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ASSOCIATION D'AVOCATS

Carat

Comparative study on the impact of control measures on the television advertising markets.

REPORT : NETHERLANDS

INTRODUCTION

This report is aimed at comparing the legal data on the one hand and the economic data on the other hand related to the television advertising market in order to assess the impact of the applicable regulation on the sector's economy.

We have followed the regulatory structure of the Directive in order to:

1. remind the applicable rules in Netherlands and compare them with the regulatory standards foreseen by the Directive

2. confront those rules with the economic data issued from CARAT's reports (cf *« Quantitative impact of the regulation on TV advertising markets in EU Member States, EEA countries, the new Member States and a number of third countries »*)

3. draw a first list of conclusions on the impact of regulation on the television advertising market or raise some questions for future analysis.

The present study is based on 2003 data, as a reference year, compared with 2002.

As mentioned in the call for tender documentation (ref. 2003/S 107 - 095378 DG EAC 44/03) and Carat's proposal, the selection of countries covered by the study has been based on local specificities, in order to guarantee that the studied landscapes are representative.

The notion "Applicant countries" includes Czech Republic, Hungary, Poland, Romania and Turkey, since during the reference year of the study (2003) the first three countries, which are now Member States, were still candidate members. The reader should also take into account that the notion "European Union Countries" concerns data and analysis for 10 Members States, on the condition the necessary basic information is available.

In the report figures referring to "average data" were calculated taking into account the weight of every country (population) and the TV viewing time of their population (Weighted average).
For the calculation of the "average duration of the interruptions" (tables 4,5,7), the channels without advertising have been excluded (e.g.: UK, Sweden and Germany during prime time). These countries have been taken into consideration in the "average number of interruptions per hour" in tables 7A and 7B (all channels).

When data are not available, the following symbol "-" is indicated. When data are available but results are zero, the following symbol "0" is indicated.

There are no standard figures available on the number of interruptions by type of programme, except in ***Canada, Japan, USA, Poland and Belgium*** where a specific analyse has been conducted (see Tab 6, 8 and 9 in the concerned report of these 5 countries).

In this report for ***the Netherlands*** and despite all our efforts, the following data are unavailable:
- audience figures and measurements of a few channels (e.g. pay TV's and non domestic channels)
- sponsorship measurements
- measurement of split screen

The reader should bear in mind that certain economic patterns of the national markets are not always the direct, or indirect, consequence of the regulation. Other parameters have an influence on the economic situation of the studied media, in particular the overall volume of advertising investments.

The methodological explanatory note provides for useful indications to fully understand the way audience and advertising investments have been measured.

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GENERAL INFORMATION

1- The audiovisual landscape

Definitions

Audience rating

The « Rating » (%) is the portion of the audience which defines the average percentage of persons (adults universe) watching television during a defined period of time.

Prime time

Day part showing the highest individuals/households interest for TV watching ; this concept does not have a standard definition across the Member States, prime time slots are specific for each country and usually correspond to the end of the working hours till the end of the "social" evening.

Adult population

The adult definition is not a stable standard and may vary from one country to another. Usually the definition of "adult" corresponds to mature teenagers and older population. Often the legal definition of a "child" or "minor" does not correspond to the definitions in use in the advertising market.

Adult population universe

Number of individuals corresponding to the definition of "adult population" in a given country.

Audience Rating, day parts and target definitions (period 2003)

Average Prime vs. All Day (index): ratio obtained by the division of the “average rating – all day” by the “average rating **-** prime time”. Gives an indication of how more important is the audience during prime time compared with the rest of the day.

Average Prime part : proportion of the Prime time versus All Day, in terms of audience (expressed by the “rating” factor). This proportion is weighted by the prime time duration.

TAB 1	NETHERLANDS	European Union Countries (10)	Applicant countries (5)	Countries Outside EU (3)	All Countries Observed (18)
Adult population definition	13+	13/16+	15/18+	18/20+	13/20+
Adult population universe	13.308.000	277.802.353	96.837.599	320.470.074	695.110.026
Average Rating - All Day*	8,4%	14,0%	16,7%	23,4%	18,7%
Average Rating - Prime Time*	41,8%	37,4%	39,8%	40,6%	39,2%
Prime Time slots definitions	20:00-22:29	18:55:-23:00	18:30-23:00	19:00-23:00	19:00-23:00
Average Prime vs All Day (index)*	498	270	238	177	222
Average Prime part*	52%	34%	38%	26%	31%

** Weighted averages (cf. introduction)*

Source : Carat

Comments

There is a high concentration of audiences during prime time, of which the duration is defined in the Netherlands in a rather restrictive way (150 minutes). This can be explained by the high level of activity in this country and a relatively little diversified offer outside prime time.

2- Socio economic data (2003)

TAB 2	NETHERLANDS	European Union Countries (10)	Applicant countries (5)	Countries Outside EU (3)	All Countries Observed (18)
Total Adv. Investments All Media (000 €)	4.044.066	106.902.530	14.958.765	153.876.973	**275.738.268**
Total TV Invest. (000 €)	2.066.192	37.370.852	10.518.887	88.420.354	**136.310.092**
Part of TV Invest.*	51,1%	35,0%	70,3%	57,5%	**49,4%**
Share of Top 5 channels on. Total TV Invest.*	70,1%	84,4%	82,5%	31,6%	**50,0%**
Average Top 5 Channels Audience Share*	52,1%	60,5%	72,1%	50,8%	**57,7%**
Adults population universes	13.308.000	277.802.353	96.837.599	320.470.074	**695.110.026**
GDP (mo €)	454.276	8.668.867	601.106	14.296.881	**23.566.853**
Average Total Adv. Invest. All Media / GDP*	0,89%	1,23%	2,49%	1,08%	**1,17%**
Average Total TV Adv. Invest. / GDP*	0,45%	0,43%	1,75%	0,62%	**0,58%**
Average Adv. Invest. / inhab. (€ per year)	303,9	384,8	154,5	480,2	**396,7**
Average TV Adv. Invest. / inhab.* (€ per year)	155,3	134,5	108,6	275,9	**196,1**

**Weighted averages (cf. introduction)*
source : Carat (Eurostat and local private sources

Comments

The television audience in the Netherlands is lower than in other countries of the European Union in all day (cfr tab1), but the proportion of television advertising investments is higher than the European average. This can be explained by the high audiences during prime time, which point of time is most solicited by advertisers. There are also few alternatives for large advertising campaigns since outdoor billboard circuits are not very developed.

3- Types of broadcast and Audience Shares

Audience Shares
Share (%) of each channel of total TV audience.

Channels
All channels which data are available.

TAB 3A — **Adults**

NETHERLANDS	Name	Status	2003
Average Rating Audience % TOTAL TV (1)			*8,4 of which :*
Channels with national coverage	Animal Planet	Commercial channel free to air	0,1
	Canal Digital	Pay TV (no advertising)	-
	Canal+1	Pay TV (including adv breaks)	-
	Canal+2	Pay TV (including adv breaks)	-
	Cartoon Network	Pay TV (including adv breaks)	0,0
	Casema Digital	Pay TV (no advertising)	-
	Cinenova 1 en 2	Pay TV (no advertising)	-
	Discovery Channel	Commercial channel free to air	1,6
	Fox Kids	Commercial channel free to air	1,0
	Kindernet	Commercial channel free to air	-
	MTV	Commercial channel free to air	0,5
	National Geographic Channel	Commercial channel free to air	0,6
	Nederland 1	Public service	11,8
	Nederland 2	Public service	16,3
	Nederland 3	Public service	7,1
	NET5	Commercial channel free to air	4,4
	Nickelodeon	Commercial channel free to air	0,8
	RTL4	Commercial channel free to air	16,7
	RTL5	Commercial channel free to air	5,0
	SBS6	Commercial channel free to air	9,9
	The Box	Commercial channel free to air	0,2
	TMF	Commercial channel free to air	0,7
	V8	Commercial channel free to air	-
	Veronica	Commercial channel free to air	2,8
	Yorin	Commercial channel free to air	4,8
Local channels	AT5	Public service	0,2
	K9 Utrecht	Public service	0,0
	L1 (TV Limburg)	Public service	0,2
	Omroep Brabant	Public service	0,3
	Omroep Flevoland	Public service	0,0
	Omroep Zeeland	Public service	0,1
	Omrop Fryslan	Public service	0,1
	TV Drenthe	Public service	0,1
	TV Gelderland	Public service	0,3
	TV Noord	Public service	0,2
	TV Noord-Holland	Public service	0,1
	TV Oost	Public service	0,2
	TV Rijnmond	Public service	0,2
	TV West	Public service	0,2

TAB 3B **Adults**

NETHERLANDS	Name		2003
Average Rating Audience % TOTAL TV (1)			***8,4*** ***of which :***
Non domestic channels	ARD	Public service	0,7
	ARTE	Public service	-
	BBC1	Public service	0,5
	BBC2	Public service	0,5
	CNBC	Commercial channel free to air	-
	Deut.Sport	Commercial channel free to air	-
	France 2	Public service	-
	Kabel 1	Commercial channel free to air	-
	Ketnet / Canvas	Public service	1,3
	NBC Super	Commercial channel free to air	-
	NDR/SWR/WDR	Public service	0,4
	Nord-TV	Commercial channel free to air	-
	Premiere	Pay TV (including adv breaks)	-
	PRO 7	Commercial channel free to air	-
	RAI1	Public service	-
	RTBF/La Une	Public service	-
	RTL Television (German)	Commercial channel free to air	0,5
	RTL2	Commercial channel free to air	-
	Sat. 1	Commercial channel free to air	-
	Sat. 3	Commercial channel free to air	-
	TVE	Public service	-
	VOX	Commercial channel free to air	-
	VRT TV1	Public service	1,7
	ZDF	Public service	0,5
International channels	BBC World	Public service	-
	CNN	Commercial channel free to air	-
	Euronews	Commercial channel free to air	-
	Eurosport	Commercial channel free to air	0,8
	MBC	Commercial channel free to air	-
	TRT	Public service	-
	TV5	Commercial channel free to air	-
Other channels	Mr. Zap	Pay TV (no advertising)	-
	Digitaal pakket (casema)	Pay TV (including adv breaks)	-
	Digitaal pakket (multikabel)	Pay TV (including adv breaks)	-
	TV digitaal	Pay TV (including adv breaks)	-
	TV Home digitaal pakket	Pay TV (including adv breaks)	-
	UPC Digital	Pay TV (no advertising)	-
	Others	-	6,6
Total			**100,0**

(1) Definitions : Please, refer to Tab. 1 of this report
Highlighted channels are covered in the economic report.

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COMPARISON BETWEEN THE LEGAL AND THE ECONOMIC DATA

I. ADVERTISING IDENTIFICATION
(Article 10 Directive)

1. Separation of advertising from the programmes by optical and/or acoustic means
(Art.10.1 of the Directive)

In the Netherlands Tv advertising and teleshopping must be clearly identifiable and must be kept separate from programme content by optical or acoustic means.

Teleshopping windows have to be identified as such during the entire duration of the window.

The Dutch regulation goes further than the Directive since it obliges private and public broadcasters to include all advertising and teleshopping spots in blocks of a minimum duration of 1,5 minutes.

Impact on commercial practices

- All advertising and teleshopping spots are included in breaks. The average duration of a break is 185 seconds during all day and 225 seconds during prime time which is close to the average European practice but quite long compared to the USA (main national networks) where the average duration of a break is 141 seconds, but where the frequency of programme interruptions is much higher. In the Netherlands breaks are longer but the frequency of interruptions is shorter.
- It is remarkable that breaks on public channels are significantly longer (221 seconds) than on private channels (180 seconds).
- Split screen techniques are used in the Netherlands but the importance of the technique cannot be evaluated in an objective manner since the technique is not measured as a separate format.

Average duration of advertising interruptions (seconds - all day)

TAB 4A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Break durations (#sec) - Total	246	129	165	199	-	188	185	136	143	236	**185**
Break durations (#sec) of Public Channels	173	90	140	126	-	157	221	129	0	0	**140**
Break durations (#sec) of Private Channels	257	146	202	201	-	197	180	147	143	236	**195**
Break durations (#sec) of Pay TV (including advertising)	-	83	107	-	-	-	-	101	-	-	-

** weighted average (cf. introduction)*
Note that Telepromotions are excluded of these figures and have an average duration of 88 seconds in Italy.

TAB 4B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Break durations (#sec) - Total	132	167	120	83	315	-	105	141	**185**
Break durations (#sec) of Public Channels	72	105	100	71	143	-	-	-	**140**
Break durations (#sec) of Private Channels	150	238	128	85	338	-	105	141	**195**
Break durations (#sec) of Pay TV (including advertising)	-	153	51	-	-	-	-	-	-

** weighted average (cf. introduction)*
Note that Telepromotions are excluded of these figures and have an average duration of 88 seconds in Italy.

2. Isolated advertising and teleshopping spots

(Article 10.2 of the Directive)

Isolated spots are prohibited in the Netherlands since all advertising and teleshopping spots have to be grouped in blocks with a minimum duration of 1,5 minutes.

Impact on commercial practices

In the Netherlands isolated spots are not offered or used as a separate advertising category.

Proportion of advertising interruptions under 60 seconds (all day)

TAB 5A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Total	-	27,4%	9,5%	13,5%	-	5,0%	7,5%	33,5%	20,6%	4,0%	12,8%
Public Channels	-	42,1%	9,7%	0,3%	-	7,0%	0,03%	29,6%	0,0%	0,0%	10,3%
Private Channels	-	20,9%	6,4%	13,9%	-	4,5%	8,7%	41,7%	20,6%	4,0%	13,3%
Pay TV (including advertising)	-	42,9%	25,3%	-	-	-	-	2,2%	-	-	-

** weighted average (cf. introduction)*

Note that Telepromotions are excluded of these figures (Italy : 3% in public channels and 9% in privates channels).

TAB 5B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Total	25,2%	19,2%	23,1%	47,4%	12,9%	-	2,0%	12,0%	12,8%
Public Channels	49,9%	22,4%	24,4%	56,2%	27,0%	-	-	-	10,3%
Private Channels	17,6%	7,3%	21,6%	46,0%	11,0%	-	2,0%	12,0%	13,3%
Pay TV (including advertising)	-	28,6%	59,8%	-	-	-	-	-	-

** weighted average (cf. introduction)*

Note that Telepromotions are excluded of these figures (Italy : 3% in public channels and 9% in privates channels).

3. Subliminal advertising
(Art. 10.3 Directive)

Subliminal advertising techniques are prohibited in the Netherlands.

4. Surreptitious advertising
(Art.10.4 Directive)

Surreptitious advertising and similar techniques are not expressly prohibited in Dutch media law. However, surreptitious advertising is prohibited according to the principle that all advertising has to be inserted observing the conditions mentioned in the law. It is not permitted to insert advertising in some other way.

Impact on commercial practices

Product placement is an existing advertising format in the Netherlands. The importance of the technique is growing in certain tv programmes and soaps.

Virtual advertising is new in the Netherlands and used in relation to sports programmes.

Both formats are not measured for audience or investment as a separate category so it is not possible to evaluate their importance in an objective manner.

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II. INSERTION PRINCIPLES
(Art. 11 of the Directive)

Preliminary remarks

Figures in relation to the volume of advertising attributed to a type of programme (Film, Documentary, Series & Soaps, etc …) include advertising inserted IN and BEFORE this type of programme. The term "insertion" is in conformity with article 11 of the Directive;

1. Insertion of advertising and teleshopping spots between and during the programmes
(Art. 11. Directive)

Commercial broadcasting

The Media Act is, with respect to commercial broadcasters, in conformity with article 11 TVWF Directive.

Public broadcasting

As to the interruption of programmes by advertising messages or teleshopping messages the Media Act is more restrictive than the Directive, article 11.

Broadcasting establishments that provide programmes of a spiritual or religious nature can prevent advertising messages to be broadcast immediately preceding or following their programmes on Sundays.

There is a general prohibition on the insertion of advertising in children's programmes (the Media Act defines children as persons under the age of 12).

For Public broadcasters the conditions to be met are regulated in detail:

Any programme of an establishment which has obtained national broadcasting time will only be interrupted by Radio and Television Advertising Foundation if:

(1) the programme to be interrupted lasts longer than one hour and a half for television (…);
(2) the program consists of the complete report or coverage of an event;
(3) the program contains the complete report of the event;
(4) the interruption takes place during natural breaks occurring in the event or between separate parts;
(5) the interruption lasts at least one minute and a half for television (…)
(6) the establishment which has obtained broadcasting time and which is responsible for the programme has no objections to the interruption on the ground of it having an adverse effect on the integrity, the character or the coherence of the program in question;
(7) the interruption does not harm the rights of rightholders.

Moreover, any programme of an establishment which has obtained national broadcasting time can be interrupted at the most one time per 45 minutes for television (…) by a programme of the Radio and Television Advertising Foundation.

Impact on commercial practices

On Dutch channels the average number of interruptions by hour is 1,6 during the day and 2,2 during prime time. This is below the European average in all day, which is probably due to the more restrictive regime for the public broadcaster. It has to be taken into account however that during prime time the blocks are longer: 225 seconds compared to 185 during all day (in all day the length of the block is similar to the European average and during prime time above) The number of breaks on public channels is clearly below (1,2 all day and 1,3 during prime time) the frequency of interruptions on private channels (1,7 all day and 2,4 in prime time). This is due to specific legal restrictions for public broadcasters. Nevertheless, it has to be taken into account that the breaks, even if less frequent, are clearly longer on public channels than on private channels.

The proportion of children's programmes in the total programme mix is quite high (14,6%) whereas the advertising in and before this type of programme remains clearly limited children's programmes only represent 3,8% in the global advertising investment). Such is probably due to the fact that the public broadcaster is not allowed to insert advertising in children's programmes.

There are no standard figures available on the number of interruptions by type of programme.

In "All Day" the advertising proportion is the highest in Series and soaps, Entertainment and Documentary and Film/Tv film. Also sports programmes contain a high volume of advertising. During prime time the advertising proportion is the highest in Series & soaps, "Other magazines" and Entertainment. The proportion time of advertising in "Information" (news and info magazines) shows a significant increase during prime time (14,3% vs. 5,4% during all day)

Average number of interruptions per hour during and between the programmes

The following average number of blocks per hour is calculated taking into account to the real number of hours broadcast, except during Prime Time. (Theoretical - Please, refer to Chapter II of the economical report of the concerned country).
Please, note that the data of table 7 and table 18 are calculated on a different panel of channels. For the net proportion of the advertising broadcast volume, please refer to table 18A.

TAB 7A - All Channels	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Duration of the interruptions All Day (#sec)	246	129	165	199	-	188	185	136	143	236	**185**
Number of interruptions per hour All Day	1,0	1,4	1,5	1,8	-	1,8	1,6	3,4	1,8	1,8	**1,9**
Duration of the interruptions Prime Time** (#sec)	-	183	174	212	-	205	225	132	163	261	**198**
Number of interruptions per hour Prime Time * *	-	1,9	2,4	1,4	-	2,1	2,2	3,1	3,1	1,5	**2,1**

** weighted average (cf. introduction)*
*** Theoretical dayparts*

TAB 7B - All Channels	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Duration of the interruptions All Day (#sec)	132	167	120	83	315	-	105	141	**185**
Number of interruptions per hour All Day	1,0	1,3	1,8	1,9	1,0	-	5,3	5,5	**1,9**
Duration of the interruptions Prime Time** (#sec)	162	174	129	98	378	-	125	147	**198**
Number of interruptions per hour Prime Time * *	1,9	1,5	2,4	3,0	1,2	-	6,4	5	**2,1**

** weighted average (cf. introduction)*
*** Theoretical dayparts*

TAB 7C - Public channels	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Duration of the interruptions All Day (#sec)	173	90	140	126	-	157	221	129	0	0	**140**
Number of interruptions per hour All Day	0,5	1,1	1,3	0,3	-	0,9	1,2	3,7	0	0	**1,1**
Duration of the interruptions Prime Time** (#sec)	-	133	157	0	-	168	278	127	0	0	**159**
Number of interruptions per hour Prime Time * *	-	1,3	2,2	0	-	1,7	1,3	2,7	0	0	**2,0**

** weighted average (cf. introduction)*
*** Theoretical dayparts*

TAB 7D - Public channels	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Duration of the interruptions All Day (#sec)	72	105	100	71	143	-	-	-	**140**
Number of interruptions per hour All Day	0,4	1,0	1,8	1,9	0,6	-	-	-	**1,1**
Duration of the interruptions Prime Time** (#sec)	93	101	132	91	193	-	-	-	**159**
Number of interruptions per hour Prime Time * *	1,9	1,2	2,5	2,8	0,9	-	-	-	**2,0**

** weighted average (cf. introduction)*
*** Theoretical dayparts*

TAB 7E - Private Channels	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Duration of the interruptions All Day (#sec)	257	146	202	201	-	197	180	147	143	236	**195**
Number of interruptions per hour All Day	1,2	2,0	1,7	2,0	-	2,4	1,7	4,2	2,4	1,9	**2,2**
Duration of the interruptions Prime Time** (#sec)	-	207	207	212	-	224	218	145	163	261	**210**
Number of interruptions per hour Prime Time * *	-	2,5	3,3	1,6	-	2,5	2,4	4,0	3,9	1,5	**2,5**

** weighted average (cf. introduction)*
*** Theoretical dayparts*

TAB 7F - Private Channels	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Duration of the interruptions All Day (#sec)	150	238	128	85	338	-	105	141	**195**
Number of interruptions per hour All Day	1,6	1,8	2,0	1,8	1,1	-	5,3	5,5	**2,2**
Duration of the interruptions Prime Time** (#sec)	215	293	132	99	406	-	125	147	**210**
Number of interruptions per hour Prime Time * *	1,9	1,7	2,6	3,0	1,3	-	6,4	4,7	**2,5**

** weighted average (cf. introduction)*
*** Theoretical dayparts*

Proportion of broadcasting volume and advertising investment by type of programmes

Children's programmes - All Day 2003

TAB 10A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	10,3%	6,0%	9,3%	4,9%	-	6,8%	14,6%	-	3,0%	7,7%	7,5%
Part in the global advertising investment	-	2,0%	-	-	-	3,3%	3,8%	-	-	8,8%	-

TAB 10B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	2,1%	9,0%	15,5%	7,0%	5,1%	-	3,2%	7,8%	7,5%
Part in the global advertising investment	0,1%	-	2,3%	0,7%	2,0%	-	-	2,7%	-

Documentary - All Day 2003

TAB 11A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	0,6%	3,3%	11,6%	11,6%	-	4,6%	2,6%	-	12,8%	15,9%	9,8%
Part in the global advertising investment	-	0,6%	-	-	-	2,9%	1,6%	-	-	18,1%	-

TAB 11B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	4,9%	1,4%	10,0%	8,7%	3,1%	-	3,6%	3,6%	9,8%
Part in the global advertising investment	0,9%	-	3,1%	1,4%	2,3%	-	-	4,4%	-

Entertainment and Music - All Day 2003

TAB 12A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	5,5%	11,1%	15,1%	10,8%	-	13,2%	22,5%	-	32,2%	7,5%	12,5%
Part in the global advertising investment	-	14,7%	-	-	-	33,7%	30,3%	-	-	8,5%	-

TAB 12B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	16,4%	13,3%	12,0%	32,0%	15,0%	-	20,6%	16,9%	12,5%
Part in the global advertising investment	21,8%	-	18,7%	26,9%	16,3%	-	-	18,7%	-

Film, TV Films and Mini Series - All Day 2003

TAB 13A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	22,2%	17,7%	10,2%	11,9%	-	16,1%	4,3%	-	8,3%	13,0%	12,9%
Part in the global advertising investment	-	28,2%	-	-	-	17,4%	10,6%	-	-	14,9%	-

TAB 13B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	18,8%	17,9%	17,9%	7,1%	14,0%	-	2,8%	3,7%	12,9%
Part in the global advertising investment	30,7%	-	20,8%	23,3%	14,1%	-	-	3,8%	-

Information (News, Flash and Info Magazines) - All Day 2003

TAB 14A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Countries Union*
Proportion of broadcasting volume vs total broadcasting	2,6%	12,4%	11,3%	6,8%	-	23,1%	9,4%	-	1,9%	13,4%	12,8%
Part in the global advertising investment	-	11,7%	-	-	-	18,3%	8,7%	-	-	15,2%	-

TAB 14B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	10,7%	7,6%	5,9%	8,2%	22,3%	-	10,6%	14,4%	12,8%
Part in the global advertising investment	6,1%	-	24,7%	17,7%	13,1%	-	-	8,0%	-

Political, Religious, Philosophical, Unions programmes - All Day 2003

TAB 15A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	2,0%	1,4%	0,8%	0,5%	-	2,4%	3,2%	-	0,0%	0,0%	1,1%
Part in the global advertising investment	-	0,1%	-	-	-	0,6%	0,7%	-	-	0,1%	-

TAB 15B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	0,3%	4,7%	2,3%	0,3%	3,6%	-	0,4%	0,0%	1,1%
Part in the global advertising investment	0,0%	-	0,9%	0,1%	2,2%	-	-	0,0%	-

Series and Soap - All Day 2003

TAB 16A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	9,8%	18,7%	11,6%	11,5%	-	14,1%	8,0%	-	13,9%	5,1%	11,3%
Part in the global advertising investment	-	16,1%	-	-	-	15,4%	22,5%	-	-	5,8%	-

TAB 16B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	20,6%	5,2%	13,5%	11,8%	11,6%	-	9,4%	22,4%	11,3%
Part in the global advertising investment	26,0%	-	25,9%	15,4%	23,9%	-	-	37,5%	-

Sports - All Day 2003

TAB 17A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	1,9%	5,1%	3,1%	8,6%	-	3,5%	2,7%	-	8,4%	7,5%	5,6%
Part in the global advertising investment	-	2,3%	-	-	-	5,9%	7,1%	-	-	8,6%	-

TAB 17B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
Proportion of broadcasting volume vs total broadcasting	4,7%	11,3%	7,9%	3,3%	1,6%	-	5,9%	9,4%	5,6%
Part in the global advertising investment	5,7%	-	2,1%	3,9%	3,3%	-	-	22,5%	-

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III. QUANTITATIVE RESTRICTIONS
(Art. 18 of the Directive)

1. Quantitative restrictions on advertising and teleshopping spots

The regulation on private TV is in line with what is laid down in the Directive.

The Dutch Regulation with regard to public broadcasting is more restrictive than article 18 TVWF Directive proscribes. The daily maximum of teleshopping and advertising spots is limited to 15%. Teleshopping messages may have a duration of maximum 1 minute by spot. Their total in an advertising block may not exceed two thirds of the block's total duration. The maximum volume of advertising and teleshopping spots per hour is however in line with the Directive (12 minutes).

Impact on commercial practices

From the figures "all day" (Tab 10, p35) can be understood that all channels remain under the maximum available volume of advertising.

During prime time (see tab.10, p39), it is clear that advertising volume per hour increases significantly on private and public channels. This can be explained by the significantly higher tv audience during prime time.

In total the advertising time versus total broadcasting time on Dutch channels is 8,6% which is close to the European average. It can be presumed that the volume on private channels is above the European average since the specific restrictions in relation to volume, applicable for public broadcasters.

It is also remarkable that in comparison with other countries the channels in the Netherlands contain a more important volume of self promotion.

Advertising time, Sponsoring time and Self-Promotion time proportions vs Total broadcasting time

TAB18A	Austria	Belgium N/S	France	Germany (2)	Ireland	Italy	Netherlands	Spain (1)	Sweden	United Kingdom	European Union Countries*(2)
Total Advertising time (out of sponsoring and self-promotion)	7,2%	4,5%	6,6%	6,2%	11,5%	9,2%	8,6%	6,8%	9,4%	12,3%	8,0%
Total Sponsoring time	-	0,2%	0,6%	2,1%	-	0,8%	-	0,4%	1,1%	-	1,1%
Self- promotion time	0,1%	3,1%	2,9%	0,1%	-	0,1%	3,5%	-	0,8%	0,0%	1,0%

(1) In some countries, total sponsoring proportion is estimated and could contain house style's logos of advertising breaks.
(2) Germany : the percentage of sponsoring includes infomercials, humanitarian and public interest campaigns (broadcast free of charge or against important discount).
30% of the sponsoring time is equal to the standard definition of the sponsoring (billboards); therefore the estimate of the net volume of sponsorship in Germany would generate an EU average of 0,6%
** weighted average (cf. introduction)*

TAB18B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*(2)
Total Advertising time (out of sponsoring and self-promotion)	3,6%	6,1%	6,0%	4,3%	6,3%	-	11,7%	17,4%	8,0%
Total Sponsoring time	0,2%	-	0,1%	0,4%	0,2%	-	5,0%	3,4%	1,1%
Self- promotion time	0,1%	9,2%	5,8%	5,0%	5,0%	-	0,0%	3,4%	1,0%

2. Quantitative restrictions on teleshopping programmes

In the Netherlands the regulations related to teleshopping programmes are identical to those laid down in the Directive.

Teleshopping windows or programmes are however forbidden for public broadcasters.

Impact on commercial practices

From the economic report it appears that teleshopping (spots and ad formats excluded) represents 11,6% in the total programme mix. The majority of teleshopping programmes is broadcast by Veronica and Net5. Such is much higher than the European average and it can be concluded that teleshopping programmes are an important additional source of revenue for certain private channels, since it seems that this format is concentrated on certain private channels only.

Proportion of teleshopping programmes vs Total broadcasting

TAB 19 A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
% in total broadcasting time	3,9%	5,0%	1,1%	3,5%	-	0,8%	11,6%	1,3%	0,0%	0,0%	1,9%

** weighted average (cf. introduction)*

TAB 19 B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*
% in total broadcasting time	6,2%	3,3%	2,2%	1,1%	1,3%	-	1,6%	0,6%	1,9%

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IV. SPONSORSHIP
(Art. 17 of the Directive)

Public broadcasting

The Dutch Media Act is more restrictive with regard to sponsoring than the Directive allows. In principle sponsoring is not allowed, except for certain types of programs (s. 52a).

The Dutch Media Act requires that broadcasting establishments join the Dutch Advertising Code. Furthermore broadcasting establishments have to draw up a programme statute guaranteeing their employees editorial independence.

Programmes cannot be sponsored if they are specifically aimed at minors under the age of twelve.

The sponsoring message may have a duration of maximum five seconds, as part of the credits or as a non-moving image at the beginning or the end of the programme. This image may not fill the screen.

Specific rules on the content and the form of the agreement with the sponsor are imposed on public broadcasters.

Commercial broadcasting

With regard to commercial broadcasting the Dutch Media Act is in general in conformity with article 17 of the Directive.

However, it is not allowed to mention the sponsor(s) during the programme, unless there is a report of an event in the programme (which does not cover the whole programme) and this event only is sponsored. The sponsoring of the event can be mentioned at the beginning or at the end of the report of the event. This exception is not applicable if there is any relation between the sponsor and tobacco products. The broadcasters are not obliged to mention the sponsor(s) in an announcement of the programme.

The Dutch Media Act demands that broadcasting establishments join the Dutch Advertising Code and draw up a programme statute guaranteeing their employees editorial independence.

Impact on commercial practices

Sponsoring "billboard" / short spots, breakbumpers, sponsored self promotion spots), bartering, infomercials, scoreboards and chronowatches are existing and used formats in the Netherlands but most of these techniques are not measured for audience or investment.

Proportion of sponsorship broadcasting time and Part of investment relating to sponsorship vs Total advertising and Sponsoring

TAB 20	Austria	Belgium N/S	France	Germany (1)	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries* (1)
% of sponsorship broadcasting time	-	3,6%	8,7%	25,2%	-	8,3%	-	3,8%	10,4%	-	12,6%
% of sponsorship investment vs Total	-	6,9%	12,2%	6,9%	-	11,7%	-	5,3%	-	-	9,0%

(1) Germany : in this percentage are also included infomercials and humanitarian and public interest campaigns broadcast free of charge or against important discount.
30% of the sponsoring time is equal to the standard definition of the sponsoring (billboards); therefore the estimate of the net volume of sponsorship in Germany would generate an EU average of 7,3%
** weighted average (cf. introduction)*

TAB 21	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	European Union Countries*(1)
% of sponsorship broadcasting time	5,2%	-	1,4%	9,2%	3,0%	-	29,9%	16,0%	12,6%
% of sponsorship investment vs Total	1,9%	-	3,6%	3,8%	1,4%	-	7,6%	17,3%	9,0%

** weighted average (cf. introduction)*

V. NEW ADVERTISING TECHNIQUES

There is no specific regulation in the Netherlands regarding new advertising techniques, such as split screen advertising, virtual advertising or interactive advertising.

Impact on commercial practices

Split screen techniques and virtual advertising are starting to be used on Dutch channels but is not possible at this stage to evaluate their importance in an objective manner.

Virtual advertising is used in relation to sports programmes.

TAB 22A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	UK
Used or not	Y	N	N	Y	N	N	Y	Y	Y	Y
Measured	N	-	-	Y	-	-	N	*	N	N

** Measured as Advertising Spots*

TAB 22B	Czech Rep.	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA
Used or not	Y	Y	N	N	Y	Y	N	N
Measured	*	N	-	-	Y	N	-	-

** Measured as Advertising Spots*

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VI. GENERAL PRINCIPLES ON ADVERTISING AND TELESHOPPPING CONTENT
(Article 12 of the Directive)

The Dutch Advertising Code, to which all broadcasters are obliged to adhere, protects in rather vague terms the interests mentioned in article 12 sub a) – d) Directive. Furthermore, it refers to observing Dutch law which in its turn protects these interests.

Article 12 sub e) Directive is regulated in a separate part of the DAC, the Code for environmental advertising, which gives a broader protection than the Directive.

Apart from the rules included in the Dutch Advertising Code, general consumer protection regulation (such as the rules on misleading and comparative advertising) are included in the Dutch Civil Code.

Impact on commercial practices

It is not possible to measure the concrete economic impact of regulation in relation to the content of advertising. Nevertheless it can be presumed the impact of such regulation is positive and encourages consumer confidence in advertising. This is probably also the reason why the industry self imposes this type of rules by adoption of self regulatory codes.

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VII. SPECIFIC PRODUCTS AND TARGETS (Articles 13, 14, 15 and 16 of the Directive)

Tobacco

The ban on tobacco advertising on television is laid down in s. 4 of the Tobacco Act. This implements article 13 of the Directive. Other forms of advertising for tobacco fall under the Advertising Code for Tobacco (obligatory self regulation for all broadcasters that broadcast programmes containing advertising).

Medicines

Article 14 of the Directive has been implemented in Dutch law by way of section 5 of the Advertising Decree on medicines.

Alcohol

The rules included in the Directive have been implemented in the Code for Alcoholic Beverages (obligatory self regulation for all broadcasters that broadcast programmes containing advertising). This Code is more restrictive than the Directive. For example it is mentioned expressly that advertising for alcoholic beverages cannot be addressed to minors and it cannot be inserted in or around programmes directed to minors. Alcohol advertising is prohibited on youth channels.

Minors

Article 13 of the general Dutch Advertising Code (obligatory self regulation for all broadcasters that broadcast programmes containing advertising), prohibits certain forms of advertising directed at children (younger than 12). This code is less restrictive in the sense that it applies to minors younger than 12.

Cars

The Code for Passenger Cars (obligatory self regulation for all broadcasters that broadcast programmes containing advertising), contains specific rules in relation to advertising for motor vehicles which encourage safe driving and respect for the environment..

Environment

The Code for Environmental Advertising (obligatory self regulation for all broadcasters that broadcast programmes containing advertising) aims to prevent misleading advertising claims in relation to environmental effects.

Impact on commercial practices

In terms of broadcast advertising minutes and number of advertising insertions, amongst the measured categories, the important category is "food", followed by "Cosmetics/Personal Hygiene" and "Products dedicated to Children" (see tab 13 p60-68).

In terms of gross advertising spendings the important categories are "food", followed by "Cosmetics/Personal Hygiene" but all alcohol advertising, products dedicated to children and cleaning products represent almost the same level of advertising revenues.

Non prescription medicines and alcohol are clearly less advertised than the other examined categories. This is not necessarily due to restrictive regulation since there is no prohibition applicable.

It is remarkable that "products dedicated to children" is an important category whereas children's programmes contain few advertising (the public broadcaster is not allowed to insert advertising in children's programmes). It seems that this type of advertising is also inserted in and around certain types of adult's programmes.

It has to be reminded that the figures in the economic report do not include some important advertisers, such as telecom, cars and financial services.

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VIII. GENERAL OBSERVATIONS

In the Netherlands TV advertising represents 51,1% of the total gross media investments which is over the European average and indicates that television is the most important medium for advertisers in the Netherlands (tab 8, p30).

In the Netherlands the digital terrestrial television licence was awarded to the Digitenne consortium in 2002 (KPN telecom, Nozema and a group of broadcasters). The service was launched in a limited area of the Netherlands in 2003 and includes Tv channels and radio stations, of which the majority are also available through traditional delivery systems. A complex mix of public and commercial undertakings controls the venture. In comparison to some other European countries (for example UK), interactive digital television is not a big success (subscription penetration end 2003 was around 710.000). Since the production of interactive programmes is expensive, the offer of interactive content is quite low.

Key trend in the TV market is the fragmentation of the audience and rise of the competition level because of the emergence of more and more channels.

Tv advertising volume is at a high level and still increasing due to the increasing number of tv channels and the low cost of Tv as an advertising medium.

TAB 24A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Union Countries*
Total Media Investments (000 €)	2.160.947	2.137.479	15.900.000	17.157.223	537.000	25.600.000	4.044.066	12.079.033	1.611.087	11.986.590	106.902.530
Total TV Invest. (000 €)	463.085	945.281	6.070.563	7.443.792	207.716	9.140.000	2.066.192	6.773.889	382.283	5.237.400	37.370.852
Average part of TV Invest.*	21,4%	44,2%	38,2%	43,4%	38,7%	35,7%	51,1%	56,1%	23,7%	43,7%	35,0%
Average part of Top 5 TV vs Total TV Invest.*	85,8%	94,7% N 97,0% S	91,9%	78,8%	98,9%	74,4%	70,1%	82,6%	100,0%	81,3%	84,4%
Average Top 5 Audience Share*	62,4%	65,6% N 43,4% S	85,3%	40,2%	56,7%	79,4%	52,1%	79,5%	46,4%	35,2%	60,5%
Adults population universes	6.505.800	8.256.000	45.660.000	63.036.553	3.010.000	49.540.000	13.308.000	34.588.000	7.235.000	46.663.000	277.802.353
GDP (mo €)	226.142	267.480	1.557.245	2.128.200	134.786	1.300.926	454.276	743.046	267.297	1.589.468	8.668.867
Average Total Media Invest. / GDP*	0,96%	0,80%	1,02%	0,81%	0,40%	1,97%	0,89%	1,63%	0,60%	0,75%	1,23%
Average Total TV Invest. / GDP*	0,20%	0,35%	0,39%	0,35%	0,15%	0,70%	0,45%	0,91%	0,14%	0,33%	0,43%
Average Adv. Invest. / inhab.	332,2	258,9	348,2	272,2	178,4	516,8	303,9	349,2	222,7	256,9	384,8
Average TV Adv. Invest. / inhab.* (€ per year)	71,2	114,5	133,0	118,1	69,0	184,5	155,3	195,8	52,8	114,7	134,5

TAB 24B	Czech Republic	Hungary	Poland	Romania	Turkey	Canada E/F	Japan	USA	Applicant countries	Countries Outside EU	All Countries Observed
Total Media Investments (000 €)	1.056.282	1.460.785	2.416.794	1.358.000	8.666.904	4.273.026	42.573.909	107.030.038	14.958.765	153.876.973	275.738.268
Total TV Invest. (000 €)	508.937	956.867	1.437.035	1.143.817	6.472.230	1.783.930	14.590.520	72.045.904	10.518.887	88.420.354	136.310.092
Average part of TV Invest.*	48,2%	65,5%	59,5%	84,2%	74,7%	41,7%	34,3%	67,3%	70,3%	57,5%	49,4%
Average part of Top 5 TV vs Total TV Invest.*	99,8%	100,0%	94,6%	92,8%	73,9%	79,0%	56,8%	25,3%	82,5%	31,6%	50,0%
Average Top 5 Audience Share*	93,6%	80,5%	79,5%	69,7%	59,2%	40,8 % English	77,5%	41,4%	72,1%	50,8%	57,7%
Adults population universes	8.453.632	7.799.734	30.514.000	16.222.000	33.848.233	24.268.903	84.801.171	211.400.000	96.837.599	320.470.074	695.110.026
GDP (mo €)	80.097	73.213	185.176	50.352	212.268	768.969	3.800.189	9.727.723	601.106	14.296.881	23.566.853
Average Total Media Invest. / GDP*	1,32%	2,00%	1,31%	2,70%	4,08%	0,56%	1,12%	1,10%	2,49%	1,08%	1,17%
Average Total TV Invest. / GDP*	0,64%	1,31%	0,78%	2,27%	3,05%	0,23%	0,38%	0,74%	1,75%	0,62%	0,58%
Average Adv. Invest. / inhab.	125,0	187,3	79,2	83,7	256,1	176,1	502,0	506,3	154,5	480,2	396,7
Average TV Adv. Invest. / inhab.* (€ per year)	60,2	122,7	47,1	70,5	191,2	73,5	172,1	340,8	108,6	275,9	196,1

** weighted average (cf. introduction)*

Brussels, June 2005.