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# The emergence of global multi-media conglomerates

by Greg MacDonald, Consultant

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Note:
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Contents



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The author is indebted to Mr. Richard Kersels who was responsible for drafting the section on Eastern Europe and who provided numerous instances throughout in terms of data collection and the analysis of company annual reports with regard to mergers and acquisitions.

# INTRODUCTION

The rapid rise of a global print and media industry has had profound effects on the structure of the international economy. Although the world's largest media and service companies concerned with information transmission and communications are small compared with the largest industrial multinational enterprises, their growth rates are relatively high with media companies gaining in strength. They are increasingly able to influence and shape the growth and direction of the industrial enterprises they "service".

Likewise, the global print/media industry has effected a fundamental shift in socialisation patterns tending to supplant some of the traditional institutions of society with television and computer games, etc. The socio-cultural effect is deep. Anderson (1980) described the global linkages between industry, advertising and media as a "New World Information Order" in which global cultural control becomes increasingly centralised back to epicentres of media/advertising like London and New York where ideas originate which help shape values for the entire world.

In the sixties Marshall McLuhan, a Canadian writer and media specialist, predicted the emergence of a "Global Village" and popularised the idea of the re-tribalisation of man through the electronic media. He believed that the new TV generation would be the first since pre-feudal times to have direct access to their leaders, seeing them and hearing them directly in their own living-rooms. Along with the diffusion of modern technology, the new possibilities for socio-cultural change, rapid consensus formation and political integration were enormous, and societies having TV would evolve rapidly and in quite different ways than those without. Today this process has been speeded up with the advent of cable news and satellites.

McLuhan also popularised the concept of the "Information Explosion". In his book, The Gutenberg Galaxy, he talked of the exponential increase in publications and the consequent problems of quality versus quantity of printed information, signal-to-noise ratios, filtering repeated information and selection and retrieval problems imposed on people searching for new information such as scientists, the business community and other groups in the technocratic world. By one account, more had been published between the Second World War and 1960 than between Gutenberg's time (1450) and the Second World War.

Basically McLuhan foresaw a world where information meant power, but where there would be increasing illiteracy, "bookless libraries" in which people could access information electronically, and a "dumbing-down" effect in the society, where schools were producing problems Malthusian-style as well as solutions. People would derive more and more of their information from TV, which involves a passive mode of information reception not conducive to creativity or interactive-thinking processes. Today the "paperless office" already exists.

Along with this signal-to-noise phenomenon came the phenomenon of democratisation of knowledge through the rapid diffusion of information with the revolution in mini-photocopiers and desk-top/lap-top computers. In previous times, information had been centralised in the hands of institutions such as the Church in pre-Renaissance Europe, or the Pharaohs and astrologers in ancient Egypt. Modern technology, however, has mediated the democratisation of information and facilitated its widespread distribution both horizontally from one organisation or culture to another, and vertically up and down formalised communication networks and hierarchies.

## INDUSTRY STRUCTURE

### Background

Chandler (1982) in his classical study of the Evolution of Modern Global Competition described the emergence of the printing and publishing industry in the United States, the United Kingdom, the Federal Republic of Germany and Japan. Throughout the century, the entire industry was comparatively small, accounting for only a few of the top 200 industrial firms in each of those countries (see table 1). For example, by 1973 only seven of the top 200 firms in the United Kingdom were printing and publishing companies, only two in Japan, six in the Federal Republic of Germany and one in the United States.

Table 1. Number of printing/publishing companies among the 200 largest industrial firms by country (1913-73)

| Country | 1913 | 1917 | 1918 | 1919 | 1928 | 1930 | 1948 | 1953 | 1954 | 1973 |
|---|---|---|---|---|---|---|---|---|---|---|
| United States | | 2 | | | | 3 | 2 | | | 1 |
| United Kingdom | | | | 5 | | 10 | 6 | | | 7 |
| Germany (Fed. Rep. of) | 0 | | | | 1 | | | 0 | | 6 |
| Japan | | | 1 | | | 1 | | | 0 | 2 |
| Totals | | 8 | | | 15 | | | 8 | | 16 |

Source: Chandler, 1982: The Evolution of Modern Global Competition, Ch. 13, Porter.

Publishing played a stronger role in the United Kingdom than in the other countries during the early part of the century. By 1930 the United Kingdom had ten publishing firms amongst its top 200 companies versus three for the United States, one for Germany and one for Japan. Also there appears to be a reduction in the number of large publishing firms in the United States and the United Kingdom over the last 50 years; from three to one in the United States and from ten to seven in the United Kingdom. Chandler also noted that by 1973 the industry had no firms with more than 20,000 employees in any of the major industrialised countries: United States, United Kingdom, Federal Republic of Germany, Japan or France.

### Volume of communications

The total volume of communications in the world is growing exponentially. The first reason is the increase in population. Secondly, there is a correlation between increased economic activity and increased communications. Just as the velocity of movements and physical transportation of goods and people correlates with economic activity, so does the volume of communications. Modern day man is much more mobile and hence relies on communications networks far more than did his predecessors before the Industrial Revolution. Finally there has been a rapid differentiation of communication channels and systems, all of which are vying for a share of the communication market. These include: cellular telephones, facsimile machines, personal photocopiers, desk-top publishing, rapid courier services, electronic mail and so forth.

Evolution of the industry

In general it may be said that the industry as a whole is dynamic, volatile, complex and restructuring rapidly. It is catapulting through a technological revolution and undergoing changes in a single decade which have taken several decades in other industries.

A number of complex processes are also taking place simultaneously. For example, the industry is concentrating rapidly through a wave of mergers and acquisitions. At the same time it is also becoming more international, even tending to lead the "globalisation process" of the industrial multinationals. Furthermore, it is diversifying widely to control increasingly larger sectors of the economy and, integrating vertically, to control production as well as marketing processes.

Above all, the structure of the industry is complicated. It encompasses the printing and publishing industry including books, magazines and newspapers - and it increasingly involves the electronic media, especially TV and radio. It also includes the entertainment industry, film and video, music (especially records, tapes, compact discs and videos), telecommunications, telephones and fax, cellular phones, computers (with electronic mail), desk-top publishing and word processing, photocopying, commercial printers (including instant print houses), software publishing houses, cinemas, postal and courier systems, and the advertising and sales promotion industries. All of these industries within the sector are in a state of flux. Not only is there an increase in the volume of communications and the number of channels of delivery, but also in the growth of all related service and supply industries, from laser printing to the pulp and paper industry. There is also a global increase in advertising, sales promotions, post and telecommunications, information processing software and so on.

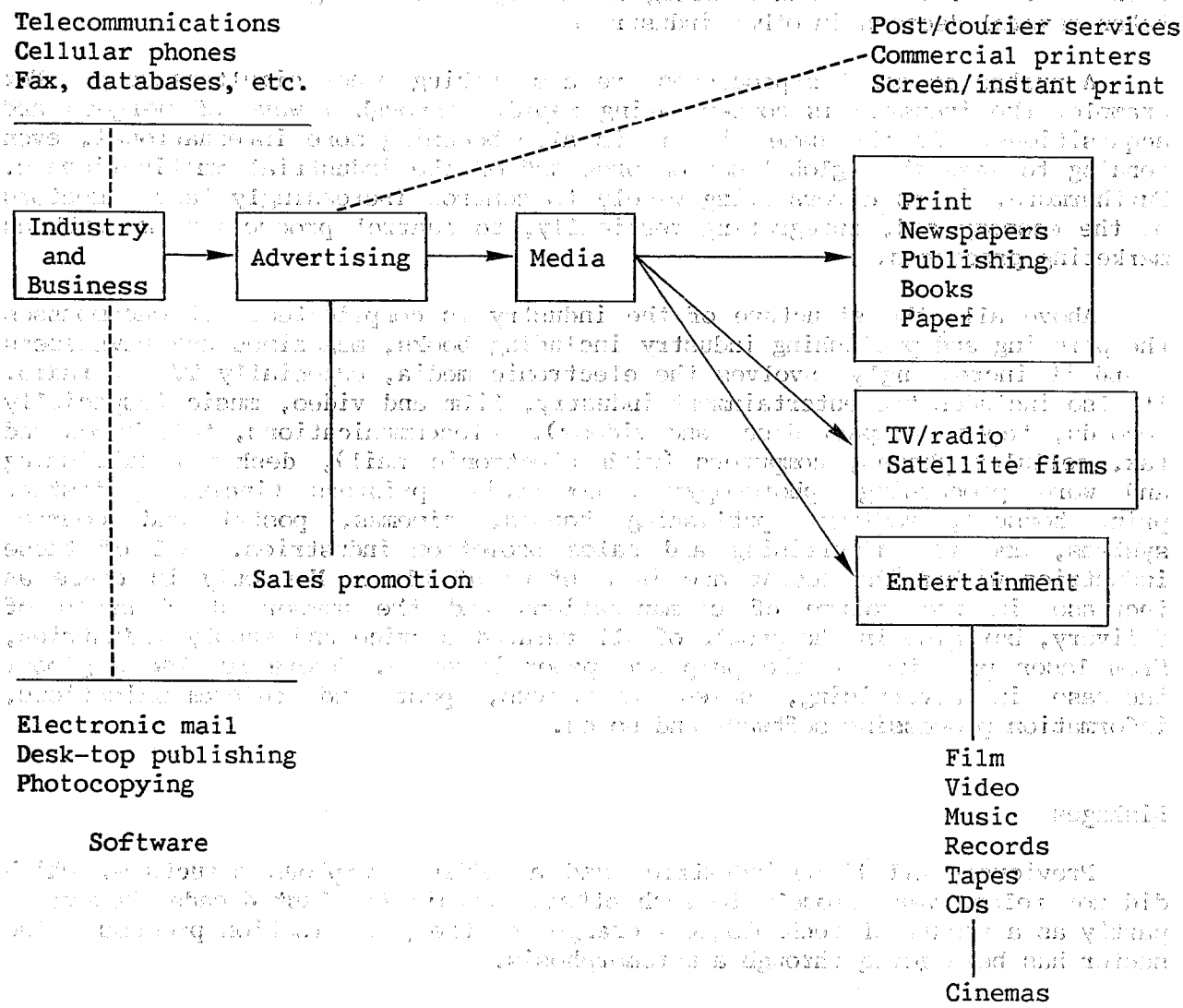
Linkages

Previously all these industries had a rather amorphous structure, which did not relate very closely to each other. Within the last decade, however - partly as a result of technological change and the globalisation process - the sector has been going through a metamorphosis.

A definite and strong structure is forming and the resulting industry linkages and patterns of vertical integration and diversification are being determined by the pragmatics of marketing. The advertising industry would appear to be the major catalyst. Thus, the key industry players in the new world information order will be the major vehicles of advertising, TV, print and the entertainment industry (see figure 1), with the other industries assuming a more peripheral relationship to the central forward integration vector. That is, the power dynamic will involve all the major advertising vehicles.

Porter (1979) conceives of a situation in which competition generates from the interplay of five forces: internal competition between players in the industry, the buyers, the suppliers, new entrants and substitute products and processes. In the present case the borderline between what is "inside" the industry itself and what is "outside" is unclear, while their inter-relationship is more apparent. For example, advertising and media relate more to each other as if they were one system rather than two, since they are inextricably linked in the communications industry.

Figure 1. Communications industry post-metamorphosis key players: Vertical integration



In the early days of the Industrial Revolution when there was little competition, there was no need for marketing. Advertising was done "in-house" by the industrial (producer) companies and who in turn directly placed advertisements in newspapers. As the companies, the media and the competition grew, however, a new industry evolved. Advertising companies emerged as they differentiated themselves as specialists operating between industry and the media. This linkage is essentially vertical and forward and advertising companies have assumed a great deal of control in the process. Thus, the industry structure can be comprehended within the conceptual framework of Porter's five forces of competition, in which the advertising industry and the media industry form the "internal" dialectic for all evolution; the industrial companies are the suppliers and their target markets are the buyers. The new technologies, such as cellular phones, fax and courier services, provide the new entrants and substitute products, but the basic driving force of industry evolution is one of vertical integration, generated from the dialectic between advertising and the media, including all key players that relate to advertising, and excluding those which do not. Specific patterns of internationalisation, vertical integration, diversification and industry linkages are outlined later in the text.

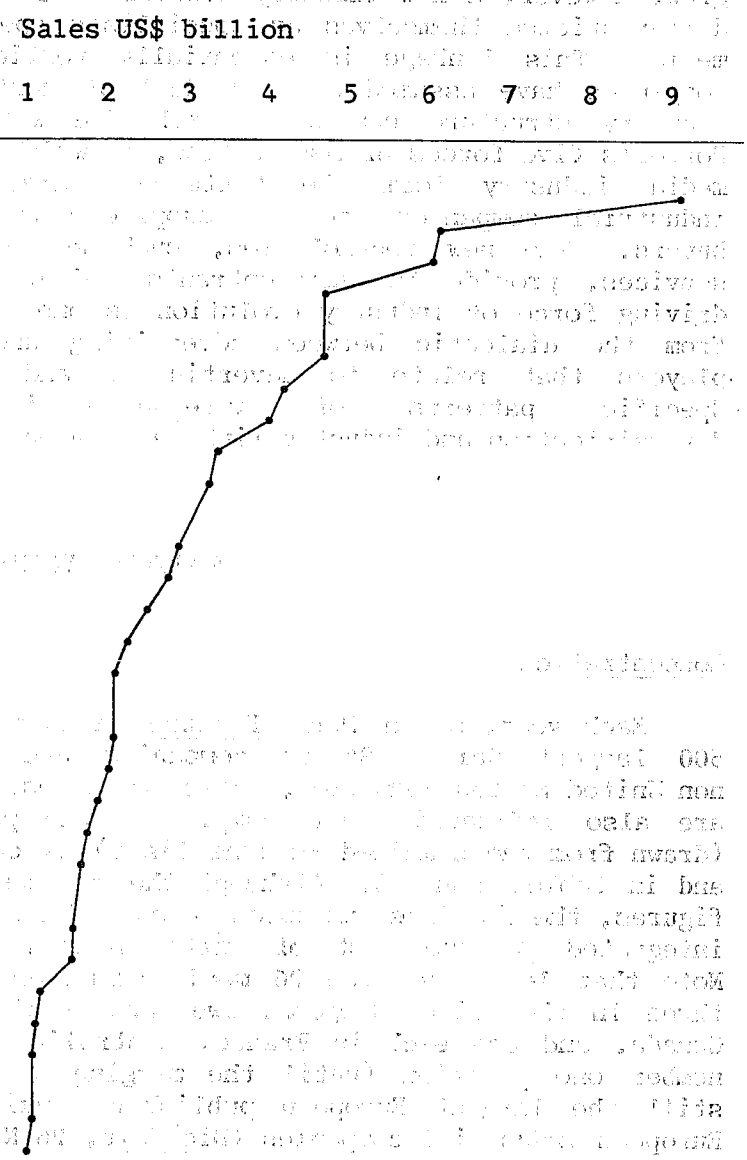
## INDUSTRY DYNAMICS

### Concentration

Each year, since 1955, Fortune magazine has published a listing of the 500 largest United States companies and since 1976 of the 500 largest non-United States companies, ranked by sales. Profits and number of employees are also indicated. The sample of the publishing and printing companies (drawn from the combined Fortune lists) is concentrated as shown in figure 2, and in tables 2 and 3. Although the various sources quote slightly different figures, the top five companies account for about 40 per cent of sales for the integrated Fortune list of United States and non-United States companies. Note that 16 of the top 26 media companies are American-based, followed by three in the United Kingdom, two each in the Federal Republic of Germany and Canada, and one each in France, Australia and Japan. Bertelsmann held the number one position (until the merging of Time and Warner in 1989) and is still the largest European publisher ranking seventieth among the top 100 European industrial companies (Die Zeit, 26 November 1989).

Figure 2. Top 26 publishing and printing multinational enterprises by sales (1988)

| Rank | | |
|---|---|---|
| 1. | Time Warner | (US) |
| | Bertelsmann | (G) |
| | Toppan Print | (J) |
| | Capital Cities/ABC | (US) |
| 5. | Thomson Corp. | (CAN) |
| | News Corp. | (AUS) |
| | Hachette | (F) |
| | Reed Int. | (UK) |
| | Gannett | (US) |
| 10. | Times Mirror | (US) |
| | Donnelley | (US) |
| | Moore | (CAN) |
| | Tribune | (US) |
| | Knight Ridder | (US) |
| 15. | Pearson | (UK) |
| | Maxwell Comm. | (UK) |
| | Berkshire Hathaway | (US) |
| | McGraw-Hill | (US) |
| | New York Times | (US) |
| 20. | Axel Springer | (G) |
| | Dow Jones | (US) |
| | Washington Post | (US) |
| | Scripps | (US) |
| | Delux | (US) |
| 25. | American Greetings | (US) |
| | MacMillan | (US) |




Source: Fortune magazine, 24 Apr. and 31 July 1989.

Table 2. The top 26 publishing (and printing) multinational enterprises: Ranked by sales (in billions of dollars)

| Rank | Company | Sales | (year) | Source(s) (date) |
|---|---|---|---|---|
| 1. | TIME-WARNER (US) | 9.238 | (1988) | Time (20 Mar. 1989) |
| | | 8.72 | (1988) | Financial Times (6 Mar. 1989) |
| | | 8.72 | (1988) | Businessweek (20 Mar. 1989) |
| 2. | BERTELSMANN AG (Fed. Rep. of Germany) | 6.2 | (1988) | Businessweek (20 Mar. 1989) |
| | | 6.148 | (1988) | Fortune (July 1989) |
| | | 3.034 | (1986) | UNCTC (1988) |
| 3. | TOPPAN PRINTING (Japan) | 6.148 | (1988) | Fortune (July 1989) |
| 4. | (CAPITAL CITIES/ABC) (US - national company, primarily in non-printed media) | 4.7 | (1988) | Times (16 Mar. 1989) |
| 5. | THOMPSON CORPORATION (Canada) (Thompson Newspapers and International Thompson merged) | 4.7 | (1988) | Time (27 Mar. 1989) |
| | | 4.7 | (1988) | New York Times (16 Mar. 1989) |
| 6. | NEWS CORPORATION (Australia) | 4.8 | (1988) | Sunday Times (12 Mar. 1989) |
| | | 4.383 | (1988) | Fortune (July 1989) |
| | | 2.677 | (1986) | UNCTC (1988) |
| 7. | HACHETTE (France) | 4.2 | (1988) | Businessweek (20 Mar. 1989) |
| | | 4.098 | (1988) | Fortune (July 1989) |
| | | 3.9 | (1988) | Sunday Times (12 Mar. 1989) |
| | | 2.127 | (1986) | UNCTC (1988) |
| 8. | REED INTERNATIONAL (UK) | 3.424 | (1988) | Fortune (July 1989) |
| | | 2.659 | (1986) | UNCTC (1988) |
| 9. | GANNETT (US) | 3.314 | (1988) | Fortune (July 1989) |
| | | 2.802 | (1986) | UNCTC (1988) |
| | | 2.209 | (1985) | New York Times (20 May 1986) |
| 10. | TIMES MIRROR (US) | 2.920 | (1986) | UNCTC (1988) |
| | | 2.878 | (1988) | Fortune 500 (1989) |
| 11. | DONNELLEY, R.R. (US) | 2.878 | (1988) | Fortune 500 (1989) |
| 12. | MOORE (Canada) | 2.544 | (1988) | Fortune 500 (1989) |
| 13. | TRIBUNE CO. (US) | 2.335 | (1988) | Fortune 500 (1989) |
| | | 2.030 | (1986) | UNCTC (1989) |
| 14. | KNIGHT-RIDDER (US) | 2.194 | (1988) | Fortune 500 (1989) |
| | | 1.911 | (1986) | UNCTC (1988) |

Table 2 (concl.)

| Rank | Company | Sales | (year) | Source(s) (date) |
|---|---|---|---|---|
| 15. | PEARSON PLC. | 2.127 | (1988) | Fortune 500 (1989) |
| | (UK) | 1.397 | (1986) | UNCTC (1988) |
| 16. | MAXWELL COMMUNICATIONS | 2.010 | (1988) | Fortune 500 (1989) |
| | (UK) | | | |
| 17. | BERKSHIRE HATHAWAY | 1.992 | (1988) | Fortune 500 (1989) |
| | (US) | | | |
| 18. | MCGRAW HILL | 1.818 | (1988) | Fortune 500 (1989) |
| | (US) | 1.577 | (1986) | UNCTC (1988) |
| 19. | THE NEW YORK TIMES | 1.755 | (1988) | Fortune 500 (1989) |
| | (US) | 1.565 | (1986) | UNCTC (1988) |
| 20. | AXEL SPRINGER VERLAG AG | 1.617 | (1988) | Fortune 500 (1989) |
| | (Fed. Rep. of Germany) | 1.225 | (1986) | UNCTC (1988) |
| 21. | DOW JONES | 1.603 | (1988) | Fortune 500 (1989) |
| | (US) | | | |
| 22. | WASHINGTON POST CO. | 1.368 | (1988) | Fortune 500 (1989) |
| | (US) | 1.215 | (1986) | UNCTC (1988) |
| 23. | SCRIPPS (E.W.) | 1.214 | (1988) | Fortune 500 (1989) |
| | (US) | | | |
| 24. | DELUXE | 1.196 | (1988) | Fortune 500 (1989) |
| | (US) | | | |
| 25. | AMERICAN GREETINGS | 1.175 | (1988) | Fortune 500 (1989) |
| | (US) | | | |
| 26. | MACMILLAN | 1.019 | (1988) | Fortune 500 (1989) |
| | (US) | | | |
| | TOTAL | 78.489 | | |

| TOTAL BY COUNTRY: | US | UK | Germany, F.R. | Canada | France | Australia | Japan |
|---|---|---|---|---|---|---|---|
| TOP 26 MNEs: | 16 | 3 | 2 | 2 | 1 | 1 | 1 |

Source: Fortune magazine, 24 Apr. and 31 July 1989.

Table 3. Distribution of top 26 publishing and printing multinational enterprises by country

| Country | Number of MNEs | Share of sales | |
|---|---|---|---|
| | | $ billion | % |
| United States | 16 | 38.9 | 51.9 |
| United Kingdom | 3 | 7.5 | 9.6 |
| Germany (Fed. Rep. of) | 2 | 7.8 | 9.9 |
| Canada | 2 | 7.2 | 9.2 |
| Japan | 1 | 6.1 | 7.8 |
| Australia | 1 | 4.8 | 6.1 |
| France | 1 | 4.2 | 5.4 |
| Total | 26 | 76.5 | 100.0 |

Source: Taking the highest sales figure from table 2.

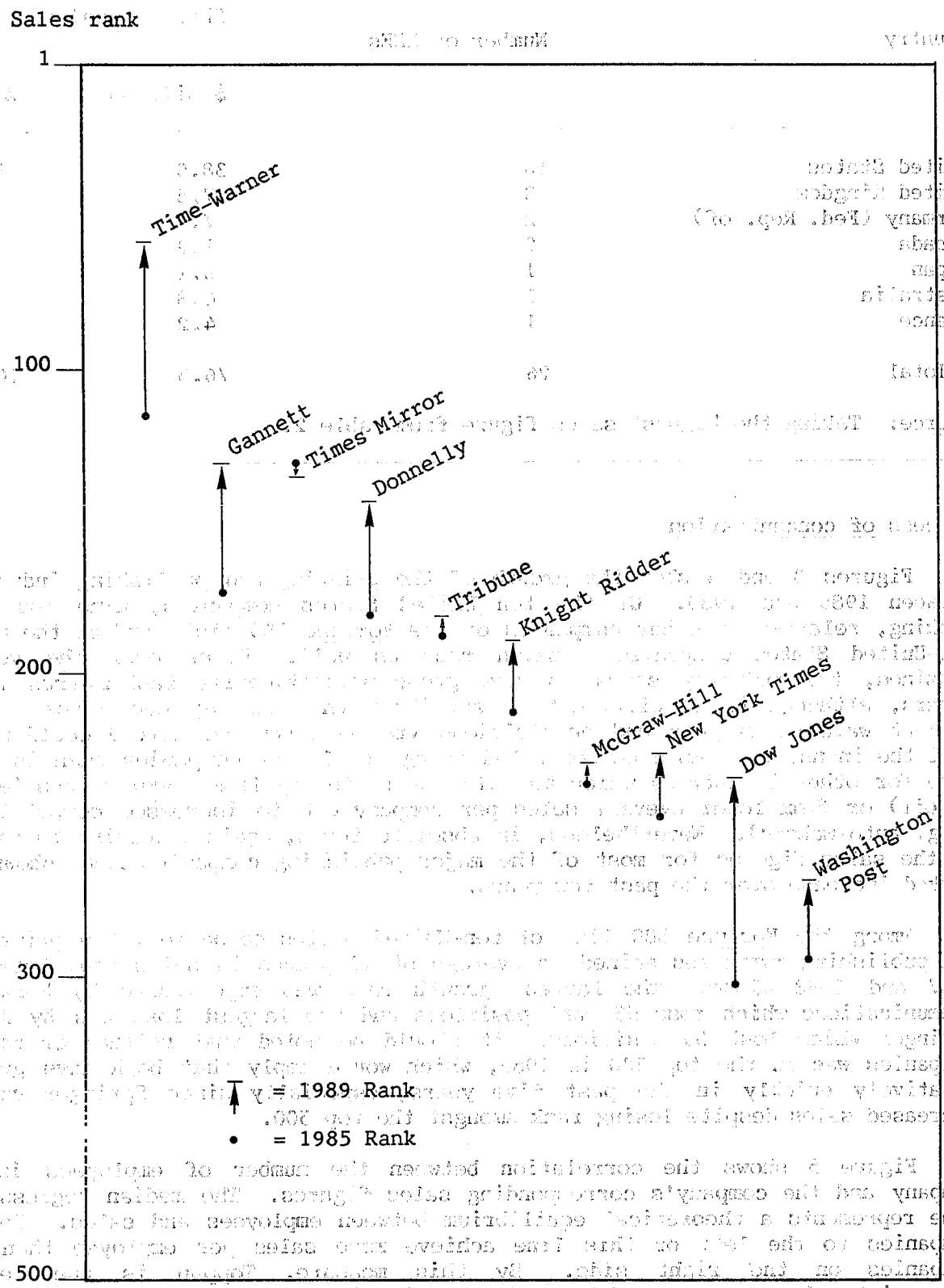
## Process of concentration

Figures 3 and 4 show the growth of the printing and publishing industry between 1985 and 1989. Of the ten United States companies, nine rose in ranking, relative to other companies on the Fortune 500 list, and of the nine non-United States companies - seven rose as well. Hence over the years examined, the industry seems to have grown proportionally faster than most others, although it is difficult to attribute this to any one cause. The current wave of mergers and acquisitions (to be discussed later) could mean that the industry is more concentrated among its larger companies than is the case for other industries which may also be suffering from lower prices (e.g. in oil) or from lower overall sales per company due to increased competition (e.g. auto-makers). Nevertheless, in absolute terms, again referring to table 2, the sales figures for most of the major publishing companies have shown a marked increase over the past few years.

Among the Fortune 500 list of non-United States companies, the printing and publishing companies gained an average of 17 places in sales rank between 1987 and 1988 alone. The fastest growth rate was experienced by Maxwell Communications which rose 55 rank positions and the largest loss was by Axel Springer which lost 35 positions. It should be noted that neither of those companies was in the top 500 in 1985, which would imply that both have grown relatively quickly in the past five years, especially since Springer still increased sales despite losing rank amongst the top 500.

Figure 5 shows the correlation between the number of employees in a company and the company's corresponding sales figures. The median regression line represents a theoretical equilibrium between employees and sales. Hence companies to the left of this line achieve more sales per employee than do companies on the right side. By this measure, Toppan is the least labour-intensive company, and Maxwell Communications the most.

Figure 3. Fortune 500 - US publishing/printing companies: Changes in sales rank 1985-89




Source: Fortune, 23 Apr. 1990.

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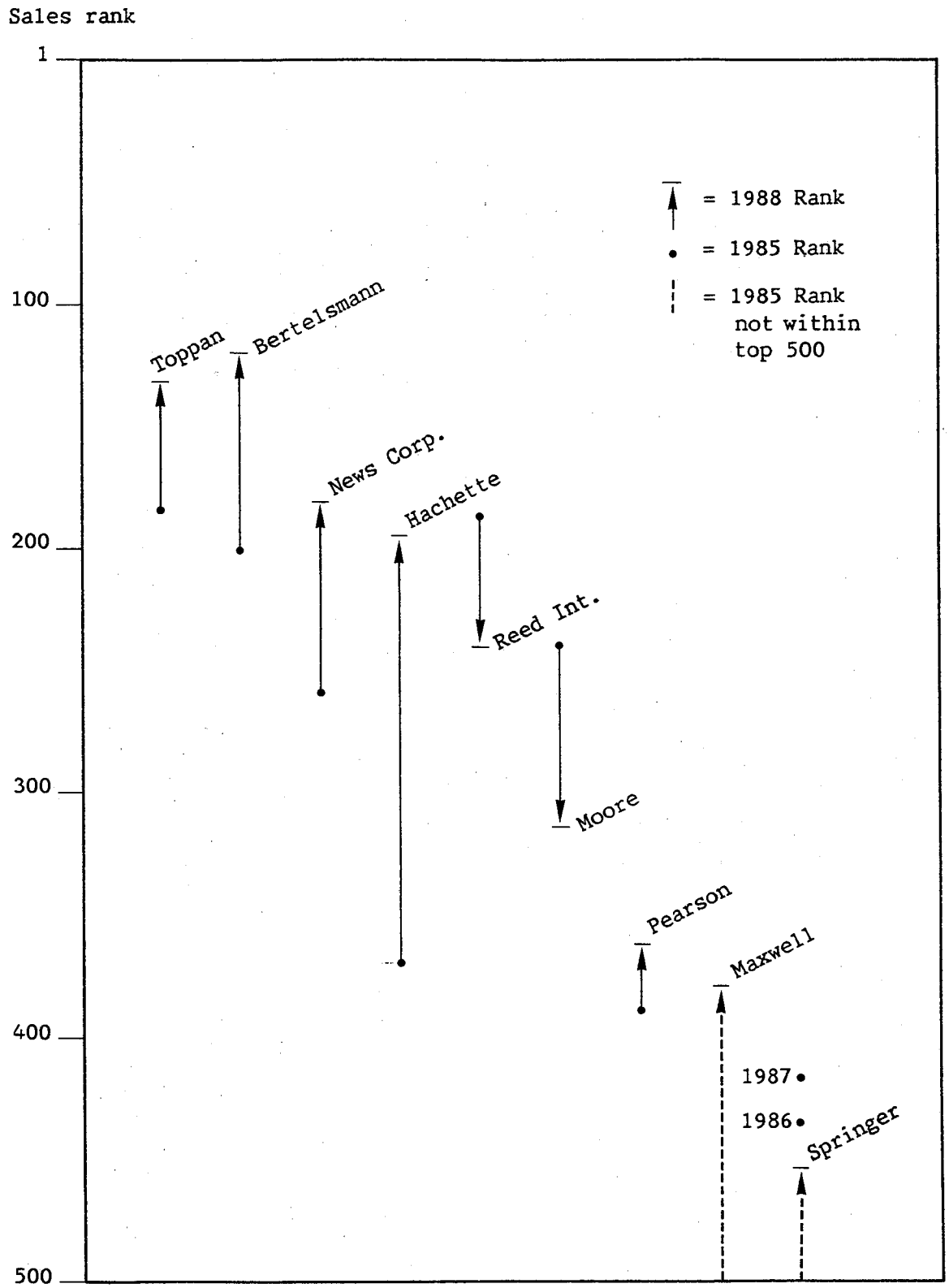
Figure 4. Fortune 500 - Non-US publishing/printing companies: Changes in sales rank 1985-88




Note: Although Springer was not in the top 500 in 1985 and thus has risen, it has fallen over its 1986 and 1987 rankings.

Source: Fortune, 31 July 1989.

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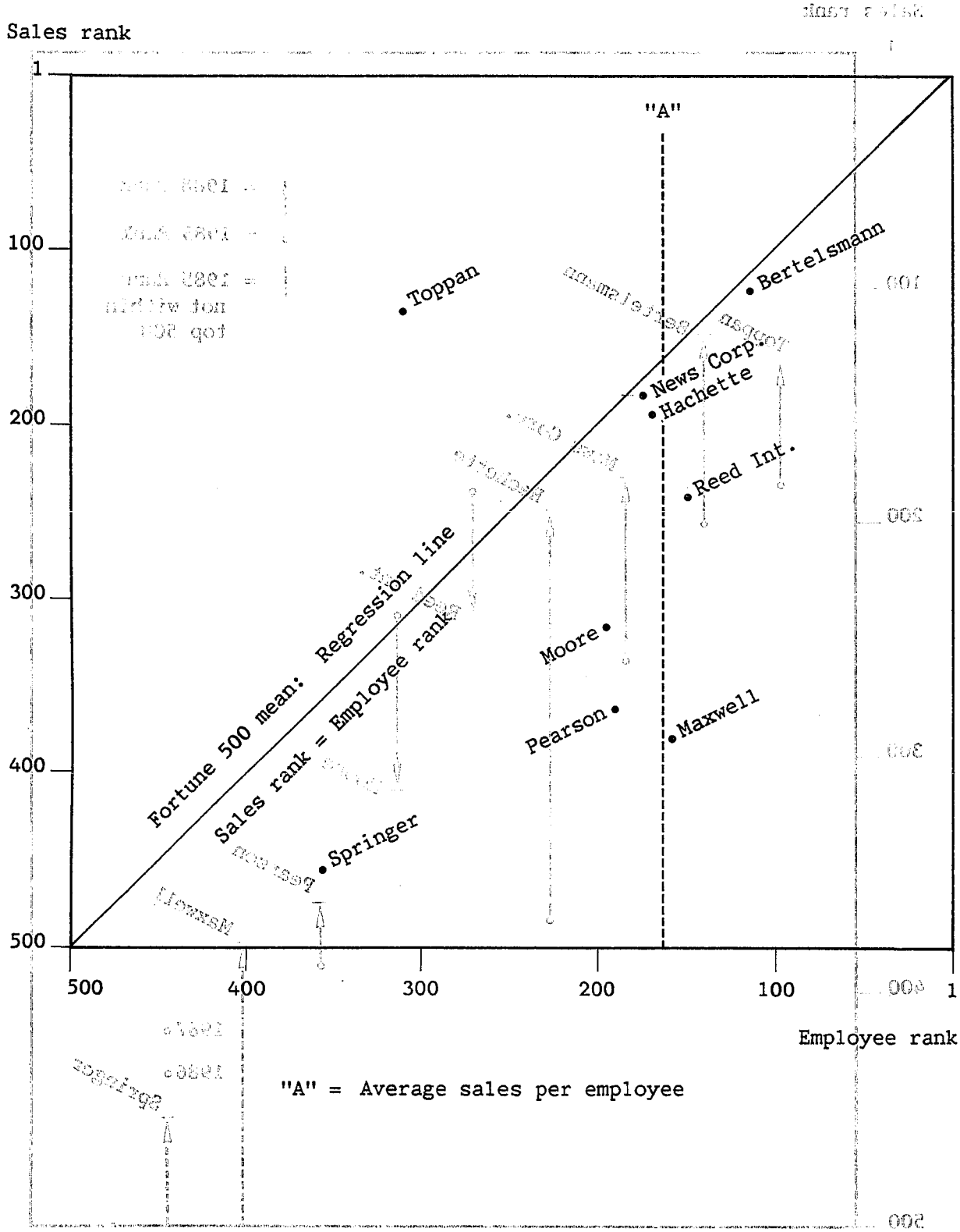
Figure 5. Correlation between rank in sales and rank in employees: Fortune 500 - non-US sample - publishing/printing industry




Source: Fortune, 31 July 1989.

8985d/v.4

The range of sales per employee is significant, with the average shown along the vertically fitted vector "A". Bertelsmann achieved sales of $6.5 billion in 1988 with 41,900 employees, or $155,131 per employee, compared with $2 billion in sales for Maxwell with 30,000 employees, or $66,666 per employee. This wide range of sales per employee reflects the volatility of an industry in technological transition. From analysing figures 3 and 4 it would appear that there is a general relationship between sales growth and rationalisation. Those companies showing a higher sales per employee ratio tend to be growing in sales rank faster than those companies with fewer sales per employee.

Mergers and acquisitions

The rate of mergers and acquisitions in the print and media industry has been dramatic in recent years. Like many industries, media conglomerates are attempting to gain a foothold in foreign countries (including in Europe in preparation for an integrated European market before 1993). Mergers and acquisitions are a means of doing this, and can also help firms diversify into various information services so as to minimise the risk of failure in any single one of them.

The magazine Mergers and acquisitions reports 77 acquisitions by 13 companies between 1983 and 1987. Table 4 outlines some of the recent major United States and international mergers and acquisitions. Chart A shows these in more detail and in a cumulative manner, displaying how the major multinationals have added subsidiaries over time.

Chart B shows geographic patterns of ownership among the largest 15 media companies all with sales in excess of $2 billion in 1989. The United States accounts for almost half (48.5 per cent) of the sales of the top 15. This can be explained by the strong presence of foreign multinationals in the United States, for example, Bertelsmann. Also, News Corporation does more business in the United States and the United Kingdom than in its own Australian market. Thomson is likewise more active in the United States than in Canada.

In the period 1984-87 media acquisitions in North America were frequent. The American magazine Mergers and acquisitions (1983-87) reports that during this period MacMillan Publishing acquired 20 other companies: the New York Times acquired 14; the Thomson Group 13; McGraw-Hill 8; Gannett 6; and News Corp. 4 (see table 5). Few of the acquisitions involved non-North American companies either as acquirers or as the acquired.

Booz, Allan and Hamilton (1989) report that new industrial players are entering the scene. Fiat and Matra, for example, are buying into media. By the turn of the century, broadcasting in all its forms is predicted to be a 30 billion dollar industry in Europe alone (Financial Times, 7 December 1989).

Table 4. Recent mergers and acquisitions in the media industry

| Date | Bidder | Acquired | $ (million) |
|---|---|---|---|
| Mar. '89 | Thomson Int. | Thomson News | 4 700 |
| May '89 | Reed Int. | News Corp. Travel | 825 |
| June '89 | Time | Warner | 10 000 |
| Sep. '89 | News Corp. | Pearson | 230* |
| Sep. '89 | Kohlberg, Kravis and Roberts | Macmillan | 2 200 |
| 1989 | Gannett | Knight Ridder (Detroit paper) | |
| Mar. '88 | Pearson | US Addison Wesley | 283 |
| | Maxwell | Guiness Peet Financial | |
| Apr. '88 | Hachette | Diamandis Comm. | 712 |
| Apr. '88 | Hachette | Grolier | 415 |
| Aug. '88 | Random House | Crown | |
| Aug. '88 | News Corp. | TV Guide and Triangle | 3 000 |
| Mar. '87 | News Corp. | Harper and Row | 300 |
| July '87 | Thomson Int. | Assoc. Book Publishers | 300 |
| '87 | Reed | Octopus (UK) | 900 |
| Dec. '86 | Bertelsmann | Doubleday | 475 |
| | | RCA Records | 350 |
| 1985 | News Corp. | 20th Century Fox | 600 |
| 1981 | News Corp. | Times of London and Sunday Times | 28 |
| 1976 | News Corp. | New York Post | 31 |
| | Penguin US (Pearson owned) | W.H. Smith | 14 |

* Owns 13.5 per cent of Pearson.

Sources: Various newspaper articles.

Table 5. Nos. of mergers and acquisitions involving North American companies

| | | | |
|---|---|---|---|
| MacMillan | 20 | Times Mirror | 2 |
| New York Times | 14 | Hearst | 2 |
| Thomson Group | 13 | Harper and Row | 2 |
| McGraw-Hill | 8 | Pearson | 1 |
| Gannett | 6 | Reed Int. | 1 |
| News Corp. | 4 | Washington Post | 1 |
| Time Inc. | 3 | | |
| | | Total | 77 |

Source: United States Mergers and acquisitions, 1983-87.

## Ownership and diversification

In general, large media companies are highly diversified and ownership patterns are complex. Most companies have interests in TV and radio, as well as book publishing, magazines, and local or national newspapers. Murdoch, for example, owns 20 per cent of Pearson and 2.4 per cent of Reed. Through Pearson he controls Anglia TV, Granada and BSB satellite (Backer, Spidvogel Bates). As well as several radio stations, Maxwell controls the Mirror group of newspapers and also the Pergamon group. Through Pergamon Holdings he controls Central TV and a number of radio stations.

In general, ownership of magazines and book publishing operations is not widely publicised, however there is a lot of shared ownership patterns among TV and radio operations. Murdoch owns 11.4 per cent of Piccadilly radio through the Reed group and shares it with Virgin (11 per cent), Guardian (15 per cent) and several others. Virgin, in turn, is linked with BSB satellite which Murdoch also owns through Pearson, and so on.

The complete ownership patterns for six media conglomerates, drawn primarily from their annual reports are shown in the Appendix. The general impression gained from these charts is the vast degree of diversification in the operations of these companies.

## Diversification patterns

Within the industry, the width of diversification varies greatly between the large media groups (see table 6). As well as print media and electronic media (TV, radio) Warner and News Corp. have interests in film and books. News Corp. for example owns 20th Century Fox Film, Time Books, Collins, and Harper and Row.

Bertelsmann is in music publishing, owning RCA records, Ariola and Arista. Warner, too, has music interests, owning Warner records, Electra, Asylum, Atlantic and Reprise labels. Fininvest and Hachette are not as widely diversified, concentrating on magazines, newspapers, TV and radio. Maxwell does the same but also owns Macmillan Publishing (books) in the United States. Sony, in contrast, is concentrated in video software, but also owns CBS records and the Epic label.

Table 6. Diversification patterns among media giants

| | Magazines | Newspapers | TV/radio | Books | Music | Film | Other |
|---|---|---|---|---|---|---|---|
| 1. Time Warner, United States | Fortune, Life, People, Time, Sports Illustrated, MAD Magazine | | Home Box Office, Warner Amex Cable, Communications | Time-Life, Little Brown Warner Books | Warner Records, Electra, Asyulum, Atlantic, Reprise | Warner Bros. | |
| 2. Bertelsmann, F.R. Germany | Spiegel, Gruner & Jahr-Stern, Prima, Best, Parents (US), Young Miss (US) | Hamburger Morganpost Die Zeit | RTL-Plus | Bantam, Doubleday, Dell, Book Club Associates | RCA, Arolia, Arista | | Magnetic data processing |
| 3. Finivest, Italy | TV Sorrisi & Canzoni, Tuttomusica and Spettacolo | II Giornale | Rete 4, Italia 1, Canale 5, Telemilano (all Italy), La cinq (France), Tele 5 KMP (Germ.) | | | | Publitalia |
| 4. Capital Cities/ABC, US | Fairchild Publications, ABC Publishing, Institutional Investor, 2 philatellic magazines | The Kansas City Times, Kansas City Star, Fort Worth Star-Telegram, The Oakland Press, 4 other dailies, 30 weeklies, 18 shopping guides | ABC-TV and radio networks, 8 other TV stations and 21 radio stations, 80% of ESPN; 38% of A&E; 33% of of Lifetime | | | | |
| 5. Thomson, Canada | Thomson Publications, Thomson Australian Holding Ply., International Thomson Business Press, International Thomson Publishing | Globe & Mail, Winnipeg Free Press, The Scotsman, Belfast Telegraph | | Thomson Nelson International, Callaghan & Co., Hamish Hamilton, Michael Joseph, Wadsworth | | | |
| 6. News Corp., Australia | New Woman, Sky TV Guide, Times Supplements (UK), Triangle (TV Guide, Seventeen), Star, New York, New Idea, TV Week | The Times, The Sunday Times, The Sun, News of the World, Today, South China Morning Post, plus papers in US/Australia | Sky TV, Fox Broadcasting, major market TV stations (US) | Times Books, Collins, Harper & Row | | 20th Century Fox | John Bartholomew, Gordon and Gotch |

Table 6 (concl.)

| | Magazines | Newspapers | TV/radio | Books | Music | Film | Other |
|---|---|---|---|---|---|---|---|
| 7. Hachette Filipacchi Comm., France | Elle, Paris Match, Tele 7 Jours, Diamendis Communications: Woman's Day, Car & Driver, Road & Track, American Photographer | Journal du Dimanche | Europe No. 1, Channel 80 | | | | NMPP, Seymour International |
| 8. Maxwell Comm. United Kingdom | Pergamon Journals | Daily Mirror, The People, Sunday Mirror | TF-1, Premiere Movie Channel, Mirrorvision, Rediffusion Cable Networks, MTV; Music Television, Screensport, Lifestyle, Children's Channel | Macmillan (US) | | | |
| 9. Sony | | | Sony Video, Software | | CBS Records | | Major TV, Video and Radio Manufacturers |

Source: D'Arcy Masius Benton and Bowles, London. Quoted in The Times (London), 8 Mar. 1989, and annual reports.

Chart A. Major mergers and acquisitions in the print and media industry, 1984–89

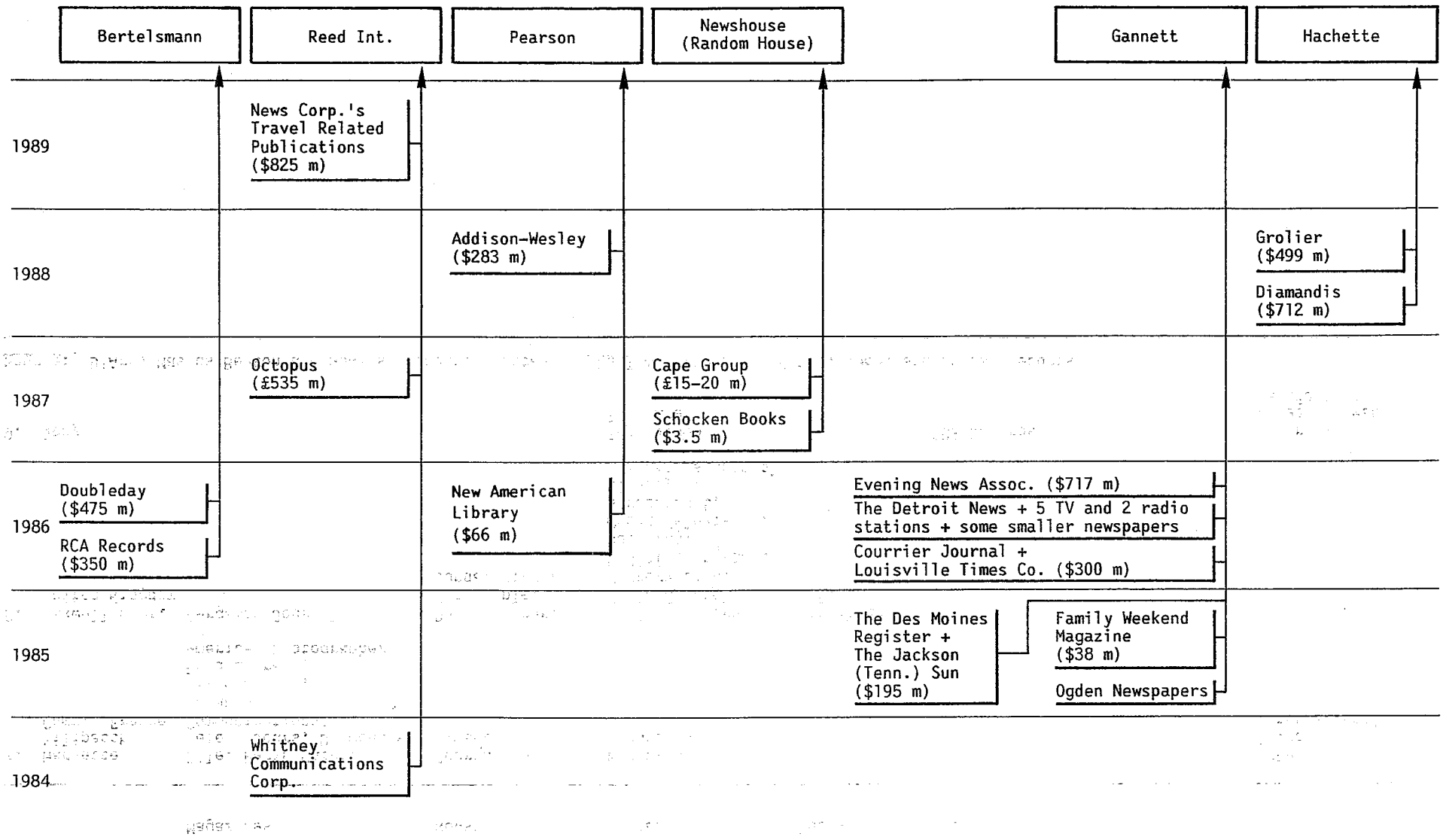
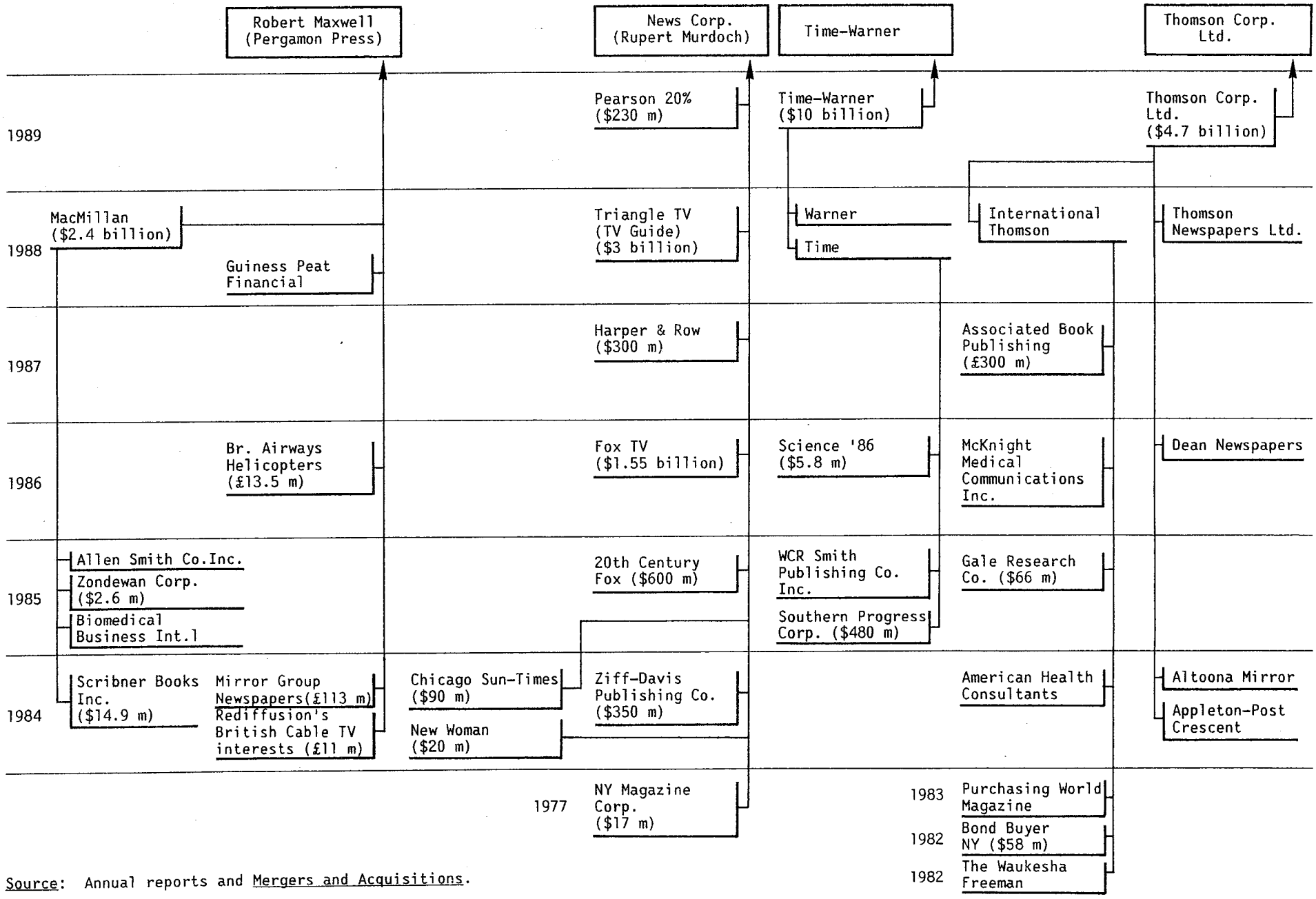
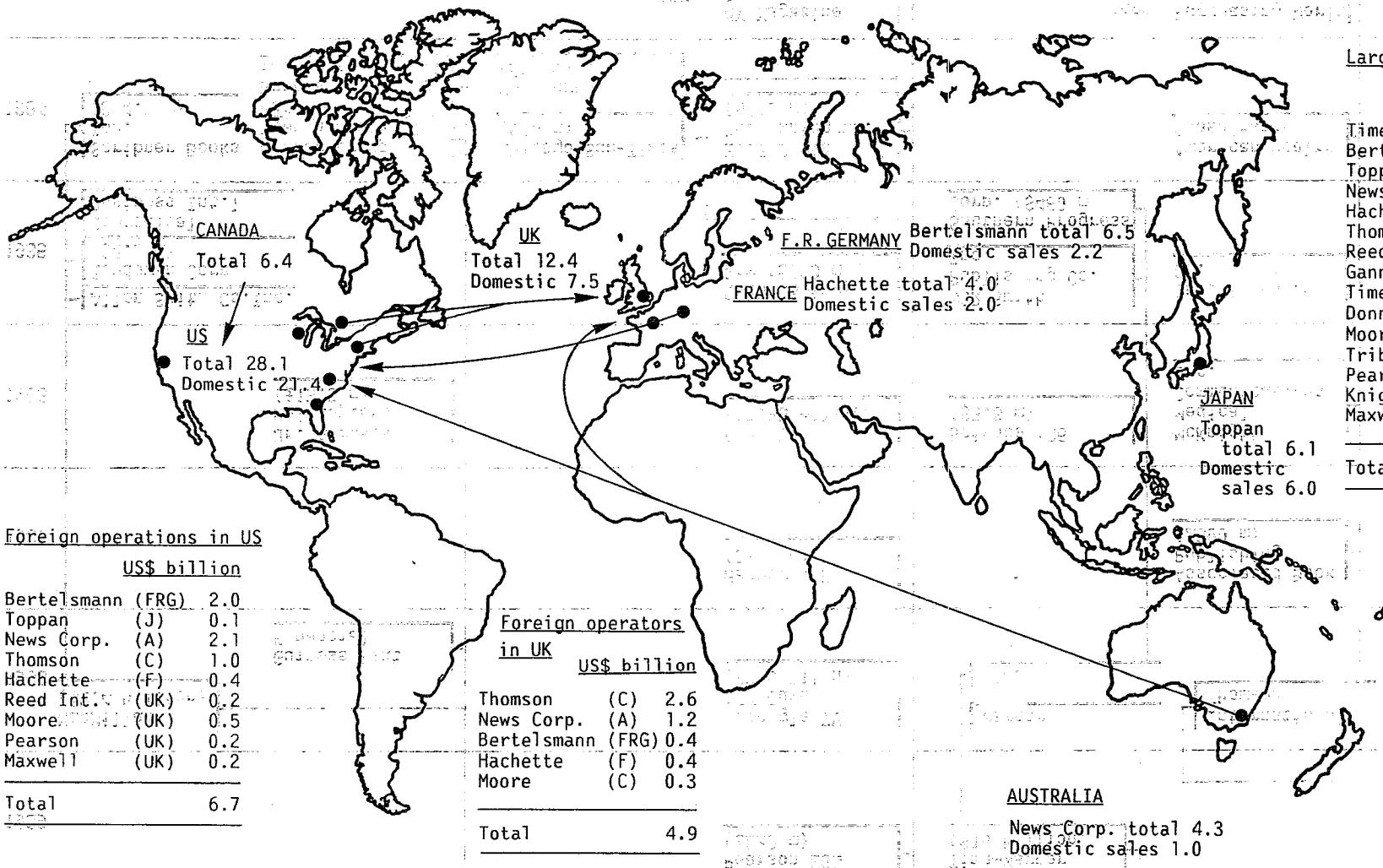


Chart A.(concl.)




Source: Annual reports and Mergers and Acquisitions.

Chart B. Size and location of activities of the 15 largest print and media multinationals (Fortune 500)




Largest 15

| | | 1989 sales US$ billion |
|---|---|---|
| Time-Warner | (US) | 7.6 |
| Bertelsmann | (FRG) | 6.5 |
| Toppan | (J) | 6.1 |
| News Corp. | (A) | 4.3 |
| Hachette | (F) | 4.0 |
| Thomson | (C) | 3.9 |
| Reed Int. | (UK) | 3.4 |
| Gannett | (US) | 3.3 |
| Times Mirror | (US) | 3.3 |
| Donnelly | (US) | 2.8 |
| Moore | (C) | 2.5 |
| Tribune | (US) | 2.3 |
| Pearson | (UK) | 2.1 |
| Knight Ridder | (US) | 2.1 |
| Maxwell | (UK) | 2.0 |
| Total | | 57.5 |

Foreign operations in US

| | | US$ billion |
|---|---|---|
| Bertelsmann | (FRG) | 2.0 |
| Toppan | (J) | 0.1 |
| News Corp. | (A) | 2.1 |
| Thomson | (C) | 1.0 |
| Hachette | (F) | 0.4 |
| Reed Int. | (UK) | 0.2 |
| Moore | (UK) | 0.5 |
| Pearson | (UK) | 0.2 |
| Maxwell | (UK) | 0.2 |
| Total | | 6.7 |

Foreign operators in UK

| | | US$ billion |
|---|---|---|
| Thomson | (C) | 2.6 |
| News Corp. | (A) | 1.2 |
| Bertelsmann | (FRG) | 0.4 |
| Hachette | (F) | 0.4 |
| Moore | (C) | 0.3 |
| Total | | 4.9 |

● Multinational headquarters (top 15). ⟶ Major directions of foreign investments.

Note: Germany, Canada, France, Australia are major exporters. US and UK are major importers.

Source: Fortune, 23 Apr. 1990; and company annual reports.

Internationalisation

Publishing companies in the course of becoming multinational have gone through the classic pattern of hiring local distributors, setting up marketing offices, expanding into local production and finally establishing a subsidiary. For example, McGraw-Hill operates in 17 countries, publishes in 13 languages and, in all senses of the word, is a multinational like Hachette or Bertelsmann.

Rupert Murdoch believes that a global communications network is a near reality - both in print and electronic spheres. He believes that in principle an advertiser could soon achieve, with a single order, global coverage in the media of his choice. Murdoch's News Corporation owns 20th Century Fox film and Fox Television, the embryo fourth American TV channel, as well as Sky TV in Europe, five United Kingdom national newspapers and various papers in the United States and Australia, and joint ventures with Hachette and Pearson.

The globalisation process has been driven by deregulation in several countries, together with a mixture of new technology and a global ideology. The growing strength of multinational advertisers has accelerated the process through mergers and acquisitions to form a global market-place.

The internationalisation of English language publishing began with a consent decree in 1976 by the United States Justice Department, which forced British and American publishers to abandon the then oligopolistic practice of carving up the English-speaking world into territories related to their own commercial interests. This induced competition in transatlantic publishing which began to heat up in the late seventies.

The largest 15 publishing firms listed in the United Nations Centre on Transnational Corporations (UNCTC) 1988 report had in total 749 foreign affiliates, 82 per cent of which were located in developed market economies, and 18 per cent of which were in developing countries.

In 1986 the most "multinational" of these firms was News Corp. having 161 foreign affiliates, followed by Pearson (134 affiliates), Reed Int. (114 affiliates) and the Thomson Organisation (102 affiliates).

The geographic distribution of the foreign affiliates is quite concentrated with 169 or 22.5 per cent in the United States, 359 or 48 per cent in Western Europe and 46 or 6 per cent in Canada. Note Japan's share is low - only five affiliates or 0.6 per cent of the total (see table 7).

Corporate strategies: Profits versus market share

Companies can follow a profit strategy, aiming to maximise their profits per employee, or a market share strategy, where the main goal is to maximise sales and thereby obtain a greater portion of the market share.

When correlating sales rank per employee (figure 5 - shown earlier) with profit rank per employee (figure 6), a clear set of industries' strategies emerges. As shown in figure 7 three companies - Hachette, Bertelsmann and Toppan - have higher sales per employee ranks than profit per employee ranks thus implicating a sales or market share strategy. The other six companies have higher profit per employee rankings than sales per employee which corresponds more to a profit maximisation strategy.

Table 7. Geographic distribution of foreign affiliates in the publishing and printing industry, 1988 (top 15 companies)

| Foreign affiliates in: | | Percentage of total |
|---|---|---|
| United States | 169 | 22.5 |
| Western Europe | 359 | 48.0 |
| Canada | 46 | 6.1 |
| Japan | 5 | 0.7 |
| Other developed countries | 37 | 4.9 |
| Latin America | 49 | 6.6 |
| Africa | 21 | 2.8 |
| Asia | 63 | 8.4 |
| Total | 749 | 100.0 |

Source: UNCTC: Transnational corporations in world development (New York, 1988).

Figure 7 shows the distribution of companies along a composite profit-sales per employee scale. Hachette and Bertelsmann have the most clear sales strategy, whereas Pearson and Maxwell have the most clear profit strategies. In general, profit strategies are associated with rationalisation and staff reduction, whereas sales strategies are concerned with growth and market power. As much corporate growth is either debt or equity funded - the sales strategy approach is not dependent upon accumulated profits.

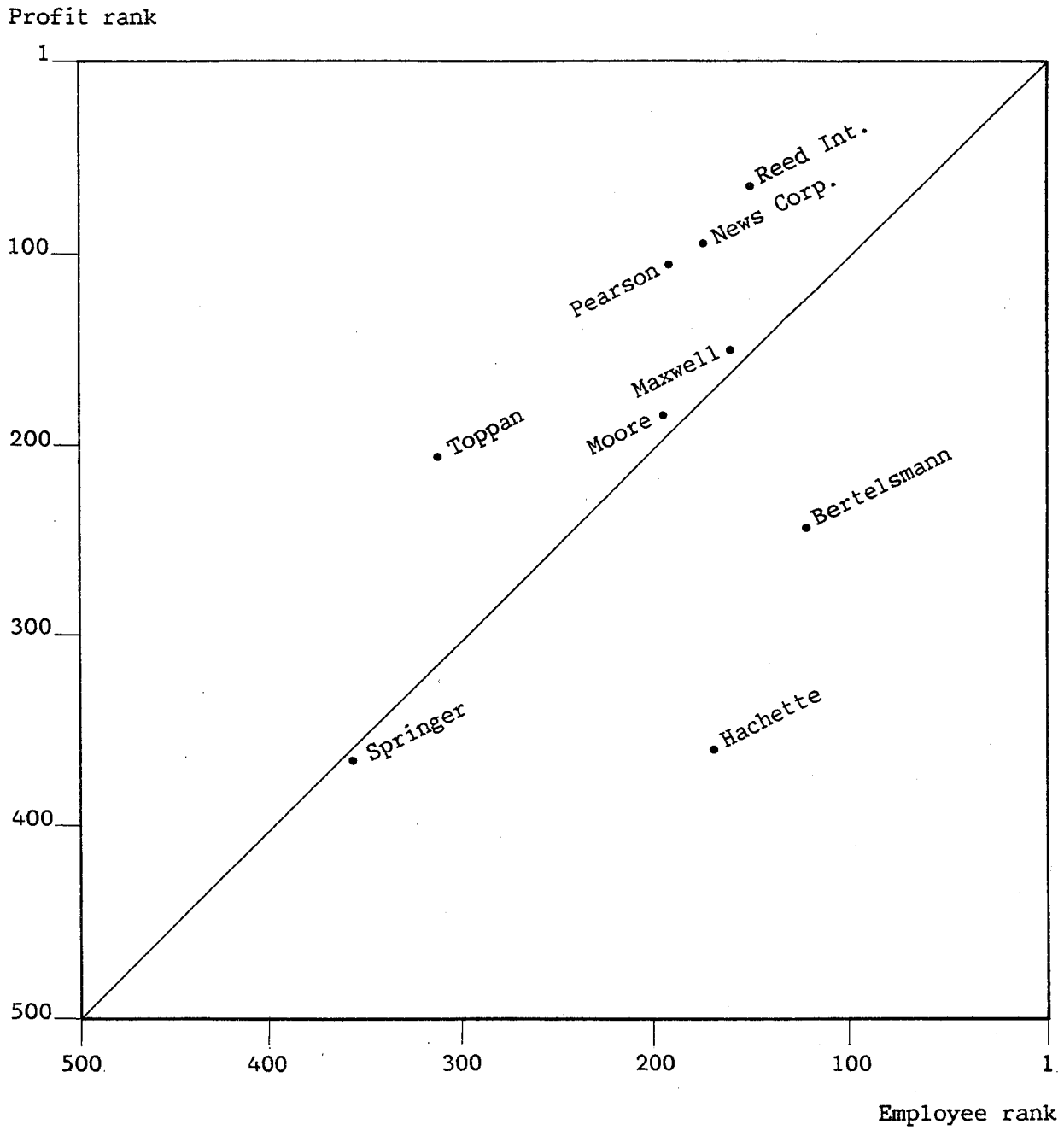
When we compare figure 7 with figure 4, it is clear that the most pronounced strategies are associated with the companies that grew the fastest in relative sales rank from 1985 to 1988.

## Advertising and media

The media and publishing industry is driven by the advertising industry and, to describe the relationship in a less than delicate way, the information and news/entertainment content of the media industry is just wrapping for the advertising which ultimately pays the bills. Thus advertising plays a pivotal and catalytic role in the evolution of the media industry.

The relationship between industry and advertising is also symbiotic and cybernetic. In his paper on the New World Information Order, Anderson (1980) described the global evolution of the Coca-Cola/McCann-Erickson relationship. Coke spread, for example, from the United States to Australia. McCann contracted to do Coke's advertising in the United States and also spread independently to Australia. The two companies then linked up in Australia and eventually centralise activities, especially creativity, back to the New York/Atlanta headquarters for reasons of economy of scale. Figure 8 describes the process.

Figure 6. Correlation between profit rank and employee rank. Fortune 500 - non-US sample 1988




Source: Fortune, 31 July 1989.

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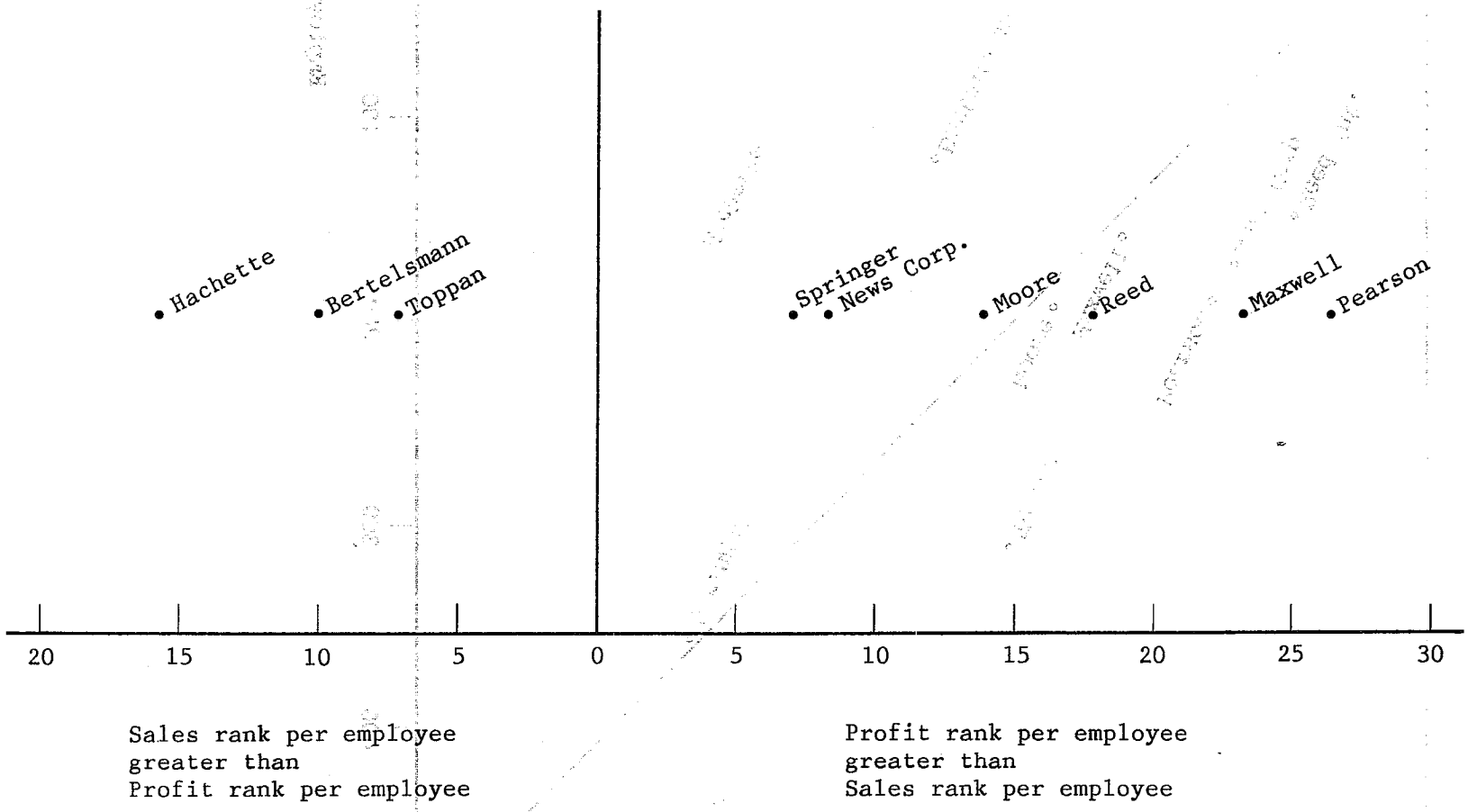
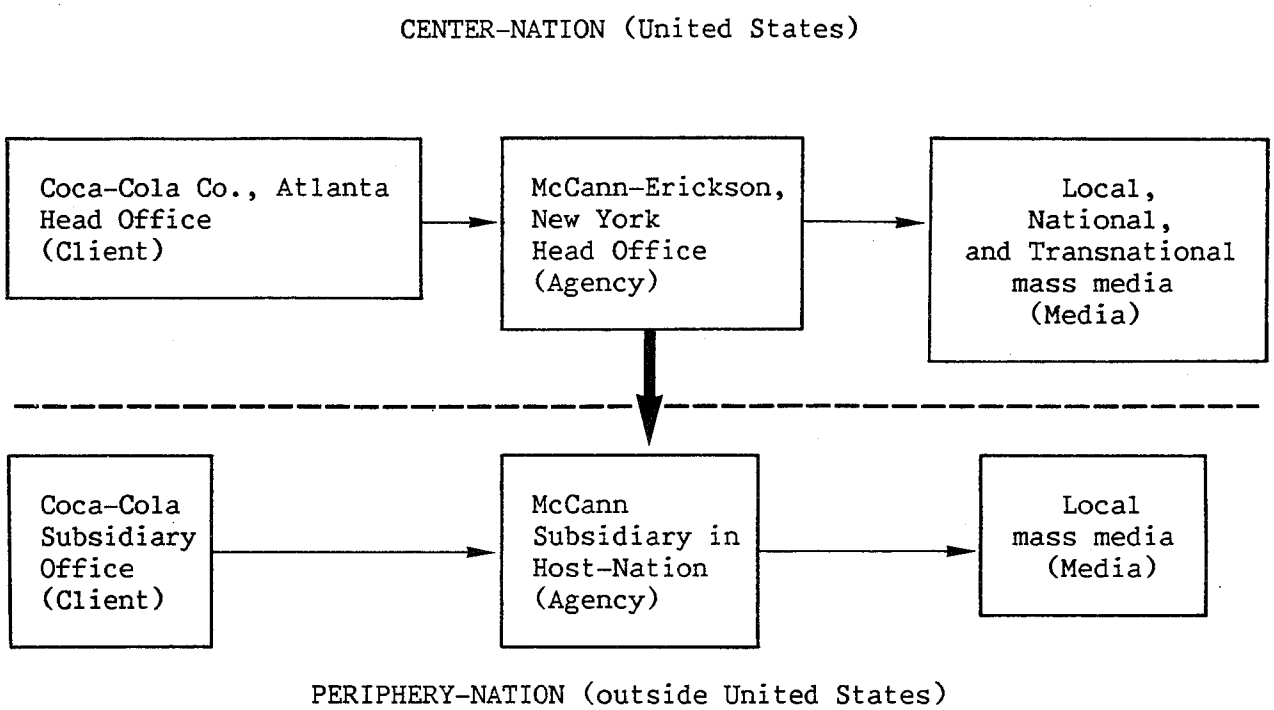
Figure 7. Distribution of companies by sales/employee vs. profits/employee




Source: Calculated from figures 5 and 6.

Figure 8.




"Common Account" Interaction between Transnational Advertiser (Coca-Cola) and Transnational Advertising Agency (McCann-Erickson) and Mass Media in Center and Periphery Nations.

Note: The example of Coca-Cola and its agency is virtually an "ideal" type of "common account" arrangement. At home and abroad, Coca-Cola uses McCann-Erickson. Media materials created jointly by Coca-Cola and McCann in the Center Nation of the United States are transferred via their subsidiaries in the Periphery Nations. Broken lines indicate transnational interaction.

Source: Anderson, 1980.

The following tables 8 to 11 describe the geographic distribution of the world's advertising industry, and outline the basic globalisation process of advertising, together with its linkage effects with industry and the media.

Brunt (1984) describes the mechanisms of cultural control that media companies have, citing an incident involving a supposedly feminist magazine which was actually being used by the media owner as a vehicle to block rather than transmit feminist ideas.

Table 8. Advertising expenditure per capita, 1987

| Country | $ |
|---|---|
| Switzerland | 458 |
| United States | 450 |
| Finland | 298 |
| Japan | 223 |
| Netherlands | 218 |

Source: Sydney Morning Herald, Jan. 1990.

Table 9. Advertising expenditure as a percentage of GNP, 1987

| Country | % |
|---|---|
| Puerto Rico | 2.4 |
| United States | 2.4 |
| Switzerland | 2.2 |
| Finland | 2.1 |
| New Zealand | 2.0 |

Source: Sydney Morning Herald, Jan. 1990.

Table 10. Change in advertising expenditure by country as a percentage of total global expenditure

| Country | 1988 % | 1991 % |
|---|---|---|
| North America | 46 | 43 |
| Europe | 28 | 31 |
| Asia/Pacific | 21 | 22 |
| Latin America | 3 | 3 |
| Africa/Middle East | 1 | 1 |
| Total spent ($ billion) | 176 | 224.7 (constant prices) |

Source: Sydney Morning Herald, Jan. 1990.

Table 11. World advertising expenditure by country, 1988 (top ten countries)

| Country | | US$ billion |
|---|---|---|
| 1. | United States | 75.8 |
| 2. | Japan | 28.0 |
| 3. | United Kingdom | 12.1 |
| 4. | Germany (Federal Republic of) | 9.5 |
| 5. | France | 6.9 |
| 6. | Italy | 5.1 |
| 7. | Canada | 5.1 |
| 8. | Spain | 4.6 |
| 9. | Australia | 3.1 |
| 10. | Netherlands | 2.6 |

Source: Sydney Morning Herald, Jan. 1990.

Note in table 12 the relative sizes of the media and advertising industries. Time Warner is seven times as big as Dentsu and No. 10, Times Mirror, is more than twice as big as Dentsu. In fact, the top ten advertising agencies together, at 41.7 billion French francs, are only equivalent in size to the No. 2 media company, Bertelsmann.

Table 12. Relative size of top ten media and advertising companies[1]

| Media | | FF billions | | Advertising |
|---|---|---|---|---|
| 1. | Time Warner (US) | 52 | 7.3 | Dentsu (Japan) |
| 2. | Bertelsmann (FRG) | 39 | 4.5 | Young and Rubicam (US) |
| 3. | Capital Cities/ABC (US) | 27 | 4.4 | Saatchi & Saatchi (UK) |
| 4. | News Corp. (Australia) | 26 | 4.1[A] | Backer Spielvogel Bates (US) |
| 5. | Hachette (French) | 24 | 3.9 | McCann-Erickson (US) |
| 6. | GE-NBC (US) | 22 | 3.8 | FCB (US) |
| 7. | Gannett (US) | 19 | 3.7 | Ogilvy & Mather WPP[C] (US) |
| 8. | CBS (US) | 16 | 3.5 | BBDO (US) |
| 9. | Reed Int. (UK) | 16 | 3.3 | J.W. Thomson WPP[C] (US) |
| 10. | Time Mirror (US) | 16 | 3.2[B] | Lintas (US) |

[1] Excluding the Thompson group.

Note: [A] = BSB is Saatchi linked.
[B] = Lintas is linked with McCann through the Inter-public group.
[C] = Sorrell linked - WPP group.

Source: Affairs, 1989.

This difference in turnover however does not reflect the actual power or control relationship between them. For example, media companies do not select advertisers; media channels are selected by advertising companies. Also, advertising companies are in general selected by the industrial enterprises and linkage effects are strong. Long-term relationships exist and advertising is typically a self-regulating industry. Conflicts of interest are rapidly solved by realignment, and so on. Thus, advertising as well as media companies have strong and increasing power in the industrial-service system. Within the advertising industry, several large holding company structures have recently emerged. The Saatchi group recently split to form Saatchi and Saatchi, and Backer, Spielvogel, Bates (BSB). WPP derived out of Saatchi through Sorrel, Saatchi's finance director, who left. WPP has acquired J. Walter Thomson, and Ogilvy and Mather. McCann and Lintas are linked via the Inter-public group. A fourth large group is Omnicron.

By 1989 two dominant British groups had emerged, Saatchi and WPP. Both also dominated the United States market through United States acquisitions. WPP had acquired J.W. Thomson and Ogilvy and Mather and Saatchi had acquired Ted Bates and Backer and Spielvogel (BBS).

Saatchi and Saatchi began to diversify into other management services such as management consulting, and took control of consulting firms like the Hays Group. Although its turnover ranks behind that of Dentsu, the latter does 90 per cent of its business in Japan and hence Saatchi and Saatchi is the most international. The company, however, is now restructuring in the realisation that it probably over-extended itself into areas where it lacked expertise. By September 1989, profits had dropped from $129 million to $29 million and the company is readopting advertising as its core business.

## REGIONAL MEDIA INDUSTRIES

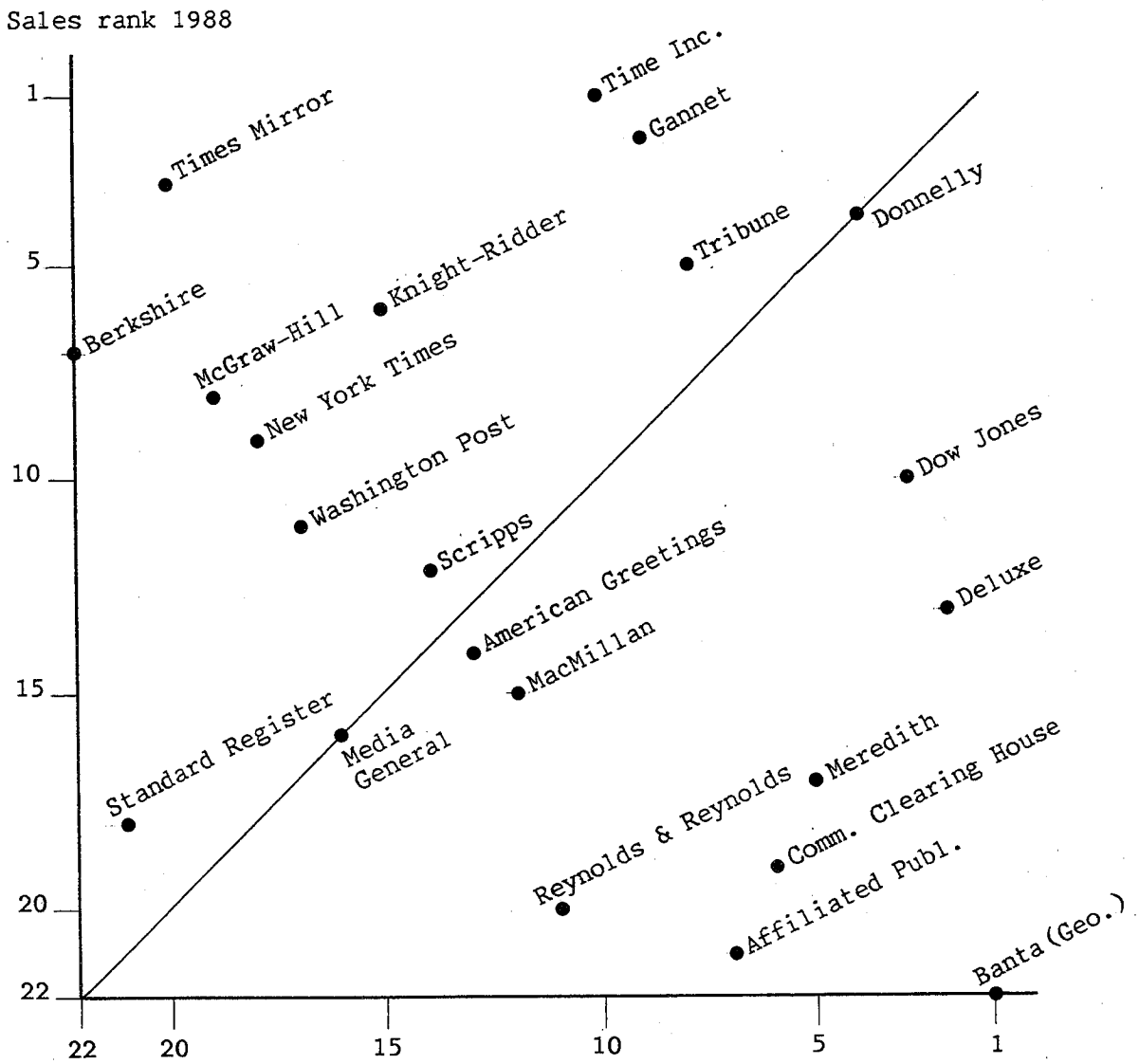
### Publishing in the United States

Data on the largest United States publishing/printing companies are found in Fortune magazine (23 April 1990). The data show change in sales and employment from 1988 to 1989.

The largest 24 United States publishing/printing companies are listed as having total sales of $44,370 million and total employment of 323,089 in 1989. Average sales per employee were $124,000 - not significantly different from the Fortune 500 sample as a whole. Their distribution by sales rank within the sample was wide ranging, from number 59 (Time-Warner) to number 500 (Affiliated Pub.).

The industry shows rapid growth as a whole with 21 of 22 companies showing an increase in sales between 1987 and 1988. Volatility in the industry was demonstrated by the fact that the percentage increase in sales rank shifted significantly for many of the companies between 1987 and 1988, as is shown in figure 9. Note that while companies in the top ten in 1988 had gained in rank, those in the bottom ten likewise gained and sometimes showed the greatest changes in increased sales. This also reflects a general trend towards concentration.

Figure 9. Sales rank 1988 vs. percentage change in sales rank 1987-88: US publishing/printing companies




Ranked by percentage change in sales rank over 1987.

Source: Fortune, 23 Apr. 1989.

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Figure 10 shows that the industry as a whole grew, and grew faster in sales than in employees between 1987 and 1988. Four of the 15 companies depicted in the sample actually reduced the number of their employees while growing in sales, and no company had a larger percentage increase in employment than in sales, which also reflects an industry in technological transition.

In the Fortune 500 group for 1988, out of the 22 United States publishing companies, the top five companies had significantly higher sales per employee than the bottom five ($130,344 for the top five versus $117,200 for the bottom five) which consitutes a measure of economy of scale in the industry. It can also be used as a factor for determination of wage policies and other benefits.

Profitability was up in the industry as a whole with 21 out of 22 companies reporting increases in profits as a percentage of sales from 1987 to 1988. Profits grew by 13 per cent from 1987 versus 7 per cent for sales.

Time Warner

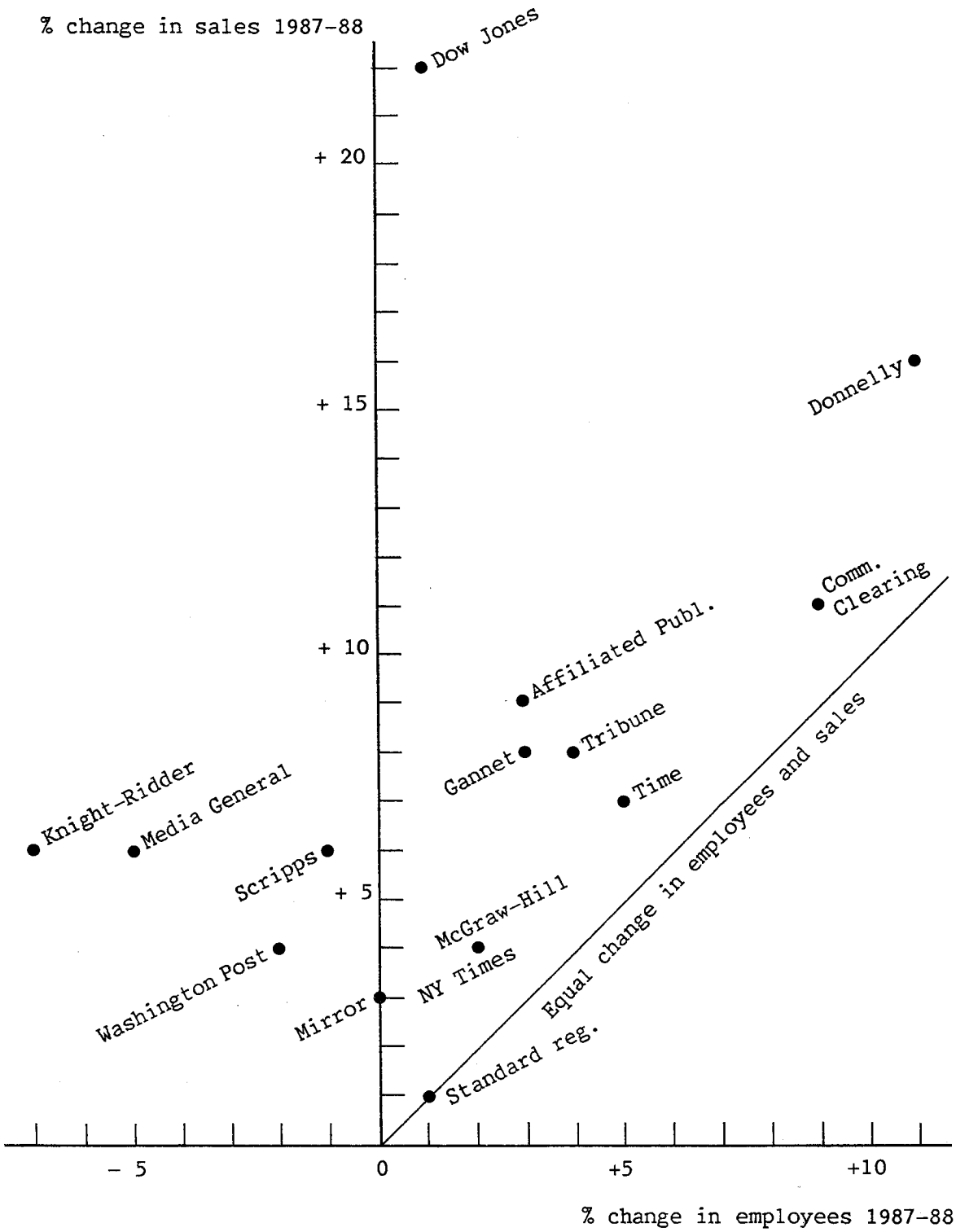
Time Inc., originally known as Time-Life magazine, was founded in 1923 and has since grown to be the world's largest media company after merging with Warner in 1989. In 1941, Time was published on airmail paper to serve Latin American countries, as a means of countering the influence of the Axis powers there. In 1942, a Time edition was established for GIs stationed overseas, followed by Life Overseas in 1943 for the armed forces. A Canadian edition of Time was produced in the same year, and in 1960 Time opened subscription offices in Amsterdam and Mexico. By 1972 Time reached a weekly distribution of 425 million copies world-wide.

Time Inc. also publishes Sports Illustrated, Fortune, Money and Life Magazine. The company also has a joint venture with Hachette-Filipacchi to publish a French-language edition of Fortune magazine. Furthermore, it began pay television programming in 1972, and it also owns 82 per cent of American Television and Communications Corporation, America's second largest cable TV system-operator in terms of basic cable subscribers.

On 5 March 1989 Time Inc. and Warner Co. announced their intention to merge, thereby creating the world's largest media conglomerate with a stockmarket value of some $15.2 billion, and annual sales of an estimated $10 billion (N.Y. Times, 5 March 1989). The companies made no secret about their reasons for merging. Warner Chairman Steven J. Ross believed that "only strong American companies will survive after the formation of a unified European market in 1992" (ibid.), and issued a joint statement with Time Chairman, Richard Munro, saying the merger would "create a combined American entity with the resources needed to compete globally with anyone in our industry. Together we will be a world-wide leader in all our businesses, enabling us to create and innovate in ways each could only dream about before" (Financial Times, 6 March 1989).

Both companies were formed in the 1920s, and will combine many reciprocal strengths and weaknesses. Time is small overseas, whereas Warner is more globally-minded. As such, the merger will permit them to compete from a position of strength with Hachette, Maxwell and Murdoch. Time Warner is the world leader in pay TV and direct marketing of books. It is also number two in the world in record production, cable TV and magazines. Table 13 shows Time and Warner's distribution of media and publishing activities.

Figure 10. Change in sales and employees. US publishing/printing companies




Source: Fortune, 23 Apr. 1989.

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Table 13. Distribution of activities: Time and Warner

| Time | 1988 revenue ($ million) | Warner | 1988 revenue ($ million) |
|---|---|---|---|
| Magazines | 1 752 | Film | 2 096 |
| Cable programming | 1 052 | Music | 2 040 |
| Books | 891 | Cable TV | 456 |
| Cable systems | 812 | Publishing | 139 |
| Total | 4 507 | | 4 731 |

Total merged: $9 238 million.

Source: Time magazine, 20 March 1989.

In the United States, Time Warner has clear superiority. Its main competitor, Capital Cities/ABC, which owns ABC TV, is less than half its size. It appears that after 1992 only the strong United States companies will survive and restructuring in America has occurred in response to pre-1992 industry restructuring in Europe.

On the world scene, although Murdoch led the global turn, the Time Warner merger is predicted to trigger the rapid emergence of six to eight vertically integrated global media and entertainment companies; perhaps two in Europe, two in America and one to two from Japan. News Corp. and the Thomson group are also in the race.

Murdoch/Maxwell Sky channel co-operation

Murdoch launched Sky TV in February 1988 and during the launch phase was losing $3.2 million per week. By May 1989, Murdoch and Maxwell had struck a deal to distribute Sky TV through Maxwell's cable TV franchise. The project has had technical and marketing difficulties, as potential customers lack knowledge of what the four Sky channels offer, and what equipment they need to receive it. The signal is delivered via cable or satellite dish.

European TV

The number of TV stations in Europe is expected to double to about 200 between 1989 and 1993. One estimate puts the increased demand for programming at 300,000 hours.

The United States will ask GATT to ban local content requirements in European TV networks which the United States believes that European countries are abusing in a bid to protect its own industries. Present content rules require at least 50 per cent of TV programmes aired in Europe to be European made, which the United States claims is a violation of the GATT rules. The reaction of the European Community to this is that TV is a service, not a product, and therefore falls outside GATT's present jurisdiction. Cable TV, which reaches 54 per cent of United States homes, earned $1.8 billion in advertising expenditure in 1989 versus $60 million in 1980. The industry is being deregulated.

European printing and publishing industry

In general, the printing industry in Europe has shown good growth in recent years; however, strong regional differences exist within the core EEC countries. The United Kingdom, the Federal Republic of Germany, France and Italy show the highest rates of growth in printing turnover and in exports of print. Smaller and peripheral countries - Finland, the Netherlands and Portugal - showed, in general, lower rates of growth and in some cases negative rates of export.

Between 1986 and 1988, printing turnover grew faster than GDP in the Federal Republic of Germany, France and Italy, but slower than GDP in Finland and Portugal. Also, exports of print grew faster than GDP in the Federal Republic of Germany, France and Italy. The Federal Republic of Germany, although not France or Italy, was a net exporter of the product. In Finland exports of print actually fell by 6 per cent between 1986 and 1988. The pattern of growth and concentration presented in figure 4 gives a summary growth picture of the largest European companies.

The Federal Republic of Germany

In 1988, overall printing turnover in the Federal Republic of Germany was DM28 billion, of which DM5.1 billion was exported. The surplus balance of trade in print was DM3.2 billion, reflecting a very healthy position. Since 1983 the German printing industry has shown steady growth and has grown faster than the average growth for total industry. According to the British Printer (March 1990), turnover in the printing industry grew 19.3 per cent faster than GDP between 1986 and 1988. Exports of print grew 46.2 per cent faster than GDP and 22.5 per cent faster than total printing turnover during the same period.

The biggest growth markets for printing in the Federal Republic of Germany have been catalogues and other advertising print which grew 31.2 per cent in real terms between 1982 and 1988. Direct printing inserts for newspapers and magazines also showed strong growth. Direct mail especially has grown from 2 billion to 2.6 billion items between 1982 and 1988. A further 10 per cent increase was expected between 1988 and 1990.

France

Printing turnover in France in 1988 was FF43 billion, up 13.8 per cent on the previous year. As in the Federal Republic of Germany, French printing turnover grew faster than GDP from 1986 to 1988 (26.4 per cent versus 12 per cent) and exports of print grew 13.6 per cent faster than total print turnover. Exports grew more slowly than imports of print however, 20.6 per cent versus 26.5 per cent.

Eastern Europe

Eastern Europe has gained a larger significance in the eyes of most media giants, due to the current political and economic changes occurring there. With the gradual shift from planned to market economies, investors see new opportunities arising. Of course, as with all industries looking at Eastern Europe, the media companies must weigh the benefits of early investment into new territory versus the risk of unfavourable political events, such as a rapid trend towards re-nationalisation.

By far the most activity has been in the German Democratic Republic. There are two obvious reasons for this. One is that East Germany does not pose any cultural or linguistic barriers to potential investors from the Federal Republic of Germany. The second is that the impending unification of the two Germanies would seem to provide a security from the risks involved, especially since many of the legal provisions of the Federal Republic of Germany were already adopted by the German Democratic Republic as a result of the economic and monetary union which the two States entered into on 1 July 1990. Table 14, titled "Participation of Western enterprises in companies in the German Democratic Republic" (Neue Zürcher Zeitung, 9-10 June 1990), gives some indication of the major players in East Germany and their status.

Gruner and Jahr, a subsidiary of Bertelsmann, is currently selling 80,000 copies of Stern magazine and 180,000 copies of the women's Brigitte magazine in the German Democratic Republic. Its marketing director explained that "the main question we face is whether to transport existing West German magazines to the East or buy up East German magazines and push up their circulation" (International Herald Tribune, 24 May 1990). East German television viewers now see commercials for western products, which the State's own television hopes will earn enough hard currency to buy western films and thereby attract new viewers.

Not all is positive regarding western investment in East Germany. Since four companies, Burda, Bauer, Springer and Gruner and Jahr have essentially cornered the market, with contracts between them with some 500 agents, there is a fear of monopolisation, just as the German Democratic Republic is preparing to revise its legislation to end the state monopoly in newspaper distribution. Complaints have come from the Journalists' Union that "the dictatorship of the party must not be replaced by the rule of West German media grants" (International Herald Tribune, 2 May 1990). The International Journalists' Federation has expressed similar concerns. The Federal Cartel Office located in West Berlin indicated that the present situation in the German Democratic Republic would not be allowed under the anti-monopoly laws (ibid.) of the Federal Republic of Germany. East German print media also fears having to lay off much of its staff, due to the increased competition from the West, and there has generally been worries of inflation created by the invasion of higher-priced magazines.

Deals in other eastern European countries have also been reported, although to a lesser extent. One advantage cited, that media firms have over other industries, is that the former are paid in hard currencies by advertising companies, whereas other industries have yet to find a suitable means of repatriating their earnings. An interesting agreement was reached by Saatchi and Saatchi in the Soviet Union on 5 April 1990, whereby the Soviet Union will send its most talented economists to Italy, where they will undergo nine-month training programmes with Saatchi and Saatchi or its clients. The training will be in areas such as marketing and advertising, so as to prepare the trainees to be western-trained marketing experts. The Saatchi company could, hereby, be setting up clients for itself in the future.

In other deals, Springer took control of four Hungarian newspapers, with a combined circulation of 187,000, without actually paying for them, due to the absence of Hungarian legislation concerning the disposal of state-owned assets. Springer will be responsible for all the production costs and rent in this venture, and has indicated a preparedness to invest a further 40 million Deutschmark in Hungary in the coming two to three years (International Herald Tribune, 4 April 1990). Maxwell Communications already has a 40 per cent stake in both Esti Hirlap and Magyar Hirlap newspapers of Hungary. Maxwell also agreed in April 1990 to buy the Bulgarian TV channel BTV2.

Table 14. Participation of Western enterprises in companies in the German Democratic Republic (mid-1990)

| Bauer-Verlag | Springer | Gruner & Jahr | FAZ | WAZ | Robert Maxwell |
|---|---|---|---|---|---|
| Junge Welt[1] (Circulation 1.6 Mio.)[5] | Deutsches (200 000) | Sächsisch Zeitg.[1] (570 000) | Neue Zeit[1] (152 000) | Thüring, (135 000) | Berliner Zeitung[1] (438 000) |
| Märkische Oderzeitung[1] (216 000) | Der Morgen[1] (112 000) | Die Wirtschaft[2 3] (25 000) | Der Demokrat[1] (25 000) | Osthüring. Nachricht.[4] (240 000) | BZ in Abend[1] (204 000) |
| Nordkurier[1] (210 000) | Nordd. Zeitung[1] (30 000) | Berliner Allg.[2] (80 000) | Der Neue Weg[1] (45 000) | Leipziger Volkszeitg.[4] (487 000) | horizont[1,3] (130 000) |
| Nordd. Neueste Nachr.[1] (50 000) | Lib.-Demokr. Zeitung[1] (70 000) | Brandenburg. Neueste N.[3] (25 000) | Thüringer Tageblatt[2] (35 000) | | Wochenpost[1,3] (1.22 Mio.) |
| Schweriner Volkszeitung[1] (207 000) | Sächsisches Tageblatt[1] (80 000) | Nordd. Neueste N.[2] (50 000) | | | |
| Brandenburgische Neueste N.[1] (25 000) | | Sächsische Neueste N.[2] (50 000) | | | |
| Magdeburger Zeitung[2,3] (16 000) | | | | | |

Notes: [1] Joint venture. [2] Co-operation. [3] Weekly newspaper. [4] In discussion. [5] Circulation as of Feb. 1990.

Source: Neue Zürcher Zeifung, 9-10 June 1990.

Murdoch's News Corp. PLC has a 50 per cent stake in Hungary's popular Reform magazine, and the daily Mai Nap. Italy's Finivest has deals in Czechoslovakia, Poland and Hungary to provide programmes for local TV stations in exchange for air time for western advertisers (International Herald Tribune, 24 May 1990). In general, publishing firms are seeking to control a relatively untapped market where consumers are longing for media products that were hitherto unavailable to them. However, they are not competing with each other. Instead their investments are complementary in the sense that those which primarily own dailies, weeklies or regional, as opposed to national, newspapers or magazines in the West tend to go into the same line of business in the East.

In addition, those companies which have previously not been publishing in the German-language market will, through a single joint venture with an existing company in what was the German Democratic Republic, all of a sudden have access to a market of over 80 million if they are successful.

## SOCIAL AND LABOUR CONSEQUENCES

In general, the industry is volatile and this impacts employment in a number of ways. First, International Graphic Federation (IGF) figures show 61,000 printing jobs lost through rationalisation in member countries in the decade 1975-85. Most of these jobs were lost in the Federal Republic of Germany (18,000) and in France (25,000). However, recently (between 1986 and 1988) the printing industries in the Federal Republic of Germany and France also added jobs (7,800 for Germany and 4,400 for France). Lack of comprehensive and harmonised data precludes an accurate comparison over that decade, however it is clear that new jobs are also being created in the industry. Whether such job gains exceed the job losses, as a linear extrapolation over the decade suggests, is a question that deserves further data collection analysis.

These figures however reflect only the total quantity of employment. As well, there are the aspects of technological job displacement, training and retraining, women's employment, mobility, new job creation and indirect employment effects. For example, printers displaced due to new technology - laser printing or whatever - may not be retrained to take the hi-tech and computer jobs that are emerging.

As in banking and other service industries, there has been a differential tendency to employ more women in lower functionary positions, like data processing, where the operational tasks are strongly regulated by the constraints of technology. Thus, as in the banking industry, increasingly more women are employed, but in jobs having little vertical mobility and little in the way of job enlargement.

The industry as a whole has vertical mobility. It moves rapidly through the technological revolution shedding older and lower-paid job categories and replacing them with new better-paid categories (e.g. typesetters leave, data processors enter).

Automation induces standardisation of worker task demands. As in other service industries, new technology means fewer recruits, fewer promotions and more centralised authority over job descriptions. Quality of employment has to be seen in the context that, while new employment opportunities exist, they are not open to all groups. For example, the proportion of women who remain in lower-functionary jobs remains high.

The IGF reports that during the decade, in general, the level of union membership has remained roughly the same amongst its members, but the employment effects are largely negative, due to the displacement/technology phenomenon.

Examples of job cuts are frequently in the news: McGraw-Hill cut 1,000 jobs from their workforce of 13,700 (International Herald Tribune, 7 December 1989); Reed Int. cut employment from 31,300 to 22,100 in one year, from 1988 to 1989.

Selective job cuts can also work to retain employment in other areas. Murdoch recently cut 130 jobs at the New York Post to save $22.5 million over three years. These savings were necessary in order to avoid selling the troubled newspaper, and a complex series of wage decreases and increases was introduced to make up a $3 million gap. A three-year wage freeze was introduced through a series of tense and complex negotiations. The outcome was the ensured survival of the paper and 1,200 allied printing trade jobs for one more year.

In another development it has been reported that the News of the World's magazine Sunday will now be printed in the Federal Republic of Germany as a result of a joint venture between Murdoch's News International and Burda. Production will further be transferred to a site on the southern outskirts of Berlin once construction of a new plant, Burda News Druck, has been completed. While employment will be generated or at least maintained in the Eastern part of Germany through the influx of capital and technology, some 400 printing jobs will have been lost in the United Kingdom in the process.

## Rationalisation

Figures from the International Graphical Federation, presented in table 15, show that since 1975 about 61,000 jobs have been lost through rationalisation in the printing industry in ten countries where information is available. Although it is difficult to compare these figures against a background of employment figures in various countries, due to lack of harmonisation in data collection categories, the 61,000 jobs are significant.

Unions appear to have played a role, as the countries with the largest job losses, e.g. the Federal Republic of Germany, France, Belgium, are also countries of low union membership (52 per cent, 30 per cent and 55 per cent, respectively).

In contrast, countries with high rates of membership - e.g. Denmark, Finland, Ireland, Iceland, Luxembourg, Netherlands, Norway - show either very low rates of job losses or even job increases (as in the cases of Finland and Luxembourg).

The industry is undergoing a rapid technological transition. This has important ramifications for unions, as their influence is predictably decreased with the continuing process of rationalisation.

In the Federal Republic of Germany, the Printers' Union and the Journalists' Union have recently merged to form a new union with some 185,000 members altogether, called the Industrial Union for Media (Industrie Gewerkschaft Medien) in order to achieve greater bargaining power. This merger mirrors the changing configuration of the industry. There are reported talks in the United Kingdom on a similar movement.

Table 15. IGF estimates of employment and rationalisation in printing/publishing and allied trades

| Country | Total employment in print industry | Percentage union members | Jobs lost through rationalisation since 1975 |
|---|---|---|---|
| Belgium | 36 800 | 80[1] | 5 689 |
| Germany (Fed. Rep. of)[2] | 162 500 | 52 | 18 000 |
| Denmark | 48 000 | 100 | 1 936 |
| Finland | 29 800 | 96 | Increase of 550 |
| France[3] | 209 000 | 30 | 25 000 |
| Greece | - | - | 200 |
| United Kingdom | 448 000 | 85 | - |
| Ireland | 7 000 | 95 | 150 |
| Iceland | 1 150 | 92 | One plant |
| Luxembourg | 800 | 80 | Jobs increasing |
| Netherlands | 50 000 | 100 | 400 |
| Norway | 11 260 | 100 | None by national agreement |
| Austria | 17 000 | 90 | 1 000 |
| Portugal | 25 000 | 55[4] | 3 000[4] |
| Sweden | 72 600 | 100[5] | - |
| Switzerland | 53 500 | 50 | - |
| Spain | 115 000 | - | 7 000 |
| Cyprus | 900 | 80 | - |
| United States | 1 479 000 | 27 | - |
| Venezuela | - | - | - |
| Thailand | 3 200 | 73 | - |
| Australia | 120 000 | 65 | - |
| New Zealand | 12 000 | 100 | - |

[1] Includes workers only - no staff.

[2] Total employment in printing industry only.

[3] 209 000 - in all sectors; printing industry - 16 000.

[4] Upper estimate.

[5] 75 per cent in newspapers.

Source: IGF report statistics 7, 1986-89.

Table 16 shows a large increase in employment amongst the top ten multinational companies world-wide from 1976-86. The original top ten companies from 1976 added 68,800 jobs, growing by 45.4 per cent in the decade. The current largest ten in 1986 however had added 95,700 jobs to grow 63 per cent larger than the original largest ten in 1976. (Note that the samples are somewhat different as several of the original largest ten did not rank amongst the top ten in 1986.)

Table 17 shows that in the Federal Republic of Germany, France and Italy alone employment grew 4.5 per cent between 1986 and 1988, resulting in 15,294 additional jobs for the industry.

Table 16. Employment trends in the world's largest ten[1] multinational publishing companies, 1976-86 (employment in thousands)

| | 1976 | 1980 | 1986 | Employment increase (1976-86) | Percentage change |
|---|---|---|---|---|---|
| Original ten from 1976 | 152.3 | 218.8 | 221.1 | 68.8 | 45.4 |
| Largest ten of the year | 152.3 | 239.9 | 248.0 | 95.7 | 63.0 |

[1] The list is drawn from the largest 15 companies in 1986, some of whom either did not exist, or were not amongst the top 15 in 1976. The list includes: Time/Warner, Bertelsmann, Times Mirror, Gannett, News Corp., Reed Int., Thomson, Hachette, Tribune, Knight-Ridder, McGraw-Hill, New York Times, Pearson, Springer and Washington Post.

Source: UNCTC: Transnational corporations in world development: Trends and prospects (New York, 1988).

Table 17. Employment growth in European printing industry: Selected countries

| Country | 1986 | 1988 | Employee growth | % change |
|---|---|---|---|---|
| Germany (Fed. Rep. of) | 214 654 | 222 495 | 7 841 | 3.7 |
| France | 77 536 | 81 939 | 4 403 | 5.7 |
| Italy | 45 950 | 49 000[1] | 3 050 | 6.7 |
| Total | 338 140 | 353 434 | 15 294 | 4.5 |

[1] Estimated (extrapolated from 1987).

Source: The British Printer, Mar. 1990.

## SUMMARY AND CONCLUSIONS

The media industry in undergoing considerable and rapid technological and structural changes. The industry shows a net growth rate as small firms enter. There has been a net increase in jobs in the printing industry (95,000 among the largest ten companies within a decade - see table 16). Nevertheless, there have also been rapid job losses in certain categories, e.g. the printing trades. Many of the new and emerging job categories require technological and computer skills which the displaced workers can often not acquire. Women are being employed in the industry in increasing numbers, but are typically involved in data processing and machine-related jobs, which imply reduced possibilities for career advancement.

The industry is also moving "up-market", as reflected in massive and rapid technological upgrading, increases in highly skilled employment and wage levels. Consequently, the possibilities of vertical mobility are limited to certain job categories and skills within the system.

The industry, in so far as multinationals are concerned, is also restructuring itself in several ways. The internationalisation of processes is expected to result in the emergence of roughly six mega-media giants who will dominate the world market by the end of the century. These would include such groups as Time Warner, Bertelsmann, Hachette, News Corp., Thomson and Maxwell. Although very globally minded, they will still operate principally from certain centres, such as New York, London, Paris and Sydney. The growth of the major conglomerates is accelerated by the wave of mergers and acquisitions that is currently under way in the industry.

The other means of restructuring is in diversification. Media giants are now involved in not just printed goods but also film, cinema, video, tape recording and compact discs. There is also a pattern of vertical linkage forming between industrial producers, the advertising industry and media giants. Although the advertising industry is small compared with the media giants, it is sophisticated and globalised, and acts as a catalyst that drives the growth of the media industry.

The last generation has seen the role of the media evolve into a powerful agent of socialisation and cultural change. In the 1960s, Marshall McLuhan, a Canadian writer and media specialist, foresaw the "retribalisation of man" and the emergence of a "global village" which would be mediated by television. This process appears to be in full swing, and in some societies the media are tending to challenge, or even supplant, other major institutions of socialisation.

These, in summary, are the trends for multinationals in the industry. Media conglomerates control such a vast array of information services that it is difficult to analyse any one independently. The integration of these means of communication into one company is perhaps the most recent phenomenon to develop in the media industry.

# APPENDIX

## COMPANIES' STRUCTURE

# Bertelsmann

## Book and Record Clubs

### Germany

- Bertelsmann Club, Guetersloh
- Bertelsmann Club Vertrieb, Guetersloh
- Deutsche Buch-Gemeinschaft, Darmstadt
- EBG Buch + Musik, Kornwestheim
- Hallo RTL, Guetersloh
- Ring der Musikfreunde, Guetersloh
- Verlagsgemeinschaft, Rheda-Wiedenbrueck

### Europe

- Book Club Associates, London, Great Britain 50.0
- Buchgemeinschaft Donauland, Kremayr & Scheriau, Vienna, Austria 75.0
- Buch- und Schallplattenfreunde, Zug, Switzerland
- Circulo de Lectores, Barcelona, Spain
- Circulo de Leitores, Lisbon, Portugal
- E & B Music Clubs, Malmoe, Sweden 49.0
- ECI voor Boeken en Platen, Antwerp, Belgium 65.0
- ECI voor Boeken en Platen, Vianen, Netherlands 65.0
- Euroboek B.V., Vianen, Netherlands
- Euroclub Italia, Milan, Italy
- France Loisirs Belgique, Ath, Belgium 50.0
- France Loisirs, Paris, France 50.0
- France Loisirs Suisse, Lausanne, Switzerland 50.0
- Nederlandse Boekenclubs, Wommelgem, Belgium/ The Hague, Netherlands 65.0
- Nederlandse Lezerskring Boek en Plaat, Amsterdam, Netherlands 65.0
- Setradis, Paris, France 50.0
- S.G.E.D. Lexikon Verlag und Vertrieb, Paris, France 50.0
- The Leisure Circle, London, Great Britain

### Overseas

- Circulo de Lectores, Bogotá, Colombia 49.0
- Circulo de Lectores, Buenos Aires, Argentina 98.4
- Circulo de Lectores, Caracas, Venezuela 49.0
- Circulo de Lectores, Quito, Ecuador
- Circulo do Livro, São Paulo, Brazil 54.0
- Doubleday Australia, Sydney, Australia
- Doubleday Book & Music Clubs, New York, USA
- Doubleday Book & Music Clubs, Toronto, Canada 49.0
- Doubleday New Zealand, Auckland, New Zealand
- Quebec Loisirs, Montreal, Canada 50.0

## Publishing

### Trade, Encyclopedias, Maps and Atlases

- Bertelsmann Lexikon Verlag, Guetersloh
- C. Bertelsmann Verlag, Blanvalet Verlag, Munich
- Central-Versand, Rheda-Wiedenbrueck/Bern
- Geo Center, Munich
- Goldmann Verlag, Munich
- Albrecht Knaus Verlag, Munich
- Mosaik Verlag, Munich
- Orbis Verlag, Munich
- Prisma Verlag, Munich
- RV Reise- und Verkehrs-Verlag, Munich
- Siedler Verlag, Berlin 75.0
- Verlag Buch und Wissen, Rheda-Wiedenbrueck/ Glattbrugg

### International Publishers

- Bantam Doubleday Dell Publishing Group, New York, London, Sydney, Auckland
- Doubleday Book Shops, New York, USA
- Doubleday Canada, Toronto, Canada 49.0
- Plaza y Janés, Barcelona, Spain

### Professional

- AZ direct-marketing Bertelsmann GmbH, Guetersloh
- Bertelsmann Fachzeitschriften, Guetersloh, Munich
- Bertelsmann Informationsservice, Munich
- Fuchsbriefe Dr. Hans Fuchs, Bonn-Bad Godesberg
- Gabler Verlag, Wiesbaden
- Heinze, Celle
- ibau-Planungsinformationen, Muenster 51.0
- ILS Institut fuer Lernsysteme, Hamburg
- LTV Lokal-Telefon-Verzeichnis, Zurich, Switzerland 50.0
- MMV Medizin Verlag, Munich
- Verlag Aerzte Zeitung, Neu Isenburg
- Verlag Aktuelle Information, Frankfurt
- Verlag Heinrich Vogel, Munich
- Vieweg/Westdeutscher Verlag, Wiesbaden
- Wila-Verlag, Munich

### Religious

- Guetersloher Verlagshaus Gerd Mohn, Guetersloh
- Kiefel-Verlag, Wuppertal

## Printing and Manufacturing

### Offset Printing, Germany

- Belser Offsetdruck, Stuttgart
- Elsnerdruck, Berlin
- Guetersloher Druckservice, Guetersloh
- Heichlinger Druckerei, Munich
- Mohndruck Graphische Betriebe, Guetersloh

### Rotogravure Plants, Germany

- Deutscher Supplement Verlag, Nuremberg 75.0
- maul-belser, Nuremberg 75.0

### Printing, Abroad

- Bertelsmann Printing and Manufacturing Corp. (BPMC), New York, Berryville, Dallas (PA), Los Angeles, Orange, San Francisco, Horsham
- Circulo do Livro, Dep. Industrial, São Paulo, Brazil 54.0
- Eurohueco, Barcelona, Spain 95.9
- Nuovo Istituto Italiano d'Arti Grafiche, Bergamo, Italy 98.7
- Printer Colombiana, Bogotá, Colombia 49.0
- Printer Industria Gráfica, Barcelona, Spain
- Printer Portuguesa, Sintra, Portugal
- Wiener Verlag, Vienna, Austria 75.0

### Paper Production

- Cartiere del Garda, Riva, Italy
- Cartigar Papiervertrieb, Munich

### Services

- Bertelsmann Distribution, Guetersloh
- CMS – Communication and Marketing Systems, Guetersloh
- eps – Electronic Printing Service, Guetersloh
- MIDS Magnetische Informations- und Datensysteme, Herne

## Music + Video

### Bertelsmann Music Group

- Arista Records, New York, USA
- BMG Ariola
  Athens, Greece
  Auckland, New Zealand
  Brussels, Belgium
  Buenos Aires, Argentina
  Hamburg
  Hilversum, Netherlands
  Copenhagen, Denmark
  Madrid, Spain
  Munich
  Mexico City, Mexico
  Oslo, Norway
  Paris, France
  Rio de Janeiro, Brazil
  Rome, Italy
  Santiago, Chile
  Stockholm, Sweden
  Sydney, Australia
  Vienna, Austria
  Zurich, Switzerland
- BMG Music Canada Toronto, Canada
- BMG Music, New York, USA
- BMG Records, London, Great Britain
- BMG Victor, Tokyo, Japan 50.0

### BMG Music Publishing

- Arabella Musikverlag, Munich
- BMG Songs, Los Angeles, New York, USA
- BMG Music Publishing
  London, Great Britain
  Madrid, Spain
  Mexico City, Mexico
  Rio de Janeiro, Brazil
  Rome, Italy
  Stockholm, Sweden
- Cyclus Musikverlag, Hamburg
- UFA Musik- und Buehnenverlage, Munich

### Video

- UFA Werbefilm, Duesseldorf
- UFA Video, Munich

## Electronic Media

### Film, Radio, Television[1]

- Antenne Bayern, Munich 16.0
- Deutscher Funk Programm Service (dfs), Hamburg
- Fratel, Luxembourg 14.3
- G+J-Film-Produktion, Hamburg
- GEO-Film, Hamburg
- HRB Hamburger Rundfunk Beteiligungsgesellschaft, Hamburg 40.0
- KMG Vertriebsgesellschaft für Kabel- und Satellitenprogramme, Munich 50.0
- Radio in Berlin, Berlin 22.5
- Radio Hamburg, Hamburg 25.0
- RUFA Rundfunknachrichtenagentur GmbH, Bonn 80.0
- RWR Rundfunk Beteiligungsgesellschaft, Duesseldorf 75.2
- RTL plus Deutschland, Hanover/Cologne/Munich 38.9
- RTL plus, Luxembourg 38.9
- stern-tv, Berlin
- Ufa Filmproduktion, Berlin
- Ufa Film- und Fernseh-GmbH, Hamburg
- Ufa Norddeutsche Filmproduktion, Hanover
- Universum Fernseh GmbH Werner Mietzner, Berlin
- Universum Film GmbH Werner Mietzner, Berlin
- Westdeutsche Universum Film, Essen

### Storage Media

- Sonopress, Guetersloh
  Mexico City, Mexico
  Rome, Italy
  São Paulo, Brazil
  Weaverville, USA
- Telemedia, Guetersloh
- Topac, Guetersloh

### Digital Information Systems

- BCB Bertelsmann Computer-Beratungsdienst, Guetersloh
- Innomedia Gesellschaft fuer Lern- und Informationssysteme, Wiesbaden 50.0

## Gruner+Jahr

### Germany

- Druck- und Verlagshaus Gruner+Jahr, Hamburg 74.9
- Berliner Presse Vertrieb, Berlin 74.9
- BSG Buch-Service, Berlin 74.9
- Deutscher Presse Vertrieb Buch-Hansa, Hamburg 74.9
- Ehrlich & Sohn, Luebeck 74.9
- Hamburger Journalistenschule G+J-Die Zeit, Hamburg 71.2
- Inland Presse Vertrieb, Hamburg 74.9

### Domestic Investments[1]

- Manager Magazin Verlagsgesellschaft, Hamburg 24.9
- Morgenpost Druck- und Verlagsanstalt, Hamburg 90.0
- SPIEGEL-Verlag Rudolf Augstein, Hamburg 24.75
- Vereinigte Motor-Verlage, Stuttgart 15.0

### Abroad

- Brown Printing Company, Waseca, USA 74.9
- Gruner+Jahr Printing and Publishing, New York, USA 74.9
- G+J España, Madrid, Spain 74.9
- G+J Images, New York, USA 38.2
- G+J (Switzerland), Zurich 74.9
- G+J (UK), London, Great Britain 74.9
- G+J Verlagsgesellschaft, Vienna, Austria 74.9
- PEP Participations Edition Presse, Paris, France 74.9
- Prisma Presse, Paris, France 74.9
- Riverside County Publishing, Los Angeles, USA 74.9

This organizational chart only partly reflects the legal company structure. Companies without figures: shares = 100%.

[1] Parent company's share

Hachette

# 1988 AVERAGE CIRCULATION FIGURES

## MAIN FRENCH PUBLICATIONS

| | |
|---|---|
| Dernières Nouvelles d'Alsace (D) | 222,000 copies |
| Écho Républicain (D) | 34,000 |
| Elle (W) | 380,000 |
| Elle Déco (Two-monthly) | 124,000 |
| Femme (M)* | 50,000 |
| Fortune (M)* | 40,000 |
| France Dimanche (W) | 655,000 |
| Ici Paris (W) | 410,000 |
| Le Journal de Mickey (W) | 245,000 |
| Le Journal du Dimanche (W) | 358,000 |
| Max (M)* | Launch |
| Le Méridional (D) | 71,000 |
| Neptune Yachting (M) | 32,000 |
| Nouvel Économiste (W)* | 101,000 |
| Onze (M) | 141,000 - 1989 : Onze-Mondial (M)* |
| Parents (M) | 327,000 |
| Picsou Magazine (M) | 227,000 |
| Première (M) | 275,000 |
| Prévention Santé (M) | 131,000 |
| Le Provençal/Le Soir (D) | 188,000 |
| Ski Magazine | 22,000 |
| Super Picsou Géant (Quarterly) | 232,000 |
| Télé Ciné Vidéo (M) | 47,000 - 1989 : TCV Hi-Tech (Two-monthly) |
| Télé 7 Jeux (M) | 402,000 |
| Télé 7 Jours (W) | 3,096,000 |
| TV Couleur (W) | 420,000 - 1989 : Télé 7 Vidéo (W) |
| Tennis Magazine (M) | 68,000 |
| Var Matin (D) | 86,000 |
| Vidéo 7 (M) | 159,000 |
| Vital (M) | 170,000 |
| Week-End | n.a. |
| Winnie (M) | 136,000 |

Statement on honour pending official audit by OJD in June 1989.

## MAIN FOREIGN PUBLICATIONS

| | |
|---|---|
| Car and Driver (M) USA | 930,000 |
| Elle (M) W. Germany* | 180,000 |
| Elle (M) China* | 100,000 |
| Elle (M) Spain | 127,000 |
| Elle (M) U.K. | 251,000 |
| Elle (M) Greece* | 80,000 |
| Elle (M) Italy* | 120,000 |
| Elle (M) Portugal* | 45,000 |
| Elle (M) Sweden* | 100,000 |
| Elle (M) USA | 851,000 |
| Fotogramas (M) Spain | 80,000 |
| Road & Track (M) USA | 705,000 |
| Sky (M) U.K.* | 138,000 |
| Teleprograma (W) Spain | 760,000 |
| Vidéo (M) Italy | 80,000 |
| Woman's Day (M) USA | 5,500,000 |

*in partnership

# Axel Springer Verlag AG

## Publishing

- 100 % Ullstein GmbH, Berlin, Kap.: 6,0 Mio. DM
  - 100 % ULLSTEIN Verlag GmbH & Co. KG, Berlin, Kap.: 2,0 Mio. DM
    - 100 % ULLSTEIN Anzeigen Marketing GmbH, Berlin, Kap.: 0,05 Mio. DM
    - 50 % Ullstein-Langen-Müller Verlag GmbH & Co. KG, Berlin, Kap.: 4,0 Mio. DM
      - 100 % Verlag Ullstein GmbH, Frankfurt, Kap.: 3,0 Mio. DM
      - 100 % F.A. Herbig Verlagsbuchhandlung GmbH, München, Kap.: 0,051 Mio. DM
- 100 % tsv 'top special' Verlag GmbH, Berlin, Kap.: 3,21 Mio. DM 1)
  - 100 % Cora Verlag GmbH, Berlin, Kap.: 0,1 Mio. DM
  - 100 % Koralle Verlag GmbH & Co. Vertriebs-KG, Hamburg, Kap.: 0,1 Mio. DM
- 100 % Branche & Business Fachverlag GmbH & Co. KG, Düsseldorf, Kap.: 0,2 Mio. DM
- 100 % Bergedorfer Buchdruckerei von Ed. Wagner (GmbH & Co.), Hamburg, Kap.: 1,0 Mio. DM
- 49 % Lübecker Nachrichten GmbH, Lübeck, Kap.: 1,125 Mio. DM
- 24,5 % Kieler Zeitung Verlags- u. Druckerei KG – GmbH & Co. –, Kiel, Kap.: 2,0 Mio. DM
- 24,5 % Kieler Zeitung GmbH & Co. Offsetdruck KG, Kiel, Kap.: 5,0 Mio. DM
- 23,438 % A. Beig Druckerei u. Verlag GmbH & Co. KG, Pinneberg, Kap.: 0,32 Mio. DM
- 100 % Weltkunst Verlag GmbH, München, Kap.: 0,5 Mio. DM 1)
  - 100 % Antiquitäten-Zeitung Verlag GmbH, München, Kap.: 0,05 Mio. DM 1)
  - 60 % WB-Verlag GmbH + Co. KG, München, Kap.: 0,6 Mio. DM
  - 74,9 % Hirmer Verlag GmbH, München, Kap.: 0,8 Mio. DM
- 97,5 % Sociedad Anónima de Revistas, Periódicos y Ediciones, Madrid/Spanien, Kap.: 376,5 Mio. Pts.
- 99,5 % AXEL SPRINGER PUBLICACIONES S.L.y Compania S.e.C., Madrid/Spanien, Kap.: 500,0 Mio. Pts.
- 50 % Oscar Bronner GmbH u. Co. KG, Wien/Österreich, Kap.: 0,5 Mio. öS
- 50 % Auto Express Company Partnership, London/England
- 50 % EDITIONS MONDIALES/AXEL SPRINGER (EMAS) S.E.N.C., Paris/Frankreich, Kap.: 1,0 Mio. FF
- 40 % AXEL SPRINGER-BUDAPEST GmbH, Budapest/Ungarn, Kap.: 30,0 Mio. HUF
- 100 % Hamburger Wochenblatt Verlag GmbH & Co. KG, Hamburg, Kap.: 0,13 Mio. DM
  - 100 % AV Annoncen Verlag GmbH, Hamburg, Kap.: 0,05 Mio. DM 1)
  - Beteiligungen an verschiedenen Anzeigenblatt-Verlagen
- 100 % BERLINER WOCHENBLATT Verlag GmbH, Berlin, Kap.: 0,05 Mio. DM 1)

## Distribution

- 100 % Heinz Overbruck GmbH & Co. KG, Hamburg, Kap.: 0,2 Mio. DM
  - 100 % Gerhard Hölter Internationale Spedition GmbH, Hamburg, Kap.: 0,051 Mio. DM
  - 100 % Wulf & Hölter (GmbH & Co.) KG, Hamburg, Kap.: 0,1 Mio. DM
- 100 % Internationale Presse Import u. Export GmbH, Frankfurt, Kap.: 0,262 Mio. DM
- 59,75 % Buch- und Presse-Großvertrieb Hamburg GmbH & Co. KG, Hamburg, Kap.: 0,75 Mio. DM
- 48,5 % V.V. Vertriebs-Vereinigung Berliner Zeitungs- u. Zeitschriften Grossisten GmbH & Co. KG, Berlin, Kap.: 0,2 Mio. DM
- 32 % Presse Vertrieb Pfalz GmbH & Co. KG, Worms, Kap.: 0,5 Mio. DM
- 50 % dsb Zeitschriften Abonnements-Verwaltungs GmbH, Neckarsulm, Kap.: 0,05 Mio. DM
- 100 % ZZ-Kurier Gesellschaft für Zeitungs- u. Zeitschriftenvertrieb mbH, Hamburg, Kap.: 0,05 Mio. DM 1)

## Radio and TV

- 20 % SAT 1 Satelliten-Fernsehen GmbH, Mainz, Kap.: 5,0 Mio. DM
- 30,94 % / 4,14 % AKTUELL Presse-Fernsehen GmbH & Co. KG, Bonn über Ullstein KG, Berlin, Kap.: 69,305 Mio. DM
- 35 % Radio Hamburg GmbH & Co. KG, Hamburg, Kap.: 3,0 Mio. DM
- 50 % Commerz-Film-Mediengesellschaft mbH, Düsseldorf, Kap.: 0,2 Mio. DM
- 19,54 % Funk & Fernsehen Hessen GmbH & Co. Betriebs-KG, Frankfurt, Kap.: 6,889 Mio. DM
- 17,27 % Radio Schleswig-Holstein GmbH & Co. KG, Kiel, Kap.: 7,6 Mio. DM
- 16 % ANTENNE BAYERN Hörfunkanbieter GmbH & Co. Betriebs- u. Werbe-KG, Unterföhring, Kap.: 15,0 Mio. DM
- 12 % Pressefunk Nordrhein-Westfalen GmbH & Co. KG, Düsseldorf, Kap.: 1,0 Mio. DM
- 7,62 % Funk & Fernsehen Nordwestdeutschland GmbH & Co. KG, Isernhagen, Kap.: 6,842 Mio. DM
- 60 % CAPITOL Film + TV GmbH & Co. Vertriebs-KG, München, Kap.: 10,0 Mio. DM

## Other

- 100 % Hamburger Abendblatt Die Welt Reisebüro GmbH, Hamburg, Kap.: 0,6 Mio. DM
  - 10,001 % Touristik Union International GmbH & Co. KG, Hannover, Kap.: 80,0 Mio. DM
- 100 % VVDG Verlags- und Industrieversicherungsdienste GmbH, Berlin, Kap.: 0,1 Mio. DM
- 70 % GfP Gesellschaft für Projektmanagement mbH & Co. KG, Hamburg, Kap.: 3,0 Mio. DM
- 85 % NTE NeuTech Entwicklungs-Gesellschaft mbH & Co. KG, München, Kap.: 0,3 Mio. DM

= Consolidated company

1 Results reported directly to the parent company.

March 1989

# WHO OWNS WHAT



Reprinted from the Journalist, newspaper of the National Union of Journalists. Design by Andy Dark (Graphics International).
Data up to date at noon September 20 1988. Holdings may vary, and titles launch or fold, so absolute accuracy cannot be guaranteed.
Criterion for inclusion: ownership across media sectors. Big companies restricted to one sector (eg: magazines or provincial newspaper groups, and some ITV and ILR companies) omitted. Overseas interests and ownership also omitted.

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NUJ NATIONAL UNION JOURNALISTS

NATIONAL NEWSPAPERS · PROVINCIAL · MAGAZINES · BOOKS · TELEVISION · RADIO

## EMAP

- 5 DAILIES: Kettering, Peterborough, Scarborough, Nuneaton, Leamington), plus 28 weekly series. Also 22% of Home Counties Newspapers (3 weekly series).
- EMAP NATIONAL: 18 consumer titles; EMAP PURSUIT: 17 leisure titles; EMAP BUSINESS AND COMPUTER: 12 titles; EMAP METRO: 5 music/youth titles; MACLAREN: 18 trade titles; EMAP RESPONSE: 9 transport titles; CHOICE: 3 old people's titles; AGB HEIGHWAY: 4 fishing titles; MEED, Money.Week.
- Directories and handbooks
- 9.62%

## INTERNATIONAL THOMSON

- Scotsman, Scotland on Sunday
- TRN: 11 dailies in Edinburgh, Aberdeen (2), Belfast, Blackburn Newcastle (2 plus Sunday), Teesside, Reading, Cardiff (2); plus 12 weekly series
- BUSINESS MAGAZINES: 15 titles (construction, high tech, fashion, farming). Jane's Defence Weekly, Police Review, Professional Publishing (5 business titles).
- ASSOCIATED BOOK PUBLISHERS (8 imprints, plus RKP; Croom Helm, Pitman); THOMAS NELSON; JANE'S PUBLISHING (16 defence directories; telephone directories.
- Century Hutchinson
- 75%
- 15%
- SCOTTISH
- LWT
- 6.7%

## LONRHO

- The Observer, Glasgow Herald
- Glasgow Evening Times; SUN newspapers; Paisley Daily Express, 16 paid for, 5 free weekly series
- EASTERN COUNTIES NEWSPAPERS
- CUMBRIAN NEWSPAPERS
- 14.98%
- 18.47%
- LEXIS DATABASE
- BORDER
- 15%

## REED (2.4% owned by Murdoch)

- 5 DAILIES in Birmingham, Bolton, Colchester, Solihull and Worcester; 12 weekly series
- IPC MAGAZINES: 38 women's, consumer, music and specialist titles. Marie Claire (50%)
- REED BUSINESS PUBLISHING: 27 titles (trade, computing, retailing, agriculture, electrical, transport, travel and consumer); CARLTON MAGAZINES: 4 women's titles; UPDATE SIEBERT: 11 medical titles.
- BUTTERWORTHS: 5 legal and scientific imprints; OCTOPUS: 38 imprints including Bookwise, Heinemann, Hamlyn and Methuen and Mitchell Beazley, Secker & Warburg
- 100%
- 11.4% of Shares
- 15%
- CROWN COMMUNICATIONS
- 15%
- 15%

## MIRROR GROUP

- Daily Mirror, Sunday Mirror, People, Sporting Life, Daily Record, Sunday Mail
- Euromoney (7 business titles); Field, Titbits, Weekend
- 7.8%
- 19%
- 20%

## ASSOCIATED NEWSPAPERS

- Daily Mail, Mail on Sunday, London Evening Standard
- NORTHCLIFFE NEWSPAPERS: 12 dailies: Derby, Exeter, Gloucester, Grimsby, Hull, Leicester, Scunthorpe, Swansea, Stoke, Torquay, Plymouth (2). 17 weekly series.
- 26.1% and 50% pref
- BRISTOL UNITED PRESS
- PERGAMON HOLDINGS
- British Cable Services; MTV (25%); Orbit (online online database
- 16.8%
- 2.4%
- 9.97%
- 9.4%
- 16%

## NEWS GROUP

- Times, Sunday Times, Sun, News of the World, Today (90%)
- Mid-Somerset series, Surrey Mail
- PERGAMON JOURNALS (400 titles); BRITISH MAGAZINE PUBLISHING CORP Fleetway Pubs (10 Comics), Headway Publications (10 business and sponsored titles including Banking World, British Airways Highflel, United Trade Press (80 titles), Home and Law Publications (46 home interest and free instore titles), Paley Doyle (16 trade titles).
- PERGAMON PRESS: Macdonald, Futura, Queen Anne Press, Orbis, Macdonald Educational, Purnell, Beehive, Caston, Aberdeen University Press.
- 15% of Shares
- 14.6% non voting
- CENTRAL
- Sky Satellite TV

## GUARDIAN/MEN

- The Guardian
- Manchester Evening News, 10 north west weekly series, Surrey Advertiser, Aldershot News
- Times Supplements (3), Sky.
- COLLINS (41.7% voting): Fontana, Granada (8 imprints); Times Books; Bartholomew; Geographica
- REUTERS (Murdoch owns 14.9%)
- 5.1%
- 18.8%
- 11%
- GRAMPIAN
- 8.5%
- 16.4%
- 6.7% ord 40.3% pref
- 21.53%
- 2.9%
- 10.2%
- 0.05%

## D C THOMSON

- Sunday Post
- 2 DAILIES in Dundee
- Weekly News, People's Journal, 20 comics and youth titles
- 70.85%
- VIRGIN
- GRANADA
- BSB Satellite
- ANGLIA
- CAPITAL RADIO

## S PEARSON (20% owned by Murdoch)

- Financial Times
- WESTMINSTER PRESS: 8 dailies (Bradford, Southend, Bath, Darlington, Oxford, Brighton, Swindon; York), plus 12 weekly series
- FT NEWSLETTERS (34 business titles); FT Business Information: Investors Chronicle and 7 other titles; Business Magazines (50%)
- LONGMAN (8 imprints, plus Macdonald and Evans and Pitman); PENGUIN (5 imprints, plus Frederick Warne, Michael Joseph (2), Hamish Hamilton (3), Sphere (including Abacus), Rainbird, TBL Book Service
- 20.83%
- 12.53%
- YORKSHIRE

## BET

- 5% of Argus newspapers (sold August 6 to management buyout): 50 weekly titles in 12 series.
- 6% of Argus publications: Consumer (9 titles); Health (7); Specialist (28); Burlington (4 shooting titles); Polystyle (2); SM (1); Industrial (54); Aca (3).
- Directories and Guides
- 28%
- 28.75%
- W H SMITH
- THORN EMI
- THAMES
- TSW

## UNITED NEWSPAPERS

- EXPRESS NEWSPAPERS: Daily Express, Sunday Express, Star, Scottish Daily Express, Scottish Sunday Express
- 7 DAILIES in Blackpool, Sheffield, Northampton, Preston, Leeds (2), Newport; 13 weekly series, 31% of Yellow Advertiser freesheet group
- BENN BROTHERS: 42 trade and business titles; 9 consumer titles; MORGAN GRAMPIAN: 39 trade and business; LINK HOUSE: 28 consumer titles; PURCH MAGAZINES: Punch plus 5 music titles; Daltons Weekly, Exchange & Mart, Countryman, Geographical Magazine, Auto-Express (50%)
- BENN BROTHERS and MORGAN GRAMPIAN directories and handbooks
- 7.8%
- EXTEL
- TYNE TEES
- 1.6%

## RADIO

RADIO CLYDE · SOUTHERN SOUND · BEACON · INVICTA SOUND · RADIO SAY · RADIO FORTH · ORWELL · SAXON · MARCHER SOUND · LBC · RED DRAGON · GWENT RADIO · AIRE · PICCADILLY · SIGNAL RADIO · SWANSEA SOUND · PLYMOUTH · WILTSHIRE · WEST · THAMES VALLEY · 2CR · HEREWARD · RADIO TRENT · LEICESTER · MORAY FIRTH · RADIO MERCURY · RADIO BROADLANDS · MERCIA · BRMB · CHILTERN (2) · OCEAN SOUND · ESSEX RADIO · DEVON AIR · RADIO CITY · GLOUCESTER SHIRE · RADIO WYVERN · PENNINE RADIO · VIKING RADIO · HALLAM RADIO · METRO · RADIO TEES

23% · 30.5% · 30% · 26% · 15% · 50% · 100% · 15% · 84% · 67.2% · 16.6% · 5% · 18% · 27.5% · 27.7% · 100% · 4.6% non voting · 7.7% · 13.1% · 2.9%

McGraw-Hill

## *Publishing Company*

**Education Group** serves instructional and professional information needs of children and adults through multimedia learning tools.

College/Schaum Division
Continuing Education Center
CTB/McGraw-Hill
Educational Resources
Gregg Division
School Division
Professional & Reference Division

**International Group,** through subsidiaries worldwide, publishes educational and professional books in English, Japanese, French, Spanish, Italian, German and Portuguese.

Canada
Ibero-America
UK/Europe
Asia/Australia

**Business Week Group** provides decision-makers worldwide with information for their financial, marketing and planning strategies.

*Business Week*
*Business Week International*
Business Week Executive Programs
Management Information Center
*Business Week/China*

**Broadcasting Group,** through television stations, informs and entertains local audiences, and provides local coverage of special events to audiences around the world.

KMGH-TV (Denver)
WRTV (Indianapolis)
KGTV (San Diego)
KERO-TV (Bakersfield)

## *Information Services Company*

**Construction Group** provides information to the construction industry through print, film and electronic products and services.

F.W. Dodge Group
Sweet's Group
*Architectural Record*
Black's Guide
*EC&M*
*Electrical Marketing*
*Electrical Wholesaling*
*ENR*
*International Construction Week*

**Computers and Communications Group** provides these markets with up-to-date information through magazines, books, product evaluations and comparative telecommunications rate information.

*BYTE*
CCMI/McGraw-Hill
*Data Communications*
Datapro/Future Computing
Osborne/McGraw-Hill

**Legal Group** provides information on case law, statutory citations and other areas of legal practice through books, directories, newsletters, software and audio and videotapes.

Shepard's/McGraw-Hill

**Healthcare Group** offers technical and economic information through magazines, books and electronic data bases to the healthcare profession.

BMI/McGraw-Hill
*Medical China*
*The Physician & Sportsmedicine*
*Postgraduate Medicine*
*Senior Patient*
SysteMetrics/McGraw-Hill

**Aerospace and Defense Group** provides business and technical information to the global commercial and military aviation and space markets through magazines, newsletters, video and on-line products.

*Aviation Week & Space Technology*
*A/C Flyer*
*Business & Commercial Aviation*
Aviation Week Video
Aviation/Aerospace Online
*Graduating Engineer*
World Aviation Directory

**Energy/Process Industries Group** publishes magazines and provides services for the plastics, chemicals and energy markets.

*Chemical Engineering*
*Modern Plastics*
*Modern Plastics International*
*Power*
*Electrical World*

## *Financial Services Company*

**Standard & Poor's Ratings Group** rates financial instruments worldwide through offices in London, New York and Tokyo.

**S&P/McGraw-Hill** offers information services to the retail and institutional investor markets, and to the energy and commodities markets.

**Retail Investor Services:**
Equity Services
MarketScope
Corporation Records
Index Services
Money Market Directories
Book Services
**Securities Information Services:**
Blue List
Fund Pricing
Securities Processing
**Commodity Information Services:**
ComStock
EMIS
Metals Week
Platt's Energy Services
S&P Trading Systems

**DRI/McGraw-Hill** offers financial data in print, and electronically to business, financial and government markets.

Compustat Services, Inc.
DRI Economic Services

**McGraw-Hill International Trade Group** provides information on tariffs, freight forwarding and logistics.

Numerax, Inc.
C.J. Tower, Inc.

**McGraw-Hill Securities Trading, Inc.** provides investment products to institutional clients for commission dollars.

*Global Finance*

Thomson Corp.

## INFORMATION AND PUBLISHING

In total, the information and publishing group has over 23,000 individual products. These include 231 magazines, 123 newspapers, nearly 17,000 books and directories, 100 on-line services and over 5,500 other products, mainly newsletters, loose-leaf services, microform products and software packages.

### *INTERNATIONAL THOMSON PROFESSIONAL PUBLISHING* *North America*

Publishers of information for professionals in the fields of law, tax, banking/financial services, accounting, business, real estate, data processing, engineering, and trademark and copyright research services.

**Callaghan & Company**
*Specializing in corporate and commercial law, municipal law, federal practice, trial practice and tax law. Products include:*
Mertens Law of Federal Income Taxation
Nichols Cyclopedia of Legal Forms
Uniform Commercial Code Reporting Service
Estate and Personal Financial Planning

**The Carswell Company**
*Publishers of legal treatises, law reports and loose-leaf encyclopedia. Products include:*
The Canadian Abridgement
The Canadian Encyclopedia Digest
Mercer Pension Manual
Western Weekly Reports

**Clark Boardman Company**
*Publishers for the legal and non-profit fields with emphasis in securities regulation, intellectual property and criminal law. Products include:*
Securities and Federal Corporate Law
Lindey on Entertainment, Publishing and the Arts
Law of Environmental Protection
Taft Corporate Giving Directory

**Richard De Boo Publishers**
*Reference books and services for the legal, accounting and business community. Products include:*
Canada Tax Service
Ontario Corporations Manual
Canada Legal Directory
Canadian Payroll Manual

**Thomson Information Resources**
*Worldwide trademark and copyright research services. Products and services include:*
Thomson & Thomson search and watch reports for North American trademarks, logos and company names; North American and European copyrights, screen and literary titles
TRADEMARKSCAN® on-line US Federal and State trademark databases
Compu-Mark multinational and US trademark searches, watches and directories, including the World Identical Screening Search
Compu-Mark on-line UK trademark database
Compu-Mark on-line US Federal and State database

**Warren, Gorham & Lamont**
*Publishers of professional books, loose-leaf services, newsletters, journals and directories, primarily in the fields of tax, banking, business, law, real estate, accounting, data processing and engineering. Products include:*
Federal Income Taxation of Corporations & Shareholders
Practical Accountant
Real Estate Review
Bankers Magazine

### *INTERNATIONAL THOMSON BUSINESS INFORMATION* *North America*

Publishers of over 40 business and professional magazines plus directories, newsletters and other information services in the medical, automotive, transportation and retail markets.
Principal companies and products include:

**International Thomson Retail Press**
Consumer Electronics
Video Business
Toy & Hobby World
Convenience Store Merchandiser
CableVision

**International Thomson Transport Press**
American Sailings
Pacific Shipper
Traffic World
The Official Railway Guide
Motor Carrier Directory

**Medical Economics Company**
Medical Economics
Physicians' Desk Reference
AIDS Alert
Contemporary OB/GYN
Medical Device Register
Drug Topics
RN

**Med Publishing**
Practical Cardiology
Oncology & Biotechnology News
IM – Internal Medicine for the Specialist
Geriatric Medicine Today

**Mitchell International**
Mitchell Manuals
Mitchellmatix

**Ward's Communications**
Ward's Auto World
Ward's Automotive International

*INTERNATIONAL THOMSON PUBLISHING* *North America*

Specialized book publishing and library service group, serving worldwide markets in the education, professional/reference and library fields. Principal companies, imprints and products include:

**South-Western Publishing Co.**
Century 21 Accounting
Century 21 Typewriting
Accounting Principles & Practices
Business Law

**Boyd & Fraser**
Computer Concepts with Microcomputer Applications

**Wadsworth**
Biology – The Unity and Diversity of Life
The Practice of Social Research
Software Tools
Occupational Stress Indicator

**PWS-Kent**
Calculus With Analytic Geometry
Business Communications

**Brooks/Cole**
Foundations of College Chemistry
Marriages and Families

**Heinle & Heinle**
Entrades
C'est a dire
ON Y VA!

**Gale Research**
Encyclopedia of Associations
Contemporary Authors
Gale Directory of Publications – 1989
Directories in Print

**Nelson Canada**
Networks Series
Nelson Intermediate Atlas
Money, Banking and the Canadian Financial System

**Delmar Publishers**
Refrigeration and Air Conditioning Technology
Living with Technology
Electrical Wiring – Residential
Nursing Assistant: Nursing Process Approach

**Van Nostrand Reinhold (US)**
Dangerous Properties of Industrial Materials, 7th Edition
Van Nostrand's Scientific Encyclopedia, 7th Edition

**Research Publications**
Microfilm/Microform products:
The Times (London) Index
Goldsmith's-Kress Library of Economic Literature

**UTLAS International**
Library Automation
services and products

**Thomas Nelson Australia**
Young Australia Reading
Young Australia Mathematics
Language Works

**Thomas Nelson (UK)**
Peak Mathematics
Deutsch Heute
Biology: A Functional Approach

*INTERNATIONAL THOMSON FINANCIAL SERVICES* *North America*

Print and electronic screen and terminal services providing high value added information to the professional financial services and banking communities.
Principal products include:

American Banker
The Bond Buyer
Munifacts and Munifacts Plus
Asset Backed Securities Information Service
AutEx Trading Information Service
Alert
Technical Data's Bond Data/Money Data/Fundamental Data
Atlas
First Call
Corporate Release
InvesText
Financial Software Series and Portia
Securities Data's New Issues Databases
Merger and Corporate Transaction Database
Spectrum
Cadence
ILX Market Data Services

*THOMSON INFORMATION SERVICES* *United Kingdom*

Magazines, information services, legal, professional, scientific and academic publishing and local directories, based principally in the United Kingdom, Scandinavia and Australia. Principal companies and products include:

**Jane's Information Group**
Jane's Fighting Ships
Jane's All the World's Aircraft
Jane's Defence Weekly
Jane's Soviet Intelligence Review
Jane's Airport Review
International Defense Review
Interavia Aerospace Review
DMS Market Intelligence Reports

**International Thomson Publishing**
Construction News
DR – the Fashion Business
Meat Trades Journal
Broadcast
Glass's Guide automobile services (51% holding)
(UK and Australia)
Glenigan construction services (UK)
Samfunnsfakta construction services (Norway)
Byggnadsupplysningar construction services (Sweden)
Oy Rakennusalan Projektitiedosto construction services (Finland)
Danish local directories
Thomson Communications Scandinavia (trade magazines, Denmark)
Karnov legal services (Denmark)
RKI credit information services (Denmark)
B & T Weekly (Australia)
Factory Equipment News (Australia)
Ragtrader (Australia)
Thomson World Trade Promotions trade exhibitions (Australia)
Cordell construction services (Australia)

**Thomson Directories (50% partnership)**
UK local directories

**NFER-NELSON**
Maths 7-12 (Tests)
Richmond Test of Basic Skills
British Ability Scales

**Derwent Publications**
Chemical Patents Index
Electrical Patents Index
World Patents Abstracts
World Patents Index on-line
Customized Patents Profiles
Ringdoc
Biotechnology Abstracts

**International Thomson Professional Information**
ICAEW Taxation Service
Building Societies' Gazette
Sweet & Maxwell
The Supreme Court Practice
Archbold: Criminal Pleadings
The Law Book Company (Australia)
Australian Digest
Australian Law Journal
Scots Law Times
International Financing Review
Equities International
Police Review

**Routledge, Chapman and Hall**
Routledge
Arden Shakespeare
Tavistock Social Science
Chapman and Hall
Chemical Dictionaries
Journal of Materials Science
Spon Price Books
Van Nostrand Reinhold
Building Materials Market Research

**International Thomson Publishing Services**
Publishers' distribution services

## *THOMSON REGIONAL NEWSPAPERS* *United Kingdom*

The leading publisher of regional newspapers, with the main titles in the three provincial capitals, Belfast, Cardiff and Edinburgh, and two other important regional centres, Newcastle and Aberdeen.
Principal publications include:
The Scotsman (Edinburgh)
Belfast Telegraph (Northern Ireland)
Western Mail (Cardiff)
Press and Journal (Aberdeen)
Evening Chronicle (Newcastle)
Evening News (Edinburgh)
South Wales Echo (Cardiff)
The Journal (Newcastle)
Evening Gazette (Teesside)
Evening Express (Aberdeen)
Lancashire Evening Telegraph (Blackburn)
Evening Post (Reading)
Sunday Sun (Newcastle)
Chester Chronicle (Cheshire)
Merthyr Express (Mid-Glamorgan)
Crewe Chronicle (Cheshire)
Sunday Life (Belfast)
Scotland on Sunday (Edinburgh)
Swansea Gazette (Swansea)
Luton Herald (Luton)
Northants Post (Northampton)
Peterborough Standard (1989)
Wales on Sunday (1989)

## LEISURE TRAVEL

One of the world's leading leisure air travel and holiday companies with market leadership positions in UK tour operating, travel retailing and charter airline operations. Group sales revenue in 1988 was over $2 billion.
Principal companies:

**Britannia Airways**
*Britain's leading leisure airline with a fleet of 42 Boeing 737 and 767 wide-bodied aircraft. In 1988 the airline carried 6.9 million passengers.*

**Thomson Holidays (including Skytours)**
*The UK's largest inclusive tour operator carrying over 3.3 million customers in 1988, 28% of all Britain's package tour holidaymakers.*

**Horizon Holidays (including Wings, OSL & HCI)**
*The UK's third largest inclusive tour operator, based in Birmingham, with a market share of around 10%.*

**Portland Holidays**
*The UK's leading direct-sell tour operator with over 20% of the direct-sell market.*

**Lunn Poly**
*Through its chain of 509 holiday shops, Lunn Poly is now the leading retailer of overseas inclusive tours.*

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