

**Concentração em comunicações, mídia e Internet no Cone Sul
2019-2021**

**Concentración en las comunicaciones, medios e Internet en el Cono
Sur 2019-2021**

**Communications, media and Internet Concentration in the South
Cone 2019-2021**

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Resumo

O artigo analisa a concentração nos setores de comunicação, internet e mídia na Argentina, no Brasil e no Chile 2019- 2021 usando os índices CR4 e HHI. Conclui que a economia de mídia de rede é altamente concentrada. Os setores de aplicativos ocupam uma posição quase monopolística. O setor de telecomunicações e infraestrutura da Internet coleta as maiores receitas da economia de mídia de rede, tem alta concentração em telefonia fixa e móvel e um pouco menos, mas ainda alta, em TV paga e ISP. Os setores de mídia mostram concentração significativa em serviços audiovisuais e baixa na imprensa on-line.

Palavras-chave: Concentração; Economia de mídia de rede; Argentina; Brasil; Chile.

Resumen

El artículo analiza la concentración en las industrias de comunicación, internet y medios en Argentina, Brasil y Chile en 2019- 2021 utilizando los índices CR4 e HHI. Concluye que la economía de medios en red está altamente concentrada. Los sectores de aplicaciones operan en posición casi monopólica. El sector de telecomunicaciones e infraestructura de Internet recoge los mayores ingresos de la economía de comunicación, presenta muy alta concentración en telefonía móvil y fija y un poco menos, pero aún alta, en TV paga e ISP. Los sectores de medios muestran concentración significativa en servicios audiovisuales y baja en prensa online.

Palabras-clave: Concentración; Economía de medios en red; Argentina; Brasil; Chile.

Abstract

The article analyzes market concentration in communication, internet and media industries in Argentina, Brazil and Chile between 2019- 2021 using CR4 and HHI indexes. It concludes that the Network Media Economy is highly concentrated. The Internet Core applications sectors operate in an almost monopolistic position. The telecommunications and Internet infrastructure sector collects the majority of revenues of the Network Media Economy with very high concentration in Wireless, Wireline and a little less, but still very high, in Multichannel video distribution and ISPs. Media sectors show significant concentration in audiovisual services and low concentration in online press.

Keywords: Concentration; Network Media Economy; Argentina; Brazil; Chile.

Introduction

This article analyzes media developments and market concentration trends across nearly two dozen communication, internet and media industries that make up the network media economy in Argentina, Brazil and Chile from 2019 to 2021.

The study is framed into the Global Media and Internet Concentration Project, which examines concentration trends and evaluates the transformation of two dozen traditional and Internet-based (digital) media industries around the world using CR4 and HHI indexes (Global Media & Internet Concentration Project [GMICP], n/d).

Based on that, this article presents the results of the assessment for Argentina, Brazil and Chile during 2019-2021. The article is organized in six sections: after the introduction, the methodology is presented, followed by the theoretical framework. Then, concentration trends in the South Cone are analyzed. First, concentration results are presented according to the HHI index in a selected group of sectors corresponding to the telecommunications and audiovisual services markets. Since the HHI index is calculated on the basis of the revenues of all the companies that hold more than 1% of a given market, only those markets for which it was possible to access this information were addressed.

Next, an analysis on country-by-country basis is provided, which includes the telecommunications, audiovisual services and press, and Internet core applications markets based on the CR4 indicator, which analyzes the power of the four main companies in the different markets both in terms of revenues and audience/subscribers/viewers. After that it is offered a discussion on the results of concentration in the three countries, followed by the final remarks.

Methodology

The approach of the Global Media and Internet Concentration Project consists of studying individual sectors grouped into three mid-range categories (telecoms and internet access sectors, online and traditional audiovisual and publishing media services, and core internet sectors) for providing a composite view of the network media economy (GMICP, n/d). The sectors analyzed in this article for Argentina, Brazil and Chile in each mid-range category are depicted below:

Telecom & Internet access	Digital & Traditional audiovisual & Publishing media	Core Internet applications
Wireline (fixed telephony) Wireless (mobile telephony) Multichannel Video Distribution Internet Service Provider	Broadcast TV Broadcast Radio Programming Video Services Online Video Services Newspapers & Magazines Music	App Distribution Search Engines Social Media Internet advertising Mobile & Desktop Operating Systems Mobile & Desktop Browsers

It is worth noting that out of all the markets mentioned under "Core Internet Application", for the country-by-country analysis we just focused on four of them: social media; search engines, operating systems and browsers (both mobile & desktop).

For each of these sectors we collected data on revenues as well as subscribers/audience/visitors and its market share on a firm-by-firm basis. The data was analyzed using Concentration Ratios (CR) of the four main firms in each market (CR4) and the Herfindahl-Hirschman Index (HHI), which measures the share of each owner in the total of the media under consideration, in order to measure concentration levels and trends at each of the three levels introduced in each country.

Due to the limitations to obtain complete information on revenues and, to a lesser extent, subscribers in all markets, in Latin America, CR4 is the most widely used methodology (Becerra & Mastrini, 2017: 60) and the one we have used in previous studies on the subject (Mastrini & Becerra, 2006; Becerra & Mastrini, 2009 and 2017).

Theoretical framework

The phenomenon of concentration has been extensively studied by researchers in the political economy of communication and culture from various perspectives. The convergence and digitalization that technically and economically intertwined the audiovisual and telecommunications sectors following the liberalization and deregulation of communication markets have shifted the discussion's focus.

Miguel de Bustos (1993) argues that the concentration of media systems is a process that increases the relative or absolute dimensions of units present in a market. This can result from internal accumulation within a company or the integration of other existing productive spaces (Quirós Fernández, 2021). Media concentration can be approached from different angles: ownership, revenue, users/audiences/subscriptions, or the centralization or accumulation of power (Mastrini & Becerra, 2006).

In analytical terms, theoretical conceptions about the problem of concentration can be distinguished: the liberal tradition, the pluralist or robust public debate, and the critical perspective. The first advocates for the liberalization of the info-communications sector, the second accepts certain levels of concentration and considers state intervention necessary to mitigate its negative effects. The critical view sees media as ideological tools that maintain the status quo within the capitalist system (Becerra & Mastrini, 2017; Quirós Fernández, 2021).

From the first decade of the 21st century, the debate on concentration has become more complex due to the massification of the Internet as a network for accessing, circulating, producing, and commercializing content. This scenario has allowed global companies like Meta and Google to dominate increasing portions of global sector revenue (via advertising) and directly or indirectly influence the type of content circulated.

Noam (2016) notes that, in the last five years, the debate has pitted those who argue that media conglomerates' power has never been greater against those who claim that the Internet has brought openness and diversity. This illustrates the ideological battle between the liberal school and social value models. The former emphasizes market efficiency, while the latter underscores the importance of public intervention. They also hold different conceptions of the media system, seeing it either as necessary institutions for democratic debate or merely as businesses like any other (Just, 2009).

The tension between economic and symbolic criteria intensifies in the convergence scenario, reviving the discussion about the need for specific regulation to limit concentration in the communications sector: "While some argue that the abundance of information generated by new platforms makes specific regulation unnecessary (Thierer, 2005), others point out that concentration tends to increase (Baker, 2007) and must be curbed" (Becerra & Mastrini, 2017: 37). From the latter perspective, regulation to limit concentration is necessary since the domination of a cultural and information sector by one company (or a small group of them)

represents an accumulation of power that influences the decisions and opportunities of other social actors (Rahman, 2018).

Studies on media ownership concentration in Latin America have been mostly influenced by the pluralist and critical schools. In the 1970s, media ownership concentration was a significant part of the research agenda, with pioneering works by Pasquali (1964), Mattelart (1977), and Muraro (1974). After a period of low production, critical studies and analyses resumed in Latin America from the late 20th century, as shown by De Moragas (2011). These studies agree on the consequences of concentration: reduction of broadcasting sources, unification of editorial, artistic, or aesthetic criteria, homogenization of genres and formats, geographic centralization of production, and increased exclusivity of rights. In summary, the economic, ownership, and audience concentration processes affect the diversity of ideas and explanations circulating in society.

Additionally, these processes combine with the socioeconomic divide characteristic of the world's most unequal region, the historical complicity between regulators and the regulated, and the absence of public services that could counteract concentration trends (Fox & Waisbord, 2002 in Becerra & Mastrini, 2017).

Concentration trends in the South Cone

HHI Argentina, Brazil and Chile

As mentioned in the introduction, concentration levels were studied based on the HHI index in a selected group of sectors where it was possible to access information on the revenues of the different companies that make up the communications markets in Argentina, Brazil and Chile.

Based on the information collected for the telecommunications and audiovisual services markets for the year 2021, it is possible to state that the concentration levels are, for the most part, very high as Table 1 shows.

Table 1. HHI Audiovisual, Telecom & Internet access industries in Argentina, Brazil and Chile (2021)

	Low Concentration ($100 \leq 1,500$)	Moderate Concentration ($1,500 \leq 2,500$)	High Concentration ($2,500 \leq 10,000$)
Argentina		Internet Service Providers (2096) Multichannel Video Distribution (2117)	Pay TV programming Services (2570) Broadcast TV (3204) Wireless (3315) Wireline (3357) Online Video Services (4123)
Brazil	Broadcast TV (1256,2) Internet Service Providers (609,2)		Wireline (2626,7) Wireless (2921,6) Multichannel Video Distribution (3352,2) Pay TV programming Services (3701,2) Online Video Services (4731,7)

Chile		Broadcast TV (2442)	Pay TV programming Services (3648) Online Video Services (3315)
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Source: self-production

As can be seen in Table 1, Pay TV programming services and Online Video Services are highly concentrated in the three countries. On the other hand, Broadcast TV services are moderately concentrated in Chile and not very concentrated in Brazil. In the latter, a marked decrease in the HHI indicator is observed due to the loss of Grupo Globo's audience in favor of small local stations, but mainly due to the increase in video streaming consumption.

In relation to telecommunications markets, it was not possible to access revenue information in Chile to calculate the HHI. However, if access and subscription trends are analyzed in the most economically important segments included in this research, it is noted that more than 85% of accesses in Telecoms & Internet Infrastructure in Chile are concentrated in the four main providers (this will be analyzed later according to CR4 methodology).

In Argentina and Brazil, the telecommunications market is highly concentrated, particularly in the Wireless and Wireline sectors. Multichannel Video Distribution services are also highly concentrated in Brazil, but moderately concentrated in Argentina. ISPs are moderately concentrated in Brazil and show low concentration levels in Argentina according to the HHI index. As it will be shown below, the picture is quite different when considering the CR4 index.

In Argentina and Brazil, the groups that intervene in the telecommunications market are dominated by the Ibero-American groups Claro (América Móvil, Mexico) and Movistar (Telefónica, Spain) and in Argentina the national player Telecom (Clarín). However, it would be incorrect to conclude that the sectors where the intervention of national capital prevails, such as audiovisual media or Internet access, are diverse. In fact, in Argentina, Clarín/Telecom has a significant market position in the audiovisual media, press and telecommunications industries. This "national champion" takes advantage of its privileged position in almost all segments: in industries where companies provide information on revenues, Clarín/Telecom's advance is evident, and in those where only audience/user indicators are available, the same trend is observed. Something similar can be said in the case of Brazil with respect to Grupo Globo, which has a dominant position in audiovisual media and the press.

Within the audiovisual industry, Online Video services deserve a special mention. Unlike Broadcast TV and Pay TV programming services, which maintained relatively stable concentration rates in the 2019-2021 period, Online Video services had significant variations in the three countries.

Table 2. HHI Online Video 2019-2021 in Argentina, Brazil and Chile

	Argentina	Brazil	Chile
2019	8637	7179,3	8318
2020	7157	6465,3	6930
2021	4123	4731,7	3315

Source: self- production

Although, as shown in the table, concentration levels are still very high, there has been a marked drop between 2020 and 2021. This is mainly explained by the entry of new competitors, US-based global giants, into the market.

Although Netflix is still the main player in the market, in all three countries it was losing market share between 2019 and 2021 while Disney, Amazon and HBO were gradually gaining market share.

In Chile, while Netflix practically monopolized the market in 2019, when it represented more than 91% of revenue, in 2021 it represented 52.8% of revenue, but at that time Disney had grown to represent 21% of the market (the sum of Disney+ with 16, 7% and Star+ for the remaining 4.3%), HBO+ (Warner Media) accounted for 12.6% and Amazon Prime (Amazon) absorbed 7.8% of revenue in the fast-growing online media sector.

The same trend is verified in Argentina and Brazil. In Argentina Netflix accounted for almost 93% of revenues of the Online Video Service market in 2019. By 2021 it accounted for 61.7% of revenue, followed by Disney which accounted for 17% of the market (the sum of Disney+ with 13% and Star+ for the remaining 4%), HBO+ (Warner Media) accounted for 8.8%, and Amazon Prime (Amazon), 7%. Last, in Brazil Netflix accounted for 84,5% of the market in 2019. Until 2020 Globoplay (owned by Globo) was the second biggest player (8,1%) followed by Amazon Prime Video (4,4%). But the entry of Disney+ in November 2020 has altered the structure of the market. The top four streaming services by revenues in Brazil as of 2021 were: Netflix (67,1%), Disney+ (11,06%), Globo (6,9%), HBO-Warner (6%) and Amazon (4,8%).

CR4 analysis

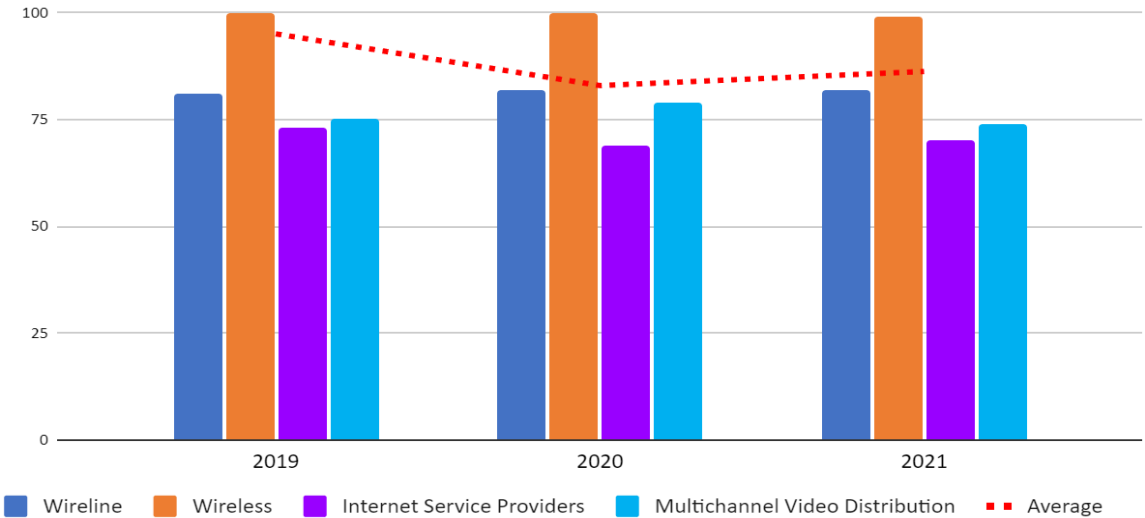
Argentina

Telecoms and internet infrastructure

The Argentine telecommunications market is highly concentrated, as indicated by the CR4 index. When the four largest companies control more than 60% of the market, it is deemed uncompetitive and difficult for new participants. In Argentina, internet access (CR4=70%) and multichannel video distribution (CR4=74%) are less concentrated compared to countries like Brazil. For the wireline market, the CR2 index is used, showing that the main operators, Telecom/Clarín and Movistar (Telefónica), control 82% of the sector based on revenue (Mastrini et. al., 2024a)

The CR4 results for the four sectors that we examined, and on a pooled basis for telecoms and internet access sectors are depicted in Figure 1, below.

Figure 1- CR4 scores for the telecom & internet access sectors, 2019-2021 (based on revenue)



Source: self- production

The telecommunications and internet market in Argentina is mainly controlled by four companies. One of the most powerful is Telecom, a partnership between Grupo Clarín shareholders (national capital) and David Martínez (Fintech, Mexico). Movistar (owned by Telefónica, Spain) competes with Telecom, offering fixed and mobile communications, internet, and recently, pay TV services. Another major competitor is Claro (América Móvil, Mexico), providing mobile communications, internet, and multichannel video services. A smaller operator is Telecentro (Alberto Pierri), which began as a multichannel distributor and expanded into wireline and internet services in 2008, but has not entered the wireless market.

In terms of revenue, Telecom leads in wireline (41.1%), ISP (41.5%), and multichannel distribution (37.5%), and ranks second in wireless (34.2%) behind Claro (37.2%). América Móvil leads in wireless but has a minor presence in other markets, though its investment in fixed networks may change this. Movistar holds 40.8% of the wireline market, 14.6% in ISP, and 27.6% in wireless, with a decreasing trend. Its share in multichannel video distribution is marginal at 2%.

The Argentine communications ecosystem also includes over 800 small and medium multichannel video distributors and more than 2000 ISPs operated by various enterprises, cooperatives, and subnational states. All sectors are highly concentrated. Fixed telephony is dominated by Telecom and Movistar, and mobile communications by Telecom, Claro, and Movistar. Wireline and wireless markets are more concentrated than multichannel video distribution. The CR4 for multichannel video distribution rose sharply from 62 in 2000 to 84 in 2014, maintaining this level until 2021, when it slightly decreased to 74 due to DirecTV's growth despite the Clarín-Cablevisión merger in 2017.

Traditional and online media services

The cultural and media industries in Argentina historically exhibit high levels of concentration, with notable differences between them. Data from 2019-2021 confirm this trend. Sectors with the highest turnover, such as video (broadcast TV, multichannel video, and streaming services), show the highest concentration scores. These sectors are major economic drivers with CR4 scores ranging between 87% and 98% during 2019-2021 (Mastrini et.al, 2024a).

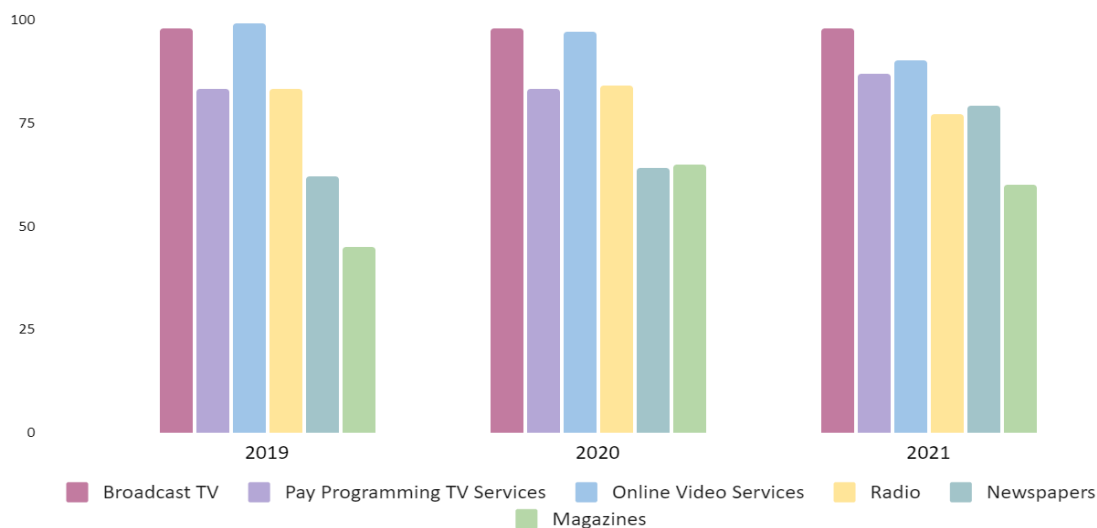
Telefé, the most important broadcast network, is foreign-owned, belonging to Viacom since 2016. In 2021, Telefé controlled almost 40% of the sector's \$336 million income, while Grupo Clarín's El Trece accounted for 37.1%. The CR4 score for broadcast TV remained stable: 96 in 2000, dipping to 92 in 2014, and rising to 98 in 2021.

Pay TV content is concentrated in three large groups: Disney, Warner Media, and Clarín. The CR4 for the pay TV market rose from 83 in 2019 to 87 in 2021. Major international players like Disney, Amazon, and HBO increasingly cut into Netflix's market share, which fell from 93% in 2019 to 63% in 2021, benefiting its competitors.

The radio sector has become more concentrated, with the CR4 rising from 35 in 2000 to 83 in 2019, then dropping to 77 in 2021. The Clarín Group leads with nearly 40% market share through Radio Mitre and La 100, while the Indalo Group holds 16%.

Newspapers and magazines have historically shown lower concentration levels, though this gap has narrowed. The CR4 for the press was 63 in 2000, fell to 45 in 2014, but rose to 79 by 2021, its highest ever.

Figure 2- CR4 scores for traditional and online media services, 2019-2021 (based on revenue)¹



Source: self- production

As shown in Figure 2, there was no significant increase in concentration in the studied markets from 2019 to 2021. However, media concentration in Argentina remains high. The Clarín Group is a dominant player in each media industry, facing limited competition from one or two companies. No other conglomerates rival its power across these sectors.

Figure 2 also highlights two important points. First, the media sector is less concentrated than telecommunications industries. Second, concentration in traditional cultural industries (broadcast TV, press, magazines) and pay TV services is much lower than in online video services. This indicates that, contrary to early optimistic views, internet-based media services are less pluralistic and open than legacy media and cultural sectors.

Core internet applications

The concentration of various segments of the internet market creates a virtual monopoly. The network effects of the digital economy and the investments needed to compete globally are strong. Google's search engine captured over 99.5% of the sector during the study period, while Meta's social networks (Facebook and Instagram) led in users and browsing time. Although TikTok's growth among teens and young adults had not challenged Meta by 2021, this is likely to change. In Argentina, most mobile phones use Android (Mastrini et.al, 2024a)

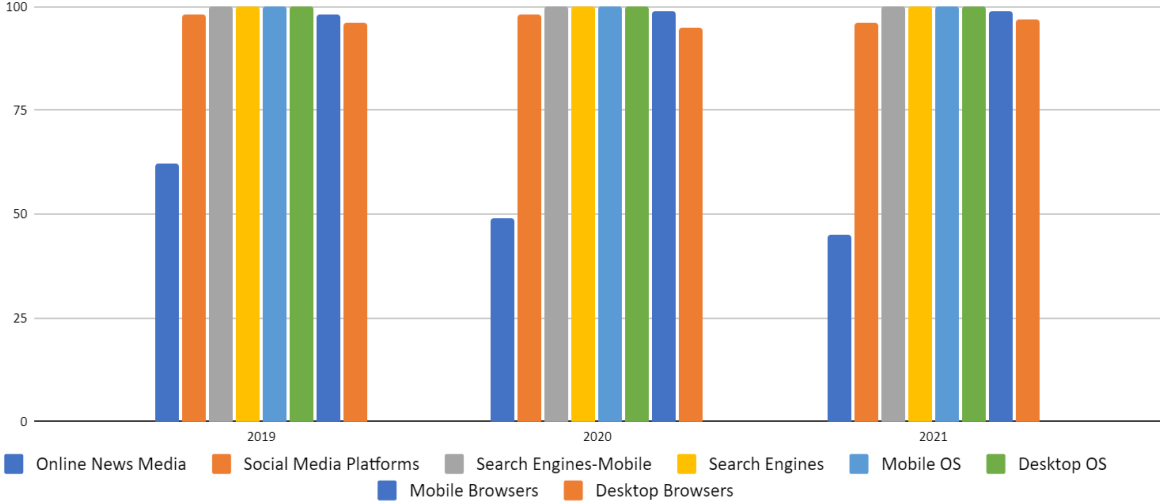
In other core internet sectors like operating systems and browsers, similar trends are evident. Android-based mobile phones held over 91% market share, with the rest using Apple's iOS. For desktop computers, most people use Microsoft's operating system and a Google browser. Apple's share in South America is lower than in North America due to the region's lower economic wealth.

The desktop operating system segment is highly concentrated, with Microsoft Windows leading with nearly 90% market share, and Apple's OSX far behind with 5%. In mobile browsers, Chrome (Google) accounts for over 85% of the market, while Safari (Apple) holds under 6.5%.

¹ Broadcast radio, newspapers and magazines calculated based on audience. Newspapers calculated based on circulation of the 10 largest newspapers. Magazines calculated based on circulation of the 10 largest magazines. Broadcast and radio calculated in Buenos Aires main stations.

For desktop browsers, Chrome's market share ranged from 81.2% (2019) to 83.3% (2021), with Safari and Firefox (Mozilla) vying for second place. Firefox ranged from 6.1% (2019) to 5.1% (2021), and Safari from 5.7% (2019) to 2.3% (2021).

Figure 3- CR4 scores for core internet sectors, 2019-2021²



Source: self- production based on Statcounter

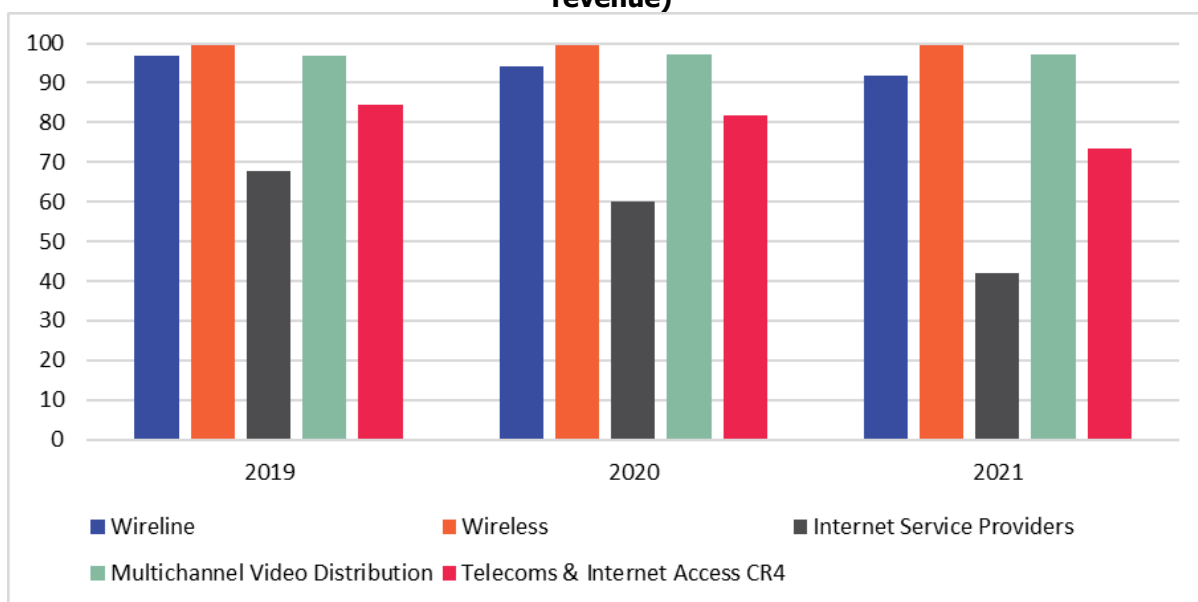
Brazil

Telecoms and internet infrastructure

The Brazilian telecommunications market is highly concentrated according to the CR4. Based on this measure, three of the four sectors examined in this report have a CR4 score over 95%. Internet connection providers show a lower number, although it, too, is a highly concentrated market (Mastrini et.alñ. 2024b). The CR4 results for the four sectors that we examine, and on a pooled basis for telecoms and internet access sectors as a whole, are depicted in Figure 2, below.

² For Monthly Unique Visitors (MAU) the eMarketeer source was used. Mobile OS calculated based on Android and iOS. Desktop OS Calculated based on Windows, OSX and Linux Mobile Browsers calculated based on Chrome, Safari and Samsung.

Figure 4- CR4 scores for the telecom & internet access sectors, 2019-2021 (based on revenue)



Source: self- production

The telecommunications and internet market in Brazil are mainly dominated by Telefónica (Spain) and América Móvil (Mexico), through their brands Vivo and Claro. Telefónica leads in mobile telephone and internet services, while América Móvil predominates in fixed telephony and multichannel TV distribution.

Telefónica's dominance in economically significant markets grants it a privileged position, enabling quadruple play services. In 2021, Telefónica held 40.1% of the mobile market, 25.6% of fixed telephony, 16.2% of internet connections, and 9.5% of multichannel distribution. América Móvil, its main competitor, accounted for 26% of mobile telephony, 33.9% of fixed telephony, 22.5% of internet connections, and 34% of multichannel TV services. Italian Telecom (TIM) has a presence in mobile (23.2%) and fixed telephony (4%), with a marginal internet share (1.6%), not threatening the dominance of Telefónica and América Móvil. Oi, the fourth player, also does not challenge their positions.

The internet access market is more competitive, with small operators collectively exceeding 40% market share. Notable Brazilian companies include Alloha Fibra and Brisanet. There are over ten thousand ISPs in Brazil, with 97% having fewer than ten thousand clients and only 13% having more than two hundred thousand.

Fixed and mobile telephony, as well as multichannel TV, are highly concentrated, dominated by Telefónica, América Móvil, and Italian Telecom. Despite high concentration levels, data shows a slight decrease in the CR4 index and HHI for these sectors during the examined years.

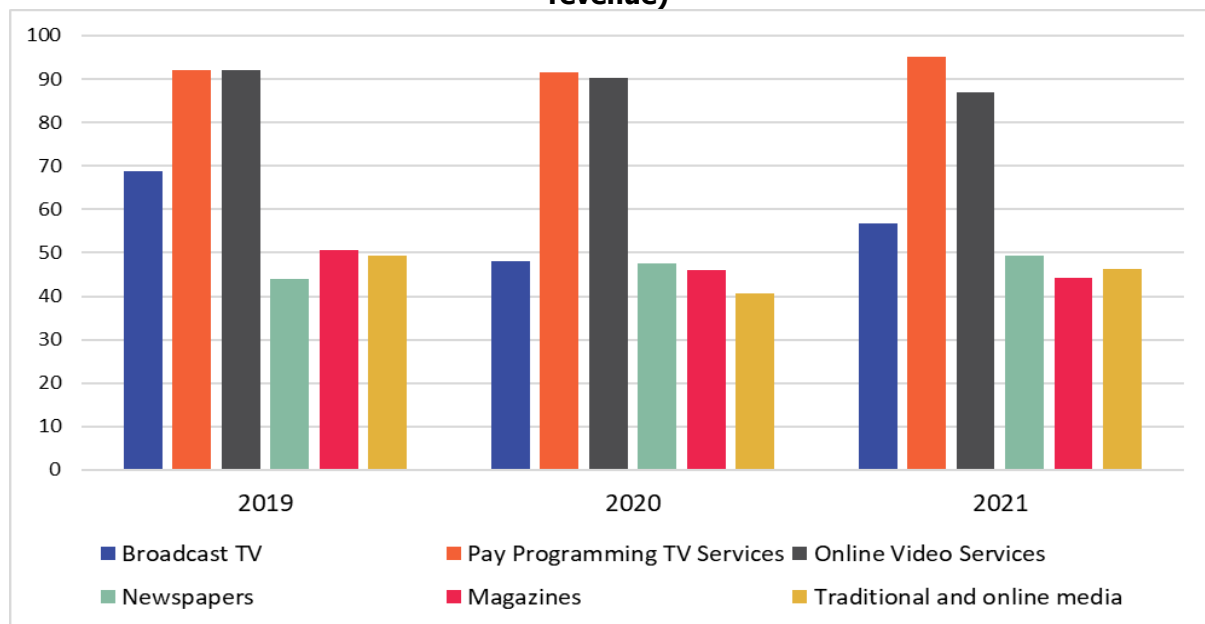
Traditional and online media services

High levels of concentration in the cultural sector in Brazil is an enduring historical fact. Radio and television, for example, have been very centralized, both economically and geographically, since the beginning of broadcasting in the country, circa 1923 for radio. In fact, pay television and online streaming video and music services have actually registered higher levels of concentration than their predecessors (Mastrini et.al, 2024b)..

For example, whereas the CR4 for broadcast television were 56.6 in 2021, for online video services, they were 87. Meanwhile, the press has maintained a more diversified scenario, with a CR4 of 35.4 in 2021. That said, and as an overarching observation, it is evident that the

media sector is much less concentrated than the telecoms and internet access services sector based on CR metrics.

Figure 5- CR4 scores for traditional and online media services, 2019-2021 (based on revenue)³



Source: self- production

The Brazilian media landscape has three unique features: many radio and TV licenses are held by politicians, there is significant ownership by evangelical church groups, and media ownership is dominated by a few families over generations (Intervezes, 2017).

In the audiovisual sector, broadcast TV concentration isn't particularly high by CR4 standards but cross-media ownership is significant. The Globo Organization exemplifies this with 5 owned stations and 115 affiliates, controlling 33.8% of revenue and 32.1% of the audience in 2020. Globo also has a strong presence in pay TV, holding over half the market revenue (50.52%). The top pay TV ownership groups are Globo, Warner, and Disney.

The online video market is led by Netflix, with 84.5% market share in 2019 and 80% in 2020, followed by Globoplay with 6.4% in 2019 and 7% in 2020, and Amazon with 1.5% and 4.75% respectively. Disney+'s entry in 2020 has altered the market structure, making the top streaming services Netflix, Globo, Amazon, and Claro.

Radio market concentration trends are unclear due to a lack of recent data. Newspapers and magazines show lower concentration than audiovisual sectors. In the written press, five groups have relatively equal shares. The magazine market is more concentrated, dominated by Grupo Abril (Civita family), with "Veja" magazine accounting for 21.7% of sales and 48% of the magazine sector based on 2021 circulation.

Concentration in the written press has increased by 20%, while magazine concentration has slightly decreased during the studied period.

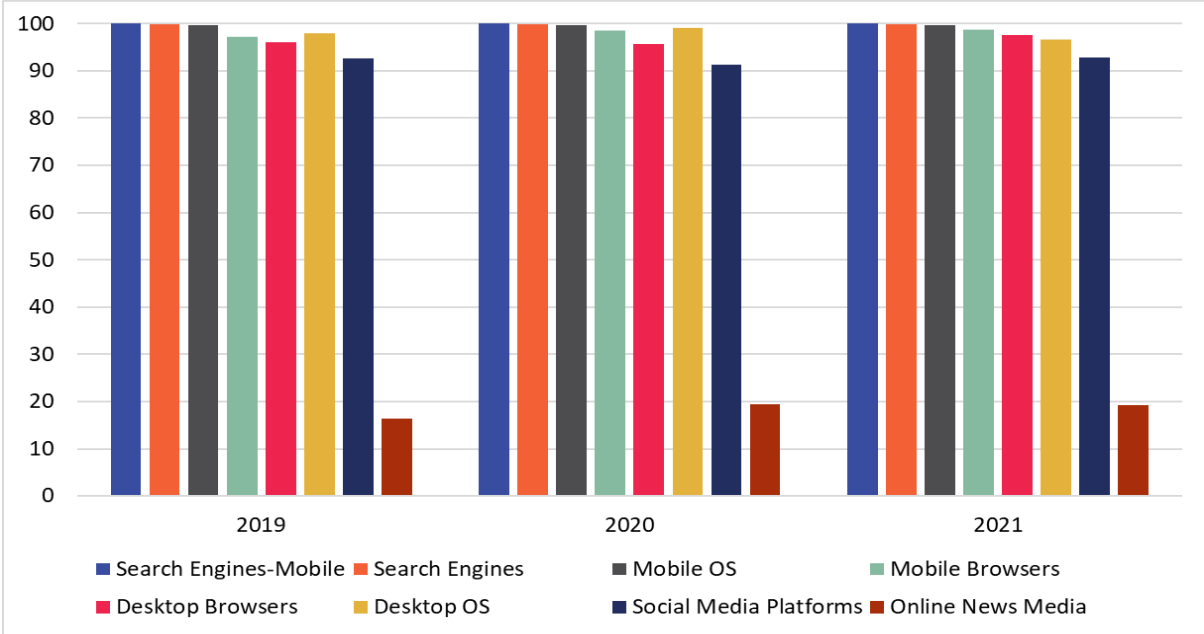
Core internet applications

With the exception of online news, the rest of the markets linked to the Internet present the highest levels of concentration of all the sectors studied in this report. In fact, most tools used

³ CR4 TV 2021 is calculated based on audience. Magazines calculated based on circulation.

to access the Internet support a maximum of three players, in a quasi-monopoly situation (Mastrini et. al, 2024b). In figure 12, below, the contrast between the last gray column that represents Online News Media, and the rest of the Internet sectors that maintain a very high CR4 is clearly seen.

Figure 6- CR4 scores for core internet sectors, 2019-2021⁴



Source: self- production based on Statcounter.

It is important to note that for the Internet sector, CR4 indices were based on market percentages rather than income, as income data is not available in Latin America. Therefore, the Core Internet sector is excluded from overall comparisons. In online news, there is significant dispersion. Globo’s portal has the highest unique visitors but only 6.8% market share. Other major sites include Folha (2.1%) and Editorial Abril (1.9%), with UOL and Terra also prominent.

The rest of the internet markets are highly concentrated and dominated by global companies. Facebook leads social media with 51.4% of users, down from 84% in 2016. Instagram adds 10%, but this does not offset Facebook’s decline. Notably, social media is the only sector showing decreased concentration from 2019 to 2021.

Contrary to the early promise of a decentralized and diverse internet, the reality is high concentration. Most markets are virtual monopolies, duopolies, or tight oligopolies. Alphabet (Google) dominates across many areas: Search Engines Mobile (99.6%), Search Engines (96.9%), Mobile OS (Android 86.3%), Mobile Browsers (Chrome 80.9%), and Desktop Browsers (Chrome 80.3%). Where there is competition, it is usually a duopoly with Apple or another rival. For example, Google competes with Apple in mobile OS (Android vs. iOS), app distribution (Google Play vs. App Store), and search engines (Google vs. Safari).

Microsoft leads the Desktop OS market with 89.7% share through Windows. Most internet markets are highly concentrated due to economies of scale, high investments, and network effects. The only sector with low concentration is online news, which stands out as an exception.

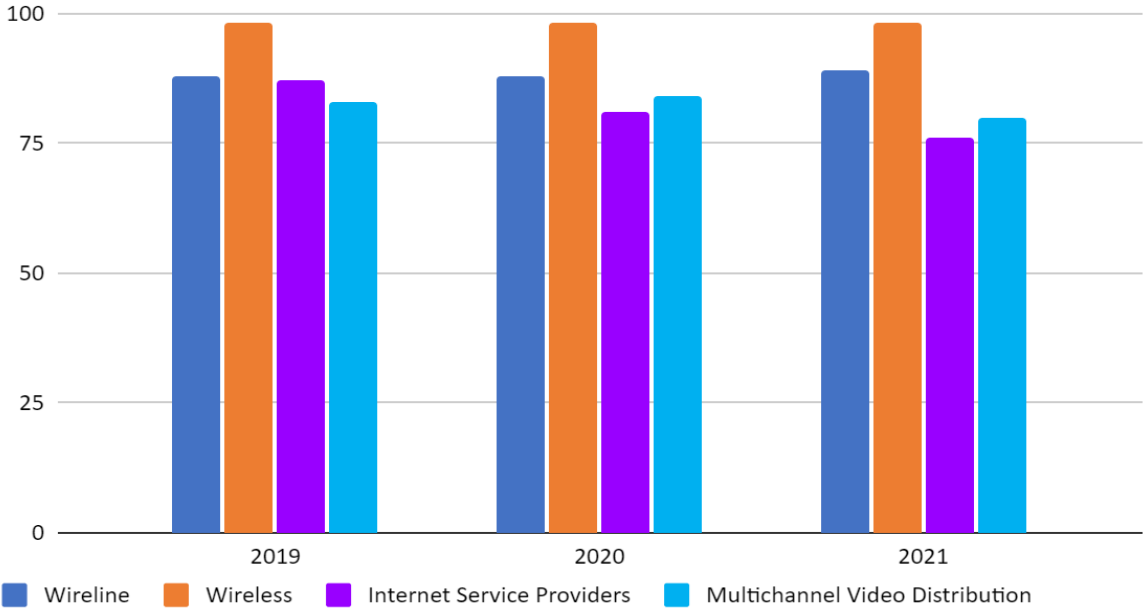
⁴ For Monthly Unique Visitors (MAU) the eMarketeer source was used. Mobile OS calculated based on Android and iOS. Desktop OS Calculated based on Windows, OSX and Linux Mobile Browsers calculated based on Chrome, Safari and Samsung.

Chile

Telecoms and internet infrastructure

The telecommunications sector in Chile is highly concentrated and, in general, these are markets with few companies (Mastrini et.al., forthcoming 2024)

Figure 7- CR4 Scores for the Telecom & Internet Access Sectors, 2019-2021 Based on market share



Source: self- production

According to the CR4 index, in 2021 the four largest companies dominated 98% of the mobile communications market, 89% of fixed telephony, 80% of pay television distribution, and 76% of home internet access. While the first two markets show consistent CR4 records, the latter two exhibit a slight decrease in CR4.

As in most Latin American countries, Telefónica (Spain) and Claro (América Móvil, Mexico) are dominant, though companies like ENTEL, VTR, Direct TV, and WOW also hold significant shares in some markets. In mobile communications, ENTEL leads with 32.2% of clients, followed by Movistar with 24.9%, Claro with 21.3%, and WOM with 20%. Virtual mobile operators together reached 1.7% of the market in 2021.

For fixed telephony, Telefónica is the top operator with 35.4%, followed by VTR (22.2%), ENTEL (18.2%), GTD (12.9%), and Claro (9%). In fixed internet access, Telefónica’s Movistar leads with 29.5%, VTR follows with 28.4%, Claro has 10.5%, GTD 7.8%, and ENTEL 6.5%. DirecTV will launch its service in 2023.

In pay television, VTR leads with 30.7%, followed by DirecTV (21.2%), Telefónica (17.9%), Claro (10.6%), and ENTEL (4%). CR4 indices were based on customer market percentages, as billing data by company is not provided by either the companies or the Chilean state.

Although concentration levels in Chile’s telecommunications and internet access sectors are high, there was a slight decrease in both CR4 and HHI during the analyzed years. Particularly, the HHI for internet access dropped from high to moderate, while other markets remained stable with minor declines.

In Chile, no single group dominates all markets. ENTEL, with 32.2% of the mobile communications market, is the largest group but is third in fixed telephony (18.2%) and has

smaller shares in fixed internet access (6.5%) and pay television (4%). Telefónica holds first place in fixed telephony (35.4%) and internet access (29.5%), second in mobile communications (24.9%), and third in pay television (17.9%).

Claro, from América Móvil, does not lead any market, ranking third in mobile communications (21.3%) and internet access (10.5%), fourth in pay television (10.6%), and fifth in fixed telephony (9%). VTR leads the Multichannel Video Distribution market with 30.7%, and also holds shares in fixed telephony (22.2%) and internet access (28.4%). Most large Chilean telecommunications groups are foreign-owned. While ownership is more dispersed than in Argentina and Brazil, concentration in Chile remains high.

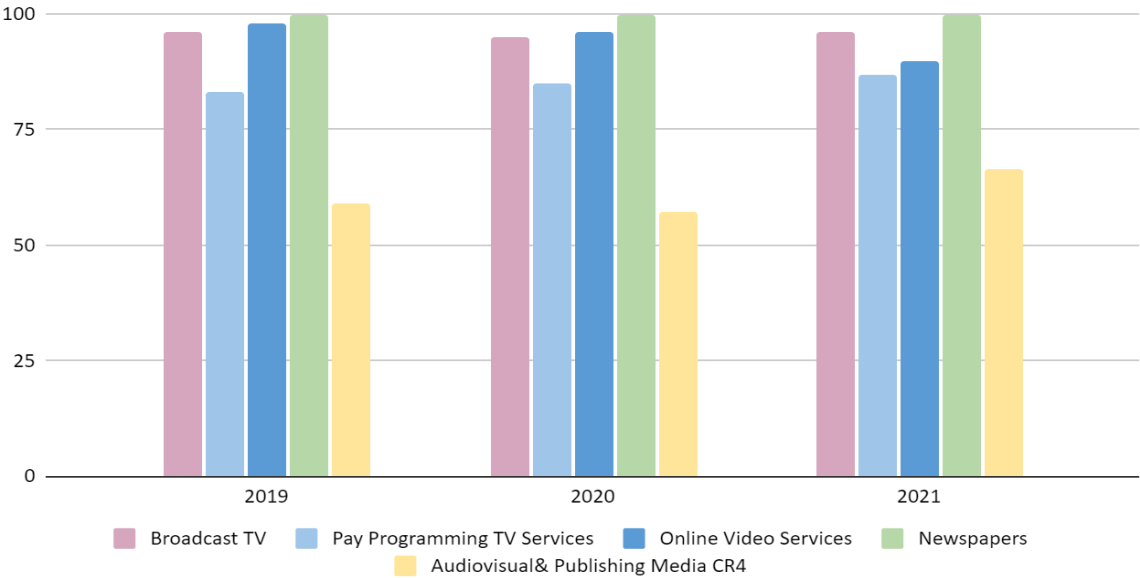
Traditional and online media services

The concentration of Digital and traditional audiovisual & publishing media (Content Media) exhibits important levels in Chile, being higher in broadcast TV, online video services and pay programming TV services than in radio (where data was only obtained to build the CR4 in 2019) (Mastrini et.al, 2024 forthcoming).

Unfortunately, despite the fact that the printed press is a duopoly in Chile (El Mercurio and COPESA), there is no income data for the two groups in the sector to discriminate their relative market share, although the CR4 is 100.

It is important to clarify that the Audiovisual Media & Publishing Media CR4 data is calculated using only the Broadcast TV, Pay Programming TV Services and Online Video Services markets since they are the only ones from which revenue data was obtained. The CR4 of Radio and Newspapers is calculated based on audience/copies and was not weighted in the calculation of the sector average.

Figure 8- CR4 Scores for Audiovisual Media and Publishing, 2019-2021



Source: self- production

The concentration of the sector in Chile shows similarities with those of Brazil or Argentina (mainly in Online Video Services, but also in Pay Programming TV Services).

Figure 8 illustrates this landscape, showing the respective participation of the main international players in the online video services market between 2019 and 2021. It also shows the unique dynamism of this sector as the constant incursion of Large US-based streaming

services such as Disney, Amazon and HBO increasingly chipped away at Netflix's previous monopoly in the online video services market. Thus, while Netflix practically monopolized the market in 2019, when it represented more than 91% of revenue, in 2021 its market share had fallen by 40 percent. Netflix's losses benefited Disney, Amazon and HBO. Thus, as of 2021, Netflix continued to dominate online video services since it represented 52.8% of revenue, but at that time Disney had grown to represent 21% of the market (the sum of Disney+ with 16, 7% and Star+ for the remaining 4.3%), HBO+ (Warner Media) accounted for 12.6% and Amazon Prime (Amazon) absorbed 7.8% of revenue in the fast-growing online media sector.

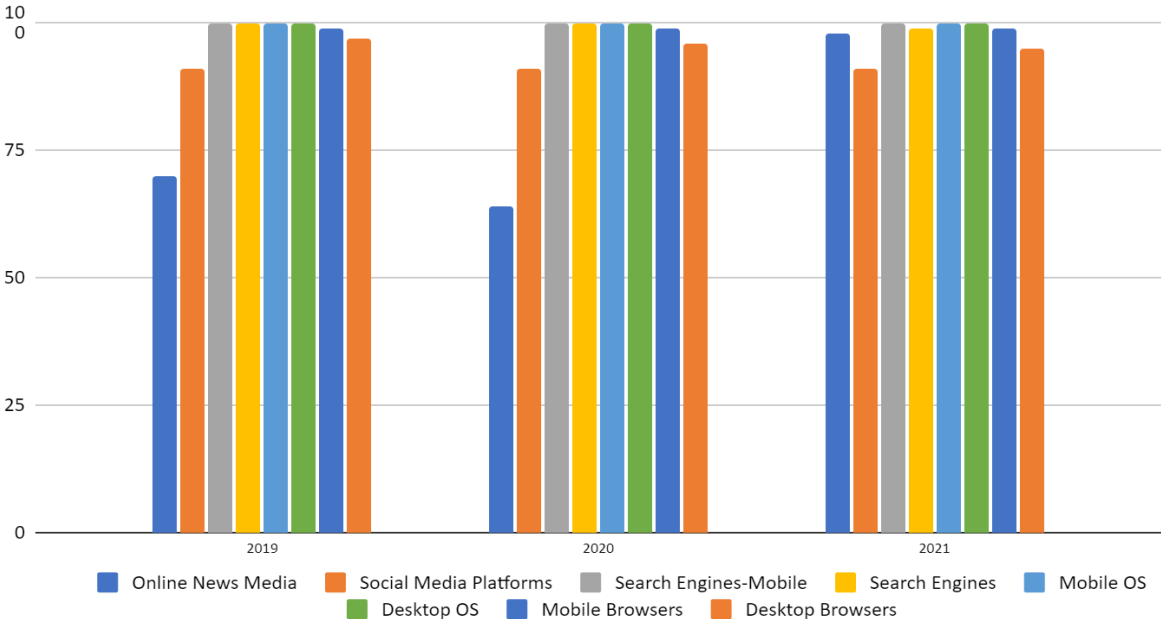
Core internet applications

The concentration of several segments of the Internet market generates a virtual monopoly. The Google search engine is a monopoly in this segment in the three years of the study, while Meta's socio-digital networks (Facebook and Instagram) led their market niche in number of users and time spent browsing (Mastrini et.al, 2024 forthcoming).

Chile is part of a region where the mobile phone fleet is predominantly devices that use Android, whose market share these years has been greater than 83%, while the rest use the iOS operating system. The same happens with generic desktop computers, which the vast majority use Microsoft systems and a Google browser. Apple's share in South American countries is much lower than in North America.

The Desktop OS segment is also highly concentrated, with Windows, from Microsoft, leading with a market share of more than 80% in 2021 (while in 2019 it was 66%) and OSX, from Apple, far behind, with a 11.7% in 2021 (in 2019 it was 26.3%). Something similar happens with Mobile and Desktop Browsers: in the desktop sector, Chrome (Google) was located around 76% of the market (averaging the three years of the study), being the predominant player, while Safari (Apple) followed it, far behind, since it did not even reach 3% in 2021, even behind Firefox (3.1%) and, in turn, both surpassed by Microsoft's Edge, which was gaining market share and surpassed 8 %. In Mobile Browsers, Chrome had a market share close to 80%, followed by Safari (almost 18% in 2021).

Figure 9- CR4 Scores for Core Internet Sector, 2019-2021



Source: self- production

With the sole exception of online news media, where the participation of different actors with important shares of a competitive market can be seen, the rest of the sectors surveyed in this section exhibit very high levels of concentration based on their participation in the monthly audience usage.

Discussion

In the three countries studied, the mobile telephony sector is the most concentrated within the telecommunications industries. In all countries, this market becomes an oligopoly with three or four major players. Until 2021, no declines in these indices were recorded. The presence of small and medium-sized enterprises in Chile and Argentina results in lower concentration indices in the pay television and fixed telephony segments, something not observed in Brazil where these sectors exceed 90% in the CR4 index. On the contrary, the home internet provision sector in Brazil is the least concentrated of all sectors in all the countries studied.

Moreover, it is notable that in the telecommunications sector there are two companies with significant presence in more than one segment in all countries: América Móvil (of Mexican capital) and Telefónica (of Spanish capital). Their commercial brands, Claro and Movistar, offer all services within this segment (fixed telephony, mobile telephony, home internet, and pay television). Chile stands out as the most competitive market in this regard since there are no actors dominant in more than one activity, unlike in Argentina with Telecom and in Brazil with Telefónica.

In the segment of traditional and digital media, the results of this study demonstrate that business volume and revenue impact concentration levels. Audiovisual segments are, in all countries, more concentrated than print media (except in Chile) and radio. Within the audiovisual segment, broadcast television shows medium concentration levels in Brazil, which stands as an exception compared to the figures for Argentina and Chile. Similarly, pay television channels are much more concentrated in Brazil than in Argentina and Chile. A consistent figure across the three countries is the concentration in video streaming services. With CR4 scores above 90%, and despite a decrease in the studied triennium due to the emergence of new competitors, Netflix stands out as the most relevant player in all three markets.

While concentration processes in the digital era in Brazil and Chile continue to respect boundaries between industries, with conglomerates focused on media or telecommunications, in Argentina there is a business group that dominates both the telecommunications and media segments: Telecom-Clarín.

As in telecommunications, the audiovisual market features actors with significant participation in all three countries. In the television sector, Disney, Paramount, and Turner/Warner are U.S. companies with a strong presence (even owning broadcast channels in Argentina and Chile). This trend is even more pronounced in the market for audiovisual platforms with companies like the aforementioned Netflix and the growing participation of Disney and Amazon, which is expected to intensify in the years following the completion of this study. Notably, in this latter market, unlike the television market, local companies do not have a significant presence. Consequently, the circulating content in the audiovisual market in the three countries has a very high share of production and distribution by foreign capital (100% of which is American).

Of the three macro-sectors studied, the one presenting the highest concentration indices is the sector of activities and businesses associated with the Internet. Except for the segment related to online news (with a structure, functioning, and business model more akin to the media macro-sector), the rest of the branches show very high concentration levels, with the four main players surpassing 90% of market power. In most of these businesses, there is a single dominant actor (search engines for mobile and desktop, browsers), while in some, such

as operating systems for mobile and desktop devices, the market has constructed duopolies. This also occurs in the realm of social networks, where, despite the existence of various platforms, they belong to two major global tech corporations.

These three countries demonstrate the power that Alphabet (Google) and Meta wield across all digital services and products. Apple and Microsoft appear in less competitive positions in most categories. Unlike in any other macro-sector, the prominent presence of two companies like Alphabet and Meta in Internet services spans all branches, with no national or regional actors capable of competing. This means that the structures that organize and shape digital functioning not only belong to the same companies in all three countries (a situation somewhat analogous to telecommunications) but also to the same brands.

Final remarks

During the period studied it was possible to observe that the network media economy is highly concentrated in the three South Cone countries. The revenues of the overall sectors remained stable, but telecommunications companies continue to collect most of the network media economy, although they do not constitute the most dynamic part of it.

Three well-differentiated types of actors can be distinguished that dominate each of the segments into which this study has been divided: mostly national players in media, international players in telecommunications and global giants in the internet application sectors.

It worth noting that services provided by global capital (core internet services and online video services) have shown considerable growth in revenues and/or subscribers/visitor, while the services in which national capital is involved (mostly traditional and online media sectors, but also multichannel video distribution and internet service providers) have remained stable or even suffered a decrease in their revenue and stakes across the media economy.

The sector of online media and traditional media services faces important challenges with the arrival of large global entertainment operators and social networks. The main threats so far come from a loss in audience and advertising market share.

The emergence of new sectors of activity (core internet) and the shift from analog to digital consumption in the population's entertainment and information diet, whose massification accompanies social, economic and technological changes, alter the entire network media economy. These players threaten the traditional media and telecommunications sectors with the loss of advertising revenues and audiences. However, these threats have not modified the high levels of concentration in the region so far.

The Internet Core applications sectors operate in an almost monopolistic position. The telecommunications and Internet infrastructure show very high concentration levels in Wireless, Wireline and a little less, but still very high, in Multichannel video distribution and ISPs. Despite being an heterogeneous sector, traditional and online media industries show significant concentration in audiovisual services and print media but low concentration in online press.

This process of economic concentration on the network media economy in which three tier type of players were identified, not only have consequences on how ideas circulate in society, but also threaten to deepen inequality between countries. This is particularly important when analyzing digital transformations and concentration in peripheral countries.

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