

## **Comprehensive competition inquiry on the market of TV services: consumer needs at the forefront**

**13 January 2022, Budapest – The Hungarian Competition Authority (GVH) has completed its sector inquiry on the market of Hungarian media service and broadcasting. In order to serve consumer needs more effectively and improve the conditions for competition authority, the GVH has made several recommendations in its report.**

A significant portion of Hungarian households have TV subscription. Since some players in the sector have reported competition concerns and abnormal functioning of the market, the GVH [launched a comprehensive sector-wide inquiry in the summer of 2020](#). The Authority has carried out a detailed analysis of the expectations of the residents, the strength of competition between broadcasters, and the development of their costs, in order to formulate recommendations that would encourage competition in the sector for the benefit of consumers. The coronavirus pandemic further increased the significance of the inquiry as the narrowing of leisure program opportunities has put television in focus. The Authority was primarily interested in what consumers expect from television providers and in what business model, costs and competitive conditions businesses can meet their needs.

On the basis of the analysis, Hungarian consumers chose television service providers based primarily on prices and quality of the service and helpful, fast customer service and troubleshooting are also important to them. Their needs are best met by large-scale broadcasters, with whom they are basically satisfied.

The television broadcast is compiled by the media service providers, which is then purchased by broadcasters for a programming fee in order to be distributed to viewers. Based on the price analysis of the GVH, it was established that the larger the subscriber base of a broadcaster, the more favourable terms it can receive from television channels on the procurement side. This brings consumer benefits as well since lower purchase prices are also typically reflected in more favourable subscription fees.

In addition to large broadcasters, there are several TV service providers serving smaller consumer groups in Hungary. In order to enable smaller players to procure television channels broadcasted to viewers at more favourable rates, it may be beneficial for them to take joint action (while complying with competition law). Foreign examples and the analysis of the GVH also confirm that developing a broader joint procurement strategy even by smaller-scale broadcasters can also enter into contract with media service providers on more favourable terms and at lower prices; furthermore, they can also provide a uniform quality of service to consumers.

From the point of view of competition between broadcasters, it is important for consumers to be able to easily switch service providers in the event of a better offer. However, the inquiry revealed that the Hungarian population found it particularly

difficult to switch TV service providers. To remedy this issue, the GVH recommends further facilitating the process so that subscribers do not see this as a time- and energy-consuming process, making it easier for them to switch.

The report of the GVH including detailed recommendations, a summary of the comments received from the market players, and the substantive comments of undertakings requesting publication are available on the website of the Authority:

[https://www.gvh.hu/dontesek/agazati\\_vizsgalatok\\_piacelemzesek/agazati\\_vizsgalatok/jelentes-a-magyarorszagi-musorterjesztesi-es-mediaszolgalatasi-piacon-lefolytatott-agazati-vizsgalatrol](https://www.gvh.hu/dontesek/agazati_vizsgalatok_piacelemzesek/agazati_vizsgalatok/jelentes-a-magyarorszagi-musorterjesztesi-es-mediaszolgalatasi-piacon-lefolytatott-agazati-vizsgalatrol)

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