

TV broadcasting market

MARKET ENVIRONMENT

The television station market in Poland comprises public and commercial broadcasters broadcasting channels of nationwide or regional reach. A significant number of the stations are subscription only (cable, satellite and IPTV).

The first television programmes were broadcast in Poland in the 1950s by TVP ('Polish Television'). TVP was the only television broadcaster on the Polish market until 1992, when as a result of the political transformation in Poland the TV broadcasting market was opened up to commercial operators. Since that time, the number of television stations has been steadily growing.

Currently, on the Polish market there are seven broadcasters transmitting 21 channels in a Digital Terrestrial Television system, several regional broadcasters operating through cable and satellite networks, as well as several broadcasters offering Polish editions of international channels and channels in original language versions.

The process of digitization of Polish TV, that had been started on September 7th, 2012, was finished on July 23rd, 2013, when the last terrestrial analog transmitter was switched off. Digital terrestrial TV currently comprises three multiplexes, offering 21 free-to-air TV channels. Furthermore, a tender has been announced with a view to allocating another four channels.

To obtain a license, broadcasters must comply with licensing requirements concerning their corporate ownership structures, as well as the content of their channels, which is regulated by law. In addition, future broadcasters must take into consideration the need for substantial expenditure in order to ensure the necessary infrastructure, purchase a programme library, secure proper distribution of programmes, and assemble a professional team to sell advertising airtime.

Bearing in mind that the sales teams working for broadcasters already present on the Polish market are highly competent and that the teams are highly competitive, the entry barrier for new players is rather difficult to overcome in a short time.

POLISH TV ADVERTISING MARKET

According to estimates by ZenithOptimedia, in 2012 Polish advertising spending was the third largest in Central and Eastern Europe (after Russia and Turkey), having exceeded PLN 6.7bn (after discounts), down by 5.5% year on year. Poland's TV advertising market was worth nearly PLN 3.5bn (6.3% less than in 2011). The agency forecasts that in 2013 the TV advertising market will shrink by about 5.7%. However, the decreases in the market's value will be lower in the years to come: 1.7% in 2014 and 0.6% in 2015.

In 2012, the television continued to be the dominant advertising means accounting for 52% of the total amount spent on advertising. According to ZenithOptimedia, this figure will remain relatively flat in the years to come. TV advertising has not been affected by the significant expansion of Internet advertising as lower spending has been recorded in the printed media segment.

Structure of advertising spending in 2008–2015

	2008	2009	2010	2011	2012	2013F	2014F	2015F
TV	52%	52%	53%	52%	52%	52%	51%	51%
Press	22%	20%	18%	16%	14%	12%	10%	9%
Outdoor advertising	9%	9%	8%	8%	7%	7%	7%	7%
Radio	7%	7%	7%	7%	7%	7%	7%	7%
Internet	10%	12%	14%	16%	18%	20%	22%	24%
Cinemas	1%	1%	1%	2%	2%	2%	2%	2%

Source: ZenithOptimedia, 'Advertising Expenditure Forecasts – December 2012'.

MAIN TELEVISION STATIONS

The Polish TV market is dominated by the four largest broadcasters transmitting terrestrial signals, namely TVP1, TVP2, TVN, and POLSAT, jointly holding a 53% audience share in the commercial group in 2012.

In 2012, in connection with the roll-out of digital terrestrial television (DTT), we witnessed a significant increase in the fragmentation of the TV market. Smaller TV stations available on the multiplexes gained in importance, mainly at the expense of the above-mentioned four largest TV channels, previously available in the analogue terrestrial TV system.

The daily audience share of POLSAT, the Group's main channel, reached 15.7% in 2012, which was the top result in the market. The station's average annual broadcast coverage was over 98%. The Group's thematic channels had a 4.8% audience share; they include 18 stations competing in different market segments (including sports, news, and women's or men's interest channels). The thematic stations are available via cable or satellite broadcasting networks, with two channels available via terrestrial broadcasting (MUX-2). POLSAT, the Group's main TV station, competes with other channels with nationwide coverage (TVN, TVP1, and TVP2) and also with smaller channels available in the DTT system.

In 2012, POLSAT's main competitor TVN had a 14.8% daily audience share and the station's average annual broadcast coverage was close to 94%. The thematic channels of the TVN Group had a 7.2% daily audience share throughout 2012.

The TVP Group consists of nine TV stations, including two with nationwide coverage – TVP1 and TVP2. The TVP Group is one of the major players on the Polish advertising market. In 2012, its key channels had 12.1% (TVP1) and 10.8% (TVP2) daily audience shares. The broadcast coverage of both stations is close to 100% of all TV-connected households. TVP's thematic channels had a 4.4% audience share, including a 2% share by TVP Info (formerly TVP3).

Apart from advertising fees, TVP as the public broadcaster gains additional revenues from television licences paid by TV users pursuant to the Television Licensing Act of April 21st 2005. Despite certain restrictions that prevent TVP from interrupting programmes with commercials, revenues from television licences represented only 12% of TVP's total revenue in 2011.

DIGITAL TERRESTRIAL TELEVISION (DTT)

The digital TV service is currently offered on three multiplexes on a free-to-air basis and on one multiplex offering pay-TV access on mobile devices. It is estimated that the number of multiplexes will ultimately increase to six.