



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

**REPORT : SWEDEN**

## 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 Sweden 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 Member 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, a specific comparison will compare the national results of all channels measured and these of TV4, the only national domestic commercial channel, subject to Swedish regulation. Despite all our efforts, some data are unavailable:

- audience figures and measurements of several channels (e.g. pay TV's)
- Proportion of advertising investment by type of programmes
- sponsorship measurement in term of investment
- 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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<b><u>GENERAL INFORMATION</u></b>
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## **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.

<b>TAB 1</b>	<b>SWEDEN</b>	<b>European Union Countries (10)</b>	<b>Applicant countries (5)</b>	<b>Countries Outside EU (3)</b>	<b>All Countries Observed (18)</b>
Adult population definition	15+	13/16+	15/18+	18/20+	13/20+
Adult population universe	7.235.000	277.802.353	96.837.599	320.470.074	695.110.026
Average Rating - All Day*	11,2%	14,0%	16,7%	23,4%	18,7%
Average Rating - Prime Time*	35,8%	37,4%	39,8%	40,6%	39,2%
Prime Time slots definitions	18:55-23:00	18:55-23:00	18:30-23:00	19:00-23:00	19:00-23:00
Average Prime vs All Day (index)*	320	270	238	177	222
Average Prime part*	54%	34%	38%	26%	31%

\* Weighted averages (cf. introduction)

Source : Carat

## 2- Socio economic data (2003)

TAB 2	SWEDEN	European Union Countries (10)	Applicant countries (5)	Countries Outside EU (3)	All Countries Observed (18)
Total Adv. Investments All Media (000 €)	1.611.087	106.902.530	14.958.765	153.876.973	275.738.268
Total TV Invest. (000 €)	382.283	37.370.852	10.518.887	88.420.354	136.310.092
Part of TV Invest.*	23,7%	35,0%	70,3%	57,5%	49,4%
Share of Top 5 channels on. Total TV Invest.*	100,0%	84,4%	82,5%	31,6%	50,0%
Average Top 5 Channels Audience Share*	46,4%	60,5%	72,1%	50,8%	57,7%
Adults population universes	7.235.000	277.802.353	96.837.599	320.470.074	695.110.026
GDP (mo €)	267.297	8.668.867	601.106	14.296.881	23.566.853
Average Total Adv. Invest. All Media / GDP*	0,60%	1,23%	2,49%	1,08%	1,17%
Average Total TV Adv. Invest. / GDP*	0,14%	0,43%	1,75%	0,62%	0,58%
Average Adv. Invest. / inhab. (€ per year)	222,7	384,8	154,5	480,2	396,7
Average TV Adv. Invest. / inhab.* (€ per year)	52,8	134,5	108,6	275,9	196,1

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

### 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

SWEDEN	Name	Status	2003
<b>Average Rating Audience % TOTAL TV (1)</b>			<b>11,2%</b>
			<b>of which :</b>
<b>Channels with national coverage</b>	SVT1	Public service	25,0%
	SVT2	Public service	16,1%
	<b>TV4</b>	Commercial channel free to air	25,9%
<b>Local channels</b>	-		-
<b>Non domestic channels</b>	<b>TV3</b>	Commercial channel free to air	10,7%
	<b>Kanal 5</b>	Commercial channel free to air	8,0%
	<b>ZTV</b>	Commercial channel free to air	1,8%
	TV8	Commercial channel free to air	0,0%
	RTL	Commercial channel free to air	-
	TV FINLAND	Pay TV (no advertising)	-
<b>International channels</b>	Animal Planet	Pay TV (no advertising)	-
	BBC Prime	Pay TV (no advertising)	-
	BBC World	Pay TV (no advertising)	-
	Cartoon Network	Pay TV (including adv breaks)	-
	CNBC	Pay TV (including adv breaks)	-
	CNN International	Pay TV (including adv breaks)	-
	<b>Discovery</b>	Commercial channel free to air	0,9%
	Disney Channel	Pay TV (no advertising)	-
	E!	Pay TV (including adv breaks)	-
	Euronews	Commercial channel free to air	-
	<b>Eurosport</b>	Commercial channel free to air	1,8%
	Fox Kids	Pay TV (including adv breaks)	-
	Hallmark	Pay TV (no advertising)	-
	<b>MTV</b>	Commercial channel free to air	0,9%
	Nat. Geographic channel	Pay TV (including adv breaks)	-
	Nickelodeon	Pay TV (no advertising)	-
	Sky News	Pay TV (including adv breaks)	-
	TCM	Pay TV (including adv breaks)	-
Travel Channel	Commercial channel free to air	-	
VH-1	Pay TV (including adv breaks)	-	

Tab. 3B

Adults

SWEDEN	Name	Status	2003
<b>Average Rating Audience % TOTAL TV (1)</b>			<b>11,2%</b> <b>of which :</b>
<b>Other channels</b>	Barnkanalen	Public service	-
	CANAL +	Pay TV (no advertising)	-
	CANAL + BLA	Pay TV (no advertising)	-
	CANAL + GUL	Pay TV (no advertising)	-
	Med i TV	Pay TV (including adv breaks)	-
	Nature / Action	Commercial channel free to air	-
	SVT EUROPA	Public service	-
	SVT EXTRA	Public service	-
	SVT24	Public service	-
	TV 1000	Pay TV (no advertising)	-
	TV 1000 CINEMA	Pay TV (no advertising)	-
	TV4+	Pay TV (including adv breaks)	-
	VIASAT EXPLORER	Commercial channel free to air	-
Viasat Sport	Pay TV (including adv breaks)	-	
	Others	-	8,9%
<b>Total</b>			<b>100,0%</b>

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

TV4 is the only domestic national commercial channel measured for this study and reaches 25% of the viewers, which is equivalent to the public channel SVT 1 (without advertising). Therefore, when also taking into account SVT2 (16% without advertising), 2 viewers out of 3 are watching Swedish TV. In this report, amongst the measured channels TV3 and Kanaal5 will be often at the origin of the high levels of the Swedish average, whereas they are established in, and governed by the law of, another country. The impact on the Swedish public is real but it respectively concerns 10,7% and 8% of the TV viewers.

The two public channels SVT1 and SVT2 cannot broadcast any advertising.

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<b><u>COMPARISON BETWEEN THE LEGAL AND THE ECONOMIC DATA</u></b>
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**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)

According to the Swedish regulation, a special signature, which clearly distinguishes advertisements from other broadcasts, is to be broadcast prior to and after each advertising period. On television, this signature is to consist of both sound and vision.

According to the Swedish regulation advertising and editorial content must be clearly recognisable as such.

There is a special prohibition regarding the participation of Tv personalities in advertising:

- individuals who play a prominent role in programmes that primarily involve news or current affairs may not appear in advertising.
- individuals or characters that play a prominent role in programmes which are primarily addressed to children under twelve years of age may not appear in commercial advertising in a television broadcast.

In Sweden there is no particular regulation concerning split screen techniques. The technique can be used to broadcast sponsoring messages at the end of feature films.

**Impact on commercial practices**

- The advertising and telesshopping spots are included in traditional blocks kept separate from TV programmes. The average duration of a block is 142 seconds for channels excluded TV4 and 154 seconds for TV4 which is below the European average. Most blocks are in the category 1:00-1:59: 24,8% and 00:00-00:59: 20,6%. During prime time the average duration of blocks is slightly longer: 163 seconds for channels excluded TV4 and 161 seconds for TV4.
- Split screen techniques exist and are used in Sweden but the investment and audience are not measured for this technique.

**Average duration of advertising interruptions**  
**(seconds - all day)**

TAB 4A	Austria	Belgium NS	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden (Excl. TV4)	Sweden (TV4 only)	United Kingdom	European Union Countries*
Break durations (#sec) - Total	246		165	199	-	188	185	136	142	154	236	185
Break durations (#sec) of Public Channels	173		140	126	-	157	221	129	0	0	0	140
Break durations (#sec) of Private Channels	257		202	201	-	197	180	147	142	154	236	195
Break durations (#sec) of Pay TV(including advertising)	-	-	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)

Swedish regulation stipulates that the total advertising time on television on any given occasion may not be less than one minute after deduction of the transmission time for the special signature.

### Impact on commercial practices

From the figures in relation to the duration of spots (tab 5, p 14-15), it can be concluded that breaks containing 1 spot do not exist, or only rarely occur, in Sweden since the large majority of spots has a duration shorter than 1 minute and regulation prohibits advertising breaks with a duration of less than 1 minute.

### Proportion of advertising interruptions under 60 seconds (all day)

TAB 5A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden (Excl. TV4)	Sweden (TV4 only)	United Kingdom	European Union Countries*
<b>Total</b>	-	27,4%	9,5%	13,5%	-	5,0%	7,5%	33,5%	21,7%	12,4%	4,0%	12,8%
<b>Public Channels</b>	-	42,1%	9,7%	0,3%	-	7,0%	0,03%	29,6%	0,0%	0,0%	0,0%	10,3%
<b>Private Channels</b>	-	20,9%	6,4%	13,9%	-	4,5%	8,7%	41,7%	21,7%	12,4%	4,0%	13,3%
<b>Pay TV (including advertising)</b>	-	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*
<b>Total</b>	25,2%	19,2%	23,1%	47,4%	12,9%	-	2,0%	12,0%	12,8%
<b>Public Channels</b>	49,9%	22,4%	24,4%	56,2%	27,0%	-	-	-	10,3%
<b>Private Channels</b>	17,6%	7,3%	21,6%	46,0%	11,0%	-	2,0%	12,0%	13,3%
<b>Pay TV (including advertising)</b>	-	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).

Note that if the proportion of advertising breaks lower than 60 seconds is around 20% in 2003, it was around 11% in 2002 and the European average is around 10% in 2003. The increase is mainly due to non-domestic and international channels and has to be compared with the decreasing length of the break's duration in all day (p12) which was around 154 sec. in 2002 and 143 sec. in 2003.

### **3. Subliminal advertising**

(Art. 10.3 Directive)

There are no specific rules in relation to subliminal advertising techniques in Sweden.

### **4. Surreptitious advertising**

(Art.10.4 Directive)

There is no legal definition of surreptitious advertising or product placement but surreptitious advertising and teleshopping are prohibited through the legal provision which stipulates that programmes that are not advertising may not promote commercial interests in an improper manner.

The Swedish authority applies the prohibition in a strict way and already decided that wearing clothes with logotypes is prohibited surreptitious advertising, and also: the mention of products in the Oprah Winfrey Show and in lottery programmes.

There are no exceptions to the rule that programmes cannot promote commercial interests and products/services can only be shown during programmes if justified by editorial needs.

Virtual advertising is prohibited in Sweden: the national authority decided that this technique is to be considered as prohibited surreptitious advertising and is also contrary to the rules in relation to identification and insertion of advertising.

**Impact on commercial practices**

Product placement is not an existing advertising format in Sweden and it seems that even product placement in imported material such as American TV shows is sanctioned by the national authority.

Virtual advertising does exist in Sweden and it is used and measured for audience and volume as sponsoring spots. Since the technique seems to be prohibited it can be supposed it has only been rarely used in sports programmes.

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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)**

The Swedish law is nearly identical to the rules in Article 11 of the TVWF Directive.

However, the media law is more restrictive as advertising breaks are prohibited in all children's programmes (addressed to children under twelve year) even if the duration is 30 minutes or more.

### **Impact on commercial practices**

On the Swedish channel TV4 there is an average number of breaks of 2,1 per hour in "All Day" and 4,6 during Prime Time. The other channels measured for Sweden have 2,4 breaks per hour in "All Day" and 3,8 breaks per hour during Prime Time. These figures are close to the European average except for the number of breaks during Prime Time, in particular on Swedish channel TV4 where the frequency of breaks in prime time is quite high, also in comparison to the number of breaks during the day.

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

Most advertising insertions are to be found in and before entertainment programmes and series and soaps, which type of programmes also represent an important share in the total programme mix (see tab11, p32; tab12c-12d, p35-36).

It is remarkable however that the category Information (News, Flash and Info magazines) is attractive for advertisement. The advertising time around this kind of programme represents 21,4% of the time dedicated to Information. This type of programmes only represents 1,9% in the total programme mix. Taking into account the rule that news and current affairs programmes of less than 30 minutes cannot contain any advertising, these

figures seem to indicate that often short news flashes are preceded and followed by advertising and that there is a high concentration of advertising around information programmes in general.

It is clear that the prohibition to insert advertising in all children's programmes has as a consequence that advertising in and around children's programmes is very limited on Swedish commercial channel TV4 (609 insertions in 2003, see p.35), whereas on non domestic channels the number of insertions is clearly more important because the legal restriction is not applicable (Kanal 5: 10.458 insertions; TV3: 21.718 insertions, see p.35).

**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, excepted 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.

<b>TAB 7A - All Channels</b>	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

<b>TAB 7B - All Channels</b>	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



<b>TAB 7C - Public channels</b>	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	0,0	-	1,7	1,3	2,7	0	0	2,0

\* weighted average (cf. introduction)

\*\* Theoretical dayparts

<b>TAB 7D - Public channels</b>	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

<b>TAB 7E - Private Channels</b>	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden (Excl. TV4)	Sweden (TV4 only)	United Kingdom	European Union Countries*
Duration of the interruptions All Day (#sec)	257	146	202	201	-	197	180	147	142	154	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	2,1	2,8	2,2
Duration of the interruptions Prime Time** (#sec)	-	207	207	212	-	224	218	145	163	161	261	210
Number of interruptions per hour Prime Time **	-	2,5	3,3	1,6	-	2,5	2,4	4,0	3,8	4,6	3,5	2,5

\* weighted average (cf. introduction)

\*\* Theoretical dayparts

<b>TAB 7F - Private Channels</b>	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 NS	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden (All channels measured)	Sweden (TV4 only)	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%	2,8%	7,7%	7,5%
Part in the global advertising investment	-	2,0%	-	-	-	3,3%	3,8%	-	-	-	8,8%	-

\* weighted average (cf. introduction)

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%	-

The average result of Sweden (3%) is largely distorted by the results of the non-domestic channels TV3 (12,3%) and Kanaal 5 (5,8%). Children's programmes are defined as programmes especially dedicated to Kids and Cartoons. Insertion of advertising in the first category is forbidden in Sweden but this is not applicable for cartoons, usually considered as fiction. In terms of broadcast minutes, advertising around children programmes is rather limited on TV4 (p35). However, in terms of number of insertions, we can conclude that the more the proportion of children programmes in total programming is restricted, the more the proportion of advertising increases in the channels where advertising is allowed. Unfortunately, there are no figures available for advertising investment by typology of programmes for Sweden.

Documentary - All Day 2003

TAB 11A	Austria	Belgium NS	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 NS	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 NS	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 NS	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 NS	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden	United Kingdom	European Countries Union*
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%	-

\* \* \* \*

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

#### **1. Quantitative restrictions on advertising and teleshopping spots**

In Sweden there is no maximum percentage of 20% for advertising, teleshopping and other forms of advertising as foreseen in article 18 of the Directive.

The transmission time for advertising spots shall not exceed 10 % of the daily transmission time (such includes teleshopping spots).

Advertising may not be broadcast for more than eight minutes (13,33%) during an hour between each full hour. In television broadcasts, this time may be extended to a maximum of ten minutes (16,66%) during broadcasting hours between 7.00 p.m. and midnight and in strictly exceptional cases. If the broadcasting time does not involve an hour between a full hour, advertising may be broadcast for not more than 10 % of the time.

Excluded from the maximum quota are: self promotion and sponsoring. Public service announcements and charity appeals broadcast free of charge are not expressly excluded.

It is important to note that in Sweden other restrictive regulation exists in relation to advertising volume. A broadcaster who has been granted a licence to broadcast nationwide analogue terrestrial TV must pay a concession fee if that broadcaster has an exclusive right to broadcast advertising in analogue terrestrial TV. In practice, the law has affected only commercial channel TV4. The law was implemented in 1992, at a time when public service channels SVT1 and SVT2 and commercial channel TV4 had a dominant position in the area of television broadcasting. The law was implemented as an attempt at setting competition right since SVT1 and SVT2 are prohibited from broadcasting advertising. The concession fee constitutes of a fixed amount as well as a flexible amount payable in percentage of advertising revenue.

#### **Impact on commercial practices**

From the figures “all day” (Tab 10c, p25) can be understood that channels are close to the maximum of available capacity of advertising spots (TV4: 5,3 minutes per hour). It has to be taken into account that these figures also include teleshopping spots which are not measured separately.

In an average day, TV4 has 8,9% of advertising spots (including teleshopping spots) vs total programmes broadcast.

During prime time (see tab.10g, p29), it is clear that advertising volume per hour increases (TV4: 11 minutes/hour).

It is important to note again that the only domestic commercial channel subject to Swedish regulation, taken into account in the tables of the economic report is TV4. It is clear that other channels such as TV3 and KN5 go over the legal maxima laid down in Swedish regulation (for example: KN5 broadcasts up to 13,7 minutes advertising spots by hour during prime time, for TV3 this is 12,4 minutes, see p29). These channels are non domestic and therefore not subject to Swedish regulation but represent a relatively important audience share in Sweden.

Notwithstanding the more restrictive regulation applicable in Sweden it has to be remarked that total advertising time on the channel TV4 (8,9%) is very close to the European average and not so far below the total advertising time on the other channels (not subject to Swedish regulation) measured for Sweden (9,4%).

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

TAB18A	Austria	Belgium N/S	France	Germany <sup>(2)</sup>	Ireland	Italy	Netherlands	Spain <sup>(1)</sup>	Sweden (All channels measured)	Sweden (TV4 only)	United Kingdom	European Union Countries*
<b>Total Advertising time</b> (out of sponsoring and self-promotion)	7,2%	4,5%	6,6%	6,2%	11,5%	9,2%	8,6%	6,8%	9,4%	8,9%	12,3%	8,0%
<b>Total Sponsoring time</b>	-	0,2%	0,6%	2,1%	-	0,8%	-	0,4%	1,1%	3,2%	-	1,1%
<b>Self-promotion time</b>	0,1%	3,1%	2,9%	0,1%	-	0,1%	3,5%	-	0,8%	0,0%	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)

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



## 2. Quantitative restrictions on teleshopping programmes

Unlike the Directive, there are no specific rules as regards maximum number of windows devoted to teleshopping programmes. The Swedish law does not work with the concept of “windows” devoted to teleshopping programmes.

As regards teleshopping in programme services that are not exclusively intended for programmes in which the audience is invited to order goods or services (sales programmes), which would correspond with teleshopping “spots”, the general rules on television advertising apply (teleshopping spots and programmes are included in the maximum quota for advertising).

### Impact on commercial practices

There are no teleshopping programmes broadcast on TV 4 and the other channels examined for Sweden.

### Proportion of teleshopping programmes vs Total broadcasting

TAB 19 A	Austria	Belgium N/S	France	Germany	Ireland	Italy	Netherlands	Spain	Sweden (All channels)	Sweden (TV4 only)	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%	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%

\* \* \* \*

#### IV. **SPONSORSHIP** (Art. 17 of the Directive)

The identity of the sponsor or sponsors is to be stated, in an appropriate manner, at the beginning or the end of the programme, or both. There are no other specific rules in Swedish regulation regarding the content of the message or the editorial independence of the broadcaster. Also the volume of sponsoring is not restricted by regulation.

However, the rules are complemented by rules on sponsoring in the transmission licences granted by the government. The licences thus contain rules on **editorial independence** and content of the sponsor's message. Public service broadcasters SVT and UR may not transmit sponsored programmes where the contribution by the sponsor has been made directly available to SVT/UR or where the contribution has substantially reduced the cost of the programme in question.

As regards SVT, sponsoring is permitted in connection with sports events and, on certain conditions, broadcasts from public gatherings or official events organised by SVT. Sponsoring of programmes mainly directed at children aged twelve or below is prohibited. The logotype of the sponsor may be used only if there is no risk that it may be interpreted as a product or service on offer by the sponsor. The sponsoring message may not be followed by music.

The other main licence holding broadcaster, TV4, may sponsor all programmes except programmes mainly directed at children aged twelve or below. Other restrictions concerning certain programmes that cannot be sponsored or certain companies excluded from sponsoring are identical to the one's foreseen in the Directive.

#### **Impact on commercial practices**

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

Sponsoring, mainly sponsored self promotion spots, is an important advertising technique and additional source of revenues in Sweden.(see tab 10f and 10h, p28 and 30). However on the Swedish channel TV4 sponsoring is far below the European average (3,2%), whereas the foreign channels are close to the European average (10,4%).

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

<b>TAB 20</b>	<b>Austria</b>	<b>Belgium N/S</b>	<b>France</b>	<b>Germany (1)</b>	<b>Ireland</b>	<b>Italy</b>	<b>Netherlands</b>	<b>Spain</b>	<b>Sweden (All channels measured)</b>	<b>Sweden (TV4 only)</b>	<b>United Kingdom</b>	<b>European Union Countries* (1)</b>
<b>% of sponsorship broadcasting time</b>	-	3,6%	8,7%	25,2%	-	8,3%	-	3,8%	10,4%	3,2%	-	12,6%
<b>% of sponsorship investment</b>	-	6,9%	12,2%	6,9%	-	11,7%	-	5,3%	-	-	-	9,0%

(1) Germany : in this percentage are also included commercials 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)

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

\* weighted average (cf. introduction)

## **VI. NEW ADVERTISING TECHNIQUES**

Split screen techniques and interactive advertising are not subject to specific rules in Sweden.

The use of virtual advertising is not permitted since it is considered as surreptitious advertising.

### **Impact on commercial practices**

New advertising techniques are not used or rarely used in Sweden.

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

*\* Measured as Advertising Spots*

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

*\* Measured as Advertising Spots*

\* \* \* \*

**VI. GENERAL PRINCIPLES ON ADVERTISING AND  
TELESHOPPING CONTENT**

(Article 12 of the Directive)

The level of protection in Sweden is the same as under the Directive. The different fields covered by the Directive are protected in regulation but also in self regulatory codes .

**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.

\* \* \* \*

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

Swedish regulations contain the rules laid down by the TVWF Directive. However, more restrictive regulations are in force regarding advertising for alcohol and minors.

The regulation in relation to alcohol advertising is based on the distinction between beverages over and under 2,25% of alcohol, advertising for beverages over 2,25% being strictly prohibited.

The Swedish regulation provides for a ban on advertising directed at minors under the age of twelve, which can be considered as more restrictive than the Directive.

Also, individuals or characters who play a prominent role in programmes which are primarily addressed to children under twelve years of age may not appear in commercial advertising in a television broadcast .

**Impact on commercial practices**

In terms of broadcast advertising minutes and number of advertising insertions , amongst the measured categories, the important categories are food and cosmetics and personal hygiene (see tab 13a and 13b, p42 and 43).

Products dedicated to children and alcohol are clearly less advertised than the other examined categories, which is due to very restrictive regulation for these categories. For these categories it is clear that non domestic channels take advantage of the fact they are not subject to these restrictions (see figures for Kanal5, MTV and TV3).

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.

\* \* \* \*

## VII. GENERAL OBSERVATIONS

In Sweden TV advertising represents only 23,7% of the total gross media investments which indicates that television is not the most important medium for advertisers (tab 8, p21).

TAB 24A	Austria	Belgium NS	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