



Reuters Institute Fellowship Paper

University of Oxford

**MEDIA CAPTURE AND ADVERTISING IN
TURKEY: THE IMPACT OF THE STATE ON
NEWS**

by Dr Servet Yanatma

July 2016

Michaelmas and Hilary Terms, 2015/16

Sponsor: Thomson Reuters Foundation

TABLE OF CONTENTS

LIST OF CHARTS AND TABLES	2
LIST OF APPENDICES	3
ACKNOWLEDGMENTS	4
INTRODUCTION	5
- The Research Question and Methodology.....	7
- Literature Review: Advertising and Control of the Media	8
- Political and Economic Context in Turkey.....	9
- Role of Newspapers in Disseminating News	10
CHAPTER I. ADVERTISING SECTOR IN TURKEY	12
1.1. Share of Media Channels	13
1.2. Importance of Advertising for Newspapers	14
CHAPTER II. ADVERTISING REVENUES OF NEWSPAPERS AND ITS DISTRIBUTION	17
2.1. Official Ads and Announcements	18
2.1.1. Structure of Press Bulletin Authority and its Distribution	18
2.2. Private Advertising and its Distribution	24
CHAPTER III. MEASURING THE IMPACT OF GOVERNMENT IN THE DISTRIBUTION OF PRIVATE ADVERTISING	29
3.1. Structure of Public Firms	29
3.2. Distribution of Public Firms: Carrot and Stick	32
3.3. Impact of Government on Private Companies	36
CHAPTER IV. HOW THE SYSTEM WORKS: ACTORS DESCRIBE THE PRESSURE	40
CONCLUSION	45
BIBLIOGRAPHY	48
APPENDICES	54

LIST OF CHARTS AND TABLES

Chart 1: Official Ads of *Zaman* distributed by the Press Bulletin Authority

Chart 2: Total Advertising Space, 2003-2015.

Chart 3: Share of 6 Major Public Firms in Total Ads Expenditures in 2014

Chart 4: Space Distributions of Main Public Firms for ‘Critical’ Newspapers

Chart 5: Circulations of Newspapers and Total Space Distribution of Main Public Firms, 2011-2015

Chart 6: *Zaman*’s Total Advertising Space

Chart 7: *Zaman*’s Number of Advertisers

Chart 8: Total Space of *Cumhuriyet*

Chart 9: Total Space of *Hürriyet*

Table 1: Circulation and Distribution of Official Ads for Some Newspapers in 2010 and 2015

Table 2: Distribution of Official Ads for all newspapers in 2015

Table 3: Readership and Total Space in 2013

Table 4: Space Distribution of Main Public Firms 2011-2015

LIST OF APPENDICES

Appendix 1: Revenues of Media Channels from Advertising and Their Share, 2002-2015

Appendix 2: The Official Ads and Announcements distributed by the Press Bulletin Authority (BİK), 2005-2015.

Appendix 3: Circulation of Newspapers, 2011-2016.

Appendix 4: Distribution of Ziraat Bankası and Turkcell, 2015.

Appendix 5: Distribution of Vakıfbank and Halkbank, 2003-2015.

ACKNOWLEDGMENTS

I am indebted to many people and institutions that have supported me in joining such a prestigious fellowship programme at University of Oxford and for making this research paper possible. Firstly, I am grateful to my sponsor, the Thomson Reuters Foundation that “stands for free, independent journalism, human rights, women’s empowerment, and the rule of law.”¹ This mission and their generous financial assistance enabled me to join and enjoy the programme. I am also thankful to Utku Çakırözer, former editor-in-chief of *Cumhuriyet* daily and my colleague Ezgi Akın who all deeply supported my application.

I owe my special thanks to my research paper supervisor Dr Chris Westcott for his guidance and support. He really contributed a lot with his insightful critiques and questions. Having confidence in me, he always motivated me with his positive approach. I cannot thank him enough for his time and excellent editing. I’d also like to thank Dr James Painter, Director of the Journalism Fellowship Programme at the Reuters Institute for the Study of Journalism (RISJ), who helped me in providing suggestions during my interviews in Turkey and in deciding upon my research subject. He is the leader who made this programme very useful and enjoyable for all fellows with his guidance and support. I wish to thank Dr David Levy, Director of RISJ, for his encouragement and help in obtaining data.

Furthermore, I would like to express my sincere gratitude to the Nielsen Company that kindly provided invaluable data for my research. Without their data and assistance, my research would not have been possible. I thank Aslı Güçlüten Cem, Senior Business Consultant of the company in Istanbul office, for her interest and help in sharing the data.

I also thank all the following prominent Turkish journalists interviewed for this research paper for their time and sharing their experiences that so enriched my study: Fatih Altaylı, Ergun Babahan, Enis Berberoğlu, Hasan Cemal, Ekrem Dumanlı, Kadri Gürsel, Mustafa Ünal, Yavuz Baydar and Yavuz Semerci. Moreover, Assoc Prof Bilge Yeşil has kindly shared the introduction chapter of her book before its publication.² Assoc Prof Ceren Sözeri kindly responded to my questions regarding her previous studies and helped in providing significant contacts. My colleagues Ömer and Anders assisted me in preparing the data. I thank all of them as well.

Needless to say, I am indebted to my family for everything I have. I would like to present my warmest thanks and gratitude to them for their unconditional support and love.

¹ Thomson Reuters Foundation, “Who we are and what we do,” <http://about.trust.org/who-we-are-and-what-we-do/>

²Bilge Yeşil, *Media in New Turkey: The Origins of an Authoritarian Neoliberal State*, (University of Illinois Press: 2016)

INTRODUCTION

“Circulation means advertising,
and advertising means money,
and money means independence”³
Joseph Pulitzer

The issue of press freedom in Turkey has been recently causing a stir among both scholars and practitioners. There have been several reports, analyses and studies published about tremendous violations of press freedom, rule of law, accountability and transparency principles in Turkey.⁴ The ruling Justice and Development Party (JDP) is increasingly applying pressure on the media to intimidate and muzzle journalists in order to impede public debate regarding government practices. Despite the fact that concerns about this situation have been loudly expressed and condemned in most part of the world, particularly in Europe and the United States, it continues to worsen day by day.⁵

In reshaping and controlling media outlets, advertising is one of the key tools that the Turkish government has used in the last decade. According to both historical accounts⁶ and theoretical models⁷ the growth of an advertising market is an important factor in the

³ Jane Chapman, *Comparative Media History: An Introduction: 1789 to the Present*, (Polity Press: 2005), p. 165.

⁴ Andrew Finkel, “Captured News Media: The Case of Turkey,” *The Center for International Media Assistance Report* (2015), Yavuz Baydar, “The Newsroom as an Open Air Prison: Corruption and Self-Censorship in Turkish Journalism,” *Joan Shorenstein Fellow Paper*, Harvard University, 2015; Aslı Tunç, “Media Ownership and Finances in Turkey: Increasing Concentration and Clientelism,” *Media Observatory Report*, (2015), Dilek Kurban and Ceren Sözeri, “Caught in the Wheels of Power: The Political, Legal and Economic Constraints on Independent Media and Freedom of the Press in Turkey,” *TESEV Report* (2012), Ceren Sözeri and Zeynep Güney, “The Political Economy of the Media in Turkey: A Sectoral Analysis,” *TESEV Report* (2011), *Report of Freedom of House* (2015) <https://freedomhouse.org/report/freedom-press/2015/turkey>, “Press freedom in Turkey is ‘under siege’, says CPJ,” *Guardian*, 8 March 2016. “Key findings of the 2015 report on Turkey,” [http://europa.eu/rapid/press-release MEMO-15-6039_en.htm](http://europa.eu/rapid/press-release_MEMO-15-6039_en.htm)

⁵ “Obama raises press freedom concerns against Erdoğan,” *Hürriyet Daily News*, 2 April 2016, <http://www.hurriyetdailynews.com/obama-raises-press-freedom-concerns-against-erdogan.aspx?pageID=238&nID=97226&NewsCatID=510>, “OSCE Representative calls on Turkey not to prosecute journalists for their reporting on issues of public interest,” <http://www.osce.org/fom/230646>

⁶ Gerald J. Baldasty, *The Commercialization of News in the Nineteenth Century*, (Madison: University of Wisconsin Press, 1992), pp. 128-34.

⁷ Tim Besley and Andrea Prat, “Handcuffs for the Grabbing hand?: Media Capture and

development of independent media⁸ as Joseph Pulitzer rightly points out: "Circulation means advertising, and advertising means money, and money means independence". Higher profits from advertising allow newspapers to break their affiliation with political parties and to declare themselves independent. Thus media outlets are less likely to be pro-government or supportive of the agenda of an interest group if advertising revenues per reader are high, since the newspapers are more concerned with keeping their current reader base.⁹

What would happen if a government has a strong impact on the distribution of advertising in the country? This research basically tries to investigate this question in the context of Turkey. It examines advertising as a tool of government to control the media, particularly print media in a country where politics and journalism have long been intertwined in an often combustible mixture. The research not only encompasses official announcements and state advertising but also private companies close to the ruling party, and others firms under the influence of government.

However, it should be noted that the current problems and difficulties that Turkish media have been exposed to did not start with the JDP government. As Bilge Yeşil points out, "[they] are not unusual developments that can simply be imputed to AKP [JDP] rule, and instead point to changes and continuities since the 1980s, especially with regards to media ownership structures, patron-client relations, policymaking and regulatory frameworks..."¹⁰ The historical background of the issue shows that while the JDP is not the first government to use advertising as a tool to control the media, it has systematically created its own strict regime stemming from its strong, long and centralized rule.

Furthermore, it is also a significant point that the media companies in Turkey are largely part of huge non-media enterprises, and are operated as "bargaining tools" with the government for contracts, subsidies and privatization deals.¹¹ Media ownership has become a significant tool for getting favours from governments such as privatization of public assets

Government Accountability," *American Economic Review*, (2006), 96 (3). pp. 720-736; and Maria Petrova, "Newspapers and Parties: How Advertising Revenues Created an Independent Press," (2011) *Am. Polit. Sci. Rev.* 105 (4), pp. 790-808.

⁸ Petrova, "Newspapers and Parties," p. 790.

⁹ *ibid*, p. 793.

¹⁰ Yeşil, *Media in New Turkey*, p. 3.

¹¹ Bilge Yeşil, "Trials and Tribulations of Turkish News Media," 9 June 2013, <http://www.jadaliyya.com/pages/index/12122/trials-and-tribulations-of-turkish-news-media>

and banking licenses.¹² Therefore, the problem does not only arise from the strong desire of ruling party to have a docile media in the country but also from the structure of Turkish media outlets.

The Research Question and Methodology

This research paper basically looks at the impact of government on the distribution of newspaper advertising in Turkey between 2003 and 2015, particularly in the last five years. It examines how the government plays a key role in the allocation of both state-run and private companies' advertising, as a tool to reshape the media sector and to manipulate the newspapers by creating dependence on the state.

As to the methodology, a mixed methods study was conducted in order to fully grasp the complexity of the issue, particularly the commercial confidentiality of advertisers and media companies.¹³ Quantitatively, there are two main sources of data that reveal the role of government in advertising distribution. The first is the official adverts and announcements that the state-run Press Bulletin Authority (*Basın İlan Kurumu- BİK*) distributes. It shows how much money each newspaper has received for official announcements. The second source is independently measured data showing how much advertising space (in square centimetres) each newspaper has carried in each year. The data enable us to follow both the sources of advertising for each newspaper; and how the companies, especially public firms, have distributed advertising to each newspaper on a space basis.

While the above-mentioned quantitative data enable us to depict whether the claim of government repression against opposition media and government's discrimination against newspapers is valid, interviews with the top editors in chiefs and media executives will also reveal their personal experiences with respect to the use of advertising by the government as a stick and carrot. Whilst these accounts are mostly from the critical or formerly critical newspapers, there are also two forceful confessions from pro-government media in their columns that shows how it operates in practice.

¹² Finkel, "Captured News Media," p. 3 and 14.

¹³ Commercial confidentiality refers to the fact that the balance sheets of media companies and advertisers are not public if they are not listed on the stock exchange. Therefore, it is not possible to see the revenues of most newspapers coming from advertising.

Literature Review: Advertising and Control the Media

Transferring money to supportive media outlets through advertising and withholding it from critical ones has been one of the many ways governments use to try to control the news media in different parts of world, particularly in authoritarian regimes, including Latin American countries.¹⁴ In this vein, advertising has always been an effective tool to reward or punish the news media based on their editorial policies given that many of those advertising are government agencies or state economic enterprises under political supervision. Most media outlets including newspapers, television, digital and radio rely heavily on advertising revenue, so any threat to withdraw such funding can create pressures on the news media to comply with government demands. Democratically elected governments that place state advertising thus have the power of blackmail.¹⁵

In today's world, the use of direct censorship, assaults and physical threats have decreased in the countries where freedom of press is under suppression. However, other tools of control such as "large government advertising contracts, official state subsidies, and control of paper supplies, government-led advertising boycotts and the development of monopolistic television industries with close ties to state power" have replaced them.¹⁶ These means might vary in different countries. To illustrate this, accreditation discrimination has denied to some media outlets access to public events, press conferences and information for political reasons in Turkey. All these modern capabilities give governments strong economic and political leverage over media owners and journalists in order to influence or control their coverage.

¹⁴Rick Rockwell and Noreene Janus, "The politics of Coercion: Advertising, Media and State Power in Central America," *Journalism*, (2002) Vol. 3(3), p. 348; and Kris Kodrich, "The Role of State Advertising in Latin American Newspapers: Was the Demise of Nicaragua's Barricada Newspaper Political Sabotage?," *Bulletin of Latin American Research*, (2008), Vol. 27, No. 1, p. 61.

¹⁵ Kris Kodrich, *Tradition and Change in the Nicaraguan Press: Newspapers and Journalists in a New Democratic Era*, (University Press of America: 2002), p. 64.

¹⁶Rockwell and Janus, "The politics of Coercion," p. 348.

Political and Economic Context in Turkey

The political and economic system which governs the media is critical in explaining its current situation. Turkey is ostensibly a parliamentary democracy, but individual freedoms and universal rights have been mostly neglected under a strong state tradition in order to protect the state and political regime of the era. That is the reason why the country experienced three coup d'états and a post-modern coup. In 2002, the JDP came to power and initiated democratic reforms with the help of a European Union negotiation process which resulted in control of the army's role in politics and an enlargement of freedoms in many fields, particularly for the conservative part of society.

However, the direction of the JDP began to change with the increasing consolidation of its power, especially after constitutional changes in 2011. From then on, commentary stating that the ruling party has been becoming more authoritarian dramatically increased.¹⁷ 2013 was clearly a turning point for Turkey in this vein. Firstly, the JDP regime attempted to violently repress the anti-government Gezi Park protests.¹⁸ Then the ruling party harshly responded by tightening its grip over the judiciary and police in order to manage the circulation of damaging reports and evidence when a massive corruption investigation took place.¹⁹ Today, Turkey is moving towards a political regime where the rule of law and press freedom have been largely suspended.

Regarding the economic system and climate within which the Turkish media operates, it faces problems arising from "concentration, conglomeration and clientelism"²⁰ although its commercial nature is based on private ownership and free market competition.

¹⁷ Ergun Özbudun, "Turkey's Judiciary and the Drift Toward Competitive Authoritarianism," *The International Spectator*, (2015), 50, (2), pp. 42-55; Berk Esen and Sebnem Gumuscu, "Rising Competitive Authoritarianism in Turkey," *Third World Quarterly*, 2016; Mustafa Akyol, "Turkey's Authoritarian Drift," *New York Times*, 10 November 2015; Jason Brownlee, "Why Turkey's Authoritarian Descent Shakes up Democratic Theory," 23 March 2016; and Cihan Tugal, "In Turkey, the regime slides from soft to hard totalitarianism", *Open Democracy*, 17 February 2016.

¹⁸ "Police violence during Gezi Park protests unpunished, Amnesty report says," *Hürriyet Daily News*, 10 June 2014.

¹⁹ Yeşil, *Media in New Turkey*, p.1 ;and Lorena Di Carlo, "Human Rights in Turkey: Is Turkish Press Freedom in Danger?," 18 December 2015, <http://www.ipsnews.net/2015/12/human-rights-in-turkey-is-turkish-press-freedom-in-danger/>

²⁰ Yeşil, *Media in New Turkey*, p. 3

The dominant role of the state in political economic affairs and the contentious relationships between the media and the military are other significant challenges for Turkish media.²¹

Role of Newspapers in Disseminating News

Although the role of newspapers in agenda setting and creating public opinion in Turkey go beyond this research it needs to be discussed briefly in order to explain the impact of the state on news by controlling them via advertising. A significant challenge for the public agenda surveys and research in Turkey is that systematic and coherent data on public opinion is not available, since academics and researchers mostly use different research methods and examine different variables.²² Therefore, the following comments are not based on any research but mostly on interviews with leading media figures in Turkey and the observations of the author based on his professional experience and knowledge.

Television is the main source of news in Turkey as the Reuters Digital News Report shows. In 2015, 51 percent of respondents stated that television is their main source of news whereas only 9 percent of them replied that print media is their main source.²³ The prime-time channels for entertainment clearly get the highest total share rating when compared to news channels.²⁴ In Turkey, the prime-time channels only broadcast a c. 40 minute news bulletin every evening. Therefore, they do not have large newsrooms or lots of reporters. They are mostly not interested in investigative journalism or exclusive stories which have a great impact on politics. These kinds of news stories are usually produced by newspaper correspondents. Yavuz Semerci estimates that almost 70 percent of news in the Turkish media is produced by newspaper reporters.²⁵ Ergun Babahan underlines the fact that newspapers correspondents have the opportunity and time to be interested in news critical

²¹*ibid.* p. 3.

²² Erkan Yüksel, "The Agenda-setting Studies in Turkey," *Central European Journal of Communication*, 2(2010), p. 332.

²³ Reuters Institute Digital News Supplementary Report 2015. <http://www.digitalnewsreport.org/>

²⁴ The shares and ratings of Turkish television stations are available at <http://www.medyatava.com>

²⁵ Skype Interview with Yavuz Semerci in March 2016. Semerci is a leading Turkish journalist reporting on newspaper cost and advertising issues.

to the government, whereas the staff of television stations - including news channels - is primarily focused on video and live broadcasting in order to save the day.²⁶

In addition, the main analysts and experts who comment on television are usually leading newspaper editors and columnists. They also have a significant role on public opinion dominating television debates as well. The numbers of correspondents that newspapers and televisions have in Ankara also provides a valuable insight. The newspapers have clearly more reporters than televisions in the Turkish capital. This shows that newspapers are interested in the details of what happens in the country and they are more inclined to produce deep and substantial content for their readers.

Another role of newspapers is that they produce content for social and online media. The Reuters Digital News Report demonstrates that social and online media are the main news source for 32 percent of respondents in urban Turkey. Alexa reveals that websites of newspapers such as *Hürriyet*, *Milliyet*, and *Sabah* are the most visited ones.²⁷ While portals, like Mynet, InternetHaber and Haber7 are a significant part of the Turkish landscape, they mostly aggregate stories from newspapers.²⁸

All in all, newspapers have a wide role in disseminating news in Turkey. Although the domestic news agencies seem numerically to be the main source for Turkish media,²⁹ they do not have a great impact on setting agendas. The leading newspapers mostly produce and publish their exclusive news thanks to their senior correspondents. Their stories also constitute the main source in the Turkish media landscape even though hundreds of reporters have recently been fired.

²⁶ Interview with Ergun Babahan, Istanbul: 26 August 2015. Babahan was the former editor in chief of the *Sabah* daily. He was also a columnist at a pro-government newspaper and at *Today's Zaman*.

²⁷ <http://www.alexa.com/topsites/countries/TR>

²⁸ Servet Yanatma, "Country Profile: Turkey," *Reuters Institute Digital News Report 2016*. pp. 72-73, <http://www.digitalnewsreport.org/>

²⁹ Domestic agencies distribute an average of 2300 news items and articles daily. See: Muzaffer Şahin, "Ajans Gazeteciliği ve Medya Sektöründe Haber Ajanslarının Etkinliği," *İletişim Kuram ve Araştırma Dergisi* No 37, Güz 2013, p. 196.

CHAPTER I

THE ADVERTISING SECTOR IN TURKEY

The advertising revenues of media outlets in Turkey were under US\$1 billion until the 2000s.³⁰ While it reached the US\$1 billion mark for the first time in 2000, it dramatically decreased the subsequent year by almost 50 per cent in U.S. dollar terms due to the severe economic crisis of 2001 mainly stemming from the collapsed banking system.³¹ Since 2002, the year that the ruling Justice and Development Party (JDP) came into government, the advertising revenues have mostly increased until today with the exception of 2009 due to the global economic crisis. In 2014, it reached US\$2.71bn (₺5.94bn)³² whereas it was US\$0.96bn (₺1.14bn) in 2002. This clearly shows that advertising revenues have almost tripled in U.S. dollar terms in the last decade.³³

Economic growth in Turkey has clearly played a significant role in the rise of advertising expenditures given that the growth in advertising is triggered by that of economy. Accordingly, the Turkish economy grew by an annual average of 4.92 per cent between 2002 and 2014. In their study of 70 countries between 1991 and 2001 Chang and Chan-Olmsted found that the GDP as a reflection of national economy is “the most obvious explanatory variable for advertising spending” although “the relationship is not proportionate and there is the potential that other variables also affect a country’s

³⁰ Advertising revenues refer to the total amount of money that all media sectors share. It does not include the costs of advertising production, sponsorships and the commission of advertising agencies.

³¹ Explaining and commenting on the Turkish advertising sector is challenging for two reasons. The first is the devaluation in 2001 and dramatic changes in exchange rates in these years. Therefore, in 2001, the advertising expenditures increased 4.6 per cent on a Turkish lira basis whereas it decreased 46.7 per cent on a U.S. dollar basis. In the following years, there are some examples like this although the imbalance is not so dramatic, like in 2001. Secondly, I have concerns regarding the data collection. The advertising expenditure figures are published by the Association of Advertisers (*Reklamcılar Derneği*) in Turkey. They in turn get the data from the advertising agencies which are members of the association. There might be small differences in the figures estimated by international research companies or by the advertising platform of Turkish holdings, such as Doğan Media Group. Therefore, I share the advertising expenditures both on a Turkish lira and U.S. dollar basis with their annual changes at the appendix.

³² ₺ refers to Turkish lira.

³³ See Appendix I.

advertising expenditures.³⁴ Similarly, Bakker and Picard explain the positive relationship between them as follows:

Generally speaking, economic growth goes hand in hand with rising advertising expenditures. Advertising expenditures are a measure for aggregate advertising demand, and microeconomic theory predicts that demand in an economy increases when income increases. Companies that want to have their share of the growing economic pie, for example, use advertising to attract new customers and growing demand for personnel boosts recruitment advertising.³⁵

1.1. Share of Media Channels

In terms of the distribution of advertising revenues among various channels, statistics clearly show that the lion's share of revenues in Turkey are generated from television. The share of television has always been more than 50 per cent in the last decade. It was 51.4 per cent in 2014, 57.3 in 2013 and 56 in 2012.³⁶ A senior expert from an advertising agency in Istanbul told the author that the advertisers mainly prioritize the data from field research in arriving to a decision on how to distribute advertising. He underlined that television has a significant role in shaping public opinion as the average time individuals spend watching television in Turkey is around 4 hours per day.³⁷ A survey by the Radio and Television Supreme Council of Turkey shows that the average time was 3.7 hours in 2012.³⁸ The SBT Company survey states that the average time for watching television in 2013 was 4.8 hours (288 minutes).³⁹ Also, the research of the Turkish Statistical Institute reveals that the most popular social activity in the country is watching television, with 94.6 per cent in 2014 and 2015.⁴⁰ Another survey showing the dominance of television in Turkey was carried out by

³⁴ Chang, B.-H., & Chan-Olmsted, S. M. (2005). "Relative constancy of advertising spending. A cross-national examination of advertising expenditures and their determinants," *Gazette*, 67(4), p. 339.

³⁵ Richard van der Wurff, Piet Bakker and Robert Picard, "Economic Growth and Advertising Expenditures in Different Media in Different Countries," *Journal of Media Economics*, 2008, vol. 21, issue 1, pp. 28-29.

³⁶ All the figures are available at Appendix I.

³⁷ Skype Interview with a senior expert from an advertising planning agency in Istanbul on January 21, 2016.

³⁸ <http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=18627>

³⁹ http://www.sbtanaliz.com/images/userfiles/file/Marketing_T%C3%BCrkiye_15.03.2014.pdf

⁴⁰ <http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=18627>

The Ministry of Family and Social Policies in 2012. The primary social activity of Turkish family do together is revealed to be watching television, at 59.4 per cent.⁴¹

The print media, particularly newspapers, came in 2nd place behind television in the distribution of advertising revenues until 2014, with its share slowly declining from 35 per cent to 20 per cent at that time. While the share for newspapers was 20.4 per cent in 2013, it fell to 17.1 in 2014 and 15.82 in the first half of 2015. 2014 was a turning point for newspapers' share of advertising, falling to third place after internet advertising for the first time. In 2014, internet advertising dramatically increased its share by more than 100 per cent from 9.74 to 19.9. It seems that internet's share will increase still further in the future as it was 20.62 per cent in the first half of 2015.⁴²

The value of newspaper advertising was US\$464.1m in 2014. Although it reached \$760m in 2007, it has been in decline in recent years mirroring its falling share. It was US\$736.2m in 2008, US\$482.2m in 2009, US\$570.6m both in 2010 and 2011, US\$564.3m in 2012 and US\$545.7m in 2013. Newspaper advertising share and value will likely decline further in the future because of both increasing mobile penetration and because of the fall in total circulation and people's growing distrust in news media.

1.2. Importance of Advertising for Newspapers

Advertising is the main and most crucial source of income for this media sector in Turkey as in many countries. Revenues from sales is less than newspapers paper and printing costs in Turkey even when other expenses such as personnel and building-related expenditures are excluded from the calculation.⁴³ One explanation for this phenomenon is the low purchasing power in the country and the competition policies of market leaders. Therefore, the efforts to increase circulation do not aim at boosting sales income but advertising revenues.⁴⁴

The cost of operating a newspaper in Turkey has been debated several times especially when competing groups or newspapers reduced their sale price. Although the

⁴¹[http://www.milliyet.com.tr/turk-ailesi-tv-bagimlisi/gundem/gundemdetay/26.04.2012/1532758/default.htm%20\(26](http://www.milliyet.com.tr/turk-ailesi-tv-bagimlisi/gundem/gundemdetay/26.04.2012/1532758/default.htm%20(26)

⁴² Appendix I.

⁴³ Skype Interview with Yavuz Semerci in March 2016.

⁴⁴Ceren and Güney, "The Political Economy of the Media in Turkey," p. 61.

balance sheets of newspapers are not publicly shared due to trade secrecy concerns, one can still estimate the cost of printing a paper since the sector provides the necessary information. Hence, sales revenue can be calculated from public disclosed circulation figures and the cover price.⁴⁵

In 2005, for example, the paper and printing cost of *Sabah* daily was ₺172,220 for a 395,450 circulation. Its daily loss was 61,494 TL (US\$45,891)⁴⁶ when its sale price was ₺0.35. Then the company discounted the sale price to ₺0.25 and its daily loss reached ₺95,108 (US\$70,976). It is important to underline that these figures only includes the cost of paper, printing and distribution but no other expenses, including the staff.⁴⁷

In 2008 when the Ciner Group was planning to establish a newspaper, Yavuz Semerci clearly explained the possible losses of the group. His calculation stated that operating a newspaper with a circulation of 300,000 required US\$106,000 daily for paper and printing expenses, whereas the daily revenue from sales would only be US\$60,000. He also estimated that the company would pay around US\$57m annually for personnel and other expenses. He finally concluded that the annual loss of company would be around US\$80m without any advertising revenue.⁴⁸

In addition, the balance sheets of the Hürriyet Journalism and Printing Company, which includes the *Hürriyet* daily, show that newspaper sales fail to cover paper and printing costs for this leading newspaper in Turkey.⁴⁹ To illustrate, the cost of paper and printing was ₺274.1m (US\$211.9m)⁵⁰ whereas the sales and printing incomes were ₺225.6m (US\$174.5m) in 2008. The balance sheet does not show the revenue coming from sales separately but it states it as “sales and printing incomes” because of the fact that the printing house of *Hürriyet* also

⁴⁵Using quantitative data Yavuz Semerci clearly explains the cost of operating a newspaper and how much it is dependent on advertising. See: Yavuz Semerci, “Ciner’in Gazetesi Ertelenabilir”, <http://www.haber7.com/medya/haber/352837-cinerin-gazetesi-ertelenebilir>

⁴⁶ The exchange rate was 1.34 at that time.

⁴⁷Ercan İnan, “BasındaNelerOluyor (2),” *Vatan*, 17 January 2005, <http://www.gazetevatan.com/basinda-neler-oluyor---2--44917-ekonomi/>

⁴⁸Yavuz Semerci, “Ciner’in Gazetesi Ertelenebilir, 23 October 2008, *Gazeteport*, <http://www.haber7.com/medya/haber/352837-cinerin-gazetesi-ertelenebilir> The Ciner Group established the *Habertürk* daily and began to publishing on March 1, 2009.

⁴⁹The balance sheets are public because it is an exchange-traded company. However, the balance sheet does not separately demonstrate the details of *Hürriyet* daily since the company also has some investments abroad, but it gives significant insights regarding the expenses and revenues of *Hürriyet* daily.

⁵⁰ I prefer to give the figures in Turkish lira given that the balance sheet showed them in this way.

serves other newspapers. Therefore, the direct revenue from the sales should be less. In any case, the cost of paper and printing was more than the sales revenue. When it comes to the total costs of *Hürriyet*, including the paper and printing in this year, it was ₺595.8m (US\$460.8m).⁵¹ In this case, the annual loss of *Hürriyet* daily without advertising revenues was US\$286.3m. However, the profit of *Hürriyet* was ₺402.6m (US\$311.3m) in total when the advertising revenue was added.⁵²

The figures have not changed dramatically in the following years. In 2013, the total cost of *Hürriyet* was ₺514.4m (US\$286.5m) whereas its income from sales and printing was ₺242.2m (US\$127.3m). In 2014, the expenses decreased to ₺471.4m (US\$215.4m) while the income of sales and printing was ₺202.4m (US\$92.5m). These figures show that the budget deficit without advertising revenues was US\$159.2m in 2013 and US\$122.9m in 2014.⁵³ However, it should be stressed once more that the deficit of other newspapers should not be as high as *Hürriyet* when the number of staff and expenses for producing news are taken into consideration. The annual report of *Hürriyet* shows that 67 per cent of revenues were from advertising, 14 percent from printing, 13 per cent circulation and 6 per cent other income in 2011. As of 2012, 67 percent of *Hürriyet* consolidated revenues were advertising.⁵⁴

The figures for different newspapers in different years all point to the fact that there is no way for a newspaper to operate and survive without advertising revenue if it is not subsidized in some way. The newspapers are highly dependent on advertising income. When the market dominance of the *Hürriyet* daily's advertising revenues is taken into consideration, it seems that the remaining limited part is shared amongst other newspapers.

⁵¹ While the personnel expense was ₺ 177.3m (US\$140.4m), it should be emphasised that the *Hürriyet* daily should be the newspaper with the highest personnel costs by far. Other newspapers should not have such a big personnel costs. Also, the number of pages in *Hürriyet* is much higher than most of other newspapers.

⁵² Annual Report of *Hürriyet*, 2008. Kamuyu Aydınlatma Platformu (Public Disclosure Platform)

⁵³ Annual Report of *Hürriyet*, 2013 and 2014. Public Disclosure Platform.

⁵⁴ Annual Report of *Hürriyet*, 2012.

<http://www.hurriyetkurumsal.com/Default.aspx?pageid=ByZfiPso10c=&kutuid=+iTX10ihtM8=>

CHAPTER II

ADVERTISING REVENUES OF NEWSPAPERS AND ITS DISTRIBUTION

2.1. Official Ads and Announcements

In Turkey, newspaper advertising basically comes from two sources. The first one is private advertisers, constituting the biggest amount of advertising expenditure with around 85 percent in 2014. The other is official advertising and announcements distributed by the state-run Press Bulletin Authority (*Basın İlan Kurumu-BİK*).⁵⁵ The actual share of official advertising and announcements should be more than 15 percent, however the market dominance of the *Hürriyet* and *Sabah* dailies hampers more equitable distribution with their total of more than 50 percent advertising revenues in each year of the last decade.⁵⁶

To illustrate this, the share of advertising revenues for each newspaper in 2013 are unofficially available in news reports.⁵⁷ Official ads and announcements comprised 16 percent of total advertising revenues of newspapers in 2013. However, the ratio increases to 27 percent when the share of *Hürriyet* and *Sabah* are excluded from the calculation.⁵⁸ Therefore, the allocation of the state-run agency becomes significant for other newspapers particularly for the survival of small-scale national newspapers and pro-government newspapers. For example, *Star* received around ₺23.2m from private advertising while it got ₺7.2m from the BİK in 2013. Official ads and announcements are clearly important in this case.

⁵⁵ The total advertising revenue of newspapers in 2014 was ₺1037.5m (US\$545.7m). The total amount of newspaper advertising by the Press Bulletin Authority was ₺148.4m for the national newspapers. That equals 15 per cent of their total revenues. The distribution of the BİK for all newspapers for each year in the last decade is available at appendices. See: Appendix I. NB. BİK is also translated into English as Directorate General of Press Advertisement in some studies.

⁵⁶*Hürriyet Faaliyet Raporu* (Annual Report), 2014, p. 24. The report is available in the following link: http://imagehk.hurriyet.com.tr/UserFiles/file/Kurumsal_faaliyet/Hurriyet31122014FR.pdf

⁵⁷While not official figures, a story was published in a pro-government daily, *Star*. An expert from an advertising agency in Istanbul confirmed the data. In fact, *Hürriyet* publicly announces its share every year; and the figure in the report is compatible with the annual report of *Hürriyet*.

⁵⁸The total revenue of newspapers was ₺1037.5 m and whereas the share of *Hürriyet* was 34.2 per cent; and *Sabah* got 16.6 per cent. The BİK distributed ₺165.4m in 2013 in Istanbul. *Hürriyet* received ₺14.6m and *Sabah* got ₺12.1m. All these figures are available in the appendices.

2.1.1. Structure of the Press Bulletin Authority and its Distribution

The Press Bulletin Authority (BİK) was established as a state-run agency in 1961 in order to allocate official advertisements, but its function, legitimacy and lack of autonomy have always been controversial. The agency has the power to end the distribution of advertising to any newspaper as a sanction whenever it wants by claiming a violation of media ethics. While the law permits the agency to impose such restrictions, it also exhibits arbitrary practices due to the government-dependent structure of the agency. This sometimes results in self-censorship.⁵⁹

The structure of the BİK and its board members vividly demonstrates the extent of its openness to political influence. The Executive Board of BİK consists of seven members; four of which officially represent the government in the current board. The General Board consists of three groups; namely the government, independents and the press as the representatives of media outlets. Each group has twelve members and they select two people to the Executive Board. While the General Director is directly appointed by the government, two of the executives automatically come from the government group.

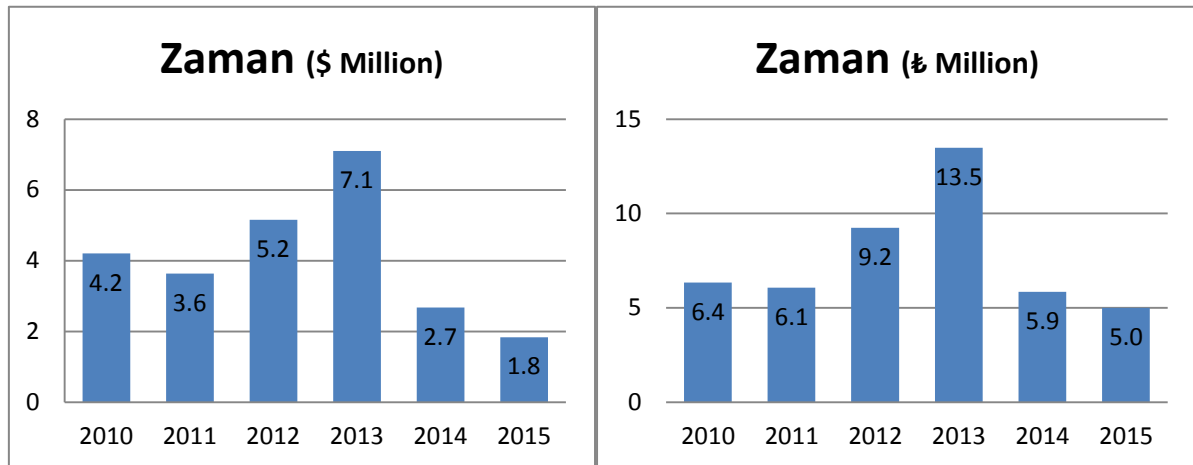
The Independents Group includes representatives from the official Anatolian News Agency, Turkish Public Broadcasting Television (TRT), the key trade union and six university deans. Yet the deans are assigned by the Council of Higher Education where 14 of 22 members are appointed by the President and government. Therefore it is not by accident that the General Director of the Anatolian News Agency has been selected as an “independent” member to the Executive Board in the latest election of BİK. Not surprisingly, Serhat Albayrak, who is the General Director of the Turkuvaz Media Group having several pro-government media outlets such as *Sabah* and *Takvim* dailies and ATV channels, is the member of the General Board as a representative of newspapers. He is the brother of Berat Albayrak, who is the son-in-law of President Tayyip Erdoğan and currently the Minister of Energy.

Recent practices apparently confirm how the ruling party has used the BİK as a “stick and carrot” in order to control and manipulate newspapers. The most remarkable example of this phenomenon is the dramatic ups and downs in the official advertisements of the

⁵⁹ Kurban and Sözeri, “Caught in the Wheels of Power,” p. 20.

Zaman daily coming from the BİK. It increased 52 percent in 2012 and 46 percent in 2013. While it was \$6m in 2011, it reached to \$13.5m in 2013.⁶⁰ *Zaman* daily mostly supported the policies of the JDP government from the early years of its rule although it sometimes criticized some practices in 2012 and 2013.

Chart 1 Official Ads of *Zaman* distributed by the Press Bulletin Authority⁶¹



(Source: The Press Bulletin Authority)

However, as shown in Chart 1, the advertisements of *Zaman* coming from the BİK radically declined in 2014 and 2015. It decreased 56 per cent in 2014 and 15 per cent in 2015 whereas the total advertisements distributed by the agency increased 25 per cent on a Turkish lira basis in 2015. The decline from \$13.5m to \$5.9m in 2014 can only be explained by reference to the political environment which arose from severe political tensions between the JDP and the *Hizmet* Movement led by Fethullah Gülen. Although the JDP and Hizmet Movement were former allies in breaking the intervention of the Turkish military in politics, the JDP has accused the movement of seeking to overthrow the Turkish government by a massive corruption investigation in December 2013. *Zaman* daily, which is widely seen as the newspaper of the movement, supported the investigation like other free media outlets.⁶²

⁶⁰ Appendix II that shows the distribution of official ads and announcements by the BİK.

⁶¹ Appendix II.

⁶² The focus of this research paper is not to discuss the dispute with Hizmet Movement and the JDP. For a general debate of the issue, see the following articles: Mustafa Akyol, "What you should know about Turkey's AKP-Gülen conflict," *Al Monitor*, <http://www.al-monitor.com/pulse/originals/2014/01/akp-gulen-conflict-guide.html#> "Growing Corruption Inquiry

The JDP claimed that the corruption investigations, which resulted in the arrest of several sons of cabinet members and JDP business people, were carried out by prosecutors who are close to the movement. The JDP leadership has defended Reza Zarrab, the main suspect in the investigation, who has been accused of paying bribes to senior government figures. Then the Istanbul prosecutor decided not to proceed against 53 corruption suspects including former ministers' sons, a controversial Turkish national Iranian-Azeri businessman Reza Zarrab and the former general manager of the state-run Halkbank.⁶³ However, he was arrested in Florida in March 2016 "on charges that he and others conspired to conduct hundreds of millions of dollars in financial transactions for the Iranian government or other entities to evade U.S. sanctions".⁶⁴

The recent policy change of the BİK in calculating *Zaman's* circulation demonstrate that the agency is under the dominance of government. The main criterion of BİK in its distribution of advertising is newspaper circulation. Newspapers having more than 50 thousand daily copies get the highest price for a single column unit. The average circulation of *Zaman* has always been more than 500,000 in the last decade; and it has been around 800,000 in the last five years.

While the circulation of *Zaman* has largely been coming from subscriptions throughout its 30 years history, including the rule of the JDP, the practice of BİK dramatically changed in 2015.⁶⁵ The BİK ignored the circulation paid for by subscriptions and listed it as having a daily sales figure of less than 50,000 copies. The BİK did not accept the

Hits Close to Turkish Leader," *New York Times*, 19 December 2013, http://www.nytimes.com/2013/12/20/world/europe/growing-corruption-inquiry-hits-close-to-turkish-leader.html?_r=0 "Turkish Leader, Using Conflicts, Cements Power," *New York Times*, 31 October 2014. "Turkey's Corruption Probe Turns Into Plot and Power for Erdogan," Bloomberg, <http://www.bloomberg.com/news/articles/2015-01-08/turkey-s-corruption-probe-turns-into-plot-and-power-for-erdogan> and "Erdogan and the Traitors: Scandal and Protests Threaten Turkey's AKP," *Spiegel*, <http://www.spiegel.de/international/europe/turkish-prime-minister-erdogan-facing-corruption-scandal-protests-a-959453.html>

⁶³ "Turkey's massive corruption case dropped by prosecutor," 17 October 2014, *Hürriyet Daily News*. <http://www.hurriyetdailynews.com/turkeys-massive-corruption-case-dropped-by-prosecutor.aspx?PageID=238&NID=73149&NewsCatID=338>

⁶⁴ "U.S. arrests Turkish businessman accused of evading Iran sanctions," Reuters, 21 March 2016, <http://www.reuters.com/article/us-usa-iran-zarrab-idUSKCN0WN295>

⁶⁵ According to Stuart Wilkinson, BPA's Europe, Middle East and Africa director, the subscription system presents no problem for auditing circulation as *Zaman's* IT infrastructure for subscriptions management uses very advanced technology. The aim of this research paper is not to discuss the credibility of subscription systems in Turkey. For further debates, see: *Today's Zaman*, September 16, 2015.

subscriptions of *Zaman* in the overall circulation. Yet, this interpretation was introduced just for *Zaman* but not for other newspapers. This happened after the daily's coverage of the corruption investigation was critical of the government. The committee of the agency placed *Zaman* in the same group as newspapers having below 50,000 circulation a day from January 2014 to March 2015.⁶⁶

However, the report of BPA, a founding member of the International Federation Audit Bureau of Circulation (IFABC), clearly countered the exercise of the state-run agency. The BPA released figures showing that *Zaman* reached a sales figure of 850,000 on average between January 2014 and March 2015.

In addition to *Zaman* daily, the official ads and announcements of *Bugün* daily decreased 32 percent in 2014. Owned by the Ipek Media Group the *Bugün* and *Millet* dailies were critical of the government after the corruption investigation. While the media group has been seen as close to the Hizmet Movement, a judge controversially appointed trustees to the Ipek Company newspapers and television operations just a few days before the election of November 1, 2015. All international media watchdogs, the OSCE and many European countries described it as a media crackdown and urged Turkish government to respect the freedom of press.⁶⁷

The official ads play a significant role in the survival and development of small-sized or local newspapers given that it is almost impossible to launch a daily and operate it without advertising. It is not easy for such newspapers to receive advertisements due to the high level of competition in the market. It would also take time to create its own news consumers, and a daily with very limited circulation would not be an attractive and reasonable platform to distribute company advertising. Under these circumstances, the BİK emerges as one of the most determinative factors in the survival of a newspaper.

To illustrate this, in 2014, the anti-government *Karşı* daily was able to survive only 65 days in this way. The main opposition Republican People's Party's (CHP) Istanbul deputy Umut Oran argued that the newspaper could not operate due to the policies of state-run

⁶⁶ "Watchdog overlooks Zaman's circulation, divests it of public ads," Cihan News Agency, September 17, 2015.

⁶⁷ Adam Withnall, "Video shows police and trustees taking over newsroom of Bugun paper," *Independent*, 29 October 2015; <http://www.independent.co.uk/news/world/europe/turkey-media-crackdown-video-shows-police-and-trustees-taking-over-newsroom-of-bugun-paper-a6713706.html> and "OSCE Representative condemns police raid against media outlets in Turkey, calls on authorities to restore and ensure media pluralism," 28 October 2015. <http://www.osce.org/fom/195016>

agencies. Deputy Prime Minister Bülent Arınç, in response to Oran's parliamentary question, admitted that the BİK gave only one official advertisement to *Karşı*, and it paid just ₺4,500 (US\$1,970) for it. The Prime Ministry's Directorate General of Press and Information (BYEGM), which issues press cards for journalists, declined to deliver press cards to reporters from *Karşı* because of missing documents: newspapers must hire a number of journalists with press cards in order to apply for official ads.⁶⁸

The company publishing the *Sözcü* daily launched another newspaper called *Korkusuz* in November 2014. The coverage of *Korkusuz* is clearly and ideologically critical of the government, like *Sözcü*. The daily announced that it could not receive any official ads and announcements from the BİK although it legally had the right. The circulation of *Korkusuz* was more than 50,000 when the company complained about the decision of BİK in October 2015. *Sözcü* underlined that it believed the BİK carries out double standards in the distribution of advertising.⁶⁹

Moreover, the newly established dailies *Yeni Hayat* and *Yarına Bakış* have the same complaint. They were launched in April 2016 by the journalists who were fired from *Zaman* daily after its takeover by the trustees in March 2016.⁷⁰ Veysel Ayhan, the editor in chief of *Yeni Hayat*, states that the BİK does not distribute the official ads to deserving newspapers in line with their circulation although their right is clearly expressed in law.⁷¹ These two papers aim to replace *Zaman* daily. They are openly critical of the government.

As to the other newspapers, including the pro-government ones, their official advertisements have mostly and proportionally increased in the last decade as the total money distributed by the BİK rose, with an exception in 2014. Although radical rises in 2015 are noticeable for the pro-government newspapers, such as 47 percent in *Akşam*, 41 percent in *Sabah* and 46 percent in *Yeni Şafak*, the share of the very critical *Sözcü* and main stream *Hürriyet* also increased. However, this does not mean that the BİK fairly allocates the official ads when newspaper circulation is taken into consideration. The figures clearly show that the circulation is not a determinant factor for the BİK in its distribution for the first group

⁶⁸ <http://bianet.org/bianet/medya/156292-12-gazeteye-4-ayda-13-milyon-288-bin-tl-resmi-ilan>

⁶⁹ <http://www.sozcu.com.tr/2015/gundem/basin-ilan-korkusuzun-hakini-vermekten-korktu-967149/>

⁷⁰ "Turkey Seizes Newspaper, Zaman, as Press Crackdown Continues," *New York Times*, 4 March 2016. http://www.nytimes.com/2016/03/05/world/middleeast/recep-tayyip-erdogan-government-seizes-zaman-newspaper.html?_r=0

⁷¹ Veysel Ayhan, "Yeni Hayat ve Tanıtım," *Yeni Hayat*, 31 May 2016.

newspapers having more than an average 50,000 daily copies. Comparative analysis between newspapers with similar circulations to each other in each year points to the unfair practices.

As to examples, Table 1 demonstrates that pro-government newspapers such as *Yeni Şafak* and *Star* received more official ads than their competitors, namely *Akşam*, *Vatan* and the critical *Sözcü* in 2010. The difference in advertising distribution can only be explained by the political influence and pro-government coverage of *Yeni Şafak* and *Star*. In 2015, *Akşam* received official ad revenues very close to *Yeni Şafak* and *Star* due to the fact it had been completely pro-government after the ownership changed in 2013. Another remarkable point is that the critical *Sözcü* did not receive as much official advertising as these three pro-government newspapers although its circulation was three times higher than *Yeni Şafak*, *Star* and *Akşam*.

Table 1 Circulation and Distribution of Official Ads in 2010 and 2015⁷²

Newspaper (2010)	₺ Official Ads	Circulation	Newspaper (2015)	₺ Official Ads	Circulation
Yeni Şafak	5,293,231	103,751	Yeni Şafak	8,826,699	108,635
Star	5,041,058	108,381	Star	8,210,570	103,204
Vatan	4,383,716	146,207	Akşam	8,007,815	102,887
Akşam	4,173,613	144,991	Sözcü	7,819,745	331,506
Sözcü	3,087,824	187,327	Vatan	5,756,673	103,376
Güneş	2,851,604	106,375	Güneş	5,189,832	102,017

It is not easy to produce a general model or formula to express the correlation between circulation and official advertising coming from the BİK on a money basis. The ratio produced from the revenue divided by circulation does not essentially explain how the BİK distributed the official ads for all newspapers. The data in Table 2 below shows that newspapers having similar circulations receive remarkably different amounts of official ads. The share of critical ones such as *Zaman*, *Bugün* and *Sözcü* is comparatively low.

⁷² See: Appendix II and Appendix III.

Table 2 Distribution of Official Ads in 2015⁷³

Newspaper	Circulation	₺Official Ads
Zaman	681,027	5,002,909
Hürriyet	365,727	15,674,942
Posta	337,526	8,275,730
Sözcü	331,506	7,819,745
Sabah	310,184	14,147,376
Habertürk	185,019	8,506,682
Türkiye	150,112	6,108,275
Milliyet	148,069	9,757,724
Takvim	116,206	5,269,112
Bugün	108,936	4,350,360
Yeni Şafak	108,635	8,826,699
Vatan	103,376	5,756,673
Star	103,204	8,210,570
Akşam	102,887	8,007,815
Güneş	102,017	5,189,832
Yeni Akit	55,805	5,812,725
Cumhuriyet	51,960	5,941,336
Taraf	51,812	3,951,186
YeniÇağ	51,420	3,640,287
YeniAsya	51,047	3,910,500
YeniMesaj	50,330	2,718,419
Aydınlık	49,888	4,025,437
MilliGazete	30,249	2,006,050
Birgun	24,594	1,146,287
Milat	20,255	4,124,832

2.2. Private Advertising and its Distribution

Private advertising refers to all advertising apart from the official ads and announcements distributed by the state-run agency BİK. It includes not only the advertisements of private companies but also public firms such as state banks, Turkish Airlines, political parties, ministries and other governmental agencies. There are also some significant and large scale companies like Turkcell and TürkTelekom that operate on the stock exchange but whose executive boards consist of leading advisers to President Tayyip Erdoğan or former ruling party ministers. Their advertising distribution is therefore heavily

⁷³ See: Appendix II and Appendix III.

dependent on the directions of the ruling party with their allocations revealing how much they favour pro-government newspapers.

There are basically two ways of measuring distribution of private advertising for each newspaper. One is to look at the advertising revenues of newspapers on a money basis. However, it is an almost impossible task due to the fact that the newspapers do not announce their revenues because of trade secrets. Turkish regulations state that a media company is obliged to announce its revenues only if it is listed on the stock exchange. For this reason *Hürriyet* being the leading media company and having the largest share of advertising revenues publicizes its balance sheet every year. The small-scale *Taraf* also publishes its revenues. However any analysis or comparison is not possible given that the official advertising revenues of other newspaper are not publicly quoted. As an exception, the shares of each newspaper from private advertising revenues in 2008, 2012 and 2013 are unofficially available in some Turkish media stories.⁷⁴ Although these figures will be analysed and conclusions drawn they fail to fully explain the dramatic increase of governmental impact in 2014 and 2015.

In fact, advertising revenues of newspapers on a money basis would only provide a limited explanation since they do not encapsulate the preferences of private companies and the distribution of advertising by public firms.

Accordingly, the impact of government can only be fully grasped by understanding how the companies and public firms allocate their advertisements to each newspaper. But no data on this is available. Thus, the second option is to examine the advertising on a space basis that each newspaper receives every year. It is possible to examine the total newspaper advertising space (in square centimetres) since it can be measured independently. The Nielsen Company comprehensively provides very useful data that also allows us to look at the sources of advertising for each newspaper; and how the companies distribute their advertising to each newspaper.

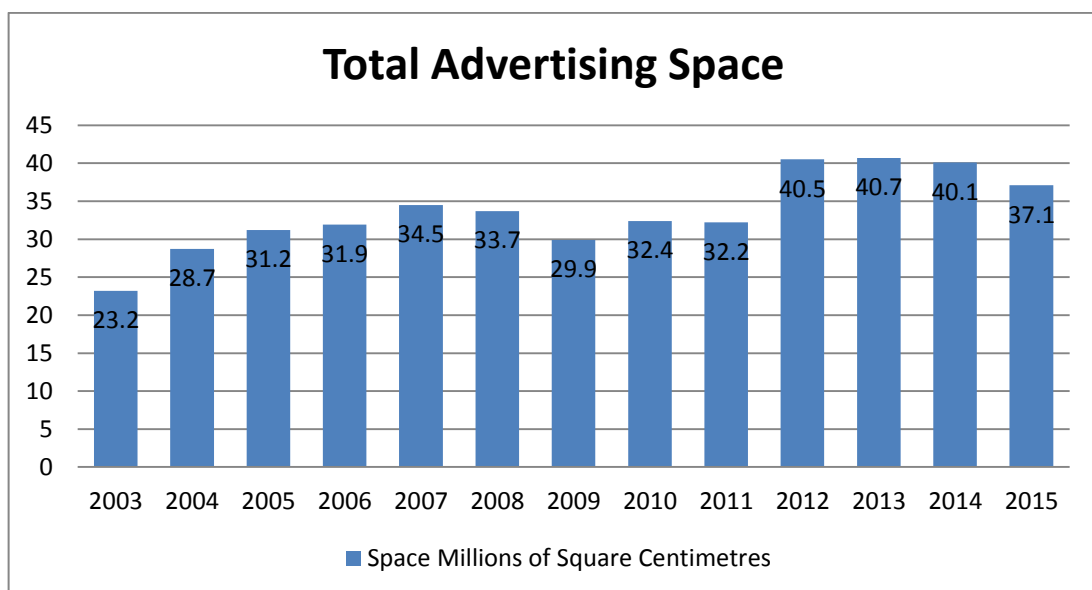
⁷⁴ For the year of 2008, Yavuz Semerci shared the approximate figures in his column. While the share of *Hürriyet* is public, it seems that he learnt the others from his sources, such media planning agencies, thanks to his large network. See: <http://www.haber7.com/medya/haber/352837-cinerin-gazetesi-ertelenebilir>

For 2012 and 2013, the pro-government daily *Star* published the figures. The report states that the figures for 2012 are the full facts whereas 2013 figures are for the first half of the year. See: “Sözcü’nün ecele faydası yok, düzen değişecek,” *Star*, 24 November 2013.

<http://haber.star.com.tr/medya/sozcunun-ecele-faydasi-yok-duzen-degisecek/haber-809316>

In this regard, the primary point to consider is total advertising in space terms between 2003 and 2015. However this does not provide any explanation of the underlying relationships. No significant correlation could be found when comparing total advertising space, the total revenue of newspapers or economic growth. For example in 2009 the decline in economic growth resulted in a decrease in total space as well but it did not dramatically affect the total space as much as the total revenue. In this year, as Chart 2 shows, the decline in total space was 11 percent whereas the total revenue of newspapers decreased 39 percent on a U.S. dollar basis.⁷⁵ In addition, the increase in total space is remarkable in 2012 but there is no relation between this and total revenue. Actually, this 26 percent rise mainly stems from the increases in *Hürriyet* (79%) and *Sabah* (43%). The explanation of an expert working in a media planning agency in Istanbul is that the price of advertising in these two dailies became cheaper due to strong competition.⁷⁶

Chart 2 Total Advertising Space, 2003-2015.



(Source: The Nielsen Company)

Another point to be examined is the possible relation between total advertising space and newspaper circulation. Counterintuitively, more circulation does not provide more total

⁷⁵ All the figures regarding economic growth, exchange rate and total revenues of newspapers are available at Appendix I.

⁷⁶ Skype interview with an expert working in a media planning agency in Istanbul. 26 January 2016.

space. The ratio derived from dividing the total space by circulation for each newspaper does not explain how the companies distribute their advertising. *Hürriyet* overtly dominates the total space by far. The daily has always got the highest total space. Its share was close to *Sabah*'s until Turkey's state-run Savings Deposit Insurance Fund seized *Sabah* in 2007. From then on, *Hürriyet* has almost got double the space of *Sabah*.

The most remarkable fact in the distribution of total space is the dramatic increases and decreases for some newspapers. This will be comprehensively explained and discussed in the context of government's role.

In addition to circulation, readership is another factor to be examined in the distribution of newspapers. Readership is the people who read or are thought to read a particular newspaper.⁷⁷ The Press Monitoring and Research Committee (*Basın İzleme ve Araştırma Kurulu-BİAK*) measures the readership of newspapers and surveys reader profiles in Turkey. However, the credibility and ranking methodology of BİAK have been controversial and have created disputes several times in the country.⁷⁸ The readership surveys are not public but some newspapers occasionally publicize them in order to draw attention to the unfair practices in the distribution of advertising or to demonstrate their large readership.

⁷⁷<http://www.dictionary.com/browse/readership>

⁷⁸ "TV watchdog launches new rating inspections," *Hürriyet Daily News*, 28 April 2012; and GünseliOcakoglu, "Let us question everything; future is bright by," *Today's Zaman*, 26 December 2011

Table 3 Readership and Total Space in 2013 (Million)⁷⁹

Newspaper	Readership	Total Space
Posta	2.56	4.87
Zaman	2.27	2.32
Hürriyet	1.46	12.05
Sözcü	1.21	1.04
Sabah	1.19	7.49
Milliyet	0.76	2.46
Akşam	0.58	1.20
Türkiye	0.51	1.10
Cumhuriyet	0.49	0.96
Takvim	0.34	0.67
Vatan	0.29	1.22
YeniSafak	0.22	1.29
Star	0.09	1.56
YeniAkit	0.09	0.88

(Space: Square Centimetres/Source: The Nielsen Company)

⁷⁹ For readership figures for June, July and August term 2013, see: "Arkasındaki güç kim?: Okunmayan Star Gazetesi'ne ilanla para aktarıyorlar," *Sözcü*, 23 November 2013.
<http://www.sozcu.com.tr/2013/gundem/arkasindaki-guc-kim-411855/>

CHAPTER III

MEASURING THE IMPACT OF GOVERNMENT ON THE DISTRIBUTION OF PRIVATE ADVERTISING

The most difficult part of this research is to reveal the impact of government on the distribution of private advertising, including public firms and companies loyal to the ruling party. Quantitatively, there are two basic ways to measure this. The first method is to examine the total advertising expenditures of public firms, and the second is to measure the advertising of the firms in terms of the space purchased in each newspaper. The first option works for companies listed on the stock exchange as their balance sheets are public. There are six major public firms in this category, namely: the state-run banks Halkbank, Ziraat Bankası and Vakıfbank; Turkish Airlines, Turkcell and Turk Telekom. The impact of government on these state-run companies is evident and hence there is no need to describe the make-up of their executive boards. However, Turkcell and Turk Telekom do require further explanation as they are the companies with the highest advertising expenditures.

3.1. Structure of Public Firms

Turkey's biggest mobile-phone operator Turkcell has been at the centre of a legal dispute over its control between the partners, Turkey's Çukurova Holding, Nordic telecommunications group Telia Sonera, and Russia's Altim, for the last three years. The ongoing conflict has meant that Turkcell has been incapable of reaching an agreement on its board composition and on distribution of its dividends.⁸⁰ The Savings Deposit Insurance Fund (TMSF) seized control of 45 companies belonging to the Istanbul-based Çukurova Group which, through a complex shareholding structure, has held control of Turkcell through a 13.8 percent stake.⁸¹ The company is currently run by a board whose members have been mostly appointed by Turkey's Capital Markets Board (SPK). While the executive board consists of seven members, five of them, including the chairman, have been appointed

⁸⁰ "Turkcell appoints board chairman," *Hürriyet Daily News*, 20 August 2013.

⁸¹ "Cukurova takes new blow amid battle to control Turkcell," Reuters, 21 May 2013.

by the SPK. Although they are assumed to be independent, all of them are very close to the ruling party and some of them have served as a minister or as a deputy.

The chairman, Ahmet Akça, who was the Chairman of the Board of Trustees at Bezm-iAlem University, is known as having close connections to the ruling party. Other members who have clear affiliations to the ruling party are Hilmi Güler, who was a former Minister of Energy; Atilla Koç, who was a former Minister of Culture and Tourism; Bekir Pakdemirli, the İzmir deputy provincial head of JDP; and Mehmet Bostan, chairman of the state-run Vakıfbank's pension fund.⁸² These appointments vividly illustrate the ruling party's control over board memberships. Therefore, Turkcell is often described as "AKCell" where "AK" is the abbreviation of the ruling party in Turkish.⁸³

Türk Telekom is largely owned by Oger Telecom of the Rafik Hariri family in Lebanon. The family owns 55 percent of Türk Telekom's shares, whereas the Turkish Treasury only owns 30 percent, with the remaining 15 percent publicly traded on the Istanbul Stock Exchange.⁸⁴ Türk Telekom owns the mobile operator Avea and main Internet supplier TTNET. On the board of Türk Telekom four of eleven members are directly and officially affiliated with the Presidency and government. Kemal Madenoğlu, who serves as the Vice Chairman of the Board of Directors and as an Independent Member, is also the Undersecretary of the Prime Ministry. Other independent members are: Fatih Kasırga, Secretary General of the Presidency; Yiğit Bulut, economic adviser to President Recep Tayyip Erdoğan; and İbrahim Eren, Deputy General Manager of the public broadcaster Turkish Radio and Television. Abdullah Tivnikli, a businessman loyal to the ruling party also serves as a board member.⁸⁵

The advertising expenditures of these six public firms demonstrate that the Turkish state emerges as the major advertiser. As to their share of total advertising expenditure, they spent ₺1463m in total in 2014 (Turkcell ₺451m, Türk Telekom ₺358.5m, Turkish Airlines

⁸² "Turkcell appoints board chairman," *Hürriyet Daily News*, 20 August 2013.

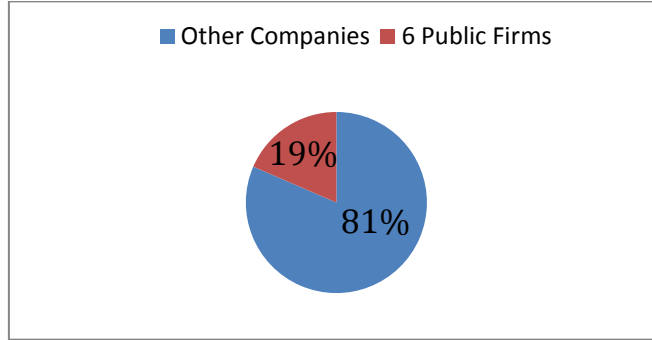
⁸³ <http://www.gazetevatan.com/turkcell-de-gece-yarisi-operasyonu--521284-ekonomi/>

⁸⁴ <http://www.ttinvestorrelations.com/turk-telekom-group/group-companies/turk-telekom.aspx>

⁸⁵ "PM Erdoğan's economic advisor Yiğit Bulut appointed to Türk Telekom board," *Hürriyet Daily News*, 6 May 2014; and "Partisan figures appointed to boards of prominent institutions", *Today's Zaman*, 29 January 2015.

₺370,1m, Halkbank ₺127.4m, Ziraat Bankası ₺95.1m and Vakifbank ₺74.6m).⁸⁶ Their share of total advertising expenditures was 19 percent as shown in Chart 3. Thus it can be inferred that the state directly allocates one fifth of the total of advertising by the private sector in Turkey.

Chart 3 Shares of 6 Major Public Firms in Total Ads Expenditures in 2014⁸⁷



(Source: Public Disclosure Platform and Association of Advertisers)

It should be emphasised that the total advertising revenues of media channels and total advertising expenditures of companies are different figures. The former also includes the costs of advertising production, sponsorships, the commission of media planning agencies and Below the Line (BTL) ads.⁸⁸ If these costs were ignored then the advertising share of these six public firms would rise to 24.5 percent of the total revenues of these media outlets. Although the balance sheets of these firms only provide total advertising expenditures and do not show the extent of each cost, the Association of Advertisers in Turkey automatically estimates the share of these other costs as 25 percent of total advertising expenditure.⁸⁹

⁸⁶ All the figures are provided from the balance sheets of these companies. They are available in their Annual Reports that can be seen at Kamuyu Aydınlatma Platformu (Public Disclosure Platform- www.kap.gov.tr).

⁸⁷ The six public firms are as follows: Turkcell including Digitürk, Turk Telekom including Avea and TTNET, Turkish Airlines; and the three state banks, namely Vakifbank, Halkbank, Ziraatbankasi. Their total advertising cost was ₺1463m in total in 2014 while the total advertising expenditures in the country were ₺7917m in this year.

⁸⁸ The total revenue of all media channels from advertising was ₺5938m in 2014 while the total advertising expenditures in Turkey ₺7917m See: *Reklamcılar Derneği*, <http://rd.org.tr/doc/RD-MEDYA-YATIRIMLARI-2014-NISAN-2015.pdf>

⁸⁹ [http://rd.org.tr/doc/RD TABLO 2016 MART.pdf](http://rd.org.tr/doc/RD_TABLO_2016_MART.pdf)

3.2. Distribution of Advertising by Public Firms: Carrot and Stick

While it is not possible to see how the public firms allocate their advertising to each newspaper on a monetary basis, information on distribution of advertising space is available. This demonstrates that they bias their allocation towards specific media companies. As Table 4 shows, advertising by public firms is clearly used as a carrot and stick in order to reward or punish newspapers depending on their news coverage. Pro-government newspapers receive the highest space by far whereas critical ones only get a limited share. The obvious conclusion of this distribution is that these public firms are heavily under the influence of government because their executive boards are largely appointed by the government. It is not a coincidence that the seven newspapers getting the highest share of total advertising are pro-government in their news coverage. Six of them, excepting *Milliyet*, are largely known as a mouthpiece of government over the last two years.

Table 4 Space Distribution of Main Public Firms 2011-2015⁹⁰

Newspaper	2011	2012	2013	2014	2015	Total
Star	124,661	95,627	117,068	125,107	102,753	565,216
Sabah	90,624	91,990	92,613	107,282	105,481	487,990
Akşam	70,639	63,065	118,321	93,966	115,309	461,300
Yeni Şafak	64,939	63,901	76,983	76,371	91,922	374,116
Güneş	37,588	25,455	24,987	78,842	117,893	284,765
Milliyet	49,458	53,278	64,909	50,903	53,440	271,988
Takvim	35,043	37,529	48,995	62,620	77,712	261,899
Hürriyet	63,041	59,511	54,171	43,578	40,894	261,195
Türkiye	36,286	48,197	49,951	46,307	64,726	245,467
Zaman	79,379	65,362	68,281	9,034	120	222,176
Vatan	31,625	40,969	48,124	39,205	45,198	205,121
Posta	48,064	45,384	45,375	20,748	27,327	186,898
Yeni Akit	19,489	19,121	29,104	35,215	54,095	157,024
Cumhuriyet	34,028	30,874	29,655	7,414	3,548	105,519
Sözcü	18,641	25,451	19,662	1,300	244	65,298
Taraf	0	9,723	24,462	5,246	0	39,431
Yurt	0	0	2,806	1,785	473	5,064
Birgün	0	0	760	2,519	993	4,272

(Space: Square Centimetres/Source: The Nielsen Company)

⁹⁰ In addition to Türk Telekom, Avea, TTNNet, Turkcell, Digitürk, Turkish Airlines, Vakıfbank, Ziraat Bankası, Halkbank, Table 4 also shows the distribution of the Prime Ministry Housing Estate Administration (TOKİ) and the Emlak Konut Real Estate Investment Partnership (Emlak Konut GYO) although their share in total is very limited. They are added because they are very popular agencies and their advertising distribution is so controversial in Turkey.

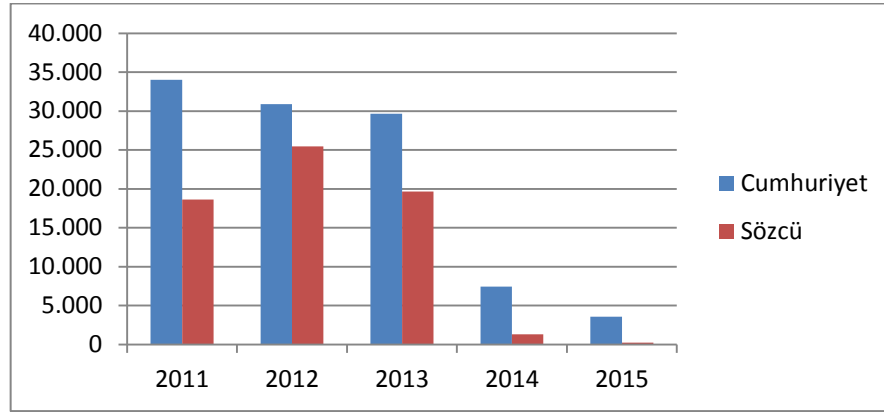
The table above shows the shift in news coverage that brought about the dramatic change in distribution of advertising space of several newspapers, such as the *Zaman* daily. *Zaman* always received one of the highest shares between in 2011 and 2013. It was in the top three in the first two years; and it was fifth in 2013. However, its share sharply declined by 87 percent in 2014 when its coverage became critical of the government after the conflict between the ruling party and Hizmet Movement in late 2013. The small share *Zaman* did receive in 2014 most likely occurred in the first weeks of the year before the conflict with the government grew harsh in the following months. Its share declined to almost zero in 2015. In addition to *Zaman*, the *Taraf* daily's share also decreased by 79 percent in 2014 due to its shift in coverage against the government. While the table does not show the shares of *Bugün* and *Millet* dailies they must have also fallen because of their coverage.⁹¹

Table 4 also demonstrates that a change in media ownership directly affects the allocation of public firms advertising when the news coverage of the newspaper shifts in favour of, or against, the government. *Akşam* and *Güneş* dailies began to support the ruling party after the Savings Deposit Insurance Fund (TMSF) took control of them in May 2013. The newspapers were then sold to Ethem Sancak, a businessman loyal to President Erdoğan. Their advertising share then dramatically increased due to the fact their coverage also changed in favour of government. To illustrate, the advertising space of *Güneş* grew by 216 percent in 2014.

Furthermore, the most significant point that the table reveals is that 2013 was a turning point in the distribution of advertising by public firms. The polarization in the country became more evident in that year with Gezi protests in Istanbul and, particularly, with the massive corruption investigation that included four Ministers in December 2013. Henceforth, the distribution of advertising has become increasingly skewed. Apart from the startling increase in the share of *Güneş*, at 216 percent, and the dramatic rise for *Yeni Akit* at 54 percent, pro-government newspapers maintained their shares with only small percentage rises or falls in 2014 and 2015.

⁹¹ The size of *Bugün* and *Millet* is different than others like *Habertürk*. Therefore their advertising space is not measured in square centimeters but in a different way.

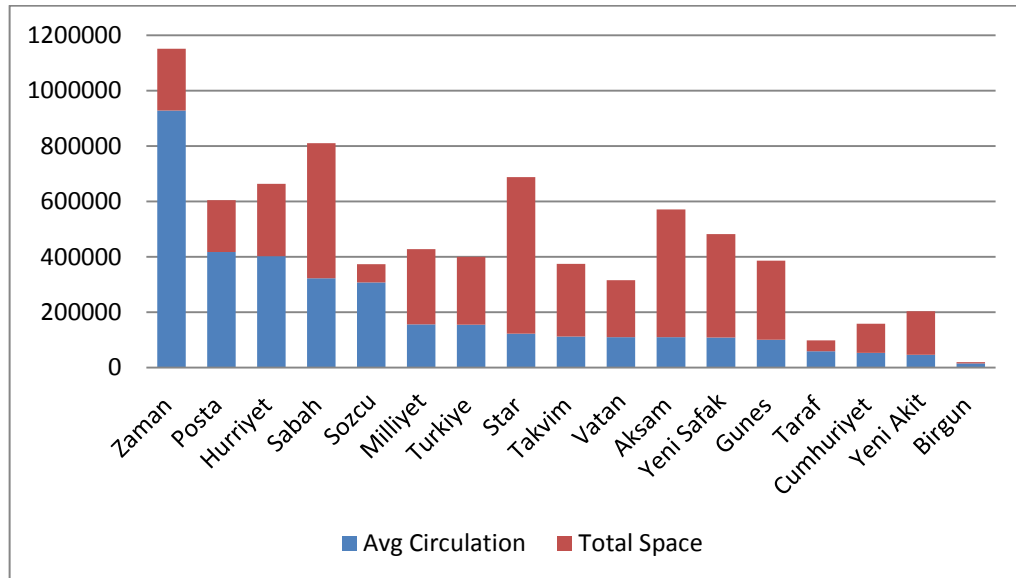
Chart 4 Space Distributions of Main Public Firms for ‘Critical’ Newspapers



(Space: Square Centimetres/Source: The Nielsen Company)

However, as Chart 4 demonstrates, advertising distribution has dramatically and suddenly changed for newspapers which have been critical of the government. In this vein, the shares for *Cumhuriyet* and *Sözcü* decreased by 75 percent and 93 percent respectively in 2014. In addition, the shares of the media mogul Doğan Group, containing the leading *Hürriyet* and *Posta* dailies, also fell in this year. While the *Hürriyet* declined 20 percent, *Posta* experienced a 54 percent decrease.

Chart 5 Circulations of Newspapers and Total Space Distribution of Main Public Firms, 2011-2015



(Space: Square Centimetres/Source: The Nielsen Company)

As Chart 5 reveals, the comparison between the average circulation of newspapers and the total advertising space they received from the main public firms shows an arbitrary distribution that does not take circulation into consideration. The three top-selling newspapers: *Zaman*, *Posta* and *Hürriyet*, were not in the top seven with the highest total advertising space. They ranked tenth, twelfth and eighth respectively. The top five newspapers receiving the highest share are government controlled media rather than pro-government. They are widely referred to as the “mouth piece of government”.⁹²

All these facts enable us to conclude that the only criterion for public firms advertising distribution is their coverage of the government and circulation did not play any role in this allocation. While these apparently partisan and unfair practices were apparent before 2013 it subsequently turned into a more direct way to punish or support individual newspapers.

The main public firms are however not only the entities that the government has a direct impact on. There are others as well such as ministries, municipalities and other governmental agencies. The ruling JDP won 49 out of 81 municipalities in 2014. In particular, municipalities in Istanbul and Ankara have large budgets and they usually buy advertising. The ruling JDP also has a very large budget given that political parties in Turkey get Treasury aid according to their votes. The JDP received US\$110m (₺292m) in 2015 and US\$81m (₺177m) in 2014 from the treasury.⁹³ Data on how much the party spends on advertising is not available but the political parties usually allocate most of their budget to advertising, especially during election years.⁹⁴ Turkey held a municipality, a presidential and two parliamentary elections in the last two years.

⁹² “Seized newspaper becomes mouthpiece of the Turkish government,” *Euractiv*, 7 March 2016. <https://www.euractiv.com/section/enlargement/news/seized-newspaper-becomes-mouthpiece-of-the-turkish-government/> and <https://freedomhouse.org/report/democracy-crisis-corruption-media-and-power-turkey/introduction>

⁹³ <http://www.ntv.com.tr/turkiye/hazine-yardimi-partilerin-kasasini-dolduracak,upzvZ4IdPEWt5MkOIUVJNg> and <http://www.fortuneturkey.com/siyasi-partilerin-hazineden-alacaklari-yardim-3-kat-artti-7996>

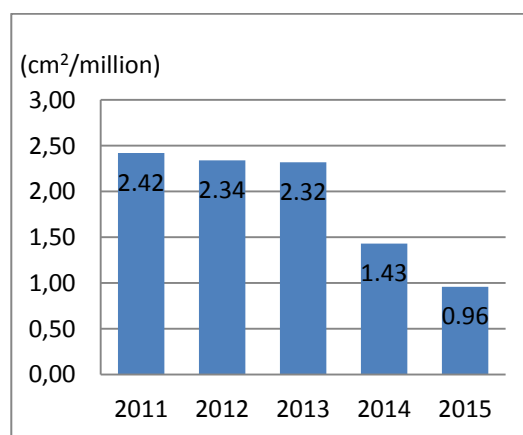
⁹⁴ <http://www.radikal.com.tr/radikal.aspx?atype=haberyazdir&articleid=1049561>

3.3. Impact of Government on Private Companies

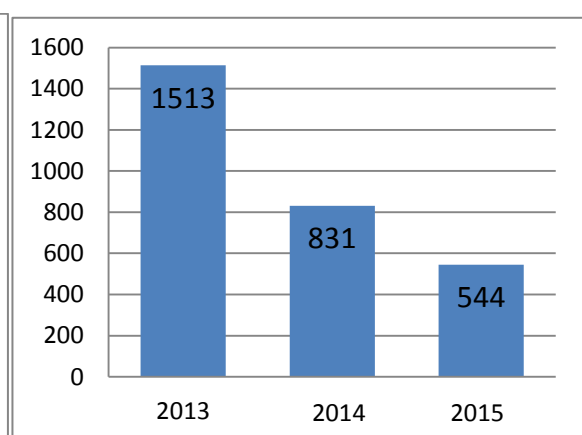
Measuring the impact of government on the distribution of advertising by private companies is challenging. There are several big-scale private companies that are very loyal to the ruling party. They voluntarily follow government policies even without direct instructions from the ruling party given that their experience shows them that their business survival depends on their compliance. However, the impact of government is not limited to them but goes beyond. A company must be strong if it is to resist political pressure which has been at its peak during the last two years. Only very big holdings and business moguls who are not seeking to do business with the government can withstand these pressures.

The case of the *Zaman* daily is a good example in order to see the impact of the government on private companies. The total advertising space that *Zaman* receives dramatically declined in 2014 and 2015. As Chart 6 shows, it decreased by 38 percent in 2014 and 33 percent in 2015, giving a 59 percent total decline in two years. The circulation of *Zaman* in 2014 was almost the same as in 2013 at over a million. In 2015, the circulation declined to around 700,000 but it was still best-selling daily by far.

**Chart 6 Zaman's Total
Advertising Space**



**Chart 7 Zaman's Number of
Advertisers⁹⁵**



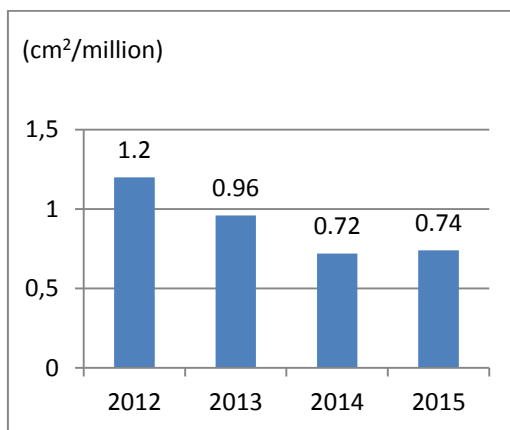
(Source: The Nielsen Company)

⁹⁵ Number of advertisers that gave advertising to *Zaman* is provided by a high-level representative of *Zaman*. One can also calculate it since the newspaper is public.

The main reason for the reduction in total advertising space for *Zaman* is obviously the decline in the number of its advertisers, as seen in Chart 7. It was reduced by 45 percent in 2014 and 35 per cent in 2015, giving a 64 percent total decline in two years. So, the question is very simple: why have companies changed their policy and stopped giving advertising to *Zaman* suddenly when the daily still had the highest circulation? Can this be explained for business reasons or did other motives play a significant role in this phenomenon? From the point of view of *Zaman*, the fall definitely stemmed from the political pressure on the companies buying advertising. Ekrem Dumanlı, the former Editor in Chief of the *Zaman* daily between 2001 and 2015, states that some people who are very close to the ruling party put pressure on the companies which are under the control of state authorities in order to prevent them distributing advertising to *Zaman*. Regarding the heavy pressure on private companies, Dumanlı describes his own experience:

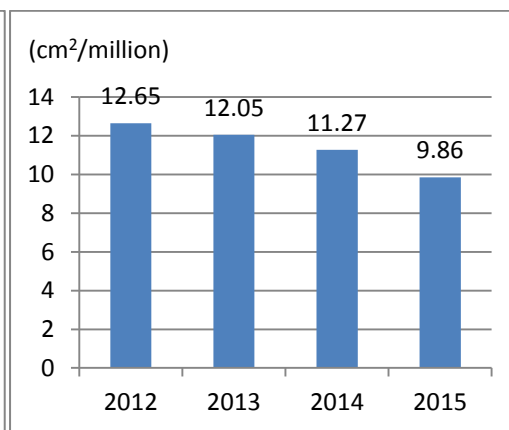
Even more, they also threatened private advertisers by saying ‘If you give advertising to them, you then will suffer.’ I know a person who is very close to the government but I cannot give the name. He called a businessman; and told him: ‘Not to give advertising to *Zaman*. It will not be good for you.’ What does it mean? They will send inspectors from the Ministry of Treasury.⁹⁶

Chart 8 Total Space of *Cumhuriyet*



(Source: The Nielsen Company)

Chart 9 Total Space of *Hürriyet*



(Source: The Nielsen Company)

As Chart 8 and Chart 9 reflect, the impact of the government on private companies is not limited to *Zaman* but also in the total advertising spaces bought in *Cumhuriyet* and *Hürriyet* which decreased in the last few years. The total advertising space of *Cumhuriyet*

⁹⁶ Interview with Ekrem Dumanlı, Istanbul: 26 August 2015.

declined by 38 percent; and the losses of *Hürriyet* were 22 percent between 2012 and 2015. Although the fall in *Hürriyet* seems to be not too much in percentage terms, its annual loss in space is more than the total space of several pro-government newspapers. To illustrate, the total space of *Hürriyet* decreased 1.41m square centimetres in 2015 whereas the total space of *Akşam*, *Star* and *Yeni Şafak* were 1.36m, 1.65m and 1.43m square centimetres respectively.

Halal Advertising for Zaman

Since the case of the *Zaman* daily is both remarkable and interesting it deserves more elaboration. After public firms suddenly and almost completely withheld allocating advertising to the paper apparently due to political reasons, the following questions have emerged: did supporting the government in its coverage have an impact on it receiving advertising from public firms? Was *Zaman* daily able to take advertising from public firms thanks to its positive coverage toward the government?

As seen in Table 4, the advertising that *Zaman* received from the main public firms between 2011 and 2013 when the newspaper was supporting the government was high, although it did not receive as much advertising as the pro-government dailies like *Star*, *Sabah* and *Akşam*. Its share was very close to other mainstream dailies like *Hürriyet* and *Milliyet* in these years. Moreover, the critical *Cumhuriyet* received a significant amount of advertising; and *Sözcü*, fiercely critical of the government, took some advertising as well, although their shares were not comparable to pro-government newspapers in these years. Therefore, it seems that it is not fair to attribute the advertising share of *Zaman* just to its supportive coverage, given that it was the best-selling daily and had very high readership in this era. However, it can be reasonably argued that *Zaman* would not have received such a high share if it was critical of the government like *Sözcü*.

Furthermore, it should be noted that supportive coverage played a significant facilitating role for the *Zaman* daily to receive advertising from state banks. Some of newspapers in Turkey, including *Zaman*, do not publish any banking advertising which includes interest and usury because of the fact that they are forbidden (*haram*) in Islam. Banks mostly earn money from interest and consumer loans including mortgages, auto and personal credit. Therefore, their advertising is largely focused on promoting their loans and

credit card facilities. *Zaman* was uncomfortable with this issue given that it was deprived of state bank advertising. Therefore *Zaman* contacted the government in order to ask them to produce *halal* advertising which does not promote interest and loans. Subsequently the state banks began to distribute *halal* advertising to *Zaman* and some others newspapers.⁹⁷

In addition, *Zaman* was very sensitive and selective in advertising visual material such as photographs and illustration. It does not publish any visual material that depicts the sexuality of woman in adverts. *Zaman* could not accept some of the ads from state banks due to the fact that the visual material was not “acceptable” to them as the readers of the paper are mostly conservative. As an example the newspaper contacted the Ministry to ask the bank to produce other visual materials in which a woman had a modest dress, not the short-sleeve and low-necked dress in the photo originally supplied. The *Zaman* representative underlined that the request was not for conservative or Islamic dress. The bank responded positively and ordered its advertising production agency to provide other photos and illustrations. Then *Zaman* was able to take the ads of this state bank.⁹⁸

⁹⁷ The source of this information is a leading columnist. He used to work for a pro-government media outlet in the past and he had friends working for *Zaman* daily. A high-level representative of *Zaman* also confirmed the columnist’s information in September 2015.

⁹⁸ *ibid.*

CHAPTER IV

HOW THE SYSTEM WORKS: ACTORS DESCRIBE THE PRESSURE⁹⁹

Up until now, this paper has examined quantitative data showing how public firms largely distribute their advertising to pro-government newspapers while critical dailies receive a very limited share.

But how does this system work in actual practice? What are the experiences of media executives and editors? In this chapter qualitative data are presented to complement the quantitative results based on interviews that the researcher has personally conducted with the former editors in chief of leading newspapers from different media groups, and with columnists of pro-government media.

First of all, all the interviewees, including a group of pro-government top editors, agree on the direct intervention of government on the distribution of advertising. They are united in agreement on the fact that public firms are used to sponsor pro-government newspapers. More importantly, they confirm the pressure of government on private companies not to allocate advertising to critical media outlets. They complain that state authorities, like the Ministry of Treasury or municipalities, are used to threaten private companies which give advertising to critical newspapers in order to stop their allocation.

As to the specific cases and experiences, Enis Berberoğlu, former editor in chief of the *Hürriyet* daily, straightforwardly tells of the advertising pressures that his company was exposed to. He states that the daily came under the sanction of particular state-run banks:

Hürriyet is first the newspaper that revealed the case of Reza Zarrab before it became public on 17 [December 2013]. The head of the state-run Halkbank, Süleyman Aslan, imposed an advertising embargo on us in every sense of the word. He described this [embargo] to our advertising staff and our Ankara representative. He did this by saying it to everyone. It is so clear... Regarding the public firms, Turkcell is an example. It is one of

⁹⁹ This chapter is based on the interviews with leading Turkish editor in chiefs and editors. They are all critical of government except for a column by a pro-government editor. The author has also made a great effort to get interviews not only with the editors and columnists working for pro-government media outlets but also officials from the Directorate General of Press and Information, media advisers and government spokespersons. However, they refused to meet with the author. Only a high level official spoke on background; and a significant pro-government columnist without giving his/her name.

the biggest advertisers. It did not want to work with us recently. It kept away due to our news coverage.”¹⁰⁰

Fatih Altaylı, former editor in chief of the *Habertürk* daily, underlines that the power of the state in the advertising sector rises when its power in the economy increases. While he said that the JDP has been heavily using the issue of advertising as a tool in the last five years, he draws attention to the fact that concentrating the advertising of public firms and state-run banks into pro-government media is just one aspect of the issue. He further reveals the increasing role of pro-government media planning and buying agencies that have been established in the last five to six years, and which work as intermediaries between private companies and media outlets for the distribution of advertising. Altaylı explains their role:

The most significant group of advertisers having the highest advertising budgets in Turkey hire these agencies for their marketing affairs due to the intervention of government and the Ministry of Treasury.¹⁰¹ The main stream media or the media that the government is not happy with lose their advertising not just from public firms but also private companies due to these media planning agencies. The big companies allocate most of their marketing business to these agencies which are very close to the government. Then these agencies largely distribute the advertising to the pro-government media outlets. The entire advertising sector is concentrated in places which are close to the government.¹⁰²

The statements of Erdoğan when he was prime minister in 2013 confirm the role of media planning agencies in the distribution of advertising and the pressure on them. Erdoğan gave an exclusive television interview to Habertürk TV during the Gezi protests in which he described social media as “the biggest scourge” and everyone who drinks “an alcoholic.” It is reported that some companies immediately cancelled their advertising on Habertürk TV due to Erdoğan’s controversial statements. Erdoğan’s advisers informed him

¹⁰⁰Interview with Enis Berberoğlu, Ankara: 24 August 2015. He is a veteran Turkish journalist who worked mostly for the Doğan Group. He was the Ankara Representative of the *Hürriyet* daily for many years and then he served as the editor in chief of *Hürriyet* between 2009 and 2014. He resigned from his post under political pressure. He is currently a deputy from the main opposition Republican People's Party and deputy chairman of the party.

¹⁰¹He refers to tax fines.

¹⁰² Interview with Fatih Altaylı, Istanbul: 18 September 2015. He is a leading journalist and media executive who has worked at several top media outlets including *Cumhuriyet*, *Hürriyet*, *Kanal D* and *Sabah*. He launched the *Habertürk* daily for the Ciner Group in 2009 and the newspaper became very influential in a short time. He served as the editor in chief of *Habertürk* until his resignation in 2014. See his comments on Turkish media: “Instructions rain down on Turkish media every day,” says prominent editor-in-chief,” *Hürriyet Daily News*, 11 February 2014.

about this during the ad-break.¹⁰³ After he learnt about the issue he then made the following live statement:

[I have learnt that] agent advertising media agencies do not distribute advertising to [some] newspapers and televisions. Can it be possible? This is a problem for the media groups and the economy of the country. I speak very clearly. I told my friends (advisers and his team): Determine these [media advertising and planning] agencies. Which agencies impose embargos on the advertisers? We are going to do what is necessary. [These agencies] do not distribute the advertising of some holdings due to ideological reasons. The problem stems from these media media planning agencies. The advertisers are not aware of this phenomenon. I have called some of the advertisers. They do not know about the issue. The media planning agencies have cut off the advertising.¹⁰⁴

This statement clearly shows that the government targeted some of the media planning agencies in addition to creating their own agencies as Fatih Altaylı mentions.

Altaylı also states that the companies refrain from distributing their advertising to the media outlets that the government targets. He says, "They keep away from *Hürriyet*, us [*Habertürk*], *Zaman*, Ipek Group and from all. In this way, they aim to weaken the critical media."¹⁰⁵ Altaylı adds that the political pressure does not only apply to them but also to the pro-government media. He recalled the case of Hakan Albayrak who stated that he has been screaming for days due to the fact that his newspaper [*Diriliş Postası*] had been blacklisted and could not get any advertising.¹⁰⁶

Like Altaylı, Hasan Cemal underlines the fact that pressure on private companies has worked to make them docile. Cemal states that the ruling party has prevented businesses from distributing advertising to television channels, internet portals and newspapers such as *Hürriyet*, *Cumhuriyet*, *Zaman* and *Bugün*, that have the ability to criticize President Erdoğan; and which would count as sources of real journalism. He believes, "This has become so influential. All these operations [against Boydak Group]¹⁰⁷ are a direct message to the

¹⁰³ Mustafa Hoş, *Abluka*, (İstanbul: Destek Yayınları, 2014), pp. 231-232.

¹⁰⁴ "Erdoğan'ın uyardığı reklamı kesen aracı kuruluşlar," <http://ekonomi.haber7.com/ozel-haber/haber/1034956-erdoganin-uyardigi-reklam-kesen-araci-kuruluslar>

¹⁰⁵ Interview with Fatih Altaylı

¹⁰⁶ Interview with Fatih Altaylı.

¹⁰⁷ Hasan Cemal refers to the operation against Boydak Group in September 2015. For further details, see: "Four senior executives of Boydak Holding detained in Gülen-linked probe," *Hürriyet Daily News*, 4 March 2016

businesses signalling: “You definitely pay homage to me or you do not have any chance to survive.”¹⁰⁸

Another problem in the system that Berberoğlu describes is related to the structure and role of the Press Monitoring and Research Committee (BİAK) that measures the readership of newspapers. Recalling that BİAK’s structure has not been reformed for the last three years he states that no agency is left that can truly measure readership, which should be the main criterion for advertisers in their advertising distribution. In the eyes of Berberoğlu, the survey company collecting circulation data makes serious mistakes in its questionnaire but does not have any legal responsibilities. His interpretation why the government played with the structure of BİAK is, “The point is that they do not want a credible and independent survey in order to distribute the advertising according to their wishes.”¹⁰⁹

A significant testimony revealing the intervention of government came from a pro-government journalist Hakan Albayrak. He is a political Islamist who is apparently still supportive of President Erdoğan, praising his services to Turkey and the Muslims. In his column, he wrote about the direct involvement of government in preventing his newspaper from receiving advertising when he was the editor in chief of *Diriliş Postası* last year.

My brothers, let us talk frankly. We have been badly blacklisted by some segments of our community [the ruling party] due to the fact that we occasionally criticize [Erdoğan and the government]. For instance an advertising blacklist. It is not just ‘You will not distribute advertising to them’ but they have gone beyond this. They do not allow us to publish our advertisements [in other media outlets]. A very popular digital news portal does not publish our advertisements anymore due to the phone calls that came from powerful seats.¹¹⁰

The leaked wiretaps of the December 17-25 2013 massive corruption investigation also provide crucial insights on how public firms distribute advertising to pro-government newspapers. An executive of the Star Media Group allegedly called the general manager of

¹⁰⁸ Interview with Hasan Cemal, Istanbul: 18 September 2015. Hasan Cemal is a prominent Turkish journalist who has served as a reporter, editor and columnist at several Turkish media outlets including as editor in chief of the Cumhuriyet daily in 1980s. He resigned from the daily *Milliyet* in 2013 after Prime Minister Erdoğan publicly criticized a column he wrote in defence of the paper’s reporting of sensitive negotiations between the government and the terrorist organisation Kurdistan Workers’ Party (PKK). In 2015, he received Louis M. Lyons Award for Conscience and Integrity in Journalism from Harvard’s Nieman Foundation.

¹⁰⁹ Interview with Enis Berberoğlu.

¹¹⁰ Hakan Albayrak, “Ak Partili Kamuoyuna Duyuru: Hür Yandaşlığın Kalesi,” *Diriliş Postası*, 1 September 2015. <http://dirilispostasi.com/a-190-ak-partili-kamuoyuna-duyuru-dirilis-postasi-hur-yandasligin-kalesi.html>

the state-run bank Halkbank, Süleyman Aslan, and told him, "Süleyman, send us two million. I cannot pay the salaries." The general manager reportedly said that the bank was a public company and he could not send any money without a proper purpose. The media executive allegedly said, "Don't worry, nothing will happen, we will record it as advertising and send you the invoice." It is not clear whether the transaction was completed.¹¹¹

¹¹¹ "2 Milyon yolla Süleyman", *Taraf*, 28 December 2013. It is claimed that the media executive on the phone was Mustafa Karaalioğlu from the Star Media Group. The group denied the conversation and its content. However, Mehmet Acet, an influential media executive very close to the government, confirmed the conversation and its content on his Twitter account. He claimed that it was not Mustafa Karalioğlu who called the Halkbank but someone else. See:

<http://www.postmedya.com/gundem/mehmet-acetten-kovulmalara-itiraf-gibi-tepki-h105562.html>

Süleyman Aslan was an important figure in a massive corruption investigation. See: "Turkey police find shoeboxes stuffed with US\$4.5 million cash in bank chief's home: report," The Associated Press, 18 December 2013.

CONCLUSION

This research paper examines the distribution of advertising for newspapers and the impact of government on this allocation, particularly through official announcements, public firms and companies loyal to the ruling party. After describing the advertising sector in Turkey, this paper looked at the significance of advertising for the survival of newspapers in the country. The close examination of costs and incomes of the newspapers shows that revenues from circulation are clearly not enough even to cover the paper and printing expenses. Therefore, Turkish newspapers are heavily dependent on advertising revenues, and it is almost impossible to operate a daily paper without advertising.

In Turkey, advertising basically comes from two main sources; namely private companies including public firms, and official announcements which are distributed by the state-run BİK agency. Firstly, this paper has closely examined the structure of BİK and how it has distributed official adverts in the last decade. While the lack of autonomy of the agency has been pointed out since its foundation,¹¹² this paper further argues that the impact of government on the formation of BİK's executive board is very clear due to its legal framework, and it is therefore largely open to political influence. It has become increasingly strong during "a dominant party system"¹¹³ rule, namely the JDP. The BİK has been criticized several times because of its biased policy that grants relatively more official announcements to pro-government newspapers whereas critical dailies receive less.¹¹⁴ Supported with data, this study further claims that the recent practices of this agency demonstrate that it is extensively political in its distribution of official advertising. The agency has used its

¹¹² Kurban and Sözeri, "Caught in the Wheels of Power," p. 20.

¹¹³ Pelin Ayan Musil, "Emergence of a Dominant Party System After Multipartyism: Theoretical Implications from the Case of the AKP in Turkey," *South European Society and Politics*, (2015) Volume 20, Issue 1, pp. 71-92.

¹¹⁴ Saygi Öztürk, "Her yerde bunları istiyorlar," *Sözcü*, 28 Ekim (October) 2015, <http://www.sozcu.com.tr/2015/yazarlar/saygi-ozturk/her-yerde-bunlari-istiyorlar-970920/> "Hüner: 'BİK'in ekonomik sansürü kara bir lekedir," <http://egedegundem.com/tr-tr/haberler/1685/huner-bikin-ekonomik-sansuru-kara-bir-lekedir> "İlan ambargosu Meclis gündemine taşındı!," *Sözcü*, 24 Ekim (October) 2015, <http://www.sozcu.com.tr/2015/gundem/ilan-ambargosu-meclis-gundemine-tasindi-968048/> "Zaman Gazetesi'nde Basın İlan Kurumu'ndan ilan kesme tezgahı," <http://www.rotahaber.com/m/medya/zaman-gazetesi-nde-basin-ilan-kurumu-ndan-ilan-kesme-tezgahi-h561387.html> and "4 ayda 13 milyonluk resmi ilan alan gazeteler," <http://www.radikal.com.tr/politika/4-ayda-13-milyonluk-resmi-ilan-alan-gazeteler-1196262/>

authority as a stick and carrot in favour of the government, particularly after the massive corruption investigation that erupted in December 2013.

As to private companies, the paper shows that the state is one of the biggest advertisers through public firms such as state banks, Turkish Airlines and government controlled companies like Türk Telekom and Turkcell in which the state appoints “independent” executive board members. The examination of their balance sheets revealed that the government has easily and directly controlled one fifth of private advertising through these six companies. Yet still, the impact of the government is not limited to these companies. Its impact is more than this figure because of the fact that the government controls most of the municipalities, particularly those having large budgets and significant advertising spend such as Istanbul, Ankara and Antalya. Ministries, governmental agencies and other public firms are not included in this measurement. The ruling JDP itself is also a significant advertiser with its huge budget thanks to income coming from the Treasury. However, it is difficult to measure the exact proportions of advertising spend from these sources given that balance sheets are not public as in the case of the six public firms.

While commercial confidentiality prevents us from seeing how the public firms allocate their advertising in money terms, it is possible to calculate their distribution in space (square centimetres) based on the independently measured data provided by the Nielsen Company. Using this data this research uncovers how the public firms advertising budgets have been used either to reward the pro-government newspapers or punish the critical dailies. As comprehensively demonstrated in Chapter III, the nature of a newspapers coverage of the government is the absolute criterion for advertising spend by public firms, whereas the circulation or readership does not play any discernible role in their advertising allocation. In a pure market economy, one would expect advertising to correlate with circulation, but it is not the case for public firms in Turkey.

One of the key findings of this research is that 2013 marked a turning point in the distribution of both official announcements by BİK and advertising by private companies, including the public firms. This was at the point at which many believe that the massive corruption investigation that resulted in the resignations of four ministers made the ruling party reckless with respect to the rule of law. Since then the government has increasingly skewed advertising spend as a tool to control media outlets. The advertising share of critical

newspapers or dailies that do not obviously support the ruling party in its difficult times has dramatically declined, whereas the share for political Islamist newspapers widely seen as operating as mouthpieces of government, has sharply increased.

Lastly, the research also explores the experiences of leading editors. They are mostly former editors in chiefs of significant newspapers who were exposed to the direct involvement of government in the allocation of advertising. They vividly describe incidents illustrating how the ruling party has used state authority in order to manipulate the coverage. Their stories are exactly compatible with the data; and they explain how the system works.

BIBLIOGRAPHY

Books and Articles:

- Baldasty, Gerald J. (1992). *The Commercialization of News in the Nineteenth Century*, Madison: University of Wisconsin Press.
- Besley, Tim and Andrea Prat (2006). "Handcuffs for the Grabbing hand?: Media Capture and Government Accountability," *American Economic Review*, 96 (3). pp. 720-736;
- Chang, B.-H., & Chan-Olmsted, S. M. (2005). "Relative constancy of advertising spending. A cross-national examination of advertising expenditures and their determinants," *Gazette*, 67(4), p. 339
- Chapman, Jane (2005). *Comparative Media History: An Introduction: 1789 to the Present*, Polity Press.
- Esen, Berk and Sebnem Gumuscu (2016). " Rising Competitive Authoritarianism in Turkey," *Third World Quarterly*, Vol. 37, No. 7, pp. 1147 – 1155.
- Hoş, Mustafa (2014). *Abluka*, Istanbul: Destek Yayınları.
- Kodrich, Kris (2002). *Tradition and Change in the Nicaraguan Press: Newspapers and Journalists in a New Democratic Era*, University Press of America.
- Kodrich, Kris (2008.) "The Role of State Advertising in Latin American Newspapers: Was the Demise of Nicaragua's Barricada Newspaper Political Sabotage?," *Bulletin of Latin American Research*, Vol. 27, No. 1, pp. 81-82.
- Özbudun, Ergun (2015). "Turkey's Judiciary and the Drift Toward Competitive Authoritarianism," *The International Spectator*, 50, (2), pp. 42-55;
- Petrova, Maria (2011), "Newspapers and Parties: How Advertising Revenues Created an Independent Press," *Am. Polit. Sci. Rev.* 105 (4), pp. 790–808.
- Rockwell, Rick and Noreene Janus (2002)" The politics of Coercion: Advertising, Media and State Power in Central America," *Journalism*, Vol. 3(3), pp. 331-353.
- Şahin, Muzaffer (2013), "Ajans Gazeteciliği ve Medya Sektöründe Haber Ajanslarının Etkinliği," *İletişim Kuram ve Araştırma Dergisi* No 37, pp. 196-210.
- Musil, Pelin Ayan (2015). "Emergence of a Dominant Party System After Multipartyism: Theoretical Implications from the Case of the AKP in Turkey," *South European Society and Politics*, Volume 20, Issue 1, pp. 71-92.

Van der Wurff, Richard, Piet Bakker and Robert Picard (2008). "Economic Growth and Advertising Expenditures in Different Media in Different Countries," *Journal of Media Economics*, vol. 21, issue 1, pp. 28-52.

Yeşil, Bilge (2016). *Media in New Turkey: The Origins of an Authoritarian Neoliberal State*, University of Illinois Press.

Yüksel, Erkan, (2010). "The Agenda-setting Studies in Turkey," *Central European Journal of Communication*, 2(2010), pp. 323-334.

Reports:

Baydar, Yavuz (2015). "The Newsroom as an Open Air Prison: Corruption and Self-Censorship in Turkish Journalism," *Joan Shorenstein Fellow Paper*, Harvard University.

Finkel, Andrew (2015). "Captured News Media: The Case of Turkey," *The Center for International Media Assistance Report*.

Kurban, Dilek and Ceren Sözeri (2012) "Caught in the Wheels of Power: The Political, Legal and Economic Constraints on Independent Media and Freedom of the Press in Turkey," *TESEV Report*.

Sözeri, Ceren and Zeynep Güney (2011). "The Political Economy of the Media in Turkey: A Sectoral Analysis," *TESEV Report*

Tunç, Aslı (2015). "Media Ownership and Finances in Turkey: Increasing Concentration and Clientelism," *Media Observatory Report*

Yanatma, Servet (2016). "Country Profile: Turkey," *Reuters Institute Digital News Report 2016*. pp. 72-73,

"Freedom of Press: Turkey", *Report of Freedom of House*.
<https://freedomhouse.org/report/freedom-press/2015/turkey>

Interviews:

Enis Berberoğlu, Ankara: 24 August 2015.

Fatih Altaylı, Istanbul: 18 September 2015.

Hasan Cemal, Istanbul: 18 September 2015.

Ergun Babahan, Istanbul: 26 August 2015.

Ekrem Dumanlı, Istanbul: 26 August 2015.

Utku Çakırözer, Ankara: 23 August 2015.

Kadri Gürsel, Istanbul: 17 September 2015.

Abdullah Kılıç, Istanbul: 17 September 2015.

Yavuz Semerci, Skype Interview: 2 March 2016.

Media Sources and Web Pages:

"Press freedom in Turkey is 'under siege', says CPJ," *Guardian*, 8 March 2016. "Key findings of the 2015 report on Turkey," [http://europa.eu/rapid/press-release MEMO-15-6039 en.htm](http://europa.eu/rapid/press-release_MEMO-15-6039_en.htm)

Obama raises press freedom concerns against Erdoğan," *Hürriyet Daily News*, 2 April 2016, <http://www.hurriyetdailynews.com/obama-raises-press-freedom-concerns-against-erdogan.aspx?pageID=238&nID=97226&NewsCatID=510>,

"OSCE Representative calls on Turkey not to prosecute journalists for their reporting on issues of public interest," <http://www.osce.org/fom/230646>

Albayrak, Hakan. "Ak Partili Kamuoyuna Duyuru: Hür Yandaşlığın Kalesi," *Diriliş Postası*, 1 September 2015. <http://dirilispostasi.com/a-190-ak-partili-kamuoyuna-duyuru-dirilis-postasi-hur-yandasligin-kalesi.html>

Yeşil, Bilge. "Trials and Tribulations of Turkish News Media," 9 June 2013, <http://www.jadaliyya.com/pages/index/12122/trials-and-tribulations-of-turkish-news-media>

Akyol, Mustafa. "Turkey's Authoritarian Drift," *New York Times*, 10 November 2015

Brownlee, Jason. "Why Turkey's Authoritarian Descent Shakes up Democratic Theory," 23 March 2016

Tugal, Cihan. "In Turkey, the regime slides from soft to hard totalitarianism", *Open Democracy*, 17 February 2016.

Di Carlo, Lorena. "Human Rights in Turkey: Is Turkish Press Freedom in Danger?," 18 December 2015, <http://www.ipsnews.net/2015/12/human-rights-in-turkey-is-turkish-press-freedom-in-danger/>

"Instructions rain down on Turkish media every day,' says prominent editor-in-chief," *Hürriyet Daily News*, 11 February 2014.

"Erdoğan'ın uyardığı reklamı kesen aracı kuruluşlar," <http://ekonomi.haber7.com/ozel-haber/haber/1034956-erdoganin-uyardigi-reklam-kesen-araci-kuruluslar>

"Four senior executives of Boydak Holding detained in Gülen-linked probe," *Hürriyet Daily News*, 4 March 2016

Semerci, Yavuz. "Ciner'in Gazetesi Ertelenebilir", 23 October 2008, *Gazeteport*
<http://www.haber7.com/medya/haber/352837-cinerin-gazetesi-ertelenebilir>

İnan, Ercan. "BasındaNelerOluyor (2)," *Vatan*, 17 January 2005,
<http://www.gazetevatan.com/basinda-neler-oluyor---2--44917-ekonomi/>

"2 Milyon yolla Süleyman", *Taraf*, 28 December 2013.

"Mehmet Acet'ten Kovulmalara İtiraf Gibi Tepki",
<http://www.postmedya.com/gundem/mehmet-acetten-kovulmalara-itaraf-gibi-tepki-h105562.html>

Öztürk, Saygı. "Her yerde bunları istiyorlar," *Sözcü*, 28 Ekim (October) 2015,
<http://www.sozcu.com.tr/2015/yazarlar/saygi-ozturk/her-yerde-bunlari-istiyorlar-970920/>

"Hüner: 'BİK'in ekonomik sansürü kara bir lekedir," <http://egedegundem.com/tr-tr/haberler/1685/huner-bikin-ekonomik-sansuru-kara-bir-lekedir>

"İlan ambargosu Meclis gündemine taşındı!," *Sözcü*, 24 Ekim (October) 2015,
<http://www.sozcu.com.tr/2015/gundem/ilan-ambargosu-meclis-gundemine-tasindi-968048/>

"Zaman Gazetesi'nde Basın İlan Kurumu'ndan ilan kesme tezgahı,"
<http://www.rotahaber.com/m/medya/zaman-gazetesi-nde-basin-ilan-kurumu-ndan-ilan-kesme-tezgahi-h561387.html>

"4 ayda 13 milyonluk resmi ilan alan gazeteler," <http://www.radikal.com.tr/politika/4-ayda-13-milyonluk-resmi-ilan-alan-gazeteler-1196262/>

Annual Report of *Hürriyet*, 2008. Kamuyu Aydınlatma Platformu (Public Disclosure Platform)

Annual Report of *Hürriyet*, 2013 and 2014. Public Disclosure Platform.

Annual Report of *Hürriyet*, 2012.

<http://www.hurriyetkurumsal.com/Default.aspx?pageid=ByZfiPso10c=&kutuid=+iTX10ihtM8=>

Hürriyet Faaliyet Raporu (Annual Report), 2014,
http://imagehk.hurriyet.com.tr/UserFiles/file/Kurumsal_faaliyet/Hurriyet31122014FR.pdf

Mustafa Akyol, "What you should know about Turkey's AKP-Gulen conflict," *Al Monitor*,
<http://www.al-monitor.com/pulse/originals/2014/01/akp-gulen-conflict-guide.html#>

"Growing Corruption Inquiry Hits Close to Turkish Leader," *New York Times*, 19 December 2013, http://www.nytimes.com/2013/12/20/world/europe/growing-corruption-inquiry-hits-close-to-turkish-leader.html?_r=0

"Turkish Leader, Using Conflicts, Cements Power," *New York Times*, 31 October 2014.

"Turkey's Corruption Probe Turns Into Plot and Power for Erdogan," Bloomberg, <http://www.bloomberg.com/news/articles/2015-01-08/turkey-s-corruption-probe-turns-into-plot-and-power-for-erdogan>

"Erdogan and the Traitors: Scandal and Protests Threaten Turkey's AKP," *Spiegel*, <http://www.spiegel.de/international/europe/turkish-prime-minister-erdogan-facing-corruption-scandal-protests-a-959453.html>

"Turkey's massive corruption case dropped by prosecutor," 17 October 2014, *Hürriyet Daily News*. <http://www.hurriyetdailynews.com/turkeys-massive-corruption-case-dropped-by-prosecutor.aspx?PageID=238&NID=73149&NewsCatID=338>

"U.S. arrests Turkish businessman accused of evading Iran sanctions," Reuters, 21 March 2016, <http://www.reuters.com/article/us-usa-iran-zarrab-idUSKCN0WN295>

Adam Withnall, "Video shows police and trustees taking over newsroom of Bugun paper," *Independent*, 29 October 2015; <http://www.independent.co.uk/news/world/europe/turkey-media-crackdown-video-shows-police-and-trustees-taking-over-newsroom-of-bugun-paper-a6713706.html>

"OSCE Representative condemns police raid against media outlets in Turkey, calls on authorities to restore and ensure media pluralism," 28 October 2015. <http://www.osce.org/fom/195016>

"4 ayda 13 milyon TL resmi ilan". <http://bianet.org/bianet/medya/156292-12-gazeteye-4-ayda-13-milyon-288-bin-tl-resmi-ilan>

"Korkusuzun Hakkını Vermekten Korktu" <http://www.sozcu.com.tr/2015/gundem/basin-ilan-korkusuzun-hakini-vermekten-korktu-967149/>

"Turkey Seizes Newspaper, Zaman, as Press Crackdown Continues," *New York Times*, 4 March 2016. http://www.nytimes.com/2016/03/05/world/middleeast/recep-tayyip-erdogan-government-seizes-zaman-newspaper.html?_r=0

Ayhan, Veysel. "Yeni Hayat ve Tanıtım," *Yeni Hayat*, 31 May 2016.

"Sözcü'nün ecele faydası yok, düzen değişecek," *Star*, 24 November 2013. <http://haber.star.com.tr/medya/sozcunun-ecele-faydasi-yok-duzen-degisecek/haber-809316>

"TV watchdog launches new rating inspections," *Hürriyet Daily News*, 28 April 2012;

Ocakoglu, Günseli, "Let us question everything; future is bright by," *Today's Zaman*, 26 December 2011

"Arkasındaki güç kim?: Okunmayan Star Gazetesi'ne ilanla para aktarıyorlar," *Sözcü*, 23 November 2013. <http://www.sozcu.com.tr/2013/gundem/arkasindaki-guc-kim-411855/>

"Turkcell appoints board chairman," *Hürriyet Daily News*, 20 August 2013.

"Cukurova takes new blow amid battle to control Turkcell," Reuters, 21 May 2013.

"Turkcell appoints board chairman," *Hürriyet Daily News*, 20 August 2013.

"Turkey's most visited websites," <http://www.alexa.com/topsites/countries/TR>

"PM Erdoğan's economic advisor Yiğit Bulut appointed to Türk Telekom board," *Hürriyet Daily News*, 6 May 2014.

"Partisan figures appointed to boards of prominent institutions", *Today's Zaman*, 29 January 2015.

Reklamcılar Derneği, <http://rd.org.tr/doc/RD-MEDYA-YATIRIMLARI-2014-NISAN-2015.pdf>
[http://rd.org.tr/doc/RD TABLO 2016 MART.pdf](http://rd.org.tr/doc/RD_TABLO_2016_MART.pdf)

"Seized newspaper becomes mouthpiece of the Turkish government," *Euractiv*, 7 March 2016. <https://www.euractiv.com/section/enlargement/news/seized-newspaper-becomes-mouthpiece-of-the-turkish-government/>

<https://freedomhouse.org/report/democracy-crisis-corruption-media-and-power-turkey/introduction>

"Hazine Yardımı Partilerin Kasasını Dolduracak", <http://www.ntv.com.tr/turkiye/hazine-yardimi-partilerin-kasasini-dolduracak,upzvZ4IdPEWt5MkOIUVJNg>

"Siyasi Partilerin Hazineden Alacakları Yardım 3 Kat Arttı," <http://www.fortuneturkey.com/siyasi-partilerin-hazineden-alacaklari-yardim-3-kat-artti-7996>

APPENDIX I

Revenues of Media Channels from Advertising and Their Share

Share (%)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TV			48,5	52,5	52,3	50,7	52,3	53,2	52,1	52,1	55,9	56,7	56	57,3	51,4	50,5
Newspaper			25,1	32	33,6	35,8	33,2	29,9	29,4	27	23,7	22,1	21,8	20,4	17,1	15,4
Magazine			3,2	3,79	3,67	3,78	3,85	3,72	3,51	2,6	2,39	2,19	2,18	2,01	1,73	1,5
Radio			5,03	4,55	4,08	3,56	3,66	3,36	3,44	3,18	2,87	2,8	2,79	2,61	2,3	2,1
Internet								1,6	2,93	6,58	6,97	7,97	9,05	9,74	19,9	22,9
Cinema												1,23	1,16	1,13	1	1,1
Outdoor			7,68	5,76	5,17	4,89	5,81	7,1	7,48	7,16	6,98	7,09	7,05	6,85	6,5	6,4
TOTAL ₺ (Million)	892	932	1441	1759	1831	2248	2756	3308	3241	2767	3613	4320	4653	5081	5938	6474
Exc Rate \$	0,62	1,23	1,506	1,49	1,42	1,34	1,43	1,3	1,29	1,55	1,5	1,67	1,79	1,9	2,19	2,72
TOTAL \$ (Million)	1429	760	957	1178	1288	1676	1926	2541	2507	1789	2409	2857	2595	2673	2714	2380
Newspaper ₺ (Million)			362	563	615	805	914	990	952	746	856	953	1012	1037	1016	1000
Newspaper \$ (Million)			240	377	432	600	639	760	736	482	571	571	564	546	464	367
Economic Growth (%)	6,8	-5,7	6,2	5,3	9,4	8,4	6,9	4,7	0,7	-4,8	9,2	8,8	2,1	4,2	2,9	4,0

(Source: Association of Advertisers-ReklamcılarDerneği)

APPENDIX II

The Official Ads and Announcements distributed by the Press Bulletin Authority (BİK)

İ	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aksam	2.250.930	1.896.448	2.021.979	2.949.568	4.073.921	4.173.613	4.051.749	4.812.170	5.591.127	5.423.169	8.007.815
Anadoluda	1.287.510	1.007.521	1.729.803	2.447.137	1.718.381	2.374.346			0		
Aydınlık								2.411.242	2.626.478	3.024.302	4.025.437
Birgun	311.597	208.311	630.392	891.089	919.027	1.014.603	1.094.848	1.069.155	1.391.861	1.821.263	1.146.287
Bugun	1.394.529	1.208.646	2.001.482	1.879.047	2.168.298	4.091.538	3.179.740	3.635.089	5.520.454	3.730.033	4.350.360
Cumhuriye	1.283.196	1.086.713	1.694.285	2.614.705	1.950.973	3.092.487	3.009.129	3.725.172	4.505.485	4.744.767	5.941.336
Gunes	1.033.664	1.044.096	1.035.342	1.167.322	2.936.038	2.851.604	2.454.146	2.586.482	3.016.732	3.383.766	5.189.832
Haberturk					1.324.403	5.037.987	4.629.562	5.797.415	7.192.000	5.967.164	8.506.682
Hurriyet	7.032.659	6.468.752	7.567.814	8.199.272	7.545.362	9.318.549	8.465.598	12.506.379	14.560.379	11.473.737	15.674.942
Milat								1.906.614	2.902.549	3.080.845	4.124.832
Milli Gaze	1.003.263	893.270	1.589.286	2.091.590	1.482.582	2.478.442	2.155.759	1.624.370	2.656.252	2.675.513	2.006.050
Milliyet	3749220	2.605.909	2.936.445	3.496.857	4.427.832	6.226.463	6.008.172	7.298.477	8.752.238	7.678.595	9.757.724
Ortadogu	420.553	700.021	778.572	849.888	891.297	1.000.425	1.048.448	934.746	1.032.232	1.282.337	1.532.818
Posta	1.669.632	2.243.702	2.205.962	2.658.241	4.147.132	5.104.722	4.738.556	7.148.239	7.887.780	7.047.191	8.275.730
Radikal	1.239.840	1.196.655	1.479.720	1.580.085	1.627.654	2.088.609	2.498.258	1.657.513	2.124.741	663.175	0
Sabah	4.637.227	4.466.460	5.340.618	6.406.292	6.013.729	9.892.393	6.854.599	9.986.397	12.094.573	10.011.442	14.147.376
Sozcu				1.013.606	2.737.117	3.087.824	3.125.059	4.190.079	4.611.517	5.326.994	7.819.745
Star	2.093.219	1.694.973	2.326.932	3.131.225	4.504.320	5.041.058	4.521.166	7.419.791	6.829.307	6.134.104	8.210.570
Takvim	979.924	1.122.607	1.298.320	1.445.568	2.596.941	2.667.423	3.012.662	3.205.279	3.520.379	3.906.768	5.269.112
Taraf					1.917.759	2.579.797	2.292.729	2.506.628	3.412.749	2.816.838	3.951.186
Türkiye	2.714.396	1.920.241	1.898.256	2.203.658	3.227.621	3.718.613	3.550.057	4.059.812	5.362.171	4.882.720	6.108.275
Vatan	3.267.308	1.777.044	2.149.484	2.488.986	3.730.173	4.383.716	3.718.744	4.070.354	4.607.374	4.296.252	5.756.673
Yeni Akit						921.153	3.143.408	2.784.248	4.295.058	4.559.371	5.812.725
Yeni Asya	484.815	689.958	762.767	769.918	788.435	1.315.880	1.780.832	2.261.289	2.916.296	3.109.226	3.910.500
Yeni Cag	1.007.387	845.419	1.431.486	1.955.527	1.310.484	2.222.354	2.009.469	2.173.377	2.375.963	2.733.848	3.640.287
Yeni Mesa	296.462	396.644	482.368	540.272	513.016	589.611	677.365	743.979	2.352.550	2.136.652	2.718.419
Yeni Safak	2.091.807	2.183.505	2.414.706	3.177.837	4.090.767	5.293.231	4.107.902	5.348.061	7.031.701	6.048.671	8.826.699
Zaman	2.980.654	2.940.895	3.308.894	4.783.539	5.318.610	6.352.206	6.072.400	9.244.957	13.492.255	5.863.185	5.002.909

(Source: The Press Bulletin Authority-BİK)

APPENDIX III

Circulation of Newspapers

Circulation	2011 (27 June-3 July)	2012 (18-24 June)	2013 (24-30 June)	2014 (23-29 June)	2015 (2-9 August)	2016 (22-28 February)
Aksam	135991	103137	100061	103550	102887	104757
Aydınlık	40198	55039	65870	53077	49888	51076
Birgun	6185	6912	10491	26356	24594	21966
Bugun	72971	93193	99747	150421	108936	
Cumhuriyet	51339	51263	57679	52382	51960	54873
Gunes	102873	92754	104227	102134	102017	104862
Haberturk	232036	234033	189839	174135	185019	120123
Hurriyet	443349	414734	399666	386683	365727	354958
Korkusuz					51490	47044
Meydan					84244	85415
Milat			30016	29966	20255	30171
Milli Gazete	53497	31230	25304	20898	30249	31527
Milliyet	154433	147888	164624	162693	148069	144898
Posta	471891	456634	422060	398496	337526	325538
Sabah	336906	332115	314937	317122	310184	321283
Sozcu	239880	255909	363057	347106	331506	280898
Star	132932	136063	126930	113672	103204	104882
Takvim	111742	113272	111249	106679	116206	109455
Taraf	55488	54019	72393	62231	51812	
Turkiye	147451	126954	181801	164808	150112	149569
Vatan	112024	109025	123383	102085	103376	103605
Yeni Akit	44632	36155	60270	35992	55805	
Yeni Asya	51140	52253	50834	52458	51047	53807
Yeni Cag	51876	51538	51781	52371	51420	51170
Yeni Mesaj	5281	15653	71145	49697	50330	51728
Yeni Safak	103903	103213	114900	109996	108635	108866
Zaman	889897	980619	1038439	1051156	681027	648233

(Source: Yaysat and Turkuvaz Dağıtım)

APPENDIX IV

Distribution of Ziraat Bankasi (2015)

(Space: Square Centimetres)

Newspaper	Space
Aksam	8,910
Gunes	8,239
Sabah	7,807
Yeni Safak	4,548
Takvim	3,935
Star	3,751
Türkiye	3,502
Milliyet	3,268
Vatan	3,143
Yeni Asir	3,136
Dunya	3,067
Yeni Akit	1,772
Fotomac	954
Vahdet	840
Posta	793
Hurriyet	685
Aydinlik	49
Zaman	0
Cumhuriyet	0
Sözcü	0
Meydan	0

(The Nielsen Company)

Distribution of Turkcell (2015)

(Space: Square Centimetres)

Newspaper	Space
Güneş	42,627
Star	38,850
Akşam	38,063
Yeni Safak	35,555
Yeni Akit	30,444
Takvim	22,258
Türkiye	20,890
Yeni Asir	19,910
Sabah	17,908
Vahdet	13,628
Milliyet	9,712
Vatan	9,471
Hürriyet	9,431
Posta	8,618
Dunya	5,730
Cumhuriyet	3,548
Gözlem	1,698
Milli Gazete	1,628
Yeni Mesaj	1,625
Aydınlık	954
Birgün	945
Yenicag	945
Olay	744
Yurt	473
Yeni Asya	473
Zaman	0
Sözcü	0
Meydan	0
Bugün	0

(The Nielsen Company)

APPENDIX V

Distribution of Vakıfbank (2003-2015)

(Space: Square Centimetres)

Newspaper	Space
Sabah	94,257
Star	63,754
Hürriyet	63,658
Milliyet	58,868
Aksam	50,983
Yeni Safak	39,631
Takvim	37,870
Vatan	36,665
Posta	36,194
Türkiye	32,324
Zaman	25,851
Radikal	22,037
Güneş	19,290
Cumhuriyet	19,025
Dünya	16,858
Bugün	15,314
Yeni Asir	12,167
Referans	11,143
Pas Fotomac	8,397
Fotomac	8,154
Sozcu	7,875
Hürses	6,697
Fanatik	6,396
Gözlem	4,314
DBTercuman	1,951
Tercuman	1,662
F. Forum	968
Taraf	720
Olay	604
Amk	360
Fotospor	300
Milli Gazete	140
Vakit	55
Gözcü	42

(The Nielsen Company)

Distribution Halkbank (2003-2015)

(Space: Square Centimetres)

Newspaper	Space
Star	72,987
Yeni Safak	60,017
Sabah	54,530
Milliyet	40,600
Aksam	40,540
Güneş	35,501
Hürriyet	32,655
Takvim	31,452
Türkiye	30,842
Zaman	28,261
Vatan	26,263
Posta	26,205
Dünya	19,815
Yeni Asir	14,836
Cumhuriyet	14,235
Radikal	11,569
Fanatik	10,337
Bugün	7,930
Olay	6,787
Fotomac	6,385
Pas Fotomac	5,645
Referans	5,027
Sozcu	4,256
Taraf	4,245
Gözlem	1,864
Fotospor	1,548
Today's Zaman	1,306
Tercuman	665
Hürses	544
Gaste	462
Vakit	234
F. Forum	54

(The Nielsen Company)