

# Mini presentation on “television programming and broadcasting” turnover and SPPI in France ISIC 602

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Denis Gac, Insee (France)  
SPPI expert



# synopsis

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- Classification
- Pricing unit of measure
- Market size characteristics
- Price determining characteristics
- Prices and NA
- Aggregation structure
- Pricing methods and quality change
- Dissemination

# Classification of the activities

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One class in NACE rev.2

Two sub-classes in NAF rév.2

NACE 2008	description	NAF rév.2	description
60.20	Television programming and broadcasting activities*	60.20 A	Broadcast of general-interest television programmes*
		60.20 B	Broadcast of thematic television programmes*

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# Classification of the products

- CPA recognizes the role of financing and broadcasting mode in the service definition.
- The main difference between CPA and CPC is the treatment of advertising

CPA-2008	description	CPA-2008	description	CPC-v2
60.20.1	Television programming and broadcasting services*	60.20.11	On-line television programming and broadcasting services, except by subscription*	8463
		60.20.12	Other television programming and broadcasting services, except by subscription*	
		60.20.13	On-line television subscription programming and broadcasting services*	
		60.20.14	Other television subscription programming and broadcasting services*	
60.20.2	Television broadcasting originals*	60.20.20	Television broadcasting originals*	84612
60.20.3	Television channel programmes*	60.20.31	Television channel programmes, except for subscription television*	84622
		60.20.32	Subscription television channel programmes*	
60.20.4	Television advertising time*	60.20.40	Television advertising time*	83620 +83632

Source: Eurostat, Ramon, Insee

# Pricing unit of measure

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- the service is a list of programs, broadcast at certain times, which meets a certain audience, with a certain quality, with a particular structure of audience.
- No relationship between the cost and the quality of the program
- We can look at some TV programs and we don't pay for that : no price, no value?
- "If you do not pay, then you are not a consumer, but a product to sell."

# Pricing unit of measure

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## Free, private TV:

### ❑ Previous TF1 CEO said quite frankly:

*«[...] Now, in order that an advertising message is perceived, we need that the brain of the television-viewer is available. Our programs have vocation to make it available: i.e. to entertain it, to relax it in order to prepare it between two ads. What we sell to Coca-Cola, it is some time of available human brain. »*

# Pricing unit of measure

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## Public TV:

- **France Télévision engagements : « *Public television is in charge to inform, teach and animate the democratic debate, as well on the national level as on the local or international levels. It proposes to all a large choice of quality cultural programmes but also sportive, patrimonial and artistic events, which gather our country* »**

# Market structure

<b>80 hertzian channels</b>	7 free national hertzian public channels (France Television)	
	17 free national hertzian private channels (TNT)	
	8 pay national channels	
	48 local channels	
<b>216 non-Hertzian channels, under agreement or declared</b>	cable	one operator (Numericable 90% of the market. between 3.3 and 3.7 millions of households connected
	satellite	Canal Sat with over 4 million individual subscribers in France.
	broadband	ADSL TV is marketed by the major internet service providers in the so-called "triple play"solutions,
	mobile phone	The project on track before 2008 has seriously suffered from the crisis. The project is more or less abandoned by the CSA.
	optic fiber	This emerging sector can offer deals with internet access at very high speed (up to 100 Mbit / s) and television and telephone..



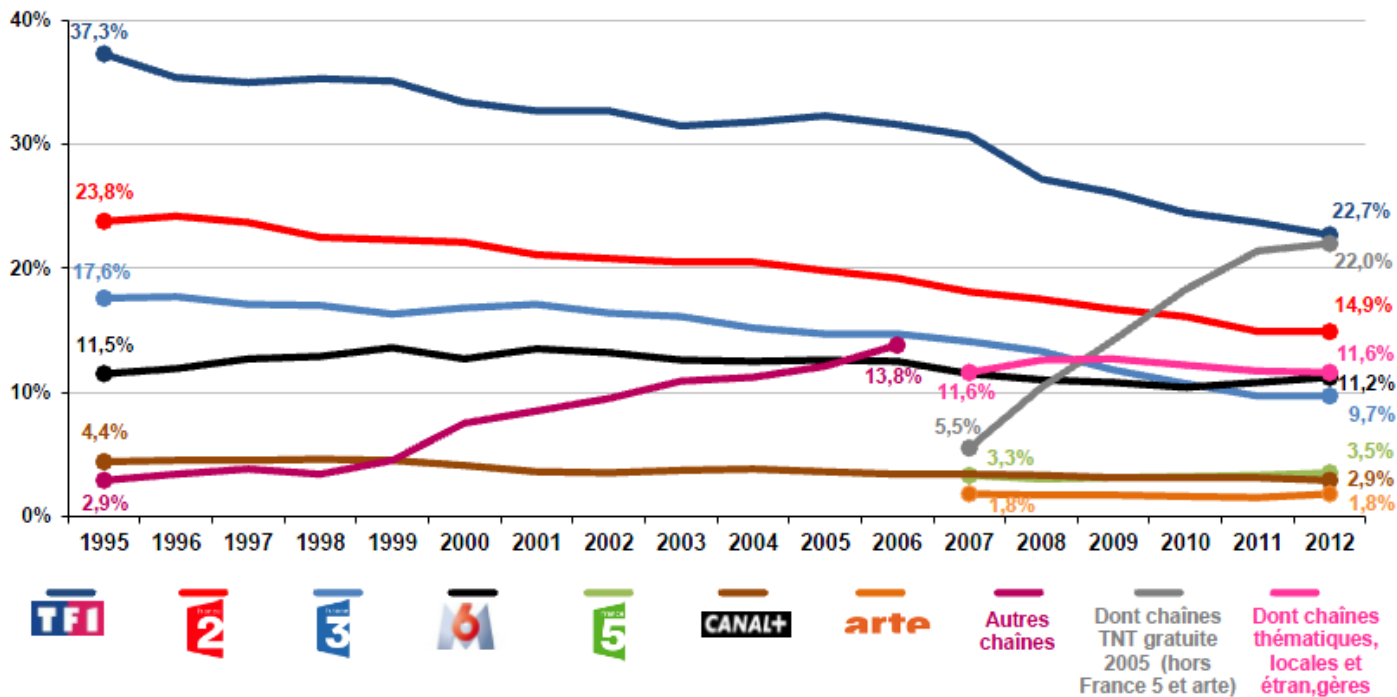
# Special French market conditions

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- ❑ A public regulator: CSA (Audiovisual Higher Council) has responsibilities on
  - ⇒ Protection of minors
  - ⇒ Respect of pluralistic expression
  - ⇒ Allocation of frequencies
  - ⇒ ...
  - ⇒ Organisation of election campaigns
- ❑ with 2 main principles
  - ⇒ Broadcasting quotas (french and european movies...)
  - ⇒ Obligation of contribution to the production of movies

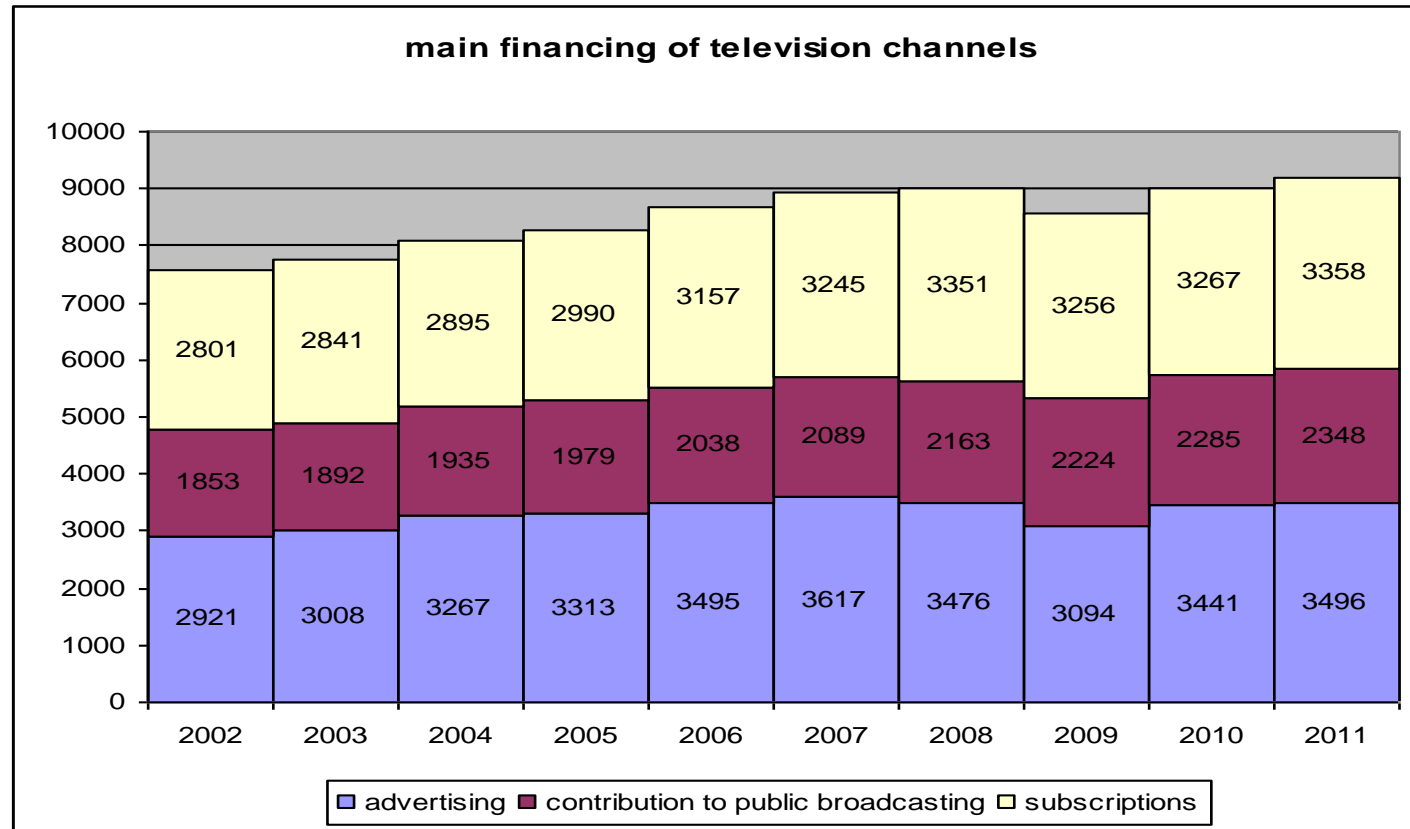
# Market change

- ❑ decline of audience of historical channels
- ❑ strong audience growth of new free terrestrial channels



# Market resources

- 2008 crisis stopped the financing of the activity from advertising
- End of advertising on public TV after 8 pm
- And the government has less and less money to put in TV broadcasting



# Market size: the industry

## □ The annual sector survey:

60.20-TOTAL	2010	2011
°	°	°
turnover (000 €)*	9.355.145	9.681.220
number of companies*	180	183
salaries*	20.837	21.549
personnel costs (000 €)*	1.627.633	1.638.957
EBITDA (000 €)*	1.647.857	1.697.128
added value (000 €)*	3.370.076	3.624.060

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## □ Mainly, few big companies (many confidential informations)

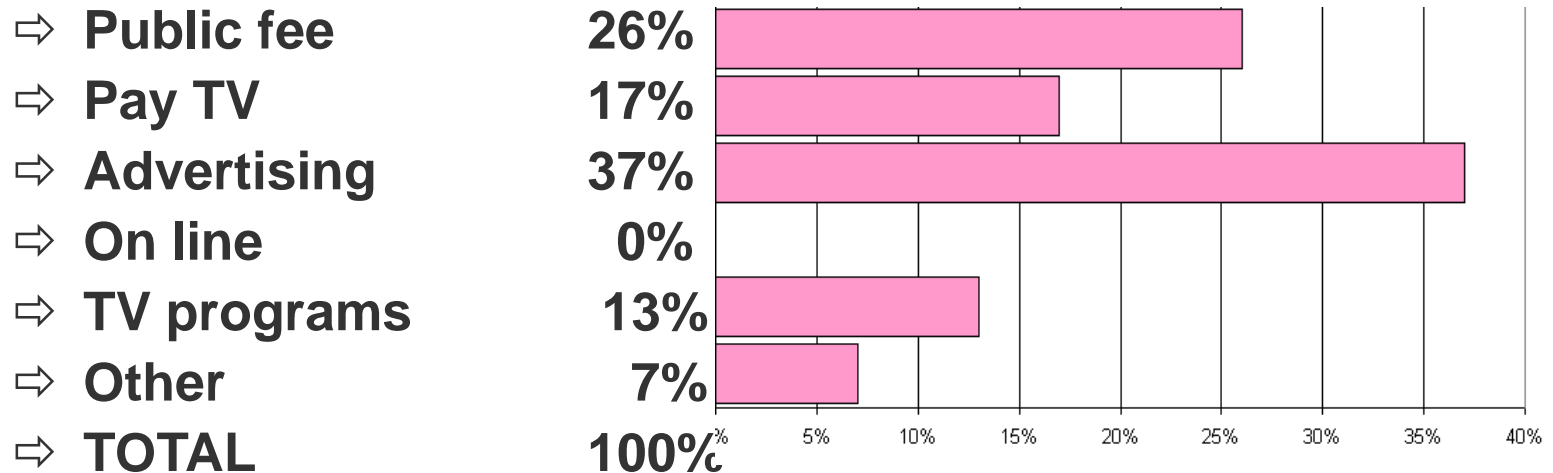
# Market size: the products

- The annual sector survey and the breakdown by products CPF rév.2 (year 2011):

<i>cpf-rev2</i>	<i>description</i>	<i>turnover-2011</i>	<i>%</i>
60.20.11*	On-line television programming and broadcasting services, except by subscription*	3 188	0,03
60.20.12*	Other television programming and broadcasting services, except by subscription*	2 452 380	26,48
60.20.13*	On-line television subscription programming and broadcasting services*	0	0,00
60.20.14*	Other television subscription programming and broadcasting services*	1 611 314	17,40
60.20.2*	Television broadcasting originals*	0	0,00
60.20.3*	Television channel programmes*	1 230 699	13,29
60.20.40*	Television advertising time*	3 432 177	37,06
no-indication**	**	531 095	5,73
<b>Total</b>	<b>**</b>	<b>9 260 852</b>	<b>100,00</b>

# Market resources structure

- The annual sector survey and the breakdown by products CPF rev2 (year 2011):



# Market future? And challenges...

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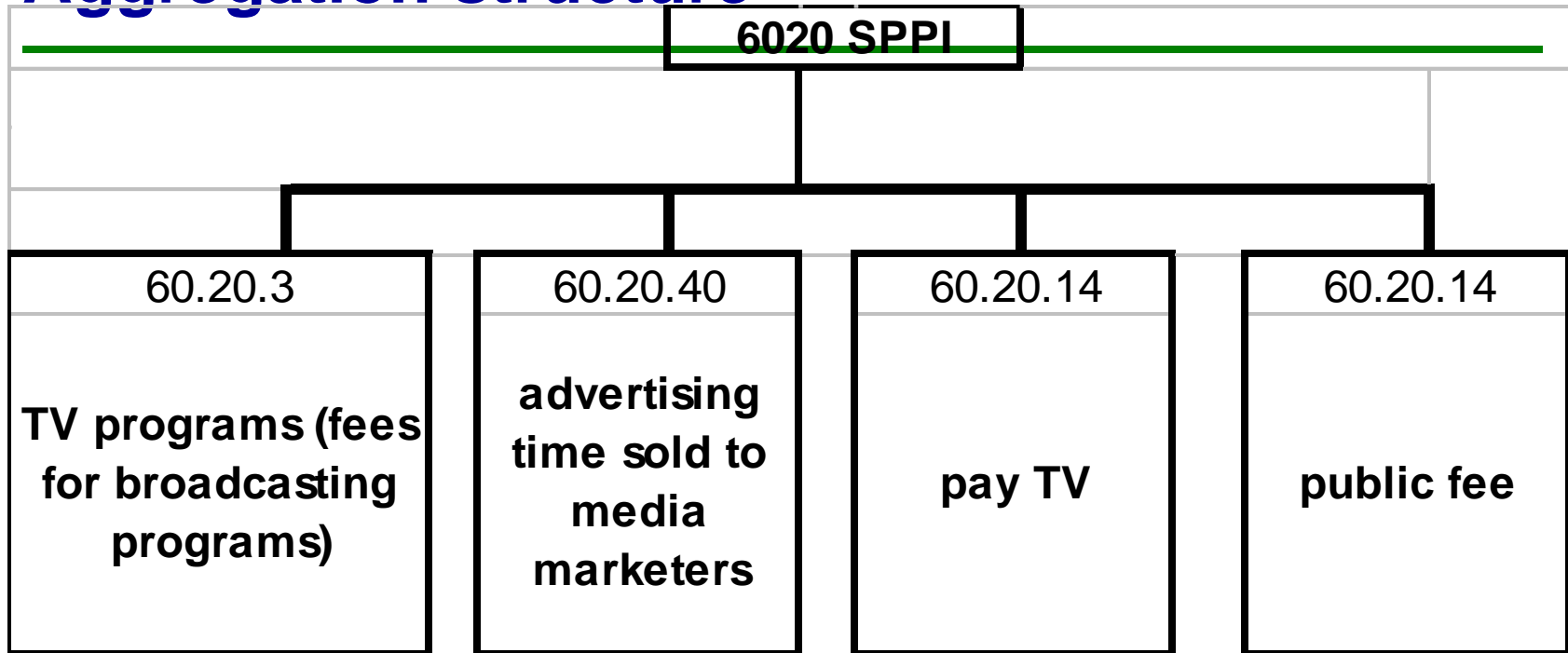
- **Somes services are not yet well identified in the classification , but perhaps in the future:**
  - ⇒ **Catch up TV**
  - ⇒ **TV on demand**
  - ⇒ **Community video sites (you tube, Dailymotion)**
  - ⇒ **TV on internet by subsription**
  - ⇒ **Digital TV services**

# NA commodity flow

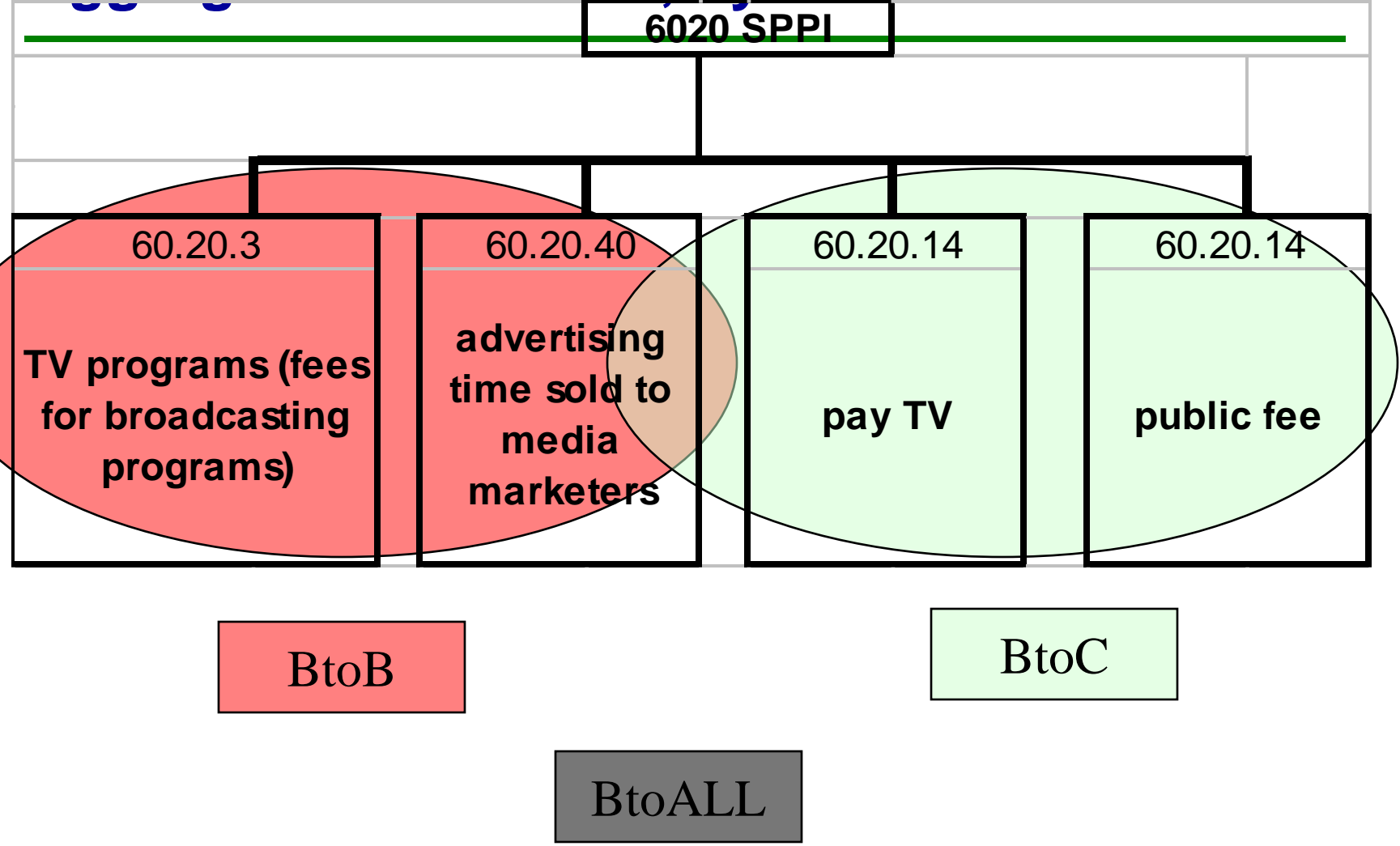
※	2012·amounts※	operations※	⊗
<b>supply</b> ⊕	8·565	production·at·basic·price※	⊗
	498	taxes·on·product※	⊗
	<b>9·063</b>	<b>TOTAL·SUPPLY</b> ⊕	⊗
※	°※	°※	⊗
<b>use</b> ⊕	5·099	intermediate·consumption※	⊗
	3·552	household·final·consumption※	⊗
	412	administration·final·consumption※	⊗
	<b>9·063</b>	<b>TOTAL·USE</b> ⊕	⊗



# Aggregation structure



# Aggregation structure, by « markets »



# Sampling and organization of the survey

	60.20.3	60.20.40	60.20.14	60.20.14
	TV programs (fees for re-broadcasting programs)	advertising time sold to media marketers	pay TV	public fee
<b>sampling</b>	cut off	cut off	exhaustive	no
<b>periodicity</b>	annual	quarterly	annual	annual
<b>companies</b>	7		2	1
<b>companies item</b>	11		2	1
<b>ad companies</b>		10		
<b>ad companies item</b>		104		

Ads companies items are time prices, corrected by the commission rate for the publisher. Those prices come from 7312 ad space marketers SPPI surveys.

# Pricing methods - examples

Public broadcasting (France-Télévision)¶	⊗	⊗	Global budget of France-télévision divided by number of households¶	⊗
calculated in office from public information.¶				
A Pay-TV¶	⊗	⊗	average revenue per user - "ARPU" base 100 in 2009⊗	⊗
EUROSP... France¶	⊗	⊗	EUROSP... F annual fee for distribution by Canal + Distribution (pay TV)⊗	⊗
⊗	⊗	⊗	EUROSP... F annual fee for distribution by Orange (internet and mobile phone provider)⊗	⊗
⊗	⊗	⊗	EUROSP... F annual fee for distribution by Numericable (cable operator)⊗	⊗

# Pricing methods – examples for advertising time

## Advertising

TTT-PUBLICITE	⊗	⊗	Net turnover for ads spaces sold from Monday to Wednesday 6:00-8:00 pm in Euros	⊗
TTT-PUBLICITE	⊗	⊗	Total duration of advertisements broadcast in seconds (excluding blue and generics)	⊗

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M7-PUBLICITE	⊗	⊗	Net turnover on the quarter - Sunday 12:00-14:00	⊗
M7-PUBLICITE	⊗	⊗	* cumulative duration of advertising spots (in the quarter) Sunday 12:00-14:00	⊗

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# Quality adjustment

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## □ Quality change...

⇒ Audience?

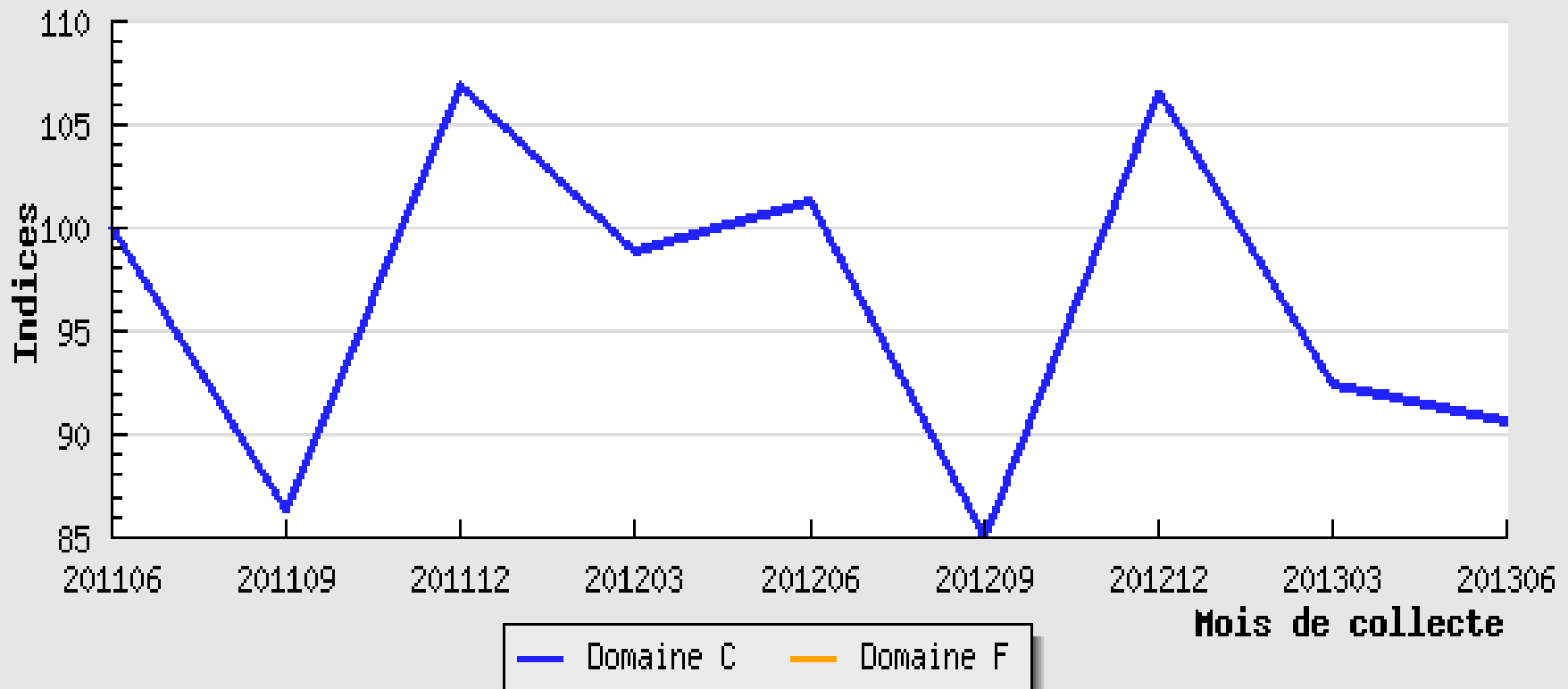
- **Yes** for price of advertising space

⇒ Quality of programs?

- **Not predominant** for private TV
- **Difficult to measure** for public TV- who is judge? The public?  
The government?
  - ◆ **Quality of information?**
  - ◆ **Quality of movies**
  - ◆ **Independence of journalists?**
  - ◆ ...

# Dissemination

Valeurs des SI 0 de la branche 6020



# Turnover and SPPI on television programming and broadcastig

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# Thanks for your attention

Contact

M.Denis Gac

Tél. : (+ 33) 02 40 41 77 50

Courriel : denis.gac@insee.fr

## **Insee**

18 bd Adolphe-Pinard  
75675 Paris Cedex 14

[www.insee.fr](http://www.insee.fr)  

Informations statistiques :

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