

Concentration and self-censorship in commercial media
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October 2010

ABSTRACT

Within a model of Hotelling-type product differentiation that allows for non-localized competition among arbitrary numbers of media outlets, we characterize quality and content of profit-maximizing media under different ownership structures. Concentrated media markets in equilibrium can exhibit self-censorship by all outlets present in the market. The number of owners rather than the number of overall outlets emerges as the relevant variable determining the degree of self-censorship. Affected is content that has the potential to reduce future revenues from advertising or other forms of sponsorship.

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