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## Media's Dawn

*How media supply and demand is changing – the case of Germany*

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*Istanbul, September 22nd 2014*



Source: Library of Congress, <http://loc.gov/pictures/resource/det.4a14921/>, assessed: 04.07.2014

Note: Picture shows reconstruction of „Santa Maria“. Edward H. Hart is supposed to have done the photo in 1893.

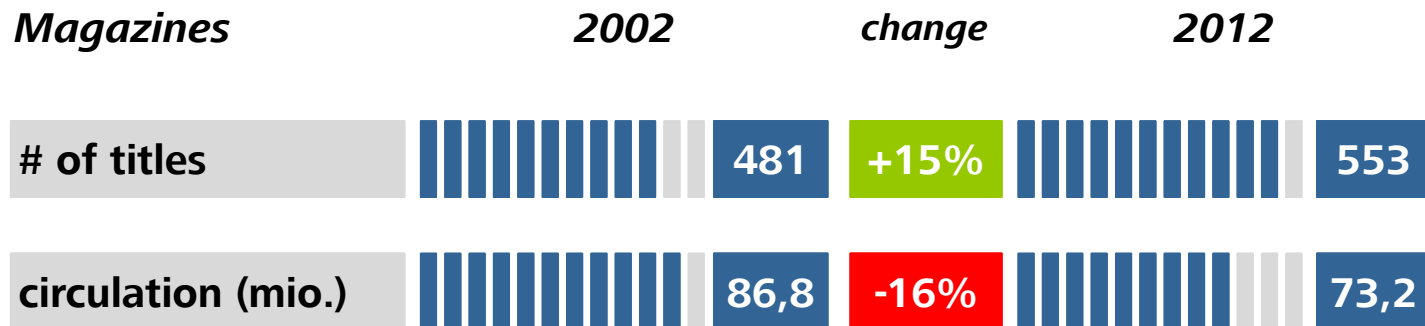
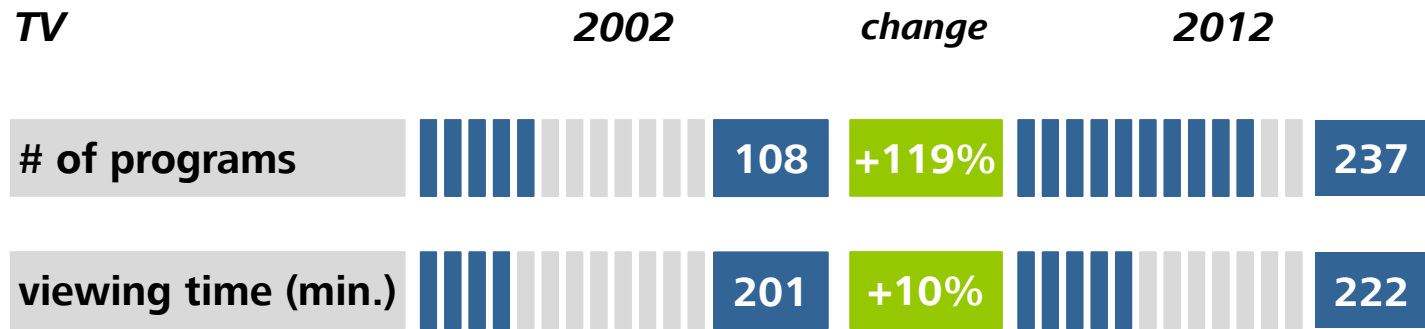
# 1. The principle of Cubism



Source: <http://www.artchive.com/artchive/b/braque/housesle.jpg>, assessed: 04.07.2014

Note.: The painting displayed is meant to be the first Cubist landscape: „Houses at l'Estaque“, Georges Braque, 1908, oil on canvas, 73 cm x 60 cm, Kunstmuseum Bern, Bern

# Abundance is the issue when it comes to media in Germany



# One of Germany's most successful media brands – guess which?

Escapism? Success! Readers of „Landlust“ per issue (in Mio.)

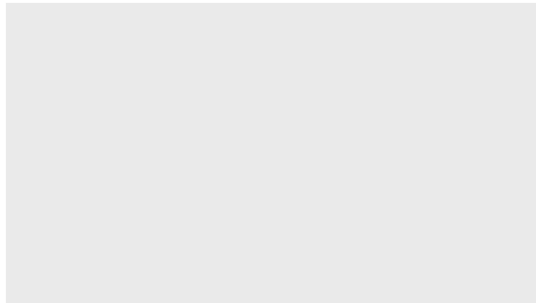


Source: Schneller (2014), p. 25 [= IfD-Allensbach, AWA 2014]



# Anyone in the room who subscribes a YouTube channel?

**Gamer-Screencast**

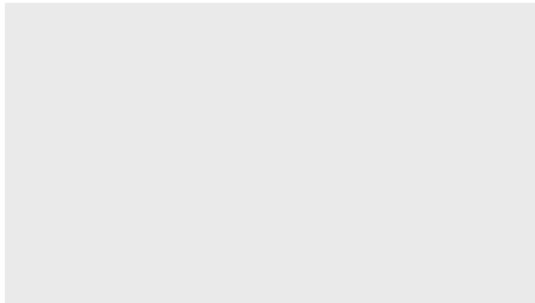


**Gronkh**



**3.014.932 subscribers**

**YouTube-Comedians**

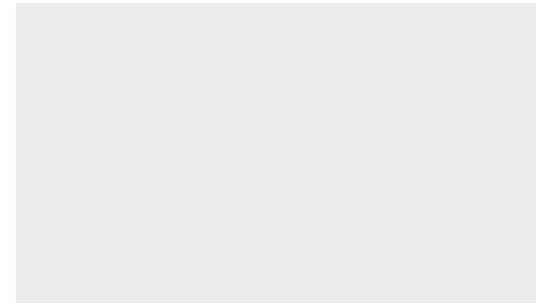


**Y-Titty**



**2.950.193 subscribers**

**Internet-MTV**



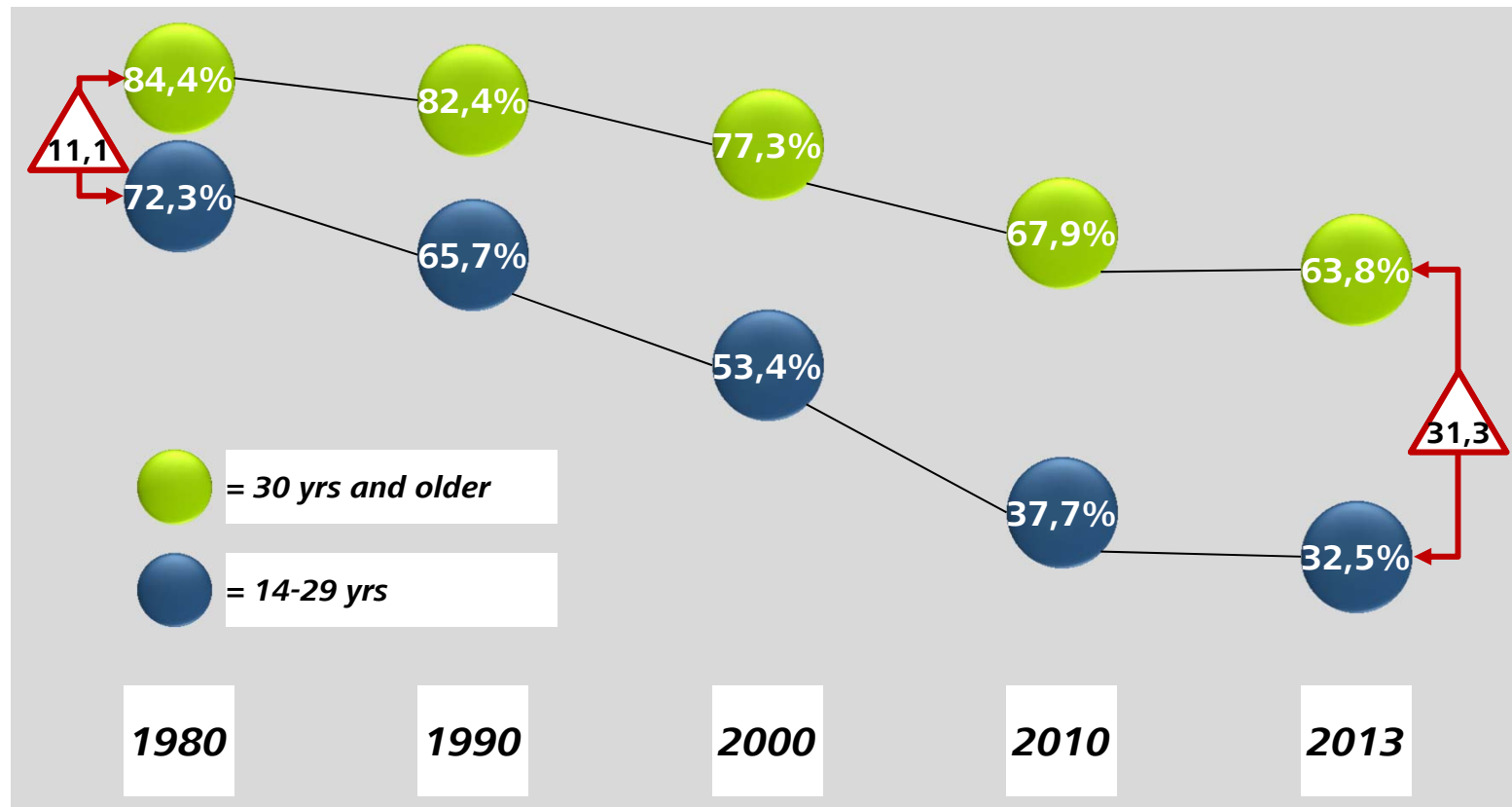
**Kontor.TV**



**2.386.081 subscribers**

# Spread between older and younger readers increases more and more

## Respondents who read a newspaper the day before the interview (,yesterday')



Source: Bruttel (2013), p. 9 [= IfD-Allensbach, AWA 2013]

# Tell me your age, and I tell you your media behaviour

	age	sex	education	family income	place of residence
Internet usage	+++		++	+	
Newspaper usage	+++		+	+	+
Magazine portfolio	+	+	+	+	
TV usage	+++		+++	+	
Radio usage	+			+	+



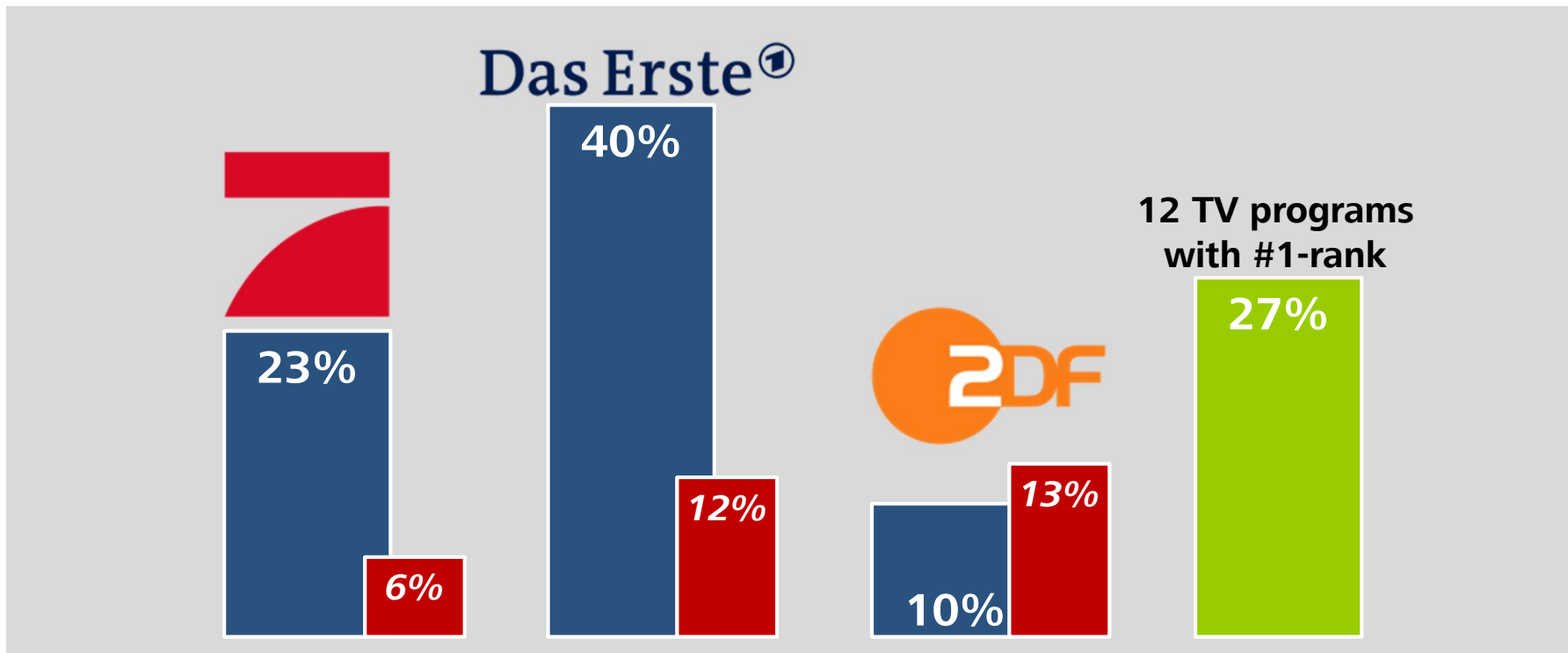


## 2. The principle of **Lego**

Source: Lego, <http://aboutus.lego.com/de-de/news-room/media-assets-library/images>, assessed: 04.07.2014

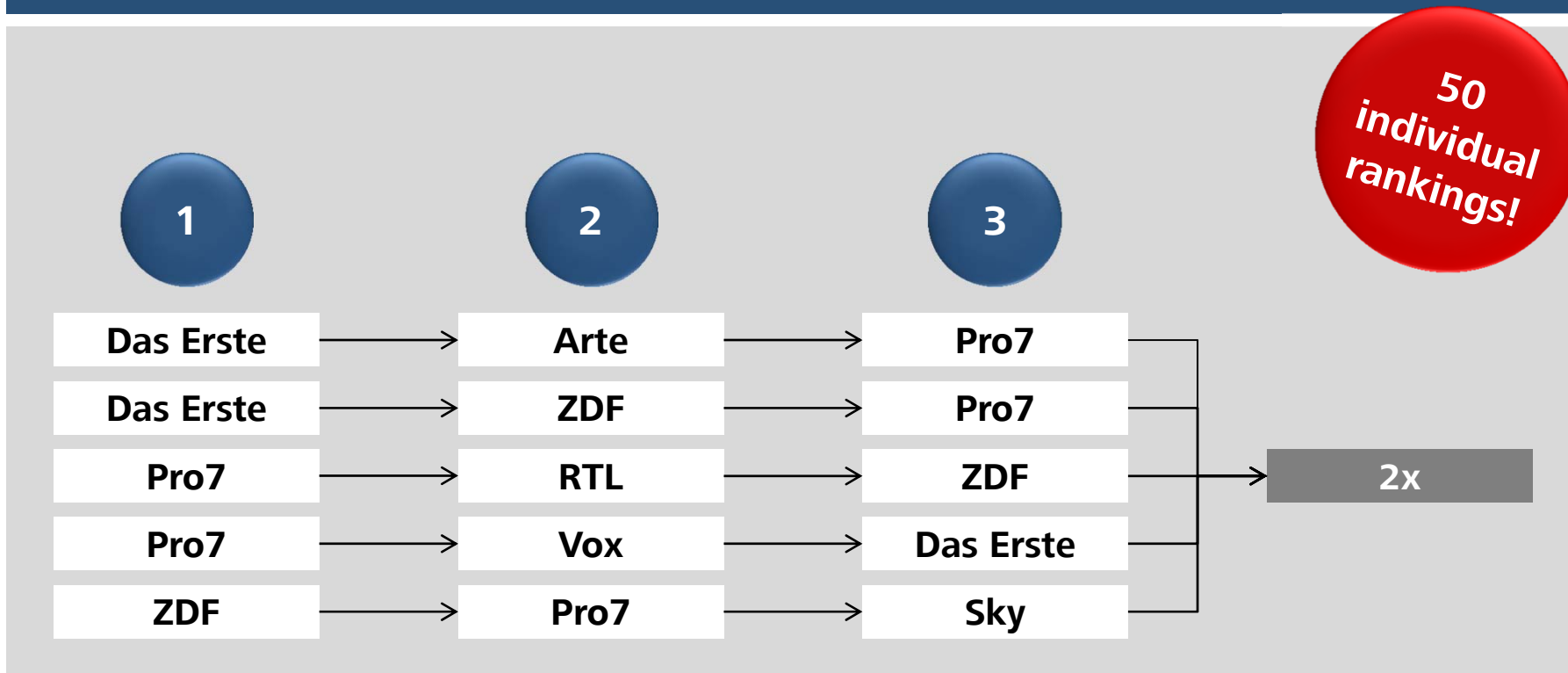
## 15 different #1 TV programs within a respondents group of 60

### Individualisation and fragmentation even in homogeneous target groups (1/2)



# Relevant sets differ widely amongst our students

## Individualisation and fragmentation even in homogeneous target groups (2/2)



# Bored by the match? Have a look on the team coaches



# Media's dawn is the advent of new customers – introducing the *prosumers*

cap: Bikbok

shirt: Gina Tricot

**Karolin L.**  
(17 yrs, SWE)

- posted on lookbook.nu (3M UU, 1,2M Members)
- 8.349 Hypes
- 333 comments



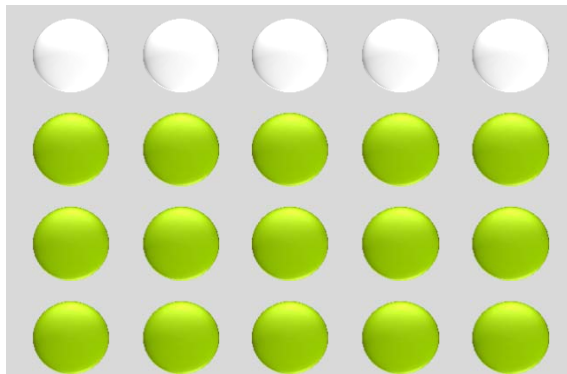
shirt: Bikbok

bag: Alexa Bag  
Lookalike

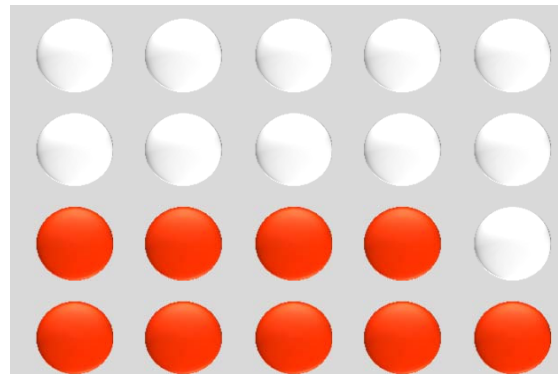
shoes: Dinsko

## But: Media managers in Germany seem to be frightened of mature customers

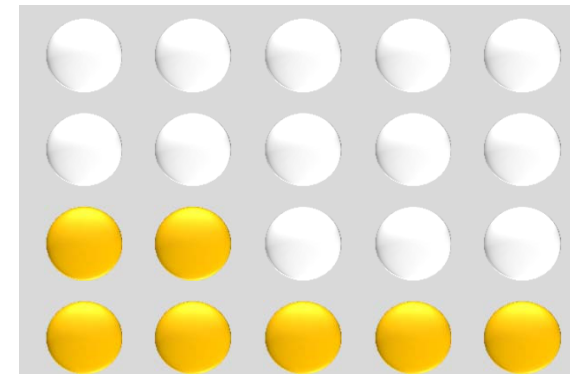
### Web 2.0 and User Generated Content (UGC) as key challenges



- 76% rate Web 2.0/UGC as an important or very important **challenge** for their business – this ranks #2 among six response options.



- 45% assess Web 2.0/UGC not as a chance but as a **risk** to their media company – this ranks #1 among six response options.



- 34% of responding media companies are planning specific **measures** to meet challenges regarding Web 2.0/UGC. This ranks last among six response options.



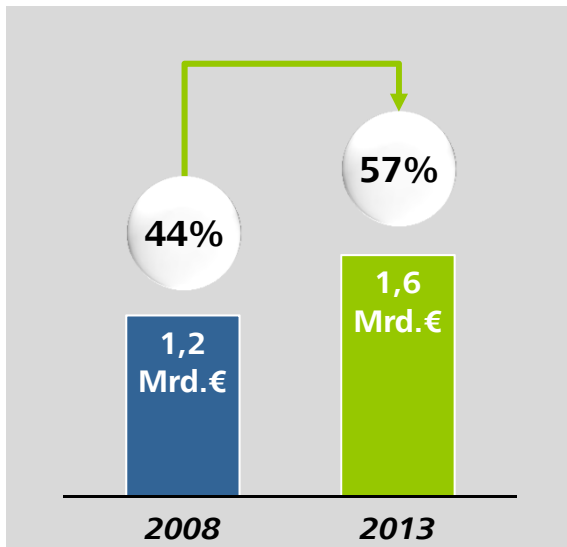
### 3. The principle of **money**

Source: Staatliche Münzsammlung, [http://www.staatliche-muenzsammlung.de/muenz\\_highlights\\_04.html](http://www.staatliche-muenzsammlung.de/muenz_highlights_04.html), assessed: 04.07.2014  
Note: Picture shows back of a Postumus' gold coin, stroke 265 B.C., probably at Cologne

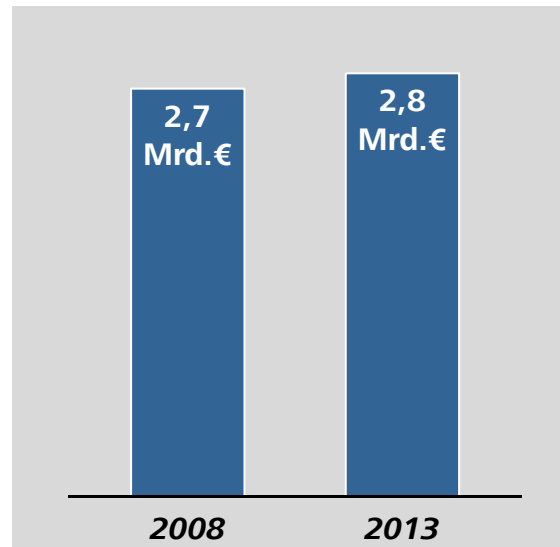
# Axel Springer, for example: advertising dominates revenues



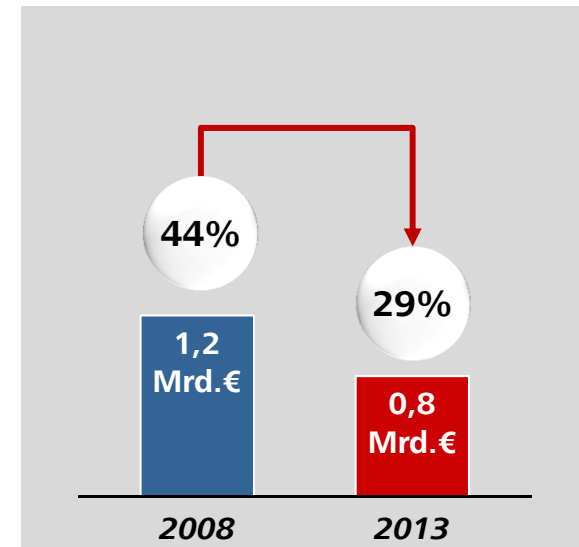
Ad revenue 2008-2013



Total revenues 2008-2013



Reader revenue 2008-2013



Source: own calculation based on company information (Annual Report Axel Springer AG/SE 2008, 2013).

Note: Ad revenue and reader revenue don't sum up to total revenues as other revenue (e.g. printing revenue, trade revenue) is not displayed in figure



## Relying on ad revenues is risky, if ad markets are sluggish

### Ad revenue of media companies

2013

15,3 Mrd. EUR

2008

17,1 Mrd. EUR

- Ad revenue of ‚classical‘ media (w/o SEA/SEM) in Germany shrunk from 2008 to 2013 by 1,8 Mrd. EUR (nominal, statistics of ZAW). Latest figures show a ‚flat‘ growth, at best.

### Ad revenue as share of GDP

2013

0,56%

2008

0,69%

- Ad revenue as share of German GDP showed continuing decrease in the last years. Which means: Despite growing advertising opportunities, companies are not willing to raise their advertising spendings.

The size of a *Baklava* remains the same, but more and more people want a piece of it.

## Having said this, what is the impact on media's societal and political function?

80%

of **media citations**  
have their origin in  
newspapers and magazines

60%

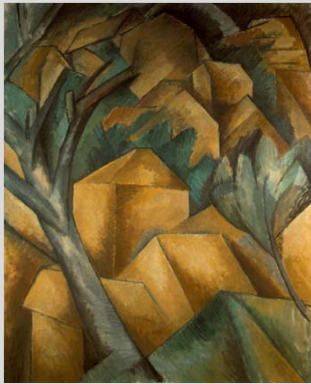
of **journalists**  
are working with newspapers  
and magazines

-20%

**ad revenues** were recorded  
between 2008 and 2013 for  
the newspaper and magazine  
industry (= 1,3 Mrd. EUR)

## To sum up: my personal *Media's Dawn*

### Cubism



- **Variety:** Niche instead of catch-all – media and customer groups become more divers and more narrow.

### Lego



- **Buffet-style:** Customization, integration, and interaction are key factors when thinking of configuring new media products.

### Money



- **Detour:** The internet as a provider of media content is a *not-paid-for* model, still. Which means that rivalry for ad spending amongst media companies will intensify.

▶ **And again, remember:  
We are on board the *Santa Maria***

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