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Concentration, specialization, diversification of products and services – activities of media groups with foreign capital on the market of Polish magazines

KEY WORDS

foreign concerns in the press of Poland, concentration, specialization, diversification

ABSTRACT

The media groups with foreign capital have been operating successfully on the Polish media market for 25 years. They have become its inseparable component. Their activities on the Polish market involved some mergers and takeovers, which resulted in concentration of vertical and horizontal types. This article attempts to answer the question what sort of operations were undertaken by Bauer Media Poland, Burda Media Poland, Edipresse Poland, Marquard Media Poland, Ringier Axel Springer and G + J Poland in the period of media convergence, globalization and deepening segmentation.

Media groups with foreign capital have become an integral part of the media market in Poland. They began 25 years ago by publishing women's and youth magazines, then systematically invested in more press segments.

Very quickly, between 1990 and 1996, as many as seven media groups investing in high volume magazines aimed at different target groups made their debuts on the media market in Poland. There was a new large foreign press publisher arriving every year. Among them, there were four companies with German capital, Burda Media Polska, Bauer Media, G + J Polska, Axel Springer Polska; two with Swiss capital, Marquard Media Polska and Edipresse Polska and one with French capital, Hachette Filipacchi Polska.

The first publisher to appear was the Burda Media Polska company. The group launched the "Burda" monthly, expanding the offer of magazines on cutting, tailoring, and fashion. It also became interested in the segment of how-to magazines, it launched its flagship title "Dobre Rady" [Good advice] on the market. Bauer Media Polska, the second media group with German capital, entered the Polish market in 1991, offering the "Bravo" biweekly

to the readers¹. After its successful debut, the company went on dynamically, introducing illustrated magazines for women. In 1992, Marquard Media Polska came in. It started its operations with monthlies addressed to young people. High copy sales revenues of its first title, the licensed “Popcorn”, facilitated the debut of “Dziewczyna” [Girl]. The third German player on the Polish press market was the Gruner + Jahr company. G + J entered Poland in March 1993 with the how-to “Claudia” monthly. A year later Axel Springer, the last of the German publishers, introduced the “Pani Domu” [Lady of the house] weekly. Its successful debut paved the way for more magazines: “Olivia, Cienie i Blaski” [Olivia, ups and downs], and “Sekrety Serca” [Secrets of the heart]. The next publisher, Edipresse Polska, launched its operations in April 1995² by taking over the shares of another Swiss group, Jean Frey AG, which operated in Poland since 1993³. Consequently, Edipresse became the publisher of the merited, yet much changed “Przyjaciółka” [Lady-friend]⁴. Soon a magazine for parents, “Mamo to Ja” [Mom, it’s me] and a people’s magazine “Viva” joined the offer. In 1996, a group with French capital, Hachette Filipacchi Polska, launched its operations. It purchased shares in “Elle”, a licensed luxury magazine addressed to women.

In 1990–2014, there were seven media groups which invested in high-volume magazines on the Polish market. These companies took various steps to generate as much profit as possible and strengthen their market positions. In the mid-1990s, six of these companies were in the lead with regard to their total turnover from copy sales and advertising. The first place belonged to the Bauer Media Polska company, with the turnover of \$77 million. It was followed by the G + J Polska publisher in the 2nd place and Axel Springer Polska in the 3rd, with the turnover of \$41 million and \$31 million, respectively. Edipresse Polska came 7th, with the turnover of \$19 million. Burda Media Polska took the 9th place, its turnover reaching \$10 million. Whereas Hachette Filipacchi Polska generated a turnover of \$5 million⁵.

¹ T. Mielczarek, *Między monopolem a pluralizmem. Zarys dziejów środków komunikowania w Polsce w latach 1989–1997* [Between monopoly and pluralism: An outline history of the media in Poland in 1989–1997], Kielce 1998, p. 218; *Własność medialna i jej wpływ na pluralizm oraz niezależność mediów* [Media ownership and its impact on the pluralism and independence of media], ed. B. Klimkiewicz, Kraków 2005, p. 75–76.

² Between April 1995 and October 1998, the company operated as Dom Wydawniczy “Helvetica”.

³ T. Mielczarek, *Monopol, pluralizm, koncentracja. Środki komunikowania masowego w Polsce w latach 1989–2006* [Monopoly, pluralism, concentration: Means of mass communicating in Poland in 1989–2006], Warszawa 2007, p. 174.

⁴ Z. Bajka, *Kapitał zagraniczny w polskiej prasie – lata dziewięćdziesiąte* [Foreign capital in the Polish press – the 1950s], „Zeszyty Prasoznawcze” [Media Research Issues] 1998, No. 1–2, p. 31.

⁵ Source: *Media w badaniach* [Media in research], Poznań 2003; *Rynek bez dna* [Bottomless market], „Media Polska” 1998, No. 3, p. 24. Market shares of publishers in the Polish market in terms of total turnover of copy and advertising sales from 1 July 1996 and 30 June 1997.

This article attempts to answer the question which actions were undertaken by the largest players on the media market to maintain their dominant positions among the publishers of high-volume magazines⁶. It is not going to present a precise calendar for any of the companies mentioned above, nor their comprehensive publishing offer, nor their shares in the individual segments of the press market⁷. The whole attention will be focused on describing the most important undertakings which, in spite of the crisis affecting the press, allowed the media groups to make profits and strengthen their positions on the market of high-volume magazines.

Diversification and concentration of capital

The media groups with foreign capital operating on the media market in Poland are not isolated. As subsidiaries of European companies, they are an interdependent system. Their course of action is a product of legal regulations, publishing policies, economic situation, and predominant trends on the global media market, to name but a few factors.

Analysing operating strategies of media companies, one can distinguish three paths of development most important in the perspective of the opportunities brought by new markets and new technologies. The first path is known as horizontal concentration. It usually involves merging companies of the same type, or operating in the same area, value chain, or sector. The second one includes vertical connections, related to gaining control over individual links of the value chain within a single structure. While the third path, of lateral (diagonal) concentration, happens when companies decide to invest in completely new products and services, not just related to media⁸.

⁶ They gained this position in 1990–1999, when the studied companies became the largest players on the market of magazines in Poland.

⁷ These questions have been discussed in other scientific papers published in journals dealing with media studies. They form a kind of a cycle devoted to the comprehensive view of how the studied companies operated. See also: O. Dąbrowska–Cendrowska, *Dwadzieścia lat minęło. Działalność wydawnicza koncernów: Burda Polska, H. Bauer, Gruner + Jahr Polska i Axel Springer Polska na polskim rynku prasowym* [Twenty years later: The publishing operations of the media groups Burda Polska, H. Bauer, Gruner + Jahr, and Axel Springer Polska on the press market in Poland], "Studia Medioznawcze" 2010, No. 2, p. 90–109; eadem, *Coraz więcej specjalizacji, czyli działalność koncernów z zagranicznym kapitałem na polskim rynku prasowym* [Increasing specialisation, or the operations of media groups with foreign capital on the press market in Poland], "Zeszyty Prasoznawcze" 2012, No. 1–2, p. 43–55; *Pogłębiająca się segmentacja polskiego rynku magazynów wysokonakładowych, czyli w stronę sprofilowanego odbiorcy – próba analizy zjawiska na przykładzie oferty koncernów z zagranicznym kapitałem* [Growing segmentation of the market of high-volume magazines in Poland, or towards the profiled reader: An attempt at analysing the phenomenon on the example of the offer of the media groups with foreign capital], "Rocznik Bibliologiczno-Prasoznawczy" [Yearbook of bibliography and press studies] Vol. 15 (2012), issue 2, p. 71–87; *Most popular youth magazines of the first decade of 21 century – development, decline or stagnation?*, "Media i Społeczeństwo" [Media and society] 2012, No. 2, p. 157–172.

⁸ T. Kowalski, B. Jung, *Media na rynku. Wprowadzenie do ekonomiki mediów* [Media on the market: An introduction to the economics of the media], Warszawa 2006, p. 48–49.

The phenomenon of media ownership concentration is associated with the liberalisation of media markets. It is also connected with technological convergence, involving the interweaving of technologies and services characteristic of the electronic media sector, telecommunication, and the so-called new technologies sector⁹. This phenomenon concerns various media organisations typical for different sectors. These forms of concentration through series of fusions and take-overs manifest themselves as large international capital groups, operating simultaneously on different media markets, crossing the boundaries of states and continents. These include Bertelsmann, News Corporation, Time-Warner, etc¹⁰. It is the operation of these organisations which raises the greatest concerns and controversies among observers and researchers of media market. It is for this reason that the “threat of increased commercialisation and uniformisation of media communications, possible bankruptcies of small domestic companies, and weakening of public media in individual countries”¹¹ were indicated.

Robert McChesney observed a dynamic relationship between the globalisation of media and concentration and centralisation of the ownership, and the related nature of both processes. In his opinion, the “trend towards a global media oligopoly hastened in the 1980s and 1990s, for dominant media firms to seek international expansion in order to ensure their presence in a range of media markets and by concentration of ownership within media industries and the expansion of connections across media industries through the growth of multinational, cross-media conglomerates such as Disney, AOL–Time Warner, News Corporation, Sony, or Viacom”¹². In 2004, the list of the top ten media and entertainment corporations of highest market value included the following organisations (in descending order): General Electric, Microsoft, Time Warner, Comcast, News Corporation, Walt Disney (American companies), Sony (Japan), Vivendi Universal (France), Viacom (USA), and Thomson Corporation (Canada)¹³. McChesney also stresses that the logic of such a global commercial media system comes down to the statement that “Firms must become larger and

⁹ European Commission, *Green paper on the convergence of the telecommunications and information technology sectors, and the implications for regulation: Towards an Information Society Approach*, Brussels 1997, COM(97)62.

¹⁰ See: M. Castels, *Władza komunikacji* [Power of communication], Warszawa 2013.

¹¹ P. Stęпка, *Ponadgraniczna komercyjna własność mediów na przykładzie europejskiego sektora medialnego* [Cross-border commercial ownership of media on the example of the European media sector], “Global Media Journal” 2007, No. 1, p. 35.

¹² As quoted in: T. Flew, *Media globalne* [Understanding global media], Kraków 2010, p. 89.

¹³ L. Gorman, D. Mclean, *Media i społeczeństwo* [Media and society into the 21st century: A historical introduction], Kraków 2010, p. 309 (data source: *Financial Times* 2006, No. 23).

diversified to reduce risk and enhance profit-making opportunities, and they must straddle the globe so as never to be outflanked by competitors”¹⁴.

International players appeared on the European market as well, and problems of European newspapers were mostly solved with mergers and take-overs. Consequently, the situation where one owner controls multiple organisations became common. The same processes involved magazines, printing houses, distribution, radio and TV. Such transformations allowed the European press market to be divided between a decreasing number of corporations¹⁵. The economic conditions of today are best handled by larger enterprises. For instance, they are able to quickly exchange content between sister editorial teams, limit employment, take advantage of common production and distribution; they also have a stronger hand negotiating with advertisers. Kevin Williams notes that the development of media groups would be impossible if laws limiting the concentration of ownership were in place, which was not the case of Denmark, Greece, the Netherlands, Spain, Belgium, Portugal, and Luxembourg¹⁶. Appropriate regulations were not introduced in Poland and other countries of Central and Eastern Europe either¹⁷. Whereas the concentration of press ownership in Germany is strictly limited by the law, which promoted early German investments on other European markets. As the domestic law prevented them from increasing their ownership, such publishers as Springer, Burda, WAZ, Gruner + Jahr, Bertelsmann, and Bauer started taking over foreign media. In the 1990s, these companies had subsidiaries in almost all European countries. They offered magazines and/or newspapers, as needed by the local market. Having strengthened their position and usually following a broader business strategy, they also invested in other media.

All European countries are struggling with the issue of concentration in the media industry. The Irish press market is an extreme example, being dominated by the Independent News and Media company, controlling almost 80% of all the press in Ireland¹⁸. The Italian

¹⁴ T. Flew, *Media globalne*, op. cit., p. 89. For more on this subject, see: J. Kreft, *Ewolucja strategii transmialnych i korporacji transnarodowych* [Evolution of the strategy of trans-media and trans-national corporations], Gdańsk 2011.

¹⁵ K. Williams, *Media w Europie* [European Media Studies], Warszawa 2008, p. 41–63.

¹⁶ *Ibidem*, p. 51.

¹⁷ See, e.g.: *Transformacja systemów medialnych w krajach Europy Środkowo-Wschodniej po 1989 roku* [Transformation of media systems in the Central and Eastern European countries after 1989], ed. B. Dobek–Ostrowska, Wrocław 2002; *Media masowe na świecie. Modele systemów medialnych i ich dynamika rozwojowa* [Mass media in the world: Models and developmental dynamics of media systems], ed. B. Dobek–Ostrowska, Wrocław 2007; *Malo znane systemy medialne* [Little-known media systems], ed. Z. Oniszczyk, M. Gierula, Sosnowiec 2007; *Systemy medialne krajów bałkańskich* [Media systems in the Balkan countries], ed. Z. Oniszczyk, M. Gierula, Sosnowiec 2009.

¹⁸ M. Kaczmarczyk, *System medialny Irlandii. Zarys problematyki* [Media system of Ireland: An outline], Sosnowiec 2009.

television market dominated by Mediaset, owned by Berlusconi, may serve as a similar example. It is different in Norway, where no media group is allowed to own more than 1/3 of the market, which is guaranteed by the Media Ownership Act of 1997. However, a concentration process can still be observed. There are exactly three “major players” on the newspaper market, three on the magazine market, and two dominant television broadcasters. The German market is indivisibly dominated by the Ringer Axel Springer and Bertelsmann groups. Moreover, the Netherlands was not spared the issue of media concentration either. The public broadcaster NOS and Bertelsmann together control more than 80% of the TV market in that country, while three publishers share the same amount of the press market¹⁹.

However, the issue much debated in many countries of Central Europe in particular is the dominant position of German concerns. It is the case of Poland, the Czech Republic, and Hungary, among others, where about 80% of the press is held by foreigners. German media groups eagerly invest in both national and local newspapers and magazines. Their strong position on individual national markets is reflected by the number of titles they own. In 2002, for instance, German publishers already owned 72 titles on the Polish market, 59 on the Czech, 32 on the Slovak, 43 on the Hungarian, and 15 on the Bulgarian one. Oniszczyk remarks that these figures are growing every year²⁰.

The great combine, or 2000–2014 on the market of magazines in Poland

The rivalry between media groups forced the media organisations to form alliances to lower costs and level the competition. Media organisations are known to exist and operate primarily to generate profit and increase their owners’ wealth. Media companies can thus survive and achieve their goals for a longer time provided they constantly grow and adapt their development plans to the changing environment.

In 2002 there were two take-overs in Poland. The first one was small and involved the Marquard Media Polska group, which bought the Vip Press publisher. It thus included the “Voyage” and “Playboy” monthlies in its portfolio. In the second one, which drew more attention, the Bauer Media company took over 100% shares in Polska Grupa Interim (PGI), the owner of the Twój Styl Press Publisher²¹. Due to this transaction, the German publisher

¹⁹ *Raport o mediach audiowizualnych* [Audio-visual media report], <http://www.kongreskultury.pl/title,pid,143.html> [accessed: 12 Nov 2014].

²⁰ Z. Oniszczyk, *Niemieckie koncerny medialne w Europie Środkowej. Szanse i zagrożenia* [German media groups in Central Europe: Opportunities and threats], in *Środki masowego komunikowania a społeczeństwo* [Means of mass communicating and society], ed. M. Gierula, Katowice 2006, p. 156.

²¹ *Bauer nabył prawo do tytułów prasowych WP Twój Styl* [Bauer bought the rights to the press titles of the Twój Styl publisher], <http://www.parkiet.com/artykul/220344.html> [accessed: 20 Nov 2014].

became the owner of three titles: two women's magazines, "Twój Styl" [Your style] and "Votre Beaute", and young people's "Filipinka".

The position strengthening strategy was also pursued by other companies with German capital; however, large publishing houses began buying out other large publishers. In the early 2006, the fusion of Burda and Hachette Filipacchi Polska was announced. The new company officially commenced its operations in July 2006. The capital control over the new Hachette Filipacchi Burda Polska was taken by Burda Polska, who had 51% of shares²². Burda Polska closed the year 2005 with a positive net result, whereas the profitability of Hachette was much lower. In the case of Burda Polska, the advertising income for the first half of 2006 amounted to PLN 9.2 million, more than the previous year, when it reached PLN 7.2 million. In the same time periods, Hachette Filipacchi Polska saw a decline of advertising revenues from PLN 31.2 million to 28.1 million. The merger of both companies proved to be the shortest way to change the position on the press market.

In mid-2006, Burda Eastern Europe bought 100% of shares in the Vogel Burda Communications publisher from Vogel Burda Group. The value of the transaction was kept secret. Unofficially, it reached several million euro. This way, the non-homogeneous offer of the company – already including various how-to titles, with general content like "Dobre Rady"; hobby, like "Burda"; luxury ones, like "Elle"; a health magazine, "Samo Zdrowie" [Just health]; and "Film" about film topics – was improved by two computer-related magazines, "Chip" and "Computer Reseller News Polska" (CRN), and their websites²³.

Moreover, in the autumn of 2007, the French media group Lagardere announced selling all its shares in Hachette Filipacchi Burda Polska²⁴. This withdrawal from the Polish market was part of the restructuring plan for the publishing branch of the Lagardere Group. The concern started closing down loss-making magazines and selling shares in the foreign companies which failed to bring expected income. This transaction allowed the Hubert Burda Media company to purchase the missing 49% of shares and become the sole owner. The media group was renamed Burda Media Polska in the early 2008.

The next two mergers took place in 2009. Their chief participants were media groups with German capital as well: Axel Springer Polska and Bauer Media Polska. The first transaction was finalized on 1 June 2009, when Axel Springer Polska and the Infor holding

²² J. Dziwisińska, K. Prewęcka, *Burda kontroluje Hachette Filipacchi* [Burda controls Hachette Filipacchi], "Media i Marketing Polska" [Media and marketing Poland] 2006, No. 3, p. 1; M. Lemańska, *Elle u Anny* [Elle at Anna's], "Press" 2006, No. 2, p. 39–42; eadem, *Centralizacja* [Centralisation], "Press" 2006, No. 9, p. 15.

²³ J. Dziwisińska, K. Prewęcka, *Nowy egzamin Burdy w inwestycjach* [New test for Burda in investment], "Media i Marketing Polska" 2007, No. 24, pp. 1, 15.

²⁴ A. Wieczerek, *Burda bez Hachette* [Burda without Hachette], "Press" 2007, No. 10, p. 10.

signed an agreement to form a joint business venture. Springer acquired 49% of shares in the Infor Biznes company, bringing in its title “Dziennik: Polska Europa Świat” [Daily: Poland Europe World] and the Dziennik.pl website. The aim of this agreement was to jointly publish a new daily: “Dziennik Gazeta Prawna” [Daily Legal Newspaper] from the autumn of 2009 on²⁵.

In March 2010 Axel Springer Polska changed its name to Ringier Axel Springer. This tactic ensued from the merger which took place in Germany between the Swiss concern Ringier AG from Zurich and Axel Springer AG from Berlin. Anna Gancarz–Luboń from the executive office of Springer admitted that, with the signing, new general directions were set for the development of the company, which aims to further expand in the Eastern Europe and invest in digital media²⁶.

The second merger that year took place between the Bauer Media Polska Publisher and Phoenix Press from Wrocław. Both companies had been cooperating for years. Bauer granted Phoenix Press licenses for special editions bearing its titles. Then, in the second half of May 2009, the Henrich Bauer Verlag Beteiligungs company from the Bauer Media Group bought 79% of shares in Phoenix Press. The acquisition formalized prior internal relations and agreements. The Bauer Media concern had thus consistently attained the position of monopoly in individual segments of the market. Having dominated the television and entertainment and gossip press, it became vitally interested in the so-called real life or true stories magazines, the specialized publisher of which was Phoenix Press. Maciej Brzozowski, the PR director of the Bauer Group, did not reveal the plans they had for the new titles. Whereas Mariusz Ścibisz, the marketing & communication manager of Phoenix Press, ensured that the publisher does not intend to drop any titles. This way the offer of Bauer Media Polska increased by 28 new titles. The larger segment – true story – was represented by 21 titles. The remaining 21% of shares remained in the hands of Lech Położnik–Kunkel, who remained the chairman of Phoenix Press in Wrocław.

The last consolidation took place in the 2nd half of 2013. That year in April, Burda Media Polska informed the public of a potential acquisition of shares in the G + J Polska company. The press release included the following assessment by Fabrizio D’Angelo, the president of Burda International: “Attaining such a strong position is an excellent foundation for the development of the main publishing operations. Since we believe in the publishing

²⁵ T. Mielczarek, *Raport o śmierci polskich gazet* [Report on the death of Polish newspapers], Warszawa 2012, p. 126–127.

²⁶ P. Olwert, *Ringier i Axel Springer, dwaj giganci medialni w Europie łączą siły* [Ringier and Axel Springer, two media giants of Europe join forces], www.biznes.newsweek.pl [dostęp: accessed: 12 May 2014].

business and invest in magazines, we intend to continue developing our portfolio. It will allow us to optimally exploit the business opportunities which the growing Polish economy offers to entrepreneurs²⁷. In the beginning of August 2013, the Office for Competition and Consumer Protection (Pol. *Urząd Ochrony Konkurencji i Konsumentów*) issued a favourable opinion, allowing the concern to become a publisher of 30 magazines, 20 websites, and books. It thus became one of the top three companies selling leisure magazines. The merger process of both companies began in December 2013.

Specialisation among the publishers of magazines

The nature of magazine publishing business involves increased specialisation and the attempt to fulfil the more and more specialized needs of relatively small audiences²⁸. For the studied media groups. The specialisation began with streamlining their portfolios, which followed the years of large, unfettered investment in the Polish market. Bauer Media Polska widened the range of young people magazines and TV-guides. Axel Springer created a family of magazines based off the “Komuter Świat” [Computer world] monthly. Burda Media Polska offered its readers periodicals on cutting, tailoring, and knitting. Edipresse developed the segment of magazines for parents, while Marquard Media Polska and Hachette Filipacchi Polska invested in exclusive magazines.

From 1997 on, with the saturation of the illustrated magazines market, we can observe the first attempts at streamlining publishing offers. The concerns began selling the titles which did not fit the publishing strategy and company image they developed. It was that year that the Burda Media Polska publisher sold to Bauer Media its TV titles “Super Tele” and “Super TV”, as well as the men’s biweekly “Twój Weekend” [Your weekend]²⁹.

The greatest reshuffling took place in the 2000s. In 2007, Axel Springer Polska and Marquard Media Polska conducted interesting bartering arrangements. They were meant, on the one hand, to streamline their publishing offer and, on the other, to strengthen the position of the company with German capital among the publishers of Poland-wide newspapers. It seems they made a risky decision when they exchanged four profitable women’s titles, “Olivia”, “Pani Domu”, “Sekrety Serca”, and “Cienie i Blaski”, for the sports daily “Przeгляд

²⁷ “Burda International przejmuję G + J Polska” [Burda International takes over G + J Polska], www.wyborcza.pl [accessed: 12 June 2014].

²⁸ T. Kowalski, *Między twórczością a biznesem. Wprowadzenie do zarządzania w mediach i rozrywce* [Between creativity and business: An introduction to management of media and entertainment], Warszawa 2008, p. 224–231.

²⁹ J. Zalewski, “Czasy kobiet nowoczesnych” [Times for modern women], *Media Polska* 1998, No. 1, p. 22.

Sportowy” [Sports Review]³⁰. Marquard Media Polska, which began its operation with sports titles “Tempo” and “Przegląd Sportowy”, then consistently removed from its portfolio the titles which did not “harmonize” with such exclusive women’s and men’s magazines as “Playboy”, “Shape”, “Cosmopolitan”, “CKM”, etc.

More interesting reshuffling on the Polish press market took place in November 2009. This time, Marquard Media Polska sold to Edipresse Polska three magazines it purchased from Axel Springer Polska: “Pani Domu”, “Cienie i Blaski”, and “Sekrety Serca”. It is clear that neither the how-to/entertainment women’s biweekly nor the two true story titles matched Marquard’s luxury offer. Whereas Edipresse Polska strengthened its offer in the women’s weekly segment by adding “Pani Domu” to “Przyjaciółka”. The readers thirsty of true stories could thus choose from between four titles: “Cienie i Blaski”, “Sekrety Serca”, “Prawdziwe Życie” [True life], and “Uczucia i Tęsknoty” [Feelings and longings]. In turn, Marquard acquired from Edipresse Polska the shopping magazine “Hot Moda & Shopping” [Hot fashion & shopping]. The new title was also meant to synergize with “Joy”, “Cosmopolitan”, and “Shape”.

The 2000s are also the decade of investment in custom publishing magazines. This segment is defined in the literature as a marketing channel allowing to reach a precisely defined group with a marketing, advertising, and PR messages, and double the relations with this group. The most common examples of custom publishing include periodicals printed for the customers or employees of companies: catalogues, pamphlets, newsletters, and currently also blogs, web-based magazines, and social media.

Custom publishing, which is more and more frequently called custom media, is best described by the English compound “custom-made”. Both Webster and Oxford dictionaries explain it as “made or designed especially for someone” or “made to individual order”. This definition is the essence of custom publishing and custom media in general³¹.

³⁰ See: A. Wiczerzak, *Wymiana porządkująca* [Organising exchange], „Press” 2007, No. 7, p. 6–7; eadem, *Przenosiny* [Moving], „Press” 2007, No. 10, p. 8; *Tytuły po przejściach* [Titles with the past], „Press” 2008, No. 8, p. 36–39; J. Dziwińska, K. Prewęcka, *Obaj powinni być zadowoleni* [Both should be satisfied], „Media i Marketing Polska” 2007, No. 3, p. 16.

³¹ The word “customized” (Pol. *Skastomizowany*) is increasingly often used in Poland. It is yet another borrowing from English. According to the people working in the industry, it is easier to say “customized” than “individualized” (Pol. *Zindywidualizowany*), and it is shorter than “made to individual order”. Moreover, this word perfectly reflects the most important trend of modern marketing. Almost everything has already been customized, and if something is not, it soon will be! The words custom publishing and custom media are American, while the British rather say customer publishing or customer media. The word “customer” is unanimously translated to Polish as “klient”. Therefore, such publications and media are made for customers. See: www.mediapolis.pl.

The potential of this marketing channel on the Polish press market was discovered by foreign publishers, who began investing in it. In 2014, three of the studied companies, Burda Media Polska, Edipresse Polska, and Ringier Axel Springer together had 18 magazines of various types and one website. Burda and Edipresse had three titles each in their offers, while Ringier Axel Springer introduced 12 press titles and a website to the market (Table 1).

Table 1. Custom publishing offer

Publisher	Title	Description
Burda Media Polska	“Kaleidoscope”	Monthly; editor-in-chief: M. Wojciechowska. Distributed on-board the airplanes of PLL LOT, in executive lounges at the airports, and during fairs and promotional expositions of LOT.
	“Inspire”	Luxury monthly; no editor-in-chief. Addressed to the business and Premium class passengers. Distributed in the airplanes of PLL LOT, in the Elite and Premium classes on-board the Boeing 787 Dreamliner planes.
	“Multikino & Gala”	Film and lifestyle monthly; no editor-in-chief. Presents film premieres in the following month, shows the backstage of filming, silhouettes of stars and film-makers, and also includes subjects of fashion and beauty.
Ringier Axel Springer	“Skarb” [Treasure]	Monthly; editor-in-chief: A. Młynarska. Chain: Rossmann. Distributed at over 800 chemists as well as at the Ruch and Kolporter kiosks and news-stands. Handed out in 1.6 million copies (116 p.). Magazine includes articles about beauty, health, psychology, interviews with stars and cultural personalities, cooking recipes, as well as information about novelties and promotions in Rossmann chemist stores.
	“Tanie Leki” [Cheap medicines]	Free bi-monthly; no editor-in-chief. Chain: Apteka i Partnerzy; 90 thousand copies (46 p.). Available in more than 200 pharmacies in western Poland. It touches the topics of health, psychology, travels, and beauty.
	“Plus InterCity”	Monthly; no editor-in-chief. Magazine for employees (22 p.) with current information on the events in the company, purchases of new rolling stock, new technologies, and the hobbies of colleagues and co-workers.
	„Ciasta Krok po Kroku” [Cakes step by step]	Monthly; prepared with Eliza Mórawska, a culinary blogger. Publishes easy recipes for delicious cakes and desserts, practical advice, confectioners’ secrets.
	“Być jak Kurt Scheller” [Be like Kurt Scheller]	Magazine published irregularly for the Makro Cash & Carry chain; no editor-in-chief. Addressed to customers fascinated by cooking. In a cycle of 8 issues, it presented the national cuisines of the countries and regions on the route of the legendary Orient Express.
	“Szerokiej Drogi” [Have]	Quarterly; no editor-in-chief. Chain: petroleum company PKN Orlen;

Publisher	Title	Description
	a good trip]	140 thousand copies (68 p.). The title is sold at all Orlen petrol stations. Focused on motor vehicles. Contains advice for drivers, tests of cars and motorcycles, touches on lifestyle and travelling subjects.
	“Rosną” [I grow]	Monthly for the Rossmann chain; no editor-in-chief. For clients with children aged 0–3 years and focused on the brand’s loyalty programme. The clients receive magazine issues according to the child’s age: 0–6 months, 7–12 months, 13–18 months, 19–24 months, 2–2.5 years, and 2.5–3 years.
	“Rosną” [I grow]	Quarterly; no editor-in-chief; 500 thousand copies (100 p.). Chain: Rossmann. Magazine handed out free of charge as part of the loyalty programme to the clients with children of up to 3 years. Devoted to subjects addressed to young parents. Includes articles about labour, mother’s health, care for new-borns and infants, raising children, advice of specialists: physicians, educators, nurses, obstetricians, and psychologists.
	“Vitay”	Catalogue of the VITAY loyalty programme. Debuted in 2012. Chain: Orlen.
	“Ona&Styl/On&Styl” [She&style/He&style]	Monthly; no editor-in-chief. Chain: Makro Cash & Carry; 25 thousand copies (124 p.). Sold at the Makro Cash&Carry stores and sent to Premium clients. Addressed to the owners of small and medium enterprises who want the highest quality content.
	“Co Słychać” [What’s up]	Monthly; no editor-in-chief. Prepared for PTC, T-Mobile network operator (52 p.). Magazine for employees devoted to organizational culture and corporate matters of the largest mobile telephony operator in Poland. Touches on the subjects of lifestyle, how-to, and entertainment.
	“Dolce Vita”	Quarterly; no editor-in-chief. Prepared for the Alma Market SA company (100 p.), Alma market chain. Lifestyle magazine, with much how-to content, addressed mostly to women. Contains interviews with film stars, articles on travelling, advice on health, beauty, psychology, and interior decoration, and cooking subjects.
	T-Mobile~trendy.pl	Website for the PTC chain. Devoted to technologies and products offered by the mobile network operator. The articles contain information on modern technologies, advice, tests of mobile phones and tablets, video reviews.
Edipresse Polska	“PressMac”	Quarterly; no editor-in-chief. Exclusive magazine for the customers of the McDonald’s chain.
	“The Berlin Chemie News”	Bi-monthly; no editor-in-chief. Professional pharmaceutical magazine for the customers of the Chemie pharmaceutical company.

Publisher	Title	Description
	“Gaude-Mater”	Added to the copies of the “Viva” bi-weekly. Magazine for the fans of the Festival of Sacred Music “Gaude Mater”.

Source: own research

Variety of products and services

Groups with foreign capital undertook systematic actions in other sectors of the media market as well. Each of the studied companies picked this part of the market which was best suited for their international strategy and could yield the expected financial results. This is why Bauer Media Polska and Ringier Axel Springer (still as Axel Springer Polska) started their own printing houses in Poland to lower costs and generate as much profit as possible. Already in the late 1990s, on 4 September 1997, Bauer opened its first printing house in Ciechanów. The group launched its second printing house in 2006 in Wykroty in the Kamienna Góra Special Economic Zone³². The new printing house provided services for the group’s publications in Central and Eastern Europe. It printed magazines, catalogues, and prospects, mainly using the retrogravure technology. In July 2005, the Axel Springer group, too, opened its printing house in Sosnowiec. This investment was made in cooperation with Seregini Printing Group from Italy.

Three of the studied companies, Bauer Media Polska, Burda Media Polska, and Edipresse Polska clearly marked their presence on the market for books. In November 2000, the Bauer-Weltbild Media company was founded by the publishers Wydawnictwo Bauer Media from Warsaw and Weltbild Publishing Group from Augsburg. As equal partners, each holding 50% of shares, they thus debuted on the markets of Eastern and Central Europe. The company was led by Witold Woźniak and Andreas Nick on behalf of Bauer Media and Weltbild Publishing Group respectively³³. Burda Media Polska and Edipresse Polska were also present in this sector. The offer of the former included books written by Martyna Wojciechowska, Beata Pawlikowska, Piotr Kraśko, Paweł Loroch, and Jan Mela, among others. The company with Swiss capital simultaneously invested in thematic collections: “Wielki Leksykon Uzbrojenia Wrzesień 1939” [Great lexicon of armaments September 1939], “Miłość i Seks” [Love and sex], “Dekalog. Jan Paweł II” [Decalogue: John Paul II], and in DVD film series. The examples of collections include “Damsko-Męska Kolekcja

³² K. Prewecka, *Rozległe włości* [Vast estates], „Media i marketing Polska” 2006, No. 7, p. 22.

³³ Z. Sokół, *Wydawnictwo H. Bauera w Polsce w latach 1991–2002. Część I: Czasopisma dla kobiet* [H. Bauer publisher in Poland in 1991–2002: Part I: Women’s magazines], “Rocznik Historii Prasy Polskiej” [Yearbook of the history of Polish press] 2004, issue 2, p. 123.

Filmowa” [Female–male film collection], “Polskie Kino Mocne” [Strong Polish cinema], or “James Bond 007”.

Another sign of vertical concentration was the purchase of the largest radio broadcaster in Poland. When the transaction was concluded in November 2006, Bauer Media Polska became the owner of the RMF FM radio. The concern bought 56.33% of shares in Broker from major shareholders (73.38% of votes in the general assembly of shareholders), paying PLN 144.80 per share³⁴. This way one of the most dynamic publishers of illustrated press entered the radio market from a leading position.

The dynamic development of the Internet and new technologies allowing already used content to be reused, led the largest publishers, intrinsically linked with illustrated magazines, began investing in web services and portals. This activity intensified in the late 2000s. In December 2007, Bauer Media Polska signed an agreement with Comarch SA, the majority shareholder of Interia, in which “Comarch SA undertook to sell to Bauer Media the assets of Interia.pl S.A. under a public tender offer”³⁵. The transaction amounted to about PLN 200 million. As a result, the Bauer Media group, controlling 89.4% of votes in the general assembly of shareholders of Interia.pl, became its majority shareholder. The remaining shareholders are Radio Muzyka Fakty sp. z o.o. And Broker FM SA. Both are companies dependent on Bauer Media. In June 2012, Ringier Axel Springer bought 75% of shares in Grupa Onet.pl SA belonging to TVN. The purchase price was PLN 956.25 million (about 217.5 million euro). The parties to the agreement set the transaction value at PLN 1,275 million. Consequently, the leading web portal in Poland, offering information content and a number of thematic services and reaching about 70% of internet users in Poland became controlled by a media group with German capital³⁶.

The concern was still consistently following the strategy of intensive broadening its operations in digital media adopted in 2010. The services in the sector were further diversified in mid-2013, when Bauer Digital, belonging to the Bauer Media Polska group, acquired 100% of shares in Sunrise System and Artefakt, two companies providing comprehensive services in online marketing. The next transaction took place on 29 May 2014, when Onet.pl from the Ringier Axel Springer group finalized the purchase of 80% of shares in Skapiec.pl and Opineo.pl. The former is the second largest price engine in Poland, and Opineo.pl is the

³⁴ M. Lewańska, E. Muciński, *Niemiecki inwestor kupi Radio RMF* [A German investor to buy the RMF radio], „Rzeczpospolita” [Republic] 2006, No. 253, p. B1.

³⁵ P. Zalewski, *Bauer przejmuje Interię* [Bauer takes over Interia], www.internetstandard.pl [accessed: 19 Jan 2012].

³⁶ *Ringier Axel Springer kupuje onet* [Ringier Axel Springer buys onet], www.forbes.pl [accessed: 12 May 2014].

largest website collecting consumer opinions about web-based stores and products. According to Robert Bednarski, the CEO of Grupa Onet.pl at the time, “the following years will see a dynamic development of services which help users make shopping decisions on the Internet. Both these services perfectly match the income diversification strategy we adopted. We looked for strong partners who will let us develop in this segment. And we’ve found them. Both Skapiec.pl and Opineo.pl are very good products developed and managed by strong teams. Both companies show excellent, two-digit growth dynamics. We’ll use our scope to continue strengthening both products”³⁷.

Conclusions

In 1989–2014, seven press groups, four with German capital, two with Swiss, and one with French capital, invested in the Polish market of high-volume magazines. Two of them – Hachette Filipacchi Polska and G + J Polska – could not overcome the changing market conditions. They were taken over by a larger company, Burda Media Polska, which gradually expanded its portfolio to compete for readers and advertisers against the market leader, Bauer Media Polska. As a result, in 2014 there were five players with foreign capital operating on the Polish market: three with German capital and two with Swiss capital. Owing to mergers and take-overs in 2000–2014, the largest publishers could implement diversification strategies for products and services, and follow with the specialization and segmentation of their press offers, which is well illustrated by the custom publishing magazines. It seems the process is going to deepen. Such a conclusion is justified by the latest acquisitions made by the Bauer Media Polska and Ringier Axel Springer groups, which set the standards of conduct among the studied companies. It is clear that both the concentration and diversification processes led to the transformation of these companies from press groups into media groups. These transformations ran in parallel in Poland and on other European markets.

³⁷ *Onet kupił serwisy Skapiec.pl i Opineo.pl* [Onet purchased the services Skapiec.pl and Opineo.pl], www.biznes.pl [accessed: 2 June 2014].