4	61.4	62.5	62.1
HHI	1,511	2,002	1,748
<i>N</i> (>1%)	14	15	15
Noam Index	404	475	451

Source: Our calculations based on data from <<http://www.francelivre.org/Ressources/Le-livre-en-France/Chiffres-cles>>.

Book publishers in France fall into several categories. First, there are the large international groups. These include Hachette Livre, valued at US\$3.2 billion (2.3 billion euros) in 2011, with a market share of 36.66%. International majors like Planeta (Spain) and Bertelsmann (Germany) compose a second category. Finally, there are a few smaller independent groups from France or Italy that are often family owned.

For the largest publishers, we calculated concentration indices in 2005, 2009, and 2011. The results indicate moderate concentration, which has persisted over that period.

## Magazine Publishing

While newspapers are facing financial problems and declining readership, other print products are steadily growing. This is particularly the case for magazines. There were 754 titles in 1985, increasing to 2,019 in 2010. Trade publications and academic journals constitute a fast-growing magazine market segment, with the number of titles increasing from 1,109 to 1,364 during the same period.

The French magazine industry is highly heterogeneous, and comparable data such as sales or turnover were unavailable; furthermore, there are a number of companies involved in several media, and not only in magazines, thus making it difficult to estimate revenues in magazines only. The figures given in Table 5.3 are, in most cases, only rough estimates. Therefore, concentration indicators calculated from these data are also likely to be only orders of magnitude.

**Table 5-4.** Radio Groups (Market Shares by Audience %), 2001–2011

<b>Years</b>	<b>2001</b>	<b>2005</b>	<b>2007</b>	<b>2009</b>	<b>2011</b>
Radio France (public)	21.7	20.6	20.2	21.6	21.9
<i>France Inter</i>	10.0	8.8	8.7	9.6	10.0
<i>France Bleu</i>	5.4	5.4	5.5	6.3	6.2
<i>France Info</i>	5.4	4.1	4.0	3.7	3.7
<i>France Culture</i>		0.8	1.0	1.1	1.1
<i>France Musique</i>	0.9	0.9	1.0	0.9	0.9
RTL Group (Bertelsmann, Germany)	20.0	18.1	19.5	19.2	19.2
<i>RTL</i>	13.3	11.5	13.1	12.4	11.9
<i>Fun Radio</i>	3.8	2.8	3.5	4.1	3.9
<i>RTL 2</i>	2.9	3.8	2.9	2.7	2.7
NRJ Group	22.0	18.4	16.9	15.3	14.3
<i>NRJ</i>	7.0	7.0	6.6	5.3	6.3
<i>Nostalgie</i>	6.2	5.7	5.6	5.0	4.1
<i>Chérie FM</i>	5.2	4.2	3.4	3.2	2.3
<i>Rire et chansons</i>	3.6	1.5	1.3	1.8	1.6
Lagardère Active	14.8	14.7	13.7	14.4	12.5
<i>Europe 1</i>	8.6	8.0	7.5	8.6	7.6
<i>RFM</i>	2.5	3.7	3.3	2.8	2.8
<i>Europe 2/Virgin Radio</i>	3.7	3.0	2.9	3.0	2.1
<i>Orbus</i>	4.5	3.9	4.1	4.5	4.3
<i>Skyrock</i>	4.5	3.9	4.1	4.5	4.3
Next Radio TV	1.7	3.7	4.9	5.3	6.6
<i>RMC</i>	1.7	3.7	4.9	5.3	6.6
Groupe Les Echos	1.0	1.1	1.2	1.6	1.8
<i>Radio Classique</i>	1.0	1.1	1.2	1.6	1.8
Espace Group	1.3	1.3	1.3	0.8	1.5
<i>MFM</i>	1.3	1.3	1.3	0.8	1.5
Others (Community and local radios . . .)	13.0	18.2	19.0	17.3	17.9

Total Publicity Revenues (million €)	NA	3,140	3,310	3,682	4,152
Total Publicity Revenue (million US\$)	NA	3,704	4,873	5,304	5,352
C4	78.5	71.8	68.9	70.5	67.9
HHI	1,600	1,338	1,260	1,328	1,277
<i>N</i> (>1%)	7	8	8	7	8
Noam Index	605	473	445	502	451

Source: <<http://www.mediametrie.fr/radio/>>.

p. 85 The Lagardère Group is the largest magazine publisher in France, with sales in magazines estimated at US\$2.42 billion (1.8 billion euros) in 2011. Most French press groups are much smaller than their US and EU counterparts. With a global turnover of US\$10.7 billion (7.7 billion euros) in 2011, Lagardère is the only French multimedia group with international subsidiaries. The global turnover of La Vie–Le Monde Group, another French publishing house involved in magazines, stood at just US\$863 million (366 million euros) in 2011. The corresponding figures for Pearson (UK) and Bertelsmann (Germany) for 2011 were US\$9 billion (6.5 billion euros) and US\$21.3 billion (15.3 billion euros), respectively. We can classify the ownership of firms in Table 5.3 into main categories G, F, I, and R:

- G: We find some firms that belong to a large national or international company, which are often publicly traded international groups with activities in the media industry and in other industries as well (the *Grand* category).
- F-I: We find other smaller firms, often private, that are family-owned companies (the *Family* category) or that are private companies owned by independent investors such as not-for-profit foundations and religious organizations (the *Independent* category); for instance, Bayard Presse, which is owned by a religious organization. These two types would be difficult to take over, at least as long as they remain profitable.
- R: We can also distinguish a group whose members had previously been under independent ownership but, after experiencing significant financial difficulties, are classified as “recovering” (the *Recovering* category).

**Table 5-3.** Magazine Publishing (Market Shares by Revenue), 2004–2011

	2004	2011	Classification
Lagardère Group ( <i>Paris-Match, Elle</i> )	35.90	38.61	G
Roularta France (Belgium) ( <i>L'Express, L'Expansion</i> )	14.76	15.38	G
Prisma (Bertelsmann, Germany) ( <i>Capital, Management, Femme Actuelle, Prima, GEO, Télé Loisirs, Télé 2 Semaines</i> )	11.34	10.56	G
Mondadori France (Berlusconi Family, Italy) ( <i>Télé poche, Télé star, Auto plus, Auto journal</i> )	8.49	8.19	G
Bayard Presse (Assumptionists) ( <i>Côté Femme, Notre Temps, Pomme d'Api, Okapi</i> )	8.41	8.01	I
La Vie-Le Monde (Pierre Bergé, Xavier Niel, Mathieu Pigasse) ( <i>La Vie-Le Monde Diplomatique</i> )	12.63	7.46	R
Marie Claire (Prouvost Family) ( <i>Marie Claire</i> )	2.91	5.03	F
Le Nouvel Observateur ( <i>Le Nouvel Observateur, Challenges</i> )	2.91	3.18	F
Le Point-Artemis (Pinault) ( <i>Le Point</i> )	1.20	1.75	G
Bauer Editions (Bauer Group, Germany)	1.17	1.27	F
Valmonde (Sud Communication—Pierre Fabre) ( <i>Valeurs Actuelles</i> )	0.27	0.25	G
Total Revenue (mil euros)	5,148	4,713	
Total Revenue (mil US\$)			
C4	74.6	72.7	
HHI	1,957	2,070	
<i>N</i> (>1%)	9	9	
Noam Index	652	690	

Source: Our calculations based on data from OJD. <<http://www.ojd.com>> (3.22.2013 and past years); see also Badillo and Lesourd, op. cit.

## Audiovisual Media

### Radio

Radio and TV broadcasting in France were state monopolies between 1945 and 1982. The state company RTF—Radiodiffusion-Télévision de France, later the Office de Radiodiffusion-Télévision de France (ORTF)—operated public service radio and TV channels. However, with respect to both radio and broadcast TV, the public monopoly existed only in principle. Four national commercial radio broadcasters did exist before 1982, despite the public monopoly, operating from nearby extraterritorial jurisdictions. These were *Radio-Luxembourg*, owned by Radio-Télé Luxembourg (RTL) in Luxembourg; *Europe 1*, which broadcast from Germany and is now owned by the Lagardère Group; *Radio Monte-Carlo* (RMC), which broadcast out of the Principality of Monaco; and *Radio-Andorre* in Andorra. Such competition did not exist in the national television market. Additional commercial radio broadcasters soon appeared after the sector was privatized, including many local and community radio stations.

Radio France (public) is the leading player in the market. Broadcasting *France Inter*, *France Info*, *France Bleu*, *France Musique*, and *France Culture*, its 2008 total revenue stood at US\$848 million (577 million euros). Next comes the RTL Group of Bertelsmann AG (Germany), which has a 91.6% stake in *RTL*, *Fun Radio*, and *RTL2*. The *NRJ Group*, in which the French businessman Jean-Paul Baudecroux has an 84.9% stake, owns *Chérie FM*, *Nostalgie*, *NRJ*, and *Rire et chansons*. Lagardère Active—which is run by a consortium of Lagardère Capital et Management (14%), French private investors (17.5%), foreign investors (56.3%), and other miscellaneous investors—owns *Europe 1*, *RFM*, and *Virgin Radio*. *Next Radio TV* (RMC) is owned by Alain Blane Brude (4.4%), WMC-Alain Weill (a 36.3% stake in which Alain Weill retains 49.8% of voting rights), staff (2%), self-detention of shares (0.6%), and outstanding investors (56.7%).



Four of these groups are still the pre-1982 historical radio groups that operated outside of France; Radio France now represents only 22.1% of the national audience share, and the NRJ Group, which only began broadcasting in 1981, is now a major player.

The concentration indices for radio are calculated on the basis of the total audience by group, based on audiences of the 19 largest radio channels (data are not available for smaller channels, which means the data slightly underestimate total audiences for some groups, such as Radio France, whose data do not include figures for its *Le Mouv'* music channel), based on the listeners average for the November–December period each year. Concentration is rather low and has been stable from 2005 to 2011 (Table 5.4).

p. 86 **Broadcast Television**

The French TV market changed dramatically in the 1980s, with the entry of six broadcast TV channels, including four private channels, due to the privatization of the sector. Though France Télévisions remains the dominant player in this market, it has lost market shares to these new commercial broadcasters. Terrestrial broadcasting is now competing with new distribution technologies such as cable TV (since 1982), satellite TV (since the 1980s), and, from 2000 on, digital terrestrial television (DTT). C4 is almost always equal to 100%, since there have only been four broadcasters present in the sector since 1992, including the state-owned, public-service channels (there were five prior to 1992). HHI is comparatively high and has remained almost constant since 1995 (Table 5.5).

**Table 5-5.** TV Broadcasting (Market Shares by Audience %), 1995–2011

Groups/Channels	1995	2000	2005	2007	2009	2011
France Télévisions (public)	43.9	42.3	39.4	37.3	33.3	29.4
<i>France 2</i>	23.8	22.1	19.8	18.1	16.7	14.9
<i>France 3</i>	17.6	16.8	14.7	14.1	11.8	9.7
<i>France 5</i>	1.3	1.8	3.1	3.3	3.1	3.3
<i>Arte</i>	1.2	1.6	1.8	1.8	1.7	1.5
Bouygues Group (TF1)	37.3	33.4	32.3	30.7	26.1	23.7
Bertelsmann (Germany, M6 Group)	11.5	12.7	12.6	11.5	10.8	10.8
Vivendi	4.4	4.1	3.6	3.4	1.7	3.3
Others <sup>1</sup>	2.9	7.5	12.1	17.1	28.1	32.8
Revenues <sup>2</sup>	No data	2,865	3,094	3,257	2,571	2,762
Revenues <sup>3</sup>	No data	2,665	3,650	4,795	3,705	3,574
C4	100.0	100.0	100.0	100.0	100.0	100.0
HHI	3,680	3,603	3,581	3,605	3,694	3,440
<i>N</i> (Broadcasting)	4	4	4	4	4	4
Noam Index	1,840	1,802	1,790	1,802.5	1,847	1,720

Source: <<http://www.mediametrie.fr/television>> and <<http://www.cnc.fr/web/fr/publications>>.

1 Others include TV channels other than broadcasting channels (cable TV, DTT . . .).

2 Advertisement revenues, exclusive of other revenues (pay-TV . . .), unit: million €.

3 Advertisement revenues, exclusive of other revenues (pay-TV . . .), unit: million US \$.

Concentration, however, becomes quite different if we also take into account other television platforms.

## Cable Providers

The first cable networks developed in the 1970s. In 1982 the Plan Câble<sup>7</sup> was launched, with the goal of ensuring the spread of cable. In the first stage, a regulatory ceiling on cable operators to serve no more than 8 million homes led to a multiplicity of operators. Initially, four companies provided service: TDF Cable, which operated since the 1970s, was renamed France Telecom Cable; Lyonnaise Communications; the water utility Générale des Eaux (Compagnie Générale de Vidéocommunication); and CDC (Caisse des Dépôts et Consignations). In 1993, CDC withdrew from cable and sold its networks to France Telecom Cable.

By the end of 1995 there were four main operators:

- France Telecom Cable
- NC Numericable (previously Compagnie Générale de Vidéocommunication) part of Vivendi, and its Canal +
- UPC France, created in 1995, was a subsidiary of United Pan-Europe Communication, a European branch of the American cable and satellite firm, Liberty Media Group
- Lyonnaise Cable became Noos in 2000, and bought networks from France Telecom Cable

p. 88 In a second stage, new rules were set in 2003, making concentration in the sector possible.

- In 2004, Cinven (a British company that also owns parts of Eutelsat and Amadeus), together with Altice, a Luxembourg-registered cable operator, created the holding company Ypso and bought the cable operations of France Telecom and of NC Numericable.
- UPC Broadband France (Liberty) acquired Noos in 2004.
- In 2006, Liberty Global sold UPC Broadband France, the leader in French cable, for US\$1.51 billion to Ypso.
- By 2007/8 Numericable-Completel dominated the entire French cable sector: it included all previous networks—France Telecom Cable, NC Numericable, TDF Câble, UPC, and Noos.

In 2014, Altice bought out Carlyle and Cinven's share in Numericable, raising its stake to a controlling 74.6%. Altice is controlled by Patrick Drahi, son of Moroccan immigrants, and also owns cable operators in Belgium, Israel, and Portugal. In 2014, Altice also acquired telecom operator SFR from Vivendi, subject to approval. In 2009, the turnover of Numericable-Completel was 1.3 billion euros (\$1.87 billion). It served 9.4 million households in France (99.6% of cable homes in France), 3.5 million television subscriptions, 1.1 million Internet subscriptions, and 862,000 fixed telephony subscriptions (Table 5.6).

**Table 5-6.** Cable TV Operators (Market Shares by Subscribers), 1998–2012

Cable %	Years				
	1998	2000	2004	2008	2012
<b>Companies (groups)</b>					
Altice/Numericable <sup>1</sup>	26.0	21.5	23.3	~100	~100
Noos (Lyonnaise)	29.6	31.7	48.0	Numericable-Completel	
France Telecom Cable (France Telecom, about 27% owned by French State, directly or indirectly)	37.7	25.9	24.3	Numericable-Completel	
UPC France (Liberty, USA)	0.8	11.3	4.4	Numericable-Completel	
Est Vidéocommunication	0.0	4.2	Numericable-Completel		
Others	5.9	5.5	0.3		
Total Revenue (million €)*	416	634	800 E	896	874
Total Revenue (million US\$)	487	586	995	1,318	1,124
HHI	3,009	2,311	3,454	10,000	10,000
Noam	1,229	943	1,410	10,000	10,000

\* Source: ART, ARCEP, and CSA (E estimation based on various documents); data to be interpreted with caution.

1 Numericable was controlled by the consortium Ypso, owned by Cinven, UK 35%, Carlyle, USA 35%, and Altice, headquartered in Luxembourg 30%. In 2014, Altice acquired the interests of its partners.

## Satellite TV

French satellite TV became a monopolistic market dominated by Vivendi's Canalsat. There were two operators in the satellite TV industry until 2006: TPS and Canal Satellite (Canalsat), a subsidiary of Canal Plus (Vivendi). TPS was launched in 1996. Initially, the owners were the well-established TV and telecom groups TF1, M6, France Telecom, France Television, CLT, and Lyonnaise des Eaux. By 2002, TPS was owned by the two TV networks TF1 (66%) and M6 (34%). In 2006 the French Minister of Economy, Finance, and Industry approved the acquisition of TPS and Canalsat by Vivendi's Canal+ group.

p. 89 A "new" Canalsat was thus created. It was owned by Canal+ France, which was itself owned by the Canal+ Group (65%), Lagardère (20%), TF1 (9.9%), and M6 (5.1%). In 2009, TF1 sold its stake to Canal+ Group, and in 2010 and 2014, M6 and Lagardere did the same. Canal+ Group is a subsidiary of Vivendi and is the leading provider of pay TV in France in 2012. The Autorité de la Concurrence cleared the merger of TPS and Group Canal Plus pay TV services subject to compliance with 33 injunctions. This decision was confirmed by the Conseil d'Etat.

There are two competing satellite platforms: Bis, launched by the AB group in 2007, and Orange, operated by France Telecom (service only available to subscribers whose telephone lines do not permit TV reception via ADSL); but these platforms have achieved only a tiny market share (Tables 5.7 and 5.8).

**Table 5-7.** DBS TV (Market Shares by Subscribers), 1996–2011

	1996	1998	2000	2004	2008	2011
Vivendi (Canalsat)	100	63	61	64	100	100
TPS		35	38	36		
Total Revenue (mil euros)		524*	986*	1,400 E	1,600 E	1,750 E
Total Revenue (mil US\$)		614	912	1,741	2,354	2,250
HHI	10,000	5,194	5,165	5,392	10,000	10,000

\* Source: ART report; E: authors' estimation based on various documents (to be interpreted with caution).

**Table 5-8.** Multichannel TV Platforms: Cable and DBS TV Providers, 1998–2011

	1998	2000	2011
Altice/Numericable-Completel	12	8	34
Noos (Lyonnaise)	13	12	Numericable
France Telecom Cable (France Telecom)	17	10	Numericable
UPC France (Liberty Global, US)		4	Numericable
Est Vidéocommunication		2	Numericable
Vivendi (Canalsat)	36	37	61
TPS	20	23	Vivendi
Others	3	3	5
Total Revenue (mil euros)	940	1,620	2,624
Total Revenue (mil US\$)	1,101	1,498	3,374
C4	85	82	100
HHI	2,255	2,272	4,884
<i>N</i> (>1%)	4	6	2
Noam Index	1,128	928	3,454

Source: Aggregation of Tables 5.6 and 5.7.

## Digital Terrestrial Television

In 2010, TF1 bought TMC and NT1, and in 2011, Direct8 and Direct Star were sold by the Bolloré Group to Vivendi's Canal+ Group (Table 5.9).

**Table 5-9.** Digital Video Channels (Market Shares by Audience), 2007–2011<sup>1</sup>

	2007	2008	2009	2010	2011
Free Broadcast TV Channels	82.9	77.0	73.3	69.6	67.0
Vivendi (Canal +)	3.3	3.3	3.3	3.3	3.3
Bolloré Group	0.6	1.2	2.1	3.0	3.5 <sup>1</sup>
Direct 8	0.2	0.7	1.4	2.0	2.3
Direct Star	0.4	0.5	0.7	1.0	1.2
Bertelsmann (W9)	0.9	1.8	2.5	3.0	3.4
Bouygues (TF1)	1.8	3.1		4.9	
TMC	1.2	2.1	2.6	3.3	3.5
NT1	0.6	1.0	1.4	1.6	1.9
NRJ (NRJ12)	0.4	1.0	1.5	1.9	2.3
France Télévisions (France 4)	0.4	0.9	1.1	1.6	2.0
BFMTV (Next Radio TV)	0.2	0.4	0.7	0.9	1.4
i>télé	0.3	0.3	0.5	0.7	0.8
Gulli (Lagardere)	0.8	1.5	1.8	2.2	2.1
Others	8.4	9.5	9.2	8.9	8.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Our calculations based on data from the CSA (*Guide des chaînes thématiques*): <http://www.csa.fr>

1 Vivendi acquired Bolloré's channels in 2012.

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## p. 90 Film

France has historically been the home of major international film production and distribution companies. Pathé Brothers, founded in 1896, soon became a world leader in movie production and distribution. Gaumont et Cie, founded by Léon Gaumont in 1895, also became a global provider. Hollywood majors, however, quickly came to dominate the market in the 1920s: 20th Century Fox, Paramount, Metro-Goldwyn Mayer, RKO, Warner Brothers, Columbia, Universal, and then Disney. Union Générale Cinématographique (UGC), founded in 1970, is a comparatively recent actor in the French film industry. In 2011, the French film sector was dominated by ten large companies, including three French companies: Gaumont, Pathé Brothers, and UGC (Vivendi, Pathé, and Studiocanal, respectively). The Société Nouvelle de Distribution (SND), a subsidiary of the M6 television company founded in 1987, is another French major active today in film distribution. The other majors are mostly subsidiaries of Hollywood giants, and Gaumont has various partnerships. There are also a number of smaller independent French and pan-European film production and distribution companies, such as EuropaCorp and Mars Films.

Due to the lack of data, we have been unable to calculate concentration indices for film production, but we were able to approximate concentration indices for film distribution (Table 5.10).

**Table 5-10.** Film Distribution (Market Shares by Box Office %), 2000–2011

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Paramount Pictures (Viacom, US)	UIP							10.2	10.0	10.0	9.4	10.9
United International Pictures (UIP)—Universal (Comcast/GE, US)	12.5	13.5	6.0	11.8	11.3	12.1	7.9				6.6	7.9
Bac Films	10.7	9.9	5.6									
Gaumont—BVI	19.7	12.1	10.0	15.4								
Vivendi (Pathé, Studiocanal)	9.2	4.5	12.2	4.3	11.1	13.5	18.0	10.6	26.8	12.8	26.8	12.8
Sony (Japan) <sup>1</sup>								6.5	5.6	7.7	3.9	6.5
Gaumont <sup>2</sup>					10.4	7.6	12.5					10.5
Columbia-Tristar (US)	7.3	3.8	10.4	6.8								
ARP	7.0			5.4								
Time Warner (Warner Bros., US)	6.8	12.5	13.6	11.7	15.0	12.3	10.3	11.1	7.1	9.4	7.1	10.7
Metropolitan FilmExport	2.7	7.4	8.7	7.5	4.1	4.4	4.7	5.9	4.8	4.9	5.0	4.2
Pyramide	2.0											
Mars Distribution		4.9	3.6	4.5	9.4					5.0		5.6
EuropaCorp		3.7			2.7		5.0		2.9		7.4	
Bac Distribution			4.8									
TMF Distribution				3.8	3.9							
Century Fox (News Corp, Murdoch Family, US/UK/AUS)						8.3	11.1	9.2	5.0	12.2	9.7	7.8
TF1 Group						8.3	5.1	6.3		5.7		
UFD (UGC Fox Distribution)	9.2	14.5	14.2	8.8	7.2							
SND (M6 Group)						3.8			4.1	6.3		4.5
Pan Européenne								4.4				
Walt Disney (Buena Vista, US)					10.8	8.6	8.7	11.0	7.0	7.5	10.3	7.0
Others	22.1	13.2	10.9	20.0	14.1	21.1	16.7	35.0	36.7	28.9	23.9	23.8
Total Revenue (million euros)	367	422	424	407	468	411	452	429	434	469	495	521
Total Revenue (million US\$)	342	372	445	515	637	485	595	631	604	675	662	671
C10	77.9	86.8	89.1	80.0	85.9	78.9	83.3	65.0	63.3	71.5	76.1	76.2
C4	52.1	52.6	50.4	47.7	48.2	46.5	51.9	41.9	46.5	42.1	43.8	40.6
HHI	903	920	923	776	880	783	921	577	922	638	713	637
N (>1%)	9	10	10	10	10	9	9	8	8	9	9	10

Source: Our calculations based on data from CNC. <<http://www.cnc.fr/>><sup>1</sup>; CNC. *Bilan 2011 du CNC*. May 2012; CNC. *Bilan 2010 du CNC*. May 2011; CNC, *Bilan 2009 du CNC*. May 2010; CNC. *Le marché de la distribution des films*. July 2008.

- 1 As of 2007, Sony Pictures Releasing has taken over the French joint distribution activities of Gaumont and Columbia-Tristar (US).
- 2 Between 2004 and 2007, Gaumont acted as Columbia-Tristar's (US) French distributor.

p. 91 HHI, as calculated approximately for the top ten film distributors, was 903 in 2000, 880 in 2004, 638 in 2009, and 637 in 2011. The same trend is apparent if we take into account C4, which was 52.1% in 2000, 48.2% in 2004, 42.1% in 2009, and 40.6% in 2011. According to the data, the French film distribution industry is apparently becoming increasingly competitive. This is true in the long term, because in the short

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term, the market shares of individual studios can increase significantly due to just one very successful film.

The film distribution market is oligopolistic and includes two of the historic French movie majors that are now owned by large French media groups such as Vivendi. However, the independent French distributors SND and Mars, together with the US majors, account for 41.7% of national sales. Smaller companies, however, are numerous: there were 263 smaller companies in 2009 that accounted for a significant share of the sales (28.5%). There were only 13 firms with sales over US\$20.9 million (15 million euros) in 2009, while there were 126 smaller companies, with sales under US\$20.9 million (15 million euros).

## The Telecommunications Industry

### Wireline Telecom

Since telecom privatization began in the 1980s, the regulatory framework has evolved considerably and competition has increased. Besides France Telecom, the former public monopolist, other major companies now include SFR, which was controlled by Vivendi until it sold out to Altice in 2014; Bouygues Telecom, a subsidiary of the Bouygues Group, which is mainly involved in mobile telecom; and Iliad, a recent entry and Internet service provider (ISP).

Before 1986, the Ministry of Posts and Telecommunications incorporated both a General Directorate of Posts and a General Directorate of Telecommunications. The telecommunications sector was the responsibility of a state monopoly, the *Direction Générale des Télécommunications* (DGT). Since 1986, three other operators were allowed to operate cable networks in the framework of the 1982 Plan Câble. In 1987, the first mobile telephone network licenses were granted. By 1990, the telecommunications sector was privatized, but France Telecom, which has taken over the functions of the DGT, maintained a monopoly on installation and operation for both wireless and wireline services. In other words, a company can enter the market but must use French Telecom's infrastructure. In 1996, France Telecom became a limited liability corporation (SA), and the Telecommunications Regulatory Authority (ART), created in 1997, began to grant licenses to competing operators.

But France Telecom kept a very strong position in the telecommunications sector. Indeed, even though more than 100 licenses were issued by 2000 to other commercial service providers, these licenses were often limited to restricted geographical areas, and France Telecom maintained its monopoly on local and mobile dialing (in these two subsectors, France Telecom kept more than 90% of the market share). However, in the field of long distance and international fixed telephony, new entrants had won 33% of the market by the end of 2000.

In long distance telephony, France Telecom's competitors were Cegetel (which then had 2.7 million customers), Tele2 (with 2.6 million customers), and Neuf Telecom (1.2 million customers). Cegetel was based on SFR, its mobile operator, while Neuf Telecom relied on Bouygues Telecom before the two companies split, and Tele2 built its success on a simple business model of offering a single low price for consumers.

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In 2010, production in the information and communication technology sector (which includes computers and the Internet) represented a turnover of US\$129 billion (97 billion euros), or 5% of the French GDP.<sup>8</sup> In 2011, electronic communications represented 40.8 billion euros (US\$56.8 billion), including all telephony and Internet services, 35 billion euros (US\$48.8 billion); advanced services, 2.1 billion euros (US\$3 billion); and capacity services, 3.7 billion euros (US\$5 billion). Telephony services included fixed wireline services, with 16 billion euros (US\$22.4 billion), and mobile telephony, with 19 billion euros (US\$26.4 billion).

The two main new wireline players are Iliad (Free) and Altice, which bought out Vivendi's operations in 2014.

Vivendi, as already mentioned, began life as part of the Compagnie Générale des Eaux, originally an industrial conglomerate group formed in the 19th century as a water utility that entered the audiovisual and telecom sectors in the early 1980s. By the early 2000s, Jean-Marie Messier developed the group's media holdings into an international telecom major, but high losses in 2002 meant that after 2003, several of Vivendi's media holdings were sold off. Nowadays, Vivendi controls in particular Universal Music (100%) and the Canal+ Group (100%). It sold off control of Maroc Telecom to Etisalat (UAE), most of SFR to Altice, GVT of Brazil to Telefonica of Spain, and spun off the video game studio Activision Blizzard. The other significant player is Iliad. Xavier Niel, its director, holds about 64% of its shares (Table 5.11).



**Table 5-11.** Wireline Telecom (Market Shares by Subscribers), 2002–2013<sup>1</sup>

	2002	2004	2008	2011	2013
France Telecom/Orange *	74.0	67.0	53.0	45.1	41.0
Altice (Numericable, SFR)					21.1 <sup>2</sup>
Vivendi (Cegetel/Neuf Telecom/SFR) <sup>3</sup> *	20.0	22.0	29.0	23.5	Altice
Tele2 (Sweden) *	2.0	4.0	SFR		
Iliad (Free) *	4.0	7.0	18.0	22.8	22.6
Bouygues Telecom				5.8	8.1
Other (Darty etc.)				2.8	7.6
All telephony and Internet** (US\$ million)	26,073	37,724	51,522	48,769	39,787
Fixed services	14,926	19,220	24,060	22,368	19,792
C4	100.0	100.0	100.0	97.2	92.4
HHI	5,896	5,038	3,974	3,148	2,728
N (>1%)	4	4	3	5	5
Noam Index	2,948	2,519	2,294	1,408	1,220

\* Source: Market shares given by Institut de l'Audiovisuel et des Télécommunications en Europe (IDATE) until 2008; ARCEP, 2011.<sup>4</sup>

\*\* ARCEP.

1 Due to the aggregation of alternative operators, HHI and the Noam Index are only approximate indicators of concentration.

2 In 2014, Altice acquired SFR from Vivendi.

3 In 2005, Neuf Telecom bought Cegetel, creating Neuf Cegetel. In 2006, Neuf Cegetel bought AOL France (US). In 2007, SFR bought the French activities of Tele2 in the wireline telecommunications sector. In 2008, SFR took the control of Neuf Cegetel.

4 Official ARCEP numbers are aggregated data with no distinction between operators, and the European Commission keeps disaggregated data confidential.

## Wireless Telecommunication

In the mobile industry, France Telecom maintains a strong position. The second largest French mobile operator is SFR, which was a subsidiary of Vivendi but was sold in 2014 to Altice. SFR was previously a joint venture by Vivendi with Vodafone (UK), the world's second largest mobile operator. Bouygues Telecom, 90% owned by the Bouygues Group, is the third largest French mobile operator. In 2008, mobile virtual network operators (MVNOs) first appeared in France and now collectively hold 5% of the market (a MVNO is a mobile phone operator that provides services directly to its own customers but does not own key network assets such as licensed frequency allocations or cell towers). Iliad (which owns Free) also entered the mobile market recently, having obtained a mobile telephony license in 2010. In 2014, Iliad made an offer to buy the US mobile operator T-Mobile, owned by Germany's Deutsche Telekom. Market concentration has decreased in recent years with the growth of SFR, Bouygues Telecom, and Iliad. With the development of the "quadruple play" offers (fixed telephony, mobile, television, and Internet), operators are increasingly present in both the fixed and the mobile markets (Table 5.12)

**Table 5-12.** Wireless Telecom (Market Shares by Subscribers), 1992–2013

	1992	1998	2000	2004	2008	2011	2013
France Telecom/Orange	74.5	50.7	48.2	47.4	43.5	39.9	38.0
SFR (Vivendi, then Altice)	25.5	38.0	34.2	35.4	33.9	31.3	29.1
Bouygues Telecom (Bouygues Group)		11.3	17.6	17.0	17.6	16.7	15.8
Iliad (Free)							12.1
MVNO and others				0.2	5.0	12.1	5.0
Total Revenue (mil euros)		3,949	7,890	14,862	18,669	18,957	15,056
Total Revenue (mil US\$)		4,626	7,295	18,484	27,464	26,400	19,995
C4	100.0	100.0	100.0	99.8	95.0	87.9	95.0
HHI	6,200	4,142	3,803	3,789	3,376	2,997	2,686
<i>N</i> (>1%)	2	3	3	3	3	3	4
Noam Index	4,384	2,391	2,195	2,188	1,949	1,730	1,343

Source: ARCEP, INSEE, and various press documents (*Les Echos*); IDATE.

## Internet Media

### Internet Service Providers (ISP)

There have been many changes in the French Internet service providers industry during the last decade; in particular, many mergers have occurred. The main operators are now Orange (France Telecom group), Iliad (Iliad Group is 64% owned by its founder, Xavier Niel), and SFR/Altice.

Orange (Wanadoo until 2005) is the leader with a market share of about 45% in 2011. Iliad is second with its main brand, Free; Alice was bought by Free in 2008.

Neuf Cegetel was created by the merger of Neuf Telecom and Cegetel in 2005. Then Neuf Cegetel bought AOL France in 2006 and was bought by SFR in 2008. SFR was a subsidiary in 56% of Vivendi and in 44% of Vodafone, but in 2011 Vivendi bought the 44% of the capital owned by Vodafone, and sold SFR to Altice in 2014. In 2007, Numericable (also owned by Altice) purchased cable TV networks from France Telecom Cable, NC Numericable, TDF Cable, UPC, and Noos, and it became the predominant cable television company and an Internet service provider.

Concentration is high and increased from 2004 to 2008. Bouygues Telecom entered this market by buying the ISP activity of Darty in 2012 (Table 5.13).

**Table 5-13.** Internet Service Providers (Market Shares by Subscribers), 2004–2014

	2004	2008	2011/2012	2013/2014
France Telecom (Orange/Wanadoo)	42.0	47.0	45.0	41.0
Iliad (Free)	17.4	23.8	23.0	22.5
Numericable/Altice (cable)		5.1	27.0	25.0
SFR/Neuf Cegetel (Vivendi, then Altice)		21.9	23.0	
Tele2 (Sweden)	6.0			
AOL France (US)	12.0			
9 Telecom	11.0			
Tiscali (Italy)	7.0			
Bouygues Telecom (Darty until 2012)		1.0	6.0	7.8
Total Revenue (mil euros)	2,837	6,549	9,131	9,729
Total Revenue (mil US\$)	3,529	9,634	12,715	12,921
C4	82.4	92.7	97.0	96.3
HHI	2,417	3,282	3,135	2,873
<i>N</i> (>1%)	6	5	4	4
Noam Index	987	1,468	1,568	1,473

Source: ARCEP; NB: total revenue includes various Internet sales and broadband sales; market shares are based on data obtained directly from operators.

## Search Engines

In 2004, Google was already a dominant player of the search engine industry in France, whereas now it is in a quasi-monopoly situation, with a 94% market share in 2012. The market shares of Yahoo! and other search engines such

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as Ask and Orange quickly decreased in favor of Google. The second-ranked search engines behind Google are Bing (Microsoft), with a market share of 2% in 2012, and Yahoo! (also with a 2% market share). Orange (1%) and Ask (1%) market shares are far behind Google's 94% (Table 5.14).

**Table 5-14.** Internet Search Engines (Market Shares by Search Volume), 2004–2012

	2004	2007	2012
Google (US)	72.0	90.2	94.0
Yahoo! (US)	8.0	3.2	2.0
Voilà/Orange/France Telecom	7.0	1.7	1.0
MSN	5.0	2.3	
AOL France (US)	3.0	1.4	
Lycos (US)			
Altavista	0.4	0.0	
Iliad (Free)	0.5	0.67	
Alice	0.5	Iliad	
Bing (Microsoft, US)			2.0
Ask			1.0
Others	3.6	0.5	0.0
C4	92.0	97.4	99.0
N (>1%)	5.0	5.0	5.0
HHI	5,332	8,157	8,846
Noam Index	2,385	3,648	3,956

Source: Our calculations based on data from <<http://www.atinternet.com/>>.

## Online News

The online news market leaders are those linked to companies in the traditional newspaper industry or to Yahoo and Google. The market is very competitive, with a low concentration. Among the ten main competitors in 2010, six are the online versions of print publications, either newspapers or magazines. As of 2012, Orange and Yahoo have been losing audience shares, and both Google and MSN fell out of the ranks of the top ten. Content enterprises linked to the traditional print sector have the advantage in the French online news market, such as *Le Figaro*, *Le Monde*, *Le Parisien-Aujourd'hui*. The HHI remains low, but the C4 has increased from 36% to 48% over the two-year period. The methodology of measurement is not static and will probably change in the future. One could integrate a longer list of online news media: doing so would lead to a lower concentration HHI. Indeed the competition in this field is very high (Table 5.15).

**Table 5-15.** Online News Media (Market Shares by 1,000 Monthly Unique Visitors), 2010–2012

	September/October 2010		May/June 2012	
Lefigaro.fr (Socpresse)	7,312	14%	9,960	15%
Lemonde.fr (La Vie-Le Monde)	5,816	11%	8,850	14%
Orange News (France Telecom)	5,546	11%	7,181	11%
Yahoo! News (US)	5,034	10%	6,078	9%
Le Parisien (Amaury)	4,870	9%	8,580	13%
20 Minutes	4,855	9%	7,602	12%
L'Express	4,800	9%	7,840	12%
Nouvel Obs	4,524	9%	8,501	13%
Google News (US)	4,275	8%		0%
MSN News	4,245	8%		0%
TF1 News			5,096	8%
Le Point			4,594	7%
Others				
C4		36		48
HHI		1,029		1,048
<i>N</i> (>1%)		10		10
Noam Index		325		331

Source: Médiamétrie quoted by Le Figaro <<http://www.lefigaro.fr/medias/2012/12/10/20004-20121210ARTFIG00630-lefigarofr-premier-sitede-presse-enligne.php>>.



## Conclusion

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Concentration in French media differs greatly according to the industry. Scale effects favor large groups, like Lagardère Active, Vivendi, and France Telecom/Orange, and Altice. These large groups, whether they belong to the media industry or to the IT sector, can take over smaller groups if these face financial problems. Scope effects are also among the drivers of concentration, since they lead to an “industry meltdown,” such as the penetration of telecom and Internet sectors into the media industry.<sup>9</sup> International ownership is also an important concentration-related issue for most if not all media and information industries in France. In the press, inasmuch as several segments of the market are strongly growing (in particular, magazines and trade publications/professional journals), there are many competing international actors on the French market, such as Prisma (Germany), Roularta (Belgium), Mondadori (Italy), and PRISA (Spain). Conversely, several large French press groups are expanding internationally. This is the case with the Lagardère Group, which has subsidiaries in most European countries, the United States, and Canada, as well as Australia and several East Asian nations (South Korea, Singapore, and the People’s Republic of China). In telecommunications, the incumbent operator France Telecom is present in many countries, as are Vivendi’s wireless and wireline services.

But the situation differs widely among industries. Compared to other countries, the HHI in general is not high.

For newspapers, HHI stood at 2,064 in 2011. Although it had decreased since 1997, it may increase in the future because of the financial difficulties most French national dailies are facing due to overregulation and loss of market shares to Internet media.

For book publishing, the HHI in 2005 was 1,511 and reached 1,748 by 2011. Despite the strengthening of large groups through takeovers and mergers and the growing market penetration of foreign publishing houses like Bertelsmann (Germany), the HHI is stable. The largest actor in this sector is still the French publisher Hachette Livres, a Lagardère Group subsidiary.

The magazine industry in France is in a better state, although we have been unable to calculate long-term concentration indices for the sector. HHI was around 2,000 in 2011.

French radio is becoming less concentrated, decreasing from 1,600 (in 2001) to 1,277 (in 2011). The radio industry shows a low concentration. Since the 1980s this sector has been open to competition, with many new participants competing with the main and incumbent operators.

In broadcast television, we observe a strong concentration phenomenon that is also present in many other Western countries. The HHI for broadcast TV illustrates a stable but highly concentrated industry, as it was 3,680 in 1995 and 3,440 in 2011.

The French film distribution industry is becoming increasingly competitive. As noted previously, the HHI was 903 in 2000 and 637 in 2011.

Cable and satellite TV effectively became quasi monopolies in 2008–2009. Numericable dominated the French cable market and Canalsat controlled the entire satellite market (HHI equals 10,000). If we put together cable and satellite TV, the HHI is lower, of course: 4,884 in 2011.

Due to deregulation in France, the HHI has actually declined both in wireline (5,896 in 2002 and 2,728 in 2013) and wireless telecom (6,200 in 1992 and 2,686 in 2013). While deregulation has induced more competition in wireless and wireline telecommunication industries in France, the concentration indices are still high.

Internet service providers constitute a market with a high HHI (3,135 in 2011). This market is dominated by France Telecom’s Orange and Iliad’s Free. The search engine market is characterized by the quasi monopoly of Google (HHI was 8,846 in 2012).

We also observe that the online news model of content aggregation is characterized by low concentration indices in France. This is probably due to the fact that it is a new market and existing media outlets are better placed to exploit it, even though they have fewer financial resources to do so than telecommunications firms and ISPs normally have. But in this market, the share of technology companies like Google or Microsoft (MSN) has been declining while traditional French media companies are increasing their market shares.

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## France—Data Summaries

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MEDIA CONCENTRATION IN FRANCE has been zigzagging for years (Table 5.16). Even with the full liberalization of telecommunications in France and deregulation of other sectors since 1982, overall concentration is intermediate rather than low by world standards. The number of net voices is high in absolute terms but intermediate on a per capita basis.

**Table 5-16.** National Media Industries Concentration in France

	2004/5		2011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	Company Share of the Overall National Media Market (%)	Company Power Index in Country	Company Share of the Overall National Media Market (%)	Company Power Index in Country	Company Share of the Overall National Media Market (%)
France Telecom (32.5% public)	1,770	30.9	944	23.1	-6.7	-1.1
Vivendi	525	16.8	387	7.4	-3.8	-3.8
Bouygues Group	127	6.5	111	7.7	-1.8	0.2
Lagardère	116	4.9	111	4.6	-0.6	-0.04
Google (US)	20	0.3	101	1.1	56.3	0.1
Altice/Numericable-Comptel	2	0.3	420	15.9	25.9	0.02
France Télévisions (public)	96	3.0	64	2.8	-4.8	-0.03
Vodafone (UK)	63	4.2	0	0.0	-14.3	-0.6
Amaury Group	65	2.1	44	1.5	-4.6	-0.08
Bertelsmann (Germany) <sup>1</sup>	33	3.0	39	3.1	2.4	0.03
Iliad	27	2.6	212	10.5	100.1	1.1
NRJ Group	17	1.0	15	1.4	-1.2	0.05
Socpresse Group (Le Figaro)	16	1.1	10	0.8	-5.2	-0.05
La Vie-Le Monde	17	1.4	8	0.8	-7.7	-0.1
Editis (Planéta, Spain)	14	1.1	8	0.8	-5.8	-0.05

Roularta (Belgium)	8	0.7	6	0.5	-4.1	-0.03
Média Participations	2	0.4	2	0.4	-0.2	-0.003
Yahoo (US)	1	0.1	0.9	0.1	-1.4	0.002
<b>Media Concentration Index</b>				<b>2004/5</b>	<b>2011 or Most Recent</b>	<b>% Change Annual Average</b>
Public Ownership (%)				21.3	16.9	-1.10
Total Revenue: Nat'l Media Industry (mil US\$)				75,922	93,236	3.3
Total Voices ( <i>n</i> )				84	77	-1.2
Net Voices ( <i>n</i> )				60	54	-1.4
Public Ownership (%)				13.1	10.4	-0.4
Foreign Ownership (%)				12.1	7.0	-0.7
C4 Average—Weighted				88	86	-0.03
HHI Average—Weighted				3,392	2,693	-2.9
C1 Average—Weighted				45.6	38.7	-0.01
Noam Index Average—Weighted				841	981	2.4
Pooled Overall Sector C4				59.1	57.2	-0.3
Pooled Overall Sector HHI				1,358	1,058	-3.2
Pooled Overall Sector Noam Index				54	65	2.9
Market Share of Top Ten Companies: Nat'l Media Industry (%) (Pooled C10)				75.4	78.0	0.4
National Power Index				2,950	2,497	-2.2

1 Operating as M6 Group Owned by RTL.

Several media industries have seen dramatic increases in concentration: Altice's Numericable-Completel and Vivendi have become duopolists in the multichannel platform market. Numericable-Completel merged with the other three top cable companies, Liberty Global's UPC France, France Telecom Cable, and Noos, to control the cable market. The satellite market was similarly dominated by Vivendi in 2006 when its Canalsat subsidiary merged with its main competitor TPS. Vivendi is one of the largest content producers in France, with a market share of 13% (Table 5.17)—with a rising market shares in multichannel platforms, video channels, and film productions. In 2014, Altice became the second largest platform media company in France (Table 5.18) after Orange/France Telecom, with 25.6%.

**Table 5-17.** Top Content Media Companies in France

	2004/5		2011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	Company Share of the National Content Media Market (%)	Company Power Index in Country	Company Share of the National Content Media Market (%)	Company Power Index in Country	Company Share of the National Content Media Market (%)
Vivendi	614	11.4	637	13.0	0.5	0.2
Lagardère	267	11.2	276	11.4	0.5	0.03
Google (US)	47	0.7	251	2.7	61.8	0.3
France Televisions (public)	221	7.0	158	7.1	-4.1	0.01
Bouygues Group	131	5.4	108	6.0	-2.5	0.08
Amaury Group	150	4.8	109	3.8	-3.9	-0.15
Bertelsmann (Germany)	77	6.9	97		3.7	0.14
Altice/Numericable-Comptel	2	0.2	50	1.5	3.9	0.002
NRJ Group	39	2.4	38	3.4	-0.2	0.14
Socpresse Group (Le Figaro)	37	2.5	25	1.9	-4.5	-0.09
La Vie-Le Monde	40	3.3		1.9	-7.2	-0.2
Editis (Planéta, Spain)	31	2.5	20	2.0	-5.2	-0.08
Roularta (Belgium)	19	1.6	14	1.2	-3.4	-0.06
Média Participations	4	0.9	5	0.9	0.9	0.002

France Telecom (public)	5	0.5	3	0.3	-5.8	-0.03
Yahoo (US)	2	0.2	2	0.3	-0.4	0.01
<b>Media Concentration Index</b>		<b>2004/5</b>	<b>2011 or Most Recent</b>		<b>% Change Annual Average</b>	
Public Ownership (%)		7.2	7.2		0.0	
Foreign Ownership (%)		17.0	17.3		0.05	
C4 Average—Weighted		74	74		-0.03	
HHI Average—Weighted		2,306	2,373		0.4	
C1 Average—Weighted		33	34		0.0	
National Power Index		1,744	1,852		0.9	

**Table 5-18.** Top Platform Media Companies in France

	2004/5		2011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	Company Share of the National Platform Media Market (%)	Company Power Index in Country	Company Share of the National Platform Media Market (%)	Company Power Index in Country	Company Share of the National Platform Media Market (%)
France Telecom (public)	3,117	54.1	1,576	38.4	-7.1	-2.2
Altice/Numericable-Completel	3	0.3	669	25.6	34.9	3.6
Iliad	47	4.6	354	17.6	94.2	1.9
Vivendi	456	20.9	218	3.6	-7.5	-2.5
Bouygues Group	124	7.3	113	8.8	-1.3	0.2
Vodafone (UK)	112	7.5	0	0.0	-14.3	-1.1
<b>Media Concentration Index</b>	<b>2004/5</b>		<b>2011 or Most Recent</b>		<b>% Change Annual Average</b>	
Public Ownership (%)	17.6		12.5		-0.7	
Foreign Ownership (%)	8.5		0		-1.2	
C4 Average—Weighted	98		94		-0.7	
HHI Average—Weighted	4,220		2,909		-4.4	
C1 Average—Weighted	55		42		-2.0	
National Power Index	3,870		2,930		-3.5	

Concentration is also high in the newspaper market (Amaury).

The largest media services firm in France is Orange/France Telecom, which is the parent company of the mobile operator Orange: it alone controls 38.4% of the platform market (Table 5.18). Orange has a significant international presence. With over 226 million mobile subscribers, Orange is the sixth-largest wireless provider in the world, and the largest in Egypt (as Mobinil) and the second largest in Belgium (as Mobistar). Orange indirectly controls 45% of the UK wireless market as an equal shareholder with Deutsch Telekom (Germany) in their joint UK venture, EE. The Lagardère ↵

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p. 103 ↵

p. 104 ↵

p. 105 ↵

p. 106 ↵

Group is a conglomerate firm that held stakes in the defense contractor EADS until 2013. Lagardère is a significant player in the book publishing markets of Australia, the United Kingdom, the United States, and Spain, and it also has a large presence in magazines. Iliad and Altice have become major players in platforms. Bouygues has a substantial presence in both platforms and content.

Foreign ownership is low at 7.0% of total national media industries, composed mainly of US and German audiovisual content producers (the six major Hollywood studios and Bertelsmann's RTL Group) and Vodafone.

## Notes

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1. D'Armagnac, Bertrand. "Industriels et familles règnent sur la presse française." *Le Monde*, Jan. 22, 2005 (translated by the author).
2. Alexa, The Web Information Company. "lemonde.fr." 2012. <<http://www.alexa.com/siteinfo/lemonde.fr#>>. Dec. 31, 2012. ↵
3. For an analysis of globalization, see Badillo, Patrick-Yves, Proulx, Serge. "Mondialisation de la Communication: à la recherche du sens perdu," in *Les essentiels d'Hermès "Sociétés de la Connaissance - Fractures et évolutions."* Paris: CNRS Éditions, 2009, 117–134.
4. For a historical analysis since about 1820, from an economic point of view, see Eveno Patrick. *L'argent de la presse française des années 1820 à nos jours*. Paris: CTHS, 2003; for a more recent analysis, see Charon, Jean-Marie. *La presse quotidienne*. Paris: La Découverte, 2004 and Albert, Pierre. *La presse française*. Paris: La Documentation Française, 2008.
5. Source: DGMIC, French Ministry of Culture: DGMIC (Direction Générale des Médias et des Industries Culturelles), Ministère de la Culture et de la Communication. <<http://www.culturecommunication.gouv.fr/>>. April 2, 2013. ↵
6. The 12 titles include the *International Herald Tribune*, which is published in France and distributed internationally outside of the United States. The data here take into account only the *Tribune's* paid-subscription rate in France.
7. For a historical perspective about cable, satellite, and telecommunications in France, see Badillo, Patrick-Yves, and Roux, Dominique, eds. *Les 100 mots des télécommunications*. Paris: Presses Universitaires de France, 2009.
8. The ARCEP (Autorité de Régulation des Communications Électroniques et des Postes, previously ART – Autorité de Régulation des Télécommunications) provides no disaggregated data at the level of operators and does not follow the common nomenclature defined by the media concentration consortium. This is the reason that we can use documents of the ARCEP only for a general and aggregated presentation and not for calculating the concentration indicators of the various markets on the basis of the operators.
9. For a more detailed analysis of processes, particularly financial processes, favoring concentration, see Badillo, Patrick-Yves (dir.). *L'écologie des médias*. Bruxelles: Editions Bruylant, 2008, see in particular chapter 6.