

## Changes and Evolution of Romanian Media Market from 2013 to 2015

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**Abstract:** The present paper refers to changes and evolution of the Romanian media market from 2013 to 2015 due to the financial crisis, political implication in the news, famous publications and TV stations insolvency cases and new consumption habits for media content. The objective is to highlight the direction of media in past years and how this is influencing the future of all types of press (print, radio, television, online). The paper is trying to emphasize the fact that new trends are arising, that traditional media has no longer the same power and dominant position on the market, and that internet and mobile platforms are the direction for years to come. The fundaments for this paper are FreeEx Report “Press Freedom in Romania 2014-2015”, published by Active Watch - member of Reporters Without Borders International Networks and IFEX, Transmedia Romanian Audit Bureau (BRAT) - Study on Internet Consumption in Urban and Rural Areas of Romania, the survey “Public trust in the media in Romania”, conducted by Market Links for Kas & Konrad Adenauer Stiftung and Gemius Knowledge Study, “Online Landscape – South-East Europe”. According to above mentioned sources, 2014 was a hectic year for the Romanian media market – continuing the previous year trend - transforming media institutions into leading news topics, many media moguls being arrested due to legal issues. Moreover, local elections transformed media into a manipulation tool for political parties. All this had a big influence on Romanian media market also in 2015. The paper puts together a number of trustful sources, stating that traditional media are no longer the way we used to know them, that are struggling to adjust to new realities and that audience is loyal to brands no matter the channels they are using to put content into the public eye. Internet is claiming its way up, and gives access to information also to less educated people or/and from poor environments. This is a valuable subject because Romanian media is going through fundamental changes. Print is no longer the main source of information, and Internet is becoming a threat to television. The market transformations have to translate also into academic work, so that the new generation of journalist can adapt to new conditions, knowing where they’re audience is and how to address it.

**Keywords:** consumption habits; internet; new media

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### **Freedom of Press, a Matter of Many Questions**

According to FreeEx Report 2014-2015<sup>1</sup>, Romania ranked 52 in the annual international ranking on press freedom made by Reporters Without Borders Organization, declining seven places from the previous year (when ranked 45). The same report, quoting the survey “Public trust in the media in Romania”, released in February 2014 and conducted by Market Links for Kas & Konrad Adenauer Stiftung, highlights the fact that 52% of the Romanians think the press is “rather dependent” or “dependent” and only one person out of five thinks in the freedom of press (“completely independent” or “independent”). A quarter says Romanian media is “not independent, not dependent”. The survey was made on a sample of 1,000 people from urban and rural areas nationwide.

Respondents felt that the most objective and quality sources of information are television and online publications and television was indicated as a main source of information<sup>2</sup>.

### **Media is no longer what it used to be**

Coming back to FreeEx Report, “Press Freedom in Romania 2014-2015”, we see that lots of publications and TV stations struggled with insolvency (Evenimentul Zilei, Capital and Jurnalul National, newspapers with long tradition on the market, Realitatea Media, well known news station, etc.), with reorganization (Adevarul Holding) or with legal problems of management (e.g.: the owner of Romania Libera charged for illicit business, managers and employees of Mediafax Group detained and arrested for tax evasion and money laundering, etc.). Also, media moguls such as Dan Voiculescu (Intact Media Group) and Dan Diaconescu (OTV) have been arrested.

2014 was an election year and that massively interfered with editorial policy, candidate trying to influence news and media moguls trying to manipulate political parties with their TV stations or publications. Many abuses have been reported.

### **New Trends are Arising**

The South-Eastern European online market in 2013 and 2014 stayed underdeveloped than in central region based on penetration rate of the internet. According to “Online

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<sup>2</sup> “Public trust in the media in Romania”, released in February 2014 and conducted by Market Links for Kas & Konrad Adenauer Stiftung.

Landscape – South-East Europe”<sup>1</sup> study Romania had the highest online presence in mentioned period of time. In December 2013, 8.8 million of people were using the internet. Nationwide it was less than 50% from total population.

But Romania was performing better than Moldavia, with 1% penetration rate, and in the same margins as Bulgaria or Slovenia. Croatia and Serbia were regional leaders, with 18% and 13% for web pages viewed on mobile devices. According to the study, conducted by Gemius Knowledge, in January 2013, the traffic generated by mobile devices was 3% of total and it grow to 7% until March 2014, showing that this (mobile) is the new direction of the market.

54% of people using the internet were women and 46% men. 34% live in cities with 50.001 up to 500.000 citizens, 15% in cities bigger than 500.000 citizens and 33% in rural areas of Romania. This shows that those exploring the internet living in villages are almost as much as those living in the cities. But they use digital media mainly for entertainment and less for information. In urban areas, internet is used mainly to read news, to find out new things, to buy products and services or for education.

One important conclusion of “Online Landscape – South-East Europe” is that it really doesn’t matter the education degree. More than 20% of people surfing the internet have graduated 7 to 10 classes. The majority (39%) has finished high-school.

But consumption trends were analyzed also by Transmedia Romanian Audit Bureau (BRAT) that in its March 2015 report stated: “Nationally, 68% of population age 14 to 64 (meaning 10.3 million people) are using the internet. 36% are living in rural areas and 64% in the cities. 59% of those living in rural areas are online (3.7 million people) and in the cities the percentage is 75%”<sup>2</sup>.

Even more shocking is that almost 60% of Romanians living in the country side have internet connection or access to one, but less have water or sewerage (45%), gas (10%) or toilet in the house (36%).

According to BRAT, the internet in rural areas in 2014-2015 has reached the level the internet had in urban areas between 2007-2008.

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<sup>1</sup> “Online Landscape – South-East Europe”, published in 2014, by Gemius Knowledge Study.

<sup>2</sup> <http://www.brat.ro/brat-in-media/hotnews-ro-brat-internetul-in-mediul-rural-a-atins-nivelul-de-dezvoltare-din-urbanul-anilor-2007-2008.html>.

### **What is the Rural Internet User Profile?**

The same study conducted by Transmedia Romanian Audit Bureau (BRAT) states that the internet in rural areas of the country is mainly used by young people.

“Nationally, 73% of the people have the possibility to connect to the internet from home, in rural areas 62% have this option. More than half (59%) of rural population is connecting through a mobile device, surpassing the 45% in urban areas”<sup>1</sup>.

### **What do People from Rural Areas do on the Internet?<sup>2</sup>**

- 69% use it for email (vs. 75% in urban areas);
- 77% use it for social media (vs. 75% in urban areas);
- 71% read news, online publications;
- 59% search for information;
- 59% watch videos;
- 52% buy products/services;
- 25% use it for internet banking;
- 36% use it for dating.

### **What are people living in rural areas interested in?<sup>3</sup>**

- News (52%);
- Music (49%);
- Culture/movies/cinema (33%);
- Education/ Personal development (38%);
- Recipes/Kitchen (35%);
- Computer/software (25%);
- Holidays (25%);
- Politics (19%).

### **Why do we use the internet?**

“In 2015, in rural areas”<sup>4</sup>, the internet surpassed television and traditional media by minutes spent daily.

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<sup>1</sup> Idem.

<sup>2</sup> Ibidem.

<sup>3</sup> Ibidem.

<sup>4</sup> <http://www.brat.ro/brat-in-media/hotnews-ro-brat-internetul-in-mediul-rural-a-atins-nivelul-de-dezvoltare-din-urbanul-anilor-2007-2008.html>.

Today, we use internet for various purposes. In 2015, these were the most popular ones according to BRAT<sup>1</sup>:

- 75% for e-mail;
- 63% for services;
- 84% for information;
- 20% for gambling and bets.

The involvement of the internet in our daily lives is seen in the following figures:

- 30% of urban population is buying things online; on age 15 to 24, the percentage is 47;
- 26% of population age 25 to 34 is using internet for banking transactions;
- 58% of people age under 45 is searching information online before buying anything.

### **Today, Internet is a Commodity**

“We are witnessing the transformation of the internet from a media channel into a commodity and of the public perception in relation to it. (...) Young people, born in the digital era, learn from early ages how to use the internet. In urban areas of Romania, more than 95% of the people age 14 to 24 are using the internet, with 98% in Bucharest and major cities. In rural areas, the percentage is 82% due to fast growing in past years and is expected to rise shortly at the same level as in urban areas. At 14, probably not all adolescents are allowed to use gas to cook in their home, but 89% can use the internet!”<sup>2</sup>

Recent figures have shown that traditional media – print, radio, television, outdoor – have passed through serious transformations when it comes to content, message and ways of communicating with audiences.

“Beside traditional media, services prior created have become utilities: radio and TV transmission, cable, newspaper distribution. The internet caused the biggest major change of all: it detached the content from its original channel and forwarded it through specific manners as text, audio or video”<sup>3</sup>.

But what makes this study interesting is that through all this changes people will continue to read and follow brands they like, no matter the platform. When

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<sup>1</sup> <http://www.brat.ro/stiri/2015-internetul-a-devenit-o-utilitate.html>

<sup>2</sup> Idem.

<sup>3</sup> Ibidem.

newspapers where no longer on print, and had only online edition, readers followed them there. Same thing is very possible to happen when television will get less dominant.

The online development had a huge impact on crossing geographical, socio-cultural, informational barriers, offering new opportunities to the world.

Local and international trends are announcing changes on the Romanian media market in years to come, due to technological progress and growing access to internet and mobile devices.

After moving massively in online, advertisers and companies will migrate rapidly their operations on mobile too.

Consumption trends are changing and media business have to adjust to new realities. They have to be more careful to their rural audience now, because it is a territory not exploited enough.

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